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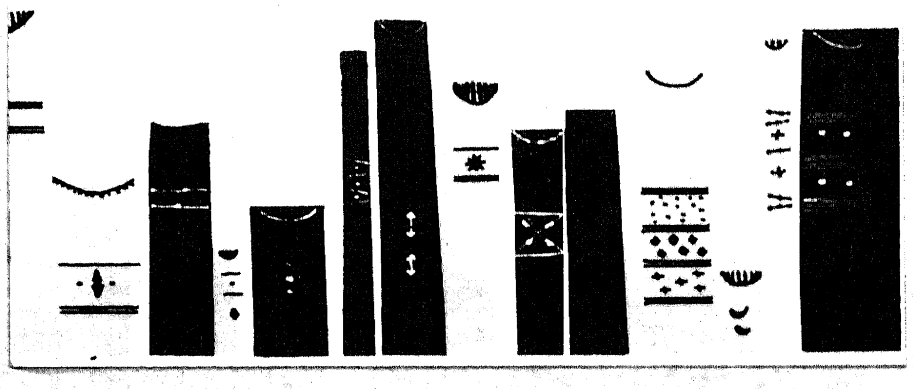

KEESING'S CONTEMPORARY ARCHIVES

WEEKLY DIARY OF WORLD EVENTS WITH INDEX CONTINUALLY KEPT UP-TO-DATE

ELEVENTH VOLUME

(FOR PREVIOUS REPORTS PLEASE CONSULT VOLUMES I - X, JULY 1, 1931 - DECEMBER 31, 1956)

A. NORTH ATLANTIC TREATY ORGANIZATION. — Meeting of North Atlantic Council. - Reaffirmation of Atlantic Alliance. - Adoption of Committee of Three's Report on Political Consultation and Settlement of Inter-NATO Disputes. - American Reservations. - British Representations on Support Costs in Germany. - Mr. Dulles on Principles of U.S. Foreign Policy. - U.S. Atomic Weapons for European NATO Countries. - M. Spaak appointed Secretary-General of NATO. - Forthcoming Resignation of Lord Ismay.

A meeting of the North Atlantic Council, attended by the Foreign, Defence, and Finance Ministers of the 15 member-countries of NATO, was held in Paris from Dec. 11-14 under the chairmanship of Professor Martino, the Italian Foreign Minister. The Council's principal decisions were: (1) the adoption of the recommendations of the "three wise men" on closer co-operation of member-countries in non-political matters, including advance consultation on policies or major pronouncements "significantly affecting the alliance or any of its members."; (2) the adoption of a prodecure for the internal settlement of disputes and differences between member-countries within the NATO; (3) the reaffirmation of the Atlantic alliance, in spite of recent disagreements between members in connexion with the Anglo-French intervention in Egypt; (4) the appointment of M. Spaak, the Belgian Foreign Minister, as Secretary-General of NATO in succession to Lord Ismay. The following communiqué was issued at the end of the meeting:

"(1) The North Atlantic Council . . . took decisions that will strengthen the military and non-military co-operation of the alliance.

"(2) The Ministers drew from the experience of past divergencies in the policies of NATO members . . . the necessity for all members to develop effective political consultation and co-operation. They reaffirmed their determination to work together in unity and friendship to achieve the aims of the alliance, and to strengthen the alliance in all its aspects as an indispensable agency for security and peace.

"(3) As a major forward step in the development of NATO in the non-military field, the Council approved the recommendations of the Committee of Three in their report to the Council. In doing so, the Council approved wider and more intimate consultation among the member-States on political matters.

"The Council also approved arrangements to aid in the settlement of disputes among members, and adopted measures for strengthening the organization of NATO internally and for further co-operation between members in certain economic and cultural fields. The report has been released by the Committee of Three.

"(4) The Council reviewed the international situation, discussing frankly the problems which confront the Atlantic Alliance. In the course of this discussion, Ministers, realizing that their ideas were in general agreement, decided that they should be worked out in fuller detail by continuous consultation in the months ahead.

"(5) The Atlantic Alliance is primarily concerned with the threat to the security of the NATO area. The Council discussed the threat which Soviet penetration into the Middle East would present for NATO. In view of the fact that the security, stability, and well-being of this area are essential to world peace, the Council agreed to keep developments in this area under close and continuing observation.

"(6) Council members emphasized in particular the need for rapid progress in clearing the Suez Canal, in conformity with the resolution of the U.N. General Assembly of Nov. 2 last [see page 15186]. The Ministers further stressed the urgent need for initiating and pressing to a conclusion negotiations through the good offices of the United Nations with a view to restoring the Canal to full and free operation. They endorsed, as the basis on which a lasting settlement should be worked out, the six principles agreed on by the U.N. Security Council on Oct. 13 [see page 15254].

"They also agreed on the urgent need to bring about, through the U.N., a permanent political settlement between Israel and the Arab States, including an equitable solution of the Arab refugee problem. The need for adequate support for economic development of the area was recognized.

"(7) The Council have followed the course of events in Hungary with shock and revulsion. The brutal suppression of the heroic Hungarian people stands in stark contrast with Soviet public professions. The Council reaffirmed the conviction of its member-Governments that the U.N. should continue its efforts, through the pressure of world opinion, to induce the Soviets to withdraw their forces from Hungary and to right the wrongs done to the Hungarian people.

"The peoples of Eastern Europe should have the right to choose their own Governments freely, unaffected by external pressure and the use or threat of force, and to decide for themselves the political and social order they prefer.

"(8) The Ministers examined the implications for NATO of Soviet policy and actions in Europe and elsewhere. In the light of their assessment of Soviet policy they were in full agreement on the need to face up to any threat which would endanger the security and freedom of the Atlantic community.

"In this connexion the Council approved a directive for future military plans, taking into account the continued rise in Soviet capabilities and the various types of new weapons available for NATO defence. The concept of 'forward defence' in NATO strategy will remain. The Council considered the report on the 1956 annual review and approved the goals for 1957, 1958, and 1959.

"(9) The Council expressed their deep regret at the decision of Lord Ismay to retire this spring as Secretary-General of the Organization, and paid tribute to his distinguished services to the alliance. M. Spaak, Foreign Minister of Belgium, was appointed as Lord Ismay's successor."

The Cyprus situation, though not specifically mentioned in the communiqué, was also discussed.

Agreement on Continuous Political Consultation and Procedure for Settlement of Members' Disputes.

The report of the Committee of Three (Professor Martino, Dr. Lange, and Mr. Lester Pearson, the Italian, Norwegian, and Canadian Foreign Ministers respectively) on ways of improving and extending NATO co-operation in non-military fields was submitted to the Council on Dec. 12, and adopted on Dec. 13 after discussion during which all members expressed their general approval. The Council also adopted a special resolution embodying the procedure for the exercise of NATO good offices in the event of disputes between member-countries, as recommended by the Committee of Three (see below).

The report of the Committee of Three was published on Dec. 14 and is summarized below under cross-headings:

Introduction. The deterrent role of NATO could be effective only if the political and economic relations between its members were co-operative and close. The crisis in the Atlantic alliance caused by the Anglo-French intervention in Egypt emphasized the fact that the Atlantic community could develop greater unity only by working constantly to achieve common policies, by full and timely consultation on issues of common concern. Any changes in national strategy or policy which would affect the coalition should be made only after collective consideration. "An alliance in which the members ignore each other's interests, or engage in political or economic conflict, or harbour suspicions of each other, cannot be effective either for deterrence or defence. Recent experience makes this clearer than ever before."

Referring to certain changes in Soviet tactics, and to the present troubles in Eastern Europe, the report said that NATO was now faced with an additional challenge in which the emphasis was largely non-military in character. The Soviet Union was adopting policies apparently designed to ensnare under-developed countries by economic means and by political subversion. NATO members should maintain their vigilance in dealing with this form of penetration, and a review was needed of NATO's ability to meet the new challenge. NATO's military strength should not be reduced, but the strengthening of the political and economic side was an essential complement to continuous co-operation in defence. NATO should be used by its members, far more than it had been used in the past, for sincere and genuine consultation and co-operation on questions of common concern.

Falsehoods about NATO were accepted at their face value, even in the non-Communist world, where it was said that NATO was tending to become an agency for the pooling of the strength and resources of the "colonial" Powers. NATO and the Governments of its member-countries ought to correct and counteract these views, and it was important for NATO members to harmonize their policies in relation to other areas, taking into account the broader interests of the whole international community. Nations were becoming increas[illegible] Inter-dependent, and no State, however powerful, could gu[illegible]ntee its security and welfare by national action alone.

"It has not been difficult to make these recommendations," the report went on. "It will be far more difficult for the member-Governments to carry them into effect. This will require on their part the firm conviction that the transformation of the political Community into a vital and vigorous political reality is as important as any purely national purpose. It will require, above all, the will to carry this conviction into the realm of practical governmental policy."

Political Consultation. The report recommended the following principles and practices in the field of political consultation :

(1) Members should inform the Council of any development which significantly affected the alliance. They should do this not merely as a formality but as a preliminary to effective political consultation.

(2) Both individual member-Governments and the Secretary-General should have the right to raise for discussion in the Council any subject which was of common NATO interest, and not of a purely domestic character.

(3) A member-Government should not, without adequate advance consultation, adopt firm policies or make major political announcements on matters which significantly affected the alliance or any of its members, unless circumstances made such prior consultation obviously and demonstrably impossible.

(4) In developing their national policies, members should take into consideration the interests and views of other Governments—particularly those most directly concerned—as expressed in NATO consultation, even where no community of view or consensus of opinion had been reached in the Council.

(5) Where consensus had been reached, it should be reflected in the formation of national policies When for national reasons the consensus was not followed, the Government concerned should offer an explanation to the Council. It was even more important that, where an agreed and formal recommendation had emerged from the Council's discussions, Governments should give it full weight in any national actions or policies related to the subject of that recommendation.

(6) To strengthen the process of consultation it was recommended that at each spring meeting the Foreign Ministers should make an appraisal of the political progress of the alliance and consider the lines along which it should advance.

(7) To prepare for this discussion, the Secretary-General should submit an annual report analyzing the major political problems of the alliance ; reviewing the extent to which member-Governments had consulted and co-operated in such problems, and indicating the problems and the possible developments which might require consultation, so that difficulties might be resolved and positive and constructive initiative taken.

(8) To assist the permanent representatives [of member-countries] and the Secretary-General in discharging their responsibilities for political consultation, a committee of political advisers from each delegation should be constituted under the Council, aided when necessary by specialists.

Settlement of Members' Disputes. It was further recommended that NATO members should submit any dispute between them which had not proved capable of direct settlement to "good offices" procedures under NATO before resorting to any other international agency. Exceptions to this procedure would be legal questions which could be dealt with more appropriately by a judicial tribunal, or economic questions which could more appropriately be dealt with in the specialized economic organizations.

All member-countries, as well as the Secretary-General, had the right and the duty to bring to the Council's attention matters which in their opinion might threaten the solidarity or effectiveness of the Alliance. The Secretary-General should be empowered to offer his good offices informally to the parties to a dispute and, with their consent, "to initiate or facilitate procedures of inquiry, mediation, conciliation, or arbitration." For this purpose, he should be able to use the assistance of not more than three permanent representatives chosen by him in each instance.

Economic Co-operation. The report recognized that it would serve no useful purpose for NATO to duplicate the functions of other international organizations concerned with various forms of economic co-operation. There seemed to be no significant new areas for collective economic action by NATO, but there could be a substantial expansion of exchanges of information and views in NATO, in the economic as well as the political field. Members, and the Secretary-General, should be able to raise any NATO economic issues which they felt were not making adequate progress in other and more technically qualified organizations. The report did not consider NATO to be an appropriate agency for administering programmes of assistance for economic development in the under-developed areas. It recommended, however, that a committee of economic advisers should be established under the Council.

Scientific and Technical Co-operation. The report suggested that a conference might be convened, with one or two outstanding authorities from each country, to discuss the recruitment, training, and utilization of scientists, engineers, and technicians.

NATO Organization. The report considered that no changes were needed in the structure of NATO to facilitate closer co-operation in non-military fields. The machine, it said, was basically satisfactory, and it was for Governments to make use of it.

It was, however, recommended that more time should be allowed for Ministerial meetings ; that meetings of Foreign Ministers should be held whenever required, and occasionally at places other than NATO headquarters ; and that Ministers might participate more frequently in regular Council meetings. In order that the permanent Council representatives should be able to speak more authoritatively on behalf of their Governments, the report suggested that the Secretary-General should preside over Ministerial meetings, that he should be encouraged to propose items for NATO consultation in the fields covered by the report, and that he should be responsible for promoting and directing the process of consultation.

During the discussion on the report certain reservations were expressed by Mr. Dulles and M. Pineau.

Mr. Dulles informed the North Atlantic Council that the United States could not subject its policies or actions throughout the world to prior consultations within NATO. He favoured such consultation on foreign policies in times of relative tranquillity, but rejected the implication that the U.S.A. could take no action in any part of the world without first securing the North Atlantic Council's approval for its plans.

Constitutional processes, he pointed out, would not permit the U.S.A. to give literal application to the recommendations of the "three wise men" for consultation in advance of new policies. In this connexion he recalled that the U.S. National Security Council took decisions ; that the President consulted Congress, which controlled the finances affecting foreign policy ; and that sometimes what seemed to be new foreign policies, or reiterations of policies, were announced at press conferences. The U.S.A. also had world-wide responsibilities by virtue of collective agreements with other countries, e.g., of the 44 countries to which she was linked by such agreements, only 14 were members of NATO.

Therefore, it would in practice be impossible for the United States to have consultations within NATO before making any decision whatever, and the U.S. Government must reserve the right to take political or military initiatives to defend its interests and those of its numerous allies. As an example, Mr. Dulles quoted Formosa. If Communist China attacked Formosa, the U.S.A. would not be able to consult NATO before going to the aid of Nationalist China.

Subject to such exceptions, however, the U.S. Government was ready to discuss within the NATO framework any situation which could be foreseen. It welcomed that part of the report which urged the creation of a "watch-dog" committee of three, to be named by the Secretary-General, to try to settle disputes among members of the alliance. In conclusion he expressed the hope that the adoption of the report would not create an obstacle to political, economic, and military co-ordination between the European members of NATO.

In reply to various criticisms of his statement, Mr. Dulles later explained that, while the U.S.A. was always in favour of consultation among NATO members and felt that such consultations ought to take place before a crisis occurred, there could be cases where sheer urgency might compel her to undertake immediate action. **Mr. Lange** (one of the "three wise men") and **Mr. Selwyn Lloyd** expressed agreement with Mr. Dulles's attitude.

M. Pineau considered that the report should be amended in three respects : (1) he did not believe that the Foreign Ministers themselves need take part in frequent NATO meetings, as the report proposed, but thought each country should have its own Minister for NATO Affairs ; (2) NATO should be developed in such a way as to compete with other existing organizations ; and (3) there would have to be clarification of the character of consultations within the Organization about events outside the NATO area.

Mr. Selwyn Lloyd outlined the future development of an Atlantic community within which there would function a strong European community. This should be based on three foundations : (1) the high political and military direction given by NATO, with W.E.U. functioning within its framework ; (2) economic co-operation under and in association with the O.E.E.C. and such groups as the E.P.U., the European Coal and Steel Community, and the Common Market and free trade area ; and (3) a North Atlantic Assembly on parliamentary lines, with powers and functions to be assigned to it.

Discussions on Military Position of NATO Alliance. - Mr. Macmillan on Need for Continued German Payment of Support Costs.

On Dec. 13 the North Atlantic Council examined the military position of the alliance in Europe, and discussed the ultimate objective of a complete reappraisal of NATO forces, arms, and methods. The main points which emerged from the discussions were (1) an estimated increase in Russian military strength ; (2) the use of tactical atomic weapons by NATO defence forces to compensate their deficiencies in manpower, and (3) a more equitable sharing of defence burdens, particularly with regard to Britain's foreign exchange costs in Germany.

The discussion was opened with an intelligence briefing from **General Johnson,** chairman of the Military Standing Group, who indicated that there was no evidence to confirm or deny the reality of Soviet arms reductions. Soviet capabilities had "significantly" increased in recent months with the arrival in Eastern Germany of "thousands" of newer and more powerful tanks, while the much publicized reduction of Soviet forces in that country had meant a reduction of under ten per cent in manpower. Apart from Eastern Germany, Russian military power had "significantly" increased in all fields, and "in particular in nuclear capabilities."

Mr. Macmillan informed the Council that there would be "severe consequences for Britain and NATO" unless some new arrangement was made about the financing of British troops in Europe. Speaking of the bilateral talks on this subject which had been going on with the German delegation (see below), Mr. Macmillan expressed the hope that a short-term solution would soon be reached. He said that Britain was prepared to pay the budgetary (i.e. home) cost of maintaining her troops on the Continent, but could not accept responsibility for payment across the exchanges. He suggested that there might be an equalization fund or some other multilateral arrangement.

Local British costs in Germany were at present between £60,000,000 and £70,000,000 annually. Britain's military budget was between £1,500,000,000 and £1,600,000,000 a year, or nine per cent of her gross national product—the highest European contribution to NATO, both absolutely and proportionately to income. In addition, two-thirds of Britain's research and 15 per cent of her metal-goods production were devoted to defence. Contributions by way of aid and investment toward the development of the under-developed areas were over £140,000,000, and these were a powerful influence in containing Communist advances on the flank.

This "considerable defence effort" had had a "profound effect" on Britain's ability to invest at home and on her power to export. Britain had the lowest rate of internal investment of the NATO countries, and therefore welcomed the directive to the NATO military leaders [see below] which said that a revision of defence planning was required in order to determine how, with the resources likely to be available, each individual member could achieve the most effective pattern of its forces. The size and form of Britain's defence effort had led to almost perpetual balance-of-payments difficulties, which was neither in the interest of Britain nor of the Atlantic Pact and "cannot be allowed to continue." Gross inequalities in defence contributions were liable to damage the prospects of increased economic co-operation in Europe, with which the British Government had said it would be increasingly associated.

Mr. Macmillan referred to the financial and exchange problems inherent in the concept of a long-term alliance under which troops were stationed outside their own country. While Britain had troops in Germany, involving high local costs, Western Germany, the host country, "had for one reason and another a low defence effort."

In conclusion, Mr. Macmillan nevertheless emphasized that Britain intended to continue her large defence programme, although its composition would be affected by the introduction of new weapons, and that she would continue to make her "fair contribution" to NATO, provided that equitable exchange arrangements could be made.

Mr. Head (U.K. Defence Minister) stressed the high cost of new weapons, and suggested that there should be an adjustment towards fewer men equipped with the latest tactical atomic weapons. No country could afford to maintain their present numbers and arm them on the new scales, and within these limitations Britain would continue to provide a powerful contingent for NATO defence.

Dr. von Brentano said that Anglo-German negotiations would start immediately on the financing of British forces stationed in Germany, and expressed the hope that the problems would be resolved in a "friendly and helpful way."

Mr. Dulles shared Mr. Macmillan's view that a review of NATO defence planning was necessary. Retaliatory power was a major deterrent, and the greatest source of that power was in the United States a heavy burden for her, involving the maintainance of bases in foreign countries. The U.S.A. intended to keep its troops in Europe and to respect the spirit of the assurances under which they were there in particular, those made by President Eisenhower in March 1955 [see 14114 A]. Outlining the American defence effort, Mr. Dulles recalled that one-third of the ground forces in Central Europe were American; as regards the future, the U.S.A. was already streamlining its divisions, and there would be further manpower reductions. In this connexion he expressed the hope that the task of providing conventional military manpower would be progressively taken over by the European members of the alliance, and that German rearmament would be an important step in this direction.

The Council also examined a draft political directive which assumed the existence of a fully effective nuclear retaliatory force, and which stressed the need for a review of NATO defence planning to determine how the defence effort of the alliance and of each of its members could achieve the most effective pattern of forces with the resources available. As regards the allocation of total resources, the Governments were asked to take account of the rising cost of new weapons and the need to meet the Soviet threat in all its aspects, without endangering the economic stability of member-countries. The draft directive ended with a warning that the continuing need for money, men, and material for NATO defence remained a real one.

Mr. Dulles on Principles of U.S. Foreign Policy.

At the North Atlantic Council's opening session on Dec. 11, Mr. Dulles criticized the Anglo-French intervention in Egypt and outlined the U.S. policy of supporting the United Nations and opposing the use of force as an instrument of national policy.

Mr. Dulles said that the Western world had to-day its greatest opportunity since the war of seizing the moral leadership of the world and of helping in the liberation of Eastern Europe. Russia's present difficulties in Eastern Europe presented a great opportunity and challenge to NATO to strengthen its unity and co-operation. The internal pressures in Eastern Europe might well bring about the end of Soviet Communism, and with it the end of the division of Europe. Every moral support should be given to the forces in Eastern Europe which were undermining the Soviet system. A further indication of the waning of Soviet influence was the disintegration of the Communist parties of the free world.

This situation, however, had potential dangers, as the Russian leaders might take risks and thus create greater chances of war. In the face of this danger the free nations should maintain their moral pressure, and thus help to undermine the Soviet and Chinese Communist systems.

Mr. Dulles then enunciated seven basic principles underlying U.S foreign policy, as follows:

(1) At the present juncture it was more important than ever before to conform to the ideals of the United Nations and of the NATO treaty, and to ensure that international disputes should be settled by peaceful means. There were admittedly grave injustices in many parts of the world, and in Europe, Asia, and the Middle East there were situations in which nations might be tempted to use force to redress injustice.

(2) The concept could not, however, be accepted that each nation subject to injustice should attempt to remedy that injustice by force. This would unleash forces which might lead to a third World War, particularly by reason of the present predicament and power of the Soviet rulers. In the past the idea of "just" wars had been deeply rooted, even in religious belief, but now there was doubt whether war suppressed more injustice than it created.

(3) Morality and expediency rejected deliberate resort to war as an instrument of national policy. Restraint, exercised often under great provocation, was proof not of cowardice or irresolution but of moral strength, and created a moral climate which stimulated and encouraged the forces which were disrupting the Soviet system. The Anglo-French acceptance of the U.N. resolution calling upon them to withdraw from Suez had been an example of such restraint It was often hard for European and Asian peoples who were subject to serious injustice and danger to accept a "double standard"—to respect as free nations the opinion of mankind, while at the same time the Russians disregarded that opinion The U.S.A. was, however, convinced that this "double standard" would not exist forever.

(4) If the free nations continued to conform to the high standards of conduct prescribed by the U.N. Charter, the U.S.A. believed that the impact of such conduct would become steadily greater, and that the Soviet despotism would be unable to continue in a manner which honest people despised. If this course were pursued with resolution it could be expected to prevail, and the danger of divisions of the world would end. The United Nations had grown greatly in stature during recent weeks; nations had conformed to its recommendations, and the General Assembly had been able to organize an emergency military force at short notice. In the matter of Hungary the U.N. had been disregarded, but Hungary had "forced world attention on the dramatic strength of the captive peoples in the struggle to regain freedom."

(5) The destruction of the U.N. and of the basic principles of its Charter would be a disaster, as it would mean that each nation would follow its liberty to try to remedy injustices by force, rather than to correct them peacefully. This was all the more unacceptable because the peaceful correction of injustices in the free world was now a possibility. A change in the character of the Communist world was also within the realm of possibility.

(6) It was necessary to rely on moral pressures to disrupt the power of Soviet despotism, but at the same time it was most important that NATO strength should be maintained, since the events in Hungary had shattered the illusion that the builders of the Soviet military machine would never think of using it. The principal preventive available to the West against Soviet aggression was nuclear power. This, however, would not solve all military problems, and there must be diversity and flexibility.

(7) So far as the U.S.A. was concerned, the differences of the past needed to be examined only in so far as they would help to construct a wider and more solid policy for the future. That future was full of possibilities and of dangers, but the dangers could be surmounted. At previous NATO meetings nothing had been done to seek a common policy for certain problems, such as the Middle East.

M. Pineau pointed out that Suez was not part of the NATO area. He thought that consultations between members of NATO should be made obligatory and should apply to areas of the world which had yet to be defined but which extended beyond the present NATO responsibilities. In these areas the policy of members of the alliance should be co-ordinated. This did not mean that the Atlantic treaty should be rewritten, or that the NATO area should be extended, but simply that the range of political discussions between members should be enlarged.

Mr. Luns (Netherlands Foreign Minister) strongly criticized the U.S. concept that the United Nations, as at present constituted, was an organization in which much confidence could be placed, while **Mr. Selwyn Lloyd** [details of whose statement were not published] was said to have defended the Anglo-French action in Egypt on the grounds previously stated in the House of Commons.

U.S. Atomic Weapons for European NATO Countries.

Mr. Wilson, the U.S. Secretary of Defence, informed the North Atlantic Council on Dec. 14 that the U.S.A. was prepared to supply non-American NATO forces in Europe with tactical atomic weapons.

The U.S. atomic energy legislation, he explained, prohibited the transfer of nuclear elements, but not their shipment abroad under American control. In the event of a war involving NATO countries, the U.S.A. would immediately make nuclear warheads available for use in the dual-purpose weapons already provided. He stated also

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that the U.S.A. would assist all NATO countries which were themselves able and willing to develop their own modern weapons. The manner and extent to which modern weapons would be incorporated into the NATO forces would be determined in conjunction with the Organization's military authorities, and in the light of what the countries could themselves afford. The ability of the U.S.A. to assist in modernizing the European forces, however, was largely dependent on the willingness and increasing capability of the other NATO countries to provide most of the maintenance and support for their own forces.

Tactical atomic weapons would be supplied to the West German forces, and the German Federal Republic would also undertake the manufacture of such dual-purpose weapons. [Under the Paris Agreements, Western Germany was prohibited from manufacturing atomic weapons and would therefore be unable to make the atomic warheads for the new weapons].

Dr. von Brentano on Principles of NATO Policy towards East European Peoples.

Dr. von Brentano, the West German Foreign Minister, made a statement to the Council on Dec. 13 on the situation in Eastern Europe and its possible effects on Eastern Germany.

He said that the peoples of the countries in Eastern Europe which were under Soviet domination had a right to know the position taken by the free world in regard to their struggle for freedom. But the whole question of the satellite States should be treated with "great caution," and care should be taken in particular not to encourage "dramatic action" by the peoples of Eastern Europe which might have disastrous consequences for them.

Dr. von Brentano then presented a draft statement suggesting the following points as a basis for a NATO declaration:

(1) All peace-loving peoples should support the right of the nations of Eastern Europe to self-determination and self-government in full freedom.

(2) The political order in the countries of Eastern Europe should be based on national independence, sovereignty, and the banning of any imperialistic subjugation of small nations.

(3) All nations in Eastern Europe should have the right to decide for themselves, and in full freedom, on the social order in their territories.

(4) The internal development of the countries of Eastern Europe should not be influenced by military force or threats, or by economic and political pressure.

(5) The human rights of the populations of the countries of Eastern Europe should be inviolable.

The draft statement was referred to the committee which drew up the final statement issued at the conclusion of the North Atlantic Council's meeting.

Inter-Ministerial Discussions.

Mr. Dulles, the U.S. Secretary of State, had separate meetings on Dec. 10 with Mr. Selwyn Lloyd, the U.K. Foreign Secretary, and M. Pineau, the French Foreign Minister. It was reported in the Press that they had discussed the problems of reopening the Suez Canal and ensuring that it would remain open at all times to the shipping of all countries without discrimination, as well as the prospects for a meeting with the Egyptian Government to discuss this longer-term aspect. Contrary to the practice at previous Council sessions, however, no joint private discussions between the three Foreign Ministers took place on this occasion.

On the following day Mr. Dulles had a further meeting with Mr. Selwyn Lloyd, which was also attended on the British side by Mr. Macmillan (Chancellor of the Exchequer), Mr. Head (Minister of Defence), and Marshal of the R.A.F. Sir William Dickson (Chairman of the Chiefs of Staff Committee), and on the American side by Mr. Humphrey (Secretary of the Treasury) Mr. Wilson (Secretary of Defence), and Admiral Radford (Chairman of the Joint Chiefs of Staff).

A communiqué stated that they had "discussed principally military affairs which will come up later during the week in NATO," and that "the discussion as a whole was limited to NATO matters." It was officially stated that neither the Middle East crisis nor U.S. financial aid to Britain had been discussed.

Mr. Dulles had further talks on Dec. 14 about reopening the Suez Canal, again having separate meetings with Mr. Selwyn Lloyd and M. Pineau. Hr. Bartels, the Administrator of the Suez Canal Users' Association, also had meetings in Paris on the same day with Mr. Dulles and Mr. Selwyn Lloyd.

It was reported in the Press that, as a result of Mr. Dulles's meetings with the British and French Foreign Ministers during the North Atlantic Council session, the U.S.A. was firmly pledged to the reopening of the Suez Canal by the quickest possible means available, without regard to political considerations.

On Dec. 12 Mr. Selwyn Lloyd, Mr. Macmillan, and Mr. Head had a private meeting with the West German Foreign, Defence, and Finance Ministers (Dr. von Brentano, Herr Preuss, and Dr. Schäffer respectively). A communiqué said:

"The principal topics of discussion were those of military co-operation during the build-up of the new German Army and the financial questions arising out of the continued stationing of British troops in Germany [i.e. the question of support costs]. There was general agreement on the principles governing co-operation in these fields, and arrangements were initiated to reinforce the machinery already existing for dealing with the various problems."

The German "Support Costs" Question.

Under the Financial Convention which formed part of the London and Paris Agreements, Western Germany agreed to pay a total of 3,200,000,000 DM. on a sliding scale as support costs for the 12-month period after the Federal Republic had achieved sovereignty [this period ended on May 5, 1956]. As regards the period after that date, Article 4 of the convention provided that the Federal Government would "negotiate with other member-Governments of the NATO who have forces stationed in the Federal territory in respect of questions relating to the support [e.g. goods and services] of those forces, having regard to the requirements of the forces of the Federal Republic."

Basing themselves on Articles 2 and 4 of the Convention, the British, French, and U.S. Governments officially requested the Federal Government, in *aides-mémoires* delivered in January 1956, to continue its contributions towards the cost of stationing U.K., French and American forces in Germany after the expiry of the agreement for 1955-56.

When this matter was first discussed at the North Atlantic Council meeting in Paris in December 1955, the Federal Minister of Finance (Dr Schäffer) refused to make any further payments, maintaining (*a*) that continued payment of support costs by the Federal Republic would completely upset his defence budget; (*b*) that Article 4 of the Finance Convention had limited any further support to goods and services; and (*c*) that the British, French, and U.S. request constituted a "discrimination" against Western Germany, compared with the arrangements for financing Allied troops stationed in other Allied countries -e.g. the U.S. forces in Britain and France.

Against this, the British, French, and U.S. Governments maintained that Western Germany herself was far behind with the setting-up of her armed forces, could therefore not yet make the contribution envisaged to the defence of NATO, and was only spending a small proportion of the amounts which she had set aside for defence expenditure. The Western Powers also maintained that Article 4 of the Finance Convention did not exclude cash contributions, and refuted the argument that neither Britain nor France made any such contributions to the cost of maintaining U.S. forces in those countries. In this connexion they based their request for a German contribution on Article 3 of the North Atlantic Treaty, which lays down that the members of NATO shall "separately and jointly, by means of continued and effective self-help and mutual aid, maintain and develop their individual and collective capacity to resist armed attack."

Although a spokesman of the Federal Ministry of Finance reiterated on Feb. 6, 1956, that German payments towards the cost of British, French, and U.S. forces stationed in the Federal Republic would cease on May 5, 1956, and that no further payments would be made, Dr. von Brentano informed the three Western Governments on Feb. 22, 1956, that the Federal Government was prepared to negotiate on the question. The negotiations, which started in Bonn on March 1 and included a personal visit to London by Dr. von Brentano from April 30 - May 2, only ended in June 1956, being particularly protracted and difficult in the case of Britain and France. The following table shows the amounts of support costs eventually agreed with the Western Allies for 1956-57 in respect of their forces stationed on Federal territory, the equivalent in sterling, and the date on which the individual agreements were concluded:

	DM.		£	Date
U.S.A.	650,000,000	approx.	55,000,000*	June 7
Britain ..	400,000,000	"	33,000,000	June 29
France ..	278,000,000	"	23,000,000	June 29
Denmark ..	2,275,000	"	190,000	July 6
Netherlands ..	773,000	"	65,000	July 10
Belgium ..	118,000,000	"	10,000,000	July 20
Canada ..	6,585,000†	"	550,000	July 20

*$154,760,000. †"Once-for-all" contribution in connexion with the enlargement of military installations in Western Germany at present being used by the Royal Canadian Air Force.

Altogether Western Germany thus undertook to pay in cash a total of 1,455,633,000 DM., or about £121,000,000, to the seven Allied countries, as compared with the original Allied request for the payment of 2,400,000,000 DM. (£200,000,000). In addition, it was stated that the Federal Republic would pay about 600,000,000 DM. for certain services provided for the Allied forces, including electricity, gas, transport, etc.

The British decision to accept a German contribution equivalent to only about £34,000,000 was announced by Sir Walter Monckton, then Minister of Defence, who told the House of Commons on June 29, 1956, that the agreement had

been reached "after prolonged and difficult negotiations in Bonn," and that the German contribution fell short by some £30,000,000 of Britain's local costs in Germany. It also fell short of the amount of £50,000,000 included in the 1956-57 Service Estimates, which was the annual rate of support prevailing before May 6, 1956. "In all the circumstances," however, H.M. Government had "felt it necessary to accept this offer." The agreement was strongly criticized in the ensuing debate.

Mr. Gaitskell (Leader of the Opposition), said that the announcement would be received "with great regret in all parts of the House." He asked whether, in view of the difference between the £50,000,000 allowed for in the Service Estimates and the £34,000,000 agreed upon, the balance would have to be paid in gold under the E.P.U. agreement, and what future arrangements were likely to be. **Sir Walter Monckton** replied that the right to negotiate for the future, had been kept open, and confirmed that a large proportion of the deficiency as compared with the original estimate would have to be paid in gold.

In reply to **Lieut.-Cdr. Maydon** (C.), who asked about the possibility of German arms purchases in Britain, **Sir Walter Monckton** said there had been discussions about the possibility of the Federal Government meeting certain of their armament requirements from Britain, and that H.M. Government had "reason to believe that as a result substantial orders will be placed here."

When **Mr. Clement Davies** (Liberal) asked the Minister to explain what circumstances had led to the acceptance of the German offer, **Sir Walter Monckton** replied that the Government had felt it right to press for the larger figure, particularly in view of the relative size of the British and German defence burdens in 1956-57, but that in the end they had accepted the settlement "in the interests of European solidarity."

Lord Hinchingbrooke (C.) said that it was "deplorable" that the British bargaining position had been so weak, and asked whether the German attitude did not call in question the whole spirit of the Western European Union agreements. He also asked whether Britain could now afford to keep four of her best divisions in Germany.

Mr. Harold Wilson (Lab.) reminded the Minister that the U.S. Government, in contrast to the British attitude, had pressed for £54,000,000 and got it, and that the French had pressed for £22,000,000 and would receive £23,000,000. **Sir Walter Monckton**, in reply, pointed out that economies already achieved in respect of the British forces in Germany would account for a saving of £6,000,000, and promised that "we shall go on doing that."

In Bonn, Dr. von Brentano spoke on the question of German support costs during a foreign policy statement in the *Bundestag* on June 28, 1956.

Dr. von Brentano said that the Federal Government had not been able to reject the request of some Governments for a German contribution to the stationing of their troops on Federal territory, since these contingents guaranteed the security of the Federal Republic. Moreover, there were undoubtedly mutual rights and duties arising from Germany's contractual relations with the Western Allies. It was wrong to talk of discrimination against Germany, as it could not seriously be denied that the protection and defence of the Federal Republic was for the time being entirely undertaken by foreign forces a position which could not be compared with that of other Western countries. The Federal Government, however, had made it quite clear that the agreements concluded should not be regarded as a precedent for future negotiations. Nevertheless it had not insisted on any formal pledge by the Allies that they should renounce any future "support cost" claims, for two reasons: (1) it would have necessitated a similar German renunciation, and (2) any such renunciation amongst the Allies would have destroyed the basis of the alliance and would have deprived the Federal Government "for all time" of the possibility of itself asking for material or financial aid. The Federal Government, however, had put it beyond doubt that it regarded the payments now agreed as the last such contribution.

Dr. von Brentano's statement was regarded as an official reply to the attitude of Dr. Schäffer, who had maintained his view that no further support costs should be paid.

The Social Democratic Opposition in the *Bundestag* had announced on June 15 that it would reject the payment of any support costs to the Western Powers and would oppose all such agreements in Parliament.

It was, however, made known in Bonn on Nov. 22, 1956, that the Western allies would request Germany to continue to pay support costs after the expiration of the present agreement in May 1957, and that the matter would be raised at the forthcoming North Atlantic Council meeting.

The main reasons given in the British, French and U.S. press were the West German failure to make an adequate contribution to NATO defence, and the mounting unspent expenditure on the Federal Government's Defence Vote. In this connexion it was pointed out that the Federal Government had already announced that it would be able to raise only 120,000 men in 1957, instead of the 270,000 promised. The unspent surplus on the Defence Vote in 1956-57 was estimated at 2,200,000,000 DM., whilst it was anticipated that of the 1957-58 Vote of 9,000,000,000 DM., only 7,500,000,000 DM. would be spent.

Moreover, it was recalled that during the negotiations for the current agreement Dr. Schäffer had repeatedly emphasized that large arms orders would be placed in Allied countries, especially in Britain, as a partial compensation for the cost of maintaining Allied forces in Western Germany. This promise had not been fulfilled, however, and only small orders had been placed in Britain so far. As regards the future, Herr Strauss (the new Defence Minister) had recently announced that no heavy arms purchases (e.g. tanks) would be made abroad before April 1958, and that the new German forces would meanwhile be supplied entirely with free arms deliveries from the United States.

In reply to the Allied request, it was announced in Bonn on Dec. 12, 1956, that no funds would be available for the payment of support costs for NATO forces in the coming financial year, and that the whole of the estimated defence expenditure of 9,000,000,000 DM. would be earmarked for the new German armed forces.—(NATO Information Division, Paris - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - Frankfurter Allgemeine Zeitung - Die Welt, Hamburg - New York Times - New York Herald Tribune) **(Prev. rep. NATO, 15094 A; 14861 A; Finance Convention on Support Costs, 13869 A.)**

A. NEW ZEALAND. — Lord Cobham appointed Governor-General. - Appointment of New U.K. High Commissioner in Wellington.

It was announced from Buckingham Palace on Jan. 2 that the Queen had approved the appointment of Lord Cobham (47) as Governor-General of New Zealand in succession to Lieut.-General Sir Willoughby Norrie.

Lord Cobham (formerly the Hon. Charles Lyttelton) is a member of a family which has been closely associated with New Zealand for more than a century. His grandfather played an important part in the founding of Canterbury Province and the city of Christchurch, and gave his name to the port of Lyttelton.

The new Governor-General comes of a line of famous cricketers—the Lytteltons of Worcestershire—and was vice-captain of the M.C.C. team which toured New Zealand in 1935-36. He was captain of Worcestershire C.C.C. from 1936-39, and president of the M.C.C.—a position which his father and grandfather also held—in 1956. He became the tenth Viscount Cobham in 1949, on the death of his father.

On Dec. 13, 1956, it had been announced that Mr. George Mallaby (54), of the University Grants Committee, would become U.K. High Commissioner in New Zealand in succession to General Sir Geoffrey Scoones, retiring. Mr. Mallaby, Headmaster of St. Bees School (Cumberland) from 1935-38, joined the military secretariat of the War Cabinet in 1942, and subsequently served in the Ministry of Defence as secretary-general of the defence organization set up under the Brussels Treaty. He became deputy secretary to the University Grants Committee in 1955.—(N.Z. High Commissioner's Office, London) **(Prev. rep. 12072 C; 12670 A.)**

B. AVIATION. — World Air Traffic in 1956.

Figures of air traffic published by the International Civil Aviation Organization (ICAO) on Dec. 28, 1956, showed that the number of passengers carried by international and domestic scheduled airline companies during 1956 had reached the record total of 78,000,000, an increase of 15 per cent over the previous record of 68,000,000 in 1955. Cargo carried also reached a record figure of 1,030,000,000 ton-miles in 1956, against 907,000,000 in 1955 and 760,000,000 in 1954. Comparative figures for the years 1954-56 are given below:

	Miles flown	Passengers carried	Passenger miles	Cargo ton-miles	Mail ton-miles
		(all figures represent millions)			
1954	1,290	58	33,000	770	230
1955	1,440	68	39,000	910	260
1956	1,630	78	45,000	1,030	280

In issuing these figures, Dr. Edward Warner (president of the ICAO Council) predicted that the world's airlines would be carrying 100,000,000 passengers annually by 1958.

It was announced on Dec. 13, 1956, that Morocco had become a member of the I.C.A.O., bringing the Organization's membership up to 70.—(International Civil Aviation Organization) **(Prev. rep. 15122 A.)**

C. DIAMONDS. — World Sales in 1956.

Sales of rough diamonds effected through the Central Selling Organization on behalf of South African and other producers reached the record figure of £74,546,010 in 1956, of which £50,542,240 came from the sale of gems and £24,003,770 from the sale of industrial diamonds. Total diamond sales in 1955 amounted to £74,288,695. The Central Selling Organization handles an estimated 95 per cent of world diamond production. (Financial Times) **(Prev. rep. 14629 D.)**

A. NORTHERN IRELAND - IRISH REPUBLIC. — Widespread I.R.A. Terrorist Activities in Northern Ireland. - Emergency Measures by N.I. Government. - Special Powers to combat Terrorism. - Statements by Sir Anthony Eden, Lord Brookeborough and Mr. Topping. - Eire Government Action against Terrorists.

The biggest and most widespread raids carried out by terrorists of the Irish Republican Army since the early 1920's occurred in Northern Ireland in the early hours of Dec. 12, involving 11 separate incidents in five of the six counties. Apart from a deep penetration into Northern Irish territory near Torr Head, on the north coast of County Antrim, nearly all the raids took place near the border between Northern Ireland and the Irish Republic. Two members of the Royal Ulster Constabulary were injured in gun battles, and damage amounting to over £80,000 was caused by attacks on military barracks, police stations, bridges, and the B.B.C. radio station at Londonderry. It was believed that about 100 terrorists took part in the raids, the men being armed with sub-machine guns, Sten guns, carbines, revolvers, and home-made bombs. Five arrests were made.

The incidents occurring on Dec. 12 are listed below:

(1) About 20 raiders attacked a police patrol near Torr Head, in the vicinity of an R.A.F radar station. They made off after an exchange of fire, abandoning a lorry in which the police found a sub-machine gun and a quantity of ammunition. Three of the raiders were arrested, all of whom gave addresses in County Cork.

(2) Extensive damage—estimated at over £20,000—was caused by a bomb explosion at the B.B.C. station at Londonderry, the control room being wrecked and the building suffering severe structural damage. Hundreds of windows were smashed in the surrounding area by the violence of the explosion. There were no casualties, the radio station being unoccupied at the time.

(3) A lorry-load of terrorists attacked the Gough Barracks at Armagh, the regimental headquarters of the Royal Irish Fusiliers. Petrol bombs were thrown at the building and fire exchanged with the sentries before the raiders made off, no casualties occurring. After the raid an unexploded heavy bomb or land-mine was found beside the wall of the barracks.

(4) Twelve terrorists dressed in police uniforms broke into the courthouse at Magherafelt (Co. Londonderry), removed the caretaker and his wife, and set fire to the building by sprinkling petrol on the floors. The fire was subsequently brought under control after the raiders had escaped, but the building was severely damaged.

(5) Two constables on night duty intercepted a lorry-load of terrorists on a road in County Armagh, the raiders making off after an exchange of fire. One of the policemen was wounded and taken to hospital.

(6) In Armagh City, a police patrol foiled an attempt by terrorists to wreck communications at the telephone exchange. Two of the raiders were captured after an exchange of fire in which a policeman was injured. The arrested men gave addresses in County Armagh.

(7) Damage estimated at £30,000 was caused at Enniskillen (Co. Fermanagh) by the blowing-up of a Territorial Army building which was in course of construction. The building was practically destroyed, but there were no casualties. Shortly before the raid 300 lb. of gelignite had been stolen from a quarry near Enniskillen.

(8) A Special Constabulary hut was burned down near Newry (Co. Down), no-one being injured.

(9)-(11) Bridges were damaged by bomb explosions near Newtown Butler (Co. Fermanagh), at Innismore Island, Lough Erne (Co. Fermanagh), and at Toomebridge (Co. Antrim). The Toomebridge attack temporarily put out of action the main telephone lines between Magherafelt and Belfast.

In addition to the above-mentioned incidents, an unexploded time-bomb was found on the following day at Belfast docks, which were temporarily cordoned off.

Further incidents occurred during the last fortnight of December and at the beginning of January, in which a policeman of the Royal Ulster Constabulary and two terrorists were killed.

On Dec. 14 armed terrorists attacked the police stations at Lisnaskea and Derrylin (Co. Fermanagh) and cut telephone lines in the area; several policemen received slight injuries before the terrorists—some of whom were believed seriously wounded—broke off the attack. On Dec. 17 another terrorist group ambushed a police car near Lisnaskea, close to the home of Lord Brookeborough (Prime Minister of Northern Ireland), a policeman being wounded by machine-gun fire and taken to hospital. Two police stations in County Londonderry (at Dungiven and Swatragh) were attacked with machine-guns and small arms in the early hours of Dec. 23, the raiders making off after exchanges of fire. No casualties were suffered by R.U.C. personnel.

A further night attack on the Derrylin police station was made on Dec. 30, the front door being shattered by a bomb and raiders attacking the building with small-arms fire. Constable John Scally, of the R.U.C., was killed during the engagement, which the raiders broke off after police reinforcements had been rushed to the area. On the same day police and tracker dogs captured three armed terrorists in a disused house at Dunnamore (Co. Tyrone), two of the men giving addresses in County Cork and the other an address in County Armagh. Seven rifles, three Sten guns, two Bren guns, and a quantity of ammunition were found in the house.

About 20 terrorists—two of whom were killed - attacked a police station at Brookeborough (Co. Fermanagh) on Jan. 1 with machine-guns and small arms. The police returned the fire and the terrorists broke off the attack, apparently fleeing across the border into Eire. The bodies of two of the terrorists both of whom had been severely wounded—were discovered in an unused house during subsequent police searches of the area, together with an abandoned lorry bearing the marks of bloodstains. There were no police casualties.

Anti-Terrorist Measures in Northern Ireland. - Reinforcement of Northern Irish Border. - Special Powers to curb Terrorism.

As a result of the wave of terrorism, the N.I. Ministry of Home Affairs issued an Order on Dec. 14, under the Civil Authorities (Special Powers) Act, providing for the arrest without warrant of any person suspected of acting, or having acted, in a manner prejudicial to the preservation of peace or the maintenance of order. [The Order, which came into immediate effect, was on the lines of the emergency regulations abolished in 1949 but re-introduced in 1950-51]. On Dec. 21 the Minister of Home Affairs, Mr. Topping, issued a number of other regulations under the Special Powers Act to check terrorism, as described below:

(1) The civil authorities were empowered to impose a curfew in specified areas should necessity arise.

(2) Persons entering Northern Ireland from outside the United Kingdom would be required to satisfy the police, if asked to do so, as to their reasons for being in the area.

(3) Publication of information about the movements, numbers, and disposition of the police forces was prohibited.

(4) It was made an offence (*a*) to interfere or tamper with telephonic and telegraphic communications; (*b*) to be in possession of secret cyphers or codes for the purpose of communicating information which might be prejudicial to the preservation of peace or maintenance of order; (*c*) to cause any damage to roads, bridges, police stations, and public buildings; (*d*) to be in unauthorized possession of firearms or other offensive weapons.

(5) Any person, if required by the police or a member of H.M. Forces, would have to produce any information, article, document, etc., which the civil authorities considered it necessary to obtain and examine.

(6) The Minister was given powers to order the immobilization of vehicles within any specified area.

Following conferences between Lord Brookeborough, Sir Richard Pim (Inspector-General of the Royal Ulster Constabulary), and General Sir Brian Kimmins (G.O.C., Northern Ireland), units of the British Army were sent to the border to reinforce the Royal Ulster Constabulary and to assist the civilian authorities in combating terrorist activities and checking the infiltration of terrorists from the Irish Republic. A company of the Royal Warwickshire Regiment was sent to Enniskillen and a detachment of the Royal Northumberland Fusiliers to Armagh, while units of the Royal Air Force Regiment were flown from Britain to safeguard R.A.F. stations and installations in Northern Ireland.

Under an Order signed by Mr. Topping on Dec. 21, the Royal Ulster Constabulary and British troops carried out extensive demolitions on subsequent days on many minor roads and unfrequented lanes crossing the frontier, with the object of making these routes difficult or impassable for terrorists attempting to enter Northern Ireland. Bridges were blown up, trenches dug, obstructions erected, and roads made impassable by explosive charges in many border areas of Counties Fermanagh and Armagh.

Thirty-two suspects—including, it was understood, a number of prominent Sinn Feiners—were arrested by the police on Dec. 22 in Londonderry, Counties Tyrone and Armagh, and nationalist areas of Belfast, and interned in Belfast goal. Four were subsequently released after two Nationalist M.P.s in the N.I. Parliament (Mr. McAteer and Mr. Gormley) had interceded with Mr. Topping on their behalf, leaving 28 in custody. On Dec. 29 Mr. Topping issued Orders under the Special Powers Act outlawing the two Republican political parties—Sinn Fein and *Fianna Uladh*—and banning the Sinn Fein publication *Glor Uladh*. [The *Fianna Uladh* ("Warriors of Ulster") is an extremist Republican organization connected with the militant *Saor Uladh*, which attacked the police station at Roslea (Co. Fermanagh) in November 1955 —see 14596 A.]

The three terrorists (W. P. Gough, J. J. Linehan, and A. Cooney) arrested during the raid at Torr Head appeared at Ballymoney (Co.Antrim) court on Dec. 19, charged with shooting at a police constable with intent to murder him. On the same day the two terrorists (J. O. Smith and J. Henston) arrested in Armagh appeared

before the magistrates in that city, charged with wounding a police constable with intent to murder. The five men—all of whom described themselves as "soldiers of the Irish Republic," and who refused to recognize the jurisdiction of the courts—were remanded in custody.

Statements by Sir Anthony Eden and Lord Brookeborough.

A statement on the terrorist outbreaks in Northern Ireland was made to the British House of Commons on Dec. 19 by Sir Anthony Eden.

After expressing the sympathy of H.M. Government for the people of Northern Ireland "in face of the recent outbreaks of violence to which they have been exposed," and paying tribute to "the courage and resource of the Royal Ulster Constabulary and the Special Constabulary, who have borne the brunt of these attacks," the Prime Minister continued:

"Immediately after the outbreak of violence on Dec. 12, H.M. Ambassador in Dublin [Sir Alexander Clutterbuck] arranged to see the Republican Minister of External Affairs to obtain further information from him, and to express the serious view which H.M. Government would be bound to take of these events. On Dec. 14 the Republican Government issued a statement [see below] on their own initiative, in which they said that they had determined to take, in conjunction with the police and defence forces of the Republic, such steps as they deemed necessary and appropriate to prevent activities which, if allowed to continue, would inevitably cause loss of life.

"In the light of this, H.M. Government decided to direct the Ambassador to deliver a communication expressing their very great concern at the incidents in Northern Ireland, and the hope that the important objective which the Republican Government had proclaimed in their statement would be effectively and successfully secured.

"In the Ireland Act, 1949, the Parliament at Westminster declared Northern Ireland to be an integral part of the United Kingdom. This is a declaration which all parties in this House are pledged to support. The safety of Northern Ireland and of its inhabitants is therefore a direct responsibility of H.M. Government, which they will of course discharge."

Sir Anthony Eden's declaration was warmly welcomed by Lord Brookeborough and Mr. Topping, both of whom had previously issued statements emphasizing that all necessary measures would be taken to combat and suppress terrorist activities. In a statement to the N.I. Parliament on Dec. 18, Lord Brookeborough announced that he had received a telephone message from Sir Anthony Eden assuring him that "the defence of Northern Ireland is just as dear to the hearts of H.M. Government at Westminster as that of any other part of the United Kingdom."

In a televised interview in London on Dec. 17, Lord Brookeborough had pointed out that the I.R.A., "the militant side of Sinn Fein," had been banned in both Northern and Southern Ireland, and gave an assurance that the people of Ulster would not give way before a body of men who sought to accomplish their ends "by murder and threats." He emphasized that the people of Northern Ireland were "Queen's men," that "nothing whatsoever is going to shift us from this position," and that Ulster, while desiring good-neighbourly relations with the Irish Republic on the same lines as existed between Canada and the United States, was just as much part of the United Kingdom as "Sussex, Devon, Yorkshire, or any county in Scotland or Wales."

Mr. Topping also made a statement to the N.I. Parliament on Dec. 18 in which he stressed that the N.I. Government was "absolutely determined to put an end to these outrages, and to use all the forces and powers at its disposal to achieve this objective." After calling upon the Republican authorities in Dublin to "eradicate at their source" the organizations responsible for the outrages, Mr. Topping declared: "Every bullet fired, every bomb thrown, every act of violence which takes place, hammers home another nail in the coffin of Republican hopes. It is astonishing that those who are responsible for these acts have not yet learned that bullets cannot shoot beliefs. We believe in Britain and the British way of life. We are British, and British we will remain."

In a further statement on Dec. 31, Mr. Topping said that the murder of Constable Scally at Derrylin (see above) was "the inevitable outcome of the kind of outrages which have been taking place during the last few years . . . So long as the raiders are permitted to organize in the Republic and to retire there when they flee, the main responsibility must rest with the Government of the Republic."

Prior to Sir Anthony Eden's declaration, a deputation of Ulster Unionist M.P.s at Westminster, headed by Sir David Campbell, had had two meetings with the British Home Secretary (Major Lloyd-George) to express their concern and anxiety at the renewed outbreaks of I.R.A. terrorism, and to ask that H.M. Government should use all its influence to get the Republican Government to take "more stringent measures" against the terrorist organizations. The deputation also pointed out that a continuance of terrorist attacks might endanger the plans to attract industries to Northern Ireland, and might thus have adverse economic effects in the area. Four Ulster Unionist M.P.s at Westminster—Mr. Phelim O'Neill, Mrs. Patricia McLaughlin, Mr. R. W. Armstrong, and Mr. R. Chichester-Constable—visited Belfast on Dec. 15 to discuss the situation with Lord Brookeborough and other members of the N.I. Government.

Statement by Irish Republican Government. - Army and Police Measures to combat Terrorism.

Following a six-hour Cabinet meeting in Dublin, the Government of the Irish Republic announced on Dec. 14 that it would take measures, in conjunction with the Civic Guard and the Defence Forces, to prevent illegal armed activities which, if continued, "would inevitably cause loss of life and involve the danger that civil war might ensue." The announcement was worded as follows:

"In the statement which he made on Nov. 30, 1955 [see 14596 A], the *Taoiseach* [Mr. Costello, the Prime Minister] pointed out that the right to raise and maintain military or armed forces is vested, by the Constitution, exclusively in the *Oireachtas* [Parliament], and that the Constitution expressly forbids the raising or maintaining . . . of any military or armed force other than the forces raised and maintained by the *Oireachtas*. He stated that unlawful military activities are a challenge of the gravest kind to the democratic rights of the Irish people and to the rightful authority of the *Oireachtas* and the Government, and that the duty of ending such activities devolved upon the whole nation.

"In concluding his statement, the *Taoiseach* said that if his appeal to the members of the organizations concerned met with no response, it would be the clear duty of the Government to assert and vindicate the people's right to determine national policy, and the right of the *Oireachtas* and the Government to maintain and uphold the authority that reposes in them.

"For some time it appeared that the *Taoiseach's* appeal and warning had been heeded by the organizations concerned. Since, however, that is evidently no longer the position, and since those organizations have again arrogated themselves powers and functions that belong to the duly elected representatives of the people, and to those representatives alone, the Government have determined to take, in conjunction with the *Garda Siochana* (Civic Guard) and the Defence Forces, such steps as they deem necessary and appropriate to prevent activities which, if they were allowed to continue, would inevitably cause loss of life and involve the danger that civil war might ensue."

In conformity with the Government's statement, detachments of the armed forces and the Civic Guard were moved to border areas in Counties Monaghan, Louth, and Cavan, and widespread searches made for suspected terrorists. On Dec. 19 eight young men were arrested in a raid on a disused cottage at Dungooley (Co. Louth), near the Armagh border, where Eire troops and police found four rifles, two sub-machine guns, an automatic pistol, and hand grenades. The eight men concerned, who described themselves as members of the "Irish resistance movement," were taken to Dublin and were each sentenced to six months imprisonment on Dec. 31 for possessing firearms without a licence. On the same day (Dec. 21) a force of 100 Eire troops and police arrested seven suspected persons in County Cavan, close to the Fermanagh border and only a mile or two from the R.U.C. barracks at Derrylin.

Two statements had been issued in Dublin on Dec. 18 by the "I.R.A. Army Council" admitting responsibility for the attacks carried out in Northern Ireland on the previous day, and declaring that "Irishmen have risen again in armed revolt against British aggression in Ireland."

Mr. Costello on the Partition Question.

The following statement by Mr. Costello was issued by the Government Information Bureau in Dublin on Dec. 28, in reply to Sir Anthony Eden's statement of Dec. 19:

". . . Sir Anthony Eden's references to the Ireland Act, 1949, are particularly regrettable . . . The claim that the Six Counties are an integral part of the United Kingdom is one that could never in any circumstances be accepted by an Irish Government . . . The Six Counties are part of the national territory of Ireland, and it is obvious that the evils attendant on partition can be eradicated only by the removal of their basic cause—that is, by the restoration of the territorial unity of Ireland, in accordance with the desire of the great majority of the people of this island . . ."

In a Christmas Eve sermon in St. Patrick's Cathedral, Armagh, Cardinal d'Alton (Archbishop of Armagh and Primate of All Ireland) recalled that the Irish Hierarchy had "clearly and definitely" condemned the use of unauthorized armed force (see 14645 A). "Though the injustice of partition should be manifest to all," the Archbishop declared, "I wish to remind our young men that acts of violence will not advance the cause they have at heart."—(Belfast Telegraph - Irish Times, Dublin)

(Prev. rep. I.R.A. Activities, 14596 A; 14405 A; 13975 A.)

A. UNITED KINGDOM. — The Rent Bill. - Proposals for Progressive Abolition of Rent Control. - House of Commons Second Reading.

The House of Commons gave a second reading on Nov. 21-22 to the Rent Bill, implementing the Government's proposals for the progressive abolition of rent control as forecast in the Speech from the Throne (see 15199 A). The Bill provided that over half of the 11,500,000 houses in Great Britain affected by rent restriction legislation would be freed from control, while most of the rent limits of the houses remaining subject to control (nearly 5,000,000) would be raised to twice the gross rateable value. Its provisions are summarized below:

(1) About 4,750,000 owner-occupied houses which, if let unfurnished, would at present be subject to rent restriction, would be freed from control.

(2) Other rent-controlled houses, now let to tenants, would be freed from control as soon as they became vacant.

(3) The limits of rateable value below which the Rent Acts operated would be reduced from £100 to £40 in the London Metropolitan Police district, from £75 to £30 in the rest of England and Wales, and from £90 to £45 in Scotland.

[It was estimated that about 800,000 houses now let at controlled rents would be freed by this provision, including 190,000 in the Metropolitan Police district, 560,000 in other parts of England and Wales, and 60,000 in Scotland.]

(4) The Minister of Housing and Local Government might from time to time make Orders decontrolling further categories of rent-controlled houses.

(5) The existing procedure by which rent tribunals fixed rents for houses let furnished would cease to apply to any house which, if let unfurnished, would be outside the scope of the Rent Acts.

(6) Decontrol would not apply to (*a*) houses of which the landlord had gained vacant possession as a result of statutory action to reduce overcrowding; (*b*) houses subject to a statutory tenancy created at the end of a long lease by the Landlord and Tenant Act. No increase in rent would be permitted for houses in slum-clearance areas.

(7) The provisions of the Bill would not come into force until one month after its enactment. Thereafter, landlords of decontrolled property would be obliged to give six months' notice of an increase in rent or of ending the tenancy. [When that time-limit has expired, landlords will thus be free to get as much rent as they can for their property.]

(8) For houses in England and Wales remaining controlled, the new rent limits (excluding rates and service charges) would be as follows: (*a*) in the normal case where the landlord was responsible for all repairs except interior decorations, twice the gross rateable value; (*b*) in cases where the landlord was not responsible for any repairs at all, 1½ times the gross rateable value; (*c*) where the landlord was responsible for interior decorations as well as all other repairs, 2½ times the gross rateable value.

(9) Landlords would be required to give three months' notice of rent increases; these increases would be limited to 7s. 6d. weekly, for six months after the notices had expired, and the new rent ceilings would come into force only afterwards.

[It was pointed out in the Press that since, for administrative reasons, the Bill would not come into operation for a month after it had received the Royal Assent, the total permitted increase in rents would not be imposed until 10 months after its enactment. It was estimated that the average total increase might be rather less than 10s. weekly.]

(10) In England and Wales the new rent limits would be reduced where houses had fallen into disrepair, and tenants would be protected against rent increases unless (*a*) their houses were in good repair, or (*b*) the landlords agreed to make them so.

A tenant receiving a demand for an increase in rent would be entitled to serve a notice on the landlord specifying repairs which he considered necessary and asking that they should be carried out. If, after giving an undertaking to do so, the landlord failed to complete the repairs within six months, any rent increase which might meanwhile have taken effect would be suspended until the repairs had been completed. In addition, the tenant would be entitled to make deductions from the rent until the extra amount charged had been refunded or the repairs had been completed.

(11) If the landlord and tenant failed to agree as to what repairs were necessary, the tenant might apply to the local authority for a "certificate of disrepair." The issue of such a certificate (if it had been applied for within six months of a demand for increased rent) would have the effect of suspending the rent increase until the repairs were completed, or, if the increase had already come into operation, of annulling it with retrospective effect.

A certificate of disrepair might be annulled in whole or part by the County Court.

(12) The decontrol provisions of the Bill would apply to Scotland as well as to England and Wales. [It was explained in the Press that the new rent limits for Scotland differed from those for the rest of Great Britain because the new valuations which would be used as a basis for rent structure would not be ready until 1961.]

The debate was opened by Mr. Enoch Powell (Parliamentary Secretary, Ministry of Housing and Local Government), who moved the second reading of the Bill.

Mr. Powell said that between December 1954 and the coming into force of the Bill in December, 1957, there would have been a net addition of about 750,000 homes throughout Britain, and housing demand and supply would have come "within sight of balancing." Rent control would therefore have outlived its usefulness, whilst the evils to which it gave rise would have become even more apparent. These evils included: (1) a great waste of accommodation, since there was often no relationship between the size of a house and its rent, and therefore no inducement to small families to seek smaller houses; (2) a lack of inducement to sublet unwanted accommodation, since the person letting would have to reckon with his sub-tenant becoming a protected person; (3) a constant erosion of the stock of houses available for letting, because owners at present tended to put their houses up for sale whenever protected tenants vacated them; (4) the restriction of the natural movement of the population, since a tenant vacating a controlled house could not be sure of getting other accommodation; (5) landlords' inability at controlled rents to keep their houses in repair; (6) the injustice caused when tenants of identical properties frequently paid different rents owing to rent control vagaries.

All parties were therefore agreed (Mr. Powell continued) that rent control must gradually be abolished, and the difference between the Government and the Opposition lay mainly in the method by which this was to be done. Any form of decontrol was bound to cause a substantial rise in the general rent level, since at the present time, when both building costs and average earnings were about 3½ times their 1939 levels, controlled rents were completely out of line with current values.

Dealing with the provisions of the Bill in detail, Mr. Powell claimed that the decontrol of owner-occupied houses would make many of these available for renting, whilst the decontrol of rented houses as soon as the present tenants vacated them (expected to free about 125,000 houses annually) would mean that they would no longer be held vacant for months awaiting buyers because letting was uneconomic, but would be let at once at fair rents. The Government believed that through these provisions a considerable initial reservoir of houses would be made available for letting, and that this, taken with the large number of houses which would be decontrolled as the result of the lowering of the "controlled" rental limits, would be enough to provide "ample consumer resistance" and make certain that the demand was not concentrated on a comparatively small number of decontrolled houses. They saw no reason to doubt, therefore, that the rents that could be obtained for the large number of decontrolled houses coming into the market would not greatly exceed the new rents permitted by the Bill for houses still controlled.

There would remain in England and Wales over 4,250,000 rent-controlled houses at present let to tenants, and these would remain controlled (except where the tenancies expired) until the pattern emerging from the rest of the Bill could clearly be seen. All the provisions of the Rent Acts would continue to apply to them, although rents could be raised to the new prescribed limits. These increases, however, would not exceed 7s. 6d. a week for about 2,000,000 houses, whilst for over 1,000,000 more they would not be above 10s. Altogether they would affect at most 4,000,000 of the 13,500,000 houses in England and Wales, would be spread over many months, and for the great majority of households affected would bring the new maximum rents to less than 8½ per cent of current adult male earnings.

Mr. Powell concluded by stressing that the only alternative to the Government's proposals was decontrol by 100 per cent public ownership of all accommodation at present subject to rent control. This would mean that all except owner-occupiers would become council tenants, and that persons wanting houses would have no alternative to the local authorities' waiting lists. The Government did not believe that this was a solution of which the people of Britain would approve, or that in present circumstances they would either desire to remain subsidized by their fellow citizens through rent control, or be unwilling or unable to pay the current value of the accommodation they occupied.

Mr. Mitchison (Lab.), the principal Opposition spokesman in the ensuing debate, described the Bill as "iniquitous" and "the first step towards the complete abolition of rent control." He asserted that it would "put £100,000,000 a year into the landlords' pockets" and deprive tenants of their security of occupation without giving them anything in return. Declaring that it was "wicked nonsense" to say that the housing shortage could be met in a year or two, he estimated that 50 per cent of the houses affected by the Bill were occupied by manual workers, 18 per cent by "white collar" workers, and 25 per cent by retired or unemployed persons. The average household income of the last group was only £330 a year, of which nearly 12 per cent went in rent and rates; hence it was clear that these people—"already not far from the starvation line"—would either have to obtain National Assistance help with their rents or cut down their expenditure on necessary food.

After contending that there was "no justification for allowing landlords to double rents in order to correct a few anomalies," and that the Bill contained no effective guarantees that repairs would be carried out before rents were raised, Mr. Mitchison stressed that the Labour Party believed that all houses not owned by their occupiers should be owned by local authorities. In this connexion he contrasted their view of housing as "a public service" with the attitude of private landlords, who, he maintained, were bound to regard their

houses primarily as sources of revenue. Mr. Mitchison concluded by describing the Bill as "ill-timed," since it had been introduced at a moment when the Government's "credit squeeze" was making it harder than ever for people to raise money to buy their houses instead of renting them.

After debate, during which **Mr. James Stuart** (Secretary of State for Scotland) stated that the Bill would affect only about 8½ per cent of controlled houses in Scotland, **Mr. Sandys** (Minister of Housing and Local Government) stressed that the proposals for rent increases would apply to less than one-third of all households, and that the rent increases would raise the cost-of-living index by about two per cent at the outside.

The second reading was thereupon given by 314 votes to 250, the Liberal members voting with the Government. An Opposition motion that the Bill should be considered by a Committee of the whole House was subsequently defeated by 307 votes to 250.

Statistics published by the Ministry of Housing and Local Government on Nov. 16 showed that, of the 4,250,000 rented homes in England and Wales which would remain controlled under the Bill, nearly 1,000,000 were let at 5s. a week (excluding recent repairs increases); over 2,000,000 at between 5s. and 10s. a week; and only about 43,000 at over 20s. a week. It was estimated that under the Government's proposals 963,000 tenants would have their weekly rents increased by up to 5s.; 954,000 by 5s.-7s. 6d.; 1,109,000 by 7s. 6d.-10s.; 897,000 by 10s.-15s., and 327,000 by over 15s. These figures would, however, be affected by the provision in the Bill that where a "repairs increase" had already been obtained by the landlord under the Housing Rents and Repairs Act, the increase under the Bill would be lessened by a similar amount. (Ministry of Housing and Local Government - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 13251 A; Housing Rents and Repairs Act, 13791 A; Queen's Speech, 15199 A.)**

A. SINGAPORE. — Chief Minister's Statement on Renewal of Constitutional Discussions with Britain. - Government Policy on Malayanization of Civil Service.

The Governor of Singapore (Sir Robert Black), opening the second session of the Legislative Assembly on Aug. 29, 1956, stated that the Government regarded the breakdown of the London Conference in May as a temporary setback and was bent on seeing that its "legitimate aspirations are attained in the very near future." The Government would also continue to strengthen the links already forged with the Federation of Malaya, until the two territories were fused into a single nation. When the Governor's address was debated by the Assembly on Sept. 5-6, the Chief Minister, Mr. Lim Yew Hock, announced that the Government proposed to reopen the constitutional discussions with Britain at an early date.

Mr. Lim Yew Hock moved a vote of thanks to the Governor for his address, which, he stated, would be treated as a vote of confidence by the Government. He (the Chief Minister) had deliberately been silent about the Government's plans for independence because he felt that a new strategy was called for as a result of experience gained over the failure of the last talks. "This time we must plan well," Mr. Lim declared, "so that we can negotiate from a position of strength. In this planning there will be consultations with the Opposition, with a view to united action . . . I am strongly convinced that if the Singapore Government has the fullest support of the Opposition there can be no failure when the next delegation goes to London. I have set April 1957 as the latest date for the re-opening of talks with the Colonial Office, but this date can be advanced by two or three months if our plans are ready by then."

Mr. Lee Kuan Yew, leader of the left-wing People's Action Party, announced that his party would vote with the Government if it accepted certain conditions. These were that the Chief Minister should organize a national convention of all the "anti-colonial" parties, that it should draw up a tactical plan for the constitutional negotiations, and that it should plan concerted constitutional action if these negotiations failed. In reply, **Mr. Lim Yew Hock** claimed that these conditions had already been met by his promise of all-party consultations and a plan for united action, and gave an assurance that an all-party conference would be called. The Government received a unanimous vote of confidence on Sept. 6.

Mr. Lim Yew Hock left for London on Dec. 9 for preliminary talks with Colonial Office officials in preparation for the proposed conference, and while in London had a series of meetings with the Colonial Secretary, Mr. Lennox-Boyd. A statement issued by the Colonial Office on Dec. 21 announced that the conference would begin on March 11, 1957, and that the following agenda had been agreed upon: (1) Constitutional proposals already agreed to in principle; (2) internal security; (3) designation of the Queen's representative in Singapore; (4) external relations and defence; (5) the date of the entry into force of the new Constitution; (6) the position of civilian employees in the armed forces; (7) any other matters.

On his return to Singapore (Dec. 29) Mr. Lim Yew Hock expressed confidence that, "provided there is complete unity," Singapore would achieve full self-government in 1957. While in London, he had suggested that the office of the Queen's representative in Singapore (who would be a Malayan nominated by the Singapore Government) should be distinct from that of the British Government's representative.

Malayanization of Civil Service.

A commission appointed by the Government to make recommendations on the Malayanization of the Civil Service issued on March 7, 1956, an interim report recommending the Malayanization of the administrative service in two years, and of other departments in not more than five years.

The report excluded from consideration the posts of Chief Secretary and Financial Secretary, which were expected to be eventually filled by Ministers. It recommended the immediate selection of a local officer for the post of Permanent Secretary-designate to the Treasury, the holder of which would be head of the Civil Service and responsible for its Malayanization. The police force should be Malayanized within three years, but the Commissioner of Police should be asked to remain for a further year. When no serving officer was suitable for a post, the commission proposed that contracts should be offered to serving expatriate officers or other non-Malayans, who need not necessarily be citizens of the United Kingdom, for a period not exceeding three years. Requests should also be made for officers from Commonwealth countries to be seconded for two-year periods, and non-Commonwealth citizens should be considered for posts as engineers, scientists, and possibly doctors. Expatriate officers who had served in Singapore or the Malayan Federation for 10 years should be given the opportunity of remaining in the Public Service, provided they signed a statutory declaration that they intended making Malaya their permanent home.

On Dec. 2, 1956, the Government issued a statement of its policy on this question which differed in some respects from the commission's recommendations. Details of its compensation scheme for British officials were issued on Dec. 4.

The Government proposed that all the posts of principal Civil Service advisers to Ministers should be handed over to Malayans as soon as the Public Service Commission was in a position to recommend suitable officers. Permanent officers of the administrative service would be retained for at least five years, and other expatriate officers for terms ranging from one year to continued full careers. In the Police Department the most senior officers would be retained for six years, and others for three. Of the present 500 expatriate officers, it was expected that 68 would remain at the end of 1962 and 30 at the end of 1966. Officials replaced by Malayans would receive their earned pensions and lump sums (which would in no case exceed £11,900) proportionate to their salary, age, and length of service.

The Legislative Assembly unanimously approved the Government's proposals on Dec. 5, 1956.

Local Government.

An official Committee on Local Government recommended on Feb. 6, 1956, that, in addition to the Central Government, a City Council and four District Councils should be created.

The Rendel Commission's report of 1954 had recommended that the existing City Council and Rural Board should be replaced by a single local authority, to be called the City and Island Council. The committee, however, rejected this proposal on the ground that "the democratic opportunities offered by the existence of five elected local authorities significantly outweigh the advantages of centralization." "We are, moreover, in greater doubt than the Commission," the report added, "about the political advisability of constituting an island-wide authority in addition to the Central Government, and investing it with wide powers and financial resources which might well at some future time weigh more heavily than those of the Government itself."

Official Languages.

The Legislative Assembly decided on Feb. 9, 1956, that Malay, Mandarin Chinese, and Tamil, as well as English, might be used in its debates. This decision—which was unanimous—ended the position whereby English had been recognized as the sole official language.

Proposals for Urban Development.

A "master plan" for the development of Singapore, prepared by a commission headed by Sir George Pepler (the authority on town-planning), was published in January 1956.

The report pointed out that the population of Singapore, at present 1,200,000, would increase by 1972 to 2,000,000, and that 46 per cent of the three main ethnic groups—Chinese, Malays, and Indians—would by then be under 14 years of age. The plan proposed a redistribution of the population to reduce the numbers living in the centre of the city; the establishment of three self-supporting satellite towns, to contain a total population of 200,000; and the formation of a green belt around the city centre and suburbs.

The Legislative Assembly had previously passed a Bill empowering the Government to acquire land for public purposes and freeing the value of such land at the level at which it stood on April 22, 1955.—(Times - Daily Telegraph - Manchester Guardian - New Commonwealth) **(Prev. rep. 14909 A.)**

A. WESTERN EUROPEAN UNION. — Assembly Sessions. - Recommendations on European Defence and Increased Political Co-operation. - Armaments Control Regulations. - Unified Health Control for Sea and Air Traffic. - Cultural Co-operation.

The second ordinary session of the Assembly of the Western European Union was held in Strasbourg in two parts from April 23-25, 1956, and from Oct. 11-13. It was attended by the representatives in the Council of Europe's Consultative Assembly of the seven W.E.U. member-countries—Belgium, France, the German Federal Republic, Italy, Luxemburg, the Netherlands, and the United Kingdom.

The Assembly had held its inaugural meeting at Strasbourg from July 5-8, 1955, Mr. John Maclay (U.K., Liberal-Conservative) being elected President. The second part of this session was held from Oct. 24-28, 1955, when the Draft Charter and Rules of Procedure were adopted.

Dr. Beyen (then Netherlands Foreign Minister) presented to the Assembly on Oct 28 the first annual report of the Council, which dealt with the cultural and social work of W.E.U., the Standing Armaments Committee, the Armaments Control Agency, the European Commission for the Saar Referendum, the Assembly, the Council, and the Secretariat-General.

The principal decisions taken during the second ordinary session, and other recent developments since the establishment of the Assembly, are summarized below:

President of W.E.U. Assembly. Mr. Maclay was re-elected President of the Assembly on April 23, 1956, but after the conclusion of the second part of the session it was announced that he had resigned, following his appointment as British Minister of State for Colonial Affairs (see 15152 B). Until the election of a successor, the Assembly would be presided over by the senior Vice-President, M. Ernest Pezet (France).

Atomic Energy. Signor Lodovico Benvenuti (Italy), on behalf of the Defence Committee, presented a report on atomic energy (Oct. 12) which stressed the need for closer links between the W.E.U. control of atomic weapons and the control of fissile materials envisaged by Euratom. Signor Benvenuti warned that there might be a dangerous gap between the two control systems as long as countries such as Britain, which had independent sources of supply of fissile material, did not submit this material to the control of a European body.

After debate, the Assembly adopted a recommendation calling upon the Council of W.E.U. to conclude an agreement between its members governing the control of fissile material, and laying down the forms of co-operation between the Armaments Control Agency and Euratom. The Council was also requested to examine the question of the possession, manufacture, and use of atomic weapons, and to report to the Assembly on these matters.

An *ad hoc* Committee, established by the Public Health Committee to study problems of protection of the civilian population and of persons engaged in processes connected with the peaceful use of atomic energy, held its first meeting in London from June 13-16 under the chairmanship of Sir Ernest Carling (U.K.). One of the principal questions on the agenda was the harmonization of legislative and administrative arrangements for protection against radiation dangers.

European Defence and Political Co-operation. During a debate in the Assembly on the "state of European defence" (Oct. 12), complaints were made that the W.E.U. Council had failed to provide the Assembly with adequate information on defence matters. The W.E.U. Treaty had stipulated that the Ministerial Council should be responsible to the national Governments, but many deputies expressed the view that the Council should also be to a large extent responsible to the Assembly for decisions, as in the European Coal and Steel Community. In the light of the Suez crisis it was also urged that the seven member-countries should make more use of the Council for co-ordinating their foreign policies, and should try to present a more unified policy within other organizations such as NATO, the Council of Europe, and the United Nations.

The Assembly accordingly recommended (*a*) that the Council should determine immediately the nature of the reorganization of Western defence forces, giving "a clear lead to public opinion in this matter"; (*b*) that "substantial conventional forces should be retained in order to meet all eventualities"; (*c*) that the West German contribution to European defence should be made effective as soon as possible; and (*d*) that the Council should "urgently review their present interpretation of the amended Treaty of Brussels" as regards W.E.U.'s functions in the sphere of defence.

At the request of the German Federal Republic (see 15094 A), the Foreign Ministers of the seven member-countries had met in Paris on Sept. 15. A communiqué published after the meeting stated that the Council had examined certain political aspects of Western defence and had agreed that this examination should be further pursued before the next meeting of the North Atlantic Council, to which final conclusions would be submitted.

A meeting of the Council of the W.E.U., held in Paris on Dec. 10 under the chairmanship of Dr. Luns (Netherlands Foreign Minister), discussed suggestions for a real political association within the W.E.U. framework put forward by Signor Martino (the Italian Foreign Minister), one of the "three wise men" appointed by the North Atlantic Council to study the question of closer non-military co-operation between NATO members (see 15285 A, 14861 A).

Signor Martino felt that the time had come to give the W.E.U. Assembly greater authority and more real power, and suggested that its members might be elected directly by the peoples of the member-countries. This Assembly would then have the power to issue recommendations and formulate suggestions, which would be put into effect after approval by the national Parliaments. This increased power and activity on the part of the Assembly would enable the Council of W.E.U. to develop more actively in the direction of constant and useful political consultation. Signor Martino also stressed the need to overcome, with the maximum of goodwill, the last technical obstacles to the achievement of complete economic integration between member-countries, including the setting-up of a free trade area with Britain.

Mr. Selwyn Lloyd indicated the British Government's willingness to discuss the proposals, and emphasized the need of establishing links between the W.E.U. and O.E.E.C. M. Pineau proposed that the W.E.U. should become the normal framework for an effective association between the European communities of the "Six" (Coal and Steel, Euratom and the Common Market) and the United Kingdom.

It was decided that a group of experts, working under the direction of M. Coffin (Secretary-General of the W.E.U.) should examine within three months the possibility of using, within the W.E.U. framework, part of the plans drawn up at Strasbourg in 1953 for a European Political Community (see 13021 A.)

It was also announced that the seven Foreign Ministers had signed a Protocol on the adherence of Italy and Western Germany to two Social Security Conventions concluded in 1950 by the former signatories of the Brussels Treaty (see 10668 D), relating to the employment of workers and the part-time employment of students in member-countries other than their own.

The Council appointed Herr Heinrich Böx (Western Germany) as Deputy Secretary-General of the W.E.U.

Armaments Control Agency. The Secretariat of the W.E.U. published on Oct. 11 regulations for the Armaments Control Agency provided for in the Paris Agreements of 1954 (see 13809 A). The duties of this Agency were to ensure that the undertakings not to manufacture certain types of armaments mentioned in the Protocols to the Paris Agreements were being observed, and to control the level of stocks of certain types of armaments held by each member-country on the mainland of Europe. To this end the Agency would scrutinize statistical and budgetary information and would carry out, on the mainland of Europe, test checks, visits, and inspections at production plants, and at depots and military units not under NATO authority.

The main provisions of the Regulations referring to such measures were as follows:

(1) **Inspections, visits, and test checks would be ordered by the Director of the Agency,** who would in each case decide the scope, object, and methods of such control measures.

(2) At least five days' notice should normally be given to the authorities of the member-country on whose territory the control measures were to be carried out, but in special cases this period might be reduced to the minimum necessary to enable the national authorities to take part. The notification would be transmitted through the NATO delegation of the country concerned.

(3) The Agency's officials would co-operate with the national authorities when carrying out control measures. Their duties would include inspection of military establishments, depots, and production plants, survey of stocks, and checking of the production of end-items.

In the execution of these duties they would have the right to (*a*) question the management or those in charge of the plant or establishment inspected; (*b*) examine all parts of the premises concerned; and (*c*) inspect any relevant documents and accounts. They would be bound by the NATO and W.E.U. codes of security, and would perform their duties with minimum interference to the normal running of the unit subject to control.

The regulations would not apply to inspections of private firms until certain legal guarantees had been drafted.

Health Control of Sea and Air Traffic. New administrative arrangements came into force on June 22 whereby the seven member-countries formed a single territory for health control of sea and air traffic. Within this newly-created special area, the seven countries undertook to afford each other health control facilities for air and sea traffic, thus extending the scheme operated by the five-Power Brussels Treaty Organization.

Under the new arrangements, health control regulations would no longer apply to aircraft coming from airports of any of the seven countries, and the Maritime Declaration of Health would not be required from vessels of member-countries travelling only between their ports. An exchange information service would be organized to enable health authorities to keep in constant touch and supply each other with particulars of all diseases covered by International health regulations, or of any epidemiological incident of interest to the others. Information would also be supplied on the origin and progress of outbreaks, and on the steps being taken to deal with them.

Cultural Questions. A conference of University Rectors and Vice-Chancellors from W.E.U. member-countries was held at Cambridge from July 20-27, 1955, under the auspices of the Western European Union, being attended also by representatives of the other members of the Council of Europe.

A series of resolutions was adopted which recommended (*a*) the achievement and maintenance of a balance between general culture and specialized teaching and research; (*b*) the preservation of the administrative and cultural autonomy of universities; (*c*) the provision of adequate financial assistance by Governments; (*d*) the abolition of all racial, religious, and political discrimination in the selection of students; (*e*) the provision of financial grants to students; (*f*) the protection of the social and moral welfare of students; (*g*) the encouragement of study abroad; and (*h*) the development of international exchanges between university staffs.

These recommendations were subsequently endorsed by the W.E.U. Assembly.

The W.E.U. Commission for the Saar Referendum was dissolved on Jan. 10, 1956. The International Court set up by W.E.U. to prevent any victimization of persons for political sentiments expressed by them during the campaign before the plebiscite of Oct. 23, 1955, held its first sittings in July 1956. (Western European Union Secretariat, London - Council of Europe Directorate of Information, Strasbourg - Times - Le Monde, Paris - Le Figaro, Paris) **(Prev. rep. W.E.U., 14237 A.)**

A. MALDIVE ISLANDS. — Reactivation of British Airfield. - Anglo-Maldivian Agreement.

The British Commonwealth Relations Office announced on Jan. 3 that the U.K. Government, in agreement with the Maldivian Government, would re-establish the wartime airfield on Addu Atoll and operate it as a staging post. A spokesman of the C.R.O. explained that the expected entry into R.A.F. service of long-range aircraft such as the *Britannia* would make possible a shorter and more direct route from Britain to Australia, New Zealand, and the Far East by flying directly across the Indian Ocean. Moreover, the development of a major airfield in the Cocos Islands by the Royal Australian Air Force (see 14557 B) had already contributed to making this "great circle" flying route practicable. The spokesman said that there was no intention of developing a base at the Addu Atoll, which would be used purely as a staging and refuelling post.

The following comment was brought by the Defence Correspondent of *The Times*:

"The decision to re-establish the airfield in the Maldives is the culmination of months of doubt about the future of facilities at the bases Britain at present has in Ceylon—the R.A.F. station at Katunayake and the Royal Naval yard at Trincomalee—the command of which is due to be handed over to Ceylon this year. The object is to safeguard British air communications with Australia, New Zealand, and her territories in the Far East.

"At present British air communications with the Far East depend entirely on the good will of two Commonwealth countries, India and Ceylon, both of which have demonstrated their determination to remain neutral in events which do not directly concern them. The only two existing air routes from the farthest points in the Middle East—Bahrein, Aden, and Masira [Oman, S.E. Arabia]—to the nearest point in the Far East—Penang—are *via* India or Ceylon. Unless British aircraft can fly over and re-fuel in these countries, the air link with Australasia and the Far East is severed. . . .

"There are only two conceivable alternatives to the use of India and Ceylon as links in the air chain between Britain and the Far East. The first is a westward air link with the Far East *via* North America. This has been rejected because of the dollar expense, the tremendous distances involved, and weather difficulties. . . . The alternative, which the British Government are now adopting, is the setting-up of a new staging post in the Indian Ocean, on the Maldive Islands. The building of an airfield there will enable aircraft to fly from the Middle East to the Far East without flying over or refuelling in any other country."

The Maldive Islands, a chain of coral atolls about 400 miles south-west of Ceylon, are an independent Sultanate within the British Commonwealth and have a population of about 93,000. [See 13475 A, 13416 A.] The airfield to be re-established in Addu Atoll (a group of 27 islets) is on the island of Gan, which is nearly two miles long and three-quarters of a mile wide. It was built during the Second World War but abandoned after the ending of hostilities. Under an agreement between the British and Maldivian Governments, signed on Jan. 1, 1953, Britain retained the right to establish and maintain in the Maldive Islands such facilities as she might decide, after consultation with the Maldivian Government, were required for the defence of the Maldives or for any part of the Commonwealth. The decision to reactivate the airfield in Addu Atoll was taken under this agreement.—(Times - Daily Telegraph)

B. MALAYA. — City Status for George Town.

George Town, Penang, was raised to the status of a city on Jan. 1, in accordance with a decision announced by the Federation Government on Dec. 21, 1956.—(Times)
(Prev. rep. 11727 B.)

C. BRITISH WEST INDIES. — Barbados recommended as Capital of Caribbean Federation.

The three-man commission appointed by the Colonial Secretary to consider the most suitable site for the capital of the Caribbean Federation issued its report on Jan. 2, 1957, after having visited all the federated West Indian colonies from June to September, 1956. The choice was narrowed down to Barbados, Jamaica, and Trinidad, in that order of preference, and eventually fell on Barbados for the reasons stated below.

The Commission gave the following reasons for putting Trinidad last on the list of the three "possibles" as the site for the Federation capital: "There are widespread reports of corruption in the public life of Trinidad. This is a matter on which we would hesitate to comment, were it not for the almost universal belief in the other islands that the accusation is true. The state of affairs in the Port of Spain municipality was a few years ago the subject of a public inquiry. Grave suspicion was thrown on the financial and other integrity of persons now prominent in the public life of the colony. Financial scandals may occur anywhere, however high the tone of public life. What is significant in the case of Trinidad is that these practices appear to be tolerated. This tolerance in public life would be a disquieting augury for the future of a capital located there. Trinidad is wealthy and go-ahead and has good communications and a good Press, and Port of Spain would be suitable from the material point of view as a base town. Nevertheless, we consider it would be better to put the capital either in Jamaica or Barbados. Our reasons are the instability of that island's politics and the low standard accepted in public life."

With regard to Jamaica and Barbados, the report said that the Commission had found it difficult to choose between these two islands. Both were "politically healthy" and the amenities of their respective capitals—Kingston and Bridgetown—were satisfactory. Kingston was regarded as having the better Press, better communications with countries outside the Federation, and greater freedom from colour prejudice than other islands. Nevertheless, it had been put second on the list, mainly because the Commission felt that the capital should be on a small island and because Jamaica, being separated by 1,000 miles from the other islands of the Federation, was inconveniently placed for inter-island communications. Owing to Jamaica's geographical "aloofness," the siting of the Federation capital in that island might be a "psychological mistake" leading to serious consequences. Moreover, "Jamaica is so large and its potential development so great that the fears of the other islands that it would dominate the Federation if it were chosen for the capital would be real."

For the above-mentioned reasons the choice fell upon Barbados, which was more conveniently placed for inter-island communications and, moreover, was regarded as having a keener intellectual atmosphere and a higher general level of education than Jamaica. After considering whether the Federation capital should be based on an existing town [i.e. Bridgetown] or developed on an entirely new site, the Commission came to the conclusions (*a*) that it should be situated near an existing town, so that it would not have to exist "in a social and intellectual vacuum," and (*b*) that it should be built on a site between three and seven miles from that town. As a result, the Federation capital would develop into a "twin town" to Bridgetown and would not be a mere suburb of that city.

The Commission calculated that a site of not less than 10,000 acres would be needed for the Federation capital, which might have to accommodate 10,000 people after ten years. The total cost of building would be about £12,000,000, of which the Federal Government would be required to provide about £10,000,000 in the first decade, and private enterprise the remainder. It was recommended that the Federation capital should be sited in a Federal District, 15-25 square miles in area, administered by the Federal Government.

The commission—officially known as the British Caribbean Federal Capital Commission—consisted of Sir Francis Mudie (chairman), Professor H. Myles Wright, and Mr. A. E. Cook. (Times - Daily Telegraph) **(Prev. rep. 15024 C.)**

D. RUMANIA. — National Minorities.

A report recently issued by the Rumanian Government's Central Statistical Board gave the following details of national and linguistic minorities in Rumania:

	According to Nationality	According to Language
Hungarian	1,589,443	1,651,953
German	382,400	391,388
Jewish	144,198	34,263
Ukrainian	58,112	—
Serb, Croat and Slovene	46,464	43,454
Russian	38,833	44,602
Tartar	20,718	20,595
Turkish	13,909	—
Bulgarian	11,943	12,573
Others	182,584	204,043

National and linguistic minorities thus constituted over 14 per cent of the total population of Rumania, which is 17,500,000.—(Agerpres, Bucharest) **(Prev. rep. 14918 F.)**

A. ADEN. — Elected Members admitted to Legislative Council. - Lord Lloyd's Statement on Constitutional Development of Colony. - Government Statement on Federation Proposals for Protectorates. - Incidents on Yemeni and Saudi Arabian Frontiers.

Four elected members were admitted for the first time in January 1956 to the Legislative Council of the Colony of Aden, which consists of 18 members in all. In the elections, which were held in the previous month, three of the four elected seats were won by the Aden Association, a moderate nationalist organization advocating home rule for Aden within the British Commonwealth. As a protest against the small number of elected seats, the elections were boycotted by the two other leading nationalist parties—the United National Front and the South Arabia League, both of which demand the union of the Colony and the Aden Protectorates, and their immediate independence.

During a 10-day visit to Aden, the Under-Secretary for the Colonies (Lord Lloyd) made a statement to the Legislative Council on May 19 on the constitutional development of the Colony, the text of which had previously been approved by the British Cabinet.

Lord Lloyd said that H.M. Government welcomed the admission of elected members to the Council, but this advance needed to be tested and "there could be no question of any further radical change in the Constitution during the life of the present Council" [i.e. before December 1958]. "There is no reason," he added, "why you cannot expect to achieve further constitutional development in due course . . . But I should like you to understand that for the foreseeable future it would not be reasonable or sensible, or indeed in the interests of the Colony's inhabitants, for them to aspire to any aim beyond that of a considerable degree of internal self-government . . . H.M. Government wish to make it clear that the importance of Aden, both strategically and economically, within the Commonwealth is such that they cannot foresee the possibility of any fundamental relaxation of their responsibilities for the Colony."

During Lord Lloyd's visit the Aden Association submitted to him proposals for a Legislative Council with a majority of elected members, a Ministry responsible to the Council, a reduction in the number of British officers in senior posts, the replacement of English by Arabic as the official language, and greater attention to education. Anti-British demonstrations, in which several hundred Arabs took part, were organized by the other nationalist parties to mark both Lord Lloyd's arrival on May 11 and his departure on May 20.

Lord Lloyd's statement was criticized in the House of Lords on June 13 by **Lord Listowel** (a Labour peer), who said that the policy outlined in it appeared to be a "flat denial" of eventual self-government for Aden, and was contrary to the long-accepted principle of all political parties in Britain that full self-government within a reasonable time was the goal of every British dependency.

In reply, **Lord Lloyd** said that Lord Listowel's dislike of the phrase "a considerable degree of internal self-government" was based on the assumption that it was wise in all places and in all circumstances to draw a clear distinction between internal and external affairs. Because of the close connexion between defence and internal security that was not always possible, and for that reason he did not think it would be wise for the Government to be more specific on the point at the present stage; when the time came, however, the matter would not be interpreted with any undue rigidity.

Federation Proposals for Protectorates.

A conference of rulers of the Aden Protectorate States, presided over by the Governor (Sir Tom Hickinbotham), took place on March 31, at which the proposals for federation of the States of the Western Protectorate were discussed. A communiqué issued by the Governor on the same day emphasized that "the rulers and peoples of these States are entirely free to negotiate among themselves, with such advice of H.M. Government as they may require, such form of closer association as may suit them best," and would have "complete freedom among themselves to choose or reject any proposals that may be made." The rulers who had taken part in the conference subsequently informed Sir Tom Hickinbotham that they appreciated the "fine spirit" of this statement, which would increase their confidence in the British Government.

Disturbances and Border Incidents in the Protectorates.

Although the raids across the Yemeni border which had led to disturbances in the past died down during 1955, serious unrest flared up among tribesmen in both the Western and Eastern Protectorates during June of that year.

In the Western Protectorate two British officers and 10 native soldiers were killed on June 15, 1955, when Rabizi tribesmen ambushed a convoy, while in the Eastern Protectorate native troops of Qualiti State were cut off for a week in the hills during a revolt arising from disputes over the rights of camel-drivers. On July 1 it was announced that a battalion of the Seaforth Highlanders and a motorized squadron of the Life Guards had been flown to Aden from the Suez Canal zone to reinforce the R.A.F. and the local levies normally responsible for the security of the Protectorates. Local operations against the rebellious tribes in the Western Protectorates continued during July and August.

The Colonial Secretary, Mr. Lennox-Boyd, stated in the House of Commons in August 1955 that there was no evidence that the disturbances in the Eastern Protectorate had been instigated from outside. In the Western Protectorate, he alleged, the disturbances had been "very considerably fomented," though not solely caused, by instigation and material assistance from the authorities in the Yemen, who had also provided refuge for the dissidents.

After an interval of some months, the situation again deteriorated in May 1956, owing partly to border raids from the Yemen and partly to the arming of tribesmen from the Protectorates by Saudi Arabia.

On May 6 six tribesmen were reported to have been killed when R.A.F. planes machine-gunned raiders from the Yemen, after an isolated fort had been fired on. Three large lorries carrying 119 tribesmen and a number of rifles were intercepted on May 20 after entering the Eastern Protectorate from Saudi Arabia, and surrendered without resistance; the arms were impounded and over 50 of the tribesmen imprisoned. On May 26 R.A.F. jet fighters fired on some 60 tribesmen who were believed to have entered the Eastern Protectorate after being supplied with arms by the Saudi Arabian Government. The Earl of Munster (Minister without Portfolio) told the House of Lords on May 30 that no casualties had been proved, and that a truce had been arranged at the request of the headman of the tribe to enable him to negotiate the surrender of the arms consignment.

Further raids across the frontier by Yemeni tribesmen occurred during June and July, 1956, leading to a British protest to the Yemen after an incident on July 14 in which tribesmen (two of whom were killed) attacked villages in the Western Protectorate.

On Dec. 28, 1956, the Yemeni Chargé d'Affaires in London alleged that British forces had carried out a raid on Qataba (a Yemeni frontier town) on Dec. 24, and protested to the British Government. The Foreign Office, however, refuted the Yemeni statement and said that on Christmas Day armed tribesmen from the Yemen had entered the Aden Protectorate and directed heavy fire on the houses of the Amir and the British adviser at Dhala before being driven off by local levies. A British protest was lodged with the Yemeni authorities.
(Times - Daily Telegraph - Manchester Guardian)
(Prev. rep. 14004 A.)

B. PAKISTAN. — National Economic Council.

It was announced in Karachi in November that President Mirza had reconstituted the National Economic Council of Pakistan (see 14664 C) in accordance with Article 199 of the Pakistani Constitution.

The Prime Minister, Mr. Suhrawardy, will be *ex officio* chairman of the Council, the other ten members being: Mr. Abulmansur Ahmad (Minister of Commerce and Industries); Syed Amjad Ali (Minister of Finance); Mr. A. H. Dildar Ahmed (Minister of Food and Agriculture); Mian Jaffar Shah (Minister of Communications); Mr. Ataur Rahman (Chief Minister, East Pakistan); Sheikh Mujibur Rahman (Minister of Commerce, Labour and Industries, East Pakistan); Mr. Dhirandra Nath Dutt (Minister of Health and Local Self-Government, East Pakistan); Dr. Khan Sahib (Chief Minister, West Pakistan); Sardar Abdur Rashid Khan (Minister of Finance, West Pakistan); Pirzada Abdus Sattar (Minister of Law, West Pakistan).

Article 199 of the Constitution provides that the Council "shall review the overall economic position of the country and . . . formulate plans in respect of financial, commercial, and economic policies; in formulating such plans, the Council shall aim at ensuring that uniform standards are attained in the economic development of all parts of the country."

The Council will report annually on the results obtained and the progress made by it in the achievement of its objects.
(Pakistan High Commissioner's Office, London) **(14664 C.)**

C. NORTHERN IRELAND. — Cabinet Changes.

Mr. William Topping, Q.C., the Government Chief Whip, was appointed Minister of Home Affairs in the N.I. Government on Oct. 23, 1956, in succession to Mr. G. B. Hanna, who had resigned a month earlier on his appointment as a County Court judge (see 15093 B). Since Mr. Hanna's resignation the Home Affairs portfolio had been held *ad interim* by the new Minister of Finance, Mr. Terence O'Neill, who retained the Finance portfolio. Mr. Brian Faulkner succeeded Mr. Topping as Government Chief Whip.

Mr. Hanna, previously Minister of Home Affairs, had taken over the Finance portfolio from Mr. W. B. Maginess in April 1956, when Mr. Maginess succeeded Mr. J. E. Warnock as Attorney-General. Mr. Warnock had resigned owing to his opposition to Government legislation to increase the rents of certain houses.—(Belfast Telegraph) **(Prev. rep. 15093 B.)**

A. UNITED STATES. — Vice-President Nixon on U.S. Foreign Policy. - The Middle East and Hungarian Crises. - Reaffirmation of U.S. Friendship and Alliance with Britain and France.

An important speech on American foreign policy, with special reference to the Middle East and Hungarian crises, was made by Vice-President Richard M. Nixon in New York on Dec. 6, 1956. In the course of his speech the Vice-President emphasized, with reference to the Middle East, that "neither we nor our allies were without fault in our handling of the events which led to the crisis"; that "recriminations and fault-finding will serve no purpose whatever"; and that it was in the interest of the United States to give financial support to Britain "in this hour of difficulty."

The Vice-President's speech (which was made to leaders of the U.S. automobile industry) is brought below under cross-headings. The extracts in square brackets were included in Mr. Nixon's prepared text but omitted from the speech because of pressure of time.

"I believe it appropriate to discuss the great events of the last forty days, which will have such a tremendous impact upon our future. There have been some depressing and alarming comments on those events by some observers of world affairs. The critics of despair and the prophets of doom are telling us that all is lost. Among the dreary conclusions we have recently heard are these:

(1) The cause of freedom in Hungary has been crushed forever by Soviet power.

(2) Dictatorial forces are stronger than ever in the Middle East, and the Soviet Union has won a massive victory in that area.

(3) The Atlantic Alliance has been irreparably shattered, and the breach between the U.S.A. and its European allies and friends may never be healed.

(4) Finally, U.S. policy is primarily at fault for these disastrous developments . . .

"In this complex and imperfect world we must be prepared for difficulties and even short-run failures. The most we can hope for is that our basic position is fundamentally right and that it will ultimately prevail. I suggest that we analyze the events of the last few weeks in this spirit.

The Middle East Crisis. "Six weeks ago we were at a turning-point in history. At U.N. headquarters in New York the eyes of the world were focused upon the spokesman of the United States. I ask you to visualize the high drama of the scene. We, who only 60 years ago were boasting of our manifest destiny in Asia and Latin America, had renounced colonialism and pledged our support to nations formerly held as colonies by major Powers. We had changed, but there were many in the world who doubted the reality of the change. [Many nations in Asia and Africa preferred to wait on the sidelines as neutrals in the 'cold war' until they were sure that we were more sincere than the Soviet Union in our profession of friendship and respect for all peoples and nations, regardless of their size or strength. Our friends in Latin America, while trusting us today, had disturbing memories of the gunboat diplomacy of yesterday.]

"Then we were put to the test. Our friends and allies had by-passed the United Nations and had taken direct military action to settle a dispute. Certainly their provocation was great. By the international standards which were generally accepted 50 years ago, the action they took would have been defended, if not justified. But a new force had come into being, the moral force of the United Nations, all of whose members were pledged to settle their differences peacefully.

"In delegation after delegation, the question was asked: Would the United States live up to its announced principles, or would it conveniently look the other way? At this turning-point in history, Secretary Dulles personally appeared before the U.N. General Assembly and announced our position—a position which was supported by an overwhelming majority of the nations of the world.

"Our stand was direct and simple. We denounced the use of force not sanctioned by self-defence or U.N. mandate. In the debate that followed, our friends used the veto and stopped action by the Security Council. We did not hesitate. We asked for an emergency meeting of the General Assembly, not subject to veto. At that meeting, our position was endorsed by practically every country in the world. The United States had met the test of history. The United Nations had been saved. The rule of law had been upheld—the same law for the powerful and strong as for the weak and defenceless.

"It is claimed that we took the wrong course of action because the position of a dictator was strengthened, the danger of Soviet influence in the Near East increased, and our alliance with our closest friends weakened. But let us see what our alternative was. If we had failed at this point to stand for the principles which guided our course of action, the usefulness of the U.N. would have been at an end. The standards of conduct of international affairs would have reverted to those in effect before World War I and World War II. Our own moral position before the world would have been hopelessly compromised. Our position in the eyes of most of the world would have been little better than that of the Communist nations who, in their conduct of international affairs, have consistently followed the principles that the end justifies the means, that the use of force is justified if it is expedient, and that the mandates of the U.N. are to be followed only where the nation affected concludes that its national interests will be served thereby. The bright hope that nations might find a better way than force to settle international disputes would have been destroyed, and the world would have disintegrated into cynical and suspicious power blocs to be wooed and won by a triumphant Soviet using the carrot or club techniques as the occasion warranted.

"If we had supported our friends and allies, Britain and France, in Egypt, they might have won a military victory in that area. But they and we would have lost the moral support of the whole world. Because we took the position we did, the peoples of Africa and Asia know now that we walk with them as moral equals, that we do not have one standard of law for the West and another for the East. They know, too, that the United States has no illusions about the 'white man's burden' or 'white supremacy.' . . .

"It is easy to condemn your enemies when they are wrong. It takes courage to condemn your friends. It is tempting to overlook a little wrong in order to get what appears to be a greater good, but high standards of morality do not sanction the principle that the end justifies the means. We knew that our friends acted under great provocation and that their patience had been strained almost beyond endurance. It would have been easy to look the other way and delay action until it was too late. But the easy way is not always the right way.

"The military victory our friends might have won in the Near East would not have solved the problem. Lasting solutions are rarely forged in the ruins of war, and the peace we seek in the Middle East must be lasting. History will give eternal credit to our President and Secretary of State for choosing the hard road of principle and not the easy way of expediency. Now, we as members of a newly invigorated United Nations are free to pursue a sound and permanent peace in that area.

The Hungarian Crisis. "Let us examine now the events which have occurred in Hungary. Because we stood firmly against the use of force in Egypt, we were in a moral position to condemn the ruthless and barbarous Soviet conquest of that courageous country. We could, without hesitation or cynicism, mobilize the moral force of the world against this monstrous injustice. The United Nations has no armies that it could send to rescue the heroic freedom fighters of Hungary. There were no treaties which would invoke the armed assistance of the free nations. Our only weapon here was moral condemnation, since the alternative was action on our part which might initiate the third and ultimate World War.

"There are those who say that moral force without military action to back it up means nothing. But we should never underestimate the force of the moral judgment of the world. Even the Soviet Union has been compelled to recognize this. It is unable to go before the world standing for the slavery, colonialism, and reliance on force which are basic features of Communist doctrine. No matter how dark its deeds, it sees the need of speaking in terms of freedom for individuals, independence for nations, and peace for the world. The fact that the men in the Kremlin are writhing in the spotlight of world criticism may have saved the equally heroic people of Poland from Hungary's fate. Poland at least has a limited measure of independence today.

"What effects will the events in Hungary have on the world struggle? The short-sighted judgment of many observers is that the Communists have won a great victory in Hungary. But a more sober, realistic appraisal is that while the Communists may have won the battle for control of Hungary, they have in the process lost the war for domination of the world which they are so fanatically trying to win. I am convinced that the events in Hungary will prove to be a major turning-point in the struggle to defeat world Communism without war . . .

"As we examine, then, the events of the last 40 days in both the Middle East and Hungary, I think we can reach one inescapable conclusion. We do not and should not for one moment underestimate the tragedy of Hungary, the precarious situation which still exists in the Middle East, or the great strain which has been placed on our alliance with our friends in Europe. But while we have suffered some losses, a sound foundation has been laid in the process for building a world order based on law rather than force, and for the defeat of Communism without war. We shall realize those objectives, however, only if we do not let things drift and if our leadership is wise, mature, and enlightened . . .

The Alliances with Britain and France. "First, with regard to our alliances, it is essential that we recognize that history may record that neither we nor our allies were without fault in our handling of the events which led to the crisis in which we now find ourselves. [Our friends believe that we did not appreciate adequately the provocation which brought about their action, and that we did not assume our proper responsibility in working out a settlement of the basic problems existing in that area. We, on the other hand, felt that we had some legitimate criticisms to make of their policies during this period.]

"Now is the time for us all to recognize that recriminations and fault-finding will serve no purpose whatever. The cause of freedom could suffer no greater disaster than to allow this or any other incident to drive a wedge between us and our allies. As mature peoples, we know that we will not always agree even with our closest friends. The test of the strength of an alliance or a friendship is what happens in times of adversity, rather than in times of good fortune. Inevitably, if a friendship or alliance survives a period of adversity, it is stronger in the end than it would have been otherwise.

"We are proud of our association with Britain and France, and of our common dedication to the principles of freedom and justice which joined us together as allies in World War I and World War II.

We recognize that they were confronted with a series of aggressive acts short of the use of force, in addition to an ominous military build-up in a nation which they believed threatened their vital interests. In that no-man's-land between war and peace it is difficult to decide which is the best course of action.

"It is to their eternal credit that they accepted the decision of the United Nations when they agreed to a cease-fire and to a withdrawal of their forces, even when they believed that this decision was not in their best interests. They refrained from using their overwhelmingly superior force to reach their objective at a time when they thought complete victory was within their grasp. They have entrusted the future peace of the Middle East to the International Police Force provided by the United Nations.

"Contrast their action with that of another member of the United Nations, the Soviet Union, whose leaders flouted the U.N. decision condemning its aggression in Hungary. When confronted with a real crisis, the Communists reverted to type and showed all who cared to see the unlimited cruelty and the cynical rejection of basic human rights which is inherent in their system.

"Now that our allies have subordinated what they consider to be their national interests to the verdict of the United Nations, we have a solemn obligation to give leadership and support to a U.N. programme which will assure the solution by peaceful means of the problems which brought about the armed conflict in that area . . .

The Future of the Middle East. "In addition to the immediate problem of expediting the reopening of the Suez Canal on a basis under which this international lifeline will not be subject to arbitrary closing in the future, the moral, diplomatic, economic, and military strength of the U.S.A. and the United Nations must be mobilized toward the realization of these long-range objectives in the Near East. There must be a firm guarantee of the sovereignty of the States in the area, and a just solution of outstanding disputes. There should be progressive limitation of the armaments of the nations in this area. There must be generous aid in solving their economic problems so that their peoples may rise from the depths of poverty and disease . . . We do not want to go back to the armed truce of the last eight years. We want genuine and solid peace as a foundation for a new era of prosperity for these proud and respected nations.

"An immediate problem which confronts us as a result of the crisis in the Near East is the financial plight our friends in Britain now face. It is in our interest as well as theirs to assist them in this hour of difficulty, and I am confident that there will be strong bi-partisan support in Congress for granting such assistance . . .

America's Role in World Affairs. "It is commonplace today to say that America is in a position of world leadership. Our military and economic strength has given us this fearful responsibility, whether we want it or not. But our power and the corresponding responsibility have been enhanced by the events of recent days. Now our leadership is moral as well as military and economic. And the challenge to this generation is that we measure up to the expectation of history in this decisive hour . . .

"Whether we like it or not, the diplomacy of the 19th century is as outmoded today as are the automobiles of 50 years ago. In an atomic age there is no place for military aggression, colonial exploitation, or power materialism. These methods never were morally right, but today they are far more dangerous than they were at other times. The nation that starts a little war today may set off a chain reaction that could destroy our civilization.

"For the security of the world, and for the security of our children and their children, we must strive as never before for peace based on justice and law. A code of law and moral principles that apply equally to all nations of the world must be the foundation of this peace. Its superstructure must be military and economic strength. And the architect of this peace must be the United Nations, fully supported by this nation, in their effort to make the rule of law and justice supreme on this earth . . ."

In the concluding section of his speech, Vice-President Nixon said that "the struggle for the world will be finally determined by what happens to the millions of people now neutral who are trying to decide whether they will align themselves with the Communist nations or with the free nations."
(New York Times) **(Prev. rep. President Eisenhower on Middle East, 15201 A, page 15210; on Hungary, 15221 A, page 15225; on North Atlantic Alliance, 15257 C.)**

A. LIBERIA. — New Diplomatic Posts.

President Tubman of Liberia announced on Dec. 1 that the Liberian Government would establish diplomatic posts in the Soviet Union, Communist China, Nationalist China, and Egypt, and also in the Gold Coast after it had achieved independence in 1957 under the name of Ghana.—(New York Times)
(Prev. rep. 14666 A.)

B. SPORT. — Lawn Tennis. - The Davis Cup.

In the challenge round of the Davis Cup, played at Adelaide from Dec. 26-28, 1956, Australia beat the United States by five matches to nil and thus retained the trophy. The two countries met in the challenge round for the 13th consecutive time.—(Australian News and Information Bureau)
(Prev. rep. Davis Cup, 14610 A.)

C. INDIA. — Development of Iron and Steel Industry.

A review is given below of the latest developments in connexion with the construction of the proposed three Government-owned iron and steel works at Rourkela, Bhilai, and Durgapur, which are being built with German, Russian, and British help respectively

The Rourkela Steel Plant.

Following the fixing of the steel target for India's Second Five-Year Plan at 6,000,000 tons of ingots, it was decided to raise the initial capacity of the proposed Rourkela plant (Orissa) from 500,000 to 1,000,000 tons of steel ingots a year. After the submission of a revised project report in November 1955, orders were placed in July 1956 with West German firms for the blast furnaces, coke-ovens, and other items required. The development of the site and the construction of the works themselves had been taken over by the Indian Government.

On Dec. 2, 1956, it was announced that the Government of India had decided to dispense with German investment in the project; that it would itself assume responsibility for the entire financing of the plant; and that the Hindustan Steel Company (which will construct and operate the point) had become a fully Government-owned company.

It was reported in the Indian Press that the Government had taken this step because it felt that the terms of the German investment were no longer advantageous to India. Under the original scheme, the Krupp-Demag combine would have invested about Rs.95,000,000 (over £7,000,000) and would have received a return in the form of a fixed fee of 3 per cent of the total cost of the scheme. As the German supplying firms could not obtain the necessary credits at less than 6 per cent, however, they tried to compensate themselves by raising the prices of their quotations; in consequence, the German financial participation would have amounted to a short-term credit scheme at a high rate of interest (12 per cent). As a result of the Government now taking over the entire financing of the scheme, it had obtained substantial reductions in the price of the equipment to be supplied by West German concerns.

On the other hand, it was stated that the total cost of the Rourkela project would be 30 per cent more than the original estimate of Rs.1,280,000,000 (£96,000,000), because (*a*) a large number of small items had been omitted from the original estimates; (*b*) the German consultants had underestimated costs in their original estimates; (*c*) world prices of equipment had increased.

The Minister of Iron and Steel (Mr. Krishnamachari) had announced on Sept. 5 that it would be possible to produce pig-iron at Rourkela by October 1958 and steel in 1959.

The Bhilai Steel Plant.

The detailed report of Soviet experts on the Soviet-Indian project at Bhilai (Madhya Pradesh), which was accepted by the Government of India in March 1956, estimated the total cost of the plant, excluding the townships and mines, at Rs.1,100,000,000 (£82,500,000). Of this sum, Rs.470,000,000 (£35,250,000) represented Indian expenditure on materials and construction, and Rs.630,000,000 (£47,250,000) represented expenditure on Soviet equipment.

Mr. Krishnamachari announced on Sept. 5 that the first consignment of Russian equipment had already been received and that, in spite of "teething troubles" resulting from differences in Indian and Russian construction methods, it would be possible to produce pig-iron at Bhilai by the end of 1958 and steel by the end of 1959.

The Durgapur Steel Plant.

The final agreement with the Indian Steel Works Construction Company (ISCON) - the British group of firms co-operating in the construction of the Durgapur iron and steel plant (West Bengal) — was signed in New Delhi on Oct. 31, 1956.

Under the agreement the capacity of the plant (which will have three blast furnaces and eight open-hearth furnaces) was increased to 1,250 tons of pig-iron a day, 1,250,000 tons of ingot steel a year, and 790,000 tons of finished products a year.

The total cost of the plant was raised by £17,250,000 to about £97,000,000, the increase being designed "to improve the smooth and efficient operation of the plant and to facilitate its speedy expansion." The initial cost of the plant, equipment, and materials to be supplied by British firms was accordingly increased from £50,000,000 to £63,000,000.

A new clause was inserted aimed at providing ISCON with a strong incentive to keep down costs. Under this, an expenditure target of £15,600,000 (Rs.208,300,000) was fixed for plant, equipment and material manufactured or procured in India, as well as for labour and erection costs. If actual expenditure was lower, the first £375,000 of savings would accrue to the Government, whereas if the target were exceeded, the first £375,000 would be borne by ISCON. Any savings or excesses beyond these limits would be shared equally by ISCON and the Government of India.

It was stated that iron production at Durgapur would begin in June 1959 and steel production in December 1960.
(The Hindu, Madras - The Statesman, Calcutta)
(Prev. rep. 14792 A; 14103 A.)

A. SOVIET UNION. — Changes in State Economic Commission. - M. Pervukhin succeeds M. Saburov as Chairman. - New Directives for Economic Policy. - Revision of Five-Year Plan.

Following a five-day meeting of the Central Committee of the Soviet Communist Party (Dec. 20-24), which was devoted entirely to a discussion of economic problems, important new directives for Soviet economic policy were announced for 1957, involving certain changes in the new Five-Year Plan. In addition, important changes were announced in the membership of the State Economic Commission, which, with the State Planning Commission, is one of the two principal organizations dealing with economic planning in the U.S.S.R. [The State Economic Commission is the agency for current planning, while the State Planning Commission is responsible for long-term planning—see 14315 C.]

The changes in the State Economic Commission involved (*a*) the appointment of M. Mikhail Pervukhin as chairman of the Commission in place of M. Maxim Saburov, who was relieved of his duties, and (*b*) the appointment of six vice-chairmen - M. Kosygin, M. Malyshev, M. Khrunichev, M. Kucherenko, M. Matskevich (Minister of Agriculture) and M. Benediktov (Minister of State Farms). MM. Kosygin and Malyshev were appointed First Vice-Chairmen of the State Economic Commission, and both they and MM. Khrunichev and Kucherenko were given ministerial rank.

M. Pervukhin (52), an engineer, has been a member of the Central Committee of the Soviet Communist Party since 1939, a Deputy Premier since 1950, and a First Deputy Premier (a post he retains) since 1955. He had been appointed Minister for Power Plants and the Electrical Industry in 1953, and had previously served as Minister for the Chemical Industry. M. Saburov, though replaced in the chairmanship of the State Economic Commission, remained a First Deputy Premier and a member of the Central Committee's presidium.

Most of the six vice-chairmen have been associated with M. Khrushchev in various economic projects. M. Alexei Kosygin has been specially concerned with the production of consumer goods, and M. Vyacheslav Malyshev with the engineering industry and, it is believed, with Soviet atomic development.

The Central Committee issued a lengthy report which admitted the existence of "substantial weaknesses in State planning" and made detailed recommendations for remedial action. Special emphasis was placed on the need for modifications of the capital investment programme, for a greater housing drive, and for the increasing devolution of economic functions to the Union Republics. The report was divided into two sections, summarized below, dealing with (1) the current Five-Year Plan, and (2) "methods of improving economic leadership."

Modification of Five-Year Plan.

Confirming the general overall success of the first year (i.e. 1956) of the current Five-Year Plan, the report stated that Soviet industrial production had risen by 11 per cent over 1955; that similar successes had been obtained in agriculture, notably in bringing nearly 90,000,000 acres of virgin land under the plough in the last two or three years; and that there had been a nine per cent increase in consumer goods during the year. Moreover, substantial increases had been made in the wages of lower-paid workers under legislation introduced during the past year (see 15086 A).

The report admitted, nevertheless, that there had been many shortcomings in the first year of the Plan; e.g. the output of coal, metal, cement, and timber was not increasing as quickly as had been anticipated, new factories in these and other branches of the economy were not being completed with sufficient rapidity, and the housing programme was not being fulfilled. These weaknesses were attributed to "serious shortcomings in the planning of the national economy, and also to unsatisfactory management of enterprises and new projects in certain Ministries"; to the fact that planning bodies, in drawing up their programmes, had not taken sufficient account of "the real possibilities of providing the necessary material and financial resources for the targets they lay down"; and to the adoption of "unnecessarily big construction programmes" which gave rise to excessive strain in fulfilling them. Moreover, funds had been "scattered" over too many new projects, with resultant increases in costs and in the time required to complete the projects.

In adopting decisions "aimed at correcting these mistakes and weaknesses," the Central Committee announced that the draft of the current (sixth) Five-Year Plan, covering the years 1956-60, would be re-submitted to the Supreme Soviet during 1957. In conformity with the decisions of the 20th Party Congress, the major emphasis would continue to be placed on priority for heavy industry, uninterrupted technical progress, higher labour productivity, and a steep rise in agricultural production. Some of the original targets of the Five-Year Plan, however, would have to be amended to end the unnecessary strains on the economy mentioned above, and to bring the targets into line with available material resources. In particular, "materials and money must be used in the most rational and effective way."

To achieve these aims, capital investment in construction projects would be cut and material and financial resources concentrated primarily on major construction projects, and on those which were nearing completion. Special emphasis would be placed on speeding-up the "already vast housing programme," and it was essential in this connexion to carry out housing projects with the utmost economy, "cutting out all unnecessary elaborations which increase costs and slow down work."

The report emphasized that the Union Republics should play an increasingly greater role in economic construction, making the utmost possible use of their local resources. This meant that the economic organizations in the Republics should "accept increased responsibility for the fulfilment of the plans and a greater role in mobilizing the people to solve the tasks raised." It was also emphasized that "red tape and bureaucracy must be combated, criticism and self-criticism developed, and the creative activity and initiative of the working people supported in every way."

Rectification of Weaknesses in Economic Structure.

This section of the report said that a number of important measures were being carried out "aimed at improving State planning, abolishing excessive centralization in economic leadership, increasing the economic role of the Union Republics, expanding the rights of individual Ministries and economic organizations, and reducing and simplifying the administrative apparatus." "These measures," the report declared, "conform to the principles of socialist management, the basis of which is democratic centralism in economic leadership. Democratic centralism calls for all-round improvement of planning and for the consolidation of the planning principle in all economic activity. At the same time it implies the most careful and comprehensive consideration of local experience and local conditions, and active support for and encouragement of the creative initiative of local party, government, economic, and trade union organizations."

The "existing substantial weaknesses in State planning" (the report continued) were to be found "first and foremost" in the sphere of short-term planning [i.e. those planning activities falling within the responsibility of the State Economic Commission.] The planning bodies concerned were "not studying sufficiently the conditions of the various branches of production"; were "poorly connected with the Union and Autonomous Republics and with enterprises and scientific institutions"; were "making serious mistakes and omissions in drawing up plans for capital construction and supplies"; and were "coping poorly with their duties of checking up on the fulfilment of State plans."

After calling for a radical improvement in the work of the State Economic Commission, and in its short-term planning in particular, the report emphasized that the Commission and the Ministries concerned "must ensure the most rational and effective utilization of facilities, labour, raw materials, and financial resources." The State Economic Commission was called upon (1) to ensure that the necessary material resources were available for the fulfilment of planning targets; (2) to give special attention to the "systematic introduction into production on a wide scale of the latest scientific and technological developments, achievements, workers' innovations, suggestions and inventions"; and (3) to give "serious attention to specialization and co-operation among enterprises, to industrial contacts, and to the co-ordination of the economic activities of different areas."

The Central Committee's report said that the principal economic task of the U.S.S.R. was "to overtake and outstrip the most developed capitalist countries in production per head of population."—(Soviet Weekly - Times - Manchester Guardian)

(Prev. rep. Five-Year Plan, 14717 A.)

B. LITERATURE. — Book Selections, December 1956.

Selected books published in Great Britain, the U.S.A., France, Italy, and Western Germany are given below:

Great Britain. Chiang Yee—"The Silent Traveller in Paris." (Methuen, 30s.)

Ellis, Aytoun—"The Penny Universities: A History of the Coffee Houses." (Secker and Warburg, 30s.)

Fryer, Peter—"Hungarian Tragedy." (Dennis Dobson, 5s.)

Jennings, Sir Ivor—"The Approach to Self-Government." (Cambridge University Press, 16s.)

MacDonald, Malcolm—"Borneo People." (Cape, 32s. 6d.)

"Madame Solario." An Anonymous Novel. (Heinemann, 16s.)

Marie Louise, Princess, H.R.H.—"My Memories of Six Reigns" (Evans, 30s.)

Temple, Peter—"Variations on a Dutch Theme." (Secker and Warburg, 30s.)

United States. Beale, Howard K.—"Theodore Roosevelt and the Rise of America to World Power." (Johns Hopkins Press, Baltimore, $6.00.)

Moore, Ruth—"The Earth We Live On." (Alfred A. Knopf, New York, $6.00.)

France. Bastide, François-Régis—"Les Adieux." (Gallimard, Paris, 750 francs). *Prix Fémina* award for 1956.

Sabatier, Robert—"Boulevard." (Albin Michel, Paris, 570 francs).

Germany. Heuss, Theodor—"Zur Kunst dieser Gegenwart." (Rainer Wunderlich Verlag, Tübingen).

Italy. Einaudi, Luigi—"Lo Scrittoio del Presidente, 1948-1955." (Giulio Einaudi Editore, Turin, 3,000 lire).

(Ed. K.C.A.) **(Prev. rep. Book Selections, 15247 B.)**

A. UNITED KINGDOM. — Political Broadcasts. - Experimental Suspension of "14-Day Rule." - Report of Select Committee.

Sir Anthony Eden announced in the House of Commons on Dec. 18, 1956, that the Government had decided to suspend the "14-day rule" [i.e. the rule precluding broadcast discussions of matters awaiting Parliamentary debate within a period of 14 days before the debate takes place] for an experimental period of "about six months"

The Prime Minister explained that in view of the recommendations contained in the report of the Select Committee appointed in 1955 to inquire into the desirability of amending the rule (see below), the Government had considered whether some other method of upholding the primacy of Parliament could be found. Assurances had been received from the B.B.C., the Independent Television Authority, and the I.T.A. programme contractors that if the rule were suspended, they would continue to act "in a way which does not derogate from the primacy of Parliament as the forum for debating the nation's affairs," and in the spirit of the resolution approved by the House of Commons on Nov. 30, 1955 (see 14607 A). After consulting the Opposition, the Government had therefore decided to suspend the 14-day rule for an experimental period of about six months—possibly until the end of the present session—and to give further consideration to the Select Committee's recommendations when that period had elapsed. The Postmaster-General was withdrawing the rule accordingly.

A summary of the Select Committee's report—which had been published on June 22, 1956—is given below.

The report stated that after considering various reasons advanced to justify limitations upon the anticipation of Parliamentary debates by broadcasting—notably the possibility of unfair influence by Ministers, and the danger of undue pressure on M.P.s from outside—the Select Committee had reached the conclusion that "the only justification for a policy of limitation at the present time is the necessity for upholding the primacy of Parliament in debating the nation's affairs." The report continued: "Particular concern has been expressed about the advent of competition in the television field and the likelihood of a rapid increase in the number of alternative programmes. The committee are doubtful whether even this ground of objection can be regarded as providing anything more than a temporary justification for a special rule not applicable to other organs of publicity. Indeed the committee realize that the development of radio and television in Britain and the broadcast discussion of public affairs . . . have done much to encourage an intelligent interest in the work of Parliament."

With regard to the possibility of an arrangement under which the extent of the limitation, as well as its administration, would be left to the broadcasting organizations concerned, the report stated that the B.B.C. appeared to desire this, but that the I.T.A. had expressed a clear preference—if there had to be any limitation—for Parliamentary guidance. It added: "The committee have no doubt that the view of the I.T.A. is the soundor of the two, and recommend that the Government should take the responsibility of laying down and enforcing any restriction which Parliament may deem necessary."

The report also dealt with representations made to the committee alleging that, as a result of pressure brought to bear on the B.B.C. by Government and Opposition Whips or by party organizations, certain M.P.s had been unfairly or improperly excluded from certain regular programmes. After hearing evidence from the B.B.C., the Whips of the Conservative, Labour, and Liberal parties, representatives of party organizations, and one of the M.P.s concerned, the committee were satisfied (*a*) that the B.B.C. had "not been subjected to any improper pressure" and could "safely be relied on to defend itself from political interference; (*b*) that pressure exercised by the Whips and party organizations had been "directed only towards ensuring a reasonable balance of political views." The committee considered, however, that suspicions might have been needlessly aroused by the atmosphere of secrecy which had surrounded discussions, and that such suspicions would be largely removed if the considerations governing the selection of speakers on political subjects were more generally known. The committee also expressed the view that the effort to obtain strict impartiality had "resulted in certain cases in somewhat narrow decisions, notably where M.P.s had been invited to undertake wholly non-political broadcasts."

The Select Committee's principal recommendations were as follows:

(1) The ban on broadcast discussions should not begin to operate until seven days before the date arranged for the debate [i.e. a "seven-day rule" should be substituted for the "14-day rule"].

(2) Restrictions on broadcast discussions should not apply after a Bill had passed its second reading. [The Select Committee stressed that it was "undesirable and unnecessary" to apply the ban to the later stages of Bills.]

(3) The proposed seven-day restriction should be embodied in a prescription issued by the Postmaster-General. This prescription should be so drafted as to allow for relaxation at the Postmaster-General's discretion in individual instances, and should not apply to overseas broadcasts.

(4) The House of Commons should appoint a small committee or panel of M.P.s to advise the Postmaster-General on applications for relaxation of the rule.

(5) M.P.s should be treated in exactly the same way as other persons in the administration of restrictions on broadcasting in sound or television.

[The report explained that the B.B.C. had suggested that the restriction on broadcast discussions should be confined to M.P.s., but the Select Committee could see no justification for any such differentiation.]

(6) On the "difficult question" of the regular series of party political broadcasts and the annual Budget broadcasts, which "appeared to have caused uncertainty and confusion in the past," the Select Committee found it impossible in principle to justify the treatment of these broadcasts on a different basis from any others. It considered, however, that the deferment of Budget broadcasts until the debate on the Budget resolutions had been concluded "might well be found in practice to be more convenient and agreeable to the Chancellor of the Exchequer and the Opposition representatives."

The Select Committee consisted of 13 M.P.s drawn from the three parties (seven Conservatives, five Labour, one Liberal), with Sir Lionel Heald (C.), a former Attorney-General, as chairman. —(Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. 14-Day Rule, 14607 A.)

B. ICELAND.—Agreement on Retention of U.S. Forces.

The U.S. State Department announced on Dec. 6, 1956, that Iceland would permit U.S. forces to remain at the Keflavik air base; that she had withdrawn her request for the withdrawal of the U.S. forces and the revision of the 1951 agreement; and that Notes had been exchanged providing that the 1951 agreement would remain substantially unchanged.

The new agreement, it was announced, provided for the setting-up of a "standing group," consisting of three "senior representatives" of each Government, which would be responsible for studying problems arising out of the agreement. The functions of this group would be:

"(1) To consult on the defence needs of Iceland and NATO in general, and to make recommendations for meeting them.

(2) To prepare plans for employing Icelandic nationals at the U.S. air base "insofar as qualified personnel are available," and to begin training programmes to qualify them for such work.

(3) To "resolve general problems of policy with regard to the relations between the Icelandic people and the U.S. defence force."

The State Department explained that the purpose of setting up this group was "to review and dispose of future problems as they develop," and thus to avoid the need for formal negotiations under the 1951 agreement.

It was also provided that 18 months would have to elapse between the time Iceland might in future notify the U.S.A. to withdraw her forces and the completion of such a withdrawal. The U.S.A. retained the right to ask the North Atlantic Council to review any such request in the light of the military situation then prevailing, although the Council's views, even if it should find Keflavik still vital to North Atlantic defence, would not necessarily compel Iceland to retain it as a U.S. base. The State Department indicated that the North Atlantic Council had been satisfied with this arrangement.

The State Department spokesman explained that "recent developments in world affairs," including the continuing threat to the security of Iceland and the North Atlantic community, had contributed to the Icelandic Government's decision to retain the U.S. forces at Keflavik; the Soviet intervention in Hungary had been one of the factors which had persuaded Iceland to withdraw her earlier demands.

About 4,000 U.S. troops are stationed at the Keflavik base, on which the U.S. Government has spent to date about $12,000,000 annually.

The new agreement was welcomed by all the Icelandic parties except the Communists. (New York Herald Tribune)

(Prev. rep. 15094 A; 14804 A.)

C. EGYPT. — Abrogation of Anglo-Egyptian Treaty.

Cairo Radio announced on Jan. 1 that President Nasser had abrogated the Anglo-Egyptian treaty of 1954 with retroactive effect from Oct. 31, 1956—i.e. the date on which the Anglo-French intervention was launched. The statement said that the British Government had "violated this treaty by its aggression against Egypt."

The 1954 treaty provided for the evacuation of all British forces from the Canal zone within 20 months; allowed Britain to maintain 4,000 technicians at the Suez base; and provided for the reactivation of the base in the event of an armed attack on Turkey or on any member of the Arab League. It was intended to run for seven years from the date of signature—i.e. until Oct. 19, 1961.

A British Foreign Office spokesman said that H.M. Government did not recognize the Egyptian Government's right to abrogate the treaty by unilateral action. (Times)

(Prev. rep. 1954 Treaty, 13833 A.)

JANUARY 5—12, 1957

A. UNITED KINGDOM. — Resignation of Sir Anthony Eden. - Mr. Macmillan becomes Prime Minister.

It was announced from Buckingham Palace in the evening of Jan. 9 that Sir Anthony Eden had tendered his resignation as Prime Minister to H.M. the Queen, who had accepted it.

The following statement was issued by Sir Anthony himself: "When I returned to this country a month ago [see 15263 C] I hoped that my health had been sufficiently restored to enable me to carry out my duties effectively for some considerable time. That hope has not been realized. I do not feel that it is right for me to continue in office as the Queen's First Minister knowing that I shall be unable to do my full duty by my Sovereign and the country. I have therefore decided, with the utmost regret, that I must tender my resignation to the Queen, which her Majesty has been graciously pleased to accept."

A medical bulletin, dated Jan. 8, was issued in the evening of Jan. 9 by Sir Horace Evans and three other doctors (Sir Gordon Gordon-Taylor, Dr. Thomas Hunt and Dr. Ralph Southward) stating that Sir Anthony Eden's health "gives cause for anxiety." It added: "In spite of the improvement which followed his rest before Christmas there has been a recurrence of abdominal symptoms. This gives us much concern because of the serious operations in 1953 and some subsequent attacks of fever. In our opinion his health will no longer enable him to sustain the heavy burdens inseparable from the office of Prime Minister."

After receiving his doctors' report on the unsatisfactory state of his health, Sir Anthony Eden had travelled to Sandringham in the evening of Jan. 8 for an audience with H.M. the Queen. He returned to London the following afternoon, summoned a Cabinet meeting for 5 p.m., and informed his colleagues that the state of his health made it impossible for him to remain head of the Government. At 6 p.m. Sir Anthony visited Buckingham Palace to tender his formal resignation to the Queen, who had meanwhile returned to the capital from Sandringham.

Sir Anthony Eden succeeded Sir Winston Churchill in the Premiership on April 6, 1955, and had thus been Prime Minister for a year and nine months—the shortest tenure of the Premiership since that of Mr. Bonar Law, who was Prime Minister for seven months in 1922-23.

Sir Anthony Eden's political career began in 1923, when he was elected M.P. for Warwick and Leamington—a constituency he had represented ever since. Before entering politics he fought with distinction in the First World War (being commissioned at 18, serving at Ypres, and gaining the M.C.) and had a brilliant academic career at Oxford, where he took a first in Oriental Languages.

His long connexion with foreign affairs began in 1926, when he became Parliamentary Private Secretary to the then Foreign Secretary, Sir Austen Chamberlain. In 1931 he became Under-Secretary at the Foreign Office when the National Government was formed. One of the strongest supporters of the League of Nations in the years before the Second World War, he became Minister for League of Nations Affairs in Mr. Baldwin's Cabinet, taking part in the Stresa conference and in the discussions aimed at setting up an "eastern Locarno."

Mr. Eden (as he then was) first became Foreign Secretary in 1935, following the resignation of Sir Samuel Hoare (now Lord Templewood) after the publication of the Hoare-Laval proposals on Abyssinia. His three-year tenure of that office coincided with a series of international crises caused by the actions of the European dictators—Hitler's reoccupation of the Rhineland, Mussolini's invasion of Abyssinia, and the Italo-German intervention in the Spanish Civil War. In February, 1938, he resigned from the Government in protest at Mr. Neville Chamberlain's "appeasement" policy.

On the outbreak of the Second World War he re-entered the Chamberlain Cabinet as Secretary for the Dominions, and in May, 1940 became Secretary for War in the Churchill Cabinet—in which capacity he formed the Local Defence Volunteers (the forerunners of the Home Guard) at a time of threatened German invasion. In December 1940 he succeeded Lord Halifax as Foreign Secretary, remaining at the Foreign Office until the end of the war. He took part in all the important inter-Allied war conferences, and played a leading role in establishing the United Nations as the successor organization to the pre-war League of Nations.

After the Labour victory in the 1945 general elections Mr. Eden served for six years as Deputy Leader of the Opposition in the House of Commons. He returned to the Foreign Office in 1951, after the Conservative electoral victory of that year, and served as Foreign Secretary until April 1955, when he succeeded Sir Winston Churchill as Prime Minister. Among the international problems with which he had to deal during this period were the wars in Korea and Indo-China, the Anglo-Persian oil dispute, the Anglo-Egyptian dispute on the Suez Canal Zone, the Austrian State treaty negotiations, the efforts to establish a European Defence Community, and the problem of German reunification.

Two outstanding diplomatic successes were achieved by Mr. Eden in 1954—firstly, in helping to end the war in Indo-China, and secondly, in bringing about the London and Paris Agreements after the E.D.C. project had been rejected by the French National Assembly. After participating in the Four-Power Berlin conference (February 1954) on the German problem, he took part in the Geneva conference at which, largely due to his diplomatic skill, agreement was reached on Indo-China and the war in that area ended (July 1954). In September of the same year, after the French rejection of the E.D.C., he made a rapid tour of a number of European capitals and subsequently convened the Nine-Power conference in London at which the London and Paris Agreements were worked out, and which included a British guarantee to keep four divisions and a tactical air force on the Continent for 50 years. In 1954, also, agreement was reached with Egypt on the revision of the 1936 treaty (which Mr. Eden had negotiated) and on the withdrawal of British forces from the Canal Zone to Cyprus.

Sir Anthony, who had been made a Knight of the Garter in October 1954, succeeded Sir Winston Churchill as Prime Minister in April 1955. He also succeeded Sir Winston as leader of the Conservative Party, and was returned to office with an increased majority in the elections of May 1955. Later in the year he took part in the Geneva meeting of Heads of Government, and in the spring of 1956 had discussions with Marshal Bulganin and M. Khrushchev during their visit to Britain.

Following the Egyptian nationalization of the Suez Canal in July 1956, and the threatened disintegration of the Government's policy in the Middle East, the last few months of Sir Anthony Eden's Premiership were dominated by attempts to restore the Middle East situation—firstly by the London conferences on the Suez Canal, and subsequently by the military intervention in Egypt following Israel's attack in the Sinai peninsula.

In 1953 Sir Anthony had had to undergo three operations—two in London and one in Boston, U.S.A.—for inflammation of the gall-bladder, followed by several months of convalescence [see 13057 C]. Though he subsequently made a good recovery and resumed public life, he had two feverish attacks in the autumn of 1956, and throughout the Middle East crisis was known to have been working under great physical strain. In November he had to cancel all his engagements because of severe overstrain, and on the advice of his doctors spent a three-weeks' holiday in Jamaica for complete rest.

Mr. Harold Macmillan becomes Prime Minister.

After consultations during the morning of Jan. 10 with Sir Winston Churchill and Lord Salisbury, who paid separate visits to Buckingham Palace, the Queen sent for Mr. Harold Macmillan, the Chancellor of the Exchequer, and invited him to become Prime Minister and to form a new Government. Mr. Macmillan accepted this invitation, was received in audience by the Queen during the afternoon, and kissed hands on taking up his appointment.

Mr. Harold Macmillan (62), the son of Maurice Crawford Macmillan—a founder of the well-known publishing firm—was born in 1894 and educated at Eton and Balliol College, Oxford, where he took a first in Classics. In the First World War he served in the Grenadier Guards, being wounded three times and winning the M.C. He entered Parliament as Unionist M.P. for Stockton-on-Tees in 1924, lost the seat in 1929, but regained it in 1931 and held it until 1945, when he was returned for Bromley, his present constituency.

Like Sir Anthony Eden, he was strongly critical of the pre-war "appeasement" policy, and in 1936 voted against the National Government's decision to abandon the policy of sanctions against Italy. He afterwards refused the party whip and for more than a year sat in the House as an Independent Conservative. A member of Mr. Churchill's Coalition Government throughout the Second World War, he was Parliamentary Secretary to the Ministry of Supply and Under-Secretary for the Colonies (1940-42) before his appointment as Resident Minister at Allied H.Q. in North Africa, a post he held until 1945. For a short period in the latter year he was Secretary for Air in the "caretaker" Government.

As Minister of Housing and Local Government from 1951-54, in Mr. Churchill's Conservative Cabinet, Mr. Macmillan achieved a notable personal success in fulfilling his party's election pledge to build 300,000 houses a year—a task he achieved within two years. He also piloted through Parliament the Housing Repairs and Rents Bill, an important slum-clearance measure. He was Minister of Defence from October 1954 to April 1955, when he succeeded Sir Anthony Eden as Foreign Secretary after Sir Anthony took over the Premiership from Mr. Churchill. After seven months at the Foreign Office Mr. Macmillan succeeded Mr. Butler as Chancellor of the Exchequer (December 1954), in which capacity he took a number of measures to tighten the "credit squeeze"—e.g. by raising the Bank rate to 5½ per cent (its highest point since 1931), intensifying the hire-purchase restrictions, reducing capital investment, reducing the bread and milk subsidies, and imposing severe restraint on loans to local authorities. An innovation in his last Budget (April 1956) was the introduction of the Premium Bonds scheme.

Mr. Macmillan, who is half-American by descent (his mother having been the daughter of an Indiana doctor), married in 1920 Lady Dorothy Cavendish, daughter of the ninth Duke of Devonshire. He has one son—Mr. Maurice Macmillan, Conservative M.P. for Halifax—and three daughters. He is the author of a number of

publications on economic and industrial organization—*Planning for Employment* (1935), *The Middle Way* (1938), *Economic Aspects of Defence* (1939), etc.—and played an important part in drafting the Conservative Party's *Industrial Charter* and its policy statement *The Right Road for Britain.*

Mr. Macmillan spoke as follows in a short broadcast in the evening of Jan. 10:

"This afternoon the Queen did me the great honour to ask me to form a Government. I accepted this duty. The occasion is a sad one for me, brought about as it is by the retirement of my old and very dear friend Anthony Eden. Sir Anthony first attained one of the highest offices of State, the Secretaryship at the Foreign Office, 21 years ago. For many of the intervening years, in office and out of office, he has given himself to the service of the people of this country. Now the years of hard work and endeavour have taken their toll of his health and strength. He has felt unable to continue. I am sure there is not one of you who would not join with me in wishing him good health and a speedy recovery.

"I am now engaged in forming a Government which I shall present for the Queen's approval in a few days. We have a difficult task before us. All of us will need all our courage and strength, and we shall need the sympathy, goodwill and understanding of everyone in the country, whatever their party or beliefs. I believe we shall have that sympathy and I am certain that, with the efforts of all, we can succeed."

It was announced on Jan. 11 that Sir Anthony Eden had resigned as M.P. for Warwick and Leamington owing to the state of his health. It was also reported in the Press that Sir Anthony was understood to have been offered an earldom by H.M. the Queen, but had sought her permission to decline the honour for the time being.

Sir Anthony wrote as follows on Jan. 10 to Mr. E. L. Claridge, chairman of the Warwick and Leamington Divisional Conservative Association: "I have been M.P. for Warwick and Leamington for more than 33 years. During that time . . . a close personal connexion has grown between the Member and his constituency. After so long a period our relationship has become that of true friends, nor is this confined, I believe, to members of one political party . . . You will imagine, therefore, with what regret I have to write this letter. I do not feel that this important constituency . . . should be represented by anyone who is not fit and able to give his full time to the task. The life at Westminster in these days is a strenuous one for which I clearly have not the present health. In those circumstances I have no doubt where my duty lies. With real sorrow I am taking the necessary official steps to give up my representation in the constituency."

The Parliamentary Committee of the Labour Party (the "Shadow Cabinet"), after a meeting on Jan. 11, said that it had discussed "the situation arising from the resignation of the Rt. Hon. Sir Anthony Eden and the appointment of the Rt. Hon. Harold Macmillan as his successor"; that it was "examing further the constitutional implications of the way in which this change was brought about"; and that it would meet again in the following week.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 15263 C; 14129 A.)**

A. INDIA. — Decisions on Calendar Reform.

It was announced in New Delhi on Oct. 24, 1956, that the Government of India had taken the following decisions in the matter of calendar reform, following the report of the Calendar Reform Committee:

(1) The Gregorian Calendar should continue to be used, as hitherto, for official and similar purposes.

(2) The Uniform National Calendar proposed by the Committee should be adopted with effect from March 22, 1957 (corresponding to First Chaitra, 1879 of the Saka Era) for certain official purposes in conjunction with the Gregorian Calendar. The official purposes would be: (*a*) the publication date of the *Gazette of India* should bear the Saka Era date in addition to the Gregorian date; (*b*) in opening news broadcasts in various languages by All-India Radio, the Saka Era date should be announced in addition to the Gregorian date; (*c*) calendars issued by the Government should progressively give Saka Era dates in addition to Gregorian dates.

(3) There should be no deviation from prevailing custom in the observance of holidays connected with religious festivals, but the dates suggested by the Committee would be followed as far as possible.

The Government did not, therefore, accept the Committee's recommendation that the Gregorian Calendar should be altogether superseded by the new national calendar.
(The Hindu, Madras) **(Prev. rep. 14809 A.)**

B. CZECHOSLOVAKIA. — Dropping of Soviet Anthem by Prague Radio.

Under an Order which became effective on Dec. 25, 1956, the Czechoslovak State Radio ended the practice of playing the Soviet National Anthem at midnight each night. The anthem had been played since the Communist seizure of power in 1948, as a tribute to the Soviet "liberation" of Czechoslovakia at the end of the Second World War and to the friendship between Czechoslovakia and the U.S.S.R.—(Times)

C. INTERNATIONAL BANK. — Recent Loans.

Recent loans by the World Bank are summarized below:

Australia. (*a*) $9,230,000 on Nov. 23 to the Commonwealth Government. Together with a further loan of $17,770,000 from private institutional investors, this will be used to purchase Boeing and Lockheed aircraft and spare parts for Qantas Empire Airways Ltd. Terms for the International Bank's loan were 4½ per cent per annum, repayable semi-annually between June 1964 and December 1966.

(*b*) $50,000,000 on Dec. 5 for purchasing equipment from the dollar area for developing agriculture and forestry, road and rail transport, and industry and mining. Terms: 4½ per cent p.a. interest including 1 per cent commission, repayable in 15 years beginning July 15, 1959.

The loan will be allocated as follows: (i) $17,200,000 to agriculture and forestry for purchasing heavy tractors, agricultural machinery and implements, and components which will enable agricultural machinery to be manufactured in Australia; (ii) $12,800,000 to road transport for the purchase of trucks, tractors, components for truck manufacture in Australia, and equipment for building and maintaining roads; (iii) $4,000,000 to the railways for purchasing components for manufacturing diesel-electric locomotives and other rolling stock, and equipment for track control and goods-wagon maintenance; (iv) $16,000,000 to industry and mining for purchasing specialized equipment for the iron and steel, engineering, and food processing industries, and for lead, zinc, copper, and coal mining.

India. $20,000,000 on Dec. 20 to the (privately-owned) Indian Iron and Steel Company, India's second largest steel producer, to expand semi-finished and finished steel production at the Burnpur works (West Bengal) to 800,000 tons a year. The First National City Bank, the Irving Trust Company, and the Philadelphia National Bank participated in the loan without the World Bank's guarantee to a total of $1,032,000. Terms: 5 per cent p.a. interest including 1 per cent commission, repayable in 11 years commencing April 15, 1960. The loan was guaranteed by the Indian Government.

This was the second loan to the IISCO, which, together with a loan of $75,000,000 to the Tata Iron and Steel Co. Ltd. in June 1956 (see 15019 B), brought India's total borrowings from the World Bank for iron and steel production to $126,500,000. Production of these two privately-owned companies is planned to reach a total of 2,300,000 tons of finished steel per annum.

Japan. (*a*) $20,000,000 on Dec. 19 to the Japan Development Bank (a government agency), to be re-lent to the privately-owned Kawasaki Steel Corporation to help finance the construction, at its Chiba (Tokio Bay) plant, of a modern strip mill, additional soaking pits, and iron-ore pelletizing equipment, producing 390,000 tons of hot strip p.a., the bulk to be processed into 300,000 tons of cold strip. The First National City Bank of New York participated in the loan without the World Bank's guarantee to the extent of $1,252,000. Terms: 5 per cent p.a. interest including 1 per cent commission, repayable in 15 years commencing May 15, 1960.

(*b*) $4,300,000 on Dec. 19 to the Agricultural Land Development Machinery Public Corporation (set up by the Government in 1955) for establishing three pilot projects covering 54,000 acres of waste land to test the feasibility of large-scale mechanical reclamation, and for purchasing 5,000 head of dairy-breeding cattle from Australia. Land reclamation will take place in three different areas in Northern Japan—Kamikita (Northern Honshu), the Konsen plain (Eastern Hokkaido), and the Ishikari River Valley (Western Hokkaido)—and if successful will be extended on a larger scale to other areas. Terms: 5 per cent p.a. interest including 1 per cent commission, repayable in 15 years commencing Nov. 1, 1959.

Both loans were guaranteed by the Japanese Government. They brought total World Bank loans to Japan to $76,077,000.

Nicaragua. $1,600,000 on Nov. 15 to the *Empresa Nacional de Luz y Fuerza* of Managua (an autonomous government corporation) for power development. The loan, in which the Grace National Bank of New York participated to the extent of $101,000 without the World Bank's guarantee, was supplementary to that made in July 1955 (see 14420 A). Terms: 4½ per cent p.a. interest including 1 per cent commission, repayable in 15 years commencing Oct. 1, 1959. The loan was guaranteed by the Nicaraguan Government, and brought total loans by the International Bank to Nicaragua to $23,000,000.

On Jan. 10 the World Bank offered an issue of $100,000,000 4½ per cent 20-year bonds, for sale in the United States. (International Bank, Washington - Financial Times)
(Prev. rep. World Bank Loans, 15200 B.)

D. ALBANIA. — Expulsion of Yugoslav Diplomat.

It was announced in Belgrade on Jan. 11 that the Albanian Government had declared the First Secretary of the Yugoslav Legation in Tirana (Mr. Vucich) to be *persona non grata*, and had asked him to leave the country as soon as possible. No official reason was given by the Albanian Government for the expulsion of Mr. Vucich. In recent weeks the Yugoslav Government and President Tito had been bitterly attacked in Albania, particularly since Marshal Tito's speech at Pula (see 15258 A) in which he strongly criticized the Albanian Prime Minister, Enver Hoxha.—(Tanjug Agency, Belgrade - Times)

A. SAAR TERRITORY. — Merger with German Federal Republic. - French and German Ratification of Treaties on the Saar, Moselle Canalization, and Upper Rhine Waters. - Luxemburg Ratification of Moselle Agreement. - German Financial Aid for the Saar. - Withdrawal of Democrats from Saar Government.

The Saar territory was incorporated in the German Federal Republic at midnight on Dec. 31, 1956, thereby becoming the tenth *Land* of the Republic. Dr. Adenauer, the Federal Chancellor, visited Saarbrücken on Jan. 1, a formal "Act of State" taking place at the Saarbrücken municipal theatre to mark the Saar's reunion with Germany. Both Dr. Schneider, who had previously resigned as President of the Saar *Landtag* (see below), and Dr. Hoffmann (leader of the Saar Christian People's Party), were absent from the ceremony.

Press correspondents stated that while Dr. Adenauer was given a warm welcome, there was a complete absence of enthusiastic celebrations such as had marked the merger of the Saarland with the former German Reich during the Hitler régime in 1935. It was explained that this was due to a number of factors—a conscious official attempt to avoid hurting French feelings; the threatened loss of some of the high social security benefits which the Saarlanders had enjoyed under French legislation; and concern on the part of smaller businessmen at the danger of big German concerns establishing themselves in the Saar and putting them out of business.

The final stages leading up to the incorporation of the Saar in the German Federal Republic are summarized below.

French Ratification of Saar, Moselle Canalization, and Upper Rhine Treaties and Conventions.

A Bill authorizing the ratification of the treaties, conventions, and protocols in connexion with the settlement of the Saar question was passed by the French National Assembly on Dec. 12 by 320 votes to 216. The agreements in question were (*a*) the Franco-German treaty on the Saar; (*b*) the convention between France, Western Germany, and Luxemburg on the canalization of the Moselle, and the supplementary Franco-Luxemburg protocol; (*c*) the Franco-German convention on the utilization of the waters of the Upper Rhine between Basle and Strasbourg; (*d*) the treaty modifying the membership of the Assembly of the European Coal and Steel Community.

The Bill also permitted Saarlanders to apply for French nationality without having fulfilled the residence conditions normally laid down, and authorized Saarlanders to carry on in France the professions of doctor, dentist, midwife, pharmaceutical chemist, and veterinary surgeon, provided they had the necessary qualifications as well as French nationality at the time of the entry into force of the Franco-German treaty.

The debate was opened on Dec. 11 by **M. Mutter** (Independent), *rapporteur* of the Foreign Affairs Commission. M. Mutter recommended ratification of the various treaties and conventions, though describing the provisions for the closing of the Vuillemin pit [on the French side of the Warndt mines] as an "economic aberration" which would involve the abandonment of a modern pit and the "expenditure of millions," both by France and the Saar, for constructing new facilities to exploit the area's coal deposits. **M. de Bailliencourt** (Radical), *rapporteur* of the Industrial Production Commission, also spoke in support of ratification, pointing out that during the next 25 years France would receive a total of 127,000,000 tons of coal from the Saar, or an average of 5,000,000 tons annually, representing nearly one-tenth of her own production. The canalization of the Moselle, he pointed out, would reduce transport costs for iron-ore and coal between Lorraine and the Ruhr by 46 to 65 per cent.

M. Caillavet (Radical) stated that the Finance Commission had also favourably reported on the agreements, but expressed his own disapproval, asserting that only Germany would derive advantages from the treaty and that France would be the loser. **M. Engel** (M.R.P.), a deputy for the Moselle department, and **M. Bouhey** (Socialist), though supporting the agreements, were highly critical of the proposed closing of the Vuillemin pit, which the former denounced as "technical, economic, and financial heresy" due solely to "Saar nationalism."

The agreements were strongly opposed by **M. Naudet** (Radical), who maintained that they constituted "a setback for France and for Europe," involved a threat to the French balance of payments and French cultural influence, and upset the equilibrium within the European Coal and Steel Community; by **M. Dronne** (Social Republican *apparenté*), who declared that the abandonment of the Saar would "only whet the appetite of German nationalism"; and by **M. Kriegel-Valrimont** (Communist), who alleged that "the real beneficiaries of the whole transaction" would be "the Ruhr magnates" and "the Röchling family."

M. Klock (M.R.P.), who supported ratification on behalf of the Economic Affairs Commission, said that the agreements were "not a unilateral renunciation by France but an honourable compromise between two great countries on the road towards frank and loyal collaboration." **M. Louvel** (M.R.P.) agreed with this view but suggested that the French mines in Lorraine should be indemnified for the extra expense connected with the closing-down of the Vuillemin pit and the necessary measures of readjustment. **M. Lapie** (Socialist deputy for the Meurthe-et-Moselle department) called on the Government to extend the canalization of the Moselle up-river to Nancy, and also to widen the southern section of the *Canal de l'Est* so as to link Lorraine with Strasbourg.

M. Maurice Faure (Radical), State Secretary for Foreign Affairs, replied to the debate. He pointed out that the difficulties concerning the Vuillemin pit had been due to "Saar nationalism and not to German nationalism," and that the German Federal Government had undertaken to pay for the loss of the Warndt coal to France by promising to make extra coal supplies of the same quality available at such a price that the financial equilibrium of the Lorraine mines would not be affected.

As regards the Moselle canalization, M. Faure stated that after the setting-up of the new company, two sections would be started in 1957—one in Germany south of Trier, the other in France between Thionville and the frontier. He repeated a statement made the previous day that if Germany did not fulfil her engagement in this respect, France would consider herself free from all obligations.

Dealing with the return of the Völklingen steel works to the Röchling family, M. Faure said this was the only instance where one could justifiably speak of a "lost opportunity." He expressed regret that the French Government had not decided after 1947 to buy the works outright, and recalled that when it had later asked French steel industrialists and finance groups associated with the steel industry to buy the works, no satisfactory offer had been made.

Appealing for ratification, M. Faure emphasized that the agreements "seal the reconciliation of the two countries, help in the construction of Europe, and reinforce the Atlantic Alliance."

M. Guy Mollet (the Prime Minister), in a strong appeal for ratification, emphasized that France and Western Germany, though defending their respective national interests in working out the agreements, had never lost sight of joint Franco-German interests nor of the common European interest. Although a "Europeanized Saar" would have constituted a link between France and Germany, the present agreement—if accepted without mental reservation—would achieve the same result and become the basis of a Franco-German *entente* and solidarity, which was the first condition of any European union. France's true interests were "not to maintain a permanent quarrel with her German neighbour but rather to join with Germany in establishing a growing solidarity between all European countries, and to build an integrated Europe which may be able tomorrow to dominate the atomic revolution, and which will constitute an economic whole in the modern world."

Four amendments were accepted by the Government for insertion in the Bill:

(1) Adding the professions of lawyer, notary public, and architect to those which Saarlanders could exercise in France on the above-mentioned conditions;

(2) Authorizing the transfer of Saarlanders who had held positions in the Saar public administration to the French public services, even if they should acquire French nationality less than five years before they entered the French service;

(3) Providing for compensation for certain Saarlanders who would incur losses as a result of the Saar's integration with Germany;

(4) A new clause (*a*) laying down that the French Government would investigate with the German Federal Government, before Dec. 31, 1966, "the possibilities of an economic exploitation of the Vuillemin pit, after consultation with the High Authority of the European Coal and Steel Community," and (*b*) committing the Government to negotiate a settlement with the German Federal Republic which would guarantee the most economic way of exploiting the Warndt mines in conformity with the treaty setting up the E.C.S.C.

Amendments (1)—(3) were moved by M. Dorey (M.R.P.), and the fourth amendment by M. Mondon (Independent) and M. Engel (M.R.P.).

The 320 deputies voting for ratification consisted of 99 Socialists (out of 100); 75 Independents (out of 85); 71 M.R.P. members (out of 74); 19 U.D.S.R. deputies (out of 20); 18 Radicals (out of 46); 12 Dissident Radicals (out of 14); 10 *paysans* (out of 14); eight Social Republicans (out of 21); all seven Overseas Independents; and one *non-inscrit*.

The 216 deputies voting against the Government were 142 Communists (out of 143) and the six *progressistes*; 37 Poujadists (out of 39); 19 Radicals (including M. Mendès-France and M. Daladier); five Independents; five *non-inscrits*; one U.D.S.R. deputy; and one dissident Radical.

The 28 deputies who did not take part in the vote consisted of 11 R.G.R., six Radicals, six *non-inscrits*, three Social Republicans (including M. Dronne), one dissident Radical, and one *paysan*. Another 18 deputies were absent.

After the vote, however, the R.G.R. group [i.e. the Radicals supporting M. Edgar Faure and opposing M. Mendès-France] announced that the fact that its deputies had been recorded as not having taken part in the vote had been due to an error, since they had in reality voted for ratification, as had previously been announced by their spokesman, General Corniglion-Molinier.

The Council of the Republic approved ratification of the agreements on Dec. 27 by 209 votes to 66.

The Council added a resolution, however, asking the Government to set up a Customs control between the Saar and France; to ensure the financing of the conversion measures to be undertaken by the Lorraine mines (because of the closing down of the Vuillemin pit), and to negotiate a protocol with Western Germany providing for the completion of the Moselle canalization in less than five years.

German Ratification of Agreements. - The Saar Integration Bill.

Four Bills authorizing ratification of the Saar treaty, the Moselle canalization convention, the convention for the exploitation of the waters of the Upper Rhine, and the amendments to the European Coal and Steel Community treaty, were given an unopposed first reading in the West German *Bundestag* on Nov. 29, and sent to the competent committees. The *Bundestag* also gave a first reading to the Saar Integration Bill, whose principal provisions were as follows:

(1) The Saar would become a *Land* of the Federal Republic, and, subject to the provisions of the Franco-German treaty, the Basic Law of the Federal Republic would apply to the Saar as from the Bill's entry into force. The one-year period within which a territorial re-organization of a *Land* could be demanded by popular initiative, in accordance with Article 29 of the Basic Law [see page 10163], would start for the Saar on Jan. 1, 1960. German nationality law would also apply to the Saar.

(2) The Saar would be represented in the present *Bundestag* by 10 members, who would be chosen by the Saar *Landtag* from among its membership and in proportion to party strengths as at Jan. 1, 1957. The Saar representatives would have full voting powers.

(3) Saar legislation would remain in force unless it was in conflict with the Basic Law.

(4) The Saar *Landtag*, during the transitional period to Dec. 31, 1959, would be empowered to amend or rescind legislation regulating Saar monopolies, and also to amend or rescind Federal law in all matters subject to concurrent legislative competence, unless such Federal legislation had been specifically extended to the Saar. Legislation issued by the former Occupation authorities would not be affected.

(5) In order to protect the Saar economy, it was provided that during the transitional period, and for six months thereafter, any person or company not normally resident or trading in the Saar on Jan. 1, 1957, would require permission from the Saar Government for starting commercial or industrial activities. This permission could be refused if such activities were considered to endanger the legitimate interests of the Saar economy or any of its branches.

(6) In accordance with the Saar treaty, the Saar would retain until the end of the transitional period all taxes levied in its territory, including Federal taxes; correspondingly, it would be responsible for all expenditure within its territory, even where such expenditure was borne in the other *Länder* by the Federal Government. Provision was made for special grants by the Federal or *Länder* Governments to help the Saar to meet a deficit not otherwise covered, and to "further the adjustment of the Saar economy to the economic structure and development in the rest of the Federal territory."

(7) The Saar railways and postal services would be merged with the German Federal railways and posts administration as from Jan. 1, 1957. All civil servants, employees, and workers on the railways and in the postal services would be taken into Federal service.

(8) For electoral purposes the Saar would be divided into five constituencies.

(9) The Federal Government was authorized to issue decrees for the introduction of the Deutschemark as the currency in the Saar; for the conversion of claims and debts; and for exempting the Saar population from certain taxes and duties "with a view to achieving a fair balance of the economic advantages and burdens connected with the territory's merger in the Federal Republic." Such decrees would require prior consultation with the Saar Government.

During the first reading debate, Dr. von Brentano (Foreign Minister) appealed on behalf of the Federal Government for the ratification of the agreements with France.

Dr. von Brentano described the Saar treaty as "a first decisive step towards reunification in peace and freedom"; said that it represented a "convincing proof of the correctness and necessity of the policy of European understanding and co-operation"; and welcomed it as "a contribution to the relaxation of world tension." The Federal Government had never doubted that a satisfactory settlement of the Saar question could only be found on the basis of a Franco-German understanding, and the conclusion of the treaties represented "a truly historic event" in Franco-German relations.

The ratification Bills and the Saar Integration Bill were finally passed by the *Bundestag* on Dec. 14, by unanimous vote. The *Bundesrat*, which had given the Bills a first reading on Nov. 23, finally passed them on Dec. 21, all the agreements being signed by President Heuss on the following day.

Luxemburg Ratification of Moselle Canalization Agreement.

The Luxemburg Parliament approved on Dec. 27 the treaty on the canalization of the Moselle River and the supplementary Franco-Luxemburg protocol on certain compensation to be made by France. The voting was 41 to three (one Socialist and two Communists), with one Socialist abstaining. All the other Socialist deputies, as well as the Christian Socials (Catholics) and the Liberals, supported ratification.

Saar Adherence to Federal Republic - Democrats' Withdrawal from Saar Government. - Dr. Schneider's Resignation as President of Saar Landtag.

The Saar *Landtag* approved on Dec. 13 a declaration of adherence to the German Federal Republic by 35 votes to two (Communists), with 13 abstentions (Democrats). The declaration was worded as follows:

"The *Landtag* of the Saar Territory, implementing the wish of the Saar population as expressed by the plebiscite of Oct. 23, 1955, and after noting the treaty signed on Oct. 27, 1956, between the German Federal Republic and the French Republic for the regulation of the Saar question, declares the adherence of the Saar Territory to the Federal Republic in accordance with Article 23 of the Basic Law."

Immediately after the vote Dr. Schneider (the leader of the Democratic Party) announced his resignation as President of the *Landtag*, while the two Democratic Ministers -Herr Schuster (Interior) and Herr Schwertner (Reconstruction) resigned from Dr. Ney's coalition government.

The Democrats' attitude was explained in a statement by Dr. Schneider, who said that his party was not opposing the Saar's integration in Western Germany but objected to the decision having been taken without sufficient guarantees on the part of the Federal Government to maintain the existing social security benefits in the Saar (see below). The withdrawal of the Democratic Ministers ended the coalition of the three parties grouped in the *Heimatbund*, and left Dr. Ney's Government with only the support of the Christian Democrats and Social Democrats, together commanding no more than 22 seats of the *Landtag's* total membership of 50.

German Financial Aid to the Saar. - Social Security Benefits.

The Federal Government decided on Dec. 12 to allocate 350,000,000 DM. (nearly £30,000,000) in 1957 to cover the deficiency in the Saar budget and help to modernize the Saar economy. It was stated that this sum included 50,000,000 DM. of Marshall Plan counterpart funds.

Of the total Federal contribution, 100,000,000 DM. will be used to increase the capital of the Saar mines, which became Federal property upon the integration of the Saar; between 80,000,000 and 100,000,000 DM. will be spent on the modernization of economic enterprises; about 30,000,000 DM. will be a first instalment for road construction, including the extension of the *Autobahn* from Mannheim to the Saar border; 54,000,000 DM. will be used to cover a tax deficiency in the Saar caused by tax allowances to be granted to the Saar economy; and part of the balance will be spent on the electrification of the Saar railways.

As a result of differences which had arisen between the Saar Labour Minister (Herr Conrad) and the Federal Labour Minister (Herr Storch), during which Herr Conrad alleged that the Federal Government had failed to keep its earlier promise to maintain the existing social security benefits in the Saar, the Federal Cabinet issued a statement on Dec. 12 pointing out that during the transitional period it would be necessary to adjust the French system at present applying in the Saar to the German social security system. An assurance was given that this would "neither cause a reduction in overall benefits, nor was it intended to bring about such a reduction."

Völklingen Steelworks returned to Röchling Family.

Following the Franco-German agreements, the French Government decided on Nov. 14, after negotiations with the Röchling family, to return the iron and steel works at Völklingen to the Röchling family against a payment of 3,000,000,000 francs (over £3,000,000) as reparations in return for France's renunciation of her dismantling rights after the war. French control of the works was accordingly ended, and the works were handed back to the Röchling family on Nov. 28, 1956.

The Völklingen works, the biggest in the Saar, produced over 1,000,000 tons of steel in 1955. They will now become part of an important new heavy industrial combine in Western Germany, since the Röchling family had a few months earlier acquired a majority share in the Berlin firm of Rheinmetall-Borsig and its subsidiary company in Düsseldorf, an important steel-refining and engineering concern.—(Le Monde, Paris - Le Figaro, Paris - Frankfurter Allgemeine Zeitung - Die Welt, Hamburg) **(Prev. rep. 15165 A.)**

Note. The International Moselle Canalization Company, a private company to be incorporated in Germany with headquarters at Trier, will have a capital of 102,000,000 DM., of which France and Germany will each hold 50,000,000 DM. and Luxemburg 2,000,000 DM., in return for her taking over 2,000,000 DM. of the French share of 250,000,000 DM. of the building costs. A Moselle Commission consisting of representatives of the three countries, with its seat at Trier, will deal with the navigation régime and shipping dues on the river. (Ed. K.C.A.)

A. UNITED STATES. — President Eisenhower's New Middle East Policy. - Request for Congressional Authority to protect Middle East Countries from Communist Aggression. - Proposals for U.S. Military and Economic Aid to Threatened Countries.

President Eisenhower delivered a special message to the U.S. Congress on Jan. 5 in which he set out the Administration's proposals for a new Middle Eastern policy, including (1) a programme of U.S. economic and/or military aid to any nation or group of nations in the area desiring such aid; (2) the employment of U.S. armed forces "to secure and protect the territorial integrity and political independence of nations requesting such aid against overt armed aggression from any nation controlled by international Communism." These measures "would have to be consonant with the treaty obligations of the United States, including the U.N. Charter, and with any action or recommendations of the United Nations." In the event of an armed attack, such aid would be "subject to the overriding authority of the Security Council."

The Presidential message was worded as follows:

"In my forthcoming State of the Union Message I shall review the international situation generally. There are world-wide hopes which we can reasonably entertain, and there are world-wide responsibilities which we must carry to make certain that freedom -including our own—may be secure. There is, however, a special situation in the Middle East which I feel I should, even now, lay before you.

"Before doing so it is well to remind ourselves that our basic national objective in international affairs remains peace—a world peace based on justice. Such a peace must include all areas, all peoples of the world, if it is to be enduring. There is no nation, great or small, with which we would refuse to negotiate, in mutual good faith, with patience and in the determination to secure a better understanding between us.

"Out of such understandings must, and eventually will, grow confidence and trust -indispensable ingredients to a programme of peace and to plans for lifting from us all the burdens of expensive armaments. To promote these objectives our Government works tirelessly . . . But until a degree of success crowns our efforts . . . we must, in the interests of peace itself, remain vigilant, alert and strong.

"The Middle East has reached a new and critical stage in its long and important history. In past decades many of the countries in that area were not fully self-governing. Other nations exercised considerable authority in the area and the security of the region was largely built around their power. But since the First World War there has been a steady evolution towards self-government and independence. This development the U.S.A. has welcomed and encouraged. Our country supports without reservation the full sovereignty and independence of each and every nation of the Middle East.

"The evolution to independence has in the main been a peaceful process. But the area has often been troubled. Persistent cross-currents of distrust and fear, with raids back and forth across national borders, have brought about a high degree of instability in much of the Middle East. Recently there have been hostilities involving Western European nations that once exercised much influence in the area. Also the relatively large attack by Israel in October has intensified the basic differences between that nation and its Arab neighbours. All this instability has been heightened and, at times, manipulated by international Communism.

"Russia's rulers have long sought to dominate the Middle East. That was true of the Tsars and it is true of the Bolsheviks. The reasons are not hard to find. They do not affect Russia's security, for no-one plans to use the Middle East as a base for aggression against Russia. Never for a moment has the U.S.A. entertained such a thought. The Soviet Union has nothing whatever to fear from the United States in the Middle East, or anywhere else in the world, so long as its rulers do not themselves first resort to aggression. That statement I make solemnly and emphatically.

"Neither does Russia's desire to dominate the Middle East spring from its own economic interests in the area. Russia does not appreciably use or depend upon the Suez Canal. In 1955 Soviet traffic through the Canal represented only about three-fourths of one per cent of the total. The Soviets have no need for, and could provide no market for, the petroleum resources which constitute the principal natural wealth of the area. Indeed, the Soviet Union is a substantial exporter of petroleum products.

"The reason for Russia's interest in the Middle East is solely that of power politics. Considering her announced purpose of communizing the world, it is easy to understand her hope of dominating the Middle East. This region has always been the cross-roads of the continents of the Eastern hemisphere. The Suez Canal enables the nations of Asia and Europe to carry on the commerce that is essential if those countries are to maintain well-rounded and prosperous economies.

"The Middle East provides a gateway between Eurasia and Africa. It contains about two-thirds of the presently known oil deposits of the world, and it normally supplies the petroleum needs of many nations of Europe, Asia, and Africa. The nations of Europe are peculiarly dependent upon this supply, and this dependency relates to transportation as well as to production. This has been vividly demonstrated since the closing of the Suez Canal and some of the pipelines. Alternate ways of transportation and, indeed, alternate sources of power can, if necessary, be developed. But these cannot be considered as early prospects.

"These things stress the immense importance of the Middle East. If the nations of that area should lose their independence, if they were dominated by alien forces hostile to freedom, that would be both a tragedy for the area and for many other free nations whose economic life would be subject to near strangulation. Western Europe would be endangered just as though there had been no Marshall Plan, no North Atlantic Treaty Organization. The free nations of Asia and Africa, too, would be placed in serious jeopardy. And the countries of the Middle East would lose the markets upon which their economies depend. All this would have the most adverse, if not disastrous, effect upon our own nation's economic life and political prospects.

"Then there are other factors which transcend the material. The Middle East is the birthplace of three great religions—Moslem, Christian, and Hebrew. Mecca and Jerusalem are more than places on the map. They symbolize religions which teach that the spirit has supremacy over matter and that the individual has a dignity and rights of which no despotic government can rightfully deprive him. It would be intolerable if the Holy Places of the Middle East should be subjected to a rule that glorifies atheistic materialism.

"International Communism, of course, seeks to mask its purposes of domination by expressions of good will and by superficially attractive offers of political, economic, and military aid. But any free nation which is the subject of Soviet enticement ought, in elementary wisdom, to look behind the mask.

"Remember Estonia, Latvia, and Lithuania. In 1939 the Soviet Union entered into mutual assistance pacts with these then independent countries; and the Soviet Foreign Minister, addressing the Supreme Soviet in October 1939, solemnly and publicly declared that 'we stand for the scrupulous and punctilious observance of the pacts on the basis of complete reciprocity, and we declare that all the nonsensical talk about the Sovietization of the Baltic countries is only to the interest of our common enemies and of all anti-Soviet provocateurs.' Yet in 1940 Estonia, Latvia, and Lithuania were forcibly incorporated into the Soviet Union. Soviet control of the satellite nations of Eastern Europe has been forcibly maintained in spite of solemn promises of a contrary intent made during World War II.

"Stalin's death brought hope that this pattern would change. We read the pledge of the Warsaw Treaty of 1955 that the Soviet Union would follow in satellite countries 'the principles of mutual respect for their independence and sovereignty and non-interference in domestic affairs.' But we have just seen the subjugation of Hungary by naked armed force. In the aftermath of this Hungarian tragedy, world respect for and belief in Soviet promises have sunk to a new low. International Communism needs and seeks a recognizable success.

"Thus we have these simple and indisputable facts:—

(1) The Middle East, which has always been coveted by Russia, would to-day be prized more than ever by international Communism.

(2) The Soviet rulers continue to show that they do not scruple to use any means to gain their ends.

(3) The free nations of the Middle East need, and for the most part want, added strength to assure their continued independence.

"Our thoughts naturally turn to the United Nations as a protector of small nations. Its Charter gives it primary responsibility for the maintenance of international peace and security. Our country has given the U.N. its full support in relation to the hostilities in Hungary and Egypt. The U.N. was able to bring about a cease-fire and the withdrawal of hostile forces from Egypt because it was dealing with Governments and peoples who had decent respect for the opinions of mankind as reflected in the U.N. General Assembly.

"But in the case of Hungary the situation was different. The Soviet Union vetoed action by the Security Council to require the withdrawal of Soviet armed forces from Hungary. And it has shown callous indifference to the recommendations, even the censure, of the General Assembly. The U.N. can always be helpful, but it cannot be a wholly dependable protector of freedom when the ambitions of the Soviet Union are involved.

"Under all the circumstances I have laid before you, a greater responsibility now devolves upon the United States. We have shown, so that none can doubt, our dedication to the principle that force shall not be used internationally for any aggressive purpose and that the integrity and independence of the nations of the Middle East should be inviolate. Seldom in history has a nation's dedication to principle been tested as heavily as ours during recent weeks.

"There is general recognition in the Middle East, as elsewhere, that the U.S.A. does not seek either political or economic domination over any other people. Our desire is a world environment of freedom, not servitude. On the other hand many, if not all, of the nations of the Middle East are aware of the danger that stems from international Communism, and welcome closer co-operation with the United States to realize for themselves the U.N. goals of independence, economic well-being, and spiritual growth.

"If the Middle East is to continue its geographic role of uniting rather than separating East and West; if its vast economic resources are to serve the well-being of the peoples there, as well as that of others; and if its cultures and religions and their shrines are to be preserved for the uplifting of the spirit of the peoples, then the United States must make more evident its willingness to support the independence of the freedom-loving nations of the area.

"Under these circumstances, I deem it necessary to seek the co-operation of Congress. Only with that co-operation can we give the reassurance needed to deter aggression, to give courage and confidence to those who are dedicated to freedom, and thus prevent a chain of events which would gravely endanger all the free world.

"There have been several Executive declarations made by the U.S.A. in relation to the Middle East. There is the Tripartite declaration of May 25, 1950, followed by the Presidential assurance of Oct. 31, 1950, to the King of Saudi Arabia. There is the Presidential declaration of April 9, 1956, that the U.S.A. will within constitutional means oppose any aggression in the area. There is our declaration of Nov. 29, 1956, that a threat to the territorial integrity or political independence of Persia, Iraq, Pakistan, or Turkey would be viewed by the United States with the utmost gravity.

"Nevertheless, weaknesses in the present situation and the increased danger from international Communism, convince me that basic U.S. policy should now find expression in joint action by Congress and the Executive. Furthermore, our joint resolve should be so couched as to make it apparent that, if need be, our words will be backed by actions.

"It is nothing new for the President and Congress to join to recognize that the national integrity of other free nations is directly related to our own security. We have joined to create and support the security system of the United Nations. We have reinforced the collective security system of the U.N. by a series of collective defence arrangements. To-day we have security treaties with 42 other nations which recognize that their, and our, peace and security are intertwined. We have joined to take decisive action in relation to Greece and Turkey, and in relation to Taiwan [Formosa].

"Thus the United States . . . has manifested in many endangered areas its purpose to support free and independent governments—and peace—against external menace, notably the menace of international Communism. Thereby we have helped to maintain peace and security during a period of great danger. It is now essential that the U.S.A. should manifest, through joint action of the President and Congress, our determination to assist those nations of the Middle East area which desire that assistance.

"The action which I propose would have the following features:

"It would, first of all, authorize the U.S.A. to co-operate with and assist any nation or group in the general area of the Middle East in the development of economic strengths dedicated to the maintenance of national independence.

"It would, in the second place, authorize the Executive to undertake in the same region programmes of military assistance and co-operation with any nation or group of nations which desire such aid.

"It would, in the third place, authorize such assistance and co-operation to include the employment of the U.S. armed forces to secure and protect the territorial integrity and political independence of such nations, requesting such aid, against overt armed aggression from any nation controlled by international Communism. These measures would have to be consonant with the treaty conditions of the U.S.A., including the U.N. Charter, and with any action or recommendations of the United Nations. They would also, if armed attack occurs, be subject to the overriding authority of the U.N. Security Council in accordance with the Charter.

"The present proposal would, in the fourth place, authorize the President to employ, for economic and defensive military purposes, sums available under the Mutual Security Act of 1954, as amended, without regard to existing limitations.

"The legislation now requested should not include the authorization or appropriation of funds, because I believe that, under the conditions I suggest, presently appropriated funds will be adequate for the balance of the present fiscal year ending June 30. I shall, however, seek in subsequent legislation the authorization of $200,000,000 to be available during each of the fiscal years 1958 and 1959 for discretionary use in the area, in addition to the other Mutual Security programmes for the area hereafter provided for by Congress.

"This programme will not solve all the problems of the Middle East. Neither does it represent the totality of our policies for the area. There are the problems of Palestine—relations between Israel and the Arab States, and the future of the Arab refugees. There is the problem of the future status of the Suez Canal. These difficulties are aggravated by international Communism, but they would exist quite apart from that threat.

"It is not the purpose of the legislation I propose to deal directly with these problems. The U.N. is actively concerning itself with all these matters, and we are supporting the United Nations. The United States has made clear . . . that we are willing to do much to assist the U.N. in solving the basic problems of Palestine.

"The proposed legislation is primarily designed to deal with the possibility of Communist aggression, direct and indirect. There is imperative need that any lack of power in the area should be made good, not by external or alien force but by the increased vigour and security of the independent nations of the area. Experience shows that indirect aggression rarely if ever succeeds where there is reasonable security against direct aggression; where the Government possesses local security forces, and where economic conditions are such as not to make Communism seem an attractive alternative. The programme I suggest deals with all three aspects of this matter, and thus with the problem of indirect aggression.

"It is my hope and belief that if our purpose be proclaimed, as proposed by the requested legislation, that very fact will serve to halt any contemplated aggression. We shall have heartened the patriots who are dedicated to the independence of their nations . . . And I should add that patriotism is, throughout this area, a powerful sentiment. It is true that fear sometimes perverts true patriotism into fanaticism and to the acceptance of dangerous enticements from without. But if that fear can be allayed, then the climate will be more favourable to the attainment of worthy national ambitions.

"As I have indicated, it will also be necessary for us to contribute economically to strengthen those countries, or groups of countries, which have governments manifestly dedicated to the preservation of independence and resistance to subversion. Such measures will provide the greatest insurance against Communist inroads. Words alone are not enough.

"Let me refer again to the requested authority to employ U.S. armed forces to assist in defending the territorial integrity and political independence of any nation in the area against Communist armed aggression. Such authority would not be exercised except at the desire of the nation attacked. Beyond this it is my profound hope that this authority would never have to be exercised at all.

"Nothing is more necessary to assure this than that our policy with respect to the defence of the area be promptly and clearly determined and declared. Thus the U.N. and all friendly Governments, and indeed Governments which are not friendly, will know where we stand. If, contrary to my hope and expectation, a situation arose which called for the military application of the policy which I ask Congress to join me in proclaiming, I would of course maintain hour-by-hour contact with Congress if it were in session. And if Congress were not in session, and if the situation had grave implications, I would at once call Congress into special session.

"In the situation now existing, the greatest risk is that ambitious despots may miscalculate. If power-hungry Communists should either falsely or correctly estimate that the Middle East is inadequately defended, they might be tempted to use open measures of armed attack. If so, that would start a chain of circumstances which would almost surely involve the United States in military action. I am convinced that the best insurance against this dangerous contingency is to make clear now our readiness to co-operate fully and freely with our friends of the Middle East in ways consonant with the purposes and principles of the United Nations. I intend promptly to send a special mission to the Middle East to explain the co-operation we are prepared to give.

"The policy which I outline involves certain burdens and, indeed, risks for the United States. Those who covet the area will not like what is proposed. However, before this, Americans have seen our nation's vital interest and human freedom in jeopardy, and their fortitude and resolution have been equal to the crisis, regardless of hostile distortion of our words, motives and actions.

"The sacrifices of the American people in the cause of freedom have, ever since the close of World War II, been measured in many billions of dollars and in thousands of the precious lives of our youth. These sacrifices, by which great areas of the world have been preserved to freedom, must not be thrown away.

"In those momentous periods of the past the President and Congress have united, without partisanship, to serve the vital interests of the United States and of the free world. The occasion has come for us to manifest again our national unity in support of freedom and to show our deep respect for the rights and independence of every nation, however great, however small. We seek not violence, but peace. To this purpose we must now devote our energies, our determination, ourselves."

The "Eisenhower plan" was welcomed by spokesmen of the British and French Foreign Offices and also by the Australian Minister for External Affairs (Mr. Casey), who described it as "the next best thing to the U.S.A. joining the Baghdad Pact." The Persian Foreign Minister (Dr. Ardalan) expressed "delight" at President Eisenhower's statement, while Turkish spokesmen said that the U.S. proposals had "vindicated Sir Anthony Eden's policy and the Anglo-French Suez action."

Among the Arab countries, the new U.S. Middle Eastern policy was warmly welcomed in the Lebanon, while Iraqi spokesmen also described it as "most welcome" provided the promised aid was offered unconditionally. No official statement was issued in Cairo, the Egyptian Government maintaining an attitude of reserve and the semi-official *Al Goumhouria* asking for "clarification of certain points" of the President's declaration. A spokesman in Amman said that Jordan would generally welcome any aid which made no demands on her sovereignty. In Syria, however, Damascus Radio attacked the "Eisenhower plan" and denied the existence of any Communist threat to the Middle East. President Kuwatly, then on a visit to Pakistan, said on Jan. 8 that Syria would "refuse to be a political or military satellite of any power bloc, whether in the West or the East," and would not accept "intervention or domination" from any quarter. No official statement was issued in Israel, where the Press expressed fears lest the "Eisenhower plan" might result in an American attempt to "appease" Colonel Nasser.

In India, Mr. Nehru said that if a "political vacuum" existed in the Middle East "it must be filled by the countries of that region" and not by any "outside Power."

President Eisenhower's declaration was bitterly attacked in the Soviet Union, a Moscow broadcast declaring that "the colonialist nature of U.S. policy has now been revealed in its true light." An official statement issued in Moscow on Jan. 7 said that Soviet, Rumanian, Hungarian, and Bulgarian party leaders, who had met in Budapest some days earlier, regarded the "Eisenhower doctrine" as "a measure to enslave the countries of the Middle East" and as "crude interference by American monopolist capital and its militaristic circles in the affairs of the Middle East, involving a new and serious deterioration of the situation in that region."

It was announced in Washington on Jan. 7 that President Eisenhower had appointed Mr. James P. Richards, formerly chairman of the House Foreign Affairs Commission, as Special Assistant to the President on Middle Eastern problems. It was stated that Mr. Richards would head a U.S. mission to the Middle East to explain the new policy to the countries of that area, and that he would have the personal rank of ambassador. Mr. Richards, formerly a Democratic Representative for South Carolina, did not seek re-election to the new Congress.

The proposed revision of American policy in the Middle East—referred to in the U.S. and British press as the "Eisenhower doctrine"—had been explained to the U.N. Secretary-General (Dr. Hammarskjöld) by Mr. Dulles on Dec. 31, before the President issued his message.—(New York Times - New York Herald Tribune - Times - Manchester Guardian - Le Monde, Paris) **(Prev. rep. President Eisenhower on Middle East Crisis, 15201 A, page 15210.)**

A. UNITED KINGDOM. — Gold and Dollar Reserves. - Rise in December 1956. - End-Year Figures.

The Treasury announced on Jan. 3 that the sterling area's gold and dollar reserves had risen by $168,000,000 during December, 1956, after taking into account (*a*) the receipt of $561,000,000 from the International Monetary Fund under the recent arrangements (see 15260 A); (*b*) the receipt of $6,000,000 in U.S. defence aid; (*c*) the payment of $49,000,000 to the E.P.U. in respect of the November settlement; (*d*) the payment of $3,000,000 to the creditors of E.P.U. in bilateral settlements; (*e*) the payment on Dec. 31 of $189,000,000 in respect of interest and principal on the U.S. and Canadian debts. As a result, the sterling area's gold and dollar reserves stood at $2,138,000,000 on Dec. 31, 1956, compared with $1,965,000,000 on Nov. 30, 1956, and with $2,120,000,000 on Dec. 31, 1955.

The payment of $189,000,000 included $104,000,000 interest on the U.S. and Canadian lines of credit and the U.S. Lend-Lease settlement, which, it was stated, would be returned to the reserves if the interest waiver for which the U.K. had applied (see 15239 A) was granted. The principal repaid on these U.S. and Canadian loans amounted to about $71,648,000, this being the sixth instalment. The total also included a quarterly payment of $7,500,000 on the Canadian interest-free loan, and payments on certain smaller loans from the U.S.A.

It was pointed out that, if the above receipts and payments were left out of account, normal dollar transactions other than those with the E.P.U. had resulted in a net loss of $158,000,000 during December, compared with a similar loss of $252,000,000 in November. These residual dollar deficits were an indication of the pressure exerted on sterling after the Anglo-French intervention in Egypt. It was stated by Treasury spokesmen, however, that almost all the December loss had been incurred before Dec. 10, when the support action by the International Monetary Fund was announced, and that the "acute speculative pressure" had ceased shortly afterwards.

Provisional figures for the E.P.U. December settlement showed that the U.K. had a deficit of £8,000,000, including the half-yearly interest payment of £2,000,000 on the U.K.'s debt to the Union; three-quarters of the deficit will be settled in gold or dollars and one-quarter by an increase in the U.K. debt to the Union.

The announcement led to a fresh rise in sterling, the sterling-dollar rate rising on Jan. 4 beyond the $2.79 level for the first time since July and reaching $2.79⅛ on Jan. 7.
(Financial Times) **(Prev. rep. Gold and Dollar Reserves, 15239 A; U.S. and Canadian Loans, 14628 B.)**

B. AUSTRALIA. — The Eildon Dam.

The Eildon Dam in Central Victoria, the largest water storage reservoir in the Southern Hemisphere, was opened on Oct. 19 by Mr. Bolte, the State Premier. Built at a cost of £A20,000,000 by a U.S. firm in just under five years, it will irrigate nearly 900,000 acres of land in the Goulburn Valley—an area equal to all the irrigated land in the rest of Australia. The capacity of the power station connected with the dam will be increased from the present 15,000 kw. to 185,000 kw.
(Australian News and Information Bureau)

C. JAPAN. — Formation of Ishibashi Cabinet.

The new Japanese Prime Minister, Mr. Ishibashi, announced the composition of his Cabinet on Dec. 23, 1956, as follows:

Mr. Tanzan Ishibashi	Prime Minister, Postal Services, and Minister of State in charge of the Defence Agency and the Hokkaido Development Agency.
Mr. Nobusuke Kishi	Foreign Minister.
Mr. Umekichi Nakamura	Justice.
Mr. Hayato Ikeda	Finance.
Mr. Hirokichi Nadao	Education.
Mr. Hiroshi Kanda	Welfare.
Mr. Ichitaro Ide	Agriculture and Forestry.
Mr. Mikio Mizuta	International Trade and Industry.
Mr. Taneo Miyazawa	Transport.
Mr. Shutaro Matsuura	Labour.
Mr. Tokuo Nanjo	Construction.
Mr. Koichi Uda Mr. Tomejiro Okubo Mr. Isaji Tanaka	Ministers of State.
Mr. Hirohide Ishida	Chief Cabinet Secretary.

Mr. Uda will be Director-General of the Economic Planning Board and of the Science and Technological Agency, as well as Chairman of the Atomic Energy Commission, while Mr. Tanaka will be Director of the Autonomy Agency. Provision was made for two more Ministers of State—one holding the function of Director-General of the Defence Agency and the other as Director of the Hokkaido Development Agency. These two posts were temporarily taken over by Mr. Ishibashi and will be filled later.

Mr. Kishi (60), the new Foreign Minister, is a lawyer by profession, and was Minister of Commerce and Industry in 1941. In 1952 he organized the Japan Reconstruction League (a political party with Conservative tendencies), of which he became president, but in March 1953 joined the Liberal Party. In November 1954 he became secretary-general of the newly-formed Democratic Party, and assumed the secretary-generalship of the Liberal-Democratic Party when the two parties were merged in October 1955. He has always advocated close ties between Japan and the United States.

Mr. Ikeda, chairman of the former Liberal Party, was Finance Minister in the third Yoshida Cabinet and held the portfolio of Trade in the fourth Yoshida Cabinet. Of the other Ministers, **Mr. Nakamura** is chairman of the Liberal-Democratic Party's Diet Policy Committee; **Mr. Mizuta** was a Minister of State in the fourth Yoshida Cabinet, Director-General of the Economic Advisory Board, and chairman of the Policy Research Committee in both the Liberal and Liberal-Democratic parties; and **Mr. Nanjo** was chairman of the party's executive board. All the other Ministers hold leading positions in the Liberal-Democratic Party.

The only member of the Hatoyama Cabinet included in the new Government was Mr. Ishibashi himself (for biography see 15284 C).—(Japanese Embassy Press Office, London) **(15284 C.)**

D. PHILIPPINES. — Suspension of U.S.-Philippine Talks on Status of American Bases.

It was disclosed in Washington on Dec. 5, 1956, that U.S.-Philippine negotiations in Manila on the status of American bases in the Philippines had been suspended indefinitely as a result of disagreement between the two sides. No details were officially made public, but the *New York Times* stated that a "major point of difference was the Philippine insistence on the right to control the use of the U.S. bases in the event of war." In Manila it was stated that the talks had broken down on the question of legal jurisdiction over U.S. military personnel for offences committed against Filipinos within U.S. base areas. The U.S. negotiators, headed by Mr. Karl R. Bendetsen, left Manila for Washington on Dec. 6.—(New York Times)
(Prev. rep. 14987 A.)

E. SOVIET UNION. — Ratification of Soviet-Japanese Agreements. - Repatriation of Prisoners.

The Bulganin-Hatoyama agreement ending the state of war between Japan and the U.S.S.R. was ratified by the Presidium of the Supreme Soviet on Dec. 9, together with the related trade and fisheries conventions. On Dec. 13 the Tass Agency announced that the Presidium had also approved a decree for the release and repatriation of all Japanese prisoners in the U.S.S.R. A vessel with 1,025 repatriates on board arrived at the Japanese port of Maizuru on Dec. 26, 1956.
(Times - New York Times) **(Prev. rep. 15260 E; 15195 A.)**

F. CANADA. — New Conservative Party Leader.

Mr. John Diefenbaker (61) was elected leader of the Progressive Conservative party on Dec. 14, 1956, at the end of a three-day national party convention held in Ottawa. He succeeded Mr. George Drew, who had resigned in September owing to ill-health. Mr. Diefenbaker, a lawyer, is member for Prince Albert (Saskatchewan) in the Canadian Parliament.
(Montreal Star) **(Prev. rep. 15152 D.)**

A. INDIA. — Press and Opposition Allegations of "Double Standard" in International Politics. - Mr. Nehru on the Suez Crisis and Hungary. - Criticisms of Soviet Intervention in Hungary. - Defence of India's Membership of British Commonwealth.

The Government of India's attitude in condemning the Anglo-French intervention in Egypt, while at the same time refraining from denouncing the Soviet intervention in Hungary, was strongly criticized by several leading Indian newspapers, including the *Hindustan Times* (Delhi), the *Times of India* (Bombay), and *The Statesman* (Calcutta), as well as by the leader of the Praja Socialist party, Mr. Narayan. Allegations that the Government of India were pursuing a "double standard" in international affairs, according as to whether aggression took place in the East or the West, were combined with demands for the recall of Mr. Krishna Menon, India's representative at the United Nations. Critics of the Government took particular exception to the fact that India, alone of the non-Communist countries, had voted with the Soviet bloc at the United Nations against the resolution calling for free elections in Hungary under U.N. supervision.

Strong exception was also taken to a statement on the Hungarian situation made by Mr. Nehru at a meeting of the All-India Congress Committee, held in Calcutta on Nov. 9. Although the A.I.C.C. met in closed session, and no details of the proceedings were officially made public, it was alleged in Indian newspapers that Mr. Nehru had admitted that he had been unable to follow the "very confusing situation" in Hungary until Marshal Bulganin had been "good enough to send a fairly long account." Mr. Nehru was also alleged to have described the events in Hungary as a "civil conflict" in which the Hungarian Government had split into two factions, one of which, after ousting the other, had "invited Soviet forces to quell the disturbances."

The *Hindustan Times* criticized the Government's "maladroit handling" of the Hungarian situation and its "curious reluctance, amounting almost to embarrassment," in its "official reactions to Soviet behaviour"; *The Statesman* called for an explanation of India's "odd" vote at the United Nations; while the *Times of India*, in an editorial on Nov. 12, condemned the Government's "over-cautious, almost apologetic reaction to Soviet imperialism." The last-named paper also said that it was an "indefensible understatement" to describe pitched battles between the Hungarian people and Soviet troops as a "civil conflict," particularly as "the people's freedom is being more seriously threatened than was ever the case during any stage of the Anglo-French aggression against Egypt."

Bitter attacks on Mr. Krishna Menon were made by Mr. Narayan, in a speech to the Press Guild of India on Nov. 15; by Mr. Frank Moraes (the biographer of Mr. Nehru), editor of the *Times of India*; and by Raja Huthee Singh (brother-in-law of Mr. Nehru), in a letter to that paper.

Mr. Narayan, who demanded "the removal of Mr. Krishna Menon from the political scene," attacked both Mr. Nehru and Mr. Menon for "jeopardizing India's moral stature in the world by applying double standards to aggression according to who commits it and where." He also said that he was "ashamed" of Mr. Nehru's description of the Hungarian revolt as a "civil conflict."

Mr. Moraes, in an article written after his return from U.N. Headquarters in New York (Nov 27), said that Mr. Krishna Menon had done "nothing to enhance India's reputation at the United Nations," and suggested that Mr. Menon's talents "might more profitably be utilized elsewhere than in the United States, where temperatures rise and tempers bristle at the mere mention of his name."

In his letter to the *Times of India*, Raja Huthee Singh described Mr. Menon's speech at the U.N. as "an affront to human decency and moral principles."

Mr. Nehru's Foreign Policy Speech. - Criticism of Soviet Intervention in Hungary. - Defence of Indian Attitude at United Nations.

At the opening of a two-day debate in the *Lok Sabha* (House of the People) on Nov. 19, Mr. Nehru made a major speech on foreign policy, a large part of which was devoted to the Hungarian situation. In this speech (summarized below under cross-headings) Mr. Nehru for the first time openly criticized the Soviet Government's actions in Hungary, declaring *inter alia* that the present Hungarian regime was not a free but an imposed Government, and that events in Hungary had "powerfully affected the prestige of the Soviet Union." Mr. Nehru also spoke of the "gross and brutal exercise of armed might against weaker nations" both in Hungary and Egypt; called for the withdrawal of foreign troops from both countries; and said that the Anglo-French action in Egypt and the Soviet action in Hungary had created a "crisis of conscience" in people's minds, which, he hoped, would result in the ending of military pacts and the "fashioning of new lines of approach to international co-operation."

The Situation in Hungary. After stressing that it had been extremely difficult at first to find out what was actually happening in Hungary, Mr. Nehru continued: "There was the difficulty that the broad facts were not clear to us, and also the fact that the events in Hungary took place at a moment when the international situation suddenly became very much worse [i.e. as a result of the Anglo-French intervention in Egypt]. We had to be sure and clear as to what had actually happened and what the real position was. Therefore we were a little cautious in expressing our opinion in regard to the facts.

"We were not cautious in expressing our opinion in regard to principles. Right from the very beginning we made it perfectly clear that in regard to Hungary, or Egypt, or anywhere else, any violent suppression of the people's freedom was an outrage against liberty. I made it perfectly clear, firstly, that foreign forces should be removed both from Egypt and Hungary, and secondly, that the people of Hungary should be given an opportunity to determine their future . . .

"In Hungary, as I said, conditions were for some time not at all clear to us. I am not quite sure if they are completely clear even now, but the broad facts are clear enough. There is little doubt that the national uprising there . . . was ultimately suppressed by the Soviet armed forces . . . There was a major conflict in which many Hungarians suffered. They fought very bravely, and it is possible that the Hungarian Army itself was on the side of the Hungarian people . . . The major fact stands out that the majority of the people of Hungary wanted political and economic changes, rose in insurrection to achieve them, but were suppressed.

"I think it is true that there were some elements on the side of the Hungarians which might be called by a word which is rather misused sometimes—'fascist' elements. I think it is true that outsiders also came in because the border forces were not functioning, and that arms came from outside to some extent. But the major fact is that a very large part of the people of Hungary claimed freedom from outside control, objected to the presence of Soviet forces, wanted them to withdraw, and desired changes in their government. That is a basic fact which nobody can deny.

"Perhaps even more significant than the fighting is the fact that when fighting stopped, there was an extraordinary demonstration of passive resistance. The people of Budapest refused to go back to work, or to take part in normal activities at a time when the city was suffering very greatly. This passive resistance by the people seems to me more significant of the wishes of their country than an armed revolt which might be raised by groups here and there.

"The history of Hungary has been a tragic one, marked by frequent attempts to gain freedom, frequently suppressed. There were such attempts during the Austro-Hungarian Empire . . . Five weeks before the end of the First World War, when Austria-Hungary was breaking up, there was an upheaval in Hungary more or less on the lines of the upheaval in Russia at the time. Its leader, Bela Kun, an associate of Lenin, established the Republic of Hungary . . . The Rumanian Army marched into Hungary and suppressed the new Hungarian Republic in an exceedingly ruthless manner . . . As a result, the Republic ceased to exist and a kind of feudal regime was established under Admiral Horthy . . .

"There are many names connected with Hungary which are famous in the fight for freedom. Anyhow, there is little doubt that the present movement in Hungary was a popular one. It was a movement with great masses of people behind it—workers, young people. And this, as I said, became even more potent by the passive resistance of the people in spite of the powerful armed strength opposed to them . . .

Denunciation of Military Pacts. "During the last year or two there have been certain tendencies in Eastern Europe, in the Soviet Union itself, which have to some extent liberalized the regimes there, and which in Poland went perhaps farther than in other countries. What must always be borne in mind, not only by us but by other countries, is that if anything is done which impedes this organic process of change, it may well have the opposite effect to that intended. It then becomes tied up with larger issues of war and peace.

"What do we see behind these issues? In the final analysis, fear—fear of the Western Powers, fear of the armed might of the Soviet Union, fear by the Soviet Union of the possible armed might of a rearmed Germany. All over Eastern Europe in Poland, Hungary, Czechoslovakia, and all those countries which have suffered from invasion—there is this fear of a rearmed Germany . . . The Western countries' fears of the armed might of the Soviet Union brought into existence NATO, and later other pacts and military alliances like SEATO and the Baghdad Pact. The Warsaw Treaty came into existence as a counterblast. Each claims to be a peaceful association based solely on defence against aggression. Each has the effect of frightening the other party, making it more apprehensive of danger, and therefore helping in the armaments race . . .

Plea for Abandonment of Force. "I should like to put before the House a few other considerations—to look behind the surface of things into the deeper changes that are coming about. First of all we see this brutal exercise of violence and armed might against weaker countries. *Prima facie*, this appears to be a triumph of violence and armed might which puts every militarily weaker country in peril and its independence in danger—more particularly, the countries of Asia and Africa. But there is another aspect, and that is that this exhibition of violence and armed might has failed, or is going to fail. It has created great damage, great suffering, and great bitterness, but in the final analysis it has failed to achieve anything.

"Take the aggression in Egypt. I think it is fairly clear that the United Kingdom and France have not gained anything and are not going to gain anything. They will lose much. Apart from the fact

that Egypt has suffered tremendously, the U.K. and France have also suffered, not so much in human lives as in the heavy financial losses which will affect the whole pattern of trade and everything in those countries. The results of this adventure in Egypt are going to be very serious and will probably last a long time . . .

"It is said that this operation prevented the Russians from coming into the Middle East. I confess I do not see how it has prevented the Russians coming in. It has in fact possibly opened a door through which they might come in future, just as the Baghdad Pact has resulted in the Soviet Union taking a far greater interest in the Middle East than it had done previously.

"Now take Hungary and the Soviet Union . . . I am not concerned with the legal implications of the Warsaw Pact. Some lawyers may say that, strictly in terms of the Warsaw Pact, the Soviet Army had the right to be there. But the fact is that subsequent events have shown that the Soviet armies were there against the wishes of the Hungarian people. That is clear. It is true that the Soviet forces triumphed militarily in Hungary. But at what cost? And what will be the final outcome? I have no doubt in my mind that sooner or later the Hungarian people, who have demonstrated so visibly their desire for freedom, for separate identity, for not being overshadowed by any other country, are bound to triumph . . . But apart from that, we must realize that these events have powerfully affected the prestige of the Soviet Union - not only in many countries which are supposed to be 'uncommitted,' but in European countries which supported the U.S.S.R. . . .

"All these systems of pacts and alliances, where have they led? Not to peace or security, but to trouble. What is the present position of the Baghdad Pact? Everyone knows that it is dead and lifeless. What the SEATO alliance is doing I do not know, but we have not heard of it for a long time. It may be in a dormant condition. The Warsaw Treaty—we have seen the reaction to it in East European countries. It may continue in form, but it has lost its content. We have seen differences between Powers included in NATO. It has ceased to be, if it was so earlier, a kind of spiritual crusade . . . All these pacts have become paper arrangements behind which there are certainly armed forces, but which lack on either side the quality or spirit which gave them some meaning previously . . .

". . . The fact remains that in the people's minds violence has been shown up, and this ferment is bound to continue working. I earnestly hope that we may survive this crisis and take further steps toward disarmament, toward putting an end to all these military alliances which have proved so worthless and in fact so dangerous, and try to fashion some new line of approach. We have often been told that technology has greatly advanced; that it has got us the atom bomb and hydrogen bomb . . . But you cannot have an advanced technology and an out-of-date system of international relations. The difficulty is that while technology has advanced to the hydrogen bomb, our international relations are still very backward. So long as they do not catch up, all these frictions will continue . . .

The Weaknesses of Communism. "There is no doubt that the appeal of Communism affected large numbers of young men 30 years ago, and has continued to do so in varying degrees. All kinds of organizations were formed - Cominform, Comintern, and so on and so forth. Even though Communism gradually became somewhat more 'respectable' in people's eyes, in the sense that Communist governments functioned as other governments, it had the aspect of a kind of religion often spread by intervention - whether it was armed intervention or other intervention depended on circumstances. Gradually that has become less and less, but it is there . . . and . . . has created apprehension about intervention in other countries . . .

"The most recent instance is the fact that the Government in Hungary was undoubtedly not a free government but an imposed government, and that the people of Hungary were not satisfied. Ten years have passed since the last war, and if in the course of ten years the people of Hungary could not be converted to that particular doctrine [Communism], it shows failure—far greater, it seems to me, than the failure of a military coup . . .

The "Crisis of Conscience." "All of us, whether Communists, non-Communists, or anti-Communists, have to think afresh . . . Apart from the outward features of the present crisis, there is a crisis of conscience, a spiritual crisis almost, in people's minds. I hope that mere reactions to events will not smother this spiritual crisis, this attempt to find a better way of international co-operation. That way, it has been shown, cannot be based on the use of armed forces to suppress peoples, wherever they may be and however they may exist. If that fact is accepted, let us have full freedom, whether it is a Communist society or an anti-Communist society. Once the ways of violence and suppression are removed, then all these theories have a free field. They can be experimented upon, and we can learn by the experience of others, adopt such things as we like, and not adopt things that we do not like . . ."

In the ensuing debate the Government's policy was criticized by leaders of the Praja Socialist party, notably by Mr. J. B. Kripalani and Mr. Ashoka Menon.

Mr. Kripalani accused Mr. Nehru of being more considerate toward the Communists than toward the Western countries, and criticized him for putting the Soviet forces in Eastern Europe in the same category as the NATO forces in Western Europe. On the one hand, neither Britain nor America would invade a country which wanted to leave NATO, as the Russians had invaded Hungary because she wished to leave the Warsaw Pact; moreover, there was no question of the U.S.A. establishing bases in a country against its will. On the other hand, the East European countries had puppet Governments with little or no independence, and Soviet troops were stationed in those countries against the declared wishes of the people. He hoped that India would not recognize the Kadar regime and would give every encouragement to the forces of freedom in Hungary.

After recalling that Mr. Nehru had described Stalin as a "man of peace" at the time of the latter's death, but had subsequently welcomed the "de-Stalinization" policy of the Soviet Government, Mr. Kripalani suggested that Mr. Nehru's second judgment was proving as mistaken as his first. He also attacked Mr. Krishna Menon for equating the revolt in Hungary with "some riots in Ahmedabad" in his speeches at the United Nations. While criticizing the "arrogant and perfidious" Anglo-French action in Egypt, Mr. Kripalani asked Mr. Nehru if India had ever taken advantage of her close relations with Egypt to advise against the barring of Israeli shipping from the Suez Canal, or to bring about a peaceful settlement of the Arab-Israel dispute.

Mr. Ashoka Mehta denounced Mr. Krishna Menon as unrepresentative of the Indian people, demanded that the Government should refuse to recognize the Kadar regime, and urged it to press for the restoration of Mr. Nagy and for a U.N. guarantee of Hungarian neutrality.

Replying to the debate on Nov. 20, Mr. Nehru defended India's attitude at the United Nations on the Hungarian question, and announced that the Indian Ambassador in Moscow, Mr. K. P. S. Menon, would visit Hungary (to which he was concurrently accredited) to give a first-hand report on the situation there. Mr. Nehru also emphasized the closeness of the links between India and Yugoslavia.

India and Yugoslavia. After pointing out that Yugoslavia had considerable influence in Eastern Europe, and had helped in the liberalization processes in Poland and Hungary, Mr. Nehru continued: "In recent years India's contacts with Yugoslavia have been very close both at governmental and personal levels. In fact it has become a country with which India exchanges appraisals of the world situation, especially of the European situation, more frequently almost than with any other country. Yugoslavia is geographically so situated as to be in intimate touch with developments in Central, Eastern and Southern Europe. Her leaders during the past 30 or 40 years have had the closest contacts with the leaders of Russia and other East European countries." After saying that India had to some extent been guided by President Tito's appraisal of the European situation, Mr. Nehru referred appreciatively to his recent speech at Pula [see 15258 A.].

Indian Attitude at U.N. After announcing that the Indian Ambassador in Moscow would visit Budapest and submit a report to the Government, Mr. Nehru spoke of India's attitude to the various U.N. resolutions on Hungary. As regards India's vote against the Five-Power resolution [see page 15222, second column] Mr. Nehru asked critics to "see the context in which it was moved and the objective behind it—because unfortunately these incidents that have arisen in Egypt and Hungary have both been an intensification of the cold war; that is, the Soviet Union forgets about Hungary, puts a cover on, and talks only about Egypt and Anglo-French aggression, while other countries forget about Egypt and talk only about Hungary." After saying that when the Hungarian question arose "it was viewed almost with relief" by people who wished to divert attention from Egypt to Hungary, Mr. Nehru added: "The Hungarian question became a pawn on the chessboard of international politics. Similarly, others were thinking of the Egyptian question as a pawn on the chessboard . . ."

Criticizing what he described as "all this propaganda over the Indian vote," Mr. Nehru declared: "It is obvious that the whole thing had a political motive behind it—to run down India because India had taken a strong line in the U.N. about various matters. Most people did not know all the facts and one cannot blame them for their reaction; but the object of it all was to try to put the Indian delegation in the wrong." Mr. Nehru expressed high appreciation of Mr. Krishna Menon's work at the U.N., and maintained that India's vote against the Five-Power resolution was "absolutely correct."

The Arab-Israel Dispute. Explaining why India had no direct diplomatic relations with Israel, although she had recognized that country, Mr. Nehru said that his Government wished to help in lessening the gap between Israel and the Arab States. In view of "existing passions," however, he thought that this task would be more difficult if diplomatic missions were exchanged, and he had made this view known to President Nasser. After saying that he had been "surprised at the aggressive tactics of Israel," Mr. Nehru added:

"I know there has been plenty of aggression on the other side, and many wild speeches also. But if members look at the record they will find that the number of aggressions from Israel's side has exceeded those from the Egyptian. Finally, this last action of Israel [i.e. the Sinai attack] has amazed me. It was the most foolish gamble that any country could play . . . Some months back I had hoped that some kind of settlement might emerge, but at the present moment my mind is completely blank in regard to a settlement between the Arab countries and Israel. Such tremendous passions have been aroused that it will take a great deal of time for people to forget about what has happened."

China and the U.N. In conclusion, Mr. Nehru emphasized India's intention of doing all in her power to seat Communist China in the United Nations. He said that this matter was "of the utmost significance for world peace" and that India considered it "utterly and absolutely wrong to go on keeping China outside the U.N."

The Bulganin-Nehru Correspondence.

Prior to the debate in the *Lok Sabha*, the text of letters exchanged between Marshal Bulganin and Mr. Nehru had been released in New Delhi on Nov. 8, 1956.

Marshal Bulganin to Mr. Nehru. In his letter to the Indian Prime Minister (dated Nov. 5), Marshal Bulganin informed Mr. Nehru of the Soviet Government's intention (*a*) to raise at the United Nations "the question of measures for ending the Anglo-French aggression" in Egypt, and (*b*) to propose that the U.S.A., the U.S.S.R., and other U.N. member-countries should take joint military action "in order to stop aggression" [see page 15219, second column.] He also recalled that he had sent letters to the Prime Ministers of Britain and France "containing a resolute warning about the dangerous consequences of aggression by those countries."

Marshal Bulganin added: "We believe that at the present moment . . . the voice of India in support of immediate effective measures against aggression, and your personal prestige, could play an outstanding part . . . So far as the situation in Hungary is concerned, we intend to inform you in detail."

Mr. Nehru to Marshal Bulganin. Mr. Nehru's reply (Nov. 6) was worded as follows: "You are aware that we have been deeply distressed at the Israeli invasion of Egypt and the aggression of the U.K. and France against Egypt. We have expressed in the United Nations and elsewhere our views about this aggression in unequivocal language . . . All our sympathy has been with Egypt in her hour of crisis . . .

"One relieving feature of this deplorable situation is that the U.N. General Assembly and world opinion generally have condemned the aggression and have earnestly sought a way to end it. Some progress has been made to that end, and it may well be that recent resolutions of the General Assembly may lead not only to a cease-fire but also to the withdrawal of the forces that have committed aggression on Egyptian territory . . .

"I thank you for telling me that you will be good enough to send me information about Hungary. As you know, developments there have caused us much concern."

Mr. Nehru's Support for Continued Indian Membership of British Commonwealth

In a speech to the Upper House (*Rajya Sabha*) on Dec. 2, 1956, Mr. Nehru spoke in support of India's continued membership of the British Commonwealth.

Mr. Nehru began by recalling that after the Anglo-French intervention in Egypt a number of Indians, prominent among whom was Mr. Rajagopalachari, had urged that India should leave the Commonwealth. He continued: "Anything that Mr. Rajagopalachari says deserves our closest attention. He is one of our wise men . . . Nevertheless, even the wisdom of wise men is likely to go astray when they are no longer connected with public affairs and do not bear all the aspects of a particular problem in mind . . .

"Let us consider this matter in its larger perspective . . . What helps our main objective of world peace? What helps our objective of co-operation between the nations of the world? There is the negative aspect of it—that of avoiding or preventing war. But there is the positive aspect, too—of trying to root out the causes of war and gradually bringing nations to co-operate together, even though they disagree a great deal. It is absurd to imagine that every country in the wide world will adopt a single policy and agree with every other. That is totally unrealistic. Therefore we aim at countries carrying on their different policies and yet co-operating with other countries and finding a large measure of agreement, even though in some matters they may differ . . . Those are the principles embodied in what is called *Panch Sila* [the "five principles" of peaceful co-existence]. . .

"There are 101 ways of association between countries . . . When in 1947 we became independent, a certain period passed during which we were what is called a Dominion, until we formed our Constitution. To have accepted Dominion status as a more or less permanent basis would have been in contravention of what the National Movement stood for. We stood for independence—for the Republic of India. But that has nothing to do with what associations the Republic of India has with any other country, whether it is Britain or Russia or China or Burma. Probably we are one of the countries of the world which have the fewest legal associations with any other nation. Apart from trade and cultural treaties, we have no political associations which bind us in the slightest with any country. I cannot think of any other nation of which the same is true—perhaps Switzerland is such another. Almost every other country has treaties, political or military, tying itself up with some other country—NATO, SEATO, the Baghdad Pact, the Warsaw Pact, the Balkan Pact, and so on . . .

"We are thus less entangled, less committed, than almost any other country. But at the same time, curiously enough, we have the closest associations with many countries. Our relations with our neighbour Burma are closer than with many of the Commonwealth countries . . . Then there is Russia and China. We do not agree with much that they do; but our relations with them are friendly. The Prime Minister of China is at present in India, and he is receiving a warm welcome not only in his personal capacity but as the representative of a great and friendly people. In a week from today I am going to the U.S.A., one of the most powerful and influential countries in the world, to meet the President . . . I am happy that our relations with the United States are friendly. That does not mean that we agree with everything in U.S. policy, or that they agree with our policy. This idea that you can only be friendly with a person or country whose policy is completely in line with yours is a bad and dangerous conception. The opposite of that conception is that you must be in conflict with countries which differ from you . . . It has been India's privilege and honour to help in joining countries to be a bridge between them, and not to break bridges that already exist . . .

"Sometimes people say that we in India presume to moralize too much, presume to be holier and purer than others. Well, I do not think we are holier or purer or more moral than anybody else in the world. I dislike this kind of egregious, unctuous talk . . . But we have one important virtue which is due to a number of factors geography, for which we are not responsible; history, the past history of our national movement which conditioned our thinking; and Mahatma Gandhi, who also conditioned our thinking. The virtue that we possess is this that not being in immediate danger so far, we have a sense of security; not a perfect sense, but a greater sense of security than many countries of Europe or the Middle East or the Far East . . .

"It is our thinking that has prevented us from joining up with any country, or hating any country, or considering any country as our enemy. I know we are not on good terms with Pakistan. But even with Pakistan we do not think of her in that way. We may get angry at something they do, but we do not think of them like that. As a people, we are not good at hating. . .

"A remarkable example of that is how, after the long period of British domination in India, we came to terms with them after we became independent. We did not get angry; we were not moved by passion against the British we became friendly with them. I think it was a unique example in history; and, apart from our past traditions, the person most responsible for developing that outlook in the Indian people was Gandhi.

"The point is that we are not hostile to any particular country and are not moved by those passions which afflict other countries; the passion of fear, for example, of some countries in Western Europe who are terribly afraid of the Soviet Union's strength. The Soviet Union itself is afraid; I tell you it is afraid terribly of a rearmed Germany possessing atomic weapons . . . So you have the fear complex on either side.

"India has not got that fear complex. India is not hostile to any country. Therefore, when any event occurs we are not swept away by passions as other countries are. That is no virtue in us. For geographical and other causes we get angry, we disapprove, but we are not suddenly obsessed by that fever of fear as other countries are. Therefore, we can judge world events a little more objectively. We may judge wrongly; that is a different matter. I do not say that we are cleverer or more intelligent, but we are not swept away by passions so much, and therefore we can often make suggestions which are helpful. We can to some extent act as a bridge to bring countries together. That, I suggest, is the sole virtue we have. And it is not a real virtue—it is a result of the circumstances I have mentioned . . .

"In everything we do we keep this one end in view: Are we helping the cause of peace or not? . . . I am quite sure that every kind of contact we have with other countries whether it is the Commonwealth or any other contact- helps the cause of peace and brings us together. I am for everything that brings us together without tying us up in any way . . . The Commonwealth is no tying-up of any kind. What is a tying-up is all this array of alliances from the Warsaw Treaty to NATO, the Baghdad Pact to SEATO. The whole world is full of these knots. We want to unravel them, to open them out so that people may live their lives without fear . . ."

Mr. Nehru's speech was in reply to a resolution presented by Mr. Mazumdar (Communist) declaring India's membership of the Commonwealth to be "inconsistent with the principles of *Panch Sila*." In ending his speech, Mr. Nehru declared that "while normally I would have opposed such a resolution as I have done in the past, in the present circumstances I would oppose it still more."—(The Statesman, Calcutta - The Hindu, Madras - Times of India, Bombay - Hindustan Times, New Delhi - Indian High Commissioner's Office, London) **(Prev. rep. Mr. Nehru on Suez Crisis, 15201 A, page 15209 A; Hungary, General Assembly Session, U.N. Resolutions, 15221 A.)**

A. TURKEY. — New Minister of Finance.

It was announced in Ankara at the end of November that Mr. Hasan Polatkan had been appointed Minister of Finance, a post he had previously held from December 1950 to November 1955. Since the resignation in August last of Mr. Ökman, the Finance portfolio had been held *ad interim* by Mr. Adnan Menderes, the Prime Minister.—(Turkish Embassy, London) **(Prev. rep. 15235 B.)**

B. AUSTRALIA. — Coastal Shipping Commission.

The Coastal Shipping Commission, set up under recently-enacted Federal legislation, began operations on Jan. 2. It will control 48 ships owned by the Commonwealth Government which had hitherto been under the control of the Federal Shipping Board. The Commission's headquarters are in Melbourne. (Australian News and Information Bureau) **(Prev. rep. 15066A.)**

A. UNITED KINGDOM. — White Paper on Reorganization of Electricity Industry. - Implementing Legislation. - Contracts for Bradwell, Berkeley, and Hunterston Nuclear Power Stations. - Proposed New Stations in Somerset and Ayrshire.

A White Paper setting out the Government's proposals for the reorganization of the electricity supply industry, based largely on the recommendations of the Herbert Committee (see 14860 A) but going further than these in the direction of decentralization, was published on Nov. 28, 1956. The White Paper explained that the Government believed that the committee had established the existence of a defect in the structure of the industry, and that a reorganization in the light of their findings was made all the more necessary by the industry's new responsibility for the nuclear power programme. A summary of the Government's proposals is given under cross-headings below:

Replacement of Central Electricity Authority by Central Electricity Generating Board and Electricity Council. The Government accepted the Herbert Committee's recommendation that the function of generating and delivering electricity on the one hand, and of controlling and co-ordinating the whole electricity system on the other, should be separated. It was therefore proposed to dissolve the present Central Electricity Board and set up instead (1) a Central Electricity Generating Board, to be appointed directly by the Minister of Fuel and Power and to be responsible for the generation and supply of electricity in bulk; and (2) an Electricity Council, to co-ordinate the activities of the Central Generating Board and the Area Boards and deal with common services (e.g. major research projects and the raising of finance), and also to advise the Minister on questions affecting the electricity supply industry as a whole.

The Electricity Council would consist of a chairman and one or two vice-chairmen appointed by the Minister of Fuel and Power, the chairman and one other representative of the Central Electricity Generating Board, and the chairmen of the twelve Area Boards.

Greater Autonomy for Area Boards. The Government also accepted the Herbert Committee's recommendations that Area Boards should be given greater autonomy, and that the Minister of Fuel and Power should no longer be statutorily required to consult the Central Electricity Authority or its successors before making appointments to those Boards.

The White Paper recalled that the Electricity Act stipulated that the combined revenues of the Central Electricity Authority and the Area Boards must be sufficient to meet their combined outgoings on revenue account, taking one year with another. The Government believed, however, that the new Central Electricity Generating Board and each Area Board should be required to balance their accounts individually, so as to encourage financial responsibility and a critical attitude toward costs. The industry's central reserves would therefore be wound up and distributed to the individual Area Boards, each of which would be required in future to maintain a reserve fund of its own.

Co-ordination between Area Boards. The White Paper explained that the Government had come to the conclusion that, if individual Area Boards were to be ultimately responsible for their own well-being, co-ordination between them could best be secured, not, as in the past, by a central authority with powers of direction and control, but through such a body as the new Electricity Council, in which the generation and distributing sides of the industry could resolve their common problems under independent guidance.

Financial Arrangements. Provision would be made in the proposed new arrangements for the Electricity Council to raise capital on behalf of the industry by the issue of British Electricity Stock, when finance was no longer provided by means of Treasury advances. The Electricity Council would manage a central guarantee fund maintained by contributions from the Area Boards, to support the Generating Board's borrowings and the Treasury guarantee. The maximum amount in the guarantee fund would be limited to £20,000,000, with annual aggregate contributions limited to £4,000,000.

Capital Programmes. The Government agreed with the Herbert Committee that the capital programmes of the Area Boards needed more careful scrutiny. Each Board would therefore be required to submit its capital proposals to the Electricity Council before placing them before the Minister of Fuel and Power, though ultimate responsibility for the proposals would be borne by the Board itself.

Functions of the Minister of Fuel and Power. The Minister's most important functions would be (*a*) the appointment of the chairman and deputy chairmen of the Electricity Council, and the members of the Central Electricity Generating Board and the Area Boards; (*b*) approval of the development plans of the Generating and Area Boards, and of the industry's research programme. He would also have power to issue general directions to the Electricity Council and the Generating and Area Boards if he considered such direction to be necessary in the national interest.

The Consultative Committees. The Government accepted the Herbert Committee's recommendation for the strengthening of the consultative committees.

Methods of Charging. The Government, did not, however, accept the Committee's proposal for the abolition of the requirement in the 1947 Act that methods of charging should be simplified.

The terms of the Government's Electricity Bill, implementing those of the White Paper proposals which required legislation, were also published on Nov. 28, the principal provisions being set out below:

(1) From April 1, 1958, the Central Electricity Authority would be dissolved and its property, rights, liabilities, and obligations vested in the Central Electricity Generating Board or in the Electricity Council, as might be agreed between them; or, failing agreement, as the Minister of Fuel and Power might decide.

(2) As from April 1, 1958, the compensation payable to local authorities for their former undertakings nationalized in 1948 would be payable by the Central Electricity Generating Board and the Area Boards, instead of by the Central Electricity Authority.

(3) The Electricity Council would pay compensation to members and officers of the Central Electricity Authority suffering loss as a result of the Bill, and provision would be made to safeguard their pension rights.

(4) Tariffs for bulk electricity supplies would be fixed by the Central Electricity Generating Board after consultation with the Electricity Council. Where different prices were charged to different Area Boards, the Generating Board would as far as possible ensure that the differences in price corresponded to differences in costs of supply.

Atomic Power Stations.

The Central Electricity Authority announced on Dec. 13 that contracts for the building of the atomic power stations at Bradwell (Essex) and Berkeley (Glos.) had been awarded respectively to the Nuclear Power Plant Co. Ltd., and the A.E.I.-John Thompson Nuclear Energy Co. Ltd. The Authority was also negotiating with the English Electric—Babcock and Wilcox—Taylor Woodrow group (which had joined forces for the exploitation of nuclear energy) regarding a third atomic power station at Inkley Point, near the mouth of the River Parrett (Somerset); it was intended to proceed with construction at this site after planning approval and consent for the project had been given.

On Dec. 13 it was also announced that the contract for the South of Scotland Electricity Board's atomic power station at Hunterston (Ayrshire) had been awarded to the General Electric Company. The total value of the three contracts definitely awarded (Bradwell, Berkeley, and Hunterston) was stated to be "well over £100,000,000."

The largest of the stations will be that at Hunterston, with a total generating capacity of 360,000 kilowatts, as compared with 300,000 k.w. at Bradwell and 275,000 k.w. at Berkeley. Work will start on the Bradwell and Berkeley stations early in 1957.

The Central Electricity Authority stated on the same day (Dec. 13) that the output capacity of its first three nuclear power stations would aggregate about 850,000 k.w., and that the capital investment would not be less than £120,000,000. It was clear that the capital cost of each station would not be less than 2½ to 3 times that of a comparable coal- or oil-burning station, and that nuclear generation costs would at first probably be higher than from the Authority's advanced types of thermal plant. It was hoped, however, that construction costs of future nuclear power stations would progressively be reduced, and that, when more experience had been gained on such important factors as the working lives of the reactors and the cost and life of the fuel, nuclear generation would become competitive with thermal generation and might even be cheaper.

The South of Scotland Electricity Board stated on Dec. 13 that it had applied to the Secretary of State for Scotland for consent to build a further nuclear power station on the Ayrshire coast, and for confirmation of an Order for the compulsory purchase of the site. The station, which would provide about one-quarter of the total energy required for Scotland, would cost nearly £40,000,000, but the overall cost per unit generated would be "competitive with that of a corresponding coal-fired station." A spokesman for the Authority said that the station would have "no cooling towers, no smoke stacks, no water towers, railway sidings, or coal dumps"; moreover, the buildings would be "of an elegant design" and every care would be taken to preserve local amenities.

The formation of a further British industrial group to tender for the design and supply of atomic power stations was announced on Dec. 13. The group, which will operate through a joint company—Atomic Power Construction Ltd.—with an authorized capital of £1,000,000, will consist of Richardsons Westgarth and Company Ltd. (suppliers of generating plant); International Combustion (Holdings) Ltd. (steam generating equipment, including the reactor, heat exchangers, and pressure vessels); and Crompton Parkinson Ltd. (switchgear, transformers, cables, and motors).—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Herbert Committee Report, 14860 A; Nuclear Power Stations, 14928 A; 15135 A; Construction Groups, 14360 A.)**

A. POLAND. — Agreement on Relations between Church and State. - Restoration of Religious Education.

An agreement on the future relations between Church and State, worked out by the Joint Commission set up in November [see page 15244, first column], was announced in Warsaw on Dec. 8, 1956.

The announcement said that the Government representatives had "emphasized their readiness to remove those obstacles to the realization of the principle of full religious freedom which had existed in the past." The representatives of the Episcopate, on their side, had stated that "as a result of the transformations in public life aimed at the consolidation of legality, peaceful co-existence, the raising of social morality, and the righting of wrongs, the Government and the State authorities will find full understanding for these aims in the Church hierarchy and the clergy." Moreover, the Episcopate had expressed "full support for the work undertaken by the Government aiming at the strengthening and development of People's Poland through the harmonious co-operation of all citizens for the good of the country."

The Joint Commission reached agreement on six principles governing Church-State relations, as summarized below:

(1) The Government would annul the decree of Feb. 9, 1955, dealing with appointments to ecclesiastical posts. A new Bill, which would be submitted to the Joint Commission for approval, would provide for the appointment of archbishops, diocesan bishops, coadjutors, and parish priests with the approval of both Church and State authorities. [The 1955 decree had given the Government sole control over appointments to ecclesiastical posts.]

(2) The following principles were agreed upon with regard to religious instruction in schools:

(*a*) Religious instruction would be provided in all primary and secondary schools as an extra-curricular subject.

(*b*) Such instruction would be voluntary, and would be provided for all children whose parents expressed a wish for it.

(*c*) Teachers of religion would be appointed by the education authorities in agreement with the Church, and would be paid by the Ministry of Education. Syllabuses and manuals of religious instruction would be approved both by the Church and the education authorities.

(*d*) Inspection of religious instruction would be carried out by both Church and State authorities, and the school authorities would "endeavour to enable children and young people to participate freely in religious practices outside school."

(*e*) The school authorities and the clergy would co-operate to ensure "complete freedom and tolerance both to believers and non-believers," and would "counteract all manifestations violating freedom of conscience."

(3) The Ministry of Health would issue directives for the religious care of the sick.

(4) There would also be religious care for prisoners, including the appointment of prison chaplains.

(5) Nuns removed in 1953 from the Opole, Wroclaw, and Katowice voivodships would be allowed to return there, while those who wished to leave Poland would be allowed to do so. Parish priests who had been removed from their parishes in the Western voivodships would also be allowed to return.

(6) The Episcopate and the Government had reached agreement on the appointment of five new Bishops, nominated by the Holy See, to dioceses in Western Poland.

The Bishops referred to above were appointed to the dioceses of Wroclaw (Breslau), Opole (Oppeln), Gorzow, Gdansk (Danzig), and Olsztyn (Allenstein). As stated, they had been nominated by the Holy See, the appointments being confirmed both by the Polish Government and the Roman Catholic Church in Poland. (Polish Embassy, London)

(Prev. rep. 15242 A.)

B. INDONESIA. — Vice-President Hatta resigns.

Dr. Mohammed Hatta, the Vice-President of Indonesia, formally resigned that office on Dec. 1, 1956.

Although no official statement was issued on the reasons for his decision, it was reported in the Press that it was due to the fact that important Government decisions had been taken without his knowledge and against his advice. Vice-President Hatta's resignation was deplored by the leaders of all parties except the Communists, the Indonesian Parliament adopting a resolution expressing its gratitude for his services to the nation.

Dr. Hatta (54), one of the leaders of the Nationalist movement under Dutch rule, was kept under detention by the Netherlands Government from 1931 until the Japanese occupation. After Japan's surrender he proclaimed with President Sukarno the independence of Indonesia in 1945, and was chairman of the Indonesian delegation at The Hague Round-Table Conference of 1949. On the transfer of sovereignty he became Prime Minister of the then United States of Indonesia, and after the formation of a unitary State was appointed Vice-President in 1950. (Indonesian Embassy, London)

(Prev. rep. Dr. Hatta, 11002 A.)

C. GREECE - YUGOSLAVIA. — Greek Ministerial Visit to Yugoslavia. - Tito-Karamanlis Discussions. - Yugoslav support for Greece on Cyprus Question.

M. Karamanlis and M. Averoff, the Greek Prime Minister and Foreign Minister, visited Belgrade from Dec. 4-7, 1956, for discussions with President Tito and members of the Yugoslav Government.

A communiqué issued at the end of the talks said that they had been held "in a friendly and cordial atmosphere" and had shown "complete unanimity in considering various international problems and the mutual relations between the two countries." It continued:

"Both sides noted that important results have been achieved in the development of Yugoslav-Greek co-operation, which, based on the principle of mutual respect and non-interference in each other's affairs . . . is a strong factor for stability and peace in this region . . ." After stressing the desire of both countries to intensify their friendship and co-operation, the communiqué went on:

"Both sides emphasized the need for a peaceful solution of the Cyprus question in accordance with the aspirations of the Cypriot population and in the interests of peace and peaceful co-operation. The Yugoslav Government, basing its views on the principle of the right of peoples to self-determination, expresses sincere sympathy with the population of Cyprus, as well as its readiness to lend moral and political support to all constructive efforts aimed at a just settlement of this question."

The statement added: "The two Governments, conscious of the use of the Balkan Pact as a factor for peace, are agreed on the need for further efforts to be made by all three partners [Greece, Turkey, and Yugoslavia] with the aim of giving full efficacy to three-Power co-operation. They consider that the most effective method of achieving this aim is to remove the causes which have brought about present difficulties.

"Both sides regard as serious the events which have recently resulted in the deterioration of international relations, and agree on the condemnation of the use of force as a means of solving international disputes. They also consider that these events have once again demonstrated the important role which the U.N. can play as an effective instrument of peace in solving international disputes."

During a luncheon given to the Greek Ministers, both M. Kardelj (Vice-President of the Yugoslav Federal Executive Council) and M. Karamanlis referred to the Greco-Turkish difficulties over Cyprus as having "deadlocked" the Balkan Pact and rendered it "inactive." They expressed the hope, however, that a solution would be found, M. Karamanlis declaring that "whatever happens to the tripartite alliance, co-operation between Greece and Yugoslavia will certainly remain firm and untroubled." M. Kardelj expressed Yugoslavia's "sincere sympathy and moral political support for the just demands of the population of Cyprus."

President Tito and Mme. Broz-Tito had visited Corfu from July 24-28, 1956, as the guests of King Paul and Queen Frederika of the Hellenes. (Tanjug Agency, Belgrade)

(Prev. rep. 14459 A.)

D. NEW ZEALAND. — Inauguration of Roxburgh Power Station. - Investigation into Inter-Island Power Cable across Cook Strait.

The first unit of New Zealand's largest new hydro-electric scheme, at Roxburgh, on the Clutha River (South Island), was put into operation on July 28, 1956. Two out of the eight generators planned for the scheme were in operation by the end of 1956, providing 80,000 kilowatts of electric power. When completed, Roxburgh will be one of the largest hydro-electric stations in the Southern Hemisphere, with a capacity of 320,000 kw., and will more than double the amount of power available in the whole of the South Island. The station lies 102 miles inland from Dunedin.

On March 6, 1956, it had been announced by Mr. Goosman (the Minister in charge of the State Hydro-electric Department) that a survey of Cook Strait had been begun by British Insulated Callender's Cables Ltd., in conjunction with the Royal New Zealand Navy and the N.Z. Department of Scientific and Industrial Research, as the first step in investigating a proposal for a submarine power cable between the North and South Islands. (N.Z. Directorate of Information, Wellington)

E. ARCHITECTURE. — British Royal Gold Medal conferred on Finnish Architect.

It was announced by the Royal Institute of British Architects on Jan. 7 that H.M. the Queen had awarded the Royal Gold Medal for Architecture for 1957 to the Finnish architect, Hr. Alvar Aalto. A pioneer of the modern school of architecture, Hr. Aalto (58) is Finland's leading architect and is internationally known for his housing, industrial and civic buildings in that country—notably the Paimio sanatorium, an outstanding example in the use of reinforced concrete. (Times)

(Prev. rep. 12762 A.)

JANUARY 12—19, 1957

A. UNITED KINGDOM.—The Macmillan Government.

The new Cabinet appointed by Mr. Macmillan was approved by the Queen on Jan. 13, its membership being as follows:

Mr. Harold Macmillan	Prime Minister.
*Lord Salisbury	Lord President of the Council.
Mr. R. A. Butler	Home Secretary and Lord Privy Seal.
*Viscount Kilmuir	Lord Chancellor.
Mr. Peter Thorneycroft	Chancellor of the Exchequer.
*Mr. Selwyn Lloyd	Foreign Secretary.
*Lord Home	Secretary of State for Commonwealth Relations.
*Mr. Alan Lennox-Boyd	Secretary of State for the Colonies.
Mr. J. S. Maclay	Secretary of State for Scotland.
Mr. Duncan Sandys	Minister of Defence.
Sir David Eccles	President of the Board of Trade.
*Mr. Derek Heathcoat Amory	Minister of Agriculture, Fisheries, and Food.
*Mr. Iain Macleod	Minister of Labour and National Service.
Mr. Henry Brooke	Minister of Housing and Local Government and Minister for Welsh Affairs.
Lord Hailsham	Minister of Education.
Sir Percy Mills	Minister of Power.
*Mr. Harold Watkinson	Minister of Transport and Civil Aviation.
*Dr. Charles Hill	Chancellor of the Duchy of Lancaster.

* Held same portfolio in the Eden Government.

An official announcement was issued at the same time stating that:

(1) Lord Salisbury would remain Leader of the House of Lords, and Mr. Butler Leader of the House of Commons.

(2) Mr. Henry Brooke, the new Minister of Housing and Local Government, would also have special responsibility for Welsh affairs.

(3) Dr. Hill, in addition to his duties as Chancellor of the Duchy of Lancaster, would be responsible for the co-ordination of Government information services at home and abroad.

(4) Sir Percy Mills (see below) would be responsible for Government policy in relation to power resources generally. He would (*a*) assume the existing functions of the Ministry of Fuel and Power in respect of coal, gas, electricity, and oil; (*b*) be responsible for extending the use of atomic energy as a source of industrial power; and (*c*) take over from the President of the Board of Trade the latter's responsibilities for iron and steel. It was announced that Sir Percy Mills would receive a barony and would be appointed a Privy Councillor, and that the title of his office would be changed from Minister of Fuel and Power to Minister of Power.

(5) The inclusion in the Cabinet of Sir Percy Mills and Mr. Watkinson (Minister of Transport) "reflects the importance attached to the expansion and development of the basic materials and services which are vital to the efficiency of British industry."

It was also announced that viscounties would be conferred upon Major Gwilym Lloyd-George (62), formerly Home Secretary and Minister for Welsh Affairs, and Sir Walter Monckton (66), the former Paymaster-General; that a barony would be conferred upon Mr. Patrick Buchan-Hepburn (55), formerly Minister of Works; and that the Order of the Companions of Honour would be conferred upon Mr. James Stuart (59), formerly Secretary of State for Scotland.

Outstanding features of the new Cabinet were the retention of Mr. Selwyn Lloyd at the Foreign Office; the appointment of Mr. Butler as Home Secretary, of Mr. Peter Thorneycroft as Chancellor of the Exchequer, and of Mr. Duncan Sandys as Minister of Defence; and the inclusion of Sir Percy Mills—an industrialist who has never held political office—as Minister of Power. Eight members of the Cabinet retained the portfolios they held under Sir Anthony Eden (Lord Salisbury, Viscount Kilmuir, Lord Home, Mr. Selwyn Lloyd, Mr. Lennox-Boyd, Mr. Heathcoat Amory, Mr. Macleod, and Mr. Watkinson), while six former Ministers left the Cabinet—Major Lloyd-George, Sir Walter Monckton, Mr. James Stuart, Mr. Antony Head (Minister of Defence), Lord Selkirk (Chancellor of the Duchy of Lancaster), and Mr. Buchan-Hepburn. Four of these—Major Lloyd-George, Mr. Stuart, Mr. Buchan-Hepburn, and Sir Walter Monckton—had informed Mr. Macmillan of their willingness to make way for younger men.

The new members of the Cabinet were Mr. Maclay, Mr. Henry Brooke, Lord Hailsham, Sir Percy Mills, Mr. Watkinson (who, although Minister of Transport in the Eden Government, did not have Cabinet rank), and Dr. Hill. The new appointments reduced the number of Cabinet Ministers from 19 to 18 (as a result of Mr. Butler combining the posts of Lord Privy Seal and Home Secretary), and also reduced the average age of Cabinet Ministers from 55 to 53. The oldest member of the new Cabinet is Sir Percy Mills (67), and the youngest is Mr. Macleod (43).

Mr. Butler (54) became Home Secretary in succession to Major Lloyd-George (who had been at the Home Office since 1954), while remaining Lord Privy Seal and Leader of the House of Commons. He had been Chancellor of the Exchequer from October 1951 to December 1955. [For biographical details see page 11795, first column].

Mr. Thorneycroft (47), who succeeded Mr. Macmillan as Chancellor of the Exchequer, had been President of the Board of Trade for over five years, and had proved himself one of the ablest of the younger members of the Government—particularly by his skilful handling of the controversial Monopolies Bill, which he piloted through Parliament. As a back-bencher before 1951 he was chairman of the Tory Reform Group, and played a leading part in drafting *Design for Freedom* and similar documents which helped to mould Conservative policy during the years in Opposition.

Mr. Duncan Sandys (48), son-in-law of Sir Winston Churchill, succeeded Mr. Macmillan in 1954 as Minister of Housing and Local Government, in which capacity he had to deal with the Government's rating and rents legislation. He had previously been Minister of Supply (1951-54), a post in which he was responsible for piloting through Parliament the legislation denationalizing the iron and steel industry. Mr. Sandys became the tenth holder of the Defence portfolio in 11 years, and the fifth in under 2½ years, his predecessors having included Mr. Head, Sir Walter Monckton, Mr. Selwyn Lloyd, Mr. Macmillan, and Field-Marshal Alexander.

Mr. Maclay (51), who succeeded Mr. James Stuart at the Scottish Office, had been Minister of State at the Colonial Office since October 1956. **Sir David Eccles** (52), formerly Minister of Education, succeeded Mr. Thorneycroft at the Board of Trade, while **Viscount Hailsham**, who had been First Lord of the Admiralty for only four months, succeeded Sir David at the Ministry of Education and entered the Cabinet for the first time.

[Biographies of Mr. Maclay and Lord Hailsham are given in 15152 B and 15072 D respectively, and of Sir David Eccles on page 11796, first column].

Mr. Henry Brooke (53), formerly Conservative leader on the London County Council, took over the Ministry of Housing and Local Government from Mr. Duncan Sandys, and also became Minister for Welsh Affairs in succession to Major Lloyd-George, who had combined it with the Home Secretaryship. It was explained that responsibility for Welsh affairs had been transferred to the Ministry of Housing and Local Government since most Welsh problems were concerned with local government matters. Mr. Brooke was Financial Secretary to the Treasury in the Eden Government.

Dr. Charles Hill (52)—the "radio doctor," and formerly secretary to the British Medical Association—succeeded Lord Selkirk as Chancellor of the Duchy of Lancaster, with special responsibility for co-ordinating Government information services at home and abroad. [Prior to Sir Anthony Eden's resignation, it had been announced on Nov. 30, 1956, that Dr. Hill—then Postmaster-General—would have responsibility for co-ordinating Government publicity and public relations, with the exception of the information services of the Foreign Office. These duties had previously devolved upon Sir Walter Monckton, then Paymaster-General.]

Sir Percy Mills (67), chairman of the Birmingham firm of W. & T. Avery Ltd. (makers of scales and balances), is an industrialist with long experience of working with Government departments, though he had never previously taken part in public life. In 1951 he was called in by Mr. Macmillan (then Minister of Housing and Local Government) as honorary adviser on housing, and played an important part in helping Mr. Macmillan achieve the Conservative Party's target of 300,000 houses a year. A past president of the Birmingham Chamber of Commerce (1947-48), he had held the wartime and post-war posts of Controller-General of Machine Tools (1940-44), head of the Production Division of the Ministry of Production (1943-44), and president of the Economic Sub-Commission of the British element of the Control Commission for Germany (1944-46). More recently (until 1954) he was chairman of the National Research Development Corporation. A self-made man, he was educated at an elementary school at Barnard Castle, County Durham.

Other Ministerial Appointments.

The following appointments of Ministers not in the Cabinet were announced on Jan. 16:

Lord Selkirk	First Lord of the Admiralty.
*Mr. John Hare	Secretary for War.
Mr. George Ward	Secretary for Air.
*Mr. J. A. Boyd-Carpenter	Minister of Pensions and National Insurance.
Mr. Aubrey Jones	Minister of Supply.
Mr. Dennis Vosper	Minister of Health.
Mr. Hugh Molson	Minister of Works.
Mr. Ernest Marples	Postmaster-General.

Mr. Reginald Maudling	..	Paymaster-General.
*Lord Munster ..	..	Minister without portfolio.
*Lord Strathclyde ..	..	Minister of State, Scottish Office.
*Commander Percy Noble ..	)	Ministers of State for Foreign
Mr. David Ormsby-Gore ..	)	Affairs.
Mr. Derek Walker-Smith	..	Minister of State, Board of Trade.
Lord Perth	..	Minister of State for Colonial Affairs.
*Sir Reginald Manningham-Buller	..	Attorney-General.
*Mr. W. R. Milligan ..	..	Lord Advocate.
*Sir Harry Hylton-Foster	..	Solicitor-General.
*Mr. William Grant ..	..	Solicitor-General for Scotland.
*Mr. Edward Heath	..	Parliamentary Secretary to the Treasury.
Mr. Enoch Powell ..	..	Financial Secretary to the Treasury.
Mr. Nigel Birch ..	..	Economic Secretary to the Treasury.

*Held same portfolios in the Eden Government.

It was also announced that Mr. Ward, Mr. Vosper, Mr. Marples, Mr. Ormsby-Gore, Mr. Walker-Smith, and Lord Perth would become Privy Councillors; that Mr. Maudling, as Paymaster-General, would represent the Minister of Power in the House of Commons; and that Mr. Heath would remain Government Chief Whip.

Ten Ministers, including the Law officers and Mr. Heath, retained the offices they held in the previous Government. The only new Ministers were Lord Perth, who became Minister of State for Colonial Affairs, and Mr. Marples, who returned to the Government after being a back-bencher for just over a year.

All the other Ministers were members of the Eden Government but were allotted different portfolios in the new Government. Two of them accepted less senior posts than they held in the Eden Administration—Mr. Reginald Maudling, who was Minister of Supply with a salary of £5,000 a year, became Paymaster-General with a salary of £3,000; and Mr. Nigel Birch, who was Secretary of State for Air (£5,000), accepted the post of Economic Secretary to the Treasury (£2,000).

Mr. Turton (formerly Minister of Health), Mr. Austin Low (formerly Minister of State, Board of Trade), and Lord Reading (formerly Minister of State for Foreign Affairs) left the Government. It was stated that Mr. Turton had expressed his readiness to become a back-bencher, whilst Mr. Low had asked the Prime Minister to exclude him from consideration for personal reasons. The K.C.M.G. was conferred on Lord Reading.

Lord Selkirk (51), who succeeded Lord Hailsham at the Admiralty, is a Scottish representative peer and a brother of the Duke of Hamilton. He was Chancellor of the Duchy of Lancaster in the Eden Government. **Mr. Ward** (49), who succeeded Mr. Nigel Birch as Secretary for Air, served as a regular officer in the R.A.F. before and during the war, was Under-Secretary for Air in 1951-52, and since then had been Parliamentary and Financial Secretary to the Admiralty. **Mr. Aubrey Jones** (45), formerly Minister of Fuel and Power, became Minister of Supply in succession to **Mr. Maudling** (39), who succeeded Sir Walter Monckton as Paymaster-General and who, as stated above, will act as spokesman for the new Minister of Power (Sir Percy Mills) in the House of Commons.

Mr. Vosper (41), Mr. Turton's successor as Minister of Health, was Parliamentary Secretary to the Ministry of Education in the Eden Government. **Mr. Molson** (53), appointed Minister of Works *vice* Mr. Buchan-Hepburn, is a former chairman of the Tory Reform Group, and was Joint Parliamentary Secretary to the Ministry of Transport and Civil Aviation in the last Government. **Mr. Marples** (49), who succeeded Dr. Hill as Postmaster-General, was Parliamentary Secretary to the Ministry of Pensions and National Insurance in 1954-55, but was not included in the Government formed by Sir Anthony Eden in April 1955. A former Parliamentary Secretary to the Ministry of Housing and Local Government, he was Mr. Macmillan's principal lieutenant in the drive to build 300,000 houses a year.

Mr. Ormsby-Gore (38), who succeeded Lord Reading as one of the two Ministers of State at the Foreign Office, is the son of Lord Harlech, a former Colonial Secretary. He was formerly Joint Under-Secretary of State for Foreign Affairs. It was announced that Mr. Ormsby-Gore would deal mainly with European affairs, and the other Minister of State (Commander Noble) with United Nations affairs. **Lord Perth** (49), successor to Mr. Maclay as Minister of State at the Colonial Office, is a banker, and a director of the Atlas Assurance Company. He served during the war in the Intelligence Corps and at the Ministry of Production.

Mr. Walker-Smith (46), who succeeded Mr. Austin Low as Minister of State at the Board of Trade, is a barrister, and a former chairman of the Conservative 1922 Committee. He was Parliamentary Secretary to the Board of Trade in 1955-56, and in November 1956 became Economic Secretary to the Treasury—a post in which he succeeded Sir Edward Boyle after the latter's resignation from the Government on the Suez question. **Mr. Enoch Powell** (44), successor to Mr. Henry Brooke as Financial Secretary to the Treasury, was formerly Parliamentary Secretary to the Ministry of Housing and Local Government. **Mr. Nigel Birch** (51), the former Secretary of State for Air, became Economic Secretary to the Treasury in succession to Mr. Walker-Smith.

An Order was issued on Jan. 16 changing the "style and title" of the Minister of Fuel and Power (Sir Percy Mills) to Minister of Power. The Ministry of Fuel and Power—now renamed the Ministry of Power—was set up under the wartime Coalition Government in 1942.

Mr. Macmillan's Broadcast on Government Policy.

Mr. Harold Macmillan's first policy statement as Prime Minister was made in a B.B.C. party political broadcast in the evening of Jan. 17. The Prime Minister spoke as follows:

"It is with a mixture of sorrow and pride that I speak to you as Prime Minister to-night. Sorrow, because my friend and leader has had to lay down his burden because of grievous illness. A man of character and courage. I am sure there is not one of you in this country who does not join with me in wishing him a speedy restoration to health and a safe voyage. But apart from that, it is a matter of very great pride to be called to the great office of Prime Minister.

"Every now and again since the war I have heard people say: "Isn't Britain only a second or third class power now? Isn't she on the way out?' What nonsense! This is a great country, and do not let us be ashamed to say so. It has a superb record of achievement of every kind. The country that produced men such as James Watt and his steam-engine, the men who first mastered the atom, the country that built the first atomic power station, has no reason to quiver before temporary difficulties. After all, in this year that has just passed we have had all-time record exports and the best savings for years. Twice in my lifetime I have heard the same old tale about our being a second-rate power, and I have lived to see the answer.

"It is true that in a material sense—population, the tonnage of steel made, or supplies of metals and raw materials—this island cannot match the vast resources either of the United States or of Russia. All the same, Britain is not alone. Think of the Commonwealth and all that it means. Then there are the peoples of Europe. With these countries, with France perhaps particularly, we already have close ties. I firmly believe it is our destiny to work more and more closely with them. The total of the strength and wealth in all these communities, Commonwealth and Europe, is no less than that of the two giant powers. But of course it is not just material resources that make a nation great. It is character and leadership, not only in Government but in industry, in the trade unions, in the home, everywhere.

"There are certainly some problems ahead of us. We are all pretty conscious of what they are. The shortage of petrol and oil, for instance. I do not intend to-night to go into all the pros and cons of recent events in the Middle East. I believe history will justify what we did. The difficulties we are up against are the price of paying for action. But remember the price of inaction, the price we would have had to pay for letting things slide—that might have been very high indeed.

"When we think of the future of our country—and it is the future I want to talk about to-night—there is a lot to be thankful for. When I first went into politics as a very young man as the Member for Stockton, all Tees-side was suffering from the great depression that followed the First World War. The older ones among you will remember those years. I have never forgotten them. Like so many other young men I was struck with the inequalities of wealth, and especially the poverty caused by large-scale unemployment, and I rather rebelled against it. But a lot has been done since then. The great inequalities of wealth have disappeared. There is poverty and suffering still, particularly among retired folk and others with fixed incomes. But, broadly speaking, the standard of living, the level of employment, and the enjoyment of life have steadily risen. We have built our defences against want and sickness, and we are proud of it. Of course, however well it is managed, it costs, and must cost, a great deal of money. Then there is defence. That costs money too. How are we going to pay for it all? There is only one way. By our work, our skill, our brains, our know-how—in a word, our character.

"Now I must frankly come to a point on which people do differ. There is the old picture of the cake which is our national wealth. I am sorry to drag in this old friend, but it does help to illustrate the point. There are some who are most anxious to see that the cake should be cut into slices of absolutely equal size, however thin. They do not seem to bother about the size of the cake itself. They are thinking of the so-called 'Equality State.' But I do not believe that is what our people want. Ample opportunity, not drab equality, is what they want. No-one should be allowed to sink below a decent level, but everyone should be free to rise according to his gifts, his work, and his worth. There is nothing to be ashamed of in getting to the top, whether it is your department, your profession, your business, your trade, or whatever it is, or being paid in proportion to the size of job you do.

"The success of a country is the success of the men and women who make it up. This is the kind of thought behind the things we are going to try to do. Let me give you three examples, although you will not expect me here to announce a new policy; the place for that is Parliament.

"First, power: the old sources of power—coal, gas, oil, and electricity—and the new sources as well. We lead the world in the production of atomic energy for peaceful and industrial purposes, and we are going to stay in the lead. That is why I appointed as Minister of Power—not Fuel and Power—Sir Percy Mills. He has tremendous experience of business and also of working for the Government in the war and after the war—in fact, he was my right-hand man in reaching the target of 300,000 houses, and I believe we went beyond it. His job is to take over the direction of all our power resources. Mind you, atomic energy is not going to solve all our problems, at least for a long time. It is not the atom yet, it is coal, and the men who get it from the ground, on whom our future will depend for many years to come. And, of course, oil. But power from all its sources is the key to the future.

"Now a word on defence. We certainly cannot do without our defences. We have obligations to ourselves and to our partners. We must carry our fair share, but not more than our fair share. We are going to make sure that we are not spending money on things we do not need or commitments we cannot sustain. There must be no waste of money. No vested interests, however strong, and no traditions, however good, must stand in our way.

"Then there is education. It is in the schools and universities where our characters are shaped. It is there, too, that we must look for the scientists, the technologists, and the technicians we shall need in such growing numbers; and that is why we are building so many new schools and why we are making it possible for more boys and girls every year to go on to the universities. That is why we are expanding our technical colleges.

"There is one more thing to which I want to make reference. A lot of people are worried about our relations with the United States. The life of the free world depends upon the partnership between us. Any partners are bound to have their differences now and then. I have always found it so. But true partnership is based upon respect. We do not intend to part from the Americans and we do not intend to be satellites. I am sure they would not want us to be so. The stronger we are, the better partners we shall be; and I feel certain that as the months pass we shall draw continually closer together with mutual confidence and respect.

"I have a fine body of colleagues—that is why I chose them—to get on with the Government job. That is why there is not going to be an election. I am grateful to the old colleagues who stay with me, particularly to Mr. Butler, my chief partner in this new enterprise. I am grateful to the old colleagues who thought it right to make way for others, and to those who care about what they do, not what they are called; and I am bringing in some new men. I have a strong and united team. I am not bothered by this business of calculating whether we are on the left or the right of the Conservative Party. We all believe in progressive Conservatism, and we are going forward together with confidence.

"Just one word more. The country expects leadership, and I shall do my best to give it. As for courage and character, I know the British people have this in full measure. All we need is confidence in our country and in ourselves. So do not let us have any more defeatist talk of second-class Powers and of dreadful things to come. Britain has been great, is great, and will stay great, provided we close our ranks and get on with the job."

President Eisenhower's Message to Mr. Macmillan.

The text of messages exchanged between President Eisenhower and Mr. Macmillan was issued on Jan. 15.

President Eisenhower's letter (dated Jan. 14) was worded as follows:

"Dear Harold,—I send my warmest congratulations to you on becoming Prime Minister of the United Kingdom. Your distinguished career is well known on this side of the Atlantic, and has earned our widespread respect. My own warm admiration stems, as you know, from our association in North Africa and through the succeeding years. For me that association has been as agreeable as it has been productive.

"I feel confident you will bring to your new task the same vision, determination, and sympathetic understanding you have shown in the past. For myself, and for the people of the United States, let me wish you every success in carrying out the great responsibilities which now devolve upon you as Prime Minister.

With warm regards,
Sincerely,
Dwight D. Eisenhower."

The Prime Minister replied:

"My Dear Friend,—Thank you for your kind message. I too have warm and vivid memories of the time when we worked together in North Africa, and of our association since then. You know how much importance I attach to the friendship between the peoples of Britain and the United States, not least because of my own personal links with your country. I look forward to working with you once again to further this friendship.

With all good wishes,
Harold Macmillan."

Mr. Dulles sent a letter to Mr. Selwyn Lloyd saying that he was "extremely happy" that Mr. Lloyd was continuing as Foreign Secretary, and extending his "good wishes and a warm hope that our common effort on behalf of the free world may make steady progress in the important times ahead."
(Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Mr. Macmillan, Prime Minister, 15301 A.)

A. UNITED KINGDOM - UNITED STATES - CANADA. — Release of Secret Atomic Information. - U.S. and Canadian Uranium Reserves.

It was simultaneously announced on Dec. 12, 1956, in London, Washington and Ottawa that the U.K., U.S., and Canadian Governments had agreed to release a large volume of information on atomic developments which had hitherto remained secret under security restrictions. The information released applied solely to the peaceful uses of atomic energy and not to its military applications.

The U.K. Atomic Energy Authority explained that a considerable volume of material to assist in the peaceful development of atomic energy would become available as reports, drawings, and other material were declassified. Such material would be of particular value to British industrial organizations engaged on the nuclear power programme; e.g. information not only of the Calder Hall type of reactor but also of other types under consideration would be freed from security restrictions. Moreover, it would become possible for the first time to release detailed production figures of uranium ore and concentrates.

The chairman of the U.S. Atomic Energy Commission (Rear-Admiral Lewis Strauss) said that the information released would be "of great assistance to other nations in fulfilling the aims of President Eisenhower's atoms-for-peace programme."

On the same date statistics were issued in Washington and Ottawa giving, for the first time, detailed figures of the uranium reserves of the U.S.A. and Canada. The U.S. Atomic Commission announced that domestic ore reserves in the U.S.A. (i.e. uranium still in the ground) were estimated at 60,000,000 tons as at Nov. 1, 1956, of which 41,000,000 tons (over 68 per cent) were in New Mexico, 7,500,000 tons in Utah, 4,100,000 tons in Colorado, 2,600,000 tons in Arizona, 2,300,000 tons in Wyoming, 1,500,000 tons in Washington State, and 1,000,000 tons in other areas.

The U.S. Atomic Energy Commission also disclosed the following information: (1) production of uranium concentrate (uranium oxide) had doubled during 1956 and now stood at an annual rate of 8,000 tons [uranium concentrate represents about 0.25 per cent of any given amount of crude ore]; (2) 7,600 tons of concentrate had been produced between July 1955 and December 1956; (3) 840,000 tons of crude ore had been mined from July to December, 1955, compared with an estimated total of 3,000,000 tons for 1956; (4) the daily capacity of the 12 uranium mills in the U.S.A. totalled 8,960 tons of uranium ore.

The Canadian Government stated that Canada's known reserves of uranium ore were estimated at 225,000,000 tons, with a uranium content of 237,000 tons. Eldorado Mining and Refining Ltd. (the Crown company responsible for the Canadian uranium programme) said that Canada's uranium production, now running at a rate of 3,300 tons a year, was expected to rise sharply in 1957 and to reach 14,000-15,000 tons a year by mid-1958. Only a few hundred tons a year would be required for the Canadian atomic energy programme over the next five years, and the remainder would be available for sale to other countries or for stockpiling. The president of the Eldorado company (Mr. W. J. Bennett) said that the estimate of Canada's uranium ore deposits at 225,000,000 tons was "on the conservative side."—(Times - New York Times - Montreal Star)

(Prev. rep. 15133 A.)

B. CEYLON. — United National Party Victory in Colombo Municipal Elections.

Elections to the Colombo Municipal Council on Dec. 15, 1956, resulted in a victory for the United National Party, which won 18 out of the 31 seats and secured an overall majority on the council for the first time in ten years.

The People's United Front (*Mahajana Eksath Peramuna*), the Government party led by Mr. Bandaranaike, obtained only five seats; the left-wing ("Trotskyist") *Lanka SamaSamaja* party three seats; the Communists two seats; and Independent candidates three seats. Among United National Party members, the Mayor of Colombo (Mr. A. V. Sugathadasa) was returned with an increased majority. The leader of the *Lanka Sama Samaja* party, Dr. Perera, (Leader of the Opposition in the House of Representatives), was among those defeated, while Mr. Pieter Keuneman, the Communist leader, had his majority halved.

Results of local elections held on the same date in other parts of Ceylon also showed that the United National Party had gained ground at the expense of the People's United Front. Of the 88 candidates put forward by the U.N.P. for 14 local bodies, including the Colombo Municipal Council, 51 were successful, whereas of the 181 candidates put up by the P.U.F. for 25 local bodies, only 65 secured election. Mr. Bandaranaike issued a post-election statement claiming that the principal support for his party came from the rural, and not from the urban areas. (Ceylon Government Information Department)

(Prev. rep. Ceylon General Election, 14849 A.)

A. MIDDLE EAST. — Dr. Hammarskjöld's Reports to U.N. General Assembly. - Afro-Asian Resolution on Anglo-French Withdrawal from Egypt. - Announcement of British and French Withdrawal. - Mr. Selwyn Lloyd's Statement to House of Commons. - Repudiation of "Collusion" Allegations. - Arrival and Build-up of U.N. Emergency Force in Egypt. - Allied Evacuation of Port Said. - Egyptian Breaches of Cease-fire. - Fedayeen Attacks on Allied and U.N. Troops. - Abduction and Death of Lieutenant Moorhouse. - Report on Port Said Casualties. - Allied Casualties in Port Said Operations.

Three documents on the Middle East situation were presented by the U.N. Secretary-General (Dr. Hammarskjöld) on Nov. 20, 1956, to the regular (eleventh) session of the U.N. General Assembly, which had opened in New York on Nov. 12. As explained on page 15202, the Middle East question had been transferred to the agenda of the regular session as a matter of priority.

The documents presented by Dr. Hammarskjöld, summarized below, comprised (1) a report on "basic points for the presence and functioning in Egypt of the U.N. Emergency Force"; (2) an *aide-mémoire* on this matter; and (3) a report on "arrangements for clearing the Suez Canal."

The U.N. Emergency Force.

Dr. Hammarskjöld pointed out that the Egyptian Government, though accepting the creation of a U.N. Emergency Force (UNEF) in principle, had asked for clarification of certain points in connexion with the U.N. resolution setting up this force. He had therefore had exchanges of views with the Egyptian Government, and had given his "interpretations of the relevant General Assembly resolutions in respect of the character and functions of the Force." The Egyptian Government had accepted these "interpretations" and had agreed that U.N. troops should be sent to Egypt. The first transport of U.N. troops had accordingly taken place on Nov. 15, 1956.

Though this exchange of views was "sufficient as a basis for the despatch of the first units," he had nevertheless felt that "a firmer foundation has to be laid for the presence and functioning of the Force in Egypt, and for the continued co-operation of the Egyptian authorities." For these reasons he had visited Cairo on Nov. 16-18 and had discussed with President Nasser and Dr. Fawzi (the Egyptian Foreign Minister) "basic points for the presence and functioning of UNEF in Egypt." The results of these discussions were included in the *aide-mémoire* accompanying the present report [see below], which had the approval of the Egyptian Government.

Dr. Hammarskjöld also informed the Assembly that he had visited the UNEF staging areas at Capodichino (near Naples) and Abu Sueir (Egypt), and gave the following "indications as to the numerical development of the Force": (*a*) as at Nov. 20, 1956, 696 U.N. troops had arrived at Abu Sueir, with a further 282 at Capodichino; (*b*) a total of 2,240 U.N. troops would proceed to Egypt "in the immediate future"; (*c*) a further 1,260 would be "transferred to Naples or directly to Egypt at times still to be determined."

The Secretary-General added: "The initial activities of the Force are determined by the fact that, as yet, no withdrawals have taken place in compliance with the General Assembly's resolutions of Nov. 2 and Nov. 7, 1956. In pursuance of these resolutions, I shall report to the Assembly on this matter as soon as I receive clarifications from the Governments concerned [i.e. Britain, France and Israel]."

Aide-Mémoire on U.N. Force in Egypt.

Dr. Hammarskjöld said in his *aide-mémoire* that "the Government of Egypt and the U.N. Secretary-General have stated their understanding on the basic points for the presence and functioning of UNEF, as follows:

"(1) The Government of Egypt declares that, when exercising its sovereign rights on any matter concerning the presence and functioning of UNEF, it will be guided, in good faith, by its acceptance of the General Assembly resolution of Nov. 5, 1956.

"(2) The U.N. takes note of this declaration . . . and declares that the activities of UNEF will be guided, in good faith, by the task established for the Force in the aforementioned resolution; in particular, the United Nations, understanding this to correspond to the wishes of the Government of Egypt, reaffirms its willingness to maintain UNEF until its task is completed.

"(3) The Government of Egypt and the Secretary-General declare that it is their intention to proceed forthwith, in the light of (1) and (2) above, to explore jointly concrete aspects of the functioning of UNEF, including its stationing and the question of its lines of communication and supply. The Government of Egypt, confirming its intention to facilitate the functioning of UNEF, and the United Nations are agreed to expedite, in co-operation, the implementation of guiding principles arrived at as a result of that joint exploration on the basis of the Resolutions of the General Assembly."

Clearance of Suez Canal.

Dr. Hammarskjöld reported on this matter as follows: "In the course of the recent hostilities in Egypt, great damage was done to the Suez Canal. The Canal is now out of function, and considerable efforts of a most urgent character are needed to clear it from obstructions. In its resolution of Nov. 2, 1956, the General Assembly urged that steps be taken to reopen the Canal. Immediately upon the adoption of the resolution, the Secretary-General proceeded to explore the technical possibilities of engaging the services of private firms for assistance in the clearing operations. For that purpose he addressed himself to the Governments of Denmark and the Netherlands. On the basis of replies received, contacts were made with a number of private firms.

"During the Secretary-General's visit to Cairo on Nov. 16-18, he had an opportunity to discuss the matter directly with the Government of Egypt. In view of the urgency of clearing the obstructions in the Canal, and the scope of the task, the Government of Egypt addressed to him a request for U.N. assistance in arrangements for this purpose, as a matter of high priority. The Government of Egypt considered that the work should be started immediately upon the withdrawal of non-Egyptian forces from Port Said and the Canal area. . . . The Secretary-General gave his assurance, in principle, that the U.N. would seek to provide such assistance. In pursuance of this assurance, he now wishes to submit the question to the General Assembly.

"The exploration undertaken has indicated that various private enterprises, with important resources, might agree to co-operate in clearing the Canal. The Secretary-General proposes that the General Assembly . . . should authorize him to proceed with his exploration of existing possibilities, and to negotiate agreements with such firms as might speedily and effectively undertake the clearing operations. As indicated above, he would given the approval of the General Assembly - address himself to firms in countries outside the present conflict. In his contacts with the firms approached, he would try to clarify to what extent they, in turn, may need assistance from enterprises not directly approached by the United Nations.

"At the present stage the Secretary-General is not prepared to indicate how the costs should be shared. He intends to revert to this question when the approximate costs have been estimated. He will, at the proper stage of the negotiations, request the necessary authority to conclude agreements concerning the operation.

"In the course of its discussions with the Secretary-General, the Government of Egypt expressed its wish to see the operation completed with the utmost speed. In view of the interest of the Government of Egypt, as well as of all users of the Canal, the Secretary-General feels that the most expeditious procedure to achieve the desired results should be followed in this matter. That is why he suggests that the General Assembly should authorize him, in consultation with the Advisory Committee set up under the Assembly's resolution of Nov. 2, 1956, to enter into the financial commitments that are unavoidable, although he is not now in a position to indicate the size of those initial commitments.

". . . The Secretary-General anticipates that experts would have to be sent in order to survey the work to be undertaken. It would be his intention to use the experts now employed in the U.N. Technical Assistance Programme, assisted by representatives of the firms approached. Although it is not proposed to begin the work until after the withdrawal of non-Egyptian forces from Port Said and the Canal area, the Secretary-General considers it possible to pursue negotiations, and, in agreement with the Government of Egypt, to arrange for the necessary survey of the Canal without delay."

The ensuing debate (Nov. 23-24) was on similar lines to the earlier debates in the Assembly's emergency sessions.

Mr. Selwyn Lloyd (U.K.) repeated Britain's pledge to withdraw her forces from Egypt as soon as UNEF was "effective and competent to discharge its functions." He strongly denied that there had been any collusion between Britain, France and Israel; emphasized that the U.N. had failed over the past years "either to keep the peace [in the Middle East] or to secure compliance with its own resolutions"; and reiterated that Britain and France had intervened to prevent the spread of hostilities and to place a "shield" between the combatants. Out of these actions, whatever might be thought of them, had come the concept of a U.N. Force to keep the peace in the area an idea first put forward by Sir Anthony Eden and strongly supported by Britain.

Mr. Cabot Lodge (U.S.A.) said that his Government understood that the Anglo-French withdrawal would be "phased with the speedy arrival of the UNEF." He expressed the hope that "this phased operation will begin as soon as possible."

The General Assembly adopted two resolutions on Nov. 24, dealing with the withdrawal of U.K., French, and Israeli forces from Egypt and with the clearance of the Suez Canal.

Resolution on Withdrawal of Forces. This resolution, sponsored by 21 nations (including all the Arab and Asian countries), recalled that the Assembly's resolutions of Nov. 2 and Nov. 7 had called upon Britain and France to withdraw their forces from Egypt, and upon Israel to withdraw her forces behind the armistice lines. It:

(1) Noted "with regret" that two-thirds of the French forces and all the U.K. forces remained in Egypt (though it had been announced that one British battalion was being withdrawn), and that no Israeli forces had been withdrawn behind the armistice lines;

(2) Called upon Britain, France and Israel "to comply forthwith" with the resolutions of Nov. 2 and Nov. 7;

(3) Requested the Secretary-General "urgently to communicate this resolution to the parties concerned and to report without delay to the General Assembly on its implementation."

The resolution was carried by 63 votes to five (Australia, France, Israel, New Zealand, and the U.K.), with 10 abstentions and one country (Nicaragua) absent. The supporters included all the Com-

munist and Asian-Arab countries, the Scandinavian nations, nearly all the Latin American countries, and the United States. The abstentions were Belgium, Canada, Nationalist China, Cuba, the Dominican Republic, Italy, Luxemburg, the Netherlands, Portugal, and South Africa.

A Belgian amendment (moved by M. Spaak), designed to eliminate criticism of Britain, France, and Israel, was defeated by 37 votes to 23, with 18 abstentions (including the U.S.A.). It proposed to delete paragraphs (1) and (2) of the 21-nation resolution and to substitute the following text. "Notes that . . . one-third of the French forces have been withdrawn, the U.K. Government has decided to withdraw one infantry battalion immediately, and Israel has withdrawn part of its troops, and considers that France, the U.K. and Israel should expedite the application of the resolutions of Nov. 2 and 7 in the spirit in which they were adopted, particularly with regard to the functions vested in the UNEF."

Resolution on Clearance of Canal. This resolution (sponsored by Canada, Colombia, India, Norway, the U.S.A., and Yugoslavia) was adopted by 65 votes to nil, with nine abstentions. It:

(1) Noted "with approval" the contents of the Secretary-General's *aide-mémoire* "on the basis for the presence and functioning of UNEF in Egypt."

(2) Noted "with approval" the progress so far made by the Secretary-General "in connexion with arrangements for clearing the Suez Canal as set forth in his report";

(3) Authorized the Secretary-General "to proceed with the exploration of practical arrangements and the negotiation of agreements so that the clearing operations may speedily and effectively be undertaken."

Expenses of U.N. Emergency Force.

An initial sum of $10,000,000 for the expenses of the U.N. Emergency Force was approved by the General Assembly on Nov. 26 by 59 votes to nine (the Communist countries), with 18 abstentions and five countries absent. The 18 countries abstaining on the resolution were Cambodia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Israel, Luxemburg, Mexico, Nicaragua, Paraguay, Turkey, and South Africa, while the five absentees were Honduras, Laos, Lebanon, the Philippines, and Portugal.

The resolution authorized the Secretary-General to set up a Special UNEF Account to which would be credited "funds received by the U.N., outside the regular budget, for the purpose of meeting the expenses of the Force and from which payments for this purpose shall be made." The Secretary-General was requested to establish "such rules and procedures for the Special Account and to make such administrative arrangements as he may consider necessary to ensure effective financial administration and control of the Account." In addition, the General Assembly's Administrative and Budgetary Committee was requested to report as soon as possible on "further arrangements that need to be adopted regarding the costs of maintaining the Force."

Dr. Hammarskjöld had originally proposed that the expenses of UNEF should be allocated between member-States on the basis of their assessments for the U.N.'s Budget for 1957; this provision, however, was omitted from the revised version of the resolution as subsequently adopted by the Assembly. In a statement before the vote, the Secretary-General said that he assumed that U.N. member-Governments, "while recognizing the need for taking certain decisions without delay, will nevertheless wish to follow established procedures to the fullest extent practicable." Accordingly, he "felt it wise to suggest that such problems as allocation of costs among member-States should be deferred temporarily, pending an opportunity of their being properly and adequately discussed in the Administrative and Budgetary Committee."

The Soviet delegate (M. Kuznetsov) demanded that the costs of clearing the Suez Canal should be borne by the "aggressor nations"—Britain, France and Israel—and not by the United Nations. He emphasized that the U.S.S.R. had "undertaken no financial commitments" under the resolution adopted. Reservations were also expressed by several Latin American countries, the delegates of Guatemala, El Salvador, Costa Rica, and Paraguay stressing that their Governments could not bind themselves to assume financial commitments with regard to the Canal.

The Assembly's Administrative and Budgetary Committee decided on Dec. 20 that the first $10,000,000 for the costs of the UNEF should be borne by all member-States on the basis of their normal scale of assessments under the U.N. Budget. The resolution also set up a nine-nation sub-committee (the U.S.A., Soviet Union, Canada, India, Ceylon, Sweden, Chile, Liberia, and El Salvador) to examine the question of apportioning expenses in excess of $10,000,000. The recommendation was subsequently approved by the Assembly, the Soviet group opposing.

Anglo-French Announcement of Withdrawal from Egypt. - Notes to U.N. Secretary-General.

The British and French Governments sent identical *notes verbales* to the U.N. Secretary-General on Dec. 3, 1956, confirming their intention "to continue the withdrawal of their forces now in the Port Said area without delay." The two Governments added that they had accordingly instructed the Allied Commander, General Sir Charles Keightley, to seek agreement with the Commander of the U.N. Force (Major-General Burns) "on a timetable for the complete withdrawal, taking account of the military and practical questions involved."

In announcing their decision, the British and French Governments made four points: (1) that "an effective U.N. Force is now arriving in Egypt charged with the tasks assigned to it" in the General Assembly's resolutions; (2) that the Secretary-General "accepts the responsibility for organizing the task of clearing the Suez Canal as expeditiously as possible"; (3) that, in accordance with the Assembly's decision, "free and secure transit will be re-established through the Canal when it is clear"; and (4) that the Secretary-General "will promote as quickly as possible negotiations with regard to the future regime of the Canal on the basis of the six requirements set out in the Security Council's resolution of Oct. 13, 1956" [see 15252 A]. The U.K. and French Governments asked that General Burns "should make himself responsible for the safety of any French and British salvage resources left at the disposition of the U.N. salvage organization."

In addition, the two Governments recalled "the strong representations they have made regarding the treatment of their nationals in Egypt"; drew attention to the humane treatment accorded to Egyptian nationals in Britain and France; and said that they felt "entitled to demand that the position of British and French nationals in Egypt should be fully guaranteed."

The text of the *notes verbales* was communicated to the General Assembly by Dr. Hammarskjöld on the same day. At the same time the Secretary-General announced (1) that he had instructed General Burns to get into immediate touch with the Anglo-French Commanders in Egypt "with a view to working out arrangements for the complete withdrawal of Anglo-French forces without delay"; and (2) that the attention of General Burns had also been drawn "to the need to ensure that UNEF should be in a position to assume its responsibilities in the Port Said area by the middle of December."

The U.S. State Department issued a statement on the same day welcoming the decision of the British and French Governments to withdraw from Egypt, and saying that "its implementation will strengthen the capacity of the U.N. to deal with the other aspects of Middle Eastern problems which are still unfinished business." The statement emphasized the "imperative need" to clear the Suez Canal at the earliest possible moment, and declared that the U.S.A. was "determined, through the U.N. and in other ways, to assist in bringing about a permanent settlement of other persistent conflicts which have plagued the Middle East over recent years."

Prior to the Anglo-French announcement of Dec. 3 on the forthcoming complete withdrawal of their forces, the British, French, and Israeli Governments had informed Dr. Hammarskjöld on Nov. 21 (*a*) that one British battalion had already been withdrawn from Egypt "as a token of good faith"; (*b*) that one-third of the French naval personnel in Egypt, together with two-thirds of the French naval vessels, had been withdrawn from Egyptian territory and Egyptian waters; and (*c*) that the Israeli forces in Sinai had withdrawn "for varying distances" along the entire front. This information was given to Dr. Hammarskjold in reply to several questions put by him to the U.K. and French Governments as to the steps they were taking to implement the U.N. resolutions on the withdrawal of their forces from Egypt. [The detailed replies of the two Governments were described by Mr. R. A. Butler in a statement to the British House of Commons on Nov. 22—see below.]

The U.N. Emergency Force. - Arrival and Build-up in Egypt. - National Contingents.

As stated by the Secretary-General in his report to the General Assembly (see above), Dr. Hammarskjöld had visited Cairo on Nov. 16-18 for discussions with Colonel Nasser. He broke his journey at Naples (Nov. 15) for talks with General Burns, who had himself visited Cairo on Nov. 8 and Nov. 12 for discussions with the Egyptian President. Dr. Hammarskjöld also had discussions in Italy with Admiral Boone, the U.S. Naval C.-in-C. in the Eastern Atlantic, Mediterranean and Indian Ocean.

Before leaving New York for Cairo, Dr. Hammarskjöld announced on Nov. 12 that he had reached agreement with the Egyptian Government on the stationing of U.N. forces in Egypt, and that the first UNEF contingents would arrive in that country within a week. The Secretary-General's statement was confirmed in Cairo by Colonel Hatem (Director-General of the Egyptian Information Department), who said that agreement had been reached "on all questions" concerning the stationing of UNEF in Egyptian territory. Colonel Hatem also said that it had been agreed that UNEF should be immediately withdrawn from Egypt whenever the Egyptian Government requested its withdrawal.

Cairo Press and radio statements said that Egypt had laid down three conditions for the stationing of the U.N. Force in Egypt: (1) that the Egyptian Government's consent would be necessary for the participation of any country's troops in UNEF; (2) that the U.N. should agree to withdraw the Force when the Egyptian Government demanded; (3) that UNEF would not remain in Egypt after the evacuation of Anglo-French forces from Port Said, but would move eastward to the Egyptian-Israeli armistice lines.

Following the agreement between Dr. Hammarskjöld and the Egyptian Government, as announced by the Secretary-General before his visit to Cairo, General Burns received instructions from U.N. Headquarters on Nov. 14 to begin moving the U.N. Forces from the staging area in Italy (Capodichino airport) to the Abu Sueir airfield in the Canal zone, which had been designated as the staging area in Egypt by agreement with the Egyptian authorities. The Danish, Norwegian, and Colombian troops already assembled at Capodichino [see page 15202, second column] were accordingly flown to Abu Sueir on Nov. 14-15 as the advance-guard of further UNEF contingents. For several weeks thereafter a regular "shuttle service" was maintained between Capodichino and Abu Sueir, in which U.N. troops were flown to Egypt. The U.N. troops were initially flown out by Swiss civil planes, under a contract between the U.N. and *Swissair* (Swiss Airlines), while their equipment was flown out by the Italian Air Force. As from Nov. 26, the airlift from Capodichino to Abu Sueir was taken over by the Royal Canadian Air Force, the contract between the U.N. and *Swissair* having expired. In addition, several national contingents—e.g. the Indian and Swedish—were flown direct to Egypt by U.S. planes, which had been placed at the disposal of the U.N. Command; the bulk of the Yugoslav contingent came by sea in Yugoslav ships; and the Canadian contingent was transported in the aircraft carrier H.M.C.S. *Magnificent*.

In a statement on Nov. 18, Dr. Hammarskjöld announced that the provisional target for UNEF was two combat brigades totalling about 6,000 men, of whom about 4,000 were expected to be in Egypt by the beginning of December. These forces, "well armed and equipped," would constitute an organized military force with headquarters and staff, armoured car companies, and supporting engineer, transport, supply, signals, and medical units.

A further statement was issued from U.N. Headquarters on Dec. 13 (the completion of the fourth week of the international airlift from Capodichino to Abu Sueir) giving the following official information: (1) the U.N. Emergency Force totalled approximately 5,000 men as at that date, comprising over 3,700 already in Egypt, other contingents awaiting transport from their home countries, and personnel at Capodichino, including over 300 Canadian personnel operating the airlift; (2) General Burns had established his headquarters on the previous day at El Ballah, north of Ismailia; (3) the UNEF troops in Egypt were recruited from eight countries out of the 23 which had offered to send troops—Norway, Sweden, Denmark, Finland, Colombia, Canada, India, and Yugoslavia; (4) over 1,500 U.N. troops—Danish, Norwegian, Swedish, and Colombian infantry—were stationed in the Port Said and Port Fuad areas, where they were patrolling port districts, guarding power stations, and protecting factories; (5) two companies of Indian paratroops had taken over positions in the El Cap area, between the Anglo-French and Egyptian cease-fire lines; (6) Yugoslav armoured car companies had been stationed along three routes in the Sinai peninsula, their duties including the clearance of minefields and the repair of highways.

On Jan. 7, 1957, U.N. Headquarters announced that UNEF would be brought up to its target of two combat brigades by the arrival of a Brazilian infantry battalion and an Indonesian contingent of 550 men. Both contingents were *en route* by sea.

The U.N. Emergency Force comprised over 1,000 troops from Norway, Sweden, and Denmark, of whom the Norwegian and Danish troops were formed into a joint Dano-Norwegian battalion; a Colombian battalion of 560 men; two Yugoslav armoured car companies totalling about 750 men; a battalion of the Kumaon Rifles (an Indian parachute regiment), comprising 800 men, which was flown direct to Egypt from its headquarters at Agra; some 250 Finnish troops; and Canadian personnel. It was announced in Ottawa on Dec. 22 that the Canadian contingent would ultimately total 1,500 men, including personnel operating the airlift from Capodichino.

All members of the U.N. Emergency Force wore light-blue helmets (the colour of the U.N. flag) and U.N. armbands, though retaining the uniforms of their national forces. Their equipment included rifles, machine-guns, sub-machine guns, anti-tank rockets, and (in the case of the Yugoslav contingent) armoured cars.

Of the Scandinavian contingent, 410 soldiers were sent by Denmark, 300 by Sweden, and 280 by Norway, in addition to a Norwegian field ambulance and medical unit of over 200 men.

At the beginning of January, 1957, the U.N. Emergency Force in Egypt included contingents of eight countries, as stated above, with contingents from two other countries (Brazil and Indonesia) *en route*. In all, 23 countries had offered contingents to UNEF, but not all were acceptable to the Egyptian authorities notably Australia, New Zealand, and Pakistan. The 23 countries offering troops were Australia, Brazil, Burma, Canada, Ceylon, Colombia, Czechoslovakia, Denmark, Ecuador, Ethiopia, Finland, India, Indonesia, Laos, New Zealand, Norway, Pakistan, Persia, Peru, the Philippines, Rumania, Sweden, and Yugoslavia.

The Prime Minister of Australia, Mr. Menzies, stated on Nov. 9 that Australia was ready to contribute troops to UNEF, but pointed out that it was unlikely that such a contribution would be accepted because Egypt had broken off diplomatic relations with Australia. He urged that the U.N. Force should be adequate for its task in maintaining peace in the Middle East, and said that it would be "strange if the properly constituted forces of Britain and France should be replaced by a force of no military consequence, without adequate supplies and backing." In a speech on Nov. 11 to the Australian Liberal Party, Mr. Menzies deplored the exclusion of Britain and France from the International Force; expressed the view that a U.N. Force possessing "power and authority" could have been built up around the forces of Britain and France already in the area; and criticized the present composition of UNEF as consisting of "little groups of bits and pieces."

In New Zealand, the Chief of General Staff (Major-General Weir) was authorized on Nov. 8 to draw up plans for a New Zealand contingent of 300 men for UNEF, to be recruited voluntarily. On Nov. 26, however, the Prime Minister (Mr. Holland) announced that recruiting would be suspended, as it was unlikely that the N.Z. contribution would be accepted. Mr. Holland explained that this decision had been taken after hearing a report from the Minister of External Affairs (Mr. Macdonald), who had had discussions with Dr. Hammarskjöld in New York. In an earlier statement, Mr. Holland had commented that it would be "a remarkable thing if the composition of the U.N Force should be dictated by President Nasser."

A statement by the Egyptian Embassy in Karachi to the effect that Pakistan's name had not been "suggested" by Dr. Hammarskjöld to President Nasser [for inclusion in the countries offering contingents to UNEF] was denied on Nov. 22 by a spokesman of the Pakistani Foreign Office. The spokesman said that Pakistani troops had been offered for the U.N. Force; that Pakistan's name had appeared on the list submitted by the Secretary-General to President Nasser; but that the Egyptian President had chosen from this list India, Indonesia, and Yugoslavia, and had asked for contingents from those countries but not from Pakistan.

Major-General Martola, a retired Finnish Army officer, was appointed by General Burns on Nov. 10 as his personal adviser on matters relating to the U.N. Emergency Force. General Martola was a divisional commander in the Russo-Finnish "winter war" of 1939-40, and later became deputy Foreign Minister in the Finnish Government.

Ten U.N. observers, drawn from the U.N. Truce Supervisory Organization in Palestine, arrived at Port Said from Haifa on Nov. 13 to observe the implementation of the cease-fire and to maintain liaison with the Allied and U.N. Commanders in Egypt.

British Parliamentary Debates. - Statements by Mr. Butler and Mr. Selwyn Lloyd. - Refutation of Allegations of Anglo-French Collusion with Israel.

Mr. R. A. Butler (speaking on behalf of Sir Anthony Eden, then on holiday in Jamaica) gave an "interim report" on the Middle East situation to the House of Commons on Nov. 22, 1956. Pointing out that a debate was taking place in the U.N. General Assembly, and that the Foreign Secretary (Mr. Selwyn Lloyd) had not returned, he gave an account of the replies which were being sent to certain questions put to the British Government by Dr. Hammarskjöld. Mr. Butler said:

"His [Dr. Hammarskjöld's] first question was: 'Has any withdrawal taken place, and if so to what extent?' The Government, as an earnest of their intention to withdraw from Egypt as soon as the conditions they have specified are completed, have welcomed the arrival of U.N. troops in Port Said and have stated that they are prepared to withdraw a British battalion.

"The Government are assisting and co-operating with the U.N. Command in the discharge of its task. In particular they have arranged for the main body of the Yugoslav contingent to disembark at Port Said and to be assisted in transit. They are undertaking to provide the necessary vehicles for a Norwegian medical company, and military transport for the Indian battalion . . .

"The Secretary-General's second question is: 'Can anything be said concerning the plans for the withdrawal?' On this point I would recall the statement made by the Prime Minister on Nov. 6, in which he said: 'If the Secretary-General can confirm that the Egyptian and Israeli Governments have accepted an unconditional cease-fire and that the International Force to be set up will be competent to secure and supervise the attainment of the objectives set out in the resolution passed by the General Assembly on Nov. 2, H.M. Government will agree to stop further military operations.'

"As a consequence of the steps taken to establish the U.N. Force in pursuance of the Assembly's resolution of Nov. 7, the Government ordered the cessation of military operations. We have made it clear that we are ready to hand over to a U.N. Force which will be competent to discharge effectively the tasks assigned to it by the Assembly. On a number of issues progress had been and will be made. But the unsatisfactory element in the Secretary-General's reports, which were published last night, related to the clearance of the Suez Canal—that is outside the area of our control.

"As the House is aware, the Egyptians deliberately and systematically sabotaged the Canal, sinking 47 ships and destroying two bridges. Colonel Nasser has suggested that this was because of the military action we took. This is obviously a fabrication. There can be no excuse for this act of wanton folly.

"I am glad to report that we have made excellent progress in clearing that part of the Canal which is under our control. Clearance vessels were attached to the Allied naval task force, and they began work as soon as we occupied Port Said. We are also moving up or preparing a large fleet of salvage reinforcements amounting to some 28 vessels. We expect that by the end of this week we shall have cleared a channel of 25 feet draught and 65 feet beam, which will allow the passage of ships of 10,000 tons. The way is now clear for salvage forces to go forward beyond the limit of Allied occupation.

"The Secretary-General's report does not seem to take full account of the Assembly's resolution of Nov. 2 urging that, on the cease-fire being effective, steps be taken to reopen the Suez Canal and to restore secure freedom of navigation; although he does, it is true, envisage assistance from sources not directly approached by the United Nations. For all concerned, the clearance of the Canal is vital and urgent. . . . The Foreign Secretary has been asked to urge most strongly that in view of world interest in expediting the clearance of the Canal, in view of our undertaking to begin the withdrawal of our troops, and in view of the fact that the stretch of the Canal under our control will very shortly be cleared, there should be no unnecessary delay in starting the work in the Egyptian-held area.

"Finally, the Secretary-General asked: 'What in your view is the state of affairs as to compliance with the cease-fire?' The cease-fire has been and is being strictly observed by the Anglo-French forces. Egyptian troops and civilians have on several occasions opened fire without provocation on Anglo-French units. The House will have heard with indignation that the Egyptian Government has seen fit to publish the most reckless charges against the conduct of British troops. It should give no credence to them. Last week, for example, the Egyptian Government formally complained to the U.N. Secretary-General that British armoured cars, in violation of the cease-fire agreement, had driven south of the demarcation line. It was established and confirmed by the U.N. observers that not only was the allegation untrue, but that no armoured cars whatsoever had been disembarked at Port Said.

"We are witnessing an attempt by the U.N. to organize an effective intervention in an area which has long threatened the peace of the world. This intervention has been made possible by Franco-British action. If this U.N. intervention succeeds, and we intend to sustain the efforts of the Foreign Secretary to make it succeed, a precedent will have been set which will give mankind hope for the future."

Mr. Gaitskell (Leader of the Opposition) pointed to the fact that several resolutions had been passed by the Assembly by overwhelming majorities calling on Britain to withdraw from Egypt unconditionally, and that they did not specify any condition about clearance of the Canal before France and Britain withdrew their forces. It was "perfectly clear" that the major obstacle to the clearance of the Canal was the presence of Anglo-French forces in Egypt, "in clear defiance of the U.N." "In those circumstances," he said, "may I ask whether Mr. Butler will swallow his pride and withdraw British troops?"

Mr. Butler said that he would have thought that the Government's replies to the Secretary-General's questions showed that they had done their utmost, and were intending to work with the United Nations. The Government understood that the clearance of the rest of the Canal must be done under U.N. auspices, though Britain had perhaps the best gear and kit, and excellent personnel available for this task. It was important, however, that the task should be carried out with "as little quibbling about it as possible."

Mr. Bevan (Lab.) expressed the view that the Government should not claim the right of deciding what was an effective U.N. force, because that cast doubt upon the authority of the U.N. **Mr. Butler** replied: "... The decision about our own forces must be taken in company with the French Government, to begin with. This decision must be taken by us as sovereign States in company with the U.N., because it is our desire to work with the United Nations. There is no question of flaunting the United Nations."

Earlier the same day Mr. Butler had answered questions by Mr. Swingler (Lab.) and Mr. Arthur Henderson (Lab.), who asked for information about the allegations of British and French collusion with Israel.

Mr. Swingler asked if Mr. Butler had studied "evidence in *The Times*, *Manchester Guardian*, *New York Times* and *Washington Post* alleging collusion in military operations between the British, French, and Israeli Governments, and, in particular, that the Foreign Office deceived the U.S. Government about the nature of the meeting of Oct. 16." In view of the fact that "these allegations were widely accepted by responsible people—at any rate, according to *The Times*, by high officials in the State Department in Washington," did he not think that there should be an impartial inquiry into the origin of the military operation?

Mr. Butler. "The answer to the latter part of the question is definitely 'No.' The Government do not believe an inquiry should take place into a matter that is primarily the responsibility of the Government. The Government do not propose to publish the confidential exchanges between heads of States. They would lose their value if published."

In reply to **Mr. James Griffiths** (Lab.), who asserted that "evidence of collusion" was being brought forward in other countries as well as in Britain, **Mr. Butler** referred to the categorical denial made by the Foreign Secretary on Oct. 31, viz.: "It is quite wrong that Israel was incited to this action by the Government. There was no prior agreement with us about it."

Asked by **Mr. Grimond** (Liberal) to give a "categorical and detailed denial of the very detailed charges now appearing," **Mr. Butler** said: "In this particular series of questions I am being asked about certain interchanges. I am not prepared to publish confidential exchanges between heads of Governments. I am determined to reaffirm the statement made by the Foreign Secretary."

Mr. Gaitskell said: "Since the statement made by the Foreign Secretary, much information has been published on this matter in the Press of the world. It is not only a question of whether the Government incited Israel to attack Egypt. What we want to know is whether the Government, either directly or through the medium of the French Government, were informed in advance of the intentions of the Israeli Government; whether they conveyed any information on this subject to the U.S.A.; why they did not, if they received that information, immediately do their best to restrain the Israeli Government; and whether there was any arrangement between the French and Israeli Governments which was communicated to the British Government for an intervention by Britain and France against Egypt?"

Mr. Butler pointed out that Mr. Arthur Henderson had put down a question on this matter [see below], and said that his answer would meet all the points raised by Mr. Gaitskell.

Mr. Henderson asked "what prior information had been received by H.M. Government of the intention of the Government of Israel to enter Egyptian territory on Oct. 29."

Mr. Butler replied: "The Prime Minister said on Oct. 30: 'Five days ago, information was received that the Israeli Government were taking certain measures of mobilization. H.M. Government at once instructed H.M. Ambassador at Tel-Aviv to make inquiries of the Israeli Minister for Foreign Affairs and to urge restraint.' That is the action we took, and that is the information we received.

Mr. Henderson then asked if the House was to assume that no information had been received from other sources about the intentions of the Israeli Government. **Mr. Butler** replied that when the Ambassador was assured on Oct. 29 that no hostile move was contemplated against Jordan, he was told that Israel was not seeking military adventures. The Israeli Foreign Minister explained the mobilization on the ground that Israel had to be prepared. When **Mr. Philip Noel-Baker** (Lab.), asked why the Ambassador had not asked for an assurance that no attack was intended on Egypt, **Mr. Butler** replied that the Ambassador had been instructed to urge restraint, "and that was precisely what he did."

A further statement was made to the House by Mr. Selwyn Lloyd on Nov. 29, after his return from the U.N. General Assembly in New York.

The Foreign Secretary pointed out that his statement could only be of an interim character because important questions had to be decided, and M. Pineau was coming to London the following day for discussions. He continued: "I found the general atmosphere in the U.N. considerably improved, and a wider understanding of our position in certain sections of American opinion. The debate on the Afro-Asian resolution [Nov. 23-24] indicated a change in the atmosphere in the United Nations. I pointed out that we could not accept that resolution, because it implied a measure of censure which we could not accept and because it demanded that we should withdraw forthwith. Also the resolution was unrealistic as it made no reference to an International Force. I indicated our desire to co-operate with the U.N. in these matters and I hoped for a resolution which we could accept. After I expressed these views, M. Spaak put forward an amendment to the Afro-Asian resolution calling on us to expedite the application of the resolutions of Nov. 2 and 7 . . . in the spirit in which they were adopted, particularly in regard to the functions vested in the U.N. Force I stated that if that amendment was accepted, the U.K would vote for the resolution. That also was the position of France. On the Belgian amendment the vote was 23 in favour, 37 against, and 18 abstentions, including the U.S.A. In other words, the majority of the Assembly either voted with us or abstained. That constitutes a considerable shift of opinion. The original resolution was then put to a vote and carried by a very large majority. I should point out that the vote on this resolution was affected, in my view, by the fact that Mr. Cabot Lodge . . . had stated that he interpreted the word 'forthwith' to mean 'a phased operation.'"

Reiterating the Government's opposition to an immediate withdrawal, the Foreign Secretary went on: "We have repeatedly indicated our willingness to withdraw our forces from Egypt when an International Force was effectively constituted and competent to carry out its functions. The House will recall the suggestion originally made by the Prime Minister on Nov. 1 about the U.N. undertaking the task of keeping the peace in the area. From that date the conception of an International Force rapidly gained support. The U.N. Force has now been constituted and is growing in numbers . . . There are already some 1,400 men in Egypt. By Dec. 1 there will be about

2,700. Within about 14 days the Force should number 4,100, apart from some air personnel, approximately 300, stationed at Naples. The 4,100 will be in Egypt. Among them will be some 700 Canadians. Within a fortnight there should be an organized military force with a headquarters and staff under the command of General Burns . . . The provisional target of the Secretary-General is to increase that force to two combat brigades . . . I mention these facts because obviously the build-up of this force must have an important relationship to a phased withdrawal of our own and the French troops.

"There are however other important matters to be considered, such as the speedy clearance of the Canal and the negotiation of a final settlement about the future operation of the Canal. Decisions on these matters must be discussed with our French allies, and I also await certain clarifications about the implementation of the resolution passed [on Nov. 24] by the General Assembly. This resolution authorized the Secretary-General to proceed with arrangements for clearance as a U.N. operation."

Mr. Selwyn Lloyd concluded by saying that he had received a report from the Swiss Foreign Ministry about the treatment of British subjects in Egypt, and had made known to the Secretary-General the "very serious view" which the Government took of it. He was awaiting further reports from the Swiss Minister in Cairo.

Mr. Bevan, after associating the Opposition with the Foreign Secretary's protest against the treatment of British and French subjects in Egypt, asked whether the Government's "insistence on having a clear declaration from Egypt about the future of the Canal" was not one of the chief causes of the differences between Britain and the U.S.A. He also asked whether the Government's decision to associate the build-up of the U.N. Force in Egypt and the phased withdrawal of British troops with "exacting from Egypt some declaration about the future of the Canal" was not the "chief stumbling-block between ourselves, the U.N., and the U.S.A."

Mr. Lloyd replied: "We have never said that we sought to impose a settlement of the future of the Canal by force . . . I do not think that it is unreasonable that we should receive some indication of the future course of negotiations. The clearance of the Canal is a practical matter, and all we want to see is the U.N. getting on with the job as quickly as possible and with all the resources available."

After the discussions with M. Pineau (mentioned in Mr. Lloyd's statement) had taken place on Dec. 1, the Foreign Secretary informed the House on Dec. 3 that the British and French Governments had decided that the withdrawal of their forces in the Port Said area could now be carried out without delay; that they had instructed the Allied C.-in-C. (General Sir Charles Keightley) to seek agreement with the U.N. Commander (General Burns) on a timetable for the withdrawal; and that the withdrawal was expected to be completed by Dec. 15. A similar announcement was made by M. Mollet to the French National Assembly on the same day.

After saying that since his last statement the Government had received "further clarifications of the position from New York," and had also been in touch with the Commonwealth Governments, **Mr. Selwyn Lloyd** continued:

"H.M. Government and the French Government have now taken certain decisions. We are in complete agreement about them. These decisions follow on the two resolutions passed by the U.N. General Assembly on Nov. 24. The first called for the withdrawal of the Anglo-French forces forthwith. But, as I told the House, Mr. Cabot Lodge interpreted 'forthwith' to mean 'a phased withdrawal.' That was exactly the expression we had used ourselves.

"The second resolution was equally important. It called for the early clearance of the Canal and the restoration of its use to international shipping, and entrusted the Secretary-General with the task of making the necessary arrangements.

"Before commenting on these two resolutions I think it right to remind the House of the broad framework within which the events of the last few months must be considered . . . For the last 10 years we have been living with a world-wide struggle going on between Communism and the free world. The introduction of nuclear weapons has made global war unattractive to an aggressor. The Soviet has therefore used the methods of political subversion from within and military pressure from without. The existence of NATO has halted the direct advance of Russia across Europe to the sea. But all the time there has been an open flank in the Middle East which Russia has been making a determined effort to turn.

"Certain factors have developed there to her advantage. There have been hostilities smouldering between Israel and the Arab States. The U.N. has so far not been able to solve that problem at all. The situation has been deteriorating rather than improving. At the same time, Colonel Nasser has come to power with his plans for the aggrandizement of Egypt and the subjection to his domination of the material resources of the Arab countries. The seizure of the Suez Canal was part of that design.

"The Arab-Israel tension has afforded opportunity for Soviet mischief-making. The large supply of Soviet arms to Colonel Nasser put him very much under Soviet influence. The Baghdad Pact gave a measure of security against direct Soviet penetration from the north, but the arming of Syria and Egypt was no doubt intended to turn its flank also. Let there be no misunderstanding. The situation was deteriorating. It was one which sooner or later was likely to lead to war. The only doubtful question was the scope or extent of that war. A general conflagration in the Middle East would have been disastrous for many countries, not least for our own. It was against this background that on Oct. 29 major hostilities began between Israel and Egypt.

"The French and British Governments decided immediately to intervene. We are quite sure that by our action we not only rapidly halted local hostilities, but forestalled the development of a general war throughout the whole Middle East and perhaps far beyond . . . As soon as the two parties agreed to a cease-fire, we also gave orders to cease our military action.

"Our second purpose was to interpose a force to prevent the resumption of fighting. That is why we made the request to station detachments in Port Said, Ismailia, and Suez for a temporary period. The Prime Minister made it clear at the time that this would only be for a temporary period. Then on Nov. 1 he stated that we should be glad if the U.N. would take over the physical task of preserving peace. The conception of an International Force came into being and gained rapid support.

"We believe that the character and composition of the Force will shortly make it capable of carrying out these obligations. We have to remember that the strength of the U.N. Force depends not only on its actual size but on the sanction that lies behind it. It is worth recalling that the position in Berlin has been held for 10 years by a small force because behind it lay the whole organized strength of the Atlantic Alliance . . . So far as the composition of the United Nations Emergency Force is concerned, the Secretary-General has made it clear that he decides it. Its functions, are in accordance with the Assembly resolutions of Nov. 2, 5 and 7. The Secretary-General has also made it clear that it is for him and the Assembly to decide when its tasks have been discharged.

"Another vitally important result of our actions has been that the Russian designs have been exposed and dislocated. It is to be hoped that the free world will use the breathing-space that we have provided to frustrate them altogether. But there are serious dangers ahead in the Middle East. Although Russia has suffered a reverse, she is seeking to tighten her grip on Syria to restore her position. I believe that the whole free world will welcome the statement by President Eisenhower warning the Soviet Union of the dangers of intervention in the area of the Baghdad Pact Powers [see 15230 A]. We must also be watchful to see that Russia does not violate the Assembly resolution of Nov. 2 enjoining a ban on the delivery of military goods to the area of hostilities.

"Two important objectives have therefore been achieved. The war has been stopped, and an International Force has been put into position to prevent its resumption.

"There are other important matters to which I must refer. The first and most urgent need for us and the whole world is that the Canal should be re-opened and freedom of navigation restored. Under the resolution to which I have referred, these duties have been clearly placed upon and accepted by the United Nations. The Secretary-General has entrusted executive responsibility to a team which includes men of the very highest calibre and world-wide reputation, such as Mr McCloy and General Wheeler. This shows that technical considerations have been uppermost in his mind. We have made it clear, for our part, that all the resources which we have been able to assemble will be made available to this team, to be used as and how they may decide.

"I am satisfied from the discussions with the Secretary-General that he will press on with his task with the utmost speed, and that every effort will be made to proceed without delay with the clearance of obstructions below Port Said . . . I am satisfied, from the assurances which I have received from him . . . that work will begin as soon as technically possible and that its progress will not be dependent on other considerations.

"The French and British Governments have come to the conclusion that the withdrawal of their forces in the Port Said area can now be carried out without delay. They have instructed General Keightley to seek agreement with General Burns on a time-table for complete withdrawal, taking account of the military and practical problems involved. This time-table will be reported as quickly as possible to the U.N. Secretary-General. Given good faith on all sides, it can be carried out in a short time . . .

"Another matter of great importance is the long-term future of the Canal. The Secretary-General will promote as rapidly as possible negotiations on the basis of the following matters: (1) The six requirements set out in the Security's Council resolution of Oct. 13; (2) the conversations between the Secretary-General and the Foreign Ministers of France, Egypt, and myself in New York; (3) the Secretary-General's letter to the Egyptian Foreign Minister of Oct. 24, setting out a basis for the negotiation of a system to conform to the six principles, and the Egyptian acceptance thereof of Nov. 2.

"I believe we shall reach an agreement providing adequate guarantees that the six requirements will be met. H.M. Government of course adhere to their view, as expressed in the resolution voted on by the Security Council on Oct. 13, with regard to the 18-Power proposals.

"Lastly, there is the question of a long-term settlement of all the problems in the area. I believe that our action has done a great deal to produce conditions in which progress can now be made. Israel should withdraw from Egyptian territory. We have said this repeatedly. It is our view that Israel should withdraw from the Gaza strip also, and that the strip should be made a U.N. responsibility. I am sure that would be the best solution of a difficult problem. A just settlement of the refugees is an essential condition of a final settlement, together with agreement about frontiers, water schemes, and other matters.

" All this, I know, has been said before, but at the present time we have the knowledge that there is being stationed in the area a substantial U.N. Force charged with the duty of keeping the peace. That, I am certain, will contribute to the final settlement, which is the pre-requisite of stability in the area.

" Therefore I claim that we have stopped a local war. We have prevented it spreading. The extent of Soviet penetration has been revealed. We have caused the United Nations to take action by the creation of an International Force. We have alerted the whole world to a situation of great peril. We have created conditions under which there can be hope of wider settlements. Of course there will be heavy costs to bear, but they would have been far greater if our action had not been taken. It is now for the United Nations to see that this opportunity is turned to good account."

Mr. Bevan, on behalf of the Opposition, spoke as follows : " We, the entire country, and the world will be glad to hear that the French and British Governments have at last decided to pull their troops out of Egypt. It has been done with great reluctance and under great pressure, but at least the decision has been taken. We are also glad to hear that the Government are no longer attempting to dictate conditions to the United Nations, and that they have retreated from their former position of attempting to make the future of the Canal dependent on their decision to withdraw. We sympathize with the Foreign Secretary in having to sound the bugles of advance to cover his retreat.

" The Opposition are also glad to hear that the British and French Governments are prepared to take up the discussions about the future of the Canal at the point they had reached before the action was taken.

" We have paid special regard to the Foreign Secretary's explanation that they have uncovered a Soviet threat in the area. We would have thought, if they had had this information, they might have shared it with the U.S. and Commonwealth Governments. I am bound to say that in view of the obvious embarrassment of the Government, I feel I would be a bully if I proceeded any further."

Mr. Selwyn Lloyd said there were " one or two inaccuracies " in Mr. Bevan's remarks. " It is untrue that we ever said we intended to impose a settlement of the Canal by force. Mr. Bevan should verify his quotations and examine the records. Both the Prime Minister and I said specifically that we had no intention of seeking to impose by force a settlement of the Canal. The second inaccuracy related to the taking-up of discussions about the future of the Canal where they had been left off. The letter of Oct. 24 had not been replied to by the Egyptian Government, but since the action was taken it has accepted that letter. So far as Soviet penetration is concerned, a good deal more information has been discovered after this operation than existed before it."

Replying to comments made by Captain Waterhouse (C.), Mr. Grimond (Liberal), and Mr. Bevan, Mr. Lloyd declared : " I believe the action we took has achieved the results I set out, and I will only add that the arguments of certain right hon. gentlemen opposite are very present on the lips of the enemies of this country."

Mr. Gaitskell protested against this remark, asking what the Foreign Secretary meant by " the enemies of this country." **Mr. Lloyd** replied : " I certainly did not include the United States or Canada. But the fact is that the most fertile quarry for quotations against the Government used by the enemies of this country are the speeches of members of the Opposition."

Mr. Gaitskell again asked what the Foreign Secretary meant by the phrase used by him, and also asked what was the exact position of Britain's relations with Egypt, and whether Britain was still in armed conflict with her. **Mr. Lloyd** replied : " Relations are certainly not normal with Egypt. We have no diplomatic relations. I should have thought that Mr. Gaitskell would have been expected to make up his mind who the enemies of this country were."

Mr. Julian Amery (C.), one of the leaders of the Conservative " Suez group," declared that " whatever differences there may be on Middle Eastern policy on this side of the House, all condemn wholeheartedly the part played by the United States, by the Opposition, and by a small handful of Members on this side of the House in bringing us to the humiliating withdrawal which the Foreign Secretary has just announced."

Mr. Lloyd replied : " I do not accept for a moment that this withdrawal is humiliating. If Mr. Amery will study the statement I have made, he will come to the same conclusion.

Mr. Gresham Cooke (C.) asked whether the Foreign Secretary would give an assurance that British troops would not be finally withdrawn until the 680 British subjects interned and the 30 more imprisoned by the Egyptians had been released, or until an absolute guarantee about their release had been satisfactorily given. **Mr. Lloyd** replied that he could not give that guarantee at the moment, but stressed that he had made " very strong representations " to Dr. Hammarskjöld, which had been passed on to Cairo.

Mr. Denis Healey (Lab.) said that the Foreign Secretary's " ridiculous and degrading apologia will do nothing to disguise the fact that this country has suffered its most serious diplomatic reverse since Munich."

Mr. Lloyd replied : " One would almost gather that Members opposite would have liked the war between Israel and Egypt to have continued ; that they would have liked it to spread to other countries in the Middle East. We do not take that view."

Replying to questions by Labour members, both Mr. Lloyd and Mr. Butler confirmed that Sir Anthony Eden was " in full agreement with the policy just announced" and had given it " his firm support."

Anglo-French Withdrawal from Egypt. - Evacuation of Port Said. - U.N. Force takes over from Allies.

In conformity with the Anglo-French declaration of Dec. 3 (see above), the British and French forces began a progressive withdrawal from the Port Said and Port Fuad areas, the evacuation of all Allied forces in Egypt being completed by Dec. 22, 1956. The withdrawal was " phased " with the progressive take-over by troops of the U.N. Emergency Force, which moved into areas as they were evacuated by the British and French forces.

A first U.N contingent—a company of Norwegian troops—had arrived in Port Said on Nov. 21 to take over from a battalion of the Royal West Kent Regt., which was withdrawn to Cyprus on the following day. Two French units—a marine commando and a battalion of colonial infantry—were also withdrawn from the Port Said area on Nov. 25.

General Burns announced on Nov. 27 that U.N. troops would be moved into the no-man's-land between the Anglo-French and Egyptian lines at El Cap (just south of Port Said) as a " buffer " between the opposing forces. A Danish infantry company was accordingly moved into the El Cap area on Nov. 30, taking over front-line trenches vacated by units of the York and Lancaster Regt. and the French Foreign Legion. While holding these positions several bursts of machine-gun fire were directed against the Danes from the Egyptian lines, but all the bullets flew high and there were no casualties. On Dec. 2 the Danes were moved into Port Said to reinforce the Norwegian troops already there, the " buffer " zone at El Cap being taken over by the Indian parachute battalion.

On Dec. 3, immediately after the U.K. and French Governments had announced the speedy withdrawal of their forces from Egypt, General Burns got into touch with General Sir Charles Keightley (the Allied C.-in-C.) to work out the necessary arrangements for synchronizing the Allied evacuation with the take-over by U.N. Forces. General Keightley had previously visited Port Said on Nov. 25 for discussions with General Burns, the conference being attended by Admiral Barjot (Deputy Allied C.-in-C.), Generals Stockwell and Beaufré (the respective Commanders of the British and French troops in Egypt), and Sir Walter Monckton (then Paymaster-General in the U.K. Government), who had flown to Port Said from London.

Over 11,000 British troops—more than half the total number in Egypt—sailed from Port Said between Dec. 5-8 in the troopship *Ascania* and *Dilwara* and the aircraft carrier H.M.S. *Theseus*, bound for Britain, Malta or Cyprus. As the evacuation continued during the next fortnight, the area controlled by the Anglo-French forces was restricted to an ever-shrinking perimeter round the dockside area, until by Dec. 16 the UNEF had taken over control of the whole of Port Said except for the wired-off British withdrawal beach-head round the harbour. The U.N. Force in Port Said had grown by the latter date to a joint Danish-Norwegian battalion, a Colombian battalion, and Swedish and Indian units. The Anglo-French evacuation reached its final stage on Dec. 21, when 2,000 men—mostly headquarters staff and administrative units—sailed from Port Said in the British and French troopships *New Australia* and *Pasteur*. The last British and French troops left Port Said and Port Fuad on Dec. 22—47 days after the first Allied paratroop landings in Egypt.

Units of the Egyptian Army entered Port Said after the completion of the Anglo-French withdrawal, amidst vociferous enthusiasm from the population, while the U.N. Forces were moved to the Sinai peninsula to take over from the Israeli forces falling back towards the armistice lines. [Yugoslav armoured car detachments were already in Sinai, as stated above, and had made contact with the Israeli Army.] A UNEF communiqué of Jan. 8, 1957, stated that three U.N. columns were advancing eastward into Sinai—one in the north, which had advanced from El Kantara to within a few miles of El Arish ; a column in the centre, which had covered 75 miles eastward from the Suez Canal along the Suez-Elath road ; and a third column in the south, which had reached a point about 135 miles south-east of Suez.

A number of serious infringements of the cease-fire by the Egyptians occurred before and during the Allied withdrawal, as well as attacks on British and French soldiers in Port Said in which several lives were lost. The various incidents are summarized below :

Nov. 8.—The cease-fire was temporarily broken when an Egyptian patrol by-passed British forward troops near El Kantara and opened fire on men of a tank unit, one of whom was wounded ; the British troops returned fire in self-defence, two of the Egyptians being killed and a third wounded and taken prisoner. In reporting this incident, Allied H.Q. pointed out that the patrol had made its way back to the Egyptian lines without molestation from the British forward positions, who could easily have wiped the patrol out but had refrained from doing so.

Nov. 10.—British positions at El Cap were subjected to Egyptian machine-gun fire for two hours. No retaliation was made until a British soldier was wounded, when fire was returned.

Two press photographers with the Allied forces, one American (Mr. David Seymour) and one French (M. Jean Roy), were killed on the same day when the jeep in which they were driving through the British lines came under Egyptian machine-gun fire. The jeep swerved and crashed into the Sweet Water Canal.

Nov. 16.—The "jamming" of Cairo Radio was ordered by General Stockwell with the aim of controlling "wild statements which unsettle the population of Port Said." [Incessant anti-British and anti-French propaganda, directed particularly at the population of Port Said, had been broadcast from Cairo since the cease-fire came into operation.]

Nov. 18.—A proclamation was issued by Allied H.Q. announcing that penalties would be imposed on anyone who intimated Egyptian civilians. It was explained that many shopkeepers had been intimidated by Egyptian extremists into closing their premises or keeping them open for brief periods only, involving a threat of hardship to the city's inhabitants.

Nov. 19.—General Stockwell informed Allied H.Q. in Cyprus that 35 Egyptian soldiers had attacked a French forward company at El Cap with machine-gun and automatic fire the previous evening, no retaliation being made and no casualties resulting. He said that the attack constituted an "obvious attempt" by the Egyptians to draw Allied fire, and asked that the incident should be brought to the attention of the U.N. Secretary-General.

Dec. 6.—A patrol of the Argyll and Sutherland Highlanders seized a large quantity of arms and explosives at the fishing village of El Qabuti, on the shores of Lake Manzala near Port Said. Searches of two fishing-boats being unloaded resulted in the finding of a sub-machine gun, 800 detonators, 200 sticks of gelignite, 110 hand-grenades, 21 bazooka rockets, 10,000 small-arms cartridges, 11,000 rounds of other ammunition, and 20 knives, all of which were concealed in fish baskets. Six men were arrested. The explosives and ammunition were apparently intended for guerrilla operations against the Allied forces in Port Said.

Dec. 10.—A mobile patrol of the Royal Scots was ambushed in the "Arab town" of Port Said, one British soldier being wounded by a hand-grenade.

Dec. 13.—Major James Williams, a British civil affairs officer, was wounded when an Egyptian threw a bomb under his vehicle as it was passing through the Place de Lesseps, on the edge of the "Arab town."

Elsewhere in Port Said, a Norwegian patrol was attacked with grenades and small-arms fire while travelling in a vehicle clearly marked with the U.N. insignia, the Norwegians suffered no casualties and returned the fire.

Dec. 14.—Three grenade attacks were made on British Army vehicles in the main streets of Port Said, no casualties being caused. A Swedish patrol was also attacked without any casualties being caused.

Dec. 15.—General Stockwell sent a letter to General Burns asking him to make a strong protest to the Egyptian authorities against the attacks on British and U.N. troops, pointing out that he (General Stockwell) would be forced to take "really violent action" if these attacks continued. The letter said that the many violations of the cease-fire and the attacks on Allied troops "prove conclusively that a co-ordinated and sustained campaign of violence is being directed against the forces under my command." General Burns announced that he would make the strongest possible protest to Cairo against these incidents.

Dec. 16.—A patrol of the Royal Scots combing an area of the "Arab town" in search of Lieutenant Moorhouse, who had been abducted on Dec. 11 (see below), was fired on by Egyptian *fedayeen*, the commanding officer—Major David Pinkerton—being killed. A three-hour action ensued between a large group of strongly-armed *fedayeen* and patrols of the Royal Scots and the Argyll and Sutherland Highlanders, who surrounded a house in which the terrorists were holding out. Strong resistance was encountered, the terrorists being finally overwhelmed after fighting from room to room. A British Army statement said that many of the terrorists had been killed and wounded before resistance ceased; Cairo radio said that 30 Egyptians were killed in the fighting, while the U.N. authorities in Port Said reported that the bodies of 27 Egyptians had been counted.

Dec. 17.—A soldier of the French Foreign Legion was shot dead by an Egyptian sniper, the area being subsequently searched by Colombian troops.

The departure of the Anglo-French forces from Port Said took place amidst frenzied nationalist demonstrations, the main streets being decorated with portraits of Colonel Nasser, Egyptian flags, and streamers bearing nationalist slogans in Arabic. During the demonstrations the mob pulled down the statue of Ferdinand de Lesseps, the French engineer who built the Suez Canal.

The Abduction and Death of Lieutenant Moorhouse.

A young British officer, Second Lieutenant Anthony Moorhouse of the West Yorkshire Regiment, was kidnapped in the Arab town of Port Said on Dec. 11 when returning alone in his Land Rover from an inspection.

Lieut. Moorhouse had commanded a platoon of the regiment which on the previous day had raided a flat in that part of the city and had arrested eight men, including seven suspected to be Egyptian Army officers hiding there. An Arab boy told British security officers that Lieut. Moorhouse had stopped his vehicle and alighted to question an Egyptian cyclist, when another Egyptian had approached him from behind, seized his pistol, and, together with two other men, forced him to enter a waiting car with no number-plate. The car drove off immediately and was later found abandoned.

General Stockwell immediately informed Major-General Burns of the incident, but in spite of widespread investigations by British troops, including a house-to-house search in the Arab town on Dec. 15, no trace of Lieut. Moorhouse could be found. On Dec. 22, however, a few hours before the final British withdrawal, General Stockwell announced that a U.N. intelligence officer, Captain Wilk (a Norwegian), had reported to him that he had seen Lieut. Moorhouse the day before and that the Egyptians had agreed to hand him over.

Meanwhile Colonel Banks, M.P. for Pudsey and a personal friend of President Nasser (see 15198 A), had flown to Cairo, at the request of Lieut. Moorhouse's parents, to see the President and try to find their son. After visiting President Nasser on Dec. 24, Colonel Banks stated on Dec. 26, when he stopped at Beirut on his return flight, that, according to what he had heard from the President Lieut. Moorhouse was "dead and buried" and that President Nasser had ordered an Army inquiry into the kidnapping and killing of the officer.

The War Office announced on Dec. 29 that two of its staff officers had visited Colonel Banks the previous day "to obtain all the information which Colonel Banks had obtained from President Nasser," and that, according to this information, Lieut. Moorhouse had died from suffocation while hidden by his captors in a steel box during the British search for him in Port Said. The statement said:

"Colonel Banks described the arrangements he had made, through personal friends in Beirut, for contacting Colonel Nasser. A meeting was arranged for the evening of Dec. 24, when he spent about two hours with Colonel Nasser, in the course of which the latter said that he had sent a personal staff officer to Port Said to investigate and report on the circumstances of Lieutenant Moorhouse's capture and subsequent fate.

"The staff officer returned on December 24 with a report that Moorhouse had died at the hands of his captors on or about Dec. 15, the date on which the search for him had been carried out by the British forces. During the search Moorhouse had been bound by his captors and concealed in a large steel box in a house in which he had been held prisoner. On returning to the house later, the gang found that Moorhouse had died from suffocation. His body had been buried in the house in which he met his death.

"Colonel Nasser did not disclose the source from which this report emanated, nor was there any proof that his staff officer had seen the body or the place where the murder was alleged to have been committed."

An account agreeing essentially with the official Egyptian version was published in the Cairo newspaper *Al Ahram*, whilst on Jan. 1, 1957, a Foreign Office spokesman in London said that the Egyptian authorities had given the following account of Lieut. Moorhouse's death to Dr. Hammarskjöld:

"After his capture in Port Said Lieut. Moorhouse was tied to a bed, his captors intending to exchange him for some Egyptian 'resistance' prisoners. When British troops began combing the area he was locked in a small metal cupboard. His captors returned once to feed him but, as the search intensified, they felt it unsafe to return and he was left for two days. He is believed to have died of suffocation. He was buried in the house where he was held."

The spokesman added that Dr. Hammarskjöld had asked General Burns to make the earliest possible arrangements with the Egyptian authorities to ensure that the body of Lieut. Moorhouse was handed over to the U.N. authorities.

The body of Lieut. Moorhouse, which had been found on Dec. 30, was handed over by the Egyptian authorities to the U.N. Command in Port Said on Dec. 31. It was flown on Jan. 4 to Naples, where a party of British pathologists, doctors, and Scotland Yard officers identified it, and on Jan. 6 was flown to Britain in an R.A.F. aircraft for burial at Leeds.

Sir Edwin Herbert's Report on Civilian Casualties in Port Said.

The U.K. Minister of Defence (then Mr. Head) informed the House of Commons on Dec. 20 that, in view of the conflicting estimates of the extent of the casualties in Port Said during the Anglo-French operations, an independent inquiry had been carried out by Sir Edwin Herbert, the president of the Law Society, who had visited the Middle East from Dec. 8-15 and had made careful and detailed investigations at Port Said. [Sir Edwin Herbert has headed a number of departmental committees, including the committee which reported on the electricity supply industry—see 15811 A, 14860 A.]

The original estimate of civilian casualties at Port Said, given to the House by Mr. Butler on Nov. 13, was approximately 100 killed and 540 wounded. Mr. Head, in a statement on Nov. 21, said that there seemed no reason to modify this estimate, and criticized the "gross exaggerations" and "lurid propaganda" spread by Cairo as to the extent of civilian casualties in Port Said. [The Egyptian authorities had given a figure of 12,000 civilian casualties in Port Said, of which a large proportion, it was alleged, had been caused by "machine-gun fire from helicopters"—an allegation described by Mr. Head as "pure invention."]

In a further statement to the House on Dec. 5 by Sir Walter Monckton, following his 24-hour visit to Port Said on Nov. 24 (see above), Sir Walter had endorsed the estimate of 540 wounded but had suggested that the number of dead might have been 300, and not about 100 as originally estimated. Many Labour members, however—notably Dr. Edith Summerskill (who subsequently visited Port Said in January and also saw Colonel Nasser in Cairo) and Mr. Wigg—suggested that the figures were higher than those mentioned by Government spokesmen. In view of these conflicting estimates, Sir Edwin Herbert was sent to Port Said to carry out an official investigation.

Sir Edwin Herbert's report, published on Dec. 21 as a White Paper (Cmd. 47), put the estimated number of casualties in Port Said, after the most careful inquiries, at approximately 650 killed, 900 injured and detained in hospital, and 1,200 slightly wounded—a total of 2,750. The figure excluded about 100 casualties at Port Fuad, which was occupied by the French forces.

Sir Edwin pointed out that he had inspected all the areas in which fighting took place, visited hospitals and cemeteries, and interviewed Egyptian officials (including the Police Commandant, the Director of the Municipality, and the Chief Sanitary Inspector), as well as senior Allied officers and independent witnesses. As regards the military operations in Port Said, Sir Edwin laid stress on the following points:

(1) Not one bomb was dropped on Port Said or its environs, all air strikes being low-level attacks—by rocket, machine-gun, and cannon—which were "of great accuracy and very localized."

(2) The naval bombardment had been confined to the beaches and had been "reduced in intensity to one-tenth of the level which would normally be used to support a landing."

(3) Every possible warning had been given by radio to the civil population, in which connexion Sir Edwin commented: "To one like myself, with a long experience of security in wartime, it came as a shock to find that the two overriding considerations in the minds of all concerned were, first, to inform the enemy of our plans, and secondly, to do him as little damage as possible in the execution of those plans."

(4) The steps taken to protect the interests of civilians "in my opinion jeopardized British lives and increased British casualties."

As regards the earlier estimates of civilian casualties, Sir Edwin stated: "Most of the officers concerned would, I think, now admit that the original estimate of 100 killed was too low. If my figures are higher than those put forward by the military authorities, I am sure that this is not due to any attempt by them to mislead or to any carelessness on their part. It is mainly due to the fact that I was able to give my undivided attention to the matter, whereas the work they did was done in time snatched from other most urgent duties." Sir Edwin said that it was impossible to obtain a reliable figure of the proportion of Egyptian casualties as between military and paramilitary and civilians, but he thought it improbable that civilian casualties exceeded 25 per cent of the whole.

As regards the damage in Port Said, the report stated: "The only damage to Arab town [the densely populated district in the centre of Port Said] is the destruction by fire of part of the shanty section at the westerly end, and superficial damage by small-arms fire for 100 yards down the streets debouching on Mohammed Ali Street. The casualties in Arab town, including the damaged section, must, in my opinion, have been negligible. The military are much to be congratulated on their policy of sealing off Arab town instead of attacking it, although it became a haven of refuge for the great bulk of the defenders of Port Said and has been a source of danger and difficulty ever since. Had Arab town been taken, or even accidentally damaged by rocket or shell, the number of casualties must have been much greater." Apart from superficial damage, Sir Edwin was satisfied that the only substantial damage in Port Said was in eight areas, marked on photographs accompanying the report, together with "the destruction, under circumstances which I cannot determine, of one oil tank."

The report gave summaries of evidence given to Sir Edwin by Allied senior officers, Egyptian officials, and six independent witnesses—M. Thudikum, of the Swiss Red Cross; Signor Mareri, the Italian Consul; M. Scarpalasos, the Greek Consul; Mr. Coe, the British Consul; Commander Gilette, U.S. Naval Attaché in Cairo; and Colonel Easter, a British shipping agent, who was the last British civilian left in Port Said and who was present throughout the operations. On the basis of all this evidence, and of figures by the Port Said hospitals, he had come to the conclusion that the casualty figures given in his report were substantially correct. The figure of about 650 killed was obtained after a close and thorough inspection of the cemetery, and discussions with Egyptian municipal and public health officials; the Port Said hospitals had reported that 896 civilians were wounded and detained in hospital; and the figure of 1,200 slightly wounded was the estimate of the Egyptian authorities themselves.

Sir Edwin stated in his report: "Mathematical certainty supported by unambiguous evidence is not possible, but I am satisfied that as to the course of operations and the resulting physical damage, my account is strictly accurate. With regard to casualties, I cannot be wide of the mark. Indeed, where in doubt I have thought it wise to err on the side of using a higher rather than a lower figure."

Allied Casualties in Port Said Operations.

Final figures of British and French casualties sustained in the Port Said landings were given on Nov. 14, 1956, by Allied H.Q. in Nicosia—viz., 32 killed, 129 wounded, and one missing, divided among the respective Allied services as follows:

Royal Navy—one officer killed; missing and wounded, nil.

Royal Marines—two officers and seven other ranks killed; five officers and 55 other ranks wounded.

British Army—one officer and seven other ranks killed; four officers and 32 other ranks wounded.

Royal Air Force—three officers and one other rank killed; wounded and missing, nil.

French Navy—one officer missing; killed and wounded, nil.

French Army—killed, 10 all ranks; wounded, 33 all ranks.

French Air Force—None killed, wounded or missing.

Aircraft losses were as follows: Royal Navy—six planes lost, four by enemy action and two in accidents; R.A.F.—two planes lost, one by enemy action and one by accident; French Navy and Air Force—two planes lost, one missing and one by accident.

Captures of Egyptian Military Equipment.

A list of Egyptian equipment—from Russian, Czechoslovak, and British sources—captured by the British and French forces during the Port Said operations was given by Mr. Head on Nov. 21, and included the following:

Czechoslovak—three SU-100 (self-propelled) guns, five rocket launchers with 390 rockets, two light machine-guns, 20 rifles, 40 anti-tank magnetic mines, and three Praga 10-ton vehicles.

Russian—500 anti-personnel mines, 50 light machine-guns, over 500 rifles, 10 machine-gun carbines, and large quantities of ammunition.

British—four 6-pdr. guns; two 3.7 mm. guns; 420 Lee-Enfield rifles; 40 Bedford and Fordson three-ton vehicles; smaller vehicles and gun-carriers; and quantities of ammunition.

The Soviet and Czechoslovak equipment captured included a Soviet light machine-gun of very recent design; a Soviet self-loading carbine; a Czech light machine-gun of new type; a Czech recoilless 83 mm. anti-tank gun; and 32-barrelled rocket-launchers. Some of the captured arms and equipment was taken to Britain for testing and evaluation.

(U.N. Information Centre, London - New York Times - New York Herald Tribune - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - Australian News and Information Bureau - London Offices of the High Commissioners of New Zealand, India, and Pakistan) **(15217 A; 15201 A.)**

Note. Other developments in the Middle East crisis will be described in subsequent articles. (Ed. K.C.A.)

A. BENELUX. — First Joint Trade Agreement.

The first joint trade agreement between Benelux (Belgium, Netherlands, and Luxemburg) and another country was signed in Copenhagen on Dec. 28, when a 12-month trade agreement was concluded between Denmark and the Benelux area.

Under the agreement Denmark will export to the Benelux countries mainly agricultural produce to a value of 300,000,000 kroner, whilst Benelux exports to Denmark will consist mainly of machinery, textiles, metals, and fuel worth 930,000,000 kroner.

The negotiations leading to the agreement were particularly difficult because both Denmark and the Netherlands have considerable export interests in farm produce.

(Netherlands News Agency) **(Prev. rep. Benelux, 14933 D.)**

B. UNITED KINGDOM. — Trade Figures for November, December, and Year 1956.

Imports into the United Kingdom in November totalled £319,600,000, exports £291,900,000, and re-exports £14,800,000, the adverse visible balance thus amounting to £12,900,000. The corresponding figures for December were: imports £307,800,000, exports £253,700,000, and re-exports £11,200,000, the adverse visible balance amounting to £42,900,000.

Provisional figures for the year 1956 showed that imports totalled £3,890,000,000, exports £3,172,600,000, and re-exports £146,200,000. The adverse visible balance for the year was thus £571,500,000, compared with a revised figure of £859,400,000 for 1955.—(Board of Trade Journal) **(15260 F.)**

C. LIBYA. — Expulsion of Egyptian Military Attaché.

It was officially announced in Tripoli on Nov. 7, 1956, that the Libyan Government had demanded the immediate recall of the Egyptian military attaché, Colonel Ismail Sadek, who had been ordered to leave the country. It was stated that Colonel Sadek had ignored a number of previous warnings to refrain from "activities prejudicial to Libya."—(Le Monde, Paris) **(Prev. rep. 15233 B.)**

A. RHODESIA AND NYASALAND FEDERATION. — Sir Roy Welensky on Need for Commonwealth Unity and Advancement of Federation's Status. - Criticisms of African Leaders and Colonial Office Policy.

In a speech at Sinoia on Dec. 1, 1956, Sir Roy Welensky, the new Prime Minister of the Federation of Rhodesia and Nyasaland, stressed the need for unity within the Commonwealth, particularly since the Suez crisis, and for the further political advancement of the Federation. In the course of his speech he strongly criticized the British Labour Party's attitude both to the Suez crisis and towards the concept of federation in Rhodesia and Nyasaland.

Sir Roy spoke as follows: "The Commonwealth has its faults, of course, and among these is the fact that only relatively recently was the development of several colonies undertaken in the interests of those colonies themselves, rather than in the interests of Great Britain. But the strength of the Commonwealth remains, and it is important that we should realize how great is that strength if combined, and how weak, in modern terms, is any one member of the Commonwealth community when standing alone. There is little doubt that an attempt has been made, before and during the Suez crisis, to re-shape national interests in the Middle East, and this is proving to be no less than a gamble with world peace itself. To us in Africa, the cost of the loss of the Middle East to the Western world might be the price of disaster. Who can fail to realize that in these times of swift transport, in which distances measured in thousands of miles mean nothing in terms of political influence and modern arms, Communism established in the Middle East—for this is what is being gambled—will mean disruption in Africa as a whole? And who doubts that this is the aim of the new imperialism of Russia?

"Therefore it is particularly tragic that in Britain, to which we are looking for a lead in this crisis, there is serious division on foreign policy in the face of national danger and of danger to the Commonwealth. The responsibility which falls on the shoulders of the leaders of both main parties in Britain is great. It is a responsibility not only to themselves but to the Commonwealth as a whole; and they, too, must now close their ranks. As Prime Minister it is my privilege to say, on behalf of the whole Federation, that whatever the course of events may prove to be, our loyalty to the Crown is unquestioned. As a people, whether white or black, we are British—and we are determined that this will not change, whatever our status within the Commonwealth may become.

"A political clique in the United Kingdom, a clique which dominates the Colonial thinking of the Labour Party, must not be allowed to set at naught all that the Federation is striving for and achieving. In this clique are many who are willing to allow a damaging mixture of idealism, ignorance, and perhaps something even more evil, to influence their own thinking. If for this reason alone, we must move towards greater responsibility and enhanced status within the Commonwealth without delay."

After declaring that he would lose no time in using the machinery provided in the Constitution to bring about an essential advance in the Federation's status, Sir Roy continued: "What is the criterion in the minds of the British Government and the Opposition at the present time? Is it stability and good government, or is it political expediency? If it is the latter, do they expect us to stomach it? If it is neither of the two, let them tell us exactly what is expected of us. Ours is a federal Constitution and it will remain federal; let that be quite clear. . . ."

Emphasizing that there would be "no departure from established principles, no compromise with the real requirements of advancement, and, above all, no truck whatsoever with extremism," Sir Roy said that there were "some, not only here but also abroad, whose whole purpose seems to be to damage the cause of federation." He added in this connexion: "I am referring to those who have seen fit to denounce this country, on one pretext or another, ever since its inception, and whose noise has become more strident in recent months. In their determination to sell the Empire at whatever cost, they do not stop to think of what that cost might be. Sell they must, whether the result be the perpetuation of poverty and inefficiency, or the sacrifice of the standards for which, paradoxically, they will fight so hard at home. We believe that our record of good government, stability and moderation, and our insistence on civilized standards in our social and political life, speak for themselves and can be matched with the best in the Commonwealth."

In a further speech at Salisbury on Jan. 3, 1957, Sir Roy Welensky asserted that the British Government were paying more attention to the complaints and demands of the Africans than to the attempts of the Federation Government "to preserve the very standards which Britain sets herself at home." As a result, African leaders in the Federation were looking to Britain, rather than to the Federal Government, for the realization of their political aims. After deploring this tendency, and emphasizing its dangers both to the Federation and to Britain herself, he called upon H.M. Government to make it clear that Federation had "come to stay," and declared that the Federation might well become "the last bastion of British interests in Africa."

Referring to the present tendency of Africans in the Federation to look to London for the achievement of their aims, Sir Roy declared: "Unless it is remedied, we shall reap the folly of a belief that it is the policy of the Colonial Office to emancipate Africans from Europeans. I have watched the impact of this policy on British possessions in Africa, and I have no hesitation in saying that it is a disastrous one. I have no hesitation, too, in saying that it is their belief in this policy that is encouraging certain African leaders in plans for African self-government. If Mr. Lennox-Boyd has seen this, as I believe he has, it is to the good, for there is only one body that can put right this state of affairs, and that is H.M. Government in the United Kingdom.

"But they must act without delay. They must say that Federation is here to stay, and they must say it again and again. As we stand at present, we can never build up a common loyalty to the Federal State in the minds of our African population; and no matter how liberal our approach may be to the many problems which face us, the Africans in the two northern States [i.e. Northern Rhodesia and Nyasaland] will look upon the U.K. Government as a sort of opposition to the Federal Government, and not as a partner. . . .

"The issue must be faced before events get out of hand. I know that in Britain the decision will not be an easy one. Traditionally the so-called under-dog has her sympathy, but there is another point of view, and it is that the Europeans of the Federation are striving to preserve the very standards which Britain sets herself at home and would, I believe, like to see perpetuated in her colonies. . . . Let Britain recognize that fact, and let her realize that we may well become the last bastion of British interests in Africa.

"Under our Constitution the Federal Government has virtually no control over African affairs; in fact, in no way can the Federal Government directly influence African thought. At the same time, whatever we do in the economic field over which we do have some control—to further the interests of the African goes unacknowledged by the African leaders—of whom we have learnt to expect nothing better—and also, tragically enough, by Britain herself.

"This is because the African, with his close ties with the Colonial Office and his facile form of propaganda, has many ways of making himself heard in the United Kingdom. He speaks and complains, and his complaints are relayed to us from London in a form more often than not of verbal chastisement. We, on the other hand, are charged with getting on with the hard economic job, and we have relatively few spokesmen in Britain. Consequently we are not so often heard or listened to.

"That is irritating, but what is dangerous to the future of our country is that the state of affairs in which we find ourselves encourages the African leader to turn his eyes outward to Britain, and to engender a state of mind wherein the British Government is considered as a sort of super-Government to which he need only turn to achieve his aims. We have now arrived at the position in which the African is not only inclined to disregard the Federal Government, but also to disregard the territorial Governments of Northern Rhodesia and Nyasaland. This is a dangerous state of affairs, and wholly unjustified.

"All four Governments of the Federation are serving the African people well, and the African has scant cause to complain of any of them. But it goes much further. The British Government, as much as the four Governments of the Federation, were a party to the Constitution, and written into the Constitution is the policy of partnership, which is the policy of the Federation. Therefore any support given to the Africans in their present demands, or in countenancing their present attitude, is a denial of support to the policy of partnership—a denial of support by Britain in the same way that the partnership is not receiving the support of many African leaders.

"African leaders have never attempted to support the partnership, not because they cannot envisage its success, but because they realize that, if carried through logically, it stands in the way of their aspirations toward African domination. . . . This can only mean that when he has achieved what he wants -which is no more and no less than full African self-government—he will in turn reject the British Government's authority. Then this will be another part of Africa lost to progress. . . ."

Mr. Lennox-Boyd arrived at Lusaka (Northern Rhodesia) on Dec. 29 on a three-week visit to the Federation, during which he had discussions with the Federal and Territorial Governments on such questions as the franchise, citizenship, and other matters of current interest. In a statement at Kitwe on Jan. 3, the Colonial Secretary emphasized that H.M. Government were fully committed to the Federal system and would never agree to the amalgamation of the Rhodesias and Nyasaland. He expressed the hope that "the Government of this great Federation shall for all time be in the hands of civilized and responsible people, whatever their race, whose homes are here."—(Federal Information Department, Salisbury)

(Prev. rep. Lord Malvern's Criticisms, 15167 A.)

B. AUSTRALIA. — New Chief of Air Staff.

It was announced in Canberra on Dec. 18, 1956, that Air Vice-Marshal F. R. W. Scherger had been appointed Chief of Staff of the Royal Australian Air Force in succession to Air Marshal Sir John McCauley, retiring in March 1957.

(Australian News and Information Bureau)

C. NEW ZEALAND.—Railways Commission abolished.

Under legislation passed by the New Zealand Parliament in October, the New Zealand Railways Commission set up in October 1952 will be abolished on April 1, 1957.

(The Dominion, Wellington) (Prev. rep. 12530 D.)

A. UNITED KINGDOM. — Steel Industry. - Record Production in 1956. - Further Resales of Steel Companies.

Figures issued by the Iron and Steel Board on Jan. 7, 1957, showed that U.K. steel production in 1956 reached the record figure of 20,659,000 tons, compared with 19,791,000 tons in 1955. Production of pig-iron in 1956 was also a record, amounting to 13,170,000 tons as compared with 12,470,000 tons in 1955.

Detailed figures for the last nine months of 1956 are given below, with 1955 figures for comparison:

	1956		1955	
	Weekly Average Tons	Annual Rate Tons	Weekly Average Tons	Annual Rate Tons
Steel Ingots and Castings.				
April	421,100	21,896,000	393,300	20,455,000
May	396,400	20,612,000	401,600	20,884,000
June	379,700	19,744,000	364,200	18,939,000
July	326,400	16,971,000	307,700	16,002,000
August	340,600	17,712,000	345,100	17,946,000
September ..	417,000	21,686,000	397,800	20,683,000
October ..	419,100	21,791,000	399,500	20,773,000
November ..	426,400	22,172,000	408,600	21,246,000
December ..	395,900	20,587,000	381,900	19,860,000
Pig-Iron.				
April	254,300	13,225,000	238,500	12,401,000
May	246,500	12,820,000	241,800	12,574,000
June	239,600	12,459,000	216,800	11,274,000
July	240,400	12,498,000	230,800	12,000,000
August	235,900	12,265,000	236,200	12,282,000
September ..	252,500	13,131,000	246,200	12,804,000
October ..	260,700	13,558,000	249,200	12,957,000
November ..	262,700	13,660,000	252,600	13,135,000
December ..	262,300	13,637,000	250,100	13,004,000

Steel production in May, June, July, and August was adversely affected by the ban on overtime and week-end working imposed by steelworks maintenance workers in April (see below).

Developments in the iron and steel industry in recent months are summarized below:

Productivity. The British Iron and Steel Federation, in a survey published in the October issue of the Federation's quarterly *Steel Review*, stated that output per man-year in the industry had increased by 46 per cent since 1946 and by 66 per cent since 1938, the output of steel having more than doubled since the war.

Price Increases. The Iron and Steel Board increased maximum prices of most iron and steel products from May 7 by an average of five per cent. The Board explained that since the last increase in steel prices in July, 1955, the cost of imported iron-ore had risen by 11s. a ton, of imported scrap by £7 10s. a ton, of pig-iron by £5 a ton, and of imported semi-finished steel by £6 a ton. No allowance had been made in the new prices for increased costs arising out of higher wages and railway freight charges, which would be borne for the present by the industry itself.

Maximum prices of home-produced iron and steel scrap had been raised by the Board of Trade by an average of £2 a ton from May 4.

Maximum prices of iron and steel products were again increased from Dec. 17 by an average of about six per cent, the Iron and Steel Board explaining that further rises, in some cases "substantial," had taken place since the spring in the cost of imported materials, coal, wages, and inland transport. The new prices took no account of cost increases which might result from the Middle East situation and the continued hardening of ocean freight rates. The statement added that steel prices in most steel-producing countries had risen during 1956 and that the new U.K. prices would still, on the average, be about eight per cent below prices in Western Europe.

Development Schemes and Plant Expansion. The chairman of the Steel Company of Wales (Mr. H. Peake) announced on May 1 that, at the request of the Iron and Steel Board, his company had prepared a third development plan providing for (*a*) the raising by 1960 of annual production of steel ingots at the Abbey works at Margam (Port Talbot) from 2,400,000 tons to 3,000,000 tons; (*b*) the conversion of steel ingots into steel sheets, plates, and tinplate, increasing the output of these products by about 435,000 tons annually. Work on the scheme, which had been approved by the Iron and Steel Holding and Realization Agency, would start at once and take about 3½ years to complete.

Mr. Peake explained that the object was to effect a reduction in the amount spent by Britain on importing steel sheets and tinplate, of which 456,000 tons and 88,200 tons respectively had been imported in 1955 at a total cost of over £33,000,000.

It was announced on May 26 that Stewart and Lloyds Ltd., manufacturers of steel tubes, would spend about £6,250,000 over the next 10 years on a development scheme at their Corby (Northants) works.

Import Duties. It was announced on Dec. 1 that, after consulting the Iron and Steel Board about the supply position, the Government had decided to prolong until Sept. 18, 1957, the suspension of import duty on a wide range of iron and steel products (with the exception of tinplate and terneplate, on which duty would be restored from March 18, 1957).

Overtime Ban by Steelworks Maintenance Men. - Acceptance of Recommendations of Court of Inquiry. A substantial loss of production was caused during the summer months by a ban on overtime working by about 14,000 steelworks maintenance workers, as a result of their dissatisfaction with a 10s. wage increase for all steelworkers which had been granted in March. When the employers used emergency teams to do the work which would have normally been done by the maintenance men during overtime, strikes, involving about 3,750 maintenance men, broke out in Scotland, South Yorkshire, and South Wales in June. Because of the employers' refusal to discuss the question of supplementary wage increases until full normal working had been resumed, the executives of the 10 unions involved recommended on July 4 a national strike to begin on July 14, but on July 9 the Minister of Labour announced that he would appoint a Court of Inquiry into the dispute; the proposed national strike was thereupon called off on July 11, the ban on overtime work continuing. By then the loss of production caused by the ban and the various local stoppages was estimated at nearly 300,000 tons.

On July 13 the Minister of Labour announced that the Court of Inquiry would consist of Sir John Stewart (a Glasgow solicitor, and chairman of several wage councils), as chairman, Brigadier L. C. Mandelberg (a former chairman of the employers' association in the rayon yarn industry), and Mr. C. J. Geddes (general secretary, Union of Post Office Workers). The Court announced its findings on Aug. 23, as follows:

(1) Maintenance craftsmen should accept, without prejudice to future claims, the 10s. increase offered by the employers in March, and this should be paid retrospectively from March 18, 1956.

(2) Craftsmen should consider whether they wished to submit a claim for a new wages structure in the industry.

(3) New arbitration arrangements for wage disputes should be negotiated to meet the special needs of the industry, including a tribunal from the craftsmen's side having two assessors intimately connected with the industry's technical processes.

[The unions had refused to refer the dispute to arbitration on the ground that they had no confidence either in the Industrial Court or in the Industrial Disputes Tribunal, because these bodies did not include members with a direct interest in the industry. They maintained that the steel industry was too complex to be judged by a court which did not contain experts from the industry itself.]

The court's findings were accepted by the unions on Sept. 14, and resumption of full working—including overtime and week-end working—took place immediately.

Further Resale Transactions. The following sales by the Iron and Steel Holding and Realization Agency were announced in October:

(1) The entire share capital of Burnell and Co. Ltd., to John Summers and Co. Ltd., Hawarden Bridge (Cheshire) for £350,000 (announced Oct 29).

It was stated that, in addition, the Agency had received a special distribution from Burnells of £250,000, bringing the total proceeds accruing to it up to £600,000, compared with its investment—represented by compensation paid under the 1949 Iron and Steel Act—of £541,562).

(2) The entire issued share capital of Kettering Iron and Coal Ltd., and the New Cranley Iron and Steel Company Ltd., to Stewart & Lloyds Ltd., which also bought 25 per cent of the issued share capital of the Loddington Ironstone Company. The total purchase price was £260,000 (announced Oct. 31).

[It was explained that, in addition, the Agency had received a special distribution of £240,000 from the Kettering company's reserves, the total proceeds accruing to it therefore amounting to £500,000, compared with an investment of £465,925.]

Steel Realization Agency's Accounts for 1954-55. The accounts of the Iron and Steel Holding and Realization Agency for 1955, published on June 22, showed that it had paid into the realization account sums totalling £91,630,552 from the sale of iron and steel undertakings, and had withdrawn £45,100,000. Since the close of the financial year £25,000,000 had been transferred from the account to the Exchequer.

Licensing Control of Steel Exports. It was announced on Jan. 16, 1957, that the Board of Trade had decided to license exports of a wide range of iron and steel products so as to safeguard supplies of steel for domestic constructional purposes and the engineering and shipbuilding industries. Licences will be required for the export to any destination of pig-iron, steel rails, and alloy and non-alloy steel sections, bars, and rods.

Ending of Tinplate Control. Control of tinplate, terneplate, and blackplate was ended on Dec. 31.

It was announced on Oct. 29 that the President of the Board of Trade had appointed Mr. A. J. Stewart, chairman and general managing director of Stewart and Lloyds Ltd., as a part-time member of the Iron and Steel Board in succession to Sir Andrew McLane, who had retired.

On Dec. 18 it was announced that Sir Andrew McCance, chairman and managing director of Colvilles Ltd., would succeed Sir Ernest Lever (chairman of Richard Thomas and Baldwins Ltd.,) as president of the British Iron and Steel Federation as from Jan. 1, 1957.—(Times - Daily Telegraph - Manchester Guardian - Financial Times) **(Prev. rep. 14814 C.)**

A. CANADA. — Parliamentary Debate on Middle East Crisis and Hungary. - Opposition Criticisms of Canadian Attitude in Middle East Crisis. - Statements by Mr. St. Laurent and Mr. Lester Pearson. - Appropriations for Hungarian Relief. - Canadian Contribution to U.N. Emergency Force in Middle East.

A special session of the Canadian Parliament opened on Nov. 26 to consider the Government's request, outlined in the Speech from the Throne, that Canada's contribution to the U.N. Emergency Force in the Middle East (UNEF) should be financed from defence appropriations, and that Can.$1,000,000 should be provided for the relief of Hungarian refugees.

The debate developed into a general discussion on the Canadian Government's attitude in the Middle East crisis and the Anglo-French intervention in Egypt.

Mr. Rowe (Progressive Conservative, and Acting Leader of the Opposition) opened the debate by moving a motion of no confidence in the Government. He accused the Government of having :

" (1) followed a course of gratuitous condemnation of the action of the United Kingdom, which was designed to prevent a major war in the Suez area ;

" (2) meekly followed the unrealistic policies of the U.S.A. and thereby encouraged a truculent and defiant attitude on the part of the Egyptian dictator ;

" (3) placed Canada in the humiliating position of accepting dictation from President Nasser as to the composition of Canada's contribution to the U.N. Emergency Force ;

" (4) failed to take swift and adequate action to extend refuge to the patriots of Hungary and other lands under the Russian yoke."

Mr. St. Laurent (Prime Minister) denied that there had been any " gratuitous condemnation of the action of the United Kingdom." He pointed out that Canada had abstained from the first resolution introduced in the emergency session of the U.N. General Assembly because it was an insufficient resolution, calling merely for a cease-fire and nothing more. After saying that Canada had expressed regret " that certain members of the U.N. had felt it necessary to take the law into their own hands when the matter was before the Security Council," the Prime Minister added that there was " regret that what took place in the Middle East was used as a screen to obscure the horrible international crimes that were being committed in mid-Europe at the same time." Events in the Middle East made it more difficult to marshal world opinion in unanimous and vigourous condemnation of what was taking place in Hungary.

Recalling that Israel, France, and Britain, with other nations, had signed the U.N. Charter and thereby undertaken to use peaceful means to settle disputes and not to resort to the use of force, Mr. St. Laurent said that he had been " scandalized more than once by the attitude of the larger Powers . . . who have all too frequently treated the U.N. Charter as an instrument with which to regiment smaller nations, but which did not have to be considered when their so-called vital interests were at stake."

Mr. St. Laurent denied that Canada had " meekly followed the unrealistic policies of the United States," and pointed out that on two occasions, for example, resolutions supported by the U.S. delegation at the U.N. had failed to get Canadian support.

Replying to the charge that Canada had accepted dictation from President Nasser, the Prime Minister said that Canada had had no dealings whatsoever with the Egyptian President. " Canada has dealt with the United Nations," he declared, " and the U.N. in this instance have been represented by the Secretary-General and by another gentleman who is a very distinguished Canadian, in whose patriotism as well as in whose wisdom this Government has practically unlimited confidence. I refer to General Burns." The Canadian forces for the Middle East had been decided upon with the advice of General Burns, and, ultimately, of the United Nations.

In replying to the charge that Canada had failed to take swift humanitarian action in the face of events in Hungary, Mr. St. Laurent disclosed that he had written to Marshal Bulganin on Nov. 13, appealing to the Soviet Union to comply with the U.N. resolutions on Hungary and to display moderation towards the victims of the events in that country. He had also asked Marshal Bulganin to use his influence to alleviate the sufferings of the Hungarian people and to permit competent international agencies to help in the work of distributing food and caring for the sick.

Referring to the proposed appropriation for Hungarian relief, Mr. St. Laurent stated that $100,000 would be paid to the International Red Cross for the use of refugees outside Hungary, another $100,000 would go to the U.N. High Commissioner for Refugees, and the remaining $800,000 would be spent, either by the International Red Cross or by a U.N. Agency, solely for assistance to " those who have been the victims of the horrible crimes perpetrated against that nation in the last few weeks."

Mr. Coldwell (leader of the C.C.F. Party) and **Mr. Solon Low** (leader of the Social Credit Party) both supported the Government's proposals. **Mr. Low** added, however, that he would not brand Britain and France as aggressors because it was necessary to " measure most carefully the motives of those two countries against the long line of provocations they have suffered." Mr. Low also suggested that the U.N. should be prepared to allow Britain and France to retain their forces in Egypt until such time as the U.N.E.F. had been completely established and placed in full possession of the Canal Zone.

Mr. Pickersgill (Minister of Citizenship and Immigration) reviewed the steps taken by the Government to help the Hungarian victims. He stated that all administrative facilities would be given to assisting Hungarian refugees to come to Canada ; that any responsible individual or organization in Canada would be at liberty to sponsor immigrants from Hungary, including people who were unable to look after themselves or were in need of medical treatment ; and that Canadian Pacific Airlines, Trans-Canada Airlines, and the shipping companies were co-operating with the Government to make all possible accommodation available to Hungarian refugees entering Canada.

Later in the debate (Nov. 27) Mr. Pickersgill announced that the Government had decided to apply the policy of free passages to all Hungarian refugees coming to Canada, including those who had already arrived. He mentioned that up to that date 1,070 Hungarians had received Canadian immigration visas, and that he himself was going to Vienna to see that everything possible was being done to facilitate the immigration of refugees who wished to enter Canada.

Mr. Howard Green (Progressive Conservative) accused the Canadian Government of ignoring the dangerous situation in the Middle East during the spring and summer, when " President Nasser was openly boasting that he was out to destroy Israel and to drive the United Kingdom and France out of the Middle East," and when he was fomenting trouble in North Africa for the French. Stressing that Colonel Nasser had no right to seize the Canal, Mr. Green declared that Britain and France had moved their troops into the area " to save their whole national existence," after Canada and the U.S.A. had failed to take any stand to try to clear up the Suez situation. He attacked U.S. Middle East policy, said Mr. St. Laurent had not proved that Canada's policy in the Middle East was any different from that of the U.S.A., and added that the U.S.A. would have " far more admiration for Canada if this Government stopped being the United States' chore-boy."

The attack on the Government was continued by **Mr. Donald Fleming** (Progressive Conservative), who dealt with the four points mentioned by Mr. Rowe. Pointing out that the declared purpose of the British and French intervention in the Middle East was to prevent a major war and to contain the hostilities between Israel and Egypt, Mr. Fleming said that " no-one dare question those motives of the British and French Governments unless he is prepared to accuse those Governments of bad faith." Although Mr. St. Laurent had not actually accused Britain and France of bad faith, he had accused them of " aggression," and it therefore seemed to him [Mr. Fleming] that the Prime Minister had not accepted the statement of the declared purpose of the two countries that carried out the intervention.

Mr. Fleming went on to say that those countries, including Canada, which had not instituted effective U.N. police action before the Middle East crisis reached its present proportions, must share the responsibility for the conditions which existed today. These countries should acknowledge that intervention by Britain and France had averted the spread of the conflagration ; had headed off any direct Russian intervention and might well have avoided a third world war ; had exposed the extent of Russian penetration in the Middle East ; and had moved the U.N. General Assembly to establish an International Police Force.

In conclusion, Mr. Fleming said that Canada, which should be acting independently in this matter, had " chosen to be too closely associated with the policies of the United States, which are responsible to a very considerable degree for the trouble that exists in the Middle East today."

Mr. Lester Pearson (State Secretary of Foreign Affairs) replied to the debate on Nov. 29. Refuting the charge that Canada was the " chore-boy " of the United States, he declared : " Our record over the last years gives us the right to say that we have performed, and will perform, no such role. While it is bad to be a chore-boy of the United States, it is equally bad to be a colonial chore-boy running around shouting ' Ready, aye, ready ! ' "

Dealing with the background of the events in the Middle East, Mr. Pearson said that Egyptian policy had been unfriendly to the Western Powers, arbitrary in the seizure of the Suez Canal, and had led to a gradual increase of Russian influence in Egypt and the Middle East. It had also been obvious that there had been " no meeting of minds " between Washington and London in these matters, that the fault was by no means entirely with Britain and France, and that " the vital importance of the Suez to Western Europe is perhaps not appreciated in Washington." Canada's attitude had been that this question should be brought as quickly as possible to the United Nations, and a solution attempted there ; that there should be no division of opinion or policy between Washington, London and Paris on a matter of such vital importance ; and that there should be no action by any party which could not be justified under the U.N. Charter.

Eventually the matter had been taken to the Security Council, and certain principles for a settlement of the Suez question were agreed upon [see 15252 A]. One of these principles, accepted by Egypt, was that the Canal should be insulated from the politics of any one nation, including Egypt herself. Through these discussions, and through conversations in the U.N. Secretary-General's office, there had been " some hope that an international solution might be reached which might be satisfactory to all concerned."

At this point (Mr. Pearson continued) the Israeli Government had moved against Egypt. Though admitting, as all members of the House would admit, the provocations which Israel had had to endure, Mr. Pearson said that the Canadian Government " did at that time, and do now, regret that the attack was made at that time and under those circumstances."

Mr. Pearson continued : " Then the U.K. and France intervened on the ground, so they claimed, that it was necessary to keep the fighting away from the Suez Canal and thereby to keep the Canal open. They wished, so they said in Paris and London, to keep a shield between the opposing forces. . . . To carry out that purpose, the French and British Governments sent a 12-hour ultimatum to Egypt and Israel It was accepted by Israel, whose forces at that time were within ten miles of Suez, but was rejected by Egypt, which had been asked to withdraw its forces beyond the Suez Canal. Following that rejection, the U.K. and French forces intervened, by air and later on the ground."

Mr. Pearson said that, far from gratuitously condeming the Anglo-French action, the Canadian Government had expressed regret at the necessity for the use of force in those circumstances—" circumstances that included an element of complete surprise on our part at the action taken "—and at the breaking-down of consultation between London and Paris on the one hand, and the Commonwealth capitals and Washington on the other. Canada had immediately begun to pursue a policy, both by diplomatic talks and correspondence and later at the United Nations, " which would bring us together again inside the Western Alliance and which would bring about peace in the area on terms which everybody could accept." Canada's policy was to seek through the United Nations a solution which would be satisfactory to all sides.

At the U.N., Canada had been anxious to avoid the creation of a " vacuum of chaos " in the Middle East after the fighting had stopped; had maintained that the situation leading up to the aggression should be given due consideration, and constructive action taken to prevent such a situation recurring again ; had wished to prevent any formal condemnation of the U.K. and France as aggressors ; and, finally, had resolved to " do what we could to help repair the lines of communication and contact between Washington, London, and Paris and restore some form of continuous friendly diplomatic consultation between the Western allies on those matters after its breakdown last October." In stressing that Canada had been anxious to hold the Commonwealth together " in this very severe test," Mr. Pearson declared : " At one stage after the fighting on land began it was on the verge of dissolution, and that is not an exaggerated observation."

Reviewing the various steps taken by Canada to implement these guiding principles in the various U.N. meetings and decisions, Mr. Pearson said that Canada had adopted an " objective and independent attitude, supporting views it believed right and indicating its disapproval of proposals it believed wrong." This attitude had been appreciated in London. " Far from criticizing us in London or Paris for our ' gratuitous condemnation ' of their course, we have had many expressions of appreciation for the line we have been trying to follow," Mr. Pearson added.

Referring to the U.N. Emergency Force, Mr. Pearson said that Canada's contribution had been made in consultation with its Commander and with the U.N., and not as a result of " dictation " by President Nasser. After expressing the hope that the U.N.E.F. would succeed in its task of ensuring the cessation of hostilities and preventing their recurrence, Mr. Pearson declared : " If it does, we may have started something of immense value for the future. We may have taken a step to put force behind the collective will of the international community under the law. That is our immediate task—to make this force work, to prevent fighting in the area, and to establish conditions there, through the operation of this force, so that the U.N. can work out speedily an enduring and honourable settlement for the area, including relations between Israel and her neighbours and the international supervision and control, if that can be done, of the Suez Canal."

As regards the events in Hungary, Mr. Pearson said : " The actions of the Soviet Union in Hungary throw a lurid light on the protestations that Stalinism is dead and that peaceful co-existence is here. There has never been a more significant exposure of the underlying and enduring purpose and methods of Soviet power. In this situation Canada can, as she is doing, help the victims of this terror, and can keep, through the United Nations, the spotlight of world public opinion on the savage actions of the Soviet Union. The U.N. must continue to endeavour to bring the U.N. into Hungary in the role of observers and investigators, but it would be wrong to hold out to the Hungarians promises of liberation by force which at this time it would be impossible to fulfil."

The Progressive Conservative motion of no-confidence was defeated by 171 votes to 86, and the Government's appropriations request approved.—(Department of External Affairs, Ottawa) **(Prev. rep. Middle East Crisis, Canadian Reactions, 15201 A, page 15209.)**

A. SOUTH AFRICA. — New Chief Justice.

It was announced in Pretoria on Nov. 27, 1956, that Mr. Justice H. A. Fagan had been designated as Chief Justice of the Union in succession to Chief Justice Centlivres, retiring in January on reaching the age of 80. Mr. Justice Fagan (67), a Member of Parliament from 1933-43, was Minister of Native Affairs and Minister of Education and Social Welfare in General Hertzog's Government before the Second World War. He became a judge of the Cape Provincial Division of the Supreme Court in 1943, and was appointed to the Appeal Court in 1950. A former Professor of Law at Stellenbosch, he has written a number of plays, poems, and short stories. (Die Burger, Cape Town - Cape Times) **(Prev. rep. 11250 B.)**

B. HONG KONG. — Report on the Kowloon Riots.

The report on the Kowloon riots of Oct. 10-12, 1956, submitted to the Colonial Secretary by the Governor of Hong Kong (Sir Alexander Grantham), was published on Jan. 1, 1957.

The report stated that because the rioters had chiefly attacked property belonging to Communist supporters, and particularly those who had flown the Communist flag on Oct. 1 (the anniversary of the establishment of the Chinese People's Republic in 1949), it had been suggested that the riots had been planned by Nationalist agents. All the indications, however, were that the Kowloon riots had started spontaneously, and that those taking part had been " people of Nationalist persuasion egged on by criminals bent on personal gain and power." In Tsuen Wan (an industrial area five miles from the centre of the rioting in Kowloon), however, it appeared that the Nationalists had collaborated with Triad gangs " to redress old scores and to attempt to win a dominant position in the labour world."

The Triad societies, the report recalled, had originated in the 17th-century attempts to overthrow the Manchu Ching dynasty, and in recent times had proliferated into the " Wo group " of 20 societies with a membership of some 50,000. They organized and protected opium dens, brothels, and pickpockets, and preyed upon hawkers and shopkeepers, and attempts to suppress them had been rendered ineffective by the unwillingness of the Chinese to give evidence against them for fear of reprisals. One of the societies, " 14K," which had originated in Canton under the Nationalist régime as a semi-official underground political organization, had become established in Hong Kong and was attempting to gain a position of dominance in Kowloon. Most of the societies were composed of Nationalist sympathizers, and by using the Nationalist flag as a " cover " purely gangster elements had secured the support of people whose political sympathies were strong but who were not disposed to violence. While there was ample evidence of organized Triad activity during the riots, there was no indication either of co-ordinated central control or of any planning of the disturbances before the initial outbreak on Oct. 10. When the riots began, however, word had been passed round in Triad circles that a situation had arisen from which the " brothers " could profit, and organized gangs carrying Nationalist flags had come out in force.

Hospital records showed that 59 people had been killed in the riots, including one European, and 384 injured, including four British officers, 13 other ranks, and 107 members of the police ; it was probable, however, that many more cases of injury had not reached the hospitals. Over 6,000 people had been arrested, of whom 3,700 had been released after questioning and 1,455 had been convicted only of breaches of the curfew order. Among those charged with more serious offences, five were awaiting trial for murder, 129 had been convicted of riot and unlawful assembly, and 171 were awaiting trial on the same charge. The total damage caused was estimated at about 4,770,000 Hong Kong dollars (£370,000). The report highly commended the behaviour of the police and garrison troops during the riots.

The report was prefaced by a despatch from the Governor, who pointed out that 500,000 to 600,000 refugees from China had entered Hong Kong in 1949-50, producing " conditions of unparalleled overcrowding and the attendant threat to law and order that arises therefrom." Since 1945 the population of the Colony had increased from 600,000 to over 2,500,000, and in Kowloon in particular the estimated density of population was about 2,000 to the acre, possibly the highest in the world. Some 200,000 of the refugees, whose closely packed " squatter " huts had constituted a very serious fire and health hazard, had been rehoused by the Hong Kong Government, but the bare subsistence level at which most of them lived had engendered a sense of frustration and bitterness. Without " substantial emigration to reduce the numbers or outside help to supplement Hong Kong's capacity to absorb them," the risk of a similar outbreak would " be ever present and require increased vigilance."

The Hong Kong Government announced on Jan. 1 that it was prepared to consider claims for compensation for injury (including fatal injury) and damage, theft, or destruction of property arising from the riots, but that no compensation would be paid to anyone who was a party or accessory to the riots.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 15257 A.)**

C. UNITED KINGDOM. — Sir Anthony Eden to convalesce in New Zealand. - Invitations from N.Z. and Australian Governments.

Sir Anthony Eden, accompanied by Lady Eden, sailed from London on Jan. 18 in the liner *Rangitata* to convalesce in New Zealand, where they will be the guests of the Prime Minister, Mr. Holland. Prior to Sir Anthony's departure, it was announced that he had also conditionally accepted an invitation from Mr. Menzies to visit Australia.

Before sailing in the *Rangitata*, Sir Anthony said to press representatives : " The difference between the West and Egypt has not been colonialism—it is the difference between democracies and a dictatorship. The British people, with their instinctive good sense, have always understood that." He added that he had received " a kind personal note " from President Eisenhower.—(Times - Manchester Guardian) **(Prev. rep. 15301 A.)**

A. UNITED KINGDOM. — The New Year Honours.

The New Year Honours List was published on Jan. 1, the principal awards being set out below :

Barons. Sir Edward Bridges, Permanent Secretary to the Treasury and head of the Civil Service from 1945 until his retirement in October 1956, and Secretary to the Cabinet from 1938 to 1946; Sir Robert Sinclair, chairman of the Imperial Tobacco Company and a past president of the Federation of British Industries, for public services.

Baronet. Commander Peter Agnew, R.N. (retd.), M.P. (Conservative, South Worcestershire), for political and public services. Commander Agnew was a Conservative Whip from 1945-50.

Order of Merit. Sir John Cockcroft, Director of the Atomic Energy Research Establishment, Harwell.

Companion of Honour. Dr. John Baillie, the eminent Scottish divine, lately Professor of Divinity, Principal of New College, and Dean of the Faculty of Divinity in the University of Edinburgh.

Privy Councillors. Sir Harry Hylton-Foster, Q.C., M.P., the Solicitor-General; Sir Robert Tredgold, Chief Justice of the Federation of Rhodesia and Nyasaland.

Knights Bachelor. Mr. D. S. Anderson, Director of the Royal College of Science and Technology, Glasgow; Dr. G. L. Brown, Jodrell Professor of Physiology, University College, London; Major Egbert Cadbury, for public services in Somerset and Gloucestershire; Mr. J. J. Campbell, chairman, Committee of Scottish Bank General Managers; Mr. Henry Channon, M.P. (Conservative, Southend West), for political and public services; Alderman Bernard Waley-Cohen, lately Sheriff of the City of London; Mr. A. J. D. Crawford, for political services in the West of England; Mr. J. N. Dean, chairman, Telegraph Construction and Maintenance Co. Ltd.; Mr. Josiah Eccles, Deputy Chairman (Operations), Central Electricity Authority; Mr. G. R. Edwards, managing director, Aircraft Division, Vickers-Armstrong Ltd.; Mr. J. F. Emery, for political and public services in Salford; Mr. G. F. C. Fison, for political and public services in Suffolk; Mr. H. J. G. Griffin, secretary of the Council for the Preservation of Rural England; Lieut.-Colonel R. V. Gwynne, for public services in Sussex; Mr. Noel Hall, Principal of the Administrative Staff College, Henley-on-Thames; Mr. Samuel Hoare, Assistant Under-Secretary, Home Office; Mr. Edward Hulton, the magazine publisher, for services to journalism; Mr. Bertram Long, Senior Registrar, Principal Probate Registry; Mr. Charles Martin, Chief Constable of Liverpool; Colonel Jackson Millar, for political and public services in Scotland; Mr. Raymond Needham, Q.C., Master Treasurer of the Middle Temple, for political and public services; Mr. Basil Nield, Q.C., Recorder of Manchester, lately M.P. (Conservative) for the City of Chester (1940-56); Mr. W. L. Owen, Director of Engineering, U.K. Atomic Energy Authority's Industrial Group; Mr. K. W. Parkinson, for political and public services in the West Riding of Yorkshire; Mr. F. J. Pascoe, for political services; Mr. C. R. Mott-Radclyffe, M.P. (Conservative, Windsor), for political and public services; Mr. Charles Read, president of the Royal College of Obstetricians and Gynaecologists; Mr. Archibald Safford, Deputy Commissioner under the National Insurance Acts, Ministry of Pensions and National Insurance; Mr. J. R. Simpson, Controller of H.M. Stationery Office; Dr. C. P. Snow, Commissioner and Scientific Adviser, Civil Service Commission; Mr. J. L. Train, member of the British Transport Commission; Mr. Hugh Watson, Deputy Keeper of H.M. Signet; Mr. James Wordie, Master of St. John's College, Cambridge, for services to polar exploration.

[Major Egbert Cadbury, managing director of Cadbury Bros. Ltd., was an air "ace" of the First World War, in which he took part in the destruction of two zeppelins. Dr. C. P. Snow, scientist, novelist, and playwright, is well known for his "Lewis Eliot" novels (*The Masters*, *The New Men*, etc.), and is the husband of Pamela Hansford Johnson, herself a well-known novelist. Mr. John Wordie, who has taken part in many polar expeditions, is chairman of the British national committee for the International Geophysical Year.]

Other recipients of knighthoods (in addition to those enumerated above) and other awards included the following :

Prime Minister's List. Mr. A. R. Manktelow, deputy secretary, Ministry of Agriculture, Fisheries and Food; Mr. E. W. Playfair, Permanent Under-Secretary of State, War Office; Mr. G. F. Stedman, deputy secretary, Ministry of Transport and Civil Aviation.

Foreign Office List. Mr. Roger Allen, lately Minister at H.M. Embassy in Bonn; Mr. P. H. Gore-Booth, lately H.M. Ambassador in Rangoon; Mr. E. M. Jones, Director of Government Communications Headquarters, Foreign Office; Mr. G. C. Pelham, H.M. Ambassador in Prague; Mr. D'Arcy Reilly, Deputy Under-Secretary of State, Foreign Office.

Colonial Office List. Mr. Adetokunbo Ademola, Chief Justice, Western Region, Nigeria; Mr. A. J. Ainley, Chief Justice, Eastern Region, Nigeria; Mr. Oswald Arthur, Governor-designate of the Bahamas; Mr. E. B. Cottrell, for public services in Gibraltar; Mr. Colville Deverall, Governor of the Windward Islands; Mr. Maurice Dorman, Governor of Sierra Leone; Mr. Leonard Hannays, Q.C., for public services in Trinidad; Mr. A. F. Kirby, general manager, East African Railways and Harbours Administration; Mr. Amar Nath Malni, for public services in Uganda; Brigadier William Scupham, for public services in Tanganyika; Mr. Douglas Waring, for public services in the Federation of Malaya; Mr. Ernest Williams, Chief Justice of Sarawak, Brunei, and North Borneo.

Commonwealth Relations Office List. Mr. J. C. Burns, representative in Bombay of James Finlay & Co. Ltd.; Mr. R. K. Green, Senior Puisne Judge of the Supreme Court of Tasmania; Mr. W. S. Kent Hughes, Minister for the Interior and Works, Commonwealth of Australia, 1951-55; Mr. W. J. Jungwirth, Permanent Head of the Premier's Department, Victoria, Australia; Mr. J. G. B. McDonald, formerly Premier of Victoria; Professor M. L. Mitchell, Professor of Biochemistry and Deputy Vice-Chancellor, University of Adelaide, South Australia; Professor G. W. Paton, Vice-Chancellor of the University of Melbourne.

[Mr. Kent Hughes was chairman of the Organizing Committee for the Melbourne Olympic Games. Mr. McDonald and Mr. Jungwirth were also prominently associated with the preparations for the Melbourne Olympiad.]

Royal Navy List, Army List, and Royal Air Foce List. Recipients of knighthoods in the armed forces included Vice-Admirals J. W. Cuthbert and J. P. L. Reid, Lieutenant-Generals R. H. Bower, W. A. Drummond, C. R. Hardy, and W. H. Stratton, and Air Marshals the Earl of Bandon (C.-in-C., 2nd Tactical Air Force), Andrew McKee (A.O.C.-in-C., Transport Command), H. L. Patch (C.-in-C., Middle East Air Force), and G. W. Tuttle (Deputy Chief of Air Staff).

Commonwealth of Australia List. Mr. G. J. Coles, a director of the National Bank of Australasia, for public services; Vice-Admiral R. R. Dowling, First Naval Member and Chief of Naval Staff, Royal Australian Navy; the Hon. Josiah Francis, Australian Consul-General at New York, formerly Federal Minister for the Army and Navy; Mr. Lionel Hooke, managing director of Amalgamated Wireless (Australasia) Ltd., for public services; Dr. L. H. Martin, Professor of Physics, University of Melbourne, and Defence Scientific Advisor to the Australian Government; Mr. L. G. Melville, Vice-Chancellor of the Australian National University, Canberra; the Hon. W. F. L. Owen, Judge of the Supreme Court of New South Wales; Mr. Thomas Playford, Premier of South Australia; Mr. W. M. Tooth, of Hamilton, Queensland, for public and philanthropic services.

New Zealand List. Mr. Justice (Joseph) Stanton, Second Senior Puisne Judge of the N.Z. Supreme Court; Mr. Leonard Wright, Mayor of Dunedin.

D.B.E. Awards. The D.B.E. was conferred upon Sylvia, Viscountess Kilmuir (wife of the Lord Chancellor), formerly vice-chairman of the Conservative Party Organization, for political services; Commandant Nancy Margaret Robertson, Director of the Women's Royal Naval Service; and Dr. Janet Vaughan, Principal of Somerville College, Oxford.

C.B.E. Awards. Recipients of the C.B.E. included Mr. Harold Abrahams, secretary of the National Parks Commission; Mr. Cecil Beaton, the photographer and designer; Mr. Lennox Berkeley, the composer; Mr. Basil Cameron, the conductor; Mr. Donald Campbell, holder of the world water-speed record; Mr. Richard Church, the novelist, essayist and poet; Mr. Prince Littler, the impresario; Mr. Stanley Matthews, for services to association football; Mr. Robert Morley, the actor-dramatist; Mr. John Morris, Controller of the Third Programme, B.B.C.; and Lady Reading (wife of the Minister of State, Foreign Office), for services to child welfare.

[Mr. Harold Abrahams, a former Olympic sprinting champion, captained the British Olympic athletics team in 1928. Mr. Donald Campbell broke his own world water-speed record in September last on Coniston Water, in his jet-powered speedboat *Bluebird* (see 15111 B). Mr. Stanley Matthews, the Blackpool and England footballer, has 51 international caps and is still England's outside-right at the age of 41; he recently celebrated his silver jubilee in association football.]

Of the two barons created in the Birthday Honours of 1955 (see 14905 A) Sir Henry Cohen took the title of Baron Cohen of Birkenhead, of Birkenhead in the County Palatine of Chester; and Lieutenant-General Sir Ronald Weeks took the title of Baron Weeks, of Ryton in the County Palatine of Durham. (Times - Daily Telegraph - Manchester Guardian - Australian News and Information Bureau - New Zealand High Commissioner's Office, London) **(Prev. rep. Birthday Honours, 14905 A.)**

B. GUATEMALA. — Ending of State of War with Germany. - Lifting of Trade Restrictions.

A decree terminating the state of war between Guatemala and Germany was published in the Guatemalan Official Gazette on Nov. 28, 1956, and came into effect on Dec. 8. It was announced at the same time that restrictions on trade with Germany had been lifted.

As regards former German property seized during the war, the decree gave the Executive discretionary powers to return one dwelling-house to each former owner; to liquidate, transfer, or return commercial establishments as the case might require, no claims for damages being, however, admitted; and to expropriate properties where the owners had resorted to fraudulent transfers in order to evade confiscation. All life insurance policies would be returned to their holders, but (with the exception of the above-mentioned classes of property) all other German properties expropriated during the war would be retained by Guatemala.

It was also announced that Guatemala did not intend at present to establish diplomatic relations with Germany.
(Bank of London and South America, Fortnightly Review)

JANUARY 19—26, 1957

A. FRANCE - NORTH AFRICA. — Meetings between French Socialist Party and Algerian Nationalists. - Proposals by Sultan of Morocco and Prime Minister of Tunisia for Mediation in Algerian Problem. - Algerian Nationalist Delegation visits Rabat. - French Government suspends Negotiations with Morocco. - Arrest of Algerian Nationalist Leaders. - M. Mollet's Statement to French Assembly. - Joint Declaration by Moroccan and Tunisian Governments. - Anti-French Demonstrations in Morocco, Tunisia, and Middle East. - The Meknès Riots.

Following a series of secret meetings between representatives of the French Socialist Party and the Algerian National Liberation Front (F.L.N.), Prince Moulay Hassan, the eldest son of the Sultan of Morocco, and M. Bourguiba, the Tunisian Prime Minister, visited Paris during September and October 1956 to discuss with the French Government the possibility of a mediated settlement in Algeria. Five prominent members of the F.L.N., including its military leader, M. Ben Bella, and its political leader, M. Khider, arrived in Rabat from Cairo on Oct. 20 as guests of the Sultan, whom it was proposed that they should accompany to Tunis in order to take part in a conference between the Moroccan and Tunisian Governments. On Oct. 22, however, the French pilot of the plane in which they were flying to Tunis, acting on orders from the French authorities in Algeria, diverted the plane to Algiers, where the five F.L.N. leaders were arrested. The Tunisian and Moroccan Governments recalled their Ambassadors in Paris as a protest against the arrests.

Details of these developments, the events leading up to them, and their repercussions in France, Morocco, Tunisia, and the Middle Eastern countries, are given below under cross-headings.

Negotiations between French Socialists and Algerian Nationalists.

M. Mohammed Yazid, the F.L.N.'s representative in New York, disclosed on Oct. 26 that a series of meetings had taken place between the leaders of F.L.N. and prominent members of the French Socialist Party, including its acting secretary-general, M. Pierre Commin. M. Yazid said that the Algerian leaders had assumed that these talks were semi-official, and that M. Commin was acting as the representative of M. Mollet, the French Premier. He claimed also that the French delegates had accepted the principle of discussions with the F.L.N. and the "National Liberation Army," without the precondition—previously insisted on by the French Government—of a cease-fire with no political stipulations attached.

M. Commin confirmed on the following day that he had taken part in such discussions, and that he had met M. Yazid and two other F.L.N. leaders (M. Khider and M. Kiouane) in Rome at the beginning of September. He denied, however, that the talks had been in any sense of an official character, although M. Mollet had been kept informed of them. Contrary to M. Yazid's assertions, the French representatives had emphasized the necessity for a cease-fire without political conditions, but the Algerian spokesmen had declined to agree to this.

The Tunisian weekly *L'Action* (the organ of the ruling Néo-Destour party), stated on Jan. 3, 1957, that the first meeting had taken place in Cairo on April 12, 1956, at the request of M. Pineau, who had suggested it to President Nasser during his visit to Cairo in March, and that France had been represented by two Socialists personally accredited by M. Mollet. The second meeting was said to have taken place in Belgrade on July 7, M. Mollet being represented by M. Commin; the third in Rome on Sept. 2, as confirmed by M. Commin; and the fourth again in Belgrade on Sept. 22.

Moroccan and Tunisian Proposals for Mediated Settlement.

The Sultan of Morocco made his first public pronouncement on the Algerian question in a speech at Oujda on Sept. 25, 1956, in which he appealed to "men in responsible positions to bring the bloodshed in Algeria to a speedy end so as to establish firm relations between the two peoples and to find a solution which, while giving satisfaction to the Algerian people's aspirations for freedom, will respect the higher interests of France and guarantee the interests of Frenchmen who have chosen to settle in Algeria."

The Sultan expressed his belief that "the French people, who have shown an understanding and liberal attitude toward the peoples of Tunisia and Morocco, will approach the Algerian problem with the same understanding and realism." He added: "Whatever concerns Algeria has profound repercussions in Morocco, because of the close bonds and affinities between the two peoples, as well as their geographical vicinity. That is why the return of peace in Algeria remains a major preoccupation for us. It is a question of our security, of the stability of the whole of North Africa, and of the future of the friendly relations which the three countries sincerely wish to maintain with France."

Prince Moulay Hassan flew to Paris on Sept. 27, accompanied by M. Balafrej, the Moroccan Foreign Minister. During his visit, which ended on Oct. 9, the Prince was received by President Coty and had discussions with members of the French Government and with other leading political figures, including M. Mendès-France, M. Edgar Faure, and General de Gaulle.

The Prince subsequently stated on Oct. 25 that M. Mollet had invited him to bring the F.L.N leaders to Paris for discussions; had disclosed that he (M. Mollet) had himself been in contact with them; and had given his complete approval to a proposal by the Prince that they should take part in a conference at Montreux on the Algerian question. Prince Moulay Hassan's statement was, however, officially denied by the French Prime Minister's Office.

M. Bourguiba also visited Paris from Oct. 6-11 for talks with M. Mollet and other French political leaders, during which he put forward proposals for a settlement on the basis of the recognition by France of Algeria's right to independence.

In a statement issued on Oct. 9 M. Bourguiba said that he had "not concealed from the French leaders how disturbing the Algerian situation is for Tunisia, as peace in North Africa is to some extent indivisible." In an interview with *Le Monde* M. Bourguiba explained that he considered it necessary "to recognize formally and explicitly, not Algeria's immediate independence, but her right to independence." He expressed the opinion that the situation in Algeria was deteriorating, and that if the rebellion continued "revolutionary convulsions" would drag down first "the present régimes at Rabat and Tunis" and then France herself. If France recognized Algeria's right to independence, he was confident that the nationalists would accept a cease-fire, after which negotiations would be possible.

Talks between Sultan of Morocco and Algerian Leaders. - France suspends Negotiations with Moroccan Government.

The five Algerian leaders arrived in Tetuan on Oct. 20 from Cairo, were welcomed by Prince Moulay Hassan, and flew with him to Rabat. During the next two days they had meetings with the Sultan and the Moroccan Premier, Si Bekkai, but, in order to avoid offending French opinion, all the meetings took place at night and no witnesses were present. After these discussions the Sultan issued a communiqué reaffirming his view that a fundamental unity existed between the North African countries, and calling on "all men of goodwill" to unite their efforts to end the Algerian rebellion.

The French Foreign Ministry announced on Oct. 22 that the Government had decided to suspend all negotiations with Morocco, as a protest against the Sultan's reception of the Algerian nationalist leaders. The following statement was issued in Paris:

"The French Government understands the interest in Algeria's future felt in Morocco. The Sultan of Morocco could indeed usefully employ his great moral authority to make those concerned understand that the French offers of a cease-fire are sincere, and that they should be answered so as to reach a solution. On the other hand, it appears inconceivable to the French Government that the leaders of the Algerian rebellion should form the object of official demonstrations on the part of the Moroccan authorities . . . Recent events have caused the French Government grave concern. If the next few days were to confirm these fears, it would serve no purpose to continue the elaboration of [Franco-Moroccan] agreements involving such commitments for the future as conventions on technical assistance and finance."

Sultan of Morocco's Visit to Tunis. - Joint Tunisian-Moroccan Declaration on Algeria.

The Sultan of Morocco, accompanied by Prince Moulay Hassan, Si Bekkai, and M. Balafrej, flew to Tunis on Oct. 22 for discussions with M. Bourguiba and other Tunisian leaders on the Algerian situation and other matters of North African interest. A joint statement was issued on Oct. 25 expressing the "complete agreement" of the two Governments on the Algerian question, and their "entire solidarity with the Algerian people in their efforts to obtain their freedom." The statement added that Morocco and Tunisia would "concert appropriate measures which will serve the interests of the brother-countries of the *Maghreb* pending the signing of a treaty of alliance and co-operation which the two Governments have agreed to conclude."

Arrest of Algerian Nationalist Leaders.

Meanwhile the five Algerian leaders visiting Morocco had also left Rabat on Oct. 22, in a plane belonging to the Moroccan Government, to take part in the Tunis negotiations between the Sultan and M. Bourguiba. The machine, however, was intercepted by the French authorities and made to land at Algiers, where the five men were arrested and documents in their possession impounded.

The circumstances in which the plane was intercepted over the Mediterranean and diverted to Algiers remained obscure, nor was it known whether the action had been taken with the official knowledge or approval of the French Government. *Le Monde* commented as follows on Oct. 25:

"The circumstances surrounding the capture of the F.L.N. leaders are little known. The matter seems to have been directed by the Air Security service at Algiers on the orders of General Lorillot, the C.-in-C. in Algeria. The crew of the aircraft had absolutely no knowledge of the projected operation . . . The pilot, Commandant Grelier, was believed to have received a warning from the French air security service before the plane arrived at Palma de Majorca [for refuelling] . . . He apparently informed his chiefs in Rabat of this warning, as it was his duty to do . . . [and] . . . it seems that the Moroccan authorities then ordered him to remain at Palma. The Sultan, who had meanwhile arrived at Tunis, was understood to have informed M. de Leusse [French Ambassador to Tunisia] of the incident, and it is believed that M. de Leusse then telephoned M. Savary. It is thought that the State Secretary for Tunisian and Moroccan Affairs [i.e. M. Savary] tried to prevent an operation of which he disapproved . . . Meanwhile Commandant Grelier had apparently left Palma and, it seems, had decided to carry out the orders of Air Security. After being followed at a distance by machines from Oran, Blida, and Algiers, it is believed that he was contacted on arrival over territorial [i.e. Algerian] waters by another plane which instructed him to land at Maison-Blanche [Algiers airport]."

The interception of the plane—which the Moroccan Government described as "an act of piracy"— raised a complicated question of international law, since the French Government is a signatory to the Chicago Convention of 1944 guaranteeing to foreign aircraft the right of free passage in time of peace. As the French Government does not regard Algeria as being in a state of war, and does not recognize the Algerian rebels as belligerents, it was argued in Rabat that to force a plane owned by the Moroccan Government to land on French territory constituted a breach of the Chicago Convention—the more so as the machine was flying over the open sea. Moreover, it was claimed that the plane formed part of the Sultan's official suite and was therefore entitled to the immunity accorded to the suite of a Chief of State. In Paris, however, it was pointed out by experts that the plane bore a French registration marking, that there was no Moroccan register of aircraft, and that the French authorities were therefore legally justified in their action, since the plane was of French registration.

During the night of Oct. 27-28 the five arrested men were flown from Algiers to Paris, where they were held in the Santé prison. On Oct. 29 they were charged with the capital offence of attempted demoralization of the Army and the nation—specifically, with organizing the distribution of subversive leaflets in Algiers.

The documents found in their possession, according to unofficial reports, included directives issued by M. Ben Bella to the F.L.N., ordering them to have no dealings with the rival Algerian National Movement led by M. Messali Hadj; a report on the increasing lack of morale in the rebel forces; plans for military operations on the Moroccan frontier and for attacks on police headquarters in Algiers and Oran; notes on the discussions with the Sultan and Prince Moulay Hassan, and on the subjects to be discussed in Tunis; and lists of political and military leaders of the F.L.N. and of Frenchmen and Moslems who were in contact with them.

The arrested nationalist leaders were M. Mohammed Ben Bella, M. Khider, M. Boudiaf, Dr. Hocine, and M. Lachenaf, of whom biographical details are given below:

M. Mohammed Ben Bella (39), served in the French Army as a sergeant-major during the Second World War, winning the *Médaille Militaire* and being four times mentioned in despatches. After the war he joined the Movement for the Triumph of Democratic Liberties (M.T.L.D.), and in 1949 took command of its paramilitary section—the "Special Organization" or "O.S.," which reached a strength of 1,800 men. For leading an attack in 1949 on a military post in Oran he was sentenced in 1952 to seven years' imprisonment, but escaped from prison within a few days and was subsequently sentenced to life imprisonment *in absentia* on another charge. After some months in hiding he fled to Cairo, where he played a leading part in founding the "Revolutionary Committee for Unity of Action" (C.R.U.A.) which organized the Algerian rebellion.

M. Mohammed Khider (45) was elected as an M.T.L.D. deputy for Constantine in 1946, joined the O.S., and took part in the Oran raid in 1949. He escaped to Cairo in 1951, being sentenced to life imprisonment *in absentia*, and later assumed the leadership of the political committee of the F.L.N.

M. Mohammed Boudiaf, a former member of the central committee of the M.T.L.D., helped to found the C.R.U.A. after the split in the M.T.L.D. in 1954. **Dr. Ahmed Hocine,** a lawyer, is a member of the political committee of the F.L.N., which he has represented in the U.S.A. and at the Bandung Conference. **M. Mostafa Lachenaf,** a writer and journalist, lived until recently in Paris.

Reactions in France. - Resignation of M. Savary. - National Assembly Debate. - Statements by M. Mollet.

M. Savary (State Secretary for Moroccan and Tunisian Affairs) and M. de Leusse (French Ambassador in Tunis), both of whom were believed to favour a mediated settlement of the Algerian question, tendered their resignations to M. Mollet on Oct. 23. M. de Leusse, in his letter of resignation, deplored the apparent reversal of the Government's policy and protested against the situation in which he had been placed. The Government accepted both resignations, responsibility for Moroccan and Tunisian affairs being assumed on Nov. 14 by M. Maurice Faure, State Secretary for Foreign Affairs.

M. Mollet defended the arrests of the five Algerian nationalist leaders during a debate in the National Assembly on Oct. 23, held on a motion of confidence.

M. Mollet, after recalling the circumstances of the F.L.N. leaders' visit to Rabat, stated that the Government had warned the Moroccan Government several times of "the very grave consequences which any spectacular interference by Morocco in the Algerian problem would have for Franco-Moroccan relations." It had also warned Tunisia that the Algerian leaders' presence at the Tunis conference between the Sultan and M. Bourguiba would have "grave repercussions on Franco-Tunisian relations." The arrests, he added, "will certainly have diplomatic consequences; the Government has weighed their importance and is prepared to face them calmly. France is anxious to maintain relations of friendship and co-operation with Morocco and Tunisia. All her engagements remain valid. She understands the difficulties of these countries, and the interest which they take in the re-establishment of peace in Algeria. But she has the right to demand that they should reciprocate. It is impossible that friendly countries should behave like enemies."

M. Mendès-France (Radical) stressed the gravity of the possible consequences of the arrests; asked whether the Government had been "confronted with a *fait accompli*"; and declared: "The capture of the five rebel leaders and the methods employed for this purpose are pregnant with consequences. Were those who ordered it and carried it out in a position to assume such heavy responsibilities in France's name? In 1953 irresponsible officials deposed the Sultan; thousands of human lives paid for this madness, which still remains unpunished. Three years later, is the State still to allow itself to be made ridiculous?"

Referring to the forthcoming meeting of the U.N. General Assembly, M. Mendès-France continued: "It is for us, and for us alone, to conduct our affairs in such a way that we have no reason to fear any foreign interference, even from an ally. We must not forget that the Arab and Afro-Asian nations have a majority at U.N.O., and that the Latin American countries and the United States, in their anti-colonialism, will be unable to resist supporting the Afro-Asian point of view. It is difficult to suppose that Tunisia and Morocco can be insensible to affinities of religion and race. Apart from the vote at the U.N. on the Algerian question, it will be a terrible blow if these two States are led to disown us—and unfortunately this possibility must be feared."

M. Mollet, replying to the debate, stated that the civil and military authorities in Algeria had been responsible for the action taken, and that they had rendered their account for it to the head of the Government. "What happened to the rebels' aircraft," he declared, "was the same as what happened three days before to the *Athos* [see 15277 E]. I freely admit that we were some way outside our territorial waters. It was the Minister-Resident [M. Lacoste] who took the decision in the Government's name. I say this, not in order to evade my responsibility as head of the Government, but because I do not wish to take the credit for it."

Turning to relations with Tunisia and Morocco, M. Mollet continued: "We have made our position clear to the Sultan. We shall never accept a mediator. We have already refused others. The negotiations which will eventually take place will be direct and official. Through official Notes, which it is not customary to read in Parliament, we have told him that France could not permit a spectacular meeting between the rulers of Morocco and Tunisia and certain leaders of the F.L.N., which France would find shocking and provocative. We made the same viewpoint clear to the Tunisian Prime Minister . . ."

The motion of confidence approving the Government's policy on Algeria, the Suez dispute, and social and economic questions was adopted on Oct. 25 by 330 votes to 140, only the Communists and *progressistes* opposing. The 40 abstentions included 34 Poujadist deputies.

Although the Socialist deputies unanimously supported the Government in the division, the arrests were strongly criticized by a number of leading Socialists, including M. André Philip (a member of the party executive), who condemned them on legal, political, and moral grounds in an article published in *Le Monde*. M. Benbhamed, the former deputy for Constantine and a member of the Socialist Party for 30 years, announced on Oct. 26 that he had resigned from the party as a protest against "methods unworthy of a civilized State." He added that he was going to Cairo to join the F.L.N.

Reactions in Morocco. - The Meknès Riots.

As stated above, the Sultan of Morocco and his Ministers were in Tunis at the time of the arrest of the five Algerian nationalist leaders. During the night of Oct. 22-23 the Sultan telephoned President Coty from Tunis, demanded the immediate release of the F.L.N. leaders, and suggested the opening of negotiations on the Algerian question. On the following day Si Bekkai and M. Balafrej flew from Tunis to Paris with a Note setting out these proposals. M. Mollet, however, refused to accept this document, and the Moroccan Premier and Foreign Minister flew back to Tunis to continue their discussions with M. Bourguiba. The Sultan returned to Morocco from Tunis on Oct. 24, travelling in an Italian plane which landed at the U.S. air base at Port-Lyautey and not at a French airfield. The Moroccan Ambassador in Paris, M. Bouabid, was recalled to Rabat on Oct. 26.

Intense anger and indignation were aroused both in Morocco and in Tunisia by the arrest of the Algerian nationalist leaders. The Sultan's personal point of view was expressed in the following statement made by him to the French newspaper *Franc-Tireur* :

" This is the sharpest blow which could have been struck at my honour, not only as a sovereign but as a man. From the moral point of view it is more grave that the *coup d'état* of August 1953 [i.e. the Sultan's deposition]. It was then a question of a political conflict with France, but even in the darkest moments I never despaired or lost confidence in France . . . It was to show my confidence and to serve the cause of North African co-operation with France that I had agreed, with the French Government's official consent, to carry out this delicate mission of restoring peace in Algeria. The act which has been committed has struck a heavy blow at my confidence. I am suffering because men are in prison for having trusted me, for having accepted my word and my guarantee, knowing that I was seeking an honourable settlement for them and for France."

In protests against the arrests, the Istiqlal and the Moroccan Workers' Union (U.M.T.) called on the Moroccan Government to reconsider its policy toward France, whilst the right-wing Democratic Independence Party (P.D.I.) demanded the immediate evacuation of the French troops in Morocco. The Moroccan section of the French Socialist Party called for the release of the F.L.N. leaders and the punishment of those responsible for their arrest.

A general strike called by the U.M.T. was observed on Oct. 23 in all leading Moroccan cities, pro-Algerian and anti-French demonstrations taking place in Rabat, Casablanca, Marrakesh, Agadir, Tetuan, Tangier, and elsewhere. All the demonstrations were peaceful except at Meknès, where serious riots occurred in which over 30 Europeans were murdered.

The Meknès riots began when the commander of the municipal guard, a former officer of the " Liberation Army " was shot dead while dispersing unruly demonstrators. A Moroccan Government statement attributed his death to a revolver shot fired by a European, but French sources maintained that he had accidentally shot himself when striking a demonstrator with the butt-end of his carbine, and that this had been confirmed by the autopsy on his body. The municipal guard and the demonstrators thereupon attacked the houses from which it was thought the official had been shot, murdered Europeans in different parts of the city, killed European motorists passing through Meknès, and burned their bodies in their cars. French troops stationed in the area took over the protection of the European quarter and Moroccan troops also arrived to maintain order, but three further murders occurred on Oct. 25, the victims being two French policemen and a little girl. In the countryside near Meknès many European farms were attacked and set on fire, their occupants being murdered in several cases. The total number of casualties in the Meknès area was given on Oct. 26 as 47 Europeans killed and four missing.

Farms were also set on fire and a number of French settlers murdered between Oct. 25-29 in the neighbourhood of Port-Lyautey, Fez, and Fedala. These incidents were apparently the work of organized bands of incendaries, believed to be Algerians, working to a previously prepared plan, as many settlers had been warned beforehand by their employees. Intense anxiety was aroused by these disorders among the European community; women and children were sent back to France, many Frenchmen resigned from the police force, and over half the settlers in the Meknès area announced their intention of abandoning their farms and leaving the country.

Strong measures were taken by the Moroccan Government to restore order. Commandant Driss Ben Omar (of the Moroccan General Staff) was given supreme military and civil authority in the Meknès area on Oct. 27; over 1,500 arrests were made; and a decree was issued by the Sultan on Nov. 20 setting up military courts to try those responsible for the disorders. Three Moroccans who had been found guilty of murdering Europeans were executed by firing-squads at Meknès on Dec. 27, after the Sultan had refused to grant a reprieve. In a public speech on Nov. 18, the Sultan appealed to all foreign settlers to " pursue their constructive activities, which are very necessary to Morocco," and promised that their lives and property would be respected and protected.

A special French emissary, M. Jean Basdevant, arrived in Rabat on Oct. 30 and handed to Si Bekkai a letter from M. Mollet assuring the Moroccan Government of his desire to resume the negotiations which had been broken off on Oct. 22. A joint communiqué, issued by Si Bekkai and M. Basdevant on Nov. 1, expressed the hope that " the difficulties which have recently affected Franco-Moroccan relations " would be overcome, and stated that " the necessary measures to re-establish a normal climate of confidence between the two Governments have been considered." Later the same day, however, after M. Basdevant had left Rabat, the Moroccan Cabinet issued a statement announcing that it had pointed out to him that the arrest of the F.L.N. leaders constituted " a serious blow to the Sultan's honour and the sovereignty of Morocco," and had demanded their release as " the only possible solution."

Reactions in Tunisia. - M. Bourguiba's Denunciation of French Policy in Algeria. - Anti-French Riots in Tunis and Sfax.

M. Bourguiba, at a press conference on Oct. 23, denounced the arrest of the Algerian nationalist leaders as " a mistake which is worse than a crime," and announced that the Tunisian Ambassador in Paris, M. Belkhodja, had been recalled. [As stated below, however, a new Tunisian Ambassador to France was appointed in January 1957, a new French Ambassador to Tunisia being concurrently appointed by the French Government].

M. Bourguiba said that as a result of his conversations in Paris " a sort of moral pact " had been reached whereby the French Government had agreed that the F.L.N. leaders should take part in the Tunis conference, on condition that all publicity about their presence was avoided and that they did not appear on occasions when the French Ambassador was present. " If the trap has succeeded," he went on, " it is because we trusted to the agreement which had been reached between us and those we talked to in Paris . . . This mistake places France in a shameful position and will not stop the rebellion. It even threatens to spread it to the east and to the west of Algeria. It will turn every honourable man in the world against France and make them mistrust her word . . . "

As in Morocco, the arrests gave rise to widespread protest demonstrations. A general strike was observed throughout the country on Oct. 23, and in Tunis demonstrators attacked the French Embassy and broke the windows of French shops. Similar riots occurrered on the following day at Sfax, where a crowd broke into the French civil court and forced the president to suspend the sittings.

On Oct. 26-27 French troops came into conflict with civilian demonstrators who had erected barricades to hinder their movements at about 20 places near the Algerian frontier, around Tunis, in the Cape Bon area, and in southern Tunisia. At Bou-Arkoub (25 miles S.E. of Tunis) several people were injured when a convoy tried to force its way through a barricade; at Hamman-Lif (10 miles from Tunis) four civilians were killed in a similar incident; and at Mareth (southern Tunisia) a crowd attacked a French military convoy, killing five soldiers. The French military authorities alleged that Tunisian troops had witnessed several of the incidents but had made no attempt to intervene except when the French troops had defended themselves against attack.

M. Seydoux, the former French Ambassador in Tunis, arrived there on Oct. 30 on a similar mission to that undertaken by M. Basdevant in Morocco, and had two meetings with M. Bourguiba. M. Seydoux returned in December for further discussions as a result of which it was announced on Dec. 11 that the two Governments would shortly resume normal diplomatic contacts. On Jan. 23, 1957, it was announced that M. Georges Gorse (a former State Secretary for Moslem Affairs) had been appointed French Ambassador in Tunis in succession to M. de Leusse, and that M. Masmoudi (Minister of State in the Bourguiba Government) had been appointed Tunisian Ambassador in Paris in place of M. Belkhodja.

Reactions in Middle Eastern Countries. - Anti-French Riots in Jordan and Syria.

The arrest of the Algerian leaders also aroused strong feeling throughout the Arab countries of the Middle East, strikes and protest demonstrations occurring on Oct. 28 in Egypt, Libya, Syria, Jordan, and Lebanon. The demonstrations were of an orderly character except in Jordan and Syria, where serious riots broke out. In Amman, the capital of Jordan, some 3,000 demonstrators attempted to attack the French Embassy but were dispersed after a battle with the police in which 35 people were injured, while in the Jordanian sector of Jerusalem the French Consulate was sacked and burned down by a mob, 16 of whom were injured in clashes with the police. Two members of the Consualte staff were wounded. In Aleppo, demonstrators set fire to a French school and other institutions, the Syrian Government proclaiming a state of emergency after clashes between the mob and the police in which one person was killed and at least 25 injured.

New Leader of Algerian National Liberation Front.

It was announced in Cairo on Oct. 23 that Sheikh Ahmed Tewfik El-Medani—the former general secretary of the association of Algerian *ulema*, who had joined the F.L.N. in April 1956 (see 14913 A)—would act as leader of the movement for the time being. In a statement issued on Oct. 25 Sheikh El-Medani said that a conference of nationalist leaders held " somewhere in Algeria " had decided that the arrest of the five F.L.N. leaders would not affect military operations or political aims in any way, and that the recognition of Algerian independence, the release of all political prisoners, and the opening of negotiations between France and a provisional Algerian Government would remain the necessary prerequisites for a cease-fire.—(Le Monde, Paris - Le Figaro, Paris)

(Prev. rep. Algeria, 14913 A; 14431 A; Morocco, 15110 A; Tunisia, 14989 A.)

A. WESTERN GERMANY. — Trial of Dr. Otto John. - Sentence of Four Years' Penal Servitude.

The trial opened on Nov. 12, 1956, before the Federal Court in Karlsruhe, of Dr. Otto John, the former head of the Federal Office for the Protection of the Constitution, who had left West Berlin on July 20, 1954, for the Soviet sector of the city but had returned to the Western sector on Dec. 12, 1955. He had been under arrest since Dec. 23, 1955, on charges of treason and maintenance of treasonable relations.

The charges against Dr. John were based on certain statements made by him while in the East—in particular, the press conference which he gave in East Berlin on Aug. 1, 1954 (see 13851 A) and statements subsequently made when he was taken to the Soviet Union.

The indictment said that Dr. John had "voluntarily gone to the Soviet sector of Berlin, where he . . . decided to stay and carry out Communist propaganda activities against the Federal Republic . . . He had, for instance, asserted, publicly and contrary to the truth . . . that the West German judiciary was prevented by political pressure from functioning in accordance with legal democratic principles; that Chancellor Adenauer had instructed him to investigate the affairs of the Federal Minister for All-German Affairs [Herr Kaiser]; that the Gehlen [intelligence] organization was intensifying its activities in France—which, if true, would have been a State secret; and that there were secret clauses in the then projected European Defence Community treaty." The indictment pointed out that this latter allegation was true only insofar as an agreement existed concerning co-operation in intelligence work between the member-countries, which was intended to become effective when the treaty came into force—information which was also a State secret.

There was "sufficient ground" [the indictment continued] to charge Dr. John with responsibility for having, in the Soviet Zone of Germany and in the Soviet Union (1) established and maintained contact with the East German and Soviet authorities "with the intention of supporting efforts of those Governments aimed at impairing the security of the Federal Republic"; (2) made "untrue or grossly distorted statements" in pursuance of this intention; (3) betrayed State secrets through public disclosure or by giving information to unauthorized persons; and (4) "publicly declared to be true an untrue fact, which, had it been true, would have been a State secret" [i.e., the alleged activities of the Gehlen organization and the alleged secret clauses of the E.D.C. treaty].

Dr. John denied the charges of treason brought against him in the indictment.

Speaking in his own defence, Dr. John maintained that he had been abducted to East Berlin by Dr. Wohlgemuth a Berlin physician and an acquaintance of his—after having been drugged by Wohlgemuth, whom he had visited to discuss the compensation claim of a common acquaintance. Wohlgemuth, he alleged, had offered him some coffee and had then taken him away in his car on a pretext; during the car ride he had lost consciousness and recovered only 24 hours afterwards to find himself in the headquarters of the Soviet Administration in Eastern Germany, where he was kept under surveillance. Dr. John admitted that he had subsequently offered to work for the Russians, but explained that this seemed to him the only way to regain his freedom. He declared that his statements at the press conference of Aug. 1 and over the radio had been drawn up by the Russians, and, being in their hands, he had felt himself compelled to say what they wanted.

Referring to his interrogations by Soviet intelligence officers, which took place in Moscow and at a Black Sea resort between Aug. 24 and Dec. 12, 1954, Dr. John said that he had given certain relatively unimportant information to the Russians in order to win their confidence, since he was afraid that otherwise they might have drugged him and thus extracted vital secrets about his work. He admitted that he had given the Russians the names of two West German officials of the Federal Office for the Protection of the Constitution, but he had felt that he could safely do so without endangering the men because they were in Western Germany. The Russians had been mostly interested in his alleged relations with the British Intelligence Service, but had been satisfied with his explanation that he had never worked for Britain.

Dr. John also pointed out that in letters to his wife he had used the phrase "found himself compelled" to go to Eastern Germany, thereby clearly indicating to her that his presence there was not voluntary.

A large number of witnesses appeared during the hearings, which lasted for over six weeks.

Several of the witnesses—including Prince Louis Ferdinand of Prussia (a friend of the accused), Lieut.-Colonel Oster (a former head of the counter-intelligence department of the Federal Defence Ministry), Mr. Sefton Delmer (Berlin Correspondent of the London *Daily Express*), and Herr Egidi (a former head of the public security department of the Federal Ministry of the Interior, and now president of the Federal Administrative Court) expressed the view that Dr. John could not have gone to Eastern Germany voluntarily, as he had always been strongly opposed to Communism, and that, finding himself suddenly in Communist hands, he could not be blamed for the statements he had made.

On the other hand, Dr. Wohlgemuth's assistant testified that she had not tampered with the coffee she had made and handed to Dr. John during his visit to Wohlgemuth, nor had she seen anyone else do so. The Customs official who was stationed at the sector border when Wohlgemuth and John passed in the former's car said that he had warned the two men that they were entering East Berlin, that one of the men had said that it was exactly "where we want to go," and that both seemed to him fully conscious. Mr. Carl Robson, a British journalist, said that he had met Dr. John after the press conference in East Berlin, and on two later occasions, without receiving any indication from him that he was being kept in Eastern Germany against his will.

Many witnesses described Dr. Wohlgemuth as a "drawing-room Communist," and several gave the version which Wohlgemuth himself had given of the incident. According to this, Dr. Wohlgemuth had agreed to drive Dr. John into the Eastern sector of the city to meet a group of people who had taken part in the resistance movement against Hitler, and to visit his brother's grave. They had driven to the Charité Hospital, where they had been taken into another car and driven to a small villa. There Dr. John had talked privately with some of those present and had afterwards informed Dr. Wohlgemuth that he wished to remain in East Berlin a decision which had surprised him (Dr Wohlgemuth).

Dr. Wohlgemuth, who was summoned as a witness, failed to appear in court, explaining in a letter that he was not prepared to come because he had not received adequate assurances of safe-conduct. He alleged in this letter that Dr. John had gone to East Berlin of his own volition and had decided to stay there; this had created difficulties for himself (Dr. Wohlgemuth), so that he, in turn, had also decided to remain in the Soviet sector for fear of being implicated in the disappearance of Dr. John.

On Dec. 23 the court found Dr. John guilty of "treacherous falsification" and "treasonous conspiracy," and sentenced him to four years' penal servitude. The charge of "treasonous falsification" covered the statements made by Dr. John while in the East to the effect that the Gehlen agency had extended its activities in France, and that there were secret clauses in the E.D.C. treaty—items of information which, if true, would have been classed as State secrets. The second charge related to Dr. John's propaganda activities during his sojourn in the East, including his press conference, broadcasts, and writings.

The president of the court (Dr. Geier) said that it was of the opinion that Dr. John's claim to have been drugged and abducted into East Berlin was untrue and had been refuted. No-one could believe that the Communist authorities would have dared to arrange an international press conference for a man whom they had kidnapped only a few weeks earlier. Moreover, a witness had stated that Dr. John had told him in May 1955 that he entered Eastern Germany of his own free will and was in receipt of an East German pension, and the court considered that the accused had then spoken the truth. It was also highly improbable that Dr. Wohlgemuth was a kidnapper, as, in that case, he would not have behaved in a "suicidal" manner by returning to his home in West Berlin for several hours immediately after having driven the accused to East Berlin.

The court was satisfied, therefore, that Dr. John had gone to East Berlin of his own accord, but there was no proof that he had done so with treasonous intentions. It might well be supposed that he had originally not intended to stay there, and might have thought that he could establish contacts in the East and then return to the West. It was possible that his decision to stay had not been made without heavy pressure, but in the court's view such pressure had never amounted to a threat to life and limb. As regards the accused's return to the West in December 1955, this was no proof that he had been forcibly detained in the East. It could be far better explained by his growing disappointment with the East and with the pain he suffered at being separated from his wife.

The Federal Prosecutor had demanded a sentence of only two years' penal servitude, taking into account the 12 months Dr. John had already spent in custody. The court, however, thought that this would not be an appropriate punishment, and that a more severe sentence was necessary because of the important position held by Dr. John at the time he fled to the East. - (Frankfurter Allgemeine Zeitung) **(Prev. rep. 14609 B.)**

B. SCOTLAND. — Press. - Glasgow "Evening News" ceases Publication.

The Glasgow *Evening News*, one of the city's three evening papers, ceased publication on Jan. 17 after a life of about 90 years. In its last issue, the *Evening News* stated: "Glasgow has been until now the only city in the United Kingdom outside of London to publish three evening papers. That is no longer economically possible."

It was announced that the *Evening News* had been acquired by George Outram and Co. Ltd., publishers of the *Glasgow Herald* and the *Glasgow Evening Times*, and would be amalgamated with the latter paper. The Outram company took over the *Evening News* from the Daily Mirror and Sunday Pictorial companies, which had purchased it in 1955 from Kemsley Newspapers. A managerial statement to the staff of the *Evening News* explained that the paper had been "running at a very substantial loss and losing money steadily for more than five years."

The other Glasgow evening newspaper is the *Evening Citizen*, published by Beaverbrook Newspapers Ltd.
(Glasgow Herald - Times) **(Prev. rep. 15281 B; 15277 A.)**

A. UNITED KINGDOM. — Junior Ministerial Appointments. - Sir Edward Boyle joins Government.

The following junior ministerial appointments in Mr. Macmillan's Government were announced on Jan. 18:

Admiralty. Parliamentary and Financial Secretary—Mr. Christopher Soames (36) *vice* Mr. George Ward, now Secretary of State for Air; Civil Lord—Mr. T. G. D. Galbraith (39) *vice* Mr. Wingfield Digby.

Ministry of Agriculture, Fisheries, and Food. Joint Parliamentary Secretaries—Lord St. Aldwyn (44) and Mr. J. B. Godber (42).

There were formerly three Joint Parliamentary Secretaries—Lord St. Aldwyn (unchanged), Mr. George Nugent (now Joint Parliamentary Secretary to the Ministry of Transport) and Mr. Harmar Nicholls (now Parliamentary Secretary to the Ministry of Works).

Air Ministry. Parliamentary Under-Secretary—Mr. Charles Orr-Ewing (44) *vice* Mr. Soames, now Parliamentary and Financial Secretary to the Admiralty.

Colonial Office. Parliamentary Under-Secretary—Mr. J. D. Profumo (41) *vice* Lord Lloyd.

Commonwealth Relations Office. Parliamentary Under-Secretary—Mr. J. C. M. Alport (44) *vice* Lord John Hope, now Joint Parliamentary Under-Secretary at the Scottish Office.

Ministry of Defence. Parliamentary Secretary—Lord Mancroft (42) *vice* Lord Gosford, now Joint Parliamentary Secretary at the Foreign Office.

Ministry of Education. Parliamentary Secretary—Sir Edward Boyle (33) *vice* Mr. Dennis Vosper, now Minister of Health.

Foreign Office. Joint Parliamentary Under-Secretaries—Lord Gosford (46) and Mr. Ian Harvey (42) *vice* Mr. David Ormsby-Gore (now Minister of State for Foreign Affairs) and Mr. Dodds-Parker.

Ministry of Health. Parliamentary Secretary—Mr. J. K. Vaughan-Morgan (47) *vice* Miss P. Hornsby-Smith, now at the Home Office (see below).

Home Office. Joint Parliamentary Under-Secretaries—Miss Patricia Hornsby-Smith (42) and Mr. J. E. Simon, Q.C. (46) *vice* Lord Mancroft (now Parliamentary Secretary to the Ministry of Defence) and Mr. Deedes.

Ministry of Housing and Local Government. Parliamentary Secretary—Mr. J. R. Bevins (48) *vice* Mr. Enoch Powell, now Financial Secretary to the Treasury.

Ministry of Labour and National Service. Parliamentary Secretary—Mr. Robert Carr (40). No change.

Ministry of Pensions and National Insurance. Joint Parliamentary Secretaries—Miss Edith Pitt (50) and Mr. Richard Wood (36). No change.

Post Office. Assistant Postmaster-General—Mr. Kenneth Thompson (46) *vice* Mr. Alport, now Under-Secretary at the Commonwealth Relations Office.

Ministry of Power. Parliamentary Secretary (new post)—Mr. David Renton (48), formerly Parliamentary Secretary to the Ministry of Fuel and Power.

Scottish Office. Joint Parliamentary Under-Secretaries—Lord John Hope (44) *vice* Mr. J. Henderson Stewart, Mr. J. N. Browne (52), and Mr. Niall Macpherson (46), the two last-named remaining unchanged.

Ministry of Supply. Parliamentary Secretary—Mr. W. J. Taylor (54) *vice* Mr. Ian Harvey, now Joint Parliamentary Under-Secretary at the Foreign Office.

Ministry of Transport and Civil Aviation. Joint Parliamentary Secretaries—Mr. George Nugent (49) and Mr. Airey Neave (40) *vice* Mr. Hugh Molson (now Minister of Works) and Mr. Profumo (now Parliamentary Under-Secretary at the Colonial Office).

War Office. Parliamentary Under-Secretary and Financial Secretary—Mr. Julian Amery (37) *vice* Mr. Fitzroy Maclean.

Ministry of Works. Parliamentary Secretary—Mr. Harmar Nicholls (44) *vice* Mr. Bevins, now Parliamentary Secretary to the Ministry of Housing and Local Government.

Of the 29 Ministers listed above, 14 held other posts in Sir Anthony Eden's Government, eight continued in their former offices, and seven entered the Government for the first time. A feature of the new appointments was the entry into the Government of Sir Edward Boyle, who had resigned from the Eden Government in protest against the Anglo-French intervention in Egypt (see 15198 A), and of Mr. Julian Amery, one of the strongest supporters of the intervention in Egypt, and a leader of the Conservative "Suez group." Mr. Amery was one of the 15 Conservative back-benchers who abstained from voting on Dec. 6 on the motion approving the Government's policy of terminating the armed intervention in Egypt.

Commenting on the inclusion of Sir Edward Boyle and Mr. Amery in the new Government, the *Daily Telegraph* wrote: "The fact that both men have accepted office under Mr. Macmillan is strong evidence that the rift in the [Conservative] party over military intervention in Egypt is closed by his appointment as Prime Minister."

In a press statement on Jan. 18, Sir Edward Boyle said that he had never regretted his decision to resign from Sir Anthony Eden's Government on the Suez issue, and would "not unsay one word" of what he had said on that subject. Referring to Mr. Macmillan's broadcast of Jan. 17 (see page 15314), Sir Edward expressed his "warmest possible support" for all the objectives which Mr. Macmillan had outlined.

Sir Edward Boyle (33) is the youngest member of the Government. Mr. Julian Amery is a son of the late Conservative statesman (Mr. Leopold Amery) and a son-in-law of Mr. Macmillan. Among the other new junior Ministers, Mr. Orr-Ewing, an electrical engineer, served in the R.A.F. throughout the war; Mr. Godber is a nurseryman, and was a member of the Tomato and Cucumber Board; Mr. Vaughan-Morgan, a company director, was recently chairman of the Conservative Health Committee; Mr. Simon, Q.C., chairman of the Inns of Court Conservative and Unionist Party, led the campaign in the House of Commons against Mr. Silverman's Bill to abolish capital punishment; and Mr. Airey Neave is a barrister and author.

The six junior Ministers leaving the Government were Mr. J. Henderson Stewart (Joint Under-Secretary for Scotland since 1952), Lord Lloyd (Under-Secretary for the Colonies since 1954), Mr. Fitzroy Maclean (who, for personal reasons, had asked Mr. Macmillan not to take him into consideration when forming his Government), Mr. Wingfield Digby, Mr. Dodds-Parker, and Mr. Deedes.

Lord Lloyd, in addition to being Under-Secretary at the Colonial Office, had also been responsible for Welsh affairs as Joint Under-Secretary at the Home Office. It was explained that only one Parliamentary Secretary had been appointed to the Ministry of Housing and Local Government because the Minister (Mr. Henry Brooke), in his joint capacity as Minister for Welsh Affairs, would himself be responsible for all matters affecting the Principality.

A baronetcy was conferred on Mr. James Henderson Stewart on relinquishing the post of Joint Under-Secretary for Scotland.

The Government was completed on Jan. 19 by the following appointments to the Treasury and the Royal Household:

Lords Commissioners of the Treasury—Mr. Martin Redmayne, Mr. Peter Legh, Mr. E. B. Wakefield, and Colonel J. H. Harrison; Lords-in-Waiting (Royal Household)—Lord Hawke, Lord Fairfax of Cameron, and Lord Chesham, Captain of the Gentlemen-at-Arms—the Earl of Fortescue; Captain of the Yeomen of the Guard—the Earl of Onslow; Treasurer of the Household—Mr. H. D. Oakshott; Comptroller of the Household—Mr. Gerald Wills; Vice-Chamberlain—Mr. R. H. M. Thompson.

The only changes were the appointment of Mr. H. D. Oakshott as Treasurer of the Royal Household in succession to Mr. T. G. D. Galbraith, now Civil Lord of the Admiralty; and of Mr. Gerald Wills as Comptroller of the Royal Household *vice* Mr. Oakshott.

It was announced on Jan. 22 that Sir Percy Mills, the Minister of Power, had taken the title of Baron Mills, of Studley in the County of Warwick. Sir Percy Mills was created a baron on his appointment to the Cabinet.—(Times - Daily Telegraph - Manchester Guardian - Observer - Sunday Times) **(15313 A.)**

B. AUSTRALIA. — Press. - Melbourne "Argus" ceases Publication.

The Melbourne *Argus*, founded in 1846, ceased publication on Jan. 19 after a life of 110 years. It had been formed into a public company in 1936, when it was sold by its then proprietors, Messrs. Wilson and Mackinnon. In 1949 the controlling interests in the company were purchased by Daily Mirror Newspapers Ltd. and Sunday Pictorial Newspapers (1920) Ltd., of London.

The two latter companies issued a statement in London on Jan. 18 saying that it had been decided to close down the Melbourne *Argus* because of "continued trading losses." The announcement added:

"To ensure continuance of the *Argus* company's other activities, the Daily Mirror and Sunday Pictorial companies have arranged to dispose of their controlling interest in the Argus and Australasian Ltd. to the Herald and Weekly Times Ltd., of Melbourne. The consideration will be satisfied by an issue to the Daily Mirror and Sunday Pictorial companies of fully paid Ordinary shares of 5s. Australian (having restricted voting rights) of the Herald and Weekly Times Ltd. capital. Such issue will be based on a valuation for the combined loan and Ordinary share interests in the Argus company of £A1,400,000."

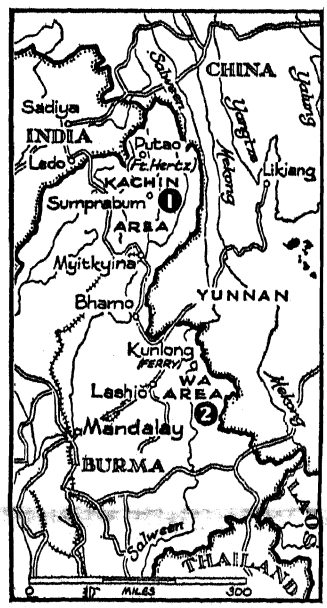
The *Argus* was the oldest newspaper in Melbourne, and one of the oldest in Australia.—(Times - Sydney Morning Herald)

C. INDIA. — Opening of Jawahar (Banihal) Tunnel.

The first tube of the Banihal tunnel, providing an all-weather link between the Kashmir Valley and the Punjab, was officially opened by the Indian Vice-President (Dr. Radhakrishnan) on Dec. 22, and was named the Jawahar Tunnel in honour of the Prime Minister of India, Mr. Jawaharlal Nehru. The tunnel—which is over 1½ miles long, and the second tube of which is still under construction—will be Asia's longest road tunnel and will reduce the distance between Srinagar and Jammu by 18 miles. It replaces the old road tunnel which ran through the Pir Panjal range about 2,000 feet higher, and which was usually snowbound during the winter. The project, which is being built with the assistance of a German engineering firm at a cost of nearly Rs. 30,000,000, incorporates some of the latest developments in tunnel construction, and is due for completion in 1959.—(The Statesman, Calcutta) **(Prev. rep. 14656 A.)**

A. BURMA - CHINA. — Border Dispute. - Chinese Troops enter Wa State. - Talks between U Nu and Chou En-lai. - Chinese Proposals for Settlement. - Withdrawal of Chinese Troops from Occupied Areas. - Chou En-lai's Visit to Burma.

The Burmese Foreign Ministry, in a communiqué issued on July 31, 1956, stated that Chinese troops had entered Burmese territory and established outposts in the Wa State (on the Chinese frontier east of Mandalay). The statement added that the Burmese Government was "seriously concerned" at this development and had brought the matter to the attention of the Chinese Government. Denying reports of the incursion of several thousands of Chinese troops, which had been published in several Rangoon newspapers, the Burmese Prime Minister (U Ba Swe) said at a press conference on Aug. 7 that there were about 500 Chinese troops on Burmese territory, scattered over an area of 700 to 1,000 square miles. He expressed confidence that a peaceful settlement could be achieved through diplomatic means.



The map shows the areas in the Kachin State (1) and the Wa State (2) which are disputed by Burma and China. (*New York Times*)

The frontier between China and the Wa State (the Premier explained) had been demarcated by agreement between the British Government and the Chinese Nationalist Government in 1941, although it had not been physically marked. In the Burmese Government's view, the present Chinese Government should respect the demarcation line agreed to by its predecessor, and should withdraw its troops before initiating further negotiations on the subject. U Ba Swe added that the Burmese Ambassador in Peking had been recalled for consultations, and that Burma was consulting India and other friendly countries on the matter.

U Ba Swe subsequently stated on Sept. 4 that talks were in progress between Burma and China, and announced on Oct. 2 that the Chinese Government had agreed to withdraw its troops to the 1941 boundary line; at the same time he denied press reports that Chinese forces had entered the autonomous Kachin State, in northern Burma.

At the Chinese Government's invitation, U Nu, the former Burmese Premier, arrived in Peking on Oct. 23 for discussions with the Chinese Prime Minister, Mr. Chou En-lai. A joint statement issued on Nov. 9 said that the Chinese Government had put forward "fair and reasonable proposals which take into account the interests of both sides," and which the Burmese Government had agreed to consider. The two Governments had also agreed that all Chinese troops should withdraw from the area west of the 1941 line before the end of the year, and that Burmese troops should withdraw from the villages of Hpimaw, Kangfang, and Gawlum, in Kachin State. The Chinese forces completed their withdrawal from the former area on Dec. 12, 1956.

In a broadcast from Rangoon on Nov. 10, U Nu summarized the historical background of the dispute and gave details of the Chinese proposals. These envisaged a definitive settlement of the frontier between the two countries, on which complete agreement had never been reached; the recognition of China's claim to the villages of Hpimaw, Gawlum, and Kangfang, which command seven high mountain passes into China; and the termination of the arrangement whereby the Namwan Assigned Tract [in the disputed area] had been leased by China to Burma.

Soon after the British annexation of Burma in 1886, U Nu stated, negotiations on the undefined border had been opened; as a result, agreement had been reached in 1897 that the eastern border should run south of latitude 25 deg. 35 min. N., just north of Myitkina. This border had been demarcated by 1900 except for the boundary of the Wa State, which had remained undecided until 1941, when the British and Chinese Governments reached an agreement on it. As regards that section of the border north of latitude 25 deg. 35 min., the British Government had informed China in 1906 that it would regard the watershed between the N'mai Kha and Salween rivers as the north-eastern frontier of Burma, whereupon the Chinese claimed that they had rights to territories west of this line, including Hpimaw, Gawlum, and Kangfang. In a Note of April 10, 1911, the British Government had rejected the Chinese claims except in regard to these three villages, in return for the cession of which it offered to pay monetary compensation. When this offer was refused, British troops had occupied the villages in 1913, an action which provoked deep resentment in China.

In 1914, as a result of negotiations on the delimitation of the border between Assam and Tibet, British, Tibetan and Chinese representatives had agreed on the "McMahon Line" as Burma's northern frontier. The Chinese Government, however, had disavowed its representative's action and refused to ratify the convention, although effect was given to it by the British and Tibetan Governments. Thus, when Burma became independent in 1948 the frontier north of latitude 25 deg. 35 min. had not been accepted by any Chinese Government, and Chinese maps continued to claim a great part of this area.

U Nu explained that Mr. Chou En-lai had agreed to accept the 1941 frontier of the Wa State, although he considered that it had been unfairly imposed upon China while she was under Japanese attack. Moreover, he had also agreed to recognize the McMahon Line and the N'mai Kha-Salween watershed as marking the frontier north of latitude 25 deg. 35 min. He had, however, made two reservations: (1) he had claimed that Hpimaw, Gawlum, and Kangfang were Chinese territory, a claim which was supported by the British Note of April 10, 1911, and should therefore be returned to China; (2) he had asked that the lease of the Namwan Assigned Tract (an area of about 100 square miles near Bhamo, which was recognized as Chinese territory but which had been under perpetual lease to British Burma) should be abrogated, pointing out that the nominal annual rent paid for it had been refused by the former Nationalist Government in 1948.

As both these areas formed part of the Kachin State (U Nu continued), he had asked a number of Kachin leaders to take part in the talks in Peking; U Zanhta Sin, the head of the State, had said, however, that he was not in a position to give an immediate answer, and discussions with the Kachin leaders were continuing. Meanwhile it had been agreed with Mr. Chou En-lai that Burmese troops should not enter that part of the Wa State evacuated by Chinese troops until the boundary had been delimited; that the area would remain under Burmese administration; and that Hpimaw, Gawlum, and Kangfang would also remain under Burmese administration until a final settlement had been reached.

U Nu expressed the opinion that the Chinese claims were "fair and reasonable," emphasizing that Namwan had never been Burmese territory and that the British had not denied that China had claims to the three disputed villages. "Burma," he concluded, "should not retain what she does not own. In all history, never has a boundary been completely settled between China and Burma. A friendly settlement will be an achievement . . . I realize that it is always hard to part with what we have, or what we think we own. But it is better to give up what is not ours rather than allow such property to become a bone of contention . . . In regard to Namwan . . . we must leave it to the friendly feelings of the Chinese to consider what they would do with it . . ."

Mr. Chou En-lai arrived in Rangoon on Dec. 10 for a ten-day visit to Burma. His arrival was made the occasion for a silent demonstration of protest against the proposed cession of the three villages by Kachin students, who carried placards bearing slogans such as "Friendship forever, cession never." In a speech on Dec. 11 Mr. Chou said that China must "make even more strict demands on herself to put resolutely into practice the principles of peaceful co-existence," and gave an assurance that China's policy towards Burma would not be actuated by "big-Power chauvinism."

The Chinese Premier, accompanied by U Ba Swe, Sao Hkun Hkio (Burmese Foreign Minister), and U Kyaw Nyein (Deputy Premier), flew on Dec. 15 to Mangshih, in Yunnan (China), for discussions on the border question, which were continued after their return to Rangoon. A joint statement issued on Dec. 20 said that talks, conducted "in a spirit of cordial and mutual understanding," had led to a further clarification of the Burmese and Chinese points of view and had brought the border problem nearer to a solution.—(Burmese Government Information Department, Rangoon) **(Prev. rep. 14037 A.)**

B. ICELAND. — Ban on Boxing.

Legislation banning boxing in all its forms—matches, exhibitions, and training—was unanimously approved by the Icelandic Parliament on Jan. 9. The measure had originally been introduced in the former *Althing*, and was in its final stages when the legislature was dissolved in preparation for the general elections of June 1956.—(New York Times)

C. FALKLAND ISLANDS. — New Governor.

It was announced in London on Jan. 22 that Mr. Edwin P. Arrowsmith, Resident Commissioner in Basutoland, had been appointed Governor of the Falkland Islands in succession to Sir Oswald Arthur, recently appointed to the Governorship of the Bahamas.—(Times) **(Prev. rep. 15247 E.)**

A. UNITED STATES.—Final Voting Figures in Presidential Election. - Inauguration of President Eisenhower.

The final voting figures in the presidential election held on Nov. 6, 1956, were officially published in Washington on Dec. 21 as follows:

	Votes	*Percentage*
President Eisenhower (Republican)	35,582,236	57.28
Mr. Adlai Stevenson (Democrat)	26,028,887	41.90
Minor parties and candidates ..	507,813	0.82

President Eisenhower's majority of 9,553,349 votes was 1,644,984 higher than his majority over Mr. Stevenson in 1952. The President's share of the total votes rose correspondingly from 55.4 to 57.28 per cent.

The total of valid votes was 62,118,936, representing 60.5 per cent of the electorate of 102,753,000. Although the figure was the highest on record (the previous "high" being 61,551,919 votes in 1952), the percentage going to the polls was slightly lower, comparing with 62.7 per cent in 1952.

Votes cast for minor parties and candidatures included 134,157 for Senator Harry F. Byrd of Virginia (States' Rights), 44,369 for Mr. Eric Hass (Socialist Labour), 41,547 for Dr. Enoch Holtwick (Prohibitionist), 7,805 for Mr. Farrell Dobbs (Socialist Workers), 2,192 for Mr. Darlington Hoopes (Socialist), and 1,829 for Mr. Henry B. Krajewski (American Third Party).

The following official figures were published showing the votes cast in the 48 States:

	Eisenhower	Stevenson
Alabama	194,883	279,982
Arizona	176,990	112,880
Arkansas	186,287	213,277
California	3,027,668	2,420,135
Colorado	394,479	263,997
Connecticut	711,837	405,079
Delaware	98,057	79,421
Florida	643,849	480,371
Georgia	216,652	441,094
Idaho	166,979	105,868
Illinois	2,623,327	1,775,682
Indiana	1,182,811	783,908
Iowa	729,187	501,858
Kansas	566,878	296,317
Kentucky	572,192	476,453
Louisiana	329,047	243,977
Maine	249,238	102,468
Maryland	559,737	372,603
Massachusetts	1,393,197	948,190
Michigan	1,713,647	1,359,898
Minnesota	719,302	617,525
Mississippi	60,685	144,498
Missouri	914,299	918,273
Montana	154,933	116,238
Nebraska	378,108	199,029
Nevada	56,049	40,640
New Hampshire	176,519	90,364
New Jersey	1,606,942	850,337
New Mexico	146,788	106,098
New York	4,340,340	2,750,769
North Carolina	575,062	590,530
North Dakota	156,766	96,742
Ohio	2,262,610	1,439,655
Oklahama	473,769	385,581
Oregon	406,393	329,204
Pennsylvania	2,585,252	1,981,769
Rhode Island	229,677	163,521
South Carolina	75,700	136,372
South Dakota	171,569	122,288
Tennessee	462,288	456,507
Texas	1,080,619	859,958
Utah	215,631	118,364
Vermont	110,390	42,549
Virginia	386,459	267,760
Washington	620,430	523,002
West Virginia	449,297	381,534
Wisconsin	954,844	586,768
Wyoming	74,573	49,554

The 531 members of the Electoral College met on Dec. 17 and cast their votes for the presidency as follows—for President Eisenhower, 457; for Mr. Adlai Stevenson, 73; for Mr. Walter B. Jones, 1. Although Mr. Stevenson had carried Alabama, one of the 11 electors for that State refused to vote for him and, instead, cast his vote for Mr. Jones, an Alabama judge.

Under the U.S. Constitution, the members of the Electoral College have the right to cast their votes as they wish. Only rarely, however, have electoral votes gone to anyone except the candidate who has obtained a majority in the State concerned. A similar case occurred in 1948, when a Tennessee member of the Electoral College cast his vote for Mr. J. Strom Thurmond (the States' Rights candidate), despite the fact that President Truman had carried Tennessee in the presidential election.

The last gubernatorial election result—for Rhode Island—was declared on Jan. 1, 1957, when the Supreme Court of Rhode Island ruled that it had been won by the incumbent Democratic governor, Mr. Dennis J. Roberts. As a result of the gubernatorial elections of Nov. 6, and the postponed Rhode Island result, the Democrats hold 29 State Governorships and the Republicans 19.

After the counting of postal ballots, it had been officially announced in Providence (the capital of Rhode Island) on Dec. 17 that the State gubernatorial election had been won by the Republican candidate, Mr. Christopher Del Sesto, with 194,974 votes against 194,547 for Governor Roberts—a majority of 427. The Democrats, however, contested this result and appealed to the Supreme Court of Rhode Island, the question at issue being the validity or otherwise of 5,062 absentee (i.e. postal) ballots. The State Supreme Court ruled on Jan. 1 that 4,994 of these votes were invalid, and that Governor Roberts had accordingly won the gubernatorial election.

President Eisenhower and Vice-President Nixon formally took their oaths of office on Jan. 21, 1957.

In a short inaugural address, delivered under the title "The Price of Peace," the President said *inter alia*: "We recognize and accept our own deep involvement in the destiny of men everywhere. We are accordingly pledged to honour and to strive to fortify the authority of the United Nations, for in that body rests the best hope of our age . . . And beyond this general resolve we are called to act a responsible role in the world's great concerns for conflict—whether they touch upon the affairs of a vast region, the fate of an island in the Pacific, or the use of a canal in the Middle East . . ."

In the course of his speech President Eisenhower stressed that an isolationist policy was an "impossibility" for the U.S.A., since "not even America's prosperity could long survive if other nations do not also prosper." (New York Times)

(Prev. rep. Presidential Election, 15237 A.)

B. ETHIOPIA. — Emperor Haile Selassie's Visits to India, Japan, and Burma.

The Emperor Haile Selassie, accompanied by the Duke of Harar, arrived at Bombay on Oct. 25 for a three weeks' tour of India, during which they visited New Delhi, Madras, Travancore-Cochin, and Mysore. During a four-day stay in the Indian capital the Emperor attended a number of official functions and had informal discussions with President Prasad and Mr. Nehru. While in India he visited the Bhakra Dam (Punjab), the Military College at Dehra Dun (Uttar Pradesh), and the University of Benares, ending his tour with a three-day stay in Calcutta.

In a joint communiqué, issued in Delhi on Nov. 8, the Emperor and Mr. Nehru expressed concern at "the grave and alarming developments in the international situation, involving violation of human dignity and freedom and the subjection of peoples by the force of modern arms." They appealed to the countries concerned to respect the principles of the U.N. Charter; affirmed their belief that strict observance of the principles of *Panch Sila* could alone lead to the easing of international tension; and reiterated their support for "the principles enunciated by the Asian-African conference at Bandung." The Emperor and Mr. Nehru also expressed their intention to strengthen Indo-Ethiopian friendship by further co-operation in the cultural and economic spheres, and to negotiate an economic agreement between the two countries.

On Nov. 17 the Emperor flew to Tokio, where he was welcomed on Nov. 19 by the Emperor Hirohito and the then Prime Minister, Mr. Hatoyama. During his visit to Japan—the first made by the head of a foreign State since the war—the Emperor toured a number of leading cities, including Nagoya, Kyoto, Osaka, and Kobe, and visited the Buddhist shrine at Nikko. The Emperor concluded his Asian tour with a three-day visit to Rangoon (Nov. 29 - Dec. 1) as the guest of the Burmese Government.—(The Hindu, Madras - The Statesman, Calcutta - Indian High Commisisoner's Office, London - Japanese Embassy Press Office, London - Burmese Embassy Press Office, London)

(Prev. rep. 14026 D.)

C. INTERNATIONAL FINANCE CORPORATION. - Sixteen New Members join I.F.C.

The President of the International Finance Corporation (Mr. Robert L. Garner) announced on Jan. 11 that 16 more countries had joined the Corporation since its formation. The 16 new members, with their subscriptions, were:

	U.S. dollars		U.S. dollars
Austria	554,000	Lebanon	50,000
Belgium	2,492,000	Luxemburg	111,000
Brazil	1,163,000	Netherlands	3,046,000
Burma	166,000	Paraguay	16,000
Indonesia	1,218,000	Persia	372,000
Iraq	67,000	Siam	139,000
Israel	50,000	Turkey	476,000
Italy	1,994,000	Venezuela	116,000

This brought the total membership of the Corporation to 47 countries, and capital subscriptions to $90,396,000. (International Finance Corporation, Washington) **(15048 A.)**

A. NORTH ATLANTIC TREATY ORGANIZATION. - General Norstad succeeds General Gruenther as Supreme Allied Commander, Europe. - General Gruenther's Warning to Soviet Union. - NATO Defence Expenditures. - General Speidel becomes C.-in-C. Allied Land Forces, Central Europe.

At a ceremony on Nov. 20, 1956, General Lauris Norstad formally took over the post of Supreme Commander, Allied Powers in Europe, from General Alfred M. Gruenther, who left for the U.S.A. on the following day to become President of the American Red Cross.

At his last news conference as Supreme Commander (Nov. 18), General Gruenther warned the Soviet Union that if guided missiles were used against Western European countries, retaliation would follow from the West "just as day follows night" and "the Soviet Union would be destroyed." General Gruenther's warning was issued at the height of the Suez crisis and shortly after Marshal Bulganin's threats of "rocket weapons" against Britain and France, contained in his letters to Sir Anthony Eden and M. Mollet [see page 15218].

General Gruenther emphasized that NATO's first objective was to act as a deterrent, and the most important element of that objective was the "overwhelming capacity" of the West to retaliate "very destructively" against the Soviet Union by means of air power. He continued:

"It is naturally a matter for apprehension in Europe, which alone could be affected by rocket weapons. But I think that no nation is going to press the button if it means suicide, as it would. But should these rockets be used, they would not destroy the capacity of NATO forces to retaliate."

While he thought no nation would "press the button" now, he added: "I do not say this will be true in five years' time, but as of to-day the offensive has got a great advantage over the defensive, and we have that offensive capability. The only thing I fear is that injudicious criticism inside the Atlantic alliance might mislead the Soviets about our determination to use our offensive capacity, and that could be a disaster.

"There is no reason for some of the current pessimism about NATO. Some people are saying that NATO is disintegrating and collapsing. Our forces are four to five times as strong as in 1951. We have a command organization and plans which could be implemented immediately. But we have never claimed that we are strong enough, and at present there is an additional strain because of the Middle East situation, which has an effect on our unity . . . But having recently visited all the NATO countries, I must say that I found nowhere any tendency among responsible people to write off NATO because of this crisis. The American Government considers NATO a vital part of its foreign policy, and I am absolutely confident that it is going to adhere loyally to it."

Questioned about NATO's power of reprisal, General Gruenther said that SHAPE itself had the means for delivering "close-in retaliation" [i.e. retaliation against targets in the "satellite" areas.] "Deep targets"—those in the Soviet Union itself—could be covered only by the U.S. Strategic Air Force and the British Bomber Command, neither of which were under the command of SHAPE; both these Commands, however, had a directive to support the NATO forces in the event of conflict, and, in any case, defence and air power were an indivisible whole. Air defence, he added, remained one of the weakest points of the NATO system; the state of radar sets and guided missiles was not yet adequate, "but we do have the ability to destroy the enemy planes at their base."

Other points made by General Gruenther, in answer to press correspondents' questions about the situation in Hungary, Poland, and the Middle East, are summarized below:

Military Strength of NATO. As regards recent events in Central Europe, General Gruenther said there was no reason to change NATO strategic thinking, as SHAPE had always doubted the reliability of the Soviet satellite countries and had based its estimate of the balance of power on that of the Soviet Union. A study carried out in 1953, and presented to the North Atlantic Council in 1954, had estimated Western needs after allowing for the introduction of atomic weapons; that study had shown that the need for the "shield" of ground forces in the Central European sector could be lowered by two-thirds as compared with 1951. After saying that SHAPE was concerned about talk of further reductions of this "shield," General Gruenther added: "We do not at present have the minimum amount of ground forces in Europe which SHAPE considers necessary to defend the whole NATO area successfully. Some of our forces have gone to North Africa, others to the Middle East, and the German programme of rearmament has been somewhat delayed. The NATO Council will consider this position."

Eastern Europe. When asked about the chances of Western military intervention in the event of a repetition in Poland of the events in Hungary, General Gruenther emphasized that this would be primarily a political decision, but he thought the likelihood of such intervention was "slight." There had been suggestions that the West should work to organize guerrilla warfare in "satellite" Europe, in order to pin down a great number of regular Soviet troops. The success of such a policy, however, would be doubtful, as the Russians were so ruthless that any such operations would lead to terrible repression and catastrophe for the people of the country concerned.

Middle East. Asked to comment on the situation in the Middle East, General Gruenther said: "It is one proof of the success of NATO that the enemy has been forced to go round our flank by subversive action and local attacks, but I agree that unless the Middle East problem gets solved it will have an adverse effect on our European defence." He added that any extension of NATO responsibilities to the Middle East was "a theoretical question"; NATO was based on the voluntary acceptance of the interested peoples, and it would be "quite out of keeping with that philosophy" to try to impose a NATO solution on the Middle East. If such a solution were decided politically, however, it could be effected from a purely military point of view, though there would be many difficulties.

The Annual NATO Review.

At the final session of its meeting on Dec. 14 [see 15285 A] the North Atlantic Council adopted the Annual Review—i.e. the annual estimate of NATO needs and resources—together with a resolution urging Governments to meet the 1957 defence targets.

The Annual Review (which was not published) confirmed that NATO sea, air, and ground forces were not at present adequate for the task of defending NATO territory. In particular, withdrawals of ground forces from the Central European sector had increased this inadequacy, and there were considerable numerical deficiencies in NATO air forces. On the other hand, there had been a qualitative improvement in NATO forces, and "some progress" had been made with the air defence system in Europe. It was emphasized that first priority should be given by all countries to control and warning systems (radar, etc.).

The Review also stated that the German Federal Government had undertaken to make a "significant contribution" to NATO forces by the end of 1957, although its full contribution of 12 divisions would not be available until after 1959. In addition, the French Government had undertaken to replace during 1957 the two divisions which had been sent from Central Europe to North Africa.

Defence Expenditures of NATO Countries, 1955-1956.

A table was released showing defence expenditures of all member-countries between 1949 and 1956. [With the exceptions mentioned below, the figures for 1949-1954 agreed with those given on page 14618 and are therefore not repeated.]

The actual figures for 1955 and the forecasts for 1956 were:

Country	Currency Unit	Actual 1955	Forecast 1956
Belgium	Million B. Frs.	17,067	19,306
Canada	Million Can.$	1,815	1,892
Denmark	Million D. Kr.	920	970
France	Milliard F. Frs.	1,102	1,368
Germany (Western) (*a*)	Million D.M.	7,383	7,150
Greece	Million Drachmae	3,688	4,050
Italy	Milliard Lire	551	560
Luxemburg	Million L. Frs.	614	482
Netherlands	Million Guilders	1,699	1,800
Norway	Million N. Kr.	953	1,004
Portugal	Million Escudos	2,224	2,351
Turkey (*b*)	Million Liras	1,058	1,249
United Kingdom ..	Million £ Sterling	1,569	1,551
United States (*c*) ..	Million U.S.$	40,482	41,551
Total Europe	Million U.S.$	11,827	12,663
Total North America	Million U.S.$	42,297	43,443
Total NATO	Million U.S.$	54,124	56,106

(*a*) Before it acceded to NATO in May 1955, the German Federal Republic contributed to the defence budgets of certain NATO countries by the payment of occupation costs; moreover, it bore certain other costs which also fell within the NATO definition of defence expenditures. Expenditures under these various heads for the fiscal years 1953-54 and 1954-55 (April 1-March 31) amounted to 6,195,000,000 DM. and 6,709,000,000 DM. respectively; the figures for the calendar years in question were not available, and figures for the years prior to 1953-54 had not been communicated to the International Staff.

(*b*) Revised figures for Turkish defence expenditures from 1949-1954 were (in million Liras): 556 (1949); 599 (1950); 652 (1951); 725 (1952); 804 (1953); 946 (1954). These figures should be substituted for those shown on page 14618.

(*c*) Revised U.S. defence expenditure in 1954 was given as $42,936,000,000.

Because of the above-mentioned changes relating to Western Germany, Turkey, and the U.S.A., the totals given on page 14618 for the years 1949-1954 were revised as follows:

Total	1949	1950	1951	1952	1953	1954
	(Million U.S. dollars)					
Europe ..	4,771	5,380	7,541	10,143	12,423	11,848
North America	13,952	15,054	34,618	49,727	51,591	44,707
NATO ..	18,723	20,434	42,159	59,870	64,014	56,555

Note. The figures given in the tables above are based on the NATO definition of defence expenditures and represent payments actually made or to be made in the course of the calendar year. There may be considerable divergencies between these figures and those

given in national budgets because (i) the national classification of expenditures for budgetary purposes never coincides exactly with the NATO definition, and (ii) under their national budgetary procedures, which differ from country to country, certain countries include large sums which will in reality be used to cover expenditures spread over a number of years.

The figures relating to the United States and Canada include expenditures on special military support, direct forces support, and the purchase of military items to be delivered in the form of "end-item aid." The value of such items delivered to European NATO countries has not been included in the defence expenditures of these countries.

General Speidel becomes C.-in-C., Allied Land Forces, Central Europe.

The appointment of Lieutenant-General Hans Speidel (Western Germany) as Commander-in-Chief, Allied Land Forces, Central Europe, in succession to General Marcel Carpentier (France), was announced at SHAPE on Jan. 24.

General Speidel (60), the first German officer to assume a senior NATO command, studied philology (in which he holds a doctorate) before entering the *Reichswehr* as a professional officer. Before the Second World War he served on the German General Staff, and during the war held staff appointments in France and Russia. In 1944 he was appointed Chief of Staff to Field-Marshal Rommel, and was responsible for defence planning in Normandy until September of that year, when he was arrested on Himmler's orders for participating in the anti-Hitler *putsch* of July 20, 1944. He was subsequently kept in prison for eight months by the Gestapo. In 1955 General Speidel became chief of the co-ordinating staff of the new German Federal Army—the *Bundeswehr*.

General Speidel will serve under General Valluy, C.-in-C., Allied Forces, Central Europe.

German Air Bases for NATO Defence.

The West German Defence Ministry announced on Jan. 13 that the Federal Republic had agreed to build 29 more airfields for the use of NATO forces, in addition to the 19 already in use, at an estimated cost of 1,740,000,000 DM.

It was stated that units of the new West German Air Force would occupy some of the new bases, each of which was expected to cost about 60,000,000 DM. Work on some of the bases will start during 1957, and all are expected to be ready by the end of 1959.

Training of German Airmen in Canada.

The Canadian Government announced on Jan. 2 that arrangements had been concluded with the German Federal Republic for the training in Canada of 360 German aircrew, who would man a number of *Sabre* jet fighters which had been allotted to Western Germany under mutual aid arrangements. The training was expected to begin during 1957 and to be completed by 1959.

Forthcoming Anglo-American Talks on Joint Defence.

It was announced in London on Jan. 19 that Mr. Duncan Sandys, the U.K. Minister of Defence, would visit Washington from Jan. 27-29 for "informal talks on joint United States-United Kingdom defence matters," at the invitation of the U.S. Secretary of Defence, Mr. Wilson.

The British Ministry of Defence stated that the purpose of Mr. Sandys' visit was to discuss military aspects of the international situation and arrangements for co-operation between the U.S.A. and Britain, especially matters covered by the terms of the Anglo-U.S. agreement on the application of atomic energy. The general question of NATO defence would come within the scope of the talks, as any defence cuts planned by the British Government "would naturally affect our position in NATO." It was not, however, expected that a formal agreement would result from the discussions.

The second conference of some 200 parliamentarians from the NATO countries was held in Paris from Nov. 19-23, 1956, under the chairmanship of Mr. Wayne Hays, of the U.S. House of Representatives. Resolutions were adopted, *inter alia*, on the parliamentary role in NATO, the closer union of the Atlantic peoples, and the situation in Hungary.
(NATO Information Division, Paris - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - Frankfurter Allgemeine Zeitung - Montreal Star - New York Times) **(15285 A.)**

A. INDIA. — Legislation against Horror Comics.

A Government Bill seeking to prevent the publication, sale, or distribution of "horror comics" was unanimously passed on Nov. 22, 1956, by the Indian House of the People.

The Bill—the Young People's (Harmful Publications) Bill—defined "horror comics" as publications portraying "the commission of offences, or acts of violence or cruelty, or incidents of a repulsive or horrible nature, in such a way that the publication... would tend to corrupt a young person into whose hands it might fall, whether by inciting or encouraging him to commit offences or acts of violence or cruelty, or in any other manner whatsoever."

Pandit Pant (the Home Minister) pointed out that the Government had prohibited the import of such publications in 1955.—(The Statesman, Calcutta) **(Prev. rep. 14281 E.)**

B. EUROPEAN COAL AND STEEL COMMUNITY. — Coal and Steel Production in 1956. - Imports of U.S. Coal. - New President of Common Assembly.

Provisional figures released by the High Authority of the European Coal and Steel Community on Jan. 8 showed that production of coal, steel, and pig-iron and ferro-alloys in the six member-countries had reached new record levels in 1956. Further provisional figures released on Jan. 19 and Jan. 21 showed that output of iron-ore and coke had also reached new record levels in 1956.

Comparative figures for the member-countries of the Community for the years 1955 and 1956 are given below, in metric tons.

Coal.

	1956 Tons	1955 Tons	Percentage Change
Germany	134,378,000	130,728,000	+2.8
Belgium	29,546,000	29,978,000	−1.5
France	55,121,000	55,335,000	−0.4
Saar	17,078,000	17,329,000	−1.5
Italy	1,049,000	1,136,000	−8.0
Netherlands	11,821,000	11,895,000	−0.6
Community	248,993,000	246,401,000	+1.1

Steel.

	1956 Tons	1955 Tons	Percentage Change
Germany	23,187,000	21,336,000	+8.7
Belgium	6,364,000	5,894,000	+8.0
France	13,390,000	12,592,000	+6.3
Saar	3,375,000	3,166,000	+6.6
Italy	5,900,000	5,395,000	+9.4
Luxemburg	3,455,000	3,226,000	+7.1
Netherlands	1,049,000	979,000	+7.2
Community	56,720,000	52,588,000	+7.9

Pig-iron and Ferro-alloys.

	1956 Tons	1955 Tons	Percentage Change
Germany	17,576,000	16,482,000	+6.6
Belgium	5,662,000	5,320,000	+6.4
France	11,436,000	10,941,000	+4.5
Saar	3,020,000	2,879,000	+4.9
Italy	1,936,000	1,677,000	+15.4
Luxemburg	3,276,000	3,048,000	+7.5
Netherlands	663,000	668,000	−0.7
Community	43,569,000	41,015,000	+6.2

Iron-Ore.

	1956 Tons	1955 Tons	Percentage Change
Germany	16,928,000	15,682,000	+7.9
Belgium	146,000	106,000	+37.7
France	53,429,000	50,885,000	+5.0
Italy	2,645,000	2,151,000	+23.0
Luxemburg	7,595,000	7,204,000	+5.4
Community	80,743,000	76,028,000	+6.2

Coke.

	1956 Tons	1955 Tons	Percentage Change
Germany	43,434,000	40,520,000	+ 8.2
Belgium	7,269,000	6,600,000	+10.1
France	12,226,000	10,725,000	+14.1
Saar	4,215,000	3,939,000	+ 7.0
Italy	3,409,000	2,949,000	+15.6
Netherlands	4,230,000	3,901,000	+ 8.4
Community	74,784,000	68,633,000	+9.0

At the fourth meeting of the Council of Association between Britain and the European Coal and Steel Community, held in London on Nov. 16, 1956, M. René Mayer, the president of the High Authority, predicted that the member-countries of the Community would have to import 37,000,000 tons of U.S. coal in 1957, some 12,000,000 tons more than in 1956. Although the Community's coal production had increased by over 2,500,000 tons in 1956, the pressure of demand was such that imports from the U.S.A. during the last quarter of 1956 would total 10,000,000 tons. The introduction of a system of rationing had been considered within the Community, but no decision had yet been taken by the High Authority.

At its meeting in Strasbourg on Nov. 27, 1956, the Common Assembly of the European Coal and Steel Community elected Professor Dr. Hans Furler (West Germany) as its president in succession to Signor Pella, the former Italian Prime Minister, who had held the post since November, 1954. Dr. Furler, a prominent international lawyer and a Christian Democratic member of the *Bundestag*, was the first German to be elected to the presidency of any of the Community's institutions.
(Council of Europe, Strasbourg - Frankfurter Allgemeine Zeitung - Le Monde, Paris) **(Prev. rep. 15025 A.)**

A. SHIPPING. — World Tonnage and Construction in 1956. - Contracts for Super-Tankers.

Statistical tables published by Lloyd's Register of Shipping in November, 1956, gave the total of world shipping at June 30, 1956, as 105,200,361 gross tons, compared with 100,568,779 gross tons at June 30, 1955. The sizes of the principal national fleets (excluding ships under 100 tons, sailing vessels, and barges) at June 30, 1956, are shown in the following table:

	1956 Gross Tons	1955 Gross Tons
United States*	26,145,642	26,422,683
United Kingdom	19,545,875	19,356,660
Norway	8,035,340	7,249,087
Liberia	5,584,378	3,996,904
Italy	4,196,762	3,910,658
Japan	4,075,781	3,735,318
British Commonwealth (except U.K.)†	4,009,946	3,873,796
Netherlands	4,006,077	3,695,610
France	3,943,201	3,992,478
Panama	3,925,751	3,922,529
Germany (Western)	3,206,381	2,652,738
Sweden	2,922,022	2,807,166
Soviet Union	2,635,961	2,506,000
Denmark	1,695,221	1,651,686
Spain	1,437,805	1,383,239
Greece	1,307,336	1,245,388
Argentina	1,049,869	1,043,056
Brazil	862,066	892,823
Finland	751,818	730,573
Turkey	601,485	n.a.
China	552,552	n.a.
Belgium	539,829	497,536
Portugal	536,765	n.a.
Costa Rica	507,706	341,000

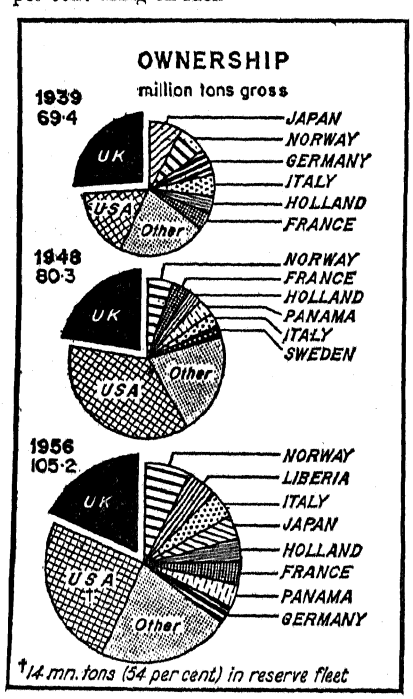
n.a.—not available.

*Including reserve fleet, estimated at about 14,000,000 tons at June 30, 1955 and June 30, 1956.

†Including 1,503,573 tons registered in Canada; 605,965 tons in Australia; 580,456 tons in India; 390,035 tons at Hong Kong; 249,786 tons in New Zealand; 166,802 tons in South Africa; and 153,537 tons in Pakistan.

A feature of the shipping returns was the continued increase in the "flags of convenience" fleets (e.g. Liberia, Panama, and Costa Rica), which accounted for about 10.5 per cent of total world shipping at the end of 1956, as compared with only one per cent in 1939 (see 14632 A).

Of world tonnage of all types, 35.6 per cent were motorships and 55.5 per cent oil-burning steamers, making a total of 91.1 per cent using oil fuel.



(*Economist*)

Of the total world tonnage, the largest group again consisted of ships of 6,000-8,000 gross tons, but a large proportion of these (including the U.S. reserve fleet) were out of commission. By far the greatest amount of tonnage built in the last five years, however, was in the 10,000 to 15,000-ton group; 78 per cent of all ships of this size, and 77.1 per cent of ships between 15,000 and 20,000 tons, were oil tankers. Of the principal maritime powers, Western Germany had the largest proportion of modern tonnage, with 52.7 per cent under five years old, followed by Liberia (48.8 per cent), Norway (37.7 per cent), Japan (36.9 per cent), Sweden (35.7 per cent), France (32.5 per cent), the Netherlands (25.1 per cent), and the United Kingdom (22.7 per cent). Only 4.5 per cent of tonnage registered in the United States was under five years old.

The world tanker fleet at June 30, 1956, totalled 28,211,080 gross tons, or about 26.8 per cent of all ships, compared with 26.0 per cent at June 30, 1955.

The largest tanker fleets were owned by the United Kingdom (5,348,930 tons), Norway (4,660,278 tons), the U.S.A. (4,210,162 tons), Liberia (3,183,914 tons), Panama (2,066,562 tons), Italy (1,302,534 tons), France (1,258,680 tons), and the Netherlands (1,083,028 tons).

Shipbuilding Returns.

Returns published by Lloyd's Register of Shipping on Jan. 23, 1957 gave the gross tonnage of merchant ships under construction throughout the world at Dec. 31, 1956 as 8,065,068 tons, excluding ships building in the U.S.S.R. and China, as well as ships under 100 gross tons, barges, etc. For the first time since March 1950, the returns included ships building in Poland. Of the total, 26.48 per cent was building in the United Kingdom and 73.52 per cent elsewhere.

Ships building in Great Britain and Northern Ireland numbered 328 of 2,135,218 tons (steamers 1,076,639 tons, motorships 1,058,579 tons), including five steamers of 25,000-30,000 tons, 23 steamers of 20,000-25,000 tons, and 5 steamers and 1 motorship of 15,000-20,000 tons. Of the total, 264 ships (1,687,824 tons) were building for Great Britain and N. Ireland, 14 (30,994 tons) for other British Commonwealth countries, 12 (127,068 tons) for Liberia, 9 (106,777 tons) for Norway, 3 (57,350 tons) for Panama, 4 (42,450 tons) for Greece, 5 (38,158 tons) for the Irish Republic, 5 (15,307 tons) for various countries, 10 (6,830 tons) for the U.S.S.R., and 2 (22,000 tons) for unspecified countries. Principal shipbuilding centres were: the Clyde (94 ships of 636,114 tons), the Tyne (37 ships of 414,750 tons), Belfast (19 ships of 243,687 tons), the Tees (21 ships of 231,446 tons), Sunderland (28 ships of 217,696 tons), and Liverpool (17 ships of 160,901 tons).

Ships building abroad numbered 1,247 of 5,929,850 tons (steamers 2,416,623 tons, motorships 3,513,227 tons), divided as follows: Japan 156 (1,364,190 tons), Western Germany 240 (798,772 tons), Italy 86 (657,529 tons), the Netherlands 187 (599,780 tons), France 69 (498,899 tons), Sweden 65 (485,218 tons), the U.S.A. 30 (294,885 tons), Norway 74 (243,140 tons), Spain 75 (181,479 tons), Denmark 29 (147,558 tons), British Commonwealth countries 57 (145,837 tons), Belgium 20 (136,750 tons), Finland 48 (126,497 tons), Poland 63 (124,816 tons), Yugoslavia 24 (99,536 tons), Portugal 11 (16,839 tons), Turkey 8 (6,371 tons), Indonesia 2 (1,200 tons), and 1 small vessel each in Hungary, Iceland, and the Irish Republic. The total included 4 steamers of over 30,000 tons in France, 2 in Japan, and 1 each in Italy and the Netherlands; 10 steamers of 25,000-30,000 tons in Japan, 3 in the U.S.A., and 1 each in France and Sweden; and 13 steamers and 1 motorship of 20,000-25,000 tons in Japan, 11 steamers and 1 motorship in Italy, 5 steamers in the Netherlands, 4 in the U.S.A., 3 steamers and 1 motorship in Germany, 2 steamers and 2 motorships in Sweden, 2 motorships in Norway, and 1 in France.

Tankers building throughout the world numbered 249 of 8,448,899 tons, including 63 (908,189 tons) in the United Kingdom, 43 (693,395 tons) in Japan, 19 (317,316 tons) in Italy, 19 (300,930 tons) in Sweden, 14 (286,490 tons) in France, 12 (246,060 tons) in the U.S.A., 11 (179,400 tons) in the Netherlands, and 18 (168,304 tons) in Norway.

Quarterly Construction Figures.

World construction figures for the first three quarters of 1956, as given by Lloyd's Register of Shipping, are summarized below:

First Quarter. Total tonnage under construction at March 31, 1956, amounted to 7,009,179 gross tons, of which 32.26 per cent was building in the United Kingdom and 67.74 per cent elsewhere.

Ships building in the U.K. numbered 355 of 2,260,949 tons (steamers 1,309,496 tons, motorships 951,453 tons); ships building overseas numbered 1,175 of 4,748,230 tons (steamers 1,754,875 tons, motorships 2,993,355 tons).

Tankers under construction throughout the world numbered 212 of 2,668,744 tons, including 71 (945,264 tons) in the U.K.

Second Quarter. Total tonnage under construction at June 30 amounted to 7,223,004 gross tons, of which 28.08 per cent was building in the United Kingdom and 71.92 per cent elsewhere.

Ships building in the U.K. numbered 334 of 2,028,132 tons (steamers 1,150,852 tons, motorships 877,280 tons); ships building overseas numbered 1,200 of 5,194,872 tons (steamers 2,061,640 tons, motorships 3,133,232 tons).

Tankers under construction throughout the world numbered 217 of 2,824,020 tons, including 62 (833,301 tons) in the U.K.

Third Quarter. Total tonnage under construction at Sept. 30 amounted to 7,449,310 gross tons, of which 27.90 per cent was building in the United Kingdom and 72.10 per cent elsewhere.

Ships building in the U.K. numbered 333 of 2,077,976 tons (steamers 1,125,210 tons, motorships 952,766 tons); ships building overseas numbered 1,168 of 5,371,334 tons (steamers 2,113,569 tons, motorships 3,257,765 tons).

Tankers under construction throughout the world numbered 219 of 2,993,201 tons, including 58 (842,564 tons) in the U.K.

Relative Positions of Britain and Japan.

Figures giving the tonnage of ships completed during 1956, also published by Lloyd's Register on Jan. 23, 1957, showed that Japan had ousted Britain from her position as the leading shipbuilding country, having increased her output from 561,000 gross tons in 1955 to 1,538,000 gross tons in 1955. The tonnage completed by British shipbuilders increased only from 1,822,000 gross tons in 1955 to 1,457,000 gross tons in 1956.

[The change in the relative positions of Britain and Japan was partly accounted for by the large proportion of "super tankers" building in Japanese yards, since these ships can be completed in less time than, e.g., passenger lines of equal tonnage.—*Ed. K.C.A.*]

Orders from British Shipyards.

Figures published by the Shipbuilding Conference in London on Jan. 23 showed that a total of 865 ships, of 6,442,000 gross tons, was on order from British shipbuilders at Dec. 31, 1956. It was stated in the Press that order books were full for several years ahead.

The total of new orders booked during 1956 amounted to 365 ships of 2,475,000 gross tons, including 143 ships of 1,210,000 gross tons booked during the fourth quarter. Nearly 30 per cent of the new orders in 1956 were for foreign account. Oil tankers represented 45 per cent of all new orders.

Ship Launchings in 1956.

The largest ship launched in the United Kingdom in 1956 was the tanker *Evgenia Niarchos* (47,750 deadweight tons), launched by Vickers-Armstrong at Barrow. Other notable ships launched included the Canadian Pacific liner *Empress of England* (25,000 gross tons, also launched at Barrow) and the Cunarder *Sylvania* (22,000 tons, John Brown and Co., Clydebank), the last of the four passenger ships ordered by the Cunard Company for its Canadian service.

Ships launched abroad included the Holland-America liner *Statendam* (24,300 gross tons, built by the Rotterdam Drydock Company); the Swedish-America liner *Gripsholm* (24,000 tons gross, built by the Ansaldo Company, Genoa); the supertanker *George F. Getty* (52,000 deadweight tons), launched at St. Nazaire by the *Union des Constructions Navales de l'Atlantique* [see below] for the Tidewater Oil Co., San Francisco; and the combined tanker and ore-carrier *Universe Leader* (83,090 deadweight tons), built at the former Japanese naval yard at Kure for Universe Tankships, Monrovia (a Liberian company controlled by Mr. D. K. Ludwig of New York).

The *Universe Leader*, which is exceeded in length only by the liners *Queen Mary*, *Queen Elizabeth*, *United States*, and *Liberté*, will trade between the Persian Gulf and North America *via* the Cape, being too big for the Suez and Panama Canals.

Order for World's Largest Tanker. - The Niarchos Tanker Fleet.

It was announced on Jan. 21 that Mr. Stavros Niarchos, the Greek shipowner, had ordered a super-tanker of 106,000 deadweight tons from the Bethlehem Steel Company (Quincy, Mass.) Her dimensions are such that she will have to carry Middle East oil direct to Philadelphia or Rotterdam, as there are at present no other tanker terminals able to accommodate her. The vessel will be delivered in 1959.

It was further announced on Jan. 23 that Mr. Niarchos had acquired two companies together owning 11 tankers of a total tonnage of 255,363 deadweight tons, thereby increasing the Niarchos group's tanker fleet to 60 ships aggregating 1,422,009 deadweight tons.

Merger of French Shipyards.

The former Penhoët and Loire shipbuilding companies, of St. Nazaire, which together accounted for over 65 per cent of French shipbuilding capacity, were amalgamated as from Oct. 1, 1956, under the name of *Union des Constructions Navales de l'Atlantique*.—(Lloyd's Register of Shipping, London - Times - Daily Telegraph - New York Herald Tribune - Le Monde, Paris - Netherlands News Agency)

(Prev. rep. Shipping, 14632 A.)

A. UNITED KINGDOM. — Mr. Peter Fryer expelled from British Communist Party.

Mr. Peter Fryer, special correspondent of the *Daily Worker* in Budapest at the time of the Hungarian uprising, was expelled from the British Communist party on Dec. 22, 1956, for "conduct detrimental to the party." Mr. Fryer, whose despatches from Budapest were suppressed by the *Daily Worker* (see page 15225, first column), issued the following statement on his expulsion:

"After 14 years in the Communist party I have been expelled because I would not remain silent about the rape of Hungary. I was an inconvenient witness—one who could refute from personal experience the lie that Soviet intervention was needed to crush 'counter-revolution.' What Pollitt and Gollan call 'counter-revolution' is in fact the most gallant rearguard action in the whole history of the international Labour movement. I was horrified to see the leaders of my party stab the Hungarian workers in the back, and I was not prepared to be an accomplice . . . "

The *Daily Worker* admitted on Jan. 9, 1957, "a serious fall in circulation due to some readers' disagreement with our policy on Hungary." It was stated that the present circulation was 63,000, and that the paper was finding itself "heavily crippled by rising costs and the fall in circulation."

(Observer - Manchester Guardian - Daily Telegraph)

B. INDIA. — Nationalization of Kolar Gold Fields.

The Kolar Gold Fields (45 miles from Bangalore), which for the past 75 years had been owned and worked by British companies, were nationalized by and transferred to the ownership of the State of Mysore on Nov. 29, 1956. The Bill nationalizing the undertakings had been unanimously passed by the Mysore Legislative Assembly on Oct. 17, and had been assented to by President Prasad on Oct. 31.

The Bill provided that (*a*) the Mysore Government would pay £1,230,000 (Rs. 16,400,000) compensation to the companies concerned—the Mysore Gold Mining Company (K.G.F.) Ltd., the Champion Reef Gold Mines of India (K.G.F.) Ltd., the Nandydroog Mines (K.G.F.) Ltd., and the Kolar Mines Power Station (K.G.F.) Private Ltd., (*b*) three-quarters of the compensation would be payable on Vesting Day and the balance three months later, (*c*) Kolar Gold Fields would be taken over as a going concern with all its assets and liabilities in India, but excluding the companies' assets held in Britain.

The Bill was the outcome of protracted negotiations over the compensation question, the companies originally demanding £4,500,000 (based on the actual net asset value, with allowances for loss of profit through the premature termination of the leases) and the Mysore Government offering £652,000 (based on the current market value of the shares). The companies rejected this offer, claiming that the share prices had been adversely influenced by the Government's decision to nationalize the mines and its "drastic tax measures," and also that the offer did not take into account the discovery of a new gold-bearing region within the leased area.

In view of the importance of maintaining the confidence of foreign investors and attracting foreign capital for the implementation of the Second Five-Year Plan, the Government of India intervened in the negotiations on June 19, 1956. As a result, agreement was reached with the companies on a compensation payment of £1,230,000, whilst subsequently the Chief Minister of Mysore (Mr. Nijalingappa) negotiated with the Union Minister of Finance (Mr. Krishnamachari) a loan of Rs. 4,500,000 (£337,500) to the Mysore Government to help finance the transaction.

The three gold mines—the Mysore, Champion Reef, and Nandydroog mines—were taken over by a State Board of Management, with Mr. Nijalingappa as chairman. Messrs. John Taylor and Sons, who had previously acted as operators and lessees, became consultants to the Board of Management.

Since the beginning of goldmining in the Kolar Gold Fields the three mines had yielded 22,466,944 oz. of gold, valued at about 1,850,000,000 rupees (£138,750,000), up to 1953. The mining is carried out at a great depth, the deepest point being 9,950 feet in the Champion Reef Mines—the deepest in the world. After the transfer of some territories in Hyderabad State, where the Hatti Gold Mines are located, Mysore will be the only gold-producing State in India.—(The Hindu, Madras)

C. LAOS. — Government of National Union. - Agreement with "Pathet Lao" Rebels.

A joint statement was issued in Vientiane on Dec. 31, 1956, announcing that Prince Souvanna Phouma, the Laotian Prime Minister, and Prince Souphannou Vong, the *Pathet Lao* leader and a half-brother of the Prime Minister, had signed an agreement providing for (*a*) the early formation of a "Government of National Union"; (*b*) the return of the provinces of Phong Saly and Sam Neua (which had been held by *Pathet Lao*) to the royal administration; and (*c*) the "integration" of the *Pathet Lao* rebels into the national community.

Negotiations between the two sides had been in progress since September to decide on the method by which the two disputed provinces should revert to the Government's control, one of the principal points being whether a "Government of National Union" should be formed before or after the new elections for the National Assembly. It was eventually agreed that such a government—the membership of which had not yet been decided upon—should be formed prior to the elections. It was also announced that the *Pathet Lao* would change its name to the "Patriotic Front of Laos."

A number of Franco-Laotian conventions dealing with judicial, commercial, monetary, defence, and other matters had been signed in Paris on Nov. 17, 1956.—(Le Monde, Paris)

(Prev. rep. 15118 A.)

D. ARGENTINA. — Nationalization of Deposits of Nuclear Minerals.

A decree of Dec. 18, 1956, laid down that all mineral deposits in Argentina considered to be possible sources of nuclear energy would become the property of the State, and that prospectors or occupiers of land containing such deposits would need special concessions for exploitation. These concessions would be granted by the National Commission for Atomic Energy. (Bank of London and South America)

A. MIDDLE EAST. — Cairo "Summit" Meeting. - Egyptian, Saudi Arabian, and Syrian Financial Aid to Jordan to replace British Subsidy. - British Proposal for Anglo-Jordanian Negotiations.

Following a conference in Cairo on Jan. 18-19 between King Saud of Saudi Arabia, King Hussein of Jordan, President Nasser of Egypt, M. Sabri Assali, the Syrian Prime Minister, and M. Nabulsi, the Prime Minister of Jordan, an agreement was signed providing for Saudi Arabian, Egyptian, and Syrian financial aid to Jordan to the value of £E12,500,000 (over £12,800,000 sterling) a year over the next ten years, of which Saudi Arabia and Egypt would each provide £E5,000,000 or its equivalent, and Syria £E2,500,000 or its equivalent. This aid would be used entirely for the Jordanian armed forces, including the National Guard, and would replace the subsidy of over £12,000,000 annually paid by Britain to Jordan under the Anglo-Jordanian treaty of 1948.

Payments will be made half-yearly, the first payments being made when the agreement comes into force upon ratification. [The Jordanian Deputy Premier, Shafiq Rusheidat, was reported to have said that the date was expected to be April 1.] Part of the cash contributions will be in hard currency, while Jordan will also obtain from the other three countries such proportion of her military equipment requirements as they are able to supply, the cost of these purchases being deducted from the aid allocations.

A statement issued in Cairo on Jan. 19 also dealt with the other questions discussed at the "summit" meeting.

With reference to the "Eisenhower doctrine" on the Middle East, it said that the Heads of State had agreed to reject the "vacuum theory" and had decided that "Arab nationalism is the sole basis on which Arab policy can be formulated."

On Israel's attitude regarding her withdrawal from the Gaza strip and the western shore of the Gulf of Akaba, the conferees had agreed that "occupation of any part of Egyptian territory, including the Gaza strip, must be regarded as a continuation of the tripartite Anglo-French-Israeli aggression against Egypt and can only bring about the gravest results." A supplementary statement said that the heads of State had also decided that "any attempt at changing the form of rule at Gaza can only be interpreted as an unacceptable continuation of such aggression." [This referred to certain proposals for placing the Gaza strip under U.N. administration.]

Finally, it was stated that the heads of State had agreed "to resist any attempt at impairing Egypt's sovereignty over the Suez Canal"; to support Yemen "in her resistance against aggression"; and to help the Algerian people "in every sphere."

It was announced in London on Jan. 21 that H.M. Government had sent a Note to Jordan stating that Britain was willing to enter into immediate discussions on the future of the Anglo-Jordanian treaty. The Note said:

"H.M. Government have noted that, according to the statement of policy issued by the Jordanian Government on Nov. 27, it is the intention of the Jordanian Government to end the treaty, to evacuate British forces from Jordanian territory, and to get rid of their bases. They have also noted the statement of the Jordanian Prime Minister to H.M. Ambassador on Nov. 29 that Jordan would soon be approaching H.M. Government with a request for negotiations to terminate the Anglo-Jordanian treaty in an agreed manner. Finally, they observe that the Jordanian Prime Minister informed the correspondent of the London *Times* on Dec. 30 that he was planning to begin negotiations to terminate the treaty as soon as conditions permit on both sides, but that the date for this must depend on Britain.

"Recalling the past friendship between the United Kingdom and Jordan, H.M. Government are anxious that the treaty relations between the two countries should serve to maintain and strengthen this friendship and not stand in its way. H.M. Government are therefore willing to meet the express wish of the Jordanian Government and to enter into immediate discussions with regard to the future of the Anglo-Jordanian treaty of alliance of 1948."

The Note concluded by requesting the Jordanian Government to name a place and date for the proposed discussions. (Times - Le Monde, Paris) **(Prev. rep. 15263 A; 14646 A.)**

B. FINE ARTS. — Royal Ballet established in Britain. - Merger of Sadler's Wells Companies.

It was announced on Jan. 16 that H.M. the Queen had granted a Royal Charter setting up a new corporation with the title of The Royal Ballet, which would co-ordinate the activities of the three Sadler's Wells groups—the Sadlers Wells Ballet (Covent Garden) the Sadler's Wells Theatre Ballet, and the Sadler's Wells Training School at Richmond, Surrey.

The Royal Ballet will "promote and advance the art of the ballet, and in association therewith the literary, musical, and graphical arts, and will foster public knowledge and appreciation of the same." It will have an 18-member Board of Governors under the chairmanship of Lord Waverley. The Queen consented to be Patron of the Royal Ballet, and Princess Margaret to be its first president. (Times - Daily Telegraph)

C. VATICAN. — The Pope's Christmas Broadcast. - Denunciation of Soviet Aggression against Hungary. - Criticism of United Nations.

In his Christmas broadcast from the Vatican on Dec. 23, 1956, Pope Pius XII appealed for world peace, disarmament, and unity among the Western countries; denounced the Soviet aggression against Hungary; and also strongly criticized the United Nations for its differing and "one-sided" approaches to the two recent international crises in the Middle East and Hungary. In the course of his speech the Pope contrasted the severe denunciation of Britain and France at the United Nations with the U.N.'s failure to save the Hungarian people from Communist military aggression. Excerpts from his broadcast are given below:

"... It would be a fatal error to repeat what, in similar circumstances, happened during the years preceding the Second World War: when all the threatened nations, and not merely the smallest, sought their safety at the expense of others; using them as shields, so to speak, and even seeking questionable economic and political advantages from their neighbour's suffering. In the end, all were overwhelmed together in the holocaust....

"A definite need of this [present] period - a means of ensuring the peace of the whole world; a force, too, which embraces the peoples of Asia, Africa, the Near East, Palestine with its Holy Places - is the restoration of European solidarity. But this unity is not assured until all the associated nations realize that the political and economic defeat of one of them cannot, in the long run, result in true gains for the others. It is not strength ... if, in the hour of common peril, criticism—even though justified—of one nation's actions is expressed by the others with such one-sidedness as to cause doubt that any bond of union exists at all.

"There is no longer room for doubt concerning the aims and methods which rely on tanks crashing over borders, sowing death in order to force peoples into a pattern of life they detest ... No-one expects or demands the impossible, even from the United Nations. But one should have the right to expect that its authority should have its weight, at least through observers, in places in which the essential values of men are in extreme danger. Although the U.N.'s condemnation of the grave violations of the rights of men and of entire nations is worthy of recognition, one could nevertheless wish that the exercise of their rights as members of this Organization should be denied to States which refuse even to admit observers—thereby showing that their concept of State sovereignty threatens the very foundations of the United Nations.

"The United Nations ought also to have the right and the power of forestalling all military intervention by one State in another, whatever be the pretext under which it is effected, and also the right and power of assuming, by means of a sufficient police force, the safeguarding of order where it is threatened...

"If we allude to these defects, it is because we desire to see the authority of the U.N. strengthened, especially for effecting general disarmament, which we have so much at heart. Only in the ambit of an institution like the U.N. can the promises of individual nations to reduce armaments, especially to abandon the production and use of certain arms, be mutually exchanged under the strict obligations of international law. Likewise, only the U.N. is at present in a position to exact the observance of this obligation by assuming effective control of the armaments of all nations without exception..."

The Pope concluded his message with an appeal for prayers and help for the Hungarian nation, declaring that the conscience of the world could not abandon "this martyred people." (Times - Le Monde, Paris - New York Times) **(14642 A.)**

D. SOVIET UNION - UNITED STATES. — Soviet Protest against Alleged U.S. Violation of Airspace.

A Soviet Note was handed to the U.S. State Department on Dec. 15 protesting against an alleged violation of Soviet airspace in the Vladivostok area on Dec. 11 by three U.S. bombers.

The Note alleged that the three aircraft which, it stated, had been identified as B-57s had flown across Siberian territory from the Sea of Japan; that the weather at the time had been "clear with good visibility, excluding the possibility of the pilots having lost their direction during the flight"; and that the violation could therefore only be regarded as "deliberate" and for "obvious reconnaissance purposes."

The Note also demanded measures for the punishment of those guilty of the alleged violation, and added that in the event of further violations "the responsibility for the consequences ... will rest fully with the U.S. Government."

U.S. Far East Air Force H.Q. stated on Dec. 17 that they had no knowledge of any flight by American bombers on Dec. 11 which might have resulted in an intrusion over Soviet territory. (Soviet Weekly - New York Times) **(Prev. rep. 15048 C.)**

E. WESTERN GERMANY. — G.C.M.G. conferred on Dr. Adenauer.

The Grand Cross of the Order of St. Michael and St. George, conferred upon Dr. Adenauer by H.M. Queen Elizabeth II on the occasion of his 81st birthday, was handed to the Federal Chancellor on Jan. 5 by the British Ambassador in Bonn, Sir Frederick Hoyer Millar. (Frankfurter Allgemeine Zeitung)

JANUARY 26—FEBRUARY 2, 1957

A. SUEZ CANAL. — U.N. Salvage Fleet for Canal Clearance. - General Wheeler's Plan for Reopening of Canal by May 1957. - Achievements of Anglo-French Salvage Command. - Clearance of Port Said Harbour and Northern Section of Canal. - Withdrawal of Anglo-French Salvage Fleet. - Clearance Operations taken over by U.N. Salvage Organization.

As stated in his third report to the U.N. General Assembly on Nov. 20 (see page 15316), following his discussions in Cairo with President Nasser, the U.N. Secretary-General announced (*a*) that the Egyptian Government had requested the assistance of the United Nations in clearing the Suez Canal of obstructions "immediately upon the withdrawal of non-Egyptian forces from Port Said and the Canal area"; and (*b*) that he (Dr. Hammarskjöld) had given an assurance in principle "that the U.N. would undertake to provide such assistance."

U.N. Salvage Fleet for Clearance of Suez Canal. - General Wheeler's Plan for Canal Clearance.

On Nov. 24, immediately after the General Assembly had approved the resolution on the clearance of the Canal (see page 15317, first column), Dr. Hammarskjöld announced that he had appointed a three-man team to supervise the task of canal clearance, headed by Lieut.-General Raymond A. Wheeler (retd.), formerly Chief of the U.S. Army Engineer Corps. The other two members were Mr. John J. McCloy, chairman of the Chase National Bank and lately U.S. High Commissioner in Germany, and Colonel A. G. Katzin, a member of the U.N. Secretariat.

General Wheeler was chief maintenance engineer for the Panama Canal in 1940-41, and was subsequently Commanding General of U.S. Forces in the India-Burma theatre during the Second World War. Since his retirement from the U.S. Army he had been engineering consultant to the International Bank for Reconstruction and Development. Mr. McCloy was president of the latter body before his appointment in 1949 as U.S. High Commissioner in Germany, a post he held for three years. Colonel Katzin, a South African, was personal representative of the U.N. Secretary-General in Korea, and head of the U.N. Bureau of Personnel.

The Danish and Netherlands Governments had previously sent a joint Note to Dr. Hammarskjöld (Nov. 8) expressing their willingness to send salvage vessels and the necessary equipment to help in clearing the Canal. [As stated in the Secretary-General's report to the General Assembly, referred to above, Dr. Hammarskjöld had been in touch with the two Governments on this matter.] Two leading Dutch and Danish salvage firms—L. Smit and Co.'s Internationale Sleepdienst, of Rotterdam, and Em. Z. Svitzer's Salvage Co., of Copenhagen—subsequently formed a consortium for this purpose, and on Dec. 9 officials and surveyors of these companies arrived in Cairo with General Wheeler for discussions with the Egyptian authorities on technical problems of clearing the Canal.

During the following fortnight General Wheeler had a number of discussions with the Egyptian authorities in Cairo and with the British and French Commanders in Port Said, and also inspected canal obstructions at Ismailia, Suez, and other places. On Dec. 30, after the Anglo-French withdrawal, General Wheeler announced a three-stage plan whereby the Canal would be cleared for ships up to 10,000 tons by early March, and completely cleared for ships of maximum draught by early May, 1957. At the same time he announced that Colonel Yunis, chairman of the Egyptian Canal Authority, had given him the "green light" to start U.N. salvage operations immediately.

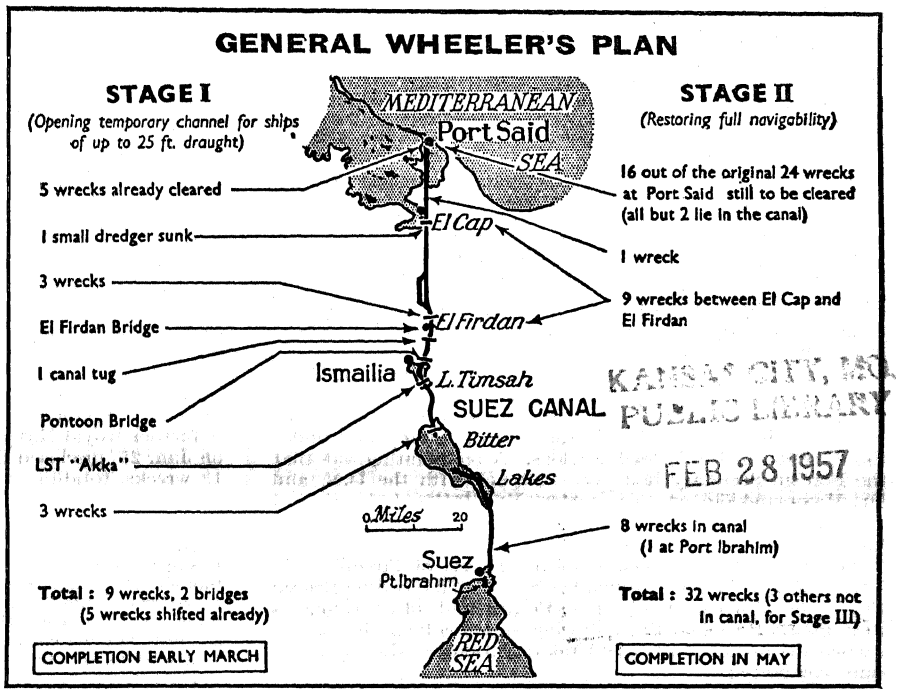
General Wheeler (who had established his headquarters at Ismailia) explained that the clearance plan would be carried out in the following stages, with the full agreement and co-operation of the Egyptian Government and the Egyptian Canal Authority:

(1) The first stage envisaged the opening of a channel for vessels of 25 ft. draught. Between Port Said and "Kilometre 35" (near El Cap, the southernmost limit of that part of the Canal occupied by the Anglo-French forces) five sunken vessels had already been removed by British and French salvage ships, and this stretch of the Canal had accordingly been cleared. The remaining part of "stage one" would involve the clearance of nine more obstructions south of "Kilometre 35" and of two collapsed bridges south of El Cap. It was expected that the whole of this work would be completed by early March, thus permitting limited passage for vessels up to 10,000 tons throughout the length of the Canal.

(2) The second stage would be the removal of over 30 remaining obstructions, concurrently with the necessary dredging operations to restore full navigability. It was estimated that this stage would be completed by early May, by which time the Canal should be open to vessels of maximum draught throughout its entire length.

(3) The final stage would be the removal of obstructions from ports and harbours and the restoration of docks and harbour works. This would proceed concurrently with "stage two."

General Wheeler said that the U.N. had at its disposal an "excellent" salvage fleet of approximately 30 vessels, of



The chart, reproduced from *The Economist*, illustrates General Wheeler's plan for reopening the Suez Canal. The obstructions in the Canal are shown, including those already cleared and those still to be removed.

which 23 had already arrived in the Canal. In addition, some of the British and French salvage vessels at Port Said [see below] had been temporarily incorporated in the U.N. fleet and would work under his directions during January. The Dutch-Danish consortium, as chief contractors for the United Nations, would be responsible for the general management of the salvage operations, assisted by sub-contractors from Belgium, Western Germany, Italy, and Sweden, which were also providing salvage vessels and experts.

Anglo-French Salvage Operations. - Clearance of Port Said Harbour and Northern Section of Suez Canal. - Allied Vessels withdrawn from U.N. Salvage Fleet.

The British Admiralty announced on Dec. 3 that the Suez Canal was blocked throughout its entire length by 51 obstructions, apart from two wrecked bridges south of El Ferdan. [The number of obstructions had not previously been known with exactitude, the British War Office and the Admiralty having at first given a figure of 32, and later of 47, before the final figure of 51.] The vessels scuttled by the Egyptians included tugs, dredgers, barges laden with cement and scrap, salvage vessels, a tank-landing craft, and floating cranes, some of which were totally submerged while others had their upper works above water. As a result, 13 freighters and tankers had been marooned north of the wrecked bridge at El Ferdan and three others south of the bridge, and were thus unable to leave the Canal either by its northern or southern exit. Of the 13 vessels marooned north of El Ferdan, the largest was the 22,000-ton Liberian tanker *Statue of Liberty*, the other 12

vessels—three Italian, two Norwegian, two Liberian, two Panamanian, one Dutch, one Russian, and one Swedish—being between 6,000 and 10,000 tons' displacement.

Prior to the Allied evacuation of Port Said, a joint Anglo-French salvage command for Canal clearance had been set up on Nov. 16 under Rear-Admiral Jean Champion (France), with Captain Podger, R.N., as his deputy. A fleet of 35 British and French salvage vessels, reinforced by two large German salvage ships chartered by the Admiralty, began clearance operations at Port Said on Nov. 23, and had succeeded in clearing a large part of Port Said harbour and one-third of the Canal (the section between Port Said and "Kilometre 35" as mentioned by General Wheeler) before operations were taken over by the U.N. salvage organization.

General Wheeler arrived in Port Said on Dec. 12 for discussions with the British and French authorities about the possibility of incorporating some of the British and French salvage vessels, without their crews, in the U.N. salvage fleet which would take over clearance operations after the Anglo-French withdrawal from Egypt.

At a press conference in Port Said, General Wheeler warmly praised the Anglo-French salvage command for doing "a great job," and said that the British and French had got together "about as fine a [salvage] fleet as could possibly be assembled." According to press correspondents, General Wheeler was said to have remarked that the U.N. could assemble within ten days a salvage fleet comparable to the Anglo-French fleet—a comment, however, which was not officially substantiated.

The remark attributed to General Wheeler was strongly criticized by Lord Hailsham (then First Lord of the Admiralty) during a visit to Port Said on Dec. 14. At a press conference on board H.M.S. *Forth* Lord Hailsham said that his advisers could only "greet with total incredulity" the suggestion that the U.N. could assemble within ten days a salvage fleet comparable to the Anglo-French fleet. Whereas the Anglo-French command already had a large salvage fleet at its disposal, and all the necessary resources, the assembling of a similar U.N. fleet would take "months and months," and it was "nonsense" to suppose otherwise.

In reply to a question in the House of Commons, Mr. R. A. Butler emphasized on Dec. 13 that H.M. Government would in no circumstances agree to the use of British salvage ships without their crews for the clearance of the Suez Canal under the direction of the United Nations. After pointing out that the Foreign Secretary had been in touch with the U.N. and Dr. Hammarskjöld on this matter, Mr. Butler declared that there could be "no question of our ships being used without their crews."

Mr. Selwyn Lloyd declared in the House of Commons on Dec. 17 that a channel through the Suez Canal could be cleared within seven weeks if all Anglo-French and other resources were used. He made the following statement on the Anglo-French discussions with the United Nations on the subject of canal clearance:

"I regret to inform the House that arrangements are not going as well as I had hoped . . . The French and British Governments have offered the whole of their salvage fleet to be used under U.N. auspices, provided the safety of the equipment and crews can be guaranteed. That offer has not yet been accepted.

"It has been suggested that the Anglo-French salvage fleet should be split. First, we have been asked whether we will allow the vessels now engaged in salvage operations in Port Said harbour to continue that work after the withdrawal of our forces. We are prepared to agree to that provided adequate security arrangements can be made for the equipment and crews, and provided the civilian crews are prepared to continue at their work after the withdrawal of Anglo-French forces. That depends on them being satisfied about safe arrangements for their work.

"Secondly, we have been asked whether we will release certain ships now on charter to the Admiralty, particularly two German heavy lifting-vessels. We have said that so far as the Government are concerned, we are prepared to do that. Whether the owners of the vessels will agree is another matter, and precisely the same point will arise about security arrangements for the crews.

"Thirdly, we have further offered six ships to work under the U.N. flag, with U.N. observers on board and with civilian crews, to work south of the area of the Canal previously under Anglo-French control, provided adequate security arrangements can be made and the crews are prepared to continue to serve. That offer has not yet been accepted. It remains open.

"A counter-suggestion has been made that those six vessels should be handed over to the U.N. without their crews, except for three instructors to be left aboard to train new scratch crews of other nationalities in the use of the vessels and their equipment. This in our view is an inefficient and unsatisfactory arrangement. I doubt whether it is practicable.

"So far as the time for clearance is concerned, our estimate is that if all the Anglo-French and other resources are used, a channel can be cleared through the Canal in seven weeks. If no Anglo-French resources are used south of the Port Said area, it would take at least double that time, and probably much more.

"I am sure that the U.N. Secretary-General is acting in the spirit of the understandings which he reached with me. I think it right, however, to put on record that H.M. Government and the French Government, by maintaining their programme of withdrawal without delay, have kept their word. It is for others concerned, both Governments and individuals, to understand that it is essential in the interests of many countries that this matter should be tackled as an emergency operation, and that all available resources of whatever nationality should be used in the most efficient manner. If the period for clearance of the Canal is prolonged, it will have the gravest consequences from the point of view of the economies of many countries of Asia as well as of Europe."

Lord Hailsham announced in London on Dec. 20 that an agreement had been reached between H.M. Government and the United Nations whereby 18 British salvage vessels would remain at Port Said after the Anglo-French evacuation and would continue their efforts to clear the remaining obstructions in the harbour, under the authority of the U.N. salvage organization. The crews of the 18 ships would wear civilian clothes, and the vessels themselves would fly the U.N. flag and would stay at Port Said "until the job is done or until it is indicated that their presence is no longer necessary." To ensure the safety of the vessels and their crews, armed U.N. guards would be posted on each ship and U.N. land forces would patrol one bank of the Canal.

The 18 vessels remaining at Port Said comprised eight Royal Navy ships, eight naval auxiliaries, and the two German vessels on charter – the *Ausdauer* and *Energie*, the biggest salvage vessels of their kind in the world, each with a lifting power of 3,000-4,000 tons as compared with about 1,200 tons in the case of the British salvage ships. A French salvage vessel also remained at Port Said under U.N. authority.

After having completed the clearance of Port Said harbour, the last British vessels at Port Said, together with the French vessel, were withdrawn on Jan. 24, 1957. The two German ships remained behind under charter to the U.N. salvage organization. An Admiralty communiqué, issued on the same day, said that the clearance of Port Said harbour had been "effected with remarkable speed and efficiency" and represented "a unique operation in the history of the Royal Navy." A further Royal Navy statement, issued from Valletta (Malta) on Jan. 25, disclosed that the British salvage fleet had cleared 13 wrecks, totalling nearly 17,000 tons, "in the face of every conceivable form of obstruction and irritation from the Egyptians."

The Admiralty communiqué paid special tribute to the crews of the 18 ships which had remained behind at Port Said. It was pointed out that since the Anglo-French withdrawal these crews had been unable to go ashore and had only very limited amenities aboard their vessels; nevertheless they had carried out their task "with the greatest skill and enthusiasm under difficult conditions, often involving working throughout the night."

In reply to a question by Captain Pilkington (C.), the following statement was made in the House of Commons on Jan. 30 by Mr. Christopher Soames, Parliamentary Secretary to the Admiralty:

"By mid-December the Anglo-French salvage fleet at Port Said consisted of 19 ships, and another 21 were being held in readiness to go to Port Said or Suez. To the best of our knowledge, the U.N. have assembled 17 salvage ships. None of these figures includes tugs. If the Anglo-French salvage fleet had been allowed to proceed with the clearance beyond El Cap from November onwards, the Canal would probably have been cleared for shipping by the middle of this month, certainly by the end of this week. Our salvage fleet has, however, cleared two channels for the largest shipping at Port Said with remarkable speed and efficiency in the face of considerable difficulties. I am sure that all Members will join with me in paying tribute to the magnificent efforts of our salvage forces."

Replying to a further question, Mr. Soames said that so far as was known, there were no technical reasons why General Wheeler's timetable of getting a channel cleared through the whole length of the Canal by the end of March should not be adhered to.

Prior to its final withdrawal, the Anglo-French salvage fleet had cleared the entire northern section of the Canal from Port Said to El Cap (a distance of 23 miles), in addition to clearing the greater part of Port Said harbour. The Anglo-French salvage operations, among the biggest and most intensive of their kind ever undertaken, had succeeded as early as Nov. 25 (i.e. within three weeks of the Allied landings), firstly, in opening Port Said harbour to vessels of 10,000 tons, and secondly, in clearing a channel 180 ft. wide and 25 ft. deep between Port Said and El Cap—an achievement which could have made it possible for the 18 vessels marooned north of El Ferdan to enter the Mediterranean. By the beginning of December this channel had been deepened to 30 ft., while by Dec. 17 a second channel 217 ft. wide and 25 ft. deep had been opened along the eastern bank of the Canal.

As stated above, the 13 vessels stranded in the Canal north of the wrecked El Ferdan bridge could have entered the Mediterranean as early as Nov. 25, owing to the efforts of the Anglo-French salvage fleet in clearing a navigable channel. Permission to leave the Canal, however, was refused by President Nasser, and it was only on Jan. 8 that the 13 ships were able to do so, after being immobilized in the Canal for two months. All the ships were piloted to Port Said by the Egyptian Canal Authority, using the channel cleared by the Anglo-French salvage fleet and successfully skirting a number of wrecks which still remained to be cleared. Originally the vessels were southward bound at the time the Canal was blocked, and they thus had to make a northward "turnabout" for Port Said and the Mediterranean.

The other three vessels which had been trapped in the Canal south of El Ferdan—Liberian and Yugoslav freighters, and a Polish dredger—left the Canal by its southern (Suez) exit on Jan. 28.

United Nations takes over Salvage Operations. - Agreement between U.N. and Egyptian Government.

With the departure of the Anglo-French forces, the U.N. salvage organization was left with the task of clearing that stretch of the Canal between El Cap and Suez—about two-thirds of its length. One of the major obstructions—a 165-ft. steel span of El Ferdan bridge—was removed on Jan. 4-5 by the German salvage vessels, thereby making the Canal navigable from Port Said to Ismailia. On Feb. 1 the *Ausdauer* and *Energie* also removed the 1,400-ton Egyptian tank-landing ship *Akka*—the biggest single obstruction in the Canal.

In a report on the first full month of salvage operations, issued in New York on the same day (Feb. 1), it was stated that more than half the wrecks blocking the Canal had been cleared; that the removal of five more obstructions would make it possible to complete a 25-ft. channel through the Canal able to take vessels up to 10,000 tons; and that the removal of seven more obstructions would allow passage for larger ships.

Dr. Hammarskjöld presented to the U.N. General Assembly on Jan. 11 a report dealing respectively with (1) detailed plans for clearing the Canal under U.N. auspices; (2) an agreement between the U.N. and Egypt on canal clearance; and (3) costs of the clearance operations.

Clearance of Canal. After recapitulating the three-stage plan of canal clearance announced by General Wheeler, the Secretary-General said that "experience in the salvage operation during the first ten days gives every reason for optimism regarding the schedule." He stated that the U.N. salvage fleet "as of January" comprised (*a*) 32 salvage vessels with crews drawn from seven countries outside the conflict—Belgium, Denmark, Germany, Italy, the Netherlands, Sweden, and Yugoslavia; and (*b*) the Anglo-French salvage vessels which would remain "on a scheduled basis for the completion of certain specified work already in hand by these vessels in Port Said harbour"—i.e. the 18 British and one French vessels which had remained at Port Said and were finally withdrawn on Jan. 24.

Dr. Hammarskjöld pointed out that the general management of the salvage operations would be in the hands of the Dutch-Danish consortium; that restoration of the workshops of the Egyptian Canal Authority in Port Said would be undertaken by engineers under the supervision of General Wheeler; that restoration of communications and lighting requirements would be carried out by General Wheeler in conjunction with two U.S. firms, the General Electric Company and the International Telegraph and Telephone Corporation; and that the Egyptian Canal Authority would co-operate in all these projects at all stages.

Agreement with Egyptian Government. This agreement was contained in an exchange of letters (dated Jan. 8) between Dr Hammarskjöld and the Egyptian Foreign Minister, Dr. Fawzi. The Secretary-General's letter was as follows:

"... I am in a position to advise you that the United Nations would be prepared to assist Egypt by undertaking the operations necessary for the speedy clearance of the Canal. The general plans for this assistance would be elaborated in consultation with the Government of Egypt and ... implemented under the instructions of the Secretary-General. The Secretary-General would be authorized by the Government of Egypt to carry out the task as a matter of priority...

"The undertaking would be regarded as a U.N. enterprise, and its personnel would be under obligation to discharge their functions solely in the interests of the United Nations. In keeping with U.N. responsibilities, the [salvage] vessels would fly the flag of the United Nations in place of their national flags. The property and persons engaged in the clearance operation (including the contractors, sub-contractors, and their personnel) would, in view of their U.N. character, be covered by the Convention on Privileges and Immunities of the United Nations, to which Egypt is a party ...

"As the clearance of the Canal has to be completed with the utmost speed, the United Nations, in consultation with the Egyptian Government, will take all measures required in order to avoid unnecessary damage to persons and property. It is understood that the U.N. would not incur responsibility for possible damage to Egyptian ships lying in the Canal from such activities as it considers necessary to speed the clearance of the Canal...

"If the points set forth in this letter are acceptable to the Government of Egypt, this letter and the Egyptian Government's reply will be considered as constituting an agreement between Egypt and the United Nations, effective from the date of the reply."

Dr Fawzi, in reply, expressed his Government's "full agreement on and acceptance of" the terms contained in the Secretary-General's letter. He pledged Egypt's "fullest co-operation and assistance" in the U.N. clearance operations, and said that "the Government of Egypt agrees that your letter and this reply will be considered as constituting an agreement between Egypt and the United Nations."

Costs of Canal Clearance. After recalling the Assembly's resolution of Nov. 26, 1956, Dr. Hammarskjold asked all U.N. members who could do so to assist in providing "interim financing to the extent of not less than $10,000,000." Each member-Government was asked "to indicate ... the measure of assistance it can make in the way of an advance, without prejudice to the nature and extent of its participation in such overall financial settlement as may eventually be agreed upon."

It had earlier been disclosed at U.N. Headquarters (Jan. 3) that Dr. Hammarskjold had approached nine countries—the U.S.A., Norway, Denmark, Sweden, the Netherlands, the German Federal Republic, Italy, Canada, and Australia—for loans to help in financing the initial stages of the canal clearance. The U.S. representative at the U.N. (Mr. Cabot Lodge), announced on the same day that the United States would provide $5,000,000 for this purpose (about £1,785,000). During the following fortnight both the Australian and the German Federal Governments promised loans of $1,000,000 in convertible currency.

British Reply to Egyptian Threat of Discrimination against Anglo-French Shipping.

A broadcast from Cairo Radio on Jan. 6 quoted President Nasser as saying that he would "not allow British and French ships to pass through the Suez Canal so long as Israel does not withdraw from the Gaza strip." Colonel Nasser was also quoted as having said that all ships passing through the Canal in future would be required to pay transit dues directly to the Egyptian Canal Authority.

The British Foreign Office issued a statement on the following day protesting against the statement attributed to President Nasser, and pointing out that the Egyptian Government had given assurances to Dr. Hammarskjold, before the Anglo-French forces left Port Said, that there would be no discrimination against British or French shipping when the Canal was reopened. The Foreign Office statement said:

"The accuracy of this report [i.e. the statement attributed to Colonel Nasser] has not yet been confirmed. If it is correct, it raises issues of the greatest importance. It discloses an intention to discriminate against Great Britain and France on political grounds. Such discrimination would be a breach of the 1888 Convention. It would also be a repudiation of assurances given by the Egyptian Government to the U.N. Secretary-General.

"Before the withdrawal of Anglo-French forces from Port Said, the Foreign Secretary asked the Secretary-General for an assurance that there would be no discrimination against British and French shipping once the Canal was cleared. After communicating with the Egyptian Government, the Secretary-General on Dec. 1, 1956, handed to Sir Pierson Dixon [U.K. representative at the United Nations] the draft of a statement approved by the Egyptian Government.

"This made it plain that there had been no official statement from the Egyptian Government that Egypt was in a state of war with France and the United Kingdom; that there was therefore nothing that should cause the U.K. Government to believe that the Egyptian Government, after the withdrawal of the British and French forces, would interfere with British and French shipping through the Canal; and that there would be no justification for such interference. The Secretary-General ... assured the U.K. Government that this represented also his understanding of the situation."

A spokesman of the British delegation at the U.N. confirmed on Jan. 8 that Britain was prepared to resume negotiations on the Suez Canal dispute at the point at which they were broken off in October. The Egyptian Director-General of Information (Colonel Hatem) stated on the following day that Egypt was ready to negotiate a settlement of the Canal dispute within the framework of the United Nations, but would refuse to negotiate with Britain and France "either directly or indirectly."

The Council of the Suez Canal Users' Association, meeting in London on Jan. 21, adopted a U.S. proposal that it should collect and analyse information "about the economic and transportation changes which have resulted from the closing of the Suez Canal." The Administrator of the S.C.U.A., Hr. Bartels, was entrusted with this study, assisted by experts. (Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Algemeen Handelsblad, Amsterdam - Politiken, Copenhagen - Le Monde, Paris)

(Prev. rep. 15316 A.)

A. UNITED KINGDOM. — Defence Economy Cuts. - New Powers for Minister of Defence. - Sir William Dickson appointed Chief of Staff to Mr. Sandys.

Defence economies were announced by the three Service Ministries and the Ministry of Supply on Jan. 15, as follows:

(1) The War Office announced that the call-up of National Servicemen for part-time training with the Territorial Army or the Army Emergency Reserve (including the Mobile Defence Corps) would be suspended for 1957.

(2) The Air Ministry announced that most units of the Royal Auxiliary Air Force would be disbanded by March 10, including the 20 fighter squadrons, the 5 Air O.P. (observation post) squadrons, the 12 Regiment squadrons (used for the ground defence of airfields), and nine of the 30 Fighter Control and Radar Operating units. All flying and other training in these units had ceased.

(3) The Admiralty announced that the Air Branch of the Royal Naval Volunteer Reserve, consisting of 11 squadrons, would be disbanded by March 10.

(4) The Ministry of Supply announced that its orders for *Hunter* aircraft would be reduced by 100 because of reductions in R.A.F. requirements.

Further details in connexion with these measures were given as follows:

Army. It was stated that the statutory obligation of National Servicemen to perform 60 days' training in their 3½ years' part-time service would not be affected by the decision to suspend part-time training in 1957, and that the annual camps for volunteers in the T.A., the A.E.R., and the Mobile Defence Corps would continue. The number of men affected by the decision was variously given in the Press as 80,000 or 120,000, out of about 350,000 National Servicemen in the Reserve Army who are liable for part-time service.

R.A.F. The Air Ministry stated that it had been decided two years ago that it would not be possible to re-equip the auxiliary fighter squadrons with *Hunter* aircraft (the R.A.F.'s front-line jet fighter); and that, subject to review from time to time, these squadrons, with their *Meteors* and *Vampires*, "should assume the operational role of supplementing the country's defence against forms of air attack other than the high-altitude nuclear threat." Technical development, however, had continually reinforced the view that the main threat to Britain was from high-altitude attack; in consequence, other forms of attack, which might be countered by less advanced types of defence, were less likely to materialize.

Although it had been hoped at one time that selected auxiliary pilots might be trained in *Hunters*, it had not been possible to implement this scheme owing to the need to give priority to the training of Regular pilots. Moreover, the supply of trained pilots for the R.Aux.A.F. was likely to be limited in future by restrictions which it had been necessary to impose on the number of National Service entrants accepted for pilot training. With the growing cost of equipment, it had therefore become clear that the auxiliary fighter squadrons could not be retained, even with their present aircraft, except at the expense of Regular units, which must be regarded as the higher priority. The decision to disband the Air O.P. and Regiment squadrons had been taken on similar grounds.

Members of the disbanded squadrons, it was stated, could transfer if they wished to one of the retained fighter control and radar reporting units, or to the R.A.F. Volunteer Reserve. For officers suitable to be earmarked for specific appointments, there would also be vacancies in the R.Aux.A.F. general list. Furthermore, members of the disbanded squadrons could transfer to the R.Aux.A.F. Reserve (an inactive reserve with no training liability and normally no bounty).

The Air Ministry also stated that it would still be necessary, in order to maintain the efficiency of reserve flights supporting operational stations of the R.A.F., to call up a limited number of R.A.F. National Service reservists for training in those flights during 1957.

The disbanding of the units of the R.Aux.A.F. was expected to result in a saving of £5,500,000 and of 17,000,000 gallons of aviation fuel a year. Among the Royal Auxiliary fighter squadrons to be disbanded are the County of Kent Squadron, based at West Malling, of which Sir Anthony Eden is honorary air commodore; the City of London Squadron, at Biggin Hill, of which the Queen Mother is honorary air commodore; the City of Edinburgh Squadron, at Turnhouse, of which H.M. the Queen is honorary air commodore; and the County of Surrey Squadron, also at Biggin Hill, of which Sir Winston Churchill is honorary air commodore.

Royal Navy. The Admiralty stated that officers and ratings affected by the disbanding of the air branch of the R.N.V.R. could change to other R.N.V.R. activities; alternatively, officers could either go on a separate list pending completion of their obligations, or retire if they had completed 10 years' service. Volunteer ratings could obtain a free discharge, and post-National Service ratings could be discharged on to the lists of the R.N. Special Reserve.

The number of men affected was given as 401 pilots and observers, 300 other officers, and 426 ratings. The anticipated savings were about £1,000,000 a year.

Ministry of Supply. The Ministry described the savings to be achieved through the reduction in orders for *Hunter* fighters as "substantial." No figure was officially given, but it was estimated in the Press that the savings would be of the order of £10,000,000.

It was stated in the Press that the economies resulted from organizational adjustments recommended during Sir Anthony Eden's administration, and were not part of the £100,000,000 savings on the current year's Estimates announced earlier by Mr. Macmillan when he was Chancellor of the Exchequer (see 14977 A).

The commanding officers of four of the 20 auxiliary fighter squadrons to be disbanded Nos. 600 (City of London), 601 (County of London), 604 (County of Middlesex), and 615 (County of Surrey) squadrons - issued a joint statement on Jan. 16 criticizing the Government's decision.

The statement said that "past performance has shown that the auxiliary fighter squadrons can do the job which at present is done by the regular squadrons," and that by disbanding the R.Aux.A.F. squadrons the country was "throwing away an organization whose worth is far greater than its face value, employing people whose time is spent productively five days a week, and two days a week in the service of the Crown." The disbanding meant that Britain would lose over 300 fully-trained fighter pilots, as well as over 2,000 trained ground crew.

The new Prime Minister, Mr. Macmillan, made a statement to the House on Jan. 24 on the powers which would be vested in Mr. Duncan Sandys, the Minister of Defence. He explained that Mr. Sandys would be responsible for (1) "formulating, in the light of present strategic needs, a defence policy which will secure a substantial reduction in expenditure and manpower"; (2) preparing a plan "for reshaping and reorganizing the armed forces"; (3) decisions on "all matters of policy affecting the size, shape, organization and disposal of the armed forces and their equipment and supply, including defence research and development, pay, and conditions of service," subject to consultation with the Cabinet, Treasury, and Defence Committee on matters of finance; and (4) decisions on "any matters of service administration and appointments which, in his opinion, are of special importance."

Mr. Macmillan also announced (*a*) that Mr. Sandys would have a Chief of Staff, responsible to him in that capacity, who would be chairman of the Chiefs of Staff Committee; and (*b*) that Marshal of the R.A.F. Sir William Dickson had been appointed to that post, remaining chairman of the Chiefs of Staff Committee. The corporate responsibility of the Chiefs of Staff as the professional advisers to the Government would remain unchanged.—(Times - Daily Telegraph) **(15216 A.)**

B. UNITED STATES. — Foreign Service. - New Ambassadors to Britain, Italy, India, and Japan.

New U.S. ambassadorial appointments to London, Rome, New Delhi, and Tokio were made by President Eisenhower during November and December, as follows:

Mr. John Hay Whitney (52), a prominent financier and sportsman, and senior partner in the New York firm of J. H. Whitney & Co., was appointed Ambassador to the United Kingdom on Dec. 27 in succession to Mr. Winthrop Aldrich (71), retiring. Educated at Yale and Oxford, Mr. Whitney has extensive interests in the films, theatre, and the Turf, and was the founder of the John Hay Whitney Foundation which has carried out educational programmes in the United States. A close friend of President Eisenhower, he has been a member of Presidential commissions dealing with foreign economic policy, State Department personnel, and educational problems. Mr. Whitney served with the U.S. Army Air Force in Europe during the war.

Mr. James D. Zellerbach, a Californian industrialist, was appointed Ambassador to Italy on Nov. 24 *vice* Mrs. Clare Boothe Luce, who had resigned through ill-health. Mr. Zellerbach, president of the Crown Zellerbach Corporation (manufacturers of paper and pulp products), was head of the Economic Co-operation Administration's mission in Rome in 1948-50, and supervised the Marshall Aid programme for Italy during that period.

Mr. Ellsworth Bunker (62), retiring president of the American Red Cross, became Ambassador to India on Nov. 28 *vice* Mr. John Sherman Cooper, who was elected as a Senator for Kentucky in the recent Congressional elections (see page 15238, first column). Mr. Bunker was Ambassador in Rome and Buenos Aires during the Truman Administration. He was succeeded as president of the American Red Cross by General Alfred M. Gruenther, lately Supreme Allied Commander in Europe (see 15336 A).

Mr. Douglas MacArthur (47), a counsellor at the State Department, was appointed Ambassador to Japan on Dec. 17 in succession to Mr. John M. Allison. He is a nephew of General Douglas MacArthur, U.S. High Commissioner in Japan during the post-war years, and Supreme Allied Commander in the South-West Pacific in the Second World War.

Italy's highest decoration—the Grand Star of the Order of Merit of the Italian Republic—was conferred upon Mrs. Clare Luce by the Italian Government on Dec. 18, this being the first time that the decoration had been conferred on a woman. Mrs. Luce, who had been in ill-health for several months prior to her resignation, had been at the Rome Embassy since 1953. (New York Times - New York Herald Tribune) **(15024 D.)**

A. UNITED KINGDOM. — Liberal Party. - Mr. Grimond succeeds Mr. Clement Davies as Leader of Parliamentary Liberal Party. - The Liberal Assembly.

Mr. Joseph Grimond (43), M.P. for Orkney and Zetland, was unanimously elected leader of the Parliamentary Liberal Party on Nov. 5, 1956, in succession to Mr. Clement Davies (72), who had been party leader in the House of Commons since 1945. Mr. Donald Wade, M.P. for Huddersfield West, was elected Liberal Chief Whip in succession to Mr. Grimond.

Mr. Clement Davies, Q.C., succeeded Lord Thurso (then Sir Archibald Sinclair) as leader of the Parliamentary Liberal Party in 1945, and was made a Privy Counsellor in 1947. A leading parliamentarian, and principal spokesman of the Liberal Party in the House of Commons since the war, he declined an offer by Sir Winston Churchill to enter the Government formed by Sir Winston in 1951 (see page 11794, second column). Mr. Clement Davies has been M.P for Montgomeryshire since 1929.

Mr. Grimond, a son-in-law of Lady Violet Bonham Carter, has been M.P. for Orkney and Zetland since 1950. A barrister, he was educated at Eton and Balliol College, Oxford, served in the Second World War, and later worked with UNRRA, subsequently becoming secretary to the Scottish National Trust.

Mr. Clement Davies had announced his resignation on Sept. 29 (the last day of the annual Liberal Assembly, held at Folkestone on Sept. 27-29) on the ground that it was "time that the tiller was placed in the hands of a younger man and that a new voice should be calling on the ship's company." Without referring to Mr. Grimond directly, he said that he could "fortunately step down knowing that there is a worthy successor waiting." Mr. Davies added that he would continue to represent Montgomeryshire until the next general election.

The principal resolutions adopted at the 1956 Liberal Assembly are summarized below:

Foreign Policy and the Suez Crisis. An Executive resolution on foreign policy, calling for wholehearted Anglo-American co-operation, especially in the Middle East, for economic integration in Western Europe, and for a bolder attitude in the "war of ideas," was adopted after the incorporation of an amendment urging the Government to seek a world-wide ban on hydrogen-bomb tests, and to give an example by postponing the British test planned for 1957.

A further resolution on the Suez Canal dispute was also adopted after amendment. It condemned the action of President Nasser in seizing the Canal, expressed dissatisfaction with the Government's handling of the problem, and called for the Suez Canal—together with other important international waterways—to be placed under United Nations control.

Colonial Policy. The Assembly adopted a motion by Miss N Harvey (Women's Liberal Federation) (*a*) demanding that workers in colonial territories should be free to enter any trade, profession, or branch of Government service regardless of race, sex, religion, or place of birth; (*b*) rejecting an economic caste system based on racial differences; and (*c*) condemning the arbitrary restriction of markets.

Free Trade. The following resolution, passed by a very large majority, was sponsored by the Union of University Liberal Societies and the National League of Young Liberals: "This Assembly, recognizing the urgent need within the Liberal Party for a realistic and well-defined approach to the question of free trade, calls upon the Executive to set up a committee to restate Liberal policy upon this issue in the light of present-day economic demands, with a view to implementing the principles of this policy in conformity with the preamble to the constitution of the Liberal Party organization." [The relevant passage in the Liberal Party constitution lays emphasis on the principle of "Liberty under free trade to buy, sell and produce."]

Monopolies and Restrictive Practices. The Assembly accepted an Executive motion calling for (*a*) the progressive abolition of protective tariffs, regardless of the tariffs imposed by other States; (*b*) re-examination of statutory monopolies in agriculture, with particular emphasis on the need for encouraging voluntary and co-operative marketing schemes; (*c*) an intensified campaign against price rings and other restrictive agreements; (*d*) fuller use of the Monopolies Commission, and postponement of the decision to reduce its size and powers; and (*e*) an attack on restrictive labour practices.

Automation. A resolution was moved by Mr. Grimond calling for the acceleration of automation and for policies to ensure availability of the necessary capital and machinery. It was carried after being amended to include the recommendation of co-ownership and joint consultation as means by which some of the problems created by automation might be solved.

Co-ownership. An Executive motion pledging the party to work for the adoption of co-ownership, and accepting the report of a committee on the subject, was adopted with a small number of dissentients. The report had recommended the encouragement of co-ownership by means of financial incentives, and the deferring of legislation to introduce compulsory co-ownership until other methods of encouraging it had been tried.

A ballot resulted in the election of Mr. Frank Byers, Lord Beveridge, Mr. Oliver Smedley, Lady Violet Bonham Carter, Sir Andrew McFadyean, and Mr. Elliott Dodds as vice-presidents of the Liberal Party for 1956-57.

(Times - Manchester Guardian - News Chronicle)

(Prev. rep. Liberal Party, 15007 B; 14220 C.)

B. BRITISH EAST AFRICA.—Defence. - Control and Administration of East African Forces transferred to East African Governments.

The War Office in London and the East Africa High Commission in Nairobi announced on Jan. 16 that control and administration of the East African forces, which had been vested in the War Office since the outbreak of the Second World War, would be handed back to the East African Governments on July 1, 1957.

The responsibilities of the C.-in-C., East Africa Command (at present Lieut.-General Sir Gerald Lathbury) will not be affected, but he will in future be responsible not to the War Office but to the Governors of Kenya, Uganda, and Tanganyika, as well as to the Governors of Mauritius and the Seychelles and the British Resident in Zanzibar.

It was proposed, for reasons of economy and efficiency, that certain administrative functions connected with stores, rations, pay, and records should be performed on behalf of the three Governments by a section of the Administrator's Office of the East African High Commission. This would require the approval of the legislatures of the three territories, and appropriate resolutions would be submitted to them

The announcement added: "The new arrangement will enable the territorial Governments to assume greater responsibilities for the expenditure on the forces, and will permit of a closer control by each Government of the administrative organization needed for the forces."

The East African forces consist of six battalions of the King's African Rifles, of which four are stationed in Kenya, one in Uganda, and one in Tanganyika, with a company in Mauritius. Their cost has been just under £4,500,000 a year, of which the British Army paid about £1,350,000. This included, however, the cost of certain static units (e.g. signals) which Britain maintains in East Africa and for which the Army will continue to pay. The saving to the British Government from the change will therefore be nearly £1,000,000.

It was pointed out in the Press that although the change-over was a reversion to the pre-war system, there would be one important difference, viz., the existence of a G.H.Q. with a Commander-in-Chief meant that the East African forces would continue to be inter-territorial.

(Times - Daily Telegraph) **(Prev. rep. 13732 C.)**

C. RUMANIA. — Details of Soviet Economic Aid.

Further details of the concessions made by the Soviet Government to Rumania within the framework of the economic co-operation agreement of Dec. 3, 1956 (see 15283 C) were given by the Rumanian Prime Minister, M. Stoica, in a broadcast after his return from Moscow. They were as follows:

(*a*) Because of balance-of-payments difficulties caused by the bad harvest in Rumania, the Soviet Union had accepted a revision of the agreement on the repurchase by Rumania of the joint Soviet-Rumanian companies (see 14628 C; 13801 C), reducing its claim by 4,300,000,000 lei. Rumania would thereby acquire, without payment, the former German properties confiscated by the Soviet Union at the end of the war, which had formed part of the Soviet contribution to the joint companies, and would have to pay only for the equipment and installations supplied by the Soviet Union to these companies after the war. It had also been agreed that payment of the amounts owed by Rumania would be extended over a long period and could be made in lei instead of in foreign currency.

(*b*) The U.S.S.R.. had agreed to supply the Rumanian iron and steel industry in 1957 with an additional 380,000 tons of coke and 570,000 tons of iron ore, as well as a large quantity of steel. In return, Rumania would sell various commodities to the U.S.S.R., particularly oil products, timber products, chemicals, and machinery.

(*c*) Rumania would also export to the U.S.S.R. uranium ore at a price which had been fixed above the world market price. The U.S.S.R. would make metallic uranium available to Rumania to the extent required for peaceful uses of atomic energy by Rumania.

(*d*) The U.S.S.R. would supply, on a long-term credit basis, equipment for the construction in Rumania of five large industrial plants, including plants for the production of nitrogenous fertilizers, synthetic rubber, and plastics. The credit, amounting to 270,000,000 roubles, would be repaid by Rumania through the supply of goods to be manufactured by the new plants over a period of 10 years from the commencement of their operation.

(*e*) The U.S.S.R. had agreed to postpone for four years the repayment of all Soviet loans granted to Rumania during the period 1949-1956.

(*f*) As mentioned in the Moscow communiqué, Rumania would receive 450,000 tons of wheat and 60,000 tons of fodder on loan during the first half of 1957 to make up for the effects of the bad harvest. The loan would be repaid within three years from 1959, either in grain or in other goods agreed between the two countries.

M. Stoica emphasized that the Government would concentrate on the development of agricultural production "now that industry has reached a level at which it can satisfy the most important requirements of Rumania's economy."

(Agerpres, Bucharest) **(Prev. rep. 15283 C.)**

A. BAGHDAD PACT. — Ankara Meeting of Asian Members. - Support for U.S. Middle East Policy.

The Prime Ministers of the four Moslem member-countries of the Baghdad Pact—M. Adnan Menderes (Turkey), General Nuri es-Said (Iraq), Mr. Suhrawardy (Pakistan), and M. Hussein Ala (Persia) - met in Ankara on Jan. 19-20, the meeting being also attended by President Bayar of Turkey, Prince Abdul Illah (the Crown Prince of Iraq), and the Foreign Ministers of Turkey, Iraq, and Persia (M. Ethem Menderes, M. Bashayan, and M. Ardalan respectively).

A communiqué issued at the end of the conference stated that it had "discussed the international situation, and particularly developments in the Middle East since the previous meeting in Baghdad in November 1956." The communiqué continued as follows (cross-headings inserted):

The Middle East Crisis. "The conference noted with satisfaction the complete withdrawal of Anglo-French forces from Egyptian soil in compliance with U.N. resolutions and the recommendations of the conference of the four Baghdad Pact Powers in Teheran, which preceded the U.N. resolutions. They welcomed the resolution passed by the U.N. General Assembly which again calls upon Israel to withdraw all its forces behind the demarcation lines. They believe that the maintenance of peace in this region should be the permanent responsibility of the United Nations. They also advocate an urgent settlement of the Palestine question through the U.N., taking into consideration the Arabs' legitimate rights.

The Suez Canal. "The conference expressed the hope that freedom of navigation in the Suez Canal would be guaranteed in accordance with the 1888 Convention, and without infringing the sovereignty of Egypt. The Canal question should be separated from the national policy of any State.

Combating of Subversive Activities. "After studying the situation in the Middle East in general since the previous conference, the four States have concluded that subversive activities are continuing. These activities aim at undermining the existing regimes and the *status quo* of the region. The four States have agreed to adopt firm measures against this subversive propaganda.

The "Eisenhower Doctrine." "The conferees noted with satisfaction that President Eisenhower's plan for the Middle East is based upon realization of the threat posed by Communist aggression and subversion in the Middle East. They fully support measures included in this plan in its present form, considering that the plan aims at maintaining peace and promoting the economic prosperity of this region. They note with satisfaction that this plan does not aim at establishing spheres of influence, nor does it seek to enslave the people of the Middle East.

The Syrian Oil Pipelines. "The conferees again assert the importance of the Baghdad Pact for the interests of the region and of peace throughout the entire world. They deplore the damage to oil pipelines in Syria, which has harmed the economies of the States concerned and caused many difficulties. They recommend that the pipelines be expeditiously repaired, and deplore the delay to date."

The latest Baghdad Pact meeting was the third to be held within two months without British participation. It was authoritatively reported from Ankara, however, that the four Prime Ministers had agreed that a full meeting of all member-countries, including Britain, should be called, probably in Karachi, within the next two months. Immediately after the meeting Crown Prince Abdul Ilah left for London, where he was expected to give British statesmen an account of the meeting. The Pakistani Foreign Minister (Mr. Firoz Khan Noon) had emphasized on Dec. 7 that Britain was still a member of the Baghdad Pact, and had added: "We want Britain to remain in the pact; we also want America to join."
(Turkish Embassy Press Office, London - Pakistani High Commissioner's Office, London - Times - Daily Telegraph)
(Prev. rep. Baghdad Pact, 15247 C; 15230 A.)

B. UNITED STATES. — "Collier's" Magazine ceases Publication.

Two of the oldest and best-known magazines in the United States—*Collier's* and *Woman's Home Companion*—issued their last numbers on Dec. 20, 1956. *Collier's* had been in existence for 68 years and *Woman's Home Companion* for 88 years.

Mr. Paul C. Smith, president of the Crowell-Collier Publishing Company (which owned both magazines), explained that it had been decided to close them down because they had cost the company $7,500,000 (about £2,700,000) in 1956, thus converting the company's profit on its other publishing activities into a net loss of $2,500,000 on the year. The decision had been taken in spite of the fact that both magazines had established new sales records, each having topped the 4,000,000 mark in the weeks before publication was suspended. Mr. Smith added that *Collier's* title and subscription-list had been taken over by *Look* magazine, also published by the Crowell-Collier company.

Collier's was founded in 1888 by Mr. Peter F. Collier, a salesman and publisher of religious books. Its original title, *Once a Week*, was changed to *Collier's Weekly* in 1895. The magazine changed to fortnightly publication in 1953.
(New York Times - New York Herald Tribune)

C. AUSTRIA. — Death of President Körner.

Dr. Theodor Körner, President of the Austrian Republic, died in Vienna on Jan. 4, aged 83.

Theodor Körner von Siegringen was born at Komorn (Hungary) in 1873, the son of an artillery captain in the Imperial and Royal (*K. und K.*) Austro-Hungarian Army. Entering the Army himself at an early age, he was a lieutenant-colonel at the outbreak of the First World War, took part in the Serbian and Italian campaigns, and in 1917 was Chief of Staff of the Austro-Hungarian forces on the Isonzo front in Italy. He was one of the few officers of aristocratic descent in the *K. und K.* Army to take the oath of loyalty to the new Austrian Republic which came into existence in 1918 after the dissolution of the Dual Monarchy.

After serving as the first Inspector-General of the Republican Army, General Körner retired from active service in 1924 and joined the Socialist Party, renouncing his aristocratic title and dropping the "von" from his name. As the party's principal military expert he helped to organize the Republican Defence Corps, a para-military formation formed by the Socialist Party to combat the right-wing *Heimwehr* organization. He was elected to the *Bundesrat* (the Austrian Upper House) in 1925 for the City of Vienna, and was President (Speaker) of the *Bundesrat* when the Austrian Parliament was dissolved by the Dollfuss-Starhemberg *coup d'état* in 1934. Dr. Körner protested strongly against the unconstitutionality of the Dollfuss regime and was imprisoned for 11 months, being eventually released without having been brought to trial.

Dr. Körner refused several Nazi offers to re-enter military service after the *Anschluss*, living in complete retirement during the Nazi regime and the Second World War. He was arrested by the Gestapo in 1944, together with other Austrian Socialist leaders, but was released within a few weeks. After the liberation of Vienna in 1945 he was nominated by the Socialist Party as Burgomaster of Vienna, his appointment to that post being approved by the Soviet occupation authorities. As Burgomaster from 1945 until 1951, when he became President of the Republic, Dr. Körner played an outstanding part in restoring normal life to the war-shattered capital.

On the death of President Renner in 1951, Dr. Körner was nominated for the Presidency by the Socialist Party and won the presidential election by a narrow margin over Dr. Gleissner, the candidate of the (Catholic) People's Party. President Körner had been in ill-health for many months before his death, and it was understood that he would not have sought re-election when his term of office expired in May 1957.

It was announced in Vienna on Jan. 15 that presidential elections would be held on May 5. The Austrian Chancellor, Dr. Raab, took over the presidential functions *ad interim* until the elections.—(Wiener Zeitung) **(Prev. rep. 11487 A.)**

D. SCIENTIFIC RESEARCH. — Production of Synthetic Petrol claimed by British Inventor.

A Sheffield consulting engineer, Mr. William Harthill, announced on Jan. 11 that he had been given permission by the Ministry of Fuel and Power to start producing synthetic "off-the-ration" petrol made to a secret formula which he had discovered. Mr. Harthill said that the synthetic fuel could be made in quantity from materials easily available in Britain; that it was equivalent to premium grades of petrol; and that he expected to supply "about 30,000 gallons a week at first, and later greatly increase the figure." He stated also that he had been interviewed by representatives of large haulage and transport concerns and was unable to "cope with all the orders that are flowing in." The proprietor of a Sheffield motoring school stated that tests of the fuel had shown its ability "to do anything that ordinary petrol will do."

Mr. Harthill, accompanied by Mr. John Hynd (Labour M.P. for Attercliffe, Sheffield), had previously visited the Ministry of Fuel and Power and given details of his project. It was stated at the Ministry that a letter would shortly be sent to Mr. Harthill giving the Minister's decision on his plan. Mr. Harthill shares the secret of his formula with a metallurgist friend who helped him with the invention, and with his solicitor.—(Times - Daily Telegraph - Manchester Guardian)

E. NORWAY. — Anglo-Norwegian Educational Trust.

The formation of an Anglo-Norwegian Educational Trust to enable selected Norwegian boys to be educated at English public schools was announced in Oslo early in January. The initiative in this direction had been taken in Norway a year earlier, whereby three Norwegian boys had already been sent to English public schools with scholarships from Norwegian sources. Under the new scheme, opportunity for education in England will not, as hitherto, be confined to the sons of well-to-do parents, though the parents will be required to contribute something toward the costs of the boys' education. The chairman of the trust is Mr. Walter Hamilton, Headmaster of Westminster School, the other members including the Norwegian Ambassador in London, Hr. Prebensen.
(Norwegian Embassy Press Office, London)

A. MALTA. — British Acceptance of Round-table Commission Report. - Forthcoming Legislation on Integration. - Settlement of Anglo-Maltese Financial Dispute. - The Rediffusion Incident.

Developments in the Maltese situation since the referendum on the constitutional status of the island (see 14712 A), which showed a majority of votes in favour of integration with the United Kingdom, are summarized below under cross-headings.

British Government's Acceptance of Report of Round-table Conference. - Statement by Mr. Lennox-Boyd.

The British Colonial Secretary (Mr. Lennox-Boyd), in a statement to the House of Commons on March 26, 1956, announced that H.M. Government "unconditionally" accepted the report of the Round-table Conference on Malta (see 14589 A).

After rejecting the idea of a "two-package" arrangement, as had been proposed in the minority report of Mr. Maclay and Mr. Pickthorn, Mr. Lennox-Boyd replied to various objections that had been raised to the integration of Malta with Britain. He disagreed with the view that such integration might become a precedent for other Colonial territories, pointing out that the position of Malta was distinguished, among other things, by the facts that integration would come about of the people's own free will; that the island was geographically close to Britain and had a record of special distinction and association with Britain in two World Wars; and that its economy was very largely dependent on expenditure by British departments, especially the Defence departments.

Reviewing the results of the referendum and the findings of the Round-table Conference, Mr. Lennox-Boyd said that although all parties in Malta wanted the British base on the island to be maintained, they held differing views on the constitutional issue and had shown no disposition to reach a compromise. On the question of economic aid, H.M. Government accepted the proposals contained in the report of the Round-table Conference, but stressed that integration would not commit Britain to provide financial assistance to Malta "in excess of the levels envisaged in the report." As regards apprehensions about the effects of integration on the position of the Roman Catholic Church in Malta, Mr. Lennox-Boyd recalled that both he and the Prime Minister had already given assurances that the rights and position of the Church would be in no way affected by integration. The Imperial Government could not interfere in the relations between the Maltese Government and the Church, and full religious freedom was guaranteed under the present Constitution and would be guaranteed in any new Constitution.

The House "took note" of the report of the Round-table Conference after Mr. Aneurin Bevan, on behalf of the Opposition, had expressed support for the integration proposals. Prior to the debate, the Prime Minister (then Sir Anthony Eden) had had discussions on the future of Malta with Mr. Gaitskell and Mr. James Griffiths (leader and deputy-leader of the Opposition) at 10, Downing Street, after the Opposition had expressed its willingness to co-operate with the Government in finding a satisfactory solution to the Maltese problem.

The Governor of Malta (Major-General Sir Robert Laycock) had visited London from Feb. 23-38, 1956, for discussions with H.M. Government in the light of the referendum results. On his return journey to Valletta he visited the Vatican for talks with Papal officials on the position of the Roman Catholic Church in Malta after the island's eventual integration with the United Kingdom.

Implementation of Round-table Conference Recommendations. - Forthcoming British Legislation.

The British Government's decisions with regard to the further steps to be taken in implementing the recommendations of the Round-table Conference were announced by Sir Anthony Eden in the House of Commons on March 28, 1956. Sir Anthony said: "H.M. Government have decided to proceed with legislation to give effect to the recommendations of the report. The Bill will provide for all the necessary changes involved in carrying the report into effect. However, that part of the Bill relating to the representation of Malta in this House will be brought into operation only if and when the Maltese people have shown their desire for it in a general election following a dissolution of the Maltese Legislative Assembly. The Maltese Prime Minister has said he will request the Governor to grant this."

In reply to questions, Sir Anthony stated that the proposed Bill would pass through all its stages before the next general election in Malta. He gave assurances that the Government would proceed on the basis of the existing Constitution in drafting the Bill, and that they would do everything in their power to obtain full agreement on its provisions from all the Christian denominations in Malta.

Sir Anthony Eden's announcement was warmly welcomed by Mr. Mintoff, the Prime Minister of Malta, who was in London at the time.

Mr. Mintoff said that the British Government's decision had brought to an end a period of uncertainty, and that the people of Malta would "rejoice at the prospect, which was now in sight, of losing their colonial status." Commenting on the future representation of Malta in the Imperial Parliament, Mr. Mintoff said that Maltese members would not be elected to sit at Westminster until there was a general election in Britain. He believed that the main Maltese political parties would align themselves with their British counterparts, and that the Maltese Labour and Nationalist members at Westminster would accept the British Labour and Conservative whips respectively.

Mr. Mintoff also expressed the hope that the controversy between the Maltese Labour Party and the Roman Catholic Church would now be ended in view of the assurances given by Government and Opposition spokesmen in the House of Commons on March 26. A statement issued by the Archbishop of Malta's press office, however, said that there was no change in the Archbishop's attitude, which had the support of the Vatican. [Mr. Mintoff subsequently announced on July 22 that the Archbishop had intimated that he would be satisfied with the guarantees given in the House of Commons debate.]

The Financial Dispute. - Appointment of Economic Commission for Malta. - British Financial Assistance for Maltese Budget.

Mr. Mintoff arrived in London again on June 18, 1956, for talks with the Colonial Office on financial aspects of the integration proposals. The talks broke down on June 21, however, owing to disagreement over the amount of U.K. financial aid for Malta during the financial year 1956-57.

It had been agreed at the Round-table Conference of 1955 that a "clear understanding" should be arrived at between the two Governments on the maximum annual amount of financial aid which might be extended by Britain to Malta during the next few years. The report of the conference also referred to the contribution for the year 1955-56—between £4,000,000 and £5,000,000, which included, in addition to the grant-in-aid, substantial sums from the War Damage and Colonial Development Funds, etc.]

The Colonial Secretary made a statement on his talks with Mr. Mintoff to the House of Commons on June 29, 1956.

Mr. Lennox-Boyd pointed out that the British Government's attitude was based on the recommendations of the Round-table Conference, but the Maltese Government had rejected these recommendations and had asked for their 1956-57 Budget to be considered on its own merits. Analysing the demands made upon the basis of that Budget, the Colonial Secretary said: "While expenditure was to rise by £4,250,000 or nearly 45 per cent over last year, Maltese revenue was to rise by only £250,000, or about 3 per cent over last year. H.M. Government were thus being asked to meet practically the whole of the increased deficit and thus to increase their contribution from £4,250,000 last year to over £8,000,000, or by nearly 90 per cent. H.M Government were prepared to consider granting this year total assistance at the level of £4,000,000, as recommended by the Conference 'for the next few years.' However, the Maltese Government, having at first maintained that they could not modify their proposals in any way, were at the end of the talks prepared to consider a reduction of less than £500,000 in expenditure, with no increase in domestic revenue, leaving H.M. Government's commitment at £7,500,000." Mr. Lennox-Boyd added that Mr. Mintoff had rejected any substantial modification of his proposals as unacceptable, since aid at the level of £5,000,000 would give rise to serious unemployment in Malta.

Outlining the proposals he was making to Mr. Mintoff with a view to resolving the deadlock, Mr. Lennox-Boyd said that in order to allow the Maltese Government to re-phase its expenditure, he had suggested "an arrangement whereby an agreed Budget would be drawn up on a basis of 18 months from April 1956, H.M. Government's contribution being fixed at £7,500,000." At the same time H.M. Government would appoint an Economic Commission "to examine and report upon the issues involved, in the light of the recommendations of the Round-table Conference."

Mr. James Griffiths (Lab.) suggested that the Maltese Government should be allowed to continue at the present rate of expenditure for three months to allow time for consideration, rather than that unemployment should occur in the island. **Mr. Gaitskell** expressed concern lest the integration proposals should fall through as a result of the disagreement, and asked the Colonial Secretary to undertake to negotiate "this very small difference."

Mr. Lennox-Boyd, in reply, stressed that he was anxious to see that the integration plans did not fail, but that it was not "a matter that can be settled by £1,000,000 or so." He added. "The provision for this year would involve larger sums for the next two or three years. I have made what should be regarded as a generous approach in this matter, and I hope the Maltese Prime Minister will make a similar one."

Mr. Mintoff, speaking in the Maltese Parliament on the same day, maintained that the funds he had asked for were the minimum necessary to prevent unemployment, and that the Round-table Conference had imposed no ceiling upon financial aid. On June 30, however, he announced that he had conditionally accepted the Colonial Secretary's new offer and was willing to resume negotiations. On the same day the Governor of Malta gave his assent to an Appropriations Bill which had been presented to the Maltese Parliament on the assumption that the British contribution for the year would be between £6,500,000 and £7,000,000.

Nevertheless, fresh difficulties over the financial arrangements between Britain and Malta arose during August. Addressing the Maltese Labour Party conference on Aug. 12, Mr. Mintoff spoke of an "approaching economic and constitutional crisis in Malta," said that the Maltese Government's available funds would be exhausted by the end of the month, and alleged that "not a halfpenny" of the promised £5,000,000 from Britain had reached Malta.

In a statement issued on Aug. 14 the Maltese Government referred to a "general malaise" in Malta resulting from disputes that had arisen between the British and Maltese Governments. It accused Britain of evading the immediate financial problems, and of taking an excessive time to formulate the terms of reference of the proposed Economic Commission. "The Maltese Government," the statement continued, "is thus going to be placed in a position in which funds will have to be voted by the Legislative Assembly without knowledge of the source from which the money is to come, or whether there will be any source at all." After complaining that no progress had been made by the Colonial Office on the constitutional issue, the statement concluded: "All this accumulation of evidence throws doubt on the British Government's real willingness to steer Malta on the road of integration in the true spirit of the recommendations of the Round-table Conference as endorsed by the House of Commons. In these circumstances the Maltese Government have appealed to the British Prime Minister. They have drawn his attention to the deteriorating state of affairs, and have requested urgent high-level political decisions. It is their hope that this appeal will not be made in vain."

A Colonial Office spokesman, replying to the Maltese Government's charges, stated on Aug. 15 that a total of £2,208,282 had been paid by the U.K. to Malta since April, including a grant-in-aid payment of £1,174,032. There had also been a grant-in-aid payment of £800,000 in March.

On Aug. 17 it was announced by the Colonial Office that H.M. Government was prepared to give immediate financial aid to Malta on receipt from the Maltese Government of a statement of its foreseeable cash needs at the end of the month.

The announcement pointed out that under the existing financial arrangements agreed upon in July, 1955, the Maltese Government had undertaken to provide Britain with quarterly statements of its revenue and expenditure and the level of its cash reserves, but that no such statement had been made in respect of Malta's requested grant-in-aid for the current year.

After receiving the appropriate financial statement, the Colonial Office announced on Aug. 21 that a grant-in-aid payment of £500,000 would be made to the Maltese Government to enable it to meet its immediate cash needs for the next three months.

As a result of further discussions, held in London from Sept. 4-7, 1956 between Mr. Mintoff and officials of the Colonial Office, agreement was reached on the appointment and terms of reference of an Economic Commission to report on financial aid from Britain to Malta. Pending the commission's report, the British Government undertook to make a further interim grant to Malta of £1,000,000.

It was announced on Sept. 7 that the Economic Commission would consist of Sir George Schuster and Sir William Scott, and that its terms of reference would be "to examine the Maltese Government's budgetary proposals for the 18-month period from April 1, 1956, and to make recommendations as to the level of budgetary expenditure during the period and on the budgetary contribution which should be made by the U.K. Government during that period."

Sir George Schuster was Financial Secretary of the Sudan Government (1922-27) and Finance Member of the Viceroy of India's Executive Council (1928-34); in 1950 he had advised the Maltese Government on economic and financial matters. Sir William Scott was formerly head of the Northern Ireland Civil Service.

The Commission arrived in Malta on Sept. 20 and completed its enquiry during the first half of October. Shortly after its return to Britain, Mr. Mintoff visited London from Oct. 17-23 for further talks with the British Government on financial and constitutional problems.

As a result of these discussions, and the interim report of the Economic Commission, Mr. Lennox-Boyd announced on Nov. 5 that H.M. Government had taken the following decisions on further financial aid to Malta:

H.M. Government, Mr Lennox-Boyd stated, accepted the Maltese Budget proposed by the Economic Commission for 1956-57, and had agreed to make available from U.K. funds the amounts necessary to meet the Budget deficit. These amounts would be:—(i) up to £1,731,703 for war damage and reconstruction; (ii) up to £225,000 for emigration; (iii) up to £343,000 from Colonial Development and Welfare funds; (iv) subject to the approval of Parliament, up to £3,361,002 for a grant-in-aid of administration.

H.M. Government had also agreed that the balance of the Consolidated Revenue Fund should be £1,000,000 at the end of 1956-57, and would make such payments, within the amount of grant-in-aid of £3,361,002 recommended by the Economic Commission, as were necessary to maintain the balance at that figure. The Maltese Government, for their part, had agreed to meet from the fund the cost of any recoverable loans to be advanced in 1956-57. They recognized that H.M. Government were not committed by these arrangements to the maintenance of the balance in the fund as a permanent part of their financial arrangements with Malta.

H.M. Government would also be ready to consider a supplementary grant for certain items mentioned by the Economic Commission in their interim report, and of certain other items to which they had subsequently drawn attention. In considering any such changes in the Budget, the cost of which could not be met from savings, H.M. Government would consider themselves free to review the question of the level at which the balance of the Consolidated Revenue Fund was to be maintained at the end of the current financial year.

Mr. Mintoff stated on Feb. 3, 1957, that he intended to visit London in a few days with a delegation to conduct constitutional and economic talks with the British Government. He stated that an amount exceeding Britain's £5,500,000 grant for the financial year expiring on March 31, 1957, would be demanded, and also announced that a commission was in Malta studying the possibilities of retrenchment as well as of further taxation. Mr. Mintoff said that although the British Government had not yet agreed to "economic equivalence" between Malta and Britain, "three-quarters of integration was in the bag." If and when it was granted, as the Malta Labour Party desired, there would be a general election, in which the religious issue would not arise because guarantees would have been embodied in a constitutional instrument before the elections took place.

The Rediffusion Incident.

Some 48,000 subscribers to the radio rediffusion service in Malta were deprived of this service on Aug. 12, 1956, when Mr. Mintoff gave orders for the transmission lines to be put out of action during the course of a dispute with Rediffusion (Malta) Ltd., the British-owned operating company.

The dispute arose as a result of a broadcast made on the orders of the British Government, but without reference to the Maltese Government, directing bathers and fishermen to keep clear of parts of St. Paul's Bay and Marsaxlokk Bay, which were to be used as emergency landing areas for flying-boats in connexion with the evacuation of British women and children from the Canal zone during the Suez crisis. Mr. Mintoff immediately instructed Rediffusion to broadcast a Maltese Government announcement to the effect that the earlier warning had been made without its approval, and that fishermen should ignore it. After consulting the Governor, however, the company broadcast the Maltese statement without the instruction to fishermen to ignore the warning. The Maltese Cabinet thereupon decided in the early hours of Aug. 12 to put Rediffusion out of action from 10 a.m. on that date, and Government workmen were sent to cut the company's cables.

[Under the existing division of powers in the Island between the Maltese and U.K. Governments, the immediate authority for licensing the rediffusion service is vested in the Maltese Government, and broadcasting generally comes within its sphere of responsibility. Nevertheless, in that part of the broadcasting service dealing with matters reserved to the Imperial side of the diarchy (including foreign affairs, defence, civil aviation, and public safety), control of broadcasting rests with the U.K. Government.]

Rediffusion remained out of action until Sept. 4, 1956, when, during Mr. Mintoff's visit to London, the Colonial Office issued a statement announcing that agreement had been reached between the two Governments and Rediffusion (Malta) Ltd. The statement attributed the incident to "a misunderstanding, for which the Company was not responsible, in a complicated situation," and announced that the rediffusion service was being re-established.

Maltese National Insurance Scheme. - Reciprocal Social Insurance Agreement with Britain.

A national insurance scheme, covering all employed persons over the age of 14, came into operation in Malta on May 8, 1956. The scheme covered cash benefits in respect of sickness, unemployment, marriage, widowhood, orphanhood, old age, and industrial injury.

An agreement providing for reciprocal social insurance coverage was signed by the British and Maltese Governments in Valletta on Oct. 26. Under the agreement, a person insured in either country will be entitled to draw benefits in the other under the social insurance legislation in force in both countries. (Times - Daily Telegraph - Manchester Guardian - Observer - Sunday Times) **(Prev. rep. Malta, 14712 A; 14589 A.)**

A. NETHERLANDS. — Emigration in 1956.

Figures recently issued in The Hague showed that 56,000 Netherlands nationals emigrated during 1956, the principal destinations (1955 figures in parentheses) being as follows: Australia, 11,000 (13,000); United States, 9,500 (4,000); Canada, 7,000 (6,500); South Africa, 1,800 (2,800); New Zealand, 1,300 (1,200); Rhodesia, 350 (440); Brazil, 300 (440). (Netherlands News Agency) **(Prev. rep. 13538 E.)**

A. UNITED KINGDOM. — Coal Production in 1956. - Review of Coalmining Industry in Decade since Nationalization.

Provisional figures published by the Ministry of Fuel and Power on Jan. 1, 1957, gave the total output of saleable coal in 1956 as 222,004,000 tons (209,929,600 tons deep-mined and 12,074,400 tons opencast), compared with 221,551,400 tons (210,185,700 tons deep-mined and 11,365,700 tons opencast) in 1955.

The output of saleable mined coal by Divisions in 1956 and 1955 was as follows :

Division	1956	1955
Scottish	21,480,900	22,036,100
Northern	13,692,000	13,483,900
Durham	25,601,500	25,582,200
North-Eastern	43,640,900	43,898,000
North-Western	15,707,800	15,629,800
East Midlands	46,272,500	46,064,200
West Midlands	17,728,200	17,738,500
South-Western	24,119,900	24,226,700
South-Eastern	1,685,900	1,526,300
	209,929,600	210,185,700

The increase of over 450,000 tons in total output, as compared with 1955, was achieved with a smaller labour force, the total number on the colliery books averaging 703,300 in 1956 as compared with a weekly average of 704,200 in 1955. Nearly 1,000,000 fewer tons of coal were lost through disputes than in 1955.

The following table shows the average weekly rates of coal production and consumption, and of manpower, output, and absenteeism in the fourth quarter of 1956 :

	Saleable Mined Coal Produced Tons	Plus Open-cast Tons	Total Pro-duction Tons	Inland Con-sumption Tons	Overseas Shipments & Bunkers* Tons
October ..	4,302,675	258,000	4,561,575	4,196,500	179,750
November	4,438,200	280,225	4,718,425	4,521,250	204,000
December	3,962,325	202,125	4,164,450	4,761,250	201,000
4th Quarter	4,234,400	247,080	4,481,480	4,493,000	194,917

	Wage-earners on colliery books Total	Wage-earners at coal-face	No. of shifts worked per wage-earner	Output per manshift at coal-face Tons	Output per manshift over-all Tons	Per-centage of absentee-ism
October ..	702,050	284,800	4 92	3.337	1.236fi	12.72
November	716,725	284,850	4.99	3.385	1.258	12.32
December	703,150	285,025	5.10	3,394	1.267	11.00
4th Quarter	707,308	284,892	5.00	3.372	1.253	12.01

*Including fishing vessels but excluding coastwise bunkers.

Coal output in the week ended Dec. 15, 1956 (5,063,000 tons) was the highest since December 1937. The previous best weekly output since nationalization (approximately 5,000,000 tons) was achieved in the week ended Dec. 19, 1953.

Other recent developments in the coal industry are summarized below :

Underground Coal Gasification. The National Coal Board announced on Dec. 13 the appointment of Sir Alexander Gibb and Partners as consultants in the development of underground gasification. A contract had been given to Humphreys and Glasgow Ltd., London, for work in connexion with a pilot plant at Newton Spinney (near Chesterfield) which was expected to be delivering gas by the end of 1958 to a 5-megawatt generating plant to be built by the Central Electricity Authority. It was explained that the coal at Newton Spinney was not worth mining by ordinary methods owing to its high ash content.

N.C.B. Quarterly Accounts. The N.C.B.'s accounts for the third quarter of 1956 showed an estimated loss (after allowing for £5,750,000 interest) of £1,226,411, compared with a surplus of £1,678,186 for the previous quarter and a loss of £4,970,682 in the third quarter of 1955.

New Chairman of North-Eastern Division. The N.C.B. announced on Nov. 27 that Mr. W. H. Sales, the Board's industrial relations member, would succeed Major-General Sir Noel Holmes (retiring) as chairman of the N.E. Division on Jan. 31, 1957. It was explained that Mr. Sales (at one time a working miner) would bring "special gifts and experience" to the task of improving labour relations, which —especially in the Yorkshire coalfield—had been "unsatisfactory for a long time."

Yorkshire Miners' "Charter of Conciliation." A "charter of conciliation," providing for Yorkshire colliery disputes (delay in the settlement of which had been a frequent source of unofficial strikes) to be dealt with at pit level in future, was unanimously accepted by the Yorkshire area council of the National Union of Mineworkers on Nov. 26.

The completion of the first 10 years of public ownership of the coalmining industry was marked by the publication by the National Coal Board on Dec. 31 of a booklet bearing the title *British Coal: The Rebirth of an Industry.*

Mr. James Bowman, chairman of the N.C.B., stated in an introduction that without any increase in its labour force the industry now turned out seven tons of coal for every six tons produced in 1946. "The Board," he continued, "was created to take over an industry much of which had for many years been declining in output, in equipment, and in good will. In the 10 years since then the coal industry has been reborn. It is transforming the means by which it does its job and the spirit in which that job is done . . . Coal has provided the nation with the resources to weather the first critical decade of the post-war world. Even in an age of oil and atomic energy, it will continue to be the mainstay of Britain's economic prosperity."

British Coal stated that in 1955 power-loading appliances had handled 23,000,000 tons of coal, compared with only 7,000,000 tons in 1951, and that the 1955 figure would be doubled by 1958. Over 180 major projects, each taking from three to 10 years to complete, had already been begun, and 150 more were planned for the next 10 years. The cost of these projects would range from £250,000 to "many millions" each, and in the next decade the industry's expenditure on such projects and on new plant would average £100,000,000 a year. (Ministry of Fuel and Power - Times - Daily Telegraph)

(Prev. rep. 15233 A.)

B. NORTH VIETNAM. — "Democratization" of Communist Regime. - Changes in Agrarian Policy. - Dismissal of Secretary-General of Communist Party. - Agrarian Riots in Central Annam.

Hanoi Radio gave details on Nov. 2, 1956, of a programme of "democratization" which had been drawn up by the North Vietnamese Government and President Ho Chi-Minh. It included the holding of general elections in 1957; the "development of the democratic organs of the people"; an extension of the powers of the present National Assembly; measures to "ensure respect for the people's democratic rights and to strengthen the bases of democratic legality"; abolition of the "people's courts" set up to carry out agrarian reforms; greater freedom of movement and expression; and the improvement of living conditions through "a more reasonable wage system."

It was officially stated that these reforms had been made necessary by "grave mistakes" in the enforcement of the agrarian reform laws and in the administration of justice. In addition, it was announced that three leading officials who had been largely responsible for the agrarian reform programme had been relieved of their posts—among them M. Truong Chinh, the secretary-general of the Laodong (Communist) party.

President Ho Chi-Minh had previously criticized the implementation of the Government's agrarian policy in a "letter to the peasants" issued on Aug. 17, and had announced that the party and the Government had agreed on a programme of reforms. Under this, persons who had been wrongly classified as "landowners" and "rich peasants" would be reclassified; party members and others who had been unjustly punished would be rehabilitated; special consideration would be shown to landowners who had supported the revolution; and "mistakes" in the land reform policy would be rectified.

Reports published in *Le Monde* (Paris) and *The Times* described some of the excesses which had taken place in the implementation of the land reform programme since the end of 1953. Many peasants who had taken an active part in the fighting against the French had wrongly been classified as "landowners" and had had their land confiscated, while the productive capacity of the redistributed land had often been greatly over-estimated by inexperienced officials, mostly drawn from the army. The "trials" of landlords, at which thousands of peasants had assembled to "judge" one man, had been characterized by a complete lack of procedure, and had usually ended with the accused being shot or even tortured to death.

During the summer and autumn of 1956 Government representatives had undertaken an inquiry into the peasants' grievances and the judgments of the "people's courts," resulting in the release of several hundred imprisoned "landowners" and the arrest of party "cadres" responsible for abuses. Mass meetings of workers in the towns were allowed to express strong criticisms of the activities of the party "cadres," the taxation system, and the food situation, while the Government's attitude toward religious bodies—in particular, toward the French Bishops of Langson and Sontay—assumed a more liberal character during the same period.

Serious disturbances took place from Nov. 11-14, 1956, in the area north of Vinh, in Central Amman. The Communist organ *Nhan Dan* stated that "reactionaries" had "taken advantage of the mistakes committed in the introduction of agrarian reforms in an area populated mainly by Catholics to foment disorders," and had been joined by local troops. A number of people were killed or wounded, including several soldiers, in a clash between rioters and Government troops. The disturbances were regarded as particularly significant because the Vinh area had been under continous Vietminh control since 1945 and had played a leading part in the struggle against French rule. (Le Monde, Paris - Times)

(Prev. rep. 14486 A.)

A. UNITED STATES.—President Eisenhower's State of the Union Message.

President Eisenhower delivered his State of the Union message at the first session of the new (85th) Congress on Jan. 10. The President gave the broad outline of the Administration's domestic and foreign policy, speaking as follows (cross-headings inserted):

America's Role in the World. "I appear before Congress to report on the State of the Union and the relationships of the Union to the other nations of the world. I come here firmly convinced that at no time in the history of the Republic have circumstances more emphatically underscored the need, in all echelons of Government, for vision and wisdom and resolution . . .

"In the world today, the surging and understandable tide of nationalism is marked by widespread revulsion and revolt against tyranny, injustice, inequality, and poverty. As individuals, joined in a common hunger for freedom, men, women, and even children pit their spirit against guns and tanks. On a larger scale, in an ever more persistent search for the self-respect of authentic sovereignty and the economic base on which national independence must rest, peoples sever old ties; seek new alliances; experiment—sometimes dangerously—in their struggle to satisfy these human aspirations . . . This Republic cannot be aloof to these events heralding a new epoch in the affairs of mankind. Our pledged word, our enlightened self-interest, our character as a nation, commit us to a high role in world affairs; a role of vigorous leadership, ready strength, sympathetic understanding.

"The State of the Union, at the opening of the 85th Congress, continues to vindicate the wisdom of the principles on which this Republic is founded. Proclaimed in the Constitution of the nation and in many of our historic documents, and founded in devout religious convictions, these principles enunciate—a vigilant regard for human liberty; a wise concern for human welfare; a ceaseless effort for human progress. Fidelity to these principles, in our relations with other peoples, has won us new friendships and has increased our opportunity for service within the family of nations.

Strength of the American Economy. "At home, the application of these principles to the complex problems of our national life has brought us to an unprecedented peak in our economic prosperity . . . Through the past four years these principles have guided the legislative programmes submitted by the Administration to Congress. As we attempt to apply them to current events, domestic and foreign, we must take into account the complex entity that is the United States of America; what endangers it; what can improve it.

"The visible structure is our American economy itself. After more than a century and a half of constant expansion, it is still rich in a wide variety of natural resources. It is first among nations in its people's mastery of industrial skills. It is productive beyond our own needs of many foodstuffs and industrial products. It is rewarding to all our citizens in opportunity to earn and to advance in self-realization and in self-expression . . .

The Inflationary Danger. "Our economy is strong, expanding, and fundamentally sound. But in any realistic appraisal, even the optimistic analyst will realize that in a prosperous period the principal threat to efficient functioning of a free enterprise system is inflation. We look back on four years of prosperous activities during which prices, the cost of living, have been relatively stable—that is, inflation has been held in check. But it is clear that the danger is always present, particularly if the Government might become profligate in its expenditures, or private groups ignore the possible results on our economy of unwise struggles for immediate gain.

"This danger requires a firm resolution that the Federal Government shall utilize only a prudent share of the nation's resources, that it shall live within its means . . . Through the next four years I shall continue to insist that the Executive departments and agencies of Government search out additional ways to save money and manpower. I urge that Congress be equally watchful in this matter. We pledge the Government's share in guarding the integrity of the dollar. But the Government's efforts cannot be the entire campaign against inflation . . . For success, the Government's efforts must be paralleled by the attitudes and actions of individual citizens. The national interest must take precedence over temporary advantages which may be secured by particular groups at the expense of all the people.

Prices and Wages. "In this regard I urge leaders in business and in labour to think well on their responsibility to the American people. With all the elements of our society, they owe the nation a vigilant guard against the inflationary tendencies that are always at work in a dynamic economy operating at today's high levels. They can powerfully help to counteract or accentuate such tendencies by their wage and price policies.

"Business in its pricing policies should avoid unnecessary price increases, especially at a time like the present when demand in so many areas presses hard on short supplies. A reasonable profit is essential to the new investments that provide more jobs in an expanding economy. But business leaders must, in the national interest, studiously avoid those price rises that are possible only because of vital or unusual needs of the whole nation.

"If our economy is to remain healthy, increases in wages and other labour benefits, negotiated by labour and management, must be reasonably related to improvements in productivity. Such increases are beneficial, for they provide wage-earners with greater purchasing power. Except where necessary to correct obvious injustices, wage increases that outrun productivity are, however, an inflationary factor. They make for higher prices for the public generally, and impose particular hardship on those whose welfare depends on the purchasing power of retirement income and savings . . .

"Freedom has been defined as the opportunity for self-discipline. This designation has a special application to wage and price policy in a free economy. Should we persistently fail to discipline ourselves, eventually there will be increasing pressure of Government to redress the failure. By that process freedom will step by step disappear. No subject on the domestic scene should attract more concern of the friends of American working-men and women and of free business enterprise than the forces that threaten a steady depreciation of the value of our money.

Agriculture. "Concerning developments in another vital sector of our economy—agriculture—I am gratified that the long slide in farm income has been halted, and that further improvement is in prospect. This is heartening progress. Three tools that we have developed—improved surplus disposal, improved price support laws, and the soil bank—are working to reduce price-depressing Government stocks of farm products. Our concern for the well-being of farm families demands that we constantly search for new ways by which they can share more fully in our unprecedented prosperity . . .

Water Conservation. "I would like to make special mention of programmes for making the best uses of water, rapidly becoming our most precious natural resource. There has been prepared and published a comprehensive Water Report developed by a Cabinet committee, and relating to all phases of this particular problem. In the light of this report, there are two things we should keep constantly in mind. The first is that each of our great river valleys should be considered as a whole. Piecemeal operations within each lesser drainage area can be self-defeating or, at the very least, needlessly expensive. The second is that the domestic and industrial demands for water grow far more rapidly than does our population.

"The whole matter of making the best use of each drop of water from the moment it touches our soil until it reaches the oceans, for such purposes as irrigation, flood control, power production, and domestic and industrial uses, clearly demands the closest co-operation and partnership between municipalities, States, and the Federal Government . . . Until such partnership is established on a proper and logical basis of sharing authority, responsibility, and costs, our country will never have both the fully productive use of water that it so obviously needs, and protection against disastrous floods . . .

School Construction. "High priority should be given to the School Construction Bill. This will benefit children of all races throughout the country—and children of all races need schools now. A programme designed to meet emergency needs for more classrooms should be enacted without delay. I am hopeful that this programme can be enacted on its own merits, uncomplicated by provisions dealing with the complex problems of integration. I urge the people in all sections of the country to approach these problems with calm and reason, with mutual understanding and goodwill, and in the American tradition of deep respect for the orderly processes of law and justice.

Civil Rights. "We have much reason to be proud of the progress our people are making in mutual understanding—the chief buttress of human and civil rights. Steadily we are moving closer to the goal of fair and equal treatment of citizens without regard to race or colour. But unhappily much remains to be done. Last year the Administration recommended to Congress a four-point programme to reinforce civil rights. That programme included:

(1) Creation of a bipartisan commission to investigate asserted violation of civil rights and to make recommendations;

(2) Creation of a civil rights division in the Department of Justice in charge of an Assistant Attorney-General;

(3) Enactment by Congress of new laws to aid in the enforcement of voting rights; and

(4) Amendment of the laws so as to permit the Federal Government to seek from the civil courts preventive relief in civil rights cases.

I urge that Congress enact this legislation.

Financial Institutions. "Essential to the stable economic growth we seek is a system of well-adapted and efficient financial institutions. I believe the time has come to conduct a broad national inquiry into the nature, performance and adequacy of our financial system, both in terms of its directive service to the whole economy and in terms of its function as the mechanism through which monetary and credit policy takes effect. I believe Congress should authorize the creation of a Commission of able and qualified citizens to undertake this vital inquiry. Out of their findings and recommendations the Administration would develop and present to Congress any legislative proposals that might be indicated for the purpose of improving our financial machinery . . .

Defence and Security. "The existence of a strongly armed imperialistic dictatorship poses a continuing threat to the free world's, and thus to our own nation's, security and peace. There are certain truths to be remembered here. First, America alone and isolated cannot assure even its own security. We must be joined by the capability and resolution of nations that have proved themselves dependable defenders of freedom. Isolation from them invites war. Our security is also enhanced by the immeasurable interest that joins us with all peoples who believe that peace with justice must be preserved, that wars of aggression are crimes against humanity.

"Another truth is that our survival in today's world requires modern, adequate, dependable military strength. Our nation has made great strides in assuring a modern defence, so armed in new weapons, so deployed, so equipped, that today our security force is the most powerful in our peacetime history. It can punish heavily any enemy who undertakes to attack us. It is a major deterrent to war.

" By our research and development more efficient weapons—some of amazing capabilities—are being constantly created. These vital efforts we shall continue. Yet we must not delude ourselves that safety necessarily increases as expenditures for military research or forces in being go up. Indeed, beyond a wise and reasonable level, which is always changing and is under constant study, money spent on arms may be money wasted on sterile metal or inflated costs, thereby weakening the very security and strength we seek.

" National security requires far more than military power. Economic and moral factors play indispensable roles. Any programme that endangers our economy could defeat us. Any weakening of our national will and resolution, any diminution of the vigour and initiative of our individual citizens, would strike a blow at the heart of our defences.

" The finest military establishment we can produce must work closely in co-operation with the forces of our friends. Our system of regional pacts, developed within the U.N. Charter, serves to increase both our own security and the security of other nations. This system is still a recent introduction on the world scene. Its problems are many and difficult, because it insists on equality among its members and brings into association some nations traditionally divided. Repeatedly in recent months, the collapse of these regional alliances has been predicted. The strains upon them have been at times indeed severe. Despite these strains our regional alliances have proved durable and strong, and dire predictions of their disintegration have proved completely false.

" With other free nations, we should vigorously prosecute measures that will promote mutual strength, prosperity and welfare within the free world. Strength is essentially a product of economic health and social well-being. Consequently, even as we continue our programmes of military assistance, we must emphasize aid to our friends in building more productive economies and in better satisfying the natural demands of their people for progress. Thereby we shall move a long way toward a peaceful world.

World Disarmament. " A sound and safeguarded agreement for ' open skies,' unarmed aerial sentinels, and reduced armament would provide a valuable contribution toward a durable peace in the years ahead. We have been persistent in our efforts to reach such an agreement. We are prepared to make further proposals in the United Nations. We are willing to enter any reliable agreement which would reverse the trend toward ever more devastating nuclear weapons; reciprocally provide against the possibility of surprise attack; mutually control the outer-space missile and satellite development; and make feasible a lower level of armaments and armed forces and an easier burden of military expenditures. Our continuing negotiations in this field are a major part of our quest for a confident peace in this atomic age.

World Trade and Atomic Co-operation. " This quest requires as well a constructive attitude among all the nations of the free world toward expansion of trade and investment, that can give all of us opportunity to work out economic betterment. An essential step in this field is the provision of an administrative agency to ensure the orderly and proper operation of existing arrangements under which multilateral trade is now carried on. To that end I urge Congressional authorization for U.S. membership in the proposed Organization for Trade Co-operation, an action which will speed removal of discrimination against our export trade.

" We welcome the efforts of a number of our European friends to achieve an integrated community to develop a Common Market. We likewise welcome their co-operative effort in the field of atomic energy. To demonstrate once again our unalterable purpose to make of the atom a peaceful servant of humanity, I shortly shall ask Congress to authorize full U.S. participation in the International Atomic Energy Agency.

The U.S. Information Agency. " World events have magnified both the responsibilities and the opportunities of the U.S. Information Agency. Just as, in recent months, the voice of Communism has become more shaken and confused, the voice of truth must be more clearly heard. To enable our Information Agency to cope with these new responsibilities and opportunities, I am asking Congress to increase appreciably the appropriations for this programme, and for legislation establishing a career service for the Agency's overseas Foreign Service Officers.

Refugees and Immigration. " The recent historic events in Hungary demand that all free nations share to the extent of their capabilities in the responsibility of granting asylum to victims of Communist persecution. I request Congress promptly to enact legislation to regularize the status in the U.S.A. of Hungarian refugees brought here as parolees. I shall shortly recommend to Congress changes in our immigration laws that I deem necessary in the light of our world responsibilities.

America and the Middle East. " The cost of peace is something we must face boldly, fearlessly, beyond money. It involves changes in attitudes, the renunciation of old prejudices, even the sacrifice of some seeming self-interest. Only five days ago I expressed to you the grave concern of your Government over the threat of Soviet aggression in the Middle East [i.e. the " Eisenhower doctrine," see 15305 A]. I asked for Congressional authorization to help counter this threat. I say again that this matter is of vital and immediate importance to the nation's and the free world's security and peace. By our proposed programmes in the Middle East, we hope to assist in establishing a climate in which constructive and long-term solutions to basic problems of the area may be sought.

Interdependence of the Free Nations. " From time to time there will be presented to Congress requests for other legislation in the broad field of international affairs. All requests will reflect the steadfast purpose of this Administration to pursue peace based on justice. Although in some cases details will be new, the underlying purpose and objectives will remain the same All proposals made by the Administration in this field are based on the free world's unity. This unity may not be immediately obvious unless we examine link by link the chain of relationships that binds us to every area and every nation. . .

" First of all, no reasonable man will question the absolute need for our American neighbours to be prosperous and secure. Their security and prosperity are inextricably bound to our own. We are already joined with these neighbours by historic pledges.

" Again, no reasonable man will deny that the freedom, prosperity, and security of Western Europe are vital to our own prosperity and security. If the institutions, skills, and manpower of its peoples were to fall under the domination of an aggressive imperialism, the violent change in the balance of world power and in the pattern of world commerce could not be fully compensated for by any American measures, military or economic. But these people, whose economic strength is largely dependent on free and uninterrupted movement of oil from the Middle East, cannot prosper—indeed, their economies would be severely impaired—should that area be controlled by an enemy and the movement of oil be subject to its decisions.

" Next, to the eastward, are Asiatic and Far Eastern peoples, recently returned to independent control of their own affairs or now emerging into sovereign statehood. Their potential strength constitutes new assurance for stability and peace in the world—if they can retain their independence. Should they lose freedom and be dominated by an aggressor, the world-wide effects would imperil the security of the free world.

" In short, the world has so shrunk that all free nations are our neighbours. Without co-operative neighbours, the United States cannot maintain its own security and welfare, because :

(1) America's vital interests are world-wide, embracing both hemispheres and every continent;

(2) We have community of interest with every nation in the free world;

(3) Inter-dependence of interests requires a decent respect for the rights and the peace of all peoples.

" These principles motivate our actions within the United Nations. There, before all the world, by our loyalty to them, by our practice of them, let us strive to set a standard to which all who seek justice and who hunger for peace can rally. May we at home, here at the seat of Government, in all the cities and towns and farmlands of America, support these principles in a personal effort of dedication. Thereby each of us can help establish a secure world order in which opportunity for freedom and justice will be more widespread, and in which the resources now dissipated on armaments of war can be released for the life and growth of all humanity . . . "

In the course of his speech the President said that it was unnecessary for him to " repeat recommendations involving our domestic affairs that have been urged upon Congress during the past four years, but which in some instances did not reach the stage of completely satisfactory legislation." He announced that future messages would be transmitted to Congress, either by himself personally or by the departments or agencies concerned, dealing with fiscal affairs, defence, agriculture, trade policy, labour-management relations, health, education, atomic energy, and other matters.—(U.S. Information Service)

(Prev. rep. 14633 A.)

A. AUSTRALIA. — Committee of Inquiry into Australian Universities.

The Federal Prime Minister, Mr. Menzies, announced on Jan. 21 that the Government had appointed a Committee of Inquiry into the future of the Australian universities, consisting of three Australian members and two British members with experience of university problems.

The three Australian members are Sir Ian Clunies Ross, head of the Commonwealth Scientific and Industrial Research Organization; Mr. Alex Reid, Chancellor of the University of Western Australia; and Mr. Jack Richards, assistant general manager of the Broken Hill Proprietary Co. Ltd., and a former Queensland Rhodes Scholar. The two British members are Sir Keith Murray, chairman of the University Grants Committee in the U.K., and Sir Charles Morris, Vice-Chancellor of the University of Leeds. Sir Keith Murray will act as chairman of the Committee of Inquiry.

The Committee was asked " to indicate ways in which the Universities might be organized so as to ensure that their long-term pattern of development is in the best interests of the nation, and, in particular, to inquire into such matters as : (1) the role of the university in the Australian community; (2) the extension and co-ordination of university facilities; (3) technological education at university level; and (4) the financial needs of universities and appropriate means of providing for these needs."

The inquiry arose out of a request by the Vice-Chancellors of all the Australian universities, who had approached the Government in March 1956 and had asked for the appointment of such a body.—(Australian News and Information Bureau)

A. EASTERN GERMANY - SOVIET UNION. — Political and Economic Co-operation. - Bulganin-Grotewohl Agreement. - Moscow Discussions.

An agreement on political and economic co-operation between the U.S.S.R. and the German Democratic Republic was signed in Moscow on Jan. 7 by the respective Prime Ministers (Marshal Bulganin and Herr Grotewohl) at the conclusion of a two-day meeting between leaders of the two Governments.

Political Agreement.

(1) The two Governments would conclude an agreement on the status of Soviet forces "temporarily stationed on the territory of the German Democratic Republic under existing international treaties." It would deal with questions of jurisdiction in criminal and civil cases, housing, the use of lines of communication, etc.

(2) After exchanging views on "the exercise by the German Democratic Republic of its sovereign rights to its airspace," the two Governments had agreed that "the existing quadripartite agreements on the use of air corridors between Berlin and Western Germany by aircraft of the U.S.A., Britain, and France are of a temporary and restricted nature and do not affect the Democratic Republic's sovereignty over its airspace."

(3) The U.S.S.R. and the German Democratic Republic had also agreed (*a*) to conclude a consular convention; (*b*) to conclude an agreement on legal aid in civil and criminal cases with the aim of protecting "the personal rights and interests of the citizens of both countries; (*c*) to expand the scientific, technical, and cultural co-operation between the two countries; (*d*) to return art treasures, archives, etc., moved from one country to the other during the war and post-war period; (*e*) to settle unclarified questions of citizenship, including measures to reunite families at present separated; (*f*) to improve postal communications between the two countries; and (*g*) to ensure reciprocal care of war graves, monuments, etc.

Economic Agreement.

(1) The U.S.S.R. and Eastern Germany had agreed to a "substantial" increase in the trade between the two countries. In 1957 the U.S.S.R. would accordingly increase the volume of its deliveries to Eastern Germany by 30 per cent as compared with 1956, and would supply increased quantities of metallurgical coke, oil, ferrous metals, timber, other industrial raw materials, and foodstuffs in exchange for East German exports to the U.S.S.R. of machinery and manufactured and household goods.

(2) In addition, the U.S.S.R. would grant the German Democratic Republic during 1957 a credit of 340,000,000 roubles (about £30,000,000) in freely convertible currency "for the purchase of commodities needed by the economy of the Democratic Republic."

(3) Appropriate agreements on these matters would be worked out by the economic agencies of both Governments during the year.

German Reunification.

The joint communiqué said that the two Governments had exchanged views on the German problem and were agreed that "a peaceable democratic solution" of this problem was "of the greatest importance for the future of the German nation and the destinies of Europe." After declaring that "mutual understanding and *rapprochement* between both German States are essential to a solution of the German problem on a peaceful and democratic basis, which must be first and foremost a matter for the Germans themselves," the statement went on:

"The main obstacle to the reunification of Germany as a peace-loving and democratic State is the present political course of the Government of the German Federal Republic—its policy of remilitarization, its participation in the aggressive NATO bloc, and its suppression of democratic rights and freedoms in Western Germany ...

"The introduction of compulsory military service in the Federal Republic, the intensive build-up of armed forces, the appropriation of huge funds for armaments, and the NATO decision to equip the West German Army with atomic weapons, show that the present Federal Government is in no way trying to reach a peaceful solution of the problem of Germany's reunification ...

"Both sides [i.e. the U.S.S.R. and Eastern Germany] take the view that the interests of European security and the national interests of the German people demand that the German Federal Republic should abandon its policy of remilitarizing Western Germany, and that the Democratic Republic and the Federal Republic should reach agreement on questions of an all-German character. This would pave the way to a final solution of the German problem ...

"On the basis of their alliance under the Warsaw Treaty, the German Democratic Republic and the Soviet Union declare that all attempts to use methods of force in the solution of the German question, and all attempts to use hostile methods to undermine the people's democratic order in the Democratic Republic, will be frustrated."

The joint communiqué also contained a lengthy statement on the attitude of the two Governments toward current international problems, including Egypt, Hungary, the new U.S. policy in the Middle East formulated by President Eisenhower, and the question of disarmament.

Egypt. After expressing "satisfaction" that the "resolute resistance of the Egyptian people and the rallying of all peace-loving forces" had "stopped the war of aggression against the Egyptian State," the two Governments expressed their support "both for the demand of the Egyptian Republic for the punishment of those guilty of aggression, and the legitimate claim of the Egyptian people for compensation for the damage caused by the countries that started the war against Egypt."

The "Eisenhower Doctrine." In a violent denunciation of the new U.S. policy in the Middle East, the statement said that the U.S.S.R. and the German Democratic Republic had "noted that U.S. imperialist circles are seeking to take advantage of the weakening of British and French positions in that area in order to impose on the peoples of the Middle East new forms of colonialism and economic and political enslavement in the guise of 'aid.'" The statement went on:

"The so-called 'Eisenhower doctrine' ... is designed to help American monopolists to seize key positions in the economy of the Middle Eastern countries. It also gives the President the right to direct military intervention in the affairs of the Middle Eastern countries through the despatch of American armed forces. We thus have an attempt to justify in advance aggressive actions by the American imperialists designed to reimpose on the Eastern peoples the yoke of colonial oppression ..."

Hungary. The Hungarian uprising was described as "the product of a broad plan conceived by the forces of reaction to destroy the people's government and to restore the Horthyist-Fascist regime." The statement said that the "suppression of the counter-revolution by the healthy democratic forces of Hungary, with the assistance of Soviet troops requested by the Hungarian Revolutionary Workers' and Peasants' Government," had "put an end to White terror and averted the threat of a new springboard of aggression in Europe."

Disarmament. The statement expressed the East German Government's full support for the various disarmament proposals put forward by the U.S.S.R.; recalled the "practical measures in the sphere of disarmament" taken by the U.S.S.R. in reducing its armed forces by 1,840,000 men, and by the German Democratic Republic in restricting its army to 90,000 men and in forgoing compulsory military service; and called for a ban on all nuclear and thermo-nuclear weapons and the immediate prohibition of tests of those weapons. It was stated *inter alia* that the disarmament problem could "be partially solved by establishing a restricted armaments zone in Europe comprising both parts of Germany."

It was announced in Moscow on Jan. 8, after discussions between the First Secretaries of the Soviet and East German Communist parties (M. Khrushchev and Herr Ulbricht), that the two parties were agreed that the world Communist movement should take "joint measures" to counter "attacks by imperialist reaction." In an obvious reference to Yugoslavia, the statement stressed the obligation upon all Communist parties to "rebuff resolutely all attempts to revise the principles of Marxism-Leninism."—(A.D.N. Agency, East Berlin - New York Times) **(Prev. rep. Soviet - East German Agreements, 15267 A; 15087 A.)**

B. AVIATION. — Round-the-World Non-stop Flight in 45 Hours by U.S. Bombers.

Three U.S. heavy jet bombers (B-52 Stratofortresses) landed on Jan. 18 at the March Air Force Base, near Los Angeles, after a non-stop flight round the world in 45 hours 19 minutes, covering 24,325 miles at an average speed of 525 m.p.h. They were refuelled in mid-air during the flight, the number of refuellings not being disclosed.

Five Stratofortresses, all capable of carrying hydrogen bombs, left the Castle Air Force Base near Merced (California) on Jan. 16, one of the machines landing at a U.S. air base in Britain (Brize Norton, Oxfordshire) "as planned" and another landing in Labrador "not as planned"; no reason was given for the Labrador landing, which was believed to have been due to mechanical trouble. The other three machines completed the round-the-world flight in the time stated above, under the command of Major-General Archie J. Old jr., chief of the U.S. 15th Air Force.

The three machines flew from the Castle Air Force base across the U.S.A. to Newfoundland, then across the Atlantic to French Morocco, then over Saudi Arabia, then southward along the coasts of India, Ceylon, and Malaya, over the Philippines and Guam, and thence across the Pacific to California. Off the tip of the Malay peninsula they carried out a mock bombing attack under simulated combat conditions. General Curtis Lemay, C.-in-C. of U.S. Strategic Air Command, said that the flight had shown the Command's "global capability to strike any target on the face of the earth."

The previous record round-the-world flight was in 1949, when a U.S. B-50 Superfortress covered 23,452 miles in 94 hours 1 minute at an average speed of 249 m.p.h., being refuelled four times in mid-air. The B-52 Stratoforts thus cut the previous time by half.

The Boeing-built B-52 is America's first-line heavy bomber. It has a ceiling of 50,000 feet, a top speed of 650 m.p.h., and can carry a bomb-load of 20,000 lb.—(New York Times) **(Prev. rep. 9855 A.)**

FEBRUARY 2—9, 1957

A. MIDDLE EAST. — Israeli Withdrawal from Sinai Peninsula. - Repatriation of Egyptian Prisoners-of-War. - U.N. Emergency Force enters Sinai. - Israel Troops retained in Gaza Strip and Sharm-el-Sheikh Area. - Israeli Request for U.N. Guarantees against Fedayeen Attacks. - Insistence on Freedom of Navigation in Gulf of Akaba. - Declaration by Mr. Ben-Gurion. - Israeli Proposals to U.N. on Gaza Strip and Gulf of Akaba. - Dr. Hammarskjöld's Reports to General Assembly. - U.N. Resolutions for Israeli Withdrawal to Armistice Lines.

Simultaneously with the withdrawal of the British and French forces from Port Said, the Israeli forces began a phased withdrawal from the Sinai peninsula during December, the areas evacuated by Israeli troops being progressively taken over by the U.N. Emergency Force (UNEF) following agreements between the respective U.N. and Israeli commanders, General Burns and General Moshe Dayan. By Jan. 22, 1957, the Israeli forces had completed their withdrawal from the Sinai peninsula except for a strip of coastline on the western shore of the Gulf of Akaba extending from Elath (Eilat), the Israeli port at the head of the gulf, to the Sharm-el-Sheikh area at the entrance to the Gulf, which includes the islands of Tiran and Sanafir. In addition, the Israeli forces continued to occupy the Gaza strip, which had previously been in Egyptian military occupation since the outbreak of the Palestine War in 1948.

The question of Israel's withdrawal to the 1949 armistice lines, as demanded by the U.N. resolutions of Nov. 2 and Nov. 6, 1956, and subsequent resolutions (see below), was, however, linked by the Israeli Government with the fulfilment of two essential conditions on which it continued to insist: (1) that the Egyptians should not be allowed to reimpose a blockade in the Gulf of Akaba, as they had done for the past six years, and that the Gulf should be open to ships of all nations; (2) that the Gaza strip should not be used, as it had been in the past, as a base for Egyptian *fedayeen* attacks against Israel. As stated below, both Mr. Ben-Gurion and the Israeli representative at the U.N. insisted that Israel should receive U.N. guarantees on both these points.

The Gulf of Akaba extends for 100 miles between the Negev and the Red Sea, the coastline on either side being uninhabited desert. The frontiers of Israel, Egypt, Jordan, and Saudi Arabia converge at the head of the Gulf, where there are two ports—Elath and the Jordanian port of Akaba. The entrance to the Gulf is commanded by the two small islands of Tiran and Sanafir, on which the Egyptians had installed garrisons in addition to erecting coastal batteries at two points on the western shore of the Gulf. As a result, Israeli shipping had been prevented from using the Gulf of Akaba, which is Israel's outlet to the Red Sea and the Indian Ocean.

Since November last, when Tiran and Sanafir were captured by Israeli paratroops and the Egyptian gun emplacements destroyed, Israeli cargo vessels had been free to navigate the Gulf of Akaba and to use the port of Elath for the first time for six years. British supply ships to Akaba, Saudi Arabian fishing vessels, and ships of other nationalities had also sailed into and out of the Gulf without hindrance. A 1,400-ton frigate of the Israeli Navy arrived at Elath on Jan. 4 after an 18,000-mile voyage round the Cape.

The Gaza Strip, 30 miles long and seven miles wide, was formerly part of undivided Palestine and has never legally been part of Egypt. Under the U.N. resolution partitioning Palestine into Jewish and Arab States, it was to have formed part of the Palestinian-Arab State envisaged in that resolution. Occupied by the Egyptian Army on the first day of the Palestine War, it remained under Egyptian control under the 1949 armistice agreements, and had had an Egyptian Military Governor until November last, when the territory was captured by Israeli forces and an Israeli Military Governor installed. In addition to its normal population of about 100,000, over 200,000 Palestine Arab refugees have been living in the Gaza strip since 1948, their welfare being a responsibility of the U.N. Relief and Works Agency (UNRWA). The Gaza strip is largely barren and unproductive, only about one-quarter being under cultivation. During recent years it had been a base for many *fedayeen* attacks into Israeli territory, and the scene of frequent clashes between Egyptian and Israeli forces.

Israeli Withdrawal from Sinai. - Evacuation of El Arish. - Repatriation of Egyptian Prisoners-of-War.

By agreement between General Burns and General Dayan, who had six meetings at Lydda (Israel) during December and January, the Israeli forces were withdrawn from Sinai in three stages, phased with the take-over of evacuated areas by the UNEF: (1) in the first stage, ending on Jan. 8, the Israeli Army withdrew to the line Abu Aweigila-El Quseima (running west of El Arish) and thence southward to the tip of the peninsula; (2) in the second stage, ending on Jan. 15, the Israeli forces evacuated El Arish, the capital of Sinai and centre of the Egyptian administration; (3) in the third and final stage, completed on Jan. 22, Israeli forces had withdrawn from the whole of Sinai except for the west coast of the Gulf of Akaba and the Gaza strip. All Egyptian gun emplacements, *fedayeen* bases, and other military installations were destroyed before the occupied areas were evacuated.

El Arish was taken over by Yugoslav troops on Jan. 15, without incident, at a ceremony attended by General Dayan and U.N. officers. Press correspondents reported that the only apparent damage during the 75-day Israeli occupation was the destruction of the Egyptian military barracks, the town being otherwise intact. On the same day the ancient Monastery of St. Catherine, in southern Sinai, was taken over from the Israelis by Indian paratroopers. Contrary to Egyptian allegations that the monastery had been looted during the Israeli occupation, a U.N. mission headed by Unesco officials found the monastery completely undamaged and all its historic records and documents intact. The Archimandrite Christophoros informed U.N. officers and Unesco representatives that the Israelis had left the monastery "in perfect order." [The monastery is believed to have been built by the East Roman Emperor Justinian in honour of St. Catherine of Alexandria.]

The 5,881 Egyptian prisoners-of-war captured by the Israeli Army during the Sinai campaign were repatriated in three batches on Jan. 21, 27, and 31, in exchange for four Israeli prisoners held by the Egyptians. The repatriation was carried out near Rafah through the intermediary of the International Red Cross, in co-operation with the Egyptian Red Crescent and the Israeli Red Shield and under the supervision of U.N. officers. A first group of 27 Egyptian prisoners, all of whom were gravely ill, had been released by Israel on Dec. 4 and were flown from Lydda to Cairo in Italian planes chartered by the International Red Cross.

One of the Egyptian prisoners—Captain Yousef Nada, company commander of an Egyptian infantry regiment, and the son of an Egyptian father and a British mother—refused to be repatriated and asked to be sent to Britain, where he was born. He said that he did not want to return to Egypt because it was "a Fascist State—a dictatorship with power in the hands of a clique of officers who keep the best positions for themselves and their relatives." He was given temporary asylum in Israel.

The four repatriated Israelis said that they had been frequently beaten, tortured, and kept in solitary confinement during their captivity in order to make them disclose military information. Three of the men had been detained by the Egyptians for over a year after being captured in border incidents, while the fourth was an Israeli air officer who had been shot down over Sharm-el-Sheikh—the only Israeli captured in the Sinai campaign.

Dr. Hammarskjöld's Report to General Assembly on Progress of Israeli Withdrawal.

The U.N. Secretary-General, Dr. Hammarskjöld, presented to the General Assembly on Jan. 16 a report on the withdrawal of the Israeli forces and related questions—in particular, the situation in the Gaza strip and the Gulf of Akaba, and the measures which should be taken to avoid raids by either side into the territory of the other. The report is summarized below under cross-headings.

The Israeli Withdrawal from Sinai. After recapitulating the resolutions adopted by the General Assembly on Nov. 2, Nov. 4, Nov. 7, and Nov. 24, and pointing out that the Anglo-French forces had withdrawn from Port Said, "thus achieving full compliance with one aspect of the requirement defined in the four resolutions," Dr. Hammarskjöld gave the following details of the Israeli withdrawal from Sinai:

(1) By Dec. 3, 1956, Israeli forces had withdrawn from the Suez Canal area to a distance of about 50 kilometres eastward; (2) by Jan. 7-8 they had withdrawn to a line roughly following meridian 33 deg. 44 min. [i.e. the Abu Aweigila-El Quseima line]; (3) by Jan. 15 they had withdrawn another 25-30 kilometres eastward, this phase involving the occupation by UNEF of El Arish and the Monastery of St. Catherine; (4) on Jan. 14 the Israeli Government had informed him (*a*) that the entire Sinai desert would be evacuated by Jan. 22 "with the exception of the Sharm-el-Sheikh area—that is, the strip of the western coast of the Gulf of Akaba which ensures freedom of navigation through the Straits of Tiran into the Gulf"; and (*b*) that the Government of Israel was "prepared to enter forthwith into conversations with the Secretary-General in connexion with the evacuation of this strip."

Dr. Hammarskjöld confirmed that the Sinai peninsula had been evacuated except for the Sharm-el-Sheikh area, and said that the U.N. and Israeli Commanders would have a further meeting at which the latter would be asked "to define the precise meaning of the 'Sharm-el-Sheikh area' and 'the strip of the western coast of the Gulf of Akaba.'" Dr. Hammarskjöld added: "The intentions of the Government of Israel concerning . . . the withdrawal of Israeli forces from the Gaza strip have not been made known to the Secretary-General."

The Armistice Lines, the Gaza Strip, and Prevention of Border Raids. The General Assembly's resolution of Nov. 2, Dr. Hammarskjöld continued, had called for action on three specific points in its operative paragraph: (1) all parties had been urged to withdraw their forces promptly behind the armistice lines; (2) the Secretary-General had been asked to "observe and report promptly" on compliance with this resolution; and (3) the parties concerned were urged "to desist from raids across the armistice lines . . . and to observe scrupulously the provisions of the armistice agreements."

After commenting that "the three points in this operative paragraph, while existing simultaneously within the terms of the paragraph, were not linked together conditionally," Dr. Hammarskjöld continued: "The U.N. Emergency Force will on Jan. 22 reach the armistice demarcation line wherever it follows the north-eastern boundary of the Sinai desert. At that stage the last two points of the resolution of Nov. 2 will assume added importance . . . One of these points is the request for full observance of the provisions of the armistice agreements. This request makes it clear that the withdrawal of Israeli forces must be behind the armistice line as established in the Egyptian-Israeli agreement. In this context it is to be noted . . . that the Israeli communication [to the U.N. Secretary-General, referred to above] is silent about withdrawal from the Gaza strip, which, according to the armistice agreement, falls on the Egyptian side of the armistice demarcation line . . .

"The other point mentioned . . . refers to raids across the armistice lines into neighbouring territory. Such raids are prohibited in the armistice agreements . . . [and] . . . the U.N. Truce Supervision Organization (UNTSO), established under those agreements, has as one of its main duties the prevention of incursions and raids. In accordance with the call for scrupulous observance of the armistice agreements, it is for the parties concerned to take all appropriate measures to give UNTSO the necessary support to render it fully effective. It is the primary duty of the U.N. Emergency Force to supervise and enforce the cease-fire to which the parties committed themselves in response to the resolution of Nov. 2. Appropriate liaison should be established between these two U.N. auxiliary organizations . . ."

The Gulf of Akaba. "The communication of Jan. 14 from the Government of Israel . . . indicates that the evacuation of the coastal strip is anticipated, although further discussions with the Secretary-General are suggested. The area referred to and the islands opposite Sharm-el-Sheikh and Tiran are Egyptian territory, or territory under Egyptian jurisdiction on the basis of an agreement with Saudi Arabia. Under the terms of the General Assembly's resolution, the [Israeli] forces should be withdrawn from these territories."

Dr. Hammarskjöld agreed that "the international significance of the Gulf of Akaba may be considered to justify the right of innocent passage through the Straits of Tiran and the Gulf in accordance with the recognized rules of international law." He added, however, that "a discussion of this matter, and its possible relation to the action requested in the General Assembly's resolutions on the Middle East crisis," did not fall within the mandate imposed on him under those resolutions.

Afro-Asian Resolution on Withdrawal to Armistice Lines. - Adoption by General Assembly.

A resolution was presented in the General Assembly on Jan. 17 by 25 countries of the Afro-Asian group which, after taking note of the Secretary-General's report, (1) noted "with regret and concern" the failure of Israel to comply with the various resolutions passed by the General Assembly in November last; and (2) requested Dr. Hammarskjöld "to continue his efforts for securing the complete withdrawal of Israel in pursuance of the above-mentioned resolutions, and to report to the General Assembly within five days."

The resolution was adopted on Jan. 19, after a two-day debate, by 74 votes to two (Israel and France), with two abstentions (Cuba and Costa Rica) and two countries absent (Hungary and South Africa). It was supported by the United States, Great Britain, the Commonwealth countries, nearly all the Latin American countries, and the Communist bloc, in addition to the Afro-Asian group.

Dr. Fawzi (Foreign Minister of Egypt) accused Israel of "contemptuously" ignoring the earlier U.N. resolutions, of seeking to impose conditions for her compliance with those resolutions, and of "picking and choosing" from the resolutions—"taking one piece and leaving another, carrying out one part and throwing other parts overboard." He demanded that Israel should withdraw unconditionally from all territories previously under Egyptian control, and comply fully with all U.N. resolutions on the subject.

Mrs. Golda Meir (Foreign Minister of Israel) emphasized that her Government sought U.N. guarantees, firstly, against any renewal of Egyptian *fedayeen* attacks from the Gaza strip, and secondly, against a reimposition of the Egyptian blockade in the Straits of Tiran and the Gulf of Akaba. After declaring that it was "inconceivable" to the Israeli Government that "the nightmare of the past eight years should be restablished in Gaza with international sanction," Mrs. Meir added: "The mere entry into this area of the U.N. Emergency Force, even with the specific aim of preventing belligerency, would not in itself be a solution, for there is as yet no clarity about the functions of UNEF or the duration of its tenure . . . Shall Egypt be allowed once more to organize murder and sabotage in the strip? Shall she be allowed to condemn the local population to permanent impoverishment, and to block any solution of the refugee problem?"

Mrs. Meir said that Israel hoped shortly to present "detailed plans" whereby peace and stability could be assured to the Gaza area, the economic future of its population assured, and the refugee problem solved in co-operation with the United Nations. "The withdrawal of Israeli military forces from the Gaza strip can well be one of the elements in the arrangements which we envisage," she added.

As regards the Gulf of Akaba, Mrs. Meir stressed that Israel's sole concern was to prevent the reimposition of the Egyptian blockade, and to secure the right of free passage to ships of all nationalities.

Mr. Cabot Lodge (U.S.A.) commended the Afro-Asian resolution as "reasonable and moderate" because it avoided condemnation and recrimination and was focused on the immediate problem. Without referring specifically to the Gaza strip or the Gulf of Akaba, he said that "the areas in question have been major sources of tension in the past," and expressed the opinion that the UNEF "should be so deployed as to be in a position to prevent a recurrence of hostile activities." The U.S.A. felt it important that UNEF should "move in immediately behind the withdrawing Israeli forces to ensure the maintenance of the cease-fire and to safeguard the armistice agreements."

Sir Percy Spender (Australia) urged that Egyptian troops should not "directly or indirectly" reoccupy the Gaza strip and the Gulf of Akaba coastline when Israeli forces withdrew from those areas, since it would create again a situation of "imminent danger." Positions relinquished by the Israelis "must be occupied effectively by the UNEF for as long as is necessary to establish procedures for the settlement of the problems existing in these areas." Israel should comply with the Assembly's resolution, Sir Percy said, "provided it is understood that the UNEF remains as a buffer between the two countries [Israel and Egypt] until a final solution of the problems in this area is determined." After stressing the importance of solving the refugee problem in the Gaza strip, he declared that it was "impossible to envisage that this area could for years to come be permitted to serve as a basis of operations for Egyptian *fedayeen* activities."

Commander Allan Noble (U.K. Minister of State for Foreign Affairs) said that Israel had very serious grievances against Egypt. These grievances, however, did not justify her attack, and "still less has my Government ever considered that Israel was entitled to derive any territorial advantage from her attack on Egypt."

Britain, he continued, had withdrawn her forces from Egypt because she felt confident that the U.N. Emergency Force would be enabled to fulfil all the purposes for which it was created. The General Assembly, for its part, must be prepared to face fundamental issues squarely if there was not to be a return to the tension and instability which had threatened the peace of the Middle East for so many years. The rapid build-up of UNEF had been a remarkable feat of improvisation, and that force, "now clearly an effective body," should be capable of carrying out all the functions entrusted to it by the General Assembly.

By insisting on the withdrawal of Israeli forces, he went on, the U.N. had inevitably assumed responsibility for solving the problems that arose. This made it imperative that UNEF should be so deployed as to prevent a recurrence of attacks by either side against the other. In this connexion the U.K. hoped that Dr. Hammarskjöld would be able to elaborate on the idea, contained in his report, that UNEF might assume the responsibilities hitherto carried out by the Truce Supervision Organization and might be deployed "as a shield to separate the parties at sensitive points."

As regards the Gulf of Akaba and the Straits of Tiran, Commander Noble declared: "H.M. Government would support any acceptable form of internationalization or any other arrangements guaranteeing free passage through the Straits and the Gulf, to which Jordan, no less than Israel, would be entitled."

With regard to the Gaza strip, H.M. Government had already stated unequivocally that Israeli forces should be withdrawn from that area in accordance with the Assembly's resolutions [see Mr. Selwyn Lloyd's speech of Dec. 15 page 15320]. Everyone recognized the need for more permanent arrangements to ensure the maintenance of peace in this sensitive area, and the British Government took the view that the Gaza strip might perhaps come under some form of international administration and control.

Commander Noble concluded: "We are all acutely aware of the need to reopen the Suez Canal to world shipping with the utmost speed, and to restore freedom of navigation in accordance with the Assembly's resolution of Nov. 2. The other outstanding problem of the area is the question of settling the dispute between Israel and the Arab States . . . We will support any settlement that can be obtained through the U.N. or by any other means . . . In approaching this problem, we must recognize that there is widespread suspicion and fear on the part of the Arab States that Israel will in future seek to expand. Any settlement must be such as to remove these suspicions and fears."

Mr. Lester Pearson (Canada) suggested that the UNEF "could be deployed in the area of the demarcation lines from the Mediterranean to the Gulf of Akaba, where it could function to prevent incidents, keep the peace, and secure the cessation of hostilities already brought about by the United Nations." He emphasized that the Gulf of Akaba should be open to ships of all nations; asked that U.N. observers should be stationed in the area to ensure freedom of navigation; and stressed that there must be no return to the conditions which had prevailed during the last eight years.

M. Georges-Picot (France) described the Afro-Asian resolution as "premature," and suggested that Dr. Hammarskjöld should have further discussions with the Egyptian and Israeli Governments. The U.N. should obtain assurances from Egypt that there would in future be no interference with navigation in the Gulf of Akaba, or any renewal of *fedayeen* attacks from the Gaza strip.

Israeli Insistence on U.N. Guarantees for Gaza Strip and Gulf of Akaba. - Declaration by Mr. Ben-Gurion. - Israeli Proposals presented to United Nations.

In a speech to the *Knesset* in Jerusalem on Jan. 23, the Prime Minister of Israel (Mr. David Ben-Gurion) reiterated that Israel would not withdraw from the Gulf of Akaba until guarantees had been obtained whereby freedom of navigation would be assured to Israeli shipping and to vessels of all nations. Israeli forces would be withdrawn from the Gaza strip when similar guarantees had been given against any renewal of *fedayeen* raids, but the Israeli civilian administration should continue to function in the area until satisfactory arrangements for its future had been worked out with the United Nations. In the course of his speech Mr. Ben-Gurion said that Israel was ready to sign a mutual non-aggression treaty with Egypt immediately, as confirmation of her position that she did not consider herself in a state of war with Egypt.

Mr. Ben-Gurion declared that "Israel, perhaps more than any other country, is interested in strengthening the authority of the United Nations to safeguard peace and international justice." He recalled, however, that when, on the very day of her creation in 1948, Israel was attacked by five Arab countries - four of which were members of the U.N.—neither the General Assembly nor the Security Council had "lifted a finger to come to our assistance or even rebuked the aggressors." Since then the Arab States had violated the armistice agreements, ignored U.N. resolutions, and organized boycott, blockade, and guerrilla warfare against Israel with the proclaimed intention of "wiping her off the face of the earth." In the face of the large Communist arms supplies to Egypt, and of the Egyptian-Syrian-Jordanian military pact for the "liquidation" of Israel, Israel had launched her Sinai campaign in self-defence at a time when she was faced with deadly danger. "When a nation's life is in danger, he declared, "its first duty is to act in self-defence. That is what we did."

With reference to the shortcomings of the U.N. Organization, Mr. Ben-Gurion quoted the following comment recently made by M. Spaak, the first President of the U.N. General Assembly and Foreign Minister of Belgium: "In the present U.N. set-up, which is not what its founders wished or hoped for, everything short of war is permitted. Treaties may be violated and promises broken, a nation may be licensed to menace its neighbours—just as long as there is no actual war. The attitude of Egypt during the last few months is a case in point."

Continuing, Mr. Ben-Gurion said that in the U.N. resolutions of Nov. 2 and subsequent dates there was no indication that those parts applicable to Egypt were intended to be carried out, whereas Israel had been under constant pressure to carry out those parts of the resolutions applicable to herself. Israel, which had evacuated 50,000 square kilometres of the Sinai desert the entire area except for the coastal strip on the Gulf of Akaba—was entitled to expect that the U.N Force would refrain from restoring the *status quo* in Sinai: namely, its transformation into a base for aggression against Israel. She was also entitled to expect that freedom of navigation would be ensured in the Gulf of Akaba to all vessels without discrimination, Israeli and Arab alike, and that the Egyptian blockade would not be reimposed.

After emphasizing that the Gaza strip had never been Egyptian territory, and declaring that it had been seized by Egypt in 1948 as "a springboard for aggression against Israel," Mr. Ben-Gurion stressed that there was no intention of maintaining Israeli military forces in the area. He added, however: "For the benefit of the area's inhabitants, Israel must remain in the strip while a suitable relationship is established between the Israeli administration and the United Nations. The administration will maintain the internal security of the strip, will continue to develop self-government, and will ensure public services, health, education, electricity, irrigation, communications, agriculture, trade, and industry. Israel will make all possible and necessary efforts to lift the 60,000 destitute residents of the strip from their present miserable condition and help to secure for them decent conditions of existence and a reasonable standard of life . . .

"The position of the Gaza strip is unique. No U.N. Force, by its very character, could prevent the organization of *Fedayeen* bands by the Egyptian authorities in that area, and their employment in Israeli territory. The entry of a U.N. Force in the strip would result in a deterioration of the security position of Israel settlements along the border of the strip, and everywhere within Israel's limited area."

As regards the Gulf of Akaba, Mr. Ben-Gurion declared that Israeli forces would be withdrawn on the following conditions:

(1) The four countries with coastlines on the Gulf—Egypt, Israel, Jordan, and Saudi Arabia—should conclude an agreement on freedom of navigation.

(2) Pending a final settlement between Egypt and Israel, the U.N. Emergency Force should be stationed at the mouth of the Gulf.

(3) Special arrangements should be made on freedom of navigation for vessels of all nations.

In conclusion, Mr. Ben-Gurion said: "The people of Israel, the oldest of the peoples of the Middle East, which has bequeathed to many nations the foundations of their faith and their spiritual culture, appeals to the conscience of the world that everything should be done to avert the possibility of the outbreak of a new conflict in the Middle East and to secure the establishment of real peace, so that the lands of the Bible, in co-operation with one another, may again become a source of inspiration and blessing to the world."

The *Knesset* approved the Prime Minister's statement by 54 votes to 17, the opposition consisting of 11 members of the *Heruth* (right-wing nationalist) party and the six Communists. Spokesmen of the *Heruth* attacked the Government for not having insisted on a peace settlement with Egypt as a condition for withdrawal from the Sinai peninsula.

The detailed proposals of the Israeli Government, as outlined by Mr. Ben-Gurion, were presented to Dr. Hammarskjold on Jan. 24 by Mr. Eban (Israeli representative at the U.N., and Ambassador in Washington) and were circulated to all U.N. member-countries. They comprised (1) a general statement of Israel's policy; (2) proposals for the Sharm-el-Sheikh area in the Gulf of Akaba; (3) a statement on the functions of the U.N. Emergency Force; and (4) proposals for the future of the Gaza strip.

Statement of Policy.

After commenting that "an international interest" was involved in the Gulf of Akaba question, and that the problem of the Gaza strip was "especially complex," the statement continued

"Israel's approach to these problems is influenced primarily by the policy of belligerency maintained by Egypt for several years. This policy finds expression in the Egyptian doctrine of a 'state of war', in Egypt's refusal to recognize Israel's Charter rights of sovereignty, independence and integrity, and in the organization by Egypt of hostile acts, including raids, armed attacks, and blockade activities in the Suez Canal and the Gulf of Akaba.

"It is clear that Israel's policy toward Egypt must be influenced by Egypt's policy toward Israel, since the duties of member-States toward each other under the Charter are governed by the principle of reciprocity . . On Nov. 4, 1956, and thereafter Israel attempted to clarify whether Egypt intends to maintain a state of war against Israel; whether she agrees to recall *fedayeen* gangs under her control in other territories; whether she will suspend the economic boycott and blockade of Israel-bound shipping in the Suez Canal; and whether she will agree to enter into negotiations with Israel with a view to the establishment of peace. Egypt's lack of response to these questions can only be interpreted as signifying that she intends to maintain her belligerent policy toward Israel on land, sea and in the air.

"This consideration strengthens Israel's concern to ensure that the withdrawal of her forces should not be undertaken in such a manner as to strengthen the serious likelihood of warlike acts against her.

"The position would be radically different if Egypt would agree to a policy of simultaneous liquidation of belligerent acts. Israel is willing at any time to sign a protocol or other instrument for the mutual and simultaneous liquidation of belligerency; or a non-aggression pact.

The Gulf of Akaba.

"(1) The aim [of Israel's policy] is the simultaneous reconciliation of two objectives—the withdrawal of Israeli forces, and the guaranteeing of permanent freedom of navigation by the prevention of belligerent acts against shipping in the Straits of Tiran and the Gulf of Akaba.

"(2) The need for accompanying any withdrawal of Israeli forces by related measures for ensuring free navigation and the prevention of belligerency is dictated by the following considerations:

"(*a*) For six years Egypt has imposed illegal restrictions on the passage of shipping to Elath through the establishment of gun positions at Sharm-el-Sheikh.

"(*b*) If Egypt were to re-establish her gun positions and exercise forcible restrictions on Israel-bound shipping, a grave danger would arise to peace and security. It is axiomatic that the General Assembly cannot intend its resolutions to lead . . . to the restoration of an illegal situation with a consequent eruption of conflict.

"(*c*) Egypt has not taken any steps to comply with the basic decision against belligerency and maritime restrictions adopted by the Security Council on Sept. 1, 1951 [i.e. the Suez Canal resolution]. This fact has a direct effect on Israel's need to be safeguarded against maritime blockade in other waterways.

"(*d*) Many nations have a legitimate interest in freedom of navigation in the Gulf of Akaba, and in the recent discussion of the General Assembly there was a wide consensus of opinion in favour of establishing suitable measures forthwith for ensuring freedom of navigation.

"(*e*) The deprivations suffered in the past, and still being suffered by many nations, including Israel, through Egypt's refusal to comply with her international obligations in the Suez Canal, make it imperative to ensure that the blockade is never restored in the Gulf of Akaba.

"(3) Egyptian compliance with the Security Council's decision of Sept. 1, 1951, has legal and chronological priority over Israel's duty to fulfil recommendations in which Egypt has an interest. Accordingly, Israel formally requests the Secretary-General to ascertain Egypt's intentions with respect to the 1951 resolution of the Security Council.

"(4) Many delegations in the General Assembly raised the possibility that UNEF might be so deployed as to contribute to a solution of this problem. Some delegations invited the Secretary-General to make proposals in this connexion.

" (5) The Government of Israel considers that UNEF could be a factor in the solution of this problem if the following arrangements were confirmed and implemented :

(*a*) On the withdrawal of Israeli forces, the positions evacuated along the western coast of the Gulf of Akaba would be held by the UNEF.

(*b*) It would be the function of UNEF to see that freedom of navigation was maintained and belligerent acts avoided in the Gulf of Akaba and the Straits of Tiran. The prevention of acts of belligerency is definitely within UNEF's mandate.

(*c*) UNEF would remain in the area so long as it has as its function the prevention of any renewal of hostilities.

(*d*) In view of the above considerations, UNEF would maintain its position along the western shore of the Gulf until another effective means was agreed upon between the parties concerned for ensuring permanent freedom of navigation and the absence of belligerent acts in the Straits of Tiran and the Gulf of Akaba.

(*e*) Such effective means would be deemed to have been found when a peace settlement was achieved, or when secure freedom of navigation was guaranteed by other international instruments to which Israel was a party."

Functions of the U.N. Emergency Force.

" (1) All the elements in the above proposals (the withdrawal of forces ; the need to guarantee free navigation ; the assignment of UNEF with the function of preventing belligerency ; and the need to secure compliance with the Security Council's resolution of Sept. 1, 1951) were advocated by many delegations in the recent General Assembly debate.

" (2) It is evident that if UNEF is to develop its capacity to help solve this problem, more clarity and precision are needed in defining its character, its functions, and, above all, the duration of its tenure and the conditions for the termination of its assignments. The need for such precision is the more urgent in view of the fact that many delegations, including those whose troops compose the Force, have expressed conflicting views on the functions and nature of the Force."

The Gaza Strip.

" Israel's approach to this question comprises the following considerations :

" (1) The Egyptian occupation of Gaza arose out of acts of force committed in 1948 during an attempt to overthrow a recommendation of the General Assembly, and in defiance of successive cease-fire resolutions by the Security Council.

" (2) The area has never been part of Egypt and its inhabitants are not Egyptian citizens.

" (3) During eight years of occupation Egypt has used the Gaza strip solely as a springboard for assaults against Israel. The *fedayeen* movement had its main centres and recruiting grounds in Gaza. As a result, Gaza was a source of constant threats to peace and tranquillity over a large part of Israel's territory.

" (4) During the occupation Egypt made no attempt to rehabilitate any of Gaza's refugee population, or to develop the political freedom or economic welfare of the permanent residents of the zone.

" (5) At the present time law and order prevail in Gaza. Its municipal institutions and public utilities are soundly established. Autonomous local government is being developed, and numerous economic advantages accrue to the zone from the association of its economic life with that of Israel.

" (6) Israel does not seek to annex Gaza or to maintain its military forces there. On the other hand, Israel is the only State which has a direct interest in a peaceful, orderly, and prosperous Gaza strip.

" In the light of these considerations, Israel offers the following programme for study and comment :

" (*a*) No Israeli military forces will remain in the Gaza strip.

" (*b*) Israel will continue to supply administrative services, including agriculture, education, health, industry, and labour welfare.

" (*c*) Law and order will be maintained by the Israel Police (including local police).

" (*d*) Israel will continue to make available, and to develop, public utilities such as electricity and water.

" (*e*) Israel will continue to develop local administration in towns and villages.

" (*f*) Israel will support the development of means of livelihood for the local population of about 80,000, two-thirds of whom were unemployed under Egyptian administration.

" (*g*) The necessary functions of security and administration are all covered by the above proposals. An international military force would not be able to undertake effectively the police duties necessary to prevent a recrudescence of *fedayeen* activities. Nor would such a force be in a position to carry out measures of administration and of economic development for the civilian population. For these reasons the entry of UNEF into the Gaza area is not envisaged under this plan.

" (*h*) Israel will continue to co-operate with the U.N. Relief and Works Agency in connexion with the care and maintenance of the refugees.

" (*i*) Israel will make full contribution toward any U.N. plan for the permanent settlement of the refugees.

(*j*) In connection with the above matters, Israel is ready to work out with the United Nations a suitable relationship with respect to the Gaza strip."

Dr. Hammarskjöld's Second Report. - Insistance on Israeli Withdrawal from Gaza and Gulf of Akaba.

The U.N. Secretary-General, who had had separate discussions on Jan. 20 with Mr. Eban and Dr. Fawzi, issued a second report to the General Assembly on Jan. 25, after the expiration of the five-day time limit set by the General Assembly for Israeli compliance with the resolution adopted on Jan. 19.

In this report, an 11-page document of highly legalistic character, Dr. Hammarskjöld rejected, by implication, Israel's request for guarantees in the Gaza strip and the Gulf of Akaba, and stressed that the armistice agreements must remain in force until a peaceful settlement of the Arab-Israel dispute. Basing his arguments on the continued validity of these agreements, he stressed that their provisions should be scrupulously observed by both sides and that the respective military forces had the obligation to withdraw to the armistice lines. Reiterating his previously expressed view that UNEF could only operate with the consent of the State in which it was stationed, he declared that the widening of UNEF's responsibilities to the Gaza strip would " have to be based on agreement with Egypt." Dr. Hammarskjöld envisaged the possibility of U.N. troops or observers being stationed on the Gulf of Akaba after the Israeli withdrawal " to maintain quiet in the area," but said that UNEF should not be used " to prejudge the solution of the controversial questions involved."

The first section of the report laid emphasis on two points : " (1) The United Nations cannot condone a change of the *status juris* resulting from military action contrary to the Charter. The Organization must therefore maintain that the *status juris* existing prior to such military action be re-established by a withdrawal of troops. (2) The use of military force by the U.N., other than that under Chapter VII of the Charter, requires the consent of the States in which the force is to operate . . . It must, furthermore, be impartial, in the sense that it does not serve as a means to force a settlement, in the interests of one party, of political conflicts or legal issues recognized as controversial."

The report then discussed the situation in the Gaza strip and the Gulf of Akaba, as summarized below :

The Gaza Strip.

" In considering the situation in Gaza, it should be taken into account that the Egyptian-Israeli Armistice Agreement provides that the armistice line is not to be construed . . . as a political or territorial boundary, and is delineated without prejudice to the rights, claims and positions of either party as regards the ultimate settlement of the Palestine question. It goes on to say that ' the basic purpose of the armistice line is to delineate the line beyond which the armed forces of the respective parties shall not move . . . '

" Although the armistice line thus does not create any new rights for the parties on either side, it resulted in a *de facto* situation by leaving the ' control ' of the territory in the hands of the Government, the military forces of which were there in accordance with the stipulations of the armistice. Control in this case obviously must be considered as including administration and security . . . It follows that the *de facto* administrative situation created under the armistice . . . can be legally changed only through settlement between the parties.

" The armistice agreement was signed by both parties and remains in force until a peaceful settlement between them is achieved. It was approved by the Security Council. Whatever arrangements the U.N. may wish to make in order to further progress toward peaceful conditions, the agreement must be fully respected by it. Thus the U.N. cannot recognize a change of the *de facto* situation created under the agreement unless the change is brought about through settlement between the parties. Nor, of course, can it lend its assistance to the maintenance of a *de facto* situation contrary to the one created by the armistice agreement.

" These considerations exclude the U.N. from accepting Israeli control over the area, even if it were of a non-military character. They would also exclude the deployment of the UNEF in the absence of Israeli troops, if such arrangements as those proposed by the Government of Israel were to be implemented.

" Deployment of the UNEF in Gaza, under the resolutions of the General Assembly, would have to be on the same basis as its deployment along the armistice line in the Sinai peninsula. Any broader function for it in that area, in view of the terms of the armistice agreement, would require the consent of Egypt. A widening of U.N. administrative responsibilities in the area, beyond its responsibilities for the refugees, would likewise have to be based on agreement with Egypt . . . Therefore, although the U.N. General Assembly would be entitled to recommend the establishment of a U.N. administration and to request negotiations to implement such an arrangement, it would lack authority . . . unilaterally to require compliance.

" The first Article of the armistice agreement provides that no aggressive action by the armed forces of either party shall be undertaken, planned or threatened against the people or armed forces of the other. It establishes the right of each party to security and to freedom from fear of attack by the armed forces of the other. This

Article assimilates the armistice agreement to a non-aggression pact providing for mutual and full abstention from belligerent acts. A restoration of relations between the parties, more stable than those now prevailing, can therefore be based on a reaffirmation of this Article . . .

" The provisions [of the armistice agreement] have been undermined progressively by the developments in recent years, and at the beginning of the crisis were not being fulfilled There is universal recognition that this state of affairs should not be permitted to return. Renewed full implementation of the armistice agreement obviously presumes such an attitude on the part of the Governments concerned, and such supporting measures as would guarantee a return to the state of affairs envisaged in the agreement . . .

" Whatever the state of non-compliance with the armistice agreement before the crisis, it would seem apparent that a by-passing of that agreement now would seriously impede efforts to lay the foundation for progress toward solutions of pending problems. A return to full implementation of the agreement would be a valuable step toward reduction of tension and the establishment of peaceful conditions in the region . . .

" The UNEF is deployed at the dividing line between the forces of Israel and Egypt. The General Assembly concurred in the Secretary-General's [earlier] report (see above) which specifically referred to the deployment of the force on only one side of the armistice line. On this basis, the force would have units in the Gaza area as well as opposite El Auja. With the demilitarization of the El Auja zone in accordance with the armistice agreement, it might be indicated that the force should have units stationed also on the Israel side of the armistice line, at least in that zone.

" Such deployment, which would require a new decision by the General Assembly, would have the advantage that the force would be in a position to assume the supervisory duties of the U.N. Truce Supervision Organization in all the territory where that organization now functions . . . In both Gaza and El Auja the functions of UNTSO and UNEF would somewhat overlap if such an arrangement were not to be made. As an arrangement of this kind was not foreseen by the armistice agreement, it obviously would require the consent of the two parties to the agreement . . . "

In conclusion, Dr. Hammarskjöld said that UNEF and UNTSO should co-operate in preventing raids and incursions and should seek formal assurances from the two parties to the dispute. He added that he had received an assurance from Dr. Fawzi that " the Government of Egypt desires that all raids and incursions across the armistice line, in both directions, be brought to an end."

The Gulf of Akaba.

" In connexion with the question of Israel's withdrawal from the Sharm-el-Sheikh area, attention has been directed to the situation in the Gulf of Akaba and the Straits of Tiran. This matter is . . . not directly related to the present crisis. The concern evinced about it, however, calls for consideration of the legal aspects of the matter as a problem in its own right . . .

" As stated in the previous report [i.e. Dr. Hammarskjöld's report of Jan. 16—see above] the international significance of the Gulf of Akaba may be considered to justify the right of innocent passage through the Straits of Tiran and the Gulf in accordance with recognized rules of international law. However, in its commentary to Article 17 of the Articles of the Law of the Sea, the International Law Commission reserved consideration of the question: What would be the legal position of straits forming part of the territorial sea of one or more States and constituting the sole means of access to the port of another State? This description applies to the Gulf of Akaba and the Straits of Tiran. A legal controversy exists as to the extent of the right of innocent passage through these waters.

" Under these circumstances . . . whatever rights there may be in relation to the Gulf and the Straits should be exercised with restraint on all sides. Any possible claims of belligerent rights should take into account the international interests involved and therefore, if asserted, should be limited to clearly non-controversial situations.

" The Security Council, in its resolution of Sept. 1, 1951 concerning the passage of international shipping through the Suez Canal, considered that 'since the [Palestine] armistice . . . is of permanent character, neither party can reasonably assert that it actively is a belligerent or requires to exercise the right of visit, search and seizure for any legitimate purpose of self-defence'—a basis on which the Council called upon Egypt to terminate the restrictions on the passage of shipping through the Canal. This finding of the Security Council has a direct bearing on the question under consideration. It remains valid and warrants corresponding conclusions as long as the assumptions defined by the Council remain correct . . ."

Given the observance of the armistice agreement by both sides (Dr. Hammarskjöld continued), " possible claims to rights of belligerency would at least be so much in doubt that, having regard for the general international interests at stake, no such claim should be exercised in the Gulf of Akaba and the Straits of Tiran. Such a *de facto* position, if taken, obviously would be part of efforts to re-establish as complete an armistice regime as possible, and, as such, would be detached from the policy of implementation of the unconditional General Assembly request for withdrawal behind the armistice lines . . .

" Israel troops, on their withdrawal from the Sharm-el-Sheikh area, would be followed by the UNEF in the same way as in other parts of Sinai. The duties of the Force in respect of the cease-fire and the withdrawal will determine its movements. However, if it is recognized that there is need for such an arrangement, it may be agreed that units of the Force (or special representatives as observers) would assist in maintaining quiet in the area beyond what follows from this general principle . . . The UNEF should not be used so as to prejudge the solution of the controversial questions involved . . . "

Dr. Hammarskjold's report gave rise to intense disappointment in Israel, where a Foreign Ministry spokesman described it as " a masterpiece of obscurity . . . remarkable no less for what it ignores than for some of the theories put forward."

Mr. Ben-Gurion, in a press statement on Jan. 28, said that the emphasis in the report " seems to be on legal formalism, associated with a past of Egyptian violence, bloodshed, and blockade, rather than on proposals which would promote peace in the area by preventing Egyptian aggression." The Israeli Government was " gravely disappointed " that the Secretary-General's report had " ignored the basic problem of Egypt's claim that she is entitled, contrary to the U.N. Charter, to maintain a state of war against Israel, and her desire to restore a state of affairs in which she can resume her murder of Israel's citizens and her blockade of Israel shipping."

Further U.N. Resolutions for Israeli Withdrawal to Armistice Lines.

The General Assembly held a further debate on the Middle East situation, extending over four days (Jan. 28-29 and Feb. 2-3), at the end of which it passed two more resolutions, each of which was sponsored jointly by Brazil, Colombia, India, Indonesia, Norway, the U.S.A., and Yugoslavia.

(1) The first resolution, after recalling the earlier Assembly resolutions of Nov. 2, Nov. 4, Nov. 6, Nov. 24, 1956, and Jan. 19, 1957:

(*a*) Deplored " the non-compliance of Israel to complete its withdrawal behind the armistice demarcation lines despite the repeated requests of the General Assembly ";

(*b*) Called upon Israel " to complete its withdrawal behind the armistice demarcation lines without further delay."

The resolution—the sixth of its kind passed by the General Assembly since the outbreak of the Middle East crisis—was adopted by 72 votes against two (France and Israel), with the Netherlands and Luxemburg abstaining.

(2) The second resolution, after taking note of the Secretary-General's report of Jan. 25:

(*a*) Recognized that " withdrawal by Israel must be followed by action which would assure progress toward the creation of peaceful conditions," and " noted with appreciation " the Secretary-General's report " and the measures therein to be carried out upon Israel's complete withdrawal ";

(*b*) Called upon Egypt and Israel " scrupulously to observe the provisions of the 1949 armistice agreement."

(*c*) Declared that " after the full withdrawal of Israel from the Sharm-el-Sheikh and Gaza areas, the scrupulous maintenance of the armistice agreement requires the placing of the U.N. Emergency Force on the Egyptian-Israeli armistice demarcation line and the implementation of other measures as proposed in the Secretary-General's report, with due regard to the considerations set out therein with a view to . . . the maintenance of peaceful conditions in the area ";

(*d*) Requested the Secretary-General, " in consultation with the parties concerned, to take steps to carry out these measures and to report, as appropriate, to the General Assembly."

The resolution was adopted by 56 votes to nil, with 22 abstentions—France, Israel, the Netherlands, all the 11 Arab countries, and eight of the nine Communist countries (Hungary being absent).

The Assembly's debate was opened by a number of spokesmen of the Arab countries, most of the speeches being marked by comparative restraint—although **Mr. Mahgoub** (Sudan) called upon all U.N. members to condemn Israel, and if possible to " discard " her.

Mr. Cabot Lodge (U.S.A.) called upon the Assembly to give " decisive " support to Dr. Hammarskjöld's recommendations, and said that the U.S. Government " strongly supported " the Secretary-General's proposal for the deployment of UNEF on both sides of the armistice lines, " particularly with regard to the sensitive positions in the Gaza and El Auja sectors." Israel should withdraw her forces to the 1949 armistice lines " without further delay," and when this was done " the UNEF should move in behind the withdrawing Israeli forces to assure the maintenance of the cease-fire and to safeguard the armistice agreement." Mr. Lodge said that it was " essential " that UNEF units should be stationed at the Straits of Tiran, but made it clear that the specific assurances asked by Israel could only be considered after the complete withdrawal of all Israeli forces behind the armistice lines.

Mr. Kuznetsov (U.S.S.R.) asserted that the UNEF had been created " in violation of the Charter," and said that its stationing in the Gaza strip and the Sharm-el-Sheikh area would convert it into a " permanent army of occupation " designed to " exert pressure on Egypt." Denouncing the " Eisenhower doctrine " for the Middle East, he declared that the U.N. was confronted with a new plan aimed at substituting " one colonial domination by another."

Mr. Lester Pearson (Canada) said that Dr. Hammarskjöld had made reasonable suggestions which could point the way to a solution of the present deadlock after the withdrawal of Israeli troops. He urged that Israel's withdrawal to the armistice lines should be followed by immediate steps leading to the creation of peaceful conditions in the area: in particular, (1) both sides should undertake to refrain from all hostile activities and to observe the armistice agreements scrupulously; (2) the UNEF should be deployed on both sides of the armistice line in the Gaza strip so as to prevent raids and incursions. Mr. Pearson also urged that the legal position in the Gulf of Akaba should be clarified, that Egypt should in the meantime give full guarantees that she would not interfere with freedom of shipping, and that UNEF troops should be stationed in the area to ensure peaceful conditions.

Commander Noble (U.K.) reiterated the British view that UNEF should act as a "shield" between Egypt and Israel. A return to the armistice regime should not involve the assertion of any belligerent rights by either side, a provision which should apply to the Gulf of Akaba and the Straits of Tiran.

Dr. Fawzi (Egypt) stated the position of his Government as follows: (1) Israel must withdraw immediately behind the armistice lines; (2) UNEF should then take up positions "exclusively" on both sides of these lines; (3) the entry of UNEF was subject to the consent of Egypt; (4) UNEF was in Egypt "not as an occupying force, not as a replacement for the invaders, not to resolve any questions relating to freedom of passage through the Suez Canal or through territorial waters, not to infringe Egyptian sovereignty, but for the sole purpose of giving expression to the determination of the United Nations to put an end to the aggression against Egypt."

Mr. Eban (Israel) stressed that there could be no return to the conditions of the past eight years; that belligerency must be renounced by both sides; that there should be no recrudescence of *fedayeen* raids or of the blockade in the Gulf of Akaba; and that Egypt and Israel should move forward "by direct contacts" toward "new relations of permanent peace."

Mr. Cabot Lodge (U.S.A.) reiterated that Israel must withdraw "forthwith," and said that he could "not predict the consequences" if Israel failed to comply with the resolution.

It was understood that Canada had declined to join the sponsors of the second resolution (all of whom, except the U.S.A., were countries contributing troops to the UNEF) because of its "studiedly vague" wording. Mr. Lester Pearson told the Assembly on Feb. 2 that Canada had "doubts" about the wording of the resolution in its present form, and would have preferred "more precise" language. He insisted, *inter alia*, that neither Egypt nor Israel should claim any belligerent rights, and that there should be no interference with freedom of navigation in the Gulf of Akaba.

Israeli Request for U. N. Assurances against Renewal of Egyptian Blockade. - Government of Israel maintains Position on Gulf of Akaba and Gaza Strip.

After a meeting of the Israeli Cabinet on Feb. 3, it was announced that Israel continued to adhere firmly to her position with regard to the Gaza strip and the Gulf of Akaba, as outlined by Mr. Ben-Gurion and communicated to the United Nations. It was further announced on Feb. 6 that Mr. Eban had had discussions with Dr. Hammarskjöld and had submitted to him:

(1) A declaration that Israel would "co-operate with U.N. efforts designed to establish peace in the Middle East based on the principles of the U.N. Charter."

(2) A request to the Secretary-General to ask the Egyptian Government whether it agreed to "the mutual and full abstention from belligerent acts by land, sea and air on the withdrawal of Israeli troops."

(3) A reference to the Sharm-el-Sheikh area "and the related question of measures designed to prevent interference with free navigation in the Straits of Tiran and the Gulf of Akaba."

The Director-General of the Israeli Foreign Ministry (Mr. Walter Eytan), in a press statement on Feb. 8, emphasized (*a*) that Israel would not withdraw her forces from the western shore of the Gulf of Akaba without effective assurances of free navigation, and (*b*) that she would not hand over control of the administration in the Gaza strip. He intimated that Mr. Ben-Gurion had informed President Eisenhower of Israel's stand in reply to a letter sent by the U.S. President on Feb. 3. [No details were given of President Eisenhower's letter, but it was understood to have urged compliance by Israel with the General Assembly's resolutions.] Mr. Eytan added, however, that the situation would change "radically, automatically, and immediately" if Egypt responded satisfactorily to the Israeli request that she should agree to "mutual and full abstention from belligerency."

Mr. Eytan pointed out that without a positive declaration from Egypt to this effect, the security of Israel would continue to be endangered; in such circumstances Israel dared not shift from the stand she had taken in respect of the Gulf of Akaba and the Gaza strip. Meanwhile, Dr. Hammarskjöld had been asked to define the arrangements he thought it possible to make for the permanent stationing of U.N. forces along the Gulf of Akaba if Israel should withdraw her forces from that area.

As regards Gaza, Israel would withdraw her military forces from the area if it were agreed that the administration of the strip should remain in Israeli hands. "Some form of suitable relationship" with the U.N. could be worked out, but it should not be allowed to hamper the exercise of full administrative authority by Israel. Mr. Eytan reiterated that the stationing of the U.N. Emergency Force in the Gaza area was unacceptable to Israel.

Mr. Eytan said that the Government had not ruled out the possibility that sanctions might be imposed against Israel by the U.N., and had borne this possibility in mind when formulating its present policy. He added: "We cannot be guided by double standards applied by the United Nations which result in one set of judgments in respect of Egypt and another in respect of Israel." (U.N. Information Centre, London - Times - Daily Telegraph - Manchester Guardian - New York Times)
(Prev. rep. Middle East, 15341 A; 15316 A.)

A. UNITED KINGDOM. — Gold and Dollar Reserves in January 1957. - Sterling reaches Dollar Parity Level.

The Treasury announced on Feb. 4 that the sterling area's gold and dollar reserves fell by $40,000,000 during January after taking into account (*a*) $4,000,0000 received in U.S. defence aid, (*b*) $17,000,000 paid to E.P.U. in part settlement of the December deficit, and (*c*) $3,000,000 paid to creditor countries in E.P.U. under bilateral settlements. As a result, the gold and dollar reserves stood at $2,084,000,000 on Jan. 31, compared with $2,133,000,000 on December 31, 1956 and $2,140,000,000 on January 31, 1956.

It was pointed out in the press that the main reason for the fall in the reserves during January had been the considerable dollar expenditure on oil, which had not been met by drawing on the $500,000,000 credit extended to Britain by the U.S. Export-Import Bank.

Provisional figures for the E.P.U. January settlement showed that after a series of deficits starting in June, 1956, Britain had a surplus of £9,000,000.

For the first time since June 25, 1956, the sterling spot rate against the U.S. dollar passed the parity level of $2.80 on Jan. 22. After a slight decline on succeeding days, it reached parity again on Feb. 4.—(Treasury Press Office - Financial Times)
(Prev. rep. 15307 A.)

B. GERMANY. — Berlin. - Western Allies' Protest against Militia Parade in East Berlin.

The French, British, and U.S. Commandants in West Berlin issued a joint statement on Jan. 25 protesting against an armed Communist demonstration held in East Berlin on Jan. 20. During this demonstration over 10,000 armed factory workers organized into militia squads had marched in procession through the Eastern sector of the city in connexion with ceremonies commemorating the death in 1919 of the Communist leaders Wilhelm Liebknecht and Rosa Luxemburg.

The Allied statement reiterated that the whole of Berlin was still governed by rules drawn up by the four occupation Powers; that under these rules armed demonstrations were banned and "inconsistent with the special status of the city"; and that such demonstrations created "dangers for the city's security." The statement referred to two similar protests made by the Western allies during 1956. (New York Herald Tribune)
(Prev. rep. 14701 A.)

C. MONACO. — Birth of Princess Caroline.

A daughter was born on Jan. 23 to Prince Rainier and Princess Grace of Monaco, and was named Caroline Louise Marguerite. The infant princess is heir-presumptive to the throne of Monaco.—(Le Monde, Paris) **(Prev. rep. 14830 B.)**

Corrigendum. It was incorrectly stated in the footnote to 14830 B that the Principality of Monaco would pass under French sovereignty if the House of Grimaldi were to die out without male issue. This eventuality would only occur, however, if there were no heir to the throne of Monaco, either male or female. As stated above, the infant princess is heir-presumptive, but if a son should be born to Prince Rainier and Princess Grace he would become heir-apparent.
(Ed. K.C.A.)

D. YUGOSLAVIA. — Rejection of Appeal by M. Djilas against Three-year Sentence of Imprisonment.

The Supreme Court of Serbia rejected on Jan. 27 an appeal lodged by M. Milovan Djilas, the former Vice-President of Yugoslavia, against his conviction on Dec. 12, 1956, to three years' imprisonment on charges of conducting anti-State propaganda.—(Tanjug Agency, Belgrade) **(15273 B.)**

A. UNITED STATES. — Administration's Civil Rights Programme. - Progress of Racial Desegregation in Schools and Universities. - Protest Declaration by Southern Congressmen. - Counter-measures by Southern States. - Riots in Kentucky and Tennessee. - Segregation on Buses declared Illegal by Supreme Court.

The U.S. Attorney-General, Mr. Herbert Brownell, submitted to Congress on April 9, 1956, two draft Bills providing for (*a*) the establishment of a bipartisan commission on civil rights; (*b*) the appointment of an additional Assistant Attorney-General to direct the Government's legal activities in this field; (*c*) the creation of a new civil rights section in the Department of Justice; (*d*) the strengthening of the law against intimidation of voters; (*e*) powers for the Attorney-General to take legal action against conspiracies to interfere with civil rights.

The Bill for the establishment of a Civil Rights Commission provided that it should consist of six members appointed by the President with the Senate's consent, of whom not more than three should belong to the same political party. The commission would (1) "investigate allegations that certain citizens of the United States are being deprived of their right to vote or are being subjected to unwarranted economic pressures by reason of their colour, race, religion, or national origin"; (2) "study and collect information concerning economic, social, and legal developments constituting a denial of equal protection of the laws under the Constitution"; (3) "appraise the laws and policies of the Federal Government with respect to equal protection of the laws under the Constitution"; and (4) submit its final report within two years of its establishment. It would be empowered to subpoena witnesses and to demand the production of written evidence.

In his accompanying letter to Congress, Mr. Brownell pointed out that the civil rights section of the Justice Department was one of a number of sections within the criminal division, and proposed that in view of the "broadening legal activity in the civil rights field" it should become a separate section under the direction of an Assistant Attorney-General. The existing civil voting Statute, which was limited to deprivation of voting rights by State officers or other persons purporting to act under authority of law, should be amended in order to (1) "prevent anyone from threatening, intimidating, or coercing an individual in the exercise of his right to vote"; (2) authorize the Attorney-General to bring civil proceedings in any case covered by the Statute; and (3) eliminate the requirement that all State administrative and judicial remedies must be exhausted before access could be had to the Federal courts. Finally, Mr. Brownell proposed that, whereas at present conspiracies interfering with certain rights could be redressed only by a civil suit by the injured individual, the Attorney-General should be authorized to initiate civil action in such cases.

The Judiciary Committee of the House of Representatives approved the Administration's proposals on April 25, 1956.

Seven southern members of the committee (six Democrats and one Republican) issued a minority report on May 21 condemning the proposals on the grounds that they would permit the Federal Government to "invade" State and local governments in matters involving segregation and elections, and would constitute "a constant threat to any State or local government and to virtually every officer and agent of such governments." A statement denouncing the proposals as "a flagrant violation of States' rights" which would lead to "a further concentration of power in the Federal Government" and to "deterioration of the good will and harmonious relations existing between the races" was subsequently issued on July 13 by 83 Southern members of the House of Representatives (79 Democrats and four Republicans).

The Bill was passed by the House of Representatives on July 23, 1956, the voting being 279 to 126. Those supporting the Bill comprised 168 Republicans and 111 Democrats, while the opposition consisted of 102 Democrats (mostly from the Southern States) and 24 Republicans (five from the Southern States and 19 from 12 States north of the "Mason-Dixon line"). In the Senate the Bill was referred to the Judiciary Committee headed by Senator Eastland (a Democratic senator for Mississippi, and an opponent of the Civil Rights programme), but because of lack of time to deal with it before the adjournment of Congress, Senator Knowland informed President Eisenhower on July 25 that it would not be possible to get the Bill through. In consequence the measure lapsed.

Segregation in Education.

The process of abolition of racial segregation in public, elementary and secondary schools continued to make varying progress during 1956. Eight of the southern States—Alabama, Florida, Georgia, Louisiana, Mississippi, North and South Carolina, and Virginia—maintained their policy of complete segregation, and in all these States the Legislatures adopted measures during 1954-56 to circumvent the Supreme Court's ruling on the subject by abolishing the public school system and subsidizing private schools, or by means of "pupil assignment" schemes. In the nine other States where segregation had previously been compulsory—Arkansas, Delaware, Kentucky, Maryland, Missouri, Oklahoma, Tennessee, Texas, and West Virginia—the process of integration continued, although its speed varied from State to State. In Kentucky, Tennessee, and Texas the abolition of segregation at the beginning of 1956 led to riots and demonstrations in a number of towns.

In the field of higher education, only Florida, Georgia, Mississippi, and South Carolina continued to enforce complete segregation in State-supported colleges, although the Supreme Court issued two decisions against segregation.

(*a*) After considering an appeal from a lower court's order directing the University of North Carolina to admit three Negro students, the Supreme Court affirmed on March 5, 1956, that its ruling against segregation in public schools applied to institutions of higher education supported by public funds (*b*) On March 12, 1956, the Supreme Court reversed a decision of the Florida Supreme Court and ordered the University of Florida to admit a Negro student immediately.

A declaration condemning the Supreme Court's ruling of May 17, 1954 (see 13593 A) was issued on March 11, 1956, by 19 Senators and 77 members of the House of Representatives from 11 Southern States, who pledged themselves to resist it by "all lawful means."

Describing the Supreme Court's ruling as "clear abuse of judicial power," the declaration pointed out that the Fourteenth Amendment, on which the ruling was based, did not mention education, that the Congress which proposed the amendment had provided for segregated schools in the District of Columbia, and that "every one of the 26 States that had any substantial racial differences among its people either approved the operation of segregated schools already in existence or subsequently established such schools by action of the same law-making body which considered the Fourteenth Amendment." As the Supreme Court had admitted, the doctrine that "separate but equal" schools did not violate a constitutional guarantee of equality had apparently originated in 1849 in the northern State of Massachusetts, and had been followed by other northern States. In 1896 the Supreme Court had expressly declared that under the Fourteenth Amendment no person was denied any of his rights if the States provided separate but equal public facilities, and in 1927 the Court had unanimously reaffirmed this, with express reference to the public schools. In conclusion, the signatories pledged themselves to "use all lawful means to bring about a reversal of this decision," but appealed to the people of the southern States to "scrupulously refrain from disorder and lawless acts."

The declaration was signed by Congressmen from Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North and South Carolina, Tennessee, Texas, and Virginia, including all the Senators from those States except Senator Lyndon Johnson of Texas (Democratic leader in the Senate) and the two Senators for Tennessee—Senators Kefauver and Gore. All the signatories were Democrats except Representatives Broyhill and Poff of Virginia.

Developments in the individual States on the question of educational segregation are described below.

Alabama. The Birmingham Federal District Court ordered the University of Alabama on Feb. 29, 1956, to reinstate Miss Lucy, the first Negro admitted to the university, who had been suspended on Feb. 6 (see 14690 A); an appeal by the University against the order was dismissed by the Supreme Court on May 14. Miss Lucy, however, had meanwhile been expelled on Feb. 29 on the ground that she had made "baseless allegations" against the university authorities.

The trustees of the University, on March 12, also expelled a student who had acted as chairman of the local White Citizens' Council for making "outrageous public attacks" on them, and suspended other students for their part in the rioting occasioned by Miss Lucy's admission to the University.

Arkansas. Following the abolition of segregation in schools in the small town of Hoxie in July 1955, a boycott of the schools was organized by segregationist groups, whereupon an injunction against such activities was issued on Jan. 9, 1956, by the Federal District Court. When the segregationist organizations appealed against the injunction, the Department of Justice filed a brief with the Federal Appeal Court as a "friend of the court" on Aug. 24, accusing the segregationists of using intimidation to "force the school board to disobey the law." This was the first case in which the Federal Government had directly intervened to ensure enforcement of the Supreme Court's decision.

Georgia. The State Senate adopted on Feb. 13, 1956, a resolution declaring the Supreme Court's decision "null, void, and of no effect." The resolution had previously been passed by the Georgia House of Representatives.

Kentucky. Hostile demonstrations broke out at the town of Sturgis on Sept. 4, 1956, when nine Negro children were admitted to the local high school for the first time, National Guards having to be called in to maintain order. Similar incidents occurred at the nearby town of Clay. The State Attorney-General, Mr J. M. Ferguson, ruled on Sept. 13 that a local school board had to take action on integration before Negroes could be admitted, with the result that at both Sturgis and Clay the school boards voted to return to segregation. A suit was subsequently filed with the Federal Court on the Negro children's behalf by the National Association for the Advancement of Coloured People (N.A.A.C.P.). A boycott of schools in Henderson County, organized by the White Citizens' Council as a protest against integration, ended on Sept. 28 after Mr. Ferguson had ruled that its organizers could be prosecuted for conspiracy. In Louisville mixed classes were introduced on Sept. 10 without opposition, and in the State as a whole more than half the schools had been integrated by September.

Louisiana. The New Orleans Federal District Court ruled on Feb. 15, 1956, that State laws passed in 1954 enforcing segregation were invalid, and ordered the integration of the New Orleans schools "with all deliberate speed." An appeal by the Orleans Parish School Board was rejected by the Supreme Court on May 28. The State Legislature, however, unanimously adopted on May 29 a resolution declaring that the Supreme Court's ruling of 1954 "violates the Constitution of the United States and of Louisiana," and was therefore null and void. A Bill permitting the dismissal of teachers who advocated the abolition of segregation was unanimously adopted by the Louisiana House of Representatives on June 17, 1956.

Archbishop Rummell of New Orleans denounced segregation on Feb. 19, 1956, in a pastoral letter read in all Roman Catholic churches in the diocese. Roman Catholic spokesmen subsequently stated that all Catholic schools in the State would be integrated, and Catholic members of the State Legislature were warned that any of them supporting legislation to enforce segregation in Catholic and other private schools would be excommunicated. About one-third of the population of Louisiana are Catholics, over one-third of the children in New Orleans attending Catholic schools.

North Carolina. An advisory committee on education, appointed by the Governor in June 1955, issued its report on April 6, 1956. While accepting the Supreme Court's decision as binding, it recommended (*a*) that local school boards should decide what school each child should attend on the basis of the child's welfare, and (*b*) that the State Assembly should adopt legislation authorizing financial grants to non-sectarian private schools and the suspension of public education in any community which so decided by popular vote.

Ohio. The Supreme Court rejected on April 2, 1956, an appeal by the Hillsboro school board against an order of the Cincinnati Federal District Court ordering the immediate integration of Hillsboro elementary schools.

Tennessee. In accordance with a court order issued on Jan. 4, 1956, 12 Negro pupils were admitted on Aug. 27 to Clinton High School, the first public secondary school in the State to be integrated. Although there was no immediate reaction, serious rioting broke out within the next few days under the leadership of an agitator from Washington, who was sentenced on Aug. 31 to a year's imprisonment. The same evening (Aug. 31) a mob stoned cars driven by Negroes, and on the following day armed National Guards were sent to the town to restore order. A request by the Tennessee Federation of Constitutional Government (a segregationist organization) contending that the principal of the school had no authority to admit Negroes, and that school officials had no right to spend State funds on integrated schools, was rejected on Sept. 3 by the State Supreme Court, which held that the question had been "fully foreclosed" by the U.S. Supreme Court's decision. The Court subsequently ruled on Oct. 5 that State laws requiring segregation in schools were unenforceable.

There was no renewal of violence when the National Guards were withdrawn, and in municipal elections held on Dec. 4 segregationist candidates were overwhelmingly defeated. As a result of ill-treatment by their schoolmates, however, some of the Negro children asked on Nov. 30 to be transferred to a Negro school, and on Dec. 4 a White clergyman was assaulted after he had escorted six Negro children to the school, which was then closed. The school board appealed to Mr. Brownell on Dec. 3 for assistance in enforcing the order of Jan. 1956, and Mr. Brownell, in reply, gave an assurance that persons wilfully violating the order would be prosecuted. The school was reopened without further incident on Dec. 10, after 16 persons had been arrested on charges of provoking new outbreaks of violence.

Governor Clement recommended on Jan. 9, 1957, that the State Legislature should adopt Bills permitting local school boards (1) to maintain separate schools for children whose parents preferred them "to attend school with members of their own race," and (2) to "place, assign, and transfer" the pupils in their jurisdiction on "sociological, geographical, physical, psychological, fiscal, educational, and other factors, in the best interests of the child and the community as a whole." The Bill was approved by the Legislature on Jan. 23.

Texas. At the town of Mansfield crowds gathered outside the high school on Sept. 4, 1956, to prevent Negro pupils from registering, and the local authorities announced that if any of the eligible Negroes attempted to register they would be transferred immediately to another school district for "safety reasons." Two Negro pupils, the first admitted to Texarkana Junior College, were prevented from entering the college building on Sept. 10 by demonstrators, after Texas Rangers who had been sent to maintain order had refused to protect them.

Virginia. The House of Delegates approved on Feb. 20, 1956, a resolution calling for continued segregation in State schools in the 1956-57 academic year, on the ground that there was insufficient time for adjustment by September. A State convention unanimously approved on March 6 a constitutional amendment permitting the General Assembly and local governing bodies to pay tuition fees from public funds.

A special session of the State Legislature, meeting from Aug. 27-Sept. 22, 1956, adopted a number of Bills intended to prevent integration, their main provisions being as follows: (1) The Governor was empowered to stop all State aid to school boards which complied with court orders to admit Negroes to White schools, and to take under his direct control schools which had been closed for lack of funds. (2) State grants might be made available to finance the tuition in non-sectarian private schools of pupils whose public schools had been integrated or closed. (3) Teachers in private schools receiving State grants would be eligible for the same benefits as teachers in public schools. (4) All powers to assign pupils to particular schools, or to transfer them from one school to another, were taken from local school boards and vested in the Governor. (5) Officials assigning pupils were directed to do so on the basis of individual needs, health, and aptitude, and to avoid mixing races contrary to the wishes of the children and parents involved.

The Norfolk Federal District Court ruled on Jan. 11, 1957, however, that the Act for the assignment of pupils on the basis of "intangible social-scientific factors" was "directly in the teeth of the language of the Supreme Court" and therefore unconstitutional.

Segregation in Buses and Public Places.

The U.S. Supreme Court ruled on April 23, 1956, that racial segregation on buses running within a State was unconstitutional. The ruling arose out of a suit for damages brought against a South Carolina bus company by a Negro woman who had been turned off a bus by the driver when she refused to move to the section reserved for Negroes. Her claim was dismissed by the Federal District Court, but was subsequently upheld by the Richmond Federal Court of Appeals, whose decision was upheld by the Supreme Court. Segregation on inter-State buses [i.e. buses travelling between States] had been declared unconstitutional by the Supreme Court in 1946.

Under existing laws racial segregation on internal State bus services was compulsory in 13 of the southern and border States. The Attorneys-General of South Carolina, Texas, and Virginia denounced the Supreme Court's decision in a joint statement on April 23 as "another unwarranted invasion of State and municipal rights," while Governor Griffin of Georgia declared that the State's segregation laws would remain in force. Bus companies in North Carolina, Tennessee, Texas, and Virginia, however, instructed their drivers not to enforce segregation. In Montgomery (Alabama), where Negroes had been boycotting the buses since December 1955 (see below), the local police over-ruled a proposal by the bus company to end segregation, which remained in force until the Supreme Court reaffirmed its ruling on Nov. 13. Following the Supreme Court's decision of April 23, protest campaigns against segregation were also organized in Tallahassee (Florida), Birmingham (Alabama), and Atlanta (Georgia), where Negroes either boycotted the buses or ignored the segregation laws.

The Civil Aeronautics Administration announced on May 4, 1956, that it would refuse to allocate federal funds for the building of airport facilities which were intended to be used on a racially segregated basis.

Recent developments in the individual States relating to segregation in buses, parks, and other public facilities are summarized below:

Alabama. In Montgomery, Negroes began a boycott of the city's transport system on Dec. 5, 1955, after a Negro woman had been arrested for refusing to give up her seat on a bus to a White passenger. The leader of the movement, Dr. M. L. King (a Negro Baptist minister), was fined $500 on March 22, 1956, for conducting an illegal boycott under a statute originally intended to be used in labour disputes, an appeal being lodged by Dr. King. Although the bus company stated on April 24 that the Supreme Court's decision left it with "no choice except to discontinue the practice of segregation," the local police commissioner, announced that any passenger violating city or State segregation laws would be prosecuted, with the result that the boycott continued. The Montgomery Federal District Court ruled on June 5 that the city's ordinances enforcing segregation were unconstitutional, this decision being upheld by the Supreme Court on Nov. 13, 1956. Segregation was accordingly ended on Dec. 21, and with it the boycott, but on Jan. 10, 1957, the bus service was suspended indefinitely after a series of incidents in which shots were fired at buses and four Negro churches and the homes of a White and a Negro clergyman were seriously damaged by dynamite explosions. The bus service was resumed again on January 15 during the hours of daylight.

In Birmingham, large numbers of Negroes on Dec. 26, 1956 occupied bus seats reserved for Whites; the demonstration was called off, however, after 21 had been arrested, in order that the legality of the arrests might be tested in the courts. The home and church of the Rev. F. L. Shuttlesworth, the leader of the movement, had been wrecked by a dynamite bomb on Dec. 25.

Florida. In Tallahassee, Negroes began a boycott of the city's buses in May 1956, but on Dec. 24 they adopted the new tactic of ignoring the segregation laws. The city authorities suspended the bus company's licence on Dec. 26 because it had refused to enforce the segregation laws, but on the following day the Federal District Court issued an injunction forbidding the city to interfere with integrated bus services on the ground that all segregation laws were "dead as a doornail." Governor Collins again suspended the city's bus services on Jan. 1, 1957, after a Negro minister's house had been stoned and shots fired at a Negro shop, and the city council subsequently passed a bye-law assigning bus passengers to certain seats. This law, however, was condemned on Jan. 12 by Governor Collins, who ordered the bus services to be resumed.

Georgia. In Atlanta a number of Negro clergymen occupied "White" seats on buses in defiance of the law on Jan. 9, 1957, six being arrested but subsequently released on bail.

Louisiana. A Bill forbidding all "inter-racial dancing, social functions, entertainments, athletic training, games, sports or contests, and other activities involving personal and social contacts" was passed unanimously by the State House of Representatives on June 17, 1956, and was signed by Governor Long on July 16.

Mississippi. The State Legislature passed two Bills on March 1, 1956, requiring Negro and White passengers to use separate waiting rooms at railway and bus stations.

Tennessee. The N.A.A.C.P. appealed to the Memphis Federal District Court on June 5, 1956, to declare the State laws requiring segregation on buses unconstitutional, and to issue an injunction restraining the city and the bus company from enforcing them.

Texas. The San Antonio city council unanimously repealed on March 22, 1956, all local ordinances requiring racial segregation in public swimming baths, golf courses, and other public facilities.

Virginia. The Federal Court of Appeals upheld on April 9, 1956, a ruling of the Norfolk Federal District Court that the State could not lease Seashore State Park under any arrangement that would discriminate against members of any race. The exclusion of Negroes from the park had been the subject of ligitation since 1951.

Measures against N.A.A.C.P.

Governor Timmerman of South Carolina signed an Act on March 17, 1956, forbidding the employment of members of the National Association for the Advancement of Coloured People by State, county, or municipal authorities. Injunctions forbidding further activities by the N.A.A.C.P. were issued by State courts in Louisiana on April 24, 1956, and in Alabama on June 1. In Louisiana action was taken (under a law originally directed against the Ku Klux Klan) on the ground that the N.A.A.C.P. had failed to file annual membership lists, while in Alabama the injunction was sought by the State Attorney-General on the grounds that the Association had organized the boycott of buses in Montgomery and had induced Miss Lucy to enrol at the State university. This latter allegation was subsequently denied by the N.A.A.C.P., which stressed that no pressure of any sort had been brought upon Miss Lucy to induce her to enrol at the University of Alabama.

Negro Leaders' Appeal to President Eisenhower and Vice-President Nixon.

A conference attended by 60 Negro leaders from 29 communities in 10 Southern States, held at Atlanta on Jan. 11, 1957, under the chairmanship of the Rev. King [see Alabama, above], appealed to President Eisenhower to "come immediately" to a Southern city and make a "major speech" urging all people in the South to abide by the decisions of the Supreme Court on civil rights. It was also suggested that the President should "use the weight of his great office" to emphasize to Southerners the "moral nature of the problem posed at home and abroad by the unsolved civil rights issue." In a telegram to Vice-President Nixon the Negro leaders asked him to make a tour of the South "similar to the one made on behalf of Hungarian refugees." [Mr. Nixon had recently flown to Vienna to study the problems of Hungarian refugees in Austria].—(New York Times - New York Herald Tribune) **(Prev. rep. 14690 A.)**

A. UNITED KINGDOM. — Unemployment Figures.

The monthly figures of persons registered as unemployed in Great Britain during 1956 were as follows:

	Wholly unemployed (including Casuals)		Temporarily stopped		
	Males	Females	Males	Females	Total
Jan. 16 ..	164,555	83,581	8,621	7,153	263,910
Feb. 13 ..	167,073	80,230	19,382	8,943	275,628
March 12 ..	158,967	79,110	10,936	10,509	265,522
April 16 ..	148,696	78,832	12,823	11,164	251,515
May 14 ..	135,601	72,302	17,787	11,741	237,431
June 11 ..	126,072	63,456	20,134	12,915	222,577
July 16 ..	120,007	63,693	32,013	13,424	238,137
Aug. 13 ..	146,651	72,238	35,052	12,600	266,541
Sept. 17 ..	145,044	80,151	13,782	8,663	247,640
Oct. 15 ..	151,339	88,002	8,742	5,990	254,073
Nov. 12 ..	161,705	91,205	5,812	5,856	264,578
Dec. 10 ..	176,977	90,737	22,686	6,547	296,947

Persons registered as unemployed at Dec. 10, 1956, represented 1.4 per cent of total employees, compared with 1.2 per cent at Nov. 12, 1956 and 1 per cent in December 1955. Of the total number of unemployed in December, 31,645 were wholly unemployed and 1,147 temporarily unemployed in Northern Ireland.

The number of vacancies on the employment exchanges' registers at Dec. 12, 1956 was 279,000, which was 21,000 fewer than at Nov. 14, 1956 and 103,000 fewer than at Dec. 12, 1955. In December 1956, therefore, the number of unemployed for the first time exceeded the total number of vacancies.
(Ministry of Labour Gazette) **(Prev. rep. 14756 B.)**

B. ARGENTINA. — Par Value for Argentine Peso.

The International Monetary Fund in Washington announced on Jan. 10 that the initial par value for the Argentine peso had been established by agreement with the Argentine Government at 18 pesos to the U.S. dollar, the other new parities being one peso = 0.0408706 grams of fine gold, or 5.55556 U.S. cents. (International Monetary Fund) **(Prev. rep. 15142 B; 14791 E.)**

C. FRANCE - ITALY. — Mont Blanc Road Tunnel Project. - Approval by French National Assembly.

The French National Assembly approved on Jan. 24, by 544 votes to 32, the ratification of the Franco-Italian convention of 1953 for the construction of a road tunnel under Mont Blanc, linking the Chamonix valley in France with the Upper Aosta valley near Courmayeur, in Italy.

Support for the project had been recommended by the Assembly's Communications Commission, on whose behalf M. Anthonioz (Independent) pointed out that, on the basis of present prices and costs, the total French participation would be about 6,000,000,000 francs (about £6,000,000), the Italian participation 5,500,000,000 lire (about £3,300,000), and the share of the Canton and City of Geneva 700,000,000 French francs (about £700,000). The French share would include (*a*) a subscription of 210,000,000 francs by the French Government to the capital of the French company which would build the French half of the tunnel; (*b*) a French subsidy of 1,790,000,000 francs to that company, to be charged to the special road development fund; and (*c*) a French State guarantee of up to 2,000,000,000 francs for any loans issued by the company. The French and Italian construction companies would form a joint Franco-Italian company for the operation of the tunnel.

The tunnel—which would be 11.9 kilometres (7¼ miles) long and whose construction would take three years—would be a paying proposition, receipts from tolls being estimated at 720,000,000 francs annually against running expenses of 200,000,000 francs; there would thus be left a gross profit of 520,000,000 francs, to be shared between France and Italy and sufficient to amortize a thirty-year loan at 7 per cent.

The project was also supported by M. de Menthon (M.R.P.), *rapporteur* of the Foreign Affairs Commission, and M. de Chevigné (M.R.P.), for the Industrial Production Commission. It was opposed by Dr. Médecin (R.G.R.), the mayor of Nice, and by several deputies representing the Savoie and Haute-Savoie departments, who wanted a further study of an alternative road project under the Mont-Cenis (Fréjus). The Communists were among the parties supporting the Bill.

The Italian Parliament had approved the project in 1954. (Le Monde, Paris) **(Prev. rep. Mont Blanc Tunnel, 13783 C.)**

D. BRAZIL - UNITED STATES. — Agreement on Guided Missile Tracking Station on Fernando de Noronha Island.

After nearly six months of negotiation, an agreement was concluded on Jan. 21 between the Brazilian and U.S. Governments whereby the U.S.A., under a five-year concession, was given permission to establish a guided missile tracking station on the Brazilian island of Fernando de Noronha, in the South Atlantic.

In an exchange of Notes the two Governments stated that the agreement was based on the Inter-American Treaty of Reciprocal Assistance signed in Rio de Janeiro on Sept. 2, 1947, and the U.S.-Brazilian Military Assistance Agreement of March 25, 1952, and that it related to "the defence of Brazilian territory and of the American continent."

The agreement provided (1) that the electronic tracking station would be constructed by U.S. specialists and technicians, assisted by Brazilian specialists and technicians; (2) that it would be under the command of a Brazilian officer; (3) that only the Brazilian flag would fly over Fernando de Noronha; (4) that the operation of the installations should be under the responsibility of U.S. technicians, assisted by Brazilian technicians and defence personnel; (5) that U.S. technicians would gradually be replaced by Brazilian technicians in accordance with conditions to be determined by common agreement; and (6) that the buildings and fixed structures to be erected in connexion with the installations would become Brazilian property without payment on the termination of the agreement.

It was laid down that the agreement might be extended after the initial five-year period "under conditions and for a period to be agreed by both sides, and in the event of such an extension may be terminated by either side at one year's notice."

The island of Fernando de Noronha lies in the 4,400-mile rocket testing corridor between Florida and Ascension Island, established under the Anglo-U.S. agreement of June 1956. (New York Times - New York Herald Tribune) **(Prev. rep. 14964 B.)**

E. NEW ZEALAND. — Overseas Exchange Transactions. - 1956 Surplus.

It was announced in Wellington on Jan. 24 that New Zealand's overseas exchange transactions in 1956 had resulted in a surplus of £8,800,000, compared with deficits of £26,600,000 in 1955 and of £16,600,000 in 1954. Receipts in 1956 amounted to £324,300,000 (an increase of £30,200,000 over 1955) while payments, at £315,500,000, showed a decrease of £5,200,000.

New Zealand had a deficit of £37,000,000 with the sterling area but a surplus of £45,800,000 with non-sterling countries. The greatest improvement, however, was in the dollar area balance—from a deficit of £14,700,000 in 1955 to a surplus of £800,000 in 1956.—(Directorate of Information, Wellington) **(Prev. rep. 14941 A.**

A. UNITED KINGDOM. — The Finance Act, 1956. - Details of Premium Bonds Scheme. - Treasury Advances to Nationalized Industries. - National Savings in 1956.

The Finance Bill, 1956, embodying the provisions announced by the Chancellor of the Exchequer, then Mr. Harold Macmillan, in his 1956-57 Budget (see 14821 A), was enacted on Aug. 2, 1956, with only minor modifications.

The chief amendments agreed to during the House of Commons' Committee and Report stages, which took place from June 5-26 and July 10-11, were as follows:

(*a*) A Government amendment restoring the existing tax position for persons domiciled overseas but working in the U.K. for overseas employers, whereby only that part of their salary which was received in or remitted to Britain would be taxable.

[Clause 9 of the Finance Bill, which would have made such persons liable to U.K. taxation on the whole of their pay for work done in Britain, irrespective of whether payment was received in the U.K. or overseas, was withdrawn. This clause had been widely criticized, especially because of its possible repercussions on U.S. businesses in Britain. In withdrawing the clause, Mr. Macmillan explained that it might have discouraged investment and trading by overseas concerns in the U.K., and have led to their establishing their business elsewhere.]

(*b*) Three related Government-sponsored amendments affording Income-tax relief in respect of premiums paid for retirement pensions by self-employed persons: (i) raising the maximum basic amount of qualifying premiums to rank for tax relief in any particular year from £500, or 10 per cent of "net relevant earnings," whichever was less, to £750 or 10 per cent of earnings; (ii) increasing the new limit further for persons born before 1916, on a sliding scale depending on age—viz. for those born in 1914 or 1915 to a maximum of £825 or 11 per cent of earnings, and for those born before 1907 to a maximum of £1,125 or 15 per cent of earnings; (iii) enabling persons simultaneously holding two posts—one "pensionable" and the other "non-pensionable" (e.g., doctors acting as hospital registrars in addition to their practice, or accountants being at the same time company secretaries)—to take up a retirement annuity scheme in respect of their self-employed service and any other non-pensionable appointment.

(*c*) An amendment, moved by Mr. Arbuthnot (C.) and accepted by the Government, bringing within the retirement annuities scheme a policy guaranteeing the payment of an annuity after the death of the beneficiary for a period not exceeding ten years, instead of five years as originally proposed. The amendment aimed at safeguarding participants in the retirement and pension schemes against the contingency of their death before receiving benefits, by making it possible for an annuity to be paid to their dependants for the above-mentioned period.

(*d*) A series of Government amendments exempting cars made by amateur enthusiasts from purchase tax. It was made clear, however, that close watch would be kept to see that the new provision was not turned to commercial benefit.

(*e*) A Government amendment extending the limited Income-tax relief on savings bank interest to deposits in savings banks maintained under a local act (subject to Treasury approval of the arrangements), and also to deposits in seamen's savings banks maintained under the Merchant Shipping Act, 1894.

(*f*) A Government amendment providing taxation relief for M.P.s' compulsory contributions to the House of Commons Members' Fund.

(*g*) An amendment, moved by Colonel Marcus Lipton (Lab.) and accepted by Mr. Macmillan, exempting from Income-tax the annuities and additional provisions paid to holders of the Victoria Cross.

(*h*) An amendment, accepted by the Government, providing that not only works of art of aesthetic merit but also those of historic value might be accepted towards estate duty.

The principal amendments rejected or withdrawn are summarized below, the names of their sponsors being given in parentheses:

(1) To provide that capital expenditure up to £5,000 should continue to rank for investment allowance to assist small businesses on which the "credit squeeze" bore heavily (Mr. Jenkins, Lab.; rejected by 257 votes to 199).

Sir Edward Boyle (then Economic Secretary to the Treasury) said that although the Government would suspend the investment allowance, it had restored the initial allowance, thus making the position more favourable for small firms than in 1951.

Three other amendments to retain the investment allowances for the cotton textile industry (Mr. Thornton, Lab.), for the machine-tool industry (Mr. Hobson, Lab.), and for new-type kilns and dryers used in the pottery industry, were similarly rejected.

(2) To afford relief from U.K. taxation for British firms taking advantage of the tax concessions offered by Colonial territories to set up businesses in those territories (Mr. Ted Leather, C.). Withdrawn after Mr. Macmillan had promised that he would introduce during 1957 legislation on the lines recommended by the Royal Commission on taxation granting tax relief to pioneer industries operating overseas, with retrospective effect to April 6, 1956.

(3) To exempt the living theatre and similar entertainments from Entertainments Duty. Moved by Dr. Barnett Stross, Lab., who asserted out that the theatre was in a state of decline because of heavy taxation, 80 provincial theatres having closed down in the past few years.

Mr. Macmillan rejected the amendment on the ground that the £40,000,000 revenue involved would upset the balance of his Budget. He promised, however, that the tax would be reshaped in the near future after a review by the Customs and Excise Department. The amendment was negatived by 243 votes to 206.

Two other amendments to exempt games and sports other than horse- and dog-racing from Entertainments Duty (Mr. E. Smith, Lab.), and to reduce the contribution made by cinemas (Mrs. White, Lab.), were both rejected.

(4) To grant relief from income tax for parents educating their children privately (Lt.-Col. Bromley-Davenport, C.). Defeated by 248 votes to 191.

(5) Two amendments to raise the income tax allowance for a child from £100 to £125 (Mr. Jay, Lab.), and that for an incapacitated child under 21 from £100 to £150 (Mr. Cronin, Lab.). Both were rejected, the first by 248 votes to 191 and the second by 244 to 193.

(6) To grant old-age pensioners relief from the increase in tobacco duty (Mr. T. Brown, Lab.). Defeated by 260 votes to 205.

Replying to Opposition pleas that a concession costing only £2,250,000 in a Budget aiming at a £464,000,000 surplus was not "asking too much," Mr. Macmillan said that he had considered giving pensioners an additional tobacco coupon. He did not feel it right, however, to perpetuate a scheme which was not a good method of helping old-age pensioners, many of whom were non-smokers and received no comparable benefit. Earlier, Mr. Brooke had pointed out that the proposed duty increase raised the price of tobacco by only 5 per cent, in comparison with which prices of almost everything else had risen since 1948 by 50 per cent, and old-age pensions by over 50 per cent.

The Finance Bill was given an unopposed third reading in the House of Commons on July 13, 1956, passed its second reading in the House of Lords on July 30, and received the Royal Assent on Aug. 2, 1956.

The Premium Bonds Scheme.

During the Committee stage Mr. Macmillan announced on June 18, 1956, that the first issue of Premium Bonds would be on sale at banks and post offices from Nov. 1, 1956. He gave the following details:

(*a*) Individual holdings would be limited to £500, and not £250 as previously announced.

(*b*) Draws would take place monthly, commencing June 1957, but a bond would not be eligible for its first draw until six months after purchase; it would then remain eligible for successive draws as long as the holder wished.

(*c*) Bonds would not be transferable, but might be repaid at any time on application.

(*d*) The prize fund would be calculated each time on the assumption that all bonds in the draw had earned 4 per cent interest per annum since the end of the month in which they were bought.

(*e*) Each £10,000 of the prize fund would be divided into 237 tax-free prizes as follows: one of £1,000, two of £500, four of £250, ten of £100, 20 of £50, and 200 of £25. [A subsequent Treasury statement announced that any "broken" amount of less than £10,000 would be allocated in £25 prizes.]

(*f*) Administrative costs would not be a charge on the prize fund, but in order to keep these costs as low as possible there would be no joint holdings of bonds.

(*g*) Bonds could be bought only by persons of 16 or over, although a child could hold a bond bought in his name.

Further details of the Premium Bonds scheme were given by the Postmaster-General (then Dr. Hill) on July 26, as follows:

(i) The bonds sold at post offices and banks would be in units of from £1 to £10. Multiple bonds of higher denominations would be available on application.

(ii) The numbers of the bonds winning prizes would be published in the *London Gazette* and the holders notified by post. No further information would be disclosed.

The Postmaster-General announced on Nov. 30 that over £40,000,000 of bonds qualifying for the first draw had been sold by Nov. 28. Sales of premium bonds amounted to £25,400,000 in December and to £4,400,000 in January.

The Chancellor's plan to institute premium savings bonds to stimulate National Savings had been strongly criticized by many Church leaders, as well as by the Opposition.

Church Opposition. During a House of Lords' debate on the Small Lotteries and Gaming Bill (a private member's measure), held on April 26, 1956, the Archbishop of Canterbury (Dr. Fisher) declared with reference to the Premium Bonds scheme that he was "deeply concerned with the moral aspect of the issue," and accused Mr. Macmillan of "debasing the spiritual coinage of the nation at the very time when there is paramount need to restore it." Rejecting the Chancellor's argument that premium bonds were not "a gamble" or that they were "too small to corrupt," he said that "a long succession of small gambles tending to become more numerous, aided by commercial examples, cannot make the nation great. They can only make it flabby and fluttery in spirit."

Similar criticisms were directed against the scheme by the British Council of Churches, the Lambeth Conference, the World Methodist Council, the secretary of the Baptist Union, (Rev. E. A. Payne), Dr. H. C. Whitley (Minister of St. Giles' Cathedral, Edinburgh), Professor J. Burleigh (a former Convener of the Church and Nation

Committee of the Church of Scotland), and Dr. Leslie Weatherhead (president of the Methodist Conference). On the other hand, the Bishop of Exeter (Dr. Mortimer) and the Dean of St. Paul's (Dr. Matthews) were among a number of Churchmen who expressed support for the premium bonds scheme.

Parliamentary Opposition. Following a meeting of the Parliamentary Labour party on May 31, 1956, Mr. Harold Wilson, who had earlier described the scheme as a "squalid raffle," stated that the "Shadow Cabinet" was opposed to it for the following reasons: (*a*) recourse to this "expedient" was "an indication of the Government's failure to deal with the economic situation", (*b*) State support for a form of lottery was objectionable; (*c*) there was a serious risk that the new bonds would detract from normal savings; and (*d*) an important section of the public had strong conscientious objections to the gambling element.

Chancellor's Defence of Premium Bonds Scheme. Replying to these criticisms on June 18, during the Committee stage of the Finance Bill, Mr. Macmillan expressed the view that the country would welcome this new idea as part of a "large new package of securities," the need for which had been stressed by the National Savings Movement to stimulate savings. Denying that the scheme would result in a switch from one form of savings to another, the Chancellor pointed out that it would attract a large section of the public who, "rightly or wrongly, are not attracted by interest but will be by the prospect of a prize." He deeply respected the views of those who felt strongly on the moral issue, but he felt that they were mistaken, and he deplored the "tendency to exploit these views for political ends."

National Savings in 1955 and 1956.

The National Savings Committee announced on Jan. 5, 1957, that savings during 1956 totalled £1,701,000,000 (compared with £1,342,000,000 in 1955) and withdrawals £1,574,000,000 (£1,265,000,000 in 1955). The excess of savings over withdrawals thus amounted to £127,000,000, this figure comparing with £77,000,000 in 1955 and being the largest since 1948. The sum remaining invested at Dec. 31, 1956 was £6,170,000,000.

Bank Overdrafts of the Nationalized Industries.

The new arrangements embodied in the Finance Bill whereby certain nationalized industries would have their capital requirements for the next two years provided by the Exchequer, were introduced at the beginning of September 1956. The industries concerned were the Central Electricity Authority, the North of Scotland Hydro-Electric Board, the South of Scotland Electricity Board, the Gas Council, the British Transport Commission, B.O.A.C., and B.E.A.

According to figures published by the Treasury, the total outstanding bank overdrafts of these undertakings were: at June 30, 1956, £100,800,000; at July 18, £106,900,000; at Aug. 15, £123,400,000; at Sept. 19, £90,300,000; at Oct. 17, £90,400,000; at Nov. 21, £95,200,000; at Dec. 31, £118,700,000; and at Jan. 16, 1957, £104,600,000.—(Times - Daily Telegraph - Manchester Guardian - Financial Times - Treasury Press Office) **(Prev. rep. Budget 1956-57, 14821 A; National Savings, 14027 F.)**

A. INDIA. — Inauguration of Hirakud Dam.

The Hirakud Dam, spanning the Mahanadi River in Orissa, was officially inaugurated by Mr. Nehru on Jan. 13. Three miles in length and 200 ft. high, it is not only the longest dam in the world but also impounds the world's largest man-made reservoir, covering 288 square miles and having a storage capacity of 6,600,000 acre-feet of water.

The inauguration marked the first stage of the Hirakud project, which, after the installation of further power-plant and the construction of additional "feeder" canals, will have a total generating capacity of 123,000 kilowatts in 1957, rising to 200,000 kw. as further stages are completed. The dam will make it possible to irrigate an area of 450,000 acres by 1958-59, and of over 2,000,000 acres in subsequent years.

In addition to power production and irrigation, one of the dam's principal benefits will be the prevention of the disastrous floods caused in past years by the overflowing of the Mahanadi River, which had frequently devastated large areas of Orissa. The new steel plant at Rourkela, at present under construction (see 15298 C), will be among the industrial concerns to obtain hydro-electric power from the dam.

The cost of the first stage of the Hirakud project was 710,000,000 rupees (£53,250,000), to which the U.S. Government had contributed equipment worth about $8,000,000 in 1952. The dam was built entirely by Indian engineers. (The Statesman, Calcutta - The Hindu, Madras)

(Prev. rep. 14509 E; 9245 F.)

B. UNITED KINGDOM. — War Damage Payments.

The War Damage Commission announced on Jan. 15 that it had paid out £25,000,000 in 1956, compared with £27,250,000 in 1955 and £32,000,000 in 1954. This brought total war damage payments by the Commission to £1,199,000,000 in 4,698,000 separate payments. It was estimated that a further £100,000,000 still remained to be paid out. (Financial Times)

(Prev. rep. 14660 B.)

C. HAITI. — Resignation of President Magloire.

General Paul Magloire (49), President of Haiti since 1950, resigned on Dec. 12, 1956, following widespread disorders and a general strike. He left for exile in Jamaica on Dec. 13, accompanied by his family.

General Magloire, a member of the junta which overthrew President Dumarsais Estime in 1949, was elected to the Presidency in October 1950 for a six-year term beginning on Dec. 6, 1950, and thus normally due to expire on Dec. 6, 1956. His resignation ended a prolonged and complicated dispute over the interpretation of the Constitution adopted in 1950, the question at issue being whether the President's term of office should end in December 1956 or May 1957.

The Constitution of 1950, which made no provision for a second presidential term, was adopted before General Magloire's election to the Presidency. Originally, it stipulated that the President must retire on May 15 of his sixth year of office [which would have been May 15, 1956], but a constitutional amendment was subsequently inserted providing that this date should be extended to May 1957. Supporters of General Magloire therefore maintained that he could legally remain in office until the latter date. On the other hand, political opponents of the President insisted that he should retire on Dec. 6, 1956, on the termination of his six-year term of office, and that the presidential functions should be vested in the President of the Haitian Supreme Court pending new presidential elections, as stipulated in the 1950 Constitution.

Political controversy on this matter rose to a climax during the first week of December, when there were a number of clashes between supporters and opponents of President Magloire, involving bomb-throwing incidents and other acts of violence in which several persons were killed and injured. On Dec. 6 President Magloire announced in a broadcast that he had accepted his opponents' interpretation of the Constitution and was willing to resign immediately and to transfer the presidential powers *ad interim* to the President of the Supreme Court, M. Pierre-Louis. Immediately after the broadcast, however, the Army Chief of Staff (General Levelt) declared in a second broadcast that "terrorists" were creating a "grave situation" throughout the country, and that the Army had asked President Magloire to remain in office until the country was "restored to tranquillity." A censorship was imposed throughout Haiti on the same day.

President Magloire announced on Dec. 8 that the Haitian Ambassador in Washington had been instructed to protest against "intervention by some Americans" [unnamed] in the Haitian political situation, and to notify the U.S. State Department that "Haiti will not tolerate intervention by any Americans in the nation's internal affairs." At the same time he announced that Opposition leaders had been imprisoned for "acts of terrorism" and "conspiracy to overthrow the Government", that he and the Army would remain in control until new presidential elections were held; and that he would determine the date of such elections "as soon as order prevails."

Further outbreaks of violence occurred in Port-au-Prince (the capital) and other centres following President Magloire's retention of power, culminating in a two-day strike on Dec. 10-11 which brought all commercial life in Port-au-Prince to a standstill. The Haitian Government issued a statement on the latter date declaring that the political situation had been "aggravated owing to the entry into the strike of certain foreign bodies, notably American Government organizations working in collaboration with the Haitian Government." The "foreign bodies" referred to were not mentioned by name, but the *New York Times* correspondent in Port-au-Prince said that this was an apparent reference to U.S. missions assisting the Haitian Government in agricultural, health, and similar projects.

Eventually, President Magloire resigned on Dec. 12 because of the general strike and "political complications." Before going into exile in Jamaica he transferred the presidential powers to the President of the Supreme Court, M. Pierre-Louis, who formed a new Cabinet on Dec. 15 which included two Supreme Court judges and the Rector of the University of Haiti (M. Jean Mars), who was appointed Foreign Minister. In addition, General Levelt was replaced as Army Chief of Staff by General Léon Cantave, who issued a proclamation calling upon the Army to "maintain complete discipline and abstain at all costs from mingling in politics."

M. Pierre-Louis, in his capacity as Provisional President, announced on Dec. 28 that presidential elections would be held in April 1957.—(New York Times - Le Monde, Paris)

(Prev. rep. President Magloire, 11171 B.)

D. LITERATURE. — Discovery of Alleged Source of Izaak Walton's "Compleat Angler."

Dr. G. E. Bentley, Professor of English Literature at Princeton University, U.S.A., announced on Dec. 16 that "startling similarities" had been discovered between Izaak Walton's *The Compleat Angler*, published in 1653, and *The Arte of Angling*, an anonymous work published in 1577. Professor Bentley pointed out that both works were in the form of a dialogue between "Piscator" and "Viator" (changed to "Venator" in the later editions of Walton's book), and that certain passages of the earlier work were reproduced almost word for word by Walton. The only known copy of *The Arte of Angling* was discovered in London in 1954 by Mr. C. O. von Kienbusch, a graduate of Princeton and a collector of angling literature, who presented it to the university. (New York Times - Times - Manchester Guardian)

A. UNITED KINGDOM - UNITED STATES - CANADA. — Mr. Duncan Sandys' Visits to Washington and Ottawa. - Defence Discussions with U.S. and Canadian Governments. - Extended Anglo-U.S. Co-operation in Weapons Development.

The U.K. and U.S. Ministers of Defence, respectively Mr. Duncan Sandys and Mr. Charles E. Wilson, had discussions on defence matters in Washington on Jan. 28-29, following the invitation extended to Mr. Sandys by Mr. Wilson on Jan. 19 (see page 15337, first column). Scientific advisers and officials of both Governments took part in the discussions at the Pentagon, those on the British side including Sir Richard Powell, Permanent Secretary to the Ministry of Defence, Sir Frederick Brundit, chairman of the Defence Research Policy Committee, and Dr. Robert Cockburn, Controller of Guided Weapons and Electronics at the Ministry of Supply. While in Washington Mr. Sandys also had a meeting with Mr. Dulles, the U.S. Secretary of State.

From Washington Mr. Sandys and his advisers flew to Ottawa for similar talks (Jan. 30-31) with the Canadian Prime Minister (Mr. St. Laurent), the Minister of Defence (Mr. Campney), and the Canadian Chiefs of Staff. Mr. Sandys returned to Washington on Feb. 1 and flew back to London on the following day.

The following communiqué was issued in Washington on Feb. 2 on the discussions between Mr. Sandys and Mr. Wilson:

"The two Ministers reviewed the military aspects of the international situation. They reaffirmed the solidarity of their defence objectives and the importance of NATO and the other regional alliances as a vital means of safeguarding peace and stability in the world.

"They agreed that priority must be given to maintaining effective military capacity in a high state of readiness. This must include conventional forces as well as nuclear power.

"They recognize that financial and economic stability is an essential foundation of military strength and that due account must be taken of this in considering what a country can contribute to the common defence effort.

"The Ministers also reviewed the progress of collaboration between the U.S.A. and Britain in research and development. They noted with satisfaction the mutually beneficial results already achieved by co-operation, and decided to continue and extend their joint work in this field.

"The possible adoption by Britain of certain American weapons was explored, and this matter is being referred to the two Governments for further consideration.

"In addition to his talks with Mr. Wilson and the U.S. defence authorities, Mr. Sandys had a meeting with Mr. Dulles, U.S. Secretary of State, at which the international aspects of the military programme were discussed."

In a press statement at Washington Airport, before leaving for London, Mr. Sandys said that although the joint statement contained "a lot of meat," it should be remembered that "it is about defence, which involves many security matters." He added: "I would say this statement is like an iceberg—there is more below than there is on top to see." In all his talks with the U.S. Government he had been left "in no doubt that they, like us, wish to re-establish fully and at once the special and intimate relationship between our countries which was momentarily interrupted by recent events [i.e. the Middle East crisis.] . . . As Mr. Wilson said to me: 'We talked to one another as members of one family.' That is how we all want it to be."

On arrival at London Airport, Mr. Sandys gave a warning against "some of the rather fantastic speculations that have emerged in one or two of the Sunday papers about the extent of the cuts that are contemplated in defence." He added that "some of these speculations of astronomical cuts in defence belong more to the Geophysical Year than to the realm of reality."

Mr. Sandys made the following statement to the House of Commons on Feb. 6 on his discussions with the U.S. and Canadian Governments:

"The main purpose of my visit was to have a thorough exchange of views with the U.S. defence authorities on a wide range of military matters. Similarly, my two-day visit to Ottawa gave me an opportunity of discussing a number of problems of common concern in the military and international fields with the Prime Minister of Canada, the Minister of Defence, and the Canadian Chiefs of Staff.

"My discussions in Washington with Mr. Wilson showed that there is full accord between our two Governments on the broad objectives of the defence policy to be pursued. In particular, we reaffirmed the importance of NATO and other regional alliances as a vital means of safeguarding peace and stability. We reviewed the arrangements previously made for collaboration between the U.S.A. and Britain in military research and development, with particular reference to guided rockets. It was agreed that both countries had derived considerable benefit from that co-operation, and we decided to extend still further our joint work. We discussed a possible scheme for the adoption by Britain of certain American weapons, and this is now being examined by the two Governments.

"I explained to the U.S. Government that, for economic as well as military reasons, we were reviewing the shape and size of our forces and that H.M. Government had decided that a substantial reduction in the demands of defence upon manpower, materials, and money must be effected. Although no country welcomes a reduction in the military effort of its allies, I found in Washington a sympathetic understanding of the circumstances which make it necessary for us to lighten our defence burden. In this connexion it is fully recognized that financial and economic stability is an essential foundation of military strength and that due account must be taken of this in considering what contribution each nation can reasonably be expected to make to the common defence effort.

"Throughout my meetings with Mr. Wilson and the American defence authorities, as well as in my talks with Mr. Dulles, I found a warm desire, which is fully shared by H.M. Government, to see an immediate resumption of the special and intimate relationship which has so long existed between Britain and the United States and which is so vitally important for the peace of the world."

Mr. Sandys replied as follows to a number of questions by Opposition members:

Mr. Shinwell (Lab.) asked: "What is the nature of any concessions we made to the U.S.A. in return for their offer to co-operate in research and development of guided missiles?" **Mr. Sandys** replied: "No concessions were made. What we discussed was fruitful avenues of co-operation, and I believe we found them."

Mr. Usborne (Lab.) said that many people in Britain would be "extremely unhappy if this country were to become a massive rocket-launching site." **Mr. Sandys** replied: "I think everybody agrees this island must be defended. The only question is whether we are to have effective or ineffective weapons to defend us."

Mr. Fletcher (Lab.) asked if it was correct that America was going to supply Britain with "the fullest information and deliveries of intercontinental ballistic missiles." **Mr. Sandys** replied that "until firm conclusions are reached" it would be premature for him to make a statement in any greater detail.

Mr. Gaitskell (Leader of the Opposition) asked how far Mr. Sandys had discussed with Mr. Wilson or Mr. Dulles the reduction of Britain's commitments in Europe and elsewhere, and "if these matters were to be carried further in any other discussions between our Government and the U.S. Administration."

Mr. Sandys replied that he had naturally taken the opportunity to tell the U.S. Government in general terms the ideas H.M. Government had in mind for the future shape and size of Britain's contribution to NATO. He added: "Advance warning was already given to the North Atlantic Council in December, and I shall have an opportunity of discussing this further with the Supreme Commander [General Norstad], who is coming here . . . There will be the fullest possible consultation with all countries and parties concerned before any final conclusion is announced."

Commenting on the "possible adoption by Britain of certain American weapons," as mentioned in the Sandys-Wilson statement, the London *Daily Telegraph* wrote:

"The weapons in question are presumably guided missiles with nuclear warheads. As American law stands, Britain can be supplied with the missiles but would have to make and fit the warheads herself. If the Governments can agree on a means of enabling the U.S.A. to supply the warheads as well, much duplication of effort would be saved."

The Defence Correspondent of *The Times* wrote that although no details had been given, "it is known that the [Washington] conversations ranged over the whole field of ballistic and guided missiles."—(Times - Daily Telegraph - Manchester Guardian - New York Times - Montreal Star) **(Prev. rep. NATO, 15336 A; U.K. Defence Economy Cuts, 15344 A.)**

B. BRAZIL. — Free Port at Manãos.

A project to establish a free port at Manaus (Manãos), in conformity with plans to develop the Amazon Valley, was approved during January by the Brazilian Congress. Special port privileges will be enjoyed by Peru in agreement with the Brazilian Government. The harbour installations at Manãos, 1,000 miles up the Amazon and regularly used by ocean-going ships, were built during the rubber "boom" at the beginning of the century.—(Brazilian Government Bulletin) **(Prev. rep. 15134 A.)**

C. INDIA. — Mr. Nehru takes over Defence Portfolio.

It was announced in New Delhi on Jan. 30 that President Prasad had accepted the resignation of Dr. Katju as Minister of Defence, and that the portfolio would be taken over by Mr. Nehru. Dr. Katju's resignation followed his election as leader of the Congress Legislature Party in Madhya Pradesh, pending his appointment as Chief Minister of that State in succession to the late Mr. R. S. Shukla, who had died on Dec. 31 1956. (The Statesman, Calcutta) **(Prev. rep. 15228 A.)**

FEBRUARY 9—16, 1957

A. GHANA (GOLD COAST). — Proposed New Constitution on Attainment of Independence within British Commonwealth. - The Ghana Independence Act.

Details of the proposed Constitution of the Gold Coast when it attains independence within the British Commonwealth on March 6, 1957, under the name of Ghana, were given in a White Paper (Cmd. 71) published in London by the Colonial Office on Feb. 8. The Ghana Independence Bill, providing for the independence of the Gold Coast within the Commonwealth from the above-mentioned date, had previously been passed by the U.K. Parliament and was enacted on Feb. 7—the day before the publication of the White Paper.

The White Paper was divided into two sections dealing respectively with (1) the origin and nature of the constitutional proposals, and (2) the proposed new Constitution of Ghana.

Origin and Nature of Constitutional Proposals.

The first section recapitulated the various steps taken over the past three years, beginning with the publication of the Bourne Report (see 14636 A). It was worded as follows:

"In 1954 a new Constitution was introduced in the Gold Coast which granted virtually full internal self-government. Later that year an organized Opposition movement emerged and . . . it became apparent that there was a difference of view about the desirable Constitution for the country on its attainment of independence. Towards the end of September, 1955, Sir Frederick Bourne was appointed independent Constitutional Adviser at the request of the Gold Coast Government. He had talks in all parts of the country and published his recommendations in December, 1955. In February, 1956, the Gold Coast Government convened a round-table conference (known as the Achimota Conference) to discuss the Bourne Report. This conference recommended the adoption of the Bourne Report with minor modifications. The Opposition felt unable to co-operate with Sir Frederick Bourne or to participate in the Achimota Conference.

"In April, 1956, the Gold Coast Government published a White Paper containing their own constitutional proposals for Gold Coast independence: in substance these proposals conformed with the Bourne recommendations as modified by the Achimota Conference. This White Paper was debated in the Gold Coast Legislative Assembly on May 18 and 22, 1956. The Opposition were not present at the debate. On May 11, 1956, the Secretary of State for the Colonies [Mr. Lennox-Boyd] stated in the House of Commons that, because of the failure to resolve the constitutional dispute within the Gold Coast, the aim of early independence of the Gold Coast within the Commonwealth could only be achieved in one way—by giving the peoples of the Gold Coast an opportunity to consider their own constitution and to express their views on it in a general election. The Colonial Secretary undertook on behalf of H.M. Government that if a general election were held in the Gold Coast, H.M. Government would be ready to accept a motion calling for independence within the Commonwealth passed by a reasonable majority in a newly elected legislature, and then to declare a firm date for independence. A general election was accordingly held in the Gold Coast on July 12 and 17, 1956.

"As a result of the general election, the Government party (the Convention People's Party) was returned to power and now holds 72 of the 104 seats in the Legislative Assembly. On Aug. 3 the Assembly passed by 72 votes to none a motion calling for independence within the Commonwealth. The Opposition parties abstained from voting. H.M. Government considered that the outcome of the general election and the vote on the motion fulfilled the conditions of the Colonial Secretary's undertaking of May 11, 1956. Accordingly the Colonial Secretary announced on Sept. 18 that H.M. Government would introduce a Bill to accord independence to the Gold Coast, and that, subject to Parliamentary approval, H.M. Government intended that independence should come about on March 6, 1957.

"In October, 1956, the Gold Coast Government held talks about the constitution with the Parliamentary Opposition and the Territorial Councils. Following these talks the Gold Coast Government published in November, 1956, their Revised Constitutional Proposals for Gold Coast independence in a further White Paper which was debated by the Legislative Assembly on Nov. 12-14 and approved . . . by 70 votes to 25. The Gold Coast Government then requested H.M. Government to enact an Order-in-Council, to come into effect on the date of independence, based on the Revised Constitutional Proposals as approved by the Assembly.

"The existing constitution of the Gold Coast is, according to normal colonial practice, contained in an Order-in-Council. The amendments necessary or desirable on account of independence must similarly be made by Order-in-Council. The Order will have to be made after the Ghana Independence Act has received the Royal Assent but before 'the appointed day,' that is, before independence comes about. The final responsibility for the terms of the Order-in-Council must therefore rest with U.K. Ministers. In drafting the Constitution, the U.K. Government has taken the fullest possible account of the views of the Gold Coast Government. For reasons of convenience it has been decided to enact a consolidated Order which will repeat many of the provisions of the existing Constitution and incorporate the necessary amendments and additions.

"The Colonial Secretary visited the Gold Coast between Jan. 24-30 and held talks with the Government, the Leader of the Opposition and his colleagues, the Asantahene, and other Chiefs and leaders. He has considered most carefully the views put before him, and Part II of this Paper [i.e. the constitutional proposals set forth below] reflects the result of his discussions. Despite many apparent differences of view and some lack of mutual confidence between different parties, he was very conscious throughout his visit of an underlying unity of purpose. All whom he met were united in their earnest desire that Ghana should make a successful start to its independent life. He is confident that the Constitution outlined provides reasonable safeguards against abuse and a fair and workable foundation on which the people of Ghana will be able to build their independent nationhood within the Commonwealth."

The Proposed Constitution.

The Constitution declared: "Ghana is to be an independent State within the Commonwealth, with the Queen as Sovereign and with a Cabinet and Parliamentary system of government of the same general type as is found in the United Kingdom and other independent Commonwealth countries." The detailed constitutional provisions are summarized below:

The Executive.

The executive power would be vested in the Queen, represented by a Governor-General. Except where there was express provision to the contrary, the powers and functions of the Queen and the Governor-General would be exercised "in accordance with the constitutional conventions applicable in the United Kingdom."

The Constitution would provide for a Cabinet of Ministers drawn from Members of Parliament and collectively responsible to Parliament. Ministers would be appointed and might be removed by the Governor-General on the Prime Minister's advice. The Governor-General would terminate the Prime Minister's appointment if the National Assembly passed a motion of no-confidence in his Government; unless, within three days of such a motion, the Prime Minister advised the Governor-General to dissolve the National Assembly.

The Legislature.

The legislative power would be vested in the National Assembly, consisting of a Speaker and 104 Members. Bills passed by the Assembly and assented to by the Governor-General in Her Majesty's name would become Acts of Parliament.

The maximum life of the National Assembly would be increased to five years instead of four years as at present. This provision would also apply to the Legislative Assembly elected in July, 1956, which would continue in being as the National Assembly. The first session would begin in three months after the date of independence, and there would be a session of the Assembly at least once a year.

The qualifications for election as an M.P. would be set out in the Constitution. Changes would be made in the present law to make it conform more nearly to existing practice in the United Kingdom.

The Constitution would provide for universal adult suffrage and secret ballot, as at present. Every citizen of Ghana, without distinction of religion, race, or sex, would be entitled to vote if fulfilling the existing qualifications.

The Constitution would also provide for the continuance of the existing constituencies. There would be machinery to review their number and boundaries from time to time, having regard to changes in population.

The Public Service.

The Constitution would provide for a Public Service Commission which would continue to function "very much as at present." It was hoped that the existing members would consent to remain in office at least until the expiry of their terms in two or three years' time. Thereafter, future appointments would be made by the Governor-General on the advice of the Prime Minister. [The White Paper stated that Dr. Nkrumah had informed Mr. Lennox-Boyd that it was his intention to consult the Leader of the Opposition before making any appointments, and that he hoped his successors would do the same.]

The appointment, promotion, transfer, termination of appointment, dismissal, and disciplinary control of public officers would be vested in the Governor-General acting on the advice of the Public Service Commission, with the exception of a limited class of posts in regard to which the Governor-General would act on the Prime Minister's advice. The posts affected would be those of Permanent Secretary and of a corresponding or higher grade in the Public Service (other than the post of Attorney-General), and special overseas posts.

The new Constitution would continue the provisions of the existing Constitution providing for the payment of compensation to Public Officers appointed before March 31, 1954, who elected to retire from the Public Service.

The Attorney-General.

The post of Attorney-General would continue to be a post in the Public Service "for at least as long as the present holder of this post continues in office." The assignment of responsibility for the Attorney-General's department to a Minister should relate only to Cabinet and Parliamentary business, the Attorney-General himself retaining responsibility for initiating and discontinuing prosecutions.

The White Paper said in this connexion: "The Gold Coast Government . . . while welcoming this arrangement so long as the present Attorney-General remains in office, expressed the view that there are strong arguments in favour of this post thereafter being held

by a Minister, as has been done in other Commonwealth countries. They added, however, that before making any such change they would consult the Opposition and were prepared after independence, in the light of experience gained, to look at the matter afresh. Any such change would require amendment of the Constitution."

The Judiciary.

There would continue to be a Judicial Service Commission as at present. It would be composed of the Chief Justice, the Attorney-General, the senior Puisne Judge (until Justices of Appeal were appointed, when he would be replaced by the senior Justice of Appeal), the Chairman of the Public Service Commission, and a person "who is or shall have been a Judge of the Supreme Court, appointed by the Governor-General acting on the advice of the Prime Minister."

The Chief Justice and (when they exist) Justices of Appeal would be appointed by the Governor-General on the advice of the Prime Minister, and Puisne Judges on the advice of the Judicial Service Commission.

Any Judge would be liable to removal "on an address of Parliament carried by not less than two-thirds of all the members thereof praying for his removal from office on the ground of stated misbehaviour or of infirmity of body or mind."

The age of retirement of Judges would continue to be 62, subject to permission being granted to a Judge by the Governor-General to continue in office for a further period subject to continued mental and physical fitness.

The appointment, promotion, transfer, termination of appointment, dismissal, and disciplinary control of judicial officers (other than Judges) would be vested in the Governor-General, who would be advised by the Judicial Service Commission.

The Chief Justice and other Judges of the Supreme Court, and judicial officers appointed before Independence Day, would continue in office thereafter "and be deemed to have been appointed under the conditions specified in the Independence Constitution."

The White Paper added: "At present there are no Justices of Appeal in the Gold Coast, and appeals from its Supreme Court lie to the West African Court of Appeal. The Gold Coast Government stated in their White Paper of November, 1956, that after independence they proposed to enact legislation providing for a unified judiciary consisting of Magistrates, Judges, and Justices of Appeal with the Chief Justice at the head; and that thereafter they proposed that the West African Court of Appeal should cease to exercise jurisdiction in the Gold Coast. They also affirmed that the powers of the Judicial Committee of the Privy Council to entertain appeals from the Gold Coast will be retained . . . It has now been decided by the Gold Coast Government to set up the Ghana Court of Appeal on the attainment of independence, and appeals to the Privy Council will lie from that Court as soon as it is established."

Public Audit.

The accounts of all Government departments and offices would be audited by the Auditor-General. He would be appointed by the Governor-General on the Prime Minister's advice and would not be removable except on an address of the Assembly, carried by not less than two-thirds of all the members, "praying for his removal on the grounds of stated misbehaviour or of infirmity of body or mind."

The Regions.

Under the new Constitution, Ghana would be divided into the following five Regions: (1) Eastern Region; (2) Western Region; (3) Transvolta-Togoland; (4) Ashanti; (5) the Northern Territories (including the northern section of Togoland), with their present boundaries. These boundaries would not be altered except with the consent of the Region or Regions concerned under the procedure set out below.

If it was desired to alter the boundaries of a Region without increasing the number of Regions, the following procedure would be followed:

"(*a*) If there are fewer than 10,000 registered voters resident in the area affected, the alteration can be made after a vote in favour of it passed by a simple majority in the Regional Assembly of the Region concerned, followed by the passage through the National Assembly by a simple majority of whatever legal measure may be necessary."

"(*b*) If there are more than 10,000 registered voters resident in the area affected, a referendum shall be taken in the Region containing the area. If the majority of the votes cast in the referendum are in favour of the change, the proposal should be put to the Regional Assembly of the Region into which it is proposed to incorporate the area. If that body approves of the proposal by the vote of a simple majority, the necessary legal measures shall be placed before the National Assembly, where their passage shall require a simple majority of those present and voting."

If the alteration proposed would increase the number of Regions, a referendum would be held in the Region or Regions whose boundaries would be affected by the change. If a simple majority of the votes cast in each of these Regions was in favour of the change, the proposal would then be put to the Regional Assemblies or Interim Regional Assemblies [see below] of all the other Regions in the country. If two-thirds of all the Regions agreed to it (i.e. by the referendum in the case of those whose boundaries were affected, and by simple majority vote in the Regional Assemblies of the other Regions), it would then be put to the National Assembly. If it obtained a simple majority in the National Assembly, the change would come into effect.

Regional Assemblies.

"Quite apart from the understandable strength of local patriotism," [the White Paper continued] "there is for administrative reasons an undoubted need for a body at the regional level with effective powers in specified fields. The Constitution will therefore provide for a Regional Assembly to be established by Act of Parliament in each Region; and each Regional Assembly shall have authority, functions, and powers to such an extent as may be prescribed by Act of Parliament relating to: (*a*) Local Government; (*b*) Agriculture, Animal Health, and Forestry; (*c*) Education; (*d*) Communications; (*e*) Medical and Health Services; (*f*) Public Works; (*g*) Town and Country Planning; (*h*) Housing; (*i*) Police; (*j*) Such other matters as the Parliament of Ghana may from time to time determine. The maximum life of a Regional Assembly shall be three years."

A Regional Constitutional Commission would be appointed "as soon as may be, and if possible within three months of independence," to make recommendations as to the composition, authority, functions and powers of the Regional Assemblies, the funds they would require, and the means by which these funds should be provided. They would also make recommendations as to the legislation required to give effect to their proposals.

The Commission would consist of the Chief Justice or a Judge nominated by him, ten representatives of the Regions nominated by the Interim Regional Assemblies [see below], five persons nominated by the Territorial Councils, and not more than six members nominated by the Government. The Commission would hold meetings in each Region and consult with the Territorial Councils, the Interim Regional Assemblies, and such other persons and bodies as they deemed fit. Its report would be presented to the Parliament of Ghana within nine months, "and as soon as may be thereafter a Bill is to be introduced into the National Assembly to give effect to its recommendations."

Pending the establishment of the permanent Regional Assemblies, Interim Regional Assemblies would be formed consisting of the Members of Parliament for each Region. The Speaker would convene the first meeting of each of these bodies, under his chairmanship, to enable them to make their own rules of procedure and elect their first chairmen. Thereafter they would meet in accordance with their own rules.

An Interim Regional Assembly might appoint a Police Relations Committee "with the object of encouraging good relations between the Police Force and the public." Such a Committee should consist of not less than four persons appointed by the Interim Regional Assembly, to whom should be added two members appointed by the Commissioner of Police and, if the Minister responsible for Police so desired, two persons appointed by him.

Houses of Chiefs.

The Constitution would "guarantee the office of Chief in Ghana as existing by customary law and usage," and would provide for a House of Chiefs to be established for each Region by Act of Parliament. There would be a Head of each Region, "who shall for Ashanti be the Asantahene and for the other Regions a person chosen by the House of Chiefs." A House of Chiefs would have power to consider any matter referred to it by a Minister or the Regional Assembly, and might at any time offer advice to any Minister.

The Constitution would contain provision for dealing with appeals from traditional councils in the following matters: (*a*) the nomination, election or installation of any person as Chief, or the claim of any person to be elected or installed as a Chief; (*b*) the deposition or abdication of any Chief; (*c*) the right of any person to take part in the election or installation of any person as a Chief, or in the deposition of any Chief; (*d*) the recovery or delivery of "Stool property" or "Skin property" in connexion with any such election, installation, deposition or abdication; (*e*) political or constitutional relations under customary law between Chiefs.

Appeals from State Councils would be made to the House of Chiefs of the Region in which the issue had arisen, and the House of Chiefs would be obliged within a prescribed period to refer the appeal to an Appeal Commissioner appointed by the Judicial Service Commission. The Appeal Commissioner would transmit his report and findings to the House of Chiefs, which would not have power to depart from the findings of the Appeal Commissioner but might remit the matter back to him for further clarification. The House of Chiefs would be obliged within a prescribed time-limit to transmit the report and findings of the Appeal Commissioner to the appropriate Minister, who would be responsible for publishing the findings.

In the case of matters heard in the first instance by the House of Chiefs for the Ashanti Region, an appeal would lie to an Appeal Commissioner. The latter would forward his report and findings to the Head of the Region [the Asantahene], who would thereupon act in the same way as provided above for a House of Chiefs in relation to Appeal Commissioners and the Minister. Pending the establishment of the Houses of Chiefs, appeals would be direct to the Appeal Commissioner. "Thus in all cases the ultimate decision on appeals will be that of the Appeal Commissioner, sitting with or without assessors."

When any Bill affecting the traditional functions or privileges of a Chief was introduced in the National Assembly, the Speaker would immediately refer it to the House of Chiefs of the Region concerned. No motion would be moved for the second reading of the Bill in the National Assembly until three months after the date of its introduction into the Assembly.

Emergency Powers.

The present Emergency Powers Orders-in-Council, 1939-56, would remain in effect as part of the law of Ghana after independence, but the Constitution would limit their validity to a period of 12 months. This would give the Ghana Government time to prepare and introduce legislation to replace the U.K. Order concerned.

Freedom of Religion. - Ban on Racial Discrimination.

The Constitution would provide that "no law shall deprive any person of his freedom of conscience or of the right freely to profess, practice, or propagate any religion, subject to public order, morality, and health." It would also provide that "no law shall be made discriminating against any racial community."

Restrictions on Compulsory Acquisition of Property.

The provisions of the existing Constitution about the compulsory acquisition of property would be reproduced in the new Constitution. [These forbid compulsory acquisition save under law; require the payment of adequate compensation; give any person claiming such compensation a right of access to the Supreme Court of Ghana for determining his rights (including the amount of compensation); and give any party to proceedings in the Supreme Court relating to such a claim the same rights of appeal as are accorded to parties to civil proceedings in that Court.]

Amendment of the Constitution.

No Bill to amend, repeal, or modify any part of the Constitution could be presented for the Royal Assent unless it had received a two-thirds majority of the whole number of Members of Parliament on its third reading.

Additional processes would be required when a Bill sought to amend, repeal or modify certain basic clauses of the Constitution dealing with subjects set out in the Appendix [see below]. After the Committee stage in the National Assembly, such a Bill would have to be referred to all the Regional Assemblies and to the Houses of Chiefs. In each Region the House of Chiefs might within one month submit its views to the Regional Assembly. The Regional Assembly, after taking account of any views submitted by the House of Chiefs, would within three months express by a simple majority its approval or disapproval of the Bill as it stood. When the Assemblies of two-thirds of the Regions had expressed their approval of the Bill, the third reading could be taken in the National Assembly, where it would require the support of two-thirds of all members of the Assembly to become law.

Any Bill for the abolition or suspension of a Regional Assembly, or for diminishing its functions or powers, would require the consent of the Regional Assembly of the Region concerned. If it was rejected by that Assembly, it could be submitted to a referendum in the Region. If approved by a simple majority vote, this would be regarded as constituting the required approval of the Regional Assembly.

[An Appendix to the White Paper listed the following "basic clauses" in the Constitution which could only be modified by the "additional processes" referred to: (1) the Executive power; (2) the National Assembly; (3) adult suffrage and secret ballot; (4) power of Parliament to make laws; (5) assurances against racial discrimination; (6) freedom of conscience; (7) provisions for constitutional changes; (8) alteration of Regional boundaries; (9) provisions affecting compulsory acquisition of property; (10) Bills affecting Chiefs; (11) the Royal Assent to Bills; (12) the annual meeting and term of office of Parliament, and the requirement for general elections to be held within two months after every dissolution; (13) provisions relating to the Public Service, the Public Service Commission, the Judicature, the Judicial Service Commission, and the appointment and tenure of office of the Auditor-General; (14) the institution and powers of Regional Assemblies; (15) the institutions and functions of Houses of Chiefs.]

White Paper Proposals accepted by Dr. Nkrumah and Professor Busia. - Statement by Mr. Lennox-Boyd.

The White Paper proposals were welcomed in Accra both by Government and by Opposition leaders—by the Government because the constitutional proposals retained the unitary form of government, on which the People's Convention Party had insisted; and by the Opposition because sufficient powers had been given to the Regions and the traditional authorities to counter-balance any undue concentration of power at the centre.

The following statements were made in the Ghana Legislative Assembly on Feb. 12 by Dr. Nkrumah, the Prime Minister, and Professor Busia, Leader of the Opposition:

Dr. Nkrumah: "The leader of the Opposition and I are at one in accepting the White Paper, to our general satisfaction. We consider it, and the Order-in-Council to be based on it, acceptable as a basis for the working of our Independence Constitution. With mutual confidence and co-operation we are certain that the foundation of our independence, which is now being truly laid, will support firmly the superstructure of our political and economic life and lead to the greater happiness and progress of all sections of our nation."

Professor Busia: "It [the White Paper] does not, indeed, provide all that we asked for, but we are prepared to co-operate to make it a successful foundation for the democratic way of life which we all desire to see established and practised in this country. A constitution, however carefully drawn up, cannot by itself secure democracy for the country—for democracy, as a way of life, depends on the will and character of the people. It cannot succeed in an atmosphere of mutual distrust. As the first African colonial territory to achieve independence, we have a special responsibility and a challenge. We in the Opposition are prepared to co-operate to make our experiment a success."

Prior to the publication of the White Paper, Mr. Lennox-Boyd had visited Accra from Jan. 24-30 for discussions with Government and Opposition leaders on the proposed new Constitution. He also had discussions in London on Feb. 6 with two Ministers of the Ghana Government, Mr. Botsio (Minister of State) and Mr. Gbedemah (Minister of Finance), who flew to London for last-minute talks before the White Paper was published. It was understood that one or two drafting alterations were made to the White Paper as a result of the Colonial Secretary's discussions with Mr. Botsio and Mr. Gbedemah.

In a statement to the House of Commons on Feb. 8, Mr. Lennox-Boyd pointed out that the new Constitution would have to be proclaimed by Order-in-Council before the actual date of independence. After recapitulating its principal provisions, he added: "As a result of my discussions in the Gold Coast, and with Mr. Gbedemah and Mr. Botsio, I have every hope that this Constitution will provide a basis upon which Ghana will enter upon its independence with the wholehearted concurrence of all the principal leaders in the country."

The Accra Correspondent of *The Times* commented as follows on the constitutional changes: "The main change from the proposals of the Gold Coast Government put forward before Mr. Lennox-Boyd's visit—and this is one of considerable substance—is in connexion with regional powers and the powers of the Chiefs, and also in connexion with changes in the Constitution itself. These changes not only make it much more difficult to alter the Constitution but give considerably greater powers to the Regions and the Chiefs, not only in connexion with their own affairs but also to prevent alterations of the Constitution . . . With such large powers in regard to the Constitution, the Regions can no longer say that Ghana is to be governed entirely from Accra."

In a subsequent despatch, the Correspondent wrote: "The present compromise is widely felt here [in Accra] to be a great personal success for Mr. Lennox-Boyd, whose stock in this country probably stands higher now than that of any of his predecessors. Britain's stock in this country is equally high, and it seems that the breaking of the colonial bond will be achieved with great goodwill remaining here for Britain."

The Ghana Independence Act.

As stated above, the Ghana Independence Bill had received the Royal Assent on Feb. 7, after an unopposed second reading in the House of Commons on Dec. 11, 1956, and in the House of Lords on Jan. 24, 1957. The Bill was a short measure comprising five clauses and two schedules.

Clause 1 conferred Statute of Westminster powers on the Gold Coast territories which, after March 6, 1957, would form "part of Her Majesty's dominions under the name of Ghana." It was laid down that these proposals would not apply to Togoland until an Order-in-Council was issued for that purpose—this provision being necessary because the U.N. General Assembly would have to approve the projected change in Togoland's status (i.e. union with the Gold Coast) as recommended by the U.N. Trusteeship Council following the referendum in the territory.

Clause 2 provided that all citizens of Ghana—under any future citizenship law to be passed by the Ghana Parliament—would automatically be British subjects and Commonwealth citizens. It also provided that "British-protected persons" in the Northern Territories and Togoland would continue to have that status until Ghana citizenship was conferred on them by legislation of the Ghana Parliament.

Clause 3 laid down that Ghana would cease to be eligible for assistance under the Colonial Development and Welfare Acts as from the "appointed day" (i.e. March 6, 1957). This, however, would be "without prejudice to the continuance of any operations commenced by the Colonial Development Corporation in any part of Ghana before the appointed day."

The second reading was moved in the House of Commons by Lord John Hope, then Under-Secretary for Commonwealth Relations.

Lord John Hope said: "The result of the passage of this Bill will mean that we shall hail the first of the British dependent territories in tropical Africa to attain full self-government as a sovereign and independent nation . . . The grant of independence is an act of goodwill. The Government trusts that it will be received by the people of the Gold Coast in a spirit of responsibility which will command the respect of the whole world."

After an historical survey of the territory's advance to independence, Lord John pointed out that the Bill did not deal with details of the Constitution, its main purpose being to confer on Ghana the basic powers necessary to give it the status of an independent country within the Commonwealth. It also made necessary amendments in the law of the United Kingdom and of Ghana.

Announcing the Government's rejection of requests for separate independence for Ashanti and the Northern Territories [see below], Lord John declared: "The Bill is evidence of the Government's intention to proceed with the granting of independence to the country as a whole. Partition would not be in the interests of the whole country or of its component parts, which, during the past half-century, have grown steadily and strongly into a single nation. The different parts of the country are inter-dependent both politically and economically. The north and the south are complementary to one another. To sever would be to cripple. Partition at this stage would not only inhibit further development and progress; it would mean a serious falling-back in the standard of living."

In conclusion, Lord John explained that the name Ghana had been conferred on the new State to meet local wishes; it was the name borne by an ancient African kingdom, in what was now French territory south of the Sahara, which had once attained great importance in the territories now forming the Gold Coast. The date chosen for independence—March 6, 1957—was of local historic significance since it was the anniversary of the signing of the bond of 1844, from which British jurisdiction over the Gold Coast had derived.

The Bill was warmly welcomed by **Mr. James Griffiths,** Deputy Leader of the Opposition, and **Mr. Clement Davies,** leader of the Parliamentary Liberal Party. A number of Members, however, both Conservative and Labour, expressed various doubts and reservations. **Mr. Pannell** (C.) feared that a sudden exodus of British officials after independence might lead to a breakdown of law and order in the Gold Coast; **Mr. Mason** (Lab.) doubted whether the Gold Coast was ready for self-government; **Mr. John Hall** (C.) referred to allegations of corruption and nepotism in the Gold Coast, and feared that the Ashanti demands for independence might lead to bloodshed after March 1957; and the **Rev. R. W. Sorensen** (Lab.) said that the eradication of corruption and nepotism should be one of the first steps toward independence in Ghana.

Mr. Creech Jones (Lab.), a former Colonial Secretary, moved the deletion of Clause 3 of the Bill, on the ground that the withdrawal of Colonial Development and Welfare funds would seriously affect Ghana's economy. Mr. Jones's amendment was rejected by 185 votes to 135 after **Mr. Lennox-Boyd** had pointed out that the Colonial Development and Welfare Acts specifically laid down that assistance should be provided only for non-self-governing territories, and not for territories for which the Colonial Secretary was no longer responsible. He emphasized, however, that the clause did not mean that Britain intended to "wash her hands economically" of Ghana, or to dissociate herself from its future economic development. On the contrary, he was in touch with the Gold Coast Government about economic aid, and was ready at all times to discuss this matter personally. It might still be necessary to make funds available to Ghana under the Colonial Development and Welfare Acts, but only for schemes begun before independence.

The second reading was moved in the House of Lords by the Earl of Perth, Minister of State at the Colonial Office.

Lord Milverton (a former Governor of Nigeria) said that Parliament should bear in mind that they were handing the Gold Coast over to "a few able men at the top—a *corps d'élite*—with little effective challenge from a responsible public opinion." The economy of the Gold Coast was fragile, with "a dangerous dependence on cocoa," and power was being placed "into the eager, inexperienced hands of an anxious, ambitious group after only six years' apprenticeship in the art of government." Failure would not only be a tragedy for the 5,000,000 citizens of Ghana but a setback for the hopes of other African territories advancing toward self-government. He particularly deplored Clause 3 of the Bill, and believed that the Colonial Development Corporation (under another name, if necessary) should be free to assist Ghana if the latter so desired.

The deletion of Clause 3 was moved by **Lord Ogmore** (a Labour peer), who maintained that it laid down a principle which would adversely affect all dependent territories advancing toward self-government. He compared the Government's attitude toward the Gold Coast with that of a Victorian father saying to his son: "Well, my boy, here's £50 and a gold watch—just take yourself off and make your own way in the world." The removal of the clause was also urged by **Lord Swinton** (a former Conservative Colonial Secretary and Commonwealth Relations Secretary), **Lord Attlee** (the former Labour Prime Minister), and other peers on both sides of the House. Lord Ogmore's amendment was, however, rejected by 53 votes to 25.

Lord Hemingford (a former Rector of Achimota College, in the Gold Coast) pointed out during the debate that the name "Ghana" was the original and more correct form of the familiar word "guinea." Describing how he had "caught out" the *Oxford English Dictionary*, Lord Hemingford said: "It was from Ghana in West Africa that our forbears misnamed the coast 'the Guinea Coast.' I have been sorry to read in the *Oxford English Dictionary* that the origin of the word 'guinea' is unknown. I hope in the next edition they will correct the entry. The sovereigns minted first in the reign of Charles II from Ghana were found to be more valuable than other sovereigns, so their value had to be fixed at 21s. instead of 20s. May we hope that this will prove a happy augury."

Lord Home (Secretary for Commonwealth Relations), replying to the debate, reaffirmed the Government's principle that the independence of a Colony, when achieved, must be absolute, and that the country must "establish credit-worthiness by its own right." H.M. Government, however, were consulting the other Commonwealth countries on the problems of financing developments in the Commonwealth, and the U.K.'s role in the development of newly independent countries would be reviewed in the light of the replies received.

Political Developments before Publication of White Paper. - Ashanti Demands for Independence. - Mr. Lennox-Boyd's Visit to the Gold Coast.

Following Mr. Lennox-Boyd's announcement of Sept. 18, 1956 (see 15121 C) that the Gold Coast would achieve independence on March 6, 1957, under the name of Ghana, an all-party conference opened in Accra on Oct. 16 to discuss the Gold Coast Government's draft proposals for a constitution. Despite certain concessions by each side, however, no agreement was reached, and after abortive discussions extending over several weeks the two main Opposition parties - the National Liberation Movement (N.L.M.) and the Northern People's Party (N.P.P.)— sent a joint resolution to Mr. Lennox-Boyd on Nov. 20 demanding "separate independence for Ashanti and the Northern Territories, and a partition commission to divide the assets and liabilities of the Gold Coast among its four component territories." On Nov. 27 the N.L.M. issued a 10-point plan (also forwarded to Mr. Lennox-Boyd) calling for the establishment of Ashanti (or a union of Ashanti and the Northern Territories) as an independent State within the British Commonwealth.

The all-party conference in Accra consisted of eight representatives from the Government side (including seven Ministers) and eight Opposition representatives (four from the Northern Territories, three from Ashanti, and one from Gold Coast Colony) led by Professor Busia. Fundamentally, the discussions broke down because the Government insisted on a unitary constitution and the Opposition on a Federal constitution. On Nov. 7 the Gold Coast Government published a White Paper setting out its own constitutional proposals, and the points of disagreement between the Government and the Opposition. The constitutional proposals of the Gold Coast Government [referred to in the White Paper published in London] were subsequently approved by the Legislative Assembly in Accra, in which the Government has a large majority.

The 10-point plan for the creation of an independent Ashanti State, referred to above, contained the following proposals:

(1) Ashanti and the Northern Territories should unite on a basis of equality.

(2) A constitution should be drawn up for Ashanti, or for a union of Ashanti and the Northern Territories, establishing the new State as a member of the British Commonwealth, with H.M. the Queen as Head of the State.

(3) A Governor-General should be appointed by the Queen.

(4) Civil servants, both African and European, should suffer no adverse changes in their terms and conditions of service and emoluments.

(5) Pending the final withdrawal of British control, interim governments should be established in Ashanti and the Northern Territories before March 6, 1957.

(6) The interim Legislature of Ashanti should consist of members of the present Assembly [in Accra] representing Ashanti constituencies.

(7) An interim Finance Board should be created to control the national revenues and finances of Ashanti, or a Union of Ashanti and the Northern Territories.

(8) The interim Government should establish certain interim statutory boards on which interests concerned should be adequately represented.

(9) Foreign investment should be encouraged.

(10) The Colonial Secretary should appoint a Partition Commission to divide the assets and liabilities of the Gold Coast among its component territories.

A Colonial Office statement, issued in Accra on Dec. 10, said that "H.M. Government does not consider that partition of the Gold Coast is in the interests of the Gold Coast as a whole or of any of its component parts, and cannot abandon its established policy."

The Opposition's objections to the constitutional proposals formulated by the Gold Coast Government were set forth by Professor Busia at a press conference in London on Dec. 10, 1956.

After emphasizing that the proposed State of Ghana was not a single entity either geographically, historically, or politically, but consisted of four separate territories with their own problems and traditions, Professor Busia said that a "serious situation" had arisen because of "the failure of the Gold Coast Government to produce a draft constitution embodying those checks, balances, and safeguards essential to the preservation of individual liberty and the rights of minorities and regions in a nascent State." The Regions should be permitted to take an effective part in their own Government, and Ashanti—where the secessionist movement was particularly strong—should be allowed to keep together as a nation and to retain its own institutions. It was therefore essential to reach agreement on a united, independent Gold Coast before Independence Day, but in the existing situation such agreement was not present. The Opposition in the Gold Coast believed that the Constitution should contain effective safeguards for the Regions and minorities, but Britain was apparently prepared to hand over power without ensuring "that some of the most cherished and precious things she has taught us should be preserved."

Professor Busia suggested (1) that the Ghana Independence Bill, then before the U.K. Parliament, should be amended to provide the safeguards sought; or (2) that talks should be held in which "the British would bring to the service of the Gold Coast their long experience and statesmanship in helping to settle the Constitution." Though he believed it would be possible to reach agreement before Independence Day, there were "grim possibilities" in ignoring the strength of feeling that had already been manifested by the people of Ashanti.

Mr. Lennox-Boyd, who had been on a prolonged tour of the Rhodesia and Nyasaland Federation (see 15324 A), arrived in the Gold Coast on Jan. 26 for a week's visit. During this period he had meetings with Ashanti leaders in Kumasi (the Ashanti capital), with political leaders in the Northern Territories, and with Government and Opposition leaders in Accra.

During his visit to Kumasi (Jan. 26-27) the Colonial Secretary met the Asantahene (Otumfuo Sir Agyeman Prempeh, head of the Ashanti nation) and the Asanteman Council, the highest traditional authority in the region. The Asantahene told Mr. Lennox-Boyd that his people were "not in a happy mood" about the impending withdrawal of Britain from the Gold Coast, and stressed that Ashanti wished to preserve her traditions and institutions against "the dictatorial attitude of the present Gold Coast Government."

The Asanteman Council handed Mr. Lennox-Boyd a 2,000-word memorandum declaring that the constitutional dispute in the Gold Coast was not one between "traditionalism and modern democracy" but "a struggle to provide checks against the concentration of power at the centre, which the experience of the past six years has proved to be highly dangerous and inimical to the liberties of individuals and minorities in the Regions . . ." The memorandum also asked that the Asantahene should be recognized as the head of the Ashanti nation; that the Regional House of Chiefs should have sole responsibility for local constitutional and traditional matters; that a Regional Assembly and a Regional House of Chiefs should be created in Ashanti; and that Ashanti's boundaries should be regarded as inviolate.

In reply to these representations, Mr. Lennox-Boyd said that he would do his best "to smooth out the constitutional differences," and expressed confidence that he would be able to "remove many of your fears." Though his suggestions might "not altogether satisfy everybody in their entirety," he hoped the Ashanti people would be able "to join with an easy mind in the celebrations of the independence of Ghana." He emphasized that Britain recognized the deep attachment of the Ashanti people to their traditions and institutions.

In a broadcast from Accra on Jan. 30, Mr. Lennox-Boyd said that nearly all the acute differences in the Gold Coast could be traced to lack of mutual confidence between the Government and the Opposition, which had prevented them from reaching agreement on the constitutional question. He added: "Now confidence is not something I can pull out of my brief-case and give you as a present. It is something organic—a frail plant which needs the good earth of mutual respect and the constant fertilizer of good will. I think I have been able to give both Government and Opposition some gardening hints during my visit."

On his return to London (Feb. 2) the Colonial Secretary expressed confidence that Ghana would have a tranquil and prosperous future after her attainment of independence. "For some time," he said, "there have been very considerable differences, but I hope my visit has been able to ease the tension. I found far more unity—an underlying unity—than I expected, and I believe this will prevail over other differences."

It was announced in London and Accra on Feb. 13 that the Queen, on the advice of Dr. Nkrumah, had appointed the Governor of the Gold Coast (Sir Charles Arden-Clarke) as the first Governor-General of Ghana when it attained independence. Sir Charles stated that he would be "very happy to hold the appointment for a short period, when I would wish to be permitted to retire and to hand over to my successor."

The Colonial Correspondent of *The Times* wrote: "The appointment of Sir Charles Arden-Clarke as Governor-General of Ghana is, of course, an interim measure. Sir Charles became Governor of the Gold Coast in 1949, and has been mainly instrumental in guiding it toward independence. At the same time, it has always been recognized that it would be desirable for Ghana, once it became an independent country of the Commonwealth, to have a Governor-General appointed from the U.K. in the ordinary way. It is generally considered that it would be more in keeping with Ghana's new status if someone other than a member of the Colonial Service were to be appointed."

It had previously been announced on Dec. 13, 1956, that Mr. I. M. R. Maclennan, an Assistant Under-Secretary of State at the Commonwealth Relations Office, would become the first U.K. High Commissioner in Ghana as from March 6, 1957. Mr. Maclennan, U.K. High Commissioner in Southern Rhodesia from 1951-53, was the first U.K. High Commissioner to the Rhodesia and Nyasaland Federation, a post he held from 1953 until his return to the Commonwealth Relations Office in 1955.—(White Paper, Cmd. 71 - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Gold Coast, 15121 C.)**

A. BULGARIA. — Cabinet Changes. - Reorganization of Ministries. - Reintroduction of Bread Rationing. - Posthumous Rehabilitation of Traicho Kostov.

A reorganization of the Bulgarian Government, recommended by the Central Committee of the Bulgarian Communist Party on Jan. 17, was approved by the National Assembly on Feb. 3. It involved the fusion of a number of Ministries, as follows:

(1) The Ministry of Transport and the Ministry of Posts, Telegraphs, and Telephones were merged into a single Ministry of Transport and Communications under General Ivan Mihailov, a Deputy Premier.

(2) A Ministry of Construction and Building Materials replaced the separate Ministries of Building Materials and of Construction. The new Ministry was headed by M. Vladenko Vidinsky.

(3) The Ministry of Culture and the Ministry of People's Education were combined in a single Ministry of Education and Culture headed by M. Chervenkov, the former Prime Minister, and now a Deputy Premier.

(4) The Ministry of Finance and the State Control Commission were merged into a unified Ministry of Finance and State Control headed by M. Kyril Lazarov, the former Finance Minister.

(5) The former Ministries of Home Trade and Foreign Trade were combined into a single Ministry of Trade under M. Raiko Damyanov, a Deputy Premier.

(6) A new Ministry of Agriculture and Forests replaced the former Ministry of Agriculture and the Forestry Administration.

(7) The Ministry of Municipal Economy and Highways took over the functions of a number of former administrative bodies in this sphere, while local industries became the concern of the Ministry of Light Industry.

(8) The administration of social security services was transferred from the Central Council of Trade Unions to the Ministry of Health and Social Services.

(9) The number of Deputy Premiers was reduced from six to five—the Foreign Minister, M. Lukanov, losing his deputy premiership.

(10) The following former Ministers were relieved of their functions: M. Zhivkov (Foreign Trade); M. Pelovski (Internal Trade); M. Avramov Levi (Culture); M. Yanev (Education); M. Dimitrov (Transport); Mme. Dragoicheva (Posts, Telegraphs, and Telephones); and M. Ditchev (State Control Commission).

The following governmental changes had been approved by the National Assembly on Dec. 30, 1956:

(*a*) M. Russi Hristozov (previously Minister of Supplies) was appointed chairman of the State Planning Commission *vice* M. Georgi Chankov, a First Deputy Premier;

(*b*) M. Atanas Dimitrov, previously Minister of Food and Light Industry, became head of a newly-established Ministry of the Food Industry;

(*c*) Mme. Stanka Tsekova, previously Deputy Minister of Food and Light Industry, was appointed Minister of Light Industry.

Other developments in Bulgaria in recent months are summarized below:

Bread Rationing. - Soviet Wheat Aid. It was announced on Oct. 15, 1956, that rationing of certain kinds of bread had been reintroduced in Bulgaria owing to the shortage of wheat. In negotiations with the Soviet Union, however, which concluded on Jan. 12, 1957, agreement was reached on Soviet economic aid to Bulgaria through wheat deliveries on credit, to be redeemed over a three-year period beginning with the 1957 harvest.

Reduction of Compulsory Farm Product Deliveries. As from Jan. 1, 1957, the system of obligatory quota deliveries by farmers to the Government was abolished for grapes, apples, plums, potatoes, oats, hay, and milk, being replaced by a purchasing system through separate contracts with producers. Under the same decree, quota deliveries of wool were halved in respect of sheep used for breeding and those privately owned by co-operative farmers.

Agricultural Collectives. It was reported during January that 79 per cent of the cultivated area of Bulgaria was in the hands of co-operative and State farms, the remaining 21 per cent—cultivated by private farmers—being predominantly mountainous and hilly country.

Farmers' Pensions. A scheme under which co-operative farmers will receive small pensions at the ages of 60 (men) and 55 (women) came into force on Jan. 1, 1957. The pensions vary from 60 to 150 levas a month, and benefit over 400,000 co-operative farmers.

Working Hours. A joint announcement by the Bulgarian Government and the Central Committee of the Communist Party, issued on April 26, 1956, stated that, in conformity with similar measures adopted in the Soviet Union, working hours on Saturdays and on the eve of public holidays would be reduced to six hours, and that Sunday would be a day of rest for practically all workers.

Abolition of Special Courts for Workers' Offences. The National Assembly passed legislation on Nov. 1, 1956, abolishing the existing courts for transport workers and the courts-martial procedure for employees of the Ministry of the Interior.

Sofia Radio announced on Sept. 18 that the Central Committee of the Communist Party had "formally rehabilitated" M. Traicho Kostov, the former Deputy Premier and party secretary, who had been executed in 1949 for alleged treason and "Titoism."—(Bulgarian Legation Press Office, London) **(Prev. rep. Cabinet, 15058 A; M. Kostov, 14817 A.)**

A. SOVIET UNION.—M. Shepilov's "Six Principles" for Peace in Middle East. - Speech to Supreme Soviet. - Denunciation of "Eisenhower Doctrine." - Marshal Bulganin's Letter to Dr. Adenauer on Co-operation between U.S.S.R. and Western Germany. - Soviet Demands for British, French, and Israeli "Compensation" to Egypt. - Mr. Ben-Gurion's Rejoinder.

The Soviet Foreign Minister (M. Shepilov), in a speech to the Supreme Soviet in Moscow on Feb. 12, proposed that the Soviet, U.S., British, and French Governments should join in a four-Power declaration, based on six principles, with the aim of keeping the peace in the Middle East. The Soviet proposals were presented on the same day to the U.S., British, and French Ambassadors, the "six principles" mentioned therein being as follows:

(1) Settlement of outstanding issues solely through peaceful negotiations.

(2) Non-intervention in the domestic affairs of the Middle East countries, and respect for their sovereignty and independence.

(3) Dropping of all attempts to involve the Middle East in Great-Power military blocs.

(4) Abolition of foreign bases and withdrawal of foreign troops from the Middle East countries

(5) Mutual agreement not to deliver arms to those countries.

(6) Economic assistance to the Middle East countries without political, military, or other terms incompatible with their sovereignty.

M. Shepilov's speech to the Supreme Soviet is summarized below under cross-headings:

Attack on "Western Imperialism." After claiming that the U.S.S.R. had made "strenuous efforts" to break the disarmament deadlock, and citing *inter alia* the reductions in the Soviet armed forces and the relinquishment of the Soviet bases at Porkkala and Port Arthur, M. Shepilov said that "ill-starred strategists" in the West had hoped for a new "evolution" in the U.S.S.R. after the 20th Party Congress. The criticisms of "mistakes and shortcomings in various spheres of party life and government construction" had given rise to "wishful thinking" in the West and to unfounded hopes that the U.S.S.R. would "become 'pink,' if not actually 'white.'" When, however, the "imperialists" had realized that "the might of the Socialist countries was steadily increasing and the moral and political unity of their peoples growing," they had again resorted to "the poisoned weapon of anti-popular conspiracies and war gambles." The "aggression of Britain, France and Israel against Egypt" and the "counter-revolutionary *putsch* in Hungary" were all "part and parcel of the same broadly conceived strategic plan," the sponsors of which had hoped to change the international situation in their favour.

M. Shepilov went on to denounce the Atlantic Pact and the remilitarization of Western Germany; to emphasize that it was "the sacred duty of all Socialist states to strengthen the Warsaw Treaty Organization as long as the imperialist bloc exists"; and to denounce "the ideas of so-called national Communism, which have gained currency of late." He recalled that Government representatives of the U.S.S.R., Bulgaria, Czechoslovakia, Hungary, and Rumania, at their recent meeting in Budapest [see 15379 B], had declared their full resolve "to foil the attempts of the aggressive forces to aggravate the international situation still further and to intensify the arms race and war psychosis."

The Middle East. - Denunciation of "Eisenhower Doctrine." "The past year," M. Shepilov continued, "has demonstrated the growing changes in the correlation of forces within the capitalist camp. The domination of the United States increases; the international positions of Britain and France are weakening considerably; the role of Western Germany increases substantially; Japan is gathering strength . . . The strengthening of America's domination in the capitalist world and the weakening of the international positions of Britain and France are two sides of the same medal . . . The struggle between the U.S.A. and Britain reached its peak in the Middle East. In the post-war years the U.S.A. squeezed Britain out of her key oil positions in the area. In 1937 the U.S.A. accounted for only 13 per cent of oil produced in the Middle East, and Britain for over 80 per cent. In 1956 the U.S.A. controlled almost 60 per cent of Middle East oil production, and Britain about one-third.

"The Middle East has become an area of struggle between two old but weakened colonial empires, Britain and France, and a new, more powerful American empire . . . As a result of the collapse of the Anglo-Franco-Israeli aggression against Egypt, America's supremacy over its rivals has further increased. Relying on this new correlation of forces, the U.S.A. has set itself the task of completely ousting Britain and France from the Middle East. This is borne out by the so-called 'Eisenhower doctrine,' whereby the U.S.A. intends to cover the area with a network of atomic bases and, at the first opportunity, to launch from the area a war of aggression. The 'Eisenhower doctrine' may be called a 'doctrine of closed doors in the Middle East in the interests of the United States.' . . .

"The advocates of the 'Eisenhower doctrine' contend that it helps to put into effect the U.N. principles of respect for national sovereignty and independence and the right of peoples to self-determination . . . In fact, it is a most flagrant violation of U.N. principles. Its implementation would be tantamount to the liquidation of the United Nations, because the U.S.A. would seize unlimited dictatorial powers in that part of the world and would in effect deprive a number of U.N. member-States of their independence. U.S. policymakers seek to justify their predatory aspirations by alleging that a 'vacuum' has appeared in the Middle East. The 'vacuum' doctrine is produced every time the American rulers intend to ensconce themselves in some part of the world . . ."

After announcing the six-point proposals for the Middle East conveyed to the U.S., British and French Governments, as mentioned above, M. Shepilov declared, with reference to the present position in the Middle East: "The most urgent question is the complete withdrawal of Israel's forces from Egyptian territory. The responsibility for the consequences which may be entailed by further occupation of part of Egyptian territory rests with Israel and her overlords . . ."

Relations with Foreign Countries. As regards the Soviet Union's relations with foreign countries, M. Shepilov said that the U.S.S.R. would consider "with all good will" any initiative which would help to improve relations with the U.S.A., Britain, and France; that she was ready to meet Western Germany "half-way" if the German Federal Republic showed a "sincere desire for co-operation"; and that the U.S.S.R. would develop friendly relations with Austria and support Austrian neutrality and independence. M. Shepilov also welcomed the "growing understanding and co-operation" with India; said that the re-establishment of diplomatic relations with Japan had contributed to the normalization of international relations; and spoke of the "invariably good" relations with Afghanistan and of "opportunities for further development" of Soviet-Persian relations. There had been for a long time a need "to clear away all the accumulated lumber" from Soviet-Turkish relations, and "as soon as this is appreciated by Turkey's ruling circles, the faster Soviet-Turkish relations will take a turn for the better."

As regards relations with Yugoslavia, M. Shepilov said: "We shall continue to take all necessary steps to make Soviet-Yugoslav relations develop successfully on the basis of friendship and equality. At present, however, this chiefly depends on the leaders of the Yugoslav Republic, inasmuch as within Yugoslavia there are still manifestations of ill-will and even open attacks by certain elements against the U.S.S.R. and some of the people's democracies."

M. Shepilov also spoke of the Soviet Union's close co-operation and friendship with Finland, and of its desire to maintain friendly relations with the Scandinavian countries and Iceland.

Call for World Economic Conference. The Soviet Foreign Minister called for a World Economic Conference to discuss:

"(1) The further development of international trade and the establishment of an international trade organization within the framework of the United Nations.

(2) International economic co-operation to promote the creation of independent national economies in under-developed countries, and also certain financial questions."

Disarmament. In conclusion, M. Shepilov appealed for general disarmament and "the destruction and prohibition for all time of the latest devastating weapons of war."

No official statement on M. Shepilov's Middle East proposals was issued in Washington, London, or Paris. A spokesman of the U.S. State Department, however, said that they were "obviously . . . a move to try to discredit or stop the Eisenhower plan" for the area.

Marshal Bulganin's Letter to Dr. Adenauer.

The text of a personal letter sent by Marshal Bulganin to Dr. Adenauer was published in Bonn on Feb. 10. In this letter the Soviet Prime Minister said that the Soviet Government were "not satisfied" with the development of relations between the U.S.S.R. and Western Germany since Dr. Adenauer's visit to Moscow in 1955, and proposed that the two countries should improve their relations and sign trade, cultural, and consular agreements. In the course of his letter, the text of which is given below, Marshal Bulganin attacked Western Germany's participation in the Atlantic Pact and declared that a solution of the problem of German reunification could be effected only on an "all-German basis" in co-operation between "the two German States."

"More than a year has passed," wrote Marshal Bulganin, "since extensive and frank negotiations took place in Moscow between the Soviet Union and the German Federal Republic, as a result of which diplomatic relations were established between our two countries . . . I would like to tell you, with the same frankness which marked our talks in Moscow, that my colleagues and I are not satisfied with the course which relations between our two countries have taken since then . . . I will also not conceal that we watch with anxiety how, in the German Federal Republic, a strengthening is taking place of those forces which, with support from abroad, are preventing better relations between our countries, and which desire to impel the Federal Republic on to the dangerous path of military adventures.

"You may point out to me, as did the German delegation during the Moscow negotiations, that in Western Germany there are neither the forces nor the politicians who want an aggressive war. We see, however, the role which is contemplated for the German Federal Republic and its armed forces by the organizers of the North Atlantic Pact. They wish to use the Federal Republic for an aggressive war against the interests of the German people. . . . .

" Also we cannot share the view of certain circles in Western Germany that the formation of strong fighting forces and their equipment with atomic weapons strengthens the international position of the Federal Republic. In our view the opposite is the case. Every fresh milliard spent on armaments, every new division raised, will only complicate the international situation of the Federal Republic and increase the mistrust and fears which other States, particularly Western Germany's neighbours, feel toward her. As a result of all this, the solution of the question which the entire German people regards as its greatest national concern—namely, the re-establishment of the unity of Germany as a democratic State—becomes ever more remote.

" If I write this to you in all frankness, it is not because our country fears the newly-established army in the Federal Republic, but because we are activated by a feeling of anxiety and responsibility for the fate of the peace of Europe. When you told us in Moscow that the German people shudder at the thought of war with its horrible consequences, and that peace seemed the supreme good, we understood this, because we know very well what suffering and sacrifices the German people endured during the two World Wars. The German people also know what infinite suffering and sacrifices the Soviet people had to endure during the First, and particularly during the Second World War . . . It would be a crime to forget the lesson of history. That is why we are convinced of the necessity for a close and friendly relationship and peaceful co-operation between the Soviet and the German peoples, in order that history shall not repeat itself and that peace in Europe shall be assured.

" Whether there will be war or peace in Europe depends in the first place on the relations between our peoples. Our two Governments must, therefore, have a sense of responsibility for the fate of their peoples, as well as for the fate of peace in Europe. This is surely of decisive importance for the maintenance of peace in the whole world . . .

" We are aware of the fact that there are forces which, with all the means at their disposal, are preventing the normalization of relations between the Soviet Union and the German Federal Republic. For the sake of their narrow and selfish interests, these forces are trying to incite a policy which would lead to a military conflict with the Soviet Union and other Socialist countries. This may be seen very clearly from the constant demands addressed to the Federal Republic for a speedy establishment of strong armed forces, and for increased expenditure on rearmament and the maintenance of foreign troops . . . In addition, the use of West German territory as a concentration area for an atomic war is being prepared quite openly.

" The attempt is being made to cover all this by pointing to the alleged aggression of the Soviet Union. This, however, is only an excuse. The Federal Republic is being forced along a path of aggression—a very disastrous path for her—which has nothing in common with the true national interests of the German people . . . Those who are forcing the Federal Republic along a path leading to war do not care in the least about the fate of the Federal Republic and the interests of the German people. They are calculating on distracting atomic reprisal from themselves and drawing attention to the Federal Republic, in the hope that they will succeed in making others pull their chestnuts out of the fire. By exploiting the advantages of their geographical situation, they hope to remain unpunished in the remote corners of the globe until all is over. They forget, however, that in our time of highly developed techniques such remote corners no longer exist . . .

" The policy of the Soviet Government is based on peace and co-operation with all States . . . We are convinced that all international problems can be settled peacefully through negotiations between the interested countries. The Soviet Union adheres inviolably to these principles in its relations with the Federal Republic and other countries. We are convinced that Germany's greatness, and the full unfolding of the creative genius of the German people, can be achieved only in peaceful development.

" To a large degree there are sufficient prerequisites for an extensive development of mutually advantageous economic relations between the Soviet Union and the Federal Republic. The Federal Republic has an industry developed in all fields, and may count on big and favourable orders from the Soviet Union. On the other hand, the Soviet Union can sell goods to the Federal Republic in which West German industry and agriculture are interested. We raise the question of trade relations with the Federal Republic because the Soviet Union believes that they provide a solid basis for the improvement of political relations between States . . .

" The strengthening of trust and of friendly co-operation between our countries would without doubt facilitate the unification of Germany, which the German people regards as its most urgent national task . . . We sympathize with these justified desires, and are ready as always to support the German people in solving this all-German task. The reunification of Germany will not, however, be brought nearer if people ignore the fact of the existence of two German States. A solution of the German problem can be found only through a *rapprochement* between the German Democratic Republic and the German Federal Republic. It is equally clear that the remilitarization of Western Germany, the limitation of the democratic rights of its peoples, and the continuation of an unfriendly policy toward neighbouring peace-loving countries, are not serving the reunification of Germany.

" Before the day of reunification comes nearer, many difficulties will have to be overcome. All interested States will have to unite their efforts. The sooner this happens, the better. The Soviet Government, for its part, is ready to lend its support to the Governments of both German States in solving the problem of reunification. An improvement in relations between our countries will be very useful in this respect . . .

" We are of the opinion that the time has come for the Governments of both our countries to undertake definite steps for an improvement of relations between the Soviet Union and the German Federal Republic, in conformity with the agreed decisions taken during the Moscow talks in 1955, and on the basis of the modest but nevertheless useful experiences of mutual relations in various fields since then.

" In particular, the following urgent questions should be discussed : (1) a substantial increase in trade between both countries, and the conclusion of a trade treaty : (2) the conclusion of an agreement for cultural and scientific co-operation : (3) a consular agreement which would lay down the rights of both sides in the protection of the interests of their nationals, thus facilitating the solution of questions concerning the repatriation of nationals of both countries.

" I would like to emphasize that we obviously do not consider it proper to limit our relations to economic, cultural, and scientific co-operation. We attach great importance to the opinion of the German people in the discussion of important international problems. In talks with the German Democratic Republic [see 15352 A] we have already reached mutual understanding on such important questions as rearmament, European security, and other problems in which both the Soviet and the German peoples are equally interested. We are of the opinion that a *rapprochement* in the standpoints of the Soviet Union and the German Federal Republic in these questions would be very profitable.

" We hope that the points of view outlined above will be examined by the Federal Government in a spirit of friendly and constructive co-operation. It goes without saying that I and the other members of the Soviet Government will gladly and carefully examine any proposals which you may care to make toward the strengthening of our relations . . . "

In a broadcast on Feb. 13, Dr. Adenauer said that although discussions between the U.S.S.R. and the Federal Republic might profitably be held on certain subjects, it was essential for the German people to bear in mind " clearly and distinctly " (1) that there was " only one German State," and that the " so-called Democratic Republic " was " not a State but an occupation zone under Soviet rule, whose people must have their freedom restored to them " ; (2) that the Federal Government had no aggressive intentions whatsoever, and none of its allies had attempted to encourage any such intentions. If this were understood by the Soviet Union, as the German people sincerely hoped, " many difficulties could be overcome more easily."

Bulganin Notes to Britain, France and Israel on Middle East Situation. - Demand for Payment of Compensation to Egypt. - Mr. Ben-Gurion's Rejoinder.

Following Marshal Bulganin s letters of Nov. 5, 1956, to the Prime Ministers of Britain, France, and Israel (see 15217 A), the Soviet Prime Minister sent further letters on Nov. 15 to Sir Anthony Eden, M. Guy Mollet, and Mr. David Ben-Gurion welcoming the decision of their Governments to accept a cease-fire in Egypt, but demanding that they should pay compensation to Egypt for damage incurred through the British, French, and Israeli military operations.

The letters to Sir Anthony Eden and M. Mollet, more conciliatory in tone than those sent on Nov. 5, expressed the Soviet Government's " regret " that Britain and France had embarked on hostilities against Egypt, and declared that neither country had gained anything but, on the contrary, had suffered economically by the closing of the Suez Canal and the deprivation of Middle East oil. He went on to say that " justice demands that Britain, France, and Israel should compensate Egypt for the damage caused in connexion with the destruction of Egyptian towns and populated places, and in connexion with the blocking of the Suez Canal and the destruction of its equipment." He proposed that an international commission, on which Egypt should be represented, should " examine and speedily satisfy the legitimate claims of Egypt for compensation for losses sustained through the military operations of Britain, France, and Israel."

Marshal Bulganin also said that the Soviet Government saw no need for the creation of a U.N. Emergency Force, but, as Egypt had agreed to such a Force in principle, the U.S.S.R. would have no objections providing it was stationed on both sides of the Egyptian-Israeli armistice line. With regard to Sir Anthony Eden's and M. Mollet's criticisms of the Soviet action in Hungary, Marshal Bulganin said that the Kadar Government had issued an " appropriate statement " showing that " in spite of the mobilization of the black forces of reaction inside and outside Hungary with the aim of overthrowing the democratic order and restoring the Horthyist-Fascist regime, this conspiracy ended in complete bankruptcy." He added that " any attempt, from whatever side it may come, at interfering in the internal affairs of Hungary, and in Hungary's relations with the Soviet Union, is entirely unfounded and must be resolutely rejected."

In his letter to Mr. Ben-Gurion, Marshal Bulganin wrote *inter alia* that Israel's policy was " dangerous to peace and menaces the very interests of Israel herself." He also wrote that " the Israeli aggression against Egypt has resulted in the death of thousands of people, the destruction of towns, and hatred for Israel in the Arab countries."

Sir Anthony Eden sent a brief reply to Marshal Bulganin on Nov. 20, worded as follows: "As you know, our purpose in intervening in the Middle East was to limit the effects of the conflict between Israel and Egypt. I advocated as long ago as Nov. 1 the sending there of a U.N. Force. We are glad to have U.N. observers with us now. The world would welcome similar action by the Soviet Government in Hungary." The French Prime Minister's reply to Marshall Bulganin was similarly terse.

Mr. Ben-Gurion, in a letter to Marshal Bulganin on Nov. 18, rejected the Soviet demand that Israel should pay compensation to Egypt, and maintained that Israel herself had a case for compensation from Egypt for the losses inflicted on her by hostile Egyptian actions since 1948.

Drawing Marshal Bulganin's attention to "the true state of affairs in the relations between Egypt and Israel which has produced the present crisis," Mr. Ben-Gurion stressed that the Arab States had invaded Israel on the very first day of her independent existence for the purpose of "annihilating" her; that Egypt had insisted on remaining in a state of war with Israel since the signing of the 1949 armistice agreements; and that she had continued to wage hostile actions against Israel ever since. Mr. Ben-Gurion added: "I cannot but express my surprise at the fact that you do not appear to be aware of these roots of tension in our area."

After drawing attention to the powerful Egyptian military build-up in the Sinai desert and the Gaza strip in readiness for an attack on Israel, Mr. Ben-Gurion emphasized that Israel's military operations had neither harmed any civilians nor caused the destruction of a single Egyptian town. Nor had Israel damaged the Suez Canal, which had been blocked by the Egyptians themselves.

"If there is a case for claiming compensation," Mr. Ben-Gurion continued, "it is we who are entitled to compensation for the Egyptian invasion of our country in 1948; for the death of thousands of our sons and daughters as a result of this aggression; for the economic boycott and maritime blockade maintained in defiance of the U.N. Charter and Security Council resolutions; for the hundreds of Israelis—Jews and Arabs—murdered by *fedayeen*; and for all the damage caused to our economy, running into millions of pounds. However, if peace is established between Egypt and ourselves, we shall be ready to forgive all the past transgressions of the Egyptian rulers."

Mr. Ben-Gurion also wrote, with reference to the military operations in Sinai: "From the mass flight and surrender of the Egyptian soldiers—peasants torn from their homes in Egypt and sent against their will to do battle in a remote desert it is clear that these soldiers were not prepared to fight for the Fascist dictator in Cairo . . . This is conclusive proof that many people in Egypt now understand the true character of Gamal Abdel Nasser, who at the beginning pretended he was concerned with improving his people's health, education, and economic development, but who has since shown himself to be consumed by lust for power and an ambition to impose his rule on all Islamic peoples . . . and to make himself master of the Moslem world."

In his concluding remarks, Mr. Ben-Gurion reiterated that Israel was prepared for a settlement of her dispute with Egypt, as well as with other Arab States, by peaceful means. "It is with regret," he told Marshal Bulganin, "that I have to point out that several of the expressions used in your letter are not likely to be interpreted by the Arab rulers as encouragement to the achievement of peace in our region. Nor would they appear appropriate to the accepted relations between member-States of the United Nations."

The Soviet Government announced on Dec. 8, 1956, through the Tass Agency, that the British, French, and Israeli undertakings to withdraw their forces from Egypt "naturally cancels the question of despatching Soviet volunteers to Egypt."—(Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times - New York Herald Tribune - Soviet Weekly - Frankfurter Allgemeine Zeitung) **(Prev. rep. 15217 A.)**

A. JAPAN. — Cabinet Appointments.

Two further appointments to Mr. Ishibashi's Cabinet were announced in Tokio on Dec. 27, 1956: Mr. Taro Hirai (a newspaper publisher) as Minister for Postal Services, and Mr. Matsusuke Kawamura as Minister of State in charge of the Hokkaido Development Agency, the latter department having been temporarily held by the Prime Minister. Both new Ministers are members of the House of Councillors. (Japanese Embassy Press Office, London) **15307 C.)**

B. PERSIA. — Completion of Trans-Iranian Oil Pipeline from Abadan to Teheran.

The construction of the trans-Iranian pipeline from the oil refinery at Abadan to Teheran was completed on Jan. 31. The work on the northern section between Teheran and Azna had been carried out by a French firm (*l'Entrepose*), and that on the southern section by a British firm (Costain-John Brown). The length of the pipeline is 600 miles.—(Le Monde, Paris) **(Prev. rep. 14405 C.)**

C. UNITED KINGDOM. — North Lewisham By-election. - Labour wins Seat from Conservatives.

Polling took place on Feb. 14 at North Lewisham in the by-election caused by the death of Sir Austin Hudson (Conservative). The result was as follows:

MacDermot, Niall (Labour)	18,516
Farmer, Norman (Conservative)	17,406
*Greene, Miss Lesley (Independent Loyalist) ..	1,487
Labour gain from Conservative. Majority ..	1,110

*Forfeited deposit.

Figures at the general election were: Sir A. Hudson (C.) 22,070, S. T. Williams (Lab.) 18,834—Conservative majority, 3,236.

The Labour candidate received 49.5 per cent of the votes in the by-election, the Conservative candidate 46.5 per cent, and the Independent Loyalist candidate 4 per cent, whereas at the general election the Conservatives received 54 per cent and Labour 46 per cent in a straight fight. The Labour proportion of the poll thus rose by 3.5 per cent and the Conservative proportion fell by 7.5 per cent. Of the total electorate of 52,864 (an increase of 379 since the general election), 70.8 per cent went to the polls, compared with 77.9 per cent at the general election.

The loss of the seat to Labour was attributed by the Conservatives partly to the intensive Labour campaign against the Government's Rent Bill (see 15292 A), which was made one of the principal issues in the by-election, and partly to the intervention of Miss Greene, in which connexion it was pointed out that the Labour candidate had got in on a minority vote. Mr. Gaitskell, the Leader of the Opposition, described the Lewisham result as "a vote of no-confidence in the Government" and as a vote against the Rent Bill, which he called upon the Government to withdraw. Miss Greene, secretary of the League of Empire Loyalists, fought the by-election on a programme of "freeing the British Empire from American domination." The new Member, Mr. Niall MacDermot, is a barrister practising on the Midland circuit.

The late Member, Sir Austin Hudson (59), died on Nov. 29, 1956, having been in serious ill-health for several months previously. He had been Conservative M.P. for East Islington in 1922-23, for North Hackney from 1924-45, and for North Lewisham from 1950 until his death, and had held the posts of Parliamentary Secretary to the Ministry of Transport (1935-39), Civil Lord of the Admiralty (1939-42), and Parliamentary Secretary to the Ministry of Fuel and Power in the "caretaker" Government of 1945. He was chairman of Morgan Bros. Ltd., publishers of trade and technical journals, and had been created a baronet in 1942.

The North Lewisham result was the first since the war in which any Government had lost a seat to the Opposition at a by-election. Moreover, it was only the second time since the war that a seat had changed hands in a by-election - the previous occasion being in May 1953, when the Conservatives won Sunderland South from Labour (see 12913 B).
(Times - Daily Herald) **(Prev. rep. By-elections, 15275 C.)**

Note. Seven other by-elections are pending - at Warwick and Leamington, owing to the resignation of Sir Anthony Eden (see 15301 A); at Wednesbury, owing to the resignation of Mr. Stanley Evans (Labour) (see 15231 A); at Carmarthen, owing to the death of Sir Rhys Hopkin Morris (Liberal); at Beckenham, owing to the conferment of a peerage on Mr. Patrick Buchan-Hepburn (C.), the former Minister of Works (see 15313 A); at Newcastle-upon-Tyne North, caused by the conferment of a peerage on Major Gwilym Lloyd-George (Liberal-Conservative), the former Home Secretary (15313 A); at Bristol West, caused by the conferment of a peerage on Sir Walter Monckton (C.), the former Paymaster-General (15313 A); and at Hornsey, caused by the death of Sir David Gammans (C.).
(Ed. K.C.A.)

D. BARBADOS. — General Election.

General elections held in Barbados on Dec. 6, 1956, resulted in the return to office of the Labour Government headed by Mr. Grantley Adams, who had been Prime Minister of Barbados since the introduction of the ministerial constitution in 1954. Party strengths in the new House of Assembly are: Labour party, 15 (no change); Democratic Labour party, four; Progressive Conservative party, three; Independents, two. The election was the second to be held in the island under adult suffrage, the previous one being in 1951.—(Times) **(Prev. rep. 13402 A.)**

E. ISLE OF MAN. — Decline in Manx-speaking Population. - Comparative Census Figures.

It was recently announced in Douglas (I.O.M.) that the census of 1951 had shown a continued decline in the number of people able to speak the Manx language, as shown by the following census returns of Manx-speaking people since the beginning of the century—4,657 in 1901, 915 in 1921, 529 in 1931, and only 355 in 1951. The population of the Isle of Man in 1951 was 55,218.—(Daily Telegraph)
(Prev. rep. 1951 Census, 11751 A.)

A. UNITED KINGDOM. — Aircraft Industry. - Canadian and U.S. Orders for British Aircraft and Aero-Engines. - U.K. Aircraft Exports in 1956.

Vickers-Armstrong Ltd. announced on Jan. 3 that Trans-Canada Air Lines had placed an order for 20 Vickers *Vanguard* turbo-prop airliners which would cost, with spares, $67,100,000 (£23,900,000), and had also taken an option on four more *Vanguards* with spares, valued at an additional $11,710,000 (£4,100,000). This transaction represented the largest dollar export order placed in Britain by commercial buyers since the end of the war, and, taken together with orders already placed by T.C.A. in Britain, (including contracts for 38 Vickers *Viscounts* and spares to a value of about $38,600,000), made the Canadian company Britain's largest dollar customer. Delivery of the *Vanguards* will begin in 1960 and will be completed in 1961.

Mr. Gordon McGregor, president of T.C.A., stated that the decision to order *Vanguards* followed an "exhaustive equipment analysis over a period of two years," during which six other competing aircraft had been examined. The *Vanguard* had been chosen because of its high standard of comfort and its freedom from noise and vibration.

The *Vanguard*, developed by Vickers-Armstrong as a private venture, is 100 m.p.h. faster and nearly twice as large as the *Viscount*, and is expected to make its first flight in the autumn of 1958. Its four Rolls-Royce *Tyne* engines will give it a cruising speed of 425 m.p.h. at 20,000 feet, and the T.C.A. version will carry 82 first-class or 102 tourist-class passengers and have an effective range of 1,750 miles in the worst Canadian operating conditions. The T.C.A. contract brought the total number of *Vanguards* on order to 40, an order for 20 having already been placed by British European Airways. Delivery of the B.E.A. *Vanguards* will begin early in 1960.

The Bristol Aeroplane Company had announced on Dec. 3, 1956, that, after "exceptionally complicated and protracted negotiations," a contract had been signed with Northeast Airlines of America for an initial order for five *Britannia* airliners valued at more than $17,000,000 (over £6,000,000), to be delivered in the autumn of 1957.

It was explained that the airliners (*Britannia* Mark 305s) had been originally intended for B.O.A.C. but that, in order to enable the Bristol Aeroplane Company to meet Northeast Airlines' delivery requirements, B.O.A.C. had agreed to release five of the aircraft it had on order and to take instead five other *Britannias* of the slightly later Mark 310. The aircraft to be delivered to Northeast Airlines will accommodate 92 first-class or 133 tourist-class passengers. Their four Bristol *Proteus* turbo-prop engines will give them a cruising speed of 400 m.p.h., enabling the flying time from Boston to Miami and from New York to Miami to be reduced to under 4 and 3¼ hours respectively.

The Northeast Airlines contract followed an order by Canadian Pacific Airlines (announced on Oct. 21) for three Bristol *Britannias*, valued, together with spares, at about $10,000,000 (over £3,500,000). The airliners, the first of which is scheduled for delivery towards the end of 1957, will fly non-stop between Vancouver and Tokio in 12 hours and between Vancouver and Honolulu in seven. They are expected to reduce the time taken on the Vancouver-Amsterdam non-stop run over the North Pole to 12 hours, compared with 18½ hours taken by the existing C.P.A. service using American Douglas DC-6 airliners.

These contracts brought the number of *Britannias* on order to 60, including 33 for B.O.A.C., three for *El Al* (Israel Airlines), 10 for the R.A.F., and four for the British Ministry of Supply.

Details of other recent contracts placed by overseas buyers for British aircraft and aero-engines are given below:

U.S. Orders for British Aircraft. U.S. Capital Airlines announced on July 24 that it had placed an order with the de Havilland Aircraft Company for 14 *Comet IV* jet airliners at a cost of about $42,000,000. The aircraft are intended to go into service early in 1959, and (if the schedule is met) will be the first jets to be operated on U.S. domestic routes.

Earlier in 1956 Capital Airlines had increased its orders for Vickers-Armstrong *Viscount* airliners from 60 to 75.

Orders for British Aero-Engines. Trans-Canada Air Lines announced on May 9, 1956, that it had placed orders with the U.S. Douglas company for four *Douglas DC7* airliners, to be powered by Rolls-Royce *Conway* by-pass jet engines, and had taken an option on two more. The total value of the contract, including spares, was about $28,000,000 (£10,000,000), the Rolls-Royce company's share being over $10,000,000 (£3,571,000). It was explained that the decision to purchase aircraft powered by *Conway* engines had been influenced by the "exceptional success" of the *Viscounts* already in T.C.A. service, which had Rolls-Royce *Dart* engines.

On Aug. 13 Rolls-Royce Ltd. announced that the German *Lufthansa* company had placed an order in the U.S.A. with the Boeing company for four *Boeing 707* airliners to be fitted with *Conway* engines, to be ready in 1960 for the *Lufthansa* transatlantic service. The value of the contract to the Rolls-Royce company was given as about £3,000,000.

[The *Conway* engine had not been specified for any British-built aircraft since the decision to abandon the *Vickers 1000* military transport was taken on Nov. 11, 1956—see 14551 A.]

Figures published by the Society of British Aircraft Constructors on Jan. 25, 1957 gave the value of British aviation exports in 1956 as £104,460,562, or 58 per cent more than the 1955 record figure. Of the 1956 total, aeroplanes and parts accounted for £71,759,067, aero-engines for £27,902,808, electrical appliances for £2,682,209, instruments for £1,428,657, and tyres for £687,821.—(Times - Daily Telegraph - Manchester Guardian - New York Times - Montreal Star)

(Prev. rep. 14483 A; 14397 A; 12707 A.

B. AUSTRALIA. — Trade Surplus in Second Half of 1956. - Relaxation of Import Restrictions. - Rise in External Reserves.

Relaxations in import restrictions, with retrospective effect from Jan. 1, 1957, were announced by Sir Arthur Fadden (the Federal Treasurer) and Mr. McEwen (the Minister of Trade) on Jan. 16-17. The major items affected included capital plant and machinery, machine-tools, and agricultural equipment valued at £A20,000,000 and textiles, raw materials, and producer goods valued at £A10,000,000 imported from British and other non-dollar sources, as well as from the dollar area. It was pointed out that Britain would benefit chiefly from the increased textile imports, as Australia was Britain's largest single market for cotton and rayon piece-goods and yarns.

The new regulations provided that:

(*a*) Supplies of imported textiles for the retail trade on the one hand, and for local manufacture on the other, would be dealt with separately to ensure adequate supplies of textile materials for manufacturing in Australia.

(*b*) Manufacturers' textile quotas would be increased by 60 per cent over their July 1956 allocations, and other traders' textile quotas by 20 per cent.

(*c*) Importers would be allowed to transfer quotas for clothing to textiles, thus enabling them to maintain a supply of textiles at the expense of ready-made clothing.

(*d*) The import licensing period for all goods would be extended from three to four months commencing April 1, 1957.

Explaining the reasons for the Government's decision, Sir Arthur Fadden stated that the balance-of-payments position had improved greatly by comparison with 12 months earlier, Australia having reached a state of balance in her external accounts. If the wool market held for the remainder of the selling season, Australia should be able to make a worthwhile addition to her overseas reserves and possibly to relax import restrictions still further.

It was announced on Jan. 9 that Australia had a favourable trade balance of nearly £A100,000,000 during the period July-December 1956 (the first half of the financial year 1956-57), exports having amounted to £A459,500,000 and imports to nearly £A360,000,000. In the corresponding period of 1955-56 there was a deficit of more than £A26,000,000.

The Commonwealth Bank of Australia's holdings of gold and balances abroad, representing the major part of Australia's total international reserves, rose by £A69,500,000 between July 1, 1956, and Jan. 16, 1957, compared with a fall of £A78,600,000 in the corresponding period of the previous year. This brought total reserves to £A342,000,000, the highest since August 1955.—(Australian News and Information Bureau - Financial Times) **(Prev. rep. Trade Figures, 15071 B; Import Restrictions, 14952 A.)**

C. NIGERIA. — Elections in Northern Region.

Elections for a new House of Assembly (the Lower Chamber of the Regional Legislature) were held in the Northern Region of Nigeria during November 1956. They resulted in a decisive victory for the Northern People's Congress (the majority party in the previous Assembly), which won 100 out of the 131 elected seats, seven more seats being won by smaller parties allied to the N.P.C. The Northern Elements Progressive Union (NEPU), the main Opposition party, won six seats, while 12 were won by other Opposition parties (including the Action Group, the dominant party in the Western Region) and five by Independents. One seat was still undecided.

In addition to the elected members, the Northern House of Assembly comprises four official members and five special members, the latter being appointed by the Governor to represent interests or communities not otherwise adequately represented.

In the rural areas the elections were indirect, through electoral colleges, but in 19 urban constituencies they were direct elections—the first held in Nigeria. The franchise for both direct and indirect elections was limited to adult male taxpayers.

The Northern People's Congress is led by the Sardauna of Sokoto, the Regional Premier. The Northern Elements Progressive Union is affiliated to the National Council for Nigeria and the Cameroons, led by Dr. Azikiwe, the Premier of the Eastern Region.—(Times - Commonwealth Survey)

(Prev. rep. Federal Elections, 14140 A.)

A. UNITED KINGDOM. — The Clean Air Act. - City of London proclaimed a "Smokeless Area." - Smokeless Zones in Birmingham.

Mr. Duncan Sandys, then Minister of Housing and Local Government, laid an Order before Parliament on Dec. 21, 1956, bringing into operation from Dec. 31 certain provisions of the Clean Air Act, which implemented the principal recommendations of the Beaver Committee on Air Pollution (see 13944 A) and had received the Royal Assent on July 5, 1956. The provisions brought into force:

(1) Empowered local authorities, subject to ministerial confirmation, to create smoke control areas in which it would be an offence to emit smoke from buildings;

(2) authorized them to make by-laws requiring new buildings to have "smokeless" heating and cooking arrangements;

(3) required all new industrial furnaces to be as far as possible smokeless, and stipulated that the height of new industrial chimneys must be approved by the local authorities concerned;

(4) required owners of colliery "spoilbanks" to use all practicable means to prevent the combustion of refuse and to minimize the emission of smoke and fumes from the surface.

A similar Order applying these provisions to Scotland from the same date was made by the Secretary of State for Scotland. The remaining provisions of the Act will be brought into operation later.

The Clean Air Act also prohibited the emission of "dark smoke" from factory and other chimneys; required steps to be taken to minimize the emission of dust and grit; and provided for grants to householders in "smoke control areas" toward the cost of converting fireplaces, etc., to burn smokeless fuel. The full provisions of the Act are summarized below:

"Dark Smoke." The emission of "dark smoke" from chimneys, railway locomotives, or ships in inland waters was prohibited after a date to be fixed by the Minister of Housing and Local Government.

["Dark Smoke" was defined as "smoke as dark as, or darker than, shade 2 on the Ringelmann chart."]

The Minister was empowered, however, to make regulations granting exemptions from the prohibition for specified periods, e.g. to cover such operations as the raking of boiler fires, or soot-blowing. It would be a defence to a charge of emitting "dark smoke" to prove that the emission was due solely to (*a*) the lighting of a furnace "from cold"; (*b*) a mechanical failure which could not reasonably have been prevented; (*c*) the impracticability (having regard to cost, local conditions, or the state of technical knowledge) of obtaining suitable fuel; (*d*) the unsatisfactory nature of the furnace and the impracticability of modifying it at a reasonable cost. The last-named defence would lapse after the Act had been in force for seven years.

Emission of Grit and Dust. Users of existing furnaces (except domestic furnaces) were required to take "all practicable steps" to minimize the emission of grit and dust, and it was laid down that all new furnaces burning solid or pulverized fuel in large quantities should be fitted with grit and dust-arresting equipment. The Bill made it an offence to instal any new furnace (except a domestic furnace) unless it was capable of being operated continuously without emitting smoke.

Smoke from Railway Locomotives. Besides prohibiting the emission of "dark smoke" from railway locomotives, the Bill stipulated that "all practicable means" must be taken to minimize the emission from locomotives of any kind of smoke.

Colliery Spoilbanks. Owners of colliery spoilbanks were required to take all practicable steps to minimize the emission of smoke and fumes.

Special Industrial Processes. Where the nature of an industrial process involved special technical difficulties in the prevention of smoke, grit, and dust, the Bill transferred responsibility for supervision from the local authority to the Government Alkali Inspectorate.

Smoke Control Areas. Local authorities were given permissive powers to make Orders (requiring ministerial confirmation) designating "smoke control areas," within which it would, in general, be an offence to emit smoke of any kind. A local authority might, however (*a*) make different provision as regards smoke control for different parts of a designated area; (*b*) limit the operation of a smoke control Order to specified classes of buildings in the area; (*c*) exempt specified buildings or classes of buildings, or specified fireplaces or classes of fireplace, from the operation of the Order. In addition, the Minister of Housing might himself exempt some fireplaces from conversion if he was satisfied that they could burn non-authorized fuel without producing undue smoke.

[It was pointed out in the Press that although the Beaver Committee had recommended the designation of both "smoke control areas" and outright "smokeless zones," the Government had decided that this would be an unnecessary complication. The object of the provision that local authority Orders must be confirmed by the Minister was to ensure that the rate of designation did not outrun the available supplies of smokeless fuel.]

Grants for Conversion of Domestic Grates in "Smoke Control Areas." Owners or occupiers of existing houses in "smoke control areas" would receive grants of at least 70 per cent of the cost of adapting or replacing their grates or stoves for smokeless fuel. Of these grants, 40 per cent of the actual cost of the work would be provided by the Exchequer and at least 30 per cent by the local authority. The respective costs to the Exchequer and the local authorities were estimated at about £3,000,000 and £2,000,000.

No grants would be payable in respect of houses built after the Bill came into operation, as these would be expected to be equipped with appliances to burn smokeless fuel. In the case of council houses, the local authority would bear the full cost of conversion but would receive the Exchequer grants.

Penalties. Maximum penalties under the Bill were fixed as follows: (*a*) for industrial offences (emission of "dark smoke" from factory chimneys, failure to take all practicable steps to minimize the emission of grit and dust from furnaces and of smoke and fumes from spoilbanks, etc.), £100; (*b*) for the emission of "dark smoke" from dwelling-house chimneys anywhere, or of smoke of any kind from a dwelling-house chimney in a "smoke control area," £10. The Bill also prescribed a maximum fine of £100 for the disclosure of trade secrets or manufacturing processes obtained by anyone in the course of applying the provisions of the Bill.

Date of Entry into Force. The Minister of Housing and Local Government would fix the dates on which the various provisions of the Bill would come into force.

The Bill had been given an unopposed second reading in the House of Commons on Nov. 3, 1955.

Mr. Deedes (then Parliamentary Secretary, Ministry of Housing and Local Government) pointed out that domestic smoke was a more difficult problem than industrial smoke, and that its prevention would be a large-scale operation involving radical changes in fuel use, large-scale alteration of domestic apparatus, and a high degree of public willingness. In the "black areas" a fuel consumption of nearly 19,000,000 tons of house coal would have eventually to be replaced by smokeless fuel, but it was no part of the Government's plan to "put a sudden end to the open fire," which remained the most popular way of heating living-rooms. The transition to smokeless fuel must depend largely on developments in the fuel industry, but the Government believed that the objective could gradually be achieved over a period of 15 years. Meanwhile the provision of grants toward the cost of altering heating apparatus would mean that only 30 per cent or less of the cost would have to be borne by the householder.

As regards industrial air pollution, Mr. Deedes said that the Government recognized that the ban on "dark smoke," etc., would involve alterations to many industrial plants, and had accepted the Beaver Commission's recommendation that seven years' grace should be allowed under certain circumstances. Sulphur gases constituted one of the most harmful forms of industrial pollution, but in the present stage of technical knowledge the problem of prevention could not be solved by legislation. Research into the question was being pressed forward, and the Government agreed with the Beaver Committee that the latest and most efficient methods of removing sulphur from chimney gases must be used at all new power stations. The Government also agreed that a Clean Air Council should be set up.

Mr. Deedes concluded by saying that the industrial and domestic sections of the Bill would be brought into effect at different times. It was proposed that the "dark smoke" and "dust and grit" provisions should not come into operation until the early part of 1958—i.e. not until over three years had elapsed since the Beaver Committee's report, as recommended by the committee itself. The provisions for the designation of "smoke control areas," and for grants to householders in those areas, would come into force as soon as possible after the Bill became law.

Dr. Edith Summerskill (Lab.) welcomed the Bill on behalf of the Opposition, but expressed disappointment at the Government's "apparent 'go-slow' policy," complaining in particular that the Bill did not deal effectively with the problem of the harmful effects of sulphur dioxide in the air. She pointed out that the incidence of lung cancer was greater in areas having a high degree of air pollution, while the harmful effects of factory smoke in tubercular diseases was shown by the fact that the percentage of cattle which had to be slaughtered under the Tuberculosis Order was about four times greater in industrial areas than in other areas.

Criticism of the "leisurely" nature of the Government's proposals was also voiced by **Mr. Nabarro** (C.), who had earlier (February, 1955) introduced a private member's Bill with similar objects, but had withdrawn it after the Government had undertaken to bring in their own Bill. Mr. Nabarro (himself an industrialist) strongly criticized the seven years' grace allowed to industrialists in certain circumstances before the penalties for emission of "dark smoke" could be applied, alleging that this concession had been made at the instance of the Federation of British Industries. [During the Committee stage of the Bill, Mr. Nabarro moved an amendment—which was defeated—seeking to reduce the seven-year period of grace to three years.]

The most important amendments adopted during the Committee and Report stages were:

(1) An amendment authorizing local authorities in large industrial boroughs to appoint officials to carry out supervisory duties which the Bill stipulated should be carried out by the Government Alkali Inspectorate. Mr. Nabarro had stressed that inspectors appointed by local authorities would be "more diligent and forceful" in applying the law than the "comparatively remote" Government inspectorate could be.

(2) An amendment providing for the setting-up of a Clean Air Council, with the Minister of Housing as chairman, to act as a consultative committee without executive functions;

(3) An amendment empowering the Minister to make regulations requiring industrialists to instal instruments for measuring smoke emission;

(4) An amendment excluding "furnaces designed solely or mainly for domestic use" from the requirement that all new furnaces should be smokeless as far as possible.

The last three amendments were moved by the Government.

Mr. Enoch Powell (then Parliamentary Secretary, Ministry of Housing and Local Government) gave an undertaking during the Report stage (April 10) that the Minister of Housing would report annually to Parliament on the progress of the Government's clean air policy. The third reading was given on the same day, and the Bill was subsequently enacted after an unopposed passage through the House of Lords.

On Oct. 2, 1955, under parliamentary powers obtained by the Common Council, the City of London was proclaimed a "smokeless area" in which only fuels such as coke, anthracite, Welsh "dry" steam coal, coalite, and phurnacite might be used. In February 1955 it had been announced that two areas in Birmingham—one of 93 acres in the centre of the city, and another of 110 acres in a new industrial estate—would be designated smokeless areas under parliamentary powers obtained by Birmingham City Council. It was further announced in October 1956 that these areas would be supplemented by a further 61 acres in the city centre and a new 56-acre area in the suburbs.—(Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Beaver Committee Report, 13944 A.)

A. INDIA. — Inauguration of Trombay Reactor.

India's first atomic reactor, at Trombay (near Bombay), was inaugurated on Jan. 20 by Mr. Nehru, who named it *Apsara* (meaning a "water nymph" or "celestial dancer"). Mr. Nehru declared in his address that India would never use atomic energy "for evil purposes, whatever might happen or whatever might be the circumstances," and expressed gratitude to those countries which had helped India in her atomic energy development programme—Britain, Canada, the United States, France, and the Soviet Union.

Dr. Bhabha, chairman of the Atomic Energy Commission, stated on the same day (1) that a plant to convert uranium salt into uranium metal had already been designed and was expected to go into operation by the middle of 1958 [uranium salt is produced from the monazite sand deposits of Southern India]; (2) that heavy water would be manufactured in quantity, the fertilizer plant at Nangal being expected to produce 10 to 20 tons a year; and (3) that it was also the Government's intention to produce heavy water in all the other fertilizer factories to be erected during the Second Five-Year Plan. Moreover, the Government were considering the erection of a plant to make atomically pure graphite from coke produced in a refinery in Assam, and to erect plants for the manufacture of beryllium and zirconium metals. In this connexion Dr. Bhabha pointed out that India was the world's largest producer of beryl, from which beryllium metal was obtained, and that zircon sand for the manufacture of metal zirconium was found on the south-western coast. [Both these metals have important uses in advanced types of atomic reactors.]

The Trombay reactor, the first in Asia outside the Soviet Union, had gone into operation on August 4, 1956.
(The Statesman, Calcutta) **(Prev. rep. 15086 E.)**

B. NEW ZEALAND. — Cabinet Changes.

The N.Z. Prime Minister, Mr. Holland, announced on Feb. 8 the following Cabinet changes resulting from the resignation on Jan. 29 of Mr. W. Sullivan, Minister of Labour, Mines, and Housing: (*a*) Mr. R. G. Gerard as Minister of Social Security and Marine; (*b*) Mr. J. K. McAlpine as Minister of Labour and Mines; and (*c*) Mr. D. J. Eyre as Minister of Housing and Minister in charge of the State Advances Corporation. Mr. McAlpine retained the Railways portfolio, and Mr. Eyre the portfolios of Police, Tourism, and Health Resorts. Mr. Gerard, a farmer, was senior Government Whip prior to joining the Cabinet.

Mr. Sullivan had been a member of the Cabinet since 1949; his resignation was due to personal reasons, one of his sons having recently died.—(Directorate of Information, Wellington)

(Prev. rep. 14780 D.)

C. EUROPEAN COAL AND STEEL COMMUNITY. — M. Mayer re-elected President of High Authority.

M. René Mayer was re-elected on Jan. 28 for two years as president of the High Authority of the European Coal and Steel Community. Herr Franz Etzel (Western Germany) and M. Albert Coppé (Belgium) were re-elected vice-presidents.
(Le Monde, Paris) **(Prev. rep. 15025 A.)**

D. UNITED STATES. — Arrest of Alleged Russian Espionage Ring.

It was officially announced in Washington on Jan. 25 that three persons had been arrested earlier the same day on charges of espionage for the U.S.S.R. The accused persons—described as members of a "highly organized" Russian spy ring that had been in operation for "at least 10 years"—were Jack Soble (53), his wife Myra Soble (52), and Jacob Albam (64).

Soble (whose former name was Sobolevicius) and his wife had both arrived in the U.S.A. from Japan in October 1941, and had become naturalized U.S. citizens in 1947. Albam had entered the U.S.A. in 1947, returned to Europe in 1948, but had re-entered the U.S.A. as the husband of an American citizen, his application for citizenship being still pending at the time of his arrest. Both Soble and Albam were born in Lithuania, while Mrs. Soble's nationality by birth was given as Russian.

An F.B.I. statement said that investigations in the case dated back 13 years, when the F.B.I. had begun to scrutinize the activities of Vassili Zubilin (then serving as Third Secretary at the Soviet Embassy in Washington), who was believed to have been at one time a general in the Soviet secret police. Zubilin had returned to the Soviet Union in 1944 and had since been replaced by Soble as a dominant figure in a Russian spy ring. Soble had been arrested when on the point of leaving the United States.

It was stated that the charges against Soble, Mrs. Soble, and Albam were that they had conspired "for the purpose of obtaining information respecting the national defence of the U.S.A., including documents, writings, photographs, photographic negatives, and notes for delivery to Russian agents." Soble was specifically charged with relaying in New York on Aug. 15, 1956, two reports "for delivery to agents of Russia." All three were also charged with conspiring to act as agents of the Soviet Government.

It was announced that an immediate grand jury investigation had been authorized into the operations of the three accused and "others who might be involved in the espionage conspiracy, including Soviet officials." Pending the investigation, Soble, Mrs. Soble, and Albam were ordered to be held on bail of $100,000 each.—(New York Herald Tribune)

E. UNITED KINGDOM. — Capital Issues in 1956.

New capital issues in the U.K. in 1956 amounted to £295,952,000, as compared with £567,192,000 in 1955. Of the 1956 total, £264,607,000 (89.4 per cent) was for the home market, £31,345,000 (10.6 per cent) for Commonwealth and Empire countries, and nil for foreign countries.

Issues in respect of the home market were divided into the following categories: Public Bodies, £53,857,000; Production, £158,419,000; Trade, £16,624,000; Transport, £1,487,000; Finance, £34,220,000. Classified by industrial and other groups, the total of all capital issues (home and overseas) was divided as follows: Governments, £13,795,000; Local Authorities, £53,857,000; Public Boards, nil; Railways, nil; Gas and Water, £3,647,000; Electric Light and Power, nil; Telegraph and Telephone, £980,000; Road Transport, nil; Shipping, Canals and Docks, £543,000; Banking, Insurance, Investment, and Finance, £41,079,000; Property, £365,000: Coal, Iron, Steel, and Engineering, £28,866,000; Motors and Aircraft, £10,882,000; Mining, £5,898,000; Oil, £9,700,000; Tea, Coffee, and Rubber, nil; Breweries and Distilleries, £5,283,000; Miscellaneous, £121,055,000.

The above figures exclude all borrowings by the British Government; shares issued to vendors; allotments arising from the capitalization of reserve funds and undivided profits; sales of already issued securities which add nothing to the capital resources of the company whose securities have been offered; issues in replacement of securities previously held in the United Kingdom; and private placings for which no market quotations are obtained. The figures are based upon the prices of issue.

The 1956 total also excluded the sums being raised by Imperial Chemical Industries (£39,000,000) and London and Overseas Freighters (£7,300,000), as the first subscriptions to these are not payable until 1957.—(Midland Bank Ltd.)

(Prev. rep. 1955 Issues, 14621 B.)

F. SUDAN. — Population Census.

Provisional figures of a census held between July 1, 1955, and June 30, 1956, were released in Khartoum in January. They showed that the population of the Sudan was 10,200,000, divided between the nine provinces as follows:

Bahr-el-Ghazal ..	994,004	Kassala	938,913
Blue Nile	2,061,119	Khartoum ..	503,766
Darfur	1,318,000	Kordofan ..	1,744,417
Equatoria	871,210	Northern	870,614
Upper Nile ..	807,516		

The population of the Blue Nile, Kordofan, and Darfur provinces together constituted 50 per cent of the total population, while that of the three Southern provinces (Bahr-el-Ghazal, Equatoria, and Upper Nile) comprised 27 per cent.
(Sudan Government Information Service, Khartoum)

A. LIBYA - TUNISIA. — Treaty of "Brotherhood and Good-Neighbourliness." - Joint Declaration on Algeria. - M. Bourguiba on the "Greater Maghreb."

A treaty of "brotherhood and good-neighbourliness" between Tunisia and Libya was signed in Tunis on Jan. 6 by the respective Prime Ministers, M. Bourguiba and M. Mustapha Ben Halim, after discussions lasting four days. The joint communiqué said that the treaty defined the "relations of brotherhood and good-neighbourliness between the two countries and the principles of their co-operation"; affirmed the solidarity of the two countries "for better and for worse"; and laid down that each country would consider itself directly affected by any menace or threat against the other.

The statement also said that the Algerian problem had "prominently figured in the discussions." It continued: "It has become clear that an equitable solution of this question is necessary for the maintenance of security in the whole of the Arab *Maghreb* [North Africa]. Both sides feel convinced that an equitable solution necessarily implies recognition of the right of the Algerian people to its sovereignty and independence . . . in conformity with the U.N. Charter. Both sides take the opportunity of appealing to the conscience of the free countries so that they may co-operate in bringing about a solution of the Algerian question in conformity with the aspirations of the Algerian people . . ."

During the Libyan Premier's stay in Tunis, M. Bourguiba made a broadcast on the Algerian question on Jan. 4 which was deeply resented in France.

After declaring that the Libyan-Tunisian treaty then being drawn up was "a courageous step on the way to the building of the united Greater Arab *Maghreb*," and that a treaty of friendship and alliance with Morocco was also under discussion, M. Bourguiba continued: "To those among the French people who are listening we say in full sincerity: 'In the conflict which ranges you against Algeria, the Tunisian people are on the side of the Algerian people and not on the side of France. In view of the joint feelings of the Tunisian and Libyan peoples, we have drawn up with our guests a plan of action to help the Algerian people and relieve its sufferings . . . Our action is meant to convince France that real and sincere co-operation between her and the peoples of the *Maghreb* cannot exist as long as the fighting in Algeria lasts."

A visit to Tunis which had been planned by M. Maurice Faure (French Secretary of State for Foreign Affairs) was postponed on Jan. 6, the official reason being given that M. Faure, who was then in Rome for discussions with the Italian Government, had to extend his stay in Italy. It was, however, pointed out in the French and foreign press that M. Faure's action was due to French resentment at M. Bourguiba's broadcast.

In a statement on the previous day M. Bourguiba had spoken of the unification of North Africa "from Sollum to Casablanca" in the light of his concept of a "Greater Arab Maghreb." (Le Monde) **(Prev. rep. M. Bourguiba on Algeria, 15329 A.)**

B. SPAIN. — Spanish Gold Reserves in Moscow. - Recovery of Soviet Receipt.

The Spanish Foreign Ministry announced on Dec. 29, 1956, that, after prolonged efforts, the official Soviet receipt for the Spanish gold reserves which the Spanish Republican Government had secretly sent to Moscow in September 1936 at the start of the Spanish Civil War had now been recovered. The statement said that this had been possible "with the efficient collaboration of the family of the late Dr. Negrin and some close Spanish friends of his," and that the papers would "provide the Spanish Government with the juridical basis for asking for the return of the very large quantity of gold" in Russian hands.

During the Spanish Civil War, Dr. Negrin was Minister of Finance and later Prime Minister of the Spanish Republican Government. After General Franco's victory he lived in exile in Paris and London until his death in the French capital on Nov. 14, 1956. The Soviet receipt for the gold shipment had been preserved in his personal archives, and it was reported that he had left instructions to one of his sons to hand it over to the Spanish Government.

No authoritative estimates were available of the quantity of Spanish gold held in the U.S.S.R., but unofficial reports from Madrid spoke of between 500 and 700 tons.

(Daily Telegraph - Observer - New York Times)

C. CHILE. — Cabinet Changes.

The following changes in the Chilean Cabinet were announced in Santiago in November 1956: (*a*) Señor Arturo Zuñiga Latorre as Minister of Justice in succession to Señor Mariano Fontecilla Varas (the latter had succeeded Señor Santiago Wilson Hernandez in May 1956); (*b*) General Eduardo Yanez Zavala as Minister of Public Works *vice* Señor Adalberto Fernandez Ferreira. Señor Zuñiga had been Minister of Justice and subsequently Minister of Economy in 1955, while General Yanez had been Minister of Labour from 1955 until May 1956.—(New York Times) **(Prev. rep. 15131 C.)**

D. SOVIET UNION.—Expulsion of Soviet Diplomats from the U.S.A., Denmark, and the Netherlands. - Soviet Expulsion of U.S. Diplomats. - U.S. Naval Attachés expelled from Moscow.

The U.S. State Department announced on Jan. 15 that it had requested the Soviet Embassy in Washington to withdraw immediately the Soviet assistant military attaché, Major Yuri Krylov, on the ground that he had engaged in "highly improper activities" which were incompatible with his diplomatic status.

A State Department spokesman said that Major Krylov had bought, through U.S. intermediaries, quantities of electronic equipment which was not of a type licensed for export, and had apparently tried to smuggle some of it out of the country.

It was announced in The Hague on Jan. 21 that the Second Secretary at the Soviet Embassy, M. Drankov, had been declared *persona non grata* by the Netherlands Government and had been asked to leave the country within 48 hours.

It was authoritatively stated that M. Drankov had tried to bribe a Dutch official to supply him with certain secret information, thus endangering the security of the State.

The Danish Foreign Ministry announced on Jan. 29 that it had informed the Soviet Ambassador that the residence permit of one of the two Soviet military attachés in Copenhagen, Lieut.-Colonel Rogov, would not be renewed on its expiry, and that he should leave at an early date. Colonel Rogov, who had been in Denmark since 1955, was alleged to have "displayed conduct which Denmark must consider incompatible with his position." The charges (of which no details were given) were denied by the Soviet Embassy.

In retaliation for the expulsion of Major Krylov, the Soviet Government demanded on Jan. 30 the immediate departure of two U.S. assistant military attachés in Moscow, Major Hubert Tansey and Captain C. W. Stockwell, on the ground that they had "engaged in activities incompatible with their status of accredited diplomatic officials." On Feb. 7 the Soviet Government also expelled two U.S. assistant naval attachés in Moscow (Captain Paul Uffelman and Lieut. William Lewis), alleging that they had taken photographs of "objects of military significance" and had engaged in espionage activities.

The State Department said that the "expulsion of the four American military officers on false charges can be presumed to be in retaliation against revelations of Soviet espionage activities in the U.S.A." [see 15375 D]. It added: "These charges, moreover, derive from the understandably extreme sensitivity of the Soviet Government to overwhelming U.N. condemnation of Soviet aggression in Hungary."—(New York Times - Berlingske Tidende, Copenhagen - Netherlands News Agency) **(Prev. rep. 15236 C.)**

E. UNITED KINGDOM. — Reduction in Bank Rate. - Issue of £300,000,000 Funding Stock.

The Bank of England announced on Feb. 7 that the Bank Rate would be reduced with immediate effect from 5½ per cent to 5 per cent.

The Chancellor of the Exchequer (Mr. Thorneycroft) told the House of Commons that "it would be wrong to interpret the move as a change in economic policy" or as "a signal to bankers and others controlling sources of finance to relax credit, or to ease restrictions on lending." "Today's reduction in the very high rate which has prevailed for the last 12 months," he continued, "is designed to enable the Bank of England to maintain the full effectiveness of monetary policy. I am assured that their control will not be weakened by this move . . . There is no change in the need to restrain both public and private spending and lending in order to make room for exports and essential investment. As long as these are our economic objectives we intend to continue to make full use of interest rates to discourage spending and encourage savings. At the same time it is necessary that our monetary policy should remain flexible, and the Bank rate will be varied as circumstances require."

The lowering of the Bank Rate followed a falling-off in the Treasury Bill rate and other short-term market rates.

The Treasury announced on Feb. 11 that application lists would open and close on Feb. 14 for a £300,000,000 issue of 3½ per cent Funding Stock, 1999-2004, the longest-dated stock in existence, and that the issue price would be £80 per £100 nominal. The Bank of England stated on Feb. 14 that applications up to £1,000,000 had been allotted in full, and above £1,000,000 on a basis of about 91 per cent.—(Treasury Press Office - Financial Times) **(Prev. rep. Bank Rate, 14705 A; Treasury Stock, 15010 B.)**

F. PAKISTAN - CAMBODIA.—Diplomatic Relations.

It was announced in Karachi during January that Pakistan and Cambodia had agreed to exchange diplomatic missions at Legation level, and that the Pakistani Ambassador to Siam, Mr. S. M. Burke, would be simultaneously accredited as Minister to Cambodia.—(Dawn, Karachi) **(13954 C.)**

A. ARGENTINA.—Cabinet Reorganization. - Changes in Army Command. - Statute for Political Parties. - Creation of New Parties. - Forthcoming Elections.

A reorganization of the Argentine Government was announced on Jan. 25 after all civilian Ministers had resigned at the request of General Aramburu, the provisional President. The reorganization was completed on Jan. 29, the full membership of the Cabinet being as follows:

*General Arturo Ossorio Arana	Army.
*Rear-Admiral Teodoro Hartung	Navy.
*Commodore Julio César Krause	Air.
Dr. Carlos Alconada Aramburu	Interior.
Señor Alfonso de Laferrère ..	Foreign Affairs.
Dr. Roberto Verrier	Finance.
*Dr. Alberto Mercier	Agriculture and Livestock.
*Rear-Admiral Sadi Bonnet ..	Transport.
*Señor Pedro Mendiondo ..	Public Works.
*Dr. Francisco Martinez ..	Health and Welfare.
*Señor Rodolfo Martinez ..	Trade and Industry.
Dr. A. Ernesto Salas	Education and Justice.
Dr. Angel Cabral	Communications.
Dr. Tristan Enrique Guevara ..	Labour and Welfare.

*No change.

The reshuffle did not affect the members of the military junta which shares executive responsibility with President Aramburu—viz., Admiral Rojas, the Vice-President, General Arana, the Army Minister, Admiral Hartung, the Navy Minister, and Commodore Krause, the Air Minister. The principal change was the appointment of Dr. Verrier as Finance Minister in place of Dr. Blanco, who had been increasingly criticized for his handling of Argentina's economic and social problems, and in particular for the Government's inability to prevent a reappearance of inflation and a rise in the cost of living, which had led to increasing labour unrest, strikes, and acts of sabotage in recent months. Another aspect of Dr. Blanco's policy which had come under criticism was his failure to bring about the full implementation of the multilateral payments and debt consolidation scheme with nine European countries (see 15021 A) which had been negotiated by his predecessor, Dr. Garcia.

Dr. de Laferrère, the new Foreign Minister, is a writer and journalist and had been Argentine Ambassador in Santiago; he replaced Dr. Luis Podestà Costa. The new Minister of the Interior, Dr. Carlos Alconada Aramburu (who succeeded Dr. Landaburu), is not related to the President. Dr. Cabral, the new Minister of Communications, had been president of the Supreme Court of Justice in Cordoba Province. Dr. Salas, the Minister of Education and Justice, succeeded Dr. Adrogue.

Dr. Verrier said in a press statement on Jan. 28 that he was a firm believer in private enterprise and free competition; that in his view the State, while not disinteresting itself in economic affairs, should determine only monetary and trade policy, and taxation; and that he proposed to return to the strict execution of the economic recovery plan recommended by Dr. Raul Prebish after the fall of the Peron regime (see pp. 14554-55), which he (Dr. Verrier) had helped to draft.

On the same day (Jan. 28) two Presidential decrees were issued giving effect to Dr. Verrier's policy. The first decree extended for one year all collective labour contracts on wages (which in most cases would have expired between August 1957 and February 1958), thus fixing wages at their present level, to avoid a further rise in the cost of living. The second decree authorized employers to pay the retroactive wage increases recently granted under current collective wage agreements in 12 equal monthly or 24 fortnightly instalments, instead of in a lump sum; the purpose of this step was to avoid jeopardizing the financial stability of many firms, and to check inflation.

A decree of Jan. 25 had established a special commission to draw up within 45 days a plan to solve labour conflicts; the commission comprised three representatives of the Ministry of Labour and Welfare, two of the General Confederation of Labour, and two of the Argentine Industrial Union (the employers' organization).

Changes in Army High Command.

In the months preceding the Cabinet crisis dissension among the leaders of the Argentine armed forces had led to a number of sweeping changes in the Army High Command, and to the arrest of two generals who had been Ministers in President Lonardi's Cabinet and who belonged to the extreme right-wing of the Catholic nationalist movement. The Government announced on Nov. 22:

(1) The arrest of a number of persons "behaving suspiciously" in vehicles stationed near a military barracks in the capital, and who were found to have been armed. They included General Bengoa, Army Minister under the late President Lonardi, and General Uranga, who held the Transport portfolio in the Lonardi Cabinet.

(2) The appointment of General Arturo Ossorio Arana, Minister of the Army, as C.-in-C. of the Argentine Army (retaining his ministerial portfolio) *vice* General Francisco Zerda, who had been relieved of his post.

(3) Other changes in the Army High Command, including the appointment of General Bussetti as Chief of the General Staff *vice* General Alonso; General Villarroel as Commander of the Cavalry Corps; General Huergo as Commander of the First Motorized Division; and General Garcia as Commander of the Second Division.

Although the events preceding these changes remained obscure, it was commented in the Press that they indicated a replacement of "nationalist" by "liberal" generals, and that the new commanders belonged to that wing of the army which favoured the abolition of the Revolutionary Military Council and the setting-up of a Government consisting entirely of politicians and technicians. All the officers who had been removed had been accused by one of the Radical Party leaders, Dr. Arturo Mathou, of "engaging in political activities contrary to the interests of the revolution." The head of the Presidential Secretariat, Colonel Arribau, disclosed on Nov. 26 that there had been differences of opinion between the senior generals, who felt that their rank gave them authority over the younger officers, and a number of colonels who advocated that authority should belong to all who had actively fought to overthrow General Perón.

Subsequently, on Dec. 8, it was reported that 19 generals and two colonels of the Army had been detained, including General Zerda, General Imaz (former Commander of the First Motorized Division), General Campos (former Commander of the Cavalry Corps), and General Plantamuru (former Inspector-General of Infantry).

General Uranga, together with a number of Army officers and civilians, had been arrested in August 1956 on charges of conspiracy, but was subsequently released.

Announcement of Elections. - Party Statute. - Creation of Board for the Defence of Democracy.

President Aramburu, speaking at the annual Independence Day dinner of the armed forces on July 6, 1956, announced that the Government had decided to hold general elections late in 1957, when the new electoral register would be ready.

After saying that the armed forces "desire nothing more than the complete triumph of the revolution," General Aramburu outlined the following four-point plan for a return to constitutional Government:

(1) General elections for the Federal, provincial, and municipal authorities, including the City Council of Buenos Aires (the Federal capital), which would be re-established in due course.

(2) A forthcoming statute for political parties which would permit the formation of new democratic political parties.

(3) The drafting of a new electoral law to replace the "fraudulent instruments" created under the Peronista regime.

(4) The Government would also consider the convocation of a Constituent Assembly to reform the Constitution of 1853, which had been revived on May 1, 1956.

The President added that he hoped that these proposals would be "the subject of a full national debate representing all sectors of public opinion."

In implementation of this programme, the following decisions were announced by the Government in October 1956:

(1) A decree was issued on Oct. 10 creating a Board for the Defence of Democracy against "ideologies contrary to freedom, democracy, and the republican system of government."

The decree, which remains valid until the provisional Government hands over power to an Administration based on general elections, stated that the Board's activities would be directed against totalitarian organizations both of the extreme right and the extreme left; that it would classify the organizations concerned as "Communist," "crypto-Communist," "Communist-infiltrated," or "totalitarian"; and that all organizations considered by the Board to merit such designations would be compelled to place these words after their name.

(2) A statute for political parties was promulgated on Oct. 17 in the form of a governmental decree-law.

The statute guaranteed the free development of political groupings and laid down rules for the formation of new parties, while at the same time recognizing all those parties that existed at the time of the revolution of Sept. 16, 1955, which overthrew the Perón regime. [These parties were the Socialist, Radical, Christian Democratic, National Democratic (Conservative), and Labour parties, as well as the Christian Democratic Federal Union and the Communist Party.] It was also laid down that new totalitarian parties either of the Left or the Right would not be permitted, all new parties being required to issue a "basic declaration and a political action programme" in which they would expressly undertake to support a representative Democratic Republican regime. Another Article of the Statute forbade the use by new parties of the names of individuals—a clause aimed at the former Peronista party, now outlawed.

(3) President Aramburu announced on Oct. 26 that the Government had decided to hold nation-wide elections for a Constituent Assembly to consider certain reforms of the 1853

Constitution. These elections, to be held by proportional representation, would take place as soon as the electoral registers were ready, and before the general parliamentary elections already announced.

Formation of New Political Parties. - Communist Party deprived of Legal Status in Elections.

Consequent upon the promulgation of the new party statute, several new parties were formed, of which the most important were:

(*a*) The Independent Civic Party, headed by Señor Alvaro Carlos Alsogaray (Nov. 29, 1956). Señor Alsogaray, who advocates "dynamic capitalism" as opposed to "State interventionism," had been Minister of Industry in General Aramburu's Government until June 1956.

(*b*) The Party of National Concord, headed by General Bengoa (Dec. 14). This party, which was considered to be of the extreme Right, urged the need to "end the hatred which divides the Argentine people," and declared that "national reconciliation must be achieved by a policy of peace, forgiveness, concord, and love between Argentine brothers, and not by machine-guns." This declaration was in line with General Bengoa's avowed aim of bringing about a reconciliation with the former adherents of the Peronista regime—a policy which was strongly in conflict with that of General Aramburu.

Five further groups were recognized in January 1957—the *Cruzada Renovadora de la Unión Cívica Radical* and the *Cruzada Renovadora de la Unión Cívica Radical de la Capital Federal*, both dissident Radical factions; the *Unión Cívica Radical—Intransigencia Popular*, an offshoot of the *U.C.R.*; the *Partido Democrata Conservador Popular del Distrito de la Capital Federal*, the Buenos Aires branch of the Popular Democratic party, an extreme right-wing Conservative group; and the *Partido de los Trabajadores*, previously known as the *Acción Socialista*.

The Argentine Communist party was deprived of legal status and prevented from participating in the forthcoming general elections by a court ruling of Nov. 13, 1956.

Rejecting an application for enrolment in the election register which had been filed by the party, Dr. Botet (a federal judge in Buenos Aires) ruled that the Communist Party did not meet the conditions laid down by the Political Party Statute, which had banned parties considered to be totalitarian, anti-democratic, or inspired from abroad. "Events in Europe," Judge Botet said, "prove that the Communist Party is not a democratic party but the greatest exponent of totalitarianism in contemporary history." The events in Hungary had shown the formation of "independent" Communist parties to be "only a fiction, since Soviet Communist rule is now being imposed by the brutal weight of arms in foreign territories."

It was subsequently expained that the decision did not outlaw the Communist party, but that it would be prohibited from contesting any presidential, congressional, provincial, or municipal election.

Anti-Peronista Measures.

It was announced in July 1956 that the *Junta Nacional de Recuperación Patrimonial* had decided that all property acquired by ex-President Perón after June 4, 1946 (the day he assumed office) should be handed over to the nation. [General Perón's possessions in the Argentine were valued at an estimated 150,000,000 pesos.] An appeal by General Perón's lawyers against the ruling was rejected on Nov. 24 by the Federal Court of Appeals, which ruled that General Perón was entitled only to keep decorations awarded to him by foreign Governments, as well as property that he could prove belonged to him before June 4, 1946.

Under a decree issued on July 5, 1956, all goods and property belonging to the former Peronista party had been declared State property.

Terrorist Incidents.

A number of terrorist incidents occurred in Argentina during the second half of 1956 and at the beginning of 1957, all of them being attributed by the authorities to followers of General Perón and, in one case, to joint Peronista-Communist action.

It was announced on July 14, 1956, that 72 persons had been arrested in Mendoza Province and in San Juan following attempted terrorist outrages, including the placing of an incendiary bomb in a theatre and of a powerful gelignite bomb on a railway bridge at Mendoza. All those arrested were said to be former Peronistas.

An announcement by the Presidential Office on Oct. 18 stated that the authorities had foiled a plot to blow up the main power-station at Buenos Aires and had arrested 70 Peronistas.

Eight bomb explosions in the Buenos Aires area and a big fire in one of the largest industrial plants, which occurred during the night of Dec. 18-19, 1956, were similarly attributed by the Government to a Peronista campaign of bomb outrages, sabotage, and strikes in various parts of the country.

On Dec. 23 it was announced that the police had arrested members of a joint Peronista and Communist sabotage committee, which included three representatives of the Metal Workers' Union, and that the committee had planned to call a 24-hour general strike in support of a strike of metal-workers which had been in progress for several weeks. On the previous day a metal-worker was found dying on a railway line in the capital after the explosion of two bombs, his injuries indicating that the explosion occurred prematurely while he was placing the bombs in position.

The worst outrage occurred on Feb. 12, 1957, when a powerful bomb exploded just before midnight under a railway bridge in a suburb of Buenos Aires, on the main line from La Plata, while a passenger train was crossing the bridge. The explosion set fire to the petrol pipeline which runs alongside the permanent way from La Plata refinery to storage tanks at Buenos Aires, and also to the bridge, which subsequently collapsed; the train, however, escaped disaster and no casualties occurred.

Death of General Lonardi.

Major-General Eduardo Lonardi, who was one of the leaders of the revolution which overthrew the Perón regime in September 1955, died on March 22, 1956, aged 59.

General Lonardi, the son of an Italian-born bandmaster of the Argentine Military College, became an artillery officer and later served at the Superior War College and on the General Staff. In 1948 he became an Army Commander but retired in September 1951 for political reasons, subsequently helping to organize the abortive military and air force rising against the Peronista dictatorship which took place at the time. He was imprisoned for nearly a year and after his release was twice accused of participation in anti-Perón plots, but escaped arrest. After the successful revolution of 1955 he became provisional President of Argentina, but was overthrown on Nov. 13, 1955, by Army officers who accused his régime of being too strongly Roman Catholic and right-wing.

General Lonardi was given a State funeral—an honour normally accorded only to a President who dies in office. (New York Times - Times - Bank of London and South America, Fortnightly Review - Le Monde, Paris)

(Prev. rep. 15229 E; 14964 A; 14871 A; 14553 A.)

A. SOUTH AFRICA. — Dissolution of Conservative Party. - Mr. Coetzee joins Nationalist Party.

Mr. P. B. Bekker, leader of the Conservative Party, announced during a debate in the Union House of Assembly on Jan. 28, 1957, that the party had been disbanded.

Mr. Bekker said that the change in the leadership of the United Party [i.e., the election of Sir de Villiers Graaf in place of Mr. Strauss] had fully vindicated the action taken at the time by members of the Conservative Party in leaving the U.P. Although "certain friendly differences" remained, every member of the Conservative Party would henceforth be free to speak and act for himself and to "decide about his own political destiny."

Later in the debate Mr. Blaar Coetzee, another former U.P. member who had joined the Conservative Party, crossed the floor of the House and announced that he was joining the Nationalist Party. Mr. Coetzee had won the North Rand seat from the Nationalists by a majority of 1,873 votes, the Nationalists themselves having won the seat from the U.P. in 1948 by a majority of 97 votes.

Mr. Coetzee was the second Conservative to join the Nationalists, following Dr. Jonker's decision to that effect in April 1956. The other four members who joined the Conservative Party after their expulsion from the U.P. were Mr. Frank Waring, Mr. Bailey Bekker, Dr. V. L. Shearer, and Mr. Arthur Barlow. Neither Mr. Waring nor Mr. Bekker gave any indication of their future plans, but Dr. Shearer stated that he would remain an Independent until the end of the present Parliament, when he was likely to retire from politics. It was expected that Mr. Barlow would take a similar decision, as he had previously announced that he would not seek re-election at the next general election.—(Cape Times) **(14870 B.)**

B. AUSTRIA. — Expulsion of World Peace Council.

The Austrian Government announced on Feb. 2 that it had banned all further activities of the Secretariat of the World Peace Council established in Vienna, and had closed down the Council's offices.

A statement by the Ministry of the Interior said that the Council had "recently reflected a partial attitude towards world events"; that the Secretariat, whose members were foreigners, had "tried to interfere in the internal affairs of other countries"; and that its activities were therefore "in contradiction to Austria's express desire to maintain peaceful relations with all countries," and "thus liable to compromise the interests of the Austrian State."

The headquarters of the World Peace Council had been moved to Vienna from Prague in 1954; had been installed in the then Soviet sector of the city; and, after the regaining of Austria's freedom under the State Treaty, had been allowed to continue as an association under Austrian law. The Communist-led World Federation of Trade Unions had been expelled by the Austrian Government in February 1956. (Wiener Zeitung) **(Prev. rep. 14703 C.)**

A. MOROCCO. — New Cabinet formed by Si Bekkai. - Creation of Consultative National Assembly.

The Prime Minister of Morocco, Si Bekkai, tendered his resignation on Oct. 26, 1956, but accepted the Sultan's request to form a new Government, the membership of which was announced on the following day. Unlike the previous Ministry, which was a coalition between the Istiqlal and P.D.I. (Democratic Independence) parties, the new Government was drawn entirely from the Istiqlal except for three Independent ministers, including Si Bekkai himself. The P.D.I. refused to take office in the new Government on the ground that the portfolios offered to it were not in proportion to the party's influence in the country.

In addition to Si Bekkai, five Ministers—all Istiqlal members—retained the portfolios they held in the former Cabinet: Dr. Balafrej (Foreign Affairs), Maître Driss M'Hamedi (Interior), Maître Abedlkrim Bendjelloul (Justice), Si Mohamed El-Fassi (Education) and Si M'Hamed Douiri (Public Works). The other Ministers in the new Government were Dr. Abderrahim Bouabid (Economic Affairs), Si Abdallah Ibrahim (Labour), Si Omar Ben Abdeljellil (Agriculture), Si Mohamed Zeghari (Defence), Maître Reda Guedira (Information), and Maître Rashid Mouline (Minister of State), of whom the first three were Istiqlal members and the three latter were Independents. No appointments were made to the Ministries of Religious Foundations (whose former Minister, Si Moktar Soussi, was appointed to the Sultan's Privy Council, a newly created body) or of Housing.

M. Bouabid, the new Minister of Economic Affairs, was formerly Ambassador in Paris, having been recalled to Rabat after the arrest of the five Algerian nationalist leaders [see page 15330, foot of second column]. The new Minister of Defence, Si Mohamed Zeghari, was Vice-Premier in the former Government.

The new Government issued a policy statement defining its immediate aims as the maintenance of public order, the launching of an economic plan to encourage the investment of Moroccan and foreign capital, and the preparation of general elections. The statement reaffirmed the "solidarity of the Moroccan people with the struggle of the Algerian people," denounced the arrest of the Algerian nationalist leaders, and said that the French action had gravely affected Franco-Moroccan relations.

Other recent developments in Morocco are described below under cross-headings:

Meeting of Consultative Assembly.

A Consultative National Assembly, consisting of 76 members nominated by the Sultan, met in Rabat on Nov. 12, 1956. The Istiqlal and the Moroccan Workers' Union (U.M.T.), which is closely allied with the Istiqlal, were represented by 10 members each; the P.D.I. by six; the Moslem religion by four doctors of Koranic law; and the Jewish community by a rabbi. The remaining members represented agriculture, commerce and industry, the legal and medical professions, and cultural, youth, and sports organizations. The members were selected so as to represent all areas of Morocco, including Tangier and the Spanish *enclave* of Ifni.

In his opening speech the Sultan described the Assembly as "a step toward the final objective which we shall strive to attain—a genuine representative system allowing the people to conduct public affairs within the framework of a constitutional monarchy." He added: "We shall lay the foundations of the democratic regime by setting up local assemblies in both towns and countryside which will permit the political education of our citizens and their participation in the control of their own affairs. It is our wish to build democracy from the bottom upwards."

M. Mehdi Ben Barka, a member of the Istiqlal executive, and M. Mahjoub Ben Seddik, general secretary of the U.M.T., were elected president and first vice-president of the Assembly respectively by large majorities. Almost all the other members of the Assembly's bureau were also Istiqlal members or sympathizers, no P.D.I. supporters being elected.

Relations with France.

A series of general strikes occurred during the first fortnight of October at Agadir, Mogador, and Safi as a protest against French troop movements, road barricades being erected in many areas. A provisional agreement was reached on Oct. 13, after talks between M. Guedira (then Minister of Defence) and General Cogny (Commander of the French forces), whereby all French troop movements were suspended. Prince Moulay Hassan, the Chief of Staff, and M. Guedira visited Paris on Oct. 14-15 for discussions with M. Bourgès-Manoury (Defence Minister) and M. Savary (State Secretary for Moroccan and Tunisian Affairs), as a result of which it was agreed that negotiations on military relations between the two countries should open on Nov. 12. The negotiations, however, were cancelled by the French Government on Oct. 22, following the Sultan's reception of Algerian nationalist leaders (see 15329 A).

The French Ambassador in Rabat, M. André Dubois, had tendered his resignation on Oct. 10, 1956, for personal reasons.

Legal Reforms.

Under a decree issued on Sept. 4, 1956, the caïds in the Berber areas were relieved of their judicial functions, which in future will be divided between cadis (religious judges), who will apply Koranic law in cases concerning personal status and inheritance, and civil magistrates, who will deal with criminal and commercial cases. The caïds, under a decree issued in 1930, had hitherto administered the customary law of the Berber tribes in these areas.

A new code of military law, based on that of France, was promulgated on Nov. 21. It provided *inter alia* for the trial by court-martial of all crimes committed in an area which had been declared to be under military law, this clause being put into effect immediately for the trial of those concerned in the Meknès riots during October (see 15329 A).

Diplomatic Appointments.

Dr. El Mehdi Ben Aboud, the first Moroccan Ambassador to the U.S.A., presented letters of credence to President Eisenhower on Sept. 6, while the new U.S. Ambassador to Morocco, Mr. Cavendish Cannon, presented his credentials to the Sultan on Oct. 6. Si Fatmi Ben Slimane, the former Premier-designate and Governor of Fez, was appointed Ambassador to Iraq on Nov. 5, 1956.—(Le Monde, Paris - Le Figaro, Paris) **(Prev. rep. Cabinet, 15110 A; 14946 A; 14677 A; Relations with France, 15329 A; Moroccan Diplomatic Appointments, 15135 C.)**

B. EASTERN EUROPE. — Budapest Meeting of East European Communist Leaders. - Joint Declaration.

Leaders of the Governments and Communist parties of the U.S.S.R., Bulgaria, Czechoslovakia, Hungary, and Rumania met in Budapest from Jan. 1-4, the Soviet Union being represented by M. Khrushchev and M. Malenkov; Bulgaria by M. Zhivkov and General Damianov; Czechoslovakia by M. Siroky and M. Novotny; Hungary by M. Janos Kadar and M. Ferenc Muench; and Rumania by M. Gheorghiu-Dej and General Borila. The principal subjects discussed were the Hungarian situation, the Soviet declaration of Oct. 30, 1956 (see page 15191, second column), the "Eisenhower doctrine" for the Middle East, and the international situation generally, as summarized below:

Hungary. The communiqué issued at the end of the meeting stated that all the participants had "expressed satisfaction over the progressive normalization of the political and economic situation in Hungary." They had welcomed the fact that "attempts to destroy the people's democratic regime and the Socialist achievements of the Hungarian people were smashed by the efforts of the Hungarian workers under the leadership of the Hungarian Revolutionary Workers' and Peasants' Government and with the assistance of the Soviet armed forces," thereby averting "the threat of a Fascist dictatorship in Hungary and the intrigues of counter-revolutionary and imperialist circles to turn Hungary into a hotbed of a new war in Europe."

The Soviet Declaration. It was unanimously agreed that the Soviet declaration of Oct. 30, 1956, "fully answers the interests of strengthening friendly relations between the Socialist countries on the basis of the Leninist principles of equality, respect for the interests of all peoples, non-interference in internal affairs, and proletarian internationalism."

The "Cold War." The communiqué noted that there had "recently occurred a significant deterioration of the international position caused by the actions of the aggressive Powers who are trying to bring about a return to the 'cold war.' Evidence of this is to be found in the Anglo-French-Israeli aggression against Egypt and in the actions of imperialist circles in Hungary."

The "Eisenhower Doctrine." The communiqué went on: "The sharpening of international tension is also caused by the actions of the United States, which is taking new measures to enslave the countries of the Middle East. Evidence of the colonial aspirations of the U.S.A. is given by the so-called 'Eisenhower doctrine' . . . The interference of American monopolist capital and its militaristic circles in the affairs of the Middle Eastern countries could lead to a new and serious deterioration of the situation in that region . . . The whole responsibility . . . for the consequences would fall upon the United States."

Conclusion. In conclusion, the communiqué said that "the Socialist States . . . are exerting every effort not to permit a return to the 'cold war' . . . [and] . . . are determined to foil the attempts of the aggressive forces to aggravate the international situation still further and to intensify the arms race and war psychosis."

The declaration ended with a call for disarmament, the banning of nuclear and thermo-nuclear weapons, and the establishment of a European collective security system.

(Le Monde, Paris - New York Times)

A. OBITUARY. — Admiral Horthy.

Admiral Nicholas Horthy, Regent of Hungary from 1920 to 1944, died in exile at Estoril (Portugal) on Feb. 9. He was 88 years of age.

Born at Kenderes on June 18, 1868, the son of a minor Hungarian nobleman, Horthy entered the Austro-Hungarian Navy, became adjutant to the Emperor Franz Josef, and commanded the battleship *Habsburg* and other warships prior to and after the outbreak of the First World War. He subsequently became C.-in-C. of the Austro-Hungarian Navy and Admiral of the Fleet, and in that capacity suppressed a naval mutiny at Cattaro in February 1918.

After the dissolution of the Dual Monarchy and the liquidation of the Austro-Hungarian Navy, Horthy assumed the leadership of a group of Nationalist officers who set up a counter-revolutionary "White" government at Szegedin in 1919 when the Communists under Bela Kun seized power in Budapest. After Bela Kun's regime had been overthrown by Rumanian military intervention, Horthy entered the capital at the head of the "White" forces with the original intention of restoring the monarchy. As, however, the restoration of the Habsburgs would have been resisted by Hungary's neighbours and was also vetoed by the Allies, Horthy was proclaimed Regent of Hungary in 1920 in default of a monarchical restoration. In the following year he prevented two attempts by the Emperor Karl II (the last Habsburg emperor) to seize the Hungarian throne.

As Regent and virtual dictator of Hungary for 24 years, Horthy was the head of a right-wing oligarchy drawing its support from the nobility, the landed gentry, and the officer class. His regime, however, was not fully totalitarian in character, parliamentary forms being preserved and non-Communist opposition parties being permitted. After Hitler's rise to power Hungary increasingly aligned herself with Nazi Germany, and subsequently adhered to the Anti-Comintern Pact (1939) and the Axis Pact (1941). In April 1941 Hungarian forces invaded Yugoslavia at the side of the Germans, while in December 1941 Hungary also took part in the invasion of the Soviet Union with Germany, Rumania, and Finland.

Though allied to Hitler, with whose help he hoped to regain the Hungarian territories ceded to Rumania, Czechoslovakia and Yugoslavia after the First World War, Admiral Horthy attempted—though with little success—to retain a certain independence of action and to prevent Hungary from becoming completely subservient to Nazi Germany. As a result, his relations with Hitler became increasingly strained as the war progressed. In 1943, after a meeting with Hitler, he refused to approve the text of a joint declaration pledging Germany and Hungary to fight Bolshevism "and its British and American allies" until final victory; in its place, he issued a statement declaring Hungary's intention to fight Bolshevism, but making no mention of Britain and America. Later in the same year he resisted a peremptory demand by Hitler that Germany should be allowed to use the Hungarian railways for the transport of troops and war material.

In March, 1944, Horthy was summoned to Hitler's headquarters and confronted with demands for full Hungarian military co-operation with Germany, including the placing of the Hungarian Army under German command. While he was in conference with Hitler, the *Wehrmacht* took over control of Hungary and remained as a virtual army of occupation until expelled by the Russians. Until the last few months of the war the Nazis were in effective control of the country, deporting hundreds of thousands of Hungarian Jews to the Auschwitz extermination camp and bringing strong pressure on Horthy to form a government of Hungarian "Arrow Cross" fascists. On Oct. 16, 1944, Horthy broadcast an appeal to the Allies for an armistice, but was immediately arrested by the Nazis and deported to Germany. For a short time thereafter the Hungarian Government was taken over by the "Arrow Cross" fascists headed by Ferenc Szalassi, who was subsequently executed.

During the last six months of the war Horthy was held by the Germans in protective custody, being eventually liberated by American troops from the castle at Weilheim (Bavaria) where he had been interned. For a short time after the war he was held in protective custody by the Americans as a possible witness for the prosecution in the Nuremberg trials, but was released in 1946.

Admiral Horthy had lived in retirement since the end of the war, first in the U.S. zone of Germany and since 1949 in Portugal.—(Times - Manchester Guardian - Observer - Le Monde, Paris) **(Prev. rep. Admiral Horthy, 8156 B.)**

B. IRISH REPUBLIC. — Gold Deposits discovered in County Monaghan.

It was announced on Jan. 30 by the Mining Corporation of Ireland that samples of high-grade gold ore had been discovered during prospecting and exploratory work at an old antimony mine near Clontibret, County Monaghan. The samples, which assayed one troy oz. of gold to the ton, were found at a depth of 60 ft., but until further drillings are carried out the extent of the gold-bearing ore will not be definitely known.

The Mining Corporation of Ireland, a subsidiary of a Canadian concern (Can-Erin Mines Ltd., of Toronto), has obtained concessions for exploring mineral resources in Counties Monaghan and Meath. Other subsidiary companies of Can-Erin Mines Ltd. are also prospecting in Counties Galway, Mayo, and Cork. (Irish Times, Dublin)

C. ATOMIC PHYSICS. — Discovery of New Method of producing Atomic Energy. - The Mu-Meson.

The discovery of a new and revolutionary method of producing atomic energy was announced on Dec. 28, 1956, by a team of scientists of the University of California headed by Dr. Luis A. Alvarez, and also by the U.S. Atomic Energy Commission in Washington. It was stated that the new process, called "catalyzed nuclear reaction," had been discovered accidentally during experiments with the Bevatron (atom-smasher) at the University of California's laboratories.

The essence of the discovery was that a certain type of atomic particle, known as a "negative mu-meson," has the power of pulling together the nuclei of a heavy hydrogen atom and a light hydrogen atom and fusing them into a helium atom. In this fusion, a little of the weight of the two hydrogen atoms is converted into a tremendous amount of nuclear energy. The new process involves neither uranium, as in the fission reaction, nor the very great heat necessary in the fusion (thermo-nuclear) reaction, as pointed out in the following explanation given by the *New York Times*:

"One method of obtaining nuclear reaction - the 'fission reaction' employed in the atom bomb - relies on the bombardment of atomic nuclei with other atomic particles. The other the 'thermo-nuclear reaction' of stars and the hydrogen bomb - depends upon the union or fusion of two light atomic nuclei to form one heavy nucleus at temperatures of about 1,000,000 degrees.

"The type described [i.e. the new method discovered by Dr. Alvarez and his colleagues] employs a medium-weight atomic particle (known as a negative mu-meson) as a catalyst to make a hydrogen nucleus fuse with a deuterium (heavy hydrogen) nucleus. This fusion occurs at low temperatures. One result is the formation of helium. Another is the release of prodigious amounts of energy, calculated at about 5,400,000 electron volts for each reaction.

"The mu-meson, which triggers this change of elements, is not used up as a catalyst but remains free to bring together other nuclei of hydrogen and deuterium, and to form more helium and produce more energy. But the catalyst is extremely short-lived . . . The mu-meson has a life of approximately one-millionth of a second, a period sufficient to let it catalyze no more than one or two fusions before it perishes . . ."

Commenting on the discovery, Dr. Alvarez pointed out that "if it is to become of practical importance, we would have to find a different catalyzing particle which has properties similar to the mu-meson but has a lifetime of at least 10 or 20 minutes." Such a particle, he explained, would permit millions of energy-producing reactions and, presumably, would release enough energy to operate electric generators, motors, and other heavy equipment. Dr. Alvarez (who had recently visited scientific laboratories in the Soviet Union) commented in this connexion that "Russian scientists have reported evidence that such a particle does exist in cosmic rays."—(New York Times)
(Prev. rep. Atomic Physics, 15132 C.)

D. SWEDEN - SOVIET UNION. — Soviet Admission of Death of Mr. Raoul Wallenberg.

The Soviet Government informed the Swedish Ambassador in Moscow on Feb. 7 that Mr. Raoul Wallenberg, a former Swedish diplomat who had been missing since the Red Army entered Budapest in January 1945, had died from cardiac thrombosis in the Lubianka prison in Moscow. While in Budapest Mr. Wallenberg had carried out extensive rescue work among Hungarian Jews towards the end of the war, which was believed to have saved the lives of about 20,000 people. He disappeared soon after the entry of Soviet troops, and in spite of a great number of *démarches* by the Swedish Government the Soviet authorities had for many years denied all knowledge of his fate.

During the visit to Moscow by the Swedish Prime Minister, Mr. Erlander, in March-April 1956, the Soviet Government had agreed, however, in the light of the material collected by the Swedish Government, to make further investigations. In finally admitting the death of Mr. Wallenberg, and taking responsibility for it, the Soviet Government said that his death had been reported to the former Minister of Security, M. Abakumov, who, however, had not communicated it to the Ministry of Foreign Affairs. Confirmation of Mr. Wallenberg's death had now been obtained in a report discovered in the hospital archives of the Lubianka prison, from which it also appeared that his body had been cremated. The Soviet Note added that Abakumov had been executed in 1954 for his "criminal activities" and for being a "tool of Beria."

A spokesman of the Swedish Foreign Ministry stated on Feb. 7 that Mr. Wallenberg was 35 at the time of his death, and that cardiac thrombosis at that age was rare "unless the patient had been starved or subjected to undue strain." (Svenska Dagbladet, Stockholm - Times) **(Prev. rep. 14811 A.)**

FEBRUARY 16—23, 1957

A. KASHMIR. — Pakistani Complaint to Security Council against Kashmir's Integration with India. - Demands for Kashmir Plebiscite and Despatch of U.N. Force to Kashmir. - Security Council Discussions. - Speeches by Mr. Firoz Khan Noon and Mr. Krishna Menon. - Security Council Resolution for Plebiscite in Kashmir under U.N. Auspices. - Formal Integration of Kashmir with India. - Anti-Indian Demonstrations in Pakistan. - Pakistani Warnings of "Danger of War."

The Foreign Minister of Pakistan, Mr. Firoz Khan Noon, requested the president of the U.N. Security Council on Jan. 2 to convene a meeting of the Council "at a very early date" to resume consideration of the Kashmir question, in view of the forthcoming entry into force of the State's new Constitution on Jan. 26 and the integration of Kashmir with India as from that date (see 15265 A). The Security Council had last discussed Kashmir on Dec. 23, 1952, when it urged the Indian and Pakistani Governments to negotiate on demilitarization under the auspices of Dr. Frank Graham, U.N. representative for India and Pakistan (see 12778 A).

Direct negotiations, Mr. Noon stated in his letter, had failed to produce a satisfactory solution, and, in the light of recent statements by Mr. Nehru, the Pakistani Government had been forced to the conclusion that the continuance of negotiations held out no prospect of a settlement. The Kashmir Constituent Assembly, "in collusion with the Indian Government," had taken steps regarding the future disposition of the State which were "in direct contravention" of the Security Council's resolution of March 30, 1951 (see 11457 A), and the effect of these steps and of the failure of direct negotiations had been to create a "most deleterious" situation.

After alleging that a "reign of repression" prevailed in that part of Kashmir under Indian occupation, and declaring that over half a million Kashmiri refugees in Pakistan were becoming increasingly restive and wanted to "return to the State without further delay to fight for their rights," Mr. Noon's letter continued: "The Indian Prime Minister's declaration that he is now opposed to a plebiscite, accompanied by the steps that are being taken by the Government of India unilaterally to 'integrate' the State with India, in disregard of the assurances given by that Government to the Security Council, and the mounting unrest both inside and outside Kashmir, have combined to create an explosive situation which constitutes a serious threat to peace in the area." It was therefore "essential that early action should be taken to implement the 1948 and 1949 resolutions of the U.N. Commission for India and Pakistan (U.N.C.I.P.) in favour of a free and impartial plebiscite under U.N. auspices."

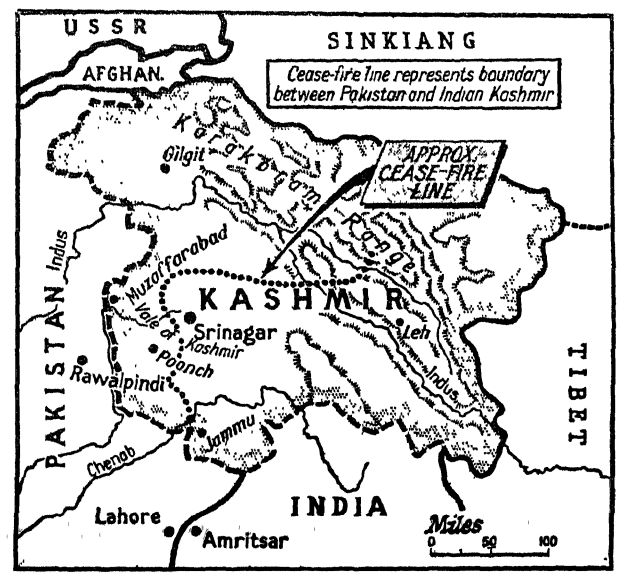
The Security Council Discussions. - Speeches by Mr. Firoz Khan Noon and Mr. Krishna Menon.

When the Security Council met on Jan. 16 to consider the Pakistani complaint, Mr. Firoz Khan Noon proposed that all Indian and Pakistani forces should be withdrawn from Kashmir and that a U.N. force should be sent there to enable a plebiscite to be held.

Mr. Noon said that the direct negotiations initiated in 1953 had failed because of "the intransigent attitude adopted by the Government of India and their unwillingness to honour their international commitments," and that the Indian Government were now taking steps to integrate Kashmir into the Indian Union "in defiance of the Security Council's directives and their own freely accepted international obligations." On the partition of the sub-continent in 1947, he recalled, it had been agreed that the Princes, in deciding on the accession question, should pay regard to the communal composition and the wishes of their peoples and to the geographical location of their States. In its dealings with Junagadh and Hyderabad, India had maintained that a State with a Hindu majority must accede to India even if its Moslem ruler did not wish to do so. In the case of Kashmir, however, 77 per cent of the population of which was Moslem, the Indian Government had accepted "a spurious offer of accession" from the Hindu Maharaja, and Indian forces had been sent to the State to "subjugate the population."

In their reply to the Maharaja's offer of accession, and in telegrams of Oct. 31 and Nov. 8, 1947, to the Pakistani Government [Mr. Noon went on], the Indian Government had promised to settle the question of the accession of Kashmir by means of a plebiscite under U.N. auspices "as soon as the invader had been driven from Kashmiri soil and law and order restored." After the dispute had been referred to the U.N., however, the Indian Government had "launched a major offensive" in Kashmir in April 1948, as a result of which 500,000 Moslems from Kashmir had sought refuge in Pakistan, while the Pakistani Government had been "compelled to move a limited number of troops into the State." The Commission appointed by the Security Council had brought about an agreement between India and Pakistan, embodied in its resolutions of Aug. 13, 1948, and Jan. 5, 1949 [see 9661 A; 9757 A]. These had provided for (i) a cease-fire; (ii) a truce agreement, under which Pakistani tribesmen and troops and the bulk of the Indian forces would be withdrawn; (iii) a plebiscite under the supervision of a Plebiscite Administrator. In contravention of these resolutions, India had made the withdrawal of her troops conditional on the disarming of the "Azad Kashmir" forces, and during 1949-52 had rejected 11 different proposals for demilitarization, all of which had been accepted by Pakistan.

On Aug. 20, 1953 [Mr. Noon continued] the Indian and Pakistani Prime Ministers had agreed on the holding of a plebiscite and the appointment of a Plebiscite Administrator [see 13126 A]. Soon afterwards, however, India had broken off negotiations on the grounds that Pakistan had accepted U.S. military aid and had joined regional defence pacts. "In essence India has been saying, 'If you want us to fulfil our obligations under the international agreement, you must follow our policy as to defensive pacts,'" Mr Noon observed. "Here I should like to say that if the objection of India to these pacts is genuine and India fears that Pakistan may attack her, then we make this offer to India—hold a plebiscite, and we will enter into a 'no-war' pact with India as soon as the plebiscite is held. I go further. The moment Mr. Nehru agrees to honour the pledges he has given to the Security Council, to the world, and to the people of Kashmir and holds a plebiscite, we are willing to enter into a pact which will say that an attack on India will be an attack on Pakistan. What more does India want by way of an assurance from us that our intentions are friendly?"



(*The Economist*)

The accession to India by the "puppet Constituent Assembly," Mr. Noon declared, was "wholly devoid of any legal effect." India had assured the Security Council that the Assembly could take no decision on the accession question, and this had been reaffirmed by the Security Council's resolution of March 30, 1951 [see 11457 A]. The Assembly, moreover, did not represent "Azad Kashmir," and all its members had been returned unopposed because the population had "boycotted the elections." Even so, the Assembly had not voted in favour of accession until after the State Premier, Sheikh Abdullah, had been imprisoned by the present regime.

Mr. Noon went on to allege that Kashmir was "virtually an armed camp" occupied by 82,000 Indian soldiers, and that a "reign of terror" prevailed. In support of his allegations he referred to extracts from letters said to have been written by Miss Mridula Sarabhai, a former assistant secretary-general of the All-India Congress Committee. [Miss Sarabhai subsequently protested to the president of the Security Council, alleging that Mr. Noon had misquoted her letters, taken extracts out of their context, and inserted words and sentences not in the original.] Civil liberties were "extinct" and corruption and nepotism were "rampant," Mr. Noon declared, with the result that the people of Kashmir were "ripe for revolution"; the refugees in Pakistan wanted to launch "a mass movement inside the State with a view to winning for the Kashmiris their right to self-determination"; and the tribesmen on Pakistan's north-west frontier were also "impatient." Referring to Sardar Amir Azam Khan's allegation that Indian troops were massed on the border [see below, page 15384], Mr. Noon said: "The excuse that Mr. Nehru gives is that he fears an attack from Pakistan, whereas we have not sent one soldier to our border. The fact that he is afraid of a war breaking out because of the Kashmir problem should assure the Security Council and the world that the problem is peaceful on the surface; but if the Security Council closes the door on a peaceful settlement, we cannot say what will happen."

In view of this grave situation, the Pakistani Government requested the Security Council to take action on the following lines:

(1) To "call upon India to refrain from accepting the change envisaged by the new Constitution adopted by the so-called Constituent Assembly."

(2) Under Article 37 (2) of the U.N. Charter, to "spell out the obligations of the parties under the terms of the international agreement for a plebiscite as embodied in the U.N. resolutions." [Article 37 (2) empowers the Security Council to act "if it deems that the continuance of a dispute is likely to endanger the maintenance of international peace and security."]

After specifically proposing that the Security Council should "call upon the parties to withdraw all their troops from the State, and also ensure that the local forces placed under the Security Council and left behind are suitably reduced, if not disbanded altogether," Mr. Noon concluded. "The functions of protecting the State and ensuring internal security should be entrusted by the Council to a U.N. Force which should be introduced into the area at once. Let all other forces Indian, Pakistani, and local be disbanded, and non-Kashmiri nationals even in the police forces be removed. It is further requested that an early and firm date be fixed for the induction of an officer of the Plebiscite Administrator. The situation may be saved even at this late stage, but only by these means."

The Indian Minister of State, Mr. Krishna Menon, replied to Mr. Noon on Jan. 23-24. In a speech lasting 7 hours and 48 minutes, the longest in the history of the U.N., he maintained that the real issue was the Pakistani invasion of Kashmir, and denied that the introduction of the new Constitution represented any fundamental change in the situation.

Mr. Krishna Menon declared that the only problem confronting the Security Council was the Indian Government's complaint about Pakistani aggression, which had been brought as long as nine years ago. India could then have stated that if the invading forces were not withdrawn within a certain time, she would retaliate; instead, she had made "a friendly request" that Pakistan should prevent her nationals from taking part in the fighting in Kashmir, but even that request was still pending before the Security Council. In defiance of the U.N.C.I.P.'s resolutions, Pakistan had introduced new troops into the area, and although India had since withdrawn a considerable part of her forces from that part of Kashmir under her administration, there were still 45 Pakistani battalions in "Azad Kashmir," which had a population of only 500,000. India had not asked for the condemnation of Pakistan, but simply requested that "people who were committing murder should not be allowed to go on with it." "If the Security Council takes the view that moderation in these matters is a misdemeanour," Mr. Menon added, "then I am afraid that we must plead guilty."

Kashmir's accession to India in 1947, Mr. Menon maintained, had been both legal and final, as the Indian Constitution contained no provision for the secession of a State. It had been the Pakistani invasion which had forced the Maharaja to ask for Indian protection. India had used no force to induce this, nor had she tried to inveigle Kashmir into any kind of accession; the only force which she had used had been "to repel the invader."

After declaring that India was under a moral commitment to consult the wishes of the people of Kashmir, Mr. Menon denied that she was under any legal commitment to Pakistan or the international community to hold a plebiscite. The U.N.C.I.P.'s resolution of Aug. 13, 1948, had provided (*a*) for the conclusion of a truce agreement, under which Pakistani troops and nationals would be withdrawn from Kashmir and the unity of the State restored; (*b*) for subsequent consultations between India and Pakistan; and (*c*) for the U.N.C.I.P. to determine fair and equitable conditions whereby the free expression of the will of the people of Kashmir would be assured. The conditions laid down for a truce agreement, however, had not been fulfilled by Pakistan, which had not withdrawn her troops, and the Indian Government therefore did not consider themselves bound by the resolution.

Turning to the position of the Kashmir Constituent Assembly, Mr. Menon pointed out that every State which acceded to India had had the right to decide for itself what subjects, other than external affairs, defence, and communications, it wished to hand over to the Central Government. The majority of the former States had decided that any special decision of this kind would be "a waste of time," but in Kashmir the powerful National Movement had decided after partition to have its own Constituent Assembly. Denying that the elections to the Kashmir Constituent Assembly had been "rigged" or that the Assembly was a "puppet" body, he recalled that at the time of its election Opposition candidates had been put forward by orthodox Hindu sections of the community, but had then been withdrawn for fear of losing their deposits. The candidates who were returned unopposed had been participating in the National Movement for a very long time.

Refuting Mr. Noon's description of the Indian troops in Kashmir as "forces of occupation," Mr. Menon said that Kashmir was the northern extremity of India, and the Indian Army was there for the protection not only of Kashmir but of India herself. In this connexion India had to take into account that divisions of the Pakistani Army were located five, 10, or 20 miles from the Indian border, and that there had been serious violations of the cease-fire by Pakistan.

Continuing, Mr. Menon denied that India was taking steps to integrate Kashmir into the Indian Union on Jan. 26, and said that an "atmosphere of crisis" had been created in the Security Council as if that date were "some kind of D-day." In reality, the Constituent Assembly's task had not been to decide on the question of Kashmir's accession to India, but to frame a Constitution for the State in pursuance of the Maharaja's act of accession. The clause in the Constitution under which Kashmir became an integral part of the Union of India had come into force in November 1956, and was therefore "past history." There was thus no "zero hour" on January 26, and all that would happen on that date would be that the Constituent Assembly would dissolve itself.

Resuming his speech on Jan. 24, Mr. Menon said that Pakistan, which had been "threatening war," had very considerable quantities of military equipment at her disposal and had concentrated troops on the Indian border. The so-called "Azad Kashmir" forces were on a par with Pakistani troops and were commanded by Pakistani officers, whilst airstrips and landing grounds were being enlarged to accommodate the latest types of jet aircraft.

Contrasting conditions in the Indian and Pakistani areas of Kashmir, Mr. Menon stated that some 450,000 Moslem refugees had returned to the Indian area from Pakistan; he also quoted from a memorandum which he claimed had been submitted to the Pakistani Constituent Assembly by the Kashmir Moslem Conference and which protested against terrorization of the people in "Azad Kashmir," introduction of martial law, arrests without warrant, and ruthless shootings. He admitted that in the Indian area some 49 people had been detained without trial, but said that a good many cases related to matters which had nothing to do with political crimes, and that bringing them to trial had not been feasible because the Kashmir Government would then not have been able to withold evidence "involving other countries besides Pakistan." In conclusion, Mr. Menon protested at the fact that the resolution before the Council [see below] had been introduced before he had finished making his statement to the Council.

Security Council's Resolution for Kashmir Plebiscite under U.N. Auspices.

The following resolution, reaffirming the view that the future of Kashmir should be decided by a plebiscite conducted under U.N. auspices, was submitted on Jan. 24 by Australia, Colombia, Cuba, the United Kingdom, and the U.S.A.:

"The Security Council, having heard statements from the representatives of the Governments of India and Pakistan concerning the dispute over the State of Jammu and Kashmir;

"Reminding the Governments and the authorities concerned of the principle embodied in its resolutions of April 21, 1948, June 3, 1948, March 14, 1950, and March 30, 1951 (see 9661 A; 10692 A; 11457 A), and the U.N.C.I.P. resolutions of Aug. 13, 1948, and Jan. 5, 1949, that the final disposition of the State of Jammu and Kashmir will be made in accordance with the will of the people expressed through the democratic method of a free and impartial plebiscite conducted under the auspices of the United Nations;

"Reaffirms the affirmation in its resolution of March 30, 1951;

"Declares that the convening of a Constituent Assembly as recommended by the General Council of the All-Jammu and Kashmir National Conference, and any action that Assembly may have taken or might attempt to take to determine the future shape and affiliation of the entire State or any part thereof, or action by the parties concerned in support of any such action by the Assembly, would not constitute a disposition of the State in accordance with the above principle; and

"Decides to continue its consideration of the dispute."

Sir Pierson Dixon (U.K.) expressed regret that the Kashmir question was again before the Council, and stressed Britain's friendship and "close relationship" with both India and Pakistan. As regards the question of the Constituent Assembly in Kashmir, Sir Pierson pointed out that in 1951, when the Security Council was considering this question, it was decided that one of the Assembly's functions would be to consider the future shape and affiliation of Kashmir, and that the final disposition of its future was to be made in accordance with the wishes of the people in a free and impartial plebiscite under U.N. auspices. At that time both Sir Benegal Rau and Mr. Dayal, of India, had affirmed to the Council that the Constituent Assembly was not intended to prejudice the issue before it. However, he [Sir Pierson] had understood Mr. Krishna Menon to say that some provisions of the Constitution drawn up by the Constituent Assembly had come into effect on Nov. 17, 1956, and that other provisions were expected to come into effect on Jan. 26, 1957. Moreover, Mr. Menon had said that Article 3 of the Constitution, wherein it was stated that Kashmir was an integral part of the Indian Union, was already in effect. It was therefore natural that the Pakistani representative should have sought reassurances from the Security Council on this question.

With regard to Mr. Menon's complaint that the Four-Power Resolution had been circulated before he had completed his statement to the Security Council, Sir Pierson explained (on behalf of the sponsors of the resolution) that he had thought that Mr. Menon's statement of the previous day was an exposition of India's position on the constitutional issue involved. Moreover, there was special reason for "expedition" in considering the matter lest—as the Pakistani representative feared—developments should take place shortly to prejudice the case.

Dr. Ronald Walker (Australia) felt that it was necessary to introduce the resolution before the Security Council "because of the march of the calendar." Australia had followed the Kashmir problem with "great anxiety and concern" in view of her partnership with India and Pakistan in the Commonwealth, and was "not eager to take sides." He did not think it would be desirable for the Security Council to take up in detail the various charges and counter-charges relating to the past. Whatever varying interpretations had been placed at various times by India and Pakistan on the conditions, the Security Council had clearly expressed itself in favour of the principle of a free plebiscite in Kashmir, but it was still not quite

clear where India stood on this today. It was also not clear to him what was to happen in Kashmir from the constitutional standpoint on Jan. 26, 1957. To what extent did the coming into force of a Constitution on that date introduce a new change in the status of the State? And would a new obstacle thus be created to the implementation of the principle of a plebiscite? If this was so, it would be "inimical" to the resolutions passed by the Security Council. He therefore felt that, the Council before going any further, should draw the attention of all parties to the principles embodied in its previous resolutions, and for this reason, Australia had co-sponsored the resolution before the Council.

Mr. Cabot Lodge (U.S.A.) said that the Security Council was facing "an unfortunate difference of opinion" between two nations whose friendship the U.S.A. highly valued. The main concern of the Security Council was not to aggravate the situation, and the U.S.A. trusted that the parties concerned would also do nothing in this direction. After recalling the Security Council's resolution of March 30, 1951, Mr. Lodge said that "an important new element," of which the Council must take account, had been raised by the complaint that the Kashmir Constituent Assembly was dealing with the question of affiliation of the State. The U.S.A. still adhered to the "correct position" taken by the Security Council resolution of March 30, 1951.

Dr. Tsiang (Nationalist China), who referred to the Kashmir question as an "Asian Alsace-Lorraine," said that a special feature of the case was that both parties had agreed to a plebiscite even before coming to the Security Council. A plebiscite, which had not only been agreed upon by the parties but had also been unanimously supported by the Security Council, meant the exercise of the Charter right of self-determination. In his opinion, therefore, all States subscribing to the Charter must accept a plebiscite, and neither India nor Pakistan should be "too meticulous" about the conditions.

Hr. Gunnar Jarring (Sweden) said that Sweden, as a newly-elected member of the Security Council, was not committed to any particular stand taken by the Council in the past on this question. He felt, however, that the two parties must refrain from any military measures, that the present cease-fire must be maintained, that force must not be used, and that no measures should be definitely taken to incorporate Kashmir into either of the States concerned. Though Sweden was prepared to vote for the Four-Power resolution, the legal issues involved required further study, especially in the light of the statements of Mr. Menon and Mr. Noon.

M. Sobolev (U.S.S.R.) charged that the Kashmir question had been "inflated" by certain Powers which were guided by their own interests in "infiltrating" into a highly important strategic region. The people of Kashmir had in 1952 elected a Constituent Assembly which had confirmed the accession of the State to India; thus the Kashmir question had been "solved by the people of Kashmir, who consider themselves an integral part of India." The resolution now before the Security Council did not take this fact into account but was based on the Council's resolution of March 30, 1951, which the U.S.S.R. had not been able to support because it had been rejected by one of the parties. Moreover, the new resolution did not take into account the "radical changes" that had occurred in Kashmir. The Soviet delegation therefore saw no useful purpose in passing another resolution unacceptable to one party, but believed that the Security Council should recommend both parties to settle their differences by negotiations "without foreign interference."

M. Georges-Picot (France) supported the resolution as a "stop-gap measure," on condition that it should not be viewed in such a way as to prevent the Security Council from devoting later consideration to the question. Speeches in support of the resolution were also made by **Dr. Nuñez-Portuondo** (Cuba), **Señor Carlos Duarte** (Colombia), **Mr. Hashim Jawad** (Iraq), and **General Carlos Romulo** (Philippines).

Mr. Krishna Menon declared that India would not consider the new resolution as binding upon her, and that its only effect would be to "re-agitate" the question. "To record another resolution which reaffirms something that one party has rejected," he added, "is not calculated to promote the purposes of the U.N. or the exercise by the Security Council of the tasks entrusted to it."

The resolution was adopted by 10 votes to nil, the Soviet Union abstaining. Discussion of the Kashmir question was resumed on Jan. 30, when Mr. Noon replied to Mr. Menon's speech.

Mr. Noon claimed that such issues as the question of accession or of aggression had already been disposed of by the Council in 1948 and 1950, and that the problem was "how to go forward," as delay in the holding of a plebiscite was fraught with grave dangers. The only international obligations undertaken by India and Pakistan in regard to Kashmir were embodied in the U.N.C.I.P.'s resolutions of Aug. 13, 1948, and Jan. 5, 1949, and it was the Council's duty to ensure that this agreement was implemented without further delay. The crux of the matter was the need to secure the demilitarization of Kashmir, which should precede the holding of a plebiscite. Pakistan was only too anxious to withdraw her forces, but "the question that has been engaging the attention of the Security Council for the last eight years is how to persuade the Government of India to do what it has agreed to do."

Mr. Noon went on to reject Mr. Menon's contention that the Maharaja's "purported accession" in 1947 was both legal and final, and maintained that India, by accepting the resolution of Jan. 5, 1949, had thereby accepted that the status of Kashmir remained to be decided by a U.N. plebiscite. Now the Council was told that India, by adopting in 1950 a Constitution which made no provision for the secession of a State, had made herself powerless to honour her commitments. "Can that be pleaded before an international body?" Mr. Noon asked "Suppose India, under a Constitution framed by herself unilaterally, incorporated the State of Texas into India, what would be the legal implication? Would it be binding on the people of Texas?"

Refuting Mr. Menon's denial that India had ever undertaken to abide by the results of a plebiscite, Mr. Noon maintained that Mr. Nehru had pledged himself to do so in a letter of Oct. 31, 1947, to the then Prime Minister of Pakistan. Why had India agreed to the appointment of a U.N. Plebiscite Administrator. Mr. Noon asked, if the Indian Constitution forbade the carrying-out of the terms of a plebiscite? Did Mr Menon want the Council to believe that his Government had all along been consciously "misleading everyone with regard to her true intentions?" Pakistan completely agreed that a plebiscite was not to take place until demilitarization had been carried out, but "to date the ingenuity of the Indian side has been entirely concentrated on avoiding this demilitarization." Mr. Menon had argued that because no truce agreement had been reached, the obligation to hold a plebiscite failed; but [Mr. Noon continued] "in seeking to avoid the obligation to hold a plebiscite, Mr. Menon would have the Council overlook the prior obligation to secure the demilitarization of the State." In conclusion, the Pakistani Foreign Minister repeated his appeal to the Council to resolve the deadlock over demilitarization by sending a U.N. Force to Kashmir.

Mr. Krishna Menon replied to Mr. Noon's speech on Feb. 8.

Mr. Menon rejected Mr. Noon's contention that Kashmir's accession to India had been brought about "by force and fraud," and declared that India had used force only against the 73,000 tribesmen who had entered Kashmir "for rapine and plunder." India had referred the question to the Security Council and had suggested a plebiscite in order to avoid spreading the conflict, but this did not mean that Kashmir was a disputed territory. The issue remained exactly what it had always been—viz., the question of aggression and its consequences to the people of Kashmir.

Mr. Menon denied that India had violated any international obligations, and emphasized that legally, if an offer was rejected, that offer was no longer valid. When Lord Mountbatten had asked Mr. Jinnah to arrange a plebiscite, Mr. Jinnah had rejected the offer, whilst Mr. Liaquat Ali Khan had rejected a similar offer by Mr. Nehru. India had then complained to the Security Council. Pakistan's only answer had been a denial, which had subsequently been disproved, and the Indian complaint of aggression therefore still existed. The only engagements by which India was bound, Mr. Menon maintained, were the U.N.C.I.P.'s resolutions of Aug. 13, 1948, and Jan. 5, 1949, both of which India had accepted and Pakistan had at first rejected. Ever since these agreements were concluded, he added, Pakistan had "consistently, repeatedly, continuously, and without interruption" violated the cease-fire.

Pakistan's obligation to withdraw her troops was unconditional, Mr. Menon went on, and nothing further could be considered until Pakistan had "vacated aggression." Pakistan, however, had not yet carried out her obligation to withdraw from Kashmir all tribesmen and Pakistani nationals who had entered the State for the purpose of fighting. She had "no business whatsoever in Kashmir," and the one and only duty she had, and had failed to discharge, was "to take these men out fully and completely."

The Security Council's resolution of Jan. 5, 1949, Mr. Menon pointed out, had laid down that a plebiscite should be held "when it shall be found by the U.N.C.I.P. that the cease-fire and truce arrangements set forth in Parts 1 and 2 of the Commission's resolution of Aug. 13, 1948, have been carried out and arrangements for a plebiscite have been completed." The U.N.C.I.P. had also given India the following assurances: (1) The responsibility for the security of the State rested with India; (2) the sovereignty of the Kashmir Government over the entire territory of the State should not be brought into question; (3) the plebiscite proposals should not be binding upon India if Pakistan did not implement Parts 1 and 2 of the resolution of Aug. 13; (4) there should be no recognition of the "so-called Azad Kashmir Government"; (5) the territory occupied by Pakistan should not be consolidated; (6) the administration of evacuated areas in the north should revert to the Kashmir Government, and their defence to the Indian Government; (7) the "Azad Kashmir" forces should be disbanded and disarmed; (8) Pakistan should be excluded from all affairs of Kashmir. All these assurances had been known to Pakistan before she had accepted the resolution of Jan. 5, 1949.

Mr. Menon declared that it was for the Council to consider whether any step could be taken when the first condition—maintenance of the cease-fire—had not been carried out. India had not introduced into Kashmir any more troops than had been there when the agreement was signed. The default, he alleged, had been on the other side, and it was a default that went to the root of the agreement.

The Indian Government, Mr. Menon concluded, had given a solemn undertaking that it would not move one gun or fire one shot which would violate the cease-fire agreement. At the same time it was their duty to defend their country, in view of the campaign of "incitement to war" which was being carried on in Pakistan. They could not get away from the fact that India had been "invaded," and there could be no solution to the problem except by recognizing this "original sin." India wanted to reach a settlement, but this could not be found on grounds that she had "committed a wrong."

Security Council's Resolution for Swedish Representative to consult Indian and Pakistani Governments.

When the Security Council met again on Feb. 15, a resolution was submitted on behalf of the United Kingdom, the U.S.A., Australia, and Cuba, calling upon Hr. Jarring (the Swedish representative on the Council) to consult the Indian and Pakistani Governments on the dispute and to report back not later than April 15, 1957.

The resolution asked Hr. Jarring "to examine with the Governments of India and Pakistan proposals which, in his opinion, are likely to contribute to the achievement of demilitarization in Kashmir or to the establishment of other conditions for progress toward the settlement of the dispute, having regard to the previous resolutions of the Security Council and of the U.N.C.I.P., and bearing in mind the statements of the representatives of the Governments of India and Pakistan, and the proposal for the use of a temporary U.N. force." After authorizing Hr. Jarring to visit the sub-continent for this purpose, the resolution requested him to report to the Council as soon as possible, but not later than April 15. It invited the two Governments to co-operate with Hr. Jarring in his efforts, and asked Dr. Hammarskjöld, the U.N. Secretary-General, and Dr. Graham, the U.N. representative for India and Pakistan, "to render such assistance to him as he may request."

Indian and Pakistani Reactions to Security Council Resolution. - Statements by Mr. Nehru, President Mirza and Mr. Suhrawardy.

Commenting on the Security Council's resolution, Mr. Nehru declared on Jan. 25 "that the [Kashmir] Constituent Assembly has finished its work, dissolves itself tonight, and disappears. There is nothing more to be done by it. The position remains as it is now." He said that he was "deeply pained" by the manner in which the resolution had been sponsored and passed, adding that it was "very extraordinary that the resolution should be sponsored before really hearing either side."

In a speech in Madras on Jan. 31, Mr. Nehru said: "It seems to us that this serious problem, which has existed for nine years now, was dealt with very casually in the Security Council." India, he recalled, had agreed to a plebiscite "on certain conditions and in a certain context of events." The very first condition was the withdrawal of Pakistani forces from Kashmir, yet they still had not been withdrawn. After saying that any such conditional offer could not last "for ever and ever," Mr. Nehru declared: "If I am convinced that I have not honoured any international commitment, I will either honour it or resign my Premiership . . . I have no doubt in my mind that under fair, peaceful conditions, and in conditions where religious fanaticism is not allowed play, a great number of people in Kashmir would decide for India in a plebiscite. We have always stressed that elections or a plebiscite must be on political and economic issues. We do not want to have communal riots there and call it a plebiscite, or a tearing campaign based on religious bigotry and rousing people's passions . . . I do not want Kashmir in the name of a plebiscite to be the scene of a fraticidal war which would spread to India . . ."

Speaking in Delhi on Feb. 3 Mr. Nehru declared that India would "not tolerate the stationing of any foreign troops in the smallest corner of her territory." The U.N.C.I.P., he pointed out, had never considered the introduction of U.N. forces but had recommended the complete withdrawal of Pakistani forces from Kashmir, whilst recognizing India's right to station troops there. There was no parallel between the introduction of a U.N. force into Egypt and the proposal to send one to Kashmir, as the circumstances were "altogether different" and the U.N. force had gone to Egypt with the Egyptian Government's consent.

On the other hand, President Mirza of Pakistan described the U.N. resolution on Jan. 26 as "a symbol of international good sense and moral justice" which had "vindicated the stand taken by Pakistan and protected the people of Kashmir from an imminent conspiracy to perpetuate their enslavement." The Prime Minister of Pakistan, Mr. Suhrawardy, declared on the same day that the resolution had made clear that "any attempt by India to pursue its declared intention of integrating Kashmir with India will be an unfair and unjust step, a breach of its international commitments, and a defiance of the United Nations."

The President of "Azad Kashmir," Sardar Abdul Qaiyum Khan, stated on Jan. 26 that nothing short of a "deadline" for the plebiscite would satisfy his Government. He added: "If the Security Council fails to enforce its resolution, why should Pakistan prevent 'Azad Kashmir' from resuming the freedom struggle against India?"

Entry into Force of Kashmir Constitution. - Formal Integration of Kashmir in Indian Union.

The Constitution of Kashmir came officially into force at midnight on Jan. 25 with the formal dissolution of the Constituent Assembly.

Addressing the final session of the Assembly, the Prime Minister of the State (Bakshi Ghulam Mohammed) claimed that Kashmir's accession to India in 1947 had been "decisive and complete in all respects," and that the people of Kashmir had "never been in doubt in regard to the finality of this association." When in 1951 it was proposed to invest the Assembly with supreme authority to determine Kashmir's future shape and affiliation, "the Security Council passed a resolution asking us not to proceed with the work of Constitution-making . . . Since we felt that such an injunction carried the suggestion of restricting our sovereign rights, we went ahead, knowing that the course we were pursuing was based upon the sanction of our people and the compulsion of circumstances. One of the factors responsible for our decision to convene the Constituent Assembly was the failure of the Security Council to undo the wrong of aggression perpetrated by Pakistan upon the people of the State, of which she continues to enjoy the fruit. No amount of legal quibbling will wipe away the memory of death and destruction which the people of Kashmir have suffered as a result of that invasion. I do not wish to sit in judgment upon the conduct of various Powers, but it strikes one as odd and extraordinary that while those Powers have hastened to take notice of aggression in other parts of the world, they have hesitated to take a similar attitude in regard to Kashmir. Aggression is aggression, whether it takes place in Korea, Egypt, or Kashmir . . . We would be perfectly justified if we regarded their views as biased and totally divorced from considerations of justice and equity so far as this issue is concerned."

The members of the Assembly took the oath of loyalty to the new Constitution on Jan. 28, when they first met as members of the provisional State Legislature which will function until general elections are held. The Legislature adopted on Jan. 30 a Bill empowering the Head of State to determine the number of constituencies into which the State should be divided, and providing for the appointment of an Election Commissioner and of a tribunal to hear election petitions.

Sheikh Abdullah's Letter to Security Council.

The Pakistani High Commissioner's Office in London released on Jan. 25 the text of a letter, stated to have been sent by Sheikh Abdullah from prison to the president of the Security Council, which denounced the Constituent Assembly's ratification of Kashmir's accession to India as "a fraud upon the people, a betrayal of their right to self-determination, and a gross breach of international commitments," and which declared that only a free plebiscite could "end the agony of the people of Kashmir and eliminate a grave danger to peace." In this letter, which was stated to have been hand-written and smuggled out of prison, Sheikh Abdullah also alleged *inter alia* that "a lawless law of detention has been promulgated in the State, with the sanction of the President of India, which has stifled all civil liberties."

Pakistani Warnings of Danger of War.

Addressing Pakistani Air Force cadets on Jan. 11, President Mirza warned them to be "always ready," as India had "sinister designs" on Pakistan. The Minister of Information, Sardar Amir Azam Khan, alleged on the same day that Indian troops were massed on Pakistan's borders, and claimed that in Pakistan "not a single soldier has been moved toward the Indian borders." This allegation was denied on Jan. 16 by Indian Government spokesmen, who stated that Indian forces in Kashmir had recently been reduced. They also alleged that Pakistani troops were stationed within a few miles of the Indian border, and that the "Azad Kashmir" forces had recently been increased to nearly 45 well-equipped battalions.

Pakistan Radio declared on Jan. 11 that tribal chieftains had expressed impatience at the slow progress of the Kashmir question, and were ready to "march into Kashmir" if the Security Council did not satisfactorily solve it. On Feb. 1 Mr. Suhrawardy gave a warning that there was a real danger of "undeclared war" breaking out in the tribal territories; telegrams pledging support for armed operations were pouring into Karachi from tribal leaders, and although the Government was trying to restrain them "no one could say what would happen if no effective action was taken."

Sardar Abdul Qaiyum Khan, head of the "Azad Kashmir" Government, told a *Daily Telegraph* correspondent on Feb. 9 that "it is coming to a fight in Kashmir, whether people like it or not. We have no alternative left, and I have told the Pakistani Government, this . . . I think it is certain that there will be fighting this year, perhaps even in a few weeks . . . Kashmiris want to see some results at last, if not by diplomacy, then by war . . . In Kashmir we can give the Indians hell. We are much better equipped now than in the former fighting." He insisted that "Azad Kashmir" had not been a party to the cease-fire agreement and was therefore not bound by it.

The "Azad Kashmir" Cabinet had told the same correspondent on Feb. 6 that its forces numbered 35,000 men and could be increased overnight to 80,000, of whom 70,000 were trained ex-soldiers.

Anti-Indian Demonstrations in Pakistan.

Widespread anti-Indian demonstrations took place in Karachi, Lahore, Hyderabad (Sind), and Dacca on Jan. 26, which was observed as a "black day" throughout Pakistan in protest against the integration of Kashmir with India. In Karachi demonstrators attacked the Indian High Commissioner's office, burned effigies of Mr. Nehru and other Indian leaders, and stoned the police; in Dacca and Hyderabad, the Indian Deputy High Commissioners' offices were stoned by demonstrators shouting slogans demanding war with India; while in Lahore the Deputy High Commissioner's office was also attacked and his residence stoned. During clashes between the rioters and the police 25 people were injured in Hyderabad and 18 in Lahore. Anti-Pakistani counter-demonstrations took place on Feb. 2 in Delhi, where police used tear-gas to disperse Indian students demonstrating outside the Pakistani High Commissioner's residence.

In a statement in Karachi on Feb. 1, Mr. Suhrawardy appealed to the public to moderate the tone of its opposition, and said that the justice and strength of Pakistan's case did not justify demonstrations against Mr. Nehru. The statement said: "I have noted a tendency on the part of our newspapers and public to revile the leaders of countries with whom we have differences, rather than to comment on or criticize their policies. Also, in public demonstrations, attacks are made on the leaders of these countries. This is against all international usage and behaviour. I would request newspapers and our public leaders to refrain from indulging in vilification. This does not help the cause of truth and justice which we espouse. On the other hand, it is apt to arouse opposition to us in the people of the countries concerned, and to create unnecessary prejudice which will impede the cause of justice for which we stand . . ."
(Indian and Pakistani High Commissioners' Offices, London - U.N. Information Centre, London - The Statesman, Calcutta - Times - Daily Telegraph - Manchester Guardian)
(Prev. rep. Kashmir, 15265 A.)

A. FINLAND - SOVIET UNION. — M. Fagerholm's Visit to Moscow. - Trade Agreement for 1957.

The Finnish Prime Minister, M. Fagerholm, and the Minister of Commerce, M. Kleemola, visited Moscow from Jan. 30 to Feb. 3 for discussions with the Soviet Government.

A joint statement issued on Feb. 2, signed by Marshal Bulganin and M. Fagerholm, said that Finno-Soviet relations were developing satisfactorily "in the spirit of the 1948 treaty" and based upon "complete equality, non-interference in each other's domestic affairs, and mutual respect for sovereignty and national independence." The Soviet Government had noted that "Finland's peaceful neutral foreign policy and her friendly relations with all countries" were a valuable contribution to international peace, and both Governments were agreed that good-neighbourly relations among the countries of Northern Europe were of great importance for European and world peace. They also attached great significance to "the achievement of practical results in the field of disarmament" and the prohibition of atomic and hydrogen weapons.

After noting that commercial relations on the basis of the Finno-Soviet five-year trade agreement of 1954 had been developing satisfactorily, the statement concluded: "This exchange of opinions has deepened the mutual understanding between the two countries and has demonstrated once again the spirit of mutual respect and confidence which is typical of the good-neighbourly relations between the Soviet Union and Finland."

It was also announced that Marshal Bulganin and M. Khruschev had accepted an invitation by M. Fagerholm to visit Finland later in the year.

A Finno-Soviet trade agreement for 1957 had been signed on Nov. 28, 1956, on the basis of the five-year trade treaty between the two countries.

The agreement provided for Finnish exports to the U.S.S.R. totalling 615,000,000 roubles and Soviet deliveries to Finland valued at about 500,000,000 roubles. The Finnish exports will consist principally of ships, machinery and other metal goods, timber products, copper and copper products, and certain consumer goods, while Soviet supplies will include wheat and fodder, petroleum products, iron and steel products, sugar, coal, coke, zinc, potash, aluminium, motor vehicles, tractors, etc. The balance in Finland's favour will be compensated by Finnish imports from Soviet-bloc countries under "triangular" arrangements.

The agreement for 1956 had envisaged Finnish supplies to the Soviet Union totalling 590,000,000 roubles and Soviet exports to Finland worth 440,000,000 roubles. It was provided that the difference in Finland's favour should be settled by the Soviet Union as to 40,000,000 roubles in foreign exchange payments and as to 110,000,000 roubles by the supply of goods to Finland under "triangular" arrangements with Czechoslovakia and Poland.

Because of the partial breakdown of the "triangular" trade arrangements previously envisaged for 1957, it was agreed during M. Fagerholm's visit that the Soviet Union would deliver additional supplies of raw materials needed by Finland, including coal and oil which Finland had been unable to get from Poland and Rumania in sufficient quantities.
(Soviet Weekly - Times - Le Monde, Paris) **(Prev. rep. 14460 A.)**

B. SOVIET UNION. — M. Gromyko succeeds M. Shepilov as Foreign Minister.

The Tass Agency announced on Feb. 15 that M. Andrei Gromyko had been appointed Foreign Minister of the U.S.S.R. in succession to M. Dmitri Shepilov, who had been elected as one of the secretaries of the central committee of the Soviet Communist party.

M. Gromyko (47) was born in Byelorussia and graduated in agricultural economics at the Lenin Institute of Economics in Moscow. From 1936-39 he held a senior post in the Economics Institute of the Soviet Academy of Sciences and edited the official Soviet economic review, *Problems of Economics*. On the eve of the Second World War he was appointed by M. Molotov as head of the American section of the Soviet Foreign Ministry, and shortly thereafter became Counsellor at the Soviet Embassy in Washington. M. Gromyko subsequently held the posts of Ambassador to the U.S.A. (1943-46), Soviet representative at the United Nations (1946-49), Deputy Foreign Minister in the Soviet Government (1949-52), Ambassador in London (1952-53), and First Deputy Foreign Minister since 1953.

As Ambassador in Washington, Soviet representative at the U.N. (in which capacity he cast the Soviet veto on 26 occasions), and First Deputy Foreign Minister of the U.S.S.R., M. Gromyko played an important part in shaping Soviet post-war foreign policy, and was regarded as a close associate of M. Molotov. He took part in the wartime conferences at Teheran, Yalta, and Potsdam and also in a number of post-war conferences, including the conference of Foreign Ministers' Deputies held in Paris in 1951. M. Gromyko is the first Byelorussian to become Foreign Minister of the U.S.S.R., and the youngest holder of that post, being four years junior to M. Shepilov. The Special Correspondent of *The Times* in Moscow commented that it might "well be . . . that M. Gromyko's appointment represents a return to an attitude in Soviet foreign affairs more in keeping with the Stalinist tradition."

M. Gromyko was succeeded as First Deputy Foreign Minister by M. Nikolai Patolichev, also a Byelorussian, and Deputy Foreign Minister since July 1956.

M. Shepilov had held the post of Foreign Minister for only eight months. A Moscow broadcast of Feb. 16 confirmed the "correctness" of M. Shepilov's speech to the Supreme Soviet made four days earlier (see 15370 A), in which he had enunciated six "principles" as the basis for a four-Power pact on the Middle East.—(Soviet Weekly - Times) **(14900 B.)**

C. UNITED STATES. — Administration. - Mr. Gordon Gray appointed Director of Defence Mobilization. - Resignation of Dr. Flemming.

It was announced on Feb. 6 that President Eisenhower had appointed Mr. Gordon Gray, Assistant Secretary of Defence for International Security Affairs, as Director of the Office of Defence Mobilization in succession to Dr. Arthur S. Flemming, consequent upon the latter's resignation (see page 15388, first column).

Mr. Gordon Gray (47), a North Carolina Democrat, served as Secretary of the Army in President Truman's Cabinet and also as Director of the Psychological Strategy Board—the forerunner of the Operations Co-ordinating Board. He conducted an important foreign policy study which recommended continued American aid to Western Europe and increased aid to the under-developed areas. Mr. Gray resigned in 1950 to become president of the University of North Carolina, but was recalled to Government service by President Eisenhower in 1955. As Assistant Secretary of Defence for International Security Affairs since the latter year, he had supervised the foreign military aid programme and had also been a member of the Operations Co-ordinating Board and the planning board of the National Security Council. Mr. Gray also served in 1954 as chairman of the special security board which voted against the reinstatement of Dr. J. Robert Oppenheimer as a Government consultant on atomic energy matters.

Mr. Gray, one of the few Democrats to attain high office in President Eisenhower's administration, will have Cabinet rank and attend Cabinet meetings, though his new post is not a Cabinet position. He will also be a member of the National Security Council *ex officio*.—(New York Times)
(Prev. rep. Dr. Flemming, 12839 B; Mr. Gray, 10027 B.)

D. JAPAN. — Termination of State of War with Poland and Czechoslovakia.

An agreement on the termination of the state of war and the establishment of diplomatic relations between Poland and Japan was signed in New York on Feb. 8 by Mr. Kase, the Japanese Ambassador in Washington, and M. Winiewicz, Polish Deputy Minister of Foreign Affairs and head of the Polish delegation at the United Nations.

A similar agreement for the ending of the state of war and the restoration of diplomatic relations between Japan and Czechoslovakia was signed in London on Feb. 13 by the Japanese and Czechoslovak Ambassadors, Mr. Nishi and M. Hajek.—(Polish Embassy Press Office, London - Japanese Embassy Press Office, London) **(Prev. rep. 15307 E.**

A. PETROLEUM.—Further British and Continental Measures against Oil Shortage. - O.E.E.C. Emergency Oil Pool. - Shortfall of U.S. Oil Shipments to Europe. - President Eisenhower's Request for Increase in U.S. Oil Supplies. - Improvement in European Fuel Position.

Further measures taken in European countries to counteract the effects of the blocking of the Suez Canal on the oil supply position in Europe are summarized below.

Great Britain.

The introduction of petrol rationing was followed by a number of steps aimed at minimizing its effects on the country's economic activities.

Road Hauliers and Commercial Travellers. The Ministry of Transport warned long-distance hauliers on Jan. 1 that a 25 per cent cut in fuel consumption would be achieved by reducing the transport of less essential goods. On Dec. 18, 1956, it had been pointed out that supplementary allocations to hauliers would vary from nil to 80-100 per cent of needs for essential users. Particular attention, however, would be given to persons whose living depended on such transport services, whilst long-distance hauliers would receive most favourable treatment provided the goods carried could not be transferred to the railways.

The arrangements for issuing supplementary petrol and diesel allowances were widely criticized by the various road haulage associations, commercial travellers, and manufacturers' agents dependent on road transport.

The road hauliers alleged that (i) the fuel emergency had been "exploited" by the Government to protect railway interests, thus endangering the livelihood of thousands of road hauliers; (ii) although the Government had agreed on an overall saving of 25 per cent in their sector, no haulier had received more than 25-30 per cent of normal consumption; (iii) applications for supplementary allowances had neither been dealt with speedily, nor had the allowances been calculated on uniform principles throughout the country but varied according to the ways in which Regional Commissioners interpreted their instructions. The United Commercial Travellers' Association maintained that a traveller received a ration of only 300 miles a month compared with 1,000 miles a month in May 1950 just before petrol rationing ended, and a normal consumption averaging 500-600 miles a week.

The Minister of Transport (Mr. Watkinson) reaffirmed on Jan. 4, however, that there would be no change in the principles of the existing rationing scheme whereby overall petrol and oil supplies would be reduced by 25 per cent, although amendments would be made to ensure that available supplies were equitably distributed. On the previous day Mr. Watkinson had emphasized that "rationing is going exactly as planned . . . You cannot cut petrol by 25 per cent without hurting someone." He explained that rationing would be effected in three stages—first, the issue of the basic ration; second, the first round of supplementaries; and third, the clearing-up of individual problems that had arisen. It was also pointed out by the spokesman of the Ministry of Transport that the main complication in the administration of petrol rationing had resulted from delay by road hauliers in returning applications for supplementary allowances.

On Jan. 10 it was announced that fuel rationing problems arising in the road transport industry would be dealt with by a joint consultative advisory committee consisting of representatives of the British Transport Commission, coastal shipping, the Road Haulage Association, the Traders' Road Transport Association, the National Conference of Road Transport Clearing Houses, and the trade unions, under the chairmanship of Sir G. F. Stodman, deputy secretary of the Ministry of Transport and Civil Aviation. It was also announced that final assessments for road hauliers with "A," "B" and "C" licences would be made immediately, that appeals against wrongful assessment could be made first to the District and then to the Regional Transport Commissioners, and that a substantial fuel reserve would be kept, primarily to meet cases of exceptional hardship.

"C" Licence Vehicles. After a meeting with representatives of the Traders' Road Transport Association, the Minister of Transport announced on Jan. 9 that "C" licence holders, normally allowed to carry only their own goods, would be permitted for the present to carry goods of other "C" licence holders, provided the goods would normally be carried under such a licence. The Order affected 450,000 licence holders operating nearly 1,000,000 vehicles.

Supplementary Allowances for Hardship Cases. The Ministry of Fuel and Power announced on Jan. 2 that applications for special hardship allowances of petrol would be considered for the following categories:

(*a*) Firms who considered that output or turnover would suffer seriously unless private cars used in business were allowed more mileage than at present covered on the business block allowance.

(*b*) Employers who suffered serious interference with their business through the inability of employees to get to work. Applicants would, however, have to show that (i) public transport was not available or practicable over any part of the journey; (ii) needs could not be met by collective transport, e.g. coaches; (iii) the employees' mileage to work and back exceeded 150 miles a month; (iv) there were arrangements for mutual aid among employees living in the same neighbourhood or on the same route.

(*c*) Self-employed persons who could show that supplementary petrol was essential to avoid serious loss of livelihood.

(*d*) Persons living in remote areas who suffered serious personal hardships, especially those concerned with welfare of the sick and aged, or of children (e.g. extreme difficulty in getting children to school).

Diesel Oil Cut for Farming and Fishing. A 10 per cent cut in gas and diesel oil supplies for farm vehicles and fishing vessels, (effective for three months as from Jan. 1, 1957, and based on deliveries in the same period of 1956) was announced by the Ministry of Agriculture on Dec. 20. [Subsequently, however, it was announced by Lord Mills that the cut would be abolished on April 1 see below].

Car Hire Service. Increased petrol allowances for chauffeur-driven hire cars were announced on Jan. 24, and owners of self-drive hire cars were permitted to apply for increases on hardship grounds.

Motor Racing. The Ministry of Power announced on Feb. 13 that special petrol allowances would be made available to the Royal Automobile Club and the Auto-Cycle Union (the governing authorities for British motor- and motor-cycle racing) to enable a "strictly limited" number of race meetings to be held. No supplementary coupons, however, would be issued to enable spectators to travel to these events.

Lawn Mowers. An allocation of petrol for gardeners using motor-mowers, equal to a ¼-gallon per month for each 1,000 square yards of lawn for the period April-September, was announced on Feb. 12.

New Registrations. The Ministry of Power announced on Jan. 18 that vehicles registered for the first time in January would receive a complete basic ration book covering the Dec. 17-April 17 period, while those registered or re-licensed in February and March would receive coupons for three and two months respectively.

Driving Licences. Mr. Watkinson announced in the House of Commons on Dec. 5 that the provision requiring a provisional licence holder to be accompanied when driving by a substantive licence holder, would be temporarily suspended to avoid hardship to those whose livelihood would otherwise be affected by the suspension of driving tests.

Statements by Minister of Power. Lord Mills, the new Minister of Power, reviewed the oil situation at a press conference on Jan. 21. He pointed out that although there was a general shortage of about 25 per cent, "the position differed from product to product," viz.:

Fuel Oil was "our greatest anxiety," with supplies much below demand and no immediate prospect of material improvement. If further cuts were unavoidable industry would receive "as long notice as possible," but meanwhile there would be no additional cut before the end of February.

Diesel Oil. The position was being "well held, thanks to the very great efforts of industry and the co-operation of road transport"; although stocks were being run down, "I think we can stand it until the end of the present rationing period in April."

Petrol. "My own view is to get rid of petrol rationing as soon as possible, but that time has unfortunately not yet arrived. It is often said that there is plenty of petrol in Texas and elsewhere waiting to be fetched, but we dare not let the tankers bring petrol—they should carry fuel or crude oil."

Lord Mills announced on Jan. 29 that the period in which no further cut in fuel oil supplies to industry would be made would now be extended "to at least the end of March." He said that although fuel oil supplies were still substantially short of normal levels and there was no immediate prospect of improvement, consumption had been reduced by savings of 80 per cent by the Central Electricity Authority, 25 per cent for central heating, and 10 per cent in other branches of industry. In spite of these savings, however, it would still be necessary to draw extensively on stocks.

Lord Mills announced in the House of Lords on Feb. 20 that the measures taken to deal with the severe reduction in petrol and oil supplies had led to an improvement in the position compared with the first weeks of the emergency, and had thus enabled the Government to ease certain of these restrictions, as follows:

Fuel Oil. Because of improved crude oil supplies and the mild winter, restrictions could be limited to their present level—10 per cent in industry—throughout April.

Diesel Oil. As from April 1, cuts would be reduced from 20 per cent to 10 per cent for industry, and from 33⅓ per cent to 25 per cent for non-industrial central heating, whilst the 10 per cent cut in supplies for agriculture and fishing would be abolished. In spite of these changes the average saving on gas-diesel oil would still be about 15 per cent.

Petrol. Coupons held by private motorists and operators of goods and public service vehicles, and unused in the current rationing period would be valid up to April 30. This would enable private motorists, for example, to use their cars to a greater extent during the Easter holiday.

Road and Passenger Transport. During the next rationing period for goods and public service vehicles, commencing April 8, allowance would be made for seasonal changes in normal consumption—particularly in respect of coaches, whose allocation would be increased to 75 per cent of their usual consumption for the period.

Continental Europe.

Various developments in connexion with the oil restrictions in continental Europe are summarized below:

France. It was announced on Dec. 16 that the Monte Carlo Rally for 1957 would be cancelled because of petrol restrictions.

M. Lemaire (State Secretary for Industry and Commerce) announced on Feb. 12 that gas oil would be on free sale again as from April 1 and that motorists would be able from April 10 to take their basic petrol rations in coupons without time limit.

Belgium and Luxemburg. Speed limit of 40 m.p.h. imposed on all vehicles outside towns (Dec. 12). Ban on Sunday motoring lifted (Dec. 19)

Denmark. Petrol rationing abolished (Feb. 7) owing to satisfactory stocks.

Netherlands. Ban on Sunday motoring (which had resulted in a 15 per cent saving of petrol) lifted experimentally on Jan. 27, and permanently on Feb. 6.

Portugal. Petrol supplies limited and petrol stations closed on Sundays.

Greece. Oil for central heating cut by 30 per cent. Severe petrol rationing scheme for private cars; all week-end motoring barred.

Sweden. Sunday motoring ban lifted experimentally for three week-ends (Feb. 4).

Switzerland. An Order was issued on Feb. 16 prohibiting foreign cars from taking out more petrol than they brought in—a step aimed against French motorists crossing the frontier for petrol.

Creation of O.E.E.C. Oil Pool.

The O.E.E.C. Oil Committee, after discussions with the O.P.E.G., announced on Jan. 15 that it had decided to introduce an "equitable system of allocations" whereby regular oil supplies to member-countries would be equalized to ensure a more balanced distribution based on national requirements, replacing the existing "stop-gap" arrangements.

The scheme was outlined on the same date by M. Gérard Bauer (chairman of O.E.E.C.'s Executive Committee), Mr. J. Berkin (chairman of O.P.E.G.), and Mr. J. Beckett (head of the Oil Committee), as follows:

(*a*) The major U.S. and European oil companies would establish a special oil pool, from which 200,000 tons (made up of 40,000 tons of petrol, 50,000 tons of diesel oil, and 110,000 tons of fuel oil) would be distributed every ten days among participating countries in special difficulties;

(*b*) allocations from the special pool would be decided by the Oil Committee;

(*c*) generally speaking, each of the member-countries should undergo a cut of the same percentage relative to their needs.

Mr. Beckett commented that the new system would "not cure the oil shortage but will spread the burden as fairly as possible." Countries which enjoyed special advantages from their domestic production, or from a high level of deliveries by certain oil companies, would now be in the same position as the rest. The allocation scheme did not, however, take account of the existing level of stocks, although the regular distribution of the 200,000-ton reserve (representing 8 per cent of normal requirements) would gradually even out stock levels. Bigger distributions from the reserve would be given to those countries whose stocks were low, unless the draft on stocks had resulted from failure to cut consumption to a reasonable extent; e.g. the Scandinavian countries, would receive less for the time being because of the normal winter stocks they accumulated each year. Discussing fuel oil supplies, Mr. Beckett said that stocks at Jan. 1, 1957, had amounted to 3,750,000 tons but would be reduced to 2,500,000 tons by Feb. 11, representing two weeks' consumption by O.E.E.C. countries.

Distributions from the O.E.E.C. reserve pool started on February 1, 1957.

In the first distribution (Feb. 1-10) 112,000 tons of fuel oil and 46,500 tons of gas-diesel oil were distributed as follows:

Austria, 3,500 tons of fuel oil; Denmark, 12,000 tons of fuel oil and 7,000 tons of diesel oil; France, 10,000 tons each of fuel and diesel oil; Greece, 4,000 tons of fuel oil and 5,000 tons of diesel oil; Irish Republic, 3,000 tons of fuel oil and 2,000 tons of diesel oil; Italy, 45,000 tons of fuel oil; Sweden, 27,000 tons of fuel oil and 10,000 tons fo diesel oil; Switzerland, 1,500 tons each of fuel and diesel oil; and Turkey, 5,000 tons of diesel oil. Britain, the Benelux countries, Western Germany, and Portugal made no claim "in view of the difficult situation in other countries." No allocations were made out of the extra 40,000 tons of petrol, which were returned to O.P.E.G. "to be distributed by the oil companies in accordance with the agreed equalization procedure," as so many countries were in an equally difficult position.

It was announced on Jan. 29 that the reserve for the period Feb. 10-20 would be allocated to Britain (16,000 tons of petrol), France, Italy, Spain, Denmark and Sweden.

In the third distribution for the period Feb. 20-March 2, Britain received 15,000 tons of petrol—the largest petrol allocation made to any member-country and representing about 10 per cent of Britain's normal needs in that period.

The Oil Committee announced on Feb. 19 that allotments would in future be made twice monthly for 15-day periods, covering each time a total of 240,000 tons of gas-diesel and fuel oil and 60,000 tons of petrol. For March 1-15 the recipients would be the Irish Republic, Spain, France, Italy and Britain (who for the first time received an allocation of gas-diesel and fuel oil from the pool.

A resolution by the O.E.E.C. Executive Committee, adopted on Jan. 8, said that current European oil supplies amounted to less than 75 per cent of requirements and would shortly be inadequate to maintain economic activity at a normal rate, so that only a further increase in U.S. supplies could alleviate the situation. The Committee expressed concern that the Texas Railroad Commission had taken no action to increase the number of days on which oil might be extracted from the Texan oilwells.

A joint meeting of the Oil Committee and O.P.E.G., held in Paris on Feb. 7, was attended for the first time by representatives of the U.S. Government and six members of the U.S. Middle East Emergency Committee headed by Mr. S. Coleman, vice-president of the Standard Oil Company of New Jersey.

Mr. Berkin, reviewing the European oil situation at a press conference after this meeting, estimated that 80 per cent of normal supplies would be available for the first quarter of 1957, as against the 75 per cent forecast on Jan. 8. There had been a marked improvement in the flow of oil to Europe in the past few weeks, averaging about 3,000,000 barrels a day, despite the falling-off in U.S. deliveries. Of the total supplies, 1,500,000 barrels a day were coming from the Western Hemisphere, 1,000,000 from the Middle East *via* the Cape, 100,000 from the Soviet Union *via* the Black Sea, and 300,000 from the Eastern Mediterranean.

This improvement in total supplies, Mr. Berkin pointed out, had resulted from better planning and making the optimum use of available tankers through speeding up the turn-round. The draft on fuel oil stocks had consequently been reduced, although a prolonged spell of cold weather resulting in a heavier use of fuel oil would seriously affect economic activity. Even with total oil supplies at 80 per cent of normal, however, restricted consumption was still 5-7 per cent above the level of the increased supplies, and in the case of fuel oil the shortfall was even greater than the average, although for petrol it was rather less. Several factors affecting future supplies, such as the resumption of the oil flow through the Syrian pipelines and of traffic through the Suez Canal, were uncertain, but it was hoped that supplies in the second quarter would increase further, even if none were received *via* these two supply lines.

Oil Shipments to Europe under U.S. Emergency Plan. - President Eisenhower's Call to U.S. Oil Companies for Increased Production.

Figures published by the U.S. Department of the Interior showed that shipments of U.S. oil to Europe under the Emergency Plan announced by President Eisenhower on Nov. 30 (see 15249 A) averaged 944,000 barrels a day for the week Nov. 21-28 and 636,000 barrels for the week Nov. 29-Dec. 5. Thereafter they reached the target of 500,000 barrels a day only once, averaging 468,000 barrels during the last week of December and the first week of January, and falling still further to 275,000 barrels a day for Jan. 9-17, of which only 72,000 was crude oil. Although shipments for Jan. 18-23 rose to 513,000 barrels (made up of 157,000 of crude oil, 235,000 of refined products, and 121,000 of petrol), this was only achieved through running down U.S. crude oil stocks, which by Jan. 26 were over 2,000,000 barrels short of the level considered a minimum for national security reasons. For the week Jan. 24-30 shipments fell to 454,000 barrels a day, bringing total movements of oil to Western Europe from the U.S.A. to over 5,000,000 metric tons.

It was pointed out in the British, French and U.S. press that the obstacles to the fulfilment of the Emergency Plan arose not so much from a tanker shortage, since the reorganization of tanker schedules by Dec. 20 had made available sufficient tanker capacity to carry 1,200,000 barrels a day from the Gulf Coast, but from the following reasons:

(i) The restricted pipeline capacity for carrying oil from the West Texas oilfields (the centre of Texan surplus oil stocks) to the coast.

(ii) The refusal of the Texas Railroad Commission—the body administering the State's conservation laws and therefore controlling Texan oil output, which amounts to 40 per cent of U.S. output—to sanction production increases sufficient to alleviate the European oil deficiency. [Whereas the international oil companies had favoured increased U.S. production of crude oil and a large diversion of Caribbean oil to European refineries, the independent Texan producers had opposed this policy. The Texas Railroad Commission had approved the policy of the independent producers, the result being to force up prices because of the European shortage.]

Allowable production, fixed monthly by the Commission on the basis of estimated demand, and distributed on an equitable basis between producers, was fixed at 16 working days for both December and January, and 15 days for February; the latter represented an increase of 92,970 barrels of oil a day after taking into consideration the shorter month.

Defending their decisions, the Commissioners maintained that exisiting oil stocks were sufficient to meet temporary European demands and that excessive stocks of petrol (amounting to 196,000,000 barrels) and of other crude oil products, resulting from

Europe's general reluctance to purchase these items, threatened the existing price level. Mr. Culberson, the chairman of the Commission, stated on Jan. 26 that further increases in stocks would wreck the domestic industry, and that Britain must understand that the industry had to keep its stocks in balance against the time when she no longer required U.S. oil.

Following representations by the British and French Ambassadors to the State Department on Jan. 25-26, Mr. F. Wormser, Assistant Secretary of the Interior, made an urgent appeal to the oil industry on Jan. 26 to increase their shipments to Europe during the next two "critical" months. He asked them to raise output on the one hand and to reduce refining operations on the other, thus averting a situation "threatening to have the most severe impact on the European economy and to undermine U.S. relationships with Europe and NATO." The supply of oil to the civil economies of Europe, Mr. Wormser emphasized, was of "major importance" to the U.S. armed forces.

President Eisenhower declared on Feb. 6 that the U.S.A. must not let Europe "go flat on its back" for the lack of oil, and announced that the U.S. Government "might have to move in" unless the oil flow to Europe was kept to a maximum by making the optimum use of all transport facilities. The Government would not, however, disturb the U.S. economy to achieve this unless it was forced to do so. The President also announced that Dr. Arthur Flemming, the Director of Defence Mobilization [and, in that capacity, responsible for the emergency oil shipments] would be succeeded by Mr. Gordon Gray, Assistant Secretary for International Affairs and supervisor of the foreign military aid programme—a step interpreted by the American press as the outcome of the disappointing U.S. oil shipments to Europe.

Mr. Stewart, director of the Interior Department's Office of Oil and Gas, had previously stated on Feb. 1 that although appeals for more production of crude oil and less refining had been unsuccessful "as yet," the President would not "step in." The Federal Government, Mr. Stewart said, would not willingly encroach on the rights of the States and had no control over the decisions of the Texas Railroad Commissioners. He rejected the suggestion that the Administration was allowing the Commission "to conduct foreign policy by hindering the oil lift to America's allies in Western Europe," and said that he was unwilling to criticize the Commissioners, who had a "tough job" and were "only looking after their own interests." He would, however, "like to see them a little more generous."

In response to President Eisenhower's request, six major oil companies—the Texas Oil Company, Shell Oil Company, Sinclair Oil Corporation, Standard Oil Company of New Jersey, Standard Oil Company of Ohio, and Socony Mobil Oil Company—announced on Feb. 8 that they would increase crude oil shipments to Europe by reducing refinery runs. In addition, the Shell Oil Company would make available over 1,000,000 barrels of crude oil by closing down several refinery units for overhaul.

The Texas Oil Company also announced on the same date that its total oil shipments (refined and crude) to Europe had increased fivefold, viz., from 20,000 barrels a day before the crisis to 104,000 barrels. This increase had been brought about by (1) increasing shipments from Trinidad to Britain by 85 per cent, or about 17,000 barrels a day in January; (2) drawing on stocks from Caribbean and Gulf Coast sources; (3) diverting Arabian crude oil from Sidon (Lebanon).

At a meeting of the Texas Railroad Commission held on Feb. 19, allowable production for March was fixed at 18 days' operation or 3,733,054 barrels a day, representing an increase of 210,901 barrels a day over the output for February.

U.S. Investigations into Oil Shipments to Europe.

Four investigations commenced in the U.S.A. during January and February to determine whether the major oil companies had "conspired" to raise oil prices in violation of the anti-trust laws—viz. (1) by the Justice Department's anti-trust division on Jan. 11; (2) by the Senate Anti-Trust and Public Lands Committee on Feb. 5; (3) by a grand jury of investigation at the request of the Federal Government on Feb. 8; and (4) by a sub-committee of the Senate Commerce Committee on Feb. 8. In addition to price increases, the Senate Anti-Trust and Public Lands Committee also decided to examine the alleged failure of the Government's emergency oil programme for Western Europe, and to investigate whether the Middle East Emergency Committee had violated the anti-trust laws.—(Times - Daily Telegraph - Manchester Guardian - Financial Times - New York Times - New York Herald Tribune - O.E.E.C. Information Division, Paris - Le Monde, Paris - Neue Zürcher Zeitung - Netherlands News Agency - Berlingske Tidende, Copenhagen) **(Prev. rep. 15249 A.)**

A. FRANCE. — Anti-Alcohol Legislation. - Ban on Sale of Alcoholic Drinks to Children. - Statistics of Alcohol Consumption.

The French National Assembly passed a Bill on Feb. 13 banning the sale to children under 12 years of age, in bars and other public places, of drinks containing more than three degrees of alcohol. Infringements were made liable to fines of 100,000 to 500,000 francs, and, in the event of the death or serious illness of the minor concerned, charges could be brought for manslaughter, bodily injury through negligence, or maltreatment of children. The Bill also prohibited the distribution or despatch to people under 20 years of age of any advertising matter publicizing alcoholic drinks.

The Bill, introduced by Mme. de Grond (Socialist) and supported by the Government, was approved by 527 votes to 46, although the Assembly's Commission for Alcoholic Drinks had voted almost solidly against the measure. The Commission pointed out that it was not so much necessary to fight alcoholism in public but in the home, where 88 per cent of all wine consumption and 70 per cent of the consumption of all alcoholic drinks took place.

The French *Centre des recherches et de documentation sur la consommation* published on Feb. 1 the results of investigations carried out by it into the expenditure of French households. These showed (*a*) that alcoholic consumtion in France in 1955 amounted to 9,400,000 hectolitres (about 207,000,000 gallons) of pure alcohol, compared with 7,800,000 hectolitres in 1950, and (*b*) that, of the total expenditure on food in 1955, aggregating 4,880,000,000,000 francs, 760,000,000,000 francs had been spent on drink, including 718,000,000,000 francs on alcoholic beverages.

The expenditure on drink in 1955 compared with 14,000,000,000 francs for meat, poultry, and eggs, 160,000,000,000 francs for milk and dairy produce, 540,000,000,000 francs for bread and cereals, and 770,000,000,000 francs for fruit and vegetables. It also compared with an expenditure of 1,420,000,000,000 francs for clothing and 1,030,000,000,000 francs for rents and household equipment.

The increase in the consumption of alcoholic drinks between 1950 and 1955 was due to a considerable rise in wine consumption (from 50,300,000 hectolitres to 63,350,000 hectolitres), as well as in beer consumption. On the other hand, consumption of *apéritifs*, brandies, and liqueurs fell during the five-year period.

Figures published by the French National Institute of Statistics on May 25, 1956, showed that 17,400 Frenchmen died in 1955 as a result of alcoholism or cirrhosis of the liver, compared with 13,300 deaths from tuberculosis. In 1954, 4,106 people had died in France from alcoholism and another 12,071 from cirrhosis of the liver, compared with 3,905 and 11,871 respectively in 1953. The highest number of deaths from these causes were in Paris and the north-western departments, while the lowest were in Corsica and two of the principal wine-producing departments Hérault and Bouches-du-Rhône.

Two measures to combat anti-alcoholism, introduced by M. Mendès-France during his Premiership in 1954, were subsequently withdrawn by the National Assembly. The decree of Dec. 22, 1954, which had increased the licence fees for the opening of new bars and other drinking-places from 20,000 francs to 100,000 francs, was abrogated by the Assembly on March 16, 1955, whilst the application of the decree of Nov. 13, 1954, which drastically reduced the number of persons not engaged in agriculture who would be licensed to distil small quantities of alcohol free of duty (*bouilleurs de cru*), was postponed until Sept. 1, 1956, under a Bill adopted by the Assembly on Nov. 8, 1955. This Bill (enacted on Nov. 30, 1955) called upon the Government, however, to "organize effectively the fight against alcoholism" and to "encourage" private distillers to renounce their alcohol allocations by giving them certain tax concessions. No further action was taken after Sept. 1, 1956, the provisions of the 1954 decree on the *bouilleurs de cru* thus remaining inoperative.—(Le Monde, Paris)
(Prev. rep. 14063 A.)

B. UNITED KINGDOM. — Local Authority Loans.

The rate of interest charged on loans advanced to local authorities from the Local Loans Fund was reduced as from Feb. 16 from 5¾ per cent to 5½ per cent for all loans for over five years. For loans for up to five years the rate remained unchanged at 5½ per cent. The reduction for medium and long-term loans followed the recent fall in the Bank Rate. (Treasury Press Office) **(Prev. rep. 15194 C; 15376 E.)**

C. INDIA. — Banking Appointments.

It was announced in New Delhi on Feb. 1 that Mr. H. V. R. Iyengar, chairman of the State Bank of India, was to become Governor of the Reserve Bank of India with effect from March 1, and that Mr. P. C. Bhattacharyya, of the Ministry of Finance, would become the new chairman of the State Bank of India.—(The Statesman, Calcutta) **(Prev. rep. 15099 A.)**

A. EGYPT. — Expulsion of British and French Nationals and of Stateless and Foreign Jews.

The British and French Foreign Offices announced on Nov. 24, 1956, that reports had been received from the Swiss Foreign Ministry stating that the Egyptian Government intended to expel all British and French nationals in Egypt within seven to ten days. It was pointed out in London that there were about 13,000 British subjects and British-protected persons in Egypt, comprising 5,000 to 6,000 Maltese, 4,500-5,000 Cypriots, about 1,700 U.K. nationals, and about 1,000 from various overseas territories such as Aden and Gibraltar.

The British Foreign Office spokesman said that the Swiss representative in Cairo had "protested vigorously to the Egyptian Government against what he described as a barbarous measure." The Swiss Legation in Cairo [which protects British interests in Egypt] had also described the Egyptian measures as a "veritable catastrophe," since most of the deportees had had their livelihood in Egypt for many years, had nowhere to go, and were allowed to take only £E.20 out of the country. The spokesman added: "It is the view of H.M. Government that the Egyptian action in denying funds to these unfortunate people is in breach of Article 35 of the 1949 Geneva Convention on civilians."

[Article 35 of the Geneva Convention on the Protection of Civilians in Time of War gives civilians the right to leave a country when war breaks out, and guarantees them the right to "provide themselves with the necessary funds for their journey and to take with them a reasonable amount of their effects and articles of personal use."]

In an earlier statement on Nov. 20, 1956, the British Foreign Office had issued a strong protest against the conditions in which British nationals in Egypt were being kept under detention. "The Foreign Office has learned with regret," the statement said, "that despite representations by the Swiss Government, the Egyptian treatment of the civilian employees of the Suez base contractors who have been interned is by no means satisfactory. Their food is poor and insufficient; sanitary facilities are inadequate; they are in crowded conditions with no furniture but beds; and they possess only the clothes which they wore on arrival . . . The treatment of British civilians in Egypt contrasts with that of Egyptian civilians in the United Kingdom. No restrictions of any kind have been imposed on the latter, who are free to leave the U.K. if they wish or to stay and go about their business unmolested."

In a statement to the House of Commons on Nov. 26, Commander Noble (Minister of State for Foreign Affairs) declared that H.M. Government "would not meet barbarism with barbarism," and that no retaliatory measures would be taken against Egyptian civilians in Britain. Mr. Robens, for the Opposition, denounced the Egyptian Government's measures as "a cruel and inhuman act."

The Egyptian Government, however, issued a statement on Nov. 27 denying that it had ever planned the mass expulsion of British and French nationals in Egypt, and saying that British and French citizens in Egypt were free to remain or to leave the country, as they wished. This statement was conveyed to the U.K. and French Governments through the Swiss Legation in Cairo. A British Foreign Office spokesman commented:

"We are glad to hear from the Swiss Government that no formal order for mass expulsions has been promulgated by the Egyptian Government. Nevertheless, a considerable bulk of evidence has accumulated, both from Swiss Government sources and from members of the British community who have arrived back from Egypt, that large numbers of individual expulsion orders have been served by the Egyptian police. We do not know whether these individual expulsion orders will be maintained or not. We hope that they will be revoked. H.M. Government will, in any case, reserve the right to claim compensation on behalf of British subjects in Egypt when the true status of the legislation against British and French subjects becomes clear."

The 472 British technicians of Suez Contractors Ltd., who had been interned for 51 days, were exchanged on Dec. 21 for 357 Egyptian prisoners held by the British and French forces, the exchange being carried out at El Cap through the intermediary of the Swiss Legation. They sailed the same day in the troopship *Asturias* for Cyprus, from where they were flown home to Britain in an air-lift completed by Dec. 24. During preceding weeks a number of British journalists interned in Cairo, and the British Embassy and Consular staffs in Egypt, had also left the country.

Describing their experiences during their internment, officials of Suez Contractors Ltd. said that in the early stages they had been, "packed like sardines" in overcrowded rooms without light, heating, or sanitation; there were only two washbasins and one lavatory for 450 men, the bedding was verminous, and the food poor and inadequate. Later, however, conditions had greatly improved when they were transferred to a school at Heliopolis where there were baths and lavatories, and where they had been allowed to buy food with their own money or with money supplied by the Swiss Legation. The Egyptian guards had behaved well on the whole and there had been no cases of ill-treatment.

All British diplomatic officials in Egypt and their staffs—about 250 in all—arrived in Britain on Nov. 12 in chartered airliners, having flown from Libya after the Egyptian Government had given them permission to leave the country. The diplomatic party included the staff of the Embassy in Cairo and the Consular staffs in Alexandria, Ismailia and Suez. The Ambassador (Sir Humphrey Trevelyan), who travelled in the last plane, said that all the Embassy and Consular officials had been shut up in the Embassy for nine days while waiting permission to leave, no-one being allowed either to enter or leave the building. The Egyptian attitude, however, had been "very correct" throughout.

Nine British journalists in Cairo were allowed to leave Egypt on Nov. 23 after having been detained for three weeks, and were flown back to Britain *via* Rome. They included the Cairo Correspondent of *The Times*, who, in a despatch from Rome on Nov. 25, said that he and his colleagues had been "incarcerated in luxury in the Semiramis Hotel" and had had "little to grumble about."

Several thousand British subjects deported from Egypt—the great majority of whom were Maltese or Cypriots—arrived in Cyprus, Italy, or Britain during November, December, and January. None had been allowed to take more than £E.20 out of Egypt, many had lost their sole means of livelihood, and in a number of cases the refugees had had to surrender their personal possessions and business papers before being allowed to leave the country. Many of the refugees had lived in Egypt all or the greater part of their lives, their shops or businesses having been confiscated before their deportation. They were of all ages from infants to aged persons, many of the latter being frail and in ill-health.

Aid for British Refugees from Egypt.

The British Prime Minister, Mr. Macmillan, announced on Feb. 5 (*a*) that an Anglo-Egyptian Resettlement Board would be set up by the Government to deal with the needs of British subjects who had been forced to leave Egypt; (*b*) that the Board would co-ordinate all voluntary work hitherto done in this field; and (*c*) that an organization would be set up in the Foreign Office to classify claims against the Egyptian Government by persons who had suffered loss through their deportation.

In an earlier statement on Dec. 16, it had been announced by Lord Mancroft (then Under-Secretary at the Home Office) that the Government was making a grant of £100,000 to the Anglo-Egyptian Aid Society, a voluntary body which had been set up to help British subjects returning to the U.K. as refugees from Egypt.

In his statement to the House of Commons on Feb. 5, Mr. Macmillan explained that about 4,000 refugees from Egypt had arrived in the United Kingdom, with others *en route*. The operation of assisting these people and enabling them to start life again would be a large one, and the Anglo-Egyptian Aid Society had taken the view that, as a voluntary welfare organization, it should be relieved of the growing responsibility for making payments from Government funds. The Government accepted this view and proposed to set up an Anglo-Egyptian Resettlement Board which would be headed by Lord Colyton [who, as Mr. Henry Hopkinson, was Minister of State for the Colonies from 1952-55.] The other members of the Board would be Lord Listowel [who held the same post as Lord Colyton in the last Labour Government] and Sir Humphrey Trevelyan, Ambassador in Cairo until the breaking-off of diplomatic relations by Egypt.

The Resettlement Board would take over the £100,000 grant-in-aid made to the Anglo-Egyptian Aid Society, and would deal with each individual case on its merits. Specifically, it would pay allowances, make grants or loans in appropriate cases, meet immediate educational commitments, and make full pension advances to former pensioners of the Egyptian Government until the latter again discharged its contractual obligations. The Board would seek the co-operation of the trade unions, public corporations, and private employers in trying to settle the refugees.

The Prime Minister's statement was welcomed by Mr. Gaitskell, Leader of the Opposition, and Mr. Grimond, leader of the Parliamentary Liberal party.

As stated by Mr. Macmillan, about 4,000 British refugees from Egypt had arrived in the United Kingdom by the beginning of February, with another 2,000-3,000 on the way. Of the approximately 7,000 refugees who had entered or were *en route* for the United Kingdom, more than half were of Maltese origin and the remainder were mostly U.K. nationals. Some 3,000 of the refugees, most of them Maltese, were being accommodated in hostels until employment could be found for them, in which connexion the Minister of Labour (Mr. Macleod) appealed to employers and to managers of employment exchanges to find jobs for them. Mr. Macleod pointed out that about 3,000 jobs would need to be found for British subjects evicted from Egypt, the other 4,000 refugees being dependants.

Mr. Macleod (whose appeal was made on Jan. 7) pointed out that there had been a great surge of sympathy for the Hungarian refugees, for many of whom work had been found by British employers. The Hungarian problem, however, was one for the whole free world, whereas the problem of the refugees from Egypt was one for Britain alone—in which connexion Mr. Macleod pointed out that 60 times as much money had been subscribed for the Hungarians as had been subscribed by private persons to aid the evicted British subjects. While some of the refugees from Egypt were skilled workers—technicians, chemists, engineers, etc.—the great majority had been formerly small merchants, clerks, and shop assistants, which made it harder to find suitable jobs for them. Many of the refugees, however, spoke a wide range of languages, particularly French and Arabic, and this might prove very useful to firms seeking administrative staff for posts overseas, or for export businesses.

British and French Protests to United Nations.

The British and French representatives at the United Nations sent identical letters on Nov. 28, 1956, to the U.N. Secretary-General (Dr. Hammarskjöld) protesting at the treatment of British and French nationals in Egypt, the British communication being worded as follows:

"... Thousands of British subjects have received orders from the [Egyptian] security police ... to leave Egypt within a few days. In many cases, British subjects have been obliged to sign a declaration in Arabic (without even knowing its contents) confirming that they are leaving of their own free will, undertaking not to return to Egypt, and renouncing any claim for damages.

"The Swiss Minister in Cairo, who is looking after British interests in Egypt, has vigorously protested to the Egyptian Government against what he has described as 'a barbarous measure.' ... Despite the efforts of the Swiss Legation, these people are not being permitted to make provision for the deserted homes and personal property they will be leaving behind ... The indiscriminate character of these expulsion orders is reminiscent of the barbarous methods of mass deportation at short notice which have been practised in other countries."

The French delegation at the U.N. presented a draft resolution on Dec. 12 which, after accusing Egypt of violating the 1949 Geneva Convention, and declaring that the cease-fire and the impending withdrawal of French and British troops had "removed any shadow of pretext for the exceptional measures taken by the Egyptian authorities":

(1) Called upon Egypt "to restore to private individuals and companies all their property which has been wrongly sequestrated, confiscated or liquidated";

(2) Requested Dr. Hammarskjöld "to take all necessary measures, either by sending observers or by other means, for the purpose of inducing Egypt to respect the rights of French nationals residing in her territory."

The measures taken against British and French nationals in Egypt were debated by the U.N. General Assembly on Dec. 18 and Dec. 21, when Sir Pierson Dixon (U.K.) and M. Giscard d'Estaing (France) reiterated the charges contained in the Anglo-French communications to Dr. Hammarskjöld. In the absence, however, of any substantive resolution (the French draft resolution not being put forward), the debate ended inconclusively. The Egyptian delegate (M. Omar Loutfi) strongly denied that his Government had authorized the expulsion of all U.K. and French nationals, and declared that only a small number of foreign nationals "considered dangerous to security" had been interned or deported.

M. Loutfi said that of the 11,000 British nationals in Egypt at the time of the Anglo-French attack, 719 had been expelled for security reasons, 706 had left Egypt of their own free will, and 450 technicians had been interned. Of the 7,000 French nationals in Egypt, 2,648 had been ordered to leave the country, 474 had left voluntarily, and none had been interned. He claimed that the Egyptian Government's action in regard to foreign nationals had not gone beyond recognized measures of security in time of war, and had conformed to international law. He declared also that the property of foreign nationals had not been confiscated but sequestrated, as was customary in time of war.

Mr. Wadsworth (U.S.A.) said that his Government had received information regarding the mistreatment of foreign nationals in Egypt which had "occasioned concern" on the part of the United States. It was not possible, however, "to evaluate fully this information or to ascertain the facts, which are still obscure." It appeared, nevertheless, that an indeterminate number of persons had been "subjected to pressure" and "intimidated," and in some cases deported. The U.S. Ambassador in Cairo had been asked to express the concern of the U.S. Government, and to urge that no measures be taken against individuals on grounds of race, religion, or nationality.

Deportation of Stateless and Foreign Jews from Egypt.

Simultaneously with the expulsion of British and French nationals, the Egyptian Government also ordered the deportation of stateless Jews, of whom some 11,000 had been compelled to leave Egypt by the beginning of February. As in the case of the U.K. and French nationals, however, there were contradictory versions of the extent of the Egyptian Government's anti-Jewish measures—the Egyptian Government asserting, on the one hand, that its measures were directed only against Jews who were not Egyptian citizens, or who were "pro-Zionist" and "pro-Israel"; whereas Jewish organizations in the U.S.A. and Britain, as well as the World Jewish Congress, asserted that the Egyptian Government's actions were directed against the entire Jewish community in Egypt, numbering *some 50,000 persons.*

Mr. A. L. Easterman, political director of the World Jewish Congress, stated in London on Nov. 27 that the ancient Jewish community in Egypt, which had always been loyal, law-abiding and peaceful citizens of their country, was in danger of complete elimination as a result of the measures taken by the Egyptian Government. These measures, as ascertained from a large number of authoritative sources, included the confiscation of Jewish property and the sequestration of Jewish businesses, ranging from the largest business houses to small shops. As a result of these measures, the Egyptian-Jewish community was being "rendered destitute to all intents and purposes," there was almost total unemployment among the Jews in Egypt, and many leading members of the Jewish community had been interned in Cairo and Alexandria.

Mr. Easterman quoted from an order issued by the Military Governor of Cairo, published in the Egyptian press on Nov. 22, which provided for the expulsion of all stateless Jews defined as those who had "not succeeded in entering into the Egyptian way of life" and also of large numbers of other Jews of Egyptian nationality. The order provided (1) that the 14,000 stateless Jews in Egypt would be immediately expelled; (2) that all Jews naturalized after 1932 who had any connexions with Zionism or sympathies with Israel would be automatically deprived of their Egyptian nationality and expelled; (3) that Jews who had become Egyptian citizens after 1925 would have to apply to the Ministry of the Interior for permission to remain in Egypt and "prove" that they were loyal citizens; (4) that Jews naturalized between 1900 and 1925 could ask for their cases "to be considered"; and (5) that Jews who were Egyptian citizens before 1900 would be permitted to remain in Egypt. After saying that the last category comprised only four families, Mr. Easterman added: "Of the total Jewish population of 50,000 in Egypt, 25,000 are thus already under order of expulsion and another 25,000 are subject to expulsion unless they can 'prove' that they are not in sympathy with Israel or Zionism." He added that Dr. Haim Nahum, Chief Rabbi of Egypt since 1922, had resigned in protest against these measures.

Mr. Z. Shuster, European director of the American-Jewish Committee, also stated in Paris on Nov. 28 that stateless Jews in Egypt, and Jews of many other nationalities, were being threatened with internment unless they left Egypt immediately, "although there has been no mass deportation order." To corroborate these charges, he produced photostatic copies of Egyptian official documents. Mr. Shuster stated, *inter alia*, that about 1,000 Jews of various nationalities, including Italians, Greeks, Turks, Spaniards, French, British and American, had been interned in the Prison des Barrages in Cairo; that another 600, both foreign and Egyptian Jews, were being held in a Jewish school in Cairo; and that foreign Jewish women were interned in a school at Heliopolis.

Over 11,000 Jews—more than one-fifth of the Jewish community in Egypt—had left the country by the beginning of February, many of them in the Egyptian s.s. *Misr*, a vessel chartered by the International Red Cross and normally used for carrying pilgrims to Mecca. The deportees—many of whose families had been in Egypt for several generations—comprised both stateless persons and Jews of many different nationalities, among them many former shopkeepers, businessmen, bankers, etc., whose businesses had been sequestrated and whose bank accounts had been blocked by the Egyptian authorities. Like the deported British and French nationals, they were allowed to take *no more than £E.20 out of Egypt*. The stateless Jews, after disembarking at the Piraeus, Naples, and Brindisi, were nearly all flown to Israel by air-lifts organized by the Jewish Agency, while those of Italian, Greek, British, French and other nationalities for the most part returned to their countries of origin.

Mr. Charles H. Jordan, director-general of the American Joint Distribution Committee (Joint), stated in Athens on Jan. 23 that 10,025 Jews had left Egypt as at that date, of whom 7,368 had come to Europe by ship between Nov. 30 and Jan. 18, an additional 1,400 had travelled by plane, and another 1,257 had disembarked at the Piraeus from the *Misr* in the last few days. Further disembarkations during the last week of January brought the figure to over 11,000.

Mr. Jordan also announced that the Egyptian Government had decided to expel the ancient Karaite Jewish community in Egypt, numbering 4,000-5,000 and the largest Karaite community in the world. [The Karaite sect is a Jewish "protestant" group which has existed for over 1,000 years and whose tenets differ from those of orthodox Judaism.] It was understood that the Karaite Jews would be allowed to enter Israel, despite protests from ultra-orthodox groups in that country.

A protest against the treatment of the Jewish community in Egypt was sent to Dr. Hammarskjöld on Dec. 13 by the Israeli delegation at the United Nations, for transmission to all member-countries. It was worded as follows:

"The Government of Israel is in daily receipt of first-hand reports which fully confirm the deep apprehension which these policies of the Egyptian Government have aroused. From these reports it is manifest that the atmosphere in which the Jews of Egypt live is one of terror. They are arbitrarily deprived of their individual liberties and are dispossessed of their movable and immovable properties. Members of the free professions are prohibited from exercising them. Employees are dismissed from their employments. The whole community lives under a police regime. Those who remain in Egypt are indeed in a more tragic condition than those who have been expelled or who have fled, because they no longer have means of livelihood.

"This action of the Egyptian Government strikes not only at a large number of foreign and Egyptian nationals of Jewish faith, but also at thousands of stateless Jews, among them a large number who have been deprived of Egyptian citizenship. It thus bears the indisputable character of wholesale repression of a religious community.

"In the view of the Israeli Government, the course taken by Egypt constitutes a flagrant violation of the principles of international law, of the U.N. Charter, of the Universal Declaration of Human Rights, of the Genocide Convention, and of the Geneva Convention of 1949. As such it calls for the prompt intervention of the United Nations."

After hearing a statement by Mr. Ben-Gurion, the *Knesset* in Jerusalem passed a resolution on Nov. 28 calling upon the U.N. and the great Powers to "halt the persecution of the Jews in Egypt," and denouncing the "reign of terror" imposed on those Egyptian Jews "who desire to hold fast to their faith." There were three dissenting (Communist) votes.

Egyptian Denials of Anti-Jewish Measures.

The Egyptian Minister of the Interior, Colonel Mohieddin, issued a statment on Dec. 3 declaring that the Egyptian Government was opposed to racial or religious discrimination, and saying that only 288 Jews had been detained "for security reasons." He said that only those suspected of "pro-Zionist" or "pro-Israeli" activities were being interned or expelled, while "those who are not considered security risks are free to live here and conduct their business unmolested, as they have always been."

After refuting what he described as "the fantastic reports that have appeared abroad concerning our treatment of the Jews," Colonel Mohieddin said that the number of Jews in Egypt was not known with exactitude, but was estimated at 40,000 to 50,000. About 5,000 were of Egyptian nationality and about 20,000 stateless so far as was known, the remainder being of many different nationalities. He maintained that no Jewish property had been seized, and said that the only measure taken had been to "put the assets of rich Jews under sequestration to be sure that they do not try to smuggle their money out of the country." Of the 288 Jews under detention, 157 were stateless and the remainder of Egyptian nationality; their names had been given to the International Red Cross with the request that efforts should be made to enable them to leave Egypt as quickly as possible. Colonel Mohieddin also said that only two persons had been imprisoned on charges of "collaborating with the enemy" since the outbreak of hostilities—one an Egyptian Moslem and the other a Jew of Egyptian nationality.

Colonel Hatem, head of the Government Information Department in Cairo, also issued a statement on Dec. 27 denouncing what he described as "false rumours" about the treatment of the Jews in Egypt, and declaring that "Egyptian Jews enjoy the same rights as all other Egyptians." While making no reference to the position of stateless and foreign Jews, he emphasized that "Egypt has not deported a single Egyptian Jew." Colonel Hatem also pointed out that the Chief Rabbi of Egypt (Dr. Nahum) had emphasized that Israel had no competence to raise the question of the Jewish community in Egypt.

At a press conference in Cairo on Dec. 20, the 88-year-old Chief Rabbi of Egypt had stressed the loyalty of the Egyptian Jews to their country, denounced the "brutal Anglo-French-Israeli aggression against our motherland," and declared that neither Israel nor any other foreign country was authorized to speak on behalf of the Jews of Egypt, who represented "an integral part of the Egyptian nation."

Although the situation in Egypt remained obscure, reports from Cairo during January and February indicated a certain relaxation in the Egyptian Government's attitude toward the Jewish community, although its position still appeared precarious.

Confirmation of this trend was given in a Cairo statement on Jan. 24 by Dr. Chaim Shoskes, the correspondent of the New York Yiddish-language newspaper *Day-Jewish Journal*. Dr. Shoskes, who had been given a visa by the Egyptian authorities to enable him to make a first-hand investigation, stated that 11 prominent members of the Jewish community had been released after nearly three months of internment and permitted to resume their occupations. The Egyptian authorities had also assured him that the remaining 60 or 70 Jews still interned would also be released within a very few days. While there were signs of a relaxation of the policies of internment, expulsion, and seizure of property, most members of the Jewish community nevertheless feared that the Egyptian Government intended eventually to expel all Jews in the country.

Dr. Shoskes said that he had had a long conversation with Colonel Hatem, to whom he had addressed "very pointed and frank questions." Colonel Hatem had explained that the Egyptian Government felt compelled to take stern measures against the Jews after the Israeli attack, "just as the United States did against the Japanese living in America after Pearl Harbour," but had given an assurance that these measures were being relaxed and that all Jewish detainees would be released very shortly. He (Colonel Hatem) had also stressed that most of those expelled from the country had been stateless Jews, whose exodus had been carried out in co-operation with the International Red Cross.

Present Position of Foreign Communities in Egypt.

The following description of the present position of the foreign communities in Egypt was given in a despatch to *The Times* on Feb. 21 from a correspondent in Cairo:

"... The first rush to get out after the Anglo-French intervention last November has subsided. But ... thoughts of emigration preoccupy many an Italian, Greek, or Jew who has come to the hard decision that 'it is finished for us here' .... Estimates of how many people have left the country in the past three months range from 20,000 to 50,000. Even if some of those at present planning to leave should subsequently change their minds, it seems inevitable that by the end of the year the number of foreigners remaining in Egypt will be much less than half of the 140,000 or so who lived here before the Suez crisis ...

"While the Swiss Legation [is] trying its best to care for British and French interests ... it is plain enough ... that the influential Anglo-Saxon and French communities have simply ceased to exist and their businesses and wealth have been sequestrated, those of them who were not summarily expelled or 'advised to leave' having gone of their own volition ...

"It appears that most of the Maltese have been obliged to leave. The Cypriots, facing employment problems, are also going, though they, as a gesture of Egyptian approval of their compatriots' objections to British rule in Cyprus, seem generally to have been exempted from the expulsion orders and 'pressing advices.' Jews of all nationalities are of course going. Such figures as are available show that about half of the 45,000 Jews resident here in the middle of 1956 were Stateless. 15,000 held British, French, Italian, or Greek passports, and the remainder, roughly 7,000, were Egyptian nationals. During and immediately after the hostilities some Egyptian or Stateless Jews seem to have been treated on much the same basis as enemy aliens—a number of Egyptian Jews were temporarily interned. Their businesses were sequestrated or they were dismissed from their employment. In some cases, Italian or Greek Jews also found themselves suddenly jobless.

"Fewer than 300 Jews, it is said, were officially expelled in the tense and difficult days after the cease-fire, but about 11,000 are reported to have left the country since. Although nearly 280 Jewish-owned businesses have been free from sequestration this month, ideas of displacement seem to have gone deep and departures continue in a steady stream. Among the destinations, apparently, Brazil is far more popular than Israel.

"Many foreign residents now leaving Egypt for good are called upon to sign a declaration saying that they will not return. In addition to 'personal possessions'—in estimating which the Customs are said to be more generous now than they were in November and December—each adult may take a maximum of £E100. In practice, because of exchange difficulties, this usually takes the form, at the moment, of £E20 in travel cheques and the balance on a letter of credit . . "

U.S. Representations to Egypt.

The State Department in Washington announced on Dec. 11 that the U.S. Ambassador in Cairo (Mr. Raymond A. Hare) had been instructed to express to the Egyptian Government the "deep concern" of the U.S. Government at the reports of mistreatment of the Jewish community in Egypt. A State Department spokesman said that although Mr. Hare had been instructed to gather all the facts about this matter, "the welter of conflicting information had made it impossible for the Embassy to get a clear picture."—(Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Le Monde, Paris - Neue Zürcher Zeitung)

A. MIDDLE EAST. — The U.N. Emergency Force.

The U.N. Emergency Force in the Middle East was reinforced on Feb. 3 by the arrival at Port Said of a Brazilian infantry battalion of about 500 officers and men, thereby bringing UNEF up to its target strength of two combat brigades totalling 6,000 officers and men.

The Canadian aircraft carrier *Magnificent* had arrived at Port Said on Jan. 11 with 407 Canadian reinforcements, all of whom will be engaged on the administrative side of UNEF's activities. H.M.C.S. *Magnificent* also disembarked 232 vehicles, 500 gallons of petrol, and quantities of ammunition and other supplies for UNEF, as well as four *Otter*-type planes of the Royal Canadian Air Force for "spotter" and reconnaissance work in the Sinai desert The machines will be based at Abu Sueir and will bear the U.N. insignia instead of Canadian markings while serving with UNEF.

An agreement concerning the status of the U.N. Emergency Force in Egypt was initialled in Cairo on Feb. 4 by M. Stavropoulos, legal adviser at U.N. Headquarters, and the Egyptian Deputy Foreign Minister. No details were made public. (U.N. Information Centre, London) **(Prev. rep. UNEF, 15201 A; 15316 A.)**

Corrigendum. It was incorrectly stated on page 15318 (second column) that Major-General Martola, of Finland, had been appointed personal adviser to General Burns, the Commander of UNEF. General Martola was in fact appointed personal adviser to the U.N. Secretary-General (Dr. Hammarskjold) "on matters relating to the U.N. Emergency Force." *(Ed. K.C.A.)*

A. INTERNATIONAL SUGAR CONFERENCE. — Amendment of International Sugar Agreement. - New Price Zones governing Application of Export Quotas.

An International Sugar Conference, convened by the United Nations at the request of the International Sugar Council, met in New York from May 21-June 20, 1956, under the chairmanship of M. Paul de Kronacher (Belgium). The main purpose of the conference was to review the International Sugar Agreement of 1953 (see 13273 A) and to consider methods of increasing the number of signatory countries, the International Sugar Council having previously stressed its view that, for the Agreement to be fully effective, " a much larger proportion of trade should be brought within its scope and influence."

The conference was attended by representatives of 37 countries —Australia, Belgium, Cambodia, Canada, Ceylon, China, Cuba, Czechoslovakia, Dominican Republic, Ecuador, France, Western Germany, Greece, Haiti, Honduras, Hungary, India, Indonesia, Israel, Japan, Mexico, the Netherlands, New Zealand, Panama, Peru, the Philippines, Poland, Portugal, Rumania, South Africa, Spain, Syria, the U.K., the U.S.A., the U.S.S.R., South Vietnam, and Yugoslavia. Observers were present from Argentina, Brazil, Bulgaria, Burma, Denmark, Ethiopia, Guatemala, South Korea, Nicaragua, Pakistan, Siam, Turkey, and Venezuela.

On June 20 the conference adjourned without having reached agreement on its main objects. A subsequent communiqué explained that it had unanimously adopted new proposals intended to promote " increased consumption of sugar, including consumption other than for human nutrition " (e.g. for cattle feeding and the manufacture of industrial alcohol), and had also made progress in the study of methods of operating the Agreement, including the fixing of prices and quotas. A deadlock had been reached, however, on proposals for enlarging the membership of the Agreement and for reducing the quotas of individual members, since Cuba (which exports 50 per cent of the sugar covered by the Agreement) had refused to accept a cut in her quota, while Indonesia, Nationalist China, the Philippines, and the Dominican Republic had pressed for increases in their respective quotas.

The conference resumed its sessions at Geneva on Oct. 4, 1956, and on Nov. 2 unanimously adopted a protocol amending the 1953 Agreement.

The protocol established three " price zones "; (*a*) a " medium " or " target " zone, between 3.25 and 3.45 cents per lb.; (*b*) an "upper zone," between 3.45 and 4 cents per lb.; and (*c*) a " low zone" between 3.15 and 3.25 cents per lb. It stipulated that, when prices fell within zone (*a*), the full export quotas would be released, and when they rose above 4 cents per lb. all quotas would be temporarily suspended. If, on the other hand, quotas fell below the 3.25 cent limit for 17 consecutive days, an automatic reduction of 2.5 per cent in all quotas would take place and the International Sugar Council would meet within seven days to decide on further reductions, down to a limit of 90 per cent of the agreed quotas. Should prices go below 3.15 cents a lb., the 90 per cent downward limit would not apply, and the extent of the reductions would be entirely in the Council's discretion. If the Council failed to agree and the price continued to fall, a further automatic reduction of 2 per cent would take place.

The protocol would be submitted to member-Governments for signature and would enter into force on Jan. 1, 1957 if formally accepted by Governments holding 60 per cent of the votes of the importing countries and 75 per cent of those of the exporting countries. If these percentages were not reached, those countries which had accepted the protocol might put it into force among themselves, but in any event the International Sugar Agreement in its existing form would not continue in operation after Jan. 1, 1957.

The first meeting of the International Sugar Council since the coming into force of the protocol on Jan. 1, 1957 was held on Jan. 29-31.

The Council noted that as the market price of sugar had averaged 5.84 cents per lb. for over 17 consecutive days between Jan. 1-24, and had been above 4 cents per lb. on at least 12 of these days, all quotas and limitations on exports had become inoperative under the amended Agreement from Jan. 25. In order to make the maximum supply of sugar immediately available for the free market while quotas were inoperative, the Council decided (1) to call upon exporting member-countries to release immediately for export to the free market the minimum stocks held by them under the Agreement; (2) to ensure that the exports made by any country up to the Council's next meeting should not be charged against its quotas when quotas again became operative; (3) to call on exporting countries to take all possible measures to ensure that the requirements of importing countries were met; (4) to recommend that during the period in which quotas were inoperative, each participating exporting country should, whenever possible, postpone importation of sugar from any other participating exporting country.

It was officially stated on Dec. 1, 1956 that Brazil had become the world's second largest producer of cane sugar in 1955, having increased her production to 2,309,000 tons, or 193 per cent above the pre-war (1935-39) average. Brazilian sugar production in 1955 was exceeded only by that of Cuba, which exported 4,740,000 tons.—(U.N. Information Centre, London - New York Times - Times - Financial Times - Brazilian Government Bulletin) **(15069 A; 13658 D; 13273 A.)**

B. UNITED KINGDOM. — Earth Tremors.

The most severe earth tremors experienced in England for many years occurred on Feb. 11 over a wide area of the Midlands, the shocks being felt in 11 counties—Derbyshire, Nottinghamshire, Leicestershire, Staffordshire, Northamptonshire, Lincolnshire, Yorkshire, Lancashire, Cheshire, Warwickshire and Gloucestershire—and at places as far apart as Blackpool and Sheffield in the north, Grimsby in the east, and Bristol in the west. Further but much slighter tremors also occurred on the following day. There were no fatal casualties, but a little boy in Derby had his skull fractured by falling masonry and was taken to hospital in a serious condition. Several people were treated for minor injuries and shock, and many had narrow escapes from collapsing chimney-stacks and masonry in Derby, Nottingham, Chesterfield, Loughborough, and other Midland towns. Large numbers of houses were badly shaken over a wide area.

In Derby, where the fire brigade answered over 120 calls owing to collapses of chimneys, masonry, etc., 25 girls working at the Crown Derby porcelain factory had a narrow escape when a large chimney-pot crashed through a sunshine roof. A near-panic occurred in a Nottingham cinema when the audience rushed out after the screen began shaking, while at Loughborough General Hospital part of the main roof fell on the roof of the children's ward without causing any casualties. In the Leicestershire coalfield people in mining towns and villages rushed from their homes, some being thrown to the ground by the violence of earth vibrations which persisted for several seconds. Several thousand miners in the area were deep underground when the tremors occurred, pit-props being shaken and trolleys full of coal being rocked on their rails.

The tremors, whose epicentre was believed to be in the Charnwood Forest area of Leicestershire, were described by seismologists as the most severe in England since 1884, when 1,200 houses were damaged by an earthquake in the Colchester area. Dr. A. T. Dollar, head of the Department of Geology at Birkbeck College, University of London, is to carry out a full investigation into the earth tremors of Feb. 11-12, in which he will seek the co-operation of universities, scientific departments, and other official and private organizations.

(Times - Daily Telegraph - Manchester Guardian)

C. POLAND. — Partial Currency Devaluation.

The Polish Minister of Finance (M. Dietrich) and the President of the National Bank of Poland (M. Drozniak) announced on Feb. 9 that special foreign currency rates would be introduced for the zloty for certain transactions as from Feb. 11. Accordingly, the exchange rate of the zloty would be lowered sixfold in relation to all Western currencies and to the Yugoslav dinar, thereby devaluing it from four to 24 zlotys to the dollar and from 11.20 to 67.20 zlotys to the pound sterling. In relation to the rouble area (i.e. the Soviet Union and the other " people's democracies ") the existing exchange rate would remain in force.

It was explained that the new rate would not apply to foreign trade and payments connected therewith, but would affect:

(*a*) Foreign tourists and diplomats in Poland, who would receive six times as much for their own currencies, while Polish citizens going abroad would have to pay six times as much for any foreign currency granted to them by the National Bank;

(*b*) Railway, air, and sea tickets outside the rouble area, which would also cost six times more;

(*c*) Telephone and telegraph services and postal rates (the latter to be adjusted in March);

(*d*) The cost of maintaining foreign missions, pensions and annuities, current earnings, legacies, authors' rights, fees for professional services, income from property abroad, contributions to international organizations, etc.

It was pointed out in the British press that the devaluation of the Polish zloty *vis-à-vis* the Western countries was a drastic move in Poland's efforts to raise credits in Britain and the U.S.A., as well as to attract foreign tourists and businessmen, who—at the artificially high zloty rate hitherto prevailing—had had to pay the equivalent of £3 for a breakfast or £5 for a hotel room in Warsaw. British trade with Poland, on the other hand, had always been done on a sterling basis and thus would not be affected by the new rate, the same applying to Poland's debt agreements with the United Kingdom.

(Polish Embassy Press Office, London - Financial Times)

D. FRANCE. — Civilian Order of Merit.

A decree promulgated on Feb. 2 created a new French decoration—the *Ordre du mérite du travail*—which will be awarded to civilians " on account of their professional merits." The new Order will be additional to the existing *Médaille d'honneur du travail*, which is awarded for meritorious long service by civilians.—(Le Monde, Paris) **(Prev. rep. 15260 B.)**

FEBRUARY 23—MARCH 2, 1957

A. EUROPEAN UNIFICATION. — Plan for European Free Trade Area. - British Memorandum and O.E.E.C. Report. - O.E.E.C. Council appoints Mr. Thorneycroft as Co-ordinator of Further Investigations. - Agreement between "Messina Powers" on Common Market and Euratom Treaties. - Inclusion of Overseas Territories in Common Market. - French National Assembly supports Common Market Project.

M. Spaak, the Belgian Foreign Minister, and chairman of the Inter-Governmental Conference negotiating the treaty to establish a Common Market between the members of the European Coal and Steel Community (Belgium, France, Western Germany, Italy, Luxemburg, and the Netherlands), visited London on Jan. 15 for discussions with the British Government on the question of a British association with the Common Market on the lines explained by Mr. Macmillan (then Chancellor of the Exchequer) and Mr. Thorneycroft (then President of the Board of Trade) on Oct. 3, 1956 [see page 15142].

A joint communiqué issued at the end of the talks stated that, after being received by Mr. Macmillan (the Prime Minister), M. Spaak had had talks with Mr. Thorneycroft (Chancellor of the Exchequer), Sir David Eccles (President of the Board of Trade), Lord Reading (then Minister of State for Foreign Affairs), and Mr. Walker-Smith (Economic Secretary to the Treasury). M. René Sergent, Secretary-General of the O.E.E.C., had also been present at the discussions.

Mr. Thorneycroft had explained the British proposals for establishing a free trade area in Europe, covering all goods except foodstuffs, whilst M. Spaak had given an account of the progress of the Common Market negotiations in Brussels. "There was a valuable exchange of views on the problems of common interest arising from the measures contemplated by the 'Six' and the work done in O.E.E.C. on the possibility of a European Free Trade Area. This exchange of views will facilitate the discussions on this question which will take place at the meeting of the O.E.E.C. Council opening on Feb. 12 in Paris."

British Memorandum on Free Trade Area.

A memorandum explaining the British Government's views on a European Free Trade Area was published as a White Paper (Cmd. 72) on Feb. 7, and was circulated among the members of O.E.E.C. in preparation for the O.E.E.C. Council meeting on Feb. 12-13. The memorandum reaffirmed the Government's view that a European Industrial Free Trade Area could be set up, and proposed that negotiations should be undertaken within the O.E.E.C. to establish it. The White Paper is summarized below under cross-headings.

British Views on a European Free Trade Area. After expressing approval of the work done in O.E.E.C. and elsewhere for the removal of existing trade barriers within Europe and for the development of a single market for manufactured goods, the memorandum noted that the negotiations for the establishment of a Customs and Economic Union between the six "Messina" Powers (Belgium, France, Western Germany, Italy, Luxemburg, and the Netherlands) were approaching a successful conclusion. It pointed out, however, that Britain would not be able to join such a Union owing to her particular interests and responsibilities in the Commonwealth. Membership of the Union would mean that individual tariffs would be replaced by a single common tariff with the other member-countries against the rest of the world, with the result that goods entering Britain from the Commonwealth would have to pay duty at the same rate as goods coming from any other third country which was not a member of the Customs and Economic Union, whereas goods from the Union's member-countries would be admitted free of duty. The British Government could not contemplate entering arrangements which would in principle make it impossible for Britain to treat imports from the Commonwealth at least as favourably as those from Europe.

An associated free trade area, on the other hand, offered a solution to this problem, and the recent report of the O.E.E.C. Working Party on this question [see below] had shown that it was "fully practicable for the U.K. and many other O.E.E.C. countries, including the countries which are proposing to create a Customs and Economic Union, to enter a Free Trade Area." The members of this Area would undertake to eliminate, in respect of each other's products, protective duties and other restrictive regulations, including quantitative restrictions. They would be free to keep their own separate and different tariffs on imports from outside the Area, except that the member-countries of the Customs and Economic Union would in due course establish a common external tariff.

The British Government's view was that a Free Trade Area could be established in Europe, provided that foodstuffs were excluded from its scope, and the Government hoped that other countries would also declare their willingness to negotiate on these lines.

The establishment of a Free Trade Area would raise industrial efficiency by the encouragement it would afford to increased specialization, large-scale production, and new technical and industrial developments. It should therefore strengthen the economy of Western Europe as a whole, and as a result its members would be in a stronger position progressively to remove restrictions on imports from countries outside the Area. The proposal would not involve the creation of any new barriers against trade with the rest of the world, and the British Government considered it indispensable that the Free Trade Area should be formed in such a way as to be "wholly consistent" with the existing objective of a collective approach to the widest possible system of multilateral trade and payments.

The proposed Customs and Economic Union would involve far-reaching economic integration and harmonization of financial and social policies within an appropriate institutional framework. The British idea of the Free Trade Area, on the other hand, related primarily to the removal of restrictions on trade such as tariffs and quotas, although, in practice, the progressive liberalization of trade could be expected to lead toward closer economic co-operation—i.e. multilateral payments arrangements, consultation on economic and financial questions of common interest, and co-operation in the development of constructive social policies and in movements of capital and labour. New institutions would not be required for the establishment of the Free Trade Area, as the problems could be met within the existing framework of O.E.E.C.

Foodstuffs. In connexion with Britain's desire to exclude agricultural products from the provisions of the Free Trade Area, the White Paper explained (1) that many of the independent members of the Commonwealth and of the Colonial Territories relied to an important extent on the preferential treatment which their exports of foodstuffs received in the U.K., and (2) that many European countries, including the U.K., protected their home agriculture by various means for well-known reasons, and would wish to continue to do so in the future. It was pointed out that even the Customs and Economic Union project of the Messina Powers envisaged a regulated rather than a free market for agricultural products.

Tariff Reductions. With regard to the method of reducing tariffs, the British Government insisted that "clear and unambiguous rules" should be established so that industry in each country could plan its production and investment in advance.

Revenue Duties. The right to levy duties for revenue purposes should not be impaired by the rules of the Free Trade Area, but any protective element in existing duties (whether import, export, or excise duties) should be eliminated during the transitional period.

Quantitative Import Restrictions. These should be removed within the Area by progressive annual quota increases until they were completely abolished "well within the transitional period for tariffs."

Escape Clauses. The invocation of "escape clauses" should rarely occur, and probably only on the occasion of extremely serious balance-of-payments difficulties. In that event the imposition of quotas without prior consultation should be permissible, though subject to frequent and stringent examination.

Rules of Competition. The efficient working of the Free Trade Area and the realization of its objectives would necessitate provisions "against such frustrations as the use of subsidies, artificial aids to exports, export controls, certain types of State trading, discrimination in freight rates, and the operations of private monopolies or restrictive business practices."

O.E.E.C. Report on Free Trade Area.

A report on the possibility of creating a Free Trade Area in Europe was published on Feb. 5 by the special Working Party set up by the O.E.E.C. Council in July 1955 (see 15097 A). The report is summarized below under cross-headings.

Trade Problems.

In examining the technical possibility of the operation of a Free Trade Area in Europe, the Working Party studied (*a*) the problem raised by the definition of the origin of products; (*b*) the technical considerations involved in the removal of trade barriers; and (*c*) questions arising from the fact that the Free Trade Area would include the Customs and Economic Union of the six Messina Powers, and the extent to which common or parallel solutions for problems encountered by the two systems were indispensable for practical reasons.

Definition of Origin of Products. The report pointed out that the need to define the origin of products arose from the fact that in a Free Trade Area "each participating country will retain its national tariff on imports from third countries." In a Customs Union, all countries would have a common external tariff after the end of the transitional period, and a product of outside origin entering the Union would pay the same duty whatever the country by which it entered. It might then be sent to another country in the Union, either in the same form or after processing, without need for verifying its origin.

On the other hand, the countries of a Free Trade Area, while abolishing among themselves the barriers to imports of goods originating in the Area, would retain their individual tariffs for goods originating outside the area as well as their individual import policies with regard to third countries. This would imply different treatment for two kinds of goods traded between the member-countries: those which were considered to originate in the Area, and those which were not.

The countries of the Free Trade Area would undertake to grant duty-free entry only to goods originating in the Area. Two problems would therefore have to be solved: (*a*) goods of outside origin should be prevented from enjoying the benefit of duty-free circulation within the Area; (*b*) it would be necessary to avoid deflections of the normal flow of trade which might result from the maintenance of different tariffs by countries of the Area on imports from outside

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sources, and which might give rise to serious difficulties [i.e. the importation of goods for high-duty countries through low-duty countries, or the unfair competitive position of low-duty countries for the processing of raw materials from outside sources]

The Working Party concluded that, to solve these problems in a spirit of reciprocity, the member-countries of the Area should agree on common criteria for defining "origin." The working of the system would necessitate close co-operation between the member-countries, both in administrative matters and on questions of commercial policy, and should be simple enough not to impose unduly complicated formalities either on traders or on Government administrations.

The report also pointed out that "very many products . . . combine elements originating both inside and outside the Area." The Working Party considered certain principles on which solutions of this problem might be based and concluded that a satisfactory solution could be found. The best solution recommended was the narrowing of the gap between the external customs tariffs of Area countries on products which gave rise to difficulties. If this method were not possible, it was suggested that, in some cases, a solution might lie in a system allowing the exporter to claim drawback [i.e. refund] on the non-area elements incorporated in the manufactured product exported, and the importer in another member-country to pay his national rates of duty on such elements when he imported that product. Failing other solutions, each difficult case could be submitted by a country of the Area for examination by its institutions.

Removal of Tariffs and Quantitative Restrictions. The Working Party concluded that in order to make a Free Trade Area, which would include a Customs and Economic Union, practicable and manageable, and to avoid discrimination, there should be some similarity or identity between the two systems concerning the period required for the progressive abolition of tariffs, quantitative restrictions, and other trade barriers. On the other hand, the Working Party recognized that, although any element of protection should be eliminated from revenue duties during the transitional period, Governments should retain authority to levy consumer taxes of a non-protective character on imported goods.

Escape Clauses. During the process of removing tariffs and quantitative restrictions some member-countries might be unable to fulfil the obligations which they had assumed within the prescribed time limits. The difficulties which might arise would have to be "studied, averted, and solved" as far as possible by increasingly close co-operation between member-countries—such as the adoption of new forms of consultation and collaboration in economic, financial, and commercial policies and a more intensive co-ordination of these policies. In many cases, these new procedures should make it possible to avoid recourse to "escape clauses," which might still have to be invoked, however, in the case of balance-of-payments difficulties or difficulties in a specific sector of the economy. The conditions under which "escape clauses" might be invoked should be similar in both the Free Trade Area and the Customs and Economic Union, and provision should be made for close co-operation between the two systems to ensure that a country which was a member of both should receive similar treatment when seeking release from the provisions of the agreements.

Since the mutual inter-dependence of countries in the Free Trade Area would be greater than in O.E.E.C. or under GATT, the escape clauses should be narrower in scope (subject to stricter rules regarding their use) than was the case in O.E.E.C. The report suggested that it might be necessary to prevent member-countries making use of "escape clauses" without having first obtained the approval of a majority of the other members.

Rules of Competition. The use of certain "artificial" trade practices could distort competition and thus hamper the "more effective division of labour" which was one of the benefits expected from a Free Trade Area. Such practices included, under governmental action, "subsidies and other forms of export aid, export restrictions, and dual pricing," and, in private commercial business, "dumping, monopoly, or cartel policies" and restrictive business practices in general. The Working Party considered that the elaboration of rules for ensuring fair competition would require, among other things, "a procedure for the progressive abolition of such practices, in particular of export subsidies and export restrictions."

General Problems.

Because of the differences in economic structure between the member-countries of O.E.E.C., the Working Party examined the problems of economic co-ordination, the special position of agricultural commodities in European trade, and the situation of "countries in process of economic development." These questions were described in the report as "fundamental problems, the solution of which will exert a direct influence on the substance and extent of the Free Trade Area"

Economic Co-ordination. While stressing the importance of a close co-ordination of economic and financial policies, the Working Party reached no firm conclusions on details. It recommended, however, a re-examination of the rules and procedures of O.E.E.C. regarding economic and financial co-operation, the liberalization of invisible transactions, and other similar matters. There was a division of opinion within the Working Party between those members who considered that certain disparities between national regulations on social security payments, etc., should be corrected during the transitional period to prevent distortion of the free play of competition, and those whose countries were unwilling to commit themselves in advance to solutions to all the problems liable to arise in these fields.

Agriculture. The report also revealed differences of opinion on the treatment of agriculture in the Free Trade Area. Several members considered that "it would be impossible to achieve reciprocity between members if Customs barriers or quotas were abolished for exports of industrial products but retained for agricultural products." The British representative, however, considered that the Free Trade Area should not include agricultural products. The report concluded that the Council of O.E.E.C. should settle the problem, and added that in the opinion of the Working Party "the solutions which may be envisaged must take into account the desire to avoid any discrimination in the treatment accorded to agricultural products in all the member-countries of the Area."

Under-developed Countries. Some member-countries whose economies were "in process of development" would wish to join the Free Trade Area, but considered that for the time being they would have to maintain their existing protection either on all or on a substantial part of their imports, and consequently could not undertake the full obligations of membership. The Working Party considered possible solutions to this problem, but referred the matter to the O.E.E.C. Council without reaching any conclusions.

Institutions.

It was stated that questions concerning the establishment of institutions could be studied only when the nature of the obligations of membership of the Free Trade Area had been defined. Appropriate bodies would have to be constituted to ensure that the obligations of member-countries were being observed; to deal with any difficulties which might arise; to assess requests to invoke "escape clauses"; to provide a procedure for ligitation and arbitration; and to strengthen co-operation on general economic problems.

O.E.E.C. Council Decision on Preparation of Convention for Free Trade Area.

A Ministerial meeting of the O.E.E.C. Council was held in Paris from Feb. 12-13 under the chairmanship of Mr. Peter Thorneycroft, who had been elected chairman in succession to Mr. Harold Macmillan. The meeting considered the Working Party's report and the British memorandum on establishing a Free Trade Area in Europe, and the delegates of all member-countries expressed their Governments' readiness to enter into negotiations for a convention to that effect. A number of important reservations were made, however, including continued British insistence on the exclusion of agricultural products.

Mr. Thorneycroft reminded the Council that it was not the purpose of the meeting to take irrevocable decisions. "If I can regard a free trade area as a house," he said, "we are not here so much to buy the house as to decide whether we should draw up the plans for one. When those plans have been made, we can decide whether to build the house." He stressed that no-one should be excluded from the "circle of European friendship" just because he could not fulfil the obligations of the Free Trade Area or of the Customs Union, and that "special arrangements" would have to be made to associate all in due course with the new work. Mr. Thorneycroft concluded: "We meet here not only as friends but as Europeans, men conscious of the history, traditions, geography, culture, perils, and hopes that bind us in some sense together to-day."

Sir David Eccles (President of the Board of Trade) told the Council that previous British Governments had been cautious towards the "European idea" because "to many of our people every step towards Europe appears as a step away from the Commonwealth." A practical way of reconciling responsibilities to Europe with those to the Commonwealth had now been found, however, "and in Britain we are ready for the decisive offer we are making at this meeting." After saying that Britain's wish to join a Free Trade Area was "not a case of political fascination," Sir David added: "We are not dreaming of a 'third force' or of a European block endowed with supranational institutions and anxious to rival Russia or the United States. We are more prosaic and . . . more practical."

The aim was that the countries of Western Europe should become strong and rich together, in order to raise living standards and to be in a position to contribute more to stability and the prosperity of the whole world. They were all "under-developed countries" unless they combined, and liberated and expanded their markets; otherwise, savings would be insufficient for the necessary investments in Europe and overseas.

As regards agriculture, however, Sir David Eccles explained that Britain was forced to adopt a special position—both for the sake of British farmers, who would have to be protected in one way or another, and also because of the "indispensable arrangements" with Commonwealth suppliers. "The U.K. would be a poor partner in Europe without the goodwill of the Commonwealth," and it would be impossible for Britain to enter a Free Trade Area which included agriculture. On the other hand, Britain had in fact a liberal agricultural policy with a moderate tariff, and in 1956 she had imported £350,000,000 worth of agricultural products from Western Europe—more than any other O.E.E.C. country had imported from its European neighbours.

M. Spaak, speaking on behalf of the six "Messina" Powers, said that the signature of the Common Market treaty should "not be delayed for a single day" in order to wait until Britain and the other O.E.E.C. countries were ready with the Free Trade Area. If any amendments would be needed in the Common Market treaty to reconcile it with the other scheme, they would have to be made afterwards. Moreover, he strongly opposed the British plan to exclude agriculture.

Dr. Erhard (West German Minister of Economic Affairs) welcomed the idea of the Free Trade zone as not only the most important contribution but also "the decisive political and economic initiative towards the integration of Europe."

Hr. Krag (Danish Minister of Economic Affairs), as well as the representatives of Greece, Turkey, and Portugal, declared that their countries could not join a free trade area if agricultural products were treated in a different way, although Hr. Krag himself recognized that Britain might need special treatment because of Commonwealth food production.

The Canadian and U.S. representatives stressed that the interests of countries outside the zone should be fully taken into account. Strong support for the Free Trade Area came from the Swedish and Swiss representatives, but the delegates of the Irish Republic, Greece, Portugal, and Turkey all expressed anxiety lest the establishment of free trade in Europe might damage their economies, which were still in process of development.

At the end of its meeting the Council adopted the following resolution:

"The Council . . . decides to enter into negotiations in order to determine ways and means on the basis of which there could be brought into being a European Free Trade Area which would, on a multilateral basis, associate the European Common Market with other member-countries of the Organization, and to prepare the necessary instruments. It draws special attention to the objectives of finding ways to ensure the expansion of trade in agricultural products on a non-discriminatory basis between all member-countries of the Organization. It also draws attention to the need to deal with the special situation of member-countries in the course of economic development.

"The Council requests its Chairman [Mr. Thorneycroft];

(1) to propose to the Council the setting-up of Working Parties required for this work and, in particular, those which shall be concerned with finding solutions to the problems referred to above;

(2) in the light of the declarations of the representatives of Member and Associated Governments at the [present] meetings of the Council . . . to guide and co-ordinate the work undertaken in pursuance of this resolution; and

(3) to submit a report to the Council on the results of this work in time for it to take further decisions before July 31, 1957.

"The Council invites the Governments of the Associated countries to be represented on the Working Parties concerned . . ."

It was commented in the Press that Mr. Thorneycroft's function as "co-ordinator" in the planning of a wide European free trade area would give Britain a guiding influence on the work of the expert committees which were to draw up the convention for associating the Free Trade Area with the six-nation Common Market.

Agreement between "Messina Powers" on Draft Treaties for Common Market and Euratom.

The Prime Ministers and Foreign Ministers of the "Messina Powers" met in Paris from Feb. 18-20 to discuss the last outstanding problems in the drafting of treaties for the establishment of a European Common Market and Euratom—principally the question of the inclusion in the Common Market of overseas territories of member-countries, as proposed by France, and the question of whether or not Euratom should be the sole owner of fissile materials. Those present were: Dr. Adenauer and Dr. von Brentano (Western Germany); M. Van Acker and M. Spaak (Belgium); M. Mollet, M. Pineau, and M. Maurice Faure (France); Signor Segni, Professor Martino, and Signor Badini-Confalonier (Italy); M. Bech (Luxemburg); and Dr. Drees, Dr. Luns, and Mr. Van der Beugel (Netherlands).

A communiqué issued on Feb. 20 announced that agreement had been reached on the above-mentioned questions and that it was hoped that the two treaties would shortly be ready for signature. The communiqué was worded as follows:

"Agreement was reached on the problems relevant to the association of overseas territories with the Common Market. It was agreed that the treaties should embody those principles expressing the willingness of the six countries to associate their overseas territories with the Common Market and to contribute to the economic and social investments required for the development of these territories. A first convention, concluded for five years and attached to the treaty, will define the terms of the application of these principles. It will lay down the participation of the member-States in the big investment effort they are prepared to make in favour of the oversea territories. The convention will also establish the methods whereby the markets of member-States and oversea territories shall be progressively opened to reciprocal exchanges. Before the expiry of this first convention a new agreement will be negotiated within the Council of Ministers [i.e. of the Common Market].

"It was further agreed that the European Atomic Energy Community [Euratom] shall have property rights in special fissile materials.

"At the end of this meeting the Ministers took note that their work, conducted under the active leadership of M. Spaak, is sufficiently advanced to allow the results to be submitted shortly to their respective Councils of Ministers, and to hope that the two treaties may be signed shortly in Rome.

"The six Heads of Government reaffirmed the intention of their Governments to pursue their efforts for an even closer European integration, towards which the Euratom and Common Market treaties will constitute a decisive step."

Authoritative press reports on the European Investment Fund for the oversea territories of member-countries during the first five-year period stated that it would amount to $580,000,000 (£207,000,000). Of this sum, France and Western Germany would each contribute $200,000,000, Belgium and the Netherlands each $70,000,000, Italy $40,000,000, and Luxemburg $1,250,000. These figures represented a compromise between a French proposal for $500,000,000 excluding her own contribution, and a German proposal for $500,000,000 including the French contribution.

As regards the distribution of the fund, $512,000,000 would go to French overseas territories (mainly in Africa and Madagascar), $35,000,000 to Dutch overseas territories (Surinam and Netherlands New Guinea), $30,000,000 to the Belgian Congo, and $5,000,000 to Italian Somaliland.

France would thus receive $312,000,000 over and above her contribution, in the following instalments: first year $30,250,000; second year $40,250,000; third year $50,250,000; fourth year $70,250,000; fifth year $120,250,000. Italy would receive $35,000,000 less than her contribution, Belgium $35,000,000 less, and the Netherlands $35,000,000 less. The German Federal Republic and Luxemburg (which have no oversea territories) would receive nothing in return for their contribution.

In return for securing foreign investments, France would progressively open her overseas markets to the five other member-countries. Tariffs and quota restrictions would be lowered over a period of 15 years, and tariffs would simultaneously be raised on colonial products entering the Common Market from outside sources.

The French Government had earlier submitted a memorandum to the other governments for the inclusion of her overseas territories in the Common Market for a trial period of five years.

The plan envisaged (*a*) that during the five-year period tariffs and other forms of discrimination which prevented European goods from circulating in the French overseas territories should be reduced; (*b*) that the other five member-countries should simultaneously extend to the oversea territories the same advantages as those which, by virtue of the Common Market Treaty, would be current within the European community; and (*c*) that the other countries would contribute an average of $35,000,000 annually over the five-year period to an investment fund.

In opposition to this scheme the West German delegation proposed not merely that the figure of $500,000,000 should include the French contribution, but that it should take the form of a simple aid programme, without any "political strings" and without the removal of tariffs or integration of economies.

Previous Ministerial Meetings.

Prior to the various meetings, the Foreign Ministers of the six Powers had held further meetings to discuss various points which had arisen during the work of the Inter-Governmental Committee in Brussels. In addition, M. Spaak had had discussions with Netherlands Ministers at The Hague, while M. Mollet and Dr. Adenauer had met in Paris.

Foreign Ministers' Paris Meeting, October 1956. The communiqué issued after this meeting (held on Oct. 20-21) stated that the Foreign Ministers had received a report from M. Spaak on the work of the experts engaged in drafting the Euratom and Common Market treaties in Brussels. After discussion, they had come to the conclusion that although agreement had been reached on many points, there remained "a number of divergencies" that would necessitate consultation with their respective Governments.

It was reported in the Press that the main subjects discussed by the Ministers had been (*a*) the conditions regarding the harmonization of wages and social charges which France wished to be met in connexion with the proposed Common Market, (*b*) the question of including overseas territories in the Common Market, (*c*) the problem of the ownership and purchase of fissile material; (*d*) a proposal put forward by the "Action Committee for a United States of Europe" regarding the appointment of a committee of "three wise men" for the Euratom project.

Foreign Ministers' Brussels Meetings, January-February 1957. As a result of these meetings, held on Jan. 28 and Feb. 4, the Foreign Ministers reached agreement on all outstanding problems concerning the Common Market and Euratom, except for the question of the inclusion of overseas territories and the ownership of fissile material.

Press reports stated that the subjects on which solutions had been reached included the future common tariff *vis-à-vis* third countries; details of the gradual reduction of Customs duties and import restrictions between the six member-countries during the 15-year transitional period; the establishment of a consultative committee to advise the European Commission (the executive organ of the Common Market) on such questions as competition, non-discrimination, free exchanges of goods, etc.; transport policy; the composition of the Euratom-Common Market Assembly; and the membership of the Council of Ministers for the two institutions.

M. Spaak's Hague Visit. M. Spaak's discussions with Netherlands Ministers (on Feb. 3) concerned a number of Common Market problems such as the inclusion of agriculture, the question of a common tariff *vis-à-vis* non-member countries, and the eventual association of overseas territories with the Common Market.

It was reported in the Press that the Netherlands Government had opposed any restrictions on the Common Market principle for agricultural products; that it favoured a lower common tariff than France was willing to apply; and that it was also reluctant to assume political commitments through the inclusion of French overseas territories.

Mollet-Adenauer Meeting. A statement issued after this meeting (which took place in Paris on Nov. 6) said that the two Heads of Government had had "very satisfactory" conversations about Euratom and the Common Market, which should make it possible to overcome the difficulties encountered by the conference of the six Foreign Ministers on Oct. 21. The statement added:

"They have expressed their grave concern that the co-operation of the Western Powers may not have been hitherto affirmed with sufficient force. In an atmosphere of complete mutual confidence, the two Heads of Government have expressed the wish that a solidarity should affirm itself in future without default, not only between the European Powers, but also with all the Powers of the Atlantic alliance and those of the free world.

"As for themselves, the two Governments will spare no effort to achieve this result, which they consider to be of vital importance. To this end they propose that meetings at ministerial level should be held periodically between the two Powers concerned."

Three-Man Committee on Euratom.

A committee of "three wise men," as proposed by the Action Committee for a United States of Europe on Sept. 20 (see above), was appointed on Nov. 16, 1956, at a meeting of the Brussels Inter-Governmental Committee attended by the Foreign Ministers of the six "Messina Powers."

A communiqué stated that the committee would consist of M. Louis Armand (France), Herr Franz Etzel (German Federal Republic) and Professor Francesco Giordani (Italy); that it would work "within the framework of the Brussels Conference under the chairmanship of M. Spaak"; and that it would "report within two months on the amount of nuclear energy which could be produced in the near future by the six countries, and on the means which should be employed to achieve this." The Committee would "seek information from the competent authorities as to the prospects regarding energy requirements, sources of energy, and atomic energy programmes in the countries concerned," and had been authorized "to approach the competent authorities of third countries in order to gather the information necessary for the successful fulfilment of its task."

M. Armand is president of the Industrial Development Committee of the French Atomic Energy Commission, and president of the French National Railways; Herr Etzel is vice-president of the High Authority of the European Coal and Steel Community; and Professor Giordani is president of the Italian National Research Council, and had previously been president of the Italian National Committee for Nuclear Research.

At the invitation of Mr. Dulles (the U.S. Secretary of State) and Admiral Strauss (chairman of the U.S. Atomic Energy Commission) the three-man committee visited the U.S.A. from Feb. 8-13. A joint communiqué was issued on Feb. 8 by the State Department, the Atomic Energy Commission, and the Committee saying that the United States anticipated "active association" in Euratom. The communiqué was worded as follows:

"(1) A Committee appointed by the Governments of Belgium, France, Germany, Italy, Luxemburg, and the Netherlands, which are negotiating the Treaty for a European Atomic Energy Community (Euratom), has concluded its official visit to Washington. The Committee . . . called upon President Eisenhower, the Secretary of State, and the Chairman of the U.S. Atomic Energy Commission, and held discussions with officials of the Department of State and the Commission.

"(2) The Committee's task is to determine the extent to which atomic power can meet Europe's growing energy needs. The availability and cost of energy has become a limiting factor on the growth of Europe's economic strength and welfare. The Committee's review of needs and possibilities has led it to adopt as an objective the stabilization of fuel imports early in the 1960's. To meet this target would require that nuclear power plants with a total generating capacity of 15,000,000 kw. be installed within the next ten years.

"(3) Examination of the Committee's programme indicates that its objective is feasible. Under present circumstances the availability of nuclear fuels is not considered to be a limiting factor. A joint group of experts to be designated by the Committee and the [U.S.] Atomic Energy Commission will continue to examine the technical problems posed by the Committee's objective.

"(4) The Committee pointed out that the Atomic Energy Community (Euratom) which will result from the present Brussels negotiations provides the framework and the stimulus required to realize the Committee's objective. It would mobilize in Europe the technical and industrial resources required, and would provide a political entity competent to afford adequate safeguards and to enter into comprehensive and practical engagements with the U.S. Government.

"(5) The U.S. Government welcomes the initiative taken in the Committee's proposal for a bold and imaginative application of nuclear energy. On Feb. 22, 1956, President Eisenhower, in announcing the allocation of 20,000 kilograms of [Uranium] 7-235 for sale or lease outside the U.S.A. for peaceful purposes, stated: 'Significant actions are under way to create an international agency and an integrated community for Western Europe to develop peaceful uses of atomic energy. The United States welcomes this progress and will co-operate with such agencies when they come into existence.' The U.S.A. anticipates active association in the achievement of the Committee's objective and foresees a fruitful two-way exchange of experience and technical development. . ."

French National Assembly Support for Common Market.

At the end of a two-day debate (Jan. 22-23), the French National Assembly adopted by 322 votes to 207 an *ordre du jour* expressing general agreement with the project for a European Common Market, subject to certain conditions. The resolution was presented by a number of deputies all of whom were delegates either to the Council of Europe or to the Assembly of the European Coal and Steel Community, the sponsors including Socialists, Radicals, and Independents. The *ordre du jour* was worded as follows:

"The National Assembly . . . welcomes the progress which has been made toward a treaty for a European Common Market which will guarantee the essential interests of the French economy, and calls upon the Government to continue the negotiations with a view to obtaining, before the signature of the treaty:

"(1) Confirmation of the agreement already reached by experts with regard to the harmonization of *charges salariales*" [i.e. equal pay for men and women, and adoption of the French system of overtime pay];

"(2) A system of long-term contracts guaranteeing prices of agricultural products before the end of the first stage of the transitional period [i.e. from four to six years], and the progressive replacement of national market organizations for farm products by European organizations which will give no less security than hitherto, but on the basis of a European agricultural policy";

"(3) As regards oversea territories, to ensure that their association with the Common Market should be regulated by treaty on the basis of the principles laid down by the Government" [namely, that since all six of the "Messina Powers" would have access to this large market, they should all make a suitable contribution to oversea investment and offer substantial markets themselves to the oversea territories a principle enunciated by M. Mollet in his speech to the National Assembly].

"The Assembly also asks that the negotiations for the creation of a Free Trade Area, which should include Great Britain and which should contain guarantees equivalent to those envisaged for the Common Market Treaty, should be pursued with determination and brought to a successful conclusion as soon as possible;

"In view of the perspectives opened by the Common Market, the Assembly calls upon the Government to pursue an investment policy aimed at the modernization of the French economy and the establishment of equilibrium in the balance of payments."

Much of the debate was concerned with the British attitude, and, in particular, with the British plan for a Free Trade Area—a matter first raised by M. Mendès-France, who expressed concern lest the Common Market project should prejudice the British proposals for a Free Trade Area, and who voted against the *ordre du jour*. M. Mollet, however, denied that France had to make a choice between "two methods of co-operation," since if the Common Market failed to come into existence the Free Trade Area would be "no more than a dream." After describing the Common Market and the Free Trade Area as complementary, he said that, with British agreement, a clause would be included in the Common Market Treaty allowing for modifications which the subsequent creation of a Free Trade Area might make necessary.

M. Mollet, in winding up the debate, admitted that France was taking a risk in joining the Common Market, but suggested that there was no alternative if she was to continue her policy of industrial and agricultural expansion. Even if France chose to stand out of the Common Market, she could not prevent its creation by the other five Powers, who were determined to create a larger trading area. Moreover, the idea of a wide free area was supported by Great Britain and the other O.E.E.C. countries.

The 322 deputies approving the *ordre du jour* comprised 98 Socialists, 73 M.R.P., 70 Independents (Conservatives), 24 Radicals, 11 dissident Radicals, 18 U.D.S.R., 11 *paysans*, three Social Republicans, and five *non-inscrits*. The 207 opposing votes comprised 149 Communists and *progressistes*, 36 Poujadists, 14 Radicals (including M. Mendès-France), and a few U.S.D.R., Social Republican and *non-inscrit* deputies. Thirty deputies voluntarily abstained from voting (including 11 Independents), while 17 took no part in the vote (among them 12 Social Republicans) and 16 were absent.—(O.E.E.C. Information Division, Paris - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - Frankfurter Allgemeine Zeitung - Corriere della Sera, Milan - Algemeen Handelsblad, Amsterdam - New York Times) **(Prev. rep. 15137 A.)**

A. UNITED KINGDOM. — Civil Estimates, 1957-58. - Growth of Expenditure on Social Services. - Increase in Price of School Meals and Welfare Milk. - Higher National Health Service Contributions. - Supplementary Civil and Defence Estimates, 1956-57.

Mr. Thorneycroft, the Chancellor of the Exchequer, announced in the House of Commons on Feb. 19 that the total Estimates of civil expenditure in 1957-58 (excluding defence expenditure by the Ministries of Supply and Defence, as well as self-balancing expenditure) would be £2,654,000,000, an increase of £110,000,000 over the total Estimates (including Supplementaries) for 1956-57, or of £173,000,000 over the original Estimates for that year. He also announced economy measures affecting school meals, welfare milk, and National Health Service contributions, intended to moderate the fast-growing burden of social service expenditure, and estimated to save about £37,000,000 in 1957-58 and about £57,000,000 in a full year.

Mr. Thorneycroft explained that the main items in the increase in Civil Estimates for 1957-58 were for Education (£63,000,000), the National Health Service (£49,000,000), and Atomic Energy (£31,000,000). The Social Services as a whole showed an increase of £146,000,000 over the original Estimates for 1956-57—largely due to higher prices, salaries, and wages, but in part also to increases in the number of children to be educated and in the use being made of the National Health Service. Grants to Local Authorities for other services, as well as for education, showed "a marked upward tendency."

The Chancellor continued: "Although much of this expenditure—particularly that on the programmes of atomic energy and technical education—is of a productive character, yet the very large and continuing increase in our total expenditure, Defence and Civil, imposes a burden on the economy which the Government cannot ignore. It also represents a threat to the high level of public and private investment on which productivity depends."

After referring to Mr. Sandys' statement [in the Defence debate on Feb. 13—see 15403 A] that a comprehensive review of the Defence programme was in progress, Mr. Thorneycroft stated that although it was impossible to announce the figures for Defence expenditure for 1957-58, they would be less than the original figure of £1,500,000,000 for 1956-57. The amounts of the full Estimates would be published in a Defence White Paper before the end of March. It would, however, be wrong for the Government to seek to meet its difficulties by making changes in defence policy alone, and on the Civil side it had therefore decided to make changes in three fields, as follows:

(1) In the field of local Government finance it was proposed to introduce, among other measures, a general grant in substitution for a number of percentage grants. This should introduce a stabilizing influence in the Central Government's contribution to local expenditure.

(2) The Government had reviewed the subsidies involved where supplies were provided by the State below cost, and had decided on the following measures:

(*a*) From April 1 the price of welfare milk provided for children up to five, and to expectant mothers, would be increased from 1½d. to 4d. a pint, roughly half its cost. There would be corresponding increases in the price of national dried milk. The saving was estimated at £14,000,000.

(*b*) The charge for school meals would be increased by 2d. to 1s., also from April 1. Existing arrangements for hardship [under which 3½ per cent of the 3,000,000 children taking school meals have them free] would be continued. Estimated saving—£3,500,000.

(3) Finally, the Government had decided to introduce legislation to establish a separate National Health Service contribution towards the growing cost of the Service.

The Chancellor explained that when the N.H.S. was introduced it was expected to cost £175,000,000 a year, but by 1949-50 the cost had risen to £450,000,000. He continued: "At that time Sir Stafford Cripps was so concerned by this that in 1950 he imposed a ceiling of £400,000,000 on Exchequer expenditure below which the cost of improvements and extensions to the Service had to be contained. In 1957-58 the total cost of the Service will be £690,000,000. Toward this, as things stand now, £40,000,000 would come from the contribution made from the National Insurance Fund—10d. in respect of the adult man and lesser sums in respect of other contributors. £100,000,000 would come from a variety of other receipts (including charges to patients) and the whole of the balance of £550,000,000—or £49,000,000 above last year—would be provided by general taxation.

"The alternatives to this increase in the charge on the Exchequer are to reduce the scope of the Service, to charge more to patients, or to increase the contribution. It is widely believed that the National Health Service is paid for by weekly contributions. This is not so. The contribution has never paid for more than a small proportion of the cost of the Service, and this proportion has steadily declined each year.

"When the original National Health Service Bills were before Parliament, it was expected that the Fund's contribution would provide about one-fifth of the gross cost of the Service. Today it provides only about one-seventeenth. We therefore propose to increase the contribution by 10d. in respect of an adult man, and by smaller sums in respect of adult women and juveniles. The employer will pay the same proportionate share as at present. Our purpose is to establish a separate National Health Service contribution toward the cost of the Service. Next year, the contributory element will rise from one-seventeenth to about one-ninth of the gross cost of the Service. Separate legislation for this purpose will be introduced as soon as possible. The change will provide an additional £40,000,000 for the Exchequer in a full year. In the meantime, no credit has been taken in the Estimates for the relief to the Exchequer next year [1957-58], which we hope will be about £20,000,000."

The Chancellor's announcement was strongly criticized on behalf of the Opposition by **Mr. Harold Wilson,** who declared that the Government had completely failed to control inflation and were "taking it out on those who can least afford to pay." He called for undertakings that there would be no reduction in the total grant for local authorities as compared with 1956-57, and no increase in charges under the National Health Service. He also asked the Chancellor to estimate the effect of the proposals regarding welfare milk and school meals on the living costs of families with young children, and warned him of the possible repercussions of the increase in N.H.S. contributions on the wage-price spiral.

Mr. Thorneycroft, in reply, said that the general grants to local authorities would not be in effect in 1956-57. The cost of the increased milk and school-meals prices would be 2s. for a family of two children, including one at school, and 2s. 10d. for a family of three children, two of them at school. As to the effect of the increase in N.H.S. contributions, he contended that 10d. was "not unreasonable," and that "when dealing with a service which is costing £690,000,000, compared with £175,000,000 when it was introduced, it is not unreasonable to go back to the traditional arrangement whereby people contribute a little when they are well to enable them to be looked after when they are ill." He refused to give any assurance that there would be no increase in charges under the National Health Service.

Government expenditure in 1957-58 on Civil and Revenue departments and the Ministry of Defence was estimated in the Civil Vote on Account (published on Feb. 20) at £3,197,000,000, compared with £3,059,000,000 in 1956-57.

The total included (in addition to the £2,654,000,000 mentioned by Mr. Thorneycroft on Feb. 19) self-balancing expenditure of £307,000,000 for the Post Office, £218,000,000 for Defence items included in the Ministry of Supply Vote, and £18,000,000 for the Ministry of Defence. The largest single estimate (£550,000,000) was for the National Health Service, but the biggest increase (nearly £42,000,000) shown by any one service was for Education and the Universities. The estimated expenditure on the principal social services, with the increases on the corresponding expenditure for 1956-57, are shown in the following table:

Service	1957-58 £	Increase (+) or decrease (−) £
National Health Service	550,100,000	+21,600,000
Education and Universities ..	445,000,000	+41,900,000
National Insurance and Family Allowances	225,400,000	+ 5,600,000
National Assistance	133,000,000	+ 3,800,000
War Pensions, &c.	88,025,000	+ 1,426,000
Housing	79,060,000	+ 2,081,000

Other principal items (1956-57 figures in parentheses) were: Ministry of Supply, £252,000,000 (£222,000,000); Agriculture and Food, grants and subsidies, £208,000,000 (£222,000,000); Exchequer Grants, £104,730,000 (£85,510,000); War Pensions, £88,020,000 (£89,450,000); Housing, £79,050,000 (£76,970,000); Roads, £67,620,000 (£54,380,000); Police, £47,890,000 (£46,670,000); Broadcasting, £30,840,000 (£29,340,000).

Supplementary Estimates, 1956-57.

Supplementary Civil Estimates for 1956-57, amounting to £94,400,000 and bringing the total of revised and supplementary Estimates for the current year to £107,360,796, were published on Feb. 6.

The largest single item was £26,900,000 for the National Health Service, including £15,000,000 for hospital running costs, £8,000,000 for drugs, appliances, and medicines, and £2,900,000 and £1,600,000 respectively for additional payments to doctors and dentists. Other items included £12,000,000 for pay increases in the Civil Service, £10,100,000 for Education, £8,500,000 for the Ministry of Supply, and £3,700,000 for the Atomic Energy Authority. Smaller sums included £750,000 for the relief of distressed British subjects in the Middle East, £500,000 for aid to Hungarian refugees, and £140,000 for an advance on account of the U.K. subscription to the U.N. Emergency Force in the Middle East.

Supplementary Estimates for the Army and the Royal Navy for 1956-57 were published on Jan. 28 and Feb. 19 respectively, and are summarized below:

Army. The total of the Supplementary Estimates was £39,000,000, required to cover additional expenditure of £48,000,000 (less savings) and increased appropriations amounting to £9,000,000. The cost to the Army of the "Suez emergency" was given as £29,900,000, including an additional £11,000,000 for movement of stores and £2,500,000 extra for movement of troops by sea and air. Apart from the Suez expenditure, the largest individual increases were £10,000,000 for deliveries of stores ordered in earlier years and nearly £8,000,000 to cover higher prices, wages, and freights.

Royal Navy. The Supplementary Estimates totalled £11,000,000, required to cover increased expenditure (partly offset by economies) of £11,500,000 on account of higher wages, prices, and freights; £3,000,000 for payments to the Atomic Energy Authority, the Ministry of Supply, and certain oil companies; and £2,000,000 for additional expenditure arising out of the Suez emergency.

Mr. Sandys, the Minister of Defence, stated in a written answer on Jan. 28 that the total cost of the Suez operations was estimated at "about £35,000,000."—(Treasury Press Office - Times - Daily Telegraph - Manchester Guardian)
(Prev. rep. 1956-57 Civil Estimates, 14738 B; Defence Estimates, 14773 A.)

A. LITERATURE. — Book Selections, January-February 1957. - British Book Production in 1956.

Selected books published in Great Britain, the United States, and France are given below:

Great Britain. Appleton, Sir Edward—"Science and the Nation." The B.B.C. Reith Lectures for 1956. (Edinburgh University Press, 10s. 6d.)

de Beauvoir, Simone—"The Mandarins." Translated from the French. (Collins. 18s.). *Prix Goncourt* Award for 1956.

Bonnard, André—"Greek Civilization: Volume I—From the Iliad to the Parthenon." Translated from the French. (Allen and Unwin, 30s.)

Bryant, Arthur—"The Turn of the Tide." Based on the War Diaries of Field-Marshal Viscount Alanbrooke. (Collins, 30s.)

Carrington, Richard—"Mermaids and Mastodons: A Book of Natural and Unnatural History." (Chatto and Windus, 25s.)

Chute, J.B.—"Greenwillow." A Novel of American Rural Life. (Robert Hale, 10s. 6d.)

Collier, Basil—"Official History of the Second World War: The Defence of the United Kingdom." (H.M. Stationery Office, 50s.)

Constance, Arthur—"The Inexplicable Sky." (Werner Laurie, 21s.)

Cooke, Colin—"The Life of Richard Stafford Cripps." (Hodder and Stoughton, 30s.)

Cottrell, Leonard—"Seeing Roman Britain." (Evans, 21s.)

Crompton, John—"The Living Sea." (Collins, 15s.)

Elvin, Harold—"The Ride to Chandigarh." (Macmillan, 25s.)

Hoehling, A. A. and Mary—"The Last Voyage of the Lusitania." (Longmans, 16s.)

Irononger, Lucille—"The Ghosts of Versailles." (Faber and Faber, 21s.)

Masterman, J. C.—"The Case of the Four Friends." (Hodder and Stoughton, 12s. 6d.)

Mikes, George—"The Hungarian Revolution." (André Deutsch, 12s. 6d.)

Moore, Bernard—"The Second Lesson: Seven Years at the United Nations." (Macmillan, 25s.)

Morgan, Charles—"Challenge to Venus." (Macmillan, 15s.)

Neale, J.E.—"Elizabeth I and her Parliaments, 1584-1601." (Cape, 30s.)

Patterson, Sheila—"The Last Trek: A Study of the Boer People and the Afrikaner Nation." (Routledge and Kegen Paul, 28s.)

Roskill, Captain—"The War at Sea, 1939-1945: The Period of Balance." (H.M. Stationery Office, 42s.)

Speaight, Robert—"The Life of Hilaire Belloc." (Hollis and Carter, 30s.)

Somervell, D. C.—"A Study of History, by Arnold J. Toynbee: Abridgement of Volumes VII-X." (Oxford University Press, 25s.)

Templewood, Viscount (Sir Samuel Hoare)—"Empire of the Air: The Advent of the Air Age, 1922-1929." (Collins, 21s.)

West, Rebecca—"The Fountain Overflows." (Macmillan, 16s.)

United States. Powell, Richard—"The Philadelphian." (Charles Scribner's Sons, New York, $3.95)

Russ, Martin—"The Last Parallel: A Marine's War Journey." (Rinehart, New York, $3.95)

White, William S.—"Citadel: The Story of the U.S. Senate." (Harper and Brothers, New York, $3.75)

France. Caisseau, Pierre-Dominique—"Visa pour le préhistoire: Shangrila, la vallée perdue de Nouvelle-Guinée." (Albin Michel, Paris)

Jouhandeau, Marcel—"Nouvelles images de Paris." (Gallimard, Paris, 420 francs)

Manton, Jo—"Un destin: Albert Schweitzer." (Albin Michel, Paris, 600 francs)

Parinaud, André—"L'affaire Minou Drouet." (Julliard, Paris, 450 francs)

The number of new books published in Britain during 1956 was 19,107 (including 5,302 reprints or new editions), the biggest categories being fiction (3,443), children's books (1,754), educational (1,700) and religious (1,035).

All these categories showed some decline during the year, the biggest absolute decline being in fiction (259). Other categories to show declines were art and architecture, sociology, sports and pastimes, and poetry and drama. The biggest proportionate increases were in travel and adventure, biography, medicine and surgery, natural history, and politics.

The 1956 total was 855 fewer than in 1955 and 81 fewer than in 1954, but was nevertheless the highest since 1937 with the exception of these two years.—(Ed. K.C.A. - The Bookseller)
(Prev. rep. 15299 B; Book Production, 14606 B.)

B. AVIATION. — Inauguration of Trans-polar Air Service between Denmark and Japan.

The first commercial air service between Europe and Japan *via* the North Pole was inaugurated on Feb. 24 by the Scandinavian Airlines System (SAS), when the airliner *Guttorm Viking* left Copenhagen (Kastrup airport) for Tokio. On the same day the airliner *Reidar Viking* left Tokio for Copenhagen to inaugurate the service in the reverse direction. The two airliners (both DC-7 Cloudmasters) passed each other in the vicinity of the North Pole, where they exchanged greetings, the *Guttorm Viking* arriving at Tokio in the scheduled time of 30 hours and the *Reidar Viking* reaching Copenhagen 1½ hours behind schedule owing to adverse head-winds.

The *Guttorm Viking* carried a crew of 12 Scandinavians, headed by a Danish chief pilot, and 47 passengers, among whom were Prince Axel of Denmark, Mr. Hans Christian Hansen (Prime Minister of Denmark), Dr. Halvard Lange (Foreign Minister of Norway), Mr. Lindell (Swedish Minister without portfolio), and Mr. Thor Heyerdahl, the Norwegian geographer and leader of the Kon-Tiki Expedition. Passengers on the *Reidar Viking* included Prince Mikasa (youngest brother of the Emperor of Japan), Princess Mikasa, and Mr. Araki, the Japanese Minister of Transport.

The Prime Minister of Denmark made a broadcast from the *Guttorm Viking* over the North Pole, carried by radio networks in 28 countries, welcoming the opening of the trans-polar service as "a great pioneering exploit" and a token of international co-operation. Over the Pole Mr. Hansen released by parachute a canister containing the United Nations flag, the text of his broadcast, and microfilmed copies of pages from the Jan. 1, 1957, edition of 700 newspapers in many languages.

The Copenhagen-Tokio trans-polar service shortens the journey from Europe to the Far East by roughly one-quarter as compared with the present southerly route *via* India, cutting the distance from 10,300 to under 8,000 statute miles and reducing the time from 52 to 30 hours. From Copenhagen the route runs to the west of the Norwegian coast, thence over Spitzbergen, the Arctic Ocean, and the North Pole, thence across Alaska, and finally along a route running near the Aleutians and on to Tokio. There is only one stop *en route* for refuelling—at Anchorage, Alaska. The service will operate twice weekly in both directions.—(Politiken, Copenhagen - Berlingske Tidende, Copenhagen - Aftenposten, Oslo)
(Prev. rep. Trans-Polar Air Services, 14359 C; 13916 D.)

C. WESTERN GERMANY - UNITED KINGDOM. — Reciprocal Social Security Agreements.

Reciprocal agreements on social security were signed in London on Dec. 18, 1956, by Mr. Selwyn Lloyd, the U.K. Foreign Secretary, and Herr Storch, the German Federal Minister of Labour.

The first agreement, covering unemployment insurance and assistance, will enable nationals of one country living in the other to have their records of employment and insurance contributions in both countries taken into account if they become unemployed and claim benefit in either country. The second agreement covers benefits under the National Insurance and Industrial Injuries schemes, and provides for insurance in both countries to be taken into account when a person claims benefit under the scheme of either country. Each country also undertook to pay certain benefits in the other country to people qualifying for them.

A protocol on health services entitles U.K. nationals taking up employment in Germany, and certain groups of National Insurance beneficiaries, to take advantage of the German health services, in return for reciprocal National Health Service facilities for Germans employed in Britain.

The agreements take effect on ratification by both countries. (Ministry of Labour Gazette - Frankfurter Allgemeine Zeitung)

D. INDIA. — Control over Movement of Pakistani and South African Nationals.

Under a presidential Ordinance which came into force on Jan. 30, the Government of India was empowered (*a*) to exercise some control over the movements of Commonwealth nationals in India similar to the control of movements of foreigners; (*b*) to exempt from such control citizens of any Commonwealth country, or any individual foreigner.

By a separate Order the Government exempted citizens of all Commonwealth countries from the purview of the Ordinance, except those of Pakistan and South Africa. This meant that all Pakistani and South African nationals entering India with valid passports would have to register with the authorities and report their movements to the police, like other foreigners, and that they could be deported if they overstayed the period of their visas.

It was explained that the Ordinance [which amended the Foreigners Act of 1946 and the Registration of Foreigners Act of 1939] had been issued because a Bill on similar lines, introduced in the last session of Parliament, could not be passed for lack of time.—(Indian High Commissioner's Office, London)

A. ITALY. — Political Developments. - Negotiations for Reunification of Italian Socialist Partics. - New "Consultation Agreement" between Communists and "Nenni Socialists." - Abandonment of "Unity of Action" Pact. - Differences between "Nenni" and "Saragat" Socialist Parties. - Signor Saragat's Insistence on Non-collaboration with Communists as Pre-condition for Socialist Unification. - Signor Togliatti's Declaration on Communist Policy. - Restoration of Relations between Italian and Yugoslav Communists.

Important developments in the Italian political situation during the past six months are described below under cross-headings. They relate principally to (1) the attempts to bring about the reunification of the two Italian Socialist parties—the left-wing Italian Socialist Party headed by Signor Pietro Nenni, and the Social Democratic Party headed by Signor Giuseppe Saragat; (2) relations between the Italian Communist party and the "Nenni" Socialists; and (3) developments within the Italian Communist party.

Negotiations for Unification of Italian Socialist Parties.

Exploratory discussions, aimed at ending the schism between the two Italian Socialist parties, were undertaken in Rome from Aug. 30-Sept. 6, 1956, by M. Pierre Commin (assistant secretary of the French Socialist party), acting on behalf of Mr. Morgan Phillips, secretary-general of the Committee of the International Socialist Conference (Comisco).

M. Commin had previously visited Italy during the summer in a private capacity, and had established contacts with Signor Nenni and Signor Saragat. His subsequent mission on behalf of Comisco was carried out with the approval of the Labour and Socialist parties of Western Europe and at the invitation of the two Italian parties. Signori Nenni and Saragat had had a personal meeting on Aug. 27-28—their first since 1947, when the "Saragat" Socialists broke away from the "Nenni" Socialists after the latter had allied themselves with the Communists.

During his visit to Rome M. Commin presided over round-table discussions between leaders of the two Socialist parties, and also had a number of meetings with Signor Nenni, Signor Saragat, and other leaders of the two parties—including Signor Vigorelli, the Social Democratic Minister of Labour, and Signor Ignazio Silone, the eminent writer and a supporter of Signor Saragat. Before leaving for Paris, M. Commin received memoranda from Signori Nenni and Saragat outlining the views of the two parties on the question of reunification.

Nenni Memorandum. The principal points made by Signor Nenni were as follows: (1) a united Socialist party, if created, should abandon the policy of *centrismo* (i.e. collaboration with the Christian Democrats and other Centre parties) and should work for the creation of "a new majority capable of applying the Constitution in its entirety"; (2) in international affairs, a united party should promote "an active policy of *détente* and peace aimed at overcoming the division of the world into opposing military blocs"; (3) all Italian workers should be grouped into "a single united trade union federation, autonomous and independent of party, of which the Italian General Confederation of Labour (C.G.I.L.) represents the natural and democratic base."

The programme outlined by Signor Nenni called, by implication, for two major concessions by the Social Democrats. Firstly, the insistence on the abandonment of *centrismo* meant that Signor Saragat's party was asked to give up its collaboration with the Government, in which the "Saragat" Socialists are allied with the Christian Democrats and the Liberals. Secondly, the support expressed for the C.G.I.L. meant that Social Democratic workers were being called upon to leave their own labour federation and to join one of extreme Left-wing character.

[There are two main trade union organizations in Italy: (1) the *Confederazione Generale Italiana del Lavoro* (C.G.I.L.), representing the Communist and Left-wing (Nenni) Socialist workers, and (2) the *Confederazione Italiana dei Sindacati dei Lavoratori* (C.S.I.L.), representing the non-Communist unions—Christian Democratic, Social Democratic, and Republican. See 10706 B.]

Saragat Memorandum. The chief points made by Signor Saragat were (1) the complete acceptance of democratic principles, and "the exclusion of all Popular Front formulas both as regards elections and the composition of a Government"; (2) a foreign policy which would not only promote international peace and the relaxation of tension, as urged by Signor Nenni, but would also be based on "the solidarity of the democratic world" and on Italy's full co-operation with the West; (3) trade union unity "within the framework of an organization which, free from party ties, will represent permanently the interests of the working classes and will have a clearly democratic internal structure."

Signor Saragat's insistence on the "exclusion of all Popular Front formulas" meant, by implication, that the Nenni Socialists were being called upon to abandon their alliance with the Communists as a condition of unification between the two Socialist parties. The "Saragat" memorandum also differed from Signor Nenni's proposals in laying emphasis upon continued Italian association with the West, and on a trade union federation with a "clearly democratic" structure.

Before leaving Rome, M. Commin suggested a five-point programme on which the two Socialist parties should agree while working out the practical problems of reunification: (1) the cessation of "polemics" between the two parties; (2) efforts by both parties, in dealing with day-to-day problems, to show that they were working for the same objectives; (3) the preparation of a common economic and social programme; (4) the preparation of a constitution for a reunified party; (5) in the final phase, the convening of separate party congresses at which the decision should be taken to unite in a single party.

New "Consultation Agreement" between Nenni Socialists and Communists. - Abandonment of "Action Pact" of 1946.

After a meeting on Oct. 4, 1956 between Signor Nenni and Signor Palmiro Togliatti, the Communist leader, it was announced that the respective party directorates had agreed to examine "new methods of consultation" between the two parties "based upon working-class unity and taking into account changes in the situation." On Oct. 7 the Communist party organ *Unità* and the "Nenni" Socialist organ *Avanti* published the text of a new agreement replacing the "unity of action" pact concluded between the two parties in 1946 (see 8261 A), and worded as follows:

"The Italian Socialist party and the Italian Communist party . . . are agreed that changes in the situation necessitate forms of collaboration between them different from those established under the pact for unity of action concluded in 1946. Consequently, they have decided that co-operation between them shall take the form of consultations at the centre and in local organizations to examine problems of fundamental interest for the working-class and of common action by all workers."

Leaders of the Italian Socialist Party emphasized that the "unity of action" pact of 1946 had become "redundant"; that the new "consultation agreement" would make relations between the two parties more "elastic"; and that future contacts between them would be "occasional" and no longer "regular" as in the past. Writing in *Avanti* on Oct. 9, Signor Nenni pointed out that the two parties "no longer have a common political platform" and that the various organs set up in the past to ensure unity of action "no longer exist." He defended the new "consultation agreement" on the ground that both parties had "common day-to-day problems to solve in the factories, villages, co-operatives, and trade unions."

Social Democratic Party's Protest at "Consultation Agreement" between Nenni Socialists and Communists.

The executive committee of the Social Democratic Party, meeting in special session in Rome on Oct. 5, 1956, denounced the new "consultation agreement" between the Communists and the "Nenni" Socialists as "irreconcilable with the conditions which were adopted in the discussion between the two [Socialist] parties when they discussed their reunification." Signor Saragat denounced what he described as Signor Nenni's "capitulation" to the Communists, declared that the future of the Social Democratic Party would not be "mortgaged" to the Communists, and urged his party to "continue to fight alone for working-class unity through Democratic Socialism." He and other party leaders insisted that there could be no question of reunification between the two Socialist parties unless the "Nenni" Socialists unequivocally broke off all contacts with the Communists.

After further discussions on Oct. 12, however, the executive committees of the "Nenni" and "Saragat" parties agreed to continue their negotiations on party reunification, and to set up a permanent committee—consisting of three members from each party—to study the ways and means to attain that objective.

Signor Nenni emphasized in an *Avanti* article that the "consultation agreement" with the Communists should not be considered an obstacle to the reunification of the two Socialist parties. He pointed out *inter alia* that the Italian Socialist party had not "bound" itself to the Communists, and that there had been no intention of committing the Social Democrats to a "Popular Front" policy. Signor Saragat, however, retorted that "the pact uniting the Socialists and Communists must be denounced" and that all ties between those two parties "must be severed" before Socialist reunification could become a fact.

The three "Saragat" members on the joint reunification preparatory committee—Signor Giancarlo Matteotti (secretary-general of the Social Democratic Party), Signor Tanassi (a member of the party directorate) and Signor Saragat himself—resigned from the committee on Dec. 13 in protest at an *Avanti* article which accused Signor Saragat of "blind support" for the Atlantic Pact and "vulgar anti-Communism."

Italian Socialist Party Congress. – Approval for Signor Nenni's Policy Statement. – Election of New Central Committee.

The 32nd national congress of the Italian Socialist Party, held in Venice from Feb. 6-10, 1957, resulted in unanimous approval for a resolution (sponsored by Signor Nenni) calling *inter alia* for the reunification of the two Socialist parties, and pledging the Italian Socialist Party to democratic methods "without reservation." The congress was attended by Mr. Morgan Phillips, representing the Socialist International, and by observers from the Labour and Socialist parties of Western Europe, including Mr. Aneurin Bevan from Britain and M. Pierre Commin from France.

The congress was opened with a speech by Signor Nenni, who spoke for nearly five hours.

Signor Nenni claimed that the close co-operation between the Communists and the Italian Socialist Party had played an important part in "saving democracy" in Italy during the immediate post-war years. From 1953 onwards, however, the situation had changed and the ties between the two parties had become progressively loosened. In its relations with the Communists, the Socialist Party had now "passed from unity to freedom of action and initiative," and the only remaining link between the two parties was the "class solidarity" which brought together Marxist and Christian workers in the face of "common responsibilities, problems and struggles." After denouncing the Russian brand of "reactionary" Socialism, and describing the Soviet intervention in Hungary as "the gravest error made by the Soviet Union since the October Revolution," Signor Nenni emphasized that the split between the Italian Socialist Party and the Communists had been accentuated, above all, by M. Khrushchev's revelations at the 20th Congress of the Soviet Communist Party, by the Soviet repression of the Hungarian workers' uprising, and by the events in Poland.

Appealing for the reunification of the Italian Socialist and Social Democratic parties, Signor Nenni declared that his party stood unequivocally for representative Government, universal suffrage, and a freely-elected Parliament. As the Socialist Party had freed themselves from their ties with the Communists, so the Social Democratic Party should also abandon its present policy of co-operation with the "Centre bourgeois parties."

In conclusion, Signor Nenni appealed to the Italian Socialist Party (1) to work for Socialist reunification, (2) to "block any possibility of a clerical regime," and (3) to work for a solution of Italy's economic and social problems.

The congress ended with the unanimous adoption of a resolution declaring that "the path to Socialist unity is open," and that "the common front policy [i.e. collaboration with the Communists] is no longer possible or useful in view of the new prospects for Socialism." After appealing to the Social Democratic Party to convene a national congress as a first step toward reunification, and emphasizing the Italian Socialist Party's acceptance of democratic principles, the resolution laid down several basic directives for future policy, as summarized below:

(1) The party remained "internationalist" in foreign policy and would strive to develop contacts and establish ties with the workers' movements of both Western and Eastern Europe. "Faithful to its neutralist ideals," it would continue to oppose military blocs, to work for progressive disarmament, and to strengthen the United Nations.

(2) Support was expressed for a policy of European unity aimed at making Europe an independent force "standing for democratic and social progress, mediation, and peace." European policies such as Euratom and the Common Market were approved, provided that the interests of the workers were guaranteed and the needs of under-developed areas taken into account.

(3) The "class basis" of the party made it desirable that co-operation with Communist workers should continue on concrete issues, as well as co-operation with Roman Catholic workers wherever possible. Socialist workers should remain in the C.G.I.L., but the party would strive to make Italian trade unionism non-political and to achieve trade union unity.

Despite the unanimous support for his policy at the party congress, Signor Nenni suffered a temporary reverse on Feb. 11, when a ballot for a new central committee of the party resulted in the election of only 27 of his followers out of a total committee membership of 81, the remaining 54 seats being divided between three "rebel" groups within the party. After 48 hours of negotiations, however, a compromise was reached on Feb. 13 whereby Signor Nenni retained the party leadership and his supporters retained a three-to-two majority on the party's executive committee.

The balloting for the 81 members of the new central committee resulted in the election of 30 supporters of the late Signor Morandi (Signor Nenni's predecessor in the party secretaryship), 27 supporters of Signor Nenni, 15 supporters of Signor Lelio Basso (also a former party secretary), and nine supporters of Signor Pertini, who is regarded as the leader of the pro-Communist wing of the party. During the Venice congress Signor Nenni had strongly criticized "intrigues" within the party, and it was believed that the *Morandiani* and the "Basso" and "Pertini" groups had taken umbrage at his remarks and had engaged in intensive lobbying prior to the election of the central committee. The *Morandiani* are for the most part younger men owing their positions in the party organization to the late Signor Morandi; they have no political leader and, as a group, are not opposed to the reunification policy.

The *Morandiani* and the "Basso" group subsequently assured Signor Nenni that the voting for the central committee had no political significance; that it reflected merely a preference for certain individuals as executors of the party policy; and that there was no question of lack of confidence in him personally, as shown by the unanimous approval given to his policy by the party congress. Signor Nenni nevertheless took the view that the balloting had shown a lack of confidence in himself, and expressed reluctance to continue in the party secretaryship unless he was assured that the new executive committee would include a majority of his followers and that key positions in the party were entrusted to persons enjoying his confidence.

After prolonged and almost non-stop discussions lasting 48 hours, a compromise settlement was reached on Feb. 13 whereby it was agreed (1) that the party's Secretariat should consist of Signor Nenni (as secretary-general), Signori Mazzali and De Martino (both supporters of Signor Nenni), Signor Vecchietti (representing the party machine, and hitherto editor of *Avanti*), and Signor Basso; (2) the *Morandiani* would remain in control of key organizational posts; (3) the 21-member party directorate (drawn from the central committee) would comprise 10 followers of Signor Nenni, seven *Morandiani*, and four from the "Basso" group. No representatives of the pro-Communist "Pertini group" were appointed to either of these bodies.

It was also announced that the two deputy-editors of *Avanti* would act in future as co-editors of the paper, under the general supervision of Signor Nenni. During the Venice congress Signor Nenni had announced his intention of replacing Signor Vecchietti in the editorship of *Avanti* in the reshuffle of party posts after the congress.

Signor Saragat's Attack on Signor Nenni. – Social Democrats to remain in Government Coalition.

In an article in the Democratic Socialist organ *La Giustizia*, published on Feb. 12, Signor Saragat said that the voting for the new central committee of the Italian Socialist Party had shown "the realities of the underlying tendencies in the Nenni party"; namely, that only 30 per cent of the party had "leanings towards Social Democracy" and that 70 per cent were still "orientated or definitely anchored to philo-Communist positions."

After declaring that it was "the highest good fortune" for the Social Democrats that these "tendencies" should have shown themselves when they did, Signor Saragat added: "One has only to think what might have happened if . . . the flowery cloak of Nennian eloquence had been able to hide the reality. Socialist reunification would have taken place in conditions which would have represented a real and complete absorption of a democratic Socialist party such as ours into a party of predominantly totalitarian tendencies." In the course of his article Signor Saragat bitterly attacked Signor Nenni for "opportunism," "duplicity," and lack of "political and intellectual honesty."

After a two-day meeting on Feb. 22-23, the executive committee of the Social Democratic Party passed a resolution declaring that only "future concrete actions" by the Italian Socialist Party could show whether or not Socialist unity was possible on the basis of full acceptance of the principles of parliamentary democracy. The view was expressed that the Venice congress of the "Nenni" party, while representing a "step forward," did not represent the "decisive step" on the road to Italian Socialist reunification. It was also agreed that the Social Democratic Party should remain in the Government coalition, and that no immediate steps should be taken to call a special party congress on the question of reunification.

Signor Saragat's Discussions with British Labour Delegation. – Criticism of Alleged Comment by Mr. Aneurin Bevan.

While visiting Italy for the Venice congress of the Italian Socialist Party, Mr. Aneurin Bevan and Mr. Morgan Phillips had discussions with leaders of both Italian Socialist parties on the prospects of reunification. They subsequently visited Rome on Feb. 9 for a meeting with Signor Saragat, a joint statement being issued speaking of a "long, friendly, and frank conversation" and of "a complete understanding of reciprocal points of view."

On the previous day (Feb. 8) Signor Saragat had strongly criticized a statement, alleged to have been made by Mr. Bevan in a press interview on Feb. 7, which quoted Mr. Bevan as saying that the Socialist International might have to make a "painful choice" between the "Nenni" and "Saragat" parties if they did not reunite. [Only one Socialist party from each country can be affiliated to the Socialist International, the Italian party at present represented being the Social Democratic Party.] Signor Saragat said that Mr. Bevan's remarks, if correctly reported, constituted a "plain threat" to the Italian Social Democrats that they might be "kicked out" of the Socialist International. After charging Mr. Bevan with 'inadmissible interference" in the affairs of the Social Democratic Party, Signor Saragat stressed that Mr. Bevan, though a "welcome guest" in Italy, had no authority to speak for the Socialist International, which had been officially represented at Venice by Mr. Morgan Phillips.

La Giustizia published on Feb. 6 the text of a letter which had been sent by Signor Saragat to Mr. Morgan Phillips in September, 1956, laying down the following "minimum requirements" for a reunification of the two Italian Socialist parties: (1) democracy "must be accepted as a permanent value and not as a tactical device"; (2) any form of "popular front" with the Communists must be ruled out; (3) Italian foreign policy must be based on solidarity with the West; (4) trade union unity must be realized within a democratic framework; (5) a reunited Socialist party must possess a democratic structure.

Christian Democratic Party Congress. - Attitude to Unification of Socialist Parties.

At the sixth annual congress of the Christian Democratic Party, held at Trento from Oct. 15-19, 1956, much of the discussion centred on the *pourparlers* between the two Socialist parties on the question of reunification. Signor Amintore Fanfani, the party's secretary-general, emphasized that the Christian Democrats were in no circumstances prepared to collaborate with any Socialist party associating itself with the Communists, and denounced the new "consultation agreement" between the Communists and the "Nenni" Socialists as extending, rather than loosening, the former "unity of action" pact. He also warned the Social Democrats that their participation in a unified Socialist party based on collaboration with the Communists might result in their exclusion from the Coalition Government.

By a show of hands, the congress approved a motion by Signor Fanfani and the party leadership declaring that any future collaboration between the Christian Democrats and a unified Socialist party could only materialize if the Socialists unequivocally severed all ties with the Communist party. Resolutions by the party's left-wing, urging an approach to the "Nenni" Socialists with the aim of "isolating" the Communists, and by the party's right-wing, proposing co-operation with the Monarchists, were both heavily defeated.

Communist Party Congress. - Signor Togliatti on Communist Policy. - Expulsion of Signor Reale.

As in France and other Western countries, the Soviet military intervention in Hungary led to many resignations from the Italian Communist party (see page 15226, first column) and to widespread criticisms of the party leadership for supporting the Russian action. The C.G.I.L. (the Communist-dominated trade union federation) published a statement on Oct. 27, 1956, deploring the "intervention of foreign troops" in Hungary and expressing sympathy for those who had "fallen in the Hungarian blood-bath," whilst Signor di Vittorio (secretary-general of the C.G.I.L., and a leading Communist) called for "profound modifications" in the structure and policy of the Italian Communist party, involving, if necessary, changes in the party leadership. Signor di Vittorio was severely rebuked for these remarks by the Communist organ *Unità*, which had refused to publish a manifesto by some 120 Communist intellectuals criticizing the party leadership and condemning Soviet intervention in Hungary and Poland.

The eighth congress of the Italian Communist party was held in Rome from Dec. 8-12. The discussions were centred on a lengthy policy statement which had been issued on Oct. 14, 1956—i.e. before the Hungarian uprising.

The policy statement affirmed the party's intention of pursuing "an Italian road to Socialism," based upon democratic methods and eschewing violence. After describing the post-war Republican Constitution as containing the "essential elements . . . for the development of Italian society and the Italian State," the statement affirmed that Italian Communists "have never believed and do not believe in violence for its own sake"; that "the idea of a revolution imposed by foreign armies is absurd and ridiculous"; and that the Italian people and working-class had "the historical task of building Socialism by methods differing from those by which the dictatorship of the proletariat was achieved in other countries." The statement contained frequent references to collaboration with other parties "in the march to Socialism," and to the desirability of a "Popular Front" for achieving this aim.

Whilst making no direct reference to M. Khrushchev's exposures of "Stalinism," the policy statement acknowledged that "errors" and "grave violations of legality" had occurred in the U.S.S.R. and the "people's democracies" after World War II. It added, however, that these "errors" had now been "denounced and corrected" and that they did not affect the "enormous positive balance" of Soviet achievements.

The party congress was opened with a three-hour speech by Signor Togliatti, who spoke on the theme of "The Italian Road to Socialism" as defined in the policy statement. In the course of his speech Signor Togliatti expressed full support for the Soviet Government's intervention in Hungary.

Signor Togliatti asserted that the uprising in Hungary had been caused "only to a small extent by the mistakes committed by the Hungarian Communist Party, but mainly by imperialist and capitalist propaganda engineered by American and West German secret services and financed by Wall Street." He attributed many of the troubles of East European countries to "servile imitation of the Soviet model," declaring in this connexion that the "principles . . . which have led to the victorious passage to Socialism in one country, the Soviet Union, cannot be applied universally nor copied mechanically" Stressing that there could be no return to the past system of intervention in the affairs of national Communist parties, he called for a new international Communist system based upon bilateral relations between individual parties, accompanied by "a sort of international division of work, reduction of costs, increase of productivity, and thus an increase of well-being in each country."

In the course of his speech Signor Togliatti said that the Italian Communist party was being weakened by "political arguments" which tended to sap its strength, and declared that the party must not become a "debating club" but must remain "a revolutionary and fighting political party." He attacked Signor Saragat and the Social Democrats as "enemies of the people," and warned Signor Nenni that he would "divide the working-class" if the reunification of the Socialist parties were based upon Social Democratic precepts.

Overwhelming support was expressed for Signor Togliatti's policy statement, although, for the first time at a Communist congress, outspoken criticisms of his leadership were made by two of the delegates—Signor Antonio Giolitti (a nephew of the famous statesman Giovanni Giolitti, Prime Minister after the First World War) and Signor Fausto Gullo, who had been Minister of Agriculture and Minister of Justice in several Cabinets after the Second World War.

Signor Giolitti, a Communist deputy from Piedmont, declared that the Soviet intervention in Hungary was irreconcilable with the principles of true Socialism, and strongly criticized the official attitude of the Italian Communist party toward the Hungarian uprising. After appealing for a "regeneration" of the party based upon "more democracy and internal freedom," he concluded, with reference to the present party leadership: "If we cannot change the minds, we should change the men."

Signor Gullo spoke along similar lines and, like Signor Giolitti, declared that the events in Hungary had shown that the Government and Communist party in that country were "completely isolated" from the people.

Signor Togliatti's position was strengthened by the election of a new central committee of 110 members (elected from the 1,064 delegates attending the party congress) consisting almost entirely of his supporters. On Dec. 17 the new central committee confirmed Signor Togliatti as secretary-general of the party (a position he has held uninterruptedly since 1927, and which he exercised in exile before 1944), and at the same time eliminated five of his opponents from the party's Politburo.

Among those removed from the Politburo was Signor Pietro Secchia, for many years organizing secretary of the Italian Communist party, and until January, 1955, one of the two vice-secretaries of the party with Signor Luigi Longo. Signor Secchia had been "demoted" from the latter post on Jan. 18, 1955, after the previous party congress, and had been relegated to the comparatively minor post of regional secretary for Lombardy, though remaining a member of the Politburo. He was regarded as the leader of a group critical of Signor Togliatti for alleged "softness" and "lack of revolutionary *élan*."

One of the leading personalities in the Italian Communist party, Signor Eugenio Reale (a former senator), was expelled from the party by Signor Togliatti on Dec. 31, 1956, for criticizing the party leadership in the "bourgeois" press. Signor Reale had reorganized the Italian Communist party after the collapse of the Fascist regime, and was its recognized leader until Signor Togliatti returned to Italy from Moscow in 1944.

In a letter on Dec. 29 to the *Corriere d'Informazione*, of Milan (a Christian Democratic newspaper), Signor Reale had expressed "profound disagreement" with the party's policy, which he described as founded on "deliberate violation of Socialist ideals," and had declared that the party should have sided openly with the Hungarian insurgents. In a subsequent press interview to the weekly *Espresso*, and in other press statements, Signor Reale accused Signor Togliatti and his associates in the party leadership of "blind subservience to Russia" and said that Togliatti himself had "always been a Stalinist."

Signor Reale appealed against his expulsion to the party's control commission, maintaining that he was entitled to a personal hearing under the party's statutes. His appeal was rejected on Jan. 26, 1957, when the party also announced the expulsion of Signor Fabrizio Onafri (a leading intellectual) for "conducting a campaign inside the party on behalf of so-called 'revisionists'" and for "preparing the transfer of groups of comrades to another party" [presumably the "Nenni" Socialists.]

Signor Reale stated after his expulsion that the 1956 membership of the Italian Communist party was about 1,600,000, and not 2,300,000 as claimed by the party's propaganda organization.

Restoration of Relations between Italian and Yugoslav Communist Parties. - Italian Communist Delegation visits Belgrade.

An Italian Communist party delegation headed by Signor Luigi Longo paid a 10-day visit to Yugoslavia from Oct. 6-15, 1956, at the personal invitation of President Tito, who had invited such a delegation to visit Belgrade during his talks with Signor Togliatti earlier in the year (see 14922 A). A joint statement, published in Belgrade on Oct. 15, said that the discussions had yielded "positive results" and that the future co-operation between the Italian Communist party and the League of Yugoslav Communists would bring the workers' movements of both countries closer together and promote "increased understanding between the two Governments.

On returning to Italy, Signor Longo described the Yugoslav Communist system as a "most original and efficient form of popular democracy," and forecast "frequent visits and exchanges of views" between the Italian and Yugoslav parties. He expressed "great satisfaction" over his personal meeting with President Tito, who, he said, had greatly impressed him by his "wide understanding of international problems and his determination to collaborate with all countries in the defence of peace and the safeguarding of the freedom and independence of peoples."

The restoration of mutual co-operation between the Italian and Yugoslav Communist parties closed the breach which had existed between them since Yugoslavia's expulsion from the Cominform in 1948.—(Corriere della Sera, Milan - Giornale d'Italia, Rome - Avanti, Rome - Le Monde, Paris - Times - Manchester Guardian) **(Prev. rep. Communist and Socialist Parties, 15020 A; 14922 A; Christian Democratic Party, 13687 B; Social Democratic Party, 12276 B.)**

A. FRANCE - SOVIET UNION. — Three-Year Trade Agreement. - Increase in Trade Exchanges.

A new trade agreement between France and the Soviet Union was signed in Paris on Feb. 11. Valid for three years from Jan. 1, 1957, it envisaged trade exchanges on a basis growing from year to year, so that at the end of 1959 the volume of trade would be three times the 1955 total.

Lists attached to the agreement, laying down the goods to be supplied year by year, provided for French exports to the U.S.S.R. of capital equipment (35,000,000,000 francs), steel products (31,000,000,000 francs), machine-tools, leather, copper, cork, cocoa, etc.; in addition, a number of agricultural products would be exported to settle the Soviet trade deficit resulting from the previous agreement. French exports of capital goods would include locomotives, electric instruments and equipment (including radio and television equipment), mining machinery, machinery for the chemical and food industries, cables, etc.

The principal Soviet exports to France would be anthracite (2,000,000 tons), oil (1,800,000 tons), manganese (475,000 tons), asbestos, timber, newsprint, cotton, various other raw materials, caviare, furs, etc.

To avoid any shortfall in Soviet orders, such as had occurred under the previous agreement (see 13044 A), the new agreement not only provided definite lists of goods to be exchanged, but also laid down that the major part of the orders must be placed before Dec. 31, 1957. It was stated in the French press that the Soviet negotiators had proposed to include goods which came under the ban on the export of strategic materials, but that the French side had declined this, especially in view of recent events in Hungary.

M. Kumykin, who signed on behalf of the Soviet Union, stated that Franco-Soviet trade exchanges in 1955 had amounted to 30,000,000,000 francs in each direction, and in 1956 to 37,000,000,000 francs. In 1957 they would rise to 57,000,000,000 francs (an increase of nearly 50 per cent over 1956) and in 1959 to an estimated 96,000,000,000 francs.
(Le Monde, Paris - Le Figaro, Paris - Soviet Weekly)
(Prev. rep. 14934 A; 13044 A.)

B. INDIA.—Indian Vessels not to call at South African Ports. - Directive by Indian Steamship Company.

The chairman of the Indian Steamship Company, Mr. Ramaswami Mudaliar, announced in Calcutta on Jan. 20 that the company had directed its vessels not to call at any South African ports. This action followed a statement by the South African Minister for External Affairs (Mr. Louw) that, in view of sanctions applied by India against South African trade [in retaliation for South Africa's treatment of her Indian population], South Africa would be justified in refusing facilities at her ports to Indian ships. Mr. Mudaliar added that his company's directives had been issued immediately after they had learned that Indian vessels had actually been refused facilities in South Africa.—(The Statesman, Calcutta - Indian High Commissioner's Office, London)
(Prev. rep. Indian Trade Ban, 10559 A.)

C. RUMANIA. — Abolition of Compulsory Agricultural Quotas. - Revision of Wages System.

A plenary session of the central committee of the Rumanian Workers' (Communist) Party, held from Dec. 27-29, 1956, decided on a number of important economic changes aimed at giving greater emphasis to the raising of the standard of living. The principal decisions, recommended in a report by M. Gheorghiu-Dej (the First Secretary of the party), were as follows:

Agriculture. It was decided to abolish the system of compulsory quota deliveries for agricultural products introduced in 1948. As from Jan. 1, 1957, individual as well as co-operative farmers would no longer be compelled to deliver fixed quotas of wheat, rye, maize, potatoes, hay, and milk, and would also be exempted from forced deliveries of meat. Instead, the Government would set up a number of special contracting and purchasing boards which would carry out the purchase of agricultural products. Farmers would be given a voice in the fixing of prices, and, as a further step to stimulate production and meet the peasants' grievances, prices of many farm products would be increased.

M. Gheorghiu-Dej admitted in his report that the compulsory quota system had proved a failure and was, in fact, hampering the development of Rumanian agriculture.

Re-examination of Five-Year Plan. The Central Committee decided to "re-examine" the five-year plan for 1956-60 with a view to reducing State investments and devoting a larger part of the national income to satisfying the people's needs by developing agriculture and the production of consumer goods. Industrial development would still continue as a priority, but would be slowed down to bring it into harmony with the real resources of the country and to improve the balance between investment and consumption.

Revision of Wages System. The wages system would be revised with a view to creating greater incentives. Basic wages would be increased by 30 per cent, resulting in an average income increase of 15 per cent as compared with present average incomes, and of more than 15 per cent for the lowest-paid groups. At the same time there would be an improved bonus system for workers in industrial enterprises in order to stimulate production.

M. Gheorghiu-Dej declared that the existing level of wage rates was "unsatisfactory," and that it had had an "adverse influence on the interest of the workers in raising productivity."

Decentralization in Industry and Local Administration. To reduce the existing "over-centralization, red tape, and bureaucracy" the powers of managements of industrial and State agricultural enterprises in planning output and distributing income within their factories or firms would be increased, and local industry would be put under the control of local government administrations. In addition, managements and local "people's councils" would be allowed to dispose of the main part of their profits for housing schemes, canteens, and the distribution of bonuses for the benefit of their workers.

The committee's resolution admitted that these policy changes (many of which followed the Yugoslav model without adopting the "Titoist" ideology) had been made necessary by the failure of the policy of enforced industrialization and collectivization to improve the standard of living.
(Agerpres, Bucharest) **(Prev. rep. 14002 C; 14817 A.)**

D. BOLIVIA.—Abolition of Multiple Exchange Rates. - I.M.F. "Stand-by" Credit. - U.S. Exchange Stabilization Credits.

The International Monetary Fund announced on Dec. 15, 1956, that the Bolivian Government, after consultation with the Fund, had put into effect a comprehensive economic stabilization programme providing for a fundamental reform of the exchange system and for procedures for exchange stabilization. It also envisaged major adjustments in taxation, Customs tariffs, Government expenditure, wages, and social security; the removal of price controls; and measures to eliminate the deficits of the principal Government-owned enterprises.

It was explained (1) that in place of the complex system of multiple rates previously existing, Bolivia's new exchange system would be based on a unified fluctuating exchange rate; (2) that trade and exchange restrictions were being removed; and (3) that the Central Bank of Bolivia would allow the boliviano to find its appropriate level in a free market as quickly as possible.

The announcement added that the I.M.F., in order to support Bolivia's currency stabilization efforts, had agreed to a one-year "stand-by" arrangement under which Bolivia might purchase foreign currencies from the Fund equivalent to $7,500,000. In addition, Bolivia had concluded an exchange agreement for $7,500,000 with the U.S. Treasury, as well as an arrangement with the U.S. International Co-operation Administration, which was making $10,000,000 available for the same purpose.—(International Monetary Fund, Washington)
(Prev. rep. 12965 A.)

A. UNITED KINGDOM. — Mr. Sandys' Statement on British Defence Policy. - Development of British Megaton Bomb. - Danger of Soviet Atomic Rocket Attacks. - Rejection of Opposition Censure Motion. - Publication of Votes on Account, 1957-58. - Manpower Reductions in Armed Forces.

Mr. Duncan Sandys, the Minister of Defence, made an important statement on Britain's future defence policy to the House of Commons on Feb. 13. In the course of his speech he announced that the R.A.F. held a substantial stock of British atomic bombs, and that the development of the first British megaton bomb was almost complete.

Mr. Sandys said that "a turning-point" had been reached in defence which required "large decisions" to be taken. A great deal of work had been done by his predecessor (Mr. Head), who had formulated definite proposals, and the money spent in recent years had not been wasted. Although he described "talk about defence expenditure being reduced overnight" as "wishful thinking," Mr. Sandys pointed out that if the defence programme was allowed "to roll on unchecked," the outlay during the coming financial year would be over £1,700,000,000. This compared with a total of about £1,600,000,000 originally budgeted for the 1956-57 financial year, so that savings of £100,000,000 alone would be needed "just to keep level."

Mr. Sandys went on: "Big changes in military expenditure would involve big changes in policy. If such changes are to be introduced smoothly without creating chaos . . . it is bound to take a certain amount of time. Without savings in manpower we shall never get substantial savings in money. In so far as it is consistent with the needs of defence, it is the Government's first aim to end the call-up as soon as practicable. How soon that will be depends on how much we can reduce the total numbers now in the three Services and how far we can step up the rate of voluntary recruitment." Since the introduction of improved conditions and pay a year ago there had been some increase in the rate of recruiting and in the numbers prolonging their engagements, but "a lot more than that" was needed.

"As Minister of Defence" Mr. Sandys continued, "my first responsibility is defence and . . . I am not going to slash about indiscriminately, lopping off bits and pieces here and there where it is easiest. My task is to reshape the Forces, not to mutilate them. Any reduction must be part of a coherent plan which makes sense militarily as well as financially. Above all, it must take account of the realities of to-day—the whole balance has been upset by the development of the hydrogen and the megaton bomb. The American Strategic Air Force is now in a position to carry bombs of destructive power hundreds of times greater than the bomb dropped on Hiroshima. It is wise to assume, I think, that the Russians can do much the same. Atomic weapons of Hiroshima power are regarded now as primarily suitable for tactical use by troops in the field.

"This has entirely altered the whole situation. However efficient our defences, it is inconceivable that they could provide 100 per cent immunity against air attack. If only half a dozen nuclear bombers got through they could in a single raid cause incalculable death and devastation over enormous areas. I am referring to attacks by manned bombers flying at over 50,000 feet at speeds close to that of sound. These are difficult enough to bring down, but Britain might soon be open to attack by ballistic rockets. After the war the Russians took over the German rocket ranges, and there is every reason to believe they are engaged on a larger version of the V-2 rocket with a nuclear warhead. The range of this rocket would probably be sufficient to reach Britain from launching points within Soviet-controlled territory. They would rise to a height of over 100 miles in the stratosphere and travel at a speed of over 5,000 miles an hour.

"So far no weapon has ever been invented to which there is no answer. I do not doubt that the ballistic rocket will prove no exception, but it would be absurd to pretend that we could quickly evolve an effective defence against that form of attack. The present superiority of the means of attack over defence, coupled with the catastrophic consequences of thermo-nuclear war, virtually determines the course we must follow. We have got to see that it never happens. The central theme of our policy must be to concentrate military effort on prevention rather than defence.

"There is no doubt that now, and probably for a long time ahead, the peace and safety of the world will depend upon the atomic deterrent—the power to meet attack by instant and devastating retaliation. One suggestion has been that we should leave this field exclusively to the U.S.A., and that Britain should not waste her limited resources upon making atomic and hydrogen bombs. As a result of brilliant scientific research initiated under the Labour Government, the British atomic bomb was successfully developed. These are now in steady production and the R.A.F. holds a substantial stock. Furthermore, we have now almost completed the development of the first British megaton bomb. In the present state of the world I cannot believe that any British Government would feel it right to throw away at this stage all that has been accomplished in this field. All this is bound up with disarmament, but in the absence of international agreement we have to deal with the situation as it is.

"As a means of preventing war, the possession of nuclear air power does not necessarily by itself provide a fully effective deterrent. The frontiers of free Europe must not be left undefended. Otherwise the Soviet Union, either directly or through the agency of a satellite, might be tempted to grab or absorb some neighbouring territory, believing that if it could quickly produce a *fait accompli* the Western Powers would hesitate to start a nuclear war. Britain and her allies in NATO have to maintain well-equipped forces along the Iron Curtain . . . (1) to make it plain that aggression would meet with instant resistance by the combined forces of the Western alliance, and, if need be, by the full power of nuclear retaliation; and (2) to prevent Europe being overcome during the time needed for the retaliatory power to be brought into operation and for its effects to become felt.

"This is a gigantic combined operation in which all allied nations must play their part, and we have no thought of shirking our fair share of this burden. On the other hand, we can no longer bear more than our fair share. With the exception of the U.S.A., Britain is devoting to defence a higher proportion of her resources than any other NATO country. We are at a disadvantage because, unlike our European allies, we have to maintain most of our NATO forces outside our own country, and this has faced us with a particularly awkward balance-of-payments problem. The size of the forces we can reasonably maintain on the Continent is at present being considered. This is to some extent governed by treaty, and before making any change there will be the fullest consultation with our partners in NATO and the Western European Union.

"Our prime responsibility is the protection of the British Isles. When the contribution Britain should make to the deterrent has been settled, we have to ask ourselves whether, in addition, other forces should be provided which do not directly contribute to the deterrent but which would be desirable in waging major war should the deterrent fail. I feel that we must as far as possible resist the temptation to dissipate our limited resources on forces which in themselves have no deterrent value, for to that extent we should be reducing the contribution we could make to the prevention of war.

"A difficult question to decide is how much of the effort should be devoted to the air defence of Britain. I will not attempt to give an answer, but will indicate some courses open. One is to try to provide fighter protection over the British Isles. It is difficult to reconcile this policy with the knowledge that it is virtually impossible to stop some bombers getting through and that with nuclear weapons this would blot out large areas. As an alternative, the task of fighters might be confined to a more limited role of protecting our power of retaliation, on which the prospect of peace is largely dependent. If the nuclear deterrent is to be effective, the potential aggressor must be convinced that he could not reasonably hope by surprise attack to knock out the Allied bomber forces before they could take off. So far as there remains an effective means of protecting bombers, this task must rank as part of our deterrent and as such must be given high priority . . .

"When the Russians are in a position to bombard this country accurately and on a massive scale with rockets, we shall have to consider whether it is worth while retaining fighter aircraft at all; but until we are sure that the Russians are so far advanced, it would be irresponsible to neglect such means as are available to protect our deterrent power. However that might be, it is clear that ultimately the threat to these islands will come not from manned bombers but from nuclear ballistic projectiles. It is also clear that the effectiveness of our deterrent power will also depend on the possession by us of these weapons.

"Our assessment of the likely rate of progress of these new developments must greatly influence our future programme of research and production. It is bound to affect our decisions on such questions as whether more advanced types of bombers and fighters should be developed, or whether the assumption could be made that by the time these more advanced types could be introduced into service, they will have been superseded by rocket weapons in defensive and offensive roles . . .

"In any case, we must give high priority to the development of these new weapons and their introduction at the earliest moment, and here the co-operation of the U.S.A. is of such importance. By the steps taken to integrate more closely our scientific effort we are saving not only money but, what is more vital, time. In many fields of military research the United States are ahead of us, but British scientists and technicians are putting into the common pool of ideas and inventions an extremely valuable contribution which is recognized and appreciated in America . . . Perhaps the most important advantage of closer co-operation with America is that it will be possible for us to concentrate our more limited resources on a smaller number of projects, instead of spreading the effort too thinly over too wide a field."

After strongly refuting rumours in the Australian Press that, without consulting the Australian Government, he had offered the United States facilities at the Woomera range during his recent talks in Washington, Mr. Sandys turned to the role of the Navy, pointing out that "a number of extremely difficult questions" had to be asked to which he would not at the moment volunteer the answers. He outlined these problems as follows:

Should the Navy provide an element in the deterrent—in other words, was the use of carrier-borne aircraft contemplated as part of Britain's nuclear bombing effort? To what extent should naval forces be provided for roles which did not contribute directly to the deterrent? In particular, how much effort should be devoted to providing naval forces to protect Atlantic communications against the threat of Soviet submarines? How soon after the outbreak of a full-scale nuclear war might one expect that shipping across the Atlantic could be resumed? After the initial nuclear attack, would the harbours of Britain and Western Europe still be usable? Had one to assume that when the first all-out atomic phase was over, there would follow a second phase, sometimes described as a 'broken-back war,' in which operations at sea would play a major part? Alternatively, if we had

won the nuclear battle in the opening round, would we have to provide for the possibility (as had been suggested) that Soviet submarines would try to carry on the war on their own? Finally, if it was doubtful whether convoys could get through, would it be feasible to go in for a policy of stockpiling? In addition, consideration had to be given as to what naval forces Britain needed for more limited operations and other duties in distant theatres, where the Navy and its mobile air power had an important role to play.

Mr. Sandys concluded: "We have to reshape Great Britain's defence policy in the light of the economic realities of our domestic position and of the military realities of this atomic age. I believe there is a wide measure of agreement on the basic principle which should inspire us. It can be summed up in a single sentence: We must concentrate our defence effort, not on preparations for war, but on measures to prevent it; not on planning for victory, but on the protection of peace."

Mr. Sandys' statement was made in reply to Mr. George Brown (Lab.), who had moved the following Opposition amendment:

"That this House regrets that, despite the expenditure since 1951 of more than £7,500,000,000, recent events have emphasized the wasteful and ineffective character of the present defence arrangements; and accordingly calls upon H.M. Government to prepare forthwith a revised defence plan which will ensure greater efficiency and lead to both a substantial cut in expenditure and the abolition of National Service."

In presenting this amendment, Mr. Brown said that there was a feeling that the Suez Canal operations had shown that all the money spent on defence had been wasted, and asked the Government whether they still stood by the objectives outlined in last year's White Paper on Defence. He thought that economies could be obtained by streamlining the forces, by making mobility and machines replace men, and by effective pooling of production, development, and resources among all NATO countries. Economies in the aircraft industry would not be possible until there was a concentration and association of the firms concerned. After asking a number of questions about future policy, Mr. Brown suggested that National Service should be ended in a phased four-year operation.

After debate, the Opposition motion was defeated by 302 votes to 243, and a Government amendment agreed to which "welcomed the intention of H.M. Government to meet the essential needs of defence and our Commonwealth and international responsibilities while reducing expenditure and demands upon manpower."

Defence Votes on Account, 1957-58.

Votes on Account for the three Service departments were published on Feb. 20. Because of the impossibility of presenting the usual Service Estimates pending final Government decisions on defence policy, the amounts given covered only the first four or five months of the financial year 1957-58.

The Votes on Account showed a total decrease of 65,500 in the maximum strengths of the Army, Navy, and R.A.F. during the coming financial year—representing the final stage in the manpower reductions announced by Sir Anthony Eden in October, 1955, which were designed to bring the strength of the Forces down to 700,000 by March 31, 1958, a total reduction of about 100,000. The maximum strengths shown were:

Navy.—121,500, a reduction of 6,500.

Army.—443,000, a reduction of 42,000. This figure included a reduction of 5,650 in the strength of Commonwealth, Colonial, and Gurkha troops, so that the actual reduction in U.K. manpower was 36,350.

R.A.F.—240,000, a reduction of 17,000.

Excluding the reduction in Commonwealth, Colonial, and Gurkha troops, the total reduction in U.K. manpower for the Services will therefore be 59,850. It was pointed out, however, that these were maxima which could be reduced still further.

The total sums asked for in the Votes on Account were:

Navy.—£125,000,000, including a start on new works costing eventually just over £2,000,000.

Army.—£210,000,000. This included the cost up to September of new works to be started at home or overseas whose eventual estimated cost will be £5,500,000.

R.A.F.—£240,000,000, including a start on new works costing eventually £50,000,000. The bulk of the expenditure on new works will be on accommodation, workshops and technical buildings, and airfields.

Votes on Account for the Service departments, instead of detailed Estimates, had been introduced on two previous occasions—in 1922 and 1946.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 15364 A; 15344 A.)**

A. YUGOSLAVIA. — Investigation into Yugoslav Electricity Exports to Neighbouring Countries.

A "Yugel-Export Study Society" was formed in Ljubljana on Feb. 11 by representatives of the Yugoslav, Italian, West German, and Austrian electricity industries. It will investigate projects for the establishment of hydro-electric power plants in Yugoslavia to export electric power to the other three countries represented.—(Tanjug Agency, Belgrade)

B. UNITED KINGDOM. — The Carmarthen and Wednesbury By-elections. - Labour wins Carmarthen from Liberals.

Polling took place on Feb. 28 at Carmarthen, where Labour won the seat from the Liberals, and at Wednesbury, where Labour retained the seat with an increased majority.

Carmarthen. The by-election, caused by the death of Sir Rhys Hopkin Morris, Q.C. (Liberal), resulted as follows:

Lloyd-George, Lady Megan (Labour)	23,679
Davies, John Morgan (Liberal)	20,610
*Davies, Mrs. Jennie Eirian (Welsh Nationalist)	5,741
Labour gain from Liberals. Majority	3,069

*Forfeited deposit.

Figures at the general election were: Sir R. Hopkin Morris (L.) 24,410, J. Evans (Lab.) 21,077, Mrs. J. E. Davies (Welsh Nat.) 3,835—Liberal majority, 3,333.

Of the votes cast in the by-election, Labour received 47.3 per cent (against 42.7 per cent at the general election), the Liberals 41.2 per cent (against 49.5 per cent) and the Welsh Nationalists 11.5 per cent (against 7.8 per cent). The Labour vote thus rose by 4.6 per cent and the Welsh Nationalist vote by 3.7 per cent, whereas the Liberal vote fell by 8.3 per cent. Of the total electorate of 57,183 (773 fewer than at the general election) 87.5 per cent went to the poll, compared with 85.1 per cent at the general election.

Lady Megan Lloyd-George (54), a former vice-president of the Liberal Party, was Liberal M.P. for Anglesey for 21 years before losing the seat to Labour in 1951. She joined the Labour Party in 1955 (see 14192 B). Lady Megan is the youngest daughter of the late Earl Lloyd-George (who, as Mr. David Lloyd George, was Prime Minister from 1916-22) and the sister of Major Gwilym Lloyd-George (now Viscount Tenby), lately Home Secretary and Minister for Welsh Affairs. Her victory in the Carmarthen by-election increased the number of women M.P.s to 26.

The late Member, Sir Rhys Hopkin Morris (68), died on Nov. 22, 1956. The son of a Welsh Congregational minister, he studied at the Universities of Wales and London, was called to the Bar, and fought in the First World War, being mentioned in despatches. From 1923 to 1932 he was Independent Liberal M.P. for Cardiganshire, but resigned in the latter year to become a London metropolitan magistrate. In 1936 he was appointed B.B.C. Regional Controller for Wales, a post he held until 1945. He re-entered politics in the latter year, when he was elected Liberal M.P. for Carmarthen. In 1951 he became Deputy Chairman of Ways and Means, in which capacity he frequently acted as Speaker of the House of Commons. He was knighted in 1954.

The Conservative Party have not contested the constituency for 21 years.

Wednesbury. The by-election was caused by the resignation of Mr. Stanley Evans (Labour) owing to his disagreement with the Labour Party's policy in the Suez crisis (see 15231 A). Result:

Stonehouse, John (Labour)	22,235
Tapsell, Peter (Conservative)	9,999
*Wade, Michael (Independent)	3,529
No change. Labour majority	12,236

*Forfeited deposit.

Figures at the general election were: S. N. Evans (Lab.) 26,064, R. E. Hall (C.) 17,120—Labour majority, 8,944.

Of the votes cast in the by-election, the Labour candidate received 62.2 per cent, the Conservative candidate 28 per cent, and the Independent candidate 9.8 per cent, whereas at the general election Mr. Evans received 60.4 per cent and his Conservative opponent 39.6 per cent in a straight fight. The Labour proportion thus increased by 1.8 per cent and the Conservative proportion fell by 11.6 per cent. 59.1 per cent of the electorate voted in the by-election, as compared with 60.4 per cent at the general election.

The new Member, Mr. John Stonehouse (31), is an underwriter and lecturer, and a director of the London Co-operative Society. He unsuccessfully contested Twickenham in 1950 and Burton-on-Trent in 1951.

The Labour Party's victory at Carmarthen, together with its recent success in the North Lewisham by-election (see 15872 C), increased the party's representation in the House of Commons by two members to 279. Conversely, the Liberal defeat at Carmarthen reduced the Liberal Party's representation in the House from six to five.—(Times - Daily Herald) **(Prev. rep. By-elections, 15372 C.)**

C. GREECE. — Unified Liberal Party.

A merger between the Liberal Democratic party headed by M. Sophocles Venizelos and the Liberals under M. Giorgios Papandreou was announced in Athens on Feb. 28, after prolonged inter-party negotiations. The unified party will be known as the Liberal Party and will be headed jointly by M. Venizelos and M. Papandreou. It will command 68 seats in the Chamber of Deputies, as compared with 160 seats held by the National Radical Union—the Government party headed by M. Karamanlis, the Prime Minister.—(Times) **(Prev. rep. 14732 A.)**

MARCH 2—9, 1957

A. HUNGARY. — U.N. General Assembly Resolutions on Withdrawal of Soviet Forces from Hungary, Entry of U.N. Observers, and Free Elections. - Continued Soviet Non-compliance with U.N. Resolutions. - Kadar Government refuses Entry to U.N. Observers. - General Assembly condemns Soviet Union for Violation of U.N. Charter. - Dr. Hammarskjöld's Proposal for U.N. Fact-Finding Committee on Soviet Military Intervention in Hungary. - Approval by General Assembly. - Soviet Attack on Dr. Hammarskjöld. - Fact-Finding Committee hears Evidence from Miss Anna Kethly and General Kiraly.

The Hungarian situation was discussed by the 11th regular session of the U.N. General Assembly on a number of occasions during November, December, and January, following the earlier discussions and resolutions in the General Assembly's special emergency session during the first ten days of November (see 15221A).

In view of the continued refusal of the Soviet Government and the Kadar regime in Hungary to comply with the resolutions of the special emergency session adopted on Nov. 4 and Nov. 9, calling *inter alia* for the withdrawal of Soviet troops from Hungary, the admission of U.N. observers, and free Hungarian elections under U.N. supervision, the Cuban representative at the U.N. (Dr. Nuñez-Portuondo) tabled a resolution in the General Assembly on Nov. 19, 1956, calling upon the Soviet Government and "the Hungarian authorities" to comply with those resolutions and to cease the deportation of Hungarian citizens. After a three-day debate, the Cuban resolution was adopted on Nov. 21 by 55 votes to 10, with 14 abstentions, together with (*a*) a resolution, submitted jointly by Ceylon, India, and Indonesia, urging Hungary to permit the entry of U.N. observers and to co-operate with the U.N. Secretary-General, and (*b*) a resolution, presented jointly by Argentina, Belgium, Denmark, and the U.S.A., on assistance to Hungarian refugees.

Resolution on Withdrawal of Soviet Occupation Forces and Ending of Deportations.

The Cuban resolution (embodying certain amendments by El Salvador and accepted by Cuba) was worded as follows:

"The General Assembly,

"Recalling the Resolutions of Nov. 4 and Nov. 9, 1956;

"Noting that the Secretary-General has been requested to report to the General Assembly on compliance with those Resolutions;

"Having received information that the Soviet Army of Occupation in Hungary is forcibly deporting Hungarian men, women and children from their homes to places outside Hungary;

"Recalling the principles of the U.N. Charter and . . . the obligations assumed by all Member-States under the Charter; the principles of the Convention on the Prevention and Punishment of the Crime of Genocide, to which Hungary and the Soviet Union are parties; and the Treaty of Peace with Hungary;

"(1) Considers that this information adds urgency to the necessity of prompt compliance with the General Assembly's Resolutions of Nov. 4 and Nov. 9 calling for the prompt withdrawal of Soviet forces from Hungary and for the despatch of observers to Hungary by the Secretary-General;

"(2) Urges the Soviet Government and Hungarian authorities to take immediate steps to cease the deportation of Hungarian citizens, and to return promptly to their homes those who have been deported;

"(3) Requests the Secretary-General to keep the General Assembly informed as to compliance with this and the above-mentioned Resolutions, so that the Assembly may be in a position to consider such further action as it may deem necessary."

[In its original wording the resolution had charged the Soviet Union with the crime of genocide, but the wording was modified after a number of delegations, including that of the U.S.A., had drawn attention to the fact that their governments had not ratified the U.N. Convention on Genocide.]

The resolution, as stated above, was adopted by 55 votes to 10, with 14 abstentions. The 10 opposing votes were those of the Communist bloc and Yugoslavia, while the 14 countries abstaining were Afghanistan, Egypt, Finland, India, Indonesia, Jordan, Lebanon, Libya, Morocco, Saudi Arabia, Sudan, Syria, Tunisia, and Yemen—i.e. all from the Afro-Asian group with the exception of Finland.

Resolution on Admission of U.N. Observers.

The Ceylonese-Indian-Indonesian resolution was worded as follows:

"The General Assembly,

"Noting that certain Member-States have affirmed that Hungarian nationals have been forcibly deported from their country;

"Noting that certain other Member-States [i.e. the U.S.S.R. and other Communist countries] have categorically affirmed that no such deportations have taken place;

"Recalling its Resolution of Nov. 4, 1956, in which the Hungarian Government is asked to permit observers designated by the Secretary-General to enter Hungary, to travel freely therein, and to report their findings to the Secretary-General;

"Noting that the Secretary-General is pursuing his efforts in this behalf with the Hungarian Government;

"Further noting that the Secretary-General has urged Hungary, as a member of the United Nations, to co-operate in the clarification of the situation;

"(1) Urges Hungary to accede to the request made by the Secretary-General without prejudice to its sovereignty; and

"(2) Requests the Secretary-General to report to the General Assembly without delay."

The resolution was adopted by 57 votes to eight (Albania, Bulgaria, Byelorussia, Czechoslovakia, Hungary, Rumania, Ukraine, and the U.S.S.R.), with 14 abstentions—Chile, Nationalist China, Cuba, Dominican Republic, Egypt, Ethiopia, Jordan, Panama, Paraguay, Poland, Saudi Arabia, Syria, Yemen, and Yugoslavia.

Resolution on Aid to Hungarian Refugees.

The resolution submitted by Argentina, Belgium, Denmark, and the U.S.A. was worded as follows:

"The General Assembly,

"Considering that the flow of refugees from Hungary continues at a high rate;

"Recognizing the urgent need of these tens of thousands of refugees for care and resettlement;

"(1) Notes with appreciation the action taken by the Secretary-General to determine and help meet the needs of the Hungarian refugees, and by the Office of the U.N. High Commissioner for Refugees to assist the refugees and to bring about co-ordinated action on their behalf by Governments and inter-governmental organizations;

"(2) Requests the Secretary-General and the U.N. High Commissioner for Refugees to continue these efforts;

"(3) Urges Governments and non-governmental organizations to make contributions . . . for the care and resettlement of Hungarian refugees, and to co-ordinate their aid programmes in consultation with the U.N. High Commissioner;

"(4) Requests the Secretary-General and the High Commissioner to make an immediate appeal to both Governments and non-governmental agencies to meet the minimum present needs [for refugees], and authorizes them to make subsequent appeals on the basis of plans and estimates made by the High Commissioner."

The resolution was adopted by 69 votes to two (Hungary and Rumania), with eight abstentions—Albania, Bulgaria, Byelorussia, Czechoslovakia, Poland, Sudan, Ukraine, and the U.S.S.R.

The resolutions were adopted after an embittered three-day debate in which a large number of delegates took part.

Dr. Nuñez-Portuondo (Cuba), in presenting his country's resolution, accused the Soviet occupation forces of having turned Hungary into "one vast cemetery" by mass executions and deportations. A "foreign army of more than 200,000 soldiers and 5,000 tanks" had invaded a helpless nation and had slaughtered more than 65,000 men, women and children, besides deporting large numbers of others who were "guilty only of wishing to be free." The mass executions and deportations amounted to genocide, a crime which, he alleged, the U.S.S.R. had already perpetrated in Estonia, Latvia, and Lithuania. After declaring that only the U.N. could put an end to the "butchery" in Hungary, the Cuban delegate declared: "We cannot tolerate that there should be two classes of States in the United Nations—those which comply with U.N. resolutions and those which do not."

M. Shepilov (Foreign Minister of the U.S.S.R.) categorically denied that any civilians had been deported from Hungary, describing the allegation as a "myth" and the Cuban resolution as possessing "the foetid odour of a provocation." After accusing Dr. Nuñez-Portuondo of "dragging out on the floor of the Assembly a reeking canard from the dump of refuted fabrications," and denying that the Soviet Army had killed Hungarian civilians, he declared that the Soviet armed forces had entered Hungary "at the request of the Hungarian Government" and had saved the Hungarian people from "the spectre of the Fascist beast" and "the re-establishment of Horthyist-Fascism in the centre of Europe." In a bitter attack on the United States, he accused U.S. "ruling circles" and intelligence agencies of seeking to overthrow the "legal governments" in Hungary and in the other "people's democracies."

Mr. Cabot Lodge (U.S.A.) refuted M. Shepilov's allegations against the United States, declaring that the difference between the U.S. and Soviet attitudes toward the peoples of the "satellite" countries was that "the U.S.A. seeks to fill their stomachs with food and the Soviets seek to fill their stomachs with lead." He emphasized that the U.S.S.R., while denying that any outrages had occurred in Hungary, had nevertheless refused to allow U.N. observers to enter the country and find out the truth. After stressing that the Hungarian revolution was not the work of "Fascists" but "a genuine movement of workers, farmers, students, and young people," Mr. Lodge said that the U.S. Government had factual evidence that at least 16,000 people had been deported from Budapest alone up to Nov. 14. He added: "Our reports indicate that this movement is continuing. We have had confirmation of a trainload of young Hungarians in sealed freight cars moving toward the Soviet border through Cluj, Predeal, and Ploesti, in Rumania . . . It is inevitable that many of the men in these boxcars will die from cold and exposure—just as the unfortunate victims of the Nazi concentration camps died in the trainloads of boxcars which I saw with my own eyes around the horrible Nazi camp at Dachau in 1945. This is all information available to the U.S. Government. None of it is drawn from press reports . . ."

Dr. Hammarskjöld's Report to General Assembly. - Soviet and Hungarian Non-Compliance with U.N. Resolutions. - U.N. Observers refused Entry to Hungary.

The U.N. Secretary-General (Dr. Hammarskjöld) presented a report to the General Assembly on Nov. 30 stating (1) that he had sent letters to the Soviet and Hungarian representatives at the U.N. drawing their attention to the U.N. resolutions on "the withdrawal of troops from Hungarian territory and related questions, including deportations, investigation of the situation caused by foreign intervention in Hungary, and humanitarian assistance, including assistance to refugees"; (2) that "no information is available to the Secretary-General concerning steps taken to establish compliance with the decisions of the General Assembly which refer to the withdrawal of troops and related matters"; and (3) that, in spite of his efforts, the Hungarian Government had so far not given permission for the entry of U.N. observers.

After revealing that he had offered to go personally to Budapest for discussions with the Hungarian Government, Dr. Hammarskjöld added: "The Secretary-General has been informed that this question is under consideration by the [Hungarian] Government. It is his hope that the reaction will be positive and that he will be invited to Budapest. If an invitation is received, it would be his intention so to organize the visit as to cover not only the humanitarian activities, to which his offer originally referred, but also the position taken by the Government of Hungary regarding the resolutions of the United Nations."

With regard to the three-man committee set up by him to "investigate the situation caused by foreign intervention in Hungary" (see page 15224, first column), Dr. Hammarskjöld stated: "This group has been examining material presently available to the Secretariat. The Secretary-General has been informed, however, that this material does not provide a sufficient basis for a report to him at the present stage, and that the group, moreover, deems it essential that its work should be supplemented by and co-ordinated with such findings as might result from the process of direct observation in Hungary. Since arrangements have not been concluded for effecting observation in Hungary, the stage has not yet been reached where it is possible to present a comprehensive report. Meanwhile, the investigating group is continuing to examine available material with reference to certain broad issues."

Further U.N. Resolution. - Demand for Soviet Compliance with Earlier Resolutions. - New Call for Entry of U.N. Observers to Hungary.

The Assembly met again on Dec. 3 to consider the situation created by the Soviet Government's continued non-compliance with the U.N. resolutions calling for the withdrawal of Soviet troops from Hungary, and the Kadar Government's continued refusal to permit the entry of U.N. observers. By 54 votes to 10 with 14 abstentions, it adopted a 14-nation resolution on Dec. 4 calling upon the Soviet Government and "the Hungarian authorities" to comply with the earlier U.N. resolutions and, for the first time, setting a time-limit for a reply. The resolution was worded as follows:

"The General Assembly,

"Recalling its Resolutions of Nov. 4, Nov. 9, and Nov. 21 relating to the tragic events in Hungary;

"Having received and noted the report of the Secretary-General that U.N. observers have not been permitted to enter Hungary;

"Noting with deep concern that the U.S.S.R. has failed to comply with the U.N. Resolutions calling upon it to desist from intervention in the internal affairs of Hungary, to cease its deportations of Hungarian citizens, to return promptly to their homes those it has already deported, to withdraw its armed forces from Hungary, and to cease its repression of the Hungarian people;

"(1) Reiterates its call to the U.S.S.R. and the Hungarian authorities to comply with the above Resolutions and to permit U.N. observers to enter Hungary, to travel freely therein, and to report their findings to the Secretary-General;

"(2) Requests the U.S.S.R. and the Hungarian authorities to communicate to the Secretary-General not later than Dec. 7, 1956, their consent to receive U.N. observers;

"(3) Recommends that in the meantime the Secretary-General arrange for the immediate despatch to Hungary, and other countries as appropriate [i.e. countries bordering Hungary], of observers named by him;

"(4) Requests all member-Governments to co-operate with the representatives named by the Secretary-General by extending such assistance and providing such facilities as may be necessary for the effective discharge of their responsibilities."

The countries sponsoring the resolution were the U.S.A., Argentina, Australia, Belgium, Cuba, Denmark, El Salvador, the Irish Republic, Italy, the Netherlands, Norway, Pakistan, Siam, and Sweden. The ten opposing votes were cast by Albania, Bulgaria, Byelorussia, Czechoslovakia, Hungary, Poland, Rumania, Ukraine, the U.S.S.R., and Yugoslavia (i.e. the Communist countries), while the 14 abstentions were Afghanistan, Burma, Ceylon, Egypt, Finland, India, Indonesia, Jordan, Morocco, Saudi Arabia, Sudan, Syria, Tunisia, and Yemen (i.e. all from the Afro-Asian group except for Finland). During the debate many delegates contrasted the respect which Britain and France had shown for the U.N., by their decision to withdraw from Egypt, with the Soviet Union's continued defiance of the U.N. in refusing to withdraw its troops from Hungary.

Mr. Krishna Menon (India), explaining his country's abstention on the 14-nation resolution, declared that India was of the opinion that both the Soviet and the Hungarian Governments had disregarded U.N. resolutions. Moreover, India did not subscribe to the view that the Hungarian question fell exclusively within domestic jurisdiction, and she had made it clear that the Hungarian people had the right to live under institutions of their own choosing and that all foreign forces should be withdrawn from Hungary, as from other countries. India objected, however, to that clause in the resolution calling upon Hungary and neighbouring countries to admit observers, which, in her opinion, constituted an "ultimatum" and an infringement upon national sovereignty. The practice of sending observers to neighbouring countries would, if adopted, "result in a situation in which no nation's sovereignty is respected; in the event of a country being neutral, it would be a great embarrassment for them on the one hand to refuse entry to observers, and on the other hand it would be an equally great embarrassment to admit them." Mr. Menon reiterated, however, that India's sympathies were with the Hungarian national movement, and that she regarded the Soviet Union's non-compliance with U.N. resolutions as "deplorable."

M. Imre Horvath (Hungary) reiterated the Kadar Government's position that the events in Hungary were an "exclusively internal matter . . . and do not fall within the competence of any international organization, including the United Nations." For this reason the Hungarian Government could not allow U.N. observers to enter the country, since this would be "a violation of Hungarian sovereignty."

On Dec. 3 the Kadar Government had informed Dr. Hammarskjöld by telegram that, although it could not permit U.N. observers to enter Hungary, the Secretary-General himself would be welcome in Budapest "at a later date appropriate to all parties." After discussions with M. Horvath, Dr. Hammarskjöld informed the General Assembly on Dec. 4 that it had been agreed that he (Dr. Hammarskjöld) should arrive in Budapest on Dec. 16 for a three-day visit. On Dec. 5, however, Budapest Radio announced that the date mentioned by Dr. Hammarskjöld for his arrival in Budapest (Dec. 16) was "not suitable" and that the Secretary-General's visit would therefore "not take place." No alternative date was mentioned in the broadcast.

Mr. Cabot Lodge (U.S. representative at the U.N.) described the Budapest broadcast as "an affront to the Secretary-General and to the whole civilized world, particularly after the attempt to hornswoggle us last night." ["Hornswoggle" is an Americanism for "pulling wool over the eyes"—i.e. the Kadar Government's brusque withdrawal of the invitation to Dr. Hammarskjöld after it had agreed on the previous day that the Secretary-General should arrive in Budapest on Dec. 16.]

General Assembly's Condemnation of Soviet Union for Violation of U.N. Charter. - Hungarian Walk-out from General Assembly.

Dr. Hammarskjöld presented a second report to the Assembly on Dec. 7 (i.e. at the expiration of the time-limit set for compliance with the resolution of Dec. 4) stating (1) that he had asked the delegates of Austria, Czechoslovakia, Rumania, and Yugoslavia whether their Governments would permit the entry of U.N. observers as requested in that resolution; (2) that only Austria had expressed its willingness to permit observers; and (3) that, as the other three countries had not replied, he had been unable "to arrange for the despatch of any observers to the region."

As the time-limit set in the resolution of Dec. 4 had expired without any response by the Soviet Government or the Kadar regime to the U.N. requests, a further resolution was introduced on Dec. 9 by 20 countries condemning the U.S.S.R. for violation of the U.N. Charter, and denouncing it for having deprived the Hungarian people of their liberty and independence by armed force. The resolution—the most strongly-worded on the Hungarian question to date—was as follows:

"The General Assembly,

"Deeply concerned over the tragic events in Hungary;

"Recalling those provisions of the Resolutions of Nov. 4, Nov. 9, Nov. 21, and Dec. 4, 1956, calling upon the U.S.S.R. to desist from its intervention in the internal affairs of Hungary, to withdraw its forces from Hungary, and to cease its repression of the Hungarian people;

"Recalling also those provisions of the Resolutions of Nov. 4 and Nov. 21 calling for permission for U.N. observers to enter Hungary, to travel freely therein, and to report their findings to the Secretary-General;

"Having received the Secretary's report of Nov. 30 stating that 'no information is available to the Secretary-General concerning steps taken to establish compliance with the decisions of the General Assembly which refer to a withdrawal of troops or related political matters,' and his report of Dec. 7;

"Noting with grave concern that there has not been a reply to the latest appeal of the General Assembly for the admission of U.N. observers to Hungary as contained in its Resolution of Dec. 4;

"Considering that recent events have clearly demonstrated the will of the Hungarian people to recover their liberty and independence;

"Noting the overwhelming demand of the Hungarian people for the cessation of intervention by foreign armed forces and the withdrawal of foreign troops;

"(1) Declares that, by using armed force against the Hungarian people, the U.S.S.R. is violating the political independence of Hungary,

"(2) Condemns the violation of the Charter by the U.S.S.R. in depriving Hungary of its liberty and independence and the Hungarian people of the exercise of their fundamental rights;

"(3) Reiterates its call to the U.S.S.R. to desist forthwith from any form of intervention in the internal affairs of Hungary,

"(4) Calls upon the U.S.S.R. to make immediate arrangements for the withdrawal, under U.N. observation, of its armed forces from Hungary, and to permit the re-establishment of the political independence of Hungary; and

"(5) Requests the Secretary-General to take any initiative that he deems helpful in relation to the Hungarian problem, in conformity with the principles of the Charter and the U.N. Resolutions."

The resolution was sponsored by 20 countries, including the U.S.A., all the other sponsors of the resolution of Dec. 4 except Cuba (which refused to co-sponsor the new resolution because it was "not strong enough"), and several other countries, including Spain, Turkey, Chile, Peru, and the Philippines. After a further three-day debate, it was adopted on Dec. 12 by 55 votes to eight, with 13 abstentions and three countries absent. The opposing votes were cast by Albania, Bulgaria, Byelorussia, Czechoslovakia, Poland, Rumania, Ukraine, and the U.S.S.R. (i.e. the Communist bloc), while the abstentions were Afghanistan, Cambodia, Egypt, Finland, India, Indonesia, Jordan, Morocco, Saudi Arabia, Sudan, Syria, Yemen, and Yugoslavia. The absentees were Haiti, Hungary, and South Africa, the Hungarian delegation having walked out of the General Assembly as stated below.

It was commented in the Press that a number of countries of the Afro-Asian group, including two Arab countries (Iraq and Lebanon), had voted for condemnation of the Soviet Union. Apart from the two Arab countries mentioned, they included Burma, Ceylon, Laos, Liberia, Nepal, Pakistan, Persia, Siam, and Tunisia.

The debate was marked by bitter exchanges between Mr. Cabot Lodge (U.S.A.) and M. Kuznetsov (U.S.S.R.), and by a suggestion from the Irish delegate (Mr. Boland) that the Assembly should eject the Hungarian delegation—which he described as "these impostors"—or, if that were not possible for procedural reasons, that it should "at least refuse to listen to them." Mr. Krishna Menon (India), though abstaining from voting, reiterated that Soviet troops should be withdrawn from Hungary and that the Hungarian people should be free to choose their own form of government.

The Hungarian delegation walked out of the General Assembly on Dec. 11 after M. Horvath had protested against the Assembly's "series of attempts to interfere in Hungary's domestic affairs." After declaring that the Hungarian delegation had been "rudely and disgracefully offended . . . in a manner incompatible with the national honour of the Hungarian people," he announced that it would take no further part in the current session of the Assembly "so long as the discussion of the Hungarian question does not proceed in the spirit of the U.N. Charter."

Mr. Cabot Lodge said that "all else having failed, the Assembly now comes to a solemn climax." Since Nov. 4, when the first U.N. resolution had been adopted, the Soviet Government and "their Hungarian agents" had persistently ignored the reiterated U.N. demands for the withdrawal of Soviet troops from Hungary, the entry of U.N. observers, and free elections—"an unparalleled example of the flouting by a single State of the wishes of the overwhelming majority of the rest of the world." Moreover, this "continuing and complete obstruction by the Soviet Union" had been accompanied by "a complete wall of silence" with regard to Dr. Hammarskjöld's proposed visit to Budapest. After declaring that Hungary had suffered at the hands of Russia precisely what many small nations had suffered at the hands of Hitler, Mr. Lodge declared: "There is no essential difference between what is being done by the Soviet Union today and what was done by Nazi Germany in its day."

M. Kuznetsov repeated the arguments made in the earlier debate by M. Shepilov, and described the resolution as "a gross interference in the domestic affairs of Hungary." In the course of a violent attack on the United States he described Radio Free Europe [the private radio station in Western Germany which is supported by contributions from donors in the U.S.A.] as a principal centre of "counter-revolutionary espionage."

Dr. Hammarskjöld's Proposal for U.N. Committee to collect Evidence on Soviet Intervention in Hungary. - Fact-Finding Committee established by General Assembly. - Soviet Attack on Dr. Hammarskjöld.

In view of the continued refusal of the Kadar Government to admit U.N. observers or to co-operate in implementing the U.N. resolutions, it was announced on Dec. 27 that the three-man investigating committee previously appointed by Dr. Hammarskjold had decided to suspend its operations, with the Secretary-General's agreement. Señor Lleras (the Colombian member of the committee) explained that he and the other two members—Judge Gundersen (Norway) and Mr. Lall (India)—had agreed with Dr. Hammarskjold that it was useless for the committee to continue its work as long as direct observation in Hungary was not permitted.

On Jan. 5, 1957, Dr. Hammarskjold presented a further report to the General Assembly proposing the setting-up of a five-member fact-finding committee with powers to "take testimony, collect evidence, and receive information" on the Soviet military intervention in Hungary. M. Kuznetsov (the Soviet representative at the U.N.) issued a statement on Jan. 9 protesting against the proposed establishment of such a committee, expressing his regret at the "singular procedure" proposed by the Secretary-General, and accusing Dr. Hammarskjöld of acting "not as an international official but as a party in a dispute among members of the United Nations."

By 59 votes to eight, with 10 abstentions and three countries absent, the General Assembly adopted on Jan. 10 a 24-nation resolution—introduced by the Irish delegate (Mr. Boland) and sponsored by the U.S.A., Great Britain, and a number of other countries which had sponsored the earlier resolutions—creating the fact-finding committee proposed by Dr. Hammarskjöld and worded as follows:

"The General Assembly,

"Recalling its previous resolutions on the Hungarian problem;

"Reaffirming the objectives contained therein and the continuing concern of the United Nations in this matter;

"Having received the report of the Secretary-General of Jan. 5, 1957;

"Desiring to ensure that the General Assembly and all members of the U.N. shall be in possession of the fullest and best available information regarding the situation created by the intervention of the U.S.S.R., through its use of armed force and other means, in the internal affairs of Hungary;

"(1) Establishes for the above-mentioned purpose a special committee, composed of representatives of Australia, Ceylon, Denmark, Tunisia, and Uruguay, to investigate and to establish and maintain direct observation in Hungary and elsewhere, taking testimony, collecting evidence and receiving information as appropriate, in order to report its findings to the General Assembly at its present session, and thereafter from time to time to prepare additional reports for the information of members of the United Nations and of the General Assembly if it is in session;

"(2) Calls upon the U.S.S.R. and Hungary to co-operate in every way with the Committee and, in particular, to permit the Committee and its staff to enter the territory of Hungary and to travel freely therein;

"(3) Requests all member-States to assist the Committee in its task by making available to it relevant information, including testimony and evidence, which members may possess, and assisting it in securing such information;

"(4) Invites the Secretary-General to render the Committee all appropriate assistance and facilities;

"(5) Calls upon all member-States promptly to give effect to the present and previous resolutions of the General Assembly on the Hungarian problem; and

"(6) Reaffirms its request that the Secretary-General continue to take any initiative that he deems helpful in relation to the Hungarian problem, in conformity with the principles of the Charter and the resolutions of the General Assembly."

The eight opposing votes were cast by Albania, Bulgaria, Byelorussia, Czechoslovakia, Poland, Rumania, Ukraine, and the U.S.S.R., while the ten abstaining countries were Afghanistan, Cuba, Egypt, Finland, India, Jordan, Saudi Arabia, Sudan, Syria, and Yugoslavia. [Cuba abstained from voting on the ground that the resolution was tantamount to "burying the Hungarian question and relegating it to the archives."] The three absent delegations were those of Hungary, South Africa, and Yemen.

The Kadar Government sent a memorandum to the U.N. on Jan. 11 protesting against the creation of the fact-finding committee and declaring that "no committee of any kind" had the right to conduct an investigation into Hungary's "internal affairs."

Fact-Finding Committee takes Evidence from Miss Anna Kethly, General Kiraly, and M. Kovago.

The Fact-Finding Committee, under the chairmanship of its Danish member (Hr. Alsing Andersen), met at U.N. Headquarters on Jan. 28-29 to hear evidence submitted by three prominent Hungarian exiles: Miss Anna Kethly (67), the veteran Hungarian Socialist leader, and Minister of State in M. Imre Nagy's Government before its overthrow by Soviet military intervention; Major-General Bela Kiraly, C.-in-C. of the Hungarian Army at the time of the uprising; and M. Jozsef Kovago, Lord Mayor of Budapest at the time of the uprising.

Miss Anna Kethly contrasted the Soviet Government's "clamour for freedom for African colonies" with the fact that for the past 11 years it had itself subjected Hungary to "colonial exploitation" and military occupation which had left the country "morally and economically bankrupt." She described how the U.S.S.R. had exploited Hungary in the 11 years since the war by instituting forced labour, reducing wages, forcing farmers to give up their land, "bleeding the country of its economic resources," and appropriating Hungarian industry as its own "booty"—e.g. by securing control of Hungary's bauxite deposits, uranium mines, and oil fields through so-called "joint" Soviet-Hungarian enterprises. The Communist regime in Hungary had been based on an elaborate system of terror, conducted by the secret police (the AVO) through brutal murder and torture. This "terror apparatus of 200,000" had "fulfilled its norm to such an extent that there is hardly a family in Hungary which has not suffered directly or indirectly from the AVO's ruthlessness."

It was against this background that on Oct. 23, 1956, a student demonstration had turned into an open revolt in which the entire country and all sections of the people had joined the national freedom movement and demanded the immediate withdrawal of Soviet forces and free elections. After stressing that the coalition Government formed by M. Imre Nagy was based on the social reforms and revolutionary achievements of the immediate post-war period 1945-47, Miss Kethly declared: "It is not true that the [Nagy] Government wished to restore the pre-war social order. Its aim was to replace the dictatorship by a democracy, to terminate Hungary's dependent colonial status, and to bring her into the ranks of the sovereign, peace-loving countries in accordance with international law, the U.N. Charter, and the [Hungarian] Peace Treaty." The Soviet armed forces, however, had prevented the realization of these aims by invading the country, overthrowing the Government, abducting M. Nagy himself, and establishing a puppet regime.

After protesting at the presence of the Kadar "puppet" delegation at the U.N., and asking that she, as the only representative of the legal Hungarian Government on free soil, should be recognized as Hungary's delegate at the U.N., Miss Kethly specifically requested: (1) that free elections should be held in Hungary under U.N. supervision; (2) that a United Nations Force should be sent to Hungary as it had been sent to Egypt; (3) that the position of M. Nagy should be discussed by the U.N. [M. Nagy, who had taken refuge in the Yugoslav Legation, had been abducted by the Russians after leaving the Legation and was said to have been sent to Rumania]; (4) that Dr. Hammarskjöld should be permitted to visit Hungary; (5) that the U.N. should press for the withdrawal of Soviet armed forces from Hungary; (6) that the U.S.S.R. should pay reparations for the damage caused by its military intervention.

General Kiraly reviewed in detail the developments during and after the rising, and presented maps and diagrams showing the location of the numerous airfields built by the Russians in Hungary during the past eight years. He stressed that the "feverish modernization of airfields and the rapid construction of new military airfields" indicated that the Russians intended to use Hungarian territory as "a military air base against the West." In the course of his statement General Kiraly told the Committee that "if a more resolute stand had been taken [by the U.N.] and more effective moral support given, the Hungarian revolution could have been victorious and the Hungarian people could have retained the freedom which they momentarily gained." He reiterated that M. Nagy's Government was the only legal Government of Hungary, and urged that Miss Kethly should replace the present Hungarian delegation at the United Nations.

M. Kovago laid special emphasis on the "bitter disappointment" of the Hungarian people that the United Nations had done "so much in Suez and so little in Hungary." During the Hungarian revolution it had been "heart-breaking to watch a heroic nation fight on with the unflinching determination of the condemned, almost to national suicide," while anxiously awaiting help from the United Nations which never came.

The Kadar Government sent an 11-page memorandum to the U.N. on Feb. 6 complaining that the Fact-finding Committee had received a "distorted view" of the Hungarian situation from those who had given evidence, and protesting at the "slanderous" statements made during the hearing. The U.S. delegation asked why, if the Kadar regime had complained that "only one side of the case was being presented," it had barred U.N. observers from entering Hungary.
(U.N. Information Centre, London - New York Times - New York Herald Tribune - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Hungary, 15221 A.)**

A. UNITED KINGDOM. — Warwick and Bristol By-elections. - Seats retained by Conservatives.

Polling took place on March 7 at Warwick and Leamington, in the by-election caused by the resignation of Sir Anthony Eden (see 15301 A), and at Bristol West, where the by-election was caused by the conferment of a peerage on Sir Walter Monckton (now Viscount Monckton of Brenchley), the former Paymaster-General (see 15313 A.) Both seats were held by the Conservative Party with reduced majorities, the results being as follows:

Warwick and Leamington.

Hobson, John (Conservative)	24,948
Wilson, William (Labour)	22,791
No change. Conservative majority	2,157

Figures at the general election were: Sir Anthony Eden (C.) 29,979, W. Wilson (Lab.) 16,513 - Conservative majority, 13,466. Sir Anthony Eden had represented the constituency for 33 years.

Of the votes cast in the by-election, the Conservative candidate received 52.3 per cent and the Labour candidate 47.7 per cent, whereas at the general election Sir Anthony Eden had received 64.5 per cent of the votes and his Labour opponent 35.5 per cent. The Conservative proportion of the poll thus dropped by 12.2 per cent and the Labour proportion rose correspondingly. Of the total electorate of 61,315 (an increase of 2,286 since the general election), 77.8 per cent went to the poll, compared with 78.8 per cent at the general election.

Bristol West.

Cooke, Robert G. (Conservative)	24,585
Rodgers, W. T. (Labour)	10,423
No change. Conservative majority	14,162

Figures at the general election were: Sir Walter Monckton (C.) 32,767, W. H. Johnson (Lab.) 10,766 Conservative majority, 22,001.

Of the votes cast in the by-election, the Conservative candidate received 70.2 per cent and the Labour candidate 29.8 per cent, compared with respective percentages of 75.3 and 24.7 at the general election. The Conservative proportion of the poll thus dropped by 5.1 per cent and the Labour proportion rose correspondingly. Of the total electorate of 57,304 (a decrease of 1,055 since the general election), 61.1 per cent went to the poll, compared with 74.6 per cent at the general election.

Mr. John Hobson (44), the new Member for Warwick and Leamington, is a barrister, and chairman of Rutland Quarter Sessions. Mr. Robert Cooke (26), the new Member for Bristol West, is a schoolmaster, and a member of Bristol City Council. The youngest member of the present House of Commons, he had unsuccessfully contested Bristol South-East at the general election.—(Times - Daily Telegraph) **(Prev. rep. 15404 B.)**

B. SWEDEN - SOVIET UNION. — The Wallenberg Case. - Swedish Reply to Soviet Note.

It was announced in Stockholm on Feb. 20 that the Swedish Government had replied to the Soviet memorandum of Feb. 6 in which the Soviet Government had admitted the death of Hr. Raoul Wallenberg, the Swedish diplomat, in a Moscow prison, but had put the blame for Wallenberg's fate on the late M. Abakumov, the Soviet Minister for State Security, who was executed in 1954.

The Swedish Note, after referring to the "public indignation" in Sweden at the Soviet Government's statement, maintained that, contrary to Soviet assertions, the Soviet Government could not have been ignorant of the imprisonment of the Swedish diplomat. "Through its excuses in this matter," the Note said, "the Soviet Government has also admitted its responsibility. If the Soviet security service was able to act in such an autocratic manner as to make a diplomat from a neutral country a prisoner and to keep him in prison for 2½ years without reporting the case to the Soviet Government or to the Foreign Ministry, this fact is not in itself a circumstance for which the Soviet Government can claim disresponsibility. To this is added the fact that while Wallenberg was confined in a Moscow prison, the Soviet Government cannot, considering the numerous Swedish appeals, have been unable to obtain reliable information in the matter if they had really undertaken the thorough investigations which they have repeatedly assured the Swedish Government that they had made." The Note stressed that on the day before Wallenberg's death the Swedish Ambassador in Moscow had once again reminded the Soviet Government of the Wallenberg case, and that the Soviet Government had previously been "reminded of this matter some 20 times."

The Note concluded by saying that the Swedish Government found it "difficult to believe" that all further documentation concerning Wallenberg, except the doctor's report of his death, should have been "completely obliterated." It called upon the Soviet Government to provide more information and to make further investigations.—(Svenska Dagbladet, Stockholm) **(Prev. rep. 15380 D.)**

A. UNITED KINGDOM. — Reorganization of Local Government Finance. - The Rating and Valuation Bill.

Mr. Henry Brooke, the Minister of Housing and Local Government, announced in the House of Commons on Feb. 12 that, after lengthy discussions with representatives of local authorities, the Government had decided to introduce legislation to provide for a major recasting of the financial relationship between the Exchequer and local government. The proposed changes, which formed part of the Government's general plans for a strengthening of the local government system, and would apply to Scotland as well as to England and Wales, would include (1) the raising of the rates payable by industry and freight-transport from 25 per cent of the net rateable value (as at present) to 50 per cent; (2) the replacement of grants to local authorities by a general grant of a fixed amount (i.e. fixed for a short term of years) to be spent by them at their discretion.

Mr. Brooke spoke as follows:

"The Government's proposals for the reorganization of local government in England and Wales . . . are designed to strengthen the local government system. In doing this it is essential to improve the financial relationship between the Central government and local authorities. The ratio between Exchequer grants to local authorities and their revenue from local rates, which 30 years ago was 1 to 2, is now 6 to 5. Not only has this shift reduced the financial independence of local authorities and their degree of direct responsibility to their own ratepayers; in addition, much of this Exchequer aid is on a percentage basis towards the expenditure incurred on specific services. Percentage grants, whatever their merits, carry two disadvantages. First, there may be a danger of an excessive degree of detailed central supervision over the spending of money. Secondly, there is no certainty from year to year what the Exchequer may be called upon to contribute.

"I am sure that the greater the independence of local authorities in the raising and spending of their money, the better for the good health of local government. The Government, after a thorough investigation do not think it practicable to devise a satisfactory new source of local revenue. Nor do they believe it right to earmark for the direct benfit of local authorities any tax that is now levied nationally. Rates are in this country a well-established instrument of local taxation. There are still some difficulties to be overcome in the rate system, but it provides a sound basis for local finance, and no better system of local taxation has been propounded.

"In 1929, when unemployment was widespread, it was decided in the light of economic conditions as they then were to de-rate industry and freight-transport from 100 per cent to 25 per cent of net annual value. Against the radically different economic background of the present day the Government have thoroughly re-examined this matter, taking into account all the arguments in both directions, and have decided that it is now right to raise the rate contribution of industry and freight-transport from 25 per cent to 50 per cent. In addition, further changes will be made in the sytsem of pool payments to local authorities by the nationalized industries, including the direct rating of electricity properties and the separate assessment of electricity and gas show-rooms used as shops, so that all payments now included in the pool are taken into account as rates. In Scotland the necessity for changes on these lines will not arise during the period up to 1961, for which the existing valuations are frozen.

"At the same time the Government intend a major recasting of the financial relationship between the Exchequer and local authorities. This will entail a radical revision of the structure of Exchequer grants, as well as some reductions of the grants to take account of the new rate income. With a few exceptions, where technical considerations make it not possible or desirable, specific grants will be replaced by a general grant of an amount fixed in advance for a short period of years, though not necessarily at the same level for each year of the period. This general grant will be distributed to all County and County Borough Councils in England and Wales, and to County and Town Councils in Scotland, by reference to objective factors (mainly of weighted population) which are readily ascertainable and afford a fair and reasonable measure of the relative needs of each authority.

"With this change, local authorities will acquire a great increase of responsibility in determining the money to be spent on the various services, in accordance with local needs. Local government will become more truly local. Our aim is to foster and stimulate a vigorous and independent local government, and to give members of councils a greater incentive to take a lively interest in their local expenditure by placing much more of it under their own control. Under the proposals the Government have in mind, the amount of general grant-in-aid, not tied in any way to individual services, will, at present levels of expenditure, rise from less than one-sixth to close on two-thirds of the total Exchequer grants to local authorities.

"It is also proposed to revise the system of Equalization grants, on the basis of recommendations made in 1953, including the payment of grants direct to county district councils. In Scotland the arrangements for Equalization grants were amended by the Act of 1954 and also by last year's Act, which provides that a further review must be held before 1963."

Mr. Brooke added that the Government also proposed to revise the existing system of Highway grants—it being intended, so far as practicable, to bring all the changes into operation on the same day, though some transitional grants would naturally be needed for a period afterwards. The proposals would be discussed with local authority representatives and other organizations affected, after which legislation would be introduced "as soon as practicable."

An explanatory memorandum published by the Ministry of Housing and Local Government gave the following breakdown of the sources of local authorities' current revenue: Exchequer grants, £581,000,000; rates, £490,000,000; rents, fees, and other charges, £436,000,000.

Of the Exchequer grants, £73,000,000 was distributed to the poorer areas by way of equalization grants, with the remaining £508,000,000 made available to local authorities in aid of specific services (mostly in the form of a percentage of actual expenditure). The rateable value of industrial and freight transport hereditaments totalled at present about £41,000,000, of which £36,000,000 obtained the benefit of de-rating. There had, however, already been a large increase in industrial rates as a result of the recent revaluation of the various classes of ratepayers; in this revaluation industry had suffered much the largest increase, and its share of the burden had risen by nearly 50 per cent of the pre-1956 amount.

Specific grants which it was intended to absorb into the general grant [the memorandum continued] included the main Education grant, and the grants for child care, the fire services, and local authority health services. The total to be distributed by way of general grant, with no "strings" attached, would amount to about £280,000,000 (plus the £73,000,000 Equalization grant). Since it would be difficult to distribute the Highways grant fairly by reference to a population formula, it was not intended to absorb this into the general grant, but the basis of distribution would be reviewed. The general grant would be fixed for a certain period—probably two years in the first instance, and perhaps three years thereafter. It would not, however, necessarily be at the same level in each year of the period, and allowance would be made for rising expenditure where this was probable.

In conclusion, the memorandum stated that the Exchequer equalization grant would be retained but the system would be revised on the basis of recommendations made in 1953, which included payment of part of the grants direct to District Councils, instead of, as at present, all to the County Councils.

Mr. Duncan Sandys (then Minister of Housing and Local Government) had announced on Dec. 20, 1956, that the Government proposed to introduce a short Bill to deal with three problems arising from the recent revaluation for rating purposes. These problems were:

(1) The need to adjust the rate contributions from the nationalized gas, electricity, and transport industries to offset the loss of revenue which would otherwise be suffered by local authorities as a result of the revaluation.

(2) The fact that the method of calculating Exchequer equalization grants took no account of the relief from rates given to charitable and educational bodies. In consequence, certain areas—for example Cambridgeshire—where property owned by such bodies (e.g. Cambridge University) formed an appreciable proportion of the total rateable value, had been losing substantial amounts of grant.

(3) The unduly heavy burden placed by the revaluation upon occupiers of shops and other commercial property. It was proposed to deal with this by a reduction of 20 per cent in rateable values according to current valuation lists.

The provisions of the Rating and Valuation Bill, implementing the Government's decision, were published on Dec. 21, as follows:

(1) The rateable value of shops, offices, and certain other commercial premises would be reduced by one-fifth, and that of similar premises used partly as private dwellings by one-seventh.

(2) The amounts payable by the Central Electricity Authority, the British Transport Commission, and the Gas Council would be increased as follows: C.E.A., from £11,250,000 to £18,280,000; B.T.C., from £1,810,000 to £2,600,000; Gas Council, by 70 per cent.

(3) The Exchequer equalization grant to local authorities would be stepped up to take account of the rateable value of charitable and other institutions which received relief from the rates.

The Bill, if enacted in time, will come into operation on April 1, 1957.—(Ministry of Housing and Local Government - Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Rate Equalization, 8996 A.)

B. MOUNTAINEERING. — Nepalese Charges for Future Himalayan Expeditions.

It was announced in Khatmandu on Feb. 25 that all future expeditions to Everest or to the seven other highest peaks in the Himalayas (Lhotse, Makalu, Cho Oyu, Manaslu, Kanchenjunga, Annapurna, and Dhaulagiri) would be required to pay a royalty of 3,000 rupees (£225) to the Nepalese Government before permission was given to ascend any of these mountains. Payments of 2,000 rupees would be required for ascending other peaks above 25,000 feet, and of 1,000 rupees for peaks below 25,000 feet. Compensation for deaths of Nepalese liaison officials and porters attached to expeditions was fixed at 3,000 rupees and 1,600 rupees respectively, payable to the families concerned. (Daily Telegraph - The Statesman, Calcutta)

A. INDIA - UNITED STATES. — Mr. Nehru's Visit to Washington. - Discussions with President Eisenhower. - Visits to Ottawa, London, and Düsseldorf.

Mr. Nehru, the Prime Minister of India, visited the United States from Dec. 16-21, 1956, travelling from London in President Eisenhower's personal plane. During a brief stay in London he had a meeting on Dec. 15 with Sir Anthony Eden (then Prime Minister) at 10, Downing Street.

During Mr. Nehru's stay in Washington (Dec. 16-19), and at a meeting at the President's farm at Gettysburg (Virginia) on Dec. 17, President Eisenhower and Mr. Nehru had private and informal talks on current international affairs. Mr. Nehru also saw Vice-President Nixon, Mr. Dulles, Mr. Stassen (the President's special adviser on disarmament questions), and other members of the U.S. Administration. The following communiqué was issued on Dec. 20:

"Prime Minister Nehru and President Eisenhower had long anticipated a personal meeting to discuss current world problems. In three days in Washington and a day at the President's farm at Gettysburg they were afforded, in a completely informal atmosphere, the opportunity for full and frank talks on a wide range of problems of interest and concern to both countries.

"The talks confirmed the broad area of agreement between India and the United States, which are bound together in strong ties of friendship deriving from their common objectives and their adherence to the highest principles of free democracy. The principles and policies of the Governments of India and the U.S.A. have evolved on the basis of respect for the dignity of man and of the need to improve the welfare of the individual.

"The Prime Minister and the President are convinced that the greater understanding of their respective policies reached at these talks will facilitate the constant efforts of India and the U.S.A. toward the achievement of peaceful and friendly intercourse among nations in accordance with the principles of the United Nations."

In a nation-wide television and radio broadcast on Dec. 18 Mr. Nehru said that he had "greatly profited" by his talks with the President, and dwelt on India's policy of non-alignment in military pacts or alliances.

After referring to President Eisenhower's "humanity and devoted services to the cause of peace," which had "won for him a unique place among statesmen of the world," Mr. Nehru continued:

"Nine years ago we won our independence through a bloodless revolution in conditions of honour and dignity both to ourselves and to the erstwhile rulers of our country . . . Although your revolution in America took place long ago and conditions were different here, you will appreciate the revolutionary spirit which we have inherited and which still governs our activities. Having attained political freedom, we are earnestly desirous of removing many ills that our country suffers from, eliminating poverty, and giving our people full and equal opportunities of growth and advancement.

"India is supposed to be given to contemplation, and the American people have shown by their history that they possess great energy and dynamism. Something of the contemplative spirit still remains in India. But at the same time the New India of today has also developed a certain dynamism and a passionate desire to raise the standards of her people. But with that desire is blended the wish to adhere to moral and spiritual aspects of life. We are now engaged in the gigantic and exciting task of achieving a rapid and large-scale development of our country . . . We completed our First Five-Year Plan eight months ago, and we have now begun on a more ambitious scale our Second Five-Year Plan . . .

"But many other countries in Asia tell the same story, for Asia today is resurgent. These countries, which long lay under foreign yoke, have regained their independence and strive toward new ideals. To them, as to us, independence is as vital as the breath of life, and colonialism in any form is abhorrent.

"The vast strides that technology has made have brought the new age, of which the U.S.A. is the leader. Today the whole world is our neighbour, and old divisions of continents and countries matter less and less. Peace and freedom have become indivisible, and the world cannot continue for long partly free and partly subject. In this atomic age, peace has also become the test of human survival.

"Recently we have witnessed two tragedies which have powerfully affected men and women all over the world—the tragedies of Egypt and Hungary . . . But these tragedies have one hopeful aspect, for they have demonstrated that the most powerful countries cannot revert to old colonial methods or impose their domination over weak countries. World opinion has shown that it can organize itself to resist such outrages. Perhaps, as an outcome of these tragedies, freedom will be enlarged and will have a more assured basis.

"Preservation of peace forms the central aim of India's policy. In pursuit of this policy we have chosen the path of non-alignment in any military pact or alliance. Non-alignment does not mean passivity of mind or action, or lack of faith or conviction. It does not mean submission to evil. It is a positive and dynamic approach to the problems that confront us.

"We believe that each country has not only the right to freedom, but also to decide its own policy and its way of life. Only thus can true freedom flourish and people grow according to their own genius. We believe, therefore, in non-aggression and non-intervention by one country in the affairs of another, in growth of tolerance between them, and in peaceful co-existence . . . We therefore endeavour to maintain friendly relations with all countries even though we may disagree with them in their policies or governmental structure. We think that by this approach we can serve not only our country but also the larger causes of peace and good-fellowship in the world.

"Between the United States and India there existed friendly and cordial relations even before India gained her independence. No Indian can forget that in the days of our struggle for freedom we received from your country a full measure of sympathy and support. Our two Republics share a common faith in democratic institutions and the democratic way of life, and are dedicated to the cause of peace and freedom . . . We wish to learn from you, and we plead for your friendship, co-operation, and sympathy in the great task that we have undertaken in our own country.

"I have had the privilege of long talks with the President, and we have discussed many problems which confront the world. I have greatly profited by these talks. I shall treasure their memory, and they will help me in many ways in my thinking. I sincerely hope that the opportunity may be given us before long to welcome the President in our own country and to demonstrate to him the high respect and esteem in which we hold him . . ."

After addressing the U.N. General Assembly in New York on Dec. 20, Mr. Nehru flew to Ottawa for discussions on Dec. 22-23 with Mr. St. Laurent, the Canadian Prime Minister, and Mr. Lester Pearson, the Minister for External Affairs. No communiqué was issued on these talks.

On Dec. 24 Mr. Nehru arrived back in London and had further talks with Sir Anthony Eden at Chequers before visiting Lord and Lady Mountbatten at their Hampshire home.

In a brief press statement before leaving London on Dec. 27, Mr. Nehru said that the first problem to be solved in the Middle East was the clearance of the Suez Canal, and the second a Suez settlement generally. After that, "broader questions" could be discussed, for which preliminary informal approaches were advisable. In reply to a question he said that he did not envisage himself in the role of mediator, but that India might be "helpful."

Mr. Nehru arrived in Dusseldorf on Dec. 27 and had a 2½-hour talk with Dr. Adenauer at the airport. Before leaving for India, Mr. Nehru said that he and the Federal Chancellor had discussed developments in the Middle East, Central Europe, and elsewhere.

After his return to Delhi on Dec. 28, Mr. Nehru announced that he had invited President Eisenhower to visit India, and that the President had expressed the wish to do so.
(New York Times - New York Herald Tribune - Indian High Commissioner's Office, London - Times - Montreal Star)

B. AVIATION. — Brussels-Paris Helicopter Service.

The first regular helicopter service between Brussels and Paris was inaugurated on March 3 by eight Sikorsky helicopters of the Sabena company (Belgian Airlines). The helicopters took off in formation from the *Allée Verte* (five minutes from from the centre of Brussels) and arrived an hour and 55 minutes later at the new Paris heliport at Issy, near the Place Balard. The machines taking part in the inaugural flight were drawn from the Sabena company's helicopter services linking 12 cities in Belgium, the Netherlands, France, and Germany. [There are at present three heliports in the Netherlands, four in Western Germany, two in Belgium, and two in France—at Lille and Paris.]

The Brussels-Paris helicopter service will operate twice daily in each direction until mid-April. Thereafter there will be five services a day each way, and one on Sundays. The helicopters used can seat 12 passengers in addition to the crew, have a range of slightly over 280 miles, and cruise at about 108 m.p.h., with a maximum speed of about 130 m.p.h. The 200-mile journey between the French and Belgian capitals will take 115 minutes. - (La Nation Belge - Le Monde, Paris)
(Prev. rep. 13180 C.)

C. ETHIOPIA. — Emperor Haile Selassie's Accusations against Egypt. - Charges of fomenting Subversion among Ethiopian Moslems.

In a statement issued on Feb. 15 in Addis Ababa, the Emperor Haile Selassie accused Egypt of fomenting unrest among the Moslem population of Ethiopia with the aim of dismembering the country and incorporating the Moslem areas of south-eastern Ethiopia into a "Greater Somalia" subservient to Egypt. [The Italian territory of Somalia will become independent in 1960, when the U.N. trusteeship ends.] In November 1956 Ethiopia had demanded the recall of the Egyptian military attaché in Addis Ababa (Lieut.-Colonel Hilmy, who has not yet been replaced) after it had been alleged that Colonel Hilmy had sought to recruit Ethiopian Moslems for the Egyptian Army.—(New York Times - Daily Telegraph)
(Prev. rep. 15233 B.)

A. BRITISH COMMONWEALTH. — The Duke of Edinburgh's Commonwealth Tour. - Change in Style and Title of Duke of Edinburgh. - The Duke's Study Conference on Industrial Relations. - Youth Award Scheme.

A 35,000-mile world tour by sea, land, and air was made by the Duke of Edinburgh between Oct. 16, 1956, when he left London, and Feb. 6, 1957, when he arrived at Gibraltar preparatory to joining the Queen for their State visit to Portugal (see 15416 E). In the course of his tour, which was largely of an informal character and in the nature of a "fact-finding" mission, the Duke visited many countries and territories of the Commonwealth and Empire, including a number of remote island dependencies in the Southern Ocean. All the sea voyages were made on board the Royal yacht *Britannia*.

The Commonwealth countries and territories visited by the Duke were: the Seychelles (Oct. 19), Ceylon (Oct. 25-27), Malaya (Oct. 31-Nov. 1), Australian New Guinea, Papua, and New Britain (Nov. 8-13), Australia (Nov. 14-Dec. 10), New Zealand (Dec. 11-17), the Falkland Islands (Jan. 7), South Georgia (Jan. 13), Gough Island (Jan 16), Tristan da Cunha (Jan. 17), St. Helena (Jan. 22), Ascension Island (Jan. 25), Gambia (Jan. 31) and Gibraltar (Feb. 6).

The Duke flew from London Airport to Mombasa (Kenya), where he embarked in the *Britannia* for the Seychelles. The subsequent stages of his Commonwealth tour are summarized below:

Ceylon. During his three-day visit to Ceylon the Duke visited Colombo, Kandy, Trincomalee, the Nalanda Oya dam (at present under construction), and the R.A.F. base at Katunayake, in addition to attending an official reception given by the Governor-General, Sir Oliver Goonetilleke. The Duke of Edinburgh met the Prime Minister, Mr. Bandaranaike, and his predecessor, Sir John Kotelawala, and was the guest of Mr. Bandaranaike at the latter's country residence at Horagolla, near Kandy. While in Colombo the Duke addressed a conference of the Engineering Association of Ceylon, held at the Ceylon Technical College, at which he stressed the need for trained Ceylonese scientists and technicians to develop the country's resources.

Malaya. From Colombo the Duke sailed for Malaya on board the *Britannia*, disembarking on Oct. 30 at Langkawi Island (15 miles off the Kedah coast) where he was welcomed by Tengku Abdul Rahman, Chief Minister of the Malyan Federation, and Sir Donald Macgillivray, the High Commissioner. He flew to the mainland for visits to Kuala Lumpur and Penang, and also visited a rubber plantation and a military camp outside Kuala Lumpur serving as a base for British troops operating against the Communist terrorists. The Duke, who was warmly welcomed by all sections of the Malayan population, had to cancel a projected visit to Singapore because of civil disturbances then affecting the city.

Australian New Guinea and Papua. From Port Swettenham (Malaya) the Duke sailed in the *Britannia* to Port Moresby, where he was greeted by the Governor-General of Australia, Field-Marshal Sir William Slim. During his visit to Australian New Guinea, Papua, and New Britain, the Duke visited Rabaul and other centres, met numbers of officials, settlers and tribesmen, and inspected plantations and local industries, in addition to visiting Manus Island, the principal Pacific base of the Royal Australian Navy. While in New Guinea he drove 30 miles into the Owen Stanley range, the scene of bitter fighting against the Japanese during World War II. On Armistice Day (Nov. 11) the Duke visited the war cemetery at Lae, where many Commonwealth soldiers who fell in the New Guinea campaign are buried.

Australia. The Duke flew from Manus Island to Darwin (Nov. 14) and on the following day visited Rum Jungle, the important uranium-producing area in the Northern Territory, where he went down a big uranium mine and inspected a secret ore-treatment plant.

On Nov. 16 the Duke flew 600 miles to Alice Springs, in the heart of the continent, breaking his flight *en route* at Brunette Downs, one of the largest cattle-raising stations in the Northern Territory, and Tennant Creek, the centre of a rich copper and goldmining area. While at Alice Springs the Duke inspected two institutions in which Australia is a world pioneer—the Royal Flying Doctor Service (see 14106 B) and the recently developed School of Air; at the latter institution he saw teachers giving lessons to invisible pupils living hundreds of miles in the "outback," and heard the children's replies coming back over the radio network through which the service operates.

From Alice Springs the Duke flew to Canberra, where he was welcomed by the Prime Minister of Australia (Mr. Menzies), the Leader of the Opposition (Dr. Evatt), and the presidents of the Federal Senate and House of Representatives. His two-day visit to the Federal capital included visits to the Royal Military College, the Australian National University, and the Commonwealth Scientific and Industrial Research Organization. After an extensive two-day inspection of the Snowy Mountains hydro-electric project, the Duke opened the Olympic Games in Melbourne on Nov. 23 and had an informal meeting with Commonwealth athletes at the "Olympic Village" near the city. He subsequently visited Sydney (Nov. 30), returning to Melbourne on Dec. 3 to receive the Freedom of that city from the Lord Mayor, Sir Francis Sellick. The Duke of Edinburgh became the first Freeman of Melbourne, a civic honour which had never previously been conferred. On Dec. 3 the Duke travelled to Morwell (103 miles from Melbourne), in the Gippsland area of Victoria, to inaugurate the new £10,000,000 brown coal gasification project (see 15412 C).

New Zealand. The Duke of Edinburgh flew from Melbourne on Dec. 12 to Wellington, where he was welcomed by the Governor-General of New Zealand (Lieut.-General Sir Willoughby Norrie), the N.Z. Prime Minister, Mr. Holland, and the Leader of the Opposition, Mr. Walter Nash. During his two days in Wellington he visited cold-storage plants and meat factories, watched the loading of meat and dairy produce on board ship, inspected plans for civic development, and mingled informally with the great crowds assembled to welcome him. He flew from the capital to Rotorua and drove from there to Kawerau, on the Bay of Plenty, where he visited New Zealand's new £30,000,000 newsprint plant established by the Tasman Pulp and Paper Company. The Duke also visited the Wairakei geo-thermal project while touring the Rotorua area.

After an informal visit to Auckland the Duke flew 600 miles on Dec. 16 to visit Norfolk Island, which is situated midway between Australia and New Zealand and is under Australian sovereignty. [The population, less than 1,000, is largely descended from the *Bounty* mutineers who left Pitcairn Island for Norfolk Island a century ago.] After returning to Christchurch, the Duke ended his New Zealand tour on Nov. 17 at Lyttelton, where he visited the N.Z. Antarctic ship *Endeavour* and talked with Sir Edmund Hillary, the leader of the New Zealand section of the British Antarctic Expedition which is to take place during the International Geophysical Year.

Southern Ocean, Falklands Dependencies, etc. From Lyttelton the Duke completed his world tour on board the *Britannia*, which sailed across the South Pacific, rounded Cape Horn, and stopped at many Antarctic dependencies of the Falkland Islands. During its voyage across the South Pacific—from which the Duke broadcast a Christmas message to the Queen and their children (see 15284 A)—the *Britannia* crossed the Antarctic Circle and skirted the shores of the Antarctic continent for a considerable distance. While in the British Antarctic territories the Duke visited a number of scientific and meteorological bases and went on board the survey ship *John Biscoe* and a whaling vessel.

The *Britannia* touched at Gough Island and Tristan da Cunha—among the most remote and inaccessible islands in the world—before proceeding northwards to St. Helena and Ascension. After a visit to Bathurst, capital of the Gambia, the Duke disembarked at Gibraltar on Feb. 6 after completing his world tour of 35,000 miles in less than four months.

In a speech at the Mansion House on Feb. 26, after the Queen and the Duke had returned from their State visit to Portugal, the Duke of Edinburgh spoke of his Commonwealth tour, saying *inter alia* that he had been "forcibly reminded of the unifying power of the Crown and the relative smoothness of political progress which is possible within the Commonwealth system." After speaking of the great economic progress being made in Australia and New Zealand, and paying tribute to the work carried out by British scientists in the Antarctic dependencies, the Duke mentioned the possibility that the Antarctic continent "might be used as a gigantic germ-free cold store where the periodic world food surpluses might be stored against lean years and famine."

Change in Style and Title of Duke of Edinburgh.

The *London Gazette* announced on Feb. 22 (*a*) that the Queen, acting on the advice of the Prime Minister, had granted to the Duke of Edinburgh "the style and titular dignity of a Prince of the United Kingdom"; (*b*) that the Duke would henceforth be known as Prince Philip, Duke of Edinburgh.

It was stated in *The Times*: "The Prime Minister and his senior colleagues felt that the services which the Duke of Edinburgh has rendered to the country and to the life of the Commonwealth, culminating in the long tour which he has just completed, should receive some significant mark of recognition. Mr. Macmillan accordingly proposed to the Queen that the Duke should formally be given the title and dignity of a Prince . . ." In giving effect to it . . . the Queen has confirmed a title already widely accorded to the Duke by common and affectionate usage. The effect of the announcement is merely to establish the Duke's dignity and title. It does not in any way affect the succession to the Throne. It signifies the appreciation of the Queen and her Ministers alike of the Duke's devotion to the public interest."

The change in the Duke's style and title was announced to the Canadian House of Commons on the same day by the Federal Prime Minister, Mr. St. Laurent, and was warmly welcomed by all parties. In the course of his speech Mr. St. Laurent paid high tribute to Prince Philip's services to the Crown and the Commonwealth in recent years.

Duke of Edinburgh's Study Conference on Industrial Relations.

In addition to his interest in Commonwealth problems, as exemplified by his recent tour, and his work for youth, as shown by the creation of The Duke of Edinburgh's Award (see 14744 E), the Duke had sponsored during 1956 a Study Conference on Industrial Relations—the first of its kind—which was held at Oxford from July 8-28 and attended by 300 employers, managers, trade unionists, and rank-and-file workers from all parts of the Commonwealth.

The purpose of the Duke's Study Conference was "to conduct a practical study of the human aspects of industrialization, and in particular those factors which make for satisfaction, efficiency, and understanding, both inside industrial organizations and in the every-day relations between industry and the community around it."

In his presidential address (at the Sheldonian Theatre on July 9) the Duke of Edinburgh said that there were "four basic ideas" behind the conference, which he outlined as follows:

(1) Whether there were any lessons from the past which could help overcome the present problems of industrialization. For example: "Could industrial Scotland help Knob Lake? Could the Midlands help Kitimat? Could the experience of the industrial North help Africa?"

(2) Whether the new industries of the Commonwealth could help each other—e.g. "Could Jamshedpur help Rum Jungle? Could the Nigerian tin mines help the Rhodesian copperbelt?"

(3) To try and discover those things which would make for "a good works, a happy community, and a satisfied individual," on which he hoped the conference would form some conclusions.

(4) A study of the "bewildering variety of shapes" assumed by the simplest industrial problem "when viewed from the different standpoints of the board room, the shop floor, research, production and personnel departments, or the trade union." In this connexion the Duke stressed that the members and speakers at the conference had been chosen in such a way that all these viewpoints would be put forward.

The work of the conference was carried out by 20 Study Groups, each of 14 members, diversified in geographical origins and race and representing managements, trade unions, and operatives. The groups were chosen so as to mingle variety of industrial experience with as many nationalities as possible—e.g. a typical group had four U.K. members and one each from Australia, Canada, India, Kenya, Mauritius, New Zealand, Northern Rhodesia, Pakistan, South Africa, and Trinidad. Each group worked throughout as a team, with its own chairman, and devoted itself to a particular theme or aspect of industrial relations, in which connexion extensive visits were paid to industrial centres throughout the country. At the end of the conference the 20 Study Groups presented their reports and conclusions, which were discussed by the conference.

Addresses on specific problems of industrial relations were given by a number of leading industrialists, trade union leaders, and representatives of the nationalized industries.

Duke of Edinburgh's Youth Award Scheme.

Further details of the Duke of Edinburgh's scheme for the development of character and physical fitness among young people were announced on July 26, 1956, by Brigadier Sir John Hunt (the leader of the successful British Everest Expedition of 1956), who had retired from the Army to assist and advise in promoting the scheme.

Sir John Hunt pointed out that the Awards were designed to provide "incentives and opportunities for young people to achieve a balanced development of their character and physique, in preparation for citizenship." Although youth organizations would supply most of the training, in co-operation with local authorities, schools, etc., the "lone wolf" type of boy would also be encouraged to compete.

The Awards, designed "to encourage a balanced personality rather than a specialized record-breaker," would be given when required standards were reached in four sections of activity: (1) rescue and public service training; (2) expeditions by a group of boys to promote the spirit of adventure; (3) pursuits in the form of arts, crafts and sciences; (4) physical fitness, involving performance standards. There would be three grades, respectively for boys in the age-groups 14-15, 15-16, and 16 upwards, which would have to be accomplished in succession. Those passing the second-grade tests would receive a badge bearing the Duke of Edinburgh's cypher in silver, while those passing the third-grade test would receive a badge with the Duke's cypher in gold.

All candidates would take tests in "rescue and public service training" (e.g. first aid, life saving, or training to help the blind); fitness (running, jumping, etc.), and hobbies (drama, creative writing, model-making, gardening, or gliding). They would also have to go on an "expedition" involving walking across open or rough country, camping, and cooking. For the 14-year-olds the expedition would last 24 hours, whilst the oldest group would have to cover 50 miles of wild country on foot in five days—on the moors of Devon and Cornwall, or in the Welsh mountains, the Pennines, the Lake District, or Scotland.

The Duke of Edinburgh's Youth Award Scheme came officially into operation on Sept. 1, 1956.—(Times - Daily Telegraph - Manchester Guardian - Australian News and Information Bureau - New Zealand Government Office, London) **(Prev. rep. Duke of Edinburgh, 14744 E.)**

A. UNITED STATES. — New Chairman of Republican Party.

Mr. H. Meade Alcorn jr., a Hartford (Connecticut) lawyer, was unanimously elected chairman of the Republican Party on Jan. 22 in succession to Mr. Leonard W. Hall, who had resigned on Jan. 11. It was stated at the White House that Mr. Hall would be appointed later to "a high Federal post." (New York Herald Tribune) **(Prev. rep. 12880 A.)**

B. UNITED KINGDOM.—Royal Navy. - Appointment of "Rear-Admiral Nuclear Propulsion." - Britain's First Atomic Submarine (H.M.S. "Dreadnought.").

The Admiralty announced on Feb. 18 that Rear-Admiral Guy Wilson had been appointed to the new post of Rear-Admiral Nuclear Propulsion and Deputy Engineer-in-Chief (Nuclear Propulsion), with responsibility for nuclear propulsion in its application both to the Royal Navy and the Merchant Navy.

The announcement said: "The Admiralty has given tangible expression to its belief in the vital importance both to the Royal and Merchant Navies of the early development of nuclear propulsion for ships. This officer will act as the focus within the Admiralty of the operational and material aspects of nuclear propulsion, and will keep in touch with developments by the Atomic Energy Authority and by industry in the application to ships of this revolutionary form of power. He will also be the link in these matters between the Admiralty and other Government Departments, Ministries, and Services, and between Commonwealth Navies and foreign Navies, as appropriate."

Rear-Admiral Wilson (50) served as engineer officer in H.M.S. *Berwick* from 1940 to 1943, when he joined the Department of the Engineer-in-Chief and became responsible for the design of machinery in aircraft carriers. His connexion with aviation was continued as Deputy Director of the Department of Aircraft Maintenance and Repair. On his promotion to Rear-Admiral in 1955 he became Deputy Engineer-in-Chief for Fleet Maintenance and Administration. He has served in the aircraft carriers H.M.S. *Ark Royal* and H.M.S. *Eagle*.

Vickers Nuclear Engineering Ltd. (a subsidiary of Vickers-Armstrong) disclosed on Feb. 27 that they had been working for a year on the project to build a British atomic-powered submarine, and that "good progress" was being made. The Financial Secretary to the Admiralty (Mr. Soames) disclosed on March 5 that H.M. the Queen had approved the name *Dreadnought* for Britain's first atomic submarine. (Times) **(Prev. rep. 14869 A.)**

C. AUSTRALIA. — Inauguration of the Latrobe Valley Gasification Project.

The new £10,000,000 brown coal (lignite) gasification project, based upon the extensive brown coal deposits of the Latrobe valley (Victoria), was inaugurated on Dec. 3, 1956, by the Duke of Edinburgh during his visit to Australia as part of his Commonwealth tour (see 15411A). The plant is situated in the Gippsland area of Victoria, 103 miles from Melbourne, and is the only one of its kind in the world outside Eastern Germany. It uses superheated steam, compressed oxygen, and briquetted brown coal which, under a pressure of 400 lb. to the square inch, produces crude gas which is purified before passing through a 100-mile pipeline to Melbourne. The pipeline at present supplies 40 per cent of the city's average daily consumption of gas, and will eventually meet Melbourne's full requirements.

The plant will be progressively extended with the aim of making Victoria self-sufficient in gas production within 20 years. In addition, it is planned to make synthetic petrol and oil from the residue of the gasification process. The present initial capacity is about 5,200,000,000 cubic feet of gas, 1,210,000,000 gallons of brown coal tar, 560,000 gallons of benzole motor spirit, and 438,000 gallons of oil - all these quantities being expected to be doubled by 1960.
(Times -Australian News and Information Bureau) **(11799 A.)**

D. TUNISIA. — Death Sentence "in absentia" on Former Secretary-General of Neo-Destour Party.

M. Salah Ben Youssef, the former secretary-general of the Néo-Destour party, was sentenced to death *in absentia* on Jan. 24 on charges of plotting against the internal security of the State. Six of his followers were also sentenced to death on similar charges (four of them *in absentia*), 41 others received terms ranging from 20 years' hard labour to suspended sentences of five years' imprisonment, and eight were acquitted. M. Salah Ben Youssef had been granted political asylum in Libya after his flight from Tunisia following the "Youssefist" conspiracy against M. Bourguiba's Government at the end of 1955. (Le Monde, Paris) **(Prev. rep. 14812 A.)**

E. FRANCE. — National Institute of Applied Sciences.

A *projet de loi* for the establishment of a National Institute of Applied Sciences (*Institut national des sciences appliquées*) at Lyons was approved on Feb. 5 by the French National Assembly. The Institute will train engineers, technicians, and research workers for public and private industry, scientific laboratories, etc., in which connexion the Assembly's Committee of National Education pointed out that France needed 12,000 engineers, 3,000 to 4,000 teachers of science, and 1,000 research workers every year.—(Le Monde, Paris)

A. NORTHERN IRELAND - IRISH REPUBLIC. — Continuation of I.R.A. Terrorist Activities in Northern Ireland. - Further Counter-measures by Northern Irish Authorities. - Trials of I.R.A. Members in the Irish Republic. - Mr. Costello's Denunciation of I.R.A. - Mr. McBride's Call for "Positive Policy" on Partition.

Throughout January, and to a lesser extent in February, terrorists of the Irish Republican Army continued their campaign (initiated on Dec. 12, 1956) against objectives in Northern Ireland. The main incidents are summarized below:

(1) On Jan. 3 a hut at Newry, belonging to the Special Constabulary was wrecked by an explosion, no-one was injured, the hut being empty at the time. The midnight explosion was followed by dawn raids by the R.U.C. on the homes of suspects in the Newry area, seven men being taken into custody—three local men, three natives of Dundalk, and one native of Dublin.

(2) An R.U.C. hut at Upperlands, Co. Londonderry, was damaged by an explosion on Jan. 14. On the following day two men giving Dublin addresses were arrested. Wide areas of Counties Londonderry and Tyrone were combed for other men believed to have taken part in the incident.

(3) On Jan. 16, a number of fuses were found beneath the Carnalea bridge at Fintona, on the road between Fintona and Omagh, Co. Tyrone. It was presumed that the men attempting to blow up the bridge had been disturbed and had fled.

(4) On the same date an explosion occurred at the Northern Ireland Electricity Board's step-down transformer at Waterside, Co. Londonderry. Some of the heavy insulators were broken and electric power and light was interrupted for a time in an area between Eglinton (Co. Londonderry) and Donomana (Co. Tyrone). Sticks of gelignite which had failed to explode were found in the area.

(5) On Jan. 18 the Territorial Army barracks at Dungannon (Co. Tyrone), recently completed at a cost of £40,000, were badly damaged by explosives laid by a group of about 13 armed men. The barracks—headquarters of the 5th Support Company, Royal Inniskilling Fusiliers, T.A.—were one of the targets listed in the document which had been read in the Dublin District Court on Jan. 12 [see below]. The raiders kidnapped the caretaker and released him later outside the town. Police conducting a search throughout Co. Tyrone subsequently found a stolen taxicab which had apparently been used and later abandoned by the raiders. Twelve men were detained for questioning but most of them were later released.

(6) A Special Constabulary hut at Straidarron (Co. Londonderry), seven miles from the border, was damaged by explosives on Jan. 21.

(7) Ranagh Bridge at Fallagloon, on the main Belfast-Londonderry road, was damaged on Jan. 21 by an explosion. The bridge was among the targets listed in the document read in the Dublin District Court on Jan. 12.

(8) The first private property to be attacked in the present series of raids (Mountfield Lodge, near Omagh, Co. Tyrone), was set on fire on Jan. 22. Most of the building, the property of Brigadier D. G. Moore (a former commanding officer of the Royal Inniskilling Fusiliers), was destroyed.

(9) Doravil Lodge, Co. Tyrone, was destroyed by fire on Jan. 23. The building, situated in the middle of a 6,000-acre estate of grazing land, and owned by Major C. A. M. Alexander, was unoccupied at the time.

(10) The Favour Royal and Lismore bridges on the main Belfast-Enniskillen road were badly damaged by explosions on Jan. 24. The bridges carry the main water supply from the Clogher valley, but there was no serious interruption in supply.

(11) Cara House, an unoccupied mansion 500 yards from the border in the Newtownbutler area of Co. Fermanagh, was set alight on Jan. 27, but firemen succeeded in saving most of the building.

(12) An unsuccessful attempt to blow up the bridge over the River Blackwater at Augher, on the main road to Ballygawley in South Tyrone, was made on Feb. 12; unexploded charges of gelignite were found afterwards on the bridge, which was not damaged. Since the blowing up of the Favour Royal and Lismore bridges, on the main Belfast-Enniskillen road [see (10) above], the road over the bridge at Augher had been the only direct route from Belfast to Fermanagh *via* Dungannon or Armagh.

Earlier the same day a transformer near Moneymore (Co. Londonderry) was damaged by an explosion.

(13) Two attempted raids on the Territorial Army camp at Duncroggan (on the outskirts of Londonderry) were made by terrorists during the night of Feb. 13-14 but were foiled by the camp guards, who opened fire.

(14) A terrorist raid on a Territorial Army camp at Coleraine in the early hours of Feb. 16 was foiled by a sentry who opened fire.

(15) Two bridges in Co. Tyrone, one carrying the railway line from Belfast to Londonderry over the Dungannan-Pomeroy road, and the other carrying the same road over the railway at Tremogue, about two miles from Pomeroy, were blown up in the early hours of Feb. 17. The railway bridge was extensively damaged and all main-line traffic from Belfast to Londonderry blocked; the road bridge was damaged but remained passable to traffic. Extensive searches for the raiders were made by the police, troops, and spotter aircraft in the mountainous areas of Co. Tyrone. The damaged railway line was reopened to traffic four days later.

(16) Four armed men tried to burn down the linen factory of the Phoenix Weaving Co. Ltd. at Ballymena in the early hours of Feb. 20. The storekeeper and watchman gave an alarm to the police and the fire was quickly put out, causing only negligible damage.

(17-19) Electric transformers at Maghera (Co. Londonderry), Rathfriland (16 miles from Newry), and Strabane (Co. Tyrone), were damaged by explosives during the nights of Feb. 21, 22 and 26 respectively. An Army hut near Newry was blown up during the night of Feb. 21 but no casualties caused.

(20) Two attempts to cause destruction in Londonderry were made by terrorists in the evening of March 1. A fire at the goods station of the Great Northern Railway caused extensive damage to the office, which was completely gutted, but the fire services prevented the blaze from reaching the goods yard. Shortly afterwards a home-made bomb was thrown at the County Courthouse, but failed to explode. A widespread search for suspects and arms dumps was carried out by the police.

(21) In the early hours of March 2 a goods train from Enniskillen (Co. Fermanagh) to Londonderry was stopped by three armed terrorists in Co. Donegal, on the Eire side of the border, and the driver, fireman and guard removed at the point of the gun. The gunmen then drove the train to a point four miles from Londonderry, where they jumped off after turning the engine regulator to full speed. The unmanned train continued at a speed of 25 m.p.h. and crashed through the buffers at Londonderry Central Station (a terminus), embedding itself 20 ft. into the concrete platform. Seven coaches were wrecked, but no-one was hurt. The damage was estimated at about £20,000.

Just before the gunmen jumped off the train a signalman had noticed that one of the men on the footplate wore a mask, and telephoned to the main signal box at Londonderry. The signalman switched the train to the main passenger platform (which was empty at the time) to prevent it crashing at the goods station, where it would have blocked the entire siding.

Thefts of explosives occurred in the Irish Republic during January and February, obviously in connexion with the I.R.A. raids. On the night of Jan. 1-2 eleven rifles were stolen from army stores at Kittorglin, Co. Kerry, and on Jan. 7 nearly 600 lb. of gelignite, 2,500 detonators, and a large quantity of fuse wire were stolen from a Board of Works store at Toullaheady, Co. Tipperary. One of the largest explosives magazines in the Irish Republic, owned by Imperial Chemical Industries, at Moorestown, Co. Dublin, was broken into on Jan. 12 and about one ton of gelignite stolen. In the case of the two latter incidents, statements were issued by the I.R.A. disclaiming responsibility.

Counter-measures in Northern Ireland.

In the course of the month the Northern Ireland authorities intensified their security measures against the terrorists, whilst troop reinforcements were sent from Britain.

At a conference held at Stormont on New Year's Day and attended by Mr. Topping, Minister for Home Affairs, Lt.-General Sir Brian Kimmins (G.O.C., Northern Ireland) and Sir Richard Pim, Inspector-General of the Royal Ulster Constabulary, it was decided that increasing use of military patrols should be made in the border areas, subject to the approval of the British War Office. Accordingly, Army headquarters at Lisburn announced on Jan. 7 that the detachment of the Royal Northumberland Fusiliers stationed at Gough Barracks, Armagh, was being brought up to company strength, and that another company of the battalion was being moved to Londonderry. At the same time the company of the Royal Warwickshire Regiment stationed at Enniskillen was equipped with a number of armoured cars for patrol duties. The British War Office announced on Jan. 14 that the 61st Field Regiment, R.A., numbering about 650 men, was being sent for internal security duties (without its guns) to Northern Ireland, where it would be stationed near Omagh.

Following the attack on the Territorial Army barracks at Dungannon on Jan. 18, it was decided at a conference on Jan. 21 between the G.O.C., Northern Ireland, and representatives of the Territorial Associations in Counties Londonderry, Tyrone, and Fermanagh that T.A. personnel would take over from the Constabulary the responsibility of guarding their 50 buildings throughout Ulster.

It was announced on Jan. 9 that the N.I. Government had taken measures, in co-operation with the local authorities, to have street lighting kept on all night in some of the border towns, so as to foil raids carried out under cover of darkness. On Jan. 11 the R.U.C. announced that hundreds of roads and lanes between Northern Ireland and the Republic had been blocked or made impassable by trenches, craters, and barbed-wire fences; some of the "concession" roads extending for a short distance into Northern Ireland between two points in the Republic had also been blocked, whilst the remaining 18 unobstructed roads were under police and military guard. Later in the month, soldiers added barbed-wire fences to obstructions on unapproved roads in the Londonderry area.

It was announced on Jan. 14 that Mr. Topping had made further regulations under the Civil Authorities (Special Powers) Act empowering civil authorities and, in the case of (2) and (3) below, any person duly authorized by them:

(1) to "prohibit, restrict, or regulate in any area the use of vehicles or any class of vehicles on highways, or the use by vehicles of specified roads or classes of roads, either generally or in such circumstances as may be specified";

(2) to " enter any land, buildings, or other property whatsoever " ;

(3) " (*a*) to take possession of any land and to construct works, including roads, thereon and to remove any trees, hedges and fences therefrom ; (*b*) to take possession of any buildings or other property ; (*c*) to take such steps as may be necessary for placing any buildings or structures in a state of defence ; (*d*) to cause any buildings or structures to be destroyed, or any property to be moved from one place to another or to be destroyed ; (*e*) to do any other act involving interference with private rights of property."

On Feb. 14 it was announced that a flight of five Auster " spotter " aircraft would be sent to Northern Ireland and stationed at Aldergrove R.A.F. Station to assist in the operations against I.R.A. terrorists.

Arrests and Court Proceedings in Northern Ireland.

In addition to finding a number of arms dumps, explosives, and detonators in various areas of Northern Ireland, the N.I. police detained many suspects during January, a number of them being interned and others being committed for trial by the courts.

Seven men were arrested on Jan. 4 on a farm at Clontifleece, Co. Down, four of whom gave addresses in Eire ; the police also found a number of weapons. Another six men were seized in their homes in different parts of Co. Fermanagh on Jan. 7, while 25 men from the Belfast and Lurgan areas were detained on Jan. 12. Seventeen men, including members of the banned Sinn Fein party (among them Thomas Hoenan, secretary of the Belfast branch), were arrested in Belfast on Jan. 25, and another seven men were detained in Armagh and one in Belfast on the following day. Of those detained in police round-ups since December, 50 had been served with internment orders by the end of January.

At the magistrate's court at Ballymoney (Co. Antrim), three young men from Cork were sent for trial on Jan. 16 to the Spring Assizes at Belfast ; they had been involved in the attack on the radar station at Torr Head on Dec. 12 [see 15200 A], the charges against them including one of attempted murder of four policemen. On the same date (Jan. 16), at Armagh magistrate's court, two men from Co. Armagh were committed for trial at the Armagh Spring Assizes ; they had been arrested shortly after the attack on Armagh barracks on Dec. 12, the charges against them including one of attempted murder of a member of the Special Constabulary.

Another four men (three from Northern Ireland and one from the Irish Republic) were sent for trial to Belfast City Commission on Feb. 6 ; they had been arrested on Dec. 30 in an outhouse of a farm near Dunamore, Co. Tyrone, which belonged to the father of one of them, and had been found in possession of arms and ammunition which were British Army property.

Seven men, three from Newry and four from the Irish Republic, were committed for trial in Belfast on Feb. 8. They had been arrested by police at a farmhouse near Warrenpoint (in the Mourne mountains area of Co. Down) on Jan. 3, and were charged with possessing arms, ammunition, detonators, and handbooks of guerrilla warfare, and with being members of an illegal organization. During the hearing, handbooks were produced which had been found on two of the men ; one of them was called a " Handbook for Volunteers of the I.R.A., issued by G.H.Q. 1956," while others referred to a " flying column," assembly areas, and the use of explosives.

Anti-terrorist Measures in the Irish Republic. – Prison Sentences on I.R.A. Suspects.

Throughout January the Eire police made many arrests of I.R.A. suspects who were subsequently charged in the courts under the Offences Against the State Act. In a number of trials the majority of them were sentenced on one or several of the following charges : refusing to give an account of their movements, membership of an illegal organization, possession of incriminating documents, or possession of ammunition and weapons without a firearms certificate. Most of those arrested refused to answer the charges, while at many of the trials documents captured by the police were read giving particulars of I.R.A. terrorist plans and activities. The principal sentences imposed are summarized below :

(1) In the Dublin District Courts on Jan. 14 six men arrested in Co. Cavan on Dec. 31, eight men arrested on Jan. 2 in Co. Monaghan, and one man from Dublin were all sentenced to six months' imprisonment. The eight men arrested in Co. Monaghan had been intercepted by Eire police and troops as they were crossing the border into the Irish Republic from Northern Ireland ; four others were also arrested but sent to hospital, two being seriously wounded.

(2) In the Dublin District Courts on Jan. 17 two men (Sean Cronin and Robert Russell) arrested at Belturbet, Co. Cavan, on Jan. 8 were each sentenced to three months' imprisonment. They were both found guilty of failing to give an account of their movements and of membership of an illegal organization, while Cronin was also convicted for possession of an incriminating document.

This document, entitled *General Directive for Guerrilla Campaign*, was read to the Court. Believed to be the " master plan " for I.R.A. activities in Northern Ireland, it suggested the selection of five training organizers for Londonderry, Tyrone-Fermanagh, Armagh, Down, and Belfast-Antrim. Four columns of 25 men each were to be organized for training, and bases for these columns were to be established in various isolated mountain areas.

During the first phase, lasting one month, certain targets were to be destroyed, including the oil refinery, the two railway stations, the B.B.C. relay station, the Customs House, and the Tax Office at Londonderry, certain Territorial Army and Royal Ulster Constabulary posts in various areas, the Territorial Army camp at Dungannon, the Magherafelt power plant, a radar station in North Antrim, and a number of bridges. In " phase two," lasting three months, the terrorists would build up their forces and continue guerrilla attacks. Operations would be extended by raising local " flying columns," and activity would be intensified in the " eastern sector " Counties Armagh, Down, and Antrim. In " phase three " there would be a " continuation of the struggle on to a higher level, where we can co-ordinate our tactics on a more perfect communications basis."

The document also said : " Our mission is to maintain and strengthen our resistance centres throughout the occupied area and also to break down the enemy's administration in the occupied area until he is forced to withdraw his forces. Our method of doing this is use of guerrilla warfare within the occupied area, and propaganda directed at the inhabitants. In time, as we build up our forces, we hope to be in a position to liberate large areas and tie these in with other liberated areas that is, areas where the enemy's writ no longer runs."

In an " analysis of the situation " the document said : " The resistance of the people [Irish Nationalists] can be built up by clever propaganda on top of guerrilla success. From the point of view of guerrilla warfare, the co-operation of the people is essential. If this is lost or never received the guerrillas cannot win."

A second document found in Cronin's home, entitled *Outline of Operations to Date*, dealt with the lessons to be drawn from the opening phases of the " guerrilla activities." It stated : " From the Fermanagh experience we can prove that where guerrillas are active and aggressive the enemy grows scared and confused. If we had Fermanagh's activities all over we would be in a tremendously strong position in the Six Counties. We still hold the initiative in all areas and our limited supplies in most cases remain intact. We got more gelignite than we ever hoped for. Among the lessons we have learned are : The training of our men is still very spotty . . . Men are quite close to panic during the withdrawal stage. There is lack of battle discipline. Too many shout orders. Too many act without an order at all . . . All unfit men, or mentally unfit, for a hard campaign must be dropped from the columns. Local communications and intelligence must be built up by the locals in combination with the organizer who has been in the area before the campaign. Each area should have people on the lookout . . . We also suffer from lack of understanding on the part of some of our local volunteers and the people as to the purpose of the campaign."

(3) At a special court at Nenagh, a farmer (Daniel Gleeson) was sentenced to one month's imprisonment for possession of incriminating documents, and concurrently to three months' imprisonment on a charge of membership of an illegal organization. The judge added, however, that the sentences would be suspended if Gleeson entered into personal bail of £50 to be of good behaviour for one year.

(4) At a special court at Ballinamore (Co. Leitrim) on Jan. 24, a publican was sentenced to two months imprisonment for membership of an illegal organization and to one month (concurrently) for possession of incriminating documents.

(5) In the Dublin District Courts on Jan. 24 three men were each sentenced to three months' imprisonment. Documents found in the possession of two of the accused and read to the court included one which contained an appeal for volunteers to operate against the Six Counties, another in the form of an " intelligence report " on the movements of a certain person, and one headed " Irish Republican Army General Headquarters " and issued on Dec. 12, 1956, by " The Army Council, Irish Republican Army."

(6) In the Limerick District Court on Jan. 25 five men were sentenced to three months' imprisonment each. A letter found on one of the defendants (MacKillican) and read to the court was addressed to " O.C. each unit " and began : " In pursuance of the Army policy of a full-scale campaign against the British forces of occupation in the Six Counties, active service units early today attacked a number of enemy targets in the occupied area. Our campaign has now entered a decisive stage and every effort of the army units throughout the country must be directed to ensuring that they are able to maintain it." It added that nothing should be done which might provoke the authorities within the Republic, and went on to appeal for efforts to acquire much-needed supplies of ammunition and explosives from " friendly sources."

(7) At Ballymahon District Court on Jan. 25 a railway fireman was sentenced to three months' imprisonment.

(8) At Navan District Court on Jan. 25 a suspect was sentenced to three months' imprisonment.

(9) At Dundrum Court on Jan. 25 a foundry worker was sentenced to three months' imprisonment.

(10) At Tullamore on Jan. 25 two men were sentenced to three months' imprisonment on charges of being members of an illegal organization, and concurrently to two months on a charge of possessing incriminating documents. Nine documents found in the possession of one of the accused (Patrick Bolger) related to guerrilla warfare, battle morale and discipline, intelligence, sabotage, ambushing, and instructions concerning machine-guns, Bren guns, and Sten guns.

(11) At Cork on Jan. 26 two men were sentenced to three months' imprisonment.

(12) At Waterford on Jan. 29 four men were sentenced to two months' imprisonment on charges of possessing incriminating documents and being members of an illegal organization. Two of them (William Ronayne and Peadar Jones) were also sentenced concurrently to three months' imprisonment each for possessing considerable quantities of ammunition.

(13) In the Dublin District Courts on Jan. 29 five men were each sentenced to three months' imprisonment after being found guilty of possession of incriminating documents and membership of an unlawful organization. They included Tomas MacCurtain, a son of the former Lord Mayor of Cork of the same name who was shot by British forces in March 1920.

(14) Two men were sentenced at Dundalk on Jan. 30, one to four months' imprisonment for possession of a pistol and ammunition, and concurrently to two months for membership of an unlawful organization and possession of incriminating documents. The second man received two months' imprisonment.

(15) At Limerick on Feb. 1 a journalist was sentenced to two months' imprisonment for refusing to give a full account of his movements.

(16) In the Dublin District Courts a man was sentenced on the same charges to two months' imprisonment on Feb. 12.

On Jan. 23 it was officially announced by the Minister of Justice that Mr. Justice Teeran, a High Court judge, would hold an inquiry into the conduct of Mr. Justice Lennon, of the Dublin District Courts.

The matter arose from the trial before Mr. Justice Lennon of a certain Anthony Magan, who had appeared on Jan. 22 on a charge of possessing ammunition without a firearms certificate; after hearing the case, Mr. Justice Lennon had stopped the proceedings on Jan. 23 and ordered the firearms to be returned to Magan. During the trial the prosecution had produced in evidence a notebook detailing receipts of U.S. dollars over the period May 1954-July 1955 totalling $16,649, as well as a letter found on Magan which was addressed to a Thomas McGuigan of Philadelphia and which acknowledged receipt of a cheque for £35. 15s. 9d. received by Magan from McGuigan on behalf of the Tyronemen's Association in the United States.

Condemnation of I.R.A. Activities by Mr. Costello and Mr. de Valera. - Mr. MacBride's Criticism of Government Policy.

Mr. Costello, in a broadcast on Jan. 6, again condemned the I.R.A.'s terrorist activities in Northern Ireland and the use of force in trying to end partition.

Referring to the fact that two raiders from Eire and one Northern Irish policeman had been killed during the previous week, Mr. Costello declared: "The consequences that would follow a continuance of these attacks must now be clear to the whole nation. So far as they are directed from within the territory under our jurisdiction, it is the duty of the Government of this State to prevent their continuance. That duty we are resolved to perform . . .

"It is the deep and earnest conviction of my colleagues and myself that partition cannot and never will be ended by force. We believe that even if it were practicable to subdue by arms and hold in subjection those Irishmen who now wish to remain apart from us, the resentment which they would feel would thereafter divide us more deeply and lastingly than ever before. Our Constitution affirms Ireland's devotion to the ideal of peace and her adherence to the principle of the peaceful settlement of international disputes . . . War, therefore, is not the way chosen by the people of Ireland, or by their representatives, for the ending of partition; and no self-appointed group has any shadow of right to impose that decision in disregard of the people's wishes.

"What is happening is that a small group, with no basis of legitimate authority, is seeking to embroil our country in war. I want to bring clearly before the minds of all our people what that means, and what is involved in this evil and undemocratic pretension. Young men, some of them hardly more than boys, have been led by a small minority group of older men—experienced and ruthless men—to believe that they can end partition by destroying the lives of others and endangering their own lives and liberty in violent forays into the Six-County area. If they were permitted to continue in that course, there is no telling what evil might result. There would be all the bitterness and hatred that bloodshed causes. There would be a hardening of resolve among Irishmen in the North-East to remain divided from this part of the country . . .

"The men who are trying, as they say, to bring about unity, and who are pursuing their objective of creating strife, are not even united among themselves. I said over a year ago that we had not merely one but two rival groups contending for the privilege of being the authors of civil war. Now the splintering has gone even further and there are three or four groups, hostile to one another and having in common only their defiance of the authority of the Government and of *Dail Eireann*, and their willingness to set Irishmen in arms against one another . . ."

Referring to the allegation made by two members of the Dail [see below] that the Eire police and defence forces were being used to maintain partition, Mr. Costello declared: "I cannot too strongly condemn the wicked misrepresentation that our Irish forces are being used to help maintain partition. They are, on the contrary, acting on the instructions of an Irish Government responsible to a freely-elected Parliament—a Government which is working for Ireland and for Ireland alone." In giving those instructions the Government was merely carrying out its duty of seeing that the Constitution was respected; that the laws made by the Irish Parliament were observed; and that the will of the majority of the Irish people was not "flouted by a minority acting without authority or a mandate, human or divine."

After referring to the condemnation of the I.R.A.'s terrorist activities by the Roman Catholic Church, the Prime Minister made a strong appeal to parents, clergy, and others who might be in a position to influence or guide the young men "to induce them to cut themselves adrift from terrorist activities before it is too late." There should be "no word, act, or gesture" that could give the men responsible for the raids in Northern Ireland a pretext for claiming that they had popular approval or support, and it was "vitally important" that the men who were directing this violence, as well as those actively engaged in it, should have "no opportunity of deluding themselves or others into the belief that the people sympathize with their actions"

Rejecting comparison between the present activities of the I.R.A. and the struggle that had led to Irish independence, Mr. Costello concluded: "In the past men struggled to establish an independent, democratic Parliament and Government. Their efforts cannot be allowed to be frustrated by a self-appointed, unrepresentative group who seek to decide national policy according to their own undisciplined will, to seize powers which belong to the Dail and the Government, and to impose upon us all the tyranny of a few."

In a statement after Mr. Costello's broadcast, Mr. de Valera (Leader of the Opposition) expressed his "entire agreement" with what the *Taoiseach* had said.

Mr. de Valera added "The problem of partition cannot be solved by force, and were force to be used for any purpose it would have to be under the authority of *Dail Eireann*. To allow any military body not subject to *Dail Eireann* to be enrolled, organized, and equipped is to pave the way to anarchy and ruin. No responsible Government could permit it, and no thinking person can support it."

Other members of the Government expressed similar condemnation of the I.R.A.'s terrorist activities, notably Mr. Cosgrave, the Minister of External Affairs, Mr. Sweetman, the Minister of Finance and Mr. Everett, the Minister of Justice.

The motions criticizing the Government, to which Mr. Costello referred in his broadcast, had been tabled on Jan. 3 by Mr. McQuillan (Ind.) and Mr. P. Finucane (*Clann na Poblachta*), who asked the *Taoiseach* to recall the Dail to discuss resolutions:

(1) to instruct the Irish Republic's permanent delegate at the U.N. "to demand of the Secretary-General the immediate despatch of U.N. observers to the occupied part of the national territory";

(2) to ask the Government to "discontinue immediately the use of the Irish Army and the *Garda Siochana* (Civic Guard) as instruments of British policy in helping to maintain partition," and to release forthwith "the men recently taken into custody as a result of such use."

Both the Government's and the Opposition's policy in the matter of partition was strongly criticized in a message sent by Mr. Sean MacBride, leader of the *Clann na Poblachta* (one of the parties supporting the Government), to a party meeting held in Dublin on Jan. 18.

Mr. MacBride said that "one of the foremost essential requirements" for undoing partition was "the harnessing of the people behind a definite policy capable of achievement." He added: "Internal divisions . . . can only retard our national advance. But in order to achieve the unity of effort required, there must be a positive and constructive policy which, as far as the major parties are concerned, has been lacking." The recent "tragic events" had their origin "in the absence of policy and leadership on the part of the Government and the Opposition in regard to the enforced partition of the nation." The *Clann* had "urged time after time that this lack of positive policy was bound to lead to disillusionment on the part of young people," and it was "this complete absence of policy and leadership" that had "caused a section of the people to lose patience with the slowness and ineffectiveness of the democratic process."

As first steps to ending partition, Mr. MacBride suggested the enlargement of the Dail to include elected representatives from Northern Ireland, as well as the creation of an Irish Common Market. Steps should be taken to make a "realistic assessment of the economic barriers which would have to be overcome to provide for reunification," and they should work toward the economic reintegration of the two parts of the country. He stressed the importance of economic problems, not only because "the lifeblood of the nation is being drained away as a result of the lack of economic development," but also because they had "an important bearing on the ultimate reunification"

Statements by Northern Ireland Ministers.

Lord Brookeborough (Prime Minister of Northern Ireland), speaking in the N.I. Parliament on Feb. 5, claimed that the terrorists responsible for the recent raids in Northern Ireland were linked with the Communists.

Lord Brookeborough said that there was "a very close link between the recent outrages and the Communist Party," and that the outrages constituted "an obvious chance for the Communist Party to raise trouble." The Roman Catholic Church was opposed to Communism, but many of the people who carried out the outrages had disobeyed their Church. "It is significant," he went on, "that the Communists have given the I.R.A. steady encouragement since the outrages began. The official Russian newspaper *Pravda* describes them as 'the Irish people's national liberation movement,' and states that the

'popular masses' are alarmed by the threat which 'the presence of foreign military bases in the northern part of Ireland creates for Ireland's security.' The Red Army newspaper *Red Star*, the Soviet trade union newspaper *Trud*, *Izvestia*, and even the London Communist *Daily Worker* have all published accounts giving encouragement and support to the gunmen. There have been many misrepresentations about the real nature of the I.R.A. movement. It is conducting unprovoked armed aggression against us from a neighbouring State. It is not a 'broadly based national liberation movement' as alleged in the Communist press."

Continuing, Lord Brookeborough said the Communist interest in the I.R.A. was "twofold": first, their hope that I.R.A. activities could jeopardize the industrial progress of Northern Ireland and reduce the standard of living and prosperity, thereby creating "conditions in which Communism can thrive." Secondly, they had a more strategic aim in mind—to make Northern Ireland ports and facilities inaccessible to the forces of the North Atlantic Alliance. This was "the chestnut which the Communists hope the I.R.A. will pull out of the fire." It was therefore "not surprising that the I.R.A. should enjoy the friendship and support of the Communists, for there have been contacts between the two in the past and it is only the Communists who can have any worry about the presence of NATO military bases here."

The stand taken in the Irish Republic, both by Mr. Costello's Government and the Opposition, in condemning I.R.A. armed raids into Northern Ireland, and in particular Mr. Costello's broadcast of Jan. 6, was welcomed by Mr. Topping, the N.I. Minister of Home Affairs, on Jan. 22 and by Mr. Maginess, the N.I. Attorney-General. The latter described Mr. Costello's warning as "a courageous statement of the position," and expressed the hope that the policy announced by Mr. Costello would be "implemented by deeds."

Lord Brookeborough and Mr. Topping visited London on Feb. 14 for talks with British Ministers about the situation in Northern Ireland; they saw Mr. Macmillan and Mr. Butler, the Home Secretary, while Mr. Topping also had discussions with Sir John Nott-Bower, Commissioner of the Metropolitan Police, with whom he discussed security measures on the strength of documents captured in Belfast which indicated the danger of I.R.A. attacks in Great Britain.
(Times - Belfast Telegraph - Irish Times, Dublin)
(Prev. rep. 15290 A.)

A. WESTERN POWERS. — Four-Power Working Group on German Reunification.

It was announced on Feb. 15 in London, Washington, Paris and Bonn (1) that the British, U.S., French and German Federal Governments had agreed "to embark on a review of the problem of German reunification in relation to European security on the basis of the proposals made at the Foreign Ministers' conference in Geneva and in the light of subsequent developments"; (2) that this review would be initially undertaken by a working party consisting of officials of the four Powers, meeting in Washington; and (3) that the matter would subsequently be considered by the North Atlantic Council. The working group held its first meeting in Washington on March 6.

A spokesman of the German Federal Government said that the working party would make no attempt to prepare for another conference with the U.S.S.R., nor would it be concerned with the matters raised in Marshal Bulganin's recent letter to Dr. Adenauer (see 15370 A). A statement from the *Quai d'Orsay* said that the French Government had taken a leading part in setting up the four-Power working group and had been in close touch on the matter with Italy and the Benelux countries.—(Times - Le Monde, Paris - New York Times - Frankfurter Allgemeine Zeitung) **(Prev. rep. Geneva Conference of Foreign Ministers, 14537 A.)**

B. ISRAEL. — Suspension of Soviet Oil Deliveries.

A Moscow broadcast of Feb. 7 announced that the Soviet Government had halted the delivery of Soviet oil supplies to Israel because of that country's "aggressive action" against Egypt, and had cancelled the two-year contract signed between the two countries in July 1956. The Israeli Foreign Ministry announced on Feb. 19 that a Note had been sent to the U.S.S.R. accusing the Soviet Government of breach of contract and reserving the right to claim damages.—(New York Times) **(Prev. rep. 15010 A.)**

C. EASTERN GERMANY. — Flights of Refugees to Western Germany in 1956.

The West German Minister for Refugee Questions (Professor Oberländer) announced on Jan. 7 that 279,189 refugees from Eastern Germany had entered the Federal Republic in 1956, the highest number for any year with the exception of 1953. Nearly half were under 25 years of age, and 2,170 were members of the "people's police" in the Eastern zone.
(Frankfurter Allgemeine Zeitung) **(Prev. rep. 15267 A.)**

D. UNITED KINGDOM. — Rise in Gold and Dollar Reserves. - February Figures. - Signing of Agreement on U.S. Export-Import Bank Credit to Britain.

The Treasury announced on March 4 that the sterling area's gold and dollar reserves had increased by $63,000,000 during February, after taking into account (*a*) $20,000,000 received from the E.P.U. in part settlement of the January surplus, (*b*) $4,000,000 received in U.S. defence aid, and (*c*) $3,000,000 paid to creditor countries in the E.P.U. under bilateral agreements. As a result, Britain's gold and dollar reserves stood at $2,147,000,000 on Feb. 28.

It was stated in the Press that the February figures had also been favourably influenced by the Indian sale to the sterling area's central reserves of $59,000,000 which India had borrowed from the International Monetary Fund, out of a total amount of $200,000,000 made available by the Fund to India early in February.

Provisional figures for the E.P.U. February settlement showed that Britain had a surplus of £8,000,000, three-quarters of which will be settled in gold or dollars and the remaining quarter by the reduction of the U.K.'s debt to the Union.

The Chancellor of the Exchequer, Mr. Thorneycroft, announced on Feb. 26 that the formal agreement with the U.S. Export-Import Bank establishing a $500,000,000 line of credit in favour of the United Kingdom had been signed in Washington on the previous day.

Mr. Thorneycroft explained that the credit would make it possible to recoup at any time up to Feb. 28, 1958, a substantial part of Britain's dollar expenditure on goods and services from the beginning of 1957. "Whether, and if so when," the Government would draw on the credit would be "a matter of judgment to be decided in the light of the circumstances." The rate of interest would be 4¼ per cent on the actual drawings. Mr. Thorneycroft added: "We are not pressed for this loan. There is no immediate need for it. What is wanted, and the help it gives, is to provide a substantial reinforcement to the reserves."

It was stated on the same day that, under the terms of the agreement, the U.K. Government would deposit $120,000,000 of British-held dollar securities as collateral for every $100,000,000 borrowed. If the market value of the collateral securities fell during the period of the loan, the British Government would only have to make up the collateral's value if this should fall below 100 per cent of the actual loan amount. If, on the other hand, the market value of the collateral securities rose beyond 120 per cent of the actual loan amount, the British Government would be free to draw back some of the securities. Interest on the collateral securities would still accrue to Britain.

Unlike normal loans by the Export-Import Bank made solely for the purchase of U.S. goods and services, the present loan will permit the United Kingdom to purchase oil from any part of the dollar area.—(Financial Times - New York Times)
(Prev. rep. 15358 A; U.S. Credit, 15239 A; 15260 A.)

E. PORTUGAL. — State Visit by Queen Elizabeth II and the Duke of Edinburgh.

Queen Elizabeth II and the Duke of Edinburgh paid a four-day State visit to Portugal from Feb. 18-21 at the invitation of President Craveiro Lopes, who had visited Britain in 1955 (see 14527 A). The Queen flew from London and was reunited at Montijo Airport, near Lisbon, with the Duke of Edinburgh, who had been staying at Gibraltar after completing his four-months' Commonwealth tour (see 15411 A).

During their three-day stay in Lisbon (Feb. 18-20), where they resided at the Queluz Palace, the Queen and the Duke attended a number of official functions, including a State banquet given by President Craveiro Lopes, held a reception at the British Embassy, and were the guests of the Lord Mayor at the Lisbon City Hall. They also visited a number of places of historic interest and attended a gala performance at the São Carlos Opera House, while the Queen visited a housing estate at Restalo, on the city's outskirts.

In the course of a 210-mile motor tour on Feb. 20 the Queen and the Duke of Edinburgh visited the towns of Santarem and Vila Franca, the fishing village of Nazaré, and the monasteries at Batalha (where the Queen laid a wreath on the Tomb of the Portuguese Unknown Warrior of the First World War) and Alcobaca. They ended their State visit on Feb. 21 with a visit to Oporto, returning to London by air the same evening.

The Queen, who was enthusiastically welcomed by great crowds in Lisbon and the other places visited, was the first British sovereign to pay a State visit to Portugal since King Edward VII, who visited Lisbon in 1903.
(Times - Daily Telegraph - Manchester Guardian)

F. EGYPT. — Ending of State of Emergency.

The state of emergency proclaimed at the outbreak of the Suez hostilities was lifted on March 6, together with the black-out and other restrictions imposed at the time.—(Times)
(Prev. rep. 15173 A.)

MARCH 9—16, 1957

A. UNITED STATES. — Congressional Approval for "Eisenhower Doctrine" on Middle East.

President Eisenhower's proposals for American military and economic aid to Middle Eastern countries threatened by Communism (see 15305 A) were finally approved by the Senate on March 5 by 72 votes to 19, and by the House of Representatives on March 7 by 350 votes to 60. The Congressional resolution to this effect was signed by the President on March 9.

The protracted Congressional hearings on the Administration's resolution had begun in the Senate on Jan. 14, and continued for many weeks before the resolution (amended in certain respects, as described below) was finally adopted by both Houses and signed by the President. Strong criticisms of the Administration's policy in the Middle East were voiced during the hearings by leading Democratic senators.

The Administration's Resolution.

The "Eisenhower doctrine" was formally embodied in a resolution, submitted to Congress on Jan. 5, in which the President asked for Congressional authorization "to undertake economic and military co-operation with nations in the general area of the Middle East in order to assist in the strengthening and defence of their independence." The resolution was worded as follows:

"Whereas a primary purpose of the United States in its relations with all other nations is to develop and sustain a just and enduring peace for all, in accordance with the U.N. Charter; and

"Whereas the peace of the world and the security of the United States are endangered as long as international Communism and the nations it controls seek by threat of military action, use of economic pressure, internal subversion, or other means to attempt to bring under their domination peoples now free and independent; and

"Whereas such danger now exists in the general area of the Middle East;

"Therefore be it resolved by the Senate and House of Representatives of the United States of America:

"(1) That the President be, and hereby is, authorized to co-operate with and assist any nation or group of nations in the general area of the Middle East in the development of economic strength dedicated to the maintenance of national independence.

"(2) The President is authorized to undertake, in the general area of the Middle East, military assistance programmes with any nation or group of nations of that area desiring such assistance.

"Furthermore he is authorized to employ the armed forces of the United States as he deems necessary to secure and protect the territorial integrity and political independence of any such nation or group of nations requesting such aid against overt armed aggression from any nation controlled by international Communism;

"Provided that such employment shall be consonant with the treaty obligations of the U.S.A., the U.N. Charter, and actions and recommendations of the United Nations; and, as specified in Article 51 of the Charter, that measures pursuant thereto shall be immediately reported to the Security Council and shall not in any way affect the authority and responsibility of the Security Council to take at any time such action as it deems necessary in order to maintain or restore international peace and security.

"(3) The President is authorized, when he determines that such use is important to the security of the United States, to use for the purposes of this resolution, without regard to the provisions of any other law or regulation, a sum not exceeding $200,000,000 from any appropriations now available for carrying out the provisions of the Mutual Security Act of 1954, as amended . . .

"(4) The President shall in January of each year report to Congress his action under this resolution.

"(5) This resolution shall expire when the President shall determine that the peace and security of the nations in the general area of the Middle East are reasonably assured by international conditions created by action of the United Nations or otherwise."

Mr. Dulles' Statement to Foreign Affairs Committee of House of Representatives.

Mr. Dulles, the Secretary of State, appeared before the Foreign Affairs Committee of the House of Representatives on Jan. 7, when Congressional hearings opened on the Presidential resolution. In the course of a lengthy statement he appealed for prompt Congressional action on the resolution, and gave warning that "any long delay or division [of opinion] would be disastrous" as far as the Middle East area was concerned. Part of Mr. Dulles' statement was made in public and part in secret session.

Mr. Dulles said that it would be a "major disaster" for the peoples of the Middle East, and indeed of the whole world, if the area should fall "within the grip of international Communism." In such an eventuality the Middle Eastern nations would lose their national independence like those of the East European "satellites," and "the disaster would spread far beyond the confines of the Middle East itself." As the economies of many Western European countries depended to a large extent upon the natural products of the Middle East, and upon transportation through the area, "the vast sacrifices which the U.S.A. has made for the economic recovery and military defence of Europe would be virtually nullified if the Middle East fell under the control of international Communism."

The Secretary of State continued: "The [Middle East] area is much divided within itself. There is a high degree of disunity between the Arab States and Israel, a disaccord which has been heightened by the recent Israeli military action in Egypt. There is much disunity among the Arab States themselves. There is suspicion against any outside force lest it be a device to reimpose colonialism . . . No single formula will solve all the problems in the Middle East. They will have to be attacked in a variety of ways, as we have steadily sought to do and will continue to do. But the evolution of events now requires us to add a new element to reinforce our other actions in the area.

"The danger [of Communism in the Middle East] can take any one or more of several forms. There is the possibility of open armed attack. There is the possibility of subversion—a danger which is increased if there be a sense of insecurity. There is the danger that economic conditions may be such as to make Communism seem an attractive choice. Any programme, to be adequate, must be prepared to meet all three of these dangers and any combination of them. Also, they cannot be met under present conditions unless we make clear now, in relation to the Middle East, what we have already made clear in relation to so many areas—namely, that armed Communist attack would have to be met, if need be, by the armed force of the United States . . .

"You may feel that there is in fact no doubt as to what Congress would do if international Communism set out on piecemeal conquest of the world by war. But until Congress has actually spoken, there is doubt in the Middle East, and there may be doubt in the Soviet Union. If those doubts persist, then the danger persists and grows. If we elect to wait and see, and then decide, the waiting period will greatly heighten vulnerability to both direct attack by overwhelming force and to indirect aggression. And we shall not have deterred the aggression. Only if Congress quickly dispels doubts, only if it puts the stamp of its approval upon a rounded programme of economic and military assistance and reassurance for the Middle East, will it have done the maximum it can do to preserve peace and freedom.

"The purpose of the resolution is not war. It is peace. The purpose, as in the other cases where the President and Congress have acted together to oppose international Communism, is to stop World War III before it starts."

It was officially disclosed on Jan. 12 that Mr. Dulles, in that part of his testimony given to the House Foreign Affairs Committee in secret session, had expressed the "definite belief" that the Middle East area would be "lost" to the Communists without prompt U.S. economic aid as well as military backing. "And if it is lost," he added, "it will be the greatest victory that the Soviet Communists could ever have gained, because if they could get into this area they have, in effect, gotten Western Europe without war." It was also disclosed that Mr. Dulles had affirmed that the "Eisenhower doctrine" would operate in the event of overt aggression by "volunteers" from the Soviet Union or Communist China, and that he had defined the Middle East as "that area lying between and including Libya on the west, Turkey on the north, Pakistan on the east, and the Arabian peninsula on the south"—the term "Arabian peninsula" being designed to include Ethiopia and the Sudan.

Hearings in Senate Committees. - Senator Fulbright's Attack on Mr. Dulles. - Demand for White Paper on U.S. Middle East Policy.

On Jan. 14 Mr. Dulles gave testimony before the Senate Foreign Relations and Armed Services Committees, which met as a joint committee and which took evidence until Feb. 11.

Mr. Dulles was closely questioned on Jan. 14-15 by a number of Democratic senators—notably Senator Hubert H. Humphrey (Minnesota), Senator J. William Fulbright (Arkansas) and Senator Richard B. Russell (Georgia)—on the economic and military implications of the "Eisenhower doctrine." In reply to these and other questions, the Secretary of State pointed out *inter alia* that there was "no present plan" to station American troops in the Middle East; that nothing in the Administration's resolution would authorize the use of atomic weapons in any conflict or hostilities originating in the Middle East; and that, if it came to defining an aggressor country "dominated by international Communism," the President would consult Congressional leaders before reaching a determination. In the course of his statement—which was on similar lines to that made to the House Foreign Affairs Committee—Mr. Dulles said that possible Communist aggression in the Middle East constituted "the most serious threat we have faced over the past ten years." He also said that there would be "a very great likelihood" of U.S. troops fighting in the Middle East if Congress rejected the resolution, but "very little likelihood" of such an eventuality if the resolution were accepted. The Arab-Israel problem, he pointed out, would remain the concern of the United Nations, and the U.S.A.'s proposed guarantee against Communist aggression would not involve forcible U.S. intervention to keep the peace in the "intra-regional" affairs of the Middle East.

Questioned by Senator Kefauver (Democrat, Tennessee) as to why the Administration had not consulted its British and French allies before announcing its new Middle East doctrine, Mr. Dulles said that he could think of no surer way to turn the Middle East over to international Communism "than for us to go there hand-in-hand with the British and French." In view of the animosity against Britain and France in most of the Arab countries, he felt that any attempt to embark on a joint plan would have been "doomed" from the beginning.

When hearings were resumed by the Senate Joint Committee on Jan. 24, Senator Fulbright delivered the strongest attack yet made on Mr. Dulles by any Democratic leader. After declaring that the "disastrous and remarkable collapse of our relations with our closest allies has taken place under the direction of the present Secretary of State, apparently during the relatively short space of a few months," he proposed that the Senate Foreign Relations and Armed Services Committees should defer action on the Administration's resolution until Mr. Dulles had submitted a White Paper on American policy throughout the Suez crisis. Senator Fulbright's demand was supported by two other leading Democratic Senators—Mr. Wayne Morse (Oregon) and Mr. Hubert H. Humphrey (Minnesota). The chairman of the Foreign Relations Committee (Senator Theodore F. Green, Democrat) ruled, however, that Senator Fulbright's proposal could not be considered until Congressional action on the Administration's resolution had been completed.

Senator Fulbright declared that Congressional approval of the resolution, as had been urged by Mr. Dulles, would be tantamount to a vote of confidence in the Administration's conduct of foreign affairs. He went on: "The resolution is . . . a blank cheque for the Administration to do as it pleases with our soldiers and our money. I should need more convincing evidence than I have received that Mr. Dulles has evolved policies regarding the Middle East which are in the interests of America's welfare. I regard the policies which he has been following as harmful to our interests, as calculated to weaken the influence of the free world in the Middle East, as disastrous to NATO, and as damaging to our friendship with Great Britain and France. I suggest that this Committee ask the Secretary to review his conduct of our foreign relations in the Middle East, at least since the time when he visited General Neguib in Cairo and gave him a silver-plated pistol."

After declaring that it was "common knowledge that our two strongest allies, Britain and France, have been grievously wounded by our policies in the Middle East and the United Nations," Senator Fulbright said that a review of U.S. policy, such as he proposed, should explain why the leaders of the British Government had "concealed from us their plans to take action which they knew would seriously affect our interests in the Middle East." He added: "I have seen no reasonable explanation of why Great Britain and France, the two greatest beneficiaries of our foreign aid programme, should want to deceive us. Surely the members of this Committee should know what motivated this unprecedented action by friendly Governments before we are asked to express our confidence in the conduct of our foreign affairs during this period."

In addition, Senator Fulbright asked that the Committee should be given a full report on the course of the Administration's relations with President Nasser; on how and why the U.S.A. had become involved in the Aswan Dam project; and on what had led to Mr. Dulles's "abrupt withdrawal of the offer just as it was being accepted by Colonel Nasser, a procedure calculated to give the greatest possible offence."

In a statement to the Senate Joint Committee on Jan. 25, Mr. Dulles rejected Senator Fulbright's proposal for an official White Paper reviewing U.S. policy in the Middle East, on the grounds that it would take several months to prepare adequately; that its preparation would raise "almost insuperable difficulties"; that many "vital aspects" of the Suez crisis could only be explained by references to "highly confidential communications" with other Governments; that it would not only be "a slow process" to obtain the consent of those Governments to publication, but in some instances consent might never be granted; and that an inquiry as proposed by Senator Fulbright would do "irreparable damage" to America's association with Britain and France. After reiterating that any prolonged delay in approving the Administration's resolution would make the task of keeping Communism out of the Middle East "infinitely more difficult," and that speed was essential, Mr. Dulles said that the Administration had received "desperate" appeals from Turkey, Iraq, Persia and Pakistan for assurances that the U.S.A. would come to their aid if they were attacked by the Soviet Union. He conceded that U.S. membership of the Baghdad Pact would already have provided such assurances, but explained that the U.S. Government had refused to join that pact because it did not wish to be "embroiled in Arab politics."

Senator Wayne Morse asked Mr. Dulles why America should be left to "go it alone" in the Middle East in the event of hostilities, whereas neither Britain nor France would be committed, despite the fact that both countries were heavily dependent on Middle East oil. Mr. Dulles replied: "Personally as things are today I hope they will change if I were an American boy going to fight in the Middle East, I would not want a British and French soldier, one on my right hand and one on my left hand; I think I would be a lot safer without them."

The State Department spokesman (Mr. Lincoln White) issued the following statement later on Jan. 25: "By no stretch of the imagination could this [Mr. Dulles's remark] be considered as a reflection on British-French forces. As far as valour and training are concerned, there are none we value more highly as allies."

Mr. Dulles himself, at a further private session of the Joint Committee, said that he had spoken "in relation to the present situation, particularly in Egypt, where due to the fact that the British and French forces had been there as enemies fighting Arabs . . . anything indicating that they would be brought back under those present conditions would not be useful." He added that he regarded British and French troops "as among the very best in the world, upon whom we would be very glad to depend if we were in any fighting war."

The American War Veterans' Committee sent the following open letter on Feb. 1 to the British and French member-organizations of the World Veterans' Federation:

"Secretary of State Dulles was not speaking for the broad mass of American veterans when he said that if he were an American soldier he would not want British or French soldiers to be fighting alongside him in the Middle East. We were shocked . . . to read Mr. Dulles's remarks. We are, of course, glad that the Secretary has apologized and indicated that his statement was misinterpreted. Nonetheless the impression may be left that his statement represents a segment of American viewpoint. It does not . . . We have fought shoulder to shoulder with British and French soldiers . . . If American boys have to serve in the Middle East, we are certain they will welcome and never oppose serving with the magnificent soldiers of your nations . . ."

The Senate Foreign Relations and Armed Services Committees ended their joint hearings on Feb. 11. In addition to hearing Mr. Dulles, evidence had also been taken from Admiral Radford (chairman of the U.S. Chiefs of Staff) and General Gruenther (former Supreme Allied Commander in Europe), both of whom expressed full support for the Administration's resolution and urged its early acceptance.

Partial Rewording of Administration's Resolution by Senate Joint Committee. - Acceptance by President Eisenhower. - Definition of "Middle East Area."

The Senate Joint Committee approved the Administration's resolution on Feb. 15 (by 20 votes to 8) with one important amendment namely, the "blanket" authorization for the President to use troops in the Middle East was deleted, and a new text was approved authorizing the employment of U.S. forces "provided that such employment shall be consonant with the treaty obligations of the United States and with the U.N. Charter." No alteration was made in the provisions for economic aid to the Middle East countries.

Those parts of the Administration's original resolution which were deleted were the second and third paragraphs under section (2), dealing with the possible use of American armed forces in the Middle East [i.e. the paragraphs beginning "Furthermore" . . . and "Provided that . . . "—see above]. In their place, the Senate Joint Committee approved the following revised wording for the second paragraph of the resolution:

"The President is authorized to undertake, in the general area of the Middle East, military assistance programmes with any nation or group of nations of that area desiring such assistance.

"Furthermore, the U.S.A. regards as vital to the national interest and world peace the preservation of the independence and integrity of the nations of the Middle East. To this end, if the President determines the necessity thereof, the United States is prepared to use armed forces to assist any nation or group of nations requesting assistance against armed aggression from any country controlled by international Communism; provided, that such employment shall be consonant with the treaty obligations of the United States and with the U.N. Charter."

The deletion of the original wording was moved by Senators Mike Mansfield and Hubert Humphrey (both Democrats) and was adopted by 15 votes to 13. The voting was on party lines, the 13 Republicans voting for the original wording and the 15 Democrats for the new text. Senator Humphrey explained the revised wording thus: "What we are saying is that if the President finds it necessary to take military action, we will support what he does. But the responsibility for the decisions is squarely up to him."

The 15 majority votes were those of Senators Theodore F. Green (Rhode Island), Richard B. Russell (Georgia), J. William Fulbright (Arkansas), Harry F. Byrd (Virginia), John J. Sparkman (Alabama), Hubert H. Humphrey (Minnesota), Estes Kefauver (Tennessee), Mike Mansfield (Montana), John C. Stennis (Mississippi), Wayne Morse (Oregon), Stuart Symington (Missouri), Russell B. Long (Louisiana), Henry M. Jackson (Washington), John F. Kennedy (Massachusetts), and Sam J. Ervin jr. (North Carolina).

The 13 opposing votes were cast by Senators Alexander Wiley (Wisconsin), Leverett Saltonstall (Massachusetts), H. Alexander Smith (New Jersey), Styles Bridges (New Hampshire), Bourke B. Hickenlooper (Iowa), Ralph R. Flanders (Vermont), Margaret Chase Smith (Maine), William F. Knowland (California), Francis Case (South Dakota), George D. Aiken (Vermont), Prescott Bush (Connecticut), Homer E. Capehart (Indiana) and Frank A. Barrett (Wyoming).

Certain other amendments to the Administration's resolution —all of a minor character—were approved by the Joint Committee without opposition, viz.:

(1) Stipulating that the authority granted to the President to spend $200,000,000 on special aid projects in the Middle East free of present restrictions should not commit Congress to any further outlay. (Moved by Senator Byrd).

(2) Stipulating that in spending this money, which would come from funds already appropriated for foreign aid, military assistance projects must be paid for only from existing military funds, and economic projects from existing economic funds. (Also moved by Senator Byrd).

(3) Requiring the Administration to use none of this $200,000,000 until 15 days after it had told Congressional committees where and how it was to be used in the Middle East. (Also moved by Senator Lyndon B. Johnson, the Senate Democratic leader).

(4) Providing that U.S. military action should only be taken after a determination by the President that it would be important to the national security of the United States. (Moved by Senator Case).

A statement was issued from the White House on Feb. 4 saying that President Eisenhower, after consulting Mr. Dulles, agreed to the changes made by the Senate Foreign Relations and Armed Services Committees and felt that the resolution in its revised form was "intended and designed to accomplish the purposes outlined by the President in his message to Congress of Jan. 5, 1957." The President therefore urged the Senate to act promptly and to "approve these purposes by a decisive vote."

The White House statement added: "The President notes that the text adopted by the two Senate Committees differs in some respects from that recommended by the Executive branch and adopted with certain amendments by the House of Representatives [see below]. But the President has no doubt that, since both the Senate Committees' version and the House version seem clearly intended to support the President's programme, final Congressional action will be in terms entirely satisfactory to the President."

The Senate Foreign Relations and Armed Services Committees issued a joint statement on Feb. 15 urging prompt Congressional action on the resolution, and declaring that their refusal to grant the President a "blanket authorization" for the use of troops in no way indicated any "weakening" of the position of the United States. The statement said:

"This language [i.e. the new text] has the virtue of remaining silent on the question of the relationship between Congress and the President with respect to the use of the armed forces . . . At the same time [it] makes clear the importance which the United States attaches to the Middle East and the determination of the U.S.A. to use armed force to resist Communist aggression in the area should any nation request such assistance.

"The Joint Committee rejects the idea that because the agreed language does not deal with the question of the scope of the President's authority, the language therefore may indicate a weakening of U.S. determination. On this latter point let there be no doubt. Although the Joint Committee was sharply divided as to the proper constitutional procedure for the U.S.A. to follow, it was not divided at all as to the substantive policy involved.

"The Joint Committee strongly supports the policy announced by the President of using armed force, if necessary, to help nations in the Middle East resist overt Communist aggression. The Joint Committee has not the slightest doubt that, should such aggression occur and should American help be requested, help would be forthcoming promptly and forcefully.

"On balance, the Joint Committee is of the opinion that the clear statement of policy . . . in the resolution [as amended] is preferable to a blanket authorization to the President to use the armed forces in this area. By declaring the policy of the United States, the resolution is actually stronger in some respects than a simple authorization of the President."

The statement defined "the general area of the Middle East" as lying "between Libya on the west, Turkey on the north, Pakistan on the east, and Saudi Arabia and Ethiopia on the south."

Final Approval by Senate and House of Representatives.

Prior to the hearings in the Senate Joint Committee, the House of Representatives had approved the Administration's resolution on Jan. 30, without any substantial amendment, by 355 votes (188 Democrats, 167 Republicans) to 61 (35 Democrats, 26 Republicans).

The House Foreign Affairs Committee had previously approved the resolution on Jan. 24 by 24 votes to two. Though making no textual alterations, it (*a*) noted that the President's proposals failed to meet such "basic" Middle East problems as the solution of the Arab-Israel dispute, the Suez controversy, the refugee issue, and other matters "of grave importance"; (*b*) called upon the Administration to present to Congress and the United Nations "positive and comprehensive measures for dealing with the fundamental problems of the Middle East"; and (*c*) declared that the United States "should lead in boldly pursuing and implementing policies and programmes to bring peace, security, and economic stability to the Middle East."

The resolution as revised by the Senate Foreign Relations and Armed Forces Committees was approved by the full Senate on March 5 by 72 votes (42 Republicans, 30 Democrats) to 19 (16 Democrats, 3 Republicans), after debates extending over a fortnight. The revised resolution was approved by the House of Representatives on March 7 by 350 votes to 60, and received the Presidential signature on March 9 as stated above.

Mr. James Richards, special assistant to the President on Middle Eastern problems (see page 15307, first column), left Washington on March 12 to explain the "Eisenhower doctrine" to the Governments of the Middle East countries. He stated that discussions would be held "only with Governments who wish them," and that "we will not try to force our views upon others."

Democratic Criticisms of Administration's Policy in Middle East.

Apart from the criticisms voiced by Senators Fulbright, Mansfield, Humphrey, and other Democratic senators during the Congressional hearings, the Administration's policy in the Middle East was also strongly attacked by the Democratic Party outside Congress—notably by the National Democratic Advisory Committee in a statement issued on Jan. 5, and by ex-President Truman and Mr. Adlai Stevenson in public speeches.

After the recent Presidential and Congressional elections, the Democratic Party had decided on Nov. 27, 1956, to establish a National Democratic Advisory Committee as an official party organization. The Advisory Committee came into existence during December, its members including Mr. Adlai Stevenson (Democratic candidate at the Presidential elections), Senator Estes Kefauver (the Democratic vice-presidential candidate), Mr. Harry S. Truman (the former President), Mrs. Eleanor Roosevelt (widow of the late President Roosevelt), Mr. Averell Harriman (Governor of New York), and Senator Humphrey.

The statement issued by the Democratic Advisory Committee on Jan. 5 [i.e. on the same day that President Eisenhower presented his resolution to Congress] charged the President with "brushing aside" the basic problems of the Middle East, and accused the Administration of having "sided with Communist Russia against free Britain and France and with dictator-controlled Egypt against free Israel" during the Suez crisis.

After commenting that the situation in the Middle East had been dangerous for many months, "including the recent [election] campaign months during which the Administration was lulling the public with assurances that the outlook for peace in the Middle East was never better," the Democrats' statement continued:

". . . By Mr. Eisenhower's own admission his proposals do not purport to cope with all the problems of the Middle East. They are, in effect, an effort to partially close the stable door after the horse is partially outside the stable. We hail the announced intention of Democrats in Congress to put Mr. Eisenhower's proposals under close and thorough scrutiny . . .

"Mr. Eisenhower says that the blame for the present danger in the Middle East lies on the Communists. There is little new in this thought. The other perils which we have experienced since World War II can also be blamed upon the Communists. The question remains as to how to turn a dangerous present into a less perilous future. The first step is for our Government to address itself to the root problems of the Middle East—the problems which Mr. Eisenhower brushed aside [in his resolution]. These are the problems of Suez and relations between Israel and the Arab States. American minds can come up with something better than the statement that these problems are before the United Nations and we are behind the United Nations. The responsibility for a programme to deal with these problems rests squarely upon the shoulders of the President. We hope he will move with dispatch to prepare such a programme and submit it to the country.

"The programme Mr. Eisenhower presented to Congress should be looked at in a larger context than in which it was presented in Mr. Eisenhower's speech. Increasing Communist boldness and increasing Communist menace in the Middle East and elsewhere have gone hand in hand with the deterioration of the grand alliance of free nations which stood as a strong and united defender of freedom at the end of Mr. Truman's Administration. Bullying of our allies has eroded our position until we have sided with Communist Russia against free Britain and France and with dictator-controlled Egypt against free Israel.

"Small wonder that the rulers of the Kremlin believe that we are confused, uncertain, and perhaps timid or weak. Small wonder they are emboldened to increase their pressure on free nations . . . And small wonder, in view of these events, that our prestige and influence

have declined in every section of the world in recent years. The case of Hungary is dramatic proof that the Kremlin has been emboldened by the deterioration of our alliances and the weakening of our leadership . . . It is no coincidence that the brutal repression of the Hungarian patriots occurred at a time when our muddling in the Middle East had brought on the Suez crisis.

"It is significant that Mr. Eisenhower appeared [in his resolution] to treat the Middle East crisis as an isolated area problem unrelated to our dealings with the rest of the world. That is the way in which this Administration has conducted foreign policy. It has bounced from trouble-spot to trouble-spot. It has been so occupied with these activities that it has had little time to examine the global picture, and apparently no time to plan a comprehensive, vigorous programme to rebuild our alliance and restore our prestige and leadership. The time has come for Mr. Eisenhower to face up to this larger task and to abandon his present improvisations in favour of a foreign policy programme that faces facts all over the world and seeks to deal with them."

In a speech in Miami on Feb. 6, ex-President Truman described the President's proposals for the Middle East as "too little and too late," and accused the Administration of "hiding behind the skirts of the United Nations" and avoiding the "responsibility of having some policy of our own for the settlement of the conflicts in the Middle East."

Mr. Adlai Stevenson, speaking in California on the same date, strongly attacked Mr. Dulles's handling of U.S. foreign affairs, and said that "the first vacuum that should be filled is in the State Department and not in the Middle East."

Senate Inquiry into American Policy in Middle East.

During the Congressional hearings, the Senate Foreign Relations and Armed Services Committees unanimously decided on Jan. 29 to hold a full inquiry into American foreign policy in the Middle East from 1946 to the outbreak of the Suez crisis in October last. The resolution requested Mr. Dulles to "prepare a chronological statement, together with classified and unclassified supporting documents, telegrams, and the like, of all the events that have contributed significantly to the present situation in the Middle East, with particular reference to the period beginning January 1, 1946.

Senator Knowland (Republican leader in the Senate) told press correspondents that the inquiry was acceptable to both President Eisenhower and Mr. Dulles. As it was the Administration's "understanding" that disclosure of private conversations with Heads of State and personal correspondence with them was "not customary," it was therefore "most unlikely" that the Senate Committees would publish such material.

When Senator Fulbright had proposed a review of U.S. policy in the Suez crisis [see above], Senator Knowland had moved an amendment that such a review should be broadened to include events since 1946 – i.e. during the Truman Administration as well as the Eisenhower Administration. This was accepted by Senator Fulbright, and the above-mentioned inquiry was agreed to without opposition.—(New York Times - New York Herald Tribune) **(Prev. rep. "Eisenhower Doctrine," 15305 A.)**

A. UNITED KINGDOM. — Housing Construction in 1956. - The Housing Subsidies and Slum Clearance (Compensation) Acts.

Figures published by the Ministry of Housing and Local Government on Feb. 1 showed that 300,225 permanent houses and flats were completed in Britain in 1956, compared with 316,995 (revised figure) completed in 1955. Of the 1956 total, 166,267 were built by local authorities, 124,161 by private builders, 2,666 by housing associations, and 7,131 by Government departments. The total number of permanent houses and flats completed in Britain since the end of the war was given as 2,539,875, of which 1,832,043 had been built by local authorities, 606,222 by private builders, 30,837 by housing associations, and 61,773 by Government departments.

The Housing Subsidies Act.

The Royal Assent was given on March 27, 1956, to the Housing Subsidies Bill implementing the Government's decision to cut the general housing subsidies, to maintain them for slum clearance (in order to encourage local authorities to devote a larger proportion of their housing programmes to the rehousing of slum dwellers), and to increase them for the housing of "overspill" populations in New Towns or expanded towns. This decision had been announced by Mr. Butler, then Chancellor of the Exchequer, in his 1955-56 Supplementary Budget speech on Oct. 19, 1955, and was subsequently elaborated by Mr. Duncan Sandys, then Minister of Housing and Local Government, on Oct. 27, 1955.

The principal provisions of the Housing Subsidies Bill were:

(1) The basic Exchequer subsidy on houses built by local authorities for general needs was reduced from £22. 1s. to £10, with consequential adjustments and subsidies for flats.

(2) The subsidy was maintained at £22. 1s. for houses built in slum-clearance areas.

(3) The subsidy was increased from £22 1s. to £24 for houses built "to facilitate necessary movements of the population," e.g. New Town or expansion schemes to deal with "overspill" populations, or housing schemes "to assist the urgent needs of industry."

(4) The existing subsidy rate was retained for houses and flats built on expensive sites, as well as the special subsidies for agricultural dwellings, houses built in areas liable to subsidence, etc.

(5) The Minister of Housing and Local Government was given a limited discretionary power to increase basic subsidies in exceptional cases where necessary housing accommodation could not otherwise be provided without imposing an unreasonable burden on the rates or charging unreasonably high rents.

(6) The Minister was also empowered, after consulting local authorities and with parliamentary approval, to make Orders abolishing or reducing subsidies on houses, the construction of which was approved after the date of the Order - thus implementing the Government's intention that the reduction of the general subsidy to £10 should only be a transitional measure pending its complete abolition.

(7) Local authorities were relieved of their existing statutory obligations to contribute to the cost of housing out of the rates, but were permitted to make contributions to their housing revenue accounts from their general rates fund as they thought fit.

(8) The Minister of Housing and Local Government was authorized to recover from local authorities of congested cities one-half of any payment made by him to the authorities of New Towns, or of "expanded towns," toward the cost of housing "overspill" populations.

The Bill had been given a second reading in the House of Commons on Nov. 17, 1955, and a third reading on Feb. 15, 1956 (by 294 votes to 240), and had received its second reading in the House of Lords on March 6, 1956.

The Slum Clearance (Compensation) Act.

The Slum Clearance (Compensation) Bill, intended to relieve acute cases of financial hardship arising in the course of slum clearance, was enacted on Aug. 2, 1956, having received its second reading in the House of Commons on March 28. The Act:

(1) Provided for assistance to owner-occupiers who, as a result of the war and the housing shortage, had been forced to buy worn-out houses to live in themselves. Under the Act, anyone living on Dec. 13, 1956 in a house which he had bought between Sept. 1, 1939 and Dec. 13, 1955, and which, within 10 years from the latter date, was purchased compulsorily as unfit for habitation, would be compensated at the same rate as if the house had not been declared unfit.

(2) Enabled a person carrying on a shop or business in a house subsequently declared unfit to be compensated for the loss of his business at the same rate as if the house had not been declared unfit.

(3) Permitted the Minister of Housing to adjust from time to time the rates of payment made under the Housing Act to owners or occupiers of houses which, though declared unfit, had been well maintained.

In the Report stage (May 29, 1956) a Government amendment was agreed to (by 208 votes to 173) enabling the Courts to modify or discharge the liabilities of an occupier of a house who had agreed to buy it on a tenant-purchase agreement before it was condemned as unfit.

The Government's intention to introduce the Slum Clearance Bill had been announced by Mr. Sandys on Dec. 13, 1955. A statement was issued by the Ministry of Housing instancing the following as the kind of hardships which the Bill was intended to relieve:

A.—An elderly owner-occupier paid £500 for a house in 1949, and raised a mortgage of £300. At present [i.e. before the Bill was introduced] compensation would amount to about £50 - £14 for the value of the site and £36 for good maintenance.

B.—A working man spent his entire savings of £300 in buying a house in 1953. Since the house was not well maintained he would at present receive site value only—about £10.

C.—Two years earlier a widow paid £800 for a tobacco and newspaper shop. At present she could hope to receive no more than about £100.

D.—An ex-service man spent his gratuity and raised a private loan to buy an electrical and radio shop in 1950—£250 for the business and £250 for a 14-year lease. At present he could expect to receive about £50.

Mr. Sandys announced on Nov. 1, 1956, that the "general needs" housing subsidy of £10 a year would be withdrawn with immediate effect, except for one-bedroom dwellings for old people. The existing subsidies for slum clearance, overspill, expensive sites, and other special circumstances would remain unchanged as laid down in the Housing Subsidies Act. An Order abolishing the £10 subsidy was approved by the House of Commons on Dec. 13 by 275 votes to 241.—(Ministry of Housing and Local Government - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 1955 Housing Figures, 14714 B; Subsidies, 14500 A, pp. 14502, 14504-5.)**

A. INDONESIA. — Military Revolts in Sumatra, East Indonesia, and Borneo. - Demands for Regional Autonomy. - Masjumi Party leaves Central Government. - President Sukarno's Proposals for All-Party Government. - Resignation of Sastroamidjojo Cabinet. - President Sukarno proclaims Martial Law.

A serious political crisis developed in Indonesia during the second half of December, following military revolts in Central and North Sumatra. Although the Government regained control in North Sumatra within a few days, a military administration was set up in Central Sumatra, while in South Sumatra the local administration decided to withhold all revenues from the Central Government. As a result of these events, the *Masjumi* (Moslem) and two smaller parties withdrew from the Government. To meet the crisis President Sukarno put forward proposals on Feb. 21 for the formation of an all-party Government and a National Council with advisory powers, but this plan, although approved by the Nationalists and Communists, was rejected by the Socialists and the religious parties. Early in March further regional revolts under military leadership occurred in East Indonesia and Borneo, leaving Java and the surrounding area the only part of the country under the full control of the Central Government. Following the resignation of Dr. Sastroamidjojo's Cabinet on March 14, President Sukarno proclaimed a "state of war and siege" (i.e. martial law) throughout Indonesia, and at the same time gave a warning that the military revolts in outlying areas, if allowed to continue unchecked, might lead to the "disintegration" of the State. These and other recent developments are described below under cross-headings.

Military Conspiracy in Java.

The Prime Minister, Dr. Sastroamidjojo, gave details in Parliament on Dec. 12, 1956, of the military conspiracy in Java (see 15272 A), and revealed that an attempt to carry out a military *coup* had taken place on Nov. 16.

Dr. Sastroamidjojo said that the conspiracy had originated at a meeting of officers held on Aug. 10 at the home of Colonel Lubis (the Deputy Chief of Staff), its aims being the arrest of the members of the Government and other political leaders, the dissolution of Parliament and the political parties, and the setting-up of a military junta on the Egyptian model. On Nov. 16, the date chosen for the *coup*, a unit stationed at Bandung had moved towards Jakarta, but the plan had collapsed owing to lack of support among the non-commissioned officers.

Military police carried out house-to-house searches in Jakarta during the second half of January and made a number of arrests of suspected persons.

The Commander of the Jakarta garrison announced on Feb. 1 that 30 people, including four soldiers, had been detained on charges of complicity in Colonel Lubis's plot, relations with the *Dar-ul-Islam* insurgents and "foreign subversive elements," or violation of economic regulations, and that efforts to apprehend Colonel Lubis [who had been in hiding since November] would continue. He claimed that the raids had forestalled a *Dar-ul-Islam* plan to attack Jakarta and other towns in Western Java, details of which had become known to the military authorities.

Military Revolts in Sumatra.

Central Sumatra.

Colonel Ahmad Hussein, commander of the 4th Regiment, deposed the Governor of Central Sumatra on Dec. 20, the civil administration being taken over by the "Banteng Council."

This body, of which Colonel Hussein was chairman, had been formed earlier in the month at a reunion of the Banteng (buffalo) Division which had fought in the war of independence in Central Sumatra. It had sent a delegation to Jakarta to demand that corruption should be stamped out and that a greater share of the revenues derived from Sumatran oil should be allocated to the island for local development purposes. Broadcasts from Padang (the capital of North Sumatra), stated that the Council would control the provincial administration and revenues until its demands were granted, but emphasized that it had no intention of breaking away from the Central Government.

Although the *coup* met with no immediate resistance, a "People's Congress" in the Jambi residency (an area on the east coast) dissociated itself from Colonel Hussein's administration on Jan. 6, proclaimed Jambi a separate province, and announced that it would maintain direct contact with the Central Government. It was subsequently reported in February that the Banteng Council was faced with Communist opposition, and that local Communist and trade union leaders had been arrested.

North Sumatra.

The Commander of the North and Central Sumatra military district, Colonel Simbolon, announced on Dec. 21 that he no longer recognized the authority of Dr. Sastroamidjojo's Government, and would take over the administration of North Sumatra until an "honest and capable" Government was formed. The Indonesian Cabinet dismissed Colonel Simbolon on Dec. 22 and transferred his command to his Chief of Staff, Lieut.-Colonel Ginting. A state of siege was proclaimed in the Tapanuli and East Sumatra areas of the province of North Sumatra, and on Dec. 25 President Sukarno issued an Order of the Day denouncing Colonel Simbolon's action as "a flagrant violation of the oath of the armed forces."

In the early hours of Dec. 27 Lieut.-Colonel Ginting seized control of Medan (the capital of North Sumatra), without opposition and announced that relations with the Central Government would be resumed. Colonel Simbolon fled with some 200 men into the jungle district of Tapanuli on the west coast, and the Commanders of the 1st and 3rd Regiments (stationed in the Atjeh and Tapanuli districts respectively) subsequently declared that they would accept orders only from President Sukarno and General Nasution, the Chief of Staff. Dr. Sastroamidjojo told Parliament on Jan. 21 that Colonel Ginting had relieved several officers of their commands and had disbanded those units found to be disloyal.

South Sumatra.

The Governor of South Sumatra, Mr. Winarno Danuatmodjo, announced on Dec. 27 that the "Provincial Security Co-ordinating Board," consisting of representatives of the provincial administration, the local military command, and the police, had decided to withold from the Central Government all revenues derived from taxes and Customs duties. The money would be used to finance urgent reconstruction projects, such as the building of Army and police barracks, roads, and bridges, in order to end popular discontent at the slow pace at which reconstruction was being carried out. Official spokesmen in Palembang (the provincial capital) said that these measures were being taken to "avoid anarchy and excesses which might be committed by circles dissatisfied with the present situation."

The action taken by the "Provincial Security Co-ordinating Board" represented a serious blow to the Government's finances, as South Sumatra (where the Royal Dutch Shell and Standard Vacuum Oil companies operate Indonesia's two refineries), provides 40 per cent of the country's foreign currency revenue.

Although a state of siege was proclaimed in South Sumatra by President Sukarno on Dec. 31, the Government subsequently maintained a conciliatory attitude in its relations with the ruling groups in Central and South Sumatra, with which it entered into negotiations. The Finance Minister, Dr. Wibisono, announced on Jan. 7 that 20,000,000 rupiahs (about £625,000) had been sent to the Banteng Council, and that South Sumatra had been provisionally authorized to retain revenues derived from taxes and Customs, "pending a solution and provided that officials take good care of the funds."

On March 9 the Military Commander of South Sumatra, Lieut.-Colonel Barlian, deposed Mr. Danuatmodjo and took over administrative power in the province, following the setting-up of a committee representing 21 parties and local organizations.

Broadcasting from Palembang Radio on March 10, Colonel Barlian declared that he wanted "to save the State from disintegration," and claimed that his action was necessary because the smooth running of the administration had been hampered by "critical" political disputes. Colonel Barlian said that they were "fed up" with the Javanese Governor [Mr. Danuatmodjo], who had been installed by the Central Government against local wishes.

A statement was issued by the above-mentioned committee noting the process of disintegration in the country and the "deplorable conditions prevailing in the outer regions," and asserting that the Central Government had failed to attain the national aims expressed in the independence proclamation of 1945. The statement demanded that co-operation between President Sukarno and the former Vice-President, Dr. Hatta, should be restored, and called for the formation of a Senate as well as a Parliament "representative of the regions."

Discussions with Sumatran Military Leaders.

Prior to the latest events in South Sumatra, General Nasution had left Jakarta on Jan. 24 for a tour of the island, during which he had discussions with each district and regimental commander in turn, and also met Colonel Simbolon at Padang. He ended his tour at Palembang, where he presided from Jan. 29 to Feb. 1 over a conference of military commanders, including Colonel Hussein, Colonel Simbolon took no official part in the conference, but by General Nasution's orders he stayed in Palembang while it was in progress in order that he might take part in informal talks if needed. The conference decided that Sumatra, which had previously been divided into two military districts, should in future be divided into four—Achin (North Sumatra), East Sumatra and Tapanuli, Central Sumatra, and South Sumatra. Under this arrangement, Colonel Hussein—who had nominally been under the command of Lieut.-Colonel Ginting—became commander of a separate military district. On returning to Jakarta, General Nasution said that the conference had "solved the military problem in Sumatra but not the political one."

Military Revolt in East Indonesia.

Lieut.-Colonel Sumual, the Commander of the East Indonesia military district (which includes Celebes, the Moluccas, and the Lesser Sunda Islands), issued a declaration on March 2 proclaiming a state of siege in the territory, and announcing that a Military Council had temporarily taken over the administration in East Indonesia.

The declaration, which was signed by 50 leaders representing all political groups in the territory, stated that there was no intention of breaking away from the Republic, but that the East Indonesian Army division had deemed it necessary to take drastic steps "to save the country from a great catastrophe and complete destruction caused by the antagonisms and dissensions among us." The new administration demanded that only 30 per cent of East Indonesia's revenues should be available to the Central Government, instead of 96 per cent as in the past, and the remaining 70 per cent used for the benefit of the territory.

A proclamation was issued on March 4 by Lieut.-Colonel Sumual and his supporters announcing their support for President Sukarno's plan [see below] but proposing that the President and Dr. Hatta should together lead the proposed all-party Government and the National Council. It also demanded full autonomy for the East Indonesian provinces, and denounced the centralized system of government as responsible for corruption, bureaucracy and stagnation in the field of construction.

Military Governors for the provinces under his control were appointed by Colonel Sumual on March 6. On the same day two Army representatives left Jakarta for Macassar to convey to Colonel Sumual certain proposals from General Nasution.

Military Revolt in Borneo.

The revolt subsequently spread to Indonesian Borneo (Kalimantan), where a Revolutionary Council was set up on March 11 headed by Lieut.-Colonel Hasan Basri, the acting Military Commander of Borneo. Colonel Basri announced that the Council would include representatives of the provincial administration and the police.

Indonesian Cabinet Crisis.

The position of Dr. Sastroamidjojo's Government was greatly weakened both by the developments in Sumatra and by allegations of corruption brought against certain of its members. The Cabinet announced on Dec. 22 that it had ordered the Attorney-General to examine charges brought against the Foreign Minister, Mr. Abdulgani, who had agreed to become "non-active." These charges, which were later referred to the Supreme Court, concerned alleged violations of the foreign exchange regulations, and were not connected with the charge of corruption in the running of the State Printing Office, of which Mr. Abdulgani had previously been cleared by a Cabinet inquiry (see 15272 A).

The Minister for Veterans' Affairs, Dr. Ibrahim, resigned on Dec. 26, his duties being taken over by the Second Deputy Premier, Mr. Chalid. Dr. Ibrahim was the only representative in the Government of the Movement for the Defence of Indonesian Independence (IPKI), which issued a statement on the same day declaring that the Government had failed to meet the crisis and that too many Ministers were using their office for personal gain. The IPKI, of which General Nasution was formerly a leading member, is generally regarded as the political mouthpiece of the Army.

The Moslem *Masjumi*, the second strongest party, withdrew its five Ministers on Jan. 9 after its chairman (Mr. Natsir) had failed to secure President Sukarno's agreement to the formation of a new Cabinet led by the former Vice-President, Dr. Hatta. The retiring Ministers were Dr. Rum (First Deputy Premier), Dr. Muljatno (Justice), Dr. Wibisono (Finance), Mr. Tedjasukmana (Communications), and Dr. Noor (Public Works and Power). In the resulting Cabinet reorganization Dr. Rum's duties were divided between Dr. Sastroamidjojo and Mr. Chalid, and the vacant portfolios were provisionally assigned to other Ministers—Dr. Djuanda (Planning) becoming responsible for Finance, Dr. Sunarjo (Home Affairs) for Justice, Mr. Suhardi (Agrarian Affairs) for Public Works, and Mr. de Rosario (Vice-Minister of Communications) for Communications.

The *Masjumi* Executive stated that it had withdrawn its Ministers because it was convinced that the Government's policy was not in the popular interest, and because the party's suggestions had failed to obtain a response. Developments in the Army and elsewhere were proof of the decline in the Government's authority, and the party was convinced that the only solution was the restoration of co-operation between President Sukarno and Dr. Hatta and the formation of a new Government commanding the nation's confidence. The statement emphasized that the *Masjumi's* withdrawal from the Cabinet did not mean the termination of its co-operation with the Government parties, which it hoped would be continued in a different situation and atmosphere.

Mr. Abdulwahid (Minister for General Affairs), who represented the Islamic Party (*Perti*) in the Government, resigned on Jan. 15. The five remaining Government parties the Nationalists, *Nahdlatul-'Ulama*, United Moslem Party (PSII), Christian Party (Parkindo), and Catholic Party submitted proposals to President Sukarno on Feb. 15 for a large-scale reshuffle on which they had agreed; the President, however, expressed the opinion that no Cabinet reshuffle would solve the crisis, and handed them a copy of his plan for an all-party Government [see below] to study. The Cabinet subsequently announced on Feb. 28 that it had decided not to make any change in its composition.

President Sukarno's Proposals for All-Party Government.

President Sukarno gave details of his plan for an all-party government in a broadcast on Feb. 21.

Indonesia, he said, had hitherto followed the Western pattern of parliamentary democracy, but this did not suit the national character and was not "a true democracy in accordance with the ideals of the Indonesian people." During the past 11 years Indonesia had had unstable Governments, all of which had fallen because they had had to solve mounting difficulties and at the same time to fight the Opposition. After saying that the time had come to establish a governmental system "now in every respect," Dr. Sukarno explained that his plan provided for a new Cabinet and the formation of a National Council. The Cabinet would include members of all parties represented in Parliament which had obtained an electoral quotient to be determined later, and which would be based on the *gotong royong* system. [The phrase *gotong royong* is used to describe co-operative effort by peasants in harvesting crops and dealing with natural disasters.] The National Council, of which he would be chairman, would consist of representatives of all groups and strata in the community: workers, peasants, intellectuals, businessmen, religious groups, youth, women, the "1945 revolutionary generation," the armed forces, the police, the Attorney-General, and a number of senior Ministers. Its function would be to give advice to the Cabinet, whether or not it had asked for it, while Parliament would retain its normal functions. Thus the Cabinet would represent Parliament and the National Council would represent the community as a whole.

Defending his proposal to include the Communist Party in the Cabinet, President Sukarno asked: "Can we ignore a party that won 6,000,000 votes in the general elections?" He denied that he was attempting "to bring the Cabinet to the left," as had been suggested, and declared that his only object was the stability of the State. He concluded by inviting the party leaders to consider his plan and to give him their views.

President Sukarno had previously discussed the political crisis in general terms at a press conference on Jan. 17 (the first he had held since 1950), at which he criticized the working of parliamentary democracy in Indonesia and advocated a greater degree of local autonomy.

"Democracy in Indonesia, if left to its present course," he said, "will not achieve the results we hope for, either as a political system or in its economic achievements. To be successful, Western parliamentary democracy requires a certain amount of literacy and a certain degree of prosperity, and Indonesia does not yet possess these requirements. On the other hand, our centuries-old inheritance of democracy as practised in the villages known as *musjawarah*, which means 'discussion,' and *gotong royong*, which means 'collective and mutual help' will be a big asset for the basis of our democracy, at least for this transitional period. To save democracy I must find a way out of the experiment we have been practising in Indonesia for 11 years. In no way will it be a dictatorship. Indonesians cherish their individual liberty more than anyone else. But on the other hand, to allow unfettered opposition to get an absolute majority will only degenerate into a mere struggle for the elimination of political opponents."

A presidential Cabinet led by himself, Dr. Sukarno continued, would under present conditions "only temporarily solve the problem without in any way paving the way for real Indonesian democracy." His recent appeal to political leaders to "bury all parties" (see 15246 A) did not mean that he wanted to "bury democracy" but was intended as "a firm warning to party leaders that they cannot go on in this way, ignoring the needs and desires, hopes and disappointments, of the teeming millions just because there is disagreement among the leaders at headquarters."

In reply to a question on the crisis in Sumatra, the President said that although he did not approve of "military people playing with their guns in political affairs," he knew that there was "every reason to be dissatisfied" and that one reason for discontent was "the progress towards emancipation of the people living in Java compared with those living in other islands." He added: "We have inherited from the Dutch a highly centralized administration. It requires time and complex preparations for the process of decentralization and local autonomy. There is certainly no escape for Indonesia otherwise than by a system of local autonomy for the various regions. The strength of Indonesia must be built upon a prosperous and healthy life in all the islands."

In conclusion, the President denied that there was any danger of the Republic disintegrating, and expressed confidence that "if we can only exploit the indigenous democratic heritage in our political life, then hardships and disappointments on the road toward progress and prosperity will be accepted by the Indonesian people."

When President Sukarno received the party leaders on Feb. 28 to hear their views on his plan, it became evident that political opinion was sharply divided. Those supporting the President's plan included the Nationalists, the Communists, the IPKI, the Islamic Party, and several smaller nationalist and left-wing parties; on the other hand the plan was opposed by the *Masjumi*, the *Nahdlatul-'Ulama*, and the Christian, Catholic, and Socialist parties, all of which objected to entering a Cabinet in which the Communists were represented.

Resignation of Sastroamidjojo Government. - Martial Law proclaimed by President Sukarno.

The Government of Dr. Sastroamidjojo resigned on March 14 and later the same day President Sukarno proclaimed a "state of war and siege" (i.e. martial law) throughout Indonesia, vesting all power in the Chiefs of Staff of the Army, Navy, and Air Force. A statement by the Joint Chiefs of Staff stressed that the declaration of martial law had no connexion with President Sukarno's proposal to set up a National Council, and that martial law would be lifted as soon as the situation had returned to normal.—(Indonesian Embassy Press Office, London - Times - Daily Telegraph - Manchester Guardian - New York Times) **(Prev. rep. Cabinet, 14787 D; President Sukarno, 15246 A; Dr. Hatta, 15312 B; Army, 15272 A.)**

A. WALES. — The "D. J. James Pantyfedwen Trust."

It was announced on March 1 (St. David's Day) that a £500,000 charitable trust fund for the encouragement of religion and education in Wales—the first of its kind—had been established by Mr. David John James, a Welshman with large cinema interests in London, including the *Studio One* and *Studio Two* cinemas in Oxford-street, W. The trust, of which Viscount Tenby (formerly Major-Gwilym Lloyd-George, Home Secretary under Sir Anthony Eden) agreed to become first chairman, will be known as the D. J. James Pantyfedwen Trust—its second name commemorating the Cardiganshire farm where Mr. James spent his youth.

The Trust is intended for (1) the encouragement of religion through grants for the training of intended ministers of any denomination, for the increasing of stipends and relief of ministers, their widows and dependants, and for the establishment of lectureships on religion; (2) the promotion of poetry, prose, and other literary works of a religious or educational nature, and (3) the advancement of education by grants and scholarships at schools or universities in all subjects, including the arts, medicine, and agriculture.

The income from the fund (expected to be about £25,000 a year) will be applied for these purposes for the benefit of male persons, resident in Wales, who were either born in Wales or one or both of whose parents were born in Wales, or who had been students for at least seven years at any educational institution in Wales.

The trustees (in addition to Lord Tenby) include the Moderator of the General Assembly of the Presbyterian Church of Wales (the Rev. C. Lloyd Williams), the Archbishop of Wales (the Most Rev. John Morgan), the Vice-Chancellor of the University of Wales, the librarian of the National Library of Wales, and the president of the Welsh League of Youth (Sir Ifan ab Owen Edwards).

Mr. James, who had previously given about £250,000 for charitable causes, began training for the ministry in Wales when 16, but moved to London to help run a family milk business. In 1918 he opened the first of 10 cinemas in North London, which he sold to Mr. J. Arthur Rank in 1936. (Times - Daily Telegraph)

B. UNITED STATES. — Population Increase.

The U.S. Census Bureau announced on Feb. 15 that "the 170th millionth inhabitant of the United States" had been registered on the electric chart kept by the Bureau in the Department of Commerce, and recording changes in the U.S. population on a minute-to-minute basis. It was explained that these changes were recorded by different coloured lights, viz.—"a blue light flashes every eight seconds to record a birth; a purple one every 21 seconds to show a death; a green one every two minutes records the arrival of an immigrant; a red light every 24 minutes means the departure of an emigrant; and a white light every 12 seconds records a net increase of one in America's population." (New York Times) **(Prev. rep. 15284 E.)**

C. ARGENTINA. — Sentences on Army Officers.

The Army Ministry in Buenos Aires announced on Feb. 16 that Generals Bengoa and Uranga, both of whom had been arrested in November last, would be held in "rigorous confinement for conspiracy to rebellion." The announcement added that the other members of the Army High Command detained in November had been sentenced to periods of arrest varying from 60 to 180 days.—(Times) **(Prev. rep. 15377 A.)**

D. SOUTHERN RHODESIA. — Agreement on Denationalization and Development of Rhodesian Iron and Steel Industry.

The agreement denationalizing Southern Rhodesia's steel industry by the sale of the Rhodesian Iron and Steel Commission to private enterprise was signed on Feb. 28. The contracting parties were, in addition to the Southern Rhodesian Government: the Lancashire Steel Corporation, Stewart & Lloyds Ltd, the Messina (Transvaal) Development Company, the Anglo-American Corporation of South Africa, the British South Africa Company Ltd., the Rhodesian Selection Trust Ltd., and Tanganyika Concessions Ltd. Details were as follows:

(1) The agreement, which largely followed the details announced by the Southern Rhodesian Government on Oct. 17, 1956 [see 15297 B], provided for the setting-up of a new company, the Rhodesian Iron and Steel Co. (Pvt.) Ltd., which would shortly become a public company and would initially have an ordinary share capital of £3,100,000. Of this amount, £2,250,000 would be subscribed for in cash as follows: Lancashire Steel—£500,000; Stewarts & Lloyds—£500,000; Messina (Transvaal)—£500,000, Anglo-American—£250,000; British South Africa Co.—£250,000; Rhodesian Selection Trust—£250,000. In addition, there would be issued £2,750,000 redeemable first debenture Stock carrying a subscription right of 20 per cent in equity shares This issue would be called up in approximately two years' time, and had been underwritten as follows. Anglo-American—£950,000; British South Africa Co.—£950,000; Tanganyika Concessions—£850,000.

(2) The purchase price for the existing assets of the Rhodesian Iron and Steel Commission, based on their book value as at Dec. 31, was fixed at just over £4,000,000. It would be payable to the Southern Rhodesian Government by the issue of £500,000 ordinary shares of the new company at par, and of just over £3,500,000 of 4 per cent redeemable second debenture Stock. The Southern Rhodesian Government would in addition receive a royalty of 6d. a ton on all iron-ore and limestone consumed. Excluded from the purchase were the Redcliff housing estate, mining claims, and certain mining equipment.

(3) The new company would also buy from Messina (Transvaal) the iron-ore deposits contained in a 50-square-mile area surrounding Bukwe, and five blocks of limestone in the vicinity, the purchase price being £600,000. Of this sum, £350,000 would be satisfied by the issue to Messina (Transvaal) of the same amount in ordinary shares of the new company, and £250,000 by equal cash payments during the sixth and eighth year after the coming into effect of the arrangements. In addition, Messina (Transvaal) would receive a royalty of 6d. a ton on all iron-ore and limestone consumed The proved and probable iron-ore reserves in the Bukwe area were given as 134,500,000 tons, averaging 60 per cent iron content.

(4) The purchasers undertook to carry out an expansion programme drawn up by the Lancashire Steel Company and envisaging the completion in four to five years of a unit which would include coke-ovens capable of providing some 150,000 tons of steel a year (compared with the present production of 50,000 tons), and 500-600 tons of pig-iron a week. Lancashire Steel and Stewarts & Lloyds would be responsible to the new company for supervising the execution of this programme. To assist in financing it, the Southern Rhodesian Government agreed to reinvest the interest due to it on the debenture Stock for five years; provision was also made that, generally speaking, no dividends should be declared for five years and that all profits during that period would be used to finance the development programme.

The chairman of the new company will be Sir John Duncanson (Lancashire Steel), while Mr. S. M. Pechey, chairman of RISCOM, will become deputy chairman, representing the Southern Rhodesian Government.

The agreement is subject to ratification by the Southern Rhodesian Parliament and by the Capital Issues Committee in London.—(Federal Information Department, Salisbury) **(Prev. rep. 15279 B.)**

E. RELIGIOUS LIFE. — Church of England. - New Bishops of Ely and Newcastle.

It was announced on Nov. 10, 1956, that the Queen had approved the appointment of Dr. Noel Baring Hudson (62), Bishop of Newcastle since 1941, as Bishop of Ely in succession to the late Dr. H. E. Wynn (67), who had died on Aug. 12. Prior to becoming Bishop of Newcastle, Dr. Hudson had been secretary of the Society for the Propagation of the Gospel (1938-41) and Bishop of Labuan and Sarawak (1931-38). He served as a lieutenant-colonel in the First World War, winning the D.S.O. and bar and the M.C. and bar and being twice mentioned in despatches.

On Feb. 28 it was announced that the Very Rev. Hugh Edward Ashdown (52), Provost of Southwark Cathedral, Rector of St. Saviour's with St. Peter's, Southwark, and chaplain to H.M. the Queen, had been appointed Bishop of Newcastle consequent upon Dr. Hudson's translation to the see of Ely.—(Church Times) **(Prev. rep. 15022 B.)**

A. POLAND. — General Elections. - Victory for M. Gomulka and National Unity Front. - Election of New Council of State. - New Government formed by M. Cyrankiewicz. - Changes in Agricultural Policy.

General elections for a new *Seym* (Parliament) of 459 members, held on Jan. 20, resulted in an overwhelming victory for the National Unity Front led by M. Gomulka and comprising the Polish United Workers' (Communist) party, the United Peasant party, the Democratic party, and a number of organizations such as professional and industrial unions, co-operatives, etc. Out of an electorate of 17,944,081 voters, 16,892,213 (94.1 per cent) went to the polls. The National Unity Front obtained 16,563,314 votes (98.4 per cent of the total), while 58,897 votes were invalid.

Of the 458 deputies elected from National Unity Front lists, 237 (51.7 per cent) were P.U.W.P. members, 119 (26 per cent) belonged to the United Peasant party, and 39 (8.3 per cent) to the Democratic party. The remaining 63 deputies (who included 12 Roman Catholic leaders), though sponsored by the National Unity Front, are not affiliated to any political party. One result is still outstanding (see below).

The Electoral System.

For the first time since the institution of the Communist regime in Poland, and also for the first time in any Communist-controlled country, the elections gave voters a certain freedom of choice and no pressure was exerted on the electorate to vote for the official candidates. All men and women over 18 were entitled to vote.

The elections were held under the new electoral law of Oct. 24, 1956 (see 15242 A), under which the country was divided into 115 constituencies, each electing a number of deputies proportionate to the number of its inhabitants. For each constituency there was a single list of candidates sponsored by the National Unity Front, the number of candidates exceeding the number of deputies to be elected up to two-thirds. Voters had three choices: (i) they could either leave the ballot-paper intact, thereby casting their vote for the leading names on it to the number required to fill the seats in their constituency; or (ii) they could cross out the names of those candidates whom they did not wish to be elected; or (iii) they could spoil their ballot papers. To secure election a candidate needed an absolute majority of the votes cast in his constituency.

While the electoral law permitted the admission of non-Communist candidates within the National Unity Front, no Opposition party as such was tolerated, nor was there any alternative to the single list sponsored by the National Unity Front.

Preparation of National Front Lists. - Former Socialist Premier removed from List of Candidates.

Following the announcement of the elections, the National Unity Front set up on Nov. 26, 1956, a central co-ordinating commission representing its constituent political parties and organizations, with the task of preparing lists of candidates. This body, in its turn, set up local commissions which selected the candidates for each constituency and decided the order of their names on the ballot papers. The latter bodies had to sift a total of 60,000 applications from prospective candidates. The lists were finally submitted to the area electoral commissioners by Dec. 12. Of the 723 candidates, about 50 per cent belonged to the P.U.W.P., 25 per cent to the United Peasant Party, and 10 per cent to the Democratic Party. The remainder were either non-party candidates or represented "progressive" Catholic groupings, and included many distinguished professional men and women who supported M. Gomulka without, however, being members of the P.U.W.P. Only 83 candidates had been members of the previous *Seym*.

On Jan. 17 it was announced that the name of M. Osubka-Morawski, the former Socialist Prime Minister, had been removed from the list of candidates in the Lublin constituency, on which he had occupied the first place.

Only a few weeks earlier (Dec. 8) M. Osubka-Morawski had been admitted to the P.U.W.P. after his enforced retirement from political life since 1947. The action against him was taken at the request of the Central Committee of the P.U.W.P., on the ground that M. Osubka-Morawski's election speeches had shown him to be "in fundamental contradiction" with the programme of the National Unity Front [he was reported to have taken an openly anti-Soviet line in his campaigning.] The exclusion of M. Osubka-Morawski and of another former prominent politician, M. Jerzy Miechov, was based on a decision, taken on Jan. 10 by the Consultative Commission of Political Parties, which had authorized its subordinate bodies throughout the country to delete from the N.U.F. lists those candidates who "failed to observe the principles of the N.U.F. programme," conducted their election campaign in an "irresponsible" manner, or were using "disloyal practices" toward candidates of "allied" parties [i.e. the Communists] and making "demagogic promises."

The Election Campaign.

The electoral programme issued by the National Unity Front referred to the change in Poland's international status, the consolidation of her sovereignty, and the basing of Polish-Soviet relations on the principles of equality, respect for territorial integrity, independence, and non-interference in internal affairs.

The Front's policy in internal affairs [the statement declared] would be based on the sovereignty of the *Seym*, "openness" of political life, freedom of criticism and discussion "within the limits defined by the fundamental interests of the People's State," democratization of all spheres of life, development of workers' and peasants' self-government, the responsibility of all representatives of the people, legality, equal rights and duties for all citizens, and freedom of conscience.

On economic policy the appeal stressed *inter alia* the need for the "harmonious development" of all branches of the economy on the basis of the development of heavy industry and of co-operative and private small-scale production, and of improving agricultural output. In the latter connexion the programme envisaged larger investments in the rural areas, full recognition of the rights of peasant ownership, the restoration of the right to sell or purchase land, the free division of farms, and financial support both to individual farmers and to the co-operative farms.

In cultural matters the programme called for free development of research in all branches of scientific activity, freedom for the creative efforts of writers and artists, and the development of education generally.

In the industrial field the appeal said that it was necessary "to interest the personnel of Socialist enterprises in the development of production by giving them a suitable share in the profits of these enterprises."

As regards foreign policy, the statement emphasized the importance of consolidating the Polish-Soviet alliance and declared: "We will defend our independence and the integrity of our frontiers against the menace of German militarism. We will defend the inviolability of the frontiers on the Oder and Neisse."

The statement also declared that the nation would "repulse all those who would like a return to capitalism, to the times of oppression and exploitation, and to the system of humiliation of the working masses."

The principal speech of the electoral campaign was made on Jan. 14 by M. Gomulka, who gave a warning against the attempts of "irresponsible elements" to bring about a general boycott of the elections as the most effective way of expressing opposition - a possibility which was "causing increasing concern to the Government now that the Polish people no longer felt impelled to vote through fear."

M. Gomulka said that in certain constituencies these "irresponsible elements" had come to the fore at election meetings with "demagogic and reactionary methods." They had been openly calling for a boycott, and rumours had been spread that coal and food would be withheld in areas where voting attendance was small. This was completely untrue, and the irresponsible elements concerned were taking advantage of the "democratic trend of freedom of speech and action to spread anarchy."

Besides the call for a boycott, he said, some people had been advocating that the names of all Communist candidates on the authorized list should be struck out. Some of these candidates had been personally attacked and a "whispering campaign" had also been launched, together with "anonymous letters, threats, and slanders."

M. Gomulka said that the elections were not intended to keep the Government of the country "in our hands," but the party would "on no account hand over the government of the country to reactionary forces." If the Government fell into reactionary hands, it would be a catastrophe for Poland and the result would be "much worse than the worst possible popular government."

Recalling that the elections would be held only three months after the "October events" [see 15161 A], M. Gomulka continued: "After such a shock a different Government could have said: 'The elections should be postponed: we must consolidate our positions first and then go to the country.' But our party, under a new leadership, together with its allied parties . . . took the decision that the elections should be held on the date provided for in the Constitution. We can and must appeal to the patriotism, maturity, and responsibility of the nation, despite all the difficulties of the present period. Mass participation in the elections, a great number of votes cast for the National Unity Front, will prove to the world that the people of Poland are unanimous and united, that they support the policy of sovereignty, socialism, and democracy . . ."

Discussing the Government's achievements during the preceding three months—"a harvest already constituting a great accomplishment, and providing a base for further positive transformations"—M. Gomulka declared:

"Above all, we have strengthened our sovereignty. We ourselves are the sole masters of our destiny. We ourselves have chosen the methods of building Socialism in our country. We have regulated our relations with the Soviet Union on the basis of equality and non-interference in internal affairs . . . By liquidating the abnormal factors harmful to friendship in the relations between our countries, the Moscow talks [of Nov. 15-18, 1956—see 15242 A] have created a firm foundation for the development and strengthening of fraternal relations between the peoples of our two countries.

"That the Soviet Union has a fraternal attitude to Poland stemming from the spirit of this statement is borne out by the fact that the U.S.S.R. has made good the losses which Poland sustained in connexion with disadvantageous economic agreements. It is borne out by the considerable economic assistance offered us—among other things, by the exceptionally valuable grain deliveries on credit terms—and by the settlement of the problem of repatriation of Poles from the U.S.S.R. Many thousands of our fellow-countrymen have already returned to Poland in recent weeks.

"We have concluded an agreement on the legal status of the Soviet troops temporarily stationed in Poland, and this, too, has normalized relations in this field. Certain Soviet military units are stationed temporarily on Polish territory, not only with our consent but in accordance with the requirements of the security of our frontiers. Our desire and consent to the temporary stationing of these troops stem from these requirements . . . It is not the Soviet Union that compels us to express our consent to the presence of these troops on our territory. We are compelled to do so by the policy of imperialist circles which are striving to alter our Western frontiers and to undermine peace in the world . . . That is why we count the temporary stationing of Soviet troops in Poland not among the negative but among the positive aspects of our policy.

"In our internal relations we are consistently implementing the principle of Socialist legality outlined by the Eighth Plenum [i.e. the three-day meeting of the Central Committee of the P.U.W.P. from Oct. 19-21 - see 15161 A]. We have rehabilitated many people who were unjustly convicted. Many wrongs have been righted. Proceedings have been instituted against persons who committed grave offences against legality. We have exonerated from wrongful charges not only Communists, and not only people loyal to the State, but also members of various reactionary underground organizations hostile to People's Poland, who were groundlessly charged with offences. This, however, defines the limits of their rehabilitation. It must be said clearly and unmistakably that no-one has the intention of rehabilitating the reactionary policy of the underground organizations to which these people belonged."

After speaking of the wage increases which the Government had granted in recent months "despite the difficult financial situation of the State," M. Gomulka continued:

"The relations between the State and the Church have been regulated. We have created conditions for the free development of creative and progressive thought, and have abolished the atmosphere in which hypocrisy flourished. We have told the nation the whole truth about the past, and we are telling the nation the whole truth about the present situation.

"We are just at the beginning of the road . . . Many of the things which we have inaugurated must be tested and critically analysed. On many matters decisons have still to be made. That is why we are so concerned that the *Seym* which we are now electing should be composed of enlightened people; that it should be capable of conducting efficient and creative work; that it should be able fully to execute its constitutional functions and its difficult and responsible duties . . .

"We do not and shall not make any easy promises, but we shall consistently and persoveringly implement what we announce and whatever is feasible. Our words are at one with our deeds. If sometimes they sound harsh, this is due to the fact that our life is still harsh and arduous. Not even the best Government in the world can do everything by itself. All material values have to be created by the work of the nation. We shall have as much as we produce. We shall have all the more if we produce more, by the labour of our hands and brains. The Party and the Government assure you that they will do everything in their power to ensure that the results of your labour are not wasted.

"This is the only policy, the only realistic programme, in the present internal and international conditions."

On the eve of the election M. Gomulka made another fervent appeal to the electorate not to follow "the reactionary slogan" recommending them to strike the names of the top candidates off the ballot-paper or to cross out the names of P.U.W.P. candidates.

"This propaganda for crossing out the names of P.U.W.P. candidates on the ballot papers," he said, "is tantamount not only to calling for the liquidation of Socialism in Poland. It means the crossing out of the independence of our country, the erasing of Poland from the map of Europe. [This phrase was taken to imply that the only alternative to the present regime would be Soviet intervention in Poland.] . . . Here and there voices are heard calling for a boycott of the elections or the crossing-out of whole ballot papers. Such voices correspond with the intentions of the reactionaries. Do not listen to them. . . . Listen to this appeal. It is dictated by profound political wisdom, and by concern for the normal development of our life and the political stabilization which is indispensable for Poland. Listen to the voice of reason, so that we shall never have to recall the proverb that a Pole is wise after the harm has been done. Let us be wise on election day . . ."

The elections, which were witnessed by many foreign correspondents, were for the first time held in complete secrecy and without the popular demonstrations and processions with bands, etc., customary in other Soviet-bloc countries. M. Gomulka and all other leading members of the P.U.W.P., as well as the Peasant and Democratic leaders, were elected. M. Gomulka himself receiving 99.5 per cent of the votes in his Warsaw constituency. An important factor in M. Gomulka's victory was believed to have been the support given to the regime by the Roman Catholic Church, which exhorted the population to use their votes and not to abstain from going to the polls.

In a number of cases the electorate showed its preference for non-party candidates—e.g. in one of the Lodz constituencies M. Zambrowski, a member of the Communist Party's politburo, obtained 88.3 per cent of the votes, whereas a non-party lawyer (M. Bierzawski) obtained 97.8 per cent and a Democratic Party candidate 96.2 per cent. In another Lodz constituency M. Loga-Sowinski (also a member of the P.U.W.P. politburo) polled 94.7 per cent, while a non-party Catholic obtained 95.2 per cent. In a third Lodz constituency the non-party candidate, Professor Szczepanski (of the University of Lodz), headed the poll with 97.1 per cent, followed by a candidate of the Democratic Party with 94.9 per cent, whilst the leading Communist candidate (Mme. Tartakowana-Majkowska) polled only 79.6 per cent. Similar majorities for non-party candidates over P.U.W.P. candidates occurred in certain districts of Warsaw and in Silesian industrial cities such as Gliwice and Katowice.

An unprecedented situation occurred in the three-seat electoral district of Nowy Sacy (in the Cracow voivodship), where only two candidates succeeded in obtaining absolute majorities, thus necessitating a by-election to fill the vacant third seat. The first candidate (P.U.W.P.) received 90.6 per cent of the votes, the second (U.P.P.) 79.5 per cent, but the third (also P.U.W.P.) received only 45.8 per cent—i.e. 4.2 per cent less than the legally required minimum percentage of 50 per cent. It was subsequently announced that the by-election would be held on March 17.

Election of New Council of State. - New Government formed by M. Cyrankiewicz.

The new *Seym* met for the first time on Jan. 20 under the chairmanship of its *doyen*, Dr. Boleslaw Drobner. After unanimously electing M. Czeslaw Wycech (the Peasant leader) as its Marshal (Speaker), the *Seym* elected a new Council of State—the body collectively exercising the functions of Head of State—with the following membership:

Chairman—M. Aleksandar Zawadski (Polish United Workers' Party). *Vice-Chairmen*—M. Jerzy Albrecht (P.U.W.P.), M. Stanislaw Kulczynski (Democratic Party) and Professor Oskar Lange (P.U.W.P.). *Secretary*—M. Julian Horodecki (United Peasant Party). *Other Members*—M. Kazimierz Banach (U.P.P.); M. Leon Chain (D.P.); M. Wladyslaw Gomulka (P.U.W.P.); M. Leon Kruczkowski (P.U.W.P.); M. Ignacy Loga-Sowinski (P.U.W.P.); Mme. Alicja Musialowa (P.U.W.P.); M. Roman Mowak (P.U.W.P.); M. Jozef Ozga-Michalski (U.P.P.); M. Boleslaw Podedworny (U.P.P.); and M. Jerzy Zawiejski (non-party Catholic).

For the first time in the history of the *Seym* the voting for members of the Council of State was not unanimous—two deputies voting against the election of M. Horodecki as Secretary, and seven abstaining in the vote on the election of M. Zawiejski.

The principal changes in the composition of the new Council of State were the absence of five "Stalinist" members who had belonged to the previous Council but had lost their *Seym* mandates; and the election for the first time of a non-party member, M. Zawiejski.

The *Seym* accepted the formal resignation of M. Cyrankiewicz's Government, but, on a proposal by M. Gomulka, reappointed M. Cyrankiewicz as Prime Minister, with only one dissenting vote. After hearing a policy statement from M. Cyrankiewicz (on the lines of the N.U.F.s electoral programme), the *Seym* approved the new Cabinet—see below—on Jan. 27, with one dissenting vote and eight abstentions.

In accordance with M. Cyrankiewicz's proposals, the Ministry of Communal Economy was abolished and 10 other Ministries were merged into the following five, as part of a move to "streamline" the administration: the Ministries of Coal-mining and Electric Power; of Metallurgy and Engineering; of Building and Building Materials; of Railways and Road and Air Transport; and of Agricultural Foodstuffs and Purchases.

With these administrative changes, the membership of the new Cabinet was as follows:

M. Jozef Cyrankiewicz (P.U.W.P.)	Prime Minister.
M. Zenon Nowak (P.U.W.P.) ..	Deputy Prime Ministers.
M. Piotr Jaroszewicz (P.U.W.P.)	
M. Stefan Ignar (U.P.P.)	
M. Stefan Jedrychowski (P.U.W.P.)	Chairman of the Planning Commission.
M. Marian Spychalski (P.U.W.P.)	National Defence.
M. Wladyslaw Wicha (P.U.W.P.)	Internal Affairs.
M. Adam Rapacki (P.U.W.P.) ..	Foreign Affairs.
M. Marian Rybicki (P.U.W.P.) ..	Justice.
M. Jan Gorecki	State Control.

M. Tadeusz Dietrich (P.U.W.P.) ..	Finance.
M. Franciszek Wamolka (P.U.W.P.)	Coalmining and Power.
M. Kiejstut Zemajtis (P.U.W.P.)	Metallurgy and Engineering.
M. Stefan Pietrusiewicz (P.U.W.P.)	Acting Minister of Building and the Building Materials Industry.
M. Antoni Radlinski (P.U.W.P.) ..	Chemical Industry.
M. Julian Stawinski (P.U.W.P.) ..	Light Industry.
M. Feliks Pisula (U.P.P.)	Agricultural Foodstuffs and Purchases.
M. Zygmunt Moskwa .. .. (Democratic Party)	Small-Scale Industry and Handicrafts.
M. Jan Dab-Kociol (U.P.P.) ..	Forestry and Timber Industry.
M. Edward Ochab (P.U.W.P.) ..	Agriculture.
M. Ryszard Strzelecki (P.U.W.P.)	Railways, and Road and Air Transport.
M. Stanislaw Darski (non-party)	Shipping.
M. Jan Rabanowski .. . (Democratic Party)	Communications.
M. Marian Minor (P.U.W.P.) ..	Home Trade.
M. Witold Trampczynski (P.U.W.P.)	Foreign Trade.
M. Stanislaw Sroka (P.U.W.P.) ..	Acting Minister of Public Utilities.
M. Stefan Zolkiewzki (P.U.W.P.)	Higher Education.
M. Wladyslaw Bienkowski .. (P.U.W.P.)	Education.
M. Karol Kuryluk (P.U.W.P.) ..	Art and Culture.
M. Rajmund Baranski (Non-Party)	Health.
M. Stanislaw Zawadzki (P.U.W.P.)	Labour and Social Welfare.
M. Jerzy Sztachelski (P.U.W.P.) ..	Minister without portfolio.

The new Cabinet contained no significant changes except that two members of the pro-Russian "Natolin" faction in the Polish United Workers' Party -M. Mijal, hitherto Minister of Communal Economy, and M. Rymynski, previously Minister of the Chemical Industry were not included. On the other hand, M. Nowak (leader of the "Natolin" group), who had been dropped from the party's Politburo in October 1956, was retained as a First Deputy Premier a move regarded in the foreign Press as a compromise between the demands of M. Gomulka's supporters for the ousting of all Stalinist elements in the Government, and of concern for Soviet susceptibilities.

Of the new Ministers, 22 – all holding key positions – belonged to the Polish United Workers' Party; three to the United Peasants' Party, including its leader, M. Ignar; and two to the Democratic Party; whilst three were non-party.

M. Ochab had been appointed to the previous Cyrankiewicz Cabinet on Jan. 9 in the place of M. Kuligowski, in connexion with the introduction of agricultural reforms which had been agreed upon by the P.U.W.P. and the United Peasants' Party [see below].

Before the vote on the new Cabinet, a non-party deputy, Professor Wojtysiak (Director of the Agricultural College at Wroclaw), announced that he would not vote for M. Cyrankiewicz, who, he alleged, had been "responsible for all the abuse of power" during the Stalinist era and therefore shared responsibility for its crimes. Professor Wojtysiak criticized M. Cyrankiewicz's new programme as too general, lacking in up-to-date ideas, and "repeating everything we have all heard before." He said that it had at least been possible, now that newspapers and periodicals were freely available, to gain a picture of what the Western countries had achieved and to realize that the contrast with Poland was "terrible." Nevertheless, Poland had taken a big step forward, and the credit for this had to go to the Polish people. Specifically, Professor Wojtysiak criticized the Government's alleged indifference to the problem of unemployment, their alleged lack of attention to youth welfare and education; lack of planning in the country's food supply; and inadequacies in the housing programme. After describing Polish agriculture as virtually "in a state of collapse," Professor Wojtysiak declared that the most important task of the new Parliament was to set up a Government headed by a man who had proved by his past record that he could stand the test. In his own view, M. Cyrankiewicz was not the correct choice because he had been Prime Minister during the period of the "cult of the individual."

New Agricultural Policy.

As stated above, it was announced on Jan. 9 that M. Kuligowski had been relieved of his post as Minister of Agriculture and succeeded by M. Edward Ochab, a member of the politburo of the P.U.W.P. and, until M. Gomulka's return to power in October 1956, First Secretary of the party. This change was made in connexion with a far-reaching revision of agricultural policy which had been agreed upon by the central committees of the Polish United Workers' and United Peasants' parties with a view to counteracting the dangerous fall in farm production under the previous regime.

Among the changes introduced were (*a*) a reduction by one-third in the grain-delivery quotas of peasants and farmers; (*b*) a 100 per cent price increase granted to them for their grain deliveries; (*c*) tax reductions combined with higher social benefits for peasants and farmers, including a reduction of the upper limit of the land-tax assessment for larger farms from 18 to 10 per cent; (*d*) the extension of social insurance to permanent hired workers employed on individual farms; (*e*) facilities for individual farmers to buy more machinery, although co-operative farms would still have priority; (*f*) possibilities for peasants to develop their own initiative in the production of building materials from local materials; (*g*) the ending of restrictions concerning ownership, leases, purchases, and sales of land acquired by legacy and through division among family members, or of land acquired under earlier agrarian reforms; (*h*) the restoration of the principle of free transfer of private rights in land.

The announcement nevertheless made it clear that, in spite of the reduction of compulsory grain delivery quotas for the coming harvest, peasants were expected to make up for the arrears which had accumulated in their deliveries to the Government, and which amounted to 400,000 tons of grain, 500,000 tons of potatoes, and 60,000 tons of meat.

In connexion with the new agricultural policy it was also announced that the formation of producers' and sellers' co-operatives, specialized co-operatives, and peasant educational organizations would be encouraged on a large scale, and that there would no longer be any compulsion to join collective farms. It was stated that a considerable number of collective farmers had recently left these farms.

[Polish newspapers reported that only 2,500 out of 10,000 such collectives were still in operation, and that the collapse of collective farms had been most marked in the Western provinces.]

New Rules of Procedure for Seym.

On March 1 the *Seym* adopted a report by its Rules Committee introducing important changes in parliamentary organization and procedure.

The rules provided that the *Seym* would be convened at least twice a year for an autumn session not later than Oct. 31, and for a spring session not later than April 1. The *Seym* would form 19 standing and other *ad hoc* committees to examine legislation and other questions, and to supervise the activities of various State organs. Bills would be examined in two readings in plenary session, in addition to the proceedings in the appropriate committee.

It was also laid down (1) that deputies' speeches during debates would be restricted to 30 minutes (or to five minutes on matters not on the agenda), though the time-limit could be extended by the Marshal of the *Seym*; (2) that voting would be open; (3) that the election of the Council of State by the *Seym* would take place by an absolute majority of votes, with a separate election for each post on the Council; (4) that the appointment or recall of the Council of Ministers or of individual Ministers, would be by a simple majority of votes.

Formation of Economic Council.

It was announced in January that M. Cyrankiewicz had nominated the members of the newly created Economic Council, and that its chairman would be Professor Oskar Lange, formerly Polish representative at the United Nations. (Polish Embassy Press Department, London - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris)

(Prev. rep. Poland, 15312 A; 15242 A; 15161 A.)

A. SEAL FISHERIES. — North Pacific Seal Pact.

An international convention regulating the hunting of seals in the North Pacific was signed in Washington on Feb. 9 by the United States, the Soviet Union, Japan, and Canada, after two years of negotiations. Valid for six years, and coming into force on deposit of ratifications in Washington, it established a North Pacific Seal Fur Commission, prohibited seal hunting at sea, permitted the search of vessels at sea in suspicious circumstances, and set up a six-year co-operative seal research programme. Seal-hunting in the North Pacific is mainly carried out in the Kommendatorsky islands (under Soviet sovereignty), off the Kamchatkan coast, and in the Pribiloff islands (under U.S. sovereignty), off the Alaskan coast, where the seals bask each summer. (New York Times)

B. SINGAPORE. — The Kranji War Memorial.

A memorial commemorating 24,346 Christian, Moslem, Hindu, and Buddhist soldiers and airmen of the Commonwealth forces who died during the Second World War "in Malaya and neighbouring lands and seas and in the air over southern and eastern Asia and the Pacific," and who have no known graves, was unveiled in the Kranji war cemetery on March 1 by the Governor of Singapore, Sir Robert Black. The memorial—one of several which the Imperial War Graves Commission is building in the Far East and Pacific, the Mediterranean, and Europe—is in the form of a sheltering aircraft wing with 12 columns on which are inscribed the names of those commemorated.—(Times) **(15117 B.)**

A. GHANA. — Achievement of Independence within British Commonwealth. - Admission to United Nations.

The former British Colony of the Gold Coast became the independent State of Ghana, and a full member of the British Commonwealth of Nations, at midnight on March 5-6. An Order-in-Council establishing the first Constitution of Ghana (see 15365 A) had been signed by H.M. the Queen on Feb. 22 at a special meeting of the Privy Council at Buckingham Palace.

The Prime Minister of Ghana, Dr. Kwame Nkrumah, in a speech to the Legislative Assembly in Accra just before midnight, stressed that Ghana's new association with the British Commonwealth was based on "absolute equality and friendship."

Dr. Nkrumah declared: "Our desire to be within the Commonwealth is inspired by the belief that the Commonwealth countries are dedicated to seeking a solution of their common problems by democratic and peaceful means. So long as the Commonwealth as a whole stands by this avowed policy, our continued association with it is assured . . . The Commonwealth association is of value to us because it unites us to countries which have the same system of law and of parliamentary government as we have. The Commonwealth can, I believe, become a pilot scheme for developing the most effective methods by which colonialism can be ended without revolution or violence, and under conditions in which the former colonial territory retains a close and friendly association with the former imperial Power."

As regards foreign policy, Dr. Nkrumah said: "The Government of Ghana feels that at this particular stage the country should not be aligned with any group of Powers or political blocs. It does not intend to follow a neutralist policy, but it does intend to preserve its independence to act as it seems best at any particular time." After expressing the hope that Ghana might become a centre for discussion of African problems as a whole, Dr. Nkrumah added: "Our aim is to work with others to achieve an African personality in international affairs."

In the course of his speech Dr. Nkrumah announced that he would take over the functions of Foreign Minister and Defence Minister, in addition to the Premiership, with immediate effect.

The Gold Coast Legislative Assembly was prorogued at midnight on March 5-6, and reassembled on the following morning as the first National Assembly of Ghana. Sir Charles Arden-Clarke, the last Governor of the Gold Coast, was sworn-in on the same day by the Chief Justice (Sir Arku Korsah) as the first Governor-General of Ghana. After the Duchess of Kent (representing H.M. the Queen) had read the Speech from the Throne, presented a personal message from the Queen, and received an address from the Speaker (Sir Emmanuel Quist), the National Assembly unanimously adopted an address of thanks to her Majesty, moved by Dr. Nkrumah and seconded by Professor Busia, the Leader of the Opposition.

The Independence celebrations in Ghana (March 5-7) were attended by official representatives of the United Kingdom, Canada, Australia, New Zealand, South Africa, India, Pakistan, and Ceylon, and of many foreign countries, and by the Governors or Governors-General of a number of British and French African territories. Her Majesty the Queen was represented by the Duchess of Kent, and the British Government delegation was headed by Mr. R. A. Butler, Home Secretary and Lord Privy Seal. Foreign representatives included Mr. Richard M. Nixon, Vice-President of the United States, while the United Nations was represented by Dr. Ralph Bunche, Assistant Secretary of the U.N. Organization.

During her four-day visit to Ghana (March 4-7) the Duchess of Kent attended a State dinner given in her honour; took the salute at a parade of British, Ghanaian, Indian and Pakistani naval and military detachments and a fly-past of British and Australian aircraft; visited the Supreme Court and the University College of Ghana; unveiled an Independence Monument near Christiansborg Castle; opened a National Museum of Ghana; and attended a National Durbar given in her honour at Achimota, at which over 100 chiefs from all parts of Ghana were present.

In London, a broadcast was made on March 6 by the Prime Minister (Mr. Macmillan) welcoming Ghana as a full and independent member of the British Commonwealth, and expressing gratification that Ghana "has chosen the path of parliamentary democracy and accepted the political values which we in this country, irrespective of party, hold dear." Mr. Macmillan had announced on the previous day that a thanksgiving service would be held at St. Martin-in-the-Fields on March 14 at which the Queen would be represented by the Duke of Gloucester.

The national flag of Ghana (a tricolour of red, gold and green horizontal stripes, bearing a black star on the gold stripe) was formally hoisted by Dr. Nkrumah in Accra at midnight on March 5-6, similar ceremonies taking place in other centres. The new national anthem of Ghana—entitled *Ghana Arise*, sung to the tune of Edward Carpenter's *England Arise* and written by Mr. Hector Hughes, Labour M.P. for North Aberdeen—was played for the first time at the independence celebrations.

Mr. Hughes explained that although he had never visited Ghana, he knew several Ghanaian Ministers and had been asked by them to compose a national anthem for the new State. He also announced that he had composed "a narrative poem about the history, dignity and future of Ghana" at the request of Dr. Nkrumah. [Mr. Hughes has written a considerable amount of verse, some of which has been printed in periodicals and magazines but not yet collected in book form.]

At a press conference on March 7, at the close of the independence celebrations, Dr. Nkrumah reiterated Ghana's intention of remaining in the British Commonwealth, and said that there were no plans for a republic. In reply to questions, he stated (*a*) that he had had discussions with a view to a conference of independent African States—Tunisia, Libya, Morocco, Ethiopia, Sudan, Egypt, Liberia, and Ghana—to which South Africa might also be invited "as a gesture"; (2) that Ghana would not join the Afro-Asian group on her admission to the United Nations [see below], as she wished "to give Africa an African personality" and "did not want to be submerged in any group"; and (3) that Ghanaian diplomatic representatives would be appointed initially in five capitals—London, Paris, Washington, New Delhi, and Monrovia (Liberia). He strongly criticized the *apartheid* policy of the South African Government, but emphasized that "we cannot interfere in the internal affairs of another country."

An application by Ghana for membership of the United Nations was unanimously approved by the Security Council on March 7, the resolution being sponsored by the two Commonwealth members of the Council—the United Kingdom and Australia. Ghana became the 81st member-State of the United Nations on the following day, when the General Assembly unanimously approved a resolution sponsored by seven members of the Commonwealth—Australia, Canada, Ceylon, India, New Zealand, Pakistan, and the United Kingdom. The South African delegation was absent, having previously walked out of the current session in protest against the Assembly's decision to discuss South-West Africa.—(Times - Daily Telegraph - Manchester Guardian - United Nations Information Centre, London) **(Prev. rep. Ghana, 15365 A.)**

Historical and Demographic Note. The Gold Coast was discovered by the Portuguese in 1471 and was subsequently visited by many European traders—English, Dutch, Danish, Swedish, and German—who built forts which became marts for the slave trade to the American plantations in the 17th and 18th centuries. In the course of time Britain, Denmark and Holland emerged as the dominant powers in the coastal area, but in the early years of the 19th century all three countries outlawed the slave trade and the Danish and Dutch settlements were gradually abandoned. [Christiansborg Castle, the former seat of the Danish governors, later became the residence of the British governors of the Gold Coast and is now the residence of the Governor-General.] In 1820 all the European settlements came under British control, and in 1844 the British concluded a "bond" with a number of chiefs whereby British sovereignty was formally recognized in the coastal area.

The four administrative areas into which Ghana is at present divided—Gold Coast Colony, Ashanti, the Northern Territories, and Transvolta-Togoland—all came under British control at different times during the 19th and 20th centuries. After having been governed from Sierra Leone, the original Gold Coast Colony (i.e. the coastal and southern areas) was first constituted as a Colony in 1874. Ashanti was proclaimed a Colony in 1901, and the Northern Territories a Protectorate in 1902. After the First World War the former German colony of Togo was partitioned between Britain and France, the present territory of Transvolta-Togoland being mandated to Britain by the League of Nations. The two Togolands passed under U.N. trusteeship after the Second World War, Britain and France remaining the administering powers. As a result of the plebiscite held in 1956 under U.N. auspices (see 14988 C), Transvolta-Togoland will form an integral part of the State of Ghana.

Ghana has an area of nearly 92,000 square miles and a population estimated at about 5,000,000 and divided as follows: Gold Coast Colony, 2,500,000 (1955 estimate), Northern Territories, over 1,000,000; Ashanti, under 1,000,000, Transvolta-Togoland, about 400,000. All but 13,000 are Africans. The principal towns are Accra, the capital (135,000), Kumasi, the capital of Ashanti (78,000), and the seaport of Sekondi-Takoradi (44,000). The population of Ghana is highly tribalized, some 50 different languages being spoken. The biggest and most coherently-organized tribe are the Ashanti, acknowledging the Asantahene as their paramount chief. The tribes of Ashanti and the coastal area are culturally similar (though the latter have had longer contact with Europeans), while those of the Northern Territories and Togoland are more primitive.

Christian missions have played a leading part in the development of the country, notably in the field of education, the principal Christian denominations being Roman Catholic (527,000), Presbyterian (180,000) and Methodist (149,000). The vast majority of the inhabitants, however, are fetishists. There are some Moslems in the Northern Territories, though Ghana lies south of the "Islamic belt" in West Africa extending across the French Sudan and northern Nigeria.—(Times - Manchester Guardian)

A. SPAIN. — Cabinet Reorganization.

An extensive reorganization of the Spanish Government—the first since 1951—was carried out on Feb. 25 by General Franco, involving the appointment of 12 new Ministers. The new Cabinet was drawn from the Monarchists, the Falangist Party, non-party members (officers of the armed forces and technical experts), and the Catholic Action movement, the full Cabinet list being as follows:

*Señor Pedro Gual Villalbi (non-party)	Minister without portfolio and President of the Council of National Economy.
*Dr. Fernando Maria Castiella (Monarchist)	Foreign Affairs.
*General Camilo Alonso Vega (non-party)	Interior.
*General Antonio Barroso (non-party)	Army.
*Admiral Felipe José Abarzura (non-party)	Navy.
*General José Rodriguez y Diaz de Lecea (non-party)	Air.
*Señor Mariano Navarro Rubio (Catholic Action)	Finance.
*Señor Cirilo Canovas (Catholic Action)	Agriculture.
*Professor Alberto Ullastres (Catholic Action)	Commerce.
*General Jorge Vigón (Monarchist)	Public Works.
*Señor Fermin Sanz Orrio (Falangist)	Labour.
*Señor José Solis (Falangist)	Secretary-General of the *Falange* and Minister without portfolio.
Señor Antonio Iturmendi (Monarchist)	Justice.
Señor Jesús Rubio (non-party)	Education.
Señor Gabriel Arias Salgado (Falangist)	Information and Tourism.
Señor Joaquin Planell (non-party)	Industry.
Señor José Luis Arrese (Falangist)	Housing.
Rear-Admiral Luis Carrero Blanco (non-party)	Ministerial Under-Secretary of the Presidential Office.

*New Ministers.

Outstanding features of the new Government were (*a*) the appointment of Señor Villalbi, a leading economist, as Minister without portfolio and President of the Council of National Economy (*Consejo de Economía*), in which capacity he will be responsible for general economic co-ordination; (*b*) the creation of a new Ministry of Housing headed by Señor Arrese, the former Secretary-General of the Falangist Party; (*c*) the appointment of Señor Solis as the new Secretary-General of the Falangist Party, and concurrently as Minister without portfolio; and (*d*) the appointment of Dr. Castiella (Ambassador to the Holy See since 1951) as Foreign Minister in place of Señor Alberto Martin Artajo, who had held that post since 1945. Among other former Ministers leaving the Government was Señor José Giron, who had held the portfolio of Labour since 1941.

Dr. Castiella, formerly Professor of International Law in the University of Madrid, negotiated the Concordat between Spain and the Vatican signed in 1953 (see 13201 B), and was Ambassador to Peru before his accreditation to the Holy See. During the Second World War he fought as a volunteer with the Spanish Blue Division on the Russian front. Of the other new Ministers, **General Vega** was formerly head of the Civil Guard; **General Barroso** is head of General Franco's military household; **Admiral Abarzura** is Chief of Staff of the Spanish Navy; **General de Lecea** commanded the Seville Air Base; **General Vigon** is head of the Spanish Civil Defence organization; **Professor Ullastres** holds the Chair of International Economic History in the University of Madrid, and is a leading member of the Catholic *Opus Dei* movement; and **Señor Sanz Orrio** (successor to Señor Giron as Minister of Labour) is a leading official of the Falangist labour syndicates. **Señor Solis** (48), successor to Señor Arrese as Secretary-General of the Falangist Party, is head of the Falangist labour syndicates and one of the most influential of the Falangist leaders. Among the Ministers retaining their former posts, **Rear-Admiral Carrero Blanco** has been closely associated with General Franco since 1951 as Under-Secretary of the Presidential Office.

Under a decree-law issued on the same date (Feb. 25) five inter-ministerial committees were created to deal respectively with defence, economic affairs, transport and communications, cultural activities, and health and social security. Each committee will be presided over by the *Caudillo* (General Franco) or by Admiral Carrero Blanco as his deputy.

In addition, the decree-law created (1) an Office of Economic Co-ordination within the Council of National Economy (for which Señor Villalbi will have special responsibility as Minister in charge of economic co-ordination); (2) an inter-ministerial commission to co-ordinate national defence projects; and (3) a Directorate of Atomic Energy.

It was commented in the foreign Press that the governmental reorganization and, in particular, the emphasis on greater economic co-ordination, reflected increasing concern at the economic situation, which had been marked by progressive inflationary tendencies, increases in the cost of living, and serious housing shortages. In this connexion it was recalled that widespread demands for economic reforms had been voiced in April 1956, when 400,000 workers in Bilbao and the Biscayan provinces went on strike, and that political reforms had been demanded in the student demonstrations earlier in the same year (see 14735 A).

The new Government issued a policy statement on Feb. 28 declaring that it would "intensify its contact with the people through the institutions already existing, into which the Government will endeavour to infuse a greater vitality." In the field of domestic affairs the Government would maintain the purchasing power of the peseta, combat inflationary tendencies, encourage private enterprise, intensify production, ensure a proper balance between prices and wages, improve labour legislation, and intensify the housing drive with the aim of overcoming housing shortages, which were admitted to be "serious." In foreign affairs the policy statement laid special emphasis on the strengthening of Spain's links with the United States, Portugal, and the Arab countries.
(A.B.C., Madrid - Le Monde, Paris) **(Prev. rep. 14735 A.)**

B. UNITED STATES. — President Eisenhower declines Invitation to make Major Speech in Southern City on Segregation Question.

The U.S. Justice Department disclosed on Feb. 1 that the invitation extended by Negro leaders to President Eisenhower to make a "major speech" in a southern city on the racial segregation question (see page 15361, first column) had been declined. The Department also stated that a request for a conference with the Attorney-General (Mr. Brownell) on the extent of the Federal Government's responsibility for enforcing anti-segregation laws and court decrees had also been declined on the ground that such a conference would "not be helpful or appropriate" at the present moment.

At the same time the Justice Department released the text of a letter which had been sent by Mr. Warren Olney (Assistant Attorney-General) to the Rev. M. L. King, of Montgomery, Alabama (one of the Negro leaders who had requested such action) emphasizing that the Federal Government was fully aware of its responsibilities, and adding: "This Department will cause allegations of Federal offences to be investigated, and will act vigorously when such investigations reveal the commission of Federal offences. Notwithstanding our deep aversion to violent acts of the sort you describe [i.e. incidents such as those at Clinton, Tennessee, and elsewhere, to which the Rev. King had referred in his letter] the primary responsibility for the maintenance of law and order is lodged in State and local authorities. The Federal Government has no general police power, and this Department can act only when offences transpire within the purview of existing Federal statutory provisions."

President Eisenhower issued a statement on Feb. 6 appealing for Congressional action on the Civil Rights programme outlined in his State of the Union message (see 15350 A), and reiterating his desire for such legislation.—(New York Times) **Prev. rep. 15359 A).**

C. INDIA.—Military Aircraft purchased from Britain and France. - £20,000,000 Order for R.A.F. Canberras.

It was announced in London and New Delhi on Feb. 3 that a contract for the delivery to the Indian Air Force of 68 *Canberra* jet aircraft had been placed with the English Electric Company, the cost (including spares) being well over £20,000,000. The order was for 54 Mark-VIII bombers, six Mark-IV dual-control trainers, and eight Mark-VII photographic reconnaissance planes. The announcement stated that *Canberras* had been selected in preference to *Ilyushin* aircraft offered by the Soviet Union, and that Indian pilots were taking *Canberra* courses in Britain with the Royal Air Force.

In September 1956 India had bought 25 Folland *Gnat* fighters from Britain, and had also taken a licence to manufacture the *Gnat* and its Bristol *Orpheus* turbo-jet engine at Bangalore.

The Indian Minister for Defence Organization, Mr. Tyagi, announced on Aug. 9, 1956, that a contract had been signed for the purchase of a "certain number" of *Mystère* jet fighters from France.—(Times - The Statesman, Calcutta)

MARCH 16—23, 1957

A. IRISH REPUBLIC. — Dissolution of Parliament. - Fianna Fail Victory in General Election. - Mr. de Valera forms New Government.

On the advice of the Prime Minister, Mr. Costello, the Eire Parliament was dissolved by President O'Kelly on Feb. 12 after the *Clann na Poblachta* (Republican party) headed by Mr. Sean MacBride had decided to withdraw from Mr. Costello's coalition government. In the resulting general election, held on March 5, the Fianna Fail party under Mr. Eamonn de Valera was returned to power with an overall majority of nine seats in the new Dail, after having been in opposition since the last (1954) election.

Clann na Poblachta Withdrawal from Coalition Government.

The *Clann na Poblachta* announced on Jan. 28 that it had withdrawn its support from the Coalition Government because of the latter's "failure" to draw up a long-term development programme for the country, to take the necessary measures to deal with "the grave economic and unemployment crisis," or to "formulate any positive policy calculated to bring about the reunification of Ireland." The statement also criticized the Government's decision to hold an inquiry into the conduct of Mr. Justice Lennon (see page 15415 A, first column), on the ground that it constituted "a thinly disguised attempt to interfere with the independence of a member of the judiciary."

Prior to *Clann na Poblachta's* withdrawal from the Government, the Government's policy on the partition question had been strongly criticized by Mr. MacBride at a party meeting in Dublin on Jan. 18 (see page 15415, second column), during which he had referred to the "absence of policy and leadership on the part of the Government and the Opposition in regard to the enforced partition of the nation."

Although *Clann na Poblachta* had only three members in the Dail, its defection from the coalition imperilled the existence of Mr. Costello's Government, since the Opposition (i.e. Fianna Fail and *Clann na Poblachta*) could muster the same number of votes (72) as the Government parties—Fine Gael, Labour, and the *Clann na Talmhan* (Farmers' party). Moreover, Mr. Costello could not count on the five Independent members for a majority, since several of them had previously expressed strong dissatisfaction with the Government's policy both on the partition question and on economic matters—e.g. Mr. McQuillan, an Independent, had co-sponsored two resolutions in the Dail with Mr. Finucane (*Clann na Poblachta*) attacking the Government on the partition question (see page 15415, second column).

Dissolution of Dail. - General Election Nominations. - Sinn Fein Candidatures. - Dr. Noel Browne stands as Independent.

On Jan. 29 both the *Clann na Poblachta* and the Fianna Fail announced their intention of moving no-confidence motions in the Government, the Fianna Fail resolution declaring that "*Dail Eireann* is of opinion that the Government have lost the confidence of the people and that an immediate general election is essential." After consulting the party leaders, Mr. Costello advised the President on Feb. 4 to dissolve Parliament, and President O'Kelly accordingly issued a proclamation on Feb. 12 dissolving the Dail and proclaiming March 5 as the date of general elections.

The dissolved (15th) Dail had been in existence for just over two years and eight months, the state of the parties at the dissolution being as follows: Fianna Fail 67, Fine Gael 48, Labour 18, *Clann na Talmhan* 5, *Clann na Poblachta* 3, Independents 5. There was one vacancy, caused by the death of Mr. T. Derrig, a Fianna Fail deputy for Carlow-Kilkenny.

Nominations for the general election closed on Feb. 21, when a total of 288 candidates had been nominated in the 40 multi-member constituencies—112 by Fianna Fail (the greatest number ever put up by the party), 82 by Fine Gael, 30 by the Irish Labour Party, 19 by Sinn Fein, 12 by *Clann na Poblachta*, 7 by *Clann na Talmhan*, and 26 Independents.

Although 19 candidates were nominated by Sinn Fein (which had not contested the previous elections), the party's manifesto stated that any Sinn Fein candidates who might be elected would not take their seats in the new Dail.

It was explained (1) that Sinn Fein was "not prepared to enter Leinster House [i.e. the Dail] as a minority group," but only as a majority party; and (2) that it was therefore the party's policy to wait until it had secured "a majority of the elected representatives in the 26 Counties," after which it would establish an All-Ireland Parliament. When this was accomplished, all members of the Northern Ireland Parliament would be invited "to take their seats in the Parliament of the Republic and transfer their allegiance and powers to the National Government."

The manifesto stated that the objectives of Sinn Fein were: "to break the connexion with England; to end the British imperial system in Ireland; to end poverty and insecurity; to abolish the existing partition institutions of government in Ireland; and to replace them by a National Government having complete jurisdiction over the entire territory of the nation."

Of the 19 Sinn Fein candidates, five were serving prison sentences in Dublin under the Offences against the State Act, and two were serving 10-year prison terms in Belfast for participation in armed I.R.A. raids in Northern Ireland. The latter included Mr. Thomas Mitchell (nominated in Dublin North-East), who had twice been elected as Sinn Fein M.P. for Mid-Ulster in the U.K. Parliament, but who had been unseated on a petition (see 14520 B; 14357 C).

The Independent candidates included Dr. Noel Browne, whose resignation as Minister of Health in 1951 (see 11529 A) had precipitated the general election held in that year. Dr. Browne had resigned from the Fianna Fail on Feb. 20 and announced his intention of standing as an Independent for the Dublin South-East constituency.

The Roman Catholic Hierarchy's opposition to his mother-and-child welfare scheme led to Dr. Browne's resignation in 1951 both from the Ministry of Health and from the *Clann na Poblachta*, of which he was then a member. He was re-elected as an Independent at the 1951 election, but during the lifetime of the 1951-54 Dail decided, with several sympathizers, to join Fianna Fail. Although he failed to secure re-election in 1954 (when he stood for Fianna Fail in Dublin South-East), he was subsequently appointed to the party's National Executive and became one of its most active members.

Dr. Browne left the Fianna Fail because of the party's decision not to nominate him as one of their two candidates for Dublin South-East. [The two F.F. candidates chosen for this constituency were Mr. Sean MacEntee, a member of the former Dail, and Mr. Sean Moore, who was selected in preference to Dr. Browne.] In a lengthy statement accompanying his resignation, Dr. Browne alleged that the members of the constituency party organization had been canvassed to vote against his nomination, and that he had been the target of a "despicable slander campaign" of "venomous, false and misleading arguments." In the course of his statement Dr. Browne said *inter alia* that "responsibility for this campaign must not be attributed to the candidate, Mr. Sean Moore, who was chosen in my place"; that he (Dr. Browne) had been "informed that Mr. MacEntee had stated that under no circumstances would he consent to be a candidate if I were nominated"; and that he had previously been asked to withdraw his name from consideration by the executive "to meet Mr. McEntee's wishes." Dr. Browne added: "It will inevitably be said of me that I am a crank and a wrecker, who finds it impossible to accept the discipline of a political party . . . I leave Fianna Fail without bitterness, but with a great despair. It may be that I am mistaken in my firmly-held belief that it is more important to hold to one's principles than to make them subservient to a substituted loyalty to a party or a man."

The Election Campaign. - Mr. Costello's Proposals for Ending of Partition. - Rejection by Northern Ireland Home Minister.

The principal issue in the elections was the economic condition of the Irish Republic—in particular, the high incidence of unemployment (about 93,000) and the decline in the Republic's population as a result of large-scale emigration, as shown by the census returns for 1956 and the report of the Commission which had been investigating this problem (see 14919 A). All the parties laid emphasis on the need to develop the Republic's economic resources, to create new industries, to promote agriculture, and thereby to create the conditions for a flourishing economy and the eradication of unemployment.

The electoral campaigns of Sinn Fein and the *Clann na Poblachta* were particularly concentrated on the partition question. The major parties—Fine Gael and Fianna Fail—also stressed their desire to end partition, but emphasized that this could only be accomplished by peaceful means. During the election campaign considerable interest was aroused by a proposal by Mr. Costello (the Fine Gael leader) for the creation of an All-Ireland Parliament—a proposal, however, which was immediately rejected by leaders of the Northern Ireland Government.

In an election speech in Dublin on Feb. 6, Mr. Costello spoke as follows on the partition question:

"We do not seek a so-called 'united' Ireland in which the people of Belfast and the adjoining areas would fear and hate their fellow-countrymen for generations to come, but a real united Ireland in which those people would willingly and proudly take their place in trust and esteem, and in loyalty to common democratic institutions . . . The object of our policy is a reunion willingly entered into and fully safeguarding the rights of all minority interests. Broadly, this can most readily be achieved by allowing the continuance of a separate legislature either for the Six-County area, or for the smaller area in which those who are at present opposed to reunion form a homogeneous majority. What the area should be is a matter for determination in the light of the reasonable interests and wishes of the people concerned, including, of course, the Nationalists in the Six Counties. The powers in respect of the Six Counties at present reserved by the British Parliament would be transferred to a democratically-elected parliament for all Ireland."

Mr. Costello outlined the following threefold policy for a solution of the partition problem :

" (1) We must convince a majority in the Six Counties that their peace, security, rights and interests will not suffer, but will be more firmly established and better served in a united Ireland than they are under the present arrangements.

" (2) We must convince the British people and the British Parliament that partition is too real and important a problem to be ignored ; that unreserved friendship between the peoples of these two neighbouring islands will be for the good of both peoples ; and that, while partition continues, that unreserved friendship cannot exist.

" (3) We must persuade the Governments of other nations in the free world of what is the truth—that the partition of Ireland is no mere local matter without international significance, but, on the contrary, constitutes a serious weakness at an important part of the free world."

Mr. Topping, the Northern Ireland Minister for Home Affairs, made the following reply to Mr. Costello on Feb. 7, in a speech in the N.I. Parliament :

" We are asked by Fine Gael to exchange our position as a branch member of the greatest company in the world, with branches everywhere of unlimited strength and resources, for a subordinate position in a company with a doubtful past and an even more dubious future. We are not open to offers from those who would take us over. Fine Gael offers us glowing words ; the Republican Party offers us the gun. Up to date we have not yet received the de Valera bid, but we are not in the market."

Fianna Fail Victory in General Election. - Party Gains and Losses. - The New Government.

The elections resulted in a decisive victory for Fianna Fail, which returned 78 members to the new (16th) Dail—an overall majority of nine seats over all other parties combined. The following table shows the party strengths in the new Dail, the first preference votes cast for the various parties, and comparative figures at the 1954 election :

	Members		First Preference Votes	
	New Dail	Old Dail	1957	1954
Fianna Fail ..	78	65	592,998	578,960
Fine Gael	40	50	326,701	427,037
Labour	12	19	111,748	161,034
Sinn Fein	4	-	65,640	.
Clann na Talmhan	3	5	28,005	41,240
Clann na Poblachta	1	3	20,632	51,042
Independents ..	9	5	80,402	75,705

As shown above, all the parties in the Coalition Government suffered a severe setback—Fine Gael losing ten seats and polling 100,000 fewer votes than in 1954 ; the Labour Party losing seven seats and dropping nearly 50,000 votes ; and the Farmers' party (*Clann na Talmhan*) losing two seats and dropping over 12,000 votes. The *Clann na Poblachta*, whose withdrawal from the coalition precipitated the elections, returned only one member to the new Dail and polled 30,000 fewer votes than in 1954, its leader (Mr. Sean MacBride) failing to secure re-election.

Fianna Fail increased its vote by 14,000 and obtained a clear majority of nine seats as stated above. As the four Sinn Fein members will not take their seats in the new Dail, Fianna Fail's majority will thus be increased by default to 13, apart from Independents who might support Mr. de Valera's Government. The Sinn Fein candidates polled in appreciable strength, while the new Dail will have four more Independent members than the former Dail.

The total poll was 1,227,016, representing about 70 per cent of the electorate—a drop of over 100,000 as compared with the 1954 elections, when 1,335,027 voters went to the polls. In certain areas (e.g. south Wexford, north Mayo, Roscommon, and Tipperary) over 80 per cent of the electorate voted, while in Dublin polling generally was about 70 per cent. Fianna Fail secured nearly 50 per cent of the total votes and Fine Gael nearly 30 per cent, the remaining 20 per cent being distributed between the other parties and Independent candidates. The Sinn Fein proportion of the total poll was about four per cent.

The Irish Republic is divided into 40 multi-member constituencies, some of which return five members, others four, and others three (a list of these constituencies is given on page 11532, second column). Voting is by proportional representation, with transferable second preference votes. An analysis of party gains and losses, etc., is given below.

Fianna Fail. The Fianna Fail gained six seats from Fine Gael (in Cork City, Dublin South-Central, Dun Laoghaire-Rathdown, Galway North, Louth, and Wicklow) ; five from Labour (in Carlow-Kilkenny, Dublin County, Dublin North-Central, Meath, and Wexford) ; one from the *Clann na Talmhan* (Mayo North) ; and one from the *Clann na Poblachta* (Kerry North)—a total of 13. As it lost four seats—three to Sinn Fein (in Kerry South, Longford-Westmeath, and Monaghan) and one to Fine Gael (Limerick West) Fianna Fail thus made a nor gain of nine seats.

Mr. de Valera, nominated for the 16th time in County Clare, was re-elected with 16,159 votes the highest in the Republic, and 3,480 more than in 1954. He has represented County Clare uninterruptedly for 40 years, having first been elected for that constituency in 1917. Other prominent F.F. leaders re-elected included the following, all of whom were Ministers in the last Fianna Fail Government—Mr. Frank Aiken (Louth), Mr. Gerald Boland (Roscommon), Mr. Sean Lemass (Dublin South-Central), Mr. Sean MacEntee (elected on the fourth count in Dublin South-East), Dr. James Ryan (Wexford), and Mr. Oscar Traynor (Dublin North-East).

Among other Fianna Fail members in the new Dail are Councillor Robert Briscoe, Lord Mayor of Dublin, who headed the poll in Dublin South-West ; Major Vivion de Valera, son of the party leader, who was re-elected in Dublin North-Central ; and Mr. Noel Lemass, son of Mr. Sean Lemass, who was re-elected in Dublin South-West.

Fine Gael. The Fine Gael's only gain was from the Fianna Fail in Limerick West, as stated above. Elsewhere the F.G. lost seats in Cork City, Cork West, Dublin South, Dublin South-East, Dun Laoghaire-Rathdown, Louth, Galway North, Tipperary North, Tipperary South, and Wicklow to Fianna Fail, Independent, and Labour candidates.

Mr. J. A. Costello, the party leader and former *Taoiseach*, held his seat in Dublin South-East but polled 4,000 fewer votes than in 1954. Other Fine Gael leaders re-elected included Mr. Liam Cosgrave, formerly Minister for External Affairs (Dun Laoghaire-Rathdown), Mr. Patrick McGilligan, the outgoing Attorney-General (Dublin North-Central), General Sean MacEoin (Longford-Westmeath), General Richard Mulcahy, the outgoing Minister of Education (Tipperary South), Mr. Patrick O'Donnell, formerly Minister for Local Government (Donegal-West), Dr. T. F. O'Higgins (Leix-Offaly), and Mr. Gerard Sweetman, the former Minister of Finance (Kildare).

Other Fine Gael members in the new Dail include Mr. Declan Costello, son of the party leader, who was re-elected in Dublin North-West ; Mr. James Dillon, formerly a prominent Independent, who was re-elected in Monaghan ; Dr. A. C. Esmonde, re-elected in Wexford ; Mr. Patrick Byrne, son of the former Lord Mayor of Dublin (Alderman Alfred Byrne), who joined Fine Gael shortly before the elections and was returned in Dublin North-East ; and Miss Brigid Hogan (24), the youngest member of the Dail, who was elected for the first time in Galway South. Miss Hogan is the daughter of the late Mr. Patrick Hogan, onetime Minister of Agriculture, who died in 1936.

Labour Party. Labour lost seven seats to Fianna Fail and Independent candidates in Carlow-Kilkenny, Dublin County, Dublin North-Central, Dublin South-Central, Limerick East, Meath, and Wexford, and gained one seat in Tipperary North from Fine Gael. The Labour vote dropped particularly heavily in Dublin.

Mr. William Norton, leader of the party and outgoing Minister for Industry and Commerce, headed the poll in Kildare. Other Labour leaders re-elected included Mr. Brendan Corish, the outgoing Minister for Social Welfare (Wexford), Mr. James Everett, the outgoing Minister of Justice (Wicklow), Mr. Sean Casey, Lord Mayor of Cork (Cork City), and Mr. Dennis Larkin, a former Lord Mayor of Dublin (Dublin North-East). Mr. Patrick Hogan, the Speaker of the Dail, was returned unopposed in County Clare—the only unopposed return in the election.

Among Labour members of the former Dail to lose their seats was Mrs. Maureen O'Carroll, who was defeated by a Fianna Fail candidate in Dublin North-Central.

Clann na Talmhan. Mr. Joseph Blowick, the outgoing Minister for Lands, was returned in County Mayo. There are only two other C. na T. deputies in the new Dail—Mr. John Beirne (Roscommon) and Mr. Michael Donnellan (Galway North).

Clann na Poblachta. With only one member in the new Dail—Mr. John Tully (Cavan)—the C. na P. virtually disappeared as an effective political force. Mr. Sean MacBride, the party leader, was defeated by an Independent candidate in Dublin South-West.

Sinn Fein. Though Sinn Fein polled about four per cent of the total vote, as stated above, its percentage in certain areas was much higher—e.g. 25 per cent in Kerry South, 20 per cent in Monaghan, and over 15 per cent in Sligo-Leitrim. On the other hand the party polled poorly in Dublin, where Mr. Thomas Mitchell failed to secure election in the North-East constituency.

Three of the Sinn Fein seats were won from Fianna Fail (those mentioned above) and the fourth from the Independents (in Sligo-Leitrim). The successful Sinn Fein candidate in Monaghan, Mr. E. O'Hanlon, is a brother of Fergus O'Hanlon, who died of wounds received in the I.R.A. raid on the Brookeborough police station in Northern Ireland (see 15290 A).

Independents. Independent candidates gained five seats from Fine Gael, Labour, and *Clann na Poblachta* in Cork West, Limerick East, and the Dublin constituencies. The two co-sponsors of the resolution attacking the Costello Government on the partition question—Mr. John McQuillan and Mr. Patrick Finucane—were elected as Independents in Roscommon and Kerry North respectively. Other Independent members of the former Dail to secure re-election included Mr. Thomas Byrne, who was returned in Dublin North-West. [Mr. Thomas Byrne is a brother of Mr. Patrick Byrne, who was elected for Fine Gael in Dublin North-East.]

New Independent members include Dr. Noel Browne, who was elected in Dublin South-East after his rejection by Fianna Fail, Mr. G. E. Russell, the Mayor of Limerick, who won a seat from Labour in Limerick East; Mr. James Carroll, who defeated the *Clann na Poblachta* leader (Mr. Sean MacBride) in Dublin South-West; and Mr. John Murphy, an unemployed man, who won a seat from Labour in Dublin North-Central as an Independent candidate representing the unemployed.

In Dublin South-East, a three-member constituency, Dr. Noel Browne secured second place to Mr. J. A. Costello (the outgoing *Taoiseach*), with Mr. Sean MacEntee (Fianna Fail) third. Dr. Browne polled 6,035 votes—an increase of 500 compared with 1954, when he stood in the same constituency as a Fianna Fail candidate.

Mr. de Valera (74) entered upon his third term as *Taoiseach* consequent upon the Fianna Fail's electoral victory. His first Premiership lasted for 16 years (from 1932 until 1948, with several general elections intervening), while his second lasted for three years—from 1951 to 1954.

In his first press statement after his electoral victory, Mr. de Valera declared that the first objective of the new Government would be to tackle the problem of unemployment "and the other economic ills from which the country now suffers," if necessary by public works. The new Government would also give early consideration to the question of European free trade. On the question of the I.R.A., Mr. de Valera emphasized that no State could tolerate the existence of private armies, which represented a direct threat to the sovereignty of the people. He also stressed that no effective solution of the partition question could be achieved by force, but only by peaceful means.

Mr. Costello issued a post-election statement in which he said that the Government had lost the election "because it did its duty in difficult times and adopted unpopular but necessary policies which, however, will bear good fruit in the coming year." He added that Fine Gael would "play its part as a constructive Opposition" in the new Dail.

The new Dail met for the first time on March 20, when it elected Mr. de Valera as *Taoiseach* by 78 votes to 53 and approved the new Government by 75 votes to 41. Mr. Patrick Hogan (Labour) was unanimously re-elected Speaker (*Ceann Comhairle*) of the Dail.

The 78 votes for Mr. de Valera's nomination as *Taoiseach* comprised 76 Fianna Fail and two Independents; the 53 opposing votes were 39 Fine Gael, 10 Labour, three *Clann na Talmhan*, and one Independent. Eleven deputies did not vote, including six Independents. On the vote approving the Cabinet list, the 75 majority votes were all from the Fianna Fail, while the 41 opposing votes comprised 39 Fine Gael and two *Clann na Talmhan* deputies.

The new Government, drawn entirely from the Fianna Fail, was announced on the same day as follows:

Mr. Eamonn de Valera ..	Prime Minister (*Taoiseach*).
Mr. Sean Lemass	Deputy Premier (*Tanaiste*) and Minister for Industry and Commerce.
Mr. Frank Aiken	External Affairs.
Dr. James Ryan	Finance.
Mr. Oscar Traynor ..	Justice.
Mr. Sean MacEntee ..	Health.
Mr. Patrick Smith	Local Government and Social Welfare.
Mr. Erskine Childers ..	Lands.
Mr. Sean Moylan	Agriculture.
Mr. John Lynch	Education and the *Gaeltacht*.
Mr. Kevin Boland	Defence.
Mr. Neal Blaney	Posts and Telegraphs.

The new Government includes nine of the 12 Ministers who held office in Mr. de Valera's last (1951-54) Cabinet—Mr. Lemass, Mr. Aiken, Dr. Ryan, Mr. Traynor, Mr. MacEntee, Mr. Smith, Mr. Childers, Mr. Moylan, and the *Taoiseach* himself—together with three younger members of Fianna Fail promoted to Cabinet office for the first time: Mr. Kevin Boland, Mr. Lynch, and Mr. Blaney. Mr. Andreas O'Keeffe, S.C., was appointed Attorney-General, which is not a Cabinet appointment.

Mr. Kevin Boland (39), an engineer, is the son of Mr. Gerard Boland (a leading member of Fianna Fail and former Minister of Justice), who was not included in the new Government. Mr. Lynch (40), a barrister, was Parliamentary Secretary to the Government in the last Fianna Fail Cabinet, with special responsibility for the *Gaeltacht* (the Gaelic-speaking areas). Mr. Blaney (34) is chairman of Donegal County Council. Mr. Kevin Boland entered the Dail for the first time as a deputy for Dublin County, but Mr. Lynch and Mr. Blaney (deputies for Cork City and Donegal East respectively) were members of the former Dail.

Mr. Sean Moylan (who had held the portfolio of Education in former Fianna Fail Cabinets) is not a member of the Dail, having lost his seat in Cork North at the general election. It was announced by Mr. de Valera, however, that Mr. Moylan would be nominated as a member of the new Senate and that the portfolio of Agriculture would be held by Mr. Aiken *ad interim* until the Senate elections on May 9. Under the Irish Constitution, the *Taoiseach* has the right to nominate 11 of the 60 members of *Seanad Eireann*, while six are elected by the Universities and 43 are nominated by panels representing cultural, industrial, agricultural and other interests.
(Irish Times - Irish Press - Irish Independent) **(Prev. rep. Irish General Elections, 13605 A.)**

A. UNITED KINGDOM. — Civil Service. - Revised Rules of Security Procedure.

The Financial Secretary to the Treasury (Mr. Enoch Powell) gave details on Jan. 29 of the revised procedure which would be followed in cases where a Civil Servant was suspect on security grounds.

Mr. Powell explained in a parliamentary written answer that an individual engaged on work vital to the security of the State would be regarded as unreliable not only if he was or had recently been a member of the British Communist Party but also if, "in such a way as to raise reasonable doubts about his reliability, he is or has recently been sympathetic to Communism, associated with Communists or Communist sympathizers, or is susceptible to Communist pressure." For purposes of convenience and brevity, the term "Communist" would cover Communist and Fascist alike.

The new procedure to be adopted was described as follows: "If the Minister rules that there is a *prima facie* case, the Civil servant is at once to be informed and will normally be sent on special leave with pay, care being taken as far as possible not to disclose the reasons for his absence to his colleagues. The Civil servant will at the same time be given any particulars, such as the date of his alleged membership, or the nature of the alleged sympathies or associations, that might enable him to clear himself. He will not be given such particulars as might involve the disclosure of the sources of the evidence."

It was added that no statement of general application could be made as to what constituted "sympathy" or "association," but that each case would be assessed in the light of the particular facts. [*The Times* pointed out in this connexion that the Conference of Privy Councillors set up after the Burgess-Maclean case—see 14705 A — had laid emphasis on character defects which might make a man unreliable or expose him to blackmail or influence, e.g. drunkenness, drug addiction, homosexuality, or loose living.]

Mr. Powell also announced that the terms of reference of the Three Advisers, set up in 1948 to hear appeals from Civil servants considered unreliable for certain types of public employment, had been revised to take account of the new statement on procedure.

In future (Mr. Powell explained) the Three Advisers would have to answer the following questions in advising a Minister whether his *prima facie* ruling in any individual case had or had not been substantiated: (1) "Are there any reasonable grounds for supposing that the individual has or has recently had Communist sympathies or associations of the type alleged?"; (2) "If in doubt, how do you assess the evidence?"

"In the appreciation of a case," the terms of reference added, "defects of an individual's character should be taken into account when they bear upon his reliability in the general context of Communist associations or sympathies."

The tribunal known as the Three Advisers was set up by the Labour Government in April 1948 (see 9218 C) under the chairmanship of Sir Thomas Gardiner, with Sir Maurice Holmes and Sir Frederick Leggett as its other members.
(Times - Daily Telegraph) **(Prev. rep. 14807 E; Conference of Privy Councillors, 14750 A; Burgess-Maclean Case, 14699 A; 14571 A; Three Advisers, 9218 C.)**

B. PORTUGAL. — Diamond Industry.

A decree establishing a diamond-cutting and polishing industry in Portugal was signed on Feb. 12 by the Minister for Oversea Territories, Professor Ventura. It provided that diamonds mined in Portuguese West Africa by the Angola Diamond Company (*Companhia de Diamantes de Angola*), at present exported direct from that colony to the offices of purchasing firms in London, would be exported instead to Lisbon, where they would be classified, selected and valued. The new Portuguese industry would purchase the diamonds it could use and the remainder would be exported in bulk to the normal purchasing firms. (Times - Daily Telegraph)

C. FRANCE. — Rehabilitation of Communist Leader.

M. Charles Tillon, who was excluded from the politburo of the French Communist party in 1952 together with the late M. André Marty, was re-established in the full rights and duties of party membership on Feb. 18. The announcement stated that M. Tillon (an ex-Minister and a former deputy for the Seine department) had pledged himself to be "faithful" to the party on all occasions. M. Marty—who, like M. Tillon, had been dropped from the politburo for "sectarianism" detrimental to party unity—died on Nov. 23, 1956.—(Le Monde) **(Prev. rep. 12560 A.)**

A. UNITED KINGDOM. — Wage Increases and Trade Disputes in 1956. - Outstanding Wage Claims by Engineering, Shipbuilding and Railway Workers. - Manpower Distribution at end-1956.

A general review of wage increases and industrial disputes in British industry during 1956 was published in the January issue of the *Ministry of Labour Gazette* and is summarized below.

Wage Increases.

The average increase in weekly wages during the year was about 7½ per cent, compared with an average rise in the level of retail prices of about 8 per cent; three-quarters of the average wage increase occurred during the first four months of the year. In 1955 the respective increases were 7 per cent (wages) and 6 per cent (prices).

About 12,633,500 workers received increases totalling £6,599,000 weekly, an average of about 10s. 5d. per worker. The following table shows the approximate number of workers affected in each of the principal groups of industries, and the net amount of the weekly changes in wage-rates:

	£	£
Agriculture, Forestry, Fishing	792,500	466,500
Mining and Quarrying	133,500	289,000
Treatment of Non-metalliferous Mining Products other than Coal	218,000	79,300
Chemicals and Allied Trades	227,000	113,300
Metal Manufacture	220,000	125,700
Engineering, Shipbuilding and Electrical Goods; Vehicles; Metal Goods not elsewhere specified	2,645,500	1,387,700
Textiles	739,500	222,400
Leather, Leather Goods and Fur	50,500	24,700
Clothing	490,500	277,600
Food, Drink and Tobacco	479,500	207,700
Manufactures of Wood and Cork	188,000	74,700
Paper and Printing	327,000	376,600
Other Manufacturing Industries	54,000	25,600
Building and Contracting	1,244,000	786,500
Gas, Electricity and Water	241,000	173,600
Transport and Communications	1,196,000	550,900
Distributive Trades	1,468,000	663,300
Public Administration	952,500	529,000
Miscellaneous Services	666,500	224,900
Total	12,633,500	6,599,000

Of the wage increases granted, £2,654,300 (40.2 per cent) was obtained through direct negotiation, £1,762,200 (26.7 per cent) through joint industrial councils, £1,395,800 (21.2 per cent) through wages councils and other statutory wages boards, £423,900 (6.4 per cent) under sliding scales based on the retail price index, £203,100 (3.1 per cent) by arbitration and mediation, and £159,700 (2.4 per cent) through other joint councils or conciliation boards.

The index figures of weekly rates of wages for each month of 1956 are shown below (June 30, 1947 = 100):

Date*	Men	Women	Juveniles	All Workers
1955				
December	153	158	166	154
1956				
January	154	160	169	156
February	156	160	171	158
March	160	164	175	162
April	162	165	178	163
May	163	165	178	164
June	163	166	178	164
July	163	167	179	164
August	163	167	179	165
September	163	168	180	165
October	163	169	181	165
November	164	169	181	165
December	164	169	181	166

*End of month.

Outstanding Wage Claims.

The principal wage claims outstanding at Dec. 31, 1956 had been put forward by unions representing the engineering, shipbuilding, and railway workers. The history of these claims is summarized below.

Engineering and Shipbuilding. The decision to put forward a claim for further "substantial" wage increases had originally been taken on April 25, 1956, at the annual conference of the Amalgamated Engineering Union at Eastbourne. In spite of a warning by the Engineering and Allied Employers' National Federation on May 31, 1956, that no new wage demands would be considered at the moment, the annual conference of the Confederation of Shipbuilding and Engineering Unions (of which the A.E.U. is the most powerful member) decided on Aug. 25 to instruct the Confederation's executive to proceed with the demand. After a meeting of delegates from the 40 unions represented in the Confederation had been held at York on Sept. 13 to consider the situation, the Confederation presented to the employers on Oct. 25, 1956, a claim for a 10 per cent wage increase for all male engineers, numbering nearly 3,000,000.

After consulting its affiliated organizations, the Engineering and Allied Employers' National Federation rejected the demand on Nov. 29, 1956, its chairman (Mr. F. G. Braby) recalling that the employers had warned the unions in previous years of the danger of too frequent wage increases, and appealing to them to help in maintaining a period of wage and price stability. Mr. B. McCarthy, the Federation's director, stressed in this connexion that engineers' earnings already compared favourably with those in other industries, and that in recent years wages had risen more rapidly than prices or production. As a result British exports were falling, whereas those of Western Germany, the U.S.A., and Japan were rising. Orders for agricultural machinery, boilers, tanks, and gasholders had already been lost because British prices were too high; Britain was being undersold in the overseas markets for bicycles, of which Germany was now the world's largest supplier; and the British share in automobile exports had fallen from 41 per cent of the world total in 1953 to 28.6 per cent in the first nine months of 1956.

A further meeting of delegates from unions affiliated to the Confederation was held at York on Jan. 10, 1957 and decided to make a fresh approach to the Employers' Federation at an early date.

Railways. Notwithstanding the general increase of 7 per cent for all railwaymen, including footplatemen, which took effect from Jan. 23, 1956, the Amalgamated Society of Locomotive Engineers and Firemen decided at its annual delegate conference on May 31 to ask for a 15 per cent increase for its 70,000 members employed by British Railways and London Transport. The claim—estimated to cost about £7,000,000 annually—was put to the British Transport Commission on July 6 and rejected on Aug. 29, 1956. ASLEF thereupon submitted it to the Railway Staffs National Tribunal, arguing in support that (*a*) footplatemen's wages were not in line with the skill and responsibility demanded of them; (*b*) living costs had risen "substantially" since January; (*c*) higher rates were needed to attract recruits to the industry. On Dec. 6, 1956, the Tribunal rejected arguments (*a*) and (*c*), but found that current wage rates did not "adequately reflect the rise in the cost of living since January." It therefore awarded an increase of 3 per cent in place of the 15 per cent asked for by the union. The award, which brought the basic wage (without overtime) of a top-rate driver to £10 14s. 4d. a week, and was estimated to cost about £1,400,000 a year, was accepted by a delegate conference of ASLEF on Jan. 9, 1957, having already been agreed to by the British Transport Commission.

On Nov. 22 the National Union of Railwaymen (which negotiated on behalf of the majority of operating grades, e.g. porters, guards, signalmen, shunters, and permanent way men, as well as for a minority of locomotive men and clerks) submitted a claim for a general 10 per cent increase for its members. On the same day the Transport Salaried Staffs Association, which represents stationmasters, supervisors, booking office clerks, etc., presented a demand for an increase of 7½ per cent. Both claims were still outstanding on Dec. 31, 1956.

Industrial Disputes.

There were 2,643 industrial disputes involving stoppages of work during 1956, compared with 2,419 in 1955. About 507,000 workers (approximately 1.9 per cent of the working population) were affected, the total number of working-days lost being 2,083,000 - an average of about 4.1 working-days for each worker involved.

Stoppages in the various industries chiefly affected by disputes are described below:

Coalmining. The largest number of stoppages (2,076, involving 240,000 workers and causing the loss of 502,000 working-days) again occurred in the coalmining industry, but (as in 1955) were mostly of relatively short duration. The more important stoppages included (*a*) a strike of South Wales miners in March-April over a claim for increased piece-work rates (20,000 working-days lost); (*b*) a further strike in South Wales in protest against the dismissal of two shacklers (16,400 working-days lost); (*c*) a strike in Yorkshire in August in support of a demand that miners' "concessionary coal" should be washed and screened (12,000 working-days lost); (*d*) a second stoppage in Yorkshire in October owing to a dispute over bonus shift payments (10,000 working-days lost).

Printing Industry. A loss of about 370,000 working-days was caused in February and March, 1956 by a stoppage affecting about 15,000 printers employed in periodical and general printing in the Greater London area. The dispute followed the rejection by the employers in January of demands put forward by (*a*) the Typographical Association, representing compositors, machine-minders, and proof-readers outside Greater London and Scotland; (*b*) the London Typographical Society, representing compositors and machine-minders employed in the Greater London area. The T.A. claimed a basic weekly minimum (excluding overtime) of £10 10s. for their members, including men employed by provincial newspapers. The L.T.S. demanded a basic minimum of £12. 12s. weekly for men engaged in periodical and general printing, those employed by national newspapers being already covered by an agreement signed in 1955. The employers' federations maintained that these demands —which represented increases in the basic minima of 31s. 6d. (provinces) and 52s. (Greater London)—were beyond the industry's capacity to meet; instead, they offered an all-round increase of 18s. 6d. to all compositors, machine-minders, and proof-readers throughout the country, subject to the unions' agreeing to relax certain rules and practices.

The two unions reacted on Jan. 17, 1956, by instructing their members to "work to rule" and to refuse to work overtime, a ban on overtime working being also imposed on Jan 28 by the Association of Correctors of the Press, to which most London proof-readers belong. Meanwhile talks between the two sides and Sir Wilfrid Neden (the Ministry of Labour's Chief Industrial Commissioner) had begun on Jan. 27 but broke down on Feb. 10, 1956, and on Feb. 14 employers in the Greater London area dismissed over 7,000 compositors and machine-minders who, in spite of a previous warning, had refused to resume full normal working.

Mr. Macleod, then Minister of Labour, announced in the House of Commons on Feb. 15, 1956, that he proposed to appoint two courts of inquiry to deal respectively with the disputes in the Greater London area and the Provinces. On Feb. 16 he announced that the membership of both courts would be identical and would consist of: Sir John Forster, Q.C., President of the Industrial Court; Mr. A. H. Mathias, British Employers' Federation representative on the National Joint Advisory Council; and Mr. A. G. Tomkins, general secretary of the Furniture Workers' Union.

While the imposition of "work to rule" and "no overtime" sanctions on Jan. 18 had forced many London periodicals and provincial newspapers to reduce their size, the dismissals on Feb. 14 compelled many magazines and periodicals normally printed in the Greater London area to suspend publication, including the *Illustrated London News*, *The Sphere*, *The Listener*, and a number of women's and film magazines. Other publications—notably the *Radio Times*, *London Calling* (the B.B.C.'s publication for overseas listeners), *The Economist*, and the *Investor's Chronicle*, were printed in France, Switzerland, and other European countries and flown to Britain, whilst yet others, including the *New Statesman and Nation*, were produced by a combination of photostat and offset litho processes.

Although the Typographical Association agreed to a resumption of normal working in the Provinces from Feb. 28, pending the recommencement of negotiations as soon as the Court of Inquiry into the London dispute had published its findings, the L.T.S. continued to apply sanctions, and by March 1, 1956, the number of periodicals which had suspended publication had grown to about 100. Attempts by the Printing and Kindred Trades' Federation to bring about a settlement in the Greater London area proved fruitless, and on March 2 a further 8,000 workers, mostly P.K.T.F. men, had to be laid off because there was no work for them.

The Court of Inquiry into the Greater London dispute published its report on March 15, 1956. It recommended a three-years' agreement to provide for (1) a new basic weekly minimum of £10 15s. 6d., or 37s. 6d. more than the existing rate; (2) a new cost-of-living scale rising by 1s. for each point rise in the cost-of-living over the figure at the time of settlement; (3) admission of apprentices according to a programme suggested by the L.T.S.; (4) renewed efforts to fix craft rates and establish negotiating machinery on a national basis.

The publication of the Court's findings was at first followed by the refusal of the L.T.S. and A.C.P. to consider resumption of normal working unless the employers undertook to make any increases retrospective to Jan. 18, 1956, the date when "sanctions" were declared. On March 23, however, Mr. Willis (general secretary of the L.T.S.) announced that the two unions had agreed with representatives of the Typographical Association and the Amalgamated Society of Lithographic Printers to negotiate collectively with the employers "on a craft basis." Meanwhile, the ban on overtime and restrictions on output would be lifted from March 27, 1956, and the dismissed men would be reinstated by the employers in their jobs.

Motor Vehicles and Aircraft. Strikes in the motor vehicles, building and aircraft industries accounted for the loss of 363,000 working-days. The principal stoppages occurred at the Standard works at Coventry in April-May and at the factories of the British Motor Corporation and Briggs Motor Bodies in July-August (see 15084 A), costing 128,000 and 103,000 working-days respectively. A stoppage of about 12,000 aircraft workers at Stockport (August-October) through dissatisfaction with certain pay-rates caused the loss of 47,000 working-days.

Shipbuilding and Ship-repairing. Disputes cost about 324,000 working-days during the year, the most serious stoppage occurring on Clydeside, where about 10,000 men at 28 shipyards ceased work (Sept. 3-18) following the employers' rejection of a demand for guaranteed hourly rates for pieceworkers (120,000 days lost). Smaller disputes in support of wage and bonus claims occurred on Merseyside (July-August, 66,000 days lost); at Belfast (October, 13,000 days lost); and at Aberdeen (August-September and again in December, about 11,000 working-days lost in each case).

Metal Manufacturing. In this group the most serious loss of time (200,000 working-days) was caused by the overtime ban by steelworks maintenance men (March-September) and the consequent local strikes in June (see 15325 A).

Building and Contracting. Stoppages involved a loss of 78,000 working-days, the most serious being a protracted strike (February-March) at a Grangemouth oil refinery owing to the rejection of a demand for an increase in daily allowances (14,000 working-days involved).

Engineering. In this group, where 77,000 working-days were lost, the most important dispute arose at Crawley, where about 700 men employed in the manufacture of process plant and equipment ceased work over the dismissal of two workers on redundancy grounds (12,000 working-days lost).

Manpower Distribution Figures.

The following table shows the manpower position in Britain at the end of 1956, comparison being given with 1955:

	Dec. 31, 1956	Dec 31, 1955†
Total Working Population*		
Men	16,207,000	16,144,000
Women	7,880,000	7,929,000
	24,087,000	24,073,000
H.M. Forces and Women's Services	761,000	779,000
Ex-Service Men and Women on Release Leave	6,000	6,000
Registered Unemployed‡	331,000	235,000
Persons in Civil Employment	22,989,000	23,053,000
of whom: Men	*15,227,000*	*15,221,000*
Women	*7,762,000*	*7,832,000*

*The "total working population" represents the total number of persons aged 15 or over working for pay or gain, or registering themselves as available for such work. It includes H.M. Forces and the Women's Services, those on release leave and not yet in employment, registered unemployed, private indoor domestic servants, and gainfully employed persons over pensionable age. Part-time workers are counted as full units.

†Revised figures.

‡Excluding persons registered as "temporarily stopped," most of whom were in employers' pay-rolls and were therefore included in the numbers shown as in civil employment.

An analysis by industrial groups of the total number of persons in civil employment is given below:

Industries or Services	Dec 31, 1956	Dec. 31, 1955
Basic Industries		
Mining and Quarrying (including coal-mining)	859,000	857,000
Gas, Electricity, and Water	378,000	378,000
Transport and Communication	1,712,000	1,703,000
Agriculture and Fishing	994,000	1,006,000
Number in Basic Industries	3,943,000	3,944,000
Manufacturing Industries		
Chemicals and Allied Trades	528,000	526,000
Metals, Engineering, and Vehicle Manufacture	4,600,000	4,663,000
Textiles	935,000	953,000
Clothing (including footwear)	678,000	679,000
Food, Drink and Tobacco	903,000	912,000
Other Manufactures	1,582,000	1,618,000
Number in Manufacturing Industries	9,226,000	9,351,000
Building and Contracting	1,491,000	1,472,000
Distributive Trades	2,904,000	2,884,000
Professional, Financial, and Miscellaneous Services	4,131,000	4,112,000
Public Administration:		
National Government Service	558,000	562,000
Local Government Service	736,000	728,000
Total in Civil Employment	22,989,000	23,053,000

The largest percentage increases, as compared with 1955, were in building and contracting (1.29 per cent); local government service (1.09 per cent); distributive trades (.69 per cent); and transport and communications (.53 per cent). The biggest percentage decreases were in "other manufactures" (2.22 per cent); textiles (1.89 per cent); metals, engineering, and vehicle manufacture (1.35 per cent); agriculture (1.19 per cent); food, drink, and tobacco (.99 per cent); and national government service (.71 per cent).—(Ministry of Labour Gazette - Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Wages, Disputes, 14692 A; Motor Industry Strikes, 15084 A; Manpower, 14756 B.)

A. BULGARIA. — Population Census.

Preliminary results of a population census held on Dec. 1, 1956, were published in Sofia in February. They showed that Bulgaria's population totalled 7,629,254, an increase of 599,905 since the previous (1946) census. It was pointed out that the actual rate of population increase had been higher than shown by the census figures, as considerable numbers of Bulgarian Jews had emigrated to Israel and Bulgarian Moslems to Turkey during the 10-year inter-censal period.

As a result of the growing industrialization of the country and the mechanization of agriculture, the proportion of urban to rural population showed a steady rise—33.47 per cent living in towns and 66.53 per cent in the countryside in 1956, compared with 25.85 per cent and 74.15 per cent respectively in 1946, and 23.31 per cent and 76.69 per cent respectively in 1934.

The three largest towns are Sofia, Plovdiv, and the Black Sea port of Varna.—(Bulgarian Legation Press Office, London)

A. BRITISH COMMONWEALTH. — Formation of British Commonwealth International Newsfilm Agency.

It was announced in London on Feb. 26 (*a*) that the B.B.C., the Rank Organization, the Canadian Broadcasting Corporation, and the Australian Broadcasting Commission had established a British Commonwealth International Newsfilm Agency Trust; and (*b*) that the Trust had in turn formed the British Commonwealth International Newsfilm Agency Ltd. to provide a service of international news films for subscribers anywhere in the world operating television services, producing cinema newsreels, or requiring newsfilm for other purposes. The Trust would ensure that the company remained under British control and that the newsfilm would be supplied "impartially and free of all restrictions as to the way it is to be cut or presented in the subscribers' individual newsreels or programmes." It was hoped that the Agency would eventually have a similar standing in television news to that which Reuters had in newspaper and sound radio news.

It was also announced that Mr. Kenneth Dick, formerly assistant head of the B.B.C.'s television news department, had been appointed managing-editor of the company, which would have its headquarters in London.

The members of the Trust will be Lord Radcliffe, as chairman; Sir Edward Benthall, a Governor of the B.B.C.; Sir Ian Jacob, Director-General of the B.B.C.; Mr. H. Carleton Greene, Director of Administration, B.B.C.; Mr. J. Arthur Rank, chairman of the Rank Organization; Mr. John Davis, managing director and deputy chairman of the Rank Organization; Mr. R. G. Leach, partner in Messrs. Peat, Marwick, Mitchell and Co., chartered accountants; and Mr. J. A. Ouimet, general manager of the C.B.C.

The directors of the company will be Mr. T. R. P. Hole (Editor, News Division, B.B.C.), Mr. C. McGivern (deputy Director of Television Broadcasting, B.B.C.), Mr. S. G. Williams (Controller of Television Administration, B.B.C.), Mr. K. Winckles (joint assistant managing director of the Rank Organization), Mr. H. Norris (joint managing director, J. Arthur Rank Overseas Film Distributors), Mr. A. I. Callum (of the Rank Organization), and Mr. W. H. Hogg (Chief News Editor, Canadian Broadcasting Corporation).

The names of the trustee for the Australian Broadcasting Commission, and the A.B.C.'s director in the company, will be announced later.

It was stated that the company's authorized share capital was £176,000, of which £128,000 had been issued £18,000 each to the B.B.C. and the Rank Organization, and £16,000 each to the A.B.C. and the C.B.C. The founder-members of the Trust had agreed that they would consider from time to time whether other British or Commonwealth concerns should be invited to subscribe for shares of the company.

The statement said that the founder-members, in creating the Newsfilm Agency, had been "actuated by the importance of ensuring in a world of rapidly expanding television services a supply of film of an impartial and unbiased nature from a British Commonwealth source."

The Agency started its operations on Feb. 26, with technicians and editors taken over from British Paramount News, and with 12 cameramen - two in Britain and 10 overseas. It was announced that the Agency would also use the existing facilities of C.B.C., A.B.C., and the Rank Organization overseas, and would employ "large numbers" of freelance cameramen and correspondents. It was intended that coverage should be comprehensive throughout the world except in the United States, where only the "biggest" events would be covered. (Times - Daily Telegraph - Manchester Guardian - Australian News and Information Bureau - Montreal Star)

B. PERU - BOLIVIA. — Joint Project for harnessing Waters of Lake Titicaca.

Agreements were signed in La Paz on Feb. 19 between the Peruvian and Bolivian Governments providing (1) for a joint survey of the possibilities of harnessing the waters of Lake Titicaca (the world's highest lake) for hydro-electric and irrigation purposes; (2) for the construction of a road between La Paz, the Bolivian capital, and Desaguadero, in Peru, each Government to finance its own section of the road; and (3) for the construction of pipelines to carry Bolivian oil to Peruvian ports.—(Bank of London and South America, Fortnightly Review - Manchester Guardian) **(Prev. rep. 7973 C.)**

C. DENMARK. — Expulsion of Soviet Diplomat.

It was announced in Copenhagen on Feb. 27 that the Danish Government had asked Captain Mikhail Rouditchev, the Soviet assistant naval attaché, to leave Denmark immediately. In a statement handed to the Soviet Ambassador, the Danish Foreign Ministry alleged that Captain Rouditchev had "tried in an irregular way to obtain secret information about Danish defences" and had thus shown "conduct incompatible with his diplomatic status and his continued presence in Denmark." (Berlingske Tidende, Copenhagen) **(Prev. rep. 15376 D.)**

D. JORDAN. — Termination of Anglo-Jordanian Treaty. - Jordanian Payments to Britain.

The Anglo-Jordanian treaty of 1948 was ended on March 13, when Notes to that effect were signed in Amman by the Jordanian Prime Minister, Mr. Suliman Nabulsi, and the British Ambassador, Mr. Charles Johnston. In addition to terminating the 1948 treaty, the Notes provided for (1) the withdrawal of all British troops from Jordan within six months; and (2) the purchase by Jordan of British-owned land, military buildings and installations, as well as British arms and stores in the country, against a payment of £4,250,000.

The first instalment payable by Jordan £1,250,000 will be due on May 1, while the other £3,000,000 will be settled in instalments of £500,000 on May 1 of each year during the next six years. Of the first instalment, however, Jordan will in fact remit only £652,000, the other £598,000 being set off against the £838,000 which Britain owed on the last subsidy payment to Jordan for February. The remaining £240,000 of the £838,000 owed by Britain will go into a fund which will be used by the U.K. Government (i) to meet claims by British officers and employees formerly in the service of the Jordanian Government, including compensation for the unexpected termination of their services for those who were summarily dismissed from their posts, such as General Sir John Glubb; (ii) in payment for certain goods and services provided by Britain for the Jordanian Government.

In a speech at the signing ceremony Mr. Nabulsi paid tribute to the "friendly atmosphere," "sincere co-operation" and "good spirit" in which the negotiations had been conducted. He expressed the hope that, with the termination of the treaty, "an atmosphere of friendliness" would continue to prevail between the two countries "to their mutual benefit."

It was pointed out in the Press that the question of British loans for the economic development of Jordan had not been dealt with in the negotiations. (Times - Daily Telegraph) **(Prev. rep. 15340 A.)**

E. AVIATION. — Señor Binaghi elected President of I.C.A.O. Council. - Proposed Navigation Improvements in North Atlantic Region.

The Council of the International Civil Aviation Organization elected Señor Walter Binaghi (Argentina) as its President on Feb. 20 in succession to Dr. Edward Warner (U.S.A.),

Señor Binaghi (38) studied civil engineering at the University of Buenos Aires before entering the Argentine Air Ministry. He had been Argentina's permanent representative at ICAO since 1947, had served as chairman of the Air Navigation Commission since 1949, and had presided over the Assembly's eighth session in Montreal in 1954.

Dr. Warner, who had announced his intention to retire during the 1956 session of the ICAO Assembly at Caracas (see 15122 A), had served as President of the Council since the creation of the Organization in 1945.

The special Panel of Experts set up by the ICAO Council, in accordance with a resolution of the Caracas Assembly, published recommendations on Jan. 9, 1957, for future improvements in air navigation facilities in the North Atlantic Region.

The Panel noted that the main causes of the difficulties encountered were (*a*) the irregularity of fixed service communications between Gander, Greenland, Iceland, and Shannon-Prestwick; (*b*) the unreliability and overloading of air-ground communication channels; and (*c*) the inadequacy of position reports from aircraft in flight. For these reasons, the Panel recommended the improvement of communications by the introduction of the V.H.F. "forward scatter" technique and the establishment of new ground wave-stations.

The multilateral agreement on non-scheduled air services in Europe was signed on Jan. 23 by Italy and Sweden. The agreement had already been signed by 13 other countries: Austria, Belgium, Denmark, France, the German Federal Republic, Iceland, the Irish Republic, Luxemburg, the Netherlands, Norway, Spain, Switzerland, and Turkey. (International Civil Aviation Organization, Montreal) **(Prev. rep. 15281 A; 15122 A).**

F. BURMA. — 200-million Rupee Loan from India.

Under a financial agreement signed in New Delhi on March 12, the Government of India granted a loan of 200,000,000 rupees (£15,000,000) to the Government of Burma, bearing interest at 4½ per cent per annum and repayable in 24 half-yearly instalments starting on April 1, 1960. It was provided that, at the wish of the Burmese Government, any part of the loan amount could be paid either to Burma herself or to any other sterling area country.

A loan of 200,000,000 rupees had earlier been granted by India to Burma in October 1955, but the Burmese Government had not drawn any part of it during the stipulated period. (Indian High Commissioner's Office, London) **(14486 C.)**

A. INDIA. — General Election. - Party Manifestos.

Voting in India's second general election began on Feb. 24, and was scheduled to be completed on March 14 except in certain snow-bound regions of Himachal Pradesh and Uttar Pradesh, where it was expected that it would have to be postponed until the spring. Polling took place simultaneously for 494 of the seats in the *Lok Sabha* (House of the People) and for 2,906 seats in the State Legislatures. In Andhra Pradesh, although elections to the *Lok Sabha* were held as elsewhere, the 196 members of the former Andhra Legislative Assembly elected in March 1955 retained their seats; in the Telengana area, however, which had been transferred from Hyderabad to Andhra Pradesh under the States Reorganization Act, 105 members were due to be elected to the State Assembly. In Kashmir it was proposed to hold elections in March for a new Legislative Assembly which would select the State's six representatives in the *Lok Sabha*.

Since the previous general election in 1951-52, the electorate had risen from 173,200,000 to 193,129,024. Apart from the natural increase of the population, two causes contributed to this rise. In 1951 some 2,800,000 women had been omitted from the electoral registers, as they had refused to give their own names and had insisted on being enrolled as a certain man's wife or daughter; this prejudice, however, had since been overcome through the co-operation of women's organizations, and almost all women qualified to vote were included in the registers. In West Bengal, thousands of displaced persons from East Pakistan who had been registered as Indian citizens since 1951 were included in the electoral rolls, under a Bill passed by the *Lok Sabha* on Sept. 7, 1956.

The voting procedure was the same as that followed in the previous election—a distinctive symbol being allotted to each party or candidate, and the voter being required to place his ballot-paper, without marking it, in the ballot-box bearing the symbol of the candidate of his choice. For the purpose of allocation of symbols, the Election Commission recognized only the four parties which had received more than 3 per cent of the total votes in the previous election as "all-India parties": viz., the National Congress, the Praja Socialist Party, the Communist Party, and the *Jan Sangh*, their symbols (respectively two yoked bulls, a hut, ears of corn and a sickle, and a lamp) being reserved for them exclusively. Eleven other parties (including the Scheduled Castes Federation, the Hindu Mahasabha, the *Ram Rajya Parishad*, the *Ganatantra Parishad*, and the Peasants' and Workers' Party) which had received over 3 per cent of the votes in certain States were recognized as "State parties," and distinctive symbols were reserved for them in the States concerned.

Strict precautions were taken to avoid impersonation and, as in the previous elections, voters were marked on one finger with indelible ink to prevent them from voting twice. In addition, the political parties had been asked to submit names of persons included in the electoral registers whom they believed to be dead or absent. In urban constituencies, where the possibility of impersonation had been found to be greater than in rural areas, voters were required to sign or place their thumbprints against their names before being issued with ballot papers.

Summaries of the election manifestos of the leading parties, and of recent internal developments in certain of the parties, are given below.

Congress Party.

The Congress Party's manifesto, written by Mr. Nehru, was published on Dec. 29 and was approved on Jan. 6 by the 62nd session of the National Congress, meeting at Indore. It reaffirmed the party's aim of "a fully Socialist order of society giving freedom, welfare, and equality of opportunity to all," and stated that "the revolution in India can only be completed when the political revolution is followed by an economic as well as a social revolution." Socialism, it emphasized, involved not only changes in economic relations, but also the abandonment of "old ideas about privilege on the basis of birth or caste or class or money or the hierarchy of office." The objects of the economic plan were that there should be "no exploitation and no monopolies," that "disparities in income should be progressively lessened," and that "a national minimum in the general standard of living" should be established, "so that everyone has the necessities of life and the opportunity for education, for maintaining health, and for productive work."

The rapid growth of heavy industry was essential [the manifesto continued] "if we are to industrialize our country and not be dependent on others," but this must be balanced by small-scale and cottage industries. No nationalization of existing private industries was intended, "except where such is considered necessary in terms of planning or where they occupy a strategic position in the economy of the country." Private industry would be encouraged, but always in the context of the plan. Economic help from any friendly source would be welcomed, but the principal burden of finding the necessary resources for the plan would inevitably fall upon the people of India. It should be spread in such a way as to fall on those best able to bear it, and with this object in view the system of taxation was being reconstructed.

The manifesto advocated the progressive introduction of ceilings on land holdings and the encouragement of intensified methods of cultivation on a co-operative basis, and called for a 30 per cent increase in food production by the end of the Second Five-Year Plan. Effective action should be taken to improve the economic position and social status of landless workers, including extended opportunities for work, the introduction of minimum wages, and housing schemes. In industry the manifesto expressed support for the progressive participation of workers in management, the elimination of unemployment, and the settlement of labour disputes by peaceful and co-operative methods.

The manifesto emphasized the importance of moral values and the maintanance of high standards in public as well as in private life, declaring that "those who lead the people in various parts of the country have to set an example." It deprecated "provincialism," but recommended guarantees for religious and linguistic minorities which would enable them to play their full part in the national life; reiterated the party's aim of establishing a casteless society; and advocated the progressive introduction of prohibition in those parts of India where it was not yet in force.

In international affairs the manifesto reaffirmed India's support for the "Five Principles" (*Panch Sila*), its policy of friendship and co-operation with all countries, and its avoidance of military pacts and alliances. On the Goa question it declared that it was impossible for India to "tolerate a colonial *enclave* in any part of its territory," but that attempts would continue to solve the question by peaceful methods. India would also adhere to peaceful methods in its attempts to achieve a solution of the Kashmir question. Support was expressed for the admission of Communist China to the United Nations, and attempts to deal with the Asian and African countries "in the old colonial way" were condemned.

Praja Socialist Party.

The Praja Socialist Party's manifesto, issued on Dec. 28, condemned the "increasing trends towards authoritarianism in the Government and the Congress," as a result of which, it alleged, the Government's authority was being "freely used to further party ends." To ensure "a self-government broadening down from the higher to lower levels," it called for a "complete overhaul of the administration, above all at the lower levels," involving a wide increase in the powers and resources of local government bodies. Redistribution of the land, with a ceiling on holdings, should be carried out through the Village Councils. Other measures advocated for the benefit of the peasantry included the encouragement of co-operative marketing, credit, and development societies; the introduction of crop insurance; and a policy of price support. Industrial workers should be guaranteed the rights of association and collective bargaining, and the right to strike. Trade unions and factory committees should be granted a status as leading organs of planning, production, and development, and should be entrusted with responsibility for operating and extending the social services.

The manifesto proposed the nationalization of banks, mines, the mineral oil industry, large plantations, and wholesale and foreign trade in selected commodities. It also proposed that an Economic Civil Service, drawn from trained workers, technicians, independent businessmen, and Government servants, should be established to run the State enterprises as "a model of efficiency, honesty, and economic democracy," and that all possible assistance should be offered to small and medium private enterprises. The burden of the taxes needed to check inflation should be placed on big business; a graduated annual tax on wealth and capital gains should be introduced, together with taxation of excess profits; and the privy purses of the Princes should be abolished and their personal income and property made subject to the general tax laws of the land. Tax evasion should be dealt with as "a crime of the highest order."

On foreign policy, the manifesto said that an attempt should be made to settle all differences with Pakistan in a friendly spirit, but that "firm and even stern action" should be taken if the flow of refugees was not stopped. It condemned the Government's "inflexible opposition to popular efforts" to settle the Goa problem, and expressed regret that in the cases of Hungary, Algeria, and other peoples struggling for independence the Government had preferred "expediency to the claims of freedom and justice."

Communist Party.

The Communist Party's manifesto, published on Jan. 3, agreed with the objectives of the Five-Year Plan, but maintained that they could not be realized under the Government's major proposals. It demanded that priority should be given to heavy and basic industries, that all these industries should be in the State sector, and that the location of industries in general should be such as to ensure the development of economically backward areas. The demand for more consumer goods should be met by maximum utilization of the capacities of existing industries and by encouragement of small-scale and cottage industries. The manifesto continued: "The Communist Party recognizes that, in the present stage of our development, patriotic-minded Indian capitalists can make an important contribution toward the economic development of our country. The party desires that Indian industries should be protected against foreign competition, that all legitimate rights of capitalists should be ensured, and that their active co-operation should be secured for implementing the plan of national reconstruction."

The manifesto proposed that a ceiling should be imposed on exports of profits and on the profits of all large industries and commercial concerns; and that the excess should be taken over as a compulsory loan which, together with the reserves of large companies, should form a "national development pool" to be invested in the State and private sectors in accordance with national needs. The State should have a monopoly of foreign trade in the principal commodities, and State trading inside India should also be developed,

Heavier taxation should be imposed on profits and capital gains, and a ceiling imposed on personal and family incomes. The payment of compensation to large landlords should be postponed, and the Princes' privy purses should be abolished and their hoarded wealth requisitioned as a compulsory loan.

The manifesto demanded an immediate 25 per cent increase in wages, pending the establishment of a national minimum wage. In the field of agriculture, all land holdings exceeding a fixed area, together with all Government-owned cultivable waste land should be distributed among poor peasants and agricultural labourers. The peasants should be guaranteed fair prices, and agricultural workers a minimum wage. Education up to the age of 14 should be free and compulsory, and adequate provision should be made for technical and scientific education.

In addition, the manifesto called for the abolition of Upper Houses in the State Legislatures; wide powers for the States, especially in the field of finance; separation of the judiciary from the Executive; and the introduction of proportional representation in all elections. It also urged the repeal of the Preventive Detention Act, and restriction of the powers of the police to resort to shooting and *lathi* charges. The Communist Party approved the main features of the Government's foreign policy, but demanded the severance of relations with the Commonwealth and "effective intervention" in the Goa question. It advocated the establishment of friendly relations with Pakistan and an increase in trade, cultural, and other relations between the two countries. In conclusion, the manifesto condemned "the tendency of the ruling party to equate the interests of the State and the nation with its own partisan interest," and appealed for unity of "all democratic parties and elements."

The tone of the manifesto reflected the policy adopted at the party's fourth congress, held at Palghat from April 18-29, 1956. This congress approved the views of Mr. P. C. Joshi, the party's former general secretary and leader of its moderate wing, who was elected to the Central Committee after a period in which he had held no party office. The political resolution adopted by the congress approved many aspects of the Government's foreign and economic policy, and promised to support any Government which would carry out a minimum programme of reforms. The general secretary, Mr. Ajoy Ghosh, said after the congress that the party's membership had grown from 90,000 to 125,000 since 1954.

In an article published on Nov. 22, Mr. Ghosh stated that the Communist Party was "determined to abandon" the attitude of "idealizing everything in the Soviet Union" which it had adopted in the past. One of its "gravest failings," he admitted, had been its failure to act in accordance with the principles that "Socialism will be realized in each country through a movement which, while basing itself on the principles which are common to all countries, also recognizes the specific features and traditions of each country," and that "the Socialist society itself will reveal a variety of forms." The party believed in the possibility of achieving Socialism in India "without resort to violence and civil war," and was working to attain this end. The events in Hungary, he added, had revealed "the enormity of the mistakes, misdeeds, and even crimes committed by the Government of Hungary both in the internal sphere and in its relation to the U.S.S.R."

Jan Sangh.

The *Jan Sangh's* manifesto, published on Dec. 31, called for the annulment of partition and the restoration of "undivided India" (*Akhand Bharat*), to be achieved not by force but by "psychological change." While India and Pakistan remained separate, however, India should apply the provisions of the Constitution to Kashmir, "liberate" the Pakistani-occupied areas of Kashmir, demand territory from Pakistan for resettling Hindu refugees, and introduce compulsory military training. "Police action" should also be taken for the "liberation" of the Portuguese settlements in India.

The manifesto advocated the establishment of "a new economic order" in which economic power should not be allowed to be centralized in a few hands or the State given unlimited power. Maximum and minimum salaries of Rs. 2,000 and Rs. 100 a month, and maximum and minimum land holdings of 30 and 5 acres of irrigated land, should be fixed. Basic and defence industries should be nationalized, and industries mainly in foreign lands, such as tea, mining, coffee, and rubber, should be "Indianized." A compulsory loan should be imposed on multi-millionaires to provide capital for industrial development. Employees' contributions to State insurance should be abolished, provision made for the unemployed and the aged, and free medical aid introduced. Primary and secondary education should be free and compulsory, and free higher education provided for poor students. Other proposals included a reduction in indirect taxation and in Government expenditure; a maximum salary of Rs. 500 a month for Ministers; repeal of the Preventive Detention and Hindu Marriage and Succession Acts; and a ban on cow slaughter.

Hindu Mahasabha.

The All-India Hindu Mahasabha's manifesto, issued by its Working Committee on Dec. 16, advocated, *inter alia*, India's secession from the Commonwealth; the immediate introduction of military training in schools and colleges because of the "risk of aggression by Pakistan against India and Kashmir"; and a foreign policy of strict adherence to the basic principles of morality," avoiding any "kow-tow to the machinations of one powerful bloc." It denounced *Panch Sila* as "a crude attempt to cover up the cruelties and vagaries of a totalitarian Power intending to crush the freedom movement in Hungary," and said that there could be no peaceful co-existence "with naked aggression or blatant vandalism."

In economic affairs the Mahasabha called for a "progressive and dynamic" policy; the liquidation of unemployment by providing work or maintenance for the unemployed; the encouragement of large-scale co-operative farming; and the elimination of uneconomic holdings. It deprecated the "artificial fixation of ceilings on land holdings" while allowing "capitalists to own any number of properties in urban areas without fixing a maximum."

Socialist Party.

The Socialist Party was founded on Dec. 28, 1955, by a section of the left wing of the Praja Socialist Party which broke away under the leadership of Dr. R. M. Lohia, a former general secretary of the latter (see 14054 A). Its manifesto, issued on Jan. 13, 1957, demanded the nationalization of the iron and steel, engineering, sugar, textiles, cement, mining, electric power, and chemical industries, and of all foreign-owned industries and plantations. Maximum and minimum land holdings should be fixed, co-operative farming encouraged, and more land brought under cultivation. Differences of income should be narrowed down to a ratio of 10 to 1, which should progressively decrease as production increased, by means of a reduction in indirect and an increase in direct taxation. In both nationalized and privately owned enterprises, workers should be represented in the management and should be given a share of the profits. All restrictions on the right to strike and on peaceful picketing should be removed.

The manifesto also proposed that the Administration should be decentralized and "democratized" by increasing the powers of the Village and District Councils, which should be given control of the police, a share of the revenue, and powers of legislation and planning in certain fields.

The Council of the Moslem League adopted on Oct. 22 a resolution approving the Government's foreign and economic policies, but protesting against the refusal of Congress to recognize the Moslem League as "the political organization of the Moslems of India." In view of this fact, the Council decided not to support Congress in the elections but to put forward its own candidates in certain constituencies, and in other constituencies to support independent candidates and those of parties which were prepared to grant the League such recognition. (The Hindu, Madras - The Statesman, Calcutta - Times of India, Bombay - Indian High Commissioner's Office, London) **(Prev. rep. 1952 Elections, 12081 A; Congress, 14044 A; Praja Socialists and Communists, 14124 A; Jan Sangh, 14054 A.)**

A. HUNGARY - UNITED KINGDOM. — Expulsion of British Military Attaché in Budapest. - Hungarian Military Attaché expelled from Britain.

Budapest Radio announced on Jan. 18 that the British military attaché in Hungary, Colonel James Cowley, had been declared *persona non grata* and had been asked to leave the country within 48 hours.

The broadcast alleged that Colonel Cowley had maintained "active and direct contact with several leaders of the counter-revolution during the events of October"; that he had helped "the reactionary forces which came out against the interests of the Hungarian people"; that he had given "expert advice" to the "counter-revolutionary forces" on how to hide their arms and other equipment after those forces had been "subdued"; and that he had engaged in "extensive espionage operations."

The allegations against Colonel Cowley were strongly denied by the British Minister in Budapest (Mr. L. A. Fry) and by the Foreign Office in London, which pointed out that Colonel Cowley had returned to Britain some days earlier in the normal course of his duties. On Jan. 23 the British Government announced that the presence of the Hungarian military attaché in London (Lieut.-Colonel Bela Nagy) was "no longer desired in the United Kingdom," and gave him 48 hours to leave the country. (Times - Daily Telegraph - Manchester Guardian)

B. WESTERN GERMANY. — Charlemagne Prize.

It was announced in Aachen on March 10 that the Charlemagne Prize for 1956 would be awarded to M. Spaak, the Belgian Foreign Minister and Secretary-General designate of the North Atlantic Treaty Organization. The prize, consisting of a silver medal, a certificate, and 5,000 Deutschemarks (about £420), is awarded annually by the City of Aachen for services to the cause of European unity. Sir Winston Churchill was last year's recipient.—(Frankfurter Allgemeine Zeitung) **(Prev. rep. 14875 A.)**

C. VENEZUELA. — Canberra Bombers purchased from Britain. - $10,000,000 Order for English Electric Co.

It was announced on Feb. 4 that the Venezuelan Government had placed a $10,000,000 order (over £3,500,000) with the English Electric Company for *Canberra* jet bombers (Mark-VIII and Mark-IV) for the Venezuelan Air Force, together with spares. The machines will be powered by Rolls-Royce *Avon* engines (deliveries beginning in 1957), and Venezuelan ground crews will be trained in England.—(Times) **(14991 C.)**

A. BRAZIL. — New Federal Capital (Brasilia).

A law was signed by President Kubitschek on Sept. 20, 1956, authorizing the Federal Government to take preliminary measures for transferring the capital of Brazil from Rio de Janeiro to a new site in the interior of the country, situated in the State of Goiás. The name Brasília was chosen for the new Federal capital.

The law provided for (1) the creation of a joint-stock company, the *Companhia Urbanizadora da Nova Capital do Brasil* (CUNCB), with a share capital of 500,000,000 cruzeiros, wholly subscribed by the Federal Government; (2) the construction of a transport and communications system to connect the future capital with other parts of the country, including roads linking the new city with São Paulo and Belo Horizonte; and (3) the installation of the necessary administrative services in the new capital.

Shares may be acquired from the Federal Government by public institutions and other official and semi-official bodies but may only be resold to the Federal Government, which must always own a minimum of 51 per cent of the capital. All buildings and services required by the Federal Government will be erected by the company free of charge to the Government. It was subsequently announced that the CUNCB had decided to launch a loan of 700,000,000 cruzeiros to defray the initial expenses connected with the construction of Brasília.

It was announced from Rio in February that the State of Goiás had sold an area of 1,500 square kilometres (380,000 acres) of land to the Federal Government for the sum of 18,000,000 cruzeiros, the land representing about one-quarter of the future area of Brasília and its surrounding Federal District. On the occasion of the signing of the transfer deed, President Kubitschek announced his intention of inaugurating the new capital within 3½ years, and stated that the preparatory work was well advanced. He announced also that he would inaugurate the new airport at Brasília (which will be the biggest in Brazil) within a few weeks, and that he intended to inaugurate the Presidential palace in the new capital in February 1958. Tenders for a master-plan for Brasília—on which some 60 prominent architects and town-planners will be engaged—were opened on March 10.—(Bank of London and South America, Fortnightly Review) **(Prev. rep. 8549 B.)**

B. RHODESIAN FEDERATION. — Proposed Sale of State Cotton Industry to Private Enterprise.

The Federal Ministry of Commerce and Industry announced on Feb. 2 that the Federal Government had decided to throw the Central African cotton industry open to private enterprise, and to sell its Gatooma mills and processing plant to a suitable purchaser.

"It is now thought," the announcement said, "that the pioneering stage in the industry is over, and that this Government enterprise should give way to private enterprise." The Government had therefore made three decisions affecting the future of the cotton industry: (1) the processing capacity of the Gatooma mills would not be increased; (2) the Government would consider making arrangements for any private spinner to open a spinning factory in competition with Gatooma, with access on competitive terms to the Federation's cotton crop; (3) so long as the industry was safeguarded the Government was prepared to sell the Gatooma plant if a satisfactory offer was made, on condition that the interests of the cotton industry, including textile manufacturers who had relied on Gatooma for their supplies, were protected.

The Gatooma mills were established by the Southern Rhodesian Government in 1948 and have been the foundation of the Federation's textile industry.—(Federal Information Department, Salisbury) **(Prev. rep. Denationalization of Steel Industry, 15423 D; 15279 B.)**

C. BENELUX. — First Meeting of Consultative Inter-Parliamentary Council.

The first meeting of the Benelux "Parliament"—the "Consultative Inter-Parliamentary Benelux Council"—was held in Brussels on Feb. 22 under the chairmanship of M. van Cauwelaert, Belgian Minister of State and a member of the Belgian Chamber of Representatives.

The Council, which consists of 49 members representing the three countries (20 each from Belgium and the Netherlands and nine from Luxemburg), will advise the three Governments on problems arising out of their co-operation in Benelux, especially the furtherance of all measures which would help toward the realization of full economic union between them. The Council will also deal with cultural relations, co-operation in foreign policy, and the unification of the laws in the three member-countries.—(La Nation Belge - Netherlands News Agency) **(Prev. rep. Benelux, 15323 A.)**

D. UNITED KINGDOM.—Beckenham and Newcastle By-elections. - Seats held by Conservatives.

Polling took place on March 21 at Beckenham and Newcastle-upon-Tyne North, both seats being held by the Conservatives. The Beckenham by-election was caused by the conferment of a peerage on Mr. Patrick Buchan-Hepburn (now Lord Hailes), the former Minister of Works, and the Newcastle by-election by the elevation to the peerage of Major Gwilym Lloyd-George (now Viscount Tenby), the former Home Secretary—see 15313 A. Results were as follows:

Beckenham.

Goodhart, Philip (Conservative)	29,621
Sandelson, Neville (Labour)	17,445
No change. Conservative majority	12,176

Figures at the general election were: P. G. T. Buchan-Hepburn (C.) 38,614, C. F. A. Culling (Lab.) 17,377—Conservative majority, 21,237.

The Conservative candidate received 62.9 per cent of the votes in the by-election and the Labour candidate 37.1 per cent, compared with respective percentages of 69 and 31 at the general election. The Conservative proportion of the poll thus dropped by 6.1 per cent and the Labour proportion rose correspondingly. Of the total electorate of 73,516 (an increase of 339 since the general election), 64 per cent went to the poll, compared with 76.5 per cent at the general election.

Newcastle North.

Elliott, Robert (Conservative)	19,017
MacDonald, Thomas (Labour)	12,555
No change. Conservative majority	6,462

Figures at the general election were: Major G. Lloyd-George (L. and C.) 25,236, B. Chisholm (Lab.) 14,303—Liberal and Conservative majority, 10,933. Major Lloyd-George stood as a Liberal and Conservative candidate.

The Conservative candidate received 60.2 per cent of the votes in the by-election and the Labour candidate 39.8 per cent, compared with respective percentages of 63.8 and 36.2 at the general election. The Conservative proportion of the poll thus dropped by 3.6 per cent and the Labour proportion rose correspondingly. Of the total electorate of 49,240 (a decrease of 1,715 since the general election), 64.1 per cent went to the poll, compared with 77.6 per cent at the general election.

Mr. Philip Goodhart (31), a journalist on the staff of the *Sunday Times*, is the son of Dr. A. L. Goodhart, Master of University College, Oxford, and formerly Professor of Jurisprudence in the university. Though his father is an American by birth, Mr. Goodhart is a British citizen and served with the Parachute Regiment in the war. Mr. Robert Elliott (37) is a farmer at Morpeth, Northumberland.—(Times - Daily Telegraph) **(Prev. rep. By-elections, 15408 A.)**

E. RUMANIA. — General Election.

General elections were held in Rumania on Feb. 3 for a new Grand National Assembly of 487 members—one for every 40,000 electors. As in the last (1952) elections, a single list was presented by the People's Democratic Front (the Rumanian Workers' party and affiliated trade union, agricultural, and youth organizations) and no opposition parties were permitted. It was officially announced in Bucharest (*a*) that 11,593,690 voters (99.2 per cent of the electorate) had gone to the polls; (*b*) that 11,424,521 (98.9 per cent) had cast their votes for the candidates of the People's Democratic Front; (*c*) that 115,880 votes had been cast against the P.D.F. lists; (*d*) that 13,289 ballots were invalid; and (*e*) that 67 of the newly-elected deputies belonged to national minorities in Rumania.

The elections were carried out under the electoral law of 1952 (see 12708 A), which, however, had been amended by the former Assembly by abolishing the clause which had excluded from the franchise all "former landowners, industrialists, business magnates, *kulaks*, and war criminals."
(Agerpres, Bucharest) **(Prev. rep. Elections, 12703 A.)**

F. JAPAN. — Cultural Agreement concluded with German Federal Republic.

A cultural agreement between Japan and the German Federal Republic was signed in Tokio on Feb. 14. The agreement was the seventh of its kind to be concluded by Japan in recent years, similar agreements having been signed with France, Italy, Siam, Mexico, India, and Brazil.
(Japanese Embassy Press Office, London)

G. ETHIOPIA - VATICAN. — Diplomatic Relations.

It was announced in Addis Ababa on March 19 that diplomatic relations had been established between Ethiopia and the Holy See at legation level.—(Times)

A. UNITED KINGDOM. — Railways. - The Transport (Railway Finances) Bill. - Government Loans up to £250,000,000 to meet Railway Deficits. - Parliamentary Approval and Enactment. - Progress of Fifteen-year Rail Modernization Plan.

Mr. Watkinson, the Minister of Transport and Civil Aviation, announced in the House of Commons on Oct. 25, 1956 that, after carefully considering the financial position of British Railways, the Government had decided to make available to the British Transport Commission loans up to a limit of £250,000,000 to cover the annual deficits in railway operation, which were expected to continue until 1961 or 1962. The loans, which were intended to cover the period until the beneficial effects of the railway modernization plan began to be felt, would be repayable after a period to be specified and would carry interest, but for a limited period this interest would be covered by an additional special advance, which would also be repaid in due course.

A White Paper explaining the Government's proposals and embodying a memorandum on railway policy, prospects, and finances, submitted by the Commission to the Minister of Transport, was published on the same day under the title: *The British Transport Commission: Proposals for the Railways.*

Stressing the Government's belief that the Transport Acts of 1953 and 1956 "provided the right framework in which the transport industry should operate," the White Paper maintained that in organization, purpose, and status the B.T.C. today resembled a large-scale commercial corporation which had "to a large extent inherited the position in which it finds itself." For 30 years, it pointed out, the railways had been unable to undertake any large scheme of modernization, or even to keep up an adequate replacement programme. Although it was intended to remedy this state of affairs by the present modernization plan, the railways would continue meanwhile to suffer from poor equipment, whilst at the same time remaining liable to severe competition which limited their ability to impose higher charges without driving away profitable traffic.

Higher charges would therefore not offer a satisfactory or lasting solution of the Commission's dilemma. Moreover, it remained the Government's view that every effort to avoid continued cycles of price increases was essential in order to break the inflationary spiral, and that therefore any general increases in railway charges should be avoided if at all possible. On the other hand the national interest required the railways' future to be assured, for as carriers of passengers over long distances and of suburban passengers in large numbers to and from work, as well as carriers of bulk freight, they were essential and would continue to be so as long as could be foreseen. The Government therefore shared the Commission's view that the rate of railway investment in 1957 should be increased to about £120,000,000, with further increases in later years.

The Government also considered that the Commission, in its memorandum (see below), had clearly shown that it could overcome past handicaps within a reasonable time and provide the country with a modern and up-to-date transport system which would pay its way. It would, however, inevitably take time to overcome "decades of under-investment" and to achieve the "planned revolution of the railway system," the immediate problem being to find a satisfactory basis for the Commission's finances in the intervening period. The alternatives facing it were either to carry substantial, though diminishing, annual deficits until 1961 or 1962; or to place on the heavy bulk traffics substantial additional charges which, even if they could be imposed without driving further traffic off the railways, would be a serious addition to industrial costs. The Government considered that it would be against the broad national interest to adopt the second alternative, and accepted the Commission's view that in the long run it would be unsound commercially.

This did not mean [the White Paper went on] that the Commission should not impose selective increases in its charges, and if it was to overcome its present financial difficulties it was vital that it should be able to take advantage of the freedom which the Government had given it to vary its charges in accordance with sound commercial principles. Equally, the Government believed that the Commission's passenger services should be run at reasonably remunerative rates wherever possible, and this might involve fare adjustments in certain areas. Apart, however, from selective increases of this kind, the Government hoped that general increases in freight charges and fares might be avoided, although the Commission could not be expected to hold this position if faced with further increases in costs which were not counterbalanced by improved efficiency and output.

In conclusion, the White Paper stated that the Government agreed with the Commission's view that the railways would in due course be able, not only to pay their way, but to earn an adequate surplus, and believed that it would be financially sound to provide the Commission with the further finance it required to achieve this result.

The memorandum submitted by the Commission to the Minister of Transport explained that the Commission believed that the "considerable saving and additional revenue" expected to result from the railway modernization plan would enable the accumulated deficit (estimated to amount to £120,000,000 by Dec. 31, 1956) to be wiped out and the present annual loss to be converted to a profit by 1960 or 1961. A summary of the memorandum is given below under cross-headings:

The Financial Position of the Railways.

The memorandum stressed that the rehabilitation of the railways was "a matter not of rescuing a moribund concern from ruin, but of enabling an undertaking with a sound future to pass through a difficult period without being thrown into hopeless disarray." It pointed out that in every year of its existence the Commission had earned a working surplus, whilst in the first seven years its accounts had been "more or less in balance." In 1955, however, there had been a railway strike and many increased expenses, and this had been followed by a further deterioration in 1956. The present rate of deficit was about £45,000,000 and was steadily growing, the losses arising mainly on British Railways, but also on London Transport and inland waterways. To allow the budget to remain unbalanced and the deficit to accumulate, relying in effect upon an indefinite subsidy, would undermine financial discipline within the organization and be disastrous to its self-respect and urge towards efficiency, as well as to its relations with other parties. Moreover, the aggregate deficit would soon become unmanageable, and ultimately a default on the Commission's undertakings would be inescapable.

Four-Point Plan for Railway Reorganization.

After pointing out, as illustrating the railways' importance in the national economy, that the Southern Region alone carried almost as many passengers annually as the total of "Class I" railroads in the U.S.A., the memorandum recalled that the Commission's proposals to achieve profitable railway working included (1) modernization; (2) the elimination of redundant services and the utmost possible development of the remainder; (3) greater productivity; (4) the relaxation of statutory and similar obligations, and greater freedom in fixing fares and charges generally. The progress made under these heads was outlined as follows:

(1) *Modernization.* As part of the Commission's plans for replacing steam traction by electricity and diesel power, coaching stock was being redesigned to make it more attractive to passengers and there were being introduced (*a*) a new type of diesel train with high speed and special amenities; (*b*) diesel multiple-unit trains for stopping services; (*c*) small diesel rail-cars for rural areas. The main savings were expected to be achieved under (*b*), whilst the measures under (*a*) and (*c*) would lead to economies on suburban services and enhance the profitability of long-distance services. The Commission estimated that a total improvement of about £30,000,000 might eventually result from this reorganization of passenger services, whilst the financial improvement from freight service modernization might ultimately reach "at least £55,000,000 annually." Thus passenger and freight services together would show a total improvement of about £85,000,000.

The Commission stated that although expenditure on modernization might slightly exceed the £120,000,000 originally planned, there seemed no reason to alter the annual charge of £40,000,000 for interest. The "inevitable delay between sowing and reaping," however, would mean that during the first stage ending in 1960 or 1961—the financial charges on the borrowings, added to the inevitable costs of dislocation, "must be expected to exceed the improvements in revenue." After this period the Commission's finances would be strengthened by a rapidly increasing net benefit, which should amount to at least £70,000,000 by 1970. The memorandum stressed that "alongside physical improvement there must be a change in organization, methods, and outlook," adding that there were "already signs of a fresh outlook and a new determination which will be of decisive importance."

(2) *Elimination of Redundant Services.* Services to be withdrawn or under review included 20 to be withdrawn completely or in part in the London Midland Region and 20 now under review in the Western Region; where prospects were more hopeful, diesel traction would be substituted for steam. The withdrawal of unremunerative services should yield a net saving of about £3,000,000 a year by 1962 (when the process should be about completed), and it was hoped that the reorganization would lead to an expansion of traffic.

(3) *Greater Productivity.* It was expected that the Commission's plans for improving productivity by mechanization and work study would bring an improvement in net revenue of over £5,000,000 a year by 1962.

(4) *Fixing of Fares and Charges.* After recalling that the full commercial freedom in fixing fares and charges, which it had asked for when submitting its last fare increase proposals, had been appreciably restricted by an interim decision of the Transport Tribunal, the Commission estimated that "a less restricted and more aggressive selling policy, with such alterations in fares and charges as may be feasible within the ambit of charging policy," might bring a total improvement of £20,000,000 a year by 1961-62.

Discussing charges' policy in general, the Commission emphasized that it was essential that it should be free to adjust its charges to meet rising costs and also to make local or selective increases where justified. It believed, however, that for the near future "the wiser policy to pursue would be one of price restraint, in the knowledge that the result of this policy and the goodwill it would bring would substantially improve the railways' position within the next few years and protect permanently the whole scope of their business."

The Position of London Transport.

London Transport was responsible for about £15,000,000 of the Commission's present annual deficit; although certain local adjustments had been made recently, "in future current costs must be met by the current level of fares," as there was no real prospect of financial improvement except by increasing fares.

Anticipated Results of Proposed Remedial Measures.

Provided that the proposed remedial measures were given a proper chance to fructify, the Commission estimated that, after charging all remuneration on capital borrowings (except interest on deficits), its net revenue account would again be in balance in 1961 or 1962, whilst by 1970 there would be an annual surplus of nearly £50,000,000. For the next few years, however, the rise in yield from the measures would lag behind the interest charges on the new capital works involved, and total revenue was not likely to cover interest charges in full. The memorandum pointed out that a commercial concern faced with a similar position would probably ask its shareholders to forego remunerationon their capital during reconstruction. The Commission possessed ample cover (both of revenue and of capital) to justify dealing with the situation in this way, its balance sheet at Dec. 31, 1955 being "of great inherent strength in spite of the accumulated deficit." It could not do so, however, since it was financed by fixed interest capital which must continue to be serviced.

The expected change-over from a deficit to a substantial surplus by 1970 was illustrated in the following table :

	Dec. 31 1956 £	1961 or 1962 £	1970 £
Annual rate of deficit at starting point (i.e. excluding finance of modernization plan)	40,000,000	40,000,000	40,000,000
Add : Interest on modernization borrowings	2,000,000	25,000,000	40,000,000
Total : Initial Deficit and Interest on Borrowings	42,000,000	65,000,000	80,000,000
Improved contributions from British Railways			
(*a*) Modernization ..	—	35,000,000	85,000,000
(*b*) Pruning of Services	—	3,000,000	3,000,000
(*c*) Improved Productivity	—	5,000,000	10,000,000
(*d*) Freedom of charging	—	20,000,000	25,000,000
		63,000,000	123,000,000
Improved contributions from the Commission's other activities	—	5,000,000	5,000,000
Total of Improved contributions ..	—	68,000,000	128,000,000
Less : Deficit as above	42,000,000	65,000,000	80,000,000
Position as result of proposals : (surplus +, deficit −)	- £42,000,000	+£3,000,000	+£48,000,000

These figures did not provide for interest on accumulated deficits, which, at 5 per cent, would amount to about £6,000,000 a year in the deficit at the end of 1956, rising to about £20,000,000 for 1961 or 1962, and falling again to about £10,000,000 for 1970.

Stressing that the "satisfactory prospects" shown above were dependent on railway modernization, the memorandum explained that the movement cost of a multiple-unit diesel train was only about one-third of that of a steam stopping train (which had a movement cost of about 10s. a mile). It added that the financial expectations of the modernization plan "had not been falsified by any of the development projects tackled since 1954."

In conclusion the memorandum emphasized that "there is ample cover for an operation by which the Commission's revenue account, during the next few years of reconstruction, would be relieved temporarily of the obligation to meet the exceptional charges (partly of a quasi-capital nature, partly legacies from the past) falling on it during this time." The Commission, it stated, urgently recommended the adoption of some financial plan which, while avoiding subsidy, would place its organization on a sound basis during the critical years of reconstruction. It expressly requested, however, that "any relief temporarily accorded in relation to immediate obligations should be strictly limited in time and amount."

The House of Commons gave an unopposed second reading on Dec. 3, 1956 to the Transport (Railway Finances) Bill, which provided (*a*) for Government loans not exceeding a total of £250,000,000 to meet railway deficits and for a temporary extension of the purposes for which the B.T.C. might borrow money; (*b*) for the temporary modification of the Commission's statutory duty to secure that its revenue was sufficient to meet revenue charges.

Under the Bill the Commission may receive from the Minister of Transport special advances from the Consolidated Fund to meet any deficit on revenue account incurred by British Railways in any year between 1956 and 1962, less any surplus on revenue account of the remainder of the Commission's undertaking. The Commission may also receive similar special advances to meet interest payable on these advances, for a period of up to five years from the end of the year in which each advance was made, but no advance to meet interest would be available after 1964. The Bill required the Commission to begin repaying the special advances not later than in the seventh year after that to which the advance related, and thereafter as directed by the Minister of Transport, though it did not preclude the Commission from repaying the advances earlier.

The Bill was given a third reading on Dec. 13, 1956, and, after passing through the House of Lords (second reading, Feb. 7, 1957) was enacted on Feb. 26, 1957.

Progress of Railway Modernization Plan.

Sir Brian Robertson, chairman of the B.T.C., announced on March 6, in the course of a review of the progress of the 15-year modernization plan announced in 1955 (see 14024 A), that the first of the regular 100 m.p.h. trains provided for in the plan were expected to come into service on the London-Manchester, London-Birmingham (Snow Hill), and London-Bristol routes by 1958, and would reduce the journey times by at least 20 minutes. The construction of five diesel-electric *de luxe* trains for these routes had been approved; they would provide a Pullman-type service, with meals served at every seat.

Sir Brian explained that the plan was "gathering pace rapidly," with signs that the major electrification projects might be completed "well before 1970," and that it might be possible to undertake additional electrification—e.g. the present plan to electrify from London to York might be extended to Edinburgh. During 1957 there would be a big increase in multiple-unit diesel trains and 1,000 coaches would be put into service, whereas there were only 450 such coaches in use at the end of 1956. Important developments in 1957 would include (*a*) suburban schemes in the Manchester and Birmingham areas; (*b*) the replacement of steam trains by multiple-unit diesels on the London-Tonbridge-Hastings route; (*c*) new "inter-city" services from Edinburgh and Glasgow to Birmingham and Swansea-Cardiff-Birmingham.

Over a third of the £1,200,000,000 to be spent under the 15-year plan, Sir Brian continued, was already committed to developments in progress or authorized, including £92,000,000 for electrification, £33,000,000 for diesel main-line and shunting locomotives, £32,000,000 for diesel multiple-unit trains, and £46,000,000 for major works such as track widening, new junctions, and station and depot reconstruction schemes. The Commission hoped that work completed in 1957 would exceed that completed in 1956 by 50 per cent, with a still greater increase in 1958.

The main features of the 1957-58 programme were summarized as follows :

Electrification. Expenditure would total about £7,500,000 in 1957 and £11,500,000 in 1958. Work would begin in 1957 and finish in 1958 on the Colchester-Clacton-Walton lines, which would be used as a proving ground for the new standard high-voltage overhead system (see page 14999). Preliminary work had begun on the Liverpool Street-Enfield-Hertford-Bishop's Stortford suburban line (scheduled for completion in 1960) and on the Manchester-Crewe line. About £1,500,000 would be spent on "stage one" of the Glasgow suburban electrification and about £7,000,000 on "stage one" of the extension of Southern Region electrification, covering the lines from Gillingham, Maidstone East, and Sevenoaks to Sheerness, Margate, Ramsgate, Folkestone, and Dover. Both these electrifications were expected to be completed by 1962.

Other Civil Engineering Works. These would include (*a*) "flyovers" to enable through trains to by-pass congested junctions at three important points on the main line from Euston northwards; (*b*) new lines (primarily built for freight traffic) at Stratford-on-Avon, Edinburgh, in the South Wales industrial area, and between York and Northallerton; (*c*) further modernization of goods depots and marshalling yards; (*d*) station improvements at Birkenhead, Chichester, Coventry, Crawley, Gatwick, Leeds (City), Liverpool (James St.), Macclesfield, Manchester (London Rd.), Port Talbot, Stoke, Sunderland, and the Bank station of the Waterloo and City Railway.

Rolling Stock. Deliveries were expected in 1957-58 of 20 electric and over 160 diesel main-line locomotives, 500 diesel shunters, over 100,000 freight and service vehicles, and over 13,000 road-rail containers. In addition, 200,000 freight vehicles would be built or would be converted to continuous braking.

Discussing the effect of petrol rationing on railway receipts, Sir Brian stated that since November, 1956, railway passenger traffic had increased by over one-fifth. It had been fortunate that alterations to London stations with heavy "commuter" traffic had been completed to the extent where 10-car trains were possible, and further work was now in hand at Cannon Street to enable 12-car trains to be accommodated by mid-1958. There had also been a big increase in freight traffic, and the greater use of continuous-braked freight trains had led to a notable improvement in transit time. The Commission hoped that the railways would be able to retain the additional traffic they were now carrying, and believed that new charging arrangements (based on the actual cost of carrying the goods rather than on their value, as at present) coming into force on July 1, 1957 would "free them from the clutter of archaic restrictions which has hampered them in the past," and enable them to handle business on a more competitive basis.—(Times - Daily Telegraph - Manchester Guardian - Financial Times)

(Prev. rep. 14024 A ; 14316 A ; 14998 A.)

A. UNITED KINGDOM - CANADA - UNITED STATES. — Revision of U.S. and Canadian Loan Agreements. - Provisional 1956 Interest Payments returned to U.K. Gold and Dollar Reserves.

Mr. Thorneycroft, the Chancellor of the Exchequer, announced in a parliamentary written answer on March 6 that agreement had been reached with the U.S. and Canadian Governments for a revision of the U.S. and Canadian loan agreements of 1945 and 1946. Under the revised terms the existing provision for a waiver of interest, which Britain had sought to invoke for 1956, had been superseded by new arrangements. These would allow the U.K., if she found it necessary in view of the present and prospective conditions of international exchange, and the level of her gold and foreign exchange reserves, to defer payment of up to seven annuities, including both capital and interest, until after the year 2000 (i.e. the end of the present schedule of payments).

The main provisions governing the eventual repayment of any deferred annuity payments—which are of approximately $176,000,000 per annum— were :

(1) The first of the seven deferred instalments would have to be paid on Dec. 31, 2001, and the others would be paid annually thereafter, in order.

(2) In addition, the instalment of interest for 1956 was deferred in lieu of any right of waiver hitherto existing. This instalment would have to be paid on Dec. 31 of the year following that in which the last of all other instalments was due.

(3) Deferred instalments would bear interest at two per cent p.a., payable on Dec. 31 of each year following that in which deferment occurred.

(4) Payment of deferred instalments might be accelerated, in whole or in part, at the British Government's option.

In connexion with the new arrangements, the British Government gave an assurance that it would not be their intention to avail themselves of the major part of the potential deferments in the years immediately succeeding the date of the agreement.

Mr. Thorneycroft said that the U.K. Government regarded the agreements as " fulfilling in a satisfactory manner the aim that appropriate modifications of the language of the existing agreements should be made to carry out the spirit of their original intention." The new agreements were subject to the approval of the U.S. Congress and the Canadian Parliament, but no legislation was required in the U.K. Parliament to ratify the agreements, which would be presented to Parliament in a White Paper.

The Chancellor continued : " Under the new arrangements H.M. Government will pay all the annuities in full and with interest even if it claims any deferments. No question can therefore arise of any default in our obligations. Furthermore, a potential source of misunderstanding between the Canadian and U.S. Governments and the British Government is removed. While H.M. Government have the right to defer any annuity within the limits stated, it is their responsibility to satisfy themselves before doing so that such a deferment is necessary in the light of the conditions."

The original agreements concluded with the U.S.A. and Canada provided for loans of $3,750,000,000 from the U.S.A. and $1,250,000,000 from Canada. So far Britain has repaid to the U.S.A. $350,000,000 of the principal and $506,000,000 in interest, and to Canada $88,000,000 of the capital and $138,000,000 in interest; these figures include the interest instalment of $104,000,000 which was paid into special accounts on Dec. 31, 1956, pending a decision on the British request for a waiver, and which will now be returned to the U.K.'s gold and dollar reserves.

An important feature of the original agreements was the provision that in certain defined circumstances the U.K. Government should be entitled to a cancellation of the interest element of the annuities payable in the years 1951 to 2000 by way of amortization of the credits. In the American loan agreement the conditions laid down to secure the waiver were : (i) the U.K. Government were to find that a waiver was necessary in view of the present and prospective conditions of international exchange and the level of their gold and foreign exchange reserves; (ii) the International Monetary Fund was to certify that the U.K.'s income from exports and net invisible transactions was less on the average over the five preceding calendar years than was sufficient to buy the pre-war average annual amount of imports into the U.K., due adjustment being made for changes of price; (iii) the aggregate of the releases or payments of sterling balances accumulated by oversea non-colonial official holders was to be reduced in proportion to the reduction on the annuity which the waiver of interest involved.

In order to obtain a waiver under the Canadian agreement, a waiver had to be obtained under the American agreement—the latter containing a similar requirement in respect of the Canadian loan.

It was pointed out in the British press that the main effects of the revised agreements would be (*a*) that the U.K. would find it far simpler in future to arrange a postponement of the annual payments than hitherto; (*b*) that the decision would now rest entirely with the U.K.; and (*c*) that all the complex and abstruse calculations of British exports by the International Monetary Fund, and other complicated effects on holders of sterling balances, had been removed.

The arrangement completed the Government's recent efforts to strengthen the gold and dollar reserves. Together with the drawing of $561,000,000 from the I.M.F. in December, the " stand-by " arrangement for a further $739,000,000, and the agreement with the Export-Import Bank for a $500,000,000 line of credit signed on Feb. 28, the transfer back to the reserves of the $104,000,000 will bring total reinforcements, both actual and potential, to some $1,904,000,000 an amount almost equivalent to a doubling of the reserves. -(Times - Daily Telegraph - Financial Times) **(Prev. rep. 15416 D; 15307 A; 15239 A; U.S. Loan Agreement, 7605 A; Canadian Loan Agreement, 7769 A.)**

B. SOVIET UNION. — Repatriation of Deported Caucasian and Kalmuck Peoples. - Restoration of Autonomous Republics.

A decree for the repatriation to the Caucasus and Lower Volga regions of five minority peoples whose wholesale deportation had been ordered by Stalin in 1943-44, on the ground that they had collaborated with the Germans, was approved on Feb. 11 by the Supreme Soviet. The nationalities concerned were the Balkar, Chechen, Ingush, and Karachai peoples formerly living in the mountains of the Northern Caucasus, and the Kalmucks formerly living in the steppe between the Volga and the Caspian Sea. The five peoples —of whom the Kalmucks are Buddhists and the four Caucasian peoples Moslems—had been deported *en masse* during the war to Kazakhstan and other areas in Central Asia.

The Secretary of the Presidium of the Supreme Soviet (M. Gorkin) described the wartime deportation of the above-mentioned peoples as a " gross violation of the fundamental principles of Soviet national policy." He announced (1) that the repatriation of the Balkars, Kalmucks and Karachais would be completed during 1958; (2) that the repatriation of the Chechen and Ingush peoples, because of their larger numbers, would not be completed until 1960; (3) that citizens of the nationalities concerned who wished to remain in their present homes would be allowed to do so. M. Gorkin pointed out that the repatriation would necessarily take several years since it would involve the provision of housing, industries, and cultural amenities, and large outlays of money and materials. In view of this, the repatriation programme would be organized in small groups according to a definite timetable and procedure.

It was also announced that the Soviet Government had decided to revive the former Autonomous Republics which were abolished or merged with other areas when the Caucasian and Kalmuck peoples were deported. The Kabardino-Balkar, Chechen-Ingush, and Kalmuck Autonomous Republics would accordingly be restored (most of these areas had been merged with the Soviet Republic of Georgia), while the Karachais would be merged with the neighbouring Cherkess minority to form an autonomous Karachai-Cherkess *oblast* (province).

No figures were given of the numbers to be repatriated. According to the 1939 census, the total population of the five nationalities was about 750,000, divided as follows : Chechens 408,000, Kalmucks 134,000, Ingushes 92,000, Karachais 76,000, Balkars 43,000.

The repatriation decree did not affect two other large minority groups deported during the war for alleged large-scale collaboration with the Germans—viz., the Volga German community, numbering about 500,000, who were deported to Tajikistan and other parts of Central Asia in 1941-42; and the Crimean Tartars, numbering some 200,000, who were resettled in Siberia.

In his speech to the 20th congress of the Soviet Communist Party, made in February 1956, M. Khrushchev had described the deportation of the above-mentioned minority peoples as " monstrous " (see page 14995, first column) and had attributed the responsibility to Stalin.—(Soviet Weekly - Le Monde, Paris Times - Manchester Guardian - New York Times)

C. URUGUAY. — New Chairman of National Council of Government. - Ministerial Changes.

In accordance with the Uruguayan Constitution, Señor Arturo Lezama became chairman of the National Council of Government on March 1 for the year 1957-58 (ending Feb. 28, 1958) in succession to Dr. Zubiria, who had held that office in 1956-57.

It was also announced in Montevideo that Dr. Ledo Arroyo Torres, who had earlier succeeded Dr. Malet as Minister of Finance, had resigned that portfolio and had been succeeded by Dr. Amilcar Vasconcellos, previously Minister of Livestock and Agriculture. The latter portfolio was taken over by Señor Joaquin Aparicio.—(Bank of London and South America, Fortnightly Review) **(Prev. rep. 14939 A; 14762 A.)**

MARCH 23—30, 1957

A. MIDDLE EAST. — Israeli Withdrawal from Gaza Strip and Gulf of Akaba. - Political Developments.

The Israeli forces in the Gaza Strip and the Sharm-el-Sheikh area (the west coast of the Gulf of Akaba) were withdrawn on March 6-7, after the Foreign Minister of Israel (Mrs. Meir) had informed the U.N. General Assembly on March 1 that Israel was prepared to withdraw completely from these areas on the basis of certain assumptions and assurances. The Gaza Strip and the Sharm-el-Sheikh area were taken over by the U.N. Emergency Force simultaneously with the Israeli withdrawal, and an Egyptian Civil Governor was subsequently appointed for the Gaza Strip. Developments since the General Assembly's resolution of Feb. 2 (see page 15357) are summarized below under cross-headings.

Dr. Hammarskjöld's Report to General Assembly. - Implied Rejection of Israeli Request for Guarantees. - Warning against Imposition of Sanctions on Israel.

The Israeli representative at the U.N. (Mr. Eban, who is also Ambassador in Washington) presented an *aide-mémoire* to Dr. Hammarskjöld on Feb. 6 asking (1) for an assurance that Egypt would agree to "mutual and full abstention of all belligerent acts by land, sea and air" after the complete withdrawal of Israeli troops; and (2) whether, on the withdrawal of Israeli forces from the Sharm-el-Sheikh area, "the U.N. Emergency Force will be so deployed as to ensure freedom of navigation in the Straits of Tiran and the Gulf of Akaba until a permanent and agreed arrangement has been reached."

In a report submitted on Feb. 11 to the General Assembly, Dr. Hammarskjöld in effect rejected the Israeli request for an assurance of non-belligerency by Egypt before Israel withdrew behind the armistice lines. He pointed out, however, that any attempt by the General Assembly to impose "collective measures" (i.e. sanctions) against Israel might only introduce "new elements of conflict" into the situation.

Referring to the *aide-mémoire* presented by Mr. Eban, the U.N. Secretary-General said that he had asked Mr. Eban "whether, with regard to Gaza, it is understood by the Government of Israel that the withdrawal must cover elements of administration as well as military forces." [This referred to the civilian administration set up by Israel in the Gaza Strip.] Clarification of this point, Dr. Hammarskjöld added, was "pre-requisite to further consideration of the Israeli *aide-mémoire*." As regards the second point raised by Mr. Eban, the General Assembly's resolutions had made it clear that UNEF units could only be stationed on the Gulf of Akaba with Egyptian consent. In this connexion Dr Hammarskjöld said that he (the Secretary-General) considered it important "to learn whether Israel itself consents in principle to the stationing of UNEF units on its territory," in view of the fact that the Assembly's resolutions stipulated that the UNEF should be stationed "on the armistice demarcation line."

"Thus [Dr. Hammarskjöld continued] it is still an open question whether Israel . . . accepts full implementation of the resolution which requires the withdrawal from the Gaza Strip of Israel's civil administration and police, as well as of its armed forces. Further, it is still an open question whether Israel accepts the stationing of the UNEF on its side of the armistice line . . . Israel's request for an assurance from Egypt concerning the cessation of belligerent acts has been put forward while Israel itself, by continued occupation, maintains a state of belligerency which, in the case of Gaza, it has not indicated its intention fully to liquidate."

The report went on to make the following points: (1) the U.N. resolutions were designed at ensuring "progress toward the creation of peaceful conditions in the area"; (2) as an initial step to this end, the resolutions required Israel to withdraw her forces behind the armistice lines; (3) thereafter, the resolutions required both Egypt and Israel to observe the armistice agreement scrupulously, so that each party would have "security and freedom from fear of attack by the armed forces of the other." As regards the last point, Dr. Hammarskjöld stated that the Egyptian Government had "reaffirmed its intention to observe fully the provisions of the armistice agreement" and its "desire to see an end to all raids and incursions across the armistice line in both directions."

The report continued: "The relationship between the resolutions on withdrawal and on measures to be carried out after withdrawal affords the possibility of informal explorations of the whole field covered by the resolutions, preparatory to negotiations. Later, the results of such explorations may be used in negotiations . . . toward the peaceful conditions sought. However, such explorations cannot be permitted to invert the sequence between withdrawal and other measures, nor to disrupt the evolution of negotiations toward their goal . . . Peaceful conditions in the Middle East must be created in the interest of all countries in the region and of the world community. The basic principles of the Charter must be asserted and respected in the same interest. Neither one of these imperative demands can be met at the expense of the other. The fulfilment of the one will make it easier to meet the other, but . . . adherence to principle and law must be given priority and cannot be conditional. In the present case, efforts to meet the two requirements stated have so far been frustrated . . ."

In conclusion, Dr. Hammarskjold commented as follows on the question of enforcing U.N. resolutions: "The Charter has given the Security Council means of enforcement and the right to take decisions with mandatory effect. No such authority is given to the General Assembly, which can only recommend action to member-governments, which, in turn, may follow the recommendations or disregard them. This is also true of recommendations adopted by the General Assembly within the framework of the 'Uniting for Peace' resolution. However, under that resolution the General Assembly has certain rights otherwise reserved to the Security Council. Thus it can, under that resolution, recommend collective measures. In this case, also, the recommendation is not compulsory.

"It seems, in this context, appropriate to distinguish between recommendations which implement a Charter principle, which in itself is binding on member-States, and recommendations which, although adopted under the Charter, do not implement any such basic provision. A recommendation of the first kind would have behind it the force of the Charter, to which collective measures recommended by the General Assembly could add emphasis without, however, changing the legal character of the recommendation A decision on collective measures referring to a recommendation of the second kind, although likewise formally retaining its legal character, would mean that the recommendation is recognized by the General Assembly as being of such significance to the efforts of the U.N. as to assimilate it to a recommendation expressing an obligation established by the Charter. If, in some case, collective measures under the 'Uniting for Peace' resolution were to be considered, these and other important questions of principle would require attention. This may also be said of the effect of such steps which, while supporting efforts to achieve peaceful solutions, may perhaps, on the other hand, be introducing new elements of conflict."

Mr. Dulles's Memorandum to Israel. - Statement of U.S. Policy on Gaza and Gulf of Akaba. - Counter-Proposals by Israeli Government.

The U.S. Secretary of State, Mr. Dulles, presented a memorandum to Israel on Feb. 11—in the form of a U.S. policy statement, previously approved by President Eisenhower—which (1) urged her to withdraw "promptly and unconditionally" from the Gaza Strip so that the future of the area could be worked out by "the efforts and good offices of the United Nations"; and (2) upheld the right of free navigation by all nations in the Gulf of Akaba, called upon Israel to withdraw from the entrance to the Gulf, and said that the U.S.A. was prepared to join with other countries to secure the right of "free and innocent passage" in the Gulf. It also called for the entry of the U.N. Emergency Force into the Gaza and Sharm-el-Sheikh areas after the withdrawal of Israeli forces. The memorandum was worded as follows:

"With respect to the Gaza Strip, it is the U.S. view that the General Assembly has no authority to require of either Egypt or Israel a substantial modification of the Armistice Agreement, which gives Egypt the right and responsibility of occupation. Accordingly, we believe that Israeli withdrawal from Gaza should be prompt and unconditional, leaving the future of the Strip to be worked out through the efforts and good offices of the United Nations. We recognize that the area has been a source of armed infiltration and reprisals . . . and is a source of great potential danger because of the presence there of so large a number of Arab refugees. Accordingly, we believe that the U.N. Emergency Force should move into this area and be on the boundary between Israel and the Gaza Strip.

"With respect to the Gulf of Akaba and access thereto, the U.S.A. believes that the Gulf constitutes international waters and that no nation has the right to prevent free and innocent passage in the Gulf and through the Straits giving access thereto . . . In the absence of some overriding decision to the contrary, e.g. by the International Court of Justice, the United States, on behalf of vessels of U.S. registry, is prepared to exercise the right of free and innocent passage and to join with others to secure general recognition of this right. It is of course clear that the enjoyment of free and innocent passage by Israel would depend upon its prior withdrawal in accordance with the U.N. resolutions. The United States has no reason to assume that any littoral State would under these circumstances obstruct the right of free and innocent passage. The U.S.A. believes that the U.N. Emergency Force should move into the Straits area as the Israeli forces are withdrawn . . ."

In its reply (Feb. 15) the Israeli Government welcomed "the affirmative approach of the United States to the question of free navigation in the Gulf of Akaba and the Straits of Tiran," but emphasized that there were still no guarantees that Egypt would not reimpose the blockade in the Gulf after the Israeli withdrawal, or utilize the Gaza Strip as a base for future aggressive action against Israel. The Israeli *aide-mémoire* stressed the fact that Egypt continued to regard herself as in a state of war with Israel, and that she had defied the United Nations for five years by banning Israeli shipping from the Suez Canal. The *aide-mémoire* was worded as follows:

". . . The Government of Israel is conscious of the danger which would arise to the freedom of Israeli shipping in the Gulf and to peace in the area if Egypt were to resume occupation of the Straits of Tiran before a settlement. For many years Egypt has maintained restrictions in the Suez Canal contrary to the Convention of 1888 and to the

decisions of the Security Council. These policies, together with corresponding restrictions in the Gulf of Akaba, have cut Israel off from her freedom of commerce with large parts of the world; have inflicted enormous losses and burdens upon Israel's economy; and have constituted a danger to peace and security in the Middle East.

"Despite the disapproval of the United Nations and of the maritime community, including the U.S.A., no effective steps were taken to ensure the termination of these practices. Recent expressions of Egyptian policy give ample grounds for the belief that, if no preventive measures are taken, the Egyptian restrictions in the Gulf of Akaba and the Straits of Tiran will be resumed, with consequent peril both to Israel's national interests and to peace in the area.

"To meet this danger, Israel supports the suggestion that UNEF should move into the Straits as Israeli troops withdraw. But it holds that these units should be stationed along the western coast of the Gulf of Akaba until a peace settlement is achieved, or until an agreed and permanent arrangement for freedom of navigation is secured. Failing such an arrangement for the stationing of UNEF, the Government of Israel suggests that a precise guarantee be afforded for the specific protection of Israel-bound shipping exercising rights of passage in the Straits and the Gulf.

"The Gaza Strip, occupied during the invasion of 1948, was never Egyptian territory. The Armistice Agreement under which Egypt occupied the Strip was continuously broken by Egypt. In violation of the U.N. Charter and of the decision of the Security Council against belligerency, Egypt conducted hostile acts against Israel. These actions were based on a doctrine of 'a state of war' with Israel which Egypt still declines to relinquish, despite the fact that this doctrine and any actions arising therefrom were repudiated by the Security Council in 1951. In these circumstances there is no basis for the restoration of the *status quo ante* in Gaza by the return of Egypt to an area which she used exclusively for the purpose of establishing an aggressive base against Israel.

"Israel's stand on the Gaza question is influenced by three problems:

(1) The security of Israel, and especially that of its villages and settlements in the south and the Negev;

(2) The welfare and economic situation of the local population;

(3) The problem of the refugees.

"Israel is prepared to make a supreme effort to help raise the standard of the residents of the area from the fearful poverty which grew increasingly disastrous during the Egyptian occupation. She is prepared to make a contribution to a U.N. programme for settling the refugee population of the Gaza Strip. Israel's contribution, within this framework, will consist both in the payment of compensation and in the settlement of a part of the refugee population of Gaza.

"In view of the vital importance of the Gaza problem and of the contribution envisaged by Israel toward its solution, it is suggested that an effort be made to find a suitable arrangement which might be submitted to the United Nations . . . The steps immediately envisaged are the withdrawal of Israeli forces and the discussion of a suitable relationship between the U.N. and the local and Israeli administrative services. Israel believes that it is necessary to prevent a recurrence of the turbulent conditions out of which the recent hostilities arose . . .

"While no context of withdrawal arises in the case of the Suez Canal, the Government of Israel emphasizes its hope for U.N. support in securing Israel's rights under the 1888 Convention. The U.N. has devoted great effort to the clearance of the Suez Canal for navigation . . . It is inconceivable that the Canal can be opened by the U.N. and remain closed to any of its member-States . . ."

In a statement on Feb. 17 from Thomasville (Georgia), where he was on holiday, President Eisenhower said that the U.S. Government believed that Israel had been provided "with the maximum assurances it can reasonably expect at this juncture or that can be reconciled with fairness to others." The President appealed to Israel to withdraw from Gaza and the Gulf of Akaba "in accordance with the repeated demand of the United Nations," and to "rely on the resoluteness of all friends of justice to bring about a state of affairs which will conform to the principles of justice and international law and serve impartially the proper interests of all in the area." He added that this "should provide a greater source of security for Israel than an occupation continued contrary to the overwhelming judgment of the world community."

The President's statement was issued after consultation with Mr. Dulles and Mr. Cabot Lodge (U.S. permanent representative at the U.N.), both of whom had flown to Thomasville for talks with the President. Mr. Dulles had had several meetings with Mr. Eban during the previous week.

U.S. Congressional Opposition to Sanctions against Israel. - Statements by Senate Republican and Democratic Leaders.

Prior to the developments described above, Mr. Dulles had stated at a press conference on Feb. 5 that the U.S. Government would give "very serious consideration" to economic sanctions against Israel if the General Assembly called for them. This statement was strongly criticized by Senator William F. Knowland (Republican leader in the Senate), who demanded that the U.S.A. should not support U.N. sanctions against Israel unless the General Assembly was also prepared to take similar action against the U.S.S.R. for persistently ignoring the U.N. resolutions condemning Soviet aggression in Hungary. To punish Israel while "sidestepping the larger aggression" of the Soviet Union in Hungary, Senator Knowland declared, would be both "immoral" and "unsupportable," and would mean the application of a "double standard."

In a further statement on Feb. 7, Senator Knowland pointed out that nations which had demanded "speed" in condemning Britain, France and Israel for their action in Egypt had "abstained from voting on the resolutions aimed at stopping Soviet aggression in Hungary." He added: "Nations which failed to show the slightest interest in applying either moral or economic sanctions against the Soviet Union, which has failed to respect any of the ten resolutions passed on the Hungarian issue, now urge sanctions against Israel, which has at least partially conformed to the U.N. resolutions relative to the Middle East.

Senator Lyndon B. Johnson (the Democratic leader in the Senate) sent a letter to Mr. Dulles on Feb. 19 saying that he had been "disturbed" by press reports that "serious consideration is being given in the U.N. General Assembly to imposing economic sanctions against Israel." He added: "The U.N. cannot apply one rule for the strong and another for the weak; it cannot organize its economic weight against the little State when it has not previously made even a pretence of doing so against the large States. I have seen no suggestions in the U.N. of the application of economic sanctions against the U.S.S.R. Israel has in large part complied with the directives of the United Nations; Russia has not even pretended to be polite . . ."

After pointing out that one of the root causes of tension in the Middle East had been "the hostile activity against Israel on the part of Egypt from the Gaza Strip and the threat of [hostile] activity in the Gulf of Akaba," Senator Johnson wrote: "I think it is not unreasonable for Israel to request guarantees by the U.N. that these attacks against her will not once more be prevalent, once she has withdrawn her troops from these two areas. Yet I have seen no suggestion in the U.N. that economic sanctions should be applied against Egypt to force that State to agree to permanent cessation of hostile activities from those areas."

The Senate Democratic Policy Committee, meeting on Feb. 19, unanimously approved Senator Johnson's letter to the Secretary of State and called upon President Eisenhower to resist any United Nations attempt to impose sanctions upon Israel.

President Eisenhower's Discussions with Senate Leaders. - The President's Broadcast. - Renewed Appeal to Israel to withdraw from Gaza and Gulf of Akaba. - Support for U.N. "Pressure" on Israel.

President Eisenhower, who had flown back to Washington from Georgia, had a conference at the White House on Feb. 20 with 26 Republican and Democratic senators, headed respectively by Senator Knowland and Senator Lyndon Johnson. Vice-President Nixon, Mr. Dulles, and Mr. Cabot Lodge were also present at the talks. Both Senator Knowland and Senator Johnson reiterated their opposition to U.N. sanctions against Israel, and re-stated the positions of their parties on this question. Senator Knowland also presented a memorandum urging that the U.S.A. should not take part in U.N. sanctions against Israel unless sanctions were also imposed on the Soviet Union, India, and Egypt for non-compliance with the U.N. resolutions on Hungary, Kashmir, and the Suez Canal respectively.

In a subsequent press statement, Senator Knowland again denounced the "double standard of morality" in the United Nations whereby sanctions were envisaged against Israel, a small nation, but no such action was contemplated against the U.S.S.R. for its aggression in Hungary; against India for having annexed Kashmir in defiance of the U.N.; or against Egypt for her five-year defiance of the Security Council's resolution calling upon her to open the Suez Canal to Israeli shipping. He disclosed that his memorandum (in the form of a proposed resolution to be submitted by the U.S.A. to the General Assembly) contained the following points: (1) the Assembly should reaffirm that all member-States were obliged under the Charter to refrain from aggression and respect the Assembly's resolutions; (2) economic, diplomatic, and moral sanctions should be applied against any member-State, "large or small," failing to comply with U.N. resolutions within 30 days of their adoption; (3) the Assembly should call on Israel to withdraw from the Gaza Strip and the Gulf of Akaba, and these areas should be administered by the U.N. "until (*a*) a majority of the members of the General Assembly determine that international peace and order would be served by their withdrawal, or (*b*) a treaty of peace is entered into between Egypt and Israel, whichever is sooner"; (4) a neutral belt, to be patrolled by UNEF, should be established between Israel and her Arab neighbours until the armistice agreements were superseded by a peace treaty."

After the meeting between the President and the Congressional leaders, it was announced from the White House that the President would make a sound and television broadcast the same evening (Feb. 20) "on the present situation in the Middle East and the refusal of Israel to withdraw its forces." The President spoke as follows in this broadcast:

". . . In the four months since I talked to you about the crisis in that area [the Middle East] the United Nations has made considerable progress in resolving some of the difficult problems. We are now, however, faced with a fateful moment as the result of the failure of Israel to withdraw its forces behind the armistice lines as contemplated by the U.N. resolutions on this subject . . . When I talked to you last October [see page 15210] I pointed out that the U.S.A. fully realized that military action against Egypt resulted from grave and repeated provocations. But I said also that the use of military force to solve international disputes could not be reconciled with the principles and purposes of the United Nations. I added that our country could not believe that resort to force and war would for long serve the permanent interests of the attacking nations, which were Britain, France and Israel . . .

" Since that time much has been achieved and many of the dangers implicit in the situation have been avoided. Britain and France have withdrawn their forces from Egypt. Thereby they showed respect for the opinions of mankind as expressed almost unanimously by the 80 members of the United Nations. I want to pay tribute to the wisdom of this action of our friends and allies. They made an immense contribution to world order. Also they put the other nations of the world under an obligation to see to it that these two nations do not suffer by reason of their compliance with U.N. resolutions This has special application, I think, to their treaty rights to passage through the Suez Canal . . .

" The Prime Minister of Israel, in answer to a personal communication, assured me early in November that Israel would willingly withdraw its forces if and when there should be created a U.N. Force to move into the Suez Canal area. This Force was, in fact, created and has moved into the Canal area. Subsequently, Israeli forces were withdrawn from much of the territory of Egypt which they had occupied. However, Israeli forces still remain outside the armistice lines. They are at the mouth of the Gulf of Akaba, which is about 100 miles from the nearest Israeli territory. They are also in the Gaza Strip which, by the armistice agreement, was to be occupied by Egypt. These facts create the present crisis.

" We are approaching a fateful moment when either we must recognize that the U.N. is unable to restore peace in this area, or the U.N. must renew with increased vigour its efforts to bring about the Israeli withdrawal. Repeated but so far unsuccessful efforts have been made to bring about a voluntary withdrawal by Israel. These efforts have been made by the U.N., the U.S.A., and other member-States. Equally serious efforts have been made to bring about conditions designed to ensure that if Israel will withdraw in response to the repeated requests of the U.N., there will then be achieved a greater security and tranquillity for that nation. This means that the U.N. would assert a determination to see that in the Middle East there will be a greater degree of justice and compliance with international law than was the case prior to the events of last October and November.

" A U.N. Emergency Force, with Egypt's consent, entered that nation's territory in order to help maintain the cease-fire which the U.N. called for on Nov. 2. The Secretary-General, who ably and devotedly serves the U.N., has recommended a number of measures which might be taken by the U.N. and its Emergency Force to assure for the future avoidance by either side of belligerent acts. The General Assembly, by an overwhelming vote, adopted on Feb. 2 a pertinent resolution. It was to the effect that, after full withdrawal of Israel from the Gulf of Akaba and Gaza, the UNEF should be placed on the Egyptian-Israeli armistice lines to assure the scrupulous maintenance of the armistice agreement. Also the General Assembly called for the implementation of other measures proposed by the Secretary-General; these embraced the use of UNEF at the mouth of the Gulf of Akaba, so as to ensure non-belligerency in the area. The United States was a co-sponsor of this resolution [and] thus sought to ensure that Israel would, for the future, enjoy its rights under the armistice and under international law.

" In view of the valued friendly relations which the United States has always had with Israel, I wrote to Prime Minister Ben-Gurion on Feb. 3. I recalled his statement to me of Nov. 8 to the effect that Israeli forces would be withdrawn under certain conditions, and I urged that, in view of the General Assembly resolutions of Feb. 2, Israel should complete the withdrawal. However, the Prime Minister, in his reply, took the position that Israel would not evacuate its military forces from the Gaza Strip unless Israel retained the civil administration and the police. This would be in contradiction to the armistice agreement. Also, the reply said that Israel would not withdraw from the Gulf of Akaba unless freedom of passage was assured.

" In a further effort to meet the views of Israel in these respects, Secretary of State Dulles, at my direction, gave to the Government of Israel on Feb. 11 a statement of U.S. policy. It pointed out that neither the U.S.A. nor the U.N. had authority to impose upon the parties a substantial modification of the armistice agreement, which was freely signed by both Israel and Egypt. Nevertheless, the U.S.A., as a member of the U.N., would seek such disposition of the U.N. Emergency Force as would assure that the Gaza Strip could no longer be used as a source of armed infiltration and reprisals. The Secretary of State orally informed the Israeli Ambassador that the U.S.A. would be glad to urge and support also some participation by the United Nations, with the approval of Egypt, in the administration of the Gaza Strip . . .

" With reference to passage into and through the Gulf of Akaba, we expressed the conviction that the Gulf constitutes international waters and that no nation has the right to prevent free and innocent passage in the Gulf. We announced that the U.S.A. was prepared to exercise this right itself and to join with others to secure general recognition of this right.

" The Government of Israel has not yet accepted as adequate insurance of its own safety after withdrawal the far-reaching U.N. resolution of Feb. 2, plus the important declaration of U.S. policy made by our Secretary of State on Feb. 11. Israel seeks something more. It insists on firm guarantees as a condition to withdrawing its forces of invasion.

" This raises a basic question of principle. Should a nation which attacks and occupies foreign territory in the face of U.N. disapproval be allowed to impose conditions on its own withdrawal? If we agree that armed attack can properly achieve the purposes of the assailant, then I fear we will have turned back the clock of international order. We will, in effect, have countenanced the use of force as a means of settling international differences and through this gaining national advantages. I do not myself see how this could be reconciled with the U.N. Charter. The basic pledge of all members of the U.N. is that they will settle their international disputes by peaceful means and will not use force against the territorial integrity of another State.

" If the U.N. once admits that international disputes can be settled by using force, then we will have destroyed the very foundation of the Organization, and our best hope of establishing a world order. That would be a disaster for us all. I would, I feel, be untrue to the standards of the high office to which you have chosen me if I were to lend the influence of the United States to the proposition that a nation which invades another should be permitted to exact conditions for withdrawal.

" Of course, we and all the members of the U.N. ought to support justice and conformity with international law. The first Article of the Charter states the purpose of the U.N. to be 'the suppression of acts of aggression or other breaches of the peace and to bring about by peaceful means, and in conformity with justice and international law, adjustment or settlement of international disputes.' But it is to be observed that conformity with justice and international law are to be brought about by 'peaceful means.' We cannot consider that the armed invasion and occupation of another country are 'peaceful means' or proper means to achieve justice and conformity with international law.

" We do, however, believe that upon the suppression of the present act of aggression and breach of the peace, there should be a greater effort by the U.N. to secure justice and conformity with international law. Peace and justice are two sides of the same coin. Perhaps the world community has been at fault in not having paid enough attention to this basic truth. The U.S.A., for its part, will vigorously seek solutions of the problems of the area in accordance with justice and international law. And we shall in this great effort seek the association of other like-minded nations which realize, as we do, that peace and justice are in the long run inseparable.

" But the U.N. faces immediately the problem of what to do next. If it does nothing, if it accepts the ignoring of its repeated resolutions calling for the withdrawal of invading forces, then it will have admitted failure. That failure would be a blow to the authority and influence of the U.N. in the world, and to the hopes which humanity places in the U.N. as the means of achieving peace with justice.

" I do not believe that Israel's default should be ignored because the U.N. has not been able effectively to carry out its resolutions condemning the Soviet Union for its armed suppression of the people of Hungary. Perhaps this is a case where the proverb applies that two wrongs do not make a right. No one deplores more than I the fact that the Soviet Union ignores the resolutions of the United Nations. No nation is more vigorous than is the U.S.A. in seeking to exert moral pressure against the Soviet Union, which by reason of its size and power, and by reason of its veto in the Security Council, is relatively impervious to other types of sanction. The U.S.A. and other free nations are making clear by every means at their command the evil of Soviet conduct in Hungary. It would be indeed a sad day if the United States ever felt that it had to subject Israel to the same type of moral pressure as is being applied to the Soviet Union.

" There can, of course, be no equating of a nation like Israel with one like the Soviet Union. The people of Israel, like those of the United States, are imbued with a religious faith and a sense of moral values. We are entitled to expect, and do expect, from such peoples of the free world a contribution to world order which unhappily we cannot expect from a nation controlled by atheistic despots.

" It has been suggested that the U.N. actions against Israel should not be pressed because Egypt has in the past violated the armistice agreement and international law. It is true that both Egypt and Israel, prior to last October, engaged in reprisals in violation of the armistice agreements. Egypt ignored the U.N. in exercising belligerent rights in relation to Israeli shipping in the Suez Canal and the Gulf of Akaba. However, such violations constitute no justification for the armed invasion of Egypt by Israel which the U.N. is now seeking to undo.

" Failure to withdraw would be harmful to the long-term good of Israel. It would, in addition to its injury to the United Nations, jeopardize the prospects of the peaceful solution of the problems of the Middle East. This could bring incalculable ills to our friends and, indeed, to our nation itself. It would make infinitely more difficult the realization of the goals which I set out in my Middle East message of Jan. 5 to Congress [see 15305 A] seeking to strengthen the area against Communist aggression, direct or indirect.

"The United Nations must not fail. I believe that, in the interests of peace, the U.N. has no choice but to exert pressure upon Israel to comply with the withdrawal resolutions. Of course, we still hope that the Government of Israel will see that its best immediate and long-term interests lie in compliance with the U.N., and in placing its trust in the U.N. resolutions and in the declaration of the U.S.A. with reference to the future.

"Egypt, by accepting the six principles adopted by the Security Council last October in relation to the Suez Canal [see 15252 A], bound itself to free and open transit through the Canal without discrimination, and to the principle that the operation of the Canal should be insulated from the politics of any country. We should not assume that, if Israel withdraws, Egypt will prevent Israeli shipping from using the Suez Canal or the Gulf of Akaba. If, unhappily, Egypt does hereafter violate the armistice agreement or other international obligations, this should be dealt with firmly by the society of nations.

"The present moment is a grave one, but we are hopeful that reason and right will prevail. Since the events of last October and November solid progress has been made in conformity with the U.N. Charter. There is the cease-fire; the forces of Britain and France have been withdrawn; the forces of Israel have been partially withdrawn; the clearing of the Canal nears completion. When Israel completes its withdrawal it will have removed a definite block to further progress.

"Once this block is removed, there will be serious and creative tasks for the U.N. to perform. There needs to be respect for the right of Israel to national existence and internal development. Complicated provisions ensuring the effective international use of the Suez Canal will need to be worked out in detail. The Arab refugee problem must be solved. As I said in my message to Congress on Jan. 5, it must be made certain that all the Middle East is kept free from aggression and infiltration. Finally, all who cherish freedom, including ourselves, should help the nations of the Middle East to achieve their just aspirations for improving the well-being of their peoples."

The President's broadcast—which was widely regarded as a direct appeal to the American people over the heads of the Congressional leaders—was criticized by many prominent Americans, including ex-President Truman, Mr. George Meany (head of the A.F.L.-C.I.O., representing 15,000,000 American workers), and Democratic leaders.

Mr. Truman, while sympathizing with President Eisenhower in the difficult problems he had to face, said that the President had in effect outlined a policy of "we can't interfere with strong nations but we can make small ones behave." Mr. Meany said that any move for U.N. sanctions against Israel would be "a travesty of justice," and declared that American labour could not understand "how our country ever got manoeuvred into the impossible position" of siding in the Middle East with the Russian and Egyptian dictatorships, "which are the real threat to peace," against the democratic State of Israel.

Mr. Ben-Gurion's Reply to President Eisenhower. – Insistence on Guarantees for Israel in the Gaza Strip and Gulf of Akaba.

In a speech to the *Knesset* in Jerusalem on Feb. 21, Mr. Ben-Gurion reiterated that Israel would not withdraw from Gaza and the Gulf of Akaba without adequate guarantees for the free navigation of her shipping in the Gulf and the security of her territories contiguous to the Gaza Strip. The Prime Minister of Israel also replied to President Eisenhower's broadcast, his speech being as follows:

"Undoubtedly the United Nations is still far from perfect and we have grave and bitter complaints against it which are not confined to the last few days. But we will not on that account reject this great world organization. The vision which is personified in the U.N. is the vision of our Prophets, and the principles on which it is based are the principles of peace, justice, and equality among nations. These principles are no less precious to us than to any other people in the world . . .

"For the first time in eight years we have ensured freedom of passage for Israel and other nations in the Tiran Straits. Israel has announced its readiness to withdraw her Army from the shores of the Straits as soon as free navigation is assured, either by the stationing of the U.N. Force on the Straits until peace is concluded between Israel and Egypt, or in some other way. The Egyptian Government proclaims night and day that as soon as it has the power it will not permit the passage of Israeli shipping either in the Suez Canal or in the Tiran Straits. Israel dare not unconditionally abandon the defence of her rights and security in the Straits.

"Israel is entitled to free navigation through the Tiran Straits by international law. Israel ships voyaged through these Straits over 3,000 years ago, in the days of King Solomon. Israel has no need and no desire to occupy the desolate coastal strip, but she cannot withdraw from the area without effective security guarantees that the Egyptian dictator's acts of violence against her shipping, which the U.N. tolerated for years, will not be repeated.

"Egypt cannot enjoy the benefits of the [armistice] agreement, which for years she has been trampling underfoot, for the purpose of re-establishing in the Gaza Strip her base for aggression, murder and sabotage against Israel. No matter what may happen, Israel will not submit to the restoration of the *status quo* in the Strip . . . She is prepared to withdraw her military forces from the area . . . but . . . it should be made certain that Egypt will not return to the area either directly or indirectly. The United Nations and Israel should arrive at an agreed settlement which will guarantee security for Israel and her settlements in the south and the Negev, provide for the rehabilitation of the permanent residents [of the Gaza Strip] impoverished during the period of Egyptian occupation, and pave the way for a U.N. solution to the refugee problem . . .

"The Government of Israel has declared that Israel does not consider herself in a state of war with Egypt and is prepared to sign a treaty of non-aggression which shall prohibit all acts of hostility on a basis of mutuality. The Government has decided to make a further effort to reach an understanding with the U.S. Government. Ambassador Eban will convey our position to the American Government. We hope the door is not closed to further discussion.

"Yesterday the President of the United States told the American people that the U.N. should exert pressure on Israel to withdraw from the Gaza Strip and the western shore of the Gulf of Akaba. In spite of the painful feelings aroused by some of the President's words, I cannot forget for a moment that President Eisenhower is not only the elected leader of the American nation but one of the most illustrious men of our generation, who headed the forces responsible for the destruction of the most monstrous and terrible régime in human history.

"President Eisenhower's letter a fortnight ago, containing the same demand he uttered yesterday in his message to his people, placed me under a great moral pressure, for I was keenly conscious of the personality and standing of the writer. If I was compelled to reply as I did, I did so only under a still stronger compulsion: the pressure of my conscience as a man and a Jew, the pressure of the justice for which my people are fighting, and the absolute certainty that justice is the source of the strength and survival of my people—a small and poor member of the family of nations, a people that has suffered ignominy and persecution for centuries because of its refusal to deny its faith and its vision of its future.

"It was not with a light heart that I gave the answer I did to the President of the U.S.A., but out of a deep sense of responsibility—the crushing responsibility that rests on the representatives of this small nation in its hard and bitter struggle for survival against the many who seek to destroy it.

"In my reply I tried to explain to the President that we have no intention of holding the coastal strip of the Straits for a single unnecessary moment, and that all we are asking is security for our freedom of navigation in the Straits, of which we were robbed by the piratical actions of the Egyptian dictator without the U.N. lifting a finger to prevent these acts of piracy. I also informed him that we are ready to withdraw our military forces from Gaza without delay, and that we are interested in appropriate arrangements with the U.N. to safeguard peace and stability in the Strip, economic rehabilitation for the residents, and a better hope for the refugees.

"In his speech the President rightly declared that the U.N. must from now onward make a greater effort to safeguard international law and justice. These words clearly imply that up till now the U.N. has not adequately done its duty in this respect . . . For eight years the U.N. has permitted acts of hostility—boycott, blockade, and murder—by the Egyptian Government against Israel. Does it not follow from what the President said that this wrong should now be put right without delay by the U.N. and that Israel should be assured of peace, security, and the observance of her rights on land, sea and in the air? If the U.N. rights this wrong, it would immediately solve all the problems that trouble the President, as well as ourselves, in connexion with the Straits and the Gaza Strip. And the question of compliance or non-compliance on Israel's part will not arise at all. Israel's right to peace and security is no less valid than Egypt's right to war and destruction . . .

"We shall continue to believe in the conscience of humanity. We appeal to the American Government and to all friends of peace and justice in the world to stand by our side and help to secure for the people of Israel their right to sovereign equality, peace, and security."

After a prolonged debate in emergency session, the *Knesset* adopted a resolution on Feb. 25 (by 72 votes to 20) approving Mr. Ben-Gurion's declaration and "re-stating the principles of January 23" [i.e. the declaration made by Mr. Ben-Gurion on that date and the Israeli proposals presented to the U.N. on Jan. 24—see page 15355]. In replying to the debate, Mr. Ben-Gurion said *inter alia* that Israel desired recognition of her right to defend her shipping in the Gulf of Akaba if it were attacked; that she would be ready to accept the proposal that a U.N. Commission should investigate the situation in the Gaza Strip and make recommendations; and that U.N. sanctions against Israel, if imposed, "should not deter us from insisting on our just and vital demands." Mr. Ben-Gurion did not elaborate on the proposal for a U.N. Commission in the Gaza Strip, but it was believed that he was referring to a Canadian plan for a U.N. body to act in that area (see below).

Prior to these developments, mass demonstrations and rallies had been held throughout Israel on Feb. 9 in support of the Government's stand in insisting on guarantees before withdrawing from the Gulf of Akaba and the Gaza Strip. In Jerusalem, Tel-Aviv, Haifa, Tiberias, and other centres, and in agricultural settlements and villages from Galilee to the Negev, hundreds of thousands of people attended open-air meetings at which resolutions were passed pledging full support for the Government, and affirming the people's resolution to stand fast in the face of any sanctions which might be imposed against Israel.

Meanwhile, Mr. Eban, who had returned to Israel for consultations, flew back to Washington on Feb. 22 with " instructions and clarifications " which, he told press correspondents, were aimed at bringing about " a constructive and fair solution." After a meeting with Mr. Dulles on Feb. 24, it was announced (1) that Mr. Dulles had " clarified certain points " in the U.S. memorandum presented to Israel on Feb. 11 ; (2) that Mr. Eban would " communicate urgently with his Government " and would also see Dr. Hammarskjold ; and (3) that it was hoped that " out of these discussions a solution will be found consistent with the principles of the United Nations."

Afro-Asian Resolution for Sanctions against Israel. - Postponement of U.N. Assembly Debates. - Canadian Four-Point Plan for Middle East Settlement. - Proposed U.N. Administration for Gaza Strip.

Prior to the developments described above, the U.N. General Assembly, at the request of the U.S. delegation, had postponed its debate on the Middle East on three occasions—Feb. 12, Feb. 15, and Feb. 20—in the hope that Israel would agree to withdraw from the Gaza Strip and the Gulf of Akaba as requested by President Eisenhower and the U.S. Government. On Feb. 22, however [i.e. after President Eisenhower's broadcast and Mr. Ben-Gurion's reply thereto], the Lebanese Foreign Minister, Dr. Malik, presented a resolution, co-sponsored by five other Asian and Arab nations (Afghanistan, Indonesia, Iraq, Pakistan, and Sudan), which (1) condemned Israel for non-compliance with earlier U.N. resolutions ; (2) called upon all U.N. member-States " to deny all military, economic, or financial assistance to Israel " ; (3) requested them to " provide the Secretary-General with information on the implementation of the resolution " ; and (4) asked Dr. Hammarskjöld " to report on the implementation of the present and previous resolutions of the General Assembly."

During the next few days there were almost continuous private consultations between the delegations at the U.N. on the Middle East question. Whereas the Afro-Asian group was attempting to enlist the necessary support (i.e. two-thirds of the General Assembly) for the sanctions resolution, a group of " uncommitted " nations headed by Canada were attempting to work out a compromise which would ensure Israel's compliance with U.N. resolutions without invoking sanctions against her, which were regarded as injudicious and fraught with grave consequences.

The French and Netherlands Governments made it clear during this period that they would not participate in any form of sanctions against Israel, while the Australian Minister for External Affairs (Mr. Casey), in a statement on Feb. 21 shortly after President Eisenhower's broadcast, said that sanctions against Israel would be " unjust, provocative, and probably ineffective." After pointing out that Egypt had persistently defied the U.N. for five years, Mr. Casey declared that there could " not be one criterion for Israel and another for Egypt," adding that " no fair-minded person " could expect Israel to withdraw from Gaza and Sharm-el-Sheikh without assurances against renewed Egyptian aggression in those areas.

The British Government's attitude had been defined in the following statement made by the Prime Minister (Mr. Macmillan) on Feb. 25 to the House of Commons : " We believe that the Gaza Strip should be evacuated by Israel. We equally believe that it should be made a U.N. responsibility and that U.N. forces should be stationed there. We believe that the Israeli forces should retire from the western shore of the Gulf of Akaba. We equally believe that, coupled with that withdrawal, it should be made clear beyond a peradventure, both by the U.N. and by the leading maritime countries, that they regard access to this waterway as free to the world. Thus we should achieve a solution which would be fair to all and would contribute toward an ultimate settlement of the many problems of an area where peace and stability are of vital importance to the world."

When the General Assembly resumed its debate on Feb. 26, Mr. Lester Pearson (Canadian Minister for External Affairs) made a strong plea for the U.N. to bring about a lasting settlement of the Arab-Israeli dispute. In particular, he called for the building-up in the Gaza Strip of a U.N. civil administration in co-operation with Egypt and Israel. After stressing that the U.N. had " reached the point of no return " and that there could be no question of reverting to the conditions which existed before October last, Mr. Pearson put forward the following four-point plan :

(1) There should be a " firm pledge " by Israel and Egypt to observe scrupulously all the provisions of the 1949 Armistice Agreement.

(2) The Secretary-General and the Commander of UNEF should make arrangements with the Governments concerned for the deployment of UNEF on the armistice demarcation line. This deployment would be for the sole purpose of putting the Force in a position :

(a) To assume certain duties of the U.N. Truce Supervision Organization ;

(b) To assist in preventing incursions, raids and retaliatory attacks across the armistice line in either direction ;

(c) To maintain peaceful conditions on both sides of the line.

(3) It should be " agreed and affirmed that there should be no interference with innocent passage through, nor any assertion of belligerent rights in, the Straits of Tiran. The withdrawal of Israeli troops from Sharm-el-Sheikh should be followed by the entry of UNEF into the area to assist in maintaining peaceful conditions and preventing conflict, in accordance with the purposes laid down by the Assembly for the U.N. Force.

(4) The establishment of a U.N. civil administration for the Gaza Strip in co-operation with Egypt and Israel.

After commenting that the fourth point was " the most complicated and difficult of the arrangements to be decided," Mr. Pearson spoke as follows on the problems of the Gaza Strip and the solution which his Government proposed :

" From the U.N. standpoint this is the key issue : how to provide security on both sides after the Israeli withdrawal . . . The problem is two-fold, and requires for its solution Egyptian, Israeli, and U.N. action. What, then, should be the nature of this action ?

" First in priority, and essential to all other steps, Israel should withdraw from the Gaza Strip in accordance with the previous decisions of the Assembly. At the same time, the Assembly should provide for effective U.N. action to ensure that the area would not be used as a base for raids and incursions against Israel after its withdrawal . . . Immediately the Israeli forces leave, the UNEF should enter. As the Armistice Agreement limits Egyptian forces to ' defensive ' elements only, as the UNEF will already be deployed along the armistice line, and as the Strip is so narrow, the Government of Egypt should not envisage the return of her armed forces to this area after the Israeli troops have withdrawn.

" So far as the civil administration of the territory is concerned, the position is more difficult and complicated. Legally, under the Armistice Agreement the civil administration is to be Egyptian and not Israeli. But there are important practical considerations which qualify this legal position and which cannot be ignored in the replacement of the present administration. It is perfectly clear that we should not simply command the Israeli civil administration to depart in a night. Anyone who believes this is possible should study carefully the report of the Director of the U.N. Relief and Works Agency (UNRWA) on the Agency's operations in the Gaza Strip and ponder upon the situation which exists in that area. We have here an extremely explosive situation, which could very easily get out of control. In this tiny area are crowded over 200,000 refugees and a much smaller native population. They are bitter and frustrated ; administered by strangers, rebellious, riven by frictions, and in a mood, I have no doubt, to erupt in violence and bloodshed once firm control is removed. There has already been more than enough murder in the Gaza Strip, and the U.N. cannot be indirectly responsible for more . . .

" Provision, therefore, must be made for a peaceful transition from Israeli administration to something no less strong and effective and at the same time more generally acceptable. Such a transition can be effected only by negotiation, and such negotiation can only be conducted by direct agents of the United Nations. There is no sense in pretending that, under present circumstances, it could be undertaken between Egyptians and Israelis alone. The good offices of a third party must be interposed, and this can only be the United Nations.

" This is all the more desirable because, after Israel's withdrawal, the U.N. should, in agreement with Egypt, accept responsibility to the maximum possible extent for establishing and maintaining effective civil administration in the territory ; in fostering economic development and social welfare ; and in maintaining law and order. UNRWA is already there, with an experienced and efficient administrative nucleus. The U.N. could also provide other help through the U.N. technical assistance machinery, the resources of its Secretariat, and expert consultants recruited for specific purposes. In this way there would be built up in Gaza, in co-operation with Egypt and Israel, a U.N. civil administration.

" To co-ordinate and make effective arrangements to this end, the Secretary-General might appoint a U.N. Commissioner for Gaza. Working with the Commander of UNEF and the Director of UNRWA, and after consultation with Egyptian and Israeli representatives as well as with refugee and other local Arab leaders, he could arrange to bring about with all possible speed the replacement of the present Israeli civil administration of the area. In this way, and perhaps in this way only, we should be able to effect the withdrawal of Israel with order and speed, and in such a manner as to protect the interests of the inhabitants, and of both Egypt and Israel as well . . . "

The principal speaker in the ensuing debate was M. Sobolev (U.S.S.R.), who announced that the Soviet Union would support sanctions against Israel because the Security Council had been " paralysed by the veto " on the Middle East question. In the course of his speech M. Sobolev bitterly attacked the " Eisenhower doctrine " for the Middle East, alleging that the United States was raising the issue of freedom of navigation in the Gulf of Akaba with the intention of stationing U.S. naval forces there. The U.S. delegate took no part in the debate, but demands for sanctions against Israel were voiced by Czechoslovakia, Syria, and other Communist and Arab countries.

Israeli Decision to withdraw from Gaza Strip and Sharm-el-Sheikh. - Mrs. Meir's Statement to General Assembly. - Assumptions for Withdrawal from Gaza.

When the General Assembly met again on March 1, Mrs. Meir announced that Israel was prepared to withdraw "completely" from the Gaza Strip and the Gulf of Akaba. She emphasized that Israel's withdrawal from the Gaza Strip would be based on the following assumptions:

"(1) That on Israel's withdrawal the UNEF will be deployed in Gaza, and that the take-over of Gaza from the military and civilian control of Israel will be exclusively by the U.N. Emergency Force.

"(2) It is further Israel's expectation that the United Nations will be the agency to be utilized for carrying out such functions as 'safeguarding life and property in the area by providing effective and efficient police protection; guaranteeing good civilian administration; assuring maximum assistance to the U.N. refugee programme; and fostering the economic development of the territory and its people.'

"(3) It is further Israel's expectation that the above-mentioned U.N. responsibilities in the administration of Gaza will be maintained for a transitory period from the take-over until there is a peace settlement, to be sought as rapidly as possible, or a definitive agreement on the future of the Gaza Strip. It is the position of Israel that if conditions are created in the Gaza Strip which indicate a return to the conditions of deterioration which existed previously, Israel would reserve its freedom to act in defence of its rights."

As regards the Gulf of Akaba, Mrs. Meir declared that Israel was ready to withdraw immediately from the Sharm-el-Sheikh area "in the confidence that there will be continued freedom of navigation for international and Israeli shipping in the Gulf and through the Straits of Tiran."

After expressing gratification that the leading maritime Powers had supported freedom of navigation in the Gulf of Akaba, and giving an assurance that Israel would do nothing to impede free and innocent passage in the Gulf by ships of Arab countries bound to Arab ports or other destinations, Mrs. Meir declared:

"Israel is resolved on behalf of vessels of Israel registry to exercise the right of free and innocent passage, and is prepared to join with others to secure universal respect of this right. Israel will protect ships of its own flag exercising the right of free and innocent passage on the high seas and in international waters. Interference by armed force with Israel ships exercising free and innocent passage in the Gulf of Akaba and through the Straits of Tiran will be regarded by Israel as an attack entitling her to exercise her inherent right of self-defence under Article 51 of the Charter, and to take all such measures as are necessary to ensure the free and innocent passage of her ships in the Gulf and the Straits."

In the course of her speech Mrs. Meir said that Israel's decision to withdraw from the Gulf of Akaba had been greatly influenced by President Eisenhower's declaration (in his broadcast of Feb. 20): "We should not assume that if Israel withdraws, Egypt will prevent Israeli shipping from using the Suez Canal or the Gulf of Akaba."

Mr. Cabot Lodge (U.S.A.), after welcoming the Israeli decision, expressed his Government's view that the assumptions mentioned by Mrs. Meir did not make Israel's withdrawal "conditional." He added: "For the most part, the [Israeli] declarations constitute, as we understand, restatements of what has already been said by this Assembly or by the Secretary-General in his reports, or hopes and expectations which seem to us not unreasonable in the light of the prior actions of this Assembly."

Mr. Lodge expressed the view that the future of the Gaza Strip must, from a juridical standpoint, "be worked out within the framework of the Armistice Agreement," as had been pointed out by Dr. Hammarskjöld. The U.S. Government believed that the U.N. and its subsidiary bodies could play a "useful role" in this matter, and that this role "could usefully continue until there is a definitive settlement respecting the Gaza Strip or some final agreement between the parties." As regards the Gulf of Akaba, Mr. Lodge reiterated that the U.S. Government, in the absence of some overriding decision to the contrary (e.g. by the International Court), was "prepared, on behalf of vessels of U.S. registry, to exercise the right of free and innocent passage and to join with others to secure general recognition of this right."

After stressing that there would be no basis for either party to the Armistice Agreement to assert or exercise any belligerent rights once Israel had withdrawn from the Gaza Strip and Sharm-el-Sheikh, Mr. Lodge concluded: "We have reached a turning-point in the long efforts of the U.N. to bring order and stability to this troubled area in the Near East. We have heard Israel's announcement that it will respond to the call of the General Assembly for withdrawal. It is now incumbent upon all members of the U.N., and particularly those directly concerned, to give their full co-operation in carrying out the measures proposed by the Secretary-General and endorsed by the General Assembly."

In the Assembly's further debate on March 1, and also on March 4-5, the principle of free navigation in the Gulf of Akaba and the Straits of Tiran was upheld by Commander Noble (U.K.), M. Georges-Picot (France), Mr. Lester Pearson (Canada), and the representatives of Australia, New Zealand, Italy, Belgium, the Netherlands, Portugal, Denmark, Norway and Sweden. Eight of these countries (the U.K., Australia, New Zealand, Canada, Italy, Norway, Sweden and Portugal) also favoured a *de facto* U.N. regime in the Gaza Strip until a lasting settlement had been reached. On the other hand the Soviet, Indian, Iraqi and Colombian delegates opposed a U.N. administration for Gaza and also spoke against the view that the Gulf of Akaba and Straits of Tiran must automatically be regarded as international waterways. Dr. Fawzi (Egypt), in a short statement, said that the U.N. expected "full and honest" implementation of Israel's decision to withdraw.

Dr. Hammarskjöld, in a statement to the Assembly on March 5, pointed out that "important and difficult administrative problems" would arise "in the present phase of U.N. efforts." He added: "Whether they can be fully resolved on the basis of the authority already granted to the Secretary-General will . . . depend partly on the willingness of the parties and of the Assembly itself to give its previous decisions practical interpretation."

President Eisenhower sent a letter to Mr. Ben-Gurion on March 2 expressing "deep gratification" at Israel's decision to withdraw; recognizing that "this decision has not been an easy one"; and expressing his conviction that "Israel will have no cause to regret having conformed to the strong sentiment of the world community as expressed in the various U.N. resolutions relating to withdrawal."

On the previous day (March 1) Mr. Dulles had given assurances to the representatives of nine Arab nations in Washington that the U.S.A. had made "no promises or concessions whatsoever" to Israel to secure her agreement to withdraw from Gaza and the Gulf of Akaba. A State Department announcement said that Israel's withdrawal "would be predicated wholly upon the decisions of the General Assembly, the reports of the Secretary-General, and the public position of the United States, notably the position expounded by President Eisenhower in his address of Feb. 20."

Mr. Ben-Gurion defends Decision to withdraw from Gaza and Gulf of Akaba. - Votes of Confidence in Israeli Parliament.

After a four-hour emergency meeting of the Israeli Cabinet on March 2, Mr. Eban was instructed to obtain further "clarifications" of the U.S. Government's position on the future of the Gaza Strip. No official statement was issued, but a spokesman of the Israeli Foreign Ministry explained that concern was felt at the speech made by Mr. Lodge to the General Assembly [see above]—"not so much at the things he said but at the things he left unsaid." In particular, Israel had expected Mr. Lodge to make it clear that the U.S.A. would support a U.N. administration in the Gaza Strip and oppose Egypt's return to the area, but Mr. Lodge had given no definite assurances on these points. The spokesman added that no serious disagreements existed with regard to Israel's withdrawal from the Sharm-el-Sheikh area.

A further emergency Cabinet meeting was held on March 3, after which it was announced that the Cabinet had "heard reports on the latest talks of our representatives with the Governments of the United States and France" and had considered a letter sent by the American Ambassador to Mr. Ben-Gurion.

The Jerusalem Correspondent of *The Times* commented as follows: "It is understood that the assumptions put forward by Mrs. Meir in her address to the General Assembly, especially those affecting the Gaza Strip, had received the full approval of Mr. Dulles, who had agreed that there should be 'international rule in Gaza without the Egyptians.' Mr. Lodge's statement that his Government believed the future of the Gaza Strip must be 'worked out within the framework of the armistice agreement' was taken here [in Israel] as contradicting the agreement on this question reached between the American Secretary of State and the Israel Ambassador."

Apart from the widespread dissatisfaction at what was felt to be the ambiguity of Mr. Lodge's statement, Mr. Ben-Gurion's position was further complicated by the fact that two parties in his coalition government, the left-wing *Mapam* and *Ahdut Avoda*, had expressed their opposition to Israeli's withdrawal from the Gaza Strip on the basis of the "assumptions" set forth by Mrs. Meir. It was felt by the two parties that these "assumptions" had lost all their validity in consequence of the statment made by Mr. Lodge, and that Israel was therefore not justified in withdrawing her civilian administration from the Gaza Strip until firm assurances had been given that Egypt would not return to the area.

On March 4, however, Mr. Ben-Gurion issued personal orders for the "full and prompt" withdrawal of Israeli forces from the Gaza and Sharm-el-Sheikh areas, and instructed the Israeli Chief of Staff (General Dayan) to meet the U.N. Commander (General Burns) at Lydda to discuss the withdrawal and the simultaneous entry of UNEF into the evacuated areas. Although Mr. Ben-Gurion issued these instructions on his personal responsibility, and without formal Cabinet approval,

it was understood that he had telephoned his Cabinet colleagues beforehand and had seen the leaders of the *Mapam* and *Ahdut Avoda* parties. Demonstrations protesting at the withdrawal and demanding the resignation of the Government broke out in Jerusalem on the same day, several arrests being made after clashes between the police and demonstrators, who were mainly of the right-wing *Heruth* (nationalist) party.

In a speech to the *Knesset* on March 5, Mr. Ben-Gurion defended his decision to order an immediate withdrawal, and also defended the Sinai campaign undertaken in October last. At the end of the debate (March 6) three censure motions against the Government were defeated by large majorities: (1) a *Heruth* motion of no-confidence, defeated by 81 votes to 25; (2) a motion by the General Zionist (conservative) party calling on the Government to halt the withdrawal, defeated by 85 votes to 25; and (3) a Communist motion condemning the Sinai campaign, defeated by 104 votes to six. The *Mapam* and *Ahdut Avoda* parties voted with the Government on all three divisions.

After recalling the large Egyptian arms supplies from the Communist countries, Egypt's "enormous arms superiority" over Israel, and the tripartite military pact concluded in the autumn of 1956 between Egypt, Syria and Jordan, whose rulers "openly declared that they could now choose the time to wipe out Israel," Mr. Ben-Gurion stressed that the Sinai campaign had become "a condition for our very survival, an action in self-defence in accordance with Article 51 of the U.N. Charter." "In the course of five days," he added, "we defeated three Egyptian divisions in Sinai and the Gaza Strip, destroyed all the *fedayeen* bases, and destroyed or captured large quantities of Egypt's armament. The Sinai operation was essential, justified, and worthwhile if only for this reason . . . It was a campaign of deliverance, for it saved Israel from a direct and immediate danger, crippled the enemy's aggressive capacity for no short period, and in my opinion inflicted a heavy blow on the prestige of the Egyptian dictator . . ."

Mr. Ben-Gurion emphasized that the Sinai campaign had succeeded in bringing the following facts before world opinion: (*a*) that Israel had "acted not as aggressors but in self-defence, and that it was Egypt which for eight years carried out belligerent operations against us"; (*b*) "the *fedayeen* danger and the Egyptian dictator's aggressive plans"; and (*c*) "the vital importance of free passage in the Gulf of Akaba and the Tiran Straits." "Four months ago," he continued, "only a few people were aware of the very existence of the Straits. Little by little public opinion throughout the world came to understand the importance of the Straits for the shipping not only of Israel but of the nations in general, and our right under international law to free passage in this international waterway . . . Most of the free democracies have overwhelmingly recognized our right to freedom of passage, and the importance in general of shipping in the Gulf and the Straits . . . This is an asset of great value that we have won as a by-product of the Sinai operation . . .

"A second point which we have succeeded in bringing before world public opinion in these four months is the danger of the *fedayeen* . . . What *fedayeen* activities spread over seven years—more than 3,000 raids on Israel between 1949 and the end of 1956—could not do (for daily acts of sabotage and individual acts of murder were no sensation for the world Press) was done in the course of the past months, thanks to the repercussions of the Sinai operation.

"We cannot congratulate ourselves on having won over the whole of world public opinion. Almost the whole Soviet bloc has persevered in its hostility to Israel. The Indian Government, too, showed a strange and regrettable indifference to Israel's just claims. But in several Asian countries, including even a few Moslem countries, there was considerable understanding and sympathy for Israel's attitude, although for obvious reasons this was not openly expressed . . ."

Mr. Ben-Gurion went on to give a lengthy review of the discussions with the U.S. Government and the position maintained by Israel throughout the preceding weeks. The speech made by Mr. Cabot Lodge at the U.N. on March 1 had "aroused grave concern," and this concern had not been "entirely erased" by the letter he [Mr. Ben-Gurion] had received from President Eisenhower on March 2. Turning to what he described as "the favourable and unfavourable aspects" of Israel's decision to withdraw from the Gaza Strip and Sharm-el-Sheikh, Mr. Ben-Gurion spoke as follows:

"In regard to Gaza, we have declared that we are evacuating on the assumption that the U.N. Administration will remain in the Strip until a peace settlement, and we said that we would reserve our freedom of action if there is a return to the conditions which existed previously. The President of the U.S.A. and the representatives of other States approved this assumption in various terms. But in spite of all this, I must state that there is no certainty and no clear and authoritative undertaking that the Egyptians will not return or be restored, whether as a civilian administration or through military occupation, relying on the excuse of the Armistice Agreement.

"My heart is with the border settlements of the Negev, who heard with anxiety of the decision to withdraw. But I must shatter an illusion which has taken root among many of us: the Gaza Strip, under any régime and any administration, is a source of trouble so long as the refugees have not been resettled elsewhere. Anyone who speaks of the Gaza Strip without understanding the complications and dangers arising out of the composition of the population is living in a fool's paradise . . . I was certain all along that the least harmful and dangerous régime for Gaza would be a joint régime of Israel and the United Nations. The worst possible régime would of course be an Egyptian régime. But even an Israeli administration alone, or a U.N. administration alone, would involve greater dangers than a joint U.N.-Israel regime, until a solution of the refugee problem and a peace settlement with Egypt are achieved . . .

"As for the Straits, there is no express U.N. decision that the UNEF must remain until a peace settlement and safeguard free passage . . . On the other hand, there is the declaration of all the principal maritime States that the Gulf of Akaba Straits are an international waterway and that all nations have the right to free passage. These States will exercise their right to free passage and send their ships to Elath. They have in addition taken note of our declaration that if our right to free passage is violated by force, Israel will defend herself by force under Article 51 of the Charter. Several States also expressly recorded their recognition of our rights in this connexion.

"Our occupation of Sharm-el-Sheikh has not been in vain . . . It has aroused the public opinion of the world, especially in the great maritime countries in Europe, America and Australasia, to a recognition of the great importance of the Gulf of Akaba, not only for Israeli shipping and trade but also for international shipping and trade. The maritime powers are no longer content to be dependent entirely on the mercies of the Egyptian dictator. If the maritime powers keep the promises they made in the Assembly, the Gulf of Akaba will become an international waterway not only in theory but also in fact. Elath will become a port of international importance. And when a pipeline, larger than the one we have just laid from Elath to Beersheba, is constructed, and when a railway is built to Elath, the entire geo-political position of Israel will be transformed and broad horizons will be opened for economic development in the Negev and the economic independence and progress of Israel."

In conclusion, Mr. Ben-Gurion said that there was "one more reason, more decisive than any of the others," which had influenced him in agreeing to Israel's withdrawal. "The problem of Israel's security," he declared, "has become a question of conscience for very many States, and we were urged to give the family of nations the opportunity to face this moral test—namely, to prevent the renewal of the blockade and the murderous attacks on Israel. Illustrious statesmen have publicly admitted that the U.N. has not fulfilled its obligations towards Israel . . . We fought against the double standard adopted by the United Nations, and this struggle was not in vain. The President of the U.S.A. has assumed a moral responsibility toward Israel, and many other nations have made statements which involve a moral commitment . . . But what was decisive for me was the needs of security and immigration, the hope of the development of the Negev, and a free outlet to the Red Sea and the Indian Ocean. For this reason, although I am keenly aware of the dangers and the drawbacks involved in the settlement we have made, I do not hesitate to advise the *Knesset* and the people of Israel to accept it."

Israeli Forces withdraw from Gaza Strip and Sharm-el-Sheikh. - Take-over by U.N. Emergency Force.

After discussions at Lydda on March 3-4 between General Burns and General Dayan, the Israeli forces began to withdraw from the Gaza Strip on March 6, the withdrawal being completed on the following day. Israeli civilian administrators were also withdrawn from the area at the same time. The Sharm-el-Sheikh area on the west coast of the Gulf of Akaba was evacuated by Israeli forces on March 8. Sixty-five Arab families in the Gaza Strip abandoned their homes and left with the Israeli forces rather than remain under Egyptian administration; they had previously applied for permission to live in Israel and had been granted asylum there.

Prior to withdrawing from the Gaza Strip, the Israeli military authorities had imposed a curfew following an outbreak of Arab terrorism (see below) in which fire had been opened on a train near Rafah and on several Israeli military and police vehicles. After the U.N. Force had taken over the Gaza Strip and sealed it off from Israel, General Burns announced that the curfew would remain in force and issued orders that no Arabs were to carry weapons or explosives. Israeli frontier settlements such as Nahal Oz, which had been free from terrorist attacks since the Sinai campaign, reimposed precautionary measures against *fedayeen* raids for the first time since October, night guards being restored and searchlights re-wired on the perimeter of the settlements.

The UNEF took over control in the Gaza Strip without incident, the area being occupied by some 2,600 Danish, Norwegian, Swedish, Indian and Colombian troops who had been stationed at El Arish since mid-January. In the desolate Sharm-el-Sheikh area, a Finnish rifle battalion took over from the departing Israeli forces. Before evacuating Sharm-el-Sheikh the Israelis had completed the destruction of Egyptian pillboxes and gun emplacements, and had put out of action the two 6-in. naval guns with which the Egyptians controlled the shipping channel through the Straits of Tiran. The island of Tiran, on which the Egyptians had no permanent installations, was left untouched. [The entrance to the Gulf of Akaba is commanded by two small islands, Tiran and Sanafir, respectively under Egyptian and Saudi Arabian sovereignty.]

The first Israeli vessel to pass through the Gulf of Akaba since the withdrawal from Sharm-el-Sheikh—the freighter *Queen of Sheba*—sailed through the Tiran Straits on March 18 without incident *en route* for Massawa (Eritrea). On March 25 the 3,500-ton Danish cargo ship *Brigitte Toft* arrived at Elath with a general cargo after a similarly uneventful passage through the Straits.

Disturbances, during which U.N. troops were forced to use tear-gas and fire over the heads of several hundred Arab demonstrators, broke out in Gaza on March 10 shortly after General Burns had appointed Colonel Carl Ingholm (a Dane) as Military Governor of Gaza and chairman of a five-man committee of prominent Gaza residents empowered to supervise all civil affairs. The rioters, apparently taking this appointment as an indication of prolonged U.N. administration, demonstrated outside U.N. headquarters in Gaza for the return of the Egyptian administration, waving portraits of President Nasser and banners bearing pro-Egyptian slogans. After stoning U.N. vehicles and trying to break into U.N. headquarters, they dispersed when Danish and Norwegian troops fired warning shots over the heads of the crowd. An Arab demonstrator was accidentally killed by a bullet, General Burns issuing a statement expressing his deep regret at the incident.

General Latif appointed Egyptian Civil Governor of Gaza. - Curfew imposed in Gaza Strip.

Colonel Hatem, the Egyptian Director-General of Information, announced in Cairo on March 11 that President Nasser had appointed General Hassan Abdul Latif as Administrative Governor of Gaza [i.e. Civil Governor] with immediate effect. The statement also said (1) that the Egyptian Government had protested to Dr. Hammarskjöld against the "infringement by UNEF of the duties defined for it by the United Nations" and its "firing at civilian inhabitants in the Gaza Strip"; (2) that Egypt had only agreed to the presence of U.N. troops in the Gaza Strip "within the limits fixed by the U.N.—namely, to enforce the cease-fire and follow up the withdrawal of the aggressor forces behind the armistice lines"; and (3) that Egypt "cannot accept that UNEF should perform any functions other than these."

The Egyptian allegation that U.N. troops had fired on civilians in Gaza was denied *in toto* by the official UNEF spokesman in Gaza, who added that the administrative councils of Gaza, Rafah, and Khan Yunis were working with the U.N. Command. Dr. Ralph Bunche (the U.N. Assistant Secretary-General), who had arrived in Cairo the same day for discussions with President Nasser (see below), also described the Egyptian allegation as completely untrue, pointing out that UNEF units had "used tear-gas by hand and fired shots in the air to disperse crowds trying to break through the fence of the headquarters building." He expressed deep regret that one of the demonstrators had been accidentally killed in these incidents.

General Latif arrived in Gaza with his staff on March 13, and on the following day issued a statement declaring that "the Egyptian administration was in power in Gaza with effect from my arrival." On March 20 General Latif ordered a curfew from 10 p.m. to 4 a.m. in Gaza and on the main road between Gaza and Rafah (in the south of the Strip), and forbade the population to approach within 300 metres of the armistice demarcation lines.

The appointment of General Latif as Civil Governor of Gaza was accompanied by renewed anti-Israeli attacks in the Egyptian press and radio, coupled with reaffirmations of Egypt's sovereignty over the Gaza Strip and the Straits of Tiran. Cairo Radio declared on March 13 that any "attempt to transform the international police force at Gaza into troops of occupation" would be "contrary to the spirit of U.N. decisions," while the "Voice of the Arabs" station said on the same date that "the Gulf of Akaba will be closed to Israeli ships and our commandos (*fedayeen*) will continue to sow terror in Israel."

Israeli Reactions to Egyptian Return to Gaza. - Warning by Mr. Ben-Gurion. - Outbreaks of Fedayeen Terrorism.

The entry of General Latif and his staff into the Gaza Strip aroused intense indignation in Israel, where it was felt that the U.S. Government, in sanctioning an Egyptian re-entry into the area, was acting in a manner incompatible with its assurances. In a statement to the *Knesset* on March 13, Mr. Ben-Gurion emphasized that Israel would feel herself justified in using military force if there was any return to the *status quo ante* in the Gaza area and a resumption of *fedayeen* raids.

After declaring that Israel "reserves her freedom of action in case the Egyptians return to the Strip, which never belonged to them and is of use to them only for the purpose of attacks and threats against Israel," Mr. Ben-Gurion added: "If the time comes when that action is appropriate and necessary, the Government of Israel will not, of course, give prior notice of its intention." He emphasized that Israel had not departed from the assumptions on which she consented to withdraw from Gaza and the Gulf of Akaba—one of which was that the UNEF should remain in the Gaza Strip until an agreed settlement had been worked out, and that the Egyptians would not exercise control in the area.

From mid-February onwards *fedayeen* terrorist activities had occurred from time to time both in the Gaza Strip and across the border in Israel, as described below.

Renewed *fedayeen* attacks on road and rail traffic occurred on Feb. 13, when five Israeli soldiers were wounded when their vehicle struck a road-mine near Rafah, and on Feb. 19, when the railway line between Rafah and Khan Yunis was dynamited as a train was passing through the southern sector of the Gaza Strip. Some damage was done to the track but the train was able to proceed. Further incidents occurred inside Israel on March 10, when the driver of a motor-vehicle and a passenger were seriously injured by a road-mine just across the frontier from the Gaza Strip, and on March 27, when three persons were wounded when a band of *fedayeen* ambushed a lorry in the Negev, some 40 miles north of Elath.

The Israeli curfew in the Gaza Strip (referred to above) was imposed on March 6 after a flare-up of *fedayeen* activity in which an Israeli soldier was killed, two others wounded, Israeli Army and police vehicles ambushed, and a train attacked with hand-grenades and automatic fire. An Arab "collaborationist" was also killed in these attacks, which occurred during the Israeli withdrawal from Gaza.

A band of masked *fedayeen* had attempted on Feb. 27 to kidnap the Arab chairman of the Rafah Municipal Council (Haj Shihta Zu'Urub), who had publicly praised the Israeli civil administration in the Gaza Strip and had expressed the hope that the Egyptians would not return. Haj Shihta succeeded in escaping from his captors after they had broken into his home and tried to abduct him. The Israeli authorities described the raiders as Negroes, pointing out that the *fedayeen* gangs included a number of Egyptian Negroes among their members. Threats to take "vengeance" on Arabs who had "collaborated" with the Israeli administration had previously been made by the "Voice of the Arabs" radio on several occasions.

Six armed Arab infiltrators attempting to make their way from Jordan to the Gaza Strip across Israel were killed on March 2 after interception by an Israeli military patrol.

Mrs. Meir's Visit to Washington for Talks with Mr. Dulles. - U.S. Assurances to Israel.

Mrs. Meir flew to Washington on March 15 for conversations with Mr. Dulles, breaking her journey in Paris on March 16 for talks with M. Mollet, the French Prime Minister, and M. Pineau, the Foreign Minister. On her arrival in Washington, Mrs. Meir told press correspondents that the presence of an Egyptian military staff in Gaza was regarded as a dangerous threat to Israel, and that her Government would consider the matter in the light of her conversations with the U.S. Secretary of State.

A joint communiqué was issued on March 18 by Mrs. Meir and Mr. Dulles stating that they had discussed "various aspects of the present situation in the Middle East, particularly developments in the Gaza Strip following the Israeli withdrawal in accordance with U.N. resolutions." The communiqué went on:

"Mrs. Meir expressed her deep concern at the return of Egypt to Gaza, the re-establishment of its control therein, and the reduction of the responsibilities of the U.N. in the Gaza area. She pointed out the gravity with which Israel viewed this situation, and emphasized that it was contrary to the assumptions and expectations expressed by her and others in the U.N. on March 1 and subsequently. She also expressed her anxiety at reports and statements envisaging restrictions against Israeli shipping in the Suez Canal and the Gulf of Akaba, and the maintenance of belligerency by Egypt.

"Secretary Dulles reaffirmed that U.S. policy with respect to these matters continued to be as publicly expressed, notably in the speech of Mr. Cabot Lodge in the General Assembly on March 1 and in the President's letter of March 2 to Prime Minister Ben-Gurion.

"The Secretary said that the U.S.A. was concerned with current developments and was in close touch with the U.N. Secretary-General and other members of the United Nations. He said that the U.S.A. would continue to use its influence in seeking the objectives of peace and tranquillity, and the avoidance of any situation which would negate the great efforts which had been made by the world community to settle the current disputes in accordance with the principles of the U.N. Charter.

"The Secretary said that the U.S.A. stood firmly by the hopes and expectations it had expressed with regard to . . . the exercise of the responsibility of the U.N. in Gaza, free and innocent passage in the Straits of Tiran by ships of all nations in accordance with international law, and the settlement of the Suez Canal problem in accordance with the six principles adopted by the Security Council and accepted by Egypt. A common readiness was expressed for continued consultation on these matters."

Dr. Hammarskjöld's Visit to Cairo. - Discussions with President Nasser.

Dr. Hammarskjöld visited Cairo from March 21-26 for discussions with President Nasser and other leaders of the Egyptian Government. Although there was no fixed agenda, it was understood that the talks dealt with the problems of the Gaza Strip, the Gulf of Akaba, and the Suez Canal. Before

leaving New York for Cairo, Dr. Hammarskjöld had said that his talks with President Nasser would be "exploratory" and for the purpose of "clarification of pending questions to the extent that is possible at this stage."

Dr. Bunche, who had arrived in Cairo some time beforehand, also had talks with President Nasser and was present at some of the conversations between Dr. Hammarskjold and the Egyptian President. In a press statement in Cairo on March 13, Dr. Bunche described his meeting with President Nasser as "friendly and helpful," and said that he had told Colonel Nasser the the U.N. would give "full co-operation" to the new Egyptian civil administration in Gaza. Dr. Bunche also said that the U.N. had no intention of internationalizing the Gaza Strip; that UNEF had the basic responsibility of preventing conflicts between the two parties by establishing itself on the armistice lines; and that most UNEF units were now deployed in this manner. During his visit to the Middle East Dr. Bunche visited the Gaza Strip for talks with General Burns.

In a statement to the General Assembly on March 8, Dr. Hammarskjöld reported Israel's "full compliance" with the U.N. resolution of Feb. 2 calling for her withdrawal to the armistice lines. He added that he would now devote his attention to the futher step envisaged in the U.N. resolution—namely, "action which would ensure progress toward the creation of peaceful conditions in the area."—(U.N. Information Centre, London - Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Le Monde, Paris - Israel Government Press Office, Jerusalem) **(Prev. rep. Middle East, 15353 A.)**

A. BULGARIA - SOVIET UNION - ALBANIA. — Soviet-Bulgarian Talks in Moscow. - Soviet Economic Aid to Bulgaria. - Bulgarian Uranium Supplies for the U.S.S.R. - Bulgarian-Albanian Talks.

A Bulgarian Government delegation, headed by the Prime Minister, M. Yugov, visited Moscow from Feb. 15-21 for talks with Marshal Bulganin and other Soviet leaders.

A joint statement issued on Feb. 20 spoke of the "further development and strengthening of all-round co-operation between the two countries"; reaffirmed their allegiance to the Warsaw Treaty; and declared that both Governments would continue their efforts to establish a collective security system in Europe. The Bulgarian Government was "entirely in agreement with the declaration of the Soviet Government on the maintenance of peace and security in the Middle East and on non-interference in the internal affairs of the countries in that area," and also expressed its full support for the Soviet proposals on disarmament. The statement emphasized that both countries were interested in "maintaining friendly good-neighbourly relations among all the Balkan countries based on the peaceful settlement of disputes, the widening of contacts, and mutual trust."

On the same date Bulgaria and the Soviet Union:

(1) Signed an economic co-operation agreement under which the U.S.S.R. granted Bulgaria a 200,000,000-rouble long-term loan for the construction of fertilizer, lead, and zinc factories, and also undertook to give technical assistance in the construction of these plants. In return, Bulgaria agreed to continue to sell uranium ore to the Soviet Union at a "fair and mutually beneficial price," profits from these sales to be used for the improvement of the Bulgarian uranium mines.

(2) Agreed to prepare a three-year trade agreement for the period 1958-60, to be signed in June or July next.

(3) Agreed to conclude in the near future an agreement on the building and repair of ships for the Soviet Union in Bulgarian shipyards during the same three-year period.

(4) Arranged to draft long-term plans for complementary agricultural development up to 1970, particularly for increasing the production and export of Bulgarian fruit and vegetables to the Soviet Union, and of Soviet grain and cotton to Bulgaria.

M. Yugov and other Bulgarian Ministers had previously visited Tirana from Jan. 23-29 at the invitation of the Albanian Government. An official communiqué stated that the talks with Albanian leaders had been held "in a spirit of friendship and complete mutual understanding"; that they resulted in "complete identity of views on all the international questions reviewed"; and that the Bulgarian Government had agreed to grant Albania a long-term credit on "favourable terms" during the period 1956-60. The amount and terms of the credit were not given.—(Bulgarian Legation Press Office, London) **(Prev. rep. Soviet Aid to Bulgaria, 14768 C.)**

B. MONGOLIA. — Chinese Economic Aid.

An agreement was signed in Ulan Bator on Aug. 29, 1956, under which the Chinese People's Republic undertook to provide economic aid to the Mongolian Republic totalling 160,000,000 roubles during the four-year period 1956-59. The programme envisaged the construction in Mongolia of a woollen textile mill, a paper mill, a plywood factory, glassworks, a vegetable farm, a stadium, and other facilities. (Le Monde, Paris) **(Prev. rep. 12492 A.)**

C. NEPAL. — Friendship Treaty with Communist China. - Recognition of Chinese Sovereignty over Tibet. - Chinese, Indian and U.S. Economic Aid for Nepalese Five-Year Plan. - Creation of Planning Commission.

A treaty of friendship and trade between Nepal and the Chinese People's Republic, under which Nepal recognised Chinese sovereignty over Tibet, was signed at Khatmandu on Sept. 20, 1956. The treaty replaced an agreement concluded in 1856 under which the Dalai Lama had paid an annual tribute of 10,000 rupees to the King of Nepal; this tribute, however, had been in abeyance since 1953, when the Dalai Lama discontinued payment.

The Nepalese Prime Minister, Mr. Tanka Prasad Acharya, paid a goodwill visit to China immediately after the treaty had been signed. During his stay in Peking, where he arrived on Sept. 26, 1956 he had discussions with Mao Tse-tung, Chou En-lai, and other Chinese leaders, and on Oct. 7 signed a joint statement with Mr. Chou En-lai.

The statement recalled the "traditional friendship and close ties existing from ancient times between China and Nepal"; reaffirmed the Five Principles (*Panch Sila*) as the basic principles guiding their mutual relations; pledged the two countries to "continue to develop their traditional economic and trade relations on the principles of equality and mutual benefit"; and expressing the wish to strengthen cultural ties between China and Nepal.

On the same day (Oct. 7) the Chinese Minister for Foreign Trade (Mr. Yeh Chi-chun) and the Nepalese Ambassador in Peking signed an economic aid agreement under which China undertook to contribute 60,000,000 Indian rupees (£4,400,000), over a period of three years, toward the cost of Nepal's five-year plan—20,000,000 rupees in cash, payable in two equal instalments during 1956-57 and 1957-58, and 40,000,000 rupees in machinery, equipment, and other commodities.

The agreement (the text of which was published in Khatmandu on Nov. 3, 1956) laid down that China would not send technicians to Nepal, and that Nepal would be free to use the money and materials as she wished. It also provided for the granting of foreign exchange facilities to Nepalese traders in Tibet under the rules of the Bank of China. It was announced in Khatmandu on Feb. 3, 1957 (during a visit by Mr. Chou En-lai to the Nepalese capital) that the first cash instalment of 10,000,000 rupees had been received.

The Government of India had previously announced in August 1956 that it was willing to provide financial aid for Nepal's five-year plan to the extent of 100,000,000 rupees, most of which would take the form of technical assistance and agricultural produce.

It was stated that negotiations were in progress on two projects, sponsored jointly by India and the U.S.A. for road development and expansion of railway track in Nepal—India contributing up to 25 per cent of the cost in the form of technical help and personnel, and the U.S.A. providing the equipment. The Indian Finance Minister, Mr. Krishnamachari, stated on Dec. 11 that India had agreed to meet 25 per cent of the expenditure, subject to a maximum of Rs. 8,250,000, on the project for converting the narrow-gauge line from Raxaul (India) to Amlokhganj (Nepal) into metre-gauge, and extending the line to Hitaura (Nepal).

A Planning Commission was set up by the Nepalese Government in January 1957 to implement the country's five-year economic development plan [see 14716 A], the total cost of which was estimated at 330,000,000 rupees (£24,750,000). In addition to Indian aid of 100,000,000 rupees and Chinese aid totalling 60,000,000 rupees, the U.S.A. had promised 80,000,000 rupees for the execution of the plan.—(Indian High Commissioner's Office, London - The Statesman, Calcutta - The Hindu, Madras - Times) **(Prev. rep. 14417 B; 14716 A.)**

D. BRAZIL.—Purchase of U.S. Surplus Farm Products.

An agreement was signed in Washington on Dec. 31, 1956, under which Brazil purchased surplus farm products from the United States to a total value of $138,700,000.

The commodities covered were 1,800,000 metric tons of wheat and wheat flour ($111,000,000); 15,000 metric tons of lard ($5,000,000); dairy products ($2,200,000); and 4,000 metric tons of vegetable oil ($1,500,000). The purchase price included $19,000,000 for freight.

It was stipulated that the wheat and flour would be delivered over a three-year period and the other products within six months, payment being effected by Brazil either in U.S. dollars or in cruzeiros. About 85 per cent of the cruzeiro payments would be re-lent by the U.S.A. to finance long-term Brazilian development projects (primarily hydro-electric power and railway development), and the balance reserved for U.S. Government expenditure in Brazil.

The agreement—the second largest of its kind made by the U.S.A.—led to a protest by Argentina, which is one of Brazil's traditional wheat suppliers. A protest in principle was also made by the Canadian Government.—(New York Times - Brazilian Government Bulletin - Bank of London and South America) **(Prev. rep. U.S. Loan, 15134 A; U.S. Surplus Farm Products Agreements, 15213 B; 15171 A.)**

A. SAUDI ARABIA. — King Saud's Visit to the U.S.A. - Discussions with President Eisenhower. - Agreement on U.S. Military Assistance to Saudi Arabia. - Continued American Use of Dhahran Air Base. - King Saud's Visits to Spain, Morocco, Tunisia and Libya.

King Saud of Saudi Arabia arrived in New York on Jan. 29 on a State visit to the United States, and on the following day arrived in Washington, where he was met by President Eisenhower at the airport.

During his stay in the U.S. capital King Saud had a number of talks with the President, Mr. Dulles, and senior officials of the State Department. He also met Vice-President Nixon, Congressional leaders, and leading businessmen at a State banquet given by the President.

A joint communiqué issued by the President and King Saud on Feb. 8 stated that they had agreed on certain basic principles affecting the situation in the Middle East; that Saudi Arabia would continue its close co-operation with the United States; and that the U.S.A. would provide military assistance to Saudi Arabia while being permitted the continued use of the Dhahran airfield for another five years. The communiqué was worded as follows:

"His Majesty Saud Ibn Ab-dal-Aziz al-Saud and President Eisenhower have concluded the series of discussions which they held during King Saud's State visit . . . These meetings provided the opportunity to reaffirm the close friendship which has so long existed between Saudi Arabia and the United States. In an atmosphere of cordiality, the King and the President exchanged views on how the two nations might work together to strengthen the peace of the Middle East.

"The two Heads of State reached full agreement on the following:

(1) Saudi Arabia, by virtue of its spiritual, geographical and economic position, is of vital importance in the Middle East. It is in the interests of world peace that this kingdom be strengthened for the maintenance of its own stability and the safeguarding and progressive development of its institutions.

(2) The two Governments will exert efforts to settle justly the problems of the Middle East area by peaceful and legitimate means within the framework of the U.N. Charter. They assert their firm opposition to the use of force from any source as a means of settling international disputes.

(3) The aim of the peoples of the area is to maintain their full independence, live in peace, and enjoy economic freedom and prosperity. Any aggression against the political independence or territorial integrity of these nations, and intervention from any source in the affairs of the States of the area, would be considered as endangering peace and stability. Such actions would be opposed in accordance with the purposes and principles of the United Nations.

(4) His Majesty indicated his purpose to continue close co-operation with the U.S.A., and carried the expressed wishes of other Arab leaders to improve their relations with the United States. President Eisenhower explained the purposes of his proposals to Congress in relation to the Middle East, pointing out that they were designed to supplement the universal non-aggression principles expressed in the U.N. Charter and to promote the independence and proper aspirations of the Arab peoples. King Saud received this exposition with satisfaction and assured President Eisenhower that he welcomed every step that promotes the United Nations principles respecting independence, sovereignty of States, and self-determination of peoples.

(5) With respect to the military defence of Saudi Arabia, including the Dhahran airfield, President Eisenhower assured King Saud of the willingness of the U.S.A. to provide assistance for the strengthening of the Saudi Arabian armed forces within the constitutional processes of the United States. To this end, plans are being made by representatives of both countries for the supply of military equipment, services, and training, for the purposes of defence and the maintenance of internal security in the Kingdom. In the same spirit, King Saud assured President Eisenhower of his intention that the U.S.A. should continue for another five years to use the facilities accorded to it at the Dhahran airfield, under conditions provided for in the agreement concluded between the two countries on June 18, 1951. The U.S.A. agreed to consider the provision of economic facilities that would serve to augment the combined aims and interests of the two countries.

(6) The two Heads of State exchanged views on a number of other matters of common interest."

On King Saud's arrival in New York, the civic authorities, in an unprecedented break with tradition, had declined to accord him the welcome usually reserved for a visiting Head of State.

The Mayor of New York, Mr. Robert Wagner, had publicly stated on Jan. 27 that King Saud was "not wanted" in the city, and had declared on the following day: "King Saud is a fellow who says slavery is legal, that in the Air Force you can't have any Jewish boys, and that a Catholic priest cannot say Mass." President Eisenhower, at a press conference on Jan. 30, deplored what he considered the Mayor's discourtesy, saying that "you don't promote the cause of peace by talking only to people with whom you agree." The President added that he was always obliged to any Head of State who would "come and talk to me when we think we have solutions that might be advanced by this kind of meeting." He stressed, however, that in meeting leaders of countries with whose practices he might not agree, he was by no means giving his approval to the way in which the internal affairs of those countries might be conducted.

It was announced in Washington on Jan. 29 that in future the State Department would relieve the City of New York of all obligations to meet visiting foreign dignitaries.

During his stay in New York on Jan. 28, prior to his visit to Washington, King Saud lunched with the U.N. Secretary-General, Dr. Hammarskjöld, and afterwards addressed the U.N. General Assembly then in session.

While in Washington, King Saud had a meeting on Feb. 6 with Crown Prince Abdul Ilah of Iraq, who had arrived in the U.S. capital two days earlier; no official statement was issued, but the Crown Prince described the meeting as "very cordial." The meeting was generally regarded as indicating a measure of *rapprochement* between the traditionally hostile Hashemite and Saudi dynasties. King Saud also had talks in Washington with Dr. Malik, the Lebanese Foriegn Minister.

Visits to Spain and North Africa.

On Feb. 10 King Saud arrived in Madrid, where he was welcomed by General Franco.

A communiqué issued on Feb. 14, at the end of his visit to the Spanish capital, stated that the King had had several conversations with General Franco and members of the Spanish Government, and that they had discussed questions affecting the relations between their two countries and other questions of general interest, especially the Middle Eastern situation. The two countries would shortly sign a friendship treaty and, as regards the Middle East, had agreed to co-operate "loyally within the framework of the U.N." in bringing about peace and security in that area.

King Saud also had a meeting in Madrid on Feb. 10 with the Sultan of Morocco, who had arrived in the Spanish capital from Naples on a private visit, and who invited the King to visit him in Rabat. Accordingly, after visiting the centres of former Moorish rule in Southern Spain, King Saud visited Rabat from Feb. 17-21 as the Sultan's guest.

A communiqué issued on Feb. 21 stated that King Saud and the Sultan of Morocco had discussed the conversations between the King and President Eisenhower; that King Saud had expressed satisfaction at the understanding he had found on the part of the U.S. Government concerning Arab problems; and that the King and the Sultan had agreed "to support each other in the settlement of questions affecting their two countries and the Arab and Moslem countries in general."

From Rabat King Saud flew to Tunis, where he met the Bey and M. Bourguiba (the Prime Minister) on Feb. 21, while from Feb. 22-24 he visited Tripoli for talks with King Idris.

A communiqué issued on the latter date stated that the two monarchs had discussed the "Eisenhower doctrine" and had agreed to give strong support to the Algerian people in its struggle for independence "with a view to achieving a peaceful and fair solution."

Before returning to Riyadh, King Saud visited Cairo on Feb. 25 to attend a conference of Heads of Arab States. (New York Times - New York Herald Tribune - Le Monde, Paris)

(Prev. rep. King Saud, 15340 A.)

B. UNITED STATES. — Mr. Gates appointed Navy Secretary. - Mr. Stassen's New Duties at State Department as Special Assistant to President Eisenhower.

Mr. Thomas S. Gates jr., a partner in the Philadelphia investment firm of Drexel and Company, was nominated by President Eisenhower on March 1 as Secretary of the Navy in succession to Mr. Charles S. Thomas, who had resigned after holding that post since May 1954. In his letter of resignation to the President, Mr. Thomas gave no precise reason for resigning other than stating that he had been in the Government service for over four years. Mr. Gates's appointment as Navy Secretary was approved by the Senate on March 22.

It was also announced from the White House on March 1 that Mr. Harold Stassen's functions as special adviser to the President on disarmament would in future come under the control and guidance of the State Department. [Mr. Stassen had hitherto headed an independent group reporting directly to President Eisenhower]. The announcement said that Mr. Stassen would function in the State Department with the title of Special Assistant to the President, would continue to have Cabinet status, and would head the U.S. delegation at the London disarmament talks beginning on March 18.

Mr. Dulles explained that as the main tasks of Mr. Stassen's "disarmament group" were now moving into the field of "negotiations with foreign Governments," the President had considered it appropriate for Mr. Stassen to discharge his duties at the State Department under the guidance of the Secretary of State.—(New York Times - New York Herald Tribune)

(Prev. rep Administration, 15385 C.)

A. UNITED KINGDOM. — West Indian Immigration.

Statistics published in London on Feb. 6 by the British Caribbean Welfare Service showed that about 78,000 British West Indians were living in the United Kingdom, immigration from the West Indies having amounted to over 26,000 in 1956 as compared with 24,000 in 1955.

The statistics showed that of the 26,000 West Indians entering the U.K. in 1956, over 9,000 were women and 870 children, compared with 7,000 and 300 respectively in 1955. The number of Jamaicans migrating in 1956 was 15,200, compared with 17,900 in 1955, while immigration from Trinidad increased from 770 to 1,400 and from British Guiana from 420 to 1,156. Nearly 2,000 came from Barbados (a slight fall as compared with 1955), though this figure did not include those arriving under sponsored schemes (see below).

The British Caribbean Welfare Service had been established in June 1956 by the Governments of the British Caribbean territories (Antigua, Barbados, British Guiana, British Honduras, Dominica, Grenada, Montserrat, St. Kitts, St. Lucia, St. Vincent, and Trinidad) to deal with problems caused by the increasing flow of West Indian immigrants to Britain. The cost of the Welfare Service is met entirely by the West Indian governments, no costs being incurred by the British taxpayer.

The labour shortages in many sectors of British industry and transport had led to a considerable influx of West Indian workers to Britain in recent years, as shown in the above-mentioned statistics. The great majority of the immigrants had found employment in factories in Birmingham and other industrial cities in the Midlands and the North, as well as in London, where there are a considerable number of West Indians living in the Brixton area. The coloured population of Birmingham was estimated at 30,000 at the end of 1956 (20,000 West Indians and 10,000 Indians and Pakistanis), most of whom are employed in industry.

The shortage of transport workers had led to the recruitment of numbers of West Indians in this capacity, particularly in London Transport services (e.g. the Underground) and the Birmingham bus services. In April, 1956, the British Transport Commission announced that it was recruiting 1,000 men in Barbados for work on the railways and other transport services, in view of serious shortages of staff. [It was stated by London Transport that there were vacancies for 2,400 bus conductors and drivers and 300 stationmen (porters) for the Underground railways.]

Similarly, the shortage of hotel staff led the British Hotels and Restaurants Association to recruit some 200 men and women workers from Barbados during 1955 for work as porters, housemaids, chambermaids, etc., in hotels in different parts of Britain. A number of West Indian nurses have also been recruited during the last two or three years to help overcome the shortage of nurses in British hospitals.

The Chief Minister of Jamaica, Mr. Norman Manley, visited Britain in the spring of 1955 to study the problems of West Indian, and particularly Jamaican, immigration. On his return he appointed a two-man mission to carry out a survey on behalf of the Jamaican Government, consisting of Dr. Clarence Senior (head of the Migration Division of the Puerto Rican Department of Labour, and lecturer in demography at Columbia University, New York) and Mr. Douglas Manley (a lecturer at the University College of the West Indies), son of the Chief Minister. Dr. Senior and Mr. D. Manley accordingly paid a nine-week visit to Britain from July to September, 1955, during which they interviewed West Indian immigrants in London, Birmingham, Liverpool, Manchester, Leeds, Bristol, and Nottingham, as well as British Government and labour officials, trade union leaders, employers, social workers, clergyman, chief constables, and school teachers.

In a press statement in London on Sept. 5, 1955, before leaving for Jamaica, Dr. Senior said that he and Mr. D. Manley had arrived at two principal conclusions as a result of their on-the-spot investigation :

(1) There should be " an orientation programme in the West Indies," under which potential emigrants should be told " by the best modern means of mass communication " of some of the problems which would face them in Britain.

(2) An organization should be created in Britain by the West Indian Governments to continue this " initiation " process and to " help unravel the problems, as and when they crop up, for immigrants in this country."

Dr. Senior said that although he and Mr. Manley had encountered a good deal of colour prejudice in places where there were considerable numbers of West Indians, they were encouraged by the fact that a " large reservoir of goodwill " existed among the British people toward the West Indians. Opposition to the West Indians, where it existed, was due primarily to ignorance of the facts—e.g. the tendency among some British people to exaggerate the extent of West Indian immigration, to blame the immigrants for housing shortages, and to blame newcomers as a whole for the bad behaviour of a small number of individuals. Lack of knowledge in Britain was paralleled by a similar lack of knowledge in the West Indies, where conditions in Britain were often depicted in " too rosy " colours.

Dr. Senior emphasized that the West Indian immigrants had come to Britain because of the labour shortages in the U.K., and would not have come if such shortages had not existed Moreover, the immigrants were not drawn " from the bottom of the barrel " but were predominantly the more skilled elements, notably those from Jamaica. After stressing that it was the higher-skilled, more adventurous Jamaicans who were coming to Britain because they found too little scope for their abilities at home, Dr. Senior emphasized that these were precisely the people who were most needed to develop the West Indian economy, which might be adversely affected by the migration of skilled workers to the United Kingdom.

The report and recommendations of Dr. Senior and Mr. Douglas Manley were issued in Kingston (Jamaica) on Dec. 7, 1955, by Mr. Norman Manley for submission to the British Government and to the Governments of the British West Indian colonies.

The principal recommendations in the report were : (1) a programme of education in Jamaica for intending migrants to Britain, and (2) the development of a Jamaican or British West Indian welfare service in Britain. It was pointed out that " economic conditions in most of the islands, with their heavy and rapidly increasing populations, indicate that demands for additional manpower in the United Kingdom will find a ready response from the West Indies for many years."

The report added that the problems arose principally from a colour difference, different levels of skills of West Indian and British workers, adverse weather, difficulties that were normal to the British economy (e.g. inadequate housing), and, most important, a lack of knowledge on the part of Britons of the background and aims of the West Indian migrant. There was an equal lack of knowledge among the migrants of social and economic conditions in Britain.

These difficulties (the report said) could be reduced by an educational effort at home, and by an expansion in Britain of welfare services in the fields of reception, industrial relations, community and public relations, etc.

The recommendation for a British West Indian welfare service in the U.K. was subsequently implemented by the establishment of the British Caribbean Welfare Service, referred to above.—(Times - Daily Telegraph - Manchester Guardian)

B. NICARAGUA. — Presidential Election. - Ending of Dispute with El Salvador on Extradition of Exiles.

Presidential elections held in Nicaragua on Feb. 2 resulted in an overwhelming victory for Colonel Luis A. Somoza, who had been appointed President in September 1956 for the remainder of the term of his father, the late General Anastasio Somoza, following the latter's assassination. Colonel Luis Somoza stood as the candidate of the National Liberal party and was opposed by Señor Edmundo Amador, the nominee of the Nicaraguan Conservative party.

Prior to the elections, a joint statement had been issued by the Governments of Nicaragua and El Salvador on Jan. 23 announcing that the differences hitherto existing between them had been settled through the mediation of Señor Trabanino, the secretary-general of the Organization of Central American States. The dispute had arisen out of Nicaraguan allegations that Nicaraguan exiles living in El Salvador had been involved in the conspiracy to assassinate General Anastasio Somoza, and were members of an international Communist ring for which the assassin—Rigoberto Lopez Perez—had acted as a tool. Nicaragua had demanded that El Salvador should repatriate certain exiles to stand trial for alleged complicity in the murder of General Somoza—a demand which El Salvador had rejected on the ground that extradition of political exiles was contrary to the Salvadorean Constitution.
(New York Times - New York Herald Tribune) **(15312 A.)**

C. UNITED STATES.—Supreme Court Appointment.

Mr. Charles E. Whittaker (56), a judge of the Federal District Court of Western Missouri, was nominated by President Eisenhower on March 2 as an Associate Justice of the U.S. Supreme Court in place of Justice Stanley F. Reed (72), whose retirement had been announced a week earlier. Justice Whittaker, a Republican, was born in Missouri and was a lawyer in Kansas City for many years before his elevation to the bench. His nomination to the Supreme Court was approved on March 18 by the Senate Judiciary Committee.
(New York Times) **(Prev. rep. Supreme Court, 15131 D.)**

D. IRAQ. — Ending of Baghdad Pact Boycott.

A Foreign Ministry spokesman in Baghdad announced on March 24 that Iraq had decided to end her boycott of Britain in the Baghdad Pact Organization, the reasons for which had been eliminated, and would resume full activities in the pact. The Iraqi boycott was imposed after the British intervention in Egypt.—(Times) **(Prev. rep. 15201 A, page 15211.)**

A. SOUTH-EAST ASIA TREATY ORGANIZATION. — Council Meeting in Canberra. - Intensification of SEATO Activities against Communist Subversion. - Permanent Military Planning Office in Bangkok.

The Council of the South-East Asia Treaty Organization (SEATO) held its third annual meeting in Canberra from March 11-13 under the chairmanship of Mr. Richard Casey, the Australian Minister for External Affairs. The other delegates were M. Pierre de Félice (French Secretary of State for Foreign Affairs); Mr. T. L. Macdonald (New Zealand Minister for External Affairs); Mr. Amjad Ali (Pakistani Minister of Finance); Señor Carlos P. Garcia (the Philippine Vice-President and Foreign Minister); Mr. Rak Panyarchun (Siamese Deputy Foreign Minister); Lord Home (British Secretary of State for Commonwealth Relations); and Mr. Dulles (the U.S. Secretary of State).

At the end of the meeting a communiqué was published surveying the position in the treaty area and announcing measures which the Council had decided to take, including (*a*) the appointment of a secretary-general and deputy secretary-general of the Organization; (*b*) continued close co-operation between the armed forces of the member-countries; (*c*) intensification of the Organization's activities against Communist subversion in the treaty area; (*d*) the strengthening of the economic resources of Asian member countries; and (*e*) the strengthening of bilateral and multilateral cultural exchanges within the SEATO community. The communiqué was worded as follows:

"Plans to consolidate and enhance the progress made in preserving the freedom of all countries in South-East Asia have been agreed to by the SEATO Council at its third meeting . . . These plans provide for: maintenance of the defensive capacity of treaty members to deal effectively with armed aggression; extension of the programme to detect, appraise, expose, and combat subversion directed from without; and the development of the economic resources of treaty members, particularly the Asian member-States, by measures inside and outside SEATO.

"The Ministers believe that, while the immediate military threat to peace in South-East Asia has diminished, the forces of international Communism are still working for the ultimate objective of world domination. The Council noted that in Asia the Communist so-called 'peace front' is in reality a front of millions of armed men. The military strength of Communist China and of North Vietnam is continually being increased. In the circumstances, the Council agreed that SEATO could not relax its vigilance and must maintain its capacity to deter and repel aggression.

"In face of a threat which is not itself static, the SEATO nations by their united efforts are continually increasing and adapting their capacity to deal with it. The Communists have chosen for tactical reasons to exert their pressure by other than military means for the present. This does not mean that they would not attempt to exploit any weakness in SEATO military preparedness if the opportunity came.

"As a result of the work of the Military Advisers over the past year, the SEATO Governments are agreed upon the nature of the Communist threat in the treaty area and the kind of military measures which would be necessary to defeat it. Military planning is a continuing process and will be helped by the setting-up of a permanent Military Planning Office at Bangkok, with staff representing all member-countries. Close co-operation among the forces of the member-countries is being assisted by realistic training exercises arranged by the SEATO Military Advisers.

Anti-Subversion Programme. "The Council believes that the military threat to the region is deterred by the very existence of SEATO and the collective defence represented by its members. The emphasis in Communist and Communist-inspired tactics in the area has therefore continued to move from the open threat of force to the more flexible tactics of non-violent penetration and the undermining of non-Communist States, still accompanied in some cases by armed insurrection.

"Believing that public knowledge of these tactics—of how and where subversion is occurring—is an essential prerequisite of effective action against them, the Council agreed to direct its civil organization to intensify its work of identifying all phases of subversive tactics; to make known its findings among member-Governments; and to expose them to the scrutiny of public opinion. With this object the Council approved specific projects for the exposure of these activities. Basic material for these projects will come from analyses by the Committee of Security Experts and from information provided by the SEATO Research Service Centre and by member-Governments.

"The Council recognized that in countering subversion the primary responsibility rests with each Government, aided as necessary by its friends. But an important supplementary role can be played by SEATO, and decisions made by the Council at its present meeting will make that role more effective.

Economic and Social Progress. "The Council discussed no economic activities relating to Article III of the treaty. [Article III states:—'The parties undertake to strengthen their free institutions and to co-operate with one another in further development of economic measures, including technical assistance designed both to promote economic progress and social well-being, and to further the individual and collective efforts of the Governments toward these ends.']

"The representatives of Pakistan, the Philippines, and Siam drew attention to economic problems in their countries requiring co-operative action with other members, and the Council discussed what were the most appropriate arrangements by which these problems might be resolved.

"The SEATO expert committees have recommended specific projects to assist in relieving the economic burden of defence and to make a contribution toward the continuation of economic development under SEATO's protective shield. The Council members undertook to consider the implementation of these recommendations.

"The Council noted with satisfaction the progress made in the economic development of the Asian member-States. It also noted that a number of countries, particularly the United States, were providing considerable economic assistance bilaterally as a direct contribution to the treaty objectives. In addition to these bilateral programmes, some assistance is being provided specifically under the auspices of SEATO. For example, the Australian Government is thus providing £2,000,000.

"The Council decided that SEATO cultural activities should include encouragement and assistance to national activity in this this field. It urged member-Governments to foster bilateral cultural exchanges within the SEATO community. In addition, the Council approved a number of multilateral projects in the cultural relations field. This is a new and promising development, which will strengthen the spirit of friendship which already marks the relations between the eight SEATO member-countries.

"A major cultural project approved for immediate introduction is the SEATO fellowship programme, under which scholars of the SEATO countries will be encouraged to undertake study and research in fields of special interest to SEATO.

"Another important project adopted is the convening in one of the Asian member-countries of a 'round-table' meeting to discuss Asian civilizations and cultures. The Council also adopted a French proposal that the competent bodies of SEATO should consider the problem of educational assistance in the treaty area and recommend measures applicable in this field within the framework of SEATO.

Permanent Organization and Budget. "The Council considered the strengthening of the permanent civil organization in Bangkok, and to that end decided to appoint a Secretary-General and Deputy Secretary-General. They directed the Council representatives to determine the terms of reference of these officers and the timing of the appointments, and to consider and report on nominations from member-Governments for these posts.

"The Council approved a budget of $787,175 for the 15 months ending June 30, 1958, to cover the cost of the permanent civil and military headquarters in Bangkok and to help finance certain joint programmes.

General Observations. "Among the topics discussed by the Council was that of neutralism. It was observed with concern that some Governments have in varying degrees adopted the line of active opposition to collective security arrangements, such as SEATO, which are in full accord with the U.N. Charter. It was hoped that as time passed and the value of SEATO became more widely appreciated, those who criticized it today would eventually be willing to welcome it.

"SEATO is not an exclusive organization, but remains open to all those countries in Asia who are willing to share its benefits and responsibilities. Council members wish to stress that it was genuine concern for the security of the area which led to their voluntary association in SEATO. All nations of the area, whether members of SEATO or not, are benefiting from the protection provided by SEATO's collective deterrent strength.

"The members of the Council recorded their abhorrence at the use of Soviet forces to crush the struggle of the Hungarian people for independence. They noted that the Soviet action was condoned and supported by Communist China. They noted the vivid and revealing contrast provided by the policies of certain member-Governments which have already led or are now leading various hitherto dependent territories to fully independent nationhood.

"The Council met in an atmosphere of great friendship, understanding, and mutual trust. As the Organization moves into its new and expanded phase of activity, the Council members are determined that SEATO will work for the enrichment as well as the defence of human life and liberty in accordance with the principles and purposes of the U.N. Charter."

During a secret session of the Council on March 12, Mr. Dulles made a statement on U.S. policy toward China, the text of which was subsequently released.

Mr. Dulles said that the United States adhered steadfastly to the three main aspects of its China policy: (1) to recognize the Republic of China [i.e. the Nationalist Government in Formosa]; (2) not to recognize the so-called People's Republic of China; (3) to oppose the seating of this "people's republic" in the U.N. as the accredited representative of what the Charter called 'the Republic of China.'

Mr. Dulles declared: "U.S. diplomatic recognition of the Chinese Communist regime would serve no useful purpose, but would strengthen and encourage influences hostile to us and to our allies, and further imperil lands whose independence is related to our own peace and security. Our policy on China is not merely an expression of emotional dislike of Chinese Communism, although the creed and practices of Chinese Communists are in fact repugnant to us. Also our policy is not merely an expression of sentimental loyalty to the Republic of China, although we do feel loyalty to a Government which was loyal to the Allied cause throughout the darkest days of the Second World War.

" The United Nations is faced with growing responsibilities. These could not be more readily discharged by giving the Chinese Communists an opportunity to work mischief there. If the Communist régime were allowed to represent the Republic of China, it would presumably sit on the Security Council as a permanent member with veto power. It would be grotesque if that high responsibility were conferred upon a regime which itself stands condemned as an armed aggressor against the United Nations."

Mr. Dulles emphasized that his statement had been made purely for the information of the Council and was not a SEATO policy decision. It was subsequently explained by a U.S. spokesman that Mr. Dulles had made this statement because of rumours in recent weeks that the U.S.A. was considering a policy change in the direction of recognizing the Peking régime.

Second Annual Report of SEATO.

The second annual report of SEATO had been published on March 4, shortly before the Council meeting in Canberra.

The report said that Communist tactics had shifted from armed aggression to " subtle infiltration by political and economic propaganda methods." The Communist armed forces, however, were so disposed as to be ready for instant use if armed aggression again became the main aim. Communism had made no substantial progress in the member-countries [of which Pakistan, Siam, and the Philippines are Asian] during the year, although the situation elsewhere in the treaty area was less satisfactory. In spite of statements emphasizing the feasibility of peaceful co-existence, Communist official statements made it clear that the ultimate objective in the treaty area continued to be the establishment of Communist régimes. Methods of subversion included the use of 'front' organizations to mask Communist activities, and an economic offensive in Asia through trade and aid programmes.

The report pointed out that Communist political activity had been directed toward two objectives : (1) where the Communist party was illegal, it aimed at legislation so that it could re-enter national political life ; (2) where the party was legal, it tried to promote the formation of coalition alliances of " united front " elements with the object of gaining control of Governments. As to their economic aid, the Communists had publicized it out of proportion to its actual volume, which had been far less than that given to Asian countries by SEATO members alone.

The Communists had also tried to infiltrate political, trade union, youth, and cultural organizations, and had tried to subvert the loyalties of minority groups such as the Overseas Chinese. They had tried to identify themselves with the desire of peoples for independence, and had supported the idea that national independence was incompatible with membership of collective defence organizations such as SEATO.

In the field of mutual co-operation between SEATO members, a feature of the past year had been the close collaboration among the police forces in the treaty area, notably the co-operation of the police forces of Siam and Malaya in putting down armed Communist terrorism along the border between the two countries.

On the military side, the report referred to the setting-up of a permanent military planning staff at SEATO headquarters in Bangkok [see below]. On the economic side, member-countries had made available during the year some $620,000,000 to other treaty members for basic economic development projects.

Meetings of Military Advisers. - Permanent Military Planning Office established in Bangkok.

Prior to the Council meeting, the SEATO Military Advisers had held two meetings : the first at Baguio (Philippines) from Sept. 2 - 8, 1956, and the second in Canberra on March 8 - 9, 1957.

It was announced after the Baguio meeting that the Military Advisers had agreed to seek the approval of their Governments for the setting-up in January 1957 of a Permanent SEATO Military Planning Office in Bangkok. The statement said that " the decision to locate this permanent office in Bangkok was influenced by the desire to base it centrally in the SEATO area, and the existence already in Bangkok of a number of SEATO agencies, both military and civil."

It was also announced that the Military Advisers had approved a schedule of combined SEATO defence training exercises, including maritime exercises in the South China Sea in October 1956 and April 1957 ; a combined exercise in Siam for co-ordination of tactical air operations (in January 1957) ; an exercise in the Philippines for co-ordination of naval gunfire support to ground forces (April 1957) ; and an exercise in Siam for the co-ordination of close air support to ground forces (May 1957). These exercises would be " in addition to those bilateral and multilateral exercises which will be carried out through mutual arrangement of the individual SEATO nations."

Brigadier-General Alfredo Santos (Philippines) was appointed head of the SEATO Permanent Military Planning Office established in Bangkok.—(Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Australian News and Information Bureau - New Zealand Department of External Affairs - Pakistan High Commissioner's Office, London - Le Monde, Paris)

(Prev. rep. SEATO, 14840 A.)

A. UNITED KINGDOM. — Foreign Service Appointments. - New Ambassadors to U.S.S.R. and Japan.

The Foreign Office announced on Nov. 14, 1956, that Mr. [now Sir] D'Arcy Patrick Reilly had been appointed H.M. Ambassador in Moscow in succession to Sir William Hayter, consequent upon the latter's appointment as Deputy Under-Secretary of State at the Foreign Office *vice* Sir Harold Caccia, now Ambassador in Washington (see 15011 A). Sir Patrick Reilly presented his letters of credence in Moscow on Feb. 28, 1957.

Sir Patrick Reilly, upon whom a knighthood was conferred in the New Year Honours (see 15328 A), had been Minister at H.M. Embassy in Paris before his appointment to the Moscow Embassy. A Fellow of All Souls College, he had a distinguished academic career at Oxford before joining the Foreign Service.

Other appointments in the Foreign Service announced during recent months are listed below :

Afghanistan. Mr. M. C. Gillett, Consul-General at Los Angeles, as Ambassador in Kabul *vice* Sir Esler Dening, who was appointed Ambassador to Japan on Jan. 26, 1957 (see below).

Bolivia. Mr. J. T. Henderson, lately Minister at Reykjavik, as Ambassador in La Paz *vice* Sir John Lomax, retiring.

Burma. Mr. R. H. S. Allen, Minister in Guatemala, as Ambassador in Rangoon *vice* Mr. Paul Gore-Booth, who had been appointed a Deputy Under-Secretary of State at the Foreign Office. [Mr. Gore-Booth received a knighthood in the New Year Honours.]

Cambodia. Mr. H. N. Brain, Minister at the Tokio Embassy, as Ambassador in Pnom-Penh *vice* Mr. R. P. Heppel, appointed Minister Counsellor at the Vienna Embassy.

Costa Rica. Mr. D. J. Mill Irving as Minister in San José *vice* Mr. C. N. Ezard, retiring. Mr. Mill Irving subsequently assumed Ambassadorial rank following the decision of the U.K. and Costa Rican Governments to raise their diplomatic missions in the respective capitals to the level of embassies (see below).

Guatemala. Mr. Thomas Wikeley, Consul-General at Jerusalem, as Ambassador in Guatemala City *vice* Mr. Allen, appointed Ambassador to Burma (see above).

Israel. Sir Francis Rundall, Consul-General at New York, as Ambassador in Tel-Aviv *vice* Sir John Nicholls, appointed Ambassador to Yugoslavia (see below).

Jordan. Mr. Charles Johnston as Ambassador in Amman in succession to Sir Charles Duke, now Ambassador to Morocco (see below).

Japan. Sir Daniel Lascelles, Ambassador in Kabul, as Ambassador in Tokio (Jan. 26, 1957) *vice* Sir Esler Dening, retiring.

Morocco. Sir Charles Duke, Ambassador in Amman, as Ambassador in Rabat *vice* Mr. Freese-Pennefather, appointed Consul-General at San Francisco.

Paraguay. Mr. J. W. Wall, Consul-General at Salonika, as Ambassador in Asunción *vice* Mr. J. Robinson.

South Vietnam. Mr. R. W. Parkes, lately Ambassador to Saudi Arabia, as Ambassador in Saigon *vice* Sir Hugh Stephenson, who had been appointed Consul-General at New York.

Yugoslavia. Sir John Nicholls, Ambassador in Tel-Aviv, as Ambassador in Belgrade *vice* Sir Frank Roberts, who had been appointed permanent U.K. representative on the North Atlantic Council in succession to Sir Christopher Steel, now Ambassador in Bonn (see 15168 C).

It was announced on Sept. 18, 1956, that Sir George Young, the head of the Foreign Office News Department, had been appointed Minister at the Paris Embassy in succession to Sir (then Mr.) Patrick Reilly. [As stated above, Sir Patrick Reilly was subsequently appointed Ambassador in Moscow]. Mr. Peter Hope, Counsellor at the Bonn Embassy, succeeded Sir George Young as head of the Foreign Office News Department and, in that capacity, as chief spokesman of the Foreign Office.

During December the Foreign Office announced that the U.K. Government on the one hand, and the Governments of Costa Rica and El Salvador on the other, had agreed to raise their respective diplomatic missions to the status of embassies. The British Ministers in San José and San Salvador, and the Costa Rican and Salvadorean Ministers in London, were accordingly appointed Ambassadors. (Times - Daily Telegraph)

(Prev. rep. 15168 C ; 15011 A.)

B. RHODESIAN FEDERATION. — Appointment of Diplomatic Mission in Washington.

It was announced in Salisbury on Feb. 5 that the Rhodesian Federation would appoint a mission in Washington which would be attached to the British Embassy and would be headed by Sir Edgar Whitehead, formerly Minister of Finance in the Southern Rhodesian Government, who would have the rank of Minister. The Washington mission was the first of its kind to be established by the Federal Government in a foreign country.—(Federal Information Department, Salisbury)

A. MALAYA. — Proposed Draft Constitution for Malayan Federation on Attainment of Independence. - Report of Reid Commission. - Defence and Financial Agreements with Britain. - Guarantees for British Staff in Malayan Public Service.

The report and recommendations of the Federation of Malaya Constitutional Commission, headed by Lord Reid, were published in London and Kuala Lumpur on Feb. 20 in the form of (1) a draft Constitution for the future independent Federation; and (2) draft Constitutions for the Settlements of Malacca and Penang, which are at present Crown Colonies coming directly under the Queen's sovereignty and do not form part of the Malayan Federation.

The Commission's conclusions were based on its investigations in Malaya, starting in June 1956, during which it had numerous meetings with Federal, State, and Settlement officers, took evidence in public, and received memoranda from organizations and individuals "widely representative of all communities and interests and all sections of the population."

In the introduction to their report the Commissioners summarized their conclusions as follows: "We think it essential that there should be a strong Central Government with a common nationality for the whole of the Federation. Moreover, we think it also essential that the States and Settlements should enjoy a measure of autonomy, and that their Highnesses the Rulers should be constitutional rulers of their respective States with appropriate provisions safeguarding their position and prestige. We have made provision for a new constitutional Head of State for the Federation, and for the Settlements becoming States in the new Federation.

"We have adopted without substantial change proposals for the acquisition of citizenship of the Federation which have been agreed by the main parties representing all races. We recognize the need for safeguarding the special position of the Malays in a manner consistent with the legitimate interests of other communities, and we have given particular consideration to this need. We have framed our recommendations on the basis that Malaya will remain within the Commonwealth, and we have found general agreement on this matter."

The proposed constitutional provisions recommended by the Reid Commission are summarized below.

Territory. The independent Federation would comprise the existing nine Malay States (members of the present Federation) and the Settlements of Penang and Malacca, which would become States of their own and over which the Queen's direct sovereignty would lapse.

Head of State. The Head of State of the Malayan Federation (*Yang di-Pertuan Besar*) should be elected for five years by the Malay Rulers from among themselves, and be succeeded by rota based on each Ruler's length of reign in his own State. The senior of the present Rulers would be offered the post first, and as Head of State should be a constitutional ruler bound to accept the advice of a Prime Minister. [The present State Rulers, the Commissioners pointed out, were not constitutional rulers.] The "Conference of Rulers" should also elect a Deputy Head of the Federation.

[This proposal implied that the Malayan Federation would be the first country to become a member of the Commonwealth without the Queen being its sovereign at the time—although the Federation would acknowledge the Queen as Head of the Commonwealth, as India and Pakistan had done. At present the link with the Sovereign takes the form of treaties between the Queen and the Malay Rulers, except for the Crown Colonies of Penang and Malacca which come under the direct rule of the Queen.]

Parliament. This would comprise a House of Representatives and a Senate.

The House of Representatives, consisting of 100 members, would be wholly elected for a maximum term of five years by single-member constituencies on a territorial basis; it could, however, be dissolved by the Head of State at any time.

The Senate would have 33 members—22 elected by the Legislative Assemblies of the States (two for each of the 11 States), and another 11 nominated by the Head of State. Members would hold office for six years, half being elected or appointed every three years.

[Two members of the Commission (Sir William McKell and Mr. Justice Abdul Hamid), in a minority report, considered that the nomination of Senators was out of step with parliamentary democracy. They also opposed the election of Senators by the State Legislatures instead of by the people.]

Legislation would require approval by both Houses of Parliament. However, if the Senate refused to pass a Bill which had been passed by the Lower House, the Bill should become law if, after a lapse of 12 months, the House resolved that it be submitted for the assent of the Head of State. In the case of a money Bill, the period of delay should only be 21 days. The Lower House should not be able to over-rule the Senate on a Bill for amendment of the Constitution.

Prime Minister. The Prime Minister of the Federation should be appointed by the Head of State and should be the person most likely to command the confidence of the House of Representatives. He should then choose his Cabinet Ministers. The Head of State should be entitled to choose the Prime Minister, but in all other matters except the dissolution of Parliament he should be bound to accept the advice of the Prime Minister or the Cabinet.

Citizenship. After pointing out that many residents in the Federation were by birth or descent citizens of the United Kingdom and Colonies without realizing it, the Commission recommended that those having this status should not be required to renounce it on becoming Federation citizens. Instead, they should be recognized as both Federation and Commonwealth citizens, though they would owe undivided loyalty to Malaya.

In this connexion the report said: "Under existing law in the Commonwealth, dual citizenship within the Commonwealth is recognized. For example, a person can be at the same time a citizen of India or Pakistan and a citizen of the U.K. and Colonies. But a person with dual citizenship owes undivided loyalty to the country in which he is residing. The law in the Federation should conform to this practice."

New Federal citizens would have to swear allegiance to the Federation and declare that they would not "exercise any rights or privilege they may have under the nationality laws of any foreign country." The Commission did not recommend renunciation of foreign citizenship because "under the laws of certain countries a citizen has no power to renounce his citizenship" e.g. Britain prohibited such renunciation unless another citizenship had been acquired.

The recommendation that British subjects in the Federation should not have to choose between being British or Federation citizens, but would have both Federation and Commonwealth citizenship, would also apply to British subjects in Penang and Malacca.

The Commission recommended that a person should be a citizen if he was one before Merdeka Day i.e. the date of independence on Aug. 31, 1957—or was born in the Federation on or after that day. If he was entitled before that day to be registered as a citizen, but had not registered, he should still be entitled to do so. [Mr. Justice Abdul Hamid, however, considered that the terms of a clause in the present Federation agreement on which this provision would be based favoured citizens of the U.K. and Colonies—"a large class of people whose status is not easy to define."]

Persons born in the Federation before Merdeka Day should on application become citizens if (i) they were over 17; (ii) they had lived for five of the preceding seven years in the Federation and intended to stay there permanently; and (iii) they had an elementary knowledge of Malay. There would, however, be no test of Malay if application was made within one year of Merdeka Day. [Thus, though *jus solis*—the right of citizenship by birth—was not formally made retrospective from Merdeka Day, it will in fact be retrospective if accompanied by at least five years' residence.]

Persons living in the Federation on Merdeka Day but not born there would be entitled to become citizens if (i) they had lived there for eight of the previous 12 years and intended to stay, and (ii) they had an elementary knowledge of Malay. In this case they would not be tested in Malay if they applied for citizenship within one year and were 45 years of age.

In all other cases the Commission proposed at least 10 years' residence to qualify for naturalization, because it was difficult to infer loyalty to Malaya, and the intention to stay there permanently, from any shorter period.

Fundamental Rights. Guarantees were laid down against discrimination on grounds of religion, race, descent, or place of birth.

The Commission's terms of reference required that provision should be made in the Constitution for the "safeguarding of the special position of the Malays." They stated that they had found it difficult to reconcile the terms of reference if the protection of the special position of the Malays signified the granting of special privileges, permanently, to one community only and not to the others. The Commission agreed, however, that present preferences for the Malays (e.g. land reservation, and quotas against other races for admission to public services and for business licences) should remain, although they should gradually disappear. Accordingly, the quota system should be reviewed completely after 15 years.

Religion. The majority of the Commission were of the opinion that there should not be any declaration in the Constitution to the effect that Islam should be the State religion.

[Mr. Justice Abdul Hamid dissented from this view and proposed that the following Article should be inserted in the Constitution: "Islam shall be the religion of the State of Malaya, but nothing in this Article shall prevent any citizens professing any religion other than Islam from professing, practising, and propagating that religion, nor shall any citizen be under any liability by reason of his not being a Moslem."]

Language. Malay should be the national language, but for a period of at least 10 years English should continue to be used as an official language. For some considerable time announcements and other documents should also be published in Chinese and Tamil.

Judiciary. The present Supreme Court should be retained, and should have the functions of interpreting the Constitution and protecting State rights and fundamental liberties, in addition to its ordinary functions.

The Chief Justice and other Federal judges should be appointed by the Head of State.

State Constitutions. The existing constitutions of the Malay States should be amended so that (1) the Ruler became bound to accept the advice of the *Mentri Besar* (the Chief Minister of the State) or the State Executive Council in the same way as the Head of State was bound to accept the advice of the Prime Minister or Cabinet; (2) the *Mentri Besar* became responsible to the Council of State (to be called in future "the State Legislative Assembly") and would cease to hold office on ceasing to possess the confidence of that Assembly.

Penang and Malacca should have the same status and powers as the other States. Their Governors should be appointed by the Head of State after consultation with the respective State Governments. Because of the deferment of general elections until 1959 (see below), the present Settlement Councils should continue in existence from Independence Day until January, 1959.

Division of Central and State Executive Power. The Commission pointed out that since 1948 the legislative power had rested with the Federal authorities but the executive power with the States. It expressed the opinion that this should not continue and that the two should be vested in principle in the Central Government.

Nevertheless, it was proposed that the disposal and administration of land should remain a State subject, although the Federation Government should have powers to carry out development schemes in the national interest and decide what land was required. There should be a new National Land Code, and with this in view the Federal Parliament should be able to pass Acts on State subjects. These Acts, however, should not come into force until adopted by the State(s) concerned.

The States should have greater financial autonomy, and Federal grants should be fixed for five years after consultation with a National Finance Council consisting of the Federal Prime Minister, the Finance Minister, and one representative from each State. The Federal Parliament, however, would not be obliged to do more than consult this Council.

Parliament would have the right to restore constitutional government in any State, or to introduce the new Constitution in any State which might have refused to do so by Jan. 1, 1959.

Public Services. The principles adopted at the London Conference of 1956 on the impartiality and efficiency of the public services were considered indispensable, and were incorporated in the constitutional draft.

Emergency Legislation. The present emergency regulations should remain in force for one further year, unless then renewed by Parliament. The Federal Government would, however, have special emergency powers, and if the security or economic life of the Federation was "threatened by war, external aggression, or internal disturbances" the Head of State might issue a proclamation declaring a state of emergency. In the event of threats of organized violence against persons or property, the Government would be empowered to take action regardless of constitutional limitations. No preventive detention should last longer than three months unless an advisory board appointed by the Chief Justice found that there was sufficient justification for a longer period of detention.

Next Election. Because large numbers of residents would want to become citizens and voters, and to give them time to do so, it was suggested that no new elections should be held before the beginning of 1959, and that the present Legislative Council of the Federation should continue to function until then. To avoid complicated electoral delimitation problems in the first election, the 52 existing constituencies would be doubled, making 104 seats, but all future Houses of Representatives would have 100 members as stated above. The elections should be conducted by an independent commission.

Entry into Force of Constitution. August 31, 1957 (Merdeka Day) was proposed as the target date for the entry into force of the new Constitution should the proposals be accepted.

Amendment of Constitution. Changes in the Constitution should only be made by the new Parliament (i.e. the one to be elected in 1959) or future Parliaments. A two-thirds majority of the members present and voting would be required in each House.

The members of the Commission (in addition to Lord Reid) were Sir Ivor Jennings, Master of Trinity Hall, Cambridge; Sir William McKell, a former Governor-General of Australia; Mr. B. Malik, a former Chief Justice of the Allahabad High Court; and Mr. Justice Abdul Hamid, of the West Pakistan High Court.

It was announced on the same date (Feb. 20) that a committee comprising five representatives of the Rulers and five of the Federation Government, under the chairmanship of Sir Donald MacGillivray (the High Commissioner), would consider the report in two stages—dealing first with those subjects on which there was unlikely to be opposition, and then those for which a compromise solution would have to be sought so as to achieve unanimity. Tengku Abdul Rahman, the Chief Minister of the Federation, said that there would inevitably have to be many amendments to the report, which in its present form "could never be accepted *in toto*."

U.K.-Malayan Defence and Financial Agreements.

Following discussions in London between the British Colonial Secretary (Mr. Lennox-Boyd) and a Malayan delegation led by Tengku Abdul Rahman and Colonel H. S. Lee (the Finance Minister), it was announced by the Colonial Office on Jan. 10, 1957, that agreement had been reached on (*a*) British assistance for Malaya's external defence and the development of the Malayan armed forces; (*b*) British financial aid to the Federation to enable it to deal with the terrorist problem and to pursue its development programme.

Under the defence agreement, the British Government would assist the Federation in the external defence of Malaya and in the training and development of its armed forces, while the Federation Government would allow Britain to maintain in Malaya the forces necessary for the fulfilment of Commonwealth and international obligations.

Details of the proposed financial assistance by the U.K. were as follows:

(1) Assistance toward the cost of the emergency during the five-year period 1957-61. For the first three years the U.K. Government would provide an annual grant of £3,000,000; thereafter, the two Governments would consider the situation then prevailing and would decide what assistance, subject to a maximum of £11,000,000, was required, either as a grant or an interest-free loan, for the final two years of the period,

(2) Development of the Federation's forces The U.K. Government would seek parliamentary sanction (*a*) to contribute the unspent balance (£6,500,000 on Jan. 1, 1956) of the grant already promised toward the capital cost of expansion of the Federation's Army; (*b*) to make available equipment worth £5,500,000; and (*c*) to provide a grant of up to £1,300,000 for local purchases of equipment and building work for the Federation Navy.

(3) The British Government would make available to the Federation a grant for development equivalent to the unspent balance of the Federation's Colonial Development and Welfare allocations at the date of independence.

It was announced that the agreement would be signed soon after Malaya attained independence in August, 1957.

It was reported in the British press that no undertaking had been given by the U.K. Government in reply to Malayan proposals for a large development loan. On his return to Kuala Lumpur from London, Tengku Abdul Rahman said that Malaya intended to seek help from any country interested in the common anti-Communist cause.

In a statement in the Legislative Council on March 13, the Chief Minister revealed that it had been agreed at the London talks that British forces would be reduced by half; he did not specify, however, whether "British" in this context meant U.K. forces alone or U.K. and other Commonwealth forces. [There are at present about 25,000 Commonwealth troops in Malaya, including 12,000 from Britain.] Tengku Abdul Rahman added that he had sought a guarantee that there would be sufficient Commonwealth troops remaining to carry on the fight against Communism.

Malayanization of Public Service.

A statement on the future of the public service, issued by the Federation Government on Oct. 27, guaranteed minimum periods of continued employment to British personnel; offered them continued eligibility for promotion; and at the same time permitted them to retire with compensation at any date after July 1, 1957.

The statement pointed out that, since a sufficient number of qualified Malayans was not yet available, the various departments of the Public Service would not be completely Malayanized until 1960 in some cases, 1962 in others, and 1965 in yet others. The Government would therefore guarantee employment to British staff until July 1, 1960, in 23 departments, including the police (apart from police lieutenants), immigration, information, and some categories of the agriculture, broadcasting, education, medical and veterinary services. Guarantees up to 1962 would be given to the administrative staff among others. Those who would receive guarantees up to 1965 would include the research staffs in the agriculture and veterinary departments, marine officers, medical officers, engineers, chemists, and town planners.

Officers who would receive no guarantee would include those in the meteorological and civil defence departments, as well as those in the co-operative and labour departments not on the Malayan Civil Service list.

As regards staff on contract, it was stated that existing contracts would be observed, and that many such staff would be required for as long as their colleagues on the permanent establishment.

Educational Policy.

A Bill embodying the Federation Government's educational policy was approved by the Legislative Council on March 7.

The Bill provided for a national system of education which would make Malay the national language and at the same time assist the growth of non-Malay languages and cultures. In the sphere of religious instruction, it provided that, where there were 15 or more Moslem pupils in a school, the Moslem faith would be taught compulsorily and at State expense for at least two hours a week. Instruction in other religions would depend on whether the communities concerned wanted it and could pay the teachers.

The Bill placed all assisted primary and trade schools under local authorities, and assisted secondary schools under the Minister for Education. Assisted secondary schools were defined as schools "providing a five-year course of secondary education in which the national language, the English language, the Chinese language, or the Tamil language, or any two of such languages, are used as the medium of instruction, and in which the national language and the English language are compulsory subjects of instruction when such languages are not used as a medium of instruction."

Tunku Mohammed Bin Tunku Besar Burhanuddin, the first Commissioner for the Malayan Federation in Pakistan, assumed his duties in Karachi at the end of February.—(Times - Daily Telegraph - Manchester Guardian - Pakistani High Commissioner's Office, London) **(Prev. rep. 15153 A.)**

A. MALTA. — Constitutional and Economic Talks in London. - U.K. Financial Aid for 1957-58.

It was announced in London and Valletta on March 8 that U.K. financial assistance to Malta for 1957-58 would amount to £6,077,000, to be allocated as follows :

(*a*) Ordinary budget deficit : £899,000.

(*b*) Capital budget, including war damage works and Colonial development and welfare grants : £4,638,000.

(*c*) War damage compensation : £540,000.

Constitutional and economic talks had opened in London on Feb. 12 between a Maltese delegation led by Mr. Mintoff, the Prime Minister, and a British delegation led by Mr. Lennox-Boyd, the Colonial Secretary. The other members of the Maltese delegation were Mr. J. J. Cole (Minister of Posts and Agriculture), Dr. J. Cassar (Minister of Justice), Mr. E. Cuschieri (Treasurer), and Professor A. J. Mamo (Attorney-General). The first phase of the talks ended on Feb. 27 to allow Mr. Mintoff to return to Malta to present his budget; it was announced at the same time that agreement had been reached on the U.K. contribution to Malta's budget and that the talks would be resumed on March 12.

Prior to the London discussions, the 17 Nationalist members had withdrawn from the Malta Legislative Assembly on Jan. 28 in protest against the fact that they had not been consulted regarding the talks. In a letter to the Colonial Secretary on Feb. 7, the Nationalist Party described its exclusion from the talks as an "unprecedented suppression of its elementary constitutional rights." The Nationalist members resumed their attendance in the Assembly on March 4 after assurances had been received from the British Government that the Opposition would be given an opportunity to express its views on the draft Constitution before any definite steps were taken on it.—(Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Malta, 15347 A.)

B. SUDAN. — Government takes over Missionary Education in Southern Sudan.

The Sudanese Minister of Education (Sayed Ziada Arbab), announced on Feb. 13 that the Government had decided to take over the majority of all Mission schools in the three southern provinces of Equatoria, Bahr-el-Ghazal, and Upper Nile.

The Minister explained (1) that all village schools run by the Missions would be taken over on April 1; (2) that all Mission boys' elementary schools and the six vernacular teacher training centres would be taken over during 1957; (3) that girls' elementary schools would be taken over at a date to be fixed later. Three technical schools would continue to be run by the Missions for one or two years pending examination of the best means of their taking-over by the Government, and the Missions would also be allowed to continue to run three intermediate schools for the time being. Meanwhile the Government would immediately open three intermediate schools of its own.

The Minister stressed that the Government's decision "in no way implied that the Mission system of education was suspect of being disruptive." On the contrary, the Government fully appreciated the excellent work done by the Missions hitherto, but it felt that it should itself take over full and direct responsibility for education in the Southern provinces. The Missions would still be allowed to continue to give religious instruction in all schools according to the beliefs of the students, and would be given every facility for this. All Sudanese schoolmasters at present teaching in Mission schools would be given the opportunity of enrolling in the Government service.

(Sudan Government Information Centre, Khartoum)

C. JAPAN. — Resignation of Mr. Ishibashi. - Mr. Kishi elected Prime Minister. - The Kishi Cabinet.

Mr. Ishibashi, the Japanese Prime Minister, resigned on Feb. 23 for reasons of ill-health, having held the Premiership for only two months. On the following day Mr. Nobusuke Kishi (the Foreign Minister) was unanimously elected Prime Minister by the Diet, receiving 276 votes against 129 for Mr. Suzuki, chairman of the Socialist Party. Mr. Kishi's appointment was confirmed by the House of Counsellors on the same day by 147 votes to 70.

On Feb. 26 Mr. Kishi announced his Cabinet, the membership of which was identical with Mr. Ishibashi's Administration except that Mr. Kishi retained the Foreign Affairs portfolio in addition to the Premiership. Mr. Kishi was elected president of the Liberal Democratic Party on March 20.

Prior to Mr. Ishibashi's resignation there had been one further change in the membership of his Government—Mr. Akira Kodaki having been appointed Minister of the Defence Forces, a portfolio originally held by Mr. Ishibashi *ad interim*.

(Japanese Embassy Press Office, London) (15372 A ; 15307 C.)

D. PHILIPPINES. — President Magsaysay killed in Air Crash. - Inauguration of President Garcia.

President Magsaysay of the Philippines was killed on March 17, together with 24 other persons, when the presidential airliner in which he was travelling from Cebu City to Manila crashed in dense jungle country on Cebu Island shortly after the take-off. The bodies of the President and the other victims of the disaster were found on the following day by Filipino troops and rescue workers. Among the victims of the disaster were the head of the Philippine Air Force, Brigadier-General Benito Ebuen, and the Secretary for Education, Señor Gregorio Hernandez. The disaster—of which there was only one survivor, a newspaper reporter—was believed to have been due to mechanical trouble.

Ramón Magsaysay (49) was born in 1907 in Zambales Province (Luzon) of mixed Tagalog, Chinese and Spanish descent. Of relatively humble origin (his father was a blacksmith and schoolteacher), he started life as a garage mechanic and at the time of the Japanese invasion was foreman of a provincial bus company. He fought with the Americans until the surrender of the Bataan peninsula, took to the hills with a few U.S. officers, and during the Japanese occupation distinguished himself as an outstanding guerrilla leader, the forces under his command numbering nearly 15,000 by the time the Americans returned to the Philippines in 1944. At the end of the war he was appointed Military Governor of West-Central Luzon by the American authorities.

Following his election to the Philippine Congress in 1950, Magsaysay was appointed by President Quirino as Secretary of Defence, in which capacity he achieved notable success in quelling the Communist-led Hukbalahap rebellion. Though elected to Congress as a Liberal, he left that party early in 1953 in dissatisfaction with its policies (see 13305 A) and joined the Nationalist Party (*Nacionalistas*), which adopted him as its candidate in the Presidential election of that year. In November, 1953, Señor Magsaysay was elected to the Presidency with a majority of nearly 1,600,000 votes over the outgoing President, Señor Quirino.

President Magsaysay, who achieved great personal popularity both in his own country and in the United States, was a strong opponent of Communism and an advocate of close co-operation with the U.S.A. and the free democracies.

Vice-President Carlos P. Garcia (61), Foreign Minister under President Magsaysay, was sworn-in as President of the Philippine Republic on March 18. Born in the Visayan Islands (Central Philippines), he was a school-teacher before entering public life, and Governor of Bohol Province for nine years before his election to the Senate in 1941. During the Japanese occupation he remained consistently loyal to the Allied cause, being hunted by the Japanese for three years and having a price put on his head by the "puppet" regime. A member of the Nationalist Party, he was President Magsaysay's running-mate in the presidential election of November 1953.

(New York Times -New York Herald Tribune)

(Prev. rep. President Magsaysay, 13305 A.)

E. INDIA. — Creation of Family Planning Board.

It was announced in New Delhi on Sept. 5, 1956, that the Ministry of Health had set up a Family Planning Board under the chairmanship of the Minister of Health, Rajkumari Amrit Kaur.

The Family Planning Board will advise the Government on the following matters : (*a*) Research and studies on the inter-relationship between economic, social, and population changes, and on reproductive patterns, attitudes and motivations affecting the size of family planning; (*b*) educating public opinion on matters of family planning; (*c*) advice and necessary services in family planning through hospitals, health centres, and clinics; (*d*) facilities for the training of personnel in family planning; (*e*) formulation of schemes for the improvement of the health of mothers and children, and for bringing about better conditions of family living; (*f*) research on, and the production of, contraceptives; (*g*) literature and periodicals in furtherance of the objectives of the scheme.

The Family Planning Board's recommendations will be implemented by the Ministry of Health. (The Statesman, Calcutta)

F. BAHREIN. — Resumption of Saudi Arabian Oil Supplies. - Reopening of Oil Pipeline.

The flow of oil from Saudi Arabia to the Bahrein refinery was resumed on March 9 for the first time since November, when the pipeline was closed by the Saudi Arabian Government after the Israeli and Anglo-French military operations against Egypt. The reopening of the pipeline followed the withdrawal of Israeli forces from the Gaza Strip and the Sharm-el-Sheikh area on the Gulf of Akaba.—(Times) **(Prev. rep. 15201 A, page 15211.)**

Note. The output of the Bahrein refinery before the stoppage was 200,000 barrels a day, of which 170,000 barrels (85 per cent) came by pipeline from the Saudi Arabian oilfields and the remainder from the Bahrein oilfields. (Daily Telegraph).

MARCH 30—APRIL 6, 1957

A. WESTERN POWERS. — Bermuda Conference between President Eisenhower and Mr. Macmillan. - United States to join Military Committee of Baghdad Pact. - U.S. Guided Missiles for Britain. - M. Mollet's Talks with President Eisenhower, Mr. Macmillan, and Mr. St. Laurent. - Mr. Macmillan's Statement to House of Commons on Bermuda Conference.

A conference between President Eisenhower and the British Prime Minister, Mr. Harold Macmillan, was held in Bermuda from March 21-24, following earlier discussions in Washington between President Eisenhower and the French Prime Minister, M. Mollet (Feb. 26-28) and in Paris between Mr. Macmillan and M. Mollet (March 9). The Prime Minister of Canada, Mr. St. Laurent, also had talks with M. Mollet after the latter's visit to Washington, and with Mr. Macmillan in Bermuda after the conference between the British Prime Minister and President Eisenhower. The various conferences are described below under cross-headings:

Mollet-Eisenhower and Mollet-St. Laurent Discussions.

The French Prime Minister, accompanied by the Foreign Minister (M. Pineau), paid a three-day visit to Washington from Feb. 26-28 at the invitation of President Eisenhower. The Secretary of State (Mr. Dulles) and M. Pineau took part in the discussions, which ended with the publication of a joint communiqué (cross-headings inserted) summarized below:

European Common Market and Euratom. After stating that there had been "a friendly exchange of views in an atmosphere which reflected the long-standing and friendly ties" between France and the United States, the communiqué said that M. Mollet had explained to President Eisenhower "the marked progress which has taken place in the past few months toward the creation of a European Atomic Community (Euratom) and toward a European Common Market which will group together 165,000,000 consumers in six European nations." M. Mollet had also informed the President of "the French Government's interest in the coming negotiations on a European Free Trade Area in which Great Britain would participate."

President Eisenhower had "expressed his personal interest in the success of these treaties on European integration, whose entry into force will represent an important date for all the free world." The President and M. Mollet had "noted that the creation of a united Europe would contribute to the strengthening of relations between the U.S.A. and Europe . . . to the mutual benefit of the European and American peoples."

The Middle East. The President and the Prime Minister had expressed "their common conviction that solutions to the problems of the area can be achieved by peaceful means, in conformity with the principles of justice and international law."

The Suez Canal. As regards the future status of the Suez Canal, President Eisenhower and M. Mollet recalled that the 1888 Convention "contemplated a definite system to guarantee at all times and to all Powers the free use of the Canal." In this connexion they "reaffirmed their adherence to the six requirements unanimously adopted by the U.N. Security Council, and accepted by Egypt last October, which called for . . . free and open transit through the Canal without discrimination, and the insulation of the operation of the Canal from the politics of any country."

African Territories. The President and the Prime Minister had "exchanged views on the political and economic evolution in African territories." In this connexion M. Mollet had stressed "the historical importance of the decision . . . to associate the overseas territories with the European Common Market—a decision which bears witness to the desire of Europe to place its industrial potential at the service of the economic development and social progress of Africa, and to reinforce the inter-dependence of the two continents."

In addition, M. Mollet had informed President Eisenhower of "the profound changes which France has brought about in the political structure of her overseas territories with a view to preparing them for the democratic conduct of their own affairs." [Recent French legislation on this matter will be described in a subsequent issue—*Ed. K.C.A.*] Furthermore, M. Mollet had "reviewed the French programme for Algeria."

The President and the Prime Minister were "in full accord in their views that such objectives are in conformity with the desire of both Governments to improve the living conditions of mankind and to assure, along with a better standard of living, the benefits of essential democratic liberties."

The NATO Alliance. After reaffirming "the vital importance of the North Atlantic Pact as a basic element of free world defence," the President and M. Mollet "noted that free world security requires the maintenance on the Continent of Europe of forces with conventional armaments and modern weapons at such levels and in such balance as to discourage any aggression against the territories of all NATO countries." They also reaffirmed "the importance of continuing to support the early reunification of Germany by means of free elections," and were "agreed that a common approach must be taken with regard to the threat of Communist imperialism in Europe and other parts of the world."

Conclusion. The communiqué ended by saying that President Eisenhower and M. Mollet had "agreed on the value of these frank and direct talks and expressed their pleasure, as old friends, at meeting again."

M. Mollet and M. Pineau visited Ottawa from March 2-4 for discussions with Mr. St. Laurent and Mr. Lester Pearson (Canadian Secretary of State for External Affairs), on which no communiqué was issued. M. Mollet addressed the Canadian Parliament on March 4 and paid visits to Quebec and Montreal before returning with M. Pineau to Europe.

Macmillan-Mollet Discussions.

Mr. Macmillan, accompanied by Mr. Selwyn Lloyd and by Foreign Office and Treasury officials, visited Paris on March 9 for talks with M. Mollet, M. Pineau, and French experts. No communiqué was published, the talks being complementary to the Franco-American discussions in Washington and the forthcoming Anglo-American conference in Bermuda. It was understood that a wide range of subjects was discussed, including the Middle East and Suez Canal problems, the projected European Common Market and Free Trade Area, and, in particular, the question of British troop reductions in Germany, which had given rise to concern in France. Mr. Macmillan made the following statement at London Airport after his return from Paris:

"The French feeling [on the question of British troop reductions in Europe] is not concerned so much with our military dispositions or the precise formation of our armed forces. They are only anxious that anything we should do should not appear to be the beginning of a walk-out . . . On that point we have been able to give them a reassurance. I was able to explain our position to them and to tell them that our reorganization was partly to save our money in our strained economy, but still more to get value for money, and that we wanted to make our military situation as powerful with less expenditure of money and manpower.

The Bermuda Conference.

Prior to the above-mentioned discussions, Mr. Macmillan had informed the House of Commons on Feb. 12 that he was meeting President Eisenhower in Bermuda from March 21-24; that Bermuda had been chosen as the meeting-place at the President's suggestion; and that Mr. St. Laurent would also visit Bermuda on March 25-26 for discussions "on matters of common concern."

The three-day discussions in Bermuda between President Eisenhower and Mr. Dulles on the one hand and Mr. Macmillan and Mr. Selwyn Lloyd on the other—held at the Mid-Ocean Club—ended with the publication of a joint communiqué which was divided into two Annexes: the first listing 11 points on which the President and Mr. Macmillan were in full agreement, and the second dealing with the joint attitude of the two Governments toward nuclear tests and the problem of nuclear radiation.

The first Annexe announced *inter alia* that the United States was willing to "participate actively" in the Military Committee of the Baghdad Pact, and that "certain guided missiles" would be made available by the U.S.A. for use by British forces "in the interest of mutual defence and mutual economy." The second Annexe stated that both Governments were agreed (*a*) that, in the absence of an effective agreement for comprehensive disarmament, the security of the free world must continue to depend on the "nuclear deterrent"; (*b*) that continued nuclear testing was therefore required, at least for the present; (*c*) that both Governments would conduct nuclear tests in such a manner "as will keep world radiation from rising to more than a small fraction of the levels that might be hazardous"; and (*d*) that the U.S.A. and Great Britain would be ready "to permit limited international observation of such tests if the Soviet Union would do the same."

The communiqué said that President Eisenhower and Mr. Macmillan were "well satisfied" with the results of the conference and intended "to continue the exchange of views so well begun." Its text was as follows:

"The President of the United States and the Prime Minister of the United Kingdom, assisted by the U.S. Secretary of State, the British Foreign Secretary, and other advisers, have exchanged views on many subjects of mutual concern. They have conducted their discussions with the freedom and frankness permitted to old friends in a world of growing inter-dependence. They recognize their responsibilities to seek to co-ordinate their foreign policies in the interests of peace with justice.

"Among the subjects discussed in detail were: common problems concerning the Middle East, NATO, European co-operation, the reunification of Germany, and defence. The President and the Prime Minister are well satisfied with the results of this conference, at which a number of decisions have been taken. They intend to continue the exchange of views so well begun.

"The agreements and conclusions reached on the main subjects discussed at the conference are annexed:

Annexe 1.

"(1) Recognition of the value of collective security pacts within the framework of the United Nations, and the special importance of NATO for both countries as the cornerstone of their policy in the West.

(2) Reaffirmation of common interest in the development of European unity within the Atlantic Community.

(3) Agreement on the importance of closer association of the United Kingdom with Europe.

(4) Agreement on the benefits likely to accrue for European and world trade from the plans for the Common Market and the Free Trade Area, provided they do not lead to a high tariff block, and on the desirability that all countries should pursue liberal trade policies.

(5) Willingness of the U.S.A. under authority of the recent Middle East joint resolution [see 15417 A] to participate actively in the work of the Military Committee of the Baghdad Pact.

(6) Reaffirmation of intention to support the right of the German people to early reunification in peace and freedom.

(7) Sympathy for the people of Hungary, condemnation of repressive Soviet policies toward the peoples of Eastern Europe and of Soviet defiance of relevant U.N. resolutions.

(8) Agreement on the need for the speedy implementation of recent resolutions of the U.N. General Assembly dealing with the Gaza Strip and the Gulf of Akaba.

(9) Agreement on the importance of compliance both in letter and in spirit with the Security Council resolution of Oct. 13 concerning the Suez Canal [see 15252 A], and on support for the efforts of the Secretary-General to bring about a settlement in accordance with its provisions.

(10) Joint declaration on policy regarding nuclear tests (see Annexe 2).

(11) Agreement in principle that in the interest of mutual defence and mutual economy certain guided missiles will be made available by the United States for use by British forces."

Annexe 2.

"(1) For a long time our two Governments have been attempting to negotiate with the Soviet Union, under the auspices of the U.N. Disarmament Commission, an effective agreement for comprehensive disarmament. We are continuing to seek such an agreement in the current disarmament discussions in London. In the absence of such an agreement the security of the free world must continue to depend to a marked degree upon the nuclear deterrent. To maintain this effectively, continued nuclear testing is required, certainly for the present.

(2) We recognize, however, that there is sincere concern that continued nuclear testing may increase world radiation to levels which might be harmful. Studies by independent scientific organizations confirm our belief that this will not happen so long as testing is continued with restraint. Moreover, the testing programme has demonstrated the feasibility of greatly reducing world-wide fall-out from large nuclear explosions.

(3) Over the past months our Governments have considered various proposed methods of limiting tests. We have now concluded together that, in the absence of more general nuclear control agreements of the kind which we have been and are seeking, a test limitation agreement could not to-day be effectively enforced for technical reasons, nor could breaches of it be surely detected. We believe, nevertheless, that even before a general agreement is reached, self-imposed restraint can and should be exercised by nations which conduct tests.

(4) Therefore, on behalf of our two Governments, we declare our intention to continue to conduct nuclear tests only in such manner as will keep world radiation from rising to more than a small fraction of the levels that might be hazardous. We look to the Soviet Union to exercise a similar restraint.

(5) We shall continue our general practice of publicly announcing our test series well in advance of their occurrence, with information as to their location and general timing. We would be willing to register with the United Nations advance notice of our intention to conduct future nuclear tests, and to permit limited international observation of such tests if the Soviet Union would do the same."

Mr. St. Laurent, Mr. Lester Pearson, and Mr. C. D. Howe (Canadian Minister of Trade and Commerce) visited Bermuda on March 25-26 for talks with Mr. Macmillan and Mr. Selwyn Lloyd. The communiqué stated (1) that the U.K. and Canadian Ministers had discussed steps "which might be taken to secure an acceptable settlement of short-term problems in the Middle East"; (2) that Britain had agreed to buy uranium worth about £41,000,000 from Canada for peaceful purposes, the purchases to be spread over the next five years.

After stating that their talks had demonstrated the value of "family relationship between Commonwealth peoples," Mr. Macmillan and Mr. St. Laurent added: "While there may from time to time appear to be differences in their approach or reaction to international problems, the two Governments are confident that their special relationship will always enable them to work together effectively with constructive purpose."

Mr. Macmillan's Statement on Bermuda Conference. - House of Commons Debate. - Mr. Gaitskell's Criticisms.

The Bermuda Conference was debated on April 1 by the House of Commons. In a speech describing the results of the conference, in which he emphasized that "no secret engagements" had been entered into at Bermuda, Mr. Macmillan spoke of the various matters mentioned in the joint communiqué and, in particular, of the question of H-bomb tests, with special reference to the forthcoming British thermo-nuclear test to be held at Christmas Island in the Pacific. He also spoke of the hazards due to atomic radiation; emphasized that all possible precautions were being taken to minimize these hazards; and discussed the implications of the supply of U.S. guided missiles to the British forces. The Prime Minister's speech is summarized below under cross-headings:

Mr. Macmillan opened the debate by outlining the general character of the Bermuda talks, which, he recalled, had taken place not at his suggestion but on the proposal of President Eisenhower, who had also suggested that they should be held on British soil. The serious deterioration in Anglo-American relations in recent months had clearly shown the need for this conference, at which "both sides spoke with absolute frankness and sincerity to each other." The fact that he and President Eisenhower were "old friends" had been an advantage, and they had had a number of private talks in addition to the meetings in plenary session.

The Prime Minister continued: "It would be absurd to suppose that in a few days we could find solutions to all of the many problems which confront us. But we covered much ground and reached a number of decisions which are set out in the communiqué. I want to make it clear that there were no secret engagements. Our object was to create a situation in which normal diplomatic machinery can work effectively and smoothly, and this includes visits by senior officials across the Atlantic. There are a great number of problems on which much detailed work remains to be done, but we can claim that the particular agreements reached have given guidance on which progress can be made.

"Nor would I attempt to conceal the fact that in some matters we were not in agreement. That is not to be wondered at, but even so we understood each other much better as a result of the talks. For instance, on China trade we explained our position frankly to the Americans. I think they realized much better what our difficulties are, and further detailed consultations will bring us nearer together.

The United Nations.

"We discussed very frankly the present position and the future of the United Nations. I explained to the President our anxieties about its recent development, which spring from the distortion of the structure originally intended. This is due to the persistent use of the veto in the Security Council. This, in turn, has led to responsibilities being placed on the General Assembly which were not originally contemplated and have brought with them many new problems. I made plain our view that just trusting to the U.N. is not a substitute for a foreign policy, for the U.N., like any other human organization, is no more than the sum of its partners. Even so, as the communiqué recorded, we recognized the value of working through the United Nations and reaffirmed our adherence to the principles of the Charter."

The Middle East.

On the Middle East, Mr. Macmillan said: "The President made it abundantly clear to me that the United States, far from wishing to reduce British influence in the Middle East, is anxious to see it reinforced. It is clear that our basic interests in this area are identical, even if at times there are divergencies as to how to achieve them. Our talks have gone a long way toward reconciling these divergencies, and that process will, I believe, continue. On the Canal, discussion was somewhat handicapped by the Hammarskjöld-Nasser negotiations going on at the time of the meeting. The position was difficult and, as it still is, obscure. But we found that the United States is as convinced as we are that no settlement can be regarded as satisfactory which does not conform fully to the six principles of the U.N. resolution of Oct. 31 and does not take fully into account all the users' interests . . . It is greatly to our advantage that, in dealings with the Egyptian Government, the U.S. Government are taking a positive and leading role."

Mr. Macmillan warmly welcomed the U.S. decision to become a member of the Military Committee of the Baghdad Pact, a decision which constituted "recognition both of the staunch way in which the Pact has held together in recent troubled times, and its role as the northern shield." Both the British and the U.S. Governments intended to strengthen the Baghdad Pact in every possible way.

After disclosing that two projects for increasing the flow of Middle East oil were under consideration, including a new large pipeline through Turkey, Mr. Macmillan said that he and President Eisenhower had "considered the desirability of a policy by which projects of that kind could be given additional protection by a treaty between the interested Governments to reinforce the usual agreements made between the companies and the countries."

As regards the situation in the Gaza Strip and the Gulf of Akaba, Mr. Macmillan said: "The U.S.A. agrees with us that the continued presence of UNEF in the Gaza Strip is essential if any permanent solution is to be achieved. We both consider that the U.N. Force should not leave until its mission has been completely fulfilled. Both Governments agree on the right of innocent passage for all

shipping through the entrance to the Gulf of Akaba, even though it means passing through Egyptian territorial waters. This does not in any way run counter to Egyptian legal rights. Both Governments consider that, under the armistice, this applies equally to Israeli ships and to vessels of other nations plying to Israel. The presence of the U.N. Force at Sharm-el-Sheikh is an added guarantee that this right will be respected . . . "

Nuclear and Thermo-Nuclear Weapons.

The rest of the Prime Minister's speech was devoted to the subjects dealt with in the second Annexe of the Bermuda communiqué—i.e. nuclear bombs and their testing. After recalling that the decision to manufacture the atomic bomb had first been taken in 1947 by the Labour Government, Mr. Macmillan continued: "In 1954 a still graver decision fell to the British Government of the day to take. It was taken under Sir Winston Churchill's Premiership: the decision to embark on the research, development, and limited manufacture of the megaton bomb, commonly known as the hydrogen bomb. This was frankly placed before the House in February, 1955. That it had the support of Mr. (now Earl) Attlee and the majority of his colleagues was clearly shown by the terms of the Opposition amendment to the Government motion . . .

"Nuclear power is the basis on which Britain's defence plans must rest. The only question which remains is whether the process should be brought to fruition, or whether we are to hesitate at this last stage when the necessary tests have to be made before production is carried out.

"Many members of the Opposition, no doubt from sincere and conscientious motives, have been asking me, as Prime Minister, almost daily to abandon the tests. What I should like to know, and what I think the House and the country has a right to know, is whether the Leader of the Opposition, if he had to make this decision to-day, would cancel the tests which are shortly to take place. If so, would he face the consequences to defence? Would he cease to base our defence on the medium bomber and later on the projectile which is to carry the megaton bomb? If he abandons it—and I quite understand he might do so from conscientious motives—what defence does he believe possible, short of a general disarmament agreement covering both conventional and unconventional weapons? Would he accept the logical consequences of abandoning the tests, which would mean abandoning the weapon? These consequences would be, of course, the permanency of conscription, the need to raise far larger armies at home in an attempt to hold the position, and, even so, the acceptance of permanent inferiority both in numbers and in armaments. Every British Government since the war has taken the view that first the kiloton and now the megaton bomb are essential to our defence, short of a general disarmament agreement.

Limitation of Nuclear Tests.

"On the subject of limiting the tests, the Government have always said they were prepared to enter into a general disarmament agreement covering conventional and unconventional weapons. Last year they said that they would consider the possibility, even without a disarmament agreement being finalized, of a limitation, although not of the abolition, of tests of nuclear armaments. Sir Anthony Eden said that even if progress could not be made in the context of a comprehensive agreement on disarmament, the Government did not exclude dealing with it in some other way by itself. Later, on Dec. 20, Sir Anthony said that the Government were working on proposals to that end. These proposals were, in fact, worked out by Sir Anthony, but in practice, I must quite frankly tell the House, the form in which we had thought of them—a simple agreement as to the permissible yield of fissionable material without any detailed arrangements for control—would not work. These proposals were shot down not merely by our American friends but by our own technical advisers." To Opposition cries of "Why?" the Prime Minister replied: "For the simple reason that the scientist is always ahead of the politicians. What might have seemed possible some months ago is now confirmed as not being watertight."

Mr. Macmillan continued: "Scientific advances in nuclear energy and nuclear weapon development have been exceedingly rapid. Only seven years elapsed between the discovery of fission and the use of the atomic bomb in the war. The next seven-year period saw the development of the thermo-nuclear bomb, in a form which not only might produce complete local devastation but also large quantities of fission products which contaminate the atmosphere. We are now in the third seven-year period, and once again we are seeing another profound change—the development of high-yield weapons in which much of the energy comes not from fission but from fusion. This means that the harmful contamination, external and internal, which comes primarily from the fission products is greatly reduced.

"The proposals to which Sir Anthony Eden referred were based on the assumption that the total yield of the explosion was a reasonable measure of the fission products discharged into the atmosphere. It is now clear that this is not necessarily the case; and what is more, I am assured by our own scientists, as well as by the Americans, that there is no feasible method of properly measuring at a distance how much of the yield of a particular explosion is due to fission and how much is due to fusion.

"But this is not all. Our scientists believe that if a deliberate attempt were made to run a test explosion in such a way as to avoid detection, it would almost certainly be successful. So far as we know, no such attempt has been made. On the other hand, there have been instances in which our scientists were unable to be certain whether an explosion had taken place or not.

Radiation Hazards.

"It was for these reasons that we agreed at Bermuda that the approach which we had originally envisaged would not do. But it would be an error to say that the Bermuda communiqué once more attached the concept of test limitation to a comprehensive disarmament agreement. That is not so. We said it must be accompanied by general nuclear control. Such a system would at least have to include watertight measures for the policing of any test limitations which might be agreed upon. While waiting for that, the President and I agreed to go a step further. We said that we would conduct nuclear tests in such a manner as will keep world radiation from rising to more than a small fraction of the levels that might be hazardous.

"So far as our own tests are concerned, I have been asked to say that there will be no perceptible radiation outside the test areas. I am satisfied from the medical and biological point of view that the radiation effects of this explosion will be insignificant.

Mr. Roy Mason (Lab). interpellated: "By inference the Prime Minister has informed us that there can never be any limitation agreement upon thermo-nuclear weapons. Will he categorically state that if there were a thermo-nuclear explosion inside Russia, no seismograph, barograph, barometer, or geiger counter would be able to detect that explosion?

Mr. Macmillan: "No. I think that even my untutored imagination could think of at least two ways in which it would be possible to do so. Our tests must go on. To abandon them now would be to threaten the whole defence strategy upon which our policy is based, and to put ourselves in a permanently weakened position. I am not prepared to recommend this to the House, and I can hardly believe that the Leader of the Opposition, if he held my position, would recommend it himself.

"If our tests must go on, the efforts to achieve general disarmament must continue. But if general disarmament cannot be reached, we are still ready to consider any practical scheme for the limitation of nuclear weapon tests, though not, of course, without conventional disarmament, for to abolish nuclear weapons without dealing with conventional weapons would leave the Western Powers at the mercy of Soviet Russia. But even if we cannot get a limitation of nuclear weapons, we are prepared to consider a limitation of tests Meanwhile we are ready to make a start ourselves. We would agree to file information with the United Nations of any tests to take place We would agree to permit limited international observation. All we ask is that the Russians do the same. That, surely, is not asking a great deal

"Against this, the Russians, and those in this House who appear to constitute themselves as their protagonists, produce an offer of the abolition of all tests, if we will abandon ours. There is something rather hypocritical about the fervour with which this last-minute conversion is reached. I have not seen many protests against the great Siberian explosions all this time. It is a strange thing that the agitation for abolition of tests should come just at the moment when the work of many years of British scientists is reaching fruition.

"On the question of possible dangers to human health, I can assure the House that the Government takes this matter very seriously. We have obtained the best possible advice. The closest watch is kept, and we have regular and up-to-date measurements. It is external radiation which constitutes the main genetic hazard and the possible threat to future generations. But external radiation is not in any sense a new kind of hazard, and only a very small proportion of it is attributable to bomb tests. Ever since creation men have been exposed during the course of their ordinary lives to what are called cosmic rays, and also to radiation from soil and rocks. This has been going on during all our lives, and during all the lives of our fathers and grandfathers back to Adam himself.

"According to the Medical Research Council's report [see 15009 A], cosmic rays—and they are natural sources of radiation which none can avoid—are estimated to give us an average dose of one-tenth of a röntgen a year, or three röntgens during the 30 years of an average reproductive life. I take this phrase from the statisticians. Modern civilized man has added to the amount of dosage he receives in a normal lifetime by his own inventions, especially in recent years. These include X-rays, so much used by doctors and dentists; such things as luminous watches; and now the development of atomic energy in industry, which is so important for our future.

"All these new man-made sources of radiation give us an additional dosage which, in this country, is reckoned to add at least one-quarter to the three röntgens which we already receive from the natural background. Unless, therefore, we are prepared to abandon X-rays for medical treatment and for many other features of our civilization, we must expect to be exposed to about 3¾ röntgens over 30 years; three röntgens from natural cosmic rays, and three-quarters from the inventions of modern life.

"Estimates have been made of the addition to external radiation to which the human race would be subjected if test explosions went on at the same rate as in the past few years. The estimate is that, in the course of time—quite a long time—the external radiation from fall-out would build up to an exposure per generation of not more than one-hundreth part of what man would receive in the same period from natural sources alone.

"It is obvious, therefore, that the explosions we propose to make shortly cannot be more than a tiny fraction of the total explosions already made by Russia and the United States. The position, therefore, of the external radiation hazard is that the contribution to it from bomb tests is very small, almost negligible. And this is important, because it is the external radiation which constitutes the main genetic hazard.

" Apart from the external radiation, to which bomb tests make a very small contribution, there is the internal radiation issue, due to absorption into the body through food and drink of substances like Strontium-90, which is part of the fall-out. It is fair to say that the average levels of Strontium-90 at present measured in human bone in the U.K. are less than one unit. This is a hundred times less than the figure the Medical Research Council gave as the maximum allowable concentration in bone in individuals of the general population. The Government take this matter very seriously, and will keep it under continuous review in the light of any new evidence about conditions in this country or elsewhere. We shall add very little to this danger by the tests we are about to make, and we shall gain enormously in the strength and in the defence of our country . . . "

Mr. Arthur Henderson (Lab.) asked if the Prime Minister would " say a word about the apprehensions expressed by the Japanese Government " at the forthcoming British H-bomb test in the Pacific. **Mr. Macmillan,** in reply, pointed out that the tests would be held 4,000 miles from Japan, and expressed his belief that the Japanese had therefore no need for such apprehensions.

U.S. Guided Missiles for British Forces.

Turning to the general talks on defence at Bermuda, Mr. Macmillan said that he had explained to President Eisenhower the plans already announced for the streamlining of British forces in Germany, and had also reviewed the U.K.'s commitments in other parts of the world and discussed the economic and military burdens these placed upon Britain.

" We made it clear " (he continued) " that the Government intend to carry out their defence responsibilities, and to continue to extend that close and intimate co-operation with their allies upon which the defence of the free world depends. The President agreed that the U.S. Government, for their part, would assist the efficient development of the collective defence effort, in one way by supplying the U.K. with guided missiles being developed in America. These weapons should be available to us here in the fairly near future, and they will make a great addition to the deterrent power based in this country and to the strength of NATO as a whole. From the U.K. point of view it is particularly satisfactory that the U.S. Government is able to provide us with these weapons, because they will be available some years before those we have been developing for ourselves. Therefore, this agreement will save us both time and money, and I hope the House will agree that it is a satisfactory one."

The Prime Minister drew attention to an article in the *Daily Herald* which had stated : ' Does the American control of the nuclear warheads mean that the President—and not the British Government—will decide when these missiles will be launched and at whom they will be launched ? If so, the role of Great Britain in the Anglo-American alliance, which every sane citizen desires to nourish, ceases to be the role of partner. We become the mere instruments of policy made in Washington.'

Mr. Macmillan commented as follows on this matter : " The rockets will be provided under an agreement, full details of which still have to be negotiated. They will be the property of H.M. Government and will be manned by British troops who will receive prior training from American experts. The rockets cannot be fired by any except British personnel. The warhead will certainly be under American control, as everyone knows is the law of the United States. To that extent the Americans have a negative control upon it. But it is absolutely untrue that the President of the U.S.A., and not the British Government, will decide when these missiles will be launched and at whom. That will remain so long as we will rely on the American warhead, and only so long will it remain a matter for the two Governments. The *Daily Herald* says it is the sole discretion of the President of the United States—and that is a lie."

Mr. Paget (Lab.) : " The Prime Minister must realize how many of us feel about this. It is the intense humiliation that we are entrusted by an ally with a weapon but are not to be trusted with the ammunition. Surely no major country has ever accepted such humiliation? "

Mr. Macmillan : " I do not know whether it is humiliation or not. We accept having placed in our country both the bomb and the means of delivery. They are entrusted to our country, and under this system we obtain both the full control of the projectile, thereby putting us ahead, and we are not precluded from making our own warheads. In the meantime we have the American warheads under the same agreement between the two Governments as governs the present bombers " [i.e the agreement concluded by the Labour Government for the stationing of U.S. air forces in Britain].

Mr. Crossman (Lab.) : " Are we to understand that instead of the R.A.F.'s strategic bomber force, with its own H-bombs and H-bombers to maintain our military independence, we are now to have an Anglo-American rocket, which is a joint operation ? If that is so, the Prime Minister cannot deny that it has reduced our independence of America." **Mr. Macmillan** : " I will answer Mr. Crossman exactly as he asked the question ; not ' instead of,' but ' in addition to.' "

" To sum up," the Prime Minister concluded, " the meetings at Bermuda were certainly useful . They could not achieve—and were not intended to achieve—sudden or dramatic decisions of policy. But I think we did some useful work. The President's warmth of emotion and outlook, and real affection toward this country, have never been doubted by those who know him well. But we were able, by putting forward our own views forcibly as well as frankly, to do something to strengthen the friendship between our two countries, and to strengthen it on the only basis that is honourable or likely to be lasting—that is, a partnership founded on mutual confidence and understanding."

The Leader of the Opposition, Mr. Hugh Gaitskell, maintained that only three of the 11 points mentioned in the Bermuda communiqué contained " anything clear and firm "—viz., the U.S. decision to participate in the Military Committee of the Baghdad Pact, and the statements on nuclear tests and missiles. He agreed, however, on " the immense importance of good personal relations between the leaders of the British and American Governments," and welcomed the Prime Minister's assurance that no secret agreements had been concluded.

After commenting that " nothing precise about Europe " had emerged from the Bermuda conference, **Mr. Gaitskell** suggested (1) that Britain should propose the withdrawal of all foreign forces from Western and Eastern Germany, Poland, Czechoslovakia, and Hungary ; (2) that this withdrawal should be associated with a disarmament agreement, or an agreement covering the national forces in those territories ; and (3) that it should also be supplemented by a treaty or mutual security pact underwritten by the great Powers. " I honestly believe (he continued) that this does provide some opportunity of advance in this problem. I realize full well that it is unlikely at the moment that the Russians would give any favourable response. But I urge the Government not to lose sight of this possibility in the longer run, and at least to give the peoples of these territories some hope that they have not been forgotten. A plan of this kind would have to be discussed both with the West German Government and our other allies."

Turning to the question of U.S. guided missiles which would be made available to the British forces, Mr. Gaitskell said : " I understand that we are to have the missiles under our control, apart from the warheads, though any question of using them is a question of joint Anglo-American action. Therefore, although America has a veto on the use of these weapons, so have we. In other words, there is a double veto. That is to some extent reassuring, and disposes of legitimate fears that this was only a way in which America would get these missiles on to their existing air bases."

Pointing out that the U.S. " atomic secrets " legislation constituted " the gravest handicap of all to the proper integration and economic production of both countries," Mr. Gaitskell asked : " Did not the Prime Minister ask the President whether he would try to persuade Congress to change this law? The President's authority with Congress is extraordinary, particularly in matters of defence. Is it really so certain, if he appealed to them, that they would not be prepared to make some change ? "

On the question of H-bomb tests, Mr. Gaitskell said : " These tests may be dangerous to international health. Precisely for that reason, we cannot look at the problem as if it was simply a matter of our own defence. We have the possibility, at least, that tests conducted thousands of miles away may cause the eventual death of civilians in any part of the world decades after the explosion has taken place. The Prime Minister admitted there was reason for real anxiety about Strontium-90. That seems to me the real danger that, as a result of these explosions, there is accumulating in the stratosphere what amounts to a poisonous substance which, over a period of 20 or 30 years, will fall in rain or other ways to the ground, be absorbed in plants and vegetation, and be consumed by the human race, which in consequence will suffer from bone cancer and possibly other diseases. Is it not clear that what really worries the world is not just one more test explosion but the prospect of these explosions going on and on as more and more countries decide to make their own atomic weapons ? If that is the case, the danger from Strontium-90 becomes far more serious. It is for these reasons that we regard this question of the test as unique and urgent, and separate from general disarmament.

" What is the need for the continuation of tests once you have established that you can make the bomb ? Is it really necessary to go on accumulating bigger and maybe smaller and better bombs to blow up the world ? Is not one enough for this purpose, or two, or three ? Is there to be no limit to this process ? We are faced with the prospect of unlimited tests, only to be brought to an end by a general measure of disarmament. It is precisely because we realize the enormous difficulty of getting agreement on general disarmament that this fills us with such depression. It is the apparent unwillingness of the Government to take the initiative in sitting round the table and saying ' What can we do with this problem ? ' that worries us profoundly . . ."

As regards the implications of " going ahead or not going ahead " with the tests, Mr. Gaitskell said that he did not know what the political consequences of either course would be, but asked the Prime Minister " not to think of it as a matter of just getting our explosion over." The danger was that these tests, if persisted in, would grow in number and extend to other countries besides Britain, America, and Russia. There were reports that France had decided to explode an atomic or thermo-nuclear weapon in 1960, and that Sweden had decided to manufacture such weapons. He (Mr. Gaitskell) was not saying that Britain ought to stop these tests " unilaterally and unconditionally," since he doubted whether " that action on its own would be of any real value." On the other hand he would not commit himself to " going ahead with these tests in all circumstances and whatever the position may be." The choice might be that " if we went ahead there might be an endless succession of tests by other countries, with the prospect of great damage to the human race, and that if we stopped this would all disappear." If that were the choice, he would have thought that " any Government in this country would have thought seriously before going on with the tests."

With regard to the Middle East, Mr. Gaitskell expressed the hope that the Government would not listen to President Nasser's latest proposal to link the question of Israeli shipping in the Suez Canal with a settlement of the Arab refugee problem. "I hope," he declared, "that the Government will insist that Nasser abides by the Security Council's resolution of Oct. 31, 1956. Our weapons should not be force but economic pressure, and, if necessary, a boycott of the Canal. If America could be persuaded to use her real power in this respect, I do not think there is much doubt that Colonel Nasser would come to heel . . ."

The debate was wound up by Mr. Selwyn Lloyd, who accused Mr. Gaitskell of having "avoided a plain answer" on the political consequences of stopping the H-bomb tests, but observed that the Leader of the Opposition "did give a plain answer when he suggested that we should not unilaterally stop these tests." With regard to the Suez Canal, the Foreign Secretary pointed out that the Security Council were still "seized of the problem" and that it would be unwise, while the matter was under discussion, to indicate what would be the particular course of Britain and her allies. He added, however, that it was "in the interests of the Egyptian Government to come to some arrangement which would have the confidence of the users of the Canal."—(Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Le Monde, Paris - Montreal Star - Canadian Department of External Affairs, Ottawa)

A. SOUTH AFRICA. — Simonstown Base taken over by South African Navy. - South African Naval Strength.

The Simonstown naval base, near Cape Town, was formally transferred from the Royal Navy to the South African Navy on April 2, under the agreement concluded in July 1956 (see 14294 A). The ceremony was attended by Mr. Strydom, Prime Minister of South Africa, Mr. Erasmus, the Union Defence Minister, and Lord Selkirk, First Lord of the Admiralty, representing the Royal Navy. The Simonstown base had been occupied and controlled by the Royal Navy for 143 years.

The South African Navy had been strengthened in November, 1956, by the acquisition from Britain of the 2,100-ton anti-submarine frigate H.M.S. *Wrangler*, which was transferred to the Union Navy at Cardiff and renamed the *Vrystaat*. The *Wrangler*, built in 1944 as a destroyer, was converted in 1952 into a fast anti-submarine frigate with a maximum speed of 34 knots. It has an entirely enclosed bridge as a protection against radioactivity. The Union Government has placed orders in Britain for further vessels of this type.

The other principal units of the South African Navy, in addition to the *Vrystaat*, are the destroyers *Jan van Riebeeck* (ex-H.M.S. *Wessex*) and *Simon van der Stel* (ex-H.M.S. *Whelp*), both of 1,710 tons; three ex-British "Loch" class frigates, the *Good Hope*, *Natal* and *Transvaal*, each of 1,435 tons; and two ex-British minesweepers of 1,040 tons, the *Bloemfontein* and *Pietermaritzburg*. There are also a 900-ton minelayer (*Skilpad*), two small coastal minelayers (*Kaapstad* and *Pretoria*), a survey vessel, boom-defence vessels, and a number of motor-launches.—(Times - Cape Times) **(Prev. rep. 14294 A.)**

B. SURINAM. — Agreement with Aluminium Company of America on Hydro-Electric Project. - Creation of Aluminium Industry.

An agreement was concluded on Feb. 4 between the Government of Surinam and the Aluminium Company of America (ALCOA) providing for (*a*) the joint construction of a dam and power station on the Surinam River; (*b*) the extension of ALCOA's activities in Surinam (hitherto confined to the mining of bauxite) to the actual production of aluminium and the erection of an aluminium factory with an annual capacity of 50,000 tons, which would receive its power supplies from the new station; (*c*) the granting of extensive rights and facilities to ALCOA for the mining of bauxite and the erection of an aluminium plant and an alum-earth factory near Paranam, on the Surinam River.

The scheme (known as the Brokopondo Development Project) provided that the construction of the dam and power-station would be financed by loans, but annual working costs would be shared by the Surinam Government and ALCOA in proportion to the amounts of power used by either. The dam and all buildings and installations connected with it would remain the property of the Surinam Government, and a control board would be formed consisting of representatives of the Surinam and Netherlands Governments, ALCOA, and possibly the financing bodies.

The reservoir at the dam will cover an area of nearly 545 square miles, and the annual electricity output will be in the region of 1,000,000,000 kilowatt-hours and may be increased to 2,500,000,000 kilowatt-hours. (Netherlands News Agency)

C. SOVIET UNION. — Proposals for All-European Co-operation in Atomic Energy and Economic Development. - Attack on Euratom and Common Market Projects.

The Soviet Government issued a statement on March 16 proposing (1) the establishment of a Europe-wide atomic energy research institute or institutes; (2) all-European co-operation in the building of atomic power stations for industrial, scientific, and technical purposes; (3) co-operation in the building of large hydro-electric stations "of interest to several countries"; (4) co-operation in the development of European fuel and power resources; (5) the conclusion of a trade agreement "among all interested European countries"; and (6) mutual economic and financial assistance to promote the development of European countries.

The Soviet proposals were accompanied by a lengthy statement attacking the Common Market and Euratom projects in Western Europe (see 15393 A), which were described as "plans designed to serve the interests of Western circles who want to supply the West German revenge-seekers with nuclear weapons, aggravate the relations between European countries, raise new obstacles to peace and security in Europe, and further complicate the re-establishment of the national unity of the German people."

The statement described the Soviet proposals as aimed at "overcoming the division of Europe into two opposing military groups" and promoting all-European co-operation in the fields of atomic energy and economic development, for the benefit of all countries of the European continent. These proposals, if adopted, would "bring the European countries closer to one another, strengthening their sense of security and confidence in the future." The Euratom and Common Market projects, on the other hand, would be "in manifest contradiction" to these aims, would be "subordinated to NATO," and would "inevitably lead to a further widening of the rift in Europe" and pose "grave new obstacles to German reunification.

The statement went on to allege that "certain circles in the U.S.A. who are actively supporting Euratom are working for the speediest rebirth of German militarism and the equipment of the West German Army with all types of modern weapons, including nuclear weapons. Revenge-seeking West German groups will not fail to utilize Euratom for stockpiling fissionable material in order to start producing their own nuclear weapons as soon as possible." Any hopes in Western Europe that Euratom could "control" Western Germany were "doomed to failure," and neither could the Euratom project reduce West European dependence on the United States. "In reality," said the Soviet statement, "this dependence will increase, since the U.S.A. will actually control Euratom as the chief supplier of fissionable materials and equipment for the atomic industry of Euratom countries."

The Common Market project was also seen as "a grave menace to the peoples of Europe" because it would mean that "the economically stronger countries and, in effect, the big monopolies would be able to impose their terms on the weaker European countries both in the Common Market and Euratom, to the detriment of vital national interests." The statement asserted that "the West German monopolies" stood to gain most from the Common Market, and that "American monopolies" would use the Common Market "to strengthen their position at the expense of the national interests of member-countries."

The Soviet proposals were sent to the diplomatic missions of all European countries in Moscow, the U.S. Embassy, and the U.N. Economic Commission for Europe.—(Soviet Weekly)

D. BRITISH HONDURAS. — General Election.

The second general election in British Honduras, held on March 21, resulted in an overwhelming victory for the People's United Party (P.U.P.) led by Mr. George Price, which won all nine elected seats in the Legislative Assembly—one more than in the previous Assembly. There are three nominated and three official members of the Assembly, in addition to the Speaker.

A split in the P.U.P. had occurred in October last, when Mr. Leigh Richardson (the former party leader), Mr. Philip Goldson, and other leading members of the P.U.P. founded a new party under the name of the Honduran Independence Party. Its programme called for independence within the British Commonwealth and economic association with the British Caribbean Federation, whereas the P.U.P.'s electoral programme called for the complete independence of British Honduras and closer ties with the Central American republics. The H.I.P. failed to return any candidates at the general election.

Mr. Price (who was not a member of the previous Government) declared in a post-election statement that the P.U.P. would seek to break "the trend of concealed but constant drift into a West Indian economic orbit," and to co-operate with the Colony's neighbours on the mainland.

Of the 22,706 voters on the electoral register, only 11,634 (51 per cent) went to the poll, whereas 70 per cent of the electorate voted in the Colony's first general election in 1954. The P.U.P. obtained 59 per cent of the votes cast, representing, however, only 31 per cent of the electorate as a whole.
(Times - Manchester Guardian) **(Prev. rep. 13632 C.)**

A. UNITED KINGDOM. — Revenue and Expenditure Returns, 1956-57. - The Floating Debt.

Exchequer returns for the financial year 1956-57, published on April 1, showed an Ordinary Budget surplus (after charging sinking funds of £36,984,749) of £289,781,587; this compared with an Ordinary surplus of £397,102,092 in 1955-56 and one of £459,815,000 estimated by Mr. Harold Macmillan (then Chancellor of the Exchequer) in his 1956-57 Budget speech. Net capital expenditure "below the line" (i.e. excluded from the Ordinary Budget) amounted to £621,136,000, as against Mr. Macmillan's estimate of £803,000,000. Taking the "above the line" surplus and the "below the line" deficit together, there was therefore an "overall" deficit of £331,000,000, instead of the original estimate of £343,000,000, which was subsequently revised to £471,000,000 through Supplementary Estimates.

The following table gives the actual returns for the year, the 1956-57 Budget estimates, and the returns for the year 1955-56:

	Revenue £	Expenditure £
1956-57 Actual*	5,157,812,652	4,868,031,065†
Budget estimate ..	5,197,500,000	4,737,685,000‡
1955-56 Actual§	4,893,142,564	4,496,040,472‖

* Excluding self-balancing revenue and expenditure amounting to £304,635,000, i.e. £304,036,000 for the Post Office and £599,000 for income-tax deducted from post-war refunds of excess profits tax. † Including Sinking Funds of £36,984,749. ‡ This was subsequently increased to £4,866,000,000 by Supplementary Estimates totalling £128,000,000. § Excluding self-balancing revenue and expenditure amounting to £267,265,000, i.e. £264,900,000 for the Post Office and £2,365,000 for income-tax deducted from post-war refunds of excess profits tax. ‖ Including Sinking Funds of £36,489,125.

Details of the various Revenue items were as follows:

Inland Revenue:	Year ending March 31, 1957 £	Year ending March 31, 1956 £	Increase (+) or Decrease (−) £
Income-tax	2,114,173,000	1,942,902,000	+ 171,271,000
Surtax	158,000,000	138,600,000	+ 19,400,000
Death Duties ..	169,000,000	175,700,000	− 6,700,000
Stamps	63,000,000	70,600,000	− 7,600,000
Profits Tax and Excess Profits Tax ..	195,000,000	192,500,000	+ 2,500,000
Excess Profits Levy ..	5,000,000	18,450,000	− 13,450,000
Other Inland Revenue Duties	640,000	770,000	− 130,000
Customs	1,198,882,000	1,148,598,000	+ 50,284,000
Excise	901,735,000	864,511,000	+ 37,224,000
Motor Vehicle Duties	90,610,000	86,987,000	+ 3,623,000
Post Office (Net Receipts)	4,464,000	- -	+ 4,464,000
Broadcast Receiving Licences	28,400,000	25,800,000	+ 2,600,000
Receipts from Sundry Loans	32,713,852	29,857,743	+ 2,856,109
Miscellaneous ..	196,194,800	197,866,821	− 1,672,021
Total Ord. Revenue ..	5,157,812,652	4,893,142,564	+ 264,670,088

Of the Inland Revenue items exceeding the Budget estimates, Income-tax yielded £28,500,000 more, Surtax £14,000,000, Stamps £4,000,000, and Excess Profits Levy £1,000,000. Death Duties brought £1,000,000 less than estimated, and Profits and Excess Profits tax nearly £32,000,000 less, while other Inland Revenue duties fell short by £360,000. For the first time, Customs and Excise receipts did not reach the estimate, the shortfall for Customs being just over £5,000,000 and for Excise over £51,500,000. Of the other items, Motor Vehicle Duties contributed nearly £1,400,000 less than estimated, net receipts of the Post Office over £5,500,000 less, and Miscellaneous revenue over £3,800,000 less. Broadcasting Licences were £400,000 above the estimate and Sundry Loan Receipts over £2,700,000 more.

The following table shows Ordinary Expenditure:

	Year Ending March 31, 1957 £	Year ending March 31, 1956 £
Interest and Management of National Debt	710,634,000	637,884,353
Sinking Funds	36,984,749	36,489,125
Payments to Northern Ireland Exchequer	66,443,851	59,152,386
Other Consolidated Fund Services ..	9,669,465	10,172,608
Total	823,732,065	743,698,472
Total Supply Services (excluding Self-Balancing)	4,044,299,000	3,752,342,000
Total Ordinary Expenditure ..	4,868,031,065	4,496,040,472

Total Ordinary Expenditure (excluding self-balancing items) was £130,346,065 higher than the original Budget estimate and just over £2,000,000 more than the revised estimate of £4,865,925,000 (including Supplementary Estimates and Excess Votes). The increase was mainly due to higher expenditure for Supply Services in connexion with events in the Eastern Mediterranean. Originally it had been expected that Defence would require £1,548,000,000, less £50,000,000 of U.S. Aid—the figure being subsequently increased to nearly £1,587,000,000 after taking the Supplementary Estimates into account. Actual spending, however, totalled £1,554,850,000, whilst U.S. Aid receipts were only £29,750,000, leaving net Defence expenditure of £1,525,100,000. Civil Votes and Tax Collection were some £38,000,000 higher than originally expected but lower than the revised estimates. The service of the National Debt, at £710,634,000, exceeded by over £40,000,000 the original estimate of £670,000,000, and payments to the Northern Ireland Exchequer were nearly £5,500,000 higher than expected.

The shortfall of £182,000,000 in net expenditure "below the line" (i.e. capital expenditure) was largely due to lower payments.

New loans to the National Coal Board (at £25,870,000) were about £37,000,000 lower than the estimated £63,000,000; loans to other nationalized industries (at £284,100,000) nearly £66,000,000 less than the estimate of £350,000,000; loans to Local Authorities (at £109,400,000) nearly £110,000,000 less than the estimated £220,000,000; loans for New Towns (at £31,616,000) over £3,000,000 less than the estimated £35,000,000; and loans to the Potato Marketing Board (at £2,667,000) over £2,000,000 less than the estimated £5,000,000. On the other hand, loans to British Railways amounted to £52,000,000 (estimate nil); loans to the Film Finance Corporation to £1,157,000 (estimate nil); and loans to the Sugar Board to £13,190,000 (estimate £10,000,000).

Compensation payments under the Town and Country Planning Acts (at £17,350,000) were over £12,500,000 less than the estimate of £30,000,000, and expenditures on Colonial Development (at £6,634,000) over £2,000,000 less than the estimated £9,000,000. Other payment items (estimates in parentheses) were: Export Guarantees £5,170,000 (£7,000,000); Post-war Credits £17,413,000 (£18,000,000); Excess Profits Tax Refunds £731,000 (£2,000,000); War Damage £25,110,000 (£24,000,000); Post Office Capital Expenditure £79,000,000 (£78,000,000); Scottish Special Housing £5,215,000 (£7,000,000); Armed Forces Housing £5,650,000 (£8,000,000); loans to N.I. Exchequer £1,000,000 (£4,000,000); loans to Independent Television Authority, nil (£1,000,000); Development of Inventions £534,000 (nil); and subscription to the International Finance Corporation £5,174,000 (nil).

Interest receipts outside the Budget amounted to £146,726,000 (estimate £150,000,000), the same as payments. Amongst other receipts were repayments from Local Authorities of £42,281,000; under Town and Country Planning Acts of £7,746,000; under Export Guarantees, £2,102,000; from the Raw Cotton Commission, £1,535,000; from Turkey under the Anglo-Turkish Armaments Credit, £1,071,000; and from the Film Finance Corporation, £957,000. Housing receipts from Votes were £7,026,000, and Post Office capital repayments from Votes £3,242,000. Small repayments were made by the Potato Marketing Board (£476,000), the Colonial Development Corporation (£250,000), the Overseas Food Corporation (£96,000), the Northern Ireland Exchequer (£84,000), and the Independent Television Authority (£45,000), while repayments from Scottish Special Housing amounted to £300,000.

Details of the Floating Debt are given below:

	March 31, 1957 £	March 31, 1956 £
Ways and Means Advances Outstanding:—		
Advances by Bank of England ..	—	—
Advances by Public Departments	276,890,000	294,600,000
Treasury Bills Outstanding	4,195,295,000*	4,788,020,000
Total Floating Debt Outstanding ..	4,472,185,000	5,082,620,000

*Includes £76,000, the proceeds of which were not carried to the Exchequer within the period of the Account.

The Floating Debt thus showed a net decrease over the year of £610,435,000. This was explained to the extent of £450,000,000 by the repayment of Exchange Equalization Account loans (resulting from the inflow of sterling during the year), while the rest of the downward movement reflected the inflow of National Savings.—(Treasury Press Office, London - Times - Financial Times) **(Prev. rep. Revenue and Expenditure 1955-56, 14798 A; 1956-57 Budget, 14821 A; Supplementary Estimates, 15397 A.)**

B. ISRAEL. — Assassination of Dr. Kastner.

Dr. Israel Kastner, the central figure in the criminal libel trial of 1955 (see 14808 A), died in hospital on March 15 after having been shot and severely wounded outside his home in Tel-Aviv on March 3. Allegations that Dr. Kastner had collaborated with the Nazis in Hungary during the war, made by a Hungarian Jew (Mr. M. Gruenwald), had been substantially upheld by the Jerusalem District Court in June 1955. An appeal by the Attorney-General against this judgment had been heard by the Supreme Court shortly before Dr. Kastner's assassination.

Dr. Kastner, who had edited a Hungarian-language newspaper in Tel-Aviv, was shot in the street by a man who accosted him outside his home. Four suspects were later arrested. (Israel Government Press Office, Jerusalem - New York Times) **(Prev. rep. Kastner Case, 14308 A.)**

A. CHINA. — Mr. Chou En-lai's Visits to Southern Asia and Eastern Europe.

The Chinese Prime Minister, Mr. Chou En-lai, made an extended tour of southern Asia from Nov. 18, 1956 to Jan. 1, 1957, during which he visited North Vietnam, Cambodia, India, Burma, and Pakistan. He broke off his tour, however, in order to visit the Soviet Union, Poland, and Hungary for talks with their respective Governments, and on Jan. 18 issued a joint statement with the Soviet Prime Minister, Marshal Bulganin, defining the attitude of the Soviet and Chinese Governments toward the "Eisenhower Doctrine" and toward the relations between Communist countries. Subsequently he visited Afghanistan, Nepal, and Ceylon before returning to Peking.

First Asian Tour.

Mr. Chou En-lai visited North Vietnam, where he met President Ho Chi-minh and the Prime Minister, M. Pham Van-Dong, from Nov. 18-22, and then proceeded to Cambodia for a five-day visit during which he and the Cambodian Premier, M. San Yun, initialled on Nov. 27 an agreement reaffirming the Sino-Cambodian declaration of friendship which had been signed in Peking on Feb. 18, 1956.

During his stay at Pnom-Penh, Mr. Chou En-lai told U.S. journalists on Nov. 26 that the time had come to establish better relations between China and the U.S.A., and that American journalists would be welcome to visit China if they could obtain permission from their Government. He suggested that if an agreement were reached between the Communist and Nationalist Governments, General Chiang Kai-shek might be invited to enter the Government with a higher position than that of a Minister; in this connexion Mr. Chou recalled that the General was "an old friend" with whom he had co-operated before 1927. A statement issued after the interview said that "no-one in Taiwan (Formosa) would be excluded from coming back to the Chinese mainland. As for Chiang Kai-shek, it is not a matter of Ministers at the present time but of peaceful negotiations." [Mr. Chou's suggestion that General Chiang Kai-shek might return to China was subsequently described as "nonsense" by Nationalist officials in Formosa].

On Nov. 28 Mr. Chou En-lai arrived in New Delhi, where he was welcomed by Mr. Nehru and by the Dalai Lama and Panchen Lama of Tibet, who were visiting India at the time in connexion with the *Buddha Jayanti* celebrations (see 15069 E). He was received by President Prasad on Nov. 29, addressed both Houses of the Indian Parliament on the same day, and on Nov. 30 was the guest of honour at a civic reception. While in Delhi he had a series of private discussions with Mr. Nehru on political questions.

In his speech to the Indian Parliament, Mr. Chou recalled that his previous visit to India in 1954 had resulted in the formulation by Mr. Nehru and himself of the "Five Principles" (*Panch Sila*) which had since been adopted by an increasing number of countries in Asia, Africa, and Europe, including the 29 countries represented at the Bandung Conference. Throughout their history, China and India had continually influenced but never interfered with each other; although they had achieved their national independence by different methods, it was both possible and essential for them to continue to respect each other's independent development and to draw on what was useful in each other's experience.

Mr. Chou paid high tribute to India's efforts for peace, mentioning in particular her contribution to the restoration of peace in Korea and Indo-China, her role in formulating the "Five Principles" and in initiating the Bandung Conference, and her policy on the question of disarmament and the banning of weapons of mass destruction. Referring to the Anglo-French intervention in Egypt, he expressed complete approval of India's "policy of giving firm support to Egypt in her defence of her territorial integrity and sovereignty," and emphasized that it was necessary to strengthen the solidarity between the peoples of Asia and Africa in order to "destroy one by one the Asian and African countries which have recently attained independence." In particular, the solidarity between India and China, which together had a population of nearly 1,000,000,000, would become "a gigantic moral and material force in stabilizing the situation in Asia and Africa."

Although the two countries did not hold entirely identical views on all current international problems (Mr. Chou concluded), he believed that by adopting the Five Principles as a starting-point they would be able to solve any problems between them, and "thereby to set an example of peaceful co-existence and friendly co-operation which will strengthen universal peace."

When speaking at the civic reception on Nov. 30, Mr. Nehru also stressed the international importance of friendship and co-operation between India and China, which, he pointed out, contained nearly half the world's population. A new force, he declared, had arisen in the world when these two countries attained their independence, and this new force would "influence world events to a very great extent."

After leaving Delhi on Dec. 2, Mr. Chou En-lai visited Bombay, Bangalore, Madras, and Calcutta, being welcomed by great crowds in all these cities. On Dec. 10 he flew to Rangoon for a ten-day stay in Burma. During this period he visited Myitkyina, Taunggyi, and Lashio, accompanied by the Prime Minister (U Ba Swe) and other members of the Burmese Government, and crossed the Chinese frontier in Yunnan for talks with them on the border dispute between the two countries (see 15334 A), which were continued after their return to Rangoon. On Dec. 20 Mr. Chou En-lai flew to Karachi for talks with Mr. Suhrawardy, the Prime Minister of Pakistan.

A communiqué issued in Karachi on Dec. 24, at the conclusion of these discussions, stated that the Chinese and Pakistani Premiers "noted with much concern a considerable change in the international situation since they last met, which requires constant vigilance and constructive action on the part of all peace-loving countries. It is absolutely essential that a climate of peace should be created. The Prime Ministers reiterate their desire that every effort should be made to reduce international tension and promote world peace and understanding. They believe that the difference between the political systems of Pakistan and China, and the divergence of views on many problems, should not prevent a strengthening of friendship between them. They reaffirm their earlier conviction that, with a view to promoting further the cordial and friendly relations existing between Pakistan and China, due importance should be given to commercial and cultural relations. They are happy to place on record that there is no real conflict of interests between the two countries. They are confident that the present visit has further consolidated their bonds of friendship . . ."

At a press conference on the same day Mr. Chou En-lai said that he had discussed the Kashmir dispute both with Mr. Nehru and Mr. Suhrawardy, but declined to comment on this question. Addresses appealing to Mr. Chou to use his influence with the Indian Government to "get the right of self-determination for the people of Kashmir" had previously been presented to him by the Commissioner of the Karachi Municipal Corporation and by leaders from "Azad Kashmir."

Mr. Chou En-lai subsequently visited the former North-West Frontier Province, Lahore, and Dacca (East Pakistan). During a visit to the Batala engineering works in Lahore (from which the Chinese Government had ordered 200 lathes worth £300,000), he stated that a delegation of Chinese technicians would shortly visit Pakistan and that China would be able to supply steel to Pakistan after the completion of her present five-year plan. On leaving East Pakistan on Dec. 30 he returned to Delhi for further private talks with Mr. Nehru, before returning to Peking on Jan. 1, 1957.

It was announced on Dec. 23 that Mr. Chou En-lai would visit Moscow early in January at the Soviet Government's invitation. Mr. Chou told the Indian Press on Dec. 30 that he had decided to curtail his tour (which had originally been intended to include visits to Afghanistan and Nepal) in order that he might return to Peking for a short rest before going to Moscow, but that he would return to India and visit Afghanistan, Nepal, and Ceylon later in January.

Visit to Eastern Europe.

On Jan. 7 Mr. Chou En-lai arrived in Moscow for discussions with the Soviet leaders; he also had informal talks with the Hungarian Prime Minister, M. Kadar, who had arrived in the Soviet capital on Jan. 10. From Moscow the Chinese Prime Minister flew on Jan 11 to Warsaw for talks with M. Gomulka, M. Cyrankiewicz, and other Polish leaders, and afterwards made a tour of the main Polish cities. In a public speech in Warsaw on Jan. 12 he expressed his full approval of the recent developments in Poland.

After saying that "the Chinese nation greeted with satisfaction the joint statement on the talks between Poland and the Soviet Union in November 1956" (see 15242 A), Mr. Chou continued: "These talks bear witness to the fact that all errors in the mutual relations between Socialist countries can be fully corrected through friendly discussion. Now the whole world can see that the clouds overhanging the relations between the Soviet Union and Poland have dispersed, and that certain misunderstandings have been eliminated . . . We know that at the eighth plenum of the Central Committee of the Polish United Workers' Party [i.e. the meeting of Oct. 19-21—see 18161 A] certain errors and distortions committed in the past in political and economic life were brought to light . . . These errors have already been decisively corrected . . . Today we see with great joy that all the sound forces in Poland heading for Socialism are gathered around the Central Committee of the Polish United Workers' Party, with Comrade Gomulka at its head."

A joint statement, emphasizing that relations between Socialist countries should be based on the principle of equality between them, was issued at the conclusion of the Warsaw talks on Jan. 16. It was, however, regarded as significant that the statement made no reference to the Soviet claim to leadership of the Socialist countries, or to Soviet allegations that the uprising in Hungary had been a "counter-revolutionary" movement instigated by the Western Powers, although it expressed support for M. Kadar's Government.

Relations between Socialist countries, the statement said, should be "shaped by the principles of proletarian internationalism" but should also be "based on the principles of respect for their sovereignty, non-interference in internal affairs, equality, and

mutual benefit." Both delegations expressed their satisfaction at the recent improvements in relations between the Socialist countries, and their approval of the Soviet Government's declaration of Oct. 30 (see 15189 A) and the joint Soviet-Polish declaration of Nov. 1 (see 15242 A).

The statement continued: "Both parties hold that the basic principles of Marxism-Leninism should be applied with consideration of the concrete conditions existing in individual countries. The Chinese People's Republic supports the efforts of the Polish People's Republic in strengthening Socialism in Poland on the basis of Leninist principles." On the Hungarian question, the declaration stated that both Governments supported "the Hungarian Workers' and Peasants' Government headed by Janos Kadar," and were determined to oppose "all attempts at interference by the imperialist forces in the internal affairs of Hungary."

Mr. Chou En-lai paid a 24-hour visit to Budapest on Jan. 16-17, at the end of which he issued a joint statement with M. Kadar denouncing the "counter-revolutionary armed uprising prepared by the imperialist reactionary forces," and calling upon the Hungarian people to "stand solidly with the Soviet Union, leader of the Socialist camp." He returned to Moscow on Jan. 17 to resume his discussions with the Soviet leaders.

Mr. Chou En-lai and Marshal Bulganin issued on Jan. 18 a 2,000-word joint declaration, covering the whole field of international affairs, which *inter alia* pledged support to the countries of the Middle East against any "aggression or interference" in their affairs as a result of the "Eisenhower Doctrine." The main sections of the declaration are summarized below under cross-headings.

The International Situation. After referring to the *détente* which had followed the Geneva conferences of 1954 and 1955 and the Bandung Conference, the statement continued: "As a result of the armed attack of the imperialist aggressive forces against Egypt and their subversive activities in Hungary, the tendency toward easing the international situation has run up against the destructive resistance of these forces. With the support of the Socialist States and the other peaceable States and nations of the world, the peoples of Egypt and Hungary have achieved victory in their heroic and resolute struggle. The conspiracies of the imperialist aggressive circles have suffered utter defeat. The imperialists, however, cannot reconcile themselves to this, and continue their aggressive subversive activity . . . All the peace-loving peoples of the world must be constantly on the alert and prepared to wage a consistent and prolonged struggle against the machinations of the aggressive imperialist forces."

The Middle East. "After Britain, France, and Israel have suffered defeat in their aggression against Egypt," the declaration continued, "American imperialism is trying to make use of the situation so as to take the place of the colonialist Powers—Britain and France—in the Near and Middle East, to suppress the movement for national independence, and to enslave the peoples of those countries, and is also trying to step up the policy of aggression and war preparations in this area. This is precisely the essence of the so-called Eisenhower Doctrine. This U.S. colonialist policy in the Near and Middle East creates fresh tensions in this area . . . The Soviet Union and the People's Republic of China resolutely condemn this policy of the United States, and are ready to continue rendering the necessary support to the peoples of the Near and Middle East so as to prevent aggression and interference in the affairs of the countries of this area.

"With a view to completely eliminating the consequences of imperialist aggression in Egypt, both Governments believe that it is necessary to satisfy the Egyptian Government's lawful demand for complete compensation by Britain, France, and Israel for the damage caused by their aggressive actions. Both Governments resolutely oppose any imperialist machinations aimed at placing the Suez Canal under 'international control,' and support the settlement of the question of free passage of shipping through the Suez Canal by way of negotiations between the States concerned on the basis of complete respect for Egyptian sovereignty."

Hungary. "The armed uprising in Hungary," the statement said, "was provoked by imperialist aggressive quarters and Hungarian counter-revolutionary elements, which made use of the dissatisfaction among the Hungarian working people and youth caused by the mistakes of the former leadership. They attempted to destroy the Socialist system in Hungary, to restore Fascist dictatorship, and thereby to create a hotbed of war in Europe. By their conspiracy in Hungary, they tried to make a breach for the realization of their schemes of disuniting the Socialist States and smiting them one by one. The swift defeat of the counter-revolutionary forces by the Hungarian people, led by the Hungarian Socialist Workers' Party and the Workers' and Peasants' Revolutionary Government, and assisted by the Soviet Union, is a major victory for the cause of peace and Socialism . . . The Soviet Union and China are united with all the Socialist States by their fraternal friendship and mutual assistance commitments. Any provocative actions of the aggressive imperialist forces aimed at undermining the Socialist States will meet with the most resolute rebuff."

Relations with the United States. The declaration claimed that the Soviet Union and China had tried to establish "peaceful co-existence" with the U.S.A., but that their efforts had been frustrated by "the claims of American monopoly circles for world domination and their policy of aggression and war preparations."

Relations with Japan. The statement welcomed the restoration of diplomatic relations between the Soviet Union and Japan, and called for the normalization of relations between Japan and China.

Collective Security. "Both parties believe that all exclusive military alignments must be replaced by a system of collective peace and collective security," the declaration went on. "The Warsaw Treaty is a defensive military alliance that the Socialist countries of Europe were compelled to establish after the conclusion of the aggressive North Atlantic Pact. The Warsaw Treaty countries consistently advocate the abrogation of the North Atlantic and Warsaw Pacts and their replacement by a treaty of collective security in Europe. The Governments of the Soviet Union and China also stand for the abrogation of the Manila and Baghdad Pacts and their replacement by a treaty on collective peace in Asia and the Pacific. Both Governments believe that an agreement between the great Powers on disarmament is of prime importance in the present international situation. The Chinese Government expresses its support of the Soviet Government's disarmament proposals."

Relations between Socialist Countries. The declaration condemned "the insidious plans of the imperialists to speculate on chauvinism, narrow nationalistic feelings, and some survivals of national enmity in order to undermine and split the unity of the Socialist countries," and stated that "it is fully possible in their relations to combine the unity of Socialist countries and the independence of each individual country." The principle of the complete equality of the Socialist countries was reaffirmed in similar terms to those of the Warsaw declaration.

Second Asian Tour.

After leaving Moscow Mr. Chou En-lai flew on Jan. 19 to Kabul, where he discussed international questions with the Afghan Prime Minister, Mr. Mohammed Daud Khan. A communiqué issued on Jan. 22 stated that they had agreed to strengthen the ties between their two countries. Mr. Chou proceeded on Jan. 24 to Delhi, where he had a three-day meeting with Mr. Nehru, and then continued his journey on the following day to Khatmandu for a five-day visit to Nepal. At a banquet given in his honour on Jan. 26 by the Nepalese Premier (Mr. Tanka Prasad Acharya), Mr. Chou En-lai gave an assurance that China would continue to assist Nepal to build up her economy and safeguard her independence (see 15449 C).

Mr. Chou En-lai concluded his tour by paying a five-day visit to Ceylon (Jan. 31 - Feb. 5) at the invitation of the Ceylonese Government. Mr. Chou and Mr. Bandaranaike (the Ceylonese Prime Minister) had a number of discussions in Colombo, and on Feb. 5 issued a joint statement calling for a new Asian-African conference at the earliest opportunity.

The statement reaffirmed the two countries' adherence to the principles accepted by the Bandung Conference, and expressed the opinion that "active steps should be taken to implement further these principles, and that another Asian-African Conference should be convened at the earliest opportune moment for this purpose." After emphasizing that nations with divergent outlooks and different social systems could live together in peace, the statement continued: "We therefore record our disapproval of antagonistic military blocs and our support of disarmament, and we stress the need for the prohibition of nuclear weapons and the cessation of tests of such weapons. At the same time it is necessary to strengthen the solidarity of the Asian-African nations to oppose in this area the aggression and expansion of the imperialist and colonial forces that are still trying desperately to thwart the freedom and progress which the peoples of the world are striving to achieve . . .

"With regard to the situation in Egypt and Western Asia, we are of the opinion that the continuance of power politics, or the substitution of one Power for another in the name of filling a so-called vacuum, will not help to solve the problems of this area, whose peoples must be free to work out their own destiny in accordance with their own wishes. Only in this way can collective peace be ensured and international disputes settled peacefully in this area. We are deeply distressed by the unfortunate situation that has arisen between Pakistan and India in regard to Kashmir. We appeal to both parties concerned, in their own as well as in the wider interests of Asian-African solidarity, to strive for a peaceful settlement of this problem. Our two countries [Ceylon and China] have been bound by ties of friendship for many centuries. While recognizing and respecting differences of outlook that may exist between us, we are determined to strengthen those ties and foster co-operation for our mutual benefit."

During his visit to Ceylon the Chinese Prime Minister addressed an informal meeting of Senators and M.P.s; attended an Independence Day rally and a civic reception; and went to Kandy, where he visited the Temple of the Sacred Tooth, one of the most sacred Buddhist shrines. He was conducted into the shrine room of the temple, where he offered jasmine flowers and bowed in reverence; he afterwards made a cash gift to the temple, as well as giving a set of books on Buddhism edited by the Chinese Buddhist Association. (Indian, Pakistani, and Ceylonese High Commissioners' Offices, London - The Statesman, Calcutta - The Hindu, Madras - Soviet Weekly - Polish Embassy Press Office, London - Times - Daily Telegraph - Manchester Guardian - New York Times) **(Prev. rep. North Vietnam, 14378 A; Cambodia, 14181 A; India, 13890 A; Burma, 15334 A; Pakistan, 15275 A; Soviet Union, 14942 A; 12492 A; Nepal, 15449 C.)**

A. UNITED KINGDOM. — Agricultural Policy. - Farm Prices for 1957-58. - Long-Term Assurances for Farmers. - Egg and Pig Marketing Schemes. - Reports on Local Administration of Ministry of Agriculture and on Horticultural Marketing. - Agricultural Legislation.

A White Paper published on March 21 announced the new farm prices and production grants for 1957-58, fixed as a result of the Annual Review in February and providing for an increase in the total value of agricultural guarantees of about £14,000,000 in a full year. Price guarantees for fat cattle, sheep, and lambs showed increases compared with 1956-57, and there was also a small rise in the guarantee for milk (though insufficient to cover higher production costs), but a decrease in the price guarantee for eggs. The White Paper explained that while the Government wished to encourage the production of good quality beef and lamb, no more milk, eggs, pigmeat, or wheat should be sought after; indeed, in present circumstances less milk and eggs were needed than the quantities at present in prospect. The new prices (effective from April 1, 1957, except those for cereals and root crops) are given below, with the 1956-57 review prices in parentheses:

Livestock and Livestock Products. *Fat Cattle*: Steers, heifers, and special young cows, 156s. a live cwt. (151s.). *Fat Sheep and Lambs*: 3s. 2½d. an estimated lb. dressed carcase weight (3s. 2d.). *Fat Pigs*: 51s. 11d. a score deadweight (49s. 7d.).* *Milk*: An average of 3s. 2.70d. a gallon (3s. 2.45d.). *Wool*. An average of 4s. 8½d. a lb. (unchanged).

*The 1957-58 and 1956-57 prices were based respectively on feed prices of 31s. 5d. and 31s. 2d. per cwt., the new price therefore representing a net increase of 2s. 1d.

Eggs. An average of 4s. 1½d. for hen eggs (4s. 1½d.) and 2s. 5d. a doz. for duck eggs (2s. 4½d.).

Cereal and Other Crops (1957 harvest). *Wheat*: An average of 28s. 7d. a cwt. (29s. 9d.). *Barley*: 29s. 0d. a cwt. on new basis (26s. 0d., equivalent to 28s. 6d. on the new basis). *Oats*: 27s. 5d. a cwt. (24s. 9d.). *Rye*: 22s. 1d. a cwt. (23s.). *Potatoes*: 225s. a ton (217s. 0d.). *Sugar Beet*: 130s. 6d. a ton (128s. 1d.).

Production Grants and Subsidies. After reviewing existing grants (totalling about £70,000,000 annually), the Government had decided to give further encouragement to the use of nitrogenous fertilizers. From July 1, 1957, therefore, increased subsidies for these fertilizers would be fixed, involving about £3,000,000 yearly at current rates of consumption.

Minor extensions would also be made in the scope of ploughing grants and the lime subsidy.

The White Paper explained that under the long-term assurances announced in November, 1956 (see below) the lower limit for the determination of guarantees and subsidies for 1957-58 would have been an increase of just under £8,000,000 in guarantees and production grants. The Government, however, had decided on an increase of about £14,000,000 in the belief that this would "enable the industry to maintain its progress in improving efficiency and secure a reasonable level of economic production," while at the same time according with "the present stringent requirements of the national economy."

Other important information contained in the White Paper is summarized below:

Net Farm Income in 1956-57. This was estimated at £317,000,000, compared with £325,000,000 in 1955-56, the fall being due to the adverse weather conditions in the summer of 1956. When adjusted for normal weather conditions, these figures were equivalent to £334,000,000 for 1956-57 (i.e. about equal to the 1952-53 record) and £306,500,000 for 1955-56.

Farm Costs in 1956-57. There had been a further increase in costs during 1956-57 equivalent to about £28,000,000 in a full year, but this had been partly offset (to the extent of about £25,000,000) by increased efficiency.

Farm Output in 1956-57. This was estimated at 59 per cent above pre-war figures, compared with 56 per cent above pre-war in 1955-56. The White Paper explained that, but for the bad harvest, the target of 60 per cent above pre-war set for the industry some years back would have been reached or exceeded.

Agricultural Policy for 1957-58. The White Paper gave the main objects of this as (1) the maintenance of an arable acreage of about the current size, but with more emphasis on feeding crops; (2) the maintenance of a large livestock population, with greater reliance on home-produced resources. It estimated the total cost of the support given to agriculture in 1956-57 at about £245,000,000 (compared with about £205,000,000 in 1955-56), adding: "Present production and market prospects, together with the cost of the proposed farm improvement scheme, indicate that this total is likely to rise further. It is therefore essential that, within the scope allowed by the long-term assurances [see below], everything possible should be done to keep down the burden of cost on the taxpayer."

Explaining the Government's policy with regard to milk and eggs, the White Paper said that milk production had increased much faster than liquid milk consumption, while supplies for manufacture —produced at considerable expense in imported feed—now threatened to exceed peak manufacturing capacity. At the same time abundant milk supplies were available from Commonwealth countries, and it was therefore clear that some reduction in output was needed and that this must be sought by a reduction in profitability.

As regards eggs, the substantial increase in output—also achieved at considerable expense in imported feed—had weakened the market at an excessive and increasing cost to the Exchequer, and the aim must therefore be to reduce the output now in prospect at the current guaranteed price.

Mr. Heathcoat Amory (Minister of Agriculture, Fisheries and Food) stated in the House of Commons on March 21 that the price determinations had been agreed with the National Farmers' Unions "with complete unanimity."

Long-term Assurances to Farmers.

The arrangements for long-term assurances to farmers, referred to in the White Paper, had been announced by Mr. Heathcoat Amory in the House of Commons on Nov. 27, 1956, and had been drawn up after consultation with the National Farmers' Unions of England and Wales, Scotland, and Northern Ireland. The arrangements, described by Mr. Amory as "the most massive measure of support for the industry since the 1947 Agriculture Act," and intended to operate from the 1957 price review, were outlined in a White Paper published on the same day and summarized below:

(1) In order to reduce the uncertainty inseparable from annual price reviews, the Government undertook to maintain the total annual value of price guarantees and production grants in any year at not less than 97½ per cent of the total value in the preceding year, with adjustments for increases or decreases in the production costs of review commodities.

The present annual combined value of price guarantees and production grants was given as about £1,150,000,000.

(2) The total of guaranteed prices for review commodities in any year would be maintained at not less than 96 per cent of the total in the preceding year. Moreover, any price reductions in the cases of livestock and livestock products would not be allowed to exceed a total of 9 per cent over a three-year period.

It was claimed that this undertaking would be an improvement on existing arrangements for minimum prices because it would relate the minimum assurances each year to the prevailing level of guarantees.

(3) Annual reviews of farm prices would continue broadly on exisiting lines, but, in order to allow changes in costs to be reflected more rapidly, the crop price guarantees determined after each annual review would apply to the same year's harvest, instead of to the next year's as previously.

(4) Special price reviews would be held only when increases in the production costs of review commodities for the remainder of the current review year exceeded ½ per cent of the value of the guarantees. [This percentage is at present equivalent to nearly £9,000,000].

(5) There would be a new scheme of grants, at the rate of one-third of actual costs, for farm improvements, i.e. the provision of permanent fixed equipment on farms and the long-term improvement of land.

Since any general plan for the re-equipment of agriculture would have to provide for the merging and re-grouping of uneconomic holdings into economically viable units, grants would cover the cost of equipping uneconomic farms as part of an amalgamation scheme with other farms, and would give special help to certain other costs involved in such a scheme.

The new grants scheme was expected to encourage "a great programme of farm modernization in order to increase working efficiency and lower production costs." The cost to the Exchequer might amount to about £50,000,000 over a 10-year period.

In conclusion, the White Paper explained that the Government's long-term policy for agriculture continued to be "to support and assist the industry to achieve maximum economic output," the first objective being "to obtain as much as possible of such output from home resources." After closely examining the possibility of avoiding annual price reviews or of making the procedure more automatic and the outcome more predictable, both the Government and the farmers' unions had decided that this was not practicable, since satisfactory arrangements would have to take account of many changing factors.

On Sept. 18 the three farmers' unions had requested a special price review to take account of the recent increase in farm wages (see 15032 D) and the effect of the poor summer on the 1956 harvest.

Mr. Heathcoat Amory, rejecting this request in a letter to Sir James Turner (president of the N.F.U.) on Oct. 10, explained that after carefully considering it in the light of the industry's condition and of current economic circumstances, the Government had decided that the effect of the wage increase on costs was not sufficient to warrant a special review. The Government had already taken steps to help farmers, growers, and merchants in dealing with the difficulties caused by the bad weather.

[A Ministry of Agriculture report published early in October stated only about 0.3 per cent of the total cereal acreage in Britain was likely to be abandoned as a result of the weather. The loss of yield had been estimated by the N.F.U. at £15,000,000 and the extra cost to farmers owing to the wage increase at £10,000,000.]

Other developments in connexion with agriculture and horticulture during recent months are described below:

Supplementary Guarantee Payments (1956-57) for Fat Cattle. Mr. Heathcoat Amory announced in the House of Commons on Oct. 25, 1956, that in order to bring the estimated average return over the current year approximately to the standard price of 151s., producers of fat cattle would receive supplementary payments averaging about 11s. a live cwt. The cost to the Exchequer would be about £11,000,000.

The Minister explained that the existing guarantee arrangements, based on a 52-week "rolling average," had proved too slow to reflect adequately the sharp fall in prices during the year, and that a "substantial gap" between the average received by producers and the standard price fixed at the 1956 review seemed inevitable.

Egg Marketing Scheme. The House of Commons approved on Dec. 11, 1956, a draft marketing scheme for British eggs, intended to ensure that a supply of graded and quality-tested eggs was available in commercial quantities. The scheme was originally put forward by the three farmers' unions, but was modified by the Government following a public inquiry. As modified, it provided for the setting-up of an Egg Marketing Board of seven members, to which all egg producers having more than 50 head of poultry over six months old would have to sell their eggs. The Board would employ packing stations as agents to handle eggs from the producers and to grade and stamp them, and would fix daily selling prices. It would, however, have no control over wholesale and retail distribution, which would proceed along normal competitive channels.

Producers with fewer than 50 head of poultry over six months old would be able to claim exemption from the scheme, and producers selling eggs by retail or direct to retailers would be free to do so without testing, grading, or stamping them.

Mr. Heathcoat Amory, in moving approval of the scheme on Dec. 11, stated that Britain now produced about 10,000,000,000 eggs a year or about 95 per cent of her consumption, compared with only 70 per cent before the war.

It was announced on April 2, 1957, that a poll of registered egg producers held in March under the Agricultural Marketing Acts had shown a majority of 93.7 per cent for the scheme, which would be brought into effect "sometime after May 14."

Marketing of Pigs and Bacon. - Creation of Pig Industry Development Authority. The Government's proposals with regard to the marketing of pigs, pigmeat and bacon were outlined in a White Paper published on Nov. 26. They comprised:

(1) The setting-up of a Pig Industry Development Authority to draw up and put into effect a comprehensive programme for securing improvements in pig production, processing, and distribution. The Authority would consist of 16 members—six drawn from the processing and distributive trades and seven from farmers and farm workers, with two independent members and an independent chairman. It would be responsible for (*a*) keeping national pig records and supervising progeny tests; (*b*) establishing a national insemination service; (*c*) operating an accredited herd scheme; (*d*) research and development in production and processing; (*e*) establishing improved standards of grading; (*f*) market intelligence and consumer research; (*g*) national advertising and promotion of export sales.

It was estimated that the Authority would require an annual income of £500,000-£1,000,000, to be raised by a small levy on each pig slaughtered.

(2) The retention of a free market in pigs and pigmeat, and the continuation of the existing price guarantee arrangements, subject to a gradual raising of grading standards.

Mr. Heathcoat Amory stated on the same day that it was hoped that the Pig Industry Development Authority would begin operations during the second half of 1957. The Bacon Industry Acts, which had virtually been suspended since 1940, would be repealed and the existing Pig Marketing, Bacon Marketing, and Bacon Development Boards would be wound up.

The establishment of a Pig Industry Development Authority, with the composition and duties set out above, had been recommended by the Reorganization Commission on the Marketing of Pigs and Bacon which had been set up in March 1955 (see 14186 A) and had published its report on July 12, 1956. The Commission's chairman was Dr. C. C. Bosanquet, Rector of King's College, Newcastle-upon-Tyne.

In addition to the setting-up of the Authority, the Commission had recommended that there should be different systems for marketing pigs of bacon weight and pigs sold for pork and other forms of pigmeat. Bacon pigs should be sold under a price-negotiating system, administered by a Marketing Supervisory Commission and Pig Producers' and Bacon Curers' Boards, weekly minimum prices being fixed between the Boards, with recourse to arbitration through the Marketing Supervisory Commission in case of failure to agree. There should, however, be no statutory control over the marketing of pork pigs, and the Commission rejected proposals put forward by the farmers' unions calling for the setting-up of a producers' marketing board to trade in pigs of all kinds.

The Governments' announcement that it proposed to retain a free market in pigs and pigmeat followed an intimation by the three farmers' unions on Nov. 27 that they were "strongly opposed" to the Commission's recommendation that the market for bacon pigs should be operated on a statutory basis while the market for other pigs was left uncontrolled.

Dispossessed Farmers. Mr. Heathcoat Amory stated in a Parliamentary reply on Oct. 31, 1956 that a total of 259 farmers had been dispossessed since Oct. 31, 1951 for bad husbandry, including seven who had been dispossessed in the year ended April 30, 1956. On the latter date a total of 225 farmers were under supervision.

Report of Committee on Regional and Local Administration of Ministry of Agriculture.

The report was published on April 16, 1956 of an independent committee appointed by the Minister of Agriculture in Dec. 1954 (following the Crichel Down case, see 14296 A) to inquire into the Ministry's provincial administration, including the conduct of its transactions in agricultural land. Originally the Committee, whose chairman was Sir Arton Wilson (formerly Permanent Secretary, Ministry of Pensions), had been asked to review the organization for the acquisition and administration of land, but on the recommendation of a select committee on Estimates its terms of reference were widened to include the Ministry's local administration and matters arising from its amalgamation with the Ministry of Food.

The Committee's principal recommendations were: (1) reorganization of the County Agricultural Executive Committees; (2) reduction of the Ministry's 60 county offices to 35-40; (3) transfer of land management from the Agricultural Land Commission to the Ministry. The recommendations are summarized under cross-headings below:

County Agricultural Executive Committees. These should be freed from routine administration and devote themselves to advising the Minister on the shaping and development of policy. The existing sub-committees should be replaced by a single panel to deal with statutory work and to hear appeals from farmers on grants, etc.

Ministry Regional and Local Offices. The existing 60 offices should be reorganized into 35 to 40 units to deal with local executive work, including the functions relinquished by county executive committees (see above). Regional controllers should be appointed.

Agricultural Land Service. This body should transfer its advisory work to the National Agricultural Advisory Service, and confine itself to the functions of land agents engaged in land management.

Milk Organizations. The Ministry's National Milk Testing Service should be disbanded and its work taken over by the Milk Marketing Board.

Veterinary Service. This should be responsible for all technical work on milk and dairies' regulations. A new post of Regional Veterinary Officer should be created.

Pests Services. The existing eight pest services should be reduced to two, dealing respectively with land pests and insect pests.

Fatstock Marketing Organization. This should be reorganized to conform with the Ministry's new regional organization.

Compulsory Land Acquisition. Notifications of decisions to acquire land compulsorily should be unequivocal, and the time limit for appeals should be stated clearly. Former owners of land should be notified of any decision not to give them the first option to repurchase it, and the Minister should appoint representatives to hear and assess their objections to such decisions. Except in the case of sales to former owners, the normal method for reselling land acquired by the Ministry should be by public auction, subject to a reserve price.

Mr. Heathcoat Amory announced on Aug. 12 that the Government proposed to adopt the Committee's recommendation that the Ministry's divisional executive offices should be reduced in number, and that regional controllers should be appointed to bring together ministerial organizations now operating separately at regional level. It had, however, been decided not to make any substantial changes in the structure of county agricultural executive committees or to replace the existing sub-committees by single executive panels, as proposed by the Committee.

Report of Committee on Horticultural Marketing.

The committee set up in March 1955 under the chairmanship of Lord Runciman to inquire into horticultural marketing (see 14186 A) published its report on Jan. 28, 1957.

The committee found that although existing arrangements for marketing and distributing fruit, vegetables, and flowers were "far from perfect," they were "better than any others which could take their place at present." Neither distribution costs nor distributors' profits were excessive, but there was room for improvement in packing and grading, whilst co-operative marketing arrangements [where conditions were suitable] "could do much to improve efficiency and keep down costs." Meanwhile, the efficiency of marketing and distribution was "frequently impaired by inadequate marketing facilities," and market authorities should be urged to rebuild or improve unsuitable premises and to consider introducing longer market hours.

In this connexion the Committee considered (*a*) that Covent Garden market should be given improved facilities to enable it to perform its national functions properly; (*b*) that other markets in the London area—notably the Brentford and Stratford markets—should be expanded; and (*c*) that a new wholesale market should be created for North-West London. It therefore recommended the setting-up of (1) a London market authority to re-organize Covent Garden market, create a new market for North-West London, and co-ordinate action affecting other London markets; (2) a marketing council, representing all sections of the industry, to handle market intelligence, encourage better marketing techniques, promote publicity, and co-ordinate research and educational work.

Agricultural Legislation.

The following Bills dealing with agricultural welfare and development were enacted during 1956:

The Agriculture (Safety, Health, and Welfare Provisions) Bill. This Bill represented the first instalment of the Government's proposed legislation to implement the recommendations of the Gowers Committee on Health, Welfare, and Safety in Non-Industrial Employment, which reported in 1948. It was given an unopposed second reading in the House of Commons on Feb. 5, 1956 and enacted on July 7.

The Bill empowered the Minister of Agriculture, Fisheries, and Food and the Secretary of State for Scotland, after consulting organizations representing agricultural interests, to make regulations for the protection of farm and forestry workers against risks of injury to body or health, including safeguards for workers operating farm machinery, the prohibition of children under 13 from riding on or driving certain farm vehicles or machinery, the provision of suitable sanitary conveniences and washing facilities, etc.

Mr. Heathcoat Amory, moving the second reading in the House of Commons, stressed that British agriculture had become "the most highly mechanized in the world," with 470,000 tractors against only about 55,000 in 1939. About 25,000 farm accidents occurred annually, including about 150 fatal accidents, and some £500,000 was paid out each year in compensation.

The Hill Farming Bill. This Bill, given an unopposed second reading in the House of Commons on July 20, was enacted on Nov. 5, 1956. It (1) extended for a further seven years the period during which land improvement schemes under the Hill Farming Act might be submitted and subsidies for hill sheep and cattle would be payable; (2) increased the total sum available for improvement grants from £20,000,000 to £25,000,000.

The Agricultural Mortgage Corporations Bill. The main purpose of this Bill, which received a second reading in the House of Commons on March 13, 1956 and the Royal Assent on May 17, was to increase from £2,500,000 to £3,250,000 the total of loans which the Minister of Agriculture might make to the Agricultural Mortgage Corporation.

The Agricultural Research Bill. This Bill, which was given a second reading in the House of Commons on Dec. 13, 1955, and enacted on March 14, 1956: (1) unified the administration and direction of grant-aided agricultural research in England and Wales under the Agricultural Research Council; (2) made the Council (instead of the Treasury, as previously) responsible to Parliament for all expenditure on agricultural research, but required it to submit an annual report to the Privy Council; (3) set up a special Agricultural Research Fund.

The House of Commons gave an unopposed second reading on March 25, 1957, to the Agriculture Bill, implementing the policy of long-term assurances to farmers announced by Mr. Heathcoat Amory on Nov. 27, 1956. The Bill also (*a*) provided for the setting-up of a Pig Industry Development Board (see above); (*b*) authorized the payment to Northern Ireland of an annual grant of £1,000,000 for five years, to replace the annual grant made available in each of the past three years.

Mr. Heathcoat Amory, in moving the second reading, announced that he had asked the farming industry to nominate members to an advisory committee to assist him in working out details of the farm improvements and amalgamation scheme which formed part of the long-term policy. The chairman of the committee would be Lord St. Aldwyn, Parliamentary Secretary to his Ministry.—(Times - Daily Telegraph - Manchester Guardian - Financial Times)

(Prev. rep. 1956 Agricultural Price Review, 14959 A; Agricultural Production, 14959 E.)

A. BULGARIA. — Cabinet Changes.

The Bulgarian National Assembly approved on Feb. 1 further changes in the Government headed by M. Yugov, the composition of which became as follows:

M. Anton Yugov	Prime Minister.
M. Georgi Chankov, M. Georgi Traikov	First Deputy Premiers.
M. Raiko Damyanov	Deputy Premier and Trade.
M. Vulko Chervenkov	Deputy Premier and Education and Culture.
General Ivan Mikhailov	Deputy Premier and Transport and Communications.
M. Russi Hristozov	Chairman of the State Planning Commission.
M. Kiril Lazarov	Finance and State Control.
M. Georgi Tsankov	Internal Affairs.
M. Radi Naidenov	Justice.
M. Karlo Lukanov	Foreign Affairs.
General Peter Panchevsky	Defence.
M. Radenko Vidinsky	Construction and Building Materials.
M. Tano Tsolov	Heavy Industry.
Mme. Stanka Tsekova	Light Industry.
M. Stanko Todorov	Agriculture and Forests.
M. Atanass Dimitrov	Food Industry.
M. Kimon Georgiev	Electrification and Water Resources.
M. Peter Kolarov	Health and Social Services.
M. Stoyan Tonchev	Municipal Economy, Amenities and Highways.

(Bulgarian Legation Press Office, London) **(15369 A.)**

B. AUSTRALIA. — Mineral Development in the Northern Territory. - The Humpty Doo Rice-growing Project. - Plans for Large-scale Rice Production.

Figures issued in January by the Federal Department of Territories showed that gold output in the Northern Territory in 1956 had exceeded £A1,000,000 for the first time, that copper production had exceeded £A2,000,000 in value, and that the value of the Territory's mineral production, excluding uranium, was £A3,500,000. In addition the report stated that the output of tungsten was expanding; that tin, mica, and silver were being mined in greater quantities; that an intensive search was being made for gold, copper, silver, lead, uranium, bauxite, tin, and zircon on a scale not previously possible; and that, with the first discovery of gas in a water-bore at Alice Springs, oil-prospecting permits had been issued in this area.

It was commented in the Australian Press that the Northern Territory, which had been virtually neglected until the discovery of uranium at Rum Jungle, had now become the focal point for a vast investigation of mineral wealth. In the past, the Territory had depended for its prosperity mainly on its great cattle herds, except for isolated discoveries of gold at centres such as Tennant's Creek, 300 miles north of Alice Springs.

Details were also given during January of a large-scale rice-growing project which had been inaugurated at Humpty Doo, on the great alluvial plains 30 miles south of Darwin. In 1954 an American, Mr. Allen T. Chase, and other U.S. industrialists had set out to find "an assured source of rice in a stable democratic country" and had formed a company (Territory Rice Ltd.) for the purpose of large-scale rice cultivation on the plains inland from Darwin, where climatic and soil conditions were favourable. On April 11, 1956, the Northern Territories Legislative Council approved an agreement between the Federal Government and the company giving the latter an option on 750,000 acres of the sub-coastal plain, on the conditions (*a*) that the company must take up 500,000 acres of the area within 15 years, and (*b*) that, in return for leases for 30 years, it must sub-divide at least half the area for settlement by potential Australian farmers.

Since then the Humpty Doo project has produced long-grain varieties of the Patna type yielding 2,200 lb. an acre and long-grained Malayan, Burmese and Kenyan varieties yielding from 3,500 lb. to 4,000 lb. an acre. During the current sowing period Territory Rice Ltd. will plant 2,000 acres, with an anticipated yield of 4,000 tons, after which "the sky is the limit." The company's experts believe that, if production can be achieved over large areas, the Northern Territory might become one of the world's major rice-producing centres and might possibly supply much of the needs of the vast markets of Asia.—(Australian News and Information Bureau - Times)

(Prev. rep. Economic Development, 15412 C.)

C. LITERATURE. — Book Selections, March 1957.

Selected books published in Great Britain and the United States are given below:

Great Britain. Bailey, Lt.-Col. F. M.—"No Passport to Tibet." (Rupert Hart-Davis, 25s.).

Braine, John—"Room at the Top." (Eyre and Spottiswoode, 15s.)

Bredsdorff, Elias—"Hans Andersen and Charles Dickens." Translated from the Danish. (W. Heffer, Cambridge, 25s.)

de la Brète, Jean—"My Uncle and the Curé." Translated from the French (*Mon oncle et mon curé*). (Cassell, 13s. 6d.)

Busk, Douglas—"The Fountain of the Sun." Journeys in Ethiopia and the Ruwenzori. (Max Parrish, 35s.)

Butler, J. R. M.—"Official History of the Second World War: Grand Strategy, Volume II—September 1939-June 1941." (H.M. Stationery Office, 42s.)

Henriques, Robert—"One Hundred Hours to Suez." The Israeli Campaign in Sinai. (Collins, 16s.)

Lin Yutang—"Lady Wu: A True Story." (Heinemann, 15s.)

Nkrumah, Kwame—"Ghana." The Autobiography of the Prime Minister of the Gold Coast. (Nelson, 21s.)

Origo, Iris—"The Merchant of Prato." (Cape, 35s.)

Rendel, Sir George—"The Sword and the Olive: Recollections of Diplomacy and the Foreign Service, 1913-1954." (John Murray, 28s.)

White, T. H.—"The Master." (Cape, 15s.)

Williams, Francis—"Dangerous Estate: The Anatomy of Newspapers." (Longmans, 24s.)

United States. Brooks, Van Wyck—"Days of the Phoenix: The Nineteen-twenties I Remember." (E. P. Dutton, New York, $3.95)

Kennan, George F.—"Russia leaves the War." Volume I of Soviet-American Relations, 1917-1920. (Princeton University Press, $7.50). National Book Award for Non-Fiction.

Michener, James A.—"The Bridge at Andau." The Story of the Hungarian Revolt. (Random House, New York, $3.50)

Schlesinger, Arthur M., jr.—"The Crisis of the Old Order, 1919-1933: The Age of Roosevelt (Vol. I)." (Houghton Mifflin, Boston and New York, $6.00)

(Ed. K.C.A.) **(Prev. rep. Book Selections, 15398 A.)**

A. CENTRAL AMERICA. — Projected Common Market and Free Trade Area between Central American Republics. - Establishment of Regional Industries.

The Ministers of Economy of the five Central American republics of Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador, meeting in Guatemala City on Feb. 24, approved in principle two treaties designed to create a free trade area in Central America and a system of regional industries. Both documents had been drawn up in draft form during 1954 by groups of experts under the aegis of the U.N. Economic Commission for Latin America. The Ministers recommended the individual Governments to ratify the treaties as soon as possible so that they might come into force at the earliest moment.

The ten-year multilateral trade treaty was designed to eliminate import and export taxes on certain products embracing about 49 per cent of inter-Central American trade on the basis of 1955 figures. In its original form the treaty laid down two lists of member-countries' products : (*a*) those which would have unhindered circulation within the projected free trade zone, and (*b*) those that might be subjected to quantitative export and import controls by member-countries. To this, the Ministers of Economy added a third classification—viz., products whose tariffs might be lowered gradually over several years to lessen the economic impact of the change. While approving the treaty in principle, the Ministers deferred discussion on the products to be included, which was left to the determination of the individual Governments. The treaty stated that the five countries would form a Customs Union after the creation of a free trade zone, " as soon as conditions are propitious."

The second treaty provided for the establishment of regional industries in areas where the most efficient use could be made of local resources and transport, and in such a manner as not to duplicate existing industries. It laid down *inter alia* that the industries concerned would have access to the free trade zone ; that conflicting national interests would be resolved by a separate five-nation pact to be signed for every regional industry established ; and that such pacts would include the specific amounts of tariff reductions, tax-exemptions, fiscal benefits, and subsidies. Industries specifically under consideration are those concerned with petroleum by-products, tyres and inner-tubes, glass, paper, metal, metal and plastic containers, ceramics, and rayon fibres.

A free trade treaty was signed on Feb. 16 between Honduras and El Salvador providing for the exchange of about 200 commodities. Valid for two years, it is automatically renewable for further two-year periods unless either party gives 90 days' notice of termination. It was also agreed to study the possibility of improving road communications between the two countries, with the double purpose of facilitating trade and of providing El Salvador with an outlet to the Atlantic through Honduras.

Measures for the economic integration of the Central American republics had been under discussion since the creation of the Organization of Central American States (*Organización de Estados Centro-Americanos*) in 1951—see 11830 B. The Central American free trade area, when in being, will embrace a common market of about 9,500,000 people—the approximate populations of the five Republics being 3,200,000 in Guatemala, 2,500,000 in Honduras, over 2,000,000 in El Salvador, over 1,000,000 in Nicaragua, and about 800,000 in Costa Rica.—(New York Times - Manchester Guardian)

(Prev. rep. 14439 A ; 14283 B ; 11830 B.)

Note. The five Republics formed themselves in 1823 into a Central American Federation, which, however, was disbanded in 1838.

B. SOVIET UNION. — Nuclear Weapon Tests.

Tests of nuclear weapons in the Soviet Union on Jan. 19 and March 8 were announced by the chairman of the U.S. Atomic Energy Commission (Rear-Admiral Strauss) in statements issued on Jan. 20 and March 9 respectively. Admiral Strauss described the explosion of Jan. 19 as in the range of " less than one megaton," while the explosion of Jan. 19 was described as " in the range of the recent Soviet detonations." On April 6 further announcements were issued by the British Defence Ministry and the U.S. Atomic Energy Commission stating that another nuclear test had been carried out in the U.S.S.R. on April 8. No statements were issued in Moscow about any of these tests, nor did the U.S. and British announcements state whether the tests involved thermo-nuclear (hydrogen) or fission (atomic) weapons.

The Soviet Foreign Ministry spokesman (M. Ilyichev) said on March 26 that the U.S.S.R. was prepared to hold " concrete discussions " with the Western Powers aimed at the " immediate and temporary cessation " of nuclear weapon tests."
(New York Times - Manchester Guardian) **(15212 D.)**

C. JORDAN. — Recognition of Soviet Union.

It was announced in Amman on April 2 that the Jordanian Government had decided to establish diplomatic relations with the Soviet Union at embassy level. (Daily Telegraph)

D. BRITISH EAST AFRICA. — Changes in Membership of Central Legislative Assembly. - Territorial Governments accept Principal Recommendations of Royal Commission on Land and Population.

Changes to broaden and strengthen the representational basis of the East Africa Central Legislative Assembly were announced in Nairobi on Dec. 5, 1956, under which the Council's membership was increased from 24 to 34 members with immediate effect.

Nominated Members. These were increased from three to six, each territorial Governor appointing two such members. One of the two nominated by the Governor of Tanganyika will not need to hold an office of emolument under the Crown.

Unofficial Members. These were increased from 13 to 20, as follows : (*a*) nine selected by the Governors of Kenya, Tanganyika, and Uganda (three for each territory) ; (*b*) nine unofficial members of the territorial Legislative Councils (three from each territory) ; (*c*) two Arab members appointed by the East Africa High Commission. In the case of Uganda and Tanganyika, but not in Kenya, those appointed by the Governor will have to be members of the Legislature. Of the unofficial members not appointed by the Governors, one each will be chosen in Kenya by the three racial groups (Europeans, Asians, and Africans), while in Uganda and Tanganyika they will be elected " from among members of the Council " without reference to race.

In addition to the nominated and unofficial members, the East African Central Legislative Assembly comprises the Speaker and seven *ex-officio* members who are officers of the East African High Commission.

The Colonial Office published on July 25, 1956, dispatches by the Governors of Kenya, Uganda, and Tanganyika, and the Administrator of the East African High Commission, expressing agreement with most of the more important recommendations of the Royal Commission on Land and Population in East Africa. A commentary on the dispatches was also published as a White Paper.

Agriculture. All three Governments agreed with the Commission's recommendations for a " guided revolution " in African agricultural methods based on the abandonment of subsistence farming and the integration of the African cultivator in a modern exchange economy. The Governments also accepted the need to encourage systems of individual land tenure, but recommended caution in establishing such systems in the face of African conservatism, pointing out that such far-reaching changes could not be imposed unless the Africans understood and accepted them.

Marketing and Distribution. In connexion with the Commission's criticism of the conception of self-sufficiency, particularly in regard to food crops and the use of protective devices to encourage local production, the Kenya Government pointed out that it was the present low level of output which sometimes made it necessary to shield producers from outside competition ; as the economy expanded, however, it would become less necessary to do so. To apply this policy, the three Governments had set up a committee for economic co-ordination.

Supra-territorial Institutions. The Commission's recommendations for the creation of certain economic institutions on a supra-territorial basis were rejected by the three Governments. They believed that an East African Prospecting and Mining Leases Board would be economically inefficient, and also rejected the proposals for an autonomous Railways and Harbours Corporation and an East African Road Corporation. On the other hand, they favoured to some extent the proposal for a Colonial Transport Development Fund, provided additional resources were made available for the expansion of East African transport facilities.

Immigration. The Commission's recommendation that the three Governments should exercise direct supervision over immigration, instead of through boards which might reflect the views of sectional interests, would be embodied in new legislation to be introduced in Kenya and Tanganyika.

Labour Policy. All three Governments reaffirmed their belief that trade unionism was a necessary feature of territorial development, provided that British practice was modified to suit local conditions.

The dispatches emphasized that much of the required economic expansion would entail expenditure far beyond local resources. The White Paper estimated in this connexion that during the period 1955-60 about £250,000,000 could be fruitfully applied in support of developments recommended by the Royal Commission. It pointed out, however, that this was " far beyond present resources and prudent expectations of the Governments and the High Commission," and that it would require the provision of external funds considerably in excess of what had so far been made available.
(Times - Commonwealth Survey) **(Prev. rep. 14334 A.)**

E. UNITED KINGDOM. — University of Leicester.

The University College of Leicester assumed full university status on March 18, under a Royal Charter approved by H.M. the Queen. Opened in 1921 as a university college, it has at present 830 students and it is planned to double this number in the next ten years. The first Chancellor of the University of Leicester is Lord Adrian, O.M., F.R.S., Master of Trinity College, Cambridge.—(Times) **(Prev. rep. 14531 D.)**

APRIL 6—13, 1957

A. CYPRUS. — Lord Radcliffe's Constitutional Proposals. - Acceptance by British Government. - Greek and Turkish Reactions. - U.N. Resolution on Cyprus. - Eoka Truce Offer. - NATO Conciliation Offer in Cyprus Dispute. - Release of Archbishop Makarios. - Safe-conduct Offer to Eoka Leader. - Internal Developments in Cyprus. - Terrorist Activities and Counter-Terrorist Measures.

Developments in the Cyprus situation in recent months (in continuation of 15061 A) are described below under cross-headings. The major developments, chronologically, were (1) the publication on Dec. 19, 1956, of Lord Radcliffe's constitutional proposals for Cyprus, and their subsequent acceptance by H.M. Government; (2) the adoption by the U.N. General Assembly on Feb. 26 of a resolution calling for a "peaceful, democratic and just solution" of the Cyprus problem "in an atmosphere of peace and freedom"; (3) an offer by the Eoka organization on March 14 to suspend all terrorist activities if Archbishop Makarios was released; (4) a NATO offer of conciliation between the three interested countries (Britain, Greece and Turkey), made during March by the Secretary-General of the North Atlantic Treaty Organization, Lord Ismay; and (5) an announcement on March 28 by the U.K. Colonial Secretary, Mr. Lennox-Boyd, of the British Government's decision to release Archbishop Makarios from detention in the Seychelles and to allow him to go anywhere he chose, except to Cyprus itself. At the same time Mr. Lennox-Boyd announced that H.M. Government were also prepared to offer a safe-conduct out of Cyprus to Colonel Grivas, the Eoka leader.

The Radcliffe Report.

The constitutional proposals for Cyprus made by Lord Radcliffe were issued as a White Paper (Cmd. 42) on Dec. 19, 1956. His report consisted of a "Covering Note" in which he explained the basis of and reasons for his proposals, and his actual recommendations. In addition to his first visit to Cyprus in July 1956, Lord Radcliffe had visited the island again from Sept. 26 to Oct. 5, 1956.

The terms of reference laid down for Lord Radcliffe had been announced by Mr. Lennox-Boyd to the House of Commons on Sept. 14, 1956, as follows:

"To make recommendations as to the form of a new Constitution for Cyprus which shall be consistent with the following requirements:

(*a*) that during the period of the Constitution Cyprus is to remain under British sovereignty;

(*b*) that the use of Cyprus as a base is necessary for the fulfilment by H.M. Government of their international obligations and for the defence of British interests in the Middle East and the interests of other Powers allied or associated with the United Kingdom;

(*c*) that all matters relating to external affairs, defence and internal security are retained in the hands of H.M. Government or the Governor;

(*d*) that, subject to this, the Constitution is to be based on the principles of liberal democracy and is to confer a wide measure of responsible self-government on elected representatives of the people of Cyprus, but is at the same time to contain such reservations, provisions and guarantees as may be necessary to give a just protection to the special interests of the various communities, religions and races in the island."

Lord Radcliffe's Report is summarized below under cross-headings:

MAY 9 1957

Covering Note.

General Principles. In dealing with two "preliminary points" Lord Radcliffe explained that he had not assumed that his constitutional proposals "could be put into operation in Cyprus as it is today." "It is a Constitution," he went on, "appropriate to a state of affairs in which men may express their will by voting and their views by speaking without fear of terrorism or intimidation: in which, on the other hand, Government does not have to impose or maintain those emergency measures . . . which are the unavoidable counterpart of terrorism itself. In other words, my proposals contemplate a Cyprus in which it had been possible to declare that the present emergency has come to an end . . . Organized murder and violence have thrown a shadow over the island which will lift only with the good will of many people. But it is possible to hope that the prospect of a constitution, with its fruitful possibilities of peaceful self-government, may do something to bring nearer the end of the emergency itself."

As his second point, Lord Radcliffe explained that his proposals referred to "the Constitution of a territory under the sovereignty of the Queen. It is not in the province of such a constitution to provide for or against the possibility of a change in the international status of Cyprus, or to prescribe conditions or guarantees attendant upon the occurrence of such an event. On the contrary, I think it plain law that there is no power in the Legislature of a self-governing dependency to change the status of the territory by union under a different sovereign. Acts or resolutions directed to such a purpose would be null. If such changes were to come about they would have to come about by other means and by instruments designed for the purpose."

In framing his proposals Lord Radcliffe said that they only represented the "general outline" of a Constitution and were "therefore to be read as instructions for a draughtsman, not as a draft itself." On the other hand, too rigid a formulation in a written Constitution was "a positive mischance," and while no Constitution under which political power was divided could provide "answers to all questions or solutions to all problems," in the special conditions applying to Cyprus he felt "firmly" that "the preponderating advantage lies in constructing as precise a framework as is reasonably possible." The reasons for this were that for the last 25 years Cyprus had been governed without political institutions that could be described as responsible or elective, except for certain organs of municipal or local self-government; that, "if one looks further back into the history of the island," no established political tradition had had the opportunity of forming itself; and that the new distribution of political power involved in the very granting of the Constitution was a matter of the gravest concern to the different communities of Cyprus.

Proposed System of Diarchy. "There are two main problems involved in the framing of the constitutional form," the report stated. "The first is how to express the relationship between the control of external affairs, defence and internal security, which are reserved from the local Legislature, and the control of the other matters which fall within the scope of that Legislature. The other is how to impose such restrictions on the local Legislature as to secure effective protection—protection 'with teeth'—for the minorities in the island."

As to the first problem, Lord Radcliffe said, "it results from the reservation of powers that Cyprus will be governed under a system of diarchy. There will be two law-making authorities, their fields distinguished according to their subjects, and two distinct forms of administrative control. The idea of diarchy is familiar enough in the history of the developing relationship between the U.K. as an imperial power and the overseas territories which have come within or pass without her central control . . . In the present case I have come to the conclusion that the most suitable form is that which recognizes most explicity the existence of the diarchy and its consequences. Accordingly I have proposed to invest the Governor with full law-making and executive power for his reserved field, and to leave the local Legislature correspondingly full master in its own field . . . If a public emergency should arise, that must be dealt with by special provisions, but it is better that the Crown should not retain any further reserved or supplemental powers of making laws for Cyprus by Order-in-Council, except the unavoidable power to alter the Order-in-Council itself which sets up the Constitution . . ."

Under his proposals the local Legislature and, as a consequence, the Ministers responsible to it, were intended "to be masters in their own, the non-reserved, field." This was "a fair exchange for the considerable reduction of the full possible scope of responsible self-government which results from the reservation of defence and internal security." Lord Radcliffe said that he had "deliberately rejected schemes of 'phasing,' i.e., the progressive release of selected departments by stages into the hands of the self-governing side." He added: "I do not think such an approach, however appropriate in other circumstances, is appropriate to this Cyprus Constitution. The people of Cyprus are an adult people enjoying long cultural traditions and an established educational system, fully capable of furnishing qualified administrators, lawyers, doctors, and men of business."

Consistently with this, he had pared away from his proposals a number of those features that were often present in Colonial constitutions, even those that represented a comparatively advanced stage of development. He had not proposed the introduction of any official members into the Legislative Assembly. He had proposed so restricted a number of nominated members, six out of a total of 36, that no one could suspect that they represented an obscure attempt to give the Governor a residual influence upon the elected body. On the other hand, nominated members at least allowed the smaller minorities to obtain some representation without the formalities of separate communal rolls. He had also proposed that the categories of legislation on which the Governor should be free to reserve assent for her Majesty's pleasure should be reduced to the bare minimum of four: Bills that sought to alter the constitution in some respect, Bills affecting currency, coinage, or foreign exchange; Bills affecting the Royal prerogative; and Bills affecting the trustee status of Cyprus Government stock.

Discussing the difficulties which might arise in deciding to which field a particular piece of legislation or executive act belonged, since such words as "defence" or "internal security" did not carry a precise connotation, Lord Radcliffe concluded that no good purpose would be served by trying to provide exhaustive definitions. "The truth of the matter," he explained, "is that it is the aspect or context in which a particular question presents itself that determines its relation to such subjects as defence or internal security. This consideration is especially relevant in the case of Cyprus, which contains several large military and air installations dependent for effective operation on some measure of co-ordination with the rest of the island, including its road communications, its ports and harbours, and its water and power supplies."

To meet these difficulties Lord Radcliffe proposed the following:

'(1) The Governor must be the final judge both on the question whether action that he feels it necessary to take in the interests of any of his reserved subjects is properly within their range, and on whether a Bill of the Legislative Assembly presented for assent does or does not trench upon his reserved field . .

" (2) There should be a consultative body, formed on the highest level, for the purpose of keeping each side the reserved and the self-governing – currently informed about what the other is doing and proposes to do. Such a body should meet under the chairmanship of the Governor, and from the start it should aim to meet frequently and to discuss fully. The membership would consist of the Governor and Deputy Governor, the Chief Minister and another Minister nominated by him, the Minister of Turkish Cypriot Affairs, a representative of the Defence forces, the Legal Secretary, and the Attorney-General. This body should be styled the Joint Council of Cyprus . . .

" (3) The Governor should have constitutional power to invite the Legislative Assembly to take over from him any particular piece of law-making which, though formally within his reserved field, he can conveniently commit to the self-governing side . . . "

On this basis, the report went on, " it will be the Governor's duty to promote the most harmonious realtionship that he can achieve between the two sources of authority in the island, sources which unite him in his two capacities: in one as constitutional head, in the other as autocratic delegate of the Imperial Government." In his former capacity he would withdraw from active intervention in the work of self-governing side. He would act on the advice of his Ministers and would not preside at or take part in meetings of the Cabinet or of the Legislative Assembly. On the other hand, certain decisions must be taken and acts performed on his own authority, "as in the case of any other constitutional head."

Communal Relations. Dealing with relations between the Greek and Turkish communities, the report stressed that communal separation remained the general factor. Although the two peoples had often worked well together in the past, he had " no doubt that the circumstances of the past 18 months and the pressure of the Greek Cypriot campaign for *enosis* have done much to sharpen the sense of alienation between the two communities, and any plan for the future must accept the fact of this alienation."

The problem, he added, was essentially one of the political relations between these two communities, since the remaining communities were " too small in numbers for it to be reasonable that they should expect to have anything more than the right to have their views heard in an elected Assembly and the right to share in the protection of any guarantees that limit the powers of the majority in that Assembly ". In fact, the representatives of the Armenian community had told him that they did not desire to have any special arrangements made for their representation as a community, and that their best protection lay in good government for all.

Lord Radcliffe said that he had given his "best consideration" to the claim of the Turkish Cypriot community that they should be accorded political representation equal to that of the Greek Cypriot community, but that he had been unable to accept it, having regard to the fact that it was a claim by 18 per cent of the population to share political power equally with 80 per cent. Such equality could only be put into effect through a federation rather than a unitary State, but he did not think that Cyprus could be organized as a federation.

There was no pattern of territorial separation between the two communities and, apart from other objections, federation of communities which did not also involve federation of territories seemed to him " a very difficult constitutional form." If it was said that what was proposed was " in reality nothing more than a system of functional representation," he felt himself " baffled in the attempt to visualize how an effective executive Government for Cyprus is to be thrown up by a system in which political power is to remain permanently divided in equal shares between two opposed communities." Either there was a stagnation in political life, " with the frustration that accompanies it," or some small minority group would acquire an artificial weight by being able to hold the balance between the two main parties. A third alternative that the Governor should be given some sort of arbitral position had already been excluded by his [Lord Radcliffe's] conviction that the Governor should not be embroiled in the internal controversies of the self-governing side.

Giving his second reason against equality of political representation for the two communities, Lord Radcliffe declared : " To give an equal political strength in a unitary State to two communities which have such a marked inequality in numbers . . . is to deny to the majority of the population over the whole field of self-government the power to have its will reflected in effective action." Although " it might well be right to insist on this denial if the Constitution could not be equipped with any other effective means of securing the smaller communities in the possession of their essential special interests," this was not the case here. " Not only do I think," Lord Radcliffe declared, " that it can be equipped with such means by placing those interests under the protection of independent tribunals with appropriate powers and relying only to a limited extent on direct political devices, but I think that the ' legalist ' solution which this depends on is, in fact, better suited to provide the protection that is required . . . "

Accordingly Lord Radcliffe made the following five proposals " designed to protect the special interests of the Turkish Cypriot community and its political status " :

(*a*) There would be six seats in the Legislative Assembly reserved for members elected on a separate roll of Turkish Cypriot voters, compared with 24 seats for members elected on a general roll—in effect a roll of Greek Cypriot voters.

(*b*) The consent of two-thirds of the Turkish Cypriot members would be necessary before the Assembly could pass any law which altered the existing laws of Cyprus regulating Turkish Cypriot domestic affairs. The Turkish Cypriot community could invite the Governor to make a regulation amending any of those laws if there was no prospect of the Assembly itself being willing to act.

(*c*) There would be a branch of the permanent administration styled the Office of Turkish Cypriot Affairs under a Minister appointed by the Governor from among the Turkish Cypriot members of the Legislative Assembly.

(*d*) The Minister for Turkish Cypriot Affairs would have a seat in the Cabinet *ex officio* and would be a member of the Joint Council of Cyprus.

(*e*) All legislative acts of the Assembly and all executive and administrative actions or decisions on the self-governing side would be subject to the condition that they must not conflict with certain guaranteed rights relating to religion, education, charitable, religious and cultural institutions, and use of languages. Further, there must be no discrimination based on birth, nationality, language, race, or religion. The independent tribunals to whom complaints about violation of these rights could be preferred would be the Supreme Court in the case of legislative acts, and the body styled the Tribunal of Guarantees in the case of executive or administrative actions of the Government.

Lord Radcliffe emphasized that there were in addition other proposals, " minor in themselves," which yet made up " in combination a system under which the community is secure of its place in the conduct of public affairs." He added : " It is my hope that together they will be thought to justify the view that, even under a system which cedes an electoral majority to the Greek Cypriots in the Legislative Assembly, the interests of the smaller community can be effectively protected and that the safeguards offered are not mere ' paper ' guarantees."

Unicameral Legislature. Lord Radcliffe did not consider that a Second Legislative Chamber was required in Cyprus. In his view no sufficient advantage would be gained by a bicameral structure, when there had to be set on the debit side the importance of simplicity, of facing a single Chamber squarely with the responsibility for its own decisions, of avoiding distracting controversies between the two Chambers, and, lastly, of bringing all the available political talent into a single responsible assembly. Nor would a Second Chamber be a good instrument for protecting minority rights.

Franchise. The report proposed that there should be a separate communal roll for Turkish Cypriots, rejecting any more complicated scheme. It also proposed that women should be given the vote equally with men as in the U.K., Greece, and Turkey, and as being in line with " liberal and progressive ideas."

Judiciary. After referring to the " great importance " which he attached to " the contribution that the judicial power can make to the resolution of inter-communal disputes in Cyprus," Lord Radcliffe declared that in order that the judges should " not only achieve the detachment required but also obtain from the public the credit for that detachment," it was essential that the Chief Justice should be appointed from outside Cyprus, and that the number of Supreme Court judges from inside Cyprus should always be equally balanced between Greek and Turkish Cypriots.

Tribunal of Guarantees. To prevent discrimination, Lord Radcliffe suggested the establishment of a Tribunal of Guarantees " a novelty in any constitutional scheme derived from British sources," but " a reflection on a very small scale of the *Conseil d'Etat* in France " to which all complaints could be referred and impartially investigated. The reason why he did not regard this as a suitable task for the Supreme Court was " partly that it would be unfortunate to risk overloading that court with a number of inquiries that are not legal matters in the strict sense, and partly that the experience and the practice and procedure which best suits such a tribunal is rather different from that appropriate to a regular court of law." He stressed, however, the need for an independent chairman of the tribunal.

Broadcasting. While education was largely on separate communal lines, broadcasting did not fit into such a scheme of division as it was " as much a normal internal service for the use of Cyprus as, say, electric power and water, and as such should fall among self-governing matters." On the other hand, it was most important that broadcasting should be kept " secure from the impact of party or political controversies and, above all, from any tendency to favour one community at the expense of the other."

Lord Radcliffe therefore recommended that broadcasting should be turned into a chartered public institution, on the lines of the B.B.C., charged with an independent public responsibility " so to conduct the service as to hold a fair balance between the interests and claims of the different communities." Those in control of the service should be, and should be recognized as being, independent of external control or pressure. For this purpose the governing board should be so formed that Greek and Turkish Cypriots had equal representation upon it. If a difference had to be weighed in the scales, the vote of an independent chairman should decide between them.

Inter-communal Education. This embraced those schools and colleges not confined to any one community, such as the English School for boys, the American Academies for boys and girls the teachers' training colleges for men and women, the projected commercial and technical schools, and the Technical Institute at Nicosia now nearing completion. Lord Radcliffe felt that because these institutions were serving all communities they should be placed under a special board responsible to the Governor, and not to the Legislative Assembly. This board should consist of Greek and Turkish Cypriot members interested in education, under an independent chairman.

Finance. Lord Radcliffe pointed out that the diarchy involved in the reserved powers over defence and internal security would entail two separate public funds for Cyprus—one controlled by the Governor for the purpose of those fields of administration which were retained in his charge, and the other being the produce of the Cyprus revenues which would be appropriated according to the decisions of the self-governing Assembly and Ministers.

As regards defence, the report assumed that the moneys needed for it would be provided from U.K. funds and would not be regarded as a charge on the revenues of Cyprus, except to the extent of the sum of £10,000 which was its outstanding annual contribution to Imperial defence.

As regards the question whether the cost of the police force should be met out of the revenues of Cyprus, although the control of that force, including its strength, equipment, rates of pay, etc., was a reserved matter and not therefore within the range of self-government, Lord Radcliffe expressed the view that the only fair thing would be some sharing arrangement. The total Cyprus revenue for 1956 was about £12,000,000, of which one-quarter would have to be appropriated for police costs if the whole burden were to be thrown on Cyprus. It would, however, be unjust to Cyprus to make such a requirement, whatever the future level of Cyprus revenues. The necessity to create and to maintain a throughly effective police force in Cyprus was in part a recognition that the U.K. must be secure in the use of the base. Lord Radcliffe therefore recommended that a sum should be fixed as an annual contribution from the Cyprus revenues towards the total cost of police and prisons, to be paid into the defence fund, and that the balance should be provided out of U.K. funds. Taking the 1954 figure, the Cyprus contribution would be £750,000.

With regard to broadcasting, the report pointed out that this was a service for the people of Cyprus in the full sense, and recommended that the finance for it, so far as it was not self-financing out of licences and advertisements, should continue to be met out of Cyprus revenues.

Finally, Lord Radcliffe recommended that the cost of inter-communal education should be met from U.K. funds as a supplement to the monies already provided or promised by H.M. Government for the economic development of Cyprus. "It will be a worthwhile gift from the people of this country to the people of Cyprus," Lord Radcliffe declared, "and at a time when such large expenditure has to be incurred in the island for defence, it is not a bad thing that this and other development monies should be visibly expended at the cost of the British taxpayer for the direct benefit of the internal purposes of Cyprus."

Constitutional Proposals.

As explained by Lord Radcliffe's "Covering Note," his actual constitutional proposals provided for a diarchy.

Under this, responsibility for defence, external affairs, and internal security would remain completely under the control of H.M. Government acting through the Governor. Defence matters would cover "the defence of Cyprus, either directly or indirectly, as involved in the fulfilment by H.M. Government of their international obligations and the defence of British interests in the Middle East or the interests of other Powers allied or associated with the United Kingdom." Internal security matters would include control of the police force and prison services.

All other functions of government, subject to certain reservations, would be controlled by a Chief Minister and Cabinet drawn from a Legislative Assembly consisting of 30 elected members (six Turkish and 24 Greek) and six unofficial nominated members, of whom one would be chosen to represent the non-Cypriot British residents, and one the Maronites.

The Chief Minister would be chosen by the Governor from the Legislative Assembly, and would recommend to the Governor who the other Ministers should be, except that the Governor would have the duty of choosing a Minister for Turkish Cypriot Affairs from among the Turkish Cypriot elected members of the Assembly. The Turkish Cypriot Minister would be guaranteed a place in the Cabinet.

The Governor would be entitled to legislate by ordinance in reserved matters. The Assembly would make laws in all other matters, but laws affecting Turkish Cypriot affairs (including Turkish education) would be subject to a special majority in the Legislature, and, in common with other laws affecting so-called "fundamental rights," would be capable of being submitted to the Supreme Court of Cyprus, at the instance of the Governor. The Court would then determine whether or not they were valid in the light of certain restrictions and guarantees. In the case of other acts of government which might be thought to infringe the guarantees, it would be possible for complaining parties to bring their cases before a Tribunal of Guarantees [see below].

To co-ordinate the actions of the Governor's side and the self-governing side there would be a Joint Council of Cyprus over which the Governor would preside. The Council would consist of the Chief Minister, one other Minister recommended by him, the Minister for Turkish Cypriot Affairs, and representatives from the Governor's side. The Council's primary purpose would be "the consideration and discussion of matters of common concern to the retained side and the self-governing side of Government," and it should "endeavour to harmonize the relations between the two sides of Government and to eliminate occasions of conflict by anticipating and discussing them." The Governor would invite the views of the Council and would give due weight to them, but would "not be under an obligation to act in accordance with them or in accordance with any particular preponderance of views."

There would be a Standing Legal Sub-committee of the Council, consisting of the Legal Secretary and the Attorney-General, one of whose functions would be to settle which prosecutions for criminal offences were to be conducted by the Legal Secretary as affecting Governor's matters and which by the Attorney-General as affecting self-governing matters.

The Legislative Assembly would have a Speaker and a Deputy Speaker appointed by it by majority vote. Members of the Assembly could use English, Greek or Turkish, provided an immediate oral translation into either or both of the other languages would be made available if requested by the member or directed by the Speaker. All Bills and records would be printed in English, Greek and Turkish, with the English text as definitive in case of doubt. The privileges and immunities of members would be prescribed by law. The normal term of office of the Assembly would be four years, but the Governor would have power to prorogue or dissolve it at his discretion, after consultation with the Chief Minister.

The Chief Minister might be relieved of office by the Governor at any time if the Governor was satisfied that the Chief Minister did not enjoy the general support of a majority in the Legislative Assembly or that his removal was "urgently required by the public interest." If he was so satisfied, the Chief Minister would be entitled to request the Governor to dissolve the Legislative Assembly for the purpose of general elections, and the Governor would act accordingly unless he decided "that for some special reason which bears upon the public interest it would not be right for him to accede to this request."

There would be (*a*) a Supreme Court consisting of a Chief Justice and two other judges appointed in accordance with Lord Radcliffe's explanations; (*b*) a Judicial Service Commission; (*c*) a Cyprus Broadcasting Corporation; (*d*) a Board of Inter-communal Education (consisting of a Greek Cypriot, a Turkish Cypriot, and a chairman who must be neither); (*e*) a Public Service Commission; (*f*) an Auditor-General; and (*g*) an Attorney-General.

Fundamental restrictions on the powers of self-government to be granted by the Constitution, and guarantees which could not be interfered with by any law, regulation, or official action, were outlined as (*a*) the right to the free exercise in public or private of any creed, religion, or belief the observance of which was not incompatible with public order and good morals; (*b*) the right of all persons "acting individually, in association, or as a community," to establish, maintain, manage, and control at their own expense any charitable, religious, or cultural institutions and any schools or other instructional establishments, provided that these were so conducted as to be compatible with public order and good morals, with the right to use their own language and to exercise their own religion freely in such institutions and establishments; (*c*) the right to the free use of any language in private, in commerce, in religion, in the press or other publications, and at public meetings; (*d*) no discrimination against any person on account of birth, nationality, language, race, or religion; (*e*) a guarantee that compulsory expropriation of property would only be permitted for public purposes and against the expeditious payment of just compensation, with the right of access to the Supreme Court for the determination of any compensation amount; (*f*) equality of access to the law courts, subject only to legal rules concerning proceedings by enemy aliens in time of war; and (*g*) the exclusion from the Legislative Assembly's purview of any legislation repealing or altering certain Turkish family and religious laws, as well as any law dealing with Turkish Cypriot educational, religious, charitable, and cultural institutions or activities or any other matter exclusively of Turkish Cypriot concern, unless such legislation was supported by the votes of not less than two-thirds of the Turkish Cypriot members of the Assembly.

The Tribunal of Guarantees would have authority to enquire into any act of government alleged to be in violation of these fundamental rights guaranteed by the Constitution, but its jurisdiction would not extend to laws of the Legislative Assembly, the validity of which might be determined by the Supreme Court alone, or to Ordinances made by the Governor. It would, however, have jurisdiction over Orders and Regulations having the force of law, as well as executive acts. Complaints might be preferred to the Tribunal by individuals, associations, or corporations. There would be no appeal from its decisions, which would be taken by a majority of the members sitting. If the Tribunal found a complaint well founded it would have power in its discretion either to make a declaration of right alone or to annul the governmental Act complained of, or to refer it to the Department or Office concerned with recommendations as to remedial action. It could also award compensation out of public funds. The Tribunal's membership would include an equal number of Greek and Turkish Cypriots under a neutral chairman, but no Minister and no person holding a post in the Public Service other than the Judicature could become a member. Members would be appointed by the Governor after consultation with the Chief Minister and the Chief Justice.

Finally, the outlines of the Constitution made provision for the amendment of special Turkish family and religious laws by the Governor; the Governor's powers of pardon; financial matters in the way explained by Lord Radcliffe's Covering Note; and emergency legislation. In the last-named respect Her Majesty would be entitled by Order in Council at any time "(*a*) to declare that a public emergency exists in Cyprus; (*b*) to make provision for such measures as might appear necessary for dealing with the security of public safety or order and of supplies and services during the period of such an emergency." Such an Order in Council might suspend all or any of the provisions of the Constitution or empower the Government to do so, including the power to make laws generally in self-governing matters and to take executive action in respect of them.

British Government's Acceptance of Radcliffe Recommendations.

The Colonial Secretary, Mr. Lennox-Boyd, announced on the same date (Dec. 19, 1956) that the Government fully accepted Lord Radcliffe's recommendations, his statement being as follows:

"H.M. Government, after consultation with the Governor of Cyprus, accept as a whole the proposals which Lord Radcliffe has made. In our view they represent a fair balance between the different and often conflicting interests which are involved The Government will be prepared to introduce such a Constitution as soon as we are satisfied that a situation exists in Cyprus in which genuine elections can be held free from violence and intimidation. A start is at once being made with the drafting of the necessary constitutional instruments so that elections may be held as soon as conditions allow.

"The terms of reference given to Lord Radcliffe envisaged a Constitution for a self-governing Cyprus under British sovereignty. As for the eventual status of the island, H.M. Government have already affirmed their recognition of the principle of self-determination. When the international and strategic situation permits, and provided that self-government is working satisfactorily, they will be ready to review the question of the application of self-determination.

"When the time comes for this review, that is, when these conditions have been fulfilled, it will be the purpose of H.M. Government to ensure that any exercise of self-determination should be effected in such a manner that the Turkish Cypriot community no less than the Greek Cypriot community shall, in the special circumstances of Cyprus, be given freedom to decide for themselves their future status. In other words, H.M. Government recognize that the exercise of self-determination in such a mixed population must include partition among the eventual options.

"H.M. Government will keep in close touch with the Greek and Turkish Governments on the international aspects of the problem. I hope we are on the eve of a new and happy chapter in the long history of Cyprus. It is the intention of H.M. Government to do all that they can to bring this about."

Mr. Callaghan (Lab.) expressed agreement with the Colonial Secretary's hopes that the proposals would open a new chapter. He asked, however, whether the Constitution provided what might be called "built-in guarantees" for the Turkish Cypriots, and if so, why it was thought necessary to introduce at this stage "the irritant of partition." He also asked whether the Government considered the Constitution as being negotiable and whether they would be willing to discuss modifications with other interested persons, including Archbishop Makarios. Would it not be wise to permit the Archbishop to see persons and documents and to have consultations, as he had such great influence in this matter?

Mr. Lennox-Boyd replied that Mr. Callaghan was right in suggesting that the Constitution did provide carefully built-in guarantees for the Turkish community and other communities in Cyprus. He had been able to explain that in considerable detail to the Turkish Prime Minister two or three days earlier. Referring to "the natural anxieties of the Turkish people about the long-term effect of the application of the principle of self-determination," he added: "I cannot see how it is anything other than logical to grant to a community with such close interests with Turkey, which is only 40 miles away, the same rights as we are prepared to recognize and grant to the Greek community in the island."

On the question of possible amendments to the proposals, Mr. Lennox-Boyd said that while he had explained to the Greek and Turkish Prime Ministers that the Government would give all possible consideration to any suggestions that might be made by them, and in the same way to suggestions from the people from Cyprus or from the House, the proposals represented a balanced whole and it would be difficult to disrupt that balance in any considerable way without spoiling the plan as a whole.

The constitutional proposals were being shown the same afternoon to Archbishop Makarios, and Lord Radcliffe's secretary and a senior Greek-speaking officer of the Cyprus Government would arrive in the Seychelles to explain the proposals to him. If the Archbishop wished to talk to someone from Cyprus or from Greece, the British Government would provide the necessary facilities.

In reply to a question by **Mr. Clement Davies** (Liberal) the Colonial Secretary pointed out that he had not said that there was any question of the Government or the Governor reopening negotiations with Archbishop Makarios. What he had said was that the Archbishop would be free to have consultations with representatives from Greece or Cyprus, and that the Government would provide the necessary facilities.

Mr. Bevan (Lab.) asked if it was essential to make the reference to the possibility of partition in relation to Lord Radcliffe's proposals. Was there not a danger, he asked, that that addendum would poison the atmosphere once more and prevent a settlement in the island, and that in winning the acquiescence of the Turks the Colonial Secretary would once more lose the support of the Greeks, so that in the matter of self-determination the Government would once again be where they were originally? In view of the recent unsatisfactory experience with Cyprus as a base during the Suez operations, would it not be possible to make it a NATO base, without any of the political difficulties involved in the present situation?

Mr. Lennox-Boyd replied that it was still the Government's strong view that the strategic position in Cyprus was essential for the performance of their defence obligations in the Middle East. He hoped there would be no misunderstanding about partition as an eventual possibility, among the possible solutions.

It was the Government's intention that there should be this Constitution for Cyprus. After it had been found to be working satisfactorily, and when the international and strategic situation permitted, the Government would be willing to consider the application of self-determination, but during the intervening period there should be an opportunity for the Constitution he hoped with the good will of both sides of the House to get well under way. At that later stage, when those circumstances had arisen, and the conditions had been fulfilled, there would be a test of public opinion in Cyprus. If that test was in favour of a change of sovereignty there would be a second test for the Turkish population. They would be entitled to the same right to choose their destiny as the majority of the island, which was the logical consequence raised by self-determination.

Replying to **Mr. Gaitskell,** who asked whether the partition proposal had been discussed with the Greek and Turkish Governments, Mr. Lennox-Boyd emphasized that there were no proposals for partition, that he was not suggesting at this moment that there should be any partition, and that none of them would consider partition in Cyprus or in many other parts of the world as the best solution for the many existing problems.

Mr. Elliot (C.) said that while everyone would deplore partition in itself, self-determination was obviously one of the ends or solutions the statement must lead to. What was being envisaged was full *enosis* with Greece of a large portion of Cyprus, and in those circumstances some reference to the position of the minority was inevitable in a full authoritative statement by the Government.

Mr. Lennox-Boyd, after expressing approval of Mr. Elliot's comments, said in answer to further questions that one of the six members nominated by the Governor would be specially charged with looking after the Maronite interests, and that it would be the responsibility of one of the members chosen by the Governor to represent the interests of the British community in the island. He concluded by saying that both he and Sir John Harding detested being responsible for emergency regulations of any kind, and "the sooner they could sweep them all away the better pleased they would be."

As mentioned by Mr. Lennox-Boyd, Lord Radcliffe's Secretary (Mr. D. L. Pearson) and the former Attorney-General in Cyprus (Mr. C. G. Tornaritis) visited the Seychelles from Dec. 21 - Jan. 1, and during their stay at Mahé explained Lord Radcliffe's proposals to Archbishop Makarios. No statement was issued about these discussions.

In Cyprus the Governor, Field-Marshal Sir John Harding, outlined the proposals in a broadcast on Dec. 19, asking the Cypriot people to study the proposals "calmly and soberly," offering to discuss them with any leaders of opinion in the island, and referring to the forthcoming visit of Mr. Pearson and Mr. Tornaritis to the Archbishop. Sir John also mentioned that the British Government would give the necessary facilities for a representative party of Greek Cypriots to consult with the Archbishop if they so desired, though it could not agree to the Archbishop's return until tranquillity was restored.

Greek and Turkish Reactions to Lord Radcliffe's Recommendations.

Prior to the publication of the Radcliffe Report and his announcement of the British Government's acceptance of its proposals, Mr. Lennox-Boyd had visited Greece and Turkey from Dec. 13-16 to acquaint the Greek and Turkish Governments with Lord Radcliffe's recommendations and to tell them the gist of the statement he was going to make. In Athens he had a long talk with M. Karamanlis, the Greek Prime Minister, on Dec. 14, while he met the Turkish Prime Minister, M. Adnan Menderes, in Istanbul on Dec. 16, the discussions dealing also with the Cyprus issue in general.

The Greek Government announced on Dec. 19 that in its view neither Lord Radcliffe's Report nor Mr. Lennox-Boyd's statement to the House of Commons offered "a basis for a solution of the Cyprus question."

The statement added that the Radcliffe Constitution was aimed at "continuing a Colonial status for Cyprus" which was "incompatible with the post-war spirit and the high grade of civilization of the Cypriots"; that it "did not create the prerequisites for the exercise of self-determination rights"; and that Mr. Lennox-Boyd's statement regarding the eventual partition of the island "complicates still further the Cyprus issue." The Greek Foreign Minister (M. Averoff) also complained that the questions of releasing Archbishop Makarios and the granting of an amnesty, which were "basic elements" for a solution of the Cyprus dispute, had been ignored.

In view of a statement by the U.S. State Department (see below), the Greek Government issued a further statement on Dec. 29 on its reasons for rejecting the Radcliffe proposals.

The statement asserted that the Radcliffe Constitution was "illiberal and undemocratic" because it gave far-reaching powers to the Governor, who could regulate at his own discretion the limits of his jurisdiction, could decide at his discretion whether the Government enjoyed the confidence of the Legislative Assembly, possessed

the unlimited right to dissolve the Legislature, and had exclusive control of the Civil Service. Furthermore, the Greek Government had not obtained satisfactory answers from Mr Lennox-Boyd to its questions about Archbishop Makarios's release, about the British attitude to self-determination, and about the possibility of using the British proposals as a basis for further discussions. The Colonial Secretary had stated that Britain would listen to any suggestions but was unwilling to embark on fresh negotiations with Cypriots and Archbishop Makarios. In these circumstances the British proposals, which had not been submitted as a basis for negotiations, were not considered by Greece to be worth further examination.

The Turkish Prime Minister, in a statement issued on Dec. 20 through the official Anatolian News Agency, declared that after a preliminary study of the Radcliffe Report, and in the light of Mr. Lennox-Boyd's statement in the House of Commons, the Turkish Government regarded the Report as "a reasonable basis for discussion," and that after a detailed study of the whole matter they would probably communicate "some suggestions" to the British Government.

M. Menderes put emphasis on two main points raised by Mr. Lennox-Boyd, viz., self-government and self-determination. As regards the first, it was "noteworthy" that the British Government had made it quite clear that the proposed Constitution would not be applied until terrorism had definitely ended. As to self-determination, M. Menderes underlined the Colonial Secretary's statement that any exercise of self-determination should be effected in such a manner that the Turkish Cypriot community no less than the Greek Cypriot community should be given the opportunity of deciding for themselves their future status, and that self-determination in such a mixed population must include partition among the eventual options.

In conclusion, M. Menderes said that Mr. Lennox-Boyd's statement contained "points of departure which could lead to a final settlement of the Cyprus question" and that the Turkish Government would continue their discussions with Britain "on this basis."

In a further statement in the Turkish National Assembly on Dec. 29, M. Menderes declared that his Government was in favour of partition of Cyprus. Only partition or the *status quo*, however, were acceptable to Turkey, which could not accept the proposals of the Radcliffe Constitution providing for a unitary State. "Partition of Cyprus half and half," he added, "is a self-sacrifice for Turkey, and we will never consent to a greater sacrifice than that."

Following talks in Ankara between the Turkish Government and the leaders of the Turkish community in Cyprus (Dr. Kütchük and Mr. Faiz Kaymack), a Turkish constitutional expert and former Deputy Premier, Professor Nihat Erim, visited London from Jan. 25-28, where he discussed with Mr. Ormsby-Gore (Minister of State for Foreign Affairs) and Lord Radcliffe the Turkish views on the constitutional proposals and made a number of suggestions with regard to them.

U.S. Views on Radcliffe Proposals.

In Washington the State Department spokesman, Mr. Lincoln Wright, said on Dec. 27 that the Radcliffe proposals might be a "possible first step" towards a solution of the Cyprus problem.

The U.S. Government, he stated had noted with sympathetic interest the long and earnest labours of Lord Radcliffe to find a formula for self-government for Cyprus, and "the making by the U.K. of proposals for self-government could be the first step toward an eventual peaceful and generally acceptable final solution of the Cyprus problem." He added: "The formula now produced by Lord Radcliffe seems to be unacceptable in certain respects by some who are concerned with this matter. Nevertheless, the U.S.A. still hopes that our three allies, who, together with the people of Cyprus, are deeply concerned with this issue, will strive to agree upon a way of moving together toward a solution, which is so important to themselves and to the entire free world."

United Nations Resolution on Cyprus.

After a five-day debate, the U.N. General Assembly adopted on Feb. 26, by 55 votes to nil and with Afghanistan abstaining, an Indian resolution which (1) stated that the solution of the Cyprus problem "requires an atmosphere of peace and freedom of expression"; and (2) expressed "the earnest desire that a peaceful, democratic and just solution will be found in accordance with the purposes and principles of the U.N. Charter, and the hope that negotiations will be resumed and continued to this end."

Two resolutions, one Greek and one British, had been presented in the Political Committee when it began its debate on the Cyprus question on Feb. 18. They were worded as follows:

Greek Resolution. "The General Assembly:—

"Recognizing the right of the people of Cyprus to self-determination in accordance with the purposes and principles of the U.N. Charter;

"Considering that the situation in Cyprus has gravely deteriorated;

"Considering that the establishment of conditions of freedom and peace in the island is not only of vital importance to the people of Cyprus, but is also of concern to all peoples in the Eastern Mediterranean;

"Considering further than an equitable solution of this question will contribute to peace and stability in that area;

"Expresses the wish that the people of Cyprus be given the opportunity to determine their own future by the application of their right to self-determination."

British Resolution. "The General Assembly:—

"Considering that it is inherent in the U.N. Charter that States shall live together as good neighbours and refrain from intervening in the internal affairs of other States;

"Noting the complaint of the U.K. Government that over a considerable period terrorist organizations in Cyprus have received support from Greece in the form of arms, ammunition, and money;

"Noting the fact that, in spite of repeated representations by the U.K. Government, Athens Radio has regularly broadcast special programmes containing incitements to insurrection and violence;

"Calls upon the Greek Government to take effective measures to prevent support or encouragement from Greece for terrorism in Cyprus."

The respective resolutions were presented by M. Averoff, the Greek Foreign Minister, and Commander Noble, the British Minister of State for Foreign Affairs.

M. Averoff denied that the Greek Government had ever despatched arms to the "patriots of Cyprus," and said that it had in fact taken all possible measures "to prevent Greeks from sending arms to their brothers in Cyprus" and that assistance had only been given to the Cypriots on "the political level." After declaring that Greece was not asking for political union with Cyprus but for self-determination for the Cypriot people, he charged that Britain, in the case of Cyprus, was "failing to respect the U.N. Charter, which embodies the principle for which Greece fought in two great wars at the side of the British people." He also accused Britain of breaking her pledge to initiate direct negotiations to resolve the Cyprus problem, made at the last U.N. Assembly, and of "using the respite granted by the U.N. to crush the people of Cyprus once and for all beneath the weight of its military machine." In the course of his speech M. Averoff bitterly attacked Sir John Harding, whose name, he said, would be "written in the history of the people of Cyprus in letters of blood and tears."

As regards the British complaints of broadcasts from Athens Radio, M. Averoff conceded that the radio station was owned by the State but pointed out that it was administered by an independent organization. Government intervention, though "not impossible," would be "very difficult" and, if imposed, would be regarded by public opinion as "an interference with freedom of speech." Referring to the British jamming of Athens broadcasts to Cyprus, M. Averoff commented: "In occupied Greece during the war we were able to unravel the B.B.C. broadcasts jammed by the Nazis, but in Cyprus it is impossible to make out a single word transmitted by Radio Athens."

After stressing that Greece had raised the Cyprus issue "not in an aggressive but in a constructive spirit," M. Averoff repudiated the charge that Greece sought territorial expansion, declaring that "countries which nurture designs of territorial expansion, as we well know, do not address themselves to the United Nations." He maintained that the ethnic character of Cyprus had been predominantly Greek for 3,000 years, and that foreign occupations of the island, including the British domination of the past 80 years, had been "nothing more than episodes" which had not seriously altered the ethnic composition of the population. In this connexion he recalled that the latest census in Cyprus, taken in 1946, had shown the population to be 80.2 per cent Greek and 17.9 per cent Turkish.

Commander Noble, in reply, began by referring to the historic friendship and wartime partnership between Britain and Greece. "If, 12 years later, Greece can raise her voice freely here at the U.N." he added, "it is because we stood by her in the time of her greatest need. It is therefore doubly regrettable that we should be having to bring before the U.N. a most serious complaint against Greece. The quarrel between my country and Greece can be summed up in one word—*enosis*. It is the pursuit by Greece of this ambition that has caused such havoc in the relations between Greece and my country and which has also dangerously weakened the defences of the free world in South-East Europe."

After briefly tracing the history of Cyprus, Commander Noble gave detailed particulars of the part played by the Greek Government in actively campaigning for *enosis* and supplying arms, ammunition and money to the terrorists—mentioning, *inter alia*, that arms and ammunition had been supplied from Greek Army sources and money from Government sources; that Cypriot students studying in Greece had been trained by Greek Army officers as saboteurs; and that broadcasts from Athens Radio had incited Cypriots to violence and murder. He quoted an extract from the captured diaries of Colonel Grivas which showed that the diplomatic bag of the Greek Consul-General in Cyprus had been much used for sending arms from Greece to Cyprus. One of the principal objects of the Greek campaign, he said, was to create conditions in Cyprus which might "give colour to the Greek case in the U.N."—in which connexion he charged that major acts of terrorism had been deliberately timed to coincide with the consideration of the Cyprus question by the United Nations.

Greece (Commander Noble continued) could not have hoped for U.N. sympathy if she had stated openly that she aimed at annexing the island. She had therefore fastened on the principle of self-determination—a principle which was recognized by the Charter and which the British Government accepted as a guide for its policy toward non-self-governing territories. "We have specifically affirmed our recognition of the principle of self-determination in regard to Cyprus," he said. "But what the Greek Government has

done is to try to make out that the U.N. is under an obligation to secure self-determination irrespective of the circumstances. In fact, the application of self-determination without any regard to circumstances would be subversive of established government everywhere and could only lead to chaos. The question of the circumstances in which the principle of self-determination can be applied in any of the territories of a member-State is clearly an internal matter for that State. It is not a matter in which another State can ask the U.N. to intervene."

After setting forth the British constitutional proposals for Cypriot self-determination, Commander Noble concluded: "We shall of course go on searching for a solution. This will not be found so long as Greece will not content herself with less than *enosis* or the prospect of *enosis*. Nor will it be found until those who support *enosis* are willing to allow the Cypriots to live in peace and to express their opinions free from intimidation. If Greece will face the realities of the situation, some solution can be found. Every day that the terrorist campaign continues imposes a dangerous strain on the relations between the communities in the island, and further poisons relations between Greece, Turkey, and the United Kingdom . . ."

M. Selim Sarper (Turkey), in a lengthy speech, laid stress *inter alia* on the juridical status of Cyprus under the Lausanne Treaty, underlined the geographical and strategic importance of the island to Turkey's defence and security, and strongly denounced the "Greek propaganda for the annexation of Cyprus." He declared in this connexion: "We are told that Greek-speaking Cypriots do not want to be under British rule; have partisans of Greek annexation pondered upon the fact that the Turkish Cypriots do not want to be under Greek rule? . . . The composition of the population of Cyprus has varied throughout history, including recent history. There were times when Turks were in the majority and other times when it was the opposite. Basing themselves on the coincidence that there are today more Greeks in Cyprus—260,000 more to be exact—they tell us that the fate of this island, which is geographically a part of the Turkish mainland, should be sealed forever by its annexation to a country 700 miles away. This, we are told, is self-determination. But what about the self-determination of the more than 100,000 Turkish Cypriots on the island? Or is self-determination a right which is inherent only to those who speak Greek?"

In the course of his speech M. Sarper pointed out that "while Greek terrorists in Cyprus have killed more Greek Cypriots than they have murdered Turks and Britishers combined," there had never been in the island "a single case of a Turk murdering another Turk for his political beliefs, or of Turkish religious officials threatening their followers with excommunication or the fires of hell for political ends." After giving numerous instances of the anti-Turkish campaign in Greek newspapers, radio, and schools, M. Sarper declared that the General Assembly could best contribute to a solution of the Cyprus problem by (1) calling upon Greece "to put an end to its support of terrorism in Cyprus," and (2) encouraging "the renewal of negotiations among the parties concerned with a view to arriving at a rapid and peaceful solution of the Cyprus question, and to refrain from endeavouring to formulate within the Assembly the concrete solutions which can only come about through such negotiations."

In the ensuing debate the Panamanian delegate presented a draft resolution calling for a five-man committee to make an on-the-spot investigation in Cyprus, in co-operation with the British, Greek and Turkish Governments, and to report to the next session of the Assembly, with such recommendations as it deemed appropriate. The U.S. delegate (Mr. Wadsworth) believed, however, that neither the Greek, British not Panamanian resolutions would contribute to a solution of the problem, and appealed for the Cyprus question to be settled outside the U.N. by "quiet diplomacy" between the countries concerned. After appealing to Greece and Britain to withdraw their resolutions, he said that the U.S.A. was prepared to assist the Governments and peoples concerned, "with all of whom we have the closest friendship," in arriving at a "constructive solution" of the problem." Mr. Boland (Irish Republic), speaking "as an Irishman," said that whatever solution was adopted for Cyprus, it should be "anything but partition."

After further debate, the above-mentioned Indian resolution was presented by Mr. Krishna Menon and was accepted by both Greece and Britain, who agreed not to press their original resolutions. It was adopted by the Political Committee on Feb. 22 by 76 votes to nil, with Afghanistan and Panama abstaining, and by the full Assembly on Feb. 26 by the majority stated.

Eoka Offer to suspend Terrorist Activities.

An offer by the Eoka organization to suspend terrorist activities as soon as Archbishop Makarios was released was contained in leaflets distributed throughout Cyprus on March 14 and signed "Dighenis" (the pseudonym for Colonel Grivas). The leaflets said that this decision had been taken "in the spirit of the U.N. resolution expressing the desire to see a peaceful solution of the Cyprus problem on the basis of the U.N. Charter," and "to facilitate the resumption of negotiations between Britain and the real representative of the Cypriot people, Archbishop Makarios."

After telephone consultations with Mr. Lennox-Boyd, Sir John Harding flew to London on March 18 for talks with the Colonial Secretary in connexion with the Eoka offer and with the Cyprus situation generally. The Governor also attended a Cabinet meeting presided over by Mr. Macmillan.

NATO Mediation Offer. - Acceptance in Principle by Britain and Turkey. - Rejection by Greece.

The Secretary-General of NATO, Lord Ismay, sent letters during March to the British, Greek and Turkish Governments (the text of which was not published) tendering his good offices for conciliation in the Cyprus dispute, in accordance with the resolution on the peaceful settlement of disputes between NATO member-countries adopted at the December meeting of the North Atlantic Council (see 15285 A). In their replies to Lord Ismay—which were also unpublished—the offer was accepted in principle by Britain and Turkey but was rejected by Greece.

The British Government's acceptance of Lord Ismay's offer was announced to the House of Commons on March 20 by Mr. Lennox-Boyd, who added:

"H.M. Government have noted the declaration of the leader of Eoka that his organization would suspend its operations as soon as Archbishop Makarios was released. The Governor of Seychelles is drawing the attention of the Archbishop to that declaration, and to the statement which I am now making.

"As the House knows, the Archbishop has been asked on many occasions whether he will make a public statement calling for the cessation of violence by Eoka. He is now being asked whether in these new circumstances he is prepared to do so. If, as we hope, he makes a clear statement to this effect, a new situation will have been created. In that event H.M. Government will be ready to bring to an end his detention in Seychelles. There can be no question at this stage of his return to Cyprus."

The Greek Prime Minister, M. Karamanlis, issued a statement on the same day explaining that Greece felt bound to abide by the U.N. resolution, which had been supported by all the NATO countries. "We consider," he added, "that the only appropriate procedure consists in negotiations between the ruling Power and the Cypriot people, who cannot in any case be bound by any decision made in its absence. For this reason we have rejected the NATO Secretary-General's offer." M. Karamanlis insisted that the release of Archbishop Makarios was an essential pre-condition for any "constructive" negotiations on Cyprus.

Declaration by Archbishop Makarios. - Appeal for Cessation of Eoka Operations.

The following statement was issued in Mahé (Seychelles) on March 22 by Archbishop Makarios:

"The U.N. resolution calling for a resumption of negotiations for a peaceful, democratic, and just solution of the Cyprus problem . . . is a starting-point towards a final settlement of the issue. We understand this resolution as an expression of the wish of the U.N. for bilateral negotiations between the British Government and the people of Cyprus.

"The Eoka organization, conforming with the spirit of the U.N. resolution, and in order to facilitate a resumption of such negotiations, declares that it is ready to suspend its operations at once if I were to be released. Thus a new situation has been created opening the way for the restoration of peace in the island.

"The British Government, however, was not satisfied with this truce offer by Eoka because its leaders declared only a suspension and not a cessation of operations. I would be extremely sorry if the road to peace thus opened were to be blocked by this argument. In my sincere desire to see peace restored in Cyprus I appeal to Eoka to declare the cessation of all operations, given that the British Government will show a spirit of understanding by abolishing simultaneously the present state of emergency . . .

"The Colonial Secretary has stated that after I had made a public statement calling on Eoka for a cessation of violence, I would be free to go anywhere except to Cyprus. I wish to make clear that my personal release will never be an object of barganing. As spiritual and national leader of the Greek people of Cyprus, I had, and always will have, as my first concern the interests of the people, and not my personal welfare. But I feel most deeply that my return to Cyprus will create a response from the people of the island, and this factor should not be under-estimated . . .

The Greek Government, correctly interpreting the spirit of the U.N. resolution, has already replied that it would not be willing to take part in discussion on the Cyprus problem within NATO, and that talks should be resumed directly between the British Government and the people of Cyprus. I sincerely believe that if the British Government think that any Greek Cypriot could be found to negotiate in my absence, it would be a waste of time.

"Finally, I express the hope that the British Government will understand and appreciate my sincere desire for the restoration of peace in the island. I also express the wish that the way now open will lead towards peace in a spirit of mutual trust and understanding."

Release of Archbishop Makarios.

Mr. Lennox-Boyd informed the House of Commons on March 28 that H.M. Government had agreed to release Archbishop Makarios from detention in the Seychelles and to allow him to go anywhere he chose except to Cyprus. In addition, the Governor of Cyprus was prepared to issue a safe-conduct out of the island to Colonel Grivas and any other foreign nationals who were members of Eoka, in order to promote a rapid return to peaceful conditions.

After referring to the Government's acceptance of Lord Ismay's mediation offer, to its request for a clear statement by Archbishop Makarios calling for a cessation of violence, and to the statement which had been issued by the Archbishop [which was not made public until March 28] Mr. Lennox-Boyd continued:

"While the Government cannot regard this statement as the clear appeal for which they asked, nevertheless they consider that in present circumstances it is no longer necessary to continue the Archbishop's detention. I have accordingly instructed the Governor of the Seychelles, with the full agreement of Sir John Harding, to cancel the orders for the detention of the Archbishop and his three compatriots and to arrange passages from the Seychelles by the first available vessel. I must repeat that there can be no question at this stage of their return to Cyprus.

"To promote a rapid return to normal peaceful conditions in Cyprus, the Governor is prepared to offer immediately a safe-conduct out of Cyprus to the leader of Eoka, Grivas. If he decides to avail himself of this offer, the Government of Cyprus will make the necessary arrangements with any member of the consular corps in Cyprus who agrees to act for him.

"This offer of safe-conduct is open also to any other foreign nationals who are members of Eoka and are at large in Cyprus. It will be extended to any British subjects who are members of the organization and are still at large, provided they give an undertaking not to enter any British territory so long as the state of emergency continues to exist in Cyprus.

'I should add that the Government cannot accept the Greek Government's interpretation of the U.N. resolution which the Archbishop has adopted in his statement. There is nothing inconsistent between the terms of that resolution and conciliation by NATO.

"Finally, I must make it clear that there can be no question of an immediate abolition of the state of emergency in Cyprus. As and when the Governor considers that it is safe for relaxations of the emergency regulations to be made, they will be made, and the House will be informed."

The Government's decision to release Archbishop Makarios was welcomed by spokesmen of the Labour and Liberal parties.

Mr. Callaghan (Lab.) said that there would be no dissent among the Opposition at this decision, and stressed that the Government were pledged to adhere to the principle of self-determination. He suggested that Archbishop Makarios, other Greek Cypriot leaders, and Turkish Cypriot leaders should be invited to London to discuss further measures aimed at a settlement of the Cyprus issue.

In his statement to the House of Commons on April 1, following his return from the Bermuda conference with President Eisenhower (see 15457 A), Mr. Macmillan had declared that there was "no truth whatsoever" in allegations that "some kind of bargain" had been struck at the conference involving the release of Archbishop Makarios.

The Prime Minister added: "It would have been quite unsuitable to discuss this matter with the President, and I did not do so." Although the strategic importance of Cyprus in the Middle East had been discussed, and also the NATO conciliation offer, in view of the fact that the U.S.A. was a member of NATO, neither he nor the President had made any reference to "a decision which must rest wholly within the responsibility of the British Government and of no-one else."

Greek and Turkish Reactions to Release of Archbishop Makarios.

The release of Archbishop Makarios was greeted with jubilation by the Greek Cypriots, church-bells being rung throughout the island and Greek flags being flown in many places. The Turkish Cypriots, however, heard the news with dismay, a telegram protesting against the Archbishop's release being sent to the Prime Minister of Turkey (M. Menderes) by Dr. Kütchuk, the leader of the Turkish Cypriot community. To prevent clashes between Greek and Turkish Cypriots, Sir John Harding imposed a dusk-to-dawn curfew on March 29 on all people in Cyprus under 27 years of age, including British nationals. The curfew was lifted, however, on April 1.

The British Government's decision was also welcomed in Athens, where M. Karamanlis issued a statement on March 28 describing it as a "decisive step" toward a solution of the Cyprus problem. He expressed the hope that the the Archbishop's release was "an indication of the British Government's desire to seek a peaceful and just solution which would lead to the restoration of the old friendship between our two nations." Student demonstrations in support of Archbishop Makarios occurred in Athens and other centres.

In view of the British decision to release the Archbishop, M. Mostras, the Greek Ambassador in London, who had been recalled in March 1956 after the Archbishop's deportation, returned to London on March 31 on the instructions of the Greek Government.

In Turkey, on the other hand, surprise and apprehension were expressed in the Press and in official circles at Britain's decision to release the Archbishop, without what was considered adequate condemnation of Eoka terrorism, and to offer a safe-conduct to Colonel Grivas.

The official Anatolian News Agency, in a moderately-worded statement, said that the Archbishop's release was less important in itself than for its possible consequences on the situation in Cyprus. After expressing satisfaction that the Archbishop would not be allowed to return to the island, and that British security measures would be continued, the statement added that Turkey was following developments in Cyprus "with keen interest" and supported the U.N. resolution recommending tripartite consultations.

Archbishop Makarios leaves the Seychelles.

After 13 months' detention in the Seychelles, Archbishop Makarios sailed from Mahé on April 6 for Tamatave (Madagascar) in the Greek tanker *Olympic Thunder*, which had been sent to the Seychelles by arrangement between the Greek Government and Mr. Aristotle Onassis, the Greek-born shipowner. The Archbishop's three fellow-exiles—Kyprianos, Bishop of Kyrenia; Polycarpos Ioannides, secretary to the Kyrenia bishopric; and Papastavros Papa-Agathangelou, a priest—also left in the *Olympic Thunder*.

At a press conference in Mahé on March 29, the Archbishop announced his intention of going first to Athens and then to London, and expressed his hope that he would later be allowed to return to Cyprus. He maintained that negotiations on the future of Cyprus could only be held between the British authorities and himself, as the representative of the Greek Cypriots, and rejected demands by the Turkish Cypriots that they should be represented in such discussions. Though he was prepared to see the rights of the Turkish Cypriots "internationally safeguarded," in particular in matters of education and religion, any solution involving the partition of the island was "impractical and definitely rejected." The Archbishop expressed his "great sorrow" that so many lives had been lost in Cyrpus as a result of what he called "the grievous consequences of the intransigent policy of the British Government." In conclusion he acknowledged the good treatment that had been accorded to him and his fellow-exiles during their detention in the Seychelles.

Internal Developments in Cyprus.

Internal developments in Cyprus during recent months are summarized below under cross-headings.

Executions of Eoka Terrorists. Three Eoka terrorists—Michael Koufsoftas (22), Andreas Panayides (22) and Stelios Mavromatis (23)—were hanged in Nicosia prison on Sept. 21. All three had been sentenced to death in June—Koufsoftas and Panayides after being found guilty of the murder of Corporal John Hale, of the R.A.F., who was shot dead on May 15 while on duty at Nicosia airfield, and Mavromatis after being found guilty of firing at two R.A.F. men in a Nicosia suburb with intent to murder them. [The two men concerned escaped injury, the bullets flying wide.] A fourth terrorist convicted of complicity in the murder of Corporal Hill was sentenced to life imprisonment. The condemned men had appealed first to the Cyprus Supreme Court, which rejected the appeals, and subsequently to the Judicial Committee of the Privy Council, which refused leave to appeal after finding that their trials had been conducted with complete fairness and impartiality.

Evagoras Palikarides (19) was hanged on March 13, 1957, for carrying firearms in contravention of the emergency regulations. Palikarides was the first terrorist to be executed for this offence (for which the death penalty had been imposed under a new emergency regulation of November, 1956) and the ninth to be executed since the emergency came into force on Jan. 1, 1955.

A number of other death sentences had been imposed between October, 1956 and April, 1957 but had not yet been carried out. The terrorists concerned were Nicos Tsardellis (22), sentenced to death on Oct. 8 for killing a British police sergeant at Larnaca on June 21; Hussein Kutchuk (18), sentenced to death under the emergency regulations on Feb. 5 for possessing a revolver; Christos Kyriacou (18), sentenced to death on Feb. 15 for being in possession of two bombs; Frixos Lambrou (17), sentenced to death on Feb. 22 for firing at a British warrant-officer (who was slightly wounded) in Limassol in November; and five Greek Cypriots who were sentenced to death under the emergency regulations on April 5 for firing at a British patrol in a village near Nicosia. The five terrorists concerned were Bassos Christofi (18), Manolis Himonas (21), Giorgios Zenopoulis (20), Demos Michaelides (21) and Kyriakos Nicolaou (18), two of whom pleaded "not guilty" whilst the others made no statement.

Nicos Xenophontos (23), who had been sentenced to death for shooting another Greek Cypriot (who was severely wounded but later recovered), had his sentence commuted to life imprisonment by Sir John Harding on Oct. 23, 1956.

Trials and Prison Sentences. Life sentences were imposed on a number of terrorists during September, October, December and February after the accused had been found guilty of conspiring to

overthrow the Government by force, unlawful possession of weapons or ammunition, and similar offences under the emergency regulations. It was announced during February that nine Greek Cypriots, seven of whom were serving life sentences, had been flown to the U.K. to serve their sentences in British prisons. [Six Cypriot prisoners had been transferred to Britain in August 1956.]

Two 17-year-old Greek Cypriot girls -Pitsa Constantinou and Rita Antholli, both employed as secretaries in Government departments -were sentenced on Dec. 3 to seven years' and two years' imprisonment respectively for possession of bombs. Both the accused pleaded "guilty," Miss Constantinou saying that bombs had been handed to her by a boy friend to be delivered to someone else. The bombs were discovered when a military patrol stopped a car in Nicosia being driven by Miss Antholli and discovered two bombs wrapped in a handkerchief in Miss Constantinou's possession. The sentences were the first to be imposed on women under the emergency regulations.

Charalambos Christodoulides (21), a Greek Cypriot accused of murdering a British soldier (Sergt. Edward Smith, of the Royal Engineers) in Limassol in November, was discharged on Feb. 18 by Mr. Justice Bernard Shaw, who ruled that a "confession" previously made by the defendant had not been freely and voluntarily made. During his trial Christodoulides had alleged that his interrogators at a Nicosia police-station had punched, kicked and maltreated him to extract a "confession," and that he had eventually signed such a document after being threatened with torture if he refused to do so. A Government mental specialist told the court that he had examined Christodoulides and found symptoms of a "state of anxiety" consistent with his having suffered violence or mental stress. Mr. Justice Shaw acquitted and discharged Christodoulides after finding that "the accused had succeeded in raising reasonable doubt as to whether his statement was freely and voluntarily made." He also found that the Crown had not proved its case and that there was no evidence against the defendant.

The Grivas Diaries. Further lengthy extracts from the captured diaries of Colonel Grivas were published on Sept. 28, 1956, by the British Colonial Office under the title *Terrorism in Cyprus*, together with copies of Eoka orders and of letters exchanged between Colonel Grivas and Archbishop Makarios. As in the case of the earlier extracts published, the Colonial Office claimed that their authenticity had been established beyond doubt by "the circumstances in which they were found alongside Grivas's personal possessions; by corroborative evidence of the facts mentioned in the diaries; by identification of the documents by captured terrorists; and by the evidence of hand-writing experts who have been able to compare the handwriting of the diaries with known specimens of the handwriting of Grivas in the possession of the authorities."

The overriding responsibility of Archbishop Makarios for the terrorist campaign in Cyprus was considered by the Colonial Office to be clearly established by an entry in the diaries, dated Jan. 29, 1955, in which Grivas wrote to the Archbishop: "I give you my word of honour . . . that I will not lay down my arms unless you yourself ask me to do so . . ." You must have complete trust in me and I hope you will grant me complete freedom to carry on the resumption of our struggle." [This letter was signed "Dhigenis" and addressed to "Makariotate," a form of address reserved for the Archbishop.] In addition, the text was given of an order issued by "Dhigenis" on June 24, 1955, stating that Eoka's "main target" was "the execution of police traitors, which will be followed by English military men," and its second target "the blowing up of Government buildings." Other extracts referred, *inter alia*, to the formation of "combat and killer groups," the enrolment of boys and girls in the terrorist campaign, and Eoka-sponsored demonstrations of schoolboys and schoolgirls.

In the extracts quoted, Grivas referred to Archbishop Makarios as "the real leader of the national liberation struggle" and, as such, "the competent person to decide." He also described how the Archbishop had communicated with Athens through the Greek Consulate in Cyprus; how students had been trained in sabotage in Crete; and how the Archbishop had arranged for the purchase of arms from Greece. The late Field-Marshal Papagos (M. Karamanlis's predecessor as Prime Minister of Greece) was named as being "in full agreement with our activities."

[It was disclosed in Nicosia on Sept. 27 that the discovery of the Grivas diaries was due to an anonymous letter, received on July 19, stating that a quantity of arms was to be moved from the village of Lyssi to Nicosia the same night. A patrol of the Royal Horse Guards had been sent to Lyssi and carried out searches which resulted in the capture of a number of arms caches, a terrorist hide-out, and the Grivas diaries, which were buried in glass jars. A subsequent announcement by the British War Office (March 12, 1957) disclosed that the diaries had been found by Sergt. Anthony Taylor, G.M., who had been a member of the patrol sent to Lyssi and who had found holes in the ground containing objects which, when dug out proved to be glass jars containing writings in Greek. When deciphered, these writings proved to be some of the diaries of Grivas.]

Complicity of Orthodox Church in Terrorist Campaign. A 37-page pamphlet (*The Church and Terrorism in Cyprus*) was published on Feb. 15, 1957 by the Government of Cyprus giving many details of the complicity of the Orthodox Church in the terrorist campaign and in the agitation for *enosis*. Among much other information, it gave many extracts from sermons by Church leaders combining threats of force with exhortations to continue the "liberation struggle"; a list of seven Church premises in which arms and equipment had been found "in circumstances revealing that the authorities concerned must not only have been aware of, and condoned, their presence there, but actually had a hand in arrangements for their distribution and use"; and cases in which revolvers, grenades, and other weapons had been found in the possession of priests

After alleging that Archbishop Makarios had told a big assembly of clerics and others on July 23, 1951, that "it is only through the exercise of violence that the British can be made to understand," the pamphlet gave the text of the Eoka oath which recruits were asked to sign in the presence of a priest: "I swear in the name of the Holy Trinity that (1) I shall work with all my power for the liberation of Cyprus from the British yoke, sacrificing for this even my life; (2) I shall perform without objection all the instructions of the organization. If I disobey my oath I shall be worthy of every punishment as a traitor, and may eternal contempt cover me."

Of the three bishops in Cyprus (the pamphlet stated), Anthimos, Bishop of Kition, had been most closely associated with Archbishop Makarios in his preparations for violence. Of all the hierarchy, only Photios, Bishop of Paphos, had appeared to have avoided implication in Makarios's plans. In this connexion the pamphlet quoted from a captured Eoka report which mentioned the "unreliability" of Photios and which concluded: "We are therefore obliged to recommend that no secret should be confided to him either by the Ethnarchy or by the Greek Consulate."

The pamphlet reached four general conclusions: (1) Archbishop Makarios had been the instigator of the terrorist movement and, up to his deportation, its general controller of operations. "Above all, it was he who brought to Cyprus a brutalized and disappointed soldier [Grivas] to organize the campaign of violence and to terrorize his compatriots into acquiescence in the pursuit of Makarios's political ambitions." (2) The Orthodox Church had been exploited as a "cover" organization at all stages. (3) Priests had been "deeply involved in the Archbishop's conspiracy." (4) The laity had "become so indoctrinated by political propaganda, cleverly disguised in religious dress by their pastors, that hatred and even murder have become endowed in the eyes of many with the aura of sanctity."

Detentions and Deportations of Priests. Nicos Kranidiotis, secretary of the Ethnarchy and a close confidant of Archbishop Makarios, was arrested on Sept. 5, 1956, and subsequently sent to the Kokkinotrimithia detention camp as a suspected terrorist. A statement by Sir John Harding said that evidence had become available showing beyond doubt that Kranidiotis had played a prominent part in the Eoka conspiracy from its early days. The secretary of the Ethnarchy (Yennadios, Bishop of Salamis) sent telegrams to the World Council of Churches, the Archbishop of Canterbury, the British Labour Party, Lord Attlee, President Eisenhower, and M. Karamanlis denouncing "this new instance of the oppressive policy of the British administration in Cyprus."

On Sept. 11 the Cyprus Government announced that Nicolaos Revelas, a priest of Greek nationality, had been declared a prohibited immigrant "as a person likely to conduct himself in such a manner as to be dangerous to good order, peace and good government, and to intrigue against her Majesty's power and authority in Cyprus." Revelas, who was ordered to leave the Island within a week, was stated to have been in communication with Papa-Agathangelou, one of the three priests deported to the Seychelles with Archbishop Makarios.

Detention orders were served on Feb. 19 on seven Orthodox priests from villages in the Troodos mountains, bringing the number of priests under detention to 57. An official statement said that the seven priests had been "cover men" for Eoka, had used their houses to shelter terrorists, and had participated in other subversive activities such as helping to form terrorist "cells."

The Emergency Regulations. In view of the intensification of the terrorist campaign, Sir John Harding announced on Nov. 22, 1956, that the death penalty would be extended to all persons discharging firearms at others, throwing bombs, carrying or manufacturing arms or explosives, or consorting with armed persons. Under a further regulation issued on Nov. 26, no prosecution could be instituted against any member of the armed forces, police, or Government for any offence alleged to have been committed while in the performance of duties.

On Dec. 18, however, Sir John Harding announced that the emergency regulations would be considerably relaxed in the hope that Lord Radcliffe's proposals (then about to be published) would "mark the beginning of a new and happier chapter for Cyprus and its peoples." The relaxations comprised the following measures:

(1) Revocation of the emergency regulations under which males under the age of 18 could be sentenced to whipping for certain specified offences.

(2) Revocation of the Emergency Powers (Collective Punishment) regulations under which fines could be levied collectively on the inhabitants of particular areas, and shops and dwelling houses in such areas closed.

(3) Places of public resort or entertainment would not in future be closed, except temporarily as part of a particular anti-terrorist operation in a given area or for the purpose of denying the use of particular premises to terrorists.

(4) Relaxation of the regulations requiring persons to obtain exit permits whenever they left the Colony. All categories of persons would, on application, be given exemption from this requirement, excepting only certain individuals known to have been implicated in Eoka activities.

(5) The new regulations providing for the suspension of publications [see below] would be amended in such a way " as to put it beyond all possible doubt that fair and honest comment or criticism regarding the Government's policy and actions will not expose the publication to suspension."

(6) A further review would be undertaken of the cases of all persons detained either under the Detention of Persons law or under the emergency regulations, " with a view to releasing any who can be set at liberty without serious prejudice to the conduct of security operations."

Further important relaxations of the emergency regulations were announced by Sir John Harding on April 14, 1957. The most important were : (1) the abolition of the death penalty for all offences under the emergency regulations except discharging a firearm at another person, possessing firearms without lawful authority, and throwing or using bombs or other explosives with intent to cause death or bodily injury ; (2) revocation of the Press Law of November 1956 (see below) which had enabled the Governor to suppress newspapers without appeal to a court of law ; (3) lifting of the order on the control of taxis and the ban on the riding of bicycles by males under 27 ; (4) the release of the Bishop of Kitium, who had been under house arrest, and of Nicos Kranidiotis, the secretary to the Ethnarchy (see above). It was announced that a further review would be undertaken of all detained persons " with a view to releasing any who can be set at liberty without serious prejudice to public safety and order."

The Governor's decision to relax the emergency regulations in the above-mentioned respects was officially described as being aimed at " creating conditions favourable to a peaceful solution " of the Cyprus question. The relaxations were introduced a month after Eoka's offer to call off the terrorist campaign if Archbishop Makarios was released - a period during which there had been a virtual suspension of terrorist activities.

Press Control Regulations. A new regulation was issued on Nov. 23, 1956, giving the Cyprus Government power to suspend any publication which, in its view, " prejudices the success of the measures being taken to bring to an end the state of emergency." The Governor was given power to suspend publications without prior notification to the papers concerned, who could not appeal to the courts against such action.

Strong protests against the new regulation were made on Nov. 28 by Mr. Charles Foley, editor and publisher of the *Times of Cyprus*, and Mr. Victor Bodker, editor of the *Cyprus Mail*, who made the following points :

(1) The Government already exercised stringent control over newspapers, under existing emergency regulations, " to a degree far greater than that used in Britain during the war."

(2) Despite these regulations, the Government had not found it necessary to prosecute any newspaper for any breach of security.

(3) Editorial comment had been " far more restrained than that published in responsible and influential organs of the British press which are freely distributed in Cyprus."

(4) The new regulation " swept away all processes of the courts," and no newspaper could continue to do its duty to the public " if it could be arbitrarily suppressed at the Governor's absolute discretion."

" In view of the above circumstances [the protest concluded] there can be neither objective reporting of facts nor fair and helpful comment until the regulation is withdrawn, amended, or hedged about with safeguards for the freedom of the Press."

The new press regulations also led to strong protests in the British Parliament, notably by Labour M.P.s. Lord Lloyd (then Under-Secretary at the Colonial Office) explained on Nov. 28 that the regulation had been introduced " following a spate of general and usually anonymous complaints and allegations in the local Press against the security forces, which have had the effect of worsening relations between the security forces and the civilian population and hampering the prosecution of the emergency." After pointing out that nearly all these allegations had been proved to be either untrue or grossly exaggerated, Lord Lloyd added : " Considering the difficult and unpleasant task that our troops have in Cyprus, it is monstrous that they should be subjected to this kind of slander, and I believe the House will agree that that kind of thing should be stopped."

As stated above, the new press regulation was abolished under the relaxations announced by Sir John Harding on April 14.

The "Times of Cyprus" Case. Summonses were issued on Nov. 28, 1956, against Mr. Foley, editor and publisher of the *Times of Cyprus*, for publishing a " disturbing report " in the paper's issue of Nov. 21. The article in question was a reproduction of a dispatch cabled to a London newspaper (the *News Chronicle*) by its special correspondent in Nicosia, dealing with the Cyprus situation and headed : " Hatred, Despair, and Anger."

The summons against Mr. Foley was not issued under the new press regulation but under Section 43 of the emergency regulations of 1955, which states : " Any person who publishes any report or statement which is likely to cause alarm or despondency or to be prejudicial to public safety or the maintenance of public order shall be liable on conviction to imprisonment for a term not exceeding one year or a fine not exceeding £100, or both."

Mr. Foley, whose defence was undertaken by Sir Frank Soskice, Q.C. (a British Labour M.P. and former Solicitor-General) pleaded " not guilty " on Dec. 2 to a charge of publishing a report " likely to cause alarm and despondency and likely to be prejudicial to the maintenance of public order." He had previously sent personal appeals to 150 leading British personalities—including the Archbishop of Canterbury, Sir Winston Churchill, and Mr. Hugh Gaitskell —to defend " press freedom in Cyprus."

In the Supreme Court of Cyprus on Jan. 2, 1957, Mr. Justice Ellison fined Mr Foley £50 for publishing the article, which was held to be prejudicial to the maintenance of public order. A nominal fine of £1 was also imposed on The Times of Cyprus Publishing Co., Ltd., the company owning the newspaper. Mr. Foley was acquitted on a charge of publishing an article likely to cause " despondency"—the word " alarm " having been struck out of the charge after the defence had submitted that the count in its original form was defective in law.

Mr. Foley subsequently announced his intention of applying for a writ of *mandamus* (command to an inferior court) and prohibition against Mr. Justice Ellison, alleging that the latter had taken out of the transcript of his original oral judgment certain phrases, or had amended it to such extent that he [Mr. Foley] had been deprived of substantial grounds of appeal against his conviction. Mr. Foley was given leave to apply for such a writ, but his appeal against Mr. Justice Ellison's judgment was rejected with costs on Feb. 9 by the Chief Justice of Cyprus, Sir Eric Hallinan.

Quashing of Collective Fine on Limassol. An appeal by the Mayor of Limassol and others against the collective fine of £35,000 imposed on Limassol in June 1956 was upheld in the Cyprus Supreme Court on Dec. 15 by Mr. Justice Zekia, who quashed an Order for payment of the fine on the ground that no proper inquiry had been held beforehand. The Cyprus Government announced on Dec. 17 that the amounts already collected from Limassol under this fine would be refunded immediately.

New Director of Security Operations. A reorganization of the command system for internal security forces came into operation in January, 1957, whereby General Douglas Kendrew, G.O.C. Cyprus District, combined the latter post with that of Director of Military Operations against the Eoka terrorists.

Ban on "Peka" Organization. The " Political Committee for the Cyprus Struggle " (Peka), the political wing of the Eoka organization, was proscribed by Sir John Harding on Sept. 27, 1956. " Peka " had first made its appearance during August, when leaflets were circulated in its name in different parts of the island.

The ban on the Communist Party of Cyprus and on various left-wing publications was extended on Nov. 29 for a further year.

Terrorist Activities and Security Operations.

Following the expiry on Aug. 27 of the truce called by Eoka, terrorist activities were renewed and reached a climax during November, when the number of casualties exceeded those of any month since the terrorist campaign began. The murder of two Turkish policemen, in Nicosia in January and in Famagusta in February gave rise to serious rioting by the Turkish communities in those towns. During the first three months of 1957, however, a series of successful security operations were carried out, resulting in the death or capture of many Eoka leaders. The principal incidents during this period are summarized below.

Aug. 30. Two British soldiers were wounded during raids by armed bands on police stations in two villages near Nicosia, and a Greek Cypriot was seriously wounded by armed men in a village near Paphos. A British ship was holed in Famagusta harbour by an explosion attributed to a limpet mine.

Aug. 31. Three armed men raided a Nicosia hospital in an attempt to rescue a captured terrorist (Polycarpos Georghiades) who was being brought there for treatment In the ensuing gun battle a British police sergeant, two members of the hospital staff, and two of the terrorists were killed, the third terrorist and Georghiades succeeding in making their escape.

Sept. 2. A bomb explosion caused a fire at the Government printing works in Nicosia. A Cypriot policeman was shot dead at Trikomo.

Sept. 4. A British officer was shot and wounded at Larnaca, and an exchange of shots followed in which a Turkish Cypriot was killed. In Nicosia a British official's house was seriously damaged by a bomb explosion.

Sept. 7 A Greek Cypriot was shot dead in Nicosia.

Sept. 8. Eight armed men raided Kyrenia police station and carried off a supply of arms and ammunition.

Sept. 9. A lorry carrying French troops was fired on between Famagusta and Nicosia, this being the first incident in which French troops had been involved. A British soldier was wounded by the explosion of a time-bomb on a beach near Limassol, and three others by an explosion in an Army camp near Nicosia.

Sept. 10. A time-bomb explosion started a fire which almost completely destroyed the official residence being built at Episkopi for the C.-in-C., Middle East Land Forces.

Sept. 11. A Greek Cypriot was shot dead at Akaki, 13 miles from Nicosia. A police station being built near Famagusta was set on fire.

Sept. 13. Four time-bombs exploded in a military hospital being built at Dhekelia, causing damage estimated at £5,500. Two masked men shot dead a Greek Cypriot believed to be an informer.

Sept. 15. A British soldier was shot dead by three youths in Nicosia. In the Paphos area a Greek Cypriot was killed and his wife seriously wounded when their car was ambushed by terrorists.

Sept. 23. An airman was killed and another wounded when four bombs exploded on a beach near Kyrenia. A Greek Cypriot was shot dead in Nicosia, and a soldier and his wife were wounded by terrorists who opened fire in the street in Larnaca.

Sept. 24. Three members of the security forces were injured in Famagusta by bombs thrown at their lorry.

Sept. 25. A sergeant was killed and 11 other soldiers injured by a bomb explosion in the Paphos district.

Sept. 26. A British officer was shot dead in a Nicosia suburb.

Sept. 27. Seven soldiers were wounded when a bomb exploded at an Army camp near Nicosia.

Sept. 28. Two British police sergeants were shot dead in Nicosia, while later the same day a soldier and a member of the Women's Voluntary Service were killed when two military cars were ambushed near Kyrenia. An all-day curfew (with an hour's break for shopping at midday) was subsequently imposed on the Greek section of Nicosia; all restaurants, bars, and places of entertainment owned or managed by Greeks in and around Nicosia and in Kyrenia were closed until further notice; and Greek Cypriots under 27 were forbidden to ride bicycles or motor-cycles in and around Nicosia.

Oct. 3. About 3,000 troops, supported by helicopters and spotter planes, began a large-scale operation over an area of over 200 square miles in the Kyrenian mountains.

Oct. 6. The curfew in Nicosia, which had given rise to protests from the municipal council, the editors of English and Greek newspapers which had been unable to appear, and British and other foreign residents affected by it, was lifted, though the ban on places of entertainment remained in force. A Greek Cypriot was shot dead by masked men near Limassol.

Oct. 11. The operation in the Kyrenia mountains ended after 31 Eoka terrorists had been captured, over 50 suspects held for interrogation, and large stores of arms and supplies seized. Six terrorists, who were suspected of complicity in the murder of Mr. and Mrs. Kaberry on July 8 and of seven other murders or attempted murders since December 1955, were discovered in a barn in an isolated farmhouse. They included Thassos Themistocleous, leader of the Kyrenia Mountain groups; Photis Christofi, his lieutenant; and Andreas Charalambous, who had escaped from Nicosia prison in June, and for whom a reward of £5,000 had been offered. 25 other members of Eoka village groups were also arrested. The arms captured included a 2-in. British mortar, machine-guns, revolvers, bombs, grenades, and nearly 2,000 rounds of ammunition.

Oct. 12. To prevent supplies of arms and ammunition from reaching Eoka by air, all planes flying over Cyprus were ordered to keep to set "corridors" and fixed altitudes. Large numbers of leaflets offering rewards for information about Eoka, and giving details of how to send it to the Government anonymously, were dropped by air over the island.

Oct. 14. Two Greek Cypriots suspected of being informers were shot dead in a village in the Paphos district, and a third near Limassol.

Oct. 15. It was officially announced that a body found during the operations in the Kyrenia Mountains had been identified as that of Lance-Corporal Hill, who had been missing since December 1955, and whom Eoka claimed to have hanged as a reprisal for the execution of two terrorists (see 14901 A).

Oct. 16. A Greek Cypriot suspected of being an informer was shot dead at a wedding reception in the Limassol district.

Oct. 19. Two Greek Cypriots were shot dead, one in Nicosia and the other in the village of Kato Pyrgos.

Oct. 20. A Greek Cypriot was shot dead in Nicosia, another in the village of Lyssi, and a third in the Famagusta district.

The military authorities announced that an operation in the south-eastern tip of Cyprus, which had been in progress for five days, had resulted in the arrest of 27 persons, including a complete village terrorist group, and the capture of arms and ammunition.

Oct. 21. A Greek Cypriot was shot dead in the Famagusta area.

Oct. 23. Two British soldiers were killed and four others wounded when a bomb exploded in the village of Lefkoniko, near Famagusta.

Oct. 28. Two British soldiers were killed when a bomb exploded under their lorry in the Paphos area.

Nov. 3. A soldier was shot dead in Limassol; another was killed when a bomb exploded under his car near Limassol; a third was killed by similar explosion near Polis, in the Paphos area; and an airman was shot dead in the village of Paralimni, near Famagusta. A Greek Cypriot who tried to break through a military cordon after the Polis incident was shot dead. In Nicosia a grenade was thrown at an Army vehicle, injuring two soldiers and a Greek Cypriot woman.

Nov. 4. A soldier was killed when a bomb was thrown at an Army truck in Nicosia, and two others when a bomb was detonated on the Limassol-Polymedia road. A Greek Cypriot police sergeant was shot dead in the Famagusta district. Security forces shot dead three Cypriots and seriously wounded a fourth after a bomb explosion in a village in the Paphos district.

Nov. 6. Mr. Douglas Williamson, assistant district commissioner in the Platres area, was killed when a bomb exploded in his office. An airman was killed and four others wounded by a bomb explosion in Limassol.

Nov. 10. A British civilian was shot dead in Limassol, and a Greek Cypriot in Famagusta.

Nov. 12. A soldier was killed and three others wounded in an ambush near Pedoulas village.

Nov. 14. Eoka gunmen murdered five Greek Cypriots, including a Limassol lawyer well known for his pro-British views (Mr. Yiannis Peligias), as well as a Turkish Cypriot. A Greek Cypriot was shot dead while attempting to escape from a detention camp. This was the largest number of casualties in any one day since the terrorist campaign began.

Nov. 15. A British businessman, Mr. Hallam, was shot dead and his partner seriously wounded by terrorists outside their office in Nicosia. Another British civilian was killed in Limassol when a mine exploded under his car.

Nov. 16. A sub-editor on the *Times of Cyprus*, Mr. McDonald, was shot dead in Nicosia. Three British soldiers were killed and 15 wounded by an explosion in a military camp near Paphos.

Nov. 18. A soldier was shot dead and a Turkish auxiliary policeman wounded in Limassol.

It was officially announced that a recent operation in the Troodos Mountains had resulted in the arrest of 17 Cypriots, including the members of a terrorist group, and the capture of large quantities of arms and ammunition.

Nov. 19. Terrorists opened fire from a house on military vehicles passing through the village of Nikitas (26 miles W. of Nicosia); in the ensuing gun battle a Cypriot was killed and four soldiers and two Cypriot civilians were wounded.

Nov. 28. A soldier was shot and wounded in Limassol by two youths aged 15 and 18, both of whom were arrested.

Dec. 4. It was officially announced that 34 people had been killed and 71 wounded in terrorist attacks during November, the largest number for any month since the emergency.

Dec. 8. Mr. Fox, a journalist who had taken Mr. McDonald's place on the staff of the *Times of Cyprus*, was shot dead in Kyrenia, and a Greek Cypriot was murdered in the village of Vialoussa.

Dec. 10. Two Greek Cypriots were shot dead at a village near Famagusta.

Dec. 11. The Abbot of Chrysorpyiatissa monastery, who was officially described as "a key man in the Eoka organization" in the Paphos district, was arrested and taken to a detention camp, together with a priest from the village of Panaya, near Paphos.

Dec. 13. It was officially announced that 52 people had been arrested in a seven-day operation in the Limassol and Larnaca areas. There was evidence, the statement added, that Eoka was very short of arms and ammunition as a result of recent searches by the security forces, and that it was making increasing use of youths and girls of school age for terrorist purposes in the belief that they would receive more lenient sentences if arrested.

Dec. 19. Two Greek Cypriots were shot dead, one in the Paphos area and the other near Larnaca. Two soldiers were shot at and wounded in Nicosia.

Dec. 21. A Greek Cypriot special constable was shot dead in Nicosia.

Dec. 25. An Eoka group attacked the police station at Alona, a mountain village in south-western Cyprus, but was repulsed by police and troops after an exchange of fire. Four bombs exploded in Nicosia, one at the *Times of Cyprus* office.

Dec. 27. An official communiqué stated that 130 people had been arrested as suspected terrorists since Nov. 18.

Dec. 31. An airman was shot dead in Nicosia. Michael Georgallas, a 20-year-old terrorist with a price of £5,000 on his head, was killed in a fight with security forces.

Jan. 2. A Greek Cypriot police sergeant was shot and seriously wounded at the village of Rizokarpaso.

Jan. 3. A British teacher was shot and wounded in Nicosia.

Jan. 4. A British private inquiry agent (Mr. R. W. James) was shot dead while entering his flat in Nicosia.

Jan. 9. A British civilian (Mr. Herbert Pritchard) was shot dead in Nicosia.

Jan. 11. Mr. Cook, the British district education officer, was shot dead in Famagusta.

Jan. 14. A British naval rating was shot dead in Nicosia, and a Greek Cypriot was murdered near the village of Cambos.

Jan. 15. The Greek quarter of Nicosia was sealed off by 3,000 troops who made a house-to-house search for those responsible for the recent murders in the city; 33 suspects, including some known members of Eoka, were detained for questioning. In the Troodos Mountains three terrorists were captured, two of whom had a price of £5,000 on their heads.

Jan. 18. Markos Drakos (24), a leading member of Eoka, for whom a reward of £5,000 had been offered, was shot dead during a fight with British troops in the Troodos Mountains. He had taken part in the attack on Nicosia broadcasting station in April 1955; had been arrested in the following June, but escaped from Kyrenia Castle; and was known to have directed a bomb attempt on Sir John Harding's life and a series of ambushes of military vehicles.

Jan. 19. A Turkish Cypriot policeman was killed and three others wounded in a bomb attack on a power station in Nicosia.

Jan. 20. Turkish rioters set fire to a timber yard and 10 other Greek-owned premises in Nicosia, a curfew subsequently being imposed.

Jan. 21. Following the lifting of the curfew in Nicosia, clashes occurred between Turkish and Greek youths in which 14 people were injured, with the result that the curfew was reimposed. The body of a Greek Cypriot who had apparently been battered to death was discovered.

Jan. 23. The Nicosia curfew was lifted, but Turkish youths under 21 were ordered to remain indoors until further notice.

Jan. 24. It was officially announced that during operations in the Troodos and Adelphi Mountains from Jan. 15-22 over 20 terrorists—including one complete mountain gang and leading members of three others, and comprising "nearly half the known Eoka hard-core leaders"—had been killed or captured. In addition to Drakos, another leading terrorist (Denos Herodotou) had been killed, while three Eoka leaders for whom a £5,000 reward had been offered had been captured—Polycarpos Georghiades, Argyrious Karademas (a Greek national known to be a trained saboteur and believed to be Grivas' deputy), and Nicos Spanos (a mountain gang leader). A number of secret Eoka hiding-places had been discovered, some in the homes of priests, Georghiades and seven other men having been found concealed in a secret room beneath a village constable's house. A large quantity of arms and ammunition had been seized, including a 3.5-in. rocket-launcher believed to have been stolen from Famagusta docks.

Jan. 25. An almost complete general strike by Greek Cypriots took place throughout Cyprus, except in Famagusta, as a protest against the Turkish riots of Jan. 20-21. In Famagusta, following the murder of a British civilian employed by the War Office, and the wounding of a soldier, all Greek Cypriot males were detained for questioning, while in Nicosia the house-curfew imposed on Turkish males under 21 was extended to Greek youths of the same age.

The Communist mayor of Limassol, Mr. Partassides, was released after having been detained since December 1955.

Jan. 27. A Greek Cypriot policeman was shot dead near Nicosia.

Jan. 30. A Royal Marine Commando force left Malta for Cyprus, where the internal security forces already comprised 14 infantry battalions and two artillery regiments, compared with 10 units a year earlier. Brigadier Baker, who had been in charge of anti-Eoka operations for a year, stated that during that time the number of mountain terrorist groups had been reduced from 16, totalling 150 men, to five, of which one had lost its leader and the others had suffered losses.

Feb. 1. A soldier was killed by a bomb explosion near Limassol, two others were wounded in an explosion in Famagusta; and a Turkish Cypriot was injured in Nicosia, where several bomb incidents occurred. In Larnaca a youth was shot dead and another wounded by a police patrol after failing to answer a challenge.

Feb. 2. The largest store of arms yet discovered, including 36 automatic pistols, over 2,000 rounds of ammunition, 53 bombs, 24 lbs. of T.N.T., 800 sticks of dynamite, and large quantities of other explosives and chemicals, was found in a Nicosia suburb hidden under the bedroom of a Greek Cypriot policeman, who was arrested together with his wife. The house was later blown up, as the removal of the explosives would have been too dangerous.

In Famagusta three bombs were thrown at a Turkish police patrol, killing one and wounding three others. Sir John Harding later broadcast an appeal to all leaders of public opinion to restrain their communities, and met Dr. Dervis (Mayor of Nicosia) and Dr. Kütchük (leader of the Turkish community), both of whom promised to co-operate in maintaining order. Shortly after the broadcast, however, a Maltese-owned cabaret in Nicosia was wrecked by a Turkish mob, which included several auxiliary policemen.

Feb. 3. After the murdered policeman's funeral in Famagusta, Turkish rioters attacked Greek Cypriots, eight of whom were injured, set fire to Greek-owned property, and damaged fittings in a Greek church. All Greek and Turkish males under 27 in all major towns and villages were placed under a house curfew, and in Nicosia the Greek members of the municipal council appealed to the Greek population to avoid at all costs any friction with the Turkish community.

A soldier was killed and another wounded when a military car was fired at in the Famagusta district, bringing the number of British servicemen and civilians killed in the terrorist campaign to 100.

Feb. 5. It was announced that 189 people had been arrested and several arms stores discovered during searches in the mountains of western Cyprus. Evangelos Evangelakis, a terrorist with a price of £5,000 on his head, and Andreas Chartas, a prominent Eoka operational leader, were arrested in Nicosia.

Feb. 6. Seven Greek Cypriot policemen, including an inspector and two detective sergeants, were arrested in connexion with the recent discovery of an arms store in Nicosia.

The body of Private Hilton, who was killed by Eoka as a reprisal at the same time as Lance-Corporal Hill, was officially reported to have been found near Famagusta. The statement said that Pte. Hilton had been shot by terrorists several months earlier.

Feb. 7. Two terrorists who had detonated a bomb near a military vehicle were shot dead by troops near Polis.

Feb. 9. A nine-year-old Greek Cypriot boy was killed in Nicosia by a bomb thrown by a terrorist at an Army vehicle.

Feb. 10. A British civilian was shot at and wounded in Limassol, shortly after the house-curfew on Greek Cypriots under 27 had been lifted. A terrorist was shot dead and five others captured by troops near Lyssi.

Feb. 17. Troops fired on a car which failed to stop when challenged near Limassol, killing a Greek Cypriot and wounding two others.

Feb. 18. During operations in the Troodos Mountains, Demetrakis Christodoulou (a terrorist for whose capture £5,000 had been offered), another terrorist, and a British officer were killed, while Christofi Lenas, also with a price of £5,000 on his head, was captured.

Feb. 25. Three airmen were injured near Famagusta by bombs thrown at their vehicle, a Greek Cypriot bystander being killed when the airmen opened fire at the terrorists.

March 2. A Turkish police sergeant was shot and wounded at Ktima, a curfew being imposed on the town to check attempts at reprisals. In the Limassol district a Greek Cypriot policeman was seriously wounded.

March 3. Gregoris Afxentiou (29), second-in-command of Eoka, was trapped and killed in a cave in the Troodos mountains after refusing to surrender and keeping up a lone fight for several hours. The cave was eventually destroyed by a powerful explosive charge after a British soldier had been killed by Afxentiou's sten-gun fire, the body of Afxentiou (who had had a price of £5,000 on his head) being found inside the cave. His four companions (two of whom also had prices of £5,000 on their heads) had surrendered previously. The abbot and monks of the nearby Makheras monastery—in whose compound the cave was situated, and where an arms dump had been found—were placed under house arrest.

March 7. Two terrorists were killed by troops in western Cyprus after firing on a patrol from ambush.

March 11. A Greek Cypriot was shot dead by troops at Akali after failing to answer a challenge.

March 15. Aristidou Droushiotis (24), who was believed to have succeeded Afxentiou as operational head of the Eoka oranization, and who had a price of £5,000 on his head, was captured in the Paphos area.

March 17. In Limassol four youths were injured and 12 people arrested when police made baton charges to break up demonstrations demanding the release of Archbishop Makarios.

March 18. In view of the success of the security forces in eliminating Eoka leaders, the rewards offered for information leading to the arrest of Grivas and of other leaders were reduced from £10,000 and £5,000 to £1,000 and £500 respectively.

March 19. A Greek Cypriot teacher was shot dead by terrorists near Famagusta.

March 21. Michalakis Rossides, Eoka commander for the Larnaca district, and Demetrious Ioannides, both with a price of £500 on their heads, were captured with a third terrorist near Larnaca.

March 22. Petrakis Kyprianou, a 17-year-old student who was wanted for two murders, was shot dead in the Larnaca area while attempting to escape.

It was officially announced in Nicosia on April 2 that 203 people had been killed and 708 wounded since the beginning of Eoka terrorism on April 1, 1955, and that there had been 1,382 bomb explosions during the past two years. The total of killed comprised 78 British servicemen, nine British policemen, 16 British civilians, 12 Greek Cypriot policemen, and four Turkish civilians, while five Greeks and two Turks had lost their lives in inter-racial riots. (White Paper, Cmd. 42 - Times - Daily Telegraph - Manchester Guardian - U.N. Information Centre London - Turkish Embassy Press Office, London)
(Prev. rep. Cyprus, 15061 A.)

A. INDIA. — Decimal Coinage System.

The decimal coinage system based on the *naya paisa* (one-hundredth of a rupee) as the smallest currency unit was introduced throughout India on April 1, when new coins and postage stamps were issued. Elaborate preparations had been made by the Government and the Reserve Bank of India to explain the change to the public, millions of ready reckoners and conversion tables having been printed to help the population. In view of the fact that the new decimal coinage values could in many cases not be expressed as the exact equivalent of the old comage, charges by the Post Office and other official bodies had to be adjusted to the nearest full multiple of a *naya paisa*, involving a certain "devaluation" of the old coinage.

In place of the former division of three pies to a pice (*paisa*), four pice to an anna, and 16 annas to a rupee, all business transactions will henceforth be calculated in rupees and *naye paise*. To assist the public in changing over to the new system, the conversion tables issued by the Government said that "in any single transaction the exact equivalent should be worked out at the rate of 100 *naye paise* to one rupee or 16 annas or 64 pice or 192 pies." All banks were closed on April 1 while their books were converted from the old to the new system, which came into force on the same day for bus, tram and taxi fares, postage stamps, etc. The former coinage will, however, be valid side by side with the *naya paisa* coinage for the next three years.—(The Statesman, Calcutta - The Hindu, Madras - Indian High Commissioner's Office, London) **(Prev. rep. Decimal Coinage, 14871 A; New Calendar, 15302 A.)**

A. SOVIET UNION. — Judicial Reforms.

Legislation providing for important changes in the Soviet legal system was unanimously approved by the Supreme Soviet on Feb. 12. The principal changes were (*a*) a re-definition of the status and functions of the Supreme Court, which would no longer hear cases not previously judged by lower courts, (*b*) the transfer to the 15 Union Republics of power to issue their own legal codes.

Supreme Court. The new Statute of the Supreme Court provided that it would be an "independent body guided only by the law"; be elected by the Supreme Soviet for a period of five years and be responsible to the Supreme Soviet (or, between sessions, to its presidium), and consist of a president, two vice-presidents, and a number of members (i.e. professional judges) and "people's assessors" (i.e. laymen with powers equal to those of the judges). The Presidents of the Supreme Courts of the 15 Union Republics would be *ex-officio* members.

The Court would be divided into civil, criminal and military sections. In addition to acting as the highest appeal court against decisions from lower courts, its functions would include the hearing of appeals by the President of the Supreme Court and the Procurator-General against decisions of the Court's civil, criminal, and military sections; giving general guidance to lower courts in the application of laws; initiating legislation on questions of legal interpretation; resolving disputes between the judicial organs of the Union Republics; and dealing with infringements of all-Union legislation by the Supreme Courts of the Union Republics, or infringements of the rights of other Union Republics.

The right of the Court to hear certain cases not judged by lower courts was abolished, and no cases could in future be brought before the Supreme Court which had not previously been heard by local courts, regional courts, and the Supreme Courts of the Union Republics.

After adopting the new Statute, the Supreme Soviet elected M. Alexander Gorkin (formerly secretary of the presidium of the Supreme Soviet) as President of the Supreme Court, and MM. Nikolai Morozov and Lev Smirnov as Vice-Presidents; the two latter had been President of the Criminal College of the Supreme Court and Assistant Procurator-General respectively. Nine members and 20 "people's assessors" were also elected. [The former Court had consisted of 78 members and 35 assessors.]

Legal Codes. This Act abolished the system under which the whole of the Soviet Union had one code of civil law, one of criminal law, and one of judicial procedure. Instead, it provided that while the principles of the legal system would continue to be laid down centrally, the individual Republics would adopt their own civil, criminal and procedural codes adapted to local conditions.

Other Changes. These included (i) the abolition of the special transport courts which dealt with crimes involving railways and waterways -such crimes being handled in future through normal judicial channels; (ii) the provision that a "people's assessor" should henceforth sit on military as well as civil courts.

The legislation was described as a further step towards increasing the authority of the Union Republics, which, it was stated during the debate, now possessed sufficiently large numbers of jurists and trained legal staff to deal themselves with the legislative and judicial tasks transferred to them. (Soviet Weekly) **(Prev. rep. 14059 A; 14817 A.)**

B. NETHERLANDS. — Social Legislation.

Two important social and economic measures came into force in the Netherlands on Jan. 1, 1957, after the necessary legislation had been passed by the States-General: (1) an old-age pension scheme whereby every man and woman reaching the age of 65 became entitled to a pension; and (2) a law whereby married women were given the right to dispose of their property and monies without needing the consent of their husband.

The old-age pension is basically 804 guilders a year for single people and 1,338 guilders for married couples. It differs from old-age pensions in other countries, however, in that the amount to be received by the pensioner is linked to the cost-of-living index. Premium payments, payable between the ages of 15 and 65, are proportionate to earnings, calculated at between 6½ and 7 per cent for the first five years. It had been estimated that only one-third of all wage-earners had hitherto made provision for their old age.

Under legislation dating back to the *Code Napoléon*, married women were previously unable to dispose of property brought into the marriage or to initiate legal action without their husband's authority. These handicaps are removed by the new law; e.g. a married woman no longer needs her husband's authority for the opening of a banking account, for entering into a legal contract such as a hire-purchase agreement, or for the purchase or sale of property.—(Netherlands News Agency - Algemeen Handelsblad, Amsterdam) **(15071 A.)**

C. UNITED NATIONS. — Dr. Lindt appointed U.N. High Commissioner for Refugees. - Death of Dr. van Heuven Goedhart.

Dr. Auguste Lindt, permanent Swiss observer at the United Nations since 1953, was nominated by Dr. Hammarskjöld on Dec. 6, 1956, as U.N. High Commissioner for Refugees in place of the late Dr. van Heuven Goedhart (Netherlands), who had died in Geneva on July 8, 1956. Dr. Lindt's nomination to this post was unanimously approved on Dec. 10 by the U.N. General Assembly.

Gerrit Jan van Heuven Goedhart (55) was born at Bussum (North Holland) in March 1901, studied at the University of Leiden, and after graduation was appointed to the editorship of the Amsterdam newspaper *De Telegraaf*. He resigned from that paper in 1933 owing to differences on editorial policy and became editor of the *Utrechtsch Nieuwsblad*, a paper distinguished for its strong opposition to Nazism. In 1938 he visited Czechoslovakia and subsequently wrote a book (*Unrest in Masaryk's Country*) in which he exposed Nazi methods in the countries bordering upon Germany. He also visited Finland during the Russo-Finnish War, writing a book on the situation in that country and helping to raise money in the Netherlands for the Finnish people.

After the German invasion of the Netherlands in 1940 he ceased his journalistic activities and became a member of the Commission for the Welfare of War Victims, with responsibility for the housing programme. He resigned when the Germans imposed a rule that no houses should be available for Jews. In 1941 Dr. van Heuven Goedhart became co-editor of the underground newspaper *Het Parool*, organ of the Dutch Resistance movement, which had a clandestine circulation of 60,000. Thirty-seven members of his staff were executed and many others arrested and put in concentration camps, but he himself evaded capture notwithstanding that the Germans placed a price of 100,000 marks on his head. In February 1944 he was chosen by the Dutch Resistance to report to the Netherlands Government in London, which he reached after an adventurous journey through France and Spain. He became Minister of Justice in the "London Government," and after the liberation was appointed Editor-in-Chief of *Het Parool*, now one of the leading Dutch newspapers.

In 1947 Dr. van Heuven Goedhart was elected to the Upper House of the States-General, but resigned from his parliamentary post and the editorship of *Het Parool* on his appointment in 1951 as U.N. High Commissioner for Refugees for a three-year term subsequently extended for four years until the end of 1958. His unremitting efforts to alleviate the world-wide refugee problem earned wide-spread recognition, notably when his Office was awarded the Nobel Peace Prize in 1955 (see 14509 D).

Dr. van Heuven Goedhart collapsed and died from a heart attack while playing a game of tennis. (U.N. Information Centre, London - New York Times - Netherlands News Agency - Algemeen Handelsblad, Amsterdam) **(Prev. rep. 13675 A.)**

D. ATOMIC RESEARCH. — First "Atoms for Peace" Award conferred on Professor Niels Bohr.

Dr. Killian, president of the Massachusetts Institute of Technology, announced at a press conference in New York on March 12 that Professor Niels Bohr, the Danish nuclear scientist and Nobel prizewinner, had been unanimously chosen as the first recipient of the Atoms for Peace Award instituted in 1955 through a grant of $1,000,000 by the Ford Motor Company (see page 14360, second column). The award consists of an honorarium of $75,000 and a gold medallion.

Dr. Niels Bohr (71), one of the founders of modern atomic theory, has been Professor of Theoretical Physics in the University of Copenhagen since 1916, and won the Nobel Prize for Physics in 1922 for his theoretical work on the structure of the atom. Before the First World War he worked with the late Lord Rutherford at Cambridge and Manchester, and was closely associated with Rutherford in the early discoveries into the nature of the atom. Of Jewish descent on his mother's side, Dr. Bohr fled to Sweden in 1943 at the time of the Nazi deportation of the Danish Jews. He was flown from Sweden to Britain in a British military plane and later went to the U.S.A., returning to Copenhagen at the end of the war.

The award was made by a committee consisting of Dr. Killian, Dr. Ralph Bunche (Assistant Secretary-General of the U.N.), Mr. Detlev Bronk (president of the U.S. National Academy of Sciences), Dr. Alan T. Waterman (Director of the National Science Foundation), Professor Arthur H. Compton (formerly Chancellor of Washington University), Mrs. Mildred Horton (formerly president of Wellesley College), and Mr. Marvin J. Kelly (president of the Bell Telephone Laboratories).

The Atoms for Peace Awards have a monetary value almost twice as great as the Nobel Prizes. (New York Times - Berlingske Tidende, Copenhagen - Politiken, Copenhagen) **(Prev. rep. 14360 A.)**

E. GHANA. — Abandonment of U.K. Honours.

A statement issued in Accra on April 2 from the Prime Minister's Office announced that Ghanian citizens would no longer be eligible for British honours and awards. -(Times)

APRIL 13—20, 1957

A. UNITED KINGDOM. — The Budget, 1957-58. - Increased Income Limit for Earned Income Relief. - Higher Children's Allowances. - Concessions to Old People. - Personal Allowances for Surtax. - Entertainments Duty on Living Theatre and Sports abolished. - Reduction for Cinemas. - Tax Relief for Overseas Trading Companies. - Higher Investment Allowance for New Ships. - Abolition of Emergency Petrol Duty.

The Chancellor of the Exchequer, Mr. Peter Thorneycroft, introduced the Budget for 1957-58 in the House of Commons on April 9. Estimates of Ordinary Revenue and Expenditure are shown in the following table:

ESTIMATED REVENUE	£
Inland Revenue—	
Income Tax	2,176,250,000
Surtax	149,000,000
Death Duties	170,000,000
Stamps	60,000,000
Profits Tax, Excess Profits Tax and Excess Profits Levy	255,000,000
Other Inland Revenue Duties	500,000
Total Inland Revenue	2,810,750,000
Customs and Excise—	
Customs	1,204,250,000
Excise	912,850,000
Total Customs and Excise	2,117,100,000
Motor Vehicle Duties	93,000,000
Total Receipts from Taxes	5,020,850,000
Post Office (net receipts)	20,000,000
Broadcast Receiving Licences	31,000,000
Receipts from Sundry Loans	32,000,000
Miscellaneous	185,000,000
TOTAL REVENUE	5,288,850,000

ESTIMATED EXPENDITURE	£
Interest and Management of the National Debt	*640,000,000
Sinking Funds	38,000,000
Payments to N. Ireland Exchequer	69,000,000
Other Cons. Fund Services	10,000,000
Total	757,000,000
SUPPLY SERVICES—**Defence—**	
Army Votes	445,500,000
Navy Votes	316,150,000
Air Votes	506,150,000
Ministry of Supply (Defence)	197,600,000
Ministry of Defence	17,634,000
	1,483,034,000
Less—Receipts from U.S.A. and Germany appropriated in aid of Defence Votes	62,750,000
	1,420,284,000
Civil—	
I. Central Government and Finance	16,014,000
II. Commonwealth & Foreign	86,359,000
III. Home Dept. Law & Justice	91,671,000
IV. Education & Broadcasting	478,983,000
V. Health, Housing & Local Government	792,991,000
VI. Trade, Labour & Supply	81,901,000
VII. Works, Stationery, &c.	78,409,000
VIII. Agriculture and Food	298,052,000
IX. Transport, Power and Industrial Research	202,709,000
X. Pensions, National Insurance & National Assistance	474,403,000
	2,601,492,000
Less—Net reduction in Supply Expenditure	†10,000,000
	2,591,492,000
Tax Collection—	
Customs and Excise and Inland Revenue Votes	58,101,000
	4,069,877,000
TOTAL EXPENDITURE	4,826,877,000
SURPLUS	461,973,000
	£5,288,850,000

SELF-BALANCING REVENUE AND EXPENDITURE	£
Post Office Revenue required to meet Post Office expenditure	307,604,000

* In addition £175,000,000 for Interest on the National Debt will be met from receipts under various Acts authorizing such application.

† This represents the net saving expected to accrue in 1957-58 from the receipt of £20,000,000 from the National Health Service contribution announced on Feb. 19, 1957, and the additional cost of the Agricultural Price Review (£10,000,000).

The principal changes brought about by the Budget are set out below:

Income Tax Earned Income Relief. Extension of earned income relief at two-ninths from the present limit of £2,000 up to £4,000, and thereafter at one-ninth up to £10,000.

Income Tax Children's Allowances. Raised from £100 to £125 as from the year in which a child becomes 12, and to £150 in which a child receiving full-time education becomes 17. For children under 12 the allowance will remain £100.

Income Tax Concessions to Old People. Income Tax exemption to be increased to £250 for single persons of 65 and over, and to £400 for married couples where either is 65. Where the total income slightly exceeds £250 or £400 the tax payable to be limited to one-half of the amount by which the total income exceeds these limits.

The income limit for old age relief was raised from £600 to £700.

Surtax. The starting point to remain at £2,000 for single persons, but the married allowance, the child allowance, and the housekeeper and dependent relative allowances to count for Surtax (as well as for Income Tax), applying for the first time to Surtax payable on Jan. 1, 1958, on 1956-57 income.

Companies' Taxation. Income Tax and Profits Tax exemptions of trading profits of "oversea trade corporations," i.e. those U.K.-controlled and managed companies which conduct their actual trading operations abroad (except shipping, banking, and insurance).

Shipping. The investment allowance for capital expenditure on the construction of new ships increased from 20 per cent to 40 per cent on expenditure due and payable from April 9.

Purchase Tax. Cut from 30 per cent to 15 per cent on floor coverings such as linoleum and carpets; furniture, other than domestic furniture at present liable at the rate of five per cent.: hardware, ironmongery, table-, kitchen- and toilet-ware; cutlery; and domestic appliances and apparatus, other than those operated by electricity or gas or sewing machines.

Entertainments Duty. Abolished for the living theatre and all sports, and cut for cinemas by £6,500,000 through substituting a simpler scale. The scope of exemption from duty for certain entertainments held in rural areas (including cinemas) to be extended for communities up to 3,000 inhabitants, instead of 2,000 as at present. All changes to come into effect on May 5.

Television Licences. Fee raised from £3 to £4 from Aug. 1.

Petrol Duty. The emergency additional duty of 1s. a gallon (imposed last December) to end forthwith.

National Land Fund. Capital to be reduced from £50,000,000 to £10,000,000.

The Chancellor also announced (*a*) that the existing restrictions on bank credit would continue, and that the Capital Issues Committee would once again resume examination of the need for such credits and the period of borrowing (left to the discretion of the banks since 1953); (*b*) that a committee of inquiry into the working of the monetary and credit system would be set up under Lord Radcliffe.

The Chancellor's Budget speech is given below under cross-headings:

Balance-of-Payments Position. Reviewing economic developments in the past year, Mr. Thorneycroft spoke on the external position as follows: "With 50,000,000 people living here upon a small island and dependent upon external trade and confidence in sterling, it is this which is always uppermost in the mind of any Chancellor . . . Up to the middle of last year the balance of payments was responding well to the measures introduced by the Leader of the House [Mr. Butler] and the Prime Minister [Mr. Macmillan]. The visible trade gap had been reduced and our invisible earnings were going up. As a result the U.K. earned in the first half of 1956 a surplus of around £150 million on our current transactions with the rest of the world. At the same time our gold and dollar reserves rose by nearly £100 million while other countries' holdings of sterling were reduced. Altogether, therefore, we seemed to be recovering fairly well from the difficulties which had arisen in 1955."

After explaining that the second half of the year was normally more difficult for the balance of payments, Mr. Thorneycroft said: "To the seasonal factors must be added, in 1956, the events in the Middle East. So far as I can judge, these events in fact affected our commercial position less than might have been expected. Shipping delays disturbed the monthly figures for visible trade, but did not appear to affect the average. As recorded by the balance-of-payments estimates, which, of course, deal with the payments rather than the arrivals, neither imports nor exports deteriorated appreciably in value between the first half of the year and the second. In the invisible account our net earnings on oil transactions were naturally reduced. On the other hand, the interest payments on the North American loans were on this occasion paid into a special capital account and so did not affect our current balance-of-payments position. In the event, despite the seasonal deterioration and all the difficulties of the Middle East situation, we earned in the second half of 1956 a surplus of £79 million, compared with a deficit of £102 million in the second half of 1955.

"But, of course, our problem was not on our current account. It was not concerned with the underlying strength of our position as a trader. It was a different problem, concerned with our function as a banker for a large part of the world. This is, indeed, established by the detailed balance-of-payments figures . . These show that during the second half of the year countries outside the sterling area reduced their holdings of sterling by £84 million and that there were other large adverse capital movements It was these factors which were responsible for most of the strain on our reserves."

After recalling Britain's mobilization of dollar reinforcements, Mr. Thorneycroft referred to the increase in reserves in the first quarter of 1957 "without any call being made upon our I.M.F. stand-by or the Export-Import Bank line of credit." He went on: "This is of course a great improvement on the stormy events of the previous quarter. Even so, our progress has not been all we could have wished. During the year we earned a current surplus of £233 million. This was much better than the deficit of about £80 million which we incurred in 1955. Nevertheless, by more exacting standards, we must judge it to be inadequate. Put in the simplest terms, we kept the exports rising while we checked the imports. The instruments which we used were the credit squeeze, deliberately high levels of taxation, and controls on hire-purchase transactions. The price we paid was a check to the growth of total industrial production and of personal consumption. Few men would judge us to have been wrong in thus deliberately channelling our resources into investments and into exports.

Economic Development in 1956. "The statistical story of these events is given in the Economic Survey. It is a story, not of stagnation, but of immense variety. Although total production and consumption did not rise, there were wide alterations in the pattern of what we made and of what we bought. 1956, then, was a year of considerable activity, but at the same time of vitally needed redeployment. The inflationary pressure fell - the number of jobs and the number of men seeking jobs came more closely into balance. A situation of acute labour shortage ended without losing the benefits, social as well as economic, of full employment.

"The criticism is made that 1956 saw a check in the growth of industrial output. I want to face that criticism fairly and squarely. In 1955 production was high and the rate of production was growing. But in the process we were bringing imports into the country faster than we could earn the money to pay for them. There was the beginning of a situation similar to that which got out of control in 1951. We had to apply a check As the Prime Minister put it in his Budget speech last year, 'I think we have learnt this lesson from the events of the past year. We cannot afford to run our economy flat out with more jobs than men to fill them, more orders than industry can meet, easy profits at home and rising costs. There is really no future in importing extra materials that we cannot afford in order to turn them into extra goods that we do not export.'

"We intended to reduce the pressure and we did reduce the pressure. We greatly improved the balance of the economy. In the process some potential production was lost and that was inevitable. It is the difference between driving a machine flat out with the risk of breakdown and slowing it temporarily in order to resume a normal sustainable speed. I would make this further point. While we deliberately used our industrial capacity less intensively in 1956 than in 1955, the capacity itself was growing . . . because investment was maintained at a high level. We were building the means to produce more and to produce it for export markets. The process of economic growth cannot be absolutely regular. There will be years of growth and years of consolidation. Our long-term growth will be all the sounder for the consolidation we undertook in 1956.

The Costs and Prices Problem. - Need for Restraint. "Now, as to cost and prices. What happens to them is crucial to our competitive position and therefore to our economic future. This is indeed a national rather than a party problem. In both technical and human terms it is the most difficult issue which this country had to face. My right hon. friend [Mr. Macmillan] spoke last year about a plateau [see 14977 A]. Indeed, retail prices rose only moderately since last April—an increase of about 2 per cent. Taken by itself this is not a bad record. At the worst it is not more than a gentle slope. In the same period the index of wage rates rose by about the same amount. But since then there has been a settlement on the railways for about 5 per cent. We all know that other discussions are going on, and I do not intend to comment upon them because it would be quite inappropriate to a Budget speech.

"I want, however, to comment upon a rather longer view. The truth is—and everybody knows it—that we have all been trying to take more out of the economy than we put into it. Between us we have all been forcing prices upward, with the increases in incomes putting up the cost of living and the cost of living leading to demands for higher incomes. Between 1946 and 1956 money incomes per unit of output increased by about 50 per cent. In other words we tried to get half as much again for doing the same amount of work. Is it any wonder that prices rose? Between 1955 and 1956 the nation's total output increased by £1,200 million in money value, but only by £240 million in real terms. We cannot take £1,200 million out and put £240 million in without doing a good deal of damage to our economy and to sterling in the process.

"Now what can we do about it? Should we try to hold the spiral by subsidizing the cost of living? Should we try to obscure the effect of rising costs by paying subsidies direct or indirect? This process, of course, requires that we should take back from the taxpayer what he is gaining in subsidized prices. As Sir Stafford Cripps found, it is a fantastically costly operation. It introduces a wide range of artificial factors into the economy. Unless it is accompanied by high taxation it adds to the very inflation it was designed to obscure. When at last we find that we cannot afford it and have to modify the subsidies, this process of itself lends force to further wage and other income demands. I could not recommend it to the House.

"What other courses are open? There are some who say that the answer lies in savage deflationary policies, resulting in high levels of unemployment. They say that we should depress demand to a point at which employers cannot afford to pay and workers are in no position to ask for higher wages. If this be the only way in which to contain the wage-price spiral it is indeed a sorry reflection upon our modern society. To slash production, to drive down investment, to push up unemployment to a level at which, despite high world demand, we have manufactured our own depression is, to say the least of it, a high price to pay for price stability.

"This does not mean that we must drift again into inflation, which puts profits so high and makes labour so scarce that dividends and wages are practically forced beyond our economic capabilities. It does mean that universal and permanent depression should not be regarded as a pre-requisite to true stability.

"But if we are not to rely upon the policies either of subsidy or of all-out deflation, then we must seek a degree of restraint and commonsense and recognition of common interest far stronger than exists to-day. Let us try, wherever we sit in this House and whatever part we play in the economy, whether we come from the ranks of management or workers, to face the realities which now confront us.

"Many of our competitors, friendly nations with whom we are allied or associated, are practising more restraint, making greater efforts, showing a better realization of world economic conditions, than we are. I will content myself by saying this we ought all to ask ourselves whether we have adjusted our outlook to the responsibilities as well as to the benefits of high levels of employment. A money income raised prematurely and beyond the real resources we possess is at best only a partial and ephemeral gain to the man who gets it and another blow to those who are living upon fixed incomes.

"We can earn only what we produce. Yet restrictions on production still exist on both sides of industry. In the difficult times which lie ahead businesses must be ready to change their methods and their products, just as those who work in them must be not only ready but anxious to seek a fresh approach, which is the only way that they can secure benefits that will not turn out to be illusory. If we are to find a solution to this problem we all have a part to play, and perhaps some sacrifice to make management and workers and the spending Departments of the Government.

"I am sure that no-one in this country wants to see our money steadily losing its value or sterling going the way of so many currencies in the past. If we are to find a solution to such problems as these we must at least have the courage in Government, in management, and the trade unions to state them bluntly and to be prepared to discuss them fully and frankly with one another. I make no party point of this. If as a nation we solve this problem, and we can only solve it together, there is no limit to the achievements which could be ours under any Government. If we fail there is no Government of any Party that this country has to offer that can stand between us and a drab decline in all our fortunes. The Government has its role to play in grappling with inflation, but no Government can solve the problem on its own."

Out-turn for 1956-57. "'Above the line' there was a surplus of £290 million, compared with an estimated surplus of £460 million, which is to be increased during the year by £100 million as a result of savings on expenditure provided for in the original Estimates. 'Below the line,' however, the position has turned out rather differently. Total payments were £836 million £185 million less than was estimated, whereas receipts were only £3 million below the estimate. The deficit was thus only £621 million, compared with an estimated £803 million.

"The main contribution to this saving was a substantial decline in the provision of capital for local authorities. Against an estimate of £220 million for this purpose, issues have had to be made of only £109 million. These figures reflect the successful application of sound financial principles to the capital expenditure of the local authorities. The authorities attract savings by borrowing in the market as far as possible and they now pay the market price for their capital whether they raise it from the market or from the Exchequer. I shall press forward with this policy in the coming year. I realize that the market cannot meet all the requirements of the local authorities, but I shall continue to rely on the sound judgment of the Public Works Loan Board to prevent any unnecessary demands on the Exchequer.

"Net Exchequer advances to the National Coal Board amounted to £26 million, £37 million below the estimate. This does not mean that the rate of investment in coal was reduced, but that the Board was able to finance rather more of its investment from its own resources. Last year's Finance Act provided that the Exchequer should supply the capital needs of the other nationalized industries for the two years ending March 31, 1958. The Prime Minister estimated that in 1956-57 issues of some £350 million might be required for this purpose. In the event, £284 million has been advanced under the Finance Act and £52 million under the new Transport (Railway Finances) Act, making a total of £336 million for this group of industries [see 15438 A].

"The out-turn can therefore be summed up as follows: Above the line there was a surplus of £290 million. Below the line the deficit was £621 million. Thus the overall Budget result which determined the amount of expenditure that had to be met by borrowing was a deficit of £331 million.

National Savings. "If I felt disappointment on learning that the fruits of the tax gatherers had not quite come up to expectations, it was offset by the knowledge that the National Savings Movement had had an exceptionally good year. In his Budget speech last year the Prime Minister improved and enlarged the whole range of National Savings and made a challenge to which it has risen nobly. As a result, the total of National Savings now stands at £6,240 million —£116 million more than a year ago.

"Both the Post Office Savings Bank and the Trustee Savings Banks did better than last year. But the major contributions to the net increase in savings were made by the new Savings Certificate and the Premium Savings Bond. Some people have been suggesting that the Premium Savings Bond is a failure. That is a curious way to describe a security which, even after the first rush had subsided, has continued to bring in several million pounds a month And let us see how these figures will look after the monthly prize drawings start in June. It is quite clear we shall need this help every bit as much in the coming year as in the past year. I am sure we shall get it.

National Debt. "The National Debt decreased by £34 million in total over the year." After giving details of the past year's borrowings, Mr. Thorneycroft said: "The effect of the year's operations has been a reduction of almost £600 million in the level of Treasury Bills outstanding. In other words, over the year the total of the National Debt was slightly reduced and there was a fairly substantial change from short-term to long-term borrowing."

Revenue Estimates for 1957-58. "In some respects the prospects are encouraging. On the basis of existing taxation Inland Revenue duties at £2,876 million are expected to yield £171 million more in the coming year. From income-tax we expect to collect £2,230 million —an increase of £116 million on last year, mainly owing to the effect of increased wages and salaries. We also expect to get from Profits Tax an extra £60 million, mainly as a result of the increase in the rates made last year. Surtax, death duties, and stamp duties are estimated to produce about the same yield as last year.

"The revenue from the Customs and Excise duties on the existing basis of taxation is estimated at £2,150 million, compared with receipts of £2,101 million last year. None of the estimated yields shows a substantial rise or fall on last year's figures. I expect £93 million from motor vehicle duties, £2 million more than last year."

The estimate for non-tax revenue was £268 million, compared with £261 million last year, but under this heading one receipt was not really revenue at all "but merely a book-keeping windfall," viz., the interest of £37 million due last December on the U.S. and Canadian loans, which was paid into a special account and was included in the charge for interest on debt in 1956-57. Agreement had since been reached with the U.S. and Canadian Governments for the deferment of this interest payment [see 15440 A], and after the U.S. Congress had ratified this agreement the interest would be returned to the Exchequer from the special account. "I am bound to include this £37 million in my estimate of miscellaneous revenue," he added, "but I shall not regard this windfall as having any significance when I come to consider my Budget proposals."

"Altogether, revenue is estimated at £5,387 million—£229 million higher than last year's yield."

Expenditure Estimates for 1957-58. - Exchequer Prospects on Existing Taxation Basis. "I estimate total expenditure 'above the line' in 1957-58 at £4,827 million—£41 million less than the actual out-turn for last year. The Consolidated Fund Services will require £757 million in the coming year: £21 million less than last year's estimate. This relief to the Budget results largely from the fall in the short-term interest rates. On the other hand, supply expenditure is estimated at a total of £4,070 million—£26 million more than last year's out-turn. This increase is, of course, the net effect of the big rise in civil expenditure, notably in social services and a reduction in defence expenditure.

"If, therefore, existing taxation were to remain unchanged we should have a total revenue estimated at £5,387 million against expenditure of £4,827 million, giving an estimated surplus 'above the line' of £560 million. This compares with an actual surplus last year of £290 million.

"I expect the net total of expenditure 'below the line' to be a little less than the actual total last year. I estimate the needs of local authorities' borrowing in the coming year at £100 million. The Coal Board will need to make a larger call on the Exchequer in order to continue its investment programme, with net advances of £45 million, compared with £26 million last year. Issues to the other nationalized industries may amount to some £290 million, against which repayments of £14 million may be expected, and £50 million is likely to be required for the Transport Commission under the Transport (Railways Finances) Act. The total net expenditure below the line is put at £587 million.

"Overall, therefore, remembering that on the existing basis of taxation we have an estimated surplus 'above the line' of £560 million the deficit—that is, the net expenditure we may need to meet by borrowing—will be £27 million next year, compared with £331 million in 1956-57. These figures are much better than at one time I thought they would be. At any rate they could be a good deal worse. I would emphasize that the improvement in the Budgetary position which the figures indicate has not been achieved just by luck. They are the outcome of considerable efforts by my two predecessors and recently by myself, with the co-operation and support of our colleagues, to keep the level of Government expenditure under control."

The Chancellor then referred to the £1,420 million required for Defence, which, as a result of the Defence policy review [see 15493 A], was £79 million less than the original estimate and £105 million less than actual expenditure last year. "On the civil side," he continued, "we are providing for expenditure of £2,650 million—that is, £189 million above the Budget estimate of last year. This figure takes credit for the £20 million which we expect to save this year by the new National Health Service contribution [see 15397 A], but also provides for an additional £10 million on account of the agricultural price guarantees [see 15465 A].

Need for Vigilance over Expenditure. "During recent months we have clipped and cut expenditure over a wide field, but we are still spending at a high level . . . Even after the changes we are making, the cost of the Social Services, at £1,677 million, will be £124 million more than the estimates of a year ago. Among them education, at £415 million, will be £63 million more, and the National Health Service, at £529 million, will be £28 million more. Exchequer grants to local revenues, at £105 million, will cost £21 million more.

"If expenditure upon this scale is to be supportable, and certainly if there is to be any expansion of the Social Services, several things are necessary. The Government must be free to continue to study ways and means of reducing costs without impairing the essential services themselves. Parliament must recognize that checks and limits must be placed on the growth of even the most useful forms of spending. Indeed, public pressure for economy in all fields is the greatest help a Chancellor can have, and the country as a whole must recognize that the surest way to provide against the need for further distasteful economies is to increase the total of the national product out of which these services have to be provided. Put simply, if we want to retain our Social Service State we must earn it by our own efforts."

National Land Fund. Referring to the position of this Fund, which was created in the 1946 Finance Act by Mr. Hugh Dalton, Mr. Thorneycroft said: "The intention was that much greater use should be made of the power of the Inland Revenue to accept land in payment of estate duty. Mr. Dalton's concept was, I think, an imaginative one, and we have developed it by taking power in 1953 and 1956 to accept works of art in settlement of estate duty. But the £50 million of securities with which the Fund began have by now grown, with accumulated interest, to a value at maturity of nearly £60 million. The Fund at present has an investment income of over £1.4 million a year. Its average expenditure since its creation has been less than £200,000 a year. In other words, its capital and its resources are out of proportion to its likely expenditure.

"In these circumstances it is hardly surprising that the Public Accounts Committee has recommended that we should return part of this large and growing balance to the Exchequer. I am proposing to reduce the Fund's capital to £10 million by cancelling some of the securities held in it. This will for a number of years suffice to meet all demands on the Fund under present policies, which we mean to continue. This will, of course, have no effect upon the Budget figures."

Economic Prospects for 1957-58. "What can and ought to be done in the Budget depends not only on issues of Exchequer arithmetic but also on the economic outlook for the coming year. I have every confidence that we can look forward to an increase in exports. World trade is growing, and our manufacturers have been making a strong effort to expand their markets abroad. Orders have been coming in at a high rate. There is wider appreciation of the opportunities for our goods in the vast North American market. Whether we shall this year expand or fall short of the increase of 6 per cent in the volume of exports achieved last year I cannot tell. It will depend on our ability to deliver the right goods at the right time and at a competitive price. I confidently hope for a substantial increase. Certainly the opportunity to export must be the first and most important answer to complaints about stagnation. The condition of an expanding economy is that we should sell more abroad. Increased production on any other terms will merely increase our import bill. If we sell more abroad we shall achieve not only our first objective, which is a larger trading surplus and an increase in our reserves, but our second, which is expansion at home upon a safe and sound basis."

Turning to consumption, the Chancellor said: "Last year there was virtually no increase in consumers' expenditure in real terms. Instead, there was a big increase in personal saving and repayment of debt. Part of this was a temporary adjustment due to the pressure of credit. Once people have paid their debts they not unnaturally tend to buy more. The latest retail trade figures confirm this expectation. It seems likely, therefore, particularly in view of recent wage settlements, that there will be some increase in consumption this year. It would be a stony-hearted economist who would altogether deplore this. The objective of production is, after all, consumption, but we must watch that we do not consume too much at the expense of other objectives vital to our economy.

"This brings me to investment. Of course, we have got to have a high investment economy. This is a condition of our survival. But people sometimes forget what a rapid increase there has been in investment. Since 1952 gross fixed investment has increased by 7 per cent a year, compared with a growth of just over 3 per cent a year in total national output. Thus year by year the proportion of our resources devoted to fixed investment has steadily increased. It was 12 per cent of the gross national product in 1947, 14 per cent in 1951 and 16 per cent in 1956.

"True, some countries do more than this, just as we must ourselves seek the opportunity to do more. Let us, however, not forget that circumstances in other countries are often quite different to our own. Some have rapidly growing populations to provide for. Some have smaller defence burdens. On the whole, we have a good record in home investment. I wish that we had an equally good record of investment in gold and dollar reserves.

"At any rate in the coming year, and indeed beyond, I see no sign of stagnation in investment. In the public sector the plans designed for atomic energy, for coal, for transport, are large. The problem posed by investment plans for the basic and in part publicly-owned sector of the economy is not in the main whether we contemplate too little, but how we can manage to do so much. And yet we are right to do it. Ask any industrialist. Few would say that in this sector we are guilty of being overbold. We need more power, more steel, and more transport facilities. Investment such as this is indeed vital to the economy of our country.

"As to the private sector itself, the rate of investment has mounted sharply in the the last three years. Future plans vary. Some firms may wish to pause before making a further advance. But the pressure for capital on all sides certainly suggests to me that too hasty or too vigorous encouragement might well lead us into just that over-extension of the economy which we have been at pains to correct and avoid.

"Investment is at a high level. If we can ensure that in both the basic and manufacturing sectors it is pushed quietly and steadily up over the years, if we can do it in a volume and at a pace within our material and monetary resources, we shall make a great contribution to our economy. But investment must be matched by savings. To spend too much too quickly, to watch inflation grow, to try to correct it by raising taxes and restricting credit —this is a sequence of events tempting to embark upon but to be avoided at all costs."

Summing up the economic outlook, the Chancellor forecast expansion in exports, some increases in consumption, and probably a slight increase in fixed investment as well. "Thus there is a fair promise of renewed growth this year," he said, adding: "It must be remembered that our first objective is the earning of a surplus on overseas current account substantially larger than that of recent years in order to build up the reserves, to repay borrowing, to finance overseas investment, and to provide for further drawings by the holders of sterling balances. We need this not only for our own security as a trading nation, but also to honour our commitments as a world banker. We hold, after all, the reserves of many other countries within the Commonwealth and outside it, and are the centre of the sterling system on which so much of world trade is based.

"After making full allowance for the factors I have mentioned I see some grounds for cheerfulness. As I see it, the temperature of the economy has been brought down to a more normal level by our disinflationary policies in the last 18 months. Resources appear to be at least adequate to the demand on them. It is reasonable to hope for further substantial export gains."

Monetary Policy. - Continuance of Credit Restrictions. "In this task the banks and the Exchequer have their part to play. So far as the Exchequer is concerned, we must clearly continue with our efforts to influence the monetary system by the maintenance of a satisfactory Budget balance, by vigorous National Savings, and by full use of market opportunities for funding." The monetary measures available are really: Bank Rate and the rest of the interest rate structure; measures connected with Exchequer financing and open market operations; and the specific controls over credit exercised through the Capital Issues Committee and the statutory restrictions on hire-purchase. Continued use has been made of these measures during the past year, and we can claim that they have been by no means ineffective in checking inflation.

"But . . . these measures would not have been as effective as they have been without the active co-operation of the banks in restricting credit. Given the practical limits to the monetary pressure that could be brought to bear on bank liquidity, it has been necessary for the Government to inform the bankers from time to time of the continuing need for credit restriction and to ask them to respond to the national need. My predecessor met representatives of the banking organizations last July and they undertook to meet the Chancellor's wishes and the national needs . . . I think the figures showed that, despite some recent increases in advances, the banks have lived up to their undertaking to do so. Over the year to Feb. 20, 1957, advances to customers other than the nationalized industries showed a net increase of £25 million on a total of £2,000 million. But the detailed figures reveal big increases in bank accommodation for just those industries that play the leading part in the export drive and provide the national economy with its basic services, offset on the other side by substantial reductions in the credit given for less essential purposes. Thus, in spite of rising costs and heavy demands, the banks have succeeded both in keeping the total volume of bank credit in check and in distributing it in accordance with national needs.

"It seemed to me appropriate before opening this Budget to discuss the credit situation with representatives of the banking organizations and to indicate to them the directions in which I need their continued co-operation. They were forewarned when on Feb. 7 last I said that the change in Bank Rate was 'not a signal for bankers or others controlling the sources of finance to relax credit or to ease restrictions on lending.' That statement holds good. The bankers cannot be expected to welcome such a statement, implying, as it does, a continued restriction on their enterprise and competition. But they recognize it as an unpleasant necessity, and I am glad to say that they have renewed their assurance that they will continue to maintain a restrictive attitude towards advances and will be particularly critical towards advances for the less essential purposes.

"I recognize that some increase in the level of advances may result from the provision of bank finance for purposes of the highest priority. I am confident, however, that the banks will keep credit within bounds by their vigilance over the whole field and by strict control over lending for purposes that are not of first importance to the national economy. I cannot say for how long this effort will be necessary, but I intend to keep in close touch with the banks through the customary channels in order to meet their desire to respond promptly to the national needs.

Tighter Bank Credit Control by Capital Issues Committee. "I also intend to support the bankers' efforts by a change in the arrangements for the statutory control over borrowing exercised by the Treasury on the advice of the Capital Issues Committee.

"The banks are aware that, notwithstanding the statutory exemption of borrowings made in the ordinary course of business, bank advances should not in general be made for capital expenditure. Accordingly, it has been, and will continue to be, their practice to treat all applications from their customers for bank credit to finance investment in buildings, plant, and other fixed capital as not being in the ordinary course of business and therefore as requiring Treasury consent under the Control of Borrowing Order. In December, 1953, the Capital Issues Committee were asked to confine their attention to the purpose of such loans, leaving the terms to the discretion of the banks. I have decided to do away with that limitation and I propose to reinstate the previous practice by which the Committee also concern themselves with the need for bank finance and the period of such borrowing.

"I must emphasize that my reason for wishing to restrict bank finance for such purposes is not that an overdraft would be commercially unsound the bankers, not the Treasury, must remain the judge of that - but because of the danger that long-term investment financed from bank credit may add to the volume of investment without a corresponding increase in real savings. That is why I have to-day written to Lord Kennet to ask the Capital Issues Committee that, in addition to examining the purposes of such borrowing, they should also consider whether bank overdraft is the appropriate method of finance. I have asked that they should not recommend consent, however good the purpose of the loan, unless they are satisfied, either that there are exceptional features in the case which make it impossible for the applicant to raise the loan from non-banking sources, or that the proposed bank loan is a strictly temporary and short bridging operation pending the completion of funding arrangements. By this means I am hopeful that control over credit will be maintained. But the very fact that these arrangements have to be made is evidence that the monetary machine is working under great difficulties.

Committee of Inquiry into Monetary and Credit System. "I think there is general agreement as to the objectives of monetary policy. This country stands determined to maintain a fixed and stable exchange rate. The primary requisite for this is that we shall be able and determined to avoid inflation at home. Equally it is also agreed policy to avoid slumps and severe unemployment, if these perils should again confront us. These objectives are not open to question. But there are the widest differences of opinion among those best qualified in this difficult field about how to attain them. These differences have little or nothing to do with political opinions. Examples of the various schools of thought are to be found right, left, and centre.

"We have in the Macmillan Report an authoritative exposition of the system as it worked before 1931. But the problem then was how to find a way to pump more credit into the system. That is not, to say the least, our main anxiety this afternoon. Moreover, much else has changed in this field since 1931. The problems of Exchequer finance, including the management of the vast debt so largely a legacy of wartime years, are altogether different in scale. There have also been considerable changes in the structure of the banks' assets, making them less susceptible to monetary pressure. Such changes in conditions have been widely recognized both in this House and outside, and for this reason suggestions for a Committee of Inquiry have been canvassed for the past year or more. Mr. Macmillan considered them carefully last Spring. He heard the views expressed to him by a small deputation led by Sir Robert Boothby. He considered at that time that an inquiry would be premature until we had more experience of the application of Bank Rate and of the credit 'squeeze.'

"In the last two months I have considered the matter afresh . . . I have now decided, after consultation with the Bank of England and with its full agreement, that the stage has been reached when an inquiry should prove useful and constructive. A committee will therefore be set up with the terms of reference: 'To inquire into the working of the monetary and credit system and to make recommendations.'

"The inquiry will be primarily directed to reviewing the working of the system in the conditions of to-day, taking particularly into account the great influence now exerted upon it by the public finances and the need to maintain a high level of savings and investment. It will be concerned with the achievement of the best possible system of money and credit while observing to the full the international obligations in the matter of the exchange rate, and in other matters, which H.M. Government have assumed and have every intention to honour. Lord Radcliffe has consented to serve as chairman and the names of the other members will be announced as soon as the appointments have been completed.

Taxation Policy. "Having thus as it were both guarded my flank upon the credit front and set in hand a study of our future strategy in these matters, I can turn from monetary policy to fiscal considerations and consider to what extent and in what direction I can properly reduce taxation, having regard to the state of the economy as a whole . . .

"The fact that our economic prospects cannot be assessed in advance with precision does not lessen my responsibility for exercising the best judgment I can in the light of the information and forecasts available to me. In this part of my task at least I have not been lacking in advice. Words of caution from some and of encouragement from others have been falling on my ears for weeks past.

"Let me say at once that I reject the extremes of both opinions which have been urged upon me. I reject unequivocally the view that the sole duty of a Chancellor is to remove taxation at whatever risk to the economy and without regard to the consequent inflation that would certainly result. That is the language of irresponsibility. Actions of that character might conceivably buy from the undiscerning a momentary popularity. It would indeed be the easiest possible task for any Chancellor to boost home consumption and investment at the cost of lower exports, of higher imports, and a thumping external deficit. It is, however, a policy in which I should be prepared myself to play no part whatever.

"Nevertheless I must fairly say that the other extreme of opinion contains elements of almost equal folly. I personally do not share the view of those who appear to consider that high rates of taxation will of themselves provide a sovereign remedy to all our ills. They are rather a reflection of an overstretched economy. The answer to an overstretched economy is not to tax it but to relax it.

"A satisfactory feature of the present Budget figures is the very great improvement in the overall Budget position compared with the out-turn for the past year. With a great deal of effort and through restraint of expenditure we have eased the problem of financing the public outlay. We have thus carved out some kind of opportunity now—not next year but now—to make at least a modest start towards a reduction in the burden of taxation which presses so heavily upon the people of this country.

"I cannot do much more today than to chart a pattern of progress, to place a few directing arrows upon it, and to take one or two firm steps along their paths. These arrows point to what I believe to be our necessary and desirable goals.

"First, greater industrial efficiency and competitiveness. Our industries must be given greater opportunities to compete more successfully in world markets.

"Second, the provision of better incentives and opportunities for initiative and effort.

"Third, the easing of the pressure of the tax system where this bears most hardly on individuals and families.

"In sum, I seek to create conditions in which our economic future, collective and personal, is seen by all to be worth striving for and saving for.

"I must emphasize once more that the general pattern of my Budget must be dictated by the need to place and keep our external position on a really sound footing. Therefore the room for manoeuvre is limited. But there is still room for some manoeuvre and we must try to use it wisely. I judge that, against the background of a Budget so nearly balanced overall, I can properly reduce the burden of taxation by a figure of around £100 million. This will leave us with a much bigger surplus than that realized last year, and an overall deficit that can be covered by real savings."

Entertainments Duty. - Television Licence Fee. After recalling that during the debates on the Finance Bill last year Mr. Macmillan had given an assurance that he would, in the course of the year, undertake a comprehensive review of the whole structure of the duty, Mr. Thorneycroft went on: "When I succeeded him as Chancellor of the Exchequer I continued his work. I now have a number of proposals to make. This duty now brings in about £40 million a year. There can be no question of abandoning a yield of this order of magnitude. Entertainment is not in itself an unreasonable object of taxation, and I must obviously continue to look to the patrons of entertainment for a substantial amount of revenue which I should otherwise have to collect in some different ways.

"On the other hand, there have been many changes since the duty was introduced in 1916, and indeed since it was last revised in 1954. Some forms of entertainment are expanding. As they expand they affect the profit of the other types. In particular, television has in recent years grown to be a powerful competitor with other entertainments, and I have had to consider whether it is bearing a share of taxation comparable with its rivals. I have not overlooked the fact that anyone who buys a television set pays a substantial amount of purchase tax upon it. But there is no tax on its use comparable with the tax on the admission price to a cinema.

"I am satisfied that a fairer balance in the taxation of these competitive entertainments is desirable. I accordingly propose that an Excise duty of £1 should be levied on each combined television and radio licence, which at present costs £3. There will, of course, be appropriate rates for the comparatively few cases where television licences are issued at something different from the standard charge. This new duty will not, of course, apply to licences for sound reception only. It will operate from Aug. 1, and I estimate that it will yield £6 million in this financial year and £8 million in a full year.

"As to the rest of the Entertainments Duty, this duty is at present charged under three scales. The highest scale applies to the cinemas, which in 1956-57 contributed some £34 million out of the total revenue of about £40 million a year . . . The lowest scale applies to theatres and other living stage entertainments, while sports are charged at intermediate rates. No-one has pretended for some time that the present arrangements for the duty are logical or satisfactory. After hearing a good deal of advice and considering with great care all the arguments that have been advanced by the many interests concerned, I have come to the following conclusions:

"First, I propose that the living theatre should be freed from duty altogether. The cost of this, including certain other entertainments at present charged under the first scale, will be £2½ million.

"Secondly, I propose that all sports should be freed from duty altogether. This, with other entertainments charged under the second scale, will cost the revenue £3¼ million.

"Thirdly, I propose that the cinemas should be relieved of duty to the extent of about £6¾ million. I propose to achieve this by substituting a much simpler scale for the present complicated scheme. The new scale will be 50 per cent of the amount by which the total admission price exceeds 11d.

"The exemption in favour of indoor entertainments in rural areas will continue to be necessary to cover cinemas in such areas, and I propose to widen its scope by raising the population limit from 2,000 to 3,000. In this way it will be possible to help a number of villages and rural areas which are within the purpose of the exemption but which are not, at present, within the letter.

"These changes in entertainments duty will operate from May 5 and will cost £12¼ million in a full year, or £11½ million this year. The net cost, allowing for the extra revenue from the television duty, will be £14¼ million in a full year and £5 million this year . . .

Taxation of Overseas Trade Companies. "The second major commitment which I inherited was an undertaking to consider the taxation of U.K. companies that carry on business overseas. Such companies, when they are controlled and managed in this country, have to pay tax at our very high rates on their profits earned abroad, subject to a set-off against the U.K. tax bill for similar taxes paid overseas. This position has been much criticized over many years on the ground that the U.K. concern trading in an overseas country where tax rates are lower than ours is at a disadvantage as compared with local competitors. It was fully reviewed by the Royal Commission under Lord Radcliffe's chairmanship which reported in 1955. The Commission put forward a novel idea for dealing with the problem, which I propose in substance to adopt.

"The idea is that our law should recognize as entitled to special tax treatment a class of Overseas Trade Corporations. Broadly speaking, these will be U.K. companies controlled and managed from this country but having all their actual trading operations abroad. Concerns that qualify as Overseas Trade Corporations will be exempted from income-tax and profits tax on their trading profits earned abroad.

"Of course, when they pay dividends or other distributions to shareholders out of those trading profits, those dividends will be liable to U.K. income-tax; and if they are received by a U.K. company, to profits tax also. In appropriate cases there would, of course, be relief for taxes paid abroad.

"The companies to be covered . . . will include those wholly engaged overseas in mining, oil-winning, agriculture, manufacture and processing, public utilities, and distribution. I do not propose to include shipping, since I am proposing to deal with the industry in a different way. Nor do I propose the inclusion of financial activities such as banking and insurance, since I do not think they could properly be brought within the underlying conception of the scheme.

"I must also give some precision to the proposed treatment of selling activities overseas. The Royal Commission contemplated that some Overseas Trade Corporations would be the exporting side of U.K. manufacturing businesses which would obtain merchandise from the U.K. and send it overseas for sale there. We must, however, be careful that this new relief has no possible suggestion of an export subsidy about it, and the legislation will make it clear that, to qualify as Overseas Trade Corporations, concerns dealing in U.K. goods must buy those goods 'free on board' at a U.K. port at the price appropriate to a transaction between independent persons. Thus only profits arising from that point onwards which can be seen to flow from selling activities outside this country will come within the exemption.

"There doubtless are some concerns which already have all their trading operations outside this country and can qualify as Overseas Trade Corporations immediately. But there are also many mixed businesses with their operations partly here and partly overseas. To secure the benefit of my proposals such concerns will have to 'hive off' their overseas business into a separate company that fulfils the conditions for qualification as an Overseas Trade Corporation.

The legislation to put through a major reform of this kind will inevitably be long and complicated . . . As well as a close definition of this new class of corporation there will clearly have to be provisions defining distributions that are to be taxable and the method of dealing with them, and possibly safeguards against abuse.

"I believe these proposals to be a justifiable reform in our tax system and a legitimate help to companies that plough back their profits overseas in competition with those who operate under easier tax laws. Many of them operate in Commonwealth countries and in the Colonies. Under the impetus of this reform more may well do so. As things stand at present a British company engaged in such overseas operations may be at a serious disadvantage compared with its competitors. We must seek to remove these disadvantages. Moreover, under the existing law any such British company is a somewhat tempting object for a take-over bid by foreign buyers, who can often base their offer upon a future tax position more favourable than would be open to any British bidder.

"Although the remission of the tax will represent an intitial loss to the balance of payments, these proposals are a step towards more investment, more trade, and more exports. I am confident that this

is a sound measure which will bring us increasing rewards in future years. The cost to the Revenue will not be negligible. I cannot, of course, give precise figures, but I estimate the cost at £25 million this year and something over £35 million next year."

Purchase Tax. Announcing the reduction of the tax rate from 30 per cent to 15 per cent for domestic kitchenware and tableware, cutlery, certain furniture, and floor coverings, the Chancellor said: "It is designed to benefit the ordinary householder, and in particular those families with low incomes who may fail to derive advantage from taxation relief in other fields. The concessions which I propose will be of help in the home and especially perhaps to those setting up house for the first time . . . These changes will operate as from to-morrow; their cost will be about £18 million this year and about £24 million in a full year. I believe that this will not only be welcomed by consumers but will be of help to a number of British industries affected . . ."

Petrol Duty. "When the additional duty of 1s. a gallon was imposed on petrol and certain other light oils last December," the Chancellor said, "it was made clear that the extra duty was temporary. In fact the Act lays down that it is to be removed not later than one month after the end of rationing of all the products liable to the duty. But we do not want to continue it any longer than we must. Although our oil supplies are not yet back to normal, they have improved sufficiently to justify the removal of the additional duty. I have therefore approved the issue of a Treasury Order under which the duty will be restored to the former rate of 2s. 6d. a gallon for light oil and derv delivered from the refinery or bonded storage from 6 p.m. this evening . . . In the immediate future this will mean a definite loss of revenue. On the other hand, as soon as rationing comes to an end—and we do not know when that will be - the yield of the duty will increase. It is impossible therefore to calculate the cost of the reduction of duty, but the least figure I can put on it is £10 million.'

Import Duties. Mr. Thorneycroft said that he proposed (*a*) to continue the Customs duty of £4 a cwt. on imported hops which would otherwise expire on Aug. 15; (*b*) to introduce a provision to simplify the administrative arrangements for levying duty on imported articles in respect of dutiable ingredients.

Furthermore, he would propose in the Finance Bill to give statutory effect to the new trade agreement with Australia which was signed in February.

Estate Duty. Turning to certain proposals for strengthening the tax code, Mr. Thorneycroft said: "The first concerns the estate duty that is levied when a gift is made within five years before death. At present the law gives rise to anomalies and lends itself to avoidance devices. One device, sometimes known as 'the disappearing trick,' takes advantage of the fact that no duty is payable if the property given away—for example, a security due for early redemption has ceased to exist before the death of the donor, even if he dies within five years of making the gift. I propose to put a stop to these devices and generally to rectify the anomalies that arise under the present law."

Investment Allowance. "My second [proposal] concerns the investment allowance. Under the law as it stands there might in certain circumstances be a legal claim to two investment allowances for the same asset. This clearly should be stopped . . ."

Continuing, the Chancellor referred to Mr. Macmillan's suspension of the 20 per cent investment allowances in February, 1956, in all but certain special cases, and declared: "It will, I think, be clear to hon. Members who followed my earlier remarks about investment that I do not consider the time has come to restore these allowances. But there is one exception. Strong representations have been made to me in the case of the shipping industry. This industry is indeed in a special position. It is faced with severe competition in a world market, often from ships sailing under 'flags of convenience' with small tax liabilities. It finds it increasingly difficult to build up finance for the replacement of its ships when they become obsolete.

"It has been suggested that I should give to shipping some specially favourable depreciation allowances which would enable the owners to build up, while a ship was operating, tax-free reserves against its eventual replacement. Much as I appreciate the problems of the shipping industry I cannot agree to do that. I have therefore looked for alternatives. There are clearly very real difficulties in giving any special tax relief to a selected industry, for inevitably the question arises where to draw the line.

"There is, however, already in existence one form of special relief to the shipping industry—namely, the 20 per cent investment allowance which it was allowed by my predecessor to retain last year. After careful thought I have reached the conclusion that as a recognition of its unique position I can increase that allowance. I propose, therefore, that the investment allowance for capital expenditure on the construction of new ships shall be increased to 40 per cent as regards expenditure becoming due and payable after to-day.

"This will cost nothing this year but the cost will rise to £11¼ million in a full year. I must repeat that this is a unique step for a unique industry which is the life-line of our country, and I must be rigid in my attitude to any requests by other industries for similar treatment. Capital expenditure on scientific research and approved fuel-saving equipment, which at present qualifies for the investment allowance, will continue to enjoy the present rate.

Income Tax Concessions to Old People. "Many people have for long held the view that our tax system is too hard on elderly folk living on comparatively small incomes . . . but we must not forget the many younger people with no greater incomes . . . One has, therefore, to hold a fair balance between the old and the young.

"I am sufficiently impressed by the case of the old to feel that I should take some action this year. I propose that there shall be two special income-tax exemption limits for the old; an exemption limit of £250 for single persons over 65 and of £400 for married couples where either husband or wife is over 65. In each case a marginal provision for incomes slightly over the limit will be necessary.

"As a second step, I propose an improvement in the 'age relief' arrangements. People over 65 with a total income of not more than £600 have the whole income treated as earned income whatever its source, and relatively small investment incomes from savings bear no more tax than pensions. I propose that the income limit for age relief shall be increased from £600 to £700.

"The two proposals will cost £2¼ million this year and £4½ million in a full year.

Child Allowance. "In a period when the amount of tax relief is limited, I believe that public opinion would favour a policy which concentrated somewhat upon the problems of the family. At present relief is given as a flat rate allowance of £100 for each child that qualifies. I have been examining the problem in the knowledge that children, particularly if they continue in full-time education, cost more as they grow older. This is true both for the parent who pays fees and for the many parents who, while not paying fees, make considerable sacrifices to keep a boy or girl at school or University who could otherwise have been contributing to the joint family income.

"I propose, therefore, that the child allowance shall remain at £100 for children under 12; but that it shall be increased to £125 as from the year in which the child becomes 12 and that there shall be a further increase to £150 as from the year in which the child becomes 17. A child above the age of 16 . . . ranks for allowance only if he or she is receiving full-time education or full-time training as an apprentice.

"These increases, which are rather different from the proposals of the Royal Commission, will apply irrespective of the amount of the parent's income. The father of the boy or girl who has won a scholarship to a grammar school or university will qualify, as well as the father who chooses to educate his child at his own expense. I propose no change in the limit of child's income of £85 that disqualifies a parent from receiving a child allowance. The cost of these proposals is £14¼ million this year and £17¼ million in a full year.

Surtax. "With this proposal for an improved income-tax child allowance I associate another reform. This is in the field of surtax and also stems from a recommendation of the Royal Commission. It, too, is based upon the proposition that the responsibilities of marriage can be costly. The Royal Commission recommended that the starting point for surtax should vary as between single persons, married couples, and married couples with children. They suggested reducing the starting point for a single person to £1,500, leaving the married couple to start at £2,000, and increasing the starting point of £2,000 by £160 for each qualifying child.

"I do not propose to reduce the surtax starting point - which is still where it was in 1920 for anybody, and I shall leave the single person at £2,000. I think, however, that there is a good case for some variation for the others. I propose that the ordinary income-tax personal allowances other than the single allowance - i.e. the married allowance, the child allowance, and the housekeeper and dependent relative allowance - shall run for surtax as well as for income-tax.

"Thus the surtax starting point for a married couple will become £2,100. For couples with children it will, in accordance with the proposal that I have just made on the child allowances, vary with the children's ages. For example in a family with two children, one aged 10 and the other 14, the starting point for surtax under the new arrangements will be £2,325, but that will apply as from 1957-58, the year now starting, the surtax for which is payable on Jan. 1, 1959. I propose, however, that the change shall apply to the surtax payable on Jan. 1, 1958, in respect of 1956-57. Since that year is already past, the child allowance to be taken into account will, of course, be the present flat rate of £100.

"This change will cost £6 million this year and £9¾ million in a full year.

Earned Income Relief. "Our objective is opportunity and expansion. A tax system which offers the minimum inducement to those with the maximum responsibility is inconsistent with this aim. This criticism has particular force round about the £2,000 level of income. Yet this figure of £2,000 and upward represents the income range of the very men whose activities and decisions do most to determine our rate of economic expansion. In their hands rests for good or ill much of the future of the national economy. In penalising them, the nation penalises itself.

"In few countries in the world is there less incentive to increased effort after the £2,000 figure has been passed. The fact that the earned income relief stops at £2,025, while surtax at 2s. in the pound starts at £2,000 means that on every extra pound of earned income at, say, £1,900, 6s. 7d. is paid in tax, while on every extra pound of earned income at £2,025, 10s. 6d. goes in tax. And after that point the graduation continues to be very steep indeed. Undoubtedly the right way to tackle this is to apply to incomes above £2,000 the same kind of relief as that applied to incomes below £2,000. The Royal Commission proposed that the present earned income relief at two-ninths of the income should continue from £2,025 to £2,500, and that a smaller relief at one-ninth should be given for the band of income from £2,500 to £3,000.

"I agree with the idea underlying the Royal Commission's proposal but I am disposed to carry it a good deal further. There are salaries well above the £3,000 maximum suggested by the Royal Commission which, without any doubt, are wholly the reward, and the well deserved reward, of some of the work most vital to our country. I think that it is right that such income should be treated for tax purposes differently from investment incomes of the same amount. I have accordingly decided to extend the two-ninths earned income allowance from the present limit of £2,000 up to £4,000 and thereafter at one-ninth up to £10,000. (The precise figures will for technical reasons vary a few pounds on either side of these levels).

"Even after these changes the effective rate of tax on total earned income for a single man will range from about a quarter at £2,000 to over a half at £10,000. These proposals will at least ensure that of every extra nine pounds earned, two pounds will go into the pocket of the earner free of the ordinary incidence of income-tax (though not of surtax) up to £4,000 and one pound after that until £10,000 is reached.

"These changes will cost £17 million this year and £24¾ million in a full year. A reform of this kind has been long overdue. We are determined that in the society which we seek to create there should always be room at the top. There must be rewards there too.

Conclusion. "The tax reliefs which I have proposed amount in total to £98 million in 1957-58 and to about £130 million in a full year. About a quarter of this total relief will take the form of assistance to our import trading operations overseas; about a quarter will take the form of additional incentives to those whose efforts are of particular importance to the expansion of the economy; about another quarter will give some measure of relief from the burden of indirect taxation and will thus help those outside the range of direct taxation. The remainder is designed to give some general easement of the tax burden, including something for the old, but concentrating on those who are seeking to educate their children for the opportunities ahead.

"Having made these remissions of taxation, I am left with a surplus 'above the line' of £462 million and an overall deficit of £125 million. On these figures I think it will be agreed that the Budget is making a striking contribution towards the strengthening of our balance of payments and the stability of the economy. Even after the tax remissions which I have proposed, and allowing for the windfall from the interest on the dollar loans, the surplus 'above the line' is nearly a third bigger than the actual surplus last year. At the same time, the overall deficit is reduced to little more than half that of last year. I am satisfied that such a deficit will be amply covered by small savings and other non-inflationary methods of finance. We have cut spending and reduced taxes. We must carve out even greater opportunities for the years which lie ahead."

As pointed out by the Chancellor, the estimated effect of the taxation changes will be as follows: (*a*) extension of earned income relief: a loss of £17,000,000 in 1957-58 and £24,500,000 in a full year; (*b*) increase in child allowances: a loss of £14,500,000 in 1957-58 and £17,500,000 in a full year; (*c*) higher income exemption limit for old people: a loss of £1,500,000 in 1957-58 and £2,500,000 in a full year; (*d*) increase in income limit for age relief: a loss of £750,000 in 1957-58 and £1,750,000 in a full year; (*e*) application of personal allowance to Surtax: a loss of £6,000,000 in 1957-58 and £9,750,000 in a full year; (*f*) exemptions of "overseas trade corporations" from Income and Profits Tax: a loss of £25,000,000 in 1957-58 (i.e. £20,000,000 Income Tax and £5,000,000 Profits Tax) and £35,000,000 in a full year; (*g*) higher investment allowance for new ships: a negligible loss in 1957-58, £7,000,000 in 1958-59, and £11,500,000 in later years; (*h*) abolition of petrol duty surcharge: a loss of £10,000,000 in 1957-58 and nil thereafter; (*i*) changes in Entertainments Duty: a loss of £11,200,000 in 1957-58 and £12,200,000 in a full year; (*j*) increase in Television licence: a gain of £6,300,000 in 1957-58 and £8,000,000 in a full year; (*k*) Purchase Tax reductions: a loss of £18,000,000 in 1957-58 and £24,000,000 in a full year. Total net loss: £97,650,000 in 1957-58 and £130,700,000 in a full year.

The Budget led to a firmer tendency in sterling, the sterling-dollar rate closing on April 9 at $2.78\frac{1}{16}$ and on April 10 at $2.79\frac{1}{16}$—its highest level since March 27.

National Savings.

The National Savings Committee announced on April 7 that net national savings in the financial year ended March 31, 1957, amounted to £119,548,000—the best result since 1947-48, and comparing with a net outflow of £35,118,000 in 1955-56 and a net gain of £60,383,000 in 1954-55. Allowing for accrued interest of £130,313,000 (against £130,269,000 in 1955-56) and for interest paid out on certificates of £94,812,000 (£51,125,000), the total sum invested was increased during 1956-57 by £155,049,000 (£44,026,000) to a new peak of £6,240,000,000.

The Committee stated that the improved result had been largely brought about by increased sales of Savings Certificates of the tenth issue introduced in August 1956, and the receipt of £65,000,000 from Premium Bond sales, with no adverse effect on other forms of national savings, and so far with negligible encashments. Another factor contributing to the improvement was the strengthening of the Savings Banks by the exemption from Income Tax of the first £15 of interest. (Times - Daily Telegraph - Financial Times - Manchester Guardian) **(Prev. rep. 1956-57 Budget, 14821 A; Supplementary Estimates, 15397 A; 1956-57 Revenue and Expenditure, 15462 A; Reductions in Government Expenditure, 15216 A; Bank Credit, 15046 A.)**

Note. The tables below show the amount of income tax and surtax (if any) payable on specimen incomes. They give the tax payable after deduction of personal allowances, married allowances, child allowances and other earned income relief.

Single Persons.

Income	All earned income Present Tax	All earned income New Tax	All investment income* Present Tax	All investment income* New Tax	Income	All earned income Present Tax	All earned income New Tax	All investment income*‡ Present Tax	All investment income*‡ New Tax
£	£	£	£	£	£	£	£	£	£
200†	1	1	1	1	1,000	211	211	305	305
300	14	14	14	14	1,250	293	293	411	411
400	33	33	59	59	1,500	376	376	518	518
500	55	55	93	93	2,000	541	541	730	730
600	81	81	135	135	3,000	1,076	984	1,268	1,268
700	111	111	178	178	4,000	1,676	1,490	1,868	1,868
800	144	144	220	220	5,000	2,326	2,092	2,518	2,518
900	178	178	263	263					

Married Couples without Children.

350†	3	3	18	18	1,000	168	168	263	263
400†	9	9	30	30	1,250	251	251	369	369
500	27	27	59	59	1,500	333	333	475	475
600	48	48	93	93	2,000	499	499	688	688
700	74	74	135	135	3,000	1,034	929	1,225	1,213
800	102	102	178	178	4,000	1,634	1,430	1,825	1,808
900	135	135	220	220	5,000	2,284	2,027	2,475	2,453

Married Couples with one Child.

	All earned income†‡ Child Not over 11	Over 11 to 16	Over 16		All earned income†‡ Child Not over 11	Over 11 to 16	Over 16
500	5	2	—	1,250	208	198	187
600	22	16	10	1,500	291	280	270
700	41	35	29	2,000	456	445	435
800	66	58	49	3,000	991	874	864	853
900	93	84	76	4,000	1,591	1,370	1,359	1,348
1,000	126	115	104	5,000	2,241	1,962	1,952	1,941

Married Couples with two Children.

	All earned income†‡ Two children Not over 11	Over 11 to 16	Over 16		All earned income†‡ Two children Not over 11	Over 11 to 16	Over 16
£	£	£	£	£	£	£	£
600	3	—	—	1,500	248	227	206
700	17	6	—	2,000	414	392	371
800	35	23	12	2,500	674	599	578	556
900	59	42	30	3,000	949	819	798	777
1,000	85	68	51	4,000	1,549	1,310	1,288	1,267
1,250	166	144	123	5,000	2,199	1,897	1,876	1,855

Married Couples with three Children.

	All earned income†‡ Three children Not over 11	Over 11 to 16	Over 16		All earned income†‡ Three children Not over 11	Over 11 to 16	Over 16
800	12	—	—	2,000	371	339	307
900	30	12	1	2,500	631	546	515	483
1,000	51	31	13	3,000	906	764	732	700
1,250	123	92	66	4,000	1,506	1,250	1,218	1,186
1,500	206	174	142	5,000	2,156	1,832	1,800	1,769

* Age Relief.—Where the taxpayer (or his wife, if any) is over 65 and his total income does not exceed £700 (£600 for 1956-57) age relief is given; this reduces the tax payable to that chargeable on the earned income scale. Where the total income exceeds £700, marginal relief is given so that the full tax on the investment income scale is not payable until the marginal relief runs out.

† Age Exemption.—Where the taxpayer is over 65 and his total income does not exceed £250 (£400 for a married person without children) no tax is payable for 1957-58. Where the total income slightly exceeds £250 (or £400) marginal relief is given so that the full tax is not payable until the marginal relief runs out.

‡ The increases in child allowance for older children have been taken into account in these figures only for Income-tax and not for Surtax.

A. FRANCE. — Death of M. Herriot.

M. Edouard Herriot, the French Radical statesman, Prime Minister of France on three occasions, and Mayor of Lyons for over 50 years, died on March 26, aged 84.

Born at Troyes on July 5, 1872, Edouard Herriot graduated at the *Ecole Normale Supérieure*, became a professor in the Arts faculty of the *Lycée Ampère* at Lyons, and achieved a national reputation as lecturer, scholar and writer, his well-known book *Madame Récamier et ses amis* appearing in 1904. Joining the Radical Party, he entered municipal politics in Lyons, distinguished himself as a local administrator, and was first elected Mayor of the city in 1905, a position he held uninterruptedly until his death 52 years later.

Herriot entered national politics in 1912 as a Senator for the Rhône department, and during the First World War held the post of Minister of Public Works, Transport, and Supplies in M. Briand's Cabinet (1916-17). In 1919 he was elected to the Chamber of Deputies and in the same year became leader of the Radical Party, a position he held almost until the end of his life except for the years 1927-31 and 1935-38, when the Radical leadership fell to M. Daladier.

After the war Herriot led the opposition to Poincaré's policies and, in particular, to the French occupation of the Ruhr—an action which Herriot strongly opposed because of his belief that it would isolate France and was out of harmony with the ideals of the League of Nations. When Poincaré was defeated in the 1924 elections, M. Herriot became Prime Minister at the head of the *Cartel des Gauches*, an electoral union of Socialists and Radicals. As Prime Minister from June 1924 to April 1925, and concurrently Foreign Minister, his major preoccupations were the problems of German war reparations and general disarmament and, in particular, the Dawes Plan and the Geneva Protocol, both of which he supported: the former because it was based on international guarantees, and the latter because he believed it would provide security for France within a larger framework. His decision to accept the Dawes Plan, widely criticized in France, was taken after discussions at Chequers with Mr. Ramsay Macdonald (then Prime Minister of Britain) which were aimed at overcoming Franco-British differences on the war debts question. M. Herriot's Premiership was also notable for France's *de jure* recognition of the Soviet Union and for his strong support of the League of Nations—in which connexion he put forward the formula *arbitrage, sécurité, désarmement* (arbitration, security, disarmament) as the "fundamentals of peace" at the League's fifth session in 1924.

M. Herriot resigned in 1925 after his Government was defeated in the Senate on a financial issue. During the severe financial crises of 1926, marked by a number of short-lived Ministries, he held the Premiership for 48 hours before being superseded by M. Poincaré. From 1926-28 he was Minister of Education and thereafter served as President of the Chamber (a post he held intermittently during the 1930's) before becoming Prime Minister for the third time in June 1932. His Government, however, lasted for only six months before it was defeated on the war debts issue—specifically, on M. Herriot's proposal to continue the payment of war debts to America. He held the post of Minister of State in several succeeding Cabinets, but resigned in 1935 in opposition to Laval's foreign policy.

In 1940 (at which time he was President of the Chamber) M. Herriot was one of the 17 members who abstained from voting on the proposal to confer full powers on Marshal Pétain at the time of the Bordeaux armistice. In 1942, after Pétain and Laval had announced their intention to abolish the *bureaux* of the Senate and Chamber of Deputies, M. Herriot and M. Jeanneney (President of the Senate) sent a joint letter to Pétain protesting strongly at the anti-democratic actions of the Vichy Government and accusing the Marshal of seeking to make himself dictator. M. Herriot also renounced his Legion of Honour when the decoration was conferred on collaborationists. Shortly afterwards he was placed under house arrest by the Vichy authorities, and in 1944 refused an offer from Laval to secure his release if he (M. Herriot) would support the Pétain regime and join a "transitional" government. He was subsequently arrested by the Germans, deported to a prison camp near Berlin, but liberated in April 1945 by the Soviet Army, returning to France *via* Moscow.

After the liberation of France M. Herriot was re-invested with the Legion of Honour by General de Gaulle, unanimously re-elected Mayor of Lyons, where he was given a triumphal welcome, and also re-elected to the post-war Constituent Assembly for his former constituency. He presided over the two Constituent Assemblies and, from 1947-53, over the National Assembly. In the latter year he resigned the Presidency of the Assembly on grounds of age and health, and for the same reasons refused to allow his name to be put forward as a candidate for the Presidency of the Republic in the elections held in December 1953. In recognition of his services, however, he was elected life president (*président d'honneur*) of the National Assembly (see 13359 A).

A strong opponent of the projected E.D.C. treaty, M. Herriot delivered a number of speeches between 1952 and 1954—both in the National Assembly and at Radical Party congresses—attacking the treaty in general and German rearmament in particular, and pleading for a *détente* in the relations between France and the U.S.S.R. The last important speech of his political career, made in the National Assembly in August 1954 (see 13749 A) and delivered while in ill-health, was widely regarded in France as giving the *coup de grâce* to the E.D.C. treaty, which was rejected by the Assembly in the same month.

Owing to age and ill-health, M. Herriot played little part in the Radical congress of 1956 which resulted in the split between the "Mendesian" and "anti-Mendesian" Radicals (see 15247 A). He resigned from the life presidency of the party after unsuccessfully attempting to reconcile the two factions, but M. Mendès-France refused to become more than First Vice President of the party, declaring that the presidency should be open to M. Herriot to resume whenever he wished.

In the field of scholarship M. Herriot was the author of a number of literary, historical, and biographical works, notable among which were his biography of Madame Récamier, his *Précis d'histoire des lettres françaises*, and his *Vie de Beethoven*. A warm friend of Britain throughout his life, he was an honorary D.C.L. of the University of Oxford. He had been a member of the French Academy since 1946.

Edouard Herriot was buried at Lyons on March 31 with national honours, the funeral being attended by President Coty and the Prime Minister, M. Mollet. (Le Monde - Le Figaro)

B. UNITED STATES. — Armed Forces - New Chairman of Joint Chiefs of Staff. - New Air Secretary and Chief of Staff of Air Force. - Command Appointments. - Unified U.S. Command in Pacific and Far East.

President Eisenhower announced on March 26 the following appointments in respect of the U.S. armed forces:

(*a*) General Nathan F. Twining (59), Chief of Staff of the Air Force, as Chairman of the Joint Chiefs of Staff in succession to Admiral Radford (61), whose second two-year term will expire in August.

(*b*) Mr. Donald A. Quarles, Secretary of the Air Force, as Deputy Secretary of Defence in succession to Mr. Reuben Robertson jr., who had resigned.

(*c*) Mr. James H. Douglas, Under Secretary of the Air Force, as Air Secretary *vice* Mr. Quarles.

(*d*) General Thomas D. White, Vice-Chief of Staff of the Air Force, as Chief of Staff *vice* General Twining.

(*e*) Admiral Arleigh A. Burke was reappointed Chief of Naval Operations for a second two-year term.

Further appointments to senior U.S. Command posts were announced in Washington on April 4 and 8, as follows:

General Lyman L. Lemnitzer, U.S. C.-in-C. in the Far East and U.N. Commander in Korea, as Chief of Staff of the Army (from July 1) in succession to General Williston B. Palmer.

General George B. Decker, Deputy C.-in-C. of U.S. Forces in Europe, as U.S. and U.N. Commander in Korea *vice* General Lemnitzer.

General Williston Palmer, Chief of Staff of the Army, to succeed General Decker as Deputy C.-in-C. in Europe.

General Curtis LeMay, Chief of U.S. Strategic Air Command, as Vice-Chief of Staff of the Air Force in succession to General White.

Major-General Ernest Moore, Chief of Staff of the Military Air Transport Service, as head of the U.S. Third Air Force (the senior USAF Command in Britain) in succession to Major-General Roscoe C. Wilson, returning to the U.S.A. for reassignment.

It was also announced that the U.S. Far East Commands for the Army and Air Force would be abolished on July 1, from which date all U.S. land, naval, and air forces in the Far East would come under the general direction of the C.-in-C. of the U.S. Pacific Fleet, Admiral Stump, with headquarters in Hawaii. The U.S. Far East Army Command is at present held by General Lemnitzer in addition to his command of U.N. Forces in Korea. The Air Force Commander in the Far East is General Lawrence S. Kuter, who after July will command the Pacific Air Force with headquarters at the Hickham Air Base, Hawaii. (New York Times - New York Herald Tribune)

(Prev. rep. 14234 A; Mr. Quarles, 14375 A.)

C. BAGHDAD PACT. — Atomic Energy Centre.

The atomic energy training centre built in Baghdad under the aegis of the Baghdad Pact Powers was opened by King Faisal of Iraq on March 31. On the same date the Scientific Council of the Baghdad Pact Organization met for the first time and elected Sir John Cockcroft (Director of the U.K. Atomic Research Establishment at Harwell) as its chairman.

The atomic centre, for which most of the technical equipment has been supplied by Britain, includes a teaching laboratory for post-graduate courses of the same standard as those at Harwell. Sir John Cockcroft stated after his election that the first Director of the centre and four members of its scientific staff had come from the Harwell establishment. (Times - Daily Telegraph) **(Prev. rep. 14680 D.)**

D. PAKISTAN. — National Assembly. - Dr. Khan Sahib's Election declared Void.

The election to the Constituent Assembly of Dr. Khan Sahib—Chief Minister of West Pakistan until the imposition of President's rule, and leader of the Republican Party—was declared null and void by the West Pakistan High Court on March 25. The decision was taken on the ground that the Quetta Municipality, which formed part of the Electoral College for the Baluchistan seat (for which Dr. Khan Sahib was elected), was not legally constituted.—(Times) **(Prev. rep. 14341 A.)**

A. NIGERIA. — Allegations of Misconduct against Dr. Azikiwe in Connexion with Affairs of African Continental Bank. - Appointment and Report of Tribunal of Inquiry. - Tribunal's Criticisms of Dr. Azikiwe's Conduct. - Dissolution of Eastern Regional House of Assembly. - Electoral Victory for National Council of Nigeria and the Cameroons.

Allegations that Dr. Nnamdi Azikiwe, Premier of the Eastern Region of Nigeria and leader of the National Council of Nigeria and the Cameroons (the ruling party) had abused his office by allowing public funds to be invested in the African Continental Bank Ltd., in which he had an interest, were brought in a letter sent to him on May 5, 1956, by Mr. E. O. Eyo, the Chief Government Whip, who had resigned his office as chairman of the Eastern Region Development Corporation on April 15. Mr. Eyo gave notice in the Regional House of Assembly on May 17 of a motion calling for an independent commission of inquiry, but on June 20 Dr. Azikiwe instituted legal proceedings against him, claiming damages for libel on the ground that Mr. Eyo had sent copies of his letter to the Governor of the Region (Sir Clement Pleass) and to the Press. In consequence, when Mr. Eyo's motion came up for debate on June 26, the Speaker of the House of Assembly ruled it out of order as the matter was *sub judice*.

In a message to Dr. Azikiwe, the U.K. Colonial Secretary, Mr. Lennox-Boyd, proposed that he (the Colonial Secretary) should appoint a commission of inquiry, as banking was a matter reserved to the Federal Government and the Governor of the Region was not competent to appoint a commission to inquire into federal matters. This proposal was rejected on July 16, 1956 by Dr. Azikiwe, who accused Mr. Lennox-Boyd of "insulting high-handedness," a "continued attitude of antagonism against Eastern Nigeria," and "pronounced partiality." Dr. Azikiwe also demanded the removal of Sir Clement Pleass, who, he alleged, was "always playing politics," and announced his intention of resigning the Premiership. Statements subsequently issued by Dr. Azikiwe made clear that the dispute between the Governor and himself had arisen from the former's support for the Opposition's demand for a commission of inquiry.

Mr. Lennox-Boyd announced in the House of Commons on July 24 that he had decided to appoint a commission of inquiry, headed by Sir Strafford Foster-Sutton, Chief Justice of the Federation of Nigeria, in order to secure "a speedy, impartial, and full investigation as to the investments made in the bank, and the grave allegations that have been made." Its appointment would mean some delay in convening the constitutional conference on Nigeria which was to have met in London on Sept. 19, 1956, but he had asked the other Nigerian Governments to accept this delay because, in the interests of the territory as a whole, these serious allegations should first be fully investigated.

Dr. Azikiwe stated on July 27 that he was prepared to appear before the commission as he had "nothing to hide," but criticized the "dictatorial way" in which Mr. Lennox-Boyd had "by-passed the constituted authority of this country in appointing this commission," and alleged that the Colonial Secretary was "supporting British banking interests in order to destroy the African Continental Bank." Dr. Azikiwe also announced that he had decided not to resign, as to do so would amount to "an abdication of power to a power-drunk bureaucracy and a power-seeking microscopic minority." The Regional House of Assembly adopted on Aug. 7 (by 87 votes to nine) a motion demanding the immediate recall of Sir Clement Pleass, and on the following day another resolution calling for the appointment of a federal commission of inquiry into the activities of the Bank of British West Africa in Nigeria; the latter resolution declared that "this House views with grave apprehension the conspiracy of the bank to create a monopoly in banking throughout the Federation."

Mr. Lennox-Boyd announced on Aug. 1 that the commission, in addition to Sir Strafford Foster-Sutton, would consist of Sir Maxime de Comarmond, Chief Justice of the High Courts of Lagos and the Southern Cameroons; Mr. V. A. Savage, a chief magistrate in the Eastern Region of Nigeria; and Mr. G. F. Saunders, a senior partner of Harmood, Banner, Lewis, and Mounsey, chartered accountants. Its terms of reference would be to inquire into and report on:

(1) Allegations of improper conduct on the part of Dr. Azikiwe in connexion with the affairs of the African Continental Bank.

(2) The circumstances in which securities, or the proceeds of securities, belonging to the Eastern Regional Marketing Board were transferred to the Eastern Region Finance Corporation and invested in or deposited with the African Continental Bank.

(3) The relationship, direct or indirect, between Dr. Azikiwe and the African Continental Bank.

(4) The relationship between the Eastern Region Finance Corporation and the African Continental Bank.

(5) The relationship between any body or organization in which Dr. Azikiwe had had a direct or indirect interest and the African Continental Bank.

(6) The use made of the resources of the African Continental Bank, as far as appeared material.

(7) Whether, in respect of these matters, any person holding ministerial or other public office had infringed the standards of conduct required of the holder of such office.

The commission, which was officially described as a Tribunal of Inquiry, met in Lagos on Aug. 27, 1956, to decide questions of procedure, and subsequently held 50 public sessions between Sept. 3 and Nov. 16 to hear evidence and arguments, all the interested parties being represented by counsel. Mr. Brian MacKenna, Q.C., acted as counsel for the tribunal, and Dr. Azikiwe was represented by Sir Frank Soskice, Q.C., M.P., formerly Solicitor-General in the Labour Government.

The tribunal's report, which was published on Jan. 16, 1957, found that Dr. Azikiwe's conduct in his capacity as a Minister in connexion with the affairs of the African Continental Bank had "fallen short of the expectations of honest, reasonable people," and that he had been guilty of misconduct as a Minister in failing to relinquish his financial interest in the bank when the proposal to inject public monies into it was first mooted. The report, published as a White Paper (Cmd. 51), is summarized below with cross-headings inserted.

The African Continental Bank. The report stated that the allegations made by Mr. Eyo and members of the Opposition in the House of Assembly were "abuse of office and corruption in connexion with the deposit and investment of public monies of the Eastern Region in the African Continental Bank, in which Dr. Azikiwe had a substantial pecuniary interest." "Mr. Eyo," the report said, "impressed us as being a witness who was, by and large, speaking the truth in so far as he saw matters. In view, however, of the admitted antagonism between himself and Dr. Azikiwe and his late colleagues in the N.C.N.C. party, and his own admission that he was prepared to believe anything bad about Dr Azikiwe, however flimsy the evidence, we considered that it would be unsafe to rely upon his evidence unless it is corroborated or made more probable by proved facts."

The African Continental Bank (the report continued) had been originally incorporated in 1937, when it had been known as "Tinubu Properties Ltd." Dr. Azikiwe had bought all the shares in 1944 for £250, and the name of the company had been changed in 1946 to "Tinubu Bank Ltd." and in 1947 to "African Continental Bank Ltd." Between 1946 and 1949 the nominal capital had been progressively increased to £250,000.

In 1952 an Ordinance had come into force providing that every banking company operating in Nigeria should apply to the Financial Secretary for a licence. In the following year a licence had been refused to the African Continental Bank on the grounds that the ratio of cash reserves to the time-and-demand liabilities was inadequate, and that more information was required on the current value of the bank's investments. On March 19, 1954, Mr. A. K. Blankson, the general manager of the bank, had written to branch managers emphasizing the "absolute need for conserving sufficiently large reserves of liquid assets (cash) at the end of March," and advising house-to-house campaigns for cash deposits by customers, "even for one day," so that at the end of the financial year on March 31 the percentage of cash in hand to the total of accounts would, "if not conform to the requirements of the Banking Ordinance, at least meet them half-way."

Dr. Azikiwe, the report pointed out, had stated that the bank "was founded primarily to finance the activities of the Zik Group (of companies) whilst at the same time protecting the interests of the public so far as it is compatible with banking practice." At the end of 1953 Dr. Azikiwe, as founder, governing director, and chairman, had held 28,000 £1 Ordinary shares in the bank, and five other members of his family had held 16,100 shares. In addition, four companies of the Zik Group, in which Dr. Azikiwe had held an effective interest ranging from 44.9 to 63 per cent, had held a total of 55,900 shares.

Throughout 1950-55 the bank's capital had been inadequate to cover the cost of establishing and building up the business, and it had been necessary to have recourse to customer's deposits. In 1951, £205,000 had been advanced by the bank to companies in the Zik Group at the rate of 2 or 3 per cent, a favourable rate which could only be regarded as another aspect of the close relationship between the bank and the Zik Group. Having regard to this relationship, the almost continuous losses incurred by most of these companies during 1949-55—which had accumulated to a figure in excess of their issued capital—had constituted an additional drain on the bank's liquid resources.

On March 31, 1955, the report stated, only £28,276 had been paid up of the bank's nominal capital of £115,935. Almost the whole of the unpaid capital related to shares held by Dr. Azikiwe and his family and the companies of the Zik Group. Although Dr. Azikiwe had had a major interest in the bank on the basis of capital invested, the voting power he controlled had been greater still, as each ordinary shareholder had been entitled to one vote per share irrespective of whether it was fully paid up or not.

Dr. Azikiwe's Resignation of his Directorships. Following the 1953 general elections Dr. Azikiwe had been appointed a Minister, and, in answer to a question put to him by Sir Clement Pleass (then Lieutenant-Governor), he had fully disclosed the directorships and

other interests held by him in the bank and the Zik Group. On Jan. 30, 1951, he had resigned his chairmanship of the bank and all his directorships, and had appointed Mr. Blankson to be governing director and to act as chairman. On Oct. 1, 1954, the new Nigerian Constitution had come into force, and Dr. Azikiwe had become Premier of the Eastern Region.

N.C.N.C. Policy on Banking. The N.C.N.C.'s original policy had been, upon attaining self-government, to nationalize all banks in Nigeria. In the meantime, since legislation on banking was exclusively reserved to the Federal Legislature, the policy of the Government of the Eastern Region was stated to be based on the following principles: "(1) to discourage monopoly of monetary transactions by any one bank; (2) to liberalize credit facilities for Nigerian *entrepreneurs*; (3) to encourage the development of indigenous Nigerian banking; (4) to plan for the eventual establishment of a State bank."

In December 1954, as one step in the process of giving effect to this policy, the House of Assembly had enacted the Eastern Region Finance Corporation Law, which vested the Finance Corporation with power to finance agricultural, trading, and industrial projects by granting loans or subsidies or by taking up loan or share capital in Government agencies or companies. Before its introduction in the House of Assembly, this measure had been approved by the Eastern Region Executive Council on the express condition that "the Minister of Finance should exercise the powers it conferred upon him only in consultation with, and with the approval of, the Executive Council."

"The only indigenous banks operating in the Eastern Region at the end of 1954 and early in 1955," the report continued, "were the African Continental Bank and the National Bank of Nigeria. The latter had only one branch there. On the other hand, the African Continental Bank had five branches in the Region, and we are satisfied that the obvious vehicle for the N.C.N.C. to select in giving effect to their policy of supporting an indigenous bank was that one."

Deposit of £30,000 in the African Continental Bank. According to Mr. Eyo, Dr. Azikiwe had asked him to November 1954 to use his good offices in persuading the Production Development Board to deposit a substantial sum of money in the African Continental Bank. On Dec. 2, 1954, the Board had agreed to a proposal by Mr. Eyo that it should open accounts with the bank of £5,000 on current account and £25,000 on fixed deposit. "Dr. Azikiwe denied that he had ever had the conversation alleged by Mr. Eyo, but we are satisfied that it took place," the report stated. A letter from Mr. Obih, the bank's chief accountant, to Mr. Blankson, dated Nov. 2, 1954, and produced in evidence, stated that the liquidity of the bank was in "a very dangerous position," and predicted a run on the bank "before or immediately after the end of November, unless financial aid to the tune of £30,000 is received before Dec. 15, 1954." There was no evidence that Dr. Azikiwe had ever seen this letter, but the tribunal were "satisfied from the surrounding circumstances that he was aware of the situation disclosed by it."

The question of the deposit of £30,000 in the bank had been considered by the Executive Council on Dec. 13, 1954, at a meeting presided over by Mr. C. J. Mayne, then the Officer Administering the Government. In his evidence, Dr. Azikiwe had at first denied that he had taken any part in the Council's discussion, but when notes taken at the meeting had been produced he had "modified his position regarding the part he had played." According to these notes, Dr. Azikiwe had told the Executive Council that he had seen Mr. Blankson in Lagos, and that it was proposed to ask a British bank to take over the managing agency of the bank. Mr. Mayne had finally refused to agree to the deposit of the £30,000 until he had received a report on the bank from the Federal Financial Secretary. This report, which had been considered by the Executive Council on Dec. 30, 1954, stated that on Dec. 8 Mr. Blankson had informed the Financial Secretary that "negotiations were now near to finality for amalgamation of the bank with a U.K. banking house."

In his evidence before the tribunal Mr. Blankson had repeatedly denied ever having discussed any of the affairs of the bank or the Zik Group with Dr. Azikiwe after the latter's resignation on Jan. 30, 1954. Dr. Azikiwe had taken the same line "until extrinsic evidence became available which made further adherence to that story untenable, and he then said that what he really intended to convey was that he had never discussed day-to-day management affairs with Mr. Blankson as distinct from matters of high policy."

Before the tribunal Mr. Blankson had denied having told the Financial Secretary that there had ever been any question of "amalgamation of the bank with a U.K. banking house," but when sent a copy of the minutes of their meeting he had made no correction on this point. The tribunal were satisfied beyond doubt that Dr. Azikiwe had known Mr. Blankson's representations to the Financial Secretary to be false when the Financial Secretary's report was discussed in the Executive Council on Dec. 30, 1954, and that he had "allowed the false information to stand."

Agreement between Finance Corporation and African Continental Bank. In March 1955, the report continued, the Executive Council had decided that the Finance Corporation should be financed by a grant of £2,000,000 from the Eastern Regional Marketing Board, which had duly transferred to the Corporation £2,000,000 of 3 per cent savings bonds. At the Corporation's inaugural meeting on April 6, 1955, its chairman, Dr. Mbanugo, and the Finance Minister, Mr. Ojike, had proposed that the African Continental Bank should be its bankers. This had been agreed, and it had also been decided that the Corporation should invest £750,000 of its funds in the purchase of shares in the bank.

A draft agreement had been placed before the Corporation by Dr. Mbanugo on May 19, 1955, and had been signed by Dr. Mbanugo and Mr. Blankson on the following day, Mr. Okoye (deputy chairman of the Corporation) and Mr. Obih acting as witnesses. It provided *inter alia* (1) that the Finance Corporation should purchase from the bank 784,000 £1 ordinary shares and 93,000 £1 preference shares, a commission of 10 per cent being deducted; (2) that the Corporation should purchase at par any ordinary or preference shares from any shareholder of the bank willing to transfer them; (3) that the Corporation should use the bank as a main depository of its funds, and should also persuade its beneficiaries and customers to use it; (4) that the bank should increase its nominal share capital from £250,000 to £1,000,000; (5) that the Corporation should nominate five of the bank's directors and the bank four, who would be appointed by the founder (i.e. Dr. Azikiwe) and/or the governing director or the founder's nominee.

"The manner in which the draft agreement came into being is shrouded in mystery, since no witness who could have elucidated the matter chose to tell us the truth," the report commented. "We disbelieve Mr. Blankson's, Mr. Okoye's and Mr. Ojike's versions of the matter. What is certain, however, is that the draft agreement, in the exact form which it was eventually entered into on May 20, 1955, found its way into the minutes of a meeting of the board of directors of the African Continental Bank on March 5, 1955. This was even before the membership of the Finance Corporation had been determined . . . It is clear that the Minister of Finance, the chairman of the Finance Corporation, his deputy, and Mr. Blankson were in the know as to what was actually taking place, but we are quite satisfied that none of the other members of the Finance Corporation were kept informed . . ." The tribunal were also satisfied that a copy of the final agreement had never been placed before a full meeting of the Finance Corporation, and that their consent to the terms of the agreement, involving an investment of about 40 per cent of the total capital available to the Corporation, had not been obtained.

"In our view, having regard to the financial position of the bank at that time, the agreement was unduly favourable to the existing shareholders," the report went on. "That, and the fact that it was obviously not intended to change any clause in the draft agreement to meet the views of other members of the Finance Corporation, is, we think, the reason why it was executed in the circumstances described. The Minister of Finance attended every meeting of the Finance Corporation up to and including the one on June 21, 1955 that is to say up to the date when the money for the purchase of shares in the bank was paid over. We formed the impression that his purpose in doing this was to make quite certain that no hitch occurred, and that the transaction was put through. Thereafter he attended none of the meetings . . . In spite of the decision of the Executive Council at its meeting on Dec. 11, 1954, that the Minister of Finance should exercise his powers under the law 'only in consultation with and with the approval of the Executive Council,' he failed to refer the matter of this substantial investment to that body before it was made . . . Mr. Ojike admitted that he had not referred the investment to the Executive Council because he feared that objections might be raised. We think that his fear was well founded. . ."

Dr. Azikiwe had declared in evidence that he had never heard of the agreement until Nov. 10, 1955, when Mr. Lennox-Boyd had drawn his attention to certain of its clauses. The tribunal, however, were satisfied beyond doubt that he knew of it, and felt justified in concluding that he was aware of its general purport.

The Finance Corporation could not have acquired a very extensive knowledge of the bank's financial position at that time, the report continued, as on Sept. 8, 1955, they had agreed to ask for an inquiry as to "what real assets the bank at present possesses." If appropriate inquiries had been made, it would have been found that the bank was insolvent and its shares worthless. The state of insolvency which existed throughout the bank and the Zik Group of companies (with one exception) at March 31, 1955, could only have resulted in their liquidation, unless substantial amounts of new capital could have been provided. In the event of liquidation the bank's creditors would have received a dividend of 15s. in the pound and the secured and unsecured creditors of the Zik Group an average dividend of 5s. and 4s. in the pound respectively. Following the completion of the agreement, however, shares which had previously been worthless had increased in value to 14s. 10d. per share, and, if the benefit of the Corporation's undertaking to purchase them at par were taken into account, became worth 20s. per share. The financial benefits accruing to the holdings of Dr. Azikiwe, his family, the directors of the bank, and the companies of the Zik Group, at 14s. 10d. per share, would be £79,433, of which Dr. Azikiwe would receive £20,770, and at 20s. per share would be £107,100, of which Dr. Azikiwe would receive £28,000.

Following the Corporation's investment, the bank on Aug. 25, 1955, had paid its directors outstanding fees of £10,092, of which Dr. Azikiwe had received £5,252. "Bearing in mind that the payment was only rendered possible by the injection of public money into the bank, we think the transaction is open to question," the report observed. "It is relevant here to observe that the payment was made without the knowledge or consent of the members of the board appointed by the Finance Corporation."

On Nov. 10, 1955, at an interview with Dr. Azikiwe in London, Mr. Lennox-Boyd had informed him that it would be quite unthinkable in the United Kingdom for a bank set up by the Chief Minister "to receive £1,000,000 from public funds to keep it solvent, and that there could, of course, be no question of the Chief Minister of the Eastern Region of Nigeria retaining rights to the chairmanship or to nominate directors." At Mr. Lennox-Boyd's suggestion,

Dr. Azikiwe had agreed to drop these provisions in the agreement. After Dr. Azikiwe's return to Nigeria, press statements had been issued on Dec. 8 and Dec. 9 revealing that the Finance Corporation had acquired a controlling interest in the African Continental Bank. "In view of the fact that the investment by the Finance Corporation in the bank achieved one of the N.C.N.C.'s major points of policy, we think there was a surprising reticence in publicizing the matter," the report commented.

Conclusions. "Whatever the legal effect of Dr. Azikiwe's letter dated Jan. 30, 1954, resigning from the offices of chairman and governing director of the African Continental Bank, and of the instrument, made on the same date, appointing Mr. Blankson to act in his stead as governing director and chairman of the bank, we are satisfied that Mr. Blankson was appointed as his agent to act in his stead as governing director and chairman of the bank so long as he remained a Minister of State, and that upon relinquishing the office of Minister of State he would automatically resume the offices of governing director and chairman of the bank. In other words, that he intended those documents to create an agency, with himself in the background as principal, and we have no doubt that Mr. Blankson understood that to be the position.

"We believe that Dr. Azikiwe's primary motive was to make available an indigenous bank with the object of liberalizing credit for the people of this country, but we are satisfied that he was attracted by the financial power his interest in the bank gave him. Moreover, there can be no doubt that the control of the newspapers included in the Zik Group of companies gave Dr. Azikiwe a degree of political power which we think he was anxious to retain. It is clear that the continued existence of the bank was an important factor in the financing of the Zik Group of companies.

"In considering whether Dr. Azikiwe has been guilty of improper conduct, in his capacity as a Minister, in connexion with the affairs of the African Continental Bank, we apply what we think would be the standards of right-thinking citizens, unbiassed by their political opinions. Applying that test, we consider his conduct in this matter has fallen short of the expectations of honest, reasonable people. It is a fact that the deposit of £30,000 by the Eastern Region Production Development Board was made at a most appropriate time in the affairs of the bank, and that the purchase of the shares in the bank by the Finance Corporation made Dr. Azikiwe's investments in the bank and the Zik Group of companies more secure. It is not true that, except as a shareholder, Dr. Azikiwe severed his connexion with the bank in January 1954. It was clearly proved before us that, although he may not have interfered with day-to-day management of the bank, he did his best to further its interests and kept his hands on the helm. In the circumstances, we are of the opinion that Dr. Azikiwe ought to have relinquished his financial interest in the bank when the proposal to inject public monies into it was first mooted, and that he was guilty of misconduct as a Minister in failing to do so."

The tribunal considered that Mr. Ojike's conduct had infringed "the standards of conduct the public are entitled to expect from the holder of high ministerial office," although they were satisfied that "his over-riding motive was a desire to give effect to his party's policy of taking the first step towards creating a State Bank." The conduct of Dr. Mbanugo and Mr. Okoye in connexion with the agreement was also "open to question"; after the investment was made, however, the former had done his best to ensure that the bank was properly run. The evidence had not disclosed any good reason for criticism of the other members of the Finance Corporation or of the other Ministers in the Regional Government.

The Eastern Regional Ministers issued a statement on Jan. 19 declaring that the report of the Tribunal of Inquiry was "in many respects unacceptable."

The statement asserted that the tribunal had come to "the wrong conclusion of the fact in the light of the rules which govern ministerial conduct as laid down by the Secretary of State," and that its findings in this respect were "most unfair to Dr. Azikiwe." It was inconsistent to hold that Dr. Azikiwe had fallen short of his duty as a Minister and at the same time to make the comment that his motive was to set up an indigenous bank to liberalize credit facilities for Nigerians. The tribunal were also "wrong" in concluding that Dr. Azikiwe had not severed his connexion with the bank, as there was "uncontradicted evidence" that he had resigned his directorship and taken no part in the management. "In the circumstances," the statement concluded, "the Government of Eastern Nigeria could not help coming to the conclusion that the report of the tribunal has fallen short of the expectation of honest, reasonable people uninfluenced by the very nature of their appointment."

The national executive of the N.C.N.C. announced on the same day, however, that Dr. Azikiwe, to meet the tribunal's criticisms, had agreed to "transfer all his rights and interests in the bank to the Eastern Nigerian Government, which will henceforth own the African Continental Bank." Mr. Profumo (Under-Secretary, Colonial Office) told the U.K. House of Commons on Feb. 20 that Dr. Azikiwe had stated his intention to surrender his shares in the bank without compensation, and to repay to the bank the directors' fees of £5,252 paid to him after public money had been injected into it, on the understanding that this sum was a debt due to him which would be met out of the bank's current earnings.

Dr. Azikiwe announced on April 15 that his Government would seek an amendment to the Constitution to enable it to nationalize the African Continental Bank.

Dissolution of the House of Assembly. - General Elections.

The new Governor of the Region, Sir Robert Stapledon, issued a proclamation on Jan. 19, 1957, at the Regional Government's request, dissolving the Eastern Regional House of Assembly and ordering general elections for March 15.

The resignation of Sir Clement Pleass and the appointment of Sir Robert Stapledon (formerly Chief Secretary in Tanganyika) as his successor had been announced on Nov. 20 1956. Sir Clement Pleass stated on Nov. 22 that his resignation had been tendered in March because he had reached the retiring age, and had "absolutely nothing to do with the banking inquiry."

The elections resulted in a victory for the N.C.N.C., although its representation in the House was reduced from 72 to 64. The Action Group (the ruling party in the Western Region), which held only one seat in the Eastern House of Assembly before the elections, emerged as the largest Opposition group with 13 seats. The United National Independence Party, on the other hand, won only five seats as compared with 11 in the previous House, in which it had formed the official Opposition. The two remaining seats were won by Independent candidates, both supporting the N.C.N.C.

The Colonial Office announced on Jan. 27, 1957, that the five Governments of the Nigerian Federation had agreed that the postponed constitutional conference should be convened in London in May or not later than the middle of June. (White Paper, Cmd. 51 - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 14140 A; 13432 A.)**

A. SOVIET UNION. — Lower Rouble Rate for Tourists and Other "Non-Communist" Transactions.

It was announced in Moscow on March 31 that, with effect from April 1, premiums ranging up to 150 per cent would be paid on conversions of 29 foreign currencies into roubles by tourists and other visitors, as well as on transactions of a non-commercial character such as rouble purchases by foreign embassies, foreign correspondents, etc.

Currencies for which the premium will be paid are those of Austria, Belgium, Denmark, Finland, France, Great Britain, Greece, Iceland, Italy, Netherlands, Norway, Sweden, Switzerland, and Yugoslavia, as well as Afghanistan, Argentina, Burma, Canada, Egypt, India, Indonesia, Japan, Lebanon, Pakistan, Persia, Syria, Turkey, Uruguay, and the U.S.A.

In the case of the pound and the dollar, the premium brought the rate of exchange up to 27 roubles 60 kopecks to the £ sterling compared with an official rate of 11 roubles 20 kopecks, and of 10 roubles to the dollar against an official rate of four roubles.

It was emphasized that the new rates would not affect the "official" exchange rates as far as trade and other exchanges were concerned. The question of the artificially high pound-rouble exchange rate had been raised by the British Government at the Geneva Foreign Ministers' Conference of 1955, and subsequently during the visit of Marshal Bulganin and M. Khrushchev to London in April 1956. Under the rate hitherto applying, tourists had had to pay as much as 5s. for an apple and 12s. for a glass of beer.—(Soviet Weekly - Times)

B. ITALY. — New President of Constitutional Court.

The president of the Italian Constitutional Court, Signor de Nicola, resigned on March 26. No reasons were given for his resignation, but it was known that he had repeatedly criticized the Government's failure to implement fully the Court's decisions, especially one restricting the powers of the police; for this reason Signor de Nicola had once before proffered his resignation in September 1956, but had withdrawn it after President Gronchi had assured him of the Government's continued confidence in him.

Dr. Gaetano Azzariti (75), the senior judge of the Court, was unanimously elected as its president on April 7. Dr. Azzariti was Minister of Justice in the Badoglio Government of 1943, and, like Signor de Nicola, is one of the five judges named by the President of the Republic.—(Corriere della Sera, Milan) **(Prev. rep. 14708 A.)**

C. NORTHERN RHODESIA. — New Copper Mine.

The Bancroft mine in the Northern Rhodesian copperbelt was opened on March 29 by Sir Ernest Oppenheimer (chairman of the Anglo-American Corporation) in the presence of the Federal Prime Minister, Sir Roy Welensky, and of Dr. Bancroft, the South African geologist who discovered the copper deposits nearly 30 years ago. It was stated that the cost of opening the mine to date had been £18,000,000 (considerably more than the cost of opening a new gold mine in the Orange Free State), and that at least another £5,000,000 would have to be spent before the mine could double its present production in 1960, when it would produce 85,000 tons of copper a year. (Federal Information Department, Salisbury) **(14918 C.)**

A. BURMA. — U Win Maung elected President of Burma. - U Nu resumes Premiership. - New Cabinet.

U Win Maung, formerly Minister for Marine and Civil Aviation, was nominated as President of the Union of Burma on March 1 by the Anti-Fascist People's Freedom League (the ruling party), and was unanimously elected at a joint session of the two Chambers of the Burmese Parliament on March 11. The new President, who succeeded President Ba U, took the oath of office on March 13 for a five-year term.

President U Win Maung was born near Bassein on April 17, 1916, took a B.A. degree at Judson College (Rangoon), and subsequently worked for the Burma Oil Company and later in a Government department. From 1940-42 he served in the British Army as a second-lieutenant, and during the Japanese occupation of Burma took an active part in the resistance movement of the Anti-Fascist Organization, being sent to India in 1944 for training in military and guerrilla warfare tactics. In March 1945 he was parachuted into Burma and for two months commanded a band of Burmese and Karen guerrillas fighting the Japanese, despite the fact that he had broken one of his legs in the parachute landing. After receiving medical treatment in India he returned to Burma after the Japanese surrender, was elected vice-president of the Karen Youth Organization, and became a member of the Burmese Constituent Assembly in 1947. In 1949 he was appointed Minister for Transport and Communications in the U Nu Government, and after the 1956 elections became Minister for Ports, Marine, Civil Aviation, and Coastal Shipping in the Cabinet formed by U Ba Swe.

On Feb. 28 the Chamber of Deputies had unanimously elected U Nu as Prime Minister in succession to U Ba Swe, who had succeeded U Nu upon the latter's resignation from the Premiership in June 1956. U Nu completed his new Cabinet on March 1, its membership recruited entirely from the AFPFL—being as follows:

U Nu	Prime Minister.
†U Ba Swe	Deputy Prime Minister, Defence and National Planning.
*Sao Hkun Hkio	Deputy Prime Minister, Foreign Affairs, and Head of Shan State.
*U Kyaw Nyein	Deputy Prime Minister and National Economy.
*Thakin Tin	Deputy Prime Minister and Social Services.
*Dr. Saw Hla Tun	Minister for the Karen State.
*U Zan Hla Sin	Minister for the Kachin State.
*Sao Wunna	Minister for the Kayah State.
*U Zahre Lian	Minister for Chin Affairs.
*U Tin	Trade, Development and Supply.
*Bo Khin Maung Gale	Finance and Revenue.
*U Khin Maung Lat	Judicial Affairs.
Thakin Kyaw Tun	Agriculture and Forests.
*Thakin Tha Khin	Home Affairs.
*U Rashid	Mines.
*Bo Min Gaung	Transport, Posts and Telegraphs.
*U Ba Saw	Social Welfare, Mass Education, and Religious Affairs.
*U Shein Htang	Rehabilitation.
*U Tun Win	Co-operative and Commodity Distribution.
*Thakin Chit Maung	Information.
†U Aung Pa	Marine and Civil Aviation.
Sama Duwa Sinwa Nawng	National Solidarity.
*Thakin Pan Myine	Democratization of Local Administration.
*U Tin Nyunt	Labour.
†Thakin Tin Maung	Public Works and Housing.
*Thakin San Myint	Land Nationalization.
*Bo Khin Maung	Industries.
*Maha Thray Sithu Sao Htun E	Relief and Resettlement.
*U Htun Tin	Education and Culture.
*Dr. Soin Ban	Health.

* Held same portfolio in previous Cabinet.
† Held different portfolio in previous Cabinet.

The only changes in the composition of the new Government, compared with that headed by U Ba Swe, were (*a*) U Aung Pa exchanged the portfolios of Public Works and Housing for those of Marine and Civil Aviation, previously held by President U Win Maung; (*b*) Thakin Tin Maung, who succeeded U Aung Pa at the Ministry of Public Works and Housing, had previously been Minister of Agriculture and Forests; (*c*) the latter portfolio was taken over by Thakin Kyaw Tun—a newcomer to the Government; (*d*) the National Solidarity portfolio, dropped during U Ba Swe's Premiership was revived under Sama Duwa Sinwa Nawng, another newcomer.

In a policy statement on March 4, U Nu stressed that the change of Prime Ministers did not denote any change in the Government's policy.

U Nu promised that his Government would examine the grievances of Civil Servants about low remuneration and unfair service conditions; condemned the injection of party politics into academic life; and confirmed the policy of rejecting negotiations with the Communist rebels, referring to the failure of the Government's repeated negotiations with them in the past. With reference to the rebels' allegation that the Government considered it "beneath their dignity" to negotiate, he declared that they were prepared "to throw dignity to the winds" if a genuine peace could be assured. Past experience, however, showed that negotiations would only result in some rebels surrendering with unserviceable arms, while others would remain in revolt and yet others would go underground again after surrender. He appealed to the rebels to surrender after abandoning "the cult of the gun."

Dr. Ba Han was sworn in on March 14 as Attorney-General of the Union, which is not a Cabinet post. - (Burmese Government Information Department, Rangoon) **(Prev. rep. Cabinet, 14981 A; President, 12118 C.)**

B. UNITED KINGDOM. — Resignation of Lord Salisbury. - Opposition to Release of Archbishop Makarios. - Lord Home appointed Lord President of the Council.

It was announced from 10, Downing Street, on March 29 that the Marquess of Salisbury had resigned from the Government because of his disagreement with the decision to release Archbishop Makarios. The announcement added (1) that Lord Home, Secretary of State for Commonwealth Relations, would succeed Lord Salisbury as Lord President of the Council, while remaining at the Commonwealth Relations Office; (2) that Lord Home would also succeed Lord Salisbury as Leader of the House of Lords, with Viscount Hailsham (Minister of Education) as Deputy Leader; and (3) that the responsibility for atomic energy, hitherto exercised by the Lord President of the Council, would be transferred to the Prime Minister.

Lord Salisbury's letter of resignation was as follows:

"... You will have known, from what I have already told you, how disturbed I have been by the decision of my colleagues to release Archbishop Makarios, in the circumstances in which that action is being taken. Had he fulfilled what we have hitherto always regarded as the essential pre-requisite for his release and appealed unconditionally to Eoka to call a halt to its campaign of terrorism, the step which the Government are taking would, I believe, have been fully justified. But he has deliberately refrained from doing that. On the contrary, he has imposed a condition so far-reaching that the Government have had to state quite frankly that they cannot do what he asks.

"But what will the situation be then? We shall have put him in a position to say that we have not carried out the condition on which alone he made his appeal to Eoka, and that he is therefore no longer bound by his undertaking. From that moment, I gravely fear, we shall have a sword of Damocles hanging over our heads.

"There is no sign, so far as I know, that there has been any change of heart in Archbishop Makarios. As a British subject, he will be able to go where he will, except to Cyprus; the initiative will, I believe, pass more and more to him; and he will be able to edge us along from point to point, with increasing injury to that close and confident relationship with Turkey which should, to my mind, be the main basis of British policy in the Middle East at the present time.

"Events may falsify this forecast. I most sincerely hope they will. But, feeling as I do, I am afraid that I could not be a party to recommending to Parliament a course which I believe to be neither wise nor timely.

"May I, however, assure you that, in general, I remain a strong supporter of the Government and of you personally as Prime Minister. I am only sorry that a sincere difference of opinion on this issue of policy, important though it be, should have brought to an end our relationship in a Government in which I have been very happy to serve under your leadership."

In accepting Lord Salisbury's resignation "with the greatest regret," Mr. Macmillan pointed out that the Cabinet had given "a great deal of thought" to the decision to release Archbishop Makarios; that the decision had been made with the full approval of the Governor of Cyprus, Field-Marshal Sir John Harding; and that "no bargain of any kind" had been made with the Archbishop "regarding action which the Government think it right to take." After referring to the improved situation in the island "brought about by our security forces and the weakening of the terrorist movement," the Prime Minister expressed his conviction that "this act of generous statesmanship [i.e. the Archbishop's release] will reap its reward."

Lord Salisbury (63) had been Leader of the House of Lords since 1951 and Lord President of the Council since 1952. As Viscount Cranborne he sat in the House of Commons from 1929-41 as M.P. for South Dorset. After holding the post of Under-Secretary for Foreign Affairs from 1935-38, when he resigned from the Chamberlain Government with Sir (then Mr.) Anthony Eden in protest at its "appeasement" policy, he served from 1940 onwards as Paymaster-General, Dominions Secretary (1941-42 and also in 1943-45), Colonial Secretary (1942), Lord Privy Seal (1942-43) and also in 1951-52 and Commonwealth Relations Secretary (1952). Lord Salisbury is head of the Cecil family, which has a record of public service extending back to Elizabeth I.—(Times - Daily Telegraph) **(Prev. rep. Cyprus, 15418 A; Macmillan Cabinet, 15313 A.)**

APRIL 20—27, 1957

A. UNITED KINGDOM. — Radical Changes in Defence Policy. - Ending of National Service Call-up in 1960. - Reduction in Strength of Forces. - New Naval and Air Strategy. - Defence Estimates for 1957-58.

A White Paper outlining the Government's future defence policy and foreshadowing sweeping changes affecting all three Services—officially described as "the biggest change in defence policy ever made in normal times"—was published on April 5. The main points in the new policy were:

(1) A progressive reduction in National Service intake, with no further call-ups after the end of 1960.

(2) The building-up of the Regular forces to 375,000 men.

(3) High priority for the development of nuclear weapons for delivery by bombers, rockets, and guided missiles.

(4) Cessation of development work on the supersonic bomber and on the production of manned fighters more advanced than the P.1 (which would be replaced later by a ground-to-air guided missile system).

(5) Concentration of development work on rockets of more advanced types than those to be supplied by the U.S.A.

(6) Reorganization of the Royal Navy on the basis of (*a*) a small number of aircraft carrier groups, each with one carrier supported by guided-missile ships; (*b*) a reduced number of cruisers and smaller vessels; (*c*) the scrapping of ships (including battleships) in the Reserve Fleet.

(7) Withdrawal of the remaining British troops in Korea, and progressive reductions in the forces stationed in Libya.

(8) Maintenance of a central reserve in the British Isles, and the building-up of a substantial fleet of transport aircraft to ensure mobility.

(9) Fair compensation for redundant officers and men.

(10) Frank recognition of the fact that "there is at present no means of providing adequate protection for the people of this country against the consequences of an attack with nuclear weapons."

The White Paper on Defence (Cmd. 124) is summarized below under cross-headings:

The Need for a New Approach. "As previous Statements on Defence have emphasized, Britain's defence policy is determined by her obligation to make her contribution to NATO and other alliances for collective defence, as well as to discharge her own special responsibilities in many parts of the world.

"The present shape of Britain's defence forces was largely settled by the rearmament programme launched in 1950 at the time of the Korean War. However, the ending of hostilities in Korea radically altered the position. The immediate danger of major war . . . was replaced by the prospect of a prolonged period of acute international tension. It was clear that the plan for a short intensive rearmament spurt no longer fitted the needs of the situation, and that the conception of the 'long haul' must be substituted for it. It also became evident that a military effort on the scale planned in 1950, which envisaged expenditure amounting to £4,700 million over three years, was beyond the country's capacity. In an endeavour to keep the cost within bounds, the programme was slowed down and spread out over a longer period. In addition, it has been examined each year and pruned back as far as possible.

"However, the time has now come to revise not merely the size but the whole character of the defence plan. The Communist threat remains, but its nature has changed; and it is now evident that, on both military and economic grounds, it is necessary to make a fresh appreciation of the problem and to adopt a new approach towards it.

Scientific Advances. "In recent years military technology has been making dramatic strides . . . In less than a decade, the atom-bomb dropped at Hiroshima has been overtaken by the far more powerful hydrogen or megaton bomb. Parallel with this, the evolution of rocket weapons of all kinds, both offensive and defensive, has been proceeding apace. It has been clear for some time that these scientific advances must fundamentally alter the whole basis of military planning. But it is only now that the future picture is becoming sufficiently clear to enable a comprehensive reshaping of policy to be undertaken with any degree of confidence.

Demands on Economic Resources. "Britain's influence in the world depends first and foremost on the health of her internal economy and the success of her export trade. Without these, military power cannot in the long run be supported. It is therefore in the true interests of defence that the claims of military expenditure should be considered in conjunction with the need to maintain the country's financial and economic strength. Over the last five years, defence has on an average absorbed 10 per cent of Britain's gross national product. Some 7 per cent of the working population are either in the Services or supporting them. One-eighth of the output of the metal-using industries, upon which the export trade largely depends, is devoted to defence. An undue proportion of qualified scientists and engineers are engaged on military work. In addition, the retention of such large forces abroad gives rise to heavy charges which place a severe strain upon the balance of payments.

Britain's Responsibilities. "A defence plan, to be effective and economical, must be based on a clear understanding of the military responsibilities to be discharged. Britain's armed forces must be capable of performing two main tasks:

(i) to play their part with the forces of Allied countries in deterring and resisting aggression;

(ii) to defend British colonies and protected territories against local attack, and undertake limited operations in overseas emergencies.

"The aim must be to provide well-equipped forces sufficient to carry out these duties, while making no greater demands than are absolutely necessary upon manpower, money and other national resources.

"Frequent changes in defence policy are wasteful and disturbing . . . The rapid progress of scientific development and fluctuations in the international situation make it difficult to foresee future military requirements with any certainty, and consequently a good deal of flexibility must be maintained. Nevertheless, an attempt must be made to establish a broad framework within which long-term planning can proceed.

Collective Defence. "The growth in the power of weapons of mass destruction has emphasized the fact that no country can any longer protect itself in isolation. The defence of Britain is possible only as part of the collective defence of the free world. This conception of collective defence is the basis of the North Atlantic, South-East Asia, and Baghdad alliances. The trend is towards the creation of integrated allied forces. Therefore, provided each member-nation plays its fair part in the joint effort, it is not necessarily desirable that each should seek to contribute national forces which are by themselves self-sufficient and balanced in all respects. But whatever yardstick is taken, it is impossible to escape the conclusion that Britain has been bearing a disproportionately large share of the total burden of Western defence. Moreover, in assessing the value of her military effort, it must be remembered that, apart from the United States, Britain alone makes a contribution to the nuclear deterrent power upon which the peace of the world so largely rests.

The Nuclear Deterrent. "It must be frankly recognized that there is at present no means of providing adequate protection for the people of this country against the consequences of an attack with nuclear weapons. Though, in the event of war, R.A.F. fighter aircraft would unquestionably be able to take a heavy toll of enemy bombers, a proportion would inevitably get through. Even if it were only a dozen, they could with megaton bombs inflict widespread devastation. This makes it more than ever clear that the overriding consideration in all military planning must be to prevent war rather than to prepare for it.

"While comprehensive disarmament remains among the foremost objectives of British foreign policy, it is unhappily true that, pending international agreement, the only existing safeguard against major aggression is the power to threaten retaliation with nuclear weapons. The free world is to-day mainly dependent for its protection upon the nuclear capacity of the United States. While Britain cannot by comparison make more than a modest contribution, there is a wide measure of agreement that she must possess an appreciable element of nuclear deterrent power of her own. British atomic bombs are already in steady production and the R.A.F. holds a substantial number of them. A British megaton weapon has now been developed. This will shortly be tested and thereafter a stock will be manufactured.

"The means of delivering these weapons is provided at present by medium bombers of the V-class, whose performance in speed and altitude is comparable to that of any bomber aircraft now in service in any other country. It is the intention that these should be supplemented by ballistic rockets. Agreement in principle has recently been reached with the U.S. Government for the supply of some medium-range missiles of this type.

"Since peace so largely depends upon the deterrent fear of nuclear retaliation, it is essential that a would-be aggressor should not be allowed to think he could readily knock out the bomber bases in Britain before aircraft could take off from them. The defence of the bomber airfields is therefore an essential part of the deterrent and is a feasible task. A manned fighter force, smaller than at present but adequate for this limited purpose, will be maintained and will be equipped with air-to-air guided missiles. Fighter aircraft will in due course be replaced by a ground-to-air guided missile system."

Civil Defence. "It would be wrong not to take some precautions to minimize the effects of nuclear attack, should the deterrent fail to prevent war. Civil Defence must accordingly play an essential part in the defence plan. As in other fields, the country's economic capacity limits the effort which can be devoted to this purpose. In 1957-58 the main task will be to keep the existing local organization in being, so as to provide a basis on which realistic planning can continue. The necessary training equipment will be provided. Essential research will proceed; and work on emergency communications and on setting up the fall-out warning and monitoring system will go on. These preparations will provide a frame work for expansion, should that later be necessary.

Reduction of British Forces in Europe. "The possession of nuclear air power is not by itself a complete deterrent. The frontiers of the free world, particularly in Europe, must be firmly defended on the ground. For only in this way can it be made clear that aggression will be resisted. Britain must provide her fair share of the armed forces needed for this purpose. However, she cannot any longer continue to make a disproportionately large contribution.

"Accordingly, H.M. Government, after consultation with the Allied Governments in the North Atlantic Council and in the Council of the Western European Union, have felt it necessary to make reductions in the British land and air forces on the Continent. The strength of the British Army of the Rhine will be reduced from about 77,000 to about 64,000 during the next 12 months; and, subject to consultation with the Allied Governments, further reductions will be made thereafter. The force will be reorganized to increase the proportion of fighting units, and atomic rocket artillery will be introduced which will greatly augment their fire-power. The aircraft of the Second Tactical Air Force in Germany will be reduced to about half their present number by the end of March 1958. This reduction will be offset by the fact that some squadrons will be provided with atomic bombs. A similar reduction will be made in the light bomber force in England, which is assigned to NATO.

The Naval Role in Nuclear Warfare. "The role of naval forces in total war is somewhat uncertain. It may well be that the initial nuclear bombardment and counter-bombardment by aircraft or rockets would be so crippling as to bring the war to an end within a few weeks or even days, in which case naval operations would not play any significant part. On the other hand, there is the possibility that the nuclear battle might not prove immediately decisive; and in that event it would be of great importance to defend Atlantic communications against submarine attack. It is therefore necessary for NATO to maintain substantial naval forces and maritime air units. Britain must make her contribution, though on a somewhat reduced scale.

The Middle East. "Outside the area covered by the North Atlantic Alliance, Britain has military responsibilities in other parts of the world, in particular in the Middle East and South-East Asia. Apart from its own importance, the Middle East guards the right flank of NATO and is the gateway to the African continent. In the Arabian peninsula, Britain must at all times be ready to defend Aden Colony and Protectorates and the territories on the Persian Gulf for whose defence she is responsible. For this task, land, sea and air forces have to be maintained in that area and in East Africa.

"In addition, Britain has undertaken in the Baghdad Pact to co-operate with the other signatory States for security and defence, and for the prevention of Communist encroachment and infiltration. In an emergency, British forces in the Middle East area would be made available to support the Alliance. These would include bomber squadrons based in Cyprus capable of delivering nuclear weapons. As a result of the termination of the treaty with Jordan, Britain has been relieved of the responsibility for defending that country . . . and British forces are being withdrawn. The British troops in Libya will also be progressively reduced.

The Far East. "In South-East Asia, apart from defending her colonies and protectorates, Britain has agreed to assist in the external defence of Malaya after she attains independence. Britain also has an international commitment, as a member of the SEATO and ANZAM [ANZUS] defence systems, to help preserve stability and resist the extension of Communist power in that area. It is proposed to maintain in this theatre a mixed British-Gurkha force and certain air force elements, together with a substantial garrison in Hong Kong and a small naval force based on Singapore. In addition, there is a Commonwealth Strategic Reserve, including a brigade to which Britain contributes two battalions. Australia and New Zealand jointly provide the remainder of the brigade and some naval and air forces.

"After consultation with the U.S.A. and with the other Commonwealth countries concerned, the Government have decided to withdraw the remaining U.K. troops (approximately a battalion) from Korea. A liaison mission will be retained at the Headquarters of the U.N. Command.

Overseas Garrisons. "In view of the increasing strength and efficiency of Colonial forces and the growing capacity to send reinforcements rapidly from Britain, the Government propose to make considerable reductions in garrisons for British colonies and protectorates wherever practicable.

The Central Reserve. "With the reduction in the size of garrisons and other British forces overseas, it is more than ever essential to be able to despatch reinforcements at short notice. With this object, a Central Reserve will be maintained in the British Isles. To be effective, the Central Reserve must possess the means of rapid mobility. For this purpose a substantial fleet of transport aircraft is being built up in R.A.F. Transport Command. This is at present mainly composed of *Comet II's*, *Beverley* freighters and *Hastings* aircraft, to which a number of *Britannias* will later be added. These transport resources would be supplemented, when necessary, by civil aircraft and by naval and other vessels.

"Besides the land forces of the Central Reserve, additional military power can rapidly be provided by the Bomber, Fighter and Coastal Commands of the R.A.F.

Sea Power. "On account of its mobility, the Royal Navy, together with the Royal Marines, provides another effective means of bringing power rapidly to bear in peacetime emergencies or limited hostilities. In modern conditions the role of the aircraft carrier, which is in effect a mobile air station, becomes increasingly significant. With this consideration in mind, it is proposed to base the main elements of the Royal Navy upon a small number of carrier groups, each composed of one aircraft carrier and a number of supporting ships. Apart from carriers, the number of large ships will be restricted to the minimum. The cruisers in the active fleet will be reduced and, in due course, replaced by new ships of the *Tiger* class, now under construction. Similarly, in the various categories of smaller vessels, the policy will be to rely on a reduced number of more modern ships, some of which will be equipped with guided missiles. A considerable number of ships now in reserve, including battleships, will be disposed of or scrapped.

"It is the Government's intention to maintain British naval strength east of Suez at about its present level. One carrier group will normally be stationed in the Indian Ocean.

Manpower Requirements. "Provided that the Services are reshaped and redistributed on the lines indicated above, and that commitments are curtailed in the manner proposed, the Government are satisfied that Britain could discharge her overseas responsibilities and make an effective contribution to the defence of the free world with armed forces much smaller than at present . . . The revised defence plan, with its greatly reduced demands on manpower and its emphasis on highly trained mobile forces, now makes it possible to contemplate putting the Services on to an all-Regular basis; and the Government will endeavour to bring about this change as soon as practicable.

"National Service inevitably involves an uneconomic use of manpower, especially in the training organization. There are at present no less than 150,000 men training or being trained in the establishments of the three Services. This high figure is due, in large measure, to the continuous turnover inseparable from National Service, the abolition of which would make possible substantial savings in manpower.

"Parallel with this, economies in administrative overheads are being sought. The Service Departments and Ministry of Supply are already engaged in a further effort to cut down the numbers of headquarters and the size of staffs, to eliminate duplication on common tasks, such as signal communications, and to reduce the number of men serving in depots and base installations, by concentrating work in fewer places and curtailing the holdings of stores. Every endeavour will also be made to extend the practice of employing civilians or civilian contractors on tasks where it is not essential for military reasons to employ Service personnel, such as storekeeping, accounting, maintenance of equipment, policing, and catering."

After pointing out that the process of reducing the size of the Forces and building up Regular recruitment to the required level would take several years, the White Paper stated that during the coming 12 months it was proposed to reduce the combined strength of the three Services, at present about 690,000, to about 635,000. The rate of run-down in subsequent years would depend on the international situation and its effect on the military requirements of NATO and other regional alliances.

"In the light of the need to maintain a balanced distribution of the national resources," the White Paper went on, "the Government have made a comprehensive review of the demands of defence upon the economy and of the country's military responsibilities. They have concluded that it would be right to aim at stabilizing the armed forces on an all-Regular footing at a strength of about 375,000 by the end of 1962. This does not take account of Colonial troops and other forces enlisted overseas, which at present amount to about 60,000."

National Service. "The Government have accordingly decided to plan on the basis that there will be no further call-up under the National Service Acts after the end of 1960. It must nevertheless be understood that, if voluntary recruiting fails to produce the numbers required, the country will have to face the need for some limited form of compulsory service to bridge the gap. While the Regular element is building up and the total strength of the forces is being run down, the size of the National Service intake will have to be progressively reduced. The result will be that the number of men becoming available for National Service will, to a growing extent, exceed requirements. The Government have prepared plans to effect the call-up of the reduced numbers needed, and will shortly announce these to Parliament.

Regular Recruitment. "The task of increasing Regular recruitment to the required level will not be easy; nor is the problem the same in all three Services. The Royal Navy is already, in the main, a Regular force on long-service engagements, and it should not have much difficulty in attracting enough recruits to meet its needs. In the R.A.F., 127,000 other ranks, or about two-thirds of the present strength, are Regulars; but some 31,000 of these are serving on three-year engagements, and many of them would not have enlisted but for their liability for National Service. Nevertheless, the recent improvement in its recruiting makes it reasonable to hope that the R.A.F. will be able to enlist enough Regulars to meet the smaller numbers required under the revised plan.

"It is in the Army that the greatest difficulty arises. There are about 167,000 Regulars, but of these less than 80,000 are serving on engagements of over three years. A marked improvement in recruiting will therefore be needed to make the Army independent of National Service."

Pointing out that it was necessary to maintain a proper balance in the composition of the Forces, with an adequate proportion of skilled tradesmen, the White Paper stressed the problems presented by the need (*a*) to replace the professional and skilled men who at present were called up for National Service after deferment; (*b*) to obtain sufficient recruits to man the branches which performed the less popular duties. In order to make Service life more attractive and encourage recruiting, ration scales were being increased and the Government proposed to press ahead with the modernization of barracks and the provision of further married quarters and better

recreational facilities. Methods of improving Servicemen's prospects on returning to civilian life were aslo being examined. In order to waste no time in building up the Regular element, the recruiting campaign would be intensified and more money provided in 1957-58 for this purpose.

The Reserve Forces. "Individual reservists and certain reserve units will be needed to make good deficiencies in the Regular Army in emergencies. The Territorial Army will, as at present, be trained and equipped as a fighting force primarily assigned to the task of home defence. Under present plans Britain is due to provide two T.A. divisions as reinforcements for NATO. Since these would not be ready for action on the Continent in less than three months, which in nuclear war would be of little value, the Government consider that it would be more appropriate to assign them to home defence duties like the rest of the Territorial Army. This question is being discussed with NATO.

"Apart from the units of the Royal Auxiliary Air Force and the Royal Naval Volunteer Reserve which it has regretfully been found necessary to disband, the Naval and Air Force Reserves will be retained in their present roles, though they will have to be reduced and . . . reorganized to accord with the new plan.

Research and Development. "If the weapons and equipment of the armed forces are to be kept up-to-date, an adequate effort on research and development must be continuously maintained. However, in view of the shortage of scientists and technicians in civil industry, it is important to restrict the military programme to those projects which are absolutely essential.

"A central feature of the defence plan is the maintenance of an effective deterrent. High priority will therefore continue to be given to the development of British nuclear weapons suitable for delivery by manned bombers and ballistic rockets. Nuclear warheads are also being evolved for defensive guided missiles.

"The close co-operation with the U.S.A. in research on guided missiles and ballistic rockets, initiated under the agreement of 1953 . . . will be maintained and further developed. The agreement in principle for the supply of American rockets (see 15457 A) should result in savings of time and money and will enable work to be concentrated upon more advanced types.

"Having regard to the high performance and potentialities of the *Vulcan* and *Victor* medium bombers, and the likely progress of ballistic rockets and missile defence, the Government have decided not to go on with the development of a supersonic manned bomber, which could not be brought into service in much under 10 years.

"Work will proceed on the development of a ground-to-air missile defence system, which will in due course replace the manned aircraft of Fighter Command. In view of the good progress already made, the Government have come to the conclusion that the R.A.F. are unlikely to have a requirement for fighter aircraft types more advanced than the supersonic P.1, and work on such projects will stop.

"Increased emphasis will be placed on the development of nuclear propulsion for maritime purposes, which has great civil as well as naval importance.

"The Government have in recent months been exploring with the French Government and other member-States the possibility of closer co-operation on research and development within the framework of the Western European Union."

Commonwealth Co-operation. After referring to the Woomera guided-missile range in Australia as "an outstanding example of Commonwealth co-operation on research and development," the White Paper stated that the Government would maintain close co-operation with Commonwealth countries in defence matters generally by means of inter-governmental consultations, frequent meetings of Chiefs of Staff, the exchange and secondment of officers, the supply of training facilities, and regular conferences of the Commonwealth Advisory Committee for Defence Science.

Compensation for Redundant Officers and N.C.O.s. The White Paper stressed that the new defence plan involved "the biggest change in military policy ever made in normal times," and that the large reduction in the size of the Forces would "inevitably create some surplus of officers and N.C.O.s." Those whose careers had to be prematurely terminated would be given fair compensation and helped to find suitable employment in civil life. The curtailment of many kinds of defence work would mean that some establishments would have to be closed, but the Departments concerned would do everything possible to ensure that the manpower and industrial resources released were absorbed into productive use as quickly as possible.

Defence Expenditure. The White Paper estimated that if the defence programme planned for 1956-57 had been allowed to continue unchanged, gross expenditure for 1957-58 (i.e. before deducting receipts from Germany and the U.S.A.) would have risen to about £1,700,000,000. By strenuous efforts towards economy—in particular the substantial reduction in the overall strength of the Forces, the cutting down of production orders and purchases of stores, and some curtailment of the research and development programme—it had been possible to keep the Estimates down to a total of £1,483,000,000. Deducting receipts of about £50,000,000 from Germany and £13,000,000 from the U.S.A., the net Estimates of total defence expenditure for 1957-58 would thus amount to about £1,420,000,000.

Although no forecast of the level of expenditure in later years was yet possible (the White Paper concluded) it could not be expected to show a decline in any way comparable with the decline in manpower —primarily owing to the ever-increasing complexity of modern weapons and equipment, the higher cost per man of Regular forces, and the fact that proportionately more civilians would be employed. Nevertheless it could safely be assumed that the new plan, when fully implemented, would appreciably reduce the burden on the national economy and release skilled men, including badly-needed scientists and technicians, for employment in civilian industry.

Detailed analyses of the proposed active strength of the three Services and of the estimated cost of the 1957-58 programme as a whole were given in a White Paper (*Defence Statistics, 1957-58*, Cmd. 130) which was also published on April 5. A summary is given below:

Manpower Statistics.

The estimated strength of the Forces at April 1, 1957, and April 1, 1958, compared with the actual strength at April 1, 1956, was shown as follows:

	April 1, 1956 (actual)	April 1, 1957 (estimated)	April 1, 1958 (estimated)
Regulars	467,200	451,900	639,700
National Servicemen	289,000	251,700	
Women's Services	16,500	15,200	14,600
Total	727,700	718,800	654,300

The White Paper stated that the three Services would require about 160,000 male entrants in 1957-58. Of this total, about 121,000 were expected to be National Servicemen or those within the National Service age-group; 2,000 of these were expected to go to the Royal Navy, 84,500 to the Army, and 34,500 to the R.A.F.

Financial Statistics.

The gross cost of the 1957-58 programme was estimated at £1,483,000,000, or £115,670,000 less than the original 1956-57 estimate of £1,598,700,000. Receipts from the U.S.A. and Western Germany were expected to be only £62,750,000, or £37,250,000 less than the £100,000,000 originally estimated for 1956-57. The net cost of the 1957-58 programme (i.e. after deducting receipts from the U.S.A. and Germany) was therefore estimated at £1,420,280,000, or £78,420,000 less than the net estimate of £1,498,700,000 for 1956-57.

The division between Departments in 1957-58 and 1956-57 is shown below:

	Gross. Estimate 1957-58	*Net.* Original Estimate 1956-57	*Gross* Estimate 1957-58	*Net.* Original Estimate 1956-57
	(£ million)		(£ million)	
Admiralty	316.15	351.5	316.00	346.0
War Office	445.50	519.0	401.40	472.0
Air Ministry	506.15	527.0	487.65	479.5
Ministry of Supply	197.60	185.0	197.60	185.0
Ministry of Defence	17.63	16.2	17.63	16.2
	1,483.03	1,598.7	1,420.28	1,498.7

U.S. Aid. Of the estimated receipts of £12,750,000 in 1957-58, £3,250,000 had been allotted to the Army and £9,500,000 to the RAF.

Offshore Procurement. The value of new contracts placed in the U.K. by the U.S.A. in 1956 under the Offshore Procurement Programme was $34,000,000, bringing the total value of these contracts to $717,000,000.

Military Aid from the U.S.A. and Canada. During 1956 further deliveries of equipment had been received under the U.S. Mutual Security Act, and U.S. assistance for the re-equipment of certain ammunition production capacity had continued. The Canadian Government had provided further supplies of ammunition, propellants, and explosives under its Mutual Aid Programme.

German Contribution. During recent Anglo-German negotiations, the German representatives had agreed to recommend to their Government a contribution of £50,000,000 to the U.K. defence effort. On the assumption that this recommendation would be accepted, the 1957-58 Estimates provided for the appropriation-in-aid of £150,000 to Navy Votes, £40,850,000 to Army Votes, and £9,000,000 to Air Votes.

The White Paper also stated that £21,900,000 would be provided in 1957-58 for defence expenditure by civil Departments (including loan expenditure by the Post Office), against £30,810,000 in the revised Estimates for 1956-57.
(White Papers, Cmd. 124 and Cmd. 130 - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 15364 A; 14773 A; Defence Economy Cuts, 15344 A.)**

A. ISRAEL. — Par Value for Israel Pound.

The International Monetary Fund announced on March 13 that the initial par value for the Israel pound had been established by agreement with the Government of Israel at 1.80000 Israeli pounds to the U.S. dollar, the other new parities being £I.1=0.493706 grams of fine gold or 55.5556 U.S. cents.
(International Monetary Fund) **(Prev. rep. 15361 B.)**

A. UNITED STATES. — The 1957-58 Budget.

President Eisenhower submitted to Congress on Jan. 16 his Budget proposals for the fiscal year 1958 (i.e. July 1957 to June 1958). Total expenditure was estimated at $71,800,000,000 (of which $43,335,000,000, or over 60 per cent, was for major national security programmes) and revenue at $73,600,000,000, giving a budgetary surplus of $1,800,000,000. The Budget was the largest ever presented in the peacetime history of the U.S.A., detailed estimates of revenue and expenditure being shown below :

	Actual 1956	Estimate 1957	Estimate 1958
		($ million)	
Budget Receipts :			
Individual income taxes	35,334	38,500	41,000
Corporation income taxes	21,299	21,400	22,000
Excise taxes	10,004	10,691	11,071
Employment taxes	7,296	7,750	8,420
Estate and gift taxes	1,171	1,380	1,475
Customs	705	775	800
Miscellaneous receipts	3,012	2,991	3,283
Deduct—			
Transfers to trust funds	6,971	8,979	10,273
Refunds of receipts (excluding interest)	3,684	3,880	4,156
Net budget receipts	68,165	70,628	73,620
Estimated Expenditure :			
Major National Security	40,641	40,965	43,335
International Affairs and Finance	1,846	2,382	2,444
Veterans' Services and Benefits	4,756	4,851	5,027
Labour and Welfare	2,776	3,032	3,538
Agriculture and Agricultural Resources	4,913	4,701	4,965
Natural Resources	1,104	1,371	1,538
Commerce and Housing	2,028	2,269	1,748
General Government	1,629	1,870	1,451
Interest	6,846	7,200	7,360
Allowance for contingencies	—	200	400
Total	66,540	68,900	71,807
Budget Surplus	+1,626	+1,726	+1,813

The total amount of " new obligational authority " sought (i.e. authority to enter new commitments for which payment might not be made until future years) was $73,300,000,000, compared with $70,500,000,000 in the 1956-57 Budget.

For both new obligational authority and Budget expenditures about seven-tenths of the estimated increases between the two years were for the military functions of the Defence Department, " reflecting the higher costs of producing, operating, and maintaining the complex new weapons and equipment being delivered in growing quantities to our defence establishment." Other major increases were for health, education, and welfare, including the proposed aid for school construction (see below) and for the Atomic Energy Commission.

Extracts from the President's Budget message are given below :

Budget Policy. After saying that the U.S.A. had demonstrated that it was possible " to sustain a high-employment economy independent of war and continually unbalanced Federal budgets," and that " the prospect for continued economic growth is bright," the Message continued : " Attainment of that goal is possible only with prudent management of the Government's fiscal affairs. Our Federal budget must contribute to the nation's financial stability and to the preservation of the purchasing power of the dollar. Maintaining a sound dollar requires of us both self-discipline and courage. At a time like the present, when the economy is operating at a very high rate and is subject to inflationary pressures, Government clearly should seek to alleviate rather than aggravate those pressures. Government can do its part, but business and labour leadership must earnestly co-operate—or what Government can do in a free society at a time like this will not prevent inflation.

" For the Government to do its part in the coming year, taxes must be retained at the present rates so that receipts will exceed Budget expenditures and the public debt can be further reduced. The prospective Budget surplus in the fiscal year 1958 will reinforce the restraining effect of present credit and monetary policies. The present situation also requires that less pressing expenditure programmes must be held back and some meritorious proposals postponed . . .

" Continuation of balanced Budgets into the future requires that the total of new authority to incur obligations, as well as the Budget expenditures for the year, should be less than the total of realistically anticipated Budget receipts. This policy of controlling Budget authorizations, which has been followed since the beginning of this Administration, has helped us move from a Budget deficit of $9,400,000,000 in the fiscal year 1953 to balanced budgets in 1956, 1957 and 1958.

" In this Budget the total of new authority proposed for 1958 is $73,300,000,000—$279,000,000 less than estimated Budget receipts. Of the total recommended new authority, specific action by this session of Congress will be necessary for $56,300,000,000. Other new authority, such as that for paying interest on the public debt, will become available under previously enacted permanent authorizations . . .

" The figures in this Budget for the fiscal years 1957 and 1958 are not precisely comparable to the actual figures for prior years. Under the provisions of legislation enacted last year, the financial transactions for the greatly expanded Federal-aid highway programme are included in a self-liquidating trust fund and are not in the Budget totals."

On revenue policy the President said : " It is my firm belief that tax rates are still too high and that we should look forward to further tax reductions as soon as they can be accomplished within a sound Budget policy. Reductions in tax rates would give relief to taxpayers and would also release funds for the activity and investment necessary for sustained economic growth through private initiative. However, the reduction of tax rates must give way under present circumstances to the cost of meeting our urgent national responsibilities. For the present, therefore, I ask for continuation for another year of the existing Excise Tax rates on tobacco, liquor, and automobiles, which, under present law, would be reduced on April 1, 1957. I must also recommend that the present Corporate Tax rates be continued for another year. It would be neither fair nor appropriate to allow Excise and Corporate Tax reductions to be made at a time when a general tax reduction cannot be undertaken." The Message added, however, that some tax relief should be considered for small businesses.

Defence. Expenditure on defence, the main constituent of the item " major national security," was estimated at $38,031,000,000, compared with an estimated $36,005,000,000 for 1957-58 and an actual $35,791,000,000 in 1955-56. Of the 1957-58 total, $17,472,000,000 was for the Air Force, $10,349,000,000 for the Navy, and $9,131,000,000 for the Army. [These figures compared with estimated expenditures in the fiscal year 1956-57 of $16,890,000,000 for the Air Force, $9,730,000,000 for the Navy, and $8,580,000,000 for the Army.] The principal items were pay of the armed forces, $10,664,000,000 ; operation and maintenance, $9,847,000,000 ; major procurement and production, $12,030,000,000 (including $6,232,000,000 for aircraft, $1,555,000,000 for ships, $2,646,000,000 for guided missiles, and $1,597,000,000 for other supplies) ; $2,122,000,000 for military public works ; $1,651,000,000 for research and development ; and $1,237,000,000 for reserve components.

The Budget message said that total military personnel on active duty during the year would be approximately 2,800,000—the personnel of the Army, Navy, and Marine Corps maintaining " about their current numbers," while the Air Force would be increased by " several thousand " men. The composition of the three Services at the end of 1957-58 would be as follows :

Air Force. 128 wings ; 24,398 aircraft ; 925,000 men (an increase of 10,000). 100 more B-52 heavy jet bombers would be added to the Air Force during the year, bringing the total to 600. The fixing of the overall strength at 128 wings meant a cut of five wings as compared with the previous strength of 133, and the abandonment of the former target of 137 wings, the reduction being attributable to the growing number of Army missiles available for ground support tactical operations. Under a reorganization to be carried out, the Air Force would comprise 45 strategic wings, 32 air defence wings, and 51 tactical wings. Of the present strength of 133 wings, 121 were combat wings and 12 troop-carrier wings.

Navy : 983 active ships, including 422 warships and 561 other types (compared with 406 warships and 568 other types at present) ; 11,790 aircraft (including Marine Corps planes) ; 875,000 personnel (compared with 872,947), including 200,000 Marines. There would be 17 carrier air groups (unchanged) ; 20 carrier anti-submarine squadrons (an increase of one squadron) ; three Marine divisions and three Marine aircraft wings (both unchanged). New warships to be added to the Navy would include its first atomic aircraft carrier, four nuclear submarines, and 13 destroyers and frigate-type ships.

Army. Active Army—1,000,000 men (compared with 991,600) organized in 17 divisions (a decrease of two), nine regimental combat teams (unchanged), six new atomic support commands, and 127 anti-aircraft battalions (a reduction of six, indicating that the new atomic support commands might be made up of the A.A. battalions). Strength of the Reserve Army would be 697,000 (625,000), of which 297,000 would be in the Regular Army Reserve and 400,000 in the National Guard. The six new atomic support commands, comprising 5,000-6,000 men, would be organized in support of local military forces and equipped with nuclear combat weapons, including the *Honest John* and *Corporal* missiles. [Although the President did not disclose the disposition of the new units, it was stated in the U.S. Press that most of them would be stationed in Europe as soon as they were ready.]

Defence Policy. As regards defence policy as a whole, President Eisenhower said that new equipment and weapons with vastly greater combat capability had made it " no longer valid " to measure military power in terms of Army divisions, Air Force wings, and Navy warships. Major procurement and production expenditures would be $542,000,000 higher than in 1956-57, and expenditure for guided missiles would increase by 35 per cent and for ship construction by about 12 per cent, whilst expenditure on aircraft would remain at about the same level.

The Budget message summarized the functions of the armed forces in terms of " missions " which cut across the traditional objectives of the Army, Navy, and Air Force. It enumerated four basic defence " missions," as follows :

(1) To maintain ready nuclear-air retaliatory forces as a deterrent. Procurement in 1958, the President explained, would see the equipment of the heavy bomber wings of Strategic Air Command with 48 jet B-52 aircraft in place of the present smaller number of 30 B-36's. Strategic fighter wings would be eliminated as unnecessary. The striking power of the Navy would be enhanced with new cruisers, jet aircraft, atomic submarines, and guided missile ships.

(2) To build a defence system that would minimize the chances of successful attack on the American continent. In this connexion it was announced (*a*) that the Continental Air Defence Command's radar warning network, from the Central Pacific around the northern perimeter of North America and across the Atlantic approaches, would be largely in operation during the next fiscal year; (*b*) that interceptor squadrons of the Air Force, the anti-aircraft missile strength of the Army, and anti-submarine capabilities of the Navy would all be strengthened.

(3) To maintain mobile and versatile forces capable of deploying quickly in the event of aggression. The Army's new "pentomic" divisions, each of which had five groups for mobility in atomic warfare, were one element in this strategy. The Marines had been equipped with a variety of atomic weapons, and their assault capabilities improved.

(4) To maintain control of the essential sea areas and lines of communication in case of war. This was primarily the task of the Navy, although the Air Force and the Army had been given roles. The number of active ships in the Fleet would remain the same, but older ones would be replaced by new ships.

Atomic Energy. The message said that until an agreement for limitation of armaments was negotiated and an effective inspection system functioning, the U.S.A. would increase the number and variety of nuclear weapons, "with special emphasis on weapons for tactical purposes and weapons with reduced radioactive fall-out." In addition, the "substantial present effort" to develop military propulsion reactors would be continued; efforts to develop the peaceful uses of atomic energy, particularly the development of atomic power production, would be "greatly increased"; and training centres in the U.S.A. and abroad would be set up to help other countries develop their own atomic energy programmes.

In addition to increased efforts by the Atomic Energy Commission to "explore new power reactor concepts, operate reactor experiments, and develop the basic reactor technology," greater support would also be given to the development of commercial power reactors for private industry and public power bodies. No funds for the construction of such new large-scale reactors were proposed in the Budget, in the belief that basic responsibility for this should not have to be assumed by the Federal Government. "However," it was added, "if acceptable proposals for non-Federal construction of promising reactor types do not materialize within a reasonable time, a request will be made to Congress for funds for direct construction by the Federal Government."

To facilitate investment by industry in atomic power plants, legislation would again be proposed to authorize the Government to supplement commercially available insurance against liability arising from possible nuclear accidents. More resources would be applied to the longer-term efforts to develop thermo-nuclear power reactors; increased research was planned on such problems as reactor safety, radioactive waste disposal, and the biological effects of radiation; and support of research in nuclear physics and in new uses of atomic energy in biology, medicine, agriculture, and industry would be strengthened. Equipment grants and funds for the training of teachers would be increased to improve education in nuclear technology and to help alleviate the shortage of nuclear scientists and engineers.

Strategic Stockpile. By the end of the fiscal year 1956-57 the stockpile of strategic and critical materials such as rubber, aluminium, copper, and nickel would have reached a value exceeding $6,000,000,000. Further acquisitions would be limited in most cases to materials for which contracts had already been made, or those which could be procured at favourable prices, or those obtained in exchange for surplus agricultural products.

Mutual Security Programme. Military aid under the Mutual Security Programme was estimated to cost $2,600,000,000, and economic, technical, and other aid $1,750,000,000—a total of $4,350,000,000, compared with total appropriations of $3,804,000,000 enacted for 1956-57. New obligational authority for 1957-58 was recommended at $4,400,000,000 (including $2,540,000,000 for military aid and $1,950,000,000 for economic, technical, and other aid), compared with $3,767,000,000 in 1956-57 and $2,703,000,000 in 1955-56.

The Message stated that the armed forces of 38 countries were now receiving military equipment and training under the programme, and that (as in the case of the U.S. forces) a large part of aid funds in 1957-58 would be used for new types of weapons for air defence. An increasing amount of military equipment assistance, however, would be furnished on a reimbursable rather than a grant basis, for which changes in legislation would be recommended.

The recommended appropriations of $4,400,000,000 included $200,000,000 which would be available for discretionary use by the President in the Middle East, in addition to the specific programmes for countries in that area.

Total "Expenditures for Protection." A table given in the Budget message showed that total "expenditures for protection, including collective security," would amount to $45,300,000,000, compared with an estimate of $42,700,000,000 in 1956-57 and actual expenditure of $42,400,000,000 in 1955-56. Of the 1957-58 total, $38,000,000,000 was for defence, $2,600,000,000 for the military side of the Mutual Security Programme, $2,300,000,000 for the Atomic Energy Commission, $400,000,000 for stockpiling and defence production expansion, $1,800,000,000 for the economic and technical side of the Mutual Security Programme, and $100,000,000 each for the U.S. Information Agency and the Federal Civil Defence Administration.

The total amount under this head was equal to 63 per cent of the estimated Budget expenditure, compared with 24 per cent ($16,900,000,000) for civil benefits, 10 per cent ($7,400,000,000) for interest, and 3 per cent ($2,200,000,000) for all other civil operations, administration, and contingencies.

Agriculture. The Message said that agriculture was confronted with "serious adjustment problems" stemming from international as well as domestic developments. Technological advances in agriculture by other countries were resulting in increased production, which in many instances had restricted U.S. export markets. These problems were further complicated by the improved U.S. production capacity, as well as by the large agricultural stocks held by the Commodity Credit Corporation. The Soil Bank legislation (see 14906 A) was helping to curtail crop production and support farm income, besides facilitating the transfer of agricultural land to uses more consistent with long-term conservation objectives. Other programmes were helping to move large quantities of food and other farm products into consumption at home and abroad.

Total estimated expenditure for stabilization of farm prices and farm incomes was estimated at $3,514,000,000, compared with $3,432,000,000 in 1956-57 and an actual expenditure of $3,946,000,000 in 1955-56. The 1957-58 total included $1,950,000,000 for price support, supply, and purchasing programmes of the Commodity Credit Corporation; $1,023,000,000 for the Soil Bank; and $245,000,000 for removal of surplus agricultural commodities—the amounts being practically the same as in the 1956-57 Budget. The message requested (i) that authority to dispose of farm products abroad in return for foreign currencies, which would expire on June 30, 1957, should be extended for a further year; and that (ii) the present legal limit of $3,000,000,000 on the permissible loss under this programme should be increased by an additional $1,000,000,000.

Natural Resources. The total of $1,538,000,000 under this heading included $1,070,000,000 for conservation and development of land and water resources, $186,000,000 in respect of forest resources, and $99,000,000 in respect of mineral resources. The importance of ensuring the best use of water resources was again stressed, in accordance with recommendations made by a Presidential Advisory Committee on water resources policy. Among major projects mentioned in the message were the development of the Upper Colorado River Basin, on which work was in progress, and the Fryingpan-Arkansas multiple-purpose project, for which legislative authority was still needed. Increased appropriations for research and pilot-plant operations for converting salt water to fresh water for drinking, industrial, and agricultural uses were also recommended, as a further step in dealing with the problem of water scarcity.

Education. The Message underlined the urgency of implementing a programme of Federal aid for the construction of schools involving Federal expenditure of $2,000,000,000, including $1,300,000,000 for grants to States and $750,000,000 for the purchase of school-building bonds issued by local authorities. The President recommended that this programme, which had been planned in 1956 to extend over five years, should be completed in four years because of the present overcrowding in schools. Expenditure of $451,000,000 was proposed for the year 1957-58, including $325,000,000 in construction grants.

Public Health. Expenditures of $607,000,000 were recommended, or $106,000,000 more than in 1956-57. The largest components were $211,000,000 for National Institutes of Health and $100,000,000 for Federal aid to hospital-building.

Water Transportation. The $420,000,000 recommended under this head included $120,000,000 for appropriations for shipbuilding and maritime research in 1957-58. This would permit the construction of a sister-ship of the 60,000-ton super-liner *United States* and of several smaller vessels, while during the year the building of a nuclear-powered merchant ship (jointly by the Department of Commerce and the Atomic Energy Commission) would be "well under way." "The world-wide shortage of modern ocean-going ships," the Message said, "emphasized the importance of the ship replacement programme begun two years ago by the Department of Commerce. Most of the U.S. merchant fleet was built during World War II and should be replaced over the next 15-20 years."

Social Security. Expenditures for social insurance programmes and for the payment of Federal civilian employees' retirement benefits were not shown in the Budget expenditures because they are financed separately through trust funds. The Message stated, however, that total disbursements from these funds in 1957-58 would exceed $10,500,000,000, and that reserves for future payments invested in Government bonds would increase to about $46,000,000,000 at the end of that fiscal year. Benefits from the old-age, survivors, and disability insurance trust funds would be payable in 1957-58 to some 9,100,000 retired persons, 380,000 disabled workers, and 1,800,000 mothers and children. Women between 62 and 65 and disabled workers between 50 and 65 would receive these benefits for the first time under social security amending legislation enacted in 1956. The President recommended new legislation to extend and improve the unemployment insurance system.

Veterans' Services and Benefits. Compensation benefits for disability or death resulting from service with the armed forces would benefit 2,100,000 ex-Servicemen and 395,000 families of deceased ex-Servicemen respectively. There would be pension payments to an estimated 762,000 ex-Servicemen and 488,000 families of ex-Servicemen.

Postal Services. The President recommended increases in postal rates to place the Post Office on a paying basis and reduce the "huge postal deficit."

Labour Legislation. The President recommended legislation to assure "equal pay for equal work; extension of the Fair Labour Standards Act to additional workers; and "a revision of the eight-hour laws."

Constitutional Amendments. The President also proposed that legislation be enacted (*a*) to ensure "equal rights" for women, in accordance with the platforms of both the Republican and Democratic parties; and (*b*) to lower the voting age in Federal elections.

Hawaii and Alaska. Legislation was recommended to confer Statehood on Hawaii, as well as Statehood for Alaska "subject to area limitations and other safeguards for the conduct of defence activities vitally necessary to our national security."

Public Debt. The Budget surplus of $1,600,000,000 for 1955-56 had been used for a reduction of the public debt, which at the close of that year amounted to $272,800,000,000. The estimated total at the end of the year 1956-57 was $270,600,000,000, and that for the end of the year 1957-58 was $269,200,000,000.

It was pointed out in the U.S. press that the record expenditure in the 1957-58 Budget meant a *per caput* expenditure of $416, or $10 more than the estimated *per caput* amount for the year 1956-57.—(New York Times - New York Herald Tribune) **(Prev. rep. 1956-57 Budget, 14731 A.)**

A. PAKISTAN. — Khan Abdul Ghaffar Khan found Guilty of Sedition. - Sentence of Fine and Imprisonment.

The trial opened before the Lahore High Court on Sept. 3, 1956, of Khan Abdul Ghaffar Khan (67), leader of the illegal "Redshirt" movement, and Khan Abdus Samad Khan Achakzai, popularly known as "the Baluchi Gandhi," on charges of advocating in a number of public speeches the abolition of Pakistani sovereignty over the Pathan areas. The accused, both of whom had been in prison since June 1956, were also charged with creating hatred between different classes of people (i.e. Pathans and Punjabis), spreading disaffection against the Government, and threatening the stability of the Republic. Both defendants denied the charges and said in their defence that their aim was the creation, not of an independent State, but of an autonomous Pathan province of "Pakhtoonistan" within Pakistan.

On Jan. 24 Mr. Justice Shabir Ahmed found the accused guilty of having advocated the abolition of the sovereignty of Pakistan over part of its territory, and sentenced Khan Abdul Ghaffar Khan to a fine of Rs. 14,000 and Khan Abdus Samad Khan to a fine of Rs. 6,500; both were also ordered to be imprisoned until the rising of the court. It was subsequently reported that Khan Abdul Ghaffar Khan had filed an appeal against the Court's judgment.—(Dawn, Karachi - Times) **(Prev. rep. Ghaffar Khan, 15006 A.)**

B. UNITED KINGDOM. — Gold and Dollar Reserves.

The Treasury announced on April 3 that the sterling area's gold and dollar reserves had risen by $62,000,000 during March, after taking into account (*a*) the receipt of $5,000,000 in U.S. defence aid; (*b*) the receipt of $17,000,000 in gold or dollars from the E.P.U. in part settlement of the February surplus; and (*c*) the payment of $3,000,000 to creditor countries in the E.P.U. under bilateral agreements. As a result, the reserves stood at $2,209,000,000 on March 31.

Provisional figures for the E.P.U. March settlement showed that Britain had a deficit of £3,000,000, three-quarters of which would be settled in gold or dollars and the remaining quarter by an increase of the U.K.'s debt to the Union.
(Treasury Press Office, London - Financial Times) **(15416 D.)**

C. NEW ZEALAND. — Bay of Plenty By-election.

The National Party retained the Bay of Plenty seat in the N.Z. House of Representatives in a by-election held on April 6 and caused by the resignation of the Minister of Labour, Mr. William Sullivan. The results were: P. B. Allen (National), 4,983; T. G. Santon (Labour), 3,917; R. J. Pedley (Liberal Federation), 300. Mr. Pedley, who lost his deposit, was the first candidate of the newly-formed Liberal Federation to contest a seat. At the general election in 1954 Mr. Sullivan polled 6,928 votes, against 3,866 for Mr. Santon and 1,434 for Mr. Blaymires (Social Credit).—(New Zealand Directorate of Information, Wellington) **(Prev. rep. 15251 B.)**

D. POLAND. — Further Reduction of Armed Forces.

It was announced in Warsaw on March 25 that the Polish Government had decided to reduce its armed forces by 44,500 officers and men in order "to make a new contribution by the Polish nation to disarmament and the development of peaceful relations between nations, as well as in an endeavour to obtain additional means for the development of the national economy." Two reductions totalling 97,000 men had previously been made in 1955 and 1956.—(Polish Embassy Press Office, London) **(Prev. rep. 15242 A; 14441 A.)**

E. SYRIA - IRAQ. — Resumption of Oil Supplies through Iraq Petroleum Company's Pipelines.

Following the Israeli withdrawal from the Gaza Strip and the Gulf of Akaba, oil from the Iraq Petroleum Company's fields at Kirkuk (northern Iraq) reached the Mediterranean pipeline terminal at Banias (Syria) on March 12 for the first time since Nov. 2, 1956, when three pumping stations in Syrian territory were blown up by the Syrian Army. On March 14 oil also began to arrive at the other pipeline terminal at Tripoli (Lebanon).

For some considerable time previously the Syrian Government had consistently refused to sanction the necessary repairs, although this action was severely criticized both by Iraq, which suffered great losses in oil royalties through the interruption of oil exports, and by the Lebanon, where the Tripoli refinery was cut off from its normal crude oil supplies and was kept operating only by the transfer of the remaining stocks from the Banias refinery.

The Syrian Minister for Economic Affairs (M. Khalil Kallas) declared on Dec. 15 that no Iraqi oil would pass through Syria "until the Middle East is as it was before the Anglo-French invasion." On Dec. 18 the Syrian Government rejected U.S. and Italian requests that emergency repairs should be carried out to the pipeline, informing both countries that nothing could be done until the British, French and Israeli forces had withdrawn from Egypt.

A delegation from the Iraq Petroleum Company visited Damascus from Dec. 23-26 for talks with the Syrian Government on the reopening of the pipeline, but it was announced on the latter date that Syria would refuse to allow any repairs to be undertaken until the Israeli forces had withdrawn from Sinai and the Gaza Strip. The statement added, however, that permission had been given for a team of I.P.C. experts to inspect the damaged installations, assess the extent of the damage, and estimate the time needed to effect repairs.

As a result of its subsequent investigations, the company informed the Syrian Government on Jan. 14, 1957, that pumping at a rate of 11,000,000 tons a year (compared with a normal flow of 25,000,000 tons) could begin within seven days of repair work being started. The company proposed for this purpose to undertake emergency repairs involving the laying of pipe to by-pass the three severely damaged pumping stations, as it would take at least a year to repair the pumping stations themselves and restore the normal flow.

Although the company again requested permission at the time for an immediate start on emergency repairs, the Syrian Government continued to withold its consent and maintained this attitude during further talks held in Damascus from Feb. 5-7 with an I.P.C. delegation headed by the company's managing director (Sir Stephen Gibson).

On March 6, however -the date of the Israeli evacuation of the Gaza Strip and the Sharm-el-Sheikh area -the Syrian Prime Minister (M. Sabry el-Assali) informed the chief representative of the I.P.C. in Syria that repair work on the pipelines could begin immediately. I.P.C. repair teams accordingly entered Syria on March 8 and began work on the following day.

The repairs on the 30-inch pipeline to Banias were completed within 48 hours and the pumping of oil was resumed on March 11 with the consent of the Syrian Government, which on the same day revoked the ban on the export of oil from Syria. The line to Banias, as temporarily reconstructed, will have a capacity of 7,700,000 tons a year, while the 16-inch line to Tripoli (the pumping of oil through which started on March 13) and the 12-inch line to Tripoli (which came into operation shortly afterwards) will have a joint annual capacity of 3,300,000 tons.

On March 7 the Syrian Parliament had passed legislation requiring the I.P.C. to reinstate in their former positions all employees dismissed after the closing of the pipelines, and to pay them full salaries for the period during which work was interrupted.

I.P.C. Payment of Transit Dues to Syria.

In spite of Syria's refusal to sanction the reopening of the pipelines, the Iraq Petroleum Company announced on Jan. 30 that it had paid to the Syrian Government the outstanding transit dues up to Nov. 2, 1956, amounting to £4,890,000.

The statement pointed out that although this payment was a legal obligation on the company, which had "scrupulously fulfilled all its obligations under its agreement with the Syrian Government," the I.P.C. had "not waived its right to claim compensation for damages."

I.P.C. Loan to Iraq.

To help the Iraqi Government to overcome its financial difficulties through the loss of oil royalty revenues, the I.P.C. agreed on March 9 to make to Iraq an interest-free advance on future royalties of £25,000,000. The Iraqi Minister of Economics, Dr. Pachachi, stated on March 10 that £5,000,000 would be paid by the Company immediately, and that the remainder would be payable in the financial year beginning on April 1. Dr. Pachachi explained that the money was required to overcome the budgetary deficit and to sustain the momentum of Iraq's major development projects.—(Times - Daily Telegraph - Manchester Guardian - Financial Times - New York Times - Le Monde, Paris) **(Prev. rep. 15201 A, page 15211.)**

A. POLAND - SOVIET UNION. — Agreement on Repatriation of Poles from U.S.S.R. - Trade Protocol.

An agreement on the further repatriation of Polish nationals from the Soviet Union was signed in Moscow by the two Governments on March 25. The new agreement, which resulted from the Polish-Soviet agreement of Nov. 18, 1956 (see 15242 A), greatly increased the number of those who could demand repatriation, its principal provisions being as follows:

(1) The right to repatriation was extended to (*a*) all persons who were Polish nationals on Sept. 17, 1939 [the date of the Soviet annexation of the Eastern provinces of pre-war Poland following the Ribbentrop-Molotov agreement]; (*b*) the wives, children, and parents living with such repatriates in one household, even if they had not been Polish nationals on Sept. 17, 1939 (thus including Soviet citizens falling under this category); (*c*) children of such persons born after Sept. 17, 1939, who had no close relatives in the U.S.S.R. and whose relatives were or would be resident in Poland, or whose repatriation had been applied for by the Polish authorities; (*d*) persons of Jewish nationality who possessed Polish citizenship on Sept. 17, 1939. [The designation "Jewish nationality" was used by the Soviet authorities to describe Jews formerly living in those areas of Eastern Poland annexed by the U.S.S.R. in 1939.]

(2) Persons entitled to repatriation who were at present in Soviet prison or labour camps would be released or transferred to the Polish authorities, irrespective of their terms of detention.

(3) Persons leaving the Soviet Union would be entitled to take with them their personal belongings, and members of certain professions could take with them all objects indispensable for the performance of their profession or trade. Money paid in by them to the Soviet State Bank would be transferred to the Polish National Bank.

(4) Repatriation would remain voluntary and applications would be accepted until Oct. 1, 1958. The repatriation scheme would be completed by Dec. 1, 1958.

(5) The Soviet authorities would make every effort to ascertain the fate and place of residence in the U.S.S.R. of persons sought by Polish nationals or institutions.

The number of persons affected by the agreement was not officially stated, but British, U.S., and French press reports from Warsaw put the figure at between 120,000 and 500,000.

[When the U.S.S.R. occupied the former East Polish provinces in 1939 the population of these territories exceeded 10,000,000, the majority of them being Ukrainians, Jews, and Byelorussians. Of the million or so Poles who were deported to the U.S.S.R. after the annexation, several hundred thousand left the Soviet Union during the war, many of them to join the Polish forces in the West, while some were allowed to return to Poland after the war. At the same time the Soviet authorities in post-war Poland imprisoned and deported a number of Poles who, it was thought, might hinder the establishment of Communist rule or who, though being Communists, opposed the Stalinist nature of the regime. Repatriation was resumed in 1955 on a small scale, when some 7,000 Poles were allowed to leave the Soviet Union, while in 1956 a further 29,000 were repatriated following Polish pressure on the Soviet Government. During January and February, 1957, another 15,000-16,000 Polish repatriates left the Soviet Union, many of them from the Ukraine, Byelorussia and Lithuania].

A protocol on Soviet-Polish trade during 1957 was signed in Moscow on April 9.

Under the agreement the Soviet Union will supply to Poland iron, manganese and chrome ores, cotton, oil and oil products, ferrous and non-ferrous metals, various industrial equipment, and other goods, while Poland will export to the Soviet Union coal, zinc, fishing trawlers, locomotives, passenger coaches, goods wagons, etc.

It was provided that the value of trade exchanges would be considerably increased over 1956, when the Soviet Union's share of Poland's foreign trade had fallen to 27 per cent, although the U.S.S.R. continued to be Poland's main supplier and principal buyer.—(Polish Embassy Press Office, London - Times - Manchester Guardian) **(Prev. rep. 15242 A.)**

B. PERSIA - SOVIET UNION. — Frontier Delimitation Agreement.

A joint Soviet-Persian frontier demarcation commission, which had been working for the past 20 months on the delimitation of the frontier between the two countries, completed its work on April 11, when protocols were signed in Teheran defining the frontier in detail. The frontier has been mapped and marked with border signs along its entire length of some 2,000 kilometres from the junction of the frontiers of the U.S.S.R., Persia and Turkey in the west to the intersection of the Soviet, Persian and Afghan frontiers in the east.
(Soviet Embassy Press Department, London) **(13968 C.)**

C. TURKEY. — Cabinet Appointment.

It was announced at the beginning of April that Mr. Ahmet Özel, the Minister of Education, had been succeeded by Mr. Tevfik Ileri, who had held the same portfolio from 1950-53.
(Turkish Embassy Press Department, London)
(Prev. rep. Turkish Cabinet, 15310 A.)

D. YUGOSLAVIA. — Death of M. Pijade.

M. Moshe Pijade, President of the Yugoslav Federal Assembly and one of the closest associates of Marshal Tito, died in Paris on March 15 of a heart attack, aged 67. He was heading a Yugoslav parliamentary delegation then visiting the French capital after having first visited London.

Born in Belgrade on Jan. 4, 1890, of Jewish parents, Moshe Pijade studied art in Paris and Munich as a young man, returned in 1910 to Belgrade, and made a reputation as one of Serbia's best-known painters of the Impressionist school. During the next ten years he worked variously as teacher, painter and journalist before joining the Yugoslav Communist party in 1920. When the party was driven underground in the following year he helped to found the Independent Workers' Party of Yugoslavia, edited its newspaper, and was later entrusted with organizing an underground Communist printing press in Belgrade. This was discovered by the police and Pijade was sentenced to 20 years' imprisonment, later reduced to 14 years. It was during his long imprisonment from 1925-1939 that Pijade first met Marshal Tito (then Josef Broz-Tito), who was also serving a prison sentence for illegal political activities, and that he made the first translation into Serbo-Croat of Karl Marx's *Capital*. Shortly after his release in 1939 he was re-arrested and sent to a detention camp for political offenders, where he remained until two days before the Nazi attack on Yugoslavia in April 1941.

During the German occupation Moshe Pijade was one of Marshal Tito's principal aides in the anti-Nazi partisan movement, helping to organize the national uprising in Montenegro and holding leading positions in the partisan organization. In 1943 he became Vice-President of the Anti-Fascist Council of the National Liberation of Yugoslavia, which later became the first Provisional Government. After the war he played a large part in evolving the political and constitutional forms of the new Yugoslav Republic, and presided over the legislative committee which drew up the post-war Yugoslav Constitution.

A strong supporter of "national" as opposed to "Stalinist" Communism, Pijade was generally credited with providing much of the intellectual guidance behind the "Titoist" demands for greater national independence for Communist parties outside the Soviet Union. After the break between Yugoslavia and the Cominform he wrote a number of articles attacking Stalinism and the policy then being pursued by the Soviet Government and Communist Party, as well as a lengthy history of the origins of the dispute between Yugoslavia and the U.S.S.R. During this period he himself was the target of many bitter attacks in the Soviet and "satellite" press and radio.

Pijade had been President of the Yugoslav Federal Assembly since 1954, when he succeeded Milovan Djilas in that post after the latter's expulsion from the party.

Moshe Pijade was buried with national honours on March 18 in the historic Kalemegdan fortress outside Belgrade, the funeral oration being delivered by President Tito.

M. Petar Stambolich (45), President of the Serbian National Assembly, was unanimously elected President of the Yugoslav Federal Assembly on March 26. Like M. Pijade, he was a prominent partisan leader during the German occupation.
(Tanjug Agency, Belgrade - Times - Le Monde, Paris)

E. LITERATURE. — William Blake's Notebook acquired by British Museum. - Gift of American Donor.

The British Museum announced on April 15 that a notebook used by the poet William Blake, described as a "treasure" and as "the most important manuscript by William Blake in existence," had been presented to the Museum by the late Mrs. Frances White Emerson of Cambridge, Massachusetts, U.S.A.

The notebook, of 58 pages, was used by Blake for poems, sketches, memoranda, and prose drafts, each page being filled by entries made at various times down to about 1818. It contains drafts of some of the most celebrated of his *Songs of Experience*, including *The Tyger*, *The Chimney Sweep*, and *A Little Boy Lost*, a prose description of his *Vision of the Last Judgment*; and pencil sketches with ideas for designs and illustrations afterwards used in *The Vision of the Daughters of Albion* and *The Gates of Paradise*. The last major poetical entries are fragments of Blake's unfinished philosophical poem *The Everlasting Gospel*.

Blake's notebook is sometimes referred to as the "Rossetti manuscript" from the fact that it was sold to Dante Gabriel Rossetti in 1847 for ten shillings. After Rossetti's death in 1882 it was sold for £110, and in 1887 it was acquired by Mr. William Augustus White, father of Mrs. Frances White Emerson and a well-known Blake collector. In 1928 it was valued for probate at $40,000, or over £8,000 at the exchange rate than prevailing.

Mrs. Emerson, who died in March, had presented the British Museum in 1928 with Blake's 537 water-colour designs for Young's *Night Thoughts* (1797), believing that they should be returned to Britain. These drawings, like Blake's notebook, had also belonged to her late father.—(Times - Daily Telegraph)
(Prev. rep. 9635 C.)

A. CHILE. — General Elections. - Gains by Opposition Parties. - State of Siege imposed after Cost-of-Living Riots. - Disturbances in Santiago and Valparaiso.

General elections held in Chile on March 3 for a new Chamber of Deputies (147 members) resulted in important gains for the parties opposed to President Ibañez—notably the Radicals, who became the largest party in the new Chamber, and the *Falange Nacional* (of leftist tendencies)—and corresponding losses for the parties supporting the President, the most important of which is the Agrarian Labour party. The other two leading parties—the Liberals and the United Conservatives—give limited support to the Government. The election results as a whole favoured the "centre" and "moderate left" parties at the expense of the more extreme left-wing groups. Gains and losses of the major parties are shown below:

	New Chamber	Old Chamber
Radicals	35	20
Liberals	28	19
United Conservatives	21	20
Falange Nacional	14	5
Agrarian Labour	13	29
Popular Socialists	8	19
Chilean Socialists	9	9
Other parties	19	26

The Radicals, as shown, gained 15 additional seats and the *Falange Nacional* nine, while the Liberals also obtained nine more seats than in the former Chamber. The Agrarian Labour and Popular Socialist parties, both supporting President Ibañez, lost 16 and 11 seats respectively.

Elections were also held on the same day for 20 of the 45 Senate seats. The principal parties in the new Senate (including seats not affected by the elections) are the Liberals (10), Radicals (9), United Conservatives (6) and *Socialistas Populares* (6).

The election campaign was mainly fought on President Ibañez's anti-inflationary measures (see 14676 B), which were supported by the Agrarian Labour party and its allies (including the Popular Socialists), and to a certain extent by the Liberals and Conservatives, but were strongly opposed by the Radicals. The latter party's success was interpreted both in Chile and abroad as a repudiation of these policies by the electorate. The Minister of Economy, Señor Lazo (who had been responsible for implementing the anti-inflationary programme) resigned on March 8 after the announcement of the election results and was succeeded by Señor Roberto Infante, who had formerly held the portfolio of Agriculture.

Serious rioting occurred during the first three days of April in Santiago, Valparaiso, Concepción, and other Chilean cities in protest against the rising cost of living, the immediate cause of the disturbances being an increase in public transport fares. A state of siege and a curfew were imposed throughout the country on April 8 after the Army had been called out in Santiago to quell rioters attempting to attack the Presidential palace. Other groups of rioters in the capital tried to set fire to the Cathedral and the Congressional building, stoned the premises of *El Mercurio*, Chile's leading newspaper, looted shops, and burned vehicles. Troops opened fire on the demonstrators to restore order, unofficial estimates placing the number of dead at between 40 and 70 and the number of wounded at over 200. Over 1,000 arrests were made during the following week and tanks, armoured cars and heavily-armed infantry patrolled Santiago and Valparaiso to prevent a recurrence of the disorders, which were attributed by the Government to Communist influence.—(New York Times - Bank of London and South America, Fortnightly Review - Le Monde, Paris) **(Prev. rep. Chilean Elections, 13149 D; Anti-Inflationary Measures, 14676 B.)**

B. CANADA - UNITED KINGDOM. — Joint Construction of New Transatlantic Cable.

Following the success of the transatlantic cable opened in September last (see 15121 D), it was announced in London and Ottawa on April 9 that the British Post Office and the Canadian Overseas Telecommunications Corporation would jointly construct a second underwater cable which was expected to be in operation by 1961. The cost of the 2,000-mile cable from Scotland to Canada (about £8,000,000) will be shared between the Post Office and the C.O.T.C., the cable itself being made in Britain and laid by the British cable ship *Monarch*. The new transatlantic cable will have 50-100 British-made repeaters (amplifiers) in order to provide two-way telephone circuits between Canada and Britain.—(Times - Montreal Star) **(Prev. rep. 15121 D; Map, page 13282)**

C. SOVIET UNION - EASTERN GERMANY. — Agreement on Status of Soviet Troops in Eastern Germany. - Provisions and Signature.

A Soviet-East German agreement regulating the status of the Soviet troops in Eastern Germany was signed in East Berlin on March 12 by M. Gromyko (Foreign Minister) and Marshal Zhukov (Minister of Defence) for the Soviet Union, and by Herr Lothar Bolz (Foreign Minister) and Colonel-General Willi Stoph (Minister of Defence) for the German Democratic Republic. The main provisions of the agreement were as follows:

(1) Soviet forces would not interfere in East German internal affairs.

(2) The agreement of the East German authorities would be required for any change in the strength or location of Soviet forces.

(3) Soviet troops committing punishable offences would be subject to East German law, unless the offences were committed against the U.S.S.R. or Soviet personnel, or during the discharge of military duties.

(4) Any crimes committed against Soviet forces would be punished by the East German courts on the same basis as crimes against the East German forces.

(5) Any member of the Soviet forces who had violated East German law could be recalled from Eastern Germany at the request of the East German authorities.

(6) The two Governments would pay each other compensation for material damage caused respectively (*a*) by Soviet forces to East German citizens and institutions or nationals of third countries in Eastern Germany; (*b*) by East German citizens or institutions to Soviet forces and installations. These provisions would apply retrospectively from Sept. 20, 1955 [when the treaty on relations between the U.S.S.R. and Eastern Germany was signed].

(7) Soviet forces would continue to use the installations which they already possessed on East German territory. The construction of any new installations, however, would require the consent of the East German authorities. Soviet installations would revert to the German Democratic Republic free of charge when they were no longer required.

(8) The High Command of the Soviet forces in Eastern Germany would be empowered, after consultation with the East German Government, to take steps against "any threats to the security of the Soviet forces."

(9) A mixed Russo-German commission would be set up in East Berlin to settle questions concerning the application of the agreement.

(10) The agreement would come into force on the date of the exchange of ratification instruments, and would remain in force until Soviet troops withdrew from Eastern Germany.

The preamble stated that "the temporary presence of Soviet troops on the territory of the German Democratic Republic" was "necessary" because of the stationing of foreign troops in Western Germany and the setting up of bases there "by member-countries of the aggressive North Atlantic bloc."
(Soviet Embassy Press Office, London - A.D.N. News Agency) **(Prev. rep. 15352 A.)**

D. CANADA. — Naval Construction and Expansion.

The first aircraft carrier to be built for the Royal Canadian Navy, H.M.C.S. *Bonaventure* (20,000 tons), was commissioned at Belfast on Jan. 17, 1957. She will replace the aircraft carrier *Magnificent*, which had been on loan to Canada from the Royal Navy since 1948.

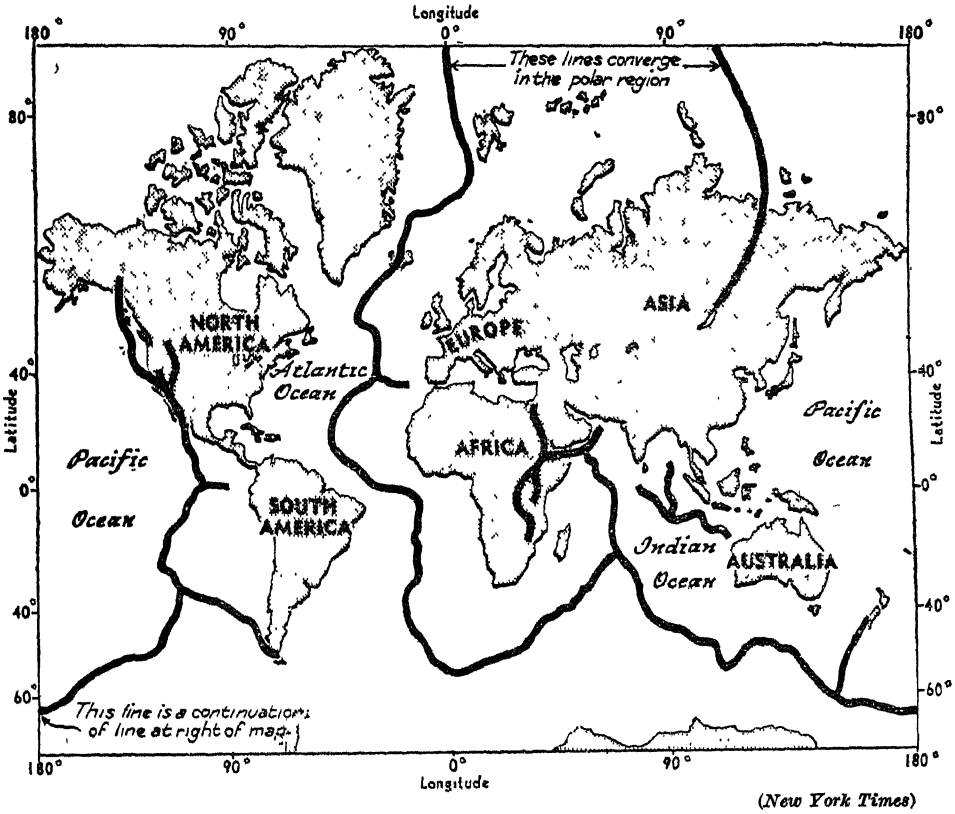
The *Bonaventure* was originally launched for the Royal Navy in 1945 as H.M.S. *Powerful*, a sister-ship of H.M.S. *Magnificent* which was launched in 1944 and completed in 1948. The *Powerful*, however, had remained uncompleted and was purchased by Canada in 1952. Extensively converted at the Harland & Wolff yards, she incorporates the most modern features of carrier design such as the angled deck, the steam catapult, and stabilized deck-landing mirror aids, in addition to radar and electronic devices. She will carry Canadian-built *Banshee* jet fighters, anti-submarine *Tracker* planes, and helicopters, and has a complement of about 1,200 officers and men.

The Royal Canadian Navy was also reinforced during 1956 by five of a new class of anti-submarine destroyer escorts—the *Assiniboine*, *Ottawa*, *Margaree*, *Saguenay* and *St. Laurent*—of all-Canadian design and construction. Nine further vessels of this class are under construction, some of which are expected to be in commission during 1957.

In addition to the *Bonaventure* and the new destroyer escorts, the other principal units of the Royal Canadian Navy are the 8,000-ton cruisers *Ontario* (ex-H.M.S. *Minotaur*) and *Quebec* (ex-H.M.S. *Uganda*), launched for the Royal Navy in 1943 and 1941 respectively and transferred to the R.C.N. in 1944-45; and the 2,700-ton destroyers *Athabaskan*, *Cayuga*, *Haida*, *Huron*, *Iroquois*, *Micmac* and *Nootka*, originally identical with the British wartime "Tribal" class and since altered in various respects. Three of these destroyers were transferred from the Royal Navy and four built in Canada. (Montreal Star - Canadian Department of External Affairs) **(Prev. rep. Royal Canadian Navy, 11295 A.)**

A. OCEANOGRAPHY. — Discovery of 45,000-mile Fissure in the World's Ocean Beds. - Connexion with World Earthquake Zone.

The existence of a 20-mile-wide, two-mile-deep fissure on the floor of the ocean beds, extending round the world in a continuous line 45,000 miles long, was announced on Jan. 30 by Columbia University (N.Y.) scientists who had been carrying out oceanographic researches in different parts of the world for the past five years. The announcement was made by Professor Maurice Ewing, director of the Lamont Geological Observatory (a unit of the university), and Dr. Bruce Heezen, both of whom took a leading part in the researches which led to the discovery of the world-wide " crack."



(*New York Times*)

Professor Ewing and Dr. Heezen explained that the main line of the rift [see accompanying map] extended southward along the Atlantic from about the Greenwich meridian in the Far North, bisecting Iceland, and running approximately midway between North and South America on the west and Europe and Africa on the east. After rounding the southern tip of Africa, the great trench then forked into two branches: a northern branch running into the Arabian Sea and looping sharply south again through the Belgian Congo, Northern Rhodesia and other areas of the African continent [i.e. the East African Rift Valley, a well-known earthquake zone]; and a southern branch continuing eastward through the Indian Ocean, passing south of New Zealand, and crossing the Southern Pacific until it forked into two branches near Easter Island. The northern branch ran up the Gulf of California, while the southern branch curved down to the Straits of Magellan. Professor Ewing said that there was " good evidence " of a connexion in the Arctic Ocean, although this link had not been confirmed.

Drs. Ewing and Heezen theorized that the rift had been caused by the pulling apart of the earth's crust—in which connexion it was pointed out that the locus of a great number of earthquakes in the North and South Atlantic in the last 40 years coincided exactly with the line of the great trench. Moreover, the Columbia research teams had discovered that earthquake zones elsewhere followed the rift. " On each side of the deep crack," it was stated, " rise mountains from 6,000 to 12,000 feet tall, but the tallest peak is 3,600 feet below the surface of the sea. Everywhere the formation is remarkably similar—two belts of high, jagged mountains, each belt about 75 miles wide, separated by the trench about 20 to 25 miles wide and from two to four miles deep."

Professor Ewing emphasized that the crack coincided with a world-wide earthquake zone along its entire length, as shown by data compiled on seismic activity in various parts of the world. He expressed the opinion that the discovery of the world-wide fissure in the earth's surface tended to weaken the theory of " continental drift "—i.e. the theory that North and South America, Europe, and Africa were a single immense land mass in early geological time but had " cracked " roughly in the middle and pulled apart, thereby forming the basin of the Atlantic Ocean.—(New York Times)

B. RHODESIAN FEDERATION. — Lord Dalhousie appointed Governor-General. - Death of Lord Llewellin.

It was announced in Salisbury on April 24 that the Queen had approved the appointment of Lord Dalhousie (42) as Governor-General of the Federation of Rhodesia and Nyasaland in succession to the late Lord Llewellin, who had died in January last.

Lord Dalhousie, one of the youngest Governors ever appointed, was educated at Eton and Oxford and served in The Black Watch throughout the Second World War. He won the M.C. in North Africa before being taken prisoner, and later escaped from Italy. As Major Simon Ramsay he was Conservative M.P. for Forfar from 1945 to 1950, when he succeeded his brother in the title. His ancestor, the tenth earl, was appointed Viceroy of India in his 35th year.

Lord Llewellin, the first Governor-General of the Federation, died in Salisbury on Jan. 24, aged 63. As Colonel J. J. Llewellin he was a member of the House of Commons for many years and had held a number of ministerial posts.

John Jestyn Llewellin was born at Sevenoaks in 1893, studied at Eton and Oxford, and served with distinction in the First World War, winning the M.C. He was called to the Bar in 1921, entered Parliament in 1929 as Conservative M.P. for Uxbridge, and represented that constituency until 1945, when he lost the seat to Mr. Frank Beswick (Lab.). Between 1931 and 1942 he held a number of junior ministerial posts, including those of Civil Lord of the Admiralty (1937-39) and Parliamentary Secretary to the Ministries of Supply (1939-40), Aircraft Production (1940-41) and War Transport (1941-42). In 1942 Colonel Llewellin entered the Cabinet as President of the Board of Trade, but held that post for only three weeks before being transferred to the Ministry of Aircraft Production, where he had previously assisted Lord Beaverbrook in building up Britain's air strength. In November 1942 he went to the U.S.A. to fill the new post of Minister Resident in Washington for Supply, but returned to London in 1943 to become Minister of Food in succession to Lord Woolton, consequent on the latter's appointment as Minister of Reconstruction. After his defeat in the 1945 election Colonel Llewellin was created a baron in the Resignation Honours.

In September 1953 Lord Llewellin became the first Governor-General of the newly created Federation of Rhodesia and Nyasaland. One of his first duties in this capacity was to appoint an advisory Cabinet to prepare for the Federation's first elections, which were held in December 1953. In the following February he opened the first session of the Federal Assembly in Salisbury.

Prior to Lord Dalhousie's appointment, the post of acting Governor-General had been held first by Sir Robert Tredgold (Chief Justice of the Federation) and subsequently by Sir William Murphy (acting Governor of Southern Rhodesia), who replaced Sir Robert on Feb. 10 to enable him to continue as chairman of the Southern Rhodesia Franchise Commission. (Times - Daily Telegraph - Federal Information Department)

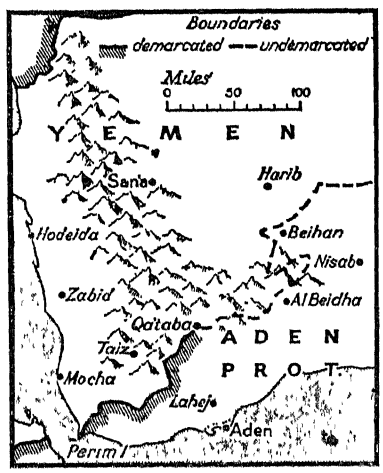
(Prev. rep. 13133 A.)

C. UNITED NATIONS.—Dr. Tuomija appointed Executive Secretary of Economic Commission for Europe.

It was announced in Geneva on April 17 that Dr. Sakari Tuomija, the Finnish Ambassador in London, had been appointed Executive Secretary of the U.N. Economic Commission for Europe in succession to Dr. Gunnar Myrdal (Sweden), who had resigned after holding the post for ten years. Dr. Tuomija, a former Governor of the Bank of Finland, has held several ministerial positions in the Finnish Cabinet, including that of Prime Minister.—(U.N. Information Centre, London)

A. ADEN - YEMEN. — Renewal of Frontier Incidents. - Yemeni Claim to Aden and Protectorates. - British Protests to Security Council. - Allegations of Communist and Egyptian Military Aid to Yemen.

The disorders on the frontier of the Yemen and the Western Aden Protectorate, where the situation had been comparatively peaceful for some months, were renewed during the last week of December 1956 and the first two months of 1957. Although the disturbances were largely the work of dissident tribesmen and tribal leaders, the Aden Government accused the Yemen of encouraging and arming the rebels and of sending regular troops to assist them, while the Yemeni Government repeatedly alleged that British aircraft and troops had violated its territory. The main centres of unrest were the Dhala Amirate, where fighting had broken out on Dec. 25 (see 15296 A), and the Beihan Amirate, about 100 miles to the north-east.



(*Economist*)

A Yemeni protest of Jan. 2 alleging that towns inside Yemeni territory had been bombed was rejected on Jan. 8 by the British Foreign Office, which declared that the allegations were "untrue," as the R.A.F. attack had been directed against Yemeni intruders operating inside Protectorate territory. The British Note at the same time made a counter-protest against the Yemen Government's "failure to restrain its subjects from entering Aden Protectorate territory." The Joint Army and R.A.F. Middle East Headquarters stated on Jan. 12 that air activity against hostile groups had been "strictly confined to Aden Protectorate territory" and denied that major operations were in progress. "For some weeks," the communiqué added, "dissident activity instigated by the Yemen in the Aden Protectorate and incursions of Yemeni tribesmen into British-protected territory have increased. For the first time since 1954 these raids have been supported by regular Yemeni troops. This has been accompanied by a widespread hostile propaganda campaign."

In the Beihan area Yemeni troops and tribesmen seized two frontier villages on Jan. 12-14, driving a wedge six miles deep by 10 miles long into the Protectorate. After the Yemeni authorities had ignored several requests to withdraw their forces, R.A.F. jet fighters attacked the villages on Feb. 1-2, expelling the occupying forces. The Foreign Office lodged a strong protest on Feb. 22 against an incident on the previous day in which Yemeni forces had fired on and partly destroyed a frontier fort.

The airfield at Dhala was attacked by insurgent tribesmen on Jan. 27, and when local levies pursued the attackers they were engaged by a considerable force of Yemeni troops and tribesmen. Cameron Highlanders and Protectorate Levies then launched a counter-attack which expelled the intruders with the loss of 30 killed and drove the Yemeni force across the frontier. A patrol of Cameron Highlanders was ambushed near Dhala by rebel tribesmen on Feb. 4, losing two killed and six wounded—this being the first action in the Protectorates for over a year in which British soldiers had been killed. As a reprisal, R.A.F. bombers destroyed the village of Danaba, from which the attack had been launched, on Feb. 11 after the inhabitants had been warned to evacuate the village.

In reply to proposals for talks on the frontier situation between officials of the two Governments, put forward by Yemen on Dec. 4, the Foreign Office announced on Jan. 17, after consultations with the Aden Protectorate rulers concerned, that it had agreed to such talks on condition that Yemeni intruders withdrew from Beihan. The Yemeni Government replied on Jan. 22 that it did not "object to reconsidering a meeting between officials of both parties if the purpose of the meeting is a cease-fire in both free Yemen and occupied Yemen, as a preliminary step resulting in negotiations towards solving the whole problem." Mr. Maclay (Secretary of State for Scotland), on behalf of the Colonial Secretary, stated in the House of Commons on Jan. 28 that the reference to "occupied Yemen" in the Yemeni Note was intended for propaganda purposes and was "a clear admission that the Yemeni authorities are directly fomenting warfare inside the Protectorate." In its reply, he added, the Yemeni Government seemed to be seeking to make its claims to the Protectorate the subject of the talks; this was entirely unacceptable, but the British Government was ready for talks on the conditions already stated, with a view to restoring peaceful relations.

Following the expulsion of the Yemeni forces from Beihan, the British Government again proposed on Feb. 12 that talks aimed at the restoration of peaceful conditions along the whole frontier should be held between representatives of the two Governments, and should be attended by the Protectorate rulers concerned.

The Yemeni delegate at the U.N., Mr. Tawfik Chamandy, claimed in the Trusteeship Council on Jan. 15 that Aden was an "integral part" of Yemen, of which Britain had taken possession by means of a "dubious treaty" concluded through "diplomatic manoeuvres and intimidation." He alleged that Britain was trying to extend her influence over parts of southern Yemen by establishing a federation in the Aden Protectorate against the wishes of the inhabitants.

In a memorandum submitted to the Security Council on Jan. 22, the British Government stated that "over a long period the Government of the Yemen has encouraged its tribes-people to violate the frontier of the Aden Protectorate, has subverted and armed the subjects of the rulers of the small Arab States under British protection, and has put up a smoke-screen of protests and propaganda against alleged British intrusions into the Yemen, all of which have on investigation been proved to be consistently and patently untrue." Despite this, H.M. Government hoped that it might be possible to settle outstanding frontier problems by direct talks, and that the Yemeni Government would agree to a joint commission to demarcate the disputed areas of the frontier.

A second British memorandum, submitted to the Security Council on Feb. 16, stated that there was "firm evidence" that the Communist countries and Egypt had supplied arms and military assistance to the Yemen. The statement alleged that a Soviet freighter had arrived at Salif in October with arms, ammunition, and military equipment from Czechoslovakia; that Yemeni sources in Cairo had recently announced the arrival in Yemen of Czechoslovak arms worth £3,035,000; that training centres staffed by Egyptian instructors had been set up to teach the Yemeni Army the use of these weapons; and that press correspondents who had visited Qataba had reported that modern Soviet rifles were among the arms carried by the Yemeni forces there.

The Imam of Yemen held a press conference (the first in the country's history) on Jan. 30, at his palace at Sukhne, at which he declared that his Government did not recognize any boundary between Yemen and the Protectorate areas, all of which "belonged to Yemen."

After alleging that the "motives behind the British actions in causing incidents on the so-called frontier" were economic, as there was a prospect of finding "a lot of oil in the area," the Imam Ahmed said that Yemen would submit her case to the United Nations in the absence of any "concessions" by Britain. Although Yemen would maintain her claim to Aden, she would have no objection to granting commercial concessions to Britain if agreement could be reached between the two countries by friendly negotiations. Britain's reply to the Yemeni request for talks, however, had been "delayed for so long" that the Yemen had decided that discussions on the whole problem were necessary, and not only on the frontier question.

The Yemeni Under-Secretary for Foreign Affairs (Sayed Hassan Ibrahim), who also took part in the press conference, denied that Yemen had supplied arms to anyone in the Protectorates or had received any arms from Eastern Europe for 20 years. When Yemen needed arms they would be obtained "with Yemeni money and unconditionally, either from East or West." He considered that the Yemen was "100 per cent safe" in making treaties with the Soviet Union, such as the recent commercial agreement between the two countries (see 14959 A, 14779 E), because there was no danger of the U.S.S.R. imposing Communism on the Yemen. The Arab countries, he added, looked to President Eisenhower to guarantee them against "aggression from whatever source," and to act as he had done in the Suez crisis.

Commenting on the Imam's statement, a Foreign Office spokesman said on Feb. 1 that Britain had welcomed in principle the Yemen's proposals for talks but had received no reply to a request for clarification. The Imam's claim to the Protectorates was in conflict with the Anglo-Yemeni Treaty of Friendship of 1934, which guaranteed the maintenance of the *status quo* on the frontier and was still in force. The spokesman also denied that oil had been found in the Protectorates. (Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. 15296 A.)

Note. The dispute between Britain and the Yemen dates from 1918, when the Imam Yahya refused to recognize the authority established by Britain over the Protectorates. The treaty of 1934 provided for the maintenance of the *status quo* pending negotiations for the demarcation of the frontier, and in 1951 agreement was reached for the appointment of a joint demarcation commission (see 11329 B). This was not implemented, however, as the Yemen wished to extend the commission's scope to discussion of the status of the Protectorates.

The Imam, whose dynasty has ruled Yemen since the ninth century, is both an absolute monarch and the head of the Zeidi sect of Shiite Moslems. The Zeidis, though comprising only one-third of the population, form the ruling class, the remainder of the population belong to the Shafai sect of Sunnite Moslems, as do the people of the Protectorates and the great majority of the Arab population of Aden. In 1948 opposition "Zeidi" and "Shafai" elements, led by a pro-British section of the Royal house, staged a revolt with the aim of securing the accession of an Imam acceptable to both sects and of introducing a liberal Constitution. The Imam Yahya was assassinated by the conspirators, but the present Imam crushed the revolt with Saudi Arabian assistance. A second revolt in 1955 was also suppressed with the aid of Saudi Arabia (see 14167 C).

As a result of these movements, four of the Imam's 13 brothers were murdered or executed, two disappeared, and three are living in exile. A reformist movement, however, is known to exist, drawing its support from the Sayeds (direct descendants of the Prophet Mohammed), who hold many of the administrative posts; from Army officers, many of whom look to Egypt for inspiration; and from the Shafais, who favour the establishment either of a republic or of a separate Shafai State. The Aden Government alleged on Jan. 7 that the Yemeni Government was encouraging frontier incidents to divert attention from the increasing internal unrest.

(Daily Telegraph - Manchester Guardian - Le Monde, Paris)

A. INDIA. — Mr. Nehru's Apology to the Queen for Article in Congress Party Journal.

The Prime Minister of India, Mr. Nehru, issued a statement on March 6 in which he apologized to Queen Elizabeth II for an article which had appeared in the Congress Party journal *Economic Review* criticizing her recent visit to Portugal (see 15416 E). Mr. Nehru described the article in question as "wholly intemperate and in very bad taste"; pointed out that it had been published in the absence and without the knowledge of the paper's editor, Mr. Shriman Narayan; and said that he (Mr. Nehru) had been "greatly disturbed" when the article was brought to his attention. The Indian High Commissioner in London, Mrs. Pandit, sent a letter to the Queen expressing her sincere regret at the article.

The article in *Economic Review* (a fortnightly published by the All-India Congress Committee) was written by Mr. H. D. Malaviya, an assistant editor, and appeared in its issue of March 1. After an attack on "British imperialism" it added: "... In the course of a speech in Portugal the Queen said that the world 'is now living in more anxious days than it did 50 years ago and the civilizing work which we pursued has not always met the understanding which it would have been right to expect in view of the results achieved.' Her Majesty is apparently disappointed. Elizabeth II is sorry that the world is not able to appreciate the hanging by the neck of Greek patriots in Cyprus or the butcheries of the Portuguese in Goa."

It was pointed out in London that the speech to which the *Economic Review* referred was wrongly attributed to the Queen, the words quoted having in fact been spoken by President Craveiro Lopes at a State banquet.—(Indian High Commissioner's Office, London - Times - Manchester Guardian)

B. GHANA. — Technical Assistance from Britain.

The U.K. Secretary of State for Commonwealth Relations, Lord Home, announced on April 2 that a scheme for the provision of technical assistance on a reciprocal basis had been agreed upon in principle between the British and Ghanian Governments. Specifically, (1) officers nominated by the Government of Ghana from among their younger public servants would come to the United Kingdom, at British expense, for training in practical and technical subjects; (2) Britain would be ready to supply experts to fill specialist, technical, and professional posts in Ghana "of a temporary and advisory nature"; (3) the Government of Ghana had indicated their readiness "to provide reciprocal assistance in fields in which they are able to make a significant contribution, for example, in the study of scientific and technical tropical problems of concern to us and the colonies." Lord Home added that details of these arrangements would be discussed between the two Governments "on a basis of mutual co-operation which fully accords with the new status of Ghana."

(Times - Manchester Guardian) **(Prev. rep. 15427 A.)**

C. WESTERN GERMANY. — Ban on the Saar Communist Party.

On the instructions of the Federal Constitutional Court, the Saar Communist Party was banned on April 9 by the Saar Government, the two Communist members of the Saar *Landtag* automatically being deprived of their seats. The Constitutional Court had ruled that the Saar Communist Party was a substitute organization for the West German Communist Party which had been banned throughout the Federal Republic in August 1956—i.e. before the Saar was reunited with Western Germany on Jan. 1, 1957.—(Frankfurter Allgemeine Zeitung) **(Prev. rep. 15086 D.)**

D. ITALY. — Creation of Ministry of State Investments. - Dispute over Signor Togni's Appointment. - Social Democrats to remain in Coalition Government. - Republican Party ends Support for Coalition.

Following the passage by the Italian Parliament of legislation authorizing the setting-up of a Ministry of State Investments, in implementation of Signor Segni's policy statement (see 14320 A), Signor Giuseppe Togni was appointed head of the new Ministry on March 3. Signor Togni (53), whose candidature was supported by Signor Fanfani (secretary-general of the Christian Democratic Party), belongs to the right wing of the Christian Democrats and had been Minister of Industry in some of the late Signor de Gasperi's Cabinets. Objections to his appointment had previously been raised both by the Social Democrats and by the Republicans, who had proposed Signor La Malfa, a former Republican Minister, for the post.

The new Ministry will supervise hundreds of enterprises in which the Italian State has taken a financial interest over a long period of years. Employing over 200,000 workers, they include steel mills, motor-car factories, shipping companies, airlines, the Government-owned oil and natural gas corporation (*Ente Nazionale Idrocarburi*), and the national broadcasting and television network. Many of the enterprises, especially those engaged in heavy industry, engineering, the chemical industry, electricity, and transport, come under the State-owned Institute for Industrial Reconstruction (I.R.I.). In addition, the new Ministry will control the Government's interests in some of the big banks.

During the debates on the Bill establishing the new Ministry, Government spokesmen stressed that all concerns owned or controlled by the State would remain private enterprises in a competitive economy and would not be run like nationalized industries. The task of the new Ministry would be to reorganize and streamline many of the undertakings concerned, to introduce sound business methods, and to dispose of enterprises (many of them smaller firms) which were economically unsound. It was made clear, nevertheless, that concerns such as the big shipping lines would be maintained as essential to the national economy or prestige, in spite of the fact that they were not expected to be put on a profitable basis.

The appointment of Signor Togni led to a crisis in the Social Democratic Party, whose secretary-general (Signor Matteotti) announced on March 7 that he wished to resign; he also asked for the convening of a party congress and for the party's withdrawal from the Coalition Government, in which Signor Saragat, the Social Democratic leader, is Deputy Premier. After lengthy debates the party directorate decided on March 8 to remain in the Government and to refuse Signor Matteotti's resignation (which was subsequently withdrawn), but to summon a party congress in June.

In offering his resignation as party secretary, Signor Matteotti complained that he had learned of Signor Togni's appointment only from the radio announcement. He alleged that the Prime Minister (Signor Segni) had not kept him properly informed, and expressed the belief that the Coalition was no longer either united or useful. Signor Saragat, on the other hand, pointed out that while he shared many of Signor Matteotti's anxieties, the party's withdrawal from the Government would weaken its position in future negotiations with the Nenni Socialists on reunification. The Opposition parties, he said, were trying to encourage the Social Democrats to leave the Government in the hope that, weakened by the loss of their present allies, they would be more easily persuaded to join with the Nenni Socialists in a "false unity," i.e. one in which Communist influence would be predominant.

A motion approving Signor Togni's appointment was passed by the Senate on March 14 by 118 votes to 80, with 16 abstentions, the Government thus receiving a vote of confidence. Parties supporting the motion included the Christian Democrats, Social Democrats, and Liberals, while the opposition consisted of the Communists, the Nenni Socialists, and the Republicans, as well as the Left Independents. The Monarchists and the neo-Fascist M.S.I. abstained from voting.

On Feb. 24 the national executive of the Republican Party had decided by a large majority to end the support which it had extended to Signor Segni's Coalition Government, although it was not represented therein. The resolution stated that the crisis in the Italian Communist Party made a coalition for the protection of democratic institutions no longer necessary; that the existing coalition had fulfilled its task; and that growing conflicts within the coalition parties had made it desirable for the Republican Party to regain its full independence.

(Giornale d'Italia, Rome - Corriere della Sera, Milan) **(Prev. rep. Cabinet, 14709 C; Ministry of State Investments, 14320 A; Social Democrats, 15399 A.)**

Corrigenda. Two rectifications should be made in the text of the article (page 15401) dealing with the negotiations for reunification of the two Italian Socialist parties: (*a*) the Milan newspaper *Corriere d'Informazione* was incorrectly described as a Christian Democratic organ, whereas it is in fact non-party, like the *Corriere della Sera*; (*b*) Signor Giovanni Giolitti, to whom reference was made in the article, was Prime Minister several times before the First World War and not only after 1918. (Ed. K.C.A.).

A. AUSTRALIA. — Defence Reorganization. - Abolition of National Service for Navy and Air Force. - Arms Equipment standardized with United States.

Major changes in Australia's defence organization were announced by the Federal Prime Minister, Mr. Menzies, in the House of Representatives on April 4, following a recent review of the Government's defence policy by the Defence Department and the Chiefs of Staff. In addition to the abolition of National Service for the Navy and Air Force, and the reduction of the intake of National Servicemen by the Army, the most important change was the decision to standardize equipment for the Australian forces with that used by the U.S. Defence Services, with a view to ensuring safe supply lines in the event of war. The broad cost of the defence programme, Mr. Menzies stated, would remain at about £A190,000,000 a year, but the new programme contemplated an operational contribution to Allied strategy of highly trained men armed with the most modern weapons and equipment, the emphasis being not so much on numbers as on mobility, equipment, and fire-power.

Details of Mr. Menzies' announcement are summarized below under cross-headings.

National Service. Mr. Menzies stated that National Service would be "modified but not abandoned," and went on: "In order to make available a greater proportion of expenditure on equipment where there are at present disturbing deficiencies, National Service for Air and Navy will be abolished but the Army will absorb 12,000 trainees annually. Universal liability to serve remains. Selection will be made by ballot. There will be 77 days' continuous training in a total period of 140 days, followed by three years [instead of two, as at present] in the Citizen Military Forces. These modifications will free 2,000 Regular soldiers for active duty."

Arms Standardization with U.S.A. "Under both the SEATO and the ANZUS pacts it seems clear that in the event of war we shall be fighting alongside the United States. In the event of global war, it would be manifestly difficult for the United Kingdom to maintain a supply line to South-East Asia, though the U.S.A. undoubtedly could. Common sense dictates that in these circumstances we should pay considerable attention to the logistic aspect of war and standardize as far as we can with the Americans. Though this is a wholeheartedly British nation, this policy is not heresy; it merely recognizes the facts of war. It is based on exactly the same reasoning as that on which, I am sure, the U.S.A. would wish to see the NATO countries standardizing their weapons and techniques to eliminate the necessity for excessive stocks and spare parts, or precarious technical reinforcements over the waters of the Atlantic. It is for this reason that we have decided, both in aircraft, artillery, and small arms, to fit ourselves for close co-operation with the United States in the South-East Asian area."

Navy. There would be no major changes in the Navy. The Fleet Air Arm would continue to consist operationally of the aircraft-carrier *Melbourne*, the naval air station at Nowra (N.S.W.), and the front-line establishment of 40 aircraft in five squadrons. The aircraft-carrier *Sydney*, which had been used as a non-flying training ship, would resume flying training with *Sea Furies*. Naval construction would be expedited to correct the present shortage of ships of appropriate kind. The strength of the permanent naval forces would be maintained at an average of 11,000 for the next three years.

Army. "Army mobility and fire power is to be improved," Mr. Menzies said, "There will be a new Brigade group of 4,000 representing a cohesive battle formation equipped with the most modern weapons. This will be in addition to the infantry battalion group serving with the Commonwealth Strategic Reserve in Malaya. The Belgian FN rifle will be standard equipment. The total strength of the Army will be maintained at 21,000."

Air Force. "The Air Force plans to re-arm with fighter aircraft of a performance equivalent to that of the *Lockheed F-104* and with transport aircraft of the type of the *Hercules C-130*. The strength of the regular Air Force will be built up from 15,000 to 16,725. A ground-to-air guided weapons unit will be set up in the Sydney area, where a modern control and reporting unit has already been established, and mobile control and reporting units will be stationed in Darwin and Perth."

Guided Missiles Research. The *Jindivik* pilotless aircraft would continue in production, and in co-operation with the U.K., the Long Range Weapons Establishment would be maintained vigorously at about the existing level. What had been done at Woomera and Maralinga had "the highest priority as a contribution to the development of the nuclear deterrent in the global strategy of the Western Powers."

Defence and Chiefs of Staff Committees. "The Defence Committee, at present comprising the Secretary of Defence and three Chiefs of Staff, is to be made more comprehensive by the addition of the secretaries of the Prime Minister's Department, the Treasury, and the External Affairs Department. The Chiefs of Staff Committee, consisting of three Chiefs of Staff, will meet regularly on purely military matters and will otherwise maintain their normal relationships with their Ministers and the Minister of Defence." During 1959, 1,100 officers associated with the operation of the two committees would be transferred to Canberra, in order to concentrate defence policy units in the Federal capital.

The Minister for the Army, Mr. Cramer, stated on April 7 that while the Regular Army strength would be unchanged at 21,000, the Citizen Military Forces would be reduced by one-third from 79,000 to 50,700. [These forces consist at present of three infantry divisions and elements of two armoured brigades, including volunteers and National Servicemen.] He also said that the hard-hitting mobile field force, which would be the spearhead of Australia's new defence organization, would have an overall strength of 42,000 highly trained men.

The Minister pointed out that the strength of the new force had been determined not only by such factors as its role in the cold war and its readiness for quick deployment in actual war, but also by the necessity to have its size balanced against the overall manpower available. A feature of future Army practice would be the inclusion of Air Service units for reconnaissance behind enemy lines.

The Minister for Defence Production, Mr. Beale, announced on April 7 that a £A1,000,000 tooling-up programme for the production of the Belgian FN-30 rifle had begun at the Lithgow small arms factory (N.S.W.); that the manufacture of these rifles was expected to start in June 1958; and that delivery would begin in 1959.

After Mr. Menzies' statement the Lockheed Aircraft Organization announced that the Australian Government had placed orders with the company for two squadrons of *Starfighter* jet aircraft and one squadron of *Hercules* prop-jet transport planes. (Australian News and Information Bureau - Times) **(Prev. rep. Defence Policy, 13550 B; National Service, 13175 B; Weapons Research Establishment, 14001 A; Belgian Rifle, Adoption, 13988 B.)**

B. MIDDLE EAST. — Further Conference of Arab Heads of State. - Cairo Communiqué.

A further conference between the Heads of State of Egypt (President Nasser), Jordan (King Hussein), Saudi Arabia (King Saud), and Syria (President Kuwatly) was held in Cairo from Feb. 25-27, King Hussein and President Kuwatly being accompanied by their respective Prime Ministers, Mr. Suliman Nabulsi and Mr. Sabry el-Assali. The conference was a resumption of the four-Power talks held in January, part of its proceedings dealing with a report by King Saud on his recent visit to the U.S.A. (see 15450 A). The following communiqué was issued at the end of the conference:

"The participants were informed of and highly appreciated the efforts exerted by King Saud in the course of his visit to the U.S.A., and the elucidations given by His Majesty to statesmen regarding the Arab point of view on Middle East and other problems. His Majesty also gave an account of explanations given by him to President Eisenhower, with particular reference to Arab rights and problems . . .

"The Arab countries represented at the conference reaffirm their determination to protect the Arab world from the harm of the 'cold war' and to abide by the policy of 'positive neutrality,' thus preserving its real national interests. They also affirm that the defence of the Arab world should emanate from the Arab nations . . . outside the scope of foreign pacts.

"Noting that . . . Israel has not complied with the U.N. resolutions on unconditional withdrawal [from Gaza and Sharm-el-Sheikh] and holding, moreover, that peace and security in the Middle East are in jeopardy while the population of Gaza continues to suffer oppression and maltreatment at the hands of Israel, the conferees have decided:

(1) To work for an immediate and unconditional withdrawal of Israel beyond the armistice lines.

(2) To uphold in full the rights of the Palestine Arabs and the Arabs' sovereignty over their territories and territorial waters.

(3) On the necessity for the aggressor States to compensate Egypt for damages and losses caused through their aggression.

(4) To reject all attempts to reduce Egypt's sovereignty and rights over the Suez Canal, as the Suez Canal is an integral part of Egypt, her sovereignty over the Canal is absolute, and freedom of navigation in the Canal is regulated in accordance with the provisions of the 1888 Convention.

(5) To condemn British aggression against the Yemen and to assume an attitude of solidarity with Yemen in stemming this aggression.

(6) To support the rights of the Arabs of Algeria to freedom and independence."

The conference was held before Israel's decision to withdraw from the Gaza Strip and the Sharm-el-Sheikh area on the Gulf of Akaba.— (Times - Daily Telegraph - Manchester Guardian - New York Times - Le Monde, Paris) **(Prev. rep. 15340 A.)**

C. ISRAEL. — Return of Soviet Ambassador.

The Soviet Ambassador to Israel (M. Abramov), who had been recalled in November last at the time of the Sinai campaign, returned to Tel-Aviv on April 6. He said that his return was a sign of "improving relations" between the U.S.S.R. and Israel.—(Daily Telegraph) **(Prev. rep. 15201 A.)**

APRIL 27—MAY 4, 1957

A. UNITED NATIONS. — Eleventh Session of General Assembly. - Proceedings and Resolutions.

The 11th session of the U.N. General Assembly opened in New York on Nov. 12, 1956 and ended on March 9, 1957, after disposing of an agenda comprising over 70 subjects. The discussions were dominated by the crises in the Middle East and Hungary, which, after prolonged debate in the Assembly's emergency sessions at the end of October and the beginning of November, had been transferred to the agenda of the regular session—see 15221 A, 15201 A, 15173 A.

A summary is given below of the principal subjects discussed and resolutions adopted at the 11th session, other than the debates and resolutions on the Middle East, Hungary, and Cyprus, which are described in earlier articles. [See 15441 A, 15353 A, and 15316 A for Middle East; 15405 A for Hungary; 15469 A for Cyprus].

Election of Assembly President. - Chairmen of Assembly Committees.

Prince Wan Waithayakon, the Foreign Minister of Siam, was unanimously elected President of the General Assembly at its opening session. He succeeded Señor José Maza (Chile), who presided over the 10th session.

Prince Wan Waithayakon Krommun Naradhip Bongsprabandh is a grandson of King Rama IV of Siam and a cousin of the present monarch, King Phumiphon Aduldet. A graduate of Balliol College, Oxford, where he took an honours degree in history, he served before the war as his country's Ambassador to Great Britain, Belgium, and the Netherlands, leader of the Siamese delegation to the League of Nations, and as a member of the Permanent Court of Arbitration at The Hague. For several years in the 'thirties he was Professor of History at Chulalankarana University (Bangkok) and subsequently Dean of the Law Faculty. Since 1947 he has been Siamese Ambassador in Washington and permanent representative at the U.N., holding these posts concurrently with that of Foreign Minister of Siam. He has been chairman of the Trusteeship, Economic and Financial, Legal, and *Ad Hoc* (Special Political) Committees of the General Assembly, and had twice previously been a candidate for the Assembly presidency—in 1953, when he was defeated by Mrs. Pandit (India), and in 1954, when he withdrew in favour of Dr. van Kleffens (Netherlands).

The chairmen of the Assembly's committees were also unanimously elected on Nov. 12, as follows:

Political Committee	Dr. Victor Belaunde (Peru).
Ad Hoc Political Committee	M. Selim Sarper (Turkey).
Economic and Financial Committee	Mohammed Mir Khan (Pakistan)
Social, Humanitarian and Cultural Committee	Hr. Hermod Lannung (Denmark)
Trusteeship Committee	Señor Enrique de Marchena (Dominican Republic)
Administrative and Budgetary Committee	M. Omar Loutfi (Egypt)
Legal Committee	M. Petrzelka (Czechoslovakia)

Elections to Security Council.

The Philippines was elected to the non-permanent seat on the Security Council vacated by Yugoslavia under the "gentlemen's agreement" reached at the 10th session, when 35 ballots failed to give either candidate the required majority (see 14667 A). The Assembly also elected Colombia, Iraq and Sweden to the Council for two-year terms to succeed Peru, Persia and Belgium.

The Philippines was elected on the first ballot, receiving 51 votes against 20 for Czechoslovakia, with Spain, Yugoslavia and Afghanistan receiving one vote each. The Soviet delegate, M. Kuznetsov, protested against the "gentlemen's agreement" on the ground that it violated the principle of "equitable geographical representation."

With the above elections, the membership of the Security Council on Jan. 1, 1957, became as follows: Australia (until Jan. 1, 1958), China (permanent), Colombia (until Jan. 1, 1959), Cuba (until Jan. 1, 1958), France (permanent), Iraq (until Jan. 1, 1959), Philippines (until Jan. 1, 1958), Soviet Union (permanent), Sweden (until Jan. 1, 1959), United Kingdom (permanent) and United States (permanent).

Admission of New Members.

Morocco, Tunisia, and the Sudan were unanimously approved as new members of the U.N. at the opening session, while Japan was unanimously admitted on Dec. 18 and Ghana on March 8, bringing the total membership of the United Nations to 81 countries.

Resolutions calling for the admission of South Korea and South Vietnam, presented by the U.S.A. and 12 other co-sponsors, were approved by the Assembly by 40 votes to eight (with 16 abstentions) in the case of South Korea and by a similar vote (with 18 abstentions) in the case of South Vietnam. The opposing votes were cast by the Soviet-bloc countries on the ground that North Korea, North Vietnam and Mongolia were excluded. The resolutions requested the Security Council to consider the applications of South Korea and South Vietnam and to report to the Assembly as soon as possible.

The Algerian Problem.

After a protracted and at times embittered debate in the Political Committee, lasting nearly two weeks, the General Assembly unanimously adopted on Feb. 15 a compromise resolution which, after noting that the situation in Algeria was "causing much suffering and loss of human life," expressed "the hope that, in a spirit of co-operation, a peaceful, democratic and just solution [of the Algerian question] will be found through appropriate means, in conformity with the principles of the U.N. Charter." The resolution was adopted by 77 votes to nil, with France not participating in the vote and Hungary and South Africa absent.

The Algerian question had been put on the agenda at the request of 15 Afro-Asian countries, who presented a strongly-worded memorandum accusing France of "extensive military repression" in Algeria, of "violation of the Genocide Convention," and of pursuing a policy "based on the repression and extermination of the Algerian people." The memorandum recalled the concern previously expressed by the U.N. at the Algerian situation, alleged that France had rejected a policy of conciliation in Algeria, and recalled the resolution on Algeria's "rights" which had been adopted by the Bandung conference of Afro-Asian countries.

The French Foreign Minister, M. Pineau, made a lengthy defence of his Government's Algerian policy in a four-hour speech to the Political Committee on Feb. 4. As at the 10th Assembly session, he reiterated that the Algerian question lay solely within the domestic jurisdiction of France, that the U.N. was not competent to discuss the matter, and that France could not be bound by any resolutions which the Assembly might adopt. In the course of his speech he declared: "We have never accepted, we do not accept, and we shall never accept the competence of the U.N. with regard to a problem which, under international law, is of an essentially internal nature."

M. Pineau reiterated that Algeria was an integral part of France and gave a "solemn warning" that the French Government would not be bound by any resolutions that might be adopted. After a detailed analysis of those Charter provisions which, he maintained, prevented the Organization from interfering in the internal affairs of a member-country, he pointed out that the drafters of the Charter did not confer any powers on the Assembly with reference to the rights of peoples to self-determination. Moreover, responsibility for the preservation of international peace belonged solely to the Security Council and not to the General Assembly.

M. Pineau went on to review in detail the economic, social and political reforms which France had brought about in Algeria—e.g. the modernization of agriculture, creation of new industries, introduction of free medical assistance, extension of education, and raising of wages, all of which had been accomplished by French initiative and large-scale French investments. "In view of all this," he went on, "delegates may wonder why the crisis broke out and the rebellion reached its present proportions. Among the long-standing causes there are some for which we do not intend to shun responsibility—some of the reforms should have been made sooner, and the weakening effects on France of two long wars made it impossible for her to do all that she would have liked." M. Pineau also stressed the problems created by the existence of two big racial elements in the Algerian population—one of European and the other of Moslem origin.

"The real cause of the present crisis," M. Pineau continued, "should be traced to the action of the terrorist groups which have been gradually organized during the past few years, mostly with the support and upon the instructions of foreign powers." After enumerating the three principal rebel groups—the National Algerian Movement, the National Liberation Front, and the Algerian Communist party—M. Pineau analysed the structure, operation and aims of these organizations; stressed that they were engaged in constant rivalry with each other; and declared that none of them could be regarded as representative of the Algerian people, in which connexion he accused them of being "more bent on committing ruthless atrocities against French Moslems and each other than on achieving truly national aspirations." He went on to give numerous instances of crimes committed by the terrorists against civilians, both European and Moslem; refuted rebel allegations that French troops had been guilty of atrocities; and pointed out that such allegations had been investigated and found untrue, though some abuses were naturally unavoidable during military operations. With regard to protests against the arrest of five rebel leaders on board a plane bound from Morocco to Tunis (see 15329 A), M. Pineau pointed out that the persons concerned were being sought by the French judicial authorities, that they were travelling in a French plane, and that important documents concerning the organization of the rebel movement had been found in their possession.

As regards the Algerian Communist party, M. Pineau declared: "The purpose of the Algerian Communists is to support Soviet efforts towards penetration in the Middle East, and reveals the existence of a vast plan for the elimination of all Western influence on the southern shores of the Mediterranean. The aim is the creation in Algeria of a 'people's democracy' which would serve as an advance base for Soviet penetration towards the Atlantic and *Afrique Noire*."

The National Liberation Front, M. Pineau continued, was partly controlled from Cairo and largely dependent on support from the Arab world, and particularly from Egypt. In this connexion he mentioned that the training of terrorist "cadres" had begun in Egypt as early as 1953, referred bitterly to the Egyptian Government's actions in supplying arms and ammunition to the Algerian rebels, and recalled the recent *Athos* incident (see 15277 C) in which the French Navy had seized 70 tons of arms being sent by Egypt to the rebels. The third group—the National Algerian movement—was described by M. Pineau as the most independent of the three and as being more "Western" and "realistic" than the others.

The fact that the French Government had had contacts with the National Liberation Front, M. Pineau explained, was not because it recognized its representative character but because France had always tried, and was still trying, to seek a cease-fire to end the bloodshed in Algeria. All efforts, however, had failed because the rebels insisted on political stipulations which, if accepted, would mean that "out and out massacre would be substituted for individual assassination." M. Pineau declared: "We wish to preserve the following order: cease-fire, elections, discussions. The aims of France are to secure for the people of Algeria equal rights regardless of origin or religion; co-existence; the preservation of Algeria's individual characteristics while maintaining the necessary ties between Algeria and Metropolitan France; and continued French economic and social aid. On the other hand, France intends to retain a permanent power of arbitration in order to prevent the oppression of either community by the other."

After emphasizing that France was ready to conclude a cease-fire without reprisals and to hold general elections in Algeria within 90 days thereafter, M. Pineau said that France would not hesitate to invite representatives from other democratic countries to supervise the voting. There could, however, be no question of finding the same type of solution for Algeria as had been adopted in Morocco and Tunisia, since the two latter countries were in an entirely different position and possessed their own sovereign identity.

In the course of his speech M. Pineau stressed that France was in process of creating "a great Franco-African whole (*ensemble*) based on a community of cultural, economic and strategic interests," a task in which Morocco and Tunisia were "cordially invited" to participate. When this "Franco-African whole" had been created and a large common market established, France would embark on even "vaster plans" aimed at the creation of "Eurafrica," in which connexion M. Pineau declared: "Europe in its entirety, bringing to Africa its capital and techniques, should enable the immense African Continent to become an essential factor in world politics." Algeria, instead of being a land "pledged to fanaticism and by its very poverty open to Communism," could as part of Eurafrica enjoy comfort and prosperity, which were the true conditions of independence.

In the ensuing debate Dr. Zeineddine (Syria), as principal spokesman of the Afro-Asian nations presenting the memorandum, strongly attacked French policy in Algeria and demanded full independence for the Algerian people. He was supported by M. El-Mehdi Ben-Aboub (Morocco), M. Mongi Slim (Tunisia), M. Omar Loutfi (Egypt), Dr. Jamali (Iraq) and other Arab delegates. On the other hand Mr. Cabot Lodge (U.S.A.) and Commander Allan Noble (U.K.) upheld the French contention that the Algerian question was outside the jurisdiction of the United Nations. The Irish delegate, Mr. Boland, appealed to France to settle the Algerian dispute outside the U.N. on the pattern that had brought about Irish independence from Britain.

Dr. Zeineddine maintained that the Algerian problem was an international one; asserted that the "crux" of the problem was France's refusal to compromise; and refuted as a "legal fiction" the French contention that Algeria was part of France, declaring that France had "invaded and conquered Algeria 125 years ago and had kept the people subjugated by brute force ever since." The only practical objective, he insisted, was the granting of full independence and sovereign rights to Algeria while at the same time safeguarding the "legitimate interests" of the French settlers To enable this to be done gradually and without "abrupt changes," he suggested, firstly, a cease-fire and the creation of a provisional Algerian Government; secondly, negotiations between this Government and France on Algerian independence, to be carried out under international supervision; thirdly, the election of an Algerian Parliament which would enter into contractual relations with the French Parliament. This procedure should be based on a "prior understanding" between France and the Algerian National Liberation Movement, and negotiations between the two sides—which had been interrupted by the "kidnapping" of the five nationalist leaders—might be resumed with the help of mediation: perhaps by the U.N. Secretary-General, or by member-countries friendly to both France and Algeria.

Dr. Zeineddine said that the National Liberation Movement would agree to such a solution and that the U.N. could be of "real influence" in this field. For example, the U.N. could call for negotiations, or establish a Committee of Good Offices, or send observers or an international force to Algeria, or call for the withdrawal of all forces from that country. Summarizing what he described as the present position in Algeria, he claimed that the Algerian nationalist movement represented "a mass movement of the whole people"; that its organized fighting force still amounted to no more than one-tenth of its potential strength; and that it was democratic in organization and purpose.

Mr. Cabot Lodge said that the U.S. Government was of the opinion that the U.N. had no right to interfere in the Algerian question, and he would therefore oppose the 18-nation resolution [see below] or any similar resolution. If proposals interfering in domestic affairs were to be applied indiscriminately in the U.N., this could destroy the Organization. In the view of the U.S. Government, the U.N. should, above all, avoid any action which might hinder a cease-fire in Algeria and a programme which appeared to offer a reasonable prospect of a settlement; nor should there be external interference in Algerian affairs "from any quarter." He welcomed M. Pineau's "constructive and imaginative" statement; expressed his pleasure that France was willing to conclude a cease-fire without reprisals; and approved France's intention to hold general elections within 90 days of a cease-fire, and thereafter to work out a new structure for Algeria with the elected representatives. "There are clearly differences of opinion as to what would ultimately constitute a satisfactory settlement," Mr. Lodge declared, "but there are two immediate considerations which seem to be fundamental—to stop the flow of blood, and to allow Algerian representatives to help work out a solution."

Commander Noble similarly supported M. Pineau's contention that the matter was essentially within the domestic jurisdiction of France, and described the French Foreign Minister's statement as "far more accurate" than the "lurid picture" which had been painted by Dr. Zeineddine.

Mr. Boland described the Algerian question as one of the "most grave, complex and difficult" on the Assembly's agenda. Many member-countries—including the Irish Republic—had once been under the jurisdiction of other Powers, and those countries could not be expected to accept an interpretation of the Charter which would prevent the U.N. from discussing "any and every struggle for national independence." While sympathizing with the desire of the Algerian people for freedom, he appealed to France to settle the dispute outside the United Nations on the same pattern that had brought about Irish independence from Britain.

Three resolutions on Algeria were presented in the Political Committee, as follows:

(1) An 18-nation Afro-Asian resolution which, after referring to the "unrest and strife" in Algeria and upholding "the right of the people of Algeria to self-determination according to the principles of the U.N. Charter": (*a*) requested France "to respond to the desire of the people of Algeria to exercise their fundamental right to self-determination"; (*b*) invited France and "the people of Algeria" to "enter into immediate negotiations with a view to the cessation of hostilities and the peaceful settlement of their differences in accordance with the U.N. Charter"; and (*c*) requested the U.N. Secretary-General "to assist the parties in conducting such negotiations and to report to the 12th session of the Assembly."

The resolution was sponsored by Afghanistan, Burma, Ceylon, Egypt, Indonesia, Jordan, Iraq, Lebanon, Libya, Morocco, Nepal, Pakistan, Persia, Saudi Arabia, Sudan, Syria, Tunisia and Yemen.

(2) A six-nation resolution, sponsored by Italy and five Latin American countries (Argentina, Brazil, Cuba, Dominican Republic and Peru), which expressed "the hope that a peaceful and democratic solution of this question can be found."

(3) A three-nation resolution (sponsored by Japan, Siam, and the Philippines) which expressed (*a*) the belief that "the unsatisfactory situation now prevailing in Algeria may be normalized by the joint efforts of France and the Algerian people to find an equitable solution in conformity with the principles of the U.N. Charter"; and (*b*) the hope that "France and the Algerian people will endeavour through appropriate negotiations to bring about the end of bloodshed and the peaceful settlement of the present difficulties."

The Japanese-Siamese-Philippine resolution was regarded as a compromise between the Afro-Asian resolution, with its implicit condemnation of France, and the Italo-Latin American resolution, which made no reference to the United Nations.

When the Political Committee met on Feb. 13, after the Algerian debate had ended, the first two operative clauses of the Afro-Asian resolution were rejected, in each case by a single vote—34 against and 33 in favour. Accordingly, no vote was taken on the third clause, nor was the resolution as a whole put to the vote. The second (six-nation) resolution was adopted by 41 votes to 33, with three abstentions, and the third (three-nation) resolution was also approved by 37 votes to 27, with 18 abstentions.

The voting on the Afro-Asian resolution was almost wholly along regional lines—nearly all members of the Afro-Asian group and all the members of the Communist bloc supporting the resolution, and all the members of the Latin American, North American and European groups opposing it with the exception of Ecuador, Greece and Turkey.

In the plenary session on Feb. 15, the President of the Assembly (Prince Wan Waithayakon) explained that as neither of the two resolutions adopted by the Political Committee had received the two-thirds majority needed for adop-

tion by the full Assembly, the sponsors of the two resolutions (i.e. Italy, the five Latin American countries, Japan, Siam and the Philippines) had jointly agreed to present a new "conciliatory" resolution to the Assembly. This resolution, as stated above, was adopted by 77 votes to nil.

The defeat of the Afro-Asian resolution on Algeria, and the adoption of the above-mentioned resolution, was warmly welcomed by French official spokesmen and in the French press. In a press statement at U.N. Headquarters on Feb. 15, M. Marcel Champeix (French Under-Secretary for the Interior in charge of Algerian affairs) said that France, though opposed to any U.N. intervention in Algeria or any resolution on the matter, was nevertheless "realistic enough to welcome one that was so favourable to France, if a resolution had to be adopted." M. Champeix declared that the unanimous adoption of this resolution represented a "great victory" for France and a "capitulation and surrender" on the part of the spokesmen for the Algerian *fellaghas* (rebels); "the Arabs had had to yield," and he thanked "all the friends of France, and particularly her American friends," for their support in the Assembly.

Soviet Charges against United States.

The Assembly took no action on a complaint by the U.S.S.R. alleging "intervention" and "subversion" by the United States in the affairs of the Soviet-bloc countries, although the U.S. delegation itself voted for discussion of this item. In addition, the Assembly also rejected a Soviet request for a debate on U.S. "aggression" in the Middle East and elsewhere.

The matter had been raised on Dec. 12 by the Soviet delegation, which presented a memorandum asking for the inclusion in the Assembly's agenda of the item: "Intervention by the United States in the domestic affairs of the people's democracies and subversive activities against those States."

The memorandum asserted that "hostile activity" was being directed by the U.S.A. against the Soviet Union, Poland, Czechoslovakia, Hungary, Rumania, Bulgaria and Albania with the object of "undermining the political system which was freely chosen by the peoples of those countries." This "hostile activity," it was stated, had been "demonstrated clearly by recent events in Hungary" and by "the intensification of diversionary activities and espionage in other people's democracies."

Detailing the forms of this alleged "subversive activity," the memorandum mentioned the dispatch of specially trained agents to organize "diversionary activities and espionage" in the Socialist countries; the annual appropriation by Congress of funds to finance these "organizations and diversionary groups"; "incitement" by Radio Free Europe and other "American-controlled" stations in Western Europe; the sending of balloons over Eastern Europe with messages calling on the people to revolt, etc.; and statements by "responsible U.S. statesmen" calling for the overthrow of the political and economic systems in those countries.

The Assembly's Steering Committee agreed on Dec. 13 by 12 votes to one, with two abstentions, to place the Soviet complaint on the agenda, but (with Soviet approval) deleted the reference to "people's democracies" and replaced it by the names of the seven Communist countries concerned. The U.S. delegate (Mr. Wadsworth) supported a discussion, declaring that the U.S. Government "believes in the cleansing power of free debate" and was "willing and indeed anxious to have the full truth made known at this international forum." The Political Committee, however, meeting on Feb. 25, rejected by 53 votes to eight (with 11 abstentions) a Soviet resolution accusing the U.S.A. of "subversive activities" against the East European countries, and calling upon the U.S. Government to cease "interference" in the affairs of those countries and to base its relations with them "on the principles of the U.N. Charter." The resolution was supported only by the Communist countries (Hungary being absent), with Finland and ten Afro-Asian countries abstaining.

M. Kuznetsov made a bitter attack on the U.S.A. during which he accused the U.S. Government of responsibility for the Hungarian uprising by smuggling "gangs of saboteurs" into Hungary "during the "counter-revolutionary *putsch*." He also attacked the NATO, SEATO, ANZUS and Baghdad alliances; accused the U.S Government of spending "billions of dollars" to subvert the regimes in the "people's democracies"; and denounced the "Eisenhower doctrine" for the Middle East, which he described as designed to establish U.S. "colonial domination" in that area.

Senator Knowland (U.S.A.), in reply, described M. Kuznetsov's arguments as "a mockery of the facts," and said that the Soviet Government was obviously trying "to divert world attention from its own year-in-year-out programme of using foreign Communist parties to subvert and undermine the Governments of free countries all over the world." "Also," he added, "the Soviet Union would no doubt like to obscure the truth revealed in the Assembly's recent discussions on Hungary, and for this purpose produces the myth of U.S. intervention in Eastern Europe."

A second Soviet memorandum was presented on Feb. 13 calling for a General Assembly debate on the "Eisenhower doctrine," which was described as "direct intervention by the United States in the domestic affairs of sovereign States in the Near and Middle East" and as aimed at "the economic and political enslavement of the peoples of the countries in this area." The memorandum also accused U.S. "ruling circles" of setting up bases for atomic warfare in Western Europe, the Far East and the Middle East.

The Soviet request for a debate on this matter was rejected by the Steering Committee on Feb. 14 by eight votes to six, with one abstention. The U.S. delegate, Mr. Cabot Lodge, described the Soviet charges as "a gigantic cock-and-bull story" but said that he would vote for a discussion because "every member-Government has the right to make a fool of itself, as the Soviet Government is now doing." Mr. Lodge added that the U.S.A. could present a "devastating" item against the Soviet Union regarding its "repression of the satellites, its discrimination against Christians, Jews and Moslems, its fomenting of Korean aggression, and its bloody deeds in Hungary."

The eight countries voting against a debate on the second Soviet memorandum were Nationalist China, Denmark, the Dominican Republic, El Salvador, France, Italy, Peru, and Turkey, with Pakistan abstaining and Siam (represented by the Assembly President, Prince Wan Waithayakon) taking no part in the vote. The U.S.S.R., the U.S.A., Britain, India, Egypt and Czechoslovakia voted for a debate in the Assembly.

Resolutions on South African "Apartheid" Policy. - South African Walk-out from General Assembly.

Two resolutions on South Africa's *apartheid* (racial segregation) policies, similar to those adopted at earlier sessions, were approved by the General Assembly on Jan. 30 after previous approval by the *Ad Hoc* Political Committee. They were (1) a resolution calling on the Union Government to "reconsider" its *apartheid* policies "in the light of its obligations and responsibilities under the Charter and of the principles subscribed to . . . in other multi-racial societies," and inviting it to "co-operate in a constructive approach to this question"; (2) a second resolution "noting with regret" that South Africa had not yet agreed to negotiations with India and Pakistan on the treatment of persons of Indian or Pakistani origin living in the Union, and requesting the South African Government to "co-operate" in this matter.

The resolutions were adopted in the absence of the South African delegation, which had again walked out of the Assembly's session as it had done a year earlier. The first resolution was adopted by 56 votes to five (Britain, France, Belgium, Australia and Portugal) with 12 abstentions, and the second by 42 votes to nil with 12 abstentions.

In a statement to the Assembly on Nov. 27, the Union Minister of External Affairs (Mr. Eric Louw) had announced that South Africa was "not prepared any longer to be even an unwilling party to the continued interference in the Union's domestic affairs." Accordingly, South Africa would in future maintain only a token or nominal representation at the United Nations in protest against the Assembly's repeated attempts to interfere in the Union's domestic affairs. In the course of his speech Mr. Louw made a bitter attack on India, accused that country of pursuing a "vendetta" against South Africa, and gave a warning that South Africa might be forced to leave the United Nations unless the organization returned to "the ideals and objectives of its founders."

"In contravention of the U.N. Charter," Mr. Louw declared, "South Africa has annually been subjected to interference in her domestic affairs—interference, moreover, which has been accompanied by violent attacks on successive Governments and also on the European population of South Africa . . . For the past ten years my country has been the object of baseless accusations and violent attacks both in the Assembly and its Committees. These demonstrations of malevolence and hostility . . . were invariably led by India, acting in concert with her Soviet and Eastern associates . . ."

After accusing India of carrying on a "vendetta" against South Africa, Mr. Louw referred to statements by Mr. Krishna Menon on the racial situation in South Africa which, he said, "as so often in the past, contained allegations which were not in accordance with the facts." He added: "I do not intend to deal with his allegations regarding the treatment of Indian and other non-White peoples of our country except to deny emphatically and categorically that they are oppressed . . . The delegate of India has sufficient information in his possession to know that his statement is not true . . ."

Mr. Louw concluded: "There is a strong and growing feeling in my country that South Africa should withdraw from the United Nations. The Union Government has, however, not entirely given up hope that the more responsible members may yet prevail upon the Assembly to return to the ideals and objectives of its founders."

The South African walk-out from the 11th session was followed by the Hungarian walk-out on Dec. 11 (see page 15407) in protest at the Assembly's resolutions on Hungary. As a result, the South African and Hungarian delegations were absent during the greater part of the 11th session.

Western New Guinea.

A resolution was presented in the Political Committee by 12 Afro-Asian and Latin American countries requesting Dr. Hammarskjold to appoint a three-member Good Offices Commission to assist Indonesia and the Netherlands in settling their dispute about the status of Western New Guinea (West Irian), "in order that a just and peaceful solution of the question may be achieved in accordance with the principles and purposes of the Charter." The resolution was adopted by the Political Committee but failed to obtain the necessary two-thirds majority in the full Assembly and was therefore not carried.

As at previous Assembly sessions, the Indonesian delegate reiterated his country's claim to sovereignty over "West Irian," while the Netherlands delegate denied that Indonesia had any rightful claim on Netherlands New Guinea. Whereas Mr. Sudjarwo (Indonesia) described the dispute as one of "freedom versus colonialism" and contended that "West Irian" was historically and geographically part of Indonesia, Mr. Schuurman (Netherlands) stressed that the Papuans of Western New Guinea were completely distinct from the Indonesian people and had no racial, cultural, religious or national affinities with them whatsoever.

The voting in the Political Committee was 39 in favour of the resolution, 25 against, and nine abstentions, and in the General Assembly 40 in favour, 25 against, and 13 abstentions, including the United States. The resolution was supported by the Afro-Asian group, the Soviet bloc, and some Latin American nations, and was opposed by most of the Western Powers and a number of Latin American countries.

Palestine Arab Refugees.

By 68 votes to nil, with Iraq abstaining and 12 delegations absent, the Political Committee (and subsequently the General Assembly) passed a resolution which (*a*) directed the U.N. Relief and Works Agency for Palestine refugees (UNRWA) to continue its relief and rehabilitation programmes for the 900,000 Arab refugees under its care; (*b*) noted that the "host" Governments (i.e. Egypt, Syria, Jordan and Lebanon) had expressed their willingness to continue their co-operation with the Agency; (*c*) continued the Agency's "rehabilitation fund"; and (*d*) gave the Director of UNRWA (Mr. Henry Labouisse) discretion to disburse available finances to the Arab Governments concerned for "general economic projects," provided each recipient country undertook to assume financial responsibility for an agreed number of refugees "commensurate with the cost of the project" in question. In addition, all member-countries were asked to give "every appropriate assistance" to UNRWA and to make contributions to enable it to carry out its work on behalf of the refugees.

Mr. Labouisse had presented a report to the U.N. on Jan. 3 emphasizing that the Agency's funds were inadequate for its tasks, and warning that UNRWA might have to cease its activities after the end of June unless more contributions were forthcoming from member-countries. He pointed out (i) that whereas $43,000,000 had been budgeted for the Agency for 1956-57, only $14,700,000 had actually been received, with a further $10,000,000 promised; (ii) that $20,000,000 would be required for relief funds in 1957, in addition to $22,000,000 for programmes aimed at making the refugees self-supporting; and (iii) that the United States was paying 70 per cent of UNRWA's budget and, together with Britain, was virtually supporting the undertaking.

Mr. Labouisse's report (which covered the period July 1, 1955 to June 30, 1956, and therefore did not take into account the situation created by the Israeli operations in the Gaza Strip and the Sinai peninsula) pointed out that the number of Palestine Arab refugees registered with the Agency had increased from 905,980 to 922,279, of whom there were approximately 512,000 in Jordan, about 217,000 in the Gaza Strip, 102,000 in the Lebanon, and 90,000 in Syria. The report described the refugee question as the "core" of the Palestine problem and as one of the most explosive issues in the Middle East. As in previous reports, M. Labouisse stressed that the refugees' desire to return to their homelands "continues unabated."

Strong criticisms of the attitude of some of the "host countries"—Egypt and Syria in particular—were contained in the report. In this connexion Mr. Labouisse complained that these States had tended increasingly to control and restrict the Agency's operations, had interfered with the movement of Agency personnel, and had imposed duties on relief goods destined for the refugees; moreover, Egypt and Syria had refused entry to some of the Agency's officials—including British nationals—and the Press of both countries had made "virulent attacks" against UNRWA itself. Mr. Labouisse also pointed out that the bitterness of the refugees had been consistently exploited by "unscrupulous political agitation," and that the result had been to encourage ill-will and even open resistance to the Agency.

The above-mentioned resolution was presented in the Political Committee by the U.S.A., Great Britain, New Zealand, Argentina and the Philippines, and included a proviso that any assistance to the refugees would be without prejudice to their rights to eventual repatriation or, alternatively, to compensation. Mr. Labouisse, addressing the Committee, pointed out that the rehabilitation fund mentioned in the resolution did not exist in terms of "ready cash"; emphasized that his Agency would need new funds to carry out the terms of the resolution; and appealed to member-countries for "prompt pledges" of contributions.

Pledges of continued co-operation with UNRWA were given during the debate by spokesmen of several Arab countries, including Syria, and were welcomed by Mr. Labouisse. **Dr. Jamali** (Iraq), explaining his abstention from the vote, declared that the refugees should be "returned to their own homes" in Palestine, but said that Palestine itself should be "a haven for Moslems, Jews and Christians alike." Pending a solution of the whole Palestine problem, he added, "Israel should at least be made to repatriate Arab refugees whose homes were in those territories allotted to the Arabs by the U.N. in the 1947 [partition] resolution."

Mr. Michael Comay (Israel) asked that the Arab Governments should stop regarding the refugees as "a weapon in their vendetta against Israel and an instrument for changing the political *status quo*." He reaffirmed his Government's opinion that resettlement of the refugees, rather than repatriation, provided the "answer to the problem."

British and French Togoland.

By 63 votes to nil, with nine abstentions, the Assembly approved on Dec. 13 a resolution which (1) noted that a majority of the people of British Togoland had voted for union with the Gold Coast in the plebiscite held under U.N. auspices in May 1956; (2) noted that the Gold Coast had been given its independence by the United Kingdom and would become a sovereign State (Ghana) on March 6, 1957; and (3) declared that U.N. trusteeship over British Togoland should cease from the latter date, when the territory would be united with the Gold Coast.

The resolution was introduced in the Trusteeship Committee by eight countries (Canada, Ceylon, Ecuador, Ethiopia, Haiti, India, Liberia and Nepal) after the British Minister of State for Colonial Affairs (Mr. J. S. Maclay) had asked for the formal ending of U.N. trusteeship over British Togoland when the latter territory was united with the Gold Coast. Many countries paid tribute to Britain for her administration of the Togoland Trust Territory and her policy in guiding the Gold Coast toward independence. Señor Eduardo Prieto, of Mexico, who served as U.N. Plebiscite Commissioner, informed the Assembly that the plebiscite in British Togoland had been carried out in a fair and impartial manner and in accordance with the Assembly's wishes.

The Assembly also passed a resolution (by 53 votes to 16, with seven abstentions) for a six-member commission to visit French Togoland and examine "the situation . . . resulting from the practical application of the new [French] statute under which the inhabitants of that territory voted in October last for independence within the French Union" (see 15511 A). The commission was also asked to study the conditions under which the statute was being applied and to report to the next Assembly session.

The French delegation had informed the U.N. Trusteeship Council that, as a result of the plebiscite in October, French Togoland had become independent within the French Union—under the name of the Republic of Togoland—in all spheres except foreign relations, defence, and fiscal matters. In view of this development, France had requested that U.N. trusteeship over the territory should be ended. However, as the plebiscite had not been held under U.N. auspices, the Trusteeship Council withheld recognition of the change in French Togoland's status and voted to set up the above-mentioned commission to visit the territory.

Chinese Representation in United Nations.

On the recommendation of its Steering Committee, the Assembly decided—by 47 votes to 24, with eight abstentions—not to discuss the question of Chinese representation in the U.N. during the 11th session. A resolution calling for the admission of Communist China to the U.N. and the unseating of Nationalist China had been moved by India, whereas in former years this resolution had always been introduced by the Soviet Union.

The Steering Committee, meeting on Nov. 14, adopted by eight votes to five, with one abstention, a U.S. resolution asking that the debate on China's representation should be postponed to the next session of the Assembly. Despite Indian and Soviet efforts to reverse this decision, it was upheld on Nov. 16 by the full Assembly, which adopted the U.S. resolution by 47 votes to 24 with eight abstentions.

The 24 opposing votes were cast by the Soviet bloc, six Asian countries (India, Burma, Ceylon, Nepal, Indonesia, and Afghanistan), four Arab countries (Egypt, Syria, Yemen, and Sudan), and the Scandinavian group (Norway, Denmark, Sweden and Finland). The countries abstaining were Cambodia, Israel, Jordan, Laos, Libya, Portugal, Saudi Arabia and Tunisia. Three African countries (Ethiopia, Morocco and Liberia) and several Asian countries (including Persia, Siam and the Philippines) voted for the U.S. resolution.

Mr. Krishna Menon (India), who moved the admission of Communist China and the unseating of Nationalist China, made a violent attack on Senator Knowland (Republican leader in the U.S. Senate) in reply to a personal statement which had been issued by the latter on the previous evening (Nov. 15). In this statement Senator Knowland said that he was "shocked" that Mr. Menon had "apparently become the floor-leader for the Soviet drive to bring

Communist China into the U.N.," and recalled that the Peking regime had been branded by the U.N. for its aggression in South Korea. Mr. Menon took strong objection to these comments, described them as "a disservice to international friendship," and said that Senator Knowland should "visit a psychiatrist."

Mr. Menon was also involved in an altercation with the Chinese Nationalist delegate, Dr. Tsiang, after he had made critical remarks of alleged corruption in the Chiang Kai-shek Government. In reply, Dr. Tsiang accused Mr. Menon of "slander" and said that he was merely echoing "the propaganda themes of the Chinese Communists with the same disregard for truth and fact."

The Korean Problem.

By 57 votes to eight (the Soviet bloc), with nine abstentions, the Assembly approved on Jan. 11 a U.S. resolution which (*a*) reaffirmed the U.N. objective of "bringing about by peaceful means the establishment of a unified, independent and democratic Korea under a representative form of government, and the full restoration of international peace and security in the area"; (*b*) urged "continued efforts to achieve these objectives"; (*c*) called on the U.N. Commission for the Unification and Rehabilitation of Korea (UNCURK) "to continue its work in accordance with existing resolutions of the General Assembly"; and (*d*) asked that the Korean question should remain on the agenda of the Assembly's 12th session.

Two other resolutions on Korea were adopted without opposition: (1) a resolution expressing gratitude to India, Argentina and Brazil for helping to solve the problem of resettling former Korean and Chinese prisoners-of-war who did not wish to return to their homelands: and (2) a resolution commending the U.N. Korean Reconstruction Agency (UNKRA) for its assistance to the Korean people.

The U.S. resolution was adopted in the Political Committee by 57 votes to eight (the Soviet bloc) with 13 Afro-Asian countries abstaining, including India and Indonesia. Dr. Katz-Suchy (Poland), supported by M. Tsarapkin (U.S.S.R.), believed that UNCURK was no longer of any value and urged that a new international body should be set up to promote negotiations between North and South Korea with the aim of eventual unification. He also proposed a new international conference on Korea and an offer of economic assistance to both Korean Governments.

Mr. Krishna Menon, reporting on the 88 P.O.W.s who had chosen to go to India rather than be repatriated, stated that 55 had since decided to go to Brazil, 11 to Argentina, and nine to Mexico; of the remainder, six had elected to stay in India, five had chosen repatriation to North Korea, and two had asked for repatriation to Communist China.

In addition to the subjects mentioned above, the General Assembly adopted a large number of other resolutions, the most important of which are summarized briefly below:

South-West Africa.

For the tenth year in succession the Assembly passed a series of resolutions (by 74 votes to nil, with 16 abstentions) calling for South-West Africa to be placed under U.N. trusteeship. The South African Government was asked to take action on recommendations for progressive self-rule, universal representation, revision of the land settlement policy, repeal of discriminatory racial legislation, and elimination of restrictions on movement, while the U.N. Secretary-General was requested to explore "ways and means" for a solution of the territory's international status and to report to the Assembly "at his earliest convenience."

The South African delegation was absent during the debate on South-West Africa.

Non-self-governing Territories.

By 65 votes to 3, with 3 abstentions, the Secretary-General was asked to prepare for the 12th session, in collaboration with the specialized agencies, a report on economic, social and educational progress in non-self-governing territories since the establishment of the United Nations.

The resolution to this effect (sponsored by Burma, Chile, Cuba, Ecuador, Egypt, El Salvador, Ethiopia, Liberia, and Yugoslavia) was adopted in the Trusteeship Committee by 58 votes to one (Belgium), with Australia, France, Pakistan and the United Kingdom abstaining.

Trust Territories.

Member-countries administering Trust Territories were asked (by 45 votes to 14, with 16 abstentions) to take measures to achieve "self-government or independence at an early date" for Tanganyika, the British and French Cameroons, and Ruanda-Urundi, and to estimate the time required for those territories to gain such status. The British Government was also asked (47 votes to 15, with 11 abstentions) to state its future policy in Tanganyika, while France was asked (46 votes to 9, with 10 abstentions) to "restore political activity" in the French Cameroons to "normal conditions" and to end political tensions in that territory.

The resolution, presented in the Trusteeship Committee by the U.S.S.R. and subsequently amended in certain respects, was adopted by 44 votes to 14, with 17 abstentions. With the exception of Italy, which abstained, all countries administering Trust Territories (Britain, France, Belgium, Australia, New Zealand, and the U.S.A.) opposed the resolutions both in committee and in the full Assembly. [Italy administers the Trust Territory of Somalia, which is due to become independent in 1960.]

Disarmament.

The Disarmament Commission was unanimously requested to reconvene its sub-committee (the "London sub-committee") at an early date so that it could give "prompt attention" to the various proposals on disarmament and present a progress report to the Commission not later than Aug. 1, 1957. The Commission was also asked to consider the advisability of recommending a special Assembly session on disarmament or a general conference "at the appropriate time."

The sub-committee comprises the five major Powers administering nuclear resources—the U.S.A., Great Britain, France, the U.S.S.R. and Canada. The proposals it was asked to study included President Eisenhower's plan for aerial inspection (the "open skies" plan) and exchange of military blueprints; the Soviet plan for ground inspection posts; a request by Canada, Japan and Norway (made jointly during the Assembly session) for advance registration of all nuclear weapon tests with the United Nations; and a U.S. suggestion that inter-continental guided missiles should be included in a future arms-control programme.

Under-developed Countries.

The establishment of a Special U.N. Fund for Economic Development (SUNFED), considered at the last session, was again postponed but the Assembly unanimously asked for a special committee to examine the legal framework for the projected Fund, so as to spur economic development in the under-developed countries. By 63 votes to nil, with nine abstentions, the Secretary-General was requested to complete, as quickly as practicable, studies of taxation of foreign investments, particularly those made in under-developed areas.

World Food Reserve.

By 47 votes to eight, with seven abstentions, the Assembly asked the Secretary-General to explore the possibilities of carrying out findings of the U.N. Food and Agriculture Organization recommending the establishment of a World Food Reserve. Dr. Hammarskjold was also unanimously requested to study the prospect of utilizing surplus foodstuffs to build up national reserves to be used in accordance with internationally agreed principles.

Human Rights.

The Assembly decided that its work on two draft covenants on Human Rights should be completed, if possible, for adoption at the next session. [The draft covenants were submitted in 1954 by the Human Rights Commission, one dealing with economic, social and cultural rights, and the other with civil and political rights.] Discussion of proposals to establish commissions on political self-determination was postponed until the next session.

In addition, the Assembly "took note" of a report by Dr. Hammarskjöld that 18 countries had expressed their willingness to attend an international conference to prepare a convention for reducing or eliminating Statelessness. The Assembly had decided in 1954 to convene such a conference if 20 countries agreed to participate.

Convention on Nationality of Married Women.

By 48 votes to two (Egypt and Syria), with 24 abstentions (including the U.S.A.), the Assembly approved an international convention on the status of married women, drawn up under U.N. auspices. This convention, which had been in preparation for five years, consists of 11 Articles, the first of which asserts that neither the contracting nor the dissolution of a marriage between a national and an alien in the contracting States shall automatically affect the nationality of the wife. The convention is based on Article 15 of the Declaration of Human Rights, which proclaims that "everyone has a right to nationality" and that "no-one shall be arbitrarily deprived of his nationality nor denied the right to change his nationality."

U.N. Budget. - Technical Assistance Fund.

A record Budget of $50,815,700 for 1957 was approved by 63 votes to eight (the Soviet bloc) with six abstentions. The Assembly also authorized, against the votes of the Soviet bloc, a supplementary increase of the 1956 Budget from $48,566,350 to $50,683,350 to cover the costs of the two emergency sessions held in the autumn as a result of the crises in the Middle East and Hungary. A "ceiling" of $16,500,000 was authorized for the expenses of the U.N. Emergency Force in the Middle East (UNEF), the Soviet bloc opposing.

A record allocation of $30,127,600 was made for the Technical Assistance Programme for 1957.

Election to International Court.

Dr. V. K. Wellington Koo (Nationalist China) was elected a judge of the International Court of Justice in succession to his fellow-countryman, Judge Hsu Mo, who had died at The Hague in June 1956. Dr. Koo will serve on the International Court for the unexpired term of his predecessor—until Feb. 5, 1958.

The election was postponed from Dec. 11 (when the General Assembly and the Security Council were unable to choose between Dr. Koo and Mr. Shigeru Kuriyama, of Japan) to Jan. 11, when Dr. Koo obtained eight votes in the Security Council against three for Mr. Kuriyama, and 42 votes in the General Assembly against 36 for Mr. Kuriyama and one for Dr. Claro Recto (Philippines). The U.N. Charter provides that the Assembly and the Security Council, meeting separately but concurrently, shall elect judges of the International Court by secret ballot.

Credentials of Hungarian Delegation.

By eight votes to one, the Assembly's Credentials Committee adopted on Feb. 12 a U.S. proposal that no action should be taken on the credentials of the Hungarian delegation at the United Nations. The decision did not imply the expulsion of the Kadar Government's delegation but meant that approval of its credentials was witheld - a decision which had little practical effect since the Hungarian delegation had walked out of the General Assembly on Dec. 11.

Other actions taken by the Assembly included the following: (*a*) a request that its Advisory Committee on the Peaceful Uses of Atomic Energy should negotiate an agreement with the International Atomic Energy Authority on the relationship between that body and the United Nations; (*b*) a call for continued efforts to solve the problems of European refugees through "voluntary repatriation, resettlement and integration," together with an appeal for contributions to the U.N. High Commissioner's Office for Refugees; (*c*) adoption of a Latin American resolution increasing the size of the International Law Commission from 15 to 21 members so as to obtain "an adequate representation of the main forms of civilization and of the principal legal systems of the world"; and (*d*) approval of a proposal for a conference in March 1958 to examine the Law of the Sea, the venue to be either Rome or Geneva at the discretion of the Secretary-General. The last conference on this subject was held at The Hague in 1930. (U.N. Information Centre, London - United Nations Review - New York Times - New York Herald Tribune - Times - Manchester Guardian - Le Monde, Paris) **(Prev. rep. Tenth Assembly Session, 14667 A; 14637 A; 14461 A.)**

A. FRANCE - WESTERN GERMANY. — Inaugural Meeting of Franco-German Cultural Commission.

The first meeting of the Franco-German cultural commission, set up under the La Celle-Saint-Cloud agreements of October 1954 between M. Mendès-France and Dr. Adenauer, was held in Bonn on March 25-26.

It was announced that the commission had agreed on the restitution to the Federal Republic as from November 1, 1957, of the Goethe House in Paris, which would be used again for German cultural purposes. [France maintains 17 French Institutes in Western Germany.] In addition, a German high school would be set up in Paris for the education both of the children of German residents and of young Frenchmen, on the lines of the French high school in Berlin - an institution founded 200 years ago, and one of the leading educational institutions in the former German capital. Other questions discussed included the possibility of mutual recognition of higher degrees and diplomas; the study of the French language in German high schools, which since 1955 had been given second place to English; and greater exchanges of research workers and scientists.

The French delegation was led by M. François-Poncet, the former French Ambassador to Germany, and the German delegation by Professor Gerhard Hess, Rector of Heidelberg University.—(Le Monde - Frankfurter Allgemeine Zeitung) **(Prev. rep. 14390 B.)**

B. NETHERLANDS. — Revised Agreement on Use of U.S. Counterpart Funds. - New Projects.

Under an agreement concluded in April, the U.S. and Netherlands Governments arranged for changes in the use of the counterpart funds which had been accumulated out of U.S. economic aid to Holland between 1948 and 1953.

Under the new agreement certain new projects considered to be of greater importance were substituted for others which had been previously agreed upon, but it was stated that no additional dollar aid would be involved. The new projects were:—reinforcement of dykes—30,000,000 guilders; works for the "Delta Plan" (see 14292 A), 40,000,000 guilders; road construction under the European Roads Plan, 30,000,000 guilders; a tunnel under the North Sea Canal near Velsen, 10,784,000 guilders; and works for the final recovery of Walcheren Island, 5,000,000 guilders.

The Netherlands Finance Ministry added that the total of counterpart funds, upon the use of which agreement had been reached, amounted to 863,585,000 guilders ($111,803,500). (Netherlands News Agency) **(Prev. rep. U.S. Aid, 14442 B; Counterpart Funds, 15164 C.)**

C. ISRAEL - UNITED KINGDOM. — Convention on Reciprocal Social Security Benefits.

A convention was signed in London on April 29 by the U.K. Minister of State for Foreign Affairs (Commander Noble) and the Israeli Ambassador (Mr. Elath) providing that nationals of either country living in the other would be eligible for the social security benefits of the country concerned—e.g. medical treatment, industrial injury awards, widow's benefits, death benefits, etc. The convention was the first of its kind concluded by Britain with a non-European or non-Commonwealth country.—(Times - Manchester Guardian) **(15398 C.)**

D. UNITED KINGDOM. — Setback in Condition of Sir Anthony Eden. - Successful Operation in Boston Hospital for Relief of Bile-duct Obstruction.

Sir Anthony Eden, who had been convalescing for five weeks in New Zealand, was flown to the United States on April 4 to undergo a thorough medical examination at the New England Baptist Hospital, Boston, by Dr. Richard Cattell (of the Lahey Clinic), the surgeon who operated on him in 1953 for gall-bladder trouble. During his convalescence in New Zealand Sir Anthony had had a number of feverish attacks of increasing frequency and severity, and on April 2 a medical bulletin had been issued in Auckland stating that there was "increasing evidence of bile-duct trouble and signs of early jaundice which require investigation without delay." Sir Anthony accordingly had to cancel his proposed visit to Australia, and, accompanied by Lady Eden, was flown to Boston, where he entered hospital.

A successful operation was performed on Sir Anthony on April 13 by Dr. Cattell in the presence of Sir Horace Evans (Sir Anthony's physician), who had flown from London at Dr. Cattell's invitation. A bulletin was subsequently issued stating that Sir Anthony had undergone an operation for relief of bile-duct obstruction, that the site of the obstruction had been found in the right hepatic duct, and that the constricted area was dilated, this condition having caused the attacks of fever. The bulletin added that the tube inserted at the operation in 1953 had passed "as so often occurs," that it had not been found necessary to insert a new tube, and that there was no inflammation of the colon and no malignancy.

Dr. James Fish (administrator of the Lahey Clinic) explained that a small Y-shaped tube placed in the bile-duct when Dr. Cattell operated in 1953 had been eliminated, probably passing through Sir Anthony's body without his knowing it. Dr. Cattell and Sir Horace Evans expressed their satisfaction at the result of the operation and the manner in which Sir Anthony had stood it, the former saying that there was "a reasonable prospect of complete relief."

Sir Anthony Eden made a good recovery from his operation - the fourth undergone by him since 1953 - and left hospital on April 29. It was announced that he and Lady Eden would shortly visit Ottawa as the guests of the Governor-General of Canada, Mr. Vincent Massey. (Times - New York Times) **(Prev. rep. 15327 C.)**

E. ASIA. — First Session of Asian Legal Consultative Committee. - Mr. Nehru's Denunciation of Nuclear Tests and "Cold War."

The Asian Legal Consultative Committee opened its first session at New Delhi on April 18, the countries represented being Burma, Ceylon, India, Indonesia, Iraq, Japan, and Syria.

Addressing the opening session, Mr. Nehru (the Indian Prime Minister) asked the Committee to give its unbiased opinion as to whether any country had "the right under international or moral law to poison the earth's atmosphere through test explosions of nuclear weapons which might endanger human existence." He also suggested consideration of the "present-day concepts governing international relationships between different nations," which, he said, had led to the revival of the 19th-century "holy alliances" and to a "state of suspended belligerency known as the cold war." After asking the Committee to examine whether this development was in keeping with international law, whose purpose should be to settle problems and disputes by methods other than war, he reiterated his conviction that the five principles of *Panch Sila* could alone establish healthy international relationships.

On April 24 the Committee adopted its rules of procedure, including the admission of new members and observers at its sessions.—(The Statesman, Calcutta) **(Prev. rep. 15229 D.)**

F. INDIA. — First Meeting of Northern Zone Council.

The Northern Zone Council constituted under the Reorganization of States legislation held its first meeting in New Delhi on April 23 under the chairmanship of Pandit Pant, the Home Minister. The areas represented on the Council are the States of Punjab, Rajasthan, and Jammu and Kashmir [i.e. the Indian-held areas of Kashmir] and the Centrally-administered territories of Delhi and Himachal Pradesh.

The Council decided that its headquarters should be located in Delhi, and that its next meetings should be held in rotation in Kashmir, the Punjab, and Rajasthan. Among questions discussed by the Council were the setting-up of a committee to study manpower planning; inter-State irrigation; and road transport problems.

The States constituting the Northern Zone have a total population of about 39,000,000 and cover an area of nearly 284,000 sq. miles.—(Indian High Commissioner's Office, London) **(Prev. rep. States Reorganization, 15172 A.)**

A. FRENCH TOGOLAND AND CAMEROONS. — New Status of French Togoland as Autonomous Republic within French Union. - Formation of Togolese Cabinet. - Togoland Plebiscite. - Self-Government for French Cameroons. - Elections to Cameroonian Assembly.

The Territorial Assembly of French Togoland, meeting at Lomé on Aug. 14, 1956, approved (subject to a number of amendments) a new statute conferring self-government on the territory within the French Union. The statute, which was drawn up by the French Government and published at the beginning of August, provided (1) that Togoland would have home rule in all spheres except foreign relations, defence, currency, and internal security, which would remain the responsibility of France; (2) for the creation of a Legislative Assembly, elected by universal suffrage, which would choose a Prime Minister who in turn would select a Cabinet of eight Ministers with the approval of the Governor or High Commissioner; (3) for equal rights for all inhabitants of the territory, whether Togolese or French; (4) for continued Togolese representation in the French National Assembly, the Council of the Republic, and the Assembly of the French Union. It also provided for a plebiscite to be held in October 1956 to enable the territory's inhabitants to decide whether they wished Togoland to become a self-governing territory within the French Union or to retain its existing status as a U.N. trust territory administered by France.

All the amendments proposed by the Territorial Assembly were accepted by the French Government on Aug. 24, when the statute came formally into effect. The most important of these amendments provided (1) that Togoland would have the status of an autonomous republic within the French Union; (2) that the French Government would be represented by a High Commissioner and not, as hitherto, by a Governor; and (3) that the future Togolese Prime Minister and Cabinet would have control of local administration and internal security in conjunction with the High Commissioner—thus representing a concession by France, since the original draft had envisaged internal security as a "reserved" subject.

The Territorial Assembly in Lomé, meeting on Sept. 10 as the territory's first Legislative Assembly, requested M. Nicholas Grunitzky—the leader of the Togolese Progress Party (*Parti togolais du progrès*)—to become the first Prime Minister of Togoland and to form a Cabinet in accordance with the statute. In accepting this task, M. Grunitzky said that the principal aims of his Government would be to raise the standard of living, to promote economic, social and educational reforms, and to offer more responsible positions to suitably qualified Africans. He appealed to French officials to remain in Togoland and help to build up an efficient administration.

M. Grunitzky (44), who is of German-African parentage, had represented French Togoland in the French National Assembly since 1951, and was president of the former Territorial Assembly of French Togoland. His party is the largest in the new Legislative Assembly and the most important political group in French Togoland.

The first Cabinet of the Republic of Togoland was formed by M. Grunitzky on Sept. 16, comprising three representatives of the *Parti togolais du progrès*, three representatives of the Chiefs' Organization, and two French officials. M. Grunitzky took the portfolio of the Interior in addition to the Premiership, and, jointly with the French High Commissioner, will also be responsible for Justice. The other seven portfolios were for Public Works, Finance, Economy and Development, Commerce and Industry, Public Health, Labour and Social Welfare, and Information. Under the statute, External Relations and Defence remain the responsibility of the High Commissioner.

The referendum in French Togoland, though boycotted by the Opposition parties, passed off without incident on Oct. 28, 1956, when a majority of the 437,000 electors (varying from about 62 per cent in the south to 80 per cent in the north) approved the new status of the territory as an autonomous republic within the French Union, and the consequent abolition of the former trusteeship status.

The Opposition groups in French Togoland—the *Comité de l'unité togolaise, Mouvement populaire togolais*, and various other organizations—issued a statement on Sept. 30 alleging that the plebiscite would result in a "fraudulent manipulation" of public opinion and would not be conducted with sufficient impartiality to reflect the true state of public opinion. Cables were sent to the United Nations and the French Government repeating these allegations and alleging that a Constitution was being "imposed" on the Togolese people in contravention of the trusteeship agreement.

The principal opposition to the new status of French Togoland came from the Ewe tribe in the south, large numbers of whom also live across the international boundary in British Togoland. Fearing that the tribe would be irrevocably split by the new status of French Togoland, the Ewes of that territory voted against the French statute just as the Ewes of British Togoland had voted against the incorporation of their territory in the Gold Coast (Ghana). Both in French and British Togoland the Ewes have for some years past urged a union of the two Togolands.

[As stated on page 15508, second column, the U.N. General Assembly withheld recognition of the new status of French Togoland because the plebiscite in that territory—unlike the earlier plebiscite in British Togoland—had not been held under the auspices of the United Nations.]

Elections in French Cameroons. - New Statute.

Elections were held on Dec. 23, 1956, in the French Cameroons (a trust territory) for a new Territorial Assembly with wider powers than the former Assembly, and with 20 more members (70, instead of 50 as hitherto). It was stated in Paris and Yaoundé (the Cameroonian capital) that the new Assembly would discuss the future constitutional status of the territory with the French Government. The programmes of the various parties ranged from immediate independence and unification with the British Cameroons to continued co-operation with France and the maintenance of the existing trusteeship status.

Prior to the elections, the French National Assembly had voted an amnesty law on Dec 11 for all persons who had been implicated in a series of riots, centred in Duala, which occurred in May 1955 and were instigated by the Communist-led *Unions des populations camerounaises* (U.P C.). This organization was dissolved three months after the riots and its principal leaders fled to the British Cameroons. During 1956, however, a number of U.P C. leaders had been released from detention, surveillance of members of the organization had been relaxed, and the French Government had decided to introduce the above-mentioned amnesty law as a measure of reconciliation. In a report to the French National Assembly, the *rapporteur* of its Justice Commission announced that out of 778 persons arrested or sought as a result of the events of May 1955, 456 had been freed, 166 had fled the territory, 116 had been imprisoned after being found guilty on various charges, and 30 were still awaiting trial.

Nationalist disturbances in the week preceding the elections —including cases of arson and sabotage to road and rail communications—led to two platoons of French paratroops being dropped at Eseka airport (50 miles south-west of Yaoundé) on Dec. 21 to maintain order and prevent a recurrence of such incidents. The elections themselves, however, took place in a peaceful atmosphere and resulted in a large majority for the moderate elements and a corresponding setback for the more extreme groups—the most important of which, the *Union Nationale*, had demanded immediate independence for the Cameroons.

African and European electors of both sexes voted for the first time on a single electoral roll, 320 candidatures being presented for the 70 seats in the enlarged Assembly. Sixty-two African and eight European candidates were elected, about 55 per cent (942,268) of the total electorate of 1,752,904 voting for "moderate" parties and candidates. Eight candidates were returned for the *Union Nationale* led by M. Soppo Priso, the chairman of the former Assembly. The left-wing U.P.C. had been banned after the disturbances of May 1955 and took no part in the elections. The 28 Northern councillors in the new Assembly, mostly representing the traditional Fullani chiefs, claim a separate Assembly for the predominantly Moslem areas of the Northern Cameroons.

A draft statute introducing self-government for the Cameroons within the French Union was approved by the French Cabinet on Jan. 23, 1957 and adopted by the Cameroon Territorial Assembly on Feb. 23 with a number of amendments. The voting was 59 in favour and eight against, the opposing votes being cast by the *Union Nationale*. The statute was broadly similar to that for French Togoland except that, unlike the latter, it made no alteration in the trusteeship status of the territory.—(Le Monde - Le Figaro) **(Prev. rep. British Togoland Plebiscite, 14898 C; 14868 B.)**

B. NORWAY. — Discovery of Extensive Copper Deposits in Finnmark.

The discovery of large deposits of copper on the Reppar Fjord in Finnmark (the northernmost province of Norway) was announced during April. It was stated that a group of U.S. and Canadian financiers would invest 70,000,000 kroner (£3,500,000) in exploiting the field; that a mine would be constructed, and also a refinery plant for turning out pure copper; and that an annual production of 20,000 tons of copper was anticipated. The copper field is at present under Swedish ownership but has not been worked for over 50 years. (Aftenposten, Oslo)

A. ARGENTINA. — Ministerial Resignations. - New Ministers of Air, Finance, and Trade and Industry. - Announcement of Dates for Elections. - Suppression of Peronista Plot. - Escape of Imprisoned Peronista Leaders. - Warnings on Economic Situation by President Aramburu and Dr. Verrier. - Rejection of "Verrier Plan." - U.S. Credits for Argentina.

Three members of the Argentine Government resigned during March for varying reasons: (1) Commodore Julio C. Krause, Minister of Air and a member of the Military Revolutionary Council (the *junta* at present governing Argentina), on March 30; (2) Dr. Roberto Verrier, the Minister of Finance, on March 25; and (3) Señor Rodolfo Martinez, the Minister of Trade and Industry, on March 9. They were succeeded respectively by Commodore Eduardo Macloughlin (Air), Dr. Adalberto Krieger Vasena (Finance), and Dr. Julio Cesar Cueto Rua (Trade and Industry).

Commodore Krause tendered his resignation a few hours after a broadcast by President Aramburu in which the latter had announced the dates for four important steps towards the restoration of democratic government in Argentina. These were: July 28—election of a Convention to reform the Constitution; Nov. 15—issue of a writ for general elections; Feb. 23, 1958—the holding of general elections; May 1, 1958—transfer of power to an elected Administration.

Commodore Krause protested against the postponement of the elections until February 1958, maintaining that it "compromised the honour of the armed forces" as General Aramburu had previously promised elections for the last quarter of 1957. He was supported in his attitude by other Air Force leaders, who threatened to withdraw the Air Force's participation in the Military Revolutionary Council. Eventually, however, the crisis was settled by the appointment of Commodore Macloughlin (a departmental head in the Air Ministry), who had been recommended by Commodore Krause himself and who, in addition to becoming Air Minister, also succeeded Commodore Krause as a member of the Military Revolutionary Council.

[It was reported in the British and U.S. press that Commodore Krause was supporting the views of Dr. Arturo Frondizi, the Radical Party leader, who objected to President Aramburu's plan to call a Convention for the reform of the Constitution before the holding of general elections, and who urged that constitutional reform should not be undertaken until an elected Government had assumed office.]

Dr. Verrier resigned from the Finance Ministry because his plans for stabilizing the Argentine economy (see below) had met with opposition both from other Ministers and from the political parties supporting the Government.

Señor Martinez resigned after a Radical newspaper had published five letters strongly criticizing him which had been sent to President Aramburu by Rear-Admiral Rial, Under-Secretary at the Ministry of Marine. Rear-Admiral Rial also resigned subsequently after having been sentenced by the Minister of Marine to 30 days' arrest for failure to ensure the inviolability of correspondence on State affairs. [It was commented in the foreign press that no action was taken against Rear-Admiral Rial for writing these letters, the conclusion being drawn that officers of the armed forces were apparently obliged to report to the President on the conduct of civilian Ministers.]

Economic and Financial Position. - The Verrier Plan. - Dr. Krieger Vasena's Policy Statement.

The grave economic situation of Argentina had been underlined in statements made by President Aramburu and Dr. Verrier on March 20, a few days before Dr. Verrier's resignation.

President Aramburu said that the facts of Argentina's economic and financial plight were "evident to all." Although the country had enormous potential wealth, it was at present "decapitalized" and "disastrously badly equipped"; it was in debt, its output was low and of poor quality, its transport system old-fashioned, its road network insufficient, and there was a shortage of electric power. The responsibility for this situation, the President declared, lay largely with those "who believe that the supreme social achievement is well-remunerated idleness," but also with those capitalists who had "not always shown an understanding of the problems or a willingness to co-operate."

Dr Verrier pointed out that the gravity of the situation was particularly reflected in the balance of international payments and the national finances. In 1956 there had been a deficit with the dollar area of U.S. $250,000,000, only partially offset by a surplus of $40,000,000 with other monetary areas. The gold and free exchange reserves with which the dollar deficit would have to be covered had amounted to $237,000,000 at the end of 1956, and at the end of 1957 would be wholly used up. With foreign currency reserves exhausted, it would be impossible to import fuel and raw materials; the country would be helpless to deal with an emergency such as crop failure; foreign confidence would be lost; and foreign capital investments and the granting of credits curtailed. Part of the balance-of-payments deficit, Dr. Verrier explained, was due to the Suez crisis, which had raised the cost of oil imports by $100,000,000, while the maize crop had been ruined by drought with a resultant loss of $60,000,000 in foreign exchange earnings.

The internal problem, he went on, was even worse than the balance of payments. State expenditure in 1957 was estimated at 60,000,000,000 pesos against an ordinary revenue of only 33,000,000,000 pesos, with a possible additional 10,000,000,000 pesos from the sale of bonds. Even if non-essential public works were suspended, there would still be a deficit of 14,000,000,000 pesos.

Dr. Verrier maintained that as the "Prebisch plan" (see 14553 A) had not been carried out in full, it could not succeed. It had been hampered by a social policy of large wage increases involving excessive retroactive payments, while other factors contributing to Argentina's economic difficulties were the earlier policy of creating industries which could not compete with free imports without protection, and the existence of rigid labour regulations which seriously diminished productivity.

To overcome this situation, Dr. Verrier—a strong advocate of private enterprise and traditional orthodox finance—had put forward a number of drastic proposals, the main points of which (published after his resignation) were as follows:

(1) Liberation of the importation of machinery and other capital goods through the free exchange market.
(2) Measures to reduce the dollar deficit in the official exchange market.
(3) Immediate suppression of existing subsidies.
(4) Elimination of price controls in all branches of production where there was active competition.
(5) The extension for an additional year of collective wage agreements and measures for the rationalization of labour.
(6) Increase or adjustment of certain taxes such as those on motor-car imports, sales of luxury goods, luxury travel, lotteries, cinema tickets, and certain types of buildings and land.

The opposition to Dr. Verrier's plan was mainly based on the ground that it contemplated the simultaneous increase of prices and the freezing of wages, and would thus result in a sharp rise in the cost of living—which Dr. Verrier regarded as essential in order to achieve an ultimate fall in prices through reduced purchasing power and taxation.

In a statement on March 27 Dr. Krieger (the new Finance Minister) said that he would not submit a new plan but would apply the "Prebisch plan" with the modifications already adopted. His policy would involve austerity but no contraction of consumption, thus avoiding unemployment; what the country needed, he added, was an expansion of production and a gradual diminution of subsidies to achieve the necessary adjustments in the pattern of consumption. Dr. Krieger also said that all unnecessary public and private spending at home and overseas must be suppressed; that he would seek temporary foreign credits to prevent a further fall in the monetary reserves; and that he considered that the official exchange rate should not be modified.

Prevention of Peronista Plot. - Escape of Imprisoned Peronista Leaders to Chile.

It was officially announced on Feb. 27 that a Peronista counter-revolutionary plot with international implications had been frustrated and that a number of persons (known to have included six former generals and two admirals) had been arrested.

The plot, it was stated, had been planned in three stages, the first of which aimed at creating economic chaos, especially by bringing about conflicts in the trade union field. The second "terroristic" stage would have aimed at creating unrest and fear by means of a campaign of rumours, sabotage and terrorism, while the final "subversive" stage would have involved the provocation of a general strike, to be followed by "open subversive activities."

It was also alleged that there were five counter-revolutionary command headquarters abroad under the direct leadership of ex-President Perón (now in exile in Caracas, the Venezuelan capital), located respectively in Paraguay, Chile, Brazil, Bolivia, and Uruguay.

It was announced in Santiago on March 19 that the Chilean Government had ordered the preventive arrest of six Peronista leaders who had entered Chile the previous day after escaping from the Rio Gallegos prison in southern Argentina. The Chilean action was taken at the request of the Argentine Government, which had invoked the Inter-American Convention on Extradition signed at Montevideo in 1933.

The six Peronistas concerned were Señor Jorge Antonio, one of General Perón's closest associates; Señor Guillermo Patricio Kelly, the former head of the National Liberation Alliance (General Perón's personal bodyguard); Señor Campora, President of the Chamber of Deputies during the Perón regime; Señor John William Cooke, president of the Peronista Party; Señor José Gregorio Espejo, former head of the Peronista General Confederation of Labour; and Señor Pedro José Gomez, a former Peronista deputy. The arrest was also ordered of Señor Manuel Araujo (a friend of Señor Antonio), who was said to have driven the six others across the Argentine-Chilean border.

New Political Parties.

Four new political parties and groups were granted legal recognition in March. They were the National Committee of the Radical Party, under Dr. Frondizi; another Radical faction, the *Agrupación Intransigencia y Renovación*, led by Sr. Roberto Gabiche and opposed to Dr. Frondizi; the *Unión Republicana*; and the *Unión Cívica Nacionalista*.

[The split in the Radical Party (*Unión Cívica Radical*), which had already led to the formation of three other dissident Radical groups (see page 15378), had followed the election by the party congress in November 1956 of Dr. Frondizi as the party's candidate in the next presidential election.]

The Federal Court of Appeal reversed on Feb. 15 the ruling of Judge Botet, delivered on Nov. 13, 1956 (see 15377 A), which had deprived the Communist Party of legal recognition for electoral purposes. The Appeal Court held that the party had not been given a fair chance of stating its case during the previous hearing.

New Status of Central Bank.

A decree issued on Aug. 13, 1956, restored to the *Banco Central* much of the autonomy which it had enjoyed before its nationalization by President Perón in 1946.

It was laid down that the Bank was an autonomous State institution; that its liabilities would be guaranteed by the State; that it would carry out the Government's financial and economic policy; and that it would act as the Government's adviser and agent in internal and external credit operations and in the issue and servicing of public loans. The Bank would be authorized to fix its re-discount rates and interest rates on advances. [Under the Peronista regime the Central Bank had been merely a department of the Ministry of Finance.]

U.S. Credits to Argentina.

The U.S. Export-Import Bank and an Argentine financial mission visiting Washington announced on Sept. 17, 1956, that agreement had been reached on Export-Import Bank credits to Argentina of up to $100,000,000, which would be used for the modernization of Argentina's road, rail and sea transport systems.

The Argentine Minister of Trade and Industry (then Sr. Martinez) stated on Oct. 10, 1956, that U.S. firms supplying transport equipment had agreed to grant the Argentine Government credits amounting to $25,000,000, in addition to the Export-Import Bank loan of $100,000,000. He added that it had been decided to spend $100,000,000 on railway material, particularly locomotives, goods wagons, and signalling equipment. Of the remaining $25,000,000, a sum of $10,000,000 would be spent on the merchant fleet and ports, $10,000,000 on road-building equipment, and $5,000,000 on the modernization of urban transport.

The $100,000,000 loan from the Export-Import Bank was the second large credit extended by that institution to Argentina in recent years. A credit of $60,000,000 had been approved on March 10, 1955, to assist in financing U.S. exports of equipment, materials, and technical services to Argentina for the construction of a steel mill at San Nicolás, on the River Paraná. This credit was contracted under the Peronista regime and extended in March 1956 under the Lonardi Government. The mill, which is being built by the *Sociedad Mixta Siderurgia Argentina* (a semi-State corporation), is estimated to cost $258,000,000 and is eventually expected to produce 588,000 metric tons of steel ingots annually.

Argentine Foreign Trade in 1956.

Figures released in Buenos Aires on Feb. 3 showed that the unfavourable balance in Argentina's foreign trade had dropped from U.S. $244,400,000 in 1955 to $202,500,000 in 1956. Imports in 1956 totalled $1,113,400,000 ($1,172,500,000 in 1955), while exports amounted to $910,900,000 ($928,100,000 in 1955). As regards U.K.-Argentine trade, official British figures revealed that in 1956 there had been an unfavourable balance against the U.K. of £74,904,000.

Foreign Investments.

Statistics recently issued by the Argentine *Banco Central* showed that the total of foreign investments in Argentina on Dec. 31, 1955, was 17,500,000,000 pesos. The chief sources of capital were: U.S.A.—5,751,000,000 pesos; Great Britain—4,007,000,000 pesos; Belgium—1,867,000,000 pesos; Switzerland—1,684,000,000 pesos; and France—1,312,000,000 pesos. Of the total amount, 42 per cent was invested in industry, 17 per cent in public utilities, and 17 per cent in commercial firms. (Bank of London and South America, Fortnightly Review - Times - Daily Telegraph - New York Times - Financial Times)

(Prev. rep. 15377 A; 15021 A.)

A. CHESS. — New World Champion.

Mikhail Botvinnik, the Soviet chessmaster who had been world champion since 1948, lost the title on April 28 to his fellow-countryman Vassily Smyslov, at the end of 22 games played in Moscow. Six of the 22 matches were won by Smyslov and three by Botvinnik, with 13 drawn. Smyslov became the seventh recognized world chess champion, his predecessors being Wilhelm Steinitz, Dr. Lasker, Señor Capablanca, Dr. Max Euwe, Dr. Alekhine, and Botvinnik.—(Times)

(Prev. rep. 9307 B.)

B. UNITED KINGDOM. — Membership of Committee of Inquiry into Working of Monetary System.

The membership of the committee which, under the chairmanship of Lord Radcliffe, will inquire into the working of the monetary and credit system was announced on May 3 by the Chancellor of the Exchequer (Mr. Thorneycroft), who had announced his intention of setting up such a committee in his Budget speech (see page 15484, second column). In addition to Lord Radcliffe, the members are:

Professor A. K. Cairncross, Professor of Applied Economics in the University of Glasgow and formerly economic adviser to the O.E.E.C.; Sir Oliver Franks, chairman of Lloyds Bank Ltd. and formerly Ambassador in Washington (1948-52); Lord Harcourt, a managing director of Morgan Grenfell and Co. Ltd., formerly U.K. Financial Adviser and Economic Minister in Washington and U.K. Executive Director of the International Bank and the International Monetary Fund; Mr. W. E. Jones, president of the National Union of Mineworkers; Professor R. S. Sayers, Sir Ernest Cassel Professor of Economics in the University of London, formerly economic adviser to the Cabinet Office (1945-47); Sir Reginald Verdon-Smith, chairman and joint managing director of the Bristol Aeroplane Co. Ltd., and a member of the Economic Planning Board; Mr. George Woodcock, assistant general secretary of the T.U.C. and formerly secretary to the T.U.C. Research and Economic Department; and Sir John Woods, formerly Permanent Secretary to the Board of Trade and now a director of the English Electric Co. Ltd. and other companies.

The committee consists of four businessmen, two economists and two trade union leaders.—(Times - Daily Telegraph)

(Prev. rep. 15481 A.)

C. CANADA. — Repayment of Government Advances to Trans-Canada Pipe Lines Ltd.

The Canadian Minister of Trade and Commerce, Mr. C. D. Howe, announced at the beginning of March that all advances made by the Northern Ontario Pipe Line Crown Corporation to Trans-Canada Pipe Lines Ltd. to finance the construction of the western section of the all-Canadian natural gas pipeline had been repaid.

Mr. Howe stated that although, under the provisions of the Northern Ontario Pipe Line Crown Corporation Act, the Corporation had been authorized to make loans to Trans-Canada Pipe Lines of 90 per cent of the cost of construction of the western section, or $80,000,000, whichever was less, the actual advances made had amounted only to $49,750,000. This sum, together with five per cent interest and costs, had now been fully repaid—a total of $50,716,603.

The Northern Ontario Pipe Line Crown Corporation, in addition to administering the loan to Trans-Canada Pipe Lines Ltd. for building the Western section of the gas pipeline, is also responsible for the construction of the Northern Ontario section, which will extend from the Manitoba-Ontario border to the vicinity of Kapuskasing (Ontario), a distance of 675 miles.—(Canadian Department of External Affairs, Ottawa)

(Prev. rep. 15067 A.)

D. SPAIN. — New Exchange Rate System. - Adjustment of Peseta Rates.

It was announced in Madrid on April 6 that the Government had decided to abolish the special multiple exchange rates for exports and imports which had been in force since December 1948, and to "modify and unify" the existing peseta rates. New Government-controlled "free" exchange rates were announced on April 9, the sterling rate being increased from 109.06 to 117.60 pesetas to the pound and the dollar rate from 38.95 to 42.00 pesetas to the dollar. Similar adjustments were made for other currencies. The new rates will not only benefit Spanish exports but also foreign tourists, although they are below the peseta rates on the free markets in Tangier and Switzerland, where the peseta had been fluctuating around 139 to the pound or 50 to the dollar.—(Financial Times - Bank of London and South America, Fortnightly Review)

(Prev. rep. 9720 B; 9758 E.)

E. CHILE. — Extension of I.M.F. and U.S. Exchange Stabilization Credits.

It was announced in Santiago and Washington on April 1 that the one-year "stand-by" arrangement with the International Monetary Fund, under which Chile could purchase up to $35,000,000 from the Fund in support of her programme of exchange reform and economic stabilization, had been extended for a further year—i.e. to March 31, 1958. It was stated that no drawing had been made by Chile during the first year of the arrangement.

As from the same date the U.S. Treasury credit of $10,000,000 and the $30,000,000 credit granted to Chile by eight leading U.S. banks for currency stabilization purposes were also renewed for a furtner year.—(International Monetary Fund, Washington - New York Times) **(Prev. rep. 14875 B.)**

A. INDONESIA. — Cabinet of Experts selected by President Sukarno. - Dr. Djuanda becomes Prime Minister. - Discussions with Sumatran Military Commanders. - Conference of Territorial Commanders. - Mr. Abdulgani found Guilty of Violation of Foreign Exchange Regulations.

Following the resignation of Dr. Sastroamidjojo's Cabinet, President Sukarno called on Mr. Suwirjo, chairman of the Nationalist Party, on March 15 to form a new Cabinet which would be capable of taking "decisive action" and of setting up a National Council, in accordance with the President's proposals of Feb. 21. Mr. Suwirjo accordingly opened negotiations with the party leaders with a view to forming a coalition of which the Nationalist Party and the Moslem *Nahdlatul-'Ulama* would constitute the nucleus. He was unable to do so, however, as the *Nahdlatul-'Ulama* demanded that the *Masjumi* should also be represented and the Communists excluded, whilst the Communist Party insisted that if the *Masjumi* were included the Cabinet should also contain Communist representatives.

In view of Mr. Suwirjo's failure to form a Government which could command a parliamentary majority, President Sukarno asked him on March 26 to form a Cabinet of experts within a week. After further discussions, Mr. Suwirjo proposed that five portfolios should be assigned to the *Nahdlatul-'Ulama* and two to the *Masjumi*; that the Communists should be excluded; but that Professor Prijono (Dean of the Faculty of Literature in the University of Indonesia and a Stalin prize-winner) and Dr. Sadjarwo (leader of the Indonesian Peasants' party)—both of whom the Moslem parties regarded as Communist sympathizers—should be included. The *Masjumi*, however, refused to accept the portfolios of Health and Education which had been offered to it, and the United Moslem Party (PSII) demanded the portfolio of Education. In view of these difficulties, Mr. Suwirjo abandoned his attempt to form a Government on April 2.

President Sukarno announced on April 4 that he would himself select an "emergency extra-parliamentary Cabinet of experts," its membership being announced on April 8 as follows:

Dr. Djuanda (non-party) ..	Prime Minister and Defence (*ad interim*).
Dr. Hardi (Nationalist) ..	First Vice-Premier.
Mr. Idham Chalid (*Nahdlatul-'Ulama*)	Second Vice-Premier.
Dr. Subandrio (non-party) ..	Foreign Affairs.
Mr. Sanusi Hardjadinata (Nationalist)	Home Affairs.
Mr. G. A. Maengkom (non-party)	Justice.
Dr. Sutikno Slamet (Nationalist)	Finance.
Dr. Ingkiriwang (non-party) ..	Industries.
Professor Sunardjo (*Nahdlatul-'Ulama*)	Trade and Commerce.
Mr. Sudibjo (PSII)	Information.
Dr. Sadjarwo (Indonesian Peasants' Party)	Agriculture.
Colonel Nazir (non-party) ..	Shipping.
Dr. Pangeran Noor (*Masjumi*)	Public Works.
Dr. Samjono (non-party) ..	Labour.
Colonel Dr. Abdul Aziz Saleh (non-party)	Health.
Kyahi Hadji Iljas (*Nahdlatul-'Ulama*)	Religious Affairs.
Professor Prijono (non-party) ..	Education.
Dr. Sunarjo (*Nahdlatul-'Ulama*)	Agrarian Affairs.
Dr. Sukardan (non-party) ..	Communications.
Mr. A. M. Hanafi (People's Congress)	Minister of State for Development.
Mr. Chairul Saleh (1945 "Revolutionary Generation") ..	Minister of State for Veterans' Affairs.
Dr. F. L. Tobing (Indonesian People's Union)	Inter-Regional Relations.
Dr. J. Leimena (Christian Party)	Social Affairs.

Dr. Djuanda (45), the new Prime Minister, was Minister of State for Planning in Dr. Sastromaidjojo's Cabinet, in which Dr. Sunarjo was Home Minister. Mr. Chalid, Mr. Sudibjo, Dr. Noor, and Mr. Iljas held the same posts as in the new Ministry. Among the "expert" members of the Government, Dr. Subandrio was Secretary-General of the Foreign Ministry; Mr. Hardjadinata was Governor of West Java; Dr. Slamet is a director of the International Bank; Colonel Nazir was Commander of the Surabaya Naval Base; Colonel Saleh was head of the Military Health Service; and Dr. Sukardan was Director-General of Posts and Telegraphs.

The new Ministry (which was reported to have been selected by President Sukarno partly from persons recommended by the Army leaders) was warmly welcomed by the Nationalist press but was criticized on constitutional grounds by Dr. Hatta, the former Vice-President, and by the *Masjumi*, which announced on April 9 that it had expelled Dr. Noor for accepting office. The PSII also issued a statement prohibiting its members from joining the Cabinet or the proposed National Council.

At a press conference on April 20, President Sukarno stated that the new Government's foreign policy would be based on co-operation with all countries, regardless of their political and social systems; continuance of the "struggle against colonialism" and for the return of Western New Guinea; and the maintenance of an independent line in the "international ideological struggle." Referring to his plan for a National Council, he said that political activities should not yield material profit to a small group of people while being injurious to the interests of the country as a whole, and that his plan would abolish a system of opposition which had aimed solely at the downfall of the Government of the day. His conception of an Opposition was rather one which would compete in bringing forth original and fresh ideas for the solution of the country's problems, and he was convinced that such competition would benefit the country.

After the formation of the new Government, Dr. Djuanda accompanied by Mr. Hardjadinata, Dr. Tobing, and senior Army officers paid a visit to Sumatra, where he discussed measures for the normalization of relations between the Central Government and the regions with Lieut.-Colonel Hussein and Lieut.-Colonel Barlian, the respective military commanders in Central and South Sumatra. During their talks Colonel Hussein called on the Government to recognize the "Banteng Council" as the representative of the people of Central Sumatra, and appealed for renewed co-operation between President Sukarno and Dr. Hatta.

In a speech at Padang (Central Sumatra) on April 23, Dr. Djuanda said that all parties had agreed on the principle of regional autonomy, but that no agreement had yet been reached on the extent of the autonomy to be granted. Proposals had been put forward by the regions that the National Council should constitute a Senate whose members would represent the various regions, and those proposals would be taken into consideration by the Government when setting up the Council.

A conference of military commanders called by the Chief of Staff, General Nasution, opened in Jakarta on March 15 and was attended by all the territorial commanders except Colonel Hussein, who was reported to be ill.

A statement issued at the conclusion of the talks (March 20) said that the commanders fully realized the importance of maintaining the Government's authority and creating stability in the armed forces, and called upon President Sukarno and Dr. Hatta to work together to solve the political crisis. They had also decided to do all in their power to combat corruption, subversive activities, smuggling, and other activities harmful to the State.

On April 16 the Supreme Court found Mr. Abdulgani, Foreign Minister in Dr. Sastroamidjojo's Government, guilty of violating the foreign exchange regulations by "unintentionally taking foreign currency, valuable documents and papers abroad in his capacity as a Government servant without the consent of the Foreign Exchange Institute." He was sentenced to a fine of 5,000 rupiahs (about £150) or one month's imprisonment, and ordered to pay the costs of the trial. (Indonesian Embassy Press Office, London - Times - Manchester Guardian)

(Prev. rep. 15421 A.)

B. MEDICAL RESEARCH. — First Department of Virology at British University.

The establishment at the University of Glasgow of a new Department and Chair of Virology, the first of its kind at any British university, was announced on April 26 by Sir Hector Hetherington, the Principal of the university. Established by a grant of £225,000 from the Scottish Hospital Endowment Research Trust, it is expected to begin functioning by 1960 and will carry out fundamental research into virus diseases similar to the work already being done in this field at Melbourne, Harvard and Yale, the principal universities at present engaged in virological studies. (Times - Glasgow Herald)

C. CORRIGENDA. The following corrections should be made to articles published in recent issues:

(1) In 15463 A, a few words were inadvertently dropped in the sixth paragraph of the first column. The tenth and subsequent lines of this paragraph should correctly read: "between the peoples of Asia and Africa in order to 'frustrate such attempts to destroy one by one the Asian and African countries which have recently attained independence.'

(2) A misprint occurred in the heading of 15491 A, which should correctly read: "Lower Rouble Rate for Tourists and Other Non-Commercial Transactions." (Ed. K.C.A.)

A. UNITED KINGDOM. — Motor Industry. - Production and Exports in 1956. - Temporary Decline in Sales after Petrol Rationing. - Relaxation of Hire-Purchase Restrictions. - Ending of Recession in Motor Industry.

Figures published in the March issue of the *Board of Trade Journal* showed that the British motor industry had produced 1,044,544 vehicles in 1956, or 18.79 per cent fewer than the record output of 1,287,068 vehicles (revised figure) in 1955. The 1956 output comprised 707,594 cars, 287,272 goods vehicles, and 9,678 buses and coaches, compared with 897,560 cars, 329,851 goods vehicles, and 9,657 buses and coaches produced in 1955.

Vehicles exported in 1956 numbered 463,164, or 12.7 per cent fewer than the 530,407 exported in 1955. The 1956 total comprised 337,052 cars, 122,374 goods vehicles, and 3,738 buses and coaches, compared with 390,533 cars, 136,671 goods vehicles, and 3,201 buses and coaches sent overseas in 1955.

The severe recession in the automobile industry which occurred in the spring and summer of 1956 was intensified by the Suez crisis and the announcement on Nov. 7 of the forthcoming introduction of petrol rationing.

As a result, only 157,747 cars were produced in the fourth quarter of the year, compared with 236,615 in the fourth quarter of 1955—a decline of 33 per cent. Output of cars in December fell to 51,175, or 40 per cent fewer than the 86,042 produced in December 1955. At the same time shipping difficulties caused by the blocking of the Canal resulted in a reduction of exports, only 20,930 cars and 9,001 goods vehicles being exported in December, compared with 25,823 cars and 12,261 goods vehicles exported in December 1955, representing decreases of 19 and 26 per cent respectively.

The consequent accumulation of vehicles at the factories necessitated the introduction of four-day working at the Vauxhall works at Luton on Nov. 10 and at Rootes' Coventry factories on Nov. 16, whilst on Nov. 19 redundancy dismissals began at the Cowley (Oxford) body works of the Pressed Steel Company (a division of the British Motor Corporation) and by Dec. 8 had reached the 1,200 mark. From Dec. 3 about 9,000 of the 20,000 Ford workers at Dagenham and elsewhere and about 7,000 employees of the Ford subsidiary, Briggs Motor Bodies Ltd., were placed on a four-day week and 800 Rover employees at Solihull (Birmingham) put on three-day week working.

The recession continued during December and January, between 11,000 and 12,000 employees of the Ford and Briggs companies at Dagenham being placed on a three-day week on Dec. 31, whilst some Briggs workers at Doncaster were declared redundant. Other action taken by the motor manufacturers on that date included (1) the adoption of three-day working at Rootes' Coventry factories (6,000 affected); (2) redundancy dismissals at the B.M.C. Morris engine factory at Coventry (affecting 300-400): (3) partial four-day working at the Rolls-Royce works at Crewe (400 affected). On Jan. 3, 1957 a further 700 men were declared redundant at Coventry (450 at the Daimler works and 150 and 100 respectively at the Singer and Standard factories), bringing the number idle or on short time in the Coventry area to over 20,000. Redundancy dismissals also occurred in mid-January in the Birmingham area, including 200 at the Rover (Solihull) and 300 at the Austin (Longbridge) factories).

The first redundancy dismissals from the Ford group factories at Dagenham for many years took place on Jan. 7, when over 1,000 Briggs workers were laid off following a 30 per cent cut in production. On Jan. 15 it was announced that a further 1,350 workers would be dismissed by the end of the month, owing to the decision to revert to four-day working as the three-day week introduced on Dec. 31 had proved uneconomic. Although no redundancy dismissals took place at the parent Ford works, 4,700 Ford employees were working a four-day week by Jan. 15, whilst a further 2,300 were working on three days only.

Mr. Iain Macleod, the Minister of Labour and National Service, announced in the House of Commons on Dec. 20, during a debate on the economic situation, that in order to help the automobile industry to overcome its immediate difficulties, hire-purchase restrictions on cars, light vans, and motor-cycles would be relaxed as from Dec. 21, 1956 by reducing the minimum deposit required from 50 to 20 per cent. No change would be made in the maximum period of repayment, which would remain at two years. At the same time the Order restricting the terms of hiring vehicles by requiring nine months' rental and service charges to be paid in advance had been revoked.

Mr. Macleod explained that the Government believed that the measures taken earlier in the year to counter inflationary tendencies (see 14705 A and 14332 A) were "vital for the steadiness of the price level," and that it had no intention of modifying its general policy. At the same time it recognized that the motor industry had been "hit harder than any other by the shortage of petrol" and had therefore considered whether anything could be done to assist it. He added that workers on short time currently numbered about 90,000 (including about 46,000 engaged in automobile and accessories manufacture), against 70,000 on short time before the petrol restrictions were introduced. The Government feared that there might be a break in employment in the automobile industry in the New Year, but could not agree to a request by motor manufacturers for a reduction in purchase tax, since this would involve a large loss of revenue.

The easing of the petrol situation early in the New Year, and the relaxation of hire-purchase restrictions announced by Mr. Macleod in December (see above), led, however, to a marked improvement in the employment situation in the industry. This improvement was experienced by all leading automobile manufacturers but was particularly notable in sales of smaller cars, increasing numbers of which were exported to the United States and Canada.

Resumption of normal working began on Jan. 24 at the Vauxhall works at Luton, followed by a return to five-day working at the parent Ford factory at Dagenham and the Standard (Coventry) works on Feb. 13, at Briggs Bodies' Dagenham works on March 3, at the Morris and Pressed Steel Company's works at Cowley (Oxford) on March 10, and at the Rolls-Royce Crewe factory on March 11. The Austin Motor Company announced on March 1 that it planned to expand production at its Longbridge (Birmingham) works by 50 per cent to meet the growing demand for its smaller models, while on May 2 the company announced that the Longbridge plant would return to full overtime working in view of heavy demands for all types of vehicles both at home and abroad.

Mr. Frederick Erroll (Parliamentary Secretary, Board of Trade) stated in the House of Commons on Feb. 22 that, following the relaxation of restrictions in December, hire-purchase sales of cars and light commercial vehicles in January had been respectively 70 per cent and 60 per cent higher than sales in December. As a consequence, the number of workers on short time in the automobile industry had fallen from about 60,000 in the first weeks of January to 35,000 in the week ended Feb. 16.—(Board of Trade Journal - Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Motor Industry, 15084 A.)

B. LITERATURE. — Book Selections, April 1957.

Selected books published in Great Britain, the United States and France are given below:

Great Britain. Brenan, Gerald—"South from Granada: Seven Years in Andalusia." (Hamish Hamilton, 21s.)

Burgess, Alan—"The Small Woman." The Story of Gladys Aylward. (Evans, 16s.)

Burns, James Macgregor—"Roosevelt: The Lion and the Fox." (Secker and Warburg, 45s.)

Cronin, Vincent—"The Last Migration." The Story of a Persian Tribe. (Rupert Hart-Davis, 16s.)

Dalton, Hugh—"The Fateful Years: Memoirs 1931-1945." (Frederick Muller, 30s.)

Fleming, Peter—"Invasion 1940: An Account of the German Preparations and the British Counter-measures." (Rupert Hart-Davis, 25s.)

Fulford, Roger—"Votes for Women: The Story of a Struggle." (Faber and Faber, 25s.)

Highet, Gilbert—"Poets in a Landscape: Great Latin Poets in the Italy of Today." (Hamish Hamilton, 30s.)

Kaye, M. M.—"Shadow of the Moon." A Novel of the Indian Mutiny. (Longmans, 18s.)

Maine, René—"Trafalgar: Napoleon's Naval Waterloo." Translated from the French. (Thames and Hudson, 21s.)

Michener, James A.—"The Bridge at Andau." The Story of the Hungarian Revolt. (Secker and Warburg, 15s.)

O'Brien, Conor Cruise—"Parnell and his Party, 1880-1890." (Oxford University Press, 45s.)

Rushbrook Williams, L. F.—"The State of Israel." (Faber and Faber, 21s.)

Whyte, Constance—"More than a Legend: The Story of the Loch Ness Monster." (Hamish Hamilton, 21s.)

United States. Cheever, John—"The Wapshot Chronicle." A Novel of New England. (Harper and Bros., New York, $3.50)

Lord, Walter—"Day of Infamy." An Account of the Japanese Attack on Pearl Harbour. (Henry Holt, New York, $3.95)

France. Siegfried, André—"De la IIIe à la IVe République." (Grasset, Paris, 780 francs)

(Ed. K.C.A.) **(Prev. rep. Book Selections, 15467 C.)**

C. IRISH REPUBLIC - UNITED STATES. — Agreement on Partial Use of U.S. Grant Counterpart Fund.

An agreement between the Irish Republic and the U.S.A. on the use of the American Grant Counterpart Fund was signed in Dublin on March 16. It provided that £500,000 from the fund, which totals £6,142,000, should be allotted to promote further mutual understanding between the peoples of the two countries by wider exchange of knowledge through educational contacts. About £25,000 would be spent each year to finance studies, research, and other educational activities of Irish citizens in American schools, universities and other institutions of higher learning, and of U.S. citizens in similar educational institutions in the Irish Republic.—(Irish Times, Dublin)

A. AUSTRALIA. — Labour Split in Queensland. - State Premier expelled from Labour Party. - Mr. Gair to continue in Office. - Formation of Queensland Labour Party. - First Congress of Democratic Labour Party.

The Premier of Queensland, Mr. Vincent Gair, was expelled from the Labour Party on April 24 by the central executive of the party's Queensland branch, the voting being 35 to 30. Mr. Gair was expelled for refusing to accept the party's directions on social policy—specifically, for resisting a party decision (adopted in 1956) that legislation should be introduced to provide for three weeks' annual leave for all workers in Queensland. This proposal had been resisted by Mr. Gair on the ground that the State's finances could not stand the change involved, although he had made it clear that he was not opposed to the three-weeks' leave in principle. Moreover, Mr. Gair had stressed that, as the leader of a responsible Government, he could not accept dictation by a body which had no responsibility to the electorate.

The Labour members in the Queensland Parliament, meeting on the same day, gave Mr. Gair a vote of confidence by 26 votes to 21. Mr. Gair also received the support of all the Ministers in the Queensland Labour Government except Mr. John Duggan, the Deputy Premier, who subsequently resigned from the State Cabinet. In statements issued on April 25-26, Mr. Gair announced that he did not propose to resign the Premiership; that he would organize his own Parliamentary Labour Party in opposition to the State party "machine"; and that he would not join the breakaway Democratic Labour Party—formerly known as the Labour Party (Anti-Communist)—which had been formed in several other States. It was reported from Brisbane that the party to be formed by Mr. Gair would probably be known as the Queensland Labour Party, and that its rules and constitution would in general follow those of the Australian Labour Party.

At the time of Mr. Gair's expulsion, party strengths in the Queensland Parliament were: Labour 47, Country Party 16, Liberals 8, Independents 4. In view of the support expressed for Mr. Gair by the majority of Labour members, the Premier will still control the largest single parliamentary group, the new position being: Mr. Gair's group 26, Labour Party 22, Country Party 16, Liberals 8, Independents 4. Mr. Gair has been Premier of Queensland since 1952, and was re-elected in 1956 for a three-year term expiring in May 1959. The Labour Party has been in power in Queensland for 25 years.

Mr. Duggan, the former Deputy Premier, was appointed leader of the "official" Labour Party in Queensland on April 30.

The anti-Communist Labour parties which broke away from the official Labour Party in various States before the last Federal election, and which had been collectively known as the Labour Party (Anti-Communist), subsequently took the title of the Democratic Labour Party. At its first congress in Sydney in March 1957, the new party adopted a policy declaration which, *inter alia*, expressed support for SEATO, opposed the recognition of Communist China, and urged that the intake of immigrants should not be reduced on the grounds of economy or shortage of housing.—(Australian News and Information Bureau - Office of the Agent-General for Queensland, London) **(Prev. rep. Queensland, 14957 B; Anti-Communist Labour Parties, 15024 A, 14178 A.)**

B. SCIENTIFIC RESEARCH. — Synthetic Diamonds. - Discovery of Borazon.

The discovery of a new man-made material known as Borazon, harder than a diamond and able to stand more than twice as much heat, was announced on Feb. 12 by the General Electric Research Laboratory at Schenectady, N.Y., where the production of synthetic diamonds had been successfully accomplished a year earlier (see 15107 C). The new material, a compound of boron and nitrogen, was produced under pressures of millions of pounds to the square inch and at temperatures of 3,000 degrees Fahrenheit. The discovery was made by Dr. Robert Wentorf jr., a member of the General Electric Research team that succeeded in making synthetic diamonds.

Dr. Wentorf and other General Electric scientists pointed out that Borazon, the hardest substance ever made by man, was able to scratch diamonds and might, in time, supersede industrial diamonds in a variety of industrial uses. Its resistance to oxidization, for example, might make possible superior methods for mounting stones in industrial tools to those now employed, and might also allow bits and wheels to be operated at higher speeds and thus perform cutting and polishing jobs more speedily and efficiently than at present. It was also pointed out by Dr. Wentorf that whereas a diamond burned at about 1,600 degrees F., Borazon did not melt until subjected to temperatures of over 4,000 degrees.

The word "borazon" is coined from bor (boron) and azon (referring to nitrogen).—(New York Times) **(15107 C.)**

C. UNITED STATES. — Foreign Service.

Further important appointments in the U.S. Foreign Service made during the past three months are listed below (date of Presidential nomination in parentheses):

Australia. Mr. William J. Sebald, Assistant Secretary of State for Far Eastern Affairs, as Ambassador in Canberra *vice* Mr. Douglas Moffat, who died towards the end of 1956. Mr. Sebald has had long experience in the Far East and was political adviser to General MacArthur when the latter was Supreme Allied Commander in Japan. (Feb. 25).

France. Mr. Amory Houghton, an industrialist and a member of the Republican Party, as Ambassador in Paris *vice* Mr. C. Douglas Dillon, who became Deputy Under-Secretary of State for Economic Affairs. Mr. Houghton, chairman of the Corning Glass Corporation (Corning, N.Y.), had never previously held a diplomatic post, though he held Governments posts in war production and lend-lease agencies during the Second World War. (Feb. 25).

German Federal Republic. Mr. David K. Bruce, Ambassador to France from 1949-52, and U.S. representative with the European Coal and Steel Community in 1954, as Ambassador in Bonn *vice* Dr. James B. Conant, whose resignation had been announced in January. One of the few Democrats to be given a diplomatic assignment by the Eisenhower Administration, Mr. Bruce had served at the Paris Embassy during the Truman Administration and was concurrently head of the E.C.A. mission in France. At the time of his nomination to the Bonn Embassy he was a member of the President's board of consultants on foreign intelligence activities. (Feb. 25).

Irish Republic. Mr. Scott McLeod, head of the State Department's Bureau of Security and Consular Affairs, as Ambassador in Dublin *vice* Mr. William Howard Taft, returning to the State Department. (April 9).

[As chief security officer of the State Department since the Eisenhower Administration took office, Mr. McLeod had become well known for his zeal in uncovering "security risks" in the Department. The *New York Times* (April 10) wrote that Mr. McLeod had "directed the hunt for security risks in the Department in 1953 with such gusto that Secretary of State Dulles once reportedly considered dismissing him," while Mr. McLeod's appointment to the Dublin Embassy was also adversely criticized in the *Irish Times*. After prolonged questioning of Mr. McLeod by the Senate Foreign Relations Committee, the latter body approved his appointment to the Dublin Embassy on May 2 by nine votes to six. His nomination was supported by all seven Republican members of the committee and two of the Democratic members (Senators Mansfield and Long), and opposed by the remaining six Democratic members. It was understood that several Democratic members of the committee had criticized Mr. McLeod's activities during the period of "McCarthyism."]

New Zealand. Mr. H. Russell Maine, a career diplomat, as Ambassador in Wellington *vice* Mr. Robert C. Hendrickson (formerly Republican senator for New Jersey), who had resigned to return to private life. (March 22).

Norway. Miss Frances E. Willis, Ambassador to Switzerland, as Ambassador in Oslo *vice* Mr. L. Corrin Strong, retiring. Miss Willis, who joined the Foreign Service in 1921, was the first woman in the State Department to reach the rank of Foreign Service Officer Class 1. (April 9).

Philippines. Mr. Charles E. Bohlen, Ambassador in Moscow for the past four years, as Ambassador in Manila *vice* Mr. Albert F. Nufer, who died in November last. (March 22).

Soviet Union. Mr. Llewellyn E. Thompson jr., Ambassador in Vienna, as Ambassador in Moscow *vice* Mr. Bohlen. Mr. Thompson, who had been Second Secretary at the Moscow Embassy in 1941, played an important part in the discussions which led to the conclusion of the Austrian State Treaty. (April 28).

Commenting on Mr. Bohlen's transfer from the U.S.S.R. to the Philippines, the *New York Times* pointed out that the Manila and Moscow embassies "are of equal rank under State Department regulations."—(New York Times - New York Herald Tribune) **(Prev. rep. U.S. Foreign Service, 15344 B.)**

D. AUSTRIA. — Provincial Elections in Styria.

Landtag elections held in Styria on March 10 resulted as follows, the distribution of seats after the previous elections in 1953 being shown in parentheses: People's Party, 24 (21); Socialist Party, 21 (20); League of Independents and Free Austrian Party, 3 (6); Communists, nil (1). The polling percentage was 96.9 compared with 97.6 at the 1956 general elections, although voting had since become compulsory. (Wiener Zeitung) **(Prev. rep. 14889 A.)**

E. UNITED KINGDOM. — Industrial Accidents, 1956.

The number of fatal industrial accidents (excluding accidents to seamen and fishermen) during 1956 was 1,250 (compared with 1,351 in 1955), comprising 376 in mining and quarrying, 708 in factories, foundries, engineering works, shipyards, gas works, power stations, docks, and building operations, and 171 in the railway service. There were 117 fatal accidents to seamen and fishermen.—(Ministry of Labour Gazette) **(Prev. rep. 14707 D.)**

MAY 4—11, 1957

A. DISARMAMENT. — Disarmament Negotiations between Western Powers and Soviet Union. - Meeting of U.N. Disarmament Commission. - The Bulganin-Eisenhower Correspondence. - Discussions at U.N. General Assembly. - Reconvening of U.N. Sub-committee. - U.S., British, and Soviet Disarmament Proposals. - Joint Norwegian - Canadian - Japanese Proposal for Registration of Nuclear Tests.

The progress of the disarmament negotiations between the Western Powers and the U.S.S.R. during the past twelve months is summarized below under cross-headings, in continuation of report 14851 A. The principal developments during this period were: (1) a meeting of the U.N. Disarmament Commission in July 1956 which made little or no progress towards reconciling the Western and Soviet viewpoints; (2) a lengthy exchange of correspondence between President Eisenhower and Marshal Bulganin, extending over eight months (June 1956 to January 1957); (3) the presentation of new disarmament proposals by the U.S.S.R. and the United States, in November 1956 and January 1957 respectively; (4) discussion of the disarmament question at the recent (11th) session of the U.N. General Assembly, and the adoption of relevant resolutions; (5) the reconvening in March 1957 of the Disarmament Commission's sub-committee (the "London sub-committee"), which continued its discussions throughout April and the first fortnight of May, and at which new proposals on disarmament were presented by the U.S.S.R., Great Britain, and the United States.

Meeting of U.N. Disarmament Commission.

The Disarmament Commission met at U.N. Headquarters from July 3-16, 1956, two separate resolutions being presented —one jointly by the U.S.A., Great Britain, France, and Canada, and the other by the Soviet Union.

Western Resolution.

This resolution urged the Commission's sub-committee to "continue its search for agreement," paying due regard to the following guiding principles:

"(1) The disarmament programme should proceed by stages. Progress from one stage to another must depend upon the satisfactory execution of the preceding stage and upon the development of confidence through the settlement of major political problems.

"(2) The programme should begin, under effective international control, with significant reductions in armed forces to such levels as are feasible in present unsettled world conditions. There should be corresponding reductions in conventional armaments and military expenditures. Further reductions would be carried out as world conditions improved.

"(3) The programme should provide that, at an appropriate stage and under proper safeguards, the building-up of stockpiles of nuclear weapons would be stopped and all future production of nuclear material devoted to peaceful uses.

"(4) The programme should provide for a strong control organization with inspection rights, including aerial reconnaissance, operating from the outset and developing parallel with the disarmament measures. The control measures should also provide against major surprise attack.

"(5) The programme might also include preliminary demonstrations of inspection methods on a limited scale as a help in developing an effective control system and as a means of bringing nearer agreement on a disarmament programme.

"(6) Provision should be made for the suspension of the programme, in whole or part, if a major State failed to carry out its obligations or if a threat to peace should occur under Chapter VII of the U.N. Charter."

Soviet Resolution.

The resolution presented by M. Gromyko on behalf of the Soviet Government contained the following proposals:

(1) The great Powers should assume "a solemn obligation" not to use atomic and hydrogen weapons, which should be prohibited. The resolution called for agreement on the prohibition of weapons of mass destruction; elimination of all stocks of atomic weapons; and cessation of the production of such weapons.

(2) The armed forces of the great Powers (the U.S.A., the U.S.S.R., China, Great Britain, and France) should be reduced to the levels earlier proposed. [That is, the U.S.A., the U.S.S.R and China should reduce their forces to between 1,000,000 and 1,500,000 men, Britain and France to 650,000 men, and other countries to maxima of 150,000-200,000 men: the levels proposed by the U.S.S.R. at the "London sub-committee's" sessions two months earlier—see page 14854, first column.]

(3) An effective control system should be set up to ensure the prohibition of atomic weapons and the reduction in armaments and armed forces. Such a control system should include "provisions for verification and inspection of military units and stores, land, naval and air bases, and other military plants."

(4) Pending the complete prohibition of all nuclear weapons, all States—whether members of the U.N. or not—should renounce the use of such arms, as well as the use or threat of force in international relations.

In presenting these proposals, M. Gromyko made a bitter attack on the NATO, SEATO, and Baghdad alliances and also on President Eisenhower's "open skies" plan [i.e. the plan for mutual aerial inspection], which he described as having "no relation whatever" to disarmament and as "opening no door to the deadlock into which we have run." He also attacked the Western contention that disarmament measures should be accompanied by a "step by step" solution of political problems—declaring in this connexion that to make German unification a pre-condition for reduction of armed forces would "mean the wrecking of any disarmament proposals" and would "not help the German problem." M. Gromyko announced, however, that the U.S.S.R. was prepared to accept the arms "ceilings" previously proposed by the Western Powers—i.e. maximum levels of 2,500,000 for the armed forces of the U.S.A., the U.S.S.R., and China, 750,000 for Britain and France, and 150,000-200,000 for all other countries. Reduction to these levels, he suggested, should be followed by further reductions to the levels proposed by the Soviet Union.

After an inconclusive two-weeks' debate, the Disarmament Commission ended its session by adopting a resolution proposed by its Peruvian member, Dr. Victor Belaunde, the voting being 10 in favour and one against (the U.S.S.R.), with Yugoslavia abstaining. The resolution:

(1) Declared that the resolution presented by the U.S.A., Britain, France, and Canada (see above) "sets forth the principles upon which an effective programme for the regulation and limitation of arms and armed forces can be based."

(2) Welcomed "the narrowing of differences on certain aspects of the disarmament problem that has been achieved both in the sub-committee discussions and in the present session of the Disarmament Commission" [an apparent reference to the Soviet acceptance of the Western "ceilings" for armed forces.]

(3) Noted that "major difficulties remain to be solved before agreement is reached on an international disarmament programme with safeguards which will ensure the faithful observance of the programme by all States."

(4) Expressed the Commission's conviction that "a reconciliation of opposing points of view is both possible and necessary."

(5) Instructed the sub-committee to study the various proposals which had been put forward and to report to the Disarmament Commission at its next (1957) session.

The Peruvian resolution was strongly opposed by M. Gromyko on the grounds previously stated—notably that the Western proposals linked a settlement of the disarmament problem with a concurrent settlement of political questions. M. Gromyko also complained that Dr. Belaunde's resolution took no account of the Soviet proposals and was therefore of a "unilateral" and "highly controversial" character with which the Soviet Union "cannot be expected to agree."

The Bulganin-Eisenhower Correspondence.

In continuation of the sporadic correspondence between Marshal Bulganin and President Eisenhower, initiated by the Soviet Prime Minister on Sept. 19, 1955 (see page 14855), Marshal Bulganin sent a further letter to the U.S. President on June 6, 1956, urging the importance of "practical steps to reduce armaments without waiting for agreement [on disarmament] to be reached in the United Nations," and proposing specifically that the U.S.A., the U.S.S.R., Britain, and France should make "sharp reductions" in their forces in Germany. Similar letters were sent by Marshal Bulganin to the Prime Ministers of Great Britain, France, Canada, Italy, and Turkey, and to the German Federal Chancellor.

Marshal Bulganin to President Eisenhower (June 6, 1956).

After recalling that the Heads of Government participating in the Geneva Conference of 1955 had expressed "the common desire to eliminate the threat of war and diminish the burden of armaments," Marshal Bulganin commented that the disarmament negotiations in the U.N. Sub-committee had "not yielded positive results" and had in fact "retarded progress on this matter." The Soviet Government had therefore "decided to make a new approach to a solution of the disarmament problem." Accordingly, "until such time as an international agreement on disarmament is reached," it proposed that "the efforts of States should be directed toward concrete measures for reducing armaments, which could be carried out without waiting for an international agreement." Such measures, if adopted, would "contribute to the lessening of international tension and the strengthening of mutual trust among nations, which in turn would lead to the creation of more favourable conditions for the realization of an all-embracing universal programme of disarmament."

Marshal Bulganin recalled that the Soviet Government, "without waiting for a disarmament agreement," had unilaterally reduced its forces by 1,200,000 men [see 14878 A], in addition to an earlier cut of

640,000 men; that military expenditures in the State budget of the U.S.S.R. had been cut accordingly, and that 63 divisions were being demobilized, including over 30,000 Soviet troops stationed in Eastern Germany. If corresponding reductions in their forces in Germany were carried out by the U.S.A., Great Britain and France, this could lead to "an agreement on sharp reductions in foreign armed forces in Germany or the withdrawal of foreign armed forces from German territory."

President Eisenhower to Marshal Bulganin (Aug. 4, 1956).

The U.S. President replied as follows on Aug. 4 to Marshal Bulganin's letter:

"... Some time ago I agreed to your proposal for ground inspection on the assumption that you would also agree to my proposal for aerial inspection and exchange of military information, made at Geneva a year ago. So far, I understand that you reject this on the ground that it would be an intelligence operation ... Also I recall my letter to you of March 1, 1956, when I proposed that, after a date to be agreed upon, production of fissionable materials anywhere in the world would no longer be used to increase the stockpiles of explosive weapons. I had hoped that this proposal ... would appeal to you as an important step toward bringing the nuclear threat under control. However, you have never responded to that proposal, and your letter of June 6 makes no reference to the control of nuclear weapons. May I again urge careful consideration of the matter, and especially my proposal of last March?

"You refer in your letter to a possible reduction of our respective forces in Germany. Obviously the problem of forces in Germany cannot be dealt with as an isolated matter. In this respect I must confess that I am greatly disturbed by the developments which have occurred since we met at Geneva last year. We there agreed that the reunification of Germany was a common responsibility of the four Governments, and we also agreed that Germany should be reunified by means of free elections ... Not only has this not happened, but I hear of statements from your side which seem to imply that your Government is determined to maintain indefinitely the division of Germany.

"I must confess that I am perplexed as to how we can work together constructively if agreements which are negotiated at the highest level after the most thorough exploration do not seem dependable. Nevertheless, it is my earnest hope that we will find ways to make progress toward a meaningful control of armaments—a hope shared not only by ourselves but by the peoples of the world ...

"I must say that I do not share your views about the activities of the U.N. Disarmament Sub-committee. Discussions there have done much to shed light on this difficult problem and, I hope, to narrow somewhat the gap between our points of view. May we not do more to realize the hopes which were born of our meeting at Geneva? We then made promises, notably about Germany, which desperately need to be fulfilled ..."

Replies in broadly similar terms were also sent to Marshal Bulganin by Sir Anthony Eden, M. Mollet, and the other Prime Ministers approached. Dr. Adenauer, in his reply, gave an assurance that German reunification would not be sought in any way which could endanger the security of the Soviet Union.

Sir Anthony Eden pointed out that Britain, like the U.S.S.R., had made substantial unilateral reductions in her armed forces in recent years, apart from the still greater reductions carried out after the Second World War. With reference to the Soviet arms cuts mentioned by Marshal Bulganin, Sir Anthony wrote:

"My own feeling is that unilateral reductions of this kind are helpful. I do not think, however, that they are, of themselves, sufficient if international confidence and security are to develop as we wish. To promote such confidence it is essential that disarmament should take place under an international agreement which provides for effective control and inspection, and for adequate measures of protection against surprise attacks.

"During the past 10 years the Western Powers have made persistent efforts to bring about such an agreement. For their part H.M. Government will continue to make every effort to achieve through the United Nations an agreement covering the limitation, reduction, and control of armaments, including nuclear weapons. Perseverance in the work of the U.N. Disarmament Commission and its sub-committee is necessary in order to reach an agreement which will ensure the security of all by means of an adequate system of international control."

As regards Marshal Bulganin's suggestions for reducing armed forces in Germany, Sir Anthony commented: "It does not seem to me to be practicable to consider in isolation your suggestions so far as they concern Germany. I am anxious to find means of reducing armed forces and armaments. But to bring about a real *détente* in Europe it is also necessary that the peoples of Western Europe should feel that the existing guarantees for their security are being retained. On the other hand, comprehensive arrangements to take into account both disarmament and urgent political questions, notably the reunification of Germany, would make real progress possible ..."

Marshal Bulganin to President Eisenhower (Sept. 11, 1956).

Another letter was sent to President Eisenhower by Marshal Bulganin on Sept. 11 in which the Soviet Prime Minister, after regretting that his disarmament proposals had "not met with support on the part of the U.S. Government," dwelt at length on the Soviet objections to the President's "open skies" plan. Marshal Bulganin also expressed his "astonishment" that the Western Powers were linking the question of German unification with an agreement on disarmament, and reiterated the Soviet Government's attitude to the German problem.

Marshal Bulganin commented as follows on the President's "open skies" plan: "Air inspection and aerial photography mean that data about the territory of States, and their industry and other resources, is put at the disposal of other countries. One must not close one's eyes to the fact that military leaders and, let us not conceal the facts, also individual politicians in some countries have repeatedly expressed their wish to obtain fuller intelligence data about the military and industrial resources of the U.S.S.R. ...

"Judge for yourself: Can the Soviet Government, and the Soviet people in general, approach without fear the demands for aerial reconnaissance and aerial photography? Clearly they cannot, and I think that this view is shared by many Western countries which are perfectly well aware of the fact that in the present circumstances, with the existence of military groupings and of distrust in relations between nations, mutual intelligence activity would only increase mutual fear of the danger of an unexpected attack and would generate a war psychosis ...

"What I have said above does not signify that we deny the importance of agreed measures aimed at averting the danger of an unexpected attack by one State on another ... We ourselves have proposed definite measures for the purpose. I refer to our proposals for the setting-up of control posts in important centres railroad junctions, airfields, highways, ports, etc. The setting-up of such posts, which is entirely possible even in the present state of international distrust, would eliminate the dangerous secrecy of the concentration of armed forces by this or that State, and thereby also the danger of an unexpected attack. It is clear that this proposal is of value only if it is implemented in close relation with the reduction of armaments and armed forces. Otherwise it loses its importance, like any other kind of control ..."

On the question of Germany, Marshal Bulganin wrote as follows "I and my colleagues do not hide our astonishment that of late, during negotiations on disarmament, new preliminary conditions have been put forward on the solution of the German and other unsolved international problems. I think you will agree with me that to make agreement on disarmament dependent on, for instance, the settlement of the German problem, means in fact a renunciation of the search for agreement on disarmament.

"The Soviet Government remains an advocate of the reunification of Germany ... At the same time the Soviet Government has already drawn the attention of the U.S. Government and of other Powers to the fact that in Western Germany the militarist forces which were guilty of unleashing the Second World War are being restored.

"Developments in Western Germany acquired a particularly dangerous aspect after the conclusion of the Paris treaties and after the German Federal Republic joined the Atlantic Pact. The introduction of compulsory national service in Western Germany creates conditions for the development of the largest army in Western Europe. The production of arms is being restored in the German Federal Republic and large-scale purchases of armaments are being made abroad.

"It becomes obvious that the remilitarization of Western Germany, which is accompanied by the suppression of the elementary democratic rights and freedoms of the West German population, tends to make impossible the creation of a united Germany as a peaceful and democratic State ... One must draw the conclusion that the question of German reunification is primarily a question of changing the present political course of the Government of the Federal Republic, which is leading to the transformation of Western Germany into a hotbed of war danger in Europe ..."

Marshal Bulganin to President Eisenhower (Oct. 17, 1956).

In a further letter to President Eisenhower on Oct. 17 (sent before the President had replied to Marshal Bulganin's letter of Sept. 11), the Soviet Prime Minister urged an immediate U.S.-Soviet agreement to ban tests of atomic and hydrogen weapons. In the course of this letter which was written during the American presidential election campaign—Marshal Bulganin accused Mr. Dulles of "not stopping short of direct attacks on the Soviet Union and its peaceable foreign policy." In addition, Marshal Bulganin expressed his "entire agreement with the view that has been taken of late by certain prominent public figures in the United States about the necessity and possibility of agreement on the banning of atomic tests." [The reference to "prominent public figures" was believed to refer to Mr. Adlai Stevenson, the Democratic presidential candidate, who had declared that he would open negotiations with the U.S.S.R. and Britain for the immediate suspension of nuclear weapon tests if elected to the presidency—see page 15238, second column.]

"We realize," wrote Marshal Bulganin, "that a debate on problems of international importance, including those of disarmament, is apt to take on a polemical form in the United States at the moment, as the election campaign is in progress. We cannot, however, disregard the fact that in some instances official pronouncements are giving evidence of manifest misrepresentation of the Soviet Union's policy on these matters. This is, unfortunately, particularly true of statements made by Mr. Dulles ..."

Marshal Bulganin went on to refer to the Soviet Government's "unfailing advocacy of the unconditional prohibition of atomic weapons", mentioned the growing apprehensions of all nations, including the U.S.A., at "the possible consequences of the continuing atomic arms race"; and deplored "the fact that the U.S. Government does not consider it possible to join its efforts with those of many other States directed toward banning atomic weapons and concluding an appropriate international agreement to this end." Nevertheless, the Soviet Government believed it possible to conclude an agreement between the two countries on the banning of atomic tests, as a "first step" toward an international agreement covering all aspects of the disarmament problem.

"Should such an agreement be reached on this matter," said Marshal Bulganin, "there would be no particular difficulty in supervising its implementation, since in the present state of science no atomic or hydrogen explosion can be carried out without being recorded in other countries . . . Consequently, no Government which had given a solemn undertaking to cease tests would be able to break it without exposing itself in the eyes of the whole world as a violator of the agreement."

In conclusion, Marshal Bulganin said that he was "surprised" that President Eisenhower had "expressed doubts about the Soviet Union's willingness to end tests of its atomic and hydrogen weapons"; declared that there was "no reason at all" for such doubts; and said that the U.S.S.R. could cast equal doubt upon American assurances on this matter. After expressing the Soviet Government's conviction that it was "impossible to make the settlement of the question of atomic tests dependent on agreement on the disarmament problem as a whole," Marshal Bulganin reiterated that the U.S.S.R. was ready to conclude an immediate agreement with the U.S.A. for the ending of such tests "on the assumption that other countries possessing atomic weapons will also accede to such an agreement."

President Eisenhower to Marshal Bulganin (Oct. 21, 1956). - Rejoinder to Soviet Premier's References to Mr. Dulles.

The above-mentioned letter from Marshal Bulganin aroused strong resentment in Washington, particularly because its text had been issued in Moscow before the State Department had had the opportunity of translating the letter and delivering it to President Eisenhower. In a brief reply to Marshal Bulganin, sent on Oct. 21, the President described the Soviet Premier's remarks about Mr. Dulles as "offensive," and expressed his regret that Marshal Bulganin's letter had "departed from accepted international practice in a number of respects."

"First," wrote President Eisenhower, "the sending of your note in the midst of a national election campaign, expressing your support of the opinions of 'certain prominent public figures in the United States,' constitutes an interference by a foreign nation in our internal affairs of a kind which, if indulged in by an Ambassador, would lead to his being declared *persona non grata* in accordance with long-established custom.

"Second, having delivered a lengthy communication in the Russian language, you have published it before it could be carefully translated and delivered to me. Because of this, and of the necessity of placing the facts accurately before the public, I am compelled to release this reply immediately.

"Third, your statement with respect to the Secretary of State is not only unwarranted but is personally offensive to me.

"Fourth, you seem to impugn my own sincerity.

"However, I am not instructing the State Department to return your letter to your Embassy. That is not because I am tolerant of these departures from accepted international practice, but because I still entertain the hope that direct communications between us may serve the cause of peace.

"You and I have exchanged a number of letters since our meeting in Geneva on the reduction of armaments and related matters in our effort to make progress toward the goal of peace. I hope that that practice may be resumed in accordance with accepted standards.

"The United States has for a long time been intensively examining, evaluating, and planning dependable means of stopping the arms race and reducing and controlling armaments. These explorations include the constant examination and evaluation of nuclear tests. To be effective, and not simply a mirage, all these plans require systems of inspection and control, both of which your Government has steadfastly refused to accept. Even my 'open skies' proposal of mutual aerial inspection, suggested as a first step, you rejected.

"However, though disappointed, we are not discouraged. We will continue unrelenting in our efforts to attain these goals. We will close no doors which might open a secure way to serve humanity. We shall entertain and seriously evaluate all proposals from any source which seem to have merit, and shall constantly seek for ourselves formulations which might dependably remove the atomic menace."

[As mentioned below, a further letter was sent by President Eisenhower to Marshal Bulganin on Jan. 2, 1957, in connexion with new disarmament proposals put forward by the Soviet Government in November.]

New Soviet Proposals on Disarmament.

New proposals on disarmament put forward by the Soviet Government were sent by Marshal Bulganin on Nov. 17, 1956 to President Eisenhower, Sir Anthony Eden, and M. Mollet, together with a renewed suggestion for a "summit" conference as previously proposed by the Swiss Government (see 15216 B). The new proposals generally followed the line of previous Soviet statements but, for the first time, included willingness to examine President Eisenhower's "open skies" plan for an area of 800 kilometres (500 miles) east and west of the present dividing line between the NATO and Warsaw Treaty forces in Europe. The proposals contained the following points:

(1) The armed forces of the U.S.A., the U.S.S.R., China, Great Britain and France to be reduced within the next two years to between 1,000,000 and 1,500,000 for the first three countries and to 650,000 for Britain and France. As a first step, the U.S., Soviet and Chinese forces to be reduced during the first year (i.e. 1957) to 2,500,000 each, and the British and French forces to 750,000 each. Maxima of 150,000-200,000 to be set for the forces of all other States. Armaments to be reduced correspondingly with the reduction of armed forces.

(2) A ban on atomic and hydrogen weapons to come into force during the same two-year period, together with the ending of the manufacture of such weapons, prohibition of their use, and destruction of existing stocks. The immediate cessation of atomic and hydrogen weapon tests was urged as a first step to this end.

(3) A reduction of one-third in the U.S, British, French and Soviet forces in Germany during 1957.

(4) A "considerable reduction" during the same year of the armed forces of the U.S.A, Britain and France stationed in NATO countries and of Soviet forces stationed in the Warsaw Pact countries.

(5) Liquidation within two years of "foreign military, naval and air bases situated on the territories of other States"

(6) Reductions in military expenditure during the next two years *pari passu* with the above-mentioned measures.

(7) The setting-up of control posts at rail junctions, main motor-roads, and aerodromes in the respective States, on a reciprocal basis, "with a view to preventing a sudden attack by one State on another," and to ensure that there were "no dangerous concentrations of armed forces or armaments."

(8) As regards aerial inspection, the statement declared: "The Soviet Government has repeatedly expressed its attitude toward the so-called plan for aerial photography, and has stated that this proposal solves neither the problem of disarmament nor that of preventing aggression. But taking into account that the proposal has been advanced as a condition for an agreement on disarmament . . . the Soviet Government is prepared to examine the use of photography in the areas of Europe where forces of the North-Atlantic bloc and of the Warsaw Treaty countries are stationed, these aerial surveys to be carried out to a depth of 800 kilometres (about 500 miles) to the east and west of the demarcation line between the above-mentioned forces and with the agreement of the States concerned."

The Soviet memorandum—issued during the Suez crisis, and shortly after the Hungarian uprising—denied that the U.S.S.R. had any aggressive aims, and denounced "fabrications . . . concerning the alleged concentration of Soviet forces in countries of Eastern Europe, exceptional troop movements on the western and southern frontiers of the U.S.S.R., etc."

After asserting that the Anglo-French "military gamble against Egypt" had weakened the political and strategic positions of both countries in Europe, and that the NATO forces in Europe as a whole had also been "seriously weakened," the statement referred to "attempts being made to whip up a slanderous campaign against the U.S.S.R. in connexion with the failure of the counter-revolutionary plot against the people of Hungary." It added:

"If the Soviet Union . . . really had the aggressive intentions ascribed to it, it could accomplish the military aims ascribed to it in Western Europe, even without utilizing nuclear and rocket weapons. It may be openly said that the present strategic situation in Western Europe is even more favourable for the armed forces of the Soviet Union than was the case at the end of the Second World War, when the fully mobilized Soviet Army was capable of gaining a firm foothold in all of Western Europe had the Soviet Union set itself such aims. However, both at the end of the war and at present, the Soviet Union did not have, and does not have, any aims other than the preservation and consolidation of peace . . ."

The statement said in conclusion: "The Soviet Government considers it useful to convene a conference of the Heads of Government of the U.S.S.R., the U.S.A., Great Britain, France, and India, as proposed by the President of the Swiss Confederation. This . . . could pave the way for a broader conference . . . in which the Heads of Government of the NATO and Warsaw Pact countries could participate. The Heads of Government of a number of other States should participate in such a conference, primarily China, Yugoslavia, Indonesia, and Burma, who are neither members of the Warsaw Pact nor of NATO, SEATO, or the Baghdad Pact."

President Eisenhower's Reply to Marshal Bulganin (Jan. 2, 1957).

In a letter to the Soviet Prime Minister on Jan. 2, 1957, President Eisenhower said he had given "careful consideration" to Marshal Bulganin's proposals of Nov. 17 but found himself "in basic disagreement with the analysis of your Government as it relates to the source of international tension." The President wrote:

"The people of the United States cannot accept the [Soviet] declaration's attempt to dismiss as a 'slanderous campaign' the world's indignant reaction to the Soviet armed actions against the people of Hungary. While the Soviet Government has not responded to the constructive recommendations of the U.N. with respect to Hungary, the parties at dispute in the Middle East have accepted the assistance of the United Nations. A similar response by the Soviet Union to the U.N. resolutions concerning Hungary would constitute a significant step toward the reduction of the tensions to which the Soviet declaration addresses itself.

"Your Government's statement suggests that the strategic situation in Western Europe is now advantageous to the armed forces of the Soviet Union. This statement does not seem calculated to relieve international tensions. Moreover, I am convinced in the light of my long association with the North Atlantic Treaty Organization that it is fully capable of carrying out its mission of collective defence.

"You suggest further meetings of Heads of Government. I could agree to a meeting whenever circumstances would make it seem likely to accomplish a significant result. But, in my opinion, deliberations within the framework of the United Nations seem most likely to produce a step forward in the highly complicated matter of disarmament. Accordingly, the United States will make further proposals there.

"I take hope from your apparent willingness to consider aerial inspection as a positive factor in the problem of disarmament. Much to my regret, however, your Government's declaration does not signify willingness to seek agreement on the basic element of my Geneva proposal of averting surprise attack through aerial inspection of the centres of our military power.

"The United States is giving this and your other disarmament proposals careful study. We are prepared to discuss them, as well as the further U.S. proposals, in forthcoming meetings of the Disarmament Sub-committee . . ."

The replies of Sir Anthony Eden and M. Mollet (made public on the same day) similarly expressed the view that in present circumstances the best forum for a discussion of disarmament was the U.N. Disarmament Commission and its sub-committee, and not a conference of Heads of Government as proposed by Marshal Bulganin.

U.N. General Assembly Discussions. - U.S. Disarmament Plan. - Proposed Control of Intercontinental Missiles. - British Statement. - U.N. Resolution.

At the eleventh session of the U.N. General Assembly, new American proposals on disarmament were put forward in the Political Committee on Jan. 14 by Mr. Cabot Lodge, the U.S. delegate. These proposals—a notable feature of which was the international control of intercontinental missiles—were as follows:

(1) Agreement that "all future production of fissionable materials shall be used or stockpiled exclusively for non-weapon purposes under international supervision." Once "firm commitments" to this effect were obtained, it would be possible to move towards the reduction of existing stockpiles, and the U.S.A. was prepared, under the international Atoms-for-Peace programme, to "make generous, progressive transfers of fissionable material to peaceful uses . . ."

(2) If such an arrangement were put into effect, "it would then be possible in a secure manner to limit and ultimately to eliminate all nuclear test explosions." Pending the attainment of this, the U.S.A. was willing "to work out promptly methods for advance notice and registration of all nuclear tests."

(3) Immediate action toward a "first stage" reduction of "conventional" forces and armaments, using as a basis the figures upon which the five members of the Sub-committee appeared to agree 2,500,000 men for the U.S.S.R. and the U.S.A., and 750,000 for France and the United Kingdom. This would be achieved concurrently with the progressive establishment of an effective inspection system to verify the commitments. In this connexion the United States accepted Marshal Bulganin's proposal for ground observer posts in key positions, in addition to its own scheme for mutual aerial reconnaissance.

(4) The testing of "objects to be propelled through outer space," including inter-continental missiles, long-range unmanned weapons and "space platforms," should be placed "under international inspection and participation" as a first step toward ensuring that future developments in this sphere "would be devoted exclusively to peaceful and scientific purposes."

(5) "The progressive installation of inspection systems which will provide against the possibility of surprise attack." In this connexion the U.S.A. urged that an international agency for the regulation of armaments should be installed concurrently with the beginning of the disarmament programme.

In presenting this resolution, Mr. Lodge stressed that future negotiations on disarmament should be directed toward attaining the following objectives: reversal of the trend toward larger stockpiles of atomic weapons; provision against surprise attack, thereby reducing the danger of major war; lessening of the burden of armaments, thereby making possible improved living standards; ensuring that research and development concerning "the propulsion of objects through outer space" would be devoted exclusively to scientific and peaceful purposes; and the easing of international tensions, thus facilitating the settlement of difficult political issues. Mr. Lodge reiterated that the U.S.A. was ready and willing to take steps toward arms reductions, whether extensive or small, but emphasized that each step must be subject to effective inspection. "This insistence on adequate inspection," he added, "is not a whim. It arises from the deep conviction, after thorough study, that only an inspected agreement would serve the objective of a reliable peace."

The Soviet delegate, M. Kuznetsov, moved a disarmament resolution similar to his Government's proposals of Nov. 17, 1956 (see above). Though denouncing American and NATO policy in general, and the "Eisenhower doctrine" for the Middle East in particular, he said that the Soviet Government would give "careful study" to the proposals presented by Mr. Lodge.

The British delegate, Commander Allan Noble (U.K. Minister of State for Foreign Affairs), made an important speech on Jan. 15 in which he laid emphasis, *inter alia*, on the need to control intercontinental missiles, as proposed by the U.S.A., and on the menace of long-range submarines capable of being used as launching platforms for guided missiles.

Commander Noble suggested that when the five-Power Disarmament Sub-committee resumed its negotiations, it should concentrate on three main points "conventional armaments, experiments in control, and the problem of nuclear test explosions. After expressing continued support for the phased disarmament plan presented by Britain and France in the U.N. Sub-committee in March 1956 (see page 14853, second column), and recapitulating the arguments in its favour, Commander Noble added: "There are other instruments of war, not necessarily in the nuclear category, which are scarcely less menacing than nuclear weapons themselves. The U.S. Government now propose that the development of vehicles entering outer space should be internationally supervised, and that these projectiles should be devoted exclusively to scientific and peaceful ends. This would mean, in fact, the banning provided an adequate control system can be agreed of intercontinental ballistic missiles. The United Kingdom agrees that this question should be urgently studied."

Recalling his own experience as an official observer at the Bikini atom-bomb tests in 1946, Commander Noble declared: "There was a moment in 1945 and 1946 when united action might have prevented the whole development of atomic and thermo-nuclear weapons. We missed that moment to our cost. Today, however, there may be another opportunity which will not long remain to agree on the banning of these new intercontinental ballistic weapons while they are still only in the development stage. We should be failing in our responsibilities if we did not face these facts and give this question the priority it deserves."

Commander Noble (himself a naval officer) went on to emphasize that the long-range submarine was "another weapon of a particularly menacing nature, capable of underwater endurance of up to 15,000 miles. Further," he added, "they can be used as launching platforms for guided missiles. Such submarines are offensive and not defensive weapons. Clearly a disarmament programme which banned the atomic bomb but left such offensive weapons uncontrolled would give little real security." Declaring that long-range ballistic missiles and long-range submarines were "only two examples of the weapons that will have to be covered by a comprehensive disarmament plan," he added: "It will also be necessary to limit and control military aircraft, warships, armoured vehicles, guns of all types, flamethrowers, rockets and other weapons. The U.K. suggests, therefore, that the Disarmament Sub-committee should embark on a study of the problems posed by these weapons."

After debate, the Political Committee adopted on Jan. 25 a 12-nation resolution co-sponsored by the five members of the U.N. Disarmament Sub-committee (the U.S.A., U.S.S.R., Great Britain, France, and Canada) plus Argentina, Brazil, El Salvador, India, Japan, Norway, and Yugoslavia—by 77 votes to nil, with no abstentions. The resolution:

(1) Welcomed "the progress made on certain aspects of the disarmament problem by the Disarmament Commission and its sub-committee since the tenth General Assembly."

(2) Requested the Disarmament Sub-committee "to reconvene at an early date."

(3) Recommended that the Disarmament Commission and the sub-committee should give "prompt attention to the various proposals that have been submitted to the United Nations . . . and continuing consideration to President Eisenhower's plan for exchanging military blueprints and mutual aerial inspection and Marshal Bulganin's plan for control posts at strategic centres."

[The "various proposals submitted to the U.N." included the U.S., Soviet, and Anglo-French resolutions presented during the previous two years; a joint Canadian-Norwegian-Japanese proposal (made during the 11th Assembly session) that all nuclear tests should be registered with the United Nations; an Indian proposal for the suspension of nuclear tests and the establishment of an "arms truce"; and a Yugoslav proposal that the U.N. Sub-committee should seek an early agreement on carrying out "such initial disarmament measures as are now feasible."]

(4) Recommended further that the U.N. Sub-committee should present a progress report to the Disarmament Commision not later than Aug. 1, 1957.

(5) Invited the Disarmament Commission "to consider the advisability of recommending that a special session of the General Assembly or a general disarmament conference be convened at the appropriate time."

In view of the unanimous adoption of the 12-nation resolution, no vote was taken by the Political Committee on the Soviet resolution, nor on the joint request by Canada, Norway, and Japan for registration of nuclear tests with the U.N. The 12-nation resolution was unanimously adopted by the General Assembly on Feb. 14, together with another resolution (also unanimous) asking the U.N. Sub-committee to reconvene in London on March 18.

London Session of U.N. Sub-committee.

In conformity with the U.N. resolution, the sub-committee of the U.N. Disarmament Commission reconvened in London on March 18 and agreed to discuss the various aspects of the disarmament problem in the following order: (1) nuclear tests; (2) reduction of conventional armaments; (3) reduction of nuclear armaments; (4) international control; (5) missiles and rockets; (6) other matters.

The meetings—which continued during April and the first fortnight of May—were held in secret session, but from time to time details were made public of the various proposals and counter-proposals presented. These included (*a*) U.S. proposals for exchanges of information with the U.S.S.R. on nuclear tests, for "first stage" reductions in armed forces, and for international inspection to ensure that fissionable materials were used for peaceful purposes only; (*b*) new disarmament proposals by the Soviet Union including, for the first time, an aerial inspection plan; and (*c*) British proposals for the advance registration and eventual cessation of nuclear tests. Summaries are given below:

American Proposals on Nuclear Control and Arms Reductions.

These were presented on various dates by Mr. Harold Stassen, the U.S. representative on the sub-committee, and dealt with the following subjects:

Exchange of Information on Nuclear Tests. Mr. Stassen proposed on March 28 that the U.S.A. and the U.S.S.R. should exchange information on all nuclear weapon tests carried out by either country during the past two years. While emphasizing that the U.S.A. would be willing "under appropriate conditions" to stop or limit nuclear tests, he stressed that conflicting contentions by U.S. and Soviet experts about the detection of nuclear explosions must first be settled. [Soviet experts had contended that all such tests could be detected, no matter in what part of the world they were carried out, but U.S. experts had expressed doubt whether this was in fact the case.]

The "appropriate conditions" under which the U.S.A. would limit or suspend nuclear tests were outlined by Mr. Stassen as follows: (i) adequate international inspection; (ii) safeguards against the possibility of surprise attack; (iii) reduction of future nuclear arms threats by halting the manufacture of these weapons and ensuring that fissionable materials were used only for peaceful purposes. After pointing out that the U.S.A. and Britain had a policy of minimizing radioactivity resulting from their nuclear tests, and asking if the U.S.S.R. had a similar policy, Mr. Stassen proposed that the question should be discussed between U.S. and Soviet experts.

[Mr. Stassen's statement reflected the agreement between President Eisenhower and Mr. Macmillan at Bermuda on the limitation of nuclear tests and the precautions to be taken in connexion with such tests—see 15457 A.]

Arms Reductions. In a statement on April 8, Mr. Stassen said that if agreement could be reached on an initial cut of 10 per cent in conventional armaments, the U.S.A. would be ready to consider a "second stage" reduction of 15 per cent. He recalled that all five countries represented on the Sub-committee had agreed on initial manpower reductions to 2,500,000 for the U.S.A. and the U.S.S.R. and 750,000 for Britain and France, and suggested that these reductions should be accompanied by a 10 per cent cut in armaments, to be carried out within 12 months under international supervision.

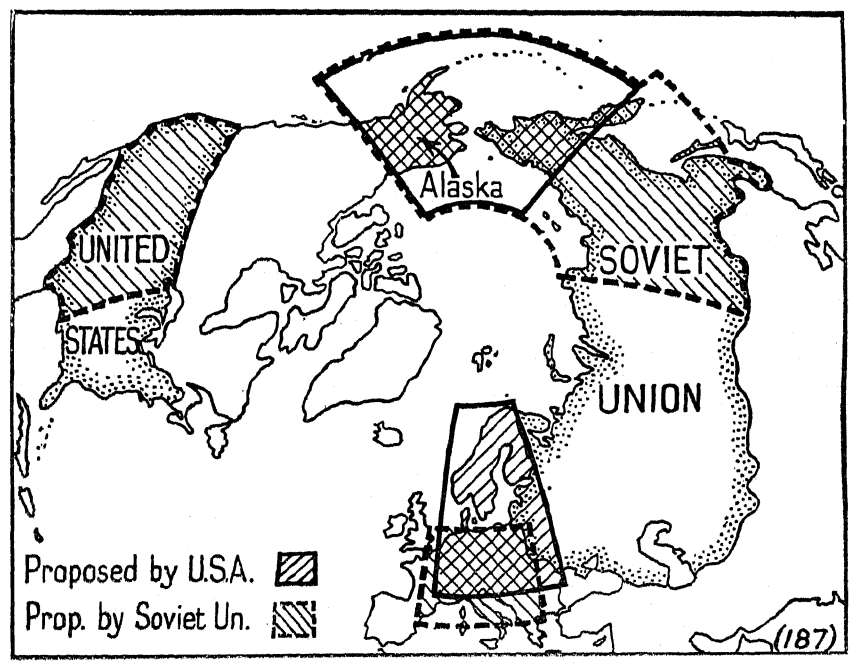
The Soviet representative (M. Valerian Zorin) described this suggestion as an "important step" and promised to consult his Government. No comment was made by the British, French and Canadian delegates.

Nuclear Control Plans. Proposals for the creation of an international inspectorate to ensure that fissionable materials were used only for peaceful purposes were put forward by Mr. Stassen on April 12. The aims of such an organization would be: (1) supervision of further production of such materials; (2) prevention of their use for weapon purposes; (3) gradual transfer of stocks of existing materials to peaceful purposes. Mr. Stassen proposed that technical experts of the five countries should meet in September 1957 to prepare an inspection system and that the inspectorate should begin operations on March 1, 1958.

Commander Noble (U.K.) and M. Jules Moch (France) gave general support to these proposals, though pointing out that they did not go as far as the Anglo-French proposals of March 1956, which provided for an ultimate ban on nuclear armaments in the last stage. M. Zorin criticized the U.S. proposals on the grounds that they did not provide for the elimination of stocks of nuclear weapons or for an unconditional ban on their use.

Soviet Proposals. - Aerial Inspection Plan.

New Soviet proposals for partial disarmament were presented to the sub-committee by M. Zorin on April 30. Among other features, they offered reciprocal aerial inspection differing widely from that proposed by the United States, and covering a large part of the Eastern U.S.S.R. (mainly Siberia) in exchange for an area covering most of the U.S.A. from the Great Lakes westward. In Europe, it was proposed that aerial inspection



The map shows (i) the areas proposed by the United States for reciprocal aerial inspection; (ii) the areas proposed by the U.S.S.R. (By permission of *The Times*)

should extend over an area which would include England east of the Greenwich meridian and up to latitude 54 degrees N., France and the Low Countries, Italy, Germany (East and West), Central Europe, the greater part of the Balkans down to the southern frontier of Albania, Poland, and a small part of the Western areas of the Soviet Union.

The Soviet proposals included the following:

Reduction in Armed Forces. A two-stage reduction in armed forces to be carried out as follows: (1) in the first stage, reductions to 2,500,000 men each for the U.S.S.R., the U.S.A. and China, and to 750,000 men each for Britain and France; (2) in the second stage, further reductions to maxima of between 1,000,000 and 1,500,000 men each for the U.S.S.R., the U.S.A. and China and 650,000 men each for Britain and France.

[On the question of reducing armed forces, the Soviet plan made use of an argument not previously advanced—namely, that the U.S.S.R.'s need for armed forces was greater than that of the United States. It was argued that whereas the Soviet Union had long frontiers which were "threatened" by the NATO, SEATO, and Baghdad Pact powers, the U.S.A. was separated from Europe and Asia by oceans and bordered on the north and south by countries (i.e. Canada and Mexico) which presented no threat to her security.]

Reduction in Armaments. A 15 per cent cut during the first stage of troop reductions, accompanied by corresponding reductions in military expenditures. Further arms cuts during the second stage.

Controls and Ground Inspection. The above-mentioned reductions would be carried out under "an appropriate international control" which, during the first stage, would include examination (by a control

organ established under the aegis of the Security Council) of information provided by the States concerned on measures taken by them. Ground control and inspection would be carried out in the following manner :

(i) During the first stage, reciprocally at large ports, rail junctions, and main motor-roads so as to check dangerous concentrations of troops. Such posts would be established in the Western border regions of the U.S.S.R., the territories of the NATO and Warsaw Pact countries, and the eastern part of the United States ; also, possibly, in other States within the zones subject to aerial photography.

(ii) During the second stage, control posts would also be established at airfields. [This stage would only be carried out *pari passu* with an agreement for complete prohibition of nuclear weapons.]

Nuclear Weapons and Tests. It was proposed that agreements for the reduction of conventional and nuclear weapons should be concluded simultaneously ; that States should renounce such weapons - including bombs, rockets, atomic artillery, etc.—with effect from the beginning of the first-stage reductions ; and that agreement should be reached on the banning of nuclear weapons, the ending of their production, and the destruction of existing stocks. The discontinuation of nuclear weapon tests should be given the highest priority and achieved without delay.

Foreign Bases. - Forces in Germany. The proposals repeated the earlier Soviet calls for the liquidation of foreign bases within one or two years, and for the reduction of the NATO and Warsaw Pact forces in Germany.

Aerial Inspection. As regards Europe, it was recalled (i) that the U.S.S.R. had proposed (on Nov. 17, 1956) aerial inspection to a depth of 500 miles on either side of the east-west demarcation line in Germany and along the Western frontiers of Czechoslovakia ; (ii) that the U.S.A. had proposed an area limited in the West by longitude 5 deg. E., in the east by longitude 30 deg. E., and in the south by latitude 45 deg. N. (see map on page 15521). The Soviet Union would accept the latter area with modifications, keeping the dividing line of the area near the present demarcation line in Germany, limiting the sector in the north to the northern limits of Germany, and drawing its southern boundary through the extreme south of Albania. Accordingly, the U.S.S.R. proposed that aerial inspection in Europe should be carried out in an area " limited in the west by zero [Greenwich] meridian, in the east by longitude 25 deg. E., in the north by latitude 54 deg. N., and in the south by latitude 39 deg. 38 sec. N."

As regards the Far East, the U.S.A. had proposed aerial inspection within a sector from longitude 140 deg. W. to longitude 160 deg E., limited in the south by latitude 45 deg. S. (See map). The Soviet Government would expand this area to include (*a*) territory of the Soviet Union east of longitude 108 deg. E. ; (*b*) territory of the United States west of longitude 90 deg. W., thus making the two areas approximately equal (Soviet Union, 7,129,000 square km., or about 2,780,000 square miles ; United States, 7,063,000 square km., or about 2,730,000 square miles).

The Tass Agency issued a statement on the same day (April 30) saying that the Soviet Government's aerial inspection proposals were " designed to meet the Western Powers halfway," in view of the importance attached to this question by the U.S. Government and by President Eisenhower.

As shown on the map, the respective aerial inspection plans for Europe differed in the following respects : (1) The American plan would exclude the British Isles, much of France, the greater part of Italy, and most of the Balkans except Rumania, but would include Scandinavia, Finland, and a considerable area of the Western U.S.S.R., including Leningrad and the Baltic republics. (2) The Soviet plan, on the other hand, would exclude Scandinavia, Finland, and the Western regions of the U.S.S.R., apart from a small strip of territory adjoining the Polish frontier, but would include practically the whole of France, south-east England (including London), north-eastern Spain, almost the whole of Italy, and the Balkan peninsula with the exception of Greece, eastern Bulgaria and eastern Rumania.

As regards the Far East and the American continent, the U.S. plan envisaged aerial inspection in Alaska, the Aleutians, and north-eastern Siberia, including part of the Kamchatkan peninsula. The Soviet plan included these areas but broadened them to include (*a*) a large part of eastern Siberia, including Sakhalin and the whole of Kamchatka, and extending southward to the Chinese and Korean frontiers ; and (*b*) the Western United States from the Pacific Coast to the Great Lakes.

No comment was made by the Western delegates on the new Soviet proposals, apart from a statement by the French delegate (M. Moch) that France was prepared to renounce nuclear tests if the U.S.S.R., the U.S.A., and Britain also renounced the production of nuclear weapons and agreed to a procedure for reducing nuclear stocks.

British Proposals for Registration and Limitation of Nuclear Tests.

At the sub-committee's meeting on May 6, Commander Noble put forward the following British proposals for the registration, limitation, and ultimate cessation of nuclear weapon tests :

Registration. The British, U.S., and Soviet Governments should draw up an agreement whereby nuclear tests carried out by the three countries would be registered in advance with the United Nations, as proposed in the Canadian-Norwegian-Japanese draft resolution submitted to the General Assembly. Britain would agree to " limited international observation " of such tests.

Limitation. A committee of technical experts should be established (within the framework of the Sub-committee) to consider possible methods of limiting nuclear test explosions and to investigate " the requirements of effective supervision over an agreement to limit such explosions." The results of this investigation might be co-ordinated with the work of the body of experts which, as suggested by Mr. Stassen, should prepare a general system of nuclear control.

Cessation. The cessation of all nuclear test explosions should follow the prohibition of the production of fissile materials for weapons purposes, as part of a general disarmament agreement.

No official comment on the British proposals was made by the U.S., French, or Canadian delegates, but M. Zorin, though not specifically rejecting them, suggested that they contained " nothing of practical value " which would help toward the banning of nuclear weapon tests.

Norwegian Memorandum on Registration of Nuclear Tests.

Details of the proposals for registration of atomic tests, put forward jointly by Canada, Japan, and Norway at the U.N. General Assembly, were submitted by the Norwegian Government on April 26 to the Disarmament Sub-committee in London. The Norwegian memorandum proposed (1) that any Government intending to carry out test explosions should notify the U.N. Secretary-General at least six months in advance, and (2) that all relevant information should be sent to the Secretary-General at least three months in advance. Specific information to be disclosed should include the number of tests planned, the dates and location of each, the limits of the danger zone, relevant reports on meteorological and oceanographical conditions, estimates of the type and quantity of radioactive " fall-out " both inside and outside the danger zone, and the geographical area likely to be affected.
(U.N. Information Centre, London - New York Times - New York Herald Tribune - Times - Daily Telegraph - Manchester Guardian - Soviet Weekly - Le Monde - Aftenposten, Oslo)
(Prev. rep. Disarmament Negotiations, 14851 A)

A. UNITED KINGDOM. — Gold and Dollar Reserves.

The Treasury announced on May 2 that the sterling area's gold and dollar reserves had risen during April by $111,000,000, after taking into account (*a*) the return to the reserves of the $104,000,000 of interest on the U.S. and Canadian loans which had been paid into special accounts at the end of 1956 but had now been paid back under the new debt service arrangements with the U.S.A. and Canada (see 15442 A) ; (*b*) the receipt of $2,000,000 of U.S. defence aid ; (*c*) the payment of $6,000,000 in gold or dollars to the E.P.U. in respect of the March settlement ; and (*d*) the payment of $3,000,000 to creditor countries in the E.P.U. under bilateral agreements. As a result, the reserves stood at $2,320,000,000 on April 30.

It was pointed out in the Press that, leaving out of account the above-mentioned receipts and payments, the residual balance with the dollar area and the rest of the world outside the E.P.U. was in surplus by $14,000,000, reflecting a marked underlying improvement. It was also stressed that in spite of further dollar expenditure on oil imports, none of this extra cost had necessitated drawing on the Export-Import Bank credit. The gold and dollar figures did not benefit in April from any further Indian drawings from the International Monetary Fund, whereas in March such drawings had amounted to $60,500,000, part of which was transferred to London, while in February these drawings had been $59,000,000, the whole of which was passed to the sterling area's reserves.

Provisional figures for the E.P.U. March settlement showed that Britain had a surplus of £16,000,000, three-quarters of which would be settled in gold or dollars and the remaining quarter by a reduction of the U.K.'s debt to the Union.

The improvement in Britain's position *vis-à-vis* the E.P.U. was reflected in the persistent improvement in the transferable sterling rate in Switzerland over the past few weeks, which on May 2 reached $2.7765—the highest point since June 14, 1956, and within a fraction of the lower point of the official dollar rate.—(Treasury Press Office - Financial Times) **(15498 B.)**

B. RUMANIA. — Attaché expelled from Britain.

The Rumanian Minister in London (M. Corcinschi) was summoned to the Foreign Office on May 6 and handed an *aide-mémoire* asking for the recall within one week of M. Eugen Perianu, an attaché at the Rumanian Legation. The *aide-mémoire* said that it had come to the notice of H.M. Government that M. Perianu had " been putting pressure on persons who are of Rumanian origin or who have relatives in Rumania in attempts to recruit them as spies," and that M. Perianu had been asked to leave Britain " in view of these improper activities." A Foreign Office spokesman said that H.M. Government " will not tolerate any interference with refugees in the U.K. and have . . . taken immediate steps to deal with any instances which are brought to their notice." (Times)

A. FRANCE. — State Visit of Queen Elizabeth II.

H.M. Queen Elizabeth II and the Duke of Edinburgh paid a four-day State visit to France from April 8-11 as the guests of President Coty. The first three days were spent in Paris, where her Majesty and the Duke stayed at the Elysée (the Presidential palace), and the fourth in a visit to Lille and Roubaix. Throughout their visit her Majesty and the Duke were greeted with the greatest enthusiasm in Paris—the crowds being the largest ever assembled to greet a visiting Head of State—and in the industrial cities of Northern France.

The Queen and the Duke of Edinburgh arrived at Orly airport on the morning of April 8, where they were welcomed by President Coty, M. Mollet and other senior Ministers, and the British and Commonwealth Ambassadors. From Orly they drove to the Elysée Palace, entering Paris at the Porte d'Orléans to a salute of 101 guns and being escorted to the Elysée by mounted squadrons of *Gardes Républicaines*. After a private luncheon, at which the Queen presented President Coty with the insignia of Knight Grand Cross of the Order of the Bath and the President conferred the Grand Cross of the Legion of Honour (which the Queen already holds) on the Duke of Edinburgh, her Majesty and the Duke drove along the Champs Elysées to the Arc de Triomphe, where they laid a wreath on the Tomb of the French Unknown Warrior.

After receiving the heads of the diplomatic missions in Paris, the Queen and the Duke attended a State banquet at the Elysée at which her Majesty, speaking in French, replied to an address of welcome from President Coty. After referring to the *entente cordiale* which King Edward VII had helped to create, and which had since become "an alliance whose bonds have been forged in the fires of two World Wars," the Queen continued :

"Mutual trust between our two countries was fostered and developed during the reigns of my grandfather and my father, until it has become to-day the firmest link holding together two nations of the Old World which can still play a role in the future as inspiring as in the past. Our rivalries in earlier times, while they contrast with the mutual understanding of to-day, were only its prelude. Sir Winston Churchill, after playing his part in the events of our times, has looked back over the centuries and this simple truth emerges from his *History of the English-Speaking Peoples*—that in the heroic ages of the past the lives of our great men and yours were inextricably bound. We find that our greatest families, statesmen, churchmen, were often born on this side of the Channel. The names of French provinces are associated with our very first memories and have inspired our poets : proud Brittany, whose seafaring traditions we share, valiant Normandy and Anjou, the nurseries of our kings in the past.

"Down the centuries our traditions, our customs, have been moulded by yours. They in turn have been influenced by ours. It is therefore natural that the flame of free France should have remained bright so long as England stood. It is natural also that our soldiers, and those of all the English-speaking peoples, should have made common cause with yours During the darkest days our people were cheered by the comradeship and support of French airmen, soldiers, and sailors, by their feats of arms, and by the daring exploits of the Resistance. I pay tribute to-day to their courage, their faith in France, and their devotion to our common traditions. Our two nations are each the complement of the other . . . "

After the State banquet her Majesty and the Duke, accompanied by President Coty, drove to the Opéra to attend a gala performance of a ballet by Serge Lifar. During the interval the Queen and the Duke appeared on the balcony of the Opéra and were enthusiastically greeted by the vast crowds—estimated at over 150,000—gathered outside the building.

On April 9 the Queen and the Duke drove through the Quartier Latin, the Boulevard St. Germain and the Boulevard St. Michel to the Hôtel de Ville, where they attended a reception given by the President of the Paris Municipal Council (M. Ruais) and the civic authorities. From the Hôtel de Ville they drove to Versailles where, after lunching with 300 guests in the Galérie des Glaces, they attended the inaugural performance (Rameau's *Les Indes Galants*) in the newly restored Royal Opera House at the Château de Versailles. [This theatre, built by Jacques-Ange Gabriel in the 18th century for Louis XV, fell into disuse and decline during the 19th and 20th centuries. During the past five years it has been completely restored at a cost of some 600,000,000 francs (£600,000), and is today one of the most beautiful opera houses in the world.]

After their visit to Versailles her Majesty and the Duke drove to the Grand Trianon to receive the representatives of the Commonwealth countries, returning to the Elysée after a brief visit to the Paris Chamber of Commerce. In the evening more than half a million Parisians lined the Seine to watch a brilliant river pageant in which the Queen, the Duke, and President Coty sailed for an hour and a quarter in a decorated motor-launch from the Port du Gros Caillou (between the Pont d'Alma and the Pont des Invalides) to the Ile St. Louis and back, followed by a flotilla of nine vessels which included one for Deputies of the National Assembly and another for the members of the Paris Municipal Council. Historical *tableaux vivants*, fireworks, massed choirs of children, and dancers in the provincial costumes of Normandy, Brittany, and other regions greeted the Queen as she sailed past the *quais* and bridges on the Seine. The day's events concluded with a reception given by the Queen at the British Embassy for President Coty.

On the third day of their visit to Paris (April 10) the Queen drove in the morning to the Rue Bayard to lay the foundation-stone of the new Scottish Presbyterian Church to be erected in place of that damaged in the war ; the ceremony was attended by the Moderator of the Church of Scotland, and the Queen was greeted by pipers of the Scots Guards, The Royal Scots, and the Argyll and Sutherland Highlanders. After a visit to Meudon (a south-western suburb of Paris) to open a new sports pavilion for the British and Commonwealth community in Paris, her Majesty drove to the Château de La Celle-St.-Cloud to attend a luncheon given by M. Pineau, the French Foreign Minister. The Duke of Edinburgh, who had spent the morning visiting the French Atomic Energy Centre at Saclay, joined the Queen in the afternoon for a visit to the Renault motor works at Flins, 25 miles west of Paris, after paying a call on General Norstad (Supreme Allied Commander in Europe) at the latter's residence at Marnes-la-Coquette. In the evening her Majesty and the Duke attended a banquet and reception given by the French Government at the Louvre, in the Salle des Cariatides.

The Queen and the Duke of Edinburgh flew from Le Bourget in the morning of April 11 to Lille, where they attended a municipal reception at the Hôtel de Ville, lunched at the Préfecture, and visited the annual flower market in the Place du Général de Gaulle. After driving to Roubaix, where they visited the Hôtel de Ville and the Prouvost textile factory, one of the largest and most modern of its kind in Europe, they returned to Lille and boarded a plane for London.
(Le Monde - Le Figaro - Times) **(Prev. rep. State Visit to Portugal, 51416 E.)**

B. BRITISH WEST INDIES. — Lord Hailes appointed Governor-General of the West Indies.

It was announced in London on May 10 that the Queen had approved the appointment of Lord Hailes (formerly Mr. Patrick Buchan-Hepburn, Minister of Works in Sir Anthony Eden's Government) as the first Governor-General of the West Indies—i.e. the new West Indian Federation.

Lord Hailes (56), educated at Harrow and Trinity College, Cambridge, served at H.M. Embassy at Constantinople (1925-27) and on the London County Council (1929-30) before entering Parliament in 1931 as Conservative M.P. for the East Toxteth division of Liverpool, a constituency he represented for nearly 20 years. From 1950 onwards he sat for Beckenham until his recent elevation to the peerage at the time Mr. Macmillan formed his Government (see 15313 A). He was Conservative Chief Whip from 1948, Government Chief Whip from 1951-55, and Minister of Works from 1955 until January 1957, with Cabinet rank.

On his elevation to the peerage Mr. Buchan-Hepburn took the title of Baron Hailes, of Prestonkirk in the County of East Lothian—thereby reviving a title which had been dormant since the 16th century, when it was forfeited to the Crown. The title of Hailes—taken from an ancient castle of that name, now in ruins—was granted to the Hepburn family in 1343, Patrick Hepburn of Hailes (an ancestor of the present Lord Hailes) being created the first Baron Hailes in 1455. The second Lord Hailes became Earl of Bothwell in 1455 and the fourth Earl, James Hepburn, was the husband of Mary Queen of Scots.

"The West Indies" is the name given to the new Federation comprising the colonies of Antigua, Barbados, Dominica, Grenada, Jamaica, Montserrat, St. Christopher-Nevis and Anguilla, St. Lucia, St. Vincent, and Trinidad and Tobago.
(Times - Daily Telegraph)

C. RELIGIOUS LIFE. — Roman Catholic Church. - New Archbishop of Liverpool.

It was announced on May 7 by the Apostolic Delegation to Great Britain that the Pope had appointed Dr. J. C. Heenan, Roman Catholic Bishop of Leeds, to the Archdiocesan See of Liverpool in succession to Dr. William Godfrey, consequent upon the latter's appointment as Roman Catholic Archbishop of Westminster in place of the late Cardinal Hinsley. Dr. Heenan, Bishop of Leeds since 1951, was born at Ilford (Essex) in 1905 and ordained in 1930. He is well known as broadcaster, lecturer and author, and has been Superior of the Catholic Missionary Society.—(The Universe) **(15259 A.)**

D. UNITED STATES. — Lifting of Restrictions on Travel to Middle East Countries.

Restrictions on the travel of U.S. citizens to Egypt, Israel, Jordan and Syria, imposed in November last during the Suez crisis, were lifted on April 1 by the State Department. American officials who had been evacuated from the Middle East at the time were authorized to return to their posts in those countries.
(New York Times) **(Prev. rep. 15201 A.)**

E. NATIONALIST CHINA. — Formosan Elections.

Elections on April 21 for the Formosan Provincial Assembly resulted in President Chiang Kai-shek's Kuomintang party winning 46 of the 66 seats, the party having entered 55 candidates. The Kuomintang also won four out of five mayoral elections in the leading cities, including Taipeh, the capital.
(New York Times)

A. CANADA - UNITED STATES. — Suicide of Canadian Ambassador in Cairo following Allegations of "Communist Associations" by U.S. Senate Sub-Committee. - Allegations rejected by Canadian Government. - Denunciation of Sub-committee's Methods by Canadian Political Leaders. - Canadian Protests to U.S.A. - Request for Assurances on Use of Security Information.

The Canadian Ambassador to Egypt, Mr. E. H. Norman (48), jumped to his death from the roof of an apartment building in Cairo on April 4. His suicide was believed to have been caused by depression arising from the revival of allegations by the U.S. Senate Internal Security Sub-committee that he was a Communist. A note found in his pocket after his death, addressed to his friend, Mr. Carl Eng (the Swedish Minister in Cairo), ran: "I have no option. I must kill myself, for I live without hope."

Egerton Herbert Norman was born in Japan, where his parents were missionaries. He studied at the Universities of Toronto, Cambridge, and Harvard, and in 1939 joined the Canadian Foreign Service as language officer at the Canadian Legation in Tokio. Interned in Japan at the outbreak of war, he was released in July 1942 and thereafter worked in Ottawa, Manila, and Washington. After the Japanese surrender he returned to Tokio in 1946 as head of the Canadian liaison mission. From 1950-53 he was acting chief of the Canadian delegation to the United Nations; in the latter year was appointed High Commissioner to New Zealand; and in August 1956 became Ambassador in Cairo. A Japanese scholar and an expert on Asian affairs, he was the author of three authoritative works on Japan.

Allegations that Mr. Norman was a Communist were first made by the U.S. Senate Internal Security Sub-committee in 1951. As a result, the Canadian authorities subjected Mr. Norman to an exhaustive security check which completely cleared him of the charges made by the sub-committee. The allegations were renewed, however, at a hearing of the sub-committee on March 12, 1957. Although Mr. J. K. Emmerson (Counsellor at the U.S. Embassy in Beirut) testified at this hearing that he had known Mr. Norman since 1940 and had no reason to believe that he was a Communist, Mr. Robert Morris (the sub-committee's counsel) said that the sub-committee had "quite a few" security reports to the effect that Mr. Norman was, in fact, a Communist.

The renewal of these allegations against Mr. Norman was strongly resented by the Canadian Government.

In a statement to the Dominion House of Commons on March 15, Mr. Lester Pearson (Canadian Minister for External Affairs) spoke scathingly of the activities of the U.S. Senate Sub-committee, and described its references to Mr. Norman as "slanders and insinuations which will be treated with the contempt they deserve." Mr. Pearson complained particularly that "Senator **Jenner** [a member of the sub-committee] and his counsel, Mr. **Morris**, whose methods of investigation we already know about and for which we have very little respect, gave this record of an executive session to the U.S. press before passing it on to the Canadian Government, although it made serious allegations against a senior Canadian diplomatic representative." Mr. Pearson emphasized that the Canadian Government had had the fullest confidence in Mr. Norman and that "the strongest possible protest" would be made to Washington.

On March 16 the U.S. State Department issued a statement publicly repudiating the allegations made by the Senate Sub-committee and declared that "the allegations which have been made regarding Mr. Norman . . . do not represent opinions of the U.S. Government." The statement added that the United States "maintains the friendliest relations with Canada and has every confidence in the Canadian Government's judgment in the selection of its official representatives."

The Canadian Government's formal protest was delivered in Washington on March 18.

After protesting against "the action taken by an official body of the legislative branch of the U.S. Government in making and publishing allegations about a Canadian official," the Note declared: "This procedure is both surprising and disturbing because it was done without the U.S. Government consulting or even informing the Canadian Government and without taking account of relevant public statements made earlier by the Canadian Government." After recalling that Mr. Norman's loyalty had been confirmed by earlier investigations, the Note concluded: "The repetition of such irresponsible allegations . . . is the kind of action which is inconsistent with the long-standing and friendly co-operation characterizing relations between our two countries."

Despite the U.S. Administration's disavowal, the Senate Internal Security Sub-committee reiterated its charges against Mr. Norman on March 28, when it made public testimony by the sub-committee's counsel (Mr. Morris) that the Federal Bureau of Investigation had given the State Department information confirming the allegations made in 1951 that Mr. Norman had Communist associations.

Canadian and U.S. Reactions to Mr. Norman's Suicide.

The news of Mr. Norman's suicide aroused widespread anger and indignation in Canada, leaders of all the political parties strongly denouncing the methods of the U.S. Senate Sub-committee and the unfounded nature of the allegations made against Mr. Norman.

Mr. Lester Pearson said on April 4 in the Canadian House of Commons, that Mr. Norman had been depressed by "the resurrection by one or two persons in Washington of certain old charges affecting his loyalty which were disposed of years ago." He added:

"The reason for these renewed attacks may be obscure but the tactics used degrade those who adopted them. The combined effect of overwork, overstrain, and the feeling of renewed persecution on a sensitive mind and a not very robust body produced a nervous collapse, the tragic result of which has brought to me personally both shock and grief and a sense of great loss. For 18 years Mr. Herbert Norman served his country with loyalty, devotion, and ability. During that time all his actions served only to confirm and strengthen my faith in him and my admiration for him. During recent critical months in the Middle East he has been working or rather over-working - under great pressure at Cairo, at times right round the clock."

Mr. Diefenbaker, leader of the Progressive Conservative Opposition, said that Mr. Norman's death seemed "to be attributable to the witch-hunting proclivities of certain Congressional inquisitors in Washington, who, lacking local targets, felt impelled to malign and condemn Canadian public servants as well. Desirable as it is to preserve our freedom against Communism, this is but further evidence that trial by suspicion and conviction by innuendo have terrible results on the lives of those subjected to it."

Mr. Macdonald, a prominent member of the C.C.F. (Canadian Labour Party) declared that "there is little doubt that the insinuations against this respected Canadian diplomat played a role in the tragedy. All who knew him personally . . . recognize how completely malicious these suggestions were."

Spokesmen of the Progressive Conservative, C.C.F., and Social Credit parties expressed their full agreement with the Canadian Government's attitude.

The U.S. Secretary of State, Mr. Dulles, sent a personal message of condolence to Mr. Pearson on receipt of the news of Mr. Norman's death, while on April 11 President Eisenhower expressed his regrets to the Canadian Ambassador.

On behalf of the Senate sub-committee, however, Senators Eastland and Jenner (chairman and former chairman respectively) issued a statement on April 4 which said:

"We would not be living up to our obligations of presenting a record to the U.S. Senate if we deleted references to foreign nationals in connexion with these investigations of Communism in the United States. If foreign nationals enter the U.S.A. and join Communist units here and participate with American Communists in the subversion of our institutions, these facts should be known to the Senate . . . [The above] is the practice of the sub-committee, and we shall continue this practice because it is our duty to do so."

Canadian Request for Assurances on Use of Security Information.

Mr. Lester Pearson told the Canadian House of Commons on April 10 that the Canadian Government had asked the U.S. Government to give an assurance that any security information received from Canada concerning Canadian citizens would not be passed to any bodies outside the control of the Executive Branch, except with the express consent of the Canadian Government in each case. Otherwise Canada "must reserve the right in future not to supply security information concerning Canadian citizens to any U.S. Government Agency."

[Under a long-standing arrangement, the Royal Canadian Mounted Police and the American F.B.I. exchange security information, the R.C.M.P. maintaining an agent in Washington and the F.B.I. one in Ottawa. The loss of Canadian information could have a serious effect on U.S. internal security, as the R.C.M.P. helps to prevent subversive elements from penetrating into the United States from Canada.]

Mr. Pearson also announced that he had received a reply to the Canadian Note of March 18 from the U.S. Acting Secretary of State, Mr. Herter. After offering his condolences on the death of Mr. Norman, Mr. Herter said:

"I wish to assure you [Mr. Pearson] that any derogatory information developed during hearings of the sub-committee was introduced into the record by the sub-committee on its own responsibility. As you are aware, under our system of government the Executive Branch has no jurisdiction over views or opinions expressed by members or committees of the U.S. Congress . . ."

An interim reply to the Canadian request of April 10 was made on April 19 by Mr. Robert Murphy (U.S. Deputy Under-Secretary of State) who gave an assurance that the Canadian Government's views were receiving "the serious attention" of the State Department. Mr. Murphy added: "The Department is bringing to the attention of the appropriate executive agencies your Government's position in the exchange of information, which, as stated in your Note, has assisted substantially in maintaining the security of our two countries." (Canadian Department of External Affairs, Ottawa - Montreal Star - New York Times - New York Herald Tribune)

A. KASHMIR. — Security Council Resolution for Hr. Jarring to consult Indian and Pakistani Governments. - Indian Criticisms of Resolution. - Denial of Pakistani Allegations of Indian Troop Movements. - Statements by Mr. Suhrawardy and Mr. Nehru. - Hr. Jarring's Mission to India and Pakistan. - Report to Security Council.

A resolution calling on Hr. Jarring, the Swedish representative on the U.N. Security Council and its president for February, to examine with the Governments of India and Pakistan proposals for the settlement of the Kashmir dispute was submitted to the Council on Feb. 15 on behalf of the United Kingdom, the U.S.A., Australia, and Cuba, four of the five countries which had sponsored the earlier resolution presented on Jan. 24.

The preamble to the resolution stressed the importance of earlier resolutions calling for a plebiscite under U.N. auspices, and, in particular, of their emphasis on demilitarization; expressed concern at "the lack of progress in settling the dispute"; and stated that Pakistan's proposal for a U.N. Force in Kashmir would "deserve consideration." The resolution proper, as previously stated (see 15381 A), asked Hr. Jarring to examine proposals "likely to contribute to the achievement of demilitarization in Kashmir or to the establishment of other conditions for progress" with the two Governments, bearing in mind "the proposal for the use of a temporary U.N. force," and to report to the Security Council by April 15.

Sir Pierson Dixon (U.K.), who submitted the resolution, stressed that Britain's only concern was to achieve a solution acceptable to both sides. Neither side denied that a solution was urgent and both agreed that the next step must be demilitarization, since no subsequent step was possible until this was achieved. What had held up progress over the years had been (1) India's contention that the "Azad Kashmir" forces would be a threat to the security of the State, and (2) Pakistan's contention that if 21,000 Indian and State forces were allowed to remain on the Indian side of the cease-fire line, as against only 6,000 "Azad Kashmir" forces, the security of "Azad Kashmir" would be in serious jeopardy. The root cause of the breakdown on both sides had been fear of the dangers which might arise from the forces on the other side, and for this reason Britain thought that the idea of a small, temporary U.N. force was worthy of further examination with the two Governments.

The representatives of Australia, the U.S.A., Cuba, the Philippines, and Nationalist China also spoke in support of the resolution.

Hr. Jarring said that his Government was "fully prepared to accept the idea behind the draft resolution," but if it proved impossible to solve the problem in this manner Sweden might wish to revert to the suggestion of having the legal background of the question clarified by reference to the International Court of Justice for an advisory opinion.

Mr. Krishna Menon (India) assured Hr. Jarring that he would be welcome at any time, but that "the question of the functional character of such operations as you propose to undertake would be another matter which we should have to discuss in substance." Sir Pierson Dixon, he continued, had laid stress on what was called demilitarization, but this must be interpreted in the connotation which it had acquired over years of negotiation. "Demilitarization" was a word which had arisen as one of the methods for creating the conditions laid down in the first part of the agreement of Aug. 13, 1948 (see 9661 A).

Mr. Menon went on to say that in the area of Kashmir "administered by the legitimate Government" there were units of the Indian Army and about 6,000 men of the Kashmir militia, which was a State force intended for internal security purposes, and that the total strength of India's military position in Kashmir was far below what it had been at the time of the cease-fire. On the other side of the cease-fire line there were some 45 battalions of "Azad Kashmir" forces, officered by the Pakistani Army, as compared with some 35 battalions at the time of the cease-fire. In addition the Pakistani Army, which was "out of all proportion to its strength at the time of partition" and consisted of over 200,000 men equipped by Britain and the U.S.A., was stationed within a very short distance of the Indian frontier. After accusing Pakistan of having violated the cease-fire clauses of the U.N.C.I.P. resolutions by introducing military personnel and material into Kashmir, Mr. Menon reiterated that India's basic position was that Pakistan had originally committed aggression and that it was the task of the Security Council to address itself to this position.

Rejecting the proposal for a U.N. force, Mr. Menon said that such a force was not necessary to achieve demilitarization. All that was necessary was for Pakistan to withdraw and give international guarantees that her forces would not move out of their present positions. "The Indian Government will in no circumstances permit foreign troops on its soil," Mr. Menon declared. "That is the categorical statement which I am asked to make to the Council."

Mr. Firoz Khan Noon (Foreign Minister of Pakistan), replying to Mr. Menon on Feb. 18, said that India had recently ordered 65 long-range *Canberra* bombers and 300 tanks from Britain, and alleged that they were intended for aggression against Pakistan. Pakistan's armed forces were one-third the size of India's and India's expenditure on defence, which constituted 40 per cent of its Government revenue, was four times as large as Pakistan's. India, he alleged, had six divisions, four independent brigades, and an armoured brigade on the border of West Pakistan, and more troops were said to be moving in that direction He denied that the "Azad Kashmir" forces had been increased

Continuing, Mr. Noon said that he agreed with India that the U.N.C.I.P. resolutions were the only international agreements existing on this question. What now faced the Council was the implementation of the agreement to hold a plebiscite. It was an "untenable argument" to contend, as India did, that the plebiscite had to await demilitarization and, since demilitarization had not been achieved, that the agreement for a plebiscite had fallen through A settlement had to be achieved step by step. Pakistan had tried every means available under the U.N. Charter, the Security Council, and other methods proposed by U.N. bodies to reach a settlement, but Kashmir was still not demilitarized.

The Government of Pakistan, he announced, would accept the resolution and give Hr. Jarring all possible co-operation. On the proposal for a U.N. force, he said that its object was not to disarm or disband the forces in Kashmir—which was a task for the U.N. representative or a Plebiscite Administrator, as the case might be—but simply to create confidence in the minds of the two sides so as to enable them to carry out their agreement without the fear that the other side would invade if they withdrew. As India had already agreed to demilitarization, she would be retracting her own agreement if she refused entry to a U.N. force. Presuming India's agreement, Pakistan would allow a U.N. force to pass through her territory and take up positions on the cease-fire line, but might not be willing to do so if India did not also agree. He therefore hoped that Hr. Jarring would be able to obtain India's agreement.

The Soviet delegate, M. Sobolev, submitted on Feb. 18 three amendments to the draft resolution eliminating the references to a plebiscite, to the introduction of a U.N. force, and to the time-limit of April 15. Dr. Urrutia (Colombia) also submitted three amendments which (1) replaced the preamble by the words: "The Security Council, recalling its previous resolutions and the letter addressed to the president of the U.N.C.I.P. on Dec. 23, 1948 . . ." (by Mr. Nehru); (2) requested Hr. Jarring to "examine with India and Pakistan proposals which in his opinion are likely to contribute to the achievement of . . . the U.N.C.I.P. resolutions of Aug. 13, 1948, and Jan. 5, 1949, or to the establishment of other conditions for progress toward a settlement of the problem, bearing in mind statements of the representatives of the Governments of India and Pakistan, proposals for the use of a temporary U.N. force if accepted by the parties, or the possibility of referring the problem to the International Court"; and (3) asked Hr. Jarring to report to the Security Council, if possible, "not later than April 15."

M. Sobolev maintained that there was no point in referring to the holding of a plebiscite which was rejected by one of the parties. Furthermore, the U.N. Charter did not provide for the use of armed force for any other purpose than to repel aggression and to restore international peace, and therefore did not envisage "the use of U.N. forces for the purpose of forcibly holding a plebiscite in Kashmir." If the purpose of the resolution was to entrust Hr. Jarring with a mission to consider the possibility of settling existing differences, it could encounter no objection, but there was no need to tie his hands with proposals which could lead to objections from one side.

Dr. Urrutia maintained that Hr. Jarring could not be asked to seek a juridical solution and obtain conciliation at the same time "Either we must define the juridical status of Kashmir, which means turning to the International Court," he declared, "or we follow the resolution of the U.N.C.I.P., according to which we would not examine the legal status of Kashmir but would attempt to obtain an agreement to hold a plebiscite, on the condition that all prerequisites were fulfilled before the status of the territory was decided by a plebiscite." The resolution should also mention Mr. Nehru's letter of Dec 23, 1948, to the president of the U.N.C.I.P., which specified that India's agreement to a plebiscite was conditional on the withdrawal of the Pakistani forces from "Azad Kashmir," as this was "the only legal basis" on which the Council could demand a plebiscite.

Mr. Menon alleged on Feb. 20, in reply to Mr. Noon, that "feverish war preparations" were going on in Pakistan and that "Azad Kashmir" had been turned into a base for attack on India. He alleged also that General Ayub Khan (C.-in-C. of the Pakistani Army) had recently referred to exercises envisaging the use of tactical atomic weapons to cross riverine obstacles; this, said Mr. Menon, could only refer to India, as the only rivers in the sub-continent were on the Indian side of Pakistan. Denying Mr. Noon's allegations of Indian troop movements, he said that India had done nothing in the way of concentrating troops, "even though we acknowledge the danger we are facing," and pointed out that negotiations for the bombers which India was buying from Britain had begun 2½ years ago. Mr. Menon again criticized the reference to a U.N. force in the resolution, and declared that in India's view the entry of such a force even into that part of Kashmir "now under enemy occupation" would violate the U.N. Charter, and that any State whose soldiers were part of that force would "individually violate our sovereignty."

The Soviet amendments were rejected on Feb. 20 by two votes (Cuba and the Philippines) to one, with eight abstentions. Voting on the Colombian amendments was one vote in favour and none against, with 10 abstentions. The resolution itself was carried by nine votes to one (the Soviet Union), with Sweden abstaining, and was thus vetoed by the U.S.S.R.—the first occasion on which the Soviet veto had been used against a resolution on Kashmir.

A new resolution, which made no reference to a plebiscite or a U.N. force, was then introduced by the United Kingdom, the U.S.A. and Australia. After a preamble recalling earlier resolutions, and specifically that of Jan. 24, the resolution proposed that the Security Council should (1) request Hr. Jarring to "examine with India and Pakistan any proposals which, in his opinion, are likely to contribute towards the settlement of the dispute, having regard to the previous resolutions of the Security Council and of the U.N.C.I.P.; to visit the sub-continent for this purpose; and to report to the Security Council not later than April 15, 1957; (2) invite India and Pakistan to co-operate with Hr. Jarring in the performance of these functions; and (3) request the Secretary-General and the U.N. representative for India and Pakistan "to render such assistance as he [Hr. Jarring] may request."

Mr. Menon said before the vote that India would take the resolution into consideration as soon as a new Government was formed after the forthcoming general elections, pointing out that this would be in the latter half of March at the earliest. He expressed regret at the "unnecessary and provocative pinpointing" of the resolution of Jan. 24, and emphasized that the first step toward any solution must be the ending of Pakistan's "war of hatred" against India. "India cannot afford to disregard the internal and external security of her land," he went on. "Under that heading must be taken into account the enormous amount of war material that has come to Pakistan through U.S. military aid, and which includes the possibility, either at present or in the future, of the use of atomic tactical weapons." He also drew the Council's attention to the "Azad Kashmir" Government's statement of Feb. 6 that its forces were 35,000 strong and could easily be increased to over 80,000 (see 15381 A).

Mr. Noon stated that the sole purpose of his request for the introduction of a U.N. force was to facilitate the withdrawal of Pakistani troops so that demilitarization could take place, and that it was never intended to be utilized in the holding of a plebiscite. The introduction of such a force, he added, would "amount merely to an augmentation of the U.N. observers in Kashmir."

M. Sobolev announced that he would not oppose the resolution, as the idea of Hr. Jarring's mission was acceptable and the wording appeared preferable to that of the earlier resolution. Its reference to previous decisions which were not acceptable to the Indian Government, however, could impair the chances of success of Hr. Jarring's mission.

The U.K.-U.S.-Australian resolution was adopted on Feb. 21 by 10 votes to nil, the Soviet Union abstaining. After the vote Hr. Jarring told the Council that he would accept the mission on the understanding that the parties had declared themselves willing to co-operate with him in performing his functions.

Hr. Gunnar Jarring, well known as an Orientalist before entering the Swedish diplomatic service, travelled widely in Central Asia in the 1930's and spent some time in Kashmir. He served as Swedish Minister to India from 1948-51, and as Minister to Persia, Pakistan and Iraq from 1951-52.

Indian Reactions to Security Council Resolution.

In an interview on Feb. 16, Mr. Nehru strongly criticized the resolution introduced in the Security Council on the previous day, on the grounds that it ignored basic issues and opened the door to "entirely misconceived" proposals.

"The proposal to send a U.N. force to any part of Kashmir is against international law and the U.N. Charter, unless India accepts it," Mr. Nehru declared. "It was made clear that in no circumstances will we accept any foreign force on our territory." The U.N.C.I.P. had admitted all along that there had been aggression, that Pakistan must withdraw her forces, and that India had an obligation to defend Kashmir, yet "the way this is now put is to equate India with Pakistan, and indeed to indicate that India is at fault... The question of a plebiscite, when it was first raised, was made conditional, and the first condition was Pakistan's withdrawal of all her forces from Kashmir. Even that first and essential condition has not been fulfilled, and Pakistan's aggression is still continuing."

For nine years, Mr. Nehru added, the Security Council had failed to consider "the major and basic issues, that is, Pakistan's aggression and Kashmir's accession to India." In order to arrive at a peaceful settlement India had discussed many proposals which had failed to produce any result, and now India was told that "those intermediate proposals and discussions were commitments by us and we need not go back to the real causes of the dispute." India opposed the latest resolution, Mr. Nehru declared, because it "opens the door to encourage certain proposals and suggestions which are, according to us, wholly wrong—and this is done without considering the basic issues."

Mr. Nehru met Mr. Malcolm MacDonald (the British High Commissioner in Delhi) on Feb. 19, prior to the latter's temporary return to London for consultations with the U.K. Government, and also saw Mr. Bunker, the new U.S. Ambassador. At the same time the Secretary-General of the Indian Foreign Ministry, Mr. Pillai, and the Commonwealth Secretary, Mr. Desai, summoned the heads of foreign diplomatic missions in Delhi to hear India's objections to the Security Council resolution. The principal points stressed were reported to be the impropriety of the suggestion for the despatch of a U.N. force to Kashmir, and India's resentment at the British Government's attitude, which was attributed to a desire for "revenge" for India's attitude during the Suez crisis.

The attitude of the Western Powers was unanimously condemned in the Indian press. The *Times of India* said on Feb. 20 that the Security Council's proceedings had intensified Indian feeling against Britain to "a pitch possibly never reached before," while the *Hindustan Times* gave warning that unless the present British Government was replaced by a Labour Government, India might be forced to dissociate herself from the Commonwealth. The latter paper also stated on Feb. 19 that India's relations with the United States had "touched a new low."

Pakistani Allegations of Indian Troop Movements.

In a broadcast on Feb. 16 Mr. Suhrawardy repeated the allegations, made in the Security Council by Mr. Noon, that Indian troops had been concentrated on the Pakistani border, and declared that Pakistan expected SEATO support against India.

Under the terms of the Baghdad and SEATO pacts, Mr. Suhrawardy said, "our allies, some of whom are very powerful, are bound to come to our assistance in case of aggression, and I have no doubt they will do so." He considered it unlikely that India would attack Pakistan, and ruled out the possibility that the alleged troop concentrations were meant for defensive purposes "unless India is suffering from a sense of frustration and defeat which has clouded her sense of proportion." The only other possible reason was that they were meant to serve political purposes. "Whatever may be the reason for these movements," he went on, "the action of India may have dangerous consequences. So many troops moving along the border, digging trenches, taking up strategic positions, may provoke border incidents which may become serious. I have issued instructions to our Army and our people not to be provoked in any circumstances. Clashes on the border will suit India and may even be engineered by her in an attempt to prevent the U.N. from considering the matter coolly and calmly. We have, therefore, to be all the more careful that we do not get excited and do not fall into the trap laid for us."

The Pakistani delegation at the U.N. had previously issued a statement on Feb. 13 alleging that Indian forces had been strengthened on the Punjab - West Pakistan border. This statement was described as "completely without foundation" by the Indian delegation, which emphasized that there had been no increase in the number of troops either on the border or in the Punjab as a whole.

[The Prime Minister of New Zealand, Mr. Holland, said on Feb. 19 that New Zealand had never regarded herself as bound under the SEATO Pact to take military action against a fellow-member of the Commonwealth, and had made her position quite clear to Pakistan before the treaty was signed.]

Foreign Affairs Debate in Pakistan Assembly.

Opening a foreign affairs debate in the Pakistani National Assembly on Feb. 22, Mr. Suhrawardy declared that Pakistan had joined the SEATO and Baghdad Pacts in order to obtain U.S. military aid for defensive purposes against India, and claimed that this policy had "paid dividends" during the Security Council's debate.

Defending Pakistan's participation in these pacts, Mr. Suhrawardy alleged that India had twice massed troops on Pakistan's frontiers, in March 1950 and July 1951. He continued: "Our resources are limited. We therefore found it necessary to request our friends, the United States, for military assistance, and an agreement was drawn up. Under this agreement we have received a certain amount of military aid which has enabled us to be strong enough to meet aggression from any quarter. This aid would not have come in the measure in which it has come unless we had contributed to the peace and security of the Middle East. It was therefore necessary for us to take advantage of the agreement between Turkey and Iraq and join the Baghdad Pact."

Mr. Suhrawardy denied that Pakistan had any aggressive intentions against India, but added that "situations can develop in which a country may think it necessary to give up its life at one sweep rather than be throttled inch by inch." He added: "Our foreign policy has paid dividends to this extent, that our friends have stood by us and those opposed to us have been exposed. We now know who are our friends and who are not." Contending that the Indian Government's "closed mind" on the Kashmir question had rendered a solution through consultations impossible, he delared that "it is clear that any attempt on our part to have mutual consultations to arrive at a solution is doomed to failure, and I am not prepared for a single moment to give the slightest heed to this method."

Mr. Amjad Ali (Finance Minister) expressed the opinion that Hr. Jarring's mission would fail because of India's "intransigent attitude," and said that if this occurred Pakistan would take the matter to the U.N. General Assembly. The Government's foreign policy was strongly criticized, however, by **Mr. Daultana** (Moslem League), who maintained that Pakistan's membership of the Baghdad Pact had alienated other Moslem States; by **Mr. Iftikharuddin** (Azad Pakistan party), who declared that Pakistan was "more isolated than any other Afro-Asian country in the world"; and by other Opposition members.

Mr. Suhrawardy, in reply to the debate, referred to Pakistan's relations with the U.S.A. and declared that "we have given her our wholehearted support, so we expect her to be wholeheartedly with us . . ." As a result of her support of the Baghdad Pact, Pakistan was also supported on the Kashmir issue by Turkey, Iraq, and Persia. Referring to a recent statement by Mr. Nehru that Pakistan was threatening to use atomic weapons against India, Mr. Suhrawardy went on: "We have no atomic weapons. More than that, I have declared in this House that we shall not use such weapons as we have coming from American sources against India, and I have said that we propose to abide by the undertaking that we have given to our friends and allies, the U.S.A., that these weapons will not be used in aggressive war . . . I do not want to create enmity and hatred between peoples because we are contesting the Kashmir case in the international forum. But we must steel our hearts and our determination. Not all the pots of honey will deflect me from the path which we have taken—namely, that we are not going to leave Kashmir . . . Our approach to the U.N. in the matter of Kashmir is our very last throw of the dice. We cannot continue to live under these conditions."

A vote of confidence in the Government's foreign policy was passed on Feb. 25 by 40 votes to 2, with 16 Moslem League and United Front members abstaining.

Mr. Nehru's Statement to Indian Parliament.

During a debate in the *Lok Sabha* on March 25, Mr. Nehru made a statement on the Kashmir question reiterating India's position and accusing Pakistan of having "annexed" the Pakistani-held areas of Kashmir State. He continued:

"It has been surprising that little reference has been made to this annexation of nearly half the area of Kashmir, while a great deal of discussion is taking place about what is called the annexation of Kashmir by India. There has been no annexation by us. The very word itself is wrong and improper. There was accession in October 1947. Nothing has happened since then to lessen that factor and nothing was necessary to add to it."

After asserting that adherence to the "two-nation theory" had made Pakistan "rootless," Mr. Nehru continued: "If I may with all humility say so to the people and leaders of Pakistan, their major difficulties have been caused by uprooting themselves from their own past . . . and trying to develop something in their area on the basis of the two-nation theory. The result is that they cannot get a grip and have to rely more and more on external forces, on external aid, because they think in terms of transplanting religion to nationalism and to Statehood. That is a medieval conception . . . The conception of equating Statehood with religion is so out of place that no amount of repetition can make it real. It is unreal; it becomes still more unreal when it is sought to be applied to Kashmir; and it becomes fantastic when our friends in some countries of the West talk about it. We see in the Kashmir issue a basic conflict between the modern age and medievalism . . .

"By virtue of the accession of Kashmir to India, it is clear that in every sense, legal and constitutional, the whole State should form part of the Union of India. In our desire to come to some peaceful arrangement, we may in the course of these nine years have discussed various suggestions, proposals, etc. But these discussions did not lead to any result, and there they ended—although sometimes the fact that we had put forward, in the course of discussion some idea, or proposal, or thought, is held out to us as a kind of commitment . . ."

Turning to the question of atomic weapons for Pakistan, Mr. Nehru denied that either he or Mr. Krishna Menon had said that Pakistan possessed such weapons. He had, however, quoted a statement by the Pakistani C.-in-C., who had said that the use of tactical atomic weapons had been envisaged in Pakistani military exercises carried out last December. On the strength of that statement he (Mr. Nehru) had said that those exercises had been carried out as a stage of preparation for the use of atomic weapons. Since then the U.S. Government had denied that they had given any atomic weapons to Pakistan and, Mr. Nehru added, "naturally we accept that denial." He added, however: "The fact remains that these preparations and exercises are matters of some concern to us, more especially when all this is tied up with large-scale military aid which comes from the U.S.A. to Pakistan . . . It was and is my conviction that it could have been far easier for Pakistan and India to solve their problems, difficult as they were after partition, if outside countries had not interfered so much . . ."

Mr. Nehru also said in the course of his speech that despite the "painful shocks" which India had experienced recently, especially over Kashmir, it was desirable to remain in the Commonwealth "in the present context." He added, however, that India's membership of the Commonwealth was one of the matters which were open to review "from time to time in the light of changing conditions."

Hr. Jarring's Mission to Pakistan and India. - Report to Security Council. - Failure to reconcile Indo-Pakistani Differences on Kashmir.

After visiting Stockholm for consultations with his Government, Hr. Jarring arrived in Karachi on March 14, where he had discussions with Mr. Suhrawardy, Mr. Firoz Khan Noon, and Pakistani officials from March 15-20. He then went to Delhi for talks with Mr. Nehru, Mr. Krishna Menon, and Indian officials from March 24-28; had further talks in Karachi from April 2-5; paid a second visit to Delhi from April 6-9; and before leaving the sub-continent had another conversation on April 10 with the Pakistani Ministers.

After returning to New York, Hr. Jarring completed his report to the Security Council, which was published on April 30. In his report Hr. Jarring expressed his inability to make "any concrete proposals" likely to contribute to a settlement of the Kashmir question. The principal sections of the report are given below:

After explaining that, in accordance with the first operative part of the Security Council's resolution, his conversations had been held exclusively with representatives of the Governments of India and Pakistan [i.e. not with the "Azad Kashmir" or Kashmir State governments], Mr. Jarring continued: "The co-operation of the two Governments envisaged in the second operative part of the Council's resolution has been complete in all respects. Our conversations took place in an atmosphere of complete frankness and cordiality . . .

"During the last debate in the Security Council the representative of Pakistan stated that his country recognized 'no international obligations with regard to the State of Jammu and Kashmir except those she had voluntarily accepted . . . in the resolutions of the U.N. Commission for India and Pakistan dated Aug. 13, 1948 and Jan. 5, 1949.' The representative of India declared that these two UNCIP resolutions were the only ones which bound his Government. In view of these declarations, I felt it was appropriate to explore what was impeding the full implementation of these resolutions. My efforts were therefore directed toward finding a solution for the problems that had arisen in connexion with these two resolutions.

"The resolution of Jan. 5, 1949, envisages the holding of a free and impartial plebiscite to decide on the question of accession of Kashmir to India or Pakistan. On exploring this question, I was aware of the grave problems that might arise in connexion with and as a result of a plebiscite. I therefore felt it incumbent on me to devise ways and means by which these difficulties could be met or at least be substantially mitigated. Consequently, I made a number of suggestions to this end to both Governments, which, however, for different reasons, did not prove to be mutually acceptable.

"During our conversations the Government of India laid particular emphasis on the fact that, in their view, two factors stood in the way of implementing the two UNCIP resolutions. The first of these was that Part I of the Resolution of Aug. 13, 1948, and in particular sections B and E, had in their view not been implemented by Pakistan. For that reason it was, in their submission, premature to discuss the implementation of Parts II and III of that resolution, or of the resolution of Jan. 5, 1949.

"The second of these impediments, which concerned rather Part II of the first resolution, was that the Government of India, which had brought the case before the Security Council on Jan. 1, 1948, felt aggrieved that the Council had so far not expressed itself on the question of what in their view was aggression committed by Pakistan on India. In their view it was incumbent on the Council to express itself on this question, and equally incumbent on Pakistan 'to vacate aggression.' It was argued that, prior to fulfilment of these requirements on the part of the Security Council and of Pakistan, India's commitments under the Resolution could not reach an operative stage.

"I explained to the Government of India that the Security Council had properly taken cognizance of their original complaint, and that it was not for me to express myself on the question whether its resolutions on the matter had been adequate or not. I pointed out that, regardless of the merits of the present position taken by their Government, it could not be overlooked that they had accepted two UNCIP resolutions.

"The Pakistani Government, on their part, maintained that Part I of the first resolution had been implemented by them in good faith and in full, and that the time had come to proceed to the implementation of Part II.

"Under the circumstances I decided that it might be appropriate to approach the first question—implementation of Part I of the first UNCIP resolution—as I had been given to understand that this was the primary impediment to the implementation of the resolutions. It was my impression that . . . substantial weight was given by the Government of India to the absence of 'an atmosphere favourable to promotion of further negotiations' as envisaged in Section E of that part of the first resolution. Another point which was repeatedly stressed by the Government of India was that the military *status quo* envisaged in Part B of the same section did not obtain, in their view, owing to the policy pursued by the Government of Pakistan.

"In order to break the deadlock concerning Part One, I enquired of the two Governments if they would be prepared to submit to arbitration the question of whether Part I had been implemented or not. In substance my question to the two Governments did not envisage

simple arbitration; but the arbitrator or arbitrators would also have been empowered, should they have found that the implementations had been incomplete, to indicate to the parties which measures should be taken to arrive at full implementation. It was also envisaged that in the latter case, and after a given time-limit, the arbitrator or arbitrators would determine whether given indications had been followed and implementation had taken place.

"Being aware of the earlier negative attitude of the Government of India on the question of arbitration with relation to the Kashmir problem as a whole, I made it a point to explain to them that I was not suggesting anything of that nature and that what I was proposing, while termed arbitration, would in all likelihood be more in the nature of determination of certain facts which in their view were incontrovertible. In addition, the procedure suggested might lead to improvement in Indo-Pakistani relations in general—a development which I assumed could not be unwelcome to either of the countries.

"While the Pakistani Government, after certain hesitations, agreed with my suggestion in principle, the Government of India did not feel that arbitration as outlined by me would be appropriate. They explained that while they were not opposed to the principle of arbitration as a method of conciliation, and had indeed agreed to this procedure to arrive at a solution of certain other problems outstanding between their country and Pakistan, they felt that the issues in dispute were not suitable for arbitration because such procedure would be inconsistent with the sovereignty of Kashmir and the rights and obligations of the Union of India in respect of this territory. They were furthermore apprehensive that arbitration even on isolated parts of the resolutions might be interpreted as indicating that Pakistan had *locus standi* in the question.

"In dealing with the problem under discussion as extensively as I have during the period just ended, I could not fail to take note of the concern expressed in connexion with changing political, economic and strategic factors surrounding the whole of the Kashmir question, together with the changing pattern of power relations in Western and Southern Asia. The Council will furthermore be aware of the fact that implementation of international agreements of an *ad hoc* character which has not been achieved fairly speedily may become progressively more difficult because the situation with which they were intended to cope has tended to change.

"While I feel unable to report to the Council any concrete proposals which, in my opinion, at this time are likely to contribute toward a settlement of the dispute . . . my examination of the situation as it obtains at present would indicate that, despite the present deadlock, both parties are still desirous of finding a solution to the problem. In this connexion the Council may wish to take note of the expressions of sincere willingness to co-operate with the United Nations in the finding of a peaceful solution which I received from both Governments."

Mr. Jarring's report was received with satisfaction in India, where particular emphasis was placed by the Press on his reference to the "changing political, economic, and strategic factors surrounding the whole of the Kashmir question, together with the changing pattern of power relations in Western and Southern Asia." This phrase was interpreted to mean that Mr. Jarring had been impressed by India's contention that Pakistan's membership of the Baghdad and SEATO pacts had affected the solution of the Kashmir question, and that he had also taken into account the situation in Kashmir on both sides of the cease-fire line, especially the considerable political and economic progress made in Indian Kashmir. Moreover, Mr. Jarring's observation that "on exploring this question of a plebiscite I was aware of the grave problems that might arise in connexion with and as a result of the plebiscite" was interpreted as an appreciation of the communal passions that would be aroused in the sub-continent by a plebiscite, irrespective of its result.

In Karachi, Mr. Firoz Khan Noon issued the following statement on Mr. Jarring's mission:

"When the Security Council asked Mr. Jarring to undertake this work . . . I was sure that they had placed an impossible task on his shoulders, knowing full well that Mr. Nehru would never accept any solution which meant granting self-determination to the people of Kashmir in accordance with the Security Council Resolution: because Mr. Nehru knows, just as the whole world knows, that he is in unlawful and forcible possession of Kashmir, depriving the people of that unfortunate State of their freedom. They are living under the shadow of his bayonets. Mr. Nehru has introduced the worst kind of imperialism and colonialism. It is now for the United Nations to consider how they are to deal with a gentleman who is defying the united opinion of the civilized world. Pakistan will never rest until the people of Kashmir are free."

Pakistani Protest to Security Council against Inclusion of Kashmir in Northern Zone Council.

Following the first meeting of the Northern Zone Council in Delhi (see 15510 F), the Pakistani Government sent a letter to the Security Council protesting against the incorporation of Kashmir into the zonal arrangements. After describing this as "a new move on the part of the Government of India . . . towards determining unilaterally the future shape and affiliation of Kashmir," the letter said that the Pakistani Government "takes a grave view of the situation that will develop as a result of the present action of the Government of India, particularly in view of its timing, which aims at frustrating the objectives of the Jarring mission and thus creating further difficulties in the way of a peaceful settlement of the dispute." It added that Pakistan "reserves the right to seek further action by the Security Council in regard to this matter." (Indian and Pakistani High Commissioner's Offices, London - U.N. Information Centre, London - The Hindu, Madras - The Statesman, Calcutta - Times - Daily Telegraph - Manchester Guardian - New York Times) **(Prev. rep. 15381 A.)**

A. ISRAEL. — Arrival of U.S. Tanker at Eilat. - Opening of Eilat-Beersheba Oil Pipeline. - Saudi Arabian Threats against Israeli Shipping in Gulf of Akaba. - Saudi Memoranda to United Nations.

The U.S. tanker *Kern Hills*, carrying a cargo of 16,700 tons of crude oil from the Persian Gulf, arrived on April 6 at the Israeli port of Eilat (Elath), at the head of the Gulf of Akaba. On April 14 the pumping of the oil began through a newly completed pipeline from Eilat to Beersheba.

The oil shipment was the first major cargo to reach Eilat since the creation of the State of Israel. The Egyptian batteries at Sharm-el-Sheikh, which had dominated the Straits of Tiran (the entrance to the Gulf of Akaba) since the Arab-Israeli war of 1948, were destroyed by Israeli forces during the Sinai campaign and the area was subsequently taken over by the U.N. Emergency Force. As a result, the *Kern Hills* had an uneventful passage up the Gulf to Eilat.

The *Kern Hills* was one of three U.S. tankers on charter to *Delek* (the Israeli State oil organization) and was routed to Eilat on Israeli initiative. The U.S. State Department was not, however, informed until April 5 that the ship would be entering the Gulf of Akaba. Nevertheless, the fact that the first large foreign ship to reach Eilat was of American registry was widely regarded in Israel as at least a partial fulfillment of the U.S. promise (made in Mr. Dulles's *aide-mémoire* of Feb. 11) "to exercise the right of free and innocent passage" in the Gulf of Akaba.

The 8-inch pipeline from Eilat to Beersheba on which work had begun as an emergency measure in November, 1956, after the blocking of the Suez Canal is expected to cost about $7,000,000. It has a length of 150 miles and when in full operation will carry about two-thirds (800,000 tons) of Israel's total annual oil consumption. To achieve this goal, however, about 40 to 50 tankers of medium tonnage would have to call at Eilat annually.

For the time being the oil arriving at Beersheba will be carried to the Haifa refinery in rail tankers, but work is proceeding on a 16-inch pipeline from Beersheba to Ashdod (near Askalon), on the Mediterranean, which is expected to be ready by the end of the summer. When it is in operation, oil will be carried from Ashdod to Haifa in small tankers.

Saudi Arabian Memoranda on Gulf of Akaba.

In two memoranda published on April 11 and 12 respectively, the Saudi Arabian Government announced that it would take all measures to prevent Israeli ships from using the Gulf of Akaba.

The first memorandum, which had been circulated to other Governments on March 31, claimed that the islands of Tiran and Sanafir at the mouth of the Gulf were Saudi territory and that the Straits of Tiran were Saudi territorial waters. The Gulf could therefore in no way be considered an open waterway, and the Saudi Government would do all in its power to ensure that its traditional use as a pilgrim route was not endangered.

The second memorandum, delivered to the U.N. Secretary-General on April 12, said that any attempt to turn the Gulf of Akaba into an international waterway would "constitute an encroachment of the sovereignty of Saudi Arabia and a threat to its territorial integrity." The Note alleged that "Israeli planes and ships some four months ago attacked positions inside Saudi Arabia," and added: "This proves that Israel intends to force a right of passage through the Gulf, threatening the security of the area." In support of its contention, the Saudi Government cited Paragraph 3 of Article 10 of the 1888 Treaty of Constantinople on the status of the Suez Canal. This paragraph, it was claimed, "specified that the stipulations contained in that treaty do not apply to the Arab States lying on the Red Sea and the Gulf of Akaba." The Note added that the records of the negotiations leading to the 1888 Treaty "clearly reveal that the Gulf of Akaba and its straits were intended to be excluded from the proposed freedom of international navigation in the Suez Canal."

A further Saudi memorandum was sent to the U.N. Secretary-General on May 8 formally protesting against "recent Israeli naval and air activity" in the Gulf of Akaba. Israeli air and naval units, it was alleged, had engaged in manoeuvres in Saudi territorial waters, and their activity was described as "a provocation to a member-State of the United Nations." (Times - Daily Telegraph - Manchester Guardian - New York Times - U.N. Information Centre, London)

(Prev. rep. 15441 A; 15353 A.)

A. RHODESIA AND NYASALAND FEDERATION. — Sir Roy Welensky's London Talks on Constitutional Advancement. - Agreement on Federal Reponsibility for External Affairs. - Non-interference by Britain in Federal Legislation. - Constitutional Review in 1960.

Sir Roy Welensky, the Prime Minister of the Federation of Rhodesia and Nyasaland, and Mr. J. M. Greenfield, the Federal Minister of Law, visited London from April 12-17 for talks with Lord Home (Secretary of State for Commonwealth Relations) and Mr. Lennox-Boyd (Colonial Secretary) on certain aspects of the Constitution of the Federation. Sir Roy Welensky was also received in audience by H.M. the Queen.

Following the Rhodesian Ministers' return to Salisbury, a joint statement was issued on April 26 by the U.K. and the Rhodesian Federal Governments announcing *inter alia* (1) that the Federation would be entrusted with greater responsibility for its external affairs; (2) that the Prime Minister of the Federation would in future have direct access to the Sovereign; (3) that the U.K. Government would not in future initiate any legislation to amend or repeal any Federal law or deal with any matter on which the Federal Government was competent to legislate, except at the Federal Government's specific request; (4) that both Governments were opposed to any proposal either for the amalgamation of the Federation's component territories into a unitary State or for the secession of any territories from it; and (5) that a review of the Federal Constitution would take place at a conference to be convened in 1960.

The principal points of the joint statement are given below:

Introduction. "They [the Rhodesian and U.K. Ministers] reviewed the progress made by the Federation since it was established in 1953. They agreed that this progress had justified the hopes of its founders and provided a sound basis for further development of the policy of partnership between races which the Federation is pursuing."

External Affairs. "The Federal Constitution provides that matters of External Affairs may, from time to time, be entrusted to the Federation. The Federal Prime Minister represented that the time had come for the Federation to assume more responsibility in this sphere, particularly in the field of relations with other countries and the appointment of representatives of the Federation in such countries. The U.K. Government have agreed to entrust responsibility for external affairs to the Federal Government to the fullest extent possible, consistent with the responsibility which H.M. Government must continue to have in international law so long as the Federation is not a separate international entity."

Direct Access to the Sovereign. "In recognition of the constitutional position of the Federation, H.M. the Queen has been pleased to approve that in future the Prime Minister of the Federation should have direct access to the Sovereign on Federal matters affecting the Sovereign personally, on the award of Honours for services to the Federation, and on a number of ceremonial matters."

Administrative Arrangements in the United Kingdom. "There was discussion of a proposal by the Federal Prime Minister that a separate department of the U.K. Government, responsible to the Secretaries of State for Commonwealth Relations and the Colonies jointly, should handle relations with the Federal Government and with all three Territorial Governments. U.K. Ministers explained that this was part of the general question of the responsibility of different Ministers for relations with the various parts of the constantly evolving Commonwealth. The whole question would have to be examined, and in this examination Sir Roy Welensky's suggestion would be borne in mind."

Legislation. "The Federal Government having represented that the Federal Legislature should have the power to legislate with extra-territorial effect, the U.K. Government have agreed that legislation for this purpose will be introduced at Westminster at a convenient opportunity.

"The Federal Prime Minister drew attention to doubts which had arisen in regard to the purpose and effect of Article 29 (7) of the Federal Constitution and to the subject of legislation in the U.K. for the Federation. U.K. Ministers made it clear that the U.K. Government recognize the existence of a convention applicable to the present stage of the constitutional evolution of the Federation, whereby the U.K. Government in practice does not initiate any legislation to amend or repeal any Federal Act or to deal with any matter included within the competence of the Federal Legislature, except at the request of the Federal Government."

Public Services in the Federation. "The U.K. Ministers said that in principle it was accepted that all Civil Services in the Federation, whether Federal or Territorial, would eventually be locally based and look for their future to the Federal area. Accordingly, steps would be taken to work towards this objective and, in particular, the question of interchangeability of officers would be examined in consultation with the four Governments of the Federation."

Proposals for Enlargement of Federal Assembly and for Federal Franchise. "The Federal Prime Minister informed U.K. Ministers of the position reached in his discussions with the Prime Minister of Southern Rhodesia and the Governors of Northern Rhodesia and Nyasaland in regard to the enlargement of the Federal Assembly and to the Federal franchise. U.K. Ministers accepted in principle proposals for the enlargement of the Federal Assembly. The Federal Prime Minister stated that he would not be able to inform H.M. Government of the Federal Government's definite proposals for the franchise, or to present a Bill on this subject to the Federal Legislature, until further discussions had been held in Salisbury. Meanwhile, however, he could assure U.K. Ministers that a Franchise Bill would be introduced and would ensure that British-protected persons otherwise qualified would not be required to change their status in order to be eligible for the Federal franchise, and that the qualifications for that franchise would permit of a reasonable number of such persons acquiring the franchise U.K. Ministers took note with satisfaction of these assurances."

Review of the Constitution. "The Federal Constitution provides for a review not less than seven nor more than nine years from the date when it came into force (October, 1953). In this connexion the two Governments have agreed on the declaration annexed:

Joint Declaration on Review of Federal Constitution.

1. "H.M. Government in the United Kingdom and the Government of the Federation of Rhodesia and Nyasaland have already made it clear and take this opportunity of reaffirming that they are opposed to any proposal either for the amalgamation into a unitary state of the Territories now composing the Federation, or for the secession of any of those Territories from the Federation.

2. "Article 99 of the Federal Constitution provides that not less than seven nor more than nine years from the date of the coming into force of the Constitution there shall be convened a conference consisting of delegations from the Federation, from each of the three Territories, and from the United Kingdom, chosen by their respective Governments, for the purpose of reviewing that Constitution. The Constitution came into force in 1953, and it is agreed that the conference shall be convened in 1960.

3. "The purpose of this conference is to review the Constitution in the light of the experience gained since the inception of Federation and in addition to agree on the constitutional advances which may be made. In this latter context the conference will consider a programme for the attainment of such a status as would enable the Federation to become eligible for full membership of the Commonwealth."

Sir Roy Welensky, in a supplementary statement, explained that in conformity with its increased responsibility for external affairs the Federal Government would now have the right to:

(1) Conduct all relations and to exchange representatives with Commonwealth countries without consultation with the U.K. Government:

(2) Conduct all negotiations and agreements with foreign countries, subject to the need to safeguard the U K Government's international responsibilities;

(3) Appoint representatives to the diplomatic staffs of H.M. embassies;

(4) Appoint its own diplomatic agents, who would have full diplomatic status and would be in charge of Federal missions in any foreign country prepared to accept them, and to receive such agents from other countries;

(5) On its own authority to acquire membership of international organizations for which it was eligible.

"It will be seen," Sir Roy added, "that the entrustments now made are considerable, and give the Federation the fullest practicable independence in external affairs."

Speaking at a press conference on April 17 before leaving London, Sir Roy made it clear that he had not come to the U.K. to demand independence for the Federation forthwith, but added: "I do not want you to assume that we are not determined to attain independent status within the Commonwealth. We are—but I believe the time to settle that is in 1960, when the Constitution comes up for review."

On the Federal franchise Sir Roy said that he hoped soon to produce a system which would go a long way towards a solution of the problem. "One thing is certain," he said. "The dogma of 'one man one vote' cannot apply in our part of Africa in the foreseeable future, and any pretence that it could is only mischievous and dangerous. Those who speculate on this premise do harm."

Sir Roy added that there had also been discussions on defence. "We want to play our part in imperial defence," he said, "and I should like to be certain that the part we are playing is the best we are capable of."

In another press statement in Salisbury on April 27 Sir Roy Welensky said that the convention agreed with the U.K. Government [see section "Legislation" above] would rule out the risk that a future Labour Government in Britain might try to interfere with subjects at present within the competence of the Federation.

Sir Roy declared: "As a result of recent utterances by spokesmen of the British Labour Party, the fear has grown here that if returned to power the Labour Party would endeavour to inflict some of their half-baked ideas on us by legislative act. The convention rules this out. If any British Government in the future began ignoring undertakings and agreements, we are in a very similar position to do the same."

Sir Roy Welensky added that the British Government would not have considered granting the Federation any advanced status in the future if the Federal Government had not agreed to extend the franchise to British-protected persons. This concession would strengthen the Federal Government's hands in arguing in 1960 for the granting of independence within the Commonwealth.

The constitutional discussions between the Federal Prime Minister, the Prime Minister of Southern Rhodesia, and the Governors of Northern Rhodesia and Nyasaland, referred to in the announcement, had taken place on Dec. 13-14, 1956. It was stated afterwards that the main subjects discussed had been certain proposals on franchise, citizenship, and the enlargement of the Federal Assembly, presented by the Federal Government; that the proposals in the form presented had met with certain objections of principle; that agreement had been reached, however, on the desirability of enlarging the Federal Assembly; and that unanimous proposals had been formulated to achieve this.—(Federal Information Department, Salisbury - Times - Daily Telegraph) **(Prev. rep. 15324 A.)**

A. UNITED KINGDOM. — Coal Production Statistics. - N.C.B. Appointments. - Ending of "Bonus Shift" System. - Miners' Wage Increases.

The following table shows the average weekly rates of coal production and consumption, and of manpower, output and absenteeism, in the first quarter of 1957:

	Saleable Mined Coal Produced Tons	Plus Open-cast Tons	Total Production Tons	Inland Consumption Tons	& Bunkers Tons
January ..	3,385,540	175,720	3,561,260	4,646,200	162,600
February	4,496,750	236,025	4,732,775	4,747,250	121,250
March ..	4,416,975	241,100	4,658,075	4,521,500	165,250
1st Quarter	4,099,755	217,615	4,317,370	4,638,317	149,700

	Wage-earners on colliery books Total	at coal-face	No. of shifts worked per wage-earner	Output per manshift at coal-face Tons	overall Tons	Percentage of absentee-ism
January	706,210	286,280	4.41	3.337	1.206	16.08
February	709,900	286,225	4.92	3.425	1.271	12.63
March	711,100	286,725	4.93	3.416	1.263	13.05
1st Quarter	709,080	286,410	4.75	3.399	1.247	13.92

Other recent developments in connexion with the coalmining industry are summarized below:

Ending of "Bonus Shift" System. The National Coal Board announced on April 16 that, subject to coal output remaining satisfactory to the end of May, it had agreed to the ending of the "bonus shift" system (introduced in 1947) whereby miners were paid for six shifts weekly so long as they worked for the full five, any man voluntarily missing a shift losing his bonus. The system would be replaced by a new arrangement under which miners would be paid one-and-a-fifth times the present rate per shift irrespective of absence for any shift, unless due to strikes.

N.C.B. Appointments. The appointment as full-time members of the N.C.B. of Mr. H. W. Hembry, deputy chairman of the Board's Northern Division, and of Mr. H. E. Collins, Director-General of Reconstruction at N.C.B. headquarters, was announced on Jan. 21 and Feb. 16 respectively. On March 13 it was announced that Mr. W. V. Sheppard, general manager of the No. 1 (Chesterfield) Area of the Board's East Midlands Division, would succeed Mr. Collins as Director-General of Reconstruction at headquarters.

Lord Mills, the Minister of Power, on Feb. 8 appointed Mr. James Crawford, general president of the National Union of Boot and Shoe Operatives, as industrial relations member of the N.C.B. in place of Mr. W. H. Sales (see 15349 A). Mr. Crawford was already a part-time member of the Board.

New Opencast Site. The N.C.B. announced on Jan. 29 that it had placed a contract, valued at about £13,250,000, for the development of a new opencast coal site near Morpeth (Northumberland), expected to produce about 6,250,000 tons of coal over the next 10 years.

It was announced on May 2 that, after lengthy negotiations, the National Coal Board and the National Union of Mineworkers had reached agreement on wage increases for about 380,000 day-wage miners. The settlement will be submitted to the union's national delegate conference, and, if approved, will come into effect retroactively from the first full pay week in March. The increases ranged from 1s. 7d. a shift (equivalent to 9s. 6d. weekly for a six-day week) for men on minimum rates to 1s. 10d. a shift for craftsmen and enginemen, and raised basic rates for day-wage men to £8 10s. weekly (surface workers) and £9 10s. weekly (underground workers). Juvenile workers obtained from 5s. 6d. to 8s. a week more according to age.

The N.U.M.'s original claim (approved by its executive committee on Jan. 10) was for an increase of 8s. 8d. a shift for day-wage men, equivalent to about 19s. 6d. in a full week and estimated to cost about £15,000,000 in a full year. The present increases (involving an all-round increase for day-wage men of over five per cent) will cost the industry about £10,000,000 a year.—(Ministry of Fuel and Power - Times) **(15349 A.)**

B. CHILE. — New Cabinet Crisis. - Government reorganized by President Ibañez.

All the members of the Chilean Cabinet resigned on April 22 at the request of President Carlos Ibañez, who appointed a new Cabinet on the following day composed of personal friends, technicians, and officers of the armed forces. Only one political party—the pro-Government Agrarian Labour party—was represented in the new administration, the members of which were as follows:

Interior - Sr. Jorge Aravena Carrasco; Foreign Affairs and Mines—Sr. Osvaldo Sainte-Marie; Education - Rear-Admiral Manuel Quintana; Economy - General Horacio Arce; Finance Sr. Eduardo Urzua; Justice—Sr. Arturo Zuniga; Defence - General Adrian Barrientos; Public Works General Eduardo Yanez; Agriculture—Sr. Mario Astorga; Lands and Colonization—Sr. Oscar Pinochet; Labour - Sr. Raul Barrios; Health Dr. Muñoz Urrutia. Five of the 12 Ministries changed hands, including those of the Interior, Defence, Agriculture, and Economy. The new Minister of the Interior held the portfolio of Agriculture in the previous Cabinet.

The Cabinet crisis—the 18th since President Ibañez assumed office in 1952—was precipitated by the resignation of four Ministers (all from the Agrarian Labour party) following the arrest of four lawyers who were defending the interests of the Horizonte printing works, which had been wrecked by unidentified elements during the recent rioting in Santiago.

The arrest of the four lawyers, though defended by Government circles on the ground that they were allegedly Communists, had been strongly criticized by the political parties, and also in the law courts and the Press. As a result of these protests, President Ibañez (who had been absent from the capital at the time) revoked the detention orders and granted immediate freedom to the four lawyers, who had meanwhile been exiled to remote parts of the country. The then Minister of the Interior (Sr. Roberto Infante), who had signed the order for their arrest, stated that he done so without having been informed that they were investigating the wrecking of the Horizonte premises, and accused the Under-Secretary of the Interior (Sr. Carlos Ferrer) of having withheld this information. Señor Infante and Señor Ferrer subsequently tendered their resignations to President Ibañez.

The Horizonte concern printed the Chilean Communist organ *El Siglo* and other newspapers, and the four lawyers concerned had been investigating the circumstances in which the printing works were wrecked.—(Times - New York Times) **(Prev. rep. 15500 A.)**

C. UNITED KINGDOM. — Bernard Shaw's Will. - "Alphabet Trusts" held invalid.

Mr. Justice Harman ruled in the Chancery Division on Feb. 20 that provisions in George Bernard Shaw's will for the establishment of a trust to promote the replacement of the English alphabet by a new phonetic alphabet were invalid. The will had been disputed by two of the residuary legatees, the British Museum and the Royal Academy of Dramatic Art.

Mr. Shaw's will, which was drawn up shortly before his death on Nov. 2, 1950, left the residue of his estate to finance research into how much time, labour, and money could be saved by the introduction of an alphabet containing at least 40 letters, which would allow the language to be written without indicating single sounds by groups of letters. The will also directed that Shaw's *Androcles and the Lion* should be published in a page-by-page version, with the proposed alphabet on one side and the present alphabet on the other, as a means of propaganda for the adoption of the former. After 21 years the residuary estate was to devolve on the British Museum, the National Gallery of Ireland, and the Royal Academy of Dramatic Art, in equal shares. Mr. Justice Harman ruled that the proposed "alphabet trusts" were not for purposes which the law regarded as charitable, but were rather analogous to trusts for political purposes and were therefore invalid.

It was announced on Feb. 20 that Mr. I. J. Pitman, M.P., and the Shaw Society intended to launch a fund to cover the costs of an appeal against the judgment; or, if this were not possible, to finance Shaw's project privately. Mr. Pitman (the Conservative Member for Bath) is an advocate of spelling reform (see 9942 D) and was a personal friend of Bernard Shaw.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Bernard Shaw, 12507 C; 11861 B.)**

D. AUSTRIA. — Adherence to European Multilateral Exchange Arbitrage Scheme.

Austria joined the scheme for multilateral arbitrage between the principal European exchange markets as from Jan. 2. The members of the scheme, which was first introduced in 1953, are Belgium, Britain, Denmark, France, Western Germany, Italy (which joined in August 1955), the Netherlands, Norway, Sweden, and Switzerland.—(Wiener Zeitung) **(Prev. rep. 13278 A; 12943 A.)**

A. UNITED KINGDOM. — Trebling of Nuclear Power Programme. - Exchanges of Information with U.S.A. - Annual Report of Atomic Energy Authority. - National Research Institute for Nuclear Science.

Plans for the trebling of the nuclear power programme outlined in February 1955 (see 14045 A) were announced in the House of Lords on March 5 by the Minister of Power, Lord Mills. The new plans involve the construction of 16 nuclear power stations in addition to the three (Berkeley, Bradwell, and Hunterston) for which orders have already been placed, at a total cost for the 19 stations of £1,460,000,000. The 19 plants are expected to provide a nuclear power capacity of 5,000-6,000 megawatts by 1965, instead of the 1,500-2,000 megawatts scheduled to be produced by the 12 nuclear power stations envisaged under the 1955 scheme. Lord Mills's statement was as follows :

" The Government, in conjunction with the English and Scottish Electricity Authorities and the Atomic Energy Authority, have completed their re-examination of the nuclear power programme outlined in the White Paper of February 1955, which set a target of some 1,500-2,000 megawatts of nuclear capacity in operation in the country by the end of 1965. Since we already spend some £250,000,000 per annum on importing fuel, chiefly oil, and this burden on our balance of payments will continue to grow, the importance of our need to develop nuclear power as a source of energy cannot be in doubt. Our task has therefore been to consider the extent to which the 1955 programme can be accelerated in view of technical advances in the last two years.

" It is the considered opinion of our expert advisers that in the light of present knowledge the English and Scottish Electricity Authorities can reasonably aim at having at least 5,000 mW. of nuclear capacity in operation by the end of 1965, and that if technological development continues to be favourable, and the necessary physical and financial resources can be found, a figure of 6,000 mW. could be achieved by that date.

" The Government have accordingly decided, with the full agreement of the Electricity Authorities and the Atomic Energy Authority, to adopt as a basis for present planning a range of 5,000-6,000 mW. of nuclear capacity in operation by the end of 1965. This means that the supply of raw materials for nuclear generation, the acquisition of sites, and the planning of the transmission network will be on a scale sufficient to bring 6,000 mW. of nuclear capacity into operation by the end of 1965. The actual amount of nuclear capacity to be installed by that date will be subject to technical experience and development as planning progresses, including the trend of capital costs, and to the availability of physical and financial resources.

" The Government of Northern Ireland are today announcing that the Electricity Board for Northern Ireland intend . . . to bring into commission a 150 mW. nuclear station in 1963 or 1964.

" The execution of this nuclear programme would make a major contribution to our energy resources : a full year's operation of 6,000 mW. generating capacity would save some 18,000,000 tons of coal. But it would also mean a large increase in the annual investment programme of the Electricity Authorities during the early 'sixties, and this would represent a very heavy burden on the nation's capital resources during a period when those resources are likely in any event to be seriously strained.

" The programme will moreover involve the erection of new power stations and of overhead transmission lines in parts of the country which have not hitherto felt the impact of the nation's requirements for electricity. This is unfortunately inevitable because nuclear stations raise special siting problems. H.M. Government and the Electricity Authorities are determined to carry through the programme with the least possible interference with the amenities of our countryside or the rights of individuals. But we believe that this can be done and at the same time some provision be made for that acceleration of the present procedure which is essential if the programme is not to be seriously delayed. The Paymaster-General will accordingly be tabling amendments to existing legislation for inclusion in the Electricity Bill which is at present being considered.

" I would add that nothing said about the prospects of the nuclear power programme in any way affects the importance of the coal industry. However rapidly we develop nuclear energy, coal will remain the basis of our economy, and the need to exploit to the full our national coal resources remains as urgent as ever."

In reply to questions, Lord Mills stressed that the programme would remain flexible and subject to periodic review. On the question of costs, he stated that conventional power stations to give the same amount of power would cost £810,000,000, or £650,000,000 less than the nuclear power stations. He added, however, that the Government would take every advantage of improvements and discoveries, believing that the cost would fall as they went along. On the possibility of exporting power stations, Lord Mills said that the programme had been phased in such a way that at the time when exports might be expected to be growing, those concerned would be best able to handle them.

As regards the difference between nuclear and conventional stations, the Minister explained : " The cost of generation by the three nuclear power stations which have been ordered is expected to be very slightly more than that of a conventional power station. That is taking into account capital cost as well as operating cost. The capital cost is very much higher : the operating cost very much lower. It is confidently expected, however, that while conventional stations will go on improving in efficiency, the efficiency of nuclear power stations will improve much more rapidly, so that ultimately we can hope that the cost of a nuclear station compared with a conventional station will be less."

A similar statement was made in the House of Commons by the Paymaster-General, Mr. Maudling.

In a subsequent press statement **Lord Mills** said that there would be 19 nuclear stations in England and Scotland, one of a smaller type in Northern Ireland, and possibly another in Wales. This did not mean, however, that 19 different sites would have to be found in England and Scotland, since it would be possible on some sites to build two power stations.

Lord Citrine, chairman of the Central Electricity Authority, stated that the planned nuclear capacity of 5,000-6,000 megawatts would represent about 15 per cent of the anticipated total generating capacity in 1965. Because nuclear power stations would be in continuous use, however, their real contribution would be nearer to 25 per cent of total electricity production.

Sir Edwin Plowden, chairman of the Atomic Energy Authority, said that " if all goes well, as we in the A.E.A. believe, conventional power stations will not be built after 13 years from now."

In the Northern Ireland House of Commons, Lord Glentoran (Minister of Commerce) gave further information on March 5 about the station to be built in Ulster.

Lord Glentoran said that it was expected to cost £25,000,000 and would provide about a fifth of Northern Ireland's total generating capacity. In view of this new development, the N.I. Government had decided to abandon the Bann and Mourne hydro-electric schemes

Anglo-American Exchanges of Information.

Following complaints in the U.S. Congress that Britain had failed to provide the United States with sufficient information about the Calder Hall reactors, the U.K. Atomic Energy Authority issued a statement on March 8 claiming that it had fully discharged its obligations in that respect.

The statement was worded as follows :

" Among the wide range of information which has been exchanged to mutual advantage, the information on reactors has been one of the most important subjects. Valuable information has been exchanged on a considerable number of reactor types. The Atomic Energy Authority consider that they have given to the [U.S.] Atomic Energy Commission all the information on Calder Hall which is required under the [Anglo-American] agreement. Similar information on the Electricity Authorities' reactors is being compiled for transmission to the A.E.C., subject to the limitations of Article 1-D [of the above-mentioned agreement] The A.E.A. has offered to the A.E.C. detailed information on Calder Hall for A.E.C. use under Article 11A2 of the agreement in exchange for similar information on Shippingport [the first U.S. atomic power station]. This offer is still under discussion. No information has yet been received from the United States on military reactors (including the *Nautilus*) under the amendment to the agreement."

The matter had been raised by Senator Anderson, vice-chairman of the Joint Congressional Committee on Atomic Energy, who said that, while the U.S.A. had agreed to give the U.K. full information about military reactors, he doubted whether Britain was giving sufficient information in return. On March 6, representatives of the U.S. Atomic Energy Commission informed the Joint Congressional Committee that Britain had so far supplied little data on the Calder Hall reactors.

Other developments in the atomic energy field are summarized below :

Creation of Nuclear Research Institute.

Mr. Enoch Powell, Financial Secretary to the Treasury, announced on Feb. 17 in a written reply that the Government had decided to set up a National Institute for Research in Nuclear Science.

Mr. Powell explained that the Institute would provide, for the common use of universities and other bodies, facilities and equipment beyond the scope of individual institutions conducting nuclear research. The creation of the new institute would not, however, affect the research being done in individual universities with assistance from Government funds, nor would it affect British participation in the international scheme for common facilities at Geneva.

The Institute would be financed mainly by grants, through the Atomic Energy Authority, from the Lord President's Atomic Energy Vote and would be managed by a governing board appointed jointly by the Lord President of the Council and the Chancellor of the Exchequer. Lord Bridges (who, as Sir Edward Bridges, was Permanent Secretary to the Treasury from 1945-56) had been appointed chairman of the board.

The names of the other members of the board were announced on March 12, as follows :

Universities—Sir Philip Morris, Sir James Mountford, Professor N. F. Mott, Professor H. S. W. Massey, Professor J. Diamond, Professor R. L. Peierls, and Dr. D. H. Wilkinson.

University Grants Committee—Sir George Thomson and Mr. J. C. Gridley.

Royal Society -Sir David Brunt.

Atomic Energy Authority —Sir John Cockcroft, Sir Donald Perrott, and Dr. B. F. J. Schonland.

Department of Scientific and Industrial Research Dr. H. W. Melville and Professor P. M. S. Blackett.

Second Annual Report of U.K. Atomic Energy Authority.

The main points of the second annual report (1955-56) of the U.K. Atomic Energy Authority, published on July 25, 1956 and amplified at a press conference on that date, were as follows :

(1) A total of 21 reactors were in operation, under construction, or planned by the Atomic Energy Authority alone.

(2) The capacity of power stations of the Calder Hall type would be in the region of 300 megawatts and not half this amount, as had been stated in the White Paper of February, 1955. This achievement had been made possible by the discovery of how to increase the working temperature of reactors to a level substantially higher than at first contemplated.

(3) As there were few countries which could accomodate large nuclear power stations in their electricity generating systems, efforts were being made to develop smaller reactors suitable for export.

(4) Work on the peaceful application of the thermo-nuclear reaction as used in the hydrogen bomb had been proceeding since 1948 but remained in the laboratory stage.

(5) Research was proceeding on more advanced types of reactors than those used at Calder Hall, and for the needs of the second stage of the power programme great hope was placed in the sodium-graphite reactor [in which graphite is used to slow down neutrons and from which the heat is removed by liquid sodium.]

(6) The Authority was planning to build a large " proton synchroton."

(7) A research reactor would be built at the Weapons Research Station at Aldermaston, which would take over all research on reactors for military purposes.

(8) About 15,000 curies of Cobalt-60 had been produced in atomic reactors and made available to industrial concerns and hospitals (in the latter case, for cancer treatment).

(9) At the end of its second year the Authority's staff totalled 23,973, an increase of 21 per cent.

(10) The Authority's capital account stood on March 31, 1955, at £174,118,304, and the net cost of operations during 1955-56 was £10,385,000.

New Equipment at Harwell. - "Hermes" and Nero "Machines."

Two new items of equipment, the *Hermes* and the *Nero*, came into operation at Harwell during the period under review.

The *Hermes* (a machine for separating the mixture of isotopes of which most elements consist) began to operate on Jan. 29. Its name was derived from the machine's full title " Heavy Element and Radioactive Material Electromagnetic Separator," the machine being described as the largest and most complex in Western Europe.

Nero (a new experimental low-energy reactor), which began to operate on Feb. 23, will be used to investigate design problems associated with the more advanced types of reactor under study by the Authority. As the sodium-graphite type of reactor was amongst those to be studied with the aid of *Nero*, its name had been derived derived from " NA [chemical symbol for sodium] experimental reactor," the " o " being added to indicate that it was a zero energy reactor.

Atomic Research Station in Dorset.

The Ministry of Housing and Local Government announced on Feb. 1 that the Minister had given permission to the Atomic Energy Authority to proceed with the development of a new atomic research station on a 688-acre site at Winfrith Heath, in Dorset.

The Minister said in his letter to the Authority that objections to the proposals had been raised mainly on the grounds that local water supplies would be impaired ; that the beauty of the landscape would be marred ; that the rural economy would be upset ; that there would be excessive pressure on local housing and schools ; and that the effluent from the establishment would damage fisheries. The Minister believed, however, that water supplies would be sufficient to fulfil all needs ; that the countryside need not become " industrialized or suburbanized " as a result of the project ; and that, while a further detailed examination of the matter would be undertaken, there was no reason to believe that the safety of local fisheries would be endangered. In granting permission, the Minister nevertheless stipulated that the A.E.A. should submit its building plans for the approval of the local planning authority and, specifically, that screens of trees should be erected as and where the two authorities considered desirable.

The matter had been referred to the Minister for decision after the Dorset County Council had accepted the A.E.A.'s proposals by 71 votes to 16 on Nov. 9, 1956.—((Times - Daily Telegraph - Manchester Guardian - Financial Times)

(Prev. rep. Ten-Year Plan, 14045 A ; Atomic Power Stations, 15135 A ; Harwell, 15242 A ; Anglo-American Agreement on Exchange of Information, 15315 A.)

A. PERSIA. — New Cabinet. - Ending of Martial Law.

M. Hussein Ala, who had held the Premiership for the past two years, resigned on April 3 and was succeeded as Prime Minister by Dr. Manouchehr Eghbal (Minister of the Court), who formed a new Government at the Shah's request. No official explanation was given for M. Ala's resignation, but it was understood to have been caused by the murder of three American citizens by a bandit gang in south-eastern Persia, which had led to the suspension of U.S. foreign aid activities in that area. The U.S. citizens concerned were Mr. Kevin M. Carroll, International Economic Co-operation adviser for the Kerman area of Persia ; his wife, Mrs. Anita Carroll ; and Mr. Brewster A. Wilson, an I.E.C. official.

Mr. and Mrs. Carroll and Mr. Brewster were ambushed on March 24 while travelling by jeep through a desolate region of south-eastern Persia near the Pakistani border, and murdered together with two Persians travelling with them. The ambush was carried out by a gang led by a notorious bandit leader, Dad Shah, for whom intensive searches were made by the Persian authorities. It was announced in Karachi on April 18 that a Pakistani border patrol had captured 18 members of the gang including Ahmed Shah, brother of Dad Shah who had crossed into Baluchistan and were apparently trying to make their way to the port of Gwadar, which is under the political control of the Sultan of Muscat, Ahmed Shah was said to have confessed to the murder of Mrs. Carroll, and to have stated that Dad Shah had been killed in a clash with Persian police.

The membership of Dr. Eghbal's Cabinet was announced in Teheran on April 4, as follows :

Dr. Manouchehr Eghbal, Prime Minister and Minister of the Interior ; M. Ali Ardalan, Foreign Minister ; Dr. Mohammed Majlissi, Justice ; M. Ali Asghar Nasser, Finance ; General Ahmed Vossough, National Defence ; M. Mohammed Mehran, Education ; General Ali Akbar Zargan, Customs and Monopolies ; Dr. Abul Hossein Rajdim, Health ; M. Aga Khan Bakhtiar, Labour ; M. Mustafa Tadjadod, Commerce ; M. Hassan Akhrani, Agriculture ; M. Sherif Emami, Industry and Mines ; General Vali Ansari, Transport and Communications ; M. Ghassem Echragui, Posts ; M. Khali Taleghani, Minister of State without portfolio. Four State Secretaries were appointed for the *Présidence du Conseil*, Information, Administrative Affairs, and administration of the Seven-Year Plan (see 10018 A).

Several Ministers of the former Government remained in office, including the Foreign Minister, M. Ardalan. The Ministry of Customs and Monopolies, a newly-created department, will be responsible *inter alia* for tobacco and other State monopolies.

Dr. Eghbal (49) was born at Meshed and is a doctor of medicine by profession, having graduated at the Universities of Paris and Montpellier and being married to a Frenchwoman. A personal friend of the Shah, he has held ministerial posts in a number of Cabinets and was Governor of Persian Azerbaijan in 1950-51. As Minister of the Interior he issued the decree outlawing the Tudeh (Communist) party after the attempt on the Shah's life in 1949.

Immediately after taking office Dr. Eghbal issued a decree ending martial law, which had been imposed during the war and had remained in force in Teheran for 16 years. In a policy statement on the same day (April 5) Dr. Eghbal announced his intention of encouraging a free Press and free speech ; of forming a democratic two-party system from which members of the armed forces would be excluded ; and of developing the concept of a Parliamentary Opposition " His Majesty's Opposition "—in the Majlis (Parliament). He stated in this connexion that the formation of political parties (banned since 1953 under the martial law regulations) would be permitted for all groups except the Communists. Dr. Eghbal also dwelt on the need to create an efficient administrative machine ; to reduce the number of Civil servants ; to introduce budgetary reforms ; and to eradicate poverty and Communism. In foreign affairs the Government would continue to co-operate with friendly Powers and would not tolerate any interference in Persian affairs.

Dr. Eghbal was given a vote of confidence by the Majlis on April 14, the voting being 110 votes to nil with four abstentions.—(Le Monde, Paris - Times - New York Times)

(Prev. rep. 14151 B.)

B. NORWAY. — Compulsory Insurance Scheme for Bereaved Children.

A new compulsory insurance scheme came into force in Norway on April 1 under which an amount of 600 kroner (£30) will be paid annually to all children (including illegitimate children) belonging to families who have lost their breadwinner through any cause. To cover the expenditure, a special premium at the rate of 15 öre (about 2d.) a week will be payable by all employees paying National Health Insurance contributions, another 9 öre per week being payable by all employers for each of their employees. It was stated that 86,000 children would benefit at once under the new scheme.

(Norwegian Embassy, London - Aftenposten, Oslo)

MAY 11—18, 1957

A. INDIA. — General Elections to House of the People and State Assemblies. - Congress Majority in House of the People and 11 State Assemblies. - New Cabinet formed by Mr. Nehru. - Reorganization of Ministries. - Changes in State Governments. - Communist Ministry in Kerala. - National Conference Victory in Kashmir State Elections. - Re-election of President Prasad and Vice-President Radhakrishnan.

The final results of the elections to the House of the People (*Lok Sabha*), the lower House of the Indian Parliament, and to the State Assemblies, voting in which concluded on March 14, were officially published on April 5. Candidates were returned for 488 of the 500 seats in the House of the People filled by election; voting was postponed owing to adverse weather conditions in Himachal Pradesh, which returns four members, and in two Punjab constituencies. The six members for Kashmir are elected indirectly by the State Assembly.

The Congress Party won 365 seats, about the same number as in the 1951-52 elections, and increased its proportion of the total vote from 45 to 47 per cent. It also won an absolute majority in 11 of the 13 State Assemblies, although securing a majority of the total vote only in Assam (56 per cent) and Mysore (51 per cent). In Orissa, where no single party obtained a majority, Congress as the largest party formed a minority Government with the support of certain other groups. In Kerala the Communist Party emerged as the largest single group, and was able to take office with Independent support.

The elections passed off peacefully except in Mysore, where one man was killed in a clash between Congress and Communist supporters in the Kolar district, and in certain areas of Bombay State, where strong anti-Congress feeling had been aroused by the linguistic controversy. Out of an electorate of 193,120,024, about 121,400,000 people voted in the parliamentary and 112,300,000 in the State Assembly elections; 118,821,705 valid votes were cast in the parliamentary elections against 105,987,318 in the 1951-52 elections, when the electorate totalled about 173,000,000. The number of candidates for the House of the People showed a considerable decrease, from 1,975 in 1951-52 to 1,493. Only 12 candidates (all Congress) were returned unopposed.

Elections to House of the People.

The following table shows the seats and votes won by the four "all-India" parties—the Congress, Praja Socialist Party (P.S.P.), Communist Party, and *Jan Sangh*. All voting figures are provisional.

	1957		1951-52	
Party	Seats	Votes	Seats	Votes
Congress	365	57,278,612	362	47,528,911
P.S.P. . ..	19	11,642,726	21*	17,285,126*
Communists ..	29	12,068,452	23	4,712,009
Jan Sangh ..	4	7,216,800	3	3,286,361
Others	71	30,615,115	80	38,224,911

*Figures are for Socialist Party and *Kisan Mazdoor Praja* Party combined.

"Others" included 23 Independents and 48 representatives of minor parties, as follows: Socialists 7, Scheduled Castes Federation 7, *Ganatantra Parishad* (Orissa) 7, *Jharkhand* Party (Bihar) 7, Peasants' and Workers' Party (Bombay) 4, Forward Bloc 3, *Janata* Party (Bihar) 3, *Dravida Munnetra Kazhagam* (Madras) 2, Congress Reforms Committee (Madras) 2, Hindu Mahasabha 2, Revolutionary Socialist Party 1, Moslem League 1, *Lok Sewak Sangh* (West Bengal) 1, Eastern Tribal Union (Assam) 1.

The election results as they affected the various parties are analysed below.

Congress Party. The distribution of Congress seats among the various States was as follows, the total number of members returned by each State to the House of the People being shown in parentheses: Andhra Pradesh 37 (43), Assam 9 (12), Bihar 41 (53), Bombay 38 (66), Kerala 6 (18), Madhya Pradesh 35 (36), Madras 31 (41), Mysore 23 (26), Orissa 7 (20), Punjab 19 (22, two seats unfilled), Rajasthan 19 (22), Uttar Pradesh 70 (86), West Bengal 23 (36), Delhi 5 (5), Manipur 1 (2), Tripura 1 (2).

Congress—which, in addition to its 12 unopposed candidates, contested 484 seats—increased its overall percentage of votes from 45 per cent to nearly 48 per cent; it also increased its poll in most States, and notably in the Punjab (where it had gained the support of the Sikh *Akali Dal* since the previous elections), Andhra Pradesh, Madras, Mysore, and Rajasthan. This improvement in the party's position, however, was not reflected in increased parliamentary representation—primarily because of the fall in the number of Opposition candidates, as a result of which fewer Congress candidates were returned on a minority vote. The Congress suffered a series of reverses in the Maharashtra area of Bombay, where it won only two seats out of 22; in the Gujerat area of the same State; in Uttar Pradesh, where its percentage of the vote fell from 48 in 1952 to 42; in Kerala; and in Orissa.

All the members of the Central Government were returned except the Ministers of Labour and Law and three Deputy Ministers. Mr. Nehru was elected by a majority of 193,000 in an Allahabad constituency, his three opponents (one *Jan Sangh* and two Independents) all forfeiting their deposits. Mr. Krishna Menon (Minister without portfolio) was elected in a Bombay constituency, defeating Mr. Alvares, a prominent Praja Socialist. Elsewhere in Bombay State, however, where the elections were fought largely on the linguistic issue, three members of the Government lost their seats—Mr. Khandubhai Desai (Minister of Labour), who was defeated by a 127,000 majority in a straight fight in an Ahmedabad constituency, Mr. H. V. Pataskar (Minister for Law and Civil Aviation), and Mr. Jagannathrao Bhonsle (Deputy Minister for Rehabilitation). Also in Bombay State, Mr. N. V. Gadgil (a former Minister) lost the Poona seat which he had held for nearly 20 years. In Madras two Deputy Ministers, Mr. Alagesan (Railways) and Mrs. Chandrasekhar (Health) were defeated at Chingleput, a double-member constituency, while Mr. V. V. Giri, a former Minister of Labour, was defeated in an Andhra constituency.

All the leaders of the Indian National Trades Union Congress, which is supported by the Congress Party, failed to secure election, including Mr. Khandubhai Desai (the Labour Minister) and Mr. G. D. Ambekar, its former president.

The Congress Parliamentary Party (comprising the Congress members in both Houses) unanimously re-elected Mr. Nehru as its leader on March 29.

Communist Party. The Communist Party—which contested 121 seats and concentrated its efforts particularly on Kerala and West Bengal—more than doubled its vote, and by increasing its parliamentary representation to 29 replaced the Praja Socialists as the second largest group. Its seats were won in the following States: Andhra Pradesh 4, Bombay 4, Kerala 9, Madras 2, Orissa 1, Punjab 1, Uttar Pradesh 1, West Bengal 6, Tripura 1. Its strongest support came from Kerala, West Bengal, Bombay, and Andhra Pradesh, which together returned 23 Communist members; on the other hand the party lost ground in Madras, the Telengana area of Andhra Pradesh, and Tripura, and failed to secure any seats in Assam, Bihar, Madhya Pradesh, Mysore, Rajasthan, Delhi, and Manipur. Among leading Communists elected were Mr. A. K. Gopalan and Mr. S. A. Dange, who were returned from Kerala and Bombay respectively.

Praja Socialist Party. The P.S.P., although contesting more seats (179) than any other Opposition party, won only 19, compared with the 21 won in 1951-52 by the Socialists and the K.M.P.P., the two parties which later united to form the P.S.P. Its candidates were returned from the following States: Assam 2, Bihar 2, Bombay 5, Kerala 1, Mysore 1, Orissa 2, Uttar Pradesh 4, West Bengal 2. The party gained ground in Bombay and West Bengal, where it had failed to secure representation in the previous elections, and also in Uttar Pradesh and Orissa, but failed to return any candidates in Madras (where it had won eight of its 21 seats in 1952), Andhra Pradesh, Madhya Pradesh, the Punjab, Rajasthan, Delhi, Manipur, or Tripura.

The P.S.P. leader, Mr. J. B. Kripalani (who was not opposed by Congress), was elected in Bihar, but several other prominent members lost their seats, including Mr. Asoka Mehta and Mr. H. V. Kamath, who were both defeated by Congress candidates. Mr. P. T. Pillai, the former Chief Minister of Travancore-Cochin, was defeated by a Communist-supported Independent in his home constituency of Trivandrum. Mr. N. G. Goray, a member of the party executive who had been released in February after serving a term of imprisonment in Goa for participating in the *satyagraha* movement, won Mr. Gadgil's seat at Poona.

Reasons suggested in the Indian press for the P.S.P.'s comparative lack of success were internal dissensions within the party and lack of leadership—in particular, the secession of Dr. R. M. Lohia and his followers, and the withdrawal from political life of the party's most popular leader, Mr. J. P. Narain.

Other Left-wing Parties. The Socialist Party won seven seats (three in Uttar Pradesh, two in Andhra Pradesh, and one each in Madras and Manipur), although its leader, Dr. Lohia, was defeated by a Congress candidate in Uttar Pradesh. Dr. Lohia stated on April 14 that the party would challenge the legality of the elections, as its candidates, unlike those of other parties, had been allotted different symbols at different places.

The one Revolutionary Socialist Party candidate returned, Mr. T. K. Choudhury, was elected from a West Bengal constituency, where he was not opposed by Congress. Mr. Choudhury had been released with Mr. Goray in February after a period of imprisonment in Goa.

Right-wing Parties. The *Jan Sangh*—which contested 129 seats—more than doubled its previous vote, but only increased its representation by one seat. It won two of its seats in Bombay, where it enjoyed the support of the *Samyukta Maharashtra Samiti*, and the other two in Uttar Pradesh, where it had put up 60 of its 129 candidates. The party was unsuccessful in West Bengal and Rajasthan, where its three members in the former *Lok Sabha* were returned in 1951-52, and in the five other States where it presented candidates.

The Hindu Mahasabha, which had previously held four seats, won only two; its president, Mr. N. C. Chatterjee, was defeated by a Communist in West Bengal, and its general secretary, Mr. V. G. Deshpande, by a Congress candidate. The *Ram Rajya Parishad*, which won three seats in the previous elections, is not represented in the new House.

Other Parties. The Scheduled Castes Federation won most of its seats in Bombay, where it profited from anti-Congress feeling on the linguistic issue; its president, Mr. Sivaraj, defeated Mrs. Chandrasekhar (the Deputy Health Minister) in Madras. The Moslem League won its only seat in Kerala, where it had formed an electoral alliance with the P.S.P.

Details for the *Ganatantra Parishad* (Orissa), *Jharkhand* Party (Bihar), Peasants' and Workers' Party (Bombay), *Janata* Party (Bihar), *Dravida Munnetra Kazhagam* (Madras), Congress Reforms Committee (Madras), *Lok Sewak Sangh* (Bihar and West Bengal), and Eastern Tribal Union (Assam) are given below in connexion with the elections to the Assemblies of those States.

Appointment of Nominated Members.

Mr. Frank Anthony and Mr. A. E. T. Barrow were nominated by President Prasad on April 5 to represent the Anglo-Indian community, and Mr. C. Gohain to represent the tribal areas of Assam.

New Central Government.

A new Congress Government, consisting of 13 Cabinet Ministers, 14 Ministers of State, and 12 Deputy Ministers, was formed by Mr. Nehru on April 17, this being the third Ministry since the achievement of India's independence. Its membership was as follows:

Cabinet Ministers.

Mr. Jawaharlal Nehru ..	Prime Minister, External Affairs, and Atomic Energy.
Dr. Abul Kalam Azad ..	Education and Scientific Research.
Pandit Govind Ballabh Pant	Home Affairs.
Mr. Morarji Desai	Commerce and Industry.
Mr. Jagjivan Ram	Railways.
Mr. Guzarilal Nanda ..	Labour and Employment, and Planning.
Mr. T. T. Krishnamachari ..	Finance.
Mr. Lal Bahadur Shastri ..	Transport and Communications.
Sardar Swaran Singh ..	Steel, Mines and Fuel.
Mr. K. C. Reddy	Works, Housing and Supply.
Mr. Ajit Prasad Jain ..	Food and Agriculture.
Mr. Krishna Menon	Defence.
Mr. S. K. Patil	Irrigation and Power.

Ministers of State.

Mr. S. Narayan Sinha ..	Parliamentary Affairs.
Dr. B. V. Keskar	Information and Broadcasting.
Mr. D. P. Karmarkar ..	Health.
Dr. P. S. Deshmukh ..	Minister of State in the Ministry of Food and Agriculture.
Mr. K. D. Malaviya ..	Minister of State in the Ministry of Steel, Mines and Fuel.
Mr. M. C. Khanna	Rehabilitation.
Mr. Nityanand Kanungo ..	Minister of State in the Ministry of Commerce and Industry.
Mr. Raj Bahadur	Minister of State in the Ministry of Transport and Communications.
Mr. B. N. Datar	Minister of State in the Ministry of Home Affairs.
Mr. M. M. Shah	Minister of State in the Ministry of Commerce and Industry.
Mr. S. K. Dey	Community Development.
Mr. A. K. Sen	Law.
Dr. K. L. Shrimali .. .	Minister of State in the Ministry of Education and Scientific Research.
Mr. Humayun Kabir ..	Minister of State in the Ministry of Transport and Communications.

Deputy Ministers.

Sardar Surjit Singh Majithia	Defence.
Mr. Abid Ali	Labour.
Mr. A. K. Chanda	External Affairs.
Mr. V. M. Krishnappa ..	Food and Agriculture.
Mr. J. L. Hathi	Irrigation and Power.
Mr. Satish Chandra	Commerce and Industry.
Mr. S. N. Mishra	Planning.
Mr. B. R. Bhagat	Finance.
Dr. M. M. Das	Education and Scientific Research.
Mr. Shah Nawaz Khan ..	Railways.
Mrs. Lakshmi Menon ..	External Affairs.
Mrs. Violet Alva	Home Affairs.

The total membership of the Government was thus 39, compared with 44 previously. The rank of Minister of State replaced the former category of "Ministers of Cabinet rank but not members of the Cabinet."

In addition to those Ministers who failed to secure re-election (see section "Congress Party" above), six members of the previous Government were dropped: viz., two Cabinet members Mr. C. C. Biswas (Law Minister) and Rajkumari Amrit Kaur (Minister of Health) and four Ministers of State Dr. Syed Mahmud (External Affairs), Mr. Mahavir Tyagi (Defence), Mr. M. C. Shah, and Mr. A. C. Guha (Finance). The portfolios of Health and of Law were entrusted to Ministers of State, instead of being held by Cabinet Ministers.

Mr. Krishna Menon, previously Minister without portfolio and, in that capacity, adviser to Mr. Nehru on foreign affairs, became Defence Minister. After the formation of the new Cabinet, however, Mr. Nehru announced that Mr. Menon would continue to be associated with the External Affairs Ministry for questions relating to the United Nations, Egypt, Kashmir, Goa and other important foreign issues.

Mr. Shastri returned to the Cabinet, from which he had resigned as Railway Minister in November last. Dr. Shrimali had hitherto been Deputy Minister of Education, while Mr. Patil, Mr. Sen, Mr. Kabir, Mrs. Menon, and Mrs. Alva took office for the first time.

Mr. S. K. Patil (56), educated at London University, was several times imprisoned for taking part in civil disobedience movements. He was general secretary of the Bombay Pradesh Congress Committee from 1929-46, when he became its president, and has been a member of the All-India Congress Committee since 1931. He has represented a Bombay City constituency in the *Lok Sabha* since 1952.

Mr. A. K. Sen was called to the Bar at Gray's Inn in 1941 and practised in Calcutta, being appointed Junior standing counsel to the West Bengal Government in 1950. He was a member of the Indian delegation at the U.N. in 1955.

Mr. Kabir (51), educated at Oxford, is a well-known writer in Bengali and English. He was secretary to the Ministry of Education until 1954, when he was elected to the Council of States from West Bengal.

Mrs. Menon (58) was a member of the Indian delegation at the U.N. in 1948 and 1950, and has served in the U.N. Secretariat. She is a member of the Council of States, and was appointed Parliamentary Secretary to the External Affairs Ministry in 1952.

Mrs. Alva (49), also a member of the Council of States, is a Bombay lawyer and journalist, and a former vice-president of the All-India Christian Congress.

The working of several Ministries was reorganized as follows under a Presidential order issued on April 17: (1) Two existing Ministries were abolished, those of Production and Natural Resources and of Scientific Research; (2) three new Ministries were created for Transport and Communications; Steel, Mines, and Fuel; and Education and Scientific Research; (3) the Ministry of Commerce and Consumer Industries and that of Heavy Industries were again combined as the Ministry of Commerce and Industry, thus restoring the position before Sept. 1, 1956; and (4) the separate Ministries of Food and Agriculture—created only on Oct. 17, 1956—were again merged into a single Ministry. The former Ministry of Labour was renamed the Ministry of Labour and Employment.

Clearly defined departments were set up within the new Ministries to deal with specific subjects. The Ministry of Commerce and Industry was composed of three departments—those of Heavy Industries, which deals *inter alia* with all State-owned heavy engineering projects, of Commerce and Light Industries, and of Chemical and Pharmaceutical Industries. The Ministry of Transport and Communications was divided into a Department of Transport, dealing with shipping and road and inland water transport, a Department of Communications dealing with radio, posts, and telegraphs, and a Department of Civil Aviation. The Ministry of Education and Scientific Research will contain three departments—for Education, Scientific Research and Technical Education, and Fine Arts and Physical Culture. The Ministry of Steel, Mines, and Fuel will contain Departments of Iron and Steel, Mining, and Fuel.

Elections to State Assemblies.

Simultaneously with the Parliamentary elections, voting took place for the Legislatures in all the States except Andhra Pradesh, where voting was confined to the Telengana area (transferred from Hyderabad under the States Reorganization Act) as elections to the Andhra Assembly had been held in 1955. Of 2,899 seats filled as a result of the State elections, the Congress won 1,888, the Communists and their allies 189, the P.S.P. 195, and the *Jan Sangh* 46.

The Congress obtained a majority in 11 of the 18 States (excluding Kashmir), and formed the largest single party in Orissa. As in the Parliamentary elections, it improved its position in Andhra Pradesh, Madras, the Punjab, and Rajasthan, but suffered setbacks in Bihar, the Maharashtra and Gujerat areas of Bombay, and Uttar Pradesh. The Com-

munists secured representation for the first time in all the State Assemblies, and in Kerala formed the first Communist government in any Indian State. They constituted the largest Opposition group in Andhra Pradesh and West Bengal and considerably increased their representation in Bombay, but lost ground in Telengana and Madras. The P.S.P. formed the largest Opposition group in Assam, Bihar, Bombay, Madhya Pradesh, Mysore, and Uttar Pradesh. The right-wing parties (apart from the Orissa *Ganatantra Parishad*) met with little success except in Madhya Pradesh, the Punjab, Rajasthan, and Uttar Pradesh.

Details of the elections and of subsequent changes in the State Governments are given below. [Except where otherwise stated, party strengths in the Assemblies as reconstituted on November 1, 1956, under the States Reorganization Act are given in parentheses for purposes of comparison; it should be noted, however, that certain of the Assemblies have since been reduced or increased in size.]

Andhra Pradesh.

The results of the elections to the 105 Telengana seats were as follows: Congress 68 (50), People's Democratic Front 22 (34), P.S.P. 1 (6), Scheduled Castes Federation 1 (nil), other parties and Independents 13 (11). In consequence, the position in the State Assembly became as follows: number of seats 301 (295), of which Congress 215 (197), Communists and People's Democratic Front 35 (49), Andhra Nationalist Party 21 (20), Socialists 16 (18), P.S.P. 2 (6), Scheduled Castes Federation 1 (0), Praja Party 1 (nil), Independents 10 (4).

The elections constituted a serious setback for the Communists, who had allied with the Democratic People's Party and left-wing Independents to form the People's Democratic Front, and who had regarded Telengana as one of their main strongholds. Their percentage of the votes fell from 31.2 in 1951 to 26.5, while that of Congress rose from 37.5 to 46.5. The Andhra Nationalist Party was formed after the 1955 elections from Independents and members of minor Opposition groups.

Following the elections, the Chief Minister of Andhra Pradesh (Mr. N. Sanjiva Reddi) reshuffled his Cabinet as follows:

Mr. Sanjiva Reddi—Chief Minister, General Administration, Information, Industries, Commerce, Transport, and Health; Mr. Gopala Reddi—Finance; Mr. Kala Venkata Rao—Revenue, Land Reforms, and Excise; Mr. K. V. Ranga Reddi—Home Affairs; Mr. V. B. Raju—Planning and Development; Mr. M. N. Jung—Co-operation and Housing; Mr. D. Sanjiraiah—Labour and Social Welfare, Mr. J. V. Narasingh Rao—Irrigation and Power; Mr. K. Brahmananda Reddi—Local Administration; Mr. S. B. P. Pattabhirama Rao—Education; Mr. P. Thimma Reddi—Agriculture and Forests; Mr. G. V. Naidu—Law; Mr. M. Narasingh Rao—Highways, Buildings, and Relief and Rehabilitation.

Mr. Gopala Reddi, Minister of Home Affairs in the outgoing Ministry, had held the Finance portfolio both in the composite Madras State and in Andhra State. Mr. K. V. Ranga Reddi had hitherto been Revenue Minister.

Assam.

Number of seats 108 (105), of which: Congress 71 (76), P.S.P. 8 (5), Communists 4 (1), Garo National Council 4 (3), Tribal Union 3 (nil), United Mizo Freedom Organization 2 (nil), Mizo Union 1 (3), Revolutionary Communist Party 1 (nil), Independents 13 (14).

Though increasing its percentage of the total vote from 43 9 in 1952 to 56.6, Congress was returned with a reduced majority, largely because the Opposition parties had reached an agreement to avoid three-cornered fights. Congress suffered a major defeat in the autonomous hill districts, where it won only one out of 15 seats contested, all the remaining seats being won by local groups advocating an autonomous Hills State or by Independents. In the Naga Hills district, where the 1952 elections were boycotted by the electorate, two Independents were returned unopposed; the third seat remained vacant, as the only candidate nominated withdrew. Among Independent candidates returned from the hill districts was the Rev. J. J. M. Nichols Roy, who had recently resigned from the Assam Government in order to support the movement for a Hills State. Elections to district Councils in the hill districts, which were held at the same time, also resulted in an overwhelming victory for autonomist groups.

The Chief Minister of Assam, Mr. Bishnuram Medhi, formed a new Government on April 22, the distribution of portfolios being as follows:

Mr. Bishnuram Medhi—Chief Minister in charge of General Administration, Appointments and Tribal Areas; Mr. Doveswar Sarmah—Finance and Supply; Mr. Siddhinath Sarmah—Public Works, Transport, Rural Development and Local Self-Government; Mr. Motiram Bora—Home and Education; Mr. K. P. Tripathi—Labour, Industries, Development and Planning; Mr. Hareswar Das—Revenue and Relief; Mr. Rupnath Brahma—Forests, Public Health, Medical, Judicial, Legislative, Printing and Stationery Departments; Mr. M. H. Choudhury—Food, Agriculture, Veterinary and Co-operatives; Mr. C. S. Teron—Excise, Prohibition, Jails, Tribal Welfare and Development of Backward Areas. There were also six Deputy Ministers.

Mr. Siddhinath Sarmah, Mr. Bora, and Mr. Brahma had been members of the previous Ministry, while Mr. Hareswar Das had been a Deputy Minister.

Bihar.

Number of seats 318 (318), of which: Congress 210 (233), P.S.P. 31 (24), *Jharkhand* Party 30 (31), *Janata* Party 23 (11), Communists 7 (nil), Socialists 2 (nil), *Lok Sewak Sangh* 1 (4), *Ganatantra Parishad* 1 (1), Independents 13 (12).

The *Jharkhand* Party, led by Mr. Jaipal Singh, draws its support from the Adibasi tribes of the Chota Nagpur area, and demands the formation of an Adibasi State comprising areas of Bihar, Orissa, and West Bengal. The *Janata* Party is headed by the former Raja of Ramgarh, its main objective being the grant of peasant proprietorship. The aims of the *Lok Sewak Sangh* are the development of the Bengali language, and the amalgamation with West Bengal of those parts of southern Bihar inhabited by Bengalis.

The Chief Minister of Bihar, Dr. S. K. Sinha, was re-elected leader of the Congress Legislature Party on April 7, defeating Mr. A. N. Sinha (Finance Minister) by 145 votes to 109. He formed a new Ministry on May 6.

Bombay.

Number of seats 396 (470), of which: Congress 232 (391), P.S.P. 36 (14), Peasants' and Workers' Party 31 (20), Communists 18 (1), Scheduled Castes Federation 15 (3), *Jan Sangh* 4 (nil), Hindu Mahasabha 1 (nil), Independents 55 (19). Elections to four seats were postponed, as two candidates for double-member constituencies died during the election campaign.

Although Congress secured an absolute majority, it nevertheless suffered a serious setback in certain parts of the new Greater Bombay State, five Ministers losing their seats: Mr. B. Patil (Development), Miss Chimanlal (Social Welfare), Mr. Sathe (Industries), Mr. Naik-Nimbalkar (Public Works), and Mr. Tapase (Local Government). These reverses were attributed entirely to the fact that the Opposition parties jointly fought the elections on the linguistic issue and were thus helped by popular feeling in both Maharashtra and Gujerat against the union of these areas in a bilingual State. In Bombay City and Maharashtra the Opposition parties had united in the *Samyukta Maharashtra Samiti* to advocate a separate Marathi State with Bombay as its capital, while in Gujerat a similar alliance (the *Mahagujerat Janata Parishad*) had been formed on a basis of support for a separate Gujerati State. In consequence, gains were made at the expense of Congress by the P.S.P., the Peasants' and Workers' Party (a Socialist organization which broke away from Congress in 1948), and the Communists on the left, by the *Jan Sangh* and Hindu Mahasabha on the right, and by the Scheduled Castes Federation.

In Maharashtra the Congress secured only 32 seats out of 133, two of its candidates forfeiting their deposits. In Greater Bombay it won 13 seats out of 24, though receiving fewer votes than the *Samiti*, and in Gujerat 57 out of 89. In other areas of the State, however, it obtained large majorities—40 seats out of 41 in Kutch and Saurashtra, 55 out of 63 in Vidarbha, and 35 out of 42 in Marathwada. Mr. Nehru described the "swing towards linguism" in Maharashtra and Gujerat as "a temporary phase," and stated that Congress would not change its policy of a bilingual Bombay State because of it.

Mr. Chavan, the Chief Minister of Bombay, formed a new Congress Ministry after he had been re-elected leader of the Congress Party in the State Assembly. The membership and distribution of portfolios was announced on April 11 as follows:

Mr. Y. B. Chavan—Chief Minister, Home and Political Affairs, and Services; Dr. J. Mehta—Finance; Mr. U. Parikh—Revenue; Mr. Shantilal Shah—Labour and Law; Mr. M. S. Kannamwar—Public Health, Mr. V. P. Naik—Agriculture; Mr. R. Adani—Prohibition, Village *Panchayats* and Cottage Industries; Mr. B. Ghade—Forests; Mr. M. C. Shah—Local Self-Government; Mr. S. K. Wankhede—Planning, Development, Electricity and Industries; Mr. D. S. Desai—Public Works; Mr. H. K. Desai—Education; Mr. S. G. Kazi—Civil Supplies, Housing, Printing Office and Fisheries; Mr. T. S. Bharde—Co-operatives; Mr. N. K. Tirpude—Social Welfare and Rehabilitation. There were also 12 Deputy Ministers.

Mr. Bharde, the Minister for Co-operatives, was secretary of the Maharashtra Pradesh Congress Committee, while Mr. D. Chauhan, a Deputy Minister, was chairman of the Marathwada Congress Committee. The Cabinet included one Moslem and one member of the Scheduled Castes, while the Scheduled Tribes were represented by one of the Deputy Ministers.

Kerala.

Number of seats 126 (118), of which: Communists 60 (27), Congress 43 (60), P.S.P. 9 (16), Moslem League 8 (nil), Independents 6 (3). [The figures in parentheses show party strengths in the Travancore-Cochin Assembly at the time of its dissolution in March 1956.] Five of the six Independents supported the Communist Party, which thus obtained an absolute majority.

Before the elections unsuccessful negotiations for an electoral alliance had taken place between the Communists, the Praja Socialists, the Revolutionary Socialist Party, and the Kerala Socialist Party, and also between the Congress and the Moslem League. An agreement was reached, however, between the P.S.P.

and the Moslem League whereby the former agreed to support the League's candidates in Malabar (which has a considerable Moslem population), while the League agreed to support Praja Socialist candidates in Travancore-Cochin.

The Congress, which put forward 124 candidates, received 2,210,251 votes against 2,059,548 for the Communists, who put forward 100 candidates; the position was thus almost exactly the reverse of that in the parliamentary elections, in which the Communists received about 160,000 more votes than the Congress. Several prominent Congress members lost their seats, including Mr. Govinda Menon (Chief Minister of Travancore-Cochin from 1955-56), and a number of Congress candidates forfeited their deposits. The Revolutionary Socialists and Kerala Socialists, who had won nine and three seats respectively in the 1954 elections, when they had formed the "United Front of Leftists" with the Communists, failed to win a single seat.

Mr. Nehru, in a press statement on March 29, expressed the opinion that the Communist victory in Kerala represented "discontent with local matters" rather than "positive support for Communism." Broad issues, national or international, had hardly affected the elections, which had primarily been influenced by "local difficulties, local issues, and local irritations." Replying to questions, he added that according to his information the land problem had not been a major factor in Kerala. He expressed the view that the local conditions which had led to the Communist victory in Kerala would not be found elsewhere, and stressed that even in Kerala the Congress Party had obtained more votes than in the first general election.

Dr. Ramakrishna Rao, the Governor of Kerala, had previously expressed the view that the Communist victory had no relation to President's rule in the State. The people of Kerala, he said, had for a long time been unhappy that they had had no stable Government, and "rightly or wrongly they thought this was the only way to ensure a stable Government, and voted for the Communists."

According to the *Manchester Guardian*, the following social and political factors were believed to have contributed to the Communist victory: (1) Kerala has the highest population density of any Indian State but very little industry, with the result that unemployment was widespread. (2) The fact that the State has the highest literacy rate in India contributed to produce an acute problem of "educated unemployed." (3) The peasantry are largely landless, and agrarian reforms drafted by the Praja Socialist Government of 1954-55 had not been implemented by Mr. Govinda Menon's Government. (4) Under the States Reorganization Act the Tamil Nad district of Travancore-Cochin, which was solidly Congress, had been transferred to Madras, and the Malabar district of Madras, in which Congress was in a minority, had been transferred to Kerala. (5) Travancore-Cochin had had five Chief Ministers since 1948 and had been under President's rule since March 1956, as neither Congress nor the Opposition parties had been able to form a majority Government; the general desire for political stability thus worked in favour of the Communists, the only Opposition party capable of forming a stable Government, at the expense of the smaller left-wing parties. (6) The Congress leadership in the State was divided by internal dissensions.

The Governor of Orissa nominated Mr. D'Cruz, a Congress supporter, to represent the Anglo-Indian community in the State Assembly.

President's rule in Kerala was brought to an end on April 5, when a Ministry headed by Mr. E. M. S. Nambudiripad — described by a Communist Party spokesman as "the first Communist Government in the world through the ballot-box" —took office. The P.S.P. had previously rejected an invitation from the Communist Party to co-operate in forming a Government. The membership of the new Ministry was as follows:

Mr. Nambudiripad—Chief Minister, General Administration, Law and Order, and Planning; Mr. C. Achutha Menon—Finance and Agriculture; Mr. K. C. George—Food and Forests; Mr. K. P. Gopalan—Industries, Mining, Community Development, and Commerce; Mr. T. V. Thomas—Transport and Labour; Mr. P. K. Chathan—Local Government and Housing; Miss K.R. Gouri—Revenue; Mr. T. A. Najeed—Public Works, Communications, and Information; Professor Joseph Mundasseri—Education, Co-operatives and Fisheries; Dr. A. R. Menon—Health; Mr. V. R. Krishna Aiyar—Law, Irrigation, and Electricity.

Mr. Nambudiripad (48), the son of a Brahmin landowner in Malabar, joined the Congress in 1932, helped to found the Congress Socialist Party in 1934, and became a Communist in 1937, being elected to the party's Politburo in the early 'forties and subsequently becoming one of its most prominent members. Mr. Achutha Menon (44), deputy leader of the Communist party in the Assembly, is a lawyer and writer, and has translated H. G. Wells's *Short History of the World* into Malayalam. Dr. Menon, the first president of the Cochin Congress, and Mr. Aiyar, a leading Malabar lawyer, were elected as Independents.

Madhya Pradesh.

Number of seats 288 (338), of which: Congress 232 (274), P.S.P. 12 (23), *Jan Sangh* 10 (4), Hindu Mahasabha 7 (12), Socialists 6 (4), *Ram Rajya Parishad* 5 (7), Communists 2 (nil), Independents 14 (10).

Dr. K. N. Katju, who had succeeded Pandit R. S. Shukla as Chief Minister following the latter's death on Jan. 31, formed a new Congress Ministry on April 14, the distribution of portfolios being announced on April 23 as follows:

Dr. K. N. Katju—Chief Minister in charge of General Administration, Home Affairs, Planning and Development, and Co-ordination; Mr. B. A. Mandloi—Revenue, Land Reforms, and Local Self-Government; Mr. T. M. Jain—Commerce and Industries, and Agriculture; Mr. S. N. Shukla—Forests and Natural Resources; Dr S. D. Sharma—Education and Law; Mr. M. Gangwal—Finance; Mr S. L. Tewari—Public Works, Irrigation, and Electricity; Mr. V. V. Dravid—Labour, Rehabilitation and Housing; Raja Naresh Chandra Singh—Tribal Welfare; Mr. A. Q. Siddiqui—Prisons, Food and Supplies; Mr. G. R. Anant—Social Welfare and Co-operatives; Rani Padmavati Devi—Public Health.

The only change was that Mr. Siddiqui, formerly a Deputy Minister, became a full Minister, while Maulana Tarzi Mashriqui, formerly a Minister, became one of the nine Deputy Ministers.

Madras.

Number of seats 205 (190), of which: Congress 151 (127), Congress Reforms Committee 16 (nil) *Dravida Munnetra Kazhagam* 15 (nil) Communists 4 (17), P.S.P. 2 (nil), Socialists 2 (3), Independents 15 (5).

The outstanding features of the elections were the strengthening of the position of Congress at the expense of the left-wing parties, and the success achieved by two new groups. The Congress Reforms Committee was formed on the eve of the elections by a number of dissident Congressmen as a protest against the party's method of selecting candidates, and put forward 50 candidates against the official Congress nominees. The *Dravida Munnetra Kazhagam*, which is led by Mr. C. N. Annadurai, opposes "North Indian domination of the south" and advocates the union of Madras, Andhra Pradesh, Kerala, and Mysore in an independent "Republic of Dravidastan" from which any of the constituent States would have the right to secede. It also opposes the introduction of Hindi in South India, and favours the retention of English as the language of inter-State communication.

The Chief Minister, Mr. Nadar, who had been unanimously re-elected leader of the Congress Legislature Party on April 2, formed a new Government on April 15 as follows:

Mr. Kamaraj Nadar—Chief Minister and Development; Mr. M. Bhaktavatsalam—Home Affairs, Food and Agriculture, Railways, Posts and Telegraphs, and Civil Aviation; Mr. C. Subramaniam—Finance, Education, Information, and Law; Mr. M. A. Manickavelu—Revenue and Public Health; Mr. P. Venkataraman—Industries, Labour, and Co-operatives; Mr. P. Kakkan—Public Works and *Harijan* Welfare; Mr. V. Ramaiah—Electricity and Transport; Mrs. Lourdhammal Simon—Local Administration and Fisheries.

Mysore.

Number of seats 208 (210), of which: Congress 150 (178), P.S.P. 18 (7), Scheduled Castes Federation 2 (1), Peasants' and Workers' Party 2 (2), Communists 1 (1), Independents 35 (18).

The most notable feature of the elections was the gains made by Praja Socialist and Independent candidates at the expense of Congress, which, however, retained a large overall majority. Congress suffered its main setbacks in the Kolar goldfields area, where it won five seats out of 12, and in the Belgaum district, where it won seven out of 18. In the Kolar district, where demands had been put forward for the repeal of prohibition, a Communist and five Communist-supported Independents were returned, while in the Belgaum district the Opposition fought the elections on the linguistic issue, demanding the inclusion of part of the area in a Maharashtra State. Prominent Congressmen defeated included two Ministers, Mr. Rama Rao and Mr. J. H. Chandriki, and the president of the Mysore Pradesh Congress Committee, Mr. S. Chenniah.

Mr. Nijalingappa, the Chief Minister, was unanimously elected leader of the Mysore Legislature Congress Party on April 6, and formed a new Cabinet on April 19. The distribution of portfolios was announced on April 22 as follows:

Mr. S. Nijalingappa—Chief Minister, General Administration, Planning and Development, Co-operatives and Marketing; Mr. M. P. Patil—Revenue; Mr. C. M. Poonacha—Home Affairs and Industries; Mr. H. S. Rudrappa—Agriculture, Forests and Fisheries; Mr. T. Mariappa—Finance and Local Affairs; Mr. R. Channigaramiah—Local Government; Mr. H. K. Veeranna Gowda—Public Works and Electricity; Mr. V. Venkatappa—Education; Mr. B. Vaikunta Baliga—Labour; Mr. R. M. Patil—Health; Mr. M. A. Mehtab Ali—Excise and Rural Industries.

Orissa.

Number of seats 140 (140), of which: Congress 56 (67), *Ganatantra Parishad* 51 (31), P.S.P. 11 (10), Communists 9 (7), *Jharkhand* Party 5 (nil), Socialists 1 (nil), Independents 7 (21).

The *Ganatantra Parishad*, which was formed in 1950, has been described as a party of "right-wing feudalists with a left-wing programme." Its leader, Mr. R. N. Singhdeo, is the former Maharaja of Patna, and it won many of its seats in areas formerly belonging to the Princes' States. The main item in its programme is the demand for the transfer to Orissa of certain areas of Bihar, Madhya Pradesh, and Andhra Pradesh. The Chief Minister, Dr. Mahatab, attributed the Congress Party's reverse *inter alia* to weaknesses in the party's organization and popular discontent at corruption in the administration.

As in previous elections, no party succeeded in securing a majority; whereas, however, Congress had been able in 1952 to form a Government with Independent support, in the new Assembly the Opposition parties were in a majority. The *Ganatantra Parishad* and the P.S.P. proposed on March 21 the formation of a coalition Government including Communist but not Congress representatives, the Communists, on the other hand, refused to support either a coalition dominated by the "feudal" *Ganatantra Parishad* or a Congress Ministry, and the one Socialist member adopted a similar attitude. After the *Jharkhand* Party had announced its support for the formation of a Congress Government in order to avoid President's rule, and a *Ganatantra Parishad* member had transferred his support to Congress, the Governor (Mr. Sachar) invited Dr. Mahatab—the outgoing Chief Minister—on April 1 to form a minority Government.

Dr. Mahatab's new Ministry took office on April 6, the distribution of portfolios being as follows:

Dr. Harekrushna Mahatab—Chief Minister, Finance, Agriculture, Co-operatives and Forests; Mr. L. Panigrahi—Home Affairs, Law, and Education; Mr. D. Sahu—Industry and Mining; Mr. S. P. Mahanta—Revenue, Excise, and Local Government; Mr. S. N. Bhanjdeo—Works; Mr. B. M. Devi—Health, and Relief and Rehabilitation; Mr. N. R. Roy—Supply, Transport, and Labour; Mr. P. M. Pradhan—Tribal Affairs, Rural Welfare and Commerce.

The Ministry was supported by about 65 members (Congress, *Jharkhand*, and Independents) against an Opposition numbering at least 62 (*Ganatantra Parishad*, P.S.P., and Independents). It was therefore dependent for survival on the neutrality of the Communist Party, which announced that its attitude toward any Government's policies would depend on how those policies affected the State.

Punjab.

Number of seats 154 (186), of which: Congress 118 (172), *Jan Sangh* 9 (nil), Communists 6 (10), Scheduled Castes Federation 5 (nil), P.S.P. 1 (1), Independents 13 (nil). Voting was postponed in two snowbound constituencies.

The *Jan Sangh*, which had not been represented in the previous State Assembly, replaced the Communists as the strongest Opposition party, its success being attributed to resentment among urban Hindus in the Punjabi-speaking areas at certain aspects of the regional formula adopted under the States Reorganization Act. Mr. L. J. Narain (formerly Education and Transport Minister in the Punjab Government), who had resigned from the Congress as a protest against this formula, defeated a sitting Congress member at Jullundur with *Jan Sangh* support.

Although the *Akali Dal* had merged with Congress in October, its leader, Master Tara Singh, supported 25 Opposition candidates in Punjabi-speaking areas (including a number of Communists) against Congress candidates on the ground that the latter were "corrupt." Only one of the candidates whom he supported was successful, however—Raja Maheshinder Singh, who defeated Mr. Brish Bhan, the Deputy Chief Minister and former Chief Minister of PEPSU.

A new Ministry was formed on April 9 by Sardar Pratap Singh Kairon, the outgoing Chief Minister, the distribution of portfolios being as follows:

Sardar Pratap Singh Kairon—Chief Minister in charge of General Administration, Law and Police, Transport, Anti-Corruption, Social Welfare, Planning, Community Projects, Political Sufferers, Integration, Health and *Panchayats*; Mr. Mohan Lal—Finance, Industries, Food and Supplies, Prisons and Justice, Excise and Taxation; Giani Kartar Singh—Revenue, Local Government, Relief and Rehabilitation, Co-operative Societies, and Cottage Industries; Mr. G. S. Rarewala—Irrigation and Electricity; Mr. A. N. Vidyalankar—Labour, Education, Housing, and Language; Mr. Gurbanta Singh—Forests, Agriculture, Animal Husbandry, Fisheries, and Scheduled Castes and Backward Classes; Mr. Birinder Singh—Public Works and Sports. There were also five Deputy Ministers.

The Ministry included the leaders of the two wings of the *Akali Dal*—Giani Kartar Singh, who had consistently followed the policies of Master Tara Singh, and Mr. Rarewala, head of the interim Government in the then newly-formed PEPSU in 1949 and again of the "United Front" PEPSU Ministry in 1952-53. In recent years Mr. Rarewala had dissented from certain of the *Dal's* policies.

Some of the portfolios held by the Chief Minister will be allocated to an eighth Minister when appointed.

Rajasthan.

Number of seats 176 (160), of which: Congress 119 (82), *Ram Rajya Parishad* 17 (24), *Jan Sangh* 6 (8), P.S.P. 1 (2), Communists 1 (1), *Kisan Sabha* 1 (nil), Independents 31 (34). [Figures in parentheses refer to the Rajasthan State Assembly before reorganization.]

Congress considerably strengthened its majority, mainly at the right-wing parties' expense, the Chief Minister (Mr. Sukhadia) having a majority of over 10,000 at Udaipur; on the other hand, the Food Minister (Mr. R. K. Joshi) and a Deputy Minister lost their seats. As before the elections, Rajasthan remained the only State in which the *Ram Rajya Parishad* was the strongest Opposition party. The *Kisan Sabha* is a left-wing peasant organization.

Mr. Mohanlal Sukhadia, the Chief Minister, was unanimously re-elected leader of the Congress Party in the State Assembly on April 4, and formed a new Cabinet on April 9 with the following membership:

Mr. Sukhadia—Chief Minister in charge of General Administration, Planning and Development, Education, Industries and Mines; Mr. H. Upadhyaya—Finance, Excise and Taxation, Village Industries, and Social Welfare; Mr. Ramkishore Vyas—Home and Judicial Affairs, Law, Irrigation, and Power; Mr. D. L. Vyas—Revenue, Relief and Rehabilitation; Mr. B. P. Gupta—Local Self-Government, Legislative Assembly and Elections, Community Projects, Health, Food and Civil Supplies, and Labour; Mr. N. Mirdha—Agriculture, Co-operatives, Forests, Public Works and Transport. There were also five Deputy Ministers.

Uttar Pradesh.

Number of seats 430 (430), of which: Congress 286 (383), P.S.P. 44 (25), Socialists 25 (6), *Jan Sangh* 17 (3), Communists 9 (1), Independents 49 (1).

The loss of nearly 100 Congress seats in this State, where the party had previously had an overwhelming majority, was regarded as a serious blow to its prestige. Among prominent Congressmen defeated was Mr. C. B. Gupta (Minister of Health and Planning), who lost his seat to Mr. Triloki Singh (general secretary of the P.S.P.) by an 11,000 majority in a Lucknow constituency, this result being attributed to popular discontent with the Government's food and housing policy. Five of the 15 Deputy Ministers also failed to secure re-election.

The outgoing Chief Minister, Dr. Sampurnanand, was unanimously re-elected leader of the Congress Legislature Party on April 7, and formed a new Cabinet on April 10 with the following membership:

Dr. Sampurnanand—General Administration and Planning; Mr. H. M. Ibrahim—Finance, Power and Industries; Mr. H. S. Visen—Agriculture, Forests, and Health; Mr. Girdhari Lal—Public Works, Mr. Charan Singh—Revenue; Mr. Ali Zaheer—Justice, Food and Civil Supplies, Co-operatives, Legislative Affairs and Housing; Mr. K. Tripathi—Home, Education and Information; Mr. V. N. Sharma—Local Self-Government; Mr. J. Kishore—Labour and Social Welfare.

The following Ministers without Cabinet rank were also appointed. Mr. M. Prasad—Legislative Affairs and *Haryan* Welfare; Mr. M. Hasan—Social Security; Mr. R. Murti—Irrigation; and Dr. R. Sita Ram—Excise and Transport. There were also seven Deputy Ministers.

West Bengal.

Number of seats 252 (238), of which: Congress 152 (150), Communists 46 (28), P.S.P. 21 (15), Forward Bloc 8 (2), *Lok Sewak Sangh* 7 (nil), Revolutionary Socialist Party 3 (nil), Forward Bloc (Marxist) 2 (11), Socialist Unity Centre 2 (nil), Independents 11 (16). Figures in parentheses refer to the West Bengal State Assembly before reorganization.

Congress increased its percentage of votes from 38.4 in 1952 to 46.3, though its representation remained virtually unchanged. The left-wing parties, which had formed an electoral alliance, considerably strengthened their position—especially in Calcutta, where the Chief Minister, Dr. B. C. Roy, defeated a Communist opponent by only 540 votes. The *Jan Sangh* and Hindu Mahasabha, on the other hand, lost all the 13 seats which they had previously held. In the Purulia district, which had recently been transferred from Bihar, the *Lok Sewak Sangh* won seven of the 11 seats.

Dr. Roy, the outgoing Chief Minister, was asked by the Governor on April 26 to form a new Ministry. Its composition was announced later the same day as follows:

Cabinet Ministers: Dr. B. C. Roy—Chief Minister, Home (except Police and Defence), Finance, Education, Development, Co-operatives, Cottage and Small-scale Industries; Mr. P. C. Sen—Food, Relief and Supplies, and Refugee Relief and Rehabilitation; Mr. Kalipada Mukherjee—Home (Police and Defence); Mr. K. N. D. Gupta—Works and Building, and Housing; Mr. Ajoy Mukherjee—Irrigation and Waterways; Mr. H. C. Naskar—Fisheries and Forests; Mr. S. P. Burman—Excise; Dr. R. Ahmed—Agriculture; Mr. I. D. Jalan—Local Self-Government and *Panchayats*; Mr. B. C. Sinha—Land and Land Revenue; Mr. B. Majumdar—Commerce and Industries; Mr. S. S. Ray—Judicial and Legislative Affairs and Tribal Welfare; Mr. Abdus Sattar—Labour.

Ministers of State: Mrs. Purabi Mukherjee—Refugee Relief and Rehabilitation; Mr. T. K. Ghosh—Development and Refugee Relief and Rehabilitation; Dr. A. B. Roy—Health. Twelve Deputy Ministers were also appointed.

Of the four new Cabinet Ministers, Mr. Sinha and Mr. Majumdar had been members of Dr. Roy's first Ministry; Mr. Sattar assumed ministerial office for the first time; and Mr. Ray, a barrister, was a newcomer to the State Assembly. Four Ministers, including two with Cabinet rank, are Moslems, while one Minister of State and one Deputy Minister are women.

Elections in Union Territories.

In the Union Territories of Manipur and Tripura elections were held to the Territorial Councils, the results being as follows:

Manipur. Congress 12, Socialists 7, Communists 4, Independents 7.

Tripura. Congress 15, Communists 12, other parties 1, Independents 2.

Elections in Kashmir.

Elections to the Jammu and Kashmir Assembly were held in Jammu on March 25 and in Kashmir on March 30, the results being as follows:

National Conference	..	60
Praja Parishad	.. ..	6
Harijan Mandal	.. ..	1
Independents	.. ..	1

Voting for seven other seats was postponed because of snowbound conditions.

Of the National Conference candidates, 30 were returned unopposed and 10 more were declared elected after their opponents' nomination papers had been rejected—in three cases because the candidates were under the qualifying age, in six because nomination forms had been filled in incorrectly, and in one because the candidate was a Government contractor. Candidates returned unopposed included Bakshi Ghulam Mohammed (the Prime Minister), Mr. G. M. Sadiq (Health Minister), Mr. S. L. Saraf (Development Minister), Mr. D. P. Dhar (Deputy Home Minister), and Bakshi Abdul Rashid (general secretary of the National Conference). Of the unopposed returns, 35 were in Kashmir and five in Jammu.

For the remaining 28 seats (20 in Jammu and 8 in Kashmir), all of which were contested by the National Conference, 17 candidates were put forward by the Hindu *Praja Parishad*, which is affiliated to the *Jan Sangh*, eight by the P.S.P. (which failed to win a seat), and six by the *Harijan Mandal* (a Scheduled Castes' organization similar to the P.S.P. in outlook), in addition to 28 Independent candidates. The elections were boycotted by the Plebiscite Front, the organization of Sheikh Abdullah's followers, and the Political Conference, a Moslem organization demanding the unconditional accession of Kashmir to Pakistan.

In Jammu over 70 per cent of the electorate went to the polls - a much higher proportion than in most of the Indian States despite heavy rain. Of the 20 seats contested, 13 were won by the National Conference, six by the *Praja Parishad*, and one by the *Harijan Mandal*. Successful candidates included Mr. G. L. Dogra (finance Minister) and Mr. Premnath Dogra (president of the *Praja Parishad*). The Government's victory was attributed to the conciliatory attitude toward the Hindus of Jammu adopted by Bakshi Ghulam Mohammed, in contrast to the policy which had formerly been pursued by Sheikh Abdullah.

In Kashmir, where polling also took place in heavy rain and intense cold, nearly 60 per cent of the electorate cast their votes. Seven of the eight contested seats were won by National Conference candidates; in a Srinagar constituency, however, Mr. A. R. Ghazi (a dissident National Conference supporter standing as an Independent) defeated the Speaker of the Assembly, Mr. G. R. Renzu, by 328 votes. Mr. Ghazi afterwards stated that he supported the State Government's policy of accession to India, but disapproved of its support for Mr. Renzu, Mr. Sadiq, Mr. Qasim (Revenue Minister), and Mr. Dhar, whom he accused of being Communists.

The election of the President of the Indian Union took place on May 6, the three candidates being Dr. Rajendra Prasad (the outgoing President, nominated by Congress), Mr. Nagendra Narayan Das (of Assam), and Mr. Hari Ram (a Punjab lawyer). The Electoral College consisted of the elected members of the two Houses of the Central Parliament and of all the State Assemblies, numbering altogether 3,897; the members of the Central Parliament could vote either in Delhi or in the capital of the State to which they belonged, while members of the State Assemblies voted in their State capitals.

Dr. Prasad was re-elected President of India for a further five-year term on May 10, having polled 459,698 votes, or nearly double the minimum quota of 237,500 votes fixed by the Constitution for the election of the President. Mr. Das polled only 2,000 votes, and Mr. Ram 1,498.

In the vice-presidential election Dr. Sarvapalli Radhakrishnan, the Congress nominee and outgoing holder of the office, was re-elected on April 23. No other nomination was put forward for the vice-presidency, Dr. Radhakrishnan thus being re-elected without opposition.

President Prasad and Vice-President Radhakrishnan were sworn-in for their new terms of office on May 18.

(Hindustan Times, Delhi - Times of India, Bombay - The Hindu, Madras - The Statesman, Calcutta - Indian High Commissioner's Office, London - All-India Election Guide - Times - Manchester Guardian) **(Prev. rep. Elections, Party Manifestos, 15435 A; 1951-52 Elections, 12356 A; 12081 A; Cabinet, 15364 C; Andhra Elections (1955), 14124 A; Travancore-Cochin Elections (1954), 13490 A; State Governments, Andhra Pradesh, Bombay, Madhya Pradesh, Mysore, Orissa, Punjab, Rajasthan, 15282 A; Travancore-Cochin, 15172 A; 15037 A; Uttar Pradesh, 14054 A; Bihar, West Bengal, 12291 A; Assam, 12081 A; Kashmir Elections (1951), 11845 A.)**

A. RHODESIA AND NYASALAND FEDERATION. — Permanent Trust Fund as Memorial to Lord Malvern.

The Chief Justice of the Federation of Rhodesia and Nyasaland, Sir Robert Tredgold, announced on March 14 that a permanent trust fund was to be set up as a memorial to Lord Malvern's services to Rhodesia and the Federation, for the dual purpose of promoting the country's health services and allowing Lord Malvern "to continue to play a full part as an elder statesman."

Appealing to the people of the Federation, irrespective of party or race, to contribute to the fund, Sir Robert said that a committee had already been formed with himself as chairman to build up the fund "as a medium through which the people of the Federation may do honour to one who has done so much for them over so many years." He stressed that the fund should be "entirely personal and without trace of political colour," and added: "The committee realizes that he [Lord Malvern] can still play a valuable part in public life, especially if the way is open to his attendance in the House of Lords. There he can voice the points of view of the Federation and, for that matter, of all the overseas territories of the Commonwealth in a manner that no other person, however sympathetic, could achieve without his background and experience."

The Chief Justice explained that, in deciding on the objects of the Fund, it had been borne in mind that Lord Malvern (then Sir Godfrey Huggins) was once a surgeon. The income from the fund would be used to provide bursaries for students of all races in the Federation to study medicine or allied subjects, to assist the promotion and development of the country's health services, and in such other ways as the trustees might think fit. At their discretion the trustees would also apply funds to allow Lord Malvern to play his part as an "elder statesman" in the House of Lords.

Lord Malvern was Prime Minister of Southern Rhodesia from 1933 to 1953, and became the first Prime Minister of the Rhodesia and Nyasaland Federation on its formation. He retired in 1956. -(Federal Information Department, Salisbury) **(Prev. rep. Lord Malvern, 15236 E.)**

B. SOVIET UNION - RUMANIA. — Agreement on Status of Soviet Troops.

An agreement was signed in Bucharest on April 15 between the Soviet and Rumanian Governments on the legal status of Soviet troops stationed on Rumanian territory.

The agreement, which was on similar lines to those concluded by the U.S.S.R. with Poland (see 15275 B) and Eastern Germany (see 15500 C), stated that the "temporary stationing of Soviet troops in Rumania will in no way affect the sovereignty of the Rumanian State or entail interference in Rumania's domestic affairs." It provided that the strength and location of the Soviet forces in Rumania would be subject to arrangements between the two Governments; placed these forces and their families under Rumanian law, except for offences committed solely against the Soviet Union or against persons serving with the Soviet forces; regulated reciprocal compensation for possible damage and the procedure for the Soviet use of Rumanian land, communications, services, and other facilities; and provided for the creation of a mixed commission to settle questions arising out of the agreement.

The agreement, which takes effect on exchange of ratifications, was signed by the Foreign and Defence Ministers of the two countries.—(Soviet Embassy Press Department, London) **(Prev. rep. 15283 C.)**

C. BELGIUM. — New Foreign Minister.

It was announced in Brussels on May 11 that M. Paul-Henri Spaak had resigned to take up his post as Secretary-General of NATO and had been succeeded as Foreign Minister by M. Victor Larock, the Minister of Foreign Trade. M. Henri Fayat succeeded M. Larock in the latter portfolio.

M. Larock (52) studied philosophy and literature at Liège University and sociology at the Sorbonne in Paris, taking doctorates at both universities. He later became a secondary school teacher. During the German occupation in the Second World War he belonged to the clandestine underground organization of the Socialist Party, and after the liberation became editor-in-chief of *Le Peuple*, the Socialist Party's official organ. He had been Minister for Foreign Trade since 1954.

M. Fayat, a former secretary and vice-chairman of the Anglo-Belgian Parliamentary Group, escaped from Belgium during the war and joined the Belgian Army in Britain.

The Coalition Government headed by M. Van Acker continued, as hitherto, to consist of nine Socialists and seven Liberals. (La Nation Belge) **(Prev. rep. 14755; M. Spaak, 15285 A.)**

D. BERMUDA. — Withdrawal of British Garrison.

The War Office in London announced on May 10 that the British garrison in Bermuda would be withdrawn at the end of the month and would not be replaced. The statement said that this decision was in connexion with the reduction of the Army's strength and "has been taken with regret in view of the Colony's long and intimate association with H.M. Forces." Apart from a short break in 1953-54, British troops have been in Bermuda continuously since 1701.—(Times) **(13396 B.)**

A. UNITED KINGDOM.—The Briggs Motor Dispute. - Report of Court of Inquiry. - Warning on Dangers of Shop Stewards' Organization outside Trade Union Control.

A serious dispute which temporarily affected automobile production throughout the Ford group of factories broke out at the end of January at the Dagenham works of Briggs Motor Bodies Ltd., a member of the group. The dispute, which eventually centred on the dismissal of a shop steward for calling an unofficial strike, resulted in the appointment by Mr. Macleod (the Minister of Labour) of a court of inquiry into the matter.

The dispute began on Jan. 28, when production at the Briggs factory was brought to a standstill by an unofficial strike in protest against the temporary suspension of five shop stewards who, during working hours and without permission, had attended a meeting of the trade union side of the National Joint Negotiating Committee at Fords, despite previous notification by the secretary of the trade union side that their presence was unnecessary. One of the five, Mr. James McLoughlin, who had later tried to convene a workers' meeting during working-hours, was subsequently dismissed for "calling and inciting a stoppage of work before any attempt had been made to resolve the issue through normal procedure." The stoppage was the culmination of a long series of minor strikes at Briggs, where 289 stoppages had taken place in the past 15 months, mainly for trivial reasons. As a result of the latest stoppage, about 21,000 of the Ford group's 33,000 workers were estimated to have been made idle by Jan. 31.

Although the strikers on Feb. 1 rejected an A.E.U. proposal that they should return to work pending investigation of Mr. McLoughlin's case by a joint management-union committee, they voted three days later to resume work on the understanding that the stoppage would recommence if the A.E.U. executive failed to secure his reinstatement within 48 hours. On Feb. 6, however, the Briggs management decided against reinstating Mr. McLoughlin, and after the breakdown of further negotiations the A.E.U. resolved on Feb. 11 to hold a strike ballot of its members at the Dagenham factories. This ballot (Feb. 14) resulted in a vote of 1,118 to 429 in favour of a strike, whereupon the A.E.U. executive decided to call an official strike at Briggs from Feb. 27 unless Mr. McLoughlin had meanwhile been reinstated. Proposals by the Ford-Briggs management for independent arbitration were rejected by the unions.

In view of this development, Mr. Macleod announced in the House of Commons on Feb. 22 that he proposed to appoint a court of inquiry into the dispute, and appealed to the A.E.U. to cancel the proposed strike in the meantime. This the union agreed to do, and on March 1 Mr. Macleod further announced that the court would consist of Lord Cameron (a Judge of the Scottish Court of Session), who would sit with two assessors drawn respectively from the Ford-Briggs management and the trade unions.

The court held its first meeting on March 4, and after hearing evidence from both sides and visiting Briggs' Dagenham factory published its report on April 11. The report is summarized below.

Lord Cameron found that Mr. McLoughlin had "brought about a stoppage without any justification or necessity"; that there was "ample material to warrant his immediate suspension and subsequent dismissal"; and that his reinstatement on the insistence of the shop stewards' organization at Briggs "would be interpreted as a gesture of appeasement to the extreme elements in the organization, rather than as a measure of prudence to strengthen the authority of the unions." Lord Cameron also strongly criticized the "irresponsible power" enjoyed by the shop stewards' organization, and suggested that the trade unions concerned should carefully scrutinize its activities and control over funds. As regards the possibility of the dispute having been fomented by Communists, he stressed that although Communist elements had doubtless exploited the shop stewards' desire to protect their own interests, it did not appear that their influence was the main cause of the trouble at Briggs.

The report explained that labour relations at Briggs' Dagenham factory had been bad for some years before the Ford group took over control, and that "no substantial improvement had followed the change." Prolonged negotiations between the Ford-Briggs management and the trade unions represented on the Ford National Joint Negotiating Committee had resulted in the signing in August, 1955, of a "procedure agreement" which the unions had tried to persuade their members to abide by, but without success. There was ample evidence that the unions were seriously concerned at the frequency of unofficial strikes at Briggs, and on at least one occasion union officials at national level had sent "strongly-worded remonstrances and advice" to their members at the works.

While there had been faults on the company's side since Ford's took over the Briggs works (the report continued), all the evidence indicated that the major responsibility for the "dis-peace" there lay with the workers, whose immediate representatives were the shop stewards. "If the means of persuasion and propaganda available to the shop stewards' committees had been devoted to the support of the procedure agreement, a very great measure of success would have been achieved and a much more peaceful atmosphere at Briggs would have been created." In this connexion the report explained that in conjunction with the corresponding body at Ford's, the joint shop stewards' committee at Briggs published a journal known as *The Voice of Ford's Workers*, and also possessed substantial funds, mainly raised from works' lotteries, over the raising and expenditure of which the unions had no power of supervision. The report added: "There can be no doubt that such a freedom from union control, combined with liberty to direct the expenditure of any funds raised, places a very powerful weapon of propaganda in the hands of a body which is answerable to no higher authority for its actions. It would not be difficult . . . for irresponsible or subversive persons to use these weapons for their own purposes. To judge from the extracts produced, *The Voice of Ford's Workers* has been raucous and belligerent in tone, and not by any means devoted to the promotion of the avowed policy of the unions concerned or to support of the agreement . . . In short, here is a private union within a union, enjoying immediate and continuous touch with the men in the shops, answerable to no superiors, and in no way officially or constitutionally linked with the union hierarchy."

Lord Cameron emphasized that he neither under-estimated the value of shop stewards nor criticized the existence of a shop stewards' organization at Briggs. "The irresponsible power to which I have adverted," he said, "appears to lie in the hands of a small nucleus, and not with the Briggs shop stewards as a body, among whom . . . I found strong elements of good sense and goodwill . . . Affairs at Briggs give an illuminating example of the extent to which it is possible for apathy in the rank and file of the trade union movement to impair its healthy operation by surrendering power to small but highly organized interests . . The moral . . . is that though there is nothing unsound in principle in the methods of election of shop stewards and trade union committees, those methods possess dangerous possibilities, and provide an avenue for the introduction into the organization of sinister interests, if they . . . are used to further the aims or ambitions of an organized few . . . This is the most serious and fundamental lesson to be learned from the inquiry. It is not difficult to foresee that the situation disclosed here contains the seeds of possible organized developments which, if unchecked, could prove a grave embarassment to the unions themselves."

Regarding the extent of Communist influence at Briggs, the report stated that although the court did not consider this a main factor in bringing about bad labour relations, both Mr. C. W. Berridge (until recently A.E.U. district organizer in the area) and Mr. Moore (a convenor of the shop stewards' committee at Briggs) were members of the Communist Party, while Mr. McLoughlin had not denied membership. "It may of course be purely coincidental that at least three figures prominently associated with the dispute appear to owe this particular political allegiance," Lord Cameron went on, "but in the light of the circumstances disclosed . . . I feel that there is good ground for the company's belief that it has a trouble-making clique in its midst, which is concerned to exacerbate relations between workpeople and management." The report also drew attention to the fact that A.E.U. members at Briggs "appeared to have established an ascendancy quite out of proportion to their numbers"—viz., 54 shop stewards out of about 160 were A.E.U. members, although only about one-fifth of Briggs workers belonged to that union, whilst nine of the 13 trade union members on the Briggs main and river-plant works committees were also A.E.U. men.

Turning to the management's share of the responsibility for the trouble at Briggs, Lord Cameron said that this appeared to fall under two heads: (1) imperfections in factory organization, likely in large measure to disappear when the substantial reorganization now in progress had been completed; (2) a "certain insensitivity" in the company's mental attitude toward its employees With regard to (2) he explained that while there had doubtless been faults on the part of the lower supervisory staff, "who had to bear the heat and brunt of the day," he thought that there were also "indications of an attitude of mind at higher levels which had not been entirely in touch with the minds of the workpeople"—e.g. such phrases as "disciplinary measures" and "disciplinary action" used in warning notices seemed to "tend towards regimentation."

In order to improve labour relations at Briggs in the future, leadership and initiative must come from the management at all levels, and time and patience spent in the handling of the joint works committee would yield "handsome returns." In particular, respect for the procedure agreement was likely to be enhanced if there were more frequent regular meetings of the committee than hitherto, and if reasonable requests for special meetings to deal with matters of urgency were not discouraged. There was also room for improvement in the company's attitude to the Ford National Joint Negotiating Committee, there being evidence that at present it seemed "more concerned to confront the unions with general criticism of the behaviour of their members than to attempt to identify individual examples of misbehaviour and seek satisfaction through the machinery of the procedure agreement."

In conclusion, Lord Cameron pointed out that his recommendation that Mr. McLoughlin's dismissal should stand, and that the unions should not seek for his reinstatement, was "without prejudice to the company's right to decide if they would accept an application from him for employment on some future occasion if such an application were made by him in good faith."

The Ford Company announced on the same day that it accepted Lord Cameron's report in its entirety, and hoped to meet the unions concerned to discuss how its recommendations could be put into practice.—(Times - Daily Telegraph - Manchester Guardian - Daily Herald - News Chronicle)

(Prev. rep. 15515 A; 15084 A.)

A. NUCLEAR WEAPON TESTS. — British, Soviet and American Nuclear Tests. - Japanese Appeals to "Nuclear Powers" for Suspension of Tests. - Unilateral Suspension rejected by British, U.S. and Soviet Governments. - Japanese Precautions against High Radioactivity following Soviet Explosions. - Dr. Matsushita's Mission to Britain and America. - Appeals by the Pope, Dr. Schweitzer and Mr. Nehru for Ending of Nuclear Tests. - German Scientists' Refusal to participate in Development of Nuclear Weapons. - British Labour and Liberal Appeals for Suspension of Tests.

Recent important developments in connexion with the testing or projected testing of nuclear and thermo-nuclear weapons are described below under cross-headings, notably in connexion with the British hydrogen bomb tests to be carried out in the Pacific in the spring and summer; the series of Soviet tests which had previously been reported (see 15468 B) and which continued at intervals during April; and a new series of U.S. tests which will begin in Nevada during May and continue intermittently throughout the summer.

British Nuclear Tests in Pacific Ocean.

The British Ministry of Supply announced on May 15 that a "nuclear device" had been exploded in the first of the series of British tests to be held in the Central Pacific during the spring and summer. No details were given of the type of "device" detonated, the official announcement stating only that it had been dropped by a *Valiant* jet bomber and had exploded at high altitude. It was added that "scientific records are being collected for accurate evaluation" and that a further statement would be made "in due course."

The Minister of Supply (Mr. Aubrey Jones) disclosed on May 17 that the explosion was "in the megaton range" (i.e. equivalent to 1,000,000 tons or more of T.N.T.). He added that detonation had taken place "high in the air above the sea," that fall-out was "insignificant," and that there was "very little contamination even below the point of burst." Safety arrangements had been "entirely successful" and official observers from Canada, Australia, New Zealand and the U.S.A. had witnessed the explosion from a ship of the task force. [The reference to an explosion "in the megaton range" was regarded in the British press as indicating that a hydrogen bomb had been detonated].

The British Government's intention of holding such tests in the area of Christmas Island had been announced to the House of Commons in June 1956 by Sir Anthony Eden, who stated that the tests would take the form of "nuclear explosions in the megaton range" and would be high air-bursts which would not involve heavy radioactive fall-out.

A Note had been sent by the British Government on Jan. 7, 1957, to all diplomatic missions in London informing them that an area of the Pacific Ocean 900 miles north and south of Christmas Island and 780 miles east and west would be declared dangerous to shipping and aircraft between March 1 and August 1 owing to the British nuclear weapon tests.

Japanese Appeals for Suspension of British Tests. - Representations to H.M. Government. - British Reassurances to Japan.

The projected British nuclear tests in the Pacific aroused nation-wide agitation in Japan, which grew in intensity throughout February, March and April. The Japanese Parliament passed a resolution in February calling upon Britain, the U.S.A. and the Soviet Union to suspend all tests of nuclear weapons, while large-scale demonstrations against the holding of such tests culminated on March 1 in a mass protest rally in Tokio at which representatives of all Japanese political parties adopted a resolution condemning Britain for her refusal to stop the tests.

Similar protests against the British tests were made by many private organizations, by 180 Japanese physicists (including Dr. Yukawa, the Nobel prizewinner), by fishermen's organizations, and by students, a number of petitions being handed in at the British Embassy and peaceful demonstrations organized outside the Embassy itself. The Japanese Council against Atomic and Hydrogen Bombs—an organization with a nation-wide membership—originally announced its intention of sending a "suicide fleet" of Japanese fishing vessels into the Christmas Island area as a protest against the British tests, but subsequently abandoned this plan and decided on May 8 to send "civilian envoys" to Britain, the Soviet Union and the United States, and to convene a world conference in Tokio later in the year to demand the abolition of all nuclear weapons.

A resolution denouncing nuclear and thermo-nuclear tests, adopted on March 15 by the House of Councillors (the Upper House of the Japanese Diet), was sent by the Japanese Government on March 18 to the U.N. Secretary-General, Dr. Hammarskjold, for transmission to all U.N. member-countries. The resolution (1) "deeply regretted that no steps have yet been taken for the international control of atomic energy, that atomic and hydrogen bomb tests continue to be conducted, and that the United Kingdom is preparing to carry out tests at Christmas Island, notwithstanding requests from the Japanese Government" [see below]; (2) urged the United Nations and the Powers concerned to take "speedy, effective and appropriate measures for limiting the use of atomic energy exclusively for peaceful purposes and for the total prohibition of the production, use and testing of atomic and hydrogen bombs"; and (3) called upon the British, Soviet and U.S. Governments to suspend all atomic or hydrogen tests at present under contemplation, "in view of the likelihood of an increase in the amount of fall-out from nuclear explosions to the point of irremediably affecting human life."

Two Notes appealing to Britain to suspend the projected nuclear tests in the Pacific were sent by the Japanese Government on Feb. 1 and Feb. 12. At the same time specific assurances were sought that all necessary measures would be taken to ensure the safety of Japanese ships and aircraft if the tests should be held. In addition, the Japanese Government reserved the right to claim compensation for any damage or injuries suffered by Japanese nationals which could be directly traced to the tests.

In a statement to the House of Commons on Feb. 11, Mr. Selwyn Lloyd (U.K. Foreign Secretary) had announced in connexion with the receipt of the first Japanese Note that the tests would take place far from any inhabited islands and would be so arranged as to avoid danger to persons and property; that they would be "high air bursts which would not involve heavy fall-out"; that the fullest safety precautions would be taken; and that firing would not take place "under any conditions in which inhabited islands might be affected by radioactive material."

The British Government's reply to the Japanese Notes was made public in London on March 26. It reiterated the assurances given by Mr. Selwyn Lloyd in the above-mentioned statement and gave details of the precautionary measures being taken in the area of Christmas Island to ensure that no vessels or aircraft entered the danger zone.

The British Note said that arrangements had been made for aircraft to search the danger area for any vessel which might be in danger. "If such a vessel is sighted, warning leaflets will be dropped in several languages, including Japanese, advising the vessel to leave the danger area at once. If such a warning is disregarded, a ship will be sent to the spot to make sure that, in its own interests, the vessel leaves the danger area. Radar precautions will be taken against firing when any unidentified aircraft is in the vicinity."

After stressing that "navigation of ships through the territorial waters round Christmas and Malden Islands is suspended from March 1," and that permission for overflying would not be granted during the period of the tests, the Note added: "Any person who enters or remains in this danger area does so at his own risk, and it is important that ships and aircraft should not consider the area less dangerous to persons and property than the territorial waters and air space around and above Christmas and Malden Islands. H.M. Government wish to emphasize the extreme importance of all persons remaining clear of the danger area throughout the period March 1-August 1, and to reiterate that any person who disregards the warning does so at his own peril. Any person knowingly entering or staying in the danger area will . . . have no right to compensation for damage or loss."

The British Note rejected the Japanese contention that the area around the Line Islands (the group of islands on the Equator which include Christmas and Malden Islands) was a traditional fishing-ground for Japanese vessels, saying in this connexion: "Information in the possession of H.M. Government shows that if Japanese fishermen are now regularly visiting this area, this has only happened within the last three or four years."

Expressing regret that advance notice of each test in the series could not be given, the Note pointed out that "their timing will depend on a number of factors, including the meteorological position, and it is for this reason that the 'danger area' has been declared for a continuous period. A public announcement will be made after each test in the series . . ."

The Japanese Government sent a Note to Britain on June 16 protesting at the nuclear weapon test at Christmas Island on the previous day, expressing regret that the tests had not been cancelled, holding Britain responsible for any damage or losses which might be caused to Japanese nationals or property as a result of the tests, and reserving Japan's right to demand compensation for such damage or losses. Large-scale demonstrations took place outside the British Embassy in Tokio on May 16-17 in protest against the tests at Christmas Island, some 10,000 students being dispersed by the police after trying to break into the Embassy compound.

Continuation of Soviet Tests. - Soviet Rejection of Japanese Appeal for Cessation. - Japanese Population warned against High Radioactivity following Soviet Tests.

Detonations of Soviet nuclear weapons on April 3, 6, 10, 12 and 16 were announced by the U.S. Atomic Energy Commission and the British Defence Ministry, no statements being issued in Moscow. The Soviet tests were apparently in continuation of those begun in August 1956 (see 15124 A) and continued during subsequent months (see 15122 D, 15468 B). The explosion on April 16 was described by the U.S. Atomic Energy Commission as "one of the largest in the current Soviet series" and as having taken place "at a site in Central Asia previously used for such operations." No indication was given whether fission (atomic) or thermo-nuclear (hydrogen) weapons had been detonated.

The exceptionally high degree of radioactivity over Japan as a result of five Soviet nuclear tests within a fortnight caused the Japanese Ministry of Social Welfare to issue official warnings to the population on April 18 to avoid radioactive contamination. Housewives throughout Japan were warned to boil all drinking water and wash all fresh fruit and vegetables, these warnings being disseminated by radio and television broadcasts, police loud-speakers in the streets, and on public hoardings and in the Press. Broadcasts from Tokio Radio warned the Japanese people that Japan's atmosphere was "rapidly becoming contaminated" as a result of the Soviet nuclear tests, while the National Meteorological Observatory said that the amount of radioactivity over Japan had reached "unusual proportions" and was far in excess of the amounts recorded after the U.S. tests at Bikini in 1954.

Professor Shiokawa (of Shizuoka University, near Tokio), one of Japan's leading atomic physicists, expressed the opinion on April 21 that the U.S.S.R. had exploded a new type of bomb in the last explosion on April 16. He stated that chemical analysis of the radioactive fall-out over Japan, carried out by himself, showed that a large percentage of the fall-out consisted of Neptunium-239 and Plutonium-239, whereas he had been unable to find any traces of Uranium. The Neptunium content had been particularly large, accounting for 28 per cent of the total radioactivity, and this evidence, in his opinion, showed that the Soviet Union had exploded a "dirty" bomb and not a "clean" one. Professor Shiokawa laid special emphasis on the serious danger to mankind represented by Plutonium fall-out, since Plutonium had a half-life of 24,000 years and emitted deadly alpha rays.

[Neptunium-239 is a relatively short-lived isotope formed from Uranium-238 (the main constituent of natural uranium), while Plutonium is formed by the breakdown of Neptunium. The implications of Professor Shiokawa's statement were described as follows by the Science Correspondent of the London *Times*: "The explosive material of an ordinary atomic bomb is either plutonium or uranium-235; under normal conditions, uranium-238 is not fissile. The presence of neptunium-239 in the products of an explosion, and hence of uranium-238 in the bomb materials, implies something on the lines of the so-called three-decker bomb—the kind in which successive stages of explosion are contributed by fission, fusion, and fission reactions ... In this type of bomb the chief energy comes from the final fission reaction, and the quantity of fission products released is proportional to the energy of explosion. The finding of neptunium-239 in high proportion in the products of explosion implies that these conditions applied also in the Soviet weapon ..."

The Japanese Government presented a Note in Moscow on March 9 asking the U.S.S.R. to suspend further nuclear weapon tests, stressing the dangers of these tests to Japan, and complaining that the tests were being carried out without advance notice. The Soviet reply, presented in Tokio on March 29, said that the U.S.S.R. could not suspend such tests by unilateral action, but was willing to do so on the basis of an agreement with the Western Powers. The Note recalled the various Soviet proposals for the abolition of nuclear and thermo-nuclear weapons (see 15517 A) and asserted that the Soviet tests could not cause harm in other countries because they were carried out within Soviet territory.

The Soviet Ambassador in Tokio (M. Tevosyan) presented an *aide-mémoire* from his Government on May 9 proposing that Japan and the U.S.S.R. should issue a joint appeal to the U.S. and British Governments for the conclusion of an agreement on the immediate ending of tests of atomic and hydrogen weapons, or at least the suspension of such tests for a specified period. The *aide-mémoire* said that the U.S.S.R. was prepared to give up tests of atomic and hydrogen weapons "as soon as other Powers undertake to do the same"; asserted that the Western Powers had "given no support" to the Soviet proposals for the suspension of these tests "as a first step toward the complete prohibition of tests of atomic and hydrogen weapons"; and added: "This attitude of the Western Powers ... compels the Soviet Union to give due attention to tests of atomic and hydrogen weapons in the interests of strengthening its security." [These arguments had also been put forward by the U.S.S.R. in reply to the Japanese Note of March 9.]

U.S. Rejection of Japanese Appeal for Suspension of Atomic Tests in Nevada.

The U.S. Atomic Energy Commission announced on April 30 that nine test explosions would take place in a new series of atomic tests to be held in Nevada from mid-May to September. The announcement said that all nine tests would be "low-yield detonations of fission devices" [i.e. "conventional" atomic explosions] to which press correspondents would be admitted.

A Japanese Note was presented in Washington on April 29 urging the United States to call off the nuclear weapon tests scheduled to begin in Nevada during May. The U.S. reply, transmitted by Mr. Dulles to the Japanese Chargé d'Affaires on May 13, said that the United States could not abandon nuclear tests "under present circumstances" since they were designed "for the purpose of deterring aggression and preserving the peace." In the absence of "adequately inspected agreements for the control and reduction of armaments," the U.S. Government had "a responsibility to its people, as well as to the rest of the world, to strengthen its defensive and deterrent capacities ..." After stating that the U.S. Government would willingly co-operate in a system of registering nuclear tests, as proposed in the joint Japanese-Norwegian-Canadian plan (see page 15522, second column), and would also welcome agreement on international observation of tests, the Note blamed the Soviet Government, "by its repeated rejection of U.S. disarmament proposals," for obstructing "progress toward control of the nuclear threat and the ending of nuclear weapon tests." Assurances were given that the Nevada tests would be conducted under "extreme safety measures" and only in the most favourable weather conditions, that only "low-yield fission devices" would be tested, and that there would be "no significant addition to radiation levels throughout the world."

Dr. Matsushita's Mission. - Meetings with Mr. Macmillan and Mr. Dulles. - Macmillan-Kishi Correspondence.

In view of the failure of the Japanese representations to the British and Soviet Governments, Dr. Masatoshi Matsushita (an eminent Japanese scholar) visited Britain and the U.S.A. during April as the personal representative of the Japanese Prime Minister (Mr. Kishi), on whose behalf he presented further appeals for the cessation of the nuclear weapon tests projected by both countries. Dr. Matsushita, a Christian, is Rector of St. Paul's (Christian) University in Tokio, one of the leading institutions of higher learning in Japan.

Dr. Matsushita arrived in London on April 1, explaining in a press interview that Japan was protesting against the projected British tests largely on moral grounds, and was making or had made similar protests to the U.S.A. and the Soviet Union in connexion with the tests held or projected by those countries. He had a meeting at Downing Street on May 2 with Mr. Macmillan, to whom he explained the Japanese Government's attitude and transmitted a personal letter from Mr. Kishi; held further discussions at the Foreign Office on April 5 with Commander Noble, Minister of State for Foreign Affairs; and paid another visit to Downing Street on April 10, when he received Mr. Macmillan's reply to Mr. Kishi's letter. While in London Dr. Matsushita also saw Sir Winston Churchill at the latter's home, together with the Japanese Ambassador.

The text of the correspondence between Mr. Kishi and Mr. Macmillan was released in London on April 18:

Mr. Kishi to Mr. Macmillan.

In his letter to the British Prime Minister (dated March 29) Mr. Kishi emphasized that the Japanese people, "having been made victims of atomic bombs toward the end of the Second World War, and having suffered directly from the dreadful effects of nuclear tests conducted by the United States in the Pacific Ocean, sincerely desire the prohibition of the production, use, and testing of nuclear weapons." The letter continued:

"The Japanese Government ... fully appreciates the need on the part of free nations, under the existing world circumstances, to maintain effective means to cope with aggression. But the wish of the Japanese people for the prohibition of nuclear tests is one of humanity, which transcends all such considerations. That is the reason why the Japanese Government continues to repeat its request to the countries concerned; and that is why it requested the U.K. Government to suspend the proposed tests ... What the Japanese people really desire is that all nations, rejecting the use of nuclear weapons, which are injurious to the human race and which ultimately spell its annihilation, will turn to the peaceful utilization of nuclear energy for the welfare of mankind. Needless to say, we are eager to see at the same time the realization of an effective disarmament scheme. It is in this sense that Japan's appeal for the suspension of nuclear tests is being made to all countries which conduct or are preparing to conduct such tests."

After recalling the Japanese representations to the U.S.S.R. on March 9, and the resolution by the House of Councillors transmitted to the United Nations on March 18, Mr. Kishi concluded: "I am dispatching Mr. Matsushita as my personal representative to your

country in order that he may . . . convey fully the sincere desire of our Government and people to you and to other British leaders . . . Mr. Matsushita is a devout Christian and an eminent educator . . . I am sure he will be able to make known thoroughly the feelings of the Japanese people to you and all British authorities concerned . . ."

Mr. Macmillan to Mr. Kishi.

Mr. Macmillan (whose reply was dated April 10) wrote to the Japanese Prime Minister as follows :

" Dr. Matsushita handed your letter to me on April 2, and further drew my attention to the political effect which he considered our nuclear tests would have on the ' uncommitted countries ' and to the state of Japanese opinion. He said that, in the view of the Japanese Government, were H.M. Government to insist on carrying out their proposed tests, although they might gain some short-term practical advantage, they would in the long term suffer serious political disadvantages. If the U.S.A. and the U.K. took no account of public opinion and went on with their tests, he feared that the Asian countries would be forced to take up a neutral position, though this might run counter to their instincts.

" I told Dr. Matsushita that I had nothing to add to the exchange of Notes which had already taken place between our two Governments. But I reaffirmed my view that the peace of the world at present depends on the possession by the U.K. and the U.S.A. of a formidable deterrent to aggression. The U.K. deterrent would not, however, be fully effective until it had been tested and shown to work effectively.

" I am sure your Excellency would agree that it would be irrational for Japan or for other Asian nations to take up a neutralist position simply because we are taking the necessary steps to ensure that our policy, which is based purely and simply on defence, has the necessary technical and, practical backing to make it fully effective. The free Asian nations themselves stand to benefit as much as the nations of the West from the protection accorded by this policy.

" I emphasized to Dr. Matsushita that our decision to hold these tests had not been taken lightly. I explained that it remained the policy of H.M. Government to work for the abolition of nuclear tests at the appropriate stage in a scheme of general disarmament, and that they were prepared to study any practical proposals that might be devised for achieving the limitation of tests with adequate safeguards. Meanwhile, we hope to find support for the idea of advance registration and limited observation of tests, which is in accordance with the resolution recently referred to the Disarmament Sub-committee by the General Assembly, of which Japan was a co-sponsor with Canada and Norway [see page 15522, second column].

" I should like to assure your Excellency that the special sensitivity of the Japanese people to questions concerning the use of atomic weapons . . . is fully realized by H.M. Government, who have not forgotten that the Japanese people suffered the effects of atomic bombing in 1945. Nor have the resolutions of the Japanese Diet passed unnoticed in this country. But I must maintain the view, which I honestly hold and which I expressed in the House of Commons as lately as April 1 [see page 15459], that from the medical and biological point of view the radiation effects of our forthcoming nuclear tests will be insignificant. Extensive safety precautions are being taken and I cannot agree that there will be any danger to Japan, which lies some 4,000 miles from the test area . . ."

Dr. Matsushita went from London to Rome, where he was received in private audience by the Pope on April 14. In the course of this audience the Pope handed a message to the Japanese envoy, for transmission to his Government, stressing the " catastrophic " menace of nuclear weapons and containing an appeal to the Powers to renounce them. [The text of this message is given below in the section dealing with the appeals made by the Pope, Dr. Schweitzer, and Mr. Nehru.] Dr. Matsushita, who said that he had been " greatly encouraged " by the Pope's attitude, flew from Italy to New York, where he saw Dr. Hammarskjöld at U.N. Headquarters on April 18. On April 21 he saw Mr. Dulles at the latter's home and explained to the U.S. Secretary of State the Japanese Government's reasons for requesting the suspension of the projected U.S. atomic tests, as well as those held or projected by the Soviet Union and Great Britain. Mr. Dulles, while expressing sympathy with the Japanese Government's attitude, emphasized that the United States could not abandon nuclear tests unilaterally, and stressed that America's responsibilities in defending the free world made the continuance of such tests essential in present circumstances.

Dr. Matsushita returned to Tokio on April 29 and subsequently reported on his mission to Mr. Kishi and the Japanese Cabinet. In a press statement after his return he expressed regret at the failure of his mission to London and Washington ; pointed out, however, that the British and American people were no less anxious than the Japanese that nuclear tests should be discontinued and nuclear weapons forbidden ; and announced that he would make three recommendations : (1) that Japan should make a request to the International Court, through the United Nations, for an advisory opinion on the validity of the projected British nuclear tests ; (2) that all Powers not possessing nuclear weapons should make a joint declaration warning the " nuclear Powers " of the dangers to mankind involved in the continuation of such tests ; and (3) that Japanese scientists should compile a report, similar to that of the British Medical Council, on the effects of radiation on the individual.

M. Gromyko's Speech to Supreme Soviet. - Responsibility for Nuclear Tests placed on Western Powers. - Soviet Appeal to U.S. Congress and British Parliament.

In a speech on May 10 to the Supreme Soviet, the Foreign Minister of the U.S.S.R. (M. Gromyko) reiterated previous accusations that the policy of the Western Powers was " forcing " the Soviet Government to continue nuclear tests, and accused those Powers - " in the first place the United States " - of keeping the world " on the brink of war." *Inter alia*, he accused America and Britain of wanting the U.S.S.R. to discontinue nuclear tests unilaterally ; declared that this was " out of the question because the Soviet Union would then find itself in an unequal and disadvantageous position " ; and said that the U.S.S.R. would only end nuclear tests if Britain and America did the same. In the course of a lengthy speech, M. Gromyko accused the Western Powers of having " retracted their own proposals on various pretexts " in the U.N. Disarmament Commission and its sub-committee, and of ignoring " repeated Soviet proposals to end atomic and hydrogen weapon tests if the United States and Britain agree to do likewise."

After M. Gromyko's speech the Supreme Soviet adopted a resolution which (1) appealed to the U.S. Congress and the British Parliament " to agree on the immediate cessation of nuclear tests," and (2) appealed for an " inter-parliamentary committee of the three atomic Powers " to work out " the best means of achieving the complete banning of nuclear tests and atomic and hydrogen weapons."

The British Foreign Office commented that M. Gromyko's speech and the above-mentioned resolutions " seem to be the latest move in the Soviet propaganda campaign designed to mislead public opinion on the matter of nuclear tests." A similar view was expressed in Washington.

Appeals by Pope Pius XII, Dr. Albert Schweitzer, and Mr. Nehru for Ban on Nuclear Tests and Weapons.

Appeals for the ending of nuclear tests and the banning of all nuclear and thermo-nuclear weapons, combined with serious warnings on the dangers which would confront humanity if such tests were continued, were issued during April by the Vatican, by Dr. Albert Schweitzer, the famous humanitarian and medical missionary, and by Mr. Nehru, the Prime Minister of India. The Vatican released on April 24 the text of the message given by the Pope to Dr. Matsushita on April 14 (see above) ; Dr. Schweitzer's message was addressed to the Norwegian Nobel Committee on April 23 ; and Mr. Nehru's appeal was delivered during a speech in Delhi on April 14.

Appeal by Pope Pius XII.

In his message to the Japanese Prime Minister, handed to Dr. Matsushita, the Pope wrote as follows :

" Man's growing mastery of the terrifying forces of nature gives rise to new and insistent reasons for anxiety. In effect, the destructive power of nuclear weapons has become unlimited. It is no longer braked by the critical mass which put a natural limit on the already terrible power of the first atomic weapons.

" This unlimited power is now being used as a menace which, tossed back and forth from one camp to the other, becomes ever more catastrophic as each seeks to surpass the other with the growing and unfortunately real terror. In the case of natural disasters, one cannot but bow before what happens at the command of the Almighty. But if disaster were to be caused by one man's perverse lust for dominion—with all the reprisals implied therein how could such action not be condemned by every righteous soul ?

" Instead of the useless waste of scientific activity and material resources represented by the preparation of a catastrophe whose ultimate biological, and especially hereditary, effects on living species —in addition to its immense immediate damage no-one can predict with certainty, and instead of the exhausting and costly race towards death, scientists of all nations and faiths must feel a grave moral obligation to pursue the noble aim of harnessing these energies for the service of man. And scientific, economic, industrial and political organizations ought to give their whole-hearted support for efforts directed at using these energies on a scale adapted to human needs."

Appeal by Dr. Albert Schweitzer.

In his letter, sent from his hospital at Lambaréné (French Equatorial Africa), Dr. Schweitzer—who is 82—urged the mobilization of world opinion to ban nuclear tests and nuclear weapons, and emphasized that failure to consider the consequences of continued tests would be " a folly for which mankind will have to pay a terrible price."

After saying that "radiation resulting from the explosions which have already taken place represents a danger to the human race not to be underrated," and that "further explosions of atomic bombs will increase this danger to an alarming extent," Dr. Schweitzer continued: "My age, and the sympathy that I have gained for myself through advocating the idea of reverence for life, permit me to hope that my appeal may contribute to preparing the way for the insight so urgently needed.

"There are two kinds of atom bombs—uranium bombs and hydrogen bombs. To these two bombs has recently been added the cobalt bomb, a kind of super-atom bomb. The effect of this bomb is estimated to be many times stronger than that of hydrogen bombs.

"The explosion of an atom bomb creates an inconceivably large number of exceedingly small particles of radioactive elements. Of these elements, some exist for hours, some for weeks, months, years, or millions of years, undergoing continuous decay. They float in the higher strata of air as clouds of radioactive dust. The heavy particles fall down first. The lighter ones will stay in the air for a longer time or come down with the rain or snow. How long it will take before everything carried up in the air by the explosions which have so far taken place has disappeared, no-one can say with any certainty. According to some estimates, this will be the case not earlier than 30 or 40 years from now.

"What we can state with certainty, however, is that the radioactive clouds will constantly be carried by the winds around the globe and that some of the dust, by its own weight, or by being brought down by rain, snow, mist and dew, will fall little by little on the surface of the earth and into the rivers and oceans.

"Particularly dangerous are the elements combining long life with a relatively strong efficient radiation. Among them Strontium-90 takes the first place. It is present in very large amounts in radioactive dust. Cobalt-60 must also be mentioned as particularly dangerous.

"The radioactivity in the air, increased through these elements, will not harm us from the outside, not being strong enough to penetrate the skin. But the danger to be stressed above all others is that which arises from our drinking radioactive water and our eating radioactive food as a consequence of the increased radioactivity in the atmosphere.

"Following the explosions in Bikini and Siberia, rain falling over Japan has, from time to time, been so radioactive that the water from it cannot be drunk. And not only there: reports of radioactive rainfall are coming from all parts of the world where analyses have recently been made. In several places the water has proved to be so radioactive that it was unfit for drinking.

"Wherever radioactive rainwater is found, the soil is also radioactive- and in a higher degree. And with the soil the vegetation will also have become radioactive. The radioactive elements deposited in the soil pass into the plants, where they are stored. The radioactive elements in grass, when eaten by animals whose meat is used for food, will be absorbed and stored in our bodies . . .

"From official and unofficial sources we have been assured time and time again that the increase in radioactivity in the atmosphere does not exceed the amount which the human body can tolerate without any harmful effects. This is just evading the problem. Even if not directly affected by the radioactive material in the air, we are indirectly affected through that which has fallen down, is falling down, and will fall down. We are absorbing this through radioactive drinking water and through animal and vegetable foodstuffs, to the same extent as radioactive elements are stored in the vegetation of the region in which we live. Unfortunately for us, nature hoards what falls down from the air. None of the radioactivity in the atmosphere, brought into existence by the exploding of atom bombs, is so unimportant that it may not in the long run become a danger to us through increasing the amount of radioactivity stored in our bodies.

"What are the diseases caused by internal radiation? . . . They are mainly serious blood diseases. If the cells in the bone-marrow are damaged by radiation, they will produce too few or abnormal, degenerating blood corpuscles. Both cases lead to blood diseases and, most often, to death. These were the diseases that killed the victims of X-rays and radium rays. It was one of these diseases that attacked the Japanese fishermen who were surprised in their vessel by radioactive ashes falling 240 miles from Bikini after the explosion of a hydrogen bomb. With one exception, they were all saved, being strong and relatively mildly affected, through continuous blood transfusions.

"In the cases cited, the radiation came from the outside. It is unfortunately very probable that internal radiation affecting the bone-marrow and lasting for years will have the same effect, particularly since the radiation goes from the bone tissue to the bone marrow. Not only is our own health threatened by internal radiation, but also that of our descendants. The fact is that the cells of the reproductive organs are particularly vulnerable to radiation. Profound damage to these cells means profound damage to our descendants.

"To find out how the existing radioactive radiation has affected posterity, comparative studies have been made between the descendants of doctors who have been using X-ray apparatus for years and those of doctors who have not. Among the descendants of radiologists, a percentage of still births of 1.403 was found, while the percentage among the non-radiologists was 1.222. In the first group, 6.01 per cent of the children had congenital defects, but only 4.82 per cent in the second . . .

"The total effect of the damage done to descendants of ancestors who have been exposed to radioactive rays will not, in accordance with the laws of genetics, be apparent in the generations coming immediately after us. The full effects will appear only 100 or 200 years later.

"Every increase in the existing danger through further creation of radioactive elements by atom-bomb explosions is a catastrophe for the human race—a catastrophe that must be prevented under all circumstances. There can be no question of doing anything else, if only for the reason that we cannot measure the responsibility for the consequences it might have for our descendants. They are threatened by the greatest and most terrible danger.

"That radioactive elements created by us are found in nature is an outstanding event in the history of the earth, of the human race. To fail to consider its importance and its consequences would be a folly for which humanity would have to pay a terrible price. When public opinion has been created in the countries concerned and among all nations, an informed opinion of the dangers involved in going on with the tests may lead statesmen to reach an agreement to stop them. A public opinion of this kind stands in no need of plebiscites or of committees to express itself. It works through just being there . . ."

Appeal by Mr. Nehru.

In a speech in New Delhi on April 14, the Prime Minister of India made a further appeal to the great Powers to find a way of stopping further test explosions of atomic and hydrogen bombs. After emphasizing that three test explosions in rapid succession had taken place in the Soviet Union while similar appeals were being made in many parts of the world, he denounced "this mad contest" between the great Powers and declared that it was the duty of all nations to persuade those Powers that they must find some way out of their present *impasse*, "however much they may dislike each other's policies."

Declaration by West German Scientists. - Refusal to co-operate in Development of Nuclear Weapons. - Dr. Adenauer on Need for Tactical Atomic Weapons for West German Forces.

Eighteen of Western Germany's leading nuclear physicists, including four Nobel prizewinners, issued a joint declaration on April 12 declaring that they would refuse to co-operate in any way in the production, use or testing of nuclear weapons. The signatories included Professors Otto Hahn (the first physicist to split the atom), Werner Heisenberg, Max Born, and Carl-Friedrich von Weizsäcker, all of whom are among the world's leading nuclear scientists.

The 18 scientists (whose declaration was issued from the Max Planck Institute of Physics in Göttingen) pointed out that a single atomic shell would have the same destructive effect as the atom-bomb dropped on Hiroshima in 1945; that one such "tactical" missile could, in their opinion, destroy an entire town; and that a single hydrogen bomb would make the whole of the Ruhr uninhabitable. The entire population of the Federal Republic could be annihilated by radioactivity from hydrogen bombs, and, in the view of the signatories, there was no defence against this weapon so far as large masses of population were concerned. For the above-mentioned reasons, and because of the responsibilities placed on them by the nature of their work, the signatories, though not politicians, could not remain silent on political issues and would therefore refuse all co-operation in the manufacture, testing, or destructive use of nuclear weapons. They were ready, however, to promote the peaceful applications of nuclear science in all possible ways. It was stressed that one of the primary reasons for issuing the declaration was that the population of the Federal Republic had not been sufficiently informed of the consequences which nuclear warfare would entail. In the opinion of the signatories, the best protection for the Federal Republic and the best means of serving world peace lay in a refusal to possess any form of nuclear weapon.

The declaration was issued in reply to a press statement by Dr. Adenauer, made on April 4, in which the Federal Chancellor intimated that the new West German armed forces would have to be equipped with tactical atomic weapons in view of similar developments in the defence forces of other countries.

Dr. Adenauer had said that one had to distinguish between "big nuclear weapons" and "tactical atomic weapons" which were "nothing more than a development of artillery." He went on: "Naturally, we cannot renounce the right of our troops to be equipped with the most modern normal arms. We do not possess the 'big' atomic arms. The whole development is in a state of flux and we Germans cannot stop it. All we can do is to adapt ourselves and to see to it that there will be a relaxation of tension somewhen and somewhere. I am convinced it would not lead to such a relaxation if the Federal Republic were the only country to deprive itself of such arms." The Chancellor expressed the view that the possession of "tactical" atomic weapons would not expose Germany to the danger of nuclear retaliation, since any nuclear attack by the Soviet Union would immediately bring about a counter-attack and the Russians were aware of this.

A statement was issued by Dr. Adenauer a few hours after the publication of the scientists' declaration in which he

expressed regret that the scientists had not discussed the matter with him as the responsible political head before issuing their declaration. Dr. Adenauer's statement continued:

"If the scientists intended to advocate a general ban on atomic weapons, valid for all countries, it would coincide completely with the views of the Government. I hope this was their intention. It appears to me that they do not possess the results of the tests made in the United States for the protection of civilians and soldiers. We should willingly have given them these results. If however, they meant to say that a small country like the Federal Republic should renounce such weapons, then I must say that has nothing to do with physical science--it is purely a foreign policy matter."

In conclusion, the Chancellor declared that the Federal Government would do their utmost to protect the German people from the effects of atomic war.

At the invitation of Dr. Adenauer, a number of leading West German scientists, including signatories of the declaration, had a meeting in Bonn on April 17 with Government representatives, including the Ministers of Defence and Atomic Affairs. Generals Speidel and Heusinger were also present at the meeting, over which the Federal Chancellor presided.

A statement was issued after the meeting saying that the discussions had ranged over the whole international and strategic situation, and that the Federal Republic would abide by its decision under the Paris agreements not to manufacture atomic weapons. [By implication, this meant that the Federal Republic might obtain tactical atomic weapons from other countries but would not manufacture them itself.] A Government spokesman pointed out that re-equipment of the *Bundeswehr* with tactical atomic weapons might take another two years, during which period every effort would be made to bring about controlled disarmament.

The West German *Bundestag* (Lower House) adopted a resolution on May 10 calling upon the great Powers to stop nuclear tests for a limited period "as a visible sign of their desire for general controlled disarmament." The resolution was introduced by the coalition parties supporting Dr. Adenauer, and adopted unanimously by a show of hands.

Suspension of H-Bomb Tests urged by Labour and Liberal Parties. - Resolution by British Council of Churches.

After two meetings of the Parliamentary Labour Party and a meeting of the Labour "Shadow Cabinet," a resolution submitted by Mr. Gaitskell was unanimously adopted on April 3 declaring that the Parliamentary Labour Party, "conscious of the dangers to humanity of the continuance of nuclear explosions, reaffirms previous decisions of the party calling for the abolition of H-bomb tests through international agreement and strongly urges H.M. Government to take an immediate initiative in putting forward effective proposals for this purpose to the other Governments concerned, meanwhile postponing the tests for a limited period so that the response of those Governments to this initiative may first be considered."

The Labour Party's official policy of accepting British production of the hydrogen bomb, while at the same time seeking the abolition of nuclear tests by international agreement, had been strongly challenged by a number of Labour M.P.s advocating the unconditional abandonment of the British tests as an example to the other two nuclear Powers, America and Russia. The Shadow Cabinet, meeting on April 2, had approved the text of a motion (moved by Mr. Gaitskell) which, reflecting the party's official policy, was worded identically to the motion eventually adopted, but ended at the words "Governments concerned"—i.e. it made no reference to the postponement of tests for a limited period.

When this motion was submitted to the Parliamentary Labour Party in the morning of April 3, however, Mr. George Thomas (M.P. for Cardiff West) and some 80 other Labour M.P.s moved an amendment to the official motion calling for the "immediate cessation of H-bomb tests"; urging the Government to "initiate a meeting of the three States manufacturing the H-bomb with a view to reaching common agreement on this question"; and further urging the Government "to give a lead to the world by abandoning the proposed tests at Christmas Island."

After lengthy discussion, during which considerable support was expressed for the amendment, the Shadow Cabinet held a further meeting at which it was decided to add to the original (official) motion the words "... meanwhile postponing the tests for a limited period so that the response of those Governments to this initiative may first be considered." The amended motion was then put to the Parliamentary Labour Party a second time and was unanimously accepted.

[It was commented in the Press that the motion in its final form represented a compromise between the two opposing viewpoints within the Labour Party on the question of nuclear tests. Moreover, it was pointed out that the amendment moved by Mr. Thomas and other M.P.s, if accepted, might have led to the resignation of prominent members of the Labour Shadow Cabinet—e.g. Mr. George Brown (the "shadow" Minister of Defence), who had publicly upheld the view that Britain should not suspend nuclear tests by unilateral decision but only if the United States and the Soviet Union took similar action.]

The Parliamentary Liberal Party had passed a similar resolution on Feb. 19 proposing the cessation of nuclear tests by all countries, and asking the Government to set an example by cancelling the tests planned to take place at Christmas Island.

By a narrow majority (39 votes to 32, with five abstentions), the British Council of Churches passed a resolution on April 2 deploring "the Government's decision to carry out nuclear tests in the megaton range."

Three other resolutions were also adopted by unanimous vote: (1) expressing the "profound concern" felt by Christian people in Britain at the continuation of nuclear tests and the grave danger they might involve for humanity by the increase of world radiation; (2) appealing to the British, U.S. and Soviet Governments to reach an agreement on the prohibition of such tests and the banning of nuclear weapons; (3) urging the "London sub-committee" of the U.N. Disarmament Commission to use every effort to reach agreement on the prohibition of all weapons of mass destruction.

The resolution deploring nuclear tests was moved by the Bishop of Chichester (Dr. Bell) in support of a resolution by the National Christian Council of Japan protesting against the continuation of such tests.--(Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Le Monde, Paris - Frankfurter Allgemeine Zeitung - Japanese Embassy Press Office, London - Soviet Embassy Press Department, London) **(Prev. rep. Disarmament Negotiations, 15517 A; Soviet Tests, 15468 B; British Tests, 15248 A; U.S. Tests, 15060 C.)**

A. AUSTRIA. — Presidential Election.

Dr. Adolf Schärf, the Austrian Vice-Chancellor and Socialist candidate, was elected President of Austria on May 5 in succession to the late President Körner. Dr. Schärf received 2,250,975 votes (51.1 per cent) against 2,160,551 (48.9 per cent) for Professor Wolfgang Denk (non-party), who had been nominated by the People's Party and the right-wing Freedom Party. With voting being compulsory, the total poll in the presidential election (4,502,258) was 97.2 per cent of the electorate, 81,732 votes being invalid. Dr. Schärf's majority of 99,424 was the smallest in any Austrian presidential election.

President Schärf (67) was born in 1890 in Moravia (then part of the Austro-Hungarian Empire), studied at Vienna University, and became a lawyer. After the First World War he became secretary to the chairman of the Parliamentary Socialist Party in the National Council, and in 1933-34 was a member of the Federal Council. He was three times imprisoned--first in 1934 under the Dollfuss regime, a second time by the Nazis after the *Anschluss*, and a third time by the Nazis in 1944 shortly before the end of the Second World War. After the liberation of Austria, Dr. Schärf was elected chairman of the Socialist Party and joined Austria's first post-war Government as State Secretary under Dr. Renner. Since December 1945 he had held the post of Vice-Chancellor in the Coalition Governments headed by Dr. Figl and subsequently by Dr. Raab, the present Chancellor. He took part in the negotiations with the Soviet Government which prepared the basis for the conclusion of the Austrian State Treaty.

It was reported in the Austrian press that in spite of the electoral alliance between the People's Party and the Freedom Party, many adherents of the latter party withheld their votes from Professor Denk and cast them for Dr. Schärf.

President Schärf is the third post-war President of Austria and, like his two predecessors (Presidents Renner and Körner), is a Socialist as stated above. He declared on May 6 that he would rise above party politics, be "the President of all the people," and strive to complete the work of reconstruction which had been carried out during the past ten years.
(Wiener Zeitung - Neue Zürcher Zeitung)
(Prev. rep. President Körner, 15346 C.)

B. MOROCCO - UNITED STATES. — Agreement on American Economic Aid.

An agreement providing for U.S. economic assistance to Morocco was signed in Rabat on April 2 by M. Balafrej, the Moroccan Foreign Minister, and Mr. Cavendish W. Cannon, the U.S. Ambassador.

Under the agreement, the U.S. International Co-operation Administration will provide $20,000,000 to be used for the purchase of consumer goods for Morocco. The funds realized by their sale in Morocco will be used to finance development projects, principally in agriculture. Though full details have still to be worked out, it was stated that sugar and edible oils would be among the commodities imported. The agreement also provides for technical assistance if Morocco should request it.

It was stated by U.S. and Moroccan officials that the question of the U.S. bases in Morocco was not connected with the economic agreement.—(New York Times - Le Monde, Paris)

MAY 18—25, 1957

A. SUEZ CANAL. — Canal reopened to Navigation. - Unilateral Egyptian Declaration on Future Working of Canal. - Western Criticisms of Omission of "Six Principles." - Security Council Debates. - Statement by Canal Users' Association. - British Decision to use Canal. - Mr. Macmillan's Statement. - Eight Conservative M.P.s resign Party Whip. - Continued French Boycott of Canal. - French Insistence on Egyptian Compliance with "Six Principles." - Israeli Demands for Right of Navigation in Suez Canal.

As a result of intensive efforts by the U.N. Salvage Organization headed by Lieut.-General Raymond Wheeler, the Suez Canal was reopened to navigation for ships of maximum draught on April 10—one month ahead of the target date (mid-May) which had been set by General Wheeler. The Egyptian Government issued a statement on that date announcing that the Canal was "completely cleared" of wrecks, while General Wheeler also issued a statement pointing out that the clearance operations had been completed "well ahead of schedule" and that all obstructions to navigation had been removed. The U.N. Salvage Organization was disbanded on May 2, by which date all vessels under charter to the organization had been withdrawn from Egyptian waters.

The three major obstructions to navigation—the tank-landing craft *Akka*, the tug *Edgar Bonnet*, and the frigate *Aboukir*, all of which had been scuttled by the Egyptian authorities after the Anglo-French military intervention—were removed by the U.N. Salvage Organization on Feb. 14, March 25 and April 8 respectively. The 3,000-ton *Akka*, which had been laden with cement before being sunk in the Canal just south of Ismailia, was raised by the German salvage vessels *Ausdauer* and *Energie* and towed to the Great Bitter Lake outside the traffic channel. The *Edgar Bonnet*, sunk in the narrowest part of the Canal north of Ismailia, was raised by Dutch salvage craft and towed to Lake Timsah, while the *Aboukir*, sunk near the southern entrance of the Canal, was raised by a combined German and Italian salvage team and towed to the Great Bitter Lake after frogmen had removed explosives from the vessel. The removal of the *Akka* opened the Canal to ships up to 3,000 gross tons; the removal of the *Edgar Bonnet* made it possible for ships up to 10,000 gross tons to navigate the Canal; while the raising of the *Aboukir*, the last major obstruction, made navigation possible by vessels of maximum draught.

In a statement at U.N. Headquarters on May 7, General Wheeler said that although the clearance of the Canal had been completed a month ahead of schedule, it might have been shortened by another month if Egypt had not at first refused to let U.N. salvage crews work on two vessels because they were loaded with explosives. Despite the delay thus caused, the explosives had eventually been removed from these vessels by U.N. crews.

The first convoy to enter the Suez Canal since October left Suez for Port Said on March 29, consisting of nine freighters (four Italian, two Soviet, and the others of West German, Greek, and Rumanian registry) ranging from 1,800 to over 7,000 gross tons; all the vessels paid tolls to the Egyptian Canal Authority in U.S. dollars, Swiss francs, Italian lire or West German Deutschemarks. On April 10, when the Canal was fully reopened as stated above, large vessels passing through the Canal included two oil tankers of 20,000-tons deadweight—one Italian and one Belgian—and the 13,000-ton Italian liner *Oceania*, bound for Australia with 800 passengers.

The first British vessel to pass through the Canal since October—the freighter *West Breeze* (3,600 gross tons), registered in Hong Kong—did so on April 19 after paying tolls in Swiss francs equal to about £1,300; she was bound from Singapore to Rotterdam with a cargo of groundnuts. The first American vessel to transit the Canal since the Suez crisis—the 9,000-ton *President Jackson*, bound from Karachi to Genoa with cargo and passengers—sailed though on April 23 after paying tolls to the Egyptian Authority "under protest."

Daily convoys in each direction—one northbound and one southbound—were resumed on March 30 by the Egyptian Canal Authority, which announced that it had 224 pilots at its disposal—99 Egyptians, 29 Greeks, 25 Germans, 15 Russians, 12 Yugoslavs, 10 Poles, and the rest of other nationalities, including American, Dutch, Norwegian, Swedish, Spanish, Italian, Hungarian, Rumanian, South African, and Persian. The convoys were increased on May 18 from two to three a day—two southbound and one northbound—following the British Government's decision to use the Canal (see below).

Colonel Younes, financial administrator of the Egyptian Canal Authority, explained on March 27 that the Authority was prepared to accept payment of canal tolls in different currencies so long as they were transferable within the European Payments Union and available to an Egyptian account. Among "acceptable" currencies listed by Colonel Younes were U.S. and Canadian dollars, Swiss and Belgian francs, Dutch guilders, the Scandinavian currencies (except Finnish), West German Deutschemarks, Italian lire, and Indian rupees. He explained that the absence of sterling and French francs from the list was a "temporary" measure until such time as both currencies were freed from the present financial restrictions and became available for Egyptian use. As regards the omission of Russian roubles, Colonel Younes explained that Soviet vessels had normally paid canal dues in sterling when it was free, but had generally paid in U.S. dollars since the freezing of Egyptian accounts by Britain.

As from May 1, the Egyptian Canal Authority required all users of the Canal to pay tolls in freely convertible currencies, and no longer accepted settlement through clearing accounts with those countries having trade agreements with Egypt. This regulation particularly affected Italy and Greece (two important users of the Canal), and especially Italy, whose vessels had hitherto paid canal tolls under a system whereby the sums involved were set off against the large trading debts owed by Egypt to Italy. [See pages 15129-30]. Following an Italian protest, an Egyptian Government delegation arrived in Rome on May 16 for discussions with the Italian Government on new clearing and payments arrangements.

Egyptian Declaration on Administration and Operation of Suez Canal. - Insistence on Egyptian Control of Canal and Payment of Tolls to Egyptian Authority. - Breakdown of U.S.-Egyptian Talks.

The Egyptian Government sent a memorandum on March 18 to all foreign diplomatic missions in Cairo stating that all canal dues would have to be paid in advance to the Egyptian Canal Authority or its authorized agents when the Suez Canal was reopened to navigation. After giving an assurance that Egypt would abide "by the letter and spirit" of the 1888 Convention, the statement added that questions of claims and compensation arising out of the nationalization of the Suez Canal Company "can be settled either by direct agreement or by arbitration"; that the Egyptian Authority would create a special fund for carrying out improvements to the Canal, earmarking for this purpose a percentage of Canal dues "not lower than the percentage set aside by the former Canal Company for this purpose"; and that "a further detailed statement will be issued covering the above-mentioned principles."

A further memorandum (the contents of which were not officially made public) was sent on March 29 to the United States and six other countries setting forth the Egyptian Government's detailed proposals for the administration and operation of the Canal after the resumption of navigation.

The U.S. State Department announced on April 1 that a U.S. Note had been delivered in Cairo containing "suggestions" whereby the latest Egyptian proposals for the operation of the Canal could be brought into line with the "six principles" enunciated by the Security Council on Oct. 13, 1956 (see 15252 A) as essential conditions for a permanent settlement. A State Department spokesman explained that the U.S. Government had not departed from its view that the "six principles" should provide the basis for the future operation of the Canal, and added that "the suggestions we have made to Egypt are in terms of achieving an arrangement consistent with these principles."

Though, as stated above, the Egyptian memorandum was not officially published, it was understood to contain no reference to the Security Council's "six principles" which Egypt, as well as the U.S.A., Britain and France, had accepted as a basis for settlement of the Canal question. The *New York Times* said that the U.S. Government had expressed its "displeasure" to Egypt and had stressed (*a*) that the Egyptian proposals were unilateral; (*b*) that they made no mention of the "six principles"; and (*c*) that they ignored the proposal, made jointly by the U.S.A., Britain, France and Norway, that canal tolls should be collected by an international agency—e.g. the International Bank—and half the proceeds made available to Egypt. [This latter proposal had been submitted jointly by the four countries on Feb 19 and was transmitted to Egypt on their behalf by the U.N. Secretary-General, Dr. Hammarskjöld.]

The American Ambassador in Cairo (Mr. Raymond Hare) presented the U.S. Note to the Egyptian Foreign Minister (Dr. Fawzi) on March 31. During the next three weeks Mr. Hare had a number of meetings with President Nasser, Dr. Fawzi, and other Egyptian officials, but no progress was made toward reconciling the Egyptian and U.S. points of view. Although no statements were issued on the talks between Mr. Hare and Dr. Fawzi, press reports from Cairo and Washington said that there was a deadlock on all major issues, including "completely different interpretations" of the Security Council's six principles by Egypt and the United States. In addition to his discussions with Mr. Hare, Dr. Fawzi also had separate meetings with the Indian, Soviet, and Yugoslav Ambassadors in Cairo.

On April 24 the Egyptian Government issued a declaration on the future administration of the Suez Canal which was sent to Dr. Hammarskjold with the request that it be deposited with the U.N. Secretariat as an "international instrument." A covering letter from Dr. Fawzi described the declaration as the "detailed statement" which had been promised by the Egyptian Government in its earlier statement of March 18

(see above). After giving formal notification that the Canal was again "open for normal traffic" the letter expressed the Egyptian Government's "gratitude and appreciation" to the United Nations, and to all the countries concerned, for their efforts "which made it possible for the clearance of the Canal to be accomplished peacefully in a short time."

The declaration rejected all idea of international control of the Suez Canal, but set limits to the amount of tolls which would go to the Egyptian Government and provided for arbitration on any increases in canal tolls. No mention was made of the "six principles," beyond a statement in Dr. Fawzi's letter noting the Egyptian Government's "understanding" of the Security Council's resolution of Oct. 13, 1956. The text of the declaration was as follows:

"In elaboration of the principles set forth in its memorandum of March 18, 1957, and in accordance with the Constantinople Convention of 1888 and the U.N. Charter, the Government of Egypt makes the following declaration on the Suez Canal and the arrangements for its operation:

1. **Reaffirmation of 1888 Convention.** It remains the unaltered policy and firm purpose of the Government of Egypt to respect the terms and spirit of the Constantinople Convention and the rights and obligations arising therefrom . . .

2. **Observance of the 1888 Convention and U.N. Charter.** While reaffirming their determination to respect the terms and spirit of the Constantinople Convention of 1888 and to abide by the principles and purposes of the U.N. Charter, the Government of Egypt are confident that the other signatories of the said Convention, and all others concerned, will be guided by the same resolve.

3. **Freedom of Navigation, Tolls, and Development of the Canal.** The Government of Egypt are determined:

(*a*) To afford and maintain free and uninterrupted navigation for all nations within the limits of and in accordance with the provisions of the Constantinople Convention.

(*b*) That tolls shall continue to be levied in accordance with the agreement concluded on April 28, 1936, between Egypt and the Suez Canal Maritime Company; and that any increase in the current rate of tolls within 12 months, if it takes place, shall be limited to one per cent; and that any increase beyond that level shall be made through negotiations and, failing agreement, shall be settled by arbitration according to the procedure set forth below [Paragraph 7 (*b*)].

(*c*) That the Canal shall be maintained and developed in accordance with the progressive requirements of modern navigation, and that such maintenance and development shall include the eighth and ninth programmes of the Suez Canal Maritime Company, with such improvements thereto as are considered necessary.

4. **Operation and Management.** The Canal shall be operated and managed by the autonomous Suez Canal Authority established by the Government of Egypt on July 26, 1956. The Government of Egypt look forward with confidence to continued co-operation with the nations of the world in advancing the usefulness of the Canal . . . [and] . . . will welcome and encourage co-operation between the Canal Authority and representatives of shipping and trade.

5. **Finance.** (*a*) Tolls shall be payable in advance to the account of the Canal Authority at any bank chosen for this purpose by the Authority. The Canal Authority has authorized the National Bank of Egypt to undertake this operation, and is also negotiating with the Bank for International Settlements to accept payment of the canal tolls on its behalf.

(*b*) The Canal Authority shall pay to the Government of Egypt five per cent of all gross receipts as royalty.

(*c*) The Canal Authority will establish a Suez Canal Capital and Development Fund into which shall be paid 25 per cent of all gross receipts. This Fund will ensure that there shall be available to the Canal Authority adequate resources to meet the needs of development and capital expenditure for the fulfilment of the responsibilities they have assumed and are determined to discharge.

6. **Canal Code.** The regulations governing the administration and operation of the Canal are embodied in the Canal Code, which is the law of the Canal. Due notice will be given of any alteration in the Code. Any such alteration, if it affects the principles and commitments in this declaration and is challenged or complained against for that reason, shall be dealt with in accordance with the procedure set forth in Paragraph 7 (*b*).

7. **Settlement of Complaints relating to Canal Code.** (*a*) In accordance with the principles laid down in the Constantinople Convention of 1888, the Canal Authority, by the terms of its Charter, can in no case grant any vessel, company, or other party any advantage or favour not accorded to other vessels, companies or parties on the same conditions.

(*b*) Complaints of discrimination or of violation of the Canal Code shall be referred by the complaining party to the Canal Authority, which shall consider the complaint and take action to solve it. If no solution is reached by this procedure, the matter may be referred, at the option of the complaining party or the Authority, to an arbitration tribunal composed of one nominee of the complaining party, one of the Authority, and a third to be chosen by both. In case of disagreement, such third member will be chosen by the President of the International Court of Justice upon the application of either party.

(*c*) The decisions of the arbitration tribunal shall be taken by a majority of its members. They shall be binding upon the parties and must be carried out in good faith.

(*d*) The Government of Egypt will give further study to appropriate arrangements for fact-finding, consultation, and arbitration on complaints relating to the Canal Code.

8. **Compensation and Claims.** The question of compensation and claims in connexion with the nationalization of the Suez Canal Maritime Company shall, unless agreed between the parties concerned, be referred to arbitration in accordance with established international practice.

9. **Disputes, Disagreements or Differences arising out of the Convention and Declaration.** (*a*) Disputes or disagreements arising out of the Constantinople Convention of 1888 or this Declaration shall be settled in accordance with the U.N. Charter.

(*b*) Differences arising between the parties to the 1888 Convention in respect of the interpretation or applicability of its provisions, if not otherwise resolved, shall be referred to the International Court of Justice. The Government of Egypt will . . . accept the compulsory jurisdiction of the International Court of Justice in conformity with the provisions of Article 36 of its statute.

10. **Status of Declaration.** The Government of Egypt make this declaration, which reaffirms and is in full accord with the terms and spirit of the Constantinople Convention of 1888, as an expression of its desire and determination to enable the Suez Canal to be an efficient and adequate waterway linking the nations of the world and serving the cause of peace and prosperity.

This declaration, with the obligations therein, constitutes an international instrument and will be deposited and registered with the U.N. Secretariat."

Security Council convened by U.S. Delegate. - French and U.S. Criticisms of Omission of "Six Principles" from Egyptian Declaration.

Following the publication of the Egyptian declaration, the U.S. delegate at the United Nations (Mr. Cabot Lodge) sent a letter to the president of the Security Council—Sir Pierson Dixon (Britain), holder of that post during April—requesting an immediate meeting of the Council to consider the Suez question, of which it had remained "seized."

Mr. Lodge's letter, sent on April 25, recalled that the Security Council's resolution of Oct. 13, 1956, had stipulated that any settlement of the Suez question should be based upon the "six principles" unanimously adopted. As the Canal had been reopened to traffic, and in view of the declaration issued by the Egyptian Government, the U.S. Government believed that the Council "should now meet to take note of the situation regarding passage through the Suez Canal."

The Security Council was accordingly convened on the following day (April 26) by Sir Pierson Dixon, who invited the Egyptian delegate at the U.N. (Dr. Omar Loutfi) to take part in the debate in accordance with precedent. Mr. Lodge, who opened the debate, said that the Egyptian declaration "in its present form does not fully meet the six requirements" set forth by the Security Council in October last; moreover, it contained no assurance that the "six requirements" would in fact be implemented. He suggested, nevertheless, that the system proposed by Egypt should be "given a trial," the Suez question meanwhile remaining on the Council's agenda. The Security Council accepted Mr. Lodge's suggestion without a vote, and adjourned *sine die* after debating the matter.

Mr. Cabot Lodge recalled that the U.S.A. had made a number of suggestions to the Egyptian Government "designed to facilitate an effective and generally acceptable international agreement in conformity with the six requirements unanimously approved by the Security Council." After commenting that the Egyptian declaration did not appear to conform to the six principles, he continued:

"A fundamental difficulty lies in the fact that there is no provision for the organized co-operation referred to in the exchange of correspondence last November between Dr. Hammarskjöld and the Egyptian Government. In view of this lack of provision for organized and systematic co-operation between Egypt and the users, there is no assurance that the six requirements will in fact be implemented. Perhaps no final judgment can be made regarding the regime proposed by Egypt until it has been tried in practice. Therefore any *de facto* acquiescence by the United States must be provisional, and we reserve the right to express ourselves further on the matter in future.

"Obviously there remain a number of practical arrangements which will have to be worked out in giving effect to the Egyptian declaration. The salient practical fact is that the question of whether confidence among the users of the Canal can be established will depend on the manner in which the Egyptian declaration is carried out in practice. Pending a settlement with the Suez Canal Company, and in view of the possibility of double jeopardy, U.S. vessels will be authorized to pay Egypt only under protest, as has been the case since last July. We think that the interests of Egypt and the users would both be served if the arrangements for the Canal and its operation are such that Governments and private concerns can base their economic and business plans on the assumption that there will in fact be, as there should be, free and non-discriminatory use of the Canal at all times by ships of all nations."

In conclusion, Mr. Lodge proposed that the Egyptian plan should be given a trial while the Security Council continued to remain "seized" of the Suez question.

Dr. Omar Loutfi (Egypt) maintained that his Government's declaration accorded fully with the "six principles" and, in particular, with the third and "most delicate" one—that of "insulating" the Canal from the politics of any country. He claimed that this was provided for by entrusting the Canal's operation to the Egyptian Suez Canal Authority, "an independent body with its own independent budget." After asserting that the Egyptian declaration complied fully with the Constantinople Convention, the U.N. Charter, and the "six principles," and saying that Egypt fully supported the principle of free navigation, Dr. Loutfi expressed his Government's determination to operate the Canal in the interests of the user-countries in spite of the "tragic events" of recent months.

M. Georges-Picot (France) described the Egyptian declaration as "vague and nebulous" and as conforming to only one of the "six principles"—namely, the second, which stated that Egyptian sovereignty must be respected. He maintained that the declaration was unilateral and could be modified unilaterally; that it contained "unambiguous threats of discrimination" against shipping; that the principle of free passage through the Canal was accompanied by reservations, "the meaning of which we know so well"; and that it was completely devoid of essential guarantees and safeguards. Moreover, Egypt was reserving the right to impose her own interpretation of the Constantinople Convention, as she had already done by preventing the passage of Israeli ships through the Canal in spite of the Security Council's resolution of 1951 to the contrary.

Dr. Walker (Australia) similarly declared that Egypt had not adhered to the "six principles," which constituted an "essential minimum" for any settlement. He added that if the present insecurity were prolonged, international capital would be "diverted to other projects designed to make world commerce less vulnerable to the policies of those who control the Canal." It was thus a matter of "elementary prudence" for Egypt's rulers to take account of this, instead of following the path of "a chauvinistic and onerous self-sufficiency."

The U.S. State Department had advised American shipowners on March 28 not to use the Suez Canal until all "physical and legal hazards" had been "fully eliminated." The State Department spokesman (Mr. Lincoln White) emphasized, however, that there was no prohibition on the use of the Canal by American vessels. As stated by Mr. Cabot Lodge, U.S. vessels passing through the Canal had been instructed to pay canal tolls to the Egyptian Authority "under protest"—the procedure adopted by the *President Jackson*, the first U.S. vessel to pass through the Canal after its reopening (see above).

Statement by Suez Canal Users' Association. - Resignation of Mr. Bartels.

The council of the 18-nation Suez Canal Users' Association (S.C.U.A.), after several meetings in London, issued a statement on May 9 declaring (1) that it was "the general consensus of the member-countries that the Egyptian declaration is insufficient and falls short of the six requirements for a settlement of the Suez Canal question which were embodied in the Security Council's resolution of Oct. 13, 1956"; (2) that "insofar as use of the Canal is resumed by the shipping of member-States, this does not imply their acceptance of the Egyptian declaration as a settlement of the Suez Canal question"; and (3) that the member-States of the S.C.U.A. "accordingly reserve existing rights under the Convention of 1888 and otherwise with respect to the operation of the Canal." The statement added (*a*) that the French delegate had "expressed a reservation to the effect that, in the opinion of his Government, it was not possible in present circumstances to recommend the use of the Canal to member-States"; and (*b*) that the Spanish delegate had "expressed a reservation to the effect that it is solely within the competence of the United Nations to decide whether or not the Egyptian declaration is consistent with the Security Council's resolution of Oct. 13, 1956."

Commenting on this statement, the Diplomatic Correspondent of *The Times* said that it was "clear . . . that the Association has been unable to reach agreement on what recommendation should be made to its members in face of the Egyptian declaration," and "equally clear that it is left to member-States to make their own decision."

The S.C.U.A. announced on May 16 that Hr. Bartels, the Danish diplomat who had been Administrator of the Association since October last, had resigned on May 1. The announcement intimated that S.C.U.A. itself would continue when arrangements had been made for the administration of its future work. It was understood that Hr. Tabor, the assistant administrator (also a Dane), would serve as acting administrator of S.C.U.A. for the time being.

[The decision whether or not to use the Suez Canal was left by most member-governments of the S.C.U.A.—e.g. the Scandinavian countries, Holland, Italy, and Western Germany—to the individual shipping companies concerned.]

British Ships authorized to use Suez Canal. - Statement by Mr. Macmillan. - Eight Conservative M.P.s resign Party Whip. - Criticism of Government's Decision.

In a statement on May 13 to the House of Commons, Mr. Macmillan announced that the British Government, while reserving all their rights, would no longer advise British shipowners to refrain from using the Suez Canal. The Prime Minister spoke as follows:

"A few weeks ago H.M. Government, together with the Governments of the United States, France, and Norway, made certain proposals designed to lead to an interim agreement for the use of the Canal, which would at the same time safeguard the interests of users for the future. Shortly afterwards the Egyptian Government put forward counter-proposals. These were made informally to certain Governments, including the United States. Since it seemed that these proposals were not in final form, the U.S. Government undertook a detailed negotiation in an effort to secure improvements before the proposals were formally communicated to all the Governments of the user-countries. As a result, certain modifications were secured, particularly with regard to arbitration procedures.

"On April 24 the Egyptian Government published, as a unilateral declaration, the terms on which it proposed that the Suez Canal would be open to shipping. This position was reported to the Security Council, who are still seized of this whole problem. Although the improvements were acknowledged, objection was still strongly taken to the unilateral character of the Egyptian declaration.

"It was the virtually unanimous view of the Suez Canal Users' Association that the unilateral Egyptian declaration was insufficient, and fell short of the six requirements for a settlement of the question which were embodied in the Security Council's resolution of Oct. 13, 1956. The member-States have reserved all their rights about the operation of the Canal and do not accept the Egyptian declaration as a permanent and satisfactory settlement of this question. We share this view to the full.

"The great majority of the foreign lines serving the principal trades east of Suez have indicated that they will henceforth route their ships through the Canal, as many of them have already done. The shipowners' associations in Western Germany and the Scandinavian countries have officially informed their members that the S.C.U.A. statement should be interpreted as meaning that every country and every shipowner is now free to use the Canal at their own discretion.

"In these circumstances, and with the reservation of their rights which has been stated on behalf of the member-countries of the S.C.U.A., the Government can no longer advise British shipowners to refrain from using the Canal.

"Payments made in connexion with the Canal—for canal dues and other purposes such as port dues, or water—will be made in sterling. A new transferable account, to be known as the No. 1 (Special) Account, has been opened by the Bank of England in the name of the National Bank of Egypt. So far as payments by residents of the U.K. are concerned, this Account can be used only for Canal dues and other shipping disbursements. As non-resident holders of transferable sterling will be able to make payments to the account in the normal way for current transactions, the Government will examine the possibility of extending its use to British residents also for such transactions.

"The Government will not interfere with the free disposal of the No. 1 Special Account. The existing No. 1 Account remains blocked. Removal or modification of the existing restrictions must naturally depend upon satisfactory arrangements covering all financial claims against Egypt. Discussions will be held on this basis in a neutral centre.

"In addition, it will be possible to consider favourably allowing payments to be made by Egyptian traders from the existing No. 1 Account for certain contracts entered into before July 28, 1956. One result of this would be to enable British exporters who had entered into these contracts in good faith, and have been prevented by our own restrictions from receiving payment, to recover their debts. The necessary statutory instrument to enable the new Account to be opened has been made and will be laid before both Houses."

In reply to requests by Mr. Gaitskell (Leader of the Opposition) and other Members, the Prime Minister agreed that the House should hold a two-day debate on the Suez Canal question during the following week.

Mr. Gaitskell said that the House had heard "with regret but without surprise" the Prime Minister's announcement that British shipowners were henceforth free to use the Canal; he added that "the terms we must now accept are substantially worse than those obtaining before Oct. 30." **Mr. Macmillan** did not agree that negotiations on the basis of the October terms would have led "to any more satisfactory result or any multilaterally-agreed settlement."

Mr. Herbert Morrison (Lab.) said that the Prime Minister's statement was "seriously deficient in relation to future action by the Government to resolve through the U.N. a number of outstanding matters"—viz., the "six principles," the question of Israeli shipping, compensation for the former Suez Canal Company, and the possibility of an appeal to the International Court or other legal action.

Mr. Macmillan agreed that all these were important issues for the future, but thought that "the House and the country would like to have a short, factual and objective account of the arrangements we are to make in the interim so that commercial arrangements can be made and people can know where they are." The issues raised by Mr. Morrison could best be discussed in the forthcoming debate.

Mr. Shinwell (Lab.) said that there could be no permanent solution until the Canal was made free for shipping of all nations, including Israel. He asked the Prime Minister to "appreciate that Israel must not be regarded as expendable to reach an understanding with the Egyptian Government." **Mr. Macmillan** replied: "What the Rt. hon. gentleman says on these matters commands general support, and certainly great sympathy from me."

Mr. Grimond (the Liberal leader) asked whether any settlement made in accordance with the "six principles" would be acceptable to the Government, and if negotiations were continuing with a view to reaching a settlement.

Mr. Macmillan said the United Nations and the Security Council had tried to reach a genuine, agreed multilateral settlement broadly on those principles, but had not been successful. It was on the basis of the "six principles" that the negotiations should, in the Government's opinion, proceed.

Mr. Emrys Hughes (Lab.) described the Government's decision as "the most spectacular retreat from Egypt since Moses," to which **Mr. Macmillan** retorted: "You are making too short-viewed a judgment on a matter of which only a much longer view will decide the rights and wrongs. This is by no means the end of the story. It is only a stage in it."

Later the same day, and after the Prime Minister's announcement, eight Conservative M.P.s issued a joint statement criticizing the Government for "capitulating to Nasser," and announcing that they had resigned the party Whip in protest and would sit in the House as Independent Conservatives. The M.P.s concerned were Lord Hinchingbrooke (Dorset South), Sir Victor Raikes (Liverpool, Garston), Mr. Patrick Maitland (Lanark), Mr. Angus Maude (Ealing South), Mr. Biggs-Davison (Chigwell), Mr. Lawrence Turner (Oxford), Mr. Anthony Fell (Great Yarmouth) and Mr. Paul Williams (Sunderland South). The statement ran as follows:

"H.M. Government have announced their capitulation to Nasser. This is one more episode in a long series of retreats that started with the Labour Government's weakness at the time of Abadan. Throughout the most recent series of retreats we have tried to persuade the Government to stand firm. We have urged it to stick to the six principles adopted by the Security Council and accepted by Nasser. Appeasement leads only to disaster. While refusing the Canal to Israel shipping, Nasser has already broken his latest pledge to abide by the 1888 Convention and reversed his acceptance of the six principles. It is folly to nurture his prestige just when it has been shaken by his failure to swallow Jordan and when Britons are on trial [in Cairo] for their lives

We believe that . . . this final surrender to Nasser will be interpreted by the people of Britain and by friends of Britain overseas as a sign both of material weakness and, far worse, of decaying will. Protests, appeals to Ministers, motions on the Order Paper, all have failed to stiffen the Government's policy. If this betrayal be accepted, how can we avert the surrender of Cyprus? We should be untrue to our deepest political convictions if we did not make the only protest left and refuse the party Whip. We remain Conservatives. We shall continue to support all truly Conservative measures . . ."

A statement in similar terms to the Prime Minister's was made in the House of Lords on May 14 by Lord Home on behalf of the Government. Lord Salisbury, speaking for the first time in the Lords since his recent resignation (see 15492 B), described the Government's decision as going "far too near to a complete capitulation to Colonel Nasser than many of us would have felt either palatable or, I was almost going to say, endurable."

Lord Russell of Liverpool announced on the same date that he had resigned the Conservative Whip and would sit in the House of Lords as an Independent Conservative. Viscount Lambton (Conservative M.P. for Berwick-on-Tweed) resigned as Parliamentary Private Secretary to Mr. Selwyn Lloyd in protest against the Government's decision, but did not relinquish the party Whip.

After a meeting of the Labour "Shadow Cabinet" in the evening of May 13, it was announced that a vote of censure would be moved in the forthcoming debate expressing "concern at the outcome of the Government's Suez Canal policy" and deploring "the damage to British prestige and economic interests resulting therefrom."

Instructions from the Bank of England were received by all banks on May 13 with regard to the new Exchange Control Order announced by the Prime Minister. As explained by Mr. Macmillan, U.K. shipowners will pay "canal dues and other shipping disbursements" in sterling to the National Bank of Egypt in a new No. 1 Special Account. Egypt will return to the transferable sterling account area, but the restrictions imposed on Egypt's sterling balances in July 1956 will remain in force.

Payments for exports to the Egyptian Monetary Area may be received in sterling from a Transferable, American, Canadian, and Registered Account or in any specified currency. Transferable sterling payments will go into the new Special No. 1 Account; otherwise payments for goods from Egypt will continue to be made into the blocked No. 1 Account.

The present balance in the No. 2 (permanently blocked) Account of the Bank of Egypt with the Bank of England was given as £80,000,000, and that in the No. 1 (temporarily blocked) Account as £27,000,000.

[It was confirmed in London on Jan. 1, 1957, that the Bank of England had transferred £20,000,000 sterling from Egypt's blocked No. 2 Account to the No. 1 Account. The National Bank of Egypt had requested that the transfer should be made on the first of the month in accordance with the Anglo-Egyptian sterling agreement of August 1955, and the U.K. authorities met this request in accordance with the provisions of that agreement. For all practical purposes, however, the £20,000,000 remained out of Egypt's reach, as the No. 1 Account had been effectively blocked since July 27, 1956.]

Immediately after the Prime Minister's announcement diversion orders were sent out to a number of British ships in the Indian Ocean and the Mediterranean authorizing them to use the Suez Canal. The first British vessels to pass through the Canal since the Suez crisis—the 9,000-ton cargo liner *Egidia* and the 7,000-ton P. and O. cargo liner *Devenha*—sailed through on May 17 after paying canal tolls in sterling. British oil tankers bound to and from the Persian Gulf passed through the Canal on May 20, for the first time since the closing of the Canal last autumn.

France maintains Boycott of Suez Canal. - "Last Appeal" to United Nations for Egyptian Compliance with "Six Principles." - Security Council convened at French Request. - Declaration by M. Pineau.

The British decision to use the Suez Canal was received with surprise and regret in France, where it was officially stated that the French Government would continue to boycott the Canal. After a Cabinet meeting on May 15 it was announced that France would call for an immediate meeting of the Security Council and make a "last appeal" to the United Nations to secure Egyptian compliance with the "six principles."

M. Mollet (the Prime Minister) issued a statement on the same day saying that the French Government had "noted with regret the decisions taken by the Suez Canal Users' Association, which has agreed that transit dues should be paid direct to Egypt although that country has not given the minimum guarantees on freedom of transit or on how the dues will be spent." He added: "The French Government cannot consider as acceptable, and even less as definitive, a solution of the Canal problem which is in flagrant contradiction to the six principles unanimously voted by the Security Council last October . . . It considers that it is not possible that different standards should be established in international relations, to the detriment of the democracies and to the advantage of dictators. Experience has shown that such discriminations encourage the worst kinds of adventure and will finally jeopardize world peace. France has therefore decided to make a last appeal to the United Nations, whose authority has been challenged. We have decided to take this matter as quickly as possible to the Security Council, and to ask it to invite Egypt to conform to the six principles. The reply which will be given to the French request is far more important than the Canal question itself. On its nature will depend the confidence which the world can retain in the international organization which it has entrusted with the task of maintaining peace and of ensuring respect for law and justice."

M. Mollet also disclosed that he had tendered his resignation to President Coty before the Cabinet meeting as a protest against the manner in which the Canal problem was being handled. The President, however, had refused to accept his resignation and he had therefore withdrawn it.

Mr. Cabot Lodge (president of the Security Council during May) accordingly convened a meeting of the Council on May 20 to resume discussion of the Suez question at the request of the French delegation. M. Pineau (the French Foreign Minister), who had flown to New York to present his Government's case, emphasized that France's motive in bringing the matter before the Council was to ascertain whether the United Nations had two different standards: one "valid for nations which by tradition and principle comply with decisions and recommendations, and another for "countries which can with impunity consider them as null and void without any sanctions being imposed on them." In the first case the U.N. would have real and undisputed powers; in the second it could not hope to retain any kind of authority.

"We are no doubt well aware," said M. Pineau, "that our votes are often prompted by political considerations of a circumstantial nature. But if we systematically disregard all notions of law, justice, or simply of loyalty to our own attitudes, there is danger that we will cast discredit on the United Nations. This organization is at the present time the object of sharp criticism on the part of world opinion. There is need to restore the confidence which the peoples have placed in it. We have the opportunity to do so today . . ."

M. Pineau emphasized that France asked nothing more than that the Security Council should uphold the principles which it had itself adopted by unanimous vote. To reject the French request would mean that the Council would be reversing its own decision. The Egyptian declaration meant that Egypt would be free at any future time to bar the use of the Canal to any country, and it was "impossible to imagine a unilateral settlement of the Canal problem which Egypt would always be free to repudiate." He therefore called for the reopening of negotiations between Egypt and the users of the Canal "as soon as possible," with a view to a solution in accordance with the Security Council's terms for a settlement.

The debate was adjourned after the Australian delegate (Dr. Walker) had expressed whole-hearted support for the French attitude and had commented that "it will be a sorry day for the world community if the Egyptian method of negotiation by unilateral *diktat* should become a fashionable method of reaching agreement between nations."

After a meeting at the State Department with Mr Dulles on May 21, M. Pineau said that the U.S. Secretary of State shared his views as to how the Suez situation might be improved, and that he and Mr. Dulles were in "entire agreement" that Egypt's terms for running the Canal were "provisional." Asked by press correspondents whether France intended to bring a resolution before the Security Council and whether Mr Dulles had tried to dissuade him from such a move, M. Pineau replied: "He did not try to persuade me or me him—we tried together to find the best possible solution." The question of a resolution, M. Pineau added, would be decided at the end of the Security Council's debate.

Israel demands Right of Passage in Suez Canal.

The Israeli Ambassador in Washington (Mr. Eban) called at the State Department on March 9 to urge the United States to take the lead in ensuring free passage for Israeli ships when the Suez Canal was reopened to navigation. In view of the possibility that Egypt might refuse to let Israeli or Israeli-bound vessels use the Canal, he recalled President Eisenhower's declaration in his broadcast of Feb. 20 (see page 15443): "We should not assume that if Israel withdraws [from Gaza and Sharm-el-Sheikh] Egypt will prevent Israeli shipping from using the Suez Canal or the Gulf of Akaba. If, unhappily, Egypt does hereafter violate the armistice agreement or other international obligations, then this should be dealt with firmly by the society of nations."

President Nasser, however, at a press conference to U.S. journalists in Cairo, declared on March 30 that the question of Israeli use of the Canal was "irrevocably linked" with a solution of the Palestine Arab refugee problem, and emphasized that the ban on Israeli shipping would remain in force until a solution of the refugee question had been achieved. Commenting on this statement, a spokesman of the Israeli Foreign Ministry said that any interference with Israeli shipping in the Suez Canal or the Gulf of Akaba would constitute "an act of war," adding that Israel was "not interested in the pretexts Colonel Nasser puts out from time to time to justify his determination to interfere with freedom of navigation." A further statement was issued by the Israeli Foreign Ministry on April 26 reminding the Security Council of its resolution of 1951, in which Egypt was called upon to open the Canal to Israeli ships; reiterating Israel's demand for freedom of navigation through the Canal equally with other nations; and declaring that "Israel expects the United Nations to ensure the implementation of its decisions."

On May 13, after the user-nations (except France) had announced their intention of using the Canal again, an official Israeli spokesman said that Israel intended to send a test ship to the Canal "at a suitable time"; the spokesman declined to say what action Israel would take if Egypt refused to let the vessel pass through, beyond reiterating that any such action by Egypt would be regarded as an "act of war." Colonel Hatem (head of the Egyptian Government's Information Bureau) declared on May 17 that "no power in the world" would stop Egypt from "exercising her right to maintain her security"—a remark interpreted as meaning that Egypt would continue to ban Israeli ships from using the Canal.

Mr. Dulles, at a press conference on May 14, said that the United States believed that Israel should have the right of free access to the Canal equally with all other nations, but added that the U.S.A. would "oppose any attempt to settle the matter by acts of war." President Eisenhower made a similar statement on the following day.

U.N. Secretary-General's Attitude to Egyptian-Israeli Dispute on Use of Canal. - Visits to Middle East. - Meetings with President Nasser and Mr. Ben-Gurion.

At press conferences in New York on April 25 and May 16, Dr. Hammarskjöld expressed the opinion that the International Court was the proper organ to decide whether the Constantinople Convention permitted Egypt to exercise belligerent rights against Israeli shipping in the Suez Canal. Replying to questions about Egypt's ban on Israeli shipping, he said that the Security Council's resolution of 1951 was "the law, at least for the Secretary-General." As regards the interpretation of the 1888 Convention, he recalled that the Egyptian declaration specifically mentioned reference of disputes to the International Court, and it therefore appeared that the question of Israel's navigation rights on the Canal "can properly be brought before the Court." The Egyptian declaration itself, he added, was "a binding international instrument" as long as it was registered with the U.N. Secretariat, but Egypt was entitled to revoke it "as long as it remains a purely unilateral instrument." As that declaration could be supplanted by another declaration or agreement, he was not yet in a position to say whether it was of a permanent or interim character.

Dr. Hammarskjöld, accompanied by Dr. Ralph Bunche (U.N. Under-Secretary) and other U.N. officials, paid a visit to Cairo and the Canal area from March 20-26, during which he had discussions with President Nasser and other Egyptian leaders. No statement was issued on these talks, which were understood to have dealt with Middle East problems generally and, in particular, with the question of Egypt's assertion of belligerent rights against Israel and the Egyptian attitude to Israeli shipping in the Suez Canal. On his return to New York Dr. Hammarskjöld described his talks with President Nasser as "exploratory" and "helpful."

The U.N. Secretary-General visited Israel on May 9-10 for discussions with Mr. Ben-Gurion, the Israeli Prime Minister. Dr. Bunche, Mrs. Meir (Foreign Minister of Israel), General Dayan (Israeli Chief of Staff), and Colonel Byron V. Leary (representing General Burns, Commander of UNEF) also took part in the talks. An official statement said that there had been "a full and frank exchange of views on some of the underlying causes of tension in the area"; that Dr. Hammarskjöld and Mr. Ben-Gurion had "welcomed the opportunity to clarify problems relating to the Middle East of common concern to Israel and the United Nations"; and that they had "reaffirmed their determination to spare no effort to advance the cause of peace in the area in pursuance of the objectives of the U.N. Charter." Dr. Hammarskjöld, after his return to New York, said that he was "very satisfied" with his talks with Mr. Ben-Gurion.

French Law on Status of Suez Canal Company.

By 430 votes to 149 (the minority consisting entirely of Communist deputies) the French National Assembly passed a Bill on April 10 laying down that the Suez Canal Company remained subject to French law, in spite of the unilateral action of the Egyptian Government in nationalizing it. The Bill was presented by the *rapporteur* of the Assembly's Foreign Affairs Commission (M. de Lipkowski), who explained that the legislation was necessary in order to secure the company's assets in foreign countries, principally in Great Britain (20 milliard francs, or about £20,000,000) and in the United States (12 milliard francs, or about £12,000,000).

M. de Félice, Under-Secretary of State at the Quai d'Orsay, pointed out that the Egyptian Government could not dissolve a company whose head offices were in France and the majority of whose shareholders were French. The provisions of the Convention of 1866 (under which the Suez Canal Maritime Company was established) made it clear that considerations of real estate alone had led the company to base itself in Egypt. Moreover, the convention stipulated that the constitution of the company, and the relationships with its associates, "shall be governed by those French laws which, in France, regulate limited liability companies." As they had so far been unable to obtain the agreement of the Egyptian Government for the continuation of the company's functions, its statutes would have to be modified accordingly. M. de Félice emphasized that the French Government were not entering into any engagement with the shareholders but were simply seeking the Assembly's confirmation of the company's French character. (Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Le Monde, Paris - U.N. Information Centre, London) **(Prev. rep. Suez Canal, 15341 A; "Six Principles," 15252 A.)**

A. INTERNATIONAL MONETARY FUND. — New Managing Director and Chairman of Executive Board.

Mr. Per Jacobsson assumed his duties as Managing Director and Chairman of the Executive Board of the International Monetary Fund on Dec. 3, 1956, in succession to Mr. Ivar Rooth. Mr. Jacobsson, whose appointment for a five-year term had been announced on Sept. 19, 1956, was previously a member of the Management of the Bank for International Settlements in Basle, where he had served since 1931 as economic adviser and head of the Monetary and Economic Department. Like Mr. Rooth, he is a Swedish national. (International Monetary Fund) **(Prev. rep. 11452 D.)**

A. UNITED KINGDOM. — Parliamentary Approval for New Defence Policy. - Rejection of Opposition Amendment. - Mr. Macleod on Government's Proposals for ending National Service. - No Call-up for 1940 Class.

The Government's new Defence policy, as outlined in the White Paper of Feb.5 (see 15493 A), was approved by the House of Commons on April 17 by 308 votes to 250 after a two-day debate. The House rejected by 309 votes to 258 an Opposition amendment which (1) refused approval to the White Paper policy on the ground that it "lacked the firm decisions essential to an effective defence policy"; (2) regretted "the undue dependence on the ultimate deterrent" on which the policy appeared to be based; (3) called on the Government "to take an immediate initiative in putting forward effective proposals for the abolition of hydrogen bomb tests through international agreement." and meanwhile to postpone the U.K. tests "for a limited period so that the response to this initiative of the other Governments concerned may first be considered."

Mr. Macleod, the Minister of Labour, announced during the debate that it was not proposed to call up men born in 1940, and therefore liable for call-up under the existing National Service Acts, although they would remain legally liable.

Mr. Sandys (Minister of Defence), who opened the debate, stressed that the new policy was founded on the recognition of two basic facts: (1) that it was impossible effectively to defend Britain against an attack by hydrogen bombs; (2) that Britain could not go on devoting such a large part of her resources, and particularly of manpower, to defence. The Government believed that there would be no real safety in the world until there was disarmament, but that nuclear disarmament by itself would be disastrous, since it would give decisive military support to Russia, which would always be able to maintain larger conventional forces. It would continue, however, to do everything in its power to promote universal and comprehensive disarmament, and did not despair of reaching agreement.

"Unhappily," Mr. Sandys continued, "there reigns between east and west at present such complete mutual distrust that neither dares to lower its guard. Before we can hope to reach agreement on disarmament, I believe we must find ways of creating some measure of confidence, and that is not going to be easy and will certainly take a time. Meanwhile we must recognize the grim fact that the only means which the free world possesses to protect itself against Communist aggression and domination is the power to threaten retaliation with nuclear weapons, and for this protective power the free world at present depends almost entirely on the nuclear strength of the United States. While America with her immense resources is bound to remain the major partner, it is desirable that Britain should possess some element of nuclear deterrent power of her own. There is, I think, agreement on both sides of the House about that."

After recalling that the National Executive of the Labour Party had passed a resolution in 1955 supporting the production of hydrogen bombs by Britain, and that this attitude had been confirmed by Mr. Strachey in the Defence debate in February 1957 (see 15403 A) and by Mr. George Brown in a recent broadcast, the Minister went on: "As long as large U.S. forces remain in Europe and U.S. bombers are based in Britain it might conceivably be thought safe . . . to leave to the U.S.A. the sole responsibility for providing the nuclear deterrent. But when they have developed the 5,000-mile inter-ballistic rocket, can Britain really be sure that every U.S. Administration will go on looking at things in quite the same way? We think it just as well to make certain that an appreciable element of nuclear power shall in all circumstances remain on this side of the Atlantic, so that no-one shall be tempted to think that a major attack could be made against Western Europe without the risk of nuclear retaliation. I am quite sure our European neighbours feel the same and are glad to know that Britain intends to remain a nuclear Power. One of the basic principles of our defence policy is therefore that Britain must manufacture the hydrogen bomb." This, Mr. Sandys contended, necessarily implied the carrying-out of tests, since the mere possession of a bomb which had never been tested might not prove an effective deterrent.

Turning to the agreement concluded with the U.S.A. in January (see 153464 A), Mr. Sandys explained that whilst the ballistic rockets which Britain expected to receive under the agreement would be subject to certain restrictions on their use, the only alternative would have been to have no rockets available until several years later. He emphasized that Britain's acceptance of the U.S. offer did not mean that she was "going out of the rocket business" but that she would be able to concentrate, in collaboration with the U.S.A., on the development of more advanced types. In the meantime, British V-bombers and nuclear bombs would give her "a far from negligible element of deterrent power" under her own control. The Minister pointed out, however, that the "replacement of fighter aircraft by guided missiles and of bombers by ballistic rockets" would "not happen overnight"; the introduction of the new weapons would be gradual over a number of years, during which period man-operated aircraft would be needed.

Dealing with that phrase in the Opposition amendment which criticized the Government for placing "undue dependence on the ultimate deterrent," Mr. Sandys suggested that it had been prompted by the fear that every war might become a nuclear war—an "understandable anxiety" which arose from a tendency to generalize about the nature of war. It would, of course, be "unrealistic" to imagine that a full-scale offensive launched by Russia against Western Europe would be fought on conventional lines according to rules, and "inconceivable" that either the Soviet Union or the free world "would allow itself to be defeated without throwing everything into the battle, including nuclear weapons." There might, however, be limited acts of aggression, e.g. by Communist "satellite" countries, which could be resisted with conventional arms or with tactical atomic weapons that could be confined to the battle area.

In reply to **Mr. Crossman** (Lab.), who asked whether it was suggested that a non-major effort could be repelled by tactical nuclear weapons without involving the world in nuclear warfare, **Mr. Sandys** said that it was conceivable that in certain circumstances this might be possible. He added, however: "I am sure that if you get a head-on collision between Russia and the United States involving the defeat and domination of one by the other, it is unrealistic to imagine that it could be decided by anything short of the whole works."

After explaining that whilst Britain was "to a limited extent adopting certain tactical nuclear weapons," her major effort was and would continue to be in the conventional field, Mr. Sandys turned to other aspects of the White Paper policy. He emphasized that although Britain could "no longer afford to bear more than her fair share" of the joint burden of contributions to NATO, SEATO, and the Baghdad alliance, "no-one need have any fear that she will bear less than her fair share." "We are not contracting out of our obligations. Even at the end of the five-year plan, when all the reductions proposed have taken effect, there is little doubt that we shall still be making a more powerful contribution to the defence of the free world than any other country apart from the U.S.A."

The Minister then dealt with the Government's new policy regarding overseas garrisons and the Royal Navy. As to the former, he pointed out that although adequate forces must be maintained in Colonies and territories where there was a special threat of local attack, or some internal security problem, large garrisons were unnecessary because the vastly increased size and speed of modern transport aircraft enabled reinforcements to be dispatched to any place where trouble occurred. In this connexion he stated that besides the *Britannias* on order for R.A.F. Transport Command, a further number of *Beverley* freighters would be ordered. Regarding the Royal Navy, he claimed that its projected reorganization would make it "a highly effective, mobile force well constituted to meet all kinds of overseas emergencies and to play its part in sustaining NATO and the other alliances."

After stating that the policies set out in the White Paper would reduce the armed forces sufficiently to enable National Service to be brought to an end, Mr. Sandys continued: "I would like to make it quite clear that from now on all action is proceeding on the basis that the call-up will end in 1960 and the last National Serviceman will leave the forces in 1962. The Government do not intend to cut down the two-year period of National Service. While the strength of the Forces is being run down some loss of efficiency will be inevitable, and we do not think it right to add to this by increasing training commitments and losing a large part of a man's service when he is of greatest value."

Regarding the projected reduction of the total strength of the Forces to 375,000 men, Mr. Sandys explained that about one-fifth of these would be for the Royal Navy, two-fifths for the Army, and rather less than two-fifths for the R.A.F. Although voluntary recruiting must always be a little uncertain, the Government had every reason to expect that the required numbers would be obtained. The proposed contraction of the Forces would inevitably create redundancy problems among officers and senior "other ranks," and in general those most affected would be officers in the middle range—e.g. in the Army, majors and lieutenant-colonels. Although it was impossible at present to calculate precisely the total number affected, it was estimated that the surplus of the three Services might be 5,000-7,000 officers and about half as many warrant officers and n.c.o.'s. The Government's aim would be to reduce the number of officers and n.c.o.'s progressively as the Forces contracted, and they had in mind compensation based on (i) special lump sum payments; (ii) a relaxation of the qualifying conditions for retired pay and pensions in favour of those who left the Service prematurely under the scheme.

Mr. Sandys concluded by referring to suggestions that, as it was proposed to reduce the Forces to a combined strength which was less than the present strength of the Army alone, it might be unnecessary to retain three Service departments. He said in this connexion: "We should not lightly embark upon major changes in the structure of the fighting Services and their relations with one another. Nevertheless the Government recognize that with the reduction in the size of the Forces, and the changed characters of their weapons, the question of some measure of integration or closer co-ordination must be seriously considered. This we are now doing. . . . Meanwhile the Service Ministers and I have set up machinery to carry out a comprehensive review of the administration aspects of this question. The object is to reduce the number of headquarters, depots, and establishments of all kinds, and to eliminate overlapping between the Services. This administrative overhaul is a big task, and I am convinced it will not produce effective results unless it is directed from a high level by a combined inter-Service organism. I have therefore set up a Defence Administration Committee under the chairmanship of the Permanent Secretary to the Ministry of Defence. The other members are the Permanent Secretaries of the three Service Departments and of the Ministry of Supply, together

with Service members of the Board of Admiralty and of the Army and Air Councils, who will attend when matters affecting their responsibilities are being discussed. The committee will have a small staff of its own of senior officers and officials who can, when necessary, be sent out to study particular problems in Commands at home or overseas."

The principal Opposition speakers in the debate were Mr. George Brown (the Labour Party's spokesman on Defence matters, who moved the Opposition amendment), Mr. Crossman, Mr. Shinwell, and Mr. Strachey.

Mr. Brown, referring to disagreements within the Labour Party on the question of hydrogen bomb tests, maintained that such differences were "inevitable when defence is in a state where many people are uncertain where certain courses of action will lead." Describing the Government's recognition of the "realities of the nuclear situation" as "long overdue," he asserted that every one of the rapid succession of Defence Ministers had "felt that he must start all over again," with the result that nearly £8,000,000,000 had been wasted. Even now, he added, many decisions inherent in the resolve to end National Service had not been taken, e.g. the BAOR would have to be cut considerably, and there would also have to be a vast change in army structure and divisional formations if the "new model" Regular Army were to do its job efficiently. The failure to make provision for such changes, he contended, was "a fundamental omission from the White Paper," and the Government, by approaching the whole question of Defence reorganization as an economy measure and not as a planned military operation, had encouraged the feeling abroad that they had bypassed NATO and made a unilateral decision which was not in keeping with the spirit of the alliance.

Turning to the question of the manufacture and testing of the hydrogen bomb, Mr. Brown said: "The problem of the ultimate deterrent, the conditions in which it is used, the influence it has on other weapons, and the impact upon foreign policy, is an issue on which there is the gravest division in the nation. I stand by what I said in the past, but I am bound to take account of the great movement of opinion in the last two years. In his attempt to deal with the problem of the ultimate deterrent . . . the Minister is as uncertain as anyone. People are bound to be worried and divided because of the uncertainty of life or of what will happen to future generations. My approach is that of someone who is prepared to defend the view that Britain should have the nuclear deterrent. But we do not know what we are doing, or the consequences, or whether we might be using the devil's means to interfere with the Creator's purpose. It is no use pretending that we do."

After stressing the importance of taking into account public opinion on the subject, Mr. Brown warned the Government that unless it were shown that degrees of deterrent were available and that Britain might hope to employ one without being blown up herself, "it might be found that we had all the weapons, all the means of delivering the deterrent, and yet it would be no deterrent at all because no-one would believe we should have the will to employ it when the day came."

Mr. Brown concluded: "For a long time the Government have refused obstinately to face nuclear realities. Now they have become so obsessed by the desire for economy that they have rushed into an uncharted field. We need to make the most careful appraisal of the kind of forces and weapons which must be maintained if we are to have this deterrent approach. This the Government have not yet done . . . They have rushed a whole lot of fences to get £70,000,000 worth of economies into this year. As a result, they have left Britain gravely unprepared for the risks she could face, gravely overprepared for the one thing she never wants to face, and vastly dependent on other people for policy decisions of the gravest import to us."

Mr. Shinwell said that while the Labour Party officially accepted the need to produce the hydrogen bomb, there were differences of opinion within the party as to whether the bomb, when produced, should be tested. In consequence, the Parliamentary Labour Party had asked the Government to postpone the Christmas Island tests for a limited period (see page 15544) in order to ascertain whether the U.S.S.R. and the United States would make a favourable response. Mr. Shinwell argued that this was the right approach in the circumstances, and declared that he could "imagine a situation where it might be more endurable to suffer defeat and humiliation in a conventional war than take the risk of using nuclear weapons and being completely destroyed." He urged the Government to proceed with conventional forces and weapons; to streamline the Services and give them mobility and effective striking power; and to "keep in the background the dread possibility that we might some day have to use the so-called deterrent actively in retaliation."

Mr. Crossman said that he had come to the conclusion that the right defence policy for Britain was, in collaboration with France and Western Germany, to "opt out" of the nuclear arms race and renounce all nuclear weapons. "If we want to secure peace," he declared, "we shall have more chance of doing so if we renounce them than we should by having them." Instead, however, the Government's White Paper policy was "leading the Gadarene swine down the slope," and their decision would make every other major country feel that it must do the same.

Mr. Strachey warned the Government that there was little chance that a war in which tactical weapons were used would stop short at that point, as it seemed "more and more likely" that such a war would "go to the ultimate lengths and involve the use of the ultimate weapons of mass destruction." He argued that the White Paper placed far too much emphasis on the "nuclear deterrent" and underestimated the "vitally important role of efficient, mobile, conventional forces." Britain must not "get into the tragic dilemma that, faced by some frontier episode, she must either accept a small but perhaps vital *fait accompli* or blow up the world."

Details of the Government's proposals for the ending of National Service were given by the Minister of Labour on the second day of the debate (April 17), in the course of a statement on the probable effects of the new Defence Policy on the employment situation.

Mr. Macleod first pointed out that the changes announced in the White Paper and the consequent curtailment of defence production would mean that many people would have to find new jobs and even move to new localities. Since 1953, he pointed out, the number employed on defence work had already fallen by 200,000, including a fall of 70,000 in 1956. The reductions in 1957 would probably be much less than this, and would include cuts of 5,000-6,000 and 15,000 respectively in the numbers employed by ordnance factories and in the aircraft industry, while a further 7,000 workers would probably become available through reductions in Admiralty contracts. Although the nation's economy, and especially the export trade, would benefit from the reduction in the burden of defence expenditure, there would be concern about the effects on employment, particularly in areas where alternative work was not easy to find.

The Government had therefore arranged for close consultation between the Supply Departments, the Board of Trade, and the Ministry of Labour to ensure that workers were absorbed into other employment as soon as possible. Where there was some scope for choice as to where cuts should be made, labour considerations would be given full weight; and where there was no alternative to a significant reduction in the size of the labour force, the Government would try to ensure that the longest possible notice was given by the Supply Departments and the Board of Trade to his Ministry to enable arrangements to be made with the firms concerned to find new tenants, where appropriate, for the factories. "I am confident," the Minister declared, "that the great majority of these people are going to be quickly absorbed into other employment. A recent report estimated that by 1959 there would be vacancies in manufacturing industry for 37 per cent more qualified scientists and engineers than in 1956, while last month there were 4,000 vacancies for draughtsmen, 20,000 for skilled engineers, and 40,000 in the metal-using industries . . ."

Turning to the arrangements for helping ex-Regulars to find employment, Mr. Macleod said that over half the "other ranks" who registered with local Ministry of Labour offices in 1956 were found employment before their terminal leave expired, while most of the remainder found employment shortly afterwards. Of the "scores of thousands" who left the Services during the year, only 97 had been unemployed for more than 12 weeks on Jan. 9, 1957. The problem of finding suitable employment for officers, who naturally tended to look for employment at managerial or executive level, was more difficult, but arrangements were being made to provide appointment services at 40 of the larger employment exchanges; in addition, there would be the Ministry of Labour's business training schemes, whilst valuable assistance would be given by the officers' association and the national associations for the employment of ex-Regulars. Another problem was the finding of living accommodation, but over 90 per cent of local housing authorities had stated that they were prepared to relax residential qualifications for ex-Regulars who had found employment or had family connexions in their districts. What was required was not the establishment of new machinery but the adaptation of old; the Government were having existing arrangements examined by an inter-departmental committee of officials and would carefully consider any measures deemed necessary. "It is an essential part of the Government's conception," Mr. Macleod stressed, "that a man making his career for part of his life in the Regular forces should have confidence in his ability at the end of his service to obtain suitable and congenial work."

Dealing with National Service, Mr. Macleod said: "Under the existing National Service Acts I have the power to call up men born before the end of 1940. This power continues so long as they are within the age-limits of liability. But I have no power under existing legislation to call up men born after 1940, and the Government has decided it is not necessary to amend the present Acts to give me that power. Men born in 1941 or later will not, therefore, be brought into the call-up field. So we are left with the men at present liable. We estimate that we could, if necessary, call up between now and the end of 1960, some 570,000 fit men. Of that total, 330,000 have not yet registered for National Service. The remaining 240,000 are older people, either in process of call-up or who will become available following a period of deferment. Against this figure of 570,000 we have to set the total demand of the Forces for National Servicemen over the same period. It is unlikely, so far as we can foresee at the moment, that we will need much more than half the potential field. That leaves a surplus of at least 250,000 . . ."

It would be impracticable and unfair (the Minister went on), to try to meet the situation by a wholesale extension of deferments on industrial grounds; unless they could find a way of maintaining the principle of universal service while reducing the surplus to manageable proportions, they would have to rely on a ballot. Now, however, that a date had been fixed for the ending of National Service, the Government rejected the ballot method as a solution.

"The present position," Mr. Macleod explained, "is that men born before October 1938 have already registered and those due for National Service are either in deferment or in process of being called up. The Government intend to rely to a considerable extent on men who have enjoyed the advantages of deferment to complete training or studies and whose contemporaries have been called up for military service. But if the Government were to rely on these older and more highly skilled men alone, there would be the difficulty—apart from the fact that their numbers are not sufficient—that in the terminal years of National Service the people called up would be the skilled or trained men, many of whom would be employed on routine tasks which the country would regard as a wasteful process. So we intend to supplement them by younger men, of whom about 30,000 become immediately available from each quarter's registration. Men born in the last quarter of 1938 are due to register next month and we shall call as necessary on men born in 1939, who have not yet registered. I cannot tell the House exactly how far into the 1939 age-group it will be necessary to go. So far as men born in 1940 are concerned, we are planning on the basis that although they may remain legally liable for service, they need not expect to be called up. I do not intend to ask for power to call up those born in 1941 or later years. The 1939 class will be needed . . ."

To carry out the scheme (Mr. Macleod explained) the register from which men were posted to the Forces would be divided into two sections: (1) for men who had had deferment and became available for call-up after successfully completing their training or studies; (2) for younger men not eligible for deferment. Within each section call-up would proceed as at present and the existing arrangements for deferment would continue. The new scheme would come into operation on April 1, 1958, and it was unlikely that the next group for call-up—men born in the first quarter of 1939—would be asked to register until early in 1958. He hoped to be able to announce, long before the end of 1960, that it would not be necessary to call up any more men beyond those already in process of being called up.

The debate was wound up by the Prime Minister.

Mr. Macmillan stressed that questions of the size and character of the forces must necessarily depend on the nature of the weapons with which they were to be armed. He added: "If we are to accept anything like a cut of nearly half in the manpower of our Forces, and pin ourselves on the determination to raise all-Regular forces, it is clear that not only must forces be made mobile by the provision of modern transport, but they must be armed and backed by the most effective weapons available. Therefore, whether we like it or not, the decision on weapons governs the whole issue. For without the nuclear deterrent it is obvious that a reduction of forces of this kind becomes impossible, and, indeed, much larger forces would be required if we were to rely entirely on conventional forces. In that case there is no hope of raising the necessary men on a voluntary basis, and it is all over with any chance of abolishing conscription . . . The fundamental question which the House must face, without vacillation, is whether or not the nuclear deterrent is to form the basis of British defence planning. If this is not faced, no-one, except perhaps a genuine pacifist, has the right to urge the ending of National Service. Short of general disarmament, the ending of conscription must depend on the acceptance of nuclear weapons."

Referring to the clause in the Opposition amendment regretting "undue dependence on the ultimate deterrent" on which Government policy seemed to be based, Mr. Macmillan said: "It seems to me that you must either depend on the deterrent to stop global war, or not depend on it. It is quite true that to prevent the dangers of infiltration, or the gradual seepage by aggressive forces into neighbouring territories without actually bringing into play a massive counter-attack, conventional forces are necessary, as, of course, they are necessary for our manifold commitments overseas. It may well be that these forces, especially in Europe, will have, as they have already, an element of tactical atomic weapons. They serve a double purpose. Their first purpose is to prevent some minor frontier incident developing into a serious situation. But they have a second purpose. If a really major attack were developed, if the enemy was determined to launch a major war with the aim of absolute victory—then these forces must be able to hold the position long enough for the nuclear counter-measures to become effective.

"I want to make it clear here, and I hope overseas, that in making a reduction in the actual number of men we shall have in Europe, I do not believe we shall be reducing the striking power of our forces. In replanning our contribution to NATO we propose to make a very small reduction in the teeth; to give them more bite; and, by various means, to make drastic reductions in the tail . . .

"Those who carry responsibility, and even those who aspire to responsibility, must make decisions, and on this matter a decision must be made now. Individuals, private persons, can enjoy the luxury of vacillation, but those who govern, or wish to govern, must boldly proclaim their opinion and act in accordance with duty."

Describing the Opposition's amendment as an unsatisfactory compromise between "those who wish Britain to give a lead by abandoning nuclear tests and reliance on nuclear weapons, and those who believe that possession of the nuclear deterrent is the only way to prevent a global war," Mr. Macmillan argued that if the tests of the hydrogen bomb were abandoned now they would never be held. He added: "Let no-one think that if nuclear weapons were banned it would be possible to continue wars with conventional weapons. We must strive for full disarmament—unconventional and conventional weapons alike. Until that comes we have only two choices. We must rely on the nuclear deterrent or throw up the sponge."

The Prime Minister concluded by stressing that the Government fully supported the proposals put forward by Mr. Stassen in the U.N. Disarmament sub-committee (see page 14583). It believed, moreover, that the area of agreement between the major Powers might be widened as the work of the sub-committee proceeded, since the atmosphere seemed better and less polemical than in recent years. (Times - Daily Telegraph)

(Prev. rep. Defence White Paper, 15493 A.)

A. AUSTRIA - SOVIET UNION. — M. Mikoyan's Visit to Vienna. - Discussions with Austrian Leaders.

M. Mikoyan, First Deputy Premier in the Soviet Council of Ministers, visited Austria from April 23-27 as the guest of the Austrian Government, this being the first official visit by a Soviet leader since the conclusion of the Austrian State Treaty. During his stay in Vienna M. Mikoyan had discussions with Dr. Raab (the Federal Chancellor) and other Austrian Ministers, and also met businessmen, scientists, and artists, as well as provincial leaders. He also toured many parts of Austria outside the capital.

A communiqué issued on April 27 said that M. Mikoyan's visit and the "ensuing frank exchange of views" had "helped to reaffirm the friendly relations established during the Austrian delegation's journey to Moscow" (see 11151 A); that both sides had stressed the supreme need of maintaining world peace; and that the Austrian Ministers had emphasized Austria's "concern for the maintenance of good relations with all neighbouring States in accordance with Austria's traditions."

The statement also declared that both sides had agreed that Austria, "with sound co-operation from the appropriate Soviet institutions, was duly and accurately carrying out her deliveries under the State Treaty." It was felt, however, that the present volume of Soviet-Austrian trade was "not fully satisfactory," and it had been agreed that early negotiations should be held on the question of expanding Austro-Soviet trade exchanges. It had also been agreed to extend cultural contacts between the two countries.

It was further stated that Dr. Raab had asked M. Mikoyan to use his influence to make possible the early repatriation from the Soviet Union of all Austrians who wished to return home. M. Mikoyan had promised that if there were still any Austrian citizens on Soviet territory, their requests for repatriation would be granted.

In conclusion, the communiqué stated that M. Mikoyan had invited Dr. Raab, as well as Dr. Schärf (the former Vice-Chancellor and now President), Dr. Figl (Foreign Minister), and Dr. Kreisky (State Secretary for Foreign Affairs) to visit the Soviet Union.

In a press statement before leaving Vienna, M. Mikoyan spoke of the "spirit of friendly frankness and mutual understanding" which had characterized his talks with the Austrian Ministers. After referring to Austria's permanent neutrality, which enabled her "to stand aloof from military blocs and avoid the heavy burden of the arms race," he added: "We know that there are forces inside Austria, and especially beyond her frontiers, which are trying to drive Austria off the neutral path. We therefore attach great significance to the statement made by the Austrian Government during our talks that Austria will strictly adhere to the principles of permanent neutrality. As for the Soviet Union, I can declare that our Government will give unswerving support to the neutrality and independence of Austria."

Dr. Raab, speaking at St. Pölten on April 27, stated that there were good prospects that the Russians would now meet Austrian interests in the matter of the free oil deliveries to the U.S.S.R. under the State Treaty. It was hoped that other types of goods could be substituted for part of the oil deliveries, thereby relieving the strain on Austria's fuel economy. (Wiener Zeitung - Soviet Embassy Press Department, London)

(Prev. rep. State Treaty, 14331 C; Austrian Deliveries to U.S.S.R., 15058 B.)

B. EUROPEAN TRANSPORT. — Loan Issue for Eurofima Company.

A 4½ per cent loan of 30,000,000 Swiss francs by Eurofima (the European Company for the Financing of Railway Stock) was issued for public subscription on the Swiss market from April 26 to May 3. The loan, the first of its kind, will be used for financing orders placed by the company for goods-wagons; it was stated that 2,000 of these had already been ordered, with an order for another 2,000 in preparation.

A conference of European Transport Ministers opened in Paris on May 16 to consider *inter alia* the effect of the European Common Market project on the transport policies and systems of non-member countries, the financial position of European railway undertakings, questions of tariff policy, and general traffic policy.—(Neue Zürcher Zeitung - Le Monde, Paris)

(Prev. rep. Eurofima, 15283 B.)

A. UNITED STATES. — Vice-President Nixon's African Tour. - Report to President Eisenhower.

Vice-President Nixon left Washington on Feb. 28 for a three-week "goodwill" tour of eight African countries. The original purpose of the journey was for Mr. Nixon to represent President Eisenhower at the Ghana independence celebrations (see 15427 A), but its scope was later extended as a means of emphasizing American recognition of the increasing importance of Africa in world affairs.

After visiting Rabat on March 1-2, where he discussed with Sultan Mohammed V the question of Moroccan economic development and the future of U.S. bases in Morocco, Mr. Nixon arrived in Accra on March 3 to represent the U.S. Government at the Ghana independence ceremonies (March 6). In a subsequent press statement he said that he had been deeply impressed by the way Britain had trained Africans for self-government, and by the striking progress in the field of African education. On March 7 Mr. Nixon proceeded to Monrovia for talks with President Tubman of Liberia on increased American aid to that country.

After a brief stay at Entebbe (Uganda) on March 10, Mr. Nixon visited Addis Ababa on March 11-12 for talks with the Emperor Haile Selassie.

At a press conference on March 12 Mr. Nixon stated that the discussions had dealt with U.S. military and economic assistance to Ethiopia, the question of the Suez Canal and Ethiopia's "great stake" in its reopening, the "Eisenhower doctrine," the Somali-Ethiopian boundary dispute, and the prospects for quadripartite development of the Nile. It was authoritatively stated in Washington on the same date that the U.S. Government had requested permission to establish an Air Force communications centre in Ethiopia and to make use of the anchorage at Massawa, on the Red Sea. The Ethiopian Foreign Minister (Ato Aklilu Abtewold) said on March 12 that, in return for Ethiopian collaboration with the United States "on an equal footing," the Emperor had stressed the need for increased U.S. military aid, notably in building up the Ethiopian Air Force.

On March 13 Mr. Nixon had talks in Khartoum with the Sudanese Prime Minister and Foreign Minister, respectively Mr. Khalil and Mr. Mahgoub.

Mr. Nixon said later that he had explained that U.S. aid and the "Eisenhower doctrine" were designed to strengthen the independence of sovereign nations. Mr. Khalil, while making no firm commitment, had emphasized that the Sudan would welcome assistance provided there were no conditions limiting Sudanese sovereignty. Mr. Azhari, the Leader of the Opposition and former Prime Minister, declined an invitation to meet Mr. Nixon.

During Mr. Nixon's visit to Tripoli (March 14-15) the Libyan Prime Minister, Mustapha Ben Halim, indicated Libya's endorsement of the "Eisenhower doctrine."

The Libyan Premier said at a dinner in Mr. Nixon's honour that the Eisenhower doctrine "is aimed at assisting us to maintain our independence in the face of any attempt to sabotage that independence, and is not just another form of imperialism. We are aware that Communism is 'public enemy No. 1' and that all measures possible should be taken to counter it."

After a visit to Rome (March 16-17), where he met the Italian Prime Minister and Foreign Minister (Signor Segni and Dr. Martino) and had an audience with the Pope, Mr. Nixon arrived on March 8 in Tunis, where he was received by the Bey and had talks with the Prime Minister, M. Bourguiba.

Mr. Nixon's report to President Eisenhower on his tour was issued in Washington on April 6, after his return from North Africa. It was worded as follows:

"No-one can travel in Africa, even briefly as I did, without realizing the tremendous potentialities of this great continent. Africa is the most rapidly changing area in the world today. The course of its development, as its people continue to emerge from a colonial status and assume the responsibilities of independence and self-government, could well prove to be the decisive factor in the conflict between the forces of freedom and international Communism.

"The leaders and peoples of the countries I visited in Africa have many things in common. They cherish their independence, which most of them have only recently acquired, and are determined to protect it against any form of foreign domination. They rightfully expect recognition of their dignity and equality as individuals and peoples in the family of nations. They want economic progress for their undeveloped economies.

"The great question which is presented to the leaders of Africa is whether they can attain these justifiable objectives and at the same time maintain and develop governmental institutions which are based on principles of freedom and democracy. I believe they are all convinced that they can, and that the free world has a vital interest in assisting them to do so. The success or failure of these new members of the family of nations to realize their aspirations in this manner will have profound effects upon the development of Africa and on the world in the years to come. Herein lies the wider significance of the new nation of Ghana . . .

"Africa is emerging as one of the great forces in the world today. In a world in which, because of advances in technology, the influence of ideas and principles is becoming increasingly important in the battle for men's minds, we in the United States must come to know, to understand, and to find common ground with the peoples of this great continent."

After stressing that the present leaders of the countries he had visited "certainly compare most favourably with the great leaders of the world," Mr. Nixon continued:

"The United States must come to know these leaders better, to understand their hopes and aspirations, and to support them in their plans and programmes for strengthening their own nations and contributing to world peace and stability. To this end, we must encourage the greatest possible interchange of persons and ideas with the leaders and peoples of these countries. We must assure the strongest possible diplomatic and consular representation . . . and stand ready to consult these countries on all matters affecting their interests and ours.

"There is no area in the world today in which the prestige of the United States is more uniformly high than in the countries which I visited. The President is respected as the acknowledged leader of the free world. There is a most encouraging understanding of our programmes and policies. These countries know that we have no ambitions to dominate, and that the cornerstone of our foreign policy is to assist countries in resisting domination by others. They understand that the American doctrine for the Middle East is dedicated to the principle of assisting the States of the Middle East to maintain their independence. They know that the U.S.A. stands for the evolution of dependent peoples toward self-government and independence, as they become able to discharge the responsibilities involved. This understanding of the principles for which we stand as a nation is a tremendous asset to us in this area."

Dealing with the importance of U.S. economic assistance to the new independent countries of Africa, Mr. Nixon declared:

"Africa is a priority target for the international Communist movement . . . The Communist leaders consider Africa today to be as important in their designs for world conquest as they considered China to be 25 years ago. Consequently, they are mounting a diplomatic propaganda and economic offensive in all parts of the continent. They are trying desperately to convince the peoples of Africa that they support more strongly than we do their natural aspirations for independence, equality, and economic progress.

"Fortunately, their efforts thus far have not been generally successful and, for the present, Communist domination in the States of the area is not a present danger. All the African leaders to whom I talked are determined to maintain their independence against Communism or any other form of foreign domination. They have taken steps to bring under control subversion of their political, economic and social life.

"It would be a great mistake, however, to be complacent about this situation, because the Communists are without question putting their top men in the fields of diplomacy, intrigue, and subversion into the African area to probe for openings which they can exploit for their own selfish and disruptive ends."

Mr. Nixon also said that he had talked to leading labour leaders wherever possible, summing up his impressions as follows: "I was encouraged to find that the free trade union movement is making great advances in Africa, particularly in Ghana, Morocco, and Tunisia. The leaders of these countries have recognized the importance of providing an alternative to Communist-dominated unions, and they are thereby keeping the Communists from getting a foothold in one of their favourite areas of exploitation."

In order to maintain the present high prestige of the U.S.A. in Africa, and effectively to counteract Communist influence, Vice-President Nixon made the following recommendations:

(1) Everything should be done to hasten the ending of racial discrimination in the U.S.A. "We cannot talk equality to the peoples of Africa and Asia and practice inequality in the United States."

(2) U.S economic assistance programmes should be approved only when they were in the mutual interest of the U.S.A. and the recipient country, and should be concentrated more than hitherto on key projects.

(3) The U.S.A. should encourage wider private investment in Africa and support the grant of loans by such international bodies as the World Bank. Mr. Nixon said in this connexion that all the leaders he had seen had expressed preference for developing their economies through encouraging the investment of private capital, and through loans from international agencies such as the World Bank, rather than through Government-to-Government grants.

(4) U.S. diplomatic and consular missions, which were "generally under-staffed," should have sufficient personnel for their tasks and "sufficient funds to enable them to travel about the vast territories within their jurisdiction" in order to report on developments outside the major centres of population and to make contact with the peoples of those areas. In staffing these posts "the emphasis should be on youth, vigour, and enthusiasm."

(5) A substantial increase in the funds for libraries and reading rooms in overseas centres, for exchanges of students, and for bringing Africans to the U.S.A. for study and travel, as well as assistance in developing indigenous educational facilities in Africa.

(6) An improvement in U.S. radio and news programmes for the African area.

(7) A Bureau of African Affairs should be set up in the State Department, and similar bureaux created in the International Co-operation Administration and the U.S. Information Agency. U.S. diplomatic missions in Africa should also be strengthened.

As regards the special relations between the European and African countries, Mr. Nixon commented: "Africa and Europe have much in common. To a large extent their economies are complementary. Certain of the independent States on the African continent maintain close historical, cultural and economic ties with the States of Europe. The maintenance of these relationships, on a basis of equality, can greatly benefit both Africa and Europe. We should encourage the continuance of these special ties where they are considered mutually advantageous by the States concerned..." (New York Times)

(Prev. rep. Vice-President Nixon, 15297 A.)

A. UNITED KINGDOM. — Municipal Elections.

Polling took place on May 9 for one-third of the seats in 357 of the 401 English and Welsh boroughs, the remaining vacancies being filled by unopposed returns. There were no elections in the London metropolitan boroughs, where the complete councils are elected every three years and the next elections are not due until 1959.

Final results of the borough council elections showed that Labour had gained 202 seats and the Liberals 11 seats, while the Conservatives and Independents lost 176 and 36 seats respectively. Detailed figures were as follows:

	Gains	Losses	Net gains (+) or losses (—)
Conservatives	57	233	—176
Labour	261	59	+202
Liberals	30	19	+ 11
Independents	45	81	— 36
Communists	—	1	— 1

Labour gained control of 12 boroughs (Banbury, Bridgwater, Brighouse, Dover, Gloucester, Keighley, Llanidloes, Lowestoft, Middleton, Northampton, Watford, and Widnes) but lost control at Chard (Somerset) to the Independents. The Conservatives lost their former overall control at Chatham, Thetford, and Wallasey; Labour lost overall control at Colchester; and the Liberals lost their former control at Mossley (Lancs.). There was no change in the control of the large cities. Polling varied in different parts of England and Wales, being substantial in some areas but low in others.

Urban and Rural District Council Elections.

Elections for one-third of the seats on 423 urban district councils and 139 rural district councils in England and Wales also took place between May 6 and May 11.

The Labour Party claimed a net gain of 83 seats in the urban district councils (144 gains, 61 losses) and of 25 seats in the rural district councils (32 gains, 7 losses). The Conservative Central Office stated that Conservative and Conservative-supported candidates had gained 23 seats and lost 37 in the U.D.C. elections, Labour had gained 39 and lost 26, the Liberals had gained one and lost none, and Independents had gained 11 and lost 11.

Among the places where Labour gained control were Billericay (Essex), Canvey Island (Essex), Portslade-on-Sea (Sussex), Mexborough (West Riding), and Stroud (Glos.). Anti-Labour parties gained control from Labour at Ammanford (Carmarthenshire), Chesham (Bucks.), Chepstow (Mon.), Melksham (Wilts.), and Wolverton (Bucks.). The Liberals gained control from the Conservatives at Royton (Lancs.).

Scottish Municipal Elections.

Municipal elections were held on May 6 in about 150 Scottish cities and burghs, the Labour Party claiming a net gain of 23 seats—36 gains and 13 losses. Labour lost control at Kirkcaldy, Motherwell, and Wishaw but gained control at Paisley, Campbeltown, Musselburgh, and Newmilns. Labour's biggest gain was at Clydebank (where there was a general municipal election after a redistribution of wards), the party winning all 21 seats on the council and displacing six Independents and a Communist. There was no change in the leading cities, Labour remaining in control at Glasgow, Aberdeen and Dundee and the Moderates in Edinburgh.

Only 11,000 votes were cast for 27 Scottish Nationalist candidates, who won two seats (at Stirling and Rothesay) but polled negligibly in Glasgow and Edinburgh, where many Nationalist candidates stood for election. The Communists also polled poorly, losing seats in Greenock and Clydebank and dropping votes in Glasgow, Dundee, and Cowdenbeath, where, however, they retained one seat.

Polling in Scotland averaged about 50 per cent but was very low in a number of areas—notably in Glasgow, where only 28 per cent of the electors voted, the lowest figure for any municipal election in that city.—(Times - Daily Telegraph - Manchester Guardian - Daily Herald - News Chronicle - The Scotsman, Edinburgh) **(Prev. rep. 14877 A.)**

B. SHIPPING. — World Launchings in 1956. - Construction in First Quarter of 1957.

Lloyd's Register annual summary of merchant shipbuilding, published on Feb. 27, gave the number of ships launched throughout the world in 1956 (excluding ships launched in the U.S.S.R. and China, or under 100 gross tons) as 1,837, aggregating 6,673,701 gross tons, compared with 1,447 ships aggregating 5,316,742 gross tons launched in 1955.

The largest volume of tonnage (1,776,429 gross tons, or 26.17 per cent of the world total) was launched in Japan, which more than doubled her 1955 figure of 828,730 tons. Other principal shipbuilding countries were: Great Britain and Northern Ireland 1,383,387 tons (20.72 per cent of world launchings); West Germany 1,000,498 tons (14.99 per cent); Sweden 489,157 tons (7.33 per cent); the Netherlands 449,899 tons (6.74 per cent); Italy 358,006 tons (5.36 per cent); France 299,034 tons (4.18 per cent); Norway 171,510 tons (2.57 per cent); the U.S.A. 169,076 tons (2.53 per cent); Denmark 130,255 tons (1.95 per cent); Poland 103,784 tons (1.56 per cent); Spain 93,878 tons (1.41 per cent); Belgium 92,292 tons (1.38 per cent). The total included 1 steamer of over 40,000 tons launched in Japan, 1 steamer of 30,000-40,000 tons each launched in the U.K. and in France; and 7 steamers of 25,000-30,000 tons launched in Japan, 2 in the U.K., and 1 in the U.S.A.

Oil tankers launched throughout the world numbered 233, of 2,267,063 gross tons. They included 62 (772,683 tons) in Japan, 46 (518,126 tons) in the U.K., 17 (197,774 tons) in Sweden, 9 (149,734 tons) in the U.S.A., 9 (142,903 tons) in the Netherlands, 9 (128,291 tons) in Italy, and 6 (103,885 tons) in France.

Lloyd's Register shipbuilding returns for the first quarter of 1957, published on April 24, gave the gross tonnage under construction throughout the world (with the usual exceptions, as above) as 8,381,697 tons, of which 24.89 per cent was building in the United Kingdom and 75.11 per cent elsewhere.

Ships building in Great Britain and N. Ireland numbered 348 of 2,086,262 tons (steamers 951,797 tons, motorships 1,134,465 tons), including 4 steamers of 25,000-30,000 tons and 19 of 20,000-25,000 tons. Of the total, 275 ships (1,619,252 tons) were building for Great Britain and N. Ireland, 16 (31,355 tons) for other British Commonwealth countries, 18 (175,068 tons) for Liberia, 12 (136,450 tons) for Norway, 3 (32,950 tons) for Greece, 4 (31,910 tons) for the Irish Republic, 1 (17,900 tons) for Panama, 12 (8,180 tons) for the U.S.S.R., 1 (6,687 tons) for Nicaragua, 1 (2,500 tons) for Cuba, 1 small vessel for Iraq, and 4 ships (20,520 tons) for unnamed countries. Principal shipbuilding centres were: the Clyde (105 ships of 651,189 tons), the Tyne (41 ships of 399,644 tons), the Tees (22 ships of 234,328 tons), Sunderland (27 ships of 206,473 tons), Belfast (16 ships of 199,940 tons), and Liverpool (16 ships of 153,593 tons).

Ships building abroad numbered 1,250 of 6,295,435 tons (steamers 2,450,871 tons, motorships 3,844,564 tons), divided as follows: Japan 161 (1,433,835 tons), Germany 238 (856,914 tons), Italy 84 (668,060 tons), the Netherlands 184 (600,642 tons), France 63 (494,019 tons), Sweden 62 (482,226 tons), U.S.A. 35 (365,445 tons), Norway 79 (290,101 tons), Spain 88 (207,927 tons), Denmark 30 (154,138 tons), Belgium 16 (151,280 tons), British Commonwealth countries 47 (150,745 tons), Finland 52 (149,521 tons), Poland 56 (129,467 tons), Yugoslavia 26 (124,996 tons), Portugal 15 (20,054 tons), Turkey 8 (7,741 tons), Peru 1 (4,297 tons), Argentina 1 (1,600 tons), and 1 small vessel each in Indonesia, Iceland, Hungary, and the Irish Republic. The total included 2 steamers of over 30,000 tons in France, 2 in Japan, and 1 each in Italy and the Netherlands; and 11 steamers of 25,000-30,000 tons in Japan, 2 each in Sweden and the U.S.A., and 1 in France.

Tankers building throughout the world numbered 277 of 3,729,134 tons, including 68 (877,110 tons) in Great Britain and N. Ireland, 50 (832,290 tons) in Japan, 17 (306,190 tons) in Sweden, 20 (305,440 tons) in Italy, 15 (296,650 tons) in France, 13 (271,190 tons) in the U.S.A., 14 (218,200 tons) in the Netherlands, and 20 (209,173 tons) in Norway.

The Canadian Pacific liner *Empress of England* (25,000 tons, see 15338 A), sailed from Liverpool on April 18 on her maiden voyage to Canada. On May 7 the Israeli liner *Theodor Herzl* (10,000 tons), built at the Deutsche Werft yard at Hamburg for the Zim Navigation Company under the Israeli-German reparations agreement (see 12621 A), sailed from London on her maiden voyage to Haifa.—(Lloyd's Register of Shipping)

(Prev. rep. 15338 A.)

C. ETHIOPIA. — Death of Duke of Harar.

The Duke of Harar, second son of the Emperor Haile Selassie, was killed in a motor accident some 50 miles from Addis Ababa on May 12.

Prince Makonnen, Duke of Harar, was born in 1923 and during the Emperor's exile in Britain first lived with his parents in Bath, where he went to school, and later proceeded to Wellington College before attending the Soba Military Academy in Khartoum. He married in 1946 and had five sons. He revisited Britain in 1951 and 1954, on the latter occasion accompanying the Emperor Haile Selassie on his State visit.

The Duke was Governor of Harar Province, which adjoins British Somaliland and the Italian trust territory of Somalia. (Times - Daily Telegraph) **(Prev. rep. 14026 D.)**

A. EGYPT. — "Egyptianization" of Foreign Banks, Insurance Companies, and Manufacturers' Agencies. - Taking-over of British and French Concerns. - Sequestration of Anglo-Egyptian Oilfields Ltd. - Creation of Egyptian Economic Organization.

Three decree-laws ordering the "Egyptianization" of foreign banks, foreign insurance companies, and sales agencies in Egypt of foreign manufacturers or exporters, were signed by President Nasser on Jan. 31. They laid down that all these concerns would have to become Egyptian limited companies, that all shares therein must be owned by Egyptians, that all directors and senior administrators must be Egyptian by birth, and that the Minister of Finance would be empowered to fix a period (not exceeding five years) for implementing the decrees. The agencies within the scope of the third decree were defined as those of "a purely commercial nature based on monopolistic representation or upon sales against commission." [Foreign industrial establishments in Egypt were thus excluded.] No mention was made of the payment of compensation for sequestrated British and French banks and insurance companies, although the Minister of Finance (Dr. Kaissouny) had previously announced that "fair compensation" would be paid to the owners of "Egyptianized" firms.

In this latter statement (made on Jan 15) Dr. Kaissouny had announced the Government's intention of "Egyptianizing" all British and French banks and insurance companies immediately, and those of other countries within five years. He also announced that all agents of foreign manufacturers in Egypt would have to be Egyptian citizens, although the Government might in certain cases allow foreign nationals to continue as agents for another five years. After giving assurances that fair compensation would be determined by a judicial body, Dr. Kaissouny said that the "Egyptianization" measures would not affect the rights of depositors in the banks or of persons insured with the insurance companies concerned. He justified the taking-over of "enemy" banks and insurance companies by alleging that they had been carrying out "policies drawn up for them in London and Paris" regardless of whether or not they were in the interests of the Egyptian national economy.

British banks affected by the "Egyptianization" decree were Barclays (Dominion, Colonial and Overseas), with some 40 branches in Egypt, the Ottoman Bank (13 branches), the Ionian Bank (eight branches), and the Commercial Bank of the Near East (three branches). The French banks affected were the *Crédit Lyonnais, Crédit Foncier Egyptien, Crédit d'Orient, Banque des Monts-de-Piété,* and the *Comptoir d'Escompte de Paris.* All nine banks had been sequestrated by the Egyptian authorities after the Anglo-French military intervention, the expatriated British and French staffs having nearly all left the country and the branches carrying on with local staff. Egyptian business had represented about five per cent of Barclays (D.C.O.) total business. Dr. Kaissouny said that the capital of the British and French banks in Egypt totalled £E2,000,000, with deposits ranging from £E70,000,000 to £E100,000,000.

A decree deleting from the Register of Insurance Companies in Egypt the names of 64 companies and associations owned by "enemy" countries, including Lloyds' of London, was announced by the Middle East News Agency on Jan. 27. The Egyptian Finance Ministry stated on Feb. 3 that the total assets of those companies were just over £E10,000,000; that the assets of Egyptian insurance companies, the capital of which was at least 60 per cent British or French, were over £E7,200,000; and that all these companies would be "Egyptianized" under the decree of Jan. 31 and their capital transferred from foreign to Egyptian nationals.

On April 8 a decree was issued by the Egyptian Finance Ministry empowering the Administrator of "enemy" property to sell or liquidate the British and French banks and insurance companies under sequestration. Dr. Kaissouny announced on April 18 that the transfer of all sequestrated banks and insurance companies to Egyptians had been completed on the basis of sale and transfer contracts signed the previous day; he added that banks of "friendly" countries had been given a five-year time-limit for their "Egyptianization."

Dr. Kaissouny stated that the "Egyptianized" banks and insurance companies had been handed over to five Egyptian institutions—the *Banque d'Alexandrie, Banque de la République, Banque du Caire (Kahira), Banque de l'Union des Commerçants,* and the *Société de Solidarité Financière.*

It was reported from Cairo on May 21 that the Administrator of "enemy" property had reported to the Egyptian Finance Ministry on the disposal of British and French banks, insurance companies, and other undertakings.

It was stated that in addition to seven banks and 16 insurance companies which had been sold, the Egyptian Government had also purchased the Eastern Telegraph Company and the Marconi Radio Company of Egypt, whose telegraphic and wireless services were now being carried on by the Ministry of Communications. On the following day the Finance Ministry announced that the Government-controlled Egyptian Economic Organization had bought out British and French shareholdings in nine enterprises—the Eastern Tobacco Co., Nile Textile and Yarn Co., Heluan Cement Co., Beida Dyers Co., Egyptian Dyeing Co., Sinai Minerals Co., Metal Casting Co., United Mines Co., and Egyptian Phosphate Co. The number and value of the shares involved were not mentioned.

The Economic Organization had been set up under a decree-law of Jan. 13 to promote the national economy. Dr. Kaissouny stated that the new body would establish industrial, agricultural, commercial, financial, and property concerns, and would invest the Government's royalties from profits of joint-stock companies and other public economic bodies.

The sequestration of Anglo-Egyptian Oilfields Ltd. had previously been announced under a military decree issued on Nov. 3, 1956, after the start of the Anglo-French military operations against Egypt. The company—the largest British interest in Egypt—operated five oilfields (three in the Sinai peninsula and two near Suez) and had assets in Egypt totalling about £35,000,000, including a £20,000,000 refinery at Suez.

A spokesman of the company in London said that 60 per cent of the shares were held equally by British Petroleum and Shell, the remainder of the shares being held as to 22 per cent by the public in Egypt, 10 per cent by the Egyptian Government, and six per cent by individual British shareholders.

The decision to "Egyptianize" all foreign businesses gave rise to great concern among the large and old-established Greek community in Egypt—the biggest foreign community in the country, numbering some 70,000 persons.

In an open letter to President Nasser, published in the French-language newspaper *Le Progrès Egyptien,* leaders of the Greek community described the "Egyptianization" decrees as a "deadly blow to the majority of Greeks living in this country" and spoke of the "bitterness, concern and confusion" to which the decrees had given rise. It was announced in Athens early in February that the Greek Foreign Minister (M. Averoff), then in New York, had asked the Egyptian Foreign Minister (Dr. Fawzi) for assurances that Egyptian citizenship would be given to all Greeks in Egypt who wished to remain in that country after the "Egyptianization" of foreign business. It was nevertheless reported from Cairo that many Greeks in Egypt were liquidating their businesses and returning to Greece or emigrating to other countries.

An Egyptian decree issued on Feb. 10 stipulated that the Arabic language would be obligatory for all business concerns "in all dealings, including records, contracts, receipts, minutes, and signs." A foreign language could also be used on signs in addition to Arabic, but it would have to be in small letters and under the Arabic writing.—(Times - Manchester Guardian - Daily Telegraph - Le Monde, Paris - New York Times)

B. UNITED KINGDOM. — Privy Councillors' Study Group to inquire into Easing of Burden on Senior Ministers. - Appointment and Membership.

The Prime Minister announced on May 21 that he had appointed a small group of five Privy Councillors, all with long experience of the House of Commons, to give preliminary study to the problem of reducing the burden of work falling upon senior Ministers. After pointing out that the inquiry would be informal, Mr. Macmillan said that he would consider "whether a more formal type of inquiry would be profitable" in the light of the recommendations.

The study group will be headed by Lord Attlee (74), the former Labour Prime Minister. The other four members are Lord Crookshank (64), former Conservative leader of the House of Commons; Mr. Clement Davies, M.P. (73), former leader of the Liberal Party; Mr. James Stuart, M.P. (60), lately Secretary of State for Scotland; and Mr. J. Chuter Ede, M.P. (75), Home Secretary and Leader of the House of Commons in the Labour Government.

The appointment of a Select Committee to examine this question had been suggested to the Prime Minister before Easter by Mr. Donnelly (Labour M.P. for Pembrokeshire), in reply to whose further question Mr. Macmillan made his statement of May 21. The Prime Minister had intimated a month earlier, in reply to a Commons question, that he was considering means of lightening the burden of work falling upon Lord Home, who, while retaining the post of Secretary of State for Commonwealth Relations, had also been appointed Lord President of the Council and Leader of the House of Lords following the resignation of Lord Salisbury (see 15492 B).

The Prime Minister appointed the study group after consultation with Mr. Gaitskell, Leader of the Opposition. The Political Correspondent of *The Times* commented that "the five Privy Councillors do not appear to have been given precise terms of reference" and would "presumably be free to consider the responsibilities of Ministers in the context of the whole machinery of government."—(Times - Daily Telegraph)

C. INDIA. — Re-election of Speaker of Lower House.

Mr. Ananthasayanam Ayyangar, Speaker of the previous House of the People, was unanimously re-elected Speaker of the new *Lok Sabha* on May 11.—(The Hindu, Madras)

(Prev. rep. 14764 C.)

A. SWITZERLAND. — The Dubois Case.

It was announced in Berne on March 24 that M. René Dubois, the Federal Public Prosecutor, had committed suicide earlier the same day. The statement said that recent investigations into certain espionage allegations had disclosed evidence that M. Dubois might have given some information, not concerning Swiss affairs, illegally to a foreign Power.

M. Dubois (49) had been directing official inquiries into allegations that an inspector of the Federal police (M. Ulrich) had been tapping telephone lines to the Egyptian Embassy in Berne and had passed recordings of telephone conversations to the French Embassy. It was later reported that it was part of M. Dubois' task to keep watch on the movements of foreign agents in Switzerland, and that he had allegedly given information on the actions of Egyptians and North Africans in the country to a French friend employed by the French Intelligence Service. M. Dubois was described as having held Socialist views and been strongly opposed to any form of dictatorship; it was stated in the Swiss press that he had acted as he did because of his dislike of President Nasser's régime and his admiration for France.

The Swiss Government announced on March 26 that it had ordered an inquiry into all the circumstances of the espionage affair; that Dr. Fürst (president of a district court) had been appointed acting Federal Public Prosecutor; and that a judge, Dr. Hans Walder, had been designated as Extraordinary Federal *Juge d'Instruction* in charge of the investigations.

In view of the fact that reports about the espionage affair had first been published on March 21 by the Geneva office of the Associated Press and by the *Tribune de Genève*, Dr. Walder on March 26 summoned Mr. Michael Goldsmith (Swiss correspondent of the Associated Press, and a British national) to testify on the source of his information. As Mr. Goldsmith, in conformity with instructions from the agency's headquarters, refused to disclose his sources on the grounds of professional secrecy, he was detained for 24 hours but was released on the following day.

The Judge's action was taken under Article 88 of the Federal Code of Criminal Procedure, which empowers a judge to detain for up to 24 hours any witness who, without one of the reasons recognized by law, refuses either to testify or to affirm his testimony by oath. Mr. Goldsmith, in a statement after his release, said that his refusal to testify was based on Article 55 of the Swiss Federal Constitution, which guaranteed freedom of the Press. He also referred to Article 79 of the Federal Code of Criminal Procedure, which allows a witness to refuse to answer questions that "might expose him or one of his close relatives to criminal prosecution or bring serious discredit to his honour," and which also lays down that a judge should not deliberately put such questions. The fact that a journalist betraying his source was acting dishonourably, Mr. Goldsmith emphasized, was so obvious that Dr. Walder should not even have gone so far as to ask him about the source of his (Mr. Goldsmith's) information.

A formal complaint by Mr. Goldsmith alleging wrongful arrest was rejected on May 14 by the Federal Tribunal at Lausanne, which ruled that Article 77 of the Swiss procedural law excluded journalists from the list of those persons entitled to claim professional secrecy—such as ministers of religion, lawyers, doctors, pharmacists, and midwives. The Tribunal held that the principle of freedom of the Press did not cover the right of a journalist to refuse to testify in criminal proceedings, and that the interest of the State in its own security must prevail. A Swiss journalist in Geneva who had also been summoned by Dr. Walder and, like Mr. Goldsmith, had refused to disclose the source of his information, had similarly been threatened with 24 hours' detention but was given time to consider the matter.

The International Press Institute in Zürich, the Swiss committee of that Institute, and the executive of the Swiss Press Association issued statements on April 26 and 29 strongly criticizing the measures applied by Dr. Walder to force journalists to break their professional secrecy, and insisted that the latter was inherent in the freedom of the Press and should be respected.

In view of these criticisms it was authoritatively pointed out in Berne that the purpose of the investigation was to discover, *inter alia*, the sources through which the secret information on the Dubois case had reached the Press. It was suspected that publication might have taken place in order to warn other participants or to disturb or frustrate the secret official investigations then in progress.

Dr. Walder announced on May 5 that he had arrested Federal Police-Inspector Ulrich on May 2, as the investigations had shown that Ulrich was seriously implicated in the affair. In a further statement on May 16 Dr. Walder announced that Inspector Ulrich had admitted that he had communicated secret official documents of various kinds to a foreign agent; that, in addition, an incriminating letter which he had attempted to smuggle out of prison had been intercepted; and that the inquiry had further shown that M. Dubois had also passed on official transcripts. Dr. Walder added that Inspector Ulrich, as well as the late M. Dubois, had committed the offence of "passing on prohibited information."

It was announced by the Federal Political Department on May 20 that Colonel Marcel Mercier, an attaché at the French Embassy in Berne, was no longer on the embassy's staff and had left Switzerland; it was later disclosed that Colonel Mercier had left the country at the request of the Swiss Government. Several Swiss newspapers had named Colonel Mercier (a close friend of M. Dubois, and officially Commercial Attaché) as the recipient of information from M. Dubois and M. Ulrich, and had alleged that he had been head of a French intelligence service.—(Neue Zürcher Zeitung - Le Monde, Paris - Times)

B. DENMARK. — General Elections. - Resignation of Hansen Government.

Elections for a new *Folketing* (Lower House) took place in Denmark on May 14. The results were as follows, comparison being given with the results of the elections held in September 1953:

	Votes		Seats	
	1957	1953	1957	1953
Social Democrats ..	910,862	894,913	70	74
Radicals	179,568	169,295	14	14
Conservatives ..	383,918	364,060	30	30
Agrarians (*Venstre*)	578,500	499,656	45	42
Retsforbund	122,629	75,449	9	6
Communists ..	73,310	93,824	6	8
Independents' Party	52,890	58,573	0	0
Schleswig Party ..	9,207	9,721	1	1
Total	2,310,884	2,166,391	175	175

Although remaining the strongest party, the Social Democrats lost four seats and, together with the Radicals, will command only 74 seats as against 75 held jointly by the Agrarian and Conservative Opposition—of whom the Agrarians increased their poll by nearly 79,000 and gained three additional seats. An outstanding feature of the elections was the gain of over 47,000 votes and three seats by the *Retsforbund*, the Single-Tax party led by Dr. Viggo Starcke. The Communists lost over 20,000 votes and two seats, reflecting popular sentiment against Soviet policy in the "satellite" countries and especially in Hungary. The Independents' Party (a group of dissident Liberals), as in the previous elections, fell short of the required minimum quota of 65,000 votes and consequently will not be represented. The Schleswig Party represents the German minority in North Schleswig.

Polling was 83.7 per cent of the electorate (2,758,034), compared with 80.6 per cent (2,695,554) in 1953. In addition to the 175 members elected in Denmark, two more members will be elected by the Faröe Islands on May 21 and another two for Greenland on July 2, bringing the *Folketing* up to its total membership of 179.

In view of the election results, Hr. H. C. Hansen, (the Social Democratic leader) tendered his Government's resignation to King Frederick on May 15. The Social Democratic minority Government, first headed by the late Hr. Hedtoft and since 1955 by Hr. Hansen, had been in office since 1953 with the support of the Radicals.—(Berlingske Tidende, Copenhagen - Politiken, Copenhagen - Socialdemokraten, Copenhagen)

(Prev. rep. Elections, 13172 A; Cabinet, 14023 C.)

C. ISRAEL. — French Credit. - Resumption of U.S. Economic and Technical Assistance.

After discussions in Paris between the Finance Ministers of France and Israel (M. Ramadier and Mr. Eshkol respectively), it was announced by Mr. Eshkol on April 3 that the French Government had agreed to open in favour of Israel credits equivalent to $30,000,000, which would be utilized for the purchase from France of both equipment and consumer goods. It was stated in Paris that the credits would be for eight to nine years in respect of Israeli purchases of industrial equipment, and for a shorter period in respect of consumer goods.

It was announced in Washington on April 20 that the U.S. Government was resuming its programme of economic and technical assistance to Israel, which had been suspended after the Israeli military operations against Egypt last autumn.

(Le Monde, Paris - New York Times)

D. INDIA - PAKISTAN. — Canal Waters Dispute. - Extension of Indo-Pakistani Discussions.

A joint statement issued in Delhi, Karachi and Washington on May 6 announced that, at the suggestion of the World Bank, the Indo-Pakistani talks on the use of the waters of the Indus system had been extended for a further six months—i.e. from March 31 to Sept. 30, 1957. (The Statesman, Calcutta) **(15144 D.)**

A. SINGAPORE. — Constitutional Conference. - Agreement on Internal Self-government. - Approval by Singapore Legislative Assembly.

The Singapore constitutional conference met in London from March 11 to April 11, the U.K. delegation being led by Mr. Lennox-Boyd, the Colonial Secretary, and the Singapore delegation by Mr. Lim Yew Hock, the Chief Minister. It was announced on April 11 that the conference had reached agreement on full internal self-government for Singapore (to come into effect on a date after Jan. 1, 1958), including the question of internal security, over which the previous talks with Mr. Marshall's Government had broken down in 1956. The proposed constitutional arrangements were as follows:

Status. In recognition of its advanced status, the territory would be known as the State of Singapore and no longer as a colony.

Head of State. The office of Governor would be abolished and a Malayan-born person, to be known as the *Yang di-Pertuan Negara* (Head of State), would be appointed as the Queen's representative. The appointment would be made by the Queen on the advice of the U.K. Government after consultation with the Singapore Government, and would normally be for a four-year period.

The *Yang di-Pertuan Negara* would act in accordance with the advice of his Ministers, would be head of the Executive branch of Government, and would have power to assent to laws passed by the Legislative Assembly. He would exercise the prerogative of mercy on the Queen's behalf and, in certain circumstances relating to internal security, would have power to make Orders having the force of law.

U.K. Representation. The U.K. Government would be represented by a Commissioner. For the first six months after the new Constitution came into force, the offices of *Yang di-Pertuan Negara* and U.K. Commissioner would be held by one person, not necessarily Malayan-born.

Division of Responsibilities. It was agreed that:

(1) The U.K. Government would continue to be responsible for the external defence of Singapore. For this purpose, and for the fulfilment of Commonwealth and international obligations, they would have the full right to occupy, control, and use the bases and installations in Singapore.

(2) The U.K. Government would also remain responsible for the external relations of Singapore.

(3) The Singapore Government would be responsible for all other matters.

On matters of trade, commerce, and cultural relations it was agreed that the Constitution should contain a provision on the following lines. "H.M. Government to have the conduct of external defence and external relations, provided that the Government of the State of Singapore, acting with the assent of H.M. Government, shall have the power to initiate and conduct matters concerning trade and cultural relations with other countries."

The report said that it was clear that such a practical division in the handling of external relations would make it necessary that there should be continuous consultation between the two Governments, and it had therefore been agreed to establish, by administrative action at the time the new Constitution came into force, an inter-governmental committee under the chairmanship of the U.K. Commissioner. This committee would meet regularly, and not less than once a month.

Internal Security. The Singapore Government would take over full responsibility for preserving internal security, but the U.K. Government would retain a vital interest in the subject. A Singapore Internal Security Council would be set up, composed of the Prime Minister and two other Ministers of the Singapore Government, the U.K. Commissioner and two other U.K. members, and (subject to that Government's agreement, terminable on six months' notice) a Minister from the Government of the Federation of Malaya. The U.K. Commissioner would be chairman of the Council, which would have two secretaries (one British and one from Singapore) and would meet at least once a month.

If the Singapore Government failed to meet any requirement placed on them by a decision of the Council, the latter's chairman would be empowered "so as to inform the *Yang di-Pertuan Negara* and to advise him to make an Order to secure its fulfilment." The *Yang di-Pertuan Negara* would then be obliged to make such an Order, which would have the force of law.

Minorities. The conference proposed that the following clause should be included in the preamble to the Constitution: "It shall be the responsibility of the Government of Singapore constantly to care for the interests of racial and religious minorities in Singapore. In particular, it shall be the deliberate and conscious policy of the Government of Singapore at all times to recognize the special position of the Malays, who are the indigenous people of the island and are in most need of assistance; and accordingly it shall be the responsibility of the Government of Singapore to protect, safeguard, support, foster and promote their political, educational, religious, economic, social and cultural interests and the Malay language."

Legislature. The present *ex officio* and nominated members of the Legislative Assembly would be abolished, and the number of elected members increased to 51. A Speaker would preside over the Assembly, and the present Speaker would be invited to remain in office for at least one year after the Constitution came into force.

Executive. The title of Chief Minister would be changed to Prime Minister. The posts of *ex officio* Ministers would be abolished; the portfolios of the Chief Secretary and the Financial Secretary transferred to elected Ministers; and the office of Attorney-General discontinued, his functions being divided between an elected Minister, a permanent secretary to the legal department, and a new office to be known as State Advocate-General.

Public Service. The Public Service Commission would be incorporated in the Constitution, which would also provide safeguards for the rights of members of H.M. Overseas Civil Service on the basis of the provisions in the White Paper on the reorganization of the Colonial Service [see 14936 A].

Judiciary. The Chief Justice would be appointed by the *Yang di-Pertuan Negara* on the advice of the Prime Minister, who would be obliged to consult the outgoing Chief Justice if he remained available for consultation. Other Supreme Court judges would be appointed by the *Yang di-Pertuan Negara* on the advice of a council consisting of the Chief Justice, all other Judges of the Supreme Court, and the State Advocate-General. Judges of the Supreme Court would not be removable except on grounds of incapacity or misbehaviour.

Constitutional Revision. The Singapore Legislature would have power to amend the Constitution as regards internal affairs. The U.K. Government would retain the right to amend the Constitution by Order-in-Council but would only exercise it in agreement with the Singapore Government, unless the Constitution had been suspended (see below).

Suspension of Constitution. The U.K. Government would retain the right to suspend the Constitution if, in their opinion, the internal situation in Singapore "had so far deteriorated as to threaten their ability to carry out their responsibilities for external affairs or defence, or if the Singapore Government had acted in contravention of the Constitution."

Citizenship. A separate Singapore citizenship would be created by legislation enacted in Singapore. The U.K. Government would take steps to amend the British Nationality Act, 1948, so that Singapore citizens would be recognized under that Act as British subjects and Commonwealth citizens. Agreement was reached on the provisions of the proposed Singapore citizenship, which took due account of the special position of Commonwealth citizens.

Elections. Elections would be held under the extended franchise resulting from the implementation of the citizenship proposals before the Constitution came into force. For this reason, the Constitution would not come into force until a date after Jan. 1, 1958, when the Governor was satisfied that all those entitled to the new citizenship had had time to acquire it and to be placed on the electoral roll.

The conference report also dealt with the following matters:

(*a*) Because of the pressure of business, it would not be possible to introduce the legislation embodying the constitutional proposals during the current session of the British Parliament. The U.K. Government, however, would endeavour to introduce such legislation as soon as possible in the following session, although it could not guarantee that the Bill would pass through all its stages by any specific date.

(*b*) The U.K. Government had been unable to accede to the Singapore delegation's request that the responsibility for relations with Singapore should be transferred from the Colonial Office to the Commonwealth Relations Office. [Mr. Lim Yew Hock stated on his return to Singapore that his delegation had yielded on this point, as they understood that the British Government were planning to amalgamate the two departments.]

The only point on which no agreement was reached was the provision—introduced by the British delegation at the final plenary session of the conference—that persons known to have been engaged in subversive activities should not qualify for election to the first Legislative Assembly.

The report stated that the U.K. Government had made it clear that their agreement to the Constitution as a whole, and to the internal security arrangements in particular, was dependent on the acceptance of this provision. The Singapore delegation had expressed their opposition to this "departure from normal democratic practice" and had protested at the "unilateral imposition of this condition." It had been emphasized on the British side, however, that it was "the view of H.M. Government that some temporary restriction of this kind was essential to safeguard the orderly development of democratic government in Singapore against the danger of Communist subversion," whilst "future policy in this respect would be a matter for the Singapore Legislature to decide after the first elections." "In the circumstances," the report said, "the Singapore delegation took note with regret of the intention of H.M. Government."

Mr. Lim Yew Hock said in a press statement in London on April 11 that it had been "a considerable shock to be told by the Colonial Secretary of the decision to disallow detainees under the Preservation of Public Security Ordinance from contesting the first elections." He added: "As far as I know, there are about 10 people detained; we can fight them and we feel it is wrong to debar them from contesting the elections." [The most important detainee is Mr. Lim Chin Siong, secretary-general of the People's Action Party and a member of the Legislative Assembly, who was arrested following the riots in October 1956 (see footnote below). Other detainees include the leaders of the dissolved Factory and Shop Workers' Union.]

Constitutional Proposals approved by Legislative Assembly. -Rejection of Clause excluding Subversive Detainees from contesting First Elections. - Resignation of Mr. David Marshall.

In protest against certain provisions of the London agreement, Mr. David Marshall resigned on April 12 from the Labour Front (of which Mr. Lim Yew Hock is leader) and announced that he would henceforth sit in the Legislative Assembly as an Independent.

While supporting the British Government's stipulation that subversive detainees should not be allowed to stand as candidates in the first general election, Mr. Marshall objected to (*a*) the functions of the proposed Internal Security Council - which, he contended, would give the Council direct control of internal security, contrary to what he (Mr. Marshall) had fought for in last year's negotiations; (*b*) the method of choosing the Head of State—which, he argued, gave the last word to the British Government, made it possible (by requiring only Malayan birth as a necessary qualification) that a Briton born in Malaya might be appointed, and in any case made it "quite obvious" that the British Government would appoint "an imperialist acceptable to their Colonial traditions"; (*c*) the delay in introducing the new Constitution, i.e. its coming into force only after the next elections—which, he asserted, might enable Colonial rule to continue for two years or longer.

After a four-day debate (April 26-30) on the London agreement, the Singapore Legislative Assembly accepted a motion by the Chief Minister approving the constitutional proposals, but rejecting the clause banning persons known to have taken part in subversive activities from contesting the first election; the voting was 23 in favour and two against, with five abstentions. An amendment by Mr. Marshall "regretting" the terms of the London agreement but proposing, nevertheless, that the new Constitution should come into effect immediately and that elections should take place on the basis of the present electoral roll, was defeated by 22 votes to two, with three Independents and the three official members abstaining.

The four-day debate was marked by bitter exchanges between Mr. Marshall and Mr. Lee Kuan Yew, who had been a member of the delegation to London and who defended the Constitutional proposals against Mr. Marshall's violent attacks on them. In reply to a challenge by Mr. Marshall to contest the issue in Mr. Lee's own constituency, Mr. Lee announced on April 26 that he would resign his seat at the end of the debate in order to fight a by-election against Mr. Marshall, and on April 29 submitted his resignation accordingly. Mr. Marshall, however, finding himself completely isolated and bitterly attacked by his former colleagues during the debate, announced on the latter date that he thought he could best serve the interests of Singapore by "disappearing from the political scene at this stage." Mr. Marshall resigned his seat on April 30.

In reply to Mr. Marshall's arguments, Mr. Lim Yew Hock (the Chief Minister) had pointed out that it would be impossible to introduce the new Constitution by Order-in-Council immediately before the general election, as it had been clearly stated in London that there must first be the authority of a British Act of Parliament. Mr. Lim Yew Hock also refuted Mr. Marshall's contention that the clause empowering the Internal Security Council "to maintain the efficiency of all organs of the Singapore Government concerned with internal security" meant that the Council would "control" internal security, pointing out that the recognized meaning of "maintain" was "to support" and not "to control." The Chief Minister, who paid tribute to Mr. Marshall's earlier work in "blazing the trail for Constitutional advance," declared that if his (Mr. Lim's) motion was accepted the drafting of a new Constitution could begin without delay. Under the second part of the motion, the Colonial Secretary could be approached to consider amending the clause concerning subversives.

Following the Assembly's vote Mr. Lim Yew Hock announced on May 8 that he intended to convene an all-party conference to consider what should be done to secure the withdrawal of the clause regarding subversives.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 15293 A.)**

The Singapore Riots of 1956. The riots of 1956, referred to above, arose out of action taken by the Singapore Government in September and October to counteract Communist and subversive influences in the trade unions, and, in particular, in students' organizations and among school-children of the Chinese community. The arrest and subsequent deportation to China of five teachers—three of whom were on the staff of the Chung Cheng Secondary School—on the ground that their activities were "not in the best interests of the people of Singapore" was followed by protest meetings at that school, as a result of which the Government ordered on Sept. 24 the dissolution of the Chinese Middle (i.e. secondary) School Students' Union on the ground that it was a "Communist front" organization and had persistently carried on political agitation among schoolchildren. To reduce left-wing influence in the schools, the Minister of Education (Mr. Chew Swee Kee) directed the principals of nine Chinese schools to dismiss two teachers, to expel 142 leading members of the Students' Union, to forbid political meetings in the schools, and to remove pupils who were over age. These measures were strongly criticized by the People's Action Party, which accused Mr. Lim Yew Hock of agreeing to the "repression of anti-colonial forces" as the price of constitutional concessions by the British Government.

As a protest against these measures over 1,000 pupils of the Chung Cheng School and the Chinese High School staged a sit-down strike on the school premises on Oct. 10 which continued for nearly a fortnight, despite appeals to the parents by Mr. Lim Yew Hock to remove their children from the premises. On Oct. 25 large crowds gathered outside the two schools to demonstrate in support of the students, leading to a number of clashes between the demonstrators and the police, and the imposition of a curfew.

On Oct. 26 police entered the two schools and ejected the students with the aid of tear-gas. Serious rioting occurred during the day in which police stations were attacked, Government buildings set on fire, and cars and other vehicles wrecked and burned; the demonstrators were mainly students, but also included a number of workers who had gone on strike in support of the students, other Chinese opposed to the Government's educational policy, and hooligan elements. Some 5,000 British troops were called in from Malaya to reinforce the police, who were forced to open fire several times. By the end of October, however, the situation had virtually returned to normal and the curfew was finally lifted on Nov. 2. It was officially stated that 13 people had been killed in the riots and about 150 injured.

Between Oct. 27-31 the police raided a number of trade union branches and arrested some 250 trade unionists, including Mr. Lim Chin Siong, secretary-general of the People's Action Party. It was subsequently announced that Mr. Lim would be detained for two years under the Preservation of Public Security Ordinance.

All the pupils of the Chung Cheng School and the Chinese High School were required to register for readmission by Nov. 15 and to produce a declaration signed by a parent or guardian vouching for their future good behaviour. Over 5,500 of the 7,500 pupils in the two schools had fulfilled these conditions by the required date. (Times - Daily Telegraph - Manchester Guardian)

A. GERMANY. — Release of Walter Funk.

A four-Power communiqué issued in Berlin on May 16 announced that Walter Funk (66), Minister of Economics and president of the Reichbank during the Hitler régime, had been released from Spandau prison because of ill-health. He had been seriously ill with kidney trouble in 1954 and had had two operations since then. Funk was sentenced to life imprisonment in 1946 by the International Military Tribunal at Nuremberg, after being found guilty of having played an active part in the Nazi conspiracy to wage aggressive war.

Of the seven major war criminals originally serving their sentences in Spandau Prison, only three remain Rudolf Hess (Hitler's deputy), who is serving a life sentence, and Baldur von Schirach (the Hitler Youth leader), and Albert Speer (the Minister for Armaments), both of whom are serving 20-year sentences.

Of the three who had been released before Funk, only Admiral Dönitz had fully served his 10-year sentence. Both Admiral Raeder and Baron von Neurath had been set free in view of their age and poor health, von Neurath having died on Aug. 15, 1956.—(Times - Le Monde - New York Times) **(Prev. rep. 15124 D.)**

B. UNITED KINGDOM. — Financial and Monetary Policy. - New Issue of Conversion Stock.

A new cash issue of £100,000,000 4½ per cent Conversion Stock, 1962, was made by the Treasury on May 8, the issue price being 99 per cent. It was announced the same evening that applications for amounts up to £500,000 had been allotted in full and those above £500,000 as to 63 per cent of the amounts applied for.

The issue was made to repay in cash a number of stocks maturing on June 15 as far as they were still held by the public. These were the 5 per cent Exchequer Stock 1957 and the 2½ per cent Funding Stock 1952-57. Of the former, £300,000,000 is outstanding and of the latter £101,000,000, but the fact that the new issue was only for £100,000,000 and that the Treasury did not make a conversion offer was interpreted in the Press as indicating that the great bulk of the two maturing stocks was already held by Government Departments. (Financial Times) **(Prev. rep. 15376 E.)**

C. VATICAN. — Cardinal Wyszynski's Visit to Rome. - Formal Investiture in Sacred College.

The Primate of Poland, Cardinal Wyszynski, formally received the Red Hat (i.e. investiture in the College of Cardinals) from the Pope at the Vatican on May 18. His visit to Rome was the first to be made by any cardinal from an "Iron Curtain" country. Though Mgr. Wyszynski had been raised to the Sacred College in 1952, he was unable to visit Rome at the time owing to the political conditions then prevailing in Poland and the conflict between the Roman Catholic Church and the State.—(Catholic Herald) **(Prev. rep. Church-State Relations, 15312 A; Cardinal Wyszynski, 12822 A.)**

A. ITALY. — Social Democrats withdraw from Coalition Government. - Resignation of Signor Segni. - Christian Democratic Cabinet formed by Senator Zoli. - Signor Pella succeeds Dr. Martino as Foreign Minister.

The Italian Prime Minister, Signor Segni, tendered his resignation to President Gronchi on May 6 after Signor Saragat (the Vice-Premier) had advised the Social Democratic Party to withdraw from the Coalition Government.

At a party meeting the previous evening Signor Saragat had criticized the Government on the ground that it was too weak to carry out essential reforms effectively, and had accused small groups within the coalition parties of undermining inter-party co-operation for their own ends. For these reasons he proposed that the Social Democratic Party should withdraw from the Government, and also expressed the opinion that such action would facilitate an eventual merger of the two Italian Socialist parties. Though favouring the break-up of the present Government, he believed that a coalition of centre parties "free from the mistakes of the present coalition" remained desirable in the interests of political stability.

The following morning (May 6) Signor Saragat explained to Signor Segni the reasons for his suggestion that the Social Democrats should withdraw from the Government. After consulting leaders of the other coalition parties (the Christian Democrats and Liberals) the Prime Minister proposed at a Cabinet meeting that the Government should resign forthwith, instead of waiting to see whether the directorate of the Social Democratic Party would give formal approval to Signor Saragat's suggestion. This proposal was accepted unanimously, and Signor Segni accordingly tendered the Government's resignation to President Gronchi the same evening.

Since the Venice congress of the Italian Socialist Party (i.e. the Nenni Socialists) in February, at which unanimous approval was expressed for a merger of the two Socialist parties (see page 15400), a number of left-wing members of the Social Democratic Party—including Signor Matteotti, the party's secretary-general—had urged the party's withdrawal from the Government as a means of promoting Socialist reunification. After having withdrawn his resignation over this issue in March (see 15503 D), Signor Matteotti presented to the party directorate on April 17 a formal resolution in favour of a withdrawal from the Segni Government, but the "centre" and "right" wings of the party executive—including Signor Saragat himself—again opposed the breaking-up of the Coalition. Signor Matteotti accordingly resigned as secretary-general on the same date and was succeeded by Signor Mario Tanassi, his deputy. Signor Saragat's eventual support for the party's withdrawal from the Government, in contrast to his earlier attitude, was regarded as an attempt to overcome the differences between the party's "right" and "left" wings on this issue. As stated above, however, Signor Saragat continued to uphold the principle of Social Democratic participation in a coalition of the centre parties.]

The position of the Segni Government had previously been weakened by the withdrawal of the Republican Party's support (see 15503 D) and by disputes within the coalition parties on the controversial Land Tenancy Bill—the issue on which the Scelba Cabinet fell in 1955 before Signor Segni formed his administration. [The Segni Cabinet was formed in July 1955 after the resignation of Signor Scelba and had thus been in existence for twenty-two months.]

Throughout the lifetime of Signor Segni's Cabinet the coalition parties—notably the trade union wing of the Christian Democrats and the Liberals—had differed on detailed provisions of the Land Tenancy Bill. Whereas Christian Democratic trade union leaders, headed by Signor Pastore, had urged that some of the more contentious clauses in the Bill should be amended in favour of tenant farmers, the Liberals had insisted that compromises on the measure reached in 1955 between the coalition parties (and the Republicans) should be adhered to, and that no further substantial amendments should be made to the Bill.

After a Cabinet crisis in February on this issue, the three coalition parties eventually agreed on Feb. 28 upon the text of a motion approving the general lines of the Farm Tenancy Bill. This motion, regarded by Signor Segni as a vote of confidence, was passed by the Chamber of Deputies on March 1 by the narrow majority of five votes (282 in favour and 277 against, with one abstention). Though supported by the Christian Democratic, Liberal, and Social Democratic deputies (three of the latter, however, absenting themselves), Signore Pastore and other C.D. trade union leaders reserved the right to propose substantial amendments to the Bill when it came up for detailed consideration at a later stage. The leaders of the three coalition parties held a series of round-table meetings during the first week of April in an attempt to resolve their differences on the Bill before it was debated clause by clause in the Chamber of Deputies; the only result, however, was an agreement to suspend debate on the individual clauses until after the Easter recess. At the time of Signor Segni's resignation the Bill had not yet come before the Chamber for detailed consideration.

Following the resignation of Signor Segni, the leaders of the Christian Democratic, Liberal, and Social Democratic parties all expressed their support for a four-party coalition to include the Republican Party. The directorate of the latter party, however, decided on May 12 (by 13 votes to eight) against participation in such a coalition—a decision which led to the resignation from the Republican Party of Signor Pacciardi, a former Minister of Defence, who had strongly supported a four-party "centre" government.

Meanwhile President Gronchi had had a number of meetings with the leaders of all the political parties and also, in accordance with precedent, with the presidents of the Senate and Chamber and with former Presidents and Prime Ministers. On May 15 he invited Senator Adone Zoli (Christian Democrat), Minister of the Budget in the Segni Cabinet, to form an administration. Senator Zoli accepted this task and on May 19 formed a government drawn entirely from the Christian Democratic Party with the exception of a non-party expert. The new Cabinet was sworn-in by President Gronchi on May 20, its membership being as follows:

Senator Adone Zoli ..	Prime Minister and Minister of the Budget (*Bilancio*).
Signor Guiseppe Pella ..	Vice-Premier and Minister of Foreign Affairs.
Signor Pietro Campilli ..	Minister without portfolio and president of the Ministerial Committee for the *Cassa Mezzogiorno* (Development Fund for Southern Italy).
Senator Mario Zotta ..	Minister without portfolio for Administrative Reform.
Signor Rinaldo Del Bo ..	Minister without portfolio for Relations with Parliament.
Signor Fernando Tambrioni	Interior.
Signor Guido Gonella ..	Justice and Constitutional Co-ordination.
Signor Giulio Andreotti ..	Finance.
Senator Giuseppe Medici ..	Treasury.
Signor Emilio Taviani ..	Defence.
Signor Aldo Moro	Education.
Signor Giuseppe Togni ..	Public Works.
Signor Emilio Colombo ..	Agriculture.
Signor Armando Angelini	Transport.
Signor Bernardo Mattarella	Posts and Telegraphs.
Senator Silvio Gava ..	Industry.
Signor Luigi Gui	Labour.
Dr. Luigi Carli	Foreign Trade.
Signor Gennaro Cassiani	Merchant Marine.
Senator Giorgio Bo ..	State Investments in Industry (*Partecipazioni*).

Apart from the change in the Premiership, the most important change was the appointment of Signor Pella (55) as Foreign Minister in place of Dr. Martino, who is a member of the Liberal Party. Signor Pella was Prime Minister from August 1953 to January 1954 after the general elections in the former year, but had not held office in any Cabinet since then. [For biographical details see page 13100, second column].

Many of the Ministers held the same portfolios as in the Segni Cabinet, or exchanged their former portfolios for others—e.g. Signor Togni, formerly Minister of State Investments (an office he had held for only two months, see 15503 D) was moved to the Ministry of Public Works. Ministers entering the Cabinet for the first time were Dr. Carli (the non-party expert, and not a member of Parliament) and Signori Bo, Del Bo, Gui and Zotta. Dr. Carli played a leading part with the late Signor Vanoni in drafting Italy's ten-year development plan, commonly known as the "Vanoni plan."

Senator Zoli (69), a lawyer from Tuscany, succeeded the late Signor De Gasperi in 1954 as president of the National Council of the Christian Democratic Party (see 13796 A) During the war he played a distinguished role in the clandestine resistance movement, being sentenced to death for anti-Fascist activities but succeeding in escaping from prison. He became a founder-member of the Christian Democratic Party at the end of the war. As stated above, he retained the portfolio of the Budget concurrently with assuming the Premiership.

As the Christian Democrats are in a minority in both Houses of the Italian Parliament (263 deputies in a Chamber of 590 members, and 111 senators in a Senate of 245), the new Government will be dependent on the support of other parties. (Corriere della Sera, Milan - Giornale d'Italia, Rome)

(Prev. rep. Segni Cabinet, 15503 D; 14709 C; 14320 A; Social Democratic Party, 15503 D; 15399 A.)

B. INDIA - RUMANIA. — Cultural Agreement.

A cultural agreement between India and Rumania was signed in New Delhi on April 30 by Dr. Azad, the Indian Minister for Education and Scientific Research, and M. Magheru, the Rumanian Minister. Valid for five years, it comes into force upon ratification and is the seventh cultural agreement signed by India since 1951, following those concluded with Turkey, Iraq, Indonesia, Japan, Persia, and Poland. (The Hindu, Madras) **(Prev. rep. 15272 B; 14641 F.)**

A. EASTERN GERMANY. — The Harich Trial. - Official Admission of Student Unrest.

In a report presented to the Central Committee of the Socialist Unity Party on Feb. 5, 1957, and published in *Neues Deutschland*, Herr Ulbricht (the party's first secretary) alleged that students of the Humboldt University in East Berlin had planned to revolt on Nov. 2, 1956, under the leadership of Dr. Wolfgang Harich, professor of social sciences in the university, who was subsequently arrested.

Herr Ulbricht admitted that unrest had been aroused inside the party, and particularly among intellectuals, by M. Khrushchev's secret report on Stalin, the influence of the Yugoslav League of Communists, and recent events in Poland and Hungary, and that requests had been made for the publication of the Khrushchev report, which the Central Committee had refused. A "counter-revolutionary group" headed by Professor Harich had fallen under the influence of the Petöfi Circle (the Hungarian writers' organization which largely inspired the anti-Stalinist revolt) and "some acquaintances from Warsaw," and had planned to "break the ties linking the German Democratic Republic with the U.S.S.R." and to "abolish the leadership of the Communist Party." Students of the medical faculty of the university had met on Nov. 2 and had proposed to "go out into the streets" and "pass to action"; as a result of the vigilance of the Communist Party organization and its "fighting groups," however, the students had "realized where power really lay and renounced the idea." Professor Harich had been arrested on Nov. 29 on his return from a visit to Hamburg, where, Herr Ulbricht alleged, he had discussed his plans with "Western espionage services."

The trial of Professor Harich opened before the East German Supreme Court in Berlin on March 7. Accused with him on charges of conspiring against the regime were Herr Bernhard Steinberger, co-publisher with Dr. Harich of the *Zeitschrift für die Philosophie*, and Herr Manfred Hertwig, a university lecturer. The indictment conceded that the defendants regarded their aims as part of the "revolutionary class struggle" and had intended to "make Eastern Germany attractive to Western Socialists." It alleged, however, that they had for this purpose established contact with "counter-revolutionary groups in Hungary," the illegal East German section of the German Social Democratic Party, and certain unnamed persons and organizations in Poland; had planned to restore a capitalist economy; and had organized underground cells. The accused, who had been held *incommunicado* for three months since their arrest, all pleaded "guilty," Professor Harich being sentenced on March 9 to 10 years' penal servitude for treason, Herr Steinberger to four years, and Herr Hertwig to two years. Professor Gerhard Hasse and Professor Joachim Hofmann, both on the staff of the Karl Marx Institute at Leipzig, were sentenced on April 5 to five and two years' hard labour respectively on similar charges.

Shortly before his arrest Professor Harich had explained his views in a memorandum which he had passed on to Social Democrats in West Berlin.

In this memorandum he stated that his supporters included many party officials and intellectuals, including the late Herr Bertold Brecht (the famous dramatist, who died on Aug. 15, 1956), and that early in 1956 they had submitted their proposals first to the party leadership, which had refused to consider them, and then to the Soviet Ambassador. They proposed to reform the party from within by expelling the Stalinists, democratizing its organization, and adopting an ideology based on Marxism-Leninism which would reject Stalinism and take into account recent developments in Yugoslavia, Poland, and China. The main features of their political and economic programme were restoration of the supreme power of Parliament and of complete freedom of thought; abolition of the State security police and secret trials; organization of elections which would give the voters a real choice; replanning of production with a view to raising living standards; the introduction of profit-sharing; the establishment of workers' councils on the Yugoslav model; and the ending of forced collectivization of agriculture.

The memorandum declared that conditions for German reunification through free elections were the attainment of these reforms in Eastern Germany, and the return of a Social Democratic majority in Western Germany which would reverse the policy of "militarization," withdraw from NATO, remove "Fascists and militarists" from the administration, nationalize key industries, and carry out agrarian reforms.

In a reunited Germany unification of the labour movement could be achieved provided the Socialist Unity Party was freed from Stalinism and thereby "converted into a leftist Marxist movement which has nothing more in common with the old-type Communist Party and its disastrous degeneration . . . Since in Western Germany the unity of the working class has been realized by the Social Democratic Party, a future united workers' movement would inevitably, through the greater weight of the Social Democratic Party, bear more likeness to the latter than to the reformed Socialist Unity Party; but it would doubtless have a stronger leftist orientation than the present Social Democratic Party. However, before we can approach the Social Democrats and make demands on them we must remove all that separates us . . . the chief obstacle being our own Stalinism."

"As a first step towards future co-operation," the memorandum went on, "there should be secret co-operation between oppositional comrades in the Socialist Unity Party and Social Democrats in combating Stalinism. Once the anti-Stalinist opposition has gained control of the Socialist Unity Party from within, official contacts between the Social Democratic Party and the reformed Socialist Unity Party should follow. From them the germs of future unity might develop, though neither party must swallow up the other. No Stalinists who have participated in the crimes of the Ulbricht group must be admitted to the new workers' party, but only people who have actively fought against the Stalinist degeneration of the Socialist Unity Party."

An official admission of student unrest at a number of places in Eastern Germany—including East Berlin, Leipzig, Dresden, Jena, Rostock and Babelsberg—was made on May 16 by Colonel Emil Bormann (head of the State security police) at a press conference at the Humboldt University in East Berlin. Colonel Bormann accused Western intelligence services of fomenting unrest among students, disclosed that a number of students had been arrested, and announced the suppression of a "plot" among students of the Humboldt University to start a Hungarian-type uprising. The State Secretary for Education (Herr Wilhelm Girnius) announced on the same day that travel by students to West Berlin and Western Germany would be strictly controlled.

During the previous week students at the Humboldt University had staged a protest strike in support of the Dean of the Veterinary faculty, Professor Schützler, who had fled to Western Germany and who had been accused of "encouraging Western secret service influence" among students. The Rector of the University (Dr. Werner Hartke) said at the above-mentioned press conference that the entire third-year class of veterinary students (132 in number) had been suspended for boycotting lectures, several students having been expelled. (Neues Deutschland, East Berlin - Social Democratic Press Service, Bonn - Frankfurter Allgemeine Zeitung)

B. SOVIET UNION. — Industrial Output in 1956.

A report by the Soviet Government's Central Statistical Bureau on the development of the Soviet national economy in 1956, published in March, gave the following details of industrial output in 1956, the percentage increase over 1955 being shown in parentheses:

Pig-iron, 35,800,000 tons (107); steel, 48,600,000 tons (107); rolled metal, 37,800,000 tons (107); steel tubing, 3,800,000 tons (108); iron-ore, 78,000,000 tons (109).

Coal, 419,000,000 tons, of which coking coal 83,000,000 tons (107); shale oil, 11,600,000 tons (107); oil, 83,800,000 tons (118); electric power, 192,000,000,000 k.w.h. (113), including 29,000,000,000 k.w.h. of hydro-electric power (125); gas, 13,700,000,000 cubic metres (132).

Mineral fertilizers, 10,900,000 tons (113); soda ash, 1,545,000 tons (108); sulphuric acid, 4,323,000 tons (114); dyes, 77,000 tons (105).

465,000 motor vehicles (104), including 358,000 lorries (100); 98,000 motor cars (91), and 9,000 buses (108); 184,000 tractors (112); 124,000 tractor-drawn ploughs (120); 109,000 tractor-drawn drills (162); 148,000 tractor-drawn cultivators (132); 27,200 tractor-drawn mowing machines (120); 82,000 grain combine harvesters (170); 45,300 maize and silage crop combine harvesters (408); 297,000 motor-cycles (122); and 3,100,000 bicycles (108).

Metallurgical equipment, 177,000 tons (103); chemical equipment, 109,000 tons (98); oil equipment, 49,300 tons (101).

Metal-cutting machine-tools, 121,300 (104); forge-press machines, 6,900 (127).

Electric generators, 5,184,000 k.w. (115); large electric machines, 4,229 (120); electric motors 1,714,000 (111).

Electric locomotives, 216 (111); diesel locomotives, 161 (120); goods wagons, 40,000 (117); passenger coaches, 1,799 (102).

Cement, 24,900,000 tons (104); cut timber, 204,000,000 cubic metres (104).

Cotton fabrics, 5,500,000,000 metres (92); woollen fabrics, 268,000,000 metres (106); artificial fibre, 129,000 tons (117).

It was claimed that gross output in 1956 was nearly 11 per cent higher than in 1955, including 11.4 per cent more for capital goods and 9.4 per cent more for consumer goods. (Soviet Embassy Press Department, London) **(14717 A.)**

C. SWEDEN - UNITED KINGDOM. — Reciprocal Social Security Agreement in Force.

It was announced in Stockholm and London on May 23 that the reciprocal social security agreement signed between Sweden and the United Kingdom on June 9, 1956, would come into force on June 1. The agreement covers family allowances, health services, and cash benefits for unemployment, sickness, maternity, old age, widowhood, orphanhood, and industrial injury.—(Times - Svenska Dagbladet) **(14929 D.)**

MAY 25—JUNE 1, 1957

A. JORDAN. — Cabinet and Army Crises. - Dismissal of Nabulsi Government. - Allegations of Army Plot against King Hussein. - Flight of Generals Nuwar and Hayyari. - Mr. Hashem succeeds Dr. Khalidi as Prime Minister. - Imposition of Martial Law. - Dissolution of Political Parties. - Arrest of Opposition Leaders and Communists. - U.S. Sixth Fleet sent to Levant. - Soviet Protest at U.S. Naval Movements. - U.S. Economic Aid for Jordan. - Discussions between Egyptian, Syrian and Saudi Arabian Leaders. - Meeting between King Hussein and King Saud. - King Hussein's Denunciation of Egyptian Propaganda against Jordan. - Cancellation of Decision to establish Diplomatic Relations with U.S.S.R. - Jordanian Allegations of Egyptian-Syrian-Soviet Plot to overthrow Monarchies in Arab Countries and establish Republics. - Syrian Troops withdrawn from Jordan. - Jordanian Allegations of Syrian Support for Conspiracy.

A major political crisis developed in Jordan during April following the dismissal of Mr. Nabulsi's Government by King Hussein on April 10. Fighting between left-wing and royalist elements in the Army took place on April 13, and the Chief of Staff, General Nuwar, went into exile in Syria on the following day. A Government headed by Dr. Khalidi, in which Mr. Nabulsi became Foreign Minister, was formed on April 15, but from April 22-24 demonstrations in favour of the reinstatement of the former Government took place in Amman and the other leading towns. To end the crisis, which had been further intensified by the flight to Syria of General Hayyari (General Nuwar's successor as Chief of Staff), King Hussein installed a right-wing Cabinet on April 25 which proclaimed martial law, dissolved all the political parties, carried out numerous arrests, and purged the civil service of Opposition supporters.

The stages in the development of the Jordanian crisis, and its international repercussions, are described below under cross-headings.

Dismissal of Nabulsi Cabinet.

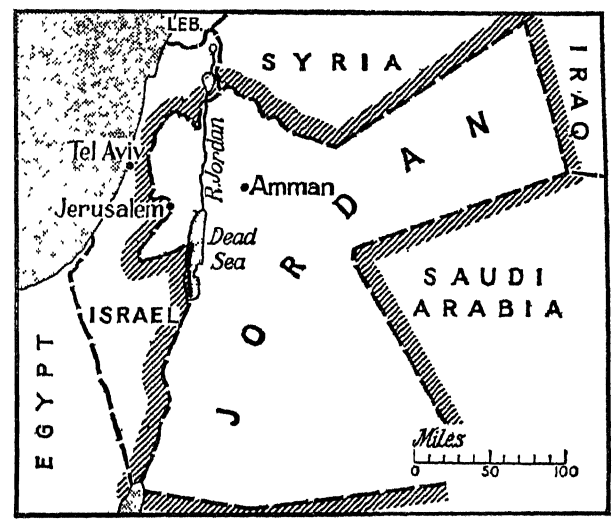
The existence of differences between King Hussein and Mr. Nabulsi's Government first became evident on Feb. 2, with the publication of a letter from the King to Mr. Nabulsi warning him of "the danger of Communist infiltration" in the guise of nationalism and calling on him to "take the necessary steps to destroy destructive propaganda." The Government carried out the King's wishes at the time by ordering the confiscation of all Communist propaganda publications and Soviet newspapers, banning the daily bulletin issued by the Tass Agency (which had been printed and imported from Syria), and prohibiting the display of Soviet films in public cinemas. Growing tension between the King and the Government, however, was reported to have arisen in subsequent weeks by the King's personal intervention in domestic and international affairs, including the issuing of direct orders to the Army and police without consulting or notifying the Government, and by his apparent support for the acceptance of U.S. economic aid, to which the Cabinet was opposed.

On April 1 the Cabinet decided to resign as a protest against the King's action in sending, without consulting it, the Chief of his Cabinet (Mr. Bahgat Talhouni) to Damascus, Cairo and Riyadh with personal messages to President Kuwatly of Syria, President Nasser of Egypt, and King Saud of Saudi Arabia in which King Hussein proposed a four-Power meeting to discuss the preservation by the Arab States of their independence, religion, and way of life. Although the Government was persuaded to withdraw its resignation, a new cause for disagreement immediately arose by its decision on April 2 to open diplomatic relations with the Soviet Union at embassy level (see 15468 C), whereas the King was prepared to accept diplomatic relations with the U.S.S.R. only at *chargé d'affaires* level. The crisis was finally brought to a head on April 10 by the Cabinet's proposal to dismiss or pension off about 20 senior officials, most of whom were either personal supporters of the King or moderates, and who were reported to include Mr. Talhouni, Chief of the Royal Cabinet.

Later the same day King Hussein ordered the Cabinet to resign but to remain in office until a new Ministry was formed. Dr. Khalidi, a former Foreign Minister, accepted the task of forming a Government on April 11, but was unable to do so because the National Socialist and *Baath* parties and the National Front—which together with the Communists had supported the Nabulsi Government—refused to co-operate. Mr. Nimr (Minister of the Interior in the outgoing Government), next tried to form a Cabinet and submitted a list of names on April 13; the King, however, refused to agree to the inclusion of certain of the Ministers proposed, and asked Sayed el-Mufti (president of the Senate and a former Premier) to form a Ministry. Demonstrations in favour of an all-party Government and against the "Eisenhower doctrine" for the Middle East took place in Amman on April 13.

The Zerqa Incident. - General Nuwar's Flight to Syria. - Formation of Khalidi Ministry.

Fighting between a royalist Bedouin regiment and troops commanded by left-wing officers broke out at Zerqa (the Army headquarters a few miles north of Amman) on April 13, though the exact circumstances remained obscure. Major-General Ali Abu Nuwar, the Chief of Staff, crossed the frontier into Syria on the following day, Major-General Ali Hayyari being appointed as his acting successor.



(*Economist*)

An official communiqué issued on April 14 stated that "certain irresponsible elements have tried to penetrate into the ranks of the Army and spread rumours intended to harm the unity of national feeling in the Army, its close loyalty to its King, and the sacred interests of the country. All these ignoble attempts have failed and everything has returned to normal. The Army and its officers hastened to express their sincere loyalty to the King, promising God and their country to devote their lives to the prosperity of the nation." Reports from unofficial sources suggested that pro-Nabulsi elements in the Army, headed by General Nuwar, had planned to carry out a military *coup d'état*, although the conspirators' aim was variously reported as the establishment of a republic headed by General Nuwar and the replacement of King Hussein by his cousin, Prince Zeid. The fighting was said to have broken out when the Bedouin 3rd Regiment, on hearing of a plot against the King, surrounded the camp at Zerqa during the evening of April 13; firing then started with a regiment commanded by Colonel Maan Abu Nuwar (a relation of General Nuwar), which was said to have prepared to march on Amman to overthrow the King, a number of officers of the latter regiment being killed. On being informed by loyal officers of the plot, King Hussein summoned General Nuwar to the palace and drove with him at midnight to Zerqa, where the King's personal intervention ended the fighting.

After ordering that General Nuwar (who was accused by some of the troops of being a traitor) should be brought back to the palace and 22 other officers arrested, King Hussein drove back to Amman in the early morning of April 14, escorted by loyalist officers. A strong guard, including armoured cars and artillery, was posted round the royal palace; the city was occupied by Bedouin troops; and Mr. Nabulsi and leaders of the parties supporting his Government were placed under house arrest. General Nuwar was variously reported to have been deported to Syria by the King's order and to have been granted 14 days' leave prior to dismissal.

Left-wing demonstrations took place during the next three days in towns west of the Jordan. At Ramallah a broadcast of a message from the King thanking the Army for its support was interrupted on April 14 by supporters of Mr. Nabulsi, who seized part of the radio station and sabotaged the transmitter. A general strike was called in Ramallah on the

following day, while demonstrations demanding General Nuwar's return occurred in Jerusalem and Nablus on April 16 —the demonstrators in Jerusalem clashing with members of the Moslem Brotherhood, which supported the King's action. In Amman, on the other hand, 300 Army officers and a number of Bedouin sheikhs pledged their loyalty to the King at the Royal palace on April 16.

On April 15 King Hussein summoned some 60 former Ministers, including Mr. Nabulsi, to the palace for a conference, and informed them that if they were unable to reach agreement on a new Cabinet he would form a Government himself. In consequence a Cabinet was formed later the same day under Dr. Khalidi's leadership, its membership being: Dr. Hussein Khalidi (Prime Minister and Defence); Sayed el-Mufti (Deputy Premier and Interior); Suliman Nabulsi (Foreign Affairs and Communications); Fawzi el-Mulki (Education and Public Works); Suliman Sukkar (Finance and Economy); Majid Abdulhadi (Justice); Dr. Amin Majjaj (Health and Social Affairs).

Dr. Khalidi (63), a Palestinian by origin, was formerly a supporter of the Mufti of Jerusalem and was exiled to the Seychelles by the British authorities in 1937. He settled in Jordan in 1951 and was Foreign Minister from 1953-54. Fawzi el-Mulki had held the Premiership on several occasions. All the members of the Government were Independents except Mr. Nabulsi.

At a press conference on April 21 Mr. Nabulsi said that the new Government would establish diplomatic relations with the Soviet Union and was prepared to receive President Eisenhower's special envoy in the Middle East, Mr. Richards.

Mr. Nabulsi said that the decision taken by his Government to establish diplomatic relations with the U.S.S.R. would be carried out, and in this connexion accused "other diplomatic missions" of interfering in Jordanian affairs. [The U.S. Embassy had previously denied allegations that it was responsible for the dismissal of Mr. Nabulsi's Government.] Describing himself as an Arab Nationalist but as anti-Communist, he said that he wanted "to fight Communism on my own account and not as Mr. Eisenhower's hired hand." He was ready, however, to accept any foreign aid that was offered without conditions and had informed the U.S. Embassy that Mr. Richards would be welcome if he came, but had received no reply. Mr. Nabulsi expressed confidence that Egypt, Syria and Saudi Arabia were ready to pay the subsidies which they had agreed to grant to Jordan [see 15340 A] "to the last penny."

Flight of General Hayyari. - Generals Hayyari and Nawar leave Damascus for Egypt. - Resignation of Khalidi Ministry. - Mr. Hashem appointed Prime Minister.

The political situation again deteriorated following the resignation of General Hayyari, who had been officially appointed Chief of Staff on April 18, and who on the following day had publicly pledged his support for King Hussein, while assuring Egypt and Syria of Jordan's readiness to "march by their side." According to a statement issued by Dr. Khalidi on April 20, General Hayyari had gone to Damascus "on official duty" on April 19 but in the early hours of April 20 had telephoned the Prime Minister to submit his resignation, stating that he had confirmed this in a letter which he had left in Amman. At a meeting later the same day the Cabinet decided to appoint Major-General Habes Majali (a Bedouin officer) as Chief of Staff, and to form a committee consisting of Dr. Khalidi, Sayed el-Mufti, and Mr. Abdulhadi to supervise the work of a military committee which had been set up by General Hayyari to investigate the Zerqa incident.

Both General Hayyari and General Nuwar made statements in Damascus in which they expressed their opposition to King Hussein and their support for Mr. Nabulsi's policy of close alignment with Egypt and Syria.

General Hayyari, at a press conference in Damascus on April 20, said that he had been asked at the beginning of the crisis to discover whether senior officers would be prepared to use their troops against the people, if the latter resisted the formation of a Government pledged to end the policy of alliance with Syria and Egypt. When the Army leaders had categorically refused to do so, Palace circles had, he alleged, formed a "plot" against General Nuwar and other officers, in collaboration with "foreign non-Arab military attachés," in order to prepare the way for a "pro-Western dictatorship." [The only non-Arab countries with military attachés in Jordan are the U.S.A. and Britain.] This "plot" had consisted in spreading the story that the Army was preparing a *coup d'état* against the King, which, General Hayyari emphasized, was completely without foundation. On his appointment he had been invited to act as an instrument of this plot, but he had preferred to leave the country in order to warn world opinion of what was happening, using the pretext that it was necessary for him to see the Syrian Chief of Staff.

General Nuwar, in an interview on April 22 to the Damascus paper *Al Alam*, said that about a month before the beginning of the crisis the U.S. military attaché (Colonel Sweeney) had asked him if he was prepared to form a military Government which would dissolve Parliament and accept the "Eisenhower Doctrine"; similar suggestions, he alleged, had subsequently been made to him by members of Palace circles, including ex-Premier Samir Rifai. He had rejected these proposals, however, and had informed Mr. Nabulsi of them. General Nuwar completely denied the story of a military conspiracy against the King, and accused the Court of seeking to eliminate all nationalist and patriotic elements from the Army and the Administration. Calling for the resignation of Dr. Khalidi's Government, he said that it was intended to be "the bridge imperialism will cross to liquidate certain liberal military and civilian elements" and that its objectives were "to impose the Eisenhower Doctrine, tie Jordan to the Baghdad Pact, and split Jordan from Syria and Egypt."

Dr. Khalidi, broadcasting on April 22, said that it was "unfortunate to see some of those who, until a few days ago, were invested with the high responsibility of protecting the country issuing statements . . . which have caused confusion and have been used in a way detrimental to the country's internal security. He added that "the statements which have been made by General Hayyari and others, and by certain elements of the Arab Press and Radio, are groundless." [The "elements of the Arab Radio" referred to were the Cairo and Damascus radios, which had given great prominence to General Hayyari's and General Nuwar's statements. The two generals, who had been ordered by the Syrian Government to refrain from further political activities, left Damascus for Cairo on May 5.]

The "Committee of National Guidance," which consists of the leaders of the National Socialist and *Baath* parties and the National Front, submitted demands to Dr. Khalidi on April 23 for the resignation of his Government, the restoration of the Nabulsi Government, the rejection of the Eisenhower doctrine, the reinstatement of the former Army Command, and the dismissal of several of King Hussein's advisers. Small-scale demonstrations organized by the left-wing parties in support of these demands broke out at Nablus and Ramallah on April 22, and spread to Jerusalem and Jericho on the following day. In Amman, where a general strike was called on April 24, about 3,000 demonstrators marched through the streets shouting anti-American slogans; although there was considerable stone-throwing and a number of minor clashes with the police, the latter were able to prevent any major incidents.

King Hussein gave an interview on April 24 to U.S. press correspondents in which he attributed the crisis to "international Communism and its followers inside and outside the country," and declared that he was prepared to take all necessary measures, including the imposition of martial law, to save Jordan from these forces. He also said that the leaders of some parties were working in co-operation with parties in other Arab countries—mentioning in this connexion the *Baath* party, which has links with the Syrian party of the same name; declared that these groups had attempted to penetrate the Army but had been checked by loyal officers and men; and claimed that he had the full support of both the Army and the people in spite of "false propaganda and efforts to break the country."

Dr. Khalidi's Government resigned during the evening of April 24, and at midnight the King appointed a new Cabinet of right-wing politicians, headed by Mr. Ibrahim Hashem, with the following membership:

Ibrahim Hashem (Prime Minister), Samir Rifai (Deputy Premier and Foreign Minister), Falah Madadha (Interior and Public Works), Suliman Toukan (Health and Social Affairs), Khalousi el Khairy (National Economy, Education, and Culture), Anastas Hanania (Finance and Communications), and Akef el-Fayez (Agriculture, Development, and Reconstruction).

Mr. Hashem, who is about 80, had been Prime Minister many times before, the last occasion being as head of a "caretaker" Government from July-October 1956. All the other members had previously held ministerial office except Mr. Fayez, who is a son of the paramount chief of a Bedouin tribe, the Beni Sukr.

King Hussein's Attack on Nabulsi Government and Egyptian Propaganda.

In a broadcast on April 25 King Hussein violently attacked the Nabulsi Government, and accused the Egyptian Press and radio of spreading untrue propaganda against him.

After declaring that "I have been patient so far in the face of propaganda and rumours, but my prestige will allow me to be patient no longer," King Hussein warned the people against "subversive influences aiming to destroy the country." He accused the political parties of taking orders from outside Jordan; denounced the "hypocrisy" of the Nabulsi Government in claiming to be "the champion of true Arab policies"; and declared that it had "undermined his morale" when he [the King] had wished to intervene on Oct. 29 during the Israeli invasion of Sinai and the Nabulsi Government sent "the Ambassador of a certain great Power" to dissuade him from taking action.

King Hussein went on to say that many people had complained about the Nabulsi Government while it was in office, and that it had been a constitutional step to dismiss it because it had made many mistakes. He accused it of having favoured party men in the Administration; of having given a free hand to the Communists (who, he alleged had received instructions from the Communists in Israel); and of having tried to penetrate the Army. "These so-called nationalists," he said, "had relations with Israel. In Jordan there are ten different parties, and all their work is plotting and conspiring." After stressing that it was Mr. Nabulsi's Government which had invited the Richards mission [see page 15419, second column] to visit Jordan, the King affirmed that it was not his policy to invite Mr. Richards or to approve the Eisenhower Doctrine without consulting other free Arab States.

In conclusion, King Hussein reproached the Egyptian press and radio for spreading "propaganda and fabricated stories against me and Jordan." He added: "I believed that obligations of friendship would at least have prevented our brothers in Egypt from provoking the Jordanian people in broadcasts and newspapers and from attacking me, who devoted my blood to Egypt during its crisis." After denouncing "those Egyptian tongues and pens which attack us, try to instigate part of our nation against us, distort the real situation in our country, and send into the atmosphere propaganda and rumours full of lies" [a reference to the "Voice of the Arabs" Radio in Cairo], the King declared that he would not allow any outside interference in Jordan's affairs. After reaffirming that there had been a plot against him, and that the escape of certain officers was proof of this, he concluded with an appeal for calm and order.

Imposition of Martial Law. - Dissolution of Political Parties. - Creation of Military Courts. - Mr. Toukan appointed Military Governor of Jordan.

On April 25 martial law was proclaimed throughout the country; an all-day curfew was imposed in Amman, Jerusalem, Nablus, and Ramallah; the police and all security forces were brought under Army control; all political parties were dissolved by Royal decree; a strict censorship was established; and all telegraph and telephone offices were taken over by the Army. In addition the frontiers were sealed, air services to Cairo, Damascus and Beirut suspended, and all telephone communications with neighbouring countries interrupted; outward air services, however, were resumed on the following day. Mr. Sulciman Toukan was appointed Defence Minister and Military Governor of Jordan on April 26.

Under emergency regulations published on April 28, Military Governors were appointed for the country's six districts and the military and police were given unlimited powers of entry, search, and arrest. Two military courts staffed by senior Army officers were established—one in Amman for the area east of the River Jordan, and one in Jerusalem for the area west of the Jordan—with powers to punish offences against the security of the State, violations of the martial law regulations, activity on behalf of any of the dissolved political parties, and attacks on or obstruction of the Army, the police, or civil servants in the performance of their duties. No appeal was provided for, but death sentences were required to be approved by the National Military Governor (Mr. Toukan) and confirmed by the King. An Order issued on May 16 provided that persons printing or spreading false news would be liable to terms of imprisonment from six months to two years.

The imposition of martial law was followed by numerous arrests. At least 200 people were reported to have been arrested on April 25-26, including Mr. Nabulsi, and other persons seized during the next two weeks included a Communist member of Parliament, the public prosecutor in Jerusalem, the director and other members of the staff of the Ramallah broadcasting station, a number of Government officials, and several Jordanian employees of UNWRA. Mr. Abdul Kader el-Saleh and Mr. Naim Abdulhadi (Ministers of Agriculture and National Economy respectively in the Nabulsi Government) were arrested on May 15 but released two days later. Other left-wing political leaders and Army officers escaped arrest by fleeing to Syria, among them Mr. Rimawi, leader of the *Baath* Party and Foreign Minister in the Nabulsi Government. Lieut.-Colonel Halwani, commander of the artillery, escaped over the Syrian border on May 15, although wounded by shots from frontier guards; he sent a letter resigning his post to King Hussein from Damascus, in which he accused a group of officers of "criminally plotting" against him.

Although the curfew was gradually relaxed, the measures against Opposition organizations continued. The offices of all political parties and of the "all-party guidance committees" set up by the Nabulsi Government during the Suez crisis were closed on April 28; all trade unions and employees' associations were banned on May 1; the Arab Student Congress (described as an "extremist leftist organization") was dissolved on May 5; and five weekly papers associated with the National Socialist, *Baath*, and Communist parties and the National Front were suppressed on the same day. It was officially stated on May 13 that a letter sent by the secretary of the Venezuelan Communist Party to Dr. Zayadin, a leading Jordanian Communist, had been discovered which indicated that Dr. Zayadin was the secretary of the Jordanian Communist Party and had been receiving funds regularly from Venezuela.

The suppression of all Opposition elements was accompanied by a drastic purge of the Civil Service, officials appointed by the Nabulsi Government being dismissed and those dismissed by that government being reinstated. On May 5 the Cabinet assumed power to dismiss senior officials and empowered individual Ministers to dismiss junior officials, in order to "clean the service from corruption and affiliation to parties," while on May 16 it was announced that officials belonging to political parties would be debarred from employment. The entire staff of the Jordanian Embassy in Cairo was recalled on May 13, and Mr. Fawzi el-Mulki was replaced as Ambassador by Mr. Abdul Munim Rifai (a brother of the Foreign Minister), who had been removed by the Nabulsi Government from the post of Ambassador in Washington.

U.S. Sixth Fleet sent to the Levant. - Soviet Protest at American Naval Movements in Eastern Mediterranean.

After telephone discussions with Mr. Dulles, a statement was issued on April 24 by President Eisenhower (then on holiday in Georgia) saying that both he and Mr. Dulles regarded "the independence and integrity of Jordan as vital."

A State Department spokesman said that the President's statement "represents a reminder to the world by the President that a finding has been made in a joint resolution of Congress on the Middle East [i.e. the Eisenhower Doctrine] that preservation of the independence and integrity of nations of the Middle East was vital to the national interest of the United States and to world peace [see 15417 A.] The reminder was appropriate because of the threat to the independence and integrity of Jordan by international Communism, as King Hussein stated yesterday." The spokesman added that, to his knowledge, King Hussein had not requested armed U.S. assistance and the President had not invoked the emergency powers granted him by Congress.

The State Department announced on April 26 that Israel, Syria, Egypt, and other Governments in the area had been advised to exercise "caution and prudence" and to avoid any action that might aggravate the situation. The Israeli Foreign Minister, Mrs. Meir, had informed the U.S. Ambassador on the previous day that Israel would not intervene in Jordan so long as the *status quo* there was maintained, but reserved the right to freedom of action if Jordan was dismembered by other Arab States.

Units of the U.S. Sixth Fleet, including the 60,000-ton aircraft-carrier *Forrestal* and the heavy cruisers *Salem* and *Des Moines*, sailed on April 25 from the French Riviera for the Eastern Mediterranean at three hours' notice, and were joined by the battleship *Wisconsin* and 12 smaller vessels which had been visiting Italy. Six U.S. transports with 1,800 Marines on board anchored off Beirut on April 20, while 50 ships of the Sixth Fleet, described as "the most formidable naval striking force ever assembled in the Eastern Mediterranean," carried out air defence manoeuvres in the open sea. Mr. Brucker, the Secretary of the Army, said in a television interview on April 29 that U.S. troops were ready to be parachuted into Jordan "in a matter of days."

In London, the Under-Secretary for Foreign Affairs (Mr. Harvey) told the House of Commons on May 6 that the British Government had been informed in advance of the U.S. fleet movements and had been in close touch with the U.S. Government over recent developments in the Middle East. The Sixth Fleet, he added, was exclusively under national command in peacetime, and NATO sanction was not required for its movements.

The Soviet Foreign Ministry issued a statement on April 29 strongly protesting against the U.S. fleet movements as "an open military demonstration against the countries of the Arab East." The statement ran:

"During the last two or three weeks gross pressure from outside has been exerted on Jordan and the Jordanian Government, accompanied by threats to dismember her territory and deprive the Jordanian people of its national independence, and by promises to give financial and other aid if Jordan will deal severely with the patriotic forces fighting against the subordination of their country to foreign dictation. It is not concealed that, after Jordan, the object of similar colonialist actions might become Syria and Egypt, which have resolutely rejected the Dulles-Eisenhower doctrine and all attempts to drag them into aggressive military blocs, undermine their national independence, and subordinate their foreign policy to the plans of the colonialist powers.

"The situation created in Jordan cannot but cause serious anxiety among peace-loving States, including the Soviet Union, in whose interest it is to preserve peace and tranquillity in the Middle East . . The Soviet Union cannot ignore the events in this area, because the situation created in Jordan and in the area as a whole is the product of flagrant foreign intervention, a new imperialist plot representing a serious threat to peace. This plot is aimed at destroying the unity of the Arab peoples fighting against colonialism and . . . at setting the Arab States against each other, based on the calculation that in the resulting situation it would become easier to reimpose on the Arab States the yoke of colonial oppression and to plunder their wealth."

After accusing Iraq and Israel of planning "to attack Jordan should the internal situation in that country develop in a manner displeasing to the colonial Powers and the members of the aggressive Baghdad Pact," the Soviet statement continued: "The United

States has dispatched the Sixth Fleet to the eastern shores of the Mediterranean, which is an open military demonstration against the countries of the Arab East . . . This is an example of how the U.S. imperialists are trying to establish themselves in the Near and Middle East and to squeeze out Britain and France . . . The events in Jordan offer a typical illustration of the widely publicized Dulles-Eisenhower Doctrine. Although little time has passed since it first saw the light of day, its imperialistic content has already become obvious. Yesterday it was Egypt, today it is Jordan, and tomorrow any other Arab State may become the object of imperialist conspiracy"

The Soviet charges of U.S. interference were refuted in Washington, where the State Department spokesman (Mr. Lincoln White) issued the following statement on April 30:

"There has indeed been foreign intervention in that country [Jordan]—namely, as King Hussein said on April 24, the intervention of international Communism The respective records of the United States and the Soviet Union speak for themselves. Since World War II the United States has encouraged and welcomed the movement towards independence which has led to the formation of 19 new States. During the same period the Soviet Union has subjected 10 once independent nations to its rule. The harsh character of that rule was recently demonstrated in Hungary."

The U.S. Ambassador in Amman, Mr. Mallory, was received by King Hussein and Mr. Samir Rifai on April 26. He subsequently announced on April 29 that the U.S. Government, "recognizing the brave steps taken by H.M. King Hussein and by the Government and people of Jordan to maintain the integrity and independence of their nation," was prepared to provide the Jordanian Government with $10,000,000 in economic aid "to assist in economic development and the maintenance of political stability" in Jordan, and would "maintain a continuing review of Jordan's problems" with the Jordanian Government "to determine what further steps may be required." Mr. Lincoln White stated on the following day that Jordan had officially accepted the U.S. offer.

At a press conference on April 29 Mr. Rifai said that the Eisenhower Doctrine was "not an issue before the present Government" and that the Government had no intention of inviting Mr. Richards to visit Jordan. "We welcome any assistance from anywhere," he added, "provided it is offered unconditionally and does not interfere in any way with our freedom, sovereignty, and independence."

Syrian President's Meetings with President Nasser and King Saud. - King Hussein's Meeting with King Saud.

President Kuwatly of Syria, accompanied by the Syrian Foreign Minister (M. Bitar) and the C.-in-C. (Major-General Nizam ed-Din), flew to Cairo on April 25 to discuss the Jordanian situation with President Nasser. On the following day he flew to Mecca, where he met King Saud. In response to a request from King Saud, President Kuwatly was accompanied on his visit to Mecca by Wing-Commander Ali Sabry, President Nasser's political adviser, and two other Egyptian representatives, who took part in his talks with the King. Instead of returning directly to Damascus as he had originally intended, President Kuwatly flew back to Cairo on April 27 for further discussions with President Nasser before returning to Syria on April 28.

King Hussein, together with Mr. Rifai and Mr. Talhouni (Chief of the Royal Cabinet), flew to Riyadh on April 28 for conversations with King Saud, who was reported to have sent him a telegram congratulating him on the steps taken to restore order. A joint communiqué issued on April 29 described the Jordanian crisis as an "internal affair," and reaffirmed the adherence of Jordan and Saudi Arabia to the policy laid down at the Cairo conference in January (see 15340 A). After King Hussein's return to Amman, Mr. Rifai told a press conference on April 29 that Jordan's relations with Egypt and Syria remained those of "brotherhood and deep friendship in complete unity of aims and efforts in the service of Arab interests," and that the Government did not intend to ask Syria to withdraw her troops from Jordan. Mr. Rifai also said that Jordan was "not interested in the Baghdad Pact."

Jordanian Allegations of Egyptian-Syrian-Soviet Plot to overthrow Arab Monarchies and establish Republics.

Despite the assurances given by Mr. Rifai, the formation of the Hashem Government was regarded as marking a break with Mr. Nabulsi's policy of close Jordanian co-operation with Egypt and Syria, and of friendship with the Soviet Union, in favour of closer relations with the other Arab monarchies—Saudi Arabia and Iraq. On April 28 King Hussein formally refused his assent to the Nabulsi Government's decision to establish diplomatic relations with the Soviet Union. All offices in Jordan of the Egyptian-owned Middle East News Agency had been closed on the previous day, and all Egyptian journalists expelled from Jordan except an employee of a Western agency who was personally known to the King.

At a press conference on April 30 King Hussein strongly refuted the Soviet allegation that the U.S.A. was interfering in Jordan's internal affairs; reiterated that Jordan's foreign policy had not changed; and reaffirmed that there was "no difference whatsoever" in Jordan's attitude towards the Baghdad Pact. He declared, however, that "whoever tries to attack Jordan or to create difficulties in this country will be the one to blame for anything that might affect relations between Arab countries" apparently a reference to the anti-Jordanian propaganda by the Cairo press and radio.

The Egyptian Government was violently attacked in an unsigned article which appeared in the Jordanian newspaper *Al Urdon* on May 11 and was broadcast by the Government radio on the same day. The article, which was unofficially reported to have been written by Mr. Rifai, alleged that the Egyptian Government, with Syrian and Soviet support, had formed a conspiracy to overthrow the monarchies in Jordan, Saudi Arabia, Iraq, and Libya and establish republics in those countries, and for this purpose had bribed General Nuwar to assassinate King Hussein and carry out a military *coup d'état*.

"Egypt's policy," the article said, "was based on the annihilation of the two Hashemite thrones and the Saudi and Libyan thrones. On Jan. 30, 1956, Egyptian diplomatic representatives in the Arab countries met in Cairo and decided to adopt a policy aimed at overthrowing King Hussein of Jordan, King Faisal of Iraq, and King Saud of Saudi Arabia, and at establishing republics in the countries concerned under the leadership of the Egyptian Republic. This decision had the blessing of the Soviet Union and international Communism, which undertook to train spies and to send experts in espionage with the object of setting up a wide-scale spy ring in the Arab world.

"In October, 1956, a political military committee was set up to implement this policy. This committee included Colonel Abdul Hamid Sarraj, of Syria [head of the Syrian intelligence department and leader of the left-wing elements in the Syrian Army]; Hassan Ali Khalil, assistant military attaché in Beirut; Dimitri Yoshkov, Russian Vice-Consul in Beirut; Colonel Iskandar Matsakov, assistant Soviet military attaché in Beirut; and certain senior Jordanian officers. The duties of this committee were: (1) to strengthen relations between the Baath and Communist parties in Jordan and Syria, and to incite them to overthrow the monarchies in Jordan, Iraq, and Saudi Arabia; (2) to strengthen the influence of Colonel Sarraj in Syria; (3) to establish a Baathist-Communist régime and a Revolutionary Command Council in Jordan . . .

"When the time for carrying out the plot drew near, General Nuwar and Shafik Rusheida [another Jordanian officer] held a meeting in Damascus with the Soviet Ambassador to Syria. This was a few days before the dismissal of the Nabulsi Government. During this meeting they secured the support of the Soviet Union for the *coup d'etat* which they intended to carry out in Jordan. A few days before the Zerqa events an Egyptian officer arrived in Amman and handed to General Nuwar a large sum of money through the Egyptian military attaché in return for assassinating King Hussein.

"During the first week of April Soviet agents prepared plans for an armed intervention in Jordan by Syrian military units, supported by MIG aircraft bearing the Syrian emblem and piloted by Russian officers. But for the mercy of Allah and the courage of King Hussein, this country would have been the battlefield of a bloody war and Zionism would have taken the opportunity to achieve its objectives at the expense of Jordan.

"When the conspiracy was frustrated, the cowardly conspirators escaped and sought asylum in the countries which incited them. In these countries the conspirators began a campaign of lies and resorted to the weapon of cowards, that is to say, preparing for individual assassinations . . . This is only a part of many facts to be disclosed about the conspiracy."

Withdrawal of Syrian Troops from Jordan. - Jordanian Accusations against Syria.

It was officially announced in Damascus on May 25 that Syrian troops had begun to withdraw from Jordan at the request of the Jordanian Government and with the agreement of the Egyptian C.-in-C. (General Amer), the supreme commander of all forces in Egypt, Jordan, and Syria. It was stated that the request had been made because the ending of the immediate threat to Jordan from Israel rendered unnecessary the further presence of the Syrian troops which had been invited to Jordan in November 1956 after the Israeli attack in Sinai.

The Jordanian request was received in Syria with open hostility, the Prime Minister (M. Assaly) declaring on May 26—when the withdrawal of Syrian troops was completed—that Jordan's request constituted a violation of the Arab military co-operation agreement. A statement issued in Damascus on May 27 accused Jordan of "provocations" against the Syrian troops stationed in that country since last November.

The Jordanian Army Command, in a statement issued on May 28, strongly refuted the allegation of "provocations" against Syrian troops; described the Syrian statement

"full of lies"; and accused the Syrian Intelligence Chief, Colonel Sarraj, of organizing the recent plot against the Jordanian regime. Colonel Sarraj, it was alleged, was the real head of the Syrian Army, which was being "turned into a political police force."

The statement alleged that Syrian troops then in Jordan had taken part in the plot against King Hussein; that Syrian officers had helped subversive elements to escape to Syria, that the Syrian Army had surrounded villages in northern Jordan with the aim of separating the area from Amman; and that Syrian forces had surrounded the Jordanian Intelligence Office (the chief liaison centre for Arab forces in Jordan) and tried to arrest the officer in charge, who, however, had escaped and warned the Jordanian Command.

The statement also alleged that Syrian forces had smuggled armed groups and weapons into Jordan, that the Syrians had cordoned off the town of Irbid (15 miles from the Syrian frontier) during the disturbances to help the plotters; that they had cut all telephone communications between Jordan, Syria, and Iraq and had given arms to criminals and told them to carry out political assassinations in Jordan; and that Syrian officers had held meetings with Communists and other subversive elements and had distributed pamphlets calling for the overthrow of the Government. It was also stated that about 160 people paid by the Syrian Intelligence Office had been arrested in Jordan, that Czechoslovak weapons had been found on them, and that they had made written confessions.

Finally, the statement rejected Syrian allegations that Saudi Arabian forces had been withdrawn from the Akaba area and that Iraq had massed three brigades on the Jordanian border to interfere in Jordan's affairs if Syrian troops remained in Jordan. [It had been reported on April 16, after the outbreak of the crisis in Jordan, that King Saud had ordered the Saudi Arabian forces stationed in that country since the Suez crisis to place themselves at King Hussein's disposal if the need should arise.]

Jordanian Request for Continued British Economic Aid.

It was reported from Amman on May 29 that Jordan had asked the British Government to continue its financial aid for the country's economic development, and that the request was being studied in London. Under the agreement ending the Anglo-Jordanian Treaty the U.K. had discontinued its subsidies for the Arab Legion, but it was stated at the time that economic assistance was regarded as a separate question.
(Times - Daily Telegraph - Manchester Guardian - Le Monde, - New York Times - New York Herald Tribune - Soviet Embassy Press Department, London) **(Prev. rep. Jordan, 15200 A; 15468 C; Eisenhower Doctrine, 15305 A; 15417 A; Anglo-Jordanian Treaty, 15434 D.)**

A. RHODESIA AND NYASALAND FEDERATION. — Immigration Figures in 1956.

The number of immigrants into the Federation of Rhodesia and Nyasaland in 1956 totalled 26,201, against 20,018 in 1955.

Of the 1956 total, 22,310 were British subjects of European stock, including 11,270 from the United Kingdom, 9,838 from South Africa, 800 from other parts of the Commonwealth, and 201 from elsewhere. The remaining 201 were naturalized British subjects. European alien immigrants totalled 3,326 and Asian immigrants 547, all but seven from Commonwealth countries. There were also 18 Coloured immigrants.

In view of the high rate of immigration in the early months of 1956, it was announced in Salisbury on June 29, 1956, that the total of immigrants in the second half of the year would be restricted to 2,100 a month—1,800 British subjects and 300 aliens. On Sept. 10, however, the monthly quota was increased by 100 to allow the Selection Board more latitude in dealing with cases of aged relatives and with those who wished to settle in the smaller towns of the Federation.

The Minister for Home Affairs (Mr. Frank Owen) had announced on July 19, 1956, that, in view of the Cyprus situation, the entry of Greek and Cypriot immigrants would be temporarily restricted and only two categories admitted: (*a*) families of those already resident in the Federation; (*b*) persons who had already received residence permits and were considered necessary for essential work.

The Federal Prime Minister, Sir Roy Welensky, announced on March 7, 1957, that a Federal Immigration Department directly responsible to the Federal Ministry for Home Affairs would be set up by July 1, 1958. The new department will take over the detailed work on immigration at present carried out by the territorial Immigration Departments.
(Federal Information Department) **(Prev. rep. 14872 D.)**

B. NETHERLANDS. — Population reaches 11,000,000.

The Director of the Central Statistical Bureau (Professor Idenburg) announced on May 21 that the population of the Netherlands had passed the 11,000,000-mark. Professor Idenburg pointed out that the country's population had doubled in just over 50 years, the figure being 5,500,000 in 1905.
(Netherlands News Agency) **(Prev. rep. 15048 B.)**

C. UNITED STATES. — Senatorial Election. - Mr. Yarborough returned as Democratic Senator for Texas.

Mr. Ralph Yarborough, a Democrat, was elected to the U.S. Senate on April 2 as a Senator for Texas at an election contested by 19 candidates. The Senate vacancy was caused by the resignation of Senator Price Daniel, who had been elected Governor of Texas in November last, and who took office as State Governor on Jan. 15 in succession to Governor Allan Shivers. Senator Yarborough will serve for the unexpired two-year term of his predecessor.

The election was contested by 16 Democrats, two Republicans (one nominated by the State Republican convention and the other running independently), and a non-party candidate. No nomination was made by the State Democratic convention, the principal Democratic candidates being Mr Yarborough (53), an Austin lawyer and a well-known member of the Texas Bar; Representative Martin Dies, chairman of the "Dies committee" which investigated anti-American activities; Mr. Searcy Bracewell, a member of the Texas Senate; Mr. James Hart, a former Justice of the Texas Supreme Court and onetime Chancellor of the University of Texas; and Mr. John White, the State Agricultural Commissioner.

Virtually complete figures showed that Mr. Yarborough had polled 353,923 votes against 284,881 for Mr. Martin Dies and 128,475 for Mr. Thad Hutcheson, the official Republican candidate. The other 16 candidates polled only 77,807 votes between them, of which 32,166 went to Mr. Bracewell, 19,093 to Mr. Hart and 10,825 to Mr. White.

Mr. Yarborough, a well-known Liberal Democrat, gave strong support to Mr. Adlai Stevenson in the presidential election, whereas the majority of Texas Democrats, following the lead given by Governor Shivers, had supported President Eisenhower both in 1956 and 1952. His victory was therefore regarded as a triumph for the liberal wing of the Democratic Party as against the conservative wing, with which Mr. Martin Dies is prominently associated.

The Senate seat vacated by Governor Daniel had been held temporarily by Mr. William A. Blakley, of Dallas, who had been nominated by Governor Shivers on Jan. 15 in the closing hours of his term of office. Mr. Blakley, a millionaire with large interests in oil, real estate, and insurance, declined to enter for the election. [Texan constitutional law provides that an election must be held within 60-90 days in the event of a U.S. Senate vacancy, and that, if Congress is in session, the State Governor shall appoint an interim senator to serve until replaced by an elected official.]

Wide interest was aroused in the Texas election, since the control of the Senate was at stake—i.e., a Republican victory would have meant that the Democrats and the Republicans would each have had 48 seats in the Senate. Mr. Yarborough's victory, however, left the composition of the Senate unchanged at 49 Democrats and 47 Republicans.—(New York Times)
(Prev. rep. Senatorial Elections, 15237 A.)

D. FRENCH CAMEROONS. — First Prime Minister under Statute of Self-Government.

M. André-Marie M'Bida, president of the Cameroonian Democratic Party, was elected by the Territorial Assembly on May 16 as the first Prime Minister of the French Cameroons under the new statute of self-government. The voting was 56 in favour of his appointment and 10 against.

In accepting office M. M'Bida stated that his programme aimed at achieving independence in stages, close and friendly co-operation with France, the combating of illiteracy, increases in family allowances and salaries when the economic situation permitted, and measures to attract French and foreign investment. He appealed to France to maintain her financial and technical aid to the territory.

M. M'Bida formed his Government on May 18, M. Ahidjo (a former President of the Territorial Assembly and a member of the Assembly of the French Union) becoming Deputy Premier. There were eight other Ministers and five State Secretaries.—(Le Monde, Paris) **(Prev. rep. 15511 A.)**

E. UNITED KINGDOM. — Clean Air Council.

The Minister of Housing and Local Government (Mr. Brooke) announced on May 6 the membership of the Clean Air Council which was set up under the Clean Air Act, 1956, to assist the Minister and local authorities in the prevention of air pollution. The 29 members are drawn from local government, industry, the trade unions, engineering, research, and the nationalized industries, and include Sir Hugh Beaver, chairman of the committee whose report led to the passing of the Clean Air Act. They will hold office for not more than three years and will be eligible for reappointment. The Minister will be chairman of the Council, the two vice-chairmen being the Parliamentary Secretaries to the Ministry of Housing and the Ministry of Power, respectively Mr. Bevins and Mr. Renton.
(Daily Telegraph) **(Prev. rep. Clean Air Act, 15374 A.)**

A. UNITED KINGDOM. — Parliamentary Debate on Government's Decision to use Suez Canal. - Rejection of Opposition Censure Motion. - Mr. Macmillan on Plans for Additional Pipelines and Super-Tankers to reduce Dependence on Canal. - Admiral Slattery appointed Special Adviser on Transport from Middle East.

The Government's decision to allow British shipping to use the Suez Canal, announced by the Prime Minister on May 13 (see page 15547), was debated by the House of Commons on May 15-16. The debate took place on the Opposition censure motion expressing "concern at the outcome of the Government's Suez Canal policy" and deploring "the damage to British prestige and economic interests resulting therefrom" (see page 15548, first column). At the end of the two-day debate the censure motion was defeated by 308 votes to 259—a Government majority of 49.

Speech by Mr. Hugh Gaitskell.

Mr. Gaitskell, Leader of the Opposition, opened the debate on May 15 with the following speech:

"In our opinion, given the circumstances in which we find ourselves, there was no real alternative to the decision that British shipping could go through the Canal. To have gone on boycotting the Canal by ourselves, or with the French, would have done us serious economic harm; it would have penalized our exporters and involved continuing dollar expenditure which we can ill afford—and without any or very little chance that we would have achieved any better terms for a Canal settlement as a result. Only with unity among the users of the Canal could such a boycott have succeeded, and it is perfectly plain that no such unity existed. So, in all the circumstances, we have to be realistic and recognize that all ideas of 'going-it-alone' are nonsense; that we must cut our losses and swallow our pride . . .

"We should certainly have no illusions about what our losses are. First, there is the financial account *vis-à-vis* Egypt. While we have blocked their sterling balances they have seized all our stores at Tel-el-Kebir, and private investments on a substantial scale. They have announced their intention of claiming damages against us. What worries me is that while I believe Egyptian assets here [in the U.K.] amount to just over £100 millions, my impression is that British assets seized in Egypt are worth substantially more. If that is the case, our bargaining position is weak. What is the Government's attitude to the Egyptian claim for damages as a result of bombardment by our armed forces? Are they rejecting this claim out of hand or are they prepared to go to arbitration on it?

"Can we also have an assurance that the Government accepts full responsibility to indemnify those British subjects who have suffered severe losses in Egypt, personally and in relation to their property? The Government is entitled to claim what they can from Egypt, but we cannot be sure such claims will be substantiated. If they are not, the Government must accept full responsibility.

Referring to the terms on which the Canal was being used, Mr. Gaitskell said: "It is of course a unilateral declaration by Egypt, and most of the points made are the same as the promises given last summer by Nasser. The British Government of the day emphasized that the Suez Canal was our life-line; that if it were cut there would be grave unemployment; that the Canal could not be left under the control of a single Power; and that we must demand acceptance of the proposals of the 18-Power conference in London last August. To a British Government that does all this, the latest terms from Egypt can fairly be described as involving capitulation . . . In the new proposals there is nothing except a vague sentence about co-operation between the users of the Canal and the Egyptian Canal Authority. In the Hammarskjöld-Fawzi correspondence [in October 1956] there was an elaborate structure of co-operation . . . We are now forced to accept terms far worse than those we demanded earlier and somewhat worse than those we could have had; and the reason is that our bargaining position has been gravely weakened as the result of the events of October 30.

"I ask the House to contrast the situation which obtained in October with that which obtains today. At that time our ships were going freely through the Canal. The users of the Canal were united, they had got together at the London conference, agreed on proposals, and were prepared later, though the British Government was reluctant to do so, to negotiate on these proposals. At that time our influence in the United Nations was still considerable; time was on our side; the dues were being paid only partially to the Egyptian Government. So far as we were concerned they were still being paid to the account in London of the old company. To-day the ships are diverted, the Canal users are not united but divided, our influence in the U.N. is gravely undermined, we are obliged to act in a hurry because we cannot afford to lag behind other users in using the Canal."

"It is ironical to contrast what has happened with those frequent statements by the Foreign Secretary last August that the great weakness of the U.N. was that it could not do things in a hurry and that, therefore, we must use other action to get it done more quickly. How much better it would have been if we had exercised a little patience when time was on our side and we were in sight of a reasonable settlement.

"I turn to the question of what next can be done, for I am far from wishing this debate, or my own speech, to be purely critical. We have obviously to try to negotiate an improvement on the Egyptian declaration. That was implied by the Prime Minister when he said 'This is not the end of the story.' [A reference to the Prime Minister's reply to Mr. Emrys Hughes - see page 15548, first column]. What was the exact significance of that phrase? If he meant that he had some new cards up his sleeve which he was going to play, the House is entitled to know a little more about it. It is dangerous if you have not the cards up your sleeve to pretend that you have.

"I do not believe it will be difficult to negotiate with the Egyptians some elaboration of their declaration about co-operation between the users of the Canal and the Egyptian Authority. It may not be particularly difficult, at least from a technical angle, to get going negotiations on compensation for the shareholders of the Canal Company, with provision for arbitration as well.

"The much more difficult issue is that of Israeli shipping. Our view on this matter has never wavered. It is that freedom for users of the Canal, including the Israelis, is implicit in the six points of the Security Council's resolution. We believe that this question of Israeli shipping could have been dealt with by the Assembly at the time when they were debating the withdrawal of Israeli forces. I am not saying that it was possible or reasonable for the Israelis to insist on laying down conditions before they withdrew, but there was an obligation upon the Assembly to recognize that Israel had some wrongs which it had to put right. The Assembly should have combined in a single resolution as was proposed by Mr. Lester Pearson that Israel should withdraw, Egypt should give up the state of belligerency under which she had always claimed to stop Israeli ships, and the U.N. Emergency Force should be accepted by both countries and should stay there until a permanent settlement had been reached.

"I regret very much that the Assembly did not reach that conclusion. One reason why it was not possible to get them to accept it was the appalling loss of British influence in the United Nations. The obligation of the Assembly remains, and, indeed, is increased by the fact that the Secretary-General repeatedly assured Israel -and so did the United States -that if they were to withdraw, this other matter of the state of belligerency would be dealt with. Therefore it is up to the U.N. to deal with it. The Security Council, as long ago as 1951, called upon Egypt to allow Israeli ships to go through . . . We believe that is the starting point on which any new negotiations should take place. The onus lies upon Egypt either to accept the Security Council's resolution of 1951 or to take the matter to the International Court. Israeli shipping must also be free to use the Gulf of Akaba and to go through to Eilat. We may say that the situation is a little better because the UNEF is there, and that it is not possible for Egypt to stop ships [in the Gulf] except by an act of war . . ."

Turning to the situation in the Middle East generally, Mr. Gaitskell continued: "Our interest in the Middle East is that we wish peacefully to buy oil from that part of the world, and are prepared to help develop it. Our second interest . . . is to see that Israel and the neighbouring Arab States survive . . . These two aims can only be achieved if there is stability in the Middle East, but stability is governed by three forces—Arab nationalism, poverty and social revolution, and the influence of the Soviet Union.

"The United States have largely supplanted us in the Middle East. I am not one of those who grumble about that. We gave it to them on a plate and invited them virtually to go in. I do not believe they were particularly anxious to get themselves so heavily involved militarily and politically. It is clear that they are conducting what one might describe as a holding operation. They are continuing one of the policies which the British Government used to follow trying to separate the other Arab States from Egypt. For a short period at any rate this policy may have some success. This is true as regards both Saudi Arabia and Jordan . . . But, whatever the short-term gains may be, the basic problems of the Middle East cannot be tackled unless we are prepared eventually to talk with the Russians about them.

"The dispute between us and the Government has never been on the merits of Colonel Nasser's action in nationalizing the Suez Canal. Our dispute has throughout been simply on the question of how this problem should be dealt with. From the start, we have urged two things—that we should not act alone in this matter, and that we should not use force contrary to the U.N. Charter. The Opposition accepted the 18-Power proposals, not thinking them unreasonable, although they had urged that the Government should not regard them as the ultimate. The Opposition also believed that by the end of October a settlement was in sight which, though not ideal, was reasonable. It was at that point that, using the Israeli attack as an excuse, the Government chose to invade Egypt.

"One of the worst features of this whole episode is that it was a serious blow to that better relationship between the peoples of the East and West which we had so carefully fostered over the previous 10 years. There were those who said—many on the Conservative benches—'If only we had been allowed to go through with it; if only America had behaved differently; if only the Russians had behaved differently; if only the Opposition had behaved differently.'

"Those who talked about the Labour Party searching its conscience and standing in a white sheet utterly failed to understand its point of view. We could not support a policy which was in our view utterly wrong and utterly damaging to our national interest; which violated all the principles on which our foreign policy had been based for the past 10 years. We wished to see, and still wish to see, our country not putting itself above international morality but giving moral leadership to the world. In refusing to support the Government's action in going to war, and in opposing it, we did

something at least to preserve a bit of our reputation in the Middle East. But whatever attitude the Opposition had adopted, it would not have made the slightest difference to the reaction of America, the United Nations, or Russia.

"There may be a certain inner logic among those who have recently left the party opposite [i.e. the eight Conservative M.P.s who relinquished the party Whip—see page 15548, first column] by which they say—'Yes, we will go-it-alone, never mind what happens.' While there is an inner logic, it is completely out of relation with the realities of the external situation. This notion that we can go-it-alone, that we have the power to do so regardless of our allies and the Commonwealth, is nothing short of lunacy, and the mystery is how the Government for a time followed that attitude. Leaving morality out of it altogether, an appalling error of judgment was made.

"It is not right that responsibility for this should be laid at the door of one man. It is not the late Prime Minister [Sir Anthony Eden] but the whole Government who are responsible, those who backed it throughout, those who opposed it but had not the courage to resign, those who backed it at first and then withdrew their support. The present Prime Minister's role in this remains somewhat obscure, yet he was a man who could, perhaps more than any other member of the Government, have given sound advice. He had been Foreign Secretary, he had been Minister of Defence, he was Chancellor of the Exchequer . . .

"As for the future, the lesson is clear enough. We must reaffirm our belief in the three essentials of our foreign policy—unity with the Commonwealth, support for the U.N. Charter, and support for the Anglo-American alliance. We must not only reaffirm them, we must base our policy upon them. Only in that way, and by abandoning the paths down which the Government strode last time, can we hope to regain some of our lost influence and prestige in the world. Only in that way can we regain confidence in ourselves, and unity with the Commonwealth and our Allies. All these things are essential if we are to achieve a lasting world settlement for which the sorely distracted people of the world are longing."

Speech by Mr. Macmillan. - Plans for Additional Oil Pipelines and Super-Tankers. - Rear-Admiral Sir Matthew Slattery appointed Special Adviser on Transport from the Middle East.

The Prime Minister, who followed Mr. Gaitskell, defended the Government's decision to use the Suez Canal and the Government's policy in the Middle East generally. In the course of his speech Mr. Macmillan spoke of the additional oil pipelines projected in the Middle East and the increasing number of super-tankers which would come into service in the next few years, thereby reducing dependence on the Suez Canal as a means of transportation. He announced in this connexion the appointment of Rear-Admiral Sir Matthew Slattery as special adviser on transport from the Middle East, with the task of assisting the Prime Minister to "concert and direct" the activities of the various Government agencies concerned in the building of fast modern tankers which could operate economically round the Cape, new facilities at ports such as Milford Haven for discharging them, and additional Middle East pipelines.

Sir Matthew Slattery (55) has been chairman and managing director of Short Bros. and Harland since leaving the Royal Navy. During the war he was Director-General of Naval Aircraft and Development at the Ministry of Aircraft Production, and later Chief of Naval Air Equipment at the Admiralty.

The Prime Minister spoke as follows:

"We cannot complain of the Opposition's decision to put down a motion of censure or even at their attempt to exploit the political situation, from which they may hope to draw some dividends. But I am slightly surprised at the terms of the motion. With the best will in the world I cannot agree that over the past seven or eight months the Leader of the Opposition has chosen as his single directing purpose the maintenance of British prestige.

"The broad opinion of the greater majority of our fellow-countrymen can be stated quite simply. They have a full understanding of the crucial problem and the crucial challenge which confronted the Prime Minister and Government of the day; they do not think that the Opposition did much to help. They know that Sir Anthony Eden was actuated by the highest patriotic motives, based upon a longer experience and fuller understanding of world affairs than almost any man in this country. They believe that if the decisions he took—with the full, complete, and unanimous support of his Government—were misrepresented at home and misunderstood abroad, there is a growing body of opinion in every part of the world which is beginning to appreciate and understand. We therefore believe that his actions and those of his colleagues will be fully justified by history."

Referring to the Egyptian declaration on the Canal, the Prime Minister continued: "This is not a satisfactory agreement for the reason that it is not an agreement at all. It is a unilaterally drawn prospectus of the terms on which the Egyptian Government are prepared to offer the use of the Canal to potential customers. It is a statement of conditions made by one party only, with no such guarantees as would adhere to an internationally negotiated settlement. It is true that the Egyptians have offered to register the document at the U.N., but I doubt very much whether international law prevents them from withdrawing it or amending it at their will.

"It could be argued that we could have obtained by negotiation a multilateral international agreement of the kind we sought, but I do not think there are any grounds for saying this. At no point during the long negotiations between the seizure of the Canal and the other events in that area which precipitated military action was there any real willingness on the part of the Egyptian Government to be tied down to any definite proposals . . . There remain two vital points First, it is a unilateral declaration which the Egyptian Government can amend or withdraw at will and it is, therefore, unacceptable as it stands. Secondly, since such a decision would be a political decision—a decision to amend it or withdraw it unilaterally—it does not insulate the Canal from the politics of one country.

"I believe the House as a whole will agree that we have made the right decision. It would not be a tolerable position for our country if the great bulk of international traffic were to pass through the Canal and we were to be excluded from it by our own will. We have therefore thought it right to advise British shipowners accordingly . . . In reaching this decision we have been throughout in close touch with the Commonwealth Governments concerned. We have had the advice of some of them throughout all the deliberations of the Suez Canal Users' Association."

On the new financial arrangements with Egypt, Mr. Macmillan said: "I think the House will agree that it is essential that if we are to pass through the Canal, any payments and outgoings which are necessary should be paid in sterling. Discussions were held between the Bank of England and the Bank of Egypt, and the consequential banking arrangements have been made with the approval of the Governments concerned. This particular Account must be free and it is, therefore, worth while considering making a Special Account open to British residents for current trade transactions. That matter we are prepared to consider and decide according to what is our own interest.

"There are large sums in the blocked account and we have large claims. Up to now we have thought it prudent to deal with the difficulties of individual British citizens by the machinery of the Resettlement Board, but that deals only with immediate hardship. It will be one of the advantages of these discussions we are about to begin that we can put forward claims we are entitled to make and are determined to press. We fully realize our responsibilities and the urgency of the matter for all those concerned, but it would not help our negotiations or increase our bargaining position if I were to say more."

Turning to the Canal question generally, the Prime Minister continued: "What shall we do to work for a multilateral agreement which can be the only basis for a satisfactory permanent settlement? Quite apart from the Convention of 1888, we believe that no country has the right to regard an international waterway like the Canal from a purely national point of view. We have always declared that there can be no real settlement which leaves uncontrolled authority in the hands of a single Power or does not at least conform to the 'six principles'. We shall continue to do everything we can in the coming months to secure a final settlement on these lines. That is also the view of the great user-countries. Since it is these user-countries that can alone contribute the capital resources needed for strengthening and modernizing the Canal, this is an aspect to which the Egyptian Government must give some attention. The maintenance of the Canal as an Egyptian asset must have the goodwill and confidence of the users. Meanwhile, we shall continue to use every method we can to secure our purpose . . .

"Israel's rights under the 1888 Convention must be assured. We shall do all we can, through the U.N. and with our friends, to see that this happens. Egypt has stated her willingness that disputes or disagreements arising in respect of the Convention should be settled in accordance with the U.N. Charter. We shall join with others to try to see that effective action is taken under the terms of the Charter. I hope the matter can be settled by the U.N. quickly and thus avoid the long delay of the International Court procedure. I agree that this is a great responsibility on the United Nations . . . Similarly, with regard to the Gulf of Akaba we have made our position clear. I am glad to say that the American Government have done the same . . . The important thing is to get the U.N., one way or another, to support what Israel believes to be her right . . ."

After stressing that there would be an increasing world-wide demand for oil, despite the encouragement given to the expansion of nuclear energy, Mr. Macmillan went on: "This means that whatever settlement may be reached over the Suez Canal, the facilities for bringing oil from the Middle East must be enlarged. The international oil companies have set up committees to go into the possibilities of constructing additional pipelines. As soon as the plans have been worked out they will be put before the Governments concerned, including those of the countries of the Middle East.

"As far as tankers are concerned, there is no doubt that the existing fleets will be insufficient to cater for world requirements. Since November there has been a tremendous flow of orders for tankers, and 30,000,000 deadweight tons are now being built or on order About 10,000,000 tons should go into service in the next two years and another 28,000,000 tons by 1965. Whereas there are now about 12 tankers of more than 40,000 tons, the number will have increased by 1965 to probably 300. These will be designed for economic operation not only through the Mediterranean, but round the Cape. Almost 5,000,000 deadweight tons of tankers are under construction or on order in U.K. shipyards and I hope to see those figures still further increased over the next few years.

"We now come to the problem of where these large tankers can discharge their oil. We must plan facilities for ships of up to 80,000 or even 100,000 tons. British oil companies are preparing to handle the increasing number of super-tankers likely to come within the next few years. Milford Haven, at which the Government are setting up a Conservancy Authority, looks like becoming a major European oil port [see 15124 B]. All these plans for pipelines and bigger tankers require large supplies of steel plate, and the steel industry also has to be expanded. These plans are well under way, and by 1962 the present output should be increased by no less than 60 per cent.

"If all these measures for facilitating and increasing the flow of oil are to be pressed forward with a real sense of urgency, they require the close co-operation not only of a large number of Government departments but of privately owned companies. I have therefore decided to appoint a Special Adviser on Transport Facilities who will assist me to concert and direct the activities of the various Government agencies and to ensure that there is no avoidable delay in carrying these duties to fruition. I have selected for this duty Sir Matthew Slattery, who has had such splendid success as chairman and managing director of Short Brothers and Harland Ltd. Sir Matthew will take up his duties at once and will be free to find the necessary assistance to help him.

"I would like to turn to a wider field before I finish. I am conscious of the sense of frustration and disappointment which many Members feel, but I do not think that it is in the interests of this country to represent the present situation as an unequivocal success for Colonel Nasser. I would never try to represent a situation as good which I did not believe to be good. I have already said I think this is an unsatisfactory arrangement, and it certainly does not satisfy us. But I would not support the view that it is the end of the story—or quite so completely one-sided an outcome as some people appear to believe.

"Before the Canal situation arose, the situation in the Middle East in the last two or three years had been growing steadily more dangerous. The immense efforts of Communist subversion, propaganda, and infiltration had produced a great effect. The Soviets, foiled in Europe by the organization of NATO, sought out the weak spot where extreme nationalism and xenophobia were easy to exploit. I am not sorry this situation was revealed by the events of the last year. If this had gone on growing without any lancing, it might have reached a stage where the poison could not have been got out.

"In the last six months the Opposition, like Ansaldo, have been crying 'Woe! Woe!' They told us that what we did would lead to the break-up of the Baghdad Pact—'total disruption' was the phrase they used. The Baghdad Pact is stronger to-day than before. The accession of the U.S. Government to both the Military and Economic Committees is a source of additional strength to the pact. The Opposition told us that the Government would unite all the forces of Arab nationalism against this country. Of course, there is a great struggle going on, but I think that in recent weeks there have been substantial gains, and in many ways the position of the Egyptian Government is weakened. Egypt has become isolated from many of those whom she claimed to be her friends, and who are now taking every opportunity to free themselves from Egyptian domination and the dangers of Egyptian expansion. The Arab world has not been united against us. On the contrary, the groupings are changing in their character and there is good hope for thinking that these tendencies will continue.

"The Opposition also claimed in December that the Anglo-American alliance had been broken beyond repair. I did not take that view. I said then: 'It is now possible that the United States have begun to realize what the Middle East problem really means, and the dangers involved not only to our country but to the whole world.' Since then there has been a revolution in American thinking on this matter which has led to great developments of policy, the closer association of the United States with the Baghdad Pact, and what I hope will be fruitful and sensible co-operation between the great oil companies of the Western world. What has happened has led to greater and not less Anglo-American co-operation in the Middle East . . .

"We have a great and powerful interest in the Middle East and we do not intend to abandon it. We are a great world Power and intend to remain so. We are not foolish enough to think we can live in a modern world without partners. That is why we stand by the alliances of NATO, SEATO, and the Baghdad Pact. That is why I have laboured to get our American friends to understand the hard facts and co-operate with us in facing them. I believe that if the Americans had understood the situation sooner and better, we would have been spared many of these troubles. I am not one of those who interpret co-operation on either side as subservience. We must be partners with respect for one another. We in Britain must not be afraid to make our position clear and defend our own interests. That is why, in spite of the pressure and agitation against me, I am determined that this country should be and should remain a nuclear Power.

"Let me make this appeal to Members on both sides. Do not let us minimize the difficulties, but do not let us exaggerate them. We must not be defeated by an episode or cast down by a difficult stage in a long journey. The history of a nation, like the life of man, is not a series of stills. It is a moving picture, and we must see it as a whole. We must be quick to exploit every phase or turn of events that can be turned to our advantage; therefore we need patience as well as courage, resilience as well as resolution. We have often in our long history had tactical setbacks or partial failures, and it has been our pride that we have been able to move on from them to ultimate success."

The Debate.

The debate was continued on May 15 by Captain Charles Waterhouse (C.), leader of the former Conservative "Suez group"; Mr. Wedgwood Benn (Lab.); Mr. Angus Maude and Sir Victor Raikes (Independent Conservatives), both of whom had relinquished the party Whip in protest at the Government's decision (see page 15548, first column); and other Members.

Captain Waterhouse described the Opposition's amendment as "an instance of Satan rebuking a sinner," as the Labour Party had been "responsible for our present difficulties at every point—responsible for the first crashing error, Abadan, and responsible for the other crashing error of not acting firmly about Israeli ships instead of weakly handing over the decision to the U.N., which shelved it after passing a pious resolution." Although in "complete sympathy" with those Conservatives who had relinquished the party Whip, he had not done so himself because he did not feel that the present Government or any of its leading members had major responsibility for "the errors of policy and failures in action from which the present lamentable situation has arisen."

Captain Waterhouse added: "We have an inveterate foe in Nasser. We ought to chase him like a pest officer chases a rat—chivvy him, harry him wherever he goes and whatever he does . . . We should show him up to the Arabs as a dethroner of kings, as a man who betrayed and ousted his own leader, and as a Communist adventurer, and to his own people as a man who has led their country into distress and poverty . . ."

Mr. Wedgwood Benn said that the Suez argument was not one between parties but between generations. Whereas a number of younger members on both sides of the House took the view that the idea of force was out of date in the modern world, the opposite view—that of the "dissident" Conservatives—prevailed among many older members, a number of whom, he admitted, were in the Labour Party. Mr. Benn also admitted that the Government's Suez policy had had the support of many Labour voters.

Mr. Angus Maude said that he had listened with sympathy to the Prime Minister's statement but had not found it wholly reassuring, as it was not accompanied by any practical suggestions for improving the situation in the future. History showed that every dictator had to keep up the momentum of his action and to have an enemy to attack; Nasser would thus continue to fulminate against Britain and Israel, and there was nothing to prevent him from discriminating against British shipping whenever he pleased. It was deplorable that the Government, by deciding to use the Canal, had bolstered Nasser's prestige at the very moment when it had suffered from his failure to bring about the downfall of King Hussein of Jordan (see 15561 A), and when Saudi Arabia was beginning to turn away from her alliance with Egypt. In these circumstances he could neither support the Government nor remain a member of the Conservative Party.

Sir Victor Raikes similarly criticized the Government for what he considered to be the weakness of its Suez policy. His main criticism was that since December, "far from trying to rally the Canal-users and to find means—diplomatic or otherwise—by which we could still have shown ourselves as a great Power in dealing with Egypt, we handed over everything to the United States and the United Nations." To hand over negotiations to those who had "stabbed us in the back" was to invite the failure of negotiations.

The debate on May 16 was opened by Mr. Selwyn Lloyd, the Foreign Secretary, a large part of whose speech was devoted to a defence of the Government's policy at the time of the Suez crisis.

Mr. Selwyn Lloyd claimed that the decisions taken during the crisis had furthered the interests both of Britain and of the Middle East as a whole, and expressed the view that there were now considerably more grounds for hope than nine months earlier. Like the Prime Minister, he said that the fundamental defect of the Egyptian declaration was that it was capable of being withdrawn without notice, in whole or part; he did not believe, therefore, that Egypt could command the confidence of the Canal-users on such a basis. The Foreign Secretary emphasized that H.M. Government wished to secure an agreement for the Canal which would conform to the Security Council's 'six principles'; that the Gaza Strip should not be allowed to become once more a base for *fedayeen* raids against Israel; that freedom of navigation in the Gulf of Akaba should be guaranteed to Israel and all other nations; and that UNEF should not be withdrawn from the Middle East, as it had a useful part to play in maintaining peace.

Speakers in the continued debate included Mr. Kenneth Younger (Lab.), Lord Hinchingbrooke (Independent Conservative), Mr. Shinwell (Lab.), Major Legge-Bourke (C.) and Mr. Aneurin Bevan (Lab.), the debate itself being wound up by the Prime Minister.

Mr. Younger criticized the whole trend of Government policy in the Middle East in recent years, declaring that 20 years' work in that area had been "put in jeopardy by the Government's single week of madness." After calling on the Government to persuade America to canalize her efforts [in the Middle East] into "collective and U.N. channels," he added: "It is no substitute for policies of this kind to talk, as the Prime Minister did, about keeping Britain great by having nuclear bombs. It is not by nuclear bombs that you are going to restore the prestige of Britain or exercise an influence again in the Middle East. So far from the Suez action being something

which history will justify, it was a piece of mulish obstinacy, without pride of parentage or hope of posterity. The country cannot afford either this sort of blunder or the sort of Ministers who were responsible"

Lord Hinchingbrooke (one of the eight Conservatives to resign the party Whip) said that the Prime Minister was fundamentally right in talking about "lancing the ulcer" in Suez. He added, however: "The Prime Minister believes that the poison was eradicated . . . [but] . . . it seems that he will have the greatest difficulty in sustaining that point of view . . . The military operations were catastrophic. The diplomacy since . . . has been entirely unsuccessful. That is why, not only on account of the immediate past but on account of our fears for the future, I and my hon. friends have thought it right—temporarily, as we hope—to depart from our allegiance to H.M. Government . . . It appears to be the Government's policy to encourage America in the Middle East. The Prime Minister welcomed the 'revolution in American thinking which has led to the great developments of policy and a closer association of the U.S.A. with the Baghdad Pact.' One must take that to mean that the Government watches with enthusiasm the American Sixth Fleet sweeping past us in the Mediterranean as we withdraw from Jordan, as we prepare to submit Cyprus to a NATO solution, and shortly after we have withdrawn from Port Said. I cannot subscribe to that policy. If we were at the height of the cold war, there might be something to be said for it. But there are indications that the cold war has passed its peak of danger. There is strong evidence that Communist military and ideological aggression is matched by American military and dollar expansion, and there are signs that the latter is gaining. Therefore I ask myself, 'Is America to be encouraged to divide the Middle East between herself and Russia? . . . "

Mr. Shinwell criticized certain Labour members who had spoken in "derogatory terms" of their own country; defended the military action taken by Israel in October; and strongly attacked American policy in the Middle East. "I listened yesterday," he said, "to some of my hon. friends speaking in derogatory terms of this country. They talked about this country being no longer a great military Power. Of course it is not. There is no great military Power in the world with the advent of the nuclear weapon. When it comes to our economic potentialities, associated with the Commonwealth, we are still a first-class country with remarkable possibilities. I dislike intensely this denigration of our country. The less we hear about this defeatism, the better it will be. It is a sign of weakness, of decadence. We ought to put a stop to it . . .

"I reject contemptuously the vile suggestion that Israel was an aggressor. That condemnation has come from this side as well as other quarters of the House. If a country takes action in its own defence, anticipating a possible attack by a potential enemy which regards itself in a state of belligerency, is that to be advanced as aggression? It might have been regarded as unfortunate in the circumstances, but it was inevitable . . .

"President Eisenhower says and does some foolish things. One of the most foolish, surely, is the statement that Israel is entitled to put one of her ships through the Suez Canal, but on no account is she to use force. Is anything so absurd? That is not a policy which gets you anywhere. It may well be that Israel will try to force her way through the Canal. Will the U.N. take action against her? If Egypt declines, where are we? . . . You cannot inject a U.N. Force into the Middle East when circumstances may create a situation where force has got to be used, and then say 'But of course, force must not be used.' The implication of UNEF . . . is that force may require to be used to make effective a decision of the United Nations . . . "

After saying that America's motive in the Middle East was to obtain control of the area's oil resources—a motive which was "not engendered in their minds in October but several years ago"—Mr. Shinwell continued: "We had a good deal of evidence in the Labour Government of manoeuvres executed by certain people, if not in the pay of the U.S. Government, in the pay of some of the oil companies; manoeuvres intended to weaken our position in respect of oil control in the Middle East. Now we have the Eisenhower doctrine. What is it intended to achieve? That the United States should be strong in the Middle East where we are weak. It means that dollars will be injected into the Middle East . . . It is the power of the purse—the American purse—that is going to control the situation. We have to make up our minds that that kind of philosophy must be resisted, and that it can only be dealt with through the United Nations. One of these days there will be a U.N. agency which will exercise effective control over the oil resources of the Middle East . . . "

Major Legge-Bourke said that he had a particular reason for understanding the position of Lord Hinchingbrooke because he himself had relinquished the party Whip in 1954 [see 13685 B] in order to show that Government that there were some Members who felt that the decisions about to be taken were likely to prove disastrous. He believed, however, that the action of the eight Conservative "dissidents" in relinquishing the party Whip would have had greater value had it been taken when the "Suez group" was formed, instead of being taken at the present time. "I honestly believe," said Major Legge-Bourke, "that if they had been prepared to do it then, there was just a chance that the one fatal step would not have been taken. The fatal step, in my view, was the decision to evacuate the Canal Zone . . . I say with the deepest sincerity to my friends who feel they must break away: 'I wish you had done it in 1954 if you were going to do it at all. I regret you have found it necessary to do it, but for Heaven's sake come back as soon as you can."

Mr. Aneurin Bevan, winding up for the Opposition, said that the resignation of Sir Anthony Eden had not "purged the guilt of the Government" After saying that he (Mr. Bevan) was not going to attack the Foreign Secretary because "there is no reason to attack the monkey when the organ-grinder is present," he reiterated that the Opposition had been unable to understand the motives which inspired the Government's Suez policy last autumn. In August there had been a considerable degree of unanimity in the House and no-one had supported Egypt's action in summarily seizing the Canal. Britain had allies all over the world, and all the Government needed to have done was to rally those allies to her side and, by exercising "the arts of diplomacy and education," make it plain to Egypt that Nasser had made a great mistake. Sir Anthony Eden, however, had "misdirected the whole of British energies on this problem" and had "used such belligerent language as to make it clear that he and his colleagues were seeking a cause for attacking Egypt."

In trying to understand the events of October last, he (Mr. Bevan) had been reading some of the documents, and one which had impressed him more than any other was the exchange of correspondence between Sir Anthony Eden and Marshal Bulganin. The Soviet Prime Minister, in a letter to Sir Anthony on Sept. 11, had written . . . "Presumably the British and French Governments intend to seize the Canal. But, Mr. Prime Minister, I ask you to give a thought to how it might end. It can scarcely be doubted but that such action would result in tremendous destruction on the Canal itself. No less would be the destruction to the oilfields in the countries of the Arab East and to the pipelines through those countries . . . It must be clear to you that the Soviet Union, as a great Power interested in the maintenance of peace, cannot stand aside from this question . . . "

On Oct. 23 (Mr. Bevan continued) Marshal Bulganin had sent a further letter expressing his satisfaction that the Security Council had reached "an agreed decision concerning the principles which provide a basis for a final settlement of the Suez Canal question," and welcoming the fact that "the method of negotiation in the Security Council has already brought its first results." Thus, only a few days before the Anglo-French military intervention, the position had been reached, firstly, that the "six principles" had been unanimously adopted by the Security Council, and secondly, that the Soviet Government, in private correspondence, had considered the Security Council's decision as marking a significant advance and providing a basis for further negotiation.

Mr. Bevan continued: "We have been told all along that one of the reasons why the Government took the action it did was to avert what might become a third world war. Here the Government is told by a great Power that the action we took might result in a third world war. Yet we took it. In face of the warnings and premonitions of the Soviet Union, the action of the Government in declaring war on Egypt can only be described as an act of criminal, frivolous lunacy . . There was no reason why we should have taken this precipitate action. Time was on our side. We were in a strong position. Our industries were not being undermined. Our lives were not in jeopardy. There was no reason why we should not have met the Egyptians and found how far they were prepared to go . . . The Government now have to face the fact that for no just cause they brought the country to the verge of war. They were restrained from the full consequences of their action by people outside and inside [the House], and if Members opposite had any sense of honour left they would now resign . . . "

Mr. Macmillan, replying to the debate, said that Mr. Bevan had played a "Jekyll and Hyde" role throughout the Suez crisis—sometimes that of "the serious patriotic statesman, looking to the future with the deep sense of responsibility which he hoped would soon be entrusted to him," and sometimes "reverting to his older nature, with the demagogue taking charge again." He (Mr Bevan) had been particularly unwise to rely upon Marshal Bulganin's assurance that the Security Council could reach a solution of the Suez problem, since the only operative part of the resolution had been vetoed by the Soviet Union itself.

The Prime Minister ended by expressing his support for the "Eisenhower doctrine," which, in the Government's view, represented "a most important contribution to the peace of the Middle East and one whose value can perhaps best be measured by the reaction it has elicited from the Russians." In this connexion he recalled that whereas the "Eisenhower doctrine" had been praised by Mr. Gaitskell as "a courageous contribution to peace," it had been criticized by Mr. Bevan—which "does not add up to any coherent policy at all."

Fourteen Conservatives (including an Ulster Unionist) abstained from voting—the eight Independent Conservatives who had resigned the party Whip and six others, who were understood to be Viscount Lambton (Berwick-on-Tweed), Mr. Neil McLean (Inverness-shire), Mr. John Eden (Bournemouth West), Mr. Norman Pannell (Liverpool, Kirkdale), Mr. Greville Howard (St. Ives) and Mr. Montgomery Hyde (Ulster Unionist, Belfast North). Fifteen Conservative members were "paired," while the four Liberals present voted against the Government.

House of Lords Debate.

The Canal question was also debated on May 23 in the House of Lords, on a motion by Lord Salisbury "drawing attention to the Government's statement in this House on May 14 with regard to the Suez Canal." No censure motion was introduced by the Labour peers.

Lord Salisbury said that "the decision to accept Nasser's terms for the use of the Canal . . . seems to me a decision of the most important kind which may have far-reaching consequences." As regards the events of last autumn, it was necessary to draw a distinction between the crises arising out of Nasser's seizure of the Canal and out of the outbreak of hostilities between Egypt and Israel. On the Israeli crisis, he agreed with the Prime Minister that the Anglo-French action had prevented war between Israel and the Arab States; moreover, it had been the main cause of bringing the United States into the Middle East. The main regret in many minds was that the "Eisenhower doctrine" had not been promulgated two years earlier; it might then have made a real difference to the situation and the Suez Canal might never have been "de-internationalized" at all.

Lord Salisbury continued: "I am not trying to make the Government a scapegoat for the present situation. I am not using this motion . . . as an excuse for having a whack at my old colleagues. Whatever one may feel about their decision to advise British shipping to use the Canal on Nasser's terms, I do not mean to suggest that they, any more than the late Government, have been responsible for Nasser's success. The responsibility for that, and it is a heavy one, must be shouldered firstly by the United Nations, secondly by the American Government, and thirdly, and by no means least, by Her Majesty's Opposition in this country."

"I can well understand why the Opposition preferred not to table a motion in this House. I have wondered at the hardihood of their colleagues in tabling one in another place [the House of Commons]. For if ever in our long history any body of men did their best to ensure that the policy of the Government failed, it was the Opposition in another place. I am not referring to the attitude towards our landing in Egypt. But long before that, practically from the beginning of this crucial period, the Leader of the Opposition and his supporters embarked on a course of action which they must have known could only bolster up the morale of Nasser at the expense of their own country. Practically every speech they made during that period could only have had that effect. That, no doubt, is why the speeches of Mr. Gaitskell, with the exception of his first speech, were consistently relayed by Cairo Radio. That being the case, to suggest that the Government are the main villains in this piece is manifestly absurd . . ."

The Government's Suez policy was defended by the Earl of Home (Leader of the House) and criticized by Lord Attlee and other Labour peers. Lord Rea, leader of the Liberal peers, appealed for the ending of recriminations and *post mortems* on Suez and urged that attention be concentrated on the future. (Times - Daily Telegraph - Manchester Guardian) **(15545 A.)**

Note. The last major House of Commons debate on Suez took place on Dec. 5-6, 1956, following Mr. Selwyn Lloyd's announcement of Dec. 3 that the British and French Governments had decided to withdraw their forces from Port Said (see page 15320). The debate was held on a Government motion which asked the House to approve "the policy of H.M. Government as outlined by the Foreign Secretary on Dec. 3, which has prevented hostilities in the Middle East from spreading, has resulted in a U.N. Force being introduced into the area, and has created conditions under which progress can be made toward a peaceful settlement of outstanding issues." The Opposition tabled an amendment condemning the "disastrous consequences" of the Government's Middle East policy and calling on the Government "to take all possible steps to restore Commonwealth unity, re-create confidence between our allies and ourselves, and strengthen the authority of the U.N. as the only way to achieve a lasting settlement in the Middle East."

The Labour amendment was defeated by 327 votes to 260 (a Government majority of 67) and the Government's motion adopted by 312 votes to 260 (a majority of 52). The following 15 Conservative Members voted against the Labour amendment but abstained from voting on the Government's motion asking the House to support its Middle East policy: Mr. Julian Amery, Mr. Biggs-Davison, Brigadier Terence Clarke, Mr. Anthony Fell, Lord Hinchingbrooke, Sir Ian Horobin, Mr. Montgomery Hyde (Ulster Unionist), Mr. Patrick Maitland, Mr. Angus Maude, Mr. Neil McLean, Mr. Gerald Nabarro, Mr. William Teeling, Mr. Lawrence Turner, Captain Charles Waterhouse and Mr. Paul Williams.

[The debate of Dec. 5-6 had been preceded by the series of Suez debates in the House of Commons on Dec. 3, Nov. 22, Nov. 5-6, Nov. 3, Nov. 1, Oct. 31, and Oct. 30. All these debates are summarized in 15316 A, 15201 and 15173 A, *passim*.]

A motion signed by 110 Conservative M.P.s (nearly one-third of the party's strength in the House) was tabled on Nov. 27, 1956, deploring "both the resolution of the General Assembly calling for immediate and unconditional withdrawal of British and French troops from Egypt and the attitude of the United States, which is gravely endangering the Atlantic alliance." The sponsors of the motion were Sir Robert Grimston, Mrs. Evelyn Emmet, Sir Ian Horabin, Mr. Martin Lindsay, and Mr. Angus Maude, the other signatories including both right-wing members of the Conservative "Suez group" and a large body of members representing moderate opinion in the party. The "anti-American" motion remained on the Order Paper until April 1, 1957, when Sir Robert Grimston, after consultation with the other signatories, announced that it had been withdrawn following the Prime Minister's speech in which he explained in detail the new accord reached with President Eisenhower at Bermuda (see 15457 A). At the time of its withdrawal the motion had been signed by 126 Conservative M.P.s, although 14 had subsequently withdrawn their signatures.

A. DENMARK. — Three-Party Coalition Government formed by Hr. Hansen. - Faroe Members elected to New Folketing.

Hr. H. C. Hansen (the outgoing Prime Minister), who had been asked by King Frederick to investigate the possibility of forming a new coalition government, informed the King on May 27 that he was ready to form a Ministry based on a coalition between the Social Democrats, the Radicals, and the *Retsforbund* (Single-Tax Party), who had agreed to co-operate. The membership of Hr. Hansen's new Cabinet was announced later the same day as follows:

*Hr. H. C. Hansen (Social Democrat)	Prime Minister and Foreign Affairs.
*Hr. Viggo Kampmann (Social Democrat)	Finance.
Hr. Jorgen Jorgensen (Radical)	Education.
Dr. Viggo Starcke (*Retsforbund*)	Minister without portfolio.
Hr. Bertel Dahlgaard (Radical)	National Economy and Scandinavian Affairs.
Hr. Jens Otto Krag (Social Democrat)	Foreign Economic Affairs.
Hr. Julius Bomholt (Social Democrat)	Social Welfare.
*Fru Bodil Koch (Social Democrat)	Ecclesiastical Affairs.
*Hr. Hans Haekkerup (Social Democrat)	Justice.
Hr. Kai Lindberg (Social Democrat)	Public Works and Greenland.
*Hr. Poul Hansen (Social Democrat)	Defence.
*Hr. Oluf Pedersen (*Retsforbund*)	Fisheries.
Hr. Kaj Bundvad (Social Democrat)	Labour and Housing.
Hr. Karl Skytte (Radical)	Agriculture.
Hr. Soren Olesen (*Retsforbund*)	Interior.
Professor Kjeld Philip (Radical)	Commerce, Industry, and Shipping.

* No change.

The new Ministry, which commands 93 votes in the *Folketing*, was the first majority Government to be formed in Denmark since the war. It consists of nine Social Democrats, four Radicals, and three members of the *Retsforbund*.

Hr. Krag was previously Minister of Economic Affairs and Labour, and had also been in charge of foreign economic affairs (i.e. foreign trade and European economic co-ordination); Hr. Kai Lindberg assumed the Greenland portfolio in addition to his previous portfolio of Public Works; and Hr. Bomholt had been Minister of Education. Hr. Bertel Dahlgaard is leader of the Radical Parliamentary group, and Dr. Viggo Starcke leader of the *Retsforbund*. Seven Ministers in Hr. H. C. Hansen's previous Cabinet—all Social Democrats—were dropped from the new Ministry: Hr. Smorum (Agriculture), Hr. Kjaerbol (Housing and Greenland), Fru Lis Gores (Commerce), Hr. Ernst Christiansen (Minister without portfolio), Hr. Christian Christiansen (Fisheries), Hr. Carl Petersen (Interior), and Hr. Strom (Social Welfare).

The elections in the Faroe Islands on May 22 for two members to represent the islands in the *Folketing* resulted in the return of Hr. Thorstein Petersen (the leader of the secessionist *Folkeflokken*) and an Agrarian (*Venstre*) candidate; the former Social Democratic member was defeated, losing the seat he had held since 1948.

Hr. Petersen, who represented the Faroes in the *Folketing* from 1947-50, had withdrawn from political life after his defeat in the *Lagting* (Diet) elections in the Faroe Islands in November 1954. He had been director of a bank which had gone bankrupt, the proceedings arising out of this case being still pending before the Danish Supreme Court.

The election of an Agrarian member in the Faroes increased the total strength of that party to 46 and that of the Conservative-Agrarian opposition to 76, whilst there is also a left-wing opposition of six Communists. The German minority member (Schleswig Party), the two members for Greenland still to be elected, and Hr. Thorstein Petersen are expected to remain independent of the other parties.—(Berlingske Tidende, Copenhagen - Politiken, Copenhagen) **(Prev. rep. Elections, 15556 B; Cabinet, 14918 B; Faroes, 13948 B.)**

B. AUSTRIA. — U.S. Loan for Steel Industry.

It was announced in Washington on May 5 that the Export-Import Bank had approved a $20,000,000 loan to the Austrian *Alpine Montangesellschaft* for the purchase of rolling-mill equipment in the U.S.A., the credit being repayable between 1962 and 1976. The *Montangesellschaft* is the largest Austrian steel producer, with plants in Styria and Carinthia. **(New York Times)**

A. IRISH REPUBLIC. — Report of Committee on Inland Transport. - Drastic Cuts recommended in Rail System. - Proposed Reorganization of Irish Railways. - C.I.E. Deficit of £1,600,000 in 1955-56.

The report was published on May 12 of the Committee on Inland Transport, appointed in July 1956 by the then Minister for Commerce and Industry (Mr. Norton), to examine the Irish Republic's internal transport system and recommend measures "to ensure the provision of the country's transport requirements on a basis which will best serve the public interest." The committee, whose chairman was Dr. L. P. Beddy (chairman of the Industrial Development Authority), recommended (1) that rail mileage should be cut by nearly 60 per cent and the number of stations by 75 per cent; (2) that virtually half the capital of *Coras Iompair Eireann* (the Irish Transport Board) should be written off; (3) that the railways should be set a time-limit in which to show that economic working was possible and that their operation ought to be continued in the public interest.

The report pointed out that the total net operating losses incurred by C.I.E. between 1946 and 1956 amounted to £11,300,000, and that since 1947 the organization had received £12,000,000 in direct State aid. It attributed this "unsatisfactory position" to (*a*) an excess of transport facilities to deal with the low volume of available traffic; (*b*) heavy operating losses on the railways, partly owing to low utilization of rolling-stock and too many railwaymen; (*c*) the "customer resistance" toward the railways, and the existence of alternative means of transport; (*d*) over-capitalization. As regards (*a*) and (*b*) the report pointed out that the C.I.E. system had for many years been "too large for the community's requirements," comparative figures of traffic density in 13 European countries showing that Eire came last both for passengers and goods. As to (*c*) it put the blame for the attitude of passengers and traders toward the railways on obsolete rolling-stock, too rigid classifications of charges, and the development of road motor transport. With regard to (*d*) it pointed out that the C.I.E.'s assets (valued at £20,860,000) already fell short of the issued capital by £2,543,000, and that it was estimated that fresh losses, with interest, would increase the deficiency to £6,330,000 by 1960.

Dealing with the current position regarding traffic and costs, the report stated that both passenger traffic and merchandise receipts on the railways (accounting for 50 per cent of all rail receipts) had recently improved considerably, but livestock traffic had fallen. On the roads, both passenger receipts (slightly higher than rail passenger receipts) and freight traffic were increasing and showed profits, while bus services in Dublin and other cities were in general "very profitable." In regard to costs, however, those of private firms were only between 35 and 85 per cent of the C.I.E.'s costs, 56 per cent of which represented wages and salaries. In this connexion the report referred to the "regrettable lack of co-operation between railway managements and the trade unions."

Comparing the relative positions of public and private transport in Eire, the report stated that in 1956 the seating capacity of private cars was 680,000, whereas that of road and rail vehicles combined was 126,000. About 2,302,000 persons did not possess cars and depended on public transport unless they used motor-cycles, scooters, or bicycles. The number of private commercial vehicles had grown from 8,868 in 1944 to 41,597 in 1956, about 35,000 men being employed in connexion with them as compared with about 23,000 employed on the C.I.E. and the Great Northern Railway.

The Committee's main recommendations were as follows:

(1) The rail mileage operated by the C.I.E. should be reduced from 1,918 to 850, and the number of railway stations should be reduced from 194 to 49.

The following principal lines should be retained: (*a*) Dublin-Wexford-Rosslare Harbour; (*b*) Dublin-Carlow-Waterford; (*c*) Dublin-Limerick Junction-Mallow-Cork, with connexions at Limerick Junction for Limerick and at Mallow for Tralee; (*d*) Dublin-Mullingar-Athlone-Galway, with branches from Mullingar to Sligo and from Athlone to Westport and Ballina. The future of the line connecting Limerick with Sligo *via* Tuam and Claremorris should be specially considered.

Only stations at larger towns should be kept open, e.g. between Dublin and Cork the only stations would be Kildare, Maryborough, Thurles, Limerick Junction, and Mallow. All stations between Dublin and Wicklow should be closed, including stations on the Dublin suburban services, which had been losing money.

(2) Areas at present served by railways or stations whose closure was recommended should be covered by short-distance bus services, and road and rail services should be closely co-ordinated. Where it would be uneconomic for the C.I.E. itself to provide connecting bus services, private operators should be encouraged to do so. In other suitable cases the C.I.E. should employ smaller buses with one-man crews.

(3) The C.I.E. should continue for the present to provide road freight transport, but in future should preserve strict impartiality between rail and road services. It should, however, make use of licensed hauliers where this would be more economic than the purchase of new vehicles.

[The report explained that because of the priority given by the C.I.E. in the past to its rail freight services, there had in recent years been "no striking progress" in its road freight department, probably leading to a more rapid growth of traders' own transport than would otherwise have been the case. The Committee had considered whether the C.I.E. should hand over road haulage to a new State-sponsored organization, or whether road freight transport should be wholly or partly decontrolled.]

(4) The Transport Act should be amended to facilitate the closing of branch lines and the removal of unreasonable commercial restrictions, in order that the C.I.E. might no longer have to meet uneconomic transport requirements.

(5) The C.I.E. should retain responsibility for the maintenance of the canal system, but should withdraw its barges, which were operating uneconomically. [One member of the Committee, Dr. Juan Greene, urged in an addendum to the report that the C.I.E. should be relieved of its responsibility for maintaining the canals].

(6) The C.I.E.'s issued capital of £23,403,543 (in Transport Stocks with interest guaranteed by the Minister of Finance) should be written down by £11,602,761. The interest on this latter amount should no longer be a charge on the undertaking but should be borne directly by the Minister.

(7) Compensation should be paid to staff displaced by the proposed reorganization, and the cost be borne by a special annual levy on all motor vehicles. In this connexion the Committee said: "We regret the serious consequences of disemployment of staff . . . but see no acceptable alternative. Indeed if steps are not taken on the lines we recommend, we consider . . . that the collapse of the undertaking must be regarded as imminent."

(8) A Transport Consultative Committee, composed of seven prominent persons drawn from outside the industry, should be set up to maintain a continuous review of transport conditions.

The Committee explained that it had made no recommendations respecting the reorganization of the Great Northern Railway because the future of this undertaking was determined by agreement between the Governments of the Irish Republic and of Northern Ireland. It stressed, however, that where there was lack of agreement between the two Governments, resort should be had to arbitration.

C.I.E. Results for 1955-56. - Loss of £1,600,000.

The report and accounts of *Coras Iompair Eireann* for the year ended March 31, 1956, published on Jan. 28, 1957, showed a loss of £1,625,542, after charging £1,888,000 for depreciation, compared with a loss of £866,535 in 1954-55.

The loss on railways amounted to £1,223,222, but profits were earned by road passenger services (£680,364) and road haulage services (£82,625). The introduction of more powerful diesel-electric locomotives resulted in an increase in passenger traffic on short-distance services, while merchandise traffic had also increased, but there was a substantial decrease in livestock traffic. The number of passengers carried by road services rose by 8,353,581 (6,137,402 in Dublin, 2,216,179 in the provinces), but road freight traffic decreased by 200,368 tons to 3,251,588 tons.

The report said that although good progress had been made in changing over to diesel traction, rising costs had more than offset the resulting economies and fares and freight rates had had to be raised, resulting in the diversion of traffic from C.I.E. services to private road transport. It added: "Because of the continued withdrawal of traffic from the Board's services, it is now apparent that the economies which can be achieved by the change-over to diesel traction will not be sufficient to eliminate losses. If the undertaking is to pay its way, steps must be taken to divert to it all the traffic—particularly the heavy long-distance traffic—which these rail services can carry. The alternative is State subsidies on an ever-growing scale."—(Irish Times, Dublin) **(Prev. rep. 14584 E; 11193 A.)**

B. SWITZERLAND.—First Increase in Bank Rate since 1936. - Anti-Inflationary Precautions by Government.

The Swiss National Bank announced on May 15 that its official discount rate would be increased from 1½ to 2½ per cent—the first increase in the Swiss Bank Rate since 1936.

The Bank explained that the increase was necessary in order to maintain the purchasing power of the Swiss franc and to restore equilibrium in the Swiss economy, which was at present exposed to great tension. Although exports, building activity, retail trade turnover, bank credits, and employment were all at record levels, this development had been accompanied by price and wage increases and by a disproportionate increase in investment and mass consumption. Moreover, the note circulation had risen to a level never before reached in peacetime, and over 400,000,000 francs had been lost in gold and foreign exchange since the beginning of 1957 because of the exceptionally big rise in imports, whilst savings had dropped in the same period.

The National Bank also pointed out that "decisive efforts" were necessary, both on the part of public authorities and private undertakings, to restrict investment, excessive demand, and capital requirements. On May 14 the Government had announced measures (*a*) to restrict the building plans of Federal, cantonal and municipal authorities, and (*b*) to bring about a reduction in the limits for Government export risk guarantees. (Neue Zürcher Zeitung) **(Prev. rep. 2356 C.)**

A. UNITED KINGDOM. — Edinburgh, Hornsey, and East Ham By-elections.

Polling took place on May 29 at Edinburgh South and on May 30 at Hornsey and East Ham North, the first two seats being held by the Conservatives and the East Ham seat by Labour.

Edinburgh South.

The by-election was caused by the resignation through ill-health of Sir William Darling (Conservative), who had represented the constituency since 1945. Result:

Clark Hutchison, A. M. (Conservative) .. .	14,421
Forsyth, J. A. (Labour)	9,781
Home, W. Douglas (Liberal)	7,439
No change. Conservative majority	4,640

Figures at the general election were: Sir William Darling (C.) 24,836, J.A. Forsyth (Lab.) 11,949—Conservative majority, 12,887.

The Conservative candidate received 45.6 per cent of the votes, the Labour candidate 30.9 per cent and the Liberal candidate 23.5 per cent, whereas at the general election the Conservative candidate received 67.5 per cent and the Labour candidate 32.5 per cent in a straight fight. The Conservative proportion of the poll thus dropped by 21.9 per cent and the Labour proportion by 1.6 per cent, while the Liberals polled over twice as many votes as in 1950, the last occasion on which they contested the seat. Of the total electorate of 48,071 (an increase of 445 since the general election), 65.8 per cent went to the poll, against 77.2 per cent at the general election.

Hornsey.

The by-election was caused by the death of Sir David Gammans (Conservative), the former Assistant Postmaster-General. Result:

Gammans, Lady Muriel (Conservative)	24,161
Mostyn, F. E. (Labour)	21,038
No change. Conservative majority	3,131

Figures at the general election were: Sir David Gammans (C.) 33,294, F. E. Mostyn (Lab.) 20,568, G. J. Jones (Communist) 1,442 Conservative majority, 12,726.

The Conservative candidate received 53 5 per cent of the votes and the Labour candidate 46.5 per cent, whereas at the general election the Conservative candidate received 60.2 per cent, the Labour candidate 37.2 per cent, and the Communist candidate 2.6 per cent in a three-cornered contest. The Conservative proportion of the poll thus fell by 6.7 per cent and the Labour proportion rose by 9.3 per cent. Of the total electorate of 71,771 (a decrease of 713 since the general election), 62.9 per cent went to the poll, against 76.3 per cent at the general election.

Sir David Gammans (61), who died on Feb. 8, had represented Hornsey since 1941. Born in Hampshire and educated at Portsmouth Grammar School and London University, he served throughout the First World War and subsequently entered the Colonial Service, spending 14 years in Malaya. He was known in the House of Commons as an authority on Far Eastern affairs, particularly in the economic field, and was a member of parliamentary delegations to Ceylon, Sarawak and the West Indies. In 1951 he became Assistant Postmaster-General, in which capacity he piloted through the House the Television Bill (1954) establishing commercial television. He was created a baronet in 1955.

East Ham North.

The by-election was caused by the death of Mr. Percy Daines (Labour and Co-operative) and resulted as follows:

Prentice, R. E. (Labour)	12,546
Bangay, J. H. (Conservative)	6,567
*Martell, Edward (People's League)	2,730
*Christopher, W. H. (I.L.P.)	458
No change. Labour majority	5,979

*Forfeited deposits.

Figures at the general election were: P. Daines (Lab. and Co-op.) 17,961, A. Silverstone (C.) 12,416—Labour majority, 5,545.

The Labour candidate received 56.3 per cent of the votes, the Conservative candidate 29.4 per cent, the candidate of the People's League 12.2 per cent, and the Independent Labour Party candidate 2.1 per cent. At the general election the Labour and Co-operative candidate received 59.1 per cent and the Conservative candidate 40.9 per cent in a straight fight. The Labour proportion of the poll thus dropped by 2.8 per cent and the Conservative proportion by 11.5 per cent. Of the total electorate of 38,920 (a decrease of 1,628 since the general election) 57.3 per cent went to the poll, against 74.9 per cent at the general election.

The by-election was the first to be contested by the People's League for the Defence of Freedom since the formation of that organization in 1956 (see footnote below). The I.L.P. candidate campaigned on the sole issue of abolishing nuclear weapon tests and the renunciation by Britain of all nuclear weapons.

Mr. Daines (53), who died on March 3, had represented East Ham North since 1945 and was a member of the National Committee of the Co-operative Party. He worked at one time as a locomotive fireman and later was for many years an insurance official. During the war he served in the Royal Engineers.

Mr. Clark Hutchison (43), an advocate, is a brother of Sir Ian Clark Hutchison, Conservative M.P. for Edinburgh West. Lady Gammans, the widow of the late Member for Hornsey, became the 27th woman M.P. in the House of Commons. Mr. Prentice (33) is assistant to the legal secretary of the Transport and General Workers' Union.
(Times - Daily Telegraph - Daily Herald) **(Prev. rep. 15437 D.)**

The People's League. The People's League for the Defence of Freedom was founded in 1956 to combat what it described as "trade union tyranny" and "arrogant bureaucracy." Its objectives were set forth as follows in a manifesto published on Sept. 29, 1956:

"(1) To organize public support for a policy which will afford protection and help for all citizens whose standard of life or freedom is threatened by the growing abuse of power by trades unions, or by administrative tribunals against whose decision there is no right of appeal to an independent judicial authority.

(2) To uphold the liberty of the Press by sponsoring a printing undertaking free from trade union dictatorship.

(3) To seek by all constitutional means to reform the law as it affects trades unions in order that they cannot become a State within a State or put themselves above the law.

(4) To curb the power of all kinds of monopolies, cartels and price rings whose activities hold the public to ransom.

(5) To subject all expenditure of public money to rigorous and continuous scrutiny and to campaign for the progressive reduction of rates and taxes and the elimination of bureaucratic waste.

(6) To combine in protecting its members from any infringement of their traditional liberties from whatever source it may come."

The chairman of the People's League is Mr. Edward Martell (its candidate at the East Ham by-election), formerly a prominent member of the Liberal Party. Other leading members are Lord Moynihan and Mr. W. J. Brown, the well-known journalist and political commentator. Mr. Brown was formerly Independent M.P. for Rugby and general secretary of the Civil Service Clerical Association.

The People's League emphasized that it "believes in democracy and is anti-communist and anti-fascist." It also stressed that it was "not connected with any political party or other existing organization." (Times - Daily Telegraph - Manchester Guardian)

B. LIBYA. — New Government.

Mustapha Ben Halim, Prime Minister of Libya since 1954, tendered his resignation to King Idris on May 25 for reasons of ill-health and "internal and external obstacles" to his Government's policy. At the King's request, a new Cabinet was formed on the following day by Abdul Majid Kobar, Deputy Premier and Foreign Minister in the previous Government. The Foreign Affairs portfolio was taken over by Dr. Wahbi Bourv, hitherto Permanent Under-Secretary in the Foreign Ministry, and the Defence portfolio by Siddiq Muntasir, recently Ambassador in Cairo. Six Ministers of the former Cabinet remained in office.

Abdul Majid Kobar, a member of a well-known Tripolitanian family, had been appointed Deputy Premier and Foreign Minister in a Cabinet reshuffle on March 17. He had been Speaker of the Lower House since the formation of the Kingdom of Libya.—(Times - Le Monde, Paris) **(Prev. rep. 13528 B.)**

C. AUSTRALIA. — Partial Autonomy conferred on Norfolk Island.

Legislation giving a degree of autonomy to Norfolk Island—about 1,000 miles north-east of Sydney—was introduced in the House of Representatives on May 21 by the Minister for Territories, Mr. Hasluck, and adopted on the same day. The measure (the Norfolk Island Bill) provides for the setting-up of a Council which will have powers to make by-laws, levy rates, and control expenditure, and which will replace the advisory council of the island's Administrator.

Norfolk Island, 15 square miles in area, has a population of just over 1,000, many of them the descendants of the *Bounty* mutineers who migrated in 1856 from Pitcairn Island. It is at present administered by the Department of External Affairs.—(Australian News and Information Bureau)

D. ALBANIA. — Minister seeks Asylum in Yugoslavia.

It was announced in Belgrade on May 20 that M. Panajot Plyaku, a Minister in the Albanian Government and a member of the central committee of the Albanian Communist Party, had crossed the Yugoslav frontier on May 16-17 and asked for asylum. It was not stated whether asylum had been granted, nor were the reasons for M. Plyaku's flight given.
(Tanjug Agency, Belgrade)

JUNE 1—8, 1957

A. FINLAND. — Resignation of Fagerholm Cabinet. - New Coalition Government formed by Dr. Sukselainen. - Split in Social Democratic Party.

The coalition Government headed by M. Karl-August Fagerholm, the Social Democratic leader, resigned on May 22 and was succeeded on May 27 by a new coalition headed by Dr. V. J. Sukselainen, leader of the Agrarian Party. The resignation of M. Fagerholm was brought about, firstly, by differences between the Social Democrats and the Agrarians (the two principal parties in the coalition) on economic policy; and secondly, by a split in the Social Democratic Party resulting in the election of M. Vaino Tanner as party chairman in preference to M. Fagerholm.

The Fagerholm Government had earlier tendered its resignation on Feb 28 after the Agrarian Ministers had withdrawn from the Cabinet following a dispute with the Social Democratic Ministers over butter and margarine prices. Whereas the Agrarians had urged a considerable reduction in the retail price of butter and an increase in the price of margarine, the Social Democrats had agreed only to a slight reduction in butter prices, leaving the price of margarine unchanged. The dispute had arisen over a "butter boycott" by Finnish housewives which had led to the accumulation of surplus stocks which had to be exported with the aid of a State subsidy; to overcome this boycott the Agrarians had urged a reduction in butter prices and an increase in margarine prices so as to persuade housewives to buy the former rather than the latter. The Agrarian Ministers, however, were subsequently persuaded to withdraw their resignation by President Kekkonen, himself a former leader of the Agrarian Party.

The next Cabinet crisis arose after the election of M. Tanner as chairman of the Social Democratic Party (see below) instead of M. Fagerholm, who again tendered his resignation to President Kekkonen on April 25, though remaining provisionally in office pending discussions between the two wings of the Social Democratic Party. M. Fagerholm withdrew his resignation on May 16, but a week later (May 22) finally resigned as a result of disagreement between Agrarian and Social Democratic Ministers on a projected economic stabilization programme.

A long-standing dispute within the Social Democratic Party between its left wing, headed by M. Emil Skog (the Defence Minister), and its right wing, led by M. Leskinen (the party secretary), culminated on April 25 in the election of M. Tanner —the nominee of the "Leskinen group"—as party chairman in preference to M. Fagerholm, who belongs to the party's left wing. M. Tanner was elected by a majority of only one vote over M. Fagerholm—95 to 94. After M. Tanner's election all the members of the "Skog group" left the meeting, with the result that subsequent elections to the party's executive led to all the other seats being filled by members of the "Leskinen group." As M. Fagerholm felt that he and his Social Democratic colleagues in the Cabinet no longer enjoyed the party's support, he tendered his resignation to President Kekkonen on the same day (April 25) as stated above. All the Social Democratic Ministers in the Cabinet belonged to the "Skog group," like M. Fagerholm.

M. Tanner (76), a founder-member of the Finnish Social Democratic Party, played an important part in the Moscow negotiations which preceded the Soviet-Finnish "winter war" of 1939-40. He strongly resisted the Soviet territorial claims made on Finland at the time, and in 1941 supported the Finnish Government's action in declaring war on the U.S.S.R. at the side of Germany. A member of the Government from 1941-44, he was brought to trial by a Finnish court in 1946, under the provisions of the Finnish Peace Treaty (see 9341 A), for helping to bring Finland into the Second World War as an ally of Germany. He was sentenced to 5½ years' imprisonment but was pardoned in 1949 by the late President Paasikivi. Since then M. Tanner had played no important part in political life, though remaining an influential member of the Social Democratic Party and leader of the Finnish co-operative movement.

The new Cabinet formed by Dr. Sukselainen on May 27 was recruited from the Agrarian Party, the Finnish People's Party (Liberals), and the Swedish People's Party, with one non-party expert. Its membership was as follows:

Dr. Veino Johannes Sukselainen (Agrarian)	Prime Minister.
M. Johannes Virolainen (Agrarian)	Foreign Affairs.
M. Arvo Helminen (non-party)	Justice.
M. Harras Kytta (Finnish People's Party)	Interior.
M. Atte Pakkanen (Agrarian)	Defence.
M. Nils Meinander (Swedish People's Party)	Finance.
M. William Sariola (Agrarian)	Deputy Minister of Finance.
M. Kerttu Saalasti (Agrarian)	Education.
M. Martti Miettunen (Agrarian)	Agriculture.
M. Bertel Lindh (Swedish People's Party)	Deputy Minister of Agriculture.
M. Kustaa Eskola (Agrarian)	Communications.
M. Torsten Nordstrom (Swedish People's Party)	Deputy Minister of Communications.
M. Esa Kaitila (Finnish People's Party)	Commerce.
Mme. Irma Karvikka (Finnish People's Party)	Welfare and Social Affairs.

Only three Ministers of the Fagerholm Cabinet retained office in the new Government—M. Virolainen (formerly Minister of Education), who became Foreign Minister in succession to M. Ralf Torngren, of the Swedish People's Party; M. Miettunen, who retained the portfolio of Agriculture; and M. Helminen, the non-party expert, who remained Minister of Justice. As the Social Democrats are no longer represented, Dr. Sukselainen's Government cannot command a majority in the Diet and is dependent on the support of other parties. (Berlingske Tidende, Copenhagen - Svenska Dagbladet, Stockholm - Neue Zürcher Zeitung - New York Times)

(Prev. rep. Fagerholm Cabinet, 14860 C; 14742 B.)

B. AUSTRALIA. — Opening of Television Services.

The first regular television service in Australia, transmitted by a commercial station in Sydney, came into operation on Sept. 16, 1956. It was followed between November 1956 and January 1957 by the inauguration of five other services, two in Sydney and three in Melbourne. Of the six stations, two (one in Sydney and another in Melbourne) were national stations sponsored by the Federal Government and operated by the Australian Broadcasting Commission, while the remaining four (two in Sydney and two in Melbourne) were commercial stations. While television services were initially installed in the areas of greatest population density, it is planned that all State capitals should eventually have their own stations.

The two commercial stations in Sydney are controlled respectively by Amalgamated Television Services Pty. Ltd. (in which the *Daily Mirror* and *Sunday Pictorial* Group in London hold an interest) and Television Corporations Ltd. (a part interest in which is held by Associated Newspapers Ltd. in London, i.e. the *Daily Mail* Group).

The two commercial stations in Melbourne are controlled respectively by *Herald-Sun* T.V. Pty. Ltd. (representing Victorian and United Kingdom newspaper publishers) and General Television Corporation Pty. Ltd. (representing other Victorian newspapers and theatre, film, and broadcasting interests).

The legal basis for the establishment and conduct of Australian television services was provided by the Broadcasting and Television Act, 1956, which, apart from consolidating existing broadcasting legislation, largely gave effect to the recommendations of the Royal Commission on Television appointed in February, 1953 [see 13582 B]. The measure which had been introduced in the House of Representatives on April 19, 1956, received its second reading on May 9, was finally approved by the Senate on May 31, and received the Royal Assent on June 20, 1956. The main provisions of the Act were as follows:

(1) The two national services would be controlled by the Australian Broadcasting Commission (as in the case of sound broadcasting).

(2) Control of commercial television would be as diversified as possible. Accordingly, no person would be allowed to own or control more than one station in any State capital and two in the whole country. As regards investment by overseas interests in commercial television, at least 80 per cent of the issued capital of a company licensed to transmit a television service would have to be owned by Australians, whilst no single overseas shareholder would be allowed to hold more than 15 per cent.

(3) The programmes provided by commercial licensees would have to comply with standards determined by the Australian Broadcasting Control Board.

(4) Existing safeguards against the broadcasting of objectionable matter would be extended to television.

(5) Commercial stations would be expected to provide facilities for religious broadcasts free of charge for a reasonable period each week. The broadcasting time would be distributed among the different denominations in proportion to their numerical strength.

(6) Commercial stations would be under no obligation to broadcast political matter, but if they decided to do so they would have to provide facilities for all parties.

(7) In areas where there were no national stations, the commercial stations would be obliged to televise specified programmes made available by the Australian Broadcasting Commission.

By mid-April 1957 (the latest date for which figures were available) 23,650 television licences had been issued in Victoria and 13,440 in New South Wales.—(Australian News and Information Bureau) **(Prev. rep. 13582 B; 12773 B.)**

A. CEYLON - INDIA.—Mr. Nehru's Visit to Ceylon. - Indo-Ceylonese Appeal for Ending of Nuclear Tests.

Mr. Nehru, the Prime Minister of India, visited Ceylon from May 17-20 at the invitation of the Prime Minister of Ceylon, Mr. Bandaranaike, to participate in the celebrations of the 2,500th anniversary of the birth of the Buddha (*Buddha Jayanti*). During his stay he visited the ancient and sacred city of Anuradhapura, on which the celebrations were centred; attended a civic reception given in his honour by the municipality of Colombo; laid the foundation-stone for an International Buddhist Centre at Wellawatte; addressed students at Colombo University; and attended a luncheon given by members of both Houses of the Ceylon Parliament, as well as a State banquet given by the Governor-General of Ceylon.

Mr. Nehru and Mr. Bandaranaike also had talks on the political situation, the following joint statement being issued on May 20:

"The Prime Ministers availed themselves of the opportunity of their meeting to exchange views on international issues and on Indo-Ceylonese relations. They feel satisfied that their talks have resulted in a further appreciation of each other's views on the problems of their countries and have helped them in their appraisal of international issues generally, and as they concern their two countries. Their talks have once again borne evidence of the great measure of agreement in their approach to problems of peace and world co-operation and their relations within the Commonwealth. They have served further to clarify and strengthen their understanding of these problems and the determination of their two countries to continue to adhere to the principles on which their approach is based.

"They reaffirm their faith in the Five Principles of international relations known as *Panch Sila*, which were embodied in and extended by the principles adopted by the Bandung Conference. It is their conviction that the spirit of these principles, if acted upon, affords an opportunity for the establishment of co-operation, understanding and friendship amongst countries many of which have ideological and other differences. This approach will also lessen tensions and help to avoid the grave conflicts which threaten the world today.

"The Prime Ministers congratulated the people of Ghana on the attainment of independence and look forward to the people of Malaya also achieving independence. They appreciate the action of the United Kingdom in acceding to the wishes of the peoples of these countries. They trust that the area of freedom will be enlarged and that the nations still under colonial domination will soon achieve their freedom. They disapprove strongly of every kind of aggression or attempt to reimpose colonialism or imperialism in any form.

"The Prime Ministers express their relief and satisfaction at the opening of the Suez Canal for normal functioning. They view, however, with deep concern the developments in some parts of West Asia. The problems of this region can only be solved by the peoples of the countries within that region being left free to work out their own destiny in accordance with their own wishes. Any imposition of outside authority can only lead to continuing tension and intensification of these problems.

"The Prime Ministers recognize the importance of the United Nations as an instrument for securing world peace and trust that the basic aims laid down in the U.N. Charter for securing political freedom, social equality, and racial harmony should be guiding principles of that great organization as well as of the member-nations. In order to function effectively the U.N. must become fully representative of the world community. The failure of the U.N. to recognize the People's Republic of China is not only opposed to basic principles of the Charter but also impairs the utility of the United Nations.

"The Prime Ministers gave particular consideration to the present state of the development of nuclear and thermo-nuclear power for forging weapons of mass destruction, and to the ominous catastrophe that threatens humanity if their development and production continues and their use is not prohibited. While in the event of their use in war humanity would in all probability face well-nigh total extinction, the Prime Ministers were immediately concerned about the present and immediate consequences of harmful and unpredictable effects of radiation on mankind caused by continuing explosions of nuclear and thermo-nuclear weapons for test purposes carried out by the U.S.S.R. the U.S.A. and the United Kingdom.

"The Prime Ministers regret that despite the declared intentions of all nations not to embark upon war, and mounting opinion and anxiety in the world in regard to the grave and harrowing menace of these tests to the present and future of mankind, the great Powers concerned have not yet decided to refrain from their hazardous ventures in this field, which have already proved injurious to populations in lands near to the location of such tests, dangerously polluted the world's air and water, and threatened the present and future generations with both known and unknown risks and consequences. The Prime Ministers therefore make an earnest and urgent appeal for the immediate suspension of these nuclear and thermo-nuclear test explosions, pending their abandonment. Such suspension would not only limit the dangers that have already arisen and help in easing international tension, but would also lead to an effective consideration of the problem of disarmament.

"There are certain outstanding problems between India and Ceylon that still await a satisfactory solution. The Prime Ministers feel confident, particularly in view of the cordial relations that exist between the two countries, and their co-operation in so many spheres, that these problems can and should be solved satisfactorily to both countries. The Prime Ministers are conscious of the great interest aroused in both their countries by their present meeting, which is a token of their existing friendship and of the earnest and widespread desire to promote and strengthen the ties that bind them. To this end the Prime Ministers reaffirm their desire to devote their energies."

Mr. Nehru arrived back in New Delhi on May 20.—(Indian High Commissioner's Office, London - Ceylon Government Information Department, Colombo - The Statesman, Calcutta)

B. HONDURAS - NICARAGUA. — Frontier Clashes. - Hondurans recapture Border Town. - Peace Mission by Organization of American States.

The Council of the Organization of American States (O.A.S.) met in Washington on May 1-2 following an outbreak of hostilities between Honduras and Nicaragua resulting from a 50-year-old border dispute between the two countries.

The dispute concerns the question of sovereignty over a large area of jungle country extending inland from the "Mosquito Coast" of the Caribbean, covering over 4,500,000 acres or about one-third of the total area of the Republic of Honduras. The disputed area, roughly triangular in shape, has its base along a 150-mile stretch of the Caribbean coastline and its apex about half-way along the Honduran-Nicaraguan frontier, the southern boundary of the "triangle" being formed by the Coco River. In 1906 the two countries had agreed to submit their dispute over this area to the arbitration of King Alfonso XIII of Spain, who ruled in favour of Honduras and awarded all territory north of the Coco River to that country. Nicaragua, however, refused to accept the award and continued to claim sovereignty over the disputed area.

In February last the Honduran Government, basing itself on the 1906 arbitral award, constituted the area into a new province under the name of Gracias a Dios. This action was strongly resented in Nicaragua, and on April 18 some 50 Nicaraguan troops crossed the Coco River and occupied the small township of Morocon, on the north (Honduran) bank of the river. On May 1 Morocon was attacked and recaptured by a Honduran battalion with air support, 35 Nicaraguan troops being killed in bombing and strafing attacks by Honduran aircraft. Subsequent claims by President Somoza of Nicaragua that Morocon had been recaptured by Nicaraguan forces were officially denied in Tegucigalpa, the Honduran capital.

Both Honduras and Nicaragua brought the dispute to the Council of the O.A.S., each side accusing the other of aggression and frontier violations. After debate, the Council unanimously adopted a resolution for a five-man investigating commission to visit the disputed area and make recommendations, meanwhile calling upon Honduras and Nicaragua to refrain from further hostilities and to co-operate with the commission. Both sides gave the necessary undertakings, and the five-man peace mission (consisting of U.S., Argentine, Bolivian, Mexican and Panamanian representatives) visited Managua and Tegucigalpa during the following week. Though no official statement was issued, it was reported in Washington that Honduras and Nicaragua had agreed in principle to withdraw their troops from the disputed area and to establish a "buffer zone" patrolled by neutral observers. (New York Times)

(Prev. rep. Nicaraguan-Costa Rican Dispute, 14142 A.)

C. UNITED KINGDOM. — Gold and Dollar Reserves. - $25,000,000 Increase in May.

The Treasury announced on June 4 that the sterling area's gold and dollar reserves had risen during May by $25,000,000, after taking into account (*a*) the receipt of $34,000,000 from the E.P.U. in respect of the U.K.'s surplus for April; (*b*) the receipt of $1,000,000 in U.S. defence aid; and (*c*) the payment of $3,000,000 to creditor countries in the E.P.U. under bilateral agreements. As a result, the reserves stood at $2,345,000,000 on May 31—the highest level since July 31, 1956.

It was stated in the Press that, in spite of relatively large dollar oil payments, no drawings had been made during the month either on the Export-Import Bank credit or from the International Monetary Fund. It was also pointed out that the slowing-down in the increase of the sterling area's reserves was partly due to continued drawings by India in order to pay for her imports of capital goods bought from either the dollar area or the E.P.U. area.

Provisional figures for the E.P.U. May settlement showed that Britain had a deficit of £7,000,000 (compared with a surplus of £16,000,000 in April), three-quarters of which would be settled in gold or dollars and the remaining quarter by an increase in the United Kingdom's debt to the Union. (Treasury Press Office - Financial Times) **(15522 A.)**

Corrigendum. The first line in the third paragraph of 15522 A, dealing with the provisional E.P.U. figures, should refer to the E.P.U. April settlement, and not to the March settlement as erroneously stated. (Ed. K.C.A.)

A. SOVIET UNION. — M. Khrushchev's Proposals for Decentralization of Industry. - Approval by Supreme Soviet. - Abolition of 25 Industrial Ministries. - Creation of Regional Economic Councils. - M. Pervukhin appointed Minister for Medium Machine-building. - M. Kuzmin becomes Chairman of State Planning Commission. - Economic Plan and State Budget for 1957. - Ending of State Loans. - Loan Redemptions postponed for 20 Years.

Proposals for the complete reorganization of Soviet industry were put forward by M. Khrushchev in a 20,000-word document which was published by the Tass Agency on March 29. In his "theses" (as the document was officially described) M. Khrushchev proposed that the Central Ministries for particular branches of industry, and the similar Ministries in the Union Republics, should be abolished and replaced by "Economic Councils," each of which would be responsible for a particular region and be under the direct control of the State Planning Commission (Gosplan). The need for greater decentralization of industry had been stressed in M. Khrushchev's report to the Communist Party congress in February 1956 (see page 14747, second column), and was subsequently discussed at meetings of the party's central committee in December 1956 (see 15299 A) and February 1957, as a result of which the "theses" were published. A summary of M. Khrushchev's proposals is given below.

"The Soviet Union now has over 200,000 State industrial establishments and more than 100,000 construction sites scattered throughout the vast expanses of the country," M. Khrushchev stated. "In these circumstances it is difficult to give concrete and efficient guidance from a single Ministry or Department . . . A major shortcoming in guiding industry and construction today is the existence of departmental barriers which frequently hamper the solution of important questions . . . The narrow departmental approach of some economic executives causes considerable damage to the State and delays for a long time the solution of urgent economic problems. Funds earmarked for the construction of industrial establishments and housing are scattered, the building time is prolonged, the cost of construction rises considerably, building machinery and transport facilities are used inefficiently, and the cost of maintaining administrative and economic personnel increases . . .

"Under the present system of management in industry and construction, each Ministry often seeks to manufacture for itself everything it needs . . . In the engineering industry, for instance, owing to the poor development of specialization and co-operation of enterprises, the production of cast-metal forgings and stampings is dispersed between a large number of small enterprises under various Ministries and Departments . . . The co-operation in production is mostly inter-departmental in nature, and very little headway is made in the sphere of co-operation between enterprises of different industries." As an example, M. Khrushchev pointed out that a foundry in Kiev owned by the Ministry of Constructional and Road-making Machine-Building supplied castings to the Ministry's engineering factories in Leningrad, the Urals, Central Asia, Siberia, and elsewhere, and that the cost of transporting castings from Kiev to Siberia amounted to over 20 per cent of the original production cost. "Given a more businesslike approach," he commented, "the requirements of plants manufacturing constructional and road-building machinery could be satisfied by cast-metal manufactured on the spot by the enterprises of other Ministries, and uneconomical transportation of goods would thus be avoided."

M. Khrushchev went on to suggest that it was necessary to "transfer the centre of gravity of the operative guidance of industry and construction to localities nearer to the enterprises and construction sites," and to "change over from the former organizational forms of management through specialized Ministries and Departments to new forms of management on the territorial principle," such as "Economic Councils." If this proposal were adopted, there would be "no further need to have Union and Republican Ministers directing industry and construction." The Economic Councils would for the most part be organized in accordance with the existing administrative divisions, and in questions of planning would be subordinated both to the Government of the Union Republic concerned and to the Central Government. Their functions would include "the elaboration and implementation of long-range and current production plans, elaboration of plans for the specialization of enterprises, and plans for co-operation of production and reciprocal deliveries of raw materials and semi-finished products both within the economic administrative area and to other regions and Republics." Such Councils, M. Khrushchev suggested, would "make it possible to settle on the spot highly important economic questions, many of which were formerly settled only at the centre by Ministries and Departments."

Turning to the role of the State Planning Commission, M. Khrushchev proposed that it should "introduce corrections into the plans of the Economic Councils" and should be responsible for "the planning of inter-area deliveries of raw materials, supplies, fuel, electric power, equipment, and consumer goods." A committee including the chairman of the State Planning Commission, his deputies, the heads of the main divisions, and leading experts would consider major problems of development of the national economy, and questions requiring Government decisions would be submitted by this committee to the Council of Ministers.

M. Khrushchev admitted that there was a danger that the Economic Councils might develop "tendencies to autarky and a desire to build up a self-sufficient economy within the area"; for example, attempts might be made to develop locally the production of raw materials which could be produced more profitably in other areas. To avoid this danger, the State Planning Commission must "thoroughly study the economic expediency of the capital investments contemplated by the areas, and nip in the bud every attempt to use funds for the building up of a self-sufficient economy in some areas to the detriment of the interests of the State as a whole."

The statement also demanded a radical reorganization of the methods of work of the Central Ministry of State Control [which is headed by M. Molotov] and the similar Ministries in the Union Republics, declaring that they tried "to use their staff in order to collect voluminous data on diverse questions, concentrating them in the apparatus of the Ministry instead of seeking to remove on the spot, with the help of the public at large, the shortcomings brought to light." In conclusion, M. Khrushchev called for the inclusion in the Central Council of Ministers of the chairmen of the Councils of Ministers of the Union Republics, in view of the increasingly important part to be played by these bodies in the development of the national economy, and of the chairman of the engineering-technical committee, the head of the Central Statistical Board, and the vice-chairmen and heads of the more important departments of the State Planning Commission.

M. Khrushchev's proposals were subsequently discussed at over 500,000 public meetings throughout the U.S.S.R. and were widely debated in the Soviet press. Strong criticisms of the scheme were expressed in *Pravda* and other papers—notably by a number of factory managers, who contended that a unified supply system should be retained to ensure the supply to factories of highly specialized products made in other parts of the country. Demands were also made for the retention of certain of the Central Ministries, such as the Ministry of Power Stations [which is headed by M. Malenkov], and of certain industrial ministries in the Republics. Although M. Khrushchev's "theses" were put forward on behalf of the Presidium of the Communist Party's central committee and the Council of Ministers, it was noted that none of the other leading members of the Presidium or the Government had publicly expressed support for the plan.

When the Supreme Soviet met in Moscow on May 7 to consider the scheme, M. Khrushchev submitted a report which in some respects represented a major revision of his original proposals. In response, apparently, to the criticisms raised, it provided in particular for the retention of eight of the 30 Central Ministries concerned with industrial production, notably those dealing with defence industries, and of a number of Ministries in the Republics dealing with the iron and steel, coal, and oil industries.

M. Khrushchev said in this report that the proposed reorganization, which had been rendered indispensable by "the rapid growth of industry and the unprecedented scale of construction," would "bring management closer to the point of production and make it possible to combat bureaucracy more effectively." Observing that "there are too many Russians supervising other Russians at work," he said that there were some 850,000 "bureaucrats" and administrators and that "we have so many supervisors checking on the production of neckties that the quality of our neckties is still very inferior."

"Out of the Ministries in charge of industry and construction," he continued, "it is suggested that the All-Union Ministries of the Aircraft Industry, Shipbuilding, the Radio Industry, the Chemical Industry, Medium Machine-Building, and Transport Machinery be retained. It is suggested that the Ministry of the Defence Industry be merged with the Ministry of General Machine-Building, and the Ministry of Power Stations with the Ministry for Construction of Power Stations. But these Ministries must be radically reorganized. They must be relieved of the direct management of the corresponding establishments, while retaining the function of planning and general technical control.

"There is no need to have All-Union Ministries in such branches as the coal and oil industries and the iron and steel and non-ferrous metals industries, whose enterprises are chiefly situated in the Russian Federal Republic (R.S.F.S.R.) and the Ukrainian, Kazakh, and Azerbaijan Republics. It is desirable to set up Republican Ministries—in the R.S.F.S.R. for the iron and steel, non-ferrous metals, and coal industries; in the Ukranian Republic for the iron and steel and coal industries; and in the R.S F.S.R. and the Azerbaijan Republic for the oil industry. It seems desirable to bring the Republican Ministries closer to the point of production. Thus, it would be convenient for the Ministry of the Coal Industry of the R.S.F.S.R. to be in Kemerovo; the Ministry of the Oil Industry of the R.S.F.S.R. in Ufa or Kazan; and the Ministry of the Iron and Steel Industry of the R S.F.S.R. in a town in the Urals.

"The industrial enterprises and construction projects of the remaining Ministries and those of the Ministries that are to be abolished will be placed under the auspices of Economic Councils, which will exercise direct control over these enterprises through appropriate territorial administrations."

After proposing that the task of reorganization should be completed during May and June, M. Khrushchev suggested (*a*) that 92 Economic Councils should be set up, each in charge of one region or

several regions—viz., 68 in the R.S.F.S.R., 11 in the Ukrainian Republic, and one in each of the other Union Republics; (*b*) that the existing division of industry into Union, Union-Republican, Republican, and local should be replaced by a division into Union-Republican industry, which would be controlled by the Economic Councils, and local industry, which would be directly subordinate to the local Soviets.

Under the new conditions, he explained, economic plans would be drafted in the Union Republics and economic administrative districts and would be checked by the State Planning Commission, which, in addition to annual and five-year plans, would be called upon to draft plans for longer periods for the country as a whole and for individual branches of industry. In preparing economic plans the fullest use should be made of local experience, and they should therefore first be drafted by individual enterprises and collated by the Economic Councils before being finally approved by the State Planning Commission.

During the ensuing debate a number of speakers, including M. Zasyadko (Minister for the Coal Industry in the Ukrainian Republic), opposed the retention of industrial ministries in both the Central Government and certain of the Union Republics, whilst others demanded the abolition of the Ministries of State Control in the Republics. As in the previous public discussions on the proposals, no members of the Communist Party Presidium except M. Khrushchev took part in the debate. A commission of 50, including M. Khrushchev, Marshal Bulganin, and the other members of the Presidium, was elected on May 9 to draft a law enabling the scheme to be put into operation.

Replying to the debate on May 10, M. Khrushchev announced that the commission considered the objections which had been raised to the retention of certain Central Ministries, and especially those concerned with defence industries, to be "inopportune." He also rejected the proposal for the abolition of the Republican Ministries of State Control. He added, however, that in view of the wide difference of opinion on the retention of industrial ministries in the Union Republics, the commission had omitted all reference to this question from the draft law in order that the Supreme Soviets of the Republics might make their own decisions on it.

Two laws—one on "the management of industry and construction," and the other providing for the necessary changes in the Constitution of the U.S.S.R. arising out of the economic reforms—were unanimously approved by both Houses of the Supreme Soviet on May 10.

Out of the 52 Central (All-Union) Ministries, 25 were abolished under the legislation, four were merged into two, and 23 were retained without changes. The Central Ministries retained were divided into two categories: (1) "All-Union" Ministries directing specified activities throughout the U.S.S.R., and (2) "Union-Republic" Ministries which will act as agents for the various Republics in carrying out tasks entrusted to them by the Republics concerned.

All-Union Ministries. The following were retained as "All-Union" Ministries. Aircraft Industry, Foreign Trade, Merchant Marine, Defence Industry, Railways, the Radio Engineering Industry, the Medium Machine-building Industry [which is believed to be concerned with atomic energy], Shipbuilding, Transport Construction, Chemical Industry, and Power Stations.

Union-Republic Ministries. The following were retained as "Union-Republic" Ministries: Internal Affairs, Higher Education, Geology and Conservation of Mineral Resources, State Control, Health, Foreign Affairs, Culture, Defence, Communications, Agriculture, State Farms, Trade, Finance, and Grain Products.

The former Ministry of Power Station Construction was merged with the Ministry of Power Stations, and the Ministry of General Machine-building Industry was absorbed by the Ministry of Defence Industry.

Ministries abolished. The following Ministries were abolished: Automobile Industry, Machine-building Industry, Instrument-making and Means of Automation, Machine-tool Industry, Building and Road-making Machinery Industry, Oil Industry Construction, Tractor and Agricultural Machine-building Industry, Transport Machine-building Industry, Heavy Machine-building Industry, and Electrical Engineering Industry.

Also abolished were the Ministries of Paper and Wood Processing Industry, Town and Village Construction, Light Industry, Timber Industry, Oil Industry, Meat and Dairy Products Industry, Foodstuffs Industry, Building Materials Industry, Fish Industry, Construction of Metallurgical and Chemical Works, Coal Industry Construction, Coal Industry, Non-ferrous Metal Industry, and Iron and Steel Industry.

The only major Soviet leader affected by the changes was M. Kaganovich, a First Deputy Premier and head of the Ministry of the Building Materials Industry, which was among those abolished.

The constitutional changes involved an extension of the membership of the Soviet Government by adding as members of the Council of Ministers the chairmen of the State Committees of Planning, Labour and Wages, Construction, and Security; the chairman of the State Scientific and Technical Committee; the chairman of the Administrative Board of the State Bank; the chief of the Central Statistical Board; and, by virtue of their offices, the chairmen of the Councils of Ministers of the Union Republics.

The Article of the constitutional amendment law dealing with the Economic Councils defined their activities as follows:

"The Economic Councils of the economic administrative areas direct the branches of economic activity entrusted to them and are directly subordinate to the Council of Ministers of the Union Republic. The Economic Councils, within the limits of their jurisdiction, issue orders and instructions on the basis and in pursuance of the laws of the U.S.S.R. and of the Union Republic, and of the decisions and orders of the Council of Ministers of the U.S.S.R. and the Council of Ministers of the Union Republic."

Ministerial Appointments.

Immediately prior to the meeting of the Supreme Soviet, three important ministerial appointments had been announced on May 3-4: (*a*) M. Mikhail Pervukhin as Minister of Medium Machine-building; (*b*) M. Josef Kuzmin as a First Deputy Premier and chairman of the State Planning Commission (Gosplan); (*c*) M. Nikolai Baibakov, the former chairman of Gosplan, as First Deputy Premier of the R.S.F.S.R. and chairman of its State Planning Commission.

In December last M. Pervukhin had been appointed chairman of the State Economic Commission, whose powers had been increased at the same time; the "Khrushchev plan," however, apparently envisaged the abolition of this body and the transfer of its responsibilities to the State Planning Commission. The Ministry of Medium Machine-building is believed to be responsible *inter alia* for atomic development.

M. Kuzmin (47), a former factory-worker who trained as an engineer, had headed the machine-building department of the Communist Party's Central Committee for several years, although not himself a member of the central committee. He had been appointed deputy chairman of Gosplan only a few months before his new appointment. In view of the increased importance of the State Planning Commission under M. Khrushchev's plan, much speculation was aroused in the Western Press by the promotion of M. Kuzmin, a little-known figure who had never played a prominent part in public life, and who was not among the 1,400 delegates to the 1956 Communist Party congress.

In accordance with the reorganization law, the rank of Minister in the Soviet Government was conferred upon the following members of the State Planning Commission on May 25:

M. Kosygin (First Vice-Chairman), MM. Khrunichev, Zotov, and Strokin (Vice-Chairmen), and MM. Zasyadko, Novosyolov, and Khlamov (departmental heads). MM. Kosygin (a former Deputy Premier) and Khrunichev had previously been First Vice-Chairman and Vice-Chairman respectively of the State Economic Commission, now dissolved. MM. Zotov, Strokin, Novosyolov, and Khlamov had previously been heads of Ministries abolished under the reorganization, while M. Zasyadko had been Minister of the Coal Industry until March 1955, when he was "demoted" and became Minister of the Oil Industry in the Ukraine.

Economic Plan and State Budget for 1957.

The draft economic plan and State Budget for 1957 had been presented to a previous session of the Supreme Soviet on Feb. 5. The economic plan, introduced by M. Pervukhin, provided for a considerable reduction in the rate of industrial expansion as compared with 1956, and for greater emphasis on the production of consumer goods.

Under the 1957 plan, total industrial output was scheduled to be increased by 7.1 per cent, that of heavy industry by 7.8 per cent, and that of light industry by 5.9 per cent. The scheduled increases for consumer goods were larger than those for heavy industry—e.g., whereas output of iron and steel would increase by 6 per cent, compared with 7 per cent in 1956, that of footwear would increase by 6 per cent, compared with 5 per cent in 1956, and that of cotton cloth (which had shown no increase during 1956) by 10 per cent. There would also be a "substantial improvement" in the housing programme, which had fallen short of the plans for 1956, and 28 per cent more dwelling-space would be provided by the State or with the help of Government credits than in the previous year. The fulfilment of the plan, M. Pervukhin emphasized, would call for further improvement in the use of existing capacities and for a vigorous campaign against any waste of power, fuel, or raw materials.

The following table shows the rate of expansion planned for 1957, compared with the 1956 output and with the 1960 targets for the most important items produced by heavy industry:

	(million tons)		
	1956 plan	1957 plan	1960
Iron	35.8	38.1	53.0
Steel	48.6	51.5	68.3
Rolled metal	37.8	39.5	52.7
Coal	429.0	446.0	593.0
Oil	83.8	97.0	135.0
Electric power (1,000 million kilowatt hours)	192.0	211.2	320.0

The State Budget, presented by M. Zverev (the Finance Minister), provided for estimated revenue of 614,800,000,000 roubles and estimated expenditure of 603,800,000,000 roubles —an increase of 32,000,000,000 roubles in revenue and 43,000,000,000 roubles in expenditure over 1956.

Of the proposed revenue, 522,900,000,000 roubles (85 per cent) would be derived from the profits of Government enterprises and 91,900,000,000 roubles from taxation or State loans. Taxation would contribute only 8·4 per cent compared with 8.7 per cent in 1956, the reduction being due to an increase in the minimum income liable to direct taxation, which had come into effect on Jan. 1. The State loan would be smaller than that for 1956, but the sum allocated for prizes would be increased.

Of the total expenditure, 201,400,000,000 roubles would be for industrial development, of which 118,400,000,000 roubles would come from the Budget; 65,000,000,000 roubles would be used for machinery and equipment; 61,600,000,000 roubles would be spent on agriculture (including 52,900,000,000 roubles from the Budget); and 175,000,000,000 roubles would be for new capital investments. Expenditure on education, health, and social services would total 188,200,000,000 roubles, a 15 per cent increase on the previous year. Defence expenditure would be 96,700,000,000 roubles (16 per cent of the total budget) compared with an appropriation of 102,500,000,000 roubles (18 per cent of the Budget) in 1956, of which, however, only 97,800,000,000 roubles had been spent.

After consideration of the Budget by the Soviet of the Union and the Soviet of Nationalities, and acceptance by the Government of certain minor amendments proposed, the amended Budget and the draft plan were approved by both Houses of the Supreme Soviet on Feb. 9.

New State Loan. - Postponement of Redemption of Previous Loans.

Addressing a conference at Gorky (formerly Nizhni-Novgorod) on April 8, M. Khrushchev announced that as from 1958 no further State loans would be launched, but that the redemption of earlier loans would be postponed for 20 to 25 years.

M. Khrushchev stated that loans to the amount of 260,000,000,000 roubles were outstanding. In 1953 and 1954 loans amounting to half the usual sum had been launched, but in 1955 the Government had again had to float a loan of 32,000,000,000 roubles, and in 1956 over 34,000,000,000 roubles had been subscribed. The Budget for 1957 provided for a revenue of over 26,000,000,000 roubles from the annual loan; on the other hand, the Government would have to pay for winnings and redemption of loans about 16,000,000,000 roubles in 1957, 18,000,000,000 roubles in 1958, and 25,000,000,000 roubles in 1967, or almost as much as the subscriptions envisaged to the loan for the current year.

To escape from this "vicious circle" M. Khrushchev announced that it proposed (*a*) to stop launching loans as from 1958, with the exception of the freely negotiable 3 per cent premium loan [which can be presented at any time for redemption, less 3 per cent of the purchase price]; (*b*) to issue the loan for 1957 only to a total of 12,000,000,000 roubles, instead of 26,000,000,000 roubles as earlier planned, persons earning less than 500 roubles a month not being expected to subscribe, whilst others would not be expected to subscribe more than two weeks' wages [as against a month's wages hitherto]; (*c*) to postpone the payment of prizes on and the redemption of all earlier loans for 20-25 years, after which these loans would be redeemed without interest in instalments of approximately 13,000,000,000 roubles a year [i.e. repayment would be spread over 20 years.] M. Khrushchev admitted that in this way "the State will get a loan for 20 years without floating a loan," and promised that the proceeds would be used to provide housing, schools, hospitals, and other facilities.

After the Soviet Government had formally approved this plan on April 20, the State loan for 1957 was launched on May 14. As with previous loans, it was compulsory on the conditions indicated by M. Khrushchev and took the form of a "premium bonds" scheme; six per cent of all bonds issued will be redeemed by an annual draw, in which the winners will receive tax-free prizes ranging from 200 to 5,000 roubles for a 100-rouble bond, plus the face value of the bond. The remaining bonds will be redeemed at face value without interest in 1962, there being thus no moratorium as with the earlier loans. It was announced on May 22 that subscriptions had totalled 14,500,000,000 roubles.—(Soviet Embassy Press Department, London - Times - Manchester Guardian - New York Times) **(Prev. rep. Economic Policy, 15299 A; 1956 Production, 15560 B; Council of Ministers, 15385 B.)**

Corrigendum. In report 15560 B on the Soviet Union's industrial output in 1956, the figures shown in parentheses do not represent the percentage increase over 1955 but the output index taking the 1955 figures as 100 per cent. (Ed. K.C.A.)

A. FRANCE. — Population Figures.

Figures recently published by the *Institut national de la statistique* showed that the population of France on Jan. 1, 1957, had risen to 43,787,000, an increase of over 300,000 for the second successive year. Births exceeded deaths during 1956 by 260,000, while the number of immigrants exceeded emigrants by 86,000.—(Le Monde, Paris) **(Prev. rep. 14675 D.)**

B. UNITED KINGDOM. — Foreign Travel Allowance. - Extension to Dollar Area.

The Chancellor of the Exchequer announced on June 4 that the ordinary travel allowance of £100 a year would in future be available for visits to the dollar area (i.e. the United States and Canada) in the same manner as for travel in the transferable account area. Accordingly, for the present travel year (November 1956 to October 1957) the whole £100—or such balance as might not have been spent already—could be used in the dollar area up to Oct. 31, 1957. Mr. Thorneycroft observed that the fact that dollars had not been made available for travel to North America for the past ten years had "erected an unnatural barrier between the English-speaking peoples which should not be allowed to continue any longer than is necessary."

The Chancellor also announced that the allowances made to people travelling in the dollar area on business would be raised by the Treasury with immediate effect.

It was explained by the Treasury that the present rates for business travel to the dollar area were £14. 10s. a day for people travelling on business of national importance, e.g. the promotion of export trade, and £10 a day for people on less important business, e.g. visitors attending conferences, journalists, etc. There was also a lower rate for secretaries. In future the maximum rate would be increased to £18 a day and the lower rates to £12 a day.

In addition to the £100 basic travel allowance, the £70 allowance for a child and the car allowance of £35 will be available for people travelling in the dollar area in the same way as for those travelling on the Continent.

When Mr. Gordon-Walker (Lab.) asked for an estimate of the dollar cost of the change in a full year, Mr. Thorneycroft replied that it was impossible to make any estimate but that he had been assured that it would be "very small." The Treasury subsequently announced that in the year ended June 30, 1956, the cost of the maximum business allowance had been £4,000,000, whilst the addition of other dollar allowances at lower rates, allowances for visits to relatives, and a few extras had brought the total for that period to just under £5,000,000.

The present ordinary travel allowance of £100 is equivalent to about $280 in the United States and Canada.—(Times) **(Prev. rep. Travel Allowances, 15200 C.)**

C. LITERATURE. — Book Selections, May 1957.

Selected books published in Great Britain and the United States are given below:

Great Britain. Bowen, Catherine D.—"The Lion and the Throne: The Life and Times of Sir Edward Coke, 1552-1634." (Hamish Hamilton, 42s.)

Brogan, D. W.—"The French Nation from Napoleon to Pétain, 1814-1940." (Hamish Hamilton, 25s.)

Connell, Brian—"Watcher on the Rhine: A Report on the New Germany." (Weidenfeld and Nicolson, 21s.)

Duckett, Eleanor—"Alfred the Great and his England." (Collins, 12s. 6d.)

Halifax, Earl of—"Fulness of Days." Memoirs. (Collins, 25s.)

Masters, John—"Far, Far the Mountain Peak." (Michael Joseph, 15s.)

Paul, Leslie—"The Boy down Kitchener Street." (Faber and Faber, 15s.)

Starkie, Walter—"The Road to Santiago: Pilgrims of St. James." (John Murray, 25s.)

Steinbeck, John—"The Short Reign of Pippin IV." (Heinemann, 12s. 6d.)

Thompson, R. W.—"The Eighty-five Days: The Story of the Battle of the Scheldt." (Hutchinson, 18s.)

White, R. J.—"Waterloo to Peterloo." (Heinemann, 18s.)

United States. Faulkner, William—"The Town." (Random House, New York, $3.95)

Wilbur, Richard—"Things of This World." Collected Poems. (Harcourt, Brace and Co., New York, $3.00). Pulitzer Prize award.

(Ed. K.C.A.) **(Prev. rep. Book Selections, 15515 B.)**

D. TURKEY. — New Oil Refinery.

An agreement for the construction of a new oil refinery in the Marmara area was signed on March 29 between the Turkish Government and four leading oil companies—British Petroleum Ltd., the California-Texas Corporation, Mobile Oil Inc., and the Royal Dutch-Shell group. The refinery, the site of which has still to be determined, will have an annual capacity of 3,250,000 tons, will cost $48,000,000, and will be the largest in the Mediterranean area. After its completion in 1960 it will meet Turkey's entire petroleum requirements, in conjunction with a new refinery at Batman which was opened in 1956 and has an annual capacity of 330,000 tons.

(Turkish Embassy Press Department, London)

A. UNITED KINGDOM. — Trade and Payments Agreements with Commonwealth and Foreign Countries.

Trade and payments agreements concluded by Britain with other countries during recent months are summarized below:

Australia. The new trade agreement between Australia and the U.K., implementing the accord in principle reached last November (see 15229 A) and replacing the Ottawa agreement of 1932, was signed in Canberra on Feb. 26, 1957.

Benelux. Following discussions in London with a delegation representing the Benelux countries (Belgium, the Netherlands, and Luxemburg), arrangements for 1957 in respect of that part of Anglo-Benelux trade still subject to quota restriction were announced on Dec. 6, 1956. It was stated that these arrangements would replace those previously concluded with the Netherlands and the Belgo-Luxemburg Economic Union separately.

Ten quotas covering certain U.K. exports to Benelux were agreed upon, permitting trade in these goods (which were not defined) to be at least at their 1956 level; for most items (e.g. oil paints, glass bottles, twist drills, and hard-tipped tools) there would be room for increased U.K. exports; and some British exports (including motor cars and television sets) previously subject to bilateral quotas would now be subject to global quotas covering Benelux imports from all sources. The chief quota agreed upon for U.K. imports from Benelux was for flower bulbs, apart from smaller items such as processed milk and other foodstuffs.

Bulgaria. The Board of Trade announced on Sept. 28, 1956, that the lists of commodities in which Bulgaria and the U.K. would conduct their mutual trade in the year commencing Oct. 1, 1956, had been confirmed. Bulgaria would supply fresh and processed fruit and vegetables, oil-bearing seeds, fats, timber, and other goods, while receiving from Britain wool, rubber, asbestos, drugs, medical apparatus and instruments, machinery and equipment, chemicals, and other goods.

Cuba. An agreement was signed in London on Jan. 8, 1957, amending the Anglo-Cuban Trade Agreement of 1953 and extending it to Dec. 31, 1957. The Cuban Government agreed to continue the preferential rates of duty on imports of those U.K. goods listed in the 1953 agreement, while the U.K. Government agreed to continue the existing annual quota for Cuban cigars and to grant small token quotas for other Cuban imports amounting in all to £75,000.

Czechoslovakia. Financial and trade agreements between the U.K. and Czechoslovakia were signed in Prague on Oct. 22, 1956.

Financial Agreement. This provided (*a*) that the Czechoslovak Government would resume payment as from March 31, 1957, of the outstanding compensations due under the Nationalization Compensation Agreement of 1949 (see 10264 A); this balance, amounting to £2,570,000, would be paid in half-yearly instalments equal to 7 per cent of the sterling proceeds earned by Czechoslovak exports to the U.K., subject to a minimum of £400,000 per annum; (*b*) that discussions on the repayment of the inter-governmental debts should be resumed not later than Sept. 30, 1958, and the existing method of repayment suspended with retrospective effect from Jan. 14, 1954.

Trade Agreement It was agreed that in the period ending Dec. 31, 1957 (*a*) Czechoslovakia would purchase £5,500,000 worth of British goods, including industrial and agricultural machinery, mining equipment, motor cars, textile yarns and piece-goods, and plastics.; (*b*) the U.K. would issue in the same period import licences for Czechoslovak goods—machine tools, imitation jewellery, glass and glassware, chocolate and sugar confectionery, textiles, and carpets—valued at £8,000,000; (*c*) imports into the U.K. of Czechoslovak timber, wood-pulp, and paper would be unrestricted; (*d*) Czechoslovakia would not discriminate against British shipping.

Denmark. Anglo-Danish talks on trade arrangements for 1957 were held in Copenhagen from Feb. 26 to March 7, 1957. They dealt mainly with the comparatively small section of trade still subject to bilateral import quotas, agreement being reached on increasing a number of quotas on each side.

German Federal Republic. Under an Anglo-West German agreement signed in Bonn on March 9, 1957, quotas were fixed for 1957 to cover trade in each direction in those goods not yet liberalized. Quotas for which increases were arranged included U.K. exports of certain textiles and certain agricultural goods, and German exports of certain scientific and optical goods, textiles, chemicals, and other industrial goods and foodstuffs. Imports of British cars into Western Germany were completely liberalized, whilst the quota on the import of German cars into Britain was continued at £2,600,000 a year.

The arrangements increased the amount of liberalized trade to 95.6 per cent of British exports to Western Germany and to 94.5 per cent of West German exports to Britain, the negotiations therefore covering only a small proportion of each country's imports.

Indonesia. It was announced on July 7, 1956, that the British Government had undertaken to supply Indonesia with cotton yarn and textiles valued at $3,000,000. Payment would be made in raw cotton supplied by the U.S.A. to Indonesia as part of the U.S. aid programme (see 14874 A).

Japan. New Anglo-Japanese trade and payment arrangements covering the period Oct. 1, 1956 to Sept. 30, 1957, were signed in London on Feb. 26. As regards British exports, all the trade quotas previously available were maintained with minor exceptions; the quota of wool textiles remained at £2,800,000, but some new quotas provided for additional exports to Japan of over £1,000,000. [Substantial trade, however, is carried on outside the quota provisions, mostly in raw materials and other essential goods, including machinery.]

As regards British imports, previous trade quotas were likewise maintained, with increases in a few cases, including artificial pearls, canned salmon, canned peaches, and wearing apparel. The quota for cotton and rayon cloth for re-export remained unchanged.

It was agreed that Japan could henceforth use sterling earned by trade with the sterling area without restriction, whereas hitherto she had undertaken to use such earnings only within the sterling area. Japan agreed on the other hand to permit the remittance of the profits of U.K. film companies, at present blocked in non-resident accounts.

Japanese exports to Britain in 1956 amounted only to £27,000,000, out of total exports to the sterling area of £300,000,000.

Morocco. A joint statement issued on March 2, 1957, announced that the British and Moroccan Governments had agreed to negotiate a new treaty of commerce and navigation as soon as possible; that both Governments recognized that the tariff limitation in respect of Moroccan imports under Article 7 of the Anglo-Moroccan Commercial Convention of 1856 was "inappropriate to the political and economic conditions of today"; that H.M. Government had therefore renounced their rights under that Article; and that, pending the conclusion of the new treaty, the Moroccan Government had given an assurance that they would continue to give most-favoured-nation treatment to goods originating in the U.K. and its dependent territories.

The *Board of Trade Journal* published the following table showing the total value of U.K. trade with Morocco (Northern and Southern Zones combined) in the last three years:

	£'000		
	1954	1955	1956
Imports from Morocco	11,360	10,241	12,417
Exports to Morocco	5,958	6,361	6,577
Re-exports	152	151	115
Balance in favour of Morocco ..	5,250	3,729	5,725

Norway. A barter agreement was announced on March 24 under which 50,000 cases of Norwegian sild (a small herring resembling a sardine) worth about £150,000 will be imported into Britain by the Rootes Group of motor car manufacturers, while Norway agreed to import 500 motor cars in addition to those which the Group were able to sell in Norway under the present Norwegian import quota arrangements for automobiles. [This quota, which applies to motor-manufacturing countries in the O.E.E.C. as a whole, had recently been increased from 4,000 to 8,000 cars a year, and Britain has to compete within this quota with Western Germany, Italy, and France for a share of the Norwegian market.] It was stated by the Rootes Group that the only way the U.K. could sell Norway more than that share was through barter arrangements: that the present agreement had been thrown open to the British motor industry as a whole; but that most of the initial shipment would be Hillman cars made by the Rootes Group.

Pakistan. An agreement similar to that with Indonesia [see above] was concluded on the same date between the British and Pakistani Governments for textiles and yarn valued at $1,320,000; payment would also be made in U.S. raw cotton. [This agreement was supplementary to the one concluded on April 29, 1955.]

Poland. A three-year Anglo-Polish trade agreement for 1957-59 was signed in Warsaw on Dec. 31, 1956. It provided that: (*a*) import quotas would be negotiated annually; (*b*) Poland would purchase £15,750,000 worth of U.K. goods during 1957, including machinery, textile manufactures, motor-cars, radio and television equipment, chemicals, dyestuffs, fish, substantial amounts of mining equipment, and semi-manufactured goods, thereby providing new opportunities for a number of U.K. exports; (*c*) Britain would issue in the same period import licences totalling £6,500,000 for Polish goods, including canned ham and meat, bacon, furniture, textile manufactures, machine-tools, and various foodstuffs; (*d*) the British market would remain open without restriction to imports of a number of Polish products, including timber, eggs, and starch; (*e*) neither Government would discriminate against the other's shipping.

It was announced in Warsaw on the same date (*a*) that Polish imports from Britain would also include wool, rubber, jute, building and textile machinery, tugboats, engines and motor equipment, non-ferrous metals, sheet metal, cables, hides, synthetic fibres, fish, seeds, oil, and cocoa-beans; (*b*) that the trading lists for 1957 envisaged an increase in Anglo-Polish trade to an overall value of £64,000,000, as against £47,500,000 during 11 months of 1956 and £43,200,000 in 1954.

Portugal. The Board of Trade announced on March 14 that talks on Anglo-Portuguese trade (including trade with Portuguese overseas territories) in 1957 had taken place from Feb. 25 to March 12, and that agreement had been reached on bilateral quotas for imports which were neither free from quantitative restrictions nor subject to global quotas.

Spain. A review of Anglo-Spanish trade and payments arrangements for 1957, which took place in Madrid from Nov. 29-Dec. 21, 1956, resulted in the fixing of bilateral quotas for the few imports of Spanish goods still subject to restriction in Britain. Arrangements similar to those operating in 1956 were also made for Spanish imports from the United Kingdom.

Sweden. It was agreed during Anglo-Swedish trade discussions for 1957, concluded in London on Dec. 18, 1956, (*a*) that the existing arrangements for Swedish imports of British motor vehicles (practically the only U.K. export to Sweden still subject to restriction) would continue unchanged, and (*b*) that no change would be made in U.K. coal and steel exports, except that coke exports would be increased from 140,000 to 300,000 tons. Similarly, the present arrangements for U.K. imports from Sweden would continue.

Switzerland. Anglo-Swiss trade talks, held in Berne from Jan. 29-Feb. 4 and dealing with those trade exchanges still subject to bilateral quotas, resulted (apart from a few small improvements) in the extension of the existing agreements during 1957.

Turkey. A new protocol to the Anglo-Turkish agreement of Jan. 17, 1955 for the settlement of Turkish commercial debts to U.K. exporters (see 14180 A) was signed in Ankara on Feb. 28, 1957. Since the 1955 agreement had come into operation in October of that year the Turkish Government had paid off nearly £4,000,000 of arrears, but on the other hand further payments arrears estimated at £4,500,000 had accumulated, in addition to debts of about £500,000 owing by Turkey to exporters in British Colonies.

Under the new protocol the scope of the 1955 agreement was extended to include all the newly-accumulated arrears to Feb. 28, 1957. The Turkish payments of £130,000 a month to the special account which is used for the settlement of debts in chronological order were continued, but the previous arrangement under which 50 per cent of the sterling proceeds of special sales of Turkish supplementary products were set aside to settle debts out of chronological order was discontinued because of Turkey's present balance-of-payments difficulties. Instead, it was laid down that only 30 per cent of the proceeds of such special sales would be paid to creditors out of chronological order, while 20 per cent would form part of the monthly payments for the repayment of debts in chronological order.

The Turkish Government undertook, however, to increase their guaranteed minimum payments for the settlement of these debts in 1957 and subsequent years to £2,500,000 annually—i.e. £1,560,000 by regular monthly payments and £940,000 by special sales (for which there had previously been a fixed minimum, so that only relatively few such sales had been transacted). If the total annual payment exceeds £2,500,000, the balance may be carried forward to the following year.

Yugoslavia. An Anglo-Yugoslav agreement on trade for the period April 1, 1957 to March 31, 1958 was signed in Belgrade on April 2, 1957, covering commercial exchanges which, it was hoped, would be slightly more than the £15,750,000 realized in 1956-57.

Though Yugoslavia has no import licensing system, an agreed estimate was drawn up of the probable pattern of imports from the U.K., including industrial products, machinery, chemical raw materials, cars, spare parts, etc. For British imports from Yugoslavia, most of which are unrestricted, the agreement laid down quotas for such Yugoslav products as are still subject to import permits. Outside these quotas it was expected that Yugoslavia would export "traditional" goods such as timber and timber products; it was also expected that Yugoslavia would resume the export of uncooked meats and bacon, as well as ham and salami.

Of total Yugoslav exports in 1956, six per cent went to Britain, while 9.8 per cent of Yugoslav imports came from Britain. The agreement also contained a statement about Export Credits Guarantee Department cover for U.K. exports to Yugoslavia, as well as provisions regarding non-discrimination in shipping.

Similar trade arrangements had been agreed in 1955 and 1956 for the years ending March 31, 1956, and March 31, 1957 respectively.

British Import Arrangements for Bacon and Pork. - Danish Reactions.

The Board of Trade announced on Aug. 3, 1956, that, following the resumption of private trading in bacon and pork on Oct. 1, the following imports would be admitted: (*a*) unlimited imports of bacon, whole hams, and fresh chilled and frozen pork under open individual licences from the sterling area; (*b*) imports of bacon and similar types of pork from certain O.E.E.C. countries and their dependencies; (*c*) imports of bacon from Poland and Hungary under bilateral trade arrangements. No imports would be allowed from the dollar area.

On Oct. 3, 1956, the Danish Ministry of Agriculture banned the export to Britain of pig-meat other than bacon and certain processed pork products, owing to a dispute between Danish bacon factories and private exporters. The factories opposed the exporters' plan for the re-opening of trade with Britain in other pork products, lest the British market should be swamped by poor quality exports of such products and the good name of Danish bacon be affected thereby. The ban was lifted on Oct. 22, however, following agreement between the two sides.

Danish Protests against British Egg Exports to Europe.

Considerable concern was aroused in Denmark by the fact that, in view of a surplus production of British eggs in the home market, Britain had started exporting eggs to continental countries which were traditional markets for Danish egg exports, notably Germany and France, at specially low prices made possible through the egg subsidies paid to British farmers.

The Danish Foreign Ministry announced on Feb. 19 that the Danish Ambassador in London had lodged a formal protest with the British Government against these egg exports, and declared that "such a subsidized export offers a serious danger to Danish agricultural exports and is, in the opinion of Denmark, contrary to the rules of the General Agreement on Tariffs and Trade (GATT)." Replying to the Danish protest, the British Government pointed out that it had reduced the egg subsidies by 3½ per cent and that the exports were only temporary.

After a second Danish protest and indecisive talks with a British trade delegation which visited Copenhagen on April 17-19, the Danish Government made a formal complaint to the inter-sessional committee of GATT, which opened its meeting in Geneva on April 24. The complaint was also directed against British exports of State-subsidized cattle, though it was stated that cattle exports were smaller than the egg exports and had been included in the complaint mainly on grounds of principle.

It was pointed out by a spokesman of the Danish egg producers on April 15 that Britain was delivering eggs to Western Germany from her surplus production in almost the same quantities as Denmark, and that British eggs had also been exported in considerable quantities to Italy, Switzerland, France, and Sweden.

New talks between the British and Danish Governments were held in London on May 20-21. It was officially announced afterwards that the British Government had agreed to take steps to prevent serious damage being done to normal Danish export markets as a result of the export of eggs which had benefited from the U.K. subsidy on home production. The machinery for implementing this decision was now being worked out and would be announced after further consultation between the two Governments within the next few weeks. (Treasury Press Office - Board of Trade Journal - Financial Times - Australian News and Information Bureau - Polish and Turkish Embassy Press Offices, London - Berlingske Tidende, Copenhagen) **(14956 A; 13471 A; 14180 A.)**

A. UNITED STATES. — Pulitzer Prize Awards.

The recipients of the annual Pulitzer Prizes were announced on May 6 by the trustees of Columbia University, N.Y., the awards being for the year 1956:

Drama. Awarded posthumously to the late Eugene O'Neill for his play *Long Day's Journey into Night*, which was completed in 1940 and had its première in New York in November 1956. Mr. O'Neill had been awarded three Pulitzer Prizes for drama in his lifetime—in 1920 for *Beyond the Horizon*, in 1922 for *Anna Christie*, and in 1928 for *Strange Interlude*. In the 44-year history of the prizes no other playwright had been honoured four times, and only one other person had won four "Pulitzers"—Robert Frost, the poet. The award was the first to be conferred posthumously. [Eugene O'Neill died on Nov. 27, 1953—see page 13386, second column.]

Literature. No award was made in the field of fiction, but a special citation was given to Kenneth Roberts for "his historical novels which have long contributed to the creation of greater interest in early American history." Among well-known historical novels by Mr. Roberts are *Northwest Passage*, *Oliver Wiswell* and *Lydia Bailey*.

Biography. Awarded to Senator John F. Kennedy (Democrat, Massachusetts) for his book *Profiles of Courage*, a study of political integrity as personified by selected American politicians. Senator Kennedy (39) is one of the leading personalities in the Democratic Party and the son of Mr. Joseph P. Kennedy, onetime Ambassador to Great Britain.

History. Awarded to Mr. George F. Kennan, formerly U.S. Ambassador in Moscow, for his book *Russia leaves the War*, the first of a projected three-volume study of American relations with Russia in the period of the Bolshevik seizure of power and immediately thereafter.

Poetry. Awarded to Richard Wilbur for his volume of poems entitled *Things of This World*. Mr. Wilbur, author of two earlier volumes of verse, is Professor of English at Wesleyan University, Middletown, Connecticut.

Music. Awarded to Dr. Norman Della Joio for his *Mediations on Ecclesiastes*, originally designed as music for a ballet. Dr. Della Joio teaches musical composition at Sarah Lawrence College (Bronxville, N.Y.) and has written orchestral, choral and chamber music works, in addition to ballet scores and two operas.

National Reporting. Awarded to Mr. James Reston, chief correspondent of the *New York Times* in Washington, for "distinguished national correspondence, including both news dispatches and interpretative reporting." A series of five dispatches written by Mr. Reston in June 1956, analyzing the effects of President Eisenhower's illness on the functioning of the Executive Branch, was cited as an outstanding example of his work. [Mr. Reston had also won the Pulitzer Prize for national reporting in 1945 for his dispatches on the Dumbarton Oaks conference.]

International Reporting. Awarded to Mr. Russell Jones, of the United Press, for his "excellent and sustained" coverage of the Hungarian uprising in the autumn of 1956. Mr. Jones, working at considerable personal risk, wrote eyewitness reports of the Hungarian revolt and its suppression by the Soviet forces; he remained in Hungary until expelled from Budapest in December.

The prize for "disinterested and meritorious service" by a newspaper was awarded to the *Chicago Daily News* for its "determined and courageous" action in exposing a financial scandal in the State Government of Illinois.
(New York Times) **(Prev. rep. Pulitzer Awards, 14899 C.)**

A. WESTERN GERMANY - UNITED KINGDOM - UNITED STATES. — Dr. Adenauer's Talks with Mr. Macmillan and President Eisenhower. - Declaration by President Eisenhower and Dr. Adenauer.

At the invitation of the German Federal Government, Mr. Harold Macmillan paid a three-day visit to Bonn on May 7-9 for discussions with Dr. Adenauer and other West German Ministers. The visit was the first paid by a British Prime Minister to the Federal Republic since its formation.

The British participants in the discussions, in addition to Mr. Macmillan, included Mr. Selwyn Lloyd (Foreign Secretary), Sir Christopher Steel (Ambassador in Bonn), and senior officials of the Foreign Office and the Ministry of Defence. On the German side the participants, in addition to Dr. Adenauer, included Dr. von Brentano (Foreign Minister), Professor Erhard (Minister of Economics), Herr Strauss (Minister of Defence), Professor Hallstein (State Secretary in the Foreign Ministry), and Lieut.-General Heusinger.

The following communiqué (cross-headings inserted) was issued after the end of the talks between Dr. Adenauer and Mr. Macmillan:

"... The visit afforded an opportunity for very thorough discussions of international problems of common concern. The conversations were conducted in an atmosphere of great frankness and cordiality. The two Heads of Government were in full agreement on the main aims of their policies.

Anglo-German Co-operation. "The British Prime Minister's visit has further strengthened the friendly relations existing between the German Federal Republic and the United Kingdom. It has confirmed the conviction held by both Governments that the close co-operation, based on mutual trust, between these two allied nations serves to maintain world peace and contributes to the well-being of the free world.

"The two Governments agree that the most important goal of their foreign policy is to maintain and consolidate peace. They consider that the efforts of the United Nations to bring about disarmament under an effective system of control covering all types of weapons must continue to be promoted energetically. As long as the Soviet bloc is not willing to enter into the necessary comprehensive agreements, the existing defence organizations which have hitherto so effectively safeguarded peace and freedom, and which threaten no-one, must continue to be strengthened.

European Security. "The two Heads of Government discussed in detail the question of European security and defence. They agreed ... on the need for NATO to retain an effective deterrent against aggression, including an adequate shield of land, sea and air forces for the protection of the territory of the member-States. The Federal Minister of Defence will shortly visit London to discuss defence questions of mutual interest.

Euratom and the Common Market Project. "The British Government welcomes the treaties signed in Rome on March 24 as a further step toward a united Europe and a contribution to strengthening the European economy. Both Heads of Government agreed that the interests of Europe would best be served by the early ratification of the Rome treaties. They further agreed that it was necessary to establish as soon as possible a Free Trade Area as a complement to the Common Market. They therefore resolved to do all in their power to ensure that the negotiations to this end are carried forward with a view to their successful conclusion at the appropriate time.

"It was also agreed that the multiplicity of existing and projected European organizations and of European parliamentary bodies makes it desirable to pursue joint efforts to simplify and clarify so far as possible the structure of European institutions. They consider that while study of this problem should continue with other interested Governments, the most appropriate moment to make some forward steps would be after the ratification of the Rome treaties.

German Reunification. "The British Government reaffirmed that the reunification of Germany remains one of their main political aims. They stated their determination to contribute to the utmost of their power to the achievement of this goal. Both Governments are convinced that there can be no genuine security in Europe so long as Germany remains divided."

Prior to Mr. Macmillan's visit, considerable disquiet had been expressed in Western Germany at the implications of Britain's new defence policy, involving projected reductions in British troops on the Continent. In this connexion many German newspapers had expressed fears lest British—and possibly American—troop reductions in Europe might weaken the security of the Federal Republic. At a press conference before leaving Bonn, however, Mr. Macmillan said that he had explained British defence policy to the Federal Chancellor and had stressed Britain's continued determination to fulfil her European obligations. Asked whether he had discussed with Dr. Adenauer the projected cuts in the Army of the Rhine, Mr. Macmillan said that "we have not asked, nor would it have been fair to ask the Chancellor, for a promise of support for this or any other particular plan."

Dr. Adenauer's Visit to Washington.

The German Federal Chancellor, accompanied by Dr. von Brentano, visited the United States during the last week of May for talks with President Eisenhower and Mr. Dulles on May 27-28 at the President's farm at Gettysburg. The following joint declaration (cross-headings inserted) was issued by President Eisenhower and Dr. Adenauer on May 29, after the talks had ended:

Basic Aims of U.S. and West German Policy. "The President and the Chancellor agreed that the basic aim of the policies of their two countries is the maintenance of peace in freedom. To that end it is the common policy of their Governments to work for the achievement of conditions in which all nations can live in peace and freedom and devote their energies and resources to promoting the welfare of their peoples.

"They agreed that the realization of these conditions depends upon the removal of the causes of tension between the Soviet Union and the free world. This tension is mainly attributable to the acts and policies of the Soviet Union, among them the deprivation of other peoples of their freedom.

Denunciation of Soviet Action in Hungary. "The President and the Chancellor noted with great concern the consequences of the brutal Soviet intervention in Hungary. The continued suppression of the rights of the Hungarian people makes it difficult for other nations to accept as genuine the professed Soviet desires for peaceful co-existence.

German Reunification. "The President and the Chancellor reaffirmed that the ending of the unnatural and unjust division of Germany is a major objective of the foreign policies of the two Governments. Germany must be reunited on a free and democratic basis by peaceful means. If the Soviet rulers really desire peace and the relaxation of international tension, they can give no better proof than to permit the reunification of Germany through free elections.

"The President and the Chancellor emphasized that the restoration of German national unity need give rise to no apprehension on the part of the Soviet Union as to its own security. It is not the purpose of their Governments to gain any one-sided military advantage from the reunification of Germany. In conjunction with such reunification, they stand ready, as stated at the two Geneva Conferences of 1955, to enter into European security arrangements which would provide far-reaching assurances to the Soviet Union.

Strengthening of NATO. "The President and the Chancellor agreed that NATO is essential for the security of the entire free world. They agreed that the defensive strength of NATO must be further improved in the face of the continuing Soviet threat and the absence of a dependable agreement for major reductions of armaments. The German Federal Government will proceed as rapidly as possible with building up its agreed contribution to the Western collective defence system.

U.S. Forces in Europe. "For the purpose of contributing its fair share to the defence of the North Atlantic area, the United States intends to maintain forces in Europe, including Germany, as long as the threat to the area exists ... The Atlantic alliance must be in a position to use all available means to meet any attack which might be launched against it. The availability of the most modern weapons of defence will serve to discourage any attempt to launch such an attack.

U.S. Support for Euratom and European Common Market. "The President and the Chancellor expressed gratification over the significant progress made toward closer economic integration in Europe. The Chancellor expressed his belief that the treaties establishing Euratom and the European Common Market constitute a further step of historic significance toward European unity. The President expressed the great interest of the U.S. Government and the American people in these treaties, and his belief that their entry into force will benefit the people not only of Europe but of the entire world.

Disarmament. "The two Governments are in agreement that efforts must be pressed in the United Nations to reach agreement on measures for disarmament, with respect both to conventional and nuclear weapons, under an effective system of international control. The President and the Chancellor agreed that if a beginning could be made toward effective measures of disarmament, this would create a degree of confidence which would facilitate further progress in the field of disarmament and in the settlement of outstanding major political problems, such as the reunification of Germany. They agreed that if such initial steps succeed, they should be followed within a reasonable time by a comprehensive disarmament agreement which must necessarily presuppose a prior solution of the problem of German reunification.

"Accordingly, the Chancellor advised the President, as he has the French and British Governments, that the Federal Republic would consider that the conclusion of an initial disarmament agreement might be an appropriate time for a conference on the reunification of Germany among the Foreign Ministers of the four Powers responsible therefor. The United States will consult with the French and British Governments regarding this matter.

European Security. "The President stressed that any measures for disarmament applicable to Europe would be accepted by the United States only with the approval of the NATO allies, and taking into account the link between European security and German reunification. He assured the Chancellor that the U.S.A. does not

intend to take any action in the field of disarmament which would prejudice the reunification of Germany. He stated that the United States would consult with the German Federal Government closely on all matters affecting Germany arising in the disarmament negotiations."

In a speech to the U.S. Senate on May 28, Dr. Adenauer emphasized that the entire German people, in both Western and Eastern Germany, desired only to live in "unity, peace, and freedom"—the three principles on which the Federal Republic was based.

In the course of his speech the Chancellor said that as a result of the "two grievous experiences" encountered by the German people—"the totalitarian dictatorship imposed on us during the National Socialist regime, and the Communist dictatorship in the Soviet zone of Eastern Germany"—the entire German people rejected all forms of totalitarianism and wished to ally themselves as closely as possible with the other free peoples of the world. Whereas the three Western Powers, faithful to their principles, had rebuilt a German State on a democratic basis after the war, the Soviet Union had "misused its trusteeship and subjected the Soviet zone to a subservient, satellite Communist regime"—a regime detested by all but an infinitesimal number of people in Eastern Germany, as the 1953 uprising had shown. After saying that "the German Republic will be incomplete as long as it is confined to the territory of the Federal Republic," Dr. Adenauer declared: "We demand reunion with 17,000,000 fellow-Germans [in the Soviet zone] . . . We demand from the fourth of the victorious Powers that which the other three, in loyal fulfilment of the responsibility assumed by them when the German State collapsed, have long since conceded of their own free will . . ."

The concern in Western Germany at the implications of the new British defence policy had been paralleled by fears lest the United States, in seeking a solution of the disarmament problem, might reach an agreement with the U.S.S.R. on this matter at the expense of German reunification. President Eisenhower's assurances to Dr. Adenauer, as embodied in the joint declaration, were therefore warmly welcomed in the Federal Republic.—(Frankfurter Allgemeine Zeitung - Times - Daily Telegraph - Manchester Guardian - New York Times) **(Prev. rep. 14980 A; 14425 A; 14271 A.)**

A. IRAQ - SAUDI ARABIA. — Baghdad Meeting between King Faisal and King Saud. - Joint Declaration.

A six-day visit to Iraq by the King of Saudi Arabia ended on May 17 with the publication of a joint communiqué on the talks held at Baghdad between King Saud and King Faisal. After speaking of "the beginning of a new era of friendship and solidarity" between the two countries, the communiqué said that Iraq and Saudi Arabia were agreed that "no Arab country should interfere in the internal affairs of another Arab State." It was also announced that Iraq and Saudi Arabia were in agreement on the following points:

(1) Both nations affirmed "their determination to protect the rights of the Arabs in the Gulf of Akaba, which is a closed Arab gulf leading to the Moslem holy places, and to do their utmost to prevent Israeli violation of this Arab gulf by all means at their disposal." Every effort would be made to prevent oil reaching Israel from any Moslem source.

(2) Both countries would resist "Imperialism, Communism, and Zionism" as dangers "threatening Arab stability, independence and power."

(3) Iraq and Saudi Arabia uphold the principles of the Arab Security Pact, the Bandung Conference, and the United Nations, and would do all in their power to unify the Arab and Moslem world.

(4) The return of the Palestine refugees to their homes was an essential condition for the restoration of peace and security in the Middle East.

(5) The two countries disapproved French "methods of force" in Algeria and would support the Algerian people in its struggle for independence.

(6) Iraq and Saudi Arabia would strengthen their economic and cultural relations and conclude agreements for that purpose.

No direct reference was made to the situation in Jordan or to the Baghdad Pact. The declaration that "no Arab country should interfere in the internal affairs of another," however, was widely regarded as a joint rebuke to President Nasser and to the Egyptian propaganda directed against Iraq, Jordan and the Lebanon. The reference to a "new era of friendship" in Iraqi-Saudi relations was also regarded as marking the end of the long-standing feud between the Hashemite dynasty (to which the Royal Houses of Iraq and Jordan both belong) and the House of Saud. [This feud originated when King Faisal's grandfather, a member of the Hashemite dynasty, was driven out of Saudi Arabia by King Saud's father, the late Ibn Saud.]

King Hussein had been invited to take part in the talks but had declined "with apologies" in view of the situation in Jordan.—(Times - Manchester Guardian - New York Times) **(Prev. rep. 15504 B; 15340 A.)**

B. MONGOLIA. — Economic Agreement with Soviet Union. - Increased Soviet Economic Aid. - Joint Soviet-Mongolian Enterprises transferred to Mongolia.

An agreement on Soviet economic aid to Mongolia was initialled in Moscow on May 15 after six days' discussions between Soviet leaders and a delegation from the Mongolian People's Republic headed by the Prime Minister, M. Tsedenbal.

Soviet leaders taking part in the talks included Marshal Bulganin, M. Khrushchev, M. Mikoyan, M. Gromyko (Foreign Minister), M. Zverev (Minister of Finance), M. Kabanov (Minister of Foreign Trade) and M. Kuzmin (chairman of the State Planning Commission). The Mongolian delegation included the Foreign Minister (M Adilbash) and other officials.

In addition to increasing the amount of Soviet economic aid to Mongolia, the agreement also provided for the transfer to Mongolian control of the Mongolian Oil Trust (Mongolneft) and the joint Soviet-Mongolian company for developing the country's mineral resources (Sovmongolmetal). The agreement is summarized below:

Soviet Economic Aid since 1946. After "noting with satisfaction" that the Mongolian People's Republic had been transformed during the past ten years "from a backward feudal land into a new and growing independent people's democratic State," the agreement recalled that coal, oil, ore-mining, and food and light industries had been established in Mongolia during that period with Soviet assistance; that railway and motor transport had been widely developed; and that a number of factories and industrial installations had been built. In the same period the U.S.S.R. had granted long-term credits to Mongolia "on easy terms" totalling over 900 million roubles, and had also handed over to Mongolia free of charge more than 100 million roubles' worth of Soviet property.

Transfer of Joint Enterprises. During the past ten years the U.S.S.R. had carried out geological prospecting and built oil-extracting and refining enterprises in Mongolia at a cost of over 300 million roubles. As a result of these measures Mongolia could now cover her petroleum needs to a large extent from her own resources, and the Soviet Government would therefore hand over to the Mongolian People's Republic, free of charge, the enterprises of Mongolneft (the Mongolian Oil Trust)

Similarly, the Soviet-Mongolian joint-stock company for developing mineral resources (Sovmongolmetal) had laid the foundations for a Mongolian mining industry and had trained the necessary personnel. The Soviet Government had accordingly decided to transfer its share in Sovmongolmetal to the Mongolian Republic, which would make interest-free repayments over a 30-year period beginning in 1962.

In addition, the U.S.S.R. would hand over to Mongolia, free of charge, the installations at the airports of Ulan Bator (the Mongolian capital) and Sain Shand, as well as "a certain number of aeroplanes."

Future Economic Assistance. After recalling that a 1,000-kilometre (600-mile) trunk line of the Ulan Bator Railway had been built with Soviet assistance, it was stated that at the present time 18 industrial, agricultural, and municipal service establishments were being built in Mongolia with Soviet material, technical and financial aid, including a coal-mine with an annual output of 600,000 tons, four flour mills, a confectionery factory, a dairy plant, a water-supply line, a sewage system, and a steam-heating project in Ulan Bator.

To promote the further economic development of Mongolia, the U.S.S.R. had agreed to deliver the following equipment during the period 1958-60: 2,500 tractors, 550 grain combine harvesters, 200 diesel and mobile electric power stations, 80 saw-mills, 3,000 motor lorries, building materials, and over 10,000 head of pedigree livestock. In addition, the U.S.S.R. would help to build two factories for the production of pre-fabricated houses, a silicate brick factory and a radio station in Ulan Bator, and other installations. The U.S.S.R. would also assist the Mongolian authorities in carrying out geological prospecting for oil and non-metallic minerals during the same period, and would help to develop Mongolia's agriculture. A credit of up to 200 million roubles on easy terms would be made available to Mongolia to enable her to pay for the equipment, materials, and technical assistance supplied by the U.S.S.R. It was further stated that the Soviet Government had agreed to cover 50 per cent of the expenses incurred in developing Mongolian public health services during 1958-60.

The statement also announced full agreement between the Soviet and Mongolian Governments on all international questions, and referred to the continued development of Soviet-Mongolian political, economic and cultural co-operation. It called on the Western Powers to "abandon the policy of ignoring the Mongolian People's Republic" and to "change their attitude" toward the admission of Mongolia and the People's Republic of China to the United Nations.
(Soviet Embassy Press Department, London) **(15449 B.)**

C. UNITED KINGDOM.—Royal Radar Establishment.

During a visit by the Queen to the Radar Research Establishment at Malvern on April 24, it was announced that it would in future be known as the Royal Radar Establishment by command of her Majesty.—(Times) **(Prev. rep. 13055 A.)**

A. SYRIA. — Virtual Army Dictatorship under Colonel Sarraj. - Increasing Influence of Left-wing and Nationalist Elements. - U.S. Démarche on Soviet Arms Supplies to Syria. - The Damascus "Conspiracy Trial." - New Government formed by M. Assali.

During the latter months of 1956 and the early months of 1957 increasing concern was caused in the Western countries, and also in Turkey, at reports of continued Soviet arms shipments to Syria and at the reported presence of numbers of Soviet technicians and experts in that country. At the same time Western press correspondents in the Middle East reported that Syria was falling increasingly under the control of a nationalistic and strongly left-wing element in the Syrian Army headed by Colonel Abdul Hamid Sarraj, head of the Army's *Deuxiéme Bureau* (Intelligence Section). The Baghdad Correspondent of *The Times*, in a dispatch on Nov. 27, 1956, described Syria as being "in the grip of a military dictatorship" headed by General Sarraj, while the *New York Times* (Dec. 11) similarly described Colonel Sarraj as "a potent power behind the present Syrian Government." These and other reports said that Colonel Sarraj was strongly pro-Egyptian and pro-Soviet in sympathy, and that he enjoyed the support both of the extreme right-wing nationalists and of the Syrian Communists.

Colonel Sarraj (31) emerged into prominence as leader of the left-wing faction in the Syrian Army after the assassination of Colonel Malki in 1955 by a member of a rightist political group (see 14315 B). He became head of the Syrian Army's *Deuxiéme Bureau* in 1955, having previously served as assistant military attaché in Paris. A personal friend of the Egyptian President, Colonel Nasser, he is known to be strongly opposed to the Baghdad Pact and to favour a close political and military alignment between Egypt, Syria, and Jordan.

[As stated on page 15564, second column, it was alleged on May 11 by the Jordanian newspaper *Al Urdon*, and by Jordan Radio, that Colonel Sarraj was a member of the committee which had been established with Egyptian and Soviet support to overthrow the monarchies in Arab countries and replace them by republics. The Jordanian Army Command, moreover, accused Colonel Sarraj of complicity in the plot to overthrow King Hussein—see page 15565, first column.]

U.S. Démarche to Syria on Soviet Arms Shipments.

It was disclosed in Washington on Nov. 28, 1956, that the U.S. Government had expressed its "concern" to the Syrian Government at the "substantial shipments" of Soviet arms to Syria in recent months, despite the U.N. resolution of Nov. 2 (see page 15186) urging all U.N. member-countries to refrain from sending arms to the Middle East. The State Department spokesman (Mr. Lincoln White) said that it had been established that Soviet arms of "various types and weights" had been shipped to Syria, some of them after the outbreak of hostilities in Egypt.

No detailed information was available as to the extent of these arms shipments, nor were any statements issued either in Damascus or Moscow beyond Syrian denials of the presence of Soviet technicians and experts. A question on this matter, however, was asked in the British House of Lords on May 1, 1957, by the Earl of Dundee, who drew attention to a *New York Herald Tribune* report of April 20 stating that aviation training teams from the U.S.S.R. were arriving in Syria regularly on a six-week rotation system from the Caucasus, and that the aircraft carrying them were photographing strategic areas in Persia and Iraq.

Lord Home (Lord President of the Council) said that the British Government believed that military advisers and technicians had been arriving in Syria during the past few months from Soviet-bloc countries to train the Syrian forces in the use of equipment acquired from those countries. The Government had no evidence, however, to confirm that Soviet aviation training teams were arriving in Syria every six weeks, or that strategic areas in Persia or Iraq were being photographed.

As was generally known, Lord Home added, Egypt had received from the Soviet bloc by the end of October, 1956, military equipment to an estimated value of between £120,000,000 and £150,000,000. Similarly, Syria had received military equipment to the value of about £20,000,000 by the same date. Since the Suez crisis, in which Egypt lost a considerable quantity of the arms supplied to her by the Soviet bloc, Soviet ships were widely reported to have resumed deliveries of military equipment to both Egypt and Syria. Shipments to Syria had been certainly resumed in December, and those to Egypt were reported to have begun by February, if not earlier.

Syrian Allegations against Britain, France, Israel, and Iraq.

During the General Assembly's debate on Hungary, the Syrian delegate interrupted the proceedings on Nov. 21, 1956, to say that he had received a cable from his Government concerning "imminent aggression" against Syria by British, French, and Israeli forces. At a subsequent press conference a Syrian spokesman alleged *inter alia* that British, French and Israeli aircraft had flown over Syria on numerous occasions, that British and French troops had taken part in the Israeli attack on Egypt after landing at Haifa, and that "massive concentrations" of Israeli, British, and French forces were gathering on the Syrian and Jordanian borders. These allegations were denied *in toto* by Britain, France, and Israel, a British Foreign Office spokesman describing them as "a tissue of lies from beginning to end." On Nov. 24 the Iraqi Government similarly declared that there was no truth whatever in Syrian allegations that quantities of arms had been sent from Iraq to Syria to enable dissident elements in that country to overthrow the Syrian regime.

The Syrian Government sent Notes to the U.S. and Soviet Embassies in Damascus on Nov. 28, 1956, explaining Syria's "independent policy" and referring to a "campaign of deceit and agitation" waged by "Israel and imperialism." No details were given, but a Syrian official spokesman said that Syria was pursuing "an Arab nationalist policy based on positive neutrality and abstention from a policy of blocs and cold war." In a Damascus broadcast on Dec. 6 President Kuwatly made a bitter attack on the Baghdad and NATO pacts, alleging that they were aimed at undermining Syria's independence and sovereignty "on the pattern already used against Egypt." He described the "rumours" of Communist penetration of Syria as designed to disrupt the Egyptian-Syrian-Jordanian alliance.

The Damascus "Conspiracy Trial."

The trial began in Damascus on Jan. 8, before a military court-martial, of 47 Syrians—including many leading political figures—on charges of conspiring to overthrow the regime by armed revolt with financial backing from Iraq, and at the instigation of the Iraqi, British, French and Turkish Governments. Only 29 of the accused appeared in court, the other 18 being abroad—in Europe or the Lebanon—and being tried *in absentia*.

Among those put on trial were Brigadier-General Adib Shishakly, President of Syria until his deposition in 1954 (see 13425 A); Colonel Salah Shishakly, brother of the ex-President; the Emir Hassan el-Atrash, head of the Jebel Druse tribe and a former Minister; Adnan Atassi, formerly Ambassador in Paris and son of ex-President Hashem Atassi; Faydi Atassi, a former Foreign Minister; Colonel Safa, formerly Military Attaché in Washington; Dr. Sami Kabbara, a former Minister of the Interior; and Mikhail Ilian, member for Aleppo in the Syrian Parliament and an ex-Minister of State. The other defendants included a number of Army officers, members of the Syrian Parliament, and other persons, among them a Lebanese national.

The indictment alleged that the "conspirators" had planned to start an uprising, while the Syrian Army was immobilized by a border clash with Israel, with the aim of overthrowing the present regime and transforming Syria into a "servant of imperialism." Specifically, it was alleged that simultaneous risings had been planned in the Jebel Druse, the Alaouite mountains, and Damascus; that the conspirators would have set up a new Government under the Premiership of Dr. Kabbara or Munir Ajlani, both described as pro-Iraq politicians; that President Kuwatly, Colonel Sarraj, and other leading personalities in the present Government would have been assassinated; and that the new Government would have dissolved Parliament, eliminated the *Baath* (Socialist) and Communist parties, and dissolved the Army's *Deuxiéme Bureau*. The "instigating Powers"—Britain, France, Turkey, and Iraq—would then have recognized and backed the new regime. Had the "conspiracy" failed, the rebels would have retreated to the Alaouite mountains and have called upon the British and French to land in Syria and impose "a Government of traitors."

It was further alleged that the Iraqi Foreign Minister (M. Bashayan) and the Iraqi Chief of Staff (General Daghistani) had gone to Geneva to persuade ex-President Shishakly to lead the plot; that General Shishakly had accepted the task for a consideration of 35,000 Iraqi dinars; that he had been conveyed to Beirut in June 1956 aboard a British transport and had received 15,000 dinars from the Iraqi military attaché in the Lebanon, who it was alleged, had been allocated 5,000,000 dinars by the Iraqi Government to promote the "conspiracy"; and that the "conspirators" had received a quantity of arms from Iraq—described as "800 rifles, six automatic guns, and several cases of munitions." Three principal Syrian "elements," it was alleged, were implicated in the plot—"Shishakly supporters; Mohammed Safa, a dismissed officer of the Syrian Army; and the [outlawed] Social National Party."

The trial ended on Feb. 26, 1957, with the passing of the death sentence on 12 of the defendants (seven *in absentia*), while five others were sentenced to life imprisonment—including ex-President Shishakly *in absentia*. Three defendants were acquitted, the remainder being given prison terms ranging from three months to 20 years. The death sentences imposed on the five defendants present in court were subsequently commuted on March 6 to life imprisonment with hard labour.

Of those present in court, death sentences (later commuted to life imprisonment) were passed on Dr. Kabbara, Adnan Atassi, and three former members of Parliament—Hayel Surur, Subhi al-Omari and Ali Hassan al-Hakim. The seven defendants on whom death sentences were passed *in absentia* were Emir Hassan al-Atrash, Colonel Salah Shishakly, Mikhail Ilian, Said Takieddine (the

Lebanese defendant), Colonel Safa, and two other Army officers. One of the defendants tried *in absentia*—Colonel Jedid, leader of the Social National Party—had been shot dead by a Syrian gunman in the Lebanon.

It was commented outside Syria that the so-called "conspirators" were in nearly all cases persons of right-wing or moderate views opposed to the extremist policies of Colonel Sarraj and the regime. Moreover, it was commented that the indictment had been drawn up by the Army authorities and that the trial had been held before a military court-martial from whose verdicts there was no right of appeal. The inference was therefore drawn that the trial had, in effect, constituted a "purge" of Opposition elements in the political parties and the armed forces—particularly in view of the "confessions" which, it was alleged, had been made by many of the defendants. The Middle East Correspondent of the *Daily Telegraph*, in a dispatch from Baghdad, said that the Damascus trials were regarded by Iraqi opinion as "being conducted with typical Iron Curtain purge technique."

New Government formed by M. Assali.

During the first fortnight of December most of the parties represented in the Syrian Parliament formed themselves into a "National Parliamentary Front" pledged to carry out the principles of a "National Charter" adopted by those parties. The Prime Minister, M. Assali, resigned on Dec. 22 in order to form a "national government" representative of the parties adhering to the "National Charter." The membership of the new Cabinet was announced on Dec. 31, M. Assali taking the portfolio of the Interior in addition to the Premiership, and retaining only two Ministers of the former Government—the Foreign Minister, M. Salah Bitar, and the Minister of National Economy, M. Kallas. All the principal parties were represented except the right-wing People's Party (*Shaab*) and the Constitutional Bloc, the new Government including Nationalists, *Baath* Socialists, and a "liberationist."

In a policy statement on Jan. 3, M. Assali said that the new Government would base its policy on the principles of the "National Charter," viz: the safeguarding of the independence and sovereignty of Syria; the foiling of "imperialist conspiracies" against Syria and other Arab countries; resistance to the Baghdad Pact and to "imperialism," "colonialism" and "Zionism"; aid for those Arab peoples still subjected to "imperialism"; and support for the Iraqi people in its "struggle against colonialism." M. Assali reiterated his Government's support for a policy of "Arab nationalism," "positive neutralism," and abstention from "power blocs"; declared that Syria would not conclude a peace treaty with Israel; and added that "practical steps" would be taken to bring about a Federal Union between Syria and Egypt.

Reports from Syria during April and May spoke of increasing popular discontent with the Government and the "Army dictatorship," and also of growing strain between the Army and the political parties supporting it. Violent scenes occurred in the Syrian Parliament on April 10, when deputies came to blows after M. Assali had refused demands by the People's Party to end martial law, which had been imposed at the outbreak of the Suez crisis and still remained in force. The Middle East Correspondent of the *Daily Telegraph*, in a dispatch from Damascus on May 21, spoke of "a battle between Parliament and the ruling Army dictatorship over control of this semi-Communist country," and of the likelihood of an overt split "between the Army and its political supporters in the Government who are now demanding full control." (Le Monde, Paris - Times - Daily Telegraph - Manchester Guardian - New York Times) **(Prev. rep. Army Crises, 14988 G; 14315 B; Cabinet, 14940 A; Turkish Warning of Communism in Syria, 15230 A.)**

A. KASHMIR. — New President of "Azad Kashmir."

Sardar Mohammed Ibrahim Khan, president of the All-Jammu and Kashmir Moslem Conference, took office on April 18 as President of the "Azad Kashmir" Government (i.e. the government in the Pakistani-controlled area of Kashmir) in succession to Sardar Abdul Qaiyum Khan, who had resigned on the same day. On taking office the new President pledged himself to reinforce the "liberation movement" and to work for the eventual inclusion of Kashmir in Pakistan. Sardar Mohammed Ibrahim Khan, head of the first Azad Kashmir government formed in 1947, is a graduate of London University and a barrister of Lincoln's Inn.—(Dawn, Karachi) **(Prev. rep. 15265 A.)**

B. GHANA. — First High Commissioner in London.

The appointment of Mr. E. O. Asafu-Adjaye as Ghana's first High Commissioner to the United Kingdom was announced in Accra on June 8. Mr. Asafu-Adjaye, a lawyer, was formerly Minister of Local Government in Dr. Nkrumah's Cabinet. (Times)

C. BRITISH COLONIAL EMPIRE. — Colonial Development Corporation. - Report for 1956. - Revenue Surplus of £572,000. - Review of Corporation's Activities.

The report of the Colonial Development Corporation for 1956, published on May 1, 1957, showed a revenue surplus of £572,809, after payment of interest amounting to £416,178. This compared with a surplus of £409,233 in 1955, and included a net operating profit on direct projects and subsidiary undertakings of £371,718, compared with one of £113,165 in 1955. Capital approved during 1956 for new projects and for further stages of existing ones amounted to £20,000,000, increasing the total approved for various projects since the C.D.C. began operations in 1948 to £85,000,000. The Corporation's activities in 1956 are summarized below.

Projects in Operation. During the year eight new projects were started, two others completed, and three discontinued. At Dec. 31, 1956, there were 66 projects and investigations in progress, compared with 63 on Dec. 31, 1955. The total capital approved for these projects amounted to £74,201,000.

Location of Projects. The projects in operation at Dec. 31, 1956 were located as follows (capital approved for each area shown in parentheses): *Caribbean Region*, 16 (£7,742,000); *Far East*, eight (£16,043,000); *East Africa*, 15 (£15,484,000); *Central Africa*, seven (£22,002,000); *High Commission Territories*, 12 (£9,881,000); *West Africa*, eight (£3,149,000).

Functional Distribution of Projects. Of the total of £74,201,000 approved for the various projects and investigations now in progress, the largest amount (£27,079,000, or 36.3 per cent) was for power schemes, followed by agriculture (£12,039,000, or 16.3 per cent), property and housing (£9,935,000, or 13.1 per cent), minerals (£7,716,000, or 10.4 per cent), forestry (£6,701,000, or 9.2 per cent), factories (£4,333,000, or 5.9 per cent), animal products schemes (£3,257,000, or 4.4 per cent), transport and communications (£2,600,000, or 3.6 per cent), hotels (£111,000, or 0.6 per cent), and fisheries (£130,000, or 0.2 per cent). The report pointed out that the share allocated to power projects (including the investment of £15,000,000 in the Kariba hydro-electric scheme, see 14751 A) was 14.6 per cent higher at Dec. 31, 1956 than at Dec. 31, 1955, and the share of "basic developments" as a whole (power, housing, transport and communications) 10.5 per cent higher.

Revenue-earning Projects. The report stated that 36 projects were now earning revenue, but 19 others were still in the investigation and development stages. It added that certain large plantation projects (e.g. in British Guiana) would require further capital when their products were ready for processing, whilst other schemes awaited necessary basic services—e.g. a railway in connexion with Tanganyika Coalfields Ltd.

Capital Expenditure, 1948-1956. The amounts approved in each year of the Corporation's existence, and the actual expenditure in that year (shown in parentheses) were as follows: 1948-49—£13,000,000 (£2,500,000); 1950—£17,000,000 (£7,500,000); 1951—£7,000,000 (£10,000,000); 1952—£7,000,000 (£8,000,000); 1953—£6,000,000 (£7,000,000); 1954—£6,000,000 (£4,500,000); 1955—£9,000,000 (£8,000,000); 1956—£20,000,000 (£9,000,000).

The Corporation's Future. The report pointed out that the limit of borrowing by the Corporation fixed under the Colonial Development and Welfare Acts was £100,000,000. Of this sum, £85,000,000 had already been approved for expenditure on schemes by Dec. 31, 1956, whilst the balance might be required to bring existing schemes to fruition. New schemes now under examination would require about £38,000,000 additional capital, the report stressing that "unless the C.D.C. is to refuse new and pressing business, more capital is urgent."

C.D.C. Position with regard to "Emergent Territories." Dealing with the Corporation's position in territories which had attained self-government, the report quoted a clause from the Ghana Independence Act removing Ghana from the schedule of territories in which the C.D.C. might operate [see 15365 A]. It explained that when the inclusion of this clause was challenged in the House of Commons on the ground that it seemed to deprive Ghana of U.K. funds for development, the Government had insisted on its retention and had pointed out that other agencies were available and that it was questionable whether financial arrangements should be made with independent countries except on a Government-to-Government basis. The report referred to "the disappointment felt in Ghana and Malaya at the prospect of losing C.D.C. help," and said: "it is surely commonsense that the now established, efficient, and profitable C.D.C. should be permitted to invest in emergent territories. The C.D.C. has been assured on behalf of both the Ghana and Malaya Governments that it would be a great pity if emerging members of the Commonwealth were . . . to be deprived of the help of the experienced C.D.C. personnel." The report pointed out, however, that if the Corporation were to operate in self-governing territories, the word "colonial" would have to be dropped from its title.

The Overseas Resources Development Bill, intended to validate, retrospectively and prospectively, certain of the Corporation's activities previously held to be *ultra vires* (see 14848 A), was enacted on Aug. 2, 1956.—(Times - Daily Telegraph - Commonwealth Survey) **(Prev. rep. 14848 A.)**

A. IRISH REPUBLIC. — Senate Elections.

The new Senate of the Irish Republic was elected during the second week of May, following the recent general elections to the new Dail. Counting of votes for the various panels took place between May 8-11, the Senate being completed on May 15 by the nomination of 11 members by the *Taoiseach*, Mr. de Valera.

The 60 members of *Seanad Eireann* are chosen as follows: 43 for the five vocational panels (Cultural and Educational, Agricultural, Labour, Industrial and Commercial, and Administrative), six elected by the Universities (three for the National University of Ireland and three for Trinity College, Dublin); and 11 nominated by the *Taoiseach*. The "vocational" and University members are returned by an electoral college system as explained in 11673 B.

Among the 43 members elected for the vocational panels, 30 were members of the outgoing Senate; the new Senators included a number who were formerly members of the Dail, most of whom had been defeated in the recent general election. Mr. P. F. Baxter, chairman of the former Senate, was among the successful candidates on the Agricultural panel, while those elected on the Labour panel included five members nominated by the Irish T.U.C. The only change in University representation was that Professor P. M. Quinlan (Professor of Physics at University College, Cork), replaced Dr. Roger McHugh (lecturer in English at University College, Dublin) as one of the three Senators for the National University of Ireland.

The 11 Senators nominated by Mr. de Valera included Mr. Sean Moylan, the Minister of Agriculture. Other nominated Senators included Mr. Sean Brady, chairman of Clare County Council; Mrs. Nora Connolly-O'Brien, daughter of James Connolly, who was a signatory of the proclamation of the Irish Republic in "Easter week" of 1916; Mr. Sean O'Donovan, Chief Veterinary Inspector of Dublin Corporation; Mr. Thomas Mullins, general secretary of Fianna Fail; Mr. Laurence Walsh, the Mayor of Drogheda; and *An Seabhac* (Mr. Padraig Sugrue), a Gaelic scholar and folklorist, and president of the Folklore of Ireland Society.

As explained in 15429 A, Mr. Moylan had lost his seat at Cork in the recent general election but was appointed Minister of Agriculture in the Fianna Fail Cabinet formed after the elections.—(Irish Times, Dublin) **(Prev. rep. Dail Elections, 15429 A; Senate Elections, 13892 B.)**

B. ISRAEL. — Acceptance of Eisenhower Doctrine.

The Israeli Government's decision to support the "Eisenhower doctrine" for the Middle East was approved by the *Knesset* on June 3, after a six-hour debate, by 59 votes to five with 39 abstentions.

Explaining the Eisenhower doctrine to the House, Mr. Ben-Gurion referred particularly to the powers granted to the U.S. President to use armed force to assist any nation in the Middle East requesting assistance against aggression from any country controlled by international Communism. As Israel faced a greater danger of aggression than any other country in the Middle East, she "must accept any assistance against any aggressor if she wishes to live." Referring to a possible attack on Israel which might be supported by the Soviet Union, Mr. Ben-Gurion said: "Israel is not entitled to adopt the arrogant assumption that she can stand alone even if she is attacked by a neighbouring country controlled by a great Power. Therefore the American undertaking of assistance must be considered a step which strengthens both peace in the Middle East and the security of Israel."

The five opposing votes were cast by the Communist deputies, while the 39 abstentions included the deputies of the left-wing *Mapam* and *Ahdut Avoda* parties, the right-wing *Heruth* (nationalists), and the General Zionists. The *Mapam* and *Ahdut Avoda*—both of which are represented in Mr. Ben-Gurion's Cabinet—had originally announced their intention of opposing the Government, in view of their opposition to Israel's adherence to "power blocs," but subsequently decided to refrain from voting in order to preserve the coalition. (Times - Manchester Guardian) **(Prev. rep. 15417 A.)**

C. UNITED STATES. — Mr. Anderson succeeds Mr. Humphrey as Secretary of the Treasury.

It was announced in Washington on May 29 that President Eisenhower had accepted with "profound regret" the resignation of Mr. George Humphrey as Secretary of the Treasury, and had nominated Mr. Robert B. Anderson as his successor.

Mr. Anderson (46), a Texas-born lawyer, was originally an "Eisenhower Democrat" but is now a Republican. He had previously been Navy Secretary and later Deputy Secretary of Defence in the Eisenhower Administration, but left the Government in 1955 to become President of Ventures Ltd., a large mining corporation in Canada.

Mr. Humphrey resigned to take up the chairmanship of the National Steel Corporation in Pittsburgh, a company with which he had been closely associated before joining the Cabinet in 1953. (New York Times - New York Herald Tribune) **(Prev. rep. Cabinet, 14896 B; Mr. Humphrey, 12701 A.)**

D. CZECHOSLOVAKIA - POLAND - EASTERN GERMANY. — Meeting of Parliamentary Representatives. - Grotewohl-Siroky Discussions.

Representatives of the Czechoslovak National Assembly, the Polish *Seym*, and the East German *Volkskammer* met in East Berlin from May 9-11 to discuss questions arising out of "the remilitarization of the German Federal Republic, the stationing of atomic detachments on West German territory, the plans to equip the West German armed forces with atomic weapons, and the rebirth of the *revanchist* plans of the German militarists."

At the end of their discussions the representatives of the three Parliaments issued a joint statement expressing concern that "certain imperialist forces" were preventing the conclusion of an agreement to ban atomic and thermo-nuclear weapons and to end nuclear tests, and giving a warning against the danger of stationing "atomic detachments" in Western Germany.

The declaration said that the representatives regarded the existing frontiers of Poland and Czechoslovakia with Germany as inviolable; that they also regarded the security and integrity of the German Democratic Republic (Eastern Germany) as "an indispensable prerequisite for the preservation of peace in Europe"; and that they opposed agreements such as Euratom and the "so-called Common Market."

In conclusion, the statement said that in the present international situation the Warsaw Treaty constituted "a necessary guarantee for the peaceful life of the European nations," and expressed support for the Soviet disarmament proposals made in the U.N. Disarmament Sub-committee.

The Prime Ministers of Eastern Germany (Herr Grotewohl) and Czechoslovakia (M. Siroky) issued a statement on May 25, after a five-day meeting in East Berlin, approving the Soviet suggestion for a "neutral zone" in Central Europe and declaring that such a zone would not hinder German reunification. They repeated the call for the strengthening of the Warsaw Treaty and for the halting of atomic tests, and accused the U.S.A. of being the "chief supporter" of a "revived West German militarism."—(Polish Embassy Press Department, London - Neues Deutschland, East Berlin)

E. VENEZUELA. — Offshore Oil Concession to U.S. Companies. - Prospecting in Gulf of Paria.

The Venezuelan Ministry of Mines and Hydrocarbons announced on May 7 that a group of five U.S. oil companies had received an offshore concession in the Gulf of Paria, lying between the Venezuelan mainland and Trinidad. The concession extends over some 150,000 acres of sea and is covered by water averaging eighty feet in depth, the five companies having paid about $100,000,000 to prospect for offshore oil in this area. Of the five companies concerned—the Ohio Oil Company, the Texas Oil Company (Texaco), the Continental Oil Company, the Cities Service Oil Company, and the Richfield Oil Corporation—the Ohio, Texas and Continental companies each have a 25 per cent interest in the venture, Cities Service has a 16⅔ participation, and Richfield has the remaining 8⅓ per cent. The concession will be operated as a unit, drilling operations being scheduled to begin late in 1957 or early in 1958. No rentals will be paid to the Venezuelan Government, the profits being divided equally between the U.S. companies and the Government in accordance with Venezuelan oil legislation. (New York Times) **(Prev. rep. 14720 A.)**

F. FRANCE. — Restoration of University of Caen.

The rebuilding of the University of Caen, which had been largely destroyed during the fighting of 1944, was celebrated on June 1, when academic representatives from 112 universities in 24 different countries attended the inauguration ceremonies of the restored university. The university, founded in 1432 by King Henry VI of England, has been completely reconstructed and rebuilt since the war with the help of many contributors from France and abroad—among them Queen Elisabeth of the Belgians, who presided at the ceremony. Among many recipients of honorary degrees was Sir Anthony Eden, on whose behalf the degree was accepted by the British Ambassador in Paris, Sir Gladwyn Jebb.—(Le Monde - Le Figaro)

G. UNITED KINGDOM. — Sir Anthony Eden's Return to Britain. - Retirement from Political Life.

Sir Anthony Eden, accompanied by Lady Eden, arrived back in Britain on June 3, following his convalescence in Canada after his recent operation. At a press conference at Liverpool on board the Canadian Pacific liner *Empress of Britain*, Sir Anthony said that he was making a good recovery from his operation but knew that there was "a probability that the condition may occur again"; he added that he had "nothing to complain about" and was "very lucky to be alive." Sir Anthony made it clear that he would not be fit enough to return to political life. (Times) **(Prev. rep. 15510 D.)**

JUNE 8—15, 1957

A. FRENCH OVERSEAS TERRITORIES. — The "Loi-Cadre" for Constitutional Advancement. - Introduction of Greater Internal Autonomy, Universal Suffrage, Common Electoral Roll, and Elected Government Organs. - Increased "Africanization" of Territorial Administrations. - French Parliamentary Approval for Decrees on Political and Economic Development of Overseas Territories. - Creation of Self-governing Municipalities. - Municipal and Territorial Assembly Elections in French West Africa, French Equatorial Africa, and Madagascar.

A major advance in the constitutional evolution of the French overseas territories was inaugurated on June 19, 1956, when the French National Assembly, by 470 votes to 105, gave a second and final reading to the *loi-cadre*—i.e. legislation setting out the broad framework for the introduction of a greater degree of internal self-government in the overseas territories concerned, and empowering the French Government to initiate by decree the detailed reforms based on the principles laid down in the *loi-cadre*.

The promulgation of the *loi-cadre* was followed by a number of important developments arising from it, viz.: (*a*) municipal elections held on Nov. 18, 1956, in French West Africa, French Equatorial Africa, Madagascar, and the French Cameroons; (*b*) the publication by the French Government on Nov. 13, 1956, and their subsequent approval by Parliament, of 15 decrees concerning the economic development of the overseas territories; (*c*) the final adoption by the French Parliament during March 1957 of 13 decrees concerning the new political organization of French West Africa, French Equatorial Africa, and Madagascar; (*d*) general elections to the Territorial Assemblies in the constituent territories of French West Africa and French Equatorial Africa, and in Madagascar.

The Loi-Cadre.

The Government made use of this form of legislation in order to obtain powers to act swiftly in what it considered to be a matter of urgency. In view of the complexity of the reforms to be introduced, and the diversity of the territories concerned, it was believed that the delays of normal parliamentary procedure might have proved interminable. It was expressly laid down, however, that the *loi-cadre* would in no way prejudice the long-outstanding revision of Chapter VIII of the French Constitution of 1946, which lays down the status of French overseas territories within the French Union.

The Bill, which was piloted by M. Gaston Defferre (Minister for *France d'outre-mer* in the Mollet Government), had first been passed by the National Assembly on March 23, 1956, by 477 votes to 99. It was approved with certain amendments by the Council of the Republic on June 13, 1956 (by 211 votes to 77) and was adopted in this form by the Assembly (by 470 votes to 105), which accepted the Council's amendments at a second and final reading on June 19, 1956. An important change introduced during the debates, on the initiative of the Council of the Republic, was the elimination of a provision which would have delayed the introduction of the single electoral college until the first Territorial Assembly elections in each territory, instead of making them applicable without delay—i.e. to the forthcoming municipal elections. The *loi-cadre* was enacted with its publication in the *Journal Officiel* on June 26, 1956.

The overseas possessions to which the *loi-cadre* applies are the *Gouvernement-Général* of French West Africa, consisting of the territories of Dahomey, French Guinea, the French Sudan, the Ivory Coast, Mauritania, Niger, Senegal, and Upper Volta; the *Gouvernement-Général* of French Equatorial Africa, comprising the territories of Chad, Gaboon, Middle Congo, and Ubangi-Shari; Madagascar; French Somaliland; the Comoro Islands, New Caledonia, and the French Settlements in Oceania; St. Pierre and Miquelon; and the (then) trust territories of French Togoland and the French Cameroons.

The principal provisions of the *loi-cadre* were as follows:

Political Organization. Four major developments were envisaged in this sphere:

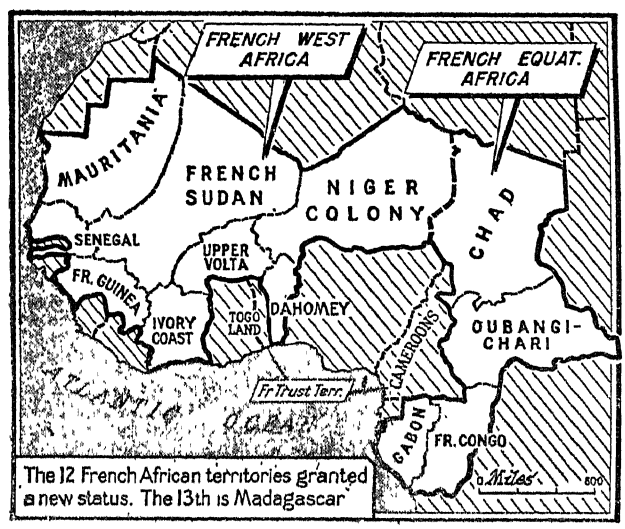
(1) The powers of the *Gouvernements-Généraux* in French West Africa and French Equatorial Africa would be modified. In future, these federal organs of government would co-ordinate, rather than control, the activities of the various constituent territories. In addition, a greater measure of direct contact between the Ministry for Overseas France (*France d'outre-mer*) and the individual territories would be brought about by the suppression of a certain number of Government departments in Dakar and Brazzaville (the respective capitals of French West Africa and French Equatorial Africa), which had previously acted as intermediaries.

(2) Executive Councils (*Conseils de Gouvernement*) would be set up in each territory to enable elected representatives to take part in the work of government. The composition and powers of these Councils would vary from territory to territory, but they would generally be presided over by the Governor of the territory and would consist partly of members elected by the Territorial Assemblies (see below) and partly of officials who would be *ex-officio* members, each member being in charge of a ministerial department.

During the debates M. Defferre said that it was the Government's intention that the Executive Councils should, as a rule, consist of nine members—five elected and four official.

(3) The powers of the existing Territorial Assemblies would be widened, enabling them to take decisions on matters in which they had previously exercised only advisory functions, as well as on certain other matters which had hitherto been the sole responsibility of the French Parliament.

(4) Regional Councils (*Conseils de Circonscription*) would be set up to enable the peoples of remote rural areas to take a larger part in the management of their own affairs.



(*Economist*)

Administration. The basic structure of the administration would be changed by the introduction of an important new distinction—viz., between "central government" departments (*services d'état*), which would deal with matters of general interest, and "territorial departments" (*services territoriaux*), which would be concerned with local matters. The French Government was empowered to define the respective competences of the two different types of department. The *services territoriaux* would be linked directly to the Executive Council of the territory concerned and would be under the direction of the Council's members.

It was also planned that an increasing number of native officials should enter the public service. In this connexion the *Ecole Nationale de la France d'outre-mer* (which trains overseas civil servants) would in future recruit about 50 per cent of its students from the overseas territories.

Economic Development. The *loi-cadre* laid down guiding principles of economic policy, notably as regards co-operation between Metropolitan France and the oversea territories, the fostering of local economic activities, and encouragement of private investment in the territories.

French Somaliland. A new Representative Council would be elected before May 1, 1957.

Togoland and Cameroons. A special section of the *loi-cadre* dealt with the future status of these two trusteeship territories. [For subsequent developments in the two territories see 15511 A, 15565 D.]

Electoral Reforms. These provided for the general introduction of two basic reforms: universal suffrage, and the single electoral college. The latter would replace the previous system of the double electoral college—one for European and the other for African native voters—under which the votes of the European minority were more heavily weighted than those of the native majority.

French Parliamentary Control. Decrees made by the Government under the *loi-cadre* would have to be submitted first to the Assembly of the French Union, which would have to give an advisory opinion within 15 days; then to the National Assembly, which would have another 1½ months (or two months, including the 15 days allowed to the Assembly of the French Union) for its decision, failing which the Government decree would be presumed to have been adopted without change; and finally to the Council of the Republic, which would have another 30 days to pronounce on the decree. If there was no agreement between the National Assembly and the Council of the Republic the procedure of the *navette* would be invoked (see 13147 A), but with an overall time-limit of four months. Economic decrees would be effective at once, subject to any changes made by Parliament, but political decrees would come into force only after parliamentary approval.

The Municipal Elections.

As stated above, the new electoral arrangements came into operation for the first time in the municipal elections held in 41 towns throughout French West Africa, French Equatorial Africa, Madagascar, and the Cameroons on Nov. 18, 1956.

These towns, as well as four in French Togoland, had been elevated to the rank of local government communes (*communes de plein exercice*) by legislation that had been given a second reading by the French National Assembly on July 5, 1955, and had finally been adopted by the Council of the Republic on third reading on Nov. 16, 1955, in the version previously passed by the Assembly. The chief point of contention between the two Houses was the National Assembly's insistence on the introduction of a single electoral college, to which the Council of the Republic eventually agreed. A decree promulgated on July 7, 1956, had authorized the compilation of new electoral lists on the basis of universal suffrage and a common electoral roll.

The elections, in which about 750,000 people were entitled to vote, showed a high poll among African electors in French West Africa (80 per cent) and French Equatorial Africa (65-70 per cent), though in Madagascar the percentage of abstentions was estimated at 50 per cent. Polling by European voters was relatively low, especially in Brazzaville, the capital of French Equatorial Africa.

The principal parties contesting the elections in French West Africa were: (*a*) the *Rassemblement Démocratique Africain* led by M. Houphouet-Boigny (an African), Mayor of Abidjan, deputy for the Ivory Coast in the French National Assembly (where he belongs to the U.D.S.R.), and Minister attached to the *Présidence du Conseil* in the Mollet Government (see 14681 A); (*b*) the *Bloc Populaire Sénégalais* (Senegal People's Bloc), led by M. Senghor, an African, deputy for Senegal in the French National Assembly (where he belongs to the Overseas Independents) and a State Secretary in the former Government of M. Edgar Faure; (*c*) the *Union Démocratique Dahoméenne* (Dahomey Democratic Union), which co-operates with the R.D.A.; (*d*) the *Parti Républicain du Dahomey* led by M. Apithy, deputy for Dahomey in the National Assembly, where he sits with the Independent Republicans; (*e*) the *Parti Démocratique Unifié de Haute-Volta* (United Democratic Party of Upper Volta), led by M. Joseph Conombo (a non-party deputy in the National Assembly), which sympathizes with the R.D.A.; (*f*) the *Bloc Africain de Guinée*, led by M. Barry Diawadou, a Radical deputy in the National Assembly; (*g*) the *Indépendants d'outre-mer* (Overseas Independents); and (*h*) the Socialist Party, campaigning under various names in the different territories.

In French Equatorial Africa, in addition to some of the above-mentioned parties (notably the R.D.A. and the Socialists), the elections were contested by the followers of the Abbé Fulbert Youlou, (Mayor of Brazzaville), a group having no ideological affiliations and representing local tribal interests.

The principal features of the elections were:

(*a*) The widespread success throughout the West African territories of the *Rassemblement Démocratique Africain*, which was particularly successful in the Ivory Coast (where it gained complete control at Abidjan and other towns), in the French Sudan (111 seats against 34 won by its opponents), and in French Guinea (94 seats against 15). In Dahomey the *Union Démocratique Dahoméenne* gained a number of seats, and in Upper Volta a decisive victory was won by M. Conombo's party. The R.D.A. and its affiliated parties also obtained an overall majority at Fort-Lamy, capital of Chad, and at Libreville (Gaboon).

(*b*) The success of the "Fulbertists" in the Middle Congo, where they defeated both the R.D.A. and the Socialists at Brazzaville and Pointe-Noire, the two most important towns.

(*c*) The success in Madagascar of nationalist candidates, who represented, however, various tendencies; e.g. at Tananarive (the capital) an absolute majority was won by the Union of Independents, representing moderate African nationalists and progressive Europeans, while at Diégo-Suarez a left-wing Workers' List, supported by the Communists, obtained a majority.

Decrees on Economic Development.

Fifteen decrees dealing with the economic development of the overseas territories were published in the *Journal Officiel* on Nov. 18, 1956. They aimed at attracting private capital from France and overseas countries and at developing the indigenous capital resources of the territories, and covered the following subjects *inter alia*:

Mutual assistance for rural development; regulations governing co-operative enterprise; agricultural credit; credit facilities for small and medium-size enterprises in trade and industry; the setting-up of a supervisory commission for savings banks; the investment of savings-bank funds; authorization of long-term agreements with certain business concerns developing the resources of overseas territories; the formation of companies to finance the development of overseas territories; special tax and financial privileges to be granted to such companies; provision of funds for price stabilization; and allocation of funds for the support of the textile industry.

In addition to the above-mentioned concessions to "overseas finance companies" (with a minimum paid-up capital of 250,000,000 francs), one of the decrees also authorized companies to earmark reserves created from trading profits for investment in overseas territories; parallel with this, the French Government would pay into a special State fund sums equal to the tax payments by these companies on such reserves, and the amounts thus provided by the Government would be available to the firms concerned either as medium- or long-term loans, or as grants against profit-sharing rights, or as a participation in the companies' share capital.

The decrees were approved by the National Assembly on Dec. 26, 1956 and, after the Council of the Republic had made certain amendments, were finally passed by the Assembly at a second reading on Feb. 20-22, 1957.

Decrees on Political Organization.

On Feb. 3, 1957, after a five-day debate in which the Government accepted important modifications to its original proposals, the National Assembly approved 13 decrees which had been issued by the Government in November and which introduced a wide measure of local autonomy on the basis of the *loi-cadre* in the constituent territories of French West Africa and French Equatorial Africa, as well as in Madagascar.

Further amendments were made in the subsequent parliamentary proceedings a first reading by the Council of the Republic on Feb. 22; second readings by the National Assembly on March 12 and subsequently by the Council of the Republic; and third readings by the Assembly on March 26 and by the Council of the Republic on March 28, when final agreement was reached between the two Chambers on five decrees which were still in dispute, notably those relating to Madagascar (see below).

The main provisions of the decrees were as follows:

(1) France would retain control of external relations, defence, internal security, justice, overall economic policy, French investment funds, Customs, telegraphs, air services, and universities. All other matters, including local finance, would be handled by territorial executive councils and elected assemblies.

(2) The Executive Council (*Conseil de Gouvernement*) to be set up in each territory would consist entirely of members elected by the Territorial Assemblies. [In conformity with the terms of the *loi-cadre*, the Government had originally stipulated that the Councils should consist partly of elected members and partly of officials. In the course of the debate, however, it accepted a counter-proposal to the above effect made by the National Assembly's Commission for Overseas Territories.]

All members of the Executive Council would be styled "Minister." The Council would be presided over by the Governor, but the Minister who had received most votes in the election of members of the Executive Council would be titled "Vice-President of the Council" and would preside in the Governor's absence. He would also advise the Governor on the distribution of portfolios, and would have authority to offer the collective resignation of the Council's members if they had lost the confidence of the Territorial Assembly.

[The Government accepted this as a compromise between its own proposals and more far-reaching demands for a complete Cabinet system, with a Prime Minister and Government responsible to the Territorial Assembly on the lines of the new constitutional arrangements in French Togoland and the French Cameroons. During the debate M. Defferre pointed out that while he was not against the substance of these demands, such an arrangement would be illegal under the present French Constitution because the Republic and its overseas territories were "one and indivisible" and the source of all power lay with the French Government and Parliament. Moreover, Article 76 of the Constitution expressly laid down that the representative of the French Government (i.e. the Governor) should be the head of the territorial administration, and until the Constitution was revised it would therefore be necessary for the territorial executive councils to be presided over by the Governor. M. Defferre emphasized that in this respect the case of French Togoland and the French Cameroons was quite different, as they were Trust Territories and thus outside the French Union—see 15511 A].

(3) The Territorial Assemblies would be elected on the basis of universal suffrage and a common electoral roll for Europeans and Africans. Their powers, however, would be deliberative rather than legislative for the above-mentioned reasons, although they would in effect exercise control over local affairs.

(4) Each of the two groups of territories in French West and Equatorial Africa would have a Grand Council under a French High Commissioner, to co-ordinate the work of the Territorial Assemblies. The members of the Grand Councils would be elected by the Territorial Assemblies of the constituent territories on the basis of proportional representation.

(5) In Madagascar there would be an Executive Council at the centre, a Representative Assembly for the island as a whole, and Provincial Assemblies for each of the six Provinces. [The Council of the Republic had first proposed that there should also be Provincial

Executive Councils and Ministers, but eventually accepted the National Assembly's view that such a "proliferation and devaluation of the title of Minister" should be avoided and that there should be only one Government—that at the Centre.] The Representative Assembly (which would have its seat at Tananarive) would consist of nine members from each of the six provinces, elected by the Provincial Assemblies by majority vote.

General Elections in French West Africa, French Equatorial Africa, and Madagascar.

Following the introduction of these reforms, elections were held on March 31 to the Territorial Assemblies in the constituent territories of French West and Equatorial Africa, and to the Representative and Provincial Assemblies in Madagascar—the first elections ever held in these territories on the basis of universal suffrage and a common electoral roll. Previously only about half the male indigenous population had been eligible to vote, but as a result of the new arrangements the electorate had increased from about 1,000,000 at the last (1952) elections to nearly 13,000,000, divided as follows: French West Africa—8,000,000; French Equatorial Africa—2,500,000; Madagascar—2,000,000. Of the total of nearly 13,000,000 voters, constituting about half the population of the three areas, only about 100,000 were of European stock. The seats to be filled numbered 940.

The parties contesting the elections in French West Africa were the same as, or related to, those in the municipal elections. The principal lists were: (1) the *Rassemblement Démocratique Africain* (R.D.A.) under M. Houphouet-Boigny, and its two affiliated parties, the *Parti Démocratique Unifié de Haute-Volta* and the *Parti Populaire Congolaise (Section R.D.A. du Moyen-Congo)*; (2) the *Convention Africaine*, under M. Léopold Senghor, consisting of the *Bloc Populaire Sénégalais* (B.P.S.), the *Mouvement Populaire Africain* (Upper Volta), and the *Mouvement Démocratique Dahoméen* (M.D.D.); (3) the *Mouvement Socialiste Africain* (M.S.A.), which had been formed to include the various local Socialist parties as the counterpart of the Socialist Party in Metropolitan France, and with which was affiliated the *Parti Sénégalais d'Action Socialiste*, the *Parti Soudanais Progressiste*, and the *Démocratique Socialiste de Guinée*. In addition, candidates were presented by the following independent local parties: the *Mouvement Démocratique Voltaique* (M.D.V.), under M. Ouadrogo (a Social Republican deputy in the National Assembly); the *Parti Républicain du Dahomey* (P.R.D.), under M. Apithy; the *Union Démocratique Dahoméenne*; and the *Bloc Africain de Guinée*, under M. Barry Diawadou.

The *Rassemblement Démocratique Africain*, the *Convention Africaine et Bloc Populaire Sénégalais*, and the *Mouvement Socialist Africain* all stand for federation with France on the basis of equality, and for continued close co-operation with France in all spheres. While the *Rassemblement* stands for the development of self-government in the African territories on the basis of the present Territorial Assemblies, the *Convention* advocates self-government on the basis of a Central Parliament at Dakar for all French West Africa, and accuses the French Government of "balkanizing" French West Africa. The African Socialist Movement, which recently separated from the French Socialist Party and whose best-known leader is M. Lamine Gueye (for many years Mayor of Dakar, and a deputy in the National Assembly), stresses the importance of social rather than political reforms, but also aims at self-government like the other two parties.

In French Equatorial Africa the principal lists were: (1) the "Fulbertists" (*Union de Défense des Intérêts Africains*); (2) the *Mouvement pour l'évolution sociale de l'Afrique Noire* led by M. Boganda, a non-party deputy in the National Assembly; (3) the *Liste d'Entente Constituée au Tchad*, which comprised the R.D.A., the M.S.A., and various local groups; (4) the M.S.A.; (5) the *Bloc Démocratique Gabonais* (associated with the R.D.A.); and (6) the *Union Démocratique et Sociale Gabonaise* (associated with the *Convention Africaine*).

The size of the poll varied considerably, being 90 per cent in Dahomey and 60 per cent in Madagascar, but as low as 20 per cent in parts of the Ivory Coast, Niger, and Ubangi-Shari.

French West Africa.

The R.D.A. emerged as the strongest party, gaining clear majorities in the Ivory Coast (58 of the 60 seats), French Guinea (56 seats out of 60), Upper Volta (37 seats out of 70), and the French Sudan (57 seats out of 70). The R.D.A. will have a majority in the Grand Council of French West Africa—i.e. the Federal assembly in Dakar—provided it obtains the support of one of the other parties.

In Senegal the B.P.S. won a clear majority (47 of the 60 seats), while in Dahomey the leading position was taken by the P.R.D. (35 seats out of 60). Elsewhere, the *Mouvement Socialiste Africain* emerged as the leading party in Niger (41 seats out of 60) and the *Union Progressiste Mauritanie* (U.P.M.) gained an overwhelming majority (33 out of the 34 seats) in Mauretania.

The strength of the parties in the territorial assemblies and the Grand Council in Dakar is shown in the following table:

	RDA	MSA	MDD	BPS	MDV	PRD	UPM	Indep. and others
Dahomey ..	7	—	6	—	—	35	—	12
Niger .	19	41	—	—	—	—	—	—
Mauretania	—	—	—	—	—	—	33	1
Ivory Coast	58	—	—	—	—	—	—	2
Sudan .	57	6	—	—	—	—	—	7
Guinea ..	56	3	—	—	—	—	—	1
Upper Volta	37	—	—	5	26	—	—	2
Senegal	—	12	—	47	—	—	—	1
Grand Council	**19**	**5**	**2**	**4**	**2**	**3**	**5**	—

French Equatorial Africa.

In Chad, all seats but one (64 out of 65) were gained by the *Entente pour l'application de la loi-cadre*, a party allied to the R.D.A. and headed by M. Lisette, an R.D.A. deputy in the National Assembly. In Middle Congo, the "Fulbertists" on the one hand and an alliance of the R.D.A. and the *Mouvement Socialiste Africain* on the other won 21 seats each out of a total of 45, the remaining three being held by Independents. In Ubangi-Shari, M. Boganda's party (the M.E.S.A.N.) won all the 50 seats, while in Gaboon 16 seats were won by the *Bloc Démocratique Gabonais* (R.D.A.), 14 by the *Union Démocratique et Sociale Gabonaise*, and six by Independents.

Madagascar.

In three of the six provinces—Tamatave, Tananarive, and Diégo-Suarez—the Nationalist parties obtained majorities over the Moderates, while in the other three provinces—Majunga, Fianarantsoa, and Tuléar—the Moderates gained a majority. The Nationalists themselves are divided into two groups: the left-wing Nationalists, including Communist elements, and the "Catholic" Nationalists under Jesuit leadership—both groups advocating the island's immediate independence under a strong central government. The Moderates (who mainly represent local interests) favour greater regional autonomy, continued co-operation with France, with the achievement of independence by stages.

As a result of the Provincial elections it was expected that the Madagascan Representative Assembly would be composed of 27 Moderates, 18 Left-wing Nationalists, and nine "Catholic" Nationalists.

M. Defferre, in a report to the French Cabinet on April 5, stated that the elections had taken place in complete calm and liberty; that polling had been at least up to the level of previous elections; and that all those elected were "true representatives of the populations of the overseas territories." He added that the elections represented a "striking approval" of the French Government's policy, and notably of the *loi-cadre* and its implementation.—(Le Monde, Paris - Le Figaro, Paris - Times - Manchester Guardian - New York Times)

(Prev. rep. Political Developments in French Cameroons and Togoland, 15565 D; 15511 A.)

A. UNITED KINGDOM. — "Picture Post" ceases Publication.

Picture Post, the weekly picture-news magazine published by the Hulton Press, ceased publication with its issue of June 1. Sir Edward Hulton (founder of the Hulton Press) had announced on May 15 that present conditions had made its publication "completely uneconomic" as costs of production had "increased enormously." Moreover, the demands of the public were changing and television was now doing "much of the work which we pioneered in *Picture Post*."

Picture Post first appeared in 1938 at the time of the Munich crisis, and had established itself before the war as one of the most popular weekly illustrated magazines. By 1949 it had achieved a circulation in excess of 1,400,000, its Coronation number selling 2,000,000 copies. In recent years, however, the circulation had declined, the average figure for the half-year ending Dec. 31, 1956, being 738,000—about half the circulation enjoyed in the best period.

Other magazines published by the Hulton Press are *Lilliput*, *Housewife*, *Farmers' Weekly*, and four children's comics selling about 2,000,000 copies a week.—(Times - Daily Telegraph)

B. HUNGARY - UNITED STATES. — U.S.A. rejects Hungarian Demand to reduce Staff of Budapest Legation.

It was announced in Washington on May 26 that the U.S. Government had been asked by Hungary to cut its Legation staff in Budapest by over one-third (from 34 officials to 21), no reason being given except that U.S. diplomats had "boycotted" official functions. A State Department spokesman said on June 11 that the Hungarian Government had been informed that only the U.S. Government could decide upon the number of persons employed at the Legation. (New York Times)

A. WORLD HEALTH ORGANIZATION. — Warning on Genetic Effects of Radiation.

The World Health Organization published on March 11 the report of a Study Group of 20 leading scientists from nine countries which had met in Copenhagen in August last, under W.H.O. auspices, to discuss problems connected with the effect of radiation on human heredity. The chairman of the group was an American scientist, Dr. Alexander Hollaender, of the Oak Ridge (Tenn.) National Laboratory's biological division.

The report said that the Study Group was "of the opinion that the well-being of the descendants of the present generation is threatened by developments in the use of nuclear energy and of sources of radiation." It also stated categorically that "additional mutation produced in man will be harmful to individuals and their descendants" and that "all man-made radiation must be regarded as harmful to man from the genetic point of view."

"Throughout man's existence on earth," said the report, "he has been continuously bombarded by radiations coming from outer space, from radioactive material in the earth's crust, and from natural radioactive elements within his own bone and flesh. The intensity of this bombardment is being notably increased in our days by man-made sources such as medical X-ray machines, radioactive material used in medicine, and also certain material and apparatus used in science, industry and commerce; by artificial radioactive elements distributed by man in nature; and, to a minor extent, by shoe-fitting machines, radioactive luminous compounds on watches, etc."

After giving the above-mentioned warning on the genetic danger to future generations, the Study Group agreed that present developments in the peaceful use of nuclear energy should contribute much to man's social and cultural development, and that therefore some risk must be accepted. They recognized, however, that if the dangers were to be minimized, "every possible step must be taken to reduce the exposure of man to radiations, and to understand the effects of exposure . . . Only in the light of more knowledge can decisions be taken to define more accurately the maximum amount of exposure which may be accepted by individuals and populations without risk of serious harm." The Group therefore examined some of the "larger gaps in knowledge" as they appeared at the present time, and listed some 13 fields of genetic research in which the need for further investigation was urgent.

The report added: "There are strong grounds for believing that inherited effects of radiation are additive. A small amount of radiation received by each of a large number of individuals can therefore do an appreciable amount of damage to the population as a whole, although the effects may not appear for a number of generations. It is therefore desirable to limit the accumulated radiation doses received by the sex-glands of individual men and women, particularly up to 30 years of age, in order to keep the average dose to the sex-glands of the population as a whole very low. The most important sources of radiation to the human sex-glands are at the present time from natural radiation (normal level between 2 and 5 roentgens per individual in 30 years) and from the radiation received by patients undergoing medical X-ray examination (probable average in certain countries between 1 and 3 roentgens per individual in 30 years) . . ."

In a section entitled "Some Conclusions," the report listed eight recommendations, including the establishment of more institutions and university departments concerned with human genetics; improved teaching in this branch; the systematic registration of serious hereditary diseases; and efforts by U.N. Agencies to collect and publish information on subjects such as fertility, consanguineous marriages, and parental ages, which were essential as background material in human biological studies. The Group was particularly impressed with the genetic hazards of man-made radiation from sources used in medicine, industry, commerce, and experimental science.

Although the Study Group was concerned solely with radioactive effects arising from the peaceful uses of atomic energy, an accompanying paper was issued by Professor R. M. Sievert (an eminent Swedish physicist, and one of the members of the group) referring to artificial radioactive products distributed in nature as a result of military tests. Professor Sievert said that recent measurements from large samples of foodstuffs in Sweden had shown that "most of our food today—milk, beef, corn, and vegetables—now contains artificial radioactive elements with a radiation level in many cases exceeding that due to the naturally-occurring radioactive constituents of animals and plants."

(World Health Organization, Geneva) **(Prev. rep. 15009 A.)**

B. INDIA. — Metric System for Weather Reports.

As from Jan. 1, 1957, the use of metric units was introduced by the Indian Meteorological Department for its weather reports: i.e. millimetres for rainfall, degrees centigrade for temperatures, and metres for cloud heights and visibility. The change-over was advanced from August 1957 in order to align Indian weather reports with the metric system before the beginning of the International Geophysical Year.

(Indian High Commissioner's Office, London) **(14920 B.)**

C. OBITUARY. — Professor Gilbert Murray.

Professor Gilbert Murray, the famous classical scholar, philosopher, and liberal humanist, died at Oxford on May 20, aged 91.

George Gilbert Aimé Murray was born at Sydney on Jan. 2, 1866, the third son of Sir Terence Murray, president of the Legislative Council of New South Wales. Coming to England at the age of 11, he was educated at Merchant Taylors' School and entered St. John's College, Oxford, in 1884. In the course of a brilliant career at Oxford he not only graduated with first classes in Honours Moderations and *Lit. Hum.* but also won the Hertford, Ireland, and Craven scholarships, the Chancellor's Prize for Latin Verse, and the Gaisford Prizes for Greek Verse and Prose.

At the age of 23 Gilbert Murray became Professor of Greek in the University of Glasgow, but relinquished that post in 1899 and devoted himself for the next nine years to writing. In 1908 he was nominated by the Crown as Regius Professor of Greek at Oxford, holding the Greek Chair for 28 years until his retirement in 1936 on reaching the age of 70. One of the world's leading classical scholars, he was internationally famous for his translations of the Greek plays, most of them carried out between 1899 and 1914. His translations from Euripides appeared in three volumes between 1901 and 1910, while he also translated several of the plays of Sophocles and Aeschylus, as well as publishing versions of *The Frogs* and *The Birds*, by Aristophanes. At the time of his death some 396,000 copies of his translations had been sold—notably *Electra* (60,000), *The Trojan Women* (40,000), *Iphigenia* (37,000), and *Alcestis* (31,000). Professor Murray also wrote a *History of Greek Literature* (1897), *The Rise of the Greek Epic* (1907), *Four Stages of Greek Religion* (1913), *Stoic Philosophy* (1915), *Hellenism and the Modern World* (1953), and other works of classical scholarship.

A lifelong supporter of humanistic causes, and in particular of the cause of world peace, Professor Murray was chairman of the League of Nations Union from 1923-38, and became joint president of the United Nations Association in 1946. In the early years of the century he played an active part in the movement for women's suffrage, and was also active for many years in promoting intellectual co-operation between different countries. He stood several times as Liberal candidate for Oxford University, on each occasion unsuccessfully, but with the decline of the Liberal Party his political idealism expressed itself more and more in work and propaganda for the League of Nations. Despite his devotion to world peace, he supported the Government's decision in going to war in 1914, as brought out in his book *The Foreign Policy of Sir Edward Grey* (published in 1915). During the recent Suez crisis he was one of the senior members of Oxford University who signed the letter saying that the Government deserved "patient, but if necessary critical, support."

In the latter years of his life Gilbert Murray had become well known to the general public through his broadcasts on literary and political subjects. On his 90th birthday a fund (the sponsors of which included Sir Winston Churchill) was launched "to further the two objects which his life work has done so much to advance—Greek studies and international co-operation."

Professor Murray married in 1889 Lady Mary Howard, eldest daughter of the ninth Earl of Carlisle, who died in 1956. They had three sons—two of whom pre-deceased their parents—and two daughters, one of whom died in 1922.

Dr. Gilbert Murray was awarded the Order of Merit in 1941, and shortly before his death received the West German Order *Pour le Mérite*, the highest in the Federal Republic. A few weeks before his death he had been offered the Freedom of the City of London, but was not well enough to attend the ceremony.—(Times - Daily Telegraph - Manchester Guardian)

D. INDIA. — Rehabilitation of Refugees.

It was announced in New Delhi at the beginning of June that the rehabilitation of about 5,000,000 refugees from West Pakistan who had entered India following the partition of the sub-continent in 1947 had now been completed, and that practically all had been resettled at a cost of 1,704,000,000 rupees (£127,800,000). In addition, about 4,000,000 refugees had arrived from East Pakistan up to Dec. 31, 1956, of whom 2,900,000 had been given rehabilitation assistance at a cost of 1,110,000,000 rupees (£83,250,000). Of the refugees from East Pakistan, however, about 1,000,000 were not yet fully rehabilitated because their income was still below normal; of the 1,100,000 who had not so far received rehabilitation assistance, 350,000 were in refugee camps and 750,000 outside the camps. Total arrivals of refugees from East Pakistan since 1947 were given as follows: 1947—463,000; 1948—491,000; 1949—326,000; 1950—1,173,000; 1951 and 1952—740,000; 1953—76,123; 1954—117,881; 1955—238,940; 1956—319,726.

(Indian High Commissioner's Office, London)

E. PERSIA. — Currency Devaluation.

The International Monetary Fund announced on May 27 that it had concurred in a proposal by the Persian Government to change the par value of the Persian rial from 32.25 to 75.75 per U.S. dollar as from May 22. The other new parities would be one rial = 0.0117316 grams of fine gold or 1.32013 U.S. cents.

(International Monetary Fund, Washington) **(15495 A.)**

A. UNITED KINGDOM. — The Birthday Honours.

The Birthday Honours List was published on June 13, the principal awards being set out below:

Viscount. Lord Mackintosh of Halifax, chairman of the National Savings Committee.

Barons. Sir Horace Evans, physician to H.M. the Queen; Lieut.-General Sir Willoughby Norrie, Governor-General of New Zealand; Mr. Joseph Arthur Rank, for public services.

[Sir Horace Evans is also medical adviser to Sir Anthony Eden, and was present at the operation recently performed on Sir Anthony in Boston—see 15510 D. Mr. J. Arthur Rank, head of the Rank Organization, has extensive interests in the film industry and in flour-milling.]

Companions of Honour. Sir Thomas Beecham, the conductor, for services to music; the Most Rev. J. A. F. Gregg, Archbishop of Armagh and Primate of All Ireland.

Baronets. Captain J. A. L. Duncan, M.P. (Cons., South Angus), for political and public services; Mr. H. W. Kerr, M.P. (Cons., Cambridge), for political and public services; Brigadier Fitzroy Maclean, M.P. (Cons., Lancaster), for political and public services; Mr. H. U. Willink, Q.C., Master of Magdalene College, Cambridge, for public services.

[Brigadier Maclean, lately Parliamentary Under-Secretary and Financial Secretary at the War Office, was parachuted into Yugoslavia during the war to organize the resistance movement in that country. Mr. Henry Willink is a former Minister of Health.]

Knights Bachelor. Major Edward Beddington-Behrens, for services to the European Movement; Mr. Isaiah Berlin, Professor of Social and Political Theory, University of Oxford; Mr. R. P. Biddle, for public services in Southampton; Mr. W. Robson Brown, M.P. (Cons., Esher), for political and public services in Surrey; Dr. G. C. Cameron, Professor of Morbid Anatomy at University College Hospital, London; Mr. J. M. Campbell, chairman, Booker Bros., McConnell and Co. Ltd. (the sugar plantation concern in British Guiana); Mr. Harry Campion, Director of the Central Statistical Office, Cabinet Office; Mr. William Emsley Carr, chairman of the *News of the World*; Mr. C. T. Clay, lately Librarian, House of Lords; Judge B. M. Cloutman, V.C., Q.C., Senior Official Referee, Supreme Court of Judicature; Colonel J. G. Crabbe, Lord-Lieutenant of Dumfriesshire, for public services; Mr. Geoffrey Crowther, managing director and former editor of *The Economist*, for services to journalism; Mr. Leslie Doubleday, for political and public services in Kent; Mr. T. R. Ferens, for political and public services in Hull; Mr. C. J. Geddes, member of the General Council of the T.U.C.; Mr. G. C. Hayter-Hames, chairman of Devon County Council, for services to agriculture in Devon; Mr. R. J. R. Harcourt, Lord Mayor of Belfast, for public services; Dr. A. C. Hardy, Linacre Professor of Zoology and Comparative Anatomy, University of Oxford; Air-Commodore A. V. Harvey, M.P. (Cons., Macclesfield), for political and public services; Mr. S. T. Irwin, for political and public services in Belfast; Mr. W. C. Johnson, H.M. Inspector of Constabulary, Home Office; Mr. G. B. Todd-Jones, Presiding Special Commissioner of Income Tax, Board of Inland Revenue; Mr. H. G. McDavid, chairman and managing director, Glen Line; Mr. J. L. Martin, Professor of Architecture, University of Cambridge; Major-General Aymer Maxwell, chairman, British Legion, Scotland; Lieut.-Colonel D. C. Part, lately Lord-Lieutenant of Bedfordshire, for public services in that county; Dr. G. W. Pickering, Regius Professor of Medicine, University of Oxford; Mr. Frederick Pickworth, chairman, English Steel Corporation; Lieut.-Colonel G. K. F. Ruddle, for public services in Rutland; Colonel Malcolm Stoddart-Scott, M.P. (Cons., Ripon), for political and public services; Mr. William Scott, for political and public services in Jarrow; Mr. William Sinclair, for political services in Scotland; Mr. E. W. Thompson, chairman, John Thompson Ltd., Wolverhampton; Mr. W. G. Trower, for political and public services; Mr. Donald Wolfit, the actor-manager; Mr. A. T. S. Zealley, chairman of Remploy Ltd.

[Professor Isaiah Berlin, well known as political philosopher, writer, and broadcaster, is a Fellow of All Souls College. Mr. Biddle, formerly marine manager at Southampton docks and now retired, was one of the pioneers of the extended port. Mr. Geddes was formerly general secretary of the Union of Post Office Workers. Mr. McDavid, head of the Glen Line, played a prominent part in reorganizing shipping transport as a result of the Suez crisis.]

Other recipients of knighthoods (in addition to those enumerated above) and other awards included the following:

Prime Minister's List. Mr. James Bowman, chairman of the National Coal Board; Brigadier L. H. Harris, Engineer-in-Chief, General Post Office; Mr. N. K. Hutton, First Parliamentary Counsel; Mr. Austin Low, M.P. (Cons., Blackpool North), lately Minister of State, Board of Trade, for political and public services; Mr. L. H. Robinson, Second Secretary, Board of Trade.

Foreign Office List. Mr. J. E. Coulson, Minister at H.M. Embassy in Washington; Mr. P. H. Dean, Deputy Under-Secretary of State, Foreign Office; Mr. Leslie Fry, H.M. Minister in Budapest; Mr. G. V. Kitson, H.M. Consul-General at Milan; Mr. W. H. Montagu-Pollock, H.M. Ambassador in Lima.

Commonwealth Relations Office List. Professor A. B. P. Amies, Dean of the Faculty of Dental Science, University of Melbourne; Colonel the Hon. W. W. Leggatt, Agent-General in London for the State of Victoria; Mr. H. J. B. Lintott, Deputy Under-Secretary of State, Commonwealth Relations Office; Mr. Ian Maclennan, U.K. High Commissioner in Ghana; Mr. J. S. Murray, of Adelaide, South Australia, for public services; Mr. H. A. Winneke, Solicitor-General, State of Victoria.

Colonial Office List. Mr. Grantley Herbert Adams, Q.C., for public services in Barbados; Mr. E. S. Beoku-Betts, for public services in Sierra Leone; Mr. P. J. Bourke, Chief Justice of Cyprus; Mr. John Gutch, High Commissioner for the Western Pacific; Dr. R. B. Hawes, Consulting Physician to the Colonial Office; Mr. F. W. Holder, Q.C., Chief Justice of British Guiana; Colonel Lee Hau Shik, Minister of Finance, Federation of Malaya; Mr. J. H. Pierre, specialist surgeon, General Hospital, Port of Spain, Trinidad; Mr. Bernard Shaw, Senior Puisne Judge, Special Court, Cyprus; Mr. Colin Thornley, Governor of British Honduras; Mr. John Whyatt, Q.C., Chief Justice of Singapore.

Royal Navy List, Army List, and R.A.F. List. Recipients of knighthoods in the armed forces included Vice-Admirals Geoffrey Barnard, S. H. Carlill, G. V. Gladstone, and A. G. V. Hubback; Lieutenant-Generals E. M. Bastyan, C. F. C. Coleman, and C. D. Packard, Colonel Commandant, Royal Regiment of Artillery; Air Marshal R. G. Hart, Controller of Engineering and Equipment, Air Ministry; and Air Vice-Marshals J. H. Edwardes Jones, C.-in-C., Second Tactical Air Force, G. D. Harvey, Assistant Chief of Air Staff (Training), and L. F. Sinclair, A.O.C. British Forces, Arabian Peninsula.

Over 300 awards were made for the Suez operations, including the conferment of the G.B.E. on General Sir Charles Keightley, overall commander of the Anglo-French forces. Lieut.-General Sir Hugh Stockwell, who commanded the land forces, was given a bar to his D.S.O. for his successful planning, "ability and ingenuity," and personal example; Vice-Admiral L. F. Durnford-Slater, who was in charge of the Anglo-French naval task force, and Air Marshal Denis Barnett, commander of the air task force, both received the K.C.B.; and Brigadier M. A. H. Butler, who led the parachute assault on Gamel Airfield, Port Said, received a bar to his D.S.O. The D.S.O. was also conferred on Brigadier R. W. Madoc, Royal Marines, who led the Third Commando Brigade which captured Port Said.

Commonwealth of Australia List. Mr. H. A. Campbell, Editor-in-Chief of *The Age* (Melbourne), for services to journalism; Mr. K. F. Coles, for public and charitable services; Mr. W. E. Dunk, chairman of the Commonwealth Public Service Board; Senator A. M. McCullin, President of the Senate; Major-General F. K. Norris, for services to medicine.

New Zealand List. Mr. William Sullivan, lately Minister of Labour, Mines and Housing.

D.B.E. Awards. Mrs. Anne Margaret Bryans, deputy chairman, British Red Cross Society; Senator Annabelle Rankin, Government Whip in the Australian Senate, for political and public services. [The award to Miss Rankin was announced in the Australian List.]

C.B.E. Awards. Recipients of the C.B.E. included Mr. H. S. Altham, chairman of the M.C.C. Youth Cricket Association; Mr. Ivor Brown, the author, journalist and dramatic critic; Lady Burnham, Chief Commissioner for England of the Girl Guides' Association; Mr. George Devine, the actor and artistic director of the English Stage Company; Mr. Edward Le Bas, the painter; Miss Kathleen Long, the pianist; Miss Carola Oman (Lady Lenanton), the writer and historian; Mr. Peter Pears, the singer; Mr. Ralph Reader, the theatrical producer, for services to the Boy Scouts' Association [Mr. Reader founded the Boy Scout movement's "Gang Show"]; and Mr. B. S. Townroe, secretary-general of the Franco-British Society.

Prior to the Birthday Honours, the Order of the Garter had been conferred on Lord Ismay and Lord Middleton on April 22, and the Order of the Thistle on Lord Kinnaird and Lord Rowallan on May 29.

New Knights of the Garter and the Thistle.

Lord Ismay (69) was given the K.G. on his retirement from the post of Secretary-General of NATO, which he had held for five years. Throughout the Second World War he was Chief of Staff to the Ministry of Defence, Deputy Secretary to the War Cabinet, and Chief of Staff to Sir (then Mr.) Winston Churchill, and took part in all the inter-allied war conferences. In 1951-52 he was Secretary of State for Commonwealth Relations in Sir Winston Churchill's Cabinet.

Lord Middleton (69), Lord-Lieutenant of the East Riding since 1936, has been prominent in the public life of Yorkshire for many years. He is chairman of the Yorkshire Insurance Company, holds directorships in other companies, and became the first Chancellor of the new University of Hull in 1954, having previously been President of the University College of Hull since 1931.

Lord Kinnaird (76), Lord-Lieutenant of Perthshire since 1952, is a former Lord High Commissioner to the General Assembly of the Church of Scotland.

Lord Rowallan (61) has been Chief Scout of the Commonwealth and Empire since 1945. He retired from military service in 1944 as a lieutenant-colonel in the Royal Scots Fusiliers.

New Peerages.

The following titles were taken by the new peers created in the New Year Honours (see 15328 A) and by the former Ministers on whom peerages were conferred when Mr. Macmillan formed his Cabinet (see 15313 A):

Sir Edward Bridges, formerly Permanent Secretary to the Treasury and Head of the Civil Service—Baron Bridges, of Headley in the County of Surrey and of St. Nicholas-at-Wade in the County of Kent; Sir Robert Sinclair, chairman of the Imperial Tobacco

Company—Baron Sinclair of Cleeve, of Cleeve in the County of Somerset; Mr. Patrick Buchan-Hepburn, the former Minister of Works—Baron Hailes, of Prestonkirk in the County of East Lothian [Lord Hailes was subsequently appointed Governor-General of the West Indies—see 15523 B]; Major Gwilym Lloyd-George, the former Home Secretary—Viscount Tenby, of Bulford in the County of Pembroke; Sir Walter Monckton, the former Paymaster-General—Viscount Monckton of Brenchley, of Brenchley in the County of Kent.

Posthumous Award of George Cross.

The posthumous award of the George Cross to a locomotive driver, Mr. John Axon, of Stockport, was announced in the *London Gazette* on May 7.

Mr. Axon (56) was driving a train loaded with 500 tons of freight from Buxton to Chapel-en-le-Frith when a fracture occurred in a steam-pipe to the brake, the locomotive getting out of control just before descending a steep gradient. Though badly burned by scalding steam, Mr Axon remained on the footplate and tried without success to stop the train by means of the hand-brake. After ordering his fireman to jump clear he remained in the cabin, into which steam and boiling water was pouring, but was unable to bring the train to a halt. He was killed when the train overtook and crashed into another freight train travelling in the same direction.

The citation said that Mr. Axon could have abandoned his engine and saved his life, "but, realizing the danger of a runaway, he remained at his post."—(Times - Daily Telegraph)

(Prev. rep. New Year Honours, 15328 A.)

A. AUSTRALIA. — Administrative Control of Christmas Island. - Statement by U.K. Colonial Secretary.

The U.K. Colonial Secretary, Mr. Lennox-Boyd, announced on June 6 that arrangements were being made to transfer the administration of Christmas Island (in the Indian Ocean) from the British to the Australian Government. He pointed out that the island should not be confused with the island of the same name in the Pacific Ocean, which was the site for the U.K. atomic tests. A similar announcement was made in Canberra by Mr. Casey, the Australian Minister of External Affairs.

Mr. Lennox-Boyd explained that in the light of the new constitutional arrangements for Singapore, H.M. Government did not consider that they could ask the Singapore Government to continue to administer Christmas Island (which lies some 800 miles to the south of Singapore) on their behalf. Australia, he pointed out, drew about one-third of her phosphate requirements from the island and was the Government most closely concerned with its administration. Moreover, the Australian Government had given assurances that British subjects ordinarily resident on the island at the time of transfer, and those born thereafter, would enjoy the same rights of citizenship and immigration as had been extended to the inhabitants of the Cocos Islands when the latter island group was transferred to Australia in 1955.

The decision to transfer the administration of Christmas Island from Singapore to Australia was strongly criticized by the leaders of two Opposition parties in the Singapore Assembly—Mr. Lee Kuan Yew, leader of the People's Action Party, and Mr. Lim Choon Mong, of the moderate Liberal-Socialist group. In reply to these criticisms, the acting Chief Minister pointed out that Christmas Island had never belonged to Singapore, which had only been "asked to administer it and nothing more."—(Times - Manchester Guardian - Australian News and Information Bureau)

(Prev. rep. Cocos Islands, 14557 B.)

B. MOROCCO - TUNISIA. — Twenty-year Treaty of Friendship and Co-operation.

A 20-year treaty of friendship and co-operation between Morocco and Tunisia was signed in Rabat on March 30 by the respective Prime Ministers, Si Bekkai and M. Bourguiba.

The treaty, which was published on May 14, provided that both parties would "strengthen the bonds of co-operation and solidarity between the countries of North Africa"; consult each other in order to "harmonize their attitude towards international problems which concern them"; and use every means in their power to settle these problems peacefully. They would also "strengthen the bonds of brotherhood between them and abstain from any action likely to prejudice the other's interests"; exchange scientific and technical missions; and strenthen trade relations.

The treaty was signed at the conclusion of a six-day visit by M. Bourguiba, who was returning the visit paid by the Sultan of Morocco to Tunis in October last. While in Rabat M. Bourguiba discussed the Algerian question with members of the Moroccan Government, and also informally with Dr. Debaghine, the chief overseas representative of the Algerian National Liberation Front. A joint communiqué issued by the two Governments on March 30 emphasized "the necessity of finding a just solution to the Algerian problem in conformity with the principles of the U.N. Charter and of the right of nations to self-determination."—(Le Monde, Paris) **(15329 A.)**

C. UNITED KINGDOM. — Egg Production and Marketing. - Powers of Egg Marketing Board.

It was announced on May 21 that the newly established British Egg Marketing Board would assume its trading powers on July 1, when it would become responsible for the administration of the guaranteed egg price and for the purchase and sale of all eggs passing through packing stations. A levy of ½d. a dozen had been fixed by the Board for all eggs sold to it in 1957.

An Order providing for guaranteed egg prices to be paid through the new Egg Marketing Board was approved by the House of Commons on June 6.

The Minister of Agriculture (Mr. Heathcoat Amory) explained that "in future, as in the cases of milk and wool, the guarantee will be paid to the Board and not to the individual producers . . . The Board will buy all hen eggs which pass through the packing stations and itself fix the prices that are to be paid to the producers for the eggs. The Government will no longer fix those prices."

After recalling that the guaranteed price of hen eggs during the present year was 4s. 4½d., and the estimated average selling price 2s. 10d. a dozen, the Minister warned producers that a further reduction of the level of guarantees must be expected unless there was some major change before the next Annual Price Review in February 1958. In a previous statement to the House on May 20, Mr. Heathcoat Amory had pointed out that the subsidy to producers had been running at £1,000,000 a week during the peak period of egg production, which, however, had now passed. He added: "In the present circumstances, when we are self-supporting in eggs, the Government cannot encourage any further expansion in production; indeed, some reduction from the quantities in prospect is desirable."—(Times - Daily Telegraph)

(Prev. rep. Egg Marketing Board, 15465 A; Danish Protests at British Egg Exports, 15578 A.)

Note. The price of hen eggs for the farm year 1957-58 had been fixed at the last Annual Review in February at 4s. 1½d. a dozen. This represented a net reduction of ½d. against the price of 4s. 1½d., fixed in February 1956 but actually constituted a gross reduction of 1½d. because the new guaranteed price included an automatic adjustment of 1½d. a dozen on account of increases in feed prices since the 1956 Review.- (Times)

D. UNITED STATES. — Progress in controlling Hydrogen-Bomb Power for Peaceful Uses. - Statement by Rear-Admiral Strauss. - The Stellarator.

The chairman of the U.S. Atomic Energy Commission (Rear-Admiral Lewis Strauss) announced on April 1 that "encouraging progress" was being made in controlling the reaction of the hydrogen bomb for peaceful purposes. Though "formidable" problems still remained to be overcome, a controlled thermo-nuclear reaction was "no longer in the stage of wishful thinking."

In this connexion Admiral Strauss announced that a large experimental device—known as a stellarator—would be built at the Forrestal Research Centre, Princeton University, for the study of thermo-nuclear reactions, the programme being carried out under the code-name "Project Sherwood." He added that the stellarator would be "the biggest step to date in harnessing the source of the sun's energy (i.e. thermo-nuclear reaction) for power."

Admiral Strauss pointed out that if man were able to control the fusion reaction he would have at his disposal a virtually limitless source of power yielding more energy than it would consume. As fuel, it would be possible to use deuterium—a heavy isotope of hydrogen existing in abundance in the oceans. As an example of the "staggering possibilities" of the stellarator, he observed that the total fusion of only one kilogram (2.2 lb.) of deuterium would produce about 100,000,000 kilowatt-hours of electricity.

It was announced on May 9 that the Texas Atomic Energy Research Foundation (a group of 11 utilities) and the General Atomic division of the General Dynamics Corporation had signed a contract for carrying out jointly a four-year research programme aimed at producing electric power for private industry through controlling the thermo-nuclear reaction. The programme will be carried out at General Atomic's new laboratory at San Diego, California.—(New York Times)

(Prev. rep. 14765 A.)

E. GHANA. — Formation of Shipping Line.

The Ghanian Minister for Commerce and Industry (Mr. Botsio) announced on June 11 that Ghana would have its own shipping line—to be known as the Black Star Line—within a few months. A Ministry spokesman subsequently announced that negotiations were in progress with the Israeli Zim Navigation Company for the charter and purchase of ships. (Times - Lloyd's List and Shipping Gazette)

A. UNITED KINGDOM. — New National Parks, Nature Reserves, and Areas of Outstanding Natural Beauty. - Creation of Brecon Beacons National Park.

Developments during the past 18 months in connexion with the establishment of National Parks, Areas of Outstanding Natural Beauty, and Nature Reserves are summarized below.

National Parks and Areas of Outstanding Natural Beauty.

The designating Order for the Northumberland National Park (see 14608 A) was signed by Mr. Duncan Sandys (then Minister of Housing and Local Government) in December 1956, and that for the Brecon Beacons National Park by the new Minister (Mr. Henry Brooke) on April 19, 1957. The creation of the Brecon Beacons National Park—the tenth to be confirmed in Britain and the third in Wales—increased the area of national park land to 5,350 square miles, or about one-eleventh of the total area of England and Wales.

The seventh annual report of the National Parks Commission, covering the 12 months to Sept. 30, 1956, was published on Dec. 10, 1956.

The report stated that no new national parks had been designated during the year and no new negotiations begun with local authorities regarding further parks. As a result of the credit "squeeze" and the Government's decision that only plans of "special urgency" should receive loan sanction, various schemes had had to be postponed, including a survey of the Norfolk Broads area with a view to its possible designation as a National Park. The Commission's survey parties had, however, visited the South Downs area [originally recommended for designation by the Hobhouse Committee, see 8740 A], but had decided that the extensive cultivation of the downland had "so reduced the potential recreational value of the area . . . that it would not be appropriate to designate it." At the same time the ready accessibility of the region from London made it especially vulnerable to development, and the Commission was therefore considering its designation as an "area of outstanding natural beauty" under the National Parks and Access to the Countryside Act. The report added that during 1955-56 four such areas had been designated: the Gower Peninsula (near Swansea), the Quantock Hills (Somerset), part of the Lleyn Peninsula (North Wales), and the Surrey Hills.

The Order designating the Gower Peninsula as an "area of outstanding natural beauty" was confirmed by Mr. Sandys on Jan. 10, 1957, and those designating the Quantock Hills and the Lleyn Peninsula by Mr. Brooke on Feb. 18 and June 1 respectively.

The Gower Peninsula—the first such area to be designated—has a beautiful coastline with limestone cliffs and sandy bays and coves, its recreational importance being increased by its proximity to the South Wales industrial areas. The Quantock Hills region, stretching from Bridgwater Bay towards Taunton, consists of 38 square miles of sandstone hills rising to 1,261 ft., with smooth downs, wooded combes, and picturesque villages, and is rich in literary associations. The Lleyn Peninsula area, about 60 square miles in extent, has attractive coastal scenery and a rugged hinterland, and includes the headland of Braich-y-pwll and the well-known villages of Aberdaron and Abersoch.

Nature Reserves.

The most important reserves designated by the Nature Conservancy during 1956-57 are listed below.

(1) Rona and Sula Sgeir, Outer Hebrides, Ross-shire. Two uninhabited islands aggregating 320 acres, Rona (about 47 miles N.W. of Cape Wrath) being the home of the Atlantic grey seal and a breeding-place for petrels and other sea birds. Sula Sgeir, 10 miles west of Rona, is the most north-westerly of the islands off Britain.

(2) Silver Flowe (Kirkcudbrightshire). About 472 acres of bogland, undrained and virtually undisturbed.

(3) Isle of May, Fife. About 140 acres at the mouth of the Firth of Forth, where 218 species of birds have been recorded.

(4) Rassal ash wood, Ross-shire. The most northerly ash wood in Britain (202 acres), with a rich ground flora.

(5) Lullington Heath, near Seaford, Sussex. About 155 acres of chalk heath (cultivated in prehistoric times), where records are being kept of the effects on vegetation of the disappearance, through myxamatosis, of the previously very large rabbit population.

(6) The Ruskin reserve, Cothill, near Oxford. About 4½ acres (containing uncommon types of plant life) previously protected by the National Trust.

(7) About 86 additional acres at Rousdon and Charton cliffs, hitherto forming a gap in the Axmouth-Lyme Regis Undercliffe Reserve (see 14608 A). The reserve now covers 794 acres, and stretches unbroken for 6¼ miles along the Devon-Dorset coast.

(8)-(9) Additions of about 973 acres to the Newborough Warren-Ynys Llanddwyn Reserve in Anglesey (see 14608 A), bringing the total area of the reserve to 1,256 acres.

(10) Winterton Dunes, near Yarmouth. About 260 acres of special zoological interest because of the change from bog to heath and then to dune within a short distance.

(11) Coed Rheidol, a barely accessible ravine near Aberystwyth, forming part of the famous view from Devil's Bridge. The district has a very heavy rainfall, and the ravine is rich in rare flora and fauna.

(12) Morden Bog, near Wareham (Dorset). Described as "a unique variant of southern heathland with almost Mediterranean conditions," inhabited by rare ants and grasshoppers.

(13) Wren's Nest (Worcestershire). Internationally famous as a classic geological exposure of Upper Silurian rocks which has yielded 300 species of fossil fauna, including marine fossils 330,000,000 years old.

(14) High Standing Hill, Windsor Forest. About 45 acres to be managed as a forest nature reserve in the interests of ecological research.

The Conservancy announced on April 5, 1957, the establishment of three new Nature Reserves in Scotland—the St. Kilda group of islands, the island of Rum (Inner Hebrides), and the Caerlaverock estate (Dumfriesshire).

The St. Kilda group, about 100 miles west of the Scottish mainland and, except for Rockall, the most remote of the British Isles, has been uninhabited since 1930, when the former population migrated to the mainland. The group is the home of many rare sea- and other birds, and is especially important for the study of bird migration. Rum (26,400 acres) has been described as "without comparison in Europe as a nature reserve," and is exceptionally rich in animal and bird life, including red deer, native ponies, and golden eagles. The Caerlaverock estate (6,226 acres, principally saltmarsh) is a well-known winter haunt of wild geese, and will form one of a series of British estuarial wild fowl refuges.

The St. Kilda group was leased by the Conservancy from the Scottish National Trust, which acquired it under the will of the late Marquess of Bute. Rum was acquired, together with the mansion of Kinloch Castle, from the trustees of the late Sir George Bullough.

The Ministry of Housing and Local Government announced on May 29 that Mr. Brooke had appointed Lady Hopkin Morris (a member of the Welsh Central Advisory Committee for Education, and widow of the late Sir Rhys Hopkin Morris, M.P.) as a member of the National Parks Commission. (Times - Daily Telegraph - Manchester Guardian - The Scotsman, Edinburgh) **(Prev. rep. 14608 A.)**

B. CEYLON. — Arrangements for Transfer of British Bases at Trincomalee and Katunayake.

A joint statement by the Ceylonese and British Governments, issued in Colombo on June 7, announced that both Governments had reached agreement on "the timing and method of withdrawal" of the British bases in Ceylon. The announcement stated: (1) the Royal Naval base at Trincomalee and the R.A.F. station at Katunayake would be formally transferred to Ceylon on Oct. 15, 1957, and Nov. 1, 1957, respectively; (2) the withdrawal of U.K. establishments "will be in the main completed within a period of three years, though some facilities will remain for up to five years"; (3) Ceylon would pay 22,000,000 rupees (£1,650,000), spread over five years, for the fixed assets to be taken over and in final settlement of "certain claims arising out of the occupation or disposal of the bases."

The Ceylonese Government's wish to take over the bases had been expressed by the Prime Minister, Mr. Bandaranaike, after the Ceylon general elections of May 1956, and had formed the subject of a joint statement issued by the British and Ceylonese Governments during the London Conference of Commonwealth Prime Ministers in July 1956 (see 14961 A). Mr. Bandaranaike, after attending the U.N. General Assembly, had visited London in December for discussions with British Ministers at which agreement was reached in principle that the Trincomalee and Katunayake bases should be handed over to Ceylon during 1957 on a date to be agreed between the two Governments. The matter was subsequently discussed at a number of meetings between Mr. Bandaranaike and the U.K. High Commissioner in Colombo, Sir Cecil Syers.
(Ceylon Government Information Department) **(14961 A.)**

C. PERSIA. — Formation of People's Party. - Franchise conferred on Women.

The formation of a new Opposition party—the People's Party—was announced in Teheran on May 16, following the proclaimed intention of the new Prime Minister (Dr. Eghbal) to introduce a two-party system of parliamentary government. The new party is headed by M. Assadulla Alam, a former Minister of the Interior and Minister of Labour, who has close links with the Shah. Its aims include agrarian reform, limitation of land ownership, labour welfare, and the introduction of political rights for women.

Legislation giving the franchise to women for the first time in the country's history was approved by the Persian Senate on March 13.—(Times - Le Monde, Paris) **(Prev. rep. 15532 A.)**

A. RHODESIAN FEDERATION. — Opening of University College of Rhodesia and Nyasaland.

The multi-racial University College of Rhodesia and Nyasaland was opened to full-time students on March 4, 1957. The creation of such an institution of higher learning for Central Africa had been recommended by the Commission which was appointed in 1952 by the Governments of Southern Rhodesia, Northern Rhodesia and Nyasaland (see 12638 C), and which issued its report in 1953 (see 13001 B). The Commission was headed by Sir Alexander Carr-Saunders, Director of the London School of Economics and chairman of the Inter-University Council for Higher Education in the Colonies (see 7783 E).

The conditions governing the establishment of the University College had been announced on April 14, 1954, following discussions in London between H.M. Government and a delegation representing the three component territories of the Federation. The Inter-University Council for Higher Education and the University of London also took part in the discussions, which ended in full agreement between the parties concerned. It was announced that:

(1) H.M. Government would make a grant of £1,250,000 from Colonial Development and Welfare Funds toward the capital cost of building and equipment, which was expected to be not less than £2,000,000 within the next ten years.

(2) The University College would be built on a 458-acre site at Mount Pleasant (a northern suburb of Salisbury) on land given by the City of Salisbury.

(3) The College would also be granted facilities for teaching and research at a projected Botanical Gardens near Mount Pleasant, a Veterinary Research Station, a 1,000-acre experimental farm which would be made available for the purpose, and a new Native Hospital in process of erection at Salisbury, the latter institution including a medical school.

(4) The College would be open to men and women of all races, and it would be a basic principle that there should be no discrimination on racial grounds between categories of students. Moreover, the College would have complete freedom from Government control or interference.

(5) H.M. the Queen would be petitioned to grant a Royal Charter to the University College.

(6) The College would have a special relationship with the University of London, and its students would sit for London degrees. Syllabuses would be adapted to local opportunities and needs, in consultation between the University College and the University of London.

(7) Faculties of Arts and Science would be established in the first instance, to be followed as soon as possible by faculties of Agriculture and Medicine.

The University College, as stated above, is open to all races in the Federation of Rhodesia and Nyasaland, and also to African students from Basutoland, Swaziland, and the Bechuanaland Protectorate and other students from outside the Federation. It received a Royal Charter from H.M. the Queen by Order-in-Council dated Feb. 10, 1955, on which date it was announced that Queen Elizabeth the Queen Mother had consented to become President of the University College. [The Queen Mother, who is also Chancellor of the University of London, laid the foundation-stone of the University College during her visit to Central Africa in 1953—see 13200 B.] Under the terms of the Royal Charter, "no test of religious belief or profession or of race, nationality, or class shall be imposed upon or required of any person in order to entitle him to be admitted as a member, professor, teacher, or student."

In addition to the buildings and facilities mentioned above, the University College has science research laboratories, halls of residence, a Students' Union, teaching and administrative accommodation, sports fields, gardens, an open-air theatre, and a permanent library which stands on a high plateau in the centre of the Mount Pleasant site and dominates the college buildings. The library is the gift of the British South Africa Company and of two of the great Northern Rhodesian copper companies—the Anglo-American Corporation and the Rhodesian Selection Trust. As the largest learned library in the Federation it will serve informally as the national library of Rhodesia and Nyasaland.

The first three Halls of Residence—Swinton Hall, Manfred Hodson Hall, and Carr-Saunders Hall—are named respectively after Lord Swinton, who was Commonwealth Relations Secretary in 1953 when the U.K. Government decided to contribute £1,250,000 toward the cost of establishing the University College; Mr. Manfred Hodson, for many years leader of the movement in Rhodesia for the creation of a University College in the Federation; and Sir Alexander Carr-Saunders.

Entrance requirements are similar to those for British universities—the Higher School Certificate level, and for the Arts course two languages other than English.

Dr. Walter Adams, secretary of the Inter-University Council for Higher Education since 1945, and a member of the Carr-Saunders Commission, was appointed Principal of the University College on Jan. 25, 1955.

Born at Brighton (Sussex) in 1906 and educated at a local grammar school and University College, London, he became a lecturer in History at the latter college and subsequently studied at Harvard, Yale and other American universities as a Rockefeller Fellow. In 1933 he became secretary of the Academic Assistance Council, which assisted in the rescue and rehabilitation of more than 2,000 scientists and scholars displaced from Germany, Austria, Italy and other countries because of their race, religion, or political opinions. In 1937-38 he organized a survey of refugee problems for the Royal Institute of International Affairs, and from 1939-45 was secretary to the London School of Economics, though seconded to the Foreign Office from 1941 for war duties. He was deputy head of the British Political Warfare Mission in Washington in 1942-44, and Deputy Director-General of the Political Intelligence Department in 1945.

In a statement on April 30, 1956, and in a letter sent on the following day to Mr. Hugh Gaitskell (leader of the British Parliamentary Labour Party), Dr. Adams had strongly refuted allegations—made in the House of Commons by certain Labour M.P.s—that the policy of separate residences and dining-halls for African and White students at the University College constituted a form of *apartheid*.

In his statement of April 30 Dr. Adams described the University College as "one of the most momentous advances in the cause of liberalism yet made in the whole of Southern Africa," and characterized the allegations of *apartheid* as "well-meaning, but misguided and mischievous." He added: "The colour bar, as such, does not exist at this university. Students of all races will work together and play together . . . The fundamental feature of the College is that all students will be admitted on the same standards, taught in common, tested by the same examinations, and be given the same ideals. All this represents a tremendously enlightened step forward and has been hailed as such by thinking Africans and Europeans in this country. The fact that we shall have, in the initial stages, separate residential quarters, including dining-rooms, for Africans and Europeans is simply in deference to the situation as we know it to be. At this stage in the country's development we do not have a common, all-embracing culture . . . African and European students will in the main be coming from vastly different backgrounds and will need, for their own peace of mind, some degree of personal privacy. If this is segregation, then we are segregating!

"We are launching a tremendous experiment. One false step at the beginning, one serious misunderstanding, and this whole magnificent enterprise could be wrecked for years. If that happened it would be a tragedy for all races throughout Africa. Although there will be separate residential quarters the two blocks will be identical, with exactly the same facilities. This means that if and when it is considered desirable, there will be no difficulty whatsoever in mixing up the races in the two blocks. As the Carr-Saunders Commission reported, it is not contrary to university practice to reserve certain hostels or halls of residence for particular classes of students . . . Meanwhile our critics overseas might bear in mind that university hostels for non-European students exist in London on the same principle . . ."

A similar denial of the *apartheid* allegations was contained in the above-mentioned letter to Mr. Gaitskell, in which Dr. Adams accused the British Labour Party of "making our task doubly difficult by converting into a political and party issue a matter which we are proposing to solve by common sense and experience within our college community."

Dr Adams wrote: ". . . You and your colleagues in the Labour Party have chosen to attack us . . . for deciding to begin with separate halls of residence. This is entirely our own decision as an autonomous institution and has nothing to do with Governments — territorial, federal, or British . . . It appears that your colleagues assume that this is a recent decision. The facts are that it was foreseen and accepted as far back as 1952 by the Carr-Saunders Commission after careful consultation with African opinion. There could be no compromise on the essential issues of common teaching, common use of laboratories and libraries, and common membership of the Students' Union . . . The proposal to begin with separate halls was published at the time of the British grant in 1953 . . ."

After stressing that it was fundamental to the success of the College that it should attract European students, Dr. Adams added: "They, unlike Africans, have the option of going to universities in the Union of South Africa. If they or their parents boycott the College, then the opportunity of inter-racial co-operation within the common standards of university life will have been lost . . . We are not prepared to risk the essential things by pedantically pursuing the non-essential. This is our considered decision and judgment on the way we should tackle the difficult and delicate task on which we have embarked. Our strategic object is presumably one that has your full agreement—namely, to establish a first-class university freely available to the best students of all races and classes . . ."

It was announced in November last that the British Government had approved a further grant of £150,000 for the University College from Colonial Development and Welfare Funds, additional to the £1,250,000 allocated from the same source in 1953. The Federal Government has also undertaken to provide a subsidy of £150,000 a year to the University College for five years.—(Federal Information Department, Salisbury)

(Prev. rep. 14764 B; 13001 B; 12638 C.)

A. UNITED KINGDOM. — Record Steel Production in First Quarter of 1957. - South Durham Steel Expansion Scheme. - Public Issue of Shares in Steel Company of Wales. - Resale of W. Beardmore & Co. - Report of Iron and Steel Holding and Realization Agency.

Production of steel and pig-iron in Britain in the first quarter of 1957 again reached new records, as shown by the detailed figures given below, with 1956 figures for comparison:

	1957		1956	
	Weekly Average Tons	Annual Rate Tons	Weekly Average Tons	Annual Rate Tons
Steel Ingots and Castings.				
January ..	415,900	21,627,000	405,200	21,069,000
February ..	342,100	22,470,000	417,800	21,724,000
March ..	431,000	22,411,000	425,800	22,141,000
First Quarter ..	425,500	22,128,000	416,400	21,651,000
Pig-Iron.				
January ..	256,900	13,361,000	260,700	13,558,000
February ..	267,600	13,916,000	263,300	13,692,000
March ..	277,200	14,415,000	262,000	13,624,000
First Quarter ..	266,500	13,856,000	262,100	13,630,000

Steel production in February was the highest ever recorded for any single month, the decline in output in March being attributed to a loss of about 20,000 tons caused by a strike of engineering workers in certain areas, particularly in the Lancashire and Sheffield districts. Production of pig-iron in March, however, was the highest ever, and was accompanied by a reduction in scrap imports, particularly from the U.S.A.

Developments in the iron and steel industry in recent months are summarized below:

Prices of Alloy Steels. The Iron and Steel Board increased maximum prices of nickel and vanadium steels from April 1 by amounts ranging from 16s. 6d. to £10 a ton, according to specification, so as to cover increased costs.

Import Duties. The Board of Trade announced on March 30 that the suspension of import duties on iron and steel plates would be continued for a further six months from Sept. 18 (i.e. until March 18, 1958).

Plant Expansion. The South Durham Steel and Iron Company announced on March 27 that it planned to spend £43,000,000 on the expansion of its West Hartlepool works. The scheme, which had been approved by the Iron and Steel Board, included the extension of ore-handling and stocking plant, the building of 78 new coke ovens, and the installation of a new blast furnace (with provision for a second one later) and of new melting-shops and slabbing and plate mills. It was expected to give employment to an additional 2,500-3,000 men.

Closing of South Wales Tinplate Mills. The Steel Company of Wales announced on Jan. 27 that, in view of the growing output of the new mass-production tinplate mills, it had been decided to close two old-type mills at Gorseinon and Pontardawe (West Glamorgan) as from March 31. About 690 workers would be affected, but as many as possible would be absorbed at the new tinplate mill at Velindre.

Public Offer of Steel Shares. A total of 40,000,000 £1 Ordinary shares in the Steel Company of Wales were offered by the Iron and Steel Holding and Realization Agency at par on March 14, with the proviso that the company's employees would be able to apply for a maximum of 500 shares each under a scheme whereby the shares would be purchased in the first place by trustees on their behalf and be paid for by deductions from salaries or wages over a two-year period. The proceeds of the issue would be used to repay advances made by the Agency to finance the completion of the company's second development plan, to carry through its third development plan, and to provide working capital.

It was announced on March 14 that about 23,000 applications had been received for a total of about 45,000,000 shares. This included some 1,800 applications from employees for 200,000 shares (allotted in full); applications for about 5,500,000 shares from the public; firm applications for 2,000,000 shares from Guest, Keen and Nettlefolds Ltd., and for 1,000,000 shares from the Metal Box Company (both allotted in full); and firm applications for 37,000,000 shares from a consortium of issuing houses. Of the applications from the public, about 20,000 for up to 2,000 shares were accepted in full, whilst larger applications were accepted up to about 85 per cent, subject to a minimum of 2,000 shares, the same applying to applications from the consortium. The latter comprised Baring Bros. and Co.; Robert Benson, Lonsdale and Co. Ltd.; Hambros Bank Ltd.; Helbert, Wagg and Co. Ltd.; Lazard Bros. and Co. Ltd.; Morgan Grenfell and Co. Ltd; N. M. Rothschild and Sons; and J. Henry Schroder and Co.

Resale of Steel Companies. It was announced on Jan. 18 that the Agency had sold the whole of the issued capital of William Beardmore and Co. Ltd., Parkhead, Glasgow (viz. 4,000,000 £1 Ordinary shares) for £3,650,000 to Thomas Firth and John Brown Ltd., who would make a cash issue to its own shareholders to finance the purchase. The Agency's investment in Beardmore's (nationalized in 1951) was given as £3,817,917, representing compensation paid under the Iron and Steel Act.

The Agency announced on June 1 that it had sold to John S. Tregoning & Co., in conjunction with Ductile Steels and Robert Benson, Lonsdale & Co., the capital of Bynea Steel Works for £680,000. In addition the Agency had received special distributions from Bynea out of its reserves, consisting of £1,000,000 in cash and 10,395 Ordinary £1 shares in Llanelly Steel Company (1907) in kind. The Agency's investment in Bynea Steel and its subsidiary and associated companies, following a regrouping and reorganization in September 1956, was given as £1,688,025. J. S. Tregoning had a substantial interest in Bynea Steels when it was nationalized.

The report of the Iron and Steel Realization Agency for the year ended Sept. 30, 1956, was published as a White Paper on Jan. 22, 1957.

It stated that in the three years of its existence the Agency had sold back to private enterprise 37 of the 71 companies transferred to it from the Iron and Steel Corporation of Great Britain, representing "in terms of employment, steel production, and sales of products nearly three-quarters of the Agency's inheritance." In addition, one company had been wound up, while in five other cases the Agency's direct holdings had been transferred to other subsidiaries, leaving 28 companies still subsidary to it at the date of the report. Gross proceeds from disposals totalled about £188,000,000; by these receipts and other reductions the net value of the Agency's investments and obligations had been reduced from £364,000,000 at its formation in 1953 (subsequently increased by further investments to nearly £430,000,000) to £226,000,000 as at Sept. 30, 1956.

The report stated that during the financial year 1955-56 the Agency had approved development schemes by its subsidiaries to an estimated value of about £60,000,000.—(Times - Daily Telegraph - Manchester Guardian - Financial Times)

(Prev. rep. 15325 A.)

B. INDIA - PAKISTAN. — New Trade Agreement.

A new trade agreement between India and Pakistan was signed in New Delhi on Jan. 22, 1957, following talks which had opened a week earlier.

Under the agreement the two Governments undertook (*a*) to explore all possibilities for an expansion of trade between their countries on the basis of mutual advantage; (*b*) to facilitate imports and exports of commodities specified under the agreement; and (*c*) to accord most-favoured-nation treatment to each other's commerce.

Four schedules were attached to the agreement. The first two listed commodities, the exchange of which would be facilitated in unspecified quantities or in quantities to be negotiated later; the third schedule contained those goods for which quantities were agreed upon in the Delhi negotiations; whilst the fourth specified articles entering into the border trade between East Pakistan on the one hand and West Bengal, Assam, and Tripura on the other.

Items available for export from India to Pakistan included coal, chemicals, drugs and medicines, mill-board and straw-board, machinery and mill-workshop equipment, electrical instruments, cinema films, sugar, tea, coffee, betel leaves, and tobacco. Items available for export from Pakistan to India included raw jute, hides and skins, fish, poultry and eggs, betel nuts, spices, honey, cinema films, machine tools, bicycles and spare parts, surgical instruments, and sports goods. Export or import of commodities not listed will also be permitted in accordance with the laws, regulations or procedures of either country.

Commodities for which quantities or values were specified included coal, hard and soft wood, stone boulders, and sea salt for export from India, and rock salt and forest produce for export from Pakistan to India. Of the Indian coal exports, 30,000 tons a month will be sent to West Pakistan, 55,000 tons to East Pakistan, and an additional 15,000 tons *via* the sea route either to East or West Pakistan.

India undertook to export 50,000 tons of cement to East Pakistan in exchange for the same quantity to be supplied by West Pakistan to India; the latter supplies would be additional to those sent by Pakistan under previous arrangements. A similar arrangement was made for salt, whereby West Pakistan would export rock salt to India in exchange for Indian supplies of sea salt to East Pakistan.

As regards jute—India's main import from Pakistan—no quantity was specified, but India undertook to indicate to Pakistan her probable requirements by September of each year, in order to facilitate the planning by Pakistan of her jute acreage.

Items for which border trade would be permitted included articles of daily consumption such as fish, poultry and eggs, soap, vegetables and fresh fruit, milk and milk products, as well as kerosene, betel leaves, fodder and firewood.

It was also laid down that the working of the agreement would be reviewed every six months and that schedules of commodities would be subject to revision before the beginning of each calendar year.

The agreement was subject to ratification by the two Governments and was expected to come into force as from Feb. 1, 1957, and to remain in force for three years.—(The Hindu, Madras - The Statesman, Calcutta - Dawn, Karachi)

(Prev. rep. 14467 B.)

A. NEW ZEALAND - UNITED KINGDOM. — New Trade Agreement. - Ten-Year Guarantee of Unrestricted Imports of New Zealand Dairy Products.

A new trade agreement between the United Kingdom and New Zealand was signed in London on May 28 by Sir David Eccles, President of the Board of Trade, and Mr. K. J. Holyoake, the N.Z. Deputy Prime Minister and Minister of Agriculture, following negotiations which had opened on April 9. Its provisions modified and in certain respects supplemented those contained in the Ottawa Agreement of 1932, of which it will form part. The provisions of the new agreement were as follows:

(1) The U.K. Government undertook not to restrict imports of N.Z. butter, cheese, skimmed and buttermilk powders, casein, and chilled and frozen pork for 10 years. In addition, New Zealand was given an assurance of duty-free entry for eggs, poultry, butter, cheese, and other milk products, the qualifications to which this assurance was subject under the Ottawa Agreement being removed. [Under the Ottawa Agreement the British Government had the right to impose quantitative restrictions on imports from New Zealand of eggs, poultry, butter, cheese, and other milk products, if British imports of these products from all sources were similarly restricted.]

(2) There would be joint annual consultation on agricultural production and marketing policies, and each Government would give full weight to the views of the other in formulating its production, marketing and import policies relating to agriculture. Meetings to give effect to these consultations would take place in November of each year.

(3) Both Governments acknowledged the value of the market reviews carried out by the Commonwealth Meat Study Group, and agreed to facilitate the work of that Group. If, in the opinion of the N.Z. Government, circumstances arose which threatened serious injury to the New Zealand meat trade, the U.K. Government would examine the situation in consultation with the N.Z. Government, and consider sympathetically any request for the application of such remedial measures as might be appropriate.

A joint communiqué was issued at the same time describing the course of the talks, in which representatives of the N.Z. Meat Producers' Board, the Dairy Board, the Apple and Pear Board, the Federated Farmers, and the N.Z. Manufacturers' Federation had taken part on the New Zealand side, and Mr. Heathcoat Amory (the Minister of Agriculture) on the British side. The communiqué was worded as follows (cross-headings inserted):

General Principles. "The representatives of both Governments reaffirmed the objective underlying the Ottawa Agreement to expand trade between the U.K. and New Zealand to their mutual advantage. Mr. Holyoake said that 25 years had elapsed since the Ottawa Agreement was signed and significant changes had occurred in the pattern of world food production and marketing. He emphasized the importance which New Zealand continued to attach to the U.K. market, and the need for New Zealand to retain an expanding share of that market at remunerative prices as a factor in the development of his country.

"The opportunity was taken to survey fully present and potential trade trends. Mr. Holyoake expressed deep concern at the immediate position of New Zealand's trade in dairy products and at the long-term prospects for N.Z.'s exports generally in the United Kingdom. He sought assurances from the U.K. regarding action to limit the import of meat and dairy products from foreign suppliers. Mr. Holyoake asked that continuing arrangements should be established to enable the N.Z. Government to have full discussion of problems arising from the U.K.'s agricultural policy and imports of foodstuffs. He was anxious to reach an understanding about the use of the U.K.'s powers to deal with dumping and to consider with U.K. Ministers further steps to secure better international co-operation in regard to the disposal of surplus commodities.

"Mr. Holyoake said that whereas New Zealand accorded high *ad valorem* preferences to U.K. exports, many of New Zealand's preferences in the U.K. were specific duties which had lost much of their value since 1932 through the rise in prices. Furthermore, he pointed out that the quota preferences on meat provided for in the Ottawa Agreement had lost their effectiveness. The balance of advantage under the Ottawa Agreement had accordingly moved against New Zealand, and the N.Z. Government wished, if possible, to find a way of restoring the value of New Zealand's preferences in the United Kingdom.

"The U.K. Ministers explained that U.K. policies and their international commitments precluded the use of import restrictions in existing circumstances as a means of protecting the New Zealand interest in the U.K. market. As regards the possibility of restoring the value of the N.Z. preferences in the U.K., it was pointed out that this could not be done without the consent of certain foreign countries whose rights under international agreements would be affected, and that this was unlikely to be forthcoming. The N.Z. delegation felt that the effective value of their preferences was limited by this factor.

Market Prospects in the U.K. "The market prospects in the U.K. for meat, milk products, and apples were fully discussed. The N.Z. representative thought that potential increases of supplies of meat both from abroad and in the U.K. were likely to out-run the capacity of the U.K. market to absorb increased quantities at remunerative prices. The U.K. representatives, however, pointed out that *per capita* consumption of meat in the U.K. had only recently recovered to the pre-war level, and considered that there was no reason to doubt that continued increases in consumption were possible.

"In regard to dairy products the N.Z. delegation noted the increase in world production of butter and the consequent increase in supplies to the U.K. market, and expressed serious concern at the resulting effects on prices. The delegation also expressed concern at the increasing production of milk in the U.K. brought about by the U.K.'s production policies, which had resulted in rapid increases in the production of cheese which competed with the N.Z. product. In addition, the manufacture of milk by-products, particularly milk powder, had increased considerably. This development detrimentally affected New Zealand's position in the market for dried milk products. The U.K. pointed out that several temporary causes had contributed to the market situation and that at the recent U.K. Agricultural Price Review the profitability of domestic milk production had been reduced. The N.Z. delegation felt that the factors mentioned by the U.K. Government had not dissipated their fears regarding the position of dairy products in the United Kingdom market.

"Market prospects for apples in the U.K. were also fully discussed. It was considered that the present market position was satisfactory but the N.Z. delegation expressed concern at possible future developments; particularly the possibility of increasing supplies from foreign countries, both Northern and Southern Hemisphere, being sold in substantial quantities during the N.Z. marketing season. It was agreed that the position with respect to supply and demand would be kept under constant review, and would also be included in the annual consultation for which provision had been made.

Supplementary Markets. "Mr. Holyoake emphasized that New Zealand would need to seek increased access to supplementary markets if the U.K. was not able to absorb the full increase of N.Z. production at remunerative prices. To this end, and also to assure New Zealand of a competitive cost structure, Mr. Holyoake indicated that the N.Z. Government may wish to seek a variation in the terms of some provisions of the original agreement, including modifications giving New Zealand freedom to adjust preferential margins of duty in certain cases. The U.K. Ministers took note of this. In this connection the Ministers stated that they would be concerned if New Zealand granted any quota concessions to other countries which resulted in the encouragement of imports from other countries to the detriment of the U.K. while imports of the same goods from the United Kingdom were restricted. Mr. Holyoake took note of these views.

Anti-Dumping Protection. - Policy on Agricultural Surplus Disposals. "A full account was given by the U.K. Ministers of the details of the new powers to deal with dumping. It was noted that both Governments had power to impose countervailing and anti-dumping duties to protect each other's interests against dumped or subsidized exports. The U.K. Government has also undertaken to give the fullest help and co-operation in effecting joint action with the other countries principally concerned, through the F.A.O. machinery, to ensure the application of the principles laid down by F.A.O. for the disposal of agricultural surpluses.

Common Market and Free Trade Area. "Problems arising from the European Common Market and the proposed Free Trade Area were discussed fully. New Zealand was particularly concerned in the extent to which the Common Market proposals could result in damage to N.Z.'s exports—both directly on the Continent itself and indirectly in the U.K. market by encouraging larger agricultural surpluses in Europe. It was recognised that if in the application of the Common Market Treaty there were to be injury to New Zealand and other Commonwealth countries, then it might be necessary to consider what steps should be taken to deal with the problem. U.K. Ministers explained that the proposed European Free Trade Area would strengthen the U.K. economy and that the U.K. Government would do everything possible to ensure that the policies followed in Europe would be liberal and outward-looking. Mr. Holyoake welcomed these statements. It was agreed that in view of the importance of these matters, the two Governments should continue their close consultations on these developments."

Mr. Holyoake, in a statement issued on May 29, said that the 10-year undertaking about the quota-free admission of N.Z. dairy products was "perhaps the most important assurance now given by the United Kingdom." These undertakings were valuable to New Zealand, "as they provide a measure of security for the future which is a prerequisite to our programme of farm development." The effect of these new provisions, he explained, was to place the N.Z. dairy industry on a similar footing to that already enjoyed by the N.Z. meat industry under the Ottawa Agreement and the 1952 Joint Declaration on Meat.

Dealing with New Zealand's productive capacity, Mr. Holyoake said: "New Zealand has demonstrated over the years her ability to supply increasing quantities of meat and dairy produce to the U.K. market. Our potential for greater production is higher today than it ever has been, and will continue to expand. We consider that the prospect of continuing increases in supplies from all sources justifies our apprehension that conditions of relative over-supply in the U.K. market could develop with serious repercussions on the economy of our country. Our study of the problem has convinced us that the only effective means of ensuring long-term stability in

the U.K. market for agricultural products would be to make provision for the limitation of foreign supplies. In the case of meat this might be done by revision of the quotas in the Ottawa Agreement to render them effective in the light of developments since 1952. The U.K. Government were unable to agree to take such action under existing circumstances. They have agreed, however, that they will be ready, if circumstances arise which threaten serious injury to New Zealand's meat export trade, to examine the situation in consultation with the N.Z. Government and to consider sympathetically any N.Z. request for the application of such remedial measures as may be appropriate."

Certain representatives of the New Zealand producers, on the other hand, expressed disappointment at the outcome of the London discussions.

Mr. F. C. Johnstone (deputy chairman of the N.Z. Meat Producers' Board, and a member of the N.Z. delegation in London) criticized the fact that Britain had not agreed to restrict the entry of foreign meat to its present level, whilst Mr. R. Woolerton (Dominion president of the dairy section of the N.Z. Federated Farmers) expressed disappointment because there was not much price protection for dairy products in the agreement, although he admitted that New Zealand could not expect this since Denmark was a supplier to the U.K. of very long standing. On the other hand, Mr. E. W. McCallum (the Federation's vice-president) expressed the view that the trade talks had "produced more value than the terms announced would lead one to believe," especially since a great deal of consideration had been given to the means of dealing with any future situation such as a sudden drop in prices, and because the elimination of any question of quotas in the next 10 years was "a major gain in view of world surpluses."

Statistics of New Zealand's overseas exchange transactions in 1956, published in the Bulletin of the N.Z. Reserve Bank, showed that Britain was again New Zealand's largest customer for butter, cheese, meat, and wool, as well as for most other classes of exports.—(Times - Financial Times - Directorate of Information, Wellington - New Zealand Reserve Bank) **(Prev. rep. 14961 A; 13704 A; 13499 B.)**

A. UNITED KINGDOM. — Government Changes. - Lord Mancroft appointed Minister without Portfolio.

It was announced from 10, Downing Street, on June 12 that Lord Munster had resigned the post of Minister without Portfolio and would be succeeded by Lord Mancroft, Parliamentary Secretary to the Ministry of Defence.

The Earl of Munster (51) explained in a letter to the Prime Minister that he wished to resign from the Government so that he could devote more of his time to work within the Conservative Party Organization. Lord Munster became Under-Secretary of State for the Colonies in 1951 and held that post until October 1954, when he was appointed Minister without Portfolio - in which capacity he had been Government spokesman on a number of topics in the House of Lords. He has been chairman of the Association of Conservative Clubs since 1948.

Lord Mancroft (42) was a Lord-in-Waiting from 1952 to 1954, and subsequently Under-Secretary of State, Home Office, until his appointment as Parliamentary Secretary, Ministry of Defence, in January last. Educated at Winchester and Christ Church, Oxford, he was called to the Bar in 1938.

The announcement stated that Lord Mancroft would continue to discharge his former duties as Parliamentary Secretary to the Ministry of Defence, no new appointment being made to that office. Lord Mancroft had for some time previously acted as Government spokesman in the House of Lords on several topics in addition to defence.

It was also announced that the Marquess of Lansdowne (44) had become a Lord-in-Waiting in succession to Lord Hawke (55), who had resigned to make way for a younger man. The three political Lords-in-Waiting (who are nominally members of H.M. Household) act as Government Whips and occasional spokesmen in the Lords, the others being Lord Fairfax and Lord Chesham.—(Times - Daily Telegraph) **(15492 B.)**

B. UNITED KINGDOM. — Education. - Three-Year Training Courses for Teachers from 1960.

The Minister of Education (Lord Hailsham) announced on June 6 that the Government had decided that the training course for teachers should be extended from two to three years, beginning in 1960. He explained that the latter year had been chosen because a sharp decrease in the school population was expected after 1961. Although the introduction of the longer course would reduce the annual output of teachers from the training colleges, the change would therefore not halt the process of reducing the size of classes.

A longer training course had been urged by educationists for several years, on the grounds that the two-year course did not allow sufficient time for studies that were not purely vocational, and that it launched students on their teaching careers at too early an age.—(Times - Daily Telegraph) **(Prev. rep. Teaching Profession, 15120 A.)**

C. FORMOSA. — Anti-American Riots in Taipeh. - Wrecking of U.S. Embassy. - Strong U.S. Protest to Chinese Nationalist Government. - Chinese Communist Radio and Press Attacks on United States.

Serious riots occurred in Taipeh, the capital of Formosa, on May 24 when Chinese crowds estimated at several thousand attacked the U.S. Embassy, tore down the American flag, and wrecked the Embassy offices. Later the same day further riots took place outside the municipal police headquarters, when a crowd estimated at 30,000 besieged and tried to storm the building, disarmed some military policemen, used their pistols against the police, and wrecked the U.S. Information Service's building opposite. Police opened fire on the crowds, which were finally dispersed after three Army divisions rushed to the city had taken over control of the U.S. Embassy as well as the offices of the U.S. Military Advisory Group, outside which the mob had destroyed 10 parked cars. An American press attaché was seriously injured during the riots, and several other U.S. officials manhandled. According to an official Chinese statement, one civilian was killed and eight civilians and 24 policemen wounded, two of them seriously, during the disturbances, while some 30 rioters who stormed the U.S. Information Service's building were arrested.

The riots occurred in protest against the acquittal on May 23 of Master-Sergeant Robert Reynolds, of the U.S. Army, on a charge of manslaughter of a 30-year-old Chinese. The Chinese was stated to have peeped through a window at the sergeant's wife when she was naked after a shower; when Mrs. Reynolds cried out to her husband he rushed out and killed the man with two shots. Reynolds denied the manslaughter charge, saying in his defence that he feared the intruder intended to attack him. After Reynolds' acquittal by an American court-martial he was secretly taken under a military police escort to the airport, from where he was flown to the Philippines together with his wife and child.

Incensed at the acquittal of Reynolds, large crowds had gathered outside the U.S. Embassy and jeered at and insulted Americans in the streets, while the widow of the victim carried out a hunger-strike outside the Embassy, carrying a placard protesting against the acquittal of Reynolds and demanding justice. The Chinese Nationalist police took no action when the mob tore down the U.S. flag and ripped it to pieces, hoisted the Nationalist flag, raided the building, smashed desks, hurled steel cabinets out of the windows, set fire to American cars and lorries, and tried to burn down the Embassy itself.

Indignation and concern were aroused in the U.S.A. by the anti-American disturbances, a strong protest being made by the U.S. Ambassador in Taipeh, Mr. Rankin. President Chiang Kai-shek, in a message to President Eisenhower and Mr. Dulles on May 27, expressed "profound regrets" over the destruction of the Embassy and the U.S. Information Offices, and assured Mr. Rankin that the incident "did not reflect in any way the expression of anti-Americanism" in the island but had only been an expression of popular anger at the acquittal of Reynolds. Three senior police and Army officers who were considered to be responsible for the failure of the police and troops to intervene were dismissed on the same day, whilst the Chinese authorities promised full compensation for the damage. It was subsequently announced that 111 persons had been arrested during the anti-American riots of May 24, of whom 41 had been indicted and handed over to the military authorities.

Violent attacks on the United States, described by monitoring services as the most vituperative ever recorded, were made by Peking Radio and the Chinese Communist press as a result of the Taipeh riots.

A Peking broadcast called upon "all patriotic forces" in Formosa to "drive the American aggressors out of the island and ensure its peaceful unification with the motherland." The broadcast said that the people of Formosa were regarded by the Americans as "slaves and cannon-fodder to be ordered about at will," and attacked U.S. Servicemen for "manhandling and slaughtering Formosans, raping women, getting drunk and staging brawls."

A spokesman of the U.S. State Department said on May 28 that the U.S. Government was "actively considering a reduction in the number of American civilian and military personnel in Formosa," in which connexion it was pointed out that 10,000 American citizens and their dependants were in the island. The U.S. Secretary of Defence (Mr. Charles Wilson) said on the same day that the demonstrations in Formosa had "highlighted" the need for "another look" at the American military aid programme to Nationalist China.

(New York Times - New York Herald Tribune - Times)

A. UNITED KINGDOM - UNITED STATES. — New Agreement on Exchange of Information on Peaceful Uses of Atomic Energy. - Information exchanged on Calder Hall Reactor and Nuclear Submarines.

The U.S. Atomic Energy Commission announced on June 5 that discussions between Sir Edwin Plowden (chairman of the U.K., Atomic Energy Authority) and Rear-Admiral Lewis Strauss (chairman of the A.E.C.) had resulted in agreement "on a wide range of subjects in connexion with the peaceful use of atomic energy." It was stated that the agreement covered "the exchange of information on Calder Hall as well as other areas of co-operation between the two countries," no further details being given.

The discussions between Sir Edwin Plowden and Rear-Admiral Strauss followed U.S. complaints that the U.K. Atomic Energy Authority was not supplying sufficient details of the Calder Hall reactor under the Anglo-American agreement of June 15, 1955. It was known that the A.E.A. had found itself unable to provide the A.E.C. with the detailed design and drawings of the Calder Hall reactor because it could obtain no assurance that such information, if supplied, would not be passed on to private American firms: in such an eventuality the firms concerned would have obtained, free of charge, information for which competing British firms had to pay royalties. [Unlike the British practice, the U.S. Atomic Energy Commission makes atomic information available to American firms on a non-royalty basis]. When announcing the 1955 agreement, Sir Anthony Eden (then Prime Minister), stated that exchanges of information under the agreement would take place "on a commercial basis and subject to certain safeguards."

In a press statement on June 7, after his return to London from Washington, Sir Edwin Plowden said that it had been agreed to provide information about the Calder Hall and similar reactors under the following conditions:

(1) No information would be supplied relating to developments since January 1, 1957.

(2) The information to be supplied would be made available to the U.S. Atomic Energy Commission and its direct contractors, a provision which would allow the A.E.C. to start work on the building of a prototype reactor.

(3) Sufficient information about the gas-cooled reactor at Calder Hall would be supplied to U.S. firms for them to be able to make an assessment about its economic value.

(4) Any more practical use which U.S. firms might wish to make of the information would be regulated by licence agreements between British and American firms.

In the course of his statement Sir Edwin Plowden laid special emphasis on two points: (i) the pace of development in Britain on gas-cooled reactors was now so rapid that information which had accrued since Jan. 1, 1957, and which would not be disclosed, was vital to their further development; (ii) the value to Britain of "the American information on submarine and other reactors which is now coming along." Sir Edwin said that commercial exploitation of atomic energy in Britain was "bounds away in front" of the United States, and believed that it was unlikely that Britain would lose her present world lead in designing nuclear power stations.

The British Admiralty announced on June 6 that representatives of the U.S. Navy and the U.S. Atomic Energy Commission had completed a visit to Britain for joint discussions with the Admiralty and the U.K. Atomic Energy Authority on nuclear-powered submarines. It was stated that British naval representatives and atomic experts would shortly visit the U.S.A. to continue the discussions, and that information had been exchanged on "classified and unclassified data." Rear-Admiral Rickover, who played a leading part in designing the U.S. atomic submarine *Nautilus*, took part in the conversations with British experts, who included Rear-Admiral Guy Wilson, Rear-Admiral Nuclear Propulsion (see 15412 B). The Naval Correspondent of the *Daily Telegraph* said that the construction of Britain's first atomic submarine, the *Dreadnought*, "will be speeded as the result of the discussions between British and U.S. nuclear experts."—(Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune) **(Prev. rep. 15531 A; Anglo-American Agreements (1956), 15133 A; (1955), 14360 A.)**

B. BULGARIA - SOVIET UNION.—Construction of Soviet Ships in Bulgarian Shipyards.

An agreement on the building of ships and other craft by Bulgaria for the U.S.S.R. during the three-year period 1958-60 was signed in Moscow on May 18, in implementation of the Soviet-Bulgarian communiqué of Feb. 20 (see 15449 A). The Soviet Union will supply Bulgaria with the necessary equipment and materials for carrying out the programme, which aims at keeping the Bulgarian shipbuilding industry working at full capacity over a long-term period.—(Soviet Embassy Press Department, London) **(Prev. rep. 15449 A.)**

C. DENMARK. — State Visit of Queen Elizabeth II.

Queen Elizabeth II and the Duke of Edinburgh paid a State visit to Denmark from May 21-23, following their recent State visits to France and Portugal.

The Queen and the Duke sailed from Hull for Copenhagen on May 20 in the Royal yacht *Britannia*, which was escorted by the destroyers *Corunna*, *Duchess* and *Diamond* and which was met off the Skaw (the northernmost point of Jutland) by the Danish frigates *Rolf Krake* and *Valdemar Seir*. King Frederik of Denmark, accompanied by Queen Ingrid and their eldest daughter, Princess Margrethe (the 17-year-old heir presumptive to the Danish throne), went on board the *Britannia* off Copenhagen and disembarked with Queen Elizabeth and the Duke of Edinburgh. After reviewing the Danish Royal Life Guards on the waterfront, her Majesty and Prince Philip drove to the Amalienborg Palace along a three-mile route, escorted by the Danish Royal Hussars.

In the afternoon of May 21 Queen Elizabeth and the Duke, accompanied by King Frederik, Queen Ingrid and Princess Margrethe, drove to the cemetery at Mindelundon (in the suburb of Ryvangen), where 157 men of the Danish Resistance movement are buried and where there are memorial tablets to 242 others. [The 157 Danish Resistance fighters were shot by the Germans near the same spot during the wartime occupation.] After laying a wreath on the memorial Queen Elizabeth returned to Amalienborg with Queen Ingrid and Princess Margrethe, while the Duke of Edinburgh, accompanied by King Frederik, drove to Nyhavn (the sailors' quarter of Copenhagen) to lay a wreath on the memorial to the Danish sailors who lost their lives in the Second World War. Later in the day her Majesty and Prince Philip received the heads of diplomatic missions and visited the British Embassy. A State banquet was held in the evening at Christiansborg Palace (the seat of the Danish Parliament) at which speeches were made by King Frederik and Queen Elizabeth.

During the morning of May 22 her Majesty and the Duke visited the famous Carlsberg breweries, founded over 100 years ago by Jacob Christian Carlsberg, and the Carlsberg Foundation. [The Carlsberg Foundation was established in 1876 by J. C. Carlsberg and his son—both well-known philanthropists—to promote art, science, and Danish culture generally, and was the model for the Wellcome Foundation in Britain. The money made by the Carlsberg breweries supports the cultural purposes of the Foundation, which plays a unique role in Danish life.] The Queen and the Duke also visited the "grace and favour" residence provided by J. C. Carlsberg for a distinguished Dane, and which is at present occupied by Professor Niels Bohr, the eminent physicist. Later in the morning they visited a nursery school run by the City of Copenhagen.

Queen Elizabeth and Prince Philip lunched at the Amalienborg Palace with Mr. H. C. Hansen (the Danish Prime Minister), Mr. Selwyn Lloyd (British Foreign Secretary, and Minister-in-attendance on the Queen), and a number of other guests, among whom was Mr. Thomas Dinesen, a Dane who won the Victoria Cross while serving in the Canadian forces during the First World War. [Mr. Dinesen, the only holder of the V.C. outside the British Commonwealth, gained the decoration for storming a trench near Amiens.] In the afternoon her Majesty and the Duke of Edinburgh attended a reception given by the heads of Commonwealth missions in Denmark, while in the evening they attended a gala performance of the Danish Royal Ballet in the Royal Theatre on the Kongens Nytorv.

On the last day of their State visit (May 23) the Queen and the Duke visited the English church in Copenhagen (the Church of St. Alban), followed by visits to a modern school at Gentofte (a suburb of Copenhagen) and to the Royal Copenhagen porcelain factory. They drove nine miles out of Copenhagen to lunch with King Frederik and Queen Ingrid at the Ermitagen, the King's hunting lodge in a royal deer-park laid out 300 years ago by Christian V, and in the afternoon attended a reception by the civic authorities at Copenhagen Town Hall. The State visit ended with a great firework display—the largest ever given in Denmark—held in the evening on the Copenhagen waterfront.

During their three-day visit to Copenhagen Queen Elizabeth and the Duke of Edinburgh stayed at the Christian VII Palace and were enthusiastically welcomed by vast crowds throughout their tour. Her Majesty received a gift to enable British children injured in air raids to spend holidays in Denmark, which she reciprocated by a gift of money to be spent on providing holidays for Copenhagen children.

At the end of their official visit, the Queen and the Duke of Edinburgh spent two days resting at Fredensborg Castle as the private guests of King Frederik before sailing from Elsinore in the *Britannia* on May 26.—(Berlingske Tidende, Copenhagen - Politiken, Copenhagen - Times)
(Prev. rep. 15523 A; 15416 E.)

D. FIJI. — Population Census.

The results of a census taken in Fiji in 1956, recently published in Suva, showed that the Indian population of the island numbered 169,409, whereas the Fijian population numbered 148,134, Europeans 6,402, and part-Europeans 7,810. It was pointed out that the Indian population was increasing almost twice as fast as the Fijian owing to the high birth-rate among the former.—(Times) **(Prev. rep. 15235 D.)**

JUNE 15—22, 1957

A. FRANCE. — Resignation of M. Mollet. - New Government formed by M. Bourgès-Maunoury. - Vote of Confidence in National Assembly.

M. Guy Mollet tendered his resignation to President Coty on May 21 after his Government had been defeated in the National Assembly on a Bill seeking to impose additional taxation, which M. Mollet had made an issue of confidence. After a three-weeks' ministerial crisis, a new Cabinet was formed on June 11 by M. Maurice Bourgès-Maunoury (Radical), the outgoing Defence Minister, and was given a vote of confidence by the National Assembly on June 13. M. Mollet's Cabinet had been in office for nearly 16 months, and was thus the longest-lived Government of the Fourth Republic to date.

Resignation of M. Mollet.

The *projet de loi* for increased taxation was defeated in the National Assembly on May 21 by 250 votes to 213, with 70 "voluntary abstentions" and 46 deputies not participating in the vote. In a lengthy speech before the division, M. Mollet had stressed the seriousness of France's financial position and defended the proposed additional taxation on the grounds of the large budgetary deficit, the adverse balance of payments, and the low level of the gold and dollar reserves in the Bank of France. He pointed out, *inter alia*, that the budgetary deficit would still exceed 500 milliards of francs (£500,000,000) even if the Assembly approved the taxation for which the Government asked.

The 250 opposing votes comprised 140 Communists and *progressistes*, 52 Independents (conservatives), 36 Poujadists, 12 *Paysans*, 5 *non-inscrits*, 2 Social Republicans, 2 U.D.S.R. deputies, and 1 Radical.

The 213 supporting votes were made up as follows: 92 Socialists, 68 M.R.P. (Popular Republicans), 13 Dissident Radicals, 12 Radicals, 12 Social Republicans, 8 U.D.S.R.-R.D.A. deputies, 4 R.G.R., 3 *non-inscrits*, and 1 Independent.

The 70 deputies "voluntarily abstaining" from the vote comprised 31 Independents, 28 Radicals (including M. Mendès-France), 5 R.G.R., 4 Social Republicans, 1 *Paysan* and 1 *non-inscrit*.

The 46 deputies not taking part in the vote consisted of 9 Communists, 9 U.D.S.R.-R.D.A., 7 Socialists, 6 Overseas Independents, 3 M.R.P., 3 Social Republicans, 3 Independents, 2 Radicals, 2 *non-inscrits*, 1 *Paysan*, and 1 Poujadist.

As shown by the voting figures, M. Mollet's defeat was primarily due to the opposition of the right-wing Independents, who had hitherto given general support to his Government although not represented therein. While the Independents had supported the Government's policy in Algeria and the Suez crisis, and its handling of foreign affairs generally, their opposition to its economic and fiscal policies culminated in the adverse vote against M. Mollet on May 21, when 52 Independent deputies voted against the taxation measures and 34 others abstained or took no part in the vote.

Failure of M. Pflimlin's Attempt to form Government of National Union.

Following M. Mollet's resignation, President Coty asked M. René Pleven (leader of the U.D.S.R. and a former Prime Minister) to undertake an "information and conciliation mission" (*mission d'information et de conciliation*) to explore the possibilities of forming a government of the centre parties capable of commanding a parliamentary majority. M. Pleven accepted the task on May 24 but abandoned it five days later, when he informed the President that he had been unable to make any progress in his exploratory discussions with the party leaders. After M. Pinay (Independent) had declined a similar invitation, President Coty invited M. Pierre Pflimlin (M.R.P.) on May 29 to form a new government after consulting the various party leaders. M. Pflimlin—who had held ministerial office in many former Cabinets—accepted the President's invitation on May 30, after flying to Biarritz to address a congress of the M.R.P. then in session. Before leaving Paris he had seen M. Mollet and had made it clear that he would not form a Government unless the Socialists participated.

On June 3 M. Pflimlin submitted to President Coty and to the leaders of the non-extremist parties (i.e. excluding the Communists and the Poujadists) a programme for a "Government of National Union" which he had outlined at the Biarritz congress. In a covering letter he announced his intention of forming a Ministry in which representatives of all the "republican and national parties" would be represented. His proposed programme was divided into three main sections dealing with (1) economic questions; (2) Algeria; and (3) constitutional reform, as summarized below:

(1) In the field of economic policy M. Pflimlin proposed (*a*) to fight inflation and the balance-of-payments deficit without recourse to foreign aid; (*b*) to establish an 18-months' period (June 1957 to December 1958) within which France would bring her balance of payments into equilibrium and be in a position to enter the projected European Common Market; (*c*) to set a "ceiling" on public expenditure; (*d*) to raise revenue by new taxes and charges, including an increase in postal and telephone rates and in the price of petrol, an increase in the company tax, and the introduction of a special tax on banking profits; (*e*) to introduce a "more representative" cost-of-living index.

(2) In Algeria, the Government would "continue, and if need be intensify, the efforts to break the rebellion and to combat terrorism." In view of the rebels' continued refusal to accept the French cease-fire offer, he proposed to set up a committee, drawn from all the "national and republican" parties and including civil and military experts, to work out a provisional statute for Algeria which would be applied in stages, whilst awaiting the conditions under which a definitive settlement could be reached. M Pflimlin reaffirmed the principles for an Algerian settlement previously laid down by M. Mollet—i.e. first a cease-fire, secondly elections, thirdly political negotiations for a new statute.

(3) The new Government, if formed, would immediately call a round-table conference of all the "national and republican" parties to discuss the revision of the Constitution.

M. Pflimlin also said that he would ask for the immediate ratification of the Euratom and Common Market treaties if he were permitted to form a government.

The National Council of the Socialist Party, meeting on the same day (June 3), adopted a motion stating that it would not oppose M. Pflimlin's investiture as Prime Minister, as his programme was not in contradiction to the Socialist Party's own ideals. It added, however, that it was not prepared to enter a Government which would include the Independents, as it was felt that such a coalition would lead to "confusion, stagnation, and the rapid disintegration of the Government." Moreover, the Socialist Party could not join any coalition government unless its policy corresponded to the main principles laid down by M. Mollet when he became Prime Minister in February 1956, and unless it included the economic and fiscal measures which the Mollet Government would have carried out had it not been defeated in the Assembly. The Parliamentary Socialist Party, meeting on June 4, endorsed the National Council's resolution by 74 votes to 22.

In view of the two basic conditions laid down by the Socialist Party—i.e. that the Independents should not be included in a new coalition government, and that such a government should carry out the economic reforms demanded by the Socialist Party—M. Pflimlin abandoned his attempt to form a "Government of National Union" and informed President Coty accordingly in the morning of June 4.

Formation of Bourgès-Maunoury Government.- Socialists accept Office in New Ministry.

After M. Pflimlin had abandoned his attempts to form an administration, M. Mollet, M. Billères (Radical) and M. Bourgès-Maunoury were successively invited to the Elysée on June 4 and asked by President Coty to form a Government. M. Mollet and M. Billères declined, but M. Bourgès-Maunoury accepted the President's invitation and began negotiations with the Socialist, M.R.P., Social Republican and U.D.S.R. leaders, as well as with his own party, the Radicals. On June 7 the Parliamentary Socialist Party agreed (by 51 votes to 33) to take office under M. Bourgès-Maunoury, at the same time laying down a "minimum programme" of social and economic legislation as a condition of its participation. The M.R.P. and the Social Republicans (ex-Gaullists) declined to accept office—in the case of the Social Republicans, apparently, because of M. Bourgès-Maunoury's refusal to delay the ratification of the Common Market and Euratom treaties. The M.R.P. refused on the ground that the situation in Algeria, and the economic situation in France itself, called for a broadly based "government of national union" on the lines proposed by M. Pflimlin.

Having obtained the support of the Socialist and Radical parties, and also of the U.D.S.R. and R.G.R. groups, M. Bourgès-Maunoury became Prime Minister-designate on June 10, when President Coty formally accepted the resignation of M. Mollet. M. Bourgès-Maunoury completed his Cabinet list on June 11 and presented it to the President on the same day, its membership being published in the *Journal Officiel* on June 14 after M. Bourgès-Maunoury had obtained a vote of confidence from the National Assembly (see below). The new Ministry—the 23rd to be formed in France since the liberation—was as follows:

M. Maurice Bourgès-Maunoury (Radical)	Prime Minister.
M. Félix Houphouet-Boigny (R.D.A.)	Minister of State.
General Corniglion-Molinier (R.G.R.)	Justice.
M. Christian Pineau (Socialist) ..	Foreign Affairs.
Senator Gilbert Jules (Radical) ..	Interior.
M. André Morice (Dissident Radical)	National Defence.
M. Félix Gaillard (Radical) ..	Finance, Economic Affairs and Planning
M. René Billères (Radical)	Education.
M. Edouard Bonnefous (U.D.S.R.) ..	Public Works.
M. Gérard Jacquet (Socialist) ..	Overseas Territories.
M. Albert Gazier (Socialist)	Social Affairs.
Senator André Dulin (Radical) ..	War Veterans.
M. Robert Lacoste (Socialist) ..	Algeria.
M. Max Lejeune (Socialist)	Sahara.

M. Bourgès-Maunoury (42), the youngest Prime Minister of the Fourth Republic, was born in 1914 at Luisant (Eure-et-Loir). After studying law and political science he was mobilized in 1939 as an artillery lieutenant, taken prisoner, and spent a year in captivity in Germany before being released in 1941. On his return to France he joined the Resistance movement, in which he distinguished himself under a variety of *noms de guerre* —" Polygone," " Circonférence " and " Anchois." He was trained in Britain as a parachutist, carried out a number of dangerous missions between the occupied zone and London, and became military representative in occupied France for the French Provisional Government in Algiers. Parachuted again into France after D-Day (at which time he was stationed in London), he organized widespread sabotage and *maquis* activities behind the German lines in Southern France and was seriously wounded. He subsequently became *Commissaire de la République* for the Bordeaux region in June 1945, and for a few months thereafter was administrator of the Renault factories.

Entering politics after the war, M. Bourgès-Maunoury was elected to the French Assembly in 1946 as a Radical deputy for the Haute-Garonne department. At the age of 33 he became State Secretary for the Budget in the Schuman Cabinet (1947), and during the next ten years held portfolios in 11 Governments, including those of Defence, the Interior, Finance, Industry and Commerce, and Armaments. An advocate of European union, he resigned from the Mendès-France Cabinet in 1954 when the E.D.C. treaty was rejected, but subsequently returned as Minister of the Armed Forces.

M. Bourgès-Maunoury gave strong support to the " Mollet-Lacoste " policy in Algeria, and on many occasions reiterated the French Government's determination to crush the rebellion while carrying out necessary political and social reforms. He also strongly supported the Anglo-French military intervention during the Suez crisis, and frequently denounced the totalitarian nature of the Egyptian military dictatorship. He holds the Legion of Honour, the *Croix de Guerre*, and the *Rosette de la Résistance* as well as many Allied decorations, including the British D.S.O.

The new Cabinet, like its predecessor, was based on the " Republican Front " coalition between the Radicals, Socialists, and U.D.S.R.-R.D.A., but was slightly more " right-centre " than M. Mollet's administration. The number of Radical Ministers (including Dissident Radicals) rose from three to six while the number of Socialist Ministers fell from seven to five, the other three Ministers representing the U.D.S.R., R.G.R., and R.D.A. groups as shown. All the Radical Ministers were drawn from the right wing of the party (i.e. the group opposed to M. Mendès-France and his followers), including M. Morice, who took the lead in founding the " dissident " Radical Party (see 15247 A).

M. Pineau remained at the Quai d'Orsay, while four other Ministers —MM. Jules, Billères, Gazier and Lacoste—also retained the portfolios they held in the Mollet Government. M. Lacoste's title, however, was changed from Minister Resident in Algeria to Minister for Algeria; it was officially explained that M. Lacoste would " continue to reside in Algiers but would come to Paris whenever circumstances necessitate."

Apart from the change in the Premiership, the new Government involved the following changes: General Corniglion-Molinier (a former Gaullist) succeeded M. Mitterrand (U.D.S.R.) as Minister of Justice; M. André Morice took over the Defence portfolio from M. Bourgès-Maunoury; M. Gaillard succeeded M. Ramadier (Socialist) as Minister of Finance and Economic Affairs, and was also given responsibility for economic planning; M. Jacquet succeeded M. Gaston Defferre (Socialist) as Minister for the Overseas Territories; Senator Dulin became Minister for War Veterans *vice* M. Tanguy-Prigent (Socialist); and M. Houphouet-Boigny, Minister of State attached to the *Présidence du Conseil*, became Minister of State. [M. Houphouet-Boigny, an African, is head of the *Rassemblement Démocratique Africain* (R.D.A.), which emerged as the strongest party in the recent general elections in French West Africa (see page 15587, first column). He is mayor of Abidjan and deputy for the Ivory Coast in the French National Assembly, where he sits with the U.D.S.R. group.]

M. Chaban-Delmas (Social Republican), who had been Minister of State without portfolio under M. Mollet, left the Cabinet together with MM. Mitterand, Ramadier, Tanguy-Prigent, and Defferre, who had piloted the *loi-cadre* for the constitutional advancement of the French overseas territories through the National Assembly (see 15585 A). It was stated in the French press that M. Defferre had refused to take office in the new Cabinet because of his opposition to M. Lacoste's policies in Algeria. M. Mitterrand was understood to have refused office for the same reason.

M. Lejeune, formerly a Secretary of State for National Defence (with special responsibility for Land Forces in Algeria), was put in charge of a new Ministry of the Sahara, which was created to promote an extensive programme of economic development in the Saharan territories previously drawn up by the Mollet Government. Earlier in the year an organization had been created, under the name of the *Organisation commune des régions sahariennes* (O.C.R.S.), which is designed to make the Sahara administratively and economically independent of the Algerian administration or any other government department, and to promote economic development in the Saharan territories.

M. Gaillard (37), an economic and financial expert, became the youngest Finance Minister in any French Cabinet since 1899. [M. Joseph Caillaux, then 36 years of age, held the Finance portfolio in that year in the Waldeck-Rousseau Cabinet.] In 1953 he was State Secretary to the *Présidence du Conseil* in M. René Mayer's Government (see 12673 A), with special responsibility for the Modernization and Equipment Plan (the " Monnet plan "), atomic energy, and liaison with the O.E.E.C. Of the other new Ministers, M. Jacquet was a State Secretary at the *Présidence du Conseil* in the Mollet Government, with special responsibility for Information; Senator Dulin was State Secretary for Agriculture; M. Morice is leader of the " dissident " Radicals as stated above; and General Corniglion-Molinier was a Minister in the Cabinet formed by M. Edgar Faure in February 1955. M. Bonnefous had held office in many previous Governments but not in M. Mollet's administration.

The new Government was completed on June 17 by the appointment of 25 Secretaries of State (junior Ministers) and two Under-Secretaries, as follows:

Secretaries of State.

Présidence du Conseil:
Relations with Parliament—M. Georges Galy-Gasparrou (Radical).
Information—M. Michel Soulié (Radical).
Scientific Research—M. François Bénard (U.D.S.R.).
Civil Service—M. Jean Meunier (Socialist).

Foreign Ministry:
European Affairs—M. Maurice Faure (Radical).
Moroccan and Tunisian Affairs—Senator Emile Claparède (Radical).

Algeria—Senator Marcel Champeix (Socialist).

Interior—Senator Maurice Pic (Socialist).

Armed Forces:
Land—M. Pierre Métayer (Socialist).
Sea—M. Frank Arnal (Socialist).
Air—M. Henry Laforest (Radical).

Finance, Economic Affairs and Planning:
Budget—M. Jean-Raymond Guyon (Socialist).
Economic Affairs—M. Emile Hugues (Dissident Radical).
Energy—M. Edouard Ramonet (Dissident Radical).
Industry and Commerce—M. Arthur Conte (Socialist).
Reconstruction—Senator Bernard Chochoy (Socialist).
Posts and Telegraphs—M. Eugène Thomas (Socialist).

Agriculture:
General Affairs—M. Kléber-Loustau (Socialist).
Planning—M. Pierre de Félice (Radical).

Transport:
Civil Aviation—M. Achille Auban (Socialist).
Merchant Navy—M. Jacques Faggianelli (Dissident Radical).

Social Affairs:
Labour—M. Jean Minjoz (Socialist).
Health—M. André Maroselli (Radical).

Education:
Arts and Letters—Senator Jacques Bordenave (Radical).

France d'outre-mer—M. Modibo Keita (R.D.A.).

Many of the State Secretaries retained the same posts as in the Mollet Government, although a number of new appointments were made.

Under-Secretaries.

Présidence du Conseil—M. François Giacobbi (Radical).

Agriculture—Mme. Jacqueline Thôme-Patenôtre (Radical).

Among the new State Secretaries were M. Galy-Gasparrou, an eminent lawyer, who became *procureur-général* of the High Court of Justice in February 1957 in succession to the late Maître de Moro-Giafferi; M. Arthur Conte, a well-known writer and journalist; M. Faggianelli, a Corsican, by profession a teacher of English; and Madame Thôme-Patenôtre, mayor of Rambouillet and a senator for the Seine-et-Oise department.

Vote of Confidence for M. Bourgès-Maunoury.

M. Bourgès-Maunoury was given a vote of confidence by the National Assembly on June 12 after a policy statement devoted mainly to the Algerian problem and the financial situation. The voting was 240 in favour and 194 against, with 74 "voluntary abstentions," 60 deputies not taking part in the vote, and 26 absent.

The 240 deputies voting for M. Bourgès-Maunoury comprised 91 Socialists, 59 Independents, 27 Radicals, 13 Dissident Radicals, 12 U.S.D.R.-R.D.A. deputies, 12 Social Republicans, 10 R.G.R., 8 *Paysans*, 6 *non-inscrits*, and 2 M.R.P. deputies.

The 194 opposing votes comprised 138 Communists and *progressistes*, 35 Poujadists, 11 Radicals (including M. Mendès-France), 3 *non-inscrits*, 2 Independents, 2 *Paysans*, 2 Overseas Independents, and 1 Social Republican.

The 74 "voluntary abstentions" consisted of 46 M.R.P. deputies, 12 Independents, 6 Social Republicans, 4 Radicals, and 2 each from the U.D.S.R., Overseas Independents, and *Paysans*.

The 60 deputies not taking part in the vote comprised 14 M.R.P., 10 Communists, 9 Independents, 8 Socialists, 8 U.D.S.R.-R.D.A., 3 Radicals, 2 Overseas Independents, 2 Poujadists, 2 *Paysans*, 1 Social Republican, and 1 *non-inscrit*. Of the 26 deputies absent, 12 were from the M.R.P. and 7 were Independents.

The main points of M. Bourgès-Maunoury's policy statement are summarized below:

Algeria. After declaring that "the Algerian drama holds first place in my preoccupations" the Prime Minister continued: "We must continue the fight [against the rebels] as long as it is imposed on us, and at the same time help the millions of Algerians to build a new Algeria . . . The Army's sacrifices have not been in vain. The rebels now know that they can never win a military victory. Their last hope is to tire us out: in that also they will be mistaken. I say to the entire Algerian people: We shall continue our efforts for as long as necessary. We also undertake another solemn engagement—to go ahead with the building of a new Algeria without waiting any longer for the good will of our opponents. The population, tired of the rebellion, must help us to isolate it and finally to eliminate it, and must be given confidence in the assured future of their country. The French Government has one definite and final objective: to maintain and strengthen the indissoluble union between Metropolitan France and Algeria, while at the same time recognizing and respecting the *personalité algérienne* and securing political equality for all the inhabitants of Algeria."

While keeping steadfastly to all the objectives laid down by M. Mollet, the new Government would introduce as soon as possible a "framework law" (*loi-cadre*) as the basis for a "new and progressive political structure" in Algeria. "This structure," said M. Bourgès-Maunoury, "will begin at the local level, will then be developed at the departmental level, and will finally be applied at regional level. Each region in Algeria will become a provincial political entity (*une entité politique provinciale*), and on the basis of these provinces and their political machinery will be built the structure of the 'Algerian whole' (*l'ensemble Algérie*). As soon as elections are possible the elected representatives of the people will be asked to examine this *loi-cadre*, to adopt it, or to propose modifications they consider necessary. These political reforms will be accompanied by far-reaching administrative reforms . . . which will lead to the progressive abolition of the *Gouvernement-Général de l'Algérie* and the decentralization of powers to the regions."

Financial Position. Turning to finance, M. Bourgès-Maunoury said that it would be necessary to ask the Bank of France for a provisional advance of 80,000,000,000 francs (£80,000,000), as the previous Government had decided, and also to draw on the Bank's gold reserves to meet France's foreign obligations at the end of June. One of the principal reasons for the country's economic difficulties was that "the rapid rhythm of our economic expansion" was accompanied by excessive internal consumption which had contributed to insufficient exports. An "austerity effort" was therefore necessary on the part of consumers, accompanied by increasing production, a part of which should be earmarked for exports.

The Prime Minister said that he would ask for new taxes to bring in 150,000,000,000 francs (£150,000,000) during the present year and 300,000,000,000 francs (£300,000,000) in 1958. It would also maintain the proposed economies of 250,000,000,000 francs (£250,000,000) introduced by M. Ramadier, the former Finance Minister, and seek further economies for 1958. After 18 months, or if possible one year, France must be in a position to enter the European Common Market on a competitive basis and in a sound financial position.

M. Bourgès-Maunoury pointed out that the inflationary effects of the Algerian emergency were often over-estimated. Out of a total military budget of 1,300,000,000,000 francs (£1,300,000,000), 400,000 million francs were for Algeria, of which 200,000 millions represented the actual cost of operations. If the fighting ceased, it would be possible to save the latter amount and to devote it to civil investments in North Africa.

Other Matters. The Prime Minister said that he would ask the Assembly to consider urgent constitutional and electoral reform measures before the end of the present legislature, and would also ask the Assembly to ratify the Common Market and Euratom treaties before the summer recess. In foreign affairs France would do all in her power to strengthen the Atlantic Pact and would play her full part in the current disarmament discussions. In the Middle East, France's policy of "opposing imperialist designs" should not affect her "centuries-old friendship with the Arab peoples, whom we esteem and love"; she would also maintain and strengthen her alliance with Israel.

As regards relations with Morocco and Tunisia, M. Bourgès-Maunoury stressed France's respect for the independence of both countries and her desire to assist them in modernizing their economic and social systems. He added: "It cannot be accepted that our Army should be regarded [by Morocco and Tunisia] otherwise than as an ally and in a spirit of common defence . . . We must understand their reactions when they imagine that attempts are made on their sovereignty, but we cannot tolerate their intervention in Algerian affairs."

After speaking of the constitutional advances in *Afrique Noire*, M. Bourgès-Maunoury dwelt upon the great economic potentialities of the Saharan region and their importance for both France and North Africa as a whole. The creation of the new Ministry of the Sahara showed the "extreme importance" the Government attached to the development of this region, from which Algeria would be the first to benefit. It was hoped to associate Morocco, Tunisia, and other neighbouring and friendly countries with the Saharan development plan, for the benefit of all nations and areas concerned. The Prime Minister explained that the powers hitherto exercised over the Saharan regions by the Governor-General of Algeria and the High Commissioners in French West and Equatorial Africa would be delegated to the Minister for the Sahara.

M. Bourgès-Maunoury visited London on June 15 to attend a ceremony at which Queen Elizabeth the Queen Mother unveiled a plaque at the house in Dorset Square where the French Resistance movement was organized during the war, and from which men and equipment were sent to the Resistance forces. The plaque commemorates the hundreds of French patriots, both men and women, who received training and instruction at Dorset Square and subsequently met their deaths in occupied France. The house was that from which General de Gaulle issued his famous appeal to the French people on June 18, 1940—"France has lost a battle; she has not lost the war." The new French Premier was among 150 leaders of the wartime Resistance movement attending the ceremony as guests of the British Government.—(Le Monde - Le Figaro - Times) **(Prev. rep. Mollet Cabinet, 14968 B; 14719 A; 14681 A.)**

A. EGYPT. — Purchase and Delivery of Soviet Submarines. - British and Israeli Reactions.

The Government-sponsored Middle East News Agency in Cairo announced on June 18 that three Soviet submarines "recently" purchased by Egypt had joined the Egyptian Navy. The submarines—of which two are of the latest long-range class, and the third of an older type—had come from the Baltic, their passage through the English Channel early in June having been reported in the British press. The submarines were the first underwater craft to join the Egyptian Navy, and were reported to be stationed at Alexandria.

The Naval Correspondent of *The Times* said that the largest of the Russian ocean-going type of submarine, comparable to the two larger vessels seen in the English Channel, was the 2,000-ton "W" class, with a range of 20,000 miles and a speed of 20 knots on the surface and 16 knots submerged. The coastal submarines—the "M" class—are of 205 tons, with a radius of 3,400 miles and a speed of eight knots on the surface and three knots submerged.

A British Foreign Office spokesman said on June 19 that the Soviet sale of the submarines to Egypt was "much to be regretted because it cannot but increase tension in the area," and that the British Government was consulting the U.S.A. and other Western Powers over this development. He added that such an action by the Soviet Union would be contrary to the spirit of the General Assembly's resolution of Nov. 2, 1956, in which U.N. member-States were urged to refrain from "introducing military goods into the area of hostilities." Recalling the tension which had been created in the Middle East following the large-scale Soviet supplies of armaments to Egypt two years ago, the spokesman intimated that Britain, France, and the U.S.A. still regarded the Tripartite Declaration of 1950 as being valid, except that Britain and France no longer agreed that Egypt had any rights thereunder to call on their protection.

A spokesman of the Israeli Foreign Office said on June 19, after an emergency meeting of the Israeli Cabinet, that Israel intended to ask the Western Powers to redress the balance of arms in the Middle East following the latest Soviet move. Israel Radio issued a warning to Egypt on the same night not to use the new submarines to block Israeli shipping in the Gulf of Akaba, declaring that such a blockade would once again "light the fires" and would be suicidal for Egypt.—(Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris) **(Prev. rep. Soviet Arms for Syria, 15582 A.)**

A. UNITED KINGDOM. — Capital Punishment. - Death Penalty (Abolition Bill) rejected by House of Lords after Acceptance by House of Commons. - Government's Homicide Bill passed by both Houses. - Death Penalty limited to Capital Murder and Repeated Murder. - Homicide Act in Force.

Following the House of Commons' vote on Feb. 16, 1956, in favour of the abolition or suspension of capital punishment (see 14739 A), the Death Penalty Abolition Bill—the private member's Bill sponsored by Mr. Sydney Silverman (Labour)—was given a second reading by the Commons on March 12, 1956 and a third reading on June 28. The House of Lords, however, rejected the Bill on second reading on July 10, 1956, and the Government subsequently introduced its own legislation—the Homicide Bill—which confined the use of capital punishment to five categories of murder and to repeated murder. The Homicide Bill was enacted on March 21, 1957, after its acceptance by both Houses following protracted debates.

The various stages of the legislation on capital punishment—the acceptance of Mr. Silverman's Bill by the House of Commons, its rejection by the House of Lords, and the subsequent passage of the Homicide Bill through both Houses of Parliament—are summarized below under cross-headings.

The Death Penalty (Abolition) Bill. - Second and Third Readings in House of Commons.

The Death Penalty (Abolition) Bill was passed by the House of Commons on second reading on March 12, 1956, the voting being 286 in favour and 262 against on a free vote.

Mr. Silverman (Lab.), who moved the second reading, suggested that the House, in view of its vote of Feb. 16, could not reject the measure without "stultifying itself before the country and before history." Many members were disturbed by the fear that the House was going too far in advance of public opinion; but while most of them would agree that Parliament should not fall too far behind public opinion, they might also agree that it was a good thing for Parliament to be, if anything, a little ahead of public opinion in matters of this kind.

In the earlier debate (Mr. Silverman continued) the Home Secretary had insisted that it was possible to say, beyond any reasonable doubt, that no innocent man had been hanged in Britain in recent years. "I do ask the Home Secretary to believe," Mr. Silverman declared, "that he is probably the only man in this House who really believes that." Whereas until recent times the vast majority of people in Britain would have confidently accepted the proposition that the risk of a substantial miscarriage of justice was negligible, the great majority no longer believed that. He was not saying that these things were frequent, but the risk of error was always there.

Continuing, Mr. Silverman emphasized that his Bill dealt only with the penalty for murder and not with treason, which must remain outside the normal scope of the criminal law, and that it made no exceptions of any kind. To many persons the idea of limiting the death penalty to what could be loosely called the "worst murders" was an attractive one, but it had been common ground on both sides in the discussion of Feb. 16 that no such distinction was reasonably practicable. Nor did the Bill attempt to define an alternative. Certain criticisms had been made that life imprisonment meant, in fact, only a relatively short term of nine, 10, or 11 years, and it had been asked if this was sufficient. The rule under which life imprisonment became eight, nine, 10, or 11 years, however, had no statutory authority; it was an administrative practice only, and no doubt administrative practice would be adapted to the new circumstances if the Bill became law.

An amendment would be introduced to ensure that the Bill did not apply to Northern Ireland—not because the circumstances were any different, but because it had never been the practice of the House of Commons since the Northern Ireland Parliament was established to interfere with the transferred functions, of which the administration of justice was one.

In conclusion, Mr. Silverman expressed the opinion that there was hardly a member of the House who did not in his heart believe that this reform was now inevitable, and that if it did not come immediately it would come very soon. When and if the Bill became law, Mr. Silverman concluded, "it would at least place Britain proudly in the van of progress and take Britain and the world one step, and a modest one, nearer to a saner, happier, more cheerful, rational, and civilized human society."

Mr. Montgomery Hyde (Ulster Unionist), seconding the Bill, expressed regret that the Government had not carried out the terms of the motion of Feb. 16, and appealed to Conservative members who had previously voted in favour of abolition not to be swayed by any "momentary clamour." He believed that it was better to make a convicted murderer work in prison to support the relatives and dependants of his victim, as was the practice in Sweden, than to take his life. The most weighty evidence against the death penalty was to be found in the experience of the countries which had abolished it—countries which included every democratic State in Europe with one exception, and States in other parts of the world, among them Israel.

Sir Robert Grimston (C.), moving the rejection of the Bill, opposed it on three grounds: (1) while he favoured some amendment to the law of murder, he believed that capital punishment should be retained as a unique deterrent to professional criminals; (2) no attempt was made to deal with the problems arising from the abolition of capital punishment; (3) public opinion was against abolition. **Colonel Crosthwaite-Eyre** (C.), seconding, said that the first duty of the House was to look after public safety, and any amendment to the present code of public safety must be justified by those who opposed it and not by those who said that it should be retained.

Major Lloyd-George (then Home Secretary) reaffirmed the Government's view that capital punishment was a unique deterrent, particularly in the case of professional criminals. It was significant that the homicide rate per million of population in England and Wales, was four and in Scotland 2.7, the lowest of any of the countries mentioned in the Royal Commission's report. The only abolitionist country comparable with Britain was Belgium, where the convictions for murder per million of population between 1930-39 were 2.4, whereas the figures for England and Wales and for Scotland were 0.49 and 0.14 respectively. The House should think carefully before removing what he still believed was a deterrent to this crime, particularly at a time when crimes of violence were on the increase. The number of crimes of violence known to the police, which before the war had averaged about 2,700 a year, had risen to 4,600 in 1946 and to over 8,000 in 1954.

The Home Secretary said that he had yet to learn how, in the absence of the death penalty, those who advocated abolition would propose to deter a criminal from killing to avoid capture if the criminal knew that if he were caught he would be sent down for life or get 14 years' preventive detention. The House should also consider the position of prison officers, as a man who was already serving such a sentence would have little or nothing to lose by committing another murder in prison.

Many members were under the impression that because reprieved murderers were at present released after nine, eight, or seven years' imprisonment, this would also happen if imprisonment took the place of execution. That, however, was not so. Many of those who were now reprieved were reprieved because of extenuating circumstances, but if one looked at the record of those who had been executed one could see that there would have been no question of a release after nine years. Abolitionists should therefore consider the gradual deterioration of a man who knew that he was to be kept in strict confinement for the rest of his days, without any hope of eventual release.

In conclusion, Major Lloyd-George said that suspension of the death penalty was the wrong way to tackle the problem, as the normal fluctuations of murder-rates were such that it would be impossible to base any conclusions on the experience of 10 years. Nothing had altered the Government's opinion that, while the law of murder should be amended, the death penalty should be retained.

Members speaking in favour of the Bill included **Mr. Greenwood** (Lab.), **Mr. de Freitas** (Lab.), **Mr. Keegan** (C.), **Mr. Benson** (Lab.), and **Sir Beverley Baxter** (C.). Opponents of the Bill, several of whom supported the amendment of the existing law, included **Mr. Logan** (Lab.), **Mr. Rawlinson** (C.), **Sir Victor Raikes** (C.) and **Mr. Simon** (C.).

Sir Robert Grimston's amendment was rejected by 286 votes to 262, and the Bill was read a second time. In the division on the amendment 237 Labour members, 47 Conservatives, and four Liberals voted for the Bill (including tellers), while 256 Conservatives and eight Labour members (including tellers) voted against.

The Committee and Report Stages.

During the committee and report stages numerous amendments were put forward, all of which (except that excluding Northern Ireland from the scope of the Bill) were rejected except an amendment by Sir Hugh Lucas-Tooth to retain capital punishment for murders committed by persons already serving sentences of life imprisonment. This amendment, however, though adopted by a majority of four votes on May 16, was subsequently deleted on June 28. The various amendments proposed are summarized below:

(1) That the death penalty should be retained where the killing was a deliberate and calculated act. Moved by **Mr. Turner-Samuels** (Lab.). Rejected by 246 votes to to 226.

(2) That a convicted person should be sentenced "to be detained during Her Majesty's pleasure," instead of to imprisonment for life. Moved by **Viscount Hinchingbrooke** (C.). Amendment subsequently withdrawn.

(3) That the death penalty should be retained for offences for which it was prescribed by the Army and Air Force Acts and the Naval Discipline Act. Moved by **Mr. Rees-Davies** (C.). Rejected by 223 votes to 203.

(4) That the death penalty should be retained for a murder committed by a person previously convicted of murder. Moved by **Mr. Rees-Davies.** Amendment subsequently withdrawn.

(5) That sentence of life imprisonment should not be passed on a person who, though not insane, was suffering at the time of the offence from mental weakness, or abnormality bordering on insanity, to such an extent that his responsibility was substantially diminished. In such a case, in accordance with the existing practice in Scotland, the accused should be ordered to be kept in custody during Her Majesty's pleasure. Moved by **Mr. Simon** (C.). Amendment subsequently withdrawn.

(6) That the death penalty should be retained for murder committed by an armed person while engaged in robbery or burglary. Moved by **Sir Hugh Lucas-Tooth** (C). Rejected by 217 votes to 205.

(7) That the death penalty should be retained for murder committed by a person already serving a sentence of life imprisonment. Moved by **Sir Hugh Lucas-Tooth.** Adopted by 198 votes to 194 but subsequently withdrawn as stated above.

(8) That the death penalty should be retained for the murder of children. Moved by **Mr. John Eden** (C.). Rejected without a division.

(9) That the death penalty should be retained in cases where the offender was convicted of the murder of a police officer with intent to escape from custody or to avoid arrest. Rejected by 160 votes to 129.

(10) That Scotland should be excluded from the scope of the Bill. Moved by **Major Anstruther-Gray** (C.). Rejected by 213 votes to 151.

(11) That the Bill should not apply to Northern Ireland. Moved by **Mr. Montgomery Hyde** (U.U.). Amendment adopted.

(12) That the death penalty should be retained for murder in furtherance of rape. Moved by **Sir Victor Raikes** (C.). Rejected by 166 votes to 124.

(13) That any male convicted of murder should be liable to whipping in addition to any other punishment. Moved by **Mr. Arbuthnot** (C.). Rejected by 187 votes to 58.

(14) That the courts should have discretion to impose a lesser sentence than life imprisonment. Moved by **Mr. Simon** (C.). Rejected without a division.

(15) That the death penalty should be retained for offences on active service for which it was prescribed by the Army and Air Force Acts and the Naval Discipline Act. Moved by **Mr. Rees-Davies.** Rejected by 168 votes to 140.

During the Report stage (June 28) **Sir Hugh Lucas-Tooth** stated that he did not wish to move an amendment, of which he had previously given notice, substituting a revised wording for his proviso which had been adopted on May 16 [see (7) above]. The Speaker rejected a request by **Mr. Silverman** to be allowed to move a manuscript amendment for the deletion of the proviso, but pointed out that it was in order for any Member to move any amendment which appeared on the order paper. Mr. Silverman accordingly moved the amendment in the name of Sir Hugh Lucas-Tooth, stating that he did so because he wanted to delete the proviso and put nothing in its place. The first part of the amendment, deleting the proviso, was carried by 162 votes to 139, whilst the second, to insert the revised wording, was rejected by 158 votes to 133.

The Bill was given a third reading by the House of Commons on June 28, 1956, the vote being 152 in favour and 133 against.

House of Lords' Rejection of Death Penalty (Abolition) Bill. - The House of Lords' Debate.

After a two-day debate (July 9-10, 1956) the House of Lords rejected the Death Penalty (Abolition) Bill on second reading by 238 votes to 95 (a majority of 143) in one of the largest divisions seen in the House in recent years. All the 11 bishops present, with the exception of the Bishop of Rochester, supported the Bill. [The clause of the Criminal Justice Bill suspending the death penalty had been rejected by the Lords in 1948 by 181 votes to 28, a majority of 153.]

The Bill was moved in the House of Lords by Viscount Templewood (formerly Sir Samuel Hoare), a former Home Secretary and Foreign Secretary and a prominent opponent of capital punishment.

Viscount Templewood said that since 1948 there had been " very substantial changes in public opinion " which had shown itself in the House of Commons, in the Home Office, and in judicial circles. He summarized the case for Mr. Silverman's Bill under five heads :

(1) The existing law of murder was " most evasive and sophistical " because it included every kind and variety of culpability, and it would be manifestly unjust to apply the death penalty in every case. Many people had recommended changes in the present system, but all these recommendations had been found by the Royal Commission to be either unacceptable or not to touch the real centre of the problem. Means outside the Statute Book had to be found for mitigating the law, such as the frequent use of the Royal prerogative or frequent recourse to the M'Naghten Rules. As long as the death penalty remained there would have to be these various evasive methods for mitigating it ; and with every one of them the deterrent power of the death penalty, for what it was worth, would be diminished.

(2) It could not be shown that the death penalty was an essential deterrent against murder. The Royal Commission had examined the evidence from abolitionist and retentionist countries, and had reached the unanimous conclusion that the presence or absence of the death penalty had no effect on murder-rates.

(3) An execution was a horrible and repulsive act, and could only be justified if it was essential to the security of the State.

(4) If the death penalty were abolished, an effective deterrent existed in life imprisonment. The Home Office and the Prison Commission had categorically stated that there was no insuperable difficulty in dealing with the small number of very dangerous criminals who would be condemned to life imprisonment.

(5) The death penalty being irreversible, there was always the chance of an irrevocable mistake.

Lord Templewood admitted that feeling in the police was strong against abolition, but pointed out that there was no evidence to show that the police in abolitionist countries were any less safe than they were in retentionist countries. If the police forces could be brought up to full strength, the great deterrent against murder—certainty of detection—would be far stronger. Prison officers, he admitted, felt strongly that if the death penalty were abolished there would be no further penalty with which to deter a murderer serving a life sentence. He did not accept that view, however, believing that the hope of liberty was a deterrent even with the most hardened criminals.

" I am aware that there is very vocal opinion in the general public against abolition," Lord Templewood continued. " The case is that they have not been consulted. When they have been asked in a Gallup Poll whether they were in favour of capital punishment, they have said ' Yes.' This Bill therefore, so the argument goes, should not be pressed. I do not accept this conception of the duties of Parliament. If it were applied to every controversial question, parliamentary government would become impossible. If it had been applied in the past to every important penal question, there would have been none of the penal reforms of the last century that are now regarded as necessary and beneficial." He was much more impressed by the fact that in two Parliaments, the first with a Labour majority and the second with a Conservative majority, the House of Commons had voted definitely in favour of abolition.

The House of Lords (Viscount Templewood concluded) had its constitutional part to play. It provided an opportunity to discuss and decide difficult questions in an atmosphere less disturbed and emotional than in the Commons ; an opportunity in which the evidence could be weighed and a decision reached unaffected by the fear of an election or of popular resentment. It was in this spirit that he asked the House to give a second reading to " a Bill that abolishes a repulsive punishment, upholds the standards of a civilized society, and endangers the security neither of the State nor of the private citizen."

The Lord Chancellor (Viscount Kilmuir) said that the Government held " clearly and unequivocally " to the view that capital punishment must be retained. The final object of punishment must be to reduce crime ; in dealing with cases involving imprisonment or probation, reform came first, but retribution and deterrence were not to be ignored in certain cases of murder. The real crux of the question was whether capital punishment was a uniquely effective deterrent. The abolitionists were no doubt entitled to say that statistics did not prove that it was, but the number of murders which had not been committed could never be shown in statistics. The number of murders known to the police in England and Wales, and even more so in Scotland, had been consistently lower than in all other countries, and he would hesitate for a long time before assuming that capital punishment had nothing to do with it.

Emphasizing the danger that the criminal classes might arm themselves much more extensively than at present if capital punishment were abolished, Lord Kilmuir observed that he knew of no country comparable to Britain which had abolished the death penalty and had unarmed its police. Unarmed police were a part of the British tradition, and he would be loth to see it otherwise. The penalties for committing offences while armed were already as high as could be justified, and there was really no scope for increasing them.

After denying that there was a practical possibility of an innocent man being hanged, Lord Kilmuir said that it was the Government's duty to see that citizens were not subjected to armed assault or armed burglary, and that prison officers and the police did not go in peril of their lives. There were still far too many crimes of violence in Britain, and he did not believe that the time had come for relaxing the safeguard. A decision to abolish the death penalty for murder in Britain would also have disastrous consequences in Kenya, Malaya, and Cyprus. The Government considered the Bill to be " an unwise and dangerous measure, whose presence in the Statute Book would be a disaster for the country and a menace for its people."

Lord Pethick-Lawrence (a Labour peer) maintained that the Lord Chancellor's contentions did not rest on any evidence, but on opinion. In countries which had abolished the death penalty there was no evidence whatsoever that the number of burglars who committed murders had increased.

Viscount Malvern (then Prime Minister of the Central African Federation) expressed disquiet lest, if the Bill became law, it might be imposed on overseas territories which were certainly not yet ripe for total abolition. These territories were often used as " a kind of guinea-pig for trying out social experiments," and therefore he was most anxious to see that the Bill did not become an Act of Parliament.

The Archbishop of York (Dr. Ramsey) announced his intention of voting for the Bill, whilst dissociating himself from certain of the assumptions which had entered into some of the propaganda on its behalf. One was that it was progressive and Christian if they could gradually eliminate the element of retribution from punishment and let the idea of the reformation of the criminal hold the entire field. Murder had to be punished, the penalty must be severe, and it must have attached to it a certain moral dignity as the answer of a community repudiating a horrible crime.

These considerations (Dr. Ramsey continued) had long been balanced by considerations that the State, by taking life as a penalty for murder, was not contributing to the sense of the sanctity of human life among the public as much as it would be if it refrained from taking life. The abolitionist case was far the stronger because the death penalty no longer had the moral dignity of representing, in an absolutely sure and certain way, the will of the community to inflict an unspeakable penalty for an unspeakable crime. What was the use of saying that hanging was an unspeakable penalty for an unspeakable crime "when for periods on end a section of the Press prevented the public from thinking of aught else and discouraged them from speaking of aught else?" It was the concomitants and factors surrounding the death penalty which had brought him to the conclusion, after balancing views each of which had moral cogency, that it would be for the good of the country if the Bill became law.

Viscount Hailsham spoke against the Bill, but appealed for a more generous and imaginative use of the Royal prerogative. **Lord Brabazon** said that the statistics in the Royal Commission's report had "shot to pieces" the case for capital punishment as a deterrent; he was shocked at the way in which the Royal prerogative had not been used in the case of crimes which were really due to abnormalities and not to criminal acts.

The **Bishop of Exeter** (Dr. Mortimer) said that there was a public unease that some persons were hanged for murders for which they were not fully responsible, or for murders which were not in any ordinary sense of the word premeditated. To impose life sentences on murderers would be running the risk of exposing them to deep spiritual corruption, and therefore it was a corollary of the Bill that urgent reforms in the prison system should immediately be set in hand. Instead of inculcating into the community reverence for the sanctity of human life, the death penalty depreciated the sanctity of human life in the mind of the ordinary man.

Lord Keith of Avonholme (a Lord of Appeal), speaking in support of the Bill, denied that judges were more qualified to decide on the question, which was primarily a social rather than a legal one, than any other member of the House. **Lord Ailwyn** said that he would like to see the prerogative of mercy used more sparingly, and the common law altered to make rape, criminal assaults, revolting cruelty to children, and brutal and savage attacks on the aged and defenceless punishable by death.

Lord Russell of Liverpool, who recalled that during the war it had been his task to advise military commanders on murder trials, said that he was a comparatively recent convert to the abolitionist view. After pointing out that three or four former Home Secretaries had changed their views, as had also Sir Ernest Gowers, the chairman of the Royal Commission on Capital Punishment, Lord Russell said that he shared Sir Ernest Gowers' view that "so far from the sentimental approach leading into the abolitionist camp and the rational approach leading into the retentionist camp, it is the other way round." It was not possible to say with certainty, he added, that no innocent person had been executed. Within the last 10 years there had been two cases about which it was impossible to say that the courts would have convicted the two men had they been in possession of evidence which came to light only after they had been executed.

Lord Mancroft (then Under-Secretary, Home Office) drew attention to the fact that at present one policeman was murdered on the average every 2½ years. Was the House sure that if capital punishment were abolished, the number would not be higher? If the Bill were passed, the number of persons serving life sentences would include many more men with a tendency to violence. Were they sure that there would not then be a greater risk of prison officers being subjected to murderous assaults?

The Bishop of Chichester (Dr. Bell), referring to the change in public opinion, observed that whereas in 1930 the late Archbishop Temple was the only bishop known to favour abolition, and in the 1948 debate the speakers from the episcopal bench were three to one against abolition, today he thought it would be found that, for different reasons, all the speakers from this bench were in favour of abolition. He hoped that the House would agree to abolish the death penalty as "no longer tolerable in a civilized State."

Viscount Astor expressed the view that, of all the murderers executed, 50 per cent had had some trace of mental abnormality in their histories. It was said that every benefit of the doubt was given, yet in a five-year survey covering 85 cases, 14 murderers who had been recommended for mercy by the juries were none the less hanged. Before corporal punishment was abolished, a great weight of judicial opinion had said that there would be an increase in robbery with violence and in armed robbery if such action were taken; yet in April last the Home Secretary had said that there had been a steady decrease in the number of such offences known to the police.

The Bishop of Manchester (Dr. Greer) said that he believed that for those taking part in the actual hanging "it hardens all within and petrifies the feeling." So far from saying that they should retain the death penalty because of the prison officers, he believed that they should abolish it because of the prison officers. Hangings undoubtedly had an evil effect on the prison, on the prison officers, and on the prisoners. The "morbid thrill and horror" disseminated by a section of the Press concentrated the attention of pathological, morbid, and semi-criminal types on the whole question of murder, and actually increased rather than decreased the chances of murder.

Lord Goddard (the Lord Chief Justice) said that in all the leading English cities the police were from 15 to 25 per cent under strength, and he had it on the authority of the Chief Constable of a county that he had never known a time when so many of his officers were taking out life insurance policies. The Prison Service was also seriously undermanned. Was this, he asked, a time to remove from the police and the Prison Service what they believed to be their main protection against attack? If the Bill was enacted it would encourage resignations from the police and make recruitment more difficult.

Claiming that his prophecy that the abolition of corporal punishment would encourage violence had been fulfilled, Lord Goddard pointed out that although crime generally had fallen by 21 per cent since 1951, crimes of violence had increased from 2,504 in 1948 to 4,584 in 1954. Sexual crimes, which often led to violence, had also increased. He agreed that the presence or absence of capital punishment would not affect certain forms of murder, but he believed that "the fear of the rope" was a very great deterrent.

If the Bill was passed, Lord Goddard declared, judges would not be able to give any greater punishment for deliberate murder than they could at present give for burglary, for breaking into a church, for forgery of a will, or for feloniously wounding. In a recent case an armed robber had deliberately aimed low when firing at a policeman who tried to arrest him, because he knew what the consequences would be if he killed the policeman. "These instances," he added, "make me say with all the earnestness I can command: Do not gamble with the lives of the police."

"How is it possible for the law to be a deterrent, or for there to be deterrence in arrest," Lord Goddard asked, "unless there is an element of retribution also in the punishment that is to be given? Why is it wrong, I ask, to avenge criminal conduct? Why is it wrong for a civilized country to say they will avenge criminal conduct? I believe it is a sign of a healthy conscience in a country if they are determined to avenge murder. Once they begin to palter with that sentiment, then crime will increase."

The Lord Chief Justice concluded: "I believe the law of murder can be and ought to be amended in many respects. No judge likes passing sentence of death in a case in which he knows quite well that the penalty will not be carried out. I think there are many amendments which may be made to the law relating to provocation and to implied malice. These are matters which ought to be taken in hand; and I believe that if they were, any public uneasiness on any of these questions would be greatly assuaged."

The **Archbishop of Canterbury** (Dr. Fisher) said that he accepted the doctrine of the Church that the State was right in the name of God and society to impose the death penalty. He profoundly disagreed with those sincere but mistaken people who regarded the death penalty as something always unchristian and wrong, and if he voted for the Bill it would be in spite of them and for different reasons. He found it very difficult to give a vote which would appear to support the continuance of the present system unchanged, for he believed it to be too clumsy to continue as it was in an age when scientific accuracy was the primary requirement. Expressing the view that abolition of the death penalty would not increase the number of murders, Dr. Fisher said the rise in crimes of violence referred to by Lord Goddard was in itself an argument against the effectiveness of the death penalty as a deterrent.

The death penalty (the Archbishop continued) was no longer clearly and decisively "the voice of the community bearing its witness purposefully, deliberately, and prayerfully to the solemn laws of society and God." It had become instead a matter of controversy and had lost its power; and neither a change of majority in the House of Commons, nor the overruling of the Commons by the Lords, could restore to the penalty the moral value it should possess. Only general agreement on a reasonable adjustment of the system could do that. If what he had said was not enough, those organs of publicity which drowned murders and hanging in a flood of emotional and sensational exploitation had robbed the system as it stood of its proper dignity and sense of eternal worth.

There seemed to be afforded to the House a real opportunity of retaining the true place of the death penalty in the moral order of society which would remove some of its obvious and more clumsy or dangerous aspects which were specially open to criticism. It might be impossible to introduce degrees of murder, but he was sure it was possible to introduce categories of murder for which the death penalty should remain, with all the uncertainties removed and the need for reprieve almost totally abolished. "There are murders committed against society itself in the person of its appointed guardians—the murder of a policeman or a warder. There are murders which show deliberation and premeditation and some preparatory act—certainly when the murderer is carrying arms or lethal weapons, possibly where the murderer uses poison, perhaps where it can be shown that over a period of time the murder has been planned or plotted. Any category that is capable of this exact definition can be included as liable to the death sentence."

Dr. Fisher concluded: "I cannot simply vote to retain the present system. I cannot vote for its abolition. I shall vote for the Bill, hoping earnestly and believing that if it is given a second reading it will certainly be amended in this House."

Viscount Waverley (formerly Sir John Anderson, onetime Home Secretary) observed that by giving the Bill a second reading the House would be accepting the principle of total abolition, which he unhesitatingly rejected. He would be glad, at a suitable opportunity, to see the law amended but he believed that there were technical reasons why they could not use the present Bill as a vehicle for amending the present law.

Viscount Samuel said that he could not accept either the Lord Chancellor's advice to throw out the Bill with no alternative policy to suggest, or Lord Templewood's plea to pass it. Nor could he accept the view that the Bill should be passed and then amended. He was therefore in "the somewhat ignominious position of being compelled to abstain from voting."

There had undoubtedly been a swing of public opinion towards the abolitionists in recent months. He believed that this was due largely to three cases where a reprieve was refused, and in which the executions that took place were unwelcome to a large section of conscientious people. He therefore suggested that they should extend the application of the Royal prerogative. The Home Secretary could bear in mind factors in any individual case which, although not legal evidence, related to the personality of the criminal and to all the circumstances of the case which could not be defined in any statute. This would reduce the number of executions, while still keeping the deterrent power in reserve.

The **Marquess of Salisbury** (then Lord President of the Council) said that it was not the judges, the police, the warders, or any other limited section of the population who should finally decide great questions of this kind, but the British people. Such evidence as he had—and it came from the largest post-bag he had received for many years—was all against the Bill. Where issues had not been before the electorate, they had to regard it as their function to give a breathing-space to enable public opinion to crystallize. The question of the death penalty had not been before the electorate at the last or, as far as he knew, at any other general election.

There were very strong arguments in favour of amending the law of murder, as had already been clearly recognized by the Government. He agreed very much with what had been said on this point by the Archbishop of Canterbury, and the Government would give every attention to all the points made by the Archbishop and the Lord Chief Justice. He would also put before his colleagues Viscount Samuel's proposal that the Home Secretary's discretion in matters of this kind should be unfettered. He felt that such means were much more likely to bring a satisfactory solution than any attempt to pass the second reading of the present Bill and then "try to tinker about with it in the committee stage." If the House accepted the second reading they would be regarded as having accepted the principle of absolute abolition, which many of them rejected.

Lord Silkin, replying for the supporters of the Bill, said that if it were rejected it would undoubtedly come before them again, if the House of Commons remained of the same mind. The Lords would then be compelled to accept it. It would be ignominious if, for the first time, the provisions of the Parliament Act were invoked in connexion with a measure which should be carried with the general good will of Parliament.

Other speakers in support of the Bill included Lord Layton, Lord Rea, Lord Wise, the Earl of Huntingdon, Lord Milner of Leeds, Lord Sherwood, Lord Moynihan, Lord Dowding, Lord Merthyr, Lord Raglan, Lord Darwen, Lord Craigmyle, the Earl of Haddington, Lord Mathers, the Earl of Listowel, Viscount Stansgate, and Lord Pakenham. Speakers opposing the Bill included Lord Conesford, the Earl of Glasgow, Lord Webb-Johnson, Lord Oaksey, Lord Clitheroe, Lord Milverton, Lord Chatfield, Earl Ferrers, Lord Tweedsmuir, Lord Elton, Lord Lucas of Chilworth, Lord Teviot, Lord Haden-Guest, Lord Morris, Earl Winterton, Lord Teynham, the Earl of Mansfield, and Lord McCorquodale.

After the Bill's rejection by the House of Lords, Sir Anthony Eden (then Prime Minister) told Mr. Silverman that the Government were considering the whole question of capital punishment, and promised to make a statement before the session ended. On Oct. 23 Sir Anthony announced that the Government had legislative proposals in preparation which would be laid before the House early in the next session, and that any new abolition Bill which might be introduced would be "subject to the usual rights and opportunities of private members of this House." This announcement was challenged on constitutional grounds both by Mr. Gaitskell (leader of the Labour Party), who suggested that it was the Government's duty under the provisions of the Parliament Act to facilitate the introduction of a Bill on the same lines as Mr. Silverman's Bill, and by Mr. Clement Davies, then leader of the Liberal Party. Sir Anthony Eden replied, however, that in view of the appeals made in the Lords, the Government was trying to find a measure which would command general agreement.

The Homicide Bill.

The Government's legislation—the Homicide Bill—was published on Nov. 8, 1956. It restricted the death penalty to five forms of murder, known as "capital murder," and to "repeated murder," and introduced a number of other amendments to the law of murder, most of which were in accordance with the recommendations of the Royal Commission on Capital Punishment. The Bill, summarized below, was divided into four parts corresponding to the four sections introduced by cross-headings:

Amendments to the Law of Murder. (1) Where a person killed another in the course or furtherance of some other offence, he would be guilty of murder only if he were proved to have acted with express or implied malice aforethought. [This clause abolished the doctrine of "constructive malice," in accordance with a recommendation of the Royal Commission—see page 13329, second column.]

(2) A person suffering from an abnormality of mind—whether arising from a condition of arrested or retarded mental development, or any inherent causes, or induced by disease or injury—which substantially impaired his mental responsibility for his acts would be liable to be convicted of manslaughter instead of murder. [This clause introduced into English law the Scottish doctrine of "diminished responsibility."]

(3) Where there was evidence on which the jury could find that the accused was provoked to lose his self-control, they would take into account everything both done and said to decide what effect it would have had on a reasonable man, and on the basis of this would decide whether the provocation was sufficient to justify a verdict of manslaughter. [This clause was in accordance with the Royal Commission's recommendation that words alone might constitute sufficient provocation to justify such a verdict.]

(4) The survivor of a "suicide pact" would be guilty of manslaughter but not of murder. [This clause went beyond the Royal Commission's recommendation on the subject, which was that "if the survivor of a suicide pact himself killed the other party, he should remain liable to be convicted of murder."]

Liability to the Death Penalty. (5) The following categories of "capital murder" would remain liable to the death penalty: (*a*) murders committed in the course or furtherance of theft; (*b*) murders by shooting or causing an explosion; (*c*) murders in the course of resisting arrest or escaping from legal custody; (*d*) murders of police officers in the execution of their duty, and of persons assisting them; (*e*) murders by prisoners of prison officers and of persons assisting them. Where two or more persons were guilty of a murder under one of these categories, it would be capital murder only in the case of the person who actually killed or used force on the victim in the course of an attack.

(6) The death penalty was retained for persons convicted of two murders committed in Great Britain on different occasions.

(7) The sentence for all other types of murder would be imprisonment for life.

(8) Persons under 18 at the time of the offence would be liable only to detention during Her Majesty's pleasure, and not to the death penalty or life imprisonment.

(9) A person found guilty of murder by a court-martial, whether sitting at home or overseas, would not be liable to the death sentence unless he had committed the offence in circumstances which, had it been committed in England, would have made him guilty of capital murder.

Form and Execution of the Death Sentence. (10) The death sentence would state that the prisoner was to "suffer death in the manner authorized by the law," but would not refer to the manner of execution and the place of burial.

(11) Notices of execution would no longer be posted outside the prison where the execution took place. Instead, the Home Secretary would publish the time and place fixed for an execution, and the fact that it had taken place. [These two clauses were in accordance with the Royal Commission's recommendations.]

(12) Double executions would no longer take place, even when two persons were under sentence of death in the same prison at the same time.

Changes in Scottish Law. (13) An Act of 1829 under which the capital sentence could be imposed in Scotland for attempted murder in certain circumstances was repealed.

(14) The period between the death sentence and the date of execution, which had hitherto varied according to whether the murder was committed north or south of the Forth, was fixed at 15 to 21 days.

Part I of the Bill (relating to amendments of the law of murder) did not apply to Scotland, where the doctrine of "constructive malice" is unknown, the doctrine of "diminished responsibility" is already established, and the law relating to provocation and suicide pacts differs from that in England. Only the provisions relating to courts-martial applied to Northern Ireland.

Passage of Homicide Bill through House of Commons.

The Homicide Bill was given an unopposed second reading by the House of Commons on Nov. 15, 1956.

Major Lloyd-George, opening the debate, said that the Government had taken the view throughout that capital punishment was essential as a safeguard to law and order. People feared that if the deterrent which restrained criminals from carrying weapons was removed, they would be exposed to attacks by men who would have little to lose by adding murder to their crimes. With crime, and particularly violent crime, at its present level, how could they say these fears were groundless? In the Government's Bill the use of the death penalty was limited to the minimum, but its deterrent power could still be brought to bear where it could make its necessary contribution to maintaining law and order.

Most people, he believed, did not favour abolition, but nevertheless there was uneasiness about the scope of the death penalty, and a desire that it should be limited. There were two ways of making the law correspond more closely with public opinion. The first was to leave the law as it was and to make greater use of the Royal prerogative of mercy. This course was unacceptable to many people who thought that the Executive should not interfere with the decision of the courts save in the most exceptional circumstances, and that people should not be sentenced to death if the sentence was not to be carried out. The second course was to amend the law, and it was this course which the Government were adopting.

The Bill approached the problem in two ways. It amended the English law of murder so that some homicides which were at present murder would in future be manslaughter; and it limited capital punishment for murder to those crimes which most clearly struck at the maintenance of law and order, substituting life imprisonment as the punishment for the remainder. Homicides about which public opinion had been uneasy would be taken out of the category of murder. Capital punishment would thus be confined to murder by professional criminals; murder of the agents of law and order; murder by shooting or causing an explosion - methods particularly associated with gang warfare and political terrorism; and murder by a man who made a practice of murder.

The effect of these proposals was to reduce substantially the number of people who would be convicted of murder, the number of those convicted who would be sentenced to death, and, in consequence, the number executed. It had been estimated that the effect would be to reduce the number of capital sentences passed in England and Wales by about three-quarters. Over the last 55 years the average number of executions a year had been 13, and under the Bill it would be about four.

Major Lloyd-George emphasized that the Bill did not create two degrees of murder, nor did it attempt to reduce the gap between the number sentenced to death and the number executed by making the operation of the law coincide with the operation of the Royal prerogative. This was impossible, because the moral test applied by exercise of the Royal prerogative could not be applied by statute. If the law could not draw moral distinctions—and the prerogative, in the view of many, ought not to do so—the Government saw no alternative but to seek some other principle on which to base the desired reduction in the scope of the death penalty. They had rejected the idea that discretion should be exercised by a judge or jury. The principle they had selected was that of limiting capital punishment to the minimum essential for the maintenance of law and order.

The introduction into English law of the doctrine of "diminished responsibility" would provide a defence for those who, although not insane within the meaning of the M'Naghten Rules, were regarded in the light of modern knowledge as insane in the medical sense, and those who, though not insane in other senses, were seriously abnormal, whether from mental deficiency, inherent causes, disease, or injury. It was not intended to provide a defence for persons who were merely hot-tempered or those who, while otherwise normal, committed murder in a sudden access of rage or jealousy.

The retention of the death penalty for repeated murder was intended to deal with the professional or habitual murderer, such as George Smith, of the "Brides in the Bath" case, Haigh, and Christie. It also provided a safeguard against a second murder by a murderer whose first offence was not capital and who was ultimately released from prison.

"We have done our best to meet those who are dissatisfied with the present state of the law and to remove those blemishes in the law which disturb public opinion," Major Lloyd-George concluded. "The Bill will not commend itself to those who, on grounds of conscience, oppose capital punishment in any circumstances. But there are others who believe as I do. A very large number, I would say a majority, while opposed to abolition, feel that there should be some amendment of the law. This measure deserves their whole-hearted support."

Mr. Greenwood (Lab.) said that the Opposition believed that in many respects the Homicide Bill constituted a considerable step forward. While they would seek to improve it in committee, they would give most of it their support. The Labour Party as a whole would support the second reading, whether as individuals they were for or against capital punishment, but they proposed to allow Opposition members to have a completely free vote during the committee and report stages on Clauses (5), (6) and (7). He hoped that the Government would follow a similar course.

Mr. Silverman said that whereas the House had had a chance of ending the controversy, the new Bill "deliberately set out to reopen it," and, he alleged, was nothing but an elaborate device by the Government to circumvent the Parliament Act. The Home Secretary should make up his mind whether he accepted the deterrent effect of the death sentence or rejected it. If he rejected it, he must reject it for all forms of murder; if he accepted it, he must accept it for all forms of murder.

After declaring that every man and woman who was in future hanged would be "executed in defiance of the wishes of the House of Commons," Mr. Silverman addressed the Home Secretary as follows: "Your distinguished father [the late Earl Lloyd-George] could have told you that if Governments in this country needed to have a majority in the House of Lords, there could never be in this country any Government but a Conservative Government. That is why, under the initiative of your father, the Parliament Act was passed in 1911 to achieve that, where there is a conflict such as there is now between the two Houses, the House of Commons . . . is entitled to prevail." In the Bill, Mr. Silverman concluded, the Government was "preventing the will of the Commons from prevailing."

Sir Lionel Heald (C.), a former Attorney-General, believed that the omission of poisoning from the categories of capital murder was a mistake; **Mr. Willis** (Lab.) said that the categories of murder covered by the Bill were not necessarily those which caused the greatest public outcry, nor did they reflect the opinion of those who wished to retain the death penalty; and **Mr. Rees-Davies** contended that the law of murder should be reformed first, and after a period of five or seven years it might or might not be possible to consider ending the death penalty altogether. **Sir Alexander Spearman** (C.) also observed that as a substantial number of people did not want the death penalty abolished at present, "it was no bad thing to move towards abolition in instalments, particularly when they were offered so substantial an instalment" **Mr. Freeth** (C.) suggested that rape followed by murder should be added to the categories punishable by the death penalty.

Mr. Montgomery Hyde (U.U.) observed that the Bill embodied in legislative form the motion moved by the Home Secretary on Feb. 16, 1956, which had been decisively defeated on a free vote. He would not oppose the second reading of the Bill because three-quarters of it, particularly that part relating to the amendment of the law of murder, was desirable and had been recommended by the Royal Commission, but when it went to committee he would not support Part II. In particular, he would oppose "line by line" Clauses (5) and (6), which retained the death penalty for offences which had been "selected arbitrarily and haphazardly," and which seemed to be "a tissue of illogicalities and absurdities." He would, indeed, have preferred the old system whereby the full rigour of the law was mitigated by the Home Secretary, exercising the Royal prerogative of mercy.

Mr. Paget (Lab.) said that the Bill made "some useful, desirable, and much overdue alterations in the definition of murder, and some very bad and illogical alterations in the consequence of murder." The real purpose of Part II, he alleged, was not to reduce the incidence of the death penalty, but to retain it and to defeat the Silverman Bill. It was not a compromise designed to satisfy the House but "to satisfy the local Tory parties and defeat the Parliament Act."

Sir Reginald Manningham-Buller (Attorney-General), replying to the debate, denied that the Government had not honoured their undertakings, or that they had attempted to distinguish between different types of murder. They had sought to restrict the categories of murder for which the death penalty was to be imposed as narrowly as possible, having regard to present requirements. The suggestion of a "sinister plot involving the Parliament Act" was devoid of any foundation. The Government put forward this Bill as a serious and important measure, and they regarded the clauses stipulating the death penalty for certain murders as an important section.

Poisoning had presented much trouble, he continued. In most poison murder cases there would almost certainly be a reprieve, but at the other end of the scale there were poison murders which revolted the public conscience. It was difficult to draw a distinction between the deliberately brutal poison murder and others; if it could be made, the poison cases that would remain capital would, judging by past experience, be few in number. The Government would consider what had been said, but that did not mean that the Government would be prepared to accept an amendment to include poison murders in the category of capital murder.

Committee Stage and Third Reading in Commons.

During the committee stage all the amendments proposed details of which are given below—were rejected or withdrawn.

(1) That the reference to killing "in the course or furtherance of some other offence" should be omitted, and that Clause (1) should read: "Where a person kills another the killing shall not amount to murder if the killing be unintentional." Moved by **Mr. Paget.** Rejected by 255 votes to 194.

(2) That the phrase "express or implied" in relation to malice aforethought in killing should be omitted from Clause (1). Moved by **Sir Frank Soskice** (Lab.). Rejected by 232 votes to 176.

(3) That a person suffering from an abnormality of mind, however arising, which substantially impaired his mental responsibility for his acts, should not be liable to be convicted of murder. Moved by **Mr. Silverman.** Rejected by 209 votes to 157.

(4) That the onus of proving that an accused person was liable to conviction under Clause (2) should rest with the prosecution. Moved by **Mr. Paget.** Rejected by 239 votes to 187.

(5) That the term "a reasonable man" should be deleted from Clause (3). Moved by **Mr. Greenwood.** Rejected by 191 votes to 144.

(6) That the sub-paragraph making murder committed in the course or furtherance of theft a capital offence should be omitted. Moved by **Mr. Paget.** Rejected by 243 votes to 174.

(7) That murder committed in the course or furtherance of rape should remain a capital offence. Moved by **Sir Lancelot Joynson-Hicks** (C.). Amendment subsequently withdrawn.

(8) That "burglary and housebreaking" should be substituted for "theft" in Clause (5). Rejected by 207 votes to 145.

(9) That murders by shooting or by causing an explosion should be excluded from the category of capital murder. Moved by **Mr. Stewart** (Lab.). Rejected by 172 votes to 114.

(10) That murder by the administration of poison or other noxious matter should remain a capital offence. Moved by **Sir Lionel Heald** (C.). In reply, **Mr. Butler** (Major Lloyd-George's successor as Home Secretary) pointed out that in 42 cases since 1951 in which an indictment for murder by poisoning (including gas poisoning) had been preferred, 23 concerned parents who had killed children in pathetic circumstances and three more could be described as "mercy killings"; sentence of death had been passed in only 10 cases, and in only one was the sentence executed. Only five people, he added, had been executed for poisoning in the last 30 years. After leave to withdraw the amendment had been refused, it was rejected by 346 votes to two. The four members supporting the amendment (including the two tellers) were all Labour Members—Dr. King, Mr. Wells, Mr. Fletcher, and Mr. Boyd.

(11) That the murder of police officers and persons assisting them should be deleted from the list of capital murders. Moved by **Mr. Silverman.** Rejected by 212 votes to 163.

(12) That murders of prison officers by prisoners should not be capital. Moved by **Mr. Paget.** Rejected by 178 votes to 131

(13) That the age-limit for liability to the death penalty should be raised from 18 to 21. Rejected by 160 votes to 111.

(14) That a person convicted of murder or capital murder should be entitled to apply to the Court of Criminal Appeal for an order for a new trial, on proof that new evidence was available tending to establish his innocence or that there was reason to apprehend that a miscarriage of justice might have occurred. Moved by **Mr. Hale** (Lab.). Rejected by 228 votes to 189.

(15) That the court, when the accused had been found guilty of capital murder, should proceed to a second trial to determine whether he ought to suffer the capital penalty or not. Moved by **Mr. Silverman.** Amendment subsequently withdrawn.

(16) That the mental state of a person charged with murder should be examined by two doctors, one of whom should be a qualified psychiatrist who was not a member of the prison medical service, and that copies of their reports should be supplied to the defence 14 days before the trial. Moved by **Mr. Greenwood.** Rejected by 194 votes to 160.

The Bill passed its third reading in the House of Commons on Feb. 6, 1957, after an amendment by Mr. Silverman had been rejected by 217 votes to 131.

Mr. Silverman had moved: "That this House, while welcoming the removal of certain anomalities in the law of murder and the abolition of the death penalty in respect of certain offences, cannot assent to a Bill which is an affront to constitutional propriety, fails to satisfy the public sense of justice, and is in defiance of the principle which this House has already approved—namely, that the death penalty for murder no longer accords with the needs or the true interests of a civilized society."

Passage of Homicide Bill through House of Lords.

The Bill was given a second reading in the House of Lords on Feb. 21 without a division.

The **Lord Chancellor** recalled that the House had rejected the Silverman Bill only after many peers had made it clear that, while not abolitionist, they were dissatisfied with the present state of the law of murder. The present Bill was a compromise, but the Government believed that it was also "a just solution which will commend itself to those who cannot go all the way with the abolitionists, nor rest content with the law as it stands."

Lord Silkin asserted that there could be no reasonable doubt that the Homicide Bill came before the House "out of a desire to anticipate the operation of the Parliament Act." It was a compromise between two passionately held views—one, that capital punishment was wrong; the other, that it was a unique deterrent and as a result was half right and half wrong. If capital punishment was a unique deterrent, he commented, it failed to operate in the case of a great many murders, yet the principle of capital punishment was retained. He personally based his case against capital punishment almost entirely on the ground that it was morally wrong that the State should "maintain an organization for deliberately taking life which brutalizes and demoralizes all those who take part in it." He was convinced that the day was not far distant when capital punishment would be completely abolished.

The **Archbishop of Canterbury,** rejecting the view that capital punishment was immoral, declared that "it is not against the law of God or the doctrines of the Christian Church." The choice for or against abolition did not rest on any absolute principles, but was a matter of weighing the total moral effect on the country. He could not support either total abolition or the retention of the present system unchanged, and he therefore found himself entirely able to support the Bill, which seemed to satisfy public opinion better than any other course and to provide a workable solution. He hoped that if the Bill became law "this long and distressing controversy" might be allowed to pass for a time into oblivion; and he hoped also that the abolitionists would see that, "for a time at least, their wisest course is to say little, to observe, wait and watch."

Viscount Templewood said that he could not believe that a Bill containing "such complications and anomalies" could possibly be permanent. It was not a compromise, but an expedient to extricate the Government from a difficult position. Sooner or later total abolition must come. Meanwhile, he was not prepared to support a measure which, while abandoning the claim that the death penalty was an indispensable deterrent against murder, retained it in a way that complicated the law, would irritate the public, and would satisfy neither retentionists nor abolitionists.

Viscount Samuel said that the Bill, although disclaiming any attempt to distinguish between degrees of murder, did precisely that. The discrimination, based on the extent to which particular crimes affected peace and order, seemed unconvincing. Nevertheless he regarded the Bill as a great step forward because it would result in fewer executions.

Lord Goddard expressed the view that the judges would welcome the Bill because they hoped that it would end "a perfectly intolerable situation" which was causing them "considerable embarrassment." He recalled that in 1948, when the Commons had inserted in the Criminal Justice Bill a provision abolishing capital punishment, the Home Secretary of the day had announced his intention to recommend a reprieve in all cases, and had done so until the Lords had refused to accept this provision. When that Bill came before the House of Lords, he (Lord Goddard) had ventured to say that the Home Secretary's action amounted to a use of the "suspending power," which was declared under the Bill of Rights to be illegal. When the Silverman Bill had passed the Commons, the then Home Secretary had declared that he would consider every case with regard to its circumstances, including the circumstance that the Commons had voted in favour of the Bill. No-one had ever denied that the Crown had a "dispensing power," but if that power was exercised in every case it became the "suspending power."

After observing that every murderer had been respited since the Silverman Bill had passed the Commons, although the law stated that the penalty for murder was death, Lord Goddard declared. "Is this going to continue? I ask that question for this reason—since this Bill has been in the lower House there have been cases which, if this Bill were law, would be capital murder, and they have been reprieved . . . The judges are feeling a sense of the greatest embarrassment. They have to administer the law as it is. They will have to administer the law as it is altered. They have had to pass sentence of death in every case of murder where there has been a conviction. Now they will have to pass sentence of death in what is called capital murder. I hope that the judges may now feel that although these so-called capital murders are being reprieved in exactly the same way as what will be called non-capital murders, they may not be put into this position of having to pass sentence of death in these cases only to find that it is a reprieve. One virtue in this Bill is that I cannot believe that if it is passed, the law will not be allowed to take its course where there are murders which are declared by the Act to be capital murders. If the law is not allowed to take its course, then in Heaven's name let us abolish the whole thing altogether."

Lord Morton (a Law Lord) said that the provisions of Clause (5) would be a real protection to people who greatly needed it. The Bill was criticized, however, by **Lord Chorley** as an "unscrupulous evasion of the Parliament Act"; by **Earl Ferrers** on the ground that it did not give the public adequate protection, and by the **Earl of Haddington** because it did not lessen the chance that an innocent man might be sent to the gallows. **Lord Conesford** said that many people thought, as he did, that the proposal to divide murders into two classes was "unwise and morally shocking," and might bring the law into disrepute.

Lord Pakenham, winding up for the Opposition, said that the Bill was full of "anomalies and inconsistencies," as any such Bill was bound to be. Abolitionists were convinced that executions did not save any human life, and therefore the continuance of hanging was the continuance of unnecessary killing and was fundamentally evil. So long as this great evil remained on the Statute Book, so long must they labour by constitutional means to remove it. The Bill did, however, represent a small step forward, and therefore he had no intention of opposing the second reading.

The **Bishop of Chichester** said that he could not agree with the Archbishop of Canterbury, because he thought that a moral principle was involved—that of the sacredness of human life. He agreed with Lord Conesford that the Bill was in its essentials "morally shocking." The **Archbishop of York** also expressed his agreement with Lord Conesford.

Lord Salisbury, denying that the Government had been guilty of any constitutional impropriety, said that it would be inappropriate that the Parliament Act—the instrument for ensuring that the will of the elected Chamber prevailed over that of the Second Chamber—should be invoked whenever a private Member succeeded in passing a Bill through the Commons irrespective of the views of the country or the Government. It would be particularly inappropriate in a case such as the present, where a Bill had been passed against the advice of the Government and was believed to be contrary to the wishes of the electorate.

In reply to Lord Goddard, Lord Salisbury said: "Only the Home Secretary can say all the matters he took into consideration when he considered the question of a pardon in any particular case. If he took into account the possibility or probability of changes in the law, and the effect on public opinion and public confidence in the administration of justice and the exercise of the death penalty, he was, I understand, entitled to do so. As far as the future is concerned, there is no doubt at all that once this Bill has become an Act no difficulty of the sort envisaged by the Lord Chief Justice can arise, and that is the determination of the Government." The Bill, he concluded, represented a *via media* which he believed would be acceptable to the great majority of the British people.

Committee Stage in House of Lords.

The Bill passed through the committee stage in the Lords on March 7, the following amendments being rejected or withdrawn:

(1) That environmental as well as inherent causes should be taken into account in cases of abnormality of mind. Moved by **Lord Chorley.** Amendment withdrawn.

(2) That a person convicted of manslaughter under Clause (2) should be detained during Her Majesty's pleasure. Moved by **Lord Chorley.** Amendment withdrawn.

(3) That the sub-section providing that, where two persons were guilty of murder, it should be capital only in the case of the person who actually killed the victim, should be deleted. Moved by **Lord Conesford,** who contended that this sub-section would encourage criminals to work in gangs if they wished to avoid the risk of a capital charge. Amendment rejected.

(4) That murders committed in the course of any crime (e.g. sabotage or the causing of railway accidents), instead of those committed in the course of theft alone, should be capital. Moved by **Lord Conesford.** Amendment withdrawn.

(5) That the age below which a person could not be sentenced to death should be raised from 18 to 21. Moved by the **Earl of Haddington.** Amendment withdrawn.

(6) That a person convicted of murder should have the right to apply to the Court of Criminal Appeal for an order for a new trial if new evidence became available tending to establish his innocence, and that the court should be empowered to order a re-trial. Moved by the **Earl of Listowel.** Amendment withdrawn after the Lord Chancellor had given an assurance that the Government would reconsider the question, and decide whether they could give effect to the recommendations of the departmental committee on new trials.

(7) That the Home Secretary should be allowed at any time, by regulation approved by Parliament, to substitute a method of execution other than hanging. Moved by **Lord Amulree.** The Lord Chancellor stated that the Government fully accepted the Royal Commission's recommendation that the matter should be periodically examined, especially in the light of progress made in the science of anaesthetics; when any change in the method of execution could be confidently adopted, they would propose *ad hoc* legislation to that end. Amendment withdrawn.

(8) That the state of mind of any person charged with murder should be investigated. Moved by **Lord Pethick-Lawrence.** Amendment withdrawn after the Lord Chancellor had stated on the Government's behalf that "arrangements will be made, as and when possible, to call in an outside psychiatrist to examine every prisoner committed to trial for murder."

The Bill was given an unopposed third reading by the Lords on March 19 and received the Royal Assent on March 21, 1957, when it came officially into force.

The first death sentence for capital murder under the Homicide Act was passed at Newcastle-upon-Tyne Assizes on May 16 against a 24-year-old labourer who murdered an aged widow after breaking into her home to commit burglary. A second death sentence for capital murder was passed at Cumberland Assizes (Carlisle) on May 23 against a 22-year-old labourer who murdered an old woman into whose shop he had broken to commit burglary.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 14739 A.)**

A. BELGIUM. — Reduction in Military Service.

The Defence Minister (M. Spinoy) informed the Belgian Parliament on June 18 that the Government had decided to reduce the period of military service from 18 months to 15 months from October. The decision had been taken in consultation with NATO, and the Government would take measures to maintain the strength of the forces so that Belgium should continue to meet her NATO commitments. The following measures would be taken to offset the cuts: (*a*) a certain number of Regulars, as well as conscripts, would be transferred from administrative and auxiliary duties to the active forces; (*b*) about 3,000 volunteers would be recruited for a maximum term of four years and given "attractive" pay; (*c*) reserve officers would continue to serve for eighteen months.
(La Nation Belge, Brussels) **(Prev. rep. 14617 A; 13574 A.)**

B. FRENCH CAMEROONS. — French Parliamentary Approval of New Statute.

The new Statute of the French Cameroons giving the territory self-government within the French Union, which had been decreed by the French Government under the powers conferred upon it by the *loi-cadre* (see 15585 A), was approved by the National Assembly on April 4 and by the Council of the Republic on April 12, the Communists abstaining in both Houses. A favourable view on the Statute had previously been given by the Assembly of the French Union on March 21.
(Le Monde, Paris) **(Prev. rep. French Cameroons, 15565 D; 15511 A; "Loi-cadre" 15585 A.)**

C. RHODESIAN FEDERATION. — Dominion Party Gain from Federal Party in Mrewa By-election.

The result was announced on June 7 of the by-election which took place for the Mrewa seat in the Federal Parliament left vacant by the death of Mr. N. G. Barrett (Federal Party). It resulted in the return of Mr. W. J. Field (Dominion Party), who received 1,375 votes against 1,223 for Mr. E. R. Campbell (Federal Party). In the 1953 general elections Mr. Barrett had had a majority of 690 over Mr. G. R. Musgrave (Confederate Party). Mr. Field's victory increased the Federal Party's representation in the Federal Parliament to three.
(Federal Information Department, Salisbury) **(Prev. rep. By-elections, 14832 A.)**

D. POLAND - UNITED STATES. — Agreement on U.S. Economic Aid to Poland.

Following negotiations with a Polish economic delegation which opened on Feb. 25, agreements between the Polish and U.S. Governments on the shipment to Poland of agricultural and industrial products from the U.S.A., and on further steps for the settlement of questions relating to American property in Poland and Polish property in the United States, were signed in Washington on June 7.

The agreements concerning Polish purchases of commodities and equipment from the U.S.A. were as follows:

(*a*) The U.S.A. would extend to Poland a "line of credit" of $30,000,000, to be administered by the U.S. Export-Import Bank, for the purchase of agricultural products and mining equipment and the payment of transportation costs. The credit would bear interest at 4½ per cent and would be repayable in dollars over a 20-year period beginning in 1962.

(*b*) The U.S. Government would also sell to Poland wheat, cotton, fats and oils, the amount involved (including transportation costs) being about $18,000,000. Payments would be made in Polish currency (at the rate of 24 zlotys to the dollar) and the zloty balances could be used for a variety of purposes in Poland, including the payment of the expenses of the U.S. Embassy in Warsaw and (with the agreement of both parties) to make purchases for third countries. After five years the U.S.A. might require Poland to repurchase any unspent zloty balances for dollars, but at a rate not exceeding $726,000 a year.

The $30,000,000 credit, together with the agricultural sales agreement, will enable Poland to buy in the U.S.A. approximately 100,000 metric tons of wheat ($6,400,000); 25,000 metric tons of cotton ($19,200,000); 60,000 metric tons of soya beans ($6,000,000); 17,500 metric tons of fats and oils ($3,600,000); and mining machinery worth $4,000,000. Adding $9,700,000 for transportation costs, the total was $48,900,000.

(*c*) It was also announced that a supplementary agreement to the agricultural commodities agreement was being prepared (subject to Congressional authorization) which would provide for the sale to Poland against local currency of an additional 400,000 metric tons of wheat ($25,600,000) and 24,400 metric tons of cotton ($17,100,000), making, with transportation costs, a total of $46,100,000.

Finally, both Governments agreed (1) to start negotiations early in 1958 for a lump-sum settlement of American property claims resulting from nationalization measures and other property requisitionings by Poland; (2) to begin discussions at an early date on the release of pre-war Polish assets in the U.S.A. which had been blocked under U.S. regulations, and whose value was estimated at less than $2,000,000.

A special State Department communiqué said that, in accordance with a Polish proposal, (i) the U.S. Government were studying the possibility of future credit sales to Poland of additional quantities of agricultural and other commodities on similar terms; (ii) in order to broaden commercial and financial relations with Poland, the U.S. Department of Commerce would shortly announce amendments of its export control regulations, designed to simplify licensing procedures for U.S. exports to Poland; (iii) the Commodity Credit Corporation would in future consider applications for credit arrangements in connexion with export sales of commodities to Poland; (iv) the U.S. Treasury would remove the prohibition of the transmission to Poland of Treasury cheques and remittances in payment of social security, veterans' and other benefits.

M. Gomulka, speaking in Poznan on June 5, stated that although the U.S. credit was "rather modest compared with our needs," it could "to a certain degree help to alleviate our present economic difficulties." He added: "In the present situation the political aspect of the credit is not without importance, for we are of the opinion that economic relations between countries with different social systems can best pave the road to relaxation in the international situation." [The amount of U.S. aid originally proposed by Poland in the negotiations was reported to have been $300,000,000.]

American aid to Poland had first been offered by President Eisenhower after the events which brought M. Gomulka back to power.—(New York Times - New York Herald Tribune - Polish Embassy Press Department, London)
(Prev. rep. 15161 A, p. 15163; U.S. Food Offer, 14967 A.)

E. INTERNATIONAL LABOUR ORGANIZATION. — Mr. Morse re-elected Director-General.

Mr. David A. Morse (U.S.A.) was unanimously re-elected on June 1 for another five-year term as Director-General of the International Labour Organization, a post he has held since 1948 and to which he had been re-elected for a second five-year term in 1953. Under the statutes of the I.L.O., the Director-General is elected by the organization's Governing Body, which consists of representatives of Governments, employers, and employees.—(U.N. Information Centre, London)
(Prev. rep. 9335 A.)

A. WESTERN POWERS. — British Relaxation of China Trade Controls. - Parity with Soviet Trade Controls. - British Action followed by France, Belgium, Netherlands, Western Germany, Denmark, Norway, and New Zealand. - U.S. Insistence on Stricter Embargoes on China Trade than on Trade with Soviet Bloc. - Deadlock in "Chincom" Discussions.

The State Department in Washington announced on April 20 that the U.S. Government, "repeatedly pressed by some of its allies" to relax controls on trade with Communist China, had agreed to consider changes in these controls. An official spokesman emphasized, however, that the U.S.A. would in no event consider any relaxation as far as her own trade was concerned. The spokesman's statement was as follows:

"The United States has been repeatedly pressed by some of its Allies to relax controls on trade with Communist China to the same level as those which apply to trade with the Soviet Union. We have been, and are, unwilling to agree to any relaxation which would result in an increased flow of strategic goods to Communist China. At the time of the Korean War, when the U.N. forces were attacked by the Chinese Communists, the U.N. established an embargo on shipments of strategic goods to Communist China. Communist China is still hostile, and controls have continued. Heretofore our Allies have agreed to multilateral controls on trade with Communist China considerably more severe than on trade with the rest of the Communist bloc.

"In an effort to meet the views of its Allies, and at the same time continue to maintain effective multilateral trade controls, the United States has informed the 14 nations which participate with it in multilateral controls that it is prepared to discuss certain modifications in the existing system. The U.S. proposal was made to the Embassies of the 14 countries in Washington during the past week. Under this proposal certain items for peaceful use which are now embargoed by the multilateral control system for shipment to Communist China would be removed from controls and placed on the same basis as in the case of trade with the European Soviet bloc. Certain other items now embargoed to Communist China would continue under embargo and would be transferred to the European Soviet-bloc list, but under a lesser degree of control. The proposal would also involve a tightening of the 'exceptions procedure' now in use.

"It was emphasized to our Allies that there is no change in U.S. policy with respect to trade with Communist China. The United States will continue its unilateral embargo on all trade with Communist China."

The spokesman's reference to "pressure" by some of America's allies referred particularly to Britain, which had been pressing for over a year for the embargo on trade with Communist China to be reduced to the same level as that applying to the U.S.S.R. and the Soviet-bloc countries. The matter had also been raised by Mr. Macmillan during the Bermuda conference with President Eisenhower. Strong representations for the relaxation of trade controls with China had also been made by Japan.

It was pointed out in the British Press that there were 207 items on the embargo list for China which were not controlled in the case of the Soviet bloc, where only certain "strategic" items came under the export prohibition or restrictions: these "strategic" items numbered some 200, in addition to atomic energy and munitions items. The Soviet-bloc list covers the following three classes of goods: (1) strategic goods barred from trade with the Soviet bloc (List No. 1); (2) non-strategic goods that might have military use and for that reason are limited as to the volume of trade (List No. 2); (3) other goods which by agreement are kept under constant supervision to make sure that they do not have some special value for the Soviet war potential (List No. 3).

Details of the U.S. proposals were published in Washington on May 6. It was proposed that a complete ban on exports to Communist China should be continued for certain goods in which trade with Soviet-bloc countries was permitted. Although the additional "China list" would be abolished and freedom of trade be permitted for 157 of the 207 items on that list, the remaining 50 items should be transferred to List No. 3 of the Soviet-bloc list and embargoed on the ground that they were sufficiently strategic to warrant their continued embargo. Furthermore, exports to Soviet-bloc countries, even of items in Lists Nos. 2 and 3, should be restricted where there was "likelihood of diversion" to Communist China. The "exceptions procedure" should not be used except after advance consultation with "Chincom" and on condition that the export to China would produce a benefit to the exporting country equal to the benefit accruing to China. The control system should be tightened up to minimize any violations.

The U.S. proposals were discussed during May by the China Committee of the Consultative Group in Paris ("Chincom"), which consists of the 15 member-countries of NATO (except Iceland) and Japan, with Australia and New Zealand represented by observers.

After several meetings of "Chincom" it became clear on May 24 that the negotiations had reached a deadlock as all attempts at a compromise between the U.S. view and those of the majority of the other members had failed. Britain, in particular, while willing to compromise on details, stood firm on her main demand that the differential between permitted trade with Communist China and permitted trade with the U.S.S.R. and other Soviet-bloc countries should be abolished, on the grounds (i) that it was anomalous and largely ineffective, and (ii) that the time had come to treat the question of restrictions on trade with China purely on a basis of commonsense. This view was reported to have been shared by the other European member-countries, as well as Japan, while Canada was understood to have taken a middle view between the U.S. and British positions. Further meetings on May 27, 28 and 29 proved equally unsuccessful.

In view of the situation, the British Foreign Secretary (Mr. Selwyn Lloyd) announced in the House of Commons on May 30 that Britain had decided to adopt for herself the same lists for control of trade with China as those operated for trade with the Soviet bloc. This decision, he emphasized, would mean no change for items that were embargoed for both areas, but certain items which were at present embargoed would be transferred to the quantitative control list (No. 2) or to the watch list (No. 3), or be completely freed. Detailed arrangements would be discussed in "Chincom," and the Export of Goods Control Order would be amended as soon as possible; but until such amendment, licences would be granted on request for all items now embargoed for China but not subject to export licensing to the Soviet bloc. For items subject to quantitative control for export to the Soviet bloc, it would not be possible to grant licences for China until discussions had been held in Paris about the size of the quotas for Communist China. Mr. Lloyd emphasized, in conclusion, that H.M. Government intended to continue their policy of co-operating with their allies in a system of controls on trade both with the Soviet bloc and China, in the interests of mutual security.

Replying to questions, Mr. Lloyd said that he hoped the question of quotas for goods on List No. 2 would be settled within a few weeks. The other countries in the China Trade Committee had not yet made their attitude clear, as they had been waiting to hear what the British Government would do, but he expected most of them would follow Britain's example.

A Board of Trade official said on May 30 that the easing of controls on trade with China might result in an annual rate of British exports to China of £20,000,000. He admitted this figure was "a guess," but added: "We are inclined to think we might achieve an annual rate of twice last year's export figure of about £10,000,000."

The 207 articles which were freed for export to China comprised principally certain machine-tools; some electric motors and generators; rubber-working machinery; most motor vehicles and tractors; most railway locomotives, rolling-stock and other railway equipment; most internal combustion engines; iron and steel; aluminium and copper products; lead and zinc; certain scientific instruments; raw rubber and most tyres; and various chemicals.

The *Board of Trade Journal* published on June 7 the lists of items completely embargoed for export to the Soviet Bloc, Communist China, North Vietnam, North Korea, and Tibet, and of items whose export to those countries was subject to quantitative restrictions. The easing of controls on trade with China came into operation on June 4.

The British Government's decision to revise the embargo on trade with China was warmly welcomed by U.K. industrial and trade organizations. The Sino-British Trade Committee (which includes representatives of the Association of British Chambers of Commerce, the China Association, the Federation of British Industries, the London Chamber of Commerce, and the National Union of Manufacturers) cabled to Peking on June 3 asking whether a British trade mission could be sent to China, and inviting the Chinese authorities to send a technical or commercial mission, or both, to Britain.

In Washington, the State Department declared on May 31 that the United States was "most disappointed" by the British action, the official statement reading as follows:

"The U.K. has decided that it can no longer agree to maintain a level of security controls over its exports to Communist China more severe than the multilateral controls applied to the U.S.S.R. and the Soviet-bloc countries in Europe. The United States is most disappointed by this action. It means that an agreement for the continuation of a differential trade control toward Communist China has not been reached, even though many of the nations which have been engaged in the recent talks on this subject expressed their support for such a programme.

"For its part the United States contemplates no change in its policy of total embargo on trade with Communist China.

"The recent discussions among the co-operating Governments have revealed that there was a wish on the part of all countries to retain a unified approach on the question of trade controls on exports to Communist China. A majority of the countries, including the U.S.A., sought a unanimous agreement on the maintenance of a differential. The U.S.A. believed that the security interests of the free world would be best promoted by the maintenance of a significant differential.

"After an initial difference of opinion on the precise extent of the differential, the U.S.A. agreed to a proposal by a number of the participating countries. This proposal obtained the support of a majority of the co-operating Governments. The U.K., however, supported by some countries, believed that there was no merit in applying a different level of controls to trade with Communist China as compared with the Soviet Union, and that this differential should consequently be abolished.

"No-one advocated any reduction in the existing security controls applying to exports to the Soviet-bloc countries in Europe, which controls would also continue to apply to Communist China. The British policy announcement on China controls, while at variance with the position which the U.S.A. sought in the recent talks, makes clear the intention of the British Government to continue the application of security controls on strategic exports to Communist China on the same basis as is presently being applied to the Soviet-bloc countries of Europe."

Senator Knowland, the Republican leader in the U.S. Senate, issued a formal statement on May 31 strongly condemning the British action as likely to lead to a strengthening of the common enemies of the Western allies.

"Many of the articles now to be shipped to Communist China must be considered strategic by any rule of reason," Senator Knowland declared. "Locomotives, machine-tools, trucks, perhaps entire rubber plants, may some day in the not-too-distant future strengthen Communist China to the point where it can feel it dares to take the risk of taking over Hong Kong. This is a calculated risk for which H.M. Ministers must alone bear the responsibility. When they weaken their own forces in Europe, as was recently done, we might question the wisdom of it; but as good and stout allies we understand some of the economic reasons behind that action. But it is far more difficult to understand an action which can only strengthen our common enemies both in Asia and Europe—for up to the present time Communist China has not agreed to a peace treaty with Korea; it has violated the armistice agreements in Korea; it still holds American citizens in prison."

No statement was issued by the Democratic Senators, but it was reported by the *New York Times* that many of them regarded the British decision as inevitable.

Senator Sparkman (Dem.), a member of the Senate Foreign Relations Committee, said on March 31 that the U.S.A. had to be "realistic." He added: "It is easy for us to resent trade with Red China, but our economy does not depend so much on it. The economies of other countries, notably Great Britain and Japan, do. I think we ought to be more realistic insofar as their trade needs are concerned." Senator Fulbright (Dem.) expressed the view that the British action was "further evidence of the rather sterile [U.S.] policy toward China, with no prospects of it leading anywhere."

President Eisenhower himself gave some qualified support to those who regarded Britain's decision as a logical measure. He said on June 5 that although he had never advocated the complete elimination of the differential between the embargo lists in trade with the Soviet bloc and China, "I do not see as much advantage in maintaining the differential as some people do." Referring to the arguments for and against liberalizing trade with China, the President said that "there is a very great division of opinion in America, as there is in the world."

Although discussions within the China Trade Committee in Paris continued in June, a number of other member-countries announced their decision to follow the British decision and relax restrictions on trade with China to the same level as that applying to trade with the Soviet bloc. Norway made an announcement to this effect on June 2, Denmark on June 4, Belgium, Luxemburg, and the Netherlands on June 14, Western Germany on June 19, and France on June 20. It was reported that the Japanese and Portuguese spokesmen in "Chincom" had also expressed their approval of the British attitude. Greece and Turkey were said to have been in favour of the U.S. view, with Canada taking a middle position between Britain and the United States.

The New Zealand Minister of Industries and Commerce (Mr. E. H. Halstead) stated on June 1 that whilst New Zealand had so far co-operated in maintaining the embargo on China trade, most of her goods were non-strategic and there was no reason why New Zealand should not trade with China in these goods.—(Times - Daily Telegraph - Manchester Guardian - Financial Times - New York Times - New York Herald Tribune - Le Monde, Paris - Norwegian Embassy Press Department, London - Netherlands News Agency - Berlingske Tidénde, Copenhagen - N.Z Directorate of Information, Wellington)

(Prev. rep. 12859 A; 11589 B; 11490 A.)

A. UNITED KINGDOM - UNITED STATES. — U.K. Purchase of Surplus American Tobacco against Provision of Housing for U.S. Servicemen in Britain.

Mr. Birch, the Economic Secretary to the Treasury, announced on March 18 that new arrangements had been made with the U.S. Government under which Britain would import $6,000,000 worth of tobacco for sterling, and in exchange would build houses for U.S. Servicemen and their families in Britain at an equivalent cost.

Mr. Birch pointed out (i) that the new arrangements were an extension of the transaction announced on June 8, 1956, which involved $12,000,000 worth of U.S. tobacco; (ii) that the proceeds of the present transaction would be appropriated to the U.K. Defence Budget; and (iii) that the houses to be built would be let to the U.S. authorities at a nominal rent so long as they were required, but would remain the property of the British Government. The tobacco would go into the tobacco companies' stocks, and its acquisition would not cause any reduction of tobacco purchases from Commonwealth countries.

Under the previous transactions of this kind 2,500 houses are being provided for U.S. Servicemen and their families in Britain.—(Daily Telegraph) **(Prev. rep. 15034 D.)**

B. FRANCE. — Ending of Suez Canal Boycott.

It was officially announced in Paris on June 13 that the French Government had decided to authorize French ships to use the Suez Canal; that canal dues were to be paid in transferable sterling to the Egyptian Government; and that the necessary authorizations had been given to the French *Office des Changes*. The decision was taken by the new French Government of M. Bourgès-Maunoury and had been preceded by informal negotiations between French and Egyptian banks on the method of payment, conducted through the Swiss Embassy in Cairo.

The first French vessel to use the Canal since the Suez crisis—the 7,200-ton cargo ship *Picardie*—passed through on June 16 after paying tolls in transferable sterling. On the same day France officially notified the U.N. Secretary-General that she had ended her boycott of the Suez Canal, but reiterated that she regarded the Egyptian conditions for the use of the Canal as "provisional."—(Le Monde, Paris)

(Prev. rep. Suez Canal, 15545 A.)

C. TUNISIA. — Municipal Elections. - Introduction of Women's Suffrage.

The first municipal elections in Tunisia since the attainment of independence took place on May 5 and resulted in a victory for the N. o-Destour, which won 731 seats and obtained control of 89 of the 94 municipalities. The remaining five municipalities will be controlled by Independents, who won 39 seats. The Communist Party, which put forward candidates only in Tunis, failed to win any seats.

The elections were the first held in Tunisia in which women enjoyed the right to vote and to be elected. Only 80,000 women registered as voters as against 285,000 men, the failure of the majority of potential women voters to register being attributed to lack of interest or to their husbands' opposition; among those registered, however, 85 per cent voted, compared with 90 per cent of the electorate as a whole. Fourteen women candidates were put forward, of whom 11 were elected, including one Independent.—(Le Monde, Paris)

(Prev. rep. Tunisian Elections, 14812 A.)

D. NORWAY. — Formation of "Atom Company."

It was announced on June 26 that a Norwegian Atom Company had been formed by about 50 leading Norwegian organizations representing industry, shipping, banking, insurance, atomic science, and education. The Company will produce, buy and sell components, raw materials, and installations for producing atomic energy for peaceful purposes, and will also plan, build and run atomic undertakings, promote informative activities, and utilize experience and knowledge in connexion with the production of atomic energy.

(Norwegian Embassy Press Office, London)

E. EGYPT. — Further Egyptianization Measures.

It was announced in Cairo on June 5 that six British and French pharmaceutical companies sequestrated by the Egyptian Government in November last had been "Egyptianized" and merged into a new company known as the *Société Générale des produits pharmaceutiques et chimiques*. The new Egyptian company will have a share capital of £E.500,000 and will be managed by the Egyptian Economic Organization. Among the British companies affected was the Egyptian subsidiary of Imperial Chemical Industries.

(Le Monde, Paris) **(Prev. rep. 15555 A.)**

A. UNITED KINGDOM. — The Engineering and Shipbuilding Strikes. - Reports and Recommendations of Courts of Inquiry. - Wage Increases on "12-Months' Wage Standstill" Conditions.

The entire U.K. shipbuilding industry, as well as large sections of the engineering industry, were brought to a standstill in March by strikes called by the Confederation of Shipbuilding and Engineering Unions in support of a claim for a 10 per cent increase in wages. The strikes lasted into April and led to the appointment by Mr. Macleod, the Minister of Labour, of two courts of inquiry to deal respectively with the shipbuilding and engineering disputes. The course of events is described below under cross-headings :

The History of the Disputes.

The disputes dated back to April 1956, when four of the principal unions affiliated to the Confederation of Shipbuilding and Engineering Unions—the Amalgamated Engineering Union, the Electrical Trades Union, the Boilermakers' Society, and the National Union of Foundry Workers—resolved at their annual conferences to ask the Confederation to press for further wage increases for engineering and shipbuilding workers. Although the Engineering and Allied Employers' National Federation announced on May 31 that any further claims for increases would be resisted, in view of the increases already granted in March (see 15092 A) and of the national inflationary position, the Confederation's executive resolved on Sept. 14, 1956, to ask for a "substantial increase."

At talks between Confederation representatives and representatives of the two employers' federations, which took place on Oct. 25 and Oct. 30, the Confederation put forward claims for overall increases of 10 per cent for all engineering and shipyard workers. The two employers' federations, after holding ballots of their member-firms, rejected these claims outright—the engineering employers on Nov. 29 and the shipbuilding employers on Dec. 11.

A special delegate conference of the A.E.U., held on Jan. 9, 1957 to consider the position, thereupon resolved to recommend a two-day "token" strike at engineering works and shipyards throughout the country unless the increase had been agreed to by Feb. 28. This recommendation, however, was rejected on the following day by a special conference of the 40 unions affiliated to the Confederation, and it was decided that strike action should not be taken until the claims had been re-submitted. Meetings between Confederation representatives and representatives of the engineering and shipbuilding employers accordingly took place on Feb. 12 and 13 respectively, but on Feb. 28 the engineering employers decided for the third time to reject the claim. After taking a second ballot of its members, the Shipbuilding Employers' Federation also rejected the demand on March 5, whereupon the Confederation decided on March 7 to call a strike in all shipbuilding and ship-repairing establishments throughout the country, commencing on March 16.

The Shipyard Strike.

Mr. Macleod announced in the House of Commons on March 12 (before the date set for the strike to begin) that he intended to appoint Lord Evershed, the Master of the Rolls, to act as arbitrator in the disputes. He explained that in view of the "grave threat to the national economy" inherent in the proposed stoppage, he had decided that "something more than the normal conciliation action" by Ministry of Labour officers was required; that the issue was, however, "not appropriate for examination by a court of inquiry because the causes of the dispute are clear"; and that "a peaceful settlement can best be found by resort to arbitration by a completely impartial person."

Although the shipbuilding employers agreed to submit the dispute to arbitration and to abide by the arbitrator's decision, the leaders of the shipbuilding unions declined to do so and insisted that the stoppage could be averted only by an "offer of hard cash" from the employers' side. After last-minute talks presided over by Sir Wilfred Neden (the Ministry of Labour's Chief Industrial Commissioner) had broken down on March 15, the strike began at noon on March 16, as planned.

The stoppage—the first "national" strike in British shipyards since the General Strike of 1926—took place at a time when shipbuilders had over £900,000,000 worth of orders on their books, some firms having sufficient work to keep them occupied until 1963, whilst most yards had their berths fully booked until 1961. It was estimated on March 18 (when the stoppage became fully effective) that more than 300 ships, aggregating about 2,250,000 gross tons and including nine large passenger liners and 63 large tankers, were under construction at over 70 shipyards, for the most part in the Glasgow, Newcastle, Belfast, Sunderland, Middlesbrough, and Birkenhead areas. In addition, a large number of ships were under repair at these centres and at the major ports, including London, Liverpool, Hull, Southampton, Avonmouth, Cardiff, Newport, and Swansea The total number of shipyard workers on strike was put at about 200,000, including 42,000 on the Clyde, 30,000 on the Tyne, 22,000 on the Mersey, 20,000 at Belfast, 12,000 at Sunderland, 10,000 each on Thames-side and at Southampton, 8,000 on the Tees, 5,000 each at Hull and Barrow-in-Furness, 3,000 each at Grimsby-Immingham and Aberdeen, 2,000 at Bristol and Avonmouth, 1,300 at Dundee, and 1,000 at Blyth.

A large percentage of the tonnage under construction or repair was for account of shipowners overseas, and the dangers inherent in a prolonged strike were stressed on all sides in view of the importance to British shipyards of their "export" markets. the rapid resurgence of shipbuilding in Japan (see 15554 B), and the decline in the percentage of new orders now being secured by British shipbuilders Mr. Watkinson (Minister of Transport and Civil Aviation), speaking at Middlesbrough on March 15, gave a warning that the "real winners of the strike will be shipbuilders in Japan, Germany, and elsewhere, who will be very happy to take away yet more British shipbuilding orders." He added : "In the past three months all over the world new orders for tankers to the extent of no less than 8,000,000 tons have been placed Out of this vast total Britain has secured only 700,000 tons. In other words, we have not secured a tenth of recent orders that have been placed"

[It was stated in the Press on March 10 that the average earnings of British shipyard workers had risen between October 1955 and October 1956 by about nine per cent, compared with a rise in the cost of living of only four per cent. Shipyard wages were about 30 per cent higher in Britain than in Western Germany, and over 100 per cent higher than in Japan, but 30-40 per cent lower than in Sweden and 100-150 per cent lower than in the United States. The increase in British shipbuilding wages had not been accompanied by any corresponding rise in productivity, production indices showing that the output of the shipbuilding and engineering group of industries was lower in each quarter of 1956 than in the corresponding quarter of 1955.]

In view of the urgency of settling the dispute, Mr Macleod, accompanied by Sir Wilfred Neden and Mr. T. Claro (the Ministry's Chief Conciliation Officer), saw representatives of the employers and of the Confederation separately at the Ministry on March 19. On March 20 he announced in the House of Commons that the employers had welcomed a suggestion (previously put forward in the House by Mr. Aneurin Bevan, Lab.) that, in order to break the *impasse*, both sides should put their cases before a third party, who would than make recommendations which would be the subject of negotiations. Although the unions rejected this suggestion, negotiations with the employers continued, and on March 22 the latter offered an increase of 8s. 6d. a week (about five per cent) provided that the unions agreed to a 12 months' wages "standstill" and the removal of certain restrictive practices in the shipyards. This offer was rejected, the unions refusing to consider any increase under 11s. 6d. (equivalent to about 7.3 per cent). Negotiations thereupon broke down, and on March 25 Mr. Macleod announced that he had decided to appoint a Court of Inquiry into the dispute, and appealed to the unions to call off the strike pending the publication of the Court's findings.

Court of Inquiry into Shipyard Strike.

In a final effort to settle the dispute, a meeting took place on March 26 between Sir Wilfred Neden and Confederation leaders. The latter intimated that, as an interim settlement pending the publication of the Court's recommendations, they would consider either (*a*) a 5 per cent rise with no guaranteed wages standstill or lifting of restrictive conditions; or (*b*) a 7½ per cent increase with a guaranteed standstill for 12 months and joint examination of the conditions complained of. On the same day Mr. Macleod announced in the House of Commons that both sides had agreed to co-operate fully with the Court of Inquiry, and on March 28 he further announced that its chairman would be Professor D. T. Jack (Professor of Economics, University of Durham), and its other members Brigadier L. C. Mandelberg, a past chairman of the National Association of Rayon Yarn Producers, and Mr. (now Sir) C. J. Geddes, a member of the T.U.C. General Council and formerly general secretary of the Union of Post Office Workers.

The A.E U. executive, which met on April 2 to consider the situation, decided by a majority of one vote (the president's casting vote) to recommend the Confederation to call off the strike and re-examine the position when the Court's recommendations became known. Accordingly, when the Confederation's executive met later in the day, Mr. Carron (the A.E.U. president) moved a resolution recommending that the strike be called off meanwhile. This resolution was seconded by the National Union of General and Municipal Workers and carried by 15 votes to 10 ; an amendment moved by Mr. E. J. Hill (Boilermakers' Society) and seconded by the E.T.U., recommending that the strike should continue, had previously been defeated. The resolution of the Confederation's executive was immediately put to a delegate conference of the Confederation's affiliated unions and carried on a card vote by 710,177 votes to 449,162. The first meeting of the Court took place on April 3 and work was resumed throughout the shipyards on the following day.

The Stoppage in the Engineering Industry.

Notwithstanding a warning by the chairman of the Engineering and Allied Employers' National Federation (Mr. B. Macarthy) that Britain had already fallen behind other countries in engineering productivity, and that any increase in costs would gravely handicap her in maintaining even her present position, leaders of the Confederation of Shipbuilding

and Engineering Unions resolved on March 12 to reject any form of arbitration also in this dispute and to call a national engineering strike. At a further meeting on March 14 the Confederation decided that the stoppage should begin on March 23, the form it should take being for the moment left open. Talks at the Ministry of Labour on March 19 between representatives of employers and the unions concerned proved abortive, and Mr. Harry Brotherton, the Confederation's president, announced on that date that it had been decided that the strike should take place in three stages; that about one-third of the labour force would be called out on March 23; and that the stoppage should be gradually extended until the whole industry had been brought to a standstill by April 6.

It was explained in the Press that whereas the majority of unions affiliated to the Confederation—particularly the E.T.U. and others with Communist leadership—had wanted the whole of the industry's labour force to be called out by March 23, the three unions having most weight (the A.E.U., the Transport and General Workers, and the General and Municipal Workers) had wished it to be gradual, with the first strikes at selected works. When the Confederation's executive met to draft plans for submission to the executives of the affiliated unions, a motion calling for a national strike on March 23 had been submitted on behalf of the E.T.U., whereupon Mr. Carron (president of the A.E.U.) had moved an amendment calling for a progressive strike at selected works. This amendment was carried by 707,000 votes to 502,206, and subsequently a motion by Mr. Foulkes (president of the E T.U.) requiring the call-out to be completed throughout the industry by April 6 was carried without dissent.

The Confederation subsequently decided that the stoppage should first take effect in selected areas associated with marine or other heavy engineering or with aircraft construction, and work accordingly stopped on March 23 at engineering works in the Clydeside, Tyneside, Belfast, Sunderland, Liverpool, Sheffield, Middlesbrough, Bristol, Bournemouth, and Weymouth areas. On March 23 it was estimated that about 200,000 workers (mainly employed in marine and heavy engineering) were involved in Ayrshire, Lanarkshire, Dunbartonshire, and Renfrewshire, together with about 70,000 (mostly in heavy engineering) at Sheffield, 50,000 each at Bristol and Belfast (including 15,000 aircraft workers at Bristol), 45,000 (mostly marine engineers) on Tyneside, about 25,000 in the Liverpool area (including many employed by the de Havilland Aircraft Company), 15,000 (mostly in marine engineering) at Sunderland, 10,000 at Middlesbrough, and 6,000-8,000 in the Bournemouth-Weymouth area, mostly de Havilland and Vickers-Armstrong employees. The Confederation claimed on March 25 that members of affiliated unions had given full support to the stoppage in all areas, the only large works still carrying on being those of the Singer Company at Clydebank, where about 50 per cent of the workers did not belong to Confederation unions.

On March 26 the Confederation offered to end the engineering strike on the same terms as its offer to the shipbuilding employers (see above) i.e. provided the employers agreed to an immediate 5 per cent increase without conditions, or 7½ per cent with conditions. This offer was refused, and on March 27 Mr. Brotherton announced that the stoppage would enter its second phase on March 30, when about 500,000 workers employed by engineering firms in the Greater London area would cease work. [Among the firms involved were the de Havilland, Handley-Page, Hawker-Siddeley, Vickers-Armstrong, British Thomson-Houston, General Electric, Siemens, Electrical and Musical Industries, and Hoover companies.] The third stage would begin on April 6, when the stoppage would be extended to the whole of the United Kingdom.

Court of Inquiry into Engineering Strike.

Direct negotiations between employers' and Confederation representatives were resumed on March 29, but broke down after the employers had proposed increases of 6s. a week for skilled and 5s. for unskilled workers (equivalent to just over 3 per cent on existing rates), provided that the Confederation agreed to a 12-months' wages standstill and a joint review of alleged restrictive practices. In view of this further breakdown, Mr. Macleod announced on the same day that he also proposed to appoint a Court of Inquiry into this dispute, and that it would have the same members as the Court of Inquiry into the shipbuilding dispute.

The Court's Findings.

The Courts of Inquiry held public sessions respectively on April 4-8 (shipbuilding) and April 9-11 (engineering), the shipbuilding employers' position being explained by Mr. N. A. Sloan (director, Shipbuilding Employers' Federation) and the unions' case by Mr. Hill, Mr. Carron, and Mr. Brotherton. The engineering employers' case was put by Mr. Macarthy (director, Engineering and Allied Employers' National Federation) and the unions' case by Mr. Carron and Mr. Brotherton. Both Courts published their reports on May 2, their findings and recommendations being summarized below.

Report of Shipbuilding Court. The report dealt first with the position of the U.K. shipbuilding industry against the background of world shipbuilding, and stressed that although the industry was at present very prosperous and prospects appeared good, there was no doubt that any abatement in the growth of the demand for new ships would bring increasingly severe competition from abroad. Outlining the history of the dispute, the report recalled that the employers' offer of an increase of 8s. 6d. a week (equivalent to about 5 per cent of the existing rates) had been conditional on the unions signing a document designed to ensure (*a*) a "standstill period" of at least 12 months before any further application was made for increased wages; (*b*) the unions' co-operation in reducing restrictive practices and loss of working-time. Discussing the unions' refusal of this offer, the Court remarked that, assessed solely on the rise in retail prices since the last shipbuilding wages settlement, an increase of even 4 per cent would have been appropriate. As, however, a number of industries (including some which were barely profitable) had recently granted increases of 5 per cent, "it would be difficult to resist a claim for at least a similar amount in an industry enjoying considerable prosperity." The report added that the proposed measures to bring about a wages standstill and the reduction of restrictive practices "should offset, wholly or in part, the rise in labour costs which might otherwise follow from an increase in wage rates."

In view of all the circumstances, the Court suggested that the parties should consider the following alternatives:

(1) An increase of 8s. 6d. a week on the consolidated time rate for skilled workers (with adjustments for semi-skilled and unskilled workers), without provision for a wages standstill and the reduction of restrictive practices; or

(2) An increase of 11s. a week, with provisions regarding a wages "standstill period" and the reduction of restrictive practices and loss of working time. These provisions should be embodied in a negotiated agreement which might be regarded as an interim arrangement.

The report concluded by criticizing (*a*) the lack of formal negotiating machinery in the shipbuilding and ship-repairing industry; (*b*) the industry's record concerning disputes. With regard to (*a*), the Court urged employers and unions to consider setting up a National Joint Council to review wages problems and concern itself positively with the industry's productive efficiency. Regarding (*b*), it stressed that the existing procedure for settling disputes must be either unsatisfactory or not properly operated, and suggested that both sides should examine it to ascertain what improvement, including conciliation procedure, might be effected.

Report of Engineering Court. This report, after recounting the history of the engineering dispute since April 1956, discussed the employer's offer (made on March 29, 1957 —see above) of increases of 6s. for skilled and 5s. for unskilled workers, conditional on the signature by the unions of a document similar to that drawn up by the shipbuilding employers, and providing for a 12-months' wages "standstill" and union co-operation in the reduction of restrictive practices, such as embargoes on overtime and ceilings on output and earnings. This offer, the report pointed out, represented an increase of about 3½ per cent, compared with an advance of 4 per cent in the Retail Price Index since the last engineering wages settlement. The Court "appreciated the unions' unwillingness to accept this offer, knowing that in other industries—some of them less profitable than the engineering industry—there had been wage increases of 5 per cent." It gave a warning, however, that "a general rise in wages of 5 per cent over the greater part of the economy is out of proportion to the change in the general index of production and might well have inflationary tendencies."

With regard to the employers' contention that "acceptance of an agreed document [providing for a wages standstill and the reduction of restrictive practices] should be a condition of any wage increase," the Court recognized that it was "natural for them to be anxious to obtain some protection against the submission of a fresh application," and considered that the other terms of the proposed document were "not unreasonable in principle . . . and might make some contribution to the improvement of industrial relations." Taking into account all relevant considerations, the Court suggested that the parties to the dispute should consider the same alternatives as proposed by the Shipbuilding Court—viz., increases of 8s. 6d. a week for skilled workers without the suggested conditions, or of 11s. a week with the provisions set out in the draft document. Increases for semi-skilled and unskilled workers would be adjusted suitably.

In conclusion, the report stressed that the principles embodied in the draft document were "in no sense prejudicial to union interests," although it expressed doubt whether a "period standstill" for wage claims, being at best an *ad hoc* arrangement limited in time, would be adequate. In this connexion it referred to a suggestion made in 1954 that employers and unions should set up a joint body to keep wages and related matters under continual review, and urged that they should consider setting up a National Joint Council with the same aims as the Council proposed by the Shipbuilding Court for the shipbuilding industry.

Unions' Acceptance of Employers' Offer of 11s. Wage Increase "with Strings."

The executives of the unions affiliated to the Confederation of Shipbuilding and Engineering Unions met at York on May 8 to consider the reports of the Courts of Inquiry.

Two days earlier the annual conference of the A.E.U. (the largest and most influential union in the shipbuilding and engineering group as a whole) had decided to instruct its executive to authorize the Confederation's representatives to negotiate for an increase of not less than 11s. a week "with such modifications of the proposed conditions as can be obtained." A Communist amendment urging the "absolute rejection" of any offer "with strings attached,"

and calling for the renewal of the original 10 per cent claim and the resumption of the stoppage if necessary, was defeated by 33 votes to 19. A further Communist amendment recommending the acceptance of 11s., " but without strings," was also rejected.

The A.E.U. motion was duly put forward at the York conference of the Confederation, but was rejected on a card vote by 659,555 votes to 599,000 in favour of a motion by Mr. Brotherton (the Confederation's president) to the effect that the unions' negotiators should be authorized to go to the employers with completely free hands. This motion owed its acceptance largely to the support of the Boilermakers' Society, which was strongly opposed to any " wages standstill " provisions.

On May 16 Mr. F. C. Braby, president of the Engineering and Allied Employers' National Federation, put forward alternative offers (based on the Courts' recommendations) of (*a*) increases of 11s. for skilled workers, 10s. for semi-skilled, and 9s. for unskilled, subject to the unions' agreement to a wages " freeze " for one year and the reduction of restrictive practices ; (*b*) increases of 8s. 6d., 8s., and 7s. 6d., according to grade, without these conditions. Similar offers were made by the Shipbuilding Employers' Federation on May 20.

The engineering employers' offer of 11s. " with strings " was accepted by the Confederation on behalf of the engineering industry on May 23. After further negotiations with the shipbuilding employers it was announced on June 11 that the shipbuilding unions had also accepted the offer of 11s., with the agreed proviso that " special factors," such as a rise in the cost of living or in employers' profits, might require a reconsideration of the settlement before the 12 months' wage " freeze " had run its course. The difference in the terms of settlement as compared with those in the engineering industry was due to the fact that the Boilermakers' Society had at first refused acceptance because of its opposition to a wage " standstill."

The increases were estimated to affect 3,142,700 engineering and 200,000 shipbuilding employees.—(Times - Daily Telegraph - Manchester Guardian - Ministry of Labour Gazette)

(Prev. rep. 15432 A.)

A. EUROPEAN TRANSPORT. — Inauguration of " Trans-Europ-Express " Services.

A new high-speed network of diesel electric train services linking 63 cities in France, Belgium, Luxemburg, the Netherlands, Western Germany, Switzerland, and Italy came into operation on June 2. Known as Trans-Europ-Express, they form an inter-linked international service run in co-operation by the State railways in the seven countries.

Trans-Europ-Express will initially consist of the 12 services listed below. The first three are run by the French *Société Nationale des Chemins de Fer Français* ; services (4) to (7) are run by the West German *Bundesbahn* ; (8) and (9) are operated by the Italian *Ferrovie del Stato* ; and (10) to (12) are run jointly by a Dutch-Swiss " pool," the *Nederlandse Spoorwegen* and *Schweizer Bundesbahn*. The names of the 12 expresses are given in parentheses.

(1) Paris-Brussels-Amsterdam (*Ile-de-France*).
(2) Paris-Mulhouse-Basle-Zürich (*l'Arbalète*).
(3) Lyons-Turin-Milan (*Mont-Cénis*).
(4) Paris-Liège-Cologne-Dortmund (*Paris-Ruhr*).
(5) Ostend-Brussels-Cologne-Dortmund (*Saphir*).
(6) Amsterdam-Cologne-Frankfurt (*Rhein-Main*).
(7) Hamburg-Frankfurt-Basle-Zürich (*Helvetia*).
(8) Marseilles-Genoa-Milan (*Liguria*).
(9) Milan-Munich (*Mediolanum*).
(10) Amsterdam-Brussels-Paris (*Etoile du Nord*).
(11) Brussels-Paris (*l'Oiseau Bleu*).
(12) Amsterdam-Brussels-Luxemburg-Strasbourg-Basle-Zürich (*Edelweiss*).

Further " Trans-Europ " services are projected, including a Florence-Munich service *via* Bologna-Verona-Bolzano-Innsbruck.

The express trains—built in Germany, France, the Netherlands, Switzerland, and Italy—incorporate the most modern designs and improvements, and are painted in the same colours (red and grey). They will considerably reduce the time hitherto taken between the above-mentioned cities and will make it possible for businessmen to visit any of the seven countries and return the same day. Of the three French services, for example, the *Ile-de-France* will cover the Paris-Amsterdam run in 5 hours 34 minutes, compared with the previous fastest time of 7 hours 8 min. ; *l'Arbalète* will complete the Paris-Zürich run in six hours, instead of 7½ hours ; and the *Mont-Cénis* will cover the Lyons-Milan run in 5 hours 19 min., compared with over nine hours by the previous fastest service.

Trans-Europ-Express has its headquarters at Luxemburg and operates in conjunction with Eurofima—the European Company for the Financing of Railway Stock.—(Le Monde)

(Prev. rep. 15552 B ; 15283 B.)

B. WESTERN GERMANY.—New Government in the Saar. - Hr. Reinert succeeds Dr. Ney as Saar Premier.

The Saar Government headed by Dr. Ney, which was based on a coalition of the Christian Democrats and the Social Democrats, resigned on March 25.

Since the withdrawal of the Democrats (led by Dr. Schneider) from the coalition in December 1956, Dr. Ney's Government had controlled only 22 of the 50 seats in the *Landtag*. The immediate reason for Dr. Ney's resignation was the fact that his Finance Minister, Professor Blind (non-party), had decided to leave the Government to take up an academic post at Frankfurt University ; as the two former Democratic Ministers had already resigned in December, this would have compelled Dr. Ney to reshape his Ministry completely in order to obtain the necessary parliamentary support.

After unsuccessful attempts by Dr. Ney to form a new Ministry comprising all parties except the Communists (now banned), the Christian Democratic executive in the Saar asked Dr. Roder (a *Bundestag* deputy) on April 4 to negotiate with the Christian People's Party. The aim of the proposed negotiations was (*a*) to obtain the latter party's support for a Christian Democratic minority government as a first step ; (*b*) an eventual merger between the Christian Democrats and the Christian People's Party. Although such an alliance and an eventual merger was strongly favoured by Dr. Adenauer, difficulties arose over the position of Dr. Ney.

On May 18 the Christian Democrats in the Saar elected Herr Egon Reinert (Minister of Education and Justice) as chairman of its executive in succession to Dr. Ney, and on the following day the Christian Democratic group in the *Landtag* proposed that a new *Land* Government should be formed either by the Christian Democrats and the Christian People's Party together, or by the Christian Democrats alone with the tacit support of the Christian People's Party. The resolution also proposed that both parties should merge by the end of the year at latest, that they should enter into an immediate working association in the *Landtag*, and that both parties should co-operate in the forthcoming Federal elections. These proposals were accepted by the *Landtag* group of the Christian People's Party on May 25, except for the proposed merger, for which the Christian People's Party declined to fix any date.

As a result of the Christian People's Party's refusal to commit itself to the merger proposal, Dr. Roder announced on May 25 that he was unable to form a Government. After further negotiations the three Saar parties grouped in the *Heimatbund*—the Christian Democrats, the Democrats, and the Social Democrats—reached agreement on the formation of a new coalition government. Herr Reinert was elected Prime Minister on June 4 in succession to Dr. Ney, the new Cabinet being approved on the same date as follows :

Herr Egon Reinert (C.D.)—Prime Minister ; Herr Julius von Lautz (C.D.)—Interior ; Dr. Manfred Schäfer (C.D.)—Finance ; Dr. Hubert Ney (C.D.)—Justice ; Dr. Franz Josef Röder (C.D.)—Education ; Dr. Heinrich Schneider (D.P.)—Deputy Premier and Economic Affairs ; Herr Erich Schwertner (D.P.)—Reconstruction ; Herr Kurt Conrad (S.D)—Second Deputy Premier and Labour.

Herr Conrad retained the portfolio he held in Dr. Ney's Ministry, while Herr Schwertner returned to the Reconstruction Department, which he had headed before his and Dr. Schneider's resignation in December last.

The vote for Herr Reinert's appointment as Prime Minister was 31 against one (a Christian Democrat), with 10 abstentions (Christian People's Party). The vote approving the Cabinet list was 31 to 10. The Christian People's Party subsequently announced that in view of the changed situation it saw no possibility of continuing the negotiations with the Christian Democrats for a merger in the *Landtag*, or for electoral co-operation in the Federal elections. (Frankfurter Allgemeine Zeitung - Saarbrücker Zeitung - Le Monde, Paris)

(Prev. rep. Saar, 15503 C ; 15303 A.)

C. INDIA. — Gubernatorial Appointments.

A communiqué from the President's Office on May 22 announced that Mr. V. V. Giri had been appointed Governor of Uttar Pradesh in succession to Mr. K. M. Munshi ; Dr. Zakir Hussain as Governor of Bihar in succession to Mr. R. R. Diwakar ; and Mr. H. V. Pataskar as Governor of Madhya Pradesh in succession to Dr. Sitaramayya.

On June 11 it was announced that Mr. Bhimsen Sachar (Governor of Orissa) had been appointed Governor of Andhra Pradesh in succession to Mr. C. M. Trivedi, and that Mr. Y. N. Sukthankar (Secretary to the Orissa Ministry) would become the new Governor of Orissa.—(The Hindu, Madras - The Statesman, Calcutta) **(Prev. rep. 12304 G ; 15037 A ; 15282 A ; 12304 G ; 12209 A ; 15037 A.)**

A. JORDAN. — Expulsion of Egyptian Military Attaché and Consul-General in Jerusalem. - Jordanian Ambassador expelled from Egypt. - Closing of Jordanian Embassy in Cairo. - King Saud's Visit to Amman.

The Egyptian military attaché in Amman (Major Fuad Hilal) and the Egyptian Consul-General in Jerusalem (Mohamed Abdul Aziz) were declared *personae non gratae* by the Jordanian Government on June 10 and ordered to leave the country on the same day. The official announcement said that Major Hilal had tried to persuade a Jordanian citizen to assassinate certain officials, had promised him arms for this purpose, and had also been involved in "other cases threatening the security of the kingdom." The Consul-General was accused of unspecified subversive activities. It was announced on June 13 that 19 Jordanians had been arrested in the Hebron area on charges of being implicated in Major Hilal's alleged plot.

The allegations were denied by the Egyptian Government, which demanded the recall of the Jordanian Ambassador in Cairo and withdrew its representative from the Arab Joint Command in Amman—i.e. the tripartite Egyptian-Syrian-Jordanian command set up in October last shortly before the Israeli attack in the Sinai peninsula. The Jordanian Ambassador in Cairo—Abdel Moneim Rifai, a brother of the Jordanian Foreign Minister, Samir Rifai—was recalled to Amman on the same day (June 10), and the Jordanian Embassy in Cairo was closed and all its officials withdrawn on June 16 in retaliation for the Ambassador's expulsion from Egypt.

The Egyptian statement alleged that a Jordanian national had contacted Major Hilal and had expressed his willingness to carry out a *coup d'état* in Jordan. Major Hilal, suspecting that the person concerned had been sent to implicate him (the attaché) in a conspiracy, had put the man under arrest and had reported the matter to the Jordanian Foreign Ministry. It was alleged that the person concerned had signed "confessions" to the effect that he had been instructed by the Jordanian Government to try and involve Major Hilal in a "plot" which could be used as an excuse for his expulsion. The Egyptian allegations were denied *in toto* by the Jordanian authorities, who announced that evidence of the behaviour of Egyptian military representatives in Jordan would be published at a later date.

King Saud of Saudi Arabia paid a week's State visit to Jordan from June 8-14 during which he had talks in Amman with King Hussein and Jordanian leaders. A joint communiqué was issued by the two sovereigns on June 13 expressing their determination (1) to "uphold the complete independence of all Arab countries" and to "defend the spiritual values of Islam"; (2) to oppose all foreign pacts "whatever their nature or source"; (3) to adhere to a policy of "positive neutrality"; (4) to "defend Arab sovereignty over the Gulf of Akaba," which was described as "Arab territorial waters"; (5) to reject "any interpretation tending to make the Gulf an international waterway"; (6) to promote economic co-operation between Jordan and Saudi Arabia, in which connexion the communiqué referred to Saudi Arabian investments for developing the Jordanian economy.

A Lebanese delegation visited Amman during King Saud's visit and had discussions with both sovereigns; no statement was issued, but it was understood that the delegation - which included two Opposition leaders, both former Lebanese Prime Ministers (M. Saeb Salam and M. Abdulla Yafi) - had offered to mediate in the dispute between Jordan and Egypt. The delegation was accompanied by the Saudi Arabian Ambassador in Beirut.

The communiqué's reference to Jordanian and Saudi Arabian support for a policy of "positive neutrality" was regarded in certain Western newspapers as a "feeler" for improved Jordanian relations with Egypt and Syria, since the two latter countries had frequently laid stress on the concept of "positive neutrality" as the basis of their external policy. Moreover, it was commented abroad that the communiqué made no reference to the dangers of Communism, and that it had denounced all foreign pacts "whatever their nature or source"—a phrase interpreted as expressing King Saud's inherent dislike of the Baghdad Pact.

The communiqué was nevertheless attacked on June 15 by the Foreign Minister of Syria, who described King Saud's visits to Baghdad (see 15581 A) and Amman as examples of his "active co-operation with American foreign policy, inspired by his desire to obtain American money and to assist the cause of imperialism." The Syrian Foreign Minister also attacked the Foreign Minister of Jordan (M. Samir Rifai) as an "enemy to the cause of Arab liberation," accused him of replacing nationalist officials in Jordan with "agents of General Glubb," and declared that Syria would not pay Jordan the first annual contribution of £E.2,500,000 under the subsidy agreement of January 1957 (see 15840 A). A senior official of the Egyptian Finance Ministry had previously announced that Egypt would not pay her first annual subsidy of £E.5,000,000 under that agreement until Jordan had returned to a policy of "positive neutrality."

At a press conference in Amman on June 18, M. Samir Rifai denounced the Syrian and Egyptian press and radio attacks on King Hussein and King Saud following the latter's visit to Jordan, and declared that the restoration of good relations with Egypt and Syria would only be possible if those countries ceased to interfere in Jordan's internal affairs and abandoned "pressure and force." He confirmed that neither Syria nor Egypt had paid their first annual subsidies to Jordan under the agreement of January last, and said that the payment of those contributions was "still vague." On the other hand, Saudi Arabia had paid her first annual contribution of £E.5,000,000.

The Jordanian Parliament was suspended on June 18 for three months, following a Cabinet meeting presided over by King Hussein. No reason was given for the decision. - (Times - Daily Telegraph - Le Monde, Paris) **(Prev. rep. 15561 A; Arab Subsidies to Jordan, 15340 A.)**

B. NEW ZEALAND. — Five-Year Defence Plan.

A new five-year defence plan was announced in Wellington on June 12 in the form of a White Paper. It proposed (*a*) drastic cuts in New Zealand's National Service scheme; (*b*) the despatch of an infantry battalion and a squadron of *Canberra* jet bombers to Malaya as part of the Commonwealth's Strategic Reserve; (*c*) the formation of a highly mobile brigade group, ready for immediate overseas service in the event of a major war. The total cost for the five-year period was given as £155,720,000 sterling—an increase on existing expenditure of £4,000,000.

Defence Policy. The White Paper stated that as a result of a study of the far-reaching changes in British and Australian defence policies, New Zealand's defence would be brought into close conformity with the new "Commonwealth line"—a shift in emphasis from manpower to modern mobile forces. At the same time emphasis would be placed on those forces to be immediately available in the event of a major war. It was pointed out, however, that New Zealand could not afford the excessive cost of nuclear weapons even if they should be available; nevertheless, forces equipped with conventional weapons were still required, not only in global war but in limited conflicts.

Reorganization of Forces and Overseas Commitments. After pointing out that New Zealand could not be defended by local measures to protect the home area, and must continue to rely for her security on the power of her allies while making in return a fair contribution to the collective defence effort, the White Paper declared that South-East Asia would be the sphere of New Zealand's operations. The threat in South-East Asia, which was "primarily a land threat," meant that New Zealand's most effective contribution to collective defence would be an infantry battalion as part of the Commonwealth Strategic Reserve in Malaya.

Accordingly, at the request of the British Government, an infantry battalion would be sent to Malaya immediately as part of the Commonwealth brigade stationed in that country, replacing a British battalion. Steps would also be taken to organize in New Zealand a fully-equipped brigade group capable of immediate mobilization for overseas service. The commitment to provide an infantry division for overseas service in the event of war would be retained, but this division (of which the brigade group would form part) would be streamlined for quick mobilization.

In the Royal New Zealand Air Force two interdictor squadrons of *Canberras* would replace the present fighter-ground attack squadrons of *Vampires* and *Venoms*. One of these new squadrons would be stationed in Malaya, where it would replace the N.Z. Special Air Service Squadron to be withdrawn in November, and the other in New Zealand. The existing composition of the Royal New Zealand Navy would be maintained.

National Service. The compulsory military training scheme would be modified by raising the age-limit of National Service trainees from 18 to 20; by lowering the annual Army intake to 5,000; by reducing the reserve liability from six years to three; and by withdrawing the Navy and Air Force from participation in the scheme, so that these two Services would become virtually Regular forces. The Territorial Air Force would be disbanded. It was stated that under the existing scheme, started in 1950, more than 70,000 youths had done 10½ weeks' camp on call-up, and an additional 17 days' training a year for the following three years.

The total expenditure over the five-year period was divided as follows: Navy, £36,750,000; Army, £56,520,000; Air Force, £62,450,000.

Expenditure estimates for the Armed Forces during the fiscal year 1956-57 were £26,700,000, or £2,000,000 more than in 1955-56. The total was divided as follows: Navy, £6,500,000; Army, £8,100,000; Air Force, £9,750,000; defence construction, £2,350,000.—(Directorate of Information, Wellington - Times) **(Prev. rep. Australian Defence Policy, 15504 A; British Defence Policy, 15493 A; New Zealand Defence Policy, 14211 A.)**

JUNE 22—29, 1957

A. CANADA. — General Election. - Defeat of Liberal Government. - Resignation of Mr. St. Laurent. - Conservative Ministry formed by Mr. Diefenbaker.

General elections held in Canada on June 10 resulted in the defeat of the Liberal Party, which had been in power for 22 years. The Progressive Conservative Party led by Mr. John G. Diefenbaker was returned as the largest party in the new Federal House of Commons (the 23rd of the Confederation), but without an overall majority. Mr. Louis St. Laurent, the outgoing Prime Minister, resigned on June 17 and a Progressive Conservative Ministry was formed by Mr. Diefenbaker on June 21.

The General Elections.

The former Parliament was dissolved by the Governor-General (Mr. Vincent Massey) on April 12, the state of the parties at the dissolution being as follows: Liberals 168, Progressive Conservatives 50, Co-operative Commonwealth Federation (C.C.F.) 22, Social Credit 15, Independents three, with seven vacancies.

Only one of the 265 seats was filled by an unopposed return—Burin-Burgeo (Newfoundland), where the sitting Liberal member was re-elected by acclamation. The Liberals contested all the 264 seats at stake; the Progressive Conservatives contested 257 seats; the C.C.F. presented 162 candidates; and the Social Credit Party entered 116 candidates, against 71 at the last (1953) elections. An additional 69 candidates ran as Independents or under a variety of party titles, but only 10 Labour-Progressive (Communist) candidates were put forward, compared with 100 in 1953.

Results of the general election were as follows, showing comparison with the 1953 elections:

	1957 Seats	1957 Votes (provisional)	1953 Seats	1953 Votes
Progressive Conservatives	110	2,378,632	51	1,749,009
Liberals	104	2,509,998	170	2,744,820
C.C.F. (Labour) ..	25	676,868	23	636,292
Social Credit	19	408,734	15	305,551
Others	6	191,845	6	204,584

Notes. (1) The voting figures for 1957 are the latest available, covering returns from 40,404 of the 43,074 polling stations.

(2) The election in one constituency (Wellington South, Ontario) was postponed to July 15 owing to the death of the Liberal candidate before polling day.

(3) "Others" comprise two Independents, two Independent Liberals, one Liberal-Labour and one Independent-Progressive Conservative.

The Progressive Conservatives more than doubled their representation, gaining 59 seats (56 from the Liberals and three from the C.C.F.) and polling 630,000 more votes than in 1953. Their biggest gains were in Ontario, where they won all but one of the seats in Toronto and 60 of the 85 seats in the province as a whole. In the maritime provinces the Progressive Conservatives won ten seats in Nova Scotia (against only one previously), five in New Brunswick, all four seats in Prince Edward Island, and two in Newfoundland, a strongly Liberal province. Elsewhere, they won eight seats in the traditionally Liberal province of Quebec (a gain of four) and polled well in Manitoba and British Columbia, the latter province showing a marked swing to the Conservatives despite the fact that it has a Social Credit provincial government. All leading members of the party were elected, Mr. Diefenbaker being returned for his home constituency of Prince Albert (Saskatchewan) with a 6,000 majority in a three-cornered contest.

The Liberals, who had been in power since 1935, returned 66 fewer members than in 1953 and dropped about 235,000 votes, though the aggregate Liberal vote still exceeded the Conservative vote, as shown in the table above. Of the 104 Liberal members in the new House of Commons, 62 were returned in Quebec, out of the 75 seats in that province. The only other province where the Liberals won a majority was Newfoundland (five seats out of seven), while in New Brunswick they won five of the ten seats and the Progressive Conservatives the other five. In all other provinces the Liberals lost heavily, particularly in Ontario and Nova Scotia. While gaining three seats from Independents and two from the Progressive Conservatives, they lost 56 seats to the latter party, five to the C.C.F., three to the Social Credit Party, two to Independent Liberals, and one to an Independent Progressive. Mr. St. Laurent, the party leader and outgoing Prime Minister, was re-elected in Quebec East with a 17,000 majority in a three-cornered contest, while Mr. Lester Pearson, the outgoing Minister of External Affairs, was returned for Algoma East (Ontario) with a 2,700 majority, also in a three-cornered contest. Nine former Liberal Ministers, however, lost their seats—Mr. C. D. Howe (Trade, Commerce and Defence Production), Mr. Walter Harris (Finance), Dr. J. J. McCann (National Revenue), Mr. Stuart Garson (Justice), Mr. Milton Gregg, V.C. (Labour), Mr. Robert Winters (Public Works), Mr. Hugues Lapointe (Veterans' Affairs), Mr. Ralph Campney (National Defence) and Mr. Paul Hellyer (Associate Minister of National Defence).

Mr. Howe lost his seat at Port Arthur (Ontario) to a C.C.F. candidate, while Mr. Harris, Dr. McCann, Mr. Garson (the former Premier of Manitoba), Mr. Milton Gregg, Mr. Winters, Mr. Lapointe, Mr. Campney and Mr. Hellyer were all defeated by Progressive Conservative candidates.

Mr. Campney, the former Minister of National Defence, was defeated at Vancouver-Centre (a constituency which includes Vancouver's "Chinatown") by Mr. Douglas Jung, the first Chinese-Canadian member of the Dominion House of Commons. Mr. Jung, a lawyer with a distinguished war record, was born at Victoria (B.C.) of Chinese immigrant parents from Canton. Mr. Hellyer, who lost his seat at Toronto-Davenport, had been appointed Associate Minister of Defence only a month before the general election. The Lotbinière constituency (Quebec), in which Mr. Lapointe was defeated, had never elected a Conservative since Confederation in 1867. Mr. Howe (71), who had been a member of the Cabinet for 22 years, announced after the general election that he intended to retire from political life.

The C.C.F. slightly improved its position, returning two more members than in 1953 and increasing its poll by 40,000. As shown in the tables below, nearly all its seats were won in the prairie provinces and British Columbia. The C.C.F. gained five seats from the Liberals and lost three to the Progressive Conservatives. Mr. Coldwell, the party leader, was re-elected for Rosetown-Biggar (Saskatchewan) with a majority of nearly 5,000 in a four-cornered contest.

The Social Credit Party gained appreciably in votes (103,000 more than in 1953) and seats (four more than at the last elections), 13 of its 19 members being returned in Alberta and the other six in British Columbia. Mr. Solon Low, the party leader, was re-elected for Peace River (Alberta) with a 4,000 majority in a five-cornered contest. Three Social Credit gains were at the expense of the Liberals.

Party representation in the new House of Commons by provinces is as follows, the number of seats in each province being shown in parentheses (abbreviations—L. Liberals; P.C., Progressive Conservatives; C.C.F., Co-operative Commonwealth Federation; S.C., Social Credit; Ind., Independents and others):

	P.C.	L	C.C.F.	S.C.	Ind.
Newfoundland (7)	2	5	—	—	—
Prince Edward Island (4) .	4	—	—	—	—
Nova Scotia (12)	10	2	—	—	—
New Brunswick (10)	5	5	—	—	—
Quebec (75)	8	62	—	—	5
*Ontario (85)	60	20	3	—	1
Manitoba (14)	8	1	5	—	—
Saskatchewan (17)	3	4	10	—	—
Alberta (17)	3	1	—	13	—
British Columbia (22) ..	7	2	7	6	—
Yukon (1)	—	1	—	—	—
North-West Territories (Mackenzie River) (1) ..	—	1	—	—	—

*One deferred election in Ontario as explained above.

Over 6,166,000 voters went to the polls (about 71 per cent of the electorate), compared with 5,640,256 in 1953 (67.1 per cent) and 5,848,256 in 1949. The Progressive Conservatives polled 39 per cent of the total vote, against 31 per cent in 1953 and 30 per cent in 1949; the Liberals obtained 41 per cent, against 49 per cent in 1953 and 50 per cent in 1949; the C.C.F. received 11 per cent, the same as in 1953 but comparing with 13 per cent in 1949; and the Social Credit Party obtained six per cent, against five per cent in 1953 and two per cent in 1949.

Party votes by provinces (returns from 40,404 out of 43,074 polling stations and thus subject to final adjustment) were as follows for the four major parties:

	P.C.	L.	C.C.F.	S.C.
Newfoundland . ..	33,286	53,806	321	—
Prince Edward Island ..	33,404	29,370	646	—
Nova Scotia	189,432	166,837	15,948	457
New Brunswick	102,355	99,574	1,665	2,407
Quebec	492,888	962,110	30,498	3,851
Ontario	1,028,447	778,791	266,250	31,223
Manitoba	118,191	83,465	80,237	43,016
Saskatchewan	81,862	108,613	127,809	38,256
Alberta	114,313	111,626	26,072	153,960
British Columbia ..	182,938	113,176	127,422	135,564
Yukon and North-West Territories	1,516	2,630	—	—

No Social Credit candidates stood in Newfoundland and Prince Edward Island, and only Liberal and Conservative candidates in Yukon and the North-West Territories.

Resignation of Mr. St. Laurent. - Progressive Conservative Cabinet formed by Mr. Diefenbaker.

As the Progressive Conservatives did not command an overall majority in the new House of Commons, and were thus dependent on the support of other parties, there was much comment in the Canadian Press as to the possibility of another general election in the fairly near future to resolve the *impasse* arising out of the June elections. Mr. Coldwell announced on June 11 that the C.C.F. would not participate in any coalition but would vote on each legislative measure on its merits. The Social Credit leader, Mr. Solon Low, stated on the same day that his party would co-operate with whatever government was formed "until it becomes desirable to have an election to break the stalemate."

After discussions between Mr. Diefenbaker and Mr. St. Laurent, the latter submitted his resignation to the Governor-General on June 17. In a post-resignation statement Mr. St. Laurent said that as the Progressive Conservatives had the largest number of members in the new Parliament he had "reached the conclusion that the proper course was to submit the resignation of the Liberal administration to the Governor-General."

Mr. Diefenbaker agreed on June 18 to form a government, the new Ministry—recruited entirely from the Progressive Conservative Party—being sworn in by the Governor-General on June 21. Its membership was as follows:

Mr. John G. Diefenbaker ..	Prime Minister and External Affairs.
Major-General G. R. Pearkes, V.C.	National Defence.
Mr. Gordon Churchill ..	Trade and Commerce.
Mr. George Nowlan	National Revenue.
Mr. Donald Fleming	Finance.
Mr. Davie Fulton	Justice.
Mr. Michael Starr	Labour.
Mr. Howard Green	Public Works.
Mr. George Hees	Transport.
Mr. Angus Maclean	Fisheries.
Mr. Douglas Harkness ..	Northern Affairs.
Mrs. Ellen Fairclough ..	Secretary of State.
Mr. Leon Balcer	Solicitor-General.
Mr. A. J. Brooks	Veterans' Affairs.
Mr. William Hamilton ..	Postmaster-General.
Mr. James Macdonnell ..	Ministers without portfolio.
Mr. Willam J. Browne ..	

Mr. John George Diefenbaker (61) was born in Ontario in 1895, the son of a school-teacher who settled in the West in 1903. He became a prominent lawyer in Saskatchewan, led the Progressive Conservatives in that province for many years, and was returned to the Federal Parliament in 1940 as M.P. for Lake Centre, later representing his present constituency of Prince Albert. He was elected leader of the Progressive Conservative Party in December last in succession to Mr. George Drew (see 15307 F). During the First World War Mr. Diefenbaker served as an infantry officer, being invalided home in 1917. A Baptist, he is of Dutch and Scottish descent, his family having been settled in Canada for more than a century. He has always advocated the maintenance of close links between Canada and the Commonwealth.

Major-General Pearkes (69) was born at Watford (England), educated at Berkhamsted School, and went to Canada in 1906. He served in the North-West Mounted Police (now the Royal Canadian Mounted Police) before 1914, won the V.C. in the First World War, and was a Regular Army officer between the two wars, becoming G.O.C. First Canadian Division in 1941 and G.O.C.-in-C. Canadian Pacific Command from 1942-45. He was elected to the Federal Parliament in 1945 for Esquimalt-Saanich (British Columbia) and became the Opposition's principal spokesman on defence matters.

Mr. Fleming (52), a barrister, was runner-up for the Conservative leadership when Mr. Diefenbaker was elected party leader in December; M.P. for Toronto-Eglinton, he was a vigorous critic of the Liberal Government's taxation and financial policies and also strongly opposed the Government's policy in the Suez crisis. **Mr. Nowlan,** a barrister, is a former president of the National Conservative Association and M.P. for a Nova Scotia constituency. **Mr. Hees** (47), a prominent member of the Progressive Conservative Party, studied at the Universities of Toronto and Cambridge, served overseas in the last war, and is M.P. for Toronto-Broadview.

Mrs. Ellen Fairclough (52), a public accountant, is the first woman in Canadian history to reach Cabinet rank; she is M.P. for Hamilton West and has specialized in labour and social questions. **Mr. Harkness** (54), a farmer, is a graduate of the University of Alberta and was formerly a school-teacher; M.P. for Calgary, he was an artillery officer in the last war and won the George Medal. **Mr. Brooks** (67), formerly Conservative organizer in New Brunswick and an inspector of schools, served in both World Wars and has been a member of the Federal Parliament since 1935.

Mr. Churchill (59), a barrister and former school principal, won the D.S.O. in World War II as Commander of the First Canadian Armoured Carrier Regiment in North-West Europe; he represents a Winnipeg constituency. **Mr. Starr** (46), who is of Ukrainian descent, was Works Commissioner for Oshawa (a motor industry centre) during the depression years and mayor of that town from 1949-52; he has been an M.P. since 1952. **Mr. Fulton** (41), M.P. for Kamloops (B.C.) since 1945, is a Rhodes Scholar and served overseas in the last war; he was a leading Opposition speaker in the pipeline controversy (see 15067 A).

Mr. Balcer, president of the National Conservative Association, served in the Royal Canadian Navy throughout the war and has been M.P. for Three Rivers (Quebec) since 1949. **Mr. Maclean** (42), a farmer from Prince Edward Island, served with the Royal Canadian Air Force from 1939-47, won the D.F.C., and became an M.P. in 1952. **Mr. Hamilton** (38), the youngest member of the Cabinet, represents the Montreal constituency of Notre-Dame-de-Grâce and is an advertising executive by profession. Though crippled by poliomyelitis, he is one of the leading Conservative organizers in Quebec and has been an M.P. since 1953.

Mr. Green (62), a barrister, was an infantry officer in the First World War and has represented a Vancouver constituency since 1935; he was a leading critic of the Liberal Government's policy in the Suez crisis. **Mr. Macdonnell** (72), a barrister, studied at Oxford and distinguished himself in the Canadian artillery during the First World War; he has represented Toronto-Greenwood since 1945. **Mr. Browne** (60), a Rhodes Scholar, has been prominent for many years in Newfoundland political life.

Ontario has five representatives in Mr. Diefenbaker's administration, British Columbia three, Quebec two, and the other provinces one each. The average age of the new Cabinet (54) is well below that of the outgoing Liberal Ministry. (Montreal Star - Canadian Department of External Affairs - Times) **(Prev. rep. General Elections (1953), 13105 A; Mr. Diefenbaker, 15307 F.)**

A. UNITED KINGDOM. — £2,000,000 Expansion Plan for University of Durham.

Details of a £2,000,000 expansion plan for the University of Durham were given on June 17 by Sir James Duff, the Vice-Chancellor of the University, at a press conference in London at which he launched an appeal for £250,000.

Sir James Duff explained that the appeal was being launched for the Durham division of the University and not for King's College, Newcastle, which was separately financed. The expansion plan would provide for a new college for 200 men students, a new laboratory block to house the departments of chemistry and geology, a new and greatly enlarged department of applied physics (including an expansion of the present work in electronics), new lecture halls, and increased residential accommodation for men and women students. It was hoped within a few years to increase the number of science students from 400 to 1,000 and to bring the total number of students at Durham from 1,300 to 2,000.

It was stressed by Sir James Duff that funds were not being sought for the upkeep of the University's ancient buildings, which were fully provided for. He pointed out in this connexion that some of the buildings of the University of Durham were older than those at Oxford and Cambridge and that Durham, like the two older universities, was both residential and collegiate.

The University of Durham, the third oldest in England after Oxford and Cambridge, was originally established by Oliver Cromwell but was closed at the Restoration. It was founded by Act of Parliament in 1832, when Durham Castle (built in 1080) was turned over to the university authorities by the Bishop of Durham. The Castle now houses part of the University of Durham, of which the constituent colleges are University, Hatfield, St. Chad's, St. John's, St. Mary's, and Bede. The Newcastle division consists of King's College, which is devoted primarily to science.—(Times - Manchester Guardian)

B. NORWAY - SOVIET UNION. — Sharing of Hydro-electric Resources on Norwegian-Soviet Frontier.

A commission of Norwegian and Soviet experts met in Moscow from May 22 to June 6 to discuss the sharing of hydro-electric power resources on the Norwegian-Soviet frontier, a matter which had previously been discussed with Hr. Gerhardsen (the Norwegian Prime Minister) during his visit to Moscow in November 1955.

The commission agreed that hydro-electric power stations would be built by the Soviet Union in the lower and upper sectors of the Pasvik (Patsjoki) River, which forms the frontier between the two countries, and by Norway in the central sector. Agreement was also reached on such questions as creating favourable conditions for both countries in constructing and operating the stations, and on mutual compensation for damage to either party caused by constructional work or by the flooding of the Pasvik River.

The draft agreement will be submitted to both Governments for ratification.—(Norwegian and Soviet Embassies, London) **(Prev. rep. 14586 C.)**

A. SIAM. — Legalization of Political Parties. - General Elections. - New Cabinet formed by Field-Marshal Pibul Songgram.

Following general elections held on Feb. 26, 1957, the Siamese Prime Minister (Field-Marshal Pibul Songgram) formed a new Cabinet on March 29. The elections were the first to be held since the legalization in September 1955 of political parties, which had been banned since Marshal Pibul seized power in 1947. Details of these and other recent political developments in Siam are given below.

Legalization of Political Parties.

The House of Assembly passed a Bill on Sept. 20, 1955, authorizing the establishment of political parties provided they registered with the Ministry of the Interior and gave details of their leadership and policy principles. Registration was limited to parties whose principles were not in conflict with the Constitution, and which were supported by either 12 members of the Assembly or 1,000 private individuals. An official spokesman explained that a Socialist party "on the British model" would be permitted, but not a Communist party.

Marshal Pibul was reported to have decided to permit a greater measure of political freedom as a result of his experiences during a world tour in May and June 1955, in the course of which he had visited Washington and London. As part of the same policy, he dissolved the Legislative Study Commission (the committee of pro-Government deputies which had largely usurped the functions of the Assembly), granted increased freedom to the Press, and authorized the use of a large open space in Bangkok as an "Orators' Corner," modelled on that in Hyde Park, London.

Three main political parties were formed under the new law: (1) The *Seri Manangasila* party, consisting of Government supporters and deriving its name from the villa in which the Legislative Study Commission had met; Marshal Pibul was elected its leader, General Sarit Thanarat and Air-Marshal Fuen Ronabhakas Riddhagni (the respective commanders of the Army and Air Force) its deputy leaders, and General Phao Sriyanond (director-general of police) as secretary-general. (2) The Democratic (*Prachatipat*) party, led by two former Premiers (Nai Khuang Aphaiwongse and Mom Rajawongse Seni Pramoj), right-wing liberal in outlook and pro-Western in foreign policy. (3) The Economists' (*Sethakorn*) party, a left-wing and "neutralist" organization led by a member of the Assembly, Nai Thep Jotinuchit, and including former supporters of Nai Pridi Panomyong, a former Prime Minister and wartime Free Thai leader, who is living in exile in China. In addition, some 20 other parties were formed before the general elections.

The introduction of freedom of speech and the Press was followed by a violent propaganda campaign against certain members of the Government and the police. Great prominence was given to a scandal caused by the payment of £500,000 to the police as a reward for the seizure of 20 tons of smuggled opium, for which General Phao was alleged to be responsible, and which gave rise to allegations of connivance between the police and opium smugglers. The police were also accused of being responsible for the illegal detention, disappearance, or violent deaths of opponents of the régime. Moreover, a section of the Press criticized the acceptance of U.S. aid on the grounds that it had been granted mainly for military purposes and was making Siam economically dependent on the United States, and demanded the development of trade with China.

General Elections.

In the general elections held on Feb. 26, 1957, the *Manangasila* party secured 85 of the 160 elected seats and other pro-Government parties eight. The Democratic Party won 28 seats, left-wing groups 19, and smaller parties and Independents 20. In Bangkok, where over 50 candidates contested the nine seats, Marshal Pibul headed the list of successful candidates and the Democratic leader (Nai Khuang) came second, six of the remaining seats being won by Government supporters and one by a Democrat.

Allegations were made immediately after the elections that they had been "rigged," the Democratic Party announcing that it would appeal to the courts to declare them null and void. Specifically, Nai Khuang alleged that in Bangkok (where the Democrats had been expected to win a majority of the seats) some electors had discovered that votes had already been cast in their names, and that in at least one polling-booth only the numbers of Government candidates were available. [Electors voted by affixing the number allotted to a particular candidate to their ballot papers and then inserting them in the ballot-box.] The Government announced on Feb. 7 that an inquiry would be held into these charges.

The Government declared a state of emergency on March 2, alleging that an "organized group conspiring with foreign nationals" had planned to overthrow the Government; at the same time it banned all gatherings of more than five persons, and appointed Field-Marshal Sarit as supreme commander of the armed forces and the police. Although Bangkok was patrolled by troops equipped with tanks and machine-guns, several thousand students demonstrated during the day in defiance of the emergency regulations, demanding the holding of new elections and the revocation of the state of emergency. Marshal Pibul, who addressed the students personally, said that the question of new elections must be settled by the courts; the demonstrators declared themselves dissatisfied with this reply, but dispersed peacefully after being addressed by Marshal Sarit, who expressed the opinion that the elections had been "completely dirty." The state of emergency was ended on March 13, the day before the meeting of the new Assembly.

A new Cabinet was formed by Marshal Pibul on March 29, the Foreign Affairs portfolio being retained by Prince Wan Waithayakon, permanent Siamese representative at the United Nations and President of the U.N. General Assembly. Its membership was as follows:

Field-Marshal Pibul Songgram—Prime Minister; Field-Marshal Sarit Thanarat—Defence; Colonel Vorakarn Bancha—Finance; Prince Wan Waithayakon—Foreign Affairs; Field-Marshal Phin Chunhawan—Agriculture; General Banyat Thephasdin Na Ayuthia—Communications; General Phao Sriyanond—Interior; Phya Ladpli Thamprakan—Justice; Admiral Luang Yuttasart Kosol—Culture, Phra Vejyant Rangsarit—Education; Phra Boriphand Yudhakit—Economic Affairs; General Siri Siryothin—Co-operatives; Air-Marshal Fuen Ronabhakas Riddhagni—Public Health; General Pramarn Andirekasarn—Industry. There were also 14 Deputy Ministers.

The Cabinet changes were regarded as strengthening the position of Marshal Sarit, whose influence and popularity had greatly increased as a result of his tactful handling of the student demonstrations. Marshal Pibul relinquished the Ministries of Defence and the Interior, which he had previously held, and General Phao tendered his resignation as chief of police on becoming Minister of the Interior. Colonel Vorakarn (the new Finance Minister) and General Prapart Charusathien (appointed Deputy Minister of the Interior) were both regarded as personal supporters of Marshal Sarit.—(Times - Daily Telegraph - Manchester Guardian - New York Times)

(Prev. rep. Siam, 14345 D.)

B. UNITED NATIONS. — Postponement of U.N. Conference for Review of Charter.

A General Assembly committee, consisting of representatives of all 81 member-countries of the United Nations, met at U.N. headquarters in New York on June 3 to consider the question of fixing the time for a general conference to review the U.N. Charter. In the face of strong opposition to any review from the U.S.S.R. and the Soviet-bloc countries, the majority of the delegates felt that, while a review was desirable, the present time was not appropriate for it.

Sir Pierson Dixon (U.K.) recalled that Britain was one of the seven countries which were responsible in 1955 for the motion setting up the committee, in the belief that it was desirable to review the Charter in the light of experience gained during the first 10 years of the United Nations. It had been recognized, however, that such a review should be conducted "under auspicious circumstances," and at the present moment it was not possible to say that the requisite conditions existed. If there was no hope of unanimity, including agreement between the "Big Five," any attempt to bring about a Charter review might prove "fruitless and even frustrating."

The British view was supported, *inter alios*, by M. Georges-Picot (France), Mr. Wadsworth (U.S.A.), and Mr. Mackay (Canada), and also by a number of speakers from "uncommitted countries," including Mr. Krishna Menon (India), M. Ninchich (Yugoslavia), and the Indonesian representative

M. Arkadiev had emphasized the Soviet Union's opposition to any review of the Charter "as it stands now," asserting that shortcomings in the U.N. were not caused by "alleged defects in the Charter but by the policy followed by certain States in contravention of the Charter." He added that any revision of its basic principles would only "undermine" the Charter as well as international co-operation.

By 67 votes to nil, with nine abstentions, the committee adopted a resolution sponsored jointly by Brazil, Canada, Egypt, El Salvador, India, Indonesia, the Irish Republic, Liberia, Panama, and Persia. The resolution recommended to the 12th session of the Assembly (i) that it should decide to keep the committee in being, and (ii) that it should request the committee to report not later than the 14th Assembly session (1959) on the time and place for a general conference to review the Charter.

The abstaining countries were the Soviet Union, Albania, Bulgaria, Byelorussia, Czechoslovakia, Hungary, Poland, Rumania, and the Ukraine. Five members were absent from the vote.—(United Nations Information Centre, London)

(Prev. rep. 14667, page 14669.)

A. FINLAND. — Bulganin-Khrushchev Visit.

Marshal Bulganin and M. Khrushchev visited Finland from June 6-13 at the invitation of President Kekkonen and the Finnish Government. They were accompanied by M. Gromyko (the Soviet Minister of Foreign Affairs), M. Mikhailov (Minister of Culture), M. Kumykin (Deputy Minister of Foreign Trade), and other senior officials, including General Serov, head of the Soviet security police.

During their visit to Helsinki the Soviet leaders had a number of discussions with M. Sukselainen (the Finnish Prime Minister), M. Virolainen (Foreign Minister), M. Memander (Finance Minister), and M. Kaitila (Minister of Commerce), and also with President Kekkonen and M. Fagerholm, the former Prime Minister and now president of the Finnish Diet. In addition they attended a State banquet; were officially received at the Finnish Parliament; and attended the celebrations of the 50th anniversary of the Finnish trade union movement. They also visited the new town of Tapiola (now being built near the capital), Tampere, and the industrial centres of Kaipola and Jamsankoski.

A joint communiqué was issued on June 12 on the discussions between the Soviet and Finnish leaders, its principal sections being as follows (cross-headings inserted):

Soviet-Finnish Relations. "In the course of the discussions, which were held in an atmosphere of friendship, the statesmen of both countries noted, to their general satisfaction, that in spite of differences in their social systems, the relations between the two countries have developed most favourably in recent years, and that frank and good-neighbourly relations, founded on mutual respect, confidence and understanding, have now been established between the Soviet Union and Finland. The Soviet and Finnish Governments are sincerely resolved to maintain good and friendly relations based on mutual confidence. All the necessary preconditions for this exist, provided both sides observe the principles of respect for the sovereign and national independence of the two States and non-interference in each other's domestic affairs, in conformity with the [Finno-Soviet] Treaty of Friendship, Co-operation and Mutual Assistance signed in 1948 and extended for 20 years in 1955."

Finnish Neutrality Policy. "It was noted that this treaty is a major factor for the security of Finland and for peace in Northern Europe, which also corresponds to the interests of the security of the Soviet Union. At the same time the treaty is the first international document stating that the aim of Finland's foreign policy is to keep aloof from contradictions between the interests of the great Powers. The Finnish side stated that Finland, as a neutral country, would continue to avoid anything that makes for tension in international affairs and would work for everything that promotes agreement between peoples, brings them closer together, and eliminates tension. She is striving to do this primarily in that part of Europe in which she is situated . . . Finland, which does not belong to any of the present great-Power groupings, hopes that agreement will be reached between these groupings, in particular as regards a firm and lasting peace in Europe. This would be of decisive importance for the re-establishment of international confidence throughout the world."

International Security and Disarmament. "The discussions showed that the Soviet Union and Finland are unanimous in believing that they are unswervingly seeking to maintain international peace and security in conformity with the U.N. Charter and the aims and principles set forth therein. Both Governments are of the opinion that implementation of the principle of the Organization's universality is a natural prerequisite for its successful work. Bearing in mind the importance of consolidating world peace, both Governments attach great importance to achieving practical results in the sphere of disarmament. They declare their belief in the need for international agreements for the unconditional prohibition of atomic and hydrogen weapons under appropriate international control, and for the early and unconditional ending of tests of these weapons.

Soviet-Finnish Trade. "The two sides noted with satisfaction that trade relations between them are developing successfully on the basis of the five-year trade agreement for 1956-1960, concluded in 1954. As a result of the talks, a protocol was signed on additional supplies by the U.S.S.R. and Finland in 1957. Under this protocol the Soviet Union will deliver to Finland diesel oil, petrol, paraffin, coal, steel billets, rolled wire, sheet steel and non-ferrous metals, and also quantities of sugar and wheat. Finland will deliver to the Soviet Union power and other cables, cellulose, wood-pulp, various types of cardboard and paper, and woodworking machinery. The cost of these additional deliveries will amount to approximately 100,000,000 roubles. Agreement was also reached on certain practical measures concerning trade between Finland and the Leningrad area."

Soviet-Finnish Cultural Relations. "Views were also exchanged on the cultural ties between the two countries. It was noted that these ties have been extended considerably in recent years, particularly in the fields of science, technology, education, and the arts. Personal contacts between individuals and between public and cultural organizations have developed steadily. Considering these developments to be beneficial to both countries, the two sides agreed that the development of cultural links between them should be expanded in the future . . ."

Finally, the communiqué announced that Marshal Bulganin and M. Khrushchev had invited President Kekkonen to visit the Soviet Union, and that the invitation had been accepted.

At a press conference in Helsinki on June 13 Marshal Bulganin held out Soviet-Finnish relations as an example for the relations between the Soviet Union and the other Scandinavian countries.

"We are firmly convinced after this visit," he said, "that the people of Finland do not want war and are sincerely striving for peace. Finland pursues a peaceful foreign policy. We note with satisfaction that the Finnish Government . . . will continue to work for everything that helps to bring peoples closer together and to eliminate differences in international relations. We are convinced that if the other Northern countries followed a similar foreign policy, it would be a big contribution to the maintenance of peace in Europe, and not only in Europe.

"Good-neighbourly relations among the countries of Northern Europe are of great importance for international peace. The Soviet Government has always regarded the task of ensuring a lasting peace in that part of Europe, through the strengthening of its friendly relations with all Northern countries, as one of its foremost aims. We make no secret of the fact that we attach great importance to reaching agreement with the Scandinavian countries. The Soviet Government believes that it would be useful to proceed with the joint quest for mutually acceptable forms of peaceful co-operation between the U.S.S.R. and these countries in the interests of ensuring security in Northern Europe. The U.S.S.R. is striving to develop practical co-operation with the Northern countries in such questions as, for instance, fishing and scientific research in the Baltic area, the joint exploitation of hydro-resources in Northern Europe, sea-rescue services, etc.

"The Soviet Union is ready to develop all-round friendly connexions with the Northern countries, based on respect for each other's national sovereignty, independence, equality, non-interference in domestic affairs, and mutual advantage. This would conform not only to the interests of peace in this part of Europe but also to the interests of world peace. It is our hope that a sober policy, dictated not by narrow, transitory considerations but by the vital interests of the peoples desirous of living in peace and friendship with one another, will prevail in all the Scandinavian countries as well. It is our opinion that the Scandinavian countries should be just as interested in the maintenance of friendly relations with the Soviet Union."

Marshal Voroshilov, the President of the Soviet Union, had previously visited Helsinki from Aug. 21-26, 1956, as the guest of President Kekkonen. The visit was the first to be paid by the head of the U.S.S.R. to a non-Communist country. (Times - Daily Telegraph - Manchester Guardian - Soviet Embassy Press Department, London) **(Prev. rep. 15385 A.)**

B. UNITED KINGDOM. — Completion of British Hydrogen-Bomb Tests in the Pacific.

The British hydrogen-bomb tests in the Pacific, the first of which took place at Christmas Island on May 15 (15540 A), were completed by two further tests on May 31 and June 19. As in the first test, the bombs were dropped from a *Valiant* bomber and exploded at high altitude to minimize radioactive fall-out, which was stated to be almost negligible.

The second test was carried out in the vicinity of Malden Island (400 miles south of Christmas Island), which was evacuated for the test but contained a mass of instruments to measure the effect of the blast. The official announcement stated that the explosion was bigger than in the first test. As regards the third and final test, the announcement merely said that a nuclear device had been "exploded at a high altitude in the Central Pacific" and that the test series had been successfully completed.

The tests were carried out on an inter-Service basis, with Air Vice-Marshal W. E. Oulton as commander of the task force. Over 2,000 men and 16 vessels of the Royal Navy were engaged in duties ranging from the supplying of fuel, food and water to meteorological observation and aircraft tracking. The 18,000-ton aircraft carrier H.M.S. *Warrior* acted as operational control ship in the target area, the other vessels engaged including five tankers, three vessels of the "Fort" class, and two frigates of the Royal New Zealand Navy. About 1,300 R.A.F. personnel co-operated with the Royal Engineers in building an airfield on Christmas Island capable of operating jet bombers.

The Science Correspondent of the *Daily Telegraph* (Mr. Leonard Bertin), who was one of the press representatives with the task force, described the building of this airfield as "the largest undertaking so far made by a British service group in the use of coral mixed with cement and bitumen for the preparation of an airstrip." He added that the men, "working in temperatures of 85 to 90 degrees, completed runways of 6,500 ft. and 5,000 ft."—(Times - Daily Telegraph) **(15540 A.)**

A. BAGHDAD PACT. — Meetings of Ministerial Council and Committees. - Increased British and U.S. Contributions for Economic Development. - U.K. Contribution to Military Infrastructure. - Baghdad Powers' Support for Eisenhower Doctrine. - U.S. Membership of Military Committee. - Road, Rail and Telecommunications Plans for Baghdad Pact Area.

The Council of Ministers of the Baghdad Pact held its third session in Karachi from June 3-6 under the chairmanship of Mr. Suhrawardy, the Prime Minister of Pakistan. The session was attended by the Prime Ministers and Foreign Ministers of Iraq (General Nuri es-Said and M. Bashayan), Pakistan (Mr. Suhrawardy and Mr. Firoz Khan Noon), Persia (Dr. Eghbal and M. Ardalan), and Turkey (Mr. Adnan Menderes and M. Ethem Menderes), and by the British Foreign Secretary (Mr. Selwyn Lloyd). The U.S.A. was represented by a delegation of observers headed by Mr. Loy W. Henderson, Deputy Under-Secretary of State.

Prior to the meeting of the Ministerial Council, the Economic Committee and the Counter-Subversion Committee of the Baghdad Pact had met in Karachi from May 16-21 and May 22-29 respectively, while the Military Committee met concurrently with the Council from June 3-5. The U.S.A. was for the first time represented on both the Economic and Military Committees, having announced its intention to join the latter at the Bermuda Conference between President Eisenhower and Mr. Macmillan (see page 15450, first column), and having accepted a formal invitation to that effect by the Ministerial Council at its opening meeting.

During the meetings of the Economic Committee, which were presided over by Abdul Qadir al-Gailani (Iraqi Ambassador to Pakistan), the U.K. Economic Secretary to the Treasury, Mr. Nigel Birch, announced that the British Government intended (i) to make a four-fold increase in their contribution for technical assistance, bringing it up to £1,000,000 spread over five years; (ii) to make another contribution of £1,000,000 for the improvement of communications in the region.

The leader of the U.S. delegation, Mr. Arthur Gardiner, announced his country's decision to allocate $12,570,000 for the survey and capital development phases of several projects, in implementation of the talks held by the Richards Mission. Agreements involving $7,500,000 were signed by the U.S.A. with Pakistan, Persia, and Turkey during the Committee's meetings, covering (i) telecommunications equipment linking the capitals of the four Middle East member-countries of the Baghdad Pact (Karachi, Teheran, Baghdad, and Ankara); (ii) an additional $800,000 to be used for a telecommunications survey; and (iii) $1,000,000 for surveys of (*a*) a road along the Arabian Sea linking Karachi with Bandar Abbas (Persia) and thence with Basra (Iraq), and (*b*) a railway line connecting Zahidan (Eastern Persia), where the Pakistani rail system now terminates, with a suitable point on the Persian railway system.

Mr. Suhrawardy announced at the Ministerial Council meeting that Pakistan had placed 500,000 rupees at the disposal of the Economic Committee for technical aid to member-countries.

A communiqué issued on May 21 announced the principal decisions of the Economic Committee as follows:

Atomic Energy. The Committee would recommend extensive research work by the Joint Nuclear Training Centre at Baghdad (see 15488 C) and the application of radioactive isotopes to medical, agricultural, veterinary, and technological work in the region. The Committee had also agreed on financial arrangements for the next two years to ensure the continued effective functioning of the Baghdad Nuclear Centre. Britain had undertaken to meet non-recurring expenditures, while the four Middle East member-countries would pay the remainder.

Communications. "Top priority" would be given to roads and railways linking Turkey, Iraq, Persia, and Pakistan. Reference was made to the above-mentioned surveys of rail and road projects.

Intra-regional Trade. The Committee urged that intra-regional trade be increased, and for this purpose recommended a draft convention on simplification of Customs formalities, examination of the problems of transit trade, facilities for visits by businessmen, co-operation in the marketing of common products, and standardization of agricultural products. It was decided to make a detailed study of the possibility of establishing a Customs union, a free trade area, and a common market in the Pact region, "with due regard to existing obligations and commitments of member-countries."

Health. The Committee decided to request X-ray equipment for tuberculosis centres throughout the Pact area out of technical assistance funds. It also initiated surveys for joint health projects.

Emergency Service. Finally, the Committee examined the possibility of establishing an "emergency service" which would stockpile medicines, blood plasma, and food for use in the event of floods, earthquakes, and other natural disasters in the area.

The session of the Military Committee was attended, *inter alios*, by General Sir Gerald Templer (Chief of the British Imperial General Staff), General Nathan F. Twining (chairman designate of the U.S. Joint Chiefs of Staff), and General Mohammed Ayub Khan (C.-in-C. of the Pakistani Army).

At the opening session of the Ministerial Council—its first meeting with British participation since the Anglo-French military action in Egypt—statements were made by all the leading delegates, as summarized below:

Mr. Suhrawardy welcomed the Eisenhower Doctrine for the Middle East, declaring that the presence of British and U.S. representatives at the Council meeting "gives the lie to those false prophets who not long ago were forecasting the coming demise of the Baghdad Pact." He expressed the hope that the U.S.A. would in time become a full member; said that the "tendency to relapse into international anarchy" had been checked through the regional defence pacts permissible under the U.N. Charter; and declared that the Baghdad Pact represented "the collective will of like-minded nations to strengthen and enhance their mutual defensive capacity in an area of the world which was lacking in defensive strength and was a source of temptation to those who dreamed of enlarging their bounds by coercing weaker nations, or creating spheres of influence, or with dreams of world domination." After stressing that the Pact was not only a military alliance but that "one of its chief aims" was to foster and develop the economic strength of member-countries, Mr Suhrawardy said that the situation in the Middle East showed a "considerable improvement," that the efforts made by member-countries "individually and in concert" had done much to make a peaceful solution of disputes possible, and that their "counsels of moderation" had been heeded by their friends.

Nuri es-Said drew attention to the dangers inherent in the problems concerning Israel, Algeria, Kashmir, and Cyprus. He said that in the Iraqi Government's view Israel was still the most serious source of danger to the Middle East area because of her "ambitious and sinister plans of expansion and aggression." Speaking of the plight of the Arab refugees, he asserted that a great number of these had already "fallen victims to international Communism." As regards Kashmir, Iraq upheld the right of the Kashmiri people to self-determination and no effort should be spared to bring about a solution consonant with the resolutions of the Security Council. In Algeria the present "full-scale colonial war" threatened to develop into a real threat to peace unless France made a positive effort to meet the Algerian people's legitimate aspirations. With regard to "the present most difficult situation in Cyprus," Iraq would support any settlement which safeguarded the rights of the Turkish population "constitutionally and internationally."

Mr. Selwyn Lloyd, recalling the contributions promised by the British Government during the meetings of the Economic Committee, announced that Britain was ready to make a further contribution of £500,000 a year in cash and in kind for building up the minimum military infra-structure in the member-countries.

M. Adnan Menderes said that until recently the Pact had been faced with a struggle for existence against destructive attacks levelled against it, and as a result had not made as much progress as it could have done. There were indications, however, that this struggle was now over and that they were "on the threshold of a new and constructive era based on even closer unity, improved military organization, and positive and constructive steps towards greater economic co-operation." He added that speedy action was necessary to meet the dangers from countries "which have already become bridgeheads for invasion or subversion in the area."

Dr. Eghbal stressed the importance of more effective steps to inform public opinion in the member-countries and in various foreign countries about the peaceful and defensive nature and objectives of the Pact. He urged that steps be taken at the present session to establish a suitable and powerful propaganda system for this purpose.

At the end of its meetings the Ministerial Council issued the following communiqué:

"The Council noted with gratification the constant strengthening and continuing progress of the Baghdad Pact alliance. The Pact has emerged as a constructive force for regional co-operation and as an important element promoting world peace and security. Events have proved the soundness and solidarity of its moral basis. With its roots deep in the region, the Pact symbolizes the spirit of association in equal partnership.

"The Council noted with regret that some Governments have adopted an attitude of active opposition to collective security arrangements like the Baghdad Pact, which is in full accord with the U.N. Charter. It expressed the conviction that some of those who criticized the Pact in the past were coming to recognize that it was not designed to harm the interests of any country. It is a purely defensive association of friends of equal standing, pledged to co-operate for their defence and security and therefore to the advantage of the area as a whole.

"The Council, whose unanimous aim is to strengthen the Middle East against aggression and subversion, has no wish to see divisions or differences between Arab or Moslem countries. At the same time they have no intention to press any country to join the Pact. The Council was appreciative of the new spirit which has been generated by the Baghdad Pact among member-countries. It is characterized by frank discussion, understanding of one another's point of view, and co-operation in the common objective of peace and progress.

Political. "The Council reviewed the international political situation from the point of view of its repercussions on the Pact area. It was of the opinion that although the situation in the region has shown improvement, the basic objectives of international Communism remain unchanged and the threat of direct and indirect aggression, backed by massive and growing military potential against the security of member-nations, still exists. The Council agreed on the need for constant vigilance and for strengthening the

ability of member-nations to meet and repel this threat. It expressed deep gratification at the purposes and principles of the American doctrine on the Middle East [i.e. the Eisenhower Doctrine] and for the assistance extended thereunder.

"The Council devoted considerable time to discussion of international situations in various parts of the world, with special emphasis on Eastern Europe, North Africa, South Asia, and Arab and Moslem countries of the Middle East. In particular they examined those situations which have potentials for developing in such manner as to affect the security of the Pact area. The Council appreciated the importance of supporting efforts made by the U.N. in promoting peaceful conditions in the area of the Baghdad Pact.

"The Council recognized the great value to members of having readily available machinery for consultation on appropriate aspects of the international situation, in the form both of general appreciation and of advance consultation on current issues. To supplement the opportunities of such consultation provided by Ministerial meetings of the Council and by normal diplomatic channels, the Council decided that discussions should also be held in future at deputies' level at appropriate intervals.

Economic. "In considering the report of the Economic Committee, the Council noted with satisfaction the wide range of the Committee's planning and achievements. Approval has already been given for a number of projects designed to improve communications and accelerate the development of the region. These include the linking of the Baghdad Pact capitals by telecommunications, and the construction of roads and railways. For these projects the U.S. Government, through the Richards mission, has made available the sum of $12,570,000.

"Students from regional member-countries are already studying at the Nuclear Centre at Baghdad, and the Council have delegated to their deputies consideration of the possibilities of offering vacancies to nationals of other States.

"A far-reaching programme of other joint economic projects sponsored by regional members of the Pact is now under consideration by experts, and the U.K. Government have announced that they will provide £1,000,000 to enable a start to be made on some of them. The list of projects includes, in addition to those for improved communications: (*a*) the establishment and co-ordinated use of national food reserves in the region; (*b*) the establishment of one or more centres for training in the use of agricultural machinery and methods of soil and water conservation; and (*c*) the establishment of an artificial insemination centre for cattle in Pakistan.

"The Council noted with deep appreciation that funds for technical assistance under the aegis of the Baghdad Pact have been made available by the U.K. (£1,000,000) and Pakistan (500,000 rupees) and that a request by the Turkish Government for allocation of funds has been made to the Turkish Grand National Assembly. The programme of technical assistance already approved envisages provision of scholarships and the services of experts, and also equipment, e.g. X-ray apparatus for tuberculosis centres.

"On the suggestion of the Economic Committee, the Council decided that a working party should meet in Baghdad at the end of September to consider means whereby national emergency services like the Red Crescent societies could be developed and co-ordinated through the Baghdad Pact to give more effective assistance to any country within the region which might require urgent relief in floods, epidemics and other calamities.

Counter-Subversion. "The Council considered the report of the Counter-Subversion Committee and recognized that the threat of subversion in the area inspired from outside continues to be serious. Efforts are being made to interfere in the internal affairs of member-countries and to undermine established law and order. The Council directed the Counter-Subversion Committee to continue with full vigour measures to safeguard the sovereignty and integrity of member-States against subversion.

Military. "The Council welcomed the accession of the U.S.A. to full membership of the Military Committee and recorded their deep appreciation of the U.S. decision, which they were confident would further contribute toward defence and security in the region.

"The Military Committee met from June 3-5 in Karachi and considered progress to date. The Council noted with satisfaction that considerable progress had been achieved in the military field. It noted that the Committee agreed on the nature of the threats against the Baghdad Pact area. Measures required in peacetime to improve the defence potential have been agreed upon. In particular, the Council express their appreciation of the U.K. offer of a substantial contribution toward infrastructure and training measures. The Council approved the setting-up of a more comprehensive military planning structure.

Next Council Meeting. "The Council decided to hold its next meeting at Ministerial level at Ankara on Jan. 20, 1958. Meanwhile the Council will continue to meet regularly at deputies' level."

Most of the Council's sessions were held *in camera*, but rumours that this had been due to unresolved differences over the scope of the Counter-Subversion Committee's work were strongly denied by Mr. Suhrawardy and Mr. Selwyn Lloyd. (Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Pakistan High Commissioner's Office, London - Turkish Embassy Press Office, London) **(Prev. rep. Baghdad Pact Meetings, 15230 A; 14873 A; U.S.A. joins Military Committee, 15457 A; Baghdad Atomic Centre, 15488 C; Ending of Iraqi Boycott, 15451 D; Anti-Subversion Decisions, 15346 A.)**

A. RELIGIOUS LIFE. — Church of England. - Revised System of Jurisdiction for Anglican Communion in Middle East. - Archbishopric of Jerusalem.

It was announced on June 25 that a revised system of jurisdiction for the Anglican bishoprics and congregations in the Middle East had been approved by the Archbishop of Canterbury, involving (1) the elevation of the See of Jerusalem to the status of an Archbishopric; and (2) the creation of a new Bishopric of Jordan, Syria and Lebanon. The announcement added that the Rt. Rev. Campbell MacInnes, Bishop of Bedford, would take office on July 8 in succession to Dr. Weston Stewart (recently Bishop in Jerusalem) and would be invested with the title of Archbishop in Jerusalem and Metropolitan.

It was explained that Archbishop MacInnes would summon and establish an episcopal synod consisting of all the bishops coming under his metropolitan jurisdiction the Bishop in Egypt and Libya, the Bishop and Assistant Bishop in the Sudan, and the Bishop in Persia. Before summoning the episcopal synod he would create a new Bishopric of Jordan, Syria and Lebanon, and would consecrate a bishop thereto who would become a member of the episcopal synod.

The announcement added: "In view of the historical associations of Jerusalem itself, and owing to the fact that its political boundaries have not been finally decided, it has been thought right that, for the time being, the Archbishop in Jerusalem shall exercise diocesan jurisdiction over Anglican congregations and establishments in Jerusalem. With that exception, jurisdiction in Jordan, Syria and Lebanon, which has hitherto belonged to the Bishop in Jerusalem, will be transferred to the new bishopric as soon as it has been created. The Archbishop will have his seat in the collegiate church of St. George the Martyr in Jerusalem, and it is hoped that the new Bishop of Jordan will have his pro-cathedral in Jerusalem also."

The changes were approved by the Archbishop of Canterbury after consultation with his fellow-metropolitans and with the Anglican bishops and others in the areas concerned.

(Church Times)

B. UNITED KINGDOM. — North Dorset By-election.

Polling took place in North Dorset on June 27 in the by-election caused by the death of Mr. Robert Crouch (Conservative), the result being as follows:

Glyn, Lieut.-Colonel R. H. (Conservative)	15,513
Emlyn-Jones, J. A. (Liberal)	12,411
Dutfield, H. J. (Labour)	6,278
*Wright, H. C. (Independent)	170
No change. Conservative majority	3,102

* Forfeited deposit.

Figures at the general election were: R. F. Crouch (C.) 18,906, M. Portman (L.) 11,747, H. J. Dutfield (Lab.) 5,633 Conservative majority, 7,159.

The Conservative candidate received 45.1 per cent of the votes, the Liberal candidate 36.1 per cent, the Labour candidate 18.3 per cent, and the Independent 0.5 per cent, compared with general election percentages of 52.1 for the Conservatives, 32.4 for the Liberals and 15.5 for Labour. Of the total electorate of 15,390 (an increase of 1,248 since the general election), 75.7 per cent went to the polls, against 82.2 per cent at the general election.

Mr. Crouch (53), who died on May 6, had represented North Dorset since 1950, when he won the seat from Mr. Frank Byers (Liberal) by 97 votes. A farmer in Dorset and Wiltshire since 1920, he was a recognized authority on the growing of cereals, introduced mechanized corn harvesting in Wiltshire, and was well known as a writer and broadcaster on agriculture. He was responsible for bringing the Crichel Down case to the notice of the Government and the general public.

Colonel Glyn, the elder son of Sir Richard Glyn, is a Dorset farmer and landowner and was formerly a practising barrister. (Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. By-elections, 15572 A.)

C. URUGUAY. — Cabinet Reorganization.

A reshuffle of the Uruguayan Government was announced on June 7, involving the following changes: (*a*) Professor Oscar Secco Ellauri became Foreign Minister in succession to Señor Francisco Gamarra; (*b*) Dr. Hector Grauert (Minister of Public Works since June 1956) was appointed Minister of the Interior *vice* Señor Alberto Abdala; (*c*) Señor Florentino Guimaraens (the Defence Minister) succeeded Dr. Grauert as Minister of Public Works; and (*d*) Señor Juan Rodriguez Correa (president of the Chamber of Deputies) took over the Defence portfolio. The resignations of Señores Gamarra and Abdala had been caused by differences within the governing Battlista Party. (New York Times - New York Herald Tribune)

(Prev. rep. 15440 C.)

A. UNITED KINGDOM. — Royal Navy. - Estimates for 1957-58. - The First Lord's Review. - Naval Developments in 1956-57. - Construction Programme.

The Navy Estimates for 1957-58 were published as a White Paper on April 26 and are summarized below.

An accompanying memorandum by Lord Selkirk (First Lord of the Admiralty) announced (1) that the aircraft carrier groups which would form the chief striking force of the remodelled Navy (see 15493 A) would be equipped with a new "strike" aircraft now being developed, the Blackburn *N.A. 39*, with considerable range and able to carry an atomic bomb; (2) that four new fleet escorts were being built and equipped with a new anti-aircraft guided missile, the *Seaslug* (see below). These escorts, to be known as "guided missile destroyers," would be larger than any existing type of fleet escort and would have a very powerful armament and sufficient endurance to give them a considerable capacity for operating on their own. The memorandum added that H.M.S. *Girdle Ness* had fired her first test missile, "from which the sea-to-air guided missile is being developed," in September 1956. Other satisfactory firings had followed, but progress with the new guided-missile ships would be dependent on the success of the *Girdle Ness* trials

A summary of the White Paper is given below under cross-headings:

Aircraft Carriers. The modernization of H.M.S. *Victorious* was scheduled to be completed during 1957-58; she would then be the first carrier in service with a fully-angled flight deck, and would also have steam catapults, new radar and landing control systems, the latest arrester gear, and equipment to enable her to arm her aircraft with air-to-air guided weapons. Similar modernization work on H.M.S. *Eagle* would be begun after the *Victorious* had joined the active fleet. Meanwhile the construction of H.M.S. *Hermes* was proceeding satisfactorily.

Battleships. The four battleships of the *King George V* class (*King George V, Duke of York, Anson,* and *Howe*), now in the Reserve Fleet, would be scrapped during 1957-58. [The scrapping of these four vessels will leave only one battleship in service with the Fleet—H.M.S. *Vanguard.*]

Cruisers. Construction of the three *Tiger* class cruisers, which would have fully automatic 6 in. and 3 in. guns and would ultimately replace the eight cruisers now in the active Fleet, was gathering pace The first ship—H.M.S. *Tiger* herself—would start trials early in 1959 and join the Fleet later in that year.

Frigates. 11 new frigates were completed during 1956-57; 12 more should be completed in 1957-58 and a further 21 were on order.

Submarines. The experimental submarine *Explorer* (see 11944 A) was completed during 1956, and her sister-ship *Excalibur* should be completed by the end of 1957. Meanwhile progress was being made with the design of the nuclear submarine *Dreadnought* (see 15412 B) and experimental work under the Atomic Energy Authority had begun, including work on the problem of shielding personnel against radiation.

Minesweepers. The entire programme of coastal and inshore minesweepers had now been laid down, and 79 coastal and 68 inshore minesweepers (about 75 per cent of the programme) had been completed. Minesweepers had also been completed for Commonwealth and NATO countries.

Fleet Auxiliaries. To increase the Fleet's ability to operate independently of shore bases, three maintenance ships would be modernized during the year. The conversion of the light fleet-carrier *Triumph* into a heavy repair ship would be begun towards the end of the year, but the plan to convert the aircraft repair ship *Perseus* into a submarine depot ship (see 14869 A) had been abandoned.

Shore Organization. Cuts in shore establishments had continued during 1956-57, and nine large, 30 medium, and over 60 small establishments had been or would be closed over the next few years, involving a saving of over 5,000 officers and ratings and a considerable number of civilians.

Fleet Air Arm. In addition to the new Blackburn *N.A. 39* (see above), the *Supermarine No. 113* day fighter, which could also carry an atomic bomb, was expected in Fleet service by mid-1958 and would be known as the *Scimitar.* The de Havilland *Sea Vixen* (DH 110), whose armament included air-to-air guided weapons, was coming along well, while considerable numbers of *Whirlwind* helicopters would be delivered in 1957-58 for use against submarines.

Research and Development. Although expenditure would be cut back, care would be taken to safeguard "the most vital projects and the programme of pure research." During 1956-57 advances had been made in submarine detection; a new asdic set had been produced with "several times greater" range than existing sets; and valuable information on the protection of ships and personnel subject to nuclear attack had been gained during the Montebello tests in June 1956.

Naval Reserves. The strength of the Royal Fleet Reserve was being reduced from about 33,000 to about 5,000. The strength of the Royal Naval Reserve was expected to reach 4,650 officers and men in 1957-58, and that of the Royal Naval Volunteer Reserve about 3,100 officers and some 8,500 ratings.

The present strength of the Royal Navy (excluding Fleet auxiliaries, salvage vessels, tugs, trawlers, etc.), was given as 813 vessels, as follows:

Vessels in Commission (i.e. in the Operational Fleet, preparing for service, or engaged in trials and training). Total 268, comprising 6 aircraft carriers, 8 cruisers, 1 trials cruiser, 1 guided-weapons test ship, 1 fast minelayer, 1 netlayer, 8 *Daring* class ships, 21 destroyers, 49 frigates, 41 submarines, 51 minesweepers, 26 coastal craft, 9 landing vessels, 6 surveying ships, and 39 fleet support vessels.

Ships in Reserve. Total 545, comprising 5 battleships, 6 aircraft carriers, 11 cruisers, 2 fast minelayers, 1 netlayer, 36 destroyers, 109 frigates, 19 submarines, 189 minesweepers, 39 coastal craft, 51 landing vessels, 1 surveying ship, and 76 fleet support vessels. [Fleet support vessels include ferry carriers, depot ships, boom defence vessels, and degaussing ships.] Four of the five battleships (those of the *King George V* class) are to be scapped as stated above, leaving H.M.S. *Vanguard* as the Royal Navy's only battleship.

In addition, 77 ships were under construction, including 1 aircraft carrier, 3 cruisers, 13 frigates, 3 submarines, 49 minesweepers, and 8 coastal craft. Ships on order but not yet under construction numbered 25, comprising 4 guided-weapons ships and 21 frigates.

The Navy Estimates were passed by the House of Commons on May 13 without a division.

Mr. Soames (Parliamentary Secretary, Admiralty), moving their adoption, first spoke of the results of the decision to reduce the Navy's uniformed strength from the present figure of 121,500 (including 14,000 officers) to under 100,000 by Dec 31, 1962. As far as could be estimated, he said, a surplus of up to 1,000 officers would be unavoidable, but it would be possible to regulate the intake of ratings, who joined for comparatively short engagements, to ensure that the only surpluses should occur amongst chief petty officers, petty officers, and senior ratings, who would in any case be shortly leaving the Service. The Admiralty had accordingly decided (i) that the non-continuous one-year and two-year engagements of men who had already completed 22 years' service should not be renewed; (ii) that in future a higher standard should be required for men who signed on at the end of 22 years for a further five years; (iii) that even where the standard for the 22 years' engagement was met, it might be necessary temporarily to limit the numbers selected in certain branches. The changes were bound to cause some disruption within the Service, particularly for senior officers and ratings, and it was most important that those whose careers were ended should have proper notice and compensation, and that potential recruits should not get the idea that the Navy no longer offered a worthwhile career.

After pointing out that the new strategic concept outlined in the White Paper on Defence (see 15493 A) meant a reduction in the number and size of the Navy's overseas bases, and that everything possible would be done to raise the proportion of men afloat to those ashore, Mr Soames claimed that expenditure on new construction had been reduced without sacrificing any projects of major importance. In this connexion he explained that although the Admiralty were proceeding with designs for both cruiser and destroyer types of guided-missile ships, it had been decided for the present to concentrate on the smaller (destroyer) type, which on the whole would give better value for money. The disadvantages were that the destroyer type would stow fewer missiles, have considerably less endurance, and be less self-contained and self-reliant. "Nevertheless," he added, "she will be very effective, and the cost will be appreciably less. On the whole we think that five guided missile ships of this type would be better value for a modern fleet than two of the cruiser type, which we can get for roughly the same amount of money."

Regarding the Fleet Air Arm, Mr. Soames explained that the de Havilland *Sea Vixen* (which would eventually replace the *Sea Venom* fighter) would be fitted with the *Firestreak* air-to-air guided missile (see below), which would radically improve its killing power by day and night. The *N.A. 39*, which would replace the *Wyvern*, was going ahead satisfactorily and would be able to carry either conventional weapons or the nuclear bomb.

Turning to the operational side, Mr. Soames stressed that the modern aircraft carrier provided a unique instrument for carrying out the Government's aim of being able to deploy aircraft power to meet emergencies anywhere in the Commonwealth. The Government visualized the Navy as "a number of carrier task forces, each consisting of one carrier armed with the most modern aircraft weapons that can be procured, a cruiser, and a number of destroyers and frigates for protection both from the air and from the sea." No other organization could be so self-sufficient, mobile, and versatile, and its mobility had the added merit that the Navy did not need to remain permanently poised in any potential trouble centre—an ever-present irritation to local sensibilities.

Mr. Soames concluded by referring to the "formidable" Russian submarine fleet, much of which was in Northern and Baltic waters, with access to the Atlantic. He said that there were more than 500 Russian submarines now in commission, considerably more than half being of the long-range type and over two-thirds of the total having been built since 1945. This was already "the biggest submarine fleet the world has ever known," and construction was still in full swing It was believed that by 1960 the U.S.S.R. would be able to deploy 150 submarines in the Atlantic alone.

Important developments in connexion with the Royal Navy in recent months are summarized below.

New Types of Ships. Ships commissioned during 1956 included (*a*) the *Girdle Ness*, the first British naval vessel designed to try out guided missiles, and converted from a landing craft maintenance

vessel (July 24); (*b*) the "aircraft direction frigate" *Salisbury*, the first of four frigates to be fitted with elaborate radar and electronic control equipment (previously confined to aircraft carriers, battleships, and cruisers), and intermediate in size between the *Whitby* and *Blackwood* classes.

New Guided Missiles. Details were released on June 4, 1957, of the guided missile *Seaslug*, designed to engage any enemy bomber which might evade naval fighter aircraft at any height at which aircraft could operate. The *Seaslug*, propelled by a sustainer motor and four boosts (which are jettisoned as soon as the missile reaches supersonic speed), is fired from a triple ramp launcher fed automatically from a magazine below decks Successful firings have already been made at sea from the guided-weapons ship *Girdle Ness* (see above) and the *Seaslug* will be fitted in the four guided-weapons destroyers now on order.

Details had been given on May 20 of the *Firestreak* air-to-air guided missile, which would be fitted in all de Havilland *Sea Vixen* fighters for the Royal Navy (see above) and had also been adopted as standard equipment for the R.A.F. *Javelin* and *P.1* fighters. The *Firestreak*, an infra-red "homing" missile, has been developed by de Havilland Propellers Ltd. The infra-red system employs a detector "eye" which is sensitive to the infra-red rays emitted from an aircraft, and once it has "locked on" to the target the "eye" feeds information into the control system to ensure that the weapon continues to travel in the correct direction, no matter what manoeuvre the target may perform. It was claimed that this system was immune from the jamming which could be employed against conventional radar weapons.

World's Fastest Submarine. Mr. Soames announced on April 10, 1957 that the experimental submarine *Explorer* (see above), using high-test peroxide as fuel, had exceeded 25 knots under water. Although there were no reliable data of underwater speeds of foreign submarines, the Admiralty believed that this speed made the *Explorer* "a strong contender for the title of the fastest submarine in the world."

Submarine Escape Apparatus. Mr. George Ward (then Parliamentary and Financial Secretary, Admiralty) stated on July 15, 1956 that further trials had shown the one-man escape chamber, previously intended to be fitted in all new submarines (see 14944 A), to be "inherently unreliable." The Admiralty had therefore adopted, a method whereby men could escape in rapid succession in immersion suits by floating to the surface through canvas trunks extending down into the submarine. He added that trials had shown that this method gave the best chance of escape from depths not exceeding 200 ft. In addition, all future submarines would be fitted with a hatch at each end to which a rescue bell (or chamber) could be attached from outside the vessel -i.e. from a salvage vessel. This method could be used at depths greater than 200 ft.

Closing of Naval Depots. Lord Cilcennin (then First Lord of the Admiralty) announced on Aug. 1, 1956 that in addition to the closing of the naval base at Scapa Flow (see 14924 E), the Admiralty had resolved to place the naval base at Invergordon on a care and maintenance basis and to dispose of the nearby naval air station at Fearn. It had also decided on the closing of a number of bases, depots, and training establishments, including the Woolwich armament depot, the Holton Heath (Dorset) cordite factory, the naval ordnance proofing range at Kingsclere, near Newbury (Berks.), gunnery and signalling schools at Chatham and Devonport, and H.M.S. *Defiance*, the torpedo, submarine and electrical school at Devonport.

A further list of establishments to be closed was announced by Mr. Soames on March 5, 1957. It included H.M.S. *Harrier*, the Navigation and Direction Training Establishment at Kete (Pembrokeshire); the R.N. Medical School at Alverstoke (Hants.); the R.N. Small Arms School at Browndown; the Admiralty Material Laboratory at Holton Heath (Dorset); the Admiralty Experimental Establishment at Perranporth (Cornwall); and the Underwater Launching Establishment at West Howe, Bournemouth. A number of store and armament depots would also be closed, including two in Northern Ireland.

Carrier Task Force for Indian Ocean. Admiral of the Fleet Lord Mountbatten (First Sea Lord) announced on April 30, 1957, that the East Indies and Far East stations of the Royal Navy would be amalgamated under the new plan to station a carrier task force in the Indian Ocean. The force would have the small bases at Mombasa and Singapore for supply, but would use a system of rotation such as that used by the U.S. Sixth Fleet in the Mediterranean. The Royal Navy would also give more attention to "afloat support" and three new 17-knot replenishment tankers were now in service.

Report of Select Committee on Naval Discipline Act.

The report was published on Dec. 7, 1956 of a Select Committee of the House of Commons appointed to consider the working of the Naval Discipline Act.

The report stated that the Act, dating from 1866, was based on Articles of War passed in 1661 and was in many parts obsolete. Under the Act many offences, ranging from treason to sleeping on watch, were punishable by death, though in fact only one execution under naval law had taken place in the last 100 years.

The Committee recomended (1) that the death penalty should be abolished for all naval offences except treason and the worst kinds of mutiny; (2) that in such cases the court should be required to be unanimous (instead of a four-fifths or two-thirds majority being necessary, as at present); (3) that all death sentences should be subject to Admiralty confirmation, and that the authority of the Governor should be necessary before an execution was carried out in a Colony; (4) that the mandatory death penalty for acts committed traitorously and the maximum penalty of death for cowardice should be replaced by the maximum penalty of death solely for offences intended to assist the enemy; (5) that imprisonment for any term (for offences committed in action) or up to two years (for offences committed when not in action) should replace death as the maximum penalty for sleeping on watch or abandoning post; (6) that the death penalty should be retained for cases of mutiny, incitement to mutiny with violence, or mutiny with intent to assist the enemy; (7) that fines, as penalties for officers only and limited to 30 days' pay, should be introduced.

The report also recommended considerable changes in the constitution and procedure of naval courts-martial, the most important being a proposal that the president of the court and at least half its members should be certificated as navigating officers.

Naval Appointments.

Mr. Soames announced on March 5, 1957 that the posts of Fifth Sea Lord and Deputy Chief of Naval Staff would be amalgamated in order to ensure complete co-ordination in the development of naval weapons, both offensive and defensive. The first holder of the new position would be Rear-Admiral A. N. C. Bingley, the present Fifth Sea Lord. [Rear-Admiral Bingley, an aviation specialist, was formerly commanding officer of the aircraft carrier H.M.S. *Eagle*].

The following naval appointments had also been announced in recent months:

Admiral Sir Guy Grantham, C.-in-C. Mediterranean Fleet and concurrently C.-in-C. Allied Forces, Mediterranean (NATO), as C.-in-C. Portsmouth in succession to Admiral of the Fleet Sir George Creasy (announced Feb. 14, 1957). Sir Guy Grantham was also appointed by NATO as Allied C.-in-C., Channel and Southern North Sea, a post which he will combine with his Home Fleet command.

Admiral Sir Ralph Edwards, Third Sea Lord and Controller of the Navy, as C.-in-C., Mediterranean Station *vice* Admiral Sir Guy Grantham (announced Dec. 4, 1956).

Vice-Admiral G. V. Gladstone as C.-in-C., Far East Station, *vice* Admiral Sir Alan Scott-Moncrieff (announced Dec. 28, 1956). Vice-Admiral Gladstone, who received a knighthood in the recent Birthday Honours (see 15589 A), was previously Commander of Allied Naval Forces, Northern Europe a NATO command.

Vice-Admiral R. D. Watson, formerly Director of Plans at the Admiralty, as Fourth Sea Lord and Chief of Supplies and Transport.

Rear-Admiral Sir Charles Madden, Deputy Chief of Naval Personnel (Manpower Planning), as Flag Officer, Malta *vice* Rear-Admiral W. G. Brittain (announced March 27, 1957). Rear-Admiral Sir St. John Tyrwhitt had originally been appointed to this post but was unable to take it up owing to ill-health.

Rear-Admiral N. E. Dalton as Engineer-in-Chief of the Fleet in succession to Vice-Admiral Sir Frank Mason (announced May 22, 1957). Rear-Admiral Dalton will be promoted to Vice-Admiral on taking up his appointment in September.

The promotion of Admiral Sir Caspar John (son of Augustus John, the artist) to the rank of Admiral of the Fleet had been announced by the Admiralty on Jan. 10, 1957. (Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 15550 A; 15493 A; 15403 A; 15412 B; 15164 D; 14944 A.)**

Corrigendum. The headings of the table on page 15495, second column, showing the estimated defence expenditure in 1957-58 compared with 1956-57, have unfortunately been reversed owing to a typographical error. The four columns of the table should correctly be read as showing first the gross Estimates in 1957-58 and 1956-57, and then the net Estimates in the two years. Thus the word *gross* which now appears over the third column should appear over the second column, and the word *net* now over the second column should appear over the third column. (Ed. K.C.A.)

A. SOVIET UNION. — Television Services.

The following information on the development of television services in the U.S.S.R. was given in a recent issue of the Soviet newspaper *Promyshlenno-Ekonomicheskaya-Gazeta* (Industrial and Economic Gazette): (1) the Soviet Union had 24 television stations in operation, and new stations would be opened during 1957 at Vilnius (Vilna), Alma-Ata, Gorky, Kuibyshev, Novosibirsk, Murmansk, Krasnoyarsk, Lvov, and other centres; (2) television stations now under construction at Saratov, Stalingrad, Ufa, Kemerovo and Karaganda would give their first trial transmissions before the end of 1957; (3) stations going into operation at Vladimir, Kostroma, Yaroslavl, Ivanovo and Kaluga during 1957 would relay central television programmes, and a new station at Novgorod would relay programmes from Leningrad.

It was stated that there were about 1,500,000 TV sets in the Soviet Union, against 60,000 in 1951, and that a system of colour television which could be combined with the transmission of a black-and-white picture had been adopted after successful tests in Moscow and Leningrad. On the other hand the paper admitted that radio relay lines were being introduced "at a snail's pace" and that the development of V.H.F. (very high frequency) broadcasting was still in an "unsatisfactory state."—(Soviet Embassy Press Office, London)

A. HUNGARY. — U.N. Report on the Hungarian Uprising. - Denunciation of Soviet Intervention.

The report was published on June 20 of the U.N. Fact-Finding Committee on Hungary set up by the General Assembly on Jan. 10 after the Soviet Government had refused to withdraw its troops from Hungary, despite the U.N. resolutions condemning the Soviet military intervention and calling for the withdrawal of the Soviet armed forces.

The report, which was unanimous, was signed without reservation by the five members of the U.N. Committee—Mr. Alsing Andersen (Denmark), its chairman, Mr. R. S. Gunewardene (Ceylon), M. Mongi Slim (Tunisia), Professor Enrique Fabregat (Uruguay) and Mr. Keith Shann (Australia). Mr. Andersen said that the Committee had taken evidence from 111 witnesses of all ages, both men and women, and had tried to present a "calm and sober account" of the revolt from the eye-witness accounts and testimonies of those who had taken part in it. The Committee had held its hearings in New York, Geneva, Rome, Vienna and London and had accepted testimony only concerning what each witness had personally experienced, many of the witnesses having been subjected to searching cross-examination.

The U.N. report constituted a formidable indictment of the Soviet military intervention in Hungary and of the brutalities of the Hungarian Communist political police (A.V.H.). It rejected *in toto* the allegations—frequently made by the Soviet Government and the Kadar regime—that the uprising was the work of "reactionaries," "capitalist elements," "Western imperialists," etc., emphasizing that it was supported by the overwhelming majority of the Hungarian people, particularly the working-class. *Inter alia*, it said that the Hungarian regime was dominated by a secret police (the A.V.H.), "all-powerful, pitiless, and unabashed by any shameful act," which permeated the whole of Hungarian society with its spies and agents; that the Communist regime had completely collapsed during the uprising, when the real power was exercised by the Revolutionary and Workers' Councils prior to the Soviet intervention; that deportations of Hungarians to the U.S.S.R. had been established; and that the present Kadar regime had no popular support whatever and had progressively destroyed the short-lived liberties of the Hungarian people since the uprising was crushed by the Soviet Army. The report concluded by saying that the "massive" Soviet armed intervention in Hungary, carried out with the "avowed intention of interfering in the internal affairs of another country," must continue to be "a matter of international concern."

The two-volume report ran to some 400 pages and is summarized below under cross-headings:

Discussing the unplanned nature of the uprising, the report noted the unanimous testimony of witnesses that the events took the participants by surprise. No single explanation could determine exactly why the outbreak occurred just when it did. Communist spokesmen, including M. Kadar and the members of his present Government, had recognized the bitter grievances of the Hungarian people before Oct. 23 and had spoken of a "broad popular movement" caused by the "bitterness and indignation" of the masses.

Two factors were held to have brought this resentment to a head. The first was the news, on Oct. 19, of a successful move by Poland for greater independence from the U.S.S.R. This news was largely instrumental in bringing the Hungarian students together in the meetings of Oct. 22. The second factor was the acute disappointment felt by the people when Ernö Gerö, First Secretary of the Hungarian Workers' (Communist) Party, in his speech on the evening of Oct. 23, failed to meet any of the popular demands and adopted what was considered a truculent tone.

The Student Demands.

An example of the demands made at the time was to be found in the 16 points adopted on Oct. 22 by a meeting of thousands of Budapest students. The "16 points" were quoted in the report, and read as follows.

"(1) We demand the immediate withdrawal of all Soviet troops in accordance with the provisions of the peace treaty.

"(2) We demand the election of new leaders in the Hungarian Workers' Party by secret ballot from the ranks upwards. These leaders should convene the Party Congress within the shortest possible time and should elect a new central body of leaders.

"(3) The Government should be reconstituted under the leadership of Imre Nagy; all criminal leaders of the Stalinist-Rakosi era should be relieved of their posts at once.

"(4) We demand a public trial in the Criminal Court of Mihaly Farkas and his accomplices. Matyas Rakosi, who is primarily responsible for all the crimes of the recent past and for the ruin of this country, should be brought before a People's Court of Justice.

"(5) We demand general elections with universal suffrage, secret ballot, and the participation of several parties for the purpose of electing a new National Assembly. We demand that the workers should have the right to strike.

"(6) We demand a re-examination and re-adjustment of Hungarian-Soviet and Hungarian-Yugoslav political, economic, and intellectual relations on the basis of complete political and economic equality and of non-intervention in each other's internal affairs.

"(7) We demand the reorganization of the entire economic life of Hungary, with the assistance of specialists. Our whole economic system, based on planned economy, should be re-examined with an eye to Hungarian conditions and to the vital interests of the Hungarian people.

"(8) Our foreign trade agreements, and the real figures in respect of reparations that can never be paid, should be made public. We demand frank and sincere information concerning the country's uranium deposits, their exploitation, and the concessions granted to Russia. We demand that Hungary should have the right to sell uranium ore freely at world market prices in exchange for hard currency.

"(9) We demand the complete revision of norms in industry and a radical adjustment of wages to meet the demands of workers and intellectuals. We demand that minimum living wages for workers should be fixed.

"(10) We demand that the delivery system [for farm produce] should be placed on a new basis and that produce should be used rationally. We demand equal treatment of peasants farming individually.

"(11) We demand the re-examination of all political and economic trials by independent courts, and the release and rehabilitation of innocent persons. We demand the immediate repatriation of prisoners-of-war and of civilians deported to the Soviet Union, including prisoners who have been condemned beyond the frontiers of Hungary.

"(12) We demand complete freedom of opinion and expression, freedom of the Press, and a free radio, as well as a new daily newspaper for the M.E.F.E.S.Z. organization (League of Hungarian University and College Student Associations). We demand that the existing 'screening' material should be made public and destroyed.

"(13) We demand that the Stalin statue—the symbol of Stalinist tyranny and political oppression—should be removed as quickly as possible and that a memorial worthy of the freedom fighters and martyrs of 1848-49 should be erected on its site.

"(14) In place of the existing coat-of-arms, which is foreign to the Hungarian people, we desire the re-introduction of the old Hungarian Kossuth arms [in the national flag]. We demand for the Hungarian Army new uniforms worthy of our national traditions. We demand that March 15 should be a national holiday and a non-working day, and that Oct 6 should be a day of national mourning [see below].

"(15) The youth of the Technological University of Budapest unanimously express their complete solidarity with the Polish workers and youth in connexion with the Polish independence movement.

"(16) The students of the Building Industry Technological University will organize local units of the M.E.F.E.S.Z. as quickly as possible, and have resolved to convene a youth parliament in Budapest for the 27th of this month [October 1956] at which the entire youth of this country will be represented by their delegates..."

Analysis of the Political Demands.

The report analysed the political demands which it considered the most fundamental of those put forward in the students' resolutions and similar manifestos. It was pointed out that most political programmes called for friendly relations with Russia, but always on a new basis of equality. Hungary was first to become free to adopt an independent policy of her own; then, as part of that policy, she would enter into a new and friendly relationship with the Soviet Union. Some manifestos called for independent relations with the Peoples' Democracies and Yugoslavia.

During the earliest meetings [of students and workers] the call for the complete withdrawal of Soviet troops from Hungary was not expressed; but, once uttered, it became one of the most insistently proclaimed objectives of the uprising. When the uprising met with Soviet armed resistance, the departure of Russian troops was felt to be a pre-condition to the achievement of freedom.

Closely connected with the demand for a genuinely independent Hungarian policy was that for the restoration of certain Hungarian symbols and celebrations which had been suppressed by the Communist régime. Chief among these demands was the restoration of the national holiday of March 15, the day when the leaders of Hungary's war of independence in 1848 issued their 12 points. [After the crushing of the 1848 uprising by Russian troops, 13 generals who fought on the Hungarian side were executed by the Austrians. The anniversary of this event, Oct. 6, had formerly been observed as a day of national mourning.]

Most of the demands put forward by students and other bodies concerned reforms urgently called for in Hungary's internal life. Essentially, these internal political demands aimed at the establishment of a democratic régime, without the secret police. The return of Mr. Nagy to the Government, or to some leading position in the State, was a central demand in most of the manifestos.

The Soviet Military Intervention.

Although no evidence existed of advance planning, it would appear that the Soviet authorities had taken steps as early as Oct. 20 to make armed intervention in Hungary possible. The report found that evidence existed of troop movements, or projected troop move-

ments, from that date onwards, and it set forth this evidence at some length. It went on to analyse the manner in which the second armed intervention by Soviet troops took place on Nov. 3 in treacherous circumstances, while Hungarian military leaders were still negotiating a settlement with the Russian commanders

At 5.25 p.m. on Oct. 28, the Prime Minister, M. Nagy, announced that the Soviet Government had agreed to begin the withdrawal of its troops from Budapest. The following morning M. Nagy and the Minister of Defence, General Janza, met the representatives of the more prominent insurgent groups at the Ministry of Defence.

During the last days of October, Soviet armoured and other vehicles began to evacuate Budapest, with the exception of certain key positions such as the Soviet Embassy and the main approaches to the Danube bridges. This withdrawal, however, took place simultaneously with the surrounding of the principal airports of Budapest —an action which provoked a resolution by the staff of the Hungarian National Air Command on Oct. 30 threatening that, unless the withdrawal of Soviet troops from Budapest was effected within 12 hours, the Hungarian Air Force "would make an armed stand in support of the demands of the entire Hungarian working people."

At 11.30 p.m. on Nov. 1, however, Budapest radio reported that, according to an announcement issued by the Soviet Embassy, airfields of the Hungarian Air Force had been surrounded by Soviet armoured forces. The radio statement added that "the Hungarian Air Force . . . was ready to defend itself against overwhelming strength. The Government, however, fully realizing its responsibilities, prohibited the opening of fire."

The report said that the problem arose of reconciling the known facts regarding the political negotiations for complete withdrawal [of Soviet troops] with the clear evidence of the continued reintroduction of Soviet forces and their concentration within the country. It might well have been that, immediately before the second intervention, the Russian political and military authorities differed with regard to the best way of meeting the unusual circumstances which had arisen, and that the military authorities at no point abandoned the belief that the only way to resolve the difficulties was by force.

A survey of the movement of Soviet forces during the period from Oct. 29 to Nov. 4 showed that, irrespective of the assurances given to M. Nagy by Soviet political personalities, there existed a definite plan for the reconquest and military subjugation of Hungary. This plan was carried through fully. Contrary to the contentions of the Soviet Government that the Hungarian revolution was inspired by "capitalist elements" outside Hungary, the Committee concluded that the Hungarian resistance to the second Soviet intervention was a heroic demonstration of the will of the Hungarian people to fight for national independence.

The Fighting in Budapest.

Speaking of the "hard-fought five-day battle in which the people of Budapest found themselves in combat with Soviet armour and with the A.V.H.," the report said: "The ordinary police sympathized with the insurgents, giving them weapons or fighting at their side. Certain units of the Hungarian Army fought on the side of the insurgents, but the Army as a whole disintegrated from the start of the uprising . . . There was no single instance recorded of Hungarian troops fighting on the Soviet side against their fellow-countrymen. Some of the Hungarian 'Freedom Fighters' were children. There was evidence that some of the Russian soldiers disliked the task assigned to them . . . There were a number of cases of fraternization with the Hungarians . . ."

The Committee noted that during the first intervention the Soviet Army had shown hesitation and uneasiness, and some units had not concealed their sympathy for the insurgents. In the second intervention, however, the Russian units were better disciplined and composed of less-educated troops who were unaware of the aspirations and sometimes even the identity of their enemies. Many of them were under the impression that they were being sent to Egypt to throw back the "Anglo-French imperialists," and it was "apparent that many of these Soviet troops . . . mistook the Danube for the Suez Canal."

In both cases, however, evidence collected by the Committee pointed to many instances of brutality and cruelty. Evidence showed that for crushing the revolution Russian tanks had moved along the streets of Hungarian towns shooting indiscriminately at armed groups and at every building from which they believed they were being attacked. For example, 20 to 30 tanks went up and down one Budapest street for an hour, firing at the buildings until they were destroyed. In another incident reported to the Committee, 10 armoured cars had aimed their guns at each side of a street in turn. They fired at each house and killed many people, including women and children. Russian orders, especially after Nov. 4, were to crush resistance by every means.

Many witnesses had reported that Russian soldiers shot at queues of Hungarians waiting outside bakeries or other food shops. These incidents, in which most of the victims were women and children, aroused violent public indignation, as did many cases of shooting at ambulances. Among the witnesses were doctors and nurses who complained of being prevented by Russian gunfire from assisting the wounded in the streets.

The Committee admitted that it had failed to establish "reliable figures" for the number of casualties in the uprising. One estimate based on figures supplied by the Hungarian Statistical Office gave "1,800-2,000 in Budapest and 2,500-3,000 in the whole country." The Committee "received the impression" that the estimate given by Mr. Nehru on Dec. 13, 1956, that about 25,000 Hungarians and 7,000 Russians had died in the fighting, "may well be too high."

The Deportations.

The Committee stated that, faced by conflicting reports about the deportation of Hungarians to Russia, it had set out to make an objective and dispassionate study of the facts, all witnesses being subjected to searching cross-examination. As a result of its study of their testimony and other evidence confirming it, the Committee reached the conclusion that, beyond doubt, deportations to Russia had taken place in considerable numbers. The number could not be accurately assessed but it ran into thousands, and there was no proof that more than a part of the refugees had been returned to Hungary. Official denials were therefore not in accordance with the facts. The deportations could be regarded as an effort to undermine potential opposition within Hungary.

The deportations began following the second Soviet intervention, the number being particularly large in the three weeks after Nov. 4. In Budapest most of the early arrests were made in haphazard manner. People were rounded up in the streets in groups running into hundreds, including elderly people and children, the general practice being to close part of a street by stationing a tank at each end. Anyone found in the area was taken away.

The deportation trains consisted of sealed freight cars or cattle trucks, usually of 20-35 wagons carrying 30-70 people in each wagon. On the journey the captives received scant food supplies and there were no adequate sanitary facilities; men and women all travelled together, each wagon being guarded by Russian troops.

Brutalities of the Communist Secret Police.

The Committee said that it was "deeply shocked" by what it had learned of the sufferings and brutalities inflicted on Hungarians by the Communist political police (A.V.H.). "It was struck by the extent of the abuses that could be perpetrated by a police force without control and thus all-powerful, pitiless, and unabashed by any shameful act. It realized that the existence of such a body, whose secret power affected every phase of public and private life, prevented the enjoyment of all human rights and perverted the functioning of every independent institution."

Numerous cases were cited of disgusting physical and psychological brutalities perpetrated by the A.V.H. on Hungarian freedom fighters—workers and students, men and women from evidence given to the U.N. Committee. Stress was also laid on the detestation which every decent Hungarian felt for the A.V.H. and its methods. Verbatim records of evidence, the report said, "contained appalling descriptions which the Committee would have hesitated to publish in their entirety, even if the necessity for protecting the families of witnesses had not been an obstacle."

Conclusions of the U.N. Committee.

The following conclusions were drawn by the Committee:

"(1) What took place in Hungary in October and November, 1956, was a spontaneous national uprising, due to long-standing grievances which had caused resentment among the people. One of these grievances was the inferior status of Hungary with regard to the Soviet Union. The system of Government was in part maintained by the weapon of terror wielded by the A.V.H. (political police), whose influence was exercised . . . through a complex network of agents and informers permeating the whole of Hungarian society. In other respects, also, Soviet pressure was resented. From the stifling of free speech to the adoption of a Soviet-style uniform for the Hungarian Army, an alien influence existed in all walks of life. Hungarians felt no personal animosity towards the individual Soviet soldiers on Hungarian soil, but these armed forces were symbols of something which annoyed a proud people and fed the desire to be free.

"(2) The thesis that the uprising was fomented by reactionary circles in Hungary and that it drew its strength from such circles and from Western 'imperialists' failed to survive the Committee's examination. From start to finish the uprising was led by students, workers, soldiers, and intellectuals, many of whom were Communists or former Communists. The majority of political demands put forward during the revolution included a stipulation that Democratic Socialism should be the basis of the Hungarian political structure and that such social achievements as the land reform should be safeguarded.

"At no time was any proposal made for the return to power, or to the Government, of any figure associated with pre-war days. 'Fascists' and 'saboteurs' could not have succeeded in landing on Hungarian airfields, which were under Soviet supervision, or in crossing the Austrian frontier, where a closed zone was shown by the Austrian authorities to the military attachés of France, the U.K., the U.S.A., and the Soviet Union.

"(3) The uprising was not planned in advance. It was the universal testimony of witnesses examined by the Committee that the events took participants by surprise. No single explanation can determine exactly why the outbreak occurred just when it did. Communist spokesmen, including M. Kadar and the members of his present Government, have recognized the bitter grievances of the Hungarian people before Oct. 23. They have spoken of a 'broad popular movement' caused by the 'bitterness and indignation' of the masses. Two factors would seem to have brought this resentment to a head. The first of these was the news on Oct. 19 of a successful move by Poland for greater independence from the Soviet Union. This news was largely instrumental in bringing the Hungarian students together in the meetings of Oct. 22 [see above]. The second factor was the acute disappointment felt by the people when Ernö Gerö, First Secretary of the Hungarian Workers' (Communist)

Party, in his speech on the evening of Oct. 23, failed to meet any of the popular demands and adopted what was considered a truculent tone towards his hearers.

"(4) Although no evidence exists of advance planning, and although the whole course of the uprising bears the hallmark of continuous improvisation, it would appear that the Soviet authorities had taken steps as early as Oct. 20 to make armed intervention in Hungary possible. Evidence exists of troop movements, or projected troop movements, from that date on. It would appear that plans for action had therefore been laid some time before the students met to discuss their demands.

"The Committee is not in a position to say whether the Soviet authorities anticipated that the grievances of the Hungarian people, stimulated by events in Poland, could no longer be contained. Signs of opposition were evident before Oct. 23; the Hungarian Government had reason to foresee that trouble was brewing. While the evidence shows that Soviet troops from outside Hungary were used even in the first intervention, no clause of the Warsaw Treaty provides for intervention by armed forces of the Soviet Union to dictate political developments within any signatory's frontiers.

"(5) The demonstrations on Oct. 23 were at first entirely peaceable. None of the demonstrators appears to have carried arms, and no evidence has been discovered that any of those who voiced the political demands or joined the demonstrators had any intention to resort to force. While disappointment at M. Gerö's speech may have angered the crowds, it would hardly of itself have sufficed to turn the demonstration into an armed uprising. That this happened was due to the action of the A.V.H. in opening fire on the people outside the radio building. Within a few hours Soviet tanks were in action against the Hungarians. This appearance of Russian soldiers in their midst, not as friendly allies but as enemies in combat, had the effect of still further uniting the people.

"(6) Obscurity surrounds the invitation alleged to have been issued by the Hungarian Government to the Soviet authorities to assist in quelling the uprising by force. M. Nagy has denied, with every appearance of truth, that he issued this invitation or was even aware of it. As Soviet tanks appeared on the streets of Budapest at about 2 a.m. on Oct. 24, it would have been impossible for him to have addressed any official message to the Soviet authorities, since he held no Government post at the time when the tanks must have received their orders. An invitation may have been made privately by M. Gerö or M. Hegedüs, the Prime Minister. The Committee, however, has had no opportunity of seeing a text of such an invitation, or of considering the exact circumstances in which it may have been issued. Until further information comes to light, it would be wise to suspend judgment as to whether such an invitation was issued at all.

"Similar considerations apply to the invitation which is alleged to have been addressed to the Soviet authorites before the second intervention on Nov. 4. M. Kadar had remained a member of M. Nagy's Government when the latter was reconstituted on Nov. 3, and the Committee is unaware of his having given any recorded indication of his disapproval of M. Nagy's policies. M. Kadar's movements at this time are not fully known, and he cannot be considered to have substantiated his own claim to have called, in the name of the Government, for Soviet help. In any event, there is abundant evidence that Soviet preparations for a further intervention, including the movement of troops and armour from abroad, had been under way since the last days of October. M. Kadar and his Ministers were absent from Budapest during the first few days after he formed his Government, and administrative instructions to the people of Hungary were issued by the commanders of the Soviet troops.

"(7) When M. Nagy became Prime Minister, he was not at first able to exercise the full powers of that office. Only when the grip of the A.V.H. was loosened by the victory of the insurgents was he able to take an independent stand. By this time the real power in Hungary lay with the Revolutionary and Workers' Councils, which had sprung up spontaneously in different parts of the country and had replaced the collapsing structure of the Communist Party.

"M. Nagy, though himself a Communist of long standing who had lived for many years in the U.S.S.R., invited non-Communists into his Government and listened to the demands of the various Revolutionary and Workers' Councils. It would appear that M. Nagy himself, like the country at large, was somewhat taken aback by the pace of developments. However, seeing that his countrymen were united in their desire for other forms of Government and the departure of Soviet troops, he threw in his lot with the insurgents. By this action he obliterated the impression which he had created while still under the domination of the A.V.H., and he became a symbolic figure in the uprising, although he had not instigated it and was never its actual leader.

"(8) The few days of freedom enjoyed by the Hungarian people provided abundant evidence of the popular nature of the uprising. A free Press and radio came to life all over Hungary, and the disbanding of the A.V.H. was the signal for general rejoicing, which revealed the degree of unity achieved by the people once the burden of fear had been lifted from them.

"(9) There were a number of lynchings and beating by the crowds. These were in almost all cases confined to members of the A.V.H., or those who were believed to have co-operated with them.

"(10) Steps were taken by the Workers' Councils during this period to give the workers real control of nationalized industrial undertakings and to abolish unpopular institutions, such as the production norms. These were widely resented as being unfair to workers and also as being a reflection of popularly suspected secret trade agreements with the U.S.S.R., which were said to make heavy demands on the Hungarian economy for the benefit of the Soviet Union.

"(11) In contrast to the demands for the re-establishment of political rights put forward during the uprising is the fact that basic human rights of the Hungarian people were violated by the Hungarian Government prior to Oct 23, and that such violations have been resumed since Nov. 4. The Committee is convinced that the numerous accounts of inhuman treatment and torture by the A.V.H. are to be accepted as true. On the evidence, it is also convinced that numbers of Hungarians, including some women, were deported to the Soviet Union and that some may not have been returned to their homes.

"These deportations were designed to break the back of the revolution. Action taken by the Hungarian people in their spontaneous uprising succeeded in ridding them for a few days of the apparatus of police terror. This democratic achievement of a united people was, indeed, threatened by a form of 'counter-revolution,' and it was to this that it succumbed. However, the 'counter-revolution' consisted in the setting-up by the Soviet armed forces of M. Kadar and his colleagues in opposition to a Government which enjoyed the overwhelming support of the people of Hungary.

"(12) Following the second Soviet intervention on Nov. 4, there has been no evidence of popular support for M. Kadar's Government. M. Kadar has successively abandoned most of the points from the revolutionary programme which he had at first promised to the Hungarian people. On the central question of the withdrawal of Soviet troops, he has moved from complete acceptance of the nation's wishes to a refusal to discuss the subject in present circumstances. He has proceeded step by step to destroy the power of the workers and of the Workers' Councils.

"Capital punishment is applicable to strike activities The processes of justice have been distorted by the institution of special police and special courts, and by the ignoring of the rights of the accused. The Social Democratic Party has again been forcibly liquidated. General elections have been postponed for two years. Writers and intellectuals are subjected to repressive measures. The Hungarian workers have shown no sign of support for M. Kadar's Government or for the prospect of continuous Soviet occupation. Only a small fraction of the 190,000 Hungarians, mostly young people, who fled the country have accepted his invitation to return. The peasants have reason to be grateful to M. Nagy for his attitude towards collectivization of agriculture and forced deliveries of farm produce.

"(13) In the light of the extent of foreign intervention, consideration of the Hungarian question by the United Nations was legally proper. Moreover, it was requested by a legal Government of Hungary [i.e. M. Nagy's Government]. In the matter of human rights, Hungary has accepted specific international obligations in the [Hungarian] Peace Treaty. Accordingly, the Committee does not regard objections based on Paragraph 7, Article 2, of the Charter as having validity in the present case. [This paragraph of the Charter precludes the U.N. from intervening in "matters which are essentially within the domestic jurisdiction of any State."] A massive armed intervention by one Power on the territory of another, with the avowed intention of interfering in the internal affairs of the country, must, by the Soviet Union's own definition of aggression, be a matter of international concern."

The U.S. State Department said on June 20 that the facts and conclusions placed before the world by the U.N. Committee were "both shocking and uncontrovertible" and could not be challenged by the Soviet Government or the Kadar regime, which had witheld all co-operation from the Committee. Mr. Cabot Lodge (U.S. representative at the U.N.) said that the report, with "its account of Soviet brutality and lying and cheating," was so detailed that it "must be carefully studied by all Governments, large and small, both as a matter of justice to Hungary and for their own self-protection against future Soviet attempts to overwhelm them."

A spokesman of the British Foreign Office similarly declared on June 20 that the U.N. Committee had performed "an invaluable service in producing this record of a small nation's courageous and tragic attempt to regain its freedom." He stressed that the members of the Committee had been specially selected for their impartiality and integrity, that they included two representatives of "uncommitted" Afro-Asian countries (Ceylon and Tunisia), and that the thoroughness of their investigations and the truth of the conclusions reached "will be challenged only by those who have a direct interest in effacing the record of crimes committed in the name of Communism against the Hungarian people."

The U.S. Government announced on June 21 that the 24 nations which co-sponsored the General Assembly's resolution setting up the Fact-Finding Committee would meet during the following week to "consider practical steps for following up the report."—(Times - Daily Telegraph - Manchester Guardian - New York Times - U.N. Information Centre, London) **(Prev. rep. U.N. Committee on Hungary, General Assembly Resolution, 15405 A.)**

A. FRANCE. — Naval Construction and Expansion.

The following information on the expansion of the French Navy in recent years was given in the *Bulletin d'information de la marine nationale*, published early in June: (*a*) the Navy's tonnage had increased from 262,000 tons at the end of the war to 383,000 tons at April 1, 1957; (*b*) since 1951 the French Navy had been reinforced by the 9,000-ton cruiser *De Grasse*, ten 2,750-ton destroyers (*escorteurs d'escadre*), and nine 1,250-ton destroyers (*escorteurs rapides*); (*c*) further destroyers of both types would go into commission during 1957; (*d*) major naval units under construction included the 22,000-ton aircraft carriers *Clémenceau* and *Foch* and the cruiser *Colbert*, a sister-ship of the *De Grasse*.

The principal units of the French Navy in service or under construction are as follows:

Battleship. The 40,000-ton *Richelieu*, completed at Brest in 1940. She escaped from occupied France, was refitted in America, and served during the latter part of the war with the British Royal Navy.

[A sister-ship, the *Jean Bart*, is to be laid up at Toulon—see below.]

Aircraft Carriers. The 13,000-ton carrier *Arromanches* and the 10,000-ton carriers *Bois-Belleau* and *Lafayette*. The *Arromanches* (ex-H.M.S. *Colossus*) was loaned to France by the Royal Navy in 1946 and purchased outright in 1951. The *Bois-Belleau* and *Lafayette* were loaned by the U.S. Navy in 1953 and 1951 respectively. All three vessels were built during the war in British and American naval yards.

The 22,000-ton carriers *Clémenceau* and *Foch*, mentioned above, are the first such warships to be built in France and will incorporate the latest features of carrier design—the steam catapult, angled deck, stabilized deck-landing mirror aids, electronic devices, etc. It is understood that they will replace the *Bois-Belleau* and *Lafayette* when completed.

Cruisers. In addition to the *De Grasse*, now in commission, and the *Colbert*, now being fitted out, the French Navy has the 10,000-ton cruisers *Gloire*, *Montcalm*, and *Georges Leygues*, all completed in 1937, and the 4,000-ton light cruisers *Chateaurenault* and *Guichen*. The three cruisers of the *Gloire* class served with the Free French Navy during the war. The two light cruisers - ex-Italian *Attilio Regolo* and *Scipione Africano* respectively were ceded to France in 1948 under the Italian Peace Treaty.

The *Colbert*, launched at Brest on March 24, 1957, is designed as an anti-aircraft cruiser able to fire guided missiles the first vessel of its kind to be built for the French Navy. She has a range of 4,000 miles at 25 knots and carries special protective armament against the effects of atomic attacks.

Destroyers. Seventeen large 2,750-ton destroyers of the *Surcouf* class—the first post-war French destroyers—have been laid down in the past few years, of which ten are in service and two more—the *Guépratte* and *Du Chayla*—will come into commission in 1957. Of 15 lighter vessels of the 1,750-ton type (classified as destroyer escorts or frigates), nine have been completed and two others will shortly be commissioned, the remainder being in various stages of construction.

Submarines. Five submarines, all of pre-war design and completed between 1946 and 1953, are in commission: *L'Africaine*, *L'Andromède*, *L'Artémis*, *L'Astrée*, and *La Créole*. They have a surface displacement of 910 tons, and 1,170 tons submerged. Six larger submarines are under construction (*Dauphin*, *Espadon*, *Marsouin*, *Morse*, *Narval* and *Requin*), displacing 1,200 tons on the surface and 1,900 tons submerged; the *Narval* was launched in December 1954 (see 13963 B). Five ex-German submarines are also in service in the French Navy.

Helicopter Carriers. It was disclosed in October last by Admiral Nomy, Chief of French Naval Staff, that helicopter carriers (*porte-hélicoptères*) were being built for the French Navy. They were described as the first vessels of their kind in the world.

The State Secretary for the Navy (M. Anxionnaz) announced on June 11 that the battleship *Jean Bart* would be laid up at Toulon and used as a gunnery training school. He explained that the modernization of the *Jean Bart* was impossible for financial and technical reasons, and that her present armament was considered obsolete for modern warfare. The *Jean Bart* escaped from the Germans in 1940 before she had been completed and took refuge at Casablanca; her rebuilding was begun after the war, and she was commissioned in the French Navy in 1950.—(Le Monde, Paris) **(13963 B; 13213 C.)**

B. TURKEY. — The Atatürk University.

A Bill providing for the creation of a new university in eastern Anatolia, to be called the Atatürk University, was recently passed by the Grand National Assembly. Patterned on the American collegiate system, it will house a number of faculties and will give particular attention to practical and vocational courses in agriculture, forestry, veterinary sciences, etc. The blueprints for the new university were drawn up in collaboration between visiting specialists from the University of Nebraska and Turkish educationists.—(Turkish Embassy Press Office, London) **(Prev. rep. 14801 A.)**

C. NEW ZEALAND. — Power Development Plan.

A power development programme costing £235,000,000 over the next 13 years (until 1970) was announced in a Government report issued on June 23 by the Minister in charge of the State Hydro-Electric Department, Mr. W. S. Goosman. The plan provides for geothermal, gas turbine, and hydro-electric power stations, and recommends the linking of the North Island and South Island power-systems by a submarine cable under Cook Straits at a cost of some £16,000,000.

The report stated that present installed power capacity was just over 1,000,000 kilowatts, but that another million would be required by 1970. In her rivers and geothermal steam New Zealand had better sources of power available to her for some time to come than coal-fired steam or atomic power stations; but while the South Island had more water resources than it required, the North Island had insufficient resources for its power requirements.

The report estimated that the cost of the Benmore hydro-electric power station on the Waikaki River (South Island) would be £36,000,000; this station, on which preliminary work had started and which should be finished in 1966, would produce 480,000 kilowatts and would be the largest in the Southern Hemisphere. In order to increase the North Island's power output, it was stated that work would go ahead with the development of the Wairakei geothermal power station to generate an additional 82,000 kilowatts, while a gas-turbine station of 107,000 kilowatts to be built near Wellington would be used for peak-loads and as a standby. The Roxburgh hydro-electric station on the Clutha River, which had recently been completed, would ensure that there would be no shortage of generating capacity in the South Island up to 1965.

Mr. Goosman said that the electric supply account would be exempted from taxation to assist in financing the programme. Legislation would be introduced authorizing higher charges by power authorities so that some capital costs could be paid from revenue.

The Government's decisions on the Wairakei project were based on recommendations made by Merz & McLellan of London, the consulting engineers. Their report, issued in Wellington on March 1, recommended the production of a total of 250,000 kilowatts from steam and hot water in the Wairakei area, where work had already started on a plant to produce 69,000 kilowatts from Wairakei steam, which seeps naturally through the earth's crust but gushes out at tremendous pressure from deep bores. The consultants recommended that production of a further 82,400 kilowatts should be the next stage, followed as a third stage by the building of a plant to produce an additional 101,200 kilowatts.

Another report prepared for the N.Z. Government by British Insulated Callender's Cables Ltd., and issued on March 4, described the plan for a submarine power cable under Cook Straits as "thoroughly practicable." It was estimated that the direct current installation to handle a power transfer of 1,200,000 kilowatts would cost £5,163,000. The cables would be laid along two routes each about 25½ miles long, and the project would be among the biggest of its kind.

(New Zealand Directorate of Information, Wellington)
(Prev. rep. 15312 D.)

D. UNITED KINGDOM - SOVIET UNION. — Large Soviet Order for Tyre Factory Equipment.

It was announced on April 6 that a British trade mission which had visited the U.S.S.R. had secured a Soviet order for rubber-manufacturing machinery and electrical equipment, worth "many millions of pounds," to be used for the setting-up of a tyre factory.

The leader of the delegation, Dr. J. G. Mackay (technical director of Francis Shaw & Co. Ltd. of Manchester, one of the firms which formed a consortium to negotiate the contract), said that the precise value of the order would not be known until an engineering survey had been completed. He added that it was the first time the Russians had agreed to a "package deal" of this kind for more than 20 years; that the tyre factory, when completed, would be the largest in the world outside the United States; and that the order had been "one of the items on the shopping list of Mr. Bulganin and Mr. Khrushchev when they visited Britain last year." Other firms represented on the mission were David Bridge & Co. Ltd.; Crompton Parkinson & Co. Ltd.; and Dunlop Advisory Service Ltd. (carrying out the engineering survey as consultants to the consortium).

The order was obtained in the face of competitive tenders from the United States, France, and Western Germany.

(Times - Manchester Guardian)

E. FRANCE - JAPAN. — Agreement on Japanese War Debt in Indo-China.

A Franco-Japanese agreement was signed in Tokio on March 26 under which Japan promised to pay to France immediately the equivalent in sterling of 1,500,000,000 yen (about £1,500,000), as well as $480,000, in settlement of debts which the Japanese military forces incurred in French Indo-China during the Second World War.—(Le Monde, Paris)

JUNE 29—JULY 6, 1957

A. WESTERN POWERS - SOVIET UNION. — Note Exchanges on Middle East. - Western Rejection of Soviet Proposal for Four-Power Declaration. - Marshal Bulganin's Correspondence with Mr. Macmillan, M. Mollet, Dr. Adenauer, and Norwegian and Danish Premiers. - Denunciation of NATO Bases in Norway, Denmark and Western Germany. - Threats of "Atomic Retaliation" in Event of War. - Norwegian, Danish and West German Rejection of Soviet Threats. - Dr. Adenauer's Insistence on Repatriation of Germans from U.S.S.R. as Pre-condition for Negotiations.

A summary is given below of a number of Notes sent by Marshal Bulganin during recent months to the Prime Ministers of the United Kingdom, France, the German Federal Republic, Norway, and Denmark, and also of Notes exchanged between the Western Powers and the Soviet Union during that period. They comprised the following documents:

(1) The replies of the British, French, and U.S. Governments to the Soviet proposals for a four-Power declaration on the Middle East, as had been proposed by M. Shepilov on Feb. 12 (see 15370 A); further Soviet Notes to the Western Powers on the same subject; and the replies of the Western Powers thereto.

(2) Correspondence exchanged between Marshal Bulganin and the British Prime Minister, Mr. Harold Macmillan.

(3) Proposals made by Marshal Bulganin to M. Guy Mollet, then Prime Minister of France.

(4) Notes sent by Marshal Bulganin to the Prime Ministers of Norway (Hr. Gerhardsen) and Denmark (Hr. Hansen) containing warnings of "atomic retaliation" against those countries if they were used as NATO bases for attacks on the U.S.S.R.

(5) The replies of the Norwegian and Danish Prime Ministers to the above-mentioned threats.

(6) Similar Soviet warnings to the German Federal Republic with regard to NATO bases in Western Germany.

(7) Correspondence between Marshal Bulganin and Dr. Adenauer on Soviet-West German relations generally, in continuation of the correspondence initiated by the Soviet Prime Minister on Feb. 10 (see 15370 A).

Note Exchanges on the Middle East.

The text was released on March 11 of the British, French and U.S. replies to the Soviet Notes on the Middle East. The three Western Powers—whose replies were in similar but not identical terms—rejected the Soviet proposal for a joint four-Power declaration on the Middle East, a summary of the British Note being given below:

". . . The proposals of the Soviet Government contain features with which H.M. Government would certainly agree. But they are presented in the context of unwarranted attacks on H.M. Government and their allies. This background must inevitably create doubt whether they are intended as a serious contribution toward the fulfilment of their professed aims.

"H.M. Government agree that the maintenance of peace and security in the Middle East, and the strengthening of the independence and prosperity of the sovereign States of the region . . . are of vital interest to the peoples of the Middle East and indeed to all countries with an interest in world peace. Yet the Soviet Government's actions in Middle East affairs do not appear to be consistent with these aims. For example, the massive shipments of Soviet arms into the area last year, at a time when regional disputes were already acute, only served to accentuate instead of reduce tension . . . The pronouncements on Middle East affairs by the Soviet Government and its organs of information and propaganda have, moreover, for long sought not only to sharpen and perpetuate differences between countries but also to subvert the loyalty of local populations towards their established Governments.

"It is, in contrast, the policy of H.M. Government to work for stability in the Middle East, to strengthen the United Nations in its efforts to solve the problems of the area, and to foster respect for the purposes and principles of the U.N. Charter . . . They hope that such respect will be shown by the Soviet Government, particularly in regard to resolutions of the United Nations which affect the Soviet Government's conduct.

"As regards the Soviet Government's proposal for a mutual agreement not to supply arms to the countries of the Near and Middle East, H.M. Government believe that where local tensions exist it is clearly the responsibility of the major arms-supplying Powers to do nothing which is likely to aggravate such tensions. For this reason the policy of H.M. Government has consistently been to avoid an arms race between the Arab States and Israel, while recognizing that these States all need to maintain a certain level of armed forces for the purposes of assuring their internal security and their legitimate self-defence . . .

"The Soviet Note . . . describes existing associations freely entered into between sovereign States of the area as 'closed military blocs.' H.M. Government hold that all sovereign States have an absolute right to decide freely the nature of their relations with any other State or group of States and to co-operate, consistently with the U.N. Charter, with other States for the purposes of security and defence . . H.M. Government could not, therefore, be party to any attempt by outside Powers to deny the exercise of this right to the States of the Middle East

"The Soviet Government's proposals with regard to the liquidation of foreign bases and withdrawal of foreign troops from the Near and Middle East equally fail to take account of the sovereign right of the countries in the area to take decisions which they judge to be in their own best interests. In this respect, as in regard to the right of the countries concerned to enter into special relations with any other State or group of States, H.M. Government could not be party to proposals . . . which tend to impose on the countries of the Near and Middle East restrictions on their sovereignty and foreign policy of a kind not accepted by countries in Europe and elsewhere.

"These beliefs of H.M. Government are also held by a number of sovereign States in the Middle East region. They are embodied in the terms of the free and equal partnership of the Baghdad Pact. This instrument provides for co-operation for security and defence consistent with Article 51 of the U.N. Charter and, moreover, contains a specific undertaking by the parties to refrain from interference in each other's internal affairs. Furthermore, the partnership between the Baghdad Pact Powers is not only directed to the strengthening of the ability of the Powers concerned to resist aggression but is designed to contribute to the all-round development of the economic, commercial, and cultural relations of the countries concerned on a basis of equality and mutual benefit. H.M Government therefore regard the Baghdad Pact as a potent contribution to peace, stability, and prosperity in the area.

"These considerations all lead H.M. Government to the conclusion that the Soviet proposals do not take sufficient account of the wishes and rights of the States concerned and would not, therefore, prove to be the best method of promoting the peace, prosperity, and independence of the States in the area. This objective would not be furthered by the issuance of the declaration proposed by the Soviet Government, about which the Middle East States concerned would not have been consulted and in which they are not being invited to participate. If, however, the Soviet Union would conduct itself in a manner conforming to the general aims set out in its Note of Feb. 11, without attempting to derogate from the sovereign rights of the States concerned, it would make an important contribution to the fulfilment of this objective not only in the Middle East but in other areas as well."

The U.S. Note said that the Soviet Government "could demonstrate its own willingness to carry out the high principles it sets forth by itself respecting the U.N. resolutions calling for compliance by the U.S.S.R., such as those relating to its actions in Hungary." Like the British Note, it expressed regret that the Soviet Government had sent "massive shipments of arms into the area at a time when regional disputes there had become sharply exacerbated." Both the U.S. and French Governments rejected the Soviet proposal for a four-Power declaration on the Middle East for the same reasons as set forth in the British Note.

Further Soviet Notes on the subject of the Middle East were sent to the Western Powers on April 12; they were, in effect, a recapitulation of the earlier Soviet Notes of Feb. 11, and complained that the Western Powers had put forward "no specific proposals" for ensuring peace and security in the Middle East.

In its Note to Britain, the Soviet Government attacked the Baghdad Pact and, in particular, America's participation in the Pact's Military Committee. It described the Pact as "colonialist" and "aggressive"; alleged that one of its members [unnamed] had "offered its territory for use by bombers of the attacking side" during the Anglo-French action against Egypt; and said that the Soviet Union, for reasons of its own security, could "not remain indifferent to steps which exacerbate the situation in the Middle East, which is situated in immediate proximity to the frontiers of the U.S.S.R." After complaining that the British Note had "distorted" the question of arms shipments to the Middle East countries, the Soviet Note accused the Western Powers of having supplied "a great quantity of arms" to the Baghdad Pact countries and to Israel, and alleged that these arms had been "used for unleashing armed aggression against Egypt in gross violation of the principles of the U.N. Organization."

The Soviet Note to the United States was in similar terms, and contained an attack on the "Eisenhower doctrine." The Note to France alleged, *inter alia*, that Israel was "openly threatening to resume aggression against Egypt if her claims are not satisfied" and referred to "press reports that official French spokesmen have promised Israel economic and military aid if she should take renewed action." The Note added that the "concentration of air forces in Cyprus evidently bears some relation to these plans."

In their replies, made public on June 12, the British, U.S. and French Governments reiterated the points of view expressed in their Notes of March 11 and refuted the various allegations contained in the second series of Soviet Notes of April 12.

After referring to the "unwarranted attacks on the U.K. and its allies" and to the "mis-statements" contained in the Soviet Notes of Feb. 11 and April 12, the British Note rejected *in toto* the Soviet allegation that any member of the Baghdad Pact had offered its territory for the use of British or French aircraft during the Suez emergency. It also denied emphatically that the Baghdad Pact was a threat to the security of any country, emphasizing that all member-Governments had repeatedly affirmed the peaceful nature of the organization. The Note stressed that the main focus of tension in the Middle East was the Arab-Israel dispute, and that it was the continuation of this dispute which made it impossible to achieve lasting peace and stability in the area; the other factors mentioned in the Soviet Note were either "subsidiary or irrelevant." The Soviet Government, however, had made "no constructive and realistic proposals" for solving the Arab-Israel dispute, and had apparently preferred "to make vague generalizations and accusations regarding the alleged intentions of Governments outside the area."

The U.S. Note (which was in similar terms) pointed out that the use of force to settle disputes was already condemned under the U.N. Charter, and that there was thus no need for a four-Power declaration condemning force in the Middle East, as proposed by the Soviet Government. With regard to the concern expressed by the Soviet Government for its security, in view of the "close proximity" of the Middle East to the U.S.S.R., the U.S. Note commented: "It may be generally observed that it is just those countries lying closest to the Soviet Union which have been most vigorously attacked in the recent Soviet campaign of threat and intimidation aimed at the legitimate efforts for self-defence undertaken by the nations in question. Public attacks upon Governments of these States, together with subversive intervention in their domestic affairs, give them good cause to seek the strengthening of their security, as certain States in the Middle East are now doing in concert with each other."

The French Note declared that the Soviet allegations of projected French military aid to Israel and of a build-up of air forces in Cyprus were completely untrue and devoid of any foundation. It stressed that the Soviet Government had done nothing whatever to contribute to the easing of tension in the Middle East, but, on the contrary, had exacerbated the situation by its unconditional support for the extremist demands of Colonel Nasser, by its "exclusively anti-Israel" attitude in the Security Council, and by its "massive" arms supplies to Egypt which "constituted a decisive element in the origin of the crisis of last autumn."

The Bulganin-Macmillan Correspondence.

The Soviet Prime Minister sent a personal letter to Mr. Macmillan on April 20, worded in conciliatory terms, expressing the view that Great Britain and the Soviet Union could reach agreement on all important international questions, and stressing the importance of removing tensions in Anglo-Soviet relations. Marshal Bulganin's letter, extracts from which are given below, called specifically for (1) an agreement between the Great Powers to oppose the use of force in settling unresolved problems in the Middle East, in which connexion he expressed regret that Britain had not agreed to a joint four-Power declaration as proposed by the U.S.S.R.; (2) an immediate ban on atomic and hydrogen bomb tests, without waiting for a general disarmament agreement; (3) a resumption of discussions on the "Eden plan" for establishing a demilitarized zone in Europe; and (4) measures for the relaxation of existing Anglo-Soviet tensions.

Marshal Bulganin to Mr. Macmillan.

After recalling his visit to London with M. Khrushchev in April 1956, Marshal Bulganin wrote as follows (cross-headings inserted):

. "Though the exchange of opinions which began a year ago between both Governments produced positive results, this cannot be regarded as sufficient in the present situation—the more so because, during the year since the talks, events have taken place in the international arena which have led to an undesirable aggravation of international tension and a certain deterioration in the relations between the Soviet Union and Great Britain . . .

Middle East. "We believe that the present tension in the Middle East results in the first place from the unwillingness of certain circles in Britain and several other countries to recognize the justified interests and rights of the States of the Arab East who have taken the path of national independence and renaissance. It is our deep conviction that the task of guaranteeing a lasting peace demands that the Great Powers should strictly uphold the principles of a peaceful settlement of all conflicting questions connected with this region, and that they should respect the sovereignty and independence of the Middle East countries and should not permit any interference in their internal affairs. It can only be regretted that the British Government has not found it possible to support the proposals made by the Soviet Government for a joint four-Power statement on these principles. The situation in the Middle East, an area immediately bordering upon the Soviet Union, cannot fail to bear on the security interests of the U.S.S.R.—a circumstance to which we have already drawn the attention of the British Government."

After stating that the Soviet Government recognized the importance of British economic interests in the Middle East, Marshal Bulganin continued: "The safeguarding of Britain's economic interests in the Middle East should be pursued not along the road of using force but along the roads of negotiation and sober consideration of the just interests of the parties concerned, and of developing normal economic relations between States without infringing in any way the sovereignty of the countries of that area.

"Believing that the possibilities of such a settlement have by no means been exhausted, I do not lose hope that, given good will on the part of the Governments of the States concerned, agreement can be reached on all disputes. Taking into consideration the complexity of the existing problems, one should . . . immediately take such steps on which it is already possible to reach an agreement. We believe that the Great Powers could make a big contribution to the normalization of the situation in the Middle East if they denounce the use of force as a means of settling the unsolved problems of that area. One may differ on certain questions, for instance those connected with the use of the Suez Canal, but it is impermissible that disputed issues should be settled by armed force . . .

Disarmament. "The Soviet Government believes that Great Britain and the Soviet Union, which together with other Great Powers bear special responsibility for the maintenance of world peace, can and must make a very important, if not decisive, contribution to the easing of tension in the relations between the countries of the East and West, and to the settlement of international disputes. The present situation calls above all for an approximation of views on the vital international problem of disarmament. An end must be put to the absolutely abnormal situation in which futile talks on the necessity and desirability of disarmament are being held in authoritative international agencies while disarmament does not make any progress but, on the contrary, the arms race is being stepped up and certain Powers are doing everything to condition mankind to the monstrous thought of the inevitability of atomic warfare.

"At the present time, there are objective pre-requisites for reaching agreement by the Powers—if not on the disarmament problem as a whole, at least on some major aspects of this problem. The Soviet Government is convinced that the Great Powers could show their goodwill for a solution of the problem by agreeing, first and foremost, to the immediate banning of atomic and hydrogen weapons tests . . . The Soviet Government holds the view that this question should be separated from the general problem of disarmament and settled independently, and should not be made contingent on agreement on other aspects of the disarmament problem. It seems possible that agreement could be reached at the outset to discontinue atomic and hydrogen weapon tests for a definite period.

"Must not our two countries concentrate their efforts on averting any threat of atomic war? The Soviet Government regards this as its absolute duty. Can our countries not live in peace? Can joint efforts not bring about a situation in which atomic bombers and rockets of one State will never sow death in the territory of another?

European Security. "Since it is evidently difficult to abolish immediately the military alignments of Powers and to replace them by a system of collective security in Europe, one should, in the interests of British, Russian, and European security as a whole, try to reach agreement on temporary transitional measures which would gradually lead to this goal.

"To this end the Soviet Government would be willing to resume discussion of the proposals, made some time ago in a general form by Sir Anthony Eden, on the creation of demilitarized zones in Europe and of areas of restricted armaments. The Soviet Government assumes in this connexion that its corresponding proposals would also be discussed, such as the proposal for an aerial inspection zone in Europe.

Anglo-Soviet Relations. "For the maintenance of peace in Europe and throughout the world, it is exceptionally important that the present tension in the relations between the Soviet Union and Great Britain should be replaced by good friendly relations. The Soviet Government proposes that joint measures be concerted in the near future to bring about a considerable expansion of cultural and scientific-technical exchanges between the U.S.S.R. and Britain. It is willing to authorize plenipotentiary representatives to examine appropriate questions with British representatives."

Mr. Macmillan to Marshal Bulganin.

In his reply to Marshal Bulganin, dated June 14, Mr. Macmillan dwelt at length on Britain's attitude to the various questions raised by the Soviet Prime Minister, with special reference to the disarmament problem and the question of European security. In the latter connexion he stressed that there was "little prospect of a satisfactory settlement of major issues outstanding between East and West" unless the Soviet Government allowed the German people to exercise "the elementary right of self-determination" and permitted free all-German elections. The Prime Minister's letter is summarized below under cross-headings:

After acknowledging the receipt of Marshal Bulganin's letter, Mr. Macmillan wrote: "While I welcome its conciliatory tone, I would not be frank if I did not express a certain disappointment at the lack of any new and constructive proposals. Nevertheless, I am encouraged to deal in detail with the various questions raised in the hope that as a result of careful examination and discussion of these matters some advance may become possible.

Disarmament. "The first and most important question that faces us all is how to dispel the threat of war. You and I have lived through two World Wars. We have seen their terrors. We must wish to preserve our children and grandchildren from a third and perhaps final tragedy. Thus common interests must urge us on to find answers to the problems which confront us all.

" We share your concern about the burden of military expenditure which weighs on all States. We have taken practical steps, as all the world knows, to reduce this so far as the U.K. is concerned. Yet the crux of the problem is not unilateral reductions but the achievement of international agreements on both conventional and nuclear disarmament. The Soviet Government themselves have warned against agreements which would create ' a false sense of security.' I am sure this is right. That is why we place our hopes on disarmament undertakings, the fulfilment of which can be tested and verified by a system of control commanding general confidence.

" This question of control arises, for example, on your suggestions about stopping the testing of nuclear weapons, either permanently or for a limited period, which I have carefully studied. If—as it seems—you consider that the control problems are simple, I cannot see why, as a first step, you should not agree immediately to the advance registration of tests and to the presence of international observers at all such occasions. I am sure that world opinion, which was deeply disturbed by the fact—now widely known—that the Soviet authorities carried out, unannounced, five nuclear tests in the first half of April, would regard your Government's co-operation in carrying out such a measure as a step forward.

" Registration, however, is not enough. On May 6 the U.K. Government tabled in the U.N. Disarmament Sub-committee proposals not only for the registration but also for the limitation and eventual cessation of tests under effective international control. I would ask you to look again at these proposals. They outline a method for dealing with the tests problem in stages. You have already accepted the principle that disarmament must be achieved by stages, and I am convinced that to apply this principle to the problem of nuclear test explosions offers the best chance of reaching agreement.

" But an agreement on the registration, limitation, and ultimate cessation of tests, still less one for their temporary cessation, is not of itself an agreement for disarmament. It would not be a substitute for a wider agreement covering both the conventional and the nuclear fields with proper systems of control. As you know, we are ready to negotiate either a comprehensive disarmament agreement, of the type set out in the Anglo-French plan, or a partial agreement which might get disarmament started more quickly. I recognize all the difficulties in the way of the immediate conclusion of a comprehensive agreement of the Anglo-French type, and it was with that in mind that I put forward proposals for partial disarmament at the meeting of Foreign Ministers at Geneva in 1955. I was glad to note that, following several enquiries by the Western delegations, your representative on the Disarmament Sub-committee was able on April 30 last to reveal the Soviet ideas on partial disarmament.

" Unfortunately, your views on partial disarmament appear to differ in certain important respects from my own. For example, you propose immediate full-scale reductions in the armed forces of the major Powers down to levels that were originally suggested for the final stage of a comprehensive plan. But you must be aware that the U.K. could not support these very extensive reductions in Western defences without also being assured of parallel settlements in the political field. Reductions of this size obviously require a diminution in the world tensions that obliged us to set up our defence system. I hope therefore that common ground can be found between us about the extent of the reductions to be included in a partial plan.

" I notice that your proposals contain no really effective plan for control of nuclear disarmament. History shows that paper agreements prohibiting the use of specific weapons are not enough.

" I was also sorry to see that your proposals omitted the provisions for permanent ground inspection of all legitimate objects for control which were contained in your comparable proposals of March 7, 1956. I hope you can assure me that these proposed provisions have not been withdrawn. In any case, I welcome sincerely the more favourable attitude you now adopt to the question of aerial inspection, and your proposals on this subject are now being studied . . .

European Security. " I now come to European questions . . . I note your readiness to discuss Sir Anthony Eden's proposals for a demilitarized zone and for the limitation of forces and armaments in Europe. As you know, the ideas animating these proposals are incorporated in the draft treaty of assurance which the Western Powers offered the Soviet Union at the Geneva Conference of Foreign Ministers. I would recall that these proposals were put forward as part of a comprehensive settlement which, in accordance with the directive approved by the Heads of Government at the summit conference, was intended to provide concurrently for a reunification of Germany in freedom and for the establishment of a security system to meet the legitimate defence requirements of the Soviet Union and other European States.

German Reunification. " In the hope of making it easier for the Soviet Union to accept the reunification of Germany, the Western Powers put forward in the treaty of assurance proposals which would provide a system of control in which the Soviet Union would directly participate, and reciprocal assurances from which the Soviet Union would directly benefit. In particular, you will remember that in order to remove any doubts which might remain about the implications of these proposals, H.M. Government stated that they would be prepared, as part of a mutually acceptable European security arrangement, to give an assurance that in the event of a reunified Germany choosing to join NATO they would not take military advantage as a result of the withdrawal of Soviet forces.

" You will no doubt have observed that a similar assurance was given by Chancellor Adenauer and President Eisenhower in their declaration in Washington on May 28 [see 15580 A]. I must repeat, however, that all Western proposals for European security are contingent on a reunified Germany with a freely elected all-German Government, free to choose its own foreign policy.

" I am therefore disappointed that your message does not take up any of these proposals and makes no other constructive suggestions for the achievement of German unity For this reason the Soviet proposal for a collective security treaty based on the continued division of Germany is and will remain unacceptable to the British Government.

" Nor would a non-aggression agreement between members of NATO and the Warsaw Pact be, in itself, any real contribution towards European security. Such an agreement would add nothing to the obligations which all members of the U.N. have already undertaken. Moreover, it would confirm rather than eliminate the present division of Europe and of Germany, which is the main cause of tension in Europe.

" If, as I hope, the Soviet Government want to give practical evidence of their expressed desire to settle the principal international problems which beset us, the best way of doing so would be to allow the German people freely to elect their own Government and to decide their own future. Unless the Soviet Government are prepared to grant the elementary right of self-determination to the Germans, there is, I fear, little prospect of a satisfactory settlement of the other major issues outstanding between East and West.

" Since H.M. Government regard the reunification of Germany as so vital an objective, I should like to put to you, Mr. Prime Minister, the following questions :

(1) Does the Soviet Government continue to recognize their responsibility for the reunification of Germany as stated in the directive issued by the four Heads of Government to their Foreign Ministers at Geneva in July, 1955 ?

(2) Does the Soviet Government agree that it is desirable to reunify Germany at the earliest possible opportunity ?

(3) Does the Soviet Government agree that the German people should be allowed freely to choose their own Government by means of free all-German elections ?

(7) Does the Soviet Government recognize the right of a freely elected all-German Government freely to choose its own domestic and foreign policies ?

Middle East. " I now turn to the Middle East. I noted with pleasure the passage in your message which confirmed that, as a result of the talks which you and Mr. Khrushchev had in London last year, you understood the importance to this country of our economic interests in the Middle East. Unfortunately since your visit here the tone of Soviet broadcasts and the Soviet Press, coupled with Soviet support for elements in the Middle East hostile to these vital interests of ours, have left the impression that the Soviet Government are pursuing a policy in this area which is harmful to the well-being of this country and is not in accordance with the professions of friendship underlying your message. H.M. Government would welcome any concrete action by the Soviet Government which would dispel this impression.

" Quite apart from this, I would hope that they would be prepared to pursue a policy with regard to Middle Eastern problems which would serve the interests of world peace as a whole. In the view of H.M. Government the most effective contribution which the Soviet Government could make towards a relaxation of tension in this area would be to direct their efforts towards a solution of this central problem along the lines suggested by H.M. Government [in the Note exchanges on the Middle East—see above].

Hungary. " I must, however, point out that the situation in the Middle East is not the only, or indeed the main, factor which has led to the deterioration of Anglo-Soviet relations to which you refer. British public opinion was deeply shocked by the use of Soviet troops to suppress the spontaneous uprising of the Hungarian people. In this country we regard the Hungarian uprising as a movement supported by the overwhelming mass of the population to rid themselves of an alien system imposed on them by force. We do not accept the interpretation that it was a ' counter-revolution ' inspired from outside. The policy of repression now being pursued in Hungary by a regime maintained in power by the presence of Soviet troops, and the continued refusal of the Soviet and Hungarian Governments to comply with the resolutions of the U N. General Assembly, are bound to remain serious obstacles to any real improvement in Anglo-Soviet relations.

Anglo-Soviet Relations. " Against this background I am nevertheless ready to consider with you means of improving Anglo-Soviet relations. The visit which you and Mr. Khrushchev paid to the U.K. last year provided a useful opportunity for full and frank discussion. It paved the way for an improvement in Anglo-Soviet relations. I regret that subsequent events should have led to an increase in international tension which has necessarily had its effect on relations between our two countries. But we must do our best to improve these where we can, in particular in the fields of trade and culture to which your message refers . . "

After drawing attention to certain restrictions on trade and cultural relations between the two countries which were still imposed by the Soviet Government, Mr. Macmillan concluded : " I should have greater confidence in the prospects of improved Anglo-Soviet relations if the Russian Service of the B.B.C. was not jammed in the Soviet Union, if British books and newspapers were unrestrictedly on sale in the Soviet Union, and if Soviet people were free to visit Western countries whenever they wished to do so. No similar

restrictions are placed on the British people. They are free to listen to Soviet broadcasts, to buy Soviet publications, and to visit the Soviet Union if they are granted Soviet visas. I would therefore ask you to consider whether the time has not come to remove these barriers and to enable the peoples of our two countries to get to know one another better . .

" There is thus much which we can and should do to improve relations. But it would be disingenuous of me not to repeat that great problems still divide us. There is the question of Europe, where our views are very dissimilar both about Germany and about Hungary. There is the Middle East, in which we have yet to find common ground. We have different points of view on many great issues . . . But these differences ought not to prevent us from making some kind of advance towards a more sensible relationship between our two countries. I believe myself, after a full review of all the questions which your letter and my reply have traversed, that among the major international questions the one where there is most need for progress is the field of both conventional and nuclear disarmament. If we and our allies could reach with you some measure of agreement on this issue, it would be a real contribution to the reduction of world tensions and to the settlement of the many problems which now confront us."

Marshal Bulganin's Letter to M. Mollet.

The Soviet Prime Minister also sent a letter to M. Guy Mollet on May 17 saying that the U.S.S.R. and France, as great Powers, had a " vast responsibility " in the present international situation and suggesting " possible ways of improving French-Soviet relations."

Referring to " the historical experience of the joint fight waged by our two countries against aggressive German militarism," Marshal Bulganin stressed that France and the U.S.S.R. should seek in the first place " to ensure such conditions as would make a repetition of aggressive wars impossible on our continent." In this connexion he quoted the words of Jean Jaurès, who had foretold that the triumph of a Russian Revolution would create the conditions for " a real Franco-Russian alliance which will become a powerful factor for peace in Europe."

Marshal Bulganin went on to attack NATO, the Euratom and Common Market projects, the remilitarization of Western Germany, the rapid growth of a West German Army " intended to be armed with atomic weapons," and the appointment of " the former Hitlerite General Spiedel " as Commander of NATO Land Forces in Central Europe. He emphasized, nevertheless, that the U.S.S.R. did not regard Germany as " a kind of eternal enemy of the Soviet Union and France," and that the Soviet Government " sincerely desires to establish relations of peaceful co-operation and trust with Germany " in the interests of ensuring " lasting peace in Europe." Good relations with Germany, however, would " correspond to the strengthening of peace in Europe only if they are not accompanied by encouragement of the rebirth of aggressive German militarism, which has more than once brought misfortune upon the peoples of Europe, the French people included."

After expressing " profound concern " that France had " decided to permit her territory to be used for setting up American atomic bases," Marshal Bulganin said that it was " vitally necessary to begin settling the problem of creating an effective system of collective security." To this end he suggested a non-aggression pact between the NATO and the Warsaw Pact Powers; simultaneous reductions in the French, British, and U.S. forces stationed in NATO countries and in the Soviet forces stationed in Warsaw Pact countries; and a " zone of restriction and armaments inspection " in Europe, including both parts of Germany and the countries bordering upon them. France and the Soviet Union should take the initiative, by bilateral consultations, in " elaborating the basic principles of a system of European security."

Referring to the devastating nature of modern nuclear and thermo-nuclear weapons, Marshal Bulganin wrote: " It is well known that there exists at present a rocket weapon of such colossal destructive power that it could sow death and devastation in a few hours over the territories of entire countries. The present development of this weapon is such that there is no spot on the globe which could serve as a shelter for the aggressor. There is no need to speak of the fate which would overtake those countries which became accomplices in aggression. I beg you not to regard these words as a threat addressed to any country. Profound concern for the well-being of the peoples of the Soviet Union, as well as for the fate of world peace, make it necessary to draw attention to this . . ."

After recapitulating the Soviet point of view towards the Middle East and the disarmament problem, Marshal Bulganin appealed for closer economic, scientific, and cultural relations between France and the U.S.S.R., suggesting *inter alia* that the two countries should co-operate in the industrial uses of atomic energy. " No matter what temporary differences may darken relations between our countries," he declared, " we must not forget that the friendship between our peoples was not born today or yesterday. It was formed on the basis of the community of national interests of our peoples, and it has firm and glorious traditions."

Marshal Bulganin's letter was sent to M. Mollet only four days before his resignation from the French Premiership (see 15597 A).

Marshal Bulganin's Notes to Norwegian and Danish Premiers. - Warnings against NATO Bases in Scandinavia. - Dano-Norwegian Rejection of Soviet Threats.

In a letter sent on March 22 to Hr. Einar Gerhardsen, the Prime Minister of Norway, Marshal Bulganin expressed the Soviet Government's desire for friendly Norwegian-Soviet relations, but gave a warning that the Norwegian people might " have to pay dearly for the bases which are built in Norway if the NATO strategists' plans are carried out." In the event of NATO " aggressive actions " against the U.S.S.R., the Soviet Government would be " forced to inflict a destructive blow against the aggressors and also against the bases which are located near our borders."

Marshal Bulganin to Hr. Gerhardsen.

After recalling the visit paid by Hr. Gerhardsen to Moscow in 1955, Marshal Bulganin referred to the intensification of trade, cultural, and scientific-technical relations between the two countries, including the joint agreement for exploiting the hydro-electric resources of the Pasvik River, on the Norwegian-Soviet frontier (see 15614 B).

Marshal Bulganin went on to welcome the Norwegian Government's previous assurances that it would " not contribute to any policy with aggressive aims " and would " not place bases at the disposal of foreign armed forces on Norwegian territory as long as Norway is not exposed to an attack or threat of attack." While welcoming these assurances, and noting with satisfaction that Norway had kept her promises not to permit foreign bases on her territory, Marshal Bulganin added, however: " In the present situation this is not sufficient to solve the question entirely. For the first time in her history Norway is in a military alliance directed against a great Power which is her neighbour . . . The fact is that Norway's territory is ready to be used at any moment by the Atlantic Pact forces against the Soviet Union. While there are today no foreign bombers on the airfields which have been built in Norway in recent years on NATO orders . . . the situation can change tomorrow . . . and one cannot avoid taking into consideration the lessons of the not-so-distant past. We are not calling upon your Government, either today or tomorrow, to renounce the North Atlantic Treaty, although our attitude towards this treaty is well known. But the interests of both our countries demand that there should be nothing unclear or unspoken in important questions concerning Soviet-Norwegian relations."

Continuing, Marshal Bulganin asserted that Norway was of value to the " Atlantic bloc " primarily because she had a common frontier with the U.S.S.R., and that the leaders of NATO were not interested in " the fate that would befall Norway in the event of war." " But the Norwegian people," he added, " might have to pay dearly for the bases which are being built in Norway with foreign money, if the NATO strategists' plans are carried out. The Soviet Union has no intention of attacking anyone, but obviously, in response to aggressive actions against the Soviet Union, we would be forced to undertake the most energetic measures in order to inflict a destructive blow against the aggressor and also against the bases which are located near our borders . . . The destructive power of modern weapons is so great that the blow which would be directed against the aggressor's bases would inevitably hit much greater areas, which would mean a catastrophe even for countries with a larger territory than Norway. Tests show that one hydrogen bomb can produce destruction within a radius up to several hundred kilometres. One might ask what would happen if several such bombs were used . . . "

After a statement on the Soviet Union's desire for disarmament, Marshal Bulganin said that his Government regarded the strengthening of relations with the Scandinavian countries and the maintenance of lasting peace in Northern Europe as " one of its most important tasks." He continued: " With Norway we have a centuries-old tradition of friendship and good-neighbourly relations. In the not very distant past this friendship was strengthened in a common struggle against the Hitlerite invaders . . . Between Norway and the Soviet Union there exist no issues whatsoever in which the interests of our two countries can collide. If there should be factors making for difficulties in our relations, they are introduced from outside. I assure you that the Soviet Government sincerely desires to establish relations with Norway based on friendship and full confidence . . . An improvement in relations with Norway would in no way affect the existing friendly relations between our two countries and other States—for example, Norway's relations with Great Britain and the United States . . . "

" As you know, we have very good relations with Finland. We value very highly our friendship with that country and its industrious people, the more so because there was formerly so much that divided us. The question arises: Cannot relations between the U.S.S.R. and Norway be just as good and friendly as between the U.S.S.R. and Finland? . . . The Soviet Union and Norway have never fought against each other, and the peoples of our countries have sympathy and respect for each other. The Soviet people know well that Norway has made incalculable contributions to world culture. The heroic and liberty-loving Norwegian nation has given to the world great writers, musicians, and explorers. For centuries our two countries have maintained stable and friendly relations. It is sufficient to mention, for example, the honourable traditions of co-operation between Norwegian and Russian explorers in the sphere of polar research . . . These great traditions should in our opinion be developed and strengthened in all ways . . . "

Hr. Gerhardsen to Marshal Bulganin.

In his reply to Marshal Bulganin (April 11), Hr. Gerhardsen said *inter alia* that the assertion that Norwegian territory could be used against Norway's own will for the stationing of foreign aircraft, warships, and atomic weapons was based on a "misconception," since it was "Norway's constitutional bodies which, in the light of the existing international situation, will at any time decide whether our country is exposed to a threat of attack." He reiterated that Norway, no less than the U.S.S.R., desired good relations between the two countries and comprehensive disarmament.

"After the Second World War," wrote Hr. Gerhardsen, "it was hoped in Norway that the United Nations would develop into an organization which could offer security and peace to our country and to all countries in the world. When, however, it became clear that the world organization could not provide its member-States with the necessary security, the Norwegian Government felt obliged to seek protection through co-operation with other countries on a regional basis, and accordingly in 1949 Norway joined the North Atlantic Treaty Organization.

"In the course of my conversations with you and your colleagues in Moscow, I . . . again emphasized, as had previously been done in Notes from the Norwegian Government to the Soviet Government, that the Norwegian Government will never contribute to a policy which has aggressive aims and will not permit Norwegian territory to be used for the purpose of such a policy.

"The provisions of the North Atlantic Treaty regarding the obligation to come to the assistance of each other enter into effect only in the event of a member of the treaty being subject to attack. These provisions demonstrate clearly that the sole aim of this organization is to safeguard its members against attack from outside and . . . to prevent war.

"The Norwegian people are as vitally interested in the maintenance and strengthening of peace as are the peoples of your country, and it is this consideration which, together with concern for the country's security, determines Norwegian foreign policy.

"The Norwegian Government has at all times acted in accordance with its proclaimed intention not to permit the stationing of armed forces of foreign powers on Norwegian territory as long as Norway is not attacked or exposed to threats of attack. I am pleased to see that the Soviet Government expresses its satisfaction with this.

"You say, however, that in the present situation this is not sufficient because, as you assert, Norway might, as a consequence of her membership in NATO, be forced to have foreign bombers, warships, and atomic weapons stationed on Norwegian territory against her own will and contrary to her national interests. The Norwegian Government must emphatically declare that this conception can only be due to a misunderstanding.

"It is indeed the basic principle of the co-operation within the NATO that each individual member-country fully retains its right of self-determination, and this naturally applies to such vital questions as are here involved. It is therefore Norway's constitutional bodies which, in the light of the existing international situation, will at any time decide whether our country is exposed to a threat of attack.

"The existence of large military formations in general, and the introduction of new weapons in particular, is naturally a source of anxiety and uncertainty in all countries. The Norwegian Government will welcome an arrangement which can reduce, and if possible eliminate, the need for such weapons, but it is of the opinion that this can be achieved only on the basis of reciprocity and through international negotiations. As long as no international agreement on disarmament under adequate control is concluded, it must be the concern of each individual government to ensure the defence of its country in the way it deems best . . .

"The Norwegian Government considers it as particularly important that agreement be reached as soon as possible for a solution of the problems connected with nuclear weapons. Your Government will be familiar with the proposal for advance registration of tests of such weapons which Norway, jointly with Canada and Japan, has submitted to the United Nations [see page 15522, second column], and which at the present moment is being discussed in the U.N. Disarmament Sub-committee. It is the Norwegian Government's hope that the Soviet Union will participate in the discussion of this proposal, on the understanding that in the next phase it might be possible to arrive at agreement which can safeguard humanity against the dangers of radioactive radiation.

"It is clear that the possibilities for extending the relations between peoples are directly dependent upon what happens in international politics. The Soviet attitude toward the people's rising in Hungary caused a spontaneous and strong reaction among the Norwegian people and impeded the further development of co-operation between organizations and institutions in our two countries.

"On our side we were well satisfied with the development of friendly relations between our two countries during the period which followed my visit to the Soviet Union over a year ago. A strengthening and expansion of friendly relations between two neighbouring States such as Norway and the Soviet Union is in itself natural. However, it does not suffice merely to build on centuries-old traditions and sympathy between peoples. Friendship must constantly be renewed on the basis of mutual respect and confidence. It is the sincere hope of the Norwegian Government that the international situation will develop in such a way that organizations, institutions, and private persons in our two countries will be encouraged reciprocally to expand and strengthen their connexions . . "

Marshal Bulganin to Hr. Hansen.

Marshal Bulganin's letter to the Danish Prime Minister (delivered on March 29) was on the same general lines as that to Hr. Gerhardsen. *Inter alia* it alleged that Denmark was "covered by a network of NATO bases" and that "a vast part of Danish territory—Greenland—has been transformed into a U.S. military base." As in the letter to Hr. Gerhardsen, reference was made to the destructive power of modern weapons, in which connexion Marshal Bulganin observed that a single hydrogen bomb would be sufficient to destroy a territory larger than Denmark's.

After saying that "the position of Denmark in the light of the military preparations of the North Atlantic bloc must inevitably attract the attention of the Soviet Union," Marshal Bulganin referred to the Danish Government's declaration of 1952 that it would never permit its territory to be used as a base for an attack on any other State. He alleged, however, that Denmark was "covered by a network of military, naval and air bases" which, if used for "aggressive" purposes by the NATO, would constitute a "legitimate target" for the Soviet Union "in pursuit of the natural and inalienable right of self-defence." In present circumstances, said Marshal Bulganin, there was no guarantee that "foreign forces" might not appear at the Danish bases within a few hours "on a signal from NATO's military command," and the situation would "obviously become more critical if plans for stationing American units equipped with atomic weapons are realized as far as Denmark is concerned."

"The Soviet Government," the letter continued, "would be neglecting its duty to the peoples of the Soviet Union if it did not, in reply to aggression, take immediate action to direct a destructive blow against the attacker and his entire network of bases established in preparation for an attack against the U.S.S.R. . . . The destructive power of modern weapons is so great that, for countries with a territory the size of Denmark's, it would in the event of an atomic war be tantamount to suicide if foreign Powers were given possibilities of establishing bases there."

Marshal Bulganin also asserted that Greenland had been "long ago transformed into a U.S. military base and is actually outside Denmark's control." In addition he said that Denmark played a special role in international strategy "as guardian of important international straits on which the sea connexions of all the Baltic States with the outer world are dependent." Unlike his letter to Hr. Gerhardsen, in which he did not insist on Norway's withdrawal from NATO, Marshal Bulganin's letter to Hr. Hansen urged that Denmark should withdraw from the North Atlantic Treaty and rely for her security on "international guarantees"

Hr. Hansen to Marshal Bulganin.

In his reply to Marshal Bulganin (delivered on April 29), Hr. Hansen, like Hr. Gerhardsen, described the Soviet concept of NATO as based on a "fundamental misunderstanding" and on "untenable premises." The Danish Prime Minister reiterated that NATO was solely a defensive alliance, declared that Denmark would remain in the North Atlantic Treaty, and rejected Marshal Bulganin's suggestion that she should withdraw from that organization, describing that suggestion as "impractical and unrealistic."

Hr. Hansen wrote: ". . . No people could be more peace-minded than the Danes, who have been several times in the last hundred years the victims of aggression . . . . We agree with your statement that the present situation demands of all countries the most determined efforts to strengthen peace. . . . This responsibility is certainly understood in a small country like Denmark, whose influence on world political developments is limited, but how much heavier must it weigh upon the leading statesmen in a big country like the Soviet Union, whose attitude can influence the fate of millions of people. . . "

Rejecting Marshal Bulganin's contention that NATO was an "aggressive" organization, and emphasizing that Denmark had "the indisputable right to take such defensive measures as she considers expedient," Hr. Hansen wrote: "Let me, too, be quite frank and state plainly that the Soviet concept of NATO rests upon a fundamental misunderstanding. Your warning is, therefore, based on untenable premises. NATO is and remains a defensive alliance. It was established and is maintained because the Western countries have thought it necessary, against the background of a series of factual events, to guard themselves against the possibility of aggression. What we are preparing for is to be able to defend ourselves should it become necessary. We dismiss the idea of Denmark as an advanced springboard and base for attack against the Soviet Union as being without foundation in actual fact."

Hr. Hansen went on to refer to a Danish Note to the Soviet Union of May 4, 1949, which had emphasized that Denmark would never support a policy with aggressive aims, and certainly not one directed against the Soviet Union, with which Denmark had a long tradition of peaceful and friendly relations. He continued: "I have noted with satisfaction that you refer in your letter to a statement made in October, 1952, by the Government then in power to the effect that

it would never allow Danish territory to be used for aggression against any State whatever. It is superfluous to confirm to you that the present Government is in complete agreement with the view expressed in that statement, and that this view is shared by the whole Danish people. . . . No Danish Government could remain in office which was not determined to adhere to the above statement. None of the military installations which have been built on Danish territory has anything to do with aggressive preparations.

"In your letter you refer to the position of Greenland. . . . I can definitely refute your assertion that this island is virtually outside Denmark's control. The defence measures taken in Greenland have been in accordance with a published agreement between Denmark and the United States.

"Every country, as you rightly say in your letter, has the natural and undeniable right of self-defence. As long as there are misunderstandings between nations and countries live under the fear of aggression, every country has the right to improve its defences. The maintenance of world peace by the United Nations alone would be the ideal solution, but so far the U.N. has not yet the power to carry out this task. For this reason Denmark has chosen the NATO way to ensure for herself peace and freedom.

"You recommend that Denmark should find a more reliable way to ensure her security than through membership of NATO. In this connexion you have asked me whether I and the Government headed by me would not regard it as much more useful if Denmark, as well as the other countries interested in the strengthening of peace in Europe, sought an agreement on the question of Denmark's security, such as international guarantees for her independence and territorial integrity, until such time as an effective system of collective security can be established in Europe. . . . The answer to this question is that Denmark would not have chosen to solve the problem of safeguarding her security by joining NATO unless, after careful consideration, she had arrived at the decision that this solution would be the best for Denmark in the prevailing circumstances.

"There is certainly something attractive in the idea of international guarantees for the independence of a small country. But on closer consideration, and taking into account historic experience, there are serious doubts about its practical realization in Denmark's case. Denmark's geographical situation between the Baltic and the North Sea alone, which makes it the 'guardian of the straits,' leads to the conclusion that an arrangement such as that suggested by you can hardly be called realistic. As you also raise the question of the straits in your letter, I wish to say in this connexion that we are alive to the responsibilities devolving upon us as a result of our geographical situation. I do not think that anyone would have any reason to reproach us with mistakes or neglect as regards our discharge of the responsibilities falling upon Denmark in this respect."

In conclusion, Hr. Hansen said that none regretted more than the Danish people and Government the deterioration of international relations during 1956, but added that the events in the Middle East and Hungary had come "as a shock to the world." The Soviet Union's attitude in Hungary had destroyed the illusions of the Danish people, especially as regards the development of relations between East and West. "It was inevitable," Hr. Hansen added, "that the events in Hungary weakened the determination of the Danish people to increase East-West co-operation." After expressing agreement with Marshal Bulganin's hope for the development and improvement of Danish-Soviet relations, Hr. Hansen declared: "Results in this respect will depend to a large extent on major political developments in the relations between East and West as a whole."

Hr. Gerhardsen and Hr. Hansen had discussed the communications sent to them by Marshal Bulganin before sending their replies to the Soviet Prime Minister.

Soviet Notes to German Federal Republic. - Denunciation of NATO Bases in Western Germany and Provision of Atomic Arms for West German Forces. - Dr. von Brentano's Attack on Soviet Policy.

In addition to the Notes to Norway and Denmark, the Soviet Government sent a strongly-worded Note to the German Federal Republic on April 27 alleging that Western Germany was being converted into "the main European springboard and chief NATO shock-force for atomic war in Europe."

After referring to the "concentration by the Western Powers of various types of nuclear weapons on the territory of the Federal Republic," and to the "preparations for equipping the West German Army with atomic weapons," the Soviet Note spoke of the "justified anxiety" among the population of Western Germany at the consequences which an atomic war would entail "for the German people, for the neighbours of Germany, and for Europe as a whole." It went on:

"The equipping with atomic weapons of the Army of the German Federal Republic—the only European State whose government demands a revision of the present frontiers in Europe—would sharply aggravate international tension and increase the danger of war. The security of the States bordering on Germany would be imperilled. It can be imagined what the attitude of States which have been repeatedly attacked by Germany in the past would be to the atomic arming of the Federal Republic. These States would naturally be forced to reply by taking appropriate measures to strengthen their defence. Thus the Government of the Federal Republic . . . would trigger off an atomic arms race in Europe . . .

"The atomic arming of the German Federal Republic is sometimes claimed to be necessary for ensuring the security of the country. Such assertions have nothing in common with the real state of affairs. Instead of exerting efforts to ease international tension, and to facilitate agreement on disarmament and the prohibition of weapons of mass destruction, attempts are being made to ensure the security of the Federal Republic on the basis of the 'policy of strength.' But the equipping of the West German Army with atomic weapons and the conversion of the Federal Republic's territory into a launching site for American nuclear missiles, far from strengthening the security of the Federal Republic, would on the contrary expose it and its population to a terrible danger such as cannot be compared with any calamities ever experienced by the German people.

"Twelve years after the end of the Second World War, Germany has still not yet healed the wounds inflicted by that war. The numerous ruins in many German cities bear eloquent witness to this. Yet only conventional armaments were used in the last war. It is quite obvious that the conversion of the Federal Republic into a NATO atomic base is bound in the event of war to make Western Germany the immediate object of retaliation by all types of modern weapons, including rocket weapons. There is no need to dwell in detail on the consequences this would entail for the Federal Republic, which has such a density of population and concentration of industry that the vital centres of the country could be paralysed by a single hydrogen bomb . . . Germany would become one vast graveyard . . .

"It would be a serious mistake to assess this statement as an attempt to threaten the Federal Republic. Nothing could be more alien to the policy of the Soviet Government than the use of threats and intimidation. This Note . . . is not prompted by the desire to intimidate anyone but to call attention to the real state of affairs now taking shape in Europe . . .

"One cannot evade the question of the consequences which the equipping of the West German Army with atomic weapons would have for the restoration for Germany's national unity. If the policy pursued by the Federal Republic a policy of remilitarization, accession to aggressive military blocs, and suppression of democratic freedom - has created great obstacles to the unification of Germany, the equipping of the *Bundeswehr* with atomic weapons and the conversion of Western Germany into a centre of atomic war in Europe would strike an irreparable blow at the national reunification of the German people . . ."

The tone of the Soviet Note, and in particular the threats and menaces contained therein, aroused intense anger and indignation in the Federal Republic, which was expressed by Dr. von Brentano (the Foreign Minister) in a press statement on April 29.

Dr. von Brentano described the Soviet Note as "grotesque," "incomprehensible," and "an unparalleled interference in West German affairs," saying that the references to the catastrophic effects of atomic weapons could only be regarded as "a massive threat and an attempt at intimidation with a view to separating the Federal Republic from its allies." He declared that the Soviet Union's objective was to "obtain a monopoly of nuclear weapons so that it can hold this continent in everlasting servitude," referring in this connexion to the savagery with which the Soviet Army had crushed the people's uprising in Hungary.

After stressing that the Federal Republic was the only country in the world which had voluntarily renounced the right to manufacture atomic weapons, Dr. von Brentano called upon the Soviet Union to make constructive proposals for disarmament instead of threatening the Federal Republic. In this connexion he declared that the U.S.S.R. "has not made one single serious effort in all these years to solve this problem on a basis acceptable to freedom-loving people." He reiterated that the Federal Republic would provide for its own security with atomic weapons if Russia continued to block an international agreement for all-round disarmament, and dismissed the Soviet allegations against the Federal Republic as "grotesque." Refuting, in particular, the allegation that Western Germany had become the "main weapons depot of Europe," Dr. von Brentano contrasted the 20 NATO divisions (including the five half-formed West German divisions) with the 22 Soviet divisions in Eastern Germany, the 75 "satellite" divisions, and the 153 divisions in the Soviet Union itself. He added: "It simply defies comprehension that anyone possessing such superiority can talk about the Federal Republic having become 'Europe's main weapons depot.'"

In reply to the Soviet Note of April 27, the German Federal Government sent a sharp Note to Moscow on May 22 declaring that it would not accede to "a one-sided, completely unjustified demand by a foreign Government to render accounts." It rejected all the allegations contained in the Soviet Note, and reiterated that the Federal Republic had the "legitimate right" to ensure its national security with atomic weapons if the U.S.S.R. continued to block an international agreement for controlled disarmament.

After drawing the Soviet Government's attention to the unanimous *Bundestag* resolution of May 10 calling on all nations possessing nuclear weapons to discontinue tests and to agree to a controlled disarmament system [see page 15544, first column], the West German Note observed that the U.S.S.R.'s attitude at the London disarmament talks was "hardly encouraging" and that it was the only Government which had "up to this day refused any really effective control." Emphasizing that the NATO forces in Western Germany

had a purely defensive mission, it declared that "only those who would irresponsibly risk attacking that [Atlantic] community have any reason to fear it or the weapons in its possession." In addition, the Note "emphatically repudiated" the allegation that West German policy would unleash an arms race, stressed that the Federal Government rejected any idea of changing Germany's present frontiers by force; and rejected the Soviet assertion that the provision of atomic weapons for the *Bundeswehr* would make German reunification impossible.

The West German Note again emphasized that the Federal Republic had voluntarily renounced the manufacture of atomic weapons, and stressed the Federal Government's desire for a ban on all nuclear and thermo-nuclear weapons as part of an all-round disarmament plan, and its willingness to do all in its power to promote that objective.

A further Soviet Note was presented in Bonn on June 27, being to a large extent a recapitulation of the earlier Note of April 27. It was described by an official German spokesman as "impossibly sharp and polemical" in tone and as approaching "the limit of what is customary in diplomatic exchanges."

The latest Soviet Note accused the Federal Government of "striving to obtain atomic arms from abroad" for the *Bundeswehr*, and of "evasive statements intended merely to calm the West German electors so that the country may later find itself confronted with the *fait accompli* of atomic armaments." It also accused the Federal Government of taking 'a negative view of the proposals on disarmament which have a direct bearing on Germany, such as the creation in Europe of a zone of inspection to include both parts of Germany . . . and the reduction and subsequent withdrawal of foreign troops from German territory." After reiterating at great length the allegations contained in the earlier Soviet Note, the latest Note stated that those who pursued the policy of arming the *Bundeswehr* with atomic weapons "run the risk of going down in history as the grave-diggers of German unity."

Bulganin-Adenauer Correspondence on Relations between Western Germany and Soviet Union.

Apart from the above-mentioned Note exchanges between the Soviet and Federal German Governments, several letters were exchanged between Dr. Adenauer and Marshal Bulganin in continuation of the correspondence initiated by the Soviet Prime Minister on Feb. 10 (see 15371 A).

In a letter to Marshal Bulganin on Feb. 28, the Federal Chancellor agreed that talks should be held between the two countries at an early date for an expansion of trade relations, increased scientific and cultural co-operation, and a consular convention. At the same time Dr. Adenauer made a strong appeal for the repatriation of German citizens held in the U.S.S.R. against their will, and emphasized that the Soviet Government had the obligation—which the Western Powers had already accepted—to promote German reunification by agreeing to free all-German elections.

The Federal Chancellor defended Western Germany's membership of NATO against Marshal Bulganin's allegations of the allegedly "aggressive" character of that organization, and emphasized that its role was entirely defensive. As regards German citizens in the U.S.S.R., he pointed out that the Soviet Government had agreed in 1955, during his (the Chancellor's) talks in Moscow, to repatriate all German nationals still in the Soviet Union. While this had been done in the case of prisoners-of-war, it had not been carried out in the case of civilians—in which connexion Dr. Adenauer referred particularly to German scientists who were working at the nuclear experimental station at Sochum, on the Black Sea. On the question of German reunification, he reiterated that free all-German elections must be held in preparation for an all-German Parliament and Government, and appealed to Marshal Bulganin to "liberate 17,000,000 Germans" in the Eastern Zone. By doing so the Soviet Government would render "an inestimable service to the cause of friendly co-operation between our two countries" and would best serve the cause of peace and European security.

In reply to this letter, Marshal Bulganin informed Dr. Adenauer on March 18 that the U.S.S.R. was ready to enter into negotiations with the German Federal Government on the subjects of trade relations, cultural and scientific co-operation, and a consular convention, and proposed that talks should open at an early date in Moscow or Bonn. As regards Western Germany's membership of NATO, Marshal Bulganin observed that "we continue to adhere to different viewpoints." On the question of reunification, he reiterated the Soviet view that the unity of Germany could be achieved only by direct negotiations between Western and Eastern Germany and a *rapprochement* between the two German States. In the course of his letter Marshal Bulganin criticized Dr. von Brentano (the Federal Foreign Minister) for having recently made "remarks which are not in the interest of improving relations between our countries."

A West German Note to the Soviet Government, presented on April 17, agreed that negotiations on trade, cultural, scientific, and consular matters should be held in Moscow "forthwith," and proposed that any agreements reached should be signed in Bonn. It was accompanied by a further letter from Dr. Adenauer to Marshal Bulganin in which the Federal Chancellor pointed out that the Soviet Premier had made no reference in his latest letter to the repatriation of Germans in the U.S.S.R., despite the fact that he (Dr. Adenauer) had raised this matter in his letter of Feb. 28.

With regard to Marshal Bulganin's criticisms of Dr. von Brentano, the Federal Chancellor said that he "objected emphatically to this criticism of the German Foreign Minister, who enjoys the full confidence of the Federal Government and of myself." He added: "Herr von Brentano, in his statements on the foreign policy of the Soviet Union, has merely expressed the feelings of the entire German people, which is disappointed at the Soviet Union's attitude on the question of German unity."

After saying that he would "not go into the unfounded, severe accusations that have repeatedly been made against the Federal Republic in official declarations of the Soviet Government and are continually being repeated," Dr. Adenauer added: "The aspirations of the entire German people for the re-establishment of its national unity cannot be nullified by a reference to the alleged existence of two German States. It is unrealistic to describe the so-called [East] German Democratic Republic, whose governmental power was not established by legitimate means and which is rejected by the overwhelming majority of the population, as a reality in the life of the German people."

A Soviet Note of May 23 proposed that negotiations on the above-mentioned subjects should open in Moscow on June 15. As regards repatriation, the Note said: "The U.S.S.R. has fully completed the repatriation of German subjects who had been convicted in the Soviet Union and of whom mention was made in the [Moscow] talks with the Federal German delegation in 1955. This does not preclude the possibility of discussing certain practical questions affecting undertakings to repatriate individual German subjects from the Soviet Union, and also the connected question of the repatriation of Soviet displaced persons who are still in the Federal Republic."

The West German reply, published on June 10, did not reject the Soviet proposal for the opening of talks on June 15 but made the Federal Government's acceptance conditional on the simultaneous holding of discussions on the repatriation of German civilians still held in the U.S.S.R. The Note maintained that Dr. Adenauer had been given a firm assurance by Marshal Bulganin, during the Moscow talks in 1955, that all German nationals in the Soviet Union who could be traced on the basis of German lists would be repatriated. It pointed out, however, that only 9,600 prisoners-of-war had been returned to Germany, and expressed the Federal Government's conviction—based on its researches and the repatriation applications received—that "many thousands" of German civilians were still held in the U.S.S.R. against their will.

As a result of the *impasse* between the West German and Soviet points of view on the repatriation question, no further proposals were made by either side—up to the beginning of July—for talks on trade, cultural, scientific, and consular matters.

Publication of Suez Correspondence.

The texts were published in London on April 22 of five letters exchanged between Marshal Bulganin and Sir Anthony Eden during September and October, 1956, before the Anglo-French intervention in Egypt. The correspondence was also published in Moscow, together with the text of letters exchanged between Marshal Bulganin and M. Mollet on the same subject. It covered (*a*) letters sent by Marshal Bulganin to Sir Anthony Eden on Sept. 11, Sept. 28, and Oct. 23; (*b*) letters sent by Sir Anthony Eden to the Soviet Prime Minister on Sept. 16 and Oct. 6; (*c*) a letter from Marshal Bulganin to M. Mollet dated Sept. 11; and (*d*) M. Mollet's reply, dated Oct. 10. The correspondence was to a large extent a recapitulation of the respective Anglo-French and Soviet viewpoints on the situation in the Middle East existing at that time.—(Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Le Monde, Paris - Frankfurter Allgemeine Zeitung - Aftenposten, Oslo - Berlingske Tidende, Copenhagen - Soviet Embassy Press Office, London) **(Prev. rep. 15517 A; 15371 A.)**

A. BRAZIL.—U.S. Loan for Development of Brasilia.

A loan of $10,000,000 was granted to Brazil by the U.S. Export-Import Bank in May for the development of Brasilia, the new capital of Brazil. The loan will be used for the purchase in the U.S.A. of road-building and house construction machinery, tools, appliances and materials. It will bear interest at 5½ per cent per annum and will be repaid over 15 years.—(Brazilian Government Bulletin) **(Prev. rep. Brasilia, 15437 A; U.S. Loans to Brazil, 15134 A.)**

A. KENYA. — Political, Constitutional and Economic Developments. - Progressive Elimination of Mau Mau Terrorism. - Capture and Execution of Dedan Kimathi.

Recent developments in Kenya are described below under cross-headings :

Legislative Council Elections.

Elections to the Kenya Legislative Council were held from Sept. 25 to Oct. 2, 1956, and in March 1957, the first stage being for the European and Asian seats and the single Arab seat, and the second stage for the African seats.

European Seats. The principal political groups taking part in the European elections were :

(1) The party led by Mr. Michael Blundell, which accepted the "Lyttelton Constitution" and advocated multi-racial government, though not a multi-racial form of society.

(2) The "Independent Group" (composed chiefly of candidates formerly associated with Mr. Blundell in the United Country Party), whose spokesman in the previous Legislative Council had been Group-Captain L. R. Briggs. This group, the formation of which had been announced on June 7, 1956, and which fought the election as a "team" rather than as an organized party, sought a change in the basis of the Lyttelton plan, whereby Ministers would be appointed on account of "merit and ability" rather than on racial grounds.

(3) The Federal Independence Party, led by Major B. P. Roberts, which opposed the Lyttelton plan and advocated a system of separate racial administrations in "white" and "black" areas.

(4) Independent candidates supporting the "Capricorn Africa" programme (see 14971 A).

The elections resulted in the "Independent Group" winning eight of the 14 European seats and Mr. Blundell's party the remaining six. Among the successful candidates were Group-Captain Briggs, who decisively defeated an independent (pro-Lyttelton and Capricorn Society) candidate in the Mount Kenya constituency ; Mr. Blundell, who won a clear victory in the Rift Valley over Major Roberts, the F.I.P. leader ; and Mr. W. Havelock, the pro-Lyttelton Minister of Local Government, who narrowly defeated an anti-Lyttelton candidate at Kiambu. Mr. R. L. Maconochie-Welwood, Minister without portfolio and a member of the War Council, was defeated by a member of the Independent Group, Mrs. E. Hughes, a Nairobi architect.

Asian Seats. The elections for the six Asian seats showed an improvement in the position of the Kenya Indian Congress, two of whose leading members—its current president (Mr. N. S. Mandal) and a past president (Mr. J. M. Nazareth)—were re-elected. Mr. Ibrahim Nathoo, the Minister of Works, retained one of the two seats reserved for Asian Moslems.

The Arab Seat. The sitting Arab member, Sheikh Mafud Mackwai, was re-elected.

African Seats. The African elections in eight constituencies (held in March 1957) were the first ever to be held in the Colony, and resulted in the success of candidates with strong nationalist leanings. Six of the eight former nominated African members of the Council (who had formed a "United Front" to contest the elections) were defeated, the most important being Mr. Ohanga, the first African Minister (see below), Mr. Eliud Mathu, the Kikuyu leader, and Mr. J. Jeremiah, Parliamentary Secretary to the Minister for Health, Housing, and Local Government. In the Nairobi constituency, Mr. Tom Mboya, general secretary of the Kenya Federation of Labour and unofficial leader of the new African members, defeated Mr. C. Argwings-Kodhek, former president of the banned Kenya African National Congress (see 14621 A) and leader of the newly-formed Nairobi District African Congress. There were 37 candidates for the eight seats, the poll averaging 78.5 per cent.

As a result of the elections and the appointment of two "corporate" members under the further constitutional changes (see below), the composition of the Legislative Council was as follows :

	Elected	Corporate	Nominated*	Ex-officio†	Total
European	14	2‡	15‡	7	38
Hindu	3	..	1	..	4
Moslem	3	..	1	..	4
Arab	1	..	1	1	3
African	8	..	2	..	10
Total	29	2	20	8	59

* By the Governor. † Officials, including the Speaker.
‡ Open to all races, but at present European held.

Ministerial Appointments.

Following the election of the European and Asian members of the Legislative Council, six "unofficial" Ministers were sworn in on Oct. 19, 1956, as follows :

Europeans. Mr. Michael Blundell, Agriculture ; Mr. Wilfrid Havelock, Local Government ; Group-Captain L. R. Briggs, Minister without portfolio.

Asians. Mr. Ibrahim Nathoo, Works ; Mr. Chunilal Madan, Minister without portfolio.

Africans. Mr. Benaiah Apolo Ohanga, Community Development and Rehabilitation.

There were only two changes—Group-Captain Briggs succeeding Mr. L. R. Maconochie-Welwood (see above), and Mr. Madan replacing Mr. A. B. Patel, the well-known Indian leader, who was leaving Kenya for India for private studies.

As a result of the elections for the African seats, and in view of the refusal of the newly-elected African members to participate in the Government (see below), it was announced on June 4, 1957, that Mr. C. M. Johnston, a European official, had been appointed "for the time being" as Minister for Community Development and Rehabilitation - the portfolio held by Mr. Ohanga before his defeat in the African elections. Mr. Johnston had been Special Commissioner for the Kikuyu, Embu, and Meru tribes since 1949, and it was announced that he would retain this post in addition to his ministerial duties.

Constitutional Changes.

It was announced in Nairobi on Oct. 19, 1956, that the Colonial Secretary had accepted proposals for constitutional changes which had been agreed upon between the European, African, and Asian unofficial members of the Legislative Council and presented unanimously through the Governor. The changes were as follows :

(1) The number of Ministers drawn from the unofficial members would be increased from six to eight by the addition of one European and one African, the Council thus comprising four Europeans, two Asians (no change), and two Africans.

(2) In the Legislative Council two new African representative members would be added to the Opposition side.

(3) There would be two new unofficial members to be known as "corporate" members who, as representatives of the agricultural and commercial communities, would be selected from lists of names submitted by the Board of Agriculture and the Board of Commerce and Industry respectively.

(4) More seats would be created in the Legislative Council after the African elections of March 1957 in order to correct the numerical disproportion between Government and non-Government members. The number of seats and the method of selection would be decided later, but in any event there would be one additional Arab seat.

(5) To afford immediate representation of Arab interests in the Council of Ministers, the Governor would appoint for this purpose one of the Arab members of the Legislative Council. This Arab representative would be at liberty to attend any meeting of the Council of Ministers "with a status equivalent to that of a Minister."

The first two "corporate" members were appointed on March 11, 1957 : they were the Earl of Portsmouth, a farmer, and Sir Alfred Vincent, chairman of East African Airways.

Dissolution of the United Country Party.

Following agreement between all the European elected members in the Legislative Council that party and group affiliations should be discarded in the interests of unity, the six members belonging to the United Country Party resigned from that party on Nov. 26, 1956. The step was taken with the approval of the party's executive committee, and the party—which had been formed in July 1954 to support the principle of multi-racial government—was subsequently dissolved on Jan. 3, 1957.

Elected African Members' Demands for Increased Representation. - Stricter Control of African Political Meetings. - Statement by European Elected Members.

The eight elected African members issued a statement on March 18 declaring that they regarded the Lyttelton Constitution as null and void, and that none of them would accept a ministerial post. Their main task, they stated, would be to secure constitutional reforms "to give everyone effective and real representation," and they would therefore fight for increased African representation in the Legislative Assembly.

On March 28 a request was accordingly submitted by the African elected members to the Governor, Sir Evelyn Baring, for the immediate creation of 15 additional African seats.

In a statement to the Press, Mr. Tom Mboya said that the request had been made "not primarily to break European domination" but "mainly in consideration of the heavy responsibilities that elected members must shoulder." Since the constituencies were extremely large and the voters mainly illiterate, contact with the electorate had to be on a personal basis, and a greater number of Council members was therefore required.

Although the Chief Secretary of the Kenya Government subsequently rejected the Africans' request, it was nevertheless renewed in a letter to the Governor on April 26, following the announcement that the Asian members supported the African members' position. The letter reiterated that the African members did not recognize the "Lyttelton plan," under which there could be no constitutional changes before 1960 without the agreement of all racial groups.

The British Colonial Secretary, Mr. Lennox-Boyd, stated on May 8 in the House of Commons that while the Kenya Government was ready to do everything possible to facilitate discussions on the African proposal between the different racial groups [as required under the Lyttelton plan], progress depended on the readiness of all groups to enter into such discussions without insisting on prior conditions.

When Mrs Barbara Castle (Lab.) asked whether, owing to the small number of seats allocated to them, the African elected representatives had not an impossible task in trying adequately to represent their constituents, and whether it was true that only Europeans were refusing to take part in such discussions, Mr. Lennox-Boyd replied: "No, most certainly not. I am prepared at any time, as is the Government of Kenya, to consider any proposals put forward if they have the consent of all races. I have noticed with regret the attitude hitherto taken by the African elected members I very much hope that they will see fit to change their minds. I do not share that meagre view of their talents which Mrs. Castle apparently has."

Mr. Lennox-Boyd added: "If the various races got together no one would be more pleased than I, but some of these supplementary questions seem to suggest that it is the Europeans or Asians who are making things difficult. The truth is that the African representative members have said that they were prepared to meet the Governor and his official advisers, but . . . only if the Government first decide that they are under-represented in the Council. What I must insist on is that if there are to be any changes before 1960, they must be agreed between all the races. There would be no stability in Kenya or anywhere else if agreements arrived at were broken; and the agreement arrived at was that there would be no change until 1960 except by agreement."

Following a statement in the Kenya Legislative Council on May 21 by Mr. E. Windley (Minister for African Affairs), who said that the Government would oppose "efforts to lead the African people towards chaos and disorder," the Kenya Government announced on May 22 that there would henceforward be stricter control of African political meetings, including the compulsory tape-recording of speeches. It was explained that this step had been decided upon because of inflammatory speeches which might have led to violence and to tactics reminiscent of the methods of Mau Mau leaders before the emergency. The new arrangements came into operation for the first time at a meeting in Nairobi on May 24 addressed by Mr. Tom Mboya.

The European elected members of the Legislative Council issued the following statement on July 4, 1957, through their chairman, Sir Alfred Vincent:

"Subject to acceptance of certain conditions, and in conjunction with other constitutional changes, the European elected members are prepared to recommend some increase in African representation without a corresponding increase in the number of seats for other racial groups. Any such increase inevitably involves far-reaching modifications in the existing Constitution. It is a basic fact that Kenya is a country in which different races have made their homes, and that Kenya's future lies in close co-operation between such races. We therefore regard it as axiomatic that any new Constitution must include certain fundamental provisions which will ensure:

(i) that no racial group or combination of racial groups can dominate the other groups or group;

(ii) that as any degree of self-government is introduced the Government of Kenya will depend in the Legislature upon a measure of support from all races.

"The constitutional provisions required to effect these principles must be agreed upon and accepted as binding before any further constitutional changes, including any increase in representation, can be effected. It is an essential element of any agreement that there is African participation in the Government and the Council of Ministers. Any constitutional agreement must be regarded as binding for an agreed period long enough to ensure stability, and therefore such agreement must be recorded by each racial group as having been freely entered into. It is imperative, and in the interests of all races, that conditions must exist at all times which will encourage the confidence of investors in industry and agriculture in Kenya. Should any doubt arise oversea as to the stability or responsibility of the Government, it would imperil the whole economic future of the Territory.

"It is noted that the African elected members have decided to send representatives to the U.K. this month to 'explain and interpret to the British public and M.P.s the African case and attitude in the current constitutional crisis, and to explain the political objectives and aspirations of the African'—and also, presumably, to seek advice on constitutional matters. Although we are prepared to negotiate regarding constitutional changes with the other racial groups at any time, we feel that, due to their absence and the absence of a number of leading representatives of other groups, little purpose could be served by any further discussions until their return to Kenya, when we hope discussions will be resumed. This will enable all groups in the interim to give constitutional matters unhurried consideration, which will undoubtedly lead to a better understanding of the problems involved and of the need for practical suggestions for their solution. These, as the Secretary of State and the Government have reaffirmed on numerous occasions, must be agreed in Kenya by all racial groups."

The Anti-Mau Mau Campaign. - Execution of Dedan Kimathi and Other Mau Mau Leaders.

Considerable progress towards the complete elimination of Mau Mau terrorism was made during the period under review, the most important single success being the capture of the movement's leader, "Field-Marshal" Dedan Kimathi, in the Nyeri district on Oct. 21, 1956. Kimathi, who was brought to trial at Nyeri on Nov. 19, pleaded "not guilty" to charges of illegally possessing a revolver and ammunition, and claimed that he had been on his way to surrender when he was captured. After hearing extensive evidence, however, the court found him guilty on both charges on Nov. 27 and sentenced him to death for the illegal possession of a firearm and to seven years' hard labour for the illegal possession of ammunition. Kimathi's appeal was rejected by the East African Court of Appeal on Dec. 27, 1956, and his petition for leave to appeal to the Judicial Committee of the Privy Council was rejected on Feb. 14, 1957. He was hanged at Nairobi on Feb. 18.

Other leading terrorists eliminated during 1956 were Serape Ole Ngare (*alias* "Marshal" Kahoniki), Maraya Macheru (a witch-doctor who took a prominent part in Mau Mau terrorism), and "Generals" Makenji and Kapinda, all of whom were killed as a result of police action during May 1956; "Major-General" Kamwana, who was sentenced to death for illegal possession of firearms and was one of a group of six terrorists executed on June 29; and Muriuki Kimotho (*alias* "General" Tanganyika), who was executed on July 6 after having been sentenced to death a month earlier for the murder of a Kikuyu tribesman.

The continuing success of the security forces in reducing the number of active Mau Mau terrorists was reflected in the growing number of surrenders in 1956, as well as the rapid fall in the number of incidents. While 43 terrorists were killed, 43 captured, and 59 surrendered in May, the total of those killed in July, August, and September fell to 12, 10, and 6 respectively and of those captured to 31, 14, and 14 respectively. Surrenders in these three months totalled 57, 31, and 52 respectively.

Many of the Mau Mau fell to the "pseudo" gangs who operated with ever-increasing success with the security forces and who were responsible *inter alia* for the capture of Dedan Kimathi. [Kimathi, when captured, was wearing a leopard-skin—apparently as a disguise—and was trying to crawl away through the undergrowth when called upon to halt; he ignored the warning and was shot at and wounded.] These "pseudo" gangs, numbering between 300 and 400 and composed mainly of former terrorists, were led by some 30 young Europeans in disguise who were either born in Kenya as sons of British settlers or civil servants, or belonged to the Kenya Regiment and the Kenya Police Reserve, some of them being also former intelligence officers. It was stated in *The Times* on July 6, 1956, that there had been not a single casualty amongst the "pseudo" gangs, nor had any of its Kikuyu members betrayed the trust placed in them.

In a review of the situation at the opening session of the new Legislative Council on Nov. 13, 1956, Sir Evelyn Baring stated that only 200 - 300 terrorists were still active. Whereas 18 months previously 51 major gang-leaders had been at liberty, only two were still at large, the better-known being Stanley Mathenge, formerly second-in-command to Kimathi. As a result of this reduction of the terrorist threat, it had been decided, following a recommendation by Lt.-General Sir Gerald Lathbury (C.-in-C., East Africa) that the police should take over control of anti-terrorist operations from the Army. The War Council, however, would continue to function and the Army would stand by in support of the police.

Sir Evelyn Baring gave a warning that if the remaining terrorists were not pursued as actively as in the past, they were perfectly capable of reviving the Mau Mau activities He continued: "Our troubles with the active Mau Mau will be at an end only when we have shown we can keep the peace, not only in conditions as they now are, but in the future when all but the worst of the detainees and Mau Mau convicts now in custody have been released." Much progress had been made in the problem of absorbing detainees back into the normal life of the country, and many thousands who had gone back to their districts had given very little trouble. The return of Kikuyu labour to farms had proceeded smoothly, and the Government hoped to absorb an increasing number of Kikuyu in forest villages.

Whereas 18 months earlier there were 50,000 Mau Mau detainees and 16,000 convicts, the figures had been reduced to 24,000 and 8,400 respectively. The Government's policy stood on two affirmations · first, each detainee must have his chance to work his way back to normal life; secondly, irreconcilables would not return. No Mau Mau detainee or convict could be allowed back unless his behaviour and the condition of the area to which he was returning gave sound reasons for believing that he would not again become a menace to peace and order. "The Kenya Government," he added, "regard no man as lost, and the most assiduous efforts are being and will be made to reclaim him for society."

After outlining a plan for an agricultural settlement on the Tana River for those who could only be made good citizens again over a period of years, the Governor announced that the Mau Mau experience had prompted the Government "to review the powers on which in normal times of peace it has to rely to preserve peace." It intended to introduce at the right time legislation designed to reinforce its authority in any period of increasing tension and disturbance not amounting to a full-scale emergency.

Further figures concerning the rehabilitation and release of Mau Mau detainees were issued in Nairobi on Feb. 20, 1957. It was stated that to date 40,000 detainees in all had been released, that only 30 of these had had to be rearrested for resumption of Mau Mau activities, and that the 30,000 who remained in detention were being released at the rate of 1,700 a month.

The Minister for Internal Security, Mr. John Cusack, announced on March 6, 1957, that Mageta Island, the detention camp in Lake Victoria for "hard core" terrorists, was being cleared of its 2,400 prisoners as part of "the Government's general policy of getting prisoners into the 'pipeline' that leads to rehabilitation."

Relaxation of Emergency Measures.

With the gradual elimination of the Mau Mau movement, the Government continued to relinquish during the period under review some of the powers it had assumed as a result of the emergency.

It was announced on Dec. 21, 1956, that "in view of the continued improvement in the emergency situation" some of the restrictions on public meetings would be relaxed, as follows: (i) licences would ordinarily be granted for public meetings to be held in halls or other suitable buildings for a legitimate purpose; (ii) owing to the difficulty of exercising control over large assemblies, however, open-air meetings would not be permitted except in remote areas where there were no suitable buildings and where attendance out-of-doors was not likely to reach unmanageable proportions; (iii) the relaying of proceedings or speeches from buildings to overflow audiences outside would also not be permitted; (iv) except in the Central Province, members of the Kikuyu, Embu and Meru tribes would be permitted to attend public meetings, political or otherwise, but only those who had obtained loyalty certificates would be allowed to make speeches: (v) in the Central Province (where stricter control than elsewhere was still essential owing to the return of large numbers of released Mau Mau detainees), attendance at Kikuyu, Embu and Meru political meetings would no longer be restricted to registered voters but would be open to all who had been granted loyalty certificates; (vi) at all other meetings the attendance of persons who had not obtained loyalty certificates would be permitted "where necessary to the legitimate purposes of such meetings."

[It was commented in the Press that the Government's decision was obviously connected with the forthcoming African elections and the impossibility of denying candidates the opportunity of addressing registered voters.]

In a further announcement on Jan. 7, 1957, it was stated that a comprehensive review of the emergency legislation had been carried out with a view to deciding what relaxations could be introduced in the light of the continuing improvement in the security situation. It had accordingly been decided, as a first stage in the process, (i) to revoke the penal provisions for sabotage and the regulations prohibiting the possession of more than one firearm and the possession of incendiary material; (ii) to lift the restrictions on travel affecting Nairobi and certain parts of the Central Province; (iii) to cancel some of the controls imposed on Kikuyu, Embu, and Meru domestic servants; and (iv) to reduce considerably the number of special areas and emergency zones.

As a result of a further "marked improvement" in the situation, the Government announced on April 1, 1957, that the three remaining capital offences under the emergency regulations would in future be punishable by life imprisonment. The offences in question were: (i) the unlawful possession of firearms; (ii) consorting with an unlawfully armed person; and (iii) administering, or being present at and consenting to the administration of, a Mau Mau oath.

Development of African Tribal Lands.

It was announced on Jan. 13, 1957, that the Kenya Government had created a new body—the African Industrial Estates Development Committee—to carry out a plan to develop African tribal lands for industrial, commercial, and ancillary purposes. The Committee would be under the chairmanship of the Minister of Commerce and Industry (Mr. Arthur Hope-Jones), and its 10 members would include three Africans, of whom two would be members of the Native Lands Trust Board (a body of trustees responsible for the integrity of African lands).

It was stated that the new Committee would approve details of selected development schemes, would supervise them, and would also determine priorities for development and approve estimates and expenditure. At the same time the Government created a fund of £25,000 to aid the development of industries in African areas, it being announced that the first development site would be at Karatina, in the Kikuyu Reserve. Expenditure from the fund in preparing sites for development would be recovered from those holding grants for such land.

The measure represented the third major change in the traditional background of African tribal life—the first two being the grouping of villages and the consolidation of fragmentary land holdings into economical agricultural units; and the introduction of the primogeniture system of inheritance, instead of the customary division of holdings among all sons on the death of the father.

Three-year Development Plan.

Following his return from financial talks in London, the Minister for Finance, Mr. Vasey, announced in the Legislative Council on March 26, 1957, that the Kenya Government proposed to put into operation a social and economic development plan covering the period 1957-60 and involving capital expenditure of £23,000,000. Details of the plan were published on the same date.

The statement said that as the full development of Kenya would have required an investment of about £180,000,000 a figure unattainable in view of the world monetary position the Government had been obliged to undertake "a careful sifting of schemes in the light of their relative importance and the Government's assessment of priorities." Accordingly, they had reduced their investment programme until 1960 to one of about £23,000,000.

The main allocations under the plan would be as follows:- agriculture £9,065,000 (including £5,736,000 for the development of African farming under the Swynnerton plan [see 13722 A]); education £2,000,000 (including £100,000 on African education and £64,000 on a new technical institute for Nairobi); roads £2,000,000; security and defence £1,500,000; African housing £1,600,000; Government housing £600,000; additional contribution to the plan for a new Nairobi airport at Embakasi £588,000; broadcasting £300,000; community development £126,000. The programme would be financed as follows: loans raised either in London or East Africa £18,000,000; Colonial Development funds £2,000,000; Colony revenue £1,000,000; other local sources £1,000,000. It was anticipated that the gap of £1,000,000 would be closed by savings arising from the falling costs of the anti-terrorist campaign.

Extension of Governor's Term.

It was announced in Nairobi on March 24 that Sir Evelyn Baring, who had been Governor of Kenya throughout the Mau Mau emergency, would remain in office until March 1959. Although due to retire in September 1957, he had agreed to serve for a further 18 months and the Queen had approved the extension.- (Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Kenya, 14859 A.)

A. AUSTRALIA. — Civil Aviation. - Round-the-World Service by Qantas Empire Airways.

It was announced in Canberra on June 26 that the Australian Federal Government had approved an agreement with the U.S.A. granting Qantas Empire Airways the right to fly across North America, thereby enabling it to operate a regular service round the world.

Hitherto the South Pacific service of Qantas had carried passengers and freight only as far as San Francisco and Vancouver, while its service to London (run in conjunction with British Overseas Airways) had passed through South-East Asia and the Middle East. Under the new agreement Qantas will be able to carry passengers from the U.S. Pacific coast to New York and thence to London or any other European city where Australia has, or may obtain, landing rights.

In return for the right to fly across America, Australia allowed U.S. airlines to fly to Australia by way of Antarctica, and thence across Australia to South Africa and South-East Asia.

Senator Paltridge (the Federal Minister of Civil Aviation) said that the new route would ensure the maximum commercial exploitation of the fleet of *Boeing* jet airliners which would come into service with Qantas in 1959. An order for seven *Boeing 707s* worth nearly £A19,000,000 had been placed by Qantas Empire Airways in 1956.

A plan to form a holding company to control all Australian airlines, which had been submitted by Australian National Airways, was rejected by the Federal Cabinet on June 25. It was proposed that the shares of all airline companies should be bought by the holding company and that each company should preserve its identity and receive an allotment of shares in the holding company, proportionate to its investment. Senator Paltridge explained that the Government had considered the proposal to be impracticable because at least one major airline had refused to be a party to it. Moreover, the Government believed that the proposal would inevitably result in a monopoly and would not achieve the "virile competition" which had been responsible for the present high standards of efficiency and safety in Australian air transport.

(Australian News and Information Bureau) **(12439 F.)**

B. PHILIPPINES. — Communist Party outlawed.

The Philippine Senate passed a Bill on May 22 outlawing the Communist Party, and prescribing the death penalty for party organizers and leaders and imprisonment for party members who carried on the party's activities. The Bill had previously been passed by the House of Representatives.

(New York Herald Tribune) **(Prev. rep. 13886 A; 13675 B.)**

A. PETROLEUM. — Ending of Petrol and Oil Rationing in Western Europe.

The ending of petrol rationing in Britain was announced on May 14 by Lord Mills (Minister of Power) in the House of Lords, and by Mr. Maudling (the Paymaster-General) in the House of Commons.

Lord Mills said that petrol stocks in the country were at a satisfactory level, and that the Government had decided that petrol rationing could be ended immediately now that interim arrangements had been made for a resumption of traffic through the Suez Canal He had therefore made an Order giving effect to this decision as from midnight on May 14.

The ending of the 10 per cent restriction on fuel oil supplies for industrial use and non-industrial heating, which continued beyond May 15, was announced by the Ministry of Power on May 31. A 10 per cent cut had first been imposed on Nov. 7; supplies for heating oil were further reduced to 75 per cent of normal consumption in December, but were increased again to 90 per cent on April 1.

In addition to the ending of the additional emergency petrol duty of 1s. a gallon which the Chancellor of the Exchequer announced in his Budget speech (see 15481 A), the price of petrol was reduced by the oil companies by 1d. a gallon as from April 12 and by another 1d. as from May 2, the reductions being due to the improvement in the supply position and the corresponding reduction in distribution costs. A further reduction of ½d. a gallon was made from July 3.

The reopening of the Suez Canal, and the improvement in oil supplies to Europe as a result of the emergency measures authorized in the U.S.A., made possible the lifting of all petrol and oil consumption restrictions in the other European countries affected by the closing of the Canal.

In the Irish Republic petrol rationing was abolished as from April 12, while Switzerland ended all restrictions on fuel consumption from the same date. In Austria petrol rationing ended on April 13; in Norway fuel oil and petrol rationing ended on April 16; and in Portugal restrictions such as the closing of petrol pumps on Sundays and the ban on motor-racing were lifted on April 21. In Denmark the rationing of fuel oil was abolished on March 18, and that of gas and diesel oil subsequently.

In France, petrol rationing continued longer than in the other countries because of the maintenance of the French boycott of the Suez Canal, as well as the strained foreign exchange position. Rationing was ended only on June 28, following the decision of the new Government of M. Bourgès-Maunoury to end the boycott of the Canal (see 15608 B) and the parliamentary adoption on June 27 of a number of financial measures to meet the stringent economic situation; these measures included an increase in the petrol tax by 13.40 francs per litre, raising the retail price in Paris from 76.60 francs to 90 francs, with corresponding tax and retail price increases for premium petrol. The increase, equivalent to 1s. 3d. a gallon, made the price of petrol in France 8s. 6d. a gallon, the highest in Europe.

The O.E.E.C. had announced on May 2 that the special machinery which had co-ordinated the efforts of member-Governments and oil companies to meet the petrol crisis would be discontinued. A statement issued after the final meeting of the Organization's Petroleum Emergency Group (O.P.E.G.) on that date stated that the requirements of member-countries could be satisfactorily met by a return to the normal commercial operations of the international oil companies; that European oil stocks were at the levels of last November; and that the forseeable supplies for the April-June period would be sufficient to meet the estimated demand and to provide a reasonable margin.

The special "schedules" under which the U.S. oil companies had co-ordinated the movements of their tankers to ensure the most efficient handling of oil supplies for Europe were suspended by the U.S. Government on April 19 in view of the great improvement in the supply position. It was announced, however, that the Middle East Emergency Committee, which had been responsible for the direction of the oil "lift," would continue to review the supply position in Western Europe and would report any substantial change in the situation so that the schedules could be reintroduced if necessary. U.S. oil shipments to Europe had reached their peak in the week ended March 13, when the daily total averaged 582,000 barrels, or 200,000 barrels more than in the previous week.

Figures published on April 25 by the Petroleum Information Bureau in London showed that, despite rationing and restrictions due to the Suez emergency, Britain had used nearly 2,000,000 tons more petroleum products in 1956 than in 1955—an increase of 8.5 per cent. Total consumption in 1956 was 25,223,049 tons, against 23,287,144 tons in 1955, the largest percentage increase being in fuel oil.—(Times - Daily Telegraph - Manchester Guardian - Financial Times - Le Monde, Paris - Irish Times, Dublin - Berlingske Tidende, Copenhagen - Norwegian Embassy Press Office, London - New York Times)

(Prev. rep. 15386 A; 15545 A.)

B. UNITED KINGDOM. — Group Mergers in Electrical, Engineering, and Rayon Industries.

Particulars are given below of a number of mergers between important groups of firms in the electrical manufacturing, aircraft and engineering, and rayon industries, announced in recent months.

Siemens-Edison Swan. It was announced on June 14 that two of the oldest electrical manufacturing companies in Britain—Siemens Brothers and Company and the Edison Swan Electric Company, both members of the Associated Electrical Industries Group—had amalgamated to form a new company within the Group, to be known as Siemens Edison Swan Ltd. The new company will have 21,000 employees and undertake virtually the whole of the light electrical engineering side of the Group's work, manufacturing products ranging from telephone exchanges to cathode-ray tubes.

Hawker Siddeley-Brush. Details were announced on May 18 of an offer made by the Hawker Siddeley Group of companies (aircraft manufacturers, with extensive Canadian interests) to shareholders in the Brush Electrical Engineering Co. Ltd. and its subsidiaries (makers of turbo-generators, transformers, electric motors, vehicles and trucks, and bus and coach bodies). The offer, which was subject to acceptance by at least 90 per cent of Brush shareholders, provided for the acquisition by Hawker Siddeley of the whole of the issued capital of the Brush Group, in exchange for shares in the Hawker Siddeley Group. On June 7 it was announced that the offer had been accepted by 94 per cent of Brush shareholders.

Courtaulds-British Celanese. On April 12 it had been announced that the directors of Courtaulds Ltd. and British Celanese Ltd. had reached agreement in principle on the merging of the two companies on the basis of the acquisition by Courtaulds of the entire issued capital (£15,328,000) of British Celanese in exchange for shares in Courtaulds and £1,000,000 in cash. It was explained that the directors of the two companies believed that the proposed merger should enable them to improve their position in the export markets, "having regard particularly to the problems and opportunities which are certain to arise if the proposals for the European Common Market and Free Trade area are implemented." It was announced on June 4 that holders of over 90 per cent of British Celanese capital had accepted Courtaulds' offer for their stock—1 e more than the percentage of acceptances on which the offer had been made conditional.

The issued capital of Courtaulds Ltd.—described as "the undisputed giant of the British textile industry"—was given in the Press as about £56,000,000 and the estimated value of the company's assets as £128,600,000. The assets of British Celanese Ltd., which has important plastics and chemical interests, were valued at £32,000,000.—(Times - Daily Telegraph - Manchester Guardian - Financial Times)

(Prev. rep. Courtaulds, 11676 B; 10614 A.)

C. AFGHANISTAN - PAKISTAN. — Mr. Suhrawardy's Visit to Kabul. - Discussions with Afghan Prime Minister. - Resumption of Full Diplomatic Relations.

Mr. Suhrawardy, the Prime Minister of Pakistan, visited Kabul from June 8-11 as the guest of the Afghan Government. During his stay he had conversations with the Afghan Prime Minister, Prince Sardar Mohammed Daud Khan, as a result of which it was agreed to restore full diplomatic relations between the two countries as a step towards the settlement of their differences.

A joint communiqué issued on June 10 stated that the talks had been held "in an atmosphere of warmth and cordiality and in accordance with the spirit of Islamic solidarity and brotherhood which animates the Governments and peoples of both countries." It continued:

"The two Prime Ministers surveyed the international situation and appreciated each other's point of view with regard to the respective policies of their Governments. They agreed that both Governments should co-operate in the United Nations and other international organizations, in accordance with the Charter, and in particular should strive to secure independence and freedom for those areas which are still under the domination and control of foreign Powers.

"The two Prime Ministers confirmed the contents of the joint communiqué agreed upon in Karachi in December 1956 [see 15279 A] and agreed that efforts should be continued to bring the peoples of the two countries together in the economic and cultural fields. They agreed to take steps to resolve their differences through friendly negotiations and to consolidate the basis which already exists for permanent friendship. To fulfil this objective they have agreed to accredit Ambassadors to each other with immediate effect."

In conclusion it was announced that the King of Afghanistan had accepted an invitation to visit Pakistan in December 1957.

The Afghan Minister in Karachi and the Pakistani Ambassador in Kabul had been recalled in October 1955 as a result of the tension between the two countries following the inclusion of the Pathan areas of the former North-West Frontier Province in the new Province of West Pakistan.

(Pakistan High Commissioner's Office, London)

(Prev. rep. 15279 A; 14481 B.)

A. INDONESIA. — Appointment of National Advisory Council. - Abolition of East Indonesian Military Command. - Army Measures against Corruption.

The Indonesian Cabinet unanimously approved on June 15, after lengthy discussions, a draft list of members of the proposed National Advisory Council submitted by President Sukarno. In addition to the President himself, who will act as chairman, and Mr. Abdulgani (the former Foreign Minister), who was nominated as vice-chairman and general secretary, the Advisory Council consisted of 43 members.

The first group of these included a Deputy Premier, the Chiefs of Staff of the Army, Navy, and Air Force, the Attorney-General, the Chief of Police, three representatives of Sumatra, and two each for Java, Borneo, the Celebes, the Lesser Sunda Islands, the Moluccas, and "West Irian" (Dutch New Guinea). The remaining 22 members represented various sections of society—the Moslem, Christian, and Hindu communities, women, youth, labour, farmers, intellectuals, artists, the Press, "former independence fighters," national enterprises, and citizens of foreign extraction. Three of the members subsequently nominated declined to serve on the Council: Professor Johan (president of the University of Indonesia), because he had not been consulted about his appointment; Mrs. Diah (a Press representative) for personal reasons; and Mr. Abadiah (one of the Sumatran representatives), on the ground that he did not wish to serve until relations between the Government and Central Sumatra were restored to normal.

The political parties most strongly represented on the Council were the Nationalists, with six members, and the Communists, with four. The Moslem *Masjumi* party, which had denounced the Council as unconstitutional, was not represented. Replying to *Masjumi* criticisms in Parliament, the Prime Minister (Dr. Djuanda) said on June 3 that the Council had only been created pending the drafting of a new Constitution by the Constituent Assembly, and that its advice would not be binding on the Cabinet, which would continue to be responsible to Parliament.

In a speech on June 9 President Sukarno denied allegations that he wished Indonesia to copy the governmental systems of the Soviet Union and China, and said that Indonesia should copy from other countries only those things which would be beneficial to her people. Whereas the governmental systems of the U.S.A., the Soviet Union, and China were suitable for those countries, the Indonesian system must be in accordance with the national character of the Indonesian people.

Abolition of East Indonesian Military Command.

Dr. Djuanda visited East Indonesia from May 14-16 for discussions with Lieut.-Colonel Sumual, Commander of the Seventh Military District, who had issued a proclamation on March 2 demanding autonomy for East Indonesia and setting up a military council to take over the administration of the area (see 15421 A). The Prime Minister stated on May 16 that mutual understanding had been reached between the local military leadership and the Central Government, and claimed that the recent events in East Indonesia had not been a manifestation of separatist tendencies.

Army headquarters announced on May 28 that Colonel Sumual and Colonel Sudirman (head of the South Celebes Operational Command) would be transferred to other posts; that the two Commands would be reunited and placed under the direct control of the Chief of Staff, General Nasution; and that East Indonesia would be divided into four military districts—South Celebes, North Celebes, the Moluccas, and the Lesser Sunda Islands. On relinquishing his command on June 8, Colonel Sumual emphasized in an Order of the Day that these changes did not imply rejection of the demands put forward in his proclamation of March 2. He was transferred to Jakarta and appointed chairman of the committee responsible for administrative arrangements in connexion with the formation of the new military districts.

Army Measures against Corruption.

General Nasution announced on March 27 that he would make use of his powers under martial law regulations to take strong measures against persons suspected of corruption. A decree of May 27 authorized the military authorities to investigate and confiscate any private property suspected of having been obtained "suddenly and in a questionable manner," and provided for a maximum penalty of five years' imprisonment for refusal to answer truthfully questions about such property.—(Indonesian Embassy Press Office, London - Times) **(Prev. rep. 15421 A; 15514 A.)**

B. UNITED STATES. — Civil Defence Administrator.

It was announced in Washington on June 14 that President Eisenhower had appointed Mr. Leo A. Hoegh as head of the Federal Civil Defence Administration in succession to Mr. Val Peterson, who had been nominated Ambassador to Denmark. Mr. Hoegh, a Republican, was Governor of Iowa from 1954-56, losing the governorship to Mr. Loveless (Democrat) in the elections of November last. He had been Attorney-General of Iowa in 1953-54.—(New York Times) **(Prev. rep. 13025 F.)**

C. CAMBODIA. — Partial Restoration of Irrigation System of Khmer Empire. - U.S. Technical Aid.

Details were released during May of a scheme for the partial rebuilding of the irrigation system of the ancient Khmer Empire with the aim of restoring productivity to some 37,000 acres of barren land. The project is being carried out by the Cambodian Government in co-operation with U.S. engineers and technicians.

The reservoirs and irrigation system of the ancient Khmer Empire were built about 900 A.D. and were lost and forgotten for many centuries until their rediscovery in 1860, when a French explorer found the temples and palaces of Angkor, overgrown by vines and trees, deep in the Cambodian jungle. The intricate network of reservoirs, canals, artificial lakes and waterways showed evidence of a high degree of civilization in ancient Cambodia and of great engineering skill in the forgotten Khmer Empire. American engineers who examined the remains of the ancient irrigation system in 1954 were so impressed that they decided that modern techniques could provide few improvements.

The main sections of the irrigation system at the time of its construction in 900 A.D. were two huge reservoirs surrounded by 25-ft. clay embankments, each reservoir being five miles long and three miles wide and capable of impounding 1,766 million cubic feet of water. The system also included a diversionary canal so that water could flow round the great palaces and temples of Angkor, together with tributary canals, dykes, and minor dams. All were furnished with water diverted by a major dam on the Siemreap River - the same source as will be used in the restoration.

The project provides for the rehabilitation of one of the two large reservoirs, the dimensions and capacity of which will remain the same as in ancient times. The Khmer canal system will be excavated and strengthened with cement at stress points, but the overall project, when completed, will very largely duplicate the original. The cost of the project will be shared between Cambodia and the United States, which will provide equipment and technical advice.—(New York Times)

D. GHANA. — Lord Listowel appointed Governor-General. - Retirement of Sir Charles Arden-Clarke.

The appointment of the Earl of Listowel as Governor-General of Ghana in succession to Sir Charles Arden-Clarke, retiring, was announced from Buckingham Palace on June 23. Lord Listowel (50) has been a prominent member of the Labour Party for many years and held a number of offices in the post-war Labour Government. He is the elder brother of Mr. John Hare, Secretary of State for War.

Lord Listowel, who succeeded to the earldom in 1931, was a Labour whip in the House of Lords from 1941-44 (becoming Chief Whip in 1942) and first held office in the wartime Coalition Government as Parliamentary Under-Secretary of State at the India Office (1944). When the Labour Party came to power in 1945 he became Postmaster-General, and was subsequently the last Secretary of State for India (April to August 1947) and Burma (until January 1948), relinquishing these posts when India and Pakistan became Dominions in 1947 and when Burma became independent in 1948. He was subsequently Minister of State for Colonial Affairs (1948-50) and Joint Parliamentary Secretary to the Ministry of Agriculture and Fisheries (1950-51), and had been deputy leader of the House of Lords since January 1948. Educated at Eton and Cambridge, he served for a time as a private in the R.A.M.C. during the Second World War and was later commissioned in the Intelligence Corps, returning to politics in 1942 after being rejected for overseas service. He has been a Labour member of the London County Council for twenty years.

Lord Listowel's appointment was made on the recommendation of Her Majesty's Ministers in Ghana.
(Times - Manchester Guardian) **(Prev. rep. 15427 A.)**

E. UNITED KINGDOM - UNITED STATES. — Modification of U.S. Loan Agreement.

A White Paper was published in London on June 6 announcing a minor modification in the agreement on the repayment of the 1947 U.S. loan to Britain—viz., the provision whereby the U.S. Government could take up to $50,000,000 (£17,840,000) of U.K. repayments in sterling was extended indefinitely, instead of being subject to a time-limit as hitherto. It was explained that this would be a convenience to the U.S. Government in meeting payments for which sterling was required, and would also slightly ease the strain on the U.K.'s gold and dollar reserves.—(Daily Telegraph) **(Prev. rep. 15440 A.)**

F. POLAND. — Resumption of F.A.O. Membership.

It was announced in Warsaw and Rome during June that Poland had informed the U.N. Food and Agriculture Organization that she wished to cancel her withdrawal (which had been notified in 1948) and to resume active co-operation with F.A.O., of which she was one of the founder-members.
(Polish Embassy Press Department, London)

JULY 6—13, 1957

A. BRITISH COMMONWEALTH. — London Conference of Commonwealth Prime Ministers.

The conference of Commonwealth Prime Ministers was held in London from June 26 to July 5 under the chairmanship of Mr. Harold Macmillan, the meetings taking place at 10, Downing Street. Canada was represented by Mr. John G. Diefenbaker, the new Prime Minister; Australia by Mr. Robert G. Menzies, Prime Minister; New Zealand by Mr. T. L. Macdonald, Minister for External Affairs, representing the Prime Minister (Mr. Holland), who was unable to travel to London for health reasons; South Africa by Mr. Eric Louw, Minister for External Affairs, representing the Prime Minister, Mr. Strydom; India by Mr. Jawaharlal Nehru, Prime Minister; Pakistan by Mr. Suhrawardy, Prime Minister; Ceylon by Senator M. W. H. de Silva, Minister of Justice, representing the Prime Minister, Mr. Bandaranaike; Ghana by Dr. Kwame Nkrumah, Prime Minister; and the Federation of Rhodesia and Nyasaland by Sir Roy Welensky, Prime Minister.

In addition to Mr. Macmillan, British Ministers taking part in the conference included Mr. Selwyn Lloyd (Foreign Secretary), Mr. Thorneycroft (Chancellor of the Exchequer), Sir David Eccles (President of the Board of Trade), Mr. Duncan Sandys (Defence Minister), Lord Home (Secretary of State for Commonwealth Relations) and Mr. Lennox-Boyd (Colonial Secretary). The Australian delegation included Mr. Holt (Minister of Labour and National Service) and Sir Philip McBride (Defence Minister). Mr. Nehru was accompanied by Mr. Krishna Menon, the Indian Defence Minister; Mr. Suhrawardy by Mr. Firoz Khan Noon, the Pakistani Foreign Minister; and Dr. Nkrumah by Mr. Botsio, the Ghanian Minister of Trade.

The subjects discussed by the Commonwealth Prime Ministers were listed in the following communiqué (cross-headings inserted) issued at the conclusion of the conference:

Ghana's Entry into Commonwealth. "This was the first Commonwealth meeting at which Ghana was represented, following her attainment of independence in March 1957. Other Commonwealth Ministers welcomed Ghana's participation in the meeting as a full member of the Commonwealth, and took note of this occasion as further practical evidence of the progress made by the U.K. Government in the pursuit of their policy of fostering constitutional development in their dependent territories.

The Commonwealth Association. "The Commonwealth Ministers reviewed all the major international questions of the day which are of common concern to their countries. In this association of free and independent nations it is inevitable that there should be some differences of viewpoint and opinion. But these meetings reveal a broad similarity of approach and purpose. It is not their function, nor is it the object of this communiqué, to record agreed decisions or formal resolutions. Their value lies in the opportunity which they afford for a full and candid exchange of views, in the light of which each Commonwealth Government can formulate and pursue its separate policies with deeper knowledge and understanding of the views and interests of its fellow members.

"The primary objective of all Commonwealth Governments is world peace and security. They believe that this objective can only be assured by increased co-operation between nations. They themselves accept the principle and practice of co-operation: it is the foundation of their own association: they will continue to work for its wider adoption.

The United Nations. "The U.N was designed to provide one of the main opportunities for the practical exercise of the principle of co-operation between nations. Experience has, however, revealed certain deficiencies and weaknesses in the functioning of the organization. The Commonwealth Ministers agreed that constructive action is needed to strengthen and improve the U.N. as an instrument for preserving peace, justice, and co-operation throughout the world in accordance with the principles of the Charter.

Hungary. "In the discussion of developments since their last meeting, the Commonwealth Ministers expressed their grave concern at the tragic events in Hungary. They took note that the forthcoming consideration by the General Assembly of the report presented by its special committee [see 15621 A] will provide the occasion for the U.N. to record its views.

Disarmament. "The Commonwealth Ministers reviewed the course of developments in the current discussions on disarmament. They noted that proposals relating to a first stage of disarmament were put forward on July 2 in the Disarmament Sub-committee on behalf of the U.S.A., the U.K., Canada, and France. They recognized that even a limited agreement, by reducing the suspicions and tensions throughout the world, would help to create conditions in which a more comprehensive scheme of disarmament could be developed.

The Middle East. "The Commonwealth Ministers discussed the international problems of the Middle East. They agreed that, in the long term, economic and social progress must be the foundation for stability in the Middle East. They agreed, however, that in the short term the need is to work towards a relaxation of the tension arising from the dispute between the Arab States and Israel, the plight of the Arab refugees, and the unresolved problems in connexion with the Suez Canal. They considered that solutions of all these urgent questions should continue to be pursued by all practicable means.

Far East and South-East Asia. "Consideration was also given to the contribution which might be made by the Commonwealth Governments concerned towards the easing of tension and the maintenance of peace, stability, and political freedom in the Far East and South-East Asia. Commonwealth Ministers welcomed the important contribution already made by mutual assistance under the Colombo Plan towards raising standards of living and promoting economic development in the under-developed countries of this area.

Economic Development of the Commonwealth. "In their general review of economic questions the Commonwealth Ministers gave special attention to the impact of the major programmes of development on which many of their countries are engaged. These programmes call for high levels of domestic saving which can only be secured by sound internal policies. But they also call for conditions favourable to investment from other countries. The United Kingdom will continue to play its leading role in furthering economic development in the countries of the Commonwealth, and important contributions are also being made by other Commonwealth members. But, in view of the continued need for capital investment, it is also important to encourage investment from other sources on suitable conditions.

Commonwealth Discussions on European Free Trade Area. "The Commonwealth Ministers noted the progress made since their last meeting towards the freeing of trade and payments. In this context they discussed the proposals for the creation of an industrial Free Trade area in Europe as a complement to the European Economic Community to be set up under the Treaty of Rome. They agreed that, as part of the continuous exchange of views between Commonwealth Governments on these matters, particular aspects of the proposals which might specially affect certain countries of the Commonwealth should be examined in London next week by officials of all Commonwealth countries in the light of the Ministers' discussions.

Meeting of Commonwealth Finance Ministers. "The Commonwealth Ministers noted that the annual meeting of the International Monetary Fund and the International Bank will be held in Washington in September. The normal practice is for this meeting to be followed by a meeting of Commonwealth Finance Ministers. The Prime Minister of Canada extended an invitation that this meeting of Finance Ministers should be held this year in Ottawa.

The Commonwealth Economic Committee. "The Commonwealth Ministers recognized the value of the work carried out over the past 30 years by the Commonwealth Economic Committee. They agreed that the committee should be invited to examine and suggest to Governments what expansion of its scope and functions might usefully be undertaken for the particular purpose of drawing attention to the economic resources of Commonwealth countries.

Peaceful Uses of Nuclear Energy. "The Commonwealth Ministers reviewed the progress of co-operation within the Commonwealth in the use of nuclear energy for civil purposes. They recognized the growing importance of the contribution which nuclear energy can make to the peaceful development of their countries and of the rest of the world, and the value of close collaboration between members of the Commonwealth in this field. For this purpose nuclear scientists from Commonwealth countries will be invited to an informal meeting in the United Kingdom in 1958.

Malayan Independence within Commonwealth. "The Commonwealth Ministers noted that the Federation of Malaya was on the eve of attaining independence. They extended to the Federation their warm good wishes for its future, and looked forward to being able to welcome an independent Malaya as a member of the Commonwealth on the completion of the necessary constitutional processes."

During the Commonwealth conference Mr. Selwyn Lloyd reviewed the current negotiations in the U.N. Disarmament Sub-committee, as mentioned in the communiqué; Mr. Thorneycroft and Sir David Eccles dealt with economic problems of the sterling area, investment in Commonwealth development, and the implications for the Commonwealth of the projected European Common Market and Free Trade Area; and Mr. Lennox-Boyd gave a survey of constitutional developments in Malaya, Singapore, Nigeria, and the West Indies, and also spoke of the British Government's policy in Cyprus. Mr. Duncan Sandys and the U.K. Chiefs of Staff were present at a closed session on defence, which was not attended by India and Ceylon but at which all other Commonwealth countries were represented, including Ghana.

Economic questions figured largely in the discussions—in particular the question of capital investment in Commonwealth development, in which connexion Mr. Thorneycroft gave a review of the United Kingdom's economic and financial position. Mr. Diefenbaker laid special emphasis on this matter in statements issued in London and after his return to Ottawa (see below), while it was understood that Mr. Nehru, Mr. Suhrawardy and Dr. Nkrumah had stressed the importance of capital investment for the successful fulfilment of the Second Indian Five-Year Plan, the Pakistani irrigation projects, and the Volta River scheme respectively.

In a speech on July 1 (Dominion Day) to the Canada Club in London, Mr. Diefenbaker spoke of the desirability of an early Commonwealth trade and economic conference to explore the field of trade and capital investment within the Commonwealth. He suggested also that the Commonwealth Prime

Ministers might from time to time meet in other Commonwealth capitals besides London, though London would always remain the most suitable place and would continue to be the venue of most of these conferences.

At a press conference in Ottawa on July 7, after his return from London, Mr. Diefenbaker said that the Commonwealth Finance Ministers would consider plans for a Commonwealth trade and economic conference at their Ottawa meeting in September [see communiqué] He added that the Canadian Government would submit to the other Commonwealth Governments an outline plan for the expansion of trade and the stimulation of investment within the Commonwealth Canada herself had as a "planned objective" the diversion of 15 per cent of her present imports from the U S.A to imports from the United Kingdom—a diversion which would make "a substantial difference to trade with the Mother Country without actually hurting trade with the United States." Mr Diefenbaker said that Canada would regard British participation in a European Common Market "with a benevolent eye" provided that agricultural products were excluded from the project; if they were not, it would be difficult for Canada and other Commonwealth countries with agricultural surpluses to give full approval to U.K participation in a European Free Trade Area.

[The Ottawa Correspondent of *The Times* commented: "Mr. Diefenbaker is obviously concerned with the increasing imbalance of [Canada's] trade with the Americans and the falling-off of exports to other countries, particularly the United Kingdom. In the first quarter of this year purchases from the U S.A. rose to $1,031 million. Shipments to the U.K. were down to some $214 million. Fifteen per cent of Canadian imports from the U.S.A. last year would mean $625 million for the British market."]

Both before and during the conference, Mr. Macmillan had private meetings at Downing Street with the leaders of all the delegations. It was announced by the Pakistani delegation on June 28 that a special meeting between U.K. and Pakistani Ministers, "convened at the instance of Mr. Macmillan," had been held to discuss the questions of "Kashmir and the canal waters" [i.e. the Indo-Pakistani dispute on the Indus waters], at which Pakistan had been represented by Mr. Suhrawardy, Mr. Firoz Khan Noon and Mr. Ikramullah (High Commissioner in London) and the United Kingdom by Mr. Macmillan, Mr. Selwyn Lloyd and Lord Home.

The Commonwealth Prime Ministers and the other leaders of Commonwealth delegations were given a dinner party by the Queen and the Duke of Edinburgh at Windsor Castle, and were also entertained at Chequers by the Prime Minister and Lady Dorothy Macmillan. A sound and television broadcast on the Commonwealth conference was given by Mr. Macmillan on July 7.

After pointing out that the ten Commonwealth countries represented had a total population of 655,000,000 people of many races, religions, cultures, languages, and traditions, Mr. Macmillan said that the Prime Ministers had not come to London "to make set speeches and pass a long list of resolutions" but to exchange ideas and "talk together as a family." He continued: "As you and I know well, family meetings can be lively, frank, friendly, vigorous, and not always unanimous. This was just such a meeting. We agreed on some things, disagreed on others—as you would expect. What warmed my heart was that there was such a large measure of agreement, good will, and friendly understanding. This is because, with such a variety of tradition, race, religion, and history, we all respect the same ideals —individual rights, freedom, democratic government, and international justice. In this spirit we exchanged ideas on all the great questions of our day. . . .

"We each expressed our own point of view; we each heard the point of view of others. As a result each of our countries can develop its own policies on these matters—as is its right—with a full knowledge of what all its Commonwealth partners are thinking. We know each other's minds. Make no mistake, this very fact enables the Commonwealth to do two things: to be a great force for good within its own membership, and to make its influence felt in the world. . . .

"One by one, countries under our guardianship take up the responsibility of full nationhood and join us as equal partners. This year, Ghana. Soon, Malaya. Surely we are entitled to take a little credit for all this. Such a thing has never happened before in history, and it is not happening everywhere in the world to-day. I said 'partners,' not satellites. . . .

"We in Britain have friendly and co-operative relations with many countries. We have a special relationship with the countries of Europe, which we hope to strengthen and extend. But on one thing we are all agreed—if there should at any time be a conflict between the calls upon us, there is no doubt where we stand. The Commonwealth comes first in our hearts and minds."

It was announced during the conference that Mr. Macmillan had accepted an invitation from Mr. Holland, conveyed by Mr. Macdonald, to visit New Zealand at a date to be fixed. It was understood that the Prime Minister would also visit Australia.
(Times - Daily Telegraph - Manchester Guardian)
(Prev. rep. Commonwealth Conference (1956), 14961 A.)

A. UNITED KINGDOM. — Civic Trust for Encouragement of Good Architecture and Civic Planning.

The formation of a body for the encouragement of good architecture and civic planning, under the name of the Civic Trust, was announced on July 5 by Mr. Duncan Sandys (Minister of Defence), its initiator in a private capacity. The Civic Trust had its origin in a speech made two years earlier by Mr. Sandys (then Minister of Housing and Local Government) to the Royal Institute of British Architects, in which he called for a combined effort "to uphold and create beauty and declare war on ugliness." Mr. Sandys had appealed to all who had a part in shaping public opinion to give a positive lead by using their influence "to awaken the civic sense in every sphere"; in particular, he had urged industry to assume its full obligations in this matter.

To stimulate a keener interest in all aspects of town and country planning, including the avoidance of unsightly development, the Civic Trust will (*a*) commission expert reports on architectural and town planning questions, and convene meetings to discuss them; (*b*) arrange conferences in selected towns to discuss local planning problems; (*c*) provide films suitable for showing at meetings of interested bodies and in schools; (*d*) co-operate in preparing material for television programmes; (*e*) organize travelling exhibitions; and (*f*) contribute toward the costs of appropriate activities of existing societies.

Mr. Sandys, acting in a private capacity, will be president of the Civic Trust, the other trustees being the Archbishop of Canterbury; Sir Herbert Manzoni, vice-president, Institution of Civil Engineers; Mr. Herbert Morrison, M.P.; Sir George Nelson, chairman, English Electric Co. Ltd.; Lord Justice Pearce; Sir Howard Robertson, past president, R.I.B.A.; Sir Edward Spears, chairman, Institute of Directors; and Mr. C. M. Vignoles, managing director, Shell-Mex and B.P. Ltd.

In addition, the Civic Trust have secured the co-operation as patrons of the Lord Mayors of London, Belfast, and Cardiff, the Lord Provost of Edinburgh, the President of the Royal Academy, and the leaders of the five voluntary associations chiefly interested in the field of visual amenities—the Central Council of Civic Societies, the Society for the Protection of Ancient Buildings, the Council for the Preservation of Rural England, the Town and Country Planning Association, and the Georgian Group.

The Trust will not seek to arbitrate on questions of architectural taste or technical matters, but will look for expert advice to an advisory committee consisting of the president (Mr. Sandys) and three members of each of the following professional bodies: the Royal Institute of British Architects, the Royal Institution of Chartered Surveyors, the Institution of Civil Engineers, the Institution of Municipal Engineers, the Society of Town Clerks, and the Town Planning Institute.

The Civic Trust has already been assured of an income of about £40,000 a year on seven-year covenants by industry. Only a small number of leading industrial companies have been approached so far, and further substantial contributions are expected.—(Times - Daily Telegraph - Manchester Guardian)

B. PAKISTAN. — Navy. - Acquisition of Cruiser and Destroyers from Britain.

The former British cruiser *Diadem*, which had been purchased by Pakistan in 1956 and had been undergoing refit and modernization at Portsmouth, was handed over to the Pakistani Navy on July 5 by the First Lord of the Admiralty, the Earl of Selkirk. The cruiser was renamed *Babur* after the founder and first emperor of the Mogul dynasty in the early 16th century. H.M.S. *Diadem*, launched in 1942, has a displacement of 5,770 tons and a speed of 32 knots. Her main armament consists of eight 5.25-inch guns.

The former "Battle" class destroyers H.M.S. *Gabbard* and H.M.S. *Cadiz*, which had also been bought by Pakistan, were formally handed over to the Pakistani Government on Jan. 24 and Feb. 1 and renamed P.N.S. *Badr* and P.N.S. *Khaibar* respectively. Both vessels were completed in 1946 and have a displacement of 2,315 tons and a speed of 35.75 knots.
(Pakistan High Commissioner's Office, London) **(11425 C.)**

C. UNITED STATES. — Ford Foundation Grant to Poland for Cultural Exchanges with the West.

A grant of $500,000 to finance an exchange of scholars, writers and other academic workers between Poland and the United States and Western Europe was announced by the Ford Foundation on April 26—the first direct grant by the Foundation for an "Iron Curtain" country. The president of the Foundation (Mr. Henry T. Heald) said that the money would be given to "Polish universities and academies and to American and European institutions."—(New York Herald Tribune)
(Prev. rep. 15606 D.)

A. SOVIET UNION. — MM. Molotov, Malenkov and Kaganovich expelled from Presidium, Central Committee and Soviet Government. - M. Shepilov relieved of Party Posts. - Central Committee's Accusations against "Anti-Party Group." - Enlargement of Communist Party Presidium. - MM. Pervukhin and Saburov relieved of Deputy Premierships. - M. Khrushchev's Attack on the "Anti-Party Group."

It was officially announced in Moscow on July 3 that the Central Committee of the Soviet Communist Party, after a number of plenary meetings from June 22-29, had decided (1) to expel M. Molotov, M. Malenkov and M. Kaganovich from the party's Presidium and Central Committee; and (2) to expel M. Shepilov from the post of secretary of the Central Committee and from candidate membership of the Presidium.

The charges against Molotov, Malenkov, Kaganovich and Shepilov were set out in a lengthy statement issued by the party's Central Committee. Specifically, Molotov, Malenkov and Kaganovich were accused of setting up an "anti-party group" within the Presidium and Central Committee; of "persistent opposition" to the resolutions of the 20th Party Congress and to the party's new industrial and agricultural policies; and of "stubborn opposition" to the party's measures aimed at "liquidating the consequences of the cult of personality and eliminating the violations of revolutionary legality which occurred in the past." M. Molotov was also accused of "persistent opposition" to the Soviet Government's foreign policy and of hampering and obstructing the policy of "peaceful co-existence," while M. Shepilov was accused of joining the "anti-party group."

The statement issued by the Central Committee "on the anti-party group of G. M. Malenkov, L. M. Kaganovich and V. M. Molotov" is summarized below:

The statement said that MM. Molotov, Malenkov and Kaganovich had adopted an "anti-party line" and "attempted to change the composition of the party's leading bodies" at a time when "the Central Committee, supported by the people as a whole, is doing enormous work to put into effect the historic decisions of the 20th Party Congress designed to develop the national economy and raise the standard of living of the Soviet people, to re-establish Leninist norms in party life, to do away with violations of revolutionary legality, to promote Soviet Socialist democracy, to consolidate friendship among the Soviet peoples, to pursue a correct national policy, and in the sphere of foreign policy to relax international tensions in order to secure a lasting peace. . . ."

Continuing, the statement said that "during the last three or four years, during which the party has been steering a resolute course toward rectifying the errors and shortcomings born of the personality cult . . . the members of the anti-party group now exposed have been offering constant opposition, direct and indirect, to the course approved by the 20th Party Congress." Specifically, the group had opposed "the Leninist policy of peaceful co-existence between States with different social systems," the extension of the rights of the Union Republics in the fields of economic and cultural development, and the implementation of the "Leninist principle of democratic centralism" within the party. Moreover, it had "persistently opposed and sought to frustrate" the new measures for the reorganization of industry and the setting-up of regional economic councils [see 15575 A], even after the legislation implementing these measures had been approved by the Supreme Soviet.

The anti-party group was also accused of objecting to "the abolition of the former bureaucratic system of planning on the collective farms" and of opposing the projected measures for abolishing compulsory deliveries of farm produce by collective farmers from their individual holdings (see below). Furthermore, it had "carried on an unwarranted struggle against the party's appeal, vigorously supported by the collective farms, regions, and Republics, to overtake the United States in the next few years in output of milk, butter and meat," and had "thereby demonstrated an overbearing attitude to the vital interests of the people and a lack of faith in the enormous potentialities of the Socialist economy in the nation-wide movement for a speedy increase in milk and meat production which is now in progress." M. Molotov, in particular, had exhibited "a conservative and narrow-minded attitude" to these matters.

After accusing M. Molotov, M. Malenkov and M. Kaganovich of "putting up a stubborn resistance to the measures which the Central Committee and the whole party are carrying out to abolish the consequences of the personality cult, eliminate the violations of revolutionary legality that had been committed, and provide such conditions as would preclude their recurrence," the statement attacked M Molotov for "narrow-mindedness" in the field of foreign policy and for "hampering in every way the implementation of measures intended to ease international tension and promote universal peace." M. Molotov was specifically accused of having opposed an improvement of relations between the U.S.S.R. and Yugoslavia; of taking "an erroneous stand on the Yugoslav issue"; of raising obstacles to the conclusion of the State Treaty with Austria; of having opposed the normalization of relations with Japan; and of opposing "the fundamental proposition, worked out by the party, on the possibility of preventing wars, of different roads to Socialism in different countries, and of the necessity for strengthening contacts between the Communist Party of the U.S.S.R. and progressive parties abroad" Moreover, he had "repeatedly opposed the indispensable new steps taken by the Soviet Government in defence of peace and the security of nations," and, in particular, had "denied the advisability of establishing personal contacts between Soviet leaders and the statesmen of other countries, which is essential for achieving mutual understanding and better international relations." On many of these matters "Comrade Molotov's opinion was supported by Comrade Kaganovich and in a number of cases by Comrade Malenkov"

The statement continued: "The Presidium and the Central Committee as a whole patiently corrected them [the "anti-party group"], hoping that they would draw the proper lessons from their errors, would not persist in them, and would fall into step with the party's leading bodies. Nevertheless, they maintained their erroneous, anti-Leninist attitude . . . Comrades Malenkov, Kaganovich and Molotov were, and still are, shackled by old ideas and methods. They have drifted away from the life of the party and the country, failed to recognize the new conditions, maintain a conservative attitude, and stubbornly cling to obsolete forms and methods. . . . Both in internal problems and in matters of foreign policy they are sectarian and dogmatic and exhibit a pedantic, inert approach to Marxism-Leninism. . . . Seeing that their erroneous statements and actions were constantly rebuffed in the Presidium, which has consistently been putting into practice the line set by the 20th Party Congress, Comrades Molotov, Malenkov and Kaganovich embarked on a group struggle against the party leadership. Entering into collusion, and resorting to methods of intrigue against the Central Committee, they set out to change the party's policy and drag the party back to the erroneous methods of leadership condemned by the 20th Party Congress."

In conclusion, the statement said that "the facts revealed at the plenary meetings of the Central Committee show that Comrades Malenkov, Kaganovich and Molotov, as well as Comrade Shepilov, who joined them, have embarked on the path of fractional struggle, violating the party statutes and the decisions of the 10th Party Congress on party unity drafted by Lenin. . . . This [Lenin's] resolution makes it obligatory for the Central Committee and all party organizations to consolidate party unity, rebuff with determination every symptom of fractional or group activity, and ensure that the party's work is carried out by joint effort . . ."

After noting with "great satisfaction" the "monolithic unity and solidarity of all the members and alternate members of the Central Committee," the statement said that the "anti-party group," faced with the "unanimous condemnation" of its activities by the plenary meetings of the Central Committee, had "admitted the existence of collusion and the harmful nature of their anti-party activities and committed themselves to complying with the party position." The Central Committee, "guided by the interests of all-round consolidation of the Leninist unity of the party," had accordingly resolved:

(1) "To condemn as incompatible with the Leninist principles of our party the fractional activities of the anti-party group of Malenkov, Kaganovich, and Molotov, and of Shepilov who joined them.

(2) "To exclude Comrades Malenkov, Kaganovich, and Molotov from membership of the Presidium of the Central Committee and from the Central Committee; and to remove Comrade Shepilov from the post of secretary to the Central Committee and exclude him from alternate membership of the Presidium and from membership of the Central Committee."

The statement added that the above-mentioned decisions had been adopted by the unanimous vote of all the members and alternate members of the Central Committee, "with one abstention in the person of Comrade Molotov."

M. Molotov (67) had been Foreign Minister of the U.S.S.R. for many years before his appointment in November last as Minister of State Control (see 15220 C). M. Malenkov (55) became Prime Minister of the U.S.S.R. on Stalin's death, and was appointed Minister of Electric Power Stations when Marshal Bulganin took over the Premiership in February 1956. M. Kaganovich (64), a brother-in-law of Stalin, held ministerial positions for many years and played an important part in organizing manpower and developing Soviet transport M. Shepilov (52), formerly Editor-in-Chief of *Pravda*, succeeded M. Molotov as Foreign Minister in June 1956 but held the post for only eight months before it was taken over by M. Gromyko (see 15385 B).

New Presidium.

It was announced on the same day (July 3) that the Presidium of the Central Committee had been increased from 11 members to 15, the new membership being as follows (in alphabetical order): A. B. Aristov, N. I. Byelayev, L. I. Brezhnev, Marshal Bulganin, Mme. Ekaterina Furtseva, N. G. Ignatov, Nikita Khrushchev, A. I. Kirichenko, A. L. Kozlov, Otto Kuusinen, Anastas Mikoyan, N. M. Shvernik, M. A. Suslov, Marshal Voroshilov, and Marshal Zhukov.

Only six members of the former Presidium remained in the new Presidium—Marshal Voroshilov, Marshal Bulganin, M. Khrushchev, M. Mikoyan, M. Kirichenko, and M. Suslov. The nine new members were M. Aristov, M. Byelayev, M. Brezhnev, Mme. Furtseva, M. Ignatov, M. Kozlov, M. Kuusinen, M. Shvernik, and Marshal Zhukov, the Minister of Defence. Five members of the old Presidium were

dropped—M. Molotov, M. Malenkov, M. Kaganovich, M. Pervukhin, and M. Saburov. Of the two latter, M. Pervukhin was reduced to candidate membership (see below) and M. Saburov was dropped entirely.

Of the new members of the Presidium, six were promoted from candidate membership to full membership (Marshal Zhukov, Mme. Furtseva, and MM. Aristov, Brezhnev, Byelayev and Shvernik) and three were completely new to the Presidium – M. Ignatov, M. Kozlov and M. Kuusinen. Madame Furtseva (52), secretary of the Moscow Communist Party, became the first woman to hold full membership of the Presidium. M Shvernik was removed from the office of Soviet President after Stalin's death and had since resumed his former post of chairman of the Council of Trade Unions; MM Ignatov and Kozlov are party secretaries for the Gorki and Leningrad districts respectively; and M. Kuusinen is the former Finnish Communist leader.

The number of alternate (candidate) members of the Presidium was increased from seven to nine, as follows: N. A. Mukhitdinov, P. N. Pospelov, D. S. Korotchenko, J. E. Kalnberzin, A. P. Kirilenko, A. N. Kosygin, K. T. Mazurov, V. P. Mzhavanadze and M. G. Pervukhin. They included representatives of several of the Union Republics (the R.S.F.S.R., Ukraine, Georgia, Uzbekistan, etc.).

The Presidium of the Central Committee is, in effect, the executive and policy-making body of the Communist Party of the U.S.S.R.; it is assisted by a secretariat in which M. Khrushchev holds the key post of First Secretary. The candidate members attend meetings of the Presidium but do not vote, a right which is possessed only by the full members.

MM. Molotov, Malenkov, Kaganovich, Pervukhin and Saburov deprived of Deputy Premierships. - MM. Molotov and Malenkov relieved of Ministerial Functions.

It was further announced by Moscow Radio on July 4 and 5 that:

(1) M. Molotov, M. Malenkov, M. Kaganovich, M. Pervukhin and M. Saburov had ceased to be Deputy Premiers in the Soviet Government;

(2) M. Molotov had been relieved of his post as Minister of State Control, and M. Malenkov of the post of Minister of Electric Power Stations;

(3) M. Kosygin (a candidate member of the Presidium) had been appointed a Deputy Premier;

(4) M. Alexei Pavlenko would succeed M. Malenkov as Minister of Electric Power Stations;

(5) A decree would come into force on Jan. 1, 1958, abolishing compulsory deliveries of farm produce to the State from individual holdings of members of collective farms. [The Central Committee's statement on the "anti-party group" had accused M. Molotov, M. Malenkov and M. Kaganovich of opposing this decree—see above.]

As stated above, M. Pervukhin had previously been "demoted" from full to candidate membership of the Presidium, and M. Saburov dropped from that body entirely. Though deprived of his Deputy Premiership, M. Pervukhin remained Minister of Medium Machine-building (see 15575 A).

As a result of the above-mentioned dismissals, only two of the six First Deputy Premiers retained that status—M. Mikoyan and M. Kuzmin, chairman of the State Planning Commission (*Gosplan*). M. Kosygin, promoted to a Deputy Premiership, is First Vice-Chairman of *Gosplan*, while M. Pavlenko returned to the post he held while M. Malenkov was Prime Minister.

M. Khrushchev's Attack on "Anti-Party Group."

M. Khrushchev reiterated the charges against the "anti-party group" in a speech in Leningrad on July 6, on the occasion of the 250th anniversary of the city's foundation by Peter the Great. He accused M. Molotov, M. Malenkov and M. Kaganovich—"and Molotov in particular"—of "obstructing the measures for easing international tension and promoting world peace" and of preferring "the policy of 'tightening the screw,' which runs counter to the wise Leninist policy of peaceful co-existence between the socialist and capitalist systems." M. Khrushchev also denounced M. Shepilov, "who joined the group and proved to be the most shameless double-dealing individual." In the course of his speech he accused M. Malenkov of being "one of the chief organizers of the so-called Leningrad case" and said that he (Malenkov) was "simply afraid of coming here to you in Leningrad."

[The "Leningrad case" involved the execution of a number of leading members of the Soviet Communist Party in 1949—Voznessensky, Kuznetzov, Popkov and others, all of whom were rehabilitated after Stalin's death. The case was subsequently said to have been fabricated by Beria and Abakumov (onetime head of the Ministry of State Security), both of whom were executed after the death of Stalin. Details of the "Leningrad case" were given by M. Khrushchev in his speech to the 20th Party Congress—see page 14995.]

The Soviet press and radio stated that the resolutions of the Central Committee had been approved at mass meetings in factories, collective farms, and municipalities throughout the Soviet Union, and also among the armed forces.

Many references were made to the "monolithic unity" of the party, combined with bitter attacks on the "anti-party group" in which connexion *Pravda* said that a "wave of popular wrath" was sweeping the country at the actions of Molotov, Malenkov, Kaganovich and Shepilov. Moscow Radio stated that Marshal Zhukov had given a detailed account of the activities of the "anti-party group" to marshals and generals of the Soviet Army, and declared that the Central Committee's decisions had the Army's full support. It was also stated that factories, institutions, towns and collective farms named after members of the "anti-party group" had petitioned to have their names changed e.g. the town of Molotov, in the Urals, had asked that its former name of Perm should be restored. It was officially denied, however, that any members of the "anti-party group" were under house arrest.

Messages of support for the decisions of the Central Committee were received from the Chinese Communist Party and from the Communist parties of Eastern Europe, including those of Albania, Bulgaria, Czechoslovakia, Hungary, Rumania, and Eastern Germany.

The Moscow correspondent of the Warsaw newspaper *Trybuna Ludu* (organ of the Polish Communist Party) gave details on July 9 of a "plot" to oust M. Khrushchev alleged to have been organized by M. Molotov, M. Malenkov and M. Kaganovich. It was stated that the object of the alleged plot was to make M. Molotov First Secretary of the party and to replace Marshal Bulganin in the Premiership by M. Malenkov; this would have been followed by other party and governmental changes.

It was stated that MM. Molotov, Malenkov and Kaganovich all of whom were said to have opposed M. Khrushchev's plans for Soviet industrial and administrative reorganization - had made a sudden demand for M. Khrushchev's resignation at a meeting of the Presidium in the Kremlin on June 19 to discuss the celebrations of the 250th anniversary of Leningrad. M. Molotov had called upon the Presidium to make an immediate decision and announce the changes on the radio and in the Press before the Leningrad anniversary celebrations, while M. Malenkov, who was said to have convened the meeting, was reported to have given whole-hearted support to M. Molotov's demand. M. Khrushchev, with Marshal Bulganin in the chair, had apparently succeeded in avoiding immediate action being taken, and the Presidium had decided to refer the issue to the Central Committee. At the plenary sessions of the Central Committee the "anti-party group" had found itself isolated and had been exposed.

Moscow Radio, in an English-language broadcast, announced on July 10 that M. Malenkov had been appointed manager of the Ust-Kamenogorsk hydro-electric power station in Kazakhstan, one of the largest in the Soviet Union. [The power station is situated in eastern Kazakhstan, about 2,000 miles from Moscow.] The broadcast said that the Soviet Communist Party was "not in the habit of taking petty revenge" and that there was no question of any "repressive measures" being taken against any member of the "anti-party group."
(Soviet Embassy Press Department, London - Times - Manchester Guardian - Observer - Le Monde, Paris) **(Prev. rep. M. Khrushchev, 15575 A; Presidium and Central Committee Membership, 14745 A.)**

A. UNITED KINGDOM. — Merger of Chartered and Incorporated Accountants.

It was announced on June 19 that a resolution approving the integration of the Society of Incorporated Accountants with the Institutes of Chartered Accountants in England and Wales, Scotland, and Ireland had been adopted, at an extraordinary general meeting of the Society in London, by 872 votes to 111.

The integration schemes proposed (1) that members of the Incorporated Society who had had experience with accountants practising in the British Isles (i.e. about 80 per cent of S.I.A. members) should become members of the appropriate Institute of Chartered Accountants, with full membership rights; (2) that those members of the Society (numbering 2,065, or about 20 per cent) who had qualified after experience with a local authority or similar body, or after training overseas, should become members of the Institute of Chartered Accountants in England and Wales, but be required to retain the title "Incorporated Accountant."

On March 27 the Institute of Chartered Accountants in England and Wales had announced that a postal referendum of its members had shown 10,242 votes in favour of a merger with the S.I.A. and 4,340 against, the required majority of over two-thirds of those voting having thus been obtained. The merger was also subsequently approved by the Scottish and Irish Institutes. (Times - Manchester Guardian)

B. GHANA. — Membership of I.C.A.O.

It was announced on June 7 that Ghana had become the 71st member of the International Civil Aviation Organization. (I.C.A.O., Montreal) **(Prev. rep. 15289 B.)**

A. AUSTRALIA. — Large Trade Surplus in 1956-57. - Relaxation of Import Restrictions.

It was announced in Canberra on July 4 that Australian exports in the year ended June 30 had totalled £A994,900,000 and imports £A768,900,000, giving a surplus of £A276,000,000. This result, achieved through record exports coupled with import restrictions, made 1956-57 the second best trade year on record. It compared with deficits of £A39,200,000 in 1955-56 and £A46,800,000 in 1954-55.

Sir Arthur Fadden (Treasurer and Acting Prime Minister) stated on the same day that, thanks to the measures taken in 1956 to check imports and the fall in foreign exchange reserves, imports had been about £A100,000,000 below the level for the two preceding years, which was roughly what the Government had hoped for.

In view of the improved balance-of-payments situation, the Australian Government had earlier (April 1) announced relaxations of import restrictions, with a view to raising the ceiling for imports for the financial year 1957-58 to £A775,000,000 f.o.b. and permitting £A75,000,000 of additional imports.

Announcing this decision, Mr. Menzies (the Prime Minister) stated that export income in the financial year 1956-57 was likely to be considerably in excess of £A900,000,000; that the trade surplus was expected to exceed £A200,000,000; and that the international reserves were expected to increase by £A150,000,000, bringing the total of these reserves to over £A500,000,000 by June 30. The increased export earnings, he explained, were not due solely to increased prices but had been materially aided by an increase in the volume of wool and other exports, including the products of secondary industry.

Mr. Menzies continued: "The Government still aims to get rid of import restrictions altogether. This result will, however, depend on the achievement of a number of conditions, including a still further increase in the volume of exports, favourable terms of trade, strong overseas reserves, and sound internal policies, with the restraints on total demand for goods and services which such policies require. These conditions are by no means impossible; in fact, we have made good progress towards achieving them."

Emphasizing the importance of international reserves as a means of tiding over periods of low external receipts, Mr. Menzies said: "Australia is a country whose external income can fluctuate very widely since it depends primarily upon a few commodities, the prices of which are determined by conditions outside Australia. Reserves of £A500,000,000 may, in the light of our more recent exports, seem very substantial, but that amount cannot be regarded as adequate. Under any or all circumstances, we want to see substantial further additions to our reserves for succeeding years if that can be managed. Our aim is to keep imports at a reasonably high level in order to meet the working requirements of the Australian economy and the domestic needs of the public. In this connexion, it is perhaps not widely known that the bulk of imports into Australia represent raw materials or equipment for Australian industry; but, while imports should be high, we must also guard against the risk of having to cut imports back again at some later stage. The results of such an action would be damaging to industry and trade and would do us great harm in the eyes of countries abroad who export to us.

"These considerations lead to the conclusion that while import relaxations should, in our present circumstances, be substantial, they should be calculated with prudence and with an eye to the future. This is what we have tried to do. Imports of £A775,000,000 a year will actually cost us more like £A890,000,000 a year when inward freight has been added. On top of this, there is a bill to meet for net outgoings on account of remittances, travel expenditure, interest on overseas debt, and the like. Our total payments overseas will, when the new relaxations begin to show their effect, be close enough to £A1,000,000,000 a year."

Discussing the import relaxations, Mr. Menzies declared: "Our object has been to maintain a fair balance between the main sources of trade and industry, between finished import goods on the one hand and producers' materials and capital equipment on the other. We have been very conscious of the interest of many good customer-countries in these relaxations, and particularly in consumer goods. We have also aimed to remove from the import licensing system features which were introduced in the period when licensing had to be particularly severe but which trade and industry have found to be onerous. Full interchangeability will be restored within the 'B' category of consumer goods, and provision is being made for the adjustment of some anomalies within the field covered by quota items. It is anticipated that there will be fewer hardships under the new ceiling than there were under the old."

The Trade Minister (Mr. McEwen), amplifying the Prime Minister's statement, said that the relaxations would come into force immediately and would be spread over a wide range of commodities. Details were given as follows:

Category A. Quotas for consumer-type goods would be substantially increased. As, however, they were already generally higher than those for Category B, the increased quota in practically all cases would be 20 per cent, resulting in an anticipated annual increase of £A10,000,000 in imports. About £A30,000,000—spread over Category A and the Administrative Category—would be allocated to increased imports of equipment and raw materials for Australian industry, to enable it to achieve more economic production.

Among the more important imports in Category A which would be increased by 20 per cent were fully assembled motor-vehicles, motor-cycles, coffee, cigarettes, whisky, canned and preserved fish, carpets, linoleum, typewriters, cash registers, crockery, medical preparations, parts for motor-vehicles, hand-tools, sewing machines, canvas, washing machines, refrigerators, electric fans, electric razors, safety razor-blades, alarm clocks, vacuum flasks, stoves, rubber and latex, maps, fountain-pens, cameras, sporting rifles and cartridges, cotton waste, undressed furs, and antiques.

Imports in Category A increased by 10 per cent included replacement parts for various types of machinery, sheeting, aluminium alloy, petrol, kerosene, optical glass, precision optical instruments, ophthalmic instruments and appliances, scientific instruments and appliances, leather, and natural fibres except jute or flax. Bicycle components and accessories were increased by 12½ per cent. There was a 50 per cent increase for cotton yarn and single fine ply yarns, and a 40 per cent increase for floor and wall tiles.

Category B. All quotas in this category would be increased by 66⅔ per cent, the present value of the goods affected (chiefly consumer goods) accounting for £A20,000,000 of the total relaxations. Significant imports in this category would include cotton, woollen, and artificial silk textiles, apparel, gloves, cutlery, electrical appliances, glassware, aluminium ware, furniture, plastic articles, sporting goods, toys, pens and pencils, and jewellery.

Administrative Category. The £A30,000,000 increase in imports of equipment and raw materials would also affect allocations for some goods in the administrative category. Imports from non-dollar areas which would be licensed on an administrative basis (i.e. on the merits of each application) would include capital equipment such as textile, printing, and mining machinery, electrical equipment, plastics, synthetic fibres, yarns, and rock phosphate. Imports from dollar areas to be similarly treated would include capital equipment, special types of iron and steel, and industrial chemicals.

Other Changes. Mr. McEwen stated that provision had also been made to deal with licensing problems which could not be satisfactorily solved by a general increase in quotas, and that discussions would be held with representatives of trade bodies to examine the possibility of removing anomalies.

It was pointed out in the Press that one of the principal factors affecting Australia's export income had been the increase in exchange earnings from wool, which by March 1, 1957, had already reached £A280,000,000, or some 50 per cent more than in the corresponding period of 1955-56.—(Australian News and Information Bureau - Times - Financial Times) **(14952 A.)**

B. TURKEY. — Krupp Organization to assist in Turkish Industrial Development.

Herr Alfred Krupp von Bohlen, owner of the Krupp industrial organization in Western Germany, visited Turkey from May 14-29, having discussions in Ankara with the Turkish Prime Minister (Mr. Adnan Menderes) and the Minister of Public Works and acting Foreign Minister (Mr. Ethem Menderes) and inspecting a large number of industrial centres.

Two agreements were signed by the Krupp Organization during Herr Krupp's visit: (*a*) for the construction of a third steel furnace at the Karabuk iron and steel works, which would raise the capacity of the plant to 750,000 tons; and (*b*) an agreement with the Turkish State Railways for the supply of shunting equipment, rolling-mill products, passenger and freight cars, cranes and derricks, and harbour equipment. Deliveries under the latter agreement will be completed in four years and will be paid for by Turkish exports to Western Germany, thus involving no foreign exchange payments by Turkey.

Details of further plans worked out as a result of Herr Krupp's visit concerning future co-operation between Krupp's and Turkish firms were given in June by the head of Krupp's trade department, Baron von Maltzahn. He stated that Krupp's intended to make large-scale investments in Turkey; that a group of experts had been sent to that country to study problems involved in the working of Turkish lignite deposits, for which excavators, machinery, and other installations would be supplied on a long-term credit basis; that a group of geological experts had been sent to study the rich wolfram deposits at Uludag, where it was planned to open wolfram mines jointly with the Turkish *Etibank*; and that Krupp's were also studying a project for building a bridge across the Bosphorus at Istanbul.

(Turkish Embassy Press Department, London)

C. JORDAN. — Departure of British Forces.

The last British troops in Jordan—about 250 men of the Middlesex Regt., the 10th Hussars, and No. 187 Light Anti-Aircraft Battery—sailed from Akaba for Aden on July 6 in the troopship *Devonshire*, thereby completing the evacuation of British forces ten weeks before the time-limit set in the agreement of March 13 which terminated the Anglo-Jordanian treaty. The R.A.F. base at Mafrak, near the Syrian border, had been handed over to the Jordanian authorities on May 31.

(Times - Daily Telegraph) **(Prev. rep. 15434 D.)**

A. KOREA.—Supply of Modern Arms to U.N. Forces. - U.N. Command accuses Communists of Breaches of Armistice Terms. - Chinese and North Korean Protests.

It was announced in Washington on June 21 that the U.N. Command in Korea had informed the Military Armistice Commission that it had decided to replace outmoded weapons of the U.N. forces in Korea by modern equipment, in view of "flagrant, repeated and wilful" violations of the 1953 armistice agreement by the Communists. While thus, in effect, denouncing the clause in the agreement which forbade arming the forces in Korea with weapons other than those being used at the time of the armistice, the U.N. Command emphasized that it intended to continue to observe the cease-fire and the other provisions of the armistice agreement.

The following statement was issued by the U.S. Defence Department on July 21:

"The U.N. Command advised the Military Armistice Commission in Korea today that the U.N. Command considers that it is entitled to be relieved of obligations under Sub-paragraph 13D of the Korean Armistice Agreement, which limits the replacement on a piece-for-piece basis of worn-out or destroyed military equipment to items of the same effectiveness and type, after the date of the armistice (July 27, 1953).

"The action which the U.N. Command is taking is necessitated by the flagrant and long-continued disregard by the Communist side of its obligations under [the above-mentioned paragraph of] the Armistice Agreement. At the time the Agreement was signed, all Communist operational aircraft were based north of the Yalu and, indeed, all North Korean airfields had been bombed-out and rendered non-operational. Since the signing of the armistice, the Communist side has not reported the introduction of a single combat aircraft into Korea, yet it is clear beyond dispute that they now have hundreds of the most modern jet types of combat aircraft based in North Korea. This conclusion is supported by all types of intelligence information, including the evidence of radar trackings and the testimony of defectors, as well as long-range photographs.

"In addition, the Communists have built up and modernized, in violation of their undertakings under the Armistice Agreement, their strength in armoured vehicles, weapons and artillery, and ammunition, with the result that they have enormously increased the potential of the military forces on the North side of the armistice line."

The following statement was made to the North Korean representatives on the Military Armistice Commission at Panmunjom by General Homer L. Litzenberg, the senior U.N. member of the Commission:

"Almost four years have elapsed since the signing of the Armistice Agreement. . . . The signatories agreed to be bound by a mutual application of the terms of the agreement. With complete disregard for your obligations under sub-paragraph 13D of the Armistice Agreement, your side has continued to violate the provisions of that paragraph in the following particulars:

(1) You have introduced combat equipment of the types referred to in sub-paragraph 13D in contravention of the provisions allowing only piece-for-piece replacement of equipment worn out and destroyed after the date of the Armistice.

(2) You have also introduced combat equipment and weapons of entirely different types and capabilities from any you had in Korea at the time of the Armistice.

(3) You have failed to report introductions of such equipment.

(4) You have introduced such equipment at ports of entry other than those specified in the Armistice Agreement.

"The U.N. Command has again and again protested at these violations by your side and has attempted in vain to secure compliance with the provisions of the Armistice Agreement. All procedures established by the Agreement for the settlement of disputes have been exhausted by the U.N. Command.

"The U.N. Command intends to maintain the Armistice Agreement. However, the flagrant, repeated and wilful violations of that Agreement by your side undermine the very provisions which were specifically designed to assure the stability of the armistice. A cardinal purpose of these provisions was to ensure the freezing of the military *status quo* by maintaining the relative military balance existing on July 27, 1953.

"Your side, by its repeated violations of the Armistice Agreement, has seriously upset the relative military balance by modernizing and building-up military capability in the area vastly superior to that which you had at the time the Agreement was signed. On the other hand, the U.N. Command has not increased its combat equipment and is still equipped with the same type of weapons it had when the armistice was signed.

"As a result of the long period of time since the armistice went into effect, the equipment and weapons of the U.N. Command have become obsolete and outmoded, and those needing replacement cannot be replaced from stocks on hand or currently in production. This situation aggravates the imbalance created by your breach of Sub-paragraph 13D. The possibility that this situation would arise was not foreseen at the time the Armistice Agreement was negotiated, and, indeed, it would not have arisen had your side proceeded to negotiate, within three months and in good faith, a 'peaceful settlement' as was contemplated by the Armistice Agreement.

"In view of these facts and your gross violations of the provisions of Sub-paragraph 13D, the U.N. Command considers that it is entitled to be relieved of corresponding obligations under the provisions of this paragraph until such time as the relative military balance has been restored and your side, by its actions, has demonstrated its willingness to comply. The stability of the armistice and the maintenance of the relative military balance, which it was the primary purpose of these provisions of the Armistice Agreement to ensure, can now only be restored and maintained by the replacement by the U.N. Command of its old weapons with new items currently available. The U.N. Command is taking appropriate steps to this end.

"It should be clearly understood that:

(1) The only purpose of the U.N. Command's action is to restore the relative balance of military strength that the armistice was intended to preserve.

(2) The U.N. Command emphasizes the fact that the replacement weapons are being deployed for defensive purposes only.

(3) The U.N. intends, as it has in the past, fully to observe the cease-fire provisions of the Armistice Agreement. It intends also to observe all of the other provisions of the Armistice Agreement, save to the extent to which it is entitled to be relieved from compliance because of your violations of Sub-paragraph 13D. . ."

The North Korean and Chinese members of the Commission officially protested against the U.N. decision, a statement being issued later the same day by Major-General Jung Kuk Rok, the senior North Korean representative.

Major-General Jung accused the U.N. Command of "attempting to wreck the Armistice Agreement, thus obstructing the peaceful settlement of the Korean question"; of "attempting to introduce new-type weapons so as to perpetuate the occupation of South Korea by American troops . . ."; and of attempting "to turn South Korea into an American base of atomic warfare. . ."

After saying that "the peaceful solution of the Korean question does not require the introduction of new-type weapons into South Korea to arm the troops on your side, but requires the withdrawal of all foreign troops from Korea," the statement protested against the U.N. decision and demanded the withdrawal of all foreign troops. It described the U.N. decision as a "pretext to cover up U.N. violations of the Armistice Agreement or attempts to wreck it"; claimed that the Communist side had strictly observed the provisions of the agreement; and concluded: "Any unilateral acts on your side to wreck the Armistice Agreement are entirely illegal and null and void. . . . I warn your side that if it commits disruptive acts . . . it will bear the entire responsibility for the consequences."

A formal demand by the North Korean representative on the Armistice Commission for the convening of an international conference to discuss the withdrawal of all foreign troops from North and South Korea, presented on June 26, was immediately rejected by General Litzenberg, who said that the proposal was not a proper subject for discussion by the Commission. He added, however, that the Governments of the U.N. Command "remain ready to discuss the withdrawal of foreign troops and unification on the basis of U.N. objectives."

Mr. Murray Snyder, U.S. Assistant Secretary of Defence, stated on June 21 that the U.S.A. would immediately send modern jet aircraft from Japan, Okinawa and elsewhere to South Korea, but that the modernization of the U.S. ground forces in that country, including the supply of up-to-date tanks, would take longer. The aircraft would be capable of releasing nuclear weapons, but no ground weapons capable of firing atomic warheads would be introduced "at this time." Mr. Snyder said that the decision to modernize the equipment of the U.S. forces in Korea had been taken after consultation with, and the approval of, all those countries which still maintained troops in Korea Britain, Australia, Canada, New Zealand, France, Turkey, Greece, and Siam.

The U.N. Forces in Korea consist of two U.S. divisions, 21 South Korean divisions, and a force of a little less than one division composed of British, Australian, Canadian, New Zealand, Greek, Turkish, French and Siamese troops. No official figures of the strength of the forces on either side were given in Washington, but the U.S. Press reported that, on the Communist side, there were 400,000 North Korean and 300,000 Chinese troops in North Korea and another 1,000,000 Chinese troops north of the Yalu River in Manchuria. The U.S. forces were said to total 80,000, the South Korean forces 700,000, and the other U.N. troops less than 5,000.

The U.N. Command's decision to supply its forces in Korea with modern arms was supported on June 21 in official British, Australian, and South Korean statements.

A British Foreign Office spokesman expressed "full appreciation" of the reasons for the decision; emphasized that there was no intention of breaking the Armistice Agreement as a whole; and stressed that the U.N. Command intended to continue to observe all its other provisions. The Australian Minister for External Affairs (Mr. Casey) stated that Australia had been consulted and fully agreed with the action proposed. A South Korean spokesman expressed the hope "that today's first step to adjust the iniquitous situation in Korea will be followed by the logical conclusion that the 1953 Armistice Agreement in its entirety will be denounced by the United Nations."

The Tass Agency in Moscow denounced the decision of the U.N. Command as a "flagrant violation of the Korean Armistice Agreement."—(New York Times - New York Herald Tribune - Times - Daily Telegraph - Manchester Guardian) **(14982 A.)**

A. CEYLON. — The Language Controversy. - Federal Party's Demand for Equality of Status for Tamil. - Threat of Civil Disobedience Campaign. - Mr. Bandaranaike's Four-point Programme for Use of Tamil. - Discussions with Federalist Leaders.

The tension between the Sinhalese and Tamil communities in Ceylon arising from the Official Language Act of 1956, which made Sinhalese the only official language, became increasingly acute during the first six months of 1957. The Federal Party—the leading Tamil political organization—announced in December last that it would launch a *satyagraha* (civil disobedience campaign) on Aug. 20, 1957, in support of its four main demands: (1) the introduction of a federal Constitution, with full autonomy for the Tamil-speaking areas; (2) full rights of citizenship for all Tamil-speaking residents of Indian descent; (3) the repeal of the Official Language Act and the granting of equality of status for the Tamil language equally with Sinhalese; (4) the ending of the "colonization" of Tamil areas by Sinhalese-speaking people. Although the Federal Party emphasized that this movement would be strictly non-violent, the plan aroused widespread fears that it would result in communal rioting similar to that of June 1956 (see 15012 A), when, according to official figures, 23 people were killed and 237 injured in the Gal Oya valley alone. [Unofficial estimates had placed the number of fatal casualties in this area at over a hundred.]

Strong feeling was aroused in January by a Government order that all number-plates on new motor vehicles must bear a Sinhalese letter—an order which was openly defied in the Tamil-speaking Northern and Eastern provinces, with the connivance of the police. February 4 (Independence Day) was observed as a day of mourning by the Tamils, who organized demonstrations at which copies of the Official Language Act were publicly burned. In Trincomalee, where the majority of the population are Tamils, the hoisting of the Sinhalese flag in the market-place led to disorders in which one person was killed, troops having to be sent to the town to maintain order.

After a period of comparative calm, tension revived with the approach of the date fixed for the *satyagraha* campaign. The working committee of the ruling Sri Lanka Freedom Party decided on May 27 to recruit a volunteer force of 100,000 to help maintain order; this decision was strongly criticized by the Press and even by some members of the Government, and the Prime Minister (Mr. Bandaranaike) was obliged to give an assurance on June 5 that the proposed organization would be merely a youth movement and not a para-military force. Five Cabinet Ministers led by Mr. de Zoysa, the Finance Minister, were stoned on June 1 when they visited the town of Mannar, in response to Federalist assertions that members of the Government dared not enter the Tamil areas.

In a statement published in the *Times of Ceylon* on May 31, the Federal Party president (Mr. Vanniasingham) said that the party would abandon its civil disobedience campaign if the Government took satisfactory action to restore the Tamil language to its rightful place and "stopped colonizing the Tamil areas with Sinhalese." On the following day, however, he declared that nothing short of the establishment of an autonomous Tamil State in a federal set-up would induce his party to call off the campaign, although they would consider postponing it if the Government made Tamil an official language and abandoned its colonization programme.

At a press conference on June 5 Mr. Bandaranaike commented on the Federal Party's demands and summarized his own proposals for meeting the minorities' grievances.

The Federal Party, he pointed out, had put forward no details of its scheme for a federal Constitution, to which all other parties in Ceylon were opposed. The problem of citizenship rights for residents of Indian descent would form the subject of discussions between himself and Mr. Nehru, at which he hoped to find a satisfactory solution. The demand for the repeal of the Official Language Act and for parity of status for Tamil was "neither practicable nor conducive to the strengthening of friendly relations between Sinhalese and Tamils." Finally, the Government had no intention of turning the Tamil areas into areas with Sinhalese majorities by means of planned colonization, as the Tamils feared, and in carrying out colonization schemes would give priority to residents of the area involved. The *satyagraha* campaign, which was "professedly designed to break laws, to bring government to a standstill, and perhaps to establish a parallel Government," would "result almost immediately in the launching of widespread violence," as the Mannar incident had shown.

Mr. Bandaranaike continued: "I have already announced in Parliament three measures which should meet any reasonable demands of the minorities. These are the establishment of regional councils to decentralize the administration; the amendment of the Constitution to guarantee, among other matters, fundamental rights to all citizens; and steps to enable reasonable use of the Tamil language at official levels." In these circumstances, he appealed to the Federal Party to abandon the "criminal folly" of its *satyagraha* campaign, which was likely to result in "untold misery and suffering for many thousands of people."

Mr. Bandaranaike enlarged on his proposals for the "reasonable use" of Tamil, and defended them against criticism from Sinhalese extremists, in a broadcast on June 12 in which he put forward the following four-point programme: (1) Tamils would enjoy the right to education in their mother-tongue up to and including university level. (2) Tamils would be allowed to take the entrance examinations for the Public Service in their own language, but would not be given permanent employment unless they acquired a sufficient knowledge of Sinhalese within two or three years. (3) Tamils would be free to correspond with Government officials in their own language. (4) Some local authorities in the Northern and Eastern provinces would be permitted to transact their business in Tamil.

When the new session of Parliament opened on June 13 Federalist members withdrew in protest from the opening ceremony because the Governor-General (Sir Oliver Goonetilleke) read the Speech from the Throne in Sinhalese and English, but not in Tamil.

Mr. Suntharalingam (a Tamil Resistance Front M.P., who had boycotted Parliament since the passing of the Official Language Act) was suspended for a fortnight on June 19 when he protested against the Speaker's refusal to allow him to speak in the debate on the Speech from the Throne. On refusing to leave the Chamber he was forcibly removed by the police, and as he refused to move from the pavement where he had been deposited he was taken to a police station, where he remained until June 24, refusing either to go home or to pay for his food. The police then took him to his house, which he refused to enter until his relatives forcibly carried him indoors to save him from a Sinhalese crowd which was stoning him.

The Federal Party unanimously rejected Mr. Bandaranaike's four-point programme on June 23, but announced their desire to seek a peaceful settlement by means of discussion, calling upon the Prime Minister to take the initiative. In consequence, talks which were described as "friendly and satisfactory" took place between Mr. Bandaranaike, Mr. de Zoysa, and the Federal Party leaders, Mr. Vanniasingham and Mr. Chelyanayakam, on June 26. After Mr. Bandaranaike had given details of his proposals for the use of Tamil and for regional councils, and the Federalist leaders had explained their plan for a federation, it was agreed that the latter should submit proposals for a compromise settlement at their next meeting.—(Ceylon Government Information Department - Times - Manchester Guardian) **(Prev. rep. 15012 A.)**

B. UNITED KINGDOM. — Discovery of Body of Commander Crabb. - Open Verdict returned at Inquest.

The headless body of a man in a frogman's suit, found by a yachtsman near Chichester harbour on June 8, was subsequently identified as that of Commander Lionel Crabb, whose disappearance in the Portsmouth area had been announced by the Admiralty on April 29, 1956 (see 14892 A). An open verdict was returned on June 26 by the Chichester Coroner, who said that it was "quite impossible" to determine the cause of Commander Crabb's death. The pathologist who examined the remains said that the body could well have been in the water for 14 months.

Commander Crabb had been reported missing since the day after the arrival at Portsmouth of the Soviet cruiser *Ordjonikidze*, and two accompanying Soviet destroyers, which brought Marshal Bulganin and M Khrushchev to Britain for their official visit. The above-mentioned Admiralty statement said that Commander Crabb had not returned from a test dive in connexion with trials of underwater apparatus held at Stokes Bay, in the Portsmouth area. The Soviet Government alleged at the time that a frogman had been seen near the Soviet warships, Notes being exchanged between the U.K. and Soviet Governments as mentioned in 14892 A.

The following statement was issued on June 26 by Mr. A. W. Geddes, solicitor for Commander Crabb's mother (Mrs. Beatrice Crabb):

"There have been many irresponsible conjectures regarding the last operation upon which Commander Crabb was engaged prior to his disappearance, including even suggestions that he was in the employ of a foreign power. It is desired therefore to emphasize that every particle of evidence in our possession points conclusively to the fact that this very gallant gentleman died, as he had lived, in the service of our own country and of no other"

Mr. Rankin (Lab.) asked the Prime Minister on July 4 if he could make a statement on "the circumstances in which Commander Crabb disappeared in Portsmouth harbour," and drew attention to the statement issued by the Crabb family's solicitor. Mr. Macmillan said that he had no statement to make on the matter and that he "must stand by the statement made by Sir Anthony Eden in the debate on May 14 last year." (Times - Daily Telegraph) **(Prev. rep. Cdr. Crabb, 14892 A.)**

A. IRAQ. — Resignation of General Nuri es-Said. - New Government formed by Senator Ali Jawdat. - Ending of Martial Law.

General Nuri es-Said (69) resigned the Premiership of Iraq on June 8 for reasons of health and was succeeded as Prime Minister by Senator Ali Jawdat (64), who was nominated to that post by King Faisal on June 17. The new Cabinet, which included a number of Ministers who held office under General Nuri, was sworn in on June 19, its membership being as follows:

Prime Minister and Foreign Affairs—Senator Ali Jawdat; Economics and Development—Dr. Nadim el-Pachachi; Interior—General Sami Fattah; Defence—Ahmad Mukhtar Baban; Justice—Abdul Rasoul Khalisi; Finance—Ali Mumtaz; Health—Dr. Abdul Amir Alawi; Education—Najib Alrawi; Social Affairs—Arkan Abbadi; Works and Communications—Abdul Wahab Mirjan; Agriculture—Jamal Umar Nadhmi; Minister of State—Sheikh Ali Alsharqi.

The principal new appointments were those of General Fattah, formerly Director-General of the Port of Basra, as Minister of the Interior, and of Jamal Umar Nadhmi, a former provincial governor, as Minister of Agriculture. Ahmad Mukhtar Baban, the former Vice-Premier, took over the Defence portfolio, while Mr. Khalisi (formerly Minister of Justice) took the portfolio of Social Affairs. Dr. Pachachi assumed responsibility for the important portfolio of Development, while retaining his former post of Minister of Economics.

Senator Ali Jawdat, like his predecessor, is known as a supporter of the Baghdad Pact and of Iraqi co-operation with the West. Formerly an officer in the Ottoman Army, he took part in the Arab revolt of 1916 and has played a prominent part in the public life of Iraq since the foundation of the State after the First World War. After serving as Chief of the Royal Cabinet he became Prime Minister in August 1934, but resigned six months later. He subsequently served as Iraqi Ambassador in London, Paris and Washington, and has represented Iraq at the United Nations.

General Nuri had served six separate terms as Prime Minister since 1930, his last Cabinet having been formed in 1954. One of the architects of the Baghdad Pact, he had consistently opposed Communist infiltration in the Middle East, and in recent months had strongly denounced the Egyptian and Syrian press and radio campaigns directed against Iraq.

In his last important policy statement, made on May 19 at the end of King Saud's visit to Baghdad (see 15581 A), General Nuri said that Communist activities and propaganda were responsible for the present tension in the Middle East, and declared that Iraq would not permit "any interference by Khrushchev, Shepilov or others" in her affairs. While the Western Powers had made "certain mistakes," the Arab world could always settle its differences with the West, "if not today, then to-morrow." There was no possibility of a settlement, however, with Communist Russia—in which connexion General Nuri contrasted Russia's actions with those of Britain, which had given independence to India, Pakistan, Burma, Ceylon, and Ghana.

The state of martial law, imposed on Nov. 1, 1956 after the outbreak of the Suez crisis, was ended by General Nuri's Government on May 28.—(Times - Manchester Guardian)
(Prev. rep. 14594 B; 14234 B; 13716 A.)

B. UNITED KINGDOM.—Road Transport - Increases in Road Haulage Rates.

British Road Services charges were raised from May 21 by an average of 7½ per cent to cover recent wage awards and increased costs of fuel, tyres, insurance, etc. At the same time a provisional increase of 2½ per cent in force since April 15 (pending the settlement of wage negotiations) was removed.

Rates charged by members of the Road Haulage Association (representing about 17,000 private hauliers) and by members of the National Conference of Road Transport Clearing Houses (representing the operators of over 8,000 long-distance vehicles) were raised, also from May 21, by 6 and 5 per cent respectively, but the remaining balance of the Suez surcharge was removed. Because of the Suez crisis a 10 per cent surcharge had been announced by both associations on Dec. 8, 1956, but two-thirds of this had been taken off on April 18, after the extra shilling tax on petrol and fuel oils was removed.
(Times - Daily Telegraph) **(Prev. rep. 12271 D.)**

C. HUNGARY - SOVIET UNION. — Agreement on Status of Soviet Troops in Hungary.

An agreement on the "temporary stationing" of Soviet forces in Hungary was signed in Budapest on May 27, on similar lines to the agreements previously concluded between the U.S.S.R. and Poland, Rumania and Eastern Germany. The signatories were the Ministers of Defence and Foreign Affairs on both sides—Marshal Zhukov and M. Gromyko for the U.S.S.R., and General Revesz and M. Imre Horvath for Hungary.—(Times - Le Monde, Paris)
(Prev. rep. 15538 B; 15550 C; 15275 B.)

D. LITERATURE. — Book Selections, June 1957.

Selected books published in Great Britain, the United States, and France are given below:

Great Britain. Agar, Herbert "The Unquiet Years: U.S.A. 1945-1955." (Rupert Hart-Davis, 15s.)
Blunden, Edmund "Poems of Many Years." (Collins, 18s.)
"Boswell in Search of a Wife, 1766-1769." The Boswell Papers (Vol. VI), edited by Frank Brady and F. A. Pottle. (Heinemann, 30s.)
Derry, T. K. "A Short History of Norway." (Allen and Unwin, 25s.)
Gibb, D. E. W. "Lloyd's of London: A Study in Individualism." (Macmillan, 25s.)
Goldman, Joan M. "The School in Our Village." (Batsford, 15s.)
Gould, Sir Basil "The Jewel in the Lotus: Reflections of an Indian Political." (Chatto and Windus, 25s.)
Huxley, Aldous "Collected Short Stories." (Chatto and Windus, 21s.)
Lethbridge, T. C. "Gogmagog: The Buried Gods." (Routledge, 21s.)
Oldenbourg, Zoé "The Awakened." Translated from the French (*Réveillés de la vie*). (Victor Gollancz, 16s.)
Sidney, Thomas "Heirs Apparent." (Allan Wingate, 25s.)
Swan, Michael "British Guiana: Land of Six Peoples." (H.M. Stationery Office, Corona Library, 25s.)
Taylor, A. J. P. "The Trouble Makers: Dissent over Foreign Policy, 1792-1939." (Hamish Hamilton, 18s.)
Tracy, Honor "Silk Hats and No Breakfast: Notes on a Spanish Journey." (Methuen, 15s.)
Woodruff, Douglas "The Tichborne Claimant: A Victorian Mystery." (Hollis and Carter, 30s.)

United States. Chiang Kai-shek "Soviet Russia in China: A Summing-up at Seventy." (Farrar, Straus and Cudahy, New York, $5.00).
Kennedy, John P. "Profiles in Courage." (Harper and Brothers, New York, $3.50). Pulitzer Prize for Biography.
Marquand, John P. "Life at Happy Knoll." (Little, Brown and Co., Boston, $3.75).
Michener, James A., and Day, A. Grove "Rascals in Paradise: True Tales of High Adventure in the South Pacific." (Random House, New York, $4.75).

France. Oldenbourg, Zoé "Réveillés de la vie." (N.R.F., Paris)
de Rougemont, Denis "L'aventure occidentale de l'homme." (Albin Michel, Paris)
(Ed. K.C.A.) **(Prev. rep. Book Selections, 15577 C.)**

E. BOLIVIA. — Resumption of Service on Dollar Loans in Default since 1931.

An agreement was signed in New York on June 10 between the Bolivian Government and the Foreign Bondholders' Protective Council under which Bolivia agreed to resume limited payments of interest on, and the redemption of, a total of $50,278,000 of dollar loans which had been in default since 1931.

The agreement covered four Bond issues: the 6 per cent loan of 1917 (due 1940); the 7 per cent issue of 1927 (due 1958); the 7 per cent issue of 1928 (due 1969); and the 8 per cent issue of 1922 (due 1947). Under the agreement each $1,000 Bond will be stamped to indicate a new par value of $1,100; all interest arrears to date will be cancelled; and interest payments will be resumed at the rate of ½ per cent on July 1, 1957; 1 per cent for 1958-59; 1½ per cent for 1960-61; 2 per cent for 1962-63; and 3 per cent from Jan. 1, 1964 to Jan. 1, 1993—the date of the complete repayment. A cumulative sinking fund of ½ per cent annually will be used for the redemption of Bonds between 1962 and 1966, and of 1 per cent from 1967, while Bolivia may apply an agreed percentage of her export proceeds to the redemption of additional Bonds.

The settlement—undertaken on the basis of Bolivia's comprehensive monetary and economic stabilization programme—ended the last of the defaults of funded external dollar debts of Latin American countries which began in 1914, and which at one time during the 'thirties affected more than $1,000,000,000 of bonds issued by fifteen countries.
(New York Times) **(Prev. rep. 15402 D.)**

F. SEATO. — Secretary-General appointed.

The South-East Asia Treaty Organization announced on July 1 that Mr. Pote Sarasin, Siamese Ambassador in Washington, had been appointed to the new post of Secretary-General of the Organization, which was created at the last SEATO Council meeting held at Canberra in March. Mr. William Worth (Australia) was appointed Deputy Secretary-General on July 12.

Mr. Sarasin (51), a lawyer, was Foreign Minister of Siam in 1949-50 but resigned in protest against the recognition of Bao Dai as Chief of State in Indo-China. He was a member of the drafting group which prepared the South-East Asia Defence Treaty.

The Secretary-General will co-ordinate the political, economic and cultural activities of SEATO but will not have direct authority over the military organization, which will be the concern of the Military Advisers.—(New York Times)
(Prev. rep. 15452 A.)

A. ALGERIA. — Political Developments, June 1956-June 1957. - M. Mollet's "Declaration of Intentions" on Government Policy. - Increase in Number of Departments. - Abolition of "Communes Mixtes." - Dissolution of Departmental and Municipal Councils. - Agrarian and Social Reforms. - The Nationalist Movement.

During the later months of 1956 and the early months of 1957 the French Government issued a series of statements defining more clearly its policy for a settlement in Algeria. This policy, as laid down by M. Mollet in February 1956 after the formation of his Government, envisaged the conclusion of a cease-fire agreement with the rebels, the holding of free elections three months later, and the negotiation with the elected representatives of the Algerian people of a new statute which would recognize "the personality of Algeria" (see 14913 A). On Oct. 29, 1956, a week after the arrest of five leaders of the National Liberation Front (see 15329 A), M. Mollet issued an appeal to the rebels giving fuller details of the Government's policy, which was broadcast on the same day by M. Lacoste, the Resident Minister in Algeria.

After declaring that the rebellion was doomed and that the arrested nationalist leaders had recognized this, M. Mollet appealed to the rebels to accept a cease-fire, and guaranteed that a complete amnesty would be granted to all who did so. Immediately after the cease-fire, "the widest and freest possible consultations" would be held "to determine the basis for the fundamental law of the new Algeria." Algerian representatives to the National Assembly would then be chosen by free elections, held under democratic supervision and on the basis of a single electoral register for both Moslems and Europeans, and in consultation with them "the representative institutions of the Algerian personality" would be drawn up. M. Mollet also guaranteed that the complete equality of all Algerians would be recognized, irrespective of origin, and that a sum comparable to that being spent on the re-establishment of order would be devoted annually to raising the living standards of the Algerian people.

The French Government's appeal was almost completely ignored by all sections of Algerian opinion, partly because it coincided with the Israeli military operations against Egypt.

French Government's "Declaration of Intentions."

Prior to the U.N. debate on Algeria (see 15505 A) M. Mollet issued a 5,000-word "declaration of intentions" on Jan. 9, 1957. This declaration contained a number of new proposals, notably that the terms of a cease-fire agreement should include guarantees for freedom of elections; that the elections should take place under foreign supervision; and that the administration of Algeria should be largely decentralized.

The population of Algeria, M. Mollet pointed out, consisted of Europeans from France and other Mediterranean countries, mostly "small men" whose ancestors had lived there for several generations, and a Moslem community including both Berbers and Arabs, as well as a considerable Jewish community. "The problem of Algeria," he went on, "is to ensure the co-existence of these two communities, without one being able to oppress the other. The Moslem community have numbers on their side. The community of European origin, through their knowledge and technical skill, have ensured the economic development of Algeria, have made it a modern country, and today still control a great part of its economy. As we see it, there can be no question of either community dictating to the other, whether by weight of numbers or through its economic power. Algeria can prosper only through active collaboration between the two communities. . . . France will never allow the Algerians of European origin to abuse their present economic advantages to exploit the Moslems, or the Moslems to take advantage of their numbers in order to reduce the Europeans to a position of inferiority or drive them out. France will never abandon Algeria."

After expressing the opinion that a settlement would already have been reached but for "the interference of foreign nations," M. Mollet went on: "France has always kept open her unconditional offer of a cease-fire, free from any political conditions whatsoever. The Government is prepared to enter into direct relations with the combatants at any time in order to reach agreement with them on the conditions for a cease-fire. Within three months of the re-establishment of order, elections with a single roll of voters will be organized, the freedom of which will be strictly ensured. France will not hesitate to invite free nations with a well-established democratic system to send observers to Algeria during the elections to confirm the complete freedom of voting. . . . Essential guarantees with a view to the organization of elections may be included in the cease-fire agreement. The Government will open discussions immediately with the representatives elected in this way . . . on Algeria's future organization."

The contacts which had been established with representatives of the rebels, M. Mollet observed, had shown that profound differences existed between various groups and tendencies, and that no single movement could claim to control the rebellion as a whole. No agreement had been reached on a cease-fire because the rebel leaders had insisted that France must first recognize Algeria's right to independence and agree to the formation of a provisional Algerian Government. "It is not a cease-fire but a surrender which our opponents want," M. Mollet declared. "In contrast with this extremism, we offer the only solution consistent with the rules of democracy—an unconditional cease-fire, free elections, and free discussions with the elected representatives of the population of Algeria."

France's policy in Algeria, he emphasized, would be guided by three principles: (1) to ensure full enjoyment of their legal rights by all inhabitants of Algeria, irrespective of their origin or religion; (2) to ensure the co-existence of different communities and respect for their legal rights; (3) "to give expression to the personality of Algeria, while maintaining the necessary links between Algeria and metropolitan France." In addition to the political rights guaranteed by the French Constitution, all inhabitants of Algeria must enjoy a fair share of the country's resources, work and responsibilities. Their full participation in political responsibilities would be ensured by a single electoral register, but they must also be assured the right to work, a decent living standard, and health. It was necessary to share out the country's wealth more fairly, but it was still more necessary to increase it. An independence which resulted in economic and social regression, and in political regression toward dictatorship or a semi-feudal régime, would not be progress.

"The territories and communes which make up Algeria must be so delimited as to take ethnic realities fully into account," M. Mollet continued. "In many communes and several territories, the inhabitants of European origin will form an important part, if not a majority, of the population. The other communes and territories will have an Arab or Berber population. The territories will be run by elected assemblies and local authorities. A large measure of decentralization will give the territorial authorities extensive powers in many fields, notably over administration, finance, and the police. . . Within the territory the communes will also be run by legislative and executive organs which will receive considerable powers. . Similar institutions for the whole of Algeria will be set up, wielding the necessary legislative and executive powers for the exercise of their authority, especially for co-ordinating the activities of the territories. The existence of these institutions will guarantee the personality of Algeria. The powers of the central French authorities, in which Algeria will share through her elected representatives, will be confined to matters involving the national sovereignty and the vital interests of the French Republic as a whole. What France intends to keep as regards Algeria and its local and territorial authorities is essentially a permanent power of arbitration, in order to ensure that the rights guaranteed to all Algerians are respected and that no community is oppressed by another. . . "

M. Mollet concluded: "Algeria, as the keystone of a vast Franco-African *ensemble* of a new type which is being formed on a community of cultural, economic, strategic and political interests, cannot be isolated from this great movement any more than the Sahara, the development of whose wealth will condition the expansion of all the coastal areas. This Franco-African complex will not be a closed one. France desires that countries such as Tunisia and Morocco should associate themselves freely with it in order to benefit by the advantages of the common task, and notably by the wealth of the Sahara. We should speak of a Eurafrican rather than a Franco-African complex. France is now negotiating with her European partners the formation of a vast Common Market, with which the overseas territories will be associated. The whole of Europe will be invited to assist in the development of Africa, and Eurafrica can become one of the main factors in world politics. Isolated countries are too small for the modern world. What could Algeria do on her own? What might not her future be, on the other hand, as one of the foundations of the Eurafrican community which is now taking shape?"

Algerian Reactions to M. Mollet's Declaration.

M. Mollet's declaration was rejected as a basis for a cease-fire by the nationalists, and met with a hostile reception from both the European and the Moslem communities in Algeria.

The National Liberation Front's delegation in Tunis, in a statement on Jan. 11, categorically rejected all proposals which, it said, had been put forward "with the intention of masking the policy of 'pacification' and deceiving international opinion as represented at the U.N." It reaffirmed its determination to continue the struggle until Algerian independence was recognized as a condition for a cease-fire. M. Moulay Merbah, secretary-general of the "Messalist" Algerian National Movement, laid down on the same day the following conditions —less far-reaching than those of the Liberation Front— for a settlement: (1) recognition of Algeria's right to self-determination; (2) a cease-fire under U.N. control on a basis acceptable to both parties; (3) the re-establishment of democratic liberties, the lifting of the state of siege, and complete freedom of movement for all Algerians; (4) elections under U.N. auspices; (5) negotiations between France and the elected representatives of the Algerian people.

A statement issued on Jan. 15 by a group of prominent Algerian Moslems of moderate views, including M. Abderrahman Farès (an ex-president of the Algerian Assembly), strongly criticized the French Government's declaration. The statement asserted that M. Mollet, while refusing to agree to any political conditions for a cease-fire, had himself laid down such conditions and had insisted that the rebels should agree to an "unconditional surrender." The elections were to be controlled by "countries which supported France's policy," and it had not been made clear whether representatives were to be elected to an Algerian Constituent Assembly, the French National

Assembly, or a new Algerian Assembly. Although the declaration proposed that the future organization of Algeria should be decided by negotiation, it laid down the details of this organization, showing that "the French Government wishes to impose a statute on Algeria instead of negotiating." The statement concluded by demanding the immediate opening of negotiations with the National Liberation Front, "the only authentic and valid representative of the Algerian people."

Prominent representatives of the European community criticized the proposal to hold elections on the grounds (i) that the Moslem electorate would be intimidated by the terrorists, and (ii) that the single-college system would lead to a split between the big cities with European majorities and the rural areas with Moslem majorities.

Reactions of French Political Leaders.

M. Mollet addressed a letter on Jan. 24 to seven ex-Premiers and to leaders of all political parties in the National Assembly and the Council of the Republic except the Communists and Poujadists. Pointing out that the rebels would refuse to accept a cease-fire so long as they hoped for a change in French policy, he proposed that "all the men who assume leading responsibilities in French political life, such as the head of a parliamentary group, a party, or a national movement, or by virtue of the functions which they have discharged as head of a Government, should give their formal assent to the basic principles of the Government's declaration" issued on Jan. 9.

All the replies to this letter agreed in affirming that the union between France and Algeria was indissoluble and that the U.N. was not competent to pronounce on the Algerian question; a number, however, expressed serious reservations on the Government's policy.

The **Radical Party** stressed the need for "an agreement on positive measures between all the parties consulted," since "an agreement which was confined to negations would only be a disservice to France's cause." **M. Mendès-France** described M. Mollet's declaration as "completely inadequate," and attributed the deterioration of the Algerian situation to the Government's failure to carry out the policy summarized in his letter of resignation (see 14933 A). He added: "To discuss future plans, however well-intentioned, seems quite unrealistic to me. What counts today is the Government's measures to re-establish contact with the Moslem population and to recover their confidence." **M. Edgar Faure** (leader of the R.G.R. group) suggested that a contradiction existed between the inclusion of Moslems and Europeans in a single electoral register and the principle that one community should not be allowed to dictate to the other through weight of numbers. Elections should be preceded by "a previous approach to political problems," as otherwise there would be a danger of conflict between "the result of the procedure adopted and the maintenance of the principles laid down"; moreover, the Government's proposals for the framework of a future statute for Algeria could not be regarded as basic principles, since they would have to be submitted to negotiation. The **M.R.P.**, the **Dissident Radicals**, and the **U.D.S.R.**, as well as **M. Bidault** and **M. Pleven**, expressed their general agreement with the Government's policy.

The attitude of the right-wing parties was more critical. The **Independents**, in a statement submitted to M. Mollet on Jan. 25, rejected the proposals for a single electoral register and the holding of elections three months after the cease-fire. Their subsequent reply to M. Mollet's letter, however, which was signed *inter alia* by MM. Pinay and Laniel, stated only that "no elections can be envisaged until all forms of terrorism and foreign interference have ceased," and made no reference to the single electoral register, on which opinion inside the party was known to be divided. The **Paysan Party** declined to undertake "any engagements which would associate us with a policy already decided on, as we possess neither the necessary information nor means of controlling policy." The **Social Republicans** (ex-Gaullists) defined their policy as "regionalization of Algeria, a political executive and legislature in Paris and not in Algiers, and a policy of firmness towards the U.N., Morocco, and Tunisia."

Administrative Reforms in Algeria.

Sweeping administrative changes were carried out under a series of Government decrees published on July 3 and Dec. 13, 1956. These provided (1) that the number of departments should be increased from four to 12; (2) that the *communes mixtes* (rural areas governed by appointed administrators) should be transformed into *communes de plein exercice*, administered by elected municipal councils; and (3) that the existing departmental and municipal councils should be temporarily replaced by administrative commissions and special delegations respectively, pending the holding of elections.

Departmental Reorganization.

Under a decree of July 3, 1956, the Algiers department was divided into the departments of Algiers, Tizi-Ouzou, Médéa, and Orléansville; the Oran department into the departments of Oran, Tlemcen, Tiaret, and Mostaganem; and the Constantine department into the departments of Constantine, Sétif, and Batna. The Bône department, which was separated from the Constantine department in 1955, remained unchanged. The 12 departments were sub-divided into 37 *arrondissements*, the number being subsequently increased on May 21, 1957, to 71 in order that the large number of new *communes de plein exercice* might be "placed under the supervision of an administrative organ close enough to control, guide and advise them."

A decree of Dec. 13 empowered the Governor General to appoint provisional Administrative Commissions, containing equal numbers of Europeans and Moslems, in each department, pending the election of general councils. The former European members of the general councils for the departments of Algiers, Oran, and Constantine would automatically become members of the new Commissions. These Commissions were subsequently established under Orders issued by M. Lacoste on April 30, 1957, and held their first meetings during May. Their composition was not uniform, as originally proposed; e.g. that for Algiers consisted of 15 Europeans and 15 Moslems, that for Médéa of six Europeans and eight Moslems, and that for Tizi-Ouzou of five Europeans and 22 Moslems. The departments were grouped together into three regions (Algiers, Oran, and Constantine) and a commission was set up for each region, the members of which were elected by the departmental commissions from among their own membership.

Municipal Reorganization.

A decree of July 3, 1956, provided for the division of the existing *communes mixtes* into a much larger number of *communes de plein exercice*, and for the election of councils by proportional representation and on the basis of a single electoral register within four months of the formation of the new communes. The abolition of *communes mixtes* had been provided for in the Statute of Algeria adopted in 1947; it had never been put into effect, however, owing to the opposition of the European section of the Algerian Assembly, to which the decision on the implementation of the measure had been entrusted. A decree published on Dec. 13 laid down that the prefects of the departments should appoint an administrative commission for each new commune to prepare electoral registers, whilst another decree of Jan. 5, 1957, provided for the appointment of special delegations to administer the communes until elections could be held.

The abolition of the 80 *communes mixtes*, which were divided into over 1,100 *communes de plein exercice*, was completed by Jan. 15, 1957. M. Lacoste announced on April 12 that 442 special delegations had so far been set up, consisting of 1,703 Moslems and 271 Europeans; in 303 communes the president of the delegation was a Moslem.

A decree published on Dec. 13, 1956, dissolved the municipal councils of the 333 existing *communes de plein exercice* and provided for their replacement by special delegations containing equal numbers of Europeans and Moslems, which would hold office until elections could take place. (In the former municipal councils three-fifths of the members had been elected by the European population and two-fifths by the Moslems, although in most communes the latter formed the great majority of the population). In opposition to this decree, 81 of the 124 mayors of the Algiers department adopted on Dec. 11 a motion announcing their intention to resign if the Government's plan were adopted, and their refusal to serve on the special delegations. The mayors of the Constantine department, however, unanimously decided to accept the Government's decision.

Up to April 12, 1957, seventy municipal councils had been replaced by special delegations or Government representatives (special delegates). The first municipal council dissolved was that of Philippeville (in the Constantine department), where all the Moslem and many of the European councillors had already resigned, and the mayor had taken a leading part in anti-government demonstrations following the rebel raid of Aug. 20, 1955 (see 14431 A).

M. Lacoste stated on April 13, 1957, that over 2,000 Moslem officials had been appointed under the Government's decree of March 17, 1956, which permitted the recruitment of Moslems for the public services on specially favourable terms (see 14913 A). A central "Commission for the Admission of Moslem Frenchmen to the Public Services" was appointed and held its first meeting on May 16, 1956, similar commissions being set up in each department. Several Moslem members of the central commission, however, subsequently resigned on the ground that the implementation of its decisions had been entrusted to officials whose "reactionary" sentiments and activities were well known.

Agrarian and Social Reforms.

A series of decrees issued on July 3, Oct. 3 and Oct. 14, 1956, further developed the policy of agrarian reforms initiated by the French Government in its decrees of March 27 and April 26, 1956 (see page 14916).

Under the earlier decrees, a "land bank," the *Caisse d'accession à la propriété et à l'exploitation rurales* (C.A.P.E.R.) had been established, with powers to take over land acquired by purchase or expropriation and to distribute it among landless peasants or small-holders. The decree of April 26 had limited the amount of irrigable land which might be owned by one person to 50 hectares (plus 20 hectares for each child, up to a maximum of 150 hectares), and provided that land held in excess of this area might be expropriated on payment of compensation; the total area affected by this decree was estimated at 20,000 hectares. It had also been laid down that irrigable land which was inadequately irrigated owing to neglect by the owner might be expropriated. (The term "irrigable land" is applied to land the irrigation of which has been rendered possible by public works, the total area of such land in Algeria being about 160,000 hectares).

The decree of July 13 empowered the Government to transfer to C.A.P.E.R. large estates of agricultural or forest land which had been granted to a single individual or company by the State. (Large grants of State land were made to private companies on generous terms in the 19th century, and particularly under Napoleon III). The chief

landowners affected were the *Compagnie Algérienne* and the *Compagnie Générose*, about 100 other estates of over 1,000 hectares were also involved, representing a total of nearly 300,000 hectares. The decree also provided that large estates of forest land unsuitable for distribution were to be nationalized, and the income derived from these estates (estimated at 100,000 000 francs a year) transferred to C A P.E R Payments made by private companies for the right to cultivate esparto grass on State land would also be accredited to the C A P E.R Compensation for land taken over would be not less than 50 times the estimated value of the land for taxation purposes, and would be paid in the form of negotiable bonds bearing 6 per cent interest, redeemable within 20 years.

In implementation of the decree of July 13, 1956, a further decree of Oct 3 provided for the transfer to C.A P E R of the property of the *Compagnie Algérienne* and *Compagnie Génévoise*; the former owned about 65,000 hectares to the east of Constantine and the latter about 15,000 hectares around Sétif, the greater part of the land concerned being used for cereal cultivation. The basis of the compensation payable was laid down by a decree of Oct 14 as the average annual profit derived from the property during the last seven years, leaving out of account the two worst years, and taking as a minimum the profit for the year preceding the transfer The *Compagnie Algérienne* estimated the value of its property at about 5,000,000,000 francs. The *Compagnie Génévoise* had offered in April 1955 to sell its property to the Government for 750,000,000 francs.

A joint statement issued on May 11, 1957, by M Pélissier (Director of Agriculture for Algeria) and M. Herbault (Director of the C A.P.E R) estimated that property expropriated under the decrees relating to large estates and irrigable land, or acquired by agreement, totalled about 150,000 hectares and could be used to settle nearly 10,000 families. Replying to criticisms of the fact that very little distribution of land had so far taken place, they pointed out that considerable preliminary work was necessary (e.g. irrigation, soil improvement, and provision of housing and farm buildings), and that this had been slowed down by the lack of personnel and the activities of the rebels.

A decree of July 17, 1956, had transferred the responsibility for free medical assistance from the communes to the central Algerian Government, and made the communes' contributions for this purpose proportional to their resources—not, as in the past, to the number of persons assisted. Orders were issued by M. Lacoste on Oct. 3 providing that family allowance funds should be administered by committees consisting of equal numbers of workers' and employers' representatives, instead of by the employers as in the past, that disputes over social insurance benefits should be referred to an *ad hoc* committee; that persons injured while at work should become eligible for sickness benefits, which would cover the whole cost of treatment; and that all categories of workers, including those working at home, should be eligible for such benefits.

The Nationalist Movement.

The nationalist movement remained divided throughout the period under review into two main groups—the National Liberation Front (F.L.N.), which has its headquarters in Cairo, and the Algerian National Movement (M.N.A.), consisting of the followers of M. Messali Hadj, the veteran nationalist leader who has been held in detention in France since 1952. During the early months of 1956 relations between the two organizations were extremely strained, and fighting between their armed forces in the Kabylie was reported on several occasions. In May 1956 M. Fehrat Abbas, who had joined the F.L.N. in the previous month (see 14913 A), met leaders of the M.N.A. in Berne in an attempt to achieve unity within the nationalist movement. The negotiations broke down because the F.L.N. demanded the dissolution of the M.N.A., whereas the latter was prepared to accept a political alliance but not complete fusion with the F.L.N.; in Algeria, however, co-operation took place between the M.N.A. guerrilla bands and the F.L.N.'s military organization, the "National Liberation Army." In France, on the other hand, where the M.N.A. exercises considerable influence among Algerian workers, the rivalry between the two organizations led to frequent acts of violence, 39 Algerians being murdered and 86 wounded in the Paris area alone during the first five months of 1957.

The Algerian Communist Party formed its own military organization in April 1956, which was later incorporated into the "National Liberation Army" by agreement with the F.L.N. In its dealings with the Communists, the F.L.N. pursued a policy of accepting their support as individuals whilst excluding them from its political and military leadership.

During the spring and summer of 1956 both the F.L.N. and the M.N.A made repeated attempts to secure a negotiated settlement on terms which, however, differed basically from those offered by the French Government. As already reported, F.L.N. spokesmen met leading members of the French Socialist Party on four occasions between April and September 1956 (see 15329 A), while in July a delegation led by M. Fehrat Abbas visited Yugoslavia to submit a memorandum to President Tito, President Nasser, and Mr. Nehru during their meeting at Brioni (see 15008 A). M. Bouhafa, the M.N.A.'s representative in the U.S.A., had previously visited Belgrade and Rome in May 1956 to submit to the Yugoslav and Italian Governments proposals for the formation of an international commission to supervise a cease-fire and elections in Algeria. It was suggested that this commission should consist of representatives of Yugoslavia, as a neutral State, Italy, as an ally of France and a member of NATO, and Egypt, as an Arab country

President Coty on France's Algerian Policy.

In a speech at Mulhouse on July 8, President Coty said that while France was not prepared to grant Algeria full independence, she was ready to go a long way to meet the legitimate aspirations of the Algerian people for a large measure of autonomy. Defending the Government's policy in Algeria, he emphasized France's desire for a solution which would be "fair and liberal" to all sections of the population.

"To those countries which dare to accuse France of colonialism," the President said, "any Frenchman will be proud to reply · 'Where among you is there a country with less imperialism, less racial feeling, less slavery, or a more humane spirit than in ours?' France has recently granted internal autonomy to 30,000,000 Africans. Is it possible that she would want a less generous and liberal solution for Algeria? . . We intend to prepare a liberal and equitable solution which will lead in a democratic manner to Franco-Moslem solidarity and fraternity."

After saying that the Algerian problem was unique because there were two ethnic groups, one more numerous but the other playing a major part in the development and progress of the country, President Coty continued · "The real problem in Algeria is to ensure the co-existence and necessary co-operation of these two communities without one suppressing the other How could independence solve it? We do not allow ourselves to be deceived by the magic of a word. If the rebels make this word the indispensable condition for a cease-fire, it means in reality that this so-called 'independence' would result immediately in their domination over the Moslem population, of whom they fear that free elections would show that a majority are faithfully attached to France; whom they are now terrorizing; and of whom more than 5,000 have been treacherously assassinated under orders issued by the leaders of the rebellion How can one expect that France should hand over these people to the cut-throats (*égorgeurs*) of so many men and women, old people, and children? Is a sovereignty of the most backward and hideous nationalism a democracy worthy of the name, and can it be confused with that liberty of the individual which is our common and highest ideal?

"And what about the 1,200,000 Algerians of European descent, the majority of whose parents and ancestors rest in Algerian soil? . . . They would be offered by the rebels the choice either of leaving the country which they have founded and developed, or remaining as foreigners at the mercy of fanaticism To the public opinion of all civilized peoples I address a simple question: 'If a similar number of your compatriots had been settled for so long a period there or elsewhere and trusted in you, would you be so cowardly as to abandon them? You must not expect us to do so. You must not expect us to sacrifice a new Alsace-Lorraine on the other side of the Mediterranean . . If France abdicated in Algeria chaos and misery would follow, and it is clear who would profit from it. We know well that the Algerian drama rests heavily on the international situation, but does it not rest still more heavily on our country, which more than any other ardently desires to settle it by means of a liberal and fair solution?"

In his speech to the French National Assembly on June 12, after succeeding M. Mollet as Prime Minister (see 15597 A), M. Bourgès-Maunoury announced his Government's intention of introducing a new *loi-cadre* for Algeria as the basis of a "new and progressive political structure" involving widespread decentralization of powers to the regions.
(Le Monde - Le Figaro) **(Prev. rep. 15329 A; 14913 A.)**

A. UNITED KINGDOM. — Capital Issues.

New capital issues during the first half of 1957 totalled £211,527,000, compared with £151,314,000 (revised figure) for the first six months of 1956 and £295,952,000 for the whole of that year. Of the six-monthly total, £187,630,000 were issues for the U.K., £23,072,000 for British overseas countries, and £825,000 for foreign countries.—(Midland Bank Ltd.)
(Prev. rep. 15375 E; 15007 D; 14968 C.)

B. JAPAN - SPAIN.—War Compensation Agreement.

An agreement was signed on Jan. 9, 1957, between Spain and Japan under which the Japanese Government undertook to pay the equivalent of $5,500,000 to Spain before the end of March as compensation for damage suffered by Spanish nationals and property in the Philippines during the Japanese occupation of that country in the Second World War.
(Bank of London and South America, Fortnightly Review)

C. AUSTRALIA. — Increased Allowances for Federal Members of Parliament.

The Australian Federal Government announced on May 21 that the daily allowance payable to Federal M.P.s when Parliament was in session would be increased from £A2. 10s. 0d. to £A3. 13s. 6d. Government back-benchers had sought this increase in November last because of increased costs and expenses.—(Australian News and Information Bureau)

A. IRAQ - JORDAN. — Baghdad Discussions between King Faisal and King Hussein. - Joint Declaration.

King Hussein of Jordan paid a three-day visit to Baghdad from June 22-24 for discussions with King Faisal. The Prime Ministers of Iraq and Jordan (Mr. Ibrahim Hashem and Senator Ali Jawdat respectively) also took part in the talks, together with the Jordanian Foreign Minister (Mr. Samir Rifai), the Jordanian Finance Minister (Mr. Anastas Hananiah), the Iraqi Minister of Economics and Development (Dr. Pachachi), and the Iraqi Defence Minister (Ahmad Mukhtar Baban).

A joint communiqué was issued by the two sovereigns on June 24 stressing the " brotherly atmosphere " of the talks and containing the following points :

(1) The two countries were agreed that the defence of the Arab world should emanate from the Arab States themselves ; they therefore supported the principles of the Arab League and the Arab defence pact, and had decided to re-implement the Iraqi-Jordanian treaty of alliance signed in 1947 (see 8617 F) as the " best means of ensuring brotherly co-operation—defensive, military, political, economic and cultural."

(2) The two countries were determined to maintain their complete independence and to resist subversive activities. The communiqué stated that " no Arab country should interfere in the internal affairs of any other Arab country " - an obvious reference to Jordanian allegations of Egyptian and Syrian interference in Jordan's affairs (see 15561 A).

(3) Iraq and Jordan would uphold Arab rights in Palestine and would " continue to try to achieve Arab aspirations concerning Palestine."

(4) The Gulf of Akaba was described as " Arab territorial waters," the communiqué stressing its importance as a pilgrim route leading to the Moslem shrines.

(5) Both countries were determined to " resist imperialism " and would support the Algerian people and Arab countries " still struggling against imperialist forces."

The joint statement made no reference to the financial aspect of the conversations, but it was reported that Jordan had sought Iraqi financial aid for the development of industrial, agricultural and irrigation projects. It was also understood that Jordan desired a loan to cover her Budget deficit created by the failure of Egypt and Syria to fulfil their promises to replace the former British subsidy.—(Times - Daily Telegraph)
(Prev. rep. 15581 A ; 15561 A.)

B. UNITED STATES. — Rejection of Arab Requests for Suspension of Military Aid to France.

A request by 11 Arab countries that the U.S. Government should suspend military aid to France, on the ground that France was using such aid to suppress Algerian nationalism, was rejected by the U.S. Government on June 28 in parallel Notes handed to the diplomatic representatives of the countries concerned.

The representatives of the 11 Arab States had called at the State Department on May 24 and presented a 5,000-word statement accusing France of " terror and atrocities " in Algeria, and asserting that the continuation of U.S. military aid to France would be contrary to America's traditional policy of support for the self-determination of all peoples. The Arab statement also supported Egypt's contention that she had the right to bar Israeli shipping from the Suez Canal and the Gulf of Akaba while a state of " belligerency " continued to exist between the two countries.

The U.S. Government, in reply, said that the suspension of military aid to France would not accord with the interests of the free world. It pointed out that both parties in Algeria had made allegations of atrocities against the other ; recalled that the U.S. Government had condemned all such actions, from whatever source they emanated ; and stressed that all nations had a responsibility to " avoid any exacerbation of the situation " in Algeria. As regards the Suez Canal, the U.S. Government upheld its " free and non-discriminatory use " by ships of all nations, but would oppose any attempt by Israel to resolve the dispute by force. With regard to the Gulf of Akaba, the U.S. Government reiterated its previously-expressed view that the Gulf " comprehends international waters " and should be open to the shipping of all countries.
(New York Times - New York Herald Tribune)

C. EASTERN GERMANY - SOVIET UNION. — Consular Agreement.

A consular agreement between the Soviet and East German Governments was signed in Moscow on May 10 in implementation of the Bulganin-Grotewohl agreement of Jan. 7, 1957.
(Soviet Embassy Press Department, London) **(15352 A.)**

D. MOROCCO. — Arrest of El Glaoui's Sons. - Court of Justice created to try Political Offences.

Four sons of El Glaoui (the late Pasha of Marrakesh, who died in 1956 - see 14677 A) and seven of his relatives or former political associates were arrested in Marrakesh on May 1 and subsequently transferred to Casablanca, where they were placed under the surveillance of the governor of the province.

A communique issued by the Ministry of the Interior on May 2, in reply to allegations in the French Press that the persons concerned had been kidnapped by the " Liberation Army," stated that " certain Moroccan subjects, who despite their past behaviour have hitherto been treated with clemency, have for some time carried on anti national activities." It added that an inquiry had revealed that " considerable financial resources have been accumulated and used, mainly abroad, for purposes directed against the security of the State," and that administrative measures had in consequence been taken against the persons concerned." In a broadcast by the Moroccan radio on May 3 the arrested men were alleged to have " established contact with elements which caused Morocco's past ordeal," and to have received " large sums of money to be used in a plot against the security of the State."

Before the Ministry of the Interior's communiqué, a statement had already been issued in Paris on May 2 expressing " the French Government's emotion at the news of the kidnapping of members of El Glaoui's family," and its hope that measures would be taken in Rabat to obtain their immediate release. The Moroccan Foreign Minister, M. Balafrej, described the French statement as an " interference in the country's internal affairs of a type which endangers our national sovereignty," and emphasized that there had been no question of " kidnapping."

An abortive attempt at revolt had previously been made by Si Addi Ou Bihi, governor of the province of Tafilalet (southern Morocco), who had occupied the town of Midelt on Jan. 18 with a force of armed tribesmen as a protest against the " dictatorship " of the Istiqlal Party and the substitution of written for traditional law. Royal forces sent from Fez entered Midelt on Jan. 22 without resistance, and Si Addi Ou Bihi surrendered three days later to Prince Moulay Hassan, the Sultan's eldest son and C.-in-C. of the Moroccan Army. He was subsequently held under house arrest in Rabat.

A new court of justice, consisting of three judges and of four members of the Consultative Assembly who would act as a jury, was set up by decree of the Sultan on June 6 to try offences against public order and the internal and external security of the State. - (Le Monde, Paris - Le Figaro Paris)
(Prev. rep. 15329 A.)

E. FRANCE. — International Cable Services to be taken over by French Government.

It was announced in Paris on July 9 that the French Government had informed the international cable companies operating in France that their concessions would not be renewed upon expiry, and that the Government would take over the operation on French territory of all international cables with terminals in France. The decision would enter into force on Jan. 1, 1958, for the British-owned Eastern Telegraph Company (which is part of Cable and Wireless) ; on Sept. 1, 1958, for the American companies, Western Union and Commercial Cables ; and on April 1, 1959, for the Danish-owned Northern Telegraph Company. These companies had been running an extensive service of press, commercial and private cables from France to all parts of the world.

A spokesman of the State Secretariat for Posts, Telegraphs, and Telephones emphasized that the move was " not an act of nationalization but a simple reorganization of international cable services." (Le Monde, Paris)

F. INDIA - NEPAL. — New Indian-built Highway handed over to Nepal.

The *Tribhuvan Rajpath*, the 79-mile road link between India and Nepal which was built and financed by India, was formally handed over to Nepal on June 30 as a grant under the Colombo Plan. - (The Statesman, Calcutta) **(Prev. rep. 13638 E.)**

G. EGYPT. — French Cotton Purchase.

It was announced in Cairo on July 8 that Egypt had accepted a French offer to buy Egyptian cotton worth £E.12,000,000, constituting the first commercial transaction between the two countries since the breaking-off of diplomatic relations at the time of the Suez crisis. (Le Monde, Paris)

H. ISRAEL. — Additional French Credits.

The Israeli Finance Minister, Mr. Eshkol, announced on July 7 that France had agreed to grant Israel a further credit of $15,000,000 in addition to the $80,000,000 credit negotiated in April last.—(Le Monde, Paris) **(Prev. rep. 15556 C.)**

JULY 13—20, 1957

A. CYPRUS. — Archbishop Makarios's Arrival in Greece. - British Rejection of Archbishop's Proposal for Bilateral Negotiations. - Insistence on Tripartite Negotiations. - Repudiation of Archbishop's Allegations of "Brutality" by British Security Forces. - Turkish Demand for Partition of Cyprus. - British Protest to U.N. at Greek Attitude on Cyprus Question. - Parliamentary Debates on Cyprus.

The principal development in the Cyprus dispute during the period from the beginning of April was the British Government's rejection of a proposal by Archbishop Makarios for his return to Cyprus and for bilateral negotiations on the island's future between himself and H.M. Government. The Archbishop—who, following his release from detention in the Seychelles, had arrived in Athens on April 17—made his proposal in a letter to Mr. Macmillan, which was handed to the British Ambassador in Athens on May 28. The substantive part of the letter read as follows:

"(1) As the spiritual and elected national leader of the Greek people of Cyprus, I wish to invite attention to the General Assembly's resolution of February 26 [see 15469 A, page 15473].

(2) Following that resolution, the people of Cyprus reacted by a signal contribution towards the establishment of a peaceful atmosphere in the island; the resistance movement, of its own accord, ceased all operations . . . and declared a truce to which they have since faithfully adhered.

(3) The British Administration of Cyprus has failed to take any corresponding action to create the atmosphere of peace and freedom of expression required by the resolution. It has, on the contrary, kept the emergency measures in full force; military operations are being conducted on a major scale; arrests and imprisonments without trial or charge continue undiminished; and methods of unspeakable torture are being employed in increased measure.

(4) The U.N. resolution clearly intends commensurate moves from both sides. It therefore becomes incumbent on the Cyprus Administration to terminate all emergency measures, which, in addition to their oppressive character and the grave suffering involved, impede freedom of expression, and, by prohibiting my presence in Cyprus, prevent a necessary personal contact with the Cypriot people I represent.

(5) It is my desire to do my best in order that effect may be given to the U.N. resolution. I therefore wish to make it clear that . . . I am ready and willing to take part on behalf of the people of Cyprus in bilateral talks, on a basis of the application of self-determination in accordance with the U.N. Charter."

The British reply to the Archbishop's letter was delivered in Athens on May 30, as follows:

"(1) The attitude of H.M. Government to the resolution adopted by the U.N. General Assembly on the Cyprus question was described at the time by the Minister of State, Commander Noble.

(2) H.M. Government have given irrefutable proof of their desire to achieve a satisfactory solution of the Cyprus question. They have accepted the constructive proposals for self-government contained in Lord Radcliffe's report. They have ordered the release of Archbishop Makarios from detention. In Cyprus emergency regulations have been relaxed or withdrawn in all cases where this could safely be done. H.M. Government have also stated that they are willing to accept the good offices of an impartial conciliator between the three member-Governments concerned, in the person of the Secretary-General of NATO.

(3) H.M Government regret that there has been no corresponding contribution by the Archbishop towards an improvement in the atmosphere Since his release from detention he has made a number of statements in which he is reported to have rejected the proposals for self-government in Cyprus put forward by H M. Government on Dec. 19; to have refused the right of participation by the Turkish Cypriots in effective discussion of the future of Cyprus; and to have made his own participation in discussions conditional on the grant of permission for his return to Cyprus, without being willing unequivocally to dissociate himself from terrorism in the island.

(4) As long as the threat of renewed terrorism remains, the Government of Cyprus would be failing in its duty if it discontinued efforts to apprehend known malefactors who are still at large and have not chosen to avail themselves of the offer of safe-conduct. Should terrorism in Cyprus be renewed the Archbishop would, by his refusal to denounce the use of violence for political ends, bear heavy responsibility before world opinion for any subsequent loss of life. In the exisiting situation, it would be incompatible with the responsibilities of the Government of Cyprus, as also with the requirement of an atmosphere of peace and freedom of expression specified in the U.N. resolution, to permit the Archbishop's return to Cyprus.

(5) H.M. Government cannot accept the Archbishop's proposal that the future of Cyprus should be decided by bilateral talks between him and ourselves. Other and wider interests have a right to be consulted. As they have said before, they will be glad to consider the views of any individuals or communities in Cyprus, including the Archbishop, on the proposals for self-government which were put forward in Lord Radcliffe's Report. As to self-determination, their position was explained by the Colonial Secretary on Dec. 19, 1956."

In a speech in Athens on May 30, Archbishop Makarios said that the British reply showed British policy in Cyprus to be "absolutely unrealistic," since it failed to take into account the Greek Cypriots' "unanimous rejection" of the Radcliffe proposals.

Declaring that any future negotiations "should be concerned primarily with securing the right of self-determination," the Archbishop said that the Cypriots would be prepared to accept a transitional period prior to the exercise of self-determination, involving, for instance, U.N trusteeship or the provisional rule of any country nominated by the U.N. except Britain or Turkey. He added, however, that NATO mediation would be unacceptable "so long as it was linked with Western defence interests," and that he himself would not be willing to negotiate unless he was allowed to return to Cyprus.

Turkish reactions to the exchange of letters between Archbishop Makarios and Mr. Macmillan were outlined in a statement by the Turkish Prime Minister, Mr. Adnan Menderes, issued on June 3.

Describing the Archbishop's letter as "a political manoeuvre, or, to be more precise, a trick," Mr. Menderes claimed that the Archbishop had known perfectly well that his proposal would be rejected, and had merely submitted it "in order to show some people—whom he thinks he can deceive—that he is justified in making certain decisions and initiating certain contemplated actions because his so-called just demands have been turned down." Archbishop Makarios, he added, "is an ordinary priest engaging in incitement, such as were seen during the last days of the Ottoman Empire, creating discord between different communities—priests who concealed their guilt under the guise of religion and thus found a way of escaping punishment." After expressing his regret "that Makarios acts in one respect as the spokesman and vanguard of the Greek Government," Mr. Menderes called upon the latter Government to recognize that the only way to end the dispute was by tripartite discussions between the three interested parties. In conclusion, Mr. Menderes said that the British reply provided a welcome reaffirmation, in clear and definite terms, of the British position in the dispute.

Mr. Profumo (Under-Secretary, Colonial Office) stated in the House of Commons on June 25 that Archbishop Makarios had laid down unacceptable conditions in his proposal for bilateral negotiations, but that, if he were to withdraw them, a new situation would arise.

Archbishop Makarios's Arrival in Athens. - Turkish Protest at Official Welcome to Archbishop.

Archbishop Makarios, who had sailed from the Seychelles for Madagascar on April 6 [see 15469 A, page 15475], left the latter island on April 11 for Nairobi, where he broke his journey for a week before going on to Athens.

In a statement on his arrival in Nairobi, the Archbishop said that if there were any further executions in Cyprus, the way to pacification would be barred and terrorism might revive. He also emphasized that he was completely opposed to partition (which would be "something disastrous") and that, as previously indicated, he was not prepared to comment on the Radcliffe proposals until he was allowed to return to Cyprus.

The Archbishop was given an enthusiastic welcome on his arrival in Athens on April 17, being met at the airport by Archbishop Dorotheos (the Greek Orthodox Primate), Mr. Averoff (the Foreign Minister) and other Cabinet Ministers; as "head of a Church" he was accorded the military honours normally given to visiting Prime Ministers. It was commented abroad, however, that the official welcome had been somewhat "toned down" in response to the Turkish warning [see below] that a welcome of a markedly official nature would be construed as an unfriendly act. It was noted in this connexion that the Prime Minister, Mr. Karamanlis, had not gone to the airport but had called upon the Archbishop later in the day.

Two days before Archbishop Makarios's arrival in Athens, the Turkish Government had advised the Greek Government that if the welcome given to the Archbishop was markedly official in form, it would be regarded by Turkey as an unfriendly act and an unnecessary provocation. On the day following the Archbishop's arrival, Mr. Menderes said that there could be "no clearer proof of Greek partnership with Archbishop Makarios than these demonstrations which have been organized by the Greek Government itself" in connexion with the Archbishop's arrival in Athens. "The most noteworthy aspect of the matter from the point of view of international norms and rules," he added, "lies in the fact that the Greek Government participated officially and in full force in the ceremonies." Mr. Menderes described the Archbishop's reception in Athens as "a deliberately inflated expression of the long-standing Greek aspirations for the annexation of Cyprus."

In reply to M. Menderes' statement the Greek Foreign Ministry issued the following declaration on April 19:

"The Royal Hellenic Foreign Ministry has no intention of making a hasty judgment on, or drawing premature conclusions from, the statement of the Turkish Prime Minister. It is to be hoped that these utterances were made in a moment of nervous irritation. In point of fact, Mr. Menderes made three important errors:

(1) In insolent terms appropriate to a Sultan, he arrogated to himself the right to criticize the Greek Government's action in purely domestic matters.

(2) He drew arbitrary conclusions from facts concerning foreign policy, expressing himself publicly in a manner lacking objectivity and thus damaging good neighbourly relations between Greece and Turkey.

(3) He insulted the revered head of an independent Orthodox Church who is held in particular honour in Greece.

"We shall not follow the example of the Turkish Prime Minister... We confine ourselves to pointing out that no people, and in particular the Greek people, can be provoked and insulted without making an appropriate retort..."

It was also learnt on the same day that the Greek Government had rejected the Turkish Note of April 15 as an "unacceptable intervention in Greek domestic affairs."

Greek Allegations of "Brutality" by British Forces.—Refutation by British and Cyprus Governments.

In a White Paper issued on June 11, the Cyprus Government refuted allegations, which had been made in increasing numbers by Greek and Greek Cypriot sources, that British forces in Cyprus had resorted to "brutality" and "torture" in the anti-terrorist campaign.

The Governor of Cyprus (Field-Marshal Sir John Harding), in a foreword, said that the White Paper gathered together "incontrovertible evidence that the allegations are part of a deliberate and organized conspiracy," and that Colonel Grivas (the terrorist leader) had in fact acknowledged this. In putting his campaign into effect, Sir John continued, Grivas "has had at his disposal the whole power of propaganda of a Church given over to political subversion. He has also been able to rely on the support of the Greek and Greek-Cypriot press and the official publicity organs of the Greek Government."

The White Paper noted that, according to captured documents, Colonel Grivas had been fully aware that he could not hope to achieve his aims by force of arms alone and that he regarded propaganda as of equal importance as a weapon in his campaign. The systematic repetition of allegations of torture had been introduced as part of this campaign at the beginning of 1956, and propaganda on this theme had been built up by Athens Radio, the Greek and Greek Cypriot press, Eoka and Peka leaflets, and individual complaints in and out of court and to the Cyprus Government. The specific allegations of brutality which had begun to appear in January 1956 (the White Paper continued) had been based on an isolated case of ill-treatment which was already under investigation at the time and which was, in fact, "the only case of deliberate ill-treatment which had ever been established during the emergency." As a result of the investigations, the two army officers concerned had been tried and convicted by a court-martial in April, 1956.

As each allegation appeared (the White Paper went on), the Government and military authorities had carried out thorough and scrupulous inquiries and, as a result, a total of seven prosecutions [of which the White Paper gave details] had been instituted between September 1955 and June 1956. Many of the allegations, however, had been in such vague terms that the only possible reply was a plain denial.

In seven other cases mentioned, allegations had been disproved on the basis of evidence supplied by Greek Cypriots, whose names, however, could not be given. The White Paper added in this connexion: "The fact is that they have spoken the truth, but this is no defence in the eyes of Eoka. In 1955 and 1956, 109 Greek Cypriots were barbarously murdered as 'traitors' by Eoka... They were presumably murdered simply to shut their mouths."

After quoting cases in which people (including a priest) had later withdrawn allegations which they had made, the White Paper went on: "There are plenty of other examples which cannot be given. The reasons are obvious. To make public the evidence would endanger the lives of those who have given it. Furthermore, to publish evidence given in confidence would discourage others who, under conditions of secrecy, might be prepared to tell the truth. This is one of Eoka's objects. Lastly, the givers of such information, for their own safety, would deny having given it. In order not to expose truthful people, no further examples can be published."

If brutality was as widespread as was alleged, the White Paper continued, it might have been expected that there would have been a large number of private prosecutions against individual police or military officers for assault or similar actions. But in fact, since the beginning of the emergency, there had been only nine such cases, and only two of them had reached the stage of a preliminary inquiry. In one of these two cases the Court had ruled that a *prima facie* case had not been made out, and in the other a police officer charged with a purely technical assault had been given an absolute discharge. Furthermore, the judge presiding at the trial of Nicos Sampson [see below] had stated categorically that he disbelieved the allegations of torture brought by the defence.

Dealing next with the respective roles of the police and the judiciary in the anti-terrorist campaign, the White Paper said (of the first): "A large number of the police officers who are accused of such monstrous conduct are members of U.K. police forces, whose traditions of restraint and humanity have long been the admiration of the civilized world. It must appear unlikely that such men, with their years of training, should on arrival in Cyprus apparently turn into typical members of Hitler's Gestapo, and on their return to the U.K. as quickly resume their well-known and respected role."

Of the judiciary, it remarked: "[The Cyprus] courts have invariably been properly sensitive to any substantiated allegation of misconduct on the part of police or security forces. But nonetheless, no case of this kind, apart from those listed, has ever been established before any court in Cyprus. As with the police, the public is now asked to believe that these courts are deliberately participating with the police in a campaign to suppress evidence of untold brutalities which any thinking person must see is utterly repugnant to both."

Commenting, finally, on the Governor's refusal to authorize a public inquiry into the conduct of the security forces, the White Paper said: "If the price of immediately clearing the security forces of these allegations is to impair their ability to deal effectively with fresh outbreaks of terrorism and to gain information which will assist them in protecting the public from murder, violence, and brutality, then the security forces will continue to place their duty first. They will be content that one day they will be vindicated."

A "committee of human rights" consisting of Nicosian lawyers issued a statement on June 16 describing the Government's White Paper as "an inaccurate picture of the situation."

The statement said that it was inaccurate to suggest that members of the Cyprus Bar had used trials before special courts as opportunities to make propaganda out of allegations of ill-treatment. In support of its allegation that brutal methods of interrogation had been used, the statement remarked: "It is a uniquely strange coincidence that a large number of arrested persons are said to have been overcome with an unnatural, superhuman desire to be penitent and remorseful and proceed to admit in no uncertain terms to capital offences, when it is clear there is no other evidence to connect them with such crimes." The statement also rejected the suggestion that the allegations were part of an organized conspiracy, and declared that an independent inquiry was needed.

The allegations of "brutality" and "torture" by security forces were reiterated by Archbishop Makarios on June 19 at a press conference in Athens.

The Archbishop claimed that he had in his possession 317 testimonies signed by persons "subjected to various degrees of torture," and appealed to British and world public opinion to insist on an independent inquiry into his charges.

After referring to what he described as "abominable methods of investigation and unspeakable tortures inflicted upon Cypriots by British military and police forces by way of vengeance or for the purpose of extracting information," the Archbishop cited alleged individual cases of brutality and maltreatment by the security forces which had resulted in the death of, or serious injury to, the persons concerned. He went on to allege, *inter alia*, that the Cyprus Government had "condoned this state of affairs" by prohibiting the prosecution of members of the security forces without the prior consent of the Attorney-General; and that "more than a hundred complaints of ill-treatment and torture, accompanied by the necessary evidence," had been submitted to the Governor, who had either dismissed them as groundless or had ignored them.

Archbishop Makarios refused to say how this "evidence" had reached him, declaring that he would do so only to an independent fact-finding commission.

The Archbishop's allegations were described by a Cyprus Government spokesman as "merely a rehash of old, threadbare allegations already disposed of." The spokesman added: "At first sight they consist of grotesque and tendentious inaccuracies designed to have a propaganda effect and having very little regard for the truth."

The British Colonial Secretary, Mr. Lennox-Boyd, replied to questions on the subject in the House of Commons on June 27.

Mr. Lennox-Boyd said that he was sure Members would not be misled by the "campaign of vilification" against the security forces. Nevertheless, the Governor was investigating all allegations which were sufficiently specific to make investigation possible, and he (the Colonial Secretary) would place the results of these investigations in the Library of the House in due course, so that Members could form their own judgment. Resisting the demand for an independent inquiry, Mr. Lennox-Boyd stressed that the lives of those testifying against allegations "made under Eoka pressure" would be placed in jeopardy, and for this reason such an inquiry could not be held. He added: "I am absolutely satisfied that one of the main reasons for this campaign of denigration is to enable Eoka to discover and eliminate all weaknesses in its own organization and methods of operation which have enabled the security forces to make such inroads upon it."

Turkish Demand for Partition of Cyprus.

In a speech at Bursa at the beginning of May, Mr. Menderes declared that partition of the island was "the maximum and final sacrifice that Turkey can make on the Cyprus issue."

Denying Opposition claims that the Turkish Government's Cyprus policy had changed, Mr. Menderes said that "in making this sacrifice, there is no change in our basic aim, although there exists a difference in form between our thesis at the time we went to the London conference and our thesis today." The present policy, he maintained, still safeguarded completely the two fundamental aims of Turkish policy (i) that the Turkish Cypriots should not be forced to live under a regime which they did not want; and (ii) that there should be no danger to the security of Anatolia.

The leaders of the Turkish Cypriot community (Dr. Kutchuk and Mr. Kaymak) visited Ankara from April 2-May 10 for consultations with the Turkish Government on the situation arising from Archbishop Makarios's release.

In a press statement on April 3, Dr Kutchük said that enmity between the two communities in Cyprus had reached such a pitch that they could not possibly live together under the same regime, and the only acceptable solution, therefore, was partition. He also stressed that neither he nor any other Turkish Cypriot representative would be prepared to participate in any meeting at which Archbishop Makarios was present.

Visit of British Defence Minister to Cyprus.

The U.K. Minister of Defence, Mr. Duncan Sandys, visited Cyprus from April 23-25, being accompanied by the Chairman of the Chiefs of Staff Committee, Marshal of the R.A.F. Sir William Dickson.

In a statement on April 25, Mr Sandys said that the primary purpose of his visit had been to discuss with the Governor and Service chiefs the role which British forces based on Cyprus, would play in support of NATO, the Baghdad Pact, and other British responsibilities in the Middle East Among other things, he had examined "special problems which will arise if continued political deadlock in the island should make it necessary to consider partitioning Cyprus." After saying that Cyprus, by becoming a base for nuclear weapons, could make a great contribution to the deterrence of war and Communism, Mr. Sandys added "I feel that when the Cypriots think it over, they will wish to play their part in helping us to prevent a global nuclear war." In conclusion he expressed the hope that it might be possible "before very long" to reduce the number of British troops in Cyprus because of the "outstanding success" achieved in the anti-terrorist campaign.

British Protest to United Nations.

In a letter to the U.N. Secretary-General on May 13, Sir Pierson Dixon (British permanent representative at the U.N.) expressed the British Government's regret at the "unconciliatory attitude" of the Greek Government on the Cyprus question.

The letter stated that, after the passing of the U.N. resolution of Feb 26, it might have been expected that the Greek Government would do everything in its power to further the prospects of a solution of the dispute. Unfortunately, however, it had refused to participate in direct negotiations between the three countries concerned and had also rejected the offer of mediation made by the Secretary-General of NATO. The letter added that the Greek Government had arbitrarily sought to establish its own interpretation of the Assembly's resolution—an interpretation which would apparently preclude the Greek Government from regarding itself as an interested party. Sir Pierson Dixon concluded: "It is impossible to reconcile that stand with the previous Greek attitude both inside and outside the United Nations."

House of Lords Debate.

The Cyprus question was debated by the House of Lords on April 11, during the course of a general two-day debate on the Middle East.

The debate was opened by **Earl Attlee,** who doubted whether Cyprus would be of much value as a base. He said in this connexion: "Cyprus is to be an advance site for launching weapons of mass destruction. It also makes it a sitting target for the receipt of weapons of mass destruction. I cannot think the Cypriots will welcome that privilege." A small island, he continued, was not a suitable site for launching such weapons; what was required was a wide area where they could be moved from place to place, and Turkey was the obvious choice for this. On the question of the resumption of negotiations, Earl Attlee declared: "It is no good haggling or niggling about details, such as saying that the Archbishop must not go to Cyprus. Make up your mind to do it in a big way if you are going to do it."

The **Earl of Perth,** Minister of State for the Colonies, maintained that the Government's recent moves, including the release of Archbishop Makarios, were "from strength, not weakness." He went on: "When the Government judges that the time is opportune, it intends to invite representatives of Greek and Turkish Cypriots to a meeting in London to discuss the internal problems of Cyprus. Our present thought is that the Radcliffe Constitution will be the agenda." The Minister concluded by deploring the recent statements of Archbishop Makarios, which, he thought, were neither the words of a statesman nor of one desirous of a settlement in Cyprus.

The **Archbishop of Canterbury** felt that the Government had shown "sheer generosity" in releasing Archbishop Makarios, and said that it was up to the Greeks, Cypriots and Turks to respond with concessions similar to this "generous, healing, reconciling act" He expressed the hope that Archbishop Makarios would exercise restraint in his public statements, since "some things have already been said . . . which can only be regarded as unhelpful." On the possibility of partition, the Archbishop remarked: "I believe it would be a counsel of despair, and I am sure that Archbishop Makarios detests the thought of it as much as I do. But I fear that if the Archbishop and his advisers, or any others, fail now to take a positive attitude of co-operation and compromise and instead go back to unyielding demands, then this deplorable result of partition, which solves nothing, may become inevitable.'

Lord Lloyd, the former Minister of State for the Colonies, criticized the release of Archbishop Makarios as a "reversal of policy," saying: "To the world it must seem that the Government has climbed down and the Archbishop has gained a notable victory. It means the achievement of political aims by violence." **Lord Milverton** also supported this view.

The **Earl of Listowel** (Colonial Secretary in the Labour Government) said that the Government should now declare their willingness to start immediate talks in London with Archbishop Makarios and other leaders of both communities in Cyprus, and should invite the Archbishop to London for informal preliminary discussions. The Radcliffe Constitution should be regarded "not as holy writ but as a document susceptible to alteration in the light of arguments and criticisms voiced at the talks."

Replying to the debate, **Lord Kilmuir** (the Lord Chancellor) said that "when the time comes for talks with representatives of all Cypriot communities on Lord Radcliffe's proposals, Archbishop Makarios will certainly be one of the Greek Cypriot representatives. But the Government is not prepared to accept him as the sole representative of Cypriot opinion." He added "The delicacy of this whole problem is the balance between the Turkish and the Greek interests. If we appeared to be taking the Archbishop as the representative of the whole range of the people of the island, we should do immense harm." As regards the Archbishop's release, Lord Kilmuir said that the Government had taken this risk as part of its efforts to secure the implementation of the Radcliffe proposals.

House of Commons Debate.

The Cyprus question was also debated in the House of Commons on July 15 at the request of the Opposition.

Mr. James Callaghan (Lab.), the principal Opposition spokesman, asserted that the Government was divided on the matter and that its only policy since the Eoka truce had been one of "indecision and drift." All it had done was "to give Eoka the opportunity of regrouping and Archbishop Makarios the opportunity of stating his case throughout the world." Lord Salisbury, he declared, had been right to resign from the Government, inasmuch as Archbishop Makarios had been released without meeting the condition previously imposed by the Government—viz., that he should call categorically for a cessation of violence.

After calling on the Government to dismiss the idea of partition as "ridiculous," Mr. Callaghan went on to discuss the use of Cyprus as a base. The Government, he contended, had performed a "strategic somersault" and had consequently been guilty of a great waste of public money in spending or committing £12,500,000 in the last three years on military installations in the island, whereas the Minister of Defence had recently made it clear that the whole island was not needed as a base but merely "a couple of airstrips" for atomic bombers.

Urging an independent inquiry into the allegations of brutality by the British security forces, Mr. Callaghan said that he was certain that Sir John Harding would not tolerate the use of brutality if he were aware of it. But as the allegations were so widespread, more was required than a simple denial on the Governor's part. Turning to the question of the Governorship generally, he said that Sir John Harding had succeeded in bringing the period of violence to an end but should now be replaced by a civilian (possibly an ex-member of the Government Front Bench) with some knowledge of political matters.

As to Turkey's position in the dispute, Mr. Callaghan said that the Government should "not allow the Turks to blackmail them." He added: "We cannot afford to put the Turks in a position where, by using 20 per cent of the population of Cyprus, they are able to stop any forward move for the remaining 80 per cent."

Mr. Profumo (Under-Secretary, Colonial Office), replying for the Government, dealt first with the allegations of brutality by British forces, which, he said, had emanated in the first instance from people—Eoka members or sympathizers—who had shown themselves indifferent to every civilized principle. The other source of the allegations had been Archbishop Makarios. "For any man who claims to be a responsible statesman deliberately to promote a smear campaign of this sort is serious enough," Mr. Profumo declared, "but for a leading figure of the Church to do so without assuring himself first of all the facts is, in my mind, to throw all responsibility to the winds."

Denying that the Government had been "dragging its feet," Mr. Profumo said that, on the contrary, all the initiative had come from them and nothing but intransigence from those who sought to represent the people of Cyprus. "So far," he went on, "the Archbishop has not taken a single constructive step on behalf of his weary people. Rather has he seemed to care more for his own personal position." The Government, in fact, were hoping to take a further initiative and would make a statement when the Minister of Defence had completed his examination of the strategic position. As regards partition, he believed that while it was not an ideal solution, it was a possibility which had to be taken into consideration.

In conclusion, Mr Profumo said that there were two possible actions which would contribute greatly towards a solution of the problem. First, if Colonel Grivas and his associates were to accept the Government's safe-conduct offer, the Cypriots would be able to "live and speak their true thoughts again" without fear. "With the lifting of one little finger," declared Mr. Profumo, "Archbishop Makarios could bring this about. I can only presume it suits his personal ends to have a smouldering Eoka organization gagging his countrymen." Secondly, much would be gained if the Opposition were to deny categorically the widely-held belief—especially in Greece—that they would grant immediate self-determination to Cyprus if returned to office.

Mr. Callaghan, intervening, said that the Labour Party believed that there should be a period of "considerable" length in which political parties should be allowed to grow up in Cyprus, whilst at the end of that period the Cypriots should have the right to determine their future.

Mr. Clement Davies (Lib.), urged an end to recriminations on all sides, and suggested that a round-table conference should be held without preliminary conditions and with the sole object of a fair and final settlement.

Mr. Patrick Maitland (Ind. Conservative) said that as both Malta and Mombasa were too far away, Britain must continue to hold Cyprus for the protection of the sea lanes in the Eastern Mediterranean. He believed that a solution was possible on the basis of dual nationality, whereby Cypriots could enjoy either Greek and British or Turkish and British nationality. If there was any kind of arrangement involving the abdication of British sovereignty over the island, it would be said up and down the country that Britain had become an American satellite and had submitted to American pressure.

Sir Frank Soskice (Lab.), the final Opposition speaker, said that although there had been no violence in Cyprus since March, the Government had simply "sat back in a state of absolute paralysis" and had done nothing to dispel the "uneasy calm" in the island. He criticized the Government's reply to the Archbishop's request for bilateral negotiations, saying that it was "wholly in keeping with the attitude which has characterized the Colonial Secretary throughout the tragic series of events." After urging Mr. Lennox-Boyd to reject the idea of partition *in toto*, Sir Frank reiterated Mr. Callaghan's plea for an independent inquiry into the allegations of brutality, while pointing out that the Labour Party disassociated itself entirely from these allegations.

Mr. Lennox-Boyd, replying to the debate, refuted the charge that the Government had failed to take any initiative in recent months. Dealing, as they were, with the destinies of great nations, they had to allow the matters under discussion to be pondered in three capitals, and hasty conclusions were out of the question. As regards the Turkish attitude to the problem, Mr. Lennox-Boyd said that while the Turkish people were naturally concerned about the Turkish Cypriot minority, their main concern was really with the geographical proximity of Cyprus to the Turkish mainland. He rejected the Opposition's plea for an inquiry into the allegations of brutality, on the ground that the lives of witnesses who testified against the allegations would be placed in jeopardy. In conclusion, Mr. Lennox-Boyd said that the chances of a solution would be greatly improved if "Greek and Greek-Cypriot intransigents" were given a clear indication that the Opposition, if returned to power, would not adopt a policy more favourable to them.

To indicate its dissatisfaction with the Government's Cyprus policy, the Opposition moved a token reduction in the Vote of the Colonial Office. The amendment to this effect was defeated by 326 votes to 260, a Government majority of 66.

Internal Developments in Cyprus.

No terrorist incidents took place in Cyprus during the period under review, Eoka having suspended its operations in accordance with its offer of March 14 that it would do so if Archbishop Makarios were released (see 15469 A, page 15474). In a letter to the Mayor of Famagusta on June 5, however, the Administrative Secretary (Mr. Reddaway) stated that there were indications that Eoka was "attempting to regroup the remnants of its scattered gangs" and that this could only mean that it "plans at a future date to resume its campaign of murder and intimidation." [For further details of this letter see page 15653, first column.]

The Anti-Terrorist Campaign.

Anti-terrorist operations continued during this period but proved less fruitful than previously, the reasons being (*a*) that earlier operations had greatly reduced the number of terrorists; and (*b*) that those who remained at large were inactive and thus more elusive.

The most outstanding success scored by the security forces was the capture on April 19 of the last of the mountain gangs in the Lefka district, in the west of the island. The gang consisted of seven men, two of whom (George Demetriou, the leader, and Mikis Firillas, his second-in-command) had prices of £5,000 on their heads. Among those captured was Neofytos Sofocleous, a former servant at Government House, who disappeared on the day in March, 1956, when a bomb was discovered under Sir John Harding's bed (see 14757 A). Weapons recovered included two machine-guns, a Sten gun, an Italian rifle and three shotguns.

Trials of Eoka Terrorists.

A summary is given below of the more important trials of terrorists since the beginning of April.

(1) Five Greek Cypriots were sentenced to death on April 5 after being found guilty of discharging firearms at members of the Security forces at Lyssi, near Famagusta, on Feb. 10. The Cyprus Supreme Court, however, quashed the sentences on May 2 and ordered a retrial on the grounds that the evidence submitted during the trial had not been translated for the benefit of the accused. At the retrial on May 15, the five men were each sentenced to 10 years' imprisonment on a reduced charge of possessing shotguns.

(2) Three Greek Cypriots were sentenced to life imprisonment on April 11 after pleading guilty to the possession of weapons and explosives found in a house at the village of Kannavia.

(3) Eight Greek Cypriots were sentenced to life imprisonment on April 24 on charges of possessing arms and ammunition. Those sentenced included Nicos Spanos and Polycarpos Georghadjis, both of whom had prices of £5,000 on their heads before capture.

(4) A Greek Cypriot student, Andreas Karacostas, was found not guilty on May 8 of discharging a firearm at a retired British officer at Kyrenia in November, 1956. Giving judgment, Mr. Justice John said that there was some doubt about alleged ill-treatment of the accused; in addition, the accused had been induced to make a confession by promises which were not fulfilled, viz., that no charge would be brought against him and that he would merely be sent to the Pyla detention camp.

(5) A Cypriot Greek policeman, Andreas Houvardas, was sentenced to life imprisonment on May 13 for possession of an arsenal of weapons and explosives in his Nicosia home [see page 15479].

(6) The first Greek national to be convicted under the emergency regulations, Argyrios Karadymas, was sentenced to 10 years' imprisonment on May 20 after pleading guilty to the possession of a large quantity of arms, ammunition and explosives discovered in the house of the village priest of Sarandi.

(7) Nicos Sampson, a Greek Cypriot journalist, was sentenced to death on June 2 on charges of (i) carrying a Sten gun, and (ii) aiming it at four British policemen who had arrested him in the village of Dhali on Jan. 30. Sampson had previously been acquitted on May 23 on a charge of murdering a British police sergeant in September 1956.

The latter trial was notable for the disallowal of two statements alleged to have been volunteered by the accused, and for the criticism made by the presiding Judge (Mr. Justice Bernard Shaw) of the treatment accorded to the accused after his arrest. Mr. Justice Shaw stated:

"The treatment which the accused received was not the treatment which should be given to any person, whether convicted or unconvicted. In 47 years, I can recall no case where the Crown set out to prove a confession and yet had to admit that the accused received the sort of treatment this man received. I find it difficult to understand how these brave police officers acted in the way they did. They cannot complain if the Court entertains doubts that the confession was free and voluntary. I notice that the accused only talked after making a journey from the place where he was arrested to Nicosia. It was a journey in disgraceful circumstances. The treatment of the accused in the open truck was quite unconscionable. I cannot accept that it was necessary to travel in these circumstances. Quite deliberately the accused was allowed to set off without boots and socks, lying face downwards in an open truck during pouring rain. That shows the police attitude towards the accused."

On the other hand, Mr. Justice Shaw praised the police for their courage in arresting Sampson in extremely dangerous circumstances; found that he had not been tortured in any way; and declared that Sampson, in giving his evidence, seemed to be "grossly exaggerating practically everything."

A Cyprus Government statement of May 27 referred to Mr. Justice Shaw's findings in the Sampson trial as proof that allegations that the Cyprus police employed brutal methods of interrogation were without foundation. The statement pointed out that Mr. Justice Shaw had found that "Sampson was certainly not tortured in any way" and had thus "cleared the Cyprus police of allegations made against them in open court." It added: "Such criticism of the police as Justice Shaw saw fit to make . . . was for acts of omission and was largely based on evidence by police officers themselves."

The death sentence passed on Sampson on June 2 was upheld by the Cyprus Supreme Court on June 21 in respect of the first charge on which he had been convicted (i.e. carrying a Sten gun), although the court rejected the second charge on which it had been based (i.e. aiming it at the policemen arresting him). It was announced on the same day that, if leave were given, an appeal would be made to the Privy Council.

(8) A Greek Cypriot, Michalis Thrassyvoulides, was acquitted on June 4 of a charge of murdering a fellow Greek Cypriot at Limassol on March 11, 1956. The Judge said that there had been no corroboration of the accused's allegation that he had been ill-treated by the police, but that he (the Judge) had found some truth in the defendant's claim that he was promised that he would not be prosecuted if he made a confession.

(9) Michalakis Rossides, a Greek Cypriot, was sentenced to death on June 6 for the murder of Private R. Shilton of the Royal Leicestershire Regiment in May, 1956, as a reprisal for the execution of two terrorists [see page 14901]. The sentence was upheld by the Cyprus Supreme Court on June 28. Rossides' lawyers announced that they would seek leave to appeal to the Privy Council.

During the period under review the Cyprus Supreme Court set aside three sentences (including two death sentences) passed in the period before Eoka suspended its terrorist operations.

The two death sentences in question were quashed on April 25, retrials being ordered in both cases. In the first case (that of Nicos Sofocleous, who had been found guilty of the the murder of a Cypriot lawyer), the court found that the evidence of English-speaking witnesses had not been translated for the accused's benefit at the trial on Feb. 8, while in the second case (that of Christos Lambrou, who had been sentenced for shooting at and wounding a British warrant-officer), the Court ruled that there had been certain irregularities at the trial on Feb. 21 which were "so serious as to prejudice the accused."

Subsequently (May 21), in the first case to come before it involving defence allegations of ill-treatment, the Supreme Court upheld an appeal by a Greek Cypriot found guilty of placing a bomb in Kyrenia in August, 1956, and set aside the 10-year prison sentence Explaining the decision, Chief Justice Bourke said that there was reasonable doubt as to whether a confession made by the accused was free and voluntary.

Four death sentences imposed in the period before the Eoka truce began were commuted by the Governor to life imprisonment or ten years' imprisonment.

Emergency Regulations relaxed for British Servicemen.

In view of the suspension of terrorist operations, certain restrictions on the activities of British Servicemen were abolished during April.

It was announced on April 11 that (for the first time for nearly two years) British troops could go about unarmed in the principal towns, only those on special guard or escort duty being required to carry arms. Further relaxations were introduced on April 15 (i) the walled city of Nicosia, which had been "out of bounds" to troops since Feb. 13, 1956, would be "in bounds" during the hours of daylight; (ii) the shutters on Servicemen's houses would no longer require to be kept closed; and (iii) Servicemen could go bathing on any beach and picnic anywhere in the island.

Correspondence between the Administrative Secretary and Greek Cypriot Mayors.

In a letter sent on June 5 (see above), the Administrative Secretary, Mr. Reddaway, rejected a request from the mayor of Famagusta that Cypriots held under the emergency regulations should be released.

After noting that Eoka, while offering to suspend operations "following a succession of severe defeats," had given no indication that it had decided to abandon the use of violence, Mr. Reddaway stated that in these circumstances "it would be an act of the utmost folly, and inconsistent with its duty to law-abiding citizens, for the Government to release persons who are known to have played a prominent part in the Eoka terrorist organization.

Mr. Reddaway went on to suggest that, until terrorist methods had been permanently renounced, the most positive contribution which the mayors and other leading figures could make would be to declare publicly that terrorism could not be countenanced and that, if it were resumed, they would do all in their power to assist the security forces in bringing its perpetrators to justice.

In a further letter of June 9 to Dr. Dervis, the mayor of Nicosia and spokesman for all the Greek Cypriot mayors, Mr. Reddaway deplored the mayors' failure to denounce violence and accused them of condoning and defending terrorism as a political weapon.

Mr. Reddaway's letter was in reply to a communication from the mayors in which they said that what the Government called terrorism was really "the exasperation of the people, who have lost patience after trying peacefully to achieve their rights."

In reply to a letter making certain suggestions for the improvement of the situation in the island, Mr. Reddaway asked the mayor of Morphou on June 17 if he would be willing to appeal to Archbishop Makarios to order Colonel Grivas to leave the island. The letter said:

"It was Archbishop Makarios who invited Grivas to Cyprus in 1951 in order to lay the foundation of the terrorist organization, and in 1954 to be the terrorist field commander. Grivas himself recorded that he was prepared to lay down arms at the bidding of Makarios. This kind of appeal by you to Makarios would be a constructive step to restoring lasting peace in Cyprus."

The mayor of Morphou rejected Mr. Reddaway's suggestion on June 23, saying that while the Government might consider Grivas a criminal, it should have realized long ago that in the eyes of most Greek Cypriots he was "a liberator."

Resignation of Turkish Municipal Councillors.

All the 18 Turkish municipal councillors in Cyprus resigned on June 3 in protest against the "complete disregard by Greek mayors and councillors of Turkish rights and interests in municipal affairs."

In telegrams advising the Governor, the Turkish Prime Minister, and the U.N. Secretary-General, of their decision, the Turkish councillors declared that "the rights of Turkish citizens are not effectively protected in Municipal Councils owing to the fact that their rights and interests are left at the will and mercy of the majority, and that the majority, who have absolute control of the municipalities, exploit their position by taking advantage of every incident, thereby turning the Municipal Councils into political organizations in order to achieve their own political aspirations."

Greek Memorandum to United Nations.

The Greek Government published on July 15 the text of a letter, delivered on that date to the U.N. Secretary-General, which requested the inclusion of the Cyprus question in the agenda of the next General Assembly session, in view of the British Government's alleged failure to comply with the resolution of Feb. 26, 1957 [see page 15473]. Specifically, the letter asked for the inclusion of the following two items:

(1) The application, under U.N. auspices, of "the principles of equal rights and self-determination of peoples in the case of the population of the island of Cyprus."

(2) The "violation of human rights and atrocities by the British Colonial administration against the Cypriots."

The Greek Government also stated that the above-mentioned charges would be supplemented by a "detailed report" to the U.N. Secretariat.—(Times - Daily Telegraph - Manchester Guardian - Turkish Embassy Press Department, London)

(Prev. rep. Cyprus, 15469 A.)

A. UNITED STATES. — Anti-Trust Legislation. - Supreme Court Decision on du Pont Holdings of General Motors' Stock.

The U.S. Supreme Court ruled on June 3, by four votes to two, that E. I. du Pont de Nemours & Co. (the leading chemical manufacturing concern in the U.S.A.) had violated the Clayton anti-trust Act of 1914 by holding 63,000,000 shares in the General Motors Corporation. These shares, with a market value of $2,677,000,000, constituted 23 per cent of General Motors' share capital and therefore provided a controlling interest. The Court's ruling was also based upon the finding that du Pont had used its stock-holding to obtain a preferential position in its trade with General Motors, and that it supplied the Corporation with two-thirds of its paint and one-half of its fabric requirements.

The majority decision was given by Chief Justice Warren and Justices Brennan, Black and Douglas, while Justices Burton and Frankfurter dissented.

The connexion between du Pont and General Motors began in 1918, when du Pont invested $25,000,000 in the Corporation and immediately gained a controlling interest. This investment was later enlarged and $75,000,000 worth of shares were added in 1951, following which the General Motors' stock was split three-for-one. The 63,000,000 shares currently owned by du Pont represent the largest investment held by any corporation in the United States in another; it had continued to grow during the last eight years, despite the fact that the Government had instituted litigation against du Pont in order to stop this trend.

The Government's case, which the Court upheld, was based upon two legal points in the Clayton Act. The original Act had been designed to strengthen legislation against restraints of competition and trade, and its clauses forbidding exclusive contracts and interlocking mergers had been used subsequently to break up the "horizontal" integration of Standard Oil and the concentrated ownerships of the moving-picture producers and distributors. A special amendment to the Act was passed in 1950 which laid down that these prohibitions, as stated in Clause Seven, applied as much to "vertical" as to "horizontal" integrations.

The Court accepted the Government's contention relating to Clause Seven that (i) stock acquisitions by one industry in another ("vertical" integrations) were as liable to prosecution under the Clause as monopolistic controls ("horizontal" concentrations) within an industry; (ii) that only a "probable" lessening of competition, or tendency to monopoly, need be proved at the time the Government brought the suit, and that it was not necessary that this condition had already existed when the acquisition was made.

On questions of fact, the Court found (i) that du Pont's acquisition of General Motors' stock had given it a controlling interest, and (ii) that "du Pont purposely employed its stock to pry open the General Motors market to entrench itself as the primary supplier of General Motors' requirements for automotive finishes and fabrics."

The Supreme Court charged the District Court in Chicago (whose earlier decision it had reversed) to determine the "equitable relief necessary and appropriate in the public interest to eliminate the effects of the acquisition." Justices Burton and Frankfurter, in their dissenting opinion, disagreed with the majority ruling both on points of law and of evidence, and held that there had been "no misuse of stock interest." (New York Times - New York Herald Tribune)

(Prev. rep. Anti-Trust Suits, 14110 A; 13236 C.)

A. UNITED KINGDOM. — Report of Royal Commission on the Law Relating to Mental Illness and Mental Deficiency. - Government Acceptance.

The report of the Royal Commission on the Law relating to Mental Illness and Mental Deficiency (Cmd. 169) was published on May 29, 1957.

The decision to set up a Royal Commission into this subject had been announced in the House of Commons on Oct. 22, 1953 by Sir Winston Churchill, then Prime Minister. Sir Winston said that the Government realized that it was necessary to bring the existing law into line with modern thought and development, but considered that there should first be a comprehensive review of the subject by an independent body.

The Commission's terms of reference were as follows :

" To inquire, as regards England and Wales, into the existing law and administrative machinery governing the certification, detention, care (other than hospital care or treatment under the National Health Service Acts), absence on trial or licence, discharge and supervision of persons who are or are alleged to be suffering from mental illness or mental defect, other than Broadmoor patients [Broadmoor is the State asylum for the criminally insane] ;

" To consider, as regards England and Wales, the extent to which it is now, or should be made, statutorily possible for such persons to be treated as voluntary patients without certification , and to make recommendations."

Asked why Scotland had not been included in the Commission's terms of reference, Sir Winston Churchill had pointed out that Scots law on the matter differed from that in England and Wales, although the possibility of a separate Scottish inquiry had not been ruled out. He added : " I think it would be a pity to mix them together. It seems certain that one will lead to the other, and at any rate we will take no decision to the contrary."

It was subsequently announced on Jan. 17, 1954, that the chairman of the Commission would be Lord Percy of Newcastle, a former President of the Board of Education (1924-29).

The other members were announced on Feb. 4, 1954, as follows : Mrs. E. D. (later Lady) Adrian ; Mr. Claude Bartlett ; Mrs. E. M Braddock, M.P. ; Sir Walter Russell Brain ; Mr. H. B. H. (later Sir Harry) Hylton-Foster, Q.C., M.P , Mr. R. M. Jackson ; Sir Cecil Oakes , Dr. T. P. Rees , Dr. D. H. H. Thomas ; and Dr. J. G. Wilson

On his appointment as Solicitor-General in October, 1954, Sir Harry Hylton-Foster resigned from the Commission and was replaced by Mr. J. E. S. Simon, Q C., M.P. Mr. Simon, in turn, also resigned following his appointment as Parliamentary Under-Secretary, Home Office, in January 1957.

In its report of May 29, 1957, which was unanimous, the Commission recommended fundamental changes in the present law and administrative arrangements relating to mental health. The main trend of its recommendations, the Commission observed, was to reduce the use of compulsory powers so that, as far as possible, suitable care could be provided for the mentally disordered, with no more legal formality or restriction of liberty than was the case with those requiring care because of physical illness, disability, or social difficulty. For the implementation of its proposals, the Commission proposed that the existing legislation (the Lunacy and Mental Treatment Acts, 1890-1930, and the Mental Deficiency Acts, 1913-38)—based as it was " on general assumptions and attitudes current in the late 19th and early 20th centuries, many of which are no longer generally accepted "—should be repealed *in toto* and replaced by a single new Act laying down the circumstances in which compulsory powers might be used in future, as well as the procedures to be followed.

The Commission's main recommendations are summarized below under cross-headings :

Abolition of the Board of Control. The Board of Control, which was set up in 1913 to deal with lunacy and mental deficiency, should cease to exist as a separate department because there was no longer any need for it now that the Ministry of Health had general responsibility for all hospitals.

Classification of Patients. For general administrative purposes and for regulating the use of compulsory powers, three main categories of patients should be recognized in future : (i) mentally ill ; (ii) psychopathic ; and (iii) severely subnormal, instead of two as formerly, viz., mentally ill and mentally defective. This step would abolish the use of the term " mental defectiveness," which, as currently applied, covered a very wide range of types of mental disorder and had given rise to medical controversy and public misunderstanding.

As regards the new classification, " mentally ill " would cover the same range of disorders as hitherto, including the mental infirmities of old age ; the " psychopathic " group would include those with aggressive or inadequate personalities recognized medically as pathological but not as " severely subnormal " ; whilst the designation " severely subnormal " would apply where the general personality (both intelligence and temperament) made the patient incapable of an independent life

In proposing the above classification, the Commission nevertheless believed that any statutory definition of the terms, as in the existing law on mental deficiency, would do more harm than good.

Compulsory Powers. The assumption " that compulsory powers must be used unless the patient can express a positive desire for treatment " should be abandoned In the case of those in the " mentally ill " and " severely subnormal " categories, the compulsory powers available should remain much the same as hitherto, but should be exercised less commonly and with a greater number of safeguards. In the case of psychopaths under 21, compulsion should continue to be used if considered necessary for the patient's own welfare or the protection of others, but the power of detention should lapse when the patient reached 25, unless his admission to a mental institution had followed court proceedings. Psychopaths over the age of 21 should be liable to compulsory powers only for a period of not more than 28 days' psychiatric observation. As regards psychopaths convicted of a criminal offence, prolonged compulsory powers should be available if ordinary penal measures were insufficient or inappropriate.

The term " certification," hitherto used to describe the procedure which must be followed when compulsory powers were used, should be dropped because of the connotations which it had acquired. It was widely believed, the Commission said, that certification implied that the patient was permanently deranged or dangerous. This, however, was not the case ; from the medical point of view, in fact, there was often no difference between the illnesses of certified and voluntary patients. The Commission hoped that the future procedure for the use of compulsory powers would be recognized by the public as simply the best method of ensuring proper treatment, with no implication as to the length or cause of the patient's illness.

Contrary to the present procedure, under which there were separate legal codes for the mentally ill and the mentally defective, the procedure to be followed in future should be the same for all types of patients. There should be two medical recommendations, one by a psychiatrist and one preferably by a doctor who was personally acquainted with the patient ; in emergencies, one medical recommendation would be sufficient, but a second would have to follow within three days. [At present, compulsory powers can be used on the basis of a single certificate signed by any doctor and, in emergencies, without any medical opinion at all.] In addition, the existing arrangement whereby a magistrate was required to sign an order for admission to a mental institution should be abolished. The Commission noted that this was normally a formality, and thought it inappropriate that a person not medically qualified should be required to state an opinion on the condition of a patient, even with professional advice.

Mental Health Review Tribunals. These bodies should be set up on a regional basis so that patients (or their relatives) could, if they wished, ask for an independent investigation into the need for their detention. The tribunals would have medical and non-medical members appointed by the Lord Chancellor in consultation with the Minister of Health, and would have power to discharge patients on specific occasions. Patients would have access to these tribunals : (*a*) at any time within six months after admission to a mental hospital, if the hospital authorities were unwilling to exercise the right of discharge ; and (*b*) whenever the period of validity of compulsory powers was extended. In addition, there should be a right of appeal to the High Court, but on points of law only.

Voluntary Admission. The existing legal formalities governing voluntary admission to mental hospitals should be abolished, so that in future admission to a mental hospital would be exactly the same as admission to any other hospital.

Patients Already in Hospital. The cases of those already in mental hospitals when the new arrangements came into force should be reviewed so that as many as possible of those subject to compulsory powers could be decertified and could remain to receive care and training on a voluntary basis. The Commission expected that a " considerable " number would fall into this category.

Community Care. Local authorities should be responsible for providing all types of community care (including residential care) for patients who either did not need hospital treatment or training, or, having received it, were ready to return to the community. Services of this type should be considerably expanded and, to help this process, Exchequer grants might be given towards the cost of building residential accommodation for patients without a satisfactory home.

In reply to a debate on a motion taking note of the Royal Commission's report, the Home Secretary (Mr. R. A. Butler) stated in the House of Commons on July 8 that the Government proposed in due course to introduce legislation embodying the Commission's recommendations. He could not give an undertaking, however, as to when such legislation would be introduced, since there would first have to be consultations with all the bodies concerned—Parliament, local authorities, and voluntary organizations. The report was welcomed on behalf of the Opposition by Dr. Edith Summerskill who said that its proposals, when implemented, would " make history in the field of mental health." The motion was agreed to after a general debate in which support for the Royal Commission's recommendations was expressed by Members on both sides of the House. (Times - Daily Telegraph - Manchester Guardian)

A. UNITED STATES. — The Richards Mission to the Middle East and North Africa. - "Eisenhower Doctrine" supported by Lebanon, Libya, Turkey, Persia, Pakistan, Iraq, Israel, Greece, Tunisia and Morocco.

Mr. James P. Richards, the former chairman of the Foreign Affairs Committee of the U.S. House of Representatives, and special assistant to President Eisenhower on Middle Eastern problems, left Washington on March 12 as the President's special envoy charged with the task of explaining the "Eisenhower doctrine" to the Governments of the Middle East countries. His itinerary was not arranged rigidly in advance, the intention being that the mission should be available for discussions with any country in the area which expressed a wish for them. The various stages of the mission's journey and the results of its talks are described below.

Lebanon. Mr. Richards arrived in Beirut on March 14, a joint statement being issued on March 16 following his talks with President Chamoun, M Sami Solh (the Lebanese Prime Minister) and Dr. Malik (Foreign Minister). It announced (1) that the Lebanese Government supported the "Eisenhower Doctrine"; and (2) that Mr Richards had agreed "in principle" that the U.S. Government should provide the Lebanese Government with "certain equipment needed to strengthen the Lebanese armed forces, in addition to a recent grant of military equipment for the same purpose."

The statement also announced agreement on a number of general principles, including the determination of both countries to defend their political independence and territorial integrity, to choose their own forms of government and of social and cultural life; and to oppose "any form of intervention or interference in the internal affairs of one State by another." It also expressed the conviction that "international Communism is incompatible with national independence and constitutes a cause of permanent trouble for world peace and security," and declared that "both countries would work through the U.N. and by all other peaceful means towards just solutions of the various problems which create tension within the area."

As a further result of the mission's negotiations, the State Department announced on April 4 that $10,000,000 in economic aid would be granted to the Lebanon.

The Lebanese Government's policy of support for the "Eisenhower Doctrine," and its acceptance of U.S. military and economic aid, was approved by the Lebanese Parliament on April 6 by 30 votes to one after a three-day debate.

Libya. A communiqué issued in Tripoli on March 21 after talks between Mr. Richards and the Libyan Prime Minister, Mustapha Ben Halim, stated that the discussions had revealed "an identity of interest" on President Eisenhower's plan. The communiqué described "the aggressive intentions of international Communism . . . as the greatest present threat to national independence and the peace and security of the world community"; declared that the two countries had agreed to co-operate in the successful application of the "Eisenhower Doctrine"; and also announced that additional U.S. economic aid would be provided to Libya.

Mr. Richards paid a further brief visit to Tripoli on May 5, when it was agreed with the Libyan Government that U.S. economic aid would be concentrated on the following subjects: a general survey of Libyan development needs; broadcasting; education, electric power development; communications; and water supplies.

Turkey. After his first visit to Libya, Mr. Richards arrived in Ankara on March 21. After discussions with M. Adnan Menderes (the Prime Minister) and other Turkish leaders, it was announced on March 22 (i) that both countries had agreed to continue their co-operation in counteracting the influence of international Communism in the Middle East and in enabling the independent countries of that area to resist any attack from Communist quarters; (ii) that the U.S.A. was "prepared to offer financial assistance towards several joint projects of a regional nature which have been considered by the Economic Committee of the Baghdad Pact."

Persia. Following talks in Teheran between Mr. Richards and the Persian Prime Minister, M. Hussein Ala, it was announced on March 27 that the U.S. Government would (i) provide increased finance for the large military construction programme now being undertaken in Persia, in addition to further equipment for the Persian armed forces; (ii) offer assistance for joint projects in the region which had been or might be approved by the Economic Committee of the Baghdad Pact.

The statement reaffirmed Persia's endorsement of the "Eisenhower Doctrine" and emphasized that the U.S.A had no territorial designs in the Middle East nor any desire to create a "so-called sphere of influence."

Pakistan. In Karachi, where Mr. Richards arrived on March 27, a joint communiqué was issued on March 31 on his discussions with President Mirza, Mr. Suhrawardy (the Prime Minister), Mr. Firoz Khan Noon (Foreign Minister), and Mr. Syed Amjad Ali (Finance Minister).

After declaring that "Communist imperialism, through overt aggression or internal subversion, constitutes a direct threat to the national aspirations of the peoples of the Middle East, which if allowed to develop would jeopardize the independence and freedom of people everywhere," the statement went on: "In reiterating their endorsement of the American doctrine, the Government of Pakistan have expressed their willingness to co-operate with the U.S. Government in securing the peace of the Middle East, to which Pakistan is already committed as a member of the Baghdad Pact. They were pleased to learn of the U.S. decision to join the Military Committee of the Pact. . . . They have also welcomed American efforts to assist in the objective of securing the peace of the area, not only by providing military and economic assistance to the countries of the Middle East region but also by the employment of U.S. forces, whenever deemed necessary, and if requested by any State or States of the Middle East region, in the event of armed attack by forces of international Communism. The determination of both Governments to oppose aggression from any quarter was reaffirmed."

The statement added that the Pakistani Government had suggested "certain economic and military projects as worthy of aid under the American doctrine"; that Mr. Richards had agreed to provide assistance in both fields; and that, in particular, the U.S A. would lend funds to assist in the construction of fertilizer factories. It was also noted that the U.S A. was prepared to finance several joint projects of a regional nature which were being considered by the Economic Committee of the Baghdad Pact

Afghanistan. Mr. Richards arrived in Kabul on March 31 for talks with Prince Sardar Mohammed Daud Khan, the Afghan Prime Minister. A joint statement, issued on April 4, said that Afghanistan had welcomed President Eisenhower's programme of economic aid to the Middle East to help the peoples of the area to raise their standards of living.

Iraq. Following discussions in Baghdad between Mr. Richards and General Nuri es-Said, then Prime Minister of Iraq, a communiqué was issued on April 8 stating (i) that Iraq and the U.S.A. were determined to defend their independence and integrity against the threat of international Communism, and had confirmed their determination to resist "aggression or subversion from any source"; (ii) that Mr. Richards had agreed that "certain additional military assistance should be provided to Iraq" by the U.S A. within the framework of the "Eisenhower Doctrine"; (iii) that the U.S A. would help in the development of Iraq's rail and telecommunications services within the framework of the Baghdad Pact

On the same day Mr. Richards announced that the U.S.A. would provide $12,500,000 to Iraq, Pakistan, Persia, and Turkey (the Middle Eastern members of the Baghdad Pact) for regional projects in the fields of road and rail development and telecommunications.

Saudi Arabia. Mr. Richards arrived in Riyadh on April 9 for talks with King Saud. A joint communiqué (April 12) said that both countries would "continue to oppose Communist activities, other forms of imperialism, and any other dangers threatening peace and stability in the area."

Yemen. During a visit to Sana'a (April 13-15) Mr. Richards saw the Imam of Yemen, the Crown Prince, and other Yemeni leaders. No communiqué was issued, but in a press statement on April 15 Mr. Richards referred to the "friendly spirit" of his talks, which had resulted in "increased understanding of President Eisenhower's policy" and which he hoped would "promote relations between the two countries."

Ethiopia. On April 15 Mr. Richards arrived in Addis Ababa for discussions with the Emperor Haile Selassie and the Ethiopian Foreign Minister, Mr. Habtewold.

A joint communiqué issued on April 18 said, *inter alia*: "The Ethiopian Government . . . gave its cordial support to the American Doctrine, stressing the importance of close collaboration between the countries of the general area of the Middle East. . . . Ambassador Richards welcomed the recognition of the continuing common interest in resisting the threat of international Communism and the establishment of [U.S.-Ethiopian] understanding of the broad identity of interests existing between the two countries. There was complete agreement on the opposition of both Governments to aggression from any source and their determination to use all legitimate means to prevent it.

"The discussions further demonstrated that the Ethiopian and U.S. Governments are anxious to work together to the end that the following principles shall prevail in international relations: (1) the sovereign equality of all nations under the U.N. Charter; (2) the right of all nations to choose their own form of government without interference; (3) non-intervention and non-interference in the internal affairs of one State by another; (4) recognition of the interdependence of nations and the obligation of nations to respect the just rights and interests of other States."

It was also announced that the Ethiopian Government had discussed with Mr Richards "the possibilities of economic and military assistance under the American doctrine," and that Mr. Richards had agreed that the U.S.A. should provide certain assistance in both fields, in addition to other assistance previously agreed upon.

Sudan. In a statement issued on April 22, after talks in Khartoum between Mr. Richards and Sudanese leaders, the Sudanese Government said that it had decided to postpone a decision on Sudanese association with the "Eisenhower programme" pending further study. A memorandum published on the following day enumerated seven points as a basis on which the Sudanese Government would pursue its study of the plan: (1) economic and military aid should be kept separate; (2) acceptance of economic aid should not prevent the Sudan from pursuing a policy of "positive neutrality"; (3) the acceptance of aid should not cause any harm to any Arab country; (4) development schemes to be financed would be proposed by the Sudan, subject to U.S. approval; (5) the Sudan would be given financial aid; (6) the number of U.S. technicians would be limited to those needed for agreed projects; (7) acceptance of U.S. aid would not preclude acceptance of aid from other countries, including the Soviet Union.

On May 28, however, it was announced in Khartoum that the Sudanese Government had decided not to give an opinion on the "Eisenhower programme," to keep the matter in abeyance, and to send no reply to the U.S. Government

Greece. Mr. Richards arrived in Athens on April 29 for discussions with Mr. Karamanlis (the Greek Premier) and other Greek leaders A joint communiqué (May 2) announced that the Greek Government endorsed the "Eisenhower doctrine" and said that the U.S.A. and Greece agreed "that international Communism is a very great danger to freedom and independence, and that continuous vigilance, as well as co-operation and solidarity of all free peoples, is necessary to face it." After stressing that economic aid was essential "to ensure the independence of economically weaker and technically less-developed countries," the communiqué said that Greece had had "ten years' experience of U.S. aid and co-operation, which, without any limitation of her national independence or foreign policy, has protected her freedom and healed her wounds from war and Communist aggression." She therefore believed that under the same conditions "similar results could be achieved" in the case of the Arab countries.

It was commented in the American Press that although Greece was not a Middle Eastern country it had obviously been considered advisable to enrol her support for the "Eisenhower doctrine" because of her close relations with many Arab countries.

Israel. On May 2 Mr. Richards flew to Jerusalem for discussions with Mr. Ben-Gurion (the Israeli Prime Minister), Mrs. Meir (Foreign Minister), and M. Eshkol (Finance Minister). No communiqué was issued, but Mr. Richards said in a press statement that he had been "much encouraged" by the talks.

After a series of Cabinet meetings, the Israeli Government announced on May 21 that Israel welcomed "the support of the U.S.A. for the preservation of the independence of the countries of the Middle East and the development of their economic strength." The statement said that the Israeli Government had reaffirmed its adherence to the following five principles in its discussions with Mr. Richards: (1) In the conduct of international relations Israel was guided by the principles and purposes of the U.N. Charter; (2) in conformity with its obligations under the Charter, Israel was opposed to aggression from any quarter against the territorial integrity and political independence of any country; (3) Israel recognized that every effort must be made to achieve lasting peace, both in the Middle East and throughout the world; (4) she recognized that for the promotion of stability, well-being, and peace in the Middle East it was vital to promote economic development dedicated to the strengthening of national independence; (5) she expressed her appreciation of the interest shown in the development of Israel, and the assistance rendered over many years, by the Government and people of the United States.

[Israel's support of the "Eisenhower Doctrine" was subsequently announced by Mr. Ben-Gurion on June 3 and accepted by the *Knesset* by 59 votes to five, with 39 abstentions -see 15584 B.]

Tunisia. From Jerusalem Mr. Richards flew to Tunisia for talks with the Prime Minister, M. Bourguiba, on May 4. No communiqué was issued, but M. Bourguiba had already publicly expressed his support for the "Eisenhower Doctrine" in a speech on Jan. 11, in which he said that "this policy conforms with our interest and probably with the interests of the entire Arab world."

Morocco. Mr. Richards had talks in Rabat with the Sultan of Morocco and M. Balafrej (the Foreign Minister) from May 6-8. The Sultan indicated afterwards that he was in favour of the "Eisenhower doctrine"; said that he and Mr. Richards were in agreement on its principles; and expressed satisfaction that the U.S.A. was not trying to "substitute one domination for another" [a reference to French fears that the U.S. Government might be trying to take over French economic and political interests in Morocco]. Mr. Richards said in a press statement that though Tunisia and Morocco were not Middle Eastern countries, they could perhaps be included in the Eisenhower plan.

It was announced in Washington on May 2 that President Eisenhower had requested Mr. Richards to return home as soon as possible in order to take part in a bipartisan meeting on the President's foreign aid programme on May 9. The State Department's announcement added: "Since firm arrangements have not yet been made for the Richards mission to visit other countries in the Middle East area, it is envisaged that discussion of the 'doctrine' will be carried out through normal diplomatic channels with such of those countries as may indicate an interest in doing so."

Mr. Richards accordingly returned to Washington on May 8, and on the following day reported to President Eisenhower on the work of his mission. Later on May 9 Mr. Richards gave a nation-wide radio and television broadcast in which he made the following points:

(*a*) Most Middle Eastern countries recognized the danger of international Communism, "although some are more conscious of the menace than others." Nevertheless, none of the countries visited had rejected the "Eisenhower Doctrine." [In a press statement in Tunis Mr. Richards had said that his mission had met with wholehearted approval of the "Eisenhower Doctrine" in 11 of the 14 countries it had visited so far; in the three other countries, although the "doctrine" had been regarded sympathetically, the national leaders had "expressed hesitancy about endorsing it publicly."].

(*b*) The mission had not found any need for an immediate increase in the level of military aid already being administered to several countries in the area as part of the Mutual Security Programme. As regards other military aid, the mission had not attempted to "consider the entire military aspirations of each country" but had "concentrated instead on those things which would give an immediate increase in area ability to resist either overt or covert aggression by international Communism."

(*c*) As regards economic aid, the mission had been particularly interested in projects involving regional co operation and had agreed to help the Baghdad Pact countries in the fields of telecommunications and road construction.

(*d*) The mission had been concerned about the influence of foreign propaganda broadcasts in some countries, and had therefore allocated funds for the expansion of broadcasting facilities in the countries concerned.

In a press statement on May 10, Mr. Richards said that of the $200,000,000 available [under the "Eisenhower plan see 15305 A], a total of $120,000,000 had been allocated to different countries, a little more than half of this sum being in economic rather than military aid. As regards Egypt, he said that the mission had not visited that country because no firm invitation was received, but only vague "intimations" that President Nasser would be pleased to see them.

In a report on his mission to a closed session of the Senate Foreign Relations Committee on May 27, Mr. Richards claimed that the Eisenhower Doctrine "has already achieved a notable success," adding that "this assurance has brought vast relief to countries of the area, especially to those on the borders of the Soviet bloc and especially to the responsible military men." (New York Times - New York Herald Tribune - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris)
(Prev. rep. Eisenhower Doctrine, 15584 B; 15417 A; 15305 A; Baghdad Pact, 15617 A; Nixon Tour, 15553 A.)

A. UNITED KINGDOM. — Hire Purchase. - Deposit increased for Motor Vehicles.

Mr. Erroll, Parliamentary Secretary to the Board of Trade, announced on May 28 (*a*) that the minimum initial hire purchase deposit on cars, motor cycles, and light vans would be increased from 20 per cent to 33⅓ per cent as from May 29, applying to all new agreements made from that date; (*b*) that the minimum initial deposits on other mechanically-propelled vehicles (i.e., buses, coaches, and lorries of more than 30 cwt. carrying capacity), as well as on machinery and plant, would be reduced from 50 per cent to 33⅓ per cent.

A list of the goods affected by the Order, published by the Board of Trade on the same date, showed that the new minimum deposit rates would also apply to sidecars for motor-cycles and auxiliary motors for bicycles and tricycles, as well as to all capital goods brought within the hire purchase restrictions in February 1956 i.e. shop and office furniture (including typewriters), aircraft, ships and boats, fixed and movable plant, machinery, appliances and apparatus.

The minimum deposit rate for motor cars had been reduced from 50 per cent to 20 per cent on Dec. 20, 1956, because of the difficulties of the automobile industry after the blocking of the Suez Canal and the introduction of petrol rationing. The above-mentioned increase followed the ending of petrol rationing and the recovery in the motor-car trade, the number of new hire-purchase agreements entered into during April considerably exceeding those in March 1957 and April 1956.
(Times - Daily Telegraph) **(Prev. rep. Motor Cars, 15515 A; Capital Goods, 14705 A.)**

B. PAKISTAN. — Agricultural Bank.

The Pakistani National Assembly passed on April 25 a Bill providing for the establishment of an Agricultural Bank to afford credit facilities to farmers with a view to improving and increasing agricultural production. Credit may be provided either in cash or kind, and the bank will also arrange warehousing and storage facilities for farmers and co-operative societies. Not less than 51 per cent of its share capital will be held by the Central Government, while the remaining shares will be offered for subscription to the Provincial Governments and to co-operative societies. (Dawn, Karachi)

C. SINGAPORE.—Legislative Assembly By-elections.

The two by-elections to the Singapore Legislative Assembly caused by the resignations of Mr. Lee Kuan Yew and Mr. David Marshall (see page 15558) were held on June 29. Mr. Lee Kuan Yew regained his seat in the Tanjong Pagar constituency, but at Cairnhill the Labour Front lost the seat to a Liberal Socialist, Soh Ghee Soon. This brought the strength of the right-wing Liberal Socialists in the Assembly to seven—the same as that of the Labour Front. (Times)
(Prev. rep. 15557 A.)

A. **UNITED KINGDOM.—Gold and Dollar Reserves. - Further Increase in June - Exchange Control Restrictions on Purchase of Foreign Securities by U.K. Residents. - Closing of the "Kuwait Gap."**

The Treasury announced on July 2 that the sterling area's gold and dollar reserves had risen during June by $36,000,000, after taking into account (*a*) the receipt of $7,000,000 in U.S. defence aid; (*b*) the payment of $16,000,000 to the E.P.U. in respect of the U.K.'s deficit in May; (*c*) the payment of $3,000,000 to creditor countries in the E.P.U. under bilateral settlements; (*d*) the payment of $8,000,000 to Canada as a quarterly instalment on the Canadian interest-free loan; and (*e*) the payment of $5,000,000 as half-yearly interest on loans from the U.S.A. under the European Recovery Programme. As a result, the gold and dollar reserves stood at $2,381,000,000 on June 30—the highest figure reached since July 31, 1956.

It was also stated that India had withdrawn $72,500,000 from the International Monetary Fund during the month. Although the amount of dollars transferred by India to the sterling area's gold and dollar reserves against payment in sterling was not announced, it was stated in the British press that the rise of £20,000,000 in India's sterling reserves between June 7 and 14 indicated that most of the dollars had been deposited in London against sterling, so that the Indian drawing of dollars seemed to have been mainly responsible for the increase in the sterling area's gold and dollar reserves during the month of June

Provisional figures for the E.P.U. June settlement showed that Britain had a deficit of £10,000,000, three-quarters of which would be settled in gold or dollars and the remaining quarter by an increase in the United Kingdom's debt to the European Payments Union.

The Chancellor of the Exchequer (Mr. Thorneycroft), announced in a written reply on July 5 that, in order to stop a "leak" in the gold and dollar reserves, restrictions had been reimposed on the purchase of dollar and other foreign securities by U.K. investors.

Mr. Thorneycroft said that U.K. residents would remain free to buy foreign currency securities already in the possession of other U.K. residents. Hitherto, they had also been able to acquire such securities legally from residents in other parts of the sterling area, and this had led to transactions in these securities by residents of those parts of the sterling area where free markets existed. "While any additions to private holdings of foreign currency securities in the U.K. increase our current overseas income," he added, "the capital cost falls on the reserves, and I am not willing to let this continue. I have therefore decided to control the acquisition of foreign currency securities by U.K. residents, directions to this effect having come into force at midnight on July 4."

It was pointed out in the Press that the leaks in the reserves had occurred because of arbitrage operations with other parts of the sterling area, e.g. Kuwait and Hongkong, where exchange controls were less rigorously enforced than in Britain.

In this way it had been possible for international arbitrage specialists operating through Kuwait, etc., to sell "resident sterling" against dollars at a discount in the local free markets; to use the dollars to buy dollar securities in the U.S.A. and Canada; and then to sell those securities in London against sterling at a premium. Through such operations the pool of dollar securities available for U.K. residents had been continually increasing, especially in the first half of 1957, when a strong demand for Canadian securities developed. These transactions, especially through the "Kuwait gap," had apparently grown to such proportions that part of the U.K.'s gold and dollar holdings was, in effect, being turned into long-term Canadian and other dollar securities.

A further unfavourable result of these transactions had been that "resident sterling" thus obtained by dollar area residents at cheap rates had been used by them for making certain types of "invisible" payments to the sterling area, e.g. to settle shipping freight charges. In consequence, the demand for sterling against dollars in the official market had been materially reduced.

It was emphasized by the Treasury that the new restrictions should not be interpreted as a retrograde step in the progress of removing exchange controls; that their principal aim was to close a gap in the existing regulations; and that the Government's general policy on oversea investment had not been changed. It was still hoped that investment in Canada, for example, would continue, although it would not for the present be allowed to take the form of security investment.

As a result of the Chancellor's decision, the official premium at which dollar securities stand in London over U.S. and Canadian prices rose on July 5 from about 6¼ per cent to 10½ per cent, and on July 8 to 14 per cent, whilst the rate for "security sterling" (i.e. sterling holdings arising from the sale of sterling assets by non-residents) immediately rose from around $2.60 to $2.71 to the £.—(Treasury Press Office - Times - Financial Times) **(Prev. rep. 15574 C.)**

B. **CIVIL AVIATION. — Agreement between Central African Airways and British Overseas Airways.**

The Federal Minister of Transport and Works (Mr. W. H. Eastwood) announced on May 17 that the Government of Rhodesia and Nyasaland had authorized Central African Airways to enter into a 10-year agreement with the British Overseas Airways Corporation under which B.O.A.C. would provide long-range aircraft on charter for the operation of C.A.A.'s external services between the Federation and the United Kingdom. At the same time the Federal Government had rejected an offer by the British and Commonwealth Shipping Company, in conjunction with Hunting-Clan Air Holdings Ltd., for an option until mid-1960 to acquire a 55 per cent holding in C.A.A.

Mr. Eastwood said that the British and Commonwealth Shipping Company and Hunting-Clan Air Holdings Ltd., in making their offer, had also proposed to meet a substantial portion of any losses incurred by C.A.A. during the option period, and to provide the Federal Government with a loan for purposes of general development. The Federal Government, however, had found that the two firms were unable to depart from the principle of an option, and it had accordingly feared that if the option were not taken up at the end of the period C.A.A.'s financial position might be no better, and possibly worse, than at present. The Government had therefore chosen "the certainty and security" of the charter agreement with B.O.A.C., believing it to have the following advantages: (i) it was "financially attractive, definite and limited"; (ii) the Government would retain the ownership and control of assets in the form of C.A.A; (iii) C.A.A.'s external services would be effectively and profitably operated without the Government being faced with the difficult task of finding large amounts of capital for the purchase of aircraft; and (iv) C.A.A. would be free to concentrate on its chief function—viz., the provision of local and regional services.

The chairman of C.A.A., Mr. Robinson, gave further information about the agreement on the same day:

(*a*) It would come into operation on July 1, when B.O.A.C. *Argonauts* would take over the existing C.A.A. *Viscount* service to London.

(*b*) The *Argonauts* would be replaced by *Britannias* when the latter became available (probably about the middle of 1958) and the *Comet IV* would be introduced on the Salisbury route in 1959.

(*c*) B.O.A.C. had guaranteed to C.A.A. a minimum net profit of £1,750,000 over the ten-year period.

(*d*) The agreement could be suspended if at any time B.O.A.C. found itself unable to provide services in accordance with its obligations.

(*e*) On the expiry of the agreement, C.A.A. would have the right to resume international operations with its own aircraft. Alternatively, the agreement could be extended.

Mr. Robinson subsequently announced that, in contrast to its subsidy of £300,000 for the current financial year, C.A.A. would seek a subsidy of only £150,000 for the following year. He added that the agreement with B.O.A.C. was the main reason for the anticipated improvement in the company's financial position.—(Federal Information Dept., Salisbury - Times) **(Prev. rep. B.O.A.C., 15234 A; C.A.A. 14755 A.)**

C. **UNITED STATES. — Affirmation of Freedom of Navigation in Gulf of Akaba.**

The State Department circulated a statement on June 23 to U.S. shipping companies and masters of U.S.-registered ships affirming the "right of free and innocent passage" for shipping of all nations in the Gulf of Akaba. The statement said that "the U.S. position is that the Gulf of Akaba comprehends international waters" and that "no nation has the right to prevent free and innocent passage in the Gulf and through the straits giving access thereto."

The statement was issued in response to individual inquiries by U.S. shipping companies and shipmasters In an apparent reference to the Arab League's economic blockade of Israel, the State Department gave instructions that "any denial of free and innocent passage through these waters to vessels of U.S. registry" should be reported to the U.S. diplomatic officers at Port Said, Alexandria, Asmara, Jedda, or Aden, or direct to Washington.

The U.S. statement gave great satisfaction in Israel, where a Foreign Ministry spokesman said that the United States had "placed its authority behind the factual situation in the Gulf of Akaba, which is now being used by ships of many nations." (New York Times) **(Prev. rep. 15528 A.)**

D. **INDIA. — Council of Elementary Education.**

An All-India Council of Elementary Education came into being on July 1 with the object of fulfilling Article 45 of the Indian Constitution, which lays down that the State shall provide free and compulsory education for all children up to the age of 14 before 1960. The Council will advise the Government of India, State Governments, and local bodies on all matters relating to elementary education, and will prepare detailed programmes for the expansion and improvement of elementary education in each State of the Indian Union.

(Indian High Commissioner's Office, London)

A. JAPAN. — Mr. Kishi's Visits to Asian Countries and the United States. - Meetings with Asian Premiers and President Eisenhower. - Reduction in U.S. Forces in Japan. - Return of Five Air Bases by 1960.

The Japanese Prime Minister, Mr. Nobosuke Kishi, left Tokio on May 20 for a fortnight's visit to six Asian countries—India, Pakistan, Ceylon, Burma, Siam, and Formosa (Nationalist China) during which he had discussions with the respective Prime Ministers: Mr. Nehru, Mr. Suhrawardy, Mr. Bandaranaike, U Nu, Field-Marshal Pibul Songgram, and Generalissimo Chiang Kai-shek. The tour was the first of its kind to be undertaken by a Japanese Premier since the end of the war.

During his visits to Delhi and Colombo joint declarations were issued with Mr. Nehru and Mr. Bandaranaike appealing for the cessation of nuclear weapon tests and the banning of all atomic and hydrogen weapons. The statements issued at the end of Mr. Kishi's visits to India, Pakistan and Ceylon are summarized below:

Visit to India.

Mr. Kishi had discussions in Delhi from May 23-25 with Mr. Nehru and other Indian Ministers, including Mr. Krishnamachari (Finance Minister) and Mr. Morarji Desai (Minister for Commerce and Industry), and also called upon President Prasad and Vice-President Radhakrishnan. The communiqué issued by Mr. Nehru and Mr. Kishi at the end of the latter's visit stated:

(1) The discussions had covered "a wide range of international issues and questions of special interest to India and Japan," and the two Prime Ministers were "satisfied that their talks have resulted in a better appreciation of each other's views and have strengthened the close and friendly relations which exist between the two countries." The discussions had also shown that "the two countries share a common faith in the democratic way of life"

(2) Mr. Nehru had expressed India's gratification at Japan's admission to the United Nations, and her conviction that Japan's membership "has added to the effectiveness of the U.N. and its constituent organs."

(3) The two Prime Ministers were "convinced that, given goodwill and sincerity, there are no international disputes which cannot be solved in a peaceful manner in accordance with the U.N. Charter and the ten principles of the Bandung Resolution." They had reaffirmed "the dedication of their countries to the cause of peace, both in the interests of the two countries and in those of the world."

(4) The Prime Ministers had given "anxious and particular consideration to one of the gravest and most urgent problems which faces the world today—the threat to the whole future of mankind posed by the application of nuclear and thermo-nuclear power to the production of weapons of mass destruction." After saying that "humanity would in all probability face the risk of total extinction" if such weapons were used in war, and referring to the "harmful and unpredictable effects on mankind of the radiation caused by the continuing explosions of nuclear and thermo-nuclear weapons for test purposes," Mr. Nehru and Mr. Kishi made "an earnest and urgent appeal for the immediate suspension of these test explosions." They expressed the hope that the Powers concerned "will reach an agreement on the eventual abandonment of these tests and the prohibition of all nuclear and thermo-nuclear weapons."

(5) Mr. Kishi had expressed satisfaction at the successful fulfilment of India's First Five-Year Plan; had evinced "keen interest" in the Second Five-Year Plan; and had promised Japan's "full co-operation in the implementation of this Plan." The two Prime Ministers had had a general discussion on economic collaboration and the development of Indo-Japanese trade.

During Mr. Kishi's visit to Delhi, the Indian and Japanese Governments exchanged ratification instruments of a cultural agreement concluded between the two countries in October last. The agreement, which came into force on May 24, provides for exchanges of professors, students, and members of scientific and cultural institutions, and remains in force for ten years.

Visit to Pakistan.

The communiqué issued by Mr. Suhrawardy and Mr. Kishi after the latter's visit to Karachi (May 25-28) stated:

(1) The two Prime Ministers had reaffirmed their countries' adherence to the principles of the U.N. Charter; had expressed their determination to work for a relaxation of international tension; and were agreed "to accord the maximum possible co-operation to the U.N. in finding a peaceful solution of all unresolved international problems with a view to ensuring lasting peace." They attached "particular importance to the maintenance of security in Asia, being convinced that peace and security in Asia are indispensable to world peace."

(2) Mr. Suhrawardy and Mr. Kishi had also stressed the need for international disarmament, and appealed to all concerned "to bring about speedily the regulation, limitation, control and reduction of all armed forces and armaments, including prohibition of the production, experimentation and use of all weapons of mass destruction, and to establish a system of effective international inspection and control to this end."

(3) Discussions had been held on ways and means of fostering trade between Japan and Pakistan and on economic co-operation between the two countries, "including the question of joint participation in industrial, economic and cultural ventures." In the latter connexion the Prime Ministers had expressed great satisfaction at the conclusion of a cultural agreement between the two countries [see below], "thereby initiating a new chapter in the history of friendly relations between Japan and Pakistan."

The above-mentioned agreement, signed in Karachi on May 27 by Mr. Kishi and Mr. Suhrawardy, was on similar lines to the Indo-Japanese cultural agreement. Like the latter, it provided for exchanges of professors, students, cultural workers, and cultural material (books, periodicals, films, exhibitions, and other media) between the two countries.

Visit to Ceylon.

The communiqué issued by Mr. Bandaranaike and Mr. Kishi after the Japanese Premier's visit to Ceylon (May 28-31) is summarized below:

(1) Both Prime Ministers expressed their full support for the principles of the U.N. Charter and the Bandung Conference, and affirmed their faith "in negotiation based on goodwill as the only effective means of settling disputes between nations." They recognized the importance of the U.N. "as an instrument for securing the ends of world peace."

(2) Discussions had been held on the further strengthening of economic co-operation between Japan and Ceylon. The two Prime Ministers "attach much importance to this subject and believe that still closer collaboration in the fields of economic development and of trade and commerce will greatly conduce to the mutual benefit of their two countries."

(3) After declaring that "effective disarmament is indispensable for world peace," the two Prime Ministers said that "they are strongly of the view that, in the interests of the future of all humanity, the nuclear and thermo-nuclear test explosions being undertaken by certain nations should be abandoned without delay."

(4) "Japan and Ceylon share a common religion, Buddhism, and are linked together by the ties and traditions of a common Buddhist culture. These bonds enable their countries to make a special contribution to the peace and welfare of humanity . . . and the two Prime Ministers affirm their countries' resolve to collaborate in this spirit for the common good."

Mr. Kishi returned to Tokio on June 4 after visits to Rangoon, Bangkok and Taipeh (Formosa). Before leaving Taipeh he said that he had had "intimate talks" with President Chiang Kai-shek and other Chinese Nationalist leaders, and had "found many points of agreement regarding the international situation and Sino-Japanese co-operation."

In all his discussions with the leaders of the countries visited Mr. Kishi laid emphasis on his proposal for an Asian Development Fund, the objects of which he had outlined at a press conference in Colombo. He explained that this Fund would be created by contributions from member-nations of the Colombo Plan; that it would be used to provide capital in the form of long-term interest-loans; and that it would be devoted solely to promoting the economic development of Asian countries. During his visits to Karachi and Colombo he declared that Japan was prepared to assist in the implementation of Pakistan's Five-Year Development Plan and in the economic development of Ceylon, and was ready to make technical assistance available for these purposes. As stated in the Nehru-Kishi communiqué, he also promised Japan's "full co-operation" in India's Second Five-Year Plan.

Visit to United States.

Following his return from his Asian tour, Mr. Kishi paid a visit to the United States from June 19-30, during which he had discussions with President Eisenhower, Mr. Dulles, the Secretaries of the Treasury and Commerce, the Chairman of the Joint Chiefs of Staff, and the president of the Export-Import Bank. A communiqué was issued from the White House on June 21 dealing with the subjects discussed, as summarized below:

After saying that the talks between the President and Mr. Kishi (June 19-21) had been "focused mainly on U.S.-Japanese relations" but had also dealt with "international subjects of mutual concern, especially the situation in Asia," the communiqué went on to mention the subjects discussed, divided into two sections: (*a*) the general principles of U.S.-Japanese co-operation; (*b*) questions affecting U.S.-Japanese relations.

I. Principles of U.S.-Japanese Co-operation.

(1) The President and Mr. Kishi had agreed that "although the dangers of a general war had somewhat receded, international Communism remained a major threat." Accordingly, they had agreed that the free nations should continue to preserve their strength and unity and had "mutually recognized that the deterrent power of the free world had, in recent years, been effective in preventing overt aggression in the Far East and the world."

(2) President Eisenhower and Mr. Kishi had expressed their conviction that "relations between Japan and the United States are entering a new era firmly based on common interests and trust." They had therefore decided that "it would be appropriate to affirm the following principles of co-operation between the two countries":

"(i) Relations between the U.S.A. and Japan rest on a solid foundation of sovereign equality, mutual interest, and co-operation beneficial to both nations. In the years ahead, this relationship will provide a vital element in strengthening the free world.

"(ii) Both nations are dedicated to peace based on liberty and justice in accordance with the principles of the United Nations . . To this end they will support the U.N. and contribute their best efforts to preserve and enhance the unity of the free world. They will oppose the use of force by any nation except in individual or collective self-defence as provided in the U.N. Charter.

"(iii) In the interests of continued peace, the free world must maintain its defensive capability until armaments are brought under effective control. Meanwhile, the free nations need to intensify their efforts to foster the conditions necessary for economic and social progress and for strengthening freedom in Asia and throughout the world. Free Asian nations which desire assistance should be aided in carrying forward measures for economic development and technical training.

"(iv) The U.S.A. and Japan reaffirm the desirability of a high level of world trade beneficial to free nations, and of orderly trade between the two countries without unnecessary and arbitrary restrictions.

"(v) The two countries fully agree that an effective international agreement for the reduction of armaments, both nuclear and conventional, is of crucial importance for the future of the world. They will continue in close consultation on this important problem."

The communiqué added: "Within the context of these principles the President and the Prime Minister reviewed the great changes which have taken place in Japan in recent years, including Japan's extensive economic recovery and admission to the U.N., both of which the President warmly welcomed."

II. U.S.-Japanese Relations.

(1) It had been agreed to set up an inter-governmental committee to study problems arising out of the U.S.-Japanese Mutual Security Treaty of 1951 [see 11724 A], "including consultation, whenever practicable, regarding the disposition and employment in Japan by the United States of its forces."

(2) President Eisenhower and Mr. Kishi had "affirmed their understanding" that the 1951 treaty was "designed to be transitional in character and not in that form to remain in perpetuity." The inter-governmental committee would "consider future adjustments in the relationships between the U.S.A. and Japan in these fields adequate to meet the needs and aspirations of the peoples of both countries."

(3) The U.S.A. welcomed Japan's plans for the build-up of her defence forces and would "substantially reduce the number of U.S. forces in Japan within the next year, including a prompt withdrawal of the U.S. ground combat forces." Further reductions would be carried out *pari passu* with the growth of the Japanese defence forces.

(4) President Eisenhower, "while recognizing that Japan must trade to live," had "stressed the continuing need for control of exports of strategic materials to those countries threatening the independence of free nations through the extension of international Communism." Mr. Kishi, "while agreeing with the need for such control in co-operation with other free-world Governments," had "pointed to the necessity for Japan to increase its trade."

(5) Mr. Kishi had "emphasized the strong desire of the Japanese people for the return of the Ryukyu and Bonin Islands to Japan." The President had "reaffirmed the U.S. position that Japan possesses residual sovereignty over these islands" but had pointed out that "so long as conditions of threat and tension exist in the Far East, the U.S.A. will find it necessary to continue the present status." Meanwhile the U.S.A. would "continue its policy of improving the welfare and well-being of the inhabitants of the islands and of promoting their economic and cultural advancement."

(6) In a lengthy discussion of U.S.-Japanese economic and trade relations, the President and Mr. Kishi had "mutually confirmed not only the desire for a high level of trade but also the need for close relations between the two countries in other economic fields." Mr. Kishi, while expressing his "deep concern" at certain import restrictions in the U.S.A., had explained that "in consideration of the predominant importance of the U.S. market for Japanese trade, Japan is taking measures for an orderly development of her exports to the United States." The President had confirmed that the U.S. Government would "maintain its traditional policy of a high level of trade without unnecessary and arbitrary restrictions" and had expressed his hope for "the removal of local restrictions on the sale of Japanese products."

(7) Mr. Kishi had described his Asian tour, had spoken of the "serious efforts toward economic development" which were being made in the countries visited, and had "expressed his conviction that further progress in the economic development of these countries would greatly contribute to stability and freedom in Asia." The President had expressed his full agreement with these views and had discussed with Mr. Kishi "ways in which free Asian countries might be further assisted in developing their economies."

(8) The President and Mr. Kishi had discussed "the early cessation of both the testing and manufacture of nuclear weapons as part of a first step in a safeguarded disarmament programme." President Eisenhower had told the Japanese Prime Minister that the latter's views would be taken into account "in formulating the U.S. position at the current U.N. disarmament session in London."

Mr. Kishi visited New York, Los Angeles and other American cities before returning to Tokio.

Reduction in U.S. Forces in Japan. - Return of Air Bases by 1960.

The U.S. Defence Secretary (Mr. Wilson) announced on June 27 that 25,000-30,000 American troops would be withdrawn from Japan by the end of the year in accordance with the agreement reached between President Eisenhower and Mr. Kishi during the Washington discussions.

On June 16 the Japanese Defence Board had announced that five U.S. air bases in Japan, together with 24 radar stations, would be returned to Japanese control by 1960 under an agreement between the U.S. and Japanese authorities. Two of the air bases—Tsuiki and Miho, in Central Japan—would be handed over to the Japanese Air Force within one month.—(New York Times - New York Herald Tribune - The Statesman, Calcutta - The Hindu, Madras - Indian and Pakistani High Commissioners' Offices, London - Ceylon Government Information Department, Colombo)

(Prev. rep. Mr. Kishi, 15540 A; 15456 C.)

A. RHODESIA AND NYASALAND FEDERATION. — Four-year Development Plan.

A four-year development plan covering the period 1957 to 1961, and envisaging total expenditure of £137,660,000, was presented to the Federal Parliament on June 27 by Sir Malcolm Barrow, the acting Prime Minister. Of the total planned investment, over £117,000,000 (85 per cent) was for economic services, the total being divided as follows:

Power—over £60,000,000, the largest item being £54,000,000 for the Kariba project.

Railways—£38,750,000 for Rhodesia Railways, including over £19,000,000 on locomotives and rolling-stock, nearly £9,000,000 on traffic and operating facilities and water supplies, and over £7,000,000 on staff housing.

Posts and Telecommunications—£7,369,000.

Roads and Bridges—£6,406,000, including the completion of the Bulawayo-Beit Bridge road and work on the Salisbury-Chirundu and Bulawayo-Victoria Falls roads.

Southern Rhodesian Electricity Supply Commission—£5,600,000, covering mainly the replacement and development of transmission lines.

Education—£5,680,000.

Health Services—£5,600,000.

The balance of the expenditure related to housing for civil servants in Northern Rhodesia and Nyasaland (£1,250,000); bush-clearing around the new Kariba Lake (£1,000,000); preparation of fishing grounds in Kariba Lake (£3,000,000); and civil aviation, including a new airport at Bulawayo (£1,018,000).

Estimated resources totalled £96,757,000, leaving £40,930,000 to be borrowed by the Federal Government over the next four years. In addition to nearly £15,000,000 to be transferred from revenue votes, income-tax proceeds from the copper price when it was over £240 a ton were expected to yield £7,100,000, and loan recoveries £4,505,000; £54,081,000 had already been secured by special loans for the Kariba project (see 15136 A), while Rhodesia Railways would provide £17,850,000 out of its own resources and from revenue votes.—(Federal Information Department, Salisbury - Financial Times)

(Prev. rep. 15423 D; 13734 A.)

B. FRANCE - UNITED KINGDOM. — Unveiling of the Dunkirk Memorial.

A memorial to 4,700 soldiers of the British Expeditionary Force who gave their lives in France and Belgium in the campaign of 1939-40, and who have no known grave, was unveiled at Dunkirk on June 29 by Queen Elizabeth the Queen Mother.

The unveiling ceremony was performed in the presence of General Ganeval (representing President Coty), the Duke of Gloucester (president of the Imperial War Graves Commission), General Sir Gerald Templer (Chief of Imperial General Staff), and British military leaders of the Second World War, among them Field-Marshal Viscount Montgomery, Field-Marshal Earl Alexander, and General Sir Brian Horrocks. Some 2,000 relatives of those commemorated—mothers, wives and children—were present in a pilgrimage organized by the British Legion and led by its president, Sir Ian Fraser, M.P., who was blinded in the First World War. In addition, the ceremony was attended by many survivors of the 1939-40 campaign, by captains and crews of the "little ships" which evacuated 350,000 British and French troops from the beaches of Dunkirk, and by representatives of the French Resistance movement. All the armed forces were represented, together with the Merchant Navy.

The memorial, designed by Mr. P. D. Hepworth for the Imperial War Graves Commission, is in the form of an avenue of engraved columns on which the names of those commemorated are inscribed. The avenue leads to a shrine where a huge window depicts the battle on the Dunkirk beaches.

(Times - Le Monde, Paris) **(Prev. rep. 15426 B.)**

A. RUMANIA. — Party and Government Changes. - Dismissal of M. Chisinevschi and M. Constantinescu.

The Rumanian News Agency (Agerpres) announced on July 4 that the Central Committee of the Rumanian Workers' (Communist) Party had dismissed M. Josip Chisinevschi from the post of secretary of the Central Committee, and that both he and M. Miron Constantinescu had been relieved of their membership of the Politburo. A subsequent announcement on July 9 accused both men of "fractionalism" and "anti-party activities," of advocating policies which would have led to the weakening of party unity, and of supporting the "rightist" and "deviationist" policies of Mme. Ana Pauker and Vassili Luca, who had been dismissed in 1952 (see 12330 C, 12272 A).

M. Chisinevschi (52), for many years one of the most influential members of the party, had been a Deputy Premier from 1950 to 1955, when he was appointed Second Secretary of the party in the governmental and party changes announced at that time (see 14479 B). M. Constantinescu (40), an economist, holds a professorial chair at the University of Bucharest and was formerly editor of the party newspaper *Scanteia*. At the time of his dismissal from the Politburo he held the portfolio of Education and Culture.

M. Chisinevschi and M. Constantinescu were regarded as belonging to the "Stalinist" wing of the Rumanian Workers' Party. Their dismissal was announced within 24 hours of the similar action taken in the U.S.S.R. against M. Molotov, M. Malenkov and M. Kaganovich (see 15639 A), the charges against them being similar to those brought against the Soviet "anti-party group."

It was further announced on July 14 (*a*) that M. Ion Gheorghe Maurer had succeeded M. Preoteasa as Foreign Minister; (*b*) that M. Anastase Stoica had become Minister of Education and Culture *vice* M. Constantinescu; and (*c*) that M. Preoteasa had been appointed a candidate (alternate) member of the Politburo and secretary of the Central Committee of the Rumanian Workers' Party. The new Foreign Minister had been appointed vice-president of the Grand National Assembly a short time earlier, but had otherwise played no part in political life for the past two years, though he had held various ministerial posts in the earlier Communist governments. He was regarded as a friend and political associate of M. Patrascanu, the former Minister of Justice, who was executed in 1955 on charges of treason. — (Times - Le Monde, Paris)

(Prev. rep. 14479 B.)

B. JORDAN - UNITED STATES. - U.S. Grants to Jordan for Economic Aid and Military Equipment.

It was announced in Washington and Amman on June 29-30 (*a*) that the U.S. Government would supply the Jordanian Army with military equipment to the value of $10,000,000, and (*b*) that the U.S.A. had made a further grant of $10,000,000 for economic aid to Jordan, additional to the similar sum made available on April 29 (see page 15564, first column). Pointing out that U.S. grants to Jordan since April totalled $30,000,000, the *New York Times* commented: "This establishes the United States as heir to Britain's burden in Jordan, at least financially."

A spokesman of the Jordanian Foreign Ministry said that the $30,000,000 of U.S. aid (over £10,700,000) had been offered and accepted "without strings," and would enable Jordan to cover the deficit of 7,500,000 dinars (about £7,500,000) in her Budget resulting from the failure of Egypt and Syria to pay their agreed contributions in replacement of the former British subsidy. He also pointed out that the military aid had been requested by the Jordanian Government to maintain the level of efficiency of Jordan's armed forces. - (New York Times)

(Prev. rep. U.S. Aid to Jordan, 15561 A.)

C. GREECE - UNITED KINGDOM. — New Ambassadors appointed in London and Athens.

It was announced in Athens on April 11 that M. Mostras who had returned to London as Ambassador after the British Government's decision to release Archbishop Makarios (see page 15475, second column), had resigned from the Greek diplomatic service, no reason being given for his resignation. He was succeeded by M. Giorgios Seferiadis, a well-known Greek poet and writer, who presented letters of credence to Queen Elizabeth II on June 26. M. Seferiadis had been Counsellor at the London Embassy some years earlier, and was later appointed Ambassador in Beirut.

Sir Charles Peake (retiring), who had been British Ambassador in Athens since 1951, was succeeded in that post on April 8 by Sir Roger Allen, Minister at H.M. Embassy in Bonn. (Times - Manchester Guardian) **(Prev. rep. 15469 A.)**

D. INDIA. — Removal of British Statues.

A statement on the Government of India's attitude toward British statues in the country was made by Mr. Nehru in the *Lok Sabha* on May 13, in reply to questions by Mr. P. V. G. Raju, the Socialist leader.

Mr. Nehru recalled that during the period of British rule statues had been put up in various parts of India; some of these might be considered of historic interest, others were artistic, and some might be considered "rather offensive to our national sentiments." He added: "Our general attitude has been first of all to remove such as might be considered offensive without making too much fuss, and in a manner which would not create international ill-will and raise up old questions which are dead and gone. We have removed a fair number of statues from various places, and propose to go on doing so. Those which have historical or artistic significance will be placed in museums." Mr. Nehru confessed that the Government did not know what to do with statues which had neither historic nor artistic importance, adding that "if anybody wants them, we shall make a present of them."

Prior to Mr. Nehru's statement the Socialist Party in Uttar Pradesh had begun an unauthorized campaign to remove British statues from that State in connexion with the centenary of the Indian Mutiny of 1857. On May 11 clashes occurred between the police and a number of demonstrators who were attempting to dismantle a statue of Queen Victoria in a park at Benares; 46 demonstrators were arrested and subsequently brought to trial on charges of wilful damage to property and unlawful assembly, several of them being sentenced to four months' imprisonment. The statue, which had been damaged, was repaired and reinstalled in its place.

Despite Mr. Nehru's statement to the *Lok Sabha*, the Government of Uttar Pradesh gave orders on July 14 that all British statues in the State should be removed by Aug. 15, the tenth anniversary of Indian independence.

The statue of General Sir Alexander Taylor, erected in 1916 at the Mori Gate in Old Delhi, was removed by the civic authorities during the night of June 5-6, quietly and without publicity. It was understood that the statue of General Sir John Nicholson, also in Delhi, would be removed shortly. General Nicholson recaptured Delhi during the Indian Mutiny, while General Taylor (then a captain in the Bengal Engineers) drew up the plan for the assault on the city. (The Statesman, Calcutta - Indian High Commissioner's Office, London)

E. SCIENTIFIC RESEARCH. — Element 102.

The U.K. Atomic Energy Authority announced on July 9 that a team of Swedish, British and U.S. scientists had discovered a new element Element 102 during researches carried out at the Nobel Institute in Stockholm. All previous discoveries of synthetic elements (i.e. elements produced in the cyclotron or "atom-smasher") had been made in the United States, Element 102 being the first to be discovered in Europe.

It was disclosed that the new element had been obtained by bombarding curium (Element 96) with carbon ions in the Nobel Institute's cyclotron. The isotope produced had a half-life of about ten minutes and emitted an alpha-particle of 8,000,000 electron-volts energy when broken down; its atomic weight was probably 253 but this was not yet certain. The new element was believed to have chemical analogies with the rare-earth element ytterbium (Element 70).

The statement added: "The sequence of known elements standing beyond uranium in the atomic table is now: neptunium (element 93), plutonium (94), americium (95), curium (96), berkelium (97), californium (98), einsteinium (99), fermium (100), mendelevium (101), and the new element." [All elements beyond No. 92 (uranium) have been produced artificially by the cyclotron.]

Although no final decision was taken, it was reported that the name "nobellium" was being considered for Element 102 because it had been discovered at the Nobel Institute. Elements 99 and 100, both of which were discovered in 1954 (see 13415 B, 13592 A), were subsequently named einsteinium and fermium respectively, after the late Professor Albert Einstein and the late Professor Enrico Fermi, the famous physicists. Element 101, discovered in 1955 (see 14224 D), was named mendelevium after the 19th-century Russian scientist, Mendelyev.—(Times - Svenska Dagbladet - New York Times)

(Prev. rep. 14224 D; 13592 A; 13415 B.)

F. IRAQ. — British Gift of Jet Fighters.

The British Foreign Secretary, Mr. Selwyn Lloyd, announced in the House of Commons on April 17 that H.M. Government had decided to supply five *Hunter* Mark VI jet fighter aircraft to the Iraqi Government as a gift. Mr. Lloyd explained that the gift was made in response to an Iraqi request for help in equipping her Air Force.—(Times) **(Prev. rep. 14137 A.)**

JULY 20—27, 1957

A. HUNGARY. — Political Developments since the Revolution. - M. Imre Nagy deported to Rumania.

A review of the internal situation in Hungary since November last, when the people's uprising was suppressed by the Soviet Army, is given below under cross-headings.

The Aftermath of the Revolt. - Dissolution of Workers' Councils. - Proclamation of Martial Law. - Arrests of Workers' Leaders.

Following the suppression of the Hungarian revolution by the Soviet armed forces, the general strike launched on Oct. 23, 1956 (see 15189 A) continued intermittently throughout November and part of December, resulting in serious losses in production and largely paralysing many mines, factories and industrial establishments. Despite incessant appeals to the workers by the Kadar regime, mingled with threats and promises, it was not until the middle of December that there was a full-scale return to work following the dissolution of the Workers' Councils (see below), the imposition of martial law, and the arrest of a number of workers' leaders.

An indication of the serious economic position of Hungary was given on Nov. 25, 1956, by the Minister of Industry, M. Antal Apro, who said that the loss of production since the uprising amounted to 6,000 million forints (about £200,000,000), that output of electricity was less than half of normal, and that production in the mines had fallen catastrophically, necessitating coal imports from the U.S.S.R., Poland and Czechoslovakia. M. Antal also referred to the breakdown of rail communications as a result of the uprising, gave a warning of inflation and mass unemployment unless there was an immediate full-scale return to work, and threatened workers who were still on strike with dismissal unless they resumed work forthwith.

The Central Workers' Council (the supreme body representing the Hungarian workers, comprising elected delegates of the Workers' Councils set up in all parts of the country during the revolution) presented the following demands to the Kadar regime on Nov. 21: (1) recognition of the National Council as the only negotiating body representing the workers of Hungary; (2) the reinstatement of M. Nagy in a coalition government; (3) the withdrawal of Soviet forces from Hungary; (4) free elections, free political parties, and a free Press and radio; (5) the provision of full and accurate information to the Press; (6) the release of all arrested "freedom fighters," political prisoners, and deportees; (7) open trials of persons against whom criminal charges had been made.

After calling on the Government to start negotiations with the Central Workers' Councils by Nov. 24, the declaration said that the general strike would be called off if official recognition were given to the National Council, but would continue if recognition was withheld. A 48-hour "total strike" was proclaimed on the same day (Nov. 21) after Soviet troops had tried to prevent delegates of the Central Workers' Council from attending a mass meeting in Budapest.

In response to these demands, M. Kadar told a workers' delegation on Nov. 25 that his Government "cannot give in and will not be soft," and that it would concern itself with the withdrawal of Soviet troops from Hungary only after "the total destruction of the counter-revolution" and when order was fully restored. Similarly, the question of reconstructing the Government on a coalition basis could only be discussed when these conditions had been fulfilled. As regards M. Nagy's position, M. Kadar asserted that the former Prime Minister had agreed to go to "another socialist country" [see below] "in the interests of his own safety" and that M. Nagy would have been "killed by counter-revolutionary elements as an act of provocation" had he been allowed to return to his home in Budapest. M. Kadar added that M. Nagy's removal to another country did not imply banishment, and that M. Nagy would "not be called to account for his past mistakes."

Further meetings between representatives of the Central Workers' Council and M. Kadar were equally unsuccessful, leading to a warning by the Central Workers' Council on Nov. 29 that the country would be "plunged into anarchy" if the Government continued to reject the workers' demands. Among these demands—all of which were rejected by M. Kadar—were an opportunity for the workers' leaders to meet M. Nagy, the establishment of workers' councils in all branches of production, and permission for the workers to publish their own newspaper.

During the first week of December the mounting anger against the Kadar regime was reflected in a number of clashes between workers and the Government's militia, and an intensification of strike activities. Strong forces of Soviet troops and infantry were called out on Dec. 4 against a mass demonstration of some 30,000 working-class women, many accompanied by children, who forced their way through the Russian columns to heap flowers on the Tomb of the Hungarian Unknown Soldier as a tribute to the dead of the revolution. Several of the women were roughly handled by the Soviet troops, who on one occasion opened fire over the heads of the crowd and wounded a woman demonstrator. On the following day Soviet tanks again appeared in strength when thousands of workers demonstrated against the Kadar regime outside the British and American Legations.

Some 200 workers' leaders were arrested by the Kadar regime during the nights of Dec. 6 and 7, leading to a further wave of anti-government demonstrations and renewed strikes in factories in Budapest, Vesprzem and other centres. The Central Workers' Council issued a declaration on Dec. 7 warning M. Kadar that the continued arrest of workers' leaders would result in "bloodshed and a new national tragedy," and denouncing the Government's "overnight hunts against workers throughout the country." As the Kadar regime had refused to allow the workers to publish their own newspaper, the declaration was circulated to factories, mines and workshops throughout Hungary in the form of an information sheet printed clandestinely.

The declaration complained that the Government, in spite of promises made by M. Kadar, had done nothing to meet the demands of the workers; that meetings of Workers' Councils had been prevented or interrupted "by armed force"; and that police agents had "dragged away leaders and members of the Workers' Councils during the night without investigation or fair hearing, often on the basis of groundless accusations." It emphasized that the arrests, if continued, would make the restoration of normal conditions impossible and would result in the workers losing all confidence in the Government. The proclamation declared *inter alia* that "Janos Kadar apparently does not have the power to oust certain people who are still close to him and who are hated by the workers."

In the morning of Dec. 9, 1956, the Central Workers' Council issued a call for a 48-hour general strike for Dec. 11-12 since the Government had ignored its protests at the arrest of workers' leaders and had thereby "ignored the entire Hungarian working population and its elected representatives." The strike resolution denounced "the campaign conducted against the people and the workers by the Soviet-supported Government of Janos Kadar" and said that M. Kadar was "incapable of leading the Hungarian people out of their tragic situation."

A few hours later the Kadar Government issued an emergency decree ordering the dissolution of all Workers' Councils throughout the country, imposing a state of martial law, and announcing that summary courts would be set up to try persons accused of "incitement to revolt," "jeopardizing production," illegal possession of arms, murder, or looting. The announcement described the Workers' Councils as "strongholds of the counter-revolutionaries," accused them of staging the women's demonstration of Dec. 4 (see above) in order to "cause a blood-bath among the women and then blame it on the Government," and alleged that the worker's leaders were preparing "new plots" against the regime. Armed militia and police occupied the headquarters of the Workers' Councils in Budapest and other cities, and Soviet tanks and infantry were again called out to prevent further demonstrations against the Kadar regime.

Despite the Kadar Government's decree, and there appearance of strong Soviet forces in the streets of Budapest, the call for a 48-hour strike was observed by the workers throughout the country, all factories and mines ceasing production and all forms of transport coming to a standstill. Although the complete cessation of communications during this period cut Hungary off from the outside world, reports from Vienna, and information given by escaping refugees, said that many clashes between the Kadar militia and the workers had occurred in different parts of the country, with casualties on both sides. There were also reports, though unsubstantiated, that a number of Soviet soldiers had been killed in a clash with workers at Szombathely.

After a period of relative quiet, further disorders broke out in Budapest on Jan. 10-11, 1957, when several thousand workers at the Csepel steelworks staged protest demonstrations at reports of large-scale dismissals because of the fuel shortage, and also against the reinstatement of former Rakosi supporters in leading managerial positions in the works. Truckloads of Kadar militiamen sent to the factory were stoned by the demonstrators, several of whom were killed and wounded when the militiamen opened fire. The demonstrations only ceased when Soviet tanks, armoured cars, and lorry-loads of infantry arrived at the factory and sealed it off. [The Csepel steelworkers played an outstanding part during the uprising of October-November last, holding out for several days in the face of powerful forces of Soviet tanks and infantry.]

Repressive Measures of Kadar Government. - Widespread Extension of Death Penalty. - Police Powers of Imprisonment without Trial. - Creation of People's Courts to try "Counter-Revolutionaries."

The suppression of the Workers' Councils and the imposition of martial law were followed by a series of decrees, issued at intervals between December 1956 and June 1957, whereby the Kadar regime in effect destroyed all fundamental rights and reimposed a stringent police dictatorship on the whole country. *Inter alia*, the death penalty was invoked against anyone committing "any kind of offence against the State"; special "people's courts" were set up for the summary trial and execution of "counter-revolutionaries"; and the police were given powers to arrest and detain without trial any individual suspected of "endangering public order." The various decrees are summarized below:

(1) Under a decree of Dec. 20, 1956, the police were given powers to detain for six months, without trial, anyone whose "activities or behaviour endangers public order, especially production." The emphasis on "endangering production" was interpreted abroad as being directed against the strike weapon used by the workers.

(2) The death penalty was introduced on Jan. 13, 1957, for "any kind of offence against the State," including such "offences" as entering a Government factory without permission and distributing leaflets. Other offences which became liable to the death penalty included "sabotage or interference in any way with public utilities and other essential enterprises" and "incitement of the workers." Previously the only offences for which the death penalty was prescribed were murder, manslaughter, and illegal possession of arms.

(3) On the same day (Jan. 13) it was announced that special tribunals would be set up in the provincial capitals for the summary trial of "counter-revolutionaries," with power to impose the death penalty, life imprisonment, or terms of imprisonment from 5 to 15 years. It was stated that all sentences would be subject to appeal to the Supreme Court.

(4) By a decree of March 21, 1957, any persons considered "dangerous to the State or public order, politically unreliable, or economically harmful" could be banished to remote parts of Hungary or placed under police surveillance from a minimum of six months to a maximum of two years. Persons in these categories would not be allowed to leave their homes during certain periods of the day, seek employment, or use the telephone, and would be required to carry identity cards at all times. Only people over 60 years of age and parents with at least two children under the age of 10 were exempted from the scope of the decree.

(5) A decree of June 15, 1957, ordered the setting-up of "people's courts," consisting of a professional judge and four laymen, to accelerate the trials of "counter-revolutionaries" and "political offenders." Defendants were no longer given a free choice of their defending counsel but were required to choose their lawyer from a list of names drawn up by the Ministry of Justice. [It was believed that the chief function of the "people's courts" was to "stiffen" the sentences passed by the special tribunals set up under the decree of Jan. 13, which in a number of cases had shown reluctance to impose the death penalty. In many instances persons who had been sentenced to imprisonment by the tribunals were subsequently sentenced to death by the "people's courts," to whom the cases had been passed for "revision."]

(6) The decree of Dec. 20, 1956 (see above) was amended on July 16, 1957, so that persons whose "activities or behaviour endangers public order" could be detained for an indefinite period, instead of up to two years as previously.

Apart from the dissolution of the Workers' Councils, the Kadar Government ordered on Dec. 4, 1956, the disbanding of the "Revolutionary Committees" set up during the uprising. A number of these committees had continued to function clandestinely in different parts of the country.

Abduction of M. Nagy after Departure from Yugoslav Embassy. - Kadar Government's Violation of Pledge of Safe-conduct. - Yugoslav Protests to Hungary and U.S.S.R. - Deportation of M. Nagy to Rumania.

M. Imre Nagy, who had sought refuge in the Yugoslav Embassy on Nov. 2 with a number of his political associates and their families, left the Embassy on Nov. 22 after M. Kadar had given written and verbal assurances to the Yugoslav Government that he would be allowed to return to his home without molestation. Despite this promise, M. Nagy was abducted by Soviet troops shortly after leaving the Embassy. M. Kadar subsequently announced that M. Nagy had sought permission to go to another "socialist country" and had been allowed to leave Hungary for Rumania. Later reports stated that M. Nagy and his associates were living in the Rumanian health resort of Sinaia.

On Nov. 21 the Yugoslav and Hungarian Governments had reached an agreement, in the form of an exchange of letters, whereby the Hungarian Government confirmed previous verbal guarantees that no action would be taken against M. Nagy or any of his associates "on account of their previous activities," and guaranteeing them a safe and unmolested return to their homes. On the basis of these assurances, M. Nagy, ten of his Ministers and other political associates, and members of their families, comprising 15 women and 17 children in all, left the Embassy on Nov. 22 in a motor-bus made available by the Hungarian authorities. As stated above, they were abducted *en route* by Soviet forces and, according to a broadcast by Budapest Radio, sent to Rumania.

The Hungarian Chargé d'Affaires in Belgrade was summoned to the Yugoslav Foreign Ministry on Nov. 23 and asked for an explanation why M. Nagy and his party had not been allowed to return to their homes, as had been promised by the Hungarian Government in the written agreement of Nov. 21. The Chargé d'Affaires was informed that Hungary's failure to ensure "full implementation" of that agreement would be considered by Yugoslavia as "a flagrant violation not only of the existing friendship between the two countries but also of the generally recognized standards of international law.

On the following day the Yugoslav Government sent a strongly-worded Note to Hungary declaring that it could "under no circumstances" credit the explanation that M. Nagy had gone to Rumania voluntarily, and protesting at the Hungarian Government's "flagrant violation" of its previous assurances that M. Nagy and his party would be allowed to return to their homes in freedom.

The Note said that the Yugoslav Government could not accept the explanation that M. Nagy and his companions had gone to Rumania of their own free will, since M. Nagy himself, while living in the Embassy, had rejected the suggestion that he and his party should go to Rumania and had, in fact, expressed the wish for asylum in Yugoslavia. After recalling that the Yugoslav Government had sent a Note to Hungary on Nov. 18 "concerning the asylum of the men and women concerned," and that the Yugoslav Under-Secretary for Foreign Affairs (M. Vidich) had visited Budapest and had several conversations with M. Kadar on this matter, the Note continued:

"The Yugoslav Government believed that a settlement could be obtained either by guaranteeing the safety of the people concerned and allowing them to return to their homes, or by allowing them to leave Hungary for Yugoslavia. . . M. Kadar, with the authority of his Government, fully accepted the first proposal, as clearly set out in his letter of Nov. 21 to the Yugoslav Government. He said in this letter: 'The Hungarian Government . . . does not wish to punish Imre Nagy and the members of his group for their past activities. We acknowledge that . . . the asylum offered to the group has been brought to an end and that they will leave the Yugoslav Embassy and return freely to their homes. The Hungarian Government **accepts the manner of settlement proposed in the Yugoslav Government's letter . . .**'"

"On the basis of this agreement (the Yugoslav Note continued) Nagy and his friends left the Yugoslav Embassy of their own free will at 4.30 p.m. on Nov. 22, to return to their homes in a bus placed at their disposal by Dr. Ferenc Muennich, the Hungarian Vice-Premier and Minister of Public Security. . . When the party boarded the bus, however, the Soviet military authorities intervened with the request that they should be allowed to take away the people concerned. They boarded the bus in defiance of the energetic protests of the Yugoslav Minister in Budapest. As a result, the Minister sent two Embassy officials with the Nagy party so that they could personally ensure that they were delivered to their own homes. The bus, however, was driven to the Soviet headquarters, where a Soviet lieutenant-colonel forced the two Yugoslavs to leave the bus. In reply to protests by the Yugoslav Military Attaché, he declared that he was carrying out the orders of his command. After that the bus, escorted by Soviet armoured cars, drove away to an unknown destination."

Continuing, the Note said that the Yugoslav Ambassador (M. Soldaditch) had "informed Dr. Muennich by telephone of all that had happened" and had "protested against the obvious violation of the agreement" about M. Nagy and his party. Although Dr. Muennich had "promised to look into the matter," no reply had been forthcoming to the Yugoslav representations. After protesting strongly against Hungary's "flagrant violation" of the agreement, and stressing the fact that this violation had occurred "directly after the agreement had been reached," the Yugoslav Government lodged "a most energetic protest" and called upon the Hungarian Government "to implement immediately" the written agreement of November 21.

The Yugoslav Note to the U.S.S.R. recapitulated the agreement reached between Hungary and Yugoslavia on the question of M. Nagy and his companions, and the manner in which it had been broken. It expressed the Yugoslav Government's "surprise" that the Soviet authorities had intervened to thwart the agreement, and its "expectation" that the Soviet Government would take steps to ensure that the agreement was carried out.

The Hungarian and Soviet replies were not published, but it was understood that the Hungarian Government had maintained that M. Nagy had left for Rumania voluntarily, and had insisted that the matter was solely within Hungarian domestic jurisdiction. The Soviet Government, similarly, was understood to have disclaimed any responsibility and to have

taken the view that the matter was entirely a Hungarian domestic affair. The Yugoslav Government sent another Note to Hungary on Dec. 6 reiterating its demand for the fulfilment of the agreement granting safe-conduct to M. Nagy and his party, and denying that the matter was exclusively within Hungary's internal jurisdiction.

In a broadcast on Nov. 26, 1956, M. Kadar had made a violent attack on M. Nagy, accusing him of having countenanced "a murderous counter-revolution" and of "being under the sway of such reactionaries as Cardinal Mindszenty." After accusing M. Nagy of having "deserted his post" by taking refuge in the Yugoslav Embassy, he added: "Imre Nagy, who legally left the territory of his country by stepping into the Yugoslav Embassy, later asked to leave the country entirely . . . After the Rumanian Government said that it was prepared to give him sanctuary, he and his party left for Rumania on Nov. 23. Despite his grave deeds, we plan no criminal proceedings against him, and we will keep that promise. We do not consider him permanently exiled. But we think it better that he remain outside the country for the time being, because some of the many counter-revolutionaries who are still in hiding might assassinate him and try to place the blame on the Government."

Executions of alleged "Counter-Revolutionaries." - Arrests of Writers, Journalists and Students. - Official Admission of Deportations during the Uprising.

Between December 1956 and July 1957 many Hungarians of both sexes were executed by hanging on charges of "counter-revolutionary" actions during the uprising, the sentences being passed summarily by the tribunals and "people's courts" set up under the decrees mentioned above. Many others were condemned to long terms of imprisonment, including life imprisonment, on similar charges. Although by mid-July the number of death sentences officially admitted by the Kadar regime was given as 105, reports from Hungary indicated that the figure was in fact very much higher.

In certain cases the defendants were tried in public, but in the great majority of cases the Hungarian press gave no details beyond the bare announcement of the names of the persons condemned and their subsequent execution. The victims included people from all walks of life, among them workers, soldiers, students, and journalists, on charges such as illegal possession of arms, organizing strikes, leading armed bands, attacking Russian troops, and sabotaging communications. Some of the leading trials mentioned by the Hungarian press and radio are summarized below:

The principal public trial, lasting from February to the beginning of April, was that of ten defendants on charges of murder, attempted murder, incitement, and concealing arms. Three of the defendants—Miss Ilona Toth (25) and Miklos Gyöngyössi (28), both medical students, and Ferenc Gönczi (26), a locksmith—were sentenced to death after pleading guilty to a charge of killing a wounded member of the A.V.H. in a Budapest hospital; all the other defendants received prison sentences ranging from six months to ten years. They included Gyula Obersovszky (30), a journalist, who was given three years' imprisonment and banned from the journalistic profession for another three years, and Joszef Gali (27), a playwright, who was sentenced to a year's imprisonment. Obersovszky was found guilty of publishing a pamphlet supporting the uprising, and Gali (an invalid whose parents and brothers were gassed by the Nazis at Auschwitz) of writing articles for Obersovszky's publication. Ilona Toth, in giving evidence, said that she had stabbed an A.V.H. man to death after having first attempted to kill him with a hypodermic injection, she also told the court that she had knocked out a Soviet tank with a hand-grenade during the street fighting in Budapest.

All the defendants appealed to the Hungarian Supreme Court, which not only confirmed the death sentences on Ilona Toth, Gyöngyössi and Gonczi, but also passed sentence of death on Obersovzky and Gali, both of whom had received sentences of imprisonment in the lower Court. Another defendant previously sentenced to imprisonment—Ferenc Kovacs, a policeman—was also sentenced to death, and all other defendants had their prison sentences increased. The savagery of the revised sentence on Obersovzky and Gali gave rise to strong protests by writers and artists in all parts of the world, many appeals being made to the Hungarian authorities to reprieve the two men. On June 25 the Hungarian Ministry of Justice announced that the death sentence on Obersovzky had been commuted to life imprisonment, and on Gali to 15 years' imprisonment. The execution of Ilona Toth, Gyóngyossy, Gónczi and Kovacs was announced by Budapest Radio two days later.

Among the numerous executions carried out during the period under review were those of two leaders of the uprising, Joszef Dudas and Colonel Janos Szabo, both of whom were hanged on Jan. 20. Dudas was chairman of the Central Revolutionary Council during the revolt, while Colonel Szabo, second-in-command to Dudas, led a revolutionary fighting battalion. Nothing was known of the fate of General Pal Maleter, who was kidnapped by the Russians while negotiating with them on behalf of the Nagy Government. A British Foreign Office spokesman said on Jan. 24 that General Maleter was believed to have been condemned to death at a secret trial, but the head of the Kadar regime's Press Bureau subsequently announced that proceedings against Maleter had "not yet begun."

Many workers' leaders were arrested during December and in subsequent months, notably M. Sandor Bali and M. Sandor Racz (both members of the Central Workers' Council), whose arrest was announced by Budapest Radio on Dec. 12, 1956, and who were charged with "plotting to overthrow the Government," "misleading the workers," instigating "illegal strikes," giving "false information" to Western journalists in Budapest, and maintaining contacts with Radio Free Europe. M. Bali was released on Dec. 21, but M. Racz remained in custody.

An International Commission of Jurists, consisting of eminent lawyers from 13 countries (Austria, Belgium, Denmark, Finland, France, the German Federal Republic, Great Britain, India, the Netherlands, Norway, Sweden, Switzerland, and the U.S.A.), issued a statement on the Hungarian trials on June 21 from information collected from Hungarian sources.

The Commission, which had been set up at The Hague in March, pointed out *inter alia* that, even from figures admitted by the Hungarian authorities, more than twice as many people had been tried during the preceding three months (April-June) than in the four months after the revolution; that not a single acquittal had been reported; and that the accused persons were denied the most elementary rights of justice. They found that there was no provision for impartial trials, no proper notice was given of the charges preferred, and the accused were unable to choose their counsel freely. Moreover, new laws introduced between April and June had "still further weakened the already insufficient safeguards of fair trials" and enabled the regime to re-try cases when the first verdict was unsatisfactory to it. It was pointed out in this connexion that the obvious reluctance of some judges and prosecutors to apply the death penalty had led to the creation of the so-called "people's courts" for this purpose. Attention was also drawn to the refusal of the Hungarian authorities to allow impartial legal observers from abroad to attend the trials.

Evidence given to the Commission showed that all Hungarian prisons were overcrowded, that 13,000 of those released from prison during the uprising had been rearrested, and that 20,000 others had been imprisoned in addition. Conservative estimates from reliable sources put the number of executions at between 2,000 and 5,000.

In December last the lawyers' associations of the British Conservative, Labour, and Liberal parties had formed a joint organization, under the name of "Justice," to try to ensure that the Hungarian trials were conducted fairly. Despite appeals to M. Kadar to suspend the courts-martial "in the name of humanity," and to allow the accused proper legal defence, the Hungarian regime refused to allow visas to leading British lawyers to attend the trials as observers.

The "Justice" organization was set up by the Inns of Court Conservative Association, the Society of Labour Lawyers, and the Association of Liberal Lawyers "to assist the defence of those charged with political crimes in Hungary" and to do all in its power to ensure that the trials were fairly conducted. It was proposed that three former Attorney-Generals—Sir Lionel Heald, Q.C., Sir Hartley Shawcross, Q.C., and Sir Frank Soskice, Q.C.—should attend the trials as impartial observers, together with Mr. Joseph Grimond, leader of the Liberal Party, and Mr. J. E. S. Simon, Q.C., chairman of the Inns of Court Conservative Association. As stated above, visas were refused by the Kadar regime, which ignored the appeal made by the "Justice" organization. Sir Hartley Shawcross was the British member of the International Commission of Jurists referred to above.

The outspoken opposition of many of Hungary's leading writers and journalists to the repressive measures of the Kadar regime led to the dissolution on Jan. 18, 1957, of the Hungarian Writers' Union and the subsequent arrest of many leading writers, authors and newspapermen. The arrested persons included a number of well-known Communist writers, among them the novelist Gyula Hay, holder of the Communist "Kossuth Prize." In a press statement on Jan. 25, Dr. Muennich (Minister of the Interior) denounced the authors' and journalists' associations as "hotbeds of reaction" and said that the arrested writers and journalists were being held "under the justified suspicion of having carried out counter-revolutionary activities."

A number of professors, students, and members of the artistic and liberal professions were arrested in subsequent months for alleged counter-revolutionary activities, "subversive" writings, illegal possession of arms, etc. According to reports from Hungary, many suicides had occurred among persons subjected to such charges. One of Hungary's leading poets, Istvan Eoersy (26), was sentenced by a Budapest court on May 23 to five years' imprisonment on charges of writing and distributing various publications attacking the regime and inciting the workers to strike. Eoersy, a prominent Communist intellectual, was accused *inter alia* of having written anti-Soviet verses during the uprising.

Protests against the Kadar Government's "purge" of writers and journalists were made not only in the Western countries but also by the Polish Writers' Union, which unanimously adopted a resolution condemning such actions as a violation of "the essential rights of man."

After a number of official denials by Budapest Radio that any deportations of Hungarian citizens had taken place after the Soviet intervention, the head of the Kadar Government's

Press Bureau (M. Szirmai) confirmed on Dec. 3, 1956, that "some" young persons had been deported to the U.S.S.R. by the Soviet military authorities. He added, however, that these had been "isolated cases" and claimed that all the deportees had been returned to Hungary in the meantime. Despite the Hungarian Government's prevarications on this matter, the report issued on June 20, 1957 by the U.N. Fact-Finding Committee on Hungary established that deportations had in fact taken place in considerable numbers after the second Soviet intervention (see page 15622, second column). The Workers' Councils, prior to their suppression, had strongly protested against the deportations and had made many unsuccessful representations to the Kadar regime for the repatriation of the deportees.

Kadar Government's Programme. - Cabinet Changes. - Postponement of Elections. - M. Kadar's Visit to Moscow. - Soviet Economic Aid for Hungary.

The first policy statement to be issued by the Kadar Government since the suppression of the uprising was published on Jan. 6, 1957, shortly after the Budapest meeting of Communist leaders from the U.S.S.R. (including M. Khrushchev), Bulgaria, Czechoslovakia, Rumania, and Hungary herself—see 15379 B. After saying that M. Nagy's Government had "opened the way for the counter-revolution which sought to overthrow the Hungarian people's democracy and create a country dependent on fascists, landlords and capitalists," the statement declared that a "dictatorship of the proletariat" had been established in Hungary and that "democratic rights and freedoms are guaranteed only to those workers, peasants, and intellectuals who are faithful to the people's regime." The statement was in the form of a 10-point policy declaration under the headings set out below:

(1) "Consolidation and Democratization."- The Government considered "the further democratization of the State system" as one of its most urgent tasks. Accordingly, public affairs would be conducted in future "with fewer full-time officials but with the participation of wide sections of the population," and the apparatus of the State would be reduced and simplified. The Hungarian Socialist Workers' Party was regarded as "the guiding force of the working class" and as leading "the patriotic People's Front which unites all the democratic forces." [This was the first intimation that the Hungarian Workers' Party the designation borne by the Communist party in Hungary prior to the uprising -had renamed itself the Hungarian Socialist Workers' Party.]

(2) Temporary Economic Measures.—Detailing "the vast damage to the economy caused by the counter-revolutionary events" and the "still greater damage" caused by the prolonged strike, the statement said that damage to public and private buildings amounted to 1,000 million forints; that goods worth 1,500 million forints had been destroyed; and that the loss in production had decreased the national income in 1956 by 9,000 million forints. An increase in coal production was of the "utmost urgency" to prevent the widespread closing-down of factories; "strict economy" would be necessary to avoid inflation; and there were "no prospects for further wage increases." While everything possible would be done to alleviate the situation, temporary unemployment might be caused by "the cuts in the State apparatus and the temporary fall in output, plus fuel and material shortages resulting from the counter-revolutionary plot." For some time to come the Government would be able to allocate only "very insignificant sums" for capital investment, and factories would be required to cover their expenditures from their own income. The statement emphasized that Hungary was willing to accept loans from abroad, "even from capitalist States," so long as they were "not bound up with political stipulations."

(3) Industrial Tasks.—To avoid inflation and unemployment and ensure the "quickest possible transition to normal life," the current Five-Year Plan would be dropped and replaced by "plans covering the next few months and the rest of 1957." At a later stage, a plan for a longer period—probably three years—would be drafted with the principal aim of raising living standards. The statement stressed the need for higher productivity, a lowering of production costs, and concentration on those commodities which Hungary could produce "cheaper, better and more advantageously than other countries."

(4) Agricultural Tasks.—The "socialist transformation of agriculture" would remain one of the Government's principal tasks and every assistance would be given to the collective farms, which would "play an important role in the future." Persons who damaged agricultural machinery or interfered with the collective farms would be punished "with all the severity of the dictatorship of the proletariat." Privately-owned farms would be permitted up to a "ceiling" of 10-12 hectares, and their products could be freely sold, except those which were State monopolies. There would be no forced collectivization of agriculture, and peasants would not be compelled to join farm collectives against their will.

(5) Trade.—Foreign trade would remain a monopoly of the State; "particular significance" would be attached to developing trade with other Socialist countries; and economic ties with all foreign countries would be based on "complete equality and mutual benefit." Private trade would be "enlarged within certain limits," and encouragement would be given to small artisans and other private enterprises which could help to increase the supply of consumer goods.

(6) Economic Management. Economic control would be simplified and enlarged by "mass participation", "exaggerated centralism" would be abolished, and "Leninist centralism" would be retained to ensure that there would be no "relapse into anarchy." Centralized management would be favoured only in the more important enterprises, but in smaller factories "greater independence must be ensured for local management bodies."

(7) Cultural Questions. - The Government would ensure "freedom and support for all scientists, writers and artists, irrespective of political affiliations, with the exception of enemies of freedom and Socialism." Pupils in elementary and secondary schools would be allowed to choose the foreign language they wished to study. [Hitherto Russian had been compulsory.]

(8) State and Church. -The Government "respects the freedom of conscience of all citizens and considers religious belief to be a private matter for each citizen." It would not, however, tolerate any of the Churches "placing itself at the disposal of reaction," and would expect loyalty from Church leaders. Religion as an optional subject in schools would be fully guaranteed, as well as freedom to attend classes on religion.

(9) Foreign Policy. Hungary's foreign policy would be based on "the firm alliance with the Soviet Union and all socialist countries" and "peaceful co-operation with all countries, irrespective of their social structure, on the basis of equality and non-interference in each other's domestic affairs."

As regards Hungarian-Soviet relations, the declaration said: "The Soviet Union was the State with whose aid our people succeeded in gaining their national independence at the end of the Second World War. Today the Soviet Union is again the State with whose help our people's regime repulsed the counter-revolutionary imperialist onslaught and defended its national independence. The Soviet Army in Hungary safeguards the people against possible military attack by the imperialists and thus protects the peaceful life of the Hungarian people . . . All present and future questions of Soviet-Hungarian relations, including the presence of Soviet troops in Hungary, will be settled by friendly negotiations."

(10) "Unity of Progressive Forces." -After pointing out that the declaration was not meant as an "all-embracing government programme," but only "defined certain tasks on the basis of the political platform outlined," the Government announced its intention of "conducting talks with various personalities or experts, whether members of parties or not, who are willing to fight against counter-revolution and for the maintenance of our social achievements." Such persons would be offered "leading positions, including participation in the Government itself."

The Hungarian Parliament, meeting on May 11 for the first time since the October uprising, unanimously voted to extend its life for a further two years (i.e. until May 1959), thereby putting off the general elections which were due to take place in May of the present year. The decision was taken after the deputies had heard a lengthy statement by M. Kadar "on the Government's activities during the past half-year."

M. Kadar's statement was largely a recapitulation, in greatly expanded form, of the policy declaration issued in January. After a violent attack on the "counter-revolutionaries" and the "Nagy-Losonczy group," he claimed that the Hungarian economy had made a rapid recovery during recent months, with the result that "our industrial production in the first quarter of 1957 was barely 20 per cent less than in the first quarter of 1956." The political basis of the State, he continued, would be built on "a powerful worker-peasant alliance" and of "all strata of our population which support our goal of building Socialism," including "the intelligentsia and progressive elements of the middle-class."

Discussing "the problems of multi-party government," M. Kadar said: "The functioning of several parties is not a necessary concomitant of proletarian dictatorship. As we know, a number of States on the road to socialism have but one party. On the other hand, in some countries which are building socialism -for example China and Poland—other parties have a share in governing the country side by side with the Communist Party. In Hungary, the various allied parties might well have effectively assisted in our construction even after 1948. In our view, we failed to take due advantage of that possibility. Ten years have passed since then, and history cannot be reversed. Besides, in studying the problem of coalition parties, we must not overlook the negative experience of October last . . . Under such circumstances, and in the given political situation, the time is not ripe for a multi-party governmental system . . ."

Defending the Government's decision to prolong the life of Parliament, M. Kadar said: "The National Assembly's mandate expires this year, and under normal conditions it should be dissolved and new elections proclaimed. The counter-revolutionary attack last October, however, profoundly disrupted public order and severely damaged the country's economy. The working population is now devoting itself to repairing the harm and healing the wounds. For this reason, the Government considers that, in the actual situation, it would not be right for us to spend our efforts on parliamentary elections."

As regards foreign relations, M. Kadar reaffirmed Hungary's close alliance with the U.S.S.R. and other countries of the "Socialist camp," including Yugoslavia, but said that "we are unable to accept the Yugoslav comrades' interpretation of the October counter-revolution." In this connexion he criticized "the one-sided attitude of the Yugoslav Press, which is full of articles telling us what is right and what is wrong in our actions and what we should or should not do." Relations with Austria had "changed for the worse as a consequence of the counter-revolutionary events" M. Kadar attacked the United States for having, he alleged, supported the "counter-revolutionaries" during the uprising, and also criticized Britain and France for "blindly following the anti-Hungarian policy of the United States."

The discussion of the "Hungarian question" at the United Nations was described by M. Kadar as "a violation of the U.N. Charter and open intervention in the internal affairs of our country." The U.N. Fact-Finding Committee was described as an "illegal" body which had been set up "to substantiate through the declarations of false witnesses all those lies and libels hatched by the imperialists with a view to harming Hungary."

In the course of his speech M. Kadar announced that the "Kossuth arms" would be dropped from the national flag and replaced by "a wreath of wheat ears tied with red-white-green" and surmounted by the Communist red star. Defending this decision, he said that the Kossuth arms "used to be the emblem of the Austro-Hungarian monarchy and . . . includes in its design the double cross which stands for serfdom and the three hills and four rivers symbolizing imperialist aspirations." [The replacement of the Communist emblem—now restored to the national flag—by the traditional Kossuth coat-of-arms was one of the principal demands of the revolutionaries at the time of the October rising, and had been accepted by M. Kadar after the rising was suppressed.]

The membership of the Hungarian Cabinet, which had been reorganized in February last (see below), was announced as follows by Radio Budapest on May 9: Prime Minister—Janos Kadar; First Deputy Premier—Dr. Ferenc Muennich; Deputy Premier—Antal Apro; Foreign Affairs—Imre Horvath; Interior—Bela Biszku; Defence—Major-General Geza Revesz; Agriculture—Imre Dogei; Finance—Istvan Antos; Heavy Industry—Sandor Czottner; Light Industry—Mme. Joszef Nagy; Justice—Ferenc Nezval; Education and Culture—Gyula Kallai; Health—Dr. Dolesal Frigyes; Foundries and Machine-building—Janos Csergo; Foreign Trade—Janos Incze; Internal Trade—Janos Tausz; Food—Imre Kovacs; Building—Razso Trautman; Posts and Transport—Istvan Kossa; Labour—Odan Kishazi; Planning—Arpad Kiss; Minister of State—Gyorgy Marosan.

A reorganization of the Cabinet had been announced on Feb. 28, the principal changes involved being as follows: (i) Dr. Muennich, hitherto Minister of the Interior and Minister of the Armed Forces, became First Deputy Premier; (ii) General Revesz, formerly an officer in the Soviet Army, became Minister of the Armed Forces; (iii) M. Bela Biszku, party secretary for Greater Budapest, took over the Ministry of the Interior. M. Sandor Ronai, formerly Minister of Trade, returned to his earlier post of president of the Hungarian Parliament, while new Ministers of Health and Education were appointed in the persons of Dr. Frigyes and M. Kallai (a journalist) respectively. General Revesz had been responsible for political indoctrination in the Hungarian Army since the October rising.

M. Kadar and other members of his Government paid a ten-day visit to Moscow from March 20-29 for discussions with Marshal Bulganin, M. Khrushchev, and other Soviet leaders. A joint communiqué announced that the U.S.S.R. had (1) granted Hungary a long-term credit of 750,000,000 roubles (about £67,000,000) which could be used during 1957 for the purchase of goods in the Soviet Union; (2) undertaken to supply Hungary with goods during 1957 to the value of 110,000,000 roubles; (3) deferred payment "for a long period" of Hungary's debts to the U.S.S.R., amounting to over 150,000,000 roubles; and (4) released Hungary from her obligation to pay the U.S.S.R. sums aggregating 1,000 million forints for the transfer to Hungary of former German property and for the Soviet share in the former mixed Soviet-Hungarian companies.

The statement also said that the presence of Soviet Army units on Hungarian territory was "a decisive factor in safeguarding Hungary from the aggressive designs of the imperialists." It added that talks would be held in the near future on the "temporary" stationing of Soviet forces in Hungary and on their "numerical strength, location and legal status." An agreement to this effect was signed in Budapest on May 27 (see 15644 C), on identical lines to the agreements previously concluded by the Soviet Government with Eastern Germany, Poland and Rumania.

Miscellaneous Developments.

Other developments during the period covered are summarized below under cross-headings:

16-Year Sentence on Mihaly Farkas. The Communist organ *Nep Szabadsag* (known before the uprising as *Szabad Nep*) announced on April 25 that Mihaly Farkas, the former Defence Minister and chief of the secret police (A.V.H.), had been sentenced to 16 years' imprisonment for "serious violations of the law during his period of office" No mention was made of his trial, the announcement being confined to a single sentence on the back page of *Nep Szabadsag*.

Mihaly Farkas had been expelled from the Hungarian Workers' Party in July 1956 (see 15057 A) a few days after M Rakosi's resignation as party secretary. During the "Stalinist" period he was the third most powerful member of the Communist hierarchy after Matyas Rakosi and Erno Gerö, and held the rank of general. The expulsion of Rakosi and Gero from the party was announced by Budapest Radio on Feb 3, 1957.

Allegations against Cardinal Mindszenty. Cardinal Mindszenty, who had been given asylum in the American Legation on Nov. 4, 1956, was accused by *Nep Szabadsag* on Feb. 6 of issuing instructions from the Legation which had resulted in the suspension of 18 "democratically-minded and progressive" priests by the Roman Catholic Church authorities. It was alleged that the Bishops of Vac and Szekesfehervar had acted as the Cardinal's "accomplices" and had taken "punitive measures" against the priests concerned at the Cardinal's instigation The Legation immediately denied these allegations, declaring that "while the Cardinal's health and personal comfort are being cared for to the fullest extent feasible within the confines of the Legation premises . . . everything practicable has been, and is being, done to ensure that he does not use the Legation in any way as a base for conducting political or related activities."

[Cardinal Mindszenty was still in the American Legation at the end of July, by which time he had been there for nearly nine months.]

U.S. Minister recalled from Budapest. - Expulsions of Attachés. The U.S. Minister in Budapest, Mr. Edward T. Wailes, returned to Washington on Feb. 27 after his recall had been demanded by the Hungarian Government on the ground that he had not yet presented his credentials, though he had been in Budapest since the beginning of November. The U.S. State Department explained that Mr. Wailes had arrived in Budapest on Nov. 2, 1956, with instructions to present his credentials promptly to the Hungarian Prime Minister, then M. Nagy. The statement continued: "Before Mr. Wailes was able to present his credentials, the Soviet Union, on Nov. 4, intervened in force in Hungary. In this situation Minister Wailes, acting under instructions from the [State] Department, refrained from presenting his credentials. There have been no subsequent developments in Hungary warranting the presentation of credentials . . . In this connexion it may be noted that the U N. General Assembly has taken no action to accept the credentials of the Hungarian delegation."

The U.S. assistant military attaché in Budapest, Captain Thomas R. Gleason, was expelled from Hungary on April 9 after being accused of "espionage." The allegation was denied by the U.S. State Department, which announced on May 30 the expulsion of the Hungarian military attaché in Washington, Lieut. Karoly Mezaros—apparently as a reprisal for the expulsion of Captain Gleason. On June 20 the Hungarian Government expelled the U.S air attaché in Budapest, Colonel Welwyn F. Dallam, alleging that he had photographed military objectives and helped "counter-revolutionaries" during the October uprising.

The "Oxford Students' Case." The Hungarian Government announced on Jan. 14 that four students of Oxford University had been arrested in Hungary and would be brought to trial on charges of possessing forged documents purporting to be made out by the Soviet Military Command in Budapest; acting (in the case of two of the students) as "members of the British Intelligence Organization"; seeking to gather information about the Soviet and Hungarian armies and on the Hungarian political and economic situation; and maintaining contacts between Hungarian students who had "defected to Britain" and other students still in Budapest.

The students concerned—Mr. Roger Cooper, of St. John's; Mr. Christopher Lord, of Magdalen; Mr. Basil Lord, lately of University College; and Miss Judith Cripps, of Somerville, grand-daughter of the late Sir Stafford Cripps—had been missing since Jan. 14 while driving by car across Hungary from Yugoslavia on their way back to Britain. It later became known that the car had broken down near Kecskemet and that they had been arrested and kept in custody. Mr. Cooper and Mr. Christopher Lord were in Hungary at the time of the uprising and had taken refuge in the British Embassy after delivering penicillin supplies. Both were accused by the Hungarian Government of being members of the "British Intelligence," of having "participated with counter-revolutionary groups in the building of barricades" during the uprising, and of having made "false and slanderous statements" about the situation in Hungary after their return to Britain.

The allegations against the four students were categorically denied by the British Government, which made repeated representations for their release. On Feb. 1 the Hungarian Government announced that the students would be set free "in view of their youth, their admission of guilt, and as a gesture of good will." They were escorted to the Austrian frontier on the following day, handed over to the Austrian authorities, and arrived back in England shortly afterwards. Mr. Cooper was rusticated for a term on his return to Oxford.

Report of U.N. Relief Mission to Hungary. Four experts of the U.N. Food and Agriculture Organization (FAO), led by M. de Seynes, of France, were allowed to enter Hungary during the first fortnight of January to study the relief needs of the Hungarian people. In a report to the U.N. Secretary-General (Dr. Hammarskjöld), presented jointly by M. de Seynes and FAO on Jan. 18, it was pointed out that food stocks had been destroyed and heavy industries brought to a virtual standstill, with resultant widespread unemployment, as

a result of the October rising, apart from the extensive damage to property. The food industry was operating at about 60 per cent of its former capacity; light industry at 50 per cent or less; the chemical and building industries at only 10 per cent; and the metallurgical industry had virtually stopped. In addition, the labour force in the coal mines had dropped from 90,000 to 50,000 and the average daily output of coal had fallen from 78,000 tons to 45,000 tons. An acute food shortage might develop by the spring unless outside help were forthcoming, and some 400,000 tons of wheat would have to be imported to ensure an adequate food supply until the next harvest.

Hungarian Invitation to U.N. Secretary-General. The Hungarian Government had made known on April 12 that it would "welcome" a visit to Budapest by Dr. Hammarskjöld, and that the U.N. Secretary-General had been invited to visit Hungary at any time convenient to himself. On April 26, however, Dr. Hammarskjöld said that he had no plans to visit Budapest. [As stated on page 15406, second column, the Hungarian Government had invited Dr. Hammarskjöld on Dec. 3 to visit Budapest in mid-December, but had repudiated its invitation on the following day.]

Lifting of Curfew Restrictions. The curfew imposed throughout Hungary after the October rising was ended at midnight on April 13-14 after being in operation for nearly six months.

In a statement to the Indian Parliament on Dec. 13, 1956, Mr. Nehru said that the Indian diplomatic representatives investigating the situation in Hungary (Mr. K. P. S. Menon and Dr. Khosla, the respective ambassadors in Moscow and Prague) had estimated that about 25,000 Hungarians and 7,000 Russians were killed in the uprising. Mr. Nehru pointed out, however, that it was exceedingly difficult to obtain reliable estimates; that a full report had not yet been received from Mr. Menon and Dr. Khosla; and that it would be contrary to normal diplomatic practice if confidential telegrams were published. The ambassadors had reported that although there might have been a small element in the uprising "which might be called counter-revolutionary or reactionary," the revolt was "essentially a national movement in which the great majority of the industrial workers and students took part, both in Budapest and elsewhere."

In its recent report to the United Nations, the U.N. Fact-Finding Committee on Hungary had expressed the opinion that Mr. Nehru's estimate of the casualties "may well be too high," and stated that it had failed to establish "reliable figures."—(Neue Zürcher Zeitung - Le Monde, Paris - Tanjug Agency, Belgrade - Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune) **(Prev. rep. Hungarian Revolution, 15189 A; U.N. General Assembly Resolutions, 15521 A; 15405 A; U.N. Report on Hungary, 15621 A.)**

A. SPAIN. — Restoration of Monarchy on Death or Retirement of General Franco.

The Ministerial Under-Secretary of General Franco's Office (Señor Carrero Blanco) officially informed the Spanish Parliament on July 15 that the monarchy would be restored on the death or retirement of General Franco, the Head of State. In his statement to the *Cortes*, Señor Carrero Blanco said: "When the *Caudillo* is no longer with us, the destinies of Spain will be directed by a monarchy which is neither liberal nor absolute but traditional, popular, and Catholic. The person who embodies the monarchy will have to serve loyally the principles of the [Falangist] regime."

General Franco (who is 64) has been Head of State for 20 years. The next King of Spain is expected to be Prince Juan Carlos (19), son of Don Juan (the Pretender to the Spanish throne) and grandson of the late King Alfonso XIII.
(A.B.C., Madrid) **(Prev. rep. 14300 A.)**

B. SOVIET UNION. — Artificial Sea in Siberia.

A man-made "sea" with an area of nearly 400 square miles was inaugurated on June 28 in the Novosibirsk area of Siberia. Constituting a huge reservoir in connexion with a new 400,000 kw. hydro-electric station at Novosibirsk, on the River Ob, it is about 140 miles long, over 15 miles wide in places, and more than 70 feet deep. About 90,000 acres of forests were cleared to make the "Novosibirsk Sea" and about 35,000 people were resettled, including the 9,000 residents of Berdansk—now standing on a new site on the shores of the "sea" and constituting its chief port. The creation of an artificial sea in this area will open up a new transport route whereby grain from the Altai territory and the Novosibirsk region can be shipped to the Trans-Siberian Railway. Industrial and agricultural projects will also be set up in the area round the "Novosibirsk Sea," with power from the new hydro-electric station.
(Soviet Embassy Press Department, London)

C. AUSTRALIA - JAPAN. — Trade Agreement.

A three-year trade agreement between Australia and Japan was signed in Tokio on July 6 by the Japanese Prime Minister, Mr. Kishi, and the Australian Minister for Trade, Mr. McEwen.

The agreement (which came into immediate operation on a provisional basis, though it has to be ratified by both Governments) provided for most-favoured nation tariff rights for either side, and contained assurances of non-discriminatory treatment in import and exchange control. An official statement issued in Tokio said (i) that Australia would admit Japanese goods at Customs rates not higher than those applying to goods imported from other countries; (ii) that Japanese exports to Australia would not be subject to any discrimination in import licensing; and (iii) that Australia had agreed to enter into discussions with Japan within three years with a view to exploring the possibility of applying the General Agreement on Tariffs and Trade to their mutual trade.

Japan for her part undertook to import at least 200,000 tons of wheat from Australia in the first year, with a possible increase in succeeding years; to continue importing at least 30 per cent of her barley requirements from Australia; to give the Australian wool industry an opportunity of competing for not less than 90 per cent of Japan's total foreign exchange allocation for wool annually; and to continue the present duty-free entry of Australian wool for three years.

In order to safeguard Australian domestic industries against being flooded with cheap Japanese goods, the agreement included a clause enabling either country suffering damage to its own industries from excessive imports to impose quantitative restrictions.

Australian exports to Japan in the year ending June 30, 1957, amounted to £A.140,000,000, or 12 per cent of Australia's total exports, making Japan Australia's second biggest customer after Britain. The comparable figure in the year ended June 30, 1956, was £A.86,500,000, including £A.64,800,000 for wool. Japanese sales to Australia in 1956-57 were only £A.12,000,000, and, being subject to the highest Customs duties, accounted for only about two per cent of Australia's imports. The comparable figures for 1955-56 and 1954-55 were £A.22,592,000 and £A.18,422,000 respectively.

As a result of the agreement, Japan's exports to Australia were expected to be doubled within the first year and to reach about £A.43,000,000 by the third year of the agreement.
(Australian News and Information Bureau - Times)

D. MOROCCO. — Prince Moulay Hassan proclaimed Heir to the Throne.

Prince Moulay Hassan, the eldest son of the Sultan of Morocco, was proclaimed heir to the throne on July 9, the date being chosen to coincide with his 28th birthday and with the Moslem festival of Aïd-el-Kebir. Those present at the investiture ceremony, which was held in the Royal palace at Rabat, included members of the Royal family, the Cabinet, leading officials, judges, officers of the General Staff, representatives of the French and Spanish Governments, and delegates from the political parties, the trade unions, and the Jewish community.

In the past the Sultan's successor who was not necessarily his direct heir had been chosen from among the Royal family by the *ulema* (doctors of Moslem law) of Fez, with the approval of the *ulema* of the other cities, and the Prince's investiture thus marked a break with a long-standing Moroccan tradition. Before nominating Prince Moulay Hassan as his heir, the Sultan had obtained the consent, not only of the Royal family and the *ulema*, but also of the Consultative Assembly, the political parties, and the trade unions, in order to signify his desire that Morocco should develop into a constitutional monarchy. (Le Monde) **(Prev. rep. Prince Moulay Hassan, 14946 A.)**

E. UNITED KINGDOM. — Lord Rochdale appointed Part-time Chairman of Cotton Board.

Sir David Eccles, President of the Board of Trade, announced on June 27 that Lord Rochdale had been appointed on a part-time basis to succeed Sir Raymond Streat, who had been full-time chairman of the Cotton Board since 1948, on Sir Raymond's retirement on Sept. 30. Lord Rochdale (51) is vice-president of the Lancashire and Merseyside Industrial Development Association, a governor of the B.B.C., and a former president of the National Union of Manufacturers.
(Manchester Guardian) **(Prev. rep. 9225 A.)**

F. FRANCE - NEW ZEALAND. — Diplomatic Missions raised to Embassy Status.

It was announced in Paris and Wellington on July 8 that the French and New Zealand Governments had agreed to raise their respective Legations in each other's capitals to Embassy status.—(Le Monde, Paris - New Zealand Directorate of Information, Wellington)

A. UNITED STATES. — Mr. Dulles on America's China Policy. - Reasons for Non-Recognition of Communist Regime. - Continued Deadlock in Sino-American Ambassadorial Meetings at Geneva.

In a speech in San Francisco on June 28, described by the State Department as a major policy statement, Mr. Dulles reviewed the Administration's China policy and gave detailed reasons why the United States would continue to refuse recognition to the Chinese Communist regime.

"On the mainland of China," said Mr. Dulles, "600,000,000 people are ruled by the Chinese Communists. That party came to power by violence and so far has lived by violence. It retains power not by the will of the Chinese people but by massive repression. It fought the United Nations in Korea; it supported the Communist war in Indo-China; it took Tibet by force; it fomented the Communist Huk rebellion in the Philippines and the Communist insurrection in Malaya . . .

"In the face of this situation the U.S.A. has supported, morally and materially, the free nations of the Western Pacific and South-East Asia. Our security treaties make clear that any violation of these nations by international Communism would be considered as endangering our own peace and safety, and that we would act accordingly.

"As regards China, we have abstained from any act to encourage the Communist regime, morally, politically, or materially. Thus we have not extended diplomatic recognition to the Chinese Communist regime; we have opposed its seating in the United Nations; we have not traded with Communist China, or sanctioned cultural intercourse with it. These have been, and are, our policies. But like all policies, they are under periodic review.

"As we review our China policy, we naturally recall our recognition policy as regards Communist Russia. The Bolsheviks seized power from Kerensky in 1917. Nevertheless, for 16 years we continued to treat the Kerensky representatives as representatives of the lawful government of Russia. However, by 1933 it seemed that the Communist regime might be considered as a peaceful member of society. For more than a decade it had committed no act of aggression. It had accepted the independence of Estonia, Latvia and Lithuania, and of Poland. It was not maltreating American citizens. It had promised to cease subversive activities in the U.S.A., to respect American rights in Russia, and to settle Russia's public and private debts to the United States.

"Also, by 1933 we desired to encourage the Soviet regime to resist Japanese aggression in the Far East. The Republic of China, inspired by that same notion, had itself recognized the Soviet Government in December 1932 and we promptly followed suit. We need not question that act of recognition under the circumstances which then prevailed. Recognition seemed indicated by many tests, and we did not read the future. However, it can, I think, be said with confidence that we would not have accorded recognition to the Soviet Union in 1933 had there been clear warning that the Soviet promises given in that connexion would be totally unreliable, that aggressive war would soon become an instrument of Soviet policy, and that they would be neutral toward Japanese aggression in Asia.

"In the case of Communist China we are forewarned. That regime fails to pass even those tests which, after 16 years, the Soviet regime seemed to pass:

(1) Soviet Russia, in 1933, had had a decade of peaceful non-aggressive relations with neighbouring countries. Communist China's past record is one of armed aggression.

(2) The Soviet regime seemed to want peace for the future. In the case of Communist China the situation is quite the reverse. Mr. Chou En-lai, at the time of the Bandung Conference, said: 'The Chinese people do not want to have war with the U.S.A. and are willing to settle international disputes by peaceful means.' But when we took him up and sought explicit reciprocal renunciations of force, his ambassador at Geneva, after presenting various evasive formulas, finally stated frankly that his regime did intend to use armed force to take Taiwan [Formosa] unless they could get it in some other way.

(3) In 1933 the Soviet Union was not flagrantly violating its international engagements. The Chinese Communist regime is violating the 1953 Korean armistice and the 1954 Indo-China armistice.

(4) There was reason to hope that the Soviet regime would treat our nationals with respect. The Chinese Communist regime violates the persons of our citizens in defiance of the elementary code of international decency, and it breaches its 1955 pledge to us to release them.

(5) It seemed, in 1933, that the Soviet regime and the United States had parallel interests in resisting Japanese aggression in the Far East. Today, the political purposes of Communist China clash everywhere with our own.

"U.S. diplomatic recognition of Communist China would have the following consequences:

(1) The many mainland Chinese who, by Mao Tse-tung's own recent admission, seek to change the nature of their Government, would be immensely discouraged.

(2) The millions of overseas Chinese would feel that they had no free China to look to. Today, increasing numbers of these overseas Chinese go to Free China to study. Six years ago there were less than 100 Chinese students from South-East Asia and Hong Kong studying in Taiwan. Today there are nearly 5,000. The number of Chinese students from overseas communities going to Free China has increased year by year; the number going to Communist China has declined, and hundreds of disillusioned students have made their way out of the mainland in the last two years. If the U.S.A. recognized the Communist regime, millions of overseas Chinese in free Asian countries would reluctantly turn to acceptance of the guiding direction of that regime. That would be a tragedy for them; and it would imperil friendly governments already menaced by Chinese Communist subversion.

(3) The Republic of China now on Taiwan would feel betrayed by its friend. That Government was our ally in the Second World War and for long bore alone the main burden of the Far Eastern war. It had many tempting opportunities to compromise with the Japanese on terms which would have been gravely detrimental to the United States. It never did so. We condemn the Soviets for having dishonoured their 20-year treaty pledge of 1945 to support the Chinese Nationalist Government as the Central Government of China. We are honour-bound to give to our ally, to whom we are pledged by a mutual defence treaty, a full measure of loyalty.

(4) The free Asian Governments of the Pacific and South-East Asia would be gravely perplexed. They are not only close to the vast Chinese land mass but they are geographically and, to some extent, politically, divided among themselves. The unifying and fortifying influence is above all the spirit and resolution of the United States. If we seemed to waver and to compromise with Communism in China, that would in turn weaken free Asian resistance to the Chinese Communist regime and assist international Communism to score a great success in its programme to encircle us.

(5) U.S. recognition of Communist China would make it probable that the Communist regime would obtain China's seat in the United Nations. That would not be in the interest either of the United States or of the U.N. The U.N. is not a reformatory for bad governments. It is supposedly an association of those who are already 'peace-loving' and are 'able and willing to carry out their Charter obligations.' The basic obligation is not to use force, except in defence against armed attack.

"The Chinese Communist Government has a record of successive armed aggressions, including war against the United Nations itself—a war not yet politically settled but discontinued by an armistice. The regime asserts not only its right, but its purpose, to use force if need be to bring Taiwan under its rule.

"Under the Charter, the Republic of China is entitled to a permanent seat and veto power in the Security Council. Should a regime which in seven years has promoted five foreign or civil wars—Korea, Indo-China, Tibet, the Philippines, and Malaya; which has fought the United Nations; which today stands condemned by the U.N. as an aggressor—should that regime be given a permanent seat, with veto power, in the body which under the Charter has primary responsibility for maintaining international peace and security? Communist Russia, with its veto power, already seriously limits the ability of the U.N. to serve its intended purposes. Were Communist China also to become a permanent, veto-wielding member of the Security Council, that would, I fear, implant in the United Nations the seeds of its own destruction . . ."

Mr. Dulles continued: "An argument sometimes heard is that diplomatic recognition is inevitable, so why not now? First of all, let me say emphatically that the U.S.A. need never succumb to the argument of 'inevitability.' We, with our friends, can fashion our own destiny. We do not accept the mastery of Communist forces. And let me go on to say that these Communist despotisms are not so immutable as they sometimes appear. Time and circumstances work also upon them.

"There is often an optical illusion which results from the fact that Police States, suppressing differences, give an external appearance of hard permanency; whereas the democracies, with their opposition parties and often speaking through different and discordant voices, seem to be unstable, pliable members of the world society. The reality, of course, is that a governmental system which tolerates diversity has a long life expectancy, whereas a system which seeks to impose conformity is always in danger. That results from the basic nature of human beings. Of all the arguments advanced for recognition of the Communist regime, the least cogent is the argument of 'inevitability.'

"There are some who suggest that if we assist the Chinese Communists to wax strong, they will eventually break with Soviet Russia, and that is our best hope for the future. No doubt there are basic power rivalries between Russia and China, but also the Russian and Chinese Communist parties are bound together by close ideological ties. Perhaps, if the ambitions of the Chinese Communists are inflated by successes, they might eventually clash with Soviet Russia. Perhaps, too, if the Axis Powers had won the Second World War, they would have fallen out among themselves. But no-one suggested that we should tolerate and even assist an Axis victory because in the end they would quarrel over the booty—of which we would have been part.

"We seek to appraise our China policies with an open mind and without emotion, except for a certain indignation at their prolonged abuse of American citizens in China. We have no feeling whatsoever that change is to be avoided merely in the interest of consistency, or because change might be interpreted as admitting past errors. We always take into account the possibility of influencing the Communist regime to better ways if we had diplomatic relations with it; or if, without that, we had commercial and cultural contacts with it. But the experience of those who recognize and deal with the Chinese

Communist regime convinces us that, under present conditions, neither recognition, nor trade, nor cultural relations, nor all three together, would favourably influence affairs in China. The probable result would be just the opposite of what we hope for.

"Internationally, the Chinese Communist regime does not conform to the practices of civilized nations; does not live up to its international obligations; has not been peaceful in the past; and gives no evidence of being peaceful in the future. Its foreign policies are hostile to us and our Asian allies. Under these circumstances it would be folly for us to establish relations with the Chinese Communists which would enhance their ability to hurt us and our friends.

"You may ask, 'What of the future? Are our policies merely negative? Do we see any prospect of resuming the friendly ties which, for many generations, the American people have had with the Chinese people, and which we want to have again? Do we see any chance that the potentially great Chinese nation, with its rich and ancient culture and wisdom, will again be able to play a constructive part in the councils of the nations?'

"We confidently answer these questions in the affirmative. We know that the materialistic rule of international Communism will never permanently serve the aspirations with which human beings are endowed by their creator. Communism is repugnant to the Chinese people. They are, above all, individualists . . . We can confidently assume that the Communist rule of strict conformity is, in China as elsewhere, a passing and not a perpetual phase . . ."

The U.S. Ambassador in Prague (Mr. Alexis Johnson) and the Chinese Ambassador in Warsaw (Mr. Wang Ping-nan) met on a number of occasions at Geneva during 1956, in continuation of the ambassadorial talks begun on Aug. 1, 1955 (see 14702 A, 14415 A). No progress, however, was made on any of the subjects discussed—i.e. Sino-American relations in general, the Taiwan (Formosa) question in particular, and the continued detention of U.S. nationals in China.

The Chinese Foreign Ministry issued a 4,000-word statement on March 4, 1956, declaring that the outstanding differences between China and the United States could only be settled by a conference of the Foreign Ministers of the two countries. It stated *inter alia*: "Although the American side has indicated that . . . a Sino-American conference of Foreign Ministers is not precluded, it has refused to take a definite stand on the question of holding such a conference."

The basic difference in the Geneva talks (according to the Chinese statement) was that the U.S.A. was insisting that Taiwan should be mentioned specifically in any joint communiqué on the renunciation of force, whereas China maintained that this would constitute "direct interference by the U.S.A. in Chinese domestic affairs." After saying that "the tension in the Taiwan area is created by the U.S. occupation of Chinese territory," the statement accused the United States of "obstructing agreement" in the Geneva talks and of "stepping up its military activities in the Taiwan area."

Mr. Wang Ping-nan issued a public statement on May 11, 1956, reiterating his Government's proposal that the Chinese and U.S. Foreign Ministers should meet personally to settle the Taiwan dispute "by peaceful negotiations." In reply, the U.S. State Department issued a statement on June 12, 1956, recapitulating the American position and giving some details of the talks between Mr. Johnson and Mr. Wang.

It was disclosed in the U.S. statement that Mr. Johnson had suggested to Mr. Wang on April 19, 1956, that the two sides should agree, "without prejudice to the pursuit by each side of its policies by peaceful means, or its inherent right of individual or collective self-defence," to announce (1) that China and the U.S.A. were "determined to settle disputes between the two countries through peaceful negotiations, without resorting to the threat or use of force in the Taiwan area or elsewhere"; and (2) that the two Ambassadors should continue their talks "to seek practical and feasible means for the realization of their common desire."

The U.S. statement continued: "This draft, the Communists state, was rejected by them on the grounds that it represents a demand by the U.S.A. that the Communists should 'accept the present state of U.S. interference in China's internal affairs and its occupation of Taiwan,' and that the U.S.A. 'has refused to take a positive stand on the question of holding a Sino-American conference of Foreign Ministers.' What the Communists fail to point out is that the above-mentioned American proposal is identical with the Communist proposal of Dec. 1, 1955, except for the addition of the words 'without prejudice to the pursuit by each side of its . . . inherent right of individual or collective self-defence,' and 'in the Taiwan area or elsewhere.'

The U.S. statement went on to emphasize that there could be no further excuse for the Communist refusal "to join in a meaningful renunciation of force" now that the U.S.A. had accepted the Communists' own proposal of Dec. 1, 1955, with the addition of words which made it clear (1) that neither party would abandon the pursuit of its policy by peaceful means; (2) that each party reserved the right of self-defence; and (3) that the renunciation of force applied equally to the Taiwan area and elsewhere. It continued:

"These reasonable hopes of the United States were met by a Communist rejection of what amounted to its own proposal . . . How can there be any possible objection to the words which the U.S.A. proposed to add to the Chinese draft unless the Communists are determined either not to join in a meaningful renunciation of force, or intend to reserve to themselves the use of armed force if they are not assured in advance that they will gain their goals? . . . The Communists make no mention of the fact that, although they undertook on Sept. 15, 1955, to permit Americans in China to return to the U.S.A., 13 Americans are still held in Communist prisons. We continue to seek the fulfilment by the Communists of their undertaking . . . We shall continue to seek a meaningful renunciation of force."

Mr. Johnson and Mr. Wang Ping-nan resumed their talks at Geneva on Feb. 13, 1957 their 65th meeting since the opening of the talks in August 1955. It was understood that the discussions dealt with two subjects: the release of Americans still imprisoned in Communist China, and the possibility of visits to China by U.S. newspapermen.
(New York Times - New York Herald Tribune)
(Prev. rep. 14702 A; 14415 A.)

A. SPAIN - MOROCCO. — Diplomatic and Judicial Conventions. - Abrogation of Commercial Treaty.

Diplomatic and judicial conventions between Spain and Morocco were signed in Madrid on Feb. 11 by General Franco and the Sultan of Morocco.

Diplomatic Convention. This closely resembled the Franco-Moroccan diplomatic convention (see 14946 A) and contained the following provisions:

(1) Spain and Morocco, without detriment to their full sovereignty, would co-ordinate their foreign policies and consult together when their common interests required it.

(2) Spain would support Morocco's candidature for membership of international organizations.

(3) Their respective diplomatic missions in Madrid and Rabat would have the rank of embassies.

(4) In countries where Morocco had no diplomatic representation, and particularly in Spanish-speaking countries, Spain would undertake the representation and protection of Moroccan citizens and interests if so requested.

Judicial Convention. This provided (*a*) that Spanish officials might be placed at the disposal of Moroccan courts, particularly in the northern zone (the former Spanish zone), if the Moroccan Government so requested; (*b*) that the Spanish language would be used in the courts of the northern zone for as long as it was considered necessary; (*c*) that Spanish lawyers might practise in Moroccan courts, and *vice versa*; and (*d*) that Spanish jurists would collaborate in the training of Moroccan magistrates and in the preparation of a unified body of Moroccan legislation.

The Spanish Foreign Ministry announced on Feb. 12 that Spain had agreed to represent Moroccan interests in Argentina, Bolivia, Brazil, Chile, Colombia, Cuba, Dominica, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, Panama, Paraguay, Peru, the Philippines, Uruguay, and Venezuela. A protest against this arrangement, as incompatible with the Franco-Moroccan diplomatic convention mentioned above, was lodged on Feb. 23 by the French Embassy in Rabat.

A joint declaration signed in Madrid on June 4 by M. Balafrej and Dr. Castiella, the respective Moroccan and Spanish Foreign Ministers, abrogated the Spanish-Moroccan commercial treaty of 1861, while Morocco undertook to give most-favoured-nation treatment to Spanish imports pending the conclusion of a new Customs agreement. M. Bouabid (Minister for Economic Affairs) told the Moroccan Consultative Assembly on the same day that the abrogation of the commercial treaties with the United Kingdom (see 15578 A) and Spain had made possible the introduction of uniform Customs tariffs throughout the whole of Morocco, including the northern zone and Tangier.

Four more agreements were signed in Madrid on July 7 between Spain and Morocco: (1) an agreement on the "monetary unification of Morocco," involving the withdrawal of the Spanish peseta from the northern zone (the former Spanish protectorate); (2) a trade and payments agreement; (3) an agreement on Spanish technical and administrative assistance to Morocco; and (4) a cultural convention. The first agreement will necessitate the purchase of pesetas by the Moroccan Government with Moroccan francs; as the Moroccan franc is at parity with the French franc, the operation will bring the whole of Morocco within the French monetary zone. It was understood, though not officially announced, that territorial questions at issue between the two countries had also been discussed, notably the question of the Spanish *enclave* of Ifni, on the Moroccan Atlantic coast.
(A.B.C., Madrid - Le Monde, Paris - Le Figaro, Paris)
(Prev. rep. Spanish-Moroccan Relations, 15110 A.)

B. FRANCE - POLAND. — Cultural Agreement.

A Franco-Polish cultural agreement was signed on July 9 providing for the free movement of nationals of either country within the other, the mutual importation of books, newspapers and periodicals, promotion of the teaching of the French and Polish languages, broadcast and television exchanges, and an increase in the number of scholarships and scientific fellowships.
(Le Monde, Paris)

A. UNITED KINGDOM. — The Army. - Estimates for 1957-58. - Mr. Hare's Review of Army's Achievements and Tasks. - First Guided Weapons Regiment. - Disbanding of Home Guard.

The Army Estimates for 1957-58 were published as a White Paper on April 29, together with a memorandum by the Secretary of State for War (Mr. John Hare) dealing mainly with the Army's tasks and activities during the past year.

The total of £401,400,000 shown for the Army in the Defence White Paper (see 15493 A) included the following principal items (1956-57 figures in parentheses): Pay and Allowances £92,700,000 (£103,100,000); Civilian Pay £90,800,000 (£96,000,000), Stores £56,700,000 (£105,200,000); Supplies £47,500,000 (£56,700,000); Land and Buildings £31,600,000 (£35,100,000); Non-effective Services (retired pay, pensions, gratuities, etc) £23,500,000 (£22,600,000); Reserve, Territorial Army etc. £15,200,000 (£16,800,000); Miscellaneous £7,400,000 (£13,000,000); War Office £3,900,000 (unchanged).

The accompanying memorandum explained that during 1957-58 the Army would contribute to the general saving on Defence expenditure by (*a*) a cut-back in orders for new equipment; (*b*) maximum use of existing stocks for normal maintenance purposes; (*c*) a reduction in the strength of the Active Army from 373,000 to 335,000. Continued savings would also result from the restriction of part-time training in the Reserve Army to volunteers, the withdrawal of British contractors from the Suez Canal base, and the ending of the subsidy to the Arab Legion.

The memorandum gave the following particulars of the changes in Army organization made during 1956-57:

Central Reserve. This had been reconstituted and was now organized for limited or global war, and also included units on a brigade basis specially trained for internal security duties. It would be the Government's policy to ensure that as overseas garrisons were reduced "the elements of the Central Reserve can be moved by air to any point of danger where they may be needed"

Headquarters. These had been reduced in numbers and size, and were now "planned to be the minimum needed tactically."

Coastal Artillery. Disbandment had been completed during the year.

Army Vehicles. Partly with a view to saving manpower, a 15-25 per cent cut had been imposed on vehicle strengths throughout the Army, and increased use was being made of trailers.

Reserve Army. Reorganization was nearly completed, involving the loss of 160 Territorial Army units (mainly by amalgamation) and of about 360 units in the Army Emergency Reserve. It had been decided to forego all training for part-time National Servicemen in 1957 (see 15344 A), and the Reserve Army would therefore go to camp as an all-volunteer force for the first time since 1950.

Territorial Army. The reorganization of the defence forces would inevitably call for further changes in the Territorial Army, but the Government intended that Territorials should continue to be trained in a fighting role. The main task of the T.A. would be home defence, but circumstances might arise in which some T.A. units would be needed for service overseas.

Army Cadet Force. This body was "a valuable recruiting ground for the Regular Army," and a committee had been set up under the Parliamentary Under-Secretary for War to examine its charter, organization, and training, in order to ensure that it was used to the best advantage.

Weapons and Equipment. The F.N. rifle (see 14931 A) had fully justified expectations in troop trials, and over 14,000 of these rifles were now in service, with home production due to begin in 1957. Large-scale production of a new sub-machine gun to replace the Sten gun had also been planned for 1957, and trials would take place of possible replacements for the Vickers machine-gun. In the interests of economy, however, and to reduce the strain on manpower, the Army aimed at simplifying its equipment as much as possible. It was therefore planned to produce "a family of weapons with no supplementary or overlapping members," which would "provide . . . a fine balance between the needs of limited operations on the one hand and of global war on the other." The memorandum added that progress had also been made in equipping the Army with operational instruments to measure nuclear radiation from both nuclear explosions and radioactive fall-out.

Manpower and Recruiting. Although Regular recruitment had improved by 10 per cent immediately after the introduction of the new pay code in 1956 (see 14887 A), this improvement had not been maintained. In this connexion Mr. Hare said: "I am not satisfied that the present combination of enlistment terms is best suited to provide the strength and structure needed to build up the all-Regular Army of the future, and we are at present examining possible alternatives in the light of experience over the past 10 years. More important still is to improve the conditions of life for officers, other ranks, and their dependants . . . I have in mind particularly the desirability of bringing about a greater measure of stability throughout the Army, and a reduction in the periods in which officers and soldiers are separated from their families."

The Officer Position. The number of officers had fallen in 1956-57 from 33,000 to 30,700 and would fall by a further 3,000 in 1957-58, owing to officers with short-service commissions ending their service and to the reduction in the number of National Service officers. The memorandum stressed the need for more candidates (particularly those with engineering aptitudes) for Sandhurst, and for more graduates to seek commissions under the University Graduates Entry Scheme.

Living Accommodation. The improvement of Army living accommodation was "a matter of absolute priority," and planned expenditure on new works remained high. Rebuilding and modernization was already in progress on 22 sites, and work was planned to start in 1957-58 at 15 more. The building and modernization of married quarters would continue; already since the war over 10,000 married quarters had been built and about 500 modernized.

Forces Overseas. The memorandum stated that during 1957-58 the strength of the B.A.O.R. would be reduced by about 13,000, chiefly in administrative units. The achievement of independence by Ghana had involved the transfer to that country of the Ghana Military Forces (to which 185 British officers and 220 n.c.o.s had been seconded), and plans were being made for handing over the Nigerian Military Forces to Nigeria in April 1958. The future organization of the forces in Sierra Leone and Gambia was also being studied. A major reorganization of the East African forces would take place during 1957, and certain British forces would be stationed in East Africa to help safeguard British interests in the Middle East and the Persian Gulf. All British forces still in Korea would be withdrawn during 1957-58, but a liaison mission would remain at U.N Command headquarters. In Malaya, where the Federation Army would be increased by two Malay and two multi-racial battalions, British forces would contribute to the expansion by transferring certain British Army units, composed mainly of Malays, to the Federation Army.

The Army Estimates were passed by the House of Commons on May 14 without a division.

Mr. Hare, moving their adoption, gave a warning that the current year's savings of nearly £100,000,000 (as compared with 1956-57) were unlikely to be repeated, since they had been achieved largely by the decision to eat into reserves. Although the size of the Active Army would be progressively reduced during the next few years, economies of the size to be made in the present year could only be made in future at the expense of the soldier himself or of the efficiency of the Army.

Dealing with questions of equipment and organization, Mr. Hare stressed that although the Army must be prepared to play its part as a deterrent to prevent global war, it must at the same time be equipped to carry out its Commonwealth and world-wide responsibilities and be capable of taking an effective part in limited operations. Although it needed its proper complement of tactical nuclear weapons, it would be "folly" to assume that conventional forces armed with conventional weapons would not remain of "paramount importance."

By the end of the five-year period ending in 1962, the Field Army would have been completely rearmed and the weapons of the 1939-45 war would have almost completely disappeared. In addition to the *Conqueror* tank (see 14931 A), which was already on field trials and was capable of defeating the heaviest known tank, the following new weapons would be introduced: (1) an anti-tank guided weapon which could "remove the heaviest tank from the field"; (2) a new medium tank, now in advanced development; (3) the *Saladin* armoured car (see 14931 A), with an armament giving it the punch of a medium tank, (4) the *Ferret*, a scout car of great versatility; (5) a new field gun to replace the present 25-pounder; (6) a nuclear guided weapon (at present being developed as supplementary to the U.S. *Corporal*), with high mobility and capable of quick development; (7) the *Thunderbird*, an anti-aircraft surface-to-air guided weapon; (8) the *L.70*, a new light A.A. gun to deal with low-flying planes (replacing the present *Bofors* 40-mm. gun), which would have improved radio fire-control and would be "the foremost gun of its sort in the world." In addition the whole range of engineering equipment was being modernized, including bridging, mines, tractors, and earth-moving machinery.

In nuclear war (the Minister continued) dispersion on the battlefield would be essential if overwhelming casualties were not to result. Communications would be uncertain, and there was an undoubted requirement for a smaller basic fighting formation capable of fighting on its own under a looser overall direction from headquarters than the Army was accustomed to. The Government had not yet reached a final decision, but, as already announced [see below], were thinking in terms of the brigade group, which would form a closely-integrated force, would be trained as a team, and would be sufficiently self-contained to be able to fight, move and maintain itself over long periods. It might be that this form of organization would also fit Britain's commitments in a "cold war," whilst in limited war a brigade group could be "married" with its heavier supporting arms. This scheme did not differ greatly from the ideas of Britain's allies, who were all tending towards smaller and more closely-integrated compact divisions.

The progressive introduction of new equipment, Mr. Hare pointed out, would go far to compensate for the numerical preponderance which any potential enemy was bound to have. Another factor was the growing ability of air transport to move large quantities of men and materials all over the world at short notice; if properly used, this could restore to Britain the traditional basis of her strategy—a swift application of small forces at decisive points. The necessary airlift would be provided by R.A.F. Transport Command, reinforced in emergencies by civil airlines, but air transport was not yet a complete answer to problems of mobility because modern armies used heavy equipment which could not be transported by air. There were three ways of meeting this difficulty: (i) all new items of equipment

for the Army would be regarded as potential air freight, and constant efforts made to reduce the amount of equipment necessary for the fighting forces; (ii) in many cases formations from Britain would be able, immediately on arrival at overseas destinations, to draw on the stocks of heavy equipment which the Government already maintained there, (iii) some tank-landing ships (taken out of reserve during the Suez emergency) had been retained in service and would be invaluable for carrying heavy tanks or equipment, or for landing operations where ports had been damaged and resort had to be made to the beaches.

Apart from the strategic air transport force, the R.A.F. would also have heavy freighters and light cargo aircraft for use respectively within a theatre of operations and in forward areas, whilst the Army would have helicopters and light aircraft for artillery observation and inter-communication duties.

After saying that the Army Council were considering how best, in the reorganization process, to avoid damaging regimental traditions, the Minister turned to the problem of redundancy. He explained that it appeared unlikely that it would be possible to work out, for every corps and regiment, the number of redundant officers and n.c.o.'s before November; he estimated, however, that about 3,000-4,000 officers, mostly majors and lieutenant-colonels, would be affected, whilst it was "fairly certain" that some warrant officers and senior n.c.o.'s would also be redundant. Officers below the rank of major would generally be unaffected. The Government would try as far as possible to achieve the reductions on a voluntary basis, and would invite applications from those who wished to take advantage of the compensation terms as soon as people had had time to consider them.

Mr. Hare concluded by stressing that the Government's decision to abolish National Service pre-supposed the ability to attract to the new all-Regular voluntary Army sufficient men of the necessary quality. To help ensure this, it had been decided to alter the terms of engagement, and in future the normal Army engagement would be for 22 years, without the present option of leaving after three years. The minimum Colour service would be for six years, with a further six in the Reserve. To meet cases where recruiting was extremely difficult, and to cover the case of National Servicemen who were prepared to do some extra service, it was proposed to have a 22-year engagement, but with the option (as at present) of breaking it at the end of three years, with four years' Reserve service; these cases, however, would be exceptional.

Mr. Julian Amery (Under-Secretary, War Office) had announced on March 11 that the War Office were considering two types of brigade group to replace the division as the main fixed formation of the Army. They were:

(1) an armoured brigade group comprising three armoured regiments, one infantry regiment, one infantry battalion, one regiment of medium artillery, an armoured car squadron, one light anti-aircraft battery, and a field squadron;

(2) an infantry brigade group consisting of three infantry battalions, an armoured regiment, a regiment of field artillery, a light A.A. battery, and a field squadron.

The standard brigade group would be intended for service in Europe and would comprise about 4,000-5,000 men, commanded by a brigadier. There was some doubt whether the designation "brigade group" was entirely suitable, and it might be changed to "light division."

Report of Committee on Employment of National Servicemen.

The report of the Wolfenden Committee on the Employment of National Servicemen in the United Kingdom (see page 14932) was published on Dec. 17, 1956.

The report stated that interviews with hundreds of National Servicemen had convinced the Committee that they almost invariably regarded their periods of duty as "an infliction to be undergone rather than a duty to the nation," and that this state of mind led them to consider "spit and polish," guard duty, and prolonged drills as "unnecessary impositions." The Committee believed that although in the past there might have been justification for the gloomy colours in which Service conditions were often painted, there was "very little now."

Discussing the question of how much of the traditional barrack-square discipline was necessary or desirable for National Servicemen, the report said that although it would be generally agreed that in the initial training of recruits there could not be separate standards for National Servicemen and Regulars, it must be recognized that "it is not always easy for the National Serviceman to understand why he should . . . spend so much time preparing equipment for inspections which appear to have no purpose." In particular, the report referred to the resentment caused by the requirement that men should themselves pay for materials used in cleaning uniforms and equipment. The Committee also strongly criticized, as "a poor background for National Service," the "thoroughly bad" accommodation at many camps and the "gloomy and obsolete barrack rooms" with primitive heating and sanitation.

The Committee's principal recommendations were as follows:

(1) The use of "every means of bringing home to all the duty the National Serviceman owes the country, and the gratitude the nation owes him."

(2) Steps to explain to National Servicemen the reasons for allocating them to particular branches of the Army, with appropriate training courses for commanding officers and staffs and an extension of the functions of personnel selection officers to include an explicit "public relations" aspect.

(3) Consultations between the War Office and employers and trade unions in order to assimilate the structure of Army trades as closely as possible to civilian trades.

(4) Replacement of National Servicemen by civilians wherever possible, the report stressing that man for-man the civilian attached to the Army cost the country less than the National Serviceman.

The Committee suggested in this connexion (i) that the Signals Service at bases and lines of communication in Britain, as well as the work of the R.A.M.C. in U.K. base hospitals, might be "civilianized"; (ii) that the vehicle overhauling functions of the R.E.M.E. might be better done by industry; (iii) that the Royal Army Service Corps needed only a small basis of uniformed men; and (iv) that in many cases civilians were more appropriate as mess waiters and batmen, and for gardening, cooking and record keeping duties.

(5) The report also suggested that the existing practice of regarding the five-day week, with frequent week-end leaves, as "a necessary concession to the civilian soldier" was "unsettling" and encouraged the National Serviceman to "lead a double life," putting up with his week's duties in the expectation of a civilian environment at the week-end. "It might well be," the report added, "that he would be happier if he took his period of service as a whole time commitment and stuck to soldiering without these repeated unsettlements."

Other recent developments in connexion with the Army are summarized below:

Formation of First Guided Weapons Regiment. The War Office announced on Feb. 19 that the first British guided weapons regiment, to be known as the 47th Guided Weapons Regiment (Field), would start forming early in March at Crookham (Hants.). The regiment, comprising about 530 men, would be armed with the U.S. *Corporal* missile (see 14931 A), the first supplies of which had already arrived. Training would be carried out by the Guided Weapons Wing of the School of Artillery at Larkhill (Wilts.).

The "Thunderbird" Guided Weapon. It was stated on May 15 that the *Thunderbird*, the Army's new surface-to-air guided weapon (see above), had been developed by the English Electric Company at the request of the War Office. It was "technically far in advance of any other surface-to-air guided weapon for a military role," and would be able to deal with targets at very high altitudes.

Army Appointments and Promotions. The following senior appointments had been announced in recent months (date of announcement in parentheses):

(i) Lieut.-General Sir Dudley Ward, Deputy Chief of the Imperial General Staff, as C.-in-C., British Army of the Rhine (*vice* General Sir Richard Gale) and concurrently Commander of the Northern Army Group, NATO (June 28, 1956). General Ward took up his new appointment on Jan. 1, 1957.

(ii) General Sir Nevil Brownjohn, lately Chief Staff Officer, Ministry of Defence, as Quarter-Master-General to the Forces. (Nov. 13, 1956).

(iii) Major-General R. W. Goodbody, Director Royal Artillery, War Office, as G.O.C.-in-C., Northern Command, with temporary rank of lieutenant-general. (Nov. 13, 1956).

(iv) Lieut.-General W. H. Stratton, Commander, British Forces, Hong Kong, as Vice-Chief of the Imperial General Staff (Feb. 4, 1957) *vice* Lieut.-General Sir William Oliver. General Stratton will take up his new appointment in September 1957.

(v) Major-General E. M. Bastyan, Vice-Adjutant-General, War Office, as Commander, British Forces, Hong Kong *vice* Lieut.-General Stratton. (Feb. 4, 1957).

(vi) Major-General N. P. H. Tapp, Director of Military Training, War Office, as G.O.C., East Africa, *vice* Lieut.-General Sir Gerald Lathbury. (March 12, 1957).

(vii) Lieut.-General Sir Edwin Herbert, G.O.C.-in-C., West African Command, as G.O.C.-in-C., Western Command, *vice* General Sir Lashmer Whistler, retiring. (June 22, 1957).

(viii) Major-General Frank Hastings Brook, lately Commander of the 1st Malay Infantry Brigade (1953-54), as G.O.C. of the Federation of Malaya Army. (June 25, 1957). The appointment was made by the High Commissioner of the Malayan Federation, on behalf of the Queen, with the concurrence of the Malay Rulers.

The promotion of General Sir Gerald Templer, Chief of the Imperial General Staff, to the rank of Field-Marshal was announced on Nov. 28, 1956.

Mr. Hare announced in the House of Commons on June 26 that the Government had decided "with great reluctance" that circumstances no longer justified the retention of the Home Guard, which would accordingly be disbanded on July 31.—(Times - Daily Telegraph - Manchester Guardian) (Prev. rep. Defence Policy, 15550 A; 15493 A; Defence Votes on Account, 15403 A; 1957-57 Estimates, 14931 A.)

Note. The Home Guard was originally formed (as the Local Defence Volunteers) in May 1940 at a time when a German invasion of Britain seemed imminent, the name being changed to "Home Guard" in July 1940. The force, in which 1,750,000 men served before it was "stood down" in December 1944 and disbanded in 1945, played a valuable part in the defence of Britain and in releasing Regular soldiers at home for overseas service. It was re-formed in April 1952 at the time of the Korean War, and had been on a reserve basis since March 1956. At the time of Mr. Hare's announcement the Home Guard consisted of an active cadre of 1,794 and a reserve roll of 59,081. (Daily Telegraph).

A. ITALY. — Zoli Cabinet's Offer of Resignation. - Non-acceptance by President Gronchi. - Senator Zoli remains in Office as Prime Minister.

Senator Zoli, the new Italian Prime Minister, tendered his Government's resignation to President Gronchi on June 10 following votes on his programme, first in the Senate and then in the Chamber of Deputies, in which he had been supported by a majority which included the neo-Fascist *Movimento Sociale Italiano* (M.S.I.).

In the Senate on June 5 the vote approving Senator Zoli's policy statement had been 132 to 93, with four abstentions. In addition to 108 votes from his own party (the Christian Democrats) and seven from Independents and others, he was supported by Senator Lauro's National Monarchists and the M.S.I. The opposing votes were cast by the Communists, Left-wing (Nenni) Socialists, Social Democrats, Liberals, and Republicans—i.e. by three of the four Centre parties in addition to the two Left-wing parties. The situation was the more paradoxical as Senator Zoli had put forward a progressive programme which, it was hoped, might have won the support of the Nenni Socialists in addition to that of all the Centre parties.

The three-day debate in the Chamber, which opened on June 5, ended in the early hours of June 8, when the President of the Chamber announced that 305 votes had been cast for the Government and 255 against, with 11 abstentions. The parties supporting the Government were the Christian Democrats, Monarchists, and neo-Fascists, whilst the opposition comprised the Communists, Nenni Socialists, Social Democrats, Liberals, and Republicans.

In view of the resentment which the vote in the Senate had caused within the Christian Democratic Party, Senator Zoli had announced during the Chamber's debate that he would resign rather than owe the Government's majority to the votes of the neo-Fascists; moreover, he would also refuse to count Communist votes in his majority if these should be given to him.

According to the figures originally announced on June 8, the Government, with 571 deputies present, 560 voting, and 11 abstaining, would have required a minimum of 281 votes (i.e. over one-half of the total vote) for a majority in the Chamber. Excluding the 24 votes of the M.S.I. from the 305 votes he actually received, Senator Zoli would have just achieved this minimum of 281. Subsequently, however, it was discovered that an error in the count had been made by the tellers and that one neo-Fascist and one Communist had been erroneously recorded as absent. With the correct count showing only nine abstentions instead of 11, the minimum required by the Government rose to 282 votes. As, without counting the neo-Fascist votes, the Government had obtained only 281, it was thus left one vote short of the majority which Senator Zoli had demanded as a condition for his continuance in office. In consequence he decided to resign on June 10.

Following Senator Zoli's resignation, President Gronchi consulted the party leaders, the presidents of the Chamber and Senate, and former Presidents of the Republic. On June 15 he asked Signor Merzagora, the President of the Senate, to "explore the possibilities of forming a new coalition government of the Centre parties."

On the previous day (June 14) President Gronchi had issued a statement declaring that his task could not be limited to giving the country a Prime Minister but that it was also his duty "to co-operate in the formation of a Government which meets the requirements of the nation and respects the authority of Parliament." Pointing out that his constitutional rights were wider than those of the French President, he maintained that the President of the Italian Republic had the right to appoint a Government "*per se*" and that its confirmation by Parliament was "a second act." This statement was strongly criticized by certain sections of the Christian Democrats on the ground that President Gronchi was, in effect, claiming a voice in the appointment of Ministers. As a result, President Gronchi called upon Senator Merzagora—an Independent elected on the Christian Democratic ticket—to undertake further negotiations with the parties, as stated above.

Senator Merzagora accepted this "exploratory mission" on the understanding that he himself would not take over the Premiership, and that his function would be exclusively that of an "honest broker" attempting to bring about "democratic collaboration' between the Christian Democrats and the other three Centre parties. On June 18, however, Signor Merzagora reported to President Gronchi that the party leaders had refused to discuss the question of a revived coalition with him, and had declared that only a Prime Minister-designate could usefully approach them on the subject.

President Gronchi thereupon asked Signor Fanfani, the secretary-general of the Christian Democrats, to attempt to form a Government—a task which Signor Fanfani conditionally accepted. On Jan. 21, however, Signor Fanfani abandoned his attempt, informing President Gronchi that he had met with "insuperable difficulties" in trying to revive the coalition of Centre parties, and had decided against attempting to form another minority Government consisting only of Christian Democrats.

In view of these developments President Gronchi informed Senator Zoli on June 22 that he had decided not to accept the latter's resignation, and asked him to approach Parliament again with his former programme and seek a vote of confidence. Senator Zoli accordingly presented himself to the Chamber and the Senate on June 25. On the following day the Chamber acknowledged, without a formal vote, that the Cabinet had withdrawn its resignation and intended to seek parliamentary support for the implementation of its programme. The Senate took a similar decision on June 28.

During the debate in the Senate, Don Sturzo (the veteran Christian Democratic leader) strongly criticized President Gronchi's interpretation of the powers of the Head of State. He also criticized the fact that President Gronchi's decision to refuse Senator Zoli's resignation had not been directly communicated to Parliament but had reached it in the form of a declaration by Senator Zoli himself.

The Government's programme, the implementation of which will be sought by Senator Zoli, includes the ratification of the Euratom and Common Market treaties, relief measures for the victims of the recent severe flooding of the River Po, and the Budget. The term of the present Parliament ends in 1958. (Giornale d Italia, Rome - Corriere della Sera, Milan)

(Prev. rep. 15559 A.)

B. ARGENTINA - VENEZUELA. — Breaking-off of Diplomatic Relations. - Venezuelan Rejection of Argentine Request for Expulsion of Ex-President Perón.

The breaking-off of diplomatic relations between Argentina and Venezuela was announced on July 7 by the Argentine President, General Aramburu, following the Venezuelan's Government's refusal to consider an Argentine request for the expulsion of ex-President Perón. It was stated in Buenos Aires that the Argentine Government would publish documents substantiating its charges that ex-President Perón had been fomenting terrorist plots from Caracas with the object of overthrowing the Argentine regime. It was also reported that the Argentine protest had been based on reports that Señor Perón had had a meeting in Caracas with the President of Paraguay, General Stroessner, during an official visit by the latter to Venezuela.

Ex-President Perón had first been given asylum in Paraguay after his overthrow in 1955, and subsequently took up residence in Panama after Argentine protests to the Paraguayan Government (see 14871 A). He later settled in Caracas, the Venezuelan capital. The Argentine Government had alleged that he was violating his asylum in Venezuela by fomenting terrorist plots against Argentina, both in the Argentine itself and in neighbouring countries.

The Venezuelan Ambassador in Buenos Aires (Dr. Atiliano Carnevali) was recalled to Caracas on July 7 shortly after it had been announced that the Argentine Government had requested the expulsion of ex-President Perón from Venezuela. The Argentine Ambassador in Caracas, General Carlos Toranzo Monero, was subsequently declared *persona non grata*, though the Venezuelan Government stated that it was not breaking off diplomatic relations with Argentina. The Brazilian Government agreed to represent Argentine interests in Caracas and Venezuelan interests in Buenos Aires.—(New York Times)

(Prev. rep. "Peronistas," 15512 A.)

C. JAPAN. — Easing of Embargo on China Trade.

In conformity with the decisions taken by Britain and a number of European countries, the Japanese Government announced on July 16 that the existing controls on trade with China would be relaxed to the level applying to trade with the U.S.S.R. and the countries of the Soviet bloc. A total of 270 "non-strategic items" had accordingly been removed from the embargo list, including certain types of machinery and machine-tools, electric motors, lorries, and diamond-tipped tools. It was officially stated that none of the items removed from the restricted list had any direct military value, and that there would be "no change in the Government's policy of placing the necessary restrictions upon items of strategic significance, in co-operation with the free nations." (New York Times)

(Prev. rep. 15607 A.)

D. UNITED KINGDOM. — Dr. Gilbert Murray's Ashes interred in Westminster Abbey.

The ashes of the late Dr. Gilbert Murray were interred in Westminster Abbey on July 5. The memorial service was attended by some 1,500 people, including 25 Ambassadors and Commonwealth High Commissioners and many eminent scholars and statesmen.—(Times)

(Prev. rep. 15588 C.)

A. LAOS. — Deadlock in Negotiations with Pathet Lao. - Rejection of Pathet Lao Demands. - Ministerial Crisis. - British-French-U.S. Declaration of Support for Laotian Government.

The negotiations between the Royal Laotian Government and the *Pathet Lao* for the implementation of their agreement of Dec. 31, 1956, on the reunification of the two *Pathet Lao*-held northern provinces with the rest of the country reached a deadlock in March, one of the principal reasons being the *Pathet Lao* demand that Laos should accept $70,000,000 in aid from Communist China. This condition (put forward in February) was reported to have been rejected by Prince Souvanna Phouma, the Laotian Prime Minister, on the grounds (*a*) that the reunification problem was strictly an internal matter, so that conditions including another country were out of order; (*b*) that the offer of aid from Communist China was an obvious attempt to increase the political strength and influence of the *Pathet Lao* leaders and to bring Communist "technicians" into Laos; and (*c*) that an economic aid programme of such proportions for a country the size of Laos [which has a population of only 2,000,000] would create strong pressure for diplomatic recognition of Communist China.

The Laotian National Assembly on May 29 passed a vote of no-confidence in the Government, by 13 votes to 11, after a heated debate in which the Government's conduct of the negotiations with the *Pathet Lao* was strongly criticized.

While unanimously approving the agreement with the *Pathet Lao* concluded on Dec. 31, 1956, the Assembly adopted another motion criticizing the delay in the negotiations for implementing the agreement, as well as the opposition within the Government against its realization. Finally, as stated above, it adopted the motion expressing the Assembly's disagreement with the continuance of negotiations by the Government on the basis outlined by the Prime Minister. It was stated in the French press that the internal opposition within the Government had been led by M. Kathay Don Sasorith, the Deputy Premier.

Following the Assembly's vote, Prince Souvanna Phouma resigned on May 30, and on June 3 King Sisavong Vong asked Mr. Kathay Don Sasorith to form a new Cabinet. The National Assembly, however, refused on June 30, by a single vote, to accept a Government headed by M. Sasorith. Two days later M. Bong Souvannavong (leader of the small National Union Party) was asked to take over the Cabinet formation but he, too, failed to obtain the necessary two-thirds majority, his investiture being rejected on July 6 by a single vote.

Prior to Prince Souvanna's defeat in the National Assembly, Britain, France and the U.S.A., in response to his request, had sent Notes to the Laotian Government on April 15 reaffirming their interest in the peace, sovereignty, independence, unity, and territorial integrity of Laos, and their anxiety to see the country reunited. The text of the British Note was as follows, the French and U.S. Notes being in identical terms:

"In response to the request of the Royal Government of Laos to the Governments of the United Kingdom, France, and the United States for a statement of their policy toward Laos, H.M. Government confirms its interest in the peace, sovereignty, independence, unity, and territorial integrity of the Kingdom of Laos. H.M. Government therefore continues fully to support the principle of the complete authority of the Royal Government of Laos over all its territory. It maintains the hope that a political settlement and the reunification of Laos will be effected in accordance with the principles of the Geneva Agreements on Laos of July, 1954, and the Resolution of the International Control Commission of Jan. 7, 1956.

"H.M. Government regrets that these objectives have so far been made impossible because the *Pathet Lao* forces, in spite of these Agreements and of the Resolution of the International Control Commission, have sought to place extraneous conditions upon their acceptance of the authority of the Royal Government and upon their reintegration into the national community. H.M. Government welcomes the firmness with which the Kingdom of Laos has resisted this manoeuvre, and is confident that the Royal Government will continue in its determination that the political future of the Kingdom of Laos shall not be dictated by dissident groups enjoying no constitutional status."

Official spokesmen in London, Paris, and Washington explained that the "extraneous conditions" demanded by the *Pathet Lao* for their agreement to the reunification of the two north-eastern provinces with the rest of the kingdom included the following: (i) a policy of neutrality involving the exchange of diplomatic missions with the Soviet Union, Communist China, and North Vietnam; (ii) acceptance of substantial economic and technical aid from the Communist bloc, particularly Communist China; and (iii) the formation of a coalition government in which *Pathet Lao* representatives would be included. These demands, it was pointed out, clearly reflected the attempt of the Communist bloc to alienate Laos from the Western countries, and had therefore not been accepted by the Laotian Government.

Prince Pethsarath Souvanna Vongsa (68), the eldest brother of Prince Souvanna Phouma and of Prince Souphannou Vong (the *Pathet Lao* leader), returned to Laos on March 22 after 11 years' exile in Siam. He was formerly one of the leading personalities in Laotian politics.—(Le Monde, Paris - Times - New York Times) **(Prev. rep. 15339 C.)**

B. UNITED KINGDOM.—Government Shareholdings.

The Chancellor of the Exchequer, Mr. Thorneycroft, issued on July 2 the following list of the Government's shareholdings in public companies, in reply to a question by Mr. Edelman (Lab.):

Suez Canal Company - 353,504 shares.
Cable and Wireless Ltd. - 30,000,000 shares of £1 each.
British Petroleum Co. Ltd. £56,250,000 Ordinary Stock: £1,000 Preference Stock.
Cunard Steamship Co. Ltd.—One £20 "Government" share; £46 Ordinary shares.
British Sugar Corporation -750,000 £1 shares.
Itabira Iron Ore Co. Ltd. (in liquidation) 61,220 First Preference shares of £1 each; 380,000 Second Preference shares of £1 each; and 493,982 Ordinary Shares of £1 each.
S.B. (Realisations) Ltd. - 148,540 5 per cent. Redeemable Cumulative Preference Shares of £1 each; 581,302 Ordinary shares of 5s. each; 250,000 "A" Ordinary shares of 5s. each.

This list did not include securities in iron and steel companies held by the Iron and Steel Holding and Realization Agency.

It was commented in the Press that at the closing Stock Exchange prices on July 2 the Government's holding in British Petroleum was worth £457,000,000; in the Suez Canal Company nearly £14,000,000; and in the British Sugar Corporation £609,000. (Times - Financial Times - Daily Telegraph)

C. SPAIN - PORTUGAL. — Franco-Salazar Meeting.

General Franco and the Portuguese Prime Minister, Dr. Salazar, had a two-day meeting at Ciudad Rodrigo on July 8-9, which was also attended by the Spanish and Portuguese Foreign Ministers, Dr. Castiella and Dr. Cunha respectively. The meetings were held in an atmosphere of secrecy and no official information was released apart from a brief communiqué which stated (i) that there was full agreement between the two countries on international questions, and (ii) that General Franco and Dr. Salazar had studied "necessary measures to reinforce the Iberian bloc—the expression of the solidarity of the peninsula—both politically and militarily." The communiqué made no mention of the possible restoration of the Spanish monarchy. (A.B.C., Madrid - Le Monde Paris) **(Prev. rep. 12174 C.)**

D. BURMA - ISRAEL. — Economic Co-operation.

An economic co-operation agreement between Burma and Israel was signed in Rangoon on June 11 whereby the two countries agreed to enter into negotiations for setting up joint ventures for the manufacture of rubber tyres, ceramics, glassware, paint and varnish. It was also agreed to carry out a joint study into the feasibility of a project for cultivating a million acres of waste land in the Shan States with wheat, corn, and soya beans, most of which would be exported to Israel. The agreement also provided that Burmese citizens would receive training and research facilities in Israel.
(Times - New York Times)

E. CHILE. — Final Results of General Election.

The new Chilean Congress elected in March was inaugurated by President Ibañez on May 21, the final party representation in the two Chambers (revised figures) being as follows:

Chamber of Deputies. Radicals 30; Liberals 32; United Conservatives 22; Falangists 14; Agrarian Labour 18; Chilean Socialists 8; National Party 6; Popular Socialists 5; Democrats 5; others 6.

Senate. Liberals 9; Radicals 9; United Conservatives 6; Popular Socialists 6; Agrarian Labour 4; National Party 4; Socialists 2; others 5.—(Bank of London & South America, Fortnightly Review) **(Prev. rep. 15500 A.)**

F. SYRIA. — Ending of Martial Law.

The Syrian Government decided on July 22 to lift the state of martial law except in the areas bordering on Israel. The free entry of foreign newspapers (many of which had been censored or prohibited in recent months) was also permitted, though press messages sent abroad remained subject to censorship. Martial law had been in force since the Anglo-French intervention in Egypt, and its repeal had been strongly demanded by the Opposition, which had threatened to resign from the Syrian Parliament *en bloc* if it were continued. (Times - Le Monde, Paris) **(Prev. rep. Syria, 15582 A.)**

JULY 27—AUGUST 3, 1957

A. UNITED KINGDOM. — The Economic Situation. - Government's Anti-Inflationary Policy. - Creation of Independent Council on Prices, Productivity and Incomes. - Statements by Mr. Thorneycroft. - Parliamentary Debate. - Increase in Rates for Local Loans.

The Chancellor of the Exchequer, Mr. Thorneycroft, announced in the House of Commons on July 25, in the course of a debate on the economic situation and specifically on the danger of inflation, that the Government had decided to set up an independent council on prices, productivity, and incomes as part of their contribution to the fight against inflation. The Chancellor had personally given a strong warning on the inflationary danger when speaking at the opening of new offices of the United Kingdom Provident Institution in London on July 10, and at a meeting of the National Productivity Advisory Council for Industry on July 12. Mr. Thorneycroft's statements, as well as those of the principal Opposition speakers in the economic debate, are summarized below.

Mr. Thorneycroft's Speech of July 10.

After referring to the "qualities of thrift and temperance which have been the foundation of our national life," the Chancellor continued:

"To-day men are asking whether these qualities still exist—or at any rate exist sufficiently—in our Government and our national character. Has inflation come to stay? Are prices bound to go on rising? Are fixed interest securities a sound investment? Put bluntly, the question now being asked is: 'How honest is our money?' The answer is: 'As honest as we choose to make it' . . . If a nation pays itself 7 per cent more for doing no more work, as happened last year, price increases will follow as night follows day. No economic or governmental magic, no system of controls, can stop that process. Before those price increases thus generated are to form the basis for another round of wage increases, the country should ponder the damage which could be done to this nation and to all who work in it.

"It may be convenient if I concentrate on those aspects of inflation which are by their nature of particular concern to the Government and to the City. Inflation is perhaps the most intractable and difficult problem which we have to face. Other countries have to face it too, and none have yet found a satisfactory solution. Yet here in this island, dependent as we are upon external trade, and with the responsibility of a world banker, we needs must find a way to meet this problem. We certainly shall not find an answer to it in blaming one another. The truth is that wage claims, profits, Government expenditure, Bank advances, and other factors all have their part to play. All the solutions are unpopular . . . And it is a relatively easy form of escapism, the moment a solution in one of these fields is even hinted at, for all the critics to condemn it and focus attention upon another aspect of the problem.

"The truth is that this nation must either squarely face the problem of inflation, and accept the policies necessary to check and curtail it, or face a continual decline in the value of its currency. If it is said that there is some danger in a Chancellor speaking in such forthright terms, my reply can only be that the dangers would be far graver if he failed to do so. What is the Government's part in all this? May I say this about the Government and its expenditure? Hardly a day passes without the Government being pressed to spend more money. It is said by highly-placed military persons that the only form of defence is to have all forms of weapons ancient and modern. It is said that expenditure on the Universities is grotesquely small. It is said that what we spend on roads is quite inadequate. And yet it is said at the same time—incongruously though it may be—that we ought to be dealing more effectively with inflation. You cannot at the same time press the Goverment to spend more and ask it to halt inflation. The fact is that in April we budgeted to spend less this year than we did last. In my Budget speech I pointed to the surplus of £468,000,000 and described it as a 'striking contribution towards the strengthening of our balance of payments and the stability of the economy.' It would at that time have been easy and popular to give away more of this surplus in response to those many critics who were then so busily engaged in pointing out the dangers, not of inflation, but of deflation. But I stood by my view that inflation rather than deflation was the real danger, and I feel sure that no discerning person would disagree with that judgment to-day.

"The scale of public investment is of course high, and will continue to be high. Steel and coal, transport and power, all these basic industries need capital. They will absorb large quantities in the years ahead. But not even in these fields can we develop faster than the resources which are available permit. We shall of course give these productive industries priority over advances in the Social Services. We cannot afford not to do so. Even so, there is a limit to the speed at which we can develop. We have not hesitated, and will not hesitate, to adjust even the most essential investment programmes. The object must be to secure that these programmes are matched by the savings available or the profits earned, so as to place a less heavy burden on the community. These are the facts of life. They are the same facts which face many of our partners in the Commonwealth to-day. We should be failing in our duty to the Commonwealth and to the whole world if we did not face them here in the United Kingdom.

"Lastly, as to credit policy. Sometimes I am urged to end the 'credit squeeze.' Sometimes I am told to dictate to the Banks on their liquidity ratios in order to intensify it. I wonder if those who advocate the second course want to use the banks as their agents to choke back production and raise unemployment. Oddly enough, the same people sometimes urge both these courses. I doubt their wisdom. Nevertheless, credit policy has an important part to play. Obviously we need to learn all we can about techniques in this field. We all look forward to the findings of Lord Radcliffe's Committee. But the Radcliffe Committee was never intended as a substitute for action. Whatever techniques we may develop, credit restriction clearly has a part to play in our struggle against inflation. On the other hand we must not deceive ourselves that improved techniques can ever be a complete answer. In February and March there was a marked upsurge in the level of Bank advances. I am glad to say that since my request to the Banks in April, the figures for April and May have shown a less disturbing trend, though I shall be bound to continue to watch the position very closely in the months to come.

"Perhaps I may take this opportunity of stating again the importance which I attach to limiting the quantities of Bank money available for long-term investment. The guidance which I have issued to the Capital Issues Committee still stands, and is being carried out in their day-to-day work—in particular, the principle that overdraft facilities for capital purposes should so far as possible be limited to short 'bridging' operations, designed to provide capital for short periods until more appropriate long-term arrangements for finance can be made. If this means less investment or investment at a slower pace, so be it. The fact remains that investment unmatched by savings is a battle lost against inflation. It is my intention that the borrowing of money should be as difficult as the real shortage of resources demonstrates to be necessary. I prefer that we should put honest money first and other considerations, including popularity, a long way after. Businesses, local authorities, public boards, and private persons too, must cut their Budgets in accordance with the national cloth. Directors and shareholders, bankers and taxpayers, will assist the community and themselves if they impress these facts on one another

"Of course I know that there are other factors in inflation . . . But the existence of other factors is not an adequate excuse for ignoring those that I have mentioned . . ."

Mr. Thorneycroft's Speech of July 12.

Addressing the National Productivity Advisory Council (which consists of representatives of employers, trade unions, and the nationalized industries) the Chancellor made it clear that there was, in his view, no new economic crisis. He rejected the possibility of "sudden panic slashes" but pleaded for restraint in wages, profits, and prices, announcing at the same time that Exchequer lending rates for borrowings by local authorities and the nationalized industries were being increased.

After saying that there was "no heaven-sent, painless and novel solution" of the problem of inflation, Mr. Thorneycroft declared that the struggle had to be fought on many fronts. He continued: "To say that there is no new solution is not the same as saying that there is no solution at all, or no policy to attain it. It is important, however, to be clear first about the facts; about the policies which the Government are pursuing and intend to pursue; about the areas of action in which they can operate, and how . . .

We have not been preserving the soundness of our money since the war. The pound was worth 20s. in 1947 and about 12s. 6d. today. The best answer to the reduction of inflation is that we should all produce more; work a little more effectively, a little harder; and have fewer restrictions upon output. The outlook for this year is not unsatisfactory in this regard. Production is moving upward

"In my judgment the Government's policy is a good one. It is clearly defined. It is working and will continue to work in future. We may from time to time adapt or adjust it, but we do not intend to reverse it. The big instrument of Government policy in all these matters is the Budget . . Investment, particularly investment for the public and basic sectors, is going to be large but, as in the private sector, must be matched with the savings which are available. It is in the private field that the Government's policy on monetary matters mainly operates. We have maintained the credit squeeze. We have decided as a matter of policy that the price of money shall be related to the real scarcity of resources which exists. We are often presssed to abandon this policy. We do not intend to do so . . . Nor should public spending be put into a specially privileged position. Today we have implemented that part of the policy by raising the Exchequer lending rates to keep them in line with the market. It will cost the local authorities and the nationalized industries more to borrow. And so, in existing circumstances, it should."

Turning to a part of the economy "not at any rate directly within Government control," Mr. Thorneycroft discussed the question of prices, profits and incomes. "It is sometimes suggested," he said, "that we should seek to control incomes, not directly, but by so organizing the economy that we choke back production and force unemployment to rise . . . I don't find the idea of artificially driving up the unemployment figures, at a time when so much needs to be done, a particularly attractive one . . . Moreover, I am not altogether satisfied that those economists and others who argue for this course quite realize the degree of unemployment that might be necessary for this policy to prove even partially effective.

"No theory, and no juggling with totals, can detract from the simple clarity of the cost-prices spiral through which we are passing. Coal prices are up, so gas, electricity, and transport will all cost the consumer more. All these increases are in the public sector, and neither import costs nor private profits introduce complications. The higher prices themselves add up to an additional £135,000,000 to £140,000,000 a year on the bills of the consumer. The solid bulk of it is due to wage increases, either in the industries concerned or in the industry supplying materials and equipment to them.

"Let me put this matter in another way. Last year's increase in wages and salaries came to nearly £900,000,000. It is perfectly clear that the supply of things to buy with those earnings cannot possibly increase at this kind of rate. £900,000,000 is more than the country spends on all the rents and all the rates combined; it would more than buy us a second and larger Health Service than we have today; it is the equivalent of two or three Navies.

"It is quite inevitable that increases in spending power of this size are bound to be frustrated by rising prices. There simply cannot be the extra stuff to buy. We are today suffering from an internally generated price rise . . . We have even contemplated the possibility of seeking to disguise these added costs by subsidizing in one form or another the nationalized industries, or permitting them to run at a loss. But no nation really possesses the resources to fake prices upon that scale, and the attempt would lead to even greater ills."

Referring to the idea now under consideration of some impartial body to produce an independent analysis of the related problems of incomes, costs and prices, the Chancellor said: "It would not be a wages court; it would not be a supernational authority; and it would not deal with individual wage claims . . . But it may well be that it could have an important part to play in keeping before the country the essential facts of our economic position."

Mr. Thorneycroft ended by saying that all these matters should be viewed in their true perspective. "There is more sound investment going on in this country than ever before," he declared. "Our exports are holding up pretty well in world markets. Our balance-of-payments outlook, on the best estimates we can make, is not unfavourable. All these good things can be frustrated unless we can halt this continuing process of rising prices . . . The policies which the Government are pursuing in the fields of credit, expenditure and investment are well designed to keep our efforts within the limit of our resources. We intend to continue these policies. If as a nation we can match that restraint by a determination not to take out, in the shape of higher incomes, money which has not been matched by new production, stable prices are well within our reach."

Economic Debate in House of Commons.

The Chancellor's announcement of the setting-up of a Council on Prices, Productivity and Incomes was made in the House of Commons on July 25 during a debate in which Mr. Harold Wilson, on behalf of the Opposition, strongly criticized the Government's economic policy.

Mr. Harold Wilson declared that there was "unprecedentedly widespread public concern about inflation," though it was no new or sudden crisis. To some extent it had been "over-dramatized and sensationalized," but there had been in the last few weeks a sudden realization of the degree of inflation in the country, and there was a feeling that the Prime Minister's "plateau" of price stability was now lost.

Continuing, Mr. Wilson maintained that the "plateau" policy had failed because Mr. Macmillan, while appealing for wage restraint, was himself forcing wage claims by forcing up prices. Government policy had gone wrong in three ways. Firstly, they had deliberately forced prices up and "given repeated twists to inflation." They were doing this again with rents. Secondly, the Government had relied almost solely on monetary control and found that it did not work. Thirdly, they had rejected selective controls. "The Government's approach," said Mr. Wilson," is all or nothing—full steam or full stop, accelerator full throttle or the brake. We say: 'Hold back inessential investment by investment controls and actively expand essential investment by tax concessions, public investment, and so on.'"

The Government had lost the greatest asset any Government could have in dealing with inflation—the support of the T.U.C. over wage restraint. This should not be laid at the door of individual union leaders, "not even Mr. Cousins." Wages were at the centre of the problem of the "cost-push inflation spiral," and the Opposition had warned the Government time and again that their policy could only lead to greater wage demands and industrial disputes. The same measure of restraint in wages, salaries, profits, and dividends was needed to-day as Sir Stafford Cripps had called for and achieved, and it must apply to rents as well as to other forms of income. Such restraint could be fairly asked for "only by a Government that backed their appeals by the same measures of social justice as backed Sir Stafford Cripps."

Those who appealed for restraint in income must create conditions in which such an appeal must succeed. It meant (i) a greater degree of planning of national resources; (ii) planning for expansion by giving priority to essential investment; (iii) real assurances on price stability in return for wage restraint, if necessary by a temporary wage freeze; (iv) a "socially just Budget" and social security provisions, including a tax on capital gains; and (v) "a real drive against the citadels of fiscal privilege."

There was need to use physical controls to hold back unessential investment, so that an ordered expansion could be planned of the investment needed for the basic industries and exports. This would mean particularly building licensing, and perhaps control over the use of sheet steel and other scarce materials for unessential purposes. Positive measures, tax incentives, the full use of the publicly-owned industrial capacity in the Royal Ordnance factories and elsewhere, guaranteed orders, and "blanket agreements" to call forth production of the goods most required, were all needed.

Also needed was a Budget strategy which gave a genuine surplus: enough, after allowing for private savings, to meet the investment programme. All this and more could be achieved, giving justice to the old-age pensioner at the same time, not so much by raising tax rates as by widening the tax base and making an attack on evasion and avoidance, supplemented in time by the savings accruing from the national superannuation scheme. Within the Budget strategy, "conditions of social justice" should be created by taxing the forms of spendable income which were now tax-free, such as capital appreciation.

In conclusion Mr. Wilson said that monetary policy had its contribution to make as part of the system of controls, but it must be a system "reflecting the conditions of the 1950's, not the 1930's or even the 1890's." A rational and effective monetary policy need not mean high interest rates, nor should the Government rule out the possibility of a two-tier interest rate system, with a lower rate for public and essential investment. As part of such a policy for stopping the cost-price spiral, they should be prepared to consider, as a short-term measure, arrangements -by voluntary or, if necessary, statutory control- for keeping prices for a period from rising above their present level in return for real assurances about costs.

Mr. Thorneycroft said that Britain's present problem was not like the balance-of-payments problem of 1951 [under the Labour Government]. The paradox which made things so easy for critics was that the country had prosperity on the one hand, and a decline in the internal value of the currency on the other. The present external outlook was good. At one time it was thought that "we might just about break even" on the external current account from mid-1956 to mid-1957, but now it was expected that there would be a surplus of £125,000,000 or more, and there was no reason whatever why in the coming year "we should not do better still."

Mr. Thornycroft continued: "All these benefits are against a background of prosperity in Britain greater and more widespread than ever before. Look where we will, there is a vast change compared with a quarter of a century ago." There was cause for concern, however, because these advances had been matched by a steady depreciation in the value of the currency for the last 12 years.

The Government had its part to play in checking inflation, but there was "no tap in the Treasury by which it can regulate the movement of prices." If inflation was to be checked, the first essential was to have a country which really wished this to be done and was prepared to accept the discomfort of any cures that might be involved. Up till quite recently he doubted very much if this had been the case. Too many people had seen the benefits of inflation without perceiving anything of its dangers or disadvantages. Wage-earners had enjoyed their wage increases, employers had enjoyed their bigger profits, but they would not regard these things as having any connexion with the fall in the value of money, which they disliked as much as anyone else. It was "not easy to cure people of a disease they did not recognize."

In the short term they could cover investment in the basic industries without inflation, and that was "the path of financial rectitude which they would seek to go on following." In the long term it was the responsibility of the Government to make as certain as they could that the combined investment programme, public and private, did not reach the point where there was a danger of overstraining the economy and where intolerable financial difficulties arose. The Government did not intend to let that happen. It might be necessary to revise some programmes to see that too many did not reach the peak at the same moment, and they would not hesitate to make the necessary adjustments.

He did not agree with the school of thought which suggested that a solution could be found by deflation. That would demand a change of method. They could put up taxes, cut investment, make credit dearer and scarcer, organize their own slump, and force unemployment to a figure needed to end wage claims to-day. All that would be a drastic departure from the objects for which they had all been striving since the war. They had been seeking full employment in a free society, and it would be a sorry reflection on society if stable prices could only be achieved by abandoning full employment.

"In 1956," the Chancellor continued, "production was a little up." Wages and salaries were 9 per cent up on the previous year, or an increase of £900,000,000. Profits were up by 3 per cent, or about £110,000,000. Of that £110,000,000, about one-half was undistributed, and of the rest about 50 per cent was paid in taxation, leaving about £25,000,000 extra in the pockets of shareholders. Of the additional £900,000,000 in wages and salaries, rather more than £100,000,000 went in taxation, leaving between £700,000,000 and £800,000,000 in the pockets of the workers. Extra purchasing power on this scale, unmatched by increased production, must have a powerful effect on the economy. It is the equivalent of trying to run two or three additional navies; it is more than all the rents and rates in Britain, or the equivalent of another bigger and better Health Service. Since then, the last round of wage increases will add several hundred millions more.

" What we are seeing to-day is the result of wage movements over the last 18 months coming out in the form of higher prices in coal, transport, postal charges, electricity, and gas. If we seek to meet these price increases by further wage increases, it will certainly all start to happen over again. In part, these increases reflect some contribution to capital, but in the main they reflect increased wage costs. They clearly have their effect in other sectors. The steel industry is acknowledged to be very efficient; its productivity increased by 20 per cent in the five years to 1956. But even with this, cost increases could not fail to be reflected in increased prices, and to-day the chairman of the Iron and Steel Board has announced such increases.

" But one way or another, the question always comes back to how one is to approach the problem of wages. We can neither fix them nor freeze them. To seek to fix all incomes in this country is not a solution which would appeal to anyone. Nor does anyone seriously contemplate trying to freeze wages. Wages should move up in an expanding economy. Men should share the benefits of their increased production, and it is certainly not inflationary for them to do so. What has gone wrong is that we have sought to pay wages out of relation to production, and if we are to have any hope of dealing with inflation we must stop doing that.

" The role of the Government is not to interfere with collective bargaining, but it is carrying that doctrine too far to say that the Government is to be indifferent to the relation between incomes and production. It is really the task of the Government to say plainly that if higher wages are paid, unmatched in what we as a nation produce, we are deliberately creating our own inflation.

" One contribution which we think can be made, not as a solution, but as some help to this, is the establishment of an independent council on prices, productivity, and incomes—and we intend to go ahead with that. It will have the following terms of reference :

> ' Having regard to the desirability of full employment and increasing standards of life, based on expanding production and reasonable stability of prices, to keep under review changes in prices, productivity, and the level of incomes, including wages, salaries, and profits, and to report thereon from time to time.'

" I shall be announcing the names of the chairman and other members of the Council as soon as possible."

The Government hoped that the Council would create a full appreciation of the facts, both among the public and among those more immediately concerned with cost and price matters. It was not there to arbitrate; it was not a wage court; and it was not concerned with specific wage claims or disputes, like a wage-fixing body. Its purpose was to survey past experience and to deduce from it some guidance for the future. It could not concern itself with every aspect of economic policy, but it would be free to comment on general problems inside the scope of its terms of reference, such as the effect of increased costs and prices on the competitiveness of U.K. exports, on the ability of the U.K. to pay its way abroad, and on the relationship between income, profits, investment and productivity. The Government did not put this forward as a panacea, but he was confident that the body created had a useful role to play, and that those who wished to tackle inflation would co-operate with it and pay heed to its reports.

The Chancellor concluded : "Meanwhile, the policy should be plain : Government spending must be held down as it was this year, and that means some difficult decisions as the stage is set for next year's estimates. Investment over the years must be planned to match savings, and if necessary re-phased. The credit squeeze must continue so that a boom can be prevented, and that means continued pressure by the banks. And wage and profit increases must be related to production. I recognize that this means adopting on occasion an old-fashioned policy of saying ' No.' If saying ' No ' leads to some measure of disagreement, so be it. It will be better to disagree than to drift. The Government intend to press home these policies. They may be unpopular, but they are right and provide the best road yet suggested for dealing with the problem of rising prices."

Mr. Gaitskell, Leader of the Opposition, said that there were circumstances in which a Government, if they were doing the right things in other ways, might find some such body as the new Council of value; but he thought it a mistake to make it an independent council. If one wanted to get action, the best way was to get both sides of industry together, and it would have been more sensible to have allowed this to develop out of the Joint Industrial Council. Dealing with the question of the Council's independence, Mr. Gaitskell asked what sort of members were to be appointed and whether they would really be able to make genuinely independent pronouncements. If they were merely going to draw attention to the facts in the economic situation, there was no need for it since the facts were known. If they were going to offer advice on policies, he did not believe that such a body, appointed by a Conservative Government, would be independent at all.

One would have supposed (Mr. Gaitskell continued) that the Chancellor would have taken the opportunity of at least making some gesture to the unions, but one could not describe his speech as " an olive branch to the T.U.C." The T.U.C. had made it abundantly plain that if one wanted to get a combined operation, one must have policies that appealed to the organized workers. It had also made it plain that the Government never listened to what they (the T.U.C.) said, had rejected their ideas of planning, and had refused their conception of social justice. The unions could not be expected to collaborate in these circumstances. Nor could they be expected to exercise restraint in wage claims when there was no restraint on tax remissions to wealthy people.

Mr. Gaitskell continued : " The truth is that the Government are utterly bankrupt of any policy . . . Unless the Chancellor is prepared to throw overboard the doctrinaire ideas of Conservative freedom, unless he is willing genuinely to try to create a society of social justice; unless he is prepared to use fiscal policies which really attack those who get away without paying tax; unless he can introduce such measures as a capital gains tax, for which there is an overwhelming case; unless he will deal with tax avoidance, and adopt policies which unite the country, there is no chance of defeating the powerful forces of inflation." Because the Opposition believed, in view of the Chancellor's " utterly negative and complacent speech," that there was no hope of any movement in this direction, they would be obliged to divide the House.

Mr. Macmillan, replying to the debate, said that every man and woman knew that for the great mass of the people there had never been such a good time or such a high standard of living and comfort as to-day. The *Daily Herald* [the Labour Party's organ] had chosen on that very day to put an advertisement in the *Financial Times* " urging, no doubt, capitalist employers to use the *Daily Herald* as an advertising medium." The advertisement said : " Thousands of *Daily Herald* families already enjoy a car—but many, many more will be planning one in the near future, if their standard of living continues to rise at the present rate.' "

Continuing, the Prime Minister said that when he was told by some academic writers that inflation could only be cured or arrested by a return to substantial or even massive unemployment, he rejected that utterly. There could be conditions of over-employment with insufficient mobility of labour, and they must not be deterred from taking appropriate measures to control inflation because some temporary dislocation would follow. Last year, the action he took as Chancellor had had that result, and the labour released was rapidly absorbed in new work to the public benefit. If the mass of the people ever believed that there was an intention to bring about large-scale unemployment, they would set their faces, and rightly, against every reasonable and proper measure that this or any other Government might propose.

Whether it was regarded as an economic or a social problem, it was their duty to see whether they could " alleviate, perhaps cure, a disease which, although not as dramatic as that which afflicted the country before the war, might in the long run be equally pernicious." He would pledge, on behalf of the Government, that they would not shrink from any measure, popular or unpopular, which they thought might be corrective. They had the right to make this claim because they had taken many measures of this kind, including credit restrictions, cuts in Government expenditure, abolition of subsidies, the Rent Act, the attempt to reduce the cost of the Health Service, and the new defence policy, all of which was a massive contribution towards the deflation of the economy.

In six years of Labour administration the trade balance had reached a cumulative deficit of £800,000,000 in spite of import controls and rationing. When the Socialists left office the adverse trade balance had been running at the rate of £700,000,000 a year. In the following six years there had been a surplus on the trade balance of £800,000,000, achieved not by a reduction of imports but by a great increase in exports. In the last four years, dollar imports had risen by 25 per cent but dollar exports had risen by 50 per cent.

Personal savings under the Labour Administration had almost been a minus quantity, standing at £160,000,000 in 1950. In 1956 they had been £1,500,000,000. The cost of living had gone up by 20 per cent in the six years of Conservative government, whereas under Labour rule it had risen by 40 per cent.

Referring to the nationalized industries, the Prime Minister said : " We have good men in them both at the top and throughout the industries. I do not think we shall do very much by criticism of them. We must find the best men we can get and help them. But the industries are in a sheltered position. Because they are sheltered, they have a special duty not to exploit the nation."

" If the problem of inflation is to be solved," said Mr. Macmillan, " it must be by a joint operation. In a period of full employment those who advise and manage organized labour must necessarily be in a position of great power. They must also realize they have increased responsibility. If they use their strength unwisely they might easily bring about the opposite of what they are seeking. They might even bring the collapse of the structure of full employment. Instead of benefiting their members, they might bring them great injury. If they are thought to use their position unfairly against the defenceless classes, they will build up against themselves the same kind of division which many of us remember, and so deeply regret, in our country between the wars. There is a point at which no Government, of whatever complexion, can stand idly by and, in the name of impartiality, be silent witnesses to economic decline."

Mr. Martin Lindsay (C.) stated that he and two other Conservative M.P.s would not be able to support the Government in the division. In his opinion the Government had not shown adequate leadership in dealing with the problem of inflation. The Government ought to say to those who had responsibility for dealing with the matter—the employers of nationalized and private industries, and the trade unions—that they regarded it as an unpatriotic act to formulate or concede wage claims which were not related to higher production, or to increase dividends.

The Vote for the Treasury (on which the debate had taken place) was carried on a division by 304 votes to 241—a Government majority of 63.

Council on Prices, Productivity and Incomes. - Government's Consultations with Industry and Trade Unions. - T.U.C. Statement.

The plan to set up an independent national body to advise on wages, profits, prices, and productivity had first been announced by the Prime Minister in a speech at Stockton (Co. Durham) on June 1. Though wider in scope, it originated from a recommendation of the courts of inquiry into the engineering and shipbuilding industries (see 15609 A) which had suggested the establishment of an authoritative and impartial body to advise on "wider problems of wages policy in an inflationary setting."

Mr. Macmillan said that full employment demanded a sense of responsibility, a measure of reasonable restraint, and a recognition by everyone of the basic fact that "to give ourselves more money without producing more is to give ourselves nothing of any real or lasting value." He added: "This is why I have asked the Chancellor of the Exchequer and the Minister of Labour to consult with representatives of industry—masters and men—on whether an independent body might help to throw light on all the different aspects of price stability and on the need for greater productivity to earn a higher standard of living. If such a body can help us we shall do our best to get it into being. We must again and again remind ourselves of the fundamental facts of elementary economics. These are that you cannot get a quart out of a pint pot; that the source of wealth is work; that ours is a country which must live by its exports in a world of severe competition."

Mr. Thorneycroft and Mr. Macleod accordingly had discussions with representatives of the Federation of British Industries, the British Employers' Confederation, the National Union of Manufacturers, the nationalized industries, and the T.U.C. between June 6-12 and again on July 17-18.

The General Council of the T.U.C. informed the Government on July 24 that the Government's proposal for the setting-up of the new body had been "noted"; that the assurance of Ministers that the proposed body would not interfere with the present system of collective bargaining or intervene in any negotiations or disputes in industry had also been "noted"; but that the General Council "reserved their position" on the Government's proposal. At the same time the General Council issued the following statement:

"The Chancellor has consulted the T.U.C. on the proposal to set up an independent body on productivity, prices, and incomes. He has emphasized that he was not asking for approval of the establishment of the body—the responsibility for setting it up would be the Government's alone. Neither, if it were set up, was he asking the T.U.C. to say in advance that it would approve its reports. The purpose of seeking the T.U.C.'s views, and, indeed, the results expected from such a body, are far from being explicit. One impression which appears to be getting abroad is that the Government, by its proposal, is taking steps to deal with the inflationary problem and that the T.U.C., if it opposes or withholds approval, is therefore preventing or working against a solution. In other words, Press and public discussion is being focussed on the question who is for and who is against the independent body, rather than on the major question of inflation and how to deal with it . . .

"The immediate question is whether a so-called independent or impartial body is likely to settle or make any contribution toward settling the controversy. It cannot be doubted that the basic elements in this controversy concern economic, social, and Governmental policies, on which decided and fundamentally differing views are held by representative organizations, political parties, and the Government itself. Thus, the T.U.C. has made representations to the Chancellor on the occasion of all his Budgets in recent years, but scarcely any of its suggestions have been accepted. In fact, the Government, in line with its economic and social outlook, has continued to adopt policies which the T.U.C. has opposed. It cannot be denied that many of these budgetary and other Government measures have directly resulted in increased prices to be paid by the consumer for essential goods and services, and others have resulted in a diminution of the burden of taxation, mainly on higher incomes.

"During the same period, Government policy has been directed towards a loosening of the economy, permitting a general expansion of business and industrial activity regardless of its social character and its demands on our limited resources, and at other times towards a greater financial stringency without any discrimination as to its social and economic effects. In a freer economy of this kind, the T.U.C. has warned the Government of the consequential natural exercise by the trade unions of their bargaining strength in order to maintain the purchasing power of wages. Conscious of the consequences of this inter-action of the forces affecting incomes and prices, not least upon their own members, the T.U.C. has consistently appealed to the Government to use its powers to prevent unnecessary price increases and thus to set the scene for a collective effort to control these forces and encourage greater productivity.

"While the T.U.C. cannot fail to be aware from past experience of the problems of wage bargaining under conditions of full employment and the importance of maintaining a correct balance between wages and other incomes and costs and prices, it is convinced that unless national economic policy is directed towards full employment and social welfare, and the Government is demonstrably taking measures to that end, it will continue to be impossible to advocate, with any hope of success, a policy of voluntary restraint. The more the Government has yielded to the demands for a freer market economy, the less have been the chances of voluntary control and co-ordination in the wages field.

"These fundamental differences cannot be removed by the setting up of an impartial body. The danger is that they may be temporarily overlooked if attention is diverted towards an examination by such a body, and that the responsibilities of the Government, employers and trade unions, and the public generally in facing the issues of policy involved would tend to be obscured.

"The General Council therefore note the proposal of the Government to set up an impartial body to consider wages, incomes, prices, profits, and productivity. They further note the assurances of Ministers that this body will not interfere with the present system of collective bargaining or intervene in any negotiations or disputes in an industry. The General Council reserve their position on this proposal of the Government."

Higher Interest Rate on Local Loans.

In accordance with the Chancellor's announcement at the meeting of the National Advisory Council on Productivity (see above), the Treasury announced on July 12 that interest on new loans to Local Authorities by the Public Works Loan Board would be increased from July 13 as follows (existing rates in parentheses): up to five years, 5¾ per cent (5¼ p.c.); over five and up to 15 years, 6 per cent (5½ p.c.); over 15 years, 5¾ per cent (5½ p.c.).—(Times - Daily Telegraph - Manchester Guardian - Daily Herald - Financial Times) **(Prev. rep. Anti-Inflationary Policy, 15481 A; Wages, 15432 A; Local Authority Loans, 15388 B.)**

A. FRANCE. — New Information Office.

On the proposal of M. Bourgès-Maunoury, the Prime Minister, the French Cabinet decided on July 11 to set up a new French information office (*Centre de diffusion française*) for the purpose of making the French viewpoint understood throughout the world and combating the anti-French propaganda in "certain countries."

It was officially announced (1) that the *Centre de diffusion française* would have the specific task of providing information abroad on French affairs, "particularly in connexion with North Africa and the French Union"; (2) that it would be under the direct control of the Cabinet and would be headed by a diplomat; (3) that it would not be concerned with cultural relations but would have the definite mission of "combating the anti-French propaganda in certain countries and re-establishing the truth"; (4) that it would have representatives abroad who would disseminate information through the media of pamphlets, press conferences, etc.; and (5) that the *Centre* would be assisted by a consultative committee.

M. Raymond Offroy, French Ambassador in Bangkok, was appointed on the same day as head of the *Centre de diffusion française*. It was also announced that the members of the above-mentioned consultative committee would include M. Pierre Commin, assistant secretary-general of the French Socialist Party, and Senator Longchambon, president of the *Association des français à l'étranger*.—(Le Monde, Paris)

B. BRUNEI. — Constitutional Reforms.

Draft constitutional proposals for the British-protected State of Brunei, in North Borneo, were published on July 26. Drafted by the British Government in consultation with the Sultan of Brunei, they provide for the replacement of the existing 20-member State Council (a body largely recruited on a hereditary basis from the State aristocracy) by the following bodies: (1) an Executive Council consisting of the Sultan as president and 15 other members, some chosen *ex-officio* and others elected by the district councils; (2) a Legislative Council consisting of a president and 26 members (15 unofficial, six official and five *ex-officio*), including four directly appointed by the Sultan; and (3) a Privy Council, which would advise on matters of ceremonial and protocol and consist of five *ex-officio* members and others nominated by the Sultan. (Times - Manchester Guardian)

C. CANADA. — Final General Election Result.

The postponed election in Wellington South (Ontario), caused by the death of the Liberal candidate during the general election campaign, was held on July 15 and resulted in the Progressive Conservatives winning the seat from the Liberals, who had held it since 1930. The successful Conservative candidate, Mr. Alfred Hales, polled 11,606 votes against 6,121 for the Liberal candidate and 305 for a C.C.F. candidate.

Dr. W. G. Blair, Progressive Conservative M.P. for Lanark (Ontario), died on June 16, necessitating a by-election in that constituency.—(Montreal Star) **(Prev. rep. 15613 A)**

A. PAKISTAN. — Legislative Preparations for General Elections. - Joint Electorate for Whole of Pakistan. - Constitution suspended in West Pakistan. - Resignation of Dr. Khan Sahib. - New Ministry formed by Abdur Rashid Khan. - President's Rule ended in West Pakistan. - Split in Awami League. - New Political Parties.

During its April session the National Assembly of Pakistan considered several Bills relating to the preparation of general elections throughout the country in March 1958, the most important of these measures being the Electorate Amendment Bill, which introduced a system of joint electorates for both West and East Pakistan. Details of these Bills are given below :

Electorate Amendment Bill. This Bill—introduced on April 22 by Mr. Suhrawardy, the Prime Minister—abolished the separate electorate system in the Province of West Pakistan and thus amended the Electorate Act of 1956, which had provided for joint electorates in East Pakistan but for separate electorates for Moslems and non-Moslems in West Pakistan (see 15241 A).

Explaining the new measure, Mr. Suhrawardy declared that there was no justification for having two separate systems of electorates in the two parts of Pakistan, and that the introduction of a uniform system for the whole country would help to create unity and cohesion. Denying the view that the system of joint electorates was fundamental to Islam, he declared that the minorities must put their trust in the Moslems, who would " look after their interests with possibly greater zeal than they themselves will be able to do." He expressed his personal opinion that most objections to the joint electorate system in West Pakistan were due to political factors.

Mr. C. E. Gibbon, the Deputy Speaker and Christian minority representative, opposed the Bill on the ground that it would " eliminate and exterminate the minorities of Pakistan." He threatened to take the matter to the Supreme Court " or even the International Court of Justice " if the Bill was passed.

Mr. Gibbon's amendment to circulate the Bill for the purpose of showing the public that the Government had " created revolutionary conditions " was lost by 36 votes to 14 and the Bill was passed by a voice vote on April 24, receiving the President's assent on April 30.

Electoral Rolls Bill. This measure, introduced on April 9 by the Law Minister, Sardar Amir Azam Khan, regulated the qualifications of voters at national and provincial elections and the preparation of electoral rolls. Its object was to clear the way for the Election Commission to make the necessary preparations for the first general elections in the country on the basis of universal adult franchise. It also contained certain provisions regarding delimitation of constituencies.

The Bill was subsequently passed and received the President's assent on April 30.

Representation of the People Bill. This measure, introduced by Sardar Amir Azam Khan on April 15, regulated the membership of the National Assembly and the two Provincial Assemblies ; laid down the qualifications and disqualifications for membership ; defined corrupt and illegal practices and other offences in connexion with elections ; and regulated the procedure for decisions on election disputes. It laid down that the National Assembly would comprise 310 members, half of whom would be elected by West Pakistan and the other half by East Pakistan, and that the two Provincial Assemblies would also have 310 members each.

The Bill was referred to a Select Committee.

Political Developments in West Pakistan.

President Mirza suspended the Constitution of West Pakistan on March 21, and took over the government of that province, after Dr. Khan Sahib's Ministry had lost its majority in the Provincial Assembly. The President's action was approved by the National Assembly on April 13 by 47 votes to 21, and on April 16 the Assembly agreed to extend President's Rule in West Pakistan for another four months—i.e. until Sept. 30, 1957.

The crisis was caused by the decision of the Moslem League party in the Provincial Assembly to demand the breaking-up of West Pakistan into fully autonomous provinces. When a resolution on this matter was debated in the Assembly on March 20, about 30 members of the ruling Republican Party crossed the floor and joined the Opposition ; in consequence, the Government (which had previously been supported by 164 of the 305 members) lost its majority. The Speaker, however, refused to allow a vote to be taken on a motion of censure on the Government which had been moved by Sardar Bahadur Khan, leader of the Moslem League.

Following the introduction of President's Rule, consultations on the formation of a new Provincial Government took place between President Mirza, Mr. Suhrawardy, and party leaders. A solution was delayed, however, by the controversy over the proposed division of West Pakistan, to which President Mirza and Mr. Suhrawardy were strongly opposed, but on which opinion was known to be divided in all the three main parties—the Moslem League, the Republican Party, and the Awami League. Dr. Khan Sahib claimed on April 1 that he could still command a majority in the Assembly, and that he should be allowed to resume office if new elections were not held. Sardar Bahadur Khan, on the other hand, claimed that the Moslem League was in a position to form a Ministry, and denounced the suspension of the Constitution as " a step which struck at the roots of democracy."

Speaking in the National Assembly's debate on April 13, Mr. Suhrawardy explained that President's Rule had to be proclaimed in West Pakistan to bring " some stability " into the uncertain political situation in that part of the country, and also to promulgate the provincial Budget. There had not been a single party with a majority at the time, and the various groups had joined hands only to bring down Dr. Khan Sahib's Government. Commending the resolution of April 16 extending President's Rule, Mr. Suhrawardy said that the extension was needed to stabilize political life in the province, declaring in this connexion : " There was so much political dishonesty that there was no alternative to President's Rule. A time has come when we should stand for clean politics. The destiny of the people should not be played with by a handful of politicians."

The Republican Party in the Provincial Assembly, meeting at Lahore on July 2, elected Sardar Abdur Rashid Khan as its leader in place of Dr. Khan Sahib, who had expressed the desire to relinquish office. Sardar Abdur Rashid Khan was Minister of Finance and Information in Dr. Khan Sahib's Government. The meeting was attended by 148 members of the Provincial Assembly and the party claimed that another 18 members had pledged support to it in writing, thus giving it an overall majority in the Assembly.

Dr. Khan Sahib formally resigned as Chief Minister on July 7, and on July 16 advised the Governor of West Pakistan (Mr. Gurmani) to appoint Sardar Abdur Rashid Khan as his successor. On the previous day President Mirza had issued a proclamation revoking President's Rule in the province and ordering the restoration of parliamentary government. The formation of the new Provincial Ministry was completed on July 17.

Political Developments in East Pakistan.

An open split in the Awami League (the ruling party in the province) occurred during the first half of 1957 owing to sharp dissensions between Mr. Suhrawardy, the Prime Minister and all-Pakistan Convener of the League, and Maulana Bashani, its president in East Pakistan. The points at issue were the Maulana's demand for full regional autonomy for East Pakistan in internal matters and for a policy of " neutrality and independence " in foreign affairs, including Pakistan's withdrawal from the Baghdad Pact and SEATO and the rejection of foreign economic aid.

After a meeting of the East Pakistan Awami League Council on Feb. 7-8 Maulana Bashani claimed that a resolution had been passed supporting his views and condemning the Baghdad Pact, but this was completely denied by Mr. Suhrawardy as well as by Mr. Ataur Rahman, the Provincial Chief Minister. In consequence of his differences with Mr. Suhrawardy, whom he accused of violating the party constitution, Maulana Bashani resigned from the presidency of the League on March 21. Nine of his supporters on the League's Working Committee also resigned on March 31 after the Committee's majority had suspended the organizing secretary of the League, Mr. Oli Ahad, for publishing a pamphlet condemning military pacts.

At a further session of the League's Council on June 13, Mr. Suhrawardy won a decisive victory when his foreign policy, though again strongly condemned by the Maulana, was endorsed by over 700 votes to 25 ; at the same meeting the Council supported (by over 700 votes to 14) a decision by the Working Committee to expel Mr. Oli Ahad for three years.

As a counter-action the Maulana immediately invited a number of left-wing Opposition leaders from West Pakistan to visit Dacca for consultations with him. They included two leaders of the National Party (see below), Mr. G. M. Syed and Mian Iftikharuddin. In co-operation with them he appointed a committee to draft a Constitution for a new party, and subsequently called a convention of all " democratic forces " to be held in Dacca on July 25-26 for the purpose of formally setting up the new party. On the eve of this meeting, the *Ganatantri Dal* (Democratic Party, an associate of the Awami League coalition) decided to merge with the new party upon its formation. The Awami League, on the other hand, strongly dissociated itself from the convention, both Mr. Ataur Rahman and the League's general secretary (Sheikh Mujibur Rahman) publicly declaring that they did not support the Maulana.

The Maulana's new party was duly set up at the Dacca convention, assuming the name of National Awami Party and electing the Maulana as its president—a development marked by demonstrations in Dacca against the Maulana. Further disturbances occurred during a public meeting sponsored by the new party, as a result of which the East Pakistan Revenue Minister, Mr. Mahmud Ali (who belongs to the *Ganatantri Dal*) resigned in protest.

Sheikh Mujibur Rahman had resigned on May 30 as Minister of Commerce in the Provincial Ministry in order to resume his work as general secretary of the Awami League. Under the League's Constitution a party official is not permitted to be a member of the Government, and Maulana Bashani had insisted on the Sheikh's resignation from the Ministry.

Other Political Developments.

A convention of six small left-wing Opposition groups, held at Lahore from Nov. 30-Dec. 2, 1956, decided to form a new party under the name of the Pakistan National Party.

The constituent groups included the Red Shirts (led by Khan Abdul Ghaffar Khan), the Azad Pakistan Party, the Sind Awami League, and the Sind Hari Committee. The new party's manifesto urged a change in Pakistan's foreign policy by making her "free from alignment with either block." It also called for unity among the "anti-imperialist" countries, and demanded the repeal of the existing internal security legislation.

The formation of a "Kashmir Liberation Workers' Committee" was announced on April 6 by Akbar Khan, the former major-general who had been involved in the "Rawalpindi conspiracy" case and had recently become a member of the Awami League. He stated that he planned to launch a strong "internal freedom movement" in the Indian-held part of Kashmir and to achieve its aims through civil disobedience, strikes, and general non-cooperation on the pattern of the Indian "freedom struggle."

On June 18 Akbar Khan announced the formation of a new political party with the objectives of bringing Pakistan into closer relationship with the other Moslem countries, of "liberating Kashmir from Indian occupation," and of rendering assistance to the "freedom fighters in Kashmir."

National Assembly By-election.

Dr. Khan Sahib, the former Chief Minister of West Pakistan (see above), was elected a member of the National Assembly from West Pakistan on April 23. His earlier election had been declared void by the West Pakistan High Court (see 15488 D). (Dawn, Karachi - Pakistan High Commissioner's Office, London - Times) **(Prev. rep. Electoral System, 15241 A; West Pakistan, 15006 A; East Pakistan, 15143 A.)**

A. LITERATURE. — Book Selections, July, 1957.

Selected books published in Great Britain, the United States and France are given below:

Great Britain. Abraham, J. Johnston - "Surgeon's Journey: An Autobiography." (Heinemann, 25s.)

Durrell, Lawrence - "Bitter Lemons." Cyprus 1953-1956. (Faber and Faber, 16s.)

Hunt, R. N. Carew - "A Guide to Communist Jargon." (Geoffrey Bles, 15s.)

Jean-Aubry, Gérard "The Sea Dreamer: A Definitive Biography of Joseph Conrad." Translated from the French. (George Allen and Unwin, 25s.)

Kohr, Leopold "The Breakdown of Nations." (Routledge and Kegan Paul, 30s.)

Leber, Annedore—"Conscience in Revolt." 64 Stories of the German Resistance to Hitler. Translated from the German (*Das Gewissen steht auf*). (Vallentine, Mitchell, 25s.)

Maclean, Fitzroy—"Disputed Barricade: The Life and Times of Josip Broz-Tito, Marshal of Yugoslavia." (Cape, 25s.)

Ogilvie, Vivian—"The English Public School." (Batsford, 30s.)

Rolt, L. T. C.—"Isambard Kingdom Brunel: A Biography." Longmans, 25s.)

Shepherd, Gordon—"The Austrian Odyssey." (Macmillan, 30s.)

Schlesinger, Arthur M., jr.—"The Age of Roosevelt: Volume I—The Crisis of the Old Order, 1919-1933." (Heinemann, 42s.)

Taplin, Gardner B.—"The Life of Elizabeth Barrett Browning." (John Murray, 42s.)

Waugh, Evelyn—"The Ordeal of Richard Pinfold." (Chapman and Hall, 12s. 6d.)

United States. Frank, Waldo—"Bridgehead: The Drama of Israel." (George Braziller, New York, $3.75)

France. Camus, Albert—"L'exil et le royaume." (N.R.F., Paris)

(Ed. K.C.A.) **(Prev. rep. Book Selections, 15644 D.)**

B. ATHLETICS. — New World Record for the Mile.

A new world record was set up at the White City (London) on July 19 by Derek Ibbotson, of Great Britain, who ran the mile in 3 min. 57.2 sec., thereby beating the previous world record by eight-tenths of a second. Three other athletes also ran the mile in under four minutes during the same race: Roger Delaney (Eire) in 3 min. 58.8 sec., S. Jungwirth (Czechoslovakia) in 3 min. 59.1 sec., and K. Wood (Great Britain) in 3 min. 59.3 sec. The previous world record for the mile, 3 min. 58 sec., was set up by John Landy (Australia) in June 1954, only six weeks after Dr. Roger Bannister (Great Britain) had become the first man to run the mile in under four minutes. Dr. Bannister's time was 3 min. 59.4 sec.—(Times) **(Prev. rep. 13651 C.)**

C. HONG KONG. — New Governor.

It was announced on Aug. 2 that the Queen had approved the appointment of Sir Robert Black, Governor of Singapore, as Governor and Commander-in-Chief of Hong Kong in succesion to Sir Alexander Grantham, who was retiring after holding the post since 1947. (Times) **(Prev. rep. 8537 C.)**

D. UNITED KINGDOM. — Loans for British Refugees expelled from Egypt. - Government Scheme.

A scheme of *ex gratia* loans to British nationals expelled from Egypt after the Suez crisis, to meet hardship caused through being deprived of access to their assets, was announced by the Foreign Secretary (Mr. Selwyn Lloyd) on July 15.

Mr. Lloyd said that the Government had been considering whether the definition of hardship under which the Anglo-Egyptian Resettlement Board at present operated should be drawn somewhat wider to include those suffering through being deprived of access to their assets. They had decided that this could best be achieved by a scheme of *ex gratia* loans as a measure of interim assistance. Payments would be calculated on the basis of the declarations of assets registered with the Foreign Office before July 15, the scale of payments being as follows:

Reckonable assets declared	Amount of loan
Up to £2,000 ..	70 per cent. £1,400 maximum.
£2,001-£2,500 ..	£1,400 (70 per cent of first £2,000) plus £100 = £1,500.
£2,501-£3,000 ..	£1,400 (70 per cent of first £2,000) plus £200 = £1,600.
£3,001-£5,000 ..	£1,400 (70 per cent of first £2,000) plus £600 = £2,000.
£5,001-£10,000 ..	£1,400 (70 per cent of first £2,000) plus £1,300 = £2,700.
£10,001-£15,000 ..	£1,400 (70 per cent of first £2,000) plus £2,000 = £3,400.
£15,001-£20,000 ..	£1,400 (70 per cent of first £2,000) plus £2,700 = £4,100.
£20,000 and over ..	£5,000.

Assets reckonable for the purpose of the scheme would be the following tangible items: Land, buildings, furniture and personal effects, vehicles, boats, livestock, bank balances, cash deposits and securities in Egypt, articles deposited for safe keeping, indemnities, water, gas, electricity, and Customs deposits, and securities on deposit in the United Kingdom.

In making payments under this scheme, no account would be taken of the grants made previously by the Resettlement Board, nor of advances against Egyptian pensions. Loans which had been made by the Board would, however, be taken into account in calculating the amount to be loaned under the scheme. It would be for the individual himself to decide whether he was eligible for the scheme and, if so, whether he wished to take advantage of it. Once he had done so he would not normally be eligible for further help from the Resettlement Board.

Mr. Selwyn Lloyd said that applications for loans should be made to the Resettlement Board and that no-one would be asked to make any repayment until his claim had been settled by the Egyptian Government.

The first report published by the Anglo-Egyptian Resettlement Board on Aug. 1 stated that over 6,000 British refugees had arrived in the U.K. from Egypt, of whom about 2,300 were still living in hostels. Personal allowances had been made to 4,800 people; maintenance was being paid to about 550 families, and the wages of about 170 supplemented; and over 550 had been helped to emigrate. Total expenditure so far had been nearly £665,000, including £270,000 for maintaining refugees in hostels.—(Times - Daily Telegraph) **(15389 A.)**

E. INDONESIA. — National Advisory Council.

The newly created National Advisory Council was inaugurated on June 12 by President Sukarno, who assumed the position of chairman of the Council.

In his inaugural speech President Sukarno emphasized that the setting-up of the Council was not intended to diminish the authority of either Cabinet or Parliament, and that the Cabinet would remain responsible to Parliament as hitherto. The President said that the Council represented "an amalgamation of dynamic forces in society which cannot be adequately channelled through Parliament."

The Council held its first session on July 13, when it discussed the following questions: a new movement, suggested by President Sukarno a few days earlier, aiming at a "mental revolution among the people" (see below); the restoration of normal conditions in the country after the unrest of the previous six months; the creation of a National Planning Board; and the granting of autonomy to the regions.

In earlier speeches President Sukarno had suggested that the National Planning Board should not only deal with economic reconstruction and development but with every aspect of Indonesian society, and should work out definite schemes in such fields as defence and education. In other speeches delivered during a recent visit to East Java, the President had declared that it was imperative to mobilize the people for a "mental revolution" so as to abolish the "colonial way of thinking" that still prevailed among Indonesians. He emphasized that there were four crises in the country which had to be overcome by democratic means—"a moral crisis, a political crisis, a crisis of law-enforcing agencies, and a power crisis."—(Indonesian Embassy, London) **(15636 A.)**

A. EGYPT. — The Cairo Espionage Trials.

The trial was held in Cairo from May 11-30 of 11 Egyptians, eight Britons (four *in absentia*), and one Yugoslav accused of espionage activities on behalf of Great Britain. One of the Egyptians was sentenced to death, while 12 of the other defendants (nine Egyptians and three Britons) were given terms of imprisonment (in some cases with fines and/or hard labour) ranging from three to 25 years. The remaining seven defendants were acquitted.

The defendants and the sentences imposed on them were as follows :

Death. Sayed Amin Mahmoud, headmaster of a preparatory school.

25 Years. Captain Ahmed Amin Mahmoud, naval officer and son of the above; Salah Hassan Bedeir, Army mechanic; Youssef Megali Hanna, Army engineer The first two were to serve their sentences with hard labour and to pay a fine of £E.2,000 each.

15 Years. Massif Morkos Mikhail, detective, who was also ordered to pay a fine of £E.2,000.

10 Years. Mr. James Zarb, the Maltese owner of a porcelain factory; Mr. Alexander Reynolds (*in absentia*); Youssef Bedeir, an employee in Mr. Zarb's factory. Mr. Zarb and Mr. Reynolds were to serve their sentences with hard labour.

Five Years. Mr. James Swinburn, business manager of the Arab News Agency (with hard labour); Anton Yakoub Abdelmalik, journalist; Mohammed Ebeid, architect; Samuel Attiya, a former employee of the Sudan Government.

Three Years. Ahmed El Sayed Rewish, a parliamentary clerk.

Acquitted. Mr. Charles Pittuck, assistant manager of the Marconi Radio Telegraph Company of Egypt; Mr. John T. Stanley, Cairo manager of the Prudential Assurance Co.; Mr. George Sweet, Mr. John McGlaston and Mr. George Roe (all *in absentia*); Colonel Milovan Gregorovic, of the former Royal Yugoslav Army; Hussein Ali El Kashef, a guard at the Yugoslav Embassy in Cairo.

Details of the preliminary proceedings, the trial itself, and the verdict are given below under cross-headings.

The Preliminary Proceedings.

The preliminary proceedings were exceptionally protracted: firstly, because of the Anglo-French-Israeli military intervention in the autumn of 1956 and the subsequent international crisis; and secondly, because of the extensive *dossier* drawn up against the accused, running to some 1,200 pages. The prosecution took considerable time to prepare its case on the basis of this *dossier*, and the defence, on its part, was granted additional time to study it. As a result, the 16 defendants—who were arrested in August-September, 1956 (see page 15083)—had spent more than eight months in prison before the trial began. The four others, all Britons, had left Egypt in August 1956 and were tried *in absentia*.

The 16 accused first appeared in court on Oct. 18, when the bench, meeting *in camera*, reserved a decision on the Public Prosecutor's request for a further 45 days' remand in custody. The request was subsequently granted on Oct. 23. No further public reference was made to the case until Feb. 7, 1957, when the Public Prosecutor announced that he would ask for the death sentence on 11 of the accused (including Mr. Swinburn, Mr. Zarb, Mr. Reynolds and Colonel Gregorovic) and for life imprisonment (25 years) for the nine others. Severe penalties were being called for, the Prosecutor explained, because Egypt was technically in a state of war with Israel at the time when the offences were committed. The Prosecutor also announced the specific terms of the indictment against the 11 for whom the death sentence was demanded, as follows :

" They obtained in wartime data, information and documents connected with the armed forces and their movements, equipment and military operations, which are considered national defence secrets that should have been restricted . . . to the authorities concerned. This activity was carried out with the intention of delivering these secrets to a foreign country, namely Britain. They actually delivered these secrets to officials of that country and others working for it."

Some information about the " spy ring " in which the accused were alleged to have participated was made public for the first time on Feb. 8 by the Government-controlled Middle East News Agency, which stated : " The public investigating authority first learned about the spying in 1953, and some of the members were kept under surveillance from then up to the time of their arrest. The authorities took action when they learned that the ringleader, James Swinburn, planned to leave for Britain and that he was to be replaced by Charles Pittuck."

The Agency alleged that Mr. Swinburn had been instructed by the British Embassy to meet Mr. Pittuck and to introduce him to Sayed Amin Mahmoud. After saying that the three men had met at Mr. Swinburn's flat in Zamalek [a Cairo suburb] on Aug. 27, the Agency's statement continued :

" The police raided the house, arrested the trio, and seized documents in their possession. Swinburn admitted his guilt and said he had been passing information he obtained from his agents to British Embassy officials. He identified his assistants and they were all arrested and made confessions. Investigation showed that they had all been working for British Intelligence and had been supplying it with information about armed forces and political activities in Egypt and [other] Arab countries. Pittuck told the investigators that he headed the network in Swinburn's absence and had received written instructions to pass on the information he gathered to one of the two First Secretaries of the British Embassy, who were later expelled by the Egyptian Government."

The defendants made their second appearance in court on Feb. 14, when the preliminary hearings proper were due to begin. The defence, however, secured an adjournment until Feb. 25 to enable it to study the evidence against the accused. A hearing accordingly took place on the latter date, two observers being present on behalf of the British defendants—Dr. Jean Lachenal, Professor of International Law at Geneva University, whom the British Government had retained to follow the proceedings on behalf of the British defendants, and Colonel Cyril Banks, Independent M.P. for Pudsey, whom the Prudential Assurance Co. had requested to act on Mr. Stanley's behalf. Both Professor Lachenal and Colonel Banks, however, were obliged to follow the proceedings from outside the courtroom, since the proceedings were held *in camera* as on the two previous occasions.

The court reserved its decision until March 4, when it announced at a public sitting that the accused would be sent for trial at the Cairo assizes and that, with one exception (Hussein Ali El Kashef, who was granted bail), they would remain in custody. On April 13, when the trial was due to begin, the defence pleaded successfully for a postponement until May 11 to enable it to complete its study of the evidence.

The Trial.

The trial was held in public under Chief Judge Mahmoud Abdel Latif and was attended throughout by two observers for the British Government—Professor Lachenal and Mr. Edmund Davies, Q.C., Recorder of Cardiff.

Case for the Prosecution. Pleas of " not guilty " were entered by all the defendants except Mr. Swinburn and Mr. Zarb, who, after protesting that they had heard the indictment for the first time that day, and that during the whole period of their incarceration they had had hardly any opportunity to consult their lawyers, stated that they would leave it to the latter to enter pleas on their behalf. The prosecution then called its witnesses, the first of whom, a captain of the Secret Police, alleged that the " spy ring " had been in operation for 14 years. He also alleged that Mr. Swinburn " was in permanent contact with the British Embassy's intelligence officer, Oliver St. John," and that Sayed Amin Mahmoud had visited Swinburn each week in disguise to convey intelligence reports from his son, at one time A.D.C. to General Negub, the former Egyptian President. The witness made the further observation that " had it not been for the troubles with the West over the nationalization of the Suez Canal, we would not have arrested the spies at that moment. We had to arrest them because their activity became dangerous."

The chief feature of the second day's proceedings was the evidence submitted by a colonel of the Egyptian Military Intelligence department who, in support of the prosecution's contention that the information gathered by the defendants was of a secret military character, dealt with various reports and inquiries on " defence secrets " which certain of the accused were alleged to have written. Although details of these documents were not disclosed (the judge rejecting a defence request for a session *in camera* for this purpose), they were stated to concern the following matters : (1) naval manoeuvres off Alexandria (allegedly reported by Ahmed Amin Mahmoud); (2) monthly production figures of factories producing for the armed forces (allegedly reported by Salah Hassan Bedeir); (3) the information that the tank-landing ship *Akka* had been filled with explosives and sent to Port Said on Aug. 27, 1956 in order to block the Suez Canal, and that another ship, the *Sudan*, had been similarly prepared in order to block the entrance to Alexandria harbour; (4) the fact that torpedo boats were ready at Port Said " to meet the enemy "; (5) details of military equipment and repairs carried out at Kantara (allegedly reported by Youssef Megali Hanna); (6) a Syrian request to Egypt for the establishment in Syria of an aviation college for pilots and mechanics, to be run by Egyptians (alleged source as above); (7) the setting-up of an aircraft repair workshop (alleged source as above); (8) the arrival in Egypt of 12 German experts to build rockets (alleged source as above); (9) the installations of a radar base in Cairo; (10) the arrival in Egypt of 10 tank transporters; (11) the names and sites of Egyptian Army outposts.

The final prosecution speeches were made on May 13-14 and, as previously announced, called for the death sentence on 11 of the accused and life imprisonment for the remaining nine. The Chief Prosecutor told the court that the case had arisen from " an imperialist attempt to infiltrate the country " at a time when Egypt and the Arab world were " striving to assert their independence." He particularly denounced Sayed Amin Mahmoud, who, he said, had been described by his own son as a " slave and loving servant of the British " and who, he alleged, had supplied vital information to the " enemy."

The second prosecutor dealt particularly with the prosecution's contention that the information gathered was indubitably of a secret military character. In this connexion he read reports, alleged to have been compiled by Sayed Amin Mahmoud, dealing with the following subjects : the strength of the Egyptian tank corps and

uneasiness amongst its officers caused by the transfer of some of their number; the arrival of an engineering corps division near Bilbeis; mine-laying in the desert; the emplacements and strength of artillery and infantry in Cairo; the establishment of an artillery contingent using rocket projectiles; the despatch of two groups of the National Guard to a Lower Egypt garrison; and the establishment of a secret military airfield in the Nile Delta. He also gave details of documents alleged to have been written by Salah Hassam Bedeir concerning the following subjects: the arrest and exile of Gamal Salem (brother of Major Salah Salem, former Minister of National Guidance); the despatch of an Egyptian military mission to buy torpedo boats from Czechoslovakia and equipment for the Alexandria naval base from Germany and Italy; the use of Egyptian frogmen; and the naval defences of Alexandria.

The third prosecutor, speaking on May 14, said that the alleged spy network had operated by means of a "conspiratorial system of cells," the cell leaders being, he alleged, Mr. Swinburn, Mr. Zarb, and Mr. Stanley. The last official to give them directives, he went on, was Mr. Jones, a secretary at the British Embassy, and even when "the threat of war had become imminent" in view of Sir Anthony Eden's speech of Aug. 2, 1956 "announcing troop concentrations against Egypt," all the accused had continued to supply British Intelligence with military information. Of the 11 Egyptian accused, the prosecutor said that they had agreed to continue to supply information if an alleged plan to move British Intelligence headquarters from Cairo to Beirut following the deterioration of Anglo-Egyptian relations in the previous summer were put into operation. As regards Mr. Zarb, the prosecutor said that while he had confessed to having worked for British Intelligence since 1954, the prosecution had proof that he had actually done so since 1953. His main role, he alleged, had been to maintain contact with Youssef Megali Hanna, from whom he had allegedly received reports on such subjects as coastal artillery batteries, tank repairs, and the methods of making bombs at Egyptian arms factories.

Turning to the case against Colonel Gregorovic, the prosecutor alleged that the latter's specific task had been to obtain information from Soviet-bloc embassies and also to report on the contacts of Egyptian officials with these embassies. He alleged also that Colonel Gregorovic had been a factor in "inciting" Britain against Egypt, since he had reported that Egypt was "heading towards Communism." At the time of the visit of Mr. Shepilov to Cairo in June 1956 [see 14959 A], Gregorovic had allegedly reported that, on Russian advice, the Arabs proposed to form a united front to oppose the Baghdad Pact and to draw up plans for the nationalization of Middle East oil. The result of these reports "was to drive the British mad to the extent of interfering militarily against Egypt." Referring to Mr. Pittuck, the prosecutor alleged that he had agreed to supervise the "spy ring" during Mr. Swinburn's absence.

In conclusion, the prosecutor stressed the prosecution's contention that the alleged offences had been committed when Egypt was in a state of war with Israel, since, in the prosecution's belief, the armistice agreement which had been in force since 1949 did not constitute peace.

Case for the Defence. The case for the defence was presented from May 20-30. The first defence counsel maintained that the fact that the investigating authorities had allowed the alleged "spy ring" to continue to operate for three years after they had learnt of its existence was "supreme proof that their work was not important and was not considered dangerous to the State." Dealing specifically with the case against Anton Yakoub Abdelmalik, counsel said that his client had been named in a statement by Mr. Swinburn as a source for "general political and economic reports." It was true that, in the course of his freelance work for the Arab News Agency, Yakoub had supplied press reports to Mr. Swinburn, its Cairo business manager, but he had never thought it was wrong to do so, especially since the Agency was semi-official in character.

Counsel for Sayed Amin Mahmoud described the latter as a "complete fraud" who had ten wholly imaginary informants on paper, and who, after being approached by the British in 1954, had supplied them with information which was either purely imaginary or based on local newspaper reports.

Counsel for Colonel Gregorovic described him as a "number one enemy of Communism" and as "Tito's greatest enemy," who, by combating Communism in Egypt, had hoped ultimately to rid his own country of Marshal Tito. Mr. Swinburn had testified (counsel alleged) that Gregorovic had been connected since 1945 with the secret anti-Communist department of the Egyptian Ministry of the Interior, and also that he had worked for British Intelligence with the agreement of the Egyptian Government. Moreover, immediately before his arrest, Egyptian security officers had asked Gregorovic for reports on Communist activities in Egypt. Repudiating the charge that Gregorovic had communicated with a foreign power, counsel alleged that a former First Secretary of the British Embassy, Mr. J. Gove [who was declared *persona non grata* by the Egyptian Government in August 1956—see page 15083] had been the "leader of the entire network" and was "the one criminal *par excellence* in this case" and the "one source of all evil." He alleged also that Colonel Gregorovic had never been in contact with Mr. Gove, but only with the British defendants.

When the trial resumed on May 27 after a recess, counsel for Mr. Pittuck and Mr. Stanley rejected the allegation that his clients had been guilty of "criminal conspiracy." All Mr. Pittuck had done was to state, when approached by Mr. Gove, that he was willing to serve his country. When, shortly afterwards, he had allegedly received codes and instructions from Mr. Gove, he had torn them up immediately; and when he visited Mr. Swinburn's flat [where he was arrested], he did so merely to find out what services were required of him. Of Mr. Stanley, counsel said that while his client had been on friendly terms with Colonel Gregorovic and the defendant Rewish, there had never been any exchange of information or "criminal agreement" between them.

Counsel for Mr. Swinburn and Mr. Zarb dealt in particular with the prosecution's contention (on which its call for the death sentence was based) that Egypt had been at war with Israel when the alleged offences were committed. Drawing on a special thesis on the subject prepared by Professor Jean Lachenal, counsel said that, under the terms of the 1907 Hague Convention, a state of war could not exist unless a declaration of war had been made. No such declaration had been made in the case of the Egyptian-Israeli conflict. In addition, war could only take place between States, and Egypt had declared in 1948 that it was going into Palestine to fight "armed gangs" and not a State. Nor had Egypt recognized Israel as a State by the 1949 Armistice Agreement. Counsel also pleaded for leniency for his two clients on the grounds that they had made truthful confessions and that the information which they had gathered was of a trifling nature.

Counsel for Ahmed Amin Mahmoud and Massif Morkos Mikhail claimed, with regard to the former, that he was not a traitor but a patriot who had formed a *fedayeen* group in 1953 and who had been praised by Colonel Nasser's brother. He had deliberately misled the British, every one of his reports being "a web of falsehoods and imagination." Of Morkos, counsel said that he had acted legally since all his reports had dealt with Communism, to which Egypt was opposed.

The case for the defence was concluded on May 30. Counsel for Mohammed Ebeid claimed that the prosecution's contention that the accused had plotted against Egypt had been disproved by Colonel Nasser himself, who had said in an interview with an American correspondent: "The case did not constitute a plot, as the accused were only gathering information."

The final speaker for the defence (Dr. Mohammed Hashem, a former Minister of the Interior) reverted to the question of whether Egypt was at war with Israel at the time of the alleged offences. He maintained that Egypt had consistently violated international law since 1948 by acting on that false assumption. The Palestine armistice, however, was no ordinary one which could cease at any moment when either side resumed hostilities; on the contrary, it stipulated that neither party could resume warfare and was "a special form of legal international contract between two parties under the control of a third party—the United Nations."

The Verdict. The verdict (as given above) was announced on June 22. On the date originally fixed for the announcement (June 10) the presiding judge had stated that the court's decisions would not be made known until June 22 and that the papers of one of the accused (Sayed Amin Mahmoud) were being referred to the Mufti. This action indicated that it was proposed to pass the death sentence on the accused in question (the assent of the Islamic religious leader being required for such a sentence under Egyptian law), but that no other death sentences were contemplated. The Mufti's assent to the sentence was subsequently announced on June 19.

In announcing the verdict on June 22, the presiding judge said of Mr. Swinburn, the alleged leader of the group, that while the court had found him guilty of all the offences with which he had been charged, it was acknowledged that he had been truthful in most of his statements and had thus been a help in proving the charges brought against "a few traitors who do not deserve the honour of being Egyptians." In addition, he had not been paid for his work but had acted solely from motives of patriotism. For these reasons, the court had decided to be lenient with him. On the other hand, Mr. Swinburn had refused to disclose the identities of the British colleagues who took his place while he was abroad; if he had done so, he might have been acquitted. As regards Mr. Zarb, the judge said that since he had been "disloyal, dishonest and most ungrateful" towards the country which had given him life-long hospitality, since he had been paid for his work, and since he had not confessed freely, the court proposed to treat him with "appropriate severity." Of Mr. Pittuck and Mr. Stanley, the judge said that there was not sufficient evidence to establish that they had intended to commit the offences alleged against them.

Following their release from prison, Mr. Pittuck, Mr. Stanley and Colonel Gregorovic left Egypt for London on June 30.
(Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. 15079 A, page 15083.)

A. MIDDLE EAST. — Indonesian Contingent withdrawn from U.N. Emergency Force.

The Indonesian representative at the United Nations (Dr. Tjondronegoro) announced on July 22 that his Government intended to withdraw the Indonesian contingent of the U.N. Emergency Force in Egypt and would be unable to provide replacements for further service. The Indonesian contingent, nearly 600 strong, had been with UNEF since the middle of January and will return to their own country under arrangements to be made by the United Nations.
(New York Times) **(Prev. rep. UNEF, 15391 A.)**

A. CHINA. — President Mao Tse-tung's Speech on "Correct Handling of Contradictions among the People."

An important speech by President Mao Tse-tung on "the correct handling of contradictions among the people," delivered before the Supreme State Council on Feb. 27, was published on June 18 in a text revised and enlarged by himself. The speech distinguished between (*a*) contradictions (using the term in the Marxist sense of "conflicts of interests") between "the people" and "the enemy," which were "antagonistic," and (*b*) contradictions among "the people" themselves and between the Government and the people, which were "non-antagonistic" and could be solved by democratic methods.

Enlarging on the Chinese Communist Party's slogan, "Let 100 flowers blossom and 100 schools of thought contend," President Mao emphasized that ideological and artistic controversies should be decided through free discussion and not by "crude coercive methods," and that the Communist Party and other parties should continue to exist side by side and to exercise mutual criticism, although the "building of Socialism" and the leadership of the Communist Party must remain the two guiding and unassailable principles by which all views were to be judged. He also referred to the fact that some strikes had taken place in 1956, and commented that such disturbances, the leaders of which should not be victimized, could serve a useful purpose in drawing attention to bureaucratic mistakes. The speech is summarized below from the text brought by the *New York Times*:

Types of Contradictions. "Never has our country been as united as it is today," President Mao said. "However, this does not mean that there are no longer any contradictions in our society . . . We are confronted by two types of social contradictions: contradictions between ourselves and the enemy, and contradictions among the people . . . If we are to have a correct understanding of these two different types of contradictions, we must first of all make clear what is meant by 'the people' and what is meant by 'the enemy.' The term 'the people' has different meanings in different countries, and in different historical periods in each country . . . At this stage of building Socialism, all classes, strata and social groups that approve, support, and work for the cause of Socialist construction belong to the category of 'the people,' while those social forces and groups that resist the Socialist revolution, and are hostile to and try to wreck Socialist construction, are enemies of the people.

"The contradictions between ourselves and our enemies are antagonistic ones," he continued. "Within the ranks of the people, contradictions among the working people are non-antagonistic, while those between the exploiters and the exploited classes have, apart from their antagonistic aspect, a non-antagonistic aspect . . . Our people's Government is a Government that truly represents the interests of the people and serves the people, yet certain contradictions do exist between the Government and the masses. These include contradictions between the interests of the State, collective interests, and individual interests; between democracy and centralism; between those in positions of leadership and the led; and contradictions arising from the bureaucratic practices of certain State functionaries in their relations with the masses . . .

"The contradiction between the working class and the national bourgeoisie is a contradiction among the people. The class struggle waged between the two is, by and large, a class struggle within the ranks of the people. This is because of the dual character of the national bourgeoisie in our country . . . Exploitation of the working class to make profits is one side, while support of the Constitution and willingness to accept Socialist transformation is the other. The national bourgeoisie differs from the imperialists, the landlords, and the bureaucrat-capitalists. The contradiction between exploiter and exploited, which exists between the national bourgeoisie and the working class, is an antagonistic one. But, in the concrete conditions existing in China, such an antagonistic contradiction, if properly handled, can be transformed into a non-antagonistic one and resolved in a peaceful manner . . .

"Since the contradictions between ourselves and the enemy and those among the people differ in nature, they must be solved in different ways. To put it briefly, the former is a matter of drawing a line between us and our enemies, while the latter is a matter of distinguishing between right and wrong . . . Ours is a people's democratic dictatorship, led by the working class and based on the worker-peasant alliance . . . That is to say, democracy operates within the ranks of the people, while the working class, uniting with all those enjoying civil rights, the peasantry in the first place, enforces dictatorship over the reactionary classes and elements and all those who resist Socialist transformation and oppose Socialist construction . . .

"Certain people in our country were delighted when the Hungarian events took place," Mao Tse-tung continued. "They hoped that something similar would happen in China, that thousands upon thousands of people would demonstrate in the streets against the people's Government. Such hopes ran counter to the interests of the masses, and therefore could not possibly get their support . . . There were other people in our country who took a wavering attitude towards the Hungarian events because they were ignorant about the actual world situation. They felt that there was too little freedom under our people's democracy and that there was more freedom under Western parliamentary democracy. They ask for the adoption of the two-party system of the West, where one party is in office and the other out of office. But this so-called two-party system is nothing but a means of maintaining the dictatorship of the bourgeoisie; under no circumstances can it safeguard the freedom of the working people . . .

"While we stand for freedom with leadership and democracy under centralized guidance, in no sense do we mean that coercive measures should be taken to settle ideological matters and questions involving the distinction between right and wrong among the people. Any attempt to deal with ideological matters or questions involving right and wrong by administrative orders or coercive measures will not only be ineffective, but harmful. We cannot abolish religion by administrative orders, nor can we force people not to believe in it. We cannot compel people to give up idealism, any more than we can force them to believe in Marxism. In settling matters of an ideological nature, or controversial issues among the people, we can only use democratic methods—methods of discussion, criticism, persuasion, and education; not coercive, high-handed methods . . .

"Quite a few people fail to make a clear distinction between these two different types of contradictions, those between ourselves and the enemy and those among the people, and are prone to confuse the two. It must be admitted that it is sometimes easy to confuse them. We had instances of such confusion in our past work. In the suppression of the counter-revolution, good people were sometimes mistaken for bad. Such things have happened before, and still happen today. We have been able to keep our mistakes within bounds because it has been our policy to draw a sharp line between our own people and our enemies and, where mistakes have been made, to take suitable measures of rehabilitation."

Suppression of Counter-revolution. Turning to the question of "suppressing counter-revolutionaries," Mao Tse-tung stated that "there are some who hold somewhat different views on this question . . . Those with a rightist way of thinking make no distinction between ourselves and the enemy, and mistake our enemies for our own people . . . Those with a leftist way of thinking so magnify contradictions between ourselves and the enemy that they mistake certain contradictions among the people for contradictions between ourselves and the enemy, and regard as counter-revolutionaries people who really are not. Both these views are wrong."

Although the events in Hungary had "caused some of our intellectuals to lose their balance a bit," Mao Tse-tung continued, "there were no squalls in our country" because "we had succeeded in suppressing counter-revolution quite thoroughly . . . After the liberation we rooted out a number of counter-revolutionaries. Some were sentenced to death because they had committed serious crimes . . . Since 1956, however, there has been a radical change in the situation. Taking the country as a whole, the main force of counter-revolution has been rooted out . . . There were excesses in some cases, and in other cases counter-revolutionaries were overlooked. Our policy is: counter-revolutionaries must be suppressed whenever they are found, mistakes must be corrected whenever they are discovered . . . Decisions on exoneration and rehabilitation should receive the same measure of publicity as the original mistaken decisions."

Agricultural Co-operation. After saying that "the organization of agricultural co-operatives has been successfully completed," Mao Tse-tung observed that "certain contradictions remain to be resolved, such as those between the State and the co-operatives and those within and among the co-operatives themselves . . . On the one hand, the co-operative economy must be subject to the unified economic planning of the State, but at the same time it should be allowed to retain a certain leeway and independence of action . . . On the other hand, every household in a co-operative can make its own plans in regard to land reserved for private use and other economic undertakings left to private management, but it must comply with the overall plans of the co-operative or production team to which it belongs.

"On the question of distribution, we must take into account the interests of the State, the co-operative, and the individual. We must find the correct way to handle the three-way relationship between the tax revenue of the State, accumulation of funds in the co-operative, and the personal income of the peasant, and pay constant attention to making readjustments so as to resolve contradictions as they arise. Accumulation is essential for both the State and the co-operative, but in neither case should this be overdone. We should do everything possible to enable the peasants to raise their personal incomes year by year on the basis of increased production."

Rejecting the view that the living standards of the industrial workers, but not of the peasants, had improved, Mao Tse-tung pointed out that the country's output of food crops had risen from 105,000,000 tons in 1949 to 180,000,000 tons in 1956, whilst the State agricultural tax amounted to about 15,000,000 tons a year, in addition to about 25,000,000 tons bought from the peasants by the State. "We are prepared to stabilize over a number of years the total amount of the grain tax and the amount of grain purchased by the State at approximately something over 40,000,000 tons a year," he went on. "This will help promote the development of agriculture and consolidate the co-operatives . . . With the exception of certain peasants who grow industrial crops, all peasant households will then have reserves of food grain or at least become self-sufficient . . . It is not right to make a superficial comparison between the average annual income of a peasant and that of a worker and draw the conclusion that the one is too low and the other too high. The productivity of the workers is much higher than that of the peasants, while the cost of living is much lower for the peasants than for

workers in the cities . . . However, the wages of a small number of workers and some Government personnel are rather too high; the peasants have reason to be dissatisfied with this, so it is necessary to make certain appropriate readjustments in the light of specific circumstances."

Industrialists and Businessmen. Discussing the position of industrialists and businessmen in Chinese society, Mao Tse-tung said: "The year 1956 saw the transformation of privately-owned industrial and commercial enterprises into joint State-private enterprises, as well as the organization of co-operatives in agriculture and handicrafts as part of the transformation of our social system. The speed and smoothness with which this was carried out are closely related to the fact that we treated the contradiction between the working class and the national bourgeoisie as a contradiction among the people. Has this class contradiction been resolved completely? No, not yet. On the one hand, members of the bourgeoisie have already become managerial personnel in joint State-private enterprises, and are being transformed from exploiters into working people living by their own labour. On the other hand, they still receive a fixed rate of interest on their investments in the joint enterprises; that is, they have not yet cut themselves loose from the roots of exploitation. Between them and the working class there is still a considerable gap in ideology, sentiments, and ways of life . . .

"Even when they stop receiving their fixed interest payments and rid themselves of the label 'bourgeoisie,'" Mao Tse-tung continued, "they will still need ideological remodelling for quite some time . . . During the last few years, most of them have been willing to study and have made marked progress. Our industrialists and businessmen can be thoroughly remoulded only in the course of work; they should work together with the staff and workers in the enterprise, and make the enterprises the chief centres for remoulding themselves. It is also important for them to change certain of their old views through study. Study for them should be optional. After they have attended study groups for some weeks, many industrialists and businessmen, on returning to their enterprises, find they speak more of a common language with the workers, and so they work better together."

The Intellectuals. "China needs as many intellectuals as she can get to carry through the colossal task of Socialist construction," President Mao went on. "We should trust intellectuals who are really willing to serve the cause of Socialism, radically improve our relations with them, and help them solve whatever problems have to be solved, so that they can give full play to their talents. Many of the comrades are not good at getting along with intellectuals. They are stiff with them, lack respect for their work, and interfere in scientific and cultural matters in an uncalled-for way. We must do away with all such shortcomings . . . It is not only necessary but also possible for large numbers of our intellectuals to change their world outlook. But a thorough change in world outlook takes quite a long time, and we should go about it patiently and not impetuously. Actually, there are bound to be some who are reluctant to accept Marxism-Leninism and Communism. We should not be too exacting in what we expect of them; as long as they comply with the requirements of the State and engage in legitimate pursuits, we should give them opportunities for suitable work . . . Ideological remoulding in the past was necessary and has yielded positive results. But it was carried on in a somewhat rough-and-ready way and the feelings of some people were hurt—this was not good. We must avoid such shortcomings in the future."

National Minorities. "The people of the national minorities in our country number more than 30,000,000," Mao Tse-tung stated. "Although they constitute only six per cent of China's total population, they inhabit regions which altogether comprise 50 to 60 per cent of the country's total area. It is therefore imperative to foster good relations between the Han [Chinese] people and the national minorities. The key to the solution of this question lies in overcoming Great-Han chauvinism. At the same time, where local nationalism exists among national minorities, measures should be taken to overcome it . . . In most areas inhabited by national minorities there has been a big improvement in relations among the nationalities, but a number of problems remain to be solved. In certain places both Great-Han chauvinism and local nationalism exist in a serious degree, and this calls for close attention . . .

Tibet. "Because conditions in Tibet are not yet ripe, democratic reforms have not yet been carried out there. According to the seven-point agreement reached between the Central People's Government and the local Government of Tibet, reform of the social system must eventually be carried out. But we should not be impatient; when this will be done can only be decided when the great majority of the people of Tibet and their leading public figures consider it practical. It has now been decided not to proceed with democratic reforms in Tibet during the period of the Second Five-Year Plan, and we can only decide whether it will be done in the period of the Third Five-year Plan in the light of the situation obtaining at that time."

"Letting 100 Flowers Blossom." Discussing the slogan "Let 100 flowers blossom [a Chinese proverb] and 100 schools of thought contend," Mao Tse-tung said: "It is harmful to the growth of art and science if administrative measures are used to impose one particular style of art or school of thought and to ban another. Questions of right and wrong in the arts and sciences should be settled through free discussion in artistic and scientific circles and in the course of practical work in the arts and sciences. They should not be settled in summary fashion. A period of trial is often needed to determine whether something is right or wrong. In the past new and correct things often failed at the outset to win recognition . . . The Copernican theory of the solar system and Darwin's theory of evolution were once dismissed as erroneous, and had to win through against bitter opposition . . . That is why we should take a cautious attitude toward questions of right and wrong in the arts and sciences, encourage free discussion, and avoid hasty conclusions . . . Ideological struggle is not like other forms of struggle. Crude, coercive methods should not be used in this struggle, but only the method of painstaking reasoning . . .

"People may ask, 'Since Marxism is accepted by the majority of the people in our country as the guiding ideology, can it be criticized?' Certainly it can. As a scientific truth, Marxism fears no criticism. If it did, and could be defeated in argument, it would be worthless . . . What should our policy be towards non-Marxist ideas? As far as unmistakable counter-revolutionaries and wreckers of the Socialist cause are concerned, the matter is easy; we simply deprive them of their freedom of speech. But it is quite a different matter when we are faced with incorrect ideas among the people . . . It is not only futile but very harmful to use crude and summary methods to deal with ideological questions among the people, questions relating to the spiritual life of man. You may ban the expression of wrong ideas, but the ideas will still be there. On the other hand, correct ideas, if pampered in hothouses without being exposed to the elements or immunized from disease, will not win out against wrong ones. That is why it is only by employing methods of discussion, criticism, and reasoning that we can really foster correct ideas, overcome wrong ideas, and really settle issues . . .

"There can be no doubt that we should criticize all kinds of wrong ideas . . . But such criticism should not be doctrinaire . . . While criticizing doctrinairism, we should at the same time direct our attention to criticizing revisionism. Revisionism, or rightist opportunism, is a bourgeois trend of thought which is even more dangerous than doctrinairism. The revisionists, or right opportunists, pay lip-service to Marxism and also attack doctrinairism. But the real target of their attacks is actually the most fundamental elements of Marxism. They oppose or distort materialism and dialectics, oppose or try to weaken the people's democratic dictatorship and the leading role of the Communist Party, oppose or try to weaken Socialist transformation and Socialist construction. Even after the victory of the Socialist revolution in our country, there are still a number of people who vainly hope for a restoration of the capitalist system. They wage a struggle against the working class on every front, including the ideological front. In this struggle their right-hand men are the revisionists . . .

"How are our people to determine what is right and what is wrong in our words and actions? Broadly speaking, words and actions can be judged right if they (1) help to unite the people of our various nationalities and do not divide them; (2) are beneficial, not harmful, to Socialist transformation and Socialist construction; (3) help to consolidate, not undermine or weaken, the people's democratic dictatorship; (4) help to consolidate, not undermine or weaken, democratic centralism; (5) tend to strengthen, not to cast off or weaken, the leadership of the Communist Party; (6) are beneficial, not harmful, to international Socialist solidarity and the solidarity of the peace-loving peoples of the world. Of these six criteria, the most important are the Socialist path and the leadership of the party.

"These criteria are put forward in order to foster and not hinder the free discussion of various questions among the people. Those who do not approve of these criteria can still put forward their own views and argue their case . . . Naturally, in judging the truth of scientific theories or assessing the aesthetic value of works of art, other pertinent criteria are needed. But these six political criteria are also applicable to all activities in the arts and sciences . . .

"All that is set out above stems from the specific historical conditions in our country. Since conditions vary in different Socialist countries and with different Communist parties, we do not think that other countries and parties must or need follow the Chinese way."

"Long-term Co-existence and Mutual Supervision." Mao Tse-tung next discussed the slogan "long-term co-existence and mutual supervision," which had been coined to define the relationship between the Communist and other parties. "It is the desire of the Communist Party, and its policy," he stated, "to exist side by side with the other democratic parties for a long time to come. Whether these parties can long exist depends not merely on what the Communist Party itself desires, but also on the part played by these parties themselves and on whether they enjoy the confidence of the people. Mutual supervision among the various parties has also been a long-established fact, in the sense that they advise and criticize one another. Mutual supervision, which is obviously not a one-sided matter, means that the Communist Party should exercise supervision over the other parties, whilst other parties should exercise supervision over the Communist Party . . . For a party as much as for an individual there is great need to hear opinions different from its own . . Of course, advice and criticism exchanged between the Communist Party and the other parties will play a positive role in mutual supervision only when they conform to the six criteria given above. That is why we hope that the other parties will all pay attention to ideological remoulding."

Disturbances. "In 1956 small numbers of workers and students in certain places went on strike," Mao Tse-tung continued. "The immediate cause of these disturbances was the failure to satisfy certain of their demands for material benefits, of which some should and could have been met, while others were out of place or excessive and therefore could not be met for the time being. But a more important cause was bureaucracy on the part of those in positions of leadership. In some cases responsibility for such bureaucratic mistakes should

be placed on the higher authorities, and those at lower levels should not be made to bear all the blame. Another cause was that the ideological and political educational work among the workers and students was inadequate. In the same year members of a small number of agricultural co-operatives also created disturbances, and the main causes were again bureaucracy on the part of the leadership and lack of educational work among the masses . . .

" In handling any disturbances, we should work painstakingly and should not use over-satisfied methods or declare the matter closed before it is thoroughly settled. The guiding spirits in disturbances should not be removed from their jobs or expelled without good reason, except those who have committed criminal offences or active counter-revolutionaries, who should be dealt with according to the law. In a big country like ours it is nothing to get alarmed about if small numbers of people should create disturbances ; rather we should turn such things to our advantage to help us get rid of bureaucracy."

Industrialization. In the final section of his speech Mao Tse-tung dealt with the problems arising from China's industrialization, and emphasized the need for strict economy. " We must gradually build a number of large-scale modern enterprises as the mainstay of our industries," he stated. " Without these we shall not be able to turn our country into a modern industrial power in several decades. But the majority of our enterprises should not be built in this way ; we should set up a far greater number of small and medium enterprises and make full use of the industries inherited from the old society . . .

" Heavy industry is the core of China's economic construction. This must be affirmed. But at the same time full attention must be paid to the development of agriculture and light industry. As China is a great agricultural country, with more than 80 per cent of its population in the villages, its industry and agriculture must be developed simultaneously. Only then will industry have raw materials and a market, and only so will it be possible to accumulate funds for the building-up of a powerful heavy industry. Everyone knows that without agriculture there can be no light industry. But it is not so clearly understood that agriculture provides heavy industry with an important market. This fact, however, will be more readily appreciated as the gradual progress of modernization of agriculture calls for more and more machinery, fertilizers, water conservancy and electric power projects, and transport facilities for the farms, as well as fuel and building materials for the rural consumers.

" The entire national economy will benefit if we can achieve an even greater expansion of our agriculture, and thus induce a correspondingly greater development of light industry during the period of the Second and Third Five-year Plans. With the development of agriculture and light industry, heavy industry will be assured of its market and funds, and thus grow faster. Hence what may seem to be a slower pace of industrialization is actually not so, and indeed the tempo may even be speeded up. In three Five-year Plans, or perhaps a little longer, China's annual steel output can be raised to 20,000,000 tons or more from the peak pre-liberation output of something over 900,000 tons in 1943 . . .

" In order to transform our country into an industrial Power," he concluded, " we must learn conscientiously from the advanced experience of the Soviet Union . . . There are two different attitudes in learning from others. One is a doctrinaire attitude—transplanting everything, whether suited or not to the conditions of our country. This is not a good attitude. Another attitude is to use our heads and learn those things that suit conditions in our country—that is, to absorb whatever experience is useful to us. This is the attitude we should adopt."

The *New York Times* commented that the views expressed in President Mao Tse-tung's speech differed in four important respects from the theory and practice of the Soviet Communist Party, especially under the Stalinist regime : (1) he rejected Stalin's theory (already condemned by M. Khrushchev—see 14992 A) that the class struggle became more acute during the advance towards Socialism, and maintained that the number of " counter-revolutionaries " had decreased and that more lenient methods could be applied ; (2) he opposed the monopoly of Marxism in the ideological field ; (3) he condemned the use of coercive methods in artistic and scientific controversies in stronger terms than had been used in recent Soviet statements on this subject (see 14817 A) ; (4) he advocated the simultaneous development of agriculture and of heavy and light industry, as opposed to the theory of priority for heavy industry supported by Stalin and reaffirmed in recent Soviet Government statements.—(New York Times)

(Prev. rep. 15232 A.)

A. CEYLON. — Appointment of New U.K. High Commissioner in Colombo.

It was announced in London on July 27 that Mr. A. F. Morley, Deputy High Commissioner in Calcutta, had been appointed U.K. High Commissioner in Ceylon in succession to Sir Cecil Syers, consequent on the latter's appointment as Secretary of the University Grants Committee in place of Sir Edward Hale. The two appointments take effect at the end of 1957.

(Times) **(Prev. rep. 11456 D ; 11419 E.)**

B. JAPAN. — Reconstruction of Kishi Cabinet.

A new Cabinet—drawn, like its predecessor, entirely from the ruling Liberal Democratic Party—was formed by Mr. Kishi on July 10 and sworn in by the Emperor Hirohito on the same day. Its membership was as follows :

Mr. Nobosuke Kishi ..	Prime Minister.
Mr. Mitsujiro Ishii ..	Vice-Premier and Director of the Hokkaido Development Agency.
Mr. Aichiro Fujiyama ..	Foreign Affairs.
Mr. Hisato Ichimada ..	Finance.
Mr. Toshiki Karasawa ..	Justice.
Mr. Ito Matsunaga ..	Education.
Mr. Shigesaburo Maeo	International Trade and Industry.
Mr. Muneori Akagi ..	Agriculture.
Mr. Hirohide Ishida ..	Labour.
Mr. Kenzo Horiki ..	Social Welfare.
Mr. Ryutaro Nemoto ..	Construction.
Mr. Sannojo Nakamura	Transport.
Mr. Kakuei Tanaka ..	Postal Services.
*Mr. Juichi Tsushima ..	Director of the Defence Agency.
*Mr. Matsutaro Shoriki ..	Chairman of the National Public Safety Commission.
*Mr. Yuichi Kori ..	Director of the Local Autonomy Board.
*Mr. Ichiro Kono ..	Director of the Economic Planning Board.
Mr. Kiichi Aichi ..	Chief Cabinet Secretary.

* Ministers of State.

With the exception of the Vice-Premier (Mr. Ishii) and of Mr. Kishi himself, all the Ministers of the former Cabinet were dropped. Of the key appointments in the new Cabinet, Mr. Fujiyama (Foreign Minister) was a newcomer to active politics, while Mr. Ichimada headed the Finance Ministry in the three Hatoyama Cabinets.

Mr. Fujiyama (60), president of the Japan Chamber of Commerce until his Cabinet appointment, is a prominent industrialist and a director of many leading companies. An intimate friend of Mr. Kishi, he was not a member of any political party or of the Diet prior to his appointment as Foreign Minister ; on entering the Cabinet, however, he announced his intention of joining the Liberal Democrats and of standing for the Diet at the next general election. He is a strong advocate of the South-East Asia development plan which Mr. Kishi discussed with President Eisenhower and with a number of Asian Premiers during his recent tour (see 15658 A). The Foreign Affairs portfolio was hitherto held by Mr. Kishi concurrently with the Premiership.

Mr. Ichimada, who succeeded Mr. Ikeda as Finance Minister, is a former Governor of the Bank of Japan and has held the Finance portfolio on previous occasions as stated above. The Tokio Correspondent of *The Times* commented : " He was considered the logical candidate as successor to Mr. Ikeda in the light of the sudden critical state of Japan's oversea payments balance . . . Although Mr. Ikeda is respected as a sound orthodox economist, he was requested to give up the Finance portfolio in token of his responsibility for the country's current financial difficulties and to make way for Mr. Ichimada, whose name is associated with tight money and deflationary policies."

Among other new Ministers, Mr. Kono was one of the most influential members of the Hatoyama Government (in which he held the portfolio of Agriculture) and is also one of the leading personalities in the Liberal Democratic Party. He was the chief negotiator of the peace treaty concluded with the Soviet Union in 1956.

In a policy statement on July 10, Mr. Kishi said that his new administration would correct " any further aggravation of Japan's foreign exchange position." He emphasized Japan's desire for close co-operation with the United States and the countries of South-East Asia.—(Times - Manchester Guardian)

(Prev. rep. Cabinet, 15456 C.)

C. ITALY. — Signor Giolitti leaves Communist Party.

The Italian Communist newspaper *l'Unità* published on July 24 a letter of resignation from the party by Signor Antonio Giolitti, a nephew of the famous Italian Prime Minister, and one of the most prominent among the younger members of the Italian Communist Party.

Signor Giolitti said in this letter that as his ideas had been rejected as " unprincipled revisionism," he had lost hope of being able to discuss within the party the political and ideological problems raised by the 20th Congress of the Soviet Communist Party and by the events in Hungary and Poland. Signor Giolitti had expressed his doubts on official party policy in a book, *Reform and Revolution*, which the party had condemned as " full of social democratic banalities and bourgeois ideology."

The Chamber of Deputies rejected the proffered resignation of Signor Giolitti as a deputy on July 26, the Communists abstaining.—(Corriere della Sera, Milan) **(Prev. rep. 15399 A.)**

A. GERMANY. — Allied Declaration on German Reunification. - Offer of Security Assurances to U.S.S.R. - East German Proposal for German "Confederation." - Rejection by Federal Republic.

A 12-point declaration setting forth the common policy of the British, French, U.S., and Federal German Governments on the question of German reunification was issued in West Berlin on July 29. It was signed by the three Western Ambassadors to the Federal Republic and by Dr. von Brentano (the Federal Foreign Minister) as representing "the only Government qualified to speak for the German people as a whole." The text was as follows:

"Twelve years have elapsed since the end of the war in Europe. The hopes of the peoples of the world for the establishment of a basis for a just and lasting peace have nevertheless not been fulfilled. One of the basic reasons for the failure to reach a settlement is the continued division of Germany, which is a grave injustice to the German people and the major source of international tension in Europe.

"The Governments of France, the United Kingdom and the United States, which share with the Soviet Union responsibility for the reunification of Germany and the conclusion of a peace treaty, and the Government of the German Federal Republic, as the only Government qualified to speak for the German people as a whole, wish to declare their views on these questions, including the question of European security, and the principles which motivate their policies in this regard:

(1) A European settlement must be based on freedom and justice Every nation has the right to determine its own way of life in freedom, to determine for itself its political, economic and social system, and to provide for its security with due regard to the legitimate interests of other nations. Justice requires that the German people be allowed to re-establish their national unity on the basis of this fundamental right.

(2) The reunification of Germany remains the joint responsibility of the four Powers who in 1945 assumed supreme authority in Germany, a responsibility which was reaffirmed in the directive issued by the four Heads of Government in Geneva in July, 1955. At the same time the achievement of German reunification requires the active co-operation of the German people as a whole under conditions ensuring the free expression of their will.

(3) The unnatural division of Germany and of its capital, Berlin, is a continuing source of international tension. So long as Germany remains divided, there can be no German peace treaty and no assurance of stability in Europe. The reunification of Germany in freedom is not only an elementary requirement of justice for the German people but is the only sound basis of a lasting settlement in Europe.

(4) Only a freely elected all-German Government can undertake, on behalf of a reunified Germany, obligations which will inspire confidence on the part of other countries and which will be considered just and binding in the future by the people of Germany themselves.

(5) Such a Government can only be established through free elections throughout Germany for an all-German National Assembly.

(6) There should be no discrimination against a reunified Germany. Its freedom and security should not be prejudiced by an imposed status of neutralization or demilitarization. Its Government should be free to determine its foreign policy and to decide on its international associations. It should not be deprived of the right, recognized in the U.N. Charter, for all nations to participate in collective measures of self-defence.

(7) Re-establishment of the national unity of Germany in accordance with the freely expressed wishes of the German people would not in itself constitute a threat to Germany's neighbours, nor would it prejudice their security. Nevertheless, to meet any preoccupation which other Governments may have in this respect, appropriate arrangements, linked with German reunification, should be made which would take into account the legitimate security interests of all the countries concerned. It was for this reason that, at the Geneva Foreign Ministers' Conference, the Western Powers made proposals for a treaty of assurance on the reunification of Germany.

(8) The Western Powers have never required as a condition of German reunification that a reunified Germany should join the North Atlantic Treaty Organization. It will be for the people of a reunified Germany themselves to determine through their freely elected Government whether they wish to share in the benefits and obligations of the treaty.

(9) If the all-German Government, in the exercise of its free choice, should elect to join NATO, the Western Powers . . . are prepared to offer, on a basis of reciprocity, to the Government of the Soviet Union and to other countries of Eastern Europe which would become parties to a European security arrangement, assurances of a significant and far-reaching character. The Western Powers are also prepared, as part of a mutually acceptable European security arrangement, to give an assurance that, in the event of a reunited Germany choosing to join NATO, they would not take military advantage as a result of the withdrawal of Soviet forces.

(10) But the Western Powers could not contemplate that the existence of NATO itself should constitute the subject of negotiations.

(11) The reunification of Germany, accompanied by the conclusion of European security arrangements, would facilitate the achievement of a comprehensive disarmament agreement. Conversely, if a beginning could be made towards effective measures of partial disarmament, this would contribute to the settlement of outstanding major political problems such as the reunification of Germany. Initial steps in the field of disarmament should lead to a comprehensive disarmament agreement, which presupposes a prior solution of the problem of German reunification. The Western Powers do not intend to enter into any agreement on disarmament which would prejudice the reunification of Germany.

(12) Any measures for disarmament applicable to Europe must have the consent of the European nations concerned and take into account the link between European security and German reunification."

The declaration concluded "The four Governments continue to hope that the Soviet Government will come to recognize that it is not in its own interest to maintain the present division of Germany. The Western Powers are ready to discuss all these questions with the Soviet Union at any time that there is a reasonable prospect of making progress. At such time there will be many points relating to the procedure for German reunification and the terms of a treaty of assurance which will require to be worked out by detailed negotiation. In advance of serious negotiations, the Western Powers cannot finally determine their attitude on all points. Nor can they contemplate in advance the making of concessions to which there is no present likelihood of response from the Soviet side.

"If negotiations are to be fruitful, both sides must approach them in a spirit of accommodation and flexibility. Through this declaration the Western Powers, in full accord with the Federal Republic, wish again to manifest their sincere desire to enter into negotiations with the Soviet Union in order to reach a European settlement and to give evidence that the paramount objective of their policy is the attainment of a just and lasting peace."

Two days before the Allied declaration was issued, the Prime Minister of Eastern Germany (Herr Grotewohl) had sent a memorandum to all diplomatic representatives accredited to the German Democratic Republic proposing that the two German States should enter into a contractual relationship as a "confederation," while at the same time retaining their present administrative arrangements. Herr Grotewhol laid down the following conditions as pre-requisites for such a "confederation": (1) the Federal Republic should withdraw from NATO and the Democratic Republic from the Warsaw Pact, armed forces in both parts of Germany should be strictly limited, and conscription should be abolished in the Federal Republic; (2) both German States should request the great Powers to arrive at a common agreement for the phased withdrawal of their forces from German territory; (3) no nuclear weapons should be stored in any part of Germany and all "nuclear war propaganda" should be strictly forbidden.

Herr Grotewohl reiterated the Soviet thesis that reunification could not be achieved through free all-German elections but only through a gradual *rapprochement* between Eastern and Western Germany. He proposed that the "confederation" should be established by treaty between the two German Governments, and that it should take the form of an All-German Council, recruited from both German Parliaments, which would endeavour to achieve conformity in matters of trade, currency, transport and communications, the status of Berlin, and other matters of common concern. This Council would be an advisory body and would make recommendations to both German Governments, which could accept or reject them. The lifting of the ban on "democratic organizations" in Western Germany —i.e. the West German Communist Party and the Communist-controlled "Free German Youth" organization was among the conditions mentioned by Herr Grotewohl as a pre-requisite for an all-German "confederation."

The East German proposals were rejected out of hand by all parties in the Federal Republic. Dr Adenauer, in a statement on July 28, said that Herr Grotewohl's proposals for a "confederation" between Eastern and Western Germany was "absolutely out of the question" and that the Federal Government could never agree to a step which would "strengthen the slavery of 17,000,000 people in the Soviet zone."

The Soviet Tass Agency described the four-power declaration on German reunification as "another scrap of paper added to the documents on the German question." It said that the Western Powers, "realizing that their proposals on the German question are unacceptable, want to exploit them as a counter-move to the Soviet disarmament proposals."
(Frankfurter Allgemeine Zeitung - Times - Le Monde, Paris)

(Prev. rep. 15416 A.)

B. UNITED KINGDOM. — National Research Development Corporation. - New Chairman.

The Board of Trade announced on July 21 that Mr. W. R. Black had been appointed chairman of the National Research Development Corporation, in succession to the late Sir Alan Saunders. Mr Black is managing director of Associated Commercial Vehicles Ltd.—(Times - Daily Telegraph)

(Prev. rep. 11196 A.)

AUGUST 3—10, 1957

A. MALAYA. — Final Agreement on Malayan Independence. - New Constitution of the Federation of Malaya. - Acceptance by British and Malayan Parliaments and Malay Rulers. - Ruler of Negri Sembilan elected First Head of State.

An agreement ending the 83-year period of British indirect rule in Malaya, and also terminating direct British sovereignty over the former Straits Settlements of Malacca and Penang, was signed in Kuala Lumpur on Aug. 5 by Sir Donald MacGillivray (the High Commissioner) and the Rulers of the Malay States, in the presence of the Chief Minister of the Federation (Tengku Abdul Rahman) and members of the Federation Cabinet. Constituting the last formality before the achievement of Malayan independence within the British Commonwealth, it revoked all previous agreements between Britain and Malaya and will come into force on Merdeka Day (i.e. Independence Day)—Aug. 31, 1957.

The agreement was concluded between H.M. the Queen on the one hand and the Rulers of the Malay States on the other, including the minor chiefs of the State of Negri Sembilan (which is a confederacy of small states). Replacing the Federation of Malaya agreement signed in 1947, it says in part:

"Whereas it has been represented to her Majesty and their Highnesses and the ruling chiefs of Negri Sembilan that fresh arrangements should be made for the peace, order and good government of the territories within the Federation, and her Majesty and their Highnesses and the said ruling chiefs have agreed that the Federation should become an independent country within the Commonwealth ... it has been agreed that the [Straits] Settlements should cease to form part of her Majesty's dominions and that all power and jurisdiction of her Majesty or of the British Parliament in or in respect of the Settlements or the Malay States or the Federation as a whole should come to an end."

The above-mentioned agreement had been preceded by the publication on July 3 of the new Constitution of the Federation of Malaya, based largely on the recommendations of the Constitutional Commission headed by Lord Reid (see 15454 A), but differing from them in a number of important respects. After discussions in London between Mr. Lennox-Boyd (the U.K. Colonial Secretary) and Tengku Abdul Rahman, the new constitution was approved both by the British Parliament and the Federation Parliament. These and other recent developments in connexion with Malayan independence are described below under cross-headings:

New Constitution of the Malayan Federation.

The White Paper on the new Constitution (Cmd. 210), issued on July 3, explained that while the constitutional proposals were based on the recommendations of the Reid Commission, those recommendations had nevertheless "undergone changes both in substance and form" as a result of subsequent agreement between the British and Federation Governments. The more important of these changes were set forth in the White Paper, as summarized below:

Head of State. The Head of State of the Malayan Federation would be known as the *Yang di-Pertuan Agong* (not *Yang di-Pertuan Besar* as proposed by the Reid Commission). He would be elected for a five-year term by the Malay Rulers from among their number, and would be succeeded in rotation by the Rulers of other States on a basis of seniority, as recommended by the Reid Commission. In matters other than those within his discretion, he would act in accordance with the advice of the Federation Cabinet or of a Minister acting under the Cabinet's general authority. He would appoint the Cabinet—which would be collectively responsible to Parliament—on the advice of the Prime Minister (*Perdana Mentri*). All Cabinet Ministers would have to be members of one or other of the two Houses of Parliament. The Head of State would appoint as Prime Minister a member of the House of Representatives who, in his opinion, was capable of commanding the confidence of that House.

The Malayan Parliament. The Federation Parliament (*Majlis*) would consist of a Senate (*Dewan Negara*) and a House of Representatives (*Dewan Ra'ayat*). The Senate would have 38 members, of whom 22 would be elected (two from each State) and 16 would be appointed by the *Yang di-Pertuan Agong*. [The Reid Commission proposed that 11 Senators should be appointed by the Head of State.] The 16 nominated members would be chosen from persons who had achieved distinction in the professions, commerce, industry, agriculture, cultural activities, or social services, or who were representative of racial minorities or capable of representing the interests of aborigines (the primitive Semang, Sakai and Jakun peoples, living in remote jungle areas). The Senate would be presided over by a President (*Yang di-Pertua Dewan Negara*) chosen from among its members. Senators would have to be not less than 30 years of age.

The House of Representatives would have eventually 100 members (at first 104), elected in single-member constituencies by citizens who must have attained the age of 21, which would also be the minimum age for election to the House. The Speaker of the House (*Yang di-Pertua Dewan Ra'ayat*) would be chosen from among its own members.

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Subjects for legislation were set out in a Federal List (i.e. legislation reserved to the Federation Parliament), a Concurrent List (i.e. matters on which both the Federal and the State Parliaments could legislate), and a State List (i.e. legislation reserved to the States). Federal law would prevail in the event of any inconsistency which might arise. Residual legislative power would rest with the States.

Citizenship. In conformity with the Reid Commission's recommendations, Malayan citizenship would be possessed by (*a*) all persons born in the Federation before Merdeka Day (Aug. 31, 1957), provided they had lived in the Federation for five out of the last seven years; and (*b*) persons who were living in the Federation on Merdeka Day but who were not born there, provided that such persons had lived in Malaya for eight out of the last 12 years. Under a new provision, however, the responsible Minister would decide at his own discretion in each individual case whether citizenship should be conferred on persons eligible in the latter group.

On the question of dual (i.e. Commonwealth) citizenship, it was laid down that "every person who is a citizen of the Federation will enjoy, by virtue of that citizenship, the status of a Commonwealth citizen in common with the citizens of all other Commonwealth countries"

Special provision was made for citizens of the U.K. and Colonies, including particularly the inhabitants of the former British Settlements of Malacca and Penang—the "Queen's Chinese," whose association with Britain dates back 150 years. Under the Constitution, they will retain their former status as citizens of the U.K. and Colonies but may apply for Malayan citizenship (if entitled to register as Federation citizens) within one year of Merdeka Day.

Judiciary. The Reid Commission's proposals on the Malayan judiciary were revised in certain respects "to maintain the independence of the judiciary from the executive and legislative authorities." As proposed by the Commission, the Supreme Court judges will be appointed by the Head of State, but the latter will have the obligation to consult the Rulers, the Prime Minister, and a Judicial and Legal Service Commission [a body not envisaged in the Reid report] before making such appointments. Whereas the Reid Commission had proposed that a judge could be removed from office by order of the Head of State, with parliamentary approval, the Constitution laid down that an independent judicial tribunal would be set up to consider any such case.

Malay Rights. A number of modifications were made to the Reid proposals with the aim of safeguarding the future economic position and prerogatives of the Malay population—a matter on which the Malay representatives had been particularly insistent since the publication of the Reid report. It was laid down that the Head of State, acting on the advice of the Cabinet, would have responsibility for reserving to the Malays a reasonable number of positions in the Public Service, education, business life, etc. Whereas the Reid Commission had proposed that these prerogatives should be reviewed after 15 years in "the appropriate legislature," the final constitutional text laid down that it would rest with the various State Rulers to keep a just balance between Malays and non-Malays.

Moreover, the Constitution laid down that Malay land reservations could only be cancelled if both the Legislative Assembly of the State affected and both Houses of the Federal Parliament agreed to such action by a majority of their members, and by the votes of not less than two-thirds of the members present and voting. The Reid proposals would have left this matter to the decision of the State Legislative Assembly alone.

Language. In conformity with the Reid proposals, Malay would be the official language of the Federation; English would also remain an official language for 10 years after independence, and "thereafter until Parliament otherwise provides." On the other hand, the Reid Commission's proposal that Chinese and Tamil should also remain official languages for ten years after independence was rejected. With the apparent aim of reassuring the non-Malays, however, it was laid down that no obstacles would be placed in the way of using (other than for official purposes), learning or teaching any language other than Malay.

Religion. The Constitution laid down that Islam would be the official religion of Malaya—thereby ignoring the majority recommendation of the Reid Commission, which had expressed the view that the new Constitution should contain no reference to a State religion. Every citizen, however, would be free to profess, practise and propagate his own religion, though the last-mentioned right would be "subject to any restriction imposed by State law relating to the propagation of any religion, doctrine or belief among persons professing the Moslem religion." It was stated that the proclamation of Islam as the State religion would "in no way affect the present position of the Federation as a secular State."

Tengku Abdul Rahman, accompanied by other Malayan ministers, had previously visited London from May 13-21 for discussions with Mr. Lennox-Boyd on the final details of the Constitution. Full agreement was reached in these talks, which were held at the Colonial Office under Mr. Lennox-Boyd's chairmanship. On his return to Kuala Lumpur, Tengku Abdul Rahman held a press conference on June 3 at which he explained that the question of dual (Commonwealth) citizenship had been one of the principal subjects discussed in London.

The Chief Minister explained that after Merdeka Day there would be only one loyalty in the Federation, and anyone taking an oath of Federal citizenship would have to renounce allegiance to any other country. Because Malaya would be a member of the British Commonwealth, all Malayan citizens would also enjoy Commonwealth citizenship. If, however, a citizen voluntarily claimed and acquired the right and privileges of any other country, he could be deprived of Federation citizenship. "If he [a Malayan citizen] goes to China and there exercises the rights of a Chinese, we can deprive him of Federal citizenship," the Chief Minister explained. "If British law says that only British-born citizens of the U.K. can exercise the right to be a Member of Parliament, and a Malayan citizen goes there and becomes an M.P., we can deprive him of Federal citizenship . . ."

In addition to his discussions with Tengku Abdul Rahman and the official Malayan delegation, Mr. Lennox-Boyd also heard the views of unofficial Malay and Chinese delegations which visited London to raise objections to various constitutional provisions relating to citizenship, the franchise, religion, the status of the different languages, and other matters.

The unofficial delegations represented Malay and Chinese groups opposed to the two main parties supporting the Federation Government—the United Malays National Organization (U.M.N.O.) and the Malayan Chinese Association (M.C.A.). Both delegations asserted that the constitutional proposals contained insufficient guarantees for their respective communities, the unofficial Malay delegation expressing particular opposition to the concept of dual citizenship and demanding that there should be only one citizenship for the Federation. Mr. Lennox-Boyd promised that these viewpoints would be taken into consideration as far as possible.

Constitution accepted by Federation Parliament and Malay Rulers. - Election of First Head of State.

A motion approving the new Constitution, moved by Tengku Abdul Rahman, was unanimously adopted on July 11 by the Legislative Assembly in Kuala Lumpur after a 12-hour debate.

The Chief Minister paid high tribute to Britain for guiding Malaya toward independence; stressed the cordiality and friendship which had characterized the negotiations; and expressed his conviction that relations between Britain and independent Malaya would remain "as cordial and helpful as they are today." In a tribute to the part played by the British people in Malaya, he said: "They have devoted their lives to the advancement of this country. Whatever their faults have been, they have made Malaya the prosperous and happy place it is today." He added: "I believe that we are able to stand on the threshold of independence only because of the tolerance of our plural community, their friendly attitude toward one another, and their acceptance of Malaya as an object of their absolute loyalty."

Nearly all the speeches welcomed the constitutional proposals as representing a fair, reasonable and workable compromise, though various objections were raised on matters of detail. The only overt criticism came from a few nominated Chinese members, led by Mr. S. M. Yong, who alleged that the constitutional proposals relating to citizenship by birth and residence would have the effect of making the Malayan Chinese "second-class citizens" *vis-à-vis* the Malays. Exception was also taken to the refusal to recognize Chinese as an official language. These criticisms were strongly repudiated by a number of other Chinese members, including the Minister of Transport (Mr. Ong Yoke Lin) and the Minister of Health (Mr. Leong Yew Koh), both of whom stressed that the constitutional proposals had the unanimous support of the Malayan Chinese Association.

The Rulers of the Malay States, who had unanimously accepted the Constitution on June 27, met at Kuala Lumpur on Aug. 4 to elect the first Head of State of the Malayan Federation (*Yang di-Pertuan Agong*). The election was made from among the nine Rulers by a combination of seniority (according to dates of accession) and the preference of the Rulers themselves, the choice eventually falling on the Ruler of Negri Sembilan, Sir Abdul Rahman.

The Sultan of Johore, though much the most senior of the Rulers, did not offer himself for election and was not personally present, his proxy being exercised by the Sultan of Kelantan. Accordingly, the Rulers first considered the candidacy of the Sultan of Pahang, as the second in seniority after the Sultan of Johore, but only three of the nine votes were cast in his favour. On the second ballot the Rulers voted on the claims of the Ruler of Negri Sembilan, who received eight votes and was therefore declared elected. The Sultan of Selangor (Sir Hisamuddin Alam Shah) was elected deputy Head of State.

Sir Abdul Rahman (62) was called to the Bar by the Middle Temple in 1928, and was a magistrate as well as an acting district officer before succeeding his father in 1933. He presided over each conference of Rulers held to discuss the new Constitution for an independent Malaya.

British Legislation. - The Federation of Malaya Independence Act.

The Federation of Malaya Independence Bill, providing for the establishment of the Malayan Federation as an independent sovereign State within the Commonwealth, was enacted on July 31 after an unopposed passage through both Houses of the British Parliament.

The Bill, a short measure of four clauses and two schedules, provided (1) for the approval of the constitutional arrangements set out in the White Paper, and for the implementation of the new Malayan Constitution by Order-in-Council on the "appointed day" (Aug. 31, 1957); (2) that existing legislation in the Federation would remain in force until amended or repealed; (3) that the Colonial Development and Welfare Acts would cease to apply to the Federation as from the "appointed day," except for schemes already undertaken at that date; (4) that the Judicial Committee of the Privy Council would have jurisdiction to hear appeals from the Supreme Court of the Federation, in accordance with arrangements to be reached between H.M. the Queen and the Head of State of the Federation.

[Neither the Bill nor the White Paper dealt with future defence arrangements, which will be the subject of a special treaty to be concluded with the Federation Government on the lines of the provisional agreement announced on Jan. 10 - see page 15455.]

The Bill was moved on second reading (July 12) by Mr. Lennox-Boyd, and was welcomed by Mr. James Griffiths (Lab.) on behalf of the Opposition.

Mr. Lennox-Boyd said that the long and honourable association that had existed between Britain and Malaya in the past would be continued in the future, though in a new form. The Constitution represented a genuine compromise between the different sections of the population; the citizenship proposals were "a triumph of good sense and tolerance"; and a fair balance had been struck between Malays and Chinese. Economic viability was an essential prerequisite for political independence, and Malaya, with her up-to-date rubber and tin industries, would have little difficulty in standing on her own feet both economically and financially were it not for the emergency.

As Malaya could not be expected to stand alone in her share of the fight against international Communism, she would receive from Britain up to £20,000,000 during the five-year period 1957-61 to help her combat the emergency. Terrorism, though greatly reduced, still existed, and it would be combated until finally extirpated. Special arrangements would be made with regard to the participation of British forces in anti-terrorist operations after Aug. 31, 1957. The Federation Ministers were fully alive to the danger that the Communist terrorists might seek to achieve by other means what they had failed to do by force, and economic development would be one of the weapons employed in combating terrorism.

On the financial side, Malaya had made an important contribution to the stability of the sterling area, and intended to maintain her connexion with it. She was resolved to order her policy in conformity with the principles of membership of the sterling area, and would continue to enjoy access to the London market for raising loans. As regards defence, negotiations were in progress between the British and Federation Governments and an agreement was being prepared which fully recognized the independence of Malaya and in no way derogated from her sovereignty.

Referring to the former Straits Settlements, Mr. Lennox-Boyd pointed out that the Bill provided *inter alia* for the relinquishment of the Queen's sovereignty over Malacca and Penang, and their incorporation as new States. Accordingly, they would enter the Federation as equal partners with the other Malay States on Merdeka Day, and would be within the Commonwealth like the rest of Malaya. He concluded. "In commending the Bill to the House, I should like, as the last Colonial Secretary who will have responsibility for Malaya, to reaffirm our trust in the leaders of Malaya and our confidence in the future of their country."

Mr. Griffiths said that the Bill provided an opportunity to establish a strong, viable, democratic State which would be of immense influence in a crucial part of the world. A complicated Constitution had been introduced, and the House must ensure that the rights and autonomy of the different States were preserved in such a way that this did not prevent the working of a strong and viable Federal Parliament. For this reason he thought it would have been wise had provision been made for the revision of the Constitution after 15 years. After regretting that Malaya had to begin her independence with the emergency still in existence, Mr. Griffiths said that there could no longer be any pretence by the Communists that they were "fighting imperialism."

Mr. Creech Jones (Lab.)—a former Colonial Secretary, like Mr. Griffiths—urged a "generous approach" to Malaya's financial difficulties, and asked Mr. Lennox-Boyd to reconsider the cutting-off of Colonial Development and Welfare grants to Malaya.

Mr. Alport (Under-Secretary, Commonwealth Relations Office) said that the outstanding allocation of Colonial Development and Welfare grants, totalling some £4,300,000, would remain available to complete the various projects in Malaya for which the money had been allocated. Of this amount, £300,000 would be used to complete the construction of the University of Malaya. The Malayan Federation would also remain eligible for technical assistance under the Colombo Plan after Merdeka Day.

In the House of Lords, where the Bill was given a second reading on July 29, the principal feature of the debate was a complaint by Lord Reid (chairman of the Reid Commission, and a leading constitutional lawyer) at the alterations and amendments which had been made to the report presented by his Commission. "In the interest of the reputation of my distinguished colleagues," he declared, "I disclaim all responsibility for the present form of the Constitution."

Lord Reid complained that the draft presented by his colleagues and himself had been extensively altered, and asserted that many of the changes " did not make a ha'porth of difference " and tended towards obscurity and not clarity. " The drafting of this Constitution," he added, " falls far short of the high standard the House is accustomed to in Government Bills of this kind."

Lord Ogmore, from the Opposition front bench, said that although Lord Reid and his colleagues had worked for eight months on their report, the White Paper did not even mention them and had even " insulted " them by speaking of the removal of " ambiguities and inconsistencies " in the report and of " improving its form." He added : " Considering that these [the members of the Reid Commission] were some of the most eminent jurists in the Commonwealth, it was cheek of someone preparing the White Paper in the Colonial Office to treat the report in that way."

Lord Perth (Minister of State for the Colonies) said that the Government had not intended to suggest that the Reid report contained ambiguities. He regretted that Lord Reid should have been " upset," and he could " only hope that the Parliamentary draughtsman, in whom I have full confidence, and Lord Reid will both prove to be right and that the new Constitution will work. We all know that the spirit is more important than the words."

Malayan Diplomatic Appointments. - New British High Commissioner in Malaya.

Tengku Abdul Rahman announced on July 3 that Dato Nik Ahmed Kamil bin Haji Mahmoud, Malayan Commissioner in Canberra [see page 15154], had been appointed the first Malayan High Commissioner to the United Kingdom. The Tengku also announced the following appointments: (i) Dr. Ismail bin Dato Abdul Rahman, Minister for Commerce and Industry, as Malayan Ambassador in Washington, permanent representative to the United Nations (if Malaya was accepted as a U.N. member), and " roving envoy " with the rank of Minister without portfolio; (ii) Mr. Gunn Lay Teik, former Government Chemist, as High Commissioner to Australia *vice* Dato Nik Kamil; (iii) Inche Othman bin Mohammed, the present Malayan Commissioner in London, as Permanent Secretary to the Ministry of External Affairs; and (iv) Inche Bahadon bin Haji Hassan, former Deputy Chief of Police in Trengganu, as Chargé d'Affaires in Bangkok.

It was announced in London and Kuala Lumpur on May 22 that Mr. Geoffrey William Tory (44), U.K. Deputy High Commissioner in Australia, would become the first British High Commissioner to the independent Malayan Federation on Aug. 31, 1957, when the present High Commissioner (Sir Donald MacGillivray) would leave Malaya. Mr. Tory was Counsellor at the British Embassy in Dublin and Deputy High Commissioner in Pakistan before taking up his present appointment in Australia.

New Director of Emergency Operations.

The Federation Government announced on July 22 that Lieut.-General Sir Archibald Cassels, Director-General of Military Training at the War Office, would succeed Lieut-General Sir Roger Bower as Director of Emergency Operations against the terrorists on Aug. 31, 1957. General Cassels would be directly responsible to the Malayan Government, which would pay his salary, and would co-ordinate the operations of the Federation Army and of the British, Gurkha and Commonwealth contingents in Malaya.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Malaya, 15454 A.)**

A. CANADA. — Diplomatic Appointments.

Mr. Diefenbaker, the new Canadian Prime Minister, announced on June 25 that Mr. George Drew (63), the former leader of the Progressive Conservative Party and previously Premier of Ontario, had been appointed Canadian High Commissioner in London in succession to Mr. Norman Robertson. The appointment of Mr. Robertson as Canadian Ambassador in Washington, in succession to Mr. Arnold D. P. Heeney, had been announced on March 15.

It was stated in Ottawa that Mr. Drew had recovered from the illness which had caused his resignation from the leadership of the Progressive Conservative Party in the autumn of 1956.

Other recent Canadian diplomatic appointments were: (*a*) Mr. I. S. MacDonald, Ambassador in Belgrade, as the first Canadian Ambassador to Austria, following the raising of the respective Legations to Embassy status; (*b*) Mr. Arthur Irwin, previously High Commissioner in Canberra, as Ambassador to Brazil (both announced in September 1956); (*c*) Mr. Arnold M. MacDonnell, Deputy Under-Secretary for External Affairs, as Ambassador to Egypt and Minister to the Lebanon in succession to the late Mr. E. H. Norman (see 15524 A); (*d*) Mr. Evan Gill, High Commissioner in Pretoria, as Canada's first High Commissioner to Ghana (both May 22, 1957). (Department of External Affairs, Ottawa - Montreal Star)

(Prev. rep. 14924 C; Mr. Drew, 15152 D.)

B. UNITED KINGDOM. — £1,750,000 Appeal by Oxford University for Repairs to Historic Buildings.

An appeal for £1,750,000—to be raised within 10 years— to repair, restore and preserve the historic buildings of the University of Oxford was launched on June 11 by Lord Bridges, chairman of the appeal committee. Its signatories included the Chancellor of the University (Lord Halifax), the Prime Minister (Mr. Macmillan) and his three immediate predecessors (Sir Anthony Eden, Sir Winston Churchill and Lord Attlee), and the Archbishop of Canterbury.

The appeal said that " the ancient and historic buildings of the University of Oxford and of its colleges and halls, part of the nation's heritage," were today " endangered by the state of dilapidation into which many of them are falling." Although £293,000 had been spent on repairs in the past 10 years, the task was proving too great for the University authorities and colleges to finance without impairing their vital academic responsibilities.

Lord Bridges explained at a press conference that the University was faced with " frightful problems " of decaying stonework, timbers and beams. The case for a single appeal for the University's buildings was " absolutely conclusive " since college endowments, owing to inflation, were worth much less than formerly; some colleges were well endowed, others were badly off, and some had far worse repair problems than others.

The gross sum needed for repairs was estimated at £2,090,000, the net sum of £1,750,000 being arrived at by allowing for the amount (£340,000) which the University and colleges could find from their own resources. The sum required by the University was £430,000, of which the Sheldonian required £120,000, the Bodleian Library £42,000, St. Mary's Church £51,500, the Radcliffe Camera £42,500, and other historic buildings £174,000. The needs of colleges which had historic buildings requiring repair were about £1,470,000, apart from £190,000 to cover architects' fees. The needs of All Souls, Merton, and Magadalen were omitted because they did not propose to ask for contributions towards the cost of repairing their historic buildings.

Lord Bridges added that more than 60,000 letters had been posted to Oxford graduates in all parts of the world asking them to make a personal sacrifice " to save what was peculiarly their own."

It was announced on July 27 that the Pilgrim Trust had made a grant of £150,000 to the Oxford Historic Buildings Appeal. A first payment of £25,000 would be made immediately, and the remainder in ten annual instalments of £12,500.

(Times - Daily Telegraph)

C. FRANCE. — New Government Appointments.

A list of members of M. Bourgès-Maunoury's Government, which was published in the *Journal Officiel* on June 18, contained some slight changes from that which had appeared earlier in the French Press, and which is reproduced on page 15598. All the changes related to the appointment of Secretaries and Under-Secretaries of State, whilst three additional appointments were published in the *Journal Officiel* of June 20. The changes were as follows :

Secretaries of State.

M. Hammadoun Dikko (Socialist) was appointed a second State Secretary for *France d'outre-mer* in addition to M. Modibo Keita (already listed).

M. Chérif Sid-Cara (Radical) and M. Abdelkader Barakrok were appointed Secretaries of State for Algerian Affairs in addition to Senator Marcel Champeix (Socialist).

Senator Jacques Bordeneuve [not Bordenave] became State Secretary for Education; he belongs to the *Gauche Démocratique*, the Radical group in the Senate embracing both the " traditional " and the " dissident " Radicals.

Under-Secretaries of State.

M. François-Bénard (U.D.S.R.) became Under-Secretary for Atomic Energy, not Secretary of State for Scientific Research.

M. Jacques Périer (Radical) was appointed Under-Secretary for the French Union attached to the *Présidence du Conseil.*

M. Achille Auban (Socialist), M. Jacques Faggianelli (Dissident Radical), and M. Antoine Quinson (*Rassemblement des Gauches*) became Under-Secretaries for Civil Aviation, the Merchant Navy, and War Veterans respectively.

M. Sid-Cara, a former senator and onetime Radical deputy for Oran, is president of the provisional administrative commission of the Oran department, while M. Barakrok is president of the regional commission for Eastern Algeria. Mme. Thome-Patenôtre [see page 15598, second column] is a senator belonging to the *Gauche Démocratique*; M. François-Bénard, a specialist on nationalized enterprises and mixed public undertakings, was a close collaborator of the late M. Maurice Petsche, Finance Minister and Minister of State from 1948-51; and M. Périer is a member of the Assembly of the French Union. (Le Monde, Paris) **(Prev. rep. 15597 A.)**

A. UNITED KINGDOM. — Overseas Information Services. - £2,000,000 Increase in Expenditure. - Expansion of B.B.C. Services and British Council Activities. - Closing-down of B.B.C.'s Scandinavian, Dutch and Portuguese Services.

A White Paper was issued on July 15 embodying the results of a study of U.K. oversea information services by Dr. Charles Hill (Chancellor of the Duchy of Lancaster) and setting out the Government's decisions. It recommended (1) a 15 per cent increase in the budget of the overseas information services, raising their annual cost from the present level of £13,000,000 to £15,000,000; and (2) a capital grant of £5,000,000 to the B.B.C. for the modernization of its equipment, including the construction of new transmitters.

The increase of £2,000,000 a year would be distributed as follows (present expenditure shown first, followed by suggested increase): B.B.C. Overseas Service—£5,750,000, increase £58,000; British Council—£3,500,000, increase £900,000; Foreign Office—£2,825,000, increase £300,000; Colonial Office—£320,000, increase £250,000; Commonwealth Relations Office—£680,000, increase £455,000.

The recommendations contained in the White Paper are summarized below under cross-headings:

B.B.C. Overseas Service. After declaring that "the impartiality and objectivity of the B.B.C. is a national asset of great value, and the independence that the Corporation now enjoys should be maintained," the White Paper stated that the following changes in the B.B.C.'s overseas services had been approved, involving additional gross expenditure of £258,000, savings of £200,000, and thus net additional expenditure of £58,000:

(1) The present daily broadcast of 21 hours on the General Overseas Service would be restored to its full schedule of 24 hours.

(2) The present Arabic service of 4½ hours daily would be extended to 9½ hours.

(3) There would be expanded services in the Hausa language (to Northern Nigeria), in Swahili (to East Africa), and in Somali.

(4) Minor expansions would be made in the programmes to the Soviet Union and Poland.

(5) Sound transcription service output would be expanded and programme expenditure, publicity, and audience research overseas developed.

(6) The recommendation made by the Drogheda Committee in 1953 for the abolition of the French, Italian, Danish, Dutch, Norwegian, Swedish, and Portuguese services was rejected by the Government on the grounds (i) that the closing-down of transmitting stations would weaken transmissions across the Iron Curtain; (ii) that retention of some of these services would be "an earnest of the Government's continuing interest in Western Europe." In consequence the B.B.C. had been asked to continue broadcasting to Western Europe in English, French, German, Italian, and Spanish, though the scope of the French and Italian services would be contracted, those to Austria and Germany integrated, and the Portuguese, Dutch, Norwegian, Swedish, and Danish services abolished.

(7) A capital expenditure programme had been approved in principle providing for the replacement of four B.B.C. transmitters now 20 or 25 years old; for improvements to six others; and for the improvement of existing relay facilities.

(8) The provision of a "Light" programme in the Middle East, locally produced and commercial in character, was under consideration.

Television Material. The White Paper stated that while it was too early to define a hard-and-fast policy about the use of television material, expansion should begin immediately. The Government had therefore decided on certain measures without prejudice to the future, as follows:

(1) The B.B.C. and the programme companies of the Independent Television Authority would be encouraged to expand their commercial arrangements for the showing of their own television films overseas.

(2) The Central Office of Information would be authorized to negotiate with the broadcasting authorities for the right to show certain selected television films produced for home viewing which, while having no commercial value, were thought by Government Departments to be useful for showing overseas either by television or in cinemas.

(3) The C.O.I., in contract with the B.B.C., the I.T.A. programme companies, or film producers, would substantially increase its activity and expenditure in the development of television films.

(4) As a first step, the C.O.I. would offer about one hour a week of televised British material to the principal television stations in most countries (except behind the Iron Curtain); weekly news services would be provided in Arabic and for South America, and a third news service for the Colonies; and more Commonwealth televiews (see 15434 A) would be produced for Australia and Canada, as well as new foreign-language programmes.

The British Council. After paying tribute to the "great value" of the work of the British Council, the White Paper stated that one of the purposes of the proposed new grant was to encourage the flow of teachers from Britain to overseas posts through the joint agency of the British Council and the Ministry of Education. There was a large demand in under-developed countries for British schools and British teachers, which the Government regarded as a great opportunity to spread knowledge of Britain and the British people. Stressing the urgent necessity of extending the Council's work, the White Paper announced the following decisions:

(1) There would be an expansion of the work of the British Council in Burma, Indonesia, Iraq, Persia, the Persian Gulf, South America, Siam, the Sudan, Turkey, and Yugoslavia.

(2) Within the Commonwealth the Council's service would be expanded in South Africa, Ceylon, India, and Pakistan, and in the Colonies in Hong Kong, Nigeria and Uganda.

(3) While Colonial Governments would continue to recruit direct for appointments in Colonial territories, the British Council might give financial assistance to make oversea posts attractive to teachers from Britain. As regards appointments in other oversea countries where teachers might be deterred from taking up posts by lack of assurance of adequate salary and security of contract, or by uncertainty of re-employment on return, it might be possible to meet these difficulties by extending the practice of giving a teacher going abroad a contract with the British Council, which would accept the responsibility for filling the post on behalf of the oversea authority concerned.

(4) An agency would be established by the Ministry of Education and the Scottish Office to assist the recruitment of teachers for oversea posts.

(5) There would be scholarships —50 in the first year, rising to 100 in the fourth year - to enable additional key students from overseas to come to Britain for training in the teaching of English. Arrangements for the training of oversea teachers of English in their own countries would also be strengthened.

(6) The Council's central services would be expanded, including the provision of more books and periodicals for libraries, and the extension of the Council's programme for receiving visitors from overseas. Increased grants would also be made for the inter-university exchange scheme, for student welfare services, and for a modest expansion of the arts programme, to be concentrated on drama.

Other Information Services. Government information services run by the Foreign Office would be expanded in Burma, Indonesia, Persia, Morocco, the Persian Gulf, and Tunisia and strengthened in Australia, Canada, India, Pakistan, Ghana, Malaya, and Nigeria. New offices would be opened in the Federation of Rhodesia and Nyasaland, Singapore, and East Africa.

The C.O.I. would improve and increase the number of magazines sent to the Commonwealth and the Middle East; its film and television services would be expanded; there would be more exhibitions in the Commonwealth, and more provision for official visitors to the U.K.; and its London press service (sent daily by radio to most parts of the free world), as well as its photographic services and the supply of newsreels for the Middle East, would be expanded and improved.

Administrative Organization. In conclusion, the White Paper said that "the necessary administrative arrangements, ministerial and official, have already been made" for the future co-ordination of the information services. It added: "There will be no encroachment on the responsibility of individual Ministers for the work of their information staffs. Nor is there any intention to establish a Ministry of Information."

The allocations to be spent on the information services in each area, exclusive of broadcasting, were shown as follows (present expenditure given first, followed by proposed increase in the area's budget): European —£200,000, increase £92,000; Middle East—£308,000, increase £147,000; South-East Asia - £320,000, increase £53,000; South America —£111,000, increase £14,000; Commonwealth -£1,255,000, increase £455,000; Colonies —£486,000, increase £250,000; and Central Services—£3,300,000, increase £1,000,000.
(Cmd. 225 - Times - Daily Telegraph - Manchester Guardian)
(Prev. rep. Drogheda Report, 13602 A.)

B. PAKISTAN. — New Ministry in West Pakistan.

The membership of the new Provincial Ministry formed in West Pakistan by Sardar Abdur Rashid Khan, as well as the distribution of portfolios, were announced on July 17 as follows:

Sardar Abdur Rashid Khan—Chief Minister, Services, General Administration, Tribal Affairs, Home, Prisons, Excise and Taxation, Forests, and Sport; Khan Iftikhar Husain (Khan of Mamdot)—Revenue; Pirzada Abdus Sattar—Finance, Law, Indus Basin Water Dispute; Syed Abid Husain—Communications and Works; Kazi Fazlullah—Development, Irrigation, and New Barrages; Sardar Abdul Hamid Khan Dasti—Education; Mr. Muzaffar Ali Khan Qizilbash—Industries, Labour, Commerce, and Village Aid; Syed Hasan Mahmud—Social Welfare, Local Government and Information; Mr. Mumtaz Hasan Qizilbash—Agriculture, Food and Civil Supplies; Mir Ali Ahmad Talpur—Co-operation; Khan Khuda Dad Khan—Health; Sheikh Masud Sadiq—Refugees and Rehabilitation.

In addition to the new Chief Minister, the following members of the new Cabinet had held office in the previous Ministry of Dr. Khan Sahib: the Khan of Mamdot, Syed Hasan Mahmud (both of whom retained their former portfolios), Kazi Fazlullah, and Sardar Abdul Hamid Khan Dasti.—(Pakistan High Commissioner's Office, London) **(Prev. rep. 15677 A.)**

A. TUNISIA. — Abolition of the Monarchy. - M. Bourguiba proclaimed President and Prime Minister of Tunisian Republic. - Formation of New Ministry.

The Tunisian Constituent Assembly unanimously decided on July 25, at the end of a two-day debate: (1) to abolish the monarchy; (2) to proclaim Tunisia a republic; and (3) to invest M. Habib Bourguiba (the Prime Minister) with the functions of Head of State and with the title of President of the Republic.

Strong criticisms of the deposed Bey (Sidi Lamine) and of the Beylical family were made by numerous deputies in the course of the debate. The Libyan Ambassador, who was present with other members of the Diplomatic Corps, walked out after one of the deputies, M. Rashid Driss, had made an attack on all monarchical regimes with the express exception of the British Royal Family. Other speakers, however, paid tribute to the patriotism of the late Moncef Bey, the predecessor of the deposed Bey.

M. Bourguiba, replying to the debate, began by deprecating the remarks of M. Driss. He declared in this connexion: "Preceding speakers have expressed their opinions on the monarchical regime. I wish to make it clear that in speaking of the 'monarchical regime' we are thinking of Tunisia only. We are free to choose the system we wish, and at the same time we respect the systems of all other countries."

The Prime Minister went on to criticize the Bey of Tunis, and his predecessors, as "people who have lived in ignorance and had only one aim—to safeguard their regal position even at the expense of the interests of the Tunisian people. They thought, and still think, that they are not of the same common clay as the rest of the people . . ." He alleged that throughout the period of the French protectorate the Beys of Tunis had displayed a "lack of dignity," in contrast to the behaviour of other Royal Houses which had "stood at the head of their peoples in resistance to the invader."

M. Bourguiba disclosed that in 1950 he had had a conversation with Prince Chadly, the Bey's eldest son, during which he (M. Bourguiba) had announced that a "decisive struggle" was about to be launched against "French colonialism." He had asked Prince Chadly to urge his father and all the Beylical family to participate in this struggle, but the Bey, "fearing for his throne," had refused to do so and had relied instead upon "colonialist support."

"After we gained internal autonomy," M. Bourguiba continued, "the Bey no longer felt he could rely on colonialist support, and began to play the game of Salah Ben Youssef [see 15412 D]. Moreover, when the Tunisian Government asked for control of the police and *gendarmerie*, we saw that the Bey tried to convince M. Seydoux [then French representative in Tunisia] that he need accept nothing beyond the Conventions of June 1955 [see 14289 A]. The Bey did not consent to seal the decree creating the National Constituent Assembly, though well aware that we were acquainted with his manoeuvres and that he was evoking a rising tide of popular indignation . . ."

M. Bourguiba ended his speech by advising the Constituent Assembly to choose a republican regime "to guarantee the independence and sovereignty of Tunisia." He added: "The past shows that we can have no confidence in the princes of the reigning family. No action prompted by a spirit of vengeance will be taken against the person of the Bey or against any member of his family."

Immediately after the proclamation of the republic, the Constituent Assembly's decision was conveyed to the Bey in person by the Ministers of the Interior and Justice, the secretary-general of the Assembly, and the Chief of Police. Later in the day the Bey was escorted from his palace at Carthage to a villa on the outskirts of Tunis which had been placed at his disposal; he was accompanied by his three sons—Prince Chadly, the Crown Prince (*Bey du Camp*), Prince Mohamed, and Prince Salaheddine—and his daughter, Princess Zakia. It was understood that the Bey and his family would be given the choice of going into exile or of remaining in Tunisia as private citizens.

The president of the Constituent Assembly (M. Djellouli Farès) issued a statement on July 26 making it clear that M. Bourguiba remained Prime Minister despite his proclamation as President of the Republic—a point which had not been clarified in the resolutions adopted by the Assembly. The statement said that the executive power remained in operation until the promulgation of a new Constitution, and that President Bourguiba, as head of the Government, had complete freedom to reconstruct the Ministry.

The former Cabinet tendered its collective resignation to President Bourguiba on the same day, a new administration being formed by the President on July 30 with the following membership (all the Ministers were designated Secretaries of State):

M. Habib Bourguiba—Prime Minister; M. Bahi Ladgham—State Secretary for Defence and for Co-ordination of all the State Secretariats; M. Sadok Mokkadem—Foreign Affairs; M. Ahmed Mestiri—Justice; M. Taieb Mehiri—Interior; M. Hedi Nouira—Finance; M. Ezzedine El-Abassi—Commerce and Industry; M. Mustapha Filali—Agriculture; M. André Barouch—Public Works and Reconstruction; M. Rashid Driss—Postal Services; M. Ahmed Ben Salah—Health; M. Lamine Chabdi—Education; M. Mohamed Chakroun—Social Affairs. In addition there were three Under-Secretaries of State.

Eleven of the 16 ministers held office in the former Cabinet, in which M. Ladgham, second-in-command to M. Bourguiba, had been Deputy Premier. The most important new appointments were those of M. Mokkadem (Ambassador in Cairo) as State Secretary for Foreign Affairs, and of M. Ahmed Ben Salah (vice-president of the Constituent Assembly and head of the principal trade union, the *Union Générale des Travailleurs Tunisiens*) as State Secretary for Health. Among the other new State Secretaries was M. Rashid Driss (deputy mayor of Tunis), whose outburst against monarchical systems had drawn a rebuke from M. Bourguiba, as stated above.

The deposed Bey, Sidi Lamine (66), came to the throne in 1943 after his predecessor, Sidi Moncef, had been deposed by General Giraud in the confused period which followed Tunisia's liberation by the Allied forces. In the words of *Le Monde*, the deposition of Sidi Moncef was "apparently due to his nationalist attitude and relations with the Néo-Destour rather than for a 'collaboration' with Germany which was never proved." Regarded at first as an usurper, Sidi Lamine subsequently gained a certain popularity after Sidi Moncef's death in exile. With the rise to power of the Néo-Destour, however, and in particular since M. Bourguiba's return from exile, the monarch was subjected to increasing criticism on the grounds of his alleged vacillation *vis-à-vis* the French authorities and his alleged failure to give whole-hearted support to the independence movement. In recent years the Bey's powers had been greatly diminished through such measures as a two-thirds reduction in his Civil List and the suppression of the judicial privileges formerly enjoyed by the Beylical family. At the time of his deposition, virtually the only prerogative remaining to the Bey was that of "sealing" (i.e. assenting to) decrees or of withholding his assent—in which case he had the power to retard the application of certain measures.

The establishment of the Tunisian Republic brought to an end the Husseinite dynasty which had reigned in Tunisia since the beginning of the 18th century. Though for a long period a vassal-state of the Ottoman Empire, Tunisia progressively freed herself from Turkish overlordship and had practically acquired sovereignty at the time of the establishment of the French protectorate in 1881.—(Le Monde, Paris) **(14812 A.)**

B. SUDAN. — Introduction of the Sudanese Pound. - Exchange Agreement with Egypt. - British Release of Egyptian Blocked Sterling Balances for Sudan.

A new Sudanese currency, the Sudanese pound, came into circulation on April 8. It replaced the Egyptian pound which, in addition to British coins, had hitherto been the legal currency in the Sudan. The external value of the Sudanese pound was fixed at parity with the Egyptian pound, or 2.55187 grammes of fine gold.

Like the Egyptian pound, the Sudanese pound is divided into 100 piastres, each piastre being divided into 10 millièmes. Pending the establishment of a Central Bank, the new Sudanese currency notes are issued by the Sudanese Currency Board.

Under an agreement concluded with Egypt on April 7, after two years of negotiations, Egypt undertook to transfer to the credit of the Sudan up to £20,000,000 of her blocked sterling balances with the Bank of England in settlement of (i) the commitments of the National Bank of Egypt's Cairo office to its branches in the Sudan, less any indebtedness of the Sudanese Government to the Egyptian Government; and (ii) Egyptian notes and coins presented by the Sudan for redemption (within three months). The agreement also provided that if Egypt's total indebtedness to the Sudan should exceed £20,000,000, a special account in Egyptian pounds would be opened with the National Bank of Egypt, out of which up to £E2,000,000 annually could be used by the Sudanese Government for the payment of Egyptian goods and services and for certain other specified purposes.

The Sudanese Minister of Finance and Economics (Sayed Ibrahim Ahmed) announced on July 1 that £E16,300,000 of Egyptian notes had been exchanged to that date, and that, in accordance with the agreement with Egypt, an additional £E3,000,000 circulating in coinage would remain legal tender until June 1958.

It was announced in London on April 11 that, as a result of the agreement between Egypt and the Sudan, H.M. Government had agreed to release £5,000,000 from Egypt's blocked sterling balances for transfer to the Sudanese Government in connexion with the currency exchange.
(Sudan Government Information Centre, Khartoum - Times)

Note. According to figures published by the National Bank of Egypt, Egyptian blocked sterling balances in the No. 2 Sterling Account amounted to £100,300,000 as at Nov. 30, 1956, in addition to £7,800,000 in the No. 1 Account, which had been temporarily frozen by the British Government on July 27, 1956, following the nationalization of the Suez Canal. The transfer of £20,000,000 from the No. 2 Account to the No. 1 Account on Jan. 1, 1957 (see page 15548, second column) increased the No 1 Account to £27,000,000 and reduced the No. 2 Account to £80,300,000. The above-mentioned transfer of £15,000,000 for the benefit of the Sudan further reduced the No. 2 Account to £65,300,000. (Times)

A. ARGENTINA. — Paris Agreement on Multilateral Trade and Payments Scheme and Argentine Debt Settlement. - Provisional Agreements on Implementation. - West German and Italian Adherence. - Argentine Payment of First Annual Debt Quota. - Dollar Purchase from International Monetary Fund.

An Argentine financial mission headed by Dr. Mendez Delfino visited Britain, France, Italy, Western Germany and other European countries during the second half of 1956 to discuss the practical implementation of the multilateral trade and payments scheme which was concluded in principle in May 1956 with nine European countries and came into operation on July 2, 1956. The talks in Bonn and Rome were intended to bring about Western Germany's and Italy's adherence to the scheme, while those in London, Paris, Brussels and other European capitals aimed at the conclusion of bilateral agreements with each of the countries concerned to implement the scheme, which also covered the settlement of Argentina's large commercial debts to these countries.

Although Dr. Mendez Delfino reached provisional bilateral agreements with Britain, Italy, Denmark, Sweden, Norway, Austria, Belgium, Luxembourg, and the Netherlands, a deadlock arose because of the inability of Argentina and Western Germany to agree on the size of Argentina's commercial debt to that country—a question which was also linked up with the fate of German industrial property which had earlier been seized by the Argentine Government. Since the German Federal Republic was by far the largest creditor of Argentina at that time, it proved impossible to put the general European debt settlement arrangements into operation pending the determination of the size of the German claims.

Difficulties also arose with France, which had pressed for a settlement of long-outstanding French compensation claims in connexion with the nationalization by the Peron regime of certain French property, including several breweries and the port installations at Rosario.

Subsequently the rapidly deteriorating position of the Argentine economy retarded the further progress of these negotiations, while in March 1957 it was reported in the British Press that further serious difficulties had arisen because Western Germany had succeeded in the intermediate period in reducing her outstanding claims against Argentina to a disproportionate extent as compared with the other creditors.

Argentine negotiations with Western Germany were resumed in April 1957, a provisional agreement being signed in Bonn on June 18 providing for the Federal Republic's entry into the multilateral system, the consolidation of Argentine commercial debts to Western Germany (given by the Argentine Finance Minister, Dr. Krieger Vasena, as about $140,000,000), and a settlement of the question of former German property in Argentina.

According to reports published in Bonn, that part of the agreement dealing with former German property provided (*a*) that German undertakings in Argentina which had been nationalized at the end of the war as enemy property (including the Argentine branches of Siemens, I. G. Farben, Merck, and other German concerns) would be put up for public auction; (*b*) that the proceeds would be divided between the Argentine Government and the former German owners; and (*c*) that all patents and trade-marks held by these firms would be returned to Germany. The Federal Republic had renounced its restitution claims in respect of German property which had been sequestrated after the fall of the Peron regime on the ground that the firms concerned had allegedly collaborated with that regime; one of the largest of these firms was the Argentine branch of Mercedes-Benz.

A meeting between representatives of Argentina and the European creditor-countries, which opened in Rome on July 31 in order to discuss the new Argentine-German arrangements in the light of those with the other creditors, reached agreement on Aug. 2. It was announced that a " fair share " of Argentine annual debt payments would be allotted to Germany on a scale proportional to the annual shares received by the other principal European creditors—Great Britain, Italy, and the Netherlands.

Meanwhile the Argentine Ministry of Finance had announced on June 28 that the first annual quota of Argentina's debts to the European creditor-countries had been paid to Britain, Italy, and the Netherlands; no payment had been made to France and Western Germany because reimbursements to those two countries already exceeded the agreed quotas. The amount of the payments was subsequently given as equivalent to $18,700,000, of which $6,900,000 was paid to Italy, $3,700,000 to Britain, and $8,100,000 to the Netherlands.

The total amount of Argentine commercial debts owing to the 11 European countries adhering to the Paris Agreement was given as about $520,000,000, including interest. The provisional bilateral agreements with each of those countries provided for the consolidation of these debts and their amortization over 10 years on a strictly proportional basis at an average rate of interest of 3½ per cent per annum. Of the total debt, Britain's share amounted to £19,000,000, representing Argentina's use of the £20,000,000 reciprocal overdraft facility which had been arranged in former Anglo-Argentine trade and payments agreements.

The International Monetary Fund announced on April 15 that Argentina had purchased $75,000,000 from the Fund (i.e. one-half of her quota of $150,000,000 in the I.M.F.), of which $37,500,000 had been paid in gold. -(Bank of London and South America, Fortnightly Review - Times - Le Monde - Financial Times - International Monetary Fund, Washington) **(Prev. rep. 15021 A.)**

B. SOVIET UNION. — Agrarian Reforms. - Creation of All-Union Ministry of Agriculture.

A decree was issued on July 4 by the Soviet Government and the central committee of the Communist Party abolishing, as from Jan. 1, 1958, compulsory deliveries to the State of agricultural produce from the private holdings of collective farmers and of factory and office workers.

An accompanying statement on the present position of Soviet agriculture said that grain deliveries in 1956 were 1,400 million poods (nearly 22,600,000 tons) higher than in 1953, " due primarily to the contributions of the collective and State farms." Deliveries of potatoes and other vegetables had increased during the three-year period by more than 3,000,000 tons, or 54 per cent; sugar beet by 36 per cent; meat by 25 per cent; and milk by 70 per cent. Whereas compulsory deliveries from the private holdings of collective farmers and of factory and office workers now played " a negligible part " in State procurements, the collective and State farms accounted for 81 per cent of all meat deliveries, 84 per cent of milk deliveries, and 89 per cent of wool deliveries. Moreover, the State's requirements for grain, sugar-beet, cotton, flax, hemp, oil-bearing crops, and vegetables were met entirely from the collective and State farms. As regards agricultural mechanization, there were at the present time " more than 1,500,000 tractors, about 380,000 combines, and millions of other agricultural machines working on the collective and State farms."

The statement " noted with satisfaction " the widespread response to the Government's appeal to the collective farms " to spread socialist emulation for 100 or more centners of meat and 400 or more centners of milk per 100 hectares of farm land, with a view to overtaking the United States in the next few years in *per capita* output of livestock produce." [One centner per hectare = nearly 90 lb.]

[As stated on page 15640, first column, M. Molotov, M. Malenkov, and M. Kaganovich were accused of having opposed the above-mentioned decree.]

Under a decree of the Presidium of the Supreme Soviet, announced on May 31, the Ministries of Agriculture and State Farms were merged into a " Union-Republican " Ministry of Agriculture headed by Mr. V. V. Matskevich.—(Soviet Embassy Press Department, London) **(Prev. rep. Agricultural Policy, Five-Year Plan, 14717 A.)**

C. UNITED KINGDOM. — Gold and Dollar Reserves. - $14,000,000 Fall in July.

The Treasury announced on Aug. 2 that the sterling area's gold and dollar reserves had fallen during July by $14,000,000, after taking into account (*a*) the payment of $21,000,000 to the E.P.U. in respect of the U.K.'s deficit in June; (*b*) the payment of $4,000,000 to creditor countries in the E.P.U. under bilateral settlements; and (*c*) the receipt of $1,000,000 in U.S. defence aid. As a result, the gold and dollar reserves stood at $2,367,000,000 on July 31.

Provisional figures for the E.P.U. July settlement showed that Britain had a deficit of £18,000,000, three-quarters of which would be settled in gold or dollars and the remaining quarter by an increase in the U.K.'s debt to the Union. (Treasury Press Office, London - Times - Financial Times) **(Prev. rep. 15657 A.)**

D. INDIA - CHINA. — Renewal of Trade Agreement.

The two-year trade agreement between India and the People's Republic of China of Oct. 14, 1954, was renewed until Dec. 31, 1958, under letters exchanged in New Delhi on May 25. The only changes referred to payments which could in future be effected either in Indian rupees or sterling, as well as certain restrictions on the conversion into sterling of the rupees held by the People's Bank of China with the Reserve Bank of India.

During the period April 1, 1956 to Jan. 31, 1957, Indian imports from China amounted to Rs. 63,800,000, against Indian exports of only Rs. 28,200,000.—(The Hindu, Madras) **(Prev. rep. 13890 A.)**

A. INDIA. — Final Results of General Election. - Appointments to State Ministries.

The elections to the *Lok Sabha* in the Chamba, Mahasu, and Pangi constituencies of Himachal Pradesh, which had been postponed at the time of the general election in March because of snowbound conditions, began during the last week of May and ended on June 7. It was announced on June 23 that all four seats had been won by Congress, those elected including Dr. Y. S. Parma, former Chief Minister of Himachal Pradesh, and Pandit Padam Dev, the former Home Minister. The results of the elections in the double-member Kangra constituency (Punjab), which had likewise been postponed because of snowbound conditions in this mountainous area near the Tibetan border, were announced on July 27, when two Congress members were returned. These results increased the representation of Congress in the *Lok Sabha* to 369 members.

Developments in the various States in connexion with the State and territorial elections are summarized below.

Elections in Himachal Pradesh. The elections to the Territorial Council, which coincided with those for the above-mentioned *Lok Sabha* seats, resulted as follows: Congress, 22; Scheduled Caste Federation, 2; Praja Socialist, 1; Independents, 16.

Elections in Kashmir. The elections for the seven seats in the Jammu and Kashmir Assembly, which had also been postponed in March because of snowbound conditions, were held during the second half of May, the final results being announced on June 3. With these results, and the allocation to the National Conference of a seat originally attributed to the *Praja Parishad*, the membership of the State Assembly became as follows: National Conference, 68; *Praja Parishad*, 5; *Harijan Mandal*, 1; Independent, 1.

Two women members were nominated by the *Sadar-i-Riyasat*, bringing the Assembly's membership to 77.

The new State Assembly elected on July 16 half the membership of the Kashmir Legislative Council, all the 18 seats being won by the Kashmir National Conference. The party had previously secured the four reserved seats for the Doda, Poonch, Ladakh, and Kargil constituencies, as well as the eight seats filled by members nominated by teachers' organizations, local authorities, and village communities. The remaining six members of the Legislative Council were later nominated by the *Sadar-i-Riyasat*.

Bihar Ministry. The membership of the Bihar State Ministry formed by Dr. Sinha on May 6, and the distribution of portfolios, were as follows:

Dr. Shri Krishna Sinha—Chief Minister, Political, Industries, Irrigation and Power; Dr. A. Narain Sinha—Finance, Labour and Agriculture; Mr. S. O. Munemi—Prisons, Relief, Rehabilitation and Transport; Mr. B. Paswan—Excise, Forests and Welfare; Mr. B. C. Patel—Health, Supply and Food; Mr. Binodanand Jha—Revenue and *Panchayats*; M. J. N. Lal—Co-operatives, Veterinary, Animal Husbandry, and Law; Kumar Ganganand Singh—Education; Mr. Maqbool Ahmad—Public Works and Local Self-Government. [Dr. A. N. Sinha died on July 5.]

In addition there were 12 Deputy Ministers, including two women.

Uttar Pradesh Ministry. Dr. Sampurnanand's Ministry was enlarged on June 10 when Mr. Mohanlal Gautam was sworn in as the tenth Minister, taking over the Co-operatives portfolio from Mr. Zaheer.

West Bengal Ministry. Mr. Harendra Nath Chaudhuri, who had been Education Minister in Dr. Roy's 1948-52 Ministry, was sworn in as the 14th member of Dr. Roy's new Cabinet on July 8, taking over again the Education portfolio. Mr. Chaudhuri is a member of the West Bengal Legislative Council.

Kashmir Ministry. Bakshi Ghulam Mohammed tendered his resignation as Chief Minister on July 12, following his unopposed re-election as leader of the National Conference Assembly Party. He was asked by the *Sadar-i-Riyasat* to form a new Ministry, and on July 26-27 announced its membership as follows:

Bakshi Ghulam Mohammed—Prime Minister, Finance, Law and Order, Police, Militia, Information, Transport, Planning, General Administration, Scheduled Castes and Tribes, and Tourism; Shamlal Saraf—Education and Health, and Archeology; Dinanath Mahajan—Law and Revenue, and Rehabilitation; Mir Ghulam Mohammed Rajpuri—Industry and Commerce, Labour, Forest Industries; Kotwal Chunilal—Development, Public Works, Irrigation and Power; Mr. Shamsuddin—Local Self-Government and Community Projects. A seventh Cabinet Minister will be appointed for Food and Agriculture.

Six Ministers of State were also appointed, including the Head Lama of Ladakh (Kushak Bakula), hitherto a Deputy Minister.

A feature of the new Ministry was the exclusion of the left-wing Sadiq group, which had been in a majority in Bakshi Ghulam Mohammed's previous Ministry but with whom acute differences had arisen. Although Bakshi Ghulam Mohammed was reported to have offered portfolios in his new Ministry to Mr. G. M. Sadiq (the former Education Minister) and Mr. G. L. Dogra (the former Finance Minister), they were said to have declined to participate. The other two outgoing Ministers of the Sadiq group were Mir Kasim and Mr. D. P. Dhar.

The only Minister taken over from the previous Cabinet of Bakshi Ghulam Mohammed was Mr. Shamlal Saraf. Four Ministers (all lawyers) entered the Cabinet for the first time—Mr. Mahajan and Mr. Chunilal (who represent the Hindu community in Jammu), Mr. Shamsuddin, and Mir Ghulam Mohammed Rajpuri.

Mr Sadiq resigned on Aug. 6 from the executive of the National Conference, together with five other members. On the following day he alleged in a press statement that the party had ceased to be a democratic organization and was now in the hands of a few individuals. He added that he and his group would in future act as a "corrective" within the party "if we are permitted to function," and would continue to follow the party's ideals, principles and policies. In their joint letter of resignation, Mr. Sadiq and his colleagues alleged that corruption was rampant in public life and that there was constant interference by party officials in the administration.

A Bill providing for the creation of a Legislative Council for Andhra Pradesh, and for an increase in the membership of the existing Legislative Councils in other States, was introduced in the *Lok Sabha* on July 25 by Mr. A. K. Sen, the Central Minister for Law.—(The Statesman, Calcutta - The Hindu, Madras - Indian High Commissioner's Office, London)

(Prev. rep. 15533 A.)

B. CANADA - UNITED STATES. — Joint Air Defence Headquarters. - DEW Line in Operation.

A joint statement issued in Washington and Ottawa on Aug. 1 by Mr. Charles E. Wilson (U.S. Secretary of Defence) and Major-General Pearkes (Canadian Minister of National Defence) announced that Canada and the U.S.A. had agreed to integrate their air defence operations and planning for the North American continent. Accordingly, they would (i) set up "at an early date" a system of integrated operational control of all air defence forces in the continental U.S.A., Alaska, and Canada under an integrated command responsible to the Chiefs of Staff of both countries; (ii) establish a joint headquarters at Colorado Springs; and (iii) work out plans for immediate use in case of emergency. Other aspects of command and administration would remain "the national responsibility" of the two countries. The announcement pointed out that the new agreement extended the mutual security objectives of NATO to the air defence of the Canada-United States region.

It was announced at the same time that General Earle E. Partridge (Commander of the U.S. Continental Air Defence Command, with headquarters at Colorado Springs) would head the new joint command; that Air Marshal C. Roy Slemon (Chief of Canadian Air Staff) would be Deputy Commander; and that Air Marshal H. L. Campbell would succeed Air Marshal Slemon as Chief of Canadian Air Staff.

The U.S. Air Force announced on July 30 that the Distant Early Warning Line (DEW Line), the 3,000-mile radar chain across the Arctic fringe of the North American continent, would go into full operation on the following day. The DEW Line, the construction of which started late in 1954, and which cost $600,000 000, comprises an electronically connected system of detection and warning devices to give maximum warning of the approach of hostile aircraft by the short route across the Arctic. The various stations forming the line stretch from Western Alaska across the upper rim of the continent, through Canada to Baffin Island.

(New York Times - New York Herald Tribune - Montreal Star)

(Prev. rep. 14235 B; DEW Line, 13896 A.)

C. ITALY - EGYPT. — New Payments Agreement. - Liquidation of Egyptian Clearing Debt.

Negotiations for a revision of the 1952 payments agreement between Italy and Egypt opened in Rome on May 22, a new agreement being initialled on June 8 containing the following provisions:

(*a*) Italian ships would pay Suez Canal dues to Egypt in "multilateral lire" (i.e. transferable lire), the previous arrangement whereby payments were made into a clearing account being discontinued.

(*g*) Egypt would repay the debt of 8,000,000,000 lire (£E4,200,000) incurred by her under the 1952 clearing agreement in five annual instalments, with interest at 3 per cent, payment to be made in "multilateral lire."

(*c*) Egypt also undertook to set aside unspecified annual sums to cover the remittance to Italy of the savings of Italian residents already repatriated from Egypt or considering repatriation.

(*d*) Italian importers of Egyptian cotton would receive a 15 per cent discount.

(*e*) All financial transactions between the two countries would in future be conducted in "multilateral lire."

The conclusion of the new agreement settled the dispute [see page 15545, second column] which had arisen between Egypt and Italy following the Egyptian refusal to accept canal dues from Italian ships by payments into the former clearing account.—(Corriere della Sera, Milan) **(15545 A.)**

A. INTERNATIONAL BANK.—Loans and Bond Issues. - Borrowings from Switzerland and Western Germany.

The following loans were announced by the World Bank during the first seven months of 1957, in addition to one made in November last to Chile.

Chile. (*a*) $15,000,000 on Nov. 2, 1956, jointly to the *Corporación de Fomento de la Producción* (the Government agency responsible for promoting economic development) and to *Empresa Nacional de Electricidad S.A.* (*Endesa*) for electric power development in Chile, specifically in the Concepción and Santiago-Valparaiso areas. The Grace National Bank of New York participated in the loan to the extent of $298,000. Terms: 20 years; 5 per cent interest, including 1 per cent commission; repayment to begin Oct. 15, 1960.

The loan, which was guaranteed by the Chilean Government, was the World Bank's second loan to Fomento and Endesa for electric power development. The first, for $13,500,000, had been made in 1948.

(*b*) $21,800,000 on July 24, 1957, to increase Chilean coal production, viz. $12,200,000 to the *Compania Carbonifera y de Fundición Schwager*, and $9,600,000 to the *Compania Carbonifera e Industrial de Lota*, with the *Corporación de Fomento de la Producción* as co-borrower. The Schwager and Lota companies produce about 80 per cent of all the coal mined in Chile. The Grace National Bank of New York participated in both loans to a total of $200,000. Terms: 15 years; 5¾ per cent interest, including 1 per cent commission; repayment of the Schwager loan as from April 15, 1963, and of the Lota loan as from Oct. 16, 1962. Both loans were guaranteed by the Chilean Government. They brought total World Bank loans to Chile to $73,600,000.

Ethiopia. $15,000,000 on June 21, 1957, to the Ethiopian Government for the extension and further improvement of the highway system, including the construction of about 530 miles of new roads - the first construction of new roads in Ethiopia since before the Second World War. The First National City Bank of New York participated in the loan to the extent of $1,491,000. Terms: 20 years; 5¾ per cent interest, including 1 per cent commission; repayment as from Sept. 1, 1961.

This was the second World Bank loan for the Ethiopian highways, one of $5,000,000 having been made in 1950.

India. (*a*) $9,800,000 on May 29, 1957, to the Tata Hydro-electric Power Supply Company Ltd., the Andhra Valley Power Supply Company Ltd., and the Tata Power Company Ltd. for the expansion of their thermal electric power plant at Trombay, near Bombay. Terms: 18 years; 5¾ per cent interest, including 1 per cent commission; repayment as from April 15, 1960. Guaranteed by the Government of India.

This was the second World Bank loan for the Trombay thermal plant, the first one, for $16,200,000, having been made in 1954 to help in its construction.

(*b*) $5,000,0000 to Air-India International (the Indian international airline) in conjunction with a loan of $16,800,000 contracted by A.I.I. on Jan. 31 with five U.S. commercial banks—the First National City Bank of New York, the Bank of America N.T. and S.A., the Chase Manhattan Bank, the Irving Trust Company, and the First National Bank of Boston. The two loans will finance the dollar costs of three *Boeing-707* long-range jet airliners. Terms of the commercial bank loan: drawings may be made from July 1, 1959-Sept. 30, 1961, with repayment not later than between March 31, 1962, and March 31, 1965. Terms of the World Bank loan: 5¾ per cent interest, including 1 per cent commission; repayment between April 1, 1965, and Oct. 1, 1966 (to be advanced, however, if the commercial bank loans are repaid before March 31, 1965). Guaranteed by the Government of India.

In addition to the dollar cost of the aircraft themselves ($16,800,000) the equivalent of $5,300,000 will be required in sterling (£1,900,000) to pay for the Rolls-Royce *Conway* engines. The financing of this requirement is still under consideration by the Government of India.

(*c*) The equivalent of $90,000,000 on July 12, 1957, to the Indian Government to assist in the modernization and development programme of the Indian Railways. The total was divided into 8,640,000,000 Japanese yen (equivalent to $24,000,000), £6,825,000 sterling ($19,100,000), 7,000,000,000 Italian lire ($11,200,000), and U.S. dollars and various European currencies equivalent to $35,700,000. The loan will cover about half the cost of purchase of equipment from abroad on which payment falls due in 1957 and 1958, including over 500 locomotives, 10,000 freight cars, 100,000 wheel sets, 1,500 underframes, rails, and other materials. Terms: 15 years; 5¾ per cent interest, including 1 per cent commission; repayment as from July 1, 1961.

This was the largest single World Bank loan for any particular purpose and the second for the expansion of the Indian Railways, one of $34,000,000 having been made in August 1949.

Netherlands. The equivalent of $15,000,000 on May 15, 1957, to the Finance Corporation for National Reconstruction (*Herstelbank*), an institution owned jointly by the Netherlands Government and Dutch institutional and private interests which makes loans to industrial, commercial, and transport enterprises. Participating in the loan to the extent of $5,000,000 were the Netherlands Trading Society, *Amsterdamsche Bank, Twentsche Bank, Rotterdamsche Bank*, Philadelphia National Bank, Grace National Bank, and National Shawmut Bank of Boston. Terms: 5 years; 5¾ per cent interest, including 1 per cent commission; repayment between Nov. 15, 1959-May 15, 1962. The loan was guaranteed by the Netherlands Government.

This was the second World Bank loan made to the *Herstelbank*—one of $15,000,000 having been made in 1949, of which, however, $7,550,000 was subsequently cancelled.

Persia. $75,000,000 on Jan. 22, 1957, to the Persian Government (the first loan made by the World Bank to that country) to provide short-term finance for Persia's Second Seven-Year Development Plan. This plan is financed mainly out of oil revenues, but the latter are expected to fall short of expenditure during the early years and the World Bank loan is aimed at bridging the gap until more ample revenues become available.

Peru. $5,000,000 on March 13, 1957, to the *Banco de Fomento Agropecuario del Peru*, an autonomous credit institution of the Peruvian Government providing long-term loans for agricultural development. The New York Trust Company, the Bank of America, and the First National City Bank of New York participated to the amount of $1,101,000. Terms: 8 years; 5¼ per cent interest, including 1 per cent commission; repayment as from Aug. 1, 1959. Guaranteed by the Peruvian Government.

This was the second loan to the *Banco*, an earlier one for $5,000,000 having been made in 1954. It brought total World Bank loans to Peru to $40,900,000.

Ruanda-Urundi. $4,800,000 on June 26, 1957, to the U.N. Trust Territory of Ruanda-Urundi, in Central Africa, to help finance the construction of a modern port on Lake Tanganyika at Usumbura (the administrative capital) and the building of a 25-mile road from Usumbura to Kigali, on the 4,500-ft.-high Central Plateau, where most of the Territory's population and economic activity are concentrated. The Belgian-American Banking Corporation participated in the loan to the extent of $359,000. Terms: 20 years; 5¾ per cent interest, including 1 per cent commission; repayment as from Jan. 15, 1961. The loan was guaranteed by Belgium, which administers Ruanda-Urundi.

Loans from Switzerland and Western Germany.

It was announced on Sept. 18, 1956, that the Swiss Government had agreed to lend 200,000,000 Swiss convertible francs to the International Bank as from Jan. 1, 1957; the interest rate would be 3⅜ per cent p.a. and repayment would be made in six equal instalments between Jan. 1, 1960, and Jan. 1, 1965. The loan agreement was approved by the Swiss Parliament in December last.

On July 10, 1957, it was announced that the *Bank Deutscher Länder* in Frankfurt had agreed to lend $100,000,000 to the International Bank against the issue of 4¼ per cent Notes; of these, $40,000,000 would be repayable within one year and $30,000,000 each within two and three years respectively. This was the largest issue of dollar obligations by the World Bank placed entirely outside the United States.

Bond Issue.

$100,000,000 of World Bank Bonds were issued in the U.S.A. through a consortium of U.S. investment firms and banks on April 17. The bonds, with a currency of 21 years, bore interest at 4¼ per cent, and were issued at 98 per cent. This was the Bank's second bond issue in the U.S.A. in 1957.

Subscriptions.

The following increases in capital subscriptions were approved up to June 30, 1957: Brazil from $105,000,000 to $150,000,000; Dominican Republic from $2,000,000 to $4,000,000; Ecuador - from $3,200,000 to $6,400,000; and Nicaragua—from $800,000 to $3,000,000. These increases brought the World Bank's total subscribed capital to $9,268,000,000 as at June 30, 1957. Gross total loan commitments at June 30 amounted to $3,108,000,000, with cumulative disbursements at $2,296,000,000. The Bank's funded debt as at June 30, 1957, was $1,033,000,000. -(International Bank, Washington - New York Times - Neue Zürcher Zeitung)

(Prev. rep. 15302 C.)

B. UNITED KINGDOM. — Farm Wage Increase.

The Agricultural Wages Board decided on July 30, by a majority vote, to increase the minimum wage of adult farm workers in England and Wales by 9s. a week (bringing it up to £7 10s. for a 47-hour week), with proportionate increases for women and juvenile workers.

At earlier meetings of the Board the union representatives had asked for a "substantial increase," but this had been opposed by the employers' representatives. When the Board met on July 30, however, the employers' representatives had suggested an increase of 9s. a week, with a reduction in overtime pay from the existing rate of 4s. 6d. an hour to 4s. an hour for the first six hours overtime worked on weekdays. This was rejected by the union representatives and the independent members of the Board, whereupon the employers proposed an increase of 7s. weekly, with overtime at its existing rate. This also was rejected, and the unions then proposed a 9s. increase, with a proportionate increase in the overtime rate to 4s. 9d. an hour. The independent members supported this proposal on the understanding that it should not become effective before Oct. 28, instead of at the end of September as customarily.

The cost of the increase (applicable to about 600,000 workers) was estimated at about £13,500,000 a year. Negotiations for parallel increases were expected for Scotland and Northern Ireland.—(Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. 15032 D.)

A. UNITED KINGDOM. — Mr. Maudling to deal with International Negotiations on European Free Trade Area. - Discussions with Scandinavian Countries and Netherlands on Free Trade Area Proposal.

It was announced from 10, Downing Street, on Aug. 7 that the Prime Minister had asked the Paymaster-General, Mr. Reginald Maudling, to supervise and co-ordinate the Government's preparations for the forthcoming discussions and negotiations between the U.K. and other countries concerning the establishment of a European Free Trade Area, and to act as the Government's representative in those discussions.

The statement added: "The Paymaster-General will work in consultation with the Ministers departmentally concerned with these matters, in particular the Foreign Secretary, the Chancellor of the Exchequer (who also has special responsibilities in this connexion as chairman of the O.E.E.C.), and the President of the Board of Trade. The Paymaster-General will report to the Prime Minister. He will continue to discharge his present functions, but for these additional duties will have a separate office in Gwydyr House [a Government building in Whitehall], together with a small staff."

Mr. Maudling (40) became Paymaster-General when Mr. Macmillan formed his Government in January, and was given the responsibility of representing the new Minister of Power (Lord Mills) in the House of Commons. In the immediate post-war years he was the member of the Conservative Party's parliamentary secretariat responsible for economic and financial matters, and in November, 1952 was appointed Economic Secretary to the Treasury. He held the latter post until Sir Anthony Eden appointed him Minister of Supply in April 1955.

Apart from the Ministers referred to in the official statement, Mr. Maudling will also work in consultation with the Secretary for Commonwealth Relations, the Colonial Secretary, the Minister of Agriculture, and the Minister of Power.

The new arrangement will relieve Mr. Selwyn Lloyd (Foreign Secretary), Mr. Thorneycroft (Chancellor of the Exchequer), and Sir David Eccles (President of the Board of Trade) of much of the detailed work involved in the Free Trade Area proposals. Mr. Thorneycroft will, however, continue (i) as chairman of the Ministerial Council of the O.E.E.C.; (ii) as "co-ordinator" of the O.E.E.C. discussions as a whole on the Free Trade Area proposals, and (iii) as British representative at O.E.E.C. Council meetings.

The plan for a European Free Trade Area had previously been discussed at a ministerial meeting of "Uniscan" [see 10496 A] held in London on June 5. The U.K. was represented by Mr. Thorneycroft, Sir David Eccles, and Mr. David Ormsby-Gore (Minister of State, Foreign Office), and the Scandinavian countries by Hr. Krag (Danish Minister of External Economic Affairs), Hr. Skaug (Norwegian Minister of Commerce), and Hr. Lange (Swedish Minister of Commerce).

No official statement was issued on the "Uniscan" discussions, but authoritative reports said that it had been generally agreed that it was desirable, in the interest of strengthening the economy of Western Europe, to extend the existing economic co-operation by creating a Free Trade Area which would include the six member-countries of the European Common Market.

Mr. Van der Beugel, the Netherlands State Secretary for Foreign Affairs, visited London on June 24-25 for Anglo-Dutch consultations on the establishment of the European Free Trade Area. It was stated afterwards that there had been agreement in principle that such an area would be an "essential complement" to the Common Market, and that negotiations for its establishment should be pressed forward as energetically as possible.—(Times - Daily Telegraph - Aftenposten, Oslo - Berlingske Tidende, Copenhagen - Netherlands News Agency)

(Prev. rep. 15393 A.)

B. NETHERLANDS. — Increase in Bank Rate.

The discount rate of the Netherlands Bank was raised from 3½ per cent to 4½ per cent on July 17. The official statement said that the change had become necessary in view of "the continuing lack of equilibrium in the country's economy," resulting in a further fall in Dutch foreign exchange reserves. (Algemeen Handelsblad - Netherlands News Agency)

(Prev. rep. 15216 C.)

C. LIBYA. — Iraqi General appointed Chief of Staff of Libyan Army.

A royal decree was issued by King Idris on July 25 appointing an Iraqi officer, General Abdel Ahmad Raghib, as Chief of Staff of the Libyan Army. The Iraqi Government had previously agreed to second General Raghib to Libya for three years to serve in that capacity.—(New York Times)

D. GUATEMALA. — Assassination of President Castillo Armas. - New Provisional President.

The President of Guatemala, Colonel Carlos Castillo Armas, was shot dead in the Presidential palace on July 26 by one of the palace guards. The assailant, Romeo Vasquez Sanchez (24), immediately committed suicide with the rifle that he had used to kill the President.

President Castillo Armas (42) was an unsuccessful candidate at the Presidential election of 1950, and was subsequently exiled. He returned to Guatemala from Honduras in July 1954, led the revolt which overthrew the pro-Communist regime of President Arbenz Guzman (see 13677 A), and was installed as President of Guatemala a few weeks later for a four-year term.

The Vice-President of Guatemala, Señor Luis Arturo Gonzales Lopez, was sworn in as provisional president of the Republic on July 27. His first act in that capacity was to impose a 30-day state of siege involving the suspension of constitutional guarantees, a ban on political activities, and the establishment of a curfew. A close associate of the late President Castillo Armas, whom he helped to organize the revolt against the pro-Communist regime, President Gonzalez Lopez had held the successive posts of Counsellor to the Presidency, Councillor of State, and president of the Guatemalan Congress.

A Government statement issued shortly after the assassination said that papers had been found on Vasquez Sanchez indicating that he had Communist affiliations. It was subsequently announced that eight members of the Presidential guard, including two officers, had been arrested on suspicion of complicity in the assassination of President Castillo Armas. The Guatemalan Embassy in Washington issued a statement describing Vasquez Sanchez as a Communist fanatic, and emphasizing that the murder of President Castillo Armas would not open the way for a return of Communism in Guatemala.—(New York Times - New York Herald Tribune)

(Prev. rep. President Castillo Armas, 13677 A.)

E. CANADA. — Establishment of Canada Council for the Arts, Humanities and Social Sciences.

Legislation was enacted on March 28, 1957, implementing the recommendation of the Royal Commission of 1951 for the establishment of a Canada Council for the Arts, Humanities and Social Sciences. The Canada Council, established under the Act, consists of Mr. Brooke Claxton (a former Cabinet Minister) as chairman, Mgr. Georges-Henri Levesque (former Dean of the faculty of social studies at Laval University) as vice-chairman, and 19 other members, including many prominent educationists and businessmen.

At the Council's first meeting, held in Ottawa on April 30-May 1, Mr. Claxton announced that it had been allocated a sum of $100,000,000 of which half would form a University Capital Grants Fund and the other half an endowment fund. The former amount would be spent over a 10-year period on expanding the Canadian universities to help meet the growing demand for graduates; grants would be made on a basis proportionate to the population of the various Provinces, and would be matched on a dollar-for-dollar basis with sums raised by the universities themselves. The endowment fund—of which only the revenue would be spent—would be used, under the provisions of the Canada Council Act, "to foster and promote the study and encouragement of . . . the arts, humanities and social sciences."

Mr. Claxton pointed out that the Canada Council, as a new venture, would study the methods of the great foundations and organizations in Britain and the United States, such as the Arts Council of Great Britain and the Carnegie, Ford, Guggenheim, and Rockefeller Foundations.

In addition to the above-mentioned objectives, the Canada Council will foster Canadian cultural relations abroad, act as a Canadian national commission for the U.N. Educational, Cultural and Scientific Organization (Unesco), and establish scholarships.—(Montreal Star - Toronto Globe and Mail)

(Prev. rep. 15266 C.)

F. GREECE. — New Primate of Greek Orthodox Church. - Election of Archbishop Theoklitos.

Bishop Theoklitos, Metropolitan of Patras, was elected Archbishop of Athens and Primate of Greece on Aug. 7 in succession to the late Archbishop Dorotheos (68), who died in a Stockholm hospital on July 26 after undergoing a brain operation earlier the same month. The new Archbishop, who is 67, was born in the Peloponnesus and graduated in theology at the University of Athens; he was consecrated in 1931 and appointed to the Patras diocese in 1944. Archbishop Dorotheos had been Primate of the Greek Orthodox Church for little more than a year, having succeeded the late Archbishop Spyridon in March 1956.—(Times) **(Prev. rep. 14801 D.)**

A. UNITED KINGDOM. — Increased Remuneration for Ministers and Members of Parliament. - Attendance Allowance for Members of House of Lords.

The Prime Minister, Mr. Macmillan, announced in the House of Commons on July 4 that, following discussions between the leaders of the three parties, the Government had decided to increase the remuneration of Members of Parliament and Ministers and to introduce a daily expense allowance for members of the House of Lords. The total annual cost of the proposed salary increases would be £400,000. The new arrangements, which came into effect from July 1, were as follows (all figures per annum):

Members of Parliament. The basic salary of M.P.s would continue to be £1,000, but the existing sessional allowance of £2 a day (usually amounting to about £280 p.a.) would be replaced by a sum of £750 to cover parliamentary expenses. The Prime Minister explained that the Government had decided on the figure of £750 because the Select Committee of 1953-54 [see 13719 A] had found, on the basis of figures supplied by the Inland Revenue Department, that this was the average amount which M.P.s laid out "wholly, exclusively and necessarily" in the discharge of their parliamentary duties. The new total salary of £1,750 would be liable to tax, but, as hitherto, Members would be entitled to claim for expenses incurred in the course of their parliamentary duties.

Members of House of Lords. Peers (with the exception of Ministers) would be entitled to claim reimbursement of expenses arising out of attendance at the House up to a maximum of three guineas for each day of attendance. Since the proposed payment would be a reimbursement of expenses arising out of unpaid service, it would not be liable to tax. Mr. Macmillan said that the step had been taken because "it is not right that attendance in the House of Lords should be limited to those who can not only afford to give their service without any remuneration but who can meet out of their own resources the expenses inseparable from such service." The existing arrangement whereby peers could claim for the reimbursement of the cost of rail travel to and from Westminster would remain unchanged.

Ministers. All Ministers in the House of Commons would in future be entitled to draw £750 of their salaries as M.P.s. [Hitherto, only Ministers receiving a salary of less than £5,000 were entitled to draw part (£500) of their parliamentary salaries.] As regards actual ministerial salaries, the following increases would be made: Ministers of State - from £3,000 to £3,750; Financial and Economic Secretaries to the Treasury - from £2,000 to £3,750; Parliamentary Secretaries - from £1,500 to £2,500; Junior Ministers (mainly Lords Commissioners of the Treasury) receiving £1,000 or £1,200 £2,000 or £2,200 respectively (i.e. an increase of £1,000).

Whips. All Whips in the Commons would in future be entitled to draw £750 of their parliamentary salaries (instead of £500 as previously). In addition, the salary of the Chief Whip in the Commons would be increased from £3,000 to £3,750; those of the Deputy Chief Whip in the Commons and the Chief Whip and Deputy Chief Whip in the Lords from £1,200 to £2,200, and those of Whips in both Houses from £1,000 to £2,000.

Others. Increases would be introduced as follows: Chairman of Ways and Means, Lord Chairman of Committees, and Deputy Speaker—from £2,500 to £3,250; Leader of the Opposition—from £2,000 to £3,000; Deputy Chairman of Ways and Means—from £1,500 to £2,500. With the exception of the Lord Chairman of Committees, these persons would also be entitled to draw £750 of their parliamentary salaries (instead of £500 as previously). For the first time, the Speaker would be entitled to draw part (£750) of his parliamentary salary.

The Prime Minister also announced the introduction of cover schemes for personal injuries that might be incurred by Ministers or M.P.s in the course of official business.

Mr. Macmillan said that the Government proposed to take advantage of the opportunity afforded by the Bill covering the increases in ministerial salaries [see below] to include a clause whereby the terms of the Injury Warrant [which provides for the payment of compensation to servants of Crown (or their dependants) in the event of death or injury on duty] would be extended to Ministers. At the same time, arrangements would be made to secure insurance cover for M.P.s travelling on the business of the House, since in their particular case the application of the terms of the Injury Warrant would be inappropriate.

In conclusion Mr. Macmillan announced that the "long-deferred adjustment" in the salaries of members of the boards of nationalized industries would also take place.

The maximum salary of the chairman of a major board would be raised from £8,500 to £10,000, and that of other board members from £5,000 to £7,000. Full details of all the increases (which would be proportionate to the two examples quoted) would be published in a White Paper.

The Prime Minister's statement was welcomed by Mr. Gaitskell, Leader of the Opposition. In the House of Lords, Lord Home made a statement on behalf of the Government similar to Mr. Macmillan's statement in the Commons.

The Chancellor of the Exchequer, Mr. Thorneycroft, stated on July 4 in a written reply that, while information was not yet complete, it was estimated, that the average amount of M.P.s' expenses allowable for income-tax purposes for the financial year 1956-57 was about £880, as compared with the figure of £750 for the financial year 1952-53.

In the House of Lords a Government resolution approving the introduction of an expense allowance for peers was agreed to on July 8 without a division.

Introducing the resolution, **Lord Home** said that the scheme would be supervised by the committee of the Chief Whips of the three parties which already supervised the rail travel scheme. **Viscount Alexander of Hillsborough,** Leader of the Opposition in the House of Lords, expressed his satisfaction that the Government had found it possible to take this step "without attaching any strings in connexion with the constitutional future of the House."

On July 9 the House of Commons similarly accepted without a division a resolution (i) authorizing the increase in M.P.s' remuneration (described as "an allowance in respect of their parliamentary expenses"), and (ii) approving the introduction of an expense allowance for peers.

Mr. Butler (Home Secretary and Leader of the House), who moved the resolution, emphasized that while the expenses incurred by M.P.s were quite exceptionally heavy, they, unlike everyone else, had no employer from whom they could claim reimbursement.

Mr. Gaitskell, welcoming the resolution for the Opposition, said that because of the hardship which many Members had been suffering in recent years, there had been a definite decline in the efficiency of Parliament; if this process had not been arrested to some extent by the present proposals, it would have eventually affected the quality of those who sought to enter Parliament. Mr. Gaitskell went on to quote figures indicating that, even with the increase, M.P.s still received substantially less than parliamentarians in other countries. He concluded by expressing the hope that a system could be devised whereby M.P.s would not be required to regulate their own salaries. Either they could be linked with some other salary paid in an official capacity, or an outside tribunal could be set up to consider the matter from time to time.

The Ministerial Salaries Bill, providing for the increases in ministerial salaries previously announced, was introduced by Mr. Thorneycroft on July 9 and received an unopposed second reading on the same day. The Bill was read a third time in the Commons on July 11, passed through all its stages in the Lords on July 15, and received the Royal Assent on July 17. (Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. 14943 A; 13862 C; 13719 A.)

B. RELIGIOUS LIFE. — Mergers of Protestant Denominations in the United States. - Formation of the United Church of Christ.

A new Protestant denomination, the United Church of Christ, came into existence in the United States on June 25, 1957, as the result of a fusion between the Congregational Christian Churches, with 1,342,000 members, and the Evangelical and Reformed Church, with 800,000 members.

The merger, which had been under discussion for about 12 years, was finally approved by the Congregational Churches in July 1956 and by the Evangelical and Reformed Church in September of the same year. The Congregational Christian Churches stem from the Anglican Church of England, and the Evangelical and Reformed Church from German and Swiss theology. The United Church of Christ, with over 2,000,000 members, will be the seventh largest Protestant denomination in the United States.

An eventual merger of three of the Lutheran Churches in the U.S.A., under the name of the American Lutheran Church, was agreed upon in June 1956 by the Evangelical Lutheran Church (1,000,000 members), the American Lutheran Church (862,000) and the United Evangelical Lutheran Church (57,000), the target date of Jan. 1, 1960 being set for the establishment of the new Church. The E.L.C., with headquarters at Minneapolis, is of Norwegian origin; the A.L.C., with headquarters at Columbus (Ohio), was formed in 1930 by the merger of three synods of German background; and the U.E.L.C., in Nebraska, is of Danish origin.

Four other Lutheran churches—the United Lutheran Church (2,300,000 members), the Augustana Lutheran Church (540,000), the American Evangelical Lutheran Church (25,000) and the Finnish Evangelical Lutheran Church (35,000)—jointly decided in October last to merge with "all or any" Lutheran groups in the United States. A Joint Commission on Lutheran Unity was established by these four churches in December last.

The Presbyterian Church in the U.S.A. (over 3,000,000 members) and the United Presbyterian Church of North America (about 250,000) decided in 1956 to merge, as from June 1958, under the name of the United Presbyterian Church in the U.S.A.—(New York Times - New York Herald Tribune)

A. ISLAM. — Death of the Aga Khan. - Accession of Prince Karim as Aga Khan IV.

His Highness Sir Sultan Mohammed Shah, spiritual head (Imam) of the Ismaili Moslem sect, died at his villa in Switzerland on July 11, aged 79. Statesman, scholar, and sportsman, he played a distinguished role for many years in imperial and international affairs, particularly in connexion with the constitutional developments in India from the turn of the century to the nineteen-thirties. The Aga Khan was descended in the direct line from the Prophet Mohammed through Fatima, the prophet's daughter.

The eldest son of Aga Khan II, he was born in Karachi in 1877, and on the death of his father in 1885 succeeded as Aga Khan III when only eight years of age. Brought up by his mother, a Persian princess, he concerned himself closely from his early years with the welfare of the Ismaili Moslems and the general advancement of the Moslems of India, and while still a young man was nominated by Lord Curzon to the Viceroy's Legislative Council. Desirous of seeing Indian Moslems play their full part in public affairs, he founded the All-India Moslem League in 1906 and was its first president for three years. A liberal, an advocate of communal harmony, and an opponent of nationalist extremism, he welcomed the constitutional reforms initiated by John Morley in 1910 and co-operated closely with G.K. Gokhale, the Hindu nationalist leader, while remaining a convinced advocate of a united India within the British Commonwealth

At the outbreak of war in 1914 the Aga Khan's great personal influence and prestige in the Moslem world were exerted from the outset in the British cause. He issued a proclamation to his Ismaili followers in 1914 stressing their obligation to remain loyal to the British Crown, and when Turkey threw in her lot with Germany he issued a manifesto to the entire Islamic world stressing the importance of friendship and co-operation between Great Britain and the Moslem peoples. During the First World War secret missions of diplomatic importance were entrusted to him in Egypt, Switzerland, and elsewhere, some of which yielded important results. In pursuit of his policy of friendship between Britain and Moslem peoples, he endeavoured after the war to secure the mitigation—ultimately obtained—of the Allied terms to Turkey.

In Indian politics the Aga Khan strove consistently for a working agreement between Moslems and Hindus whereby communal claims could be adjusted in the interests of India as a whole; his efforts to achieve an agreement between the Moslem League, the Congress Party, and the minorities were, however, eventually defeated by extremism on both sides. He led the Moslem delegation at the London Round-Table Conference in 1930-32, acting concurrently as chairman of the entire British-Indian delegation. In 1933 he was chairman of the British-Indian delegation to the resulting Joint Select Committee of both Houses of Parliament, presided over by Lord Linlithgow, which was a prelude to the passing of the India Act of 1935. As Indian delegate to the League of Nations he was a conspicuous figure at Geneva in the 'thirties, being President of the League Assembly in 1937.

At the outbreak of the Second World War the Aga Khan issued a manifesto to the Ismaili Moslems enjoining loyal support to Britain. Owing to recurrent ill-health, he was unable to play any notable part in promoting Allied aims as he had done in 1914-18. He went to Switzerland for medical treatment in 1940, remained in that country throughout the war years, and did not return to England until 1947. A further succession of illnesses prevented him from accepting offers from Delhi of high diplomatic office abroad when a fixed date had been announced for the attainment of Indian independence. He took up Persian citizenship in 1949, while remaining a British subject.

The Aga Khan paid frequent visits to Britain throughout his life and had a long and close personal connexion with successive British sovereigns, particularly with Edward VII. Made a K.C.I.E. in 1902, he was subsequently the holder of four Grand Crosses—G.C.I.E. (1902), G.C.S.I. (1911), G.C.V.O. (1923) and G.C.M.G. (1955). In 1934 he was sworn of the Privy Council.

Within his own community the Aga Khan sponsored and encouraged a number of important social reforms among the Ismaili Moslems, particularly in the field of education and in raising the status of women by abolishing the veil. A generous benefactor and an organizer of great ability, he promoted the building of schools, hospitals, and other social and cultural amenities among the Ismaili communities in East Africa, Pakistan, India and elsewhere. Interested throughout his life in philosophical, political, and religious questions, he was a man of great culture, a lover of Persian poetry, and widely read in English, French and German literature. He was the author of *India in Transition*, an important study of Indian and Middle Eastern affairs which appeared in 1918, and of an autobiography, published in 1954.

As owner and breeder of racehorses the Aga Khan had an unparalleled career on the Turf, his colours being carried to victory in every important race in England, Ireland, France and India. He won the Derby five times, in addition to numerous victories in other classic races (the St. Leger, etc.), his horses winning £992,000 in prize money in England alone. Among many famous horses to carry his colours were *Bahram*, *Mahmoud*, and *Tulyar*, the last-named being sold to the Irish Government in 1953 for £250,000.

The Aga Khan was four times married: in youth to a cousin, the marriage being subsequently dissolved; in 1906 to an Italian sculptress, Signorina Teresa Magliano, who died in 1926; in 1929 to Mlle Andrée Carron, a French lady, the marriage being dissolved in 1942, and in 1944 to Mlle Yvette Labrousse, the present Begum. He was survived by his widow and by two sons—Prince Aly Khan (14), who was born of his second marriage, and Prince Sadruddin (24), born of his third marriage.

The Ismaili Moslems, numbering between 12,000,000 and 15,000,000, are most numerous in East Africa, Pakistan, the Bombay area, Persia, the Arabian littoral, and Syria. They form part of the Shia, one of the two great divisions of the Islamic religion—the other being the Sunni, to which the majority of Moslems belong.

The schism between the Shia and Sunni Moslems originated in a dispute over the succession to the Prophet Mohammed in the spiritual leadership of Islam (the Caliphate). The Ismailis take their name from Ismail, son of the sixth Imam (died A.D. 758), who, they hold, was wrongly disinherited by his father They played an important role in medieval Arab history, their followers conquering Egypt and North Africa and supplying the dynasty of Fatimite Caliphs which reigned in Cairo until overthrown by Saladin in the twelfth century.

The title "Aga Khan" was bestowed on the Imam of the Ismaili Moslems by the British Government in the 19th century. Its first holder was the Imam Hassan Ali Shah, who was born in Persia in 1800 and became Governor-General of Kerman. After disputes with the reigning Persian dynasty he settled in Bombay with several thousand followers and gave notable assistance to British arms both in the first Afghan war and in the campaign for the conquest of Sind. He died in Bombay in 1881 and was succeeded by his eldest son (Aga Khan II), who died in 1885 after enjoying the title for only four years.

A statement was issued on July 12 from the Villa Barakat, at Versoix (the Swiss home of the Aga Khan) announcing that Prince Karim (20), the eldest grandson of the Aga Khan and eldest son of Prince Aly Khan, had been nominated by his grandfather as Imam of the Ismaili Moslems. The reasons for the choice were set forth as follows in the will of the late Aga Khan III, which was made public on the same day:

"Ever since the time of my ancestor Ali, the first Imam—that is to say, over a period of some 1,300 years—it has always been the tradition that each Imam chooses his successor at his absolute and unfettered discretion from among sons or remoter male issue. In view of the fundamentally altered conditions in the world in recent years due to the great changes which have taken place, including the discoveries of atomic science, I am convinced that it is in the interest of the Ismaili community that I should be succeeded by a young man who has been brought up in the midst of the new age and who brings a new outlook on life to his high office as Imam."

The 20-year-old Prince Karim, who became the 49th Imam of the Ismaili Moslems, was educated at Le Rosey (the well-known Swiss public school) and was studying mathematics and allied subjects at Harvard at the time of his grandfather's death. He has spent most of his formative years in Europe and the U.S.A. but has also travelled widely in the Moslem world, particularly among the Ismaili communities of East Africa and the Middle East. It was understood that he would not be returning to Harvard following his accession as spiritual leader of the Ismaili sect.

Prince Karim is the elder son of Prince Aly Khan by the latter's first marriage to the Hon. Mrs Joan Guinness (formerly the wife of Mr. Loel Guinness), which was dissolved in 1949. Though the succession to the Imamate normally falls to the eldest son of the Imam, the matter is one for the individual choice of the holder of the office, and departures from the strict rule of succession have been made on occasion in the past.

Prince Karim formally took up his duties as Aga Khan IV on July 13, when Ismaili delegations from India, Pakistan, Malaya, Persia, Madagascar and Kenya were presented to him by the Begum at the Villa Barakat. He had previously received messages of allegiance from the Ismaili communities throughout the world. The first public statement issued by Aga Khan IV was worded as follows:

"My grandfather dedicated his life to the Imamate and Islam, both of which for him always came first, and above all other considerations . . . I follow a great man in a great responsibility . . . My life, as his, will be dedicated to the service of my followers . . . My aim in the future will be to continue the vast work of my grandfather, to do all in my power for the welfare and betterment of our community and its economic and financial institutions: maternity homes, boys' and girls' schools, hospitals, trusts, and European and American scholarships . . ."

The embalmed body of the late Aga Khan III was flown from Switzerland to Egypt and interred on July 19 in the grounds of his villa at Aswan, on the banks of the Nile. The mourners were headed by the Begum, Prince Karim (Aga Khan IV), and the latter's father, Prince Aly Khan. Some 800 Ismaili Moslem leaders from all parts of the world were present, in addition to official representatives of the British Government (Sir Edward Twining, Governor of Tanganyika) and the Egyptian Government.

(Times - Daily Telegraph - Manchester Guardian)

A. LEBANON. — Government Victory in General Election. - Defeat of "National Front" Bloc.

General elections held in the Lebanon in June resulted in an overwhelming victory for the Government headed by M. Sami Solh, and a correspondingly heavy defeat for the Opposition parties grouped in a National Front led by M. Saeb Salam and M. Abdullah Yafi, both former Prime Ministers. In the new and enlarged Chamber of Deputies (66 members, an increase of 22 under an electoral law passed in April) the Government obtained 50 seats and the National Front eight, the remaining eight seats going to small anti-government parties not affiliated to the National Front.

The Lebanese electoral system makes provision for the representation of all religious and sectarian communities in the country. Of the 66 seats in the Chamber of Deputies, 20 are reserved to Maronite Christians, 14 to Sunni Moslems, 12 to Shia Moslems, 7 to Greek Orthodox candidates, 4 to Greek Catholics, 4 to the Druses, 3 to Armenian Orthodox candidates, and one to the Armenian Catholics; the remaining seat is allocated to other religious minorities. The constituencies are of a multi-member character so that all the religious confessions can be represented. For example, in the first electoral district of Beirut both Government and Opposition lists must comprise two Sunni Moslems and one each from the Maronite, Greek Orthodox and Armenian Orthodox communities; and in the second electoral district the respective lists must include two Sunnis, one each of the Shia Moslem, Armenian Catholic, and Armenian Orthodox communities, and one representing all other religious minorities. A similar system operates in all other electoral districts.

The system described above is also reflected in the constitutional provision that the President of the Lebanese Republic must be a Christian and the Prime Minister a Sunni Moslem.

The general election was held in four stages on four successive Sundays, viz.: (1) on June 9 in Beirut (the capital) and South Lebanon; (2) on June 16 in the Mount Lebanon area; (3) on June 23 in the Bekaa valley, a fertile area lying between, and parallel to, the Lebanon and Anti-Lebanon ranges; and (4) on June 30 in North Lebanon.

Government candidates (grouped in lists representing the various communities, and not political parties) obtained large majorities in all four areas, particularly in Beirut and South Lebanon, the Mount Lebanon district, and the Bekaa valley. In Beirut, ten of the 11 candidates elected were Government supporters, the poll being headed by the Prime Minister (M. Sami Solh) with 19,078 votes. A significant result in the Mount Lebanon area was the defeat of M. Fuad Ammoun (a former Director-General of the Foreign Ministry), running on a pro-Egyptian platform, by M. Emile Boustany (an American-educated and pro-Western member of the outgoing Parliament), who polled 11,500 votes against 3,500 for M. Ammoun. The Foreign Minister, Dr. Malik, heavily defeated a Communist in North Lebanon. Voting was in general somewhat higher than at the last (1953) election—averaging 50-55 per cent in Beirut and South Lebanon against 40 per cent in 1953.

Although the elections were held in a calm atmosphere and with very few incidents, serious rioting occurred before the elections in Beirut, where eight persons were killed and over 100 injured on May 30 in clashes between National Front supporters on the one hand and troops and police on the other. The National Front, campaigning on a pro-Egyptian and pro-Syrian platform, and strongly opposed to the Government's pro-Western policy, had demanded on May 28 the resignation of the Government and the appointment of a caretaker administration under General Chebab (the Commander-in-Chief) so that the elections could take place in an "unbiased" atmosphere. Following the rejection of this demand, the National Front leaders—headed by M. Yafi and M. Salam—proclaimed a general strike and staged mass demonstrations in Beirut on May 30, leading to the above-mentioned disorders. Among those injured in the disturbances were M. Salam (who was taken to hospital), his wife, and the wife of M. Yafi. A Government statement said that the Opposition had hoped to carry out a *coup d'état* by inciting the crowds to seize control of Government buildings, whilst the Opposition claimed that it had intended to protest "peacefully" against the Government's foreign policy and its election tactics.

The tension was eased on June 3 by two decrees, the first of which appointed two "neutral" ministers (one Moslem and one Christian) to serve as a ministerial commission to supervise electoral procedures and investigate any allegations of irregularities. The second decree stipulated that all security measures taken during the period of the election, whether by the armed forces, police, or *gendarmerie*, would be subject to the final authority of General Chebab, whose impartiality was recognized by the Government and the Opposition alike. The National Front expressed itself satisfied with these assurances and agreed on the same day to call off the general strike—which, however, had met with a negligible response and had been confined to a few areas in Beirut.

Reports from the Lebanon indicated that Syria, Egypt, and the Communist countries had given overt support to the National Front's anti-Government and anti-Western campaign, despite Opposition denials. In a despatch from Beirut on June 2, the Special Correspondent of *The Times* in that city described the situation as follows:

"... The most significant developments have been substantiated reports of Syrian and Egyptian complicity in the Opposition's demonstrations, and the Opposition's simultaneous denials of foreign participation. Yesterday the Prime Minister, Sami Solh, referred to the part played in [the Beirut] disturbances by Palestine refugees (who are not allowed to take part in Lebanese politics), 'some Syrian mercenaries residing in Lebanon, and other non-Lebanese.' Security forces sources say that among those detained it is understood the number is about 500 - were Syrian subjects who illegally entered Lebanon and carried arms during [the Beirut] riots; and reports that two members of Syria's *Deuxième Bureau* were arrested, along with an officer who is believed to be a secretary of Colonel Sarraj, have now been confirmed. Of the eight people now acknowledged killed [in the riots], six came from outside Beirut, as also did a high proportion of the injured ...

"It is also learned from trustworthy sources that a Syrian car was seen unloading arms outside the Egyptian Embassy here early last week (reports from security forces refer to arms of Czech manufacture having been captured) and that £200,000 of Egyptian money was distributed in the Lebanon among Opposition supporters immediately before the disturbances. Evidence of Communist connivance centres around the activities of the Syrian Communist leader Khaled Bagdash, who is believed to have transmitted instructions to the agitators in Lebanon through one Nicholas Shawi, a naturalized Lebanese of Syrian origin ...

"No observer can fail to note the similarity between the Opposition's tactics here and those of the Nabulsi forces in Jordan six weeks ago ... Cairo, Damascus, and Moscow radios have been playing the same inflammatory role in this affair as they did in Jordan, describing the present Government as the 'tool of the imperialists,' and classifying the United States as the chief enemy."

The National Front's electoral defeat involved the unseating of M. Salam and M. Yafi, both of whom failed to secure election in South Lebanon.—(Le Monde, Paris - Times)

(Prev. rep. Elections, 13159 B.)

B. BULGARIA. — Purge of Communist Leaders.

It was announced in Sofia on July 16 that M. Georgi Chankov, a First Deputy Premier, had been expelled from the politburo and central committee of the Bulgarian Communist Party, and that M. Dobri Terpeshev (Minister of Labour) and General Yanko Panov had been expelled from the party's central committee. M. Chankov was expelled for "factional activity" and "systematically undermining party unity and the principle of collective leadership," while M. Terpeshev and General Yanov were expelled for "not having discontinued their activities against the party line and party unity, in spite of strong reprimands."

M. Chankov, a prominent leader of the Bulgarian Communist Party for many years, had held office almost continuously since 1947. M. Terpeshev had previously been expelled from the central committee as a "Titoist" in 1950 but was subsequently rehabilitated; little had been heard of him until January last, when he was appointed Minister of Labour. General Yanov, an Army officer, was a Communist of long standing.

A further announcement on July 17 stated (i) that M. Chankov had been relieved of his post as a First Deputy Premier; (ii) that he had been succeeded by M. Raiko Damyanov, Minister of Trade and one of the three Deputy Premiers; and (iii) that M. Boris Taskov had been appointed Minister of Trade *vice* M. Damyanov.—(Neue Zürcher Zeitung - Times - Le Monde, Paris) **(Prev. rep. Bulgaria, 15467 A; 15369 A; Soviet and Rumanian Purges, 15660 A; 15639 A.)**

C. UNITED KINGDOM. — Housing Construction.

Figures published by the Ministry of Housing and Local Government on Aug. 1 showed that 152,405 permanent houses and flats were completed in Britain during the first half of 1957, of which 85,922 were built by local authorities, 61,358 by private builders, 1,191 by housing associations, and 3,934 by Government departments. The total number of permanent houses and flats completed in Britain since the end of the war was given as 2,693,280, of which 1,917,965 had been built by local authorities, 667,580 by private builders, 41,028 by housing associations, and 66,707 by Government departments.—(Ministry of Housing and Local Government)

(Prev. rep. 15420 A.)

D. FINLAND. — M. Fagerholm elected President of Finnish Diet.

M. Karl-August Fagerholm, the former Prime Minister, was elected President of the Diet on May 31 (by 140 votes out of 163) in succession to M. Suksclainen, the new Prime Minister. (Le Monde, Paris) **(Prev. rep. 15573 A.)**

AUGUST 10—17, 1957

A. FRANCE. — Creation of Joint Organization for the Sahara. - Exploitation of Saharan Mineral Wealth.

The appointment of M. Max Lejeune as Minister for the Sahara in the Bourgès-Maunoury Cabinet brought into effect legislation which had been passed by the French Parliament in December last and promulgated in the *Journal Officiel* on Jan. 11, 1957.

The measure, providing for the organization of the French Sahara into a single economic unit under unified control, had been proposed by M. Mollet's Government on the grounds that such control was essential if the great natural resources of the Sahara were to be exploited with the utmost speed and efficiency. Political and administrative control of the Sahara, which is divided between the *Gouvernements-Généraux* of Algeria, French West Africa, and French Equatorial Africa, remained unchanged under the new arrangements.

The Bill was first passed by the National Assembly on Dec. 14, 1956, by 376 votes to 160 (the Communists opposing); approved by the Council of the Republic in a slightly different form on Dec. 28, by 296 votes to 38; and, with these amendments, was finally passed by the National Assembly on Dec. 30, 1956. Its main provisions were as follows:

(1) A new body, to be known as the Joint Organization for the Sahara (*Organisation Commune des Régions Sahariennes*), would be set up both to organize and control the economic development of the area and to raise the standard of living of the native populations. The new authority would be directly responsible to the Prime Minister's office.

(2) The Joint Organization would comprise the following organs:

(*a*) A Mixed Commission of Co-ordination and Control, consisting as to one-half of representatives of the territories concerned and as to the other half of members of the National Assembly, the Council of the Republic, the Assembly of the French Union, and the Economic Council, and having the task of "defining and controlling" the development programmes for the area.

(*b*) An Executive Committee (*comité de direction*), half of whose members would be nominated by the French Government and the other half by the Mixed Commission.

(*c*) A Delegate-General appointed by the French Government, who would be responsible for the execution of the programmes as well as for defence and public order. He would be assisted in the latter task by a general officer commanding the land and air forces stationed in the Sahara.

(3) The area under the control of the Joint Organization would comprise Southern Algeria, the northern parts of the French Sudan and Niger (French West Africa), and Chad (French Equatorial Africa). The West African colony of Mauretania, which under an earlier plan was to have formed part of the new organization, was left free to join later if it wished to do so.

(4) French technical and financial aid for the economic development of the Sahara area would be directed through the *Bureau Industriel Africain*. This bureau—defined at the time of its creation as "a bloc institution of an industrial and commercial character and financially autonomous"—is headed by M. Louis Armand, president of the French National Railways.

(5) With the approval of the French Government, the Delegate-General would have power to negotiate with foreign or international organizations in respect of loans or participations in Saharan undertakings.

(6) Neighbouring countries in North Africa (e.g. Morocco) could associate themselves permanently with the work of the Joint Organization, on which they would then be represented.

The detailed provisions of the Bill were worked out by M. Félix Houphouet-Boigny (an African), deputy for the Ivory Coast, Minister attached to the Prime Minister's office in M. Mollet's Government, and Minister of State in the Bourgès-Maunoury Cabinet. As the Government's chief spokesman in the National Assembly, he made an impassioned plea for the Bill's adoption in the joint interests of France and the populations of the territories concerned.

In a statement on June 19, M. Lejeune explained that in his ministerial capacity he would carry out the functions of the Delegate-General of the Joint Organization, and would also exercise the administrative powers delegated to him by the *Gouvernements-Généraux* of Algeria, French West Africa, and French Equatorial Africa within the zone covered by the Organization. M. Armand stated on the same date that the *Bureau Industriel Africain* had set up a special study centre for human problems, to deal with questions affecting those who would in future be employed in the Sahara.

Some details are given below of the oil and mineral resources of the Sahara, and of the plans for their exploitation:

Oil and Natural Gas. The first discovery of oil in the Sahara was made early in 1956 in the Edjelé region, near the Algerian-Libyan border. A second important strike at Tiguentourine, 45 miles west of Edjelé, was announced in June 1956. The discoveries were made by the *Compagnie de Recherches et d'Exploration de Pétrole au Sahara* (C.R.E.P.S.), one of the four companies controlled by the French Government which, under the general direction of the *Bureau de Recherches de Pétrole*, had been prospecting in the area since 1953. Royal Dutch-Shell have a 35 per cent interest in the C.R.E.P.S.

A still larger oil deposit was discovered in December 1956 at Hassi-Messaoud, in the Ouargla area of east-central Algeria, 400 miles south of Constantine. Further oil strikes in this area were reported in May-June 1957, intensive drilling operations being carried out by the *Société Nationale de Recherche de Pétrole en Algérie* (S.N. Repal)—one of the State-controlled companies—and the *Compagnie Française des Pétroles Algérie*.

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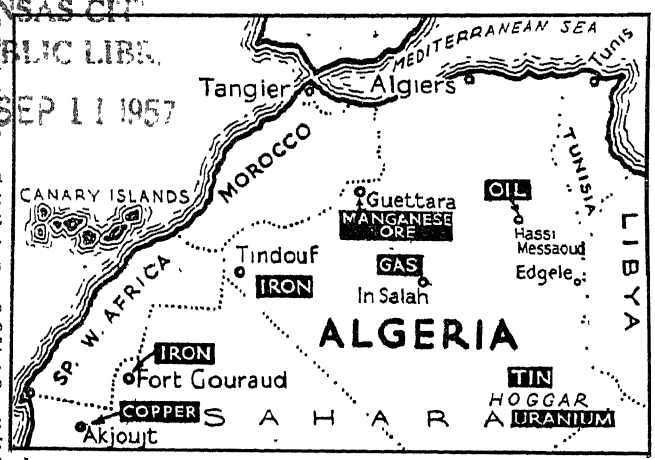


(*Financial Times*)

M. Collot, director-general of "S.N. Repal," said on June 14, 1957, that the minimum figure for the oil reserves at Hassi-Messaoud was estimated at 100,000,000 tons; that the transport of oil through a small provisional pipeline to Touggourt would begin in January 1958, the oil then being sent by rail from Touggourt to Philippeville *via* Biskra, and that a permanent pipeline, which was expected to be ready by 1960, would extend to Algiers or Bougie. It had been reported in March that work had started on enlarging the narrow-gauge railway from Touggourt to Biskra for the purpose of transporting the oil from Hassi-Messaoud.

M. Guillaumat, head of the *Bureau de Recherches de Pétrole*, stated on Jan. 21 that the Edjelé field would be producing 4,000,000 tons of oil per annum by 1959, while 5,000,000 tons were expected to come from Hassi-Messaoud. M. Maurice Lemaire (State Secretary for Industry in M. Mollet's Government, and one of the chief advocates of Saharan development), declared on March 11 that at least 10,000,000 tons of oil from the Sahara wells could be transported to the Mediterranean coast by 1960.

M. Lejeune, the new Minister for the Sahara, said in his press statement of July 10 (see above) that France could be self-sufficient in petrol within three years if the necessary financial and physical effort were made. It was "a miracle for France to have such riches within her grasp," but it was necessary to act quickly, to plan on a big scale, and to find a minimum initial investment of 350,000 million to 400,000 million francs.

It was announced on April 1, 1957, that three of the companies which had been conducting oil prospecting operations in the Sahara had been awarded a number of concessions (valid for five years) in the area: (*a*) the *Compagnie d'Exploration Pétrolière* (in which the French affiliate of British Petroleum holds a 2·08 per cent share, while 57 per cent of the capital belongs to the *Bureau de Recherches de Pétrole*) received four permits covering a total area of 33,290 square kilometres, with the obligation to spend at least 3,329,000,000 francs (about £3,329,000) on work in the area; (*b*) the *Compagnie de Recherches et d'Exploration de Pétrole au Sahara* received a permit covering 6,000 square kilometres on the Libyan border and involving a minimum expenditure of 600,000,000 francs (about £600,000); and (*c*) the *Compagnie Française des Pétroles Algérie* was granted a concession for an area of 5,200 square kilometres and requiring a minimum expenditure of 420,000,000 francs (about £420,000).

In addition to oil, large natural gas deposits have been discovered in the area south of In Salah (745 miles south of Algiers) and at Hassi-R'Mel, about 460 miles east of In Salah and some distance west of Hassi Messaoud.

Iron Ore. One of the world's largest deposits of iron ore, estimated at 3,000,000,000 tons, was found at Gara Djebilet, about 75 miles south-east of Tindouf in Western Algeria, near the borders of Morocco and the Spanish colony of Rio de Oro. The ore, with a consistency equivalent to second-grade Swedish ore, could be easily mined but an investment of 1,000,000,000 francs would be needed to build mine installations, a railway across Southern Morocco to the Atlantic coast, and a suitable port there (possibly at Agadir).

Iron ore in smaller quantities, but of a quality equal to the finest Swedish ore, was also found in the Fort Gouraud area of Mauretania. The *Société des Mines de Fer de Mauritanie* (Miferma) was founded some years ago to exploit these deposits, 15 per cent of its capital being originally taken over by the British Iron and Steel Corporation,

34 per cent by Frobisher Ltd. (the Canadian mining concern), and 51 per cent by French interests. Frobishers, however, decided in March 1957 to dispose of their holding, and on April 30 it was reported from Paris that 15 per cent of Miferma's share capital had been acquired, with the French Government's consent, by Finsider (the Italian concern which controls about one-half of the Italian steel industry), whilst the remaining 19 per cent of the former Frobisher holdings had been taken over by the existing French and British interests.

Other Minerals. The only other minerals at present being exploited in the region are coal deposits south of Colomb-Béchar (with an annual production of 300,000 tons) and a small amount of tin in the Niger territory. Plans have been made, however, for the exploitation of manganese deposits (estimated at 1,500,000 tons) at Guettara, south of Colomb-Béchar, and copper has been found at Akjoujt, in Mauretania. In addition, traces of uranium, wolfram and tin have been found in the Hoggar *massif* in the extreme south of Algeria.

It was announced in Paris on March 27 that major French banking interests had completed plans to form a new company to exploit the mineral and oil resources of the French Sahara. This company—the *Compagnie Française du Sahara*—would undertake exploration work and also finance the exploitation of proved resources. The main participants are the *Bureau Industriel Africain* (see above); the *Banque de l'Indochine*; Lazard Frères; the *Crédit Lyonnais*; the *Banque de Paris et des Pays-Bas*; the *Union Européenne Industrielle et Financière*; Rothschild Frères; and the *Banque de l'Union Parisienne*. M. Henri Bonnet, the former French diplomat, is president of the company.—(Le Monde, Paris - Times - Financial Times)

A. MAURITIUS. — Constitutional Reforms. - Commission of Inquiry into Voting System. - Introduction of Ministerial Government.

The British Colonial Secretary, Mr. Lennox-Boyd, made a statement to the House of Commons on March 8 on the results of discussions in London with a Mauritian delegation on the proposed constitutional reforms in the Colony (see 14820 A). The delegation, comprising eight members of the island's Legislative Council (four from the Mauritius Labour Party, two from the *Parti Mauricien*, and two nominated) had had talks with British officials at the Colonial Office, in which Mr. Lennox-Boyd and the Governor of Mauritius (Sir Robert Scott) participated.

Mr. Lennox-Boyd announced that full agreement had been reached on all outstanding points concerning the future constitutional status of the island, with the exception of the method of voting under the new constitutional system. In view of divergencies on this matter, it had been agreed to set up a three-member Commission to inquire into the question. The Colonial Secretary's statement is summarized below:

Method of Voting. Mr. Lennox-Boyd said that there was general agreement that elections to the Mauritius Legislative Assembly should be held by universal adult suffrage, and that voting should be on grounds of party and political principle rather than of race or religion. The Mauritius Labour Party had suggested that the island should be divided into single-member constituencies, but the other delegates thought that this would be impracticable, and he himself felt that it would tend to produce artificial boundaries which would perpetuate communal divisions. The *Parti Mauricien* and the nominated members, while preferring proportional representation by single transferable vote, had expressed readiness to accept the party-list system in an effort to reach agreement.

Electoral Commission. It had finally been decided that a Commission of three persons from outside Mauritius, to be appointed by the Colonial Secretary, should examine whether it was possible to divide the Colony into a series of single-member constituencies up to a maximum of 40, of approximately equal voting strength but with a minimum electorate in any one constituency of 5,000, so that:

(*a*) Each main section of the population should have adequate opportunity to secure representation in the Legislative Council corresponding to its numerical strength in the community as a whole.

(*b*) Each constituency should have reasonable geographical boundaries.

(*c*) The boundaries could be expected to endure for a reasonable number of years, while remaining consistent with the primary objective under (*a*).

If the Commission found that it was not possible to demarcate single-member constituencies in accordance with these basic principles, it would be instructed to demarcate boundaries for 11 three-member constituencies, based as far as possible on present geographical divisions. These constituencies should be roughly equal in the number of voters.

It had been agreed that if the Commission found that a satisfactory system of single-member constituencies could not be introduced in accordance with the above principles, elections should be held on the party-list system in the three-member constituencies to be demarcated by the Commission. All the Mauritian delegates had pledged themselves to co-operate, and to persuade the members of their parties to co-operate, in the acceptance and working of whichever of these two systems was introduced.

Legislative Council. In accordance with the constitutional proposals of 1956, the Governor would be enabled to appoint a maximum of 12 members to the Legislative Council, with the proviso: (*a*) that nomination would not be used to frustrate the results of the elections; (*b*) that it should ensure the representation of special interests of those who had no chance of obtaining representation through election; and (*c*) that it might be used to assist in the working of Government—"Government" in this context meaning a Government largely composed of Ministers and associated through them and their adherents with the Legislative Council.

Executive Council. It had been agreed that the Executive Council should consist of nine unofficial members (instead of the previous six), in addition to the three *ex-officio* members, and that its composition should reflect the composition of the Legislative Council—that is, any groups in the Legislative Council that accepted an invitation to join the Government would be represented among the nine unofficial members of the Executive Council in proportion to their strength in the Legislative Council. The appointments would be made by the Governor in accordance with this principle, and after consultation with the members of the Legislative Council.

Ministerial System. It had also been agreed that the ministerial form of government should be introduced as soon as possible, and before the next elections [due to be held in August 1958].

It was announced on July 16 that Mr. Lennox-Boyd had appointed Sir Malcolm Trustram Eve, Q.C., Mr. Robert Beloe, and Mr. E. R. Sunbury as the members of a Mauritius Electoral Boundary Commission which would visit the island during the summer and report to the Colonial Secretary in October. Sir Malcolm Trustram Eve (chairman) has presided over a number of Royal Commissions and official inquiries; Mr. Beloe is Chief Education Officer for Surrey; and Mr. Sunbury was secretary of the Ceylon Delimitation Commission in 1946.

A ministerial form of government was introduced in Mauritius on July 5, in conformity with the agreement reached at the London discussions and mentioned by Mr. Lennox-Boyd in his statement to the House. Nine unofficial members of the Executive Council were appointed Ministers (six with portfolios and three without portfolios), of whom six were members of the Mauritius Labour Party and three were non-political. Four of the nine members were elected under the existing system of proportional representation with single transferable vote, whilst five were nominated by the Governor after consultation with the Legislative Council. The appointments were as follows:

Mr. G. Forget, Health and Social Services; Dr. E. Millien, Labour; Mr. A. M. Osman, Agriculture and Lands; Dr. S. Ramgoolam, Ministerial Secretary to the Treasury; Mr. Guy Sauzier, Works and Communications; Mr. R. Seeneevassen, Education and Institutions. The three Ministers without portfolio (Dr. A. Celestin, Mr. R. Rault, and Mr. R. Vaghjee) will undertake some of the diverse duties of the three *ex-officio* members—the Colonial Secretary, the Procureur and Advocate-General, and the Financial Secretary.

[Mr. Sauzier, secretary of the Chamber of Agriculture, is an expert on questions relating to the sugar industry; Mr. Osman is a leading sugar planter; and Dr. Celestin is one of the leading surgeons in Mauritius. Mr. Sauzier and Dr. Celestin were members of the Mauritian constitutional delegation to London.]

The Legislative Council consists at present of 19 elected members (of whom 14 belong to the Mauritius Labour Party), 12 members nominated by the Governor, and three *ex-officio* members. The Governor's power to nominate 12 members ensures that all minorities—including Mauritian French, Moslem, Indian, Coloured, and Chinese—are adequately represented. Under the new constitutional proposals, the elected members will be increased from 19 to 25, while the nominated and *ex-officio* members will remain unchanged.

The two leading parties in Mauritius are the Mauritius Labour Party, in which the Hindu community is strongly represented, and the (conservative) *Parti Mauricien*. At the last municipal elections in Port Louis (capital of the island), held in September 1956, 11 of the 16 seats were won by the Labour Party and the other five by the *Parti Mauricien*.
(Times - Manchester Guardian - Sunday Times)

(Prev. rep. Mauritius, 14820 A)

B. TURKEY. — Civil Aviation Agreement with B.O.A.C. - British Participation in Turkish Airways.

Under an agreement signed in Ankara in July between Turkish Airways and the British Overseas Airways Corporation, B.O.A.C. agreed to buy £500,000 worth of shares in Turkish Airways and to open a 10-year credit for Turkish Airways of £1,500,000. The total of £2,000,000 will be used by Turkish Airways for buying five *Viscount* aircraft and spare parts, the first *Viscount* being delivered in December 1957 and the others during 1958. As a result of the agreement, Sir George Cribbet (deputy-chairman of B.O.A.C.) will join the administrative board of Turkish Airways.
(Turkish Embassy Press Department, London)

A. COLOMBO PLAN. — Wellington Meeting of Consultative Committee. - Increased Canadian Assistance. - U.S. Grant for Atomic Centre. - Reports of Consultative Committee and Technical Co-operation Council. - New Development Projects.

The eighth meeting of the Colombo Plan Consultative Committee was held in Wellington (New Zealand) from Dec. 4-8, 1956, under the chairmanship of Mr. T. L. Macdonald, N.Z. Minister of External Affairs. The 19 member-countries were represented as follows:

Australia—Mr. A. G. Townley, Minister for Immigration; **Burma**—U Raschid, Minister of Mines; **Cambodia**—M. Phlek-Phoeun, Minister of Public Works; **Canada**—Mr. Paul Martin, then Minister of National Health and Welfare; **Ceylon**—Senator Wijesinghe; **India**—Mr. B. R. Bhagat, Deputy Minister of Finance; **Indonesia**—Dr. H. Sinaga, Minister of Health; **Japan**—Mr. T. Takasaki. Minister of State in charge of the Economic Planning Agency; **Laos**—M. Insisiengmay, Minister of Finance, National Economy and Planning; **Nepal**—Sardar B. B. Pande, of the Ministry of Planning and Development; **New Zealand**—Mr. T. L. Macdonald, Minister of External Affairs; **Pakistan**—Sardar Amir Azam Khan, Minister of Information and Broadcasting; **Philippines**—Señor G. P. Ramos; **Siam**—Major-General Siriyodhin, Minister of Economic Affairs; **United Kingdom**—Lord Munster, Minister without portfolio; **Malaya**—Dr. Ismail bin Dato Abdul Rahman, Minister of Commerce and Industry; **North Borneo**—Mr. P. Lee Tau Sang; **United States**—Mr. Walter S. Robertson, Assistant Secretary of State for Far Eastern Affairs; **Vietnam**—M. Nguyen-Huu-Chau, Secretary of State at the Presidency. **Singapore** and **Sarawak** were also represented.

Mr. Holland (the N.Z. Prime Minister) said in his opening address that the total cost of the six-year development plan for the whole Colombo Plan area was likely to exceed £3,000,000,000, a total of £2,000,000,000 having been spent in the first four years of the Plan's operation. A communiqué issued at the end of the meeting stated that 1955-56 had been a "turning point" in the programme of the Asian members of the Colombo Plan. Many countries had recently formulated new or renewed national plans, and others had given continuing attention to improving the planning and execution of their public investment projects. The aim for 1956-57 would be to raise the level of expenditure (£791,000,000 in 1955-56) by over a quarter, to about £1,000,000,000.

During the meeting **Mr. Robertson** announced the U.S. Government's readiness to grant about $20,000,000 towards the initial operating costs of the Asian nuclear centre in Manila (see 14791 B). He also stated that the U.S.A. would devote $1,750,000,000, or two-thirds of its total foreign aid, to South and South-East Asia. **Mr. Martin** announced an increase in Canada's annual grant from $26,400,000 to $34,400,000, while **Lord Munster** explained that the main part of Britain's economic association with the Colombo Plan had been in the private sector, where large capital sums continued to be made available. Australia and New Zealand said they would maintain their present contributions.

The fifth annual report of the Colombo Plan Consultative Committee, which was approved at the Wellington meeting, was published in London on Jan. 15, 1957 (Cmd. 50). A summary of the first part of the report is given below.

Review of Economic Progress.

The economic position of the countries of the Colombo Plan area during 1955-56 reflected, in general, two major aspects of development. First, these countries were endeavouring to attain higher rates of economic growth while preserving the economic and social stability required to make that growth continuous. Secondly, development plans needed to be flexible as they involved assumptions about the availability of resources not yet in hand when programmes were formulated, and which were subject from year to year to fluctuations due to external as well as internal factors.

While world industrial production and trade continued to expand in 1955-56 and most of the Colombo Plan countries contributed to this expansion, the trade deficits of a number of countries in the first half of 1956 showed some increase, owing to larger imports National income continued to rise at a rate slightly in excess of population growth. Significant progress was also made in both the planning and execution of economic development programmes during the period.

Agricultural production, on balance, showed little improvement over the previous year in spite of improved cultivation methods and expansion of irrigation systems, since output depended preponderantly on weather conditions. Rice production, however, increased by 6 per cent; among cash crops the output of tea, sugar, rubber and jute had increased, but the production of raw cotton in India and Pakistan had declined by about 7 per cent. Increases were also reported in the production of coal, iron-ore, and crude petroleum.

The land area under irrigation in several countries was substantially increased. In India, during the first Plan period, the amount of irrigated land was increased by 16 3 million acres, and other countries were also engaged on schemes of irrigation and land reclamation. Increased emphasis had been placed on problems of agricultural credit and marketing and of rural co-operative societies. Further advances were made—chiefly in India, Pakistan, Burma and Indonesia—in community development programmes for raising the level of agricultural techniques and for mobilizing the initiative and co-operation of the people in improving their standards of living.

Electric power production for the area as a whole rose by about 12 per cent in 1955. The year also witnessed the start of operations in many new industrial establishments, the implementation of industrial programmes being given considerable emphasis in most countries in the area. The indices of industrial production in Pakistan and India rose in 1955 by 23 per cent and 8 per cent respectively. Cement production increased only slightly, and was insufficient to meet the growing demand due to increasing consumption. Production of cotton yarn and fabric rose by 10 per cent and 4 per cent respectively, expansion being particularly marked in Pakistan, where self-sufficiency in cotton textiles of medium varieties had been achieved. India and Pakistan also increased their output of jute products. A large expansion of steel plant was under way in India, and production in the engineering industry also showed considerable increases.

Regarding their financial situation, the report said that countries in the region had taken a variety of fiscal, monetary and other measures to preserve or restore internal stability and to promote development. Attempts had been made to raise revenue yields and to increase and tap domestic savings, but more effort was required inasmuch as developmental expenditure was increasing, and the gap between revenue (plus loans and other savings) and expenditure continued to add significantly to money supply. Budgetary deficits had increased in India and Pakistan in 1955-56, but in Ceylon budget surpluses constituted an important stabilizing factor and had enabled the Government to expand its development programme. The Philippines, Siam and Burma had to reduce their development expenditures to some extent.

On the external trade position of the countries, the report said: "A large portion of internal as well as external resources required for development had to be derived from foreign trade, which, for countries of the area, consists largely of the exchange of primary products for manufactured goods . . . Since a considerable degree of specialization exists in these countries, particularly as among fibres, rubber and metals, variations in the different sectors of industrial activity outside the area may have crucial effects on the trade of individual countries" In 1955 Indonesia, Malaya and Siam benefited from increased exports and rising prices of rubber and tin, and Ceylon and British Borneo from rubber. In the first half of 1956, exports in general tended to decline, and with higher imports had led either to increased trade deficits or lower surpluses. During the same period, reserves for the group (excluding Malaya) declined by the equivalent of £26.4 million. The devaluation of the Pakistan rupee, however, had had a favourable effect on that country's balance of trade.

As regards transport and communications, countries of the area were giving high priority to plans for increasing road mileage and improving railway systems. In India the production of rail wagons reached over 13,000, and 179 locomotives were produced in 1955-56. Pakistan was adding to its rolling-stock both from its own workshops and from abroad In Malaya and Borneo, the railway systems were being thoroughly overhauled. Extensions to the railway system in Siam would facilitate the transport of goods to Cambodia and Laos. Most countries in the region also registered considerable progress in the development of port facilities.

Expenditure on health, education, housing and other social services continued to increase. Progress was especially marked in the extension of primary education in India, Ceylon, Siam and Nepal.

The role of private investment, said the report, was important, although development programmes of countries in the area were focussed primarily on public investment and governmental planning. Public expenditure had itself stimulated private initiative, which had also been encouraged through tax incentives and financial assistance. Private investment of foreign capital was being invited by bodies like the International Finance Corporation. Joint ventures were also being undertaken with private foreign capital by Governments of the countries of the area.

Of India's First Five-Year Plan, which was completed in the year under review, the report said that though significant advances were made in both agricultural and industrial production, the average rate of investment had been no more than 6 per cent of national income over the first Plan period. With the labour force growing by 1,800,000 workers a year, employment opportunities, especially in the rural areas, were not increasing to relieve the pressure on land. The Second Plan, which aimed at an increase of 25 per cent in the national income (compared to 18 per cent secured during the First Plan), would have to meet the problem of unemployment carried over from the previous Plan period, besides relieving the under-employment existing in the rural and urban areas

Future Tasks.

The report pointed out that while considerable economic growth had been achieved by the region in past years, the next stage in development would tend to require more complex and difficult decisions in such matters as the maintenance of a balanced relationship between consumption and investment, and the pattern of investment. Increased consumption was one of the tangible benefits of development, especially in a region with very low living standards, but too great a consumption increase threatened to curtail investment and the future rate of growth. Moreover, as the population of the region continued to increase, future plans would have to take account not only of greater consumption demands, but also of the problem of providing satisfactory employment and training for an ever-growing labour force.

With the many natural hazards still to be reckoned with, there was need for maintaining flexibility in the furthering of development plans. At the same time, internal programmes ought to be equated with external resource availabilities in such a way as to achieve objectives without engendering critical balance-of-payments difficulties. The report warned that any development programmes which led to an impairment of the export earnings of a country, or of the prosperity of its trading partners, were likely to be self-defeating in the long run. Future problems would also require the mobilization of additional developmental energies in both the public and private sectors. The task of mobilizing resources was a continuing one, and in order to maximize the efforts and productivity of all parts of the economy, Governments ought not only to confine their efforts to those projects which they had themselves planned and directed, but should also promote—through training, administrative and financial measures—a more widespread initiative throughout the economy. In this connexion the report recommended the building of farm-to-market roads, or the assurance of power supplies as means to encouraging the individual farm producer, and private industry, respectively.

The report dwelt on the value of the regular consultation afforded by the Annual Consultative Committee meeting in assessing the general direction that member-countries should follow, and for providing new opportunities for co-operation between them. While some countries of the Plan area were more advanced in the implementation of long-range development programmes than others, opportunities arose for interchanges of mutual interest.

The first section of the report concluded: "As the Colombo Plan enters its sixth year, there is renewed courage, confidence, and determination to move ahead in the economic betterment of South and South-East Asia. The record of achievement set forth in this report gives reason to believe that, however great may be the difficulties ahead, they will be overcome."

Contributions to Economic Development.

In 1955-56 external assistance to the Colombo Plan countries was greater than that in previous years, and the rate at which it was used on specific projects was accelerated. Some details are given below:

Australia. From the beginning of the Plan until the end of the financial year 1955-56, Australia spent or committed £A32.2 million for economic development and technical assistance. Of the recipient countries, Pakistan had received £A11,759,000 (of which a little more than half had been spent at the end of the year, deliveries during the year including pumping sets and tube-well equipment); £A10.4 million was allocated to India, of which £A5.2 million had been spent (£A4.5 million on heavy earth-moving equipment, and £A187,157 for equipment for All India Radio), and Ceylon's share was £A2.8 million, of which £A1.5 million went to the Ceylon Irrigation Department and £A450,000 was spent on flour, proceeds from the sale of which would provide local funds for anti-tuberculosis clinics, a Rice Research Institute, and an Institute of Hygiene.) Other important allocations were: Indonesia, £A1.4 million (about half spent on agricultural equipment, trucks and cranes); Cambodia, £A596,000; Vietnam, £A294,000; Burma, £A294,000.

Canada. The Canadian Government's contribution to economic development for 1956-57 amounted to $34.4 million, bringing the total since 1951 to $162.8 million, excluding a special $5 million grant of wheat to Pakistan in 1953-54. The principal recipient countries were India ($80 million approx.), Pakistan ($57 million, plus the special grant of wheat referred to above), and Ceylon ($10 million approx. of capital aid).

Additional assistance of $5 million was given to India for the establishment of an atomic reactor near Bombay. A sum of $13 million was allocated in 1955-56 to the building of a large-scale hydro-electric generating station at Kundah, in South India.

Aid granted to Pakistan in 1955-56 included a further $9.2 million towards the Warsak hydro-electric project, bringing total Canadian aid for this project to $27.6 million. Wheat worth $1.5 million was made available to meet famine conditions, the proceeds being used on development projects.

Aid to Ceylon in 1956-57 would include $336,000 towards an aerial survey; $370,000 for two diesel locomotives; and $640,000 worth of flour, proceeds from the sale of which would be used for the rural road-building programme and construction costs at the University of Ceylon.

India. To assist in the implementation of Nepal's Five-Year Plan, India had offered material and technical aid up to 100 million rupees. In addition, Rs. 20 million would be spent in 1956-57 on highway and hydro-electric projects in Nepal.

New Zealand. Of the £N.Z.5 million appropriated by the New Zealand Government for Colombo Plan assistance, £N.Z.2.9 million had been utilized by or transferred to member-countries, while a further £N.Z.1 million would be devoted to specific projects. India had received £N.Z. 1.3 million (£N.Z. 1 million for the All-India Medical Institute and the remainder to promote the dairy industry); Pakistan, £N.Z. 1.4 million (£N.Z. 1,150,000 for the cost of equipment for the Zeal-Pak cement factory at Hyderabad, Sind); and Ceylon, £N.Z. 706,239, (£N.Z. 54,000 in 1955-56 to help establish a milk supply for Colombo).

United Kingdom. Investment by private enterprise continued to be the largest source of British capital in the area, as many U.K. concerns operated in South and South-East Asia, particularly in member-countries of the sterling area. While the amount of capital invested privately could not be calculated, the Reserve Bank of India had placed it at over £100 million (including re-invested earnings) between the middle of 1948 and the end of 1953. Another important field of British assistance was in the drawing-down of their sterling balances by countries of the Plan area, which constituted a demand on U.K. resources. In addition, the U.K. Government had offered since 1951 approximately £86 million as grants, loans, credits and technical assistance—i.e. some £6 million more than up to the end of 1954-55. Of this sum, over £54 million went to Malaya, Sarawak and North Borneo; £15 million as a loan to India for the construction of the new steel plant at Durgapur; and £7 million as the U.K.'s contribution to the Technical Co-operation Scheme. The U.K. had also agreed to release £18 million from its sterling subscription to the International Bank for use in the Colombo Plan Area.

United States. U.S. aid to Colombo Plan countries, offered through a number of agencies, amounted in 1955-56 to about $900 million, bringing total U.S. assistance since 1950 to over $2 billion. Of this sum, $535 million was offered through the Mutual Security Programme for 1955-56, and the U.S. Congress had approved approximately the same amount for 1956-57. Other important sources of finance were in the form of private investment (which in 1955 increased from $440 million to $480 million); the Agricultural Trade Development and Assistance Programme (sales under which totalled $544.2 million in 1955-56); and credits authorized by the Export-Import Bank, amounting in 1955-56 to $67 million.

In 1955-56, U.S. aid to India totalled $59 million, with emphasis on agricultural and transportation development programmes; to Pakistan, $106 million (chiefly for the Karnaphuli dam and the Taunsa barrage); to Siam, $34 million (for improving communications and training personnel); and to Vietnam, $203 million for rehabilitating and stabilizing the economy. In the same year the Philippines received $29 million under the Mutual Security Programme, and a credit of $65 million from the Export-Import Bank for industrial expansion. Aid to Cambodia amounted to $45 million and to Laos $48 million, in both countries primarily for improving transport facilities and stabilizing their economies. Assistance to Ceylon, initiated in 1956, totalled $5 million and would contribute to the objectives of the country's Six-Year Investment Programme. Indonesia received $11 million of U.S. aid, part of which was used for a campaign to eradicate malaria.

International Bank. In 1955-56 the International Bank made six loans, totalling $125.4 million, to countries within the Plan area, bringing the total amount of money loaned to those countries to $356.5 million.

The report said that in 1955-56 about $975 million of capital aid in the form of inter-governmental grants and loans had been made available by donor members outside the Plan area. Over the whole period of the Colombo Plan (from January 1950 to mid-1956), external aid from donor countries amounted to roughly $2,370 million.

Colombo Plan Technical Co-operation Scheme.

The annual report of the Colombo Plan Technical Co-operation Scheme, published on Nov. 1, 1956, stated that 4,227 training places and 572 experts had been provided under the scheme up to the end of June, 1956. Of the trainees, 641 had or were being trained in engineering, 638 in food, agriculture and forestry, 595 in administration, and 574 in education. Training places were also provided in medicine and health (524), industry and trade (343), transport and communications (276), and fuel and power (163). Experts had been provided for medicine and health (156), engineering (88), education (70), food, agriculture and forestry (67), transport and communications (65), and industry and trade (46).

Australia had offered the highest number of training places—(1,610), principally for Indonesia (392), India (199), Pakistan (194), Malaya (173), Ceylon (147), Burma (143), Singapore (95), and the Philippines (74)—and had provided 175 experts, including 49 to Malaya, 38 to Ceylon, and 35 to Pakistan.

Canada had provided facilities for 504 trainees, mainly from Pakistan (168), India (159), Indonesia (61), and Ceylon (52), and had sent 101 experts to Colombo Plan countries, including 52 to Ceylon, 14 to Pakistan, 12 to Malaya, and 10 to India.

Ceylon had arranged for 23 training places (Nepal 8, Malaya 7, Burma and Indonesia 3 each, Singapore 2), and had provided two experts (for India and Singapore).

India had made facilities available for 462 trainees (from Nepal 273, Ceylon 99, the Philippines 33 and Pakistan 27), and sent 20 experts (including 13 to Ceylon and 4 to Indonesia).

New Zealand had agreed to offer 307 training places, principally for Malaya (66), Ceylon (65), India (58), and Pakistan (57), and 53 experts (to Pakistan 15, Ceylon 14, India 8, North Borneo 7).

Pakistan had granted facilities for 30 trainees, including 10 from Ceylon, and 6 each from Burma and Malaya.

The **United Kingdom** had provided 1,274 training facilities, principally from Pakistan (346), India (347), Ceylon (332), Indonesia (91), and Burma (61), and 198 experts, including 81 each to Ceylon and India, and 29 to Pakistan).

The report said that expenditure on the scheme up to June 30, 1956, amounted to approximately £5,600,000, plus firm forward commitments of approximately £2,600,000, bringing the total to about £8,200,000.

Since the publication of the Fifth Annual Report, further offers of aid and technical assistance under the Colombo Plan were announced as follows:

Canada. An agreement covering Canadian aid to Ceylon during 1956-57 was signed in December 1956, which, in addition to the items mentioned in the Report, offered two sums of $400,000 each for electrical transmission lines in connexion with the Gal Oya Development Project, and for rural road construction. In May 1956 Canada had agreed to contribute $2,000,000 for the Khulna thermal power station in East Pakistan.

New Zealand. The N.Z. Government announced in November 1956 that it would contribute £45,000 to help meet the cost of restoring the Akkarayankulam irrigation-tank system in Ceylon. Later, an offer of £300,000 was made towards the establishment of a sugar mill at Dewanganj, in East Pakistan.

United Kingdom. It was announced on Jan. 29, 1957, that £120,000 worth of books and equipment would be made available by the U.K. Government for the Institute of Textile Technology at Dacca, in East Pakistan. A similar offer of equipment and machinery worth £125,000 was subsequently made for the Lyallpur Institute of Textile Technology (West Pakistan). A gift of £38,000 worth of equipment for expanding training facilities in telecommunications at the Haripur centre, in Pakistan, was made in April last.

Apparatus and equipment worth £17,000 for the Technical Training Institute at Amparai, set up by the Ceylon Government in connexion with the Gal Oya Development Project, was also announced in April last; this was additional to £4,000-£5,000 worth of equipment already provided for the Institute.

At a meeting in Colombo on April 30, 1957, Mr. R. H. Wade (New Zealand) was appointed Director of the Colombo Plan Bureau for Technical Co-operation in succession to Dr. Keyfitz, of Canada.—(Treasury Press Office, London - Commonwealth Relations Office, London - Times - Daily Telegraph - Manchester Guardian - N.Z. Directorate of Information Services, Wellington - Indian and Pakistani High Commissioners' Offices, London - Ceylon Government Information Department, Colombo - Colombo Plan Information Unit)

(Prev. rep. 14651 C.)

A. CYPRUS. — Relaxation of Emergency Regulations.

Nealy half the emergency regulations in Cyprus (33 out of a total of 76) were revoked on Aug. 9 by the Governor, Field-Marshal Sir John Harding. The most important regulation withdrawn was that relating to "consorting with terrorism" (introduced in November last), under which persons found in company with armed terrorists were liable to the death penalty or, in less serious cases, to life or lesser terms of imprisonment. Other regulations withdrawn included those giving the Governor power to detain suspected Eoka members without trial; to control lines of communication; and to appoint press and radio censors. In addition, the regulation banning all processions and assemblies was lifted (except for gatherings organized by illegal bodies, which remain prohibited); certain curfew regulations were relaxed; and persons leaving the island were no longer required to obtain exit visas, though passports remained necessary.

Emergency regulations remaining in force included those making the death penalty mandatory for carrying or discharging arms and throwing bombs; the ban on processions and assemblies by Eoka and other illegal organizations; the regulations authorizing deportation; those empowering search of persons, vehicles and houses, and arrest without warrant; and that section of the emergency regulations dealing with control of publications, under which the *Times of Cyprus* had been fined [see page 15477]. Moreover, under the Detention of Persons Law (passed before the emergency regulations came into force), the Governor still has the power to order detention of suspected persons without trial.—(Times - Daily Telegraph)

(Prev. rep. Cyprus, 15469 A.)

B. UNITED KINGDOM. — Royal Navy. - New Commander-in-Chief, Home Fleet.

The Admiralty announced on Aug. 1 that Admiral Sir William Davis (56), lately Vice-Chief of Naval Staff, had been appointed C.-in-C., Home Fleet, in succession to Admiral Sir John Eccles, the appointment to take effect from Jan. 1, 1958. The post of C.-in-C., Home Fleet, carries with it the NATO appointment of C.-in-C., Eastern Atlantic. Sir William Davis became Vice-Chief of Naval Staff (a post in which he was succeeded by Admiral Sir Caspar John) in 1954, and had previously served as Flag Officer (Air) Mediterranean, Naval Secretary to the First Lord of the Admiralty, and Director of Underwater Weapons. During the Second World War he commanded the cruiser H.M.S. *Mauritius* in the Sicily, Anzio and Normandy landings.—(Times - Daily Telegraph)

(Prev. rep. 15619 A.)

C. RHODESIA AND NYASALAND FEDERATION. — Introduction of Uniform Customs Tariff.

It was announced in the Federal Assembly on March 7 by the Minister of Finance (Mr. Macintyre) that Customs tariff discrimination within the Federation of Rhodesia and Nyasaland would cease forthwith, following the passage of a Bill amending the Customs Act with a view to removing the effects of the Congo Basin Customs Treaties [see below] and introducing a uniform tariff throughout the Federation.

Under the Congo Basin Treaties, imports into Nyasaland and the Northern Province of Northern Rhodesia had been subject to different duty rates from those applying to the rest of the Federation, and there were also no preferential tariffs for imports from Britain and the rest of the Commonwealth. Special Customs formalities were necessary for travellers between Nyasaland and the Northern Province of Northern Rhodesia on the one hand and the rest of the Federation on the other, as well as for manufacturers sending goods from Southern Rhodesia to the other two areas.

Under the new uniform tariff, imports from Britain and the rest of the Commonwealth will receive preferential treatment throughout the Federation—e.g. imports of most types of piece-goods from the U.K. will pay only one-quarter of the Customs duties previously charged in Nyasaland and the Northern Province of Northern Rhodesia; clothing imports only 10 per cent, instead of 20 per cent; lower-priced cars only 7½ per cent, instead of 17½ per cent; more expensive cars only 12½ per cent, instead of 25 per cent; and lorries only 5 per cent, instead of 10 per cent. Window-glass from Britain (previously paying 15 per cent) will be free, while other items benefiting will include sewing-machines, soap, cutlery, hollow-ware, confectionery, toilet and medical preparations, tinned fruits and vegetables, wooden furniture, hosiery, haberdashery, pressure lamps, torches, and batteries. Similar reductions will also apply to imports from South Africa.

The introduction of the new uniform tariff involved lengthy and difficult negotiations with a number of foreign countries which had previously benefited from the regime laid down by the Congo Basin Treaties. In order to compensate foreign manufacturers for their loss of free trade, and for the preferential treatment now granted to imports from Britain and the Commonwealth, a number of Federal duties on important items from foreign countries were reduced as from March 8.

(Federal Information Department, Salisbury)

D. NEW ZEALAND. — Forthcoming Retirement of Mr. Holland from Premiership and Political Life. - Mr. Holyoake elected Leader of National Party.

The Prime Minister of New Zealand, Mr. Sidney Holland, informed a conference of the National Party on Aug. 12 of his intention to retire from the Premiership and from political life at the end of the present session of Parliament. He said that he had had two warnings on the state of his health, first during the Suez crisis and recently in connexion with an injury to his back; although he had made a good recovery and was fit to carry on until the next general election, he had decided that it would be foolish to ignore these warnings and had therefore decided to retire.

Mr. Holland (63) first entered Parliament in 1935 for Christchurch North, a constituency which his father had represented. He succeeded Mr. Adam Hamilton as leader of the National Party in 1940, and became Prime Minister in 1949.

On the proposal of Mr. Holland, the National Party caucus unanimously elected Mr. K. J. Holyoake (acting Premier and Minister of Agriculture) to the party leadership on Aug. 13. Mr. Holyoake (53) entered Parliament in 1932, when he won the Motueka seat at a by-election. He had been deputy leader of the National Party for the past nine years and Minister of Agriculture since 1949. He led the New Zealand delegation in the recent trade talks with the U.K. Government (see 15594 A).

(Directorate of Information Services, Wellington)

(Prev. rep. 13953 A; 10393 A.)

E. SOVIET UNION. — M. Pervukhin to head State Committee on Foreign Economic Relations.

It was announced in Moscow on July 24 that (1) M. Mikhail Pervukhin had been relieved of his post as Minister for the Medium Engineering Industry and appointed chairman of a new State Committee for Foreign Economic Relations; and (2) that M. Yefim Slavsky, formerly head of the Atomic Energy Board, would become Minister for Medium Engineering Industry *vice* M. Pervukhin. It was understood that the new State Committee would be concerned mainly with Soviet foreign aid operations in other countries, both Communist and non-Communist—a role similar to that of the International Co-operation Administration in the United States.

(Soviet Embassy Press Department, London)

(Prev. rep. M. Pervukhin, 15639 A.)

A. UNITED KINGDOM. — White Paper on Future Organization of the Army. - Composition of Brigade Groups. - Amalgamation of Regiments. - Creation of Army Air Corps. - Disbanding of Glider Pilot Regiment.

The Government's plans for the future organization of the Army were published as a White Paper (Cmd.230) on July 17, and are summarized below.

The White Paper pointed out that the reduction of the Armed Forces announced last April (see 15493 A) would necessarily involve changes in the structure, organization, and order of battle of the Army; and that while the proportion of "teeth arms" to administrative services would be increased, the total number of Army units would have to be reduced. In deciding on the method of reduction and the units to be affected, the Army Council had taken into account such considerations as the organization of the different arms and services, the recruiting potentials of the different units, and their seniority and territorial affiliations. Where the primary loyalty was to the corps (as in the Royal Artillery and Royal Engineers) it had been decided to proceed by disbandment, thus affecting as few units as possible; but where the primary loyalty was to the regiment (as with the Royal Armoured Corps and the Infantry of the Line) the procedure would be by amalgamation, thus perpetuating the regimental spirit and traditions in which the units were rooted.

The reorganization and reductions would be carried out in two phases. It was intended that the bulk of the cuts in the fighting arms should be completed in Phase I by the end of 1959, and the rest in Phase II by the end of 1962. Any necessary reductions in any particular arm or corps would as far as possible be spread equitably throughout the arm or corps concerned.

Units would be affected as follows:

Royal Armoured Corps. To be reduced (by permanent amalgamations of pairs of regiments—see below) by six regiments in Phase I. In Phase II there would be a reduction of two more regiments, but the method of doing this had not yet been decided.

Royal Artillery. To be reduced in Phase I by 18 regiments and minor units equivalent to another regiment, and in Phase II by a further two regiments.

Royal Engineers. To be reduced by the equivalent of four engineer regiments in Phase I and one regiment in Phase II, with a consequent reduction in engineer supporting units.

Royal Corps of Signals. The number of regiments would be reduced when the Command structure of the Army at home and abroad had been reorganized.

Infantry. The Brigade of Guards would be reduced by one battalion in each phase—the Third Battalion Coldstream Guards in Phase I, and the Third Battalion Grenadier Guards in Phase II.

No reduction would be made in the Parachute Regiment.

The remainder of the Infantry of the Line would be reduced in Phase I by 12 battalions, and in Phase II by a further three. As with the Royal Armoured Corps, reductions would be by permanent amalgamations of pairs of regiments, and the reorganized Infantry of the Line would be grouped into 14 brigades (each consisting of three or four battalions) and the Parachute Regiment. Except for the Fusilier, Light Infantry, and Green Jacket Brigades, these infantry brigades—which would be administrative and not operational formations—would be constituted on a regional basis and would largely correspond to the existing groups of infantry regiments, though some of the names might be changed. To establish a sense of loyalty and unity, all regiments in a brigade would wear the same cap badge. The Army Council would consult with Colonels of existing regiments about the nomenclature and insignia of the amalgamated regiments and of the brigades.

Each brigade would have one band serving all its battalions, but the regiments would keep their own drum, pipe or bugle bands. Officer cadets would continue to be gazetted from Sandhurst into a regiment, but all majors and lieutenant-colonels would be placed, for promotion purposes on a common brigade list. Other ranks would serve where possible in the regiments of their choice, but promotion of the more senior would be on a brigade basis. There would be one depot for each brigade at which recruits would be trained, but each regiment would retain a small regimental depot for recruiting and conducting regimental affairs. Amalgamated regiments would have only one depot for this purpose.

The Territorial Army battalions of regiments to be amalgamated would retain their identity and existing titles.

Administrative Services. The reductions outlined above would have their counterparts in the administrative services, which would employ a larger proportion of civilians than hitherto.

Details of the proposed changes affecting the Royal Armoured Corps and the Infantry of the Line are given below:

Royal Armoured Corps.

The following pairs of regiments would be amalgamated to form new ones.

1st King's Dragoon Guards and the Queen's Bays (2nd Dragoon Guards).
3rd King's Own Hussars and 7th Queen's Own Hussars.
4th Queen's Own Hussars and 8th King's Royal Irish Hussars.
3rd and 6th Royal Tank Regiments.
4th and 7th Royal Tank Regiments.
5th and 8th Royal Tank Regiments.

Infantry of the Line.

The composition of the Brigades, showing amalgamations of regiments, is set forth below. Amalgamations in Phase I (*) or Phase II (†) are indicated:

Lowland Brigade.

The Royal Scots (The Royal Regiment).
*Regiment to be formed from The Royal Scots Fusiliers and The Highland Light Infantry (City of Glasgow Regiment).
The King's Own Scottish Borderers.
The Cameronians (Scottish Rifles).

Home Counties Brigade.

*Regiment to be formed from The Queen's Royal Regiment (West Surrey) and The East Surrey Regiment.
†Regiment to be formed from The Buffs (Royal East Kent Regiment) and The Queen's Own Royal West Kent Regiment.
The Royal Sussex Regiment.
The Middlesex Regiment.

Lancastrian Brigade.

*Regiment to be formed from The King's Own Royal Regiment (Lancaster) and The Border Regiment.
*Regiment to be formed from The King's Regiment (Liverpool) and The Manchester Regiment.
*Regiment to be formed from The East Lancashire Regiment and The South Lancashire Regiment.
The Loyal Regiment (North Lancashire).

Fusilier Brigade.

The Royal Northumberland Fusiliers.
The Royal Fusiliers (City of London Regiment).
The Lancashire Fusiliers.

Midland Brigade.

The Royal Warwickshire Regiment.
The Royal Leicestershire Regiment.
The Sherwood Foresters (Nottinghamshire and Derbyshire Regiment).

East Anglian Brigade.

*Regiment to be formed from The Royal Norfolk Regiment and The Suffolk Regiment.
†Regiment to be formed from The Royal Lincolnshire Regiment and The Northamptonshire Regiment.
*Regiment to be formed from The Bedfordshire and Hertfordshire Regiment and The Essex Regiment.

Wessex Brigade.

*Regiment to be formed from The Devonshire Regiment and The Dorset Regiment.
The Gloucestershire Regiment.
The Royal Hampshire Regiment.
*Regiment to be formed from The Royal Berkshire Regiment and The Wiltshire Regiment.

Light Infantry Brigade.

*Regiment to be formed from The Somerset Light Infantry and The Duke of Cornwall's Light Infantry.
The King's Own Yorkshire Light Infantry.
The King's Shropshire Light Infantry.
The Durham Light Infantry.

Yorkshire Brigade.

*Regiment to be formed from The West Yorkshire Regiment and The East Yorkshire Regiment.
The Green Howards.
The Duke of Wellington's Regiment (West Riding).
The York and Lancaster Regiment.

Mercian Brigade.

The Cheshire Regiment.
The Worcestershire Regiment.
*Regiment to be formed from The South Staffordshire Regiment and The North Staffordshire Regiment.

Welsh Brigade.

The Royal Welch Fusiliers.
The South Wales Borderers.
The Welch Regiment.

North Irish Brigade.

The Royal Inniskilling Fusiliers.
The Royal Ulster Rifles.
The Royal Irish Fusiliers.

Highland Brigade.

The Black Watch (Royal Highland Regiment).
†Regiment to be formed from The Seaforth Highlanders and The Queen's Own Cameron Highlanders.
The Gordon Highlanders.
The Argyll and Sutherland Highlanders.

Green Jackets Brigade.

The Oxfordshire and Buckinghamshire Light Infantry.
The King's Royal Rifle Corps.
The Rifle Brigade.

Parachute Regiment.

1st Battalion The Parachute Regiment.
2nd Battalion The Parachute Regiment.
3rd Battalion The Parachute Regiment.

Mr. Hare, the Secretary for War, stated at a press conference on July 24 that the effect of the changes would be to cut down the Army by 51 major units and "a very large number" of smaller ones to a total of about 165,000 officers and men. At the same time the present proportion of 58 per cent "teeth" units to 42 per cent "tail" units would become 65 per cent "teeth" and 35 per cent "tail."

Mr. Hare had previously announced in a written parliamentary reply (July 17) that it had been decided to form a new corps, to be known as the Army Air Corps, which would come into being on Sept. 1 and absorb the Glider Pilot Regiment, which would disband from the same date. The new formation would be a comparatively small body, largely of specialists and technicians, attached from other arms and specially trained. Its basic unit would be the flight, one of which normally would form part of an Army brigade group, but this organization would be flexible and might be modified by experience. Ordinary servicing of aircraft would for the first time be done by the Royal Electrical and Mechanical Engineers, but the Army would still rely on the R.A.F. for major repairs and overhauls, as well as for training selected R.E.M.E. personnel for their new duties.—(Cmd. 230 - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 1957-58 Estimates, 15669 A; Defence Policy, 15493 A.)**

A. TURKEY. — Creation of Ministry of Industry. - New Cabinet Appointments.

A new Ministry of Industry, replacing the Ministry for Industrial Development, started functioning on July 1, following the passage of the necessary legislation by the Grand National Assembly in May. Headed by M. Samed Agaoglu (the former Minister of Industrial Development), the new Ministry will not only control the work of State enterprises under its authority but will also co-ordinate the public and private sectors of industry and organize manufacturing industry, mining, and power as a whole.

Cabinet changes were announced during the latter part of July under which M. Semi Ergin (Minister of State and acting Minister of Defence) was appointed Minister of National Defence, while M. Fatin Rustu Zorlu (a former Minister of State and acting Foreign Minister) succeeded M. Ergin as Minister of State.

With these new appointments, and earlier changes, the composition of the Turkish Cabinet became as follows: M. Adnan Menderes—Prime Minister; M. Cemil Bengu, M. Fatin Rüstü Zorlu, M. Emin Kalafat, and M. Celal Yardimci —Ministers of State; Professor Hüseyin Avni Göktürk—Justice; M. Semi Ergin—National Defence; Dr. Namik Gedik—Interior; M. Ethem Menderes—Public Works, and acting Minister of Foreign Affairs; M. Hasan Polatkan—Finance; M. Tevfik Ileri—Education; M. Abdullah Aker—Economy and Commerce; Dr. Nafiz Korez—Health; M. Hadi Hüsmen—Customs and Monopolies; M. Esat Budakoglu—Agriculture; M. Arif Demirer—Communications; M. Mumtaz Tarhan—Labour; and M. Samet Agaoglu—Industry.
(Turkish Embassy Press Department, London) **(15499 C.)**

B. UNITED STATES. — New Secretary of Defence.

Mr. Neil H. McElroy (51), president of the Procter and Gamble Company of Cincinnati (the largest soap and detergent manufacturers in the U.S.A.), was nominated by President Eisenhower on Aug. 7 as Secretary of Defence in succession to Mr. Charles E. Wilson, the appointment being subject to Senate confirmation. Mr. McElroy served as chairman of the White House Conference on Education in 1956, but had otherwise had no previous experience of Government service. He is a director of General Electric and the Chrysler Corporation in addition to his interests in Procter and Gamble.

Mr. Wilson's letter of resignation was not made public, but it was understood that he had expressed the wish to retire after the end of the fiscal year 1956-57 (i.e. after June 30). It was stated at the White House that Mr. McElroy would work with Mr. Wilson at the Defence Department for the remainder of August "to get acquainted with his job."
(New York Times - New York Herald Tribune) **(12597 A.)**

C. UNITED KINGDOM - UNITED STATES. — The Voyage of "Mayflower II."

A project which had aroused great interest on both sides of the Atlantic was successfully realized on June 13, 1957, when the diminutive barque *Mayflower II* sailed into the harbour of Plymouth, Massachusetts, after a 54-day passage from Plymouth, England. The vessel, of only 180 tons, had been built in an attempt to reproduce the dimensions and appearance of the original *Mayflower*, in which the Pilgrim Fathers embarked at Plymouth (England) in 1620 and from which they landed at what is now Plymouth (Mass.), subsequently founding there the first permanent English colony in New England.

The idea of building a reproduction of the Pilgrim Fathers' ship and sailing her across the Atlantic as a gift from Britain to the U.S.A. was conceived shortly after World War II. The scheme, however, did not take definite shape until 1955, when a small group headed by Mr. Warwick Charlton, a British journalist and publicity expert, and including Mr. Felix Fenton, a British property-owner, formed a non-profit-making company under the name of "Project Mayflower Ltd." to carry it out. The task of designing a ship on the probable lines of the original *Mayflower* (of which few details have been handed down) was undertaken by Mr. William A. Baker, chief naval architect of the U.S. Bethlehem Shipbuilding Corporation and an authority on 17th-century ships. Working largely from conjecture, Mr. Baker drew up plans for a three-masted barque with a keel length of only 90 feet (i.e. that of an average tugboat), but with a high ratio of breadth to length and with the lofty overhanging forecastle and poop shown in naval pictures of the time It was specified that the hull, like that of the original *Mayflower*, should be built of Devonshire oak. The work of construction was entrusted to Messrs. J. and A. Upham of Brixham, Devon, from whose yard *Mayflower II* was launched on Sept. 22, 1956.

After fitting out at Brixham during the winter, the ship successfully underwent trials on April 17 and was then towed to Plymouth. Here her master, Commander Alan Villiers (the well-known author and sailing vessel expert), together with members of his crew of 32, took part in period dress in a ceremony at the historic Mayflower Stone, where the Pilgrim Fathers embarked in 1620. The ship was then towed out to Plymouth Sound and set sail thence on April 20.

A number of British firms co-operated by shipping small consignments of goods in *Mayflower II*, the project being financed also by gifts from individuals and firms, by the admission fees paid by the large numbers who saw her under construction, and by the sale of literature and souvenirs. Ship and cargo were insured at Lloyds' for £180,000 and £80,000 respectively, the insurance policies being couched in 17th-century phraseology. The navigational instruments used on the voyage (apart from the radio equipment) were also of the kind in use in 1620.

Commander Villiers had intended to take the northerly route across the Atlantic, and a reception had been planned at Plymouth, Mass., for May 25, by which date *Mayflower II* was expected to have arrived off the New England coast. On April 24, however, he signalled that owing to her late departure the vessel had missed the favourable spring winds on which he had counted, and that he had therefore decided to take the much longer southerly route *via* the Canary Islands and the Caribbean After an uneventful passage of about 5,400 miles the ship arrived on June 12 off Provincetown, Mass. (where the original *Mayflower* had first sighted the American coast) and, to save delay from headwinds, accepted a tow into harbour. At Provincetown Commander Villiers and his ship's company re-enacted the signing of the "Plymouth compact" [which provided the basis for the original settlement of 1620], and on June 13 *Mayflower II*, accompanied by aircraft, fleets of yachts, and numerous small craft, sailed across Cape Cod Bay to Plymouth. Here she received tumultuous greetings from a crowd of over 25,000, and Governor Foster Furcolo welcomed her on behalf of the State of Massachusetts and handed Commander Villiers congratulatory telegrams from President Eisenhower and Mr. Harold Macmillan

Mayflower II left Plymouth on June 30 and entered New York Harbour under full sail on July 1, being given an enthusiastic welcome by shipping in the port and by many thousands of spectators. In accordance with the intention of the promoters of the scheme, the ship was subsequently handed over to a U.S. non-profit-making organization, Plymouth Plantation Inc., for permanent berthing at Plymouth (Mass.) as part of a $1,000,000 national shrine.—(Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Lloyd's List and Shipping Gazette)

D. FRANCE - SOVIET UNION. — Soviet Order for French Railway Equipment.

It was announced in Paris and Moscow on July 10 that the Soviet Government had signed a contract with a group of French engineering companies (Schneider-Creusot and Alsthom) for the supply of 35 electric locomotives for the Soviet railways. The locomotives, costing 5,250,000,000 francs, will be delivered in the next two years and will be designed to work in low temperatures. In return, France will buy coal and other raw materials from the Soviet Union.—(Le Monde, Paris)
(Prev. rep. 15402 A.)

A. SHIPPING. — World Construction, Second Quarter of 1957. - Orders for Liners and Tankers. - New Tanker Finance Companies. - Project for 65,000-ton British Atomic Tanker.

The summary of merchant shipbuilding for the second quarter of 1957, published by Lloyd's Register on July 24, gave the gross tonnage of vessels under construction throughout the world (excluding the U.S.S.R. and China, as well as all vessels under 100 tons, barges, etc.) as 8,778,635, of which 23.47 per cent. was building in the United Kingdom and 76.53 per cent. elsewhere.

Ships building in Great Britain and Northern Ireland numbered 326 of 2,060,763 tons (steamers 928,589 tons, motorships 1,132,174 tons), including 6 steamers of 25,000-30,000 tons, 18 steamers of 20,000-25,000 tons, and 4 steamers and 1 motorship of 15,000-20,000 tons. Of the total, 262 ships (1,057,871 tons) were building for Great Britain and N. Ireland, 16 (39,070 tons) for other British Commonwealth countries, 13 (129,850 tons) for Liberia, 10 (109,300 tons) for Norway, 4 (36,060 tons) for the Irish Republic, 2 (18,900 tons) for Greece, 1 (17,900 tons) for Panama, 1 (6,687 tons) for the Netherlands, 9 (6,165 tons) for the U.S.S.R., 2 (5,000 tons) for Cuba, 2 small vessels for Poland and 1 for Iraq, and 3 ships (32,600 tons) for unspecified countries. Principal shipbuilding centres were: the Clyde (96 ships of 614,879 tons), the Tyne (39 ships of 409,950 tons), Belfast (19 ships of 248,973 tons), the Tees (21 ships of 220,818 tons), Sunderland (28 ships of 207,197 tons) and Liverpool (15 ships of 128,623 tons).

Ships building abroad numbered 1,365 of 6,717,872 tons (steamers 2,622,159 tons, motorships 4,095,713 tons), divided as follows: Japan 194 (1,475,110 tons), Italy 111 (918,285 tons), Germany 253 (912,990 tons), the Netherlands 180 (585,841 tons), France 64 (481,999 tons), Sweden 65 (463,602 tons), the U.S.A. 37 (392,048 tons), Norway 83 (272,746 tons), Spain 93 (239,196 tons), British Commonwealth countries 56 (194,865 tons), Poland 66 (169,498 tons), Belgium 17 (149,526 tons), Denmark 31 (148,928 tons), Finland 49 (144,363 tons), Yugoslavia 28 (130,565 tons), Portugal 20 (21,849 tons), Turkey 9 (7,621 tons), Peru 1 (4,307 tons), Argentina 1 (1,600 tons), 2 small vessels each in Indonesia and the Irish Republic, and 1 each in Brazil, Uruguay, and Iceland. The total included 2 steamers of over 30,000 tons in Japan, 2 in Italy, and 1 each in France and the Netherlands, and 10 steamers of 25,000-30,000 tons in Japan, 2 in the U.S.A., and 1 each in France and Sweden.

Tankers building throughout the world numbered 294 of 4,066,208 tons, including 69 (929,085 tons) in the U.K., 52 (926,470 tons) in Japan, 29 (468,416 tons) in the Netherlands, 32 (195,623 tons) in Germany, and 17 (176,128 tons) in Norway.

Recent important developments in connexion with shipping and shipbuilding are summarized below:

Ship Launchings. Notable ships launched during the first six months of 1957 included the tankers *British Glory* and *British Trader* (each 32,000 tons), launched respectively by Vickers-Armstrong at Barrow-in-Furness on Feb. 1 and by John Brown and Co., Clydebank on June 26 for the B.P. Tanker Company; *Tidewater* (52,500 tons), launched by *L'Union des Constructions Navales de l'Atlantique* at St. Nazaire on Feb. 17 for the U.S. Tidewater Associated Oil Company; and *Agrigentum* (52,000 tons), launched on June 20 by the Ansaldo Company at Sestri Ponente (Genoa) for the Petroleum Transport Company, of Palermo.

Mersey Shipyard Expansion. Cammell Laird and Co. Ltd. announced on Feb. 6 that it planned to expand its Birkenhead shipyard at a cost of about £17,000,000 in order to improve the company's competitive position and enable it to build larger ships. The work was expected to take eight years. [Cammell Laird's Birkenhead shipyard has been in operation for well over a century, and at present employs 10,000 workers and has an annual output of more than 100,000 gross tons. Notable ships built in recent years include the Cunarder *Mauretania* (35,000 gross tons) and the aircraft carrier H.M.S. *Ark Royal*.]

New Continental Shipyards. A new Dutch shipyard, described as potentially the largest in Europe, was opened by the Verolme Shipbuilding Company on Rozenburg Island (near the entrance to the New Rotterdam Waterway) on June 27, when the keel was laid of a 35,000-ton tanker for the National Iranian Tanker Company. It was stated that it was intended to build ships of up to 120,000 tons capacity, and that, when completed, the yard was expected to cost the equivalent of £20,000,000.

An agreement was signed on Feb. 12 between Mr. Stavros Niarchos (the Greek shipowner) and the Greek Government providing for the expenditure of about $8,600,000 (£3,700,000) on the building of a shipyard at Scaramanga (near Athens) and of drydocks and repair yards at Suda Bay, Crete. It was stated in the Press that Mr. Niarchos would be associated with a Dutch shipbuilding company.

New Orders for Liners. New liners ordered during the first half of 1957 included:

(1) A turbo-electric liner of 45,000 gross tons and 27-27½ knots speed, ordered by the P. and O. Line from Harland and Wolff (Belfast) for the new through service U.K.-Australia-New Zealand-Vancouver-San Francisco-Panama-U.K. This ship, estimated to cost about £12,500,000, will be the largest liner built in the U.K. since the *Queen Elizabeth*, and is expected to reduce the sailing time from the United Kingdom to Sydney from four weeks to three. (Announced on Jan. 23).

(2) A passenger liner ordered by the Cunard Line from John Brown and Co. Ltd., Clydebank, for the Liverpool-Cobh-New York service. The size and cost of this ship were unofficially forecast as 30,000 gross tons and £6,500,000 respectively (announced May 26).

(3) A passenger liner (slightly larger than the *Empress of England*, 25,500 gross tons) ordered by the Canadian Pacific line from Vickers-Armstrong, Walker-on-Tyne, for its Canadian service. Delivery is scheduled early in 1961 (announced July 3).

Tanker Orders. The B.P. Tanker Co. Ltd. (the shipping organization of the British Petroleum Company) announced on June 26 that it had placed orders with 11 British shipbuilding companies for 26 new tankers aggregating 1,150,000 tons carrying capacity, and including seven ships of 65,000 tons each and nine of 50,000 tons each. All the ships were for delivery between 1960 and 1963, the orders having been distributed as follows: John Brown and Co., Clydebank—two 65,000-tonners and one 50,000-tonner; Cammell Laird and Co., Birkenhead—two 65,000-tonners; Fairfield Shipbuilding and Engineering Co., Govan, Glasgow—one 65,000-and one 50,000-tonner; William Hamilton and Co., Port Glasgow one 15,500-tonner; Harland and Wolff, Ltd.—three 50,000-tonners and three 15,500-tonners at Belfast and one 15,500-tonner at Govan; Hawthorn, Leslie and Co., Hebburn-upon-Tyne—two 34,500-tonners; Lithgows, Ltd., Port Glasgow one 34,500-tonner; Alexander Stephen and Son, Govan—one 50,000-tonner; Swan, Hunter, and Wigham Richardson, Wallsend-upon-Tyne—two 65,000-tonners; J. L. Thompson and Sons, Sunderland—two 34,500-tonners; Vickers-Armstrong, Barrow-in-Furness—three 50,000-tonners.

The existing strength of the B.P. Tanker fleet was given as 147 ships aggregating about 2,000,000 tons capacity, with 37 further vessels (apart from the 26 now ordered) already building or ordered for delivery by 1960.

Tankers ordered abroad included (*a*) two ships of 47,500 tons capacity each ordered by Norwegian owners from the Rosenberg shipyard, Stavanger (announced June 6); (*b*) six ships of 65,000 tons capacity each ordered in February by the U.S. Cities Service Petroleum Company from A-B Uddevallavarvet, Uddevalla (this order was stated to be the largest ever received by a Swedish shipyard).

Tanker Finance. Details were announced on Feb. 7 of a new company, to be known as Tanker Finance Ltd., formed by M. Samuel and Co. (the merchant bankers) to finance the building over the next three years of £30,000,000 worth of new tankers for the Shell Petroleum group. The new company would have a nominal capital of only £1,000, but arrangements had been made, in conjunction with Hoare and Co. and Joseph Sebag and Co., for it to borrow £22,500,000 from a group of insurance companies (headed by the Prudential Company), pension funds, and other institutions, and the balance of £7,500,000 from Lloyd's Bank. The ships would be taken over by Tanker Finance Ltd. and chartered back to the Shell group for 24-year periods at fixed rates of hire. The money borrowed from Lloyd's Bank would be repaid in equal annual instalments over eight years, whilst that borrowed from the insurance companies and institutions would be repaid between the ninth and 24th years.

It was announced on Feb. 27 that a similar company, known as the Tanker Charter Company, had been formed by Robert Fleming and Co. (the bankers) in conjunction with the Ship Mortgage Finance Company, to finance the building of £10,000,000 worth of tankers for the B.P. Tanker Company. The new company would borrow £15,000,000 from a banking syndicate headed by the National Provincial Bank, and the balance by long-term loans placed with institutional investors. The ships would be taken over by the Tanker Charter Company and chartered back to the B.P. Tanker Company on terms covering repayment of the loans plus interest over 23 years.

World Tanker Fleet. The following particulars of the composition by size of the world tanker fleet at Dec. 31, 1956 were given in Messrs. John I. Jacobs and Co.'s *Half-Yearly Review*, published in February 1957:

Tonnage	Numbers In service	Numbers On order	Oil Cos.' share* %
75,000 dwt. and over	1	8	—
50,000 to 74,999 dwt.	—	26	50.0
45,000 to 49,999 dwt.	7	116	48.6
35,000 to 44,999 dwt.	23	188	42.2
25,000 to 34,999 dwt.	291	284	38.0
2,000 to 24,999 dwt.	2,540	338	33.8
	2,862	960	36.8

*Percentage of tonnage in each size group owned by the oil companies themselves, and not by private shipowners—for the most part Greek or Norwegian.

Nuclear Propulsion.

It was announced on July 15 that John Brown and Company, the Clydebank shipbuilders, and the Hawker Siddeley aircraft and engineering group had jointly formed a new company—to be known as the Hawker Siddeley-John Brown Nuclear Construction Company—to build nuclear power units for merchant ships and undertake other nuclear projects. The company, whose chairman would be Sir Roy Dobson (a director of Hawker Siddeley), would have a capital of £500,000 subscribed by Hawker Siddeley and John Brown in equal amounts.

Sir Arnold Hall, technical director of the Hawker Siddeley group, explained that the group had been studying marine reactors for over 12 months, and that a project for a nuclear tanker (understood to be of about 65,000 tons) had already reached the design stage. Although it was impossible to make precise forecasts of operating costs, owing to the fact that no merchant ship using nuclear power had yet been built anywhere in the world, it was believed that a nuclear vessel of this size could deliver oil to Britain more cheaply than one powered by conventional means.

Messrs. Babcock and Wilcox, the boilermakers responsible for the boilers installed in the Calder Hall and Chapel Cross (Annan) atomic power stations, announced on July 21 that they were planning to build a 65,000-ton atomic tanker in conjunction with Cammell Laird and Co., the Birkenhead shipbuilders. The statement added that the two companies had been collaborating closely together, and with the Atomic Energy Authority, in the field of nuclear ship propulsion since April 1956.

On March 5 the Government had announced that a committee would be set up under the chairmanship of Rear-Admiral Guy Wilson (see 15412 B) to bring together all interests concerned—engineering, shipbuilding, shipping, and Admiralty—to tackle the problem of applying nuclear propulsion to merchant ships. (Lloyd's Register of Shipping - Times - Daily Telegraph - Manchester Guardian - Economist) **(15554 B; 15412 B)**

A. SYRIA - SOVIET UNION. — Soviet Technical and Economic Aid for Syria. - Moscow Agreement.

A Syrian Government delegation headed by M. Khaled Azem (the Minister of Defence) visited Moscow from July 24 to Aug. 7 for discussions with a Soviet delegation headed by M. Kuzmin, a First Deputy Premier. The Syrian Defence Minister also had talks with Marshal Bulganin, M. Khrushchev, and Marshal Zhukov.

A communiqué, signed by M. Khaled Azem and M. Kuzmin, was issued on Aug. 6 stating (1) that the Soviet Government was "ready to co-operate with Syria in the construction of railways and highways, irrigation projects, hydro-electric stations, and industrial and other establishments"; (2) that the U.S.S.R. would also help in geological surveys; (3) that a Soviet economic mission would visit Syria; (4) that the U.S.S.R. would give "favourable consideration" to a loan to Syria for the above-mentioned purposes; and (5) that Soviet organizations would also give "favourable consideration to the sale of machinery, equipment, materials and other goods to Syria, to the purchase of cereals from Syria, and to increasing Soviet purchases of cotton and other goods."

The communiqué said that Soviet economic and technical aid for Syria would be provided "without any political or other strings" and on a basis of "equality, mutual economic benefit, non-interference in domestic affairs, and respect for the national sovereignty of the Syrian Republic."—(Le Monde, Paris - Soviet Embassy Press Department, London)
(Prev. rep. 15582 A.)

B. UNITED STATES. — Fall in Population of New York City. - Results of City Census.

Preliminary results of a special census, published on July 12, showed that the population of New York City had fallen by 120,448 since 1950—the present figure being 7,771,509, compared with 7,891,957 seven years ago. Three of the five boroughs of New York City had shown population losses since 1950, as follows:

	1957	1950	
Bronx	1,422,410	1,451,277	−28,867
Manhattan	1,785,878	1,960,101	−174,223
Brooklyn	2,594,871	2,738,175	−143,304
Queens	1,758,204	1,550,849	+207,355
Richmond	210,146	191,555	+18,591

The census showed that New York, which formerly vied with London for the title of the world's largest city, had fallen to third place after Tokio and London—comparative figures being 8,471,637 for Tokio according to a recent Japanese census, making it the world's largest city, and 8,239,910 for Greater London (the metropolitan police area). Although final figures of the New York census will not be published until October, the *New York Times* said they were "not likely to change this ranking."—(New York Times) **(15284 E.)**

C. SPAIN. — Increase in Bank Rate.

The *Banco de España* raised its discount rate on July 22 from 4½ to 5 per cent. The rate had been raised from 3¾ per cent to 4½ per cent in September 1956 as part of the Government's campaign against inflation.—(A.B.C., Madrid)
(Prev. rep. 13830 E.)

D. UNITED KINGDOM. — Membership of Council on Prices, Productivity and Incomes.

It was announced from 10, Downing Street, on Aug. 12 that Lord Cohen (Lord of Appeal in Ordinary) had been appointed chairman of the new independent Council on Prices, Productivity, and Incomes. The other members of the Council would be Sir Dennis Robertson, lately Professor of Political Economy at Cambridge, and Sir Harold Howitt, partner in Peat, Marwick, Mitchell & Co., chartered accountants, and a member of the recent courts of inquiry into the engineering and shipbuilding disputes.

Lord Cohen (69) was chairman of the Company Law Amendment Committee, and first chairman of the Royal Commission on the Taxation of Profits and Income; Sir Dennis Robertson (67) was an adviser at the Treasury during the Second World War; and Sir Harold Howitt (70) is a leading chartered accountant.

It was stated that the Council would decide its own procedure and staff requirements, and would have no affiliation with any Government department. Its reports would not be submitted to any Minister but would be made generally available to the public. It would have no compulsory powers to call witnesses before it, and anyone it wished to hear or consult would be asked to appear voluntarily, but it would be provided with all the information which the Government might be able to furnish. It would decide for itself when and how its reports should be made and whether its sittings should be in public, and would be as free to comment on Government financial and economic policy as on any other matter relevant to its terms of reference. Questions concerning its activities would be answered in the Commons either by the Prime Minister or by the Chancellor of the Exchequer.

The members of the Council will not be paid a salary but will receive subsistence allowances similar to those paid to members of Royal Commissions.—(Times - Daily Telegraph) **(15673 A.)**

E. INDIA. — National Book Trust.

A National Book Trust was inaugurated by Vice-President Radhakrishnan on Aug. 1, with the aim of producing good books at low cost and making them available throughout India at moderate prices. In particular, it will publish classical Indian literature (Sanskrit), translations of standard books from one Indian language into another, translations of famous books from foreign languages, and reproductions of Indian paintings, sculptures and other art treasures. The books will be published in Hindi and other languages recognized in the Constitution, as well as in foreign languages. The National Book Trust was established by the Union Ministry of Education under the chairmanship of Mr. Chintaman Deshmukh, chairman of the University Grants Committee.—(Indian High Commissioner's Office, London - The Statesman, Calcutta)

F. NEW ZEALAND. — Unification of Presbyterian, Methodist and Congregational Churches.

It was announced in Wellington on July 15 that an overwhelming majority of the members of four churches in New Zealand—the Presbyterian Church, the Methodist Church, the Associated Churches of Christ, and the Congregational Union—had voted for unification, following several years' discussions on this question. Seventy-eight per cent of the Methodist Church membership voted, of whom 92 per cent were in favour of union. For the Presbyterians the percentage poll was 64, with 75.6 per cent in favour; for the Congregational Union, 71.3 per cent, with 88.4 per cent in favour; and for the Associated Churches of Christ, 75 p.c., with 94 p.c. in favour.—(Directorate of Information Services, Wellington)

G. MOROCCO. — Sultan assumes Title of King.

It was announced in Rabat on Aug. 14 that Sultan Mohammed V would be known in future as King of Morocco and not as Sultan. Accordingly, the country would henceforth be officially known as the Kingdom of Morocco and no longer as the Sherifian Empire. All foreign diplomatic missions in Rabat were informed of the changes.—(Le Monde, Paris)
(Prev. rep. 15666 D.)

H. AUSTRALIA. — Establishment of Council on Decimal Currency System.

It was announced in Canberra in July that a Council had been set up to work for the introduction of the decimal currency system in Australia. Its chairman is Sir Leslie Melville, Vice-Chancellor of the Australian National University (Canberra), and a former economic adviser to the Commonwealth Bank.
(Australian News and Information Bureau)

A. CAMBODIA. — Political Developments. - Cabinet Changes. - Prince Norodom Sihanouk's Visits to China and Europe. - Continuation of Chinese and Soviet Economic Aid. - U.S. and French Aid. - Emphasis on Neutralist Foreign Policy.

Although the Popular Socialist Community, led by ex-King Norodom Sihanouk, had won all the seats in the Cambodian National Assembly in the 1955 general elections (see 14484 A), the political situation continued to remain unstable, eight Cabinets being formed between January 1956 and the end of July 1957. Internal developments during this period are described below under cross-headings, together with developments affecting the country's foreign relations.

The Second Norodom Sihanouk Government.

Prince Norodom Sihanouk, who had provisionally accepted the Premiership for three months in September 1955, resigned on Jan. 3, 1956, and left for a visit to France. M. Oun Cheang Sun, who had been appointed his successor, tendered his resignation on Jan. 13 as a result of popular demonstrations in Pnom-Penh; this was accepted by King Norodom Suramarit, who announced that the Prince would resume office on his return. Prince Norodom Sihanouk's investiture as Premier and Foreign Minister was unanimously approved by the National Assembly on March 1, 1956.

Before resuming the Premiership, Prince Norodom Sihanouk had visited the Philippines from Jan. 31-Feb. 7, 1956. He subsequently stated that while in Manila he had been subjected to strong pressure from the late President Magsaysay, "at U.S. instigation," in favour of Cambodia's adhesion to the SEATO pact—an allegation which was strongly denied by the Philippine President. From Feb. 13-21, 1956, the Prince visited China, and while in Peking signed a Sino-Cambodian declaration of friendship which reaffirmed Cambodia's policy of neutrality and her support for the five *Panch Sila* principles of "peaceful co-existence."

The Prince's visit to China was followed by a deterioration in Cambodia's relations with South Vietnam and Siam, which had already been strained for some time, mainly as a result of frontier disputes; other questions at issue between Cambodia and South Vietnam included the status of the large Cambodian minority in South Vietnam, rights of navigation on Mekong River, and the asylum given by Cambodia to political refugees from South Vietnam. The Cambodian frontier was closed by South Vietnam in February and by Siam in March, 1956, Cambodia thus being subjected to an economic blockade. The Cambodian Government announced on March 24 that it would itself close the South Vietnamese frontier as a reprisal, except to goods in transit.

Prince Norodom Sihanouk again resigned the Premiership on March 30, 1956, in view of the opposition which his policy had encountered both at home and abroad. A new Cabinet was formed on April 2 by M. Khim Tit, who had been Vice-Premier under Prince Norodom Sihanouk.

In a broadcast on March 29 the Prince referred to "personal insults" to himself published in the U.S. Press during his visit to China, and said that he preferred to resign rather than "shake hands with those who had insulted him"; he also mentioned as reasons for his resignation "increasing internal pressures" and opposition by officials of the Finance Ministry to his proposals for the investment of U.S. aid funds. He subsequently accused the U.S.A. on April 7 of "treating him as a madman," and protested against the obstacles which, he alleged, had been placed in his way after his visit to Peking in order to bring about a change of Government.

In a letter to the Cambodian Government on April 19 the U.S. Secretary of State (Mr. Dulles) denied that the U.S.A. had threatened to cut off economic aid to Cambodia, or had compelled South Vietnam and Siam to exert economic pressure on her in order to force her to join SEATO; at the same time he gave an assurance that the U.S.A. would respect Cambodia's desire to pursue a neutral policy. The Siamese Premier, Marshal Pibul Songgram, announced on the following day that Siam had made Cambodia an offer of close economic co-operation between the two countries.

In order to rally support for Prince Norodom Sihanouk's policy, a national congress of the Popular Socialist Community was held in Pnom-Penh on April 21-22, 1956. In his report to the congress the Prince stated that the U.S.A. had promised to grant Cambodia unconditionally the same amount of aid as heretofore; that Siam had suggested conversations on the settlement of the frontier disputes; that offers of economic aid had been received from the Soviet Union, Poland, and China; and that the Soviet Union and Poland had also offered to establish diplomatic relations. After representatives of the two leading Opposition parties (the Democrats and the pro-Communist People's Party) had promised full support for the Prince's policy, the congress voted in favour of acceptance of economic aid from Western, Communist, or neutral countries, and the establishment of diplomatic relations with the Soviet Union and Poland.

Prince Norodom Sihanouk's Visit to Europe.

Prince Norodom Sihanouk arrived in Delhi on May 21, 1956, *en route* to Europe for a three months' tour, and had discussions with Mr. Nehru. At a press conference he expressed the opinion that Cambodia's policy of neutrality was now "better appreciated and accepted by all countries"; in particular, relations with South Vietnam were now normal and there was no longer any economic blockade. After leaving Delhi the Prince paid brief visits to Karachi and Baghdad, and spent a week in Paris.

From June 3-10, 1956, Prince Norodom Sihanouk visited Warsaw at the Polish Government's invitation. A statement issued at the end of his visit paid tribute to the contribution to peace made by the Cambodian Government's policy and by Polish co-operation in the work of the International Supervisory Commission in Indo-China, and announced that negotiations would take place for an economic agreement between the two countries. After visiting Stockholm and Madrid, where he met General Franco on June 23, the Prince proceeded on July 2 to Moscow for discussions with the Soviet Government.

A joint statement issued on July 7, 1956 announced that Cambodia and the Soviet Union had agreed to exchange ambassadors; that Marshal Bulganin, M. Khrushchev, and M. Shepilov (then Foreign Minister) had accepted an invitation to visit Cambodia; that the U.S.S.R. had offered Cambodia "technical and economic assistance without any mercenary conditions, to allow her to develop her economy and continue to defend her policy of neutrality"; and that Soviet and Cambodian experts would jointly examine the possibilities of Soviet assistance in building industrial and other undertakings and in training technical personnel.

From Moscow the Prince went to on Prague, where he discussed economic and political questions with the Czechoslovak Government, and from July 19-24 visited Yugoslavia for talks with President Tito. After visiting Switzerland and Italy he returned to Pnom-Penh on Aug. 21, 1956.

In a statement on his return the Prince said that he preferred foreign aid to take the form of technical or industrial assistance, such as the port of Kompongsom which France had offered to build, to "a money loan which too often does not help the people." He thanked France, the U.S.A., and the Colombo Plan countries for their assistance, and expressed the hope that "these countries will not take offence at the aid which we have obtained from the Communist bloc."

Foreign Policy Statement by Prince Norodom Sihanouk.

During his visit to France Prince Norodom Sihanouk explained why Cambodia had adopted a neutral foreign policy, and gave his views on her relations with the French Union, in an interview published in *Le Monde* on June 13, 1956. The most important passages are reproduced below:

"Cambodian neutrality, which can be compared to that of India, is for us a necessary consequence of the war in Indo-China. After the Geneva Agreements the Vietminh military elements which had penetrated Cambodian territory withdrew, but they left behind them populations strongly influenced by their propaganda, giving rise to a danger of internal subversion which we had to take into account. On the other hand, the inclusion of Cambodia in the SEATO protection zone, which we had not asked for, aroused distrust of us in the Communist countries, which feared that Cambodian territory would be transformed into a base for aggression.

"During the Bandung conference Mr. Chou En-lai asked me, in the course of a long conversation, 'what was this military agreement which bound us to the United States.' I was able to explain to him that we had not signed any pact of this kind, and that Cambodia had not asked for SEATO's protection. Moreover, all our military instructors—and there are not many of them—belong to the French mission. However, a doubt still remained on the Communist side, which could be expressed thus: (1) If Cambodia is really neutral, why does she accept only Western aid?; (2) Why does she accept the protection of SEATO?

"It was to answer these two questions that I visited Peking and concluded an economic aid agreement with China [see below]. For the same reason I agreed to visit Warsaw and Moscow. Henceforward we shall receive assistance equally from Communist and from Western countries. In addition, I have publicly stated in Tokio and Manila that we are ready to renounce our inclusion in the SEATO protection zone. Our policy is one of friendship with all countries, provided they respect our neutrality . . .

"Franco-Cambodian relations are excellent. No difficulty has arisen between our two countries since the agreements of November 1953, which set the seal on our independence. We no longer take part in the High Council of the French Union because its framework is too narrow and the very phrase 'French Union' is out of date. In the same way, our representatives in the Versailles Assembly [i.e. the Assembly of the French Union] are no longer replaced as vacancies arise. But that does not mean that we have cut ourselves off from France. France is our friend, and we are giving her time to settle her difficulties in North Africa and define a new conception of the French Union which might satisfy us. We will adhere to it when

the French Union is no longer confined within a rigid framework, headed by a High Council automatically presided over by France. We would like a real, not a legal union, which ties down no-one; a sort of periodical round-table conference, meeting in turn each of the member-countries. We should consider favourably any such proposal."

Economic Aid from Communist Countries.

Following Prince Norodom Sihanouk's visits to Communist China and the Soviet Union, a number of agreements for closer economic co-operation were concluded by Cambodia in 1956 and 1957.

A Chinese offer of economic aid was accepted by M. Khim Tit's Government on May 9, 1956, and a Cambodian delegation subsequently visited Peking to discuss the details. An agreement was concluded on June 22, 1956, whereby China undertook to finance the construction of factories, irrigation and electrification projects, and roads to the value of 8,000,000,000 francs (£8,000,000) and to supply technicians and specialists. A trade agreement with Communist China had previously been signed on April 24, 1956.

In accordance with the agreement between Prince Norodom Sihanouk and the Soviet Government, a commission of Soviet experts arrived in Pnom-Penh in December 1956, and began negotiations on Feb. 20, 1957. A trade agreement and an agreement on cultural and scientific co-operation were signed on May 31, 1957; it was announced at the same time that the Cambodian Government had accepted a Soviet offer to build a hospital in Pnom-Penh.

A trade agreement with Czechoslovakia had previously been signed on Oct. 8, 1956, together with an agreement on scientific and technical co-operation. The latter provided for the supply of Czechoslovak scentific and industrial equipment to Cambodia, and for exchanges of experts and students.

Economic Aid from France.

It was stated in *Le Monde* (Jan. 9, 1957) that French technical assistance to Cambodia was largely concentrated on public works, including the building of a deep-water port at Kompongsong, on the Gulf of Siam; the construction of a modern aerodrome at Pochentong, near Pnom-Penh; and preparatory investigations into the building of bridges at Pnom-Penh over the Tonlé-Sap and Mekong Rivers. Assistance was also being given in the organization of rural co-operatives and the establishment of agricultural research stations to modernize agricultural techniques.

Cabinet Changes, August 1956 - July 1957.

During Prince Norodom Sihanouk's absence in Europe, King Norodom Suramarit accepted the resignation of M. Khim Tit's Government on Aug. 8, 1956. M. Khim Tit—who was subsequently appointed High Commissioner in France—told the Press that his resignation had been caused by dissensions within the Popular Socialist Community, provoked by "the ambitions of certain of its members.'

On returning from his tour Prince Norodom Sihanouk at first refused to form a new Cabinet, but finally accepted the Premiership on Sept. 15, 1956, by the King's orders, to end the five-week-old Cabinet crisis. His Government included his uncle, Prince Monireth, who was placed at the head of a new Ministry entrusted with the eradication of corruption in the Civil Service. An announcement by Prince Monireth that persons guilty of corruption would be tried by court-martial was strongly attacked as unconstitutional, and in consequence the Cabinet resigned on Oct. 15.

Following the Prince's resignation, a new Government was formed by M. San Yun; this administration also resigned on Dec. 19, 1956, after the Assembly had refused to accept proposals for the taxation of salt and imports put forward by the Ministers of Commerce and Finance. At the King's request M. San Yun formed a new Cabinet from which these Ministers were excluded, but on March 27, 1957, the Assembly adopted a motion of censure on the Government's economic policy by 72 votes to nil, with five abstentions; the censure motion was occasioned by rising prices, the development of a black market, and the growth of unemployment.

Prince Norodom Sihanouk formed his fourth Government (in which he held the portfolios of Foreign Affairs, the Interior, and Planning) on April 7, 1957, receiving a unanimous vote of confidence on the following day. During July, however, the Prince announced his resignation on grounds of ill-health, and a new Cabinet was formed on July 30, 1957 by M. Sim Var, who stated that he would continue his predecessor's policy. (Le Monde, Paris - Times - New York Times - Soviet Embassy Press Department, London) **(Prev. rep. Cabinet, 14484 A; Relations with China, 15463 A; with U.S.S.R., 14875 C.)**

A. RHODESIAN FEDERATION. — First Bank Rate.

The Bank of Rhodesia and Nyasaland, the new central bank of the Federation, published a Bank Rate for the first time on August 1, the rate being fixed at 4½ per cent.
(Federal Information Department, Salisbury) **(14762 A.)**

B. JORDAN. — Further British Economic Aid. - World Bank Report on Economic Development.

It was announced on Aug. 6, that the British Government had agreed (subject to parliamentary approval) to give Jordan the outstanding balance of a loan for economic development which was originally granted in December 1955. Under that agreement, the U.K. had undertaken to pay £2,250,000 as an interest-free loan towards the Jordanian development programme for 1956-57, but only £1,120,000 had been drawn by the Jordan Government during that year. In May, 1957, Jordan had asked for the balance of £1,130,000 to be paid out.

The statement said that although there was no legal commitment for the U.K. to provide further funds after March 31, 1957, because of the abrogation of the Anglo-Jordanian Treaty, the U.K. Government had nevertheless offered up to £500,000 for 1957-58 and the balance during 1958-59.

The report of a World Bank survey mission on the economic development of Jordan was published on July 28. It outlined a 10-year programme of public investment, at an estimated cost of 42,350,000 Jordanian dinars (about $118,000,000), to increase productive resources, raise living standards, and reduce the Jordanian Government's reliance on external financial assistance.

The report said that in 1954, foreign loans and grants constituted about 60 per cent of Jordan's total foreign exchange receipts and of the Government's total revenues, and that foreign aid bore the cost both of defence expenditure and of aid to the Palestine refugees. Assuming that external aid continued to provide for these two items, it was expected that a sustained increase in total production of about 4 per cent a year might make it possible by 1965 to "taper off" foreign aid for development purposes.

With a population of 1,500,000, of which almost one-third were refugees, and with most of its 37,500 square miles desert, the problem of development in Jordan was difficult. In the absence of any known quantities of coal, oil, or metallic minerals, agriculture remained the primary occupation, but there was insufficient irrigated land to provide work for all. More than half the refugees were unemployed in 1955, and most of the remainder, as well as many of the local population, found only casual or seasonal employment.

The report gave priority to agricultural development, with emphasis on increasing production in rain-fed farm areas (about 750,000 acres) rather than by expanding irrigation. Although the potentialities of developing the Jordan Valley water resources were considered, the report did not include this in its programme pending a solution of certain questions affecting the interests of neighbouring States. It suggested, however, the irrigation of about 24,700 acres in the East Ghor area of the Jordan Valley, and a scheme for developing underground water resources.

As regards mining, the mission recommended a revival of Jordan's potash industry, and a rapid expansion of phosphate mining from 250,000 tons a year to perhaps 1,000,000 tons by 1965. In the field of transport, the most urgent needs were the building of a road from Amman to the port of Akaba, and the development of that port.

In conclusion, the report recommended the setting up of an independent monetary authority and the reorganization of the Jordan Development Board in order to supervise the entire development programme.—(Times - Daily Telegraph - International Bank, Washington) **(Prev. rep. 15660 B.)**

C. FRANCE. — Renaming of Departments.

During the early months of 1957 the department of Loire-Inférieure changed its name to Loire-Atlantique, while the department of Charente-Inférieure renamed itself Charente-Maritime. The changes were sought by the departmental councils concerned and approved by the French Government. As the department of Seine-Inférieure had been renamed Seine-Maritime in 1955 (see 14032 B) there are no longer any French departments bearing the designation "Inférieure." Although the word *inférieure* means "lower" (in the sense of Lower Loire, Lower Charente, and Lower Seine, the three departments concerned lying at the mouths of those rivers), it also has the pejorative meaning of "inferior" and was discarded for that reason.—(Le Monde, Paris) **(14032 B.)**

D. IRISH REPUBLIC. — Membership of International Bank and International Monetary Fund.

The Irish Republic became a member of the International Bank and the International Monetary Fund on Aug. 8. Its quota in the I.M.F. is $30,000,000 and its subscription to the capital stock of the Bank is 300 shares with a total par value of $30,000,000. The Irish Republic's admission brought the total membership of both institutions to 61, the total of members' quotas in the Fund to $8,967,000,000, and the total subscribed capital of the International Bank to $9,298,400,000.
(International Bank, Washington - Irish Times, Dublin)
(Prev. rep. 15692 A.)

A. INDIA. — First Report of Press Registrar. - Analysis of Indian Newspapers.

The first report of the Press Registrar, a post created under the Press and Registration of Books (Amendment) Act [see 14744 A], was presented to the Indian Parliament on July 22 by Dr. Keskar, the Union Minister for Information and Broadcasting. It showed that there were 6,570 newspapers (including periodicals) in the country, of which the largest number (1,254) was published in Hindi. Although Hindi newspapers outnumbered those in English, the latter nevertheless commanded the largest circulation in any language-group—730,000 for dailies and 2,380,000 for all categories combined, followed by Hindi with 350,000 and 1,600,000 respectively. Circulations in other major Indian languages were: Tamil, 970,000; Gujerati, 860,000; Marathi, 670,000; Urdu, 610,000; Bengali, 400,000; Malayalam, 350,000; Telugu, 330,000; Kanarese, 320,000.

The report (covering the period July 1 to Dec. 31, 1956) was divided into two parts: List A, which included 4,559 newspapers about which the Registrar had received particulars, and List B, which comprised 2,001 newspapers of which no particulars had been given, but for whose existence the State Governments had vouched. The study of circulation and ownership given in the report was confined to about 2,400 newspapers in respect of which detailed information had been received by the Registrar.

According to the report, Bombay had the largest number of newspapers of any State (1,271), followed by West Bengal (1,129), Uttar Pradesh (756), Madras (717), and Delhi (560). The number of newspapers published in these four States and Delhi constituted two-thirds of the total number of newspapers published in India. The number of newspapers in Madhya Pradesh was 165, while in the remaining States their number varied between 426 in Punjab and 34 in Assam. In the Union Territories it ranged between 17 in Manipur and four in Himachal Pradesh.

Analysis by languages showed that 19 per cent of the total number of newspapers were published in Hindi, 17 per cent in English, 10 per cent in Bengali, 9 per cent in Urdu, 7 per cent in Gujerati, and 5 per cent each in Marathi and Tamil. Newspapers in Hindi were published in all States except Assam and Orissa. Hindi claimed the largest number among dailies, bi-weeklies, weeklies, and fortnightlies. In the case of monthlies and quarterlies, Hindi ranked second to English.

A study of ownership based on the data received showed that individual ownership was the most predominant, accounting for 44 per cent of the newspapers analysed. The report gave details of nine chains, 13 groups, and eight multiple units of newspapers functioning in the country. The most numerous class of newspapers was monthlies (2,506), followed by 1,903 weeklies, 598 fortnightlies, and 476 dailies.

Under the Press and Registration of Books (Amendment) Act, 1955, which came into force on July 1, 1956, the Union Government became responsible for collecting information and statistics about the Press in India and, in particular, for studying trends in circulation and in newspaper ownership.
(The Hindu, Madras) **(Prev. rep. 14744 A.)**

B. BOLIVIA. — Removal of Left-wing Influence from Government and National Revolutionary Movement. - Resignation of Vice-President Chavez.

The removal of left-wing influence from the Bolivian Government and from the leadership of the ruling National Revolutionary Movement (*Movimiento Nacionalista Revolucionario*, M.N.R.) was carried out on July 14-15 by a caucus of M.N.R. leaders who voted to repudiate the party's national political committee, which is controlled by Señor Juan Lechin. [Señor Lechin is president of the Bolivian Labour Federation, the country's major workers' organization]. The caucus also empowered President Hernán Siles to break entirely with the Labour Federation by eliminating from his Cabinet the four Ministers representing the Federation.

Prior to this development, Señor Lechin and other elements in the M.N.R. had strongly opposed the economic stabilization programme for Bolivia drafted by an American economist, Mr. George J. Eder, and adopted by the Bolivian Government. The Vice-President of Bolivia, Señor Nuflo Chavez, resigned on June 24 in protest against Mr. Eder's proposals and also against the recent agreement (see 15644 E) on the settlement of Bolivia's foreign debts.—(New York Times)
(Prev. rep. 15644 E; 15402 D; 15034 C.)

C. NEW ZEALAND. — Inquiry into Decimal Coinage.

The N.Z. Minister of Finance, Mr. J. T. Watts, announced on May 6 that the Government had decided to set up a committee to inquire into a decimal coinage, under the chairmanship of Mr. A. B. Taylor, Deputy Secretary to the Treasury.
(The Dominion, Wellington) **(Prev. rep. 15705 H; 15284 B.)**

D. AFGHANISTAN - SOVIET UNION. — State Visit to U.S.S.R. by King of Afghanistan. - Extension of Soviet Economic Aid.

The King of Afghanistan (H.M. Mohammed Zahir Shah), accompanied by his Foreign Minister (Sardar Mohamed Naim), paid a State visit to the Soviet Union from July 17-31, flying to Moscow from Tashkent in a Soviet airliner. In the course of his tour King Zahir Shah attended a number of official functions, including a State banquet and reception given in his honour at the Kremlin by the Soviet Government, and also paid visits to Leningrad, Minsk, the Crimea, and Baku. While in Moscow he had conversations with President Voroshilov, Marshal Bulganin, M. Khrushchev and other Soviet leaders, whilst the Afghan Foreign Minister had discussions with M. Gromyko, Foreign Minister of the U.S.S.R.

Two communiqués were issued in Moscow at the conclusion of the King's visit, one signed by King Zahir Shah and President Voroshilov and the other by Sardar Mohamed Naim and M. Gromyko.

The communiqué signed by the two Heads of State referred to the "friendly and good-neighbourly relations" between the two countries and to the desire of both Governments "to promote world peace and security." It added (1) that King Zahir Shah had "explained the neutral policy of Afghanistan"; (2) that there was "complete unanimity of views" between the U.S.S.R. and Afghanistan on the need for "furthering international co-operation and mutual aid between the peoples and nations of the world"; (3) that both countries had affirmed "the principle of peaceful co-existence . . . in line with the U.N. Charter"; (4) that the U.S.S.R. and Afghanistan had "reaffirmed their desire to continue friendly relations and . . . to develop and strengthen them further." It was announced that President Voroshilov had accepted an invitation from King Zahir Shah to visit Afghanistan.

The communiqué issued by the two Foreign Ministers announced (1) that the Soviet Government had "decided to render Afghanistan disinterested technical and material assistance, which is not contingent on any political or other similar conditions, in carrying out oil prospecting work in Afghanistan's northern regions"; (2) that the U.S.S.R. would also "render Afghanistan assistance in training national technical personnel for its economic development"; (3) that talks would be held "on a regime for the Soviet Afghan frontier," to be finalized in treaty form; and (4) that both sides would co-operate in exploiting frontier waterways. The communiqué referred to the "atmosphere of friendship and complete mutual understanding" in which the talks had been held.

King Zahir Shah visited the Central Asian republics of Uzbekistan and Tajikistan before returning to Kabul.
(Soviet Embassy Press Department, London) **(14791 G.)**

E. SIERRA LEONE. — First Elections under Revised Constitution. - New House of Representatives.

The first elections under the revised Constitution of 1956 (see 15160 B) were held in Sierra Leone on May 5 for the 39 elected seats in the new House of Representatives. They resulted in a victory for the Sierra Leone People's Party (SLPP) led by the Chief Minister, Dr. M. A. Margai, which won 28 seats; six of the remaining seats went to the United Progressive Party (UPP) and five to Independents.

The House of Representatives has a membership of 57, of whom 39 are elected, 12 are paramount chiefs (who are required to be literate), two are nominated by the Governor to represent special interests, and four are *ex-officio* members. Of the 39 elected members, 14 are from the Colony, 24 from the Protectorate, and one is elected by the Bo urban area. [Sierra Leone is partly a Colony and partly a Protectorate.] The 12 paramount chiefs are selected by the Protectorate district councils, which are partly elected bodies.

The election manifesto of the SLPP called *inter alia* for the appointment of an All-African Cabinet headed by a Prime Minister; the abolition of the posts of Colonial Secretary and Chief Commissioner of the Protectorate; and the appointment of a Deputy Governor responsible for External Affairs and Defence. It pledged the party to work for the attainment of self-government by Sierra Leone "within the lifetime of the new legislature."

An eight-member Ministry was appointed after the elections in which Dr. Margai, in addition to remaining Chief Minister, took the portfolios of Health and Agriculture. In opening the new House of Representatives, the Governor (Sir Maurice Dorman) said that the Government would give high priority to education and to the exploitation of Sierra Leone's mineral wealth, and would work to prepare Sierra Leone for "self-government in the modern world."

Sir Ernest Broku-Betts, vice-president of the former Legislative Council, was elected Speaker of the House of Representatives. A former magistrate and puisne judge, he received a knighthood in the last Birthday Honours (see 15589 A).
(Times - Manchester Guardian) **(Prev. rep. Constitutional Reforms, 15160 B; Dr. Margai, 13770 D.)**

AUGUST 17—24, 1957

A. OMAN. — Imam of Oman's Revolt against the Sultan. - The Sultan's Request for British Military Assistance. - Rebellion quelled with British Aid. - Arab League's Support for Imam. - Meeting of U.N. Security Council. - Rejection of Arab Charges against Britain.

A revolt against the authority of the Sultan of Muscat and Oman (H.H. Said bin Taimur) broke out in the interior of the Sultanate in mid-July under the leadership of the former Imam of Oman, Ghalib bin Ali (see 14782 A). At the request of the Sultan, small contingents of British troops, with R.A.F. support, assisted the Sultan's forces to quell the rebellion. By Aug. 11-12 the Sultan's authority had been fully restored in the affected areas, the rebel leaders were in flight, and a number of small towns and villages formerly in rebel hands had been reoccupied by the British and Sultanate forces.

The revolt was led by the ex-Imam, his brother Talib, and the Sheikh Suleiman bin Himyar, a tribal chief and self-styled "Lord of the Green Mountains" (the Jebel Akhdar range, about 100 miles inland from Muscat, the capital of the Sultanate). The centre of the revolt was the township of Nizwa, from which the Imam had been expelled by the Sultan's forces in a bloodless campaign in December 1955 (see 14782 A). For some time previously the Imam had exercised a virtual *de facto* control in this remote area, and had attempted to set up an independent State in the interior of the Sultanate under his own sovereignty. After his expulsion from Nizwa in 1955, and the reassertion of the Sultan's sovereignty over the area, the Imam had been allowed to live in his native village under the guarantee of the chief sheikh of his tribe. His brother Talib, however, fled to Saudi Arabia and later went to Cairo, where he established a "Free Oman" office in support of the Imam's claims. According to *The Times*, he was believed to be living in the Saudi Arabian port of Dammam, on the Persian Gulf, shortly before the uprising. Propaganda attacking the Sultan of Muscat and Oman and supporting the Imam Ghalib had frequently been broadcast by Cairo Radio, both before and during the rebellion.

Unlike the British-protected trucial sheikhdoms on the Persian Gulf (Trucial Oman), whose defence and foreign relations are undertaken by Britain, the Sultanate of Muscat and Oman is an independent State which, however, has retained close treaty relations with Britain for more than a century. Commenting on the Sultan's request for British aid in suppressing the revolt, the Diplomatic Correspondent of *The Times* described the position as follows: "The Sultanate . . . is not a protected State, but Britain has protected the Sultan's interests at his request in the parallel Buraimi dispute [see 14534 A] and has been in treaty relations with the Sultanate since 1839. British subjects have frequently acted in an advisory capacity to the Sultan and British subjects officer the local forces. The British-protected States in the Persian Gulf, therefore, regard Britain as under as strong an obligation to Muscat and Oman as to themselves; and, if Britain failed to give support, confidence in the British intention to give adequate support in future to British-protected States such as Kuwait, Qatar, Bahrein, Abu Dhabi, or Sharjah against the encroachments of their rich and more powerful neighbour Saudi Arabia would be severely shaken."

The Sultan's forces—the Muscat and Oman Field Force—comprise three weak battalions and a battery of howitzers, commanded by 12 retired British officers serving under contract with the Sultan. In the neighbouring sheikhdoms there is an efficient motorized force of 1,200 men (the Trucial Oman Scouts) under British officers. At Bahrain, the headquarters of British Land Forces, Persian Gulf, there is also normally a half-battalion of British troops (at present the Cameronians), the other half-battalion being stationed in Kenya. There are R.A.F. bases and airstrips at Bahrain, Sharjah (Trucial Oman), and Salala (in southern Oman, near the border of the Aden Protectorate.)

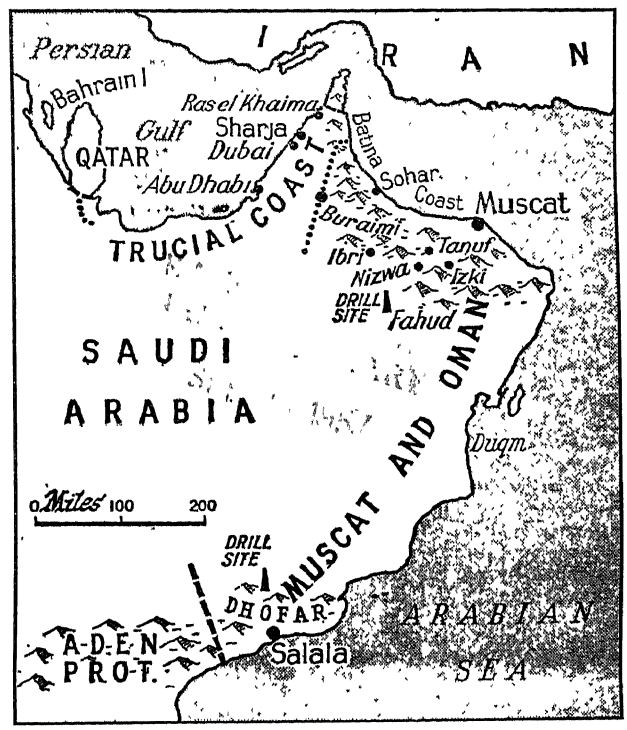
The only known oil resources in Oman are in the Fahud area (see map), where small-scale drilling operations are carried out by Petroleum Development (Oman), a subsidiary of the Iraq Petroleum Company.

The Military Operations.

The first intimation of the rebellion in Oman was given on July 19, when a British spokesman in Bahrein said that the insurgents appeared to be in control of the Nizwa area and had had "some initial success." British press reports from Bahrein indicated that the forces of the ex-Imam had driven the Sultan's forces from Nizwa, Firq, and other places in central Oman and were astride the important land route from Muscat to the Buraimi Oasis. Two days later the Sultan requested British aid in overcoming the rebellion, and the Sultan's Foreign Minister (Mr. Neil Innes, a British national) stated that plans were being concerted, in consultation with the British Government, to help the 1,500 troops of the Sultanate.

Sir Bernard Burrows, Political Resident in the Persian Gulf, announced in Bahrein on July 23 that R.A.F. aircraft had begun dropping leaflets on certain fortified places within a 50-miles' radius of Nizwa warning the occupiers, in the name of the Sultan, to evacuate them within 48 hours, after which the fortified places would be destroyed by air action. Sir Bernard disclosed that the rebels were using automatic weapons and land mines for the first time in Oman [the country of origin of these weapons was not disclosed]; that large shipments of arms had been smuggled to the rebels by sea during the past month; and that British frigates were patrolling the coast to prevent further arms smuggling.

R.A.F. *Venoms* from Sharjah made cannon-fire and rocket attacks on July 24, 25 and 26 against rebel-held forts at Nizwa, Izki (20 miles east of Nizwa) and Tanuf (7 miles north-east of Nizwa). In every case 48 hours' warning was given by leaflets dropped over these places. Subsequent reconnaissance showed that all three forts had been heavily damaged, particularly the fort at Tanuf.



(*Economist*)

Operations were temporarily suspended on July 26, when the red flag of the Sultan was seen to be flying over Izki instead of the white flag of the Imam. They were resumed on July 29, when attacks were made on a rebel fort at Birkat (a village 5 miles west of Izki), followed on July 30-31 by further attacks on a fort at Firq (10 miles south of Nizwa) and targets elsewhere in the Nizwa area. During the first week of August air operations were switched against rebel huts, tents and transport, several vehicles being destroyed and damaged in a camp at Firq which had been captured by rebel forces from the Sultan's troops. A news black-out was imposed in Bahrein on July 30, the only official information being given in brief communiqués. An official spokesman disclosed on Aug. 1 that the previous 48-hours' warning notice by leaflet had been reduced to 15 minutes in the attacks on the Firq camp and other rebel transport targets.

Meanwhile three companies of the Cameronians had been flown from Kenya to Bahrein to reinforce the half-battalion already in the Persian Gulf; it was disclosed in Bahrein on July 29 that a detachment of the Cameronians had moved into the Buraimi Oasis (about 150 miles north-west of the rebel-held region), where units of the Trucial Oman Scouts had been concentrated since the beginning of the uprising against the Sultan. The British C.-in-C., Middle East (Lieut.-General Sir Geoffrey Bourne) arrived in Bahrein from Cyprus on Aug. 1 for talks with Sir Bernard Burrows and Air-Marshal Sinclair (A.O.C. in the Persian Gulf area), after which he flew to Muscat for discussions with the Sultan.

In a press statement on Aug. 4, Air-Marshal Sinclair said that the operations against the rebels were about to enter the third phase—that of the "land strike," in which British forces would play a support role. The first and second phases—consisting of demonstration air strikes and restriction of rebel ground movement by air attack—had been virtually completed, and the ring was being tightened round the rebel forces. British troops had already entered Oman by land and air, while the Trucial Oman forces, under British officers, had secured Ibri (60 miles west of Nizwa) as a base for operations against the rebels. Air-Marshal Sinclair emphasized that British troops would be used only to maintain bases and lines of communication and would on no account enter any villages or towns, which would be occupied only by the Sultan's forces. The Trucial Oman Scouts would supply weapon support and ground-to-air contacts for the Sultan's troops, while the British were providing some scout cars flown from Aden. The British forces would be withdrawn from Oman as soon as the operations were completed and the Sultan's authority restored.

The "land strike" referred to by Air-Marshal Sinclair opened on Aug. 6, when British and Sultanate troops began an advance on Nizwa from the Fahud area, some 80 miles south-west of Nizwa. The first intimation that British forces were at Fahud was given in a Bahrein communiqué (Aug. 6) which stated that a concentration of British troops (the Cameronians), the Trucial Oman Scouts, and the Sultan's forces had been completed in this area, and that stores, petrol and ammunition had been "airlifted to an administrative base in the field." The communiqué added: "Owing to the difficult terrain, the establishment of this base has been one of the biggest difficulties, and the present state of readiness to commence ground operations is due to the magnificent achievements of the R.A.F. in moving essential supplies."

The advance on Nizwa was carried out in three columns—Cameronians, Trucial Oman Scouts, and the Sultan's forces—under the command of Brigadier J. A. R. Robertson. After a rapid advance across the desert, Brigadier Robertson's forces entered Firq (10 miles south of Nizwa) on Aug. 8 after passing through the village of Izz and recapturing the camp which had been attacked by the R.A.F. a few days earlier in an effort to destroy rebel transport. Although Firq was recaptured without opposition, strong resistance was encountered on Aug. 9 from a rebel force of 200 which had set up road-blocks and strongpoints a mile north of the village, across the route commanding the approaches to Nizwa. The Trucial Oman Scouts and the Sultan's forces were held up by sniping, and were pulled back a few miles while R.A.F. *Venoms* attacked rebel strongpoints on mountain ridges and in date-groves. On the following day (Aug. 10) R.A.F. *Shackletons* dropped fragmentation bombs on the rebel positions, with the result that the rebels were driven into the open and came under rocket and cannon-fire attack from *Venoms* which flew a number of sorties in support of the ground forces. The rebel resistance then disintegrated, the advance on Nizwa was resumed, and the rebellion collapsed on Aug. 11, when Nizwa was reoccupied without a shot being fired. A few miles beyond Nizwa, Brigadier Robertson's columns made contact at Birkat with other units of the Sultan's forces which had meanwhile advanced inland from Muscat through a pass in the Jebel Akhdar range.

A statement issued in Bahrein on Aug. 14, with the authority of the Sultan of Oman and Muscat, said that "the rising which was started by Talib has come to an end"; that the Sultan's authority had been fully restored in Nizwa, Tanuf, Izki, and other centres previously in rebel hands; and that a Governor appointed by the Sultan had arrived at Nizwa to restore the administration. The communiqué added that some of the rebels were fleeing to the mountains, pursued by the Sultan's forces, and that the elder son of Sheikh Suleiman bin Himyar had surrendered to the Government and renounced his father. The statement ended with an expression of the Sultan's gratitude to "his old friends," the British Government, for the military assistance rendered.

A British spokesman in Bahrein stated on Aug. 21 that casualty figures in the action against the Imam of Oman were one dead and four wounded, none of them British. One man of the Trucial Oman Scouts had died of wounds, two others had been wounded, and two men of the Sultan of Muscat's army had been wounded. The official estimate of the Imam's dead was about 30. [Brigadier Robertson had previously announced that about 25 rebels were killed in the air attacks at Firq on Aug. 9-10].

The British forces in Oman (i.e. the Cameronians) were evacuated by transport-planes during the week-end Aug. 17-18 and flown back to Bahrein. By agreement with the Sultan, the Trucial Oman Scouts and five armoured cars from Aden remained temporarily to safeguard communications in the Izki area—notably the oil-convoy route from Fahud to Izki—until the Sultan's forces were in a position to take over the task.

At the Sultan's request, British engineers blew up the forts in the villages of Tanuf (Aug. 14) and Izki (Aug. 17) before leaving Oman; both villages had been rebel strongholds, Tanuf Fort being the headquarters of Sheikh Suleiman bin Himyar. Also at the Sultan's request, R.A.F. *Venoms* destroyed fortified towers in the villages of Sait and Ghumr on Aug. 15 by rocket-attacks, after warning leaflets had been dropped. These two villages, in the heart of the Jebel Akhdar range, are in the territory of the Beni Hina tribe (to which the ex-Imam and Talib belong) and had been among the first to join the rebellion. The Imam's white flag had been observed flying over Sait on Aug. 14, and it was explained in Muscat that the towers of Sait and Ghumr had been destroyed largely for "psychological" reasons.

Nothing was known about the three leaders of the revolt, who were variously reported as having fled into the mountains or as making their way to the coast in an effort to escape from Oman. At the Sultan's request, the R.A.F. dropped leaflets on Aug. 20 offering, in the name of the Sultan, large rewards for the capture alive or dead of the ex-Imam, his brother Talib, and Sheikh Sulaiman bin Himyar.

British Statements on Oman Situation.

The British Foreign Secretary (Mr. Selwyn Lloyd) made the following statement in the House of Commons on July 22, in reply to questions about the situation in Oman and the military assistance rendered to the Sultan:

"Disturbances have recently been taking place in central Oman, a remote and difficult area in Arabia over which the Sultan of Muscat and Oman re-established his authority at the end of 1955. These disturbances have been stimulated by the former Imam of Oman, whom the Sultan allowed to retire peacefully in 1955 to a village in the area. The former Imam and his brother, Talib, appear to have managed to acquire a limited quantity of arms and have been trying to persuade some of the local tribesmen to defect against the authority of the Sultan . . . The Sultan has requested British assistance and this request has been agreed to. The local British authorities . . . have been given discretion within certain limits to take military action . . . The reasons for this action are that the dissidents have clearly received assistance from outside the territories of the Sultan. It is therefore, in view of H.M. Government, right that we should respond to the Sultan's request for help. We have had friendly treaty relations with the Sultan and his predecessors for the past 150 years."

In reply to questions by **Mr. Philip Noel-Baker** (Lab.), the Foreign Secretary explained that the Sultan of Oman had been also Imam (religious leader) of Oman up to 1793, when a separate Imam was elected but ruled under the Sultan. In 1913 the then Imam revolted, and from 1913 to 1920 there was a period of uncertainty. In 1921, however, an agreement was reached whereby the Imam was given certain autonomy within the realm of Muscat. The situation deteriorated prior to 1955, in which year the Sultan re-established his authority in the area.

Asked by **Mr. Nabarro** (C.) if representations would be made to the United States, "in view of the supreme importance of British oil supplies from the Persian Gulf, and the fact that allegations have been made that the arms reaching the Imam are of American origin," Mr. Lloyd replied: "I have no knowledge at all that the arms concerned are of American origin. All that we know is that there are modern arms in the area, which must have come from outside the territories of Muscat and Oman."

Mr. Wedgwood Benn (Lab.) asked if the Foreign Secretary would give an assurance that British troops, aircraft and ships would not be engaged until the House had been informed in advance, to which Mr. Lloyd replied: "Certainly not." Mr. Benn then sought to move the adjournment of the House "to draw attention to a matter of urgent and definite public importance—namely, the decision of the Government to offer British military assistance to the Sultan of Muscat and Oman." **The Speaker** ruled that Mr. Benn's motion could not be accepted, since the House was not in possession of facts which would enable him (the Speaker) to consider the matter as one of urgency.

[Mr. Benn announced on the following day that he would table a motion of censure on the Speaker for declining to rule that the Oman situation raised a matter of "urgent public importance." This motion, seconded by Mr. Paget (Lab.), was introduced in the House on July 29 but was withdrawn by Mr. Benn after a short debate.]

On July 23 the Foreign Secretary was asked by Mr. Aneurin Bevan (Lab.) whether "outside intervention" on behalf of the ex-Imam of Oman had been firmly established; whether it was from Saudi Arabia, as had been suggested; and whether H.M. Government would approach the U.S. Government with a view to bringing pressure upon Saudi Arabia, which had recently received arms supplies from the United States. In reply, Mr. Selwyn Lloyd said that certain arms must have been smuggled into Oman from outside because modern arms had been found in possession of the rebels; he could not say where they came from but the Government had "some suspicions." Close touch was being kept with the U.S.A., and he did not think any useful purpose would be served at the moment by making allegations against individual countries.

In a further statement to the House on July 29, Mr. Selwyn Lloyd said that the Government's decision to help the Sultan of Muscat and Oman was made for two reasons: firstly, the request of a friendly ruler who had always relied on Britain to help him resist aggression or subversion; and secondly, the direct British interests involved, in which connexion there was "no need to emphasize the importance of the Persian Gulf." The Foreign Secretary added:

"In the Gulf we have certain formal and implicit obligations to the rulers of Sheikhdoms under our protection to protect them against attack. This is generally understood throughout the area, and it has always been assumed that the Government would honour their obligations. The difference between a formal obligation and the obligations of a long-standing relationship of friendship is not readily apparent to the local rulers and people. If we were to fail in one area it would begin to be assumed elsewhere that perhaps the anti-British propaganda of our enemies had some basis to it, and that the Government were no longer willing or able to help their friends."

American Statements on Oman.

After a meeting between Mr. Dulles and the British Ambassador in Washington (Sir Harold Caccia), a statement was issued on July 26 by the State Department expressing the hope for a rapid settlement of the present difficulties in Oman. After noting that the Sultan of Muscat and Oman had traditionally close relations with Britain and had requested British aid in dealing with tribal problems in the past, the statement added:

"Inner Oman is essentially a tribal area where matters of sovereignty in the Western sense have not been of major importance. Revolts against the Sultan's rule in the area have occurred in the past. While the U.S.A. does not have direct and extensive information on the current difficulties, the State Department has been generally informed by the British. The matter appears to be a small-scale action involving a limited area and small forces. While certain of the participants in the current revolt have been recently in Saudi Arabia, inner Oman is not an area where Saudi Arabia has claimed sovereignty.

"The United States has no specific information on reports of outside arms in the area, but it is not uncommon for tribes in this area to obtain arms from outside. The area where the revolt has occurred appears to be within a concession area of the Iraq Petroleum Company, of which approximately one-quarter of the ownership is American. There are no claims by any other companies."

At a press conference on Aug. 6, Mr. Dulles said that there was "no basis whatsoever" for suggestions that American oil interests hoped to oust British oil interests from "trouble areas" in the Middle East; neither was any "sinister influence" exerted by U.S. oil companies in that region. The State Department's spokesman (Mr. Lincoln White) had previously described as "hogwash" suggestions that there had been any interference by American oil interests in the Oman crisis.

Arab League Call for Security Council Meeting on Oman. - Charges of "British Aggression."

The Political Committee of the Arab League, after a meeting in Cairo lasting several days, decided on Aug. 12 to call for an urgent meeting of the Security Council to discuss "armed aggression by the United Kingdom against the independence, sovereignty and territorial integrity of the Imamate of Oman." The letter to the president of the Security Council was signed by representatives of Egypt, Iraq, Jordan, Lebanon, Libya, Morocco, Saudi Arabia, Sudan, Syria and Yemen.

The letter said that the people of Oman had been "the victims of an armed aggression by the British Government . . . which has taken the form of full-scale war involving the use of modern destructive weapons . . . Through its armed aggression the British Government is seeking to destroy the sovereignty of Oman, a country . . . whose independence was reaffirmed in the Treaty of Sib [see below] which was entered into between Muscat and Oman on Sept. 25, 1920, through the British Government acting as an intermediary . . . The extreme gravity of the situation in that part of the Arab world makes immediate action by the Security Council imperative."

The ex-Imam's representative in Cairo (Sheikh Mohamed el-Harithy, head of the so-called "Free Oman" office in Egypt) had previously asked the Arab League to support the Imam, and had also sent Notes to the U.S. and Soviet Embassies in Cairo appealing for intervention on behalf of the Imam against the "aggression" of the "British and the Sultan."

The Sultan of Oman and Muscat sent a letter to the Security Council on Aug. 19 protesting against the Arab Powers' interference in Omani affairs, and stressing that the situation in Oman "falls entirely within our internal jurisdiction and is no concern of the U.N. Organization."

Security Council Meeting on Oman. - Rejection of Arab League's Allegations against Britain.

In response to the Arab League's request, the chairman of the Security Council during the current month—Dr. Urrutia (Colombia)—called a meeting of the Council on Aug. 20 to discuss the Arab charges against Britain. After debate, the Arab request that the Security Council should take action against "British aggression" in Oman failed to secure the necessary seven affirmative votes and was therefore rejected. Four countries supported the Arab request (Iraq, the U.S.S.R., Sweden, and the Philippines) and five opposed (Great Britain, France, Australia, Colombia and Cuba), while the United States and Nationalist China abstained from voting.

Mr. Hashim Jawad (Iraq) presented the Arab League's resolution in a moderately-worded speech in which he emphasized that discussion of the item in no way diminished Iraq's friendship with Britain. He alleged, however, that the British action in Oman was aimed at the subjugation of "a sovereign State of long standing," and asserted that it had "subverted the whole foundation of the U.N." and caused apprehension throughout the Arab world. As the use of arms was only justified in self-defence or with U.N. sanction, the British "intervention" in Oman fulfilled neither of these requirements. The independence of Oman had been reaffirmed in the Treaty of Sib signed in 1920, and "military intervention by British forces in collaboration with the forces of the Sultan" constituted a violation of that independent status.

Sir Pierson Dixon (Great Britain) described the Arab League's communication as "one of the strangest documents submitted to the Security Council" in recent years. The charges against Britain were devoid of any foundation, and the "incoherent and illogical" way in which they had been formulated in itself justified the Council in declining to deal with the matter. The letter charged the British Government with armed aggression against the independence and territorial integrity of the "Imamate of Oman," a State which did not exist. The facts were (1) that there was no independent sovereign State of Oman; (2) that the district of Oman [i.e. the interior of the Sultanate] was part of the dominions of the Sultan of Muscat and Oman; and (3) that the British military action had been taken at the Sultan's request to assist him in restoring order in face of a revolt against his authority which had been encouraged and supported from outside.

After recalling that the Sultan's sovereignty had been recognized by international treaties concluded with Britain, the U.S.A., and France, and most recently with India in 1953, Sir Pierson continued: "In support of the fiction that there exists an independent sovereign State of Oman, the signatories of the letter . . . allege that the independence of Oman was 'reaffirmed' in the so-called Treaty of Sib, which the letter describes as having been entered into 'between Muscat and Oman' on Sept. 25, 1920, with the British Government acting as intermediary. The facts are precisely the contrary: the sovereignty of the Sultan of Muscat and Oman over the district of Oman has for more than a century been internationally recognized, and the Sib agreement did not do more than allow the Omani tribes a measure of autonomy."

Referring to the recent disturbances, with which the letter purported to deal, Sir Pierson said: "The trouble was once again due to Ghalib bin Ali (the Imam) and his ambitious brother Talib, who raised a new revolt. It is significant that only one of the surviving signatories of the Sib agreement or their direct descendants supported this revolt, whereas the other surviving signatory and a number of descendants of signatories who are now dead supported the forces of the Sultan. The insurrection was, however, better prepared and more extensively supported from outside the country than had been the revolt of 1954-55."

Sir Pierson concluded: "I believe my Government's action has been in the interests of the stability of this area. The ancient and respectable Arab State of Muscat and Oman may seem very remote to us here in New York, but we cannot afford to forget the subversive forces so active everywhere in this area, stirring up trouble, sometimes through the most unexpected and unsuspecting channels. If the disturbance had not been checked, the consequences might have been felt very far beyond the Sultanate . . ."

Sir Pierson Dixon was supported by **M. Georges-Picot** (France), **Mr. Hill** (Australia), and **Dr. Nuñez-Portuondo** (Cuba), all of whom took the view that the matter was an internal affair of the Sultanate and thus outside the competence of the U.N. **General Romulo** (Philippines), while paying tribute to Sir Pierson's "able and lucid" statement and to the "convincing" nature of his arguments, felt that the matter should be placed on the Council's agenda as involving armed intervention by one country in the affairs of another, even if this were done at the request of the latter to quell an insurrection. **Mr. Jarring** (Sweden) also thought that the question should go on the Council's agenda.

M. Sobolev (U.S.S.R.), expressing full agreement with the Arab League's letter, said that British "aggression" in Oman constituted "a most flagrant violation of the principles of international law and the U.N. Charter." After referring to Britain's "seizure" of the Buraimi Oasis in 1955, and alleging that the oasis "belonged to Saudi Arabia," the Soviet representative said that British forces had "invaded" Oman after it had been made known that "important oil resources" existed in that country. He accused both British and American oil interests of being "ready to commit any crimes against the peace-loving Arab peoples."

Mr. Cabot Lodge (U.S.A.) said that the information available to his Government was "not sufficient to justify the United States in committing itself for or against inscription at this time." He added: "The facts with respect to developments in the area are complex and not entirely clear, and the applicable law, as well as the identity of the real parties in interest, is not free from doubt. However, I wish to make it clear that the U.S.A. does not accept as valid the interpretation of the situation set forth in the [Arab] letter, which is framed in such terms as to constitute a pre-judgment of the merits. Now that the military conflict has subsided, the U.S.A. strongly hopes that advantage will be taken by all concerned of the relative calm that prevails in the area to settle by peaceful means any legitimate grievances that may be involved . . . The U.S.A. also urges all Governments to refrain from taking any actions that might hinder the maintenance of tranquillity and order in the area."

Indian and Pakistani Reactions.

In a statement to the *Lok Sabha* in Delhi on Aug. 17, Mr. Nehru said that the Government of India "viewed with concern the news of the military action which has taken place in Oman" and had expressed this concern to the British Government. He pointed out, however, that the whole legal and constitutional position regarding Muscat and Oman was "somewhat complicated"; that India had no representatives in the Sultanate; and that she was not directly concerned in the matter as she was not a member of the Security Council. He added that he had "received directly or indirectly a message purporting to come from some representatives of the Imam of Oman," but had no news of the situation in the Sultanate beyond what appeared in the newspapers.

Mr. Suhrawardy (the Prime Minister of Pakistan), addressing the Commonwealth Correspondents' Association in London on July 30, pointed out that Britain was responsible for maintaining the territorial independence and integrity of the Sultanate. If Britain was "intervening," as had been suggested, it was only because she had this responsibility and because the Sultan had not taken upon himself "the defensive burden of an army and security forces." Mr. Suhrawardy added: "A great deal is being made out of this Oman dispute which is out of all proportion to the incident; it is not a dispute with regard to Arab territories, nor is the Arab world in any sense involved unless it is by means of tendentious propaganda which is meant to create more difficulties than it is worth."

The Treaty of Sib.

The Treaty of Sib, referred to in the Arab League's letter, and also by Sir Pierson Dixon in the Security Council, was signed at the Muscati seaport of Sib in 1920 between the predecessor of the present Sultan and a group of Omani sheikhs and tribal leaders. Purporting to govern the relations between the Sultan of Muscat and the Omani tribes, and accepted by the then Imam, its interpretation had given rise to the present controversy on the actual political and constitutional position in the Sultanate. Whereas the Sultan maintains that the treaty gives him authority over the whole of Muscat and Oman, the Arab League and the ex-Imam interpret the treaty as conferring autonomy on Oman—i.e. the interior of the country, as distinct from the coastal region of Muscat.

In a statement on Aug. 19, the Sultan said that the text of the treaty would not be published because it was solely a matter of internal interest and internal application. As the Sultan had not given his permission, it was accordingly not published in London, though its text was given in certain American newspapers. The background and terms of the treaty were, however, described as follows in a *Manchester Guardian* article (Aug. 6) from which the following extracts are taken:

"... In 1913 many of the tribes of the Oman hinterland rebelled against their generally recognized suzerain, the Sultan of Muscat, and elected their own politico-religious leader, the Imam of Oman. The fighting was protracted and unpredictable; the rebels came near to seizing Muscat itself; and the Sultan was saved from ignominy by the intervention of Great Britain, then, as now, the basic power in South-East Arabia.

"An agreement was then arranged between the Sultan and the inland tribes, represented by their respective leaders and by the Imam. This was the Treaty of Sib. The Sultan and Imam of the time, and most of the chieftains who put their names to the document, have been succeeded by others ... But the agreement is presumably still extant. Under the treaty it was agreed:

"On the part of the Imam and his associates—that the Omanis would not interfere with the Sultan's Government of Muscat, and would not fight against it; that there should be freedom of movement between the Muscati coastal district and the Omani hinterland; that criminals must not be protected; and that claims against Omanis by Muscatis must be justly heard according to Sharia law.

"On the part of the Sultan—that on commodities brought from Oman to the Muscati seaports not more than 5 per cent tax should be levied; that Omanis should be free to move to and from the coastal towns; that criminals should be extradited; and that (the most potent clause) there should be no interference by the Sultan in the internal affairs of Oman.

"At the time some British observers thought this agreement established, in effect, two separate States—Muscat on the coast, Oman in those parts of the interior inhabited by the signatory tribes (that is to say, the tribes acknowledging the leadership of the Imam). Certainly in the succeeding years the Imam did set up a rudimentary administration in the hinterland. He collected taxes and appointed a few clerks, teachers, jurists, and administrators. He had no standing army, but maintained a bucolic police force of about 2,000 men. By the 1950s the Imam Ghalib was even issuing passports, printed in Saudi Arabia, and asking for admission to the Arab League.

"But it would be wrong to imagine the two administrations as clear-cut entities. There was no frontier between Muscat and Oman. The division of power depended largely upon tribal sentiments and rivalries. Some of the hinterland tribes looked to the Sultan for leadership; some wavered in their loyalties according to circumstance. The extent of the two authorities fluctuated, and could be gauged accurately only by the whereabouts of local representatives and the outlook of tribal leaders.

"What is more, although there appears to have been no reference in the treaty to the Sultan's overlordship, it never seems to have been seriously doubted, at least in international usage, that he was legal suzerain of Oman. Successive foreign treaties recognized him as Sultan of both Muscat and Oman—including one with India in 1953. The last Imam, a universally respected sage called Khalili, readily gave his help when the Sultan wanted to expel the Saudis from Buraimi. It was only when Ghalib succeeded to power in 1954 that the idea of complete Omani sovereignty became a serious issue, and then largely under the stimulus of Saudi ambition ..."

The Diplomatic Correspondent of *The Times* commented (Aug. 19) that "the Imam's version of the treaty, which purports to give independence to the Omanis, is a crude fake put out by his mouthpiece in Cairo." The Correspondent added: "The Omanis may try to use the Treaty of Sib in the U.N. to show that, on paper, the Sultan has no suzerainty over them; but the British Government support the Sultan's view that since they did in fact acknowledge his authority for many years it was not necessary for him to have any other proof that he was Sultan of Oman as well as of Muscat." (Times - Daily Telegraph - Manchester Guardian - New York Times - The Statesman, Calcutta - Pakistan High Commissioner's Office, London - U.N. Information Centre, London) **(Prev. rep. Oman, 14782 A.)**

A. UNITED KINGDOM. — Pay Increases for Civil Servants and Local Government Officers.

It was announced on July 4 that the Treasury and the Civil Service unions had reached agreement on pay increases (as from July 1) averaging about five per cent for more than 600,000 non-industrial Civil servants, including 250,000 Post Office workers.

The Civil servants concerned were those earning up to £1,950 per annum, the total annual cost of the increases being £9,000,000 as regards the Post Office and £11,000,000 as regards all other departments. It was stated that the new rates of pay were intended to reflect "a fairly general movement in outside remuneration since mid-1956."

The Royal Commission on the Civil Service (see 14587 A) had recommended that Civil Service pay should be based on the principle of fair comparison with current rates for comparable work outside the Civil Service. A general increase was accordingly introduced on this basis in mid-1956, the new increase constituting a further application of this principle.

Some 180,000 local government staff in England and Wales received pay increases under an agreement reached on Aug. 21 by the National Joint Council for the local government service.

Under the agreement, the present four clerical grades were reduced to three and the minimum clerical salary was raised from £533 to £565 and the maximum from £789 5s. to £820. Administrative, technical and professional grades were reduced in number from seven to five, with a minimum of £575 instead of £543 5s. and a maximum of £1,325 instead of £1,230. To lighten the burden on local authorities, many of the increases are to be paid in two stages—part in September and part with the next annual increment of the officers concerned.

The new salary scales do not apply to senior local government officers, whose pay is settled by other negotiating bodies. (Times - Daily Telegraph) **(14933 F; 14847 B; 14587 A.)**

B. UNITED STATES. — New Director of Mutual Security Programme.

Mr. James Hopkins Smith jr., of Colorado, was nominated by President Eisenhower on Aug. 7 as head of the International Co-operation Administration—the agency administering the Mutual Security Programme—in succession to Mr. John B. Hollister, who had held the post since April 1955. Mr. Smith (46), a lawyer and rancher, was Assistant Secretary of the Navy for Air from 1953-56 and a vice-president of Pan-American Airways from 1946-49. A qualified pilot, he flew U.S. bombers to Russia during the Second World War and also served in the Pacific theatre.

Formal Senate approval of Mr. Smith's nomination was given on Aug. 19, and also of the nomination of Mr. McElroy as Secretary of Defence (see 15703 B). Mr. McElroy relinquished his interests in the soap firm of Procter and Gamble, and also his other business interests, prior to taking up his appointment at the Defence Department.—(New York Times) **(Prev. rep. 14173 A.)**

C. NETHERLANDS. — Further Rise in Bank Rate.

The Netherlands bank rate was raised on Aug. 15 from 4½ per cent to 5 per cent, barely a month after the previous increase from 3¾ to 4½ per cent. The latest weekly return of the Netherlands Bank showed a fall of 100,000,000 guilders in the gold and foreign exchange reserves, the latest increase in the bank rate being apparently designed to meet this situation.—(Algemeen Handelsblad, Amsterdam) **(15693 B.)**

D. JORDAN. — Diplomatic Relations with Nationalist China. - Exchange of Ambassadors.

It was announced in Amman and Taipeh (Formosa) on Aug. 12 that diplomatic relations had been established between Jordan and Nationalist China and that ambassadors would be exchanged. (Daily Telegraph - New York Times)

A. NORTHERN IRELAND - IRISH REPUBLIC. — Continuation of I.R.A. Terrorism in Northern Ireland. - Mass Internment of I.R.A. Leaders and Activists by Irish Republican Government. - Revival of Special Internment Powers. - Sentences against Terrorists in Northern Ireland. - Passage of Criminal Injuries Bill and Parliamentary Elections Procedure Bill.

In the light of continued terrorist attacks by members of the Irish Republican Army on objectives in Northern Ireland, and following a particularly serious incident on July 4 (see below), the Government of the Irish Republic issued on July 8 a proclamation reviving the special powers available to it under the Offences against the State (Amendment) Act of 1940 to intern members of illegal organizations without trial. At the same time the Irish Army authorities were instructed to prepare the internment camp at the Curragh (Co. Kildare)—the Army's principal training centre—for the reception of "a large influx of internees."

These measures had been preceded by a series of police raids on July 6-7 in which 63 men were arrested, including eight members of the executive council of Sinn Fein—among them the president of that organization, Mr. Patrick McLogan. Although many other Sinn Fein members were among those detained, they did not include the four members elected to the *Dail* in the recent general elections. Of the 63 men arrested, three were later released and the other 60 transferred to the Curragh.

The official statement announcing the reintroduction of the Government's internment powers explained that these powers applied to persons "who, in the opinion of a Minister, are engaged in activities which are prejudicial to the preservation of public peace and order or to the security of the State." It was also announced that, in accordance with the Act, a commission would be set up to hear appeals from internees against their continued detention.

Another statement issued on July 8 on behalf of the Minister of Justice said that "no-one has been arrested because of membership of the Sinn Fein organization . . . In all cases the reason for the arrest was that the individuals concerned were believed to be engaged in the activities of organizations attempting to maintain military or armed forces in contravention of the Constitution."

The Government's action was attacked in a statement issued on July 9 by "deputizing members of the governing council" of Sinn Fein.

The statement accused the Government of resorting to "totalitarian methods of repression and coercion for which the electorate gave no mandate four months ago." It added: "Presumably it is because of the progress that Sinn Fein has made towards the integration of the national territory that Mr. de Valera deems it necessary to resort to coercive methods against a national organization which obviously constitutes a challenge to his partition regime."

Mr. de Valera (the Prime Minister) issued a statement on July 28 in which he explained and defended the Government's action.

Mr. de Valera said that there could be neither ordered government, security nor progress in any community in which groups could organize, arm and equip themselves, assume powers of life and death, and arrogate to themselves the right to make war at will, in defiance of the legitimate Government and the basic law. Those against whom the Government had taken action were leading members of such groups, the activities of which had already led to loss of life and were likely, if continued, to embroil the Irish people not only in war with another country, but in a "hateful civil war" as well.

Referring to partition as one of the reasons put forward to justify the formation of armed groups, Mr. de Valera said: "The division of our country was effected against the expressed wish of the overwhelming majority of the Irish people. But if force were ever to be resorted to in an endeavour to end it, it would have to be force used with the authority of the Government and the assent of *Dail Eireann*. To permit private armies on the plea that they could end partition by force could lead only to anarchy and chaos. No party in *Dail Eireann* believes in force as a solution. They know that even if a military victory were secured, the use of force would leave behind a nation more deeply divided than it is now. No minority group has the right to commit the nation to the use of force."

Refuting the charge that, because many members of Sinn Fein were among those arrested, the Government's action was directed essentially against a perfectly constitutional movement, Mr. de Valera declared: "The persons detained were detained because they were members of one of the unlawful organizations . . . They were, indeed, leaders in that organization. They included the so-called 'Chief of Staff' and so-called 'Adjutant-General,' as well as other members of what they call the 'Army Council.' Can it be contended that by joining a movement, constitutional or professing to be so, persons who are engaged in illegal armed activities in defiance of the Constitution can secure immunity?"

In a further statement on July 29, Mr. de Valera denied a newspaper report that the Northern Ireland Government had delivered a direct ultimatum to the Irish Republican Government concerning the I.R.A.'s activities and that this had been reinforced by a protest from the British Government. "There was no such ultimatum and no such protest," the *Taioseach* declared.

In the period preceding the Government's action of July 8, a considerable number of further arrests had been made by the Irish Republican police—notably the arrest of 38 men on May 26 who were alleged to have been drilling in the Glencoe Valley (Co. Wicklow), and of another 28 in the same area on June 2, on similar grounds.

During the second half of July most of those I.R.A. members, who had been sentenced at the beginning of the year to short terms of imprisonment under the Offences against the State Act, and whose prison terms had expired, were immediately rearrested under the terms of the proclamation of July 8 and sent to the Curragh camp for detention. The total number of detainees at the camp was 114 at the beginning of August.

It was officially announced on July 16 that the Appeals Commission provided for in the Offences against the State Act would consist of Judge Barra O'Brien (of the Circuit Court), District Judge Eamonn O'Ryan (of the Dublin Metropolitan District Courts), and Colonel J. V. Joyce (of the Army headquarters staff).

It was stated that the Commission would have access to any relevant information or documents in the possession of the Government, and, on receiving a written application from a detainee, would conduct its inquiry and present a report to the Government. If the Commission reported that there were no reasonable grounds for the continued detention of an applicant, the applicant concerned would be released. It was also learned on the same day that any internee who was prepared to sign a statement to the effect that he had severed all connexion with illegal organizations would be released without further inquiry.

Incidents in Northern Ireland.

The I.R.A. terrorist campaign in Northern Ireland continued throughout the period covered, the principal incidents being summarized below:

March 2. A parked van belonging to the N.I. Electricity Board was burnt out at Newry (Co. Down) after an explosion.

March 6. The newly-built Army recruiting office at Newry was seriously damaged by an explosion.

March 7. An attack by a group of armed men on the R.U.C. station at Derrylin, Co. Fermanagh (the third in three months) was beaten off after a brief engagement, an R.U.C. officer being wounded. A bomb was thrown through the window of the Newry office of the N.I. Electricity Board but failed to explode.

March 10. The main road between Rosslea (Co. Fermanagh) and Fivemiletown (Co. Tyrone) was temporarily blocked when raiders blew up a bridge at Derrynecce, three miles from Rosslea and one mile from the border. After the incident, the N.I. police took special precautions to guard Rosslea's only other link with the rest of Northern Ireland—the Rosslea-Lisnaskea road—in the belief that the I.R.A. were attempting to isolate the village (which is flanked on three sides by Republican territory).

March 22. The telecommunications system over a wide area of northern Antrim was put out of order as the result of an explosion at the automatic telephone exchange at Rasharkin, Co. Antrim.

April 3. Two bombs were thrown at the R.U.C. station at Coalisland, Co. Tyrone, causing little damage.

April 10. Two electricity transformers on the outskirts of Londonderry were damaged by explosions. On the same day raiders blew up a new extension to the waterworks at Loughmore (Co. Tyrone), about half a mile from the border.

April 12. An automatic telephone exchange at Dunloy (Co. Antrim) was wrecked by an explosion, while two others (at Loughgiel, Co. Antrim, and Bellaghy, Co. Londonderry) were considerably damaged.

April 13. The Army recruiting office in Londonderry was seriously damaged by an explosion.

April 14. Part of the Corrick Water bridge over the River Glenelly, between Newtownstewart and Plumbridge (Co. Tyrone), was demolished by an explosion.

April 18. A bridge on the main Belfast-Dublin railway line, five miles south of Goraghwood (Co. Armagh), was badly damaged by an explosion.

April 21. A police constable was seriously wounded when a booby-trap exploded as he was attempting to remove a Republican tricolour flag from the top of a water-tower at the disused R.A.F. airfield at Cluntoe (Co. Tyrone).

An attempt to burn down a Customs and Excise building at Londonderry was foiled by the unexpected arrival of an official, who was able to beat out the flames before any serious damage was caused.

April 23. Terrorists burned down a shooting-lodge owned by Sir Harry Mulholland (former Speaker of the N.I. House of Commons) at Maghera, Co. Londonderry.

April 26. The main Great Northern Railway line between Dublin and Belfast was damaged by explosions at Silverwood, Co. Armagh (between Portadown and Lurgan).

May 3. Three telephone kiosks in South Armagh were wrecked by explosions.

May 4. An unsuccessful attempt was made on the lives of Sir Richard Pim, Inspector-General of the R.U.C., and Lady Pim as they were sailing by motor-boat on Strangford Lough, Co. Down. A detonator, connected by a fuse to a heavy charge of gelignite under the boat's engine, exploded when the exhaust had become sufficiently hot; warned by the explosion, however, Sir Richard was able to cut the fuse with seconds to spare. [A previous attempt had been made on the lives of Sir Richard and Lady Pim in December 1955, when cakes delivered at their home were found to contain cyanide.]

May 13. The port of Newry (the fourth largest in Northern Ireland) was put out of operation for a period of at least two months when explosives placed by terrorists severely damaged two sets of gates on the Newry Ship Canal connecting the port with Carlingford Lough. As a result, the m.v. *Dundalk* (owned by the British and Irish Steam Packet Co. Ltd.) was stranded in the port. The police found vehicle tracks leading from the area of the explosion to the Co. Louth border, some four miles away. The damage was estimated at £60,000 and the loss of trade to the port (which handled trade worth £3,000,000 in 1956) at £100,000.

May 16. A Special Constabulary hut at Coalisland (Co. Tyrone) was wrecked by an explosion.

May 24. A dockside electricity transformer in Londonderry was badly damaged by an explosion. The police later apprehended three men in the vicinity of a second transformer. [For the subsequent trial, see below].

June 12. In a series of four explosions in the Coalisland area, a signal-box at Coalisland station and a transformer at Gortgonis were destroyed, while damage was done to a telephone kiosk at Rock and to the Moor bridge over the Ulster Canal, on the main Portadown-Stewartstown road.

July 4. Constable C. Gregg was killed and another constable seriously wounded when an R.U.C. patrol was ambushed by terrorists between Forkhill and Crossmaglen, Co. Armagh, about 200 yards from the Eire border. Constable Gregg was the second policeman to be killed since the beginning of the current I.R.A. terrorist campaign. Two Special Constabulary drill halls—one at Beragh (Co. Tyrone) and the other at Dernawilt (Co. Fermanagh)—were wrecked by bombs.

July 8. An explosion seriously damaged a bridge over the railway line between Dungannon and Coalisland (Co. Tyrone), the debris blocking the line for some time. Another explosion partially wrecked a building at Castletown (Co. Tyrone) used as a courthouse, labour exchange, and Special Constabulary drill centre.

July 25. A group of armed men held up a Territorial Army lorry at Newry, ordered the driver out, and set the vehicle alight.

August 10. A group of armed men opened fire on the R.U.C. barracks at Swatragh (Co. Londonderry) but were driven off after a brief engagement. A Customs post at Mullan (Co. Fermanagh) was badly damaged by explosives.

August 11. The G.P.O. Engineering Department garage at Newry, and a nearby commercial garage, were completely destroyed by fire. The contents of the two garages (comprising 12 heavy vehicles, a variety of G.P.O. equipment, and four cars) were destroyed, the loss to the G.P.O. being estimated at £50,000. The N.I. Electricity Board's office in Newry was extensively damaged by another explosion.

A dredging barge belonging to the Ministry of Finance, and carrying hundreds of pounds' worth of equipment, sank in Lough Neagh after an explosion.

Following the two serious incidents in Newry mentioned above, the N.I. Minister for Home Affairs (Mr. Topping) signed an Order on Aug. 12 imposing a curfew from 11 p.m. to 5.30 a.m. in Newry and nine neighbouring districts in Counties Down and Armagh. The Order constituted the first use of the curfew powers given to the Minister under the Special Powers Act of December 1956—see 15290 A. As the area affected lies astride the main Belfast-Dublin road, a diversionary route was worked out for use during the curfew period.

August 17. Sergeant A. J. Ovens was killed, and three other policemen and two soldiers slightly injured, when a booby-trap explosion wrecked a disused farmhouse at Brackaville (Co. Tyrone), about 15 miles from the Eire border. On being advised by an anonymous telephone-caller that suspicious-looking persons had been seen to enter the house, Sgt. Ovens had taken a party of troops and policemen to investigate, and when he pushed open the door of the house a powerful explosion occurred. Twenty men were detained for questioning during subsequent investigations.

Following the incident of July 4 in Co. Armagh, Mr. Topping (the Minister of Home Affairs) stated in the N.I. House of Commons that the Prime Minister, Lord Brookeborough, had made representations on the matter to the U.K. Government. Replying to a question in the U.K. House of Commons on July 9 from Mr. Armstrong (Armagh, Ulster Unionist), Mr. Macmillan said that since it had been established that those concerned in the ambush had escaped into Republican territory, the British Ambassador in Dublin had taken up the matter with the Irish Republican Government, on instructions from London.

Counter-measures in Northern Ireland.

Throughout the period under review the police and military authorities continued their counter-measures against I.R.A. terrorism.

A particularly important operation (considered by senior R.U.C. officers as one of the most decisive blows yet struck against the terrorist organization) was carried out in the Londonderry area from March 30-April 1. Several large stores of arms, ammunition and explosives were found, as well as marked plans of the anti-submarine base on Lough Foyle, the R.A.F. station at Ballykelly, and the Royal Naval Air Station at Eglinton. Of 29 men arrested in the course of these raids, five were later detained in Belfast prison under the emergency powers.

Prison Sentences on I.R.A. Suspects.

The principal trials which took place in Northern Ireland against I.R.A. terrorists and suspects since the beginning of March are summarized below:

(1) At Antrim Assizes in Belfast, three Cork men who had been arrested after the raid on the R.A.F. installation at Torr Head on Dec. 12, 1956 [see 15290 A] were found guilty on March 6 on charges of illegal possession of arms and ammunition. One of the men, described as the ringleader, was sentenced to 12 years' imprisonment and the other two to ten years' each.

(2) At the Belfast City Commission, on April 11, 16 men (including seven from the Irish Republic) were sentenced to terms of imprisonment varying from 12 months to eight years on charges of membership of an illegal organization, and/or possession of weapons, ammunition or explosives, and/or possession of indiscriminating documents, or for aiding or abetting persons possessing arms and ammunition. The accused included the seven men arrested at Clontaffeece (Co. Down) on Jan. 3—see 15413 A.

(3) A man from Dungwen (Co. Londonderry), described by the judge as one of the leaders of a gang of "criminal thugs" who had been perpetrating not only material damage but murder, was sentenced to ten years' imprisonment at Belfast on July 26 on charges of possessing arms, ammunition, and an incriminating document.

(4) Three young men who had been arrested in Londonderry on May 24 in the vicinity of a transformer (see above) were found guilty at Belfast on July 26 on charges of conspiring to cause an explosion and of possessing explosives with intent to endanger life or cause serious injury to property. The leader of the group was sentenced to ten years' imprisonment, and the other two to six years' imprisonment each.

(5) A man who had been arrested in Londonderry on March 30 and who, in the prosecution's submission, had taken "a very prominent and leading part" in I.R.A. activities, was sentenced at Belfast on July 29 to four years' imprisonment for membership of the I.R.A. and possession of documents containing references to the destruction of roads and bridges in Northern Ireland.

The Criminal Injuries Bill.

The N.I. House of Commons gave a second reading on May 14 to the Criminal Injuries Bill.

Moving the second reading, the Minister for Home Affairs (Mr. Topping), said that the purpose of the Bill was "to enable the Government to recoup County Councils for the full amount of any criminal injury decrees given in respect of damage caused by members of the I.R.A., or of unlawful organizations, and to relieve persons who suffer this damage from the necessity of proving, as required by existing law, that three or more persons took part in causing the damage."

Hitherto, under an earlier Criminal Injuries Act which came into force on Jan. 1, 1957, the cost of compensation for damage to life and property caused by I.R.A. activities was borne half by the Government and half by the local authorities as a whole (*not* the local authority of the area in which any given incident occurred). In the early months of 1957, however, terrorist activities continued on a scale which had not been foreseen when the Act was passed; as a result, numerous local authorities had urged that compensation for damage should become a wholly national charge.

In his speech on the second reading of the new Bill, Mr. Topping announced that claims for compensation to date totalled almost £350,000.

After passing through its subsequent stages, the Bill was enacted in June.

Parliamentary Elections Procedure Bill.

Under the terms of the Parliamentary Elections Procedure Bill, which received a second reading in the N.I. House of Commons on June 25 by 25 votes to two, any candidate for the N.I. House of Commons was required in future to sign, in the presence of a Justice of the Peace, Commissioner for Oaths, or notary public, a declaration to the effect that he or she (i) recognized the "lawful authority" of the N.I. Parliament; (ii) would take his or her seat if elected; (iii) did not hold any disqualifying office; and (iv) was not a convicted felon.

The purpose of the Bill was to prevent members of illegal organizations (notably Sinn Fein, the political wing of the I.R.A.) from standing as parliamentary candidates. Its terms were essentially no more than a reaffirmation of the existing position as regards "abstentionist" candidates (i.e. candidates who were opposed to partition and who, when elected, refused to sit in the N.I. House of Commons since they did not recognize its competence). Hitherto, under the Representation of the People Act, 1934, candidates had

been required to sign a statement to the effect that they would sit if elected; this arrangement, however, had been circumvented by Mr. Liam Kelly, Sinn Fein member for Mid-Tyrone, and Mr. Charles McGlennan, "abstentionist" member for South Armagh, both of whom had attended the House on only one occasion and had thereafter taken no part in its activities. The Government introduced the measure in order to make sure that the law on this matter would be strictly applied in future. The provision concerning convicted felons was included in the light of the experience at the British general election of 1955, when two Sinn Fein candidates serving sentences for I.R.A. activities were elected, but eventually disqualified (see 14357 C, 14520 B). In the course of his speech Mr. Topping said that while the Bill contained no penal provisions, any case of violation would be referred to the Attorney-General to see whether a prosecution could be instituted.

Mr. Topping moved on Feb. 20 a Supplementary Estimate for 1956-57 arising largely from the cost of the counter-terrorist measures. The principal allocations were £155,000 for the Royal Ulster Constabulary and £87,200 for the Special Constabulary.—(Irish Times, Dublin - Belfast Telegraph - Northern Whig, Belfast - Times - Daily Telegraph)

(Prev. rep. 15413 A.)

A. WESTERN GERMANY.—Creation of New Federal Central Bank (Deutsche Bundesbank.)

The West German *Bundestag* unanimously passed legislation on July 4 setting up a *Deutsche Bundesbank* as the Federal Republic's bank of issue, and replacing the *Bank Deutscher Länder* as well as the existing central banks of the *Länder*. The *Bank Deutscher Länder* had been in existence since 1948, its main function being the issue and protection of currency; otherwise it had only equal status with the separate central banks set up by the *Land* Governments.

Under the legislation, the new *Deutsche Bundesbank* absorbed the existing central banks of the *Länder* and of Berlin, its total capital of 290,000,000 DM. being owned wholly by the Federal Republic. Its headquarters will be at Frankfurt as long as the Federal Government is established in Western Germany, but in the event of the Government moving to Berlin the bank will have its headquarters in that city.

The *Bundesbank* will regulate the note circulation and the supply of credit within the German economy, with the aim of safeguarding the currency. It will also handle banking transfers, payments and clearings for both domestic and foreign banks.

The Federal Government will have no power to give instructions to the *Bundesbank* within the latter's competence, but the bank will be under an obligation "to support the general economic policy of the Federal Government and to advise and inform the Federal Government on all matters of vital importance to monetary policy." Members of the Federal Government may attend the meetings of the Central Council of the bank [see below] and may move resolutions, but will not have a vote. Conversely, the Federal Government will invite the President of the *Bundesbank* to attend governmental discussions on matters affecting monetary policy.

The bank's monetary and credit policy will be determined by a Central Council, while the Board of Directors will be responsible for implementing the Central Council's decisions. The *Bundesbank* will maintain a central branch in each *Land* which will bear the name of *Landeszentralbank*.

The *Bundesrat* passed the Bill on July 19 against the votes of Bavaria and the Rheno-Palatinate.

The principal difficulty was over that clause of the Bill which provided that not only the Federal Republic, but also the *Länder*, would have to deposit all liquid assets with the *Bundesbank*. A compromise was found, however, by allowing the *Länder* to deposit their funds with other banks if consent had been given by the *Bundesbank*.

Herr Karl Blessing, a former director of the *Reichsbank* and more recently president of the Margarine Union, was appointed the first president of the *Deutsche Bundesbank*.
(Frankfurter Allgemeine Zeitung - Bundesanzeiger, Bonn)

(Prev. rep. 9337 A; 9111 A.)

B. SPAIN - SOVIET UNION. — Russian Rejection of Spanish Gold Claim.

The Soviet newspaper *Pravda*, quoting "well-informed circles," said on April 5 that about 500 tons of Spanish gold sent to Russia by the Spanish Republican Government in 1937 during the Civil War had all been used up by that Government for purchases abroad. *Pravda* claimed that the Soviet authorities had receipts covering the entire amount and signed by Señor Largo Caballero (the Spanish Republican Premier) and Dr. Negrin (Finance Minister and later Prime Minister in the Republican Government). It was also claimed that the last letter of Dr. Negrin, dated Aug. 8, 1938, showed that the gold had been fully used up and that, in addition, there was a debt of $50,000,000 owing by the Spanish Republican Government, to whom the Soviet Government had granted at the time a credit of $85,000,000, of which only $35,000,000 had been repaid.—(Times - Manchester Guardian - New York Times)

(Prev. rep. 15376 B.)

C. INDIA. — Prohibition of Strikes in Essential Services. - Opposition to Government Legislation.

The Essential Services Maintenance Bill—a Government measure to prohibit strikes in essential services—was given a first reading in the *Lok Sabha* on Aug. 5 by 224 votes to 54, with 15 abstentions, and was finally passed on Aug. 6 by 226 votes to 51, after a stormy 11-hour debate in which Communist, Praja Socialist, Socialist and Independent members denounced the measure as "totalitarian." As the Council of State was not in session, the Bill was promulgated as a Presidential Ordinance immediately after its passage.

Under the Ordinance (which expires on Dec. 31, 1958) the Government assumed powers to prohibit strikes in a wide range of public services, including posts and telegraphs, transport, civil aviation, docks, defence and ordnance establishments, and any other service in which it considered that a stoppage "would inflict grave hardship upon the community." The Bill also provided penalties of six months' imprisonment and a fine of 200 rupees (£15) for strikers in essential services.

The introduction of the Bill was prompted by the threat of a strike for higher pay by about 500,000 employees in the postal, telegraph, civil aviation, customs and excise, and other Central Government services. Specifically, the Joint Council of Action of the unions concerned, headed by Mr. B. N. Ghosh (secretary-general of the National Federation of Posts and Telegraphs Employees), had demanded the appointment of a commission to inquire into the pay structure and, pending the commission's report, the grant of an interim increase. The Finance Minister, Mr. Krishnamachari, announced on Aug. 3 that the Government would set up a five-member commission, headed by Mr. Justice Jagannadha Das of the Supreme Court, to inquire into the pay of Central Government employees. However, as there was no mention of interim relief in the commission's terms of reference, the unions found the Government's decision unsatisfactory and called a strike of their members as from Aug. 9.

Speaking on the Bill on Aug. 5-6, the Home Minister (Pandit Pant) said that the Government would be "happy if no occasion arose to make use of the powers sought in the Bill." While admitting that prices had risen, he said that a rise in wages, at a time when the country's resources were mortgaged to implementation of the Second Five-Year Plan, could only accentuate the "vicious economic spiral." Having acceded to the union's demands for an inquiry commission, the Government was entitled to hope that there would be "no further insistence upon a wrong and suicidal course."

Following the promulgation of the Presidential Ordinance, the Government issued an Order on Aug. 6 declaring illegal the threatened strikes in the postal, telegraph, civil aviation and other public services. At the same time the President issued an Order prohibiting the participation by Civil Servants in demonstrations or strikes over matters pertaining to their conditions of service, under penalty of forfeiture of salary and possible dismissal.

In a nation-wide broadcast on Aug. 5, Mr. Nehru had appealed to the postal and other employees to forego "methods of strike and conflict involving ill-will and injury to all concerned." Replying to the union's demand for an interim pay increase, he said that the inquiry commission could make an interim report about relief and other matters, and added: "I do not know what more the Government can do in these circumstances." He gave a warning, however, that if the strike did take place, it would be the duty of the Government and of every citizen to help in protecting vital services. Speaking in the *Lok Sabha* on Aug. 8, Mr. Nehru, while giving no assurance that an interim wage award would be made pending the final ruling of the inquiry commission, reiterated that it would be left to the commission to consider the question of immediate relief.

The unions, which on Aug. 6 had reaffirmed their decision to strike, considered Mr. Nehru's statement of Aug. 8 an "improvement" on the earlier situation, and called off the impending strike on the same day.—(The Hindu, Madras - The Statesman, Calcutta - Eastern Economist, Delhi - Times)

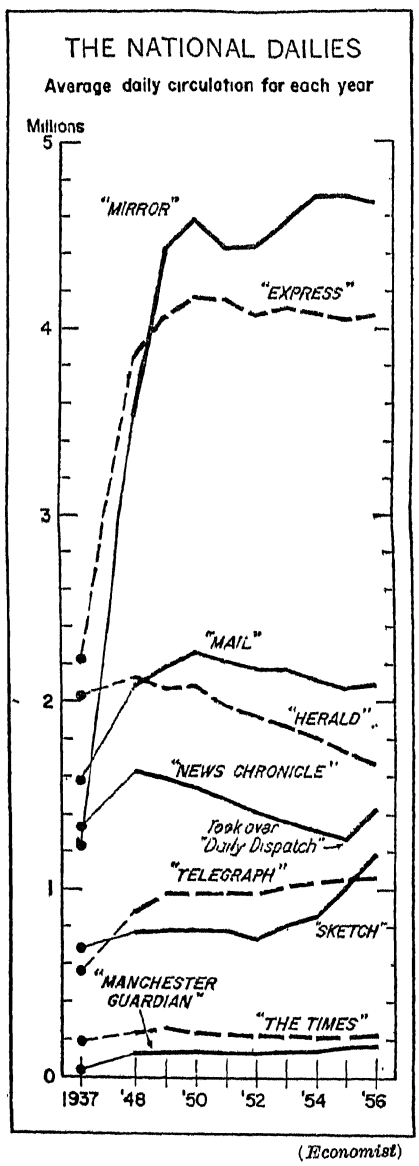
D. NORWAY. — Social Insurance Agreement with Britain. - Reciprocal Benefits for Tourists and Residents.

An Anglo-Norwegian convention was signed in London on July 25 whereby nationals of either country visiting or living in the other became eligible for the social insurance benefits of the country concerned on a reciprocal basis. The benefits cover medical treatment in case of sickness or accident, old-age pensions, children's allowances, and public assistance. British seamen serving in Norwegian ships, and *vice versa*, will be eligible for the benefits, in addition to tourists and permanent residents.—(Norwegian Embassy Press Office, Londo

A. UNITED KINGDOM. — Press. - Statements on Position of "Daily Herald" and "News Chronicle." - Odhams Press receives Licence to publish "Daily Herald." - Parliamentary Debate on State of the Press. - Editor of "Sunday Express" apologizes at Bar of House.

Widespread rumours of the possible closing-down of the *Daily Herald* and the *News Chronicle* owing to financial difficulties, or alternatively of a merger between the papers, were denied on June 7 by Mr. A. C. Duncan, chairman of Odhams Press Ltd., and by the management of the *News Chronicle*.

Since 1929 the *Daily Herald* had been published by Daily Herald (1929) Ltd., a company in which 51 per cent of the shares are held by Odhams Press (which prints the newspaper) and 49 per cent by the Trades Union Congress. Of the nine directors of the company, five are appointed by Odhams Press and four by the T.U.C. General Council, under an agreement reached in 1929. [The four T.U.C. members for the current year are Sir Tom Williamson, Sir Vincent Tewson, Sir Alfred Roberts, and Sir Tom O'Brien, M.P.] The *Daily Herald* supports the political policy of the Labour Party and the industrial policy of the T.U.C.



(*Economist*)

The *News Chronicle* is owned by the Daily News Trust, an organization controlled by members of the Cadbury family (the well-known cocoa and chocolate manufacturers). It gives general support to the Liberal Party.

Mr. Duncan, speaking at the annual meeting of Odhams Press Ltd., said that Odhams had put forward proposals to the T.U.C. for improving the "future prospects" of the *Daily Herald*, and were awaiting their reply. He said in his speech:

"The financial results of the paper, as with many other newspapers, are not all that could be wished, and various ways and means are being considered to improve them. The Press has been giving the *Daily Herald* a great deal of publicity lately. Numerous ideas have been given an airing, including mention of a merger . . . All I can say at the moment is that we do not contemplate the paper closing down." Mr. Duncan stressed that the *Daily Herald* had retained its place among the great national newspapers, with a sale of 1,650,000 copies a day.

The *News Chronicle* issued the following statement:

"For some weeks there has been open speculation about the future of the *News Chronicle*. Forecasts have ranged from the outright sale of the paper to its merger with the *Daily Herald* . . . We can resolve the uncertainty. We have no intention of being scuppered. Of course the *News Chronicle* has difficulties. So have several other newspapers. In a time of inflated costs, a paper which sells 1,400,000 copies a day obviously has more problems than papers which sell over 4,000,0000. But the admitted courage and enterprise of the *News Chronicle* are not going to be submerged by its difficulties. They are being devoted instead to finding a solution . . ."

After a meeting of the T.U.C. General Council on June 26, Sir Vincent Tewson announced (i) that the General Council "regard the continuation of the *Daily Herald* as essential to the trade union and Labour movement"; (ii) that it had consequently approved in principle the granting of a licence to Odhams Press to publish the *Daily Herald*; (iii) that the conditions of this licence would be the subject of direct negotiations with Odhams, to be held after consultations with the Labour Party; and (iv) that the four T.U.C. directors of Daily Herald (1929) Ltd. would act as a sub-committee to consult with Odhams Press.

The terms under which Odhams Press would be granted a licence to publish the *Daily Herald* were unanimously agreed to by the T.U.C. General Council on July 24. An official statement said: "Under the terms of the licence the *Daily Herald*, while retaining editorial freedom, is pledged to remain the firm champion of the policies of the T.U.C. and the Labour Party. The General Council therefore calls on trade unionists to give the *Daily Herald* their full support."

Although no details were issued, it was understood that the licence would be granted for 25 years, with provision for 12 months' notice of termination by either side, and that it would enter into force immediately. It was confirmed that the T.U.C. would still have their 49 per cent shareholding and would continue to have four directors on the board. *The Times* commented: "It appears that the main effect of the arrangement will be on the finances of Odhams Press, who will now be in a position to set off their losses on the *Daily Herald* against profits made by their other enterprises for taxation purposes."

The *Daily Herald* itself said that its "future as Labour's daily newspaper is assured," while Sir Vincent Tewson said that there was "no question now of the demise of the *Daily Herald*."

Prior to the agreement between the T.U.C. General Council and Odhams Press, the secretary of the Labour Party (Mr. Morgan Phillips) had declared that a Labour daily newspaper was "vital to the whole future of the Labour movement" and had called on all Labour supporters to give their "full loyalty and support" to the *Daily Herald*.

Sir Tom O'Brien, in a speech on May 18 to the Welsh Regional Council of Labour, had also referred to the difficulties of the *Daily Herald* and had spoken of the "appalling apathy" of the rank-and-file of the trade union movement, who, though enjoying "all the advantages of a Welfare State," were not able to "run and buy their own newspaper." After referring to the large circulations of the *Daily Mirror* and the *Daily Express*, Sir Tom said that the Labour movement was "surely entitled . . . to have a national newspaper with a three to four million circulation."

Parliamentary Debate on State of the Press.

The state of the Press was discussed on May 17 by the House of Commons, which adopted a private member's motion —moved by Mr. Kershaw (Conservative)—that "this House, recognizing the great importance of a free and independent Press, views with concern some recent examples of newspaper reporting, and is of the opinion that a vigorous effort by the industry itself to maintain a high standard of conduct is desirable."

Mr. Kershaw said that public concern about the state of the Press was shared by the Press itself. It was complained that pornography and crime were unreasonably exploited in certain sections of the Press; that the pursuit of the "exceptional and sensational" had been carried too far; and that there had been intrusions into private grief. The elevation of trivialities to a position of importance in certain newspapers made it impossible for the reader to form a coherent idea of current affairs, and this was a disservice to democracy. Pointing out that the Press Council had no sanctions at their disposal and could only censure, Mr. Kershaw urged that matters of professional ethics should be referred to a sub-committee of the Press Council which should be armed with sanctions to suspend or expel offending members from the journalistic profession. Ethics were well known, and could be defined and enforced; and the sub-committee he proposed should consist "only of professional men to judge professional standards."

Mr. Allaun (Lab.) said that seven groups controlled nearly all the national and Sunday newspapers, and within these groups were "a handful of rich and powerful men with controlling interests" who dominated public opinion. "They sincerely believe they are acting in the country's good, but it is easy for them to confuse the interests of their country with the interests of the business." As these newspapers became more and more extensive, they also became more expensive to own. Before the war newsprint cost £10 a ton, whereas today it cost £60 a ton because [Mr. Allaun alleged] the newsprint industry was dominated by four combines. After asking that the newsprint industry should be investigated by the Monopolies Commission, Mr. Allaun said—in an apparent reference to the *Daily Herald* and the *News Chronicle*—that two newspapers were in difficulties because each had a circulation of less than 2,000,000. As there was an average of three readers for each paper sold, "we have now arrived at the stage when anything less than 6,000,000 readers cannot have a newspaper of their own." As a result, "the dice were loaded against the common man," the present form of Press ownership was "vitiating democracy," and the freedom of the Press was "becoming an empty phrase."

Mr. Deedes (C.) said that, of the charges of pornography, sensationalism, intrusion and arrogance preferred against certain newspapers, the most significant and the most difficult to meet was the apparent obsession by some newspapers with trivialities. He referred to the prominence given to "the antics of Miss Dors [the film actress Diana Dors] and other well endowed young ladies," and described the film actress Marilyn Monroe as "a figure of real significance to be taken note of in discussing the obsession with apparent trivialty—Helen of Troy, Cleopatra, the Du Barry, and Pompadour automationized for mass consumption in this 20th century." He was not, however, wholly despondent, nor did he believe that the bad was eliminating the good. The *Daily Mirror*, having "run the whole gamut of strip cartoons, sensationalism, and other features," had in the past year taken a particularly responsible attitude on a number of serious international questions.

Mr. David Llewellyn (C.) said that Mr. Allaun was mistaken in imagining that suppressions were confined to the organs of the Right. "Indeed," he went on, "part of the difficulties of the *Daily Herald* has been that it has affronted some readership, which is not passionately addicted to the Left, by the over-statement and presentation of its case." Referring to rumours of "a marriage of convenience" between the *News Chronicle* and the *Daily Herald*, he said that the two papers were essentially incompatible and, for the sake of freedom of the Press, he hoped that the death of the *Daily Herald* could be avoided. The most practical aid which could be given to the *Daily Herald*, the *News Chronicle*, or any other paper in difficultics, was an offer of newsprint at lower prices.

Mr. Collins (Lab.), director of two small provincial newspapers, described the national scene as "disturbing." The two quality newspapers, *The Times* and the *Manchester Guardian*, which had small circulations but exercised immense influence, were at least making a loss on their newspapers; they might cover themselves in other directions but the papers themselves, he asserted, were not paying. The *News Chronicle* was losing money but had "so far survived on cocoa," while *Reynolds' News*, supported by the Co-operative movement, had made "a courageous attempt to build up a quality left-wing newspaper in face of a loss in circulation." After expressing fears for the future of these papers, and for that of the *Daily Herald*, Mr. Collins said that, irrespective of political opinion, it would be a "democratic disaster" if these national newspapers were to fall. After expressing his belief that the Press Council had failed "lamentably" to deal with the major difficulties and shortcomings of the Press, and urging that the Council should produce a code of ethics, he suggested that the larger local authorities should consider running municipal newspapers on commercial lines, thereby breaking up the chains of standardized provincial newspapers. He suggested also that the Government should take newspaper space to publicize matters of public interest which were inadequately treated in the newspapers.

Mr. George Thomson (Lab.) said that the increasing concentration of newspaper ownership in fewer and fewer hands, and with larger and larger circulations, had aroused even greater anxiety than matters of taste. It should be noted, however, that the quality papers had a 50 per cent higher circulation today than at the beginning of the war; the *Daily Telegraph*, for example, had increased its circulation at a greater rate during the past 20 years than any other newspaper in the country, even the *Daily Mirror*. The "massacre" in the newspaper world had been among the "middle-brow" papers.

Among other Members, **Mr. Robert Mathew** (C.) supported the suggestions of Mr. Kershaw and Mr. Collins that the Press Council should draw up a code of ethics, while **Sir Leslie Plummer** (Lab.) thought that the Press Council should be a statutory body, with lay members, reporting to Parliament.

Mr. J. E. Simon (Under-Secretary, Home Office), replying to the debate, said that all Members had recognized that a free society demanded a free Press. A system of subsidies, either direct (as in some of the foreign Press) or indirect, would be attended by great danger, and under the guise of freedom they might find themselves going a considerable way to losing it. For the same reason, he could not subscribe to the suggestion that there should be municipal or governmental trading in newspapers, or Government buying of newspaper-space—a step which would amount to a subsidy, and would destroy the independence of newspapers.

He believed that it was a despondent view to imagine that no newspaper could survive without a readership of 6,000,000. "It is a striking thing," said Mr. Simon, "that the *Daily Telegraph* has flourished with a readership of just over 3,000,000." A striking feature of the last 25 years was the way the quality newspapers had been increasing their circulations at a considerably higher rate than the popular Press had done.

Competition from outside the industry could be just as valuable as competition from within. Television appealed to the same type of audiences as the popular press. Although he would regret the amalgamation of the *News Chronicle* and *Daily Herald*, and the passing of those newspapers as independent organs—which, however, was not by any means decided—one should reflect that the needs they met were to a great extent met today by television.

It had been said that the people got the Press they deserved. In many respects they got a better Press than they deserved, but there could be little question that the public who read the popular press got what they wanted. "If that were not so, the popular press would not exist."

The Press Council at the moment was experimental. It had done excellent work, and it would be a great mistake at the present stage to interfere with its constitution. Nor did he favour the suggestion that the Council should have sanctions to impose professional standards. "It would be a grave and dangerous thing indeed," said Mr. Simon, "to give to anybody the right to suspend anyone from writing or publishing any printed matter. Even a surfeit of cheesecake is more palatable than a gag. . ."

Editor of "Sunday Express" apologizes at Bar of House.

The House of Commons Committee on Privileges, in a report published on Jan. 9, 1957, found that the editor of the *Sunday Express*, Mr. John Junor, had been guilty of serious contempt of the House in a leading article of Dec. 16, 1956, which was held to imply that M.P.s were receiving an unfair allocation of supplementary petrol allowances. The committee recommended that Mr. Junor should be "severely reprimanded" in view of "the gravity of the contempt committed."

Mr. Junor appeared at the Bar of the House on Jan. 24 to express "sincere and unreserved apologies for any imputation or reflection" which might have been cast upon the honour and integrity of members of the House in the *Sunday Express* article. He added:

"At no time did I intend to be discourteous to Parliament. My only aim was to focus attention on what I considered to be an injustice in the allocation of petrol—namely, the petrol allowances given to political parties in the constituencies. In my judgment, these allowances were a proper—and, indeed, an inescapable—subject of comment in a free Press. That was the view which I held then and hold now. But I do regret deeply and sincerely that the manner in which I expressed myself should have been such as to be a contempt of this House."

On the proposal of Mr. Butler (Leader of the House), supported by Mr. Gaitskell (Leader of the Opposition), the House decided without a dissentient vote to accept Mr. Junor's apology and to take no further action in the matter.
(Times - Daily Telegraph - Manchester Guardian - Daily Herald - News Chronicle) **(Prev. rep. Press Council, 14312 A.)**

A. UNITED STATES. — Formation of Joint Federal-State Action Committee.

President Eisenhower appointed on July 20 a seven-member committee of Federal officials, including three members of the Cabinet, to co-operate with a ten-member committee of State Governors in a reappraisal of the functions and costs of government. The study group (known as the Joint Federal-State Action Committee) resulted from a proposal by the President on June 24, at his annual conference with the State Governors, that the States should take over more governmental responsibilities and costs—a suggestion which was endorsed by the Governors.

The members appointed by President Eisenhower included Mr. Robert B. Anderson, the new Secretary of the Treasury; Mr. James P. Mitchell, Secretary of Labour; Mrs. Marion B. Folsom, Secretary of Health, Education and Welfare; and Mr. P. F. Brundage, Director of the Bureau of the Budget.
(New York Times - New York Herald Tribune)

B. TURKEY. — Bosphorus Bridge Project.

A provisional agreement for the building of a suspension-bridge over the Bosphorus was signed by the Turkish Government with French and Turkish companies during July. The bridge will be built jointly by the *Compagnie Française d'Entreprises*, the *Compagnie Baudin-Châteauneuf*, and the Turkish contractors (RAR), and is scheduled for completion within four years. Costing approximately $30,000,000, it will be 1,340 metres long, 19½ metres wide and 50 metres in height. It was pointed out in Ankara that the bridge would be the only one in the world joining one continent to another. In addition to meeting national traffic needs, it would also link the road systems of Europe and the Baghdad Pact area, which would meet at the Bosphorus bridge. (Turkish Embassy, London)

C. YEMEN. — Russian Arms Deliveries. - Statement by British Foreign Office Spokesman.

Reports that considerable supplies of Soviet or Czechoslovak arms had been sent to the Yemen during the past month were confirmed on Aug. 9 by a spokesman of the British Foreign Office. The spokesman said that six shiploads of arms, and possibly seven, had arrived at Yemeni ports since the beginning of the year; that the supplies included a number of aircraft, "fairly old-fashioned machines of the piston-driven type"; and that there were "about 50 Soviet instructors or advisers on equipment in the Yemen." It was reported in the British press that the equipment included Soviet tanks of the T-34 type.—(Times - Daily Telegraph) **(Prev. rep. 15502 A.)**

A. RELIGIOUS LIFE. — Proposals for Closer Relations between Episcopal and Presbyterian Churches in England and Scotland. - Discussions between Anglican and Methodist Churches.

Far-reaching organizational changes aimed at closer relations between the Episcopal and Presbyterian Churches in England and Scotland were proposed in a unanimous report (*Relations between Anglican and Presbyterian Churches*) issued on April 30, 1957, by a committee representing the Church of England, the Church of Scotland, the Presbyterian Church of England, and the Episcopal Church in Scotland. The members of the committee included the Bishop of Derby (Dr. Rawlinson), who served as chairman; Principal R. D. Whitehorn, of the Presbyterian Church of England; and the Bishop of Brechin (Dr. Graham), of the Episcopal Church in Scotland. A summary of the principal proposals and recommendations is given below under cross-headings:

Basic Considerations. It was recognized that doubt might arise whether Churches were well advised to consider far-reaching changes to facilitate unity with Churches of another order, in view of differently-held conceptions of the ministry of the word and the sacraments. It was felt, however, that the questions arising between Episcopalians and Presbyterians lay at the heart of differences evidenced by other divisions, and that a "notable act of reconciliation" between them could not fail to introduce a new and promising element into the whole field of oecumenical relationships.

In the conversations between the Churches concerned, it had been of primary importance that all four Churches had been associated within the oecumenical movement and had shared in the revival of interest in Biblical theology. Among the most important fruits of oecumenical activity in recent years were the convictions that unity was essential to the Church's life; and that disunity in witness and mission meant not only a wasteful use of limited resources but a deeply damaging contradiction, since the Church could "not adequately fulfil its ministry of reconciliation in the world so long as it manifestly failed to heal and reconcile its own divisions."

In references to faults and errors of the past, the report stated: "It is acknowledged that mistakes have been made on both sides, and that over the generations attitudes tending to bitterness and strife have not been infrequent. But the time has come when the voice of mutual recrimination should be silent. A more positive and, therefore, a more hopeful appeal to the past is possible."

Governing principles in the conversations had been the need for unity, and for changes in both the historic Church systems if it was to be effected. Acting on those principles, the committee had made what they recognized to have been "no more than an exploratory survey." They had deliberately set aside or not discussed some problems on the ground that the time to deal with them would be when the Churches had resolved to plan for unity.

Proposed Changes in Church Organization. Two far-reaching changes in Church organization were suggested, one affecting the Presbyterian Churches and the other the Episcopal Churches:

(1) The Presbyterian Churches should have an order of bishops chosen by each Presbytery from its own membership. Such "presbyter-bishops" would be consecrated by bishops from the Episcopal Churches and by the Presbytery concerned, acting through its representatives; they would thus be acknowledged by Anglicans as being in the Apostolic succession, and also by the Presbyterian Churches. The "presbyter-bishop" would be president of the Presbytery, and would act as its principal minister in every ordination and in the consecration of other bishops. The Presbytery would retain its full place in the life and government of the Church, and the General Assembly of the Church of Scotland would retain its full authority in matters of doctrine, administration, legislation and judicature.

[These recommendations, if implemented, would involve radical changes in the present organization of the Church of Scotland.]

(2) The Episcopal Churches should adopt the principle of lay eldership, similar to the Scottish eldership. Lay persons should be given appropriate participation in the government of the Church at all levels—parochial, diocesan, provincial, and national. In England, at provincial and national levels, the bishops would retain their existing authority and place as an Upper House within each Convocation, but steps would be taken to include in or associate with the Convocation of each province a House of Laity. Efforts would also be made to procure a wider and more effective lay representation in the Church Assembly, and to revise the relationship between the Convocations and the Church Assembly viewed as a national synod.

Theological Considerations. Discussing the theological considerations involved in a possible *rapprochement* between the Episcopal and Presbyterian Churches, the report noted "both reassuring agreement and some serious divergence." On both sides, however, there had been a desire to examine afresh the idea of *episcopé* (i.e. pastoral government) and the mode of its exercise within the Church. In spite of divergencies on the question of episcopacy, there was on the Presbyterian side a willingness to consider the functions of a bishop, as recognized by the Anglican communion, so long as the office was duly integrated with the Presbytery and the whole Church. The concept of a "bishop-in-presbytery" appeared to be a possible modification of Presbyterian polity. Against the possibility of the acceptance of the "historic episcopate" by the Presbyterian Churches was set the possibility of a greater measure of "corporate episcopacy" by the Anglican Churches.

Implications of Proposed Changes. "In this new approach toward unity through mutual adaptation," said the report, "the conference [i.e. the committee] agreed that the appropriate changes in each Church are not to be regarded as accommodations in alternative forms of Church government, but as the spiritual and doctrinal requirements . . . to which the Churches must give heed if they are to move forward into fuller participation in the true wholeness of the one Church of Christ.

"In modifications of this kind each Church must fully respect the conscience of the other . . . Moreover, each Church must allow the other a measure of freedom in interpreting the changes proposed, and seek itself to interpret them not in accordance with the *status quo ante* in its own tradition but in accordance with the plenitude of order and practice in the enriched Church of the future.

"The modifications . . . do not envisage one single 'Church of Great Britain,' but rather a 'Church of England' and a 'Church of Scotland' in full communion with one another in the one Church of Christ. Nor do they involve a uniformity of life and worship throughout these Churches, but rather the freedom of each Church under God to continue and develop in its own full inheritance of life and worship throughout its parishes and congregations.

"What is envisaged . . . is a fullness of sacramental communion between these two Churches, involving fully authorized interchange of communicants and mutual recognition of ministries. The suggested modifications are designed both to make room for full intercommunion and to provide a way in which its implications can be worked out in reconciliation between the life and polities of the Churches concerned."

The report was considered on May 28 by the General Assembly of the Church of Scotland, meeting in Edinburgh. After lengthy debate, it was agreed by a large majority that it should receive "the careful study of Church members at every level" before any further action was taken. It was agreed that the report was "no more than an exploratory survey" and that it "in no way commits the Church of Scotland to accepting its arguments and conclusions."

In the version of the report issued jointly for the Church of England and the Scottish Episcopal Church, the Archbishop of Canterbury referred to the hope of the authors that their work would be studied and weighed before any responsible body of the four Churches was asked to record judgment on the recommendations. Speaking for the Church of England, Dr. Fisher said it was desirable that the report should be placed before the Lambeth Conference in 1958, and considered with other aspects of inter-Church relations, before the Convocations were asked to debate it.

Discussions on Closer Relations between Anglican and Methodist Churches. - Anglican and Methodist Delegations.

An important development during 1956 was the commencement of discussions between the Church of England and the Methodist Church on the possibility of closer relations between the two Churches. The discussions, which will be held in private, opened at Lambeth Palace on June 29, 1956, and are expected to extend over two or three years. Formal approval for such discussions had been expressed during 1955 by the synods of the Convocations of Canterbury and York and by the Methodist Conference.

The hope of seeing the Church of England "in close relation with an episcopal Methodist Church which still retains many of its own customs and modes of worship" was expressed in a report published on July 6, 1955, by two joint committees of the Convocations of Canterbury and York. [These committees were set up in 1953 to study the implications of a report, *Church Relations in England*, made in 1950 by representatives of the Church of England and the Free Churches.] It was regarded as essential "that if the suggestion of creating a Methodist episcopate be followed, such an episcopate should from the first be by some means linked with the existing episcopate of the Church of England." The hope was accordingly expressed that conversations, unrestricted in scope, might begin between the two Churches.

The joint committees referred as follows to certain stipulations which had been made by the Methodist Church, and to the Church of England's attitude to those stipulations:

"The first Methodist stipulation asks that the Church of England should acknowledge that 'our divisions are within the Christian Body which is throughout in a state of schism.' The Committees hesitate to use the precise words of this stipulation, because of the theological ambiguities attaching to the word 'schism,' but would regard all discussions between the Methodist Church and the Church of England as taking place within the Body of Christ. The Church of England must bear its share of the responsibility for the original division between us, and must in penitence admit that its members have too easily acquiesced in its continuance . . .

"The stipulation 'that the Methodist Church would be free to preserve the relations of intercommunion and fellowship with other non-episcopal Churches which it now enjoys,' in the opinion of the Committees, does not of itself raise an insuperable barrier to fruitful discussions with the Methodists. Yet the nature and extent of these 'relations of intercommunion and fellowship' must be an important subject in any such discussions. On the side of the Church of England also, its own essential order and discipline would need to be safeguarded."

The Methodist Conference, meeting in Manchester on July 8, 1955, passed a resolution (with only two dissenting votes) saying that the Methodist Church would "gladly respond" to any invitation to hold conversations which might lead to closer relations with the Church of England. The resolution was moved by Dr. Harold Roberts (Principal of Richmond College, Surrey), who said that "we have made it perfectly plain . . . that we could not consider closer relations with the Church of England, much as we desire them, at the expense of weakening our connexion with the Free Churches."

The Methodist Church subsequently accepted an invitation from the Convocations of Canterbury and York to hold discussions with the Church of England on closer relations between the two Churches, the membership of the respective delegations being announced on Feb. 23, 1956, in a statement issued jointly by both Churches. The Anglican members, appointed by the Archbishop of Canterbury, included the Bishops of Chichester, Liverpool, and Oxford, while the Methodist members (appointed by Dr. Leslie Weatherhead, president of the Methodist Conference) included Dr. Harold Roberts, Dr. Eric Baker (secretary of the Methodist Conference) and Dr. Weatherhead himself. Other members included the Rev. F. J. Taylor (Principal of Wycliffe Hall, Oxford) and Canon S. L. Greenslade (of Durham), on the Anglican side; and Dr. Norman Snaith (Principal of Wesley College, Leeds) and Dr. Gordon Rupp (lecturer in Modern Church History, Cambridge University) on the Methodist side. Each delegation included a lay member and a woman member—in the case of the Anglican delegation, Professor H. A. Hodges (Professor of Philosophy at Reading University) and Miss S. Lister (of the Central Council for Women's Church Work); and in the case of the Methodist delegation, Professor T. E. Jessop (Professor of Philosophy, Hull University) and Dr. Dorothy Farrer (Vice-Principal of the Methodist Deaconess College, Ilkley).

In the conversations between the Church of England and the Methodist Church, the Anglican delegation is led by the Bishop of Chichester (Dr. Bell) and the Methodist delegation by Dr. Harold Roberts.—(Church Times - Methodist Recorder - Times - Daily Telegraph - Manchester Guardian)

A. UNITED KINGDOM - UNITED STATES. — Dedication of Magna Carta Memorial. - Gift of U.S. Bar Association to Britain. - The Magna Carta Trust.

A memorial to Magna Carta, presented to Britain by the American Bar Association, was unveiled on July 28 at Runnymede in the presence of some 4,000 American lawyers visiting Britain in connexion with the annual convention of the American Bar Association, held for the first time in London.

Designed by Sir Edward Maufe, R.A., the memorial is in the form of a miniature Greek temple formed by a circle of eight hexagonal columns, topped by a glass-domed cupola. On the inner side of the cupola are inscribed the words: "Erected by the American Bar Association to commemorate Magna Carta, symbol of freedom under law." The memorial—which overlooks the famous meadow where King John signed the Great Charter in 1215—was placed in the care of the newly-formed Magna Carta Trust [see below].

Distinguished American lawyers present at the ceremony included Chief Justice Earl Warren and two other members of the Supreme Court, Justices John M. Harland and Tom C. Clark. Members of the British legal profession present included Lord Evershed, Master of the Rolls and chairman of the Magna Carta Trust, and Sir Hartley Shawcross, Q.C., M.P., chairman of the General Council of the Bar. In a speech at the unveiling ceremony, Mr. E. Smythe Gambrell (immediate past president of the American Bar Association) said that "the 250,000 lawyers of America, represented by the American Bar Association, have returned in devout pilgrimage to the ancestral home, to the well-springs of our profession and the fountain-head of our faith."

The Magna Carta Trust was set up at the Mansion House, London, on July 9 to perpetuate the principles of Magna Carta, preserve the sites associated with its signing for reverent use by the public, and commemorate triennially "the grant of Magna Carta as the source of the constitutional liberties of all English-speaking peoples and as a common bond of peace between them." The trustees include the Master of the Rolls, the Lord Mayor of London, the chairman of the English-Speaking Union, and the chairman of the Pilgraims of Great Britain. (Times - Daily Telegraph - New York Times)

B. SOUTH VIETNAM. — Confiscation of Property of ex-Emperor Bao Dai and "Supporters."

The Vietnamese National Assembly passed a Bill on June 29 authorizing the Government to seize the properties of Bao Dai (the former Head of State, now living in France) as well as those of his "supporters." The measure did not specify who the "supporters" were, this being left to the Government to decide by decree. During the debate, however, it was stated that the legislation was directed against the leaders of the "Movement for National Salvation" which had been formed in opposition to President Diem's regime by a number of former Ministers and generals now living in France, including M. Nguyen Van-Tam and M. Tran Van Huu, former Prime Ministers, and General Nguyen Van-Vy, a former Chief of Staff. (Le Monde, Paris - New York Times) **(Prev. rep. 14949 A.)**

C. TURKEY. — Diplomatic Appointments.

M. Nuri Birgi, formerly Secretary-General of the Turkish Foreign Ministry, arrived in London on June 1 to take up the post of Ambassador to Britain in succession to M. Urguplü, who had held the post since September 1955. M. Urguplü, formerly Ambassador in Bonn, had been appointed to the London Embassy in succession to M. Baydur, who died in February 1955. M. Birgi had represented Turkey at the London conferences on Suez during the autumn of 1956.

Together with M. Birgi's appointment to London, an extensive diplomatic reshuffle had been announced in Ankara on March 25, as follows: M. Selim Sarper, Turkish permanent delegate to the United Nations, was appointed permanent representative to the North Atlantic Council in Paris; M. Seyfullah Esin, Ambassador in Bonn and formerly in Moscow, succeeded M. Sarper at the United Nations; M. Setar Iksel, Ambassador in Athens, became Ambassador in Bonn; M. Nuredin Ergin, formerly Ambassador in Lisbon, succeeded M. Iksel as Ambassador in Athens; and M. Feridun Kemal Erkin, Ambassador in Madrid, became Ambassador to France *vice* M. Menemenjoglu, retiring.—(Turkish Embassy Press Department, London - Le Monde, Paris) **(Prev. rep. 12149 D.)**

D. UNITED KINGDOM. — Strength of Armed Forces.

Figures issued by the Ministry of Defence on Aug. 19 showed that the strength of the U.K.'s active armed forces at June 30, 1957, was 702,100 officers and men, compared with 761,200 at June 30, 1956—a reduction of over 59,000.

Figures for the three Services (with those for June 30, 1956, in parentheses) were:—

Royal Navy and Royal Marines.—14,000 officers (14,500) and 99,800 ratings (105,400), including 200 W.R.N.S. officers and 3,100 W.R.N.S. ratings.

Army.—32,000 officers (34,300) and 335,200 other ranks (365,100), including 400 W.R.A.C. officers and 4,000 W.R.A.C. other ranks.

Royal Air Force.—26,500 officers (26,700) and 194,600 other ranks (215,200), including 400 W.R.A.F. officers and 4,300 W.R.A.F. other ranks.

The totals include 7,000 National Service officers (8,000) and 237,600 National Servicemen (275,500).

Reserve and Auxiliary forces in the three Services totalled 521,500 (606,600), and civilian staffs directly employed numbered 252,500 (263,800).—(Times - Manchester Guardian) **(Prev. rep. 15493 A; 14773 A.)**

E. WESTERN GERMANY. — Equal Rights for Men and Women in Family and Inheritance Matters.

The *Bundestag* unanimously approved on May 3 legislation designed to define in detail, for purposes of family and inheritance law, the principle laid down in Article 3 of the Basic Law under which "men and women shall have equal rights." Those provisions of the Civil Code of 1900 which contradicted this principle had already been abolished as from April 1, 1953, under Article 117 of the Basic Law, but the lack of any new legislative definition had created considerable legal uncertainty. Some of the more important provisions of the Bill regulated the right of decision concerning the education of children, and the status of the property of married women.

(Frankfurter Allgemeine Zeitung)

F. INTERNATIONAL RED CROSS. — British Ratification of Geneva Conventions of 1949.

The Geneva Conventions Bill, authorizing the British Government to ratify the four Geneva Conventions concluded in 1949 under the auspices of the International Red Cross [dealing with the amelioration of the condition of wounded and sick in the armed forces on land and at sea, the treatment of prisoners of war, and the protection of civilians in wartime], was given second readings in the House of Lords on June 25 and in the House of Commons on July 12 respectively. After passing the remaining stages the Bill received the Royal Assent on July 31.—(Times - Daily Telegraph) **(Prev. rep. 13664 B.)**

G. SWIMMING. — New Cross-Channel Record.

A new cross-channel swimming record was set up on Aug. 21 by a British naval officer, Commander Gerald Forsberg, who swam from St. Margaret's Bay (near Dover) to a point on the French coast near Cap Gris Nez in 13 hours 33 minutes—thus beating by 22 minutes the previous record (13 hours 55 min.) set up in 1955 by Miss Florence Chadwick, the American swimmer. Commander Forsberg (45) is an assistant director of boom defence and marine salvage at the Admiralty.

(Times - Daily Telegraph) **(Prev. rep. 14552 H.)**

A. ISRAEL. — Withdrawal of British Oil Firms.

It was announced in London on July 23 by a spokesman of the Shell Petroleum Company that Shell and the British Petroleum Company (B.P.) had decided for commercial reasons to cease the marketing and distribution of petroleum products in Israel. No decision had yet been taken about the Haifa oil refinery. The spokesman said that the companies' operations in Israel during the past few years had not been "commercially attractive." He was not prepared to confirm reports that the Arab States had exerted pressure on the companies to bring about their withdrawal from Israel.

At the present time the Shell company markets the output of the Haifa refinery, which it owns jointly with B.P. through a subsidiary of the latter, Consolidated Refineries Ltd. The refinery is capable of processing some 4,000,000 tons of oil a year, and up to 1948 about 2,000,000 tons of oil was delivered annually to the refinery by pipeline from the Kirkuk oilfields in Iraq. This supply ceased on the outbreak of the Palestine War, and since then the refinery has been in partial operation, processing crude oil imported from other sources. At the present time it processes some 900,000 tons annually out of Israel's total oil consumption of approximately 1,400,000 tons, part of the processing being carried out by the Israel Fuel Corporation (*Delek*), a semi-governmental agency.

It was made known in London on the same day that the Shell company had notified the Israeli Government in advance of their intention to cease operations in Israel; that the Israeli Government had made representations to the British Government in an attempt to persuade the companies to remain; but that H.M. Government, in reply, had pointed out that the companies had reached their decision on commercial grounds and without prior consultation with the Foreign Office.

The companies' decision was strongly resented in Israel, where the press and public opinion generally regarded it as a "surrender" by Britain in face of pressure exerted by the Arab States in pursuance of their economic boycott of Israel. Many Israeli newspapers represented the decision as an "appeasement" of the Arab States on the part of Britain, an editorial in the influential *Jerusalem Post* declaring that Britain had "succumbed to Arab blackmail." It was recognized in official circles, however, that the companies had decided to leave Israel without prior consultation with the British Government.

The decision of the Shell and B.P. companies to cease operations in Israel was described by *The Times* (in an editorial on July 26) as "profoundly disquieting." The editorial article said:

"... In their official explanation of why they are planning the disposal of their marketing interests Shell and B.P. stress that their action is due to purely commercial reasons. Nevertheless it is a well-known fact that the Arabs have, ever since 1948, been exerting pressure on the companies to dispose of their interests in Israel. Whatever the companies may say, the world, and particularly the Middle East, will believe that their withdrawal is a concession to the Arab 'boycott committee.' The Israelis have a further anxiety. This is that other British firms operating in Israel and Arab countries will follow suit. This fear is probably groundless, since, even assuming that the oil companies' decision is coloured by political calculations, no other business is dependent on Arab good will to the extent that they are.

"The Israeli Government have already made representations to the British Government. The latter apparently wish to treat the transaction as purely commercial but... they can hardly divest themselves of all responsibility. Not only will they have to face the political consequences of the companies' act but they are involved as part-owners of one of those involved. [The British Government have a 51 per cent holding in B.P.]. They ought not to interfere to the point of compelling private companies to make purely commercial sacrifices. But they ought to resist clearly recognizable political pressures. The disposal of the marketing interests is a matter for serious concern. If the future of the Haifa refinery itself is at stake this must be faced squarely as an important political issue."

Criticisms of the companies' decision were made in the House of Commons on Aug. 2 by several M.P.s, notably Mr. John Dugdale (Lab.) and Mr. Langford-Holt (C.).

Mr. Dugdale believed that the reason for the companies' decision was "Arab pressure which has been exercised upon many firms of different countries operating in Israel—a pressure which is mainly bluff, as has been shown by British, French and German companies who have refused to abandon their operations in Israel." After asserting that Shell and B.P. were carrying out a "squalid deal with the Arabs" whereby they hoped to secure further gains in their trade with the Arab world by giving up their interests in Israel, he called upon H.M. Government to resist pressure from the Arab League and to instruct the companies to remain in Israel.

Mr. Maudling, replying for the Government, emphasized that Shell and B.P. had been losing a substantial sum annually on their operations in Israel and had therefore decided that their continued operation in that country was no longer commercially justifiable. As the decision was taken on purely commercial grounds, and was in no sense a political decision, the Government had no right to challenge the commercial judgment of the companies or to interfere in any way.

The Foreign Secretary (Mr. Selwyn Lloyd) had previously stated in the House on July 29 that the Government had no prior knowledge whatever of the companies' decision to dispose of their marketing interests in Israel.— (Times - Daily Telegraph - Manchester Guardian - Government Press Office, Jerusalem)

B. UNITED KINGDOM. - Import Policy. - Relaxation of Dollar Import Restrictions. - Anglo-Australian Meat Talks in London.

The President of the Board of Trade, Sir David Eccles, announced in a written parliamentary reply on July 2 that import controls would be removed on more than 500 industrial commodities, certain agricultural products mainly used in manufacture, and certain chemicals, imported from the U.S.A., Canada and other countries in the dollar area.

The broad effect of this decision (Sir David said) would be that, except in the case of leather, for which the dollar quota would be substantially increased, the remaining import controls on the basic raw materials of industry and on metal semi-manufactures would be removed. In most cases the main benefit would be the relief of importers from paper work, but in other cases importers would gain from increased competition amongst suppliers and easier access to the sources of supply which suited them best. The net cost of additional imports from the dollar area was not expected to exceed £3,000,000. Sir David pointed out, however, that there had been no change in the Government's policy of economizing on external expenditure.

The Board of Trade stated in a memorandum that existing restrictions would continue to apply to dollar imports of machinery, fuels, many food items, and most manufactured products, including some which were used in industry. In the case of leather the present complicated quota arrangements would be greatly simplified and there would be a quota covering all dollar countries of £2,000,000 a year, representing an increase of about £1,250,000.

The goods on which quota controls were relaxed included animal feeding-stuffs and seeds, mineral products and metals, oils, waxes and perfumery materials, miscellaneous animal and vegetable products, and chemicals, drugs, and medicines. The statement pointed out that a large number of the items affected had already been imported under open individual licences or under specific licences freely issued.

Talks between the British and Australian Governments on Australian meat supplies to the U.K. were held in London from June 7 - July 7. The conference, which took place at Australia's request, was held with the purpose of reviewing the 15-year agreement under which Australia exports to Britain most of her surplus meat production.

A joint statement issued in London and Canberra on July 7 said that the present position and the future prospects of the market for meat in the U.K. had been examined. The Australian delegation had thought that potential increases of meat supplies both from abroad and in the U.K. were likely to outrun the capacity of the U.K. market to take increased quantities at remunerative prices; they could not agree that increased consumption could absorb significantly increased supplies. The U.K. representatives had pointed out that *per capita* consumption of meat in the U.K. had only recently recovered to the pre-war level, and considered that there was no reason to doubt that continued increases in consumption were possible. Moreover, they did not share the view that substantially increased supplies were in sight.

In the light of their views of the market prospects the Australian representatives had requested that, "in order to make effective the policy stated in the Ottawa Agreement of giving Commonwealth suppliers an expanding share of meat imports into the U.K., quotas previously applied under that Agreement to restrict imports of foreign meat should be revised on the basis that quotas would be reduced to limits to be agreed and applied if and when foreign supplies reached such limits." The U.K. representatives had stated, however, that they could not regard the use of import restrictions, as proposed for the purpose of protecting the Australian interest in the U.K. market, as consistent with U.K. policies and existing international obligations.

The statement concluded: "Both sides agreed that the situation should be kept under review and that, whenever thought appropriate, further discussions could be arranged at the request of either side."

Mr. McMahon, the Australian Minister of Primary Industry, stated on July 7 that Australia's aim had been a limitation of Britain's meat imports from Argentina to 200,000 tons a year, compared with the present 442,000 tons.—(Times - Daily Telegraph - Financial Times - Board of Trade Journal - Australian News and Information Bureau) (11779 A.)

C. SWEDEN. — Increase in Bank Rate.

The Swedish *Riksbank* announced on July 10 an increase in the bank rate from 4 to 5 per cent. The rate had been raised from 2½ to 3½ per cent on April 10, 1955, and from 3½ to 4 per cent on Nov. 23, 1956.—(Svenska Dagbladet, Stockholm) **(Prev. rep. 15266 B.)**

AUGUST 24—31, 1957

A. SYRIA.—Purge in Syrian Army. - Pro-Communist Officer appointed Commander-in-Chief. - Allegations of "American Plot." - U.S. Diplomats expelled from Syria. - Syrian Ambassador expelled from United States. - Western and Middle East Reactions to Syrian Developments. - Turkish Discussions with King Faisal and King Hussein. - Syrian Denial of Communist Alignment.

An extensive purge of top-ranking posts in the Syrian Army, involving the appointment of a pro-Communist officer (Colonel Afif Bizri) as Commander-in-Chief of the Army, was announced in Damascus on Aug. 17. The announcement said that ten senior officers had been dismissed (a major-general, two brigadiers, and seven colonels); that Colonel Bizri, Chief of Internal Security, had been appointed C.-in-C. of the Army in succession to General Nizamuddin and promoted to major-general rank; and that Brigadier-General Jamal Feisal had been appointed head of the *Gendarmerie*, with Colonel Mohamed Jarrah as his assistant. [Colonel Jarrah was military prosecutor during the trials of Right-wing leaders accused of plotting with Iraq to overthrow the present Syrian Government—see 15582 A.] The Syrian Prime Minister, M. Assali, had announced on Aug. 15 that General Nizamuddin had asked to be retired on pension.

No official reasons were given for the changes in the Army leadership, but it was commented abroad that they had followed closely upon the Syrian allegations of an American "plot" to overthrow the regime [see below], and also shortly after the Syrian Defence Minister's visit to Moscow, where an agreement had been signed for extensive Soviet technical and economic aid to Syria—see 15705 A. General Bizri was described in the Lebanese press as a "card-carrying Communist," and newspapers in Jordan and the Lebanon said that the so-called "American plot" had been invented as a pretext for eliminating officers opposed to Syria's close connexion with the Soviet Union. The Jordanian newspaper *Al Jihad* denounced "the military regime which now rules Syria in the name of Russia and not in the name of Arabism and the Arabs."

The background and implications of the changes in Syria were described as follows in a Beirut despatch (Aug. 20) from the Special Correspondent of *The Times*:

"... Of the men behind the coup ... it can be fairly assumed that the [Syrian] Communist chief, Khaled Baqdash, is a leading though little publicized actor Certainly Baqdash is the most dominating personality in Syrian politics in spite of his lack of office. ... The new Commander-in-Chief, General Bizri, is also believed to be a party member. Born of a Sidon family in the Lebanon, he moved to Aleppo in his youth, where, according to sources here [in Beirut], he was known as a Communist at the age of 17. He was also among those young 'Nationalists' who took part in the anti-British Rashid Ali coup in Iraq in 1941. His abrupt elevation to the senior Army post can be regarded only as a sign of where the power lies. ... As for Colonel Sarraj [see 15582 A], for so long the Syrian bogy-man, it may be thought that recent events tend to confirm the view that he is not a Communist (although his wife is supposed to be), otherwise he might have been more to the fore now; probably he is more interested in the technical exercise of power for its own sake. In its effect on Middle East alignments the Syrian coup may yet prove more far-reaching than the Suez adventure. Aside from the obvious threat to the Baghdad Pact, which could swing Jordan finally into that organization, and its revelation of the inadequacy of the Eisenhower doctrine as a substitute for a Middle East policy, it may have important bearings on Anglo-American relations with both King Saud and Colonel Nasser. ..."

Syrian Allegations of "American Plot." - Expulsion of U.S. Diplomats - Syrian Ambassador expelled from Washington.

On Aug. 13, only four days before the Army purge, the Syrian Government had announced the uncovering by the military authorities of "an American plot to overthrow Syria's present regime." Three officials of the U.S. Embassy—Lieut.-Colonel Robert W. Malloy (military attaché), Mr. Howard E. Stone (the Embassy's second secretary for political affairs) and Mr. Francis J. Jetton (vice-consul)—were accused of complicity and ordered to leave Syria within 24 hours. It was alleged *inter alia* that the U.S. Government had been willing to give large sums of money to a new Syrian Government which would make peace with Israel, and that it had sent Mr. Stone—described as America's "No. 1 expert on *coups d'état*"—to Damascus to direct the alleged "conspiracy." The allegations were described as a "complete fabrication" by the U.S. Embassy in Damascus and the State Department in Washington, and also by the three diplomats on their arrival in Beirut.

In retaliation for the expulsion of the U.S. diplomats, the State Department announced on Aug. 14 that the Syrian Ambassador in Washington, Dr. Zeineddine, and the Second Secretary of the Syrian Embassy, Dr. Zakaria, had been declared *personae non gratae* and expelled from the United States [Dr. Zeineddine was visiting Syria at the time.] It was also announced that the U.S. Ambassador to Syria—Mr. James S. Moose jr., then in America—would not be returning to Damascus.

The State Department announcement referred to the "increasingly unfriendly attitude" adopted by Syria toward the U.S.A., culminating in the "fabricated charges of involvement in a plot against the Syrian Government." It also announced that a strong protest had been made to the Syrian Chargé d'Affaires in Washington against "the Government-inspired slanderous campaign which has been carried on against the U.S.A. by the Syrian press and the Syrian official radio"; "interference with an American diplomatic courier at the Syrian border on Aug. 12"; and the "totally unwarranted action" taken against the three U.S. diplomats in Damascus.

The Syrian military attaché in Rome (Colonel Ibrahim Husseini), who had been accused by his Government of complicity in the "American plot," said on Aug. 16 that a group of Syrian Army officers were trying to establish a Left-wing military dictatorship with the object of "throwing the country into the arms of the East" and of turning Syria into a full-fledged Russian satellite so that they could consolidate themselves in power.

After stressing that there had been no "American plot" whatever, Colonel Husseini said that what was actually happening in Syria was an "internal struggle for power" launched about a year ago by a group of Army officers who were captains at the time but had since secured higher posts in the Syrian Army. Comparing the "captains' plot" in Syria with the "officers' plot" in Egypt which brought Colonel Nasser to power, Colonel Husseini said that whereas the Egyptian group was genuinely neutral in the East-West conflict, the Syrian group was "overtly and actively" pro-Russian.

Colonel Husseini subsequently asked for asylum in Italy, after refusing to obey orders from his Government to return to Damascus.

Anglo-American Discussions on Syria. - President Eisenhower's Statement.

The Syrian situation was discussed at the State Department on Aug. 19 by Mr. Dulles and the British Ambassador in Washington, Sir Harold Caccia. No statement was issued, but Sir Harold Caccia subsequently commented—in reply to questions by newspapermen—that the trend of events in Syria apparently represented "a procession towards Moscow"—"first of all you start with Russian arms, then there is the visit of the Defence Minister to Moscow, and then internal changes, all tending in the same direction."

At President Eisenhower's press conference on Aug. 21, Mr. Merriman Smith (of the United Press) commented that Syria "seems to be drifting into the Soviet orbit" and asked the President what the United States "was doing about the situation in Syria."

After pointing out that there were "very definite limitations on what you can do in the internal affairs of any other country," the President said: "First of all, the situation there [in Syria] is that we were accused of a lot of things which are obviously a smoke-screen behind which people that have Leftist leanings are trying to build up their power. The pattern that is seemingly emerging is an old one—for the Soviets to insert or offer economic and military aid and, through doing so, to penetrate the receiving country with their agents; for these to get into power [and] to find stooges that will do their will; and finally to take over the country. How far this pattern has gone in Syria we don't know. Actually, there is a very strict censorship and our embassy is not free to give us all the information that it can get. We don't know exactly what is happening. So, frankly, what we are doing is getting every piece of information we can daily. We consult with others that are interested and have knowledge and are trying to keep abreast of the situation. It is not one of those instances that at present justify any kind of action at all under the Mideast Doctrine" [i.e. the Eisenhower Doctrine.]

Turkish-Iraqi-Jordanian Discussions. - Visit of King Faisal and King Hussein to Istanbul. - Mr. Loy Henderson's Mission to Middle East.

The developments in Syria aroused serious concern in Iraq, Jordan, the Lebanon and, more especially, in Turkey. The Istanbul Correspondent of *The Times* commented (Aug. 22):

"The Turkish Government is following events in Syria with deep concern. If Syria were to become for all practical purposes a Communist satellite, Turkey would be faced with a double threat: from the north—the Caucasian frontier with Russia—and from the south—along the extensive frontier with Syria. However, the Government has refused to be dragged into hasty action. There has been no move to concentrate troops on the Syrian frontier and there seems to be no likelihood of such an eventuality in the near future. The Government is naturally keeping in close touch with friendly Governments, among them Britain, the U.S.A., and Iraq, but it would be premature to say that any formal application has been made for common action on the part of the councils of the North Atlantic Treaty Organization or the Baghdad Pact."

King Hussein of Jordan and King Faisal of Iraq both arrived at Istanbul on Aug. 22, the latter being accompanied by the Iraqi Prime Minister, Mr. Ali Jawdat. The two kings had talks on Aug. 23 on board the Turkish presidential yacht, followed on Aug. 24 by further discussions in which the Turkish President (M. Bayar) and Prime Minister (M. Menderes) participated. No communiqué was issued, but it was understood that the talks were of an informal character and dealt with the Middle East situation in general and Syria in particular.

The U.S. State Department announced on Aug. 23 that Mr. Loy Henderson (Assistant Secretary of State in charge of Middle East affairs) had left on a visit to the Middle East to "obtain first-hand impressions of developments in the area and reactions to those developments there." Mr. Henderson arrived in Istanbul on Aug. 24 and had discussions during the next two days with President Bayar, M. Menderes, and the Kings of Iraq and Jordan. King Hussein left Turkey on Aug. 26 for a visit to Spain.

President Kuwatly's Visit to Cairo. - Syrian Denial of Pro-Communist Alignment.

President Kuwatly of Syria flew to Cairo on Aug. 17 for conversations with President Nasser, before going on to Alexandria for treatment at a hospital where he had previously received medical attention from time to time. On his return to Damascus (Aug. 25) M. Kuwatly declared that the situation in Syria was "sound," and fully understood by Egypt; that he had had several meetings with President Nasser; and that both Syria and Egypt would resist any pressure which might be brought against either country. He denied press reports that King Saud had invited President Nasser and himself to a meeting at Riyadh, the Saudi Arabian capital.

The Secretary-General of the Syrian Foreign Ministry (Dr. Terazzi) held a press conference on Aug. 22 at which he declared (1) that Syria's foreign policy had not changed or shifted toward the Soviet Union, but remained one of "positive neutrality and non-alignment with any power bloc"; (2) that the Soviet Government had made no offer of military aid to Syria during the recent visit to Moscow by M. Khaled Azem, the Defence Minister, nor had the question of military aid been raised; (3) that any meeting of the Baghdad Pact Powers to discuss Syria would be regarded as an "unfriendly act"; (4) that the foreign policy of Syria and Egypt "cannot be separated"; and (5) that in the event of an attack on Syria "it is not up to the Soviet Union to defend us but up to the free world."

Dr. Terazzi described President Eisenhower's views on the Syrian situation as "distorted"; reiterated the allegation that U.S. Embassy officials had plotted to overthrow the Syrian Government; and asserted that the changes in the Syrian Army were solely an internal matter and bore no relation to Syrian foreign policy, which continued to be based on the "Bandung principles" of peaceful co-existence, non-interference, and non-aggression.

A Syrian Government spokesman announced on Aug. 21 that "a few" Syrian officers had been arrested for plotting against the Government. He declined to name the officers concerned; stated, however, that they did not include the ten who had been dismissed on Aug. 17; and added that full details would be released when investigations had been completed.
(Times - Daily Telegraph - Manchester Guardian - New York Times - Le Monde, Paris) **(Prev. rep. Syria, Internal Situation, 15582 A; Soviet-Syrian Agreement, 15705 A.)**

A. ITALY. — Reinterment of Mussolini's Body.

The body of Benito Mussolini was reinterred on Aug. 30 in the family tomb at Predappio (his birthplace), in northern Italy, after having been handed over to his widow, Signora Rachele Mussolini.

Mussolini was killed by partisans at Dongo (Lake Como) on April 28, 1945, his body being subsequently buried in an unmarked grave in a Milan cemetery. In the following year the remains were snatched by former Fascists but were later recovered by the police at a convent in Pavia. On the instructions of the late Cardinal Schuster (Archbishop of Milan), and with the agreement of the Italian Government, the body was secretly reinterred in a Capuchin monastery at Cerro Maggiore, some 50 miles from Milan. The Capuchin monks were not aware of the identity of the body, whose whereabouts were kept a State secret to avoid pro-Fascist demonstrations. During the past ten years Signora Mussolini and her family had made a number of requests for permission to allow the body to be reinterred in the family vault at Predappio.

The inspector-general of police who took Mussolini's body to the monastery at Cerro Maggiore disclosed on Aug. 30 that its whereabouts had been known to fewer than ten people.
(Corriere della Sera, Milan - Giornale d'Italia, Rome)

B. WHALING. — London Meeting of International Whaling Commission.

The ninth annual meeting of the International Whaling Commission took place in London on June 24-28 under the chairmanship of Dr. S. J. Liencsch (Netherlands).

The meeting was attended by representatives of Australia, Brazil, Canada, Denmark, France, Iceland, Japan, Mexico, the Netherlands, New Zealand, Norway, Panama, South Africa, Sweden, the U.K., the U.S.A. and the U.S.S.R., and by observers from Italy, Portugal, the International Council for the Exploration of the Sea, the U.N. Food and Agriculture Organization, and the Association of Whaling Companies.

A statement issued on June 28 said that 20 factory ships and 225 catchers had taken part in the 1956-57 Antarctic season, the total Antarctic output of whale oil and sperm oil amounting to 2,245,535 barrels (374,239 tons), compared with 2,307,165 barrels (384,527 tons) in 1955-56. Output of whale and sperm oil from non-Antarctic sources amounted in 1956 to 605,189 barrels (100,865 tons), as compared with 520,090 barrels (86,683 tons) in 1955.

The Commission's Scientific Sub-committee had recommended that the Antarctic catch, which had been limited to 15,000 blue whales in the 1955-56 season and to 14,500 in 1956-57, should be still further reduced in 1957-58. In view of the economic and practical factors involved, however, the Commission decided that the present limit of 14,500 blue whales should stand for another season.

The Commission amended the schedule to the International Whaling Convention so as (i) to make a distinction between factory ships and refrigerated ships; and (ii) to provide that the clause prohibiting factory ships from hunting whales in non-Antarctic waters within 12 months of having completed a season in the Antarctic should not apply to refrigerated ships.

A draft agreement providing for the stationing of neutral observers with all Antarctic whaling expeditions, to prevent violations of the international restrictions, had been signed by Japan, the Netherlands, Norway, and the U.K. at a special conference at Oslo on March 20. The U.S.S.R. declined Norway's invitation to attend the conference, but during the London meeting of the International Whaling Commission the Soviet delegates announced that their Government had meanwhile signed the draft agreement.—(Lloyd's List and Shipping Gazette - Times - Norwegian Embassy, London)

C. UNITED KINGDOM. — Industrial Production Indices for 1956 and First Quarter of 1957.

Indices of industrial production (1948 = 100) prepared by the Central Statistical Office for 1956 and the first quarter of 1957 were as follows:

	Total All Industries	Mining and Quarrying	Manufacturing Industries	Building and Contracting	Gas, Electricity & Water
		1956.			
January ..	138	114	143	116*	183
February ..	136	115	146	116*	198
March ..	137	115	145	116*	171
April	136	111	141	125*	158
May	136	108	140	125*	143
June	138	115	147	125*	141
July	136	95	131	126*	132
August ..	134	81	114	126*	131
September ..	137	109	145	126*	144
October ..	136	115	147	127*	162
November ..	137	119	150	127*	179
December ..	135	110	135	127*	178
		1957.			
January ..	136	115	140	122*	188
February ..	137	122	146	122*	184
March ..	137	120	147	122*	168

* Quarterly average.

Provisional figures for all industries during the second quarter of 1957 were: 136 in April; 139 in May; and 140 in June.
(Treasury Press Office - Board of Trade Journal)
(Prev. rep. 14971 B.)

D. AVIATION. — Fastest Transatlantic Crossing.

The fastest crossing of the Atlantic to date was made on Aug. 25 by an R.A.F. *Valiant* jet bomber, piloted by Squadron-Leader R. Collins, which flew from Ottawa to Marham (Norfolk) —a distance of 3,800 miles—in six hours four minutes at an average speed of 540 m.p.h. An Air Ministry spokesman, however, pointed out that the flight would not count as a record, since it was "a routine return flight from Ottawa" and there were no observers on board. The official record is held by a *Canberra* which flew from Ottawa to London in six hours 43 minutes in June 1955, at an average speed of 496.8 m.p.h.
(Times - Manchester Guardian) **(Prev. rep. 15109 C; 14298 C.)**

A. NORTH ATLANTIC TREATY ORGANIZATION - WESTERN EUROPEAN UNION. — Compromise Agreement on Reduction of British Forces in Germany. - Censure Motion rejected by W.E.U. Assembly. - General Norstad's Concern over Troop Reductions. - Agreements on Support Costs between Federal Germany and Western Powers. - Reorganization of Netherlands Army. - First German Forces under NATO Command. - Anglo-German Defence Talks. - Other NATO Developments.

The British Government formally notified the North Atlantic Council and the Council of the Western European Union on Feb. 14 of its intention to reduce the British forces in Germany to an appreciable extent, in connexion with Britain's new defence policy of cutting the size of her armed forces while at the same time relying on the effectiveness of the nuclear deterrent.

Although detailed figures were not disclosed at the time, it was subsequently reported in the Press that it was proposed to cut the B.A.O.R. by about 27,000 men within some 12 months (including the special airborne brigade group of 5,000 men stationed in Germany), and thus to reduce the overall strength of B.A.O.R. and the 2nd Tactical Air Force from 77,000 to 50,000. At the same time, however, it was proposed that the airborne brigade group of 5,000 men should be kept in Britain as part of the strategic reserve, earmarked for immediate service on the Continent whenever necessary.

The proposed cuts had to be submitted for approval by the Council of the W.E.U. because of the provisions of Article 6 of Protocol II to the Western European Union Treaty, which formed part of the Paris Agreements of 1954. In this protocol Britain had committed herself to maintaining the effective strength of the British forces assigned to the Supreme Allied Commander, Europe, at four divisions and the 2nd Tactical Air Force, and "not to withdraw these forces against the wishes of the majority of the high contracting parties, who should take their decision in the knowledge of the views of the Supreme Allied Commander, Europe." This meant that a majority of the W.E.U. member-countries could stop any withdrawal except —as provided for in the protocol—"in the event of an acute oversea emergency."

In addition there was an undertaking given by NATO members to the North Atlantic Council in October 1955, when it was agreed that any Government contemplating a change in its commitments would inform the Council and the appropriate military authorities, and that this would be done in time for the Council's views to be fully considered.

Mr. Selwyn Lloyd, the U.K. Foreign Secretary, explained the reasons for the British proposals to a ministerial meeting of the Council of W.E.U. held in London on Feb. 26.

Mr. Lloyd explained that Britain had been overstraining her resources and was facing inflationary difficulties, which obliged her to cut down on her spending. One of the principal causes for these economic difficulties was the unduly high proportion of the country's resources—men, money, and materials—which were going to Defence. Arms expenditure last year had been £1,620,000,000, of which £80,000,000 had been recouped; but if this effort were continued at the same rate Britain would be spending £2,000,000,000 on defence by 1960 because of the increasing cost of weapons.

The Foreign Secretary stressed that Britain had been carrying an unduly large share of the defence burdens of the free world—in Korea, Malaya, Hong Kong, Arabia, and elsewhere—with defence commitments extending far beyond the European Continent. As a result, H.M. Government had decided that they must make "definite and substantial" changes in the armed forces by putting an end to automatic increases in arms expenditure, by making a substantial reduction in manpower, and by a reduction in overseas commitments —such as was taking place in Jordan. Unless, however, Britain was to abandon all her defence commitments outside Europe, some of the necessary cuts would have to fall on her European forces, though Mr. Lloyd stressed that the Government's proposals were open to discussion.

In seeking to mitigate the consequences of this decision, Britain contemplated keeping for NATO use in the British Isles a small part of those forces which were to be withdrawn from the Continent; their military equipment would be kept on the Continent so that there would be very little delay in bringing them, if necessary, into effective use in Europe. He also considered that the greater effectiveness of the new aircraft with which the 2nd T.A.F. was being equipped would largely offset the proposed reductions in the numbers of R.A.F. aircraft and personnel.

The British proposal gave rise to much concern among the other W.E.U. member-countries, particularly strong opposition being expressed in France and Western Germany.

French Ministers insisted that the British plan should be approved only if it conformed to the requirements of the Supreme Commander, whilst the Germans urged that it should be postponed for further review as it dealt with problems common to all the Allies It was also emphasized that any considerable reduction in the size of "conventional" NATO forces might face Western Europe with the prospect of being incapable of resisting Communist pressure unless it was prepared to embark on an all-out nuclear war. In this connexion Ministers from the Continental countries suggested that the British proposals might be re-phased so that their full impact could be delayed until the end of 1958 or the beginning of 1959.

Grave apprehensions about the British proposals had previously been voiced by the Supreme Allied Commander in Europe, General Norstad.

In a press statement on Feb. 5, General Norstad had emphasized that 30 divisions were the "strict minimum" needed to guarantee the NATO countries against attack Originally, he recalled, the defence requirements of Central Europe along the line of the Rhine had been set at 65 to 90 divisions, but the availability of new atomic weapons and greater divisional fire-power had made it possible, after a major re-examination of Allied tactics undertaken in 1954, to arrive at a plan for the defence of the whole NATO area with a force of some 30 divisions This requirement still represented the "minimum adequate," and SHAPE would be most reluctant to see any reductions in the "shield forces" covering the Central European sector. Asked what would happen if Britain went ahead with the proposed cuts in her forces on the Continent, General Norstad replied: "If it were an important reduction we would be forced to revise our whole concept, and we would have to see if the forces available would then be sufficient or not to continue our mission on its present basis"

Expressing the "utmost confidence" in the U.S. Strategic Air Command and R.A.F. Bomber Command as "retaliatory forces," General Norstad said that this force was "strong," "effective," and "a true deterrent"—"stronger and more effective than you [the press correspondents] or the general public realize." Nevertheless, he felt that the real deterrent to aggression was the "defensive shield" along the thousands of miles between NATO and the Soviet bloc—a shield which must be held to enable the retaliatory forces to be used effectively. He added that a deficiency in the "shield" had been the lack of a German armed contribution, but expressed satisfaction at the way in which the German defence build-up was now progressing. By the end of 1957, he said, Supreme Headquarters expected to have as part of the German contribution three motorized infantry divisions, two armoured divisions, and the nuclei of a mountain division and an airborne division. Moreover, the German Navy was expected to provide two or three minesweeper squadrons, and two German air transport squadrons would also be ready.

The North Atlantic Council considered the British proposals on Feb. 22, March 1, March 4, and March 13 without reaching agreement. Discussions by the W.E.U. Council on March 15-17, held at official level, were similarly inconclusive. Eventually, however, after the Ministers concerned had been urgently summoned to London, a meeting of the W.E.U. Council at ministerial level adopted on March 18 a compromise resolution incorporating certain suggestions made by Dr. Adenauer, the German Federal Chancellor. In this resolution the W.E.U. Council agreed (i) to recommend to the North Atlantic Council the carrying-out of a new overall review of the resources of the NATO allies; (ii) that the U.K. might in the meantime begin to carry out the reductions planned for the year April 1957-March 1958, having regard to the views of the Supreme Allied Commander; and (iii) that a decision on any further reductions should not be taken until October 1957, in the light of the NATO review.

The text of the W.E.U. Council's resolution was as follows:

"The Council of Western European Union met on March 18 in London . . . under the chairmanship of Mr. Selwyn Lloyd. Belgium was represented by M. Spaak, France by M. Pineau, the German Federal Republic by Professor Hallstein, Italy by Signor Martino, Luxemburg by M. Bech, and the Netherlands by Mr. Luns. Canada and the United States were represented by Mr. Robertson, the Canadian High Commissioner, and Mr Whitney, U.S. Ambassador in London, as observers.

"The Council continued the discussion, begun at ministerial level on Feb. 26, of the U.K. proposals for the future deployment of their forces on the mainland of Europe. It had been agreed at that meeting that examination of these proposals should be concluded at a further meeting of the W.E.U. Council in accordance with Article VI of Protocol II of the Paris Agreements. The British Government had put forward on Feb. 14, in connexion with their new overall defence plans, certain proposals regarding the future pattern of their forces on the mainland of Europe placed under the command of SACEUR [i.e. General Norstad]. The Council took note of the opinions expressed thereon in NATO, and also of the views of SACEUR.

"The Council recognized that the problems facing the U.K. were, in fact, common to all members of the Alliance and that these common problems called for a common solution within NATO. The seven Governments therefore agreed to recommend to the North Atlantic Council that they study urgently the proposals made by the German Chancellor for a new overall review of the resources of the Alliance covering: (*a*) military requirements and defence aims; (*b*) relationship between conventional and atomic forces and weapons; (*c*) relationship between modern armaments and economic and financial resources; (*d*) common production of modern weapons; (*e*) common solution of currency problems arising from the stationing of troops in other member-States.

"The U.K. Government, pending the result of this review by NATO, will carry out their plans for the 1957-1958 financial year, having regard to SACEUR's views. Any further reductions will only be decided in October 1957 after new discussions in W.E.U. in conformity with Article VI of Protocol II of the Paris Agreements, and in the light of the above-mentioned review."

The Council's decisions meant in practice that the British Government could put in hand the withdrawal of some 13,000 men during the financial year 1957-58, but that the number would not be regarded as a definitive figure until the NATO review had been made and agreement reached in the W.E.U. The question of the withdrawal of some further 14,000 men in the financial year 1958-59 would only be decided in October after further discussions. It was reported in the Press that the British Government had agreed not to transfer back to the U.K. the special reserve of 5,000 men maintained in Germany.

NATO Council Meeting in Bonn.

The North Atlantic Council held its regular meeting at ministerial level in Bonn on May 2-3—the first occasion that the Council had met outside the organization's headquarters in Paris and in the capital of one of the other member-countries. The Foreign Ministers present included those of Britain (Mr. Selwyn Lloyd), France (M. Pineau), Italy (Dr. Martino, who presided), Western Germany (Dr. von Brentano), the Netherlands (Mr. Luns), Denmark (Hr. Christiansen), Norway (Dr. Halvard Lange), Greece (M. Averoff), and the United States (Mr. Dulles).

The following communiqué was issued at the end of the meeting (cross-headings inserted):

Defensive Character of Alliance. "The Atlantic alliance has always been and remains purely defensive. It was created to protect its member-countries from any aggression. It has succeeded. But the danger of aggression clearly continues, and the countries of the alliance must therefore remain united to provide for their defence.

The Soviet Campaign of Intimidation. "The Council noted that . . . the Soviet leaders have launched a campaign which, while throwing the cloak of oblivion over Soviet repression in Hungary, is designed to induce public opinion in various member-countries to oppose the modernization of defence forces and to weaken the principle of collective security in NATO. The Council agreed that one of the objects of this campaign was to ensure for Soviet forces a monopoly of nuclear weapons on the European Continent. Such a situation clearly would not be accepted. It was with satisfaction that the Council noted the firm replies given to these Soviet manoeuvres.

Need for Conventional and Nuclear Weapons. "The Atlantic alliance must be in a position to use all available means to meet any attack which might be launched against it. It is the availability of the most modern weapons of defence which will discourage attempts to launch any such attack on the alliance. Pending an acceptable agreement on disarmament, no Power can claim the right to deny to the alliance the possession of the modern arms needed for its defence. If, however, the fears professed by the Soviet Union are sincere, they could be readily dissipated. All that is needed is for the Soviet Union to accept a general disarmament agreement embodying effective measures of control and inspection within the framework of the proposals made on numerous occasions by the Western Powers, which remain an essential basis of their policy.

The NATO "Shield." "During their discussions of the problem of security, the question was raised of the balance as between the latest weapons and conventional arms. The Council is awaiting the results of studies now in hand by the NATO military authorities to enable member-countries to decide together on the steps necessary for the development and balance of the different types of forces needed. The Council remains convinced that these decisions taken in common should take into account the need for NATO to retain an effective deterrent against aggression, including a powerful shield of land, sea and air forces, to protect the territory of member-States.

Hungary. "Recent events in Hungary have confirmed that freedom counts for nothing in Soviet eyes and that the U.S.S.R. is prepared to use force to crush the legitimate aspirations of nations. The Council agreed that the continued brutal repression of the struggle for freedom of the heroic Hungarian people . . . continues to make difficult an improvement in East-West relations.

German Reunification. "The Council discussed the effect of political developments in recent months on the question of German reunification. They decided to continue their efforts with every means at their disposal to induce the Soviet Government to carry out its agreement that Germany should be reunified by free elections. The Ministers view the prolonged division of Germany and the anomalous situation of Berlin as a continuing threat to world peace. They reaffirmed their determination by peaceful means to continue and intensify the common policy for the restoration of Germany as a free and united State within the framework of a system of European security. They directed particular attention to the inhumanity of the continued division of the German people.

Middle East. "The Council reviewed recent developments in the Middle East. They concluded that while the dangers to peace in the region remain great, certain new elements give promise of limiting the opportunities for Communist expansion and subversion. The Council emphasized the importance of current initiatives to improve the situation and to reinforce the efforts already made to ensure the security and integrity of countries in the Middle East.

NATO Political Co-operation. "The Ministers considered the state of the alliance in the light of political developments, both within and without the NATO area, which have taken place since they last met five months ago. In this connexion they reviewed the progress achieved in political consultation under the new procedures inaugurated as a result of the recommendations of the Committee of Three approved last December. They concluded that useful and concrete results had been achieved, and that the alliance was acquiring both greater maturity and solidarity.

Retirement of Lord Ismay. "The Council noted the report submitted by Lord Ismay [see below], and conveyed to him their thanks and gratitude for the supreme services which he has rendered to the cause of the alliance in the past five years."

Although not mentioned in the communiqué, it was announced by Dr. von Brentano on May 3 that the Council had agreed, on the initiative of both Mr. Selwyn Lloyd and M. Pineau, to make the Working Group on German reunification [see 15416 A] a permanent body; that it should continue to be responsible to and fostered by the British, French, U.S. and German Federal Governments; and that it should report to NATO.

Before the Council went into restricted session a number of important statements were made by the Ministers present.

Mr. Selwyn Lloyd said that the Soviet warnings about the consequences of nuclear war betrayed their concern at the cohesion of the West and its ability to adapt itself to new military developments. The threat of Soviet "nuclear retaliation" did not in any way alter the position of Britain, which had been a nuclear base for more than five years. "We have never supposed," he added, "that the Soviet Union would fail to use nuclear weapons against us in a global war. We are right to base our whole defence on the nuclear deterrent, and we have reason to believe that the Soviet Government respects that deterrent. We must see to it that this is the strength of our position, and that it is clearly understood by public opinion."

The Soviet Union (Mr. Lloyd continued) was seeking a period of co-existence in order to build up its long-term strength, and its diplomatic tactics consisted of "alternating bluster with blandishment." While the U.S.S.R. was building up its military striking power, it was trying to modernize and develop its economy in order to compete with Western standards. This was causing serious strain, as it was no longer possible to apply the former Stalinist methods of repression. The satellite countries were now becoming an anxiety and a liability to the U.S.S.R., but the Communist bloc remained intact. Outside this bloc Russia's exploitation of nationalist movements in Africa and other parts of the world, while possibly not meeting with all the success she had hoped for, had continued and must be watched. "This is not a moment for false optimism," Mr. Lloyd declared, "but we do not need to talk ourselves into a decline."

Mr. Dulles said that fears had been expressed that Britain's new defence policy of reducing the armed forces would set off "a chain reaction" within the Atlantic alliance; President Eisenhower, however, had asked him to inform the Council that no change was contemplated in the disposition of U.S. forces from the plans outlined at the Council meeting last December. The Secretary of State added that the Soviet Union was still trying to play a disruptive role because she did not like the military strength of NATO. The best way for the Russians to allay their fears would be to accept some control of disarmament. But whilst no group was more eager than the Atlantic alliance to reduce its armaments and the threat of nuclear war, it would be "folly to weaken our defences on the basis of Russian promises alone." Real progress could be made only when the Russians were prepared to accept reciprocal control and inspection of armaments.

Dr. von Brentano pointed out that the German Federal Government was "not very happy" about the reduction of British forces in Germany. He emphasized that the Federal Republic possessed no nuclear arms and had not asked for them; had also undertaken not to manufacture such weapons; and had voluntarily subjected herself to a strict and permanent control in this field.

M. Pineau stressed the need for developing conventional as well as atomic defences, whilst **Hr. Christiansen** and **Dr. Lange** gave assurances that their Governments had not been intimidated by the threats contained in Marshal Bulganin's letters [see pp. 15628-29].

M. Averoff disclosed that the Soviet Ambassador in Athens had recently threatened Greece with nuclear retaliation if the Greek Government allowed nuclear bases to be established on its territory. This threat had been rejected as an interference in Greek affairs.

Dr. Adenauer dealt largely with the problem of German reunification, but emphasized that it could not be attained by the "neutralization" of Germany, which would not reduce tension. In the present supersonic age a neutral zone in the heart of Europe would seem to serve no purpose, and in the event of war a neutral Germany would become a battlefield.

Turning to recent Soviet diplomatic moves, Dr. Adenauer recalled that Soviet leaders had advised people to take "realities" into account. Asking what these "realities" actually were, the Federal Chancellor said that the first reality was that the U.S.S.R. had maintained about 5,000,000 men under arms since 1945, which was a constant

potential threat The second was that the Soviet leaders had not abandoned their mission of Communist world domination. The third was that since 1940 the U.S S.R had penetrated westwards into the Baltic States, Poland, Rumania, Czechoslovakia, and East Prussia, and that Communist Governments had been formed wherever Soviet troops were stationed. The fourth reality was that the Western Powers had called a halt in Berlin, that the city had been supplied during the Russian blockade, and that the Atlantic Treaty had been signed. This firmness had convinced the Soviet Union that any further advance would entail military counter-measures. Western Germany, he concluded, was prepared to make her full contribution to West European security to ward off " the apocalyptic threat of modern war."

Dr. von Brentano, in a further statement on May 3, appealed to the other NATO countries not to forget Eastern Germany, declaring in this connexion : " Responsible political leaders in the Federal Republic should do everything possible to persuade the inhabitants of the Soviet Zone to abstain from imprudent actions. Nevertheless, situations might arise in which suffering caused by oppression and moral and material misery may reach a limit where reason becomes powerless to dictate action, and desperation and just anger break out with the violence of a volcanic eruption. If attempts were made to establish global peace without a solution of the German question, that peace would be built on a volcano."

Mr. Selwyn Lloyd, Mr. Dulles, and **M. Pineau** all stressed their anxiety to end the present division of Germany and gave assurances that German reunification was an essential aim of NATO.

Lord Ismay's Report.

The Council considered and adopted a report on the present position of NATO by Lord Ismay, the retiring Secretary-General.

The report stated that NATO possessed 150 airfields usable by all types of aircraft, compared with less than 20 in 1952. There were today 5,500 miles of land-lines, 1,250 miles of submarine cables, and 1,940 miles of radio links, whereas in 1952 these communications had been virtually non-existent. There were also 2,840 miles of oil pipelines, as well as storage facilities for 30,000,000 gallons of fuel. In the past five years infrastructure programmes amounting to £716,000,000 had been approved. As regards production of munitions, the combined capabilities of the European NATO countries had increased five-fold in the past five years. This had been due " in the first place to the sharing of the capital outlay for new plants between the European countries concerned and the U.S.A., and secondly to very large offshore orders."

Member-countries, however, were now faced with serious problems in the manufacture of atomic weapons. " For some time now," the report said, "the rapid advances made in manufacturing techniques and the introduction of new weapons have shifted the main effort from increasing the production capacity for conventional items to the development and supply of new equipment to meet the operational requirements of the Supreme Commanders. The problem is many-sided and difficult on account of the complex character of the equipment in question and the long lead-time involved, to say nothing of their much-increased cost."

Dealing with Civil Defence, Lord Ismay said : " There are some who say that the successful outcome of a nuclear war will depend upon the efficiency of the arrangements which have been made in time of peace to secure the home fronts more than on strictly military preparedness. There are others who argue that no civil defence can be effective against nuclear attack, and therefore that all civil emergency planning is a waste of time and money. The truth lies somewhere between these two extremes. But it cannot be denied that it is the bounden duty of every Government to do its utmost to make plans which would ensure that, in the event of the unspeakable catastrophe of a thermo-nuclear war, the civil population and civilian activities would be efficiently controlled and directed."

As regards political co-operation, Lord Ismay stated that this was increasing, but added : " The practice of consultations in the Council has not as yet developed sufficiently to meet the demands of political changes and world trends." Social and cultural co-operation had achieved " fairly modest " results.

The amount spent on information services had grown from £8,000 in 1952 to £93,000 in the present year, but " it must be frankly admitted that there is still widespread ignorance about NATO in all the member-countries."

Meeting of W.E.U. Assembly.

The Assembly of the W.E.U. held its third session in Strasbourg from May 6-8, 1957. It considered *inter alia* the report of its Defence Committee, a report by the W.E.U. Council of Ministers, and a motion censuring the Council of Ministers for the manner in which it had approved the reduction of British forces in Germany.

Defence Committee's Report. This report (published on May 2 and presented in the Assembly by Mr. Fens, Netherlands) expressed concern at the state of NATO forces in Europe, described the " shield " upon which NATO's strategy was based as " fragile," and declared that the lack of uniformity in equipment and logistics was such as to put the Supreme Commander at a great tactical disadvantage.

As regards the strength of the Central European Command, the report said only the American divisions were at full strength ; the British divisions were at some 60-70 per cent of establishment, the French contribution was gravely weakened by Algerian requirements, and there were as yet no German divisions. General Valluy (C.-in-C., Central Europe) had said that it would not be possible to give battle on the line of the Iron Curtain, but for political and psychological reasons he would try to protect the German population and the industrial resources of the Ruhr to the maximum possible extent.

Although paying a warm tribute to Britain for having hitherto maintained a first-class fighting force on the Continent, the Committee was highly critical of the British decision to reduce these forces, and said that any reduction of the still " too weak " ground forces at present stationed on the Continent was not acceptable.

The report asked the Assembly to confirm that the conclusion of an international agreement on " the honest limitation of armaments under mutual control " was the essential objective of Western policy. Pending the conclusion of such an agreement, the Assembly was asked to recommend to member-States

" (1) That the following principles be adopted :—

(i) That the effective defence of Western Europe on the basis of " forward strategy " requires . (*a*) an irreducible land force of 30 divisions equipped with tactical atomic weapons ; (*b*) a strategic nuclear striking force.

(ii) That a reduction of the still too weak ground forces at present stationed on the Continent of Europe would destroy the essence of the Western European defensive system, and is therefore not acceptable.

(iii) That all Western forces be equipped on equal terms with tactical atomic weapons and those missiles which improve tactical warfare.

" (2) That the following steps be taken in order to make our land forces a more effective fighting instrument :

(*a*) Standard types of relatively small and highly mobile divisions should be established and supplied progressively with standardized equipment.

(*b*) A common short mobilization period should be laid down for all the W.E.U. divisions serving under General Norstad.

(*c*) A period of military service should be established common to the seven member-States.

(*d*) A joint plan should be worked out for co-operation between territorial defence and civil defence forces of member-States."

The report added : " If Great Britain were to withdraw troops from Germany, it could not in logic be possible to prevent other States from doing the same. Must we not fear that the United States might lose their confidence in the defensive will of the European partners and withdraw their divisions also ? "

In replying to the criticisms contained in the report, Mr. Ormsby-Gore (U.K. Minister of State for Foreign Affairs) explained the background and implementation of the British decision. He rebutted the idea that British defence " re-thinking " had been carried out without warning ; recalled in this connexion that both in 1955 and in 1956 British Ministers had informed their NATO allies of the way in which British thought was moving ; and reiterated that the British plans did not mean a " retreat " from Europe.

The report was eventually adopted by the Assembly, which also unanimously approved a resolution recommending that the seven member-countries of W.E.U. should manufacture guided missiles in common, whilst the manufacture of nuclear weapons could be added at a later stage.

Censure Motion against Council of Ministers. This motion—the first censure motion to be moved in the Assembly—was signed by 12 delegates from France, Italy, and the Benelux countries and was introduced by M. P.-H. Teitgen (France) in reply to the report of the Council of Ministers which had been presented by M. Spaak (Belgium). The censure motion was debated at length by the Assembly, together with the new British defence policy. When put to the vote, however, it obtained only 31 votes in favour and 27 against, with 10 abstentions, thus failing to obtain the required absolute majority of 45 votes —i.e. a majority of all the members of the Assembly, whether present or not.

In its final form the motion stated that the report submitted by the Council of Ministers on the question of British troop reductions " does not contain the detailed explanation, which the Assembly has the right to expect," of why the Ministers had approved the reduction. After saying that the Ministers had not given sufficient study to the effect of the reduction, and expressing " deep concern " that European security was being " weakened by reducing defence forces which are already inadequate," it ended with the words : " The Assembly considers insufficient [the Ministers' report] and refers it back for re-examination and for a new report to be made to the Assembly."

During the sometimes heated debate those opposing the motion, led by the British delegation, argued that though it nominally criticized only the Council of Ministers, the outside world would be bound to interpret it as an expression of censure on the British Government. The supporters of the motion disclaimed any such intention, emphasizing that the aim was simply to complain to the Ministerial Council about the way in which it had approved a decision on a problem which was common to all Europe, and on which action should have been postponed until there had been a comprehensive international examination of the whole matter.

Mr. Hale (U.K., Lab.) made an impassioned appeal to the Assembly not to nourish British isolationism by continuing to criticize Britain and administering " little pinpricks," whilst Mr. Nicholson (U.K.,

Cons.) said that though he knew that the signatories of the motion were friends of Britain, they were "suffering from an almost virginal innocence" if they thought it was not a condemnation of British policy. The British point of view was strongly supported by **M. Dehousse** (Belgium), President of the Assembly of the Council of Europe and a member of the W.E.U. Assembly.

Comparative Figures of Defence Expenditure of W.E.U. Countries.

The following figures were issued in Paris on Feb. 26 showing the defence expenditure of the seven member-countries of W.E.U. in 1955, compared with their gross national income:

	Defence expenditure in 1955	Gross national income	% of gross national income spent on defence	Expenditure per head of population (approx.)	Pop. (thou.)
	£m.	£m.	%	£ s. d.	
Great Britain ..	1,569	16,762	9.3	30 12 0	51,221
France	1,117.6	14,401	7.8	25 14 0	43,441
Germany (West)	628.3	11,838	5.3	12 8 0	50,318
Italy	324.4	6,055.1	4.7	6 14 0	48,107
Netherlands ..	159.2	2,440.4	6.5	14 7 0	10,822
Belgium	121.2	3,090.1	4.0	13 12 0	8,896
Luxemburg ..	4.3	119	3.6	13 16 0	311

The figures showed that Britain spent more on defence than any of the other member-countries, not only absolutely but also in proportion to her gross national income. It was pointed out, however, that in comparing defence expenditure per head in the different countries it was necessary (i) to keep in mind that the average Briton's income was more than twice that of his Italian counterpart, and 30 per cent higher than that of his German counterpart; (ii) that account had to be taken of the differences in the cost of living in the seven countries.

Other Decisions of W.E.U. Council of Ministers.

At its meeting in London on Feb. 26 the W.E.U. Council of Ministers, in addition to considering the U.K. proposals for the future deployment of British forces on the European Continent, also considered proposals for improving future co-operation "with a view to promoting the strength and cohesion of the Western Alliance." The communiqué stated that they had agreed (1) that the Council should meet more frequently at ministerial level; (2) to call for "an urgent study . . . of the closer association and possible ultimate unification of the European assemblies"; (3) to begin "an urgent study of further steps to stimulate and extend the co-operation between the W.E.U. countries in the fields of research, development and production within the framework of the Standing Armaments Committee."

Agreement on West German Support Costs for Allied Forces in 1957-58.

The Anglo-German Economic Committee, which had been negotiating in Bonn since January on the question of German support costs for the British forces in Germany during the financial year 1957-58, reached agreement on March 8 on the following joint recommendations to the two Governments:

(*a*) Western Germany would pay a lump sum of 200,000,000 DM. (about £17,000,000) as straight support costs.

(*b*) She would pay a further 388,000,000 DM. (about £33,000,000) as a measure of mutual aid to the U.K.'s defence efforts within the framework of NATO.

(*c*) As a "further measure of mutual aid and with a view to strengthening the economic co-operation between the two countries," the *Bank Deutscher Länder* would deposit with the Bank of England an amount of £75,000,000 which would be used for the settlement of future German commitments, especially the payment of the annual instalments of £7,500,000 due to Britain under the agreement on the settlement of the German post-war debt to the U.K.—see 13156 B. [The amount of that debt outstanding was then about £120,000,000.]

(*d*) The existing German "Arms Purchasing Account" at the Bank of England would be increased from £20,000,000 to £30,000,000 to cover rising German arms purchases from the U.K.

The British Government's acceptance of the recommendations was indicated by the Chancellor of the Exchequer (Mr. Thorneycroft) in a statement to the House of Commons on March 4. In reply to Opposition questions, however, the Chancellor disclosed that a clause in the agreement would permit the Federal Republic to call at any time after Sept. 1, 1957, for a review of the agreement "in the light of any changes in the situation which may be held to have a bearing on the appropriate level of contributions."

The Diplomatic Correspondent of *The Times* commented (March 6) as follows on the background of the Anglo-German negotiations:

"Maintenance of British forces in Germany costs considerably more, both in sterling and in foreign exchange (marks), than it would cost to maintain the same forces at home. The current additional cost in foreign exchange is the equivalent of about £65,000,000 a year. If the proposed reductions are carried out this cost will, it is hoped, be reduced to about £60,000,000 for the next financial year.

"In face of this the German representatives on the Anglo German economic committee which has been discussing the terms have agreed to recommend to their Government a payment to the British Government of £50,000,000. . . . From the British point of view it does not now matter how the £50,000,000 is described. The whole, paid in marks, will be available to offset the foreign exchange costs of the British forces, and the Federal Government is, therefore, in practice meeting about five-sixths of this amount.

"From the Federal Government's point of view there were, however, objections to paying the whole sum specifically towards maintenance of forces in Germany. Payment of these costs, whether they are called 'extra costs' or by the former and to the Germans even less agreeable name of 'support costs,' is too reminiscent of the German post-war obligation to pay the costs of occupation. Moreover, last year Germany paid about £34,000,000 towards these costs. If the Federal Government had agreed to pay its whole contribution of £50,000,000 specifically towards the cost of maintenance, it could have been argued that the occupation system was being continued and, indeed, that its cost was rising.

"At the German request it was agreed that only £17,000,000 of the total £50,000,000 should be given towards cost of maintenance. The remaining £33,000,000 is given as mutual defence aid, such as any NATO ally may give to another, to even out the defence burden. It was fair that Germany should contribute a sum to Britain on this account, as Germany, by delaying the build-up of her own contingent, has saved herself a large part of her own defence costs."

The negotiations on the payment of German support costs to the other Western Powers maintaining forces in the Federal Republic were concluded on June 5, when agreements were signed with Belgium, Denmark, France, the Netherlands, the U.K., and the U.S.A. It was announced that total support costs in 1957-58 would amount to 1,198,600,000 DM., of which 588,000,000 DM. would be payable to Great Britain under the earlier agreement; 325,000,000 DM. to the U.S.A.; 225,000,000 DM. to France; 59,000,000 DM. to Belgium; 1,200,000 DM. to Denmark; and 400,000 DM. to the Netherlands. The payments to the U.S.A. and Belgium were half those made in the previous year (1956-57), and those to Denmark and the Netherlands slightly more than one-half.

It was announced in Bonn and Washington on June 14 that the U.S. Government, in accepting the abovementioned amount, had reserved the right to request a supplementary contribution during the last quarter of 1957 on the basis of Article 3 of the North Atlantic Treaty. In a Note exchange with the German Federal Government, the U.S. Ambassador in Bonn (Mr. David Bruce) pointed out that the amount of 325,000,000 DM. represented only a fraction of the additional expenditure incurred by the stationing of American troops in Western Germany and "a still less important fraction" of the total defence expenditure borne by the American taxpayers. The German Federal Government agreed that the present payment to the U.S.A. would "not prejudice a later voluntary contribution," and that the question could be re-examined in due course if the U.S. Government desired.

Anglo-German Defence Talks.

The German Defence Minister, Herr Strauss, visited London on May 23-24 for discussions with Mr. Duncan Sandys, the British Defence Minister. Mr. Aubrey Jones, U.K. Minister of Supply, took part in some of the talks, as well as General Heusinger (Inspector-General of the West German armed forces) Field-Marshal Sir Gerald Templer (Chief of the Imperial General Staff), Sir Dermot Boyle (Chief of Air Staff), and senior officials of the U.K. Ministries of Defence and Supply.

An official statement on the talks between Mr. Sandys and Herr Strauss was issued on May 24, as follows:

"In the course of their discussions the two Ministers reviewed a number of problems of special importance to the security of Europe. They found themselves in full agreement on the principles of collective defence, the central aim of which is, and remains, the prevention of war. They agreed that, pending the conclusion of a satisfactory disarmament agreement, this purpose can be achieved only through the deterrent power of the strategic weapons which are possessed by the United States and the United Kingdom, and by the maintenance of strong shield forces on the Continent of Europe.

"Herr Strauss emphasized the importance to the Federal Republic of these shield forces. Mr. Sandys made it clear that it was the firm intention of the British Government to continue to make a substantial contribution to these shield forces, in addition to making a British contribution to the strategic deterrent. The two Ministers expressed the conviction that close and friendly co-operation between Great Britain and Germany within the framework of NATO and the Western European Union constituted an important element in the collective defence of Europe.

"The two Ministers were joined for part of the discussions by the British Minister of Supply, Mr. Aubrey Jones. The Ministers considered how, in the interests of greater efficiency and economy, closer

co-operation between the two countries could be achieved in the sphere of defence research and development. They set up a joint committee of officials to determine the particular fields of activity in which such co-operation could be most fruitfully developed, within the framework of W.E.U."

In a press statement in London, Herr Strauss said that he had discussed with Mr. Sandys the political, military and other arguments that had led to the British White Paper on Defence, in order to see if the conclusions drawn by the British Government had "consequences for our plans in establishing the German forces."

After stressing that there was no difference of opinion on the need for collective defence, Herr Strauss said that the German Government agreed that the strategic deterrent was an "absolutely vital part of the whole defence system" and "should remain in the hands of the United States, for the major part, and of the United Kingdom" As regards "the other part" of the defence system—the field forces—both sides had agreed that the views of the Supreme Commander should be accepted.

Herr Strauss added that the chances of disarmament had also been discussed; that the German Government were ready to do all in their power to contribute to a disarmament agreement; but that this must provide effective controls in all fields, nuclear and otherwise. The German Government took the view that the production of atomic weapons should not be extended to other countries because the problem of control would become more and more difficult. This meant that the German Government would "stick to its obligation" to take no steps in the direction of German production of atomic weapons.

As regards defence research and development, Herr Strauss said that because of the vast cost "we thought that we could concentrate our efforts, rationalize our means, and distribute our tasks." The agreement did not, however, extend to production. Referring in this connexion to the recent Franco-German agreement on joint defence research and development [see below], Herr Strauss said that the bilateral exchanges between the British and Germans and the Germans and French might become trilateral for some questions.

After referring to the "mutually confident atmosphere" of the talks, Herr Strauss said he was "fully satisfied that a common line of defence had been found" and that there was "no reason for any distrust on any side."

Other NATO Developments.

Other important recent developments concerning NATO are summarized below under cross-headings:

Infrastructure Programme.

Plans for the further development of the NATO infrastructure over the period 1957-60 were announced on March 26. The new programme, involving expenditure of £225,000,000, will cover the construction of additional airfields, fuel pipeline systems and fuel storage facilities, and the completion of the naval bases programme. It will also provide for the incorporation of the newest technical developments in the NATO telecommunications system (e.g. communications by tropospheric and ionospheric "forward scatter" systems), and for an early warning radar network.

German Divisions under NATO Command.

The first three of the 12 projected West German divisions were officially placed under the command of the Supreme Allied Commander on July 5 at a ceremony at Marburg in the presence of General Norstad, General Valluy (C.-in-C., Allied Forces, Central Europe), Lt.-General Speidel (Commander of Allied Land Forces, Central Europe), and General Heusinger (Inspector-General of the *Bundeswehr*). The three divisions are of the Panzer Grenadier type, equipped with light armour.

The first operational unit of the new *Luftwaffe*, a transport squadron equipped with French aircraft, was made available to NATO on Aug. 24.

"Pentomic" Reorganization of U.S. Forces in Europe.

It was announced on March 14 that the 11th U.S. Airborne Division stationed at Augsburg (Bavaria) was being reorganized for atomic warfare on so-called "pentomic" lines. [The term "pentomic" is used to describe a division consisting of five combat groups, instead of the usual three, equipped with atomic weapons.] The division would be equipped with a battery of *Honest John* rockets and five batteries of 105 mm. howitzers, and its strength would be reduced from about 17,000 to 11,500 men. The West German Defence Ministry officially confirmed on March 15 that atomic warheads for use by the U.S. forces were stored in Germany, but emphasized that atomic ammunition could not be used without the prior approval of the North Atlantic Council.

U.S. Supply of Guided Missiles to NATO Allies.

The North Atlantic Council announced on April 12 that it had been informed by the U.S. Government that the United States was preparing to supply its NATO allies with guided missiles under the U.S. mutual aid programme for the fiscal year 1956-57. The weapons, comprising *Honest Johns* and *Matador* ground-to-ground missiles and the *Nike* ground-to-air missile, would be provided "in accordance with NATO military priorities, with the wholly defensive purpose of protecting military and population centres and to deter, and if need be to repel, aggression"

The U.S. representative had informed the Council that these defensive weapons had been tentatively allocated to certain NATO countries, based upon the guidance of the NATO military authorities; the final allocation scheme, however, was dependent on discussions "on measures necessary to the satisfactory absorption of the weapons in the recipient countries' forces." The statement recalled that U.S. law did not permit transfers or sales of nuclear components for weapons, but it was pointed out in the Press that the weapons to be supplied could be used with either atomic or conventional warheads [The delivery of U.S guided missiles to Britain had already been discussed at the Bermuda Conference between President Eisenhower and Mr. Macmillan.]

Danish and Norwegian Acceptance of Guided Missile Supplies.

The Norwegian Minister of Defence (Hr. Handal) told the *Storting* on June 6 that the Norwegian Government had accepted the U.S. offer to supply guided missiles for Norwegian defence, covering the supply of material for one *Honest John* battalion and one *Nike Ajax* battalion. He pointed out that only projectiles with ordinary explosives could be used in the *Nike Ajax*, whilst both conventional and atomic warheads could be used in the *Honest John* missile. "As far as we are concerned," he added, "the offer only means a replacement of our old artillery. We ourselves cannot produce atomic missiles. We have not asked for them and they have not been offered to us."

Dr Lange (the Norwegian Foreign Minister) said during the same debate that no Government could sentence the youth of its country to defend itself with old and out-of-date arms if the disaster of war should happen, and that rocket missiles were necessary for adequate defence. He added that "according to American law atomic arms cannot be offered to Norway, but if in the future it should become necessary to supply the Norwegian forces with atomic arms to bring her defence up to the level of that of the attackers, it would be a question which would have to be decided by Parliament."

The Danish Defence Minister (Hr. Poul Hansen) announced in the *Folketing* on June 19 that Denmark had similarly accepted the U.S. offer of the free delivery of rocket weapons of the *Honest John* and *Nike* types. He emphasized that there had been no offer of atomic warheads.

Reorganization of Netherlands Army.

Plans for the reorganization of the Netherlands Army for atomic warfare were announced in The Hague on Feb. 5. Under the scheme, which had been approved by NATO, the number of divisions would be reduced from five to four, but instead of one active division there would be two, each equipped to use atomic weapons. The new divisions would have a strength of 15,100 men, compared with 18,000 at present, but the actual number of military personnel would not be affected. Each of the new divisions would have seven battalions capable of operating independently at a great distance from each other. There would be 11 tank battalions with about 600 heavy tanks.

Mr. Staf, the Netherlands Defence Minister, stated on July 11 that the Netherlands could not follow Belgium's example in reducing the military service period from 18 months to 15 months. Theoretically, it would be possible to reduce the period to 16 months if 7,000 regulars could be found, but in spite of recruiting campaigns regulars were not coming forward in sufficient numbers.

New NATO Naval Command.

A new NATO naval command, the North Sea Sub-Area, came into being on April 1 with headquarters at Cuxhaven. It was announced that the new command would be headed by Captain Karl Zenker, of the Federal German Navy; that it would have charge of two German minesweeper squadrons; and that it would come under the C.-in-C., Allied Naval Forces, Central European Command (Vice-Admiral Bos, of the Royal Netherlands Navy).

Strengthening of Canadian Armoured Forces in Europe.

Mr. Ralph Campney, then Canadian Defence Minister, announced on April 17 that the 2nd Canadian Infantry Brigade at present stationed in Western Germany would be replaced in the autumn by the 4th Infantry Brigade, whose component of armour would be increased from the present strength of a squadron to that of a full regiment.

Supply of Canadian Fighters to Belgium.

Mr. Howard Green, the new Canadian Minister of Defence Production, announced on June 27 (i) that arrangements had been completed with the U S. Defence Department under which Canada would participate, through her mutual aid programme, in the supply by the U.S.A. of Canadian-produced CF-100 all-weather jet-fighters to Belgium; (ii) that Canada's share would include the provision of spare parts and engines, as well as ground support, test and training equipment, and training for pilots; (iii) that deliveries of aircraft and equipment would commence in 1957 and be completed by the end of 1958; and (iv) that the total cost of the programme was expected to be about $43,000,000, of which Canada's share under mutual aid would be 25 per cent.

British Aircraft Carrier Catapult adopted by France and Holland.

It was reported on December 28, 1956, that the steam catapult designed and developed in Britain and used operationally in some British and U S. aircraft carriers had been adopted by the Royal Netherlands Navy and the French Navy and would be incorporated in the Netherlands carrier *Karel Doorman* and the French carrier *Clémenceau* [the latter is still under construction]. It was stated that the U.S. Government had acquired the right to manufacture these catapults and that a number of U.S. carriers, including the 70,000-ton *Forrestal*, were being equipped with them.

Anglo-French Collaboration in Defence Research and Production.

M. Bourgès-Maunoury, then Minister of National Defence, visited London on Feb. 14-15 for discussions with the British Defence Minister (Mr. Sandys) on closer Franco-British collaboration in the sphere of defence production. A statement issued after the talks said that "M. Bourgès-Maunoury put forward certain proposals for closer collaboration on defence between Britain and France within the framework of the Western European Union, with particular reference to research and production. It was decided that these proposals should be examined by representatives of the two Governments, after which it is likely that Mr. Sandys will pay a return visit to Paris to continue the discussions."

In a press statement on his return from London, M. Bourgès-Maunoury said that the proposed co-operation would involve the exchange of information and possibly joint manufacturing plans. He added that France would be able to help Britain in certain fields in which she [France] held the lead, notably light tanks, guided anti-tank missiles, support aircraft, and electrical equipment.

Franco-German Agreement on Missile Research.

Plans for joint Franco-German research on guided missiles were announced on Jan. 17 after a visit by the French and German Federal Defence Ministers (M. Bourgès-Maunoury and Dr. Preuss) to the French rocket ranges at Colomb-Béchar, in the Sahara. It was stated that the two countries would share some of their research and discoveries in accordance with the provisions of the treaties [NATO and W.E.U.] to which they were parties.

Franco-U.S. Agreement on Defence Inventions.

An agreement providing for the exchange of technical information on defence matters was signed in Paris by the U.S. and French Governments on March 12. It was similar to those concluded by the U.S.A. with other NATO countries, e.g. the U.K., Western Germany, and Italy, and covered *inter alia* the exchange of information on defence inventions, with full protection of patents and other proprietary rights.

U.S. Warships loaned to Greece.

Admiral Burke, U.S. Chief of Naval Operations, stated on July 1, after a three-day visit to Athens, that Greece would receive from the U.S.A. in 1957 and early in 1958 two submarines, two destroyers, and several smaller naval craft on loan.

Dismantling of Leros Defences.

It was announced in Athens on June 4 that the Royal Hellenic Navy was dismantling the modern military installations which had recently been built on Leros Island (in the Dodecanese) by a decision of the North Atlantic Council under the NATO infrastructure programme. It was explained that the NATO Council had subsequently asked Greece not to use Leros as a base in peacetime, having endorsed the Turkish Government's view that the manning of military installations on Leros contravened the Italian Peace Treaty of 1947, which provided that the Dodecanese islands should remain unfortified. The Greek Government had not opposed the Turkish objections so as to show its willingness to abstain from any military measures which the Turkish Government might regard as prejudicial to Turkish security.

NATO Military Appointments.—New Commanders-in-Chief for Allied Land Forces, Southern Europe, Allied Naval Forces, Northern Europe, and Allied Forces, Mediterranean.

The following appointments were announced during the period under review :

Southern European Command SHAPE announced on April 23 that Lieut.-General Alessandro Albert (Italy) had been appointed C.-in-C. Allied Land Forces, Southern Europe, with effect from June 1, in succession to General Primieri (retiring). General Albert had been Commander of the Italian Third Army.

The appointment of Major-General Brooke Allen (U.S.A.) as Commander of the 6th Tactical Air Force, *vice* Major-General Grussendorf was announced on April 10.

Northern European Command. It was announced on Feb. 5 that Vice-Admiral A. R. Podder (U.K.) would succeed Vice-Admiral Gladstone as C.-in-C. Allied Naval Forces, Northern Europe, in June 1957.

Naval Commands. Admiral Sir Ralph Edwards (U.K.) assumed the post of C.-in-C. Allied Forces, Mediterranean on April 11; he succeeded Vice-Admiral Glover (U.S.A.).

In connexion with the appointment of Sir Guy Grantham as C.-in-C., Home Fleet (Portsmouth), in succession to Admiral of the Fleet Sir George Creasy [see 15619 A], it was announced that Admiral Grantham would also be Allied C.-in-C., Channel and Southern North Sea, with effect from May 1957.

It had been announced on Aug. 1, 1956, that the Supreme Commander had appointed Admiral Sala (France) as Deputy Naval Commander at SHAPE in succession to Admiral Lemonnier (retiring). Admiral Sala was French Naval C.-in-C. in the Mediterranean and Commander of Allied Naval Forces in the Western Mediterranean from 1951-56.

North Atlantic Council Appointments.

Sir Frank Roberts, formerly H.M. Ambassador in Belgrade, was appointed British representative on the North Atlantic Council *vice* Sir Christopher Steel [see 15453 A].

Mr. W. Randolph Burgess (48) was nominated by President Eisenhower on June 26, 1957, as permanent U.S. representative on the North Atlantic Council in succession to Mr. George W. Perkins. Mr. Burgess, a former New York banker, had recently been Under-Secretary of the Treasury.

It was announced in Paris on Aug. 2, 1957, that M. de Crouy-Chanel (52) had been appointed permanent French representative on the North Atlantic Council in succession to M. Parodi. M. de Crouy-Chanel had been Director-General at the *Quai d'Orsay*, and previously Minister at the French Embassy in London.

Dr. van Kleffens had been appointed Netherlands permanent representative to NATO on Nov. 8, 1956, in succession to Jonkheer A. W. L. Tjarda van Starkenborgh Stachouwer. Dr. van Kleffens, formerly Foreign Minister and subsequently Ambassador to the U.S.A., had been Minister to Portugal since 1950. He was President of the U.N. General Assembly in 1954-55.

U.S. Support for Entry of Spain into NATO. - Norwegian Opposition.

The U.S. House of Representatives passed a resolution on March 20, 1957, urging the admission of Spain to NATO. A similar resolution had been passed by the House on July 14, 1955.

The Norwegian Foreign Minister (Dr. Lange) was asked in a press interview on April 16 about the question of Spain's possible membership of NATO. His reply was reported to have been as follows : "The Foreign Minister made it clear that Norway's attitude to the question had not changed and that a Norwegian veto was to be expected if Spanish membership should be suggested by any country – whether it should be the U.S.A. or any other member-country – at the next meeting of the Council in Bonn."

This statement led to representations by the Spanish Government, which described Dr. Lange's purported statement as "unnecessary" and "unfriendly," particularly in view of the fact that Spain had not sought to become a member of NATO.

In reply to the Spanish protest, the Norwegian Foreign Ministry pointed out on April 25 that the statement had been made in answer to questions put to Dr. Lange, "presumably as a result of an earlier press report from Washington, which said that it would depend upon Norway whether or not Spain would be accepted as a member of NATO." Asked whether Norway would in fact veto Spanish membership if it should be raised in the North Atlantic Council, Dr. Lange had answered : "There is no indication that the question will be raised at the Council's meeting. Norway's view has already been made known in recent official statements by the Prime Minister [Hr. Gerhardsen] and myself."

The Norwegian reply also said that the Norwegian Government's attitude in this matter was based on the view held by it, with the full support of the *Storting* and of Norwegian public opinion, as to the actual character of NATO co-operation. The Government regarded this co-operation not only as a military alliance but also as a broad political co-operation, and considered it to be "of particular importance that the democratic aims expressed in the North Atlantic Treaty must form the basis for the Organization's work."

NATO Statement on Soviet Naval Strength.

In a paper drawn up by the staff of the NATO Supreme Allied Commander, Atlantic (Admiral Jerauld Wright) and published on April 15, it was stated that the Soviet Navy possessed over 250 long-range submarines and an additional 200 coastal submarines, supported by a surface fleet "which continues to expand" -consisting of some 25 modern cruisers and about 200 destroyers and escort vessels.

The paper said that these large naval forces were greatly in excess of Soviet defensive needs and that their primary purpose was to destroy the commerce and sea communications of the free world in the event of war, in an attempt to cut off the European members of NATO from outside help or supplies. In response to this challenge, Admiral Wright and his staff had evolved plans which could be summed up in the words "to strike and simultaneously to defend." The overall strategy for the defence of the Atlantic would consist of : (1) The Allied Atlantic Command projecting its atomic nuclear capabilities against enemy airfields and naval bases; (2) denying the Atlantic to the Soviets as far forward as possible; (3) protecting the transatlantic sea lines of communication.

To carry out this strategy, Admiral Wright would make use of the striking fleet assigned to him by the eight nations Canada, Denmark, France, the Netherlands, Norway, Portugal, the U.K., and the U.S.A.—bordering on the Atlantic. This striking fleet would be built round the attack aircraft carrier and would constitute "a mobile, elusive airfield complex at sea," geared for atomic war. The striking fleet would be "mobile, flexible, and to a great degree self-sustaining." Because it would always be moving, it would not be subject to pin-pointing for guided missile attack like stationary or geographically fixed targets ashore. "It would project its atomic offensive power right into the heart of enemy naval bases and airfields," and in doing so would supplement the efforts of NATO's land-based atomic air force.

The defensive aspect would consist of finding and destroying enemy submarines. The "backbone" for this task would be the anti-submarine carrier, co-ordinating its operations with escorts, destroyers, and carrier aircraft. Shipping in the Atlantic would be defended by long-range shore-based patrol aircraft and carrier planes, searching large ocean areas not covered by other forces.

At a press conference on the same day, Admiral Wright defined the three tasks of NATO as the defence of Europe, the defence of North America, and the defence of the Atlantic, all of which were of equal importance.

[Note.—In addition to the categories mentioned by Admiral Wright, the Soviet Navy possesses three old battleships of 23,000 tons, all launched before the First World War—the *Oktiabrskaya Revolutsia*, *Sevastopol*, and *Novorossiusk* (ex-Italian *Giulio Cesare*), the last-named having been ceded to Russia under the Italian Peace Treaty. The cruisers, of modern design, comprise 15 of 12,800 tons (the *Rurik*, *Alexander Nevsky*, etc.), 4 of 11,500 tons (*Chapayev* class) and 6 of 8,800 tons (*Maxim Gorki* class). The Soviet Navy also possesses the ex-German cruiser *Nürnberg* (renamed *Admiral Makarov*) and the ex-Italian cruiser *Emanuele Filiberto Duca d'Aosta* (renamed *Stalingrad*), both of 9,000 tons. As stated by Admiral Wright, there are no aircraft carriers.]

M. Spaak succeeds Lord Ismay as Secretary-General of NATO.

Lord Ismay, the first Secretary-General of NATO, retired on May 14, having held the post for over five years. M. Paul-Henri Spaak, the former Belgian Foreign Minister, officially assumed his duties as Lord Ismay's successor on May 16.
(NATO Information Division, Paris - W.E.U. Press Department, London - Times - Daily Telegraph - Manchester Guardian - Financial Times - Le Monde, Paris - Frankfurter Allgemeine Zeitung - New York Times - New York Herald Tribune - Canadian Ministry of External Affairs - Montreal Star - Aftenposten, Oslo - Berlingske Tidende, Copenhagen - Netherlands News Agency) **(Prev. rep. U.K. Defence Policy, 15550 A; 15493 A; NATO Council, 15285 A; Reduction in Belgian Service Period, 15606 A; Support Costs, page 15288)**

A. FRANCE - UNITED KINGDOM. — Revival of Channel Tunnel Project.

The Channel Tunnel project, which had been dormant for very many years, was revived during the spring of 1957, when it was agreed that a joint study should be set on foot by four interested bodies—the British Channel Tunnel Company, the French Channel Tunnel Company, the Suez Canal Company, and a private American company.

The director-general of the Suez Canal Company, M. Georges-Picot, announced on April 25 that his company had decided to make a technical study of the Channel Tunnel project—the announcement being made after M. Georges-Picot had visited London for discussions with Mr. Leo d'Erlanger (the banker), chairman of the [British] Channel Tunnel Company. In the same month a company—Technical Studies Inc.—was formed in New York by Comte Arnaud de Vitry (a French citizen) and Mr. Frank P. Davidson (a U.S. lawyer) with the object of promoting the construction of a Channel Tunnel and financing it from private, including dollar, sources.

The new plans for building a tunnel under the Straits of Dover were described by Mr. d'Erlanger at the 76th annual general meeting of the Channel Tunnel Co. Ltd., held in London on May 6.

Mr. d'Erlanger informed the meeting that conversations had taken place between the Suez Canal Company and the Channel Tunnel Company "with a view to the former taking a leading part in a thorough investigation of the subject." He added that "the advent of the Suez Canal Company is highly significant and will be of the greatest help towards the objective, especially if it is going to be achieved by private enterprise."

After saying that the plan would be "essentially a joint Anglo-French effort," Mr. d'Erlanger explained that the present intention was to create a company or syndicate in which the Suez Canal Company would have "a very substantial interest" and in which the Channel Tunnel Co. Ltd. proposed to reserve 20 to 30 per cent for itself and other British interests. He added: "This participation would be matched, it is to be hoped, by French interests, room being left for American participation. The object of this study company is to marshal as many relevant economic and technical factors as possible, short of incurring the heavy expenditure entailed by a physical survey, with a view to assessing . . . the merits of the whole project."

Mr. d'Erlanger concluded: "It would seem that this old and hoary subject is at last emerging into something which has now to be considered seriously. This change has come about by reason of the fact that we in Britain, so far from considering a Channel tunnel to be a threat to our island to-day, are coming round to the view that our economic and military security will in the future depend upon closer integration with the Continent. We have husbanded the slender resources of your company over all these years against the time when something really useful could be done to promote the project for which it was founded. This would seem the moment, and these the circumstances, in which your company would be justified in expending some reasonable part of these resources to achieve its aim. At the same time we have to thank all those loyal friends, both in the Channel Tunnel Parliamentary Committee and elsewhere, for their altruistic efforts in keeping the idea of the tunnel alive and in interesting the British Government in allowing the project to proceed."

In reply to a shareholder who suggested that the Channel Tunnel would cost £100,000,000, Mr. d'Erlanger said that it was "almost heaven-sent that the Suez Canal Company, with its position and its money, should be wanting to parent the idea." He pointed out that as both British Railways (who are large shareholders in the Channel Tunnel Co.) and the French Railways were State-owned, the British and French Governments would necessarily "have much to say on the subject," particularly at a time when the implications of a European Common Market entailed a close study of means of transport between Britain and the Continent.

Mr. d'Erlanger explained that present plans were for three tunnels: twin railway tubes each about 17 feet wide, connected at intervals by passages, and a drainage tunnel seven to ten feet wide. The rail tunnels would run from a point just behind Folkestone, pass under the shore at Shakespeare Cliff, near Dover, cross under the French coastline at Sangatte, near Calais, and emerge at a point three miles north of Marquise, between Calais and Boulogne. The tunnel would be 36 miles long, of which 22 miles would be under the sea.

The Channel Tunnel Co. Ltd. was formed in 1881 and has at present 547 shareholders, some of whom (in the words of *The Times*) "have held shares with dogged optimism since the company was formed without ever receiving a dividend." Current assets of the company are £22,823, and fixed assets on experimental workings, etc., are just over £89,000. Whereas for many years past the annual general meetings of the company had been attended by barely half-a-dozen shareholders, over 100 were present at the meeting on May 6.

An agreement setting up a Channel Tunnel Study Group was signed at the Paris offices of the Suez Canal Company on July 26 by representatives of the interested British, French and American groups and the Suez Canal Company. The four parties to the agreement were: (1) a British group, under the aegis of the Channel Tunnel Co. Ltd., represented by Mr. Leo d'Erlanger, Mr. R. B. Valentine and Mr. R. J. Whitaker; (2) a French group represented by M Louis Armand, chairman of the French State Railways and president of the *Union Internationale des Chemins de Fer*, M. Jacques Getten, a director of the French Channel Tunnel Company (*Compagnie Française pour la construction du tunnel sous la Manche*) and M. de Wouters, president of the *Fédération Routière Internationale*; (3) the Suez Canal Company; and (4) the American company, Technical Studies Inc.

The Study Group will study the possibilities of road and rail tunnels under the Straits of Dover and will have a steering committee (meeting alternately in London and Paris) consisting of three representatives each from the first three groups and one American representative. The committee will also include two prominent personalities, one British and one French, to act as chairman at the meetings in London and Paris. [It was announced that M. René Massigli, the former Ambassador in London, had agreed to act as French chairman.] A Director of Technical Studies will be appointed in connexion with the project.

The Channel Tunnel Parliamentary Committee (whose chairman is Mr. William Teeling, Conservative M.P. for the Pavilion division of Brighton) met at the House of Commons on July 29 to discuss the latest developments in connexion with the Channel Tunnel project. Mr. W. R. Merton, a director of the Channel Tunnel Co. Ltd., informed the committee that the above-mentioned Study Group would take the form of an international syndicate in which the British Channel Tunnel Company, the French Channel Tunnel Company, and the Suez Canal Company would each contribute 30 per cent, and the American group the remaining 10 per cent. The amount already raised by the syndicate was £100,000.

M. Georges-Picot had previously addressed the Channel Tunnel Parliamentary Committee on May 28. He explained that the Study Group hoped to complete its survey within 18 months and would present the results of its work to the British and French Governments.—(Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times)
(Prev. rep. Channel Tunnel, 9076 E.)

B. GHANA. — Creation of Ministry of Information and Broadcasting. - Resignation of Mr. Casely-Hayford.

It was announced in Accra on July 30 that a Ministry of Information and Broadcasting had been set up under Mr. Kufi Baako, hitherto Minister without portfolio. The Ministry will be responsible for broadcasting, film censorship, information and newspaper services, and printing, and will have a film unit.

Mr. Casely-Hayford (also a Minister without portfolio, and a member of Dr. Nkrumah's Cabinet since 1951) resigned from the Government on July 27 but remained a member of Parliament. It was understood that he disagreed with Cabinet colleagues on a number of issues, including the decision to put the head of Dr. Nkrumah on new coinage. One of the most influential members of the Government, he had frequently presided over the Cabinet in the absence of Dr. Nkrumah.
(Times - Daily Telegraph) **(Prev. rep. 15072 A.)**

A. EGYPT. — General Elections.

The first general elections to take place in Egypt since the revolution of 1952 were held on July 3. As all political parties had previously been dissolved, there was no organized opposition among the 2,528 candidates contesting the 350 seats in the *Majlis al-Umma* (National Assembly).

A decree of May 18 had laid down that all candidates would have to file their nomination papers by May 28, and that nominations would then be approved by the executive committee of the "National Union" created under the Constitution of 1956 (see 14927 A). In most cases approval would be automatic for candidates who were over 30 and had paid a deposit of £E50, but candidates falling into the following categories would be eliminated: (1) those convicted by the Revolutionary Tribunal and anti-corruption courts (which tried "public enemies" in the early days of the revolutionary regime); (2) those liable to "administrative custody" under the Revolution Command Council's ruling of June 22, 1956 (administrative custody included arrest, house arrest, and police surveillance); (3) convicted criminals; (4) those dismissed from public office for lack of integrity, unless five years had elapsed since their dismissal.

On May 29 President Nasser appointed the executive committee of the National Union, consisting of himself as chairman and of Abdel Latif el-Boghdadi (Minister of Municipal and Rural Affairs); Zakari Mohieddin (Minister of the Interior); and General Abdel Hakim Amer (Minister of War and C.-in-C. of the Armed Forces). After scrutinizing the applications of candidates, the committee announced on June 17 that it had approved 1,318 nominees and rejected 1,210 as "undesirable" or "unworthy," including all the candidates presented in five constituencies.

Six million voters (including women, who voted for the first time) were registered under the new electoral law which made all Egyptian citizens over 18 eligible to vote. Failure to vote rendered a registered male citizen liable to a fine of £E1, but women were allowed to refrain from voting if they wished.

As a result of the elimination of many candidates, 62 were returned unopposed, of whom 16 were members of the Cabinet. They included Wing-Commander Ali Sabry, President Nasser's political adviser; Lieut.-Colonel Abdel Hatem, head of the Government Information Office; Lieut.-Colonel Anwar Sadat, secretary of the Islamic Congress and managing editor of the Government newspaper *Al Goumhouria*; and Major Khaled Mohieddin, editor of the evening newspaper *Al Massaa*.

Polling was heavy in the remaining constituencies, especially in Cairo. Electoral disturbances occurred at several places, 80 people being arrested at Disna and 16 people being killed and many others injured at the village of Yesmina, in southern Egypt.

It was announced after the elections that only about 100 candidates had been returned with the required absolute majority, whilst the vote in the remaining constituencies (about 170) had been split among several candidates. A second ballot was therefore held on July 14 for these seats, each being contested by the two candidates who had obtained the highest number of votes in the first ballot. Two women —Miss Rawya Attiya, of Cairo, and Mrs. Amina Shoukri, of Alexandria —were among those returned in the second ballot, being the first women ever elected to any Arab Parliament.

The new Assembly met for the first time on July 22, electing Abdel Latif el-Boghdadi as its Speaker. Mr. Boghdadi relinquished his former portfolio of Rural and Municipal Affairs on taking up his new post.

In his inaugural speech to the Assembly, President Nasser accused the Western Powers of having wished to "strangle Egypt economically" by laying down "conditions" for economic and defence aid. He alleged in this connexion that America had demanded that Egypt should adhere to "imperialist regional alliances" as a condition of receiving defence aid from the United States, and that Britain had interrupted arms deliveries to Egypt "because we refused to adopt a pro-British attitude at the Bandung Conference." He went on to attack Israel as a "bridgehead of imperialist expansion in the heart of the Arab world," and expressed Egypt's support for the Algerian people in their "struggle for independence."

President Nasser said that the rapid growth of the population and rising unemployment "make it imperative that we should develop our economy rapidly." The Government would accordingly proceed with the first phase of the Aswan Dam project, to be carried out over five years at a cost of £E.60,000,000, of which £E.28,000,000 would be obtained from foreign sources. Referring to the withdrawal of projected U.S. and British aid for the Aswan Dam project, President Nasser said that the Western Powers had "imposed conditions for their assistance" and that Egypt had "refused such sordid bargains and nationalized the Suez Canal Company."

Reiterating his allegations that the Western Powers had sought to "strangle" Egypt by withholding economic aid, President Nasser said that the failure of this "Operation Famine" had "driven the imperialists to the last resort violence." He added: "The mad adventure of last autumn was the last imbecility in the sombre annals of colonialism. The imperialists have played their last card, and nothing more remains to them but spite and hate . . ."

In the course of his speech President Nasser said that Egypt continued to "adhere totally" to the "Bandung principles," to world peace, and to "a peaceful settlement of the Palestine problem conforming to the rights of the Arab peoples." Reviewing internal conditions since the establishment of the Republic, he admitted that "we have made certain mistakes . . . gone too far and lacked experience." Nevertheless, "we have learned from our mistakes and that is the essential thing."

Wing-Commander Ali Sabry was appointed on Aug. 2 to the post of Minister of State for Presidential Affairs. One of President Nasser's closest associates, he had been head of the Presidential Political Affairs Department for most of the period since the deposition of King Farouk. (Le Monde, Paris - Times - Daily Telegraph - Manchester Guardian - New York Times) **(Prev. rep. Presidential Election, 14953 A; New Constitution, 14927 A.)**

B. UNITED KINGDOM. — Retail and Wholesale Price Indices. - Movements in 1956 and First Half of 1957.

A survey of the Board of Trade's retail price index for "all items," covering the 18-month period to June 1957 and taking the level in January 1956 as 100, showed that the index stood at 101 in March 1956, rose to 103 in April and May, but fell to 102 in June, remaining at that level until September, and standing at 103 from October to December 1956. From January 1957 to April it was 104, in May 105, and in June it rose further to 106. Movements in the retail price index since October 1956 were as follows:

The retail price index rose from 102.7 in October 1956 to 103.1 on Nov. 13, the rise being due principally to increases in the price of eggs and to a seasonal rise in the average price of household coal. On Dec. 11 the index had risen to 103.4 despite a reduction in food prices, owing to increases in the price of petrol, paraffin, and National Health prescriptions.

During the first half of 1957 the index registered further upward movements. At Jan. 15 it stood at 104.4, largely due to higher food prices and fares. It fell to 104.3 on Feb. 12 and to 104.1 on March 12, but rose to just under 104.5 on April 16 because of increases in local rates in most areas in England and Wales, although the petrol duty had been reduced. The figure for May was 104.6 and for June 18 105.7, the increase being due mainly to rises in the average prices of potatoes, bacon, eggs, and tomatoes.

The basic materials index for November-December, 1956 (June 30, 1949=100) showed a marked rise, standing at 160 in November and at 161.6 in December (the highest point since May 1952). The rise was mainly due to increases in the prices of rubber and wool after the closing of the Suez Canal.

In the first six months of 1957 the basic materials index declined, standing at 160.8 in January and 159.6 in February, owing to lower prices for rubber and copper. In March it fell further to 158.7, rose in April to 160 because of higher prices for raw wool, raw rubber, and copper, but declined in May to 159.8 and in June to 155.8, due to lower commodity prices except for wool.—(Board of Trade Journal - Financial Times) **(Prev. rep. 15236 B.)**

C. ISRAEL. — New Seaport planned at Ashdod.

Plans by private American and Israeli promoters to build a new seaport at Ashdod, 20 miles south of Tel-Aviv, were announced in the latter city on Aug. 4. It is proposed to build the new city on the site of the biblical city of Ashdod, the promoters having received a concession from the Israeli Government for this purpose.

The project is designed to give Israel a second major shipping outlet to supplement Haifa in the north. It will be carried out in stages over the next ten years at a total estimated cost of $500,000,000, a population of 150,000 being envisaged for the new city when completed. The promoters of the project are Mr. Philip M. Klutznick, founder of the Chicago suburb of Forest Park and president of the Jewish ex-servicemen's organization in the United States, and Mr. Oved Ben-Ami, founder and mayor of Nathanya, an Israeli coastal resort with a present population of 40,000.

The new city will be built on a 10,000-acre site (at present covered by sand dunes) under a master-plan drafted by two Tel-Aviv architects. The plan envisages a commercial and business centre covering 175 acres, the remainder being utilized for general and light industries, port facilities and warehousing, three parks covering 500 acres, a sports arena and other recreational facilities, and residential areas.—(New York Times)

A. YUGOSLAVIA - SOVIET UNION. — Deterioration of Soviet-Yugoslav Relations after Hungarian Uprising. - Subsequent Yugoslav Initiative for Détente between Yugoslavia and U.S.S.R. - Statements by President Tito and M. Rankovich. - Discussions between Yugoslav and Soviet Leaders in Rumania.

Relations between Yugoslavia on the one hand and the Soviet Union and its "satellites" on the other, which had greatly improved during the autumn of 1956, again deteriorated following the Hungarian uprising. Strong exception was taken in the Soviet Press to the views on developments in Hungary expressed by President Tito in his Pula speech (see 15258 A), and by M. Kardelj (a vice-president of the Federal Executive Council) in a speech to the Yugoslav National Assembly on Dec. 7. In the latter speech M. Kardelj rejected the Soviet claim that an attempt at counter-revolution had taken place in Hungary; suggested that the basic cause of the uprising was a political system which had prevented the mass of the people from exerting a direct influence upon the authorities and had strengthened bureaucratic elements in the Communist Party and the State; and maintained that the Hungarians, in seeking to defend previous Socialist gains by creating workers' councils, had acted in a Socialist spirit. M. Kardelj was violently attacked on Dec. 18 by *Pravda*, which accused him of "revisionism" and declared that Yugoslav invitations to Hungary to follow her example constituted "interference in Hungary's internal affairs." In reply, the Yugoslav official newspaper *Borba* accused *Pravda* of reverting to "methods which Yugoslavs hoped, and still hope, would disappear," and declared that "methods of slander cannot serve the interests of the workers' movement."

M. Popovich, the Yugoslav Foreign Minister, told the National Assembly on Feb. 26, 1957, that economic as well as ideological difficulties had recently appeared in Yugoslavia's relations with the Soviet Union. "Unexpected difficulties" had been encountered by a Yugoslav trade delegation during negotiations in Moscow, and the Soviet Government had proposed to postpone the granting of a credit which it had undertaken to provide for building an aluminium factory (see 15035 B) "to such a period as is unacceptable to us." Quoting Marshal Bulganin's letter to Dr. Adenauer [see 15370 A], in which the Soviet Premier had suggested the early restoration of good relations between the U.S.S.R. and Western Germany despite the differences between them, M. Popovich said that "we should be satisfied if such a standard were also applied to us and our policy"; instead, however, the Soviet Union and some other East European countries had conducted a campaign against Yugoslavia "to compromise our State and social system, isolate our country, and discredit our policy." The essence of the dispute lay in differing views on Yugoslavia's relations with the "Socialist camp" and on who should be at the head of it. M. Popovich emphasized that Yugoslavia did not want to enter this "camp," and that the Yugoslav Government stood by the views which it had expressed on the events in Hungary.

In addition to a concerted and bitter campaign against Yugoslavia in the Soviet press and radio, strong anti-Yugoslav statements also appeared in certain Soviet-bloc countries, notably Czechoslovakia, Eastern Germany, and Albania. Moreover, Yugoslavia's attitude towards the Hungarian question was strongly criticized on March 28 by Marshal Bulganin and M. Kadar during the latter's visit to Moscow [see page 15564]. Addressing a public meeting in the Kremlin, Marshal Bulganin said that the Yugoslavia's appraisal of events in Hungary "does not in essence differ from the imperialists"; that the Yugoslav Government had "shut its eyes to the Fascist terror" and supported M. Nagy; and that it was "not by chance that Nagy and his group took refuge in the Yugoslav Embassy." M. Kadar in his speech accused M. Kardelj and M. Popovich of maintaining "an attitude analogous to that of Dulles and the 'Voice of America.'"

Both President Tito and M. Rankovich (a vice-president of the Federal Executive Council, like M. Kardelj) reaffirmed the Yugoslav Government's policy on Hungary, and on its relations with the "Socialist camp," at a meeting on April 18.

President Tito said: "We have not joined any 'camp' because we do not wish to lose the role which Yugoslavia plays in the world, and which enables us to take an independent attitude in expressing our views on all questions of internal and external policy. That is what has annoyed our Soviet comrades so much. . . . The question is often raised here [in Yugoslavia] whether we can trust them any more, as we are now placed in an awkward position for the second time. I feel that it would be wrong to put matters in such a way. I think that the subjective element plays the main role in this; that is, the attitude of certain leaders who cannot rid themselves of old ideas on the relations between Socialist countries. Although they have to some extent modified the Stalinist tendencies in their policy, these tendencies are still deeply rooted in Soviet policy towards both Yugoslavia and other countries." Referring to the controversy over Hungary, he continued: "They [the Soviet leaders] persistently maintain that Yugoslavia bears a large part of the blame for the events in Hungary. There is not an atom of truth in this. On the contrary, it was we who worked against the possible evil consequences of the policy pursued by the Rakosi clique, and they themselves admitted to us that this policy had led to a very serious situation. But when tragic events occurred there, with consequences which did not fail to affect the Soviet Union's prestige, they wanted to shift the responsibility on to us. . . ."

M. Rankovich declared that "the events in Hungary were primarily a manifestation of the conflict between the progressive aspirations of the broadest strata of the Hungarian people, who were fighting for free Socialist development and respect for their national dignity, and the forces in Hungarian society which for years had resisted these tendencies and striven to foist an unacceptable way of life upon the Hungarian working people. This truth cannot be minimized by the fact that counter-revolutionary elements were active at the same time inside and outside Hungary, and attempted to profit by these events."

Nevertheless, a striking improvement in Soviet-Yugoslav relations occurred during May. President Tito disclosed in an interview with *Politika* on May 25 that the Yugoslav Government had taken the initiative in this matter; that they had felt that any further deterioration in relations with the East European countries was "unreasonable"; and that they wished "to co-operate in all matters in which this is possible without forsaking our positions of principle." "Looking at things in perspective," he said, "it is impossible for us today not to have good relations with other countries which are our neighbours." The Soviet leaders, he added, had responded by stopping their campaign against Yugoslavia, and had apparently "insisted that other countries should also treat Yugoslavia differently and give up their unprincipled attacks."

Two days later, however, President Tito made it clear that he desired good relations with "both camps." Friendship with the U.S.A., Britain and France, he emphasized, should not preclude a *rapprochement* with the Soviet Union, whilst the improvement of Yugoslavia's relations with her Eastern neighbours "should not weaken our ties with the West."

General Gosnjak, the Yugoslav Defence Minister, left Belgrade on June 7 for a 15-day visit to the Soviet Union at the invitation of the Soviet Defence Minister (Marshal Zhukov), accompanied by senior officers of the Yugoslav Army, Navy and Air Force. This was the first time that high-level military contacts had been established between the two countries since the "Cominform" breach in 1948. The visit was regarded as having political as well as military significance, since General Gosnjak is a member of the Executive Committee (the former Politburo) of the Yugoslav Communist Party, whilst Marshal Zhukov was at that time a candidate-member of the Presidium of the Soviet Communist Party.

Opening a congress of workers' councils in Belgrade on June 25, President Tito protested strongly against criticisms of Yugoslavia's internal system by other Communist parties. Although this speech was at first assumed to reflect a new deterioration in Soviet-Yugoslav relations, it was subsequently suggested, in the light of later developments in the U.S.S.R., that President Tito's purpose was to make clear Yugoslav support for M. Khrushchev against his opponents on the Central Committee of the Soviet Communist Party, which was then in session (see 15639 A).

President Tito spoke as follows: "When the apologists of a dogmatism of questionable origin dispute the value of our system of workers' management, calling it anarchy and the like, we have not the least need . . . to justify its correctness and effectiveness, since it has proved its worth in practice . . . We have no intention of imposing our system on anyone, but we must defend it against those who are blind and deaf to the facts." Denouncing "malicious" critics of Yugoslavia, he went on: "It is time to put an end to this, and for everyone to worry about himself in the first place—to let everyone build Socialism as he understands it and as his conditions permit. . . . It is impossible to speak of good and sincere relations between ourselves and some of the East European democracies if they merely pay lip-service to the improvement of relations with Yugoslavia, while telling their own party members and peoples that Yugoslavia is 'seething with revisionism,' that it is 'not Socialist,' that we 'co-operate with the imperialists' and so on. . . . We cannot be gulled with words which do not conform with practice."

Yugoslav spokesmen welcomed the expulsion from the Soviet Government and the Communist Party Central Committee of M. Molotov (who was accused of opposing the improvement of relations with Yugoslavia—see 15639 A), M. Malenkov, and M. Kaganovich, and the removal from the Central Committee of M. Shepilov, whose references to Yugoslavia in his speech of Feb. 12 (see 15370 A) had caused great offence in Belgrade. M. Rankovich commented that "this decision ensures a more resolute implementation of the line of the 20th Congress," and that "the removal of such men from leading positions in the party will be favourably reflected in relations between the Soviet Union and other countries."

Moscow radio announced on Aug. 3 that representatives of the Governments and Communist parties of Yugoslavia and the U.S.S.R. had met in Rumania on Aug. 1-2, the Yugoslav delegation having been led by President Tito, M. Kardelj, and M. Rankovich and the Soviet delegation by M. Khrushchev, M. Mikoyan, and M. Kuusinen. No indication had previously been given that such a meeting was to take place, complete secrecy was maintained during the discussions, and the meeting-place in Rumania was not disclosed.

An official announcement (Aug. 3) stated that, in addition to questions relating to the international situation and problems of the international workers' movement, the two delegations had discussed the relations between the Soviet Union and Yugoslavia and the activities of the two Communist parties. Both sides had reaffirmed their determination "to work for a further all-round development of relations and for the removal of obstacles hindering this development," and had confirmed their agreement on the main problems of the present world situation." The statement continued:

"The two delegations stressed the fact that relations between the U.S.S.R. and Yugoslavia would continue to develop on the basis of equality, mutual assistance and co-operation, respect for sovereignty, independence, and non-interference. The delegations reaffirmed the significance of the Belgrade and Moscow declarations for the development of friendly relations between the two countries and of co-operation between the Soviet Communist Party and the Yugoslav Communist Alliance on the basis of the principles of Marxism-Leninism, and expressed their readiness in the future to implement the principles laid down in these declarations."

The secret meeting of the Soviet and Yugoslav leaders followed a visit to the U.S.S.R. by M. Kardelj and M. Rankovich, who had left Belgrade on July 7 for a stay in the Crimea which was officially described as a "holiday," and who arrived on July 16 in Moscow for informal talks with a number of Soviet personalities. It was officially announced in Moscow on July 18 that MM. Kardelj and Rankovich had met the leaders of the Bulgarian and Albanian Communist parties (respectively M. Zhivkov and M. Hoxha) in the presence of M. Khrushchev and other members of the presidium of the Soviet Communist Party—this being the first occasion since the Cominform breach of 1948 that the Yugoslav leaders had accepted contacts jointly with Soviet and "satellite" Communist parties, to whom they had hitherto been most strongly opposed. The fact that the Yugoslavs agreed to such a meeting on Russian soil was regarded as a concession to M. Khrushchev's declared aim of drawing Yugoslavia closer to the "Socialist camp."
(Tanjug Agency, Belgrade - Soviet Embassy Press Department, London - Times - Manchester Guardian) **(Prev. rep. 15258 A.)**

A. INTERNATIONAL COURT OF JUSTICE.—British Reservations on Acceptance of Compulsory Jurisdiction.

A White Paper was published in London on Aug. 23 setting out certain reservations made by the British Government to their acceptance of the compulsory jurisdiction of the International Court, and previously notified to the U.N. Secretary-General in a letter of April 18. The two reservations were as follows:—

(1) The British Government would no longer accept the Court's jurisdiction in disputes "relating to any question which, in the opinion of the Government of the United Kingdom, affects the national security of the U.K. or any of its dependent territories." The interpretation of the phrase "national security" would be a matter for H.M. Government and not for the International Court.

The Government would, however, accept international law as the arbiter of what fell within the jurisdiction of the United Kingdom, and thus outside the scope of the Court. [The French and U.S. Governments, on the other hand, claim the right to decide for themselves what falls within their own internal jurisdiction.]

(2) The second British reservation excepted from the Court's jurisdiction "disputes in respect of which any other party to the dispute has accepted the compulsory jurisdiction of the International Court of Justice only in relation to or for the purposes of the dispute; or where the acceptance of the Court's compulsory jurisdiction on behalf of any other party to the dispute was deposited or ratified less than 12 months prior to the filing of the application bringing the dispute before the Court."

[This reservation was meant to exclude the possibility of another Government accepting the Court's jurisdiction *ad hoc* when it thought it had a good case against the British Government, and then refusing to accept it when the British Government thought that they themselves had a good case.]

The White Paper mentioned that it had been objected in some quarters that the Government had failed to notify Parliament of these changes, thus infringing the "Ponsonby rule" requiring all treaties and foreign commitments to obtain parliamentary approval. The Government held, however, that it was not customary to submit this type of document to Parliament, since it was not a foreign commitment.
(Times - Manchester Guardian)

B. AUSTRALIA. — Labour Defeat in Queensland Elections. - Formation of Liberal-Country Party Ministry. - Mr. Nicklin becomes State Premier.

Mr. Vincent Gair, Premier of Queensland and leader of the Queensland Labour Party formed in opposition to the official Labour Party (see 15516 A), resigned on June 13 after his Government had been defeated in the State Parliament on the previous day by 49 votes to 25. The (official) Australian Labour Party joined with the Liberal and Country Party Opposition in opposing Mr. Gair's request for additional finance to enable the Government to meet commitments until the end of October.

The Administrator of Queensland (Chief Justice Mansfield) agreed to dissolve the State Parliament after Mr. Nicklin (leader of the Liberal-Country Party Opposition) and Mr. Duggan (leader of the official Labour Party) had informed him of their inability to form a stable Government owing to the lack of the necessary parliamentary majority. On June 25 Mr. Gair announced that State elections would be held on Aug. 3 - two years before they were normally due - to enable the new Parliament to assemble in time to pass a Supply Vote before present funds were exhausted.

The Queensland elections resulted in an overall majority for the Liberal and Country Party coalition and in a corresponding defeat for the Labour Party, which had been in power in the State for 25 years. Results were as follows, the figures in parentheses showing party strengths at the dissolution of the former Parliament: Liberal-Country Party 41 (24); Australian Labour Party 20 (24); Queensland Labour Party 11 (25); Independents 2 (2).

One result is outstanding, owing to the death of Mr. G. H. Devries (the former Minister for Mines) during the election. There were four unopposed returns (three Country Party and one Liberal), including that of Mr. Nicklin in the Landsborough constituency. Latest overall figures showed 282,357 votes for the Liberal-Country Party, 192,545 for the Australian Labour Party, 143,184 for the Queensland Labour Party, and 25,820 for Independent candidates. Mr. Gair, leader of the Q.L.P., retained his seat at South Brisbane, but Mr. J. E. Duggan (State leader of the A.L.P.) lost his seat at Toowoomba to the Liberal candidate (Alderman M. J. Anderson, mayor of Toowoomba). Among other A.L.P. candidates defeated was Mr. F. M. Forde, a former Prime Minister of Australia, who lost the Flinders seat to a Country Party candidate by only eight votes.

A new State Ministry was formed after the elections by Mr. Nicklin, leader of the Country Party and former Leader of the Opposition, and was sworn in on Aug. 12. It consisted of six Country Party and five Liberal Ministers, its membership being as follows:

Mr. G. F. R. Nicklin—Premier and Chief Secretary; Mr. K. J. Morris—Deputy Premier and Minister of Labour and Industry; Mr. J. C. A. Pizzey—Education; Mr. A. W. Munro—Attorney-General; Mr. T. A. Hiley—Treasurer and Minister for Housing; Mr. E. Evans - Development, Mines and Roads; Mr. A. G. Muller - Public Lands and Irrigation; Dr. H. W. Noble - Health and Home Affairs; Mr. O. O. Madsen - Agriculture and Stock; Mr. J. A. Heading—Works and Local Government; Mr. G. W. Chalk - Transport.

Mr. Nicklin (62), the first non-Labour Premier of Queensland for a quarter of a century, has been a member of the State Parliament since 1932 and Leader of the Opposition since 1941. A retired fruit farmer, he served with the Australian forces in France during the First World War and was mentioned in despatches. Mr. Morris, the Deputy Premier, is leader of the Liberal Party in Queensland.

Mr. L. Wood (member for North Toowoomba) was elected leader of the Australian Labour Party in Queensland and concurrently Leader of the Opposition in the new Parliament in succession to Mr. Duggan, who lost his seat as stated above.
(Queensland News Letter) **(Prev. rep. 15516 A.)**

C. SINGAPORE. — New Governor.

Mr. W. A. C. Goode, Chief Secretary in the Singapore Government, was appointed Governor of Singapore on Aug. 27 in succession to Sir Robert Black, consequent on the latter's appointment as Governor of Hong Kong (see 15078 C). The appointment is expected to take effect at the end of 1957.

The Times stated that Mr. Goode would "almost certainly" be the last British Governor of Singapore, as the constitutional agreement of April last (see 15557 A) provides that the office of Governor shall be abolished, and a Malayan-born person become Head of State, when Singapore achieves internal self-government at an unspecified date after Jan. 1, 1958.

Mr. Goode (50) joined the Malayan Civil Service in 1931 and was a district officer in Pahang before the war. He was held by the Japanese as a prisoner-of-war from 1942-45 and worked on the Burma-Siam railway.—(Times - Daily Telegraph)
(Prev. rep. 13959 D.)

AUGUST 31—SEPTEMBER 7, 1957

A. ARGENTINA. — Constituent Assembly Elections. - Majority for Radical Parties.

Argentina's first elections since the overthrow of the Peronista regime were held on July 28, under a decree which had been issued on April 12 by the Provisional Government of General Aramburu. The decree laid down (1) that a Constituent Assembly of 205 members would be elected by proportional representation; (2) that the Assembly would have the task of reforming the Constitution; (3) that it would begin its deliberations on Sept. 1 and finish them at latest by Nov. 14, 1957, to enable a writ to be issued for a general election in February 1958 (i.e. after the constitutional reforms had been adopted).

The decree gave powers to the Constituent Assembly to change 30 of the 110 Articles in the nation's original Constitution (the Constitution of 1853, which had been adopted in 1956 after the annulment of the Peronista Constitution of 1949). Specifically, the Assembly was asked to determine "whether it is necessary to modify the nation's electoral system; whether it is necessary to strengthen individual liberties and freedom of opinion, as well as other social and individual rights; and whether it is necessary to establish a greater balance among the powers exercised by the various branches of the Government."

The 205 seats in the Constituent Assembly were contested by 2,188 candidates representing over 50 registered parties, of whom, however, the great majority were small groups of little political significance. The most important parties were the Left-wing Radicals (*Unión Cívica Radical Intransigente*), led by Dr. Arturo Frondizi; the Moderate Radicals (*Unión Cívica Radical del Pueblo*), led by Dr. Ricardo Balbin and Dr. Zavala Ortiz; the Christian Democrats, a new Catholic party of moderate conservative tendencies; and the Socialist Party, led by Dr. Alfredo Palacios. Only three parties—the two Radical groups and the Christian Democrats—presented candidates in all 23 electoral districts (i.e. the 22 provinces and the Federal capital, Buenos Aires).

The electorate numbered 9,726,520, comprising 4,976,815 male and 4,749,705 female electors. Voting was compulsory except for invalids, persons over 70, and those living more than 100 kilometres (about 56 miles) from a polling station, abstentions being punishable by heavy fines except for persons in these three categories. To allow the political parties to organize their election campaigns, the Government lifted on June 28 the state of siege which had been in force since the overthrow of the Perón regime in September 1955. [The state of siege had officially prohibited meetings of more than two people, but this prohibition had in fact never been enforced.] At the same time President Aramburu announced that some 200 persons who had been held without trial for political or other reasons would be automatically released.

Although the proscribed Peronista party took no part in the election, ex-President Perón issued instructions from Caracas to his followers to repudiate what he described as "the dictatorship" by casting blank ballot-papers.

A number of bomb explosions, attributed by the Government to Peronista supporters, occurred in Buenos Aires and its suburbs during June and the first fortnight of July, the targets including public works, factories, railways and other utilities. The frequency and regularity of the attacks indicated that they were part of an organized plan and not sporadic outrages by individual Peronistas. Although a train was derailed and some small fires started, no serious casualties were caused, all the bombs being small and apparently home-made.

The Uruguayan Government announced on June 26 that it had documentary proof that ex-President Perón and his supporters were plotting both inside and outside Argentina to organize a revolution against the Argentine Government. The announcement said that 15 Argentine exiles had been interned, and that the seized material showed that ex-President Perón had been corresponding from Caracas with [Argentine] supporters in Montevideo.

Apart from the above-mentioned incidents, the election campaign took place in an orderly atmosphere and without disturbances. Official but provisional results issued on July 31 by the Ministry of the Interior showed the distribution of seats in the new Constituent Assembly as follows:

Moderate Radicals ..	76 seats
Left-wing Radicals ..	70 seats
Socialists	11 seats
Christian Democrats ..	9 seats
Democratic Party	9 seats
Progressive Democrats ..	6 seats
Federal Union (*Unión Federal*)	3 seats
*Other parties	15 seats

*Comprising two seats each for the Communists, Labour Party (*Partido Laborista*), Corrientes Liberals, Corrientes Conservatives, and San Juan Radicals, and one seat each for the Independent Civic Party (*Partido Cívico Independiente*), Workers' Party, Buenos Aires Conservatives, Chaco Conservatives, and Salta Labour Party.

The elections thus resulted in a victory for the moderate parties and, in particular, for the two Radical groups, whose combined strength exceeded that of all other parties in the Constituent Assembly. Moreover, they showed a majority for the parties advocating constitutional reform, which had been supported by the Moderate Radicals, the Socialists, the Christian Democrats, and a number of other parties and groups, mostly of the Centre and Left.

A tabulation by the Ministry of the Interior stated that the "majority" group in the Constituent Assembly (i.e. the parties favouring constitutional reform) would command 120 seats, including the Moderate Radicals, Socialists, Democrats and Christian Democrats, Progressive Democrats, and minor parties. The "minority" group (opposed to constitutional reform) was estimated to have 85 seats, comprising the Left-wing Radicals and various minor parties, including the *Unión Federal*. A majority of 35 was thus envisaged for the parties supporting constitutional reform.

The Moderate Radicals headed the national poll with 2,117,161 votes, while the Left-wing (Frondizi) Radicals polled 1,821,459 votes. The fact that the latter party obtained the same number of seats as the Moderate Radicals, although polling fewer votes, was attributable to the working of the proportional representation system, which was used for the first time in an Argentine election. Of the other major parties, the Socialists polled over 500,000 votes (a tenfold increase compared with the presidential election of 1951, when they received 55,000 votes), while the Christian Democrats received over 420,000 votes on their first appearance at the polls. Conservative and Right-wing parties in general polled poorly. The Communist vote, though only 230,000, represented a fourfold increase compared with 1951, when the Communists received 71,000 votes.

The total number of votes cast (including "blanks") was 8,601,102, about 82 per cent of the electorate. Excluding "blank" ballots, 4,093,989 votes were cast for the parties supporting constitutional reform and 2,360,167 for the parties opposing it.

Of the 32 members returned in the Federal capital (Buenos Aires) 12 were Moderate Radicals, 9 Left-wing Radicals, 7 Socialists, 2 Christian Democrats, 1 Communist, and 1 member of the Independent Civic Party. The Moderate Radicals polled 403,744 votes in the capital, the Left-wing Radicals 298,736, and the Socialists 226,950, no other party polling more than 100,000 votes

In Buenos Aires province, the members elected comprised 17 Moderate Radicals, 15 Left-wing Radicals, 4 Socialists, 2 Christian Democrats, 2 Communists, and five members of other parties. The Moderate Radicals received 655,971 votes, the Left-wing Radicals 518,481, and the Socialists 144,547, other parties polling insignificantly.

The number of blank voting papers—presumably those of Peronista supporters—was 2,146,946, or about 25 per cent of the total number of votes cast. Analysis of the returns showed that the greatest number of "blanks" had been cast in the northern and western provinces, and a much smaller number in Buenos Aires and its vicinity (there were 283,946 blank voting-papers in the capital and 543,923 in Buenos Aires province).

Although ex-President Perón and his supporters hailed the large number of "blanks" as evidence that *Peronismo* still commanded great popular support, it was pointed out in Government circles that the Peronistas had confidently forecast "four to five million" blank votes prior to the elections. Moreover, it was believed that not all the "blank" votes represented Peronista sentiment, since several nationalist and right-wing parties had also instructed their supporters to return blank papers as a token of opposition to the Government—e.g. the extreme right-wing *Azul y Blanco* (Blue and White Party, so called from the national colours). President Aramburu himself described the election results as a "blow to dictatorship" and a clear sign of the people's preference for "democracy and liberty."

The new Constituent Assembly held its first meeting on Sept. 1 at Santa Fé, the city where the Constitution of 1853 had been drawn up. After an embittered exchange with other delegates, the Left-wing Radicals headed by Dr. Frondizi walked out after alleging that the Government had acted "illegally" in summoning the Assembly.

New Ministers of War and Air.

General Ossorio Arana resigned on May 17 as Minister of the Army and was succeeded by General Victor J. Mayo, with the title of Minister of War. [The Provisional Government thus restored the title of War Minister instead of Army Minister,

which was adopted during the Perón regime]. The Under-Secretary of the Army, General Luis Leguizamon Martinez, also resigned in sympathy with General Ossorio Arana, and was replaced by Colonel Martin Cabanillas with the title of Under-Secretary of War.

General Ossorio Arana was appointed Army Minister by the late President Lonardi in November 1955, in succession to General Bengoa. His letter of resignation emphasized the common democratic ideals of himself and President Aramburu, and stated that he had accepted the Army Ministry while the country was progressing towards the goal of civil government, which was now in sight. The resignations of General Ossorio Arana and General Leguizamon Martinez were unofficially attributed to differences within the Army High Command. General Mayo had been placed on the retired list at his own request in 1950.

The Air Minister, Commodore Eduardo McLoughlin, resigned on Aug. 8 and was succeeded by Commodore Jorge Horacio Landaburu, head of the military aviation school at Córdoba. Commodore McLoughlin's resignation was believed due to resentment among younger Air Force officers over some appointments made by him.—(Times - Manchester Guardian - New York Times - New York Herald Tribune - Le Monde) **(Prev. rep. 15671 B; 15512 A.)**

A. CEYLON. — The Language Controversy. - Agreement between Mr. Bandaranaike and Federal Party. - Cancellation of Proposed Civil Disobedience Campaign.

The discussions between the Prime Minister of Ceylon, Mr. Bandaranaike, and the Federal Party leaders on the latter's linguistic and other demands, which had begun on June 26, ended on July 25 with a compromise settlement. During the talks Mr. Bandaranaike emphasized that the Government was not prepared to discuss the establishment of a federal Constitution, regional autonomy, or the abrogation of the Official Language Act. He suggested, however, that the Government's draft Regional Councils Bill should be examined to see whether provision could be made under it to meet some of the Federal Party's demands; in consequence, an agreement was reached on this question, the details of which were not published.

On the linguistic question, it was agreed that Tamil should be recognized as the language of a national minority, that the language of administration in the Northern and Eastern provinces should be Tamil, and that provision should be made for the non-Tamil-speaking minorities in those provinces. Mr. Bandaranaike also stated that the question of Ceylonese citizenship for persons of Indian descent, and of revision of the Citizenship Act, would receive early consideration. In view of these concessions, the Federalist leaders (Mr. Chelvanayakam and Mr. Vanniasingham) announced that they had decided to call off their proposed civil disobedience campaign, which had been planned to begin on Aug. 20.

Although the official statement on the agreement did not mention the colonization question (the fourth main issue raised by the Federal Party), Mr. Bandaranaike told the House of Representatives on Aug. 5 that he had given an assurance that the Government had no intention of "swamping" the Tamil-speaking areas with Sinhalese colonists; this did not mean, however, that Sinhalese would be excluded from colonization schemes in the Northern and Eastern provinces. The Regional Councils to which it was proposed to entrust the subject of colonization would be under parliamentary control, and all regulations adopted by them would require parliamentary approval. Full details of the Government's proposals on the Regional Councils and the linguistic question would be placed before the House within a short time.

An emergency convention of the Federal Party, which met at Batticaloa (Eastern Province) on July 28, unanimously decided to accept the agreement with the Prime Minister as an "interim adjustment," and ratified the decision to cancel the proposed *satyagraha* campaign. A resolution was adopted, however, reaffirming the party's "unalterable determination" to achieve (i) an autonomous Tamil linguistic State or States within a Federal Union; (ii) parity of status for the Tamil and Sinhalese languages throughout Ceylon; and (iii) recognition of the right to full citizenship of all Tamil-speakers who had made Ceylon their permanent home.

The agreement between the Government and the Federalists was strongly criticized by sections of both Sinhalese and Tamil opinion.

Inside the Cabinet, the two representatives of the Ceylon Revolutionary Socialist Party (Mr. Gunawardena and Mr. P. H. W. de Silva) were reported to have objected to the wide powers which it was proposed to grant the Regional Councils. The United National Party issued a statement on July 26 declaring that the agreement would disrupt the unity of the country, and that the powers granted to the Regional Councils would jeopardize its economic development.

A number of Sinhalese organizations, including the Sinhalese People's Association and the Ceylon Council of Monks, informed Mr. Bandaranaike on Aug. 4 of their intention to launch a civil disobedience campaign unless he repudiated the agreement by Oct. 1.

Both the minor Tamil parties - the Tamil Resistance Front and the Tamil Congress attacked the agreement. Mr. Suntharalingam (the only Tamil Resistance Front M.P.) made a speech at Batticaloa on July 29 near where the Federal Party convention was being held - denouncing the Federalist leaders, and had to be rescued from an angry crowd by the police. Mr. Ponnambalam, leader of the Tamil Congress, accused the Federalist leaders of "betraying" the Indian plantation workers, and appealed to all Tamils to repudiate the agreement and to continue the struggle until their language was granted equal status. On the other hand, Mr. Abdul Aziz, the president of the Democratic Workers' Congress (the Indian estate workers' organization), expressed his support for the agreement in a speech at the Federal Party convention.

The tension between the Federal Party and the Government was temporarily revived by a statement issued by Mr. Bandaranaike on Aug. 12 in order to reassure Sinhalese opinion, in which he reaffirmed that the establishment of Regional Councils would not mean the introduction of a federal system and of racial division, and that Sinhalese would remain the only official language.

The Prime Minister emphasized that the Councils would be controlled by Parliament and would deal only with minor colonization schemes; that major colonization projects in the Northern and Eastern Provinces would be handled directly by the Central Government; and that anyone corresponding with the Government after 1960 would receive replies in Sinhalese.

Dr. Naganathan, secretary of the Federal Party, issued a statement on the following day commenting on the Prime Minister's interpretation of the agreement. He declared that "the policy of political agreement by negotiation appears to be futile because the Government cannot be depended upon," and added that "the possibility of carrying on our freedom struggle through civil disobedience may be deemed necessary again."

In view of this development, further talks between Mr. Bandaranaike and Mr. Chelvanayakam (leader of the Federal Party) were held on Aug. 15-16, resulting in a joint statement saying that there were "no substantial differences of opinion on the few points on which some misunderstanding has arisen." The statement added:

"On the language issue the Prime Minister stated that the proposed legislation will be in conformity with the four points set out by the Prime Minister [see 15643 A] and would include matters relating to this subject embodied in the joint statement issued on July 25, 1957.

"In regard to colonization the Prime Minister emphasized that . . .the instrument of colonization should not be used to convert the Northern or Eastern provinces into a Sinhalese majority-area or in any other manner to the detriment of the Tamil-speaking people of those areas.

"The Prime Minister explained that in regard to certain classes of colonization schemes, particularly in cases where a reservoir was situated in one regional area and the land to be developed in another regional area, provision would have to be made for an appropriate adjustment between the interests of the Central Government and the Regional Councils concerned, which would, however, be done within the principles and spirit of the agreement.

"The impression that may have arisen in certain quarters that the agreement has broken down is not justified. It is only when the details of the necessary legislation, which is being drafted, are ready that the public will be able to see the position clearly as a whole."

The statement concluded with an appeal to the public to await the legislation and "not to exacerbate speculative feelings by discussion at this stage."—(Ceylon Government Information Department - Times - Manchester Guardian) **(Prev. rep. 15643 A.)**

Note. According to the 1953 census, 5,621,332 people in Ceylon spoke Sinhalese and 2,369,155 Tamil. The Tamil-speaking population fell into three groups: 917,705 Ceylon Tamils, whose ancestors had lived in Ceylon for centuries; 983,304 Indian Tamils (plantation workers of Indian origin); and 468,146 Ceylon Moors (Moslems of Arab descent). Although the majority of the Tamil-speaking population live in the Northern and Eastern Provinces, nearly 600,000 of the Ceylon Tamils are settled in other parts of the country.

B. PERSIA - SOVIET UNION. — Joint Utilization of Water and Power Resources.

An agreement was signed in Teheran on Aug. 11 under which Persia and the U.S.S.R. agreed to co-operate in the joint utilization of the frontier stretches of the Rivers Atrek and Araks as sources of irrigation and electric power production. It provided for the construction of a number of hydro-electric stations to produce power for adjacent Soviet and Persian territory; the irrigation of about 154,000 acres in the Soviet Republic of Azerbaijan and an equal area in Persian Azerbaijan; and a dam and reservoir on the Atrek River to irrigate over 48,000 acres in Persia and Soviet Turkmenistan. (Soviet Embassy Press Department, London) **(15499 B.)**

A. UNITED KINGDOM. — British Transport Commission. - Report for 1956. - Increases in Railwaymen's Wages and Freight Charges. - New Freight Charges Scheme in Force. - Further Increases in Passenger Fares. - Progress of Railway Electrification.

The report and accounts of the British Transport Commission for the year ended Dec. 31, 1956, were published on June 28, 1957. They showed that British Railways—the principal sector of the Commission's activities—incurred a deficit during the year of £57,496,624, made up of an operational deficit (the first since nationalization) of £16,496,624 and of interest and other central charges amounting to £41,000,000. The Commission's remaining activities earned a combined operational surplus of £20,977,141, reduced by interest charges and central expenses to a net surplus of £3,069,982.

The whole of the year's deficit on British Railways, together with the Commission's accumulated deficit on net revenue account at Dec. 31, 1956 (£69,751,712) and interest on capital borrowings for British Railways during 1956 (£282,687), was transferred under the provisions of the Transport (Railway Finance) Act to a Special Fund, for amortization later. The surplus of £3,069,982 earned on the Commission's other activities was carried to revenue account.

The Special Fund mentioned above (in effect, a form of Suspense Account) stood at £127,530,973 at Dec. 31, 1956.

The report attributed the year's heavy deficit to three main factors: (1) the decline in freight traffic carried by British Railways and British Road Services; (2) the gap in time between the incidence of increased wages and other costs and the authorization of higher fares and charges in order to meet them; (3) the continuation of inflation, although in a less acute form.

With regard to (1) the Commission said: "It became increasingly realized during the year that public transport in Britain had not in fact been nationalized, and that all the transport activities operated by the Commission together represent less than one-third of the total transport activity of the country . . . The other great problem is the continued growth in the numbers of privately-owned cars and commercial vehicles . . . There is a fundamental paradox in having at the same time overcrowded roads and an apparatus of public transport which could, in fact, carry greater traffic . . . The greater the congestion of road traffic which the continuous multiplication of cars and lorries brings about, the more expensive it becomes to provide public transport."

The Commission declared itself confident, however, that the benefits which would result from railway modernization and the transfer of its accumulated deficit to a Suspense Account would enable it steadily to improve its trading position in the next few years. In this connexion the report said: "The most important features [in 1956] were the progress made with the modernization and re-equipment of the railways, and the settlement of the Commission's finances upon a realistic basis for the difficult period of reconstruction and reorganization . . . Various projects began to materialize in 1956 with the placing of large orders for rolling-stock and for electrical and signalling and other equipment. Indeed, some of the new rail services are already in operation and increasing benefits will become manifest from now on. In certain respects, notably electrification of main and suburban lines, an advance on the time-table as first conceived can now be foreseen."

Analysis of Financial Results.

The financial results of the Commission's various activities were shown as follows: *Principal Carrying Activities*—gross receipts, £682,709,744; working expenses, £685,998,150; deficit, £3,108,406. *Other Principal Activities* (docks and harbours, inland waterways, hotels and catering, letting of land and buildings)—gross receipts, £50,471,779; working expenses, £45,144,572; surplus, £5,327,207. *Income from Subsidiary and Associated Companies* (i.e. bus and shipping companies, travel agencies, etc.): surplus, £2,351,716.

This left a net working surplus of £4,480,517, but, after taking into account interest charges and central administrative expenses totalling £58,907,159, the surplus was converted into a deficit of £54,426,642. As explained above, the transfer of £57,496,624 (representing the year's deficit on British Railways) to a special account enabled a net surplus of £3,069,982 to be shown.

Of the total receipts, passenger traffic accounted for £269,041,459 (6.5 per cent up on 1955), freight traffic for £400,783,953 (2.4 per cent up), and miscellaneous activities for £12,974,340 (54 per cent up). Details are shown below (all figures £ million):

	Gross Receipts	Working Expenses	Surplus (+) or Deficit (−)	Better (+) or Worse (−) than 1955
British Railways (incl. collection and delivery)				
Passengers 127.5	480.1	496.6	−16.5	−18.3
Freight, Parcels and Mails 344.6				
Miscellaneous 8.0				
British Road Services (Road Haulage)	48.5	46.7	+1.8	−2.5
Road Passenger Services (Provincial and Scottish)	57.7	52.4	+5.3	−0.3
London Transport Road Services	56.5	54.0	+2.5	−0.5
Railways	23.6	21.6	+2.0	+0.8
Ships: Passenger and Cargo Services	15.4	13.6	+1.8	−0.2
Inland Waterways (Carrying Operations)	1.02	1.19	−0.2	−0.1

The percentages of working expenses to gross receipts were as follows: railway freight and passenger services, 103; road haulage services, 96; road passenger services (Provincial and Scottish), 91; London Transport road services, 96; London Transport railways, 91; ships, 88; inland waterways, 117.

Non-carrying Activities. The net profit of £5,327,207 (against £5,549,628 in 1955) was arrived at as follows:

Docks, Harbours and Wharves—net receipts £2,537,635 (£2,994,783 in 1955).

Inland Waterways (non-carrying activities)—deficit £299,783 (£171,604 in 1955).

Hotels and Catering—an overall loss of £204,078, arrived at as follows: refreshment rooms—profit £359,587; hotels—loss £9,383; restaurant cars—loss £554,282. Figures for 1955 were: refreshment rooms—profit £176,749; hotels—loss £5,376; restaurant cars—loss £678,812; overall loss, £507,439.

Letting of Land and Buildings—net receipts, £3,293,433.

The following detailed information was given in the report issued by the British Transport Commission:

Passenger Traffic. Total receipts amounted to £269,041,000 (£252,562,000 in 1955). In spite of the bad summer and the continued growth of private transport, the number of journeys and passenger-miles recorded for British Railways both showed increases of 4 per cent (passenger mileage constituting a record). On London Transport, however (which was worst affected by the growth of private transport), passenger journeys and mileage fell by 4.4 per cent and 2.6 per cent respectively; they also declined slightly on Provincial (Tilling group) and Scottish buses.

Passenger Fares. Although many goods and services were about three times as dear as in 1929, average fares on British Railways and London Transport, reckoned in terms of receipts per passenger-mile, were little more than double pre-war, while for Provincial and Scottish buses the increases were even less. In real terms, therefore, these fares had all fallen since 1938, although average real wages had risen by 50 per cent.

Freight Traffic. Total freight receipts (including parcels and mails) amounted to £400,784,000 (£391,337,000 in 1955), of which British Railways accounted for 86.0 per cent, British Road Services for 11.8 per cent, Ships for 2.0 per cent, and Inland Waterways for 0.2 per cent.

The report explained that during 1956 there had been an increase of about 6 per cent in "C" licensed (private traders') road vehicles, and that, in the absence of an increased volume of traffic to be carried, this was bound to result in poorer utilization of vehicles of all kinds, both road and rail. On British Railways, general merchandise carryings—the traffic normally most vulnerable to "C" licence discrimination—had declined by a further 2 per cent. Coal and coke carryings were actually slightly higher than in 1955, but when allowance was made for effects of the 1955 coal strike the underlying trend was a slight decline. Mineral traffic rose by over 2 per cent. There had also been a further decline in carrying by British Road Services, largely as a result of further disposals of vehicles, but partly as a result of the growth of "C" licence operations.

Level of Freight Charges. The report pointed out that in spite of the 5 per cent increase in rail charges in April, 1956 (see 14807 A), rail charges for the main traffic groups were still below the pre-war level if considered in "real" terms—or, in the case of coal, only slightly above it. The same applied to road haulage charges.

British Railways Development and Equipment. (*a*) *Electrification*: Good progress was made in 1956 in planning the first stage (Manchester-Crewe) of the Euston-Manchester-Liverpool electrification; this section was expected to be open by 1958, and would be followed by Crewe-Liverpool and Crewe-Birmingham. Preliminary work had begun on the Colchester-Clacton-Walton-on-Naze line (Eastern Region), and planning had gone ahead on the Southern Region lines to the Kent coast (expected to cost £45,000,000).

(*b*) *Diesel Working.* At Dec. 31, 1956, 386 diesel vehicles were in use (over 2½ times as many as on Dec. 31, 1955), with a further 1,746 diesels on order. Additional multiple-unit and other services had been introduced (especially on the London Midland, Eastern, and North-Eastern Regions), and the construction had been approved of 22 lightweight "rail buses" for experiments in economical operation in country areas. Considerable progress had also been made in the introduction of inter-city express services by multiple-

unit diesel trains; these had already started between Edinburgh and Glasgow, and services between Liverpool, Leeds and Bradford and between Birmingham and Liverpool and Manchester would follow. Diesel expresses between Birmingham and Swansea would probably be introduced in the summer of 1957.

(*c*) *Locomotives and Rolling-Stock.* No new steam-passenger locomotives would be built after the 1956 programmes, and few, if any, steam locomotives of any kind after 1958, when existing programmes for heavy freight and mixed traffic locomotives would be completed.

Delivery of the first batch of 174 diesel main-line locomotives was now beginning and should be completed during 1958. These engines would be operated extensively in selected areas of the London Midland, Southern, and Eastern Regions to enable the Commission to draw up reliable standard specifications, and meanwhile further orders would be restricted. About 600 diesel shunting locomotives were in service, with a further 480 on order.

The stock of passenger coaches at Dec. 31, 1956 was 41,522 and that of goods wagons 1,117,464.

The Commission had now decided on the continuous vacuum-brake as standard for all freight and passenger rolling stock, except electric and multiple-unit diesel stock. About 44,000 wagons would be fitted in 1957, and about 80,000 converted in 1958. All new wagons would be fitted with continuous brakes.

(*d*) During the year plans had been completed for the reconstruction of various passenger stations, including Cannon Street (London), Banbury, Chichester, Plymouth North Road, and Weymouth; for improvements at Euston and St. Pancras, Coventry, Newcastle, Penzance, Swindon, Wakefield, Weymouth, and York; and for the modernization of Glasgow (Central), Dundee (Tay Bridge) and Southend. Schemes in hand included a new marshalling yard (costing £14,000,000) at Temple Mills, London, and improvements to goods depots and marshalling yards at Barking, Grimsby, Lincoln, Liverpool, Margam, Merthyr, Peterborough, Stockton, and Thornton (Fife).

British Road Services. Now that disposals of road haulage property had virtually ended, it was possible to review the vehicles left with B.R.S. and begin concentrating on 11 standard types of diesel vehicles. The number of B.R.S. vehicles at Dec. 31, 1956 was 20,587.

Provincial and Scottish Buses. 14,479 buses and coaches were in operation at Dec. 31, 1956.

London Transport. Important works completed or in progress during 1956 included the following: (*a*) the Rickmansworth-Amersham-Chesham electrification (started in 1939, suspended after the outbreak of war, and now resumed); (*b*) reconstruction of the two Underground stations at Notting Hill Gate to provide direct interchange between the Central and Metropolitan lines (in progress); (*c*) electrification of the Central Line between Epping and Ongar; (*d*) a new bus overhaul works at Aldenham—probably the largest and most up-to-date in Europe (completed).

Ships. Four new ships began service in 1956, including three of 4,800 gross tons and 21 knots for the Heysham-Belfast service. At Dec. 31 the Commission's fleet numbered 114 vessels, with 19 others building or ordered.

Staff and Wages. For the first time since 1952 British Railways' intake of recruits exceeded wastage, and the Commission's staff increased by 4,771 to 805,970 (570,547 employed on British Railways). Wage increases during the year were estimated to cost £34,600,000 in a full year, of which British Railways and London Transport would account for £27,700,000 and £2,500,000 respectively. No important stoppages of work took place during 1956.

New B.T.C. Coat of Arms. A design for an heraldically correct coat of arms having been approved by the College of Arms in England and the Lyon Court in Scotland, Letters Patent for "a full Armorial Achievement, with Standard and Badges" were presented to the Commission in June. B.R. locomotives, the power coaches of electric and diesel multiple-unit stock, and certain express coaches will all display the new railway badge.

Recent Developments in Nationalized Transport.

Important developments in connexion with nationalized public transport during recent months are described below.

Railwaymen's Wage Claims. Negotiations began in January 1957 between the B.T.C. on the one hand and the National Union of Railwaymen and the Transport Salaried Staffs Association on the other on the unions' claims (see 15432 A) for increases of 10 and 7½ per cent respectively. An offer by the Commission of 3s. weekly (based on the rise in living costs since the last increase to N.U.R. men in January 1956) was rejected on the grounds that it failed to cover the real rise in the cost of living or to give any financial recognition of railwaymens' efforts to raise productivity. A slightly improved offer by the Commission (Jan. 25), equivalent to an overall increase of 3½ per cent, was also rejected, whereupon the dispute was referred to the Railway Staffs National Tribunal.

The Tribunal published its findings on March 20, the majority report (signed by Sir John Forster, Q.C., the chairman, and Mr. A. J. Epsley, selected by the B.T.C.) recommending increases of 3 per cent only—i.e. less than already offered by the Commission. The third member of the Tribunal (Mr. Edwin Hall, selected by the N.U.R.) made no specific recommendation as to the rate of increase, but considered that it should be more than 3 per cent.

The majority report recalled that in December 1956 the Tribunal had considered a claim by the Amalgamated Society of Locomotive Engineers and Firemen for a 15 per cent increase for footplate staff, and had then awarded an increase of only 3 per cent, based on the rise in the cost of living. The report continued: "As in the case of the ASLEF claim, so in the present case we have reached the conclusion that the only ground upon which an increase in basic rates can be justified is an increase in the cost of living . . . In all the circumstances we recommend that the basic rates of the salaried and conciliation staff in respect of whom the N.U.R. make the present claim shall be increased by 3 per cent from the beginning of the first full pay period following Nov. 26, 1956" [i.e. the date to which the ASLEF increase was backdated].

Mr. Hall, on the other hand, claimed that basic railway wages compared unfavourably with wages in other nationalized industries, and that improvements were necessary, particularly in starting grades, to attract labour. He also held that the proposed 3 per cent increase would not cover even the actual rise in the cost of living index (which at the date of the report stood at 104.4, taking January 1956 as 100), and that railwaymen ought to be rewarded for their efforts to increase railway efficiency.

The Tribunal's majority recommendation was unanimously rejected by the N.U.R. executive on the same day, whereupon further talks on the "grave situation" took place with Sir Brian Robertson (chairman of the B.T.C.) and other members of the Commission. On March 22 agreement was reached on the basis of an overall increase of 5 per cent for all salaried and "conciliation" staff—3 per cent of the increase to be backdated from Nov. 26, 1956, and 2 per cent to March 4. The N.U.R., for its part, agreed (*a*) to replace the existing system of "recurrent and sometimes uncoordinated" wage claims by "periodical reviews at agreed intervals," and (*b*) "to continue with vigour the pursuit of increased efficiency."

The settlement had been negotiated on the understanding that it would apply to all railwaymen in the appropriate grades, and that the N.U.R. would endeavour to secure the agreement of the TSSA and ASLEF. On March 28, however, the ASLEF executive informed the Commission that it was prepared to accept the further increase of 2 per cent (i.e. the difference between the 5 per cent now offered to N.U.R. men and the 3 per cent already granted to ASLEF men in December), but would not agree to any "strings"—i.e. it would not accept the obligations set out above. The Commission replied that they were not prepared to pay the increase unless the other provisions of the agreement were accepted, and that footplate staff would therefore continue to be treated under the award of December, 1956. Further talks between the Commission and the ASLEF executive, however, resulted on April 6 in the Commission agreeing to waive the "strings" attached to the offer as far as ASLEF men were concerned, and to bring their increase up to 5 per cent retrospectively from March 4.

The increase of 5 per cent on January 1956 rates was estimated to apply to about 407,000 members of the N.U.R. and TSSA and to about 70,000 ASLEF men, its cost being unofficially put at about £14,500,000 in a full year. A similar increase (affecting about 120,000 workers and costing about £2,500,000 annually) was given on May 1 to railway workshop staff employed by British Railways and the London Transport Executive.

Electrification Contracts. The B.T.C. announced on Oct. 23, 1956, that it was placing contracts with British Insulated Callender's Cables Ltd. and the British Insulated Callender's Construction Co. Ltd. for the design, supply, and installation of the overhead conductor equipment for the Manchester-Crewe and Colchester-Clacton electrifications. These contracts, involving equipment for 220 and 50 track miles respectively, were the first to be announced since the Commission's decision to adopt the A.C. system as standard (see 14998 A).

Orders for electric traction equipment were announced on Jan. 16, 1957, the firms concerned being the Metropolitan-Vickers Electrical Company, the British Thomson-Houston Company, the English Electric Company, and the General Electric Company. The total value of the orders was about £8,000,000.

Design on Railways. The appointment by the B.T.C. of a panel to advise it on the appearance and design of equipment "used or seen by passengers, other customers, or staffs, or prominently visible to the general public" was announced on Oct. 22, 1956. The chairman of the panel is Mr. T. H. Summerson, chairman of the North-Eastern Area Board and a member of the Commission. Its members include Mr. W. J. Warboys and Sir Gordon Russell (respectively chairman and director of the Council of Industrial Design), in addition to employees of the B.T.C.

Automatic Train Control. Mr. Watkinson, the Minister of Transport and Civil Aviation, announced on Dec. 3, 1956 that he had given final approval for British Railways' system of automatic train control, which had been in use on the King's Cross-Grantham main line for 12 months and had proved entirely reliable. The system would be brought into use as soon as possible on all B.R. main lines at an estimated cost of about £20,000,000.

Inquiry into B.T.C. Buying Policy. Following allegations in April 1957 by Mr. E. L. Gethin (Supplies and Production Adviser to the B.T.C.) that the Commission had failed to obtain competitive tenders before placing railway modernization contracts, Mr. Watkinson announced on July 24 that he had asked Sir Harold Howitt (past president of the Institute of Chartered Accountants) to examine the Commission's purchasing arrangements. He added that at his (the Minister's) request Sir Brian Robertson had sent him a full report setting out the new purchasing policy which the Commission had

decided to adopt, and dealing with allegations in the House about specific contracts. Both Sir Harold Howitt's findings and the Commission's report would be published in due course.

New Railway Freight Charges Scheme. The B.T.C.'s new system of fixing rail freight charges, as amended by the Transport Tribunal, came into force on July 1, 1957.

As originally drafted, the scheme proposed maximum rates based on the weight and loadability of the goods, instead of the existing system of standard charges based on value. The Tribunal agreed to this general principle but stipulated that (*a*) traffic carried in owners' wagons or in tank wagons, or (*b*) consignments of 100 tons or more, should not be subject to "maximum rates" but to "reasonable charges" fixed by the Commission. It also rejected the Commission's proposal for a single series of rates; lowered the proposed maximum rates; and fixed a separate series of rates for goods normally carried in bulk.

Further Increase in Rail Freight Charges. The B.T.C. announced on July 1, 1957, that freight charges on British Railways would be increased by 10 per cent as from Aug. 1, owing to further heavy increases in working costs. To enable the increase to be fully effective, it was proposed to make use of the special statutory procedure for temporary authorization of an increase in the maximum charges fixed by the railway merchandise charges scheme. The Commission's statement read as follows:

"The last increases in railway freight charges came into effect on April 23, 1956. The increases actually applied then were considerably lower than those which the Commission had originally proposed. Since that time the Commission's working costs have risen by the equivalent of some £40,000,000 in a full year, due to increases in the price of coal, in wages and salaries, and in the prices of other items such as steel, road fuel, and tyres. The Commission has applied to the Minister of Transport and Civil Aviation for authority to increase charges for docks and inland waterways by five per cent. The Minister, after consulting the Transport Tribunal, has approved an application for increased charges . . ."

Increase in Passenger Fares. The Commission's statement also dealt with the question of increases in passenger fares, saying in this connexion:

"The Commission has had authority [though not exercised] since 1953 to increase ordinary main-line fares on British Railways from 1.8d. a mile to 2d. a mile, second class, with proportionate increases in first-class fares. The position in respect of these ordinary main-line fares is under review but . . . it is not intended to make any increase during the operation of the present summer holiday train services, which continue until Sept. 15.

"There is also at present under consideration by the Transport Tribunal an application to increase certain other fares [early morning return tickets and season tickets] on British Railways and London Transport, but the Commission . . . does not expect to use the new charging powers, if granted, before the autumn."

The Transport Tribunal announced on Aug. 7 that it had decided to confirm the B.T.C.'s application [see above] to increase fares on London Transport and British Railways' London lines, and to increase early morning and season fares outside London by amounts corresponding to those in London. The Commission reaffirmed, however, that it would not take immediate advantage of the authority granted to them to make increases in existing fares, and proposed to adhere to its decision not to increase fares on British Railways during the present holiday season.

The B.T.C. announced on Aug. 30 that ordinary second-class fares on British Railways would be raised to 2d. a mile from Sept. 15, with proportionate increases in first-class fares. From the same date the increases approved by the Transport Tribunal for London Transport and B.R. London lines would also operate, as follows:

London Transport. No change in the 3d. minimum or in 4d. fares up to 1½ miles, other 4d. fares increased to 5d.; no change in fares between 6d. and 1s. 4d.; 5d. fares increased to 6d.; 2d. increase in fares between 1s. 6d. and 2s. 8d.; 3d. increase in fares between 2s. 9d. to 5s. 2d.; 4d. increase in fares between 5s. 3d. and 7s. 8d.; 5d. increase in fares over 7s. 8d.

Early morning bus (single) and Underground (return) fares to be increased by 1d. or 2d., and monthly Underground season tickets by a maximum of 9s. for 23 miles. Proportionate increases in weekly or longer-period tickets.

B.R. London Lines. On the London, Tilbury, and Southend lines ordinary single fares raised from 4d. to 5d. for 2 miles; fares from 3 to 8 miles unchanged; fares for 9 miles to be increased by 1d.; for 10-19 miles by 2d.; 20-29 miles by 3d.; 40-59 miles by 4d.; 60 miles and over by 5d. Increases in day returns, double the above amounts.

Early morning return fares increased by 1d. or 2d. up to 9 miles, and 3d. from 10-27 miles, increasing to 1s. 8d. at 60 miles.

Monthly season tickets increased by 3s. 9d. for one mile, rising to 9s. at 23 miles or over, with proportionate increases in weekly and longer-period tickets.

B.R. Lines Outside London Area. Early morning return fares and season tickets to be raised by broadly similar amounts to the increases in the London area.

Certain miscellaneous passenger charges would also be revised; e.g. sleeping berth charges would go up by about 10 per cent, and seat reservations would be raised from 1s. to 2s.

The Commission pointed out (*a*) that the new second-class fare of 2d. a mile compared with 1d. a mile charged for monthly returns 20 years previously; (*b*) that the average fare per passenger-mile on British Railways had risen by only 115 per cent since pre-war, compared with an increase of 165 per cent in retail prices.

Canal Improvement Schemes. The B.T.C. announced on July 30, 1957 detailed programmes, to cost over £1,500,000, for the improvement of the Aire and Calder Navigation Canal (£955,000) and the Sheffield and South Yorkshire Navigation Canal (£593,250) to enable them to carry more traffic. The programmes will form part of the Commission's £5,500,000 plan for the development of its principal inland waterways (see 14725 A).

The resignations of Sir Henry Methuen (a member of the former Hotels and Catering Executive) and of Mr. J. Ryan (a member of the Western Area Board) from part-time membership of the British Transport Commission were announced in September and November last.

Mr. (now Sir) C. J. Geddes—see 15398 A—and Mr. S. H. Leake were appointed part-time members of the London Transport Executive with effect from Jan. 1 and April 1, 1957 respectively.—(British Transport Commission - Times - Daily Telegraph - Manchester Guardian - Financial Times)

(Prev. rep. 1955 Report, 14998 A; Railways, 15438 A; Freight Charges, 14807 A; 14977 A.)

A. INDIA. — Navy. - Acquisition of H.M.S. "Nigeria." - Appointment of First Indian Admiral.

The 8,000-ton cruiser H.M.S. *Nigeria*, purchased by the Government of India from Britain in 1954, was formally commissioned in the Indian Navy at Birkenhead on Aug. 29, when she was renamed I.N.S. *Mysore* by Mrs. Pandit, the Indian High Commissioner in London.

The *Nigeria* was built in 1940 and saw extensive service in Northern and Pacific waters during the Second World War. Since her acquisition by the Indian Navy she had been undergoing extensive refitting and modernization at Cammell Laird's yard, Birkenhead.

The other principal units of the Indian Navy are the 7,000-ton cruiser *Delhi* and the 1,700-ton destroyers *Rana*, *Rajput* and *Ranjit*. The *Delhi* (ex-H.M.S. *Achilles*, of the Battle of the River Plate) was launched in 1932 and acquired from Britain in 1948. The three destroyers—ex-British *Raider*, *Rotherham* and *Redoubt* respectively—were built in 1941-42 under war programmes.

The anti-aircraft frigate *Brahmaputra*, the first vessel of her type acquired by the Indian Navy, was launched at Clydebank on March 17, 1957. An anti-submarine frigate, the *Khukri*, and four coastal minesweepers had also been launched in Britain for the Indian Navy in 1956.

The Indian Defence Ministry announced on Feb. 12, 1957, that the 15,700-ton aircraft carrier H.M.S. *Hercules* had been purchased from Britain and was expected to join the Indian Navy in three to four years after modernization and refit at the Harland & Wolff yards, Belfast. The *Hercules* had been laid up on Tyneside since her completion in September 1945. The first aircraft carrier to be acquired by India, she will be specially fitted for tropical service and will receive an Indian name in due course.

Rear-Admiral R.D. Katari, the first Indian officer of flag rank, assumed the post of Flag Officer Commanding, Indian Fleet, on October 1956 in succession to Rear-Admiral Sir St. John Tyrwhitt, who had been seconded to India by the Royal Navy since 1955. The post is the highest in the Indian Navy except for that of Chief of Naval Staff.—(The Statesman, Calcutta - Indian High Commissioner's Office, London)

(Prev. rep. Indian Navy, 14133 B.)

B. LITERATURE. — Book Selections, August 1957.

Selected books published in Great Britain and the United States are given below:

Great Britain. Allen, V. L.—"Trade Union Leadership." A Study based on Arthur Deakin. (Longmans, 30s.)

Dutourd, Roger—"The Taxis of the Marne." Translated from the French. (Secker & Warburg, 16s.)

Fedden, Sir Roy—"Britain's Air Survival." (Cassell, 11s. 6d.)

Gatland, K. W., and Dempster, D. D.—"The Inhabited Universe: An Inquiry staged on the Frontiers of Knowledge." (Wingate, 21s.)

Grimble, Arthur—"Return to the Islands." (John Murray, 18s.)

Leasor, James—"The Millionth Chance: The Story of the R-101." (Hamish Hamilton, 18s.)

Moore, John—"September Moon." (Collins, 15s.)

Morton, H. V.—"A Traveller in Rome." (Methuen, 25s.)

Nock, O. S.—"Branch Lines." (Batsford, 25s.)

Price, R. G. G.—"A History of *Punch*." (Collins, 30s.)

United States. Baruch, Bernard M.—"Baruch: My Own Story." Autobiography, Volume I. (Henry Holt, New York, $5.00)

Feis, Herbert—"Churchill-Roosevelt-Stalin: The War they Waged and the Peace they Sought." (Princeton University Press, $6.95)

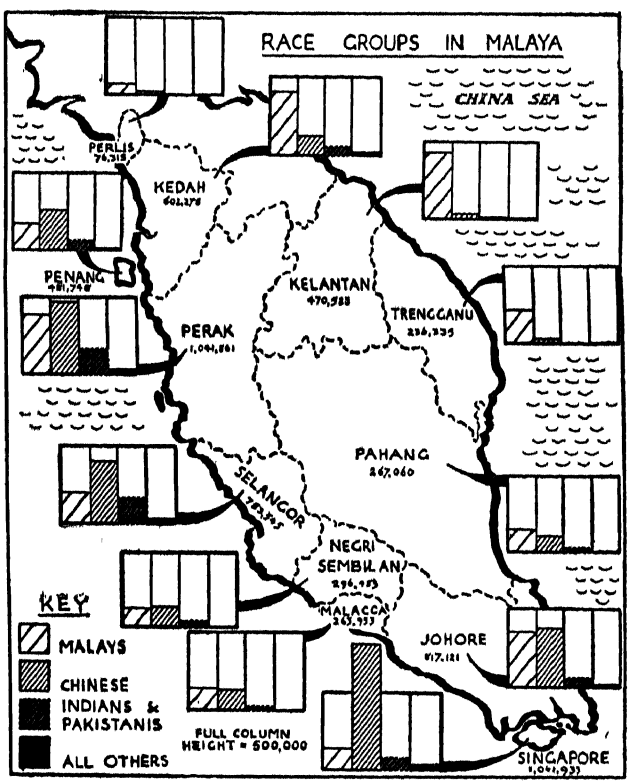
Wallace, Irving—"The Square Pegs: Some Americans who Dared to be Different." (Knopf, New York, $5.00)

(Ed. K.C.A.) **(Prev. rep. Book Selections, 15678 A.)**

A. MALAYA. — Achievement of Independence.

The independent Federation of Malaya, the tenth member of the British Commonwealth, came officially into existence on Aug. 31 (Merdeka Day). At a ceremony in Kuala Lumpur, which was *en fête* for the occasion, the Chief Minister (Tengku Abdul Rahman) formally proclaimed the independence of Malaya as "a sovereign, democratic and independent State founded on the principles of liberty and justice, and ever seeking the welfare and happiness of its people and the maintenance of a just peace among all nations." In a warm tribute to Britain, the Tengku said that Malaya had been "blessed with a good administration forged and tempered to perfection by successive British administrators," and called upon the people to see that "this legacy left by the British should not suffer in efficiency and integrity in the years to come."

Representatives of some 30 Commonwealth and foreign countries were present at the independence ceremonies, at which H.M. the Queen was represented by the Duke of Gloucester. The British representatives included Viscount Kilmuir (the Lord Chancellor), Field-Marshal Sir Gerald Templer (Chief of the Imperial General Staff and former High Commissioner in Malaya), and Sir Donald MacGillivray, the retiring High Commissioner. The Duke of Gloucester read a message from the Queen welcoming Malaya "with deep and real pleasure to the brotherhood of our Commonwealth family of nations," and expressing her Majesty's conviction that Malaya would "respond worthily to the challenging tasks of independence and continue to show to the world that example of moderation and goodwill between all communities that has been so marked a feature of her history." Messages of goodwill were sent to Tengku Abdul Rahman by Mr. Macmillan, Mr. Menzies, Mr. Holland, and other Commonwealth Premiers.



The 11 States of the Malayan Federation, showing racial composition. Population figures are for 1954. (*New Commonwealth*)

Malayan, British and Commonwealth troops took part in the Merdeka Day ceremonies at Kuala Lumpur, where the Union Jack was formally hauled down and the Malayan flag hoisted to the strains of the new Malayan anthem, *Negara Ku* ("My Country"). The Malayan flag has 11 red and white stripes (for the 11 States of the enlarged Federation), and a blue canton bearing the Islamic star and crescent in yellow.

A statement had been issued from 10, Downing Street, on Aug. 25 saying that "H.M. Government in the United Kingdom are happy to announce, after consultation with other Commonwealth Prime Ministers, that they have all agreed that Malaya shall from Aug. 31 be recognized as a member of the Commonwealth." The statement added that the Queen had made an Order-in-Council "giving the force of law, so far as it is for her Majesty to do so, to the new Constitution of the Federation of Malaya and the Constitutions of Penang and Malacca."

In a statement on Aug. 28, Tengku Abdul Rahman had announced the composition of the new Malayan Government as follows:

Tengku Abdul Rahman ..	Prime Minister and Minister of External Affairs.
Dato Abdul Razak bin Hussein	Deputy Premier and Defence.
Colonel Sir Henry Hau-shik Lee	Finance.
Inche Suleiman bin Dato Abdul Rahman	Interior and Justice.
Mr. V. T. Sambanthan ..	Health.
Inche Abdul Aziz bin Ishak ..	Agriculture.
Inche Sardon bin Haji Jubir	Works, Posts and Telecommunications.
Mr. Ong Yoke Lin	Labour and Social Welfare
Mr. Tan Siew Sin	Commerce and Industry.
Inche Mohamed Khir bin Johari	Education.
Inche Bahaman bin Samsuddin	Natural Resources.
Inche Abdul Rahman bin Haji Talib	Transport.
Dr. Ismail bin Dato Abdul Rahman	Minister Plenipotentiary without portfolio.

Several Ministers changed their former portfolios but there was only one newcomer to the Cabinet—Mr. Tan Siew Sin, a son of Sir Cheng-lock Tan, one of the leaders of the Malayan Chinese community. The new Minister of Education (formerly Assistant Minister of Commerce) took the place of Dato Abdul Razak, who became Deputy Premier and Minister of Defence. Mr. Sambanthan was formerly Minister of Labour, and Mr. Ong Yoke Lin was Minister of Transport. As previously announced (see page 15687, first column), Dr. Ismail bin Dato Abdul Rahman will be the first Malayan Ambassador in Washington, with a seat in the Federation Cabinet.

Tengku Abdul Rahman (54), the first Prime Minister of independent Malaya, is a younger son of a former Sultan of Kedah. He graduated from St. Catharine's College, Cambridge, and subsequently assisted his father in the administration of Kedah State, where he was a District Officer. After the Second World War he joined the United Malays' National Organization (UMNO) founded by Dato Sir Onn bin Ja'afar, and took an increasingly prominent part in the activities of that body. During the immediate post-war years he studied in London for his Bar examinations, and after passing them returned to Malaya in 1949 to take up a legal appointment. In 1951 he succeeded Dato Sir Onn bin Ja'afar as leader of UMNO following the Dato's unsuccessful attempt to convert the organization into a multi-racial party—an attempt which was rejected by UMNO and resulted in the Dato forming a new Independence of Malaya Party. In 1952 Tengku Abdul Rahman succeeded in bringing about an alliance between UMNO, the Malayan Chinese Association, and the Malay Indian Congress. He became Chief Minister in the same year, when this alliance won all but one of the 52 seats in the elections to the Federal Legislative Assembly.

Tuanku Sir Abdul Rahman (not to be confused with Tengku Abdul Rahman, the Prime Minister) was officially installed as King and Ruler of the Malayan Federation at Kuala Lumpur on Sept. 2, the ceremony being attended by the Duke of Gloucester, the Prime Minister and the Cabinet, the Rulers of the Malay States, and representatives of Commonwealth and foreign governments. Sir Abdul Rahman (the Ruler of Negri Sembilan) took the official style and title of "his Majesty the *Yang di-Pertuan Agong*." Under the new Constitution, he will reign for five years and will then be replaced by a successor elected by the Rulers of the Malay States.—(Times - Daily Telegraph) **(Prev. rep. 15685 A.)**

Note. The area, population (latest estimates) and capitals of the 11 States of the Malayan Federation are as follows:

	Area (sq. miles)	Population (approx.)	Capital
Johore	7,330	860,000	Johore Bahru
Kedah	3,660	635,000	Alor Star
Kelantan	5,750	488,000	Kota Bahru
*Malacca	640	280,000	Malacca
Negri Sembilan	2,580	315,000	Seremban
Pahang	13,280	278,000	Kuala Lipis
*Penang	110	504,000	George Town (Penang)
Perak	7,980	1,100,000	Ipoh
Perlis	310	81,000	Kangar
Selangor	3,160	830,000	Kuala Lumpur
Trengganu	5,050	247,000	Kuala Trengganu

*Former Straits Settlements, now possessing full Statehood under the new Constitution.

A recently-completed census in Malaya, of which the results have not yet been officially published, showed the population of the Federation as about 6,280,000 according to provisional figures. The State populations will therefore be somewhat larger than those given in the table above. Kuala Lumpur, capital of the Federation and of Selangor State, has a population of well over 200,000.

A. UNITED KINGDOM.—Electricity Supply Industry. - Appointments to New Central Electricity Generating Board and Electricity Council. - The Electricity Act, 1957.

Lord Mills, the Minister of Power, announced on Aug. 1 the following appointments to the Central Electricity Generating Board and the Electricity Council, both set up under the 1957 Electricity Act:

Central Electricity Generating Board.

Chairman (Salary £10,000 p.a.): Sir Christopher Hinton, F.R.S. (56), managing director of the Industrial Group of the Atomic Energy Authority (appointed for five years).

Deputy Chairman (£7,500): Mr. C. R. King (62), chairman of the East Midlands Electricity Board (three years).

Members (£7,000): Mr. F. H. S. Brown (47) and Mr. E. Long (59), respectively chief engineer and secretary, Central Electricity Authority.

Electricity Council.

Chairman (£10,000): Sir Henry Self (67), deputy chairman of the C.E.A. (two years).

Deputy Chairman (£7,500): Sir Josiah Eccles (60), also a deputy chairman of the C.E.A. (five years).

Part-Time Member and Deputy Chairman (£2,000): Professor R. S. Edwards (47), Professor of Economics at London University (five years).

Part-Time Member (£1,000): Lord Citrine (69), chairman of the C.E.A.

All the above appointments are on a full-time basis except those of Lord Citrine and Professor Edwards. Further appointments to the new bodies will be made in due course.

Sir Christopher Hinton was mainly responsible for the development of the Calder Hall project. Sir Henry Self and Sir Josiah Eccles had been deputy chairmen of the C.E.A. since 1947 and 1953 respectively. Sir Josiah had previously been chairman of the Merseyside and North Wales Electricity Board, while Professor Edwards served on the Herbert Committee, whose report formed the basis for the reorganization of the electricity supply industry.

Lord Mills also announced that Lord Citrine would take up his appointment as part-time member of the Electricity Council on Jan. 1, 1958, i.e. the day following the dissolution of the Central Electricity Authority; meanwhile his appointment as chairman of the C.E.A., due to expire in August, had been renewed until Dec. 31. The appointment of Lieut.-Colonel E. H. E. Woodward as a part-time member of the Authority, also due to expire, had been renewed for the same period.

The Electricity Act, 1957.

The Electricity Bill, providing for the dissolution of the Central Electricity Authority and its replacement by a Central Electricity Generating Board and an Electricity Council (see 15311 A), had been given an unopposed second reading in the House of Commons on Dec. 17, 1956, and in the House of Lords on April 30, 1957.

The principal changes made in the Bill during its passage through Parliament are summarized below:

House of Commons. In Standing Committee (Feb. 5 - March 21) Government amendments were agreed to (1) advancing from April 1, 1958 to Jan. 1, 1958, the date appointed for the dissolution of the Central Electricity Authority and the coming into operation of the new Central Electricity Generating Board and the Electricity Council (agreed to by 20 votes to 15); (2) empowering Electricity Boards, on giving 24 hours' notice, to enter and survey land—unless "covered by buildings or used as a garden or pleasure ground"—to ascertain whether it would be suitable for their purpose (carried by 21 votes to nine, the Labour members of the Committee voting with the Government and nine Conservatives opposing); (3) empowering the Scottish Electricity Board to provide bulk electricity supplies to "persons or organizations outside Britain," e.g. in Northern Ireland.

In the Report stage (April 3-4) the following Government amendments were introduced to meet criticisms expressed in Standing Committee by a group of Conservative back-benchers led by Mr. Nabarro. All the amendments were agreed to, the first one against strong Labour opposition:

(1) Restricting the powers to manufacture electrical plant, granted under the Bill to the Central Electricity Generating Board, by providing that they should apply only to "anything required by the Generating Board itself or by an Area Board for the purpose of research or development or for the repair or maintenance of their equipment." (Carried by 204 votes to 172).

(2) Extending from 24 hours to 28 days the notice required to be given by an Electricity Board before entering private land for the purpose of a survey.

(3) Empowering the Electricity Council or Area Boards, with the Minister of Power's consent and with Treasury approval, to borrow money by issuing Electricity Stock.

With regard to amendment (1), Mr. Maudling (Paymaster-General) explained that it had been argued (*a*) that no nationalized industry should have powers enabling it to spread beyond the purpose for which it had been created; (*b*) that there was no need to give the nationalized electricity industry power to manufacture plant, since private industry was perfectly capable of meeting all requirements; (*c*) that if competition in manufacturing were to arise between the nationalized industry and private industry, the former, having obtained its capital on easier terms, would compete on an unfair basis; (*d*) that the home market was of great importance to firms exporting electrical plant as a base from which to operate.

Against this, it had been argued that power to manufacture plant ought to be given to the nationalized industry as a reserve in case it could not obtain its requirements on reasonable terms. There was, however, the counter-argument that although in the past it might have been possible for manufacturers to "gang up" against the Board, the situation had been completely changed by the Monopolies and Restrictive Practices Act. Moreover, there was nothing to prevent the Generating Board buying plant abroad. After weighing up the arguments, the Government had decided that it was right to introduce the amendment.

Other Government amendments were agreed to in the Report stage, as follows:

(4) Permitting the Minister of Power to appoint up to three additional members of the Electricity Council. These members were not to be members of any Electricity Board.

(5) Empowering Electricity Boards to fix maximum charges at which electricity might be resold, and to make different charges for different classes of customers.

(6) Requiring the Electricity Council to prepare annual statements of accounts according to the best commercial standards.

(7) Providing that the Central Electricity Generating Board and the Scottish Board should supply railways in England and Wales and in Scotland respectively on terms and conditions agreed between them or, in default of agreement, fixed by the Ministers of Power and of Transport and Civil Aviation.

The Bill was given an unopposed third reading on April 4.

House of Lords. The following Government amendments were agreed to without dissent in the Report stage (May 30) and during the third reading (June 6):

(1) To provide that there should be full-time members of the Central Electricity Generating Board, the Electricity Council, and the Area Boards, and to ensure a proper balance of full-time and part-time members.

(2) To ensure that a public inquiry would be held whenever a local planning authority objected to the erection of a power station or of overhead cables.

(3) Instructing the Central Electricity Generating Board and the Area Boards, when planning projects, to take into account their effect on amenities, natural beauty, or features of historical or other interest.

(4) To provide that the chairmen of the Central Electricity Generating Board and the Electricity Council should serve full-time.

(5) To ensure that, in forming plans, the Generating Board and the Area Boards should seek to preserve the flora and fauna of the district concerned, and any geological or physical features of special interest.

The Government suffered its first defeat in either House of Parliament since the General Election when an Opposition amendment (moved by Lord Lucas of Chilworth) was carried on June 6 by 33 votes to 31. The amendment stipulated that a public inquiry should be held into any scheme about which objections had been lodged with the local planning authority by the local authorities, the Council for the Preservation of Rural England, or any other appropriate national or local body.

The Lords' amendments were agreed to in the House of Commons on July 11, and the Bill was enacted on July 17.

During the second reading debate in the House of Lords, Lord Mills announced that a project had been worked out between the Central Electricity Authority and *Electricité de France* for the exchange of electrical energy by means of a submarine cable (see 15135 A). He added that the difference in peak loads in France and Britain suggested that there was an economic case for exchanging power at certain times.
(Times - Daily Telegraph - Manchester Guardian) **(15311 A.)**

B. NEW ZEALAND. — Power Development. - The Benmore Hydro-electric Project.

The Minister in charge of Hydro-Electric Development (Mr. Goosman) announced in August that the N.Z. Government would proceed immediately with the construction of the Benmore hydro-electric station on the Waitaki River, which would have a capacity of 480,000 kilowatts. Mr. Goosman said that the decision was of major importance to New Zealand, since upon it was based the integration of the electrical systems of the North and South Islands.

The Benmore project—the biggest yet undertaken in New Zealand—is estimated to cost £36,400,000. Construction will be spread over seven years, and it is due to come into operation in 1965. Six generators, each of 80,000 kilowatts, will be installed, as compared with eight generators, each of 40,000 kilowatts, in the Roxburgh scheme.—(Directorate of Information Services, Wellington) **(Prev. rep. 15624 C.)**

A. UNITED STATES. — Anti-Communist and Security Measures. - Supreme Court's Rulings on Interpretation of "Smith Act," Congressional Committees' Power of Cross-examination, and Dismissal of Government Employees on Security Grounds. - State Sedition Laws held Invalid by Supreme Court. - Trials and Convictions under "Smith Act."

The U.S. Supreme Court on June 17 gave three rulings of major importance on matters relating to security procedures and civil liberties: (1) ordering the release of five Communists and the retrial of nine others who had been convicted under the "Smith Act," it laid down that Communist Party membership was not sufficient ground for conviction under that Act; (2) it reversed the conviction of a trade union official, Mr. John T. Watkins, for contempt of Congress, and defined the constitutional limits on the right of Congressional committees to cross-examine witnesses; (3) it ruled that Mr. Dean Acheson, the former Secretary of State, had wrongfully dismissed a State Department employee, Mr. John Stewart Service, and that dismissals of Government employees on security grounds must conform to Civil Service regulations.

Details of these and other recent Supreme Court rulings, and of other developments connected with anti-Communist and security measures, are given below under cross-headings.

The "Californian Communists" Case.

The Supreme Court reversed on June 17 the conviction of five leading members of the Californian Communist Party (Mr. Philip Connelly, Mrs. Rose Kusnitz, Mr. Al Richmond, Mr. Frank Spector, and Mr. Henry Steinberg) who had been each sentenced in 1952 to five years' imprisonment and a fine of $10,000 on charges of "conspiring (1) to advocate and teach the duty and necessity of overthrowing the Government of the United States by force and violence, and (2) to organize, as the Communist Party of the United States, a society of persons who so advocate and teach" [see 12581 A]. The majority decision was supported by Chief Justice Warren and Justices Frankfurter, Harlan, and Burton; Justice Clark dissented, whilst Justices Black and Douglas maintained that all the convictions should be reversed on the ground that the "Smith Act" was unconstitutional.

The Court's decision was based on three main grounds: (1) it accepted the petitioners' contention that to "organize" meant to "establish"; that in this sense the Communist Party had been organized in 1945; and that, as the indictment had not been returned until 1951, "the three-year statute of limitations had run on the 'organization' charge"; (2) the judge's direction to the jury had been defective because it had failed "to distinguish between advocacy of forcible overthrow as an abstract doctrine and advocacy of action to that end"; (3) the only evidence against five of the petitioners had been that they were members or officials of the Communist Party, and no evidence had been produced that they had been engaged in any but wholly lawful activities. The evidence against the remaining nine petitioners, however, appeared sufficiently strong to justify a new trial.

Justices Black and Douglas contended that "the statutory provisions on which these prosecutions are based [i.e. the "Smith Act"] abridge freedom of speech, press, and assembly in violation of the First Amendment to the U.S. Constitution," and that the only overt act charged against any of the petitioners was that "they went to a constitutionally protected public assembly where they took part in lawful discussion of public questions, and where neither they nor anyone else advocated or suggested overthrow of the U.S. Government." Justice Clark dissented from the Court's interpretation of the term "organize," its conclusions regarding the judge's instructions to the jury, and its assessment of the evidence.

The Supreme Court set aside on June 24 the convictions of six Detroit Communists under the "Smith Act" [see 13604 C], and sent their case back to a lower court for reconsideration in the light of its judgment of June 17.

The Watkins Case.

The Supreme Court reversed on June 17 the conviction of Mr. John T. Watkins, an official of the United Automobile Workers' Union, who had been sentenced to a year's imprisonment and a fine of $100 for refusing to answer questions put to him by a sub-committee of the House Committee on Un-American Activities. The majority ruling, which strongly criticized the Committee's methods, was supported by Chief Justice Warren and Justices Black, Frankfurter, Douglas, Harlan, and Brennan, only Justice Clark dissenting.

"Petitioner was prosecuted," the Court's decision stated, "for refusing to make certain disclosures which he asserted to be beyond the authority of the Committee to demand. The controversy thus rests upon fundamental principles of the power of Congress and the limitations upon that power." When appearing before the sub-committee on April 29, 1954, Mr. Watkins had denied allegations that he had been a Communist, whilst freely admitting that he had co-operated with the Communist Party and participated in Communist activities during 1942-47. Questioned about a number of alleged Communists, he had stated that he would answer questions about persons whom he believed to be still members of the Communist Party, but not about "persons who may in the past have been Communist Party members or otherwise engaged in Communist Party activity, but who to my best knowledge and belief have long since removed themselves from the Communist movement," on the ground that such questions were not relevant to the Committee's work.

"The power of Congress to conduct investigations is inherent in the legislative process," the Supreme Court's decision continued. "But broad as is this power of inquiry, it is not unlimited. There is no general authority to expose the private affairs of individuals without justification in terms of the functions of Congress . . . We have no doubt that there is no Congressional power to expose for the sake of exposure. The public is, of course, entitled to be informed concerning the workings of its Government. That cannot be inflated into a general power to expose where the predominant result can only be an invasion of the private rights of individuals."

After noting that the Committee's mandate authorized it to investigate "subversive and un-American propaganda" which "attacks the principle of the form of government as guaranteed by our Constitution," the Supreme Court commented: "It would be difficult to imagine a less explicit authorizing resolution. Who can define the meaning of 'un-American'? What is the single, solitary 'principle of the form of government as guaranteed by our Constitution'? . . . The members of the Committee have clearly demonstrated that they did not feel themselves restricted to propaganda in the narrow sense of the word . . . Un-American activities were its target, no matter how or where manifested." The Committee's activities could "lead to ruthless exposure of private lives in order to gather data that is neither desired by Congress nor useful to it. Yet it is impossible in this circumstance, with constitutional freedom in jeopardy, to declare that the Committee has ranged beyond the area committed to it by its parent assembly because the boundaries are so nebulous."

The Supreme Court's decision pointed out that persons who had been summoned as witnesses before a Congressional committee, and who refused to answer "any question pertinent to the question under inquiry," might be punished by the Federal courts. It had not been made clear to Mr. Watkins, however, what was "the question under inquiry," and this point still remained obscure. "Petitioner was thus not accorded a fair opportunity to determine whether he was within his rights in refusing to answer," the decision concluded, "and his conviction is necessarily invalid under the due process clause of the Fifth Amendment" [i.e. the clause forbidding any person to be punished without "due process of law."]

On the same day the Supreme Court reversed the conviction for contempt of Professor Paul M. Sweezy, who had refused to answer questions asked by the Attorney-General of New Hampshire during an inquiry into alleged subversive activities in that State. On June 24 the Court set aside the convictions of three other witnesses who had refused to answer questions before Congressional committees, and of four witnesses who had refused to answer questions before the Ohio Un-American Activities Commission, and referred their cases back to the lower courts concerned for reconsideration in the light of its decisions in the Watkins and Sweezy cases.

The Service Case.

In its third important ruling of June 17, the Supreme Court unanimously held that Mr. John Stewart Service had been irregularly dismissed from the State Department in 1951.

Mr. Service, who had been employed as a Foreign Service officer since 1935, was three times cleared of allegations of disloyalty after investigations by the State Department in 1945-47, and again on three occasions in 1949-51 by the State Department Loyalty Security Board, which inquired into charges of pro-Communist activities brought against him by Senator McCarthy [see 10715 A]. The Deputy Under-Secretary of State approved the Loyalty Board's findings, but subsequently the Loyalty Review Board of the Civil Service Commission decided in December 1951 that there was "reasonable doubt" of Mr. Service's loyalty, whereupon Mr. Dean Acheson ordered his dismissal. The Washington Federal District Court ruled on June 30, 1955, that the Loyalty Review Board's decision was null and void, and that Mr. Acheson's action was valid because the Secretary of State had absolute discretion to discharge any employee [see 14482 A]. In its ruling on Mr. Service's appeal, however, the Supreme Court held that under Civil Service regulations the Deputy Under-Secretary's confirmation of the Loyalty Security Board's decision was final, and that Mr. Acheson had violated the regulations safeguarding employees' rights.

The Nelson Case.

The Supreme Court had previously ruled on April 2, 1956, that the States had no power to punish persons who advocated the violent overthrow of the Federal Government, on the ground that sedition laws in the States had been superseded by the "Smith Act." This decision—which was supported by Chief Justice Warren and Justices Black, Frankfurter, Douglas, Clark, and Harlan, with Justices Reed, Burton, and Minton dissenting—invalidated sedition laws in force in 42 States

(i.e. all the States except Arizona, Missouri, North Dakota, South Carolina, Oregon, and Washington) and in Alaska and Hawaii.

The Court's ruling was given in connexion with the case of Mr. Steve Nelson, the former chairman of the Western Pennsylvania Communist Party, who had been sentenced to 20 years' imprisonment in 1952 under the Pennsylvania Sedition Act, and to five years' imprisonment in 1953 under the "Smith Act" [see 13279 C]. The former sentence was subsequently reversed by the Pennsylvania Supreme Court, but an appeal to the Federal Supreme Court was lodged by the Pennsylvania State authorities with the support of the Federal Department of Justice and 30 other States.

In giving judgment, Chief Justice Warren gave three grounds for the Supreme Court's decision in this case: (1) the "Smith Act" as amended in 1948, the Internal Security ("McCarran") Act of 1950, and the Communist Control Act of 1954 "evince a Congressional plan which makes it reasonable to determine that no room has been left for the States to supplement it. Therefore a State sedition statute is superseded regardless of whether it purports to supplement the Federal law." (2) "Sedition against the United States is not a local offence. It is a crime against the nation. As such, it should be prosecuted and punished in the Federal Courts." (3) "Enforcement of State Sedition Acts presents a serious danger of conflict with the administration of the Federal programme."

A new trial for Mr. Nelson and the four Communists convicted with him was ordered by the Supreme Court on Oct. 10, 1956. The Department of Justice had moved that the case be remanded to a Federal District Court for a hearing on the credibility of Joseph Mazzei, a witness at their trial, as statements which he had subsequently made before other tribunals had cast doubts on his testimony. The Supreme Court, however, rejected the motion and ordered a new trial instead.

Trials under "Smith Act."

The first successful prosecution under the "informed membership" clause of the "Smith Act" took place in Chicago, when Mr. Claude Lightfoot, secretary of the Illinois Communist Party, was convicted on Jan. 26, 1955, of membership of an organization advocating the violent overthrow of the Government, the aims of which were known to him; he was sentenced on Feb. 15, 1955, to five years' imprisonment and a $5,000 fine. Mr. Junius Scales, chairman of the North Carolina Communist Party, was sentenced to six years' imprisonment on the same charge at Greenboro on April 22, 1955, and Mr. John Noto, a member of the New York State Communist Party, to five years' imprisonment at Buffalo on April 12, 1956. The Supreme Court decided on March 26, 1956, to hear the appeals of Mr. Lightfoot and Mr. Scales against their convictions.

Four groups of Communists were convicted or sentenced to terms of imprisonment between May 1955 and April 1956 on charges of conspiring to advocate the violent overthrow of the Government:

(1) Following the dismissal of a motion for a new trial, nine members of the Pennsylvania Communist Party who had been convicted on Aug. 13, 1954 [see 13842 A] were sentenced on June 20, 1955. Four of the defendants received three years' imprisonment, and the remaining five were given two years' imprisonment.

(2) Seven Communists from Colorado, Utah, and California were convicted at Denver (Colorado) on May 25, 1955, but were granted bail pending an appeal for a new trial.

(3) Six Ohio Communists were convicted in Cleveland on Feb. 10, 1956; four others were found not guilty, and one was acquitted on the ground of insufficient evidence. Five of those convicted were sentenced to five years' imprisonment, and the other to 3½ years. The trial was the first of 12 hitherto held under the "Smith Act" in which defendants who had not renounced Communism were acquitted by the jury; in the 11 previous trials, three defendants had been acquitted by directed verdicts and one by the jury after he had publicly renounced Communism.

(4) Six Connecticut Communists were convicted at New Haven on March 29, 1956; one was acquitted; and the jury disagreed concerning another. Those convicted were sentenced to terms of imprisonment on April 20, 1956.

Of the 11 members of the National Board of the Communist Party convicted in 1949 (see 10331 A), the last two to remain at liberty, Mr. Gilbert Green and Mr. Henry Winston, surrendered on Feb. 27 and March 5, 1956, respectively. They were sentenced on March 26, 1956, to three years' imprisonment, in addition to their original five years' sentence. Of the nine other Communist leaders tried with them, seven had begun their sentences after the dismissal of their appeal in 1951, and two (Mr. Gus Hall and Mr. Robert Thompson) failed to surrender to their bail, but were subsequently arrested and sentenced to additional terms of imprisonment.

One of the seven imprisoned in 1951, Mr. Irving Potash, was released on Dec. 9, 1954, and the other six (Mr. Eugene Dennis, Mr. John Williamson, Mr. Jacob Stachel, Mr. John Gates, Mr. Carl Winter, and Mr. Benjamin Davis) on March 1, 1955. All were rearrested immediately on a second charge under the "informed membership" clause of the "Smith Act," but were released on bail. With the permission of the Department of Justice, Mr. Potash (who was born in Kiev) and Mr. Williamson (a British subject) left the U.S.A. in March, 1955 and in May, 1955, for Poland and Britain respectively.

A Government motion to bring to trial Mr. William Z. Foster, the national chairman of the U.S. Communist Party, was rejected on April 25, 1956, by Judge Ryan, of the New York Federal District Court, on the ground that his trial would result in "serious and irreparable harm, if not in his death." Mr. Foster (76) had been indicted with the other members of the National Board in 1948, but his case was separated from theirs as he was found to be suffering from arterio-sclerosis.

A Bill increasing the maximum penalties under the "Smith Act" from 10 years' imprisonment, a $10,000 fine, or both, to 20 years' imprisonment, a $20,000 fine, or both, was passed by the Senate on July 13, 1956.—(New York Times - New York Herald Tribune) **(Prev. rep. 13842 A.)**

A. NEPAL. — Resignation of Mr. Prasad's Cabinet. - New Government formed by Dr. Singh. - "Democratic Front" formed by Opposition Parties.

The Prime Minister of Nepal, Mr. Tanka Prasad Acharya, requested King Mahendra on July 9 either to authorize a reconstitution of the Cabinet "to achieve homogeneity" or to relieve him of office within a month. [Mr. Prasad's Government, which had held power since January 1956, consisted of four members of the *Praja Parishad*, Mr. Prasad's party, and three Ministers nominated by the King]. King Mahendra accepted the Government's resignation on July 14, and asked Dr. K. I. Singh, leader of the United Democratic Party, to form a coalition Cabinet. After the other parties had refused to co-operate with him, Dr. Singh formed a Government on July 26 from his own party and Royal nominees, in which he held the posts of Premier and Home Minister.

Dr. Singh (52) led the insurgent forces in western Nepal during the revolt of 1950-51 against Rana rule; he refused to accept the cease-fire agreement whereby a coalition Government was formed under a Rana Premier, and continued guerrilla activities until he was captured. While a prisoner he organized a revolt in Khatmandu in 1952, and on its suppression escaped to Tibet on foot. He lived in exile in China until 1955, when he was allowed to return to Nepal and shortly after formed the United Democratic Party. After his return he strongly denied reports that he was a Communist, attacked Mr. Prasad's policy as pro-Communist and anti-Indian, and visited New Delhi, where he was received by Mr. Nehru.

At a press conference on Aug. 5 Dr. Singh expressed support for India's case in the Kashmir dispute, on which his predecessors had maintained an attitude of neutrality, and announced that his Government had begun negotiations for the repatriation of Nepalese in Pakistan and of Pakistanis in Nepal. He stated that the Government would not withdraw permission for the recruitment of Gurkhas for the British and Indian armies, as it could not provide alternative employment for them, but that Nepalese would not be allowed to serve in the Pakistani Army. He added that Nepal was prepared to accept economic aid from any country provided there were "no strings attached." Dr. Singh had previously stated that he would not allow Soviet or Chinese embassies to be opened in Nepal, and that all Nepal's foreign contacts would be made through her embassies in Delhi and London.

The *Praja Parishad* and the two other leading Opposition parties, the Nepali Congress and the Nepali National Congress, formed an alliance on Aug. 9 under the name of the "Democratic Front" to meet the "threat to democracy" created by Dr. Singh's appointment. This step, however, was opposed by Mr. Prasad, as the other parties had refused to support his policy of improving relations with China to counter Indian influence in Nepal. A proposal by Mr. Prasad for the merger of the *Praja Parishad* and the United Democratic Party had been rejected by the latter on July 24.

Dr. Singh announced on Aug. 12 that a security force would be recruited from ex-servicemen to maintain order in Khatmandu and prevent unconstitutional activities, and that a special intelligence department under his direct control would be attached to this force. He also warned the Press not to publish "anti-Crown and anti-national articles" in the name of free speech. In reply, the Democratic Front issued a strongly-worded manifesto which declared that "we deny the King any divine rights and affirm that the individual acts of the King can never be above criticism, particularly when the King acts without reference to democratic and constitutional practice. The monarchy cannot build on the threat of force, and if any attempt is made to divorce it from the democratic ideal it will lose its political basis . . . We are prepared to meet any onslaught on the people's democratic rights, and to safeguard the rights of newspapers to criticize the individual acts of kings."—(The Statesman, Calcutta - The Hindu, Madras) **(Prev. rep. 14716 A.)**

A. SOUTH AFRICA. — Controversy over National Flag and National Anthem. - The Flag Amendment Act.

A private member's Bill establishing the Union Flag as the only official flag of South Africa, and consequently abolishing the use of the Union Jack, was signed by the Governor-General on March 26, 1957, after having been accepted by the Government and passed by both Houses of the Union Parliament against the opposition of the United, Labour and Liberal parties. The legislation was introduced by Mr. Arthur Barlow, a member of the Conservative Party (disbanded in January last—see 15378 A).

Mr. Barlow (who is of British extraction) had introduced a motion in the House of Assembly on March 23, 1956, declaring that "the time has come, in view of the necessity for promoting a sound South African nationality, for recognizing the National Flag of the Union as the only official flag, and *Die Stem van Suid Afrika* in both Afrikaans and English as our own South African national anthem." He said that it would do "an enormous amount of good and raise the stature of South Africa" if the Union had only one national flag. The motion was supported by Mr. Frank Waring, also of the Conservative Party.

Dr. Dönges (Minister of the Interior) expressed gratification that the motion had emanated from "the English-speaking group," and said that the Government endorsed it and accepted it in principle.

Mr. Strydom (the Prime Minister) also welcomed Mr. Barlow's motion, declaring that South Africa was the only country in the world in the anomalous position of having two flags and two anthems, "and one of these flags and one of these anthems are those of another country." Whilst there were many countries which spoke two or more languages—e.g. Belgium and Switzerland—he did not know of any which had two official flags and two official anthems. No-one could expect that the United States, despite its British origin, should have *God Save the Queen* for its national anthem; nor could one expect that Argentina and Brazil, despite their respective Spanish and Portuguese origins, should fly the flags of Spain and Portugal as their national flags.

On Feb. 1, 1957, Mr. Barlow moved a Bill in the House of Assembly proposing to amend the Flag Act of 1927 (see footnote below) by abolishing the provision which laid down that the Union Jack should be flown side by side with the Union Flag on official occasions and on Government buildings. [Mr. Barlow's Bill made no reference to the question of the national anthem.] After strong objections by Mr. H. G. Lawrence (United Party), Mr. Strydom announced that the Government would accept Mr. Barlow's Bill and intended that it should be placed on the Statute Book "as soon as possible." He emphasized, however, that the Bill was regarded as an interim measure and would in no way prejudice the National Party's desire to have an entirely new flag when South Africa ultimately became a republic.

Mr. Lawrence (U.P.), who described Mr. Barlow as "a stormy petrel who represents nobody outside this House," declared that acceptance of the Bill would loosen South Africa's ties with the Commonwealth and remove a valuable symbol of Commonwealth association.

The Flag Amendment Bill was given a second reading on March 5 after a three-day debate, a United Party amendment for its rejection being defeated by 84 votes to 49.

Dr. Dönges, speaking on March 1, described the Flag Act of 1927 as a "constitutional anachronism," asserting that it had been intended merely as a temporary settlement of the flag question and not as a final solution. Today South Africa was "30 years older as a nation" and there had been "a great change in our hearts and in our national soul." The existence of two flags was a denial of the sovereign status of a country, particularly if one of them was the flag of another sovereign State. The adoption of a single national flag would enhance South Africa's national status and the status of her diplomatic representatives abroad, who would no longer have to fly two flags from their offices. He again expressed "sincere gratitude" to Mr. Barlow and Mr. Waring for introducing and supporting the Bill, declaring that it was "one of the best auguries for the future of South Africa" that two English-speaking members had promoted such legislation. On the question of the national anthem, Dr. Dönges said: "I think there is no doubt that if there is to be one flag there should be one national anthem, and I would interpret the acceptance of this Bill in that sense."

Sir De Villiers Graaf (U.P.), Leader of the Opposition, moved the Bill's rejection. To many people, he said, the Union Jack meant something more than a symbol of Commonwealth association, whilst to another group it was seen in quite a different light—as a symbol of inferiority and a reminder of defeat. The interesting thing about the latter group, however, was that it had never at any time numbered among its members the great figures on the Boer side during the South African War. On the contrary, General Smuts and other great Boer leaders had subsequently fought under the Union Jack and had added to its lustre and renown. Whilst he (Sir de Villiers Graaf) had always regarded the Union Flag as his own flag, the extremist wing of the National Party had never accepted that flag and continued to desire another, because their ultimate aim was not only a republic but a republic outside the Commonwealth. "Had the Prime Minister approached this matter in a different manner," he declared, "and had there been consultation and an attempt in advance to avoid a unilateral step, there might have been a very different approach. If this Bill was the final acceptance of the national flag we might have felt differently about it. But what is the use of departing from the firm ground of the 1927 agreement to follow a path so dangerous to the present Union Flag? . . ."

Mr. Swart (the Minister of Justice) denied that the Nationalist attitude towards the Union Jack was one of hatred or bitterness. "We who went through the South African War," he declared, "saw our flag taken away from us and the Union Jack placed over us. That is the flag that waves over us today, and yet it is taken amiss that we want our own South African flag and not a symbol of the victor." Mr. Swart pointed out that all the members of the Commonwealth had only one flag with the single exception of South Africa.

In the resumed debate on March 4, **Mr. Mitchell** and a number of other United Party members sought in vain to obtain assurances from the Government that the abolition of the Union Jack would not be a step towards the abolition of the present Union Flag and to South Africa's eventual secession from the Commonwealth. Mr. Mitchell asked Mr. Strydom why he had not called a conference of all interested parties in an effort to reach agreement on the flag question.

Mr. Alex Hepple, leader of the Labour Party, said that there was no reason to reject the Bill *prima facie*, and in other circumstances the whole House might have supported it. In existing circumstances, however, the Bill was "suspect," and he wondered whether the Government's willingness to afford time to a private member's Bill on this matter might not be "a prelude to next year's election." Instead of approaching the flag question in a manner which would appeal to all sections of the population, they had chosen an approach aimed at "an easy political triumph for a party representing one section only." **Mrs. Ballinger** spoke against the Bill on behalf of the Liberal Party.

A Nationalist member, **Mr. Basson,** declared himself "a staunch supporter of our membership of the Commonwealth the finest and most valuable of all international organizations to which we can belong." He said that though the British flag would go from South Africa, the English language and the British parliamentary system would stay—"two of the richest assets South Africa possesses."

The Bill was given a third reading in the House of Assembly on March 7 (by 73 votes to 42), was subsequently passed by the Senate, and received the Governor-General's assent as stated above.

Mr. Strydom announced on May 2 that *Die Stem van Suid Afrika* would in future be the only national anthem of the Union, and would be played at functions where the Governor-General or the Queen (in her capacity as Queen of South Africa) were present. He defended this decision on the ground that as it had been decided that South Africa should have only one national flag, it was logical that she should have only one national anthem. [*Die Stem* and *God Save the Queen* had previously had equal status and were both played on official occasions.] The decision was strongly criticized by the Opposition on the grounds that it had been taken without prior consultation with the Opposition parties, and that it was calculated to exacerbate relations between the English-speaking and Afrikaans-speaking sections of the population. (Cape Times - Cape Argus - Die Burger)

The Flag Controversy. A prolonged and embittered dispute on the flag question during the 'twenties was ultimately resolved by the Flag Act of 1927, representing a compromise between those who wished to retain the Union Jack and those wishing to abolish it. The Act created a new Union Flag and laid down that it should be flown side by side with the Union Jack on all official buildings and on official and ceremonial occasions, etc. The Union Flag—now the sole flag of South Africa—consists of three horizontal stripes of orange, white and blue, the white stripe bearing in miniature the Union Jack, the *Vierkleur* flag of the former Transvaal Republic, and the republican flag of the Orange Free State. A strong section of Nationalist opinion has demanded an entirely new flag for South Africa on the ground that the present National Flag still incorporates the Union Jack in its design.

B. PAKISTAN. — Master Plan for Dacca.

It was announced in London on Sept. 5 that the U.K. Government had commissioned the London firm of Messrs. Minoprio and Spenceley and P. W. Macfarlane to draw up a master plan for the development of Dacca (the capital of East Pakistan) at the request of the Pakistani Government. The announcement—which was issued by the Treasury—said that the Government of Pakistan had applied to the U.K. Government in January last, under the Colombo Plan Technical Co-operation Scheme, for assistance in preparing a comprehensive report on the development of Greater Dacca, whose population had grown from 350,000 in 1947 to 600,000 at the present time. It was estimated that the city and its environs would eventually have a population of 2,000,000. Messrs. Minoprio and Spenceley and P. W. Macfarlane have considerable experience of town-planning in Britain and the Middle East, and have recently completed a master plan for Baghdad.—(Pakistan High Commissioner's Office, London - Treasury Press Office) **(Prev. rep. Colombo Plan, 15699 A.)**

A. UNITED STATES. — Senatorial Election in Wisconsin. - Democratic Candidate wins Seat of late Senator McCarthy.

The first Democratic senator to be returned in Wisconsin for 25 years was elected on Aug. 28, when Mr. Edward W. Proxmire defeated the Republican candidate, Mr. Walter J. Kohler jr., for the seat formerly held by the late Senator Joseph McCarthy. Senator McCarthy, the most controversial figure in American politics in recent years, had died on May 2 of a liver complaint, aged 47.

Joseph Raymond McCarthy was born at Grand Chute, Wisconsin, the fourth of seven children of Timothy McCarthy (an Irish immigrant) and Bridget McCarthy. After working in various jobs, including that of manager of a grocery store, he entered Marquette University (Milwaukee) in 1930, took a law degree, and was admitted in 1935 to the Wisconsin bar. He subsequently joined the Republican Party, was elected a State judge in 1939, and joined the Marine Corps in 1942 as a lieutenant, serving as an air-gunner in the Pacific. On account of a leg injury he was released from active duty in February 1945 and returned to his judicial duties in Wisconsin.

Judge McCarthy (as he then was) entered the U.S. Senate in 1946, when he defeated Senator Robert M La Follette jr., who had previously sat for Wisconsin as a Progressive. His first three years in the Senate were uneventful, but on Feb. 9, 1950, in a speech at Wheeling (West Virginia) which caused a nation-wide sensation, he claimed to have in his possession a list of 205 names which were known to Mr. Dean Acheson (then Secretary of State) as being members of the Communist Party " and who are nevertheless still working and shaping policy in the State Department." Senator McCarthy, though subsequently amending the figure of " 205 " to " 57 ", continued to make frequent reference to this " list " but never revealed the names of any individuals.

The charges were denied *in toto* by the State Department, and a fortnight after his Wheeling speech Senator McCarthy was asked to substantiate his allegations before a special sub-committee of the Senate Foreign Relations Committee which had been set up under Senator Tydings (Democrat). After more than 3,000,000 words of testimony, Senator McCarthy was unable to produce even one identified Communist Party member in the State Department at the time mentioned, and the majority report of the sub-committee condemned him for making " irresponsible " and " untruthful " accusations.

In the new Senate, however, Senator McCarthy's influence was greatly enhanced by his appointment (Jan. 31, 1951) as a member of the Appropriations Sub-committee. Sweeping and unsubstantiated attacks on alleged " Communists " and " Communist sympathizers" in the Roosevelt and Truman Administrations were followed in June 1951 by a speech in which Senator McCarthy made a violent attack on General George Marshall (Chief of Staff of the U.S. Army in World War II, and later Secretary of State), whom he accused of being involved in a " conspiracy " to weaken the United States *vis-à-vis* the Soviet Union. Despite the widespread resentment aroused by this baseless attack on General Marshall, one of the most respected personalities in the U.S.A., Senator McCarthy continued to bring similar charges against individuals, secured the removal from the Foreign Service of important officers, and increasingly fostered the concept of " guilt by association " which gave rise to the term " McCarthyism " to denote the Senator's " witch-hunting " activities.

In August 1951, following a resolution by Senator Benton (Democrat), a Senate sub-committee was set up to investigate aspects of Senator McCarthy's financial affairs. Detailed testimony was taken, and a report was issued after Mr. McCarthy had repeatedly declined to appear before the sub-committee on the grounds that it was controlled by Democrats and that its members were out to " smear " him. The sub-committee indicated that it had wished to question Senator McCarthy about a $10,000 cheque he had received from the Lustron Corporation (manufacturers of pre-fabricated houses) at a time when he was a member of the Senate Banking and Currency Committee. [The latter committee had jurisdiction over the Federal Reconstruction Corporation, which had lent $37,500,000 to Lustron before that firm went bankrupt.] Senator McCarthy said that the cheque had been in payment for a pamphlet he had written for Lustron.

Re-elected for Wisconsin in 1952, Senator McCarthy came into open conflict with the Eisenhower Administration in January 1953, when he attacked the nominations of Dr. James B. Conant (President of Harvard University) as Ambassador in Bonn and of Mr. Charles E. Bohlen as Ambassador in Moscow. Two months later he began a protracted controversy with Mr. Harold E. Stassen (Director of the Mutual Security Administration) over Greek-registered ships trading with Communist ports in the Far East. For some considerable time Senator McCarthy had been denouncing the Democratic Administrations of Presidents Roosevelt and Truman as " 20 years of treason," and on May 30, 1953, he referred to " 21 years of treason," presumably to include the first year of President Eisenhower's term of office.

Meanwhile, in the Republican-controlled Congress elected in 1952, Senator McCarthy had become chairman (in January 1953) of the powerful Permanent Sub-committee on Investigations, which assumed powers to investigate the Executive Branch of the Government. Allegations of espionage and sabotage at the Army Signal Corps installations at Fort Monmouth (New Jersey), and of disloyalty in the State Department's " Voice of America," yielded no evidence of spies or persons of proved disloyalty, but only some laxity in rooting out " security risks " in certain departments. The Fort Monmouth case led to a spectacular " showdown " between the U.S. Army and Senator McCarthy when, on Aug. 25, 1954, hearings began before the Permanent Sub-committee on Investigations into the Army's charges that Mr. McCarthy and certain members of his sub-committee staff had sought to obtain preferential treatment for Mr. David Schine after he had been drafted into the Army. [Mr. Schine was an unpaid assistant on Senator McCarthy's sub-committee.] On the other hand, Senator McCarthy alleged that the Army had sought to use Mr. Schine as a " hostage " to get the sub-committee to ease its pressure into the Fort Monmouth investigations. The televised hearings, lasting 36 days and involving more than 2,000,000 words of testimony, ended in majority and minority reports by the sub-committee and several independent reports by individual members (see 13864 A).

Three months later Senator McCarthy faced another investigation —the fifth in four years—when Senator Flanders (Republican) introduced a motion for the appointment of a special committee of Senators to investigate allegations against Senator McCarthy that might warrant censure. The charges that the committee was called upon to investigate were (1) Incidents in contempt of the Senate or Senatorial committees. [This included Senator McCarthy's failure in 1951 to explain his receipt of $10,000 from the Lustron interests.] (2) Instances of encouragement of U S. employees to violate the law and their executive oaths of office. [This was based, in part, on Senator McCarthy's invitation to Government employees to furnish him with documentation of subversive or other criminal matters in their departments.] (3) Incidents involving the receipt or use of confidential information from Executive files. [During the sub-committee hearings on the Army case Senator McCarthy had had a controversial document in his possession.] (4) Incidents involving abuse of colleagues in the Senate. (5) Incidents relating to the examination by Senator McCarthy of Brig.-General (now Major-General) Ralph W. Zwicker during the Fort Monmouth inquiry. [Senator McCarthy had told General Zwicker that he was " not fit to wear the uniform of a general "].

After prolonged hearings, in which Senator McCarthy appeared with counsel, the committee (headed by Senator Watkins, Republican) issued a report (on Dec. 2, 1954) censuring Senator McCarthy and " condemning " him on two counts—that he had abused the 1951 sub-committee [see (1) above] and that he had attacked the Watkins Committee and its members in language that reflected on the dignity and integrity of the Senate. [The motion of censure was the first to be passed against a member of the Senate since 1929.] President Eisenhower, who had previously expressed his displeasure at Senator McCarthy's methods, personally congratulated Senator Watkins and his committee on their report, whereupon Senator McCarthy attacked the President himself (see 13951 A).

Though returned for Wisconsin at the Senatorial elections in November last, Senator McCarthy had played little part in public affairs since December 1954, having entered hospital on several occasions in the past two years owing to recurrent ill-health.

In the election on Aug. 28 for the late Senator McCarthy's seat, Mr. Proxmire polled 435,085 votes against 313,631 for Mr. Kohler and thereby became the first Democratic senator for Wisconsin in a quarter of a century. [The returns were complete for all but four of the State's 3,361 polling stations.] Three other candidates—a right-wing Republican, a " McCarthyite " and a Socialist Labour candidate—polled less than 25,000 votes between them.

Senator Proxmire (41), a graduate of both Harvard and Yale, is head of a printing company and was elected to the Wisconsin State Assembly in 1950. A liberal Democrat, he unsuccessfully stood for the State Governorship on three occasions, being twice beaten by Mr. Kohler, the unsuccessful Republican candidate in the senatorial election. Mr. Kohler, an " Eisenhower Republican," has served two terms as Governor of Wisconsin.

As a result of Senator Proxmire's victory, the Democrats have 50 seats in the Senate and the Republicans 48. Mr. Proxmire will serve for the unexpired term of the late Senator McCarthy—i.e. until January 1959. (New York Times)
(Prev. rep. Senate Elections, 15565 C.)

Note. The various investigations referred to in the obituary of Senator McCarthy are described in Volume IX of *Keesing's Contemporary Archives*—see Index for that volume under " United States," sub-heading " McCarthy, Senator." For Senator McCarthy's " Wheeling speech " of 1950 and its repercussions, see Volume VII (10715 A).—Ed. K.C.A.

B. TURKEY. — Purchase of British Destroyers.

Four British destroyers—the *Marne*, *Matchless*, *Meteor* and *Milne*, each of 2,840 tons—were purchased for the Turkish Navy under an agreement signed in Ankara on Aug. 16. All were built under war programmes and saw extensive service in World War II.—(Turkish Embassy Press Office, London)
(Prev. rep. 11130 G.)

A. SOVIET UNION. — Statement on Development of Inter-Continental Rocket Missile. - Resumption of Soviet Nuclear Weapon Tests.

The Soviet News Agency (Tass) announced on Aug. 26 (1) that successful tests had been carried out of "a super long-distance inter-continental multi-stage ballistic rocket"; and (2) that tests of nuclear and thermo-nuclear (hydrogen) weapons had taken place in the Soviet Union during the past few days.

The first announcement said that a rocket of the type described had been successfully launched a few days earlier, the tests having "fully confirmed the correctness of the calculations and of the design selected." After saying that the rocket had "flown at an unprecedentedly high altitude, covered a vast distance in a short time, and landed in the target area," the announcement added: "The results obtained show that it is possible to direct rockets to any part of the world. The solution of the problem of designing inter-continental ballistic rockets will make it possible to reach remote areas without resorting to the strategic air force, which at the present time is vulnerable to up-to-date means of anti-aircraft defence."

The second announcement merely stated that the nuclear test explosions had taken place at a high altitude and were successful.

Two days later the East German News Agency, in a despatch from Moscow, quoted an article in *Sovietskaya Aviatia* (the organ of the Soviet Air Force), written by Major-General G. I. Pokrovsky, giving some details of the purported performance of the Russian inter-continental missile.

General Pokrovsky (of the Soviet technical engineering service) claimed that the rocket could be directed to any part of the earth, reach an altitude of 1,000 kilometres (600 miles), and strike its target at "the unimaginable speed of 25,000 kilometres an hour" (15,000 m.p.h.). Describing the accuracy of the missile as its "outstanding attribute," he said that it could be "assumed" that its margin of error would "not be more than 10 to 20 kilometres" (six to 12 miles) from the target area. He stated also that the rocket could be fitted with hydrogen warheads, thereby "guaranteeing" the destruction of any target.

The following statement was issued on Aug. 30 by General Norstad (Supreme Allied Commander, Europe) in connexion with the Tass announcement:

"The Soviet announcement that an inter-continental ballistic missile has been tested must be taken seriously. The announcement itself, however, came as no surprise. NATO defence plans have for some time taken account of the probability that the Soviet Union would in due course have such a weapon.

"The critical technical solutions for producing long-range ballistic missiles seem to be well in hand, certainly so far as concerns the Western Powers. It was to be expected that Soviet science, by reason of its enormous efforts in the same field, would achieve at least some preliminary success.

"What, among other things, interests us about the Soviet statement is its studied vagueness. Any weapons system must be accurate and reliable if it is to be militarily useful. From the West's considerable experience in the development of both inter-continental range (5,000 miles or so) and intermediate range (roughly 1,500 miles) missiles, we know that a tremendous amount of work must be done to translate a prototype into a reliable ballistic missile system that is operationally effective at strategic range.

"I have no reason to doubt that the U.S.S.R. has tested a ballistic missile. However, an operational weapon for the ranges contemplated must still be a long way off. Meanwhile, the advantage rests and will continue to rest incontrovertibly with the NATO Powers because of their clear superiority in manned aircraft. Meanwhile, too, the West is successfully bringing along long-range ballistic missiles for its arsenal. In proper time they will join the deterrent, and there is therefore no reason for the NATO community to be disconcerted by the Soviet announcement.

"Finally, I am wondering why the U.S.S.R. chose this particular time to claim as a spectacular success a technical development that was expected but is still far from having any direct military application. Two years ago the U.S.S.R. employed its full arsenal of intimidation in trying to prevent the German Federal Republic's entry into NATO. A year ago, in a tense international situation, it raised against Europe the threat of rocket attacks. On both occasions the alliance was unshaken, even unimpressed. So will it be now."

The British Defence Ministry also issued a statement (Aug. 27) pointing out that the Russian announcement had been "studiously vague on such matters as the altitude and range of the missile and the size of the target area." After recalling that development of these weapons had been proceeding "ever since the Germans demonstrated the potentialities of the V-2," it added: "The [Russian] statement that a launching has been carried out does not necessarily mean that they are yet in sight of an operational weapon, but we must expect continued progress."

The U.S. Atomic Energy Commission had previously announced on Aug. 23 that the Soviet Union had "resumed testing of nuclear weapons at its Siberian proving grounds," and that a "detonation of substantial size" had taken place on Aug. 22.—(Soviet Embassy Press Department, London - Times - Manchester Guardian - New York Times) **(15540 A.)**

B. AVIATION. — New World Altitude Record.

A new world altitude record of 70,000 feet (13¼ miles) was set up over the English Channel on Aug. 28 by a British *Canberra* bomber piloted by Mr. Michael Randrup, who was accompanied by Mr. Walter Shirley. Mr. Randrup is chief test pilot of D. Napier and Son (one of the English Electric group of companies) and Mr. Shirley is deputy chief engineer of the Napier company.

The machine, fitted with a *Scorpion* rocket engine, took off from Luton Airport and made an initial climb off the Isle of Wight to 44,000 feet on its two Rolls-Royce *Avon* turbo-jets (the standard engines fitted to *Canberra* aircraft). The *Scorpion* rocket motor was then brought into action and the *Canberra* climbed rapidly until the rocket was shut down at 70,000 feet. Mr. Randrup explained that almost all the thrust which carried the plane to the record altitude came from the *Scorpion*, which used high-test peroxide and kerosene for fuel. The *Canberra* was still climbing "extraordinarily rapidly" at 70,000 feet and could have gone higher, but "we deliberately stopped when we had gone high enough." The outside temperature at 70,000 ft. was - 55 deg. C. and the top of the cockpit canopy was completely frosted up; nevertheless, he and Mr. Shirley were "quite comfortable" at that altitude and had no need for the emergency pressure suits with which they were issued. [A new type of pressure clothing was worn by Mr. Randrup and Mr. Shirley during their flight to protect them from the effects of a sudden failure of the cockpit pressurization system.] Mr. Randrup said that he had clearly seen the French coast and the Channel Islands, and disclosed that he had been up to the record height eight or 10 times before. It was explained in the Press that the *Canberra* had been very near the critical point at which the stalling speed of an aircraft and the critical "Mach number" (i.e. the effects of the sound barrier) tend to converge, the margin between the "stall" and the "Mach number" at 70,000 feet being only about 15 m.p.h.

The *Scorpion* rocket engine has been developed by the Napier company; details remain secret but it is known that it can be repeatedly started and stopped at any height. The flight was observed for record purposes by the Royal Aero Club, representing the International Aeronautical Federation.

The previous altitude record of 65,890 ft. was set up on Aug. 29, 1955, by Wing-Commander W. F. Gibb, of the Bristol Aeroplane Company, in a *Canberra* powered by two Bristol *Olympus* turbo-jets.—(Times - Daily Telegraph) **(Prev. rep. 14406 B.)**

C. ZANZIBAR. — First Elections.

The first elections in the history of Zanzibar were held on July 22 for the six unofficial seats in the Zanzibar Legislative Council.

The elections were contested by three main parties: (1) the Afro-Shirazi Union, which, broadly speaking, represents the African population; (2) the Moslem Association; and (3) the Nationalist Party, claiming to represent the Zanzibari Arabs. Whereas the Afro-Shirazi Union is pro-British, the Nationalist Party demands the abolition of British rule, friendship with Egypt and other Arab countries, and the annexation to the Sultanate of the Mombasa coastal strip. The Shirazis are indigenous Africans claiming remote Persian descent, and take their name from the Persian city of Shiraz. [According to Zanzibari tradition, the indigenous population was conquered by the Persians in remote antiquity.]

The pro-British Afro-Shirazi Union, led by Abeid Karume, won three of the Zanzibar seats, while the two seats on Pemba Island were won by the Shirazis (the Africans and Shirazis did not combine on Pemba). The remaining seat was won by the Moslem Association. The Nationalist Party, led by Sheikh Ali Muhsin, failed to win a single seat, though supported by broadcasts from Cairo Radio. The Afro-Shirazi and Nationalist leaders opposed each other in the Ngambo constituency of Zanzibar, Abeid Karume receiving 3,328 votes against 918 for Sheikh Ali Muhsin.

The electorate numbered about 40,000, of whom over 90 per cent went to the polls. The franchise was exercised by men over 25 who were literate (in English, Arabic or Swahili); or who had land, income or property of at least £150 in value; or had an annual income of £120 or over; or had been in Government service. Men over 45 were allowed to vote without qualification.

The Zanzibar Legislative Council, reorganized on the basis of the constitutional reforms of 1955 (see 14456 C), comprises 13 official members and 12 unofficial members, six of whom are elected (i.e. those returned on July 22). The other six unofficial members are nominated by the Sultan on the advice of the Resident, who presides over the Legislative Council. (Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Zanzibar, 14456 C.)**

SEPTEMBER 7—14, 1957

A. MIDDLE EAST. — President Eisenhower's Warning on Growth of Communist Influence in Syria. - U.S. Arms Airlift for Jordan. - President Nasser's Support for Syria. - Agreement on Economic Union between Egypt and Syria. - Syrian Economic Delegation in Moscow. - Soviet Economic and Technical Mission to visit Syria. - Syrian Allegations of "Provocation" by American Warships.

Mr. Loy Henderson, the U.S. expert on Middle East affairs, returned to Washington on Sept. 5 after his talks in Istanbul with Turkish leaders and the Kings of Iraq and Jordan, with whom he discussed the recent developments in Syria (see 15721 A). Mr. Henderson also discussed the Syrian situation with Lebanese leaders during a visit to Beirut.

The U.S. State Department announced on the same date (Sept. 5) that Mr. Henderson had made an initial report to Mr. Dulles; that he (Mr. Henderson) had "found deep concern [in the countries visited] lest Syria should become a victim of international Communism and, as such, become a base for further threatening the independence and integrity of the region"; that Mr. Henderson's report would be studied by the State Department "in the light of the relevant principles of the U.N. Charter and the policies set forth in the joint resolution of March 9, 1957 [i.e. the Congressional resolution approving the "Eisenhower Doctrine"]; and that Mr. Dulles would in turn report to the President. Mr. Henderson himself said on his return to Washington that the situation in Syria was "extremely serious" and might affect "the security of the whole free world."

President Eisenhower's Warning on Communist Influence in Syria. - Reaffirmation of "Eisenhower Doctrine."

After a conference at the White House between President Eisenhower, Mr. Dulles, Mr. Henderson, and Mr. William Rountree (Assistant Secretary of State for Near Eastern, South Asian and African Affairs), Mr. Dulles issued a statement on Sept. 7 saying *inter alia* that the President had expressed the hope that "the international Communists would not push Syria into any acts of aggression against her neighbours" and that the Syrian people "would act to allay the anxiety caused by recent events." Mr. Dulles's statement—described by the *New York Times* as amounting, in effect, to a reaffirmation of the Eisenhower Doctrine—was worded as follows:

"At a meeting of Mr. Henderson, Mr. Rountree and myself with President Eisenhower, Mr. Henderson reported fully the exchanges of views which he had had in the Near East with high officials of Turkey, Iraq, Jordan and Lebanon.

"He reported that he had found in the Near East deep concern at the apparently growing Soviet Communist domination of Syria and the large build-up there of Soviet-bloc arms, a build-up which could not be justified by any purely defensive needs. There was particular concern over border incidents and intensive propaganda and subversive activities directed toward the overthrow of the duly-constituted Governments of Syria's Arab neighbours.

"The President gave careful consideration to Mr. Henderson's report, as well as the reports received by the State Department from U.S. Ambassadors in the area. The President appraised the situation in the light of the U.N. Charter, which denies Syria the right to use force except in self-defence.

"The President recalled his message to Congress of Jan. 5, 1957, in which, after describing Russia's long-time ambition to dominate the Near East and the current activities there of international Communism, he had sought authority to help the nations of the area to defend their independence.

"The President affirmed his intention to carry out the national policy expressed in the Congressional Middle East resolution which had been adopted, and exercise as needed the authority thereby conferred on the President. In this connexion, the President authorized the accelerated delivery to the countries of the area of economic and other defensive items which have been programmed for their use.

"The President expressed the hope that the international Communists would not push Syria into any acts of aggression against her neighbours and that the people of Syria would act to allay the anxiety caused by recent events."

A British Foreign Office spokesman stated on Sept. 9 that H.M. Government shared the anxiety that had been expressed over recent developments in Syria. The spokesman recalled that the "Eisenhower Doctrine" had been widely welcomed in Britain at the time of its formulation; expressed the British Government's satisfaction "that the President has now reaffirmed this policy"; and added that Britain was keeping in close touch with the U.S. Government "on these and all other matters of common concern."

U.S. Airlift of Arms to Jordan.

The State Department confirmed on Sept. 6 that the United States was expediting arms deliveries to Jordan and other Middle East countries [unnamed, but understood to be Iraq and Saudi Arabia] in response to representations from the recipients, who had expressed fears lest the Russian arms shipments to Syria might eventually be used for aggressive purposes. Details of the arms were not given, but it was understood that they consisted of anti-tank guns and other defensive weapons, together with ammunition. Eight *Globemasters* and "Flying Boxcars" arrived at Amman on Sept. 9 and unloaded arms supplies, five of the machines having flown direct from the United States and the others from U.S. bases in Europe. The flights were made across Libya, the Sudan and Saudi Arabia so as to avoid crossing Syria or Egypt.

The Jordanian Foreign Minister (Mr. Samir Rifai) stated at a press conference on Sept. 10 that the arrival of the U.S. arms supplies was "a normal happening which unfortunately coincided with this abnormal atmosphere" [in the Middle East]. In reply to questions, he said that Jordan regarded Israel as "a much greater danger than Syria"; that "Israel and international Communism are our greatest enemies"; and that "no Arab country would ever be prepared to fight another Arab country." As regards the U.S. arms, Mr. Rifai stressed that their arrival by air had been planned long beforehand and that the Jordanian Government had known that they were *en route*. There had been "no special urgency" about their arrival, and the arms themselves were intended solely for Jordan's internal security. Jordan was grateful for American military and economic aid, and was prepared to accept such aid "from any quarter under conditions which do not involve us in military pacts or interfere with our independence and freedom."

Mr. Rifai declined to comment on the situation in Syria, beyond remarking that Jordan did not feel justified in interfering in the internal affairs of that country. While reiterating that Jordan would continue to fight Communism, he deplored the importation of "ideological struggles" between the Great Powers in the Middle East and expressed anxiety lest the area should become a "battle-ground in the cold war."

President Nasser's Support for Syria.

In a press statement on Sept. 9, broadcast by Cairo Radio, President Nasser expressed Egypt's "unconditional support" for Syria and attacked American policy in the Middle East.

In this statement, made to the Cairo newspaper *Al Ahram* in question-and-answer form, President Nasser accused the U.S.A. of trying to turn the Middle East into a sphere of American influence, and rejected American concern over the events in Syria as "mere propaganda." Declaring that "Syria's only sin in the eyes of American policy was that she did not dance to the American tune and obey American orders," he said that the real aim of U.S. policy in Syria was "to relieve the pressure on Israel, to draw attention away from her, and to divert it to other channels in line with American policy." After failing to persuade the Arabs to conclude a peace settlement with Israel, the U.S.A. had decided "to create artificial dangers to break up Arab unity and dissipate its strength," and had chosen the "Communist threat" for this purpose.

Colonel Nasser went on to assert that U.S. policy in the Middle East had three principal aims: to "liquidate the Israel question on the basis of the *status quo*, which means converting the armistice lines into permanent borders and repudiating the rights of the Palestine Arabs"; to "impose a defence agreement which would serve American interests alone"; and to "get the Arabs to line up behind American policy on all international questions, thus converting the Arab countries into a U.S. sphere of influence." The latest phase of this policy, beginning with the "Eisenhower Doctrine," was aimed at "putting some Arab countries in one sphere together with Israel, a sphere in which the United States would play the role of conciliator and co-ordinator in all military fields. Thus Israel would no longer be the enemy of those Arab States but their partner in an alliance."

After asserting that the United States knew that Syria had not gone over to the "Communist camp," Colonel Nasser described the flying of U.S. arms supplies to Jordan as part of "a large-scale intimidation campaign designed to put the wind up some Kings and Premiers." The weapons supplied to Jordan were not intended for use against any outside enemy but "to control the interior and to stamp out Arab nationalism should this prove possible."

In conclusion, Colonel Nasser declared that Egypt would "stand at the side of Syria unconditionally and unreservedly," and that "all Egypt's political, economic and military potentialities are behind Syria in her battle, which is our battle and the battle of Arab nationalism."

The new Syrian C.-in-C., General Bizri, accompanied by Colonel Sarraj (head of Syrian military intelligence), visited Cairo on Sept. 11-12 for talks with President Nasser and General Amer, the Egyptian C.-in-C. It was stated that the talks had dealt with the co-ordination of the Egyptian and Syrian armed forces and the general military situation. Before leaving Cairo, General Bizri declared that the Syrian and Egyptian forces were "one army under one command," and that both countries would consider an attack on the other as an attack against itself.

Syrian-Egyptian Agreement on Economic Union.

An agreement establishing an economic union between Egypt and Syria was signed in Damascus on Sept. 4 by Dr. Kaissouny, the Egyptian Finance Minister, and M. Khalil Kallas, the Syrian Minister of Economy. The communiqué stated that a joint committee would be set up to report, within three months, on "concrete measures" for the final economic unification of the two countries. Meanwhile, the following measures would be taken "to develop commercial exchanges between the two countries and consolidate their economic collaboration":

(1) Revision of the existing Syro-Egyptian trade agreement so as to promote trade exchanges between the two countries to the greatest possible extent.

(2) A similar revision and expansion of the existing payments agreement between the two countries.

(3) Encouragement for the setting-up of joint commercial and industrial undertakings, including an industrial bank, a commercial bank, and joint concerns for shipping, air transport, and insurance. Reciprocal technical aid was also envisaged.

(4) Free movement of nationals between the two countries, including reciprocal rights of domicile, work, and participation in any commercial, industrial and agricultural enterprises.

Syrian Economic Delegation in Moscow.

A Syrian delegation headed by M. Hassan Jbara (chairman of the Council for Economic Development) visited Moscow from Aug. 28 to Sept. 3 for discussions on matters arising out of the Syro-Soviet economic agreement concluded on Aug. 6 (see 15705 A). A joint communiqué stated (i) that the Syrian delegation had had talks with the State Committee for Foreign Economic Relations (see 15701 E), in which experts of both countries had taken part; (ii) that they had dealt with "problems concerning the co-operation envisaged by the Soviet-Syrian communiqué of Aug. 6"; (iii) that it had been agreed that "the final co-ordination of all questions will take place in Syria"; (iv) that "an appropriate agreement will be signed on economic and technical co-operation"; and (v) that a Soviet economic delegation would go to Syria for this purpose in the near future, headed by M. Nikitin, vice-chairman of the State Committee for Foreign Economic Relations.

The communiqué said that the matters discussed had included Soviet economic and technical aid to Syria "in the sphere of railway and highway construction, irrigation, the building of electric power stations and industrial and other installations, and geological prospecting." No details were given of specific projects, but the Beirut Correspondent of *The Times* reported (Aug. 27) that they were expected to include the building of a dam on the Euphrates to provide hydro-electric power and irrigation for the newly developing Jezireh area; a new railway from Jezireh to Latakia through Aleppo; and the development of the port of Latakia, Syria's principal outlet on the Mediterranean. Syria was expected to make payment through increased exports of cotton and cereals to the U.S.S.R. It was stated in this connexion that the Communist countries already took nearly 40 per cent of Syria's cotton exports, and that Syria's wheat surplus for the current year was estimated at 1,000,000 tons.

Syrian Allegations of U.S. "Provocations."

A Syrian official spokesman alleged on Sept 9 that five American warships had approached the Syrian coast on the previous day; that two unidentified jet planes had flown over a Syrian town (unnamed); and that the United States was committing "provocative actions to force Syria to take measures which would be used as a pretext for committing aggression against her." The allegations were completely denied in Washington, where it was pointed out that no U.S. warships were operating in the vicinity of Syrian waters.

The Syrian Cabinet met in emergency session on Sept. 10, no official statement being issued. It was reported in Beirut, however, that the Cabinet had considered a protest to the United Nations against the alleged "provocation" by American warships. It was also understood that it had been decided to send Notes to Jordan, Iraq and the Lebanon asking those countries if they had expressed anxiety at the Syrian situation to Mr. Loy Henderson during his Middle East visit.

The U.S. airlift to Jordan was strongly criticized in Damascus, a Government spokesman asserting that the United States had been "angered by Syria's attainment of uncommitted military and economic power."—(Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Le Monde, Paris - Soviet Embassy Press Department, London) **(Prev. rep. Syria, 15721 A.)**

A. INDIA. — Report of Official Language Commission.

The report and recommendations of the Official Language Commission were issued on Aug. 12, a year after they had been submitted to President Prasad. The Commission of 21 members, set up in 1955 under the chairmanship of the late Mr. B. G. Kher (see 14321 C), recommended the increasing use of Hindi for official purposes in place of English, but said that it was "neither necessary nor possible to pronounce now whether a general change-over would be found practicable by 1965" (as required by the Indian Constitution) since it would depend on the efforts made in that direction in the meantime. Hindi, being "the obvious linguistic medium for pan-Indian purposes," should replace English in so far as it would act as the mass medium for India's programme of compulsory elementary education, and also in administration, public life, and the day-to-day business of the country. This decision had been taken because more people spoke and understood Hindi, and not because other regional languages were in any way inferior to it in point of development.

While no restriction was to be imposed on the use of English for any part of the country's purposes, the report advocated that in future it should be taught in secondary schools principally as a "language of comprehension" and not as a "literary language," except where it was taken voluntarily. English would continue to be used as long as necessary as an alternate medium for competitive examinations for All-India Services, and for use in the Supreme Court and the High Courts. At the time of the change-over, however, the entire Statute Book of the country should be in Hindi, which should also be the language of legislation in the States, of the Central Parliament, and of statutory orders and rules issued under any law. Translations into regional languages should be provided where necessary.

Regarding the regional languages, the Commission recommended their retention for administrative and judicial purposes in the State Governments; but where this entailed dealing with other State Governments, or with the Central Government, the medium of communication should be Hindi. Primary education should be conducted in the language of the region, but at the secondary stage instruction in Hindi should be made compulsory the decision as to when compulsion should be introduced being left to the State Governments concerned. **Other recommendations included the setting-up of a National Academy of Languages, preferably at Hyderabad, for developing India's 14 major languages.**

Two members of the Commission (Dr. Suniti Kumar Chatterjee and Dr. P. Subbarayan, who dissented from its recommendations) held that a hasty attempt to achieve the change-over would result in the "imposition of Hindi on non-Hindi-speaking people," leading to confusion in public life. They suggested that the different States should be left to decide, after Hindi had been voluntarily adopted by them, to what extent it could be used for communication with the Central Government and with other State Governments. English should continue to be used until such time as the official language eventually adopted had been fully developed.

The Constitution requires the appointment of a second Commission in 1960 to consider whether the progress made with regard to Hindi justifies the change-over by 1965.
(The Hindu, Madras - The Statesman, Calcutta) **(14321 C.)**

B. SOVIET UNION. — Abolition of Ministry of State Control. - Replacement by Control Commission. - M. Molotov appointed Ambassador to Mongolia.

It was announced on Aug. 29 that the Presidium of the Supreme Soviet had abolished the Ministry of State Control (formerly headed by M. Molotov before his expulsion from the party leadership) and had established in its place a Control Commission under the Council of Ministers.

It was explained (1) that the change had been necessitated by the new conditions arising from the extension of the powers of the Union Republics and local industrial administrations under M. Khrushchev's decentralization plan (see 15575 A); and (2) that the Control Commission would "check on behalf of the Government the actual fulfilment of its decisions on major national economic problems" and ensure strict economy in State expenditure.

The former Ministry of State Control had general supervisory authority over other Ministries and Government organs, and over State property such as factories and warehouses. It was responsible *inter alia* for control of State expenditure and for ensuring that Government decisions were carried out.

The Tass Agency announced on Aug. 30 that M. Molotov had been appointed Ambassador to the Mongolian People's Republic. — (Soviet Embassy Press Department, London) **(Prev. rep. M. Molotov, 15639 A.)**

A. NIGERIA. — The London Constitutional Conference. - Agreement on Formation of All-African Federal Government and Regional Self-Government. - New Federal Government formed by Mr. Balewa.

The Nigerian constitutional conference, which had originally been planned for September 1956 but had been postponed because of the inquiry into the affairs of the African Continental Bank (see 15489 A), opened on May 23 at Lancaster House, London, with the Colonial Secretary (Mr. Lennox-Boyd) in the chair. Proposals put forward by the three Regional Premiers—the Sardauna of Sokoto (Northern Region), Chief Awolowo (Western Region), and Dr. Azikiwe (Eastern Region) —for the granting of independence to the Federation of Nigeria not later than 1960 were rejected by Mr. Lennox-Boyd, who refused to agree in advance to a fixed date for independence. Agreement was reached, however, on a number of major constitutional changes, including (1) the appointment of a Prime Minister of the Federation, with an all-Nigerian Executive Council; (2) the establishment of full self-government in the Eastern and Western Regions immediately, and in the Northern Region in 1959; (3) the establishment of responsible government in the Southern Cameroons; and (4) the formation of a bicameral Federal Legislature after the attainment of independence, consisting of a House of Representatives elected by direct suffrage and a Senate.

The Nigerian delegation at the London Conference consisted of 35 delegates (10 from each region and five from the Southern Cameroons) and 18 official advisers. The delegation included representatives of all the major parties in the three regions— eight from the National Council of Nigeria and the Cameroons (N.C.N.C.), seven from the Action Group, five from the Northern People's Congress, two from the Northern Elements Progressive Union, and one each from the United Middle Belt Congress and the United National Independence Party—and six representatives of chiefs and other groups.

At the beginning of the conference the three Regional Premiers and Dr. Endeley (Leader of Government Business in the Southern Cameroons House of Assembly) submitted a joint memorandum proposing that the British Government should undertake to grant independence to the Federation in 1959. Mr. Lennox-Boyd, however, suggested that the conference should first deal with a number of other important questions, such as the future structure of the Federation and the allocation of revenues. Further discussion on independence was accordingly postponed until June 23, when Mr. Lennox-Boyd made the following statement:

"I understand that it is proposed that some time about January 1960 the new Nigerian Parliament will debate a resolution asking H.M. Government to agree to full self-government within the Commonwealth by a date in 1960 which will have been mentioned in the resolution. In any case, the constitutional machinery would take time, and you [the Nigerian delegates] would no doubt bear this very much in mind in coming to a conclusion as to what date you should ask for. It might therefore be (as many of you have urged) a good thing for there to be some informal consultation with us as to what sort of date was realistic. On receipt of your resolution H.M. Government will consider it with sympathy, and will then be prepared to fix a date when they would accede to the request. We could not at this stage give any undertaking that the date would be the same date as asked for in the resolution, though we would do our utmost to meet the resolution in a reasonable and practicable manner. Delegates, I hope, know H.M. Government well enough to be sure that they would not invent reasons for artificially extending the date. H. M. Government would, of course, be very much guided in their choice of a date by the way everything was going, by how the two Regions now about to enjoy self-government had taken the strain of this great step forward, and by how the country as a whole had faced up to the problem of minorities, on which a commission would already have reported."

The Regional Premiers and Dr. Endeley replied on June 24 in the following joint statement:

"... We feel bound to express our disappointment that it has not been possible for H.M. Government to give an undertaking to grant independence to Nigeria on a date to be named in 1960 by the new Nigerian Parliament. The year 1959 has been unanimously proposed by the people of Nigeria, and we have given consideration to a date in 1960 only because we appreciate that the solution to the various problems that must be disposed of before independence will take longer than we had thought. Having gone thus far on the path of reason and realism, we had thought that the Secretary of State would accede to our united wishes. In the circumstances, we can do no more than take note of the Secretary of State's statement, while reserving to ourselves the right to pursue the issue further with a view to impressing upon H.M. Government the necessity for granting independence to the Federation of Nigeria not later than April 2, 1960."

The decisions of the conference, which concluded on June 26, were published on July 4 as a White Paper (Cmd. 207) and are summarized below under cross-headings:

Regional Self-government. Agreement was reached on proposals for the constitution of the Eastern and Western Regions as self-governing regions forthwith. The Governors of the Regions would retain the power to disallow measures which contravened British treaty obligations or conflicted with the functions of the Federal Government, but in all other matters they would act on the advice of their Ministers, and would cease to preside over the Executive Council. With the Secretary of State's approval, the Governor-General might issue directions to a Region to ensure that its executive authority was not used to impede or prejudice the Federal Government. In order to ensure the independence of the Public Service and the judiciary, all Public Service matters would be controlled by regional commissions "insulated from politics"; judges would be appointed by the Governor on the advice of the Regional Judicial Service Commission; and the Director of Public Prosecutions would be an officer in the Public Service with sole responsibility for the initiation, conduct, and discontinuance of prosecutions. A House of Chiefs, such as already existed in other regions, would be established in the Eastern Region.

Regional self-government would be introduced in the Northern Region in 1959. In the meantime, the European members of the Executive Council (the Civil Secretary and the Financial Secretary) would be replaced by African Ministers, but the Governor would continue to preside over the Council and would retain his reserve powers. The post of Deputy Governor would be created. The number of elected members in the House of Assembly would be increased from 131 to 170, and the House of Chiefs would be enlarged from 50 to 62 to include all first-class chiefs. Provisions were laid down for devolution of powers to provincial assemblies.

The Federal Government. The Governor-General would select a Prime Minister of the Federation who enjoyed the support of a majority of the House of Representatives, and would request him to select not less than 10 Ministers, one of whom must come from the Cameroons. The European *ex-officio* members of the Executive Council (the Chief Secretary, the Attorney-General, and the Financial Secretary) would be dropped, and instead of the Chief Secretary the office of Deputy Governor-General would be established The Governor-General would continue to preside over the Executive Council and would retain his reserve powers.

The present House of Representatives would run its full course until about the end of 1959. Its successor would consist of 320 members, elected on the basis of one member for about each 100,000 of the population. At the same time a second House would be established, with the title of Senate, consisting of 12 members from each region and from the Southern Cameroons, four members from the federal territory of Lagos, and four representatives of special interests appointed by the Governor-General at his discretion. The Senate would have power to delay Bills (other than money Bills) for six months.

The House of Representatives would be elected by universal adult suffrage in the Eastern and Western Regions, Lagos, and the Southern Cameroons, and by adult male suffrage in the Northern Region.

Minority Problems. After discussions on the possible creation of new States and the revision of boundaries, during which representatives of minor tribes expressed fears of coming under the domination of the Ibos, Yorubas, or Hausas (the leading tribes in the Eastern, Western, and Northern Regions respectively), it was agreed that an Inquiry Commission should be appointed to ascertain the facts about the fears of minorities, to propose means of allaying them, and to consider what safeguards should be included for this purpose in the Constitution. If no other solution seemed to meet the case, the Commission would be empowered to make detailed recommendations for the creation of not more than one new State in each Region. Before agreeing to any such recommendations, the British Government would take into account the effect of the establishment of any new State on the existing Regions and on the Federation as a whole, and would have to be convinced that any new State would be economically and administratively viable.

Division of Functions. One of the main differences of opinion at the conference arose over whether the police should remain a federal force (the view of the Eastern Region) or should be transferred to regional control, as advocated by the Western and Northern Regions. It was agreed that the police should be moved from the federal list of subjects to the concurrent list, as law and order were the concurrent responsibility of the Federal and Regional Governments. After independence the ultimate responsibility for law and order would be inherited by the Federal Government from the Secretary of State, and it would therefore always be necessary to have a federal police force. During the transitional stage the federal police forces stationed in the Regions would be reorganized so that they could become the nucleus of regional forces at a later date, and a Police Service Commission would be set up to ensure that no police force should fall under political party control. The final decision whether the Regions should set up their own police forces would be taken by the Governor-General immediately prior to independence.

A commission was appointed to examine how far taxation policy should be in the hands of the Regions and how far in those of the Federal Government, and to consider the degree of federal control over loan and credit policies, having regard to the creation of a new Nigerian currency and of a Central Bank.

The Overseas Civil Service. Members of the Overseas Civil Service employed by the Nigerian Governments would be given the opportunity to enter the service of the United Kingdom Government; those who did so might continue to be employed in Nigeria on secondment to a Nigerian Government so long as their services were required. While serving on secondment, an officer might be considered for appointment to any post for which the Secretary of State was in a position to select candidates. The Federal and Regional Governments undertook to treat "special list" officers on equal terms with other candidates for posting and promotion; this would not preclude them, however, from reserving a list of posts for Nigerians, by agreement with the British Government.

The Cameroons. Responsible government would be introduced in the Southern Cameroons. The Governor-General would be the High Commissioner; the Executive Council would contain a majority of elected members, and would be headed by a Premier; the elected members of the House of Assembly would be increased to 26; and a House of Chiefs would be established. [The delegate from the Northern Cameroons reaffirmed the desire of this area to remain part of the Northern Region.]

The Trusteeship Agreement would be reviewed when Nigeria became independent, in consultation with the U.N., and there would be no question of forcing the Cameroons to remain part of an independent Nigeria contrary to her own wishes.

In statements made after the conference, the Premiers of the Northern and Western Regions both said that they were satisfied with its results. Dr. Azikiwe, on the other hand, expressed disappointment with the failure to reach agreement on the demand for independence by 1959.

The **Sardauna of Sokoto** (Premier of the Northern Region) described the conference as "a real step forward in our constitutional advancement." Those taking part had "seen clearly what problems must be solved before a united Nigerian people can take their place beside the other countries of the British Commonwealth," whilst the leaders of all political parties had achieved "unprecedented" unity and had shown that they could meet to discuss Nigeria's problems calmly and dispassionately.

Chief Awolowo (Premier of the Western Region) expressed confidence that Nigeria would become fully self-governing by April 2, 1960. While everything had not gone "exactly as each delegation would have wished," he was "perfectly satisfied" with what the conference had achieved.

Dr. Azikiwe (Premier of the Eastern Region), on the other hand, said that the Colonial Secretary had "studiously ignored the feelings of Nigerians, who, through their duly accredited representatives, had demanded independence for 1959." The "partial failure" of the conference he attributed to two factors: (i) the "immaturity" of the Nigerian delegations, who had agreed to place the subject of independence by 1959 second on the agenda, contrary to their previous agreement that it should be the first item, and had accepted the suggestion that the date-line for independence should be shifted from 1959 to 1960; and (ii) the diplomacy of Mr. Lennox-Boyd, who (Dr. Azikiwe asserted) had "spared no effort to play on the vanity of the Nigerian delegations."

The congress of the Action Group (the governing party in the Western Region) resolved on July 13 "to work relentlessly with a view to rallying the whole country for the attainment of full Nigerian independence on April 2, 1960."

Formation of New Federal Government.

The first all-African Federal Executive Council was formed on Aug. 30 by Mr. Balewa, the leader of the Northern People's Congress in the House of Representatives. To demonstrate the unity of Nigeria, Mr. Balewa selected his Ministers not only from the Northern People's Congress, the N.C.N.C., and the Kamerun National Congress (which had formed the previous Government) but also from the Action Group, which had constituted the Opposition. The membership of the new Government was as follows:

*Mr. A. A. Tafawa Balewa	Prime Minister and Finance.
*Dr. K. O. Mbadiwe ..	Commerce and Industry.
*Mr. A. M. Ribadu	Lands, Mines and Power, and Lagos Affairs.
*Chief Festus Okotie-Eboh	Labour and Welfare.
*Mr. Raymond Njoku ..	Transport.
Chief S. L. A. Akintola ..	Communications and Aviation.
*Mr. Aja Nwachuku ..	Education.
Mr. Ayo Rosiji	Health.
*Chief Kolawole Balogun ..	Research and Information.
*Mr. J. M. Johnson ..	Internal Affairs.
*Mr. M. I. Wada	Works and Surveys.
*Mr. Victor Mukete ..	Minister of State representing the Southern Cameroons.
Mr. Z. B. Dipcherima ..	Minister of State.

*Member of the previous Executive Council.

Mr. Balewa (45), the son of a farmer, became a teacher and studied at the London University Institute of Education. He entered the Council of Ministers in 1951 as Minister of Works, and became Minister of Transport in 1955, being appointed a member of the Governor-General's Privy Council and a C.B.E. in the same year. The Action Group is represented in the new Government by **Chief Akintola**, formerly Leader of the Opposition, and **Mr. Rosiji**, a Lagos barrister. The only other new Minister is **Mr. Dipcherima**, formerly Parliamentary Secretary to the Ministry of Transport.

In view of the importance of this constitutional advance, the Governor-General (Sir James Robertson) opened the new session of the House of Representatives on Sept. 2 with a State procession from Government House. The day was celebrated in Lagos as a public holiday.

Other Nigerian Political Developments.

Other recent political developments in Nigeria are summarized below under cross-headings:

Elections in Western Region. General elections to the House of Assembly in the Western Region took place in May 1956 and resulted in a victory for the Action Group, which won 48 seats. The remaining 32 seats were won by the N.C.N.C.

Elections in Southern Cameroons. As a result of general elections to the Southern Cameroons House of Assembly, held on March 15, 1957, the Kamerun National Congress retained power, though with a reduced majority. Results for 17 of the 19 seats were as follows, the position in the former Assembly being shown in parentheses: Kamerun National Congress 10 (16), Kamerun National Democratic Party 5 (2), Kamerun People's Party 2 (1). The Kamerun National Democratic Party was described by *The Times* as "a party formed by Communist-inspired refugees from the French Cameroons." The Kamerun People's Party is an offshoot of the N.C.N.C.

Merger of Action Group and United National Independence Party. It was announced on July 17, 1957, that the United National Independence Party had decided to merge with the Action Group. The United National Independence Party, which was led by Professor Eyo Ita, had been formed in the Eastern Region in 1953 as the result of a split in the N.C.N.C.

The appointment of Mr. G. W. Bell, Political Agent in Kuwait, as Governor of the Northern Region in succession to Sir Bryan Sharwood-Smith, retiring, was announced on July 24, 1957. (Report of the Nigerian Constitutional Conference, Cmd. 207 - Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Constitution, Council of Ministers, 14140 A; Elections in Western Region, 12016 A.)

A. JAMAICA. — Rail Disaster.

The worst rail disaster in Jamaica's history occurred on Sept. 2, when 174 people were killed and between 600 and 700 injured, many seriously, when an excursion train was derailed at Kendal, 65 miles north-west of Kingston.

The train was returning to Kingston from Montego Bay (the seaside resort on the north-west coast) with some 1,500 excursionists, most of them members of a party organized by a Roman Catholic Church in Kingston; they included a high proportion of children, many of them accompanied by their parents. The disaster took place as the train was rounding a double bend, nine of the 12 coaches leaving the rails and one of them plunging into a 20-foot ravine. Nearly all the coaches were smashed and burned, and rescue work went on for nearly 24 hours to extricate hundreds of trapped passengers and recover the bodies of the victims. Many of the dead could not be identified, the bodies being buried in mass graves near the scene of the crash and at Mandeville (10 miles distant) by order of the Jamaican Government. The Chief Minister, Mr. Norman Manley, immediately went to the scene of the disaster and subsequently appointed an Inquiry Commission headed by the Chief Justice, Mr. Colin MacGregor. A relief fund was opened to which the Jamaican Government contributed £10,000. Sunday, September 8, was observed throughout the island as a day of national mourning, special services being held in churches of all denominations.

The disaster was the worst in Jamaica since 1907, when 800 people were killed in the Kingston earthquake of that year. (Times - Daily Telegraph - Manchester Guardian)

B. AUSTRALIA. — Canberra Development Plan.

The Federal Minister of the Interior (Mr. Fairhall) announced on Aug. 25 that a five-year plan for the development of Canberra had been put in hand as from the beginning of the new financial year in July. A National Capital Development Commission would be set up to control the anticipated rapid development of the city during the next five years, and to co-ordinate the functions of planning and construction at present divided between the Department of the Interior and the Department of Works.

Mr. Fairhall stated that the plan would cover the transfer of Government departments (notably defence) from Melbourne to Canberra, and that a population of 60,000 was envisaged by 1962, compared with Canberra's present population of 35,000. (Australian News and Information Bureau)

A. OLYMPIC GAMES. — The Melbourne Olympiad.

The XVIth Olympiad of the Modern Era was held at Melbourne from Nov. 22 to Dec. 8, 1956—the first occasion on which the Games had taken place in the Southern Hemisphere. The Prime Minister of Australia (Mr. R. G. Menzies) was President of the Games; Mr. (now Sir) W. S. Kent Hughes, formerly Federal Minister for the Interior and Works, served as chairman of the Organizing Committee; and Lieut.-General Sir William Bridgeford was Chief Executive Officer for the Games. The Olympiad was opened by H.R.H. The Duke of Edinburgh, who was then visiting Australia in the course of his world-wide Commonwealth tour (see 15411 A).

Because of the tense international situation at the time owing to the crises in Hungary and the Middle East, and because of the great expense of sending teams to Australia, fewer competitors took part than was the case in the Helsinki Olympiad of 1952. [The total number of athletes participating at Melbourne was 3,539, compared with 5,867 at Helsinki.] Nevertheless, the number of countries represented (67) was only two short of the Helsinki record of 69, the countries participating in the Melbourne Games being as follows:

Afghanistan, Argentina, Australia, Austria, Bahamas, Belgium, Bermuda, Brazil, British Guiana, Bulgaria, Burma, Canada, Ceylon, Chile, Colombia, Cuba, Czechoslovakia, Denmark, Eire, Ethiopia, Fiji, Finland, Formosa China (i.e. Nationalist China), France, Germany, Great Britain, Greece, Hong Kong, Hungary, Iceland, India, Indonesia, Israel, Italy, Jamaica, Japan, Kenya, Korea (South), Liberia, Luxemburg, Malaya, Mexico, New Zealand, Nigeria, North Borneo, Norway, Pakistan, Persia, Peru, Philippines, Poland, Puerto Rico, Portugal, Rumania, Siam, Singapore, South Africa, Sweden, Trinidad, Turkey, Uganda, Uruguay, U.S.A., U.S.S.R., Venezuela, Vietnam (South), Yugoslavia.

The principal countries absent were the Netherlands, Spain, Switzerland, Communist China, Egypt, Lebanon and Iraq.

The Netherlands Olympic Committee withdrew from the Games because the Soviet actions in Hungary had "spoiled the Olympic atmosphere" and made it impossible for Dutch athletes to take part together with Soviet teams; the 100,000 guilders (£10,000) which had been raised for the expenses of the Dutch team were made available for the relief of Hungarian refugees. The Spanish Sports Federation also withdrew from the Olympiad in protest at the Soviet intervention in Hungary, declaring that it was not fitting that Spanish athletes should compete "while the liberty of peoples is being trampled upon."

The Swiss Olympic Committee had decided on Nov. 7 not to send a team to Melbourne because the Swiss gymnastic associations had refused to send athletes, as a protest against the Soviet repression of the Hungarian uprising. Three days later, however, the Swiss Committee reversed its decision and announced that it would be participating in the Olympiad. As it subsequently proved impossible to charter an aircraft in time to take the Swiss team to Melbourne, Switzerland's participation in the Games had to be abandoned for that reason.

Communist China refused to take part in the Games because of the International Olympic Committee's decision to allow a team from Formosa to compete under the designation "Formosa China." The All-China Athletic Federation in Peking demanded that the International Committee should withdraw its permission for Nationalist China to compete separately; claimed that the All-China Federation should be recognized as the only national Chinese Olympic organization; and declared that "this artificial splitting of China cannot be tolerated." The International Committee rejected these complaints and the Chinese People's Republic withdrew from the Games.

Egypt had demanded that the International Olympic Committee should expel from the Games those countries "guilty of aggression against Egypt" (i.e. Britain, France and Israel). The demand was rejected by the International Committee, which expressed its astonishment that Egypt should have made such a demand "based on purely political motives." The Lebanon withdrew from the Games because of Australia's attitude during the Suez crisis.

In contrast to the Chinese attitude (see above), Eastern and Western Germany had agreed to send an all-German national team to Melbourne, its members being chosen on the basis of individual performance.

The International Olympic Committee had previously given tentative recognition to the East German Olympic Committee on condition that it reached an agreement with the West German Olympic Committee on an all-German team for Melbourne. Such an agreement was subsequently arrived at by the two German Committees, which agreed that each committee should bear the costs of competitors from its own part of Germany. It was also agreed that the all-German team should compete under the black-red-gold flag, which is common to the Federal Republic and the Democratic Republic.

About 45 members of the Hungarian Olympic team, including both men and women, decided at the end of the Games to remain in Australia rather than return to Hungary. All of them were subsequently given asylum in Australia or the United States. Four members of the Rumanian team also sought asylum in Australia.

Of about 175 Hungarian athletes, trainers and coaches, only about 130 returned to Hungary. Those remaining in Australia included some of Hungary's best-known athletes and trainers, as well as the deputy chairman of the Hungarian Olympic Committee. Other Hungarian athletes, though returning to Europe, got off the plane at Milan, Paris and other places to join families who had succeeded in escaping from Hungary.

All the track and field events, as well as the hockey and association football finals, were held at the Melbourne Cricket Ground, which served as the main Olympic Stadium and whose capacity was increased to 120,000 by a new three-tiered concrete stand, 80 feet high, holding 40,000 people. An Olympic Park was built on a 25-acre site beside the Yarra River, at a cost of £A4,000,000, in which a new stadium was built for the swimming, diving and water-polo events, capable of seating 5,000 people. The yachting events were held in Port Phillip Bay, on which Melbourne is situated, while the rowing and canoeing events were held on Lake Wendouree (near Ballarat), about 70 miles from Melbourne.

The 3,500 athletes were housed in an Olympic Village built on a 112-acre site at Heidelberg (near Melbourne) at a cost of £A2,750,000.

Owing to Australian quarantine regulations, the Equestrian Olympic Games were held in Stockholm from June 11-17, 1956, and not in Melbourne. The Australian authorities had refused to lift the regulation whereby all foreign horses coming into Australia, except those from Britain, Ireland and New Zealand, must spend six months in quarantine.

In accordance with tradition, the Olympic Torch was kindled by the sun's rays at the foot of Mount Olympus in Greece. It was carried by relays of Greek athletes to Athens and taken on board an airliner of Qantas Airways for the 10,000-mile flight to Darwin (North Australia), being kept alight thoughout the journey. From Darwin it was flown by the Royal Australian Air Force to Cairns, on the coast of Northern Queensland. The Olympic Torch was carried by relays of Australian athletes from Cairns to the Olympic Stadium in Melbourne (a distance of 3,000 miles), during which the runners crossed the Great Dividing Range. The route taken was Cairns - Townsville - Rockhampton - Brisbane - Sydney - Canberra - Bendigo - Ballarat - Melbourne—i.e. down the whole east coast of Australia to Sydney, and thence inland across part of New South Wales and most of Victoria.

The detailed results of the Melbourne Olympic Games are set out below, giving the first three placings in the final of each event (i.e. those qualifying for gold, silver, and bronze medals respectively):

Men's Athletics.

100 Metres. 1. R. Morrow (U.S.A.) and W. Baker (U.S.A.), each 10.5 sec; H. Hogan (Australia) 10.6 sec.

200 Metres. R. Morrow (U.S.A.) 20.6 sec (new Olympic record); A. Stanfield (U.S.A.) 20 7 sec.; W. Baker (U.S.A.) 20 9 sec.

400 Metres. C. Jenkins (U.S.A.) 46.7 sec., K. Haas (Germany) 46.8 sec.; A. Ignatyev (U.S.S.R.) and V. Hollsten (Finland), each 47 0 sec.

800 Metres. T. Courtney (U.S.A.) 1 min. 47.7 sec. (new Olympic record); D. Johnson (Great Britain) 1 min. 47.8 sec.; A. Boysen (Norway) 1 min. 48.1 sec.

1,500 Metres. R. Delany (Eire) 3 min. 41.2 sec. (new Olympic record); K. Richtzenhain (Germany) 3 min. 42.0 sec.; J. Landy (Australia) 3 min. 42.0 sec.

5,000 Metres. V. Kuts (U.S.S.R.) 13 min. 39.6 sec. (new Olympic record); G. Pirie (Great Britain) 13 min. 50.6 sec.; G. Ibbotson (Great Britain) 13 min. 54.4 sec. Two of the three finalists—Vladimir Kuts and Gordon Pirie—had held the world record for the distance, which is at present held by Pirie (13 min. 36.8 sec.).

10,000 Metres. V. Kuts (U.S.S.R.) 28 min. 45.6 sec. (new Olympic record); J. Kovacs (Hungary) 28 min. 52.4 sec.; A. Lawrence (Australia) 28 min. 53.6 sec.

Marathon. A. Mimoun (France) 2 hr. 25 min. 00 sec.; F. Mihalic (Yugoslavia) 2 hr. 26 min 32 sec., V. Karvonen (Finland) 2 hr. 27 min. 47 sec. Emil Zatopek (Czechoslovakia), who set up the Olympic marathon record at Helsinki in 1952 (2 hr 23 min. 03 sec), finished in sixth place.

4×100 Metres Relay. U.S.A., 39.5 sec. (new world and Olympic record); U.S.S.R., 39.8 sec.; Germany 40.3 sec.

4×400 Metres Relay. U.S.A. 3 min. 04.8 sec.; Australia 3 min. 06.2 sec.; Great Britain 3 min. 07.2 sec.

20,000 Metres Walk. L. Spirin (U.S.S.R.) 1 hr. 31 min. 27.4 sec.; A. Mikenas (U.S.S.R.) 1 hr. 32 min. 03.0 sec.; B. Junk (U.S.S.R.) 1 hr. 32 min. 12.0 sec.

50,000 Metres Walk. N. Read (New Zealand) 4 hr. 30 min. 42.8 sec.; E. Maskinskov (U.S.S.R.) 4 hrs. 32 min. 57.0 sec.; J. Ljunggren (Sweden) 4 hrs. 35 min. 02.0 sec.

110 Metres Hurdles. L. Calhoun (U.S.A.) and J. Davis (U.S.A.), each 13.5 sec. (new Olympic record); J. Shankle (U.S.A.) 14.1 sec.

400 Metres Hurdles. G. Davis (U.S.A.) 50.1 sec.; E. Southern (U.S.A.) 50.8 sec.; J. Culbreath (U.S.A.) 51.6 sec.

3,000 Metres Steeplechase. C. Brasher (Great Britain) 8 min. 41.2 sec. (new Olympic record); S. Rozsnyoi (Hungary) 8 min. 43.6 sec.; E. Larsen (Norway) 8 min. 44.0 sec.

High Jump. C. Dumas (U.S.A.) 6 ft. 11¼ in. (new Olympic record); C. Porter (Australia) 6 ft. 10½ in.; L. Kashkarov (U.S.S.R.) 6 ft. 9½ in.

Long Jump. G. Bell (U.S.A.) 25 ft. 8¼ in.; J. Bennett (U.S.A.) 25 ft. 2½ in.; J. Valkama (Finland) 24 ft. 6¼ in.

Pole Vault. R. E. Richards (U.S.A.) 14 ft. 11¼ in. (new Olympic record); R. Gutowski (U.S.A.) 14 ft. 10½ in.; G. Roubanis (Greece) 14 ft. 9 in. The Rev. Robert Eugene Richards (30), who has cleared 15 feet over 100 times, broke his own Olympic record (14 ft. 11¼ in.) set up at Helsinki in 1952.

Hop, Step and Jump. A. Ferreira da Silva (Brazil) 53 ft. 7¼ in. (new Olympic record); V. Eirnarsson (Iceland) 53 ft. 4 in.; V. Kreer (U.S.S.R.) 52 ft. 6¼ in.

Throwing the Javelin. E. Danielsen (Norway) 281 ft. 2¼ in. (new world and Olympic record); J. Sidlo (Poland) 262 ft. 4½ in.; V. Tsibulenko (U.S.S.R.) 260 ft. 9½ in. Egil Danielsen (23) was the first Norwegian to win an Olympics title for 36 years.

Throwing the Hammer. H. Connolly (U.S.A.) 207 ft. 3¾ in. (new Olympic record); M. Krivonosov (U.S.S.R.) 206 ft. 9½ in.; A. Samotsvetov (U.S.S.R.) 205 ft. 3 in.

Throwing the Discus. A. Oerter (U.S.A.) 184 ft. 10½ in. (new Olympic record); F. Gordien (U.S.A.) 179 ft. 9½ in.; D. Koch (U.S.A.) 178 ft. 5½ in. Fourth place went to M. Pharaoh (Great Britain), the first British athlete to be placed in the first six in this event since 1896. His throw was 178 ft. 0½ in.

Putting the Weight. P. O'Brien (U.S.A.) 60 ft. 11 in. (new Olympic record); W. Nieder (U.S.A.) 59 ft. 7¾ in.; J. Skobla (Czechoslovakia) 57 ft. 10¾ in.

Decathlon. M. Campbell (U.S.A.) 7,937 points (new Olympic record); R. Johnson (U.S.A.) 7,587 points; V. Kuznetsov (U.S.S.R.) 7,465 points. The Decathlon comprises running (100, 400 and 1,500 metres), jumping (long and high), 100-metres hurdles, the pole vault, the discus and javelin, and putting the weight.

Women's Athletics.

100 Metres. Betty Cuthbert (Australia) 11.5 sec. (equals Olympic record); C. Stubnick (Germany) 11.7 sec.; M. Mathews (Australia) 11.7 sec.

200 Metres. Betty Cuthbert (Australia) 23.4 sec. (new Olympic record); C. Stubnick (Germany) 23.7 sec., M. Mathews (Australia) 23.8 sec.

4×100 Metres Relay. Australia 44.5 sec. (world and Olympic record); Great Britain 44.7 sec.; U.S.A. 44.9 sec.

80 Metres Hurdles. Shirley Strickland (Australia) 10.7 sec. (new Olympic record); G. Köhler (Germany) 10.9 sec.; N. Thrower (Australia) 11.0 sec.

High Jump. Mildred McDaniel (U.S.A.) 5 ft. 9¼ in. (new world and Olympic record); T. Hopkins (Great Britain) and M. Pisaryeva (U.S.S.R.) each 5 ft. 5½ in.

Long Jump. Elzbieta Krzesinska (Poland) 20 ft. 10 in. (new world and Olympic record); W. White (U.S.A.) 19 ft. 11½ in.; N. Dvalishvili (U.S.S.R.) 19 ft. 11 in.

Throwing the Javelin. Inese Janzeme (U.S.S.R.) 176 ft. 8½ in. (new Olympic record); M. Ahrens (Chile) 165 ft. 3½ in.; N. Konyayeva (U.S.S.R.) 164 ft. 11½ in.

Throwing the Discus. Olga Fikotova (Czechoslovakia) 176 ft. 1½ in. (new Olympic record); I. Beglyakova (U.S.S.R.) 172 ft. 4½ in.; N. Ponomareva (U.S.S.R.) 170 ft. 8 in. The previous Olympic record (168 ft. 8¼ in.) was achieved by Nina Ponomareva at Helsinki in 1952.

Putting the Weight. Tamara Tishkyevich (U.S.S.R.) 54 ft. 5 in. (new Olympic record); G. Zybina (U.S.S.R.) 54 ft. 2¾ in.; M. Werner (Germany) 51 ft. 2½ in.

Men's Swimming.

100 Metres Free-Style. J. Henricks (Australia) 55.4 sec. (new Olympic record); J. Devitt (Australia) 55.8 sec.; G. Chapman (Australia) 56.7 sec.

400 Metres Free-Style. M. Rose (Australia) 4 min. 27.3 sec. (new Olympic record); T. Yamanaka (Japan) 4 min. 30.4 sec.; G. Breen (U.S.A.) 4 min. 32.5 sec.

1,500 Metres Free-Style. M. Rose (Australia) 17 min. 58.9 sec.; T. Yamanaka (Japan) 18 min. 00 sec.; G. Breen (U.S.A.) 18 min. 08 sec.

200 Metres Breast-stroke. M. Furukawa (Japan) 2 min. 34.7 sec. (new Olympic record); M. Yoshimura (Japan) 2 min. 36.7 sec.; V. Yunitshev (U.S.S.R.) 2 min. 36.8 sec.

200 Metres Butterfly-stroke (new event). W. Yorzyk (U.S.A.) 2 min. 19.3 sec.; T. Ishimoto (Japan) 2 min. 23.8 sec.; G. Tumpek (Hungary) 2 min. 23.9 sec.

100 Metres Back-stroke. D. Thiele (Australia) 1 min. 02 sec. (new Olympic record); J. Monckton (Australia) 1 min. 03 sec.; F. McKinney (U.S.A.) 1 min. 04 sec.

4×400 Metres Relay. Australia 8 min. 23.6 sec. (new world and Olympic record); U.S.A. 8 min. 31.5 sec.; U.S.S.R. 8 min. 34.7 sec.

Women's Swimming.

100 Metres Free-style. Dawn Fraser (Australia) 62.0 sec. (new world and Olympic record); L. Crapp (Australia) 62.3 sec.; F. Leech (Australia) 65.1 sec.

400 Metres Free-style. Lorraine Crapp (Australia) 4 min. 54.6 sec. (new Olympic record); D. Fraser (Australia) 5 min. 02.5 sec.; S. Ruuska (U.S.A.) 5 min. 07.1 sec.

100 Metres Back-stroke. Judy Grinham (Great Britain) 1 min. 12.9 sec. (new Olympic record); C. Cone (U.S.A.) 1 min. 12.9 sec.; M. Edwards (Great Britain) 1 min. 13.1 sec. Miss Grinham is the first British Olympic swimming champion since 1924.

100 Metres Butterfly-stroke. Shelley Mann (U.S.A.) 1 min. 11.0 sec. (new Olympic record); N. Ramey (U.S.A.) 1 min. 11.9 sec.; M. Sears (U.S.A.) 1 min. 14.4 sec.

200 Metres Breast-stroke. Ursula Happe (Germany) 2 min. 53.1 sec. (new Olympic record); E. Székely (Hungary) 2 min. 54.8 sec.; E. Ten-Elson (Germany) 2 min. 55.1 sec.

4×100 Metres Relay. Australia 4 min. 17.1 sec. (new world and Olympic record); U.S.A. 4 min. 19.2 sec.; S. Africa 4 min. 25.7 sec.

Diving and Water Polo.

Men's Springboard. R. Clotworthy (U.S.A.) 159.56 points; D. Harper (U.S.A.) 156.23 points; J. Capilla (Mexico) 150.69 points.

Men's Highboard. J. Capilla (Mexico) 152.44 points; G. Tobian (U.S.A.) 152.41 points; R. Connor (U.S.A.) 149.79 points.

Women's Springboard. Mrs. Pat McCormick (U.S.A.) 142.36 points; J. Stunyo (U.S.A.) 125.89 points; I. MacDonald (Canada) 121.40 points.

Women's Highboard. Mrs. Pat McCormick (U.S.A.) 84.85 points; J. Irwin (U.S.A.) 81.64 points; P. Myers (U.S.A.) 81.58 points.

Water Polo. Champions—Hungary; runners-up—Yugoslavia; third place—U.S.S.R.

Yachting.

The yacht races were held in Port Phillip Bay, a few miles from the Olympic Stadium in Melbourne. Results were as follows:

Finn Class. 1. Denmark; 2. Belgium; 3. U.S.A.

5.5 Metre Class. 1. Sweden (*Rush V*); 2. Great Britain (*Vision*); 3. Australia (*Buraddoo*).

Star Class. 1. U.S.A. (*Kathleen*); 2. Italy (*Merope III*); 3. Bahamas (*Gem IV*).

Sharpie Class. 1. New Zealand (*Jest*); 2. Australia (*Falcon IV*); 3. Great Britain (*Chuckles*).

Dragon Class. 1. Sweden (*Slaghoken II*); 2. Denmark (*Tip*); 3. Great Britain (*Bluebottle*). The yacht *Bluebottle* is owned by H.M. the Queen and the Duke of Edinburgh.

Rowing.

The rowing events were held on Lake Wendouree (near Ballarat), about 70 miles from Melbourne. Results were as follows:

Single Sculls. V. Ivanov (U.S.S.R.) 8 min. 02 sec.; S. Mackenzie (Australia) 8 min. 07 sec.; J. Kelly (U.S.A.) 8 min. 11 sec.

Double Sculls. 1. U.S.S.R., 7 min. 24.0 sec.; 2. U.S.A., 7 min. 32.2 sec.; 3. Australia, 7 min. 37.4 sec.

Coxed Pairs. 1. U.S.A., 8 min. 26.1 sec.; 2. Germany, 8 min. 29.2 sec.; 3. U.S.S.R., 8 min. 31 sec.

Coxwainless Pairs. 1. U.S.A., 7 min. 55.4 sec; 2. U.S.S.R., 8 min. 03 sec.; 3. Austria, 8 min. 11 sec.

Coxed Fours. 1. Italy, 7 min. 19.4 sec.; 2. Sweden, 7. min 22.4 sec.; 3. Finland, 7 min. 30.9 sec.

Coxwainless Fours. 1. Canada, 7 min. 08 sec.; 2. U.S.A. 7 min. 18 sec.; 3. France, 7 min. 20 sec.

Eights. 1. U.S.A., 6 min. 35 sec.; 2. Canada, 6 min. 37 sec.; 3. Australia, 6 min. 39 sec.

Canoeing.

The Olympic Canoeing Regatta was also held on Lake Wendouree, results being as follows:

1,000 Metres Kayak Singles. G. Fredriksson (Sweden) 4 min. 12.8 sec.; I. Pissarev (U.S.S.R.) 4 min. 15.3 sec.; L. Kiss (Hungary) 4 min. 16.2 sec.

10,000 Metres Kayak Singles. G. Fredriksson (Sweden) 47 min. 43.4 sec.; F. Hatlaczky (Hungary) 47 min. 53.3 sec.; M. Scheuer (Germany) 48 min. 00 sec.

1,000 Metres Kayak Pairs. 1. Germany, 3 min 49.6 sec.; 2. U.S.S.R., 3 min. 51.4 sec.; 3. Austria, 3 min. 55.8 sec.

10,000 Metres Kayak Pairs. 1. Hungary, 43 min. 37 sec.; 2. Germany, 43 min. 40.6 sec.; 3. Australia, 43 min. 43.2 sec.

1,000 Metres Canadian Singles. L. Rottman (Rumania) 5 min. 05 sec.; I. Hernek (Hungary) 5 min. 06 sec.; G. Bukharin (U.S.S.R.) 5 min. 12 sec.

10,000 Metres Canadian Singles. L. Rottman (Rumania) 56 min. 41 sec.; J. Parti (Hungary) 57 min. 11 sec.; G. Bukharin (U.S.S.R.) 57 min. 14 sec.

1,000 Metres Canadian Pairs. 1. Rumania, 4 min. 47 sec; 2. U.S.S.R., 4 min. 48 sec.; 3. Hungary, 4 min. 54 sec.

10,000 Metres Canadian Pairs. 1. U.S.S.R., 54 min. 02 sec.; 2. France, 54 min. 48 sec.; 3. Hungary, 55 min. 15 sec.

500 Metres Kayak Singles—Women. E. Dementieva (U.S.S.R.) 2 min. 18 sec.; T. Zenz (Germany) 2 min. 19 sec.; T. Soby (Denmark) 2 min. 22 sec.

Cycling.

1,000 Metres Time Trial. L. Faggin (Italy) 1 min. 9.8 sec.; L. Foucek (Czechoslovakia) 1 min. 11.4 sec.; A. Swift (South Africa) 1 min. 11.6 sec.

1,000 Metres Sprint. Final placings—M. Rousseau (France); G. Pesenti (Italy); R. Ploog (Australia).

2,000 Metres Tandem. Australia beat Czechoslovakia by 10.8 sec., with Italy third.

4,000 Metres Team Pursuit. Italy (4 min. 37.4 sec., a new Olympic record) beat France (4 min. 39.4 sec.) in the final, with Great Britain third.

Road Race (187.73 km. or 116.65 miles). E. Baldini (Italy) 5 hours 21 min. 17 sec.; A. Geyre (France) 5 hours 23 min.; 6 sec. A. Jackson (Great Britain) 5 hours 23 min. 17 sec.

Fencing.

Foil (Individual). 1. C. D'Oriola (Italy); 2. G. Bergamini (Italy); 3. A. Spallino (Italy).

Foil (Individual)—Women's. 1. G. Sheen (Great Britain); 2. O. Orban (Rumania); 3. R. Garilhe (France). Miss Gillian Sheen was the first British fencer to win a gold medal in the Olympic Games.

Epée (Individual). 1. C. Pavesi (Italy); 2. G. Delfino (Italy); 3. E. Mangiarotti (Italy).

Sabre (Individual). 1. R. Karpati (Hungary); 2. J. Pawlowski (Poland); 3. L. Kuznetsov (U.S.S.R.).

Foil (Team). 1. Italy; 2. France; 3. Hungary.

Epée (Team). 1. Italy; 2. Hungary; 3. France.

Sabre (Team). 1. Hungary; 2. Poland; 3. U.S.S.R.

Boxing.

Fly-Weight. T. Spinks (Great Britain) beat M. Dobrescu (Rumania) on points.

Bantam-Weight. W. Behrendt (Germany) beat S. Song (Korea) on points.

Feather-Weight. V. Safronov (U.S.S.R.) beat T. Nicholls (Great Britain) on points.

Light-Weight. R. McTaggart (Great Britain) beat H. Kurschat (Germany) on points.

Light-Welter-Weight. V. Enguibarian (U.S.S.R.) beat F. Nenci (Italy) on points.

Welter-Weight. N. Linca (Rumania) beat F. Tiedt (Eire) on points.

Light-Middle-Weight. L. Papp (Hungary) beat J. Torres (U.S.A.) on points.

Middle-Weight. G. Chatkov (U.S.S.R.) knocked out R. Tapia (Chile).

Light-Heavy-Weight. J. Boyd (U.S.A.) beat G. Negrea (Rumania) on points.

Heavy-Weight. T. Rademacher (U.S.A.) beat L. Mukhin (U.S.S.R.); referee stopped fight in first round.

Wrestling.

Free Style.

Fly-Weight. 1. T. Tzalkalaman (U.S.S.R.); 2. M. Khojastehpour (Persia); 3. H. Akbas (Turkey).

Bantam-Weight. 1. M. Dagistanli (Turkey); 2. M. Yaghoubi (Persia); 3. M. Chakov (U.S.S.R.).

Feather-Weight. 1. S. Sasahara (Japan); 2. J. Mewis (Belgium); 3. E. Penttila (Finland).

Light-Weight. 1. E. Habibi (Persia); 2. S. Kasahara (Japan); 3. A. Bestayev (U.S.S.R.).

Welter-Weight. 1. M. Ikeda (Japan); 2. I. Zeuglin (Turkey); 3. V. Balavadze (U.S.S.R.).

Middle-Weight. 1. N. Nikolov (Bulgaria); 2. D. Hodge (U.S.A.); 3. G. Skhirtladze (U.S.S.R.).

Light-Heavy-Weight. 1. G. Takhti (Persia); 2. B. Kulayev (U.S.S.R.); 3 P. Blair (U.S.A.).

Heavy-Weight. 1. H. Kaplan (Turkey); 2. U. Alichev (Bulgaria); 3. T. Kangasniemi (Finland).

Greco-Roman.

Fly-Weight. 1. N. Solovyev (U.S.S.R.); 2. I. Frabba (Italy); 3. D. Egribas (Turkey).

Bantam-Weight. 1. K. Vyrupaev (U.S.S.R.); 2. E. Vesterby (Sweden); 3. F. Horvat (Rumania).

Feather-Weight. 1. R. Makinen (Finland); 2. I. Polyak (Hungary); 3. R. Dzneladze (U.S.S.R.).

Light-Weight. 1. K. Lehtonen (Finland); 2. R. Dogan (Turkey); 3. G. Toth (Hungary).

Welter-Weight. 1. M. Bayrak (Turkey); 2. V. Maneyev (U.S.S.R.); 3. P. Berlin (Sweden).

Middle-Weight. 1. G. Kartosa (U.S.S.R.); 2. D. Dobrev (Bulgaria); 3. K. Jansson (Sweden).

Light-Heavy-Weight. 1. V. Nikolayev (U.S.S.R.); 2. P. Sirakov (Bulgaria); 3. K. Nilsson (Sweden).

Heavy-Weight. 1. A. Parfenov (U.S.S.R.); 2. W. Dietrich (Germany); 3. A. Bulgarelli (Italy).

Weightlifting.

Bantam-Weight. C. Vinci (U.S.A.) 754½ lb. (new world and Olympic record); V. Stogov (U.S.S.R.) 743½ lb.; M. Namdjou (Persia) 732½ lb.

Feather-Weight. I. Berger (U.S.A.) 776½ lb. (new world and Olympic record); E. Minayev (U.S.S.R.) 754½ lb.; M. Zielinski (Poland) 738 lb.

Light-Weight. I. Ryibak (U.S.S.R.) 837½ lb. (new Olympic record); R. Khabutdinov (U.S.S.R.) 821 lb.; C. H. Kim (Korea) 815½ lb.

Middle-Weight. F. Bogdanovski (U.S.S.R.) 925½ lb. (new world and Olympic record); P. George (U.S.A.) 909 lb.; E. Pignatti (Italy) 843 lb.

Light-Heavy-Weight. T. Kono (U.S.A.) 986½ lb. (new world and Olympic record); T. Stepanov (U.S.S.R.) 942 lb.; J. George (U.S.A.) 920½ lb.

Middle-Heavy-Weight. A. Vorobayev (U.S.S.R.) 1,019 ½ lb. (new world and Olympic record); 2. D. Sheppard (U.S.A.) 975½ lb.; J. Debuf (France) 936½ lb.

Heavy-Weight. P. Andersen (U.S.A.) and H. Selvetti (Argentina) each 1,102 lb. (new Olympic records); A. Pigaiani (Italy) 997½ lb.

(The weight given represents in each case the sum of three lifts—press, snatch and jerk).

Shooting.

Clay Pigeon (two 75- and one 50-shot series). G. Rossini (Italy) 200 points (new Olympic record); A. Smelczynski (Poland) 195 points; A. Ciceri (Italy) 190 points.

Free Pistol (60 shots at 50 metres). P. Linnosvua (Finland) and M. Omarov (U.S.S.R.) each 556 points; O. Pimon (U.S.A.) 551 points.

Running Deer (100 shots at 100 metres). V. Romanenko (U.S.S.R.) 441 points (new Olympic record); P. Skoldberg (Sweden) 432 points; V. Sevriugin (U.S.S.R.) 429 points.

Free Rifle (120 shots at 300 metres). V. Borissov (U.S.S.R.) 1,138 points (new Olympic record); A. Erdman (U.S.S.R.) 1,137 points; V. Ylonen (Finland) 1,128 points.

Small Bore Rifle—Prone (40 shots at 50 metres). G. Quellette (Canada) 600 points; V. Borissov (U.S.S.R.) 599 points; G. Boa (Canada) 598 points.

Small Bore Rifle (120 shots at 50 metres—prone, kneeling and standing). A. Bogdanov (U.S.S.R.) and O. Horinek (Czechoslovakia) each 1,172 points (new Olympic records); N. Sundberg (Sweden) 1,167 points.

Silhouette (60 shots at 25 metres). S. Petrescu (Rumania) 587 points (new Olympic record); E. Cherkassov (U.S.S.R.) 585 points; G. Lichiardopol (Rumania) 581 points.

Equestrian.

Owing to Australian quarantine regulations, the Equestrian Olympic Games were held in Stockholm (from June 11-17, 1956) and not in Melbourne. Results were as follows:

Grand Prix Jumping—Individual. H. G. Winkler (Germany) on *Halla*, 4 faults; R d'Inzeo (Italy) on *Merano*, 8 faults; P. d'Inzeo (Italy) on *Uruguay*, 11 faults.

Grand Prix Jumping—Team. Germany (H. G. Winkler on *Halla*, F. Thiedemann on *Meteor*, A. Lütke-Westhues on *Ala*), 40 faults; Italy (R. d'Inzeo on *Merano*, P. d'Inzeo on *Uruguay*, S. Opes on *Pagaro*), 66 faults; Great Britain (W. H. White on *Nizefella*, Miss Pat Smythe on *Flanagan*, P. D. Robeson on *Scorchin*), 69 faults.

Grand Prix de Dressage—Individual. H. St. Cyr (Sweden) on *Juli*, 860 points; L. Hartel (Denmark) on *Jubilee*, 850 points; L. Linsenhoff (Germany) on *Adular*, 832 points.

Grand Prix de Dressage—Team. Sweden (G. Persson on *Knaust*, H. St. Cyr on *Juli*, G. Boltenstern on *Krest*) 2,475 points; Germany (L. Linsenhoff on *Adular*, H Weygand on *Perkunos*, A. Kuppers on *Afrika*) 2,346 points; Switzerland (G. Fischer on *Vasello*, G. Trachsel on *Kursus*, H. Chammartin on *Woehler*), 2,346 points.

Three-Day Event (dressage, endurance and jumping). 1. P. Kastenman (Sweden) on *Ilustor*; 2. A. Lütke-Westhues (Germany) on *Trux von Kamax*; 3. Lt.-Col. F. W. C. Weldon (Great Britain) on *Kilbarry*.

Three-Day Team Competition. 1. Great Britain (A. E. Hill on *Countryman III*, Lt.-Col. Weldon on *Kilbarry*, Major Lawrence Rook on *Wild Venture*); 2. Germany (A. Lütke-Westhues on *Trux von Kamax*, K. Wagner on *Prinzess*, O. Rothe on *Sissi*); 3. Canada (J. Elder on *Colleen*, B. Herbinson on *Tara*, J. Rumble on *Cilroy*).

Modern Pentathlon.

Individual Results. L. Hall (Sweden) 4,833 points; O. Mannonen (Finland) 4,774.5 points; V. Korhonen (Finland) 4,750 points.

Team Results. U.S.S.R. 13,690.5 points; U.S.A. 13,482 points; Finland 13,185.5 points.

(The Modern Pentathlon consists of five competitions—riding, fencing, shooting, swimming and running.)

Men's Gymnastics.

12 Exercises (Combined). V. Chukarin (U.S.S.R.) 114.25 points; T. Ono (Japan) 114.20 points; I. Titov (U.S.S.R.) 113.80 points.

Horizontal Bar. T. Ono (Japan) 19.60 points; I. Titov (U.S.S.R.) 19.40 points; M. Takemoto (Japan) 19.30 points.

Parallel Bars. V. Chukarin (U.S.S.R.) 19.20 points; M. Kubota (Japan) 19.15 points; T. Ono (Japan) and M. Takemoto (Japan) each 19.10 points.

Rings. A. Azarian (U.S.S.R.) 19.35 points; V. Muratov (U.S.S.R.) 19.15 points; M. Kubota (Japan) and M. Takemoto (Japan) each 19.10 points.

Pommelled Horse. B. Chakhlin (U.S.S.R.) 19.25 points; T. Ono (Japan) 19.20 points; V. Chukarin U.S.S.R.) 19.10 points.

Floor Exercises. V. Muratov (U.S.S.R.) 19.20 points; N. Aihara (Japan), V. Chukarin (U.S.S.R.) and W. Thoresson (Sweden) each 19.10 points.

Long Horse Vault. H. Bantz (Germany) and V. Muratov (U.S.S.R.) each 18.85 points; I. Titov (U.S.S.R.) 18.75 points.

Men's Team Championship. U.S.S.R. 568.25 points; Japan 566.40 points, Finland 555.95 points.

Women's Gymnastics.

8 Exercises (Combined). L. Latynina (U.S.S.R.) 74.93 points; A. Keleti (Hungary) 74.63 points; S. Muratova (U.S.S.R.) 74.46 points.

Beam. A. Keleti (Hungary) 18.80 points; E. Bosakova (Czechoslovakia) and T. Manina (U.S.S.R.) each 18.63 points.

Parallel Bars. A. Keleti (Hungary) 18.96 points; L. Latynina (U.S.S.R.) 18.83 points; S. Muratova (U.S.S.R.) 18.80 points.

Broad Horse Vault. L. Latynina (U.S.S.R.) 18.83 points; T. Manina (U.S.S.R.) 18.80 points; Q. Colling (Sweden) and O. Tass (Hungary) each 18.73 points.

Floor Exercises. L. Latynina (U.S.S.R.) and E. Keleti (Hungary) each 18.73 points; E. Leustean (Rumania) 18.70 points.

Women's Team Championship. U.S.S.R. 444.80 points; Hungary 443.50 points; Rumania 438.20 points.

Association Football.

Champions - U.S.S.R.; runners-up --Yugoslavia; third place - Bulgaria. The U.S.S.R. beat Yugoslavia in the final 1-0, while in the semi-finals U.S.S.R. beat Bulgaria 2-1 and Yugoslavia beat India 4-1. The two losing semi-finalists played for third place, Bulgaria beating India 3-0.

Hockey.

Champions - India; runners-up —Pakistan; third place--Germany. India beat Pakistan in the final 1-0, while in the semi-finals India beat Germany 1-0 and Pakistan beat Great Britain 3-2. The two losing semi-finalists played for third place, Germany beating Great Britain 3-1.

Basketball.

Champions - U.S.A.; runners-up U.S.S.R.; third place Uruguay.

The Melbourne Olympic Games, like the 1952 Games in Helsinki, were noteworthy for the high standards achieved and for the number of new Olympic and world records established. Among many outstanding performances were those of Vladimir Kuts, the Soviet athlete, in establishing new Olympic records for the 5,000 and 10,000 metres, and of Christopher Brasher, the British athlete, in setting up a new Olympic record for the 3,000 metres steeplechase. A total of 98 medals was won by the U.S.S.R. (23 for gymnastics and 22 for athletics), followed by 74 for the U.S.A. (31 for athletics and 20 for swimming) and 35 for Australia (14 for swimming and 12 for athletics). British competitors also did well, winning 24 medals (six gold).

The medals won in the Melbourne Olympiad (including the Equestrian Olympic Games at Stockholm) are shown below:

	Gold	Silver	Bronze	Total
U.S.S.R.	37	29	32	98
United States	32	25	17	74
Australia	13	8	14	35
Hungary	9	10	7	26
Germany	6	13	7	26
Italy	8	8	9	25
Great Britain	6	7	11	24
Sweden	8	5	6	19
Japan	4	10	5	19
Finland	3	1	11	5
France	4	4	6	14
Rumania	5	3	5	13
Poland	1	4	4	9
Turkey	3	2	2	7
Canada	2	1	3	6
Czechoslovakia	1	4	1	6
Persia	2	2	1	5
Bulgaria	1	3	1	5
Eire	1	1	3	5
Denmark	1	2	1	4
Chile	—	2	2	4
South Africa	—	—	4	4
Norway	—	1	2	3
Yugoslavia	—	3	—	3
New Zealand	2	—	—	2
Mexico	1	—	1	2
Belgium	—	2	—	2
Argentina	—	1	1	2
Korea	—	1	1	2
Austria	—	—	2	2
Brazil	1	—	—	1
India	1	—	—	1
Iceland	—	1	—	1
Pakistan	—	1	—	1
Greece	—	—	1	1
Switzerland	—	—	—	1
Uruguay	—	—	1	1
Bahamas	—	—	1	1

The Winter Olympic Games.

The Winter Olympic Games, held in connexion with the Melbourne Olympiad, took place at Cortina d'Ampezzo (in the Italian Dolomites) from Jan. 26 to Feb. 5, 1956. Results were as follows:

Nordic Ski-ing.

15 Kilometres (9.3 miles). H. Brenden (Norway) 19 min. 39 sec.; S. Jernberg (Sweden) 50 min. 14 sec.; P. Koltchin (U.S.S.R.) 50 min. 17 sec.

30 Kilometres (18.6 miles). V. Hakulinen (Finland) 1 hour 44 min. 06 sec.; S. Jernberg (Sweden) 1 hour 44 min. 30 sec.; P. Koltchin (U.S.S.R.) 1 hour 15 min. 45 sec.

50 Kilometres (31 miles). S. Jernberg (Sweden) 2 hrs. 50 min. 27 sec.; V. Hakulinen (Finland) 2 hrs. 51 min. 45 sec.; F. Terentiev (U.S.S.R.) 2 hrs. 53 min. 32 sec.

Relay (4 × 10 kilometres). U.S.S.R. 2 hrs. 15 min. 30 sec.; Finland 2 hrs. 16 min. 31 sec.; Sweden 2 hrs. 17 min. 42 sec.

Jumping. A. Hyvarinen (Finland) 227 points; A. Kallakorpi (Finland) 225 points; H. Glass (Germany) 224.5 points.

Combination. (15-km. and jumping). S. Stenerson (Norway) 455 points; B. Eriksson (Sweden) 437.4 points; F. Gron-Gasienica (Poland) 436.8 points.

Women's Ski-ing (10 km.). L. Kozyreva (U.S.S.R.) 38 min. 11 sec.; R. Eroshina (U.S.S.R.) 38 min. 16 sec.; S. Edström (Sweden) 38 min. 23 sec.

Alpine Ski-ing.

Giant Slalom. T. Sailer (Austria) 3 min. 00.1 sec.; A. Molterer (Austria) 3 min. 06.3 sec.; W. Schuster (Austria) 3 min. 07.2 sec.

Slalom. T. Sailer (Austria) 3 min. 14.7 sec.; Ch. Igaya (Japan) 3 min. 18.7 sec.; S. Sollander (Sweden) 3 min. 20.2 sec.

Downhill. T. Sailer (Austria) 2 min. 52.2 sec.; R. Fellay (Switzerland) 2 min. 55.7 sec.; A. Molterer (Austria) 2 min. 56.2 sec.

Women's Giant Slalom. O. Reichert (Germany) 1 min. 56.5 sec.; J. Frandl (Austria) 1 min. 57.3 sec; D. Hochleitner (Austria) 1 min. 58.2 sec.

Women's Slalom. R. Colliard (Switzerland) 1 min. 52.3 sec.; R. Schopf (Austria) 1 min. 55.4 sec.; E. Sidorova (U.S.S.R.) 1 min. 56.7 sec.

Women's Downhill. M. Berthod (Switzerland) 1 min. 40.7 sec.; F. Danzer (Switzerland) 1 min. 45.4 sec.; L. Wheeler (Canada) 1 min. 45.9 sec.

Speed Skating.

500 Metres. E. Grishin (U.S.S.R.) 40.2 sec. (new Olympic and world record); R. Gratch (U.S.S.R.) 40.8 sec.; A. Gjostvang (Norway) 41 sec.

1,500 Metres. E. Grishin (U.S.S.R.) and Y. Mikailov (U.S.S.R.) each 2 min. 08 sec. (new Olympic and world records); T. Salonen (Finland) 2 min. 09 sec.

5,000 Metres. B. Shilkov (U.S.S.R.) 7 min. 48.7 sec. (new Olympic record); S. Eriesson (Sweden) 7 min. 56.7 sec.; O. Gontcharenko (U.S.S.R.) 7 min. 57.5 sec.

10,000 Metres. S. Eriesson (Sweden) 16 min. 35.9 sec. (new Olympic record); K. Johannesen (Norway) 16 min. 36.9 sec.; O. Gontcharenko (U.S.S.R.) 16 min. 42.3 sec.

Figure-Skating.

Men. H. A. Jenkins (U.S.A.) 166.43 points; R. Robertson (U.S.A.) 165.79 points; D. Jenkins (U.S.A.) 162.82 points.

Women. Tenley Albright (U.S.A.) 169.97 points; C. Heiss (U.S.A.) 168.02 points; I. Wendl (Austria) 159.44 points.

Pairs. 1. Schwarz and Oppelt (Austria); 2. Dafoe and Bowden (Canada); 3. M. and L. Nagy (Hungary).

Bobsleigh.

2-Man Bob. Italy I, 5 min. 30.14 sec.; Italy II, 5 min. 31.5 sec.; Switzerland I, 5 min. 37.5 sec.

4-Man Bob. Switzerland I, 5 min. 10.4 sec.; Italy II, 5 min. 12.1 sec.; U.S.A., 5 min. 12.4 sec.

Ice Hockey.

Six countries competed for the Olympic Ice Hockey Championship (Canada, Czechoslovakia, Germany, Sweden, U.S.A. and U.S.S.R.), which was won by the U.S.S.R. The United States were runners-up, with Canada in third place.

The U.S.S.R., competing for the first time in the Winter Olympic Games, won the greatest number of medals (16), followed by Austria (11) and Sweden (10). The best individual performances were those of Toni Sailer, the Austrian ski-ing champion, who won three gold medals as winner of the three Alpine events for men.

The next Olympic Games will be held in Rome in 1960.
(British Olympic Association - Australian News and Information Bureau - Times - Daily Telegraph - Manchester Guardian)
(Prev. rep. Helsinki Olympiad, 12564 A.)

A. UNITED KINGDOM. — The Road Traffic Act. - Provisions and Parliamentary Passage. - Road Safety Measures. - Report on Accidents to Child Cyclists. - Road Accidents, 1947-1956.

The Road Traffic Act, designed to promote road safety and relieve traffic congestion, came into force on Jan. 1, 1957. The Bill had been given a second reading in the House of Commons on July 4, 1955 and, after prolonged debate and discussion, had received the Royal Assent on Aug. 2, 1956.

A broadly similar Bill, but with important differences, had passed through the House of Lords in 1954-55 (second and third readings on Dec. 21, 1954 and March 25, 1955 respectively), and had been given a second reading in the House of Commons on April 5, 1955. Further consideration of this Bill, however, had been dropped at the dissolution of Parliament on May 6, 1955.

The chief difference between the two Bills lay in their provisions regarding roadworthiness of vehicles. Under the earlier Bill the Minister of Transport would have had power to have motor-vehicles tested for roadworthiness, and make the issue of a motor-vehicle excise licence conditional on the holding of a certificate that the vehicle complied with legal requirements. Tests would have been carried out either in Government testing stations or—under suitable safeguards—in private garages, and examiners would have had to state their grounds for refusing a certificate, with a right of appeal to the Minister. Tests would at first have been confined to certain types of vehicles. This provision was dropped in the later Bill, but an amendment requiring vehicles over 10 years old to be tested was subsequently added—see below.

The principal provisions of the revised Bill (i.e. the legislation which came into force on Jan. 1, 1957) were as follows:

Roadworthiness. It was made an offence to sell or supply motor vehicles whose brakes, steering gear, or tyres failed to comply with the requirements of the Road Traffic Act of 1930.

Motoring Offences. The Bill established the new offence of "causing death by reckless or dangerous driving" as an alternative to the existing offence of manslaughter.

Penalties for other offences were increased as follows (previous penalties in parentheses):

(*a*) *Exceeding the Speed Limit.* Fine on first summary conviction £30 (£20), with disqualification from driving (at the magistrates' discretion) after a second offence (instead of after the third).

(*b*) *Reckless or Dangerous Driving.* £100 fine or four months' imprisonment, or both, with disqualification at magistrates' discretion (£50 or four months).

(*c*) *Driving Under the Influence of Drink or Drugs* Fine on a first summary conviction, £100 (£50).

Speed Limits. The 30 m.p.h. speed limit in built-up areas was made permanent, instead of being subject to annual renewal by Parliament as previously. The Bill also stipulated that goods vehicles must observe the appropriate speed limit, whether loaded or empty.

Parking. The Bill empowered the Minister of Transport (*a*) to make regulations increasing police powers to remove vehicles causing obstructions, and to require the owners of vehicles involved in parking offences to disclose the identity of the driver at the time; (*b*) to fix (on the application of the local authority) experimental parking places on highways for which charges would be made. Any profits would be devoted by the local authorities to the provision of additional "off-the-street" parking space.

[It was explained in the Press that under existing law local authorities could not make charges for highway parking. It was expected that the first "parking meters" would be installed in Central London, the Government's intention being to discourage long-term parking on highways by fixing charges on a steeply upgraded scale.]

Provisional Driving Licences. The validity of these licences was increased from three months to six months, and the cost from 5s. to 10s. Licensing authorities, however, were authorized to refuse to renew provisional licences if the holders did not appear likely to take driving tests within a reasonable time.

[This proviso was intended to prevent learner-drivers—particularly motor-cyclists, who need not be accompanied by qualified drivers—from driving with "L" plates for an excessive time.]

Goods Vehicles. The Bill extended the grounds on which road transport licences might be revoked to cover (*a*) failure to maintain the vehicle in a serviceable condition; (*b*) non-compliance with limits of speed, weight, and loading.

Cyclists. The Bill introduced the new offence of "reckless, dangerous, or careless driving" for cyclists and tricyclists (hitherto only liable to penalties for "furious driving"). It fixed penalties at a fine of up to £30 for a first offence and six months' imprisonment, or a fine of £30, or both, for conviction on indictment.

Pedestrians. A new offence—"failure to comply with police directions"—was added to the existing offences of "loitering on a pedestrian crossing" and "obstructing the free flow of traffic." Pedestrians infringing the new regulation became liable to fines up to £20.

The Bill also authorized the Minister of Transport to make regulations applicable to particular pedestrian crossings, instead of only general regulations applying throughout the country as previously.

[It was explained that this would enable the Minister to carry out local experiments in pedestrian control, including a ban on crossing roads at certain points except by pedestrian crossings.]

Road Safety Propaganda. The Bill empowered the Minister of Transport to make grants towards the training of road users, and authorized local authorities to make grants for road safety propaganda.

The Bill received a second reading in the Commons after an Opposition motion for its rejection had been defeated by 287 votes to 212.

Mr. Molson (Parliamentary Secretary, Ministry of Transport and Civil Aviation), who moved the second reading of the Bill, said that although there were about twice as many vehicles on the road as before the war, the number of casualties per 1,000 vehicles had fallen from 99 in 1934 to 41 in 1954, and the number of children killed from 1,038 in 1938 to 616 in 1954. There was, however, a widespread feeling that the penalties imposed by the courts for motoring offences were often unduly light, and that the standard of car maintenance, especially with regard to brakes, steering and tyres, was "thoroughly unsatisfactory." It was also the case that juries were frequently reluctant to convict on manslaughter charges because this offence was associated in their minds with "brutal and sordid affairs." The new offence of "causing death by reckless or careless driving" had therefore been introduced to meet this difficulty.

Mr. Molson explained that the Government had dropped the clause of the original Bill providing for the compulsory testing of vehicles, largely because of the difficulty of finding enough inspectors with the necessary technical qualifications. Proposals to extend spot-testing of private vehicles were being considered, and meanwhile valuable results should be obtained from the clause prohibiting the sale of vehicles with defective brakes, steering, or tyres.

As regards road congestion, Mr. Molson stressed that the greatest single cause was car owners' practice of driving to work and leaving their cars parked for many hours on the highway; e.g. recent surveys had shown that 78 per cent of kerb space in Central London and the West End was occupied in the middle of the day by parked cars. Many people parked their cars on the highways, not because of lack of alternative accommodation, but because it was easier and cheaper to do so. It was estimated that one-third of garage space in Central London was unoccupied at midday, and that the Portman House car park (one of the largest in London, accommodating 300 cars) was never even half full. Experiments abroad had shown that parking meters (with charges fixed at a deterrent level after two hours) were effective in remedying this abuse. The Government recognized, however, that an increase in "off the street" parking space was needed.

Mr. Molson concluded by saying that the existing law relating to "drunkenness in charge of a car" frequently encouraged persons, who were no longer fit, to drive home at once instead of waiting until they were in a steadier condition. It was proposed at a later stage of the Bill to introduce a new clause [see below] which would distinguish between actually "driving under the influence of drink" and being "drunk in charge" of a car.

An Opposition amendment calling for the rejection of the Bill on the ground that it "failed to provide a comprehensive policy to deal with the urgent and increasing problems of road traffic and road safety" was moved by Mr. G. Russell Strauss (Labour).

Describing the Bill as "a mere hotch-potch of minor measures," Mr. Strauss declared that arterial roads were becoming increasingly blocked by traffic, with the result that motorists suffered, industries were handicapped, costs were rising, exports were affected, and road accidents were again beginning to rise. He strongly criticized the dropping of the original proposals for compulsory vehicle inspection, pointing out that in the U.S.A. there were 20 per cent fewer road accidents in States which had compulsory testing than in States where it was not enforced. This, in terms of British traffic and roads, meant that compulsory testing in Britain would prevent 500 road deaths and about 60,000 serious accidents annually. He called for the gradual introduction of a scheme under which all cars between 10 and 15 years old would be inspected regularly.

After debate, the amendment was defeated by the above-mentioned majority and the second reading given.

In the Committee stage a new Government clause was approved covering the case of persons convicted of being "drunk in charge" of vehicles which they were not driving at the time (e.g. that of a car owner who, realizing that he was unfit to drive himself, got a friend to do so).

The clause (1) distinguished between the offences of being "drunk in charge" and of "driving while under the influence of drink or drugs"; (2) fixed penalties for convictions of "drunkenness in charge" at a fine up to £50 or four months' imprisonment for a first offence, and fines up to £100, or four months' imprisonment, or both, for a second or subsequent offence, together with disqualification from driving for 12 months or longer; (3) stipulated, however, that no-one should be convicted of being "drunk in charge" if he could prove that he had not driven since becoming unfit and had no intention of doing so. The clause also empowered the police to arrest without warrant "anyone committing an offence under this section of the Bill."

On Jan. 26, 1956, the Minister of Transport and Civil Aviation (Mr. Watkinson) accepted "for the time being" an Opposition amendment—subsequently agreed to—requiring all vehicles over 10 years old to be tested by Government or local authority inspectors. Those found satisfactory would be given certificates, and it would be an offence to use an uncertificated vehicle over 10 years old. The Minister announced, however, that he would later introduce a clause designed to achieve the same results by more flexible means.

The Bill was accordingly recommitted on May 30, 1956, to enable the Minister to substitute for the Opposition amendment a Government clause (1) empowering him to make regulations governing the appointment of vehicle inspectors, the provision of testing stations, the payment of fees, and the keeping of test-certificate registers; (2) giving owners of vehicles which had been refused certificates a right of appeal to the Minister, who might order re-examination; (3) authorizing the Minister, if he thought fit, to introduce compulsory tests for vehicles less than 10 years old.

Penalties for using (or causing or permitting to be used) an uncertificated vehicle over 10 years old were fixed at a £20 maximum fine for a first offence and a £50 maximum fine for a second or subsequent offence; moreover, the vehicle might be refused a licence until a test certificate was produced. The penalty for a person falsely representing himself as an examiner, or as employed by one, was fixed at a £100 maximum fine, or three months' imprisonment, or both.

In moving the amendment, Mr. Watkinson said that 72 per cent of vehicles tested at the Hendon station in March had one or more major defects, while 28 per cent of pre-1945 cars tested had defective brakes and 47 per cent defective steering. It was proposed to carry out the tests both in Government and local authority testing stations and in private garages, and to confine testing to brakes, steering, and lights. Tests would be made simple and cheap, and would be conducted by qualified examiners and Ministry of Transport officers.

The clause was welcomed on behalf of the Opposition by Mr. Strauss, who, however, criticized the use of private garages for testing and called for the testing of direction indicators, windscreen wipers, mirrors, and tyres. It was subsequently agreed to.

Other Government amendments were agreed to in the Committee and Report stages (May 30-31, 1956) as follows:

(1) Authorizing the Minister of Transport to designate parking-meter sites in London.

(2) Providing for the gradual replacement of annual driving licences by 3-year licences costing 15s.

(3) Authorizing the Minister to make regulations revising the minimum age (now 16) for the issue of motor-cycle licences.

(4) Empowering local authorities to designate roads where dogs must be kept on lead—under penalty (on summary conviction) of a £5 maximum fine.

[In moving this amendment, Mr. Molson stated that dogs were partly responsible for at least one-seventh of road accidents.]

An Opposition amendment (moved by Mr. Ernest Davies, Lab.), to provide for the revocation of an "A" or "B" road haulage licence on the ground that the holder indulged in unfair competition [leading to bad working conditions, excessive speed, etc.] was accepted by the Government and subsequently agreed to.

The Bill was given an unopposed third reading in the Commons on June 1, 1956.

The second reading in the House of Lords was given on June 12, 1956, The principal Government amendments agreed to in the Committee and Report stages were as follows:

(1) Empowering the Minister of Transport to introduce a 40 m.p.h. speed limit on selected roads outside the London area.

(2) Enabling local authorities, without first consulting the Minister, to prohibit or regulate the loading, waiting or unloading of vehicles.

(3) Defining "hours of darkness" throughout the year as "one half-hour after sunset to one half-hour after sunrise."

(4) Authorizing the imposition of charges for parking within the Royal Parks.

(5) Making it an offence to fail to conform to any lawfully-placed road sign. [The 1930 Road Traffic Act made it an offence to fail to conform to certain classes of traffic sign only.]

(6) Making illegal the holding of motor-cycle "scrambles" and car trials on footpaths and bridle-paths, except with the previous consent of the owners and occupiers of the land concerned.

The following amendments were also agreed to by the House of Lords:

(7) Empowering the Minister of Transport to make Orders intended to preserve the amenities of roads for the benefit of pedestrians and horse-riders (moved by **Lord Conesford**).

(8) Authorizing the police to remove any stationary motor-vehicle which infringed a parking regulation (moved by **Lord Lucas of Chilworth**).

Amendments by Lord Lucas (*a*) to confine vehicle-testing to Government testing stations; (*b*) to make all vehicles which had successfully come through "spot" tests entitled to test certificates, were defeated by 50 votes to 10 and by 35 votes to 9 respectively.

A further amendment by Lord Lucas, prescribing conditions for the manufacture of motor-cyclists' crash helmets and making it an offence to manufacture or sell sub-standard helmets, was accepted in principle by **Lord Mancroft** (Under-Secretary, Home Office), who promised to introduce a Government amendment to the same effect, but prescribing penalties for non-compliance. This amendment, fixing fines for non-compliance at £20 and £50 respectively for the first and for second and subsequent offences, was introduced by Lord Mancroft during the third reading on July 23, and accepted.

When the Lords' amendments were considered by the House of Commons on July 30, **Mr. Molson** moved an amendment providing for the regulation of cycle-racing on highways. He explained that it had been introduced at the request of the Interdepartmental Committee on Road Safety (see below), and would not apply to all cycle racing but only to racing (e.g. some forms of mass-start racing) regarded as dangerous to public safety. The amendment was carried by 200 votes to 162, and the Lords' amendments were also agreed to.

Although the Act as a whole came into force on Jan. 1, 1957, certain of its provisions were brought into effect earlier, under Ministry of Transport Orders. They were:

From Oct. 1, 1956—(*a*) Drivers who had not renewed their licences for 10 years or more were required to pass driving tests before obtaining new ones; (*b*) the 30 m.p.h. limit in built-up areas was made permanent.

From Oct. 19, 1956—Driving test fees were raised from 10s. to £1.

From Nov. 1, 1956 (*a*) The causing of road deaths by "reckless or dangerous driving" became punishable by 5 years' imprisonment; (*b*) the new provisions regarding "drunkeness in charge" (see above) came into force; (*c*) maximum penalties for "reckless, careless, or dangerous driving" or "driving under the influence of drink or drugs" were increased; (*d*) safety laws applying to motor vehicles were extended to cyclists; (*e*) traffic police were authorized to control pedestrians; (*f*) the sale of motor vehicles with defective steering, brakes, or tyres became an offence; (*g*) empty goods vehicles were required to comply with the same speed-limits as full vehicles; (*h*) motor-car or motor-cycle trials on footpaths became illegal without the prior consent of landowners and occupiers.

Road Safety Measures.

Other important developments in connexion with road safety are summarized below:

New Road Traffic Signs. New traffic sign regulations came into force from March 1, 1957, as follows: (1) "Halt" signs were required by March 1, 1958, to be illuminated by external lighting or reflectors; these signs, as well as "slow" and certain other signs, were allowed to be made larger. (2) The London type of "no waiting" sign was made universal (black on yellow where waiting was prohibited, or white on blue where it was restricted). (3) New types of sign were adopted for "road bends," "school children," and "major road ahead" (the change-over to be made by March 1, 1959), as well as for "cross-roads" (to be introduced as existing signs were out). (4) A new sign was introduced to indicate garages with parking facilities.

New Edition of Highway Code. An amended version of the Highway Code, based on the recommendations of the Interdepartmental Committee on Road Safety and approved by both Houses of Parliament, was published on March 22, 1956.

Mobile Traffic Squad for Central London. Lord Mancroft (Under-Secretary, Home Office) announced on June 21, 1955 the formation of a mobile traffic squad to deal with congestion in Central London.

Speed Limits. A motion to raise the speed limit for heavy goods vehicles from 20 to 30 m.p.h. was approved by the House of Commons on Feb. 26, 1957 by 198 votes to 151.

[Mr. Nugent (Joint Parliamentary Secretary, Ministry of Transport and Civil Aviation) stated in the House of Commons on Feb. 20, 1957 that 49 out of 67 local authorities consulted in the London area had agreed to raise the speed limit for motor cars to 40 m.p.h. on certain roads.]

Report on Road Safety of Child Cyclists.

A report on accidents to child cyclists was published by the Committee on Road Safety on May 27, 1956. The Committee was appointed by the Ministry of Transport and Civil Aviation and contained representatives of Government departments, the police, and road safety organizations.

Pointing out that 124 cyclists under 15 were killed and 2,100 others seriously injured on the roads in 1955, the report called for "considerable financial support" by the Government and the cycling interests for a major effort to reduce the number of accidents, which might otherwise "increase by half as much again in the next 10 years." "It seems ridiculous," it declared, "to devote large sums to the upbringing and education of children if, through parsimony in another direction, we neglect to keep them alive and unmaimed."

Because of the administrative difficulties involved, and the amount of enforcement duties which would fall on the police, the Committee rejected any suggestion that child cyclists should undergo a compulsory course of training and testing. Instead, it proposed a great expansion of voluntary training and testing schemes and the recruiting of a corps of paid instructors and testers to assist voluntary

workers in this field, emphasizing in this connexion that no extra burden must be placed on teachers. Other recommendations were as follows :

(1) Existing cycle tracks should be improved and new ones built—but not alongside new motor roads.

(2) Children's cycles should be inspected regularly as part of the training and testing scheme.

(3) Research should be carried out to develop a satisfactory rear-view mirror for cycles.

(4) Consideration should be given to the possibility of making rear-view wing mirrors compulsory for all motor vehicles.

(5) Drivers should reduce speed and give extra clearance in the neighbourhood of children.

(6) Parents should be reminded of their "fundamental responsibility for ensuring that their children are competent to ride and know the dangers" before being allowed to use the roads unaccompanied.

The report stressed that only a small proportion of the 3,000,000 child cyclists received systematic training, e.g. in the past eight years only about 100,000 children had passed the cycling proficiency test sponsored by the Royal Society for the Prevention of Accidents. The committee suggested that all children between 11 and 15 should be eligible for a written or oral examination and a practical test on a cycle, and, if successful, should receive proficiency badges to fix on their cycles. Children who had not taken the test should be required to carry a distinguishing mark (probably a white disc) on their cycles.

Road Accidents.

The following table gives the numbers of killed and injured in road accidents in each year from 1947 to 1955 :

	Killed	Injured	Total
1947 . .	4,881	161,318	166,199
1948 .. .	4,513	148,884	153,397
1949	4,773	172,006	176,779
1950	5,012	196,313	201,325
1951	5,250	211,243	216,493
1952 ..	4,706	203,306	208,012
1953 .. .	5,090	221,680	226,770
1954 . ..	5,010	233,271	238,281
1955 ..	5,526	262,396	267,922

During the same period the number of motor-vehicle licences had increased as follows : 1947—3,337,000 ; 1948—3,505,000 ; 1949—3,846,000 ; 1950—4,118,000 ; 1951—4,343,000 ; 1952—4,599,000 ; 1953—4,959,000 ; 1954—5,429,000 , 1955—6,044,000.

The number of casualties in 1955 was the highest since 1934, when, however, the number of motor-vehicles licensed was only 2,400,000, compared with 6,044,000 in 1955.

Ministry of Transport figures published on Sept. 4, 1957, showed that casualties from road accidents in Britain numbered 267,960 in 1956, comprising 5,367 killed, 61,455 seriously injured, and 201,138 slightly injured. The total included 91,130 casualties to motorists, 63,883 to motor-cyclists, 49,169 to pedal cyclists, and 61,689 to pedestrians. Casualties to children totalled 47,009, including 717 killed.—(Ministry of Transport and Civil Aviation - Times - Daily Telegraph)

(Prev. rep. Road Accidents, 8406 B.)

A. ISRAEL.—Industrial Development Plan.

Details were released in July of a five-year industrial development plan covering the period 1957-61. The plan—drawn up by the Minister of Commerce and Industry, Mr. Saphir, and hence known as the "Saphir plan"—envisages an investment of 538,000,000 Israeli pounds (IL.) over the five-year period. In his introduction to the plan, Mr. Saphir pointed out that with large-scale immigration in the present year, over and above the natural increase of population, it was expected that 150,000 new jobs would be needed during the next four years.

The plan provides for the establishment of 600 new industrial enterprises in different parts of Israel, the largest investment being in the Haifa area (IL.85,250,000), followed by IL.75,750,000 in the Tel-Aviv area and IL.65,550,000 in the Acre area. Other major investments will include IL.24,000,000 in the Mizpeh Ramon area (in the heart of the Negev), IL 18,000,000 on industrial buildings in the Beersheba-Sodom area, IL.35,000,000 in the Ashdod Yam area, and almost IL.10,000,000 in the Safed area.

The largest growth is planned for the metallurgical industry, involving investment of over IL.148,000,000 in a variety of new plants, including a shipyard, a diesel manufacturing plant, a metal container factory, and a scooter assembly plant This expansion is planned to increase the number of new workers in metal manufacturing by 10,000. Other projects include a rayon factory at Ashdod Yam ; a large expansion of the pulp and paper industry ; and similar expansion plans for the leather, chemicals, ceramics, glass, building materials, food, woodworking, printing, and diamond-cutting industries.

The plan anticipates that investment in the next few years will come from (*a*) Israeli and foreign *entrepreneurs* attracted by favourable investment conditions ; and (*b*) long-term Government loans.—(Government Press Office, Jerusalem)

(Prev. rep. 14511 A.)

B. SOUTH AFRICA. — Supreme Court upholds Validity of Senate Act and South Africa Act Amendment Act. - Judgment by Chief Justice Centlivres.

The Appellate Division of the Supreme Court of South Africa dismissed on Nov. 9, 1956, by a ten-to-one majority, an appeal against the refusal of the Cape Provincial Division of the Supreme Court to declare invalid the Senate Act of 1955 and the South Africa Act Amendment Act of 1956.

In giving judgment, **Chief Justice Centlivres** said that the Senate Act, taken by itself, could not be said to be invalid, as it did not repeal or alter the provisions of the South Africa Act entrenching Cape Coloured voting rights. Similarly, the South Africa Amendment Act, taken by itself, could not be said to be invalid, as it had been passed by a two-thirds majority of both Houses of Parliament at a joint sitting. There could be no doubt that the sole object of passing the Senate Act had been to provide the Government with such a majority in order to validate the Separate Representation of Voters Act of 1951. If a Legislature had plenary power to legislate on a particular matter, however, such legislation was valid whatever its real purpose. If Parliament had plenary power to reconstitute the Senate, evidence as to the purpose of the Senate Act was irrelevant. It was clear, from a consideration of other provisions of the South Africa Act, that the words "both Houses of Parliament" in Section 152 thereof meant the House of Assembly and the Senate as constituted from time to time.

Counsel for the appellants (Mr. Graeme Duncan, Q.C.), had contended that the reconstituted Senate was not one of the "Houses of Parliament" within the meaning of those words in Section 152, and that each and every power vested in the two Houses sitting bicamerally must be read as being subject to the proviso to that section. "If I understood Mr. Duncan's contention correctly," the Chief Justice continued, "the proviso to Section 152 should be construed in such a manner as to invalidate any Act which destroys any entrenched rights when such an Act is passed by means of a two-thirds majority which was artificially created for the very purpose of passing that Act. I know of no authority for justifying such a construction. In the present case, the Senate Act which created the artificial majority is not hit by the proviso unless one reads something by implication into the proviso. But Mr. Duncan expressly stated in the course of his argument that he did not rely on any implication . . . In the present case nothing was expressly stated in the proviso to Section 152 which would in any way invalidate the Senate Act. Nor was there anything in the proviso which entitled one, by reasonable or necessary implication, to hold that the Senate Act was in any respect invalid."

Continuing, the Chief Justice said that Mr. Duncan had relied strongly on the High Court of Parliament case [see 12780 A], in which it had been held that the so-called High Court of Parliament was not a court of law. In the present case, however, it could not be said that the reconstituted Senate was not a Senate in the ordinary meaning of the word. Parliament, sitting bicamerally, had plenary powers to reconstitute the Senate in any manner it pleased, and the purpose or motive which it had in mind was irrelevant in law.

"Each of the Acts with which we are concerned," the Chief Justice concluded, "is on its face *intra vires*, and each was enacted by a Legislature which was competent to enact it. The plan was not to effect indirectly something which neither Legislature had the power to achieve directly. The conclusion at which I arrive on the whole case is that the legislative scheme which was adopted is not open to attack in law. Each step taken in the scheme was taken in accordance with the provisions of the South Africa Act, and the scheme as a whole was designed in such a way that Act 46 of 1951 [i.e. the separate Representation of Voters Act] would be validated in accordance with the requirements of Sections 35 and 152 of the South Africa Act. I am therefore of opinion that the appeal should be dismissed."

Justices Hoexter, Fagan, De Beer, Reynolds, De Villiers, Brink, Beyers and **Hall** concurred in the Chief Justice's ruling, whilst **Mr. Justice Steyn** also dismissed the appeal in a separate judgment. In a dissenting judgment, **Mr. Justice Schreiner** said that the crucial issue was whether the Houses of Parliament referred to in the proviso to Section 152 "include a House created by Parliament *ad hoc*, that is, in order to produce by nomination or similar device a two-thirds majority at a joint sitting." The argument for the Government was that the Senate Act taken by itself was legal because it did not touch the appellants' voting rights, and the 1956 Act taken by itself was also legal because it was passed by a two-thirds majority in a joint session. Consequently, although the two Acts were part of a single legislative plan to bring about a result which could not be brought about by a bare majority of each House, the means adopted had enabled this result to be achieved. The validity of Parliament's action in passing the Senate Act, however, was closely related to the purpose for which it had been done.

Mr. Justice Schreiner concluded : "The appellants are entitled to object, not only to a Senate nominated to do nothing but vote in a joint session, but also to a Senate whose size and composition have been dictated solely by its joint session functions . . . I hold accordingly that on the proper construction of the South Africa Act, a Senate constituted *ad hoc* for the purpose of securing by nomination or its equivalaent a two-thirds majority in a contemplated joint sitting is not a House of Parliament within the meaning of the proviso . . . It is clear that the Senate set up under the Senate Act was as certain to provide the requisite two-thirds majority as if the

names of its members had been scheduled to the Act, or the Government had been empowered to nominate all of them. It is not seriously disputed by the respondents, and the history of the legislation proclaims, that the Senate Act was part of a legislative plan to create a Senate that would in that way provide the two-thirds majority required to remove the appellants from the common roll, and that it was enacted only for that purpose. For these reasons I would allow the appeal and grant an order declaring the South Africa Act Amendment Act to be of no legal force and effect."

The case was the first on a constitutional issue to be heard by the Supreme Court since its enlargement in 1955. The hearing took place in the *Raadsaal* at Bloemfontein, where the South African Constitution was drawn up in 1909.

(Cape Times - Die Burger) **(Prev. rep. Senate Act, 14353 A; South Africa Act Amendment Act, 14805 A; Cape Supreme Court Ruling, 14997 B.)**

A. PAKISTAN. — Mr. Suhrawardy's Visits to the United States, Spain and Jordan. - Meetings with President Eisenhower, General Franco and King Hussein.

The Prime Minister of Pakistan, Mr. H. S. Suhrawardy, visited the United States from July 10-26 after attending the Commonwealth Prime Ministers' Conference in London in June. Before visiting Washington he had paid a brief visit to Spain, where he met General Franco and signed a Spanish-Pakistani treaty of friendship in Madrid on July 8.

During his stay in Washington (July 10-12) Mr. Suhrawardy had discussions with President Eisenhower, Mr. Dulles, Mr. Wilson (then Secretary of Defence) and other Administration leaders. The following communiqué (cross-headings inserted) was issued at the conclusion of the talks:

U.S.-Pakistani Relations. "The President and the Prime Minister [Mr. Suhrawardy] reviewed the steady growth of the close, co-operative relations between their two countries. These relations are securely founded on mutual respect and trust between equal sovereign nations determined to maintain their independence by working together for peace and progress. They examined various joint programmes which serve further to strengthen these ties.

Collective Security in Asia and Middle East. "The President and the Prime Minister reaffirmed their determination to support and strengthen the systems of collective security which had been forged in Asia. They agreed that international Communism continues to pose a major threat to the security of the free world. They reiterated their determination to oppose aggression. It was recognized that this determination, expressed in such organizations as the South-East Asia Treaty Organization and the Baghdad Pact, as well as through mutual security agreements between Pakistan and the United States, had acted as a powerful deterrent to Communist aggression and had promoted stability in the treaty areas. They expressed the belief that an effective international agreement on disarmament under adequate and effective international safeguards would contribute not only to the security of the world but also to its material progress. They discussed the threat to the security and integrity of the nations of the Middle East resulting from the intrusion of Communist influence and subversion in that area. It was agreed that the United States and Pakistan would continue to exert their influence to promote conditions in the Middle East which will permit the nations of the area to work out their national destinies in freedom and peace.

Kashmir and the Canal Waters Dispute. "The Prime Minister referred to Pakistan's disputes with India over Kashmir and the distribution of waters of the Indus River and its tributaries. He said that Pakistan desires to settle such disputes peacefully and in conformity with international law and the decisions of the United Nations. The President expressed the hope that such regional disputes may be solved speedily, equitably and permanently in accordance with the principles of the United Nations. As regards the Indus waters, they welcomed the efforts of the International Bank for Reconstruction and Development to find a solution acceptable to the two parties concerned . . .

U.S. Food Aid for Pakistan. "The Prime Minister renewed Pakistan's request to purchase additional amounts of food-grains under the terms of the U.S. Surplus Agricultural Products Disposal Programme. The President assured the Prime Minister that Pakistan's minimum requirements would be given sympathetic and expeditious consideration, and would be met contingent upon the enactment of the extended programme by Congress."

From New York Mr. Suhrawardy flew to London and thence to Jordan, where he met King Hussein. At the end of a four-day visit to Amman, Mr. Suhrawardy issued a statement with King Hussein on Aug. 4 expressing their "determination to resist any aggression or subversion which exposed the stability and peace of the Middle East to danger," and declaring that Pakistan and Jordan would co-operate with each other "in pursuance of their common policies and interests."—(Pakistan High Commissioner's Office, London)

B. UNITED KINGDOM. — Gloucester By-election.

Polling took place at Gloucester on Sept. 12 in the by-election caused by the death of Mr. Moss Turner-Samuels, Q.C. (Labour), the result being as follows:

Diamond, John (Labour)	18,895
Dashwood, Francis (Conservative)	10,521
Lort-Phillips, Lt.-Col. P. H. (Liberal) ..	7,393
No change. Labour majority	8,374

Figures at the general election were: M. Turner-Samuels (Lab.) 21,354, D. C. Naploy (C.) 20,606—Labour majority, 748.

The Labour candidate received 51.3 per cent of the votes, the Conservative candidate 26.6 per cent, and the Liberal candidate 20.1 per cent, whereas at the general election the Labour candidate received 50.9 per cent and the Conservative candidate 49.1 per cent in a straight fight. The Labour proportion of the poll thus increased by 0.4 per cent and the Conservative proportion dropped by 20.5 per cent. The Liberal candidate polled the highest Liberal vote at Gloucester for 25 years and the Conservative the lowest for the same period.

71 per cent of the electorate voted in the by-election, compared with 80.9 per cent at the general election. The electorate totalled 51,812, a decrease of 29 since the general election.

Mr. Turner-Samuels (68), who died on June 6, had represented Gloucester since 1945 and had previously sat for Barnard Castle (Durham) in 1923-24. Born at Newcastle-upon-Tyne, he became a solicitor, served in the First World War, was called to the Bar in 1922, took silk in 1946, and became Recorder of Halifax in 1948. He was a writer on legal and political subjects and published works on trade unions, industrial negotiation, and the law relating to married women.

Mr. John Diamond (50) is a chartered accountant. He was M.P. for the Blackley division of Manchester from 1945 to 1951. (Times - Daily Herald) **(Prev. rep. By-elections, 15618 B.)**

C. MOROCCO. — Royal Charter for Tangier.

A Royal Charter was issued by King Mohammed V on Aug. 30 confirming all the economic and fiscal privileges enjoyed by Tangier (now an integral part of the Kingdom of Morocco) when it was an international zone.

The Charter provided specifically (1) for the maintenance of freedom of exchanges; (2) for unrestricted imports and exports into and out of Tangier, subject to Moroccan Customs regulations; (3) that the movement of goods between Tangier province [i.e. the former international zone, now administered as a province by a Moroccan governor] would take into account "the necessities of the economic development of the Province of Tangier and its port, on the one hand, and the general political and economic requirements of the Kingdom on the other"; (4) that any modification in the present taxation system would be compatible with Tangier's need for commercial development, particularly her commercial and financial freedom *vis-à-vis* the rest of Morocco; (5) that no modification of provisions (1) and (2) would be undertaken without six months' prior notice.

The Royal Charter also mentioned the possibility of creating a free port at Tangier.—(Le Monde, Paris)
(Prev. rep. Tangier, 15167 B.)

D. JAPAN - UNITED STATES. — Formation of U.S.-Japanese Committee on Security.

In accordance with the agreement between President Eisenhower and Mr. Kishi during their Washington discussions (see 15658 A), an inter-governmental Japanese-American Committee on Security was formed on Aug. 6 to maintain closer liaison between the two countries in security and related matters. The Japanese members include Mr. Fujiyama (Foreign Minister) and Mr. Tsushima (Director of the Defence Agency), while the American members include Mr. Douglas MacArthur II (Ambassador in Tokio) and Admiral Felix Stump (C.-in-C., Pacific).

The committee held its first meeting in Tokio on Aug. 16. A joint statement said that one of the topics discussed had been the withdrawal of U.S. troops from Japan and problems arising therefrom. The U.S. members had "expressed their understanding of these problems and their desire to facilitate effective solutions by advance consultation and close co-operation with the Japanese Government."

The committee will meet in Tokio whenever requested by either side. Its terms of reference include consultation regarding the disposition and employment of U.S. forces in Japan; consultation to ensure that any action taken under the U.S.-Japanese mutual security treaty conforms to United Nations' principles; and consideration of any future adjustments in the relationship between the United States and Japan "to meet the needs and aspirations of both peoples."
(New York Times) **(Prev. rep. 15658 A.)**

SEPTEMBER 14—21, 1957

A. WESTERN GERMANY. — Christian Democratic Victory in General Elections. - Absolute Majority for Dr. Adenauer in New Bundestag.

The third general election in the German Federal Republic, and the first since the attainment of independence, was held on Sept. 15. It resulted in a sweeping victory for the Christian Democratic Union (C.D.U.) led by Dr. Konrad Adenauer, which obtained an absolute majority of 43 seats in the new Bundestag and increased its vote by five per cent as compared with the last general elections in 1953.

The elections were contested by 16 parties, of which only four secured representation in the new Bundestag—the Christian Democrats, the Social Democrats, the Free Democrats, and the German Party. The following official but provisional figures, issued in Bonn on Sept. 16, show the number of seats held by these four parties in the Bundestag, the number of votes polled, and comparative figures for the 1953 elections:

	Seats		Votes		Percentage	
	1957	1953	1957	1953	1957	1953
Christian Democrats	270	244	14,998,754	12,443,981	50.2	45.2
Social Democrats	169	151	9,490,726	7,944,943	31.8	28.8
Free Democrats	41	48	2,304,846	2,629,163	7.7	9.5
German Party	17	15	1,006,350	896,128	3.4	3.3

The ten parties not represented polled less than seven per cent of the total vote between them. Of these parties, the largest number of votes (1,373,001) was polled by the Refugee Party (B.H.E.), which had 27 seats in the former Bundestag but is unrepresented in the new House. The (Catholic) Centre Party, which had two members in the former Bundestag, also failed to return any members to the new House. The extreme right-wing (neo-nazi) German Reich Party polled 307,881 votes (1.0 per cent), compared with 295,615 votes (1.1 per cent) in 1953. The South Schleswig Voters' Union, representing the Danish minority in Schleswig, polled 32,260 votes, against 44,633 in 1953.

The Communist Party had been dissolved in August 1956 (see 15086 D) and thus took no part in the elections; it polled 607,000 votes (2.2 per cent) in 1953 but returned no members to the Bundestag. The All-German People's Party, which polled 318,000 votes in 1953 and was also unrepresented, dissolved itself in the summer of 1957, its leader (Dr. Heinemann) advising its members to vote for the Social Democrats.

The principal features of the elections were (1) the increasing trend towards a two-party system, as shown by the fact that the Christian Democrats and the Social Democrats polled 82 per cent of the total votes between them; (2) the fact that a single party (the Christian Democrats) had gained an absolute majority of votes over all other parties combined, for the first time in German parliamentary history; (3) the decline of the smaller parties—notably the failure of the Free Democrats to emerge as a "third force" in West German politics, and the elimination of the Refugee Party at the Federal centre.

As shown in the table above, the Christian Democrats (including the Christian Social Union, the Bavarian wing of the party) returned 26 more deputies than in 1953 and increased its poll by over 2,500,000 votes. It achieved particularly notable successes in Schleswig-Holstein, where it won all 14 constituencies; in Württemberg-Baden, where it won 32 of the 33 seats; and in Bavaria, where all seats were won by the Christian Social Union. The economic prosperity of Western Germany, the great personal prestige enjoyed by Dr. Adenauer, and popular satisfaction with the Chancellor's foreign and domestic policies were all regarded as important contributory factors in the Christian Democrats' success at the polls. Despite its overall majority in the Bundestag, however, the C.D.U. does not command the two-thirds majority necessary to make changes in the Federal Constitution (the Basic Law).

The Social Democratic Party (S.D.P.), led by Herr Erich Ollenhauer, appreciably improved its position by returning 18 more deputies than in 1953 and polling about 1,400,000 more votes, thereby consolidating its position as the Opposition in the new Bundestag. The S.D.P. made gains in Hamburg and in the industrial areas of the Ruhr.

The Free Democratic Party (F.D.P.), on the other hand, returned seven fewer deputies than in 1953 and dropped over 300,000 votes, losing four of its seats in Hesse to the Christian Democrats. The decline in the F.D.P. vote was attributed by political commentators to the split in the party in 1956, which had resulted in the formation of a "breakaway" Free People's Party which subsequently merged with the German Party [these pre-election developments are described below]. The German Party, conservative and traditionally nationalist, slightly improved its position both in seats and votes, most of its deputies being returned in Lower Saxony.

The Refugee Party (*Bund der Heimatvertriebenen und Entrechteten*), though still represented in five *Länder* ministries, is no longer represented in the Bundestag, as stated above. Its failure at the polls was attributed (i) to the progressive integration of refugees from the former Eastern provinces during the past ten years, thereby making it increasingly difficult to organize the ex-refugees as an independent political force or to appeal to a specifically "refugee" sentiment; (ii) to the working of the electoral law (see below), which tended to operate against the smaller parties. The 1,373,001 votes polled by the B.H.E. (4.6 per cent) compared with 1,616,953 votes (5.9 per cent) in 1953, when the party returned 27 deputies.

The total electorate numbered 35,196,124, of whom 31,058,319 (88.2 per cent) went to the polls. The number of valid votes was 29,885,946. [In 1953 the electorate numbered 33,120,940, of whom 28,479,550 (86 per cent) voted]. The franchise was exercised by all men and women over 21 (with a few minor exceptions), voting by post being permitted for the first time. The Saar voted for the first time in a Federal election, following its reunification with the German Federal Republic on Jan. 1, 1957 (see 15303 A).

All leading Christian Democratic and Social Democratic personalities were re-elected, Dr. Adenauer being returned with a large majority in Bonn. Two Ministers did not seek re-election—Herr Kaiser (Minister for All-German Questions), who had been in ill-health for some months; and Dr. Balke (Minister for Atomic Energy Questions), who left political life to return to his profession of engineer.

Electoral System. - The "Five per cent" Clause.

As in 1953, the elections were carried out under a complicated electoral system whereby half the deputies were elected directly in constituencies, and the remainder were elected by proportional representation from party lists in the various *Länder*. With a few exceptions, the electoral law was virtually identical with that under which the 1953 elections were held (see page 13141).

The electoral law for the 1957 elections had been passed through all its stages in the Bundestag on March 15, 1956, after months of controversy—mainly between the Christian Democrats and the Free Democrats, the latter being then allied with the C.D.U. in the government coalition. Its principal provisions were as follows: (1) half the members of the new Bundestag would, as hitherto, be elected by direct vote in 242 constituencies (subsequently increased to 247 constituencies when the Saar became a *Land* of the Federal Republic); (2) the remainder would be elected by proportional representation from the *Land* lists; (3) each voter would have two votes—one for his constituency and one for the relevant *Land* list; (4) to secure representation in the Bundestag, a party would have to obtain five per cent of the national vote or three seats by direct election in the constituencies (this provision, aimed against the proliferation of "splinter" parties, was stricter than in 1953, when it was possible for a party to obtain representation in the Bundestag if it returned only one member by direct election); (5) West Berlin, as hitherto, would be represented by 22 delegates who would sit in the Bundestag without voting rights (except on procedural matters), and who would be chosen in proportion to party strengths in the West Berlin House of Deputies.

The Bill was passed against the votes of the German Party, the Bavarian members of the C.D.U. (i.e. the Christian Social Union), and a few individual C.D.U. members, all of whom urged a simpler electoral system based on the "simple majority" principle as in Britain. The Social Democrats and the Free Democrats supported the Bill, though the S.D.P pressed for the West Berlin representatives to be allowed full and direct participation in the work of the Bundestag. [Two days earlier, however, the Western Powers had sent a Note to the Federal Republic stating that they would object to any change in the existing arrangements for West Berlin.]

When the Bill was originally drafted towards the end of 1955, the Christian Democrats had proposed that 60 per cent of the Bundestag seats should be filled by direct election and only 40 per cent by indirect election, i.e. from *Land* lists. The Free Democrats took strong objection to this proposal, maintaining that it would increase C.D.U. representation and reduce the representation of the smaller parties, including that of the F.D.P. After protracted negotiations between the two parties, during which the F.D.P. threatened to withdraw from the Government, the Bill as eventually adopted was agreed upon as a compromise measure.

In a ruling on Jan. 23, 1957, the Federal Constitutional Court at Karlsruhe upheld the constitutionality of the "five per cent" clause in the electoral law (see above), and at the same time dismissed petitions by the Bavarian Party and the All-German People's Party, both of which had alleged that the "five per cent" clause was unconstitutional.

The two parties—neither of which was represented in the Bundestag—asserted that the "five per cent" clause constituted an infringement of the right to vote and was contrary to Article 21 of the Basic Law, which guaranteed the free formation of political parties. In its judgment, the Constitutional Court ruled that a multiplicity of parties would make legislation difficult, if not impossible; that a Government without a majority could not be fully effective; and that "splinter" groups should therefore be excluded in order to prevent constitutional disturbances.

Unsuccessful attempts to amend the "five per cent" clause were subsequently made in the Bundestag by the Refugee Party, the German Party, and the Social Democrats. The first two parties sought to introduce a Bill under which a party could get representation if it obtained five per cent of the votes in two *Länder* (instead of five per cent of the votes in the Federal Republic as a whole, as laid down in the electoral law), or returned three deputies by direct election. The Social Democrats, who supported the Bavarian Party's arguments, sought to change the "five per cent" clause in such a manner that a party's eligibility for Bundestag representation would depend on its securing five per cent of the votes in any single *Land*, or the direct election of one member. Attempts by these three parties to introduce such legislation were defeated in the Bundestag on Feb. 7, 1957, by the votes of the Christian Democratic majority.

[The Bavarian Party (autonomist and monarchist) polled nearly 1,000,000 votes in 1949 and returned 17 deputies to the Bundestag elected in that year—see 10177 A. In 1953, however, it polled only 465,000 votes and failed to return any members. As stated above, the All-German People's Party dissolved itself before the recent elections.]

The "five per cent" clause did not apply to the Danish minority party in Schleswig (the South Schleswig Voters' Union), which was entitled to Bundestag representation if it won a constituency by direct election. It failed, however, to do this and in consequence is not represented in the new Bundestag. The 22 West Berlin delegates in the Bundestag were elected on Sept. 15 by the West Berlin House of Deputies; they comprised 12 Social Democrats, 7 Christian Democrats, 2 Free Democrats, and 1 member of the Free Democratic People's Party.

Pre-election Political Developments. - F.D.P. "Revolt" against Christian Democrats in North Rhine-Westphalia. - Split in Free Democratic Party. - Formation of Free People's Party. - Subsequent Merger with German Party.

The principal political developments in Western Germany prior to the elections were (i) a split in the Free Democratic Party (one of the three original parties in the Government coalition, the other two being the C.D.U. and the German Party), originating in a "revolt" by the F.D.P. against the C.D.U. in North Rhine-Westphalia; (ii) the formation of a "secessionist" group under the name of the Free People's Party, which continued to support the Government; and (iii) the subsequent merger of this group with the German Party. Thus, at the dissolution of the former Bundestag the coalition consisted only of two parties—the C.D.U. and the German Party, whereas after the 1953 elections it had consisted of the C.D.U., the F.D.P., and the German Party.

In February 1956 the Free Democrats in North Rhine-Westphalia, hitherto allied with the Christian Democrats in the *Land* Government, entered into an agreement with the Social Democrats to overthrow the *Land* Government headed by Herr Karl Arnold, the Christian Democratic Chief Minister of North Rhine-Westphalia. A declaration issued on Feb. 18, 1956, by the F.D.P. in North Rhine-Westphalia accused the C.D.U. of seeking at Federal level to force the Free Democrats to "surrender their political independence," of aiming at "one-party domination," of seeking to absorb the German Party and the B.H.E., and of opposing F.D.P. policies on the question of German reunification and other matters.

A motion of no-confidence in Herr Arnold was accordingly moved in the *Land* Parliament on Feb. 20, 1956, and carried by 102 votes to 96, the majority vote comprising the Social Democrats, the Free Democrats (with one abstention), and most of the nine Centre Party members. By an identical vote, the *Land* Parliament nominated Herr Fritz Steinhoff (Social Democrat) as *Land* Premier in succession to Herr Arnold, who had been Chief Minister of North Rhine-Westphalia for nine years.

The Free Democratic "revolt" against the C.D.U. in North Rhine-Westphalia was led mainly by the younger members of the F.D.P.—a party which includes a strongly nationalist section among its members, in addition to many Liberals and moderates. The chairman of the F.D.P. in North Rhine-Westphalia (Dr. Friedrich Middelhauve), refused, however, to associate himself with the manoeuvres to overthrow Herr Arnold, and abstained on the vote of no-confidence. Dr. Middelhauve, who had been deputy Chief Minister of North Rhine-Westphalia in Herr Arnold's Government, resigned from the party on Feb. 29, 1956.

A new Government was formed in North Rhine-Westphalia on the latter date (Feb. 29, 1956) consisting of a coalition between the Social Democrats, the Free Democrats, and the Centre Party. Its membership was as follows: Herr Steinhoff (S.D.P.)—Chief Minister; Herr Weyer (F.D.P.)—Deputy Chief Minister and Finance; Herr Biernat (S.D.P.)—Interior; Dr. Kohlhase (F.D.P.)—Economics and Transport; Dr. Amelunxen (Centre Party)—Justice; Professor Luchtenburg (F.D.P.)—Culture; Herr Hemsath (S.D.P.)—Labour and Social Affairs; Dr. Kassmann (S.D.P.)—Reconstruction; Herr Siemsen (S.D.P.)—Federal Affairs; Dr. Effertz (F.D.P.)—Food and Agriculture. The coalition between the F.D.P., the S.D.P., and the Centre Party commanded 110 seats out of a total of 200 in the *Land* Parliament.

Herr Steinhoff (59), the Burgomaster of Hagen, joined the S.D.P. at an early age and took a leading part in municipal affairs in the industrial town of Hagen until 1933, when he was removed from office by the Nazis. He was subsequently arrested by the Gestapo, imprisoned, and finally sent to the Sachsenhausen concentration camp. He played a prominent part in rebuilding the S.D.P. in North Rhine-Westphalia after the war, and became Burgomaster of Hagen in 1976.

In protest against the F.D.P. "revolt" against Dr. Adenauer in North Rhine-Westphalia, 16 of the 48 Free Democrats in the Bundestag withdrew on Feb. 28, 1956, from the F.D.P. parliamentary party. They included the four F.D.P. Ministers in the Federal Government—Dr. Blücher (Vice-Chancellor), Dr. Neumayer (Justice), Dr. Preusker (Housing) and Dr. Schäfer (Minister without portfolio)—in addition to Herr Euler, chairman of the Hessian branch of the party. The 16 deputies issued a statement justifying their withdrawal from the parliamentary party on the ground that the F.D.P. leadership under Dr. Dehler (the party leader) had been "pursuing a policy that has become increasingly contradictory and is calculated to confuse public opinion about the actual aims of the Free Democratic Party."

After a four-hour meeting under the chairmanship of Dr. Adenauer, the executive committee of the C.D.U. issued a statement on the following day declaring that the F.D.P.'s attitude in North Rhine-Westphalia "cannot be reconciled with the principles of loyalty, good faith and political decency," and paying tribute to Herr Arnold's work for the reconstruction of the *Land* during the past nine years. The statement expressed regret that the F.D.P. at the Federal centre had done nothing to prevent the developments in North Rhine-Westphalia and had, on the contrary, condoned them. The party's action in this matter had therefore "raised doubts about its trustful co-operation in domestic and foreign policies," and the split in the F.D.P. parliamentary party had "made it clear that these doubts were justified." In conclusion, the statement said that the Christian Democrats would "continue the coalition only with those members of the Bundestag who are willing loyally to co-operate and who reject the attitude of the Free Democrats in North Rhine-Westphalia" [i.e. with the 16 F.D.P. deputies who had denounced the party leadership.]

The 16 "dissident" deputies, including the above-mentioned four Ministers, subsequently formed themselves into a new party under the name of the Free People's Party, pledged to co-operate with the coalition and to adhere to the original F.D.P. principles. Dr. Preusker was elected chairman of the new party on June 24, 1956, when it held its first congress at Bochum. During the autumn of 1956, however, the Free People's Party decided to merge itself with the German Party, the merger coming into effect on Jan. 21, 1957.

Dr. Reinhold Maier, president of the Bundesrat and former Chief Minister of Württemberg-Baden, was elected chairman of the Free Democratic Party on Jan. 24, 1957, in succession to Dr. Dehler. All *Land* branches of the party had previously agreed to support Dr. Maier's candidature.

Dr. Maier was chairman of the German Democratic Party in Württemberg after the First World War, and a member of the Reichstag. As an anti-Nazi he was removed from the post of Minister of Economics in the Württemberg Government when Hitler came to power, and had to send his Jewish wife and their children to England. He was connected with the anti-Hitler Resistance movement during the Second World War, and had to go "underground" during its last year. He was *Land* Premier of Württemberg-Baden from 1945-53 at the head of an F.D.P.-S.D.P. coalition ministry, and became president of the Bundesrat in 1952.

Cabinet Reorganization.

The four Ministers of the Free People's Party (Dr. Blücher, Dr. Neumayer, Dr. Preusker and Dr. Schäfer) resigned from the Federal Cabinet on Oct. 6, 1956, in protest at alleged "leaks" from Christian Democratic sources of confidential discussions between the coalition parties on impending governmental changes. It was stressed, however, that the resignations implied no criticism of Dr. Adenauer's policies nor any lack of confidence in the Federal Chancellor.

After discussions between the Christian Democrats, the Free People's Party, and the German Party (the three parties forming the Government coalition at the time) the Federal Cabinet was reorganized on Oct. 16, 1956. It continued, as hitherto, to be drawn from the Christian Democratic Union (including the Christian Social Union in Bavaria), the Free People's Party, and the German Party, its members being as follows:

Abbreviations—C.D.U., Christian Democratic Union; C.S.U., Christian Social Union; F.P.P., Free People's Party; G.P., German Party.]

Dr. Konrad Adenauer (C.D.U.) ..	Federal Chancellor.
Dr. Franz Blucher (F.P.P.) ..	Vice-Chancellor and Minister for Economic Co-ordination.
Dr. Heinrich von Brentano (C.D.U.)	Foreign Affairs.
Dr. Gerhard Schroder (C.D.U.) ..	Interior.
Dr. Fritz Schäffer (C.S.U.)	Finance.
Professor Ludwig Erhard (C.S.U.)	Economics.
Herr Franz-Josef Strauss (C.S.U.)	Defence.
Dr. Heinrich Lubke (C.D.U.) ..	Agriculture.
Herr Anton Storch (C.D.U.) ..	Labour.
Dr. Hans-Christoph Seebohm (G.P.)	Transport.
Dr. Viktor-Emmanuel Preusker (F.P.P.)	Housing.
Herr Jakob Kaiser (C.D.U.) ..	All-German Affairs.
Dr. Hans-Joachim von Merkatz (G.P.)	Justice and Bundesrat Affairs.
Professor Theodor Oberländer (C.D.U.)	Refugee Affairs.
Dr. Siegfried Balke (C.S.U.) ..	Atomic Energy Questions
Dr. Franz-Josef Würmeling (C.S.U.)	Family Affairs.

The Cabinet was completed on Nov. 14 by the appointment of Herr Lemmer (a Christian Democrat from West Berlin) as Minister of Posts.

The Cabinet reorganization involved the dropping of four former Ministers—Herr Theodor Blank (Defence), Dr. Neumayer (Justice), Dr Hermann Schäfer and Herr Waldemar Kraft (both Ministers without portfolio). Herr Strauss, formerly Minister for Atomic Energy Questions, succeeded Herr Blank at the Defence Ministry; Dr. Balke (Minister of Posts) took over the Atomic Energy portfolio from Herr Strauss; and Dr. von Merkatz took over the portfolio of Justice from Dr. Neumayer, while remaining Minister for Bundesrat (Upper House) Affairs. Dr. Schröder, the Minister of the Interior, took over additional duties as chairman of the Federal Defence Council in succession to Herr Strauss, consequent on the latter's appointment to the Defence Ministry.

The membership of the Federal Government at the time of the general elections was as given above, no further Cabinet changes being made subsequent to the reorganization of October 1956. As stated above, the Free People's Party merged with the German Party in January last, its two Ministers (Dr. Blucher and Dr. Preusker) remaining in the Cabinet as members of the latter party.—(Frankfurter Allgemeine Zeitung - Die Welt, Hamburg - Times - Manchester Guardian) **(Prev. rep. 1953 Elections, 13141 A; Cabinet, 14562 B; 13205 A.)**

A. CZECHOSLOVAKIA - SOVIET UNION. — Discussions between Government and Party Leaders. - Bulganin-Khrushchev Visit to Prague.

A Soviet party and governmental delegation headed by M. Khrushchev and Marshal Bulganin visited Czechoslovakia from July 9-16 for discussions with leaders of the Czechoslovak Communist Party and Government, including President Zapotocky, M. Siroky (Prime Minister), and M. Novotny (First Secretary of the Czechoslovak Communist Party). In addition to the discussions in Prague, the Soviet leaders visited Brno, Bratislava, Kosice, Ostrava, Plzen (Pilsen), Olomouc, and other centres, as well as agricultural co-operatives, factories, and scientific institutions. M. Khrushchev addressed several public meetings at the places visited.

A joint communiqué was issued by M. Khrushchev and M. Novotny on July 16, as summarized below:

Soviet-Czechoslovak Co-operation. The communiqué stated (i) that important talks had been held on the co-ordination of industrial production and the economic policy of the two countries, and on questions of scientific and technical co-operation; (ii) that "a number of concrete economic agreements" had been signed, whilst a long-term trade agreement for 1958-60 would be signed shortly; (iii) that tourist exchanges between the two countries would be extended; and (iv) that the "exchange of economic, public, scientific and cultural delegations" would also be promoted.

Germany. After saying that "the policy pursued by the ruling circles of the German Federal Republic" was not helping "to eliminate the threat of war in Europe and throughout the world," the communiqué referred to the "intensified build-up of military potential" in Western Germany, "assisted by the ruling circles of Britain, the U.S.A., and France"; to "large-scale preparations for the atomic armament of the Bonn Army"; and to the "chauvinist propaganda" and "aggressive pan-German designs" of the Federal Government. It added: "All this makes it imperative for the peaceloving countries . . . to enhance their readiness to repulse any intrigues on the part of the West German militarists. The Czechoslovak Republic and the U.S.S.R., vitally concerned that the territory of Germany shall never again become a springboard of aggression, value all the more the existence of the German Democratic Republic, which is an important factor for the consolidation of peace and the easing of tension in Europe, and support its constructive efforts towards solving the German problem"

The Soviet "Anti-Party Group." The Soviet delegation had informed the Czechoslovak delegates in detail about the June plenary meeting of the Soviet Communist Party's central committee, which had discussed "the anti-party views and factional activities of the Malenkov-Kaganovich-Molotov group." The Czechoslovak Party had expressed its "complete agreement" with the decisions of the June meeting, and believed that "the exposure of the anti-Leninist group will serve further to strengthen the unity of the Soviet Communist Party's ranks and the cohesion of its central committee, and to promote the struggle for the successful implementation of the party's general line charted by the 20th [party] Congress."

Party Unity. The communiqué added: "Both delegations reaffirmed that the Leninist unity of the Communist and Workers' parties, and the cohesion of their leading bodies on the basis of Marxist Leninist principles, are a source of strength and invincibility for the party. Both parties believe that an unflinching struggle for party unity, against all expressions of factionalism and group action, is the sacred duty of every Communist. The representatives of both parties also noted that it is necessary resolutely to continue an unswerving struggle against revisionism, which is a sign of penetration by inimical bourgeois ideology into the ranks of the party. It is also necessary to prevent any divorce from the masses, as well as conservatism, which leads to sectarianism and dogmatism.

In a speech on his return to Moscow, M. Khrushchev said that the relations between the U.S.S.R. and Czechoslovakia were such as were found "only in the closest of families." He referred, however, to traces in Czechoslovakia of "bourgeois opposition" to the regime, which tried to "offer resistance, mainly of an ideological character, against this or that measure of the Government."

President Zapotocky, M. Novotny, and other Czechoslovak leaders had previously visited Moscow from Jan. 26-31, 1957, for similar governmental and party discussions. A communiqué on the governmental side of the discussions was issued by Marshal Bulganin and M. Zapotocky, its principal points being as follows:

(1) Both sides had agreed to strengthen the Warsaw Pact, as the West had "refused to accept Soviet peace proposals" or to disband NATO.

(2) The Czechoslovak Government supported the Soviet action in Hungary, the communiqué describing the Hungarian uprising as an "attempt to wrench Hungary from the Socialist camp and to launch an attack on the Socialist countries." It also pledged support to the Kadar Government against "any further attempts to interfere in Hungary's internal affairs."

(3) Both Governments condemned the "Eisenhower Doctrine" and reaffirmed their determination to "prevent German militarism."

(4) Czechoslovakia would continue to supply the U.S.S.R. with uranium ore, whilst the Soviet Government would help Czechoslovakia in the construction of atomic stations and experimental laboratories.

(5) The two Governments had agreed to set up an Economic Co-operation Commission, aimed at "co-ordinating industrial production through the mutually beneficial use of their natural and economic resources" [The first meeting of this Commission was held in Prague from May 15-17.]

A joint communiqué on the "party" aspect of the discussions, signed by M. Khrushchev and M. Novotny, stated that the two parties would "establish closer and more regular contacts" and that both sides condemned tendencies towards "nationalist and revisionist positions" and the spreading of "so-called national Communist ideas."—(Soviet Embassy Press Department, London - Times - Manchester Guardian - New York Times - Le Monde, Paris - Neue Zürcher Zeitung)

B. CANADA. — Federal By-election.

Mr. George H. Doucett, a former Minister of Highways in the Ontario Government, was returned unopposed on Sept. 9 as Progressive Conservative member for the Lanark constituency (Ontario) in the Federal by-election caused by the death of Dr. W. G. Blair. Mr. Doucett's election brought the Federal House of Commons up to its full membership, party strengths being: 112 Progressive Conservatives, 105 Liberals, 25 C.C.F., 19 Social Credit, 2 Independents, 1 Independent Liberal, 1 Liberal-Labour. As the Independent Progressive Conservative returned at the general election (Mr. Henri Courtemanche, member for the Labelle division of Quebec) subsequently joined the Progressive Conservative Party, the adherence of Mr. Courtemanche and the election of Mr. Doucett brought the party's representation in the House to 112. (Department of External Affairs, Ottawa - Montreal Star) **(Prev. rep. 15676 C; 15613 A.)**

A. GHANA. — Political Developments. - Deportation of Moslem Leaders. - Proposed Appointment of Regional Commissioners. - Suspension of Accra and Kumasi Municipal Councils. - Cabinet Changes. - Policy Statement by Dr. Nkrumah. - Opposition Allegations of "Dictatorial Tendencies."

A number of measures adopted by the Government of Ghana during the summer of 1957, including the deportation of opponents or critics of the Government and the replacement of regional officers by resident Ministers, provoked strong criticism from the Opposition, which accused the Government of dictatorial tendencies. Details of these measures and of other recent political developments in Ghana are given below under cross-headings.

Deportation of Opposition Spokesmen.

Mr. Bankole Timothy, deputy editor of the Accra *Daily Graphic* and Ghana correspondent of the London *Observer*, was ordered on July 31 to leave Ghana within 48 hours, on the ground that his presence was "not conducive to the public good." He did not appeal, and left on Aug. 2 for Sierra Leone, where he was born. Mr. Timothy had frequently criticized both the Government and the Opposition in his writings, and was the author of an approved biography of Dr. Nkrumah, the Prime Minister.

A cable expressing concern at the Government's decision was sent to Dr. Nkrumah on Aug. 1 by Lord Burnham, acting chairman of the council of the Commonwealth Press Union. In a reply published on Aug. 4, Mr. Baako (Minister of Information) denied that Mr. Timothy had been deported for his normal journalistic activities, and declared that "this Government will not tolerate any subversive activities by anyone, no matter what his profession."

Deportation orders were issued at the same time against two leading members of the Moslem Association Party, Alhaji Baba and Alhaji Lalemie, but an interim injunction was granted against these orders on Aug. 1 after writs had been filed declaring that Mr. Baba and Mr. Lalemie were Ghanaian citizens. When the case was heard before the Ashanti divisional court in Kumasi on Aug. 8, thousands of Opposition supporters demonstrated outside the court and seven people were injured in clashes with supporters of the ruling Convention People's Party (C.P.P.).

Mr. Geoffrey Bing, Q.C. (constitutional adviser to Dr. Nkrumah, and formerly Labour M.P. for Hornchurch), who appeared for the Government, contended that the burden of proof that they were not aliens rested on the applicants. [Under laws on citizenship and deportation passed in April and July, the Government was empowered to deport anyone who could not prove that he and one parent or grandparent was born in Ghana]. After Mr. Bing had given an assurance that the parties would not be deported pending the investigation of their claim to citizenship, Mr. Justice Smith discharged the injunction on Aug. 12, and the two men were arrested and removed to Accra.

[It was subsequently announced on Sept. 7 that Mr. Bing had been appointed Attorney-General of Ghana. He was on contract terms as a public officer for a period of 12 months, and did not become a member of the Government.]

A Special Deportation Bill empowering the Minister of the Interior to deport Alhaji Baba and Alhaji Lalemie without "appeal to or review in any court," and ordering their imprisonment for six months if they returned to Ghana without the Minister's written permission, was passed through all its stages on Aug. 23. The two men were flown to Kano (Northern Nigeria) immediately the Bill had received the Governor-General's assent. Rioting had meanwhile occurred in Accra on Aug. 20, when Opposition supporters stoned Ministers' cars, and again on the following day, when four people were injured in clashes between demonstrators and the police.

Announcing on Aug. 21 the Government's decision to introduce this Bill, Dr. Nkrumah referred to the violence and hooliganism which had occurred in Kumasi during the hearings and in Accra, and said that this would make it impossible to resume the hearing of the case in Ashanti. One of the Crown counsel in the case had been physically assaulted, and attacks had been made in the Press on the integrity of Mr. Justice Smith. "If therefore any other method of disposing of deportation orders can be found," Dr. Nkrumah added, "the Government think it is right that Mr. Justice Smith should not be subjected to the risk of further attacks, or called upon to adjudicate in a case where his good faith has been challenged."

The Christian Council of Ghana appealed to Dr. Nkrumah on Aug. 23 to withdraw the Bill, which, it said, violated the principle that "every citizen possesses the right to defend himself against any charge preferred against him." In reply, Dr. Nkrumah stated that the Bill was necessary because "those supporting the case of the two men were engaged in a systematic campaign to provoke violence, with the object of coercing the Government and bringing pressure to bear on the court." The Government had therefore taken the view that it was impossible to continue hearings of the case before Mr. Justice Smith, and had been faced with the alternative of yielding to threats of violence by abandoning any attempt to deport the men, or of deporting them by parliamentary action.

Protests against the deportation were also sent to the Government by the 64 paramount chiefs of the Southern Province and by the Anglican, Presbyterian, and Methodist Churches.

The hearing of the Moslem leaders' claim to Ghanaian citizenship was resumed in Kumasi on Sept. 5 before Mr. Justice Smith, who granted a request by their counsel for an adjournment. A statement was filed for the Government contending that the proceedings had been automatically determined by the Special Deportation Act. Mr. Akiwumi, counsel for the Government, said in a statement to the court that there had been no intention of not fulfilling Mr. Bing's undertaking that the two men would not be deported pending the investigation of their claim, but that subsequent events had made its fulfilment impossible.

Deportation orders were issued on Sept. 5 against two Moslem tribal leaders, Adamu Moshie and Adamu Gao, on the ground that their presence was "not conducive to the public good." Although settled in Kumasi for over 30 years, both were of French West African origin. The Minister of the Interior (Mr. Edusei) announced on the same day that he would introduce a Bill empowering the Government to "remove and detain any person who indulges in unconstitutional and subversive activities," and that Ghanaian citizens might be deported locally and restricted to a particular area, in some cases without being brought before a court.

Proposed Appointment of Regional Commissioners. - Suspension of Accra and Kumasi Municipal Councils.

The Statute Law Amendment Bill, introduced in the National Assembly on Aug. 26, provided for the abolition of European chief regional officers and regional officers and the appointment of regional commissioners, who would be resident Ministers and whose duties would include the maintenance of security and co-ordination of all Government departments in the regions. In support of the Bill, Mr. Edusei said that relations between the Government and the people would benefit from the appointment of resident Ministers in the regions. Dr. Busia (Leader of the Opposition), on the other hand, declared that the Bill had "objectionable implications" because it would lead to the introduction of party control over regional administration. Opposition to the Bill had previously been expressed by the paramount chiefs of the Coastal Province, the Asanteman Council in Ashanti, and the Northern House of Chiefs.

The Minister of Local Government (Mr. Ofori Atta) announced in the Assembly on Aug. 30 that district councils in the Northern Territories would be regrouped, and would no longer be identified with the boundaries of the paramount chieftaincies.

The Government had previously announced on April 4 that Christiansborg Castle, the Governor's residence since 1902, would become the Prime Minister's official residence and office, whilst the Governor-General would occupy the recently-erected State House. In reply to Opposition criticism that this change would involve unnecessary expenditure, Mr. Baako said that Christiansborg Castle had always been the seat of the Government, and the decision had been taken in consonance with Ghana's new political status.

The Government suspended the Accra municipal council (in which C.P.P. supporters had a majority) on April 17, on the grounds that it had not collected rates or submitted audited accounts and had allegedly made advances to councillors. Kumasi municipal council was also suspended on April 26, on the grounds that had repeatedly contravened provisions of the Municipal Councils Law, disregarded the Minister of Local Government's directions, and incurred unauthorized expenditure. In each case the council's functions were transferred to a committee of seven.

Cabinet Changes. - Dr. Nkrumah's Policy Statement.

A Cabinet reshuffle was announced in the National Assembly on Aug. 29 by Dr. Nkrumah, involving the following changes: Mr. Ako Adjei (previously Minister of the Interior and Justice) became Minister of Justice; Mr. Krobo Edusei (Communications) became Minister of the Interior; Mr. F. Y. Asare (Labour, Co-operatives, and Social Welfare) became Minister of Communications; and Mr. N. A. Welbeck (Minister without portfolio) became Minister of Labour and Co-operatives. The Ministry of Commerce and Industry was renamed the Ministry of Trade and Development, but remained under the same Minister, Mr. Kojo Botsio.

At the same time Dr. Nkrumah made a lengthy statement on the Government's home and foreign policy.

After announcing that the Government had taken the initiative in calling a conference of the independent States of Africa, which was expected to take place in Accra early in 1958, Dr. Nkrumah said that Ghana had close ties with the United Kingdom, with France, whose territories surrounded her on all sides, and with the U.S.A., which had always taken a lively interest in the development of emergent States. She would also endeavour to preserve normal relations with the Soviet Union and China. The Government would invite the Soviet, Chinese, and Japanese Governments to receive a trade mission from Ghana, and hoped that a mission would also be able to visit India and possibly other Far Eastern countries. "Ghana does not intend to follow a neutralist policy," he added. "It is our intention to preserve our independence and to act as we see best at any particular time."

Turning to home affairs, Dr. Nkrumah said that the Government contemplated introducing compulsory national service, side by side with the establishment of a volunteer territorial force. A "national builders' brigade" would be established to create employment, an intelligence services would be set up to give the Government "a comprehensive picture of the local and international situation"; and a Chief of External Intelligence would be appointed to provide "reliable information on the reactions of the outside world to the policies adopted by Ghana."

Commenting on foreign Press reactions to the recent deportations [see above], Dr. Nkrumah said that while he welcomed criticism, no Government could tolerate "untrue or exaggerated stories aimed at discrediting the Government and creating violence and disorder." He went on: "The deportation of three people from Ghana has aroused the attention of the world Press, sections of which often pass over in silence many of the arbitrary executions, arrests, and detentions which unfortunately occur in other parts of the world. I do not resent in any way criticisms that have appeared in liberal European papers. I think the critics have not been fully informed of the facts. I think if the true facts came out all the Opposition would be in gaol."

In the older democracies, such as Britain and the U.S.A. (Dr. Nkrumah went on), the Opposition conducted itself in a sober and responsible way because it had been in power and knew the problems of office. In Ghana, however, the Opposition had never held office, and there did not yet exist the "respect for the self-imposed rules of restraint" which was necessary on all sides if democracy was to be successful. "It is therefore necessary to impose by a positive discipline what in the older democracies is done subconsciously," he declared. "I do not in any way object to political attacks on me or my party. What is completely destructive of democracy, and what the Government will not tolerate, are unfounded and unwarranted attacks upon the judiciary, police, Civil Service, and Army. The Government intend to take every step necessary to protect these from criticisms which should be directed towards the Government, whose policies the security forces and the Civil Service are merely carrying out. "

Commenting on Dr. Nkrumah's speech, Dr. Busia declared on Aug. 30 that "the trend towards dictatorship has become more evident." In support of his statement he referred to "deportations, the banning of certain news on the radio, and ministerial changes tending to give the Government greater control of the police and the trade unions." Dr. Busia gave a warning that legislation tampering with the traditional structure of the Ashanti region and the Northern Territories might lead to a risk of civil war.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Cabinet, 15729 B.)**

A. KENYA. — Decline in Mau Mau Detainees.

The following information was given in the Colonial Office's annual *Report on Kenya*, published on Sept. 10: (i) the number of Mau Mau detainees in emergency detention camps was 31,532 at the end of 1956, a reduction of 13,415 since the end of 1955; (ii) the number of detention establishments had fallen during the year from 41 to eight; (iii) a review committee had recommended 915 Mau Mau convicts for remission of sentence, all of whom had responded to rehabilitation and earned accelerated release; (iv) the rehabilitation of women and young men, previously a "most intractable problem," had been particularly successful; (v) there were "virtually no backsliders among any detainees released after rehabilitation."—(Times) **(Prev. rep. Mau Mau, 15632 A.)**

B. MALAYA. — Admission to United Nations.

An application by Malaya for membership of the United Nations was unanimously approved on Sept. 5 by the Security Council. Malaya became the 82nd member-State of the U.N. when formal approval was given by the General Assembly at the opening of its 12th session in New York on Sept. 17.
(U.N. Information Centre, London) **(Prev. rep. 15738 A.)**

C. CEYLON. — Diplomatic Relations with Czechoslovakia at Embassy Level.

It was announced in Colombo on Sept. 12 that Ceylon and Czechoslovakia had decided to establish diplomatic relations at embassy level and to exchange ambassadors.
(Ceylon Government Information Department)

D. UNITED KINGDOM. — Government Changes.

The following changes in the Government were announced on Sept. 17:

Viscount Hailsham	Lord President of the Council.
Mr. Geoffrey Lloyd	Minister of Education.
Mr. Derek Walker-Smith ..	Minister of Health.
Mr. J. K. Vaughan-Morgan ..	Minister of State, Board of Trade.
Mr. R. H. M. Thompson ..	Parliamentary Secretary, Ministry of Health.

Lord Hailsham (49), formerly Minister of Education, took over the post of Lord President of the Council from the Earl of Home, who had combined it with the posts of Secretary of State for Commonwealth Relations and Leader of the House of Lords. As Lord President of the Council, Viscount Hailsham will be responsible to Parliament for matters connected with the Department of Scientific and Industrial Research, the Agricultural and Medical Research Councils, and scientific matters generally, including scientific manpower. Responsibility for atomic energy, however, will continue to be exercised by the Prime Minister. Lord Home remained Leader of the House of Lords, and Lord Hailsham deputy leader. [For biography of Lord Hailsham see 15072 D.]

Mr. Geoffrey Lloyd (53), who succeeded Lord Hailsham at the Ministry of Education, returned to the Government after being a back-bencher since December 1955. He had been Minister of Fuel and Power since 1951, but was dropped from the Cabinet when Sir Anthony Eden succeeded Sir Winston Churchill in the Premiership. [For biography of Mr. Lloyd see page 11796, first column.]

Mr. Derek Walker-Smith (47), previously Minister of State at the Board of Trade, succeeded Mr. Dennis Vosper at the Ministry of Health. Mr. Vosper, who had been taken seriously ill in July, resigned from the Government because his prolonged convalescence would not permit him to resume his ministerial duties at an early date. [A biography of Mr. Walker-Smith is given on page 15314.]

Mr. Vaughan-Morgan (52), formerly Parliamentary Secretary at the Ministry of Health, succeeded Mr. Walker-Smith as Minister of State at the Board of Trade. He is Conservative M.P. for Reigate, and was an industrialist and company director before entering politics. During Mr. Vosper's illness Mr. Vaughan-Morgan acted as ministerial spokesman in the Commons on matters relating to public health.

Mr. Thompson (44), M.P. for Croydon South, succeeded Mr. Vaughan-Morgan as Parliamentary Secretary at the Ministry of Health. Previously a Vice-Chamberlain of H.M. Household, he was succeeded in that office by Mr Peter Legh, M.P.

It was also announced that Mr. Geoffrey Lloyd and Mr. Reginald Maudling would be members of the Cabinet, whose size was thereby increased from 17 to 19. The average age of the Cabinet remained unchanged at 53. Mr. Maudling (40) is spokesman for the Minister of Power (Lord Mills) in the House of Commons, and also has special responsibility for co-ordinating the planning of Britain's association with the proposed European Free Trade Area.—(Times - Daily Telegraph) **(Prev. rep. 15595 A; 15492 B.)**

E. SHIPPING. — Permanent Home at Greenwich for Clipper "Cutty Sark."

The *Cutty Sark* (the sole survivor of the "clipper ship" era), now permanently berthed in a drydock at Greenwich, was opened to the public by H.M. the Queen on June 25.

Built on the Clyde in 1869, and deriving her name—meaning in the Scots dialect "short petticoat"—from Robert Burns's poem *Tam O'Shanter*, the *Cutty Sark* was intended for the tea trade from China to Britain, and combined small size (963 gross tons) with the ultra-fine "lines" and enormous sail-spread characteristic of the "tea clippers." Although she made a few fast passages from Amoy and Foochow to London, competition from steamers following the opening of the Suez Canal soon made voyages to China unprofitable for sailing vessels, and the ship was transferred to the wool trade from Australia to the United Kingdom. In this she remained employed until sold in 1895 to Portuguese shipowners, who renamed her *Ferreira*.

In 1922 the vessel put into Falmouth for shelter after encountering heavy gales, and was seen there by Captain Dowman, a retired master mariner who had served in her as an apprentice. He bought her, and after restoring her name and former rig, retained her at Falmouth as a memorial of the "clipper ship age" until his death in 1936, when the ship was presented by his widow to the Thames Nautical College and towed to the Thames. A few years ago the full restoration of the vessel was taken in hand—under the guidance of the Director of the National Maritime Museum—by an organization (The Cutty Sark Preservation Society) formed for the purpose under the patronage of the Duke of Edinburgh.

The site of the drydock in which the *Cutty Sark* is berthed was given by the London County Council, together with the surrounding area, which, planned as an open riverside area, will be known as the "Cutty Sark Gardens."
(Lloyd's List and Shipping Gazette - Times)

A. UNITED KINGDOM. — R.A.F. Estimates, 1957-58. - The Air Secretary's Review. - First British Guided Missile Squadron. - "Lancaster" Bombers and "Spitfire" Fighters withdrawn from Active Service.

The Royal Air Force Estimates for 1957-58 were published as a White Paper on April 25, 1957.

The net total of £1187,000,000 shown in the Defence Estimates included the following principal items (1956-57 figures in parentheses): Airframes, £72,500,000 (£65,000,000); Aero-engines, £61,200,000 (£74,500,000); Spares, Components, etc., £23,700,000 (£25,500,000); Armament, Ammunition and Explosives, £28,500,000 (£30,500,000); Radio and Radar, £28,400,000 (£29,000,000); Petrol and Oil, £45,750,000 (£51,000,000). The Estimates showed a decrease of about £4,000,000 in Service pay and allowances as a result of reductions in strength, but civilian pay and allowances were higher by £1,670,000, an anticipated reduction in strength being more than offset by increased rates of pay.

An accompanying memorandum by the Secretary for Air (Mr. George Ward) stressed that although ballistic missiles would "gradually come to play an increasing important part in the offensive deterrent," the manned bomber and fighter would continue to be needed for many years to come, whilst in such roles as air transport the need for manned aircraft was "likely to increase rather than diminish." The foundations of Britain's deterrent power would for many years remain the "V" bomber force, which would be progressively developed, and in which improved marks would be introduced able to carry power-guided bombs. Meanwhile stocks of nuclear weapons were increasing in line with Bomber Command's ability to carry them, and air defences were being recast to concentrate on the defence of nuclear bases.

The following information was given in the memorandum:

Bomber Command. The "V" bomber force was "building up steadily," with *Valiants* now at full strength, some *Vulcans* already in service, and the *Viceroy* due to enter service during the year. The light bomber force would be reduced to about half its present size, but the reduction would be more than counter-balanced by equipping the *Canberra* squadrons to deliver nuclear bombs.

Fighter Command. The *Javelin* was well established and popular with aircrews. Day-fighter squadrons were being equipped with the latest mark of *Hunters*, the F.6, and a production order had been placed for the supersonic P.1, of which the first prototype (the P.1B) had made its first flight in April, 1957.

[It was subsequently announced on Aug. 30 that the P.1B would be powered by two Rolls-Royce turbo-jet engines fitted with a re-heat device for augmenting thrust.]

Coastal Command. The capacity of this Command to deal with the submarine threat was being improved. The *Neptune* and *Sunderland* squadrons had been disbanded and the long-range maritime reconnaissance force wholly equipped with *Shackletons*, a new version of which (the Mark III) would soon enter service.

Second Tactical Air Force (NATO). The reductions mentioned in the Defence White Paper would mainly affect the day-fighter ground-attack element, and to offset the cut by higher quality the remaining squadrons would be re-equipped with *Hunter 6s*. The striking power of the 2nd T.A.F. would rest on its *Canberras*, equipped to deliver nuclear weapons.

Middle and Far East. British policy in these areas remained the provision of small air forces of high quality, ready to receive reinforcements from the U.K. in emergencies.

Canberras and *Hunters* were being introduced into both the Far East and Middle East Air Forces, and *Twin Pioneair* aircraft had also been ordered for these theatres.

Commonwealth Strategic Air Reserve. Arrangements for the Commonwealth Strategic Air Reserve were proceeding smoothly, and an understanding had been reached with the Malayan Government on the sites required for airfields and radar stations. The wartime airfield at Gan, on Addu Atoll (Maldive Islands), would be rebuilt as a staging post on the route to Australia, New Zealand, and the Far East [see 15295 A].

Control and Reporting. The "very high performance" of the new British radar equipment had enabled the control and reporting organization to be streamlined and the number of stations to be reduced. Integration of British and Continental systems had been further advanced by experience of joint working in extensive air exercises, and the Royal Observer Corps had carried out practice exercises in reporting and tracking radio-active fall-out.

Guided Missiles. The memorandum explained that these were of four main types: (1) *Air-to-air*, launched from aircraft; (2) *Surface-to-air*, fired either from the ground or from a ship; (3) *Air-to-surface*, including the powered or "stand-off" bomb; (4) *Surface-to-surface*, which might be either a winged, unmanned, expendable bomb or a ballistic rocket. The first type were defensive weapons, but the others were longer-ranged and were alternatives to the orthodox bomber. Most missile weapons were powered by rockets or ram-jets, but the latter method was not effective until high speeds had been reached; missiles so fitted were usually accelerated initially by "booster" rockets.

Alternative guidance systems (some of which were elementary and already inadequate) included: (*a*) the "beam-rider" system, in which the missile flew along a beam transmitted from an aerial near the launching point; (*b*) the "passive homer," in which the missile "homed" on to emissions from the target e.g. heat from its engines; (*c*) the "semi-active," where the target was "illuminated" by radar and the missile "homed" on to the radiated reflection; (*d*) the "active homing" system, in which the weapon generated its own signals and could "home" on to the target without external aid; (*e*) the "celestial guidance" system, which could be used for long-range bombardment missiles aimed at stationary targets, and comprised a complicated astro-navigation system locked on to a selected star by radar or infra-red.

Acceptance trials of the *Fireflash*, the R.A.F.'s first guided missile (see 14735 B), had been encouraging and several target aircraft had been shot down at operational ranges. Full-scale trials with this weapon were about to begin, and a more advanced missile (the *Firestreak*), based on the infra-red principle, would shortly begin acceptance trials. The *Firestreak* would be fitted to *Javelins* and *P.1's*.

Development of surface-to-air weapons was also well advanced. "Simulators" were being developed to reduce flying by target aircraft and firings of expensive missiles, but it would remain necessary to fire actual missiles against "drone" targets to test the reliability and effectiveness of the whole system.

Equipment had been ordered for an initial operational deployment of the *Bloodhound*, a ground-to-air missile of the "semi-active homing" type, and more advanced types of ground-to-air missile were also being developed.

Early missiles would carry high-explosive warheads, but the natural development was to fit atomic warheads, which the Government intended to do.

The first R.A.F. missile station was under construction at North Coates, Lincolnshire, and would be brought into use for service trials in 1958.

New Guided Missile Organization. A new organization was being set up at the Air Ministry under an Air Vice-Marshal to co-ordinate and plan the introduction of guided missiles and their associated radar, and to integrate them with the existing control, radar and fighter-defence systems.

Manpower. The strength of the R.A.F., at present about 230,000, would be reduced to about 210,000 by April 1, 1958. The memorandum stressed that although this reduction of 20,000 would necessarily entail some premature retirements of officers and N.C.O.s, those would be phased over a period and, as far as possible, would be limited to those nearing the end of their normal careers. Everything possible would be done to minimize the effect on individuals.

Recruitment. Recruitment of Regular airmen and airwomen had improved since the pay increases in April 1956 (see 14887 A). In this connexion the memorandum stressed that "the key roles of the R.A.F. in the country's defence system will continue to demand qualities at least as high as in the past."

Review by Secretary of State for Air.

The Air Estimates were passed by the House of Commons on May 9 without a division.

Mr. Ward explained that although the net Estimates were about £10,000,000 more than those for 1956-57, this was entirely due to the reduction of U.S. aid from £38,000,000 in 1956-57 to £9,500,000 in the current year. The real comparison, he stressed, was between the gross Estimates £506,150,000 for 1957-58 and £524,095,000 for 1956-57, giving a reduction in 1957-58 of nearly £19,000,000.

After pointing out that whatever progress might be made in the development of guided missiles, the manned aircraft, with the added flexibility offered by the human mind, would have the advantage for many roles, Mr. Ward spoke of the "revolution" which had taken place in the radar defence system during the past five years. The heart of the latest defence chain, he said, was a high-powered radar for early warning and control which, instead of the previous "rather complicated organization," would give the commander of the defensive forces an instantaneous picture of threatened attack hundreds of miles before the British coasts were reached. At the same time the number of radar stations was smaller and the operational machine could be simpler and more effective, whilst new plans on which the Government was working would result in a large reduction of manpower, coupled with vastly increased radar cover. Finality, however, was far from having been reached, for the defensive system must not only keep pace with the ever-developing threat, but must also be able to provide long-range early warning for the operation of Britain's guided-weapon defence.

Turning to the task of Transport Command in providing mobility for the Services, the Minister said that for long-range movement the main load would fall on the *Britannia*, of which 13 were on order (the first being due to come into service in 1958), with more to follow. For the present, however, Transport Command would have to rely on *Comet II's* (of which it had eight, with two more to be delivered shortly) and the *Hastings*, the latter being used for medium-range transport work after the *Britannias* had come into service. Movement within overseas theatres would be carried out largely by *Beverleys* (a large number of which were on order, with a third *Beverley* squadron in formation), whilst smaller aircraft—e.g. twin-rotor helicopters and twin- and single-engined *Pioneirs*—would also be needed. During the past year there had been a twofold increase in passengers carried by Transport Command, and it was hoped that by 1960 available capacity would be nearly three times the present figure.

With regard to air trooping, Mr. Ward explained that, in order to ensure flexibility and economy, the Government's policy was to invite independent operators to carry out the task, which was of great value to them and constituted about 65 per cent of their passenger-carrying activities. This arrangement left Transport Command free to concentrate on providing air movement support for the Services when necessary. All civil trooping aircraft were subject to the same statutory regulations as other civil aircraft. Before a contract was given, the method of operation, routes, crew qualifications, navigational facilities, and loads were examined and approved by the Ministry of Transport and Civil Aviation, the standards being those applied to British European Airways and the B.O.A.C. The independent operators had a good safety record, and since 1951—when they first started to operate trooping contracts—had carried well over 600,000 passengers with only five accidents involving loss of life. During the same period Transport Command had carried approximately 100,000 passengers with many *ad hoc* trooping flights, and had had only two fatal accidents—one at Lyneham in 1954, when a member of a *Valetta* crew was killed, and a more serious accident to a *Beverley* at Abingdon in March 1957.

As regards suggestions that there should be an independent inquiry into the Government's policy with regard to air transport and air trooping, Mr. Ward said that he had examined the proposal together with the Minister of Transport and Civil Aviation, and had decided that it must be rejected. The Government accepted full responsibility for its policy, and was not responsible to any *ad hoc* committee of inquiry but to Parliament. The Government emphatically rejected the suggestion that its trooping policy was endangering life unnecessarily, and examination of the findings of air accident investigations entirely vindicated its confidence in the safety standards it required for air trooping, in the efficiency with which air transport operators implemented them, and in the aircraft themselves.

Mr. Ward concluded by referring to the Minister of Defence's statement in April (see 15550 A) that the three Services together might have a surplus of between 5,000 and 7,000 officers and about the same number of warrant officers and N.C.O.s within the next five years. He gave an assurance that the R.A.F.'s share would in each case be "appreciably less than one-third of the total."

The following senior R.A.F. appointments were announced during recent months (dates of announcement in parentheses):

Air Vice-Marshal E. C. Hudleston (an Australian) as Vice-Chief of Air Staff—with rank of Air Marshal—in succession to Air Chief Marshal Sir Ronald Ivelaw-Chapman, retiring (March 25, 1957) Air Vice-Marshal Hudleston had been R.A.F. instructor at the Imperial Defence College since February 1956, and was previously A.O.C. No. 3 Group, Bomber Command, and Deputy Chief of Staff (Plans and Operations) at Supreme Headquarters, Allied Powers, Europe (SHAPE).

Air Marshal Lord Bandon, C.-in-C. of the 2nd Tactical Air Force in Germany, as C.-in-C. Far East Air Force *vice* Air Marshal Sir Francis Fressanges, retiring. (April 8, 1957)

Air Vice-Marshal J. H. Edwardes, Commandant of the School of Land-Air Warfare at Old Sarum (Wiltshire) as C.-in-C. of the 2nd T.A.F. *vice* Lord Bandon, with rank of Air Marshal. (April 8, 1957)

Air Chief Marshal Sir Walter Dawson, Inspector-General of the R.A.F., as Air Member for Supply and Organization *vice* Air Chief Marshal Sir Donald Hardman, retiring. (Aug. 26, 1957). The appointment takes effect on Jan. 1, 1958.

Air Marshal Sir Gilbert Nicholetts, A.O.C. Malta, and concurrently Deputy C.-in-C. (Air), Allied Forces, Mediterranean, as Inspector-General of the R.A.F. *vice* Sir Walter Dawson. (Aug. 26, 1957).

Air Marshal Sir Claude Pelly, C.-in-C Middle East Air Force, as Controller of Aircraft at the Ministry of Supply *vice* Air Chief Marshal Sir John Baker, retiring. (The appointment took effect on Nov. 19, 1956).

Air Vice-Marshal Sir John Whitley as Air Member for Personnel (with rank of Air Marshal) *vice* Air Chief Marshal Sir Francis Fogarty, retiring. (The appointment took effect on Jan. 1, 1957).

Air Vice-Marshal J. L. F. Fuller-Good as Commandant-General of the R.A.F. Regiment and Inspector of Ground Combat Training, *vice* Air Vice-Marshal B. C. Yarde. (Jan 28, 1957).

Air Vice-Marshal D. G. Morris as head of the new organization set up by the Air Ministry to co-ordinate the introduction of guided missiles and their associated radar, mentioned by Mr. Ward. (April 25, 1957).

The Air Ministry announced on Aug. 14 that the first British Guided Missile Squadron had been formed at the R.A.F. station at Valley (Anglesey). It would train pilots in the use of the *Fairey Fireflash* guided missile (see above).

The last of the *Lancaster* bombers, of which altogether 7,866 were built, and which during the war dropped 608,612 tons of high-explosive bombs over enemy territories in more than 156,000 sorties, made its final flight to the breaker's yard on Oct. 15, 1956. The last three *Spitfires*, which took part in the Battle of Britain in 1940, were withdrawn from service on July 11 but will take part in the annual Battle of Britain fly-past and other ceremonial occasions.
(Times - Daily Telegraph - Manchester Guardian) (Prev. rep. R.A.F., 14944 A; Defence White Paper, 15493 A.)

A. RHODESIA AND NYASALAND FEDERATION. — Publication of "Central African Examiner."

The first issue of a new fortnightly journal, the *Central African Examiner*, appeared on June 7. Described as "an experiment in journalism in a new and growing country," its declared aim is "to provide a comprehensive background to the news of the day for thoughtful people in the Federation of Rhodesia and Nyasaland and to help create an informed and critical approach to current problems."

Sir Geoffrey Crowther, the former Editor of the *Economist*, had previously visited the Federation and had given it as his opinion that there would be widespread support for a serious journal in that country. On his advice the Rhodesian Selection group of copper-mining companies decided to provide the financial support necessary for establishing the *Central African Examiner*, while agreeing to safeguard the integrity of the journal and the complete independence of the Editor.

The example of the *Economist* has been followed by the appointment of three independent trustees without whose consent the Editor cannot be dismissed. The trustees are Sir Robert Tredgold, Chief Justice of the Federation; the Rt Rev. Oliver Green-Wilkinson, Bishop of Northern Rhodesia; and Dr. Walter Adams, Principal of the University College of Rhodesia and Nyasaland. Sir Geoffrey Crowther has agreed to be a member of the Board of The Central African Examiner Ltd., of which Mr. A. B. MacLaren (a vice-president of Rhodesian Selection Trust) is chairman and Mr. David Cole (former Editor of the *Northern News*, Ndola) managing director. The members of the Board include an African barrister, Mr. H. W. Chitepo.

It was stated that the policy of the *Central African Examiner* would be the sole responsibility of the Editor, and that the journal would maintain an "independent and impartial attitude towards all questions, whether political, industrial, social or racial."

The Board of Directors, with the trustees' approval, appointed Mr. Francis Baughan as Editor of the *Central African Examiner*. Mr. Baughan was formerly on the staff of *The Times* (London), specializing in colonial affairs, and was also Editor of *The Times British Colonies Review*.
(Central African Examiner - Federal Information Department)

B. SOVIET UNION. — Restrictions on Foreign Shipping and Aircraft in Vladivostok Area. - Japanese, American and British Protests.

It was announced by Moscow Radio on July 20 that, with the single exception of vessels entering or leaving the port of Nakhodka, foreign vessels and aircraft would in future require the express permission of the Soviet authorities to enter the area of Peter the Great Bay. [Peter the Great Bay is a triangular inlet of the Sea of Japan and leads to Vladivostok, the Soviet Union's main Pacific port and naval base; it is about 100 miles wide. Nakhodka is about 50 miles south-east of Vladivostok.]

The announcement explained that the Soviet Council of Ministers had recently established the frontier of Soviet internal waters in the area, and hence the starting-line for calculating the width of Soviet territorial waters in the direction of the sea, as a line linking the mouth of the River Tyumen-Ula and Cape Povorotny (i.e. across the mouth of Peter the Great Bay).

The Soviet action led to protests by Japan, the U.S.A. and Great Britain. The Japanese Note, delivered in Moscow on July 26, claimed that the Soviet action "contravenes the principles of international law" and "unlawfully violates the Japanese people's freedom of fishing and navigation," as the area in question was "a traditional fishing-ground of the Japanese people." The American Note (the text of which was issued on Aug. 13) declared that the Soviet action constituted an attempt to appropriate unlawfully a large area of the high seas.

The British Note, handed over on Sept. 10, stated that "H.M. Government consider that this action of drawing a closing line of 102 miles in length has no foundation in international law, and that the Soviet action is contrary to the spirit, intention, and wording of Article 7 of the draft Articles on the Law of the Sea drawn up and accepted by the International Law Commission, whose members include a Soviet jurist." It added that the Soviet Government's action was also contrary to "the well-established principle of freedom of the seas."—(Soviet Embassy Press Department, London - Japanese Embassy Press Department, London - Times - Manchester Guardian - New York Times)

Note. The Article referred to in the British Note lays down that if the distance from one shore of an inlet to another were 15 miles or less, the waters of the inlet would rank as internal waters. If the distance were more than 15 miles, the normal rule for coastal waters (i.e. a three-mile strip of territorial waters) would apply.

A. UNITED NATIONS. — Dr. Hammarskjöld's Annual Report to U.N. General Assembly.

The annual report of the U.N. Secretary-General, Dr. Dag Hammarskjold, was issued on Sept. 4 for submission to the forthcoming (12th) session of the General Assembly. In his introduction, the Secretary-General pointed out that the United Nations had been confronted during the past year with some of the most difficult situations it had been called upon to meet since its foundation in 1945, notably in the Middle East and in Hungary. Dr. Hammarskjold's "historical account of these important developments up to June 1957," together with his "observations arising from the experiences of the past year," are summarized below:

The Palestine Question. "As this is written," said Dr. Hammarskjöld, "the U.N. Emergency Force is completing its sixth month of deployment on the Egyptian side of the armistice line with Israel. It has, I believe, been a pre-condition for the maintenance of general quiet in the area of its deployment, just as in earlier months it played an essential part during the withdrawal of foreign troops from Egyptian territory. The Commander and members of the Force have fully earned the admiration and gratitude of the United Nations for the manner in which they have served and continue to serve the cause of peace in the Middle East in a pioneering role accompanied by many difficulties and endowed with limited authority. Equally, thanks should be expressed to the States which have supplied the units composing the Force and given it logistical support . . .

"The quiet maintained in recent months helps towards creating a favourable setting for future progress toward those basic solutions which are so necessary to the security and well-being of all the nations of the area. Now, as always, progress toward such solutions depends primarily upon the attitude and initiatives of the Governments themselves. The U.N. can help by lending its influence, its presence, and the processes of diplomacy which are available to the world organization. It can also help by providing an objective judgment of the rights and interests involved.

"In the Palestine question the U.N. has two special responsibilities. One is in regard to the Armistice Agreements endorsed by the Security Council. The other is the humanitarian responsibility for the Palestine refugees, who have been under U.N. care for nine years as homeless victims of events outside their control, while the problems of repatriation or resettlement have remained unsolved by the Governments upon whom rests their hope for a life more consonant with human dignity.

"To work toward a restoration of the Armistice Agreements, and to give constructive help to the refugees, are obligations of first priority resting upon the Organization and its member-Governments. There continues to exist, I am convinced, a basic will to peace in the area despite whatever signs there may have been to the contrary. I would be the last to minimize the very great difficulties that lie in the way of steps by Governments which are necessary to translate this will to peace into concrete progress toward peaceful solutions. These difficulties must nevertheless be surmounted. The U.N. cannot and should not attempt to do this alone. The Governments concerned, with whom the power of decision rests, may not be able to do it alone. But the Governments, strengthened by the help available from and within the U.N., can, and I hope will, decide to lead their peoples step by step upon this road toward a more secure and promising future for them all.

The U.N. Emergency Force. "The U.N. Emergency Force is the first of its kind. It was created in a few days under emergency conditions without benefit of precedents. It is a temporary force with a limited mandate and designed to meet a special situation. But the value of such a force in situations like that in the Middle East had been fully demonstrated, and this value should be preserved for the future. There is need for careful analysis and study of the UNEF experience . . . should the Organization wish to build an agreed standby plan for a U.N. peace force that could be activated on short notice in future emergencies to serve in similar ways. Steps have been taken for such a study to be undertaken in the Secretariat."

The Suez Canal. "During the past year the U.N. has been concerned with the Suez Canal in two respects. There were differences over the regime of the Canal which arose after Egypt's nationalization of the Suez Canal Company, some of which are still pending. There was also the responsibility assumed by the U.N., at the request of the General Assembly and on the invitation of the Government of Egypt, to assist in reopening the Canal after it had been blocked last November.

"Like UNEF, the international clearance operation under the U.N. flag was the first undertaking of its kind attempted by the world organization. The vital importance of the Suez Canal to the economies of many nations made this a grave responsibility. The Canal was reopened to full traffic a little more than three months after the U.N. salvage fleet began its work. This was well ahead of schedule. The cost is estimated at about $8,600,000 . . . Since April, Suez Canal traffic has returned to the normal flow of recent years. However, various questions regarding the regime of the Canal following nationalization have still not found solutions which are generally accepted. It should also be noted that the six-year-old question of Israeli shipping remains in dispute.

"Members will recall that a number of questions and doubts concerning the Declaration registered by Egypt with the United Nations as an international instrument were left pending at the conclusion of the Security Council's meetings last spring. The President of the Council then stated that most members had qualified their acquiescence in the Egyptian declaration as provisional and that, pending concrete steps the Egyptian Government might wish to take to remove the doubts that had arisen, the Council would remain seized of the question. Since then, in accordance with the intention expressed in its Declaration, the Egyptian Government has deposited its acceptance of the compulsory jurisdiction of the International Court of Justice in legal disputes arising between the parties to the Constantinople Convention of 1888 in respect of the interpretation of applicability of its provisions. On other questions which arose at the Security Council meetings the Secretary-General has continued his efforts through informal contacts with the parties, without as yet being in a position to report further progress.

The Hungarian Question. "The Hungarian question will come once more before the General Assembly when the Assembly takes up the report of the investigation made by its Special Committee a few days after this communication reaches the hands of member-Governments . . . In view of the wide interest taken in the constitutional issues that were involved for the United Nations in both the Hungarian and Middle Eastern situations, and the discussions to which they have given rise, it may be useful to review the manner in which the General Assembly met these constitutional issues.

"There was, first, the matter of pronouncing judgment as to the facts and recommending remedial action. In the case of Hungary, just as in the Middle East crisis, there was a difference of opinion between a majority and a minority. In each case, the majority acted in a manner consistent with its interpretation of the applicability of the provisions of the Charter and of the powers granted to the General Assembly by the Charter. In both cases, it should be noted, the majorities were very large.

"There was, second, the matter of compliance by the member-States toward whom the Assembly's resolutions were directed. There were varying degrees of compliance at first in the withdrawal of troops from Egyptian territory and eventually full compliance as to withdrawal, though not with respect to some of the other recommendations of the Assembly. In the case of Hungary there was no compliance with the Assembly's political recommendations, a position based from the constitutional side on the minority's view of the applicability of the domestic jurisdiction clause of the Charter. In these circumstances, the question arose as to the means which the General Assembly might use to secure compliance.

"The Assembly may recommend, it may investigate, it may pronounce judgment, but it does not have the power to compel compliance with its decisions. Under the Charter, only the Security Council has the power to order the use of force, and then only to maintain or restore international peace and security. In the 'Uniting for Peace' resolution, the General Assembly adopted a plan under which it might make appropriate recommendations to member-States 'for collective measures, including in the case of a breach of the peace or act of aggression the use of armed force when necessary to maintain or restore international peace and security.' Thus, the General Assembly may recommend that member-States give aid, including economic sanctions and military aid, to the victim of an armed attack in the circumstances envisaged under Article 51 of the Charter. In such a case the power of decision on action implementing the recommendations would rest, as it constitutionally must under the Charter, with the respective member-Governments.

"At one stage, when there was delay in compliance with the General Assembly's resolutions calling for withdrawal of foreign troops from Egypt, the possibility of recommending sanctions arose, but no formal proposal to that effect was presented in the Assembly. Likewise, in the case of Hungary, when compliance was refused, no delegation formally proposed a recommendation by the General Assembly to member-States that they apply sanctions or use force to secure the withdrawal of foreign troops. The judgment of the majority of member-States as to the course to pursue in this latter case was, instead, reflected in the General Assembly's resolution of condemnation and its decision to order an investigation. Both of these measures were appropriate to the General Assembly's own constitutional authority.

The Role of the United Nations. "The events of the past year have, I believe, cast a clearer light upon the role of the U.N. in these times. The Charter does not endow the U.N. with any of the attributes of a super-State or of a body active outside the framework of decisions of member-Governments. The United Nations is, rather, an instrument for negotiation among, and to some extent for, Governments. It is also an instrument added to the time-honoured means of diplomacy for concerting action by Governments in support of the goals of the Charter. This is the role the Organization has played, sometimes successfully, sometimes with disappointing setbacks.

"From time to time complaints are heard about the limitations upon the Organization's power. It has even been suggested that, unless these limitations are corrected, the usefulness of the U.N. is so questionable that the main effort of the Governments in the search for peace should be concentrated in other directions. This view does less than justice to the contributions of the U.N. in its short life. Especially, it fails to take into account that the real limitations upon action by the Organization do not derive from the provisions of the Charter. They result from facts of international life in our age which are not likely to be by-passed by a different approach or surmounted by attempts at merely constitutional reform.

"To turn aside from the United Nations now because it cannot be transformed into a world authority enforcing the law upon nations would be to erase all the steady, though slow and painful, advances that have been made, and to close the door to hopes for the future of world society, toward which present efforts and experiences should be at least a modest stepping-stone.

"We should rather, recognize the United Nations for what it is—an admittedly imperfect but indispensable instrument of nations in working for a peaceful evolution toward a more just and secure world order. The dynamic forces at work in this stage of human history have made world organization necessary. The balance of these forces has also set the limits within which the power of world organization can develop at each step and beyond which progress, when the balance of forces so permits, will be possible only by processes of organic growth in the system of custom and law prevailing in the society of nations.

"These processes of adjustment take time. Systems of alliance, maintained side by side with the U.N. in recognition of the prevailing balance of forces, may serve a useful purpose during the period through which we are passing. However, most of us agree that such systems of alliance, like other traditional means of diplomacy and defence of national interests, are limited in their value as safeguards of the present and future security of our countries. Nations and groups of nations will never again be able to arrogate judgment unto themselves in international affairs in ways which once were a matter of course.

"The greatest need today is to blunt the edges of conflict among the nations, not to sharpen them. If properly used, the U.N. can serve diplomacy of reconciliation better than other instruments available to the member-States. All the varied interests and aspirations of the world meet in its precincts upon the common ground of the Charter. Conflicts may persist for long periods without an agreed solution, and groups of States may actively defend special and regional interests. Nevertheless, and in spite of temporary developments in the opposite direction under the influence of acute tension, the tendency in the U.N. is to wear away or break down differences, thus helping toward solutions which approach the common interest and application of the principles of the Charter.

"I believe that the criticism of the system of one vote for one nation, irrespective of size or strength, as constituting an obstacle to arriving at just and representative solutions, tends to exaggerate the problem. The General Assembly is not a Parliament of elected individual members; it is a diplomatic meeting in which the delegates of member-States represent governmental policies, and these policies are subject to all the influences that would prevail in international life in any case. Smaller nations are not in the habit of banding together against the larger nations, whose power to affect international security and well-being is so much greater than their own. Nor do I see justification for talk about the responsible and the irresponsible among the nations. Finally, the two-thirds rule applied to all major decisions in the General Assembly should serve as a reasonable assurance to those who may not fully share the views that have been here expressed . . .

"With its increase in membership, the U.N. more fully mirrors the realities of the present world situation than ever before . . . The United Nations reflects, but is in no sense a cause of, the renaissance of Asia. The awakening of Africa, and the other great changes that are under way in the balance of power and relationships of the peoples, are likewise part of the dynamics of history itself. As always, they bring with them many grave problems of adjustment. These all too easily may become the occasion for arousing passion, fear and hatred, and may lead in turn to violent upheavals and to the ultimate disaster of war in this atomic age.

"The functions of debate and vote are an essential part of the processes by which the U.N. can assist the Governments in avoiding these dangers and in guiding development in constructive and peaceful directions. But if it is accepted that the primary value of the U.N. is to serve as an instrument for negotiation among Governments, and for concerting action by Governments in support of the goals of the Charter, it is also necessary to use the legislative procedures of the U.N. consistently in ways which will promote these ends. In an organization of sovereign States, voting victories are likely to be illusory unless they are steps in the direction of winning lasting consent to a peaceful and just settlement of the questions at issue.

"Full weight should also be given to the fact that the processes of adjustment and negotiation which the institutions of the U.N. make available to the member-Governments embrace much more than the public proceedings of its Councils and Assembly. In the diplomacy of world organization the quiet work of preparing the ground, of accommodation of interest and viewpoint, of conciliation and mediation, all goes into the winning of consent to agreed solutions and common programmes. This forms a basis upon which the U.N. can become an increasingly influential and effective force to aid the Governments in pursuit of the goals of the Charter.

"There are, I believe, promising and practical opportunities for improving the practices and strengthening the institutions of the U.N. in this area of multilateral diplomacy. Especially in the past two years we have begun to explore these opportunities in a number of ways with generally positive results. I hope this evolution of emphasis and practice will be pursued and broadened in the future. This seems to be a more urgent task than to attempt formal constitutional changes, the consideration of which the Committee of the whole Assembly, charged with studying the problem of the time and place for a Charter review conference, unanimously wished to postpone until a later stage."

Disarmament. As the U.N. Disarmament Sub-committee was then in session in London, Dr. Hammarskjold made no comment on "the substance of the proposals presented," nor did he offer any opinion "on the degree of progress toward agreement that may have been made."

[As stated above, the Secretary-General's report was issued on Sept. 4. The disarmament talks in London, which had begun on March 18, ended in deadlock on Sept. 6, when they were adjourned indefinitely.]

Atomic Energy. Recapitulating the "important steps taken during the past year toward strengthening international co-operation in the use of atomic energy for peaceful purposes," Dr. Hammarskjöld pointed out (1) that the statute of the International Atomic Energy Agency had been unanimously approved in October 1956; (2) that the I.A.E.A. had come officially into existence in August 1957, when the requisite number of ratifications had been deposited; (3) that the Agency would hold its first session in Vienna in October; (4) that a draft agreement had been negotiated on the relationship between the Agency and the United Nations, which would be submitted for approval to the 12th Assembly session. "Thus the new institutional framework through which Governments can work together toward the goal of using atomic energy for man's benefit instead of his destruction is taking shape."

In addition, the second U.N. scientific conference on the peaceful uses of atomic energy would take place in 1958; the U.N. Advisory Committee on Atomic Energy had agreed upon an agenda "which promises to result in a world-wide pooling of further advances in knowledge, comparable in significance to what took place at the 1955 scientific conference"; and the General Assembly's Radiation Committee had made progress in its series of fact-finding surveys on the effects of radiation on health.

Dr. Hammarskjold commented: "All these steps in international co-operation have received inadequate public notice. Viewed in a longer perspective, they are opening doors to a future course of development of great and lasting significance If they were to be combined with a first constructive advance in the field of disarmament, to which they bear a close relationship, their impact on the trend of events might be of decisive importance."

Ghana's Admission to United Nations. Dr Hammarskjöld said that Ghana's entry into the United Nations had "a particular significance for the Organization" because "Ghana is not only a former dependent territory but includes a former U.N. Trust Territory, British Togoland, which had voted in a free plebiscite held under U.N. supervision to become part of the new State. Thus British Togoland became the first Trust Territory to attain the status of full self-government or independence, declared in the Charter as a primary objective of the International Trusteeship System. Both the emergence of the new State and the manner in which it has attained its independence are indicative of the possibilities inherent in those processes of peaceful change envisaged in the Charter . . . These events mark a new step in the development of the role of the Organization in Africa."

The International Court of Justice. "In my annual report of two years ago," said Dr. Hammarskjöld, "I expressed the hope that States which had not accepted the compulsory jurisdiction of the International Court of Justice might give favourable consideration to doing so in the near future. I can only express regret that in the intervening period the number of acceptances of compulsory jurisdiction has declined. Now only 32 States, out of the 84 parties to the Statute of the Court, have accepted that jurisdiction. This is contrary to the hopes of those who drafted the Charter at San Francisco. The Court was then rightly envisaged as having a major part to play in securing peace.

"Even more discouraging . . . is the fact that certain States have replaced or renewed their acceptances by declarations containing new and far-reaching reservations . . . I cannot fail to express my own concern over the possibility that the present trend, if not soon halted, may render the whole system of compulsory jurisdiction virtually illusory.

"The Court, like its predecessor under the League, has shown that it merits universal confidence. I am sure all those interested in the maintenance of peace through the establishment of a just international order, where strength alone is not the answer, would freely admit that the ultimate aim must lie in the universal acceptance of international law impartially administered by judicial tribunals. Even in the present state of international society there are many disputes which would be closer to settlement if the legal issues involved had been the subject of judicial determination.

"I can, therefore, only renew my appeal to States which have not accepted the compulsory jurisdiction of the Court to reconsider their position, and to those which have accepted to give earnest consideration to any reservations which may seriously weaken the jurisdiction of the Court. In any event, more frequent recourse to the Court, whether by way of compulsory jurisdiction or by specific agreement in each case, would be desirable. Every recourse to the Court will be a contribution to the establishment of the international society for which we are working."

World Economic and Social Development. Although U.N. studies and reports had shown "a picture of improving economic and social conditions throughout much of the world," and although the post-war period as a whole had been "marked by high levels of economic activity and considerable economic growth," these social and economic gains were "small when compared with needs." The Secretary-General commented in this connexion:

"The uneven rates of development in different parts of the world remain a source of concern. While production may be expanding and the level of living in general may be rising, the gains in *per capita* income are greatest in areas that are already economically advanced. The need for more rapid economic growth and social advancement in the less-developed regions of the world is a major challenge . . .

"Continued economic development in the world as a whole depends in large measure upon the possibilities of increasing the supply of energy. As rapid a development of atomic energy as possible is essential. Although atomic energy and possibly other non-conventional sources will come increasingly into use, the demands on conventional sources will go on expanding, and may be expected to continue to supply the greater part of the world's energy needs for some time to come. The Economic and Social Council [has] underscored the importance of international collaboration in the survey and development of energy resources. This is another matter to which I feel the U.N. should devote increasing attention . . .

"The need to accelerate both economic and social development of the less-developed countries is the more evident in view of the rapid growth of their population, which in many cases is now proceeding at an unprecedented pace as a result of improvements in health conditions and reduction of death-rates. Rates of growth that would double the population in 30 years or less are now not uncommon in the economically less advanced regions of the world; the implications of growth at such a pace cannot be ignored . . ."

Proposal for International Administrative Service. The Secretary-General said that he had submitted to the U.N. Economic and Social Council, at the latter's request, "a proposal for an experimental programme whereby the less-developed countries would be provided, at their request, with experienced administrators to work in their Civil Service and provide managerial and executive assistance where most needed throughout the public services, particularly those concerned with economic and social development." A memorandum would be transmitted to member-Governments for comment, and a further report on this matter would be submitted during 1958 in the light of the views expressed.

Human Rights. "Hitherto," said Dr. Hammarskjöld, "the human rights programme has been concerned primarily with the establishment of general standards and broad definitions, such as those proclaimed in the Universal Declaration of Human Rights . . . In the course of the year the U.N. has directed its attention toward the application of standards, toward the making of inquiries into the principles and practices in respect of specific rights, and toward the development of the means for nations and peoples to enter into a free exchange of experience in the protection of human rights. This 'action programme' calls upon Governments to submit reports on human rights every three years; directs the Commission on Human Rights to make intensive studies of specific rights (the first subject being 'freedom from arbitrary arrest, detention and exile'); and authorizes the Secretary-General to organize seminars on human rights, preferably on a regional basis.

"The positive objective of this programme, which is still in an experimental stage, is to enable nations and peoples to learn from one another of the results obtained and the difficulties encountered in the promotion of human rights, and to benefit thereby."

The Refugee Problem. The Secretary-General pointed out that the influx of over 170,000 Hungarian refugees into Austria, and some 20,000 into Yugoslavia, had made new demands both on the countries receiving refugees and on the services of the U.N. High Commissioner for Refugees. Although there had been a "widespread and generous" response to the U.N. appeals for aid to these refugees, there still remained "the task of meeting the long-term needs of Hungarian refugees awaiting emigration, particularly young people, and assisting the integration of those who wish to remain in the country of asylum. Further, the generous response to the needs of the Hungarian refugees may, perhaps, have tended to obscure the continuing responsibility of the international community for those other refugees within the mandate of the High Commissioner, many of whom have now been refugees for 11 years."

After pointing out that the General Assembly would have to decide whether the Office of the High Commissioner for Refugees should be continued beyond Dec. 31, 1958, and expressing the hope that the Office would be continued beyond that date, Dr. Hammarskjöld added: "An urgent effort is required to achieve permanent solutions for the refugees, particularly for those remaining in camps. A comparatively small number of men, women and children is now involved. More could be done for them if countries were to extend the practice of admitting families as units, even when they include admittedly 'difficult' cases. Surely it should be possible to provide the comparatively small sums involved, and to take those other measures necessary to bring us beyond the stage of temporary expedients and to lasting solutions."

The Secretary-General's report concluded with a tribute to the humanitarian work of the U.N. Children's Fund, and an appeal to member-Governments to give increasing support to UNICEF in its efforts on behalf of the world's children. (U.N. Information Centre, London) **(Prev. rep. Middle East, 15441 A; 15353 A; UNEF, 15680 A; 15391 A; Suez Canal, 15545 A; 15341 A; Hungary, 15621 A; 15405 A; Disarmament, 15517 A; Ghana, 15427 A; U.N. Charter, 15615 B; International Atomic Energy Agency, 15261 A.)**

A. RHODESIA AND NYASALAND FEDERATION. — Federation Citizenship Act.

A Bill establishing Federal citizenship and regulating analogous matters received a third and final reading in the Federal Assembly on March 14, 1957. The main provisions of the Bill (entitled The Citizenship of Rhodesia and Nyasaland and British Nationality Bill, 1957) were as follows:

(1) All Federal citizens would also become British subjects automatically.

(2) The following categories of persons would qualify for Federal citizenship automatically:

(*a*) All persons born in Southern Rhodesia who had already qualified for "British subject" status under Southern Rhodesian law;

(*b*) All persons born in Northern Rhodesia and Nyasaland who could claim "British subject" status by descent;

(*c*) All persons, whether or not they were born within the Federation, who were Southern Rhodesian citizens at the time of the enactment of the Bill;

(*d*) British subjects in any part of the Federation whose names were on a Federal voters' roll;

(*e*) Persons registered or naturalized in Northern Rhodesia or Nyasaland as citizens of the United Kingdom and Colonies.

(3) Newcomers to the Federation who were British subjects would be eligible for Federal citizenship after a qualifying period of two years.

(4) Alien immigrants would be eligible for naturalization (and hence Federal citizenship) after a qualifying period of five years.

(5) Africans in Northern Rhodesia and Nyasaland (at present British-protected persons for the most part) would have the right to apply for Federal citizenship and would receive it on subscribing to an oath of allegiance to the Queen.

(6) In future, with limited exceptions, persons naturalized or registered in Northern Rhodesia and Nyasaland would no longer become citizens of the U.K. and Colonies but Federal citizens.

(7) Those who became Federal citizens by process of application could be deprived of their citizenship if they were absent from the Federation for more than three years and for various other reasons. Citizens by birth or descent, however, could not be deprived of citizenship.

In a statement issued on Jan. 11, simultaneously with the publication of the Bill, the Federal Minister for Law (Mr. J. M. Greenfield) explained that the drafting of the Bill had presented unique difficulties in view of the fact that the Federation consisted of a self-governing colony (Southern Rhodesia) whose inhabitants were British subjects, and two protectorates (Northern Rhodesia and Nyasaland) whose inhabitants, unless they had inherited "British subject" status by descent, were British-protected persons.

The statement continued: "It is usual, of course, for a [Commonwealth] country to confer citizenship and the related status of British subject upon all persons who have associations with it by way of birth, descent, residence or other close connexion. In ordinary circumstances, the proposed Federal law would have done likewise, but the Federal Government was faced with the necessity of respecting the British-protected status of the indigenous inhabitants of Northern Rhodesia and Nyasaland and the close attachment which many of them have for that status.

When introducing the Bill in the Federal Assembly (Feb. 28), Mr. Greenfield stated that it had been drawn up because the Government considered it necessary to clarify completely the position of Federation citizens travelling abroad. In addition, all the more important countries in the Commonwealth had their own citizenship laws and it was thought desirable that the Federation should come into line with them.

(Federal Information Department, Salisbury)

B. LITERATURE. — Discovery of Unknown Comedy by Menander.

Professor Victor Martin, of the University of Geneva, announced to the Paris *Académie des Inscriptions* on Sept. 13 that he had discovered the only known complete text of a comedy by the Greek dramatist Menander (*c.* 340-290 B.C.), which he hoped to publish early in 1958. The manuscript, which is written on papyrus and is attributed by Professor Martin to the third century A.D., was found in the library of M. Bodmer, a Geneva collector of books and manuscripts, who had obtained it from a dealer. The comedy is entitled *Dyskolos* ("The Bad-tempered Man"), and according to a note on the manuscript was first performed in Athens in 316 B.C.

As the leading exponent of the Greek "new comedy," which dealt with everyday life in a satirical spirit, Menander exercised a strong indirect influence on the development of European drama through the imitations of his work contained in the comedies of the Latin dramatists Plautus and Terence. No complete play by him was previously known to exist, however, although large sections of two of his other comedies, *The Arbitrators* and *The Rape of the Ringlets*, have been recovered in recent years.—(Manchester Guardian)

A. UNITED KINGDOM. — Coal Industry. - National Coal Board Report for 1956. - Production Statistics. - Price Increases. - N.C.B. Appointments. - The Coal Mining (Subsidence) Act.

The 11th annual report of the National Coal Board, covering the year ended Dec. 31, 1956, was published on June 5. It showed that after meeting taxation and interest the Board had made a surplus of £12,800,000, compared with a deficit of £19,600,000 in 1955. This surplus—the highest since nationalization—reduced the Board's accumulated deficit to £23,800,000.

The report stated that output in 1956 was slightly higher than in 1955 and 17 per cent higher than in 1946, there being "every reason to expect" that the improvement would be maintained in 1957. Other favourable features were (*a*) a rise in manpower and in productivity; (*b*) a reduction in the amount of coal lost through disputes; (*c*) a reduction in imports.

The following information was given in the report:

Output. Saleable output of coal totalled 222,000,000 tons, compared with 221,600,000 tons in 1955. Output from N.C.B. collieries (207,400,000 tons) was about 500,000 tons less than in 1955, but opencast production rose by about 750,000 tons and production from licensed mines by 243,000 tons. Output from voluntary Saturday working declined by 591,000 tons.

Costs, Prices and Profits. Cost of production of mined coal totalled 74s. 5d. a ton, against 67s. 3d. a ton in 1955. Proceeds from the sale of coal averaged 77s. a ton (68s. in 1955), resulting in a profit on colliery operations (before charging interest) of 2s. 7d. a ton, or 1s. 10d. a ton more than in 1955. Profit on opencast mining totalled £8,600,000.

Productivity. This improved during the year, only 812 shifts being worked for every 1,000 tons of saleable output, compared with 816 shifts per 1,000 tons in 1955. Saleable output per manshift improved slightly by 0.01 per cent to 1,232 tons.

[Mr. James Bowman, chairman of the N.C.B., stated in this connexion that output in metric tons per manshift was 1.25 in Britain, 1.19 in Western Germany, 1.07 in France, 1.15 in the Saar, 0.84 in Belgium, and 0.96 in the Netherlands.]

Manpower. This rose towards the end of the year, the slackening demand for labour in other industries having arrested the decline in coalmining manpower of the two previous years. Although there were 3,503 more miners at Dec. 31, 1956 than at Dec. 31, 1955, the average throughout the year was only 703,400, compared with 704,100 in 1955.

Absenteeism. Both voluntary and involuntary absenteeism increased, total absenteeism among face-workers averaging 15.18 per cent in 1956, against 14.70 per cent in 1955.

Accidents. There were 318 fatal and 1,731 reportable non-fatal accidents during 1956, both figures being the lowest on record.

Strikes. Unofficial stoppages and restrictions of work in 1956 numbered 3,771 (the highest total since nationalization), compared with 3,581 in 1955. Coal lost through stoppages and restrictions in 1956 totalled 2,146,500 tons.

Mechanization. The report stated that 1956 saw the biggest advances yet made in coal mechanization, all divisions having reported increases in output by power-loading. Of the total output raised and weighed, 36,400,000 tons (15.5 per cent) were obtained from power-loaded faces, compared with only 25,100,000 tons (10.8 per cent) in 1955. An average of only 176 manshifts per 1,000 tons of output were required on power-loaded faces in 1956, compared with 280 manshifts per 1,000 tons on other faces.

Shortage of Large Coal. Tonnage of "large coal" fell in 1956 by 3,500,000 tons, the report explaining that although power-loading machines produced more coal, a greater proportion of this was small coal than with hand-loading. Research was in progress to produce power-loading machines which would cause less breakage of coal; some manufacturers were accepting smaller sizes of coal; and the railways were making increased use of briquettes. These measures should relieve the pressure of demand for large coal by 2,500,000 tons a year, which would otherwise have to be imported.

Imports and Exports. Coal imports in 1956 (mainly of "large coal") totalled 5,250,000 tons, the average loss being 65s. 7d. a ton. In this connexion the report stated that coal was produced and sold more cheaply in Britain than in any other European country, and was also cheaper than U.S. coal delivered at British ports. The N.C.B. aimed at ceasing coal imports as soon as possible.

Coal exports during the year amounted to about 8,000,000 tons.

Mr. Bowman, commenting on the Board's improved position, nevertheless gave a warning that a further rise in coal prices would be necessary during the summer in order to meet (*a*) the increased cost of steel, oil and greases; (*b*) the cost to the industry of the Mines and Quarries Act (£10,000,000) and the Coal Mining Subsidence Act (£5,000,000—see below); and (*c*) higher wages. The "substantial figures" involved were more than the increase in the industry's efficiency could absorb, and the Board had already concluded negotiations with the Government for a price increase.

Production Figures.

The following table shows the average weekly rates of coal production and consumption, and of manpower, output and absenteeism, in the second quarter of 1957:

	Saleable Mined Coal Produced Tons	Plus Opencast Tons	Total Production Tons	Inland Consumption Tons	Exports and Bunkers† Tons
April ..	4,066,475	246,100	4,312,575	4,210,500	178,500
May* ..	4,449,560	297,860	4,747,420	3,999,800	175,800
June ..	3,878,550	282,925	4,161,475	3,734,250	164,750
2nd Quarter	4,131,528	275,628	4,407,156	3,981,517	173,017

	Wage-earners on colliery books Total	No. of shifts worked per wage-earner at coal-face	Output per manshift at coal-face	Output per manshift overall	Percentage of absenteeism
April	711,125	289,375	4.6	3.386	1.236	13.01
May*	712,360	285,920	4.97	3.418	1.258	11.64
June	710,850	284,575	4.50	3.323	1.207	13.68
2nd Qtr.	711,445	286,623	4.69	3.376	1.233	12.77

*Average of five weeks.
†Including fishing vessels but excluding coastwise bunkers.

Recent developments in connexion with the coalmining industry are summarized below:

N.C.B. Quarterly Accounts. The N.C.B. accounts for the first quarter of 1957, published on Aug. 2, showed a surplus of £8,799,337 compared with a surplus of £6,090,000 in the first quarter of 1956. Total profits amounted to £15,497,337 (collieries £11,591,337, opencast workings £2,055,000), of which £6,180,000 was absorbed by interest charges. Saleable output totalled 56,360,170 tons, compared with 54,661,215 tons in the first quarter of 1956.

Price Increases. The price increases foretold by Mr. Bowman (see above) came into operation on July 1, when coal prices were raised by an average of 6s. 6d. a ton and the price of domestic coke by 8s. 1d. to 13s. 1d. a ton according to grade.

Prices of house coal were raised by an average of from 6s. 8d. to 8s 4d. a ton according to grade. The N.C.B. estimated that the increase would fall on various industries as follows: gas, 7s. 1d. a ton; N.C.B. coking plants, 6s. 10d.; other coking plants, 6s. 8d.; power stations, 5s. 1d.; railways, 7s. 7d.; iron and steel, 6s. 8d.; bunkers (coastwise), 7s. 5d.; bunkers (trawlers), 7s. 7d.; all other inland uses, 6s. 3d.; Northern Ireland, 6s. 2d.

A spokesman for the British Transport Commission estimated that the increases would add about £5,000,000 a year (8.5 per cent) to the Commission's coal bill. A spokesman for the Central Electricity Authority put the probable cost of the increases to the Authority at about £10,500,000.

Wage Increases and Saturday Working. The executive of the National Union of Mineworkers announced on May 30 [see 15530 A] that the wage increases negotiated with the N.C.B. on May 2 had been approved by a two-to-one majority by a miners' ballot held during the month. The men had also agreed (by 509,000 votes to 217,000) to continue Saturday working for another year.

N.C.B. Appointments. Mr. J. O. Blair-Cunyngham, N.C.B. Director of Staff, was appointed a full-time member of the National Coal Board by Lord Mills (Minister of Power) on Aug. 6. It was announced on Aug. 15 that Mr. C. G. Simpson, Deputy Director-General of Staff, would succeed Mr. Blair-Cunyngham as Director-General, whilst Mr. J. V. Wood, staff director, Northern (Northumberland and Cumberland) Division, would become Director-General of Industrial Relations.

The Coal Mining (Subsidence) Act.

The House of Commons gave an unopposed second reading on Jan. 31 to the Coal Mining (Subsidence) Bill, which made the National Coal Board responsible for remedying damage caused by subsidence resulting from coalmining operations to land, buildings, roads, railways, aircraft runways, sewers, drains, and other service lines and pipes.

The Bill (1) required the N.C.B., in the event of damage, to undertake any work needed to make the property concerned "reasonably fit for its original use"; if, however, the cost of making good the damage should exceed the depreciation in the value of the property, the Board might choose instead to contribute towards the costs incurred by some other person in carrying out the work; (2) empowered the Board to carry out preventive works, or (on undertaking to pay the cost) to require the owner of the property to do so; if he refused, the N.C.B. would be relieved of its responsibility to repair any subsequent damage. The Bill also required the N.C.B., within areas to be designated by the Ministers of Power, or of Agriculture, Fisheries and Food, to carry out or pay for measures to remedy, mitigate, or prevent deterioration of land drainage.

Mr. Maudling (Paymaster-General) explained that the Bill extended to shops, business premises, industrial buildings, farms, and local authorities' premises the principle that compensation should be paid for subsidence damage established by the Coal Mining (Subsidence) Act of 1950 [see 10398 A] in the case of dwelling-houses. It did not cover indirect damage, as the Government considered that this would be impracticable. The whole cost of compensation would be borne by the National Coal Board and was expected to amount to about £5,000,000 a year, equivalent to about 6d. on each ton of coal mined.

In the Report stage (July 4) Government amendments were agreed to (1) providing for compensation (on the same basis as for negligence) to be paid for death or serious injury attributable to negligence; (2) making the N.C.B. liable for certain kinds of damage occurring before the enactment of the Bill.

The Bill received the Royal Assent on July 31, 1957.

(Ministry of Power - Times - Daily Telegraph - Manchester Guardian - Financial Times) **(Prev. rep. 1955 Report, 14882 A; Production Figures, Wage Increases, 15530 A; Price Increases, 14930 C; Coal Mining (Subsidence) Act, 1950, 10898 A.)**

A. SCOTLAND. — Edinburgh Development Plan.

Following its final approval by the Secretary of State for Scotland, a comprehensive 20-year development plan for Edinburgh was published by the City Corporation on Sept. 4. The plan was based on the assumption that the city's population would increase by five per cent by 1977 (i.e. to 500,000), and provided for development in two phases—1957-1962, and 1963-1977. Its main features were as follows:

(*a*) To accommodate the expected increase in population and to eliminate slums and overcrowding, 43,400 new houses would be built and a further 12,000 made available by the modernization of existing sub-standard properties.

(*b*) A number of new roads would be built, the most important being: (i) a relief road for the Bridges area (1 mile), part of which would run underground by a tunnel under St. Andrew's House and Calton Hill; (ii) an eastern approach road (3.6 miles) which would by-pass Musselburgh, skirt Holyrood Park, and end at the St. Leonard's roundabout (3.6 miles); (iii) a link road from St. Leonard's to Tolcross, part of which would consist of a tunnel; (iv) a road replacing the disused Union Canal (4 miles). In addition, an outer circular road would be formed by linking up existing roads. Land would also be allocated for a new western approach road (2 miles) and a new city by-pass road (8 miles), but the actual construction of these roads would not begin until some time after 1977.

(*c*) 24 new schools (seven secondary and 17 primary) would be built, while three of the city's 53 private schools (Mary Erskine School for Girls, George Watson's Ladies' College, and Edinburgh Academy primary department) would be transferred to new sites. In addition, sites were allocated for 42 new nursery schools, but construction of these would probably not begin until after 1977.

(*d*) Three new bus stations would be built, as well as a combined bus and helicopter station at the East Goods Yard, Leith Walk.

(*e*) A green belt would be established to "preserve and enhance the landscape setting of the capital."

(*f*) 482.6 acres of undeveloped land were allocated for industrial use, of which, however, 109.5 acres would probably not be developed until after 1977. In addition, 128 acres of already developed land would be redeveloped for industrial purposes. Two other important allocations were 290 acres for commercial use and 176 for general business use.

(*g*) 143 acres were set aside as cultural, university, and public building areas and would be used for such purposes as libraries, museums, concert halls, etc.

(*h*) Halls of residence for the University of Edinburgh would be built on a site at Salisbury Green.

A Corporation spokesman stated that the plan was not directly related to the earlier (and much wider-ranging) Abercrombie Plan of 1949, although the latter had produced a basis for the new proposals.—(The Scotsman, Edinburgh) **(Prev. rep. Abercrombie Plan, 10175 A.)**

B. CEYLON. — Inquiry into University of Ceylon.

The Ceylonese Minister of Education (Mr. Dahanayake) announced on Aug. 22 that he had invited Professor Joseph Needham, F.R.S., to head a three-man commission to inquire into the affairs of the University of Ceylon. If Professor Needham accepted the invitation he would be assisted by Mr. Chintaman Deshmukh, chairman of the Indian University Grants Committee and formerly Minister of Finance. The third member of the commission would be a Ceylonese. The commission would examine all aspects of university education in Ceylon and report on questions of external degrees, religious education, and higher education.

The University of Ceylon was established in 1942 under the direction of Sir Ivor Jennings (now Master of Trinity Hall, Cambridge), its first Principal. In recent months it had been strongly criticized, both inside and outside Parliament, on the grounds that it was doing little or no research and that its policy was not meeting the nation's requirements.—(Ceylon Government Information Department - Manchester Guardian) **(Prev. rep. 5252 B.)**

C. GUATEMALA. — Lifting of State of Siege.

The state of siege imposed after the assassination of President Castillo Armas was lifted on Aug. 22, having been in force for nearly a month.—(New York Times) **(15693 D.)**

D. UNITED STATES. — Record Balloon Ascent.

A successful experiment to test man's chances of survival on the edge of outer space was made on Aug. 19-20 by Major David G. Simons (34), a doctor in the U.S. Force, who ascended in a pressurized balloon to a height of 19 miles and remained suspended at the limit of the earth's atmosphere for 24 hours.

Attached to the balloon (a helium-filled sphere 200 ft. in diameter, made of plastic) was an aluminium gondola, pressurized and air-conditioned to enable its occupant to withstand conditions in the stratosphere. The gondola, 8 ft. high and only about 3 ft. wide, contained scientific instruments to enable Major Simons to make experiments into cosmic rays and other phenomena; it also contained a tape-recorder on which he was able to record his physical and psychological reactions throughout the experiment. The gondola was given an artificial atmosphere of oxygen and helium, and was specially insulated to protect its occupant from the intense radiation and extreme temperatures at the limits of the earth's atmosphere. Major Simons was sealed into the gondola ten hours before the ascent to accustom him to the oxygen-helium atmosphere he would have to breathe, and to give sufficient time to remove the nitrogen from his system. [If the ascent had been too rapid and Major Simons had had nitrogen in his system, the nitrogen would have formed bubbles in his blood, causing painful and possibly fatal "bends."]

The balloon was released on Aug. 19 from the bottom of an open 400-ft.-deep iron mine near Crosby, Minnesota, and shot into the air at 1,000 feet a minute from a launching truck at the bottom of the mine. After drifting 30 miles south-east and then westward, it ascended to 102,000 feet (19 miles) and remained for 24 hours at that altitude, where it was above 99 per cent of the earth's atmosphere. Throughout this period Major Simons was in radio contact with a monitoring van, which recorded his impressions and the results of scientific experiments carried out by him. The balloon descended on the following day (Aug. 20) in a field in South Dakota, after being aloft for 32 hours.

The gondola had tiny portholes through which Major Simons was able to make his observations and record his impressions of the upper atmosphere and outer space. He was able to descend by letting out some of the balloon's 3,000,000 cubic feet of helium from an electrically-controlled valve in the top of the sphere. Before descending from 19 miles up, he told ground control that he was "feeling fine, completely relaxed and enjoying the view."

After descending Major Simons told press correspondents that he had had "an indescribable ringside view of the heavens," had suffered no ill-effects, and had been too busy making cosmic ray tests and other experiments "to get lonesome" on the edge of outer space. Describing some of his impressions and observations, he said that the stars did not twinkle but shone steadily when seen from the limit of the atmosphere; that in daylight the sky appeared black overhead and violet-hued to the north; and that the sunrise was a "magnificent and awesome" sight. He added that he had clearly seen the earth's curvature from a height of 19 miles.

The officer in charge of the experiment (Colonel J. Stapp) said that Major Simon's ascent had proved that human beings could live outside the earth's atmosphere "by taking their own atmosphere with them." The "experiment in livability" at such altitudes had been so successful that it would have important applications in space travel.

Major Simons is in charge of the aero-medical laboratory at the Holloman Air Base, Alamogordo, New Mexico. His experiment was the first in a project ("Project Man High") designed to pave the way for space travel.—(New York Times)

E. GIBRALTAR. — New Governor.

It was announced on Sept. 18 that Lieut.-General Sir Charles Keightley had been appointed Governor of Gibraltar in succession to Lieut.-General Sir Harold Redman, and would take up his new appointment when General Redman's term of office expired towards the middle of 1958. General Keightley (56), who commanded the Anglo-French forces in the Suez operations last November, had been C.-in-C. Middle East Land Forces from September 1953 to August 1956. During the war he commanded the 30th Armoured Brigade, the 6th Armoured Division, the 78th Infantry Division, and the Fifth Army Corps, and after 1945 held the successive posts of Director of Military Training at the War Office, Military Secretary to the Secretary of State for War (then Mr. Shinwell), C.-in-C. British Army of the Rhine, and C.-in-C. Far East Land Forces before his appointment to the Middle East Command.—(Times - Daily Telegraph) **(Prev. rep. 14050 D.)**

F. NORTHERN IRELAND. — Lifting of Curfew.

The curfew imposed on Aug. 12 in Newry and adjoining districts of Counties Down and Armagh, following the I.R.A. outrages of the previous day, was lifted on Sept. 9 by the N.I. Minister of the Interior (Mr. Topping) after consultations with the police. Mr. Topping pointed out that there had been no further incidents during the four weeks in which the curfew had been in force.—(Belfast Telegraph) **(Prev. rep. 15713 A.)**

SEPTEMBER 21—28, 1957

A. NORWAY. — Death of King Haakon VII. - Accession of King Olav V.

King Haakon VII of Norway, who had been in failing health for several weeks, died in Oslo on Sept. 21, aged 85 years. He was the first sovereign of an independent Norway for more than five centuries, and at the time of his death was the oldest reigning monarch in Europe.

A Danish prince by birth, he was born at Charlottenlund (Denmark) on Aug. 3, 1872, the second son of Crown Prince Frederik of Denmark (later King Frederik VIII) and Princess Louise of Sweden and Norway. Christened as Christian Frederik Carl George Waldemar Axel, and known as Prince Carl, he entered the Royal Danish Navy at the age of 14 and pursued the normal career of a naval officer, rising from midshipman to captain. In 1896, when 23 years of age, he married his cousin Princess Maud, the third daughter and youngest child of the then Prince of Wales (later King Edward VII of Great Britain) and of Princess (later Queen) Alexandra. The marriage was solemnized at Buckingham Palace.

On June 7, 1905, the Norwegian Storting unanimously voted to dissolve the union with Sweden, which had lasted since 1814. The decision was ratified by a plebiscite of the Norwegian people held in August 1905, Norway thereby becoming a fully independent nation after more than 500 years. [Since 1397 Norway had been under the sovereignty of, or in association with, Denmark or Sweden.] The throne of independent Norway was offered by the Storting to Prince Carl, who accepted it on condition that he was chosen by a free vote of the people. Although there was considerable republican sentiment in Norway at the time, a national plebiscite held in November 1905 showed a four-to-one majority in his favour. Prince Carl arrived in Norway a few days later, chose the name of Haakon (borne by six Norwegian kings of the Viking Age), and declared his allegiance to the Norwegian Constitution, taking as his motto "All for Norway." In the following June King Haakon and Queen Maud were crowned in Trondheim Cathedral.

Throughout his long reign of 52 years, King Haakon identified himself fully with the life and independence of his adopted country. His strong attachment to democratic government, combined with his personal dignity, kindliness, and simplicity of life, made him greatly respected and beloved by the entire Norwegian people. As a "people's King" he dispensed with much of the pomp and ceremony traditionally attendant upon monarchies, and was personally known to many of his subjects.

Norway, neutral in the First World War, was invaded by Nazi Germany without warning on April 9, 1940. King Haakon immediately rejected Hitler's demand that Norway should surrender and that he (the King) should appoint the traitor Vidkun Quisling as Prime Minister, and issued a stirring call for resistance to the invasion. To avoid capture by the Germans, King Haakon, the Royal family and the Government left Oslo on April 10 and retreated northwards with the Army across the snow-covered mountains—a retreat during which the Luftwaffe systematically bombed the towns at which the King took up his headquarters. The King, Crown Prince Olav, and the Government eventually reached the West Coast port of Molde, which was in flames from German bombing, and subsequently sailed in a British cruiser for Tromsö, in the far north of Norway. For a month thereafter King Haakon and the Norwegian Government had their headquarters at Tromsö, a period during which Narvik was recaptured by the Allied forces and the Norwegian Army put up gallant resistance to the German invasion in face of overwhelming odds. On May 30, however, after the German breakthrough in France and the Low Countries, the Allies decided to evacuate Norway, and on June 7, 1940—35 years to the day after Norway had gained her independence—King Haakon, accompanied by Crown Prince Olav and the Norwegian Government, sailed for Britain in the British cruiser *Devonshire*.

During his five years' exile in Britain, King Haakon was the symbol and rallying-point of the Norwegian resistance to Germany both inside and outside Norway. He devoted his entire efforts to the organization and welfare of the Free Norwegian forces and the 25,000 Norwegian merchant seamen serving with the Allies; insisted on receiving personally every one of the many Norwegians who succeeded in escaping from their occupied homeland to Britain; and made frequent broadcasts to the people of Norway. Throughout the war years the King and the Government-in-exile were in close touch with the Home Front (the Resistance movement) in occupied Norway, whilst the Home Front, in its turn, took no important decisions without consulting the King and Government in London.

King Haakon made a triumphant return to Norway on June 7, 1945, amidst nation-wide enthusiasm and rejoicings. [It was commented in the Press that June 7 had been a fateful date throughout the King's life, being the date on which the Union of Sweden and Norway was dissolved (1905), resulting in his accession to the Norwegian throne; on which he was driven from his country by the German occupation (1940); and on which he returned in triumph to Norway in 1945.] Owing to the close wartime collaboration between the Government-in-exile and the Home Front, each of which had been aware throughout of the other's policies, the King's return was not complicated by the post-war differences between "exile" and "home front" governments which had such disturbing effects in some other countries formerly under German occupation. Normal general elections took place in Norway within a few months' of the King's return.

King Haakon, who was a great-uncle of Queen Elizabeth II, maintained close contacts with Britain throughout his life, and was a frequent visitor to the United Kingdom both before and after the war. In 1947 he attended the wedding of Princess Elizabeth (as she then was) and the Duke of Edinburgh; in 1948 he was one of the sponsors at the christening of their son, Prince Charles; in 1951 he paid a State visit to London (see 11615 A), during which he visited the Festival of Britain; and in the following year he was present at the funeral of his nephew, King George VI. During 1953 he paid State visits to Sweden and the Netherlands, and in 1955 welcomed Queen Elizabeth II and the Duke of Edinburgh during their State visit to Norway (see 14300 B).

A few days after the State visit of Queen Elizabeth II and the Duke of Edinburgh, King Haakon sustained a fractured thigh after a fall in his bathroom and had to enter hospital for the first time in his life. Although he subsequently recovered, his convalescence was slow and prolonged, and Crown Prince Olav had acted as Regent since his father's accident.

King Haakon was a widower, Queen Maud having died in 1938 (see 3330 F). Their only child, Prince Alexander Edward Christian Frederik, was born in 1903 and was given the Norwegian name of Olav when his father became King of Norway two years later.

Crown Prince Olav (54), who ascended the throne as King Olav V, took a written oath of allegiance to the Constitution two hours after his father's death, in the presence of the Norwegian Cabinet. At the same time he issued a proclamation in which he said he would retain his father's motto, "All for Norway." The oath of allegiance to the Constitution confirmed King Olav as the new sovereign, the coronation ceremony having been abolished by the Storting in 1908, three years after the accession of King Haakon.

King Olav was born in England (at Appleton House, near Sandringham) on July 2, 1903, and read economics and political science at Balliol College, Oxford. A well-known sportsman in his youth, he was an Oxford fencing blue and one of Norway's best ski-jumpers. In the 1928 Olympic Games he won Norway's first gold medal as helmsman of his yacht *Norma*. He married Princess Martha of Sweden in 1929, the three children of the marriage being Prince Harald (20), who succeeded his father as Crown Prince, Princess Ragnhild (27), and Princess Astrid (25). King Olav is a widower, the Crown Princess Martha having died in 1954 (see 13607 B).

National mourning for King Haakon was proclaimed throughout Norway, the leaders of the political parties cancelling their election campaigns until after the late King's funeral on Oct. 1. [General elections are to take place on Oct. 7.] Messages of sympathy on the death of King Haakon, together with high tributes to the late sovereign, were sent to King Olav by Queen Elizabeth II, the Kings of Denmark and Sweden, the President of Finland, President Eisenhower, and many other Heads of State.—(Norwegian Embassy Press Department, London - Aftenposten, Oslo - Times)

(Prev. rep. King Haakon, 14566 C; 12378 A.)

B. NIGERIA. — Inquiry Commission into Minorities.

The members of the Commission appointed by the Colonial Secretary (Mr. Lennox-Boyd) to examine the problem of minorities in Nigeria were announced by the Colonial Office on Sept. 25. They were Sir Henry Willink, Q.C. (chairman), Master of Magdalene College, Cambridge, and a former Minister of Health (1943-45); Sir Gordon Hadow, deputy Governor of the Gold Coast from 1954 until the territory became independent under the name of Ghana; Mr. Philip Mason, Director of Studies in Race Relations at Chatham House (the Royal Institute of International Affairs); and Mr. J. B. Shearer, manager for Greece of the Ionian Bank.

The Commission's terms of reference were as follows, in accordance with the conclusions reached by the Nigerian Constitutional Conference in London:

"(1) To ascertain the facts about the fears of minorities in any part of Nigeria and to propose means of allaying those fears, whether well or ill founded.

(2) To advise what safeguards should be included for this purpose in the Constitution of Nigeria.

(3) If, but only if, no other solution seems to the Commission to meet the case, than as a last resort to make detailed recommendations for the creation of one or more new States and in that case

(*a*) Specify the precise area to be included;

(*b*) Recommend the governmental and administrative structure most appropriate for it;

(*c*) Assess whether any new State recommended would be viable from an economic and administrative point of view, and what the effect of its creation would be on the Region or Regions from which it would be created, and on the Federation."

The commission will visit Nigeria and submit its report to the Colonial Secretary, who will then consult with the Nigerian Federal and Regional Governments.—(Times - Daily Telegraph) **(Prev. rep. 15747 A.)**

A. UNITED KINGDOM. — Bank Rate increased to Seven Per Cent. - Restriction of Public Investment Programmes. - Intensification of "Credit Squeeze." - Government's Determination to maintain Internal and External Value of the Pound. - Forthcoming Drawings on Export-Import Bank Credit. - Balance of Payments, 1956-57. - Rejection of Opposition Demand for Recall of Parliament. - Gold and Dollar Reserves in August.

In a new drive to halt inflation and maintain the value of the pound abroad, the Government took the following measures on Sept. 19:

(1) Increased the Bank Rate from 5 per cent to 7 per cent—its highest level since 1920-21;

(2) Announced a brake on investment spending by Government departments, local authorities, and nationalized industries aimed at saving £300,000,000-£350,000,000 over the next two years as a whole and at holding expenditure to the present year's level of £1,500,000,000;

(3) Asked the banks to hold "private sector" loans to the average of the last 12 months—about £2,000,000,000. [At Aug. 31, total bank advances were £2,054,000,000.];

(4) Instructed the Capital Issues Committee to take a "more restrictive and critical attitude towards applications to borrow and in particular towards applications for large amounts."

The new measures were announced in a statement by the Chancellor of the Exchequer, as follows:

"The Government are determined to maintain the internal and external value of the pound. For this purpose it will be necessary to intensify and strengthen the measures which they have already taken.

"There can be no remedy for inflation and the steadily rising prices which go with it which does not include, and indeed is not founded upon, a control of the money supply. So long as it is generally believed that the Government are prepared to see the necessary finance produced to match the upward spiral of costs, inflation will continue and prices will go up. The value of our money cannot be sustained unless we as a nation pursue the right policies at home. It will not be possible to check the rising cost of living and to maintain the worth of sterling if we try to spend more or live better than our resources allow or our production justifies. Steps have been and are being taken to limit current Civil and Defence expenditure. But a limitation of the Government's current expenditure is not enough.

"I said in the House of Commons on July 25 that 'it may well be necessary to rephase some programmes' in the field of public investment and that the Government would 'not hesitate to make the necessary adjustments.' The Government have accordingly decided upon certain further steps in relation both to public and private spending. Their object is to ensure that the supply of money and the consequent pressure of demand do not exceed the manpower and resources which are in fact available.

"In the first place, the Government propose to hold down the total of investment expenditure in the public sector, which was planned to rise substantially during the next two years, within the level attained this year. This includes the sum of investment by Government departments, by local authorities and by nationalized industries.

"Restrictions are also necessary in the private sector. The supply of money in this sector must be controlled, and for this purpose the Government are prepared to take all necessary measures. Although special considerations may arise in relation to certain export credits, it is the Government's view that the situation requires that the average level of bank advances during the next 12 months should be held at the average level for the last 12 months. I have informed the clearing bankers of this requirement. I am grateful for their co-operation in the past, and they have given me their assurance that, despite the difficulties, they will intensify the restriction of credit and do their best to achieve this result. I have no doubt that the banking system as a whole will give similar support.

"In addition to the need for dealing with this internal problem, we have to consider the pressures which have recently developed upon the external value of our money. The change in the exchange rate of the French franc generated a large-scale speculation among the world's leading currencies, in which sterling is necessarily most involved because it is so widely held. The Government intend to maintain the existing exchange rate parity of $2.80 to the pound, and they do not intend to allow the margins to widen. They consider that the existing parity is right and that the evidence of the U.K.'s balance of payments and trade figures supports this view.

"The Bank of England, with my approval, have announced the raising of Bank Rate from 5 per cent to 7 per cent. This exceptional rise is made necessary because of the heavy speculative pressure against sterling. But an increase was required in any event to give support to the measures already referred to during the period in which they are developing their full effect."

The announcement was made on the eve of the Chancellor's departure for the annual meetings of the International Monetary Fund and the International Bank in Washington, which will be followed by a meeting of Commonwealth Finance Ministers in Ottawa.

After the heavy run on sterling during August, which was stimulated both by the devaluation of the French franc and by the expectation that the German Deutschemark might be revalued, foreign pressure on the pound had continued in the international exchange markets, and the approach of the I.M.F. meeting in Washington had tended to revive speculation against sterling.

The sudden increase in the Bank Rate by a full 2 per cent caused an immediate sharp drop in the Stock Exchange prices of both Government securities and equities. After an initial slow reaction, however, the announcement of the Government's measures led to a decisive recovery of sterling in the foreign exchange markets on Sept. 23. By the following day the official sterling rate against the U.S. dollar had risen to 2.79½ (the highest level since the beginning of July, and comparing with 2.78 ⅜ on Sept. 18 just before the Government's announcement). Against the Deutschemark, sterling rose to 11.73⅞ (the highest rate since June 3, and comparing with 11.69 on Sept. 18), whilst against the Swiss franc the rate closed at 12.22½ (the highest since June 17, and comparing with 12.18¾ on Sept. 18). At the same time the rate for transferable sterling in Zürich reached $2.77 (the highest since Aug. 10, and comparing with $2.76 ⅜ on Sept. 18). Although sterling lost ground on Sept. 25, it rallied again on Sept. 26 and by Sept. 27 closed in London at $2.79 ⅜ and DM 11.71⅛ respectively, whilst in New York spot sterling closed at $2.79⅛-2.79½, and transferable sterling at $2.772-2.773.

After discussion with Mr. Gaitskell, the following statement was issued by Mr. Harold Wilson on Sept. 19 on behalf of the Opposition:

"In so far as the increase in Bank Rate is being put forward as a short-term emergency measure designed to deal with the speculative movements against sterling, we can only express the hope that it will prove successful and reserve any further comments on the foreign exchange position until we debate it in Parliament."

After pointing out that the Opposition's strong opposition to devaluation and their views on other aspects of the dollar position had been stated by Mr. Gaitskell in a speech to the American Chamber of Commerce on Sept. 17, the statement continued: "We cannot refrain from expressing our anxiety that . . . the Government have fallen back on the view that cutting back the level of production and employment is the only way of dealing with a foreign exchange crisis . . . Secondly, it is difficult to reconcile the Government's insistence that they are dealing only with a short-run speculative movement of capital with the announcement of measures which can only have serious long-term effects on our industrial output and productivity and represent a threat to the level of employment."

The Opposition "Shadow Cabinet" authorized Mr. Gaitskell on Sept. 23 to write to the Prime Minister and ask for an early recall of Parliament (normally due to reconvene on Oct. 29) to discuss the financial and economic situation after the Chancellor's return from Washington and Ottawa.

"In putting forward this request," Mr. Gaitskell said in his letter to Mr. Macmillan, "I must make it clear that we have no desire that anything should be said or done which might undermine confidence in sterling. But the grave and far-reaching measures announced, together with their implications for the nation and the circumstances which led up to them, should certainly be considered by Parliament at the earliest possible moment."

Mr. Macmillan declined the Opposition's request in a letter to Mr. Gaitskell on Sept. 24.

After stating that he had consulted with some of his Cabinet colleagues, the Prime Minister wrote: "Our view is that the situation is not one which requires an emergency summoning of Parliament. Parliament has been recalled on three such occasions since the war. These were the devaluation of the pound in 1949; the need in 1950 to take urgent action to amend the National Service Acts following the outbreak of the Korean War; and a critical stage in the Suez Canal problem in 1956. I do not consider that the present is comparable with any of these occasions.

"The measures which the Government have taken must of course be fully debated in Parliament; but I do not think that it is necessary that they should be debated immediately. Indeed, the discussions may be more fruitful if they take place after the situation had has an opportunity of developing. Moreover, it would be an advantage to the House to have a full account of all the international negotiations, not only those in Washington and Ottawa to which you refer, but also those in Paris, where the O.E.E.C. meeting will take place in the week beginning Oct. 14 [i.e. the special meeting of Ministers to receive the reports of the working parties on the proposed European Free Trade Area]. It follows that the earliest time would be in the week beginning Oct. 21. But under the present arrangement Parliament will meet on Oct. 29, and I do not think that there would be any significant gain from altering the date.

"The Government will naturally welcome a full debate on the economic situation when the House resumes, and will make whatever rearrangement of business is required to allow this to take place before the prorogation."

Reactions of both sides of industry to the Government's measures are summarized below.

Employers. A spokesman of the Federation of British Industries said on Sept. 19 that the Chancellor had "gone to the root of inflation," since "Government spending for investment, consumption and administration has continuously kept the money pump active, and efforts to drain the excess money off by high taxation have been self-defeating." He added: "It is to be hoped that within its new limits Government expenditure will lean in favour of productive investment such as roads, railways, power plants and the like, and against consumption and administration, which are still top-heavy."

"The rise in Bank Rate and the limitation of bank advances will severely handicap expanding industries by restricting productive investment. But the loss of productive capacity should be weighed against the intolerable damage which would flow from unrestrained inflation. Exports are still of the highest importance, and it is therefore encouraging to note that the Chancellor recognizes that special consideration may have to be given to export credits."

The British Employers' Confederation said that steadily mounting labour costs had been the major factor in forcing up prices and lessening Britain's competitive power in world markets, and that it was these which made the new measures necessary. "Many employers will be hard hit," the statement went on, "and some people will lose their present jobs, but if we all act sensibly there is no reason why there should be any widespread or lengthy unemployment. We ought to be able to get a closer balance between jobs and men instead of the situation which we have had in recent years of jobs chasing men, which has been debilitating for employers and workers alike, and has discouraged and made difficult needed increases in efficiency."

The president of the National Union of Manufacturers (Mr. C. S. Garland) emphasized that although the increase in the Bank Rate was necessary for monetary control, it would bear "very hardly on the small and medium-sized manufacturer who cannot secure the finance needed for expansion and development on the open market."

The Association of British Chambers of Commerce stated that if the Chancellor's move was the first of a series of considered steps in the Government's attempt to tackle inflation vigorously at its roots, then it would be understood in the general interest. There was no doubt, however, that it would come as a "profound shock" to many businessmen.

Trade Unions. The T.U.C. General Council issued a statement on Sept. 25 expressing "apprehension at the effect of the Government's actions upon the level of employment and productivity."

"The General Council," the statement said, "recognize the importance of maintaining international confidence in sterling, and the trade union movement has never been unwilling to support even distasteful measures which are seen to be necessary and are equitable in their impact. It is, however, clear that recent speculation against the pound has not arisen primarily from the internal situation in the U.K. but from the international economic situation, in which the policies of several leading countries are involved, and which will not be rectified by the U.K taking action alone.

"In the present situation there is no evidence that the level of industrial activity is higher than is desirable or that manpower and other resources are generally subject to undue strain The measures announced by the Government threaten to result in a lowering of activity in this country, and in a rise of the level of unemployment which is likely to be persistent. If this occurs, the benefits of increased output and living standards which might have been expected from capital investment of recent years will also not be realized

"The General Council have consistently criticized the Government's reliance on monetary methods of restriction on the grounds that these methods are indiscriminate in their effects on investment, and because accompanying direct restrictions on public investment tend to bear harder on this sector than do monetary methods on the private sector. This bias is undesirable."

The Government's determination that there would be no change in the parity of sterling was reaffirmed by Mr. Thorneycroft when he addressed the annual meeting of the I.M.F. on Sept. 24. He also announced that in order to combat any further speculation against the pound he was arranging to draw over the coming weeks the "stand-by" credit of $500,000,000 from the U.S. Export-Import Bank which had been arranged on Feb. 25 last (see 15416 D). As regards the U.K. balance of payments, he announced that the final figure for the year ended June 30, 1957, would be "just over £200,000,000."

Referring to the "sudden worsening of the imbalance in Europe which has been the main concern of European countries in the last two months," and to the widespread speculation which had arisen from "rumours that changes in the parity of sterling and the Deutschemark were imminent," Mr. Thorneycroft declared: "I have not come here to discuss the exchange rate parity of the pound. It stays at $2.80. Nor shall we allow the margins to widen. I stated this before I left London. I repeat it now. The German Government have been equally emphatic that the existing exchange rate of the Deutschemark will be held where it now is. Thus the policy on the exchange rate of Germany and the United Kingdom is definitely determined, and that is that."

Reviewing in detail the internal measures taken by the Government in the previous week, Mr. Thorneycroft said that to stop the inflationary spiral the Government had to be prepared to "deny the extra cash whatever other painful consequences might follow," and that the raising of the Bank Rate had been only one step in the process. Britain's difficulties in recent weeks, he continued, had been due not to lack of competitive ability as a trader but to speculation. This would be reflected in the next published figures of the sterling area's gold and dollar reserves and of the U.K. position in the E.P.U.—although it was right to mention that the reserves and the E.P.U. position were in any case seasonally under pressure at this time of year. The Government, however, had ample resources to deal with speculative pressure should it continue, and would not hesitate to use them, in this connexion the Chancellor announced the forthcoming drawing of the funds available under the Export-Import Bank credit.

After emphasizing that Britain's trading position was strong, Mr Thorneycroft continued: "When we looked at our prospects last December we said publicly that at best we would be in external balance over the year to June 1957. We had no thought then that we should be able in the disturbed conditions to earn the surplus on our external trading which is so essential to us Later on it looked as though our prospects might improve, and I told Parliament that we could hope for a surplus of about £125,000,000, say $350,000,000. Actually, the final figure will be just over £200,000,000, say $600,000,000. A surplus of $600,000,000 is on any reckoning a solid achievement.

"Looking forward, the trends in our economy suggest that we shall have a bigger surplus in the 12 months ending June 1958. Our exports have risen and continue to rise. Over the last three years our exports to the U.S. have risen by as much as two-thirds. This is not the picture of a declining currency. Our current trading balance therefore shows clearly that our parity is right"

The Chancellor went on to express the hope that future consideration of the problems of European imbalance and co-operation would take place in a calmer atmosphere, and without the burden of recurrent exchange speculation "I wish to emphasize," he added, "that the question of exchange rates must now be regarded as settled and will not be reopened in any discussions of these matters."

The British decision to maintain the present exchange rate of the pound was approved by the Managing Director of the I.M.F., Mr. Per Jacobsson, when he addressed the meeting.

Mr. Jacobsson said that "on the basis of present indications, including the realization of a surplus in the current account of the balance of payments, sterling is certainly not over-valued at its present parity. When exchange rates are on a realistic basis, there is great wisdom in strongly defending the existing rate structure. Such defence may require very stiff measures for a time, but that is better than to take the easy way out and fall into the habit of currency devaluation, which may be exceedingly difficult to break . . . The growing knowledge that there will be no alteration in the value of either the Deutschemark or the pound sterling should already in itself have a calming effect on the movement of funds."

The increase in the Bank Rate in Britain was welcomed as "a step in the right direction" by a spokesman of the West German *Bundesbank*, who added that Britain's economic policy had been given further support by the reduction of the German Bank Rate the previous day from 4½ to 4 per cent. As regards the position of the Deutschemark, Dr. Adenauer rejected suggestions of an upward revaluation during an interview over the Columbia Broadcasting System on Sept. 12. The West German representative at the I.M.F. meeting in Washington reaffirmed this decision on Sept. 24, declaring: "There is no intention whatsoever to contemplate a change in the dollar value of the Deutschemark, nor any change in the margins." The fact that the monthly foreign exchange surpluses and deficits of some countries had reached very extreme figures during the past few months was, he added, due to currency speculation which had been creating a "vicious circle feeding upon its own results," and which constituted "the most acute and pressing problem." [Details of the various measures taken by the German authorities in connexion with Germany's creditor position in the E.P.U. will be given in a separate article.—*Ed. K.C.A.*].

Sterling Area Gold and Dollar Reserves, August Figures.

The Treasury announced on Sept. 3 that the sterling area's gold and dollar reserves had fallen during August by $225,000,000, after taking into account (*a*) the payment of $38,000,000 to the E.P.U. in respect of the U.K.'s deficit in July; (*b*) the payment of $24,000,000 to creditor countries in the E.P.U. under bilateral settlements, including $21,000,000 to Western Germany. No U.S. defence aid was received during the month. As a result, the gold and dollar reserves stood at $2,142,000,000 on Aug. 31.

It was pointed out in the Press that the heavy fall in the sterling area's reserves during August had been the result of widespread speculation that the Deutschemark might soon be raised in value, and that the heavy flight of funds into Western Germany, and the run on the pound, had been especially stimulated by the partial devaluation of the French franc on Aug. 11. The effect on the gold and dollar reserves had been all the more intense since this was the time of year when the earnings of the sterling area were at their lowest, and when dollar expenditure on grain and tobacco was particularly heavy.

Provisional figures for the E.P.U. August settlement showed that Britain had a deficit of £63,500,000, the largest for some years; three-quarters of this would be settled in gold or dollars (involving a payment of some $135,000,000) and the remaining quarter by an increase in the U.K.'s debt to the Union.—(Treasury Press Office, London - Times - Daily Telegraph - Manchester Guardian - Financial Times)
(Prev. rep. 15673 A; Bank Rate, 15376 E; Gold and Dollar Reserves, 15690 C; Balance of Payments, 15481 A)

A. UNITED KINGDOM. — Lord Hailsham appointed Chairman of Conservative Party.

The Conservative Central Office announced on Sept. 18 (*a*) that the Leader of the Party, Mr. Harold Macmillan, had appointed Lord Hailsham as chairman of the party organization in place of Mr. Oliver Poole; and (*b*) that Mr. Poole would act as deputy chairman of the party at Mr. Macmillan's request. Lord Hailsham's appointment to the party chairmanship was announced on the day following his appointment to the post of Lord President of the Council (see 15761 D).

In a press statement at Conservative headquarters on the same date (Sept. 18), Lord Hailsham said: "I have had a very strong impression in recent months that the fact that there was not in the Cabinet someone with an intimate relationship with the party—such as Mr. Herbert Morrison had when he was Lord President—has been a loss to the Government. As I see it, my appointment repairs that deficiency or loss. My duty will be to listen to people far more than to talk to them. I want to get the feel of things, which will enable me to play a part in the Cabinet which I know ought to be played by someone."

Disclaiming any intention that he should become an *éminence grise*, Lord Hailsham said: "I am not a substitute for my various colleagues who hold public offices. As a member of the Cabinet I am jointly responsible for policy, and I shall continue to be jointly responsible for policy with my colleagues. Obviously, I hope to influence them. I do not regard it as my function to invent some startling departure from what my colleagues and I have been doing as members of the Cabinet."

Lord Hailsham indicated that he would be making a close study of the Government's failure in recent by-elections, but would refuse to regard the Gloucester result (see 15756 B) as a starting-point in this study. "Personally," he added, "I do not put by-election results down to any one factor, local or national. It is a combination, and it is very important to evaluate this rightly. What has to be studied is the world, this country, and the changing scene to which we have as a nation constantly to adapt ourselves."

Mr. Oliver Poole (46) had been chairman of the Conservative Party since November 1955, when he succeeded Lord Woolton. *The Times* stated that the Prime Minister's intention in appointing Lord Hailsham was "to restore the strong link between the party and the Cabinet which existed in the days of Lord Woolton's tenure of office."

Mr. Macmillan had been elected Leader of the Conservative Party in succession to Sir Anthony Eden on Jan. 22, 1957, following his appointment to the Premiership after Sir Anthony's resignation.—(Times - Daily Telegraph)
(Prev. rep. 14439 E.)

B. SOVIET UNION.—Decree on Place-names.

The Presidium of the Supreme Soviet issued a decree on Sept. 11 stating (*a*) that the names of living persons would no longer be given to towns, regions, industrial enterprises, collective farms, etc.; and (*b*) that prominent personalities could only be commemorated in this manner posthumously, and in exceptional cases.

After recalling that many places and institutions had been named after living persons during the period of the "cult of the individual," a practice which had led to "the unjustified glorification of certain individuals," the decree stated:

(1) That it was "necessary to discontinue in the future the naming of territories, regions, districts, towns, industrial enterprises, railway stations, collective farms, institutions, educational establishments, and organizations after statesmen, public and political leaders, and workers in the fields of science and culture during their lifetime."

(2) That the naming of places after leading personalities could be done "only posthumously and in exceptional cases." The only bodies authorized to make such changes would be the Presidiums of the Supreme Soviets of the Union Republics; the U.S.S.R. Council of Ministers; or the Councils of Ministers of the Union Republics.

(3) That all regions, districts, towns, industrial enterprises, collective farms, etc., at present bearing the names of living personalities would be renamed.

The preamble said that Lenin had been "a model of modesty and simplicity" and an "irreconcilable opponent of the glorification of his name" during his lifetime, during which no region, district or town had been named after him. It was recalled that the cities of Leningrad and Ulyanovsk had been named after Lenin following his death in 1924.
(Soviet Embassy Press Department, London)

C. INDIA. — Mr. Nehru's Visits to Syria, Scandinavia, Netherlands and Middle East. - Proposals for Danish and Dutch Technical Aid to India.

The Indian Prime Minister, Mr. Nehru, visited Syria and the Scandinavian countries while on his way to London for the Commonwealth Premiers' conference (see 15637 A). Leaving Delhi by air on June 14, he arrived in Damascus later the same day, and on June 15 had talks with President Kuwatly and other Syrian leaders; the Syrian Premier, M. Assali, had previously stated that these would primarily relate to new efforts for a solution of the Palestine problem and the return of the Palestinian Arab refugees to their homes. Before leaving Damascus Mr. Nehru received a deputation with which he discussed the Algerian question.

From Damascus Mr. Nehru flew on June 15 to Copenhagen and was welcomed by Hr. Hansen, the Danish Prime Minister, with whom he subsequently had informal discussions. Mr. Nehru, who had expressed great interest in the Danish co-operative and educational systems, inspected a co-operative dairy, farms, and a folk high school, lunched with King Frederik and Queen Ingrid, and visited Professor Niels Bohr, the famous physicist.

Immediately before Mr. Nehru left India, a delegation of the Danish National Committee on Technical Assistance had arrived in Delhi on June 13 to examine the possibility of carrying out in Mysore a joint Indo-Danish project for general education, including technical advice on agricultural matters. It was announced at the same time that the Indian and Danish Governments had agreed to raise their respective legations to the status of embassies.

On June 18 Mr. Nehru flew to Helsinki. Although he paid courtesy calls on President Kekkonen and Dr. Suksclainen (the Prime Minister), his two-day stay was devoted almost entirely to public engagements, including a reception by the Speaker of the Finnish Parliament (M. Fagerholm) and a visit to the industrial town of Meantine, and no political talks took place.

From June 20-22 Mr. Nehru visited Oslo, where he had informal talks with the Norwegian Premier, Hr. Gerhardsen, and was received in audience by the Regent, Crown Prince Olav. He next flew to Stockholm, where he had a 90-minute talk with the Swedish Premier, Hr. Erlander, and the Foreign Minister, Dr. Unden, the subjects discussed including disarmament and the suspension of nuclear weapon tests. Mr. Nehru concluded his Scandinavian tour on June 25 by visiting Malmö, where he lunched with King Gustav Adolf at his nearby estate on June 25 before flying to London.

After the Commonwealth Prime Ministers' conference Mr. Nehru visited the Netherlands from July 8-9 at the Dutch Government's invitation, and had talks in The Hague with Dr. Drees (the Prime Minister) Mr. Luns (Foreign Minister) and other members of the Government. During these talks Mr. Mansholt (Minister for Agriculture, Fisheries, and Food) submitted to Mr. Nehru proposals for Dutch technical and financial aid in a land reclamation project in the Saurashtra area of Bombay State, and also in the development of a leather industry. Mr. Nehru also visited Rotterdam and Delft and lunched with Queen Juliana.

From The Hague Mr. Nehru flew to Cairo, where he arrived on July 10. On the following day he discussed Middle East problems with President Nasser, the talks being attended by Dr. Fawzi (the Egyptian Foreign Minister), General Amer (War Minister), and Wing-Commander Ali Sabry (then President Nasser's political adviser). The main subjects under discussion were reported to be the unresolved problems of the Suez Canal issue, the resumption of Anglo-Egyptian relations, the Arab-Israeli question, and Algeria. Mr. Nehru also discussed the Algerian situation with the Tunisian Ambassador to Egypt (Dr. Mokkadem), who invited him to visit Tunisia.

After flying to Khartoum on July 12 for talks with Mr. Khalil, the Sudanese Prime Minister, Mr. Nehru flew back on July 13 to Cairo, where he had further talks with President Nasser. He returned to Delhi on the following day.
(Indian High Commissioner's Office, London - Politiken, Copenhagen - Norwegian Embassy Press Office, London - Netherlands News Agency) **(Prev. rep. 15410 A.)**

D. ISRAEL. — Diplomatic Relations with Ceylon.

It was announced in Jerusalem on Sept. 16 that Israel and Ceylon had agreed to establish diplomatic relations. Ceylon is the sixth Asian country to enter into diplomatic relations with Israel, the others being Burma, Japan, Laos, the Philippines, and Siam.—(New York Times)

A. SIAM. — Army Coup d'Etat by Marshal Sarit Thanarat. - Flight of Field-Marshal Pibul Songgram. - Mr. Pote Sarasin appointed Prime Minister.

The Government of Field-Marshal Pibul Songgram was overthrown during the night of Sept. 16-17 by a bloodless *coup d'état* carried out in Bangkok by Marshal Sarit Thanarat, Commander-in-Chief of the Siamese Army. The *coup* had been preceded by the resignation from the Government of Marshal Sarit (previously Minister of Defence) and other Ministers, and the subsequent resignation from the National Assembly of 62 members of the ruling *Seri Manangasila* party.

Four members of the Government, all senior Army officers, resigned on Aug. 21-22 after Field-Marshal Pibul Songgram had demanded that all Ministers should either relinquish their commercial and business directorships or tender their resignations. The Ministers who left the Government were Marshal Sarit Thanarat (Minister of Defence), Lieut.-General Kittikachorn (Deputy Minister of Defence), General Siryothin (Minister for Co-operatives) and General Prapart Charusathien (Deputy Minister of the Interior). Marshal Sarit explained that he resigned not because he was forced to choose between his position as Minister of Defence and his chairmanship of the State Lottery Bureau, but because he felt that Marshal Pibul's Government was out of touch with public opinion. [In addition to being chairman of the State Lottery Bureau, Marshal Sarit also held the chairmanship of the Thai plywood organization and of the Bank of Asia, all of which are Government appointments.]

Following these resignations, 62 members of the National Assembly —many of whom were Army officers—resigned *en masse* on Sept. 10 both from the Assembly and from the *Seri Manangasila* party. The 62 deputies decided to resign after attending a meeting summoned by Marshal Sarit, who was himself among the deputies tendering their resignations. All the deputies concerned were nominated members of the Assembly, whose strength was reduced by half as a result of the mass resignations (half the members of the Assembly are elected and the other half nominated).

Two days after (Sept. 12) it was announced that General Phao Sriyanond had resigned as Minister of the Interior but would remain Chief of Police. The circumstances of General Phao's resignation were obscure, but it was understood that his resignation had been demanded by supporters of Marshal Sarit, including an influential section of the Army.

[Since the general elections of February last (see 15615 A) General Phao had been one of the three "key" personalities in Siamese politics, the other two being Marshal Sarit and the Prime Minister, Field-Marshal Pibul Songgram. Foreign press correspondents in Bangkok suggested that there had been intense rivalry between Marshal Sarit and General Phao, in which the latter had progressively lost ground as a result of Marshal Sarit's increasing popularity with the Army and the civilian population generally. Although General Phao was previously reported to have tendered his resignation as Chief of Police on becoming Minister of the Interior (see final paragraph to 15615 A), he had apparently continued to hold that post concurrently with his ministerial portfolio since the formation of a new Cabinet after the elections.]

During the night of Sept. 16-17 units of the Siamese Army seized control of key points in Bangkok and other centres on the orders of Marshal Sarit, the *coup* meeting with no resistance and being carried without bloodshed. Marshal Sarit issued a proclamation on Sept. 17 announcing that martial law had been imposed; that the Army had been compelled to take action because Siam was "very disorderly and heading for disaster"; and that King Phumiphon Aduldet had appointed him Military Governor of Bangkok. He stated also that the Army's action had had the King's full support. It was also announced that all Ministers of Field-Marshal Pibul's Government had resigned and that General Phao had been superseded as Chief of Police by Major-General Pichai Montri, an Army officer.

At a press conference on the same day Marshal Sarit said that he wished to "beg Marshal Pibul Songgram's pardon" for the action taken, and expressed the hope that the former Prime Minister would continue to live quietly in Siam. Although Marshal Pibul had "made mistakes and followed mistaken advice," he had nevertheless done much for Siam. "I still regard him as my leader," Marshal Sarit added.

Field-Marshal Pibul Songgram, who had apparently been forewarned of the *coup*, left Bangkok by car shortly before the Army took over, crossed the Cambodian frontier, and arrived on Sept. 19 in Pnom-Penh, the Cambodian capital. It was announced that he would be granted political asylum in Cambodia. General Phao, the former Chief of Police, left Siam by air for Europe and subsequently arrived in Switzerland.

King Phumiphon Aduldet dissolved the National Assembly on Sept. 18 in preparation for new general elections to be held within 90 days. On the same day 123 "nominated" members, mostly military officers, were appointed to sit without elected members as a provisional Assembly until the elections.

Mr. Pote Sarasin (52), secretary-general of the South-East Asia Treaty Organization (SEATO), was appointed Prime Minister by the provisional Assembly on Sept. 21, to hold office until the general elections. Strongly pro-Western, and not associated with any of the political parties, Mr. Pote Sarasin was Foreign Minister from 1945 to 1950, and subsequently Ambassador in Washington for five years until his appointment as secretary-general of SEATO in July last (see 15644 F).

In a statement after taking office, Mr. Pote Sarasin criticized various newspapers and politicians (unnamed) who had attempted to weaken Siam's ties with SEATO and with the United States and the Western democracies. He announced that his Government would ensure free and satisfactory elections in December and would "investigate and expose" Communist activities in Siam—an investigation which would centre mainly on Communist support for left-wing newspapers.

The first appointments to Mr. Pote Sarasin's Cabinet, announced on Sept. 24, included General Kittikachorn as Minister of Defence; General Prapart Charusathien as Minister of the Interior; and Nai Sukich Nimmanhemin, leader of the (Opposition) Unionist Party, as Minister of Economic Affairs. Prince Wan Waithayakon remained Foreign Minister and Siamese representative at the United Nations. Generals Kittikachorn and Charusathien are both closely associated with Marshal Sarit and played prominent parts in the *coup* which overthrew Field-Marshal Pibul Songgram.

A spokesman of the U.S. State Department described the *coup* in Siam as "essentially an internal political development" which would neither damage the structure of SEATO nor affect the flow of U.S. military aid to Siam.—(Times - Manchester Guardian - Le Monde, Paris - New York Times)

(Prev. rep. 15644 F; 15615 A.)

B. NEW ZEALAND. — Mr. Holyoake becomes Prime Minister. - Knighthood conferred on Mr. Holland. - Cabinet Reorganization.

Mr. Sidney Holland formally tendered his resignation from the Premiership on Sept. 20 and was succeeded in that office by Mr. K. J. Holyoake, hitherto Deputy Premier and Minister of Agriculture. At Mr. Holyoake's request, Mr. Holland remained in the Cabinet as Minister without portfolio.

The New Zealand Cabinet was reorganized by Mr. Holyoake on Sept. 26, its membership being as follows:

Mr. Keith Holyoake	..	Prime Minister and Minister for Maori Affairs.
Mr. Sidney Holland	..	Minister without portfolio.
Mr. S. W. Smith		Internal Affairs and Agriculture.
Mr. T. L. Macdonald		External Affairs.
Mr. D. G. Eyre	..	Defence.
Mr. R. G. Gerard	..	Lands and Forests.
Mr. John Rae ..	..	Housing, and State Advances Corporation.
Dame Hilda Ross	..	Social Security and Welfare of Women and Children.
*Mr. J. K. McAlpine	.	Labour, Mines and Railways
*Mr. E. H. Halstead	.	Industries, Commerce and Customs.
*Mr. R. M. Algie	..	Education, Broadcasting, and Scientific and Industrial Research.
*Mr. J. T. Watts	..	Finance, Census and Statistics.
*Mr. W. S. Goosman	..	Works, Transport, and Hydro-electric Undertakings.
*Mr. J. R. Marshall	..	Attorney-General and Justice.
*Mr. J. R. Hanan	.	Health and Immigration.
*Mr. T. P. Shand	.	Postmaster-General, Telegraphs, and Civil Aviation.

*No change.

The reorganization involved the following changes: (i) Mr. Holyoake relinquished the Agriculture portfolio to Mr. Smith, who retained the portfolio of Internal Affairs; (ii) Mr. Corbett, formerly Minister for Maori Affairs, left the Cabinet through ill-health, the portfolio being taken over by Mr. Holyoake concurrently with the Premiership; (iii) Mr. Macdonald relinquished the Defence portfolio to Mr. Eyre (formerly Minister for Housing and State Advances) but retained the External Affairs portfolio; (iv) Mr. Gerard succeeded Mr. Smith as Minister for Lands and Forests, relinquishing his former post of Minister for Social Security; (v) Mr. John Rae (a former Government Whip), who entered the Cabinet for the first time, became Minister for Housing and State Advances *vice* Mr. Eyre, and also took charge of the Government Superannuation Fund, the National Provident Fund, and the Government Printing and Stationery Office; (vi) Dame Hilda Ross became Minister of Social Security *vice* Mr. Gerard, retaining the portfolio of Minister for the Welfare of Women and Children.

It was announced in London on Sept. 23 that the Queen had conferred the G.C.B. on Mr. Holland on his relinquishment of the office of Prime Minister of New Zealand.—(Directorate of Information Services, Wellington)

(Prev. rep. 15701 D; Cabinet, 15375 B; 14780 D; 13953 A.)

A. MEDICAL RESEARCH. — Reports of British Medical Research Council and American Cancer Society on Relationship between Smoking and Lung Cancer. - British and U.S. Governments' Decision to organize Information Campaigns on Dangers of Smoking.

The British Report.

A report published on June 27 by the Medical Research Council stated that the relationship between smoking and lung cancer was "one of direct cause and effect," in contrast to the Council's previous reports, which had merely referred to an "association" between the two. The British Government announced on the same day that it would take special measures to bring the Council's findings to the notice of the public, and particularly of those responsible for health education.

The report stated that the death-rate from lung cancer had more than doubled in 10 years, from 188 per 1,000,000 of the population in 1945 to 388 in 1955. Among males the disease was now responsible for approximately 1 in 18 of all deaths. Although the death-rate for women was comparatively low, it had shown a considerable increase in recent years and the disease was now responsible for 1 in 103 of all female deaths.

Commenting on these figures, the report said that the trend over the last few years indicated that the incidence had not yet reached its peak. The figures were not to be explained as a mere reflection of improved methods of diagnosis, but represented a real rise in the incidence of the disease, to an extent which had occurred with no other form of cancer. Only a small part of the rise could be attributed to the larger numbers of old persons now living, as in the last 10 years the lung cancer death-rates among both men and women had risen at all ages from early middle life onwards.

The extent and rapidity of the increase in lung cancer pointed clearly to some potent environmental influence which had become prevalent in the past half-century, and to which different countries, and presumably also men as compared with women, had been unequally exposed. The pattern of incidence of the disease ruled out any possibility that the increase could be due in a substantial degree to special conditions (such as occupational hazards) affecting only limited groups, and it was necessary to seek some factor or factors distributed generally throughout the population. From the nature of the disease attention had focussed on two main environmental factors: (1) the smoking of tobacco, and (2) atmospheric pollution, whether from homes, factories, or the internal combustion engine.

The evidence that heavy and prolonged smoking of tobacco, particularly in the form of cigarettes, was associated with an increased risk of lung cancer was not based on the observation that the substantial increase in the national mortality had followed an increase in the national consumption of cigarettes, but was derived from two types of special inquiry. In the first, lung cancer patients had been interviewed and their histories in relation to smoking and other factors compared with those of patients without lung cancer. The published results of 19 such inquiries (in Britain, the U.S.A., Finland, Germany, Holland, Norway, and Switzerland) agreed in showing more smokers and fewer non-smokers among the lung cancer patients, and a steadily rising mortality as the amount of smoking increased.

In the second type of inquiry, information had been obtained about the smoking habits of each member of a defined group in the population, and the causes of the deaths occurring subsequently in the group had been ascertained. There had been two such investigations, one in the U.S.A. covering 100,000 men aged 50-69 (see below), and the other in Britain covering over 40,000 men and women doctors. In both the results had been essentially the same. The investigation in Britain, which had been in progress for over five years, had shown, with regard to lung cancer in men, a higher mortality (1) among smokers than among non-smokers; (2) among heavy smokers than among light smokers; (3) among cigarette smokers than among pipe smokers; (4) among those who continued to smoke than among those who gave it up. The highest mortalities were found among men who continued to smoke cigarettes, heavy smokers in this group having a death-rate nearly 40 times that among non-smokers. The evidence suggested that the proportion of life-long heavy cigarette smokers who would die of lung cancer was likely to be of the order of 1 in 8, whereas the corresponding figure for non-smokers would be of the order of 1 in 300. The observation on the effect of giving up smoking indicated that men who ceased to smoke, even in their early forties, might reduce their likelihood of developing the disease by at least one-half.

The evidence from the many inquiries in the last eight years had been uniformly in one direction, and was very considerable. From the physical and chemical point of view there was nothing inherently improbable in a connexion between smoking and lung cancer. Tobacco smoke consisted largely of microscopic oily droplets held in suspension in air, and these were of a suitable size to be taken into the lungs and retained there. Over 100 constituents had so far been identified, and among these five substances had already been found which were known to be capable, in certain circumstances, of causing cancer in animals. Some workers had produced tumours in animals by painting concentrated extracts of tobacco tar on the skin. Known carcinogens were present in tobacco smoke in very small amounts, and there was no certainty that such low concentrations could be harmful to human beings; nevertheless, the finding of carcinogenic agents in tobacco smoke was an important step forward, in that it provided "a rational basis for the hypothesis of causation."

It had been known for some years, the report continued, that mortality from lung cancer was greater in urban than in rural areas. This fact, together with the identification of carcinogenic substances in coal smoke and motor-vehicle exhausts, had led to the supposition that atmospheric pollution might be concerned with the increase in lung cancer. The facts were particularly difficult to investigate, however, and the evidence was neither so consistent nor so extensive as that relating to smoking. On the one hand, no excess mortality from lung cancer had been observed in persons especially exposed by the nature of their work to atmospheric pollution, e.g. transport workers, garage hands, and policemen. On the other, higher death-rates had been observed among non-smokers in large towns than among those in rural areas. On balance it seemed likely that atmospheric pollution played some part in causing the disease, but a relatively minor one in comparison with cigarette smoking.

Knowledge of the causation of lung cancer was still incomplete, and many factors other than smoking were undoubtedly capable of producing the disease; e.g. at least five industrial causes had been recognized. Nevertheless, the evidence for an association between smoking and lung cancer had been steadily mounting throughout the past eight years, and during the whole of this period the most critical examination had failed to invalidate the main conclusions drawn from it. "In scientific work, as in the practical affairs of everyday life, conclusions have often to be founded on the most reasonable and probable explanation of the observed facts," the report concluded. "So far, no adequate explanation for the large increase in the incidence of lung cancer has been advanced save that cigarette smoking is indeed the principal factor in the causation of the disease. The epidemiological evidence is now extensive and very detailed. It follows a classical pattern on which many advances in preventive medicine have been made in the past."

Mr. Vaughan-Morgan, then Parliamentary Secretary to the Ministry of Health, made the following statement on the report to the House of Commons on June 27:

"The Government feel that it is right to ensure that this latest authoritative opinion is brought effectively to public notice, so that everyone may know the risks involved in smoking. The Government consider that these facts should be made known to all those with responsibility for health education. The Minister of Education included in his recently published *Handbook for Teachers on Health Education* advice about the dangers of smoking, and he is circulating copies of this statement to local education authorities and education authorities generally. Corresponding action will be taken by the Scottish Education Department in Scotland. The Government now propose to bring these views to the notice of the local health authorities who are concerned under statute in the prevention of illness, and who are responsible for health education as a means of prevention. Local health authorities will be asked to take appropriate steps to inform the general public, and in this task they will have the assistance of the Central and Scottish Councils for Health Education."

In reply to questions, Mr. Vaughan-Morgan said that the Medical Research Council's expenditure on the subject was about £40,000 a year, apart from expenditure on cancer research generally. Publicity material would be supplied by the Central Council for Health Education to the local health authorities, who would receive an Exchequer grant of 50 per cent of their expenditure.

A statement issued on the same day by the Tobacco Manufacturers' Standing Committee emphasized that it had not been established with certainty that there was a causal connexion between smoking and lung cancer, and maintained that the Medical Research Council's report did not contain any important new evidence. The Committee had previously issued on June 17 a report on the use made of the £250,000 research fund established by the tobacco industry in 1954, in which arguments were put forward against the theory that smoking was a cause of lung cancer.

During research in the tobacco companies' laboratories, the report stated, an automatic smoking machine had been evolved which closely duplicated human smoking, and smoke produced in it had been analysed by new techniques. Of two carcinogenic substances believed to be present in cigarette smoke, benzpyrene had been discovered in very small quantities, whilst dibenzanthracene had not been detected. Tests had also shown that the daily intake of benzpyrene from breathing London air was equivalent to that from 100 cigarettes, and it was most improbable that the amounts absorbed from normal levels of smoking could in any way be injurious.

The American Report.

A report on the relationship between smoking and death-rates was presented to the annual convention of the American Medical Association on June 4 by Dr. E. Cuyler Hammond and Dr. Daniel Horn, respectively director and associate director of statistical research for the American Cancer Society. The report was based on a study of 187,783 men between the ages of 50 and 69 living in nine States, which had been carried out by 22,000 volunteers over a period of 44 months. Analysis of the results suggested that cigarette smokers were 10 times

more likely to die of lung cancer than non-smokers, and that smoking increased the chances of fatal heart attacks by 70 per cent.

The report stated that final results, which fully confirmed those of earlier interim reports (see 13831 A), showed that death-rates from all causes were 68 per cent higher for cigarette smokers than for non-smokers; 43 per cent higher for men who smoked cigars or pipes as well as cigarettes; 22 per cent higher for cigar smokers; and 12 per cent higher for pipe smokers. Among cigarette smokers, death-rates were 34 per cent higher for those smoking under 10 a day than for non-smokers; 70 per cent higher for those smoking 10 to 20 a day; 96 per cent higher for those smoking 20 to 40 a day; and 123 per cent higher for those smoking 40 or over a day.

Out of 3,100 men smoking 40 or more cigarettes a day, 27 had died of lung cancer while the survey was in progress, as against 15 out of 32,392 non-smokers. The total death-rate from lung cancer was only slightly higher for cigar smokers than for non-smokers; appreciably higher for pipe smokers; and nearly 10 times as high for cigarette smokers. Even when allowance was made for the fact that cigarette smoking was more common in cities, the death-rate from lung cancer had been found to be 25 per cent lower in rural areas than in large cities, whether as a result of some factor in city life or better diagnosis "However that may be," the report continued, "the lung cancer death-rate was low among men who never smoked cigarettes regularly, and high among cigarette smokers in large cities, small cities, suburbs of towns, and rural areas. Whatever the urban factor may be, its effect on lung cancer death-rates is small as compared with the effect of cigarettes." The death-rate for cancer of the lips, mouth, tongue, pharynx, larynx, or œsophagus was seven times higher for cigarette smokers than for non-smokers; five times higher for cigar smokers; and 3½ times higher for pipe smokers.

Discussing heart diseases, the report stated that the death-rate for coronary artery disease was about the same for pipe smokers as for non-smokers, and 28 per cent higher for cigar smokers. It was 70 per cent higher for all cigarette smokers; 29 per cent higher for those smoking less than 10 a day; 89 per cent higher for those smoking 10 to 20; 115 per cent higher for those smoking 20 to 40, and 141 per cent higher for those smoking 40 or over The inquiry had also revealed an extremely high association between cigarette smoking and gastric ulcers; a very high association for pneumonia and influenza, duodenal ulcers, aortic aneurism, and cancer of the bladder; a high association for cirrhosis of the liver, and a moderate association for cerebral vascular lesions.

The U.S. Surgeon-General, Dr. Burney, stated on July 12 that in view of the "increasing and consistent evidence" that excessive cigarette smoking was one of the causative factors of lung cancer, the Public Health Service would carry out a nation-wide information campaign on the subject. The last statement issued by the Service on this question, in 1953, had noted the existence of a statistical association between smoking and lung cancer, but had left open the question of the nature of this relationship.

Statistics on Death-rate from Lung Cancer.

A report issued by the World Health Organization on June 15, 1955, showed that the death-rate for cancer of the respiratory system had greatly increased in all the countries studied in recent years, and was higher in Britain than in any other country. Mortality per 1,000,000 persons from this cause in 1952 was as follows (corresponding figures for 1949 are given in parantheses for purposes of comparison): males in England and Wales, 614 (495); females, 113 (98); males in Scotland, 563 (414); females, 109 (108). Outside Britain the death-rate from this cause in 1952 was highest for males in Switzerland (835), and for females in Eire (73).

Mr. Vosper, the U.K. Minister of Health, stated on March 12, 1957, that the death-rate from lung cancer in England and Wales was 279 per 1,000,000 persons in 1950; 302 in 1951; 328 in 1952; 343 in 1953; 369 in 1954; and 389 in 1955. According to figures published by the Registrar-General, the death-rate from cancer of the lung and bronchus among men in England and Wales was 607 per 1,000,000 in 1953, 657 in 1954, and 693 in 1955. The corresponding figures for women were 98 in 1953, 102 in 1954, and 106 in 1955.—(Times - Daily Telegraph - Manchester Guardian - New York Times)

(Prev. rep. 13831 A.)

A. PAKISTAN. — West Pakistan Assembly's Demand for Division of Province into Autonomous Units. - President Mirza's and Mr. Suhrawardy's Rejection of Constitutional Changes pending the 1958 Elections. - New Governor of West Pakistan.

The West Pakistan Provincial Assembly adopted on Sept. 17 a resolution in favour of the reconstitution of the Province as a sub-federation with four or more autonomous provinces. West Pakistan had been created as a single unit on Oct. 14, 1955, comprising the former provinces of Sind, Punjab, and North-West Frontier Province, the city of Karachi, the former States of Baluchistan, Bahawalpur, and Khairpur, the former Frontier States and Baluchistan States Union, and the former Frontier Province Tribal Areas.

The text of the resolution, which was moved by the leader of the National Awami Party (Mr. G. M. Bhurguri), was as follows: "This Assembly recommends the Government to communicate the views of this Assembly to the National Assembly that the Province of West Pakistan be reconstituted as a sub-federation with four or more fully autonomous provinces." The voting was 170 to four, with 121 abstentions, out of a total House of 305 (with five seats vacant).

Prior to the Assembly debate, the leaders of the Republican Party (the ruling party in West Pakistan) and the recently formed National Awami Party (see 15677 A) had signed an agreement on Sept. 15 pledging their support, both in the West Pakistan Provincial Assembly and in the National Assembly, for a resolution which would call "for the replacement of the one unit in West Pakistan by a zonal federation composed of autonomous provinces on a linguistic and cultural basis." The signatories to the agreement included Sardar Abdur Rashid (the Chief Minister of West Pakistan), Malik Firoz Khan Noon (leader of the Republican Parliamentary Party in the National Assembly), Mian Iftikharuddin and Mr. G. M. Syed (leaders of the National Awami Party), and Khan Abdul Gaffar Khan (the leader of the former Redshirt movement).

Those supporting the resolution accordingly included all the members of the National Awami Party and most of the Republicans. The four opposing votes were cast by three Republicans who refused to adhere to the agreement, and by one Independent The members of the Moslem League abstained, with the exception of six who voted for the resolution contrary to party instructions Eleven Republicans also abstained.

On Sept. 23, however, President Mirza of Pakistan issued a statement rejecting the possibility of a division of West Pakistan pending the general elections to be held in 1958. The President's statement was as follows:

"The recent recommendatory resolution passed by the West Pakistan Assembly regarding the reconstitution of the province of West Pakistan has caused considerable apprehensions amongst people and official classes. The Prime Minister and I have consulted together on the problems raised by it and we are of the view that there should be no tampering with the Constitution on such important issues at the present juncture. The integrity of Pakistan can only be maintained if we have stability, and we can have stability only if we have General Elections. General Elections must therefore be held in 1958 and, as corollary to this, these elections must be held under the present Constitution."

The President's decision was supported by Mr. Suhrawardy, the Prime Minister, in a broadcast the same night.

Mr. Suhrawardy said that any dismemberment of the one unit created in 1955 would entail radical changes in the administrative and legislative organs of West Pakistan and in various other spheres, which would make it impossible to hold general elections in 1958, "and perhaps not until 1960." The elections should, however, be held as early as possible in 1958, as this alone could "eliminate political manoeuvrings and blackmailing and tussling for power." Referring to the history of the one-unit scheme, the Prime Minister claimed that in spite of deficiencies there was today "a greater degree of psychological freedom and a greater sense of oneness and mutual reliance in the cause of the maintenance of the country's integrity and stability." Any retardation of this process might well lead to the disintegration of Pakistan, would weaken the sense of unity and patriotism, and would also upset the understanding and agreements between West and East Pakistan. He added: "I maintain that the future of West Pakistan, and indeed the fate of Pakistan, must be decided by chosen representatives of the people, and not be at the mercy of political manoeuvrings and political ambitions and unholy alliances. There should be no amendment of the Constitution on such radical lines until the general elections, after which the new Legislature may make what amendments it considers requisite."

Mr. Akthar Hussain (Secretary, Ministry of Defence) was appointed Governor of West Pakistan on Aug. 28, in succession to Mr. M. A. Gurmani who had submitted his resignation to President Mirza the previous day. Mr. Gurmani had earlier been summoned to Karachi following complaints by Republican Party leaders who alleged that he had deliberately undermined the prestige of their party and its Ministry in West Pakistan. Although Mr. Gurmani denied these charges and maintained that he had been acting strictly as the constitutional head of the province, he eventually resigned in deference to a request to that effect by the Pakistani Government (which is based on a coalition between the Republican Party and the Awami League).—(Pakistan High Commissioner's Office, London - Times) **(15677 A; 14584 D; 14521 A.)**

B. INDIA. — Revocation of Essential Services Maintenance Ordinance.

It was announced in Delhi on Aug. 12 that President Prasad had revoked the Essential Services Maintenance Ordinance, promulgated on Aug. 7 on the eve of the threatened strike of postal and telegraph workers and other Central Government employees. The President's decision was taken on the Government's advice, following the cancellation of the strike call by the unions concerned.—(The Hindu, Madras) **(15715 C.)**

A. UNITED KINGDOM. — Appointment of Committee of Inquiry into "Telephone-tapping." - Parliamentary Statements. - Disbarment of Mr. P. A. Marrinan.

It was announced on June 28 that, following consultations with the Leader of the Opposition (Mr. Gaitskell) and the Leader of the Liberal Party (Mr. Grimond), the Prime Minister had appointed a committee of three Privy Councillors to hold an immediate inquiry into the Home Secretary's powers to authorize the interception of telephone and postal communications. The three Privy Councillors were: Sir Norman Birkett (chairman), a former Lord Justice of Appeal; Lord Monckton, formerly Minister of Labour and National Service, Minister of Defence, and Paymaster-General; and Mr. Patrick Gordon-Walker, M.P. (Labour), a former Secretary of State for Commonwealth Relations. The committee's terms of reference were:

"To consider and report upon the exercise by the Secretary of State of the executive power to intercept communications and, in particular, under what authority, to what extent, and for what purposes this power has been exercised and to what use information so obtained has been put; and to recommend whether, how, and subject to what safeguards, this power should be exercised and in what circumstances information obtained by such means should properly be used or disclosed."

The appointment of the committee followed a number of parliamentary questions on the subject of "telephone-tapping." On June 6 Lt.-Col. Lipton (Lab.) had asked the Home Secretary (Mr. Butler) in what circumstances he had authorized the police to supply the Bar Council, in connexion with a disciplinary matter affecting a barrister, with transcripts of intercepted telephone conversations in the London area.

Mr. Butler stated in reply that "the material in question was obtained under the authority of a warrant of the Secretary of State and related to the case of a notorious and self-confessed criminal. It was disclosed to the Bar Council in response to a request from the Council for assistance in inquiries which they were making into complaints about the professional conduct of a particular barrister." In reply to a further question, Mr. Butler said that since "it is of the highest importance that persons concerned in the administration of justice should not be associated with criminals in their criminal activities . . . it was thought right to assist the Bar Council in their investigation of allegations of this nature."

In a further statement on June 7, Mr. Butler said that the prerogative power to intercept telephone communications could be used only by the personal authority of the Home Secretary and was, in fact, used solely in cases involving the security of the State or for the purpose of detecting serious crime. Noting that it was a settled principle not to disclose information gained in this way to "persons outside the public service," he assured the House that the case under discussion, with its "wholly exceptional" circumstances, would not be treated as a precedent.

In reply to a question by Mr. Gaitskell, Mr. Butler disclosed that it was not he (as had hitherto been generally assumed), but his predecessor, Lord Tenby (then Major Lloyd-George), who had taken the decision to pass on transcripts of intercepted conversations to the Bar Council. Mr. Butler also emphasized that "there is no question of using this power [to authorize interception] to obtain information about what passes between lawyer and instructing solicitor or from a member of the legal profession to his client."

In the course of the exchanges, Lt.-Colonel Lipton stated that he was at liberty to reveal that the barrister concerned in the case was Mr. P. A. Marrinan.

Further information on the matter was given in the following statement issued by the Bar Council on the same day (June 7):

"Statements have appeared in the newspapers suggesting that the Bar Council requested the Home Secretary to tap telephone lines of a barrister in connexion with disciplinary proceedings. This statement is totally untrue. Complaints were received by the Bar Council from the Attorney-General in regard to the conduct of a particular barrister and these were of a nature which suggested that the police might have relevant information. The Home Office were asked whether there was in fact any such information which could be made available to the Bar Council in connexion with their inquiries. The Home Secretary then made available a record of certain telephone conversations taken long before any intervention by the Bar Council and relating not to the telephone line of any barrister but to that of a person described by the Home Secretary as a self-confessed criminal. No question of disclosing conversations covered by legal privilege appeared to arise."

On June 8 the Attorney-General (Sir Reginald Manningham-Buller) issued a statement concerning his personal role in the case, as follows:

"When I referred certain matters relating to the conduct of a particular barrister to the Bar Council for investigation, I had no knowledge, and no reason to suppose, that any telephone conversations of his had been intercepted. Indeed, the first I knew of any such intercepts was when I saw Mr. Lipton's question on the Order Paper. I did not ask the Home Office to make such intercepts available to the Bar Council, nor did I know of any request that that should be done. The suggestion that I gave a 'tip-off' to the Bar Council, as the result of which the recordings were supplied, is wholly without foundation."

No new developments took place until June 25, when Parliament resumed after the Whitsun recess. On that date the Prime Minister stated in a written reply that he and Mr. Butler would like to confer with Mr. Gaitskell and Mr. Grimond "with a view to considering how certain aspects of this matter could best be handled in future."

Replying on June 27 to a series of questions, Mr. Butler provided further information both on the general position as regards "telephone-tapping" and on the Marrinan case in particular. The Home Secretary said:

"Interception is carried out not by the police, but by the Post Office acting on the authority of a warrant of a Secretary of State addressed to the Postmaster-General. The police and the Post Office are well aware that this authority is required; and I am informed that if a Post Office servant intercepts a telephone line and discloses the information obtained, contrary to his duty, he commits an offence.

"The Secretary of State considers each application to intercept a telephone line individually; permission is not given in relation to categories of offences or in relation to all offences of a given description. Each application is considered in relation to the circumstances of the particular case. No list of categories of offences can therefore be given."

On the subject of the Marrinan case Mr. Butler said:

"On Oct. 26, 1956, the Attorney-General, as head of the Bar, referred to the Bar Council a complaint of alleged unprofessional conduct by Mr. Marrinan in a matter about which evidence had been given in a trial at the Central Criminal Court.

"The secretary of the Council asked the police whether any further information was available about Mr. Marrinan's conduct. The only further information in the possession of the police was information obtained in June and July, 1956, as the result of an interception of the telephone line not of the barrister but of a Mr. Hill.

"The Secretary of State authorized disclosure of this information to the chairman of the Bar Council [Sir Hartley Shawcross, M.P.], who subsequently asked that he might have a copy of it, and for permission to disclose its existence to the Bar Council, to the Benchers of Mr. Marrinan's Inn, and to Mr. Marrinan, so that, if necessary, it might be used in connexion with any investigation into the conduct of Mr. Marrinan. This permission was given."

In accordance with the Prime Minister's proposal, two meetings were held (on June 27 and 28) between Mr. Macmillan and Mr. Butler on the one hand and Mr. Gaitskell and Mr. Grimond on the other. The outcome of the discussions was the decision to appoint a committee of inquiry into all aspects of the Home Secretary's prerogative with respect to "telephone-tapping."

Disbarment of Mr. Marrinan.

On June 27-29 the Benchers of Lincoln's Inn met as a disciplinary body under the chairmanship of Mr. Justice Roxburgh (Treasurer of the Inn) to consider the following charges against Mr. P. A. Marrinan:

(1) That he, "in a manner unbecoming a gentleman and a barrister," had associated with "persons of bad and disreputable character with criminal records"; (2) that he had done so in order to obtain professional work; (3) that in June, 1956, in Dublin, he had given legal assistance to two persons without being instructed by a solicitor; and (4) that at the Bridewell prison in that city he had attempted to help the two persons in question to evade rearrest.

In the course of the hearing, Mr. M. Griffith-Jones, who presented the case against Mr. Marrinan, made considerable use of transcripts of intercepted telephone conversations allegedly demonstrating that Mr. Marrinan was on terms of familiarity with Mr. Billy Hill [the "notorious and self-confessed criminal" referred to in Mr. Butler's initial statement.] Mr. Marrinan denied, however, that he had ever had any social contact with Mr. Hill or his associates. He also denied the charges under (3) and (4) above, maintaining, as regards the former, that he had gone to Dublin merely to give evidence and had in no way been acting for anyone.

Announcing the Bencher's conclusions on July 3, Mr. Justice Roxburgh said that while they had disregarded the charge under (4) above in view of the lack of any conclusive evidence, they had nevertheless been wholly satisfied as to the validity of the first two charges and of three of the four sub-sections of the third charge, and had accordingly concluded that Mr. Marrinan should be disbarred.

Mr. Marrinan's solicitors announced on July 4 that they would appeal against the decision. Appeal from a decision of the Benchers of an Inn of Court disbarring a barrister lies to the Lord Chancellor and the Judges of the High Court sitting as a domestic tribunal.—(Times - Daily Telegraph - Manchester Guardian)

A. UNITED NATIONS. — Special Session on Hungary. - Approval of U.N. Report on Hungarian Revolution. - General Assembly's Condemnation of Soviet Union and Kadar Regime.

Prior to the opening of the 12th session of the General Assembly on Sept. 15, the Assembly met in special session from Sept. 10-14 to debate the report of the U.N. Special Committee on Hungary (see 15621 A), which had been published in June. The U.N. Committee had been set up under the resolution of Jan. 10, 1957, adopted during the Assembly's 11th session (see page 15407, first paragraph), and the special session of Sept. 10-14 was convened by the Assembly's president (Prince Wan Waithayakon, of Siam) in view of the "pressing need" to consider the Committee's report before the opening of the 12th session.

After a five-day debate, the Assembly adopted on Sept. 14 by an overwhelming majority a 37-nation resolution which endorsed the report of the U.N. Committee and confirmed (*a*) that the Soviet Union, "in violation of the U.N. Charter, has deprived Hungary of its liberty and political independence and the Hungarian people of the exercise of their fundamental human rights"; and (*b*) that "the present Hungarian regime has been imposed on the Hungarian people by the armed intervention of the U.S.S.R." The resolution requested Prince Wan, as president of the 11th session of the Assembly, to take "such steps as he deems appropriate" to secure compliance with the U.N. resolutions on Hungary.

The resolution was adopted by 60 votes against 10 (the Communist countries, including Yugoslavia), with 10 abstentions—Afghanistan, Ceylon, Egypt, Finland, India, Indonesia, Nepal, Saudi Arabia, Syria, and Yemen—and South Africa absent. Its text was as follows:

"The General Assembly—

"Recalling its resolution of Jan. 10, 1957, establishing a Special Committee [on Hungary];

"Having now received the unanimous report of the Special Committee;

"Regretting that the U.S.S.R. and the present authorities in Hungary have failed to co-operate in any way with the Special Committee;

(1) Expresses its appreciation to the Special Committee for its work;

(2) Endorses the report of the Special Committee;

(3) Notes the conclusion of the Special Committee that the events which took place in Hungary in October and November, 1956, constituted a spontaneous national uprising;

(4) Finds that the conclusions reached by the Special Committee on the basis of its examination of all available evidence confirm that:

(*a*) The U.S.S.R., in violation of the U.N. Charter, has deprived Hungary of its liberty and political independence and the Hungarian people of the exercise of their fundamental human rights;

(*b*) The present Hungarian regime has been imposed on the Hungarian people by the armed intervention of the U.S.S.R.;

(*c*) The U.S.S.R. has carried out mass deportations of Hungarian citizens;

(*d*) The U.S.S.R. has violated its obligations under the Geneva Conventions of 1949;

(*e*) The present authorities in Hungary have violated the human rights and freedoms guaranteed by the Treaty of Peace with Hungary;

(5) Condemns these acts and the continued defiance of the resolutions of the General Assembly;

(6) Reiterates its concern at the continuing plight of the Hungarian people;

(7) Considers that further efforts must be made to achieve the objectives of the United Nations in regard to Hungary, in accordance with the purposes and principles of the Charter and the resolutions of the General Assembly;

(8) Calls upon the U.S.S.R. and the present authorities in Hungary . . . to desist from repressive measures against the Hungarian people; to respect the libety and political independence of Hungary and the Hungarian people's enjoyment of fundamental human rights and freedoms; and to ensure the return to Hungary of those Hungarian citizens who have been deported to the U.S.S.R.;

(9) Requests the President of the 11th session of the General Assembly, H.R.H. Prince Wan Waithayakon, to take such steps as he deems appropriate . . . to achieve the objectives of the United Nations in accordance with the resolutions of the General Assembly, to consult as appropriate with the Special Committee, and to report and make recommendations as he may deem advisable to the General Assembly;

(10) Decides to place the Hungarian item on the provisional agenda of the 12th session of the General Assembly."

The resolution was sponsored jointly by the United States, Great Britain, France, Belgium, Canada, Nationalist China, Iceland, the Irish Republic, Italy, Liberia, Luxemburg, the Netherlands, New Zealand, Norway, Pakistan, the Philippines, Portugal, Spain, Turkey, and a number of Latin American countries, including Argentina, Bolivia, Brazil, Chile, Colombia, Cuba, Guatemala, Peru, and Venezuela.

The Assembly Debate.

In opening the special session, Prince Wan emphasized that "the problem of Hungary is the problem of humanity." The principal speakers in the debate were Mr. Keith Shann (Australia), *rapporteur* of the U.N. Special Committee on Hungary, Mr. Cabot Lodge (U.S.A.), Mr. Frank Aiken (Irish Republic), M. Sobolev (U.S.S.R.), Commander Noble (Great Britain) and Mr. Arthur Lall (India). Extracts are given below.

Mr. Keith Shann stressed that all five members of the Special Committee on Hungary were in full and unanimous agreement, and expressed his conviction that the Committee's report would "stand the test of future investigation." Imputations [by the Soviet and Hungarian Governments] that the Committee had taken instructions from any source whatsoever were "an insult to men who approached their task with an attitude sincerely judicial and fair-minded." After speaking of the Committee's abortive efforts to secure co-operation from the Hungarian authorities, Mr. Shann said that "one can well understand the embarrassment which the Governments concerned now experience when confronted with the unanimous report of the Committee." He emphasized that all witnesses interrogated had participated in the events described in the report; that the evidence of witnesses had been carefully checked against others in places geographically far apart; and that the report was entirely factual and in no way based on hearsay or conjecture.

Mr. Shann continued: "What, in outline, were the facts which the committee found? They were—that the Soviet Union intervened with force in the internal affairs of Hungary to suppress a popular national uprising of the people against a form of government which they detested; that this uprising was not inspired or assisted from outside Hungary; and that the Government installed by Soviet armed might did not have the support of the Hungarian people, and had only been able to remain in power through the use of an apparatus of foreign force and internal repression.

"The methods of the secret police before and since the Hungarian revolution to maintain in power a Government without real popular support were viewed unanimously by the Committee with horror and scorn.

"There is no doubt what the real wishes of the Hungarian people would be if they had the freedom to express them. They do not wish to return to the past, to the days of the big landlords. The Committee found noteworthy unanimity among the witnesses on this point. They want a free society, with free political parties, a free press, and government by popular will. They want to be able to express themselves freely in political and intellectual fields, and not to be forced into the monotonous mould of dreary, one-party dogma. They want to live in peace and harmony with all nations of the world, and, by no means least, in friendly relationship with the Soviet Union. They entertain no feelings of enmity to the people in neighbouring countries. Their hostility is directed against the system of repressive government under which they have been forced to live, and what that system means—the loss of human rights domestically and the status of a colony in international affairs."

Mr. Cabot Lodge, who presented the resolution, listed eight promises which the Kadar regime had made but had never carried out: (1) to secure the withdrawal of Soviet troops from Hungary; (2) to abstain from reprisals against the freedom fighters; (3) to restore a multi-party system; (4) to hold free elections; (5) to uphold the right to strike; (6) to end the Soviet exploitation of Hungary, (7) to guarantee freedom for writers and artists; and (8) to guarantee freedom of religion. As regards (1) he said that a conservative estimate by the U.S. Government placed the present number of Soviet troops in Hungary, excluding air contingents, at 68,000, compared with only 25,000 before the revolution.

In an apparent attempt to anticipate objections from "neutralist" nations [e.g. India—see below], Mr. Lodge declared: "If we are to uphold the basic principles of the Charter we can do no less than to condemn these evil actions. There is nothing destructive about condemning evil. We do not condemn the doer but the deed. We approach the doer in a spirit of constructive hope. If our concern is genuine, it must take the form of action. It is not enough to accept the truth if we are too tired, preoccupied, or timid to act upon it. The Soviet Union has shown a great resistance to the voice of world opinion on this matter. But we cannot believe that it will be forever deaf to the voice of its own manifest interest, which is to act in harmony with the conscience of the world."

Mr. Frank Aiken made a strong indictment of the Communist system, denounced the suppression of the Hungarian people, and spoke in support of the resolution, whose sponsors included the Irish Republic. At the same time he urged the Assembly to "make every effort to discover whether it is possible to reach agreement on a fair and reasonable drawing back of the non-national forces on both sides from the border of Russian-occupied Europe," since such a withdrawal would "not only relieve the situation of the countries of Eastern Europe but give time and opportunity for a fresh search for peace based on law and justice."

Mr. Aiken said in this connexion: "To avoid prolonged negotiations and the great emotional difficulty of deciding what country must be evacuated in exchange for what other, we suggest that the drawing back should take place along longitudinal lines from either side of the border for an equal number of kilometres. In other words, for every step Russian troops took to the east, American

troops would take a step westwards. This drawing-back might be, for example, a few hundred kilometres in the first stage. A second phase might be a further reciprocal drawing-back, taking Russian troops out of Hungary and the other captive nations west of the Russian border established at Yalta and Potsdam."

M. Sobolev reiterated the Soviet Government's allegation that the Western countries were using the forum of the U.N. "for gross interference in Hungary's domestic affairs and for whipping-up the cold war in order to divert attention from their acts of aggression against many peoples." Describing the U.N. Special Committee on Hungary as an "illegal" body, and its report as "lies," "slander," and "a fabrication from beginning to end," he characterized the Committee as "a receiving centre . . . for collecting political gossip and slander dumped into it by the enemies of the Hungarian people and of other socialist countries." After a bitter attack on the Western Powers, during which he said that the "counter-revolutionary revolt in Hungary" was intended "to divert attention from British, French and Israeli aggression against Egypt," M. Sobolev said that the Soviet Union's "fraternal assistance" to Hungary had "prevented the threat of a fascist dictatorship in which thousands of the best sons and daughters of the Hungarian people would have perished." The Soviet delegate described the resolution before the Assembly as an "unceremonious contravention of the Charter," a "gross interference in Hungary's internal affairs," and "an attempt to use the U.N. as a tool of American foreign policy." In the course of his speech M. Sobolev denounced M. Imre Nagy as "a traitor to the interests of the Hungarian people" and "an accomplice of counter-revolutionary gangs."

[Speeches in similar terms were made by the Hungarian delegate, M. Mod, and by the delegates of Bulgaria, Rumania and other Communist countries.]

Commander Noble expressed the British people's abhorrence of the "brutal repression" in Hungary, and said that H.M. Government unreservedly accepted the findings of the U.N. Special Committee. A cursory glance at those findings was sufficient to explain why the Soviet Government and "its Hungarian puppets" had gone "to such absurd lengths to discredit them," since the findings were not only a condemnation of the Soviet-dominated regime in Hungary but "a damning commentary on a system of government which . . . has degenerated over the years into a ruthless dictatorship exercised by a small ruling clique."

Speaking of the "continuing and growing reign of terror" to which the Hungarian people were being subjected by the Kadar regime, Commander Noble said that by the end of May it was estimated that some 20,000 political prisoners were in prison or concentration camps under appalling conditions. Most of those arrested had not been brought to trial, and those who were tried could expect only a travesty of justice. By mid-July the number of death sentences admitted by the Kadar regime was 104, but the International Commission of Jurists believed there had been over 2,000 executions. Freedom of assembly was denied; the Press and radio were a Communist monopoly; the right to strike, at first acknowledged by M. Kadar, had been made a capital crime; and freedom of religious instruction, though allowed for a time after the revolution, had since been severely restricted again.

Challenging the view expressed by "some well-meaning people" that futher discussion of the Hungarian question could only lead to bitterness and diminish the prospect of an improvement in international relations, particularly with regard to disarmament, Commander Noble said that acceptance of this view would be "the worst possible service" to the U.N. and all it stood for. He added: "It would amount to recognition that, if a Great Power brazenly ignores world opinion and U.N. resolutions, it is pointless even to condemn its actions. If this precedent were set, a premium would be placed on defying U.N. resolutions in the knowledge that such defiance would give impunity not only to international action, but even to international censure. I do not see how the prestige and respect of the United Nations could survive."

Mr. Arthur Lall said that India's attitude to the Hungarian problem in the U.N. was the same as in the case of the Anglo-French intervention in Egypt--namely, "to avoid, as a negative approach to the situation, any condemnation of those who had acted in clear violation of the Charter." In the cases of both Egypt and Hungary, this attitude had been adopted "not because we were in doubt about what had occurred, but because of our firm conviction that it might have been detrimental to the situation to let indignation dictate the Assembly approaches . . . and . . . to allow unfriendliness to manifest itself."

Although India had "no desire to comment" on the report of the U.N. Special Committee (Mr. Lall continued), "we have always considered that the method of this inquiry, the circumstances in which it was constituted, and, consequently, its inevitably limited scope, would make it unfruitful in terms of the objectives of the Assembly. The overriding consideration . . . must be . . . the meeting of the national aspirations of the Hungarian people. This much is common ground between all of us . . . Both in the interests of Hungary itself and in the larger interests involved, we must turn away from the course of condemnation."

After stressing that India's approach to the problem "does not in the least mean that we in any sense approve of what has taken place in Hungary," Mr. Lall added: "We viewed those events as a tragedy, and our deep concern has been expressed by Mr. Nehru and by the Indian delegation in this Assembly at previous meetings. We are committed to a policy of national freedom to the withdrawal of all foreign troops, to non-intervention, to preserving the full sovereignty of the members of the U.N. and other States, and to full and responsible exercise of human rights."

Reiterating that India was "opposed to the presence of foreign troops whether in Hungary or anywhere else in the world," Mr. Lall warmly supported Mr. Aiken's proposal for the reciprocal withdrawal of Soviet and American forces in Europe. The Irish suggestion, "timely and most relevant," would "undoubtedly be better calculated to achieve the results which the people of Hungary desire" than the resolution before the Assembly.

Before the resolution was adopted by the above-mentioned majority, the Assembly rejected two Burmese amendments aimed (i) at substituting the word "deplores" for "condemns" in the fifth clause of the 37-nation resolution; and (ii) at deleting the provision that Prince Wan should "consult as appropriate" with the U.N. Special Committee on Hungary. The first amendment was defeated by 45 votes to 2 (with 30 abstentions) and the second by 42 votes to 3 (with 32 abstentions).

Although the Ceylonese representative on the U.N. Special Committee (Mr. Gunewardene, Ceylon's permanent representative at the U.N.) had signed the Committee's unanimous report and fully endorsed its findings, he found himself in the anomalous position of having to abstain from voting on the 37-nation resolution on the instructions of his Government. Mr. Gunewardene's signature to the report had been strongly criticized by Communist and Left-wing opinion in Ceylon, and the Ceylonese Government had recently expressed its dissatisfaction with the report as being based on "one-sided" evidence and had instructed Mr. Gunewardene to abstain from voting.

In a statement in Colombo on June 23, soon after the report was issued, Mr. Gunewardene strongly repudiated Soviet allegations—made in *Pravda* and other Russian newspapers, and by Moscow Radio—that the report was "a forgery fabricated in the lobbies of the U.S. State Department" and that pressure had been exerted on the U.N. Special Committee by the State Department and Mr. Cabot Lodge. Mr. Gunewardene described the Soviet charges as "libellous," "fantastic," and an insult to the United Nations, stressing that "neither the State Department nor Mr. Lodge had any access to the Committee and certainly not to me." He emphasized that the report was a truthful, sober and factual account of the events in Hungary and that it had been signed unreservedly by all five members of the U.N. Committee.

Replying on July 7 to critics who maintained that he should not have signed the U.N. report because of Ceylon's friendly relations with the U.S.S.R., Mr. Gunewardene said: "Local Communists say I am an American stooge. What else can they say? They have to support the mother country. They feel that the United Nations' report has damned Russia, and naturally they damn me."

Prince Wan refused Entry into Hungary.

The Kadar regime, like the Soviet Government, had bitterly attacked the U.N. report on Hungary as an "arbitrary grouping of events," "concealment of facts," and "false accusations by biased witnesses." After the adoption of the U.N. resolution, the Hungarian Foreign Ministry announced that Prince Wan would be refused entry to Hungary if he tried to visit the country in connexion with the U.N. resolution, since a visit for such a purpose would constitute "an unwarrantable interference in the country's internal affairs." It was added, however, that Prince Wan, Dr. Hammarskjöld, or any other distinguished personality in international life would be free to make a private visit to Hungary at a time convenient to themselves and to the Hungarian Government.

In a televised interview on Sept. 14, Prince Wan said he would do his utmost to carry out the task entrusted to him, and would begin his mission by conferring with the Hungarian and Soviet delegations at the United Nations. He emphasized, however, that "if I am to do anything I would have to go and negotiate with the Governments themselves."—(U.N. Information Centre, London - New York Times - Times - Daily Telegraph - Manchester Guardian - Indian High Commissioner's Office, London) **(Prev. rep. U.N. Report on Hungary, 15621 A; U.N. Resolutions, 15405 A; Hungarian Internal Situation, 15661 A.)**

A. CYPRUS. — Further Relaxation of Emergency Regulations. - Restrictions on Death Penalty.

The Governor of Cyprus (Field-Marshal Sir John Harding) amended the emergency regulations on Sept. 11 so that (1) persons convicted of discharging firearms or throwing bombs would no longer be liable to the death penalty (hitherto mandatory for these offences) but might be sentenced to imprisonment for life or a lesser period at the discretion of the courts; (2) the maximum penalty for carrying bombs or firearms would no longer be death but life imprisonment. (Times - Daily Telegraph) **(Prev. rep. 15701 A.)**

A. UNITED KINGDOM. — Increases in Postal, Telephone, and Overseas Telegram Charges.

New postal rates to come into force on Oct. 1 were announced by the Postmaster-General (Mr. Marples) on July 19. They included an increase in the basic rate for inland letters from 2½d. for two oz. to 3d. for one oz. Higher charges would also be introduced for inland and foreign postcards, overseas letters and telegrams, newspapers and other printed papers, and parcels, whilst there would be increases in certain telephone rentals and charges, foreign registration fees, and poundage rates on postal orders and foreign money orders. The changes, designed to raise Post Office revenue by about £42,000,000 a year, are summarized below:

	Old Rate	*New Rate*
Mail:		
Inland Letters* ..	2½d. for two ounces, then 1½d. for two ounces.	3d. for one ounce, 4½d. for two oz., then 1½d. for each two ounces.
Inland Postcards*	2d.	2½d.
Printed Papers* ..	2d. for four ounces, then 1d. for each two ounces.	2d. for two ounces, 4d. for four oz., then 1d. for each two ounces.
Parcels	From 1s. 4d. for 2 lb. to 3s. for 11 lb.	3 lb., 1s. 9d.; 4 lb. 2s.; 5 lb., 2s.3d; 6 lb., 2s. 6d.; 7 lb., 2s. 9d.; 8 lb., 3s.; 11 lb., 3s. 3d.; 15 lb., 3s. 6d.*
Newspapers* ..	2d. for six ounces, then 1d. for each six ounces.	2½d. for six ounces, then 1½d. for each six ounces.
Foreign Letters ..	4d. for one ounce, then 2½d. per oz.	6d. for one ounce, then 4d. per oz.
Foreign Postcards ..	2½d.	4d.
Foreign registration	6d.	1s. 0d.

*Also for Irish Republic.

In future, mail to the U.S.A., Egypt, Burma, Israel, and Jordan would pay foreign postage.

Charges for oversea printed papers and small packets would also be increased, the former from 1½d. for 2 oz. and ½d. for each additional 2 oz. to 2d. and 1d. respectively.

Remittance Services:
Poundage on Postal Orders up to 6s. 0d. to be increased.
Poundage on Foreign Money Orders to be increased.

Telegrams:
Home no change, Commonwealth ordinary rate raised from 1s. 4d. per word to 1s. 10d. per word. Other overseas charges up 40 per cent.

Telephone Rentals: *Old Rate*	*New Rate*
Business: London, £12 0s.; Big Cities, £11 10s.; Provinces, £11 0s. £1 10s. reduction for shared line.	All £14; £2 reduction for shared line.
Private: London, £10 0s.; Big Cities, £9 10s.; Provinces, £9. £1 10s. reduction for shared line.	All £12; £2 reduction for shared line.

Other Telephone:
Subscribers lose the allowance of free calls. Subscribers' local calls basic charge up from 2½d. to 3d. Substantial additional charges for Private Branch Exchanges. Subscribers' and call box short distance local and trunk calls increased.

Mr. Marples explained that the increases were expected to raise £23,000,000 from postal service and £19,000,000 from telecommunications, whilst new economies would be made within the postal service aggregating £3,000,000 a year. Eleven-twelfths of the total would be required to cover wage increases resulting from the decision to bring Post Office jobs into line with jobs in outside industry. He added that the Government had three alternatives: (*a*) to let the burden fall on the taxpayer; (*b*) to reduce services drastically; (*c*) to increase charges. They were unwilling either to pass the burden to the Exchequer or to damage the services which the Post Office provided for the community, and were therefore forced to raise charges. The higher tariffs represented about 11 per cent of Post Office income.

Replying to questions, Mr. Marples said that the basic rate for inland postage had been fixed at 2½d. in 1940, when postmen's basic wages were £3. 3s. a week, whereas they were now £9 17s. Taking the increases into account, inland post in Britain would still be cheaper than in any European country except Spain and Portugal, whilst the overseas rate, with few exceptions, would still be cheaper than in the rest of the world. Given reasonable stability in wage levels, no further general increases in Post Office charges were likely up to March 1959.
(Times - Daily Telegraph - Manchester Guardian - Economist)
(Prev. rep. Postal Increases, 14879 D; 14500 A.)

C. UNITED STATES. — President Eisenhower's Call for Voluntary Reduction of Oil Imports in 1957.

Acting on a Cabinet committee report which said that increasing oil imports threatened U.S. national security, President Eisenhower issued a statement on July 29 calling for a voluntary reduction of such imports by approximately 20 per cent during 1957.

The Cabinet committee report had warned the President that continued unrestricted imports in growing volume threatened the future of the domestic oil industry, and with it the national security of the United States. If imports were not checked the domestic oil industry would have no assurance of an adequate market for the product of new domestic oil discoveries, and in consequence would reduce its exploratory operations; continued exploration of new oil resources and maintenance of reserves was, however, essential to national security. The report also stressed the threat which might arise if a war or other emergency denied the U.S.A. access to foreign oil.

Recognizing that there were "important foreign policy aspects to the problem of limiting petroleum imports," the report stated: "The oil reserves and production capacities of other free nations, as well as our own, are important to our national security. A number of countries inevitably depend in varying degree upon access to our domestic market for their petroleum exports, and it must be recognized that it is also in the interest of our national security that our allies and friends have healthy and expanding economies. It is believed, however, that taking all factors into consideration, our national security requires the maintenance of some reasonable balance between imports and domestic production at this time. In the light of the foregoing considerations, our recommendations are framed with the objective of limiting imports in order to maintain such a balance and yet allow to other nations to participate in the growth of our domestic demand to a degree consistent with our national security."

The report recommended a 10 per cent cut on the basis of the average oil imports by the large oil companies during 1954, 1955, and 1956; this, however, represented a reduction of over 20 per cent on the import programmes submitted by the companies for the second half of 1957.

It was recommended by the committee that these restrictions should be voluntary but that, if they failed, the President should (*a*) rule that a threat to the national security existed; (*b*) invoke the powers available to him under the Trade Agreements Extension Act of 1955; and (*c*) impose mandatory quotas. Restrictions on imports to the Pacific coast were not regarded as necessary, at least for the first half of 1957, since that area was still not self-sufficient in its own oil production. The report also recommended that the plan should be reviewed annually with the aim of maintaining a ratio between imports and domestic production of approximately 12 per cent in all areas outside the Pacific coast.

The Secretary of the Interior (Mr. Seaton), said that no deadline had been fixed for the voluntary restrictions and that it would be "several months" before their success could be determined. He made it clear, however, that the companies had no alternative but to comply, and added that the programme had the approval of the Attorney-General (Mr. Brownell jr.), since it did not violate the anti-trust laws.

The members of the committee, in addition to Mr. Seaton, were Mr. Dulles (Secretary of State), Mr. Weeks (Secretary of Commerce), Mr. Quarles (Deputy Secretary of Defence), Mr. Humphrey (then Secretary of the Treasury), and Mr. O'Connell (Under-Secretary of Labour).

The principal oil companies affected by the cut in oil imports were the Atlantic Oil Co., Gulf Oil Co., Sinclair Oil Co., Socony Vacuum Oil, Standard Oil of California, Standard Oil of New Jersey, and the Texas Company.—(New York Times)

D. SHIPPING. — International Convention on Prevention of Pollution of the Sea by Oil in Force in 1958.

The British Ministry of Transport and Civil Aviation announced on Sept. 19 that the requisite 10 countries having now ratified the International Convention for the Prevention of the Pollution of the Sea by Oil drawn up in London in 1954, including the necessary five countries with tanker fleets of at least 500,000 gross tons each, the Convention would come into force on July 26, 1958.

The countries which had ratified were: Britain, Denmark, France, Norway, Sweden (all having tanker fleets of over 500,000 gross tons each), Belgium, Canada, the Irish Republic, Mexico and Western Germany. Between them these countries controlled about 45,000,000 gross tons of shipping, or about one-half of the world total, disregarding the U.S. reserve fleet.

The leading maritime countries still outside the Convention, with the sizes of their respective fleets in gross tons, were the U.S.A. (12,000,000), Liberia (5,500,000), and Italy, Japan and Panama (about 4,000,000 each). The Netherlands, also with about 4,000,000 gross tons, was expected to ratify shortly.
(Lloyd's List and Shipping Gazette) **(Prev. rep. 13598 C.)**

A. UNITED NATIONS. — International Atomic Energy Agency comes into Existence.

The International Atomic Energy Agency came officially into existence on July 29, 1957, by which date its Statute had been ratified by all five major "atomic" Powers (i.e. the U.S.A., United Kingdom, U.S.S.R., France and Canada) and 22 other countries.

The Statute of the I.A.E.A. (see 15261 A) was to enter into force when instruments of ratification had been deposited by 18 countries, including at least three of the five "atomic" Powers. The U.S.A., the United Kingdom, France and Canada all deposited such instruments on July 29, together with Australia and Brazil, whilst the U.S.S.R., which had ratified the Statute on Feb. 12, had deposited its instrument of ratification on April 8.

The following 27 countries, all of which had deposited instruments of ratification, were members of the Agency when it came into official existence on July 29: Afghanistan, Australia, Austria, Brazil, Byelorussia, Canada, Czechoslovakia, Denmark, Dominican Republic, France, Guatemala, Honduras, India, Israel, Japan, Netherlands, Norway, Pakistan, Portugal, Rumania, South Africa, Sweden, Switzerland, Turkey, U.S.S.R., United Kingdom, and United States.

U.S. membership of the Agency had been approved by the Senate on June 18 by 67 votes to 19, after an unsuccessful attempt by Senator Bricker (Republican, Ohio) to insert a "reservation" which would have specified that the U.S.A. could not make any nuclear fuels and materials available to the Agency except as authorized by Congress.

The "Bricker reservation," which was strongly opposed both by the Administration and by Republican leaders, was defeated by 55 votes (31 Democrats and 24 Republicans) to 31 (18 Republicans and 13 Democrats). As stated above, 67 Senators voted for U.S. membership of the Agency (35 Democrats and 32 Republicans) and 19 against (10 Republicans and 9 Democrats), the measure thus receiving far more than the two-thirds majority needed for ratification of international treaties. No action was required by the House of Representatives.

Senator Bricker had argued that a "reservation" such as he proposed was constitutionally necessary to protect Congressional control over the nation's resources and assets. The Administration and the State Department, however, took the position that Congressional control over the supply of nuclear materials to foreign countries was already provided for in the Atomic Energy Act of 1954. Moreover, it was felt that adoption of the "Bricker amendment" would have indicated a lukewarm attitude towards an agency which the U.S.A. had itself been the first to propose, and might thereby have had an adverse effect on the creation of the Agency itself.

The legislation providing for U.S. participation in the International Atomic Energy Agency was signed on July 29 by President Eisenhower, who had first suggested the creation of such an agency in his "atoms-for-peace" speech to the U.N. General Assembly in December 1953.—(U.N. Information Centre, London - New York Times) **(Prev. rep. 15261 A.)**

B. CANADA. — Cabinet Appointments.

The following appointments to the Federal Cabinet were announced on Aug. 7, Aug. 19 and Sept. 13:

Dr. Sidney E. Smith ..	Minister for External Affairs.
Mr. Douglas Harkness ..	Agriculture.
Mr. Paul Comtois	Mines and Technical Surveys.
Mr. Alvin Hamilton ..	Northern Affairs and National Resources.
Mr. J. Waldo Monteith ..	National Health and Welfare.

Dr. Smith (60), president of the University of Toronto, took over the External Affairs portfolio from Mr. Diefenbaker, who had held it concurrently with the Premiership. Born in Cape Breton Island, he served in the First World War, studied law at Dalhousie University and Harvard, and was called to the Nova Scotia Bar in 1921. He was appointed president of the University of Manitoba at the age of 37 and in 1945 became president of Toronto University. Dr. Smith resigned from his academic post on joining the Cabinet.

Mr. Harkness (for biography, see page 15614, first column) relinquished the portfolio of Northern Affairs on becoming Minister of Agriculture, a post to which no appointment was made when Mr. Diefenbaker formed his Cabinet. Mr. Comtois, M.P. for Nicolet-Yamaska (Quebec), had been general manager of the Quebec Farm Credit Bureau for the past 20 years and general manager of the Canadian Farm Credit Bureau from 1946-57. Mr. Hamilton, M.P. for Qu'Appelle (Saskatchewan), succeeded Mr. Harkness as Minister for Northern Affairs and National Resources. Mr. Monteith, the new Minister of National Health and Welfare, is M.P. for Perth (Ontario). The portfolios taken over by Mr. Comtois and Mr. Monteith, like that of Agriculture, were not filled at the time Mr. Diefenbaker formed his Cabinet after the general elections. All the new Ministers are Progressive Conservatives.

It was announced in London on Sept. 15 that the Queen had approved the appointment of Mr. Diefenbaker as a member of the Privy Council.—(Montreal Star - Department of External Affairs, Ottawa - Times) **(Prev. rep. Cabinet, 15613 A.)**

C. SOVIET UNION. — Deportation of "Anti-Social and Parasitic Elements" in Russian Soviet Republic.

A draft law directed against "anti-social and parasitic elements" in the Russian Soviet Republic (RSFSR) was published on Aug. 21 in *Sovietskaya Rossia*, the official newspaper of the RSFSR. It laid down that vagrants, beggars, and persons living on unearned incomes would be liable to banishment for periods of two to five years, and to compulsory labour during the period of deportation, if so decided by "general meetings of citizens."

The preamble said that although unemployment and the "exploitation of man by man" had been abolished in the U.S.S.R., there were nevertheless "people leading an anti-social, parasitic life." It added: "Such people either take up employment for the sake of appearances but actually subsist on unearned income . . . or, though fit for work, do no useful work either in society or in the home but engage in vagrancy and begging, and are often guilty of criminal acts." The law contained the following provisions:

(1) Adult able-bodied citizens who "lead an anti-social, parasitic life and persistently shun socially useful work, as well as those living on unearned incomes," would be liable to expulsion to other parts of the country for terms of two to five years, "with compulsory enlistment in work at the place to which they have been expelled."

The decision as to whether or not such persons should be expelled would be taken by general meetings of citizens. In urban areas such meetings would take the form of street or neighbourhood committees, or of inhabitants of residential buildings with at least 100 adult tenants; while in the countryside they would consist of the adult citizens of the village concerned. To carry out "public verdicts of expulsion" the meetings both in town and countryside would have to be attended by a majority of the adult citizens living in the street, neighbourhood, housing-block or village concerned. Decisions would be taken by simple majority vote.

If the "guilty party" exhibited "sincere repentance" and gave a "firm promise to rectify his conduct," the citizens' meeting could confine itself to issuing a warning to the individual concerned.

(2) Verdicts of expulsion would have to be confirmed by the appropriate local Soviet within three days.

(3) Adult citizens engaged in vagrancy or begging would be subject to expulsion to other parts of the country (if found guilty by citizens' meetings) for terms of two to five years, and would have to do compulsory work at the place to which they were expelled.

(4) Disabled or partly disabled persons who "persistently evade being placed in homes for the disabled and who engage in vagrancy and begging" would be subject to "compulsory residence in closed homes for the disabled."

Similar legislation is in force in other Union Republics, including Uzbekistan.—(Soviet Embassy Press Dept., London)

D. AUSTRALIA. — High Court's Ruling on States' Right to impose Taxation.

By a majority of four to three, the full bench of the High Court of Australia, sitting in Sydney on Aug. 23, declared invalid the provision of the Income Tax Act of 1942 (see 5194 A) whereby the Commonwealth Government acquired priority over State Governments in the collection of income and social service taxes. On the other hand, the Court was unanimous in upholding the validity of the States' Grants (Tax Reimbursement) Act (see 5194 A), under which States received an annual grant as compensation for loss of revenue provided they did not impose their own income tax. [Under the above-mentioned Income Tax Act, the States had retained their right to collect their own income tax. None had ever exercised it, however, since it would have amounted to double taxation.]

The Court's rulings derived from an action initiated four months previously by the Governments of Victoria and New South Wales. In this, the two Governments had challenged the validity of the provisions in question, claiming notably that the Federal Government's reimbursement had been unfairly apportioned in relation both to population and to the revenue derived from the various States. [Under the existing system of uniform taxation, the poorer and less populous States—Queensland, South Australia, Tasmania, and Western Australia—receive a larger share of the national revenue than they would if they had to rely on purely local taxation.]

Commenting upon the High Court's decisions, the Federal Treasurer (Sir Arthur Fadden) said that they did not appear to affect the existing position to any great practical extent. The Prime Minister of Victoria, Mr. Bolte (who was principally responsible for the appeal to the High Court), said that he took the judgment to mean that the Federal Government could not directly prevent or fetter the exercise of State powers and functions. Mr. Bolte added that the action had been brought, not merely in an endeavour to secure the restoration of the States' pre-war taxing powers, but also to arrest what he considered to be the undue growth of bureaucratic control from Canberra.—(Australian News and Information Bureau) **(Prev. rep. 7467 A; 5293 B; 5222 B; 5194 A; 4699 B.)**

SEPTEMBER 28—OCTOBER 5, 1957

A. RHODESIA AND NYASALAND FEDERATION. — Constitution Amendment Bill. - Passage by Federal Assembly. - Increase in Assembly Membership. - African Affairs Board requests Queen's Assent. - Franchise in Southern Rhodesia. - Tredgold Commission's Report. - Electoral Amendment Bill passed by Legislative Assembly. - Federal Government's Franchise Proposals.

The Southern Rhodesian Parliament approved on May 29 a resolution to the effect that it did not object to the introduction in the Federal Parliament of a Bill amending the Federal Constitution by increasing the membership of the Federal Assembly from 35 to 59. Similar resolutions were approved by the Legislative Councils of Northern Rhodesia and Nyasaland on June 18.

In Southern Rhodesia, the resolution was opposed by the two Dominion Party members and by Mr. Jack Keller (Independent Labour), who maintained that the Bill was designed to advance the Africans, that there were no good reasons for the increase in membership, and that this would cost too much.

In Nyasaland, the five African members of the Legislative Council walked out before the vote was taken after having strongly opposed the resolution itself and federation in general; the resolution was eventually adopted by the 11 official and the six European unofficial members.

In Northern Rhodesia, the Dominion Party member (Mr. J. Gaunt) and the three African members present voted against the resolution.

The text of the Constitution Amendment Bill enlarging the membership of the Federal Legislature had previously been published on May 21.

The Bill proposed :

(1) The number of elected members, who might be of any race, would be increased from 26 to 44, of whom 24 would be elected in Southern Rhodesia, 14 in Northern Rhodesia, and 6 in Nyasaland, compared with respectively 14, 8, and 4 at present.

(2) A new group of eight African elected members would be created, of whom four would be elected in Southern Rhodesia, two in Northern Rhodesia, and two in Nyasaland; this group—to be elected by members of all races—would include the two Africans from Southern Rhodesia who are already elected in this manner.

(3) In addition to the eight African elected members, two Africans from each of the Northern Territories would continue to be "specially elected" by African organizations as at present. There would also be—as hitherto—one European specially responsible for African interests from each of the three Territories, chosen on the present system, i.e. in Southern Rhodesia by members of all races, and in Northern Rhodesia and Nyasaland by the respective Governors.

(4) The effect of the Bill would therefore be to increase the number of members specifically concerned with African interests from 9 to 15, but a clause in the Bill provided for the ultimate elimination of members elected on a racial basis, laying down that if and when an African was elected as an "ordinary elected member" (i.e. a member representing an ordinary constituency and chosen by people of all races), then from the next general election the number of "ordinary elected members" for the territory concerned would be increased by one, whilst the number of "specially elected members" for African interests would be reduced accordingly. This reduction would take place seat by seat in the following sequence : first, the "elected African members," then the "specially elected African members" from Northern Rhodesia and Nyasaland, and ultimately the Europeans representing African interests.

(5) Territorial courts would have jurisdiction to adjudicate on questions connected with the registration and de-registration of voters.

The background of the Bill was explained in a memorandum accompanying it by Sir Roy Welensky, the Federal Prime Minister.

The memorandum said that the working of parliamentary democracy in the Federation made it essential to increase the size of the Federal Assembly. At present, of the 35 members only 26 were ordinary elected members divided up between two or more political parties; in consequence it was difficult from such small numbers to provide enough members for Select Committee work. Moreover, some of the constituencies were so large that it was an impossible task for an M.P. to do justice to his constituents.

Commenting on the increase in the number of African members, Sir Roy said that the method of electing the four Africans representing African interests in Northern Rhodesia and Nyasaland was very unsatisfactory, as they had a full vote, just like any other M.P., but were elected by a very small group of Africans, and members of other races had no say whatever in their election. The two Africans representing Southern Rhodesia were elected by voters of all races. "In their election," he continued, "political parties play their normal role, and the result is that these members fit much better into our parliamentary democratic system . . . I believe it is most important that we should have elected African members from all three Territories, elected by members of all races, who belong to the ordinary political parties."

With regard to the provision designed to ensure that, ultimately, representatives of particular races would disappear, the memorandum explained that if eventually 15 Africans could secure election by members of all races on a common roll, then there would be no more members specifically concerned with African interests This would mean the disappearance of the African Affairs Board [the standing committee of Parliament charged with examining all legislation to see that it does not discriminate against Africans]. The memorandum added, however . "By the time the turn to go of the Europeans representing African interests comes along the necessity for an African Affairs Board may be questioned."

The memorandum also said that these amendments to the Constitution would pave the way for a Federal Electoral Bill. In case, however, such a Bill was not passed before a general election became necessary, the Constitution Amendment Bill provided that the Governor-General could make regulations for the conduct of such an election.

The Bill was introduced in the Federal Assembly on June 25 by the Minister of Law, Mr. J. M. Greenfield, who announced that the African Affairs Board had not objected to its introduction. The second reading debate opened on June 26 and ended on July 18, when the Bill was passed by 23 votes to 9. The opposition consisted of the three Dominion Party members (Mr. W. J Field, Mr. G. F. M. van Eeden and Mr. R. W. Williamson), the Independent member for Lusaka (Dr. A. Scott), the two specially appointed European members from Northern Rhodesia and Nyasaland representing African interests (Sir John Moffat and the Rev. A. Doig respectively), and three of the four specially elected Africans from these two Territories (Mr. D. L. Yamba and Mr. M. Kakumbi from Northern Rhodesia and Mr. W. M. Chirwa from Nyasaland).

Opening the debate, Mr. Greenfield said that when compared with Legislatures in other countries it was obvious that the Federation was under-represented. South Africa had 159 M.P.s, Ghana 104, New Zealand 80, Tanganyika 61, including 44 unofficial members, Uganda 60, including 49 unofficial members, and Kenya 56, of whom 47 were unofficials. There was also a disparity between the membership of 35 of the Federal Assembly and those of the three Territorial Legislatures, which together had 78 members (including 30 elected members in Southern Rhodesia), although the scope of Federal jurisdiction was much wider than that of the Territorial competences Moreover, an increase of the Federal Assembly would greatly assist in the proper delimitation of electoral districts, whilst, in addition, with the present membership it might become very difficult to form a Government from 18 members of a party if there was a close result in a general election. The cost of increasing the Assembly's membership would be about £50,000 a year, made up mainly of salaries and allowances.

Replying to the debate, Mr. Greenfield said concern had been expressed at the possibility that African members might be elected by a body including European voters and which might, in fact, be overwhelmingly European. The Federal Party could not accept that this was a matter for concern. It abided by its policy of partnership and felt that members of all races should participate in electing their representatives to Parliament, just as these representatives should regard it as their duty to protect the interests of all races in Parliament.

The Bill passed the Committee stage on July 23 without amendment, the most controversial clause—Clause 2, which set out the composition of the enlarged House—being adopted by 19 votes to 11, with all the five African members present voting against it.

An amendment moved by the Rev. A. Doig, and aimed at making all African members from the Northern Territories specially elected members, was lost by 19 votes to 8. Previously, a motion moved by Sir John Moffat to the effect that the Bill be referred to a Select Committee had been rejected by 25 votes to 8 (the five African members, the Rev. Doig, Sir John Moffat, and Dr. Scott).

The Bill was given a third reading on July 31 by 25 votes to 9, thus obtaining the two-thirds majority required for constitutional amendments. The two African members from Southern Rhodesia, Mr. J. Z. Savanhu and Mr. M. M. Hove, voted for the Bill, but before the division Mr. Savanhu announced that he would resign his seat in the House at once. Those opposing were Sir John Moffat, Messrs. Yamba, Kakumbi and Chirwa, the Rev. Doig, Dr. Scott, and the three Dominion Party members.

During the debate Mr. Savanhu denied emphatically that his decision to vote for the Bill had been taken under pressure, whilst Mr. Hove explained that his earlier objection to the Bill had been met by the Government's indication that it was prepared to consider suggestions for the improvement of the franchise proposals.

Mr. Greenfield stated that Mr. Savanhu and Mr. Hove had made representations to the Government about the manner in which the new African representatives would be elected under the Bill. They had said they thought the income of £180 a year required as a qualification for the special voters' roll was too high to ensure that a reasonable number of Africans would be able to participate in the election of these new African members. In response to this, the Government was disposed to consider minor amendments to its franchise proposals when the relevant Bill was introduced, and it would "not resist an amendment to reduce the qualification from £180 to £150 a year."

Mr. Savanhu said in an interview afterwards that he had resigned his seat in the Federal Assembly because certain sections of his African constituents were opposed to the Bill.

"A politician must be consistent," he said. "An M.P. who has no responsibility to all sections of a multi-racial society has no right to be in the House. I have done my best to get concessions from the Government and I must thank the responsible Minister for agreeing to one of these—the lowering of the qualifications for the special roll. There was a suggestion that I should vote against the Bill and remain in Parliament as an Independent. This I refuse to do because I could not wield any influence with the Government. In the main I feel the Bill is a good one . . . I have adhered to the dictates of my conscience and have supported the Federal Party, my membership of which was endorsed by the All-African Convention, a body representing all African political opinion in Mashonaland, at the time of the last general election. I believe in the party political system. In my view it is the only means by which racial differences can be thrashed out in an atmosphere of cordiality. There must be give and take on both sides. In this case I am convinced that the enlargement of the House would do no harm to the African cause. The harm could come from the franchise—that must be faced when it comes."

It was announced on Aug. 1 by the Speaker of the Federal Parliament (Mr. Wilson) that the African Affairs Board (of which Sir John Moffat is chairman) had requested that the Constitution Amendment Bill be reserved for the assent of the Queen on the grounds that it was a differentiating measure—this being the first time that the Board had invoked its power to ask for a Bill to be reserved by the Governor-General "for signification of Her Majesty's pleasure."

A report giving the Board's reasons for this request said that in the present House, with its 35 members, Africans in Northern Rhodesia and Nyasaland controlled absolutely four African members. Under the Bill they would still control absolutely four members, but in a House of 59, whilst at the same time the number of Africans elected by both races would rise from two to eight and the number of members elected in the normal way by voters overwhelmingly European from 26 to 44. The Board also pointed out that although the two-thirds increase in the membership applied to both the elected members and the members representing Africans or their interests, the important thing in a Parliament was the size of the majority, and the proposed amendment caused a change in the difference in the size of the two groups. Whilst expressing full agreement that racial representation should wither away as rapidly as possible, the Board added that in this process Africans should not suffer any diminution of the powers which they now enjoyed under the Constitution.

The effect of the request of the African Affairs Board was that the Bill had to be sent to the Colonial Secretary, and that it will have to lie in the House of Commons for 40 sitting days together with the Board's report before a decision can be taken by the U.K. Government whether or not the measure shall be consented to and become law.

The Tredgold Commission's Report.

A judicial commission was appointed by the Southern Rhodesian Government on April 19, 1956, to make recommendations on the qualifications required for the franchise and for candidates for the Legislative Assembly. The members of the commission were Sir Robert Tredgold, Chief Justice of the Federation (chairman); Mr. Justice Murray, Chief Justice of Southern Rhodesia; and Sir Charles Cummings, resident director in Salisbury of the British South Africa Company and formerly Chief Justice of the Sudan.

The Commission's report, which was published on March 14, 1957, and is summarized below, recommended a common electoral roll divided into "ordinary" voters with higher income and educational qualifications and "special" voters with lower qualifications, whose votes would be reduced in value if they exceeded one-third of the total votes cast in any constituency.

The Commission accepted the precept that government must remain in the hands of "civilized and responsible persons," and declared that a country was amply justified in endeavouring to confine the franchise to those of its inhabitants who were capable of exercising it with "reason, judgment, and public spirit." The Commission therefore were against backward and illiterate people having the vote and opposed universal adult franchise, saying that there would be a danger of people without judgment exercising the vote and that this would at present place the European minority in the hands of the African majority. The Commission also opposed the system of multiple voting and any form of racial representation, since the interests of the people of the Colony as a whole were more important than any sectional interest. On the other hand, it rejected the suggestion that race or colour could be regarded as a satisfactory test of civilization or responsibility.

No alteration was recommended in the existing citizenship and residence qualifications, i.e. that a voter must be a Southern Rhodesian citizen, over 21, and resident in the Colony for six months and in the electoral district for three months. In place of the existing income and educational qualifications (an income of £20 a month or occupation of property valued at £500, an adequate knowledge of English, and the ability to complete unaided the voter's enrolment form), the Commission recommended as qualifications for ordinary voters either

(a) an income of £60 a month or occupation of property valued at £1,500, plus the existing literacy tests; or

(b) an income of £40 a month or occupation of property valued at £1,000, and a Standard VI education (roughly equivalent to a primary school education); or

(c) an income of £25 a month or occupation of property valued at £500, and a Form IV education (roughly equivalent to General Certificate of Education ordinary level).

For special voters the qualifications would be an income of £15 a month with the existing literacy tests. A married woman without income would be deemed to have the same means as her husband; if a married woman had an income, hers and her husband's would be added together, and the total deemed to be the means of each.

The Commission recommended that all voters on the existing roll should be placed on the new roll, and that delimitation commissions should be directed to delimit constituencies as far as possible to ensure that not more than one-third of the voters in any constituency should have special qualifications.

Any ordinary or special voter would be eligible to stand for election, provided he was not a Government servant, a criminal, or a lunatic.

Ordinary and special votes would count equally in any election, subject to a proviso that when the number of special votes cast in any constituency exceeded more than half the ordinary votes, the number of special votes should be reduced accordingly. For example, if 3,000 votes were cast, comprising 2,000 ordinary and 1,000 special votes, all would count equally in the final count. If, of 3,000 votes in another election, 1,800 were ordinary and 1,200 special votes, the latter could not count more than 900 (i.e. half of the 1,800 ordinary votes), and special votes cast for each candidate would be reduced proportionately, i.e. by one-quarter (1,200 to 900). If 2,000 ordinary and 2,000 special votes were cast, each special vote would be counted as a half-vote (as the total of special votes could not count more than 1,000), whilst if 2,000 ordinary and 3,000 special votes were cast, each special vote would count as only one-third of a vote.

The Commission thought it unlikely, however, that in the first instance, and for some years to come, the special votes would exceed half the ordinary votes in any constituency. As to the possibility of the election of racial candidates on a split vote, the Commission regarded this as unlikely, but suggested that this could be avoided by adopting the single transferable vote, whereby voters indicated their second choice in case no candidate won a clear majority.

"We frankly accept the fact," the report stated, "that for many years to come voters qualifying on ordinary qualification would be principally European and those qualifying on special qualification would be principally African. Nevertheless, the special qualification would give the African immediate and substantial voting power. As each constituency would contain voters of all races, no candidate for Parliament could base his appeal to the electorate on racial grounds without the risk of alienating a body of his constituents and thus jeopardizing his chances of election. For the same reason, no political party could base its appeal on racial grounds without risking the loss of marginal seats. This would have a legitimate and moderating effect on the counsels of all parties. The European section of the electorate would feel itself adequately protected against the possibility that it might be politically overwhelmed by backward and illiterate sections of an African population susceptible to unreasoning appeals to African nationalism. With these fears set at rest, the African would be admitted to a gradually increasing participation in political affairs and would be accustomed to a tradition of parliamentary government under conditions which encouraged co-operation with other races."

The report met with strong criticism, both from the Dominion Party (the Opposition) and a section of the ruling United Rhodesia Party, which maintained that it would lead to a "swamping" of the European voter, and from all sections of Africans. The Commission's proposals, however, were strongly supported by the Prime Minister, Mr. Garfield Todd, in statements both inside and outside Parliament.

During a debate on the report in May, Mr. Stumbles (Minister of Justice) said that the ground would be cut from under the feet of extremists at either end, if the vote could be given to responsible middle-class Africans. Such a middle class of Africans must be created, and many such Africans would now qualify under the "special" category. Referring to the criticism that Africans were being given the vote with one hand and having it taken away with the other, through the limitation of the "special" votes, Mr. Stumbles said that the commissioners thought it reasonable to say to a group of voters that they had reached the stage when they were entitled to some say in the country's affairs, but until they had more education and responsibility they should not assume control. Although the proposal was for a common voters' roll, he added, in practice there might have to be two rolls and two different kinds of ballot papers, to make it possible to separate the ordinary from the special votes.

Mr. Aitken-Cade (Dominion Party) strongly criticized the creation of a class of "special" voters, as this would create a grievance, and in an election the special voters would vote as a bloc for a candidate offering "lowering of standards and integration."

Mr. Todd said that there were three top groups in Southern Rhodesia—outstanding people, local leaders, and responsible and successful people in the professions, industry, and business—who were certainly worthy of a vote. These comprised most Europeans and some Africans, and fell into the Commission's "ordinary qualifications." There was also a bottom group of people who had not emerged from the "dominance of the witch doctor," were illiterate, and did not understand party government or democratic principles. The Commission had focussed attention on the middle or emergent group of Africans—those who were between those undoubtedly worthy of a vote and those certainly unworthy of one. In Southern Rhodesia the biggest group was the bottom one, bigger than the top and middle groups combined. Power must therefore not fall into the hands of the bottom group. There was a further danger—the middle group should not out-number in voting power the top group, or else the future of the country would be prejudiced. The fixing of the income qualification for this group at £15 a month would ensure that Africans who qualified under it would be well past the stage of unskilled labour, and could be regarded as responsible citizens.

In a speech on June 15, Mr. Todd gave warning that he would resign the leadership of the United Rhodesia Party and also the Premiership if Parliament refused to accept the Government's franchise proposals.

After declaring that "we are in danger of becoming a race of fear-ridden neurotics," Mr. Todd continued: "Southern Rhodesia finds itself the custodian of Rhode's liberal dictum of equal rights for civilized men, regardless of colour. If legislation further to implement that policy, when introduced to our House in July, were so changed as to continue to keep off the rolls our 6,000 Africans who have had 10 years' education and who work as teachers, agricultural demonstrators, medical orderlies, and so on, we should be so betraying the spirit of Rhodes that I would not continue to lead my party."

The Southern Rhodesian Electoral Amendment Act.

Details of the Southern Rhodesian Government's proposals for the franchise were published on June 23. These accepted the Tredgold Commission's proposal for the division of the electorate into "ordinary" and "special" voters, but provided for the inclusion in the special voters' category of persons with certain educational standards, irrespective of income. The other main differences from the Commission's proposals were the rejection of the plan for "fractionalization" of special votes, and the substitution of a provision that the number of special voters must not exceed 20 per cent of the number of ordinary voters. The main provisions of the Government's Bill, known as the Electoral Amendment Bill, were as follows:

(1) Persons over 21 holding either Southern Rhodesian or Federal citizenship would be eligible as voters. [Under the terms of the Federal Citizenship Act—see 15766 A—this meant that British immigrants would be able to vote after two years' residence, instead of three as hitherto]. Voters would also be required to have been continuously resident in Southern Rhodesia for six months and in the constituency for three months before registration.

(2) Applicants for registration would be required to complete their claim form unassisted in the presence of a registration officer, and to prove that they could speak, read, write, and comprehend English. [These regulations involved a considerable tightening up of the literacy test.]

(3) The qualifications for ordinary voters would be those recommended in the Tredgold Commission's report.

(4) For special voters the qualifications would be either an income of £20 a month plus the ordinary literacy test, or a Standard VIII education plus two years' continuous employment in the same occupation.

(5) When the number of special voters had reached 20 per cent of the total roll of ordinary voters, the special roll would be permanently closed.

(6) All voters on the existing roll would be enrolled as ordinary voters.

(7) Every married woman, except one married under a system permitting polygamy, would be deemed to have the same means qualification as her husband whenever she did not have the requisite qualification in her own right.

(8) The means qualification must have been held for two years before it entitled to registration. In the computation of income the value of board and lodging or any money received for either or both of these would be included. A formula would be worked out for checking annually the rise and fall in the value of the pound, and the monetary qualifications would be adjusted accordingly.

(9) Only persons qualified as ordinary voters would be eligible to stand for election.

(10) The single transferable vote would be used in elections in which there were more than two candidates.

In explanation why the Government had decided to permit the registration of special voters on a purely educational qualification, Mr. Todd issued the following statement on June 28:

"The reason why the Tredgold recommendations cannot be accepted as the only avenue to the voters' roll is that they exclude a large group of responsible people who, because of the present economic position of the Colony, earn less than £20 per month. Although our national income has increased by 23 per cent over the past three years, it stands at only £85 per head of the population today, as compared with £330 per head in the United Kingdom. This means that Government wage scales for Africans make it impossible for many, even though they have had ten years or more education and hold responsible positions, ever to get a vote. The scale for people of this qualification, who may be agricultural demonstrators or policemen, stops, after twenty years' service, at £18 10s. An African male nursing orderly would reach the £20 mark after eleven years but a female nursing orderly would never qualify. A trained teacher who had received a total of ten years' education would qualify after 13 years' service but a woman teacher would have to work for 18 years before she became eligible for the vote. But besides the Africans who are thereby excluded from the roll there are several thousands of lower paid Europeans, Asians and Coloured people.

Taking such facts into consideration, the Bill will provide for those who have had ten years' education, and who have worked for at least two years, to be enfranchised. Such special qualifications would not be regarded as a permanent measure and provision will be made that at the point where the number of voters who enter the common roll by way of the special qualification reaches one-fifth of those who enter by the ordinary qualifications, then the special qualification entrance will be closed permanently. This means that if there are 80,000 who could register under ordinary qualifications, there would be the opportunity for 16,000 Europeans and Africans (or one sixth of the total roll) to enter by the special qualifications. The alternative given under the special qualification is £20 per month with literacy, and while it is estimated that there are 5,000 Africans who could qualify only 700 have done so, although this is the present qualification and has applied for the past six years.

The number of Africans who have passed Standard VIII or equivalent is 10,160, a figure which, it is estimated, will rise to 16,690 by 1963. Of the 10,000 who have so far qualified it is probable that about 8,000 are 21 years of age or over."

The Bill was introduced into the Assembly on July 25 and given a second reading on Aug. 1. During the committee stage, however, an amendment was put forward laying down a minimum income qualification of £12 10s. a month for the special voters. As this received considerable support from among Government followers, Mr. Todd, in spite of his earlier opposition to any such means test, announced on Aug. 14 after an emergency meeting of the United Rhodesia Party caucus that the Government was prepared to accept an income qualification of £10 a month for special voters with a Standard VIII education, as this would not exclude the Africans whom he wished to see enfranchised. An amendment to this effect was accordingly inserted in the Bill and passed by the Assembly.

A second amendment excluding from the franchise persons married under any system permitting polygamy was adopted in committee on Aug. 15 by 14 votes to 6, with Mr Todd's support. When the report stage was reached on Aug. 20, however, the amended clause, which would have excluded thousands of Africans from the franchise who would otherwise have been eligible, was removed and the original text restored.

In this form the Bill was given its third reading on Aug. 21.

Federal Government's Franchise Proposals.

The Federal Government's franchise proposals for Federal elections were outlined on June 5 by the Premier, Sir Roy Welensky, and the Minister of Law, Mr. J. M. Greenfield, and were published as a White Paper on Sept. 19. Their main provisions were as follows:

(1) There would be two voters' rolls, the "A" or general roll and the "B" or special roll, both of which would be open to persons of all races. No voter could be included in both rolls.

(2) Both rolls would be open to persons over 21 who were Federal citizens or British protected persons by virtue of their connexion with Northern Rhodesia or Nyasaland, and who had been resident in the Federation for two years and in the constituency for three months. All prospective voters would be required to make a declaration of allegiance to the Queen, and would have to be able to speak, read, write, and understand English.

(3) The qualifications for general voters would be the same as those laid down for ordinary voters by the Tredgold Commission. Ministers of religion would also be eligible as general voters, provided they followed no other gainful occupation.

(4) The qualifications for special voters would be either an income of £12 10s. a month, occupation of property valued at £500, or an income of £10 a month plus a two-year course of secondary education of prescribed standard.

(5) General voters would elect 44 ordinary members (24 from Southern Rhodesia, 14 from Northern Rhodesia, and 6 from Nyasaland). Both general and special voters would elect eight African members (four from Southern Rhodesia and two each from Northern Rhodesia and Nyasaland), and in Southern Rhodesia one European representative of African interests. Thus general voters would have three votes in Southern Rhodesia (one for an elected member of unspecified race, one for an elected African member, and one for the specially elected European member representing African

interests) and two in Northern Rhodesia and Nyasaland (one for an elected member of unspecified race and the other for an elected African member). Special voters would have two votes in Southern Rhodesia (one for an elected African member, and one for the specially elected European member representing African interests), and one vote in Northern Rhodesia and Nyasaland (for an elected African member).

(6) A wife (or the first wife in cases of polygamous marriage) would be deemed to have the same income as her husband, but must have the educational qualification in her own right.

Mr. Greenfield said at a Press conference on Sept. 19 that the total electorate, at a rough estimate, would be about 119,000, of which 85,000 would be general voters, including 3,000 Africans, and 34,000 special voters, including 23,000 Africans.

In a previous statement in March, Mr. Greenfield had given the number of registered Federal voters in Southern Rhodesia as 52,213 (50,414 Europeans, 646 Asians, 593 Coloureds, and 560 Africans). In Northern Rhodesia there were 14,647 Federal voters, they were not required to state their race on their application forms, but from their names it appeared likely that 1,254 were Asians and 11 Africans. Figures were not available for Nyasaland, as Federal election rolls were compiled only when an election was about to take place; the total number of voters on the Territorial roll was 2,216, and judging by names it appeared that 347 were Asians.

Party Developments.

A joint statement issued on Sept. 19 by Sir Roy Welensky and Mr. Todd announced that differences over the franchise proposals which had been preventing the amalgamation of the Federal and United Rhodesia parties had "largely disappeared." In consequence Mr. Todd would recommend their fusion to the annual congress of the United Rhodesia Party, and Sir Roy Welensky to the Federal Party congress.

Proposals for a merger of the two parties had been put forward in September 1956 (see 15246 A). A joint constitution and policy statement was drawn up in May, and it was agreed to hold a joint congress in July; this was postponed *sine die*, however, as a result of differences between the party leaders over the franchise question.—(Federal Information Dept., Salisbury - Times - Manchester Guardian)

(Prev. rep. Federal Assembly, 15529 A; Parties, 15246 B.)

A. UNITED STATES. — Increase in Bank Rate. - Government Group to combat Inflation.

The U.S. Federal Reserve Board approved on Aug. 8 an increase from 3 per cent to 3½ per cent (the highest level since the early 1930's) in the discount rate of the Federal Reserve Banks in Chicago, Kansas City, Minneapolis and Philadelphia. Similar increases were subsequently made by the Federal Reserve Banks in Dallas, Atlanta, Boston and San Francisco (Aug. 12), Richmond (Aug. 19), St. Louis (Aug. 21), and Cleveland and New York (Aug. 23).

The increase in the Federal Reserve Bank rate followed an increase in the lending rates of the leading commercial banks from 4 per cent to 4½ per cent on Aug. 6-7, and was interpreted as a move to restrain inflationary tendencies.

It was announced in Washington on Sept. 13 that a high-level Government group had been established to hold regular consultations with President Eisenhower on anti-inflationary measures. In addition to the President, the group would consist of Mr. Robert B. Anderson (Secretary of the Treasury), Mr. William McChesney Martin jr. (chairman of the Federal Reserve Board), Mr. Raymond J. Saulnier (chairman of the Council of Economic Advisers), Dr. Gabriel Hauge (Special Assistant to the President on Economic Matters), and other officials who might be called into consultation.

Mr Anderson said that the group would discuss the "financial aspects" of inflation and "related problems," and that its establishment was an "added step" in the effort to halt rising prices. A Treasury spokesman stated that the group would meet with the President at least once a month. (New York Times - New York Herald Tribune)

(Prev. rep. 15194 D.)

B. INDONESIA - NETHERLANDS. — Dutch Residents in Indonesia. - Ambonese Refugees in Holland.

The Netherlands Minister for Social Welfare, Miss Klompé, announced on Sept. 17 that about 58,000 Dutch nationals were still living in Indonesia on Jan. 1, 1957, and that this compared with 74,000 on Jan. 1,1956, and 94,000 on Jan. 1, 1955.

The Minister also announced that the number of Ambonese refugees now living in camps in Holland was 17,500, against 12,500 in 1951. New camps were being built for them, and a sum of 11,286,100 Guilders had been earmarked in the Budget for this purpose.—(Netherlands News Agency)

C. INDIA. — Kohima Convention of Naga Leaders. - Demand for Formation of Nagaland as Centrally-administered Unit accepted by Indian Government. - Amnesty Grant.

A convention of loyal Naga leaders, sponsored by the Assam State Government and attended by 1,735 representatives of 19 sub-tribes and nearly 2,000 observers from various regions of Nagaland, met from Aug. 22-26 at Kohima, headquarters of the Naga Hills district. The convention unanimously adopted a resolution demanding the integration of the Naga Hills district of Assam and the Tuengsang frontier division (which is administered by the North-East Frontier Agency) as a single administrative unit under the Indian External Affairs Ministry, to be administered by the Governor of Assam on behalf of the President. This proposal (which meant the abandonment of the earlier demand for an independent Naga State) was envisaged as an "interim arrangement" pending a permanent political settlement within the Indian Union. Another resolution was adopted appealing to the Naga rebels still in arms to "give up the cult of violence" and to co-operate "for the good of our land and the free development of our people according to our traditions."

The Indian Prime Minister, Mr. Nehru, received in Delhi on Sept. 25 a Naga delegation chosen at the convention, and led by Dr. Imkingliba Ao, formerly a lieutenant of the rebel leader Zapu Phizo (who is still at large in the Naga Hills). At the meeting Mr. Nehru announced that while the Indian Government were not prepared to discuss any scheme based on the independence of the Naga areas, they accepted the Kohima convention's proposal for the formation of a Naga administrative unit under the Central Government. He gave an assurance that the necessary amendments to the Constitution would be considered by Parliament at its next session in November-December; welcomed the assurance by the delegation that every effort would be made to restore peaceful conditions; and announced that the Government would grant an amnesty to the rebels "in respect of all offences committed against the State in the past," though the amnesty would not cover future offences.

Prior to these developments the Indian Army had continued its operations against the rebels.

Major-General Kochar, G.O.C. Assam, reported on Nov. 21, 1956, that strong concentrations of rebels had been destroyed, and that about 1,200 of them had been broken up into small groups; a number of rebels were reported to have surrendered or been captured in subsequent weeks. Nevertheless, rebel raids on villages and communications continued in December, January, and February; in an action on Feb. 16, 1957, loyal Nagas repulsed nearly 200 rebels who attacked a village in the Tuengsang frontier division, inflicting heavy casualties on them. From January onwards, however, increasing numbers of the rebels surrendered; Phizo's sons and daughters gave themselves up on April 26, stating that they were unable to bear the hardships of life in the jungle; and his brother was arrested in August while attempting to escape to Burma.

The Governor of Assam, Mr. Fazl Ali, told the State Legislative Assembly on June 8 that in spite of the successful breaking-up of large rebel concentrations and the destruction of their hide-outs by the Indian Army towards the end of last year, the rebels had later regrouped themselves and had adopted "hit and run tactics" in small groups. The "hard core of hostile leadership in the Naga Hills," he said, with a fairly large number of followers and stocks of arms and ammunition, was still intact. Mr. Ali also stated that over 240 people, the vast majority of whom were loyal Naga villagers, were estimated to have been killed by the rebels. (The Statesman, Calcutta - The Hindu, Madras - Indian High Commissioner's Office, London)

(Prev. rep. 15276 A.)

D. NEW ZEALAND. — Cabinet. - Mr. Marshall appointed Deputy Premier.

The N.Z. Prime Minister, Mr. Holyoake, announced on Oct. 2 that Mr. J. R. Marshall, the Attorney-General and Minister of Justice, had also been appointed Deputy Prime Minister, and that the Minister of Finance, Mr. Watts, would be the third-ranking member of the Government. In addition to the above posts, Mr. Marshall (43) is in charge of the Electoral Department and of Publicity and Information. (Directorate of Information Services, Wellington)

(Prev. rep. 15773 B.)

E. IRISH REPUBLIC. — Increase in Bank Rate.

It was announced in Dublin on Sept. 29 that the bill discount rate of the Central Bank (the nearest equivalent to the British Bank Rate) would be increased from 5 per cent to 6 per cent as from Sept. 30. This decision followed the increase of the British Bank Rate on Sept. 19.—(Irish Times, Dublin)

A. EASTERN GERMANY - SOVIET UNION - POLAND. — Visits of Soviet and Polish Government and Communist Party Leaders to Eastern Germany.

A delegation of the Soviet Government and Communist Party visited Eastern Germany from Aug. 7-14 for discussions with the East German Government and leaders of the Socialist Unity Party. The Soviet delegation was led by M. Khrushchev (First Secretary of the Communist Party's central committee), and included M. Mikoyan (First Deputy Premier), M. Gromyko (Foreign Minister), M. Kumykin (Deputy Foreign Trade Minister), and M. Grishin (chairman of the All-Union Central Council of Trades Unions). East German leaders taking part in the discussions included Herr Walter Ulbricht (First Deputy Premier and First Secretary of the central committee of the Socialist Unity Party), Herr Grotewohl (the East German Prime Minister), Dr. Bolz (Deputy Premier and Foreign Minister), Herr Heinrich Rau (Deputy Premier and Minister for Internal and External Trade), Herr Nuschke, Herr Scholz, and Herr Leuschner (Deputy Premiers), and Herren Matern Oelsner (a Deputy Premier), and Stoph (Deputy Premier and Defence Minister) in their capacity as members of the political bureau of the S.U.P.'s central committee.

During their visit the Soviet leaders also inspected industrial enterprises, agricultural co-operatives, and scientific and cultural institutions. MM. Khrushchev, Gromyko, and Grishin went to Leipzig and Magdeburg, where M. Khrushchev addressed public meetings, whilst M. Mikoyan visited the Baltic ports of Stralsund, Warnemunde, and Rostock. M. Khrushchev also addressed the *Volkskammer* and a public meeting in the former Lustgarten in East Berlin.

A joint communiqué was issued on Aug. 14 and is summarized below under cross-headings.

After saying that the talks had been conducted "in an atmosphere of frankness and cordiality," and that they had "once again confirmed the complete unanimity of views of both sides on questions concerning the international situation, especially the situation in Europe," the communiqué continued:

Disarmament and West German Remilitarization. "Both sides expressed their resolve to continue unabated the struggle for the relaxation of international tension and for a general limitation of armaments and armed forces, for the immediate ending of atomic and hydrogen weapon tests, and for their complete prohibition. The Government of the German Democratic Republic supports the Soviet proposals for the ban, or at least a two- or three-year suspension, of tests of atomic and hydrogen weapons, and other concrete proposals for partial measures of disarmament which were put forward by the Government of the U.S.S.R. . . . Both sides unanimously condemn the position adopted by the Western Powers, who have refused to take any concrete decisions in the matter of practical measures leading to disarmament or the cessation of tests of atomic and hydrogen weapons.

"The Soviet Union and the German Democratic Republic consider it essential to declare that the stationing of American atomic weapons in Western Germany and other countries of Western Europe, and the decision of the organs of the North Atlantic bloc to equip European member-countries of NATO with atomic weapons, intensify the threat to peace and to the security of the countries of Europe . . The Government of the German Federal Republic, by tolerating and encouraging the disposition of atomic weapons of the Western Powers in Western Germany and by preparing the arming of the *Bundeswehr* with atomic weapons, is transforming the territory of the German Federal Republic into a main base of NATO for the waging of atomic war in Europe. Such actions of the German Federal Republic not only threaten the security of the peoples of Europe but are also fraught with mortal danger for the population of Western Germany itself, which in the event of war being unleashed by the NATO bloc would inevitably, as a result of the irresponsible policies of their ruling circles, be exposed to destruction by the concentrated blows of up-to-date nuclear weapons.

"The Government of the German Democratic Republic, in the name of peace in Europe and in the name of the future of millions of Germans, appeals to the Powers to renounce the introduction of atomic weapons in Germany. Once again it offers to the Federal Government an agreement to ban atomic arms from the armies of both German States and not to permit the manufacture of nuclear weapons in Germany. The Soviet Government fully understands and supports these proposals of the German Democratic Republic . . .

"In their joint statement of July 29, the Governments of the United States, Britain, France, and the German Federal Republic once again tried to make the end of the arms race dependent on the settlement of the German question, the solution of which they themselves are hindering in every way . . . That the present policy of the Western Powers and of the German Federal Government is merely leading to the further intensification of international tension in Europe and greater complication of the German question, also finds expression in the steps recently taken by them, which must further intensify the split of Europe and Germany, such as the conclusion of the "Common Market" and "Euratom" agreements and the creation of the so-called Baltic Command of NATO . . ."

Position in the Baltic. "The Soviet side expressed full solidarity with the joint statement by the German Democratic Republic and the Polish People's Republic (see below) that the Baltic must be a sea of peace and serve the interests of the peaceful development of the European countries. The Soviet Union supports the efforts of the two Republics to reach agreements with the other Baltic States with the object of bringing about co-operation between the Baltic countries and jointly solving their common problems . . ."

Withdrawal of Foreign Troops from European Countries. - European Collective Security Treaty. "The relaxation of tension in Europe would be considerably helped by such measures as the removal of all foreign troops from European countries and the conclusion of a non-aggression pact between the countries within the North Atlantic bloc and the Warsaw Pact defence system. The German Democratic Government notes with satisfaction the complete unanimity of views of both sides regarding the necessity of achieving within the shortest possible period a considerable limitation of the troops of the four Powers deployed in Germany. The acceptance by the Western Powers of this proposal would be an important step towards the withdrawal of all foreign troops from the territories of both Eastern and Western European States and the restoration of normal peace-time conditions on the continent of Europe. The German Democratic Republic states its preparedness to co-operate towards the setting up of a zone of limited and inspected armaments in Europe to facilitate the setting up of an effective system of European collective security."

German Reunification. "Both sides unanimously agree that the vital question affecting the German nation is the restoration of its unity, and is first and foremost a matter for the German people themselves. With this object in view the German Democratic Republic considers it essential first of all to come to an agreement with the Federal Republic over a common policy on the following matters.

(1) A ban on stationing or manufacturing any kind of atomic bomb or weapon on German territory, and banning all atom war propaganda.

(2) The withdrawal of both German States from NATO and the Warsaw Pact, the mutual abolition of compulsory military service, and an agreement on reciprocal limitation of the strength of their forces.

(3) A joint or separate appeal to the four Powers for the early withdrawal of their forces from the whole of Germany by stages.

Agreement between the German Democratic Republic and German Federal Republic on these matters would create the basis for the setting up of a German Confederation.

"The Soviet Union supports these proposals . . . The Soviet delegation declared that the U.S.S.R. was willing in all ways to contribute to a *rapprochement* and achievement of mutual understanding between the German Democratic Republic and the German Federal Republic, bearing in mind especially that the Soviet Union is the only great Power which has diplomatic relations with both German States . . .

"The present German Federal Government, ignoring the interests of the German people, hinders the establishment of good relations between the German Federal Republic and the U.S.S.R. . . . The main obstacle to the reunification of Germany as a peace-loving and democratic State is the present policy of remilitarization in Western Germany and her conversion into a military atomic base of the aggressive North Atlantic bloc. This policy of militarization is accompanied by the suppression in Western Germany of the democratic forces opposing preparations for a new war, as is strikingly illustrated by the banning of the German Communist Party. This policy deepens the rift between the two German States and threatens European peace and the security of the German people itself.

"Both sides consider it necessary to declare that there can be no question of the reunification of Germany at the expense of the interests of the German Democratic Republic and the social gains of its working people. There is only one way of peacefully solving the German problem—that of *rapprochement* and talks between the two German States now in existence. There can be no settlement of the questions affecting Germany as a whole without the participation of the German Democratic Republic . . . The peoples of the Soviet Union see in the German Democratic Republic an impregnable bastion of European peace. In view of the situation obtaining at present in Western Germany, the German Democratic Republic is called upon to play a particularly important role in the maintenance of peace in Europe . . .

"Both sides expressed their determination to take every step to further the cohesion of the forces of socialism and to strengthen the unity of the countries of the Warsaw Treaty. They once again reaffirm that, in accordance with their obligations under that treaty, the Soviet Union and the German Democratic Republic will jointly defend the independence of the German Democratic Republic and will tolerate no violation of its frontiers . . ."

Soviet-East German Economic Relations. After referring to the development of trade relations since the agreement of Jan. 7 last (see 15352 A), the communiqué announced that both sides had agreed that talks should be held in Berlin in the near future to conclude a Soviet-East German agreement on mutual deliveries of goods for the three-year period 1958-60, which would envisage a further increase in their commercial exchanges. The agreement would cover Soviet deliveries of goods needed by the German Democratic Republic, including coal and coke, iron ore, pig iron, rolled ferrous metal, non-ferrous metals, apatite concentrate, oil, timber, wool, cotton, grain and certain other food products, and the corresponding

East German deliveries to the Soviet Union of various types of machines, ships, instruments, apparatus, cable manufactures, and other kinds of equipment, materials, and goods.

Agreement was also reached on holding talks between representatives of both sides in the near future regarding the conclusion of an agreement on trade and navigation.

A new stage in the development of economic co-operation would take the form of extensive co-operation in the machine-building and other branches, on the implementation of which the economic planning organs of both countries were now working. Steps were also being taken to extend the exchange of information on scientific and technical achievements.

Party Problems. The communiqué said that both sides had discussed questions of further co-operation between the Soviet Communist Party and the Socialist Unity Party, as well as "urgent problems concerning the international labour movement," and that the talks had shown "full mutual understanding and identity of views on all questions under discussion."

After paying tribute to the achievements of the Socialist Unity Party, the communiqué declared that, "with the object of strengthening the unity of the party ranks and the fraternal solidarity of the Communist and Workers' parties," the representatives of both parties considered it "necessary to continue waging an irreconcilable struggle against revisionism, which spells surrender to the ideology of the enemies of the working class." Both parties would "implacably combat sectarianism, narrow-mindedness, and dogmatism, which lead to divorcement from the masses." It had also been noted that "notwithstanding the attempts by the reactionary imperialistic forces and all kinds of revisionist and opportunist elements to undermine the fraternal solidarity of the Communist and Workers' parties, the unity of the international Communist movement has lately been further strengthened."

In his speech at a special session of the *Volkskammer* on Aug. 8 M. Khrushchev dealt with the question of German reunification on similar lines to those stated in the joint communiqué, and strongly attacked Dr. Adenauer and the German Federal Government as well as the Western Powers, the timing of his speech, and of the Soviet visit to Eastern Germany as a whole, being regarded as significant in view of the fact that general elections were due to be held in Western Germany on Sept. 15.

Saying that "the crux of the matter is what kind of a united Germany must emerge as a result of reunification and along what lines it will be developed," M. Khrushchev made it clear that a reunified Germany must be a "peace-loving and democratic" [i.e. Communist] State. There were two ways to reunification, he said. The first was the Socialist and democratic way in peace—the policy of Eastern Germany; the other was the Junker and militaristic reactionism of Western Germany. The Russian people, who had suffered under German Fascism, stood against militarism and capitalism.

The "Western imperialists" wanted a Germany which would serve their aggressive intentions; they wanted to use Germans again for their capitalistic ends. Western Germany was preparing for a nuclear war, and it was important for the German people to realize that a new war would turn Germany into a desert. "In the event of the imperialists unleashing a new war," M. Khrushchev went on, "atomic and hydrogen bombs will start exploding precisely here where the line dividing the countries of the NATO bloc and the forces of the Socialist camp passes. It is extremely important for the West Germans to realize this at last and to prevent such a course of events. The German people must and can avert this catastrophe, provided they do not allow a handful of militarists and monopolists to dispose of their destiny. The statesmen of Britain, France, and other countries whose territories in the event of hostilities will be within the range of atomic and hydrogen weapons should likewise keep this in mind."

Turning to the procedure for bringing about reunification, M. Khrushchev said that "some West German politicians" thought of it as a four-Power problem, but the Soviet view was that it was "the duty of the four Powers to help the German people to solve the question themselves through direct talks between the two German States." "Much effort and time" would be required to overcome the difficulties and differences of opinion, but it was "the only way." The East German Government had frequently offered to negotiate, but the Federal Government refused and perpetuated the division of Germany. The proposal of Herr Grotewohl for a confederation (see 15684 A) was a practical and constructive suggestion.

Continuing, M. Khrushchev said Dr. Adenauer was basing his policy—as Hitler had—on military strength. Dr. Adenauer accused the Soviet Union of trying to influence the West German elections, but the Soviet Union "has never interfered in the internal affairs of the German Federal Republic, nor does it intend to do so. We cannot, however, overlook the fact that Herr Adenauer, carried away by the fever of the election campaign, has raised slander against the Soviet Union to the level of State policy."

"The road along which Adenauer wants to lead Germany," M. Khrushchev went on, "is a great hazard to the German people . . . Herr Adenauer is cleverly leading a part of the German people astray, and goes so far as to say that he represents the interests of the German working class. But the German working class is becoming increasingly aware of the danger of Adenauer's policy. We are convinced that the German working class will raise its voice in the struggle for peace . . . and use every opportunity to prevent the growth of militarism and the unleashing of a new war.

"The ruling circles of Western Germany care little for the fate of the German people. It is significant that, having refused to discuss the question of Germany's reunification with Germans, the West German Government prefers to discuss it with the Governments of the U.S.A., Britain, and France, as if it were with America or Britain that Western Germany should be merged and not with Eastern Germany. The Adenauer Government turns down talks between the two German States on the plea that this would mean recognition of the split of Germany. But the existence of two German States is an undeniable fact which must be taken into consideration."

After denouncing the declaration of the Western Powers and the German Federal Government of July 29 on the reunification of Germany (see 15684 A), M. Khrushchev continued: "The Western Powers again say that an all-German Government can be set up only through so-called free elections throughout Germany. But this is rank hypocrisy. Is it possible to speak of free elections in the German Federal Republic if the Communist Party is banned, if the progressive organizations of the working people are subjected to police persecution, and if war criminals and Nazis are playing an ever-increasing part in its political life? . . . The Western Powers are openly opposed to the neutralization or demilitarization of Germany. In their plans a united Germany is to join the aggressive Atlantic bloc, and the occupation forces are to remain on German territory . . . The Soviet Union has repeatedly called on the Western Powers to make a start on an agreed gradual withdrawal of troops from Germany. Furthermore, the Soviet Union has repeatedly declared its readiness to withdraw all its troops, not only from the German Democratic Republic, but also from Poland, Hungary, and Rumania, if the U.S.A. and other NATO countries withdraw their troops from Western Germany, France, Britain, etc."

After once more denying that the reunification of Germany had anything to do with the question of general disarmament as maintained by the Western Powers and Dr. Adenauer, M. Khrushchev, in conclusion, praised the friendship and close co-operation between the Soviet Union and the German Democratic Republic and declared that "there is not a single issue in dispute between us."

Prior to the Soviet visit, a delegation of Polish Ministers and Communist Party leaders had visited East Berlin from June 18-20 for discussions with the East German Government and Socialist Unity Party. The Polish delegation was led by M. Gomulka (First Secretary of the United Workers' Party) and M. Cyrankiewicz (the Prime Minister), and also included M. Ignar (Deputy Premier and chairman of the United Peasant Party), M. Rapacki (Foreign Minister), and M. Moskwa (Minister of Small Industries and Handicrafts and a Democratic Party leader). The East German delegation was led by Herr Grotewohl and Herr Ulbricht.

A joint governmental statement was issued on June 20 by Herr Grotewohl and M. Cyrankiewicz, which is summarized below under cross-headings.

Reaffirmation of Oder-Neisse Frontier and Polish-East German Friendship. Both sides declared that they were "firmly determined to pursue a policy consistently aimed at the maintenance and strengthening of peace," and that they were "firmly convinced that the present German-Polish frontier on the Oder and Neisse Rivers is an important element in the assurance of peace and security in Europe." The statement went on: "The friendly relations which have developed between the German Democratic Republic and the People's Republic of Poland on the basis of their mutual interests and as members of the Socialist camp constitute an important factor for European security and for the development of Socialism in both countries. The two Governments therefore declare that they wish to strengthen the friendly co-operation between their countries in all spheres."

Disarmament. The statement accused "certain imperialist circles" of "continuing their policy of war pacts, extension of military bases in other countries, and the development of weapons of mass destruction"; condemned the creation of Euratom and the Common Market as leading to a "perpetual division of Europe"; and denounced the Western countries' Middle East policy. Both Governments, the statement said, were in favour of an international agreement on the prohibition of weapons of mass destruction and the reduction of existing armed forces and armaments, and believed that the realization of the Soviet proposals for a suspension of nuclear tests and for the renunciation of the use of nuclear weapons would be first steps towards the complete outlawing of atomic and hydrogen weapons. They also expressed support for "partial solutions which would lead to future complete disarmament," as well as for the Soviet proposal "for the creation of a zone of limited and controlled armaments in Europe that would include both German States and some neighbouring countries."

West German Remilitarization. After condemning the remilitarization of Western Germany and "the storing of atomic weapons on West German territory," which was "becoming the most important atomic base of NATO in Europe," the statement went on: "The attitude of the present German Federal Government, which avoids any firm renunciation of the policy of strength in its relations with Poland, is an encouragement to those openly supporting revisionism and revenge. At the same time the German Federal Government

consistently opposes all steps towards disarmament . . . Both sides state that the revisionist activities in the German Federal Republic, especially regarding the established and unalterable German-Polish frontier on the Oder and Neisse Rivers, are directed against peace and security in Europe.

"German militarism is the enemy of the German and the Polish people. The German Democratic Government strongly opposes the activities of revisionist and revenge-seeking circles in the German Federal Republic, since they are directed against the German people themselves, in whose interest it lies to establish relations with the Polish people based on good-neighbourly and friendly co-operation. Every increase in the economic and political strength of the People's Republic of Poland is at the same time a support for the progressive and democratic forces in Germany in their fight against German militarism . . ."

European Collective Security. - Proposed Baltic Treaty. After emphasizing that both Poland and Eastern Germany were prepared "to strengthen the defensive association which binds them to the Soviet Union and to the other signatories of the Warsaw Pact," the statement declared that the two Governments were against a division of Europe into two antagonistic groups and would therefore support the proposal for the conclusion of a European Collective Security Treaty. They also agreed that "the Baltic must remain a sea of peace," and declared that they would "endeavour to reach agreement with the countries bordering on the Baltic and would take steps towards achieving this aim."

German Reunification. - Polish Support for G.D.R. The Polish Government, while stating that it was interested in normalizing relations with the German Federal Republic, reaffirmed its conviction "that the German Democratic Republic is of fundamental importance for the cause of peace and security in Germany and Europe," and was "the leading force in the German people's fight for a peaceful, democratic, and united Germany." Both sides agreed, the statement added, "that the peaceful reunification of Germany was the task of the German people themselves and can be achieved through an understanding between the two German States."

Polish-East German Co-operation. "Both sides expressed their conviction that the strengthening of the unity of the Socialist camp is the basic element in their policy of strengthening peace and international security and of carrying out their programmes of Socialist construction. The German Democratic Republic and the People's Republic of Poland are bound by inseparable ties of friendship and solidarity with the U.S.S.R., the People's Republic of China, the Czechoslovak Republic, and the other Socialist countries, between whom relationships of aid on a basis of equality and brotherly co-operation . . . are developing."

In conclusion, the statement referred to an agreement of April 17 providing for East German credits to Poland for the construction in that country of new lignite mines (see below); mentioned the recent signing of trade, payments, legal assistance, and frontier co-operation agreements between the two countries; and announced that they intended to conclude a consular agreement, an agreement on social policy, and a Customs agreement, and that they would "endeavour to develop and broaden their co-operation in the fields of science, industry, technology, culture, and education."

A lengthy statement of the two parties signed by Herr Ulbricht and M. Gomulka was also issued on June 20. It was remarkable for the concessions which Herr Ulbricht, known as one of the most orthodox Communists of Stalinist convictions, had made to M. Gomulka's views, which he had hitherto persistently opposed in public. The essential part of the statement was worded as follows:

"Both parties believe that the interests of Socialist construction and the maintenance of peace demand a further strengthening of unity and friendship and of brotherly co-operation between the Socialist countries. Both parties express their strong opposition to all attempts to weaken this unity and co-operation through anti-Soviet propaganda, and to every effort to sow dissension between the Socialist countries and parties. All countries have common principles of Socialist construction: the dictatorship of the proletariat in association with the working peasants, the leading role of the working class and its Marxist-Leninist party, the development of productive forces on the basis of socialization of the means of production, central planning, and the unity of the Socialist States. These principles should be applied in a creative way and with reference to the historically developed conditions and national characteristics of each country. This carries with it the necessity and the possibility for each country to apply its own forms and methods in building Socialism, while each Communist and Workers' party stands firmly on the basis of ideological clarity within its ranks and works determinedly against revisionist or dogmatic falsifications."

The Polish-East German trade and credit agreements referred to in the governmental communiqué were: (*a*) a trade agreement of March 20 which provided for a trade volume in 1957 of over 1,000,000,000 roubles (about the same as in 1956), thus ensuring that each country would continue to occupy second place in the foreign trade of the other; (*b*) a supplementary protocol, signed on April 17, under which Eastern Germany granted to Poland a credit of 400,000,000 roubles in connexion with German machinery supplies for the construction of new lignite mines in Poland; (*c*) a second supplementary protocol, also signed on April 17, which provided for a 17 per cent increase of trade exchanges over the 1956 total, Poland undertaking to supply additional quantities of coal and metallurgical products, in exchange for East German deliveries of chemicals, fertilizers etc.—(Soviet and Polish Embassies, Press Departments, London - Neues Deutschland, East Berlin - Times) **(Prev. rep. East German-Soviet Relations, 15648 C; 15352 A; East German-Polish Relations, 15584 D; Reunification, 15684 A.)**

A. SUDAN.—Appointment of Election Commission. - Elections to be held in 1958. - Constituent Assembly Act.

The Supreme Council of the Sudan announced on June 30 that as the term of the present Sudanese Parliament expired on that date, and as it would be impossible to hold elections within 30 days or in the autumn, the elections would be held throughout the country on Feb. 27, 1958.

Previously the Supreme Council had, in accordance with a recommendation by the Sudanese Government, appointed in June an Election Commission to conduct the forthcoming parliamentary elections, in conformity with Article 43 of the Transitional Constitution. Sayed Hassan Ali Abdalla (Governor of the Blue Nile Province) was appointed president of the commission, and Mohammed Yousif Mudawi and Chief Andrea Gore its other members.

Before its dissolution on June 30 the Sudanese Parliament had passed a Bill laying down the procedure for the next parliamentary elections, and another Bill defining the composition and functions of the Constituent Assembly.

Parliamentary Elections Act. This measure laid down that for the next general elections to the House of Representatives the Sudan would be divided into constituencies, each comprising about 60,000 population according to the last general census, with the proviso that the population in any one constituency should not be less than 50,000 nor more than 70,000 For the Senate there would be 30 constituencies.

All male Sudanese of 21 years or over and ordinarily resident in the constituency for not less than six months immediately before the closing of the electoral roll would be qualified to vote in the elections to the House of Representatives, whilst the age qualification for voting in Senate elections was 30 years or over.

The Act also laid down that the elections to both Houses would be direct and secret; fixed a procedure for by-elections; and dealt with the compilation of the electoral rolls, the nomination of candidates, and other electoral matters

Constituent Assembly Act. This measure provided that the Constituent Assembly would consist of all members of the House of Representatives and the elected members of the Senate; that it would be presided over by the Speaker of the House of Representatives, who would be known as the President of the Constituent Assembly; and that the Assembly's task would be to frame and adopt a Constitution, as well as to draft a law for elections to the first Parliament to be convened under the Constitution. The Constituent Assembly would be free to make its own procedural and business rules. It would be dissolved with the adoption by it of the new Constitution.

Because of the preparatory work for the parliamentary elections next year, it was announced in September that no by-elections to local government councils would be held pending the general elections as long as the remaining members of those councils were able to form a quorum.—(Sudan Government Information Centre, Khartoum)

B. UNITED STATES. — Ban on Travel to Bulgaria and on Admission of Bulgarian Journalists relaxed.

The U.S. State Department announced on Sept. 5 that U.S. citizens, who had "professional or other legitimate reasons," would henceforth be allowed again to undertake "visits of limited duration" to Bulgaria if their journey was "in the national interest." Reciprocally, applications of Bulgarian news correspondents for permission to visit the U.S.A. would be considered on the merits of each case, in the light of U.S. legislation controlling the admission of Communists.

The State Department spokesman explained that the immediate reason for the decision was to enable Mr. Avery Brundage, president of the International Olympic Committee and a U.S. citizen, as well as six other officials of the U.S. Olympic Committee, to attend the meeting of the International Olympic Committee which was to open in Sofia on Sept. 20. He added that applications of *bona fide* correspondents for validation of their passports for travel to Bulgaria to cover the meeting would also be considered, and that one such application had already been granted.

Travel by U.S. citizens to Bulgaria had been banned since February 1950, after the U.S. Government had broken off diplomatic relations with that country, following a Bulgarian request for the withdrawal of the U.S. Minister, Mr. Donald R. Heath, and the Bulgarian Government's refusal to withdraw the charges publicly made against Mr. Heath in connexion with the Kostov trial.—(New York Times) **(Prev. rep. 10557 A.)**

A. UNITED KINGDOM. — Electricity Industry. - Report and Accounts of Central Electricity Authority, 1956-57. - Atomic Power Developments.

The reports and accounts of the Central Electricity Authority for the year ended March 31, 1957, were published on Sept. 24. They showed that the Authority itself and the 12 Area Boards had earned a combined net surplus of £11,718,915 (compared with a combined net surplus of £12,212,242 in the year ended March 31, 1956), bringing the combined net surplus earned since Vesting Day to about £82,466,000. This will be the last annual report to be published by the C.E.A., whose functions will be taken over from Jan. 1, 1958, by the new Electricity Council and Central Electricity Generating Board (see 15739 A).

The combined revenue of the Authority and the 12 Area Boards was £421,900,000, compared with £379,100,000 (revised figure) in 1955-56. Total expenditure (including £62,700,000 depreciation) amounted to £360,800,000, compared with £324,200,000 (revised figure) in 1955-56, leaving a trading surplus of £61,100,000. The combined net surplus of £11,718,915 shown above was arrived at after deducting £49,400,000 to cover interest, financing expenses, and a further £2,000,000 written off the "Consideration for Undertakings Acquired." It included about £8,800,000 earned by the C.E.A. itself and about £2,900,000 earned by the Area Boards as a whole. Three Area Boards—the Midlands, Merseyside and North Wales, and Yorkshire—incurred deficits during the year.

The following information was given in the report :

Consumers and Sales. The number of consumers rose during the year by 390,201 (2.8 per cent) to 14,538,368. Sales of electricity increased by 6.7 per cent to 67,514,000,000 units.

Prices and Costs. The average price of electricity sold for all purposes increased during the year by 4.7 per cent to 1.469d. Generating costs rose from 0.605d. to 0.649d., chiefly as the result of an increase of 8.5 per cent in the cost of coal.

Effects of Prices Standstill. The report stressed that the prices standstill, which the C.E.A. in June 1956 asked the three Area Boards to impose (see 14930 C), had "seriously reduced the financial working margin of the industry as a whole, involved some Boards in a deficit, and reduced the internal resources available to help finance the industry's capital requirements."

The Future of Nuclear Power. Emphasizing the "far-reaching importance" of nuclear development on power-planning generally (including the deletion from the 1961 programme of conventional plant for some 400,000 kw.), the report stated that the later nuclear power stations were expected to be directly competitive with conventional steam stations situated on the coalfields. With regard to areas of insufficient coal, the report stressed that nuclear power must play a prominent part in the area south of a line from the Bristol Channel to the Wash, which accounted for about two-fifths of the total demand in England and Wales. A warning was given, however, that although the C.E.A. had in the past been anxious to interfere as little as possible with existing amenities, the nuclear power programme, as well as the programme of conventional plant, could be implemented "only to the extent to which the community is prepared to accept the construction of power stations and overhead lines."

Power Stations. At March 31, 1957, the C.E.A was operating 262 power stations, with a maximum output of 20,600,000,000 kw., a record increase of 1,800,000,000 kw. (or 9.5 per cent) during the year. It was intended by 1962 to increase generating capacity by a further 44 per cent to 29,500,000,000 kw., including 1,300,000,000 kw. derived from nuclear plant.

Fuel Consumption and Efficiency. Coal consumption rose in 1956-57 to 41,500,000 tons, an increase of 4.1 per cent, compared with one of 5.2 per cent in the quantity of electricity generated. The report added that in the nine years since nationalization improved efficiency had saved 31,400,000 tons of coal, or about £106,000,000.

Rural Electrification. The total number of farms connected to electricity mains rose during the year by 13,135 to over 188,000. The report added that the number of farms connected had doubled since Vesting Day and was now nearly 69 per cent.

Capital Programme. At the Government's request, this had been reduced from the £213,000,000 originally contemplated (see 15135 A) by postponing work on power stations and distribution networks, actual expenditure in 1956-57 having been about £206,000,000. For 1957-58 the Minister of Power had approved expenditure of £233,000,000, the increase over 1956-57 being mainly accounted for by the acceleration of the nuclear power programme and the urgent need to overtake arrears of reinforcement of the distribution network.

Peak Demand. In 1956-57 maximum demand had for the first time been met without reducing voltage or frequency and without load-shedding.

Lord Citrine, chairman of the C.E.A., commenting on the report on the same day, reviewed the progress made in the industry in the nine years since Vesting Day.

The amount of generating plant available to meet consumer demand, he said, had doubled, and consumption had more than doubled, sales of electricity having increased by 106.7 per cent. Provision had been made to meet further doubling of demand by 1963-65. In 1948 the largest generating sets on order had a capacity of 60 megawatts, compared with the 200 and 275 megawatts of sets now on order or in the design stage; during the same period average thermal efficiency had risen from 20.91 per cent to 24.93 per cent. The national grid had been extended from 3,670 to 4,940 route miles and work was well advanced on an entirely new super-grid of 1,630 route miles. Capital expenditure had risen from £9,500,000 in 1948 to £233,000,000, and revenue from £178,000,000 to £421,000,000. In each of the nine years since nationalization the industry had made a surplus, but prices had increased by only 28 per cent since Vesting Day and by only 38 per cent since 1938, so that, when allowance was made for the fall in the value of money, electricity was "substantially cheaper than before the war."

Lord Citrine added a warning that virtually all Area Boards would show deficits in their accounts for the nine months to Dec. 31, 1957 (when the C.E.A would be dissolved), since this arbitrary accounting period excluded the first quarter of the calendar year, when substantial surpluses were normally earned.

Recent developments in connexion with atomic power development are summarized below.

The Hinckley Point (Somerset) Nuclear Power Station. The C.E.A. announced on Sept. 12 that after lengthy negotiations a provisional contract had been placed with the English Electric-Babcock and Wilcox-Taylor Woodrow group for the erection of the nuclear power station at Hinckley Point, Somerset (see 15311 A). The station, expected to be in full production by the end of 1962, would be the largest yet begun, with an output of 500,000 kw., compared with about 300,000 kw. at Berkeley and Bradwell and 350,00 kw. at Hunterston. The total cost, including all ancillary works, would be about £60,000,000.

A statement issued by the contractors on the same day said that the output of the Hinckley Point power station, which would be "by far the world's largest atomic power station," would be nearly seven times that of the first station at Calder Hall. The new station would have two reactors, each 175 ft. in height, of the gas-cooled graphite-moderated type fuelled by natural uranium. Each reactor would be connected to six steam-raising units, the 12 units being together capable of generating over 5,500,000 lb. of steam per hour. It was estimated that about 300 staff and workmen would be required to operate the station, which compared favourably with the manpower requirements of conventional power stations.

Proposed Nuclear Power Station for North Wales. Earlier, the C.E.A. had announced on Aug. 14 that it would shortly apply to the Minister of Power and the local planning authority for permission to build a nuclear power station (its fourth) at Trawsfynydd, Merionethshire, on the artificial lake of the same name. If the plan was approved, the Trawsfynydd station would be brought into service in 1962, have an output capacity of 400,000-500,000 kw., and be connected by overhead cable with the "pumped storage" station now being built at Blaineau Ffestiniog five miles to the north.

The Authority also stated that a suitable site for a nuclear power station existed near Edern, four miles from Nevin on the north coast of the Lleyn Peninsula (Caernarvonshire); the timing of the proposals for erecting a station there would, however, "depend on the system requirements and the scale of the nuclear power programme as a whole." Both the Trawsfynydd site (which the Authority already owned) and the site at Edern (consisting of heathland and low cliffs) were of no agricultural value.

The following appointments by Lord Mills, the Minister of Power, were announced on Sept. 13 : (*a*) Mr. C. T. Melling, chairman of the Eastern Electricity Board, to be a full-time member of the Electricity Council, with effect from Oct. 1; (*b*) Sir Charles Geddes, Sir William Holford, Mr. G. A. S. Nairn, and Sir Leslie Nicholls to be part-time members of the Central Electricity Generating Board. (Times - Daily Telegraph - Manchester Guardian - Financial Times)

(Prev. rep. C.E.A. Report, 1955-56, 15135 A; Nuclear Power Stations, 15531 A.)

B. GHANA. — Establishment of Bank of Ghana.

The Bank of Ghana, which will act as the country's central bank and issue the national currency, opened for business for the first time on Aug. 1. Legislation setting up the bank had been passed by the Legislative Assembly on Feb. 18, 1957.

The Act established the value of the Ghana pound at par with sterling, and required the Bank on demand to issue and redeem its notes and coins against sterling. The new currency will mostly be backed by sterling assets, but with provision for a limited fiduciary issue. The Bank will act as the main, and ultimately the sole, banker to the Government, and is empowered to make limited temporary advances to the Government to smooth over fluctuations in revenue arising from the predominance of cocoa exports in Ghana's economy.

The Bank may act as banker to other banks and Government institutions, but will not compete for commercial business. The Act empowered it, however, to require that other banks should maintain at all times a minimum holding of liquid assets, which would be expressed as a proportion of their deposit liabilities.

The Bank of the Gold Coast, which had acted as one of the Government's bankers, will be reorganized by separate legislation under the name of the Ghana Commercial Bank.

(Times - Financial Times)

A. CANADA. — Mr. Diefenbaker's Statement on U.S.-Canadian Economic Relations.

The Canadian Prime Minister, Mr. Diefenbaker, speaking at Dartmouth College, Hanover (New Hampshire), on Sept. 7, referred to certain aspects in the economic relations of the U.S.A. and Canada which, he said, were "causing unrest" among Canadians, especially the preponderance of the U.S.A. in Canada's external trade, the U.S. disposals programme for its agricultural surplus stocks, and the large-scale penetration and control of Canadian industry by U.S. interests.

The principal parts of Mr. Diefenbaker's address were as follows :

"The Anglo-Canadian-American Community constitutes a grand alliance for freedom, in partnership with others of the NATO family in the defence of democracy against the Red Menace. This alliance has as its 'built-in' stabilizers for unity a common tradition, a respect for the rights of man, an unswerving dedication to freedom. I believe with you that the maintenance of that unity is the only certain hope for the survival of freedom everywhere in the world . . .

"We are partners in defence—and we realize that the security of this continent cannot be assured without the closest co-operation between our two countries. To that end one of the first acts of the new Canadian Government when it came into power was to agree to the joint operational control of the air defence forces of Canada and the United States . . .

"We have learned to trust one another. Neither has received aid from the other without payment. No hereditary animosities or ancestral fears remain to divide us. In Canada we know that if the United States since the last war had not assumed world leadership, the free world might not have survived. But we cannot take our relationship for granted. The former Secretary of State for External Affairs (Mr. Lester Pearson) expressed the same sentiment a few years ago when he said: 'The era of easy and automatic good relations between Canada and the United States is over.' That does not mean that an era of difficult or bad relations is beginning. It emphasizes the need for care being taken in attending to our relations and viewing each other's problems with common sense, frankness, absolute confidence, and mutual trust.

"The whole measure of warm friendship which has long existed between the United States and Canada, and the parallel interest of the two countries, enables us to speak to each other with a measure of forthrightness which is permitted to very few countries in the world. The candour with which we can communicate with each other strengthens our understanding of each other, and helps us to avoid the pitfalls of misunderstanding which have bedevilled relations of so many other countries in the world.

"May I now with the utmost frankness and goodwill, and in the interests of fullest understanding, deal with one or two economic matters that are causing unrest within my country. By doing so I emphasize that the Government of Canada has as its duty and responsibility to consider Canadian interests first. It is not now, and will not be, anti-American.

"Canada is numbered among the great trading countries of the world. While we are desirous of doing business with all nations, our trading world has become increasingly confined to the United States, which takes 60 per cent of our exports and provides 73 per cent of our imports . . . Even in agricultural products, Canada buys a larger volume of American agricultural products, by some $100,000,000, than Canada sells to the United States. The value of U.S. exports to Canada is almost as much as that of its total sales to all Latin American countries. Canada is the U.S.A.'s greatest customer and the U.S.A. is Canada's greatest customer. What you are buying from us is largely raw materials or semi or partially-manufactured materials, for the U.S. tariff system prohibits any major import of manufactured goods.

"This concentration of trade in one channel contains inherent dangers for Canada. It makes the Canadian economy altogether too vulnerable to sudden changes in trading policy at Washington Canadians do not wish to have their economic, any more than their political, affairs determined outside Canada.

"Canada has always purchased more from the U.S.A. than the U.S.A. has purchased from Canada. This imbalance is now running to record proportions. In our commodity trade last year Canada purchased from the U.S.A. goods to the value of $1,298 millions more than the U.S.A. purchased from Canada. Thus far in 1957 the imbalance has increased, and if the present trend continues, 1957 will establish a new all-time record in imbalance in trade between the two countries. Our trade with the U.S.A. is equivalent to 25 per cent of Canada's gross national product. On the other hand, it is the equivalent of less than 2 per cent of the gross national product of the United States. It is perhaps only natural, therefore, that Canadian-American trade should not make the same claim on the attention and consideration of the United States as it does on Canada.

"A pressing concern in Canada is the question of the U.S. agricultural disposal programme, and in particular that of wheat and wheat flour, which has been more vigorous and more aggressive in the last two years, and which denies fair competition for markets. Canada's carry-over of wheat amounted to more than 700 million bushels this year. It is vital to Canada's economy that some 300 million bushels of wheat be exported every year. Canada can compete for her share of the markets of the world providing other nations follow recognized competitive practices. The share of the world market for wheat by the U.S.A. has been increasing in recent years by its policies of surplus disposal, and that increase has come about mainly at the expense of Canada's export trade, which has been decreasing. The U.S. surplus disposal legislation has made it difficult, if not impossible, for Canada to maintain its fair share of the world's market. Canada cannot compete for agricultural markets against the dominant economic power of the U.S.A., with its export subsidies, barter deals, and sales for foreign currency.

"The free world faces not only the military but also the economic aggression of the U.S.S.R. Military alliances and joint co-ordination for defence are not enough. There must be economic co-operation, which in turn demands recognition by larger nations of the effect of their economic policies on smaller nations. Freedom cannot afford to allow any of the free nations to be weakened economically. We are co-operating in defence measures—why not to a greater degree in economic matters? The joint U.S.-Canadian Cabinet Committee on Trade and Economic Questions will meet in Washington in early October, and Canadians hope that this matter can be resolved by mutual agreement which will provide for a fair and reasonable solution of the problem of the disposal of wheat and other agricultural surpluses.

"One other matter deserves comment in the interest of clarification. Capital from the U.S.A. has played an important role in the development of Canadian resources. We welcome this investment and intend to continue to provide the best foreign investment climate in the world. The heavy influx of American investment has resulted in some 60 per cent of our main manufacturing industries, and a larger proportion of our mine and oil production, being owned and controlled by U.S. interests . . . There would be no potential harm in external ownership as long as companies engaged in these industries are developed in Canada's interests, and their policies take account in their direction of the interests of Canadians.

"There is an intangible sense of disquiet in Canada over the political implications of large-scale and continuing external ownership and control of Canadian industries. The question is being asked: 'can a country have a meaningful independent existence in a situation where non-residents own an important part of that country's basic resources and industry, and are therefore in a position to make important decisions affecting the operation and development of the country's economy?' Canadians ask that American companies investing in Canada should not regard Canada as an extension of the American market; that they should be incorporated as Canadian companies making available equity stock to Canadians. That there is cause for questioning seems clear when I tell you that it is estimated that of American-controlled firms operating in Canada not more than one in four offers stock to Canadians . . .

What I have said is not spoken in a spirit of truculence or of petition. My purpose is to have removed causes for disagreement which, unsolved, may diminish the spirit of understanding which is characteristic of our relationship . . ."

A similar warning to U.S. business undertakings to treat their branch plants in Canada as thoroughly Canadian enterprises, and to remind themselves more often that Canada was a separate nation and not a State of the Union, had been given by Mr. C. D. Howe, Minister of Trade and Commerce in the St. Laurent Administration, when addressing the Canadian Club in Chicago on Oct. 15, 1956.

Mr. Howe said that Americans doing business in Canada "should reckon with the normal feelings of nationalism which is present in Canada, just as it is in the United States." Canadians did not like "to be excluded from an opportunity of participating in the fortunes of large-scale enterprises incorporated in Canada but owned abroad," nor did they like "to see the financial results of large-scale Canadian enterprises treated as if they were the exclusive concern of the foreign owners." He suggested, therefore, that U.S. corporations establishing branch plants in Canada or searching for and developing Canadian natural resources should provide (*a*) opportunities for financial participation by Canadians as minority shareholders; (*b*) greater opportunities for advancement for Canadians technically competent to hold executive and professional positions; and (*c*) more and regular information about the operations of their subsidiary corporations in Canada. He described it as "an encouraging trend" that an increasing number of American companies were now giving Canadians an opportunity to participate in the equity holdings of Canadian-operated enterprises.

Figures issued by the Dominion Bureau of Statistics on Sept. 12 showed that by the end of 1956 Canadian businesses controlled by non-residents had a book value of $8,900,000,000, of which $7,500,000,000, or 82 per cent, was in U.S. hands. This meant that the book value of U.S.-controlled industry had increased by the record figure of $900,000,000 during 1956, whilst it was stated that during the first six months of 1957 another $250,000,000 of capital had come in for direct investment, most of it from the U.S.A.—(External Affairs Dept., Ottawa - Montreal Star - Financial Times)

B. PAKISTAN. — First Pakistani Commander-in-Chief of the Air Force.

Air Vice-Marshal Asghar Kahn was appointed C.-in-C. of the Pakistani Air Force on July 23, becoming the first Pakistani officer to hold this office. He succeeded Air Vice-Marshal A. W. B. McDonald, the last British Service chief of the Pakistani armed forces.—(Pakistani High Commissioner's Office, London)

A. SHIPPING. — The "Pamir" Disaster.

The West German training barque *Pamir* (3,103 gross tons) foundered on the night of Sept. 21 about 600 miles south-west of the Azores after encountering a hurricane in the Atlantic, shortly after sending out S.O.S. messages. Ships in the vicinity hastened to the position given in the S.O.S. message, and U.S. army aircraft joined in the search, but no trace was found of the *Pamir* herself and only six of her complement of 86 were rescued from lifeboats.

The *Pamir*, a steel four-mast barque fitted with auxiliary oil engines, was owned, together with her sister ship the *Passat*, by the *Stiftung Pamir und Passat* (Pamir-Passat Foundation), a co-operative organization formed by West German shipowners, with Government backing, to provide sailing ship training for future officers of the German merchant marine. Bound from Buenos Aires to Hamburg with a cargo of barley, she carried 51 cadets and a crew of 35. Five of the survivors, who had been in a waterlogged life-boat for 54 hours, were picked up by the U.S. freighter *Saxon* and transferred to the U.S. transport *Geiger*, which subsequently landed them at Casablanca. The sixth survivor was rescued by the U.S. coast-guard cutter *Absecon*, transferred to the French liner *Antilles*, and landed at Puerto Rico. Although the search by ships and aircraft continued for several days, no more survivors were found; the U.S. air base at Lagens (Azores), which had been mainly responsible for co-ordinating the search, announced on Sept. 26 that hope of finding further survivors had been almost abandoned, but that the search would continue on a restricted basis for three more days.

The five survivors landed by the *Geiger* at Casablanca arrived at Hamburg by air on Sept. 29 and were interviewed by maritime board officials pending a full inquiry into the *Pamir's* loss to be held at Lübeck (the vessel's home port). Dr. Otto Wachs, chairman of the Pamir-Passat Foundation, stated subsequently that the survivors' accounts showed that the *Pamir* had attempted to ride out the hurricane but, owing to the destruction of her sails and the impossibility of keeping her head-on to the sea, had been literally driven on to her side and had gone down intact, having been submerged by the force of the hurricane.

The disaster caused widespread sorrow throughout Western Germany, and on Sept. 29 memorial services were held in Hamburg churches for those who had lost their lives and flags flown at half-mast throughout the Federal Republic. (Lloyds' List and Shipping Gazette - Die Welt, Hamburg - Times - Daily Telegraph)

Note. Built by Blohm und Voss in 1905 for the "Cape Horn" fleet of nitrate carriers owned by the Hamburg firm of Ferdinand Laeisz, the *Pamir* was acquired in the early 1930's by the Finnish sailing ship owner Captain Gustav Erikson, of Mariehamn. After featuring regularly in the pre-war "Australian grain ship races," the vessel was interned in New Zealand in World War II, but later re-joined the Erikson fleet and in 1949, together with Erikson's *Passat* (see below), sailed in the last "grain ship race" ever to take place. Laid up on arrival in Britain, the two ships were sold in 1951 for breaking up, but before work had started were bought "largely for sentimental reasons" by Herr Schliewen, a Lübeck shipowner, who had them fitted with auxiliary oil engines. In 1954 they were taken over by the Pamir-Passat Foundation and were completely overhauled and refitted by Blohm und Voss.

The *Passat* (built by Blohm und Voss for the Laeisz firm in 1911) had sailed from Buenos Aires for Hamburg shortly before the disaster to the *Pamir*.—(Lloyd's List and Shipping Gazette - Liverpool Journal of Commerce).

B. PERU.—Return of Señor Raul Haya de la Torre.

Señor Raul Haya de la Torre, leader of the Aprista party (*Alianza Popular Revolucionaria Americana*), returned to Peru from exile on July 20. After spending over five years in the Colombian Embassy in Lima, where he had sought asylum, Señor Haya de la Torre was allowed to leave Peru in April 1954 under an agreement between the Colombian and Peruvian Governments and went to Mexico, having received a permit from the Mexican Government to stay in that country. On July 28, 1956, following the inauguration of President Prado, the new Peruvian Congress had passed legislation legalizing the Aprista party and revoking the law under which Señor Haya de la Torre had been exiled.—(New York Times)

(Prev. rep. 15047 A; 13698 B.)

C. SAUDI ARABIA. — Membership of International Bank and International Monetary Fund.

Saudi Arabia became a member of the International Bank and the International Monetary Fund on Aug. 26. Its quota in the I.M.F. is $10,000,000 and its subscription to the capital stock of the Bank is 100 shares with a par value of $10,000,000. Saudi Arabia's admission brought the total membership of both institutions to 62, the total of members' quotas in the Fund to $8,981,000,000, and the total subscribed capital of the International Bank to $9,808,400,000.—(International Monetary Fund - International Bank, Washington)

(Prev. rep. 15707 D.)

D. UNITED KINGDOM. — Gold and Dollar Reserves in September.

The Treasury announced on Oct. 2 that the sterling area's gold and dollar reserves had fallen during September by $292,000,000, after taking into account (*a*) the payment of $134,000,000 to the E.P.U. in respect of the U.K.'s deficit in August; (*b*) the payment of $3,000,000 to creditor countries in the E.P.U. under bilateral settlements. No drawing had been made on the Export-Import Bank credit. As a result, the gold and dollar reserves stood at $1,850,000,000 on Sept. 30 — the lowest level since June 1952.

The decline in the reserves in September was the heaviest suffered since January 1952 and, it was pointed out in the Press, was largely to be attributed to speculation against the pound. The Treasury explained that the drain in the first three weeks of September had amounted to $295,000,000, which indicated that the reserves had risen by some $3,000,000 in the final nine days of the month, following the increase in the Bank Rate and the announcement of the Government's new economic measures on Sept. 19.

Provisional figures for the E.P.U. September settlement showed that Britain had a deficit of £62,000,000; three-quarters of this would be settled in gold or dollars (involving a payment of a further $130,000,000 during October) and the remaining quarter by an increase in the U.K.'s debt to the Union. The Treasury stated in this connexion that less than £1,000,000 of the E.P.U. deficit had been incurred since Sept. 21.

Since Sept. 27 sterling had continued to rise in the international exchange markets, the London-New York spot rate reaching $2.79 ⅜ on Oct. 1 the highest level since March 12, whilst the transferable sterling rate in Zürich rose to $2.7735. In spite of a slight weakening on Oct. 2 after the announcement of the gold and dollar reserve figures, the London-New York spot rate closed at $2.79 ⅛, whilst the transferable sterling rate in Zürich remained at $2.7735. (Treasury Press Office, London - Times - Financial Times) **(Prev. rep. 15770 A.)**

Corrigendum. In report 15770 A the date in the third line of the first paragraph should read Sept. 19, not Sept. 9 as stated in part of the issue. Ed. K.C.A.).

E. DENMARK - NETHERLANDS - UNITED KINGDOM. — Agriculture. - Regular Consultations of Bacon Producers.

A meeting was held in London on Oct. 1-2 between representatives of bacon producers in Denmark, the Netherlands, and the United Kingdom, to consider current problems of production and marketing, the talks being a continuation of earlier discussions at Copenhagen and The Hague. It was announced on Oct. 2 that it had been agreed that regular consultations should take place in future between producers and other bacon interests from the three countries to examine production trends and to review the situation, and that the meetings would take place alternately in Amsterdam, Copenhagen, and London.

A 10 per cent ad valorem duty on bacon imported from countries other than the Commonwealth and the Irish Republic came into force in the U.K. on Oct. 1, 1956, when the import of bacon reverted from Government account into private hands. No quantitative restrictions are applied to imports from O.E.E.C. countries or the sterling area.

It was stated in the Press that during the current year bacon prices had fluctuated widely on a generally falling market, and that considerable concern was felt about the future of prices in view of the recent increase in the pig population in Denmark and, to a lesser extent, in the U.K. (Times - Daily Telegraph - Financial Times) **(Prev. rep. U.K. Bacon Imports, 14780 B; 15578 A, page 15579.)**

F. INDIA. — Inauguration of Eastern, Southern, and Western Zonal Councils.

The Eastern Zonal Council, under which are grouped the States of Bihar, West Bengal, Assam, and Orissa, was inaugurated by Pandit Pant, the Indian Home Minister, on April 30, having its seat at Calcutta; the Southern Zonal Council, covering the States of Madras, Andhra Pradesh, and Kerala, was inaugurated in Madras (its future seat) on July 11; whilst the Western Zonal Council, comprising the States of Bombay and Mysore, held its first meeting in Mysore City on Sept. 20. The Southern Zonal Council decided that Mysore should also be invited to all its future meetings, although it belonged to the Western Zone. The Councils were set up under the States Reorganization Act of 1956.—(The Hindu, Madras - The Statesman, Calcutta - Indian High Commissioner's Office, London) **(Prev. rep. 15510 F.)**

OCTOBER 5—12, 1957

A. SOVIET UNION. — Launching of First Man-made Earth Satellite into Outer Space.

The Tass Agency announced at about midnight on Oct. 4, in an English language broadcast, that the Soviet Union had successfully launched an earth satellite by means of a carrier rocket; that the satellite, with an orbital velocity of some 8,000 metres (five miles) per second (about 18,000 miles an hour), was now circling the earth on an elliptical trajectory; that "according to calculations which are now being checked by direct observation" it would move at altitudes of up to 900 kilometres (560 miles) above the earth; and that it would take 95 minutes to make one complete revolution, its orbit being inclined at an angle of 65 degrees to the equatorial plane.

The satellite, the statement added, was in the form of a sphere with a diameter of 58 centimetres (nearly 23 inches) and a weight of 83.6 kilogrammes (184 lb.). It carried two radio transmitters continually sending signals with frequencies of 20.005 and 40.002 megacycles (the corresponding wavelengths being about 15 and 7.5 metres) and "powerful enough to ensure high fidelity reception by large numbers of amateur wireless enthusiasts." The telegraphic signals from each set lasted about 0.3 seconds with pauses of the same length, the signals on one frequency being sent during the pause in the transmission on the other.

The announcement also said that the satellite's flight "can be observed in the rays of the rising and setting sun through binoculars, small telescopes, etc.," that on Oct. 5 the satellite would twice pass over the Moscow area—at 1.46 a.m. and 6.42 a.m. (Moscow time), and that reports on its subsequent movements would be broadcast regularly by Soviet radio stations. It added that, as there was no authentic knowledge about the density of the rarefied upper layers of the atmosphere, there were at the present moment no data to determine exactly how long the satellite would exist and where it would dive into denser layers of the atmosphere. Calculations indicated that at the end of its life its tremendous velocity would cause it to burn out "several dozen kilometres" above the earth.

The announcement concluded: "The possibility of space flight by means of rockets was first scientifically established in Russia at the end of the 19th century in the works of the Russian scientist Konstantin Tsiolkovsky. The successful launching of the first man-made earth satellite makes a tremendous contribution to world science and culture. The scientific experiment staged at such a great height is of great importance for fathoming the properties of cosmic space and for studying the earth as part of our solar system.

"The Soviet Union proposes to send up several more artificial satellites during the International Geophysical Year. These will be bigger and heavier and will help to carry out an extensive programme of scientific research. Artificial earth satellites will pave the way for space travel . . ."

No information was published about where the satellite had been launched, but according to calculations made in the U.S.A. the launching was believed to have taken place in a north-easterly direction from a point north of the Caspian Sea at 9 p.m. (Greenwich mean time) on Oct. 4.

Some further details about the satellite were given on Oct. 6 by Dr. A. A. Blagonravov, leader of a group of Soviet scientists who were attending an International Geophysical Year conference on rockets and missiles in Washington, and one of the key figures in the Soviet Union's satellite programme, and by Professor Fesenkov, leader of a Soviet astronomical mission for the International Geophysical Year at present in Egypt.

Dr. Blagonravov said that when he and his colleagues left the Soviet Union preliminary plans for launching the satellite had been completed, but that discussion was still going on "as to which of two variants would be launched." "Two variants were prepared," he added, "and judging from the available information the simpler of the two variants was chosen." He described the satellite as "the simplest kind of baby moon," and attributed its weight of 184 lb. largely to the heavy batteries it carried. "All it contains," he continued, "is the radio transmitter. It is designed to establish the method of launching and getting into an orbit . . . Of course, this satellite is not going to give all the answers, but it makes the first forward step and will assure that the next one launched will be on the correct orbit."

Speaking in a U.S. television programme, Dr. Blagonravov said that the launching of the satellite had not been announced in advance because "this one was purely experimental," and the Russians themselves had not known for sure that it would work. It was not the one which the Soviet Union had said it would launch in connexion with the International Geophysical Year, but "the next one will be for the I.G.Y." and its launching would be announced in advance.

Dr. Blagonravov added that the Soviet Union would be "most happy to see the United States launch its own satellite," and expressed the belief that launchings by both countries would be of great service to science. The Russian ambition, he declared, was to contribute to science, and "not to gain control over the earth," and nobody should have "anything to fear" from the Soviet satellite programme, which, while it aimed at eventually carrying human beings into space, "will keep everyone too busy watching the instruments to think about anything else." The main thing to do now, he added, was to make satellites which "everyone feels can be safe."

He denied that the present satellite was transmitting code messages [as scientists working on the U.S. satellite projects had claimed to have established], and that it was propelled by atomic energy. First Soviet estimates had indicated that it would remain aloft for about a month, but this calculation was not an exact one.

Professor Fesenkov, on the other hand, said in Cairo on Oct. 6 that the satellite could "take pictures of the earth and other planets and, by magnifying them 400 times the original size, we can learn a lot about them." He added that his part had been "to install scientific instruments inside the satellite now transmitting information back to earth," and expressed the opinion that the satellite could remain in space for several months, depending on its altitude, power, speed, and the temperature of the upper atmosphere. He disclosed that the satellite had been launched after two years of research, and that preparations for launching it had started last autumn.

Moscow Radio announced on Oct. 7 that the rocket which had carried the Soviet satellite into outer space had fallen into the orbit behind the satellite; that it had now been detected following the satellite in its trajectory round the earth at a distance of 1,000 kilometres (625 miles); and that Soviet scientists expected the distance between the satellite and its rocket to grow. An earlier account of the progress of the satellite itself indicated that it was maintaining its initial speed of 18,000 miles an hour in its orbit round the earth.

It was believed by scientists in Western countries that a three-stage multiple rocket had been used to carry the satellite to its great height when it was launched, and that the rocket now circling the earth behind the satellite was the third one

Further information was given on Oct. 9 by an article in *Pravda* and in statements by Moscow Radio and the Tass Agency.

The *Pravda* article said on the method of launching that the satellite had been placed in the nose of a carrier rocket and shielded by a protective cone. The carrier rocket had been fired into the zenith but had then gradually been shifted away from its vertical ascent, and at the end of the flight to the orbit which had been decided upon had moved parallel to the earth's surface, at an altitude of several hundred kilometres and with a speed of some 8,000 metres a second. After the engines had stopped functioning, the protective cone had been jettisoned and the satellite had detached itself from the rocket and begun to move independently. Now not only was the satellite circling the earth but also the carrier rocket and the protective cone.

On the satellite and its equipment *Pravda* said that its casing was made of aluminium alloys, was hermetically sealed, and had its surface polished and specially treated. Before being launched the satellite had been filled with gaseous nitrogen, the forced circulation of which was to ensure the maintenance of an even temperature within the sphere and to regulate the thermal resistance between the casing and the equipment inside. There were four radio antennae attached to the sphere in the form of metal rods respectively 7ft. 10½ inches and 9 ft. 6 inches long; the rods had been folded against the body of the carrier rocket when the satellite was sent to its orbit, but had opened out on their swivels after the satellite had become detached.

In order to register the processes taking place in the satellite, it had been equipped with sensitive elements which were changing the frequency of the telegraphic messages and the ratios between the length of these messages and the pauses in accordance with changes of temperature, etc., inside the satellite. It was also stated that the radio messages were being recorded for subsequent decoding and analysis by electronic computers, but that the transmitter might cease to function after a certain time because of, for instance, damage from meteoric particles or because of the limited supply of electric energy.

Moscow Radio said that the time taken by the satellite to complete its orbit was diminishing by three seconds every 24 hours, that it could be assumed that it would continue its flight round the earth for a considerable time, and that so far only insignificant changes had taken place in the distance between the satellite and its rocket.

The Tass announcement said that a preliminary analysis by Russian scientists of the satellite's trajectory had shown that colder temperatures than had been assumed prevailed at heights from 200 to 300 miles. Professor Valerian Krasovsky, a specialist on the upper layers of the atmosphere, was quoted as saying that the density at these heights was also many times lower than had previously been supposed. He added that "in such conditions the satellite may continue moving for an indefinite period."

The expected movements of the satellite—in Russian, *sputnik*—were broadcast each night for the following day by Moscow Radio, which gave details of the towns and cities over which the satellite would pass at a given time. Scientific institutions, official radio observation posts, and radio amateurs throughout the world followed the movements of the satellite by picking up its radio signals ("bleeps"), which

could clearly be heard when it was passing nearby, and the B.B.C. and other broadcasting services broadcast in their news bulletins on Oct. 5 the sound of some of the first "bleeps" recorded by them, sounding like a rapid series of Morse code dashes.

In the Soviet Union observations were carried out by 66 optical observation stations and 26 clubs affiliated to the Voluntary Society for Assistance to the Armed Forces. In Britain the stations tracking the satellite included the B.B.C.'s listening post at Tatsfield (Kent), the Mullard radio astronomical observatory at Cambridge, the G.P.O. measuring stations at Banbury (Oxon) and Baldock (Herts.), and the Royal Observatory in Edinburgh. The giant radio telescope built for the radio-astronomical department of Manchester University at Jodrell Bank (Cheshire), which was just getting ready for tests when the Soviet satellite was launched, started tracking observations on Oct. 11 after its electrical equipment had been hurriedly completed by men working day and night on the installations.

In the United States the principal observations were made by the Smithsonian astro-physical observatory in Washington, the Naval research laboratory in charge of "Operation Vanguard" (the American satellite project—see below), and "Operation Moon Watch" established at Cambridge, Massachusetts, by the Smithsonian Institute for the U.S. satellite project. American scientists were tracking the satellite with signals recorded at nine points in North and South America.

The satellite or its carrier rocket were seen in various parts of the world, but visual observation was often prevented by cloud conditions. On Oct. 6 it was reported to have been seen over Hobart (Tasmania) and by members of the geophysical institute of Alaska University, and on the following day by thousands of people in Tasmania, Victoria and New South Wales. On Oct. 9 it was seen over Edinburgh by members of the Royal Observatory who described it as "as bright as the brightest star"; on Oct. 10 in Canada, Sweden, and Czechoslovakia; and on Oct 11 by many people in Northern Britain, especially in the Shetlands and Orkneys, and, for the first time, in Moscow.

The first photographs of the satellite or the rocket were reported to have been taken on Oct. 8 at the observatory near Canberra (Australia) and by professional photographers in Sydney and Melbourne, whilst early on Oct. 10 a Canadian scientist at Newbrook observatory (Alberta) and early on Oct. 11 a photographer at Dunfermline, Fife (Scotland), succeeded in taking pictures of the satellite moving across the sky.

The successful launching of the first earth satellite into outer space by the Soviet Union caused a sensation throughout the world. While great admiration was everywhere expressed at the achievement of the Soviet scientists and technologists, considerable concern and even alarm was felt, especially in the United States, that the lead gained by Russia might be exploited for military ends. In particular, it was pointed out that to launch a satellite weighing as much as 184 lb. up to a height of over 500 miles required rockets of an enormous power, and it was feared that this indicated that the Soviet Union had made great strides towards an inter-continental ballistic missile and was determined to gain absolute supremacy in the weapons of the future. At the same time there was widespread disappointment in the U.S.A. that the U.S. programme for launching a satellite during the International Geophysical Year—"Operation Vanguard"—had been delayed until the spring of 1958. Fuller details of the official reactions in the U.S.A. and other countries will be given in a subsequent article.

Professor Marcel Nicolet, secretary-general of the special committee for the International Geophysical Year which has its headquarters in Brussels, said on Oct. 7 that Russian experts had communicated "over a week ago" the wave-lengths on which the satellite would transmit, and that the conventions of the I.G.Y. had been fully respected by the Soviet Union. "Participating countries," he added, "are only bound to communicate successful launchings, which the Russians did within two hours."

By 3 p.m. G.M.T. on Oct. 9 the satellite had circled the earth 70 times and had travelled some 3,000,000 kilometres (about 1,850,000 miles); at about the same time on Oct. 11 it was moving on its one-hundreth orbit round the earth; and on Oct. 12 it had completed over 3,000,000 miles in 115 revolutions. Moscow Radio announced on Oct. 12 that the carrier rocket was now moving about three minutes ahead of the satellite.—(Soviet Embassy Press Dept., London - Times - Daily Telegraph - Manchester Guardian - Sunday Times - Observer - New York Times - New York Herald Tribune - Australian News and Information Bureau - Le Monde, Paris) **(Prev. rep. Soviet Artificial Satellite Project, 14192 A.)**

A. EASTERN GERMANY. — Re-election of President Pieck.

President Wilhelm Pieck was unanimously re-elected for another (his third) four-year term at a joint meeting of the *Volkskammer* and *Länderkammer* (the two Houses of the East German Parliament) on Oct. 7. President Pieck (81), a veteran Communist, has held the office since the formation of the German Democratic Republic.—(Neues Deutschland) **(Prev. rep. 13182 D.)**

B. UNITED KINGDOM - SOUTH AFRICA. — London Defence Talks. - Agreement on Over-Flying Rights for South Africa in High Commission Territories and on Increased Defence Co-operation.

Mr. F. C. Erasmus, the South African Minister of Defence, visited London in August-September for defence talks with Lord Mancroft, the U.K. Minister without Portfolio. A statement issued by the Ministry of Defence on Sept. 18 announced that a proposal by the Union that she should be granted certain over-flying rights in the High Commission Territories had been accepted in principle by the British Government, and that there would also be increased defence co-operation between the U.K. and South Africa. The statement was worded as follows:

"In the light of developments in the international situation and in British defence policy since the meetings between Mr. Erasmus and Mr. Selwyn Lloyd in 1955, the two Ministers reviewed the threat to Africa from external aggression and the contributions which their countries could best make to its defence against that threat.

"During the discussions reference was made to the arrangements agreed in 1955 for the grant of facilities to the Union Government to survey sites for the establishment of radar stations in Bechuanaland Protectorate and Swaziland for possible use in defence in the event of war. It was also then agreed that the survey might be extended to Basutoland if suitable sites could not be found outside its borders.

"On behalf of the U.K. Government Lord Mancroft accepted in principle a proposal by the Union Government for the grant of certain over-flying rights in the High Commission Territories. He also undertook to give careful consideration to further proposals made by the Union Government for facilities in the Territories in relation to planning for the defence of South Africa, while making it clear that responsibility for the security of the Territories themselves rested exclusively with the U.K. Government.

"The Ministers also considered the means by which the Union and the U.K. could most suitably further and develop the proposals for mutual co-operation, set out in the agreement concluded in June, 1955 [see 14294 A] on the need for international discussions with regard to regional defence. In particular, they reached the following conclusions:

(*a*) They should actively promote the implementation of the defence of the sea routes round southern Africa, with particular reference to its extension to other countries with interests lying within the strategic zone, with the purpose of arranging a conference of Ministers of all countries concerned at the appropriate time.

(*b*) There should be joint consideration at an early date of the best means of furthering the plans for ensuring the adequacy and security of logistic facilities and communications within southern Africa, and of bringing about a conference to integrate, forward, and develop the planning already begun at the Nairobi and Dakar conferences [see 13496 A; 11701 A] as contemplated in the memorandum. In the meantime the Union and the U.K. would develop co-operation on a bilateral basis in respect of the territories for which they are responsible."

It was pointed out in the British Press that, though not mentioned in the statement, there was a division of opinion between Mr. Erasmus and the British Government on how South Africa could best be defended, Mr. Erasmus having always advocated a regional anti-Communist defence organization south of the Sahara, whilst the British view was that the best defence for South Africa would be barring the gateway to Africa in the Middle East.

The arrangements for the grant of facilities to the Union Government to survey sites for radar stations in the British High Commission Territories, to which the statement referred, had been announced on Nov. 4, 1955, following defence discussions which Mr. Erasmus had had in London from Oct. 22-26. These sites, it was then stated, would be part of the Union's wider scheme of radar defence which had been outlined by Mr. Erasmus in the House of Assembly on March 7, 1955 (see 14144 C). Mr. Erasmus had subsequently visited the U.S.A. for discussions with U.S. experts on the latest radar equipment. (Times - Daily Telegraph - Cape Times)

(Prev. rep. 15461 A; 14294 A.)

C. INDIA. — Air Force. - Order for "Hunter" Fighters.

Hawker Aircraft Ltd. announced in London on Aug. 31 that they had concluded a contract with the Indian Government for the supply of a "substantial number" of single-seater and two-seater *Hunter* jet-fighter aircraft. A spokesman of the company stated that the order would be "normally in the neighbourhood of between 100 and 200 aircraft and between £20,000,000 and £30,000,000."

Hunter fighters are now in service with the R.A.F. and the Danish, Swedish, Belgian, Iraqi, and Peruvian air forces. Excluding the Indian order, export sales and U.S. "off-shore" orders to date were stated to have totalled about £126,000,000. (Times - Observer) **(Prev. rep. 15428 C.)**

A. MALAYA. — Government's New Surrender Terms for Terrorists. - Rejection of Communist Leader's Counter-proposal. - Terrorist Activities and Anti-terrorist Operations. - Defence Treaty with United Kingdom. - Provisions. - Legislative Council Approval and Signature. - Australian and New Zealand Association with Treaty. - Transfer to Federation of Royal Malayan Navy at Singapore.

Following the achievement of independence, the Government of the Malayan Federation announced on Sept. 3 a new amnesty offer to the Communist terrorists, to remain valid for four months. The terms of the amnesty, which were made known to the terrorists by the dropping from the air of millions of leaflets and by numerous broadcasts, provided that those who genuinely desired to give up the armed struggle and came out of the jungle with their arms, or informed the authorities about their location, would not be charged with any offence so far committed under the emergency. If they intended to be loyal to the elected Malayan Government and gave up their Communist activities, they would be helped to regain their normal life, and reunited with their families if they wished. Those who would not forswear Communism, but had surrendered with their arms, would be repatriated to Communist China (with their families, if they desired), without investigation or interrogation.

It was officially stated, however, that operations against the terrorists would not be suspended during the amnesty period, although the civilian population would be asked to help the terrorists to take advantage of the new terms

The Government's latest surrender offer of Sept. 3, like the earlier ones, met with no response from the Communist rebel leaders. On Oct. 4 Chin Peng, the chief rebel leader, sent a pamphlet to leading newspapers and news agencies in Singapore in which he said that the war in the jungle should end, that peace should prevail, and that the Communist Party would pledge its loyalty to the Government but would continue its political activities " by constitutional means." There was no evidence in the pamphlet that Chin Peng and his followers were prepared to accept the Government's amnesty terms.

After consultations with Dato Abdul Razak (the Deputy Premier and Defence Minister), Lt.-Gen. Sir James Cassels (Director of Operations), and other senior officers, Tengku Abdul Rahman, the Prime Minister, announced the same night that there was " nothing new " in the Communist manifesto.

" I told Chin Peng my terms at Baling," the Prime Minister said, " and he assured me he would lay down his arms when I became responsible for defence. Since then I have heard nothing from him. Neither has he laid down his arms." Tengku Abdul Rahman added that it was not enough that members of the Communist Party should merely pledge their loyalty, but that they must prove their genuine intention to be loyal to the elected Government before he could consider any peace overtures. If Chin Peng could make any new constructive proposals based on his complete surrender, and would write to him (the Prime Minister) directly, he would suggest arranging another meeting with Chin Peng.

After the previous Malayan Government's announcement of new surrender terms for Communist terrorists in March 1956 (see 15153 A), Tengku Abdul Rahman (then Chief Minister) had made another offer on Sept. 27, 1956, in which he promised that the Government would provide terrorists with a subsistence allowance of Malayan $100 each a month, for 12 months, if they agreed to return to China Referring to a Peking broadcast that the Malayan Communist Party was willing to begin negotiations to end the war, he said the terrorists were a beaten force, seeking face-saving terms. Leaflets were dropped from the air over the Malayan jungle in a campaign beginning on Nov. 11, 1956, which made known to the rebels the Government's determination to wipe out terrorism, and also informed them that they had no hope of outside assistance as the Chinese Prime Minister had advised all overseas Chinese to be loyal to local Governments.

Terrorist Activities. - Anti-terrorist Operations by Security Forces.

As a result of the undiminished operations of the security forces and the general improvement in the security situation, terrorist activities of the Communist rebels in general, and the number of serious incidents in particular, showed a further steady decline during the past 12 months, enabling the Government to declare additional areas as " white " (i.e. free from terrorists).

Among the more serious acts of terrorism committed by the Communist rebels during this period were the killing of an assistant manager of a rubber estate and two special constables in the Sungei Siput district of Perak (Oct. 25, 1956); an ambush on the road between Bentong and Manchis in Pahang, in which 7 Malay soldiers and a British staff-sergeant were killed (Dec. 26); an engagement near the Siamese border in which a patrol of the Royal Australian Regiment lost two men (June 24, 1957); a terrorist attack on a military vehicle in Johore in which a Malay civilian was killed and a Malay soldier wounded (Oct. 8); and an ambush in the jungle in Perak in which terrorists killed a British soldier who was leading a patrol of the 1st Bn. Royal Lincolnshire Regt. (Oct. 10).

Anti-terrorist operations by the security forces included the following :

Lau Lee, known as the right-hand man of Chin Peng, was ambushed and killed at Tangkak, Johore, on Nov. 18, 1956; 174 terrorist sympathizers and supporters in South Johore who had " flouted and frustrated the administration " were arrested on Nov. 29, 101 of them being kept in custody under the emergency regulations; and Chau Choi, a Communist Party branch secretary, and his mistress were shot dead near Ipoh on Jan. 20, 1957. A patrol of the Royal Australian Regiment on March 7 made " one of the most important finds since the emergency began," when it captured an arms factory of the terrorists in the Kuala Kangsar area of Perak. In May, security forces captured Chin Voon, who was on the wanted list, in an ambush near Ipoh, in Perak, and also destroyed the terrorists' centre in the Ulan Langat district, described as one of the worst areas in the country. Local Communist leaders killed in May included the Negri Sembilan Communist chief, Teng Fook Loong, and the Secretary of the Malayan Communist State Committee, Ah Fatt.

It was announced on Aug. 13 that Malaya was free of major incidents of terrorism for the first time since the beginning of the emergency in June 1948, with only one civilian wounded and no police or military casualties in July. An area of 381 square miles in the State of Kelantan (Eastern Malaya) was declared ' white ' on July 15, and a similar announcement, accompanied by the removal of food control and curfew restrictions, was made on Aug. 26 with respect to a 90 square-mile area extending from Tanjong Piai, on the southern tip of the Malay peninsula, to about 35 miles north; this increased the total ' white ' area to 30,690 square miles, or over three-fifths of the country. Earlier, on July 14, Tengku Abdul Rahman had mentioned " the end of 1958 " as the target-date for ending the emergency, saying that the Government would go all out in the war against the terrorists, and would make use of all available resources at its disposal.

U.K.-Malayan Defence Treaty.

Details of the future defence arrangements between the United Kingdom and the Malayan Federation were published as a White Paper in London and Kuala Lumpur on Sept. 18. The agreement, which had been initialled by both Governments, was to be finally signed after being approved by the Federation's Parliament. It was also stated that Australia and New Zealand proposed to associate themselves with the agreement, whose provisions were as follows :

Art. 1. " The Government of the United Kingdom undertake to afford to the Government of the Federation of Malaya such assistance as the Government of the Federation of Malaya may require for the external defence of its territory."

Art. 2. The U.K. Government agreed to joint Army training, to pay for certain capital costs in expanding the Federation's armed forces, and to foster close military co-operation. If requested, the U.K. Government would provide staff to help in the running and training of the Malayan armed forces, as well as other facilities such as courses of instruction abroad and expert technical advice. Supplies would be provided from the British bases in Malaya.

Art. 3. This allowed Britain to maintain in Malaya " such naval, land, and air forces, including a Commonwealth strategic reserve, as are agreed between the two Governments to be necessary for the purposes of Article 1 and for the fulfilment of Commonwealth and international obligations."

Art. 4. This gave the U.K. Government the right to maintain and use the bases it now occupies, and an annex provided for special legislation to give the Services a 30-year lease on the land, with an extension, if they wished it, " for such further periods as may be necessary to implement the terms of this agreement." The U.K. Government agreed to leave a base if they were asked, but the Malayan Government undertook to provide " agreed alternative accommodation and facilities at their own expense."

Art. 5. This covered the status of U.K. forces in Malaya and jurisdiction over them. An annex, which forms part of the formal agreement, gave the " primary right " to hear cases against members of the U.K. armed forces to the British Service authorities where the case was between Servicemen or arose out of an act committed while a soldier was on duty. [This is the normal provision adopted by NATO countries for Allied forces stationed on their territory.] However, as the Malayan Government wanted the present situation to continue, in which some offences covered by this provision were tried in the Malayan courts, an exchange of letters provided for administrative arrangements " under which the civil courts of the Federation would commonly exercise jurisdiction over such offences in accordance with existing practice."

Art. 6. " In the event of a threat of armed attack against any of the territories or forces of the Federation of Malaya, or any of the territories or protectorates of the U.K. in the Far East, or any of the forces of the U.K. within those territories or protectorates or within the Federation of Malaya, or any other threat to the preservation of peace in the Far East, the Governments of the Federation of Malaya and of the United Kingdom will consult together on the measures to be taken jointly or separately to ensure the fullest co-operation between them for the purpose of meeting the situation effectively."

Art. 7. "In the event of an armed attack against any of the territories or forces of the Federation of Malaya, or any of the territories or protectorates of the U.K. in the Far East, or any of the forces of the U.K. within any of those territories or protectorates or within the Federation of Malaya, the Governments of the Federation of Malaya and of the United Kingdom undertake to co-operate with each other and will take such action as each considers necessary for the purpose of meeting the situation effectively."

Art. 8. "In the event of a threat to the preservation of peace or the outbreak of hostilities elsewhere than in the area covered by Articles 6 and 7, the U.K. Government shall obtain the prior agreement of the Government of the Federation of Malaya before committing U.K. forces to active operations involving the use of bases in the Federation of Malaya; but this shall not affect the right of the U.K. Government to withdraw forces from the Federation of Malaya."

Art. 9. "The U.K. Government will consult the Government of the Federation of Malaya when major changes in the character or deployment of the forces maintained in the Federation of Malaya, as provided for in accordance with Article 3, are contemplated."

Art. 10. Both Governments would give each other notice of major administrative or legislative proposals affecting the agreement.

Arrangements for Employment of Oversea Commonwealth Forces in Emergency Operations.

A second White Paper, covering the employment of oversea Commonwealth forces in emergency operations in the Federation, was also published on Sept. 18.

This White Paper stated that the Malayan Government had asked Britain, Australia, and New Zealand to continue to make their forces available, and that the U.K., Australian, and N.Z. Governments had agreed to do this "to such an extent as they may each at any time consider practicable in the light of their total commitments."

The operations would be controlled by the Emergency Operations Council of the Malayan Government. The British Government would supply an officer of the rank of lieutenant-general to be Director of Emergency Operations, who would have general direction of the Commonwealth forces, but not command. He would be answerable to the Malayan Government, whilst the commanders of the Commonwealth forces would remain responsible to their national authorities. The Commonwealth forces would be available only in response to a request by the Malayan Government, and would only be used if, in the view of the Emergency Operations Council, suitable Malayan forces were not available.

The Commonwealth forces would, "as far as possible, be engaged in direct operations against the Communist terrorists, although they shall not be debarred from other essential duties connected with the campaign." It was specified that Commonwealth forces "would not be employed on operations of a type of which their national authorities may disapprove, or which in the opinion of those authorities are militarily unsound." The three chief Service commanders of the Commonwealth forces were to become members of the Emergency Operations Council.

Defence and Mutual Assistance Treaty approved by Malayan Legislative Council. - Signature of Treaty.

The U.K.-Malayan treaty of defence and mutual assistance was considered by the Legislative Council of the Federation on Oct. 2-3 and approved on a voice vote on the latter day.

Tengku Abdul Rahman, speaking on Oct. 2, emphasized that the agreement reflected both in word and spirit the independence of the new Malaya, and said that he expected it to be honoured by the Federation. He added that the agreement was open to review, and undertook to review its working within one year. A treaty of this kind, he said, did not normally require parliamentary approval and it would not be discussed in the British Parliament. He had, nevertheless, brought it before the Legislative Council in fulfilment of a promise made to the electorate.

Dealing with the provisions of the treaty, the Prime Minister stated that the Federation would not be committed to a war in which Britain was involved except where it concerned Singapore, Borneo, Brunei, and Hong Kong, and would also not be committed if Australia and New Zealand were attacked. Rejecting the arguments put forward by some members (see below) that the treaty invited aggression or committed Malaya to war or compromised her sovereignty, Tengku Abdul Rahman said that aggression did not arise just through allowing bases in Malaya to a friendly country; it arose from a desire for conquest by an aggressor, and there was no safety for any country if others were intent on making war. In these days of internationalism the stationing of foreign forces in one's territory did not constitute an infringement of sovereignty. Malaya, the Prime Minister declared, could not stand alone. She could spend only one-tenth of her revenue on her armed forces, and it would be a crime to leave her open to attack from without.

The only members who spoke against the treaty were the sole elected representative of the Pan-Malayan Moslem Party and the four nominated members representing the Malayan Trade Union Council; the latter, however, announced that they would not vote against the treaty because their role was primarily concerned with workers' interests, and the Pan-Malayan Moslem member also abstained.

Following its approval by the Federation Legislature, the treaty was formally signed on Oct. 12 by Tengku Abdul Rahman and the British High Commissioner, Mr. G. W. Tory.

Transfer of Royal Malayan Navy to Federation.

In his speech opening the Federation Legislature on Sept. 3 the new Head of State (Tuanku Sir Abdul Rahman) announced that the whole of the Royal Malayan Navy at Singapore was to be transferred to the Federation, with the agreement of the British and Singapore Governments; the transfer would be carried out as soon as a suitable base had been built in the Federation.

The Royal Malayan Navy has a strength of about 700 men, most of them Malays, and has one principal sea-going vessel and several coastal and patrol craft. The Federation had hitherto paid towards its upkeep, although it was mainly used in Singapore waters. It was stated in the Press that after the transfer Singapore would rely solely on the Malaya Royal Naval Volunteer Reserve to assist the Royal Navy.

Terrorist, Security Forces' and Civilian Casualties, 1948-57.

It was stated at the headquarters of the Director of Operations on Aug. 29 that since the beginning of the emergency in June 1948 the Communist terrorists had suffered 9,502 casualties, whilst 710 British, Commonwealth and Malayan troops, more than 1,300 police, and over 2,500 civilians had been killed by them. -(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Emergency, 15153 A; Defence Agreement, 15454 A.)**

A. AVIATION. — Opening of California-London Service via Polar Route.

A new direct air service from Los Angeles to London over the Polar route was inaugurated by Trans-World Airlines on Sept. 30 when its "Jetstream Starliner" (the new Lockheed piston-engined L.1649) landed at London Airport after the first non-stop flight from California to Britain ever to be completed. The journey over the 5,500-mile route took 18 hours 32 minutes (an average of 308 miles per hour), compared with about 24 hours, including a three-hour stop in New York, for the existing route *via* that city.

The new route, following the Great Circle, crosses northern Canada and leads north of Winnipeg and over Hudson Bay to Baffin Island, passing 150 miles south of the Magnetic Pole; from Baffin Bay, where a refuelling stop is provided at Frobisher Bay, it runs *via* the southern tip of Greenland and across Ireland to London. Because of favourable winds the aircraft, which was piloted by Capt. R. J. Dick and carried 31 passengers, was able to fly through to London without stopping at Frobisher Bay.

On its return flight the aircraft left London at dusk on Oct. 1 and landed at San Francisco, again after a non-stop journey, in the morning of Oct. 2, covering the distance in 23 hours 20 minutes and thus creating two new world endurance records for distance and time in the air for a civil airliner. (New York Times - New York Herald Tribune - Times - Daily Telegraph - Financial Times) **(Prev. rep. Trans-Polar Routes, 14359 C; 13916 D.)**

B. RHODESIA AND NYASALAND FEDERATION. — Creation of Economic Advisory Council. - Re-examination of Less Important Development Plans.

The Federal Prime Minister, Sir Roy Welensky, announced on Sept. 21 that an Economic Advisory Council would be established immediately to advise the Government on particular aspects of economic policy referred to it. The Council would include representatives of agriculture, commerce, the commercial banks, industry, and mining, as well as three senior Civil servants concerned with economic affairs, and would be under the chairmanship of the Governor of the Bank of Rhodesia and Nyasaland, Mr. A. P. Grafftey-Smith. Sir Roy stated on Sept. 23 that the first problem to be investigated by the new Council would be the general question of immigration.

In an order to the Federal Treasury issued on Sept. 21, following the increase in the U.K. Bank Rate from 5 per cent to 7 per cent, Sir Roy Welensky directed that no development project vital to the Federation's expansion should be stopped or held up on account of the problems facing sterling, but that all other projects should be re-examined with a view to avoiding unnecessary expenditure on "frills of any kind." Mr. Grafftey-Smith stated on Sept. 23 that the Bank of Rhodesia and Nyasaland had decided to make no change in its discount rate.—(Federal Information Dept., Salisbury)
(Prev. rep. Economic Development, 15659 A.)

C. LONDON. — New Lord Mayor.

Sir Dennis Truscott, Alderman of Dowgate, was elected Lord Mayor of London at Guildhall on Sept. 28 for the civic year 1957-58, in succession to Sir Cullum Welch. The new Lord Mayor is chairman of Knight, Brown and Truscott Ltd., the printers.—(Times) **(Prev. rep. 15121 A.)**

A. UNITED KINGDOM. — Armed Forces. - Compensation Plans for Redundant Personnel.

The Government's plans to compensate officers and men prematurely retired from the Armed Services as the result of the intended reduction in the Forces were described in a White Paper (Cmd. 231) published on July 24 and summarized under cross-headings below.

Basic Factors of the Scheme. The main factors taken into account in devising the scheme were . (*a*) the curtailment of the expected period of service ; (*b*) the loss of promotion prospects ; (*c*) the loss of higher pension rates which longer service might have earned ; (*d*) additional difficulties in finding civil employment resulting from the increase in Service retirements. These factors could not always be precisely evaluated, and the problem also varied with the Service to which the man belonged, his rank and age, and the retirement practice of his branch or corps. The Government believed, however, that its scheme was as fair as possible to all concerned.

Officers. Officers serving on permanent commissions and prematurely retired would receive special capital payments and, if possessing over 10 years' qualifying service, retired pay and terminal grants in addition.

The special capital payments would be up to £6,000 for Army colonels or brigadiers (or the equivalent ranks in other Services) ; up to £5,500 for lieutenant-colonels, or the equivalent ; and up to £5,000 for other officers. The payments would reach this level when the officer had 15 years' qualifying service, but would decrease as he approached the expected retirement age for his rank and branch and passed the point at which his promotion prospects declined. They would be based on the paid rank held at the time of retirement, whether acting, temporary, or substantive.

The existing rule, under which retired pay and terminal grants were not awarded for service under 20 years, would be waived to allow proportionate rates to be paid for shorter periods down to 10 years, and the age restriction for commuting retired pay would also be waived. Special arrangements would apply to certain categories of officers serving on non-permanent commissions.

Ratings, Soldiers, and Airmen. Compensation for men serving on pensionable engagements had been based on the same general lines as that for officers, but owing to major differences in their engagement and pension terms the scheme had had to be devised on somewhat different lines. In order to mitigate the loss of entitlement to pension owing to premature retirement it had been decided (*a*) to reduce the minimum period of service qualifying for pension from 22 years to 10 (after age 18) ; (*b*) to calculate pensions and terminal grants by adding 5 years to the service of men who had actually served for at least 10 years (after age 18), provided that the addition did not extend the total service beyond the limit of their current engagements.

In addition, " other ranks " prematurely retired would receive special capital payments of up to £1,250. Payments would reach this level when the " other rank " had 15 years' service (after age 18), and would subsequently decrease as the end of the current engagement was approached.

Selection Procedure. As soon as the composition and rank-structure of the new all-Regular Services had been worked out sufficiently to enable the extent of the redundancy in a particular branch, corps, or arm to be determined, the officers and men within the categories affected would be given an opportunity to apply to be retired with compensation. Subject to maintaining the right balance of age, experience, and special skill, the officers and men to be retired would be selected from these applicants.

Assistance in Resettlement. The additional difficulties in finding civil employment which might result from the temporary increase in Service retirement would not be confined to those prematurely retired, but would equally affect others leaving the Services at the same time. A special grant of £500 to assist in resettlement would therefore be paid to all other officers on permanent commissions of or below the rank of brigadier (or the equivalent in other Services) who retired in the ordinary way at the end of their careers (or were invalided out) during the run-down period. This grant would also be paid to some non-permanent officers.

A £250 grant for the same purpose would be paid to " other ranks " leaving the Services at the end of engagements of 15 years or over, or invalided out before completing them.

Special resettlement grants would not, however, be paid to men permitted to retire voluntarily in the ordinary way or compulsorily retired for misconduct.

General. (*a*) All the capital payments announced above would be tax-free. (*b*) Provision would be made for dealing specially with small groups or individuals whose circumstances were exceptional. (*c*) Officers and men who, within two years of being compulsorily retired, took up Retired Officer or similar posts in the Service Departments, or who obtained established appointments in the Civil or Foreign Services under special schemes, would have to refund part of the special capital payment ; their retired pay or pensions and terminal grants would not, however, be affected. (*d*) The scheme would not apply to men recruited outside the U.K on special conditions of service, or to the Women's Services.

Typical examples of the operation of the scheme in each Service are given below :

Royal Navy.

Officers on Permanent Commissions.

Captain, retired at 42 with under 6 years in the rank and 21 years' reckonable service · Retired Pay, £800 p.a. ; Terminal Grant, £2,400 ; Special Capital Payment, £6,000.

Commander, retired at 40 with 19 years' reckonable service : Retired Pay, £650 p.a. ; Terminal Grant, £1,950 ; Special Capital Payment, £5,500.

Lieutenant-Commander, retired at 40 with 19 years' reckonable service : Retired Pay, £555 p.a. ; Terminal Grant, £1,665 ; Special Capital Payment, £5,000.

Lieutenant, retired at 33, with 12 years' reckonable service : Retired Pay, £355 p.a. , Terminal Grant, £1,065 ; Special Capital Payment, £5,000.

Ratings on Pensionable Engagements.

Chief Petty Officer, signed on at 18 to complete 22 years' service and retired at 35 after having been in the rank for 4 years : Weekly Pension, £2 17s. 10d ; Terminal Grant, £275 ; Special Capital Payment, £1,250.

Petty Officer, signed on at 18 for 22 years' service and retired at 35 after having been a Petty Officer for 8 years . Weekly Pension, £2. 12s. 7d. ; Terminal Grant, £225 ; Special Capital Payment, £1,250.

Army.

Officers on Permanent Commissions.

Brigadier, late R.E., retired at 50 with 29 years' reckonable service : Retired Pay, £1,150 p.a. , Terminal Grant, £3,450 ; Special Capital Payment, £2,330.

Colonel, late Infantry, retired at 49 with 28 years' reckonable service : Retired Pay, £1,000 p a ; Terminal Grant, £3,000 ; Special Capital Payment, £3,245.

Lieutenant-Colonel, R A., retired at 45 with 24 years' reckonable service : Retired Pay, £800 p.a ; Terminal Grant, £2,400 ; Special Capital Payment, £3,500.

Captain, retired at 33 with 12 years' reckonable service : Retired Pay, £355 p.a. ; Terminal Grant, £1,065 ; Special Capital Payment, £3,500.

Soldiers on Pensionable Engagements.

Warrant Officer, Class I, signed on at 18 for 22 years, now completed, subsequently signed on for 5 years' continuation service, and retired at 40 after 2 years in the rank : Weekly pension, £5 1s. 11d. ; Terminal Grant, £490 ; Special Capital Payment, £1,250.

Sergeant, signed on at 18 years for 22 years, of which 17 completed, aged 35, with 10 years in the rank : Weekly Pension, £2 14s. 5d. ; Terminal Grant, £225 ; Special Capital Payment, £1,250.

Royal Air Force.

Officers on Permanent Commissions.

Air Commodore (*General Duties Branch*), retiring at 50 after 29 years' reckonable service : Retired Pay, £1,150 p.a. ; Terminal Grant, £3,450 ; Special Capital Payment, £2,330.

Air Commodore (*Technical Branch*), retiring at 53 after 32 years' reckonable service : Retired Pay, £1,150 p.a. ; Terminal Grant, £3,450 ; Special Capital Payment, £3,550.

Group Captain (*Equipment Branch*), retiring at 50 after 29 years' reckonable service : Retired Pay, £1,000 p.a. ; Terminal Grant, £3,000 ; Special Capital Payment, £3,930.

Wing Commander (*Equipment Branch*), retiring at 43 after 22 years' reckonable service : Retired Pay, £740 p.a. ; Terminal Grant, £2,220 ; Special Capital Payment, £5,500.

Squadron Leader (*Equipment Branch*), retiring at 43 with 22 years' reckonable service : Retired Pay, £625 p.a. ; Terminal Grant, £1,875 ; Special Capital Payment, £4,355.

Flight Lieutenant (*General Duties Branch*), retired at 33 with 12 years' reckonable service : Retired Pay, £355 p.a. ; Terminal Grant, £1,065 ; Special Capital Payment, £3,500.

Airmen on Pensionable Engagements.

Warrant Officer, retired at 50 after 8 years in the rank : Weekly Pension, £8 2s. 6d. ; Terminal Grant, £810 ; Special Capital Payment, £1,250.

Flight Sergeant, retired at 39 after 6 years in the rank : Weekly Pension, £3 8s. 9d. ; Terminal Grant, £323 ; Special Capital Payment, £1,250.

Mr. Macmillan announced in the House of Commons on July 23 that, to assist redundant officers and men to find employment in civil life, the Minister of Labour would appoint a board to advise on the development of a Regular Forces Resettlement Service, with which existing agencies would be linked. The Board would include representatives of industry and commerce under the chairmanship of Sir Frederick Hooper, managing director of Schweppes Ltd., and a founder-member of the British Institute of Management. On the same day Mr. Macleod (the Minister of Labour) announced the appointment of Air Chief Marshal Sir Ronald Ivelaw-Chapman (Vice Chief of Air Staff) as Director of Resettlement, acting under the general direction of the new Board.—(Cmd. 231 ; Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. [illegible])

A. BRITISH COMMONWEALTH. — Finance Ministers' Conference at Mont Tremblant. - Acceptance of Canadian Proposal for Commonwealth Trade and Economic Conference in 1958. - Bilateral Anglo-Canadian Trade Talks. - British Proposal for Anglo-Canadian Free Trade Area. - Canadian Purchases in United Kingdom to be increased.

The conference of Commonwealth Finance Ministers, which had been agreed upon at the recent London conference of Commonwealth Prime Ministers [see 15637 A], was held at Mont Tremblant (Quebec) from Sept. 28-Oct. 1. Those participating were Sir Arthur Fadden, Federal Treasurer (Australia); Mr. Fleming, Finance Minister, and Mr. Churchill, Trade Minister (Canada); Mr. de Zoysa, Finance Minister (Ceylon); Mr. Gbedemah, Finance Minister (Ghana); Mr. Krishnamachari, Finance Minister (India); Sir Henry Haw-shik Lee, Finance Minister (Malaya); Mr. Macdonald, Finance Minister, (New Zealand); Mr. Amjad Ali, Finance Minister (Pakistan); Mr. Naude, Finance Minister (South Africa); Mr. Macintyre, Finance Minister (Federation of Rhodesia and Nyasaland); and Mr. Thorneycroft, Chancellor of the Exchequer, Sir David Eccles, President of the Board of Trade, and Mr. Maudling, Paymaster-General (United Kingdom).

The conference accepted a Canadian proposal to hold a Commonwealth trade and economic conference in the summer of 1958, probably in Canada.

The Ministers' decisions were summarized in a statement issued on Oct. 1, which announced the "agreed conclusions on the three questions that were discussed" as follows:

The Pound Sterling.

"A strong pound sterling is vital to the stability and economic progress not only of the sterling area and its individual members but also of the world trading community as a whole. The Ministers warmly supported the recent statements on sterling made by the Chancellor of the Exchequer in London and Washington [see 15770A], and recognized that its strength depends upon the joint and individual policies of the members of the sterling area. Essentially this involves each member-country living within its available resources. This does not—and should not—imply a static policy, for the resources of each country can be augmented by suitable policies directed towards strengthening its competitive position, increasing its savings, and promoting freer and expanding trade and payments and a larger flow of international capital."

European Economic Integration.

"The Ministers reviewed the progress made towards the ratification of the Treaty of Rome establishing the European Economic Community, and the effect of this treaty on the interests of the Commonwealth. They noted that the treaty would receive further consideration in international organizations.

"U.K. Ministers reported on the progress made following the U.K. initiative for the establishment of a free trade area in Europe. The Commonwealth Ministers recognized that the establishment of an outward-looking free trade area in Europe would broaden the advantages to be derived from economic integration in Europe, not only by the U.K. but by all the other participants. This was regarded as important, as it could contribute to agreed Commonwealth policies of expanding world trade.

"It was also agreed that there is need for effective machinery for continuous consultation among Commonwealth countries on matters related to the European Economic Community and the proposed free trade area. United Kingdom Ministers reaffirmed the undertakings previously given by their Government about the safeguarding of Commonwealth interests in the U.K. market for foodstuffs, drink, and tobacco."

Commonwealth Trade and Economic Conference.

"The Ministers approved the proposal of the Canadian Government that a Commonwealth trade and economic conference should be held at a convenient place and time in 1958, and agreed to recommend this proposal to their Governments. The changing pattern in trade, production, and development throughout the world presents all Commonwealth countries with new problems and new opportunities. They considered that the time is most opportune to assess these problems and opportunities jointly with particular reference to:

(*a*) the significance for Commonwealth countries of changes taking place in world trade;

(*b*) measures to expand trade between Commonwealth countries;

(*c*) progress towards the common objective of freer trade and payments;

(*d*) the progress and direction of economic expansion in the less developed countries of the Commonwealth and the sources of capital and technical assistance that may aid in their further development;

(*e*) economic and trade problems in regard to agriculture and other primary production;

(*f*) the prospects and implications, especially for Commonwealth countries, of the European Economic Community and the proposed free trade area;

(*g*) arrangements for continuing Commonwealth consultations on economic matters.

"It was agreed that the detailed preparatory work for the conference, including the formulation of the agenda and other procedural matters, should be entrusted to a committee of officials, and that this committee should be convened in London early in 1958."

The statement also said that the Ministers had welcomed the presence for the first time of the Finance Ministers of Ghana and the Federation of Malaya, and that the meetings had been held in "an atmosphere of cordiality and understanding."

At a Press conference on Sept. 28 Mr. Thorneycroft disclosed that during the forthcoming Anglo-Canadian trade talks in Ottawa (see below) Britain would be putting forward a proposal for an Anglo-Canadian free trade area. Mr. Fleming, who was also present, stated that although he had not yet received a formal proposal, it was "quite obvious that there will be formidable difficulties as far as the Canadian Government is concerned."

Mr. Thorneycroft stressed that the idea was quite distinct from the proposed European free trade area, but that if it were accepted it might be negotiated on a similar basis, with perhaps a 12-year period of graduated tariff reduction. Such an arrangement, he added, would be permissible under GATT and would not come under the stigma of discrimination. It was an "adventurous proposal" but was so far only informal, and was therefore not one to which the Canadian Government could be expected to give an immediate answer.

The Mont Tremblant conference was immediately followed by bilateral trade talks between Canadian and U.K. Ministers, which were held at Ottawa from Oct. 2-4. Those taking part were, on the Canadian side, Mr. Diefenbaker (the Prime Minister), Mr. Fleming, and Mr. Churchill, and, on the U.K. side, Mr. Thorneycroft and Sir David Eccles. At the end of the discussions it was announced that it had been agreed to take various steps to increase trade between Britain and Canada, including measures to bring about increased Canadian purchases in the U.K. The statement summarizing the results of the talks was as follows:

"It was the agreed conclusion that an expansion in Anglo-Canadian trade is a primary object of policy of both Governments, and consideration was given to methods whereby this object can best be achieved.

Among proposals discussed with this aim in view was the proposal of the U.K. Ministers for a free trade area with Canada. It was emphasized by the U.K. Ministers that this proposal involved not only the progressive removal of tariffs but also a speedier reduction in the quantitative restrictions now applied by the U.K. against imports from Canada. It was also emphasized by the U.K. Ministers that their proposal was a long-term one and not designed to come into full effect save over a period of 12 to 15 years.

The U.K. Ministers recognized that this proposal raised serious and complex problems and difficulties. In view of the long-term nature of the proposal the U.K. Ministers did not ask the Canadian Ministers for an expression of their views on it.

The Ministers for both countries therefore addressed themselves to the immediate problem of expanding the beneficial two-way flow of trade between Canada and the United Kingdom. It was agreed that in a number of ways the Canadian Government can assist U.K. sales and earnings in Canada with full regard for the interests of Canadian producers, and can thereby assist, within the framework of existing U.K. policy and undertakings, towards the reduction of remaining U.K. restrictions against importation from Canada. These ways include:

(*a*) A review of Government purchasing in Canada with a view to encouraging and facilitating sales by U.K. manufacturers of goods now imported from non-Commonwealth sources;

(*b*) A revision of the Canadian tariff relating to exemption of tourist purchases by Canadians making visits oversea; and

(*c*) A visit by a high-level trade delegation from Canada to the United Kingdom.

(1) Canadian Government purchasing falls into three categories: defence purchases, ordinary civilian purchases by the Canadian Government, and other types of purchases, including those of Crown companies.

The Canadian Ministers undertook to institute a detailed review, to be made in collaboration with the U.K. trade commissioner service in Canada, of those areas of Government purchasing where it seems reasonable to hope and expect that U.K. firms would be able to meet Canadian import requirements satisfactorily. The U.K. Ministers emphasized that they do not expect orders to be placed with U.K. suppliers unless their products are fully competitive.

(2) As regards defence purchases, the position is likely to continue to be influenced by the long lead-time involved in existing defence orders and in developing new types of equipment, combined with limitations on defence expenditures. The Canadian Government will welcome any possibility of increasing purchases from the U.K. of equipment now imported from non-Commonwealth sources.

(3) In regard to sales by U.K. firms of civilian items to Canadian Government departments and agencies, Canadian Ministers have undertaken that purchasing arrangements will be reviewed imme-

diately. Close contact will be maintained with the U.K. trade commissioners across Canada who, in turn, will acquaint U.K. exporters with new opportunities that can be opened up with respect to goods now imported from non-Commonwealth sources.

(4) The Canadian Ministers undertook to call for a review of the purchasing arrangements of Crown corporations and other Government agencies with a view to encouraging purchases from the U.K., wherever this is practical and economical, of goods now imported from non-Commonwealth sources.

(5) The U.K. Ministers expressed the hope that some measure could be taken to encourage more Canadian tourists to visit the U.K. and make more purchases there. In this connexion it was noted with satisfaction that, a few months ago, the U.K. authorities had found it possible to make available a currency allowance of £100 to travellers from the U.K. wishing to visit Canada.

(6) Canada now allows Canadians who are out of the country for at least 48 hours to import $100 worth of purchases abroad duty-free every four months. This tourist exemption is of considerably less benefit to tourists making longer but less frequent visits oversea. The Canadian Ministers undertook to give sympathetic consideration to enlarging the benefit of this exemption to tourists visiting the U.K. and other oversea countries.

(7) It was agreed by the Ministers for both countries that a high-level trade delegation from Canada should visit the U.K. at an early date with a view to stimulating purchases from U.K. sources of goods now imported from non-Commonwealth countries. This trade mission will include leading representatives of business, industry, labour, agriculture, and other primary production from all areas of Canada . . . "

Mr. Thorneycroft's proposal for an Anglo-Canadian free trade area met with an unfavourable reception on the part of leading Canadian industrial and commercial interests, which expressed concern that they might be under-sold by British goods. The Canadian industries which would be most affected by the proposals include textiles, rubber footwear, machinery, agricultural implements, electrical and industrial equipment, furniture, pottery and china-ware, plastics, and medical items. Mr. Fleming, broadcasting on Oct. 6, pointed out, however, that the British proposal was not intended to be brought into effect suddenly but over a long period, and added that Mr. Thorneycroft had recognized that his proposal raised complex problems and for this reason had not asked the Canadian Ministers for an expression of their views on it.

Mr. Thorneycroft and Sir David Eccles returned to London on Oct. 5.—(Times - Daily Telegraph - Manchester Guardian - Financial Times - External Affairs Dept., Ottawa - Montreal Star) **(Prev. rep. 15637 A ; European Free Trade Area, 15393 A.)**

A. WESTERN GERMANY. — New Chief Burgomaster of West Berlin. - Death of Dr. Suhr.

The West Berlin House of Deputies elected Herr Willy Brandt Chief Burgomaster of the city on Oct. 6, in succession to the late Dr. Suhr, who had died on Aug. 30. Herr Brandt (Social Democrat), who for the last three years had been President (Speaker) of the City Parliament, received 86 votes out of 118, with 10 deputies voting against and 22 abstaining.

Dr. Otto Suhr (63) was born at Oldenburg, studied history and political economy at Leipzig University, and after serving in the First World War joined the Social Democratic trade union movement, in which he occupied various executive posts, writing and lecturing at the same time on economic subjects. On the disbanding of trade unions by the Nazis he lost his job and earned his living by writing for a number of newspapers. After the Second World War he helped to rebuild the Social Democratic Party in the Soviet Zone, and strongly opposed the Soviet efforts to bring about the merger of the Social Democrats with the Communists into the Socialist Unity Party.

After the all-Berlin municipal elections in October 1946, when the Socialist Unity Party was defeated, Dr. Suhr was elected chairman of the new City Assembly. He took a leading part in resisting the constant intimidation from the Soviet military authorities while the city was still under four-Power rule, and after the split of the city government in 1948 maintained the administration of West Berlin, together with the late Herr Ernst Reuter (then Chief Burgomaster), during the Soviet blockade. In 1949 he was re-elected chairman of the West Berlin Assembly (later renamed House of Deputies), and in January 1955 was elected Chief Burgomaster; in this capacity he was last July elected President of the *Bundesrat* for 1957-58.

Herr Brandt (48) is the youngest Chief Burgomaster Berlin has ever had.—(Der Tagesspiegel, Berlin - Frankfurter Allgemeine Zeitung - Times - Manchester Guardian) **(Prev. rep. 14022 A.)**

B. GHANA-ISRAEL.—Agreement on Black Star Line.

An agreement establishing the Black Star Line, with a capital of £500,000 owned as to 60 per cent by the Government of Ghana and as to 40 per cent by the Israeli Zim Navigation Company, was signed in Accra on Sept. 10.—(Israeli Government Press Office, Jerusalem) **(Prev. rep. 15590 E.)**

C. INDIA. — Progress of Land Gift Movement. - The "Village Gift" (Gramdan) Movement. - Discussions between Acharya Bhave and Government Leaders.

The *bhoodan* (land gift) movement initiated by Acharya Vinoba Bhave in 1951 continued to make progress during 1955-57, and by September 1957 about 4,500,000 acres had been donated, of which, however, only 600,000 acres had so far been effectively made over to new owners because of various difficulties. Meanwhile, a new phase of the movement known as *gramdan* (village gift) had originated in May 1952, when the people of Mangroth (Uttar Pradesh) offered the entire land of their village for redistribution, and in 1955, when Acharya Bhave was touring Orissa on foot, *gramdan* developed into a mass movement. By the end of August 1957, 2,932 villages had been offered, of which 1,847 were in Orissa, 301 in Kerala, 237 in Bombay, and 223 in Madras.

Under the *gramdan* system the inhabitants of a village surrender all property rights to the community ; this process was assisted by the fact that about half the villages where it was adopted were in tribal areas, where forms of collective land tenure already existed. The form of cultivation subsequently followed is decided by the villagers, and may be individual farming, complete common cultivation, or a combination of the two. Other measures adopted include the establishment of co-operative stores for marketing village produce and importing requirements from outside, promotion of village industries, provision of basic education, and sanitation schemes. Certain villages have also pooled their debts and share the expense of marriage and other ceremonies.

A typical example is the village of Mangroth, which formerly contained 67 families with and 40 without land ; since the land was pooled, 86 acres of fallow land have been made cultivable by common effort, an irrigation tank dug, a common village orchard grown, and individual cultivation improved, and in consequence the village, which formerly produced enough food for only six to eight months in the year, now produces more than its needs. Over 1,300 of the villages donated in Orissa are in the Koraput district, which is inhabited by a very backward tribal population with an average family income of only Rs 200-250 a year; in this district a programme of irrigation, soil conservation, and reafforestation has been undertaken and village industries have been established.

A conference under the chairmanship of Acharya Bhave took place at Yelwal, near Mysore, from Sept. 20-22, being attended by President Prasad, Mr. Nehru, Mr. Nanda (the Indian Minister of Planning), and other members of the Central and State Governments.

A statement issued at the end of the talks expressed high appreciation of Acharya Bhave's efforts "to solve national and social problems by non-violent and co-operative methods," and appealed to all sections of the people to give him "enthusiastic support." The Ministers present had pointed out that their Governments would have to proceed with their own schemes of land reforms, which were based on abolition of all intermediate interests in land, the limitation of holdings, and the promotion of a co-operative movement with the consent of the people concerned ; the *gramdan* movement, however, which deserved "every kind of help and encouragement," could create the psychological climate needed for the solution of the land problem, and would help rather than conflict with the governmental plans for reform. The closest co-operation was therefore desirable between the Indian Government's Community Development movement and the *gramdan* movement.—(Indian High Commissioner's Office, London - The Statesman, Calcutta - The Hindu, Madras) **(Prev. rep. 14336 B.)**

D. FRANCE. — Renewal of British Wool Credit.

It was announced in London and Paris on Sept. 17 that a new revolving credit of £12,500,000, which could be increased temporarily to £15,000,000 during the peak of the wool-buying season, had been arranged by Lazard Brothers and Co. of London with the *Groupement d'Importation et de Répartition de la Laine* for financing French wool purchases in the British Commonwealth during the 1957-58 season. The amount was £5,000,000 higher than that arranged last year. Repayment is linked with the export of French wool products, as hitherto, and will be completed in September 1958.—(Financial Times - Le Monde, Paris) **(Prev. rep. 15166 E.)**

E. UNITED KINGDOM. — Royal Fine Art Commission. - New Chairman.

It was announced on Sept. 12 that the Queen had approved the appointment of Lord Bridges as chairman of the Royal Fine Art Commission, in succession to Lord Crawford and Balcarres, who had resigned after having held the chairmanship since 1948. The Commission was set up in 1924 under the chairmanship of the previous (27th) Earl of Crawford and Balcarres, the father of the present Earl.—(Times) **(Prev. rep. 5532 A.)**

A. SOUTH AFRICA. — The Separate University Education Bill.

The Separate University Education Bill, which provided for the establishment of *apartheid* in all South African universities, and for the termination of the right of admission for non-White students to the two "open" universities, viz. those of Cape Town and the Witwatersrand, was introduced into the House of Assembly on March 11 by the Minister of Education, Mr. Viljoen, its main provisions being as follows:

(1) University colleges for Africans might at any time be established or closed down by the Minister of Native Affairs; they would be financed from the Bantu Education Account. Fort Hare University College for Africans would be transferred from the control of Rhodes University to that of the Native Affairs Department, and would become the first "Bantu" college.

(2) University colleges for Coloured people and Indians might at any time be established or closed down by the Minister of Education; they would be financed from money appropriated by Parliament for the purpose. The non-European Medical School of the University of Natal would be transferred from that university to the control of the Department of Education, and would become the first of the "non-White" colleges for Coloured people and Indians, although for the time being Africans would continue to be admitted to this school.

(3) Whites would not be allowed to attend a Bantu or other non-White college, under a maximum penalty of a fine of £100 or six months' imprisonment.

(4) From Jan. 1, 1958, non-Whites would not be allowed to enrol at a White university without the consent of the Minister of Native Affairs in the case of Africans, and the Minister of Education in the case of others. This prohibition would not apply to students already registered for courses, who would be allowed to finish their studies.

(5) An absolute ban on the registration of non-White students in White universities would come into force by stages, as faculties were provided in the new colleges.

(6) The council of each new college would be appointed by the Governor-General, and the principal and the members of the senate by the Minister concerned.

(7) The teaching staffs of the non-White colleges would be public servants in the Department of Native Affairs or the Department of Education, according to the nature of the college, and would be appointed, promoted, transferred, or discharged by the Minister or by an official designated by him. They would be liable to dismissal if they publicly commented adversely upon the administration of any Government department, or were associated with propaganda calculated "to cause or promote antagonism amongst any section of the population of the Union against any other section of the population, or to impede, obstruct, or undermine the activities of any Government department."

(8) Students would be admitted to the non-White colleges only if they were approved by the Minister concerned, who might refuse admission if he considered it "in the best interests of the college."

Contrary to usual practice, the Opposition parties opposed the first reading of the Bill on March 11.

Sir De Villiers Graaff (U.P.), Leader of the Opposition, moved an amendment "that this House declines to grant leave for the introduction of the Bill because it provides for a serious interference with traditional academic freedom by means of the control, other than reasonable financial control, of a university institution by the State." A second amendment, moved by **Mrs. Ballinger** (Natives' Representative) and seconded by **Mr. Lovell** (Labour), opposed the introduction of the Bill because "the division of the universities on an ethnic or racial basis, the control of university institutions by the State, and the denial to all universities of freedom to decide whom they may teach, are violations of the traditional and accepted practices of civilised society." Both amendments were rejected by 75 votes to 46, and the motion for the first reading was adopted by 78 votes to 46.

The Bill was, however, withdrawn on April 1, after the Government's legal advisers had expressed the opinion that it was a "hybrid Bill" and therefore subject to special parliamentary procedure, which would prevent its being passed during the session.

[Hybrid Bills are those which, although introduced as measures of public policy, affect the private rights of individuals or groups of individuals. Such a Bill must be published in the *Government Gazette* before its introduction in Parliament, and after the second reading must be referred to a select committee before which those affected by it can give evidence.]

An amended Bill, which omitted the provisions for the transfer of Fort Hare and the Natal non-European medical school to Government control, was introduced on April 8. The new Bill, however, empowered the Minister to ban non-Whites from Fort Hare as well as from the White universities, though not from the Natal medical school. [The control over admissions of non-Whites to Fort Hare was regarded in South African Press comments as a means to ensure that only Africans would go to that college; Coloured people, Indians, and Africans, however, would be allowed to continue to attend the Natal medical school.] The Bill also provided that if a non-White were enrolled by a White university without a Government permit, the student but not the university would be liable to prosecution. [Under the original Bill both would have committed an offence.]

The new Bill passed its first reading on April 8 by 75 votes to 45, after Sir De Villiers Graaff and Mr. Lovell had unsuccessfully moved amendments similar to those put forward on March 11. Mr. Swart, the Minister of Justice, announced on May 17 that after its second reading the Bill would be sent to a Select Committee, as certain individuals and bodies who supported the principle of the Bill had made representations to the Government that further attention should be given to certain of its administrative aspects; if the Select Committee did not finish its work during the session, he added, it would be converted into a commission. Mr. P. A. Moore (U.P.) then asked the Speaker to rule that it was a hybrid Bill, because if it were passed the Universities of Cape Town and the Witwatersrand would forfeit certain donations which had been made to provide scholarships and other facilities for non-European students. The Speaker (Mr. J. H. Conradie), however, ruled on May 20 that the Bill was a public and not a hybrid one, as it dealt with a matter of public policy, and as, if it were passed, the donations made to the "open" universities would remain at their disposal or the disposal of the donors.

The second reading debate took place on May 27-29.

Moving the second reading, **Mr. Viljoen** declared that the underlying causes of non-White resistance movements could be attributed to the "distorted ideas and false values" which took root in "immature minds" in the artificial atmosphere of a White university. The possibility of social or academic intermingling of White and non-White students must therefore be rejected. He announced that the Government intended to provide five university colleges for non-Europeans—one for the Xhosa group at Fort Hare, one for the Zulu group in Zululand, one for the Sotho group in the Northern Transvaal, one for Coloured people at Athlone (the Coloured suburb of Cape Town), and one for Indians near Durban. Separate medical training facilities for Natives would be established when justified, and the Natal non-European medical school would then be reserved for Indians and Coloured people. Legislation for taking over Fort Hare and the Natal medical school would be introduced as soon as circumstances permitted.

Non-White students, he continued, stood to gain no particular benefit from the maintenance of the *status quo*. At the universities of Cape Town and the Witwatersrand, which in 1956 had 339 and 213 non-White students respectively, they attended the same classes as the Whites but did not share their hostels or take part in athletic and social activities. The question had arisen why there should be separate university institutions when there was at the moment no social mixing worth mentioning. The answer was that in the "open" universities the trend was towards complete social equality, and it was a foregone conclusion that in time this aim would become a reality. The number of non-White students at White universities was increasing at a comparatively rapid rate, and there was no guarantee that the present rate of White to non-White students would be maintained. A danger therefore existed that the students at these universities would in time become predominantly non-White, that the atmosphere would be such that White students would no longer feel at home there, and that they would eventually leave the universities in the hands of the non-Whites. If this were allowed to happen, separate university facilities would have to be established later, with far greater trouble than would be caused now.

Mr. Viljoen rejected the argument that the Bill interfered with the autonomy of the universities and their academic freedom, saying that as their autonomy was granted to them by the State it could also be altered by the State. No organization instituted to fulfil a given social function could dictate to the State how it should act in the treatment of social problems. "Where the State has now decided to follow a certain policy of great national importance connected with White and non-White relations," he went on, "this view must also hold good in the case of the universities. There cannot be a State within a State." It was said that academic freedom demanded that universities should themselves decide who should be admitted as students. This view would have been valid if, as a result of restrictions imposed by the State, non-Whites would not have the same opportunity of acquiring knowledge elsewhere; where the State provided separate university facilities, however, there was no interference with academic freedom.

The courses offered at the non-White colleges, Mr. Viljoen explained, had been selected with an eye on a number of factors, such as the direction in which students who had finished their studies would be able to make a reasonable living, and the number of students expected to study different subjects. As circumstances changed, provision would be made for a wider choice of subjects and for more advanced studies. The subjects which had been decided upon were those which non-European students had chosen so far in such numbers that courses in them were justified, and a preliminary estimate had been made for a 10-year period. On this basis it was considered that provision would have to be made for 370 students at each of the three Native colleges after four years, and that this number would increase to about 500 after 10 years. The colleges for Coloured and Indian students were expected to have 300 students each after three years and 600 after 10 years.

The following subjects would be available at the Bantu colleges: (*a*) Native languages, Afrikaans, English, Latin, history, geography, economics, sociology, psychology, philosophy, public administration, political science, law, and ethnology; (*b*) mathematics, physics, chemistry, botany, and geology; (*c*) a post-graduate secondary teachers' diploma and a lower secondary teachers' diploma. At the Coloured and Indian colleges the subjects would be the same, except that Native languages, political science, and ethnology would be omitted, whereas commercial subjects, music, physiology, and domestic science would be included in the curriculum.

In view of the poor financial position of the large majority of non-Europeans, they would be able to make full use of the facilities envisaged only if financial aid were given to the students. This would take the form of interest-free loan bursaries, which would be repayable. The capital costs for building the three Native colleges were estimated at £1,624,000, and for the colleges for Coloured people and Indians at £1,202,000. The total estimated running expenditure would be £183,070 a year at the outset and £295,160 after 10 years. The capital and running costs for the Native colleges would be covered from the Bantu Education Account, into which Native taxation was paid, whilst the costs of the Coloured and Indian colleges would be paid from Government funds.

It was obvious, Mr. Viljoen concluded, that the control and guardianship now exercised over non-White students by the White universities which admitted them must be transferred to some other body when separate colleges for non-Whites were established. The non-Whites, however, were too immature to assume the responsibility attaching to an independent university, and unfortunate experience had given conclusive proof of how susceptible non-White students were to "undesirable ideological influences." Taking these factors into account, a suitable State department was the obvious authority for the time being to control these colleges. As the Education Department had been in control of university education since the setting up of the Union, it was logical that it should control the Coloured and Indian colleges. There were, however, good reasons why the Bantu colleges should be controlled by the Native Affairs Department, which was already responsible for Bantu secondary education, controlled the Bantu Education Account, and was in a favourable position to co-ordinate the supply of and demand for university-trained Natives with a view to their most beneficial employment.

For the United Party, **Mr. Moore** moved an amendment for the rejection of the Bill "because *inter alia* (*a*) it provides for a serious and unwarranted interference with traditional academic freedom and with the autonomy of existing universities; (*b*) it is another attempt by the Government to cast South African society into a rigid ideological mould; (*c*) it envisages the creation of so-called alternative institutions which would not be true universities; and (*d*) it is motivated by prejudice instead of by statesmanlike consideration of the interests of South Africa as a whole." The Bill, he said, had two completely separate aims—the establishment of new colleges, which might be approved, and the prohibition of the enrolment of non-White students in "open" universities, which the United Party strongly opposed. At their best the proposed new colleges would be teachers' training colleges, and at their worst "something of which the country would be ashamed in the future."

Mrs. Ballinger also moved the rejection of the Bill "because (*a*) it runs counter to the traditional pattern and the well-tried and satisfactory course of development of higher education in this country; (*b*) it proposes a system that must stultify the development of the non-European populations and particularly of the Africans; (*c*) it is unacceptable to the majority of the population; and (*d*) it is generally against the best interests of the country and the people."

Mr. Swart (Minister of Justice) said that as chancellor of one of the Afrikaans universities he felt compelled to reply to the chancellors of the Universities of Cape Town and the Witwatersrand, who had made many statements opposing the principle of the Bill. The tragedy of the situation was that "a sort of iron curtain" was growing up between the English and the Afrikaans universities, because the English students' unions admitted non-Europeans and the Afrikaans unions did not. Where any association did take place, however, it revealed the "hypocrisy" of the students of the mixed universities, because no non-Europeans were included. Turning to the question of academic freedom, Mr. Swart declared that no university in South Africa could exist without considerable aid from the State, and the taxpayer, who had to pay for what was done at universities, rejected completely the idea that Parliament should have no say on what took place. The State could not allow the universities to follow a policy which was breaking down the walls between colour and colour; the policy of mixed universities must necessarily lead to social equality, which the Government rejected outright.

Mr. P. H. Bekker (Independent) moved that the Bill should be referred before the second reading to a Select Committee, with power to bring in an amended Bill which would provide for the continued existence of the traditional autonomy of universities whose policy did not undermine the State; the encouragement of segregated education of non-Europeans at "open" universities; and the development of separate universities for non-Europeans.

Mr. Dönges (Minister of the Interior) maintained, in reply to the Opposition allegation of State interference with academic freedom, that even in the U.S.A., by enforcing integration, the State "had refused certain universities the right to determine whom they shall teach."

Sir De Villiers Graaff alleged that the Bill had been motivated by "unreasoning and unreasonable fear," and by the Government's wish to exploit prejudice for political ends in view of the forthcoming general elections. The only reason for the limitation imposed on the "open" universities was to prevent the development of social equality. Dr. Donges had said that cultural assimilation was the first step on the road to ultimate total assimilation, and had suggested that the meeting of White and non-White students was a step in that direction. Cultural assimilation, however, began when a non-European learned his ABC or learned to count. The only way the Government could avoid Western culture being assimilated at the five new colleges would be to confine the teaching there to "tribal law and custom and a little witchcraft."

The United Party had no objection to the creation of separate non-European university facilities if there was a genuine demand for them, Sir De Villiers Graaff continued, but it was extremely doubtful whether there was such a demand. The risk involved in establishing "tribal colleges" had been shown in the report of the Fort Hare Commission (see 14454 D), and there was a danger that the new colleges would become seed-beds for the growth of Native nationalism and Communism. This very scheme had been turned down by the Holloway Commission (see 14164 A), because they felt that it was unrealistic, the cost to the State would be too high, the services rendered by these colleges would be inferior, they might easily become political danger spots, and very few non-Europeans would go to them unless forced to do so. Sir De Villiers Graaff announced that if the United Party came to power again it would restore the academic freedom of Cape Town and Witwatersrand Universities, which was now being infringed.

At the end of the debate the amendments moved by Mr. Moore, Mrs. Ballinger, and Mr. Bekker were rejected on May 29 by 72 votes to 42, and the Bill was read a second time. On a motion by Mr. Viljoen it was referred to a Select Committee, which was empowered to suggest changes in detail but not in principle. When the parliamentary session ended on June 22 the Select Committee was converted into a Commission, which continued to consider the Bill pending the next session.

The Bill met with widespread opposition in academic circles at the Cape Town, Witwatersrand, and Natal Universities.

Prior to its introduction, the Chancellor of Cape Town University, Mr. A. van de Sandt Centlivres (the former Chief Justice), had appealed to the Government on Feb. 11 to reconsider its decision to legislate for university *apartheid*, which would mean the closing of Cape Town and Witwatersrand Universities to non-European students. He said that the principle of academic freedom was at stake, and pointed out that for a long time to come only a handful of non-European students would offer themselves at the two "open" universities. A joint protest against the Government's proposals was made in a booklet issued by the two universities on Feb. 28 under the title *The Open Universities of South Africa*, which had been edited by a committee led by Mr. Centlivres and Mr. Richard Feetham (Chancellor of the University of Witwatersrand).

The Government's intention to remove the non-European medical school from the control of Natal University [now temporarily deferred —see above] was condemned during February in statements issued by the professors heading the seven faculties of the school, the heads of all non-medical faculties, and the Natal branch of the Medical Association of South Africa which supplies the majority of the part-time lecturers at the school. Dr. E. G. Malherbe, the Principal of the University of Natal, flew to Cape Town on Feb. 15 to protest to Mr. Strydom, the Prime Minister, against the Government's decision.

A joint petition protesting against the Bill, which had been signed by over 5,000 students and members of the staffs, Councils, and Senates of Cape Town and Witwatersrand Universities, was submitted to Parliament on May 21.

The Convocation of Oxford University approved on June 18 a letter to the chancellors of Cape Town and Witwatersrand Universities, expressing deep concern at the South African Government's proposals, and full support for the objections which the two universities had made to them.—(Cape Times - Die Burger, Cape Town - Times) **(Prev. rep. 14164 A.)**

A. COMMUNIST CHINA - WESTERN GERMANY. — Trade Agreement with West German Industry.

An agreement was signed in Peking on Sept. 27 between the Eastern Trade Committee of the West German Federation of Industry and the Chinese Committee for the Promotion of International Trade, providing for an exchange of goods worth 230,000,000 Deutschemark (nearly £20,000,000) in each direction within the next 12 months.

It was arranged that Western Germany would supply to China iron, steel, non-ferrous metals, industrial machinery, machine-tools, lorries, electrical, optical and signal equipment, dyes, chemicals, pharmaceutical products, and textiles, whilst China would deliver oil seeds, vegetable oil, furs, hides, minerals, ores, silk, tea, and pharmaceutical raw materials.

Total trade between the two countries (which have no diplomatic relations) increased, without an agreement, from 242,000,000 DM in 1954 to 379,000,000 DM in 1956. (Frankfurter Allgemeine Zeitung - Times)

A. UNITED KINGDOM. — Mr. Thorneycroft's Mansion House Speech. - Reaffirmation of Government's Monetary and Anti-inflationary Policy. - Mr. Cobbold's Speech. - Sterling reaches $2.80 Parity. - Higher Interest Rates for Local Authority Loans and Tax Reserve Certificates.

Mr. Thorneycroft, the Chancellor of the Exchequer, speaking at the Lord Mayor's dinner to the bankers and merchants of the City of London at the Mansion House on Oct. 8, reaffirmed the Government's determination to fight inflation internally and to maintain the external value of the pound. His speech was as follows :

" We are at a turning point in our fortunes. Important decisions are in train. Events are on the move. It is good that we should discuss them together to see how best we can shape them to our ends and purposes.

" At the beginning of the year, during those anxious three months when the Chancellor prepares his Budget, there were fears and rumours of a recession. The Government was urged in many quarters to forestall it. Inflation, it was claimed, was no longer the main danger, but rather stagnation of our efforts. We did not accept that view of our affairs. Looking back it was just as well we didn't. In the event we founded the Budget upon a cut in Government expenditure and a large surplus. We were right to do so. Budgetary and monetary policy must always march together.

" But even at the time of the Budget, some warning signs were becoming clear. I warned the country in that speech that we had to find a solution to the wage-price problem. I said that, if we failed, there was no Government of any party that could stand between us and a drab decline in all our fortunes. That sentence contained the basic truth of the position and it is still the truth today.

" Events in general have not moved contrary to our expectations at that time. Production has risen, consumption is expanding, exports have been maintained at a level of 6 per cent above last year. Our balance of payments has proved better than we then anticipated. It shows a surplus of £200,000,000 for the year ended June 30, 1957. This is a solid achievement in a period which included the Suez crisis. Turning nearer home to the Exchequer position, neither revenue nor expenditure are running in a way which leads me to revise my estimate of a surplus above the line of over £450,000,000 ; but both show signs of creeping up under inflationary pressures . . .

" In July I made a speech in this city [see 15673 A]. I posed then the question ' How honest is our money ? ' and I gave the answer ' As honest as we choose to make it.' I described the sorry tale of a nation which was constantly seeking to take out more than it put in, asking for more than it was prepared to give, willing to subtract from the economy much faster than it was prepared to add.

" A Chancellor of the Exchequer has in all these matters a difficult choice to make. If he speaks the blunt truth, he may cause alarm ; if he stands silently by, he allows the drift downward to continue ; if he states that there is a crisis, he is accused of spreading despondency ; if he says there is no crisis, he is accused of being complacent. The role of a critic in this complex field is not only a peculiarly easy but also a peculiarly dangerous one.

" What then are the facts ? First, that sterling has been under severe pressure abroad. Second, that prices at home have been rising steadily—almost without a break—over a period of 12 years. These two facts are not separate, unrelated things ; they are the two sides of the same medal. Of course, there are factors abroad which influence from time to time the demand for sterling. The French currency action, the speculation on the Deutschemark which followed, the temporary imbalance of trade between one country and another, these are all examples. But these things are, after all, the normal lift and fall of the financial sea. These are not matters which should throw a nation's economy into disarray, least of all a nation which has just earned £200,000,000 on its external account.

" Our problem is, indeed, much more upon our capital than our current account. Our concern is much less with current trade, important though that is, than with the need to build up and sustain full confidence in sterling. I know that when people talk of confidence in sterling they conjure up in their imagination the picture of some cold and calculating group of foreign bankers. I am not here concerned with foreign bankers, though I say so in no disrespectful tone. I am concerned with the people of this country.

" If a nation has confidence in its own currency, the world will have confidence as well. If a nation loses faith in its money, no one else will have faith either. I wish to state my firm conviction that we will not find a solution to our problems by leaning upon others. I have seen suggestions that we should appeal for help from outside our shores—from foreign countries, from other countries of the Commonwealth, or from international financial organizations. Certainly there are forms of assistance for which we can properly and honourably ask and which are of great benefit to us. But merely to cry for help is no solution at all. It does not give us even the beginnings of a policy.

" Our economic stability will no doubt often be dealt harsh blows by outside events. There will be times when, with all our strength, and given all the wisdom and the courage in the world, we will be hard pressed because of the acts of others. But in the long term our economic destiny rests in our own hands. The fault will be not in our stars, but in ourselves, that we are underlings.

" I have listened to the arguments of the economists as to whether we suffer from a demand inflation or a wage inflation. About these subtleties there is infinite scope for academic discussion. There is, however, no doubt about one thing and that is what enables inflation to go on. What enables it to go on is the supply of money, whether it be new money or existing money travelling rather faster." The Chancellor then repeated his recent statement : " So long as it is generally believed that the Government are prepared to see the necessary finance produced to match the upward spiral of costs, inflation will continue and prices will go up."

He continued : " It is against that background and that basic truth that the Government's policy has been designed. Our policy is to halt the increase in the supply of money. For this purpose money will be scarcer and more expensive to get hold of.

" First, the Bank rate has been raised to 7 per cent—a distinctive and clearly recognizable signal of what we mean to do. Secondly, Government investment in the public sector has been fixed in money terms over the next two years at the level which it is expected to reach this year, namely £1,500,000,000. Thirdly, in the private sector, we have decided that the level of bank advances during the next 12 months should not be allowed to rise above the level attained during the past 12 months. The bankers, for whose co-operation I am grateful in these difficult days, have assured me that they will do their best to meet this requirement.

" I am anxious that the purpose of these measures should be absolutely clear. We are not bringing public investment to a standstill. The total to be carried out next year and the year after will be £1,500,000,000. That is a most formidable rate of increase. What we have declined to do is to accelerate the pace still faster.

" Speaking at the meeting of the I.M.F. in Washington, I described our real purpose in these words : ' Thus we have put ourselves in a position effectively to restrict the money supply over a wide field. Against this background, if an attempt were made to take out of the system in money income more than is put in by new effort and production, the only result would be a reduction in activity and the employment of fewer men. In other words, if one can regard the economy as an electric circuit, we are ensuring that if the current overloads it, the fuse will not be the pound sterling. The strain must be taken in other areas of policy.

" There are some, no doubt, who may regard that as a harsh doctrine . . . It is less harsh than the alternative. The choice is not really between the strength of the pound sterling and full employment, for in the long run the first is a prerequisite to the second. If we had failed to declare this policy, or if we wavered in our determination to put it through, everything that we value in this country, full employment, the Welfare State, our high standard of living, all would be at risk. There is, indeed, little comfort that trade unions or employers can take in higher wages or larger dividends if they are to be paid in terms of constantly depreciating pounds. In the year ahead it will be harder to earn profits under this policy. It is meant to be. It will be harder to get wage increases. They will need to be earned. But the profits and the wages will be paid in honest pounds."

" This, then, is the policy of H.M. Government. We know it is controversial and will be criticized. I know that there are parts of it which even need more definition and more work . . . I know, perhaps better than most, the difficulties which confront us. You do not halt a wage-price spiral of this powerful momentum in a trice. We do not expect success overnight. We recognize that this is a long, stiff haul. But I know that this policy can and will succeed. We are determined to push it through to that success.

" It was with this knowledge and against the background of this policy that I was able to state with confidence where we stood at the meeting of the International Monetary Fund in Washington. We stand at a parity of $2.80 to the pound and no margins widened. The parity of the pound sterling is not something which simply affects the medium of exchange between the citizens of this island. It is a principal interest among the members of the British Commonwealth, as our recent talks at Mont Tremblant demonstrated. It is the basis on which half the world's trade is conducted. The pound yesterday reached this parity ; this is good news, but let me make it clear that this is not the end but the beginning of a difficult uphill struggle . . . But the things we seek are of national and not of mere party concern. A sound currency and stable prices at home, expanding markets abroad, these are objectives for which a nation should be prepared to sacrifice and struggle."

Mr. C. F. Cobbold, the Governor of the Bank of England, who followed the Chancellor, spoke as follows :

" Bank Rate and the other ingredients of monetary control are essential elements in general economic policy, but they are by no means the whole story and can only be effective if they are working in support of Government policy in other fields . . . The first impact of the Government's measures on the exchanges has been good. Their effect at home will need time and a firm follow-through. And it is their effect at home that matters in the long run. For, though the sterling exchange is influenced by actions and judgments taken in other countries, the stability of sterling depends fundamentally on the soundness of our own economy . . .

" If the money supply is not held in check there is no hope of restraining inflation. In fact, by comparison with other great countries fighting the same battle, we have so far been reasonably successful in restraining growth of the money supply . . . It remains

for the Government to ensure that current public expenditure is also kept under control, and that revenue, plus sales to the public of Government securities, cover all Government outgoings. Indeed, in the judgment of many of those for whom I am responding tonight, sterling will need to be buttressed in present circumstances not only by an increasing surplus on balance of payments account, but also by an overall surplus on budget account.

"In restricting the growth of total demand, we certainly do not want to see more consumed and less invested. The Government will doubtless watch the level of consumer demand very closely over the next period. But it is not true that a monetary and budget policy designed to keep total demand within total resources must mean less production. The resources and manpower available in the country set a definite limit to what can be done. A successful monetary and budget policy will mean less of a scramble for the available resources, less pressure for increased costs and prices—and it will in the end mean more and not less production.

"With this objective in view, the larger industrial companies might be well advised to look at their programmes again. In company with the public bodies, they have until recently been little affected by interest rates or by shortage of money. But borrowing will be difficult and expensive in the next period; even companies which still have large liquid resources may find it prudent in their own interest, as well as helpful to the country's, to rephase and extend their investment plans over a longer period.

"I hear it argued, too, that a creeping inflation does not much matter so long as it does not go too fast or quicker than in other countries. I believe that this argument is complacent and dangerous. It is true enough that if our competitors' costs are rising more quickly than our own, the danger to our exchange reserves is less immediate. But if, either in this country or in the rest of the Western world, we were to countenance a continuing rise in costs and a continuing slide in the value of money, then the outlook for currencies, world trade, and standards of living would be grim indeed."

Continued Recovery of Sterling.

During the first week of October sterling continued its recovery in the international exchange markets, and on Oct. 7 reached the parity of $2.80 with the dollar—this being the first time parity had been reached (apart from a short flurry in February) since Jan. 22. The advance of sterling made further progress on Oct. 8, when the rate against the U.S. dollar at $2.80⅛ reached its highest level since June 25, 1956. On Oct. 9 sterling also rose to parity against the Deutschemark at 11.76 DM, the rate finally closing at 11.76½ DM, whilst in Zürich transferable sterling was dealt in above $2.78, i.e. within the official margins, for the first time since May 1956.

Higher Interest Rate on Local Loans.

Following the increase in the Bank Rate to 7 per cent, the Treasury announced on Sept. 27 that interest on new loans to Local Authorities by the Public Works Loan Board would be increased from Sept. 28 as follows (existing rates in parentheses): up to five years, 7¼ per cent (5¾ p.c.); over five years and up to 15 years, 6¾ per cent (6 p.c.); over 15 years, 6¾ per cent (5¾ p.c.).

Tax Reserve Certificates.

It was announced on Sept. 24 that, because of the increase in the Bank Rate, Tax Reserve Certificates issued from Sept. 25 would bear interest at 3½ per cent p.a. free of tax. The new rate compared with the previous one of 3 per cent, which had been in force since February 1956.—(Times - Daily Telegraph - Manchester Guardian - Financial Times)
(Prev. rep. 15770 A; Sterling-Dollar Rate, 15790 D; Local Loans, 15673 A.)

A. INDIA. — Opening of Maithon Dam.

The Maithon Dam on the Barakar River, eight miles above its confluence with the Damodar River, was opened by Mr. Nehru, the Indian Prime Minister, on Sept. 27.

The Maithon Dam, the third dam of the Damodar Valley Corporation to be put in commission so far, has a length of 3.4 miles and stands 162 feet above the river bed on the border of Bihar and West Bengal. Its underground power house—the first of its kind in Eastern Asia—has an installed capacity of 60,000 kilowatt, whilst the reservoir behind the dam covers an area of 21 square miles. The cost of the dam was estimated at 170,000,000 rupees (£12,750,000).

The first phase of the Damodar Valley project comprised the building of four dams, each with a hydro-electric station attached to it, one thermal power station, and a barrage to divert the water discharged from the four dams into a large network of canals and distribution channels for irrigation purposes in the Lower Damodar Valley. The Tilaiya Dam and the Bokaro thermal power station were opened in 1953, and the Konar Dam and the Durgapur barrage and irrigation canals in 1955.—(The Statesman, Calcutta - The Hindu, Madras - Indian High Commissioner's Office, London)
(Prev. rep. 14509 E; 14430 A.)

B. NORWAY. — Funeral of King Haakon VII.

The funeral of the late King Haakon VII took place in Oslo on Oct. 1.

After a private service in the chapel of the Royal Palace, where King Haakon had been lying in state, the coffin, draped in the royal flag, was taken on an open motor hearse to Oslo Cathedral, followed by King Olav and Crown Prince Harald, King Gustav of Sweden, King Frederik of Denmark, King Paul of the Hellenes, King Baudouin of the Belgians, and Prince Bernhard of the Netherlands. The Duke of Gloucester (representing Queen Elizabeth), Prince Alexander Desta of Ethiopia (the grandson of Emperor Haile Selassie), Prince Felix of Luxemburg, President Kekkonen of Finland, and President Asgeirsson of Iceland also walked in the procession, whilst Queen Juliana of the Netherlands, Queen Ingrid of Denmark, and Queen Louise of Sweden rode in the *cortège*.

The funeral service in the Cathedral was conducted by Dr. Smemo, Bishop of Oslo, being preceded by a one-minute silence observed all over Norway. After the service the coffin was taken to Akershus Castle, the old fortress overlooking Oslo harbour, and after a brief service in the Royal Chapel was lowered to the vault of the chapel, where it will rest in a sarcophagus by the side of Queen Maud and Crown Princess Martha.

A guard of honour of ratings and marines from the Royal Navy's aircraft carrier *Ocean*, and another one of officers and men from the Green Howards, were drawn up in the inner courtyard of the castle; King Haakon had been an Honorary Admiral in the Royal Navy and an Honorary Colonel of the Green Howards.

A memorial service for King Haakon was held in London at Westminster Abbey on Oct. 2, being attended by Prince Philip, representing the Queen, British Ministers and Members of both Houses of Parliament, many members of the Norwegian community, and British Service officers, including Admiral of the Fleet Earl Mountbatten, the First Sea Lord.
(Norwegian Embassy, Press Dept., London - Times - Daily Telegraph) **(Prev. rep. 15769 A.)**

C. AUSTRALIA. — Civil Aviation. - Sale of Australian National Airways to Ansett Airways.

Mr. R. M. Ansett, managing director of Ansett Transport Industries Ltd., the owners of Ansett Airways (then the third largest airline in Australia), announced on Aug. 23 that the board of Australian National Airways, the second largest airline in the country, had recommended to shareholders the acceptance of an offer by Ansetts to buy A.N.A. as a going concern for £A3,300,000. It was announced on Aug. 28 that the shareholders of A.N.A. had approved acceptance of Ansett's offer, and on Oct. 3 documents finalizing the purchase were signed and the first contractual payment of £A1,000,000 made over by Ansett's.

The deal, which made Ansett Airways the biggest airline operator in Australia, included the taking over by Ansett's of a Government-guaranteed loan to A.N.A. of about £A3,000,000 for the purchase of *DC*-6 aircraft, as well as the acquisition of the controlling interest in two other airlines, Butler Air Transport and Queensland Airlines. The A.N.A. fleet taken over by Ansetts included six *DC*-6 aircraft, eight *DC*-4's, 20 *DC*-3's, three *Bristol* freighters, and three helicopters. Ansett's own fleet before the merger comprised one Convair *Metropolitan*, two Convair 340's, four *DC*-4's, and two flying boats. Before the merger negotiations Ansetts had announced that they would purchase seven more Convair *Metropolitans* and three Lockheed turbo-props for delivery in 1959.

Australian National Airways was founded in 1936, having developed from Holyman Airways; its shareholders included the Orient Steam Navigation Co., Ltd., Huddart, Parker Ltd., Union Steamship Co, Ltd. of New Zealand, and the Adelaide Steamship Co., Ltd. A recent proposal by A.N.A. to form a holding company to control all Australian airlines had been rejected by the Federal Government on June 25 (see 15634 A).

The only other major Australian internal air transport company left is the Government-owned Trans-Australia Airlines, which now occupies second position.—(Australian News and Information Bureau - Times)

D. CZECHOSLOVAKIA - UNITED KINGDOM. - Resumption of Civil Air Services.

The first British civil airliner since 1951 to fly to Prague on a scheduled flight—a *Viscount* of British European Airways—left London Airport on Oct. 7. Civil air services between Britain and Czechoslovakia were discontinued in 1951, when the Foreign Office informed the Czechoslovak Government that, because the work of the Prague Office of British European Airways had been constantly obstructed, facilities could no longer be granted for Czechoslovak State Airlines to operate a regular service between London and Prague.—(Times)
(Prev. rep. 11484 B.)

A. INDONESIA. — National Conference between Government and Regional Leaders. - Co-operation between President Sukarno and Dr. Hatta to be resumed. - Greater Autonomy for Outer Regions.

A national conference between the Indonesian Government and representatives from the outer regions was held in Jakarta from Sept. 10-15 under the chairmanship of the Prime Minister, Dr. Djuanda. The conference, the convening of which had been suggested by the newly-established National Advisory Council in an endeavour to find a way out of the country's grave difficulties, was attended by about 200 of Indonesia's civil and military leaders, including President Sukarno and Dr. Hatta (the former Vice-President), members of the Government, the chiefs of staff of the armed forces, and regional representatives. The latter included Lieut.-Colonel Hussein, the Army commander in Central Sumatra who had seized power in that province in December 1956, and Lieut.-Colonel Sumual, the former Army commander in East Indonesia who in March last had set up a military council to take over the administration of that area. Colonel Simbolon, the deposed Army commander in North Sumatra, as well as Colonel Lubis, the deposed former deputy chief of staff of the Army, did not attend.

At the end of the conference President Sukarno and Dr. Hatta, who had not met since Dr. Hatta's resignation from the vice-presidency owing to strong differences of opinion, issued a joint statement in which they announced that they would resume their co-operation " in the interest of the State and the people." Their decision was made in response to the requests of the majority of the delegates, who expressed the conviction that renewed co-operation between the two estranged leaders was a prerequisite to a solution of all the problems which, in the Prime Minister's words, had led to the " present chaotic situation in the country."

The conference also decided that relations between the Central Government and the regions outside Java should be restored on the basis of the Constitution and existing laws. Four committees had been set up by the conference to deal respectively with (*a*) military questions ; (*b*) special affairs ; (*c*) general and administrative problems; and (*d*) financial and economic questions.

The military committee decided to leave the settlement of all military questions to the Government, assisted by a seven-man commission which would include President Sukarno, Dr. Hatta, Dr. Djuanda, Dr. Leimena (Third Deputy Premier), Col. Dr. Abdul Azis Saleh (Minister of Health, and formerly head of the Military Health Service), the Sultan of Jogjakarta (a former Minister of Defence), and General Nasution (Army Chief of Staff). It was decided that the Army would abide unconditionally by whatever decisions might be reached by the Government and the seven-man commission, an oath of loyalty being afterwards taken at a special ceremony at the presidential palace by all the military leaders who had been present at the conference.

The committee for special affairs suggested, *inter alia*, that in order to relax the tension in the political sphere, regulations should be made within the shortest possible time with regard to (*a*) the participation of political parties in a " conspicuous and direct way " in the efforts for the reconstruction and welfare of the country ; (*b*) principles for the conduct of parties ; (*c*) conditions for the formation and membership of parties ; and (*d*) supervision of the enrolment of party members and of party resources.

The committee for general and administrative questions urged the speedy setting up of autonomous regions, and recommended legislation embodying new arrangements for the improvement of the financial relationship between the Centre and the regions.

The committee for financial and economic questions recommended, *inter alia*, (i) that there should be a change in the economic structure in order to enable both regional producers and the country as a whole to benefit from exports ; (ii) that steps should be taken to return to a normal trade system, since barter trade (which was the basis for Indonesia's trade exchanges with Communist China and a number of other Communist countries) had not proved to be beneficial to Indonesia ; (iii) that all the available experts for reconstruction projects should be distributed throughout the country ; and (iv) that in all reconstruction plans in the various regions account should be taken of local religious feelings.

The conference unanimously approved all the decisions of the four committees.

Subsequently, the Government set up three *ad hoc* Ministerial committees for the implementation of the conference resolutions, viz. : (*a*) for general and administrative questions ; (*b*) for economic, financial, and reconstruction problems ; and (*c*) for special questions, such as the future co-operation between President Sukarno and Dr. Hatta, the West Irian issue, etc. The seven-man commission, which was to assist the Government in the solution of the military questions, appointed a fact-finding committee of three senior officers to inquire into the views of all Army officers, both loyal and dissident. (Indonesian Embassy Information Dept., London - Times) **(Prev. rep. Revolts, 15636 A ; 15514 A ; 15421 A ; Dr. Hatta, 15312 B ; National Advisory Council, 15678 E.)**

B. CEYLON - COMMUNIST CHINA.—New Five-Year Trade Agreement. - Agreement on Chinese Economic Aid.

A new five-year trade and payments agreement between Ceylon and Communist China was signed in Peking on Sept. 19 by the Chinese Minister of Foreign Trade (Mr. Yeh Chi-chuang) and the Ceylonese Ambassador (Mr. Perera), together with an agreement providing for Chinese economic aid to Ceylon. The agreements will come into effect on Jan. 1, 1958.

Trade and Payments Agreement. Under this, Ceylon will sell to China at least 30,000 tons of rubber annually at world market prices, and in return will buy 200,000 tons of rice ; under the current agreement (expiring at the end of 1957) China undertook to buy 50,000 tons of rubber and to supply 270,000 tons of rice a year.

The reduction in mutual purchases was aimed at reducing the adverse Chinese trade balance which had accumulated during the currency of the existing agreement ; according to a statement by the Minister of Commerce and Trade, Mr. R. G. Senanayake, on July 25, this balance amounted at the end of 1956 to the equivalent of about 60,000,000 rupees (£4,500,000) in foreign exchange. Mr. Senanayake had also stated that the Chinese Government had expressed its willingness to pay off the balance and that the forthcoming discussions in Peking would deal with the terms of settlement. No details were, however, made public about this point in the communiqué announcing the new five-year agreement.

With a view to evening out trade between the two countries and satisfying the Chinese demand that all future trading should be conducted strictly on a barter basis, the new agreement also provided for Chinese exports to Ceylon of textiles, coal, cement, and foodstuffs.

Economic Aid Agreement. This provided that China would grant 15,000,000 rupees (about £1,125,000) a year as economic assistance to Ceylon for the latter's rubber tree replanting programme, making a total of 75,000,000 rupees for the five-year period. Ceylon, in return, would permit China to increase the sale of her goods among private Ceylonese enterprises.

It was also announced in Colombo that the Chinese Communist Government had offered to set up a textile factory in Ceylon at a cost of 70,000,000 rupees (£5,250,000), as a gift to the Ceylon Government. When this gift is made Communist China will become the second largest donor of economic aid to Ceylon, the first being the U.S.A.—(Ceylon Government Information Dept., Colombo - Times - Manchester Guardian) **(Prev. rep. 15463 A ; 15143 B.)**

C. IRISH REPUBLIC - NORTHERN IRELAND. — Draft Constitution for All-Ireland Trade Union Congress.

It was announced on Oct. 14 that the representatives of the Irish T.U.C. and the Congress of Irish Unions on the Provisional United Trade Union Congress set up in 1956 had agreed on a draft constitution for a new single national trade union authority for the whole of Ireland, to be known as the Congress of Trade Unions. The draft constitution provided for :

(1) The affiliation to the new Congress of Trade Unions of (*a*) Irish-based unions ; (*b*) those British-based unions which agreed to elect autonomous Irish committees or conferences to decide policy on industrial or political matters directly affecting their Irish members. It was laid down, however, that policy decided by these Irish committees must not impinge upon or prejudice the position of members outside Ireland.

(2) The election to the new C.T.U. of a national executive of 19 members, including not more than nine members (all of whom must live in Ireland) by unions with headquarters outside Ireland.

(3) The setting up by the C.T.U. of a Northern Ireland committee, consisting of (*a*) national executive members living in Northern Ireland ; (*b*) members elected at a conference of unions having Northern Irish members. A full-time organizer, staff, and offices would be established in Belfast.

The draft constitution will be submitted by the Provisional United Trade Union Congress to its affiliated unions, and if approved will be ratified by national conventions of the Congress of Irish Unions and the Irish Trade Union Congress.

The number of trade union members in Ireland was given as about 500,000 (300,000 in the Irish Republic and 200,000 in Northern Ireland), including about 40,000 members of British-based unions in the Irish Republic and about 150,000 in Northern Ireland.—(Irish Times, Dublin - Belfast Telegraph) **(Prev. rep. 14650 A.)**

D. TURKEY. — Expulsion of Soviet Diplomats.

The Soviet Assistant Naval Attaché at Istanbul, Commander Alexander Marlagine, and two other Soviet officers attached to his office, were asked by the Turkish Government on Sept. 14 to leave the country. It was stated that the three men had been surprised by Turkish security officials at a Bosphorus casino when an agent of the Turkish security service handed to them secret military information and maps which they had asked him to procure. The Soviet diplomats left Turkey on Sept. 17.—(Turkish Embassy Press Dept., London)

OCTOBER 12—19, 1957

A. UNITED STATES. — Racial Desegregation in Schools. - The Little Rock Crisis. - Arkansas National Guard called out by Governor Faubus to prevent Desegregation. - National Guard withdrawn by Order of Federal Court. - Racial Rioting in Little Rock. - President Eisenhower sends Federal Troops to maintain Order.

A serious crisis developed in Little Rock, the capital of the State of Arkansas, during September as a result of measures taken by the State Governor, Mr. Orval E. Faubus, to prevent the admission of Negro pupils to the central high school. The situation eventually led to the intervention of President Eisenhower and the despatch of Federal troops to Little Rock to enable school integration to be carried out.

In implementation of the Supreme Court's decision of May 17, 1954, the Board of Education at Little Rock had in 1955 adopted a programme of integration under which Negroes would be admitted to the Central High School in September 1957, to the Junior High School in 1960, and to the elementary schools in 1963. This plan was upheld in August 1956 by the Federal District Court and in April 1957 by a Federal Court of Appeal, which ruled that the scheme was within the Supreme Court's definition of "all deliberate speed" in introducing desegregation in schools.

Shortly before the beginning of the new term, however, a segregationist organization, the League of Central High School Mothers, applied to the State Chancery Court at Little Rock for an injunction against the School Board forbidding the admission of Negroes to the Central High School. After Governor Faubus (who appeared as the principal witness) had testified that desegregation would lead to bloodshed and mob violence, the Chancery Court issued the injunction on Aug. 29. The School Board thereupon applied to the Federal District Court for a ruling that it could carry out its desegregation plan, and on Aug. 30 Judge Davies issued an injunction making the State Court's order ineffective.

On Sept. 2, the day before the opening of the new term, Governor Faubus declared a state of emergency in Little Rock and ordered the Arkansas National Guard to prevent the nine Negro pupils who had been admitted from entering the school. On Sept. 3 Judge Davies reaffirmed his order for the immediate integration of the school, but on the following day the Negro children were prevented from entering by 200 armed National Guards. In view of this situation the School Board petitioned Judge Davies on Sept. 5 to issue an order temporarily suspending the integration programme, on the ground that the situation had created tension among both pupils and parents and was rendering education impossible, but this application was rejected by Judge Davies on Sept. 7.

Giving the reasons for his decision, Judge Davies recalled that the integration plan had been drafted and proposed by the citizens of Little Rock themselves acting through their own School Board, and had been approved by the Federal District Court and the Court of Appeals. "The chief executive of Little Rock" [i.e. the mayor, Mr. Woodrow W. Mann], the judge went on, "has stated that the Little Rock police have not had a single case of inter-racial violence reported to them, and that there has been no indication from sources available to him that there would be violence in regard to this situation. In an organized society there can be nothing but ultimate confusion and chaos if court decrees are flouted, whatever the pretext." In the circumstances the court was "not persuaded that upon the tenuous showing made by the petitioners it should suspend enforcement of the plan of integration."

In spite of the court's ruling, however, Governor Faubus stated on Sept. 7 that he had not changed his orders to the National Guard and that the troops would continue to turn back any Negro children who attempted to enter the school.

In a statement issued on Sept. 9 Governor Faubus attacked Mr. Mann; quoted a statement by eight members of the Little Rock City Council who supported his (the Governor's) action, and insisted that his duty was to preserve the public peace. He maintained that he had to uphold both the U.S. Constitution and the Constitution of Arkansas, which imposed upon him the duty to maintain public peace and to use the militia if he considered this necessary, and went on: "I cannot abdicate my office and allow a Federal judge to substitute his judgment for mine on this issue. If the Federal Government moves into Arkansas by force or in any other manner, and takes from the people of the State the right to elect a Governor and depend on him to exercise certain discretionary functions of government, then we will have lost our last right of local self-government. If blood is then shed my conscience will be clear."

Meanwhile it had been announced on Sept. 4 by the U.S. Attorney-General, Mr. Brownell, that the Department of Justice, at Judge Davies' request, had begun an investigation to determine whether Governor Faubus's claim to be using the National Guard to prevent violence was well-founded. Governor Faubus thereupon posted two companies of the National Guard round his official residence in Little Rock, and in a telegram to President Eisenhower asserted that the Federal authorities in Arkansas were planning "to take into custody by force the head of a sovereign State" (i.e. Governor Faubus) and were tapping his telephone lines. In his reply the President categorically denied Mr. Faubus's allegations, emphasized that "the Federal Constitution will be upheld by me by every legal means at my command," and declared that he was "sure" that the Governor and all other State officials would give "full co-operation" to the Federal District Court.

After receiving the Justice Department's report on the situation, Judge Davies on Sept. 9 instructed the U.S. Attorney-General, as a "friend of the court," to seek an injunction against Governor Faubus and the two officers commanding the National Guard forbidding them to interfere with the integration programme. Mr. Brownell accordingly filed such a petition on Sept. 10, whereupon Judge Davies issued subpoenas summoning Governor Faubus and the two officers to appear before the Federal Court on Sept. 20.

On Sept. 11 Governor Faubus sent a telegram to President Eisenhower giving an assurance that "it is certainly my desire to comply with the order that has been issued by the District Court in this case, consistent with my responsibility under the Constitution of Arkansas," and requesting an interview with the President to discuss the matter. President Eisenhower agreed to such a meeting, and a two-hour discussion between them took place on Sept. 14 at the President's holiday home at Newport (Rhode Island). Separate statements were issued afterwards by the President and Governor Faubus.

President Eisenhower announced that Mr. Faubus had "stated his intention to respect the decisions of the U.S. District Court and to give his full co-operation in carrying out his responsibilities in respect to these decisions." "In doing so," the President's statement added, "I recognize the inescapable responsibilities resting on the Governor to preserve law and order in his State."

Mr. Faubus, after commenting that the Supreme Court's decision on integration was "the law of the land and must be obeyed," continued: "It is my responsibility to protect the people from violence in any form . . . In meeting this obligation, it is essential in proceeding to implement the orders of the court that complexities of integration be patiently understood by all those in Federal authority as well as others. When I assure the President, as I have already done, that I expect to accept the decisions of the court, I entertain the hope that the Department of Justice and the Federal judiciary will act with understanding and patience in discharging their duties."

Governor Faubus refused to appear in person before the court on Sept. 20, but was represented by counsel, who filed an affidavit alleging that Judge Davies was "biased and prejudiced" against Mr. Faubus and should therefore disqualify himself from hearing the case. A counter-motion filed by counsel for the Department of Justice maintained that the affidavit "must be regarded as solely directed to accomplish delay and cause embarrassment to the administration of justice." After hearing counsel on both sides, Judge Davies ruled that the affidavit was "not legally sufficient." Counsel for Governor Faubus then submitted a motion that the court was without jurisdiction because the action was brought "against the sovereign State of Arkansas and not against an individual," and that the case could therefore be heard only by the Supreme Court. Judge Davies rejected the motion, whereupon Governor Faubus's counsel withdrew, declaring that Governor Faubus "cannot and will not concede that the U.S. Government in this court or anywhere else can question his judgment and discretion acting as chief executive officer of the sovereign State of Arkansas."

After evidence had been given by Mr. Mann (the mayor), the chief of police, and other witnesses, Judge Davies granted an injunction on Sept. 21 forbidding the Governor to use the National Guard to prevent racial integration at the Central High School.

Giving the reasons for his decision, Judge Davies said that the city of Little Rock had "a long history of peaceful and amicable relations between the White and Negro races" (approximately 20 per cent of the population being Coloured), and that "for at least 25 years" there had been "no reported incident of violence arising from racial tension either between adults or between children of school age." He also mentioned that no violent incident had occurred when in January 1956 the public transportation system in the city had abolished the separate seating of Whites and Negroes. After reviewing the arrangements made by the school authorities for the admission of nine Negro students at the beginning of the new term, Judge Davies referred in detail to the events of Sept. 2-4, emphasizing in this connexion that neither the Governor nor any other official of the State Government had consulted with the Little Rock authorities whether the local police were prepared to cope with any incident

that might arise, about the need for any State assistance in maintaining order, or about stationing the National Guard at the Central High School. Commenting on the events of Sept. 4, when the nine Negro students were forcibly prevented by the National Guard from entering the school, the Judge observed that although a crowd of spectators had assembled opposite the school no acts of violence had been committed or threatened by them (except for rude and disparaging remarks made by some of the crowd); that the guardsmen had made no effort to disperse the crowd or to assist or protect the coloured students in their effort to enter the school; and that they had not prevented any white students from entering the school. Judge Davies concluded: "It is very clear to this court from the evidence and testimony adduced today that the plan of integration . . . has been thwarted by the Governor of Arkansas by the use of National Guard troops. It is equally demonstrable from the testimony that there would have been no violence in carrying out the plan of integration, and that there has been no violence."

In a broadcast later the same day, Governor Faubus announced that he had ordered the National Guard to be withdrawn, and reaffirmed that he had called it out only because he had proof that there was danger of serious disorders. Mr. Mann announced that members of the city police would be stationed outside the school, with orders to deal firmly with any individuals who tried to create trouble.

In the early morning of Monday, Sept. 23, a violently anti-Negro crowd of about 1,000 people collected outside the High School. While they were assuming a threatening attitude, nine of the Negro pupils were smuggled into the school through a side door; about 300 white pupils then walked out, but the remainder were reported to have adopted a friendly attitude towards the Negro students. Outside the school the rioters made repeated attempts to break through the barricades which the police had erected round the building; reporters and photographers were assaulted; and State police had to be called in to reinforce the city police. By noon the mob had become so menacing that Mr. Mann and the superintendent of schools agreed that the Negro children should be withdrawn, and they were accordingly driven to their homes in police cars. The president of the Arkansas division of the National Association for the Advancement of Coloured People stated afterwards that the children would not return to school "until they have the assurance of the President of the United States that they will be protected against the mob."

After receiving reports of the rioting from the Department of Justice, President Eisenhower issued the following statement during the afternoon:

"I want to make several things very clear in connexion with the disgraceful occurrences of today at Central High School in the city of Little Rock. They are:

(1) The Federal law and orders of a U.S. District Court implementing that law cannot be flouted with impunity by any individual or any mob of extremists.

(2) I will use the full power of the United States, including whatever force may be necessary, to prevent any obstruction of the law and to carry out the orders of the Federal Court.

(3) Of course, every right-thinking citizen will hope that the American sense of justice and fair play will prevail in this case. It will be a sad day for this country—both at home and abroad—if schoolchildren can safely attend their classes only under the protection of armed guards.

(4) I repeat my expressed confidence that the citizens of Little Rock and of Arkansas will respect the law and will not countenance violations of law and order by extremists."

During the evening President Eisenhower signed a proclamation, entitled "Obstruction of Justice in the State of Arkansas," in which he ordered all "unlawful assemblages" obstructing integration to "cease and desist," and giving a warning that Federal troops would be used to ensure the enforcement of the law if necessary. The proclamation was worded as follows:

"Whereas certain persons in the State of Arkansas, individually and in unlawful assemblages, combinations, and conspiracies, have wilfully obstructed the enforcement of orders of the U.S. District Court for the Eastern District of Arkansas with respect to matters relating to enrolment and attendance at public schools, particularly at Central High School in the Little Rock school district, and

"Whereas such wilful obstruction of justice hinders the execution of the laws of that State and of the United States, and makes it impracticable to enforce such laws by the ordinary course of judicial proceedings, and

"Whereas such obstruction of justice constitutes a denial of the equal protection of the laws secured by the Constitution of the United States and impedes the course of justice under those laws;

"Now, therefore, I, Dwight D. Eisenhower, President of the United States, under and by the virtue of the authority vested in me by the Constitution and statutes of the United States, including Chapter 15 of Title 10 of the United States Code, particularly Sections 332, 333 and 334 thereof, do command all persons engaged in such obstruction of justice to cease and desist therefrom, and to disperse forthwith."

[Section 332 of the U.S. Code empowers the President to call State militia into Federal service and to use the U.S. armed forces if "unlawful obstructions, combinations, or assemblages" make it impracticable to enforce the Federal law "by the ordinary course of judicial proceedings." Section 333 empowers him to use the militia or the armed forces to suppress any "violence, unlawful combination, or conspiracy" which deprives any part of the people of a State of their constitutional rights or obstructs the execution of Federal law. Section 334 requires him to "order the insurgents to disperse . . . within a limited time" before taking such action.]

Mr. Faubus maintained at a press conference on Sept. 23 that Federal forces could not be employed except at the request of the Governor of a State, adding that "I don't plan to make any such request."

This statement apparently referred to Section 331 of the U.S. Code, which lays down that "whenever there is an insurrection in any State against its Government," the President, "upon the request of its Legislature or of its Governor if the Legislature cannot be convened," may use the Federal forces to suppress it. Spokesmen for the Department of Justice, however, pointed out that this section referred only to an insurrection against State law, whereas Sections 332 and 333, which referred to the enforcement of Federal law, did not require that the State authorities should request the President's assistance.

The President's power to use the militia for the enforcement of Federal law originated in a law passed in 1792 during Washington's presidency, and was first employed by Washington in 1794 to suppress the "whisky rebellion" in Pennsylvania. In 1807 Congress authorized the use of Federal troops for the same purpose, and in 1827 the Supreme Court ruled that the President was the "sole and exclusive judge" as to whether such measures were necessary. Two precedents which were regarded as relevant to the situation in Little Rock were President Cleveland's action in using Federal troops in 1894 to enforce an injunction against the Pullman strike in Illinois, despite the opposition of the Governor of the State, and the similar action taken by President Wilson in 1914 against a miners' strike in Arkansas. The statutes cited by President Eisenhower in his proclamation were revised and reaffirmed by Congress in 1956 as part of a general recodification of the laws relating to the armed forces.

In defiance of the President's proclamation, about 300 demonstrators assembled outside the school on the morning of Sept. 24; there was no violence, however, partly because the Negro pupils made no attempt to enter it, and partly because 11 known agitators, two of whom were found to be armed with knives, were arrested by the police. Shortly after noon President Eisenhower issued an Executive Order which (i) noted that the command contained in his proclamation had not been obeyed and that "wilful obstruction of enforcement of the court order still exists and threatens to continue"; (ii) placed the Arkansas National Guard under Federal command for an indefinite period; and (iii) directed the Defence Secretary to use both the National Guard and regular troops, if necessary, "for the removal of obstruction of justice in the State of Arkansas." During the afternoon troops of the 101st Airborne Division were flown to Little Rock, and on arrival immediately took over from the city police posted round the school.

President Eisenhower, who had flown specially from Newport to Washington, explained why he had taken this action in a broadcast to the nation from the White House during the evening of Sept. 24.

After summarizing the events leading up to his decision, the President continued: "The very basis of our individual rights and freedoms rests upon the certainty that the President and the Executive Branch of Government will support and ensure the carrying out of the decisions of the Federal Courts, even, when necessary, with all the means at the President's command. Unless the President did so, anarchy would result. There would be no security for any except that which each one of us could provide for himself. The interest of the nation in the proper fulfilment of the law's requirements cannot yield to opposition and demonstrations by some few persons.

"Let me make it very clear that Federal troops are not being used to relieve local and State authorities of their primary duty to preserve the peace and order of the community. Nor are the troops there for the purpose of taking over the responsibility of the School Board and other responsible local officials in running Central High School. The running of our school system and the maintenance of peace and order in each of our States are strictly local affairs, and the Federal Government does not interfere except in very special cases, and when requested by one of the States. In the present case the troops are there, pursuant to law, solely for the purpose of preventing interference with the orders of the court.

"The proper use of the powers of the Executive Branch to enforce the orders of a Federal Court is limited to extraordinary and compelling circumstances. Manifestly, such an extreme situation has been created in Little Rock. This challenge must be met, and with such measures as will preserve to the people as a whole their lawfully protected rights in a climate permitting their free and fair exercise.

"The overwhelming majority of our people in every section of the country are united in their respect for observance of the law—even in those cases where they may disagree with that law. They deplore the call of extremists to violence . . . In the South, as elsewhere, citizens are keenly aware of the tremendous disservice that has been done to the people of Arkansas in the eyes of the nation, and that has been done to the nation in the eyes of the world.

"At a time when we face grave situations abroad because of the hatred that Communism bears toward a system of government based on human rights, it would be difficult to exaggerate the harm that is being done to the prestige and influence, and indeed to the safety, of our nation and the world. Our enemies are gloating over this incident and using it everywhere to misrepresent our whole nation. We are portrayed as a violator of those standards of conduct which the peoples of the world united to proclaim in the U.N. Charter. There they affirmed 'faith in fundamental human rights and in the dignity and worth of the human person' and they did so 'without distinction as to race, sex, language or religion.'

"And so, with deep confidence, I call upon the citizens of the State of Arkansas to assist in bringing to an immediate end all interference with the law and its processes. If resistance to the Federal Court orders ceases at once, the further presence of Federal troops will be unnecessary, the city of Little Rock will return to its normal habits of peace and order, and a blot upon the fair name and high honour of our nation in the world will be removed."

In the morning of Sept. 25 about 1,000 parachute troops cordoned the streets round the high school, the Negro pupils being escorted to the school under military protection. While the troops were dispersing a crowd one man was pricked by a bayonet after trying to seize a rifle from a soldier, who struck the demonstrator on the head with the butt and slightly injured him. Another demonstrator who refused to move on had his arm cut with a bayonet and was afterwards arrested. These were the only incidents, and on the following day conditions in Little Rock returned to normal.

About 750 of the school's 2,000 pupils were absent on Sept. 25 because their parents feared violence or objected to integration; another 50 pupils walked out as a protest against the admission of the Negro children. The number absent gradually decreased, however, and by Oct. 8 had fallen to 207. Following the replacement of regular troops stationed on the school premises by National Guards, a gang of boys attacked two of the Negro pupils on Oct. 2; the National Guards made no attempt to intervene, and in consequence were again replaced on the following day by regular troops.

President Eisenhower's action was strongly supported by both Republican and Democratic opinion in the Northern States, although he was criticized in some sections of the Press for failing to intervene more firmly at an earlier stage of the crisis.

Mr. Adlai Stevenson, the Democratic candidate in the 1952 and 1956 presidential elections, commented that "the President had no choice" because "a combination of lawless violence and the Governor's irresponsible behaviour have created a crisis which Arkansas is powerless to meet." He expressed the hope that "the Prrsident will now mobilize the nation's conscience as he has mobilized its arms."

In the Southern States the President's action was recognized as a regrettable necessity by a considerable section of the Press, including the Democratic *Arkansas Gazette* (published in Little Rock), the most widely read paper in the State. Other Southern papers, however, as well as a number of prominent Southern politicians, strongly criticized the President's "dictatorial" methods.

Senator Russell (Democrat, Georgia), the leader of the Southern group in the Senate, sent a telegram to President Eisenhower on Sept. 26 accusing the Army of using methods "copied from the manual issued to officers of Hitler's storm troopers," whilst Senator Talmadge (Democrat, Georgia) declared on Sept. 27 that he wished he could "vote for the President's impeachment."

Governor Faubus violently attacked the action of the Federal authorities in a broadcast on Sept. 26.

After declaring that Arkansas was "now an occupied territory," he continued · "Evidence of the naked force of the Federal Government is here apparent in these unsheathed bayonets in the backs of schoolgirls, in the backs of students, and in the bloody face of the railroad worker who was bayoneted and then felled by the butt of a rifle . . . Literally swarms of F.B.I. agents have been operating throughout the city . . . Teen-age schoolgirls have been taken by the F.B.I. and held *incommunicado* for hours of questioning while their frantic parents knew nothing of their whereabouts. To those who know the facts of the Little Rock situation, these combined operations on the part of the judicial, executive, and military departments of the Federal Government are police-State methods in a form never before seen in America. The news commentators and Press reports may proclaim the comparative calm of the Little Rock area. You will recall that it was quiet in Paris during the German occupation, and it is quiet in Budapest today. It always becomes quiet under military rule." Governor Faubus concluded with an appeal to Arkansans to go about their normal pursuits "in a friendly, peaceful manner," as there could be "no question of the supremacy of the U.S. Army when used against a defenceless State."

Mr. Hoover, director of the F.B.I., declared that Governor Faubus's allegation that girls had been held *incommunicado* was "as false as his recent statement that the F.B.I. tapped his telephone."

The Little Rock crisis coincided with the annual three-day conference of Governors of the Southern States, which opened at Sea Island (Georgia) on Sept. 23. The conference appointed a committee on Sept. 25 to mediate between President Eisenhower and Mr. Faubus, in order to secure the withdrawal of Federal troops from Little Rock at the earliest possible moment. The committee consisted of Governors Collins (Florida), Clement (Tennessee), and Hodges (North Carolina), all of whom are moderate Democrats, and Governor McKeldin (Maryland), a Republican and a supporter of integration, who had expressed full support for the President's action. Governor Griffin (Georgia), a segregationist Democrat, was also elected to the committee but refused to take part.

After a long discussion between the four Governors and President Eisenhower, a joint statement was issued on Oct. 1 in which the President undertook to return the command of the National Guard to Governor Faubus and to withdraw all Federal troops as soon as practicable, if Governor Faubus would give an assurance that he would not obstruct the orders of the Federal courts and would maintain law and order in Little Rock. In his reply, issued about an hour later, Governor Faubus denied that he had ever intended to obstruct the orders of the Federal courts; stated that he was prepared, "as I always have been," to maintain law and order; and gave an assurance that "upon the withdrawal of Federal troops I will again assume full responsibility, in co-operation with local authorities, for the maintenance of law and order, and that the Federal courts will not be obstructed by me." President Eisenhower announced later the same day that in his opinion this statement did not constitute an assurance that Mr. Faubus intended "to use his full powers as Governor to prevent the obstruction of the orders of the U.S. District Court," and that in the circumstances he had "no recourse at the present time except to maintain Federal surveillance of the situation."

At a press conference on Oct. 3, President Eisenhower said that Governor Faubus's statement that he was prepared "as I always have been" to maintain order could only mean that the situation should revert to what it had been before the arrival of the Federal troops. The President stressed that the troops would be withdrawn only if Governor Faubus gave "satisfactory and unequivocal assurances," or if peaceful conditions developed to a point where the local police felt confident of their ability to control the situation.

The following statement on the legal principles guiding the President in the integration problem was issued by the White House on Oct. 2:

"(1) The Executive Branch of the Federal Government does not participate in the formulation of plans effecting desegregation. This function is left to the community, where maximum understanding of local problems exists . . . Although the Federal Government has no responsibility to initiate action to desegregate public schools or to formulate any plans for desegregation, the courts have made it clear that the Department of Justice, at the invitation of the court, must participate in litigation involving public school desegregation for the purpose of assisting the court.

(2) The period of time within which any such plan should be put into effect likewise must be proposed by the local authorities and approved by the courts. The Supreme Court . . made it clear that insincere or dilatory tactics could not be used to defeat constitutional protections and rights The Executive Branch of the Government does not play a part in these local deliberations or, under existing law, in the court proceedings when such plans are considered.

(3) A final order of a Federal court giving effect to a desegregation public school plan must be obeyed by State authorities and all citizens as the law of the land . . .

(4) Powers of a State Governor may not be used to defeat a valid order of a Federal court. The Governors of the respective States have the primary responsibility for maintaining domestic order. However, under a pretext of maintaining order a Governor may not interpose military force or permit mob violence to occur so as to prevent the final order of a Federal court from being carried out. When an obstruction of justice has been interposed or mob violence is permitted to exist, so that it is impracticable to enforce the laws by the ordinary course of judicial proceedings, the obligation of the President under the Constitution and laws is inescapable. He is obliged to use whatever means may be required by the particular situation."

In view of the relaxation of tension in Little Rock, it was announced on Oct. 14 that half the regular troops stationed there would be withdrawn, and 8,500 of the 10,000 National Guards called into Federal service would be released.

(New York Times - New York Herald Tribune)

(Prev. rep. Desegregation, 15359 A.)

A. UNITED KINGDOM. — Atomic Energy. - Overheating of Windscale Reactor. - Ban on Distribution of Milk from Farms in Area.

The U.K. Atomic Energy Authority announced on Oct. 11 that emergency action had had to be taken to cool down one of the two reactors at its Windscale (Cumberland) plant, engaged in producing plutonium for military purposes. During the emergency the second reactor had been shut down to enable the staff to lend aid, but this reactor had not been structurally affected in any way and, with the exception of the reactors themselves, the whole of the Windscale plant had now returned to normal operation. On Oct. 14 it was announced that the second reactor had resumed normal working.

The statement of Oct. 11 explained that some of the uranium fuel cartridges in the centre of No. 1 pile, which had been shut down for the routine discharge of spent uranium and for maintenance work, had become "overheated to the point of red heat." It continued: "The combustion is being held. The staff are now injecting water from above and the temperature has started to fall. Some oxidization of uranium has occurred. The greater part of this has been retained by the filters in the Windscale chimneys. A small amount has been distributed over the works site, and in some areas personnel have, as a precaution, been instructed to remain under cover. Health Physics personnel are carrying out a continuous check both on the site and in the surrounding district in order to ensure that any increase in the amount of radioactivity would be immediately known. There is no evidence of there being any hazard to the public. The type of accident which has occurred could only occur in an air-cooled open circuit pile and could not occur at Calder Hall or any of the power stations now under construction for the electricity authorities."

After saying that the cause of the accident was at present unknown, and that the pile would probably be out of operation for some months, the statement denied local reports that there had been an explosion and that large amounts of radio-activity had been released into the air. It added: "In the beginning there was a fire in the sense that the material glowed, but there was no flame . . . the amount of radio-activity released was not hazardous to the public, and what there was . . . was carried out to sea."

On Oct. 13, however, it was announced by the Authority that tests of milk from cows in the Windscale area had shown an increase in the radio-iodine content since the accident to six times the permissible level. It had therefore been decided to suspend distribution of milk from farms within a coastal strip seven miles long and two miles wide. An Authority spokesman subsequently explained that the increase in radio-iodine content was not considered dangerous for adults but had been imposed because of possible danger to children, who were more sensitive than adults to radio-iodine and who drank more milk in their normal diet.

[The "maximum permissible concentration of radio-iodine" was defined as "a concentration of the isotope which, drunk day after day for a lifetime, would be sufficient to maintain the concentration of radio-iodine in the thyroid at the level considered dangerous for adults."]

A joint statement issued by the Authority and the Milk Marketing Board on Oct. 14 announced that the "level of radio-activity in milk samples taken on a gradually extending survey" had not fallen off as rapidly as expected, and that the distribution ban would therefore be extended to an area of 200 square miles to the south and south-east of Windscale, including the towns of Barrow-in-Furness (population 69,000), Ulverston, and Millom. Alternative milk supplies for the population were being arranged by the Milk Marketing Board.

It was stated that the area included about 150 farms producing about 3,000 gallons of milk daily. Milk samples taken in the outer area had only one-tenth to one-half of the radio-activity present in samples from the original 14-square-mile area, but were still "not down to the level at which experts consider that restrictions on distribution can be avoided." The statement added that people in the area need have no fear about milk already drunk, since the levels of radio-activity were so much lower than in the earlier samples. The restrictions would remain in force until removed by agreement with the Ministry of Agriculture, Fisheries and Food.

Following a Cabinet meeting at 10, Downing St., on Oct. 15, it was announced than an independent inquiry had been ordered into the Windscale incident at the urgent request of the Atomic Energy Authority. The chairman of the committee of inquiry would be Sir William Penney, the member of the Authority responsible for weapons, research and development, and its other members would be: Dr. B. F. J. Schonland, deputy director of the Atomic Energy Research Establishment at Harwell; Professor J. M. Kay, Professor of Nuclear Engineering at the Imperial College of Science; and Professor Jack Diamond, Professor of Mechanical Engineering, Manchester University. The committee would start its work immediately and was expected to report to the Authority within 10 days. The announcement added: "As Windscale is a defence plant, the committee will not meet in public. For the same reason its report will not be published. The fullest statement of its findings consistent with security will, however, be made public."- (Times - Manchester Guardian - Daily Telegraph)

B. AUSTRALIA. — Snowy Mountains Scheme. - Federal-State Agreement on Distribution of Power and Water. - South Australian Objections. - Filling of Adaminaby Reservoir.

After six years of negotiations an agreement governing the distribution of power and water from the Snowy Mountains Hydro-electric and Irrigation Project in South-East Australia was initialled in Canberra on Sept. 18 by representatives of the Federal Government and the States of New South Wales and Victoria. The principal provisions of the agreement were as follows:

(1) New South Wales would receive two-thirds and Victoria one-third of the power produced after the requirements of the Federal Capital Territory (Canberra) and Federal establishments in the Snowy Mountains area had been met. Electricity would be sold to the two States at cost, but they must take and pay for their full quota.

(2) New South Wales and Victoria would share equally the 400,000 acre-feet of water annually diverted under the scheme to the Murray River, while all the water diverted to the Murrumbidgee River an extra 565,000 acre-feet annually - would go to New South Wales. In addition, another 400,000 acre-feet would be available through storage and would be shared out under the Murray River Waters Agreement (see below).

(3) A Snowy Mountains Council would be set up to administer the scheme, consisting of representatives of the Federal Government, New South Wales, Victoria, and the Snowy Mountains Authority.

(4) The Snowy Mountains Authority would build a water storage in the Metray catchment area, or alternatively would contribute half the cost of increasing the capacity of the Hume Reservoir from 2,000,000 acre-feet to 2,500,000 acre-feet.

(5) The Federal Government took over responsibility for completing the project, which is expected to cost £A422,000,000, whilst the States undertook to pass legislation giving the Federal Government constitutional authority to carry out works in connexion with the scheme.

(6) The agreement contained elaborate provisions to ensure that the area in which the Snowy Mountains Authority was constructing works, and the Murray Basin immediately below those works, suffered the minimum amount of damage.

Objections to the agreement were raised by the South Australian Government, and Sir Thomas Playford, the State Premier, told the South Australian Legislative Assembly that he was considering legal action against the Commonwealth because the Federal Government had declined to make available to the South Australian Government a copy of the draft agreement before it was signed. Sir Thomas said that South Australia had been guaranteed water supplies under the Murray River Waters Agreement, and that the latter agreement might have been infringed by the Snowy Mountains Agreement.

Mr. Menzies (the Federal Prime Minister), replying to questions in the House of Representatives on Sept. 18, denied that South Australia's approval was needed, as the Snowy Mountains Agreement would not affect the Murray River Waters Agreement. He pointed out, moreover, that as the extra water made available by storage would be distributed under the latter agreement, South Australia would actually benefit substantially, particularly in dry seasons. At Mr. Menzies' invitation, Sir Thomas Playford discussed the matter with the Prime Minister and other Federal Ministers on Oct. 8, but no agreement was reached, and on Oct. 16 Sir Thomas announced that his Government would begin immediate proceedings in the High Court to seek to restrain the Federal Government from proceeding with the work of diverting the River Tooma as part of the Snowy Mountains project.

Two further large contracts in connexion with the scheme were awarded in recent months, viz. (*a*) one for the building of two 330,000-volt power transmission lines between Muswell Brook and Tamworth and from Beachworth to Upper Tumut respectively, awarded to an Italian-Australian firm—Electric Power Transmission Pty. Ltd. (£A3,000,000); and (*b*) another for the supply of water turbines and generators for the third hydro-electric station, awarded respectively to Charmilles Engineering Ltd. (a Swiss company) and ASEA (the Swedish electrical engineering concern) (£A1,660,000).

Filling of the new Adaminaby Reservoir in the Eucumbene River Valley in New South Wales—one of the major works under the Snowy Mountains scheme—started on June 22. It was estimated that within three months a lake 10 miles long would have been formed, and that the reservoir would eventually be 25 miles long and a mile wide.—(Australian News and Information Bureau - Times) **(Prev. rep. 14013 E.)**

A. POLAND - YUGOSLAVIA.—Polish Government and Communist Party Visit to Yugoslavia. - Tito-Gomulka Talks. - Yugoslav Recognition of Oder-Neisse Frontier.

A delegation of the Central Committee of the Polish United Workers' [Communist] Party and the Polish Government, headed by M. Wladyslaw Gomulka (First Secretary of the P.U.W.P.), visited Yugoslavia from Sept. 10-16 for discussions with the Yugoslav League of Communists. The Polish delegation also included M. Cyrankiewicz (Prime Minister), M. Rapacki (Foreign Minister), and M. Ochab (Minister of Agriculture, and M. Gomulka's predecessor as First Secretary of the P.U.W.P.). The Yugoslav delegation at the talks was headed by President Tito, and included M. Kardelj, M. Rankovich (both Vice-Presidents of the Federal Executive Council), and M. Koca Popovic (State Secretary for Foreign Affairs).

In addition to their discussions with the Yugoslav leaders, which took place partly in Belgrade and partly on the island of Brioni, M. Gomulka and the Polish Ministers visited Ljubljana (the capital of Slovenia), where they inspected the Litostroj turbine works, one of the major industrial establishments built after the war.

The discussions concluded with the publication of a joint declaration which was signed in Belgrade on Sept. 16 by President Tito and M. Gomulka. In addition to stressing their complete identity of views on all questions discussed, the statement announced, *inter alia*, (1) increased co-operation between the two Communist parties ; (2) closer governmental consultation ; (3) the setting-up of a joint commission for economic co-operation ; (4) Yugoslav recognition of the Oder-Neisse Line as the western frontier of Poland ; and (5) the joint support of both countries for the Soviet thesis that there were two German States and that German reunification could only come about through direct talks between the German Federal Republic with the German Democratic Republic. [Hitherto Yugoslavia had not officially recognized the East German Democratic Republic.] The declaration is summarized below under cross-headings.

The statement began by referring to the " cordiality and profound sympathy with which the Polish delegation has everywhere been surrounded " and which " testified to the permanent bonds of vital friendship and fraternal solidarity binding the peoples of Yugoslavia and Poland." The talks between the leaders of both countries, it continued, had covered " questions of the further development of Yugoslav-Polish relations, outstanding problems of the international situation, and current questions of the international workers' movement," and had shown " an identity of attitudes in respect of the assessment of the problems discussed."

International Co-operation and Disarmament. After noting that there had recently been a " certain improvement in the international sphere," the declaration continued : " The two Governments wish to stress their adherence to a policy of constructive co-operation among peoples, based on respect for the principles of sovereignty, independence, territorial integrity, equality, and non-interference in the internal affairs of other countries. Both sides especially pledge themselves to develop the broadest co-operation between all peoples for the unrestricted development of economic and cultural relations, for stimulating further trade exchanges, and for eliminating all forms of discrimination . . ."

" Appreciating the major significance of disarmament," the two Governments called for " continued efforts to reach at least initial and partial agreements which would open the way to an over-all solution of this question," and promised to support " any constructive initiative in this direction." They also stressed the importance of an agreement on the prohibition of the production and use of atomic and thermo-nuclear weapons, and of a suspension of tests of such weapons as a " first step." In addition, the two Governments promised to support " all forms of peaceful co-operation in the use of atomic energy for peaceful purposes."

German Reunification and European Security. " Considering European problems, the two Governments came to the conclusion that German reunification into a peaceful and democratic State would be a great contribution to the stabilization of world peace . . . Any solution of the problem of German reunification must be based on the fact that there are two German States. The two Governments believe that . . . it is necessary to establish contacts and conduct direct talks between the German Democratic Republic and the German Federal Republic in order to find a satisfactory solution for both the German people and for European security. It would be desirable if the big Powers acted in this direction. A European security system which could be attained by the joint efforts of the States concerned would be an indispensable guarantee for peace in Europe."

Polish-German Frontier. " Taking into account the rights of the Polish people, the Yugoslav Government considers the existing frontier on the Oder and Neisse, which was fixed by the Potsdam decisions and recognized by the German Democratic Republic, as the final Polish-German frontier. Recognition of the Western frontiers of Poland by the States which have not yet done so could contribute to . . . the consolidation of peace in Europe."

Middle East. " Both parties exchanged views on the situation in the Near East, where a danger to peace has lately arisen again and where various forms of coercion are being continued, especially against Syria, which is pursuing an independent policy. They are of the opinion that unsolved problems, especially in some of the Asian and African countries, ought not to be settled by colonial methods, military and economic pressure, and interference in internal affairs, but in accordance with the will of the people and with their right to independence, in the spirit of the U.N. Charter."

Under-developed Countries. The joint declaration called for " urgent organized action on an international basis " to " alleviate and solve " the problems of the under-developed countries. This should be in the form of " economic and technical assistance . . . without political conditions and with full respect for the sovereignty and independence of those countries." Such assistance could be " substantially increased from the funds which would become available through a reduction in armaments."

United Nations. - Admission of Communist China. After stressing the importance of the United Nations in settling international disputes peacefully, the communiqué said that it was " indispensable for the People's Republic of China to occupy the seat which belongs to it in that organization."

Principles of Communist Parties' Co-operation. The statement called for the strengthening of the relations and co-operation of the Communist and Workers' Parties and of the Socialist countries. It continued : " The creative application of the basic principles of Marxism-Leninism to the concrete, specific conditions in different countries, which arise from their historical, economic and social development, is of fundamental significance for the development of socialist construction in those countries. From this follows the different nature of the roads to Socialism taken by various countries. Both parties believe that the different forms and methods of building Socialism enrich the experiences of and the theoretical contribution to the international workers' movement . . . Co-operation and relations between the Communist and Workers' parties and between the Socialist countries ought to be based on the principles of proletarian internationalism, solidarity, mutual aid, sovereignty, equality, friendship and non-interference in internal affairs."

Both the Yugoslav League of Communists and the Polish United Workers' Party, it was stated, favoured a " further expansion of contacts and inter-party co-operation " between them, including a " wide exchange of information and experiences " and inter-party discussions. They considered that " bilateral relations between Communist and Workers' parties should be specially developed," although " wider contacts on questions of interest to other [Communist] parties could also be very useful."

Polish-Yugoslav Governmental Relations. After saying that both Governments had " noted with the greatest satisfaction that their relations have assumed the character of all-round cordial and friendly co-operation, based on the principles of equality and mutual respect," the statement enumerated the agreements already concluded between them, including those on trade and payments, scientific and technical co-operation, cultural co-operation, co-operation in the use of nuclear energy for peaceful purposes, and air transport. It continued :

" With a view to further expanding their co-operation, the two Governments have decided to consult each other when necessary, especially when required by the interests of peace and the security of both peoples ; to set up a Yugoslav-Polish commission for economic co-operation ; to expand cultural and scientific co-operation . . . and to open cultural information centres in Belgrade and Warsaw."

In the public speeches made by President Tito and M. Gomulka special emphasis was laid on the restoration of mutual friendship between Poland and Yugoslavia.

In a speech on his arrival M. Gomulka declared : " We meet today after a long time as old friends whom the disturbances of fate had separated . . . Likewise our peoples, after having removed the artificial barriers that had divided them after so long and detrimental a cessation of mutual relations, wish even more strongly that their co-operation shall be closer . . ." At a luncheon given on Sept. 10 President Tito spoke of the " deep admiration " with which the events in Poland in October 1956 had been greeted in Yugoslavia, as well as of the " special sympathies " with which the Yugoslav people were following the efforts of Poland to " overcome the present difficulties in developing a Socialist society." M. Gomulka, in his reply, spoke of the " feeling of profound relief " which the Polish people had felt at the " ending of the period of disagreements and misunderstandings, for which Yugoslavia was not to blame," and added that they in Poland were " aware of and appreciated what had been done in building Socialism in Yugoslavia."

In another speech at a luncheon given by M. Gomulka and the Polish Ministers to the Yugoslav leaders on Sept. 15, President Tito spoke of his attitude to the Soviet Union.

" In some unessential things we had different views," he said, " and that will probably be so again in connexion with day-to-day practice. But this does not mean that we must dramatize and sharpen such momentary disagreement . . . We are co-operating with the Soviet Union on a completely equal basis, and the Soviet Union does not demand of us that we abandon those principles which we have so far held, either in matters of foreign policy or in matters of relations between the Socialist countries. For this reason, when

we speak of 'our own ways' this certainly should not be taken to mean that we are going along a way of our own in every respect. We have many things in common . . . Yugoslavia has its specific conditions, Poland hers, and we cannot transplant experiences as a cliché even from the Soviet Union. We have taken the most useful experiences from the Soviet Union, but what we cannot apply in our country we have rejected. We consider, therefore, that no-one should reprimand us for not being internationalists . . ."

Referring to the "leading role of the Soviet Union," President Tito said: "We allude to its leading role in a sense that as the first country of Socialism it is the most responsible for preserving peace, for correct relations between countries building Socialism . . . No other country has such material or other potentialities as the Soviet Union. We do not dispute this great role, but we ask that in the present stage of development there should be such relations between the big and the small Socialist countries as will be a strong incentive for the creation of confidence towards the Soviet Union and the whole world."

In conclusion, President Tito deprecated the notion that Poland and Yugoslavia were cultivating some sort of "national Communism," saying that a "national Communism" was "impossible" and "entirely at variance with the definition of internationalism."

The Polish leaders returned to Warsaw on Sept. 16. (Tanjug Agency, Belgrade - Polish Embassy Press Office, London) **(Prev. rep. 15188 A; 15161 A, page 15763)**

A. TURKEY. — The Middle East University.

The foundation-stone of a new Technical University for the Middle East was laid near Ankara on Oct. 2 by the Turkish Minister of Education (M. Tevfik Ileri) in the presence of President Bayar, Mr. Adnan Menderes (the Prime Minister), the U.S. Ambassador and the British Chargé d'Affaires. When completed in two years' time the University will have 6,000 students and a staff of 2,500 professors, lecturers and research workers, with Faculties of Mechanical Engineering, Architecture, Industrial Administration, and Agriculture and Forestry. The language of instruction will be English, and students will be accepted from all parts of the Middle East and the Balkans as well as from Turkey itself.

The new University opened in temporary premises during the academic year 1956-57, with six professors and 56 students. About 20 of the students come from Iraq, Jordan and Pakistan. (Turkish Embassy Press Department, London)

(Prev. rep. 15624 B.)

B. AZORES. — New Volcanic Island.

A newly-formed volcanic island, some 800 yards in diameter and over 300 ft. high, rose from the sea as a result of a violent undersea eruption in the Azores on Sept. 27-28. The island is situated some 300 yards offshore from Fayal Island, where about 1,000 people had to abandon their homes because of severe earthquake shocks from the eruption. Its centre consists of a volcano with a crater 200 yards wide, which was still emitting large quantities of lava and black smoke by the middle of October. The Portuguese flag was formally hoisted on the island on Oct. 12.—(Diario de Noticias, Lisbon)

C. UNITED KINGDOM. — Travel Allowances.

The Treasury announced on Oct. 18 that tourist allowances for the year beginning Nov. 1, 1957, would remain unchanged and would continue to be available for travel throughout the world. There would also be no change in the amount of sterling notes (£10) which might be taken out of or brought into the United Kingdom.

The existing basic travel allowance is £100, or £70 for children under 12 years. There are extra allowances of £15 for cars and motor-cycles respectively.—(Times)

(Prev. rep. 15577 B; 15200 C.)

D. CEYLON. — Ceylonese Control of Trincomalee Naval Base.

The naval base at Trincomalee was formally handed over to Ceylonese control on Oct. 15, the ceremony being attended by the Prime Minister of Ceylon (Mr. Bandaranaike) and the acting British High Commissioner (Mr. Crosthwaite), deputizing for Vice-Admiral H. W. Biggs, C.-in-C., East Indies Station. The R.A.F. base at Katunayake will be handed over to Ceylon on Nov. 1.—(Times - Daily Telegraph - Ceylon Government Information Department, Colombo)

(Prev. rep. 15591 B.)

E. SOVIET UNION. — Molotov renamed Perm.

It was announced in Moscow on Oct. 3 that the city of Molotov (population 538,000), in the Urals, had reverted to its former name of Perm. The city, an important centre on the Trans-Siberian Railway, had been named after M. Molotov in 1940.—(Soviet Embassy Press Department, London)

(Prev. rep. 15772 B.)

F. JAPAN - UNITED KINGDOM. — Mr. Fujiyama's Visit to London. - Discussions with British Government Leaders. - Joint Communiqué.

The Japanese Foreign Minister, Mr. Fujiyama, paid a four-day visit to London from Sept. 27-30, at the invitation of the British Government, after attending the opening of the 12th session of the U.N. General Assembly in New York. During his visit Mr. Fujiyama had discussions with Mr. Macmillan, Mr. Selwyn Lloyd, and other U.K. Ministers, including Lord Mills (Minister of Power) and Mr. Vaughan-Morgan (Minister of State, Board of Trade). A joint communiqué on these talks was issued on Oct. 1, as summarized below:

(1) In a "frank exchange of views on current international problems" it was agreed that "satisfactory progress was being made in the restoration of close and friendly relations between the two countries," and that Britain and Japan should "co-operate as members of the free world in the maintenance of international peace and work together for the solution of international problems in the spirit of the U.N. Charter."

(2) It was agreed that "the economic development of the world's under-developed areas and the improvement of the living conditions of their peoples were important factors in securing freedom and peace." Progress under the Colombo Plan had been reviewed, and ways discussed in which Japan and Britain might make a further contribution towards economic development in South-East Asia.

(3) Views had also been exchanged on the proposed European Common Market and Free Trade Area.

(4) It was agreed to work for the early conclusion of an Anglo-Japanese treaty of commerce and navigation, negotiations for which had already begun. "In this connexion [the communiqué added] Mr. Fujiyama referred to the Japanese Government's regret that H.M. Government had not found it possible to accept that Japan and the U.K. should enter into full GATT relations, but was glad to note that H.M. Government looked forward to the day when trading relations between the two countries would make this possible. Both welcomed the recent expansion of trade between Japan and the U.K. and expressed the hope that this trend would develop."

(5) Shipping problems and the protection of industrial designs had also been discussed. It was agreed that "considerable improvement in the settlement of differences between the two countries had been made in these spheres," and confidence was expressed that this improvement would continue. Discussions had also been held on outstanding British claims arising out of the Japanese Peace Treaty of 1952.

(6) After stating that Mr. Fujiyama and Mr. Selwyn Lloyd had discussed "problems relating to disarmament and nuclear tests," the communiqué went on:

"The Foreign Secretary (Mr. Selwyn Lloyd) said that H.M. Government were prepared to agree to the suspension of tests provided that this formed part of a first-stage international agreement on disarmament . . . Pending such an agreement H.M. Government must retain their freedom to continue with the testing of nuclear weapons. Mr. Fujiyama expressed deep regret at the statement made in the U.N. Disarmament Commission that H.M. Government were planning to have a further series of tests this winter. He stressed the sincere desire of the Japanese people for the suspension of nuclear tests, and reiterated the firm belief of the Japanese Government that it was essential for the welfare and safety of mankind that nuclear tests should be discontinued."

(7) "Notwithstanding this difference of view with regard to nuclear tests, the two Foreign Ministers were in full agreement that the meeting had been highly valuable to both sides, and expressed their desire to maintain close contacts in the future on all problems of mutual interest."

While in London, Mr. Fujiyama presided over a meeting of Japanese heads of missions in Europe, including ambassadors, ministers and consuls-general.—(Times - Japanese Embassy Press Office, London) **(Prev. rep. Trade Agreement, 15578 A; British Nuclear Tests, Macmillan-Kishi Correspondence, 15540 A.)**

G. BELGIUM. — The Spaak Foundation.

A Paul-Henri Spaak Foundation was set up at the beginning of October by the Belgian Socialist Party and the Socialist trade unions as a tribute to M. Spaak, secretary-general of NATO and former Belgian Premier, Foreign Minister, and Socialist leader. The Foundation will make an annual award to individuals whose activities or publications contribute to the maintenance of peace and the defence of liberty.

(Le Peuple, Brussels)

H. ARGENTINA - ISRAEL. — Cultural Agreement.

A cultural co-operation agreement between Argentina and Israel was signed in Buenos Aires on Sept. 24, providing for exchanges of scientists, lecturers and students and for co-operation in broadcasts of mutual interest. The establishment of special Chairs at the Universities of Buenos Aires and Jerusalem was also envisaged.

(Government Press Office, Jerusalem)

A. UNITED KINGDOM. — Nationalized Gas Industry. - Report and Accounts for 1956-57.

The eighth annual report and accounts of the Gas Council and the 12 Area Boards, covering the year ended March 31, 1957, were published on Oct. 8. They showed that the Gas Industry as a whole had earned a net surplus of £3,803,856 (compared with £531,628 in 1955-56), bringing the cumulative surplus since Vesting Day to £15,300,728.

The net surplus was arrived at after charging £20,900,000 for depreciation and £19,000,000 for interest. All 12 Area Boards earned surpluses, ranging from £13,008 for the South-Western Board to £786,804 for the North-Western. The Northern Board, which in 1955-56 incurred a deficit of £343,908—the largest of any Board—earned a surplus in 1956-57 of £595,704, the second largest surplus recorded.

Detailed information given in the report is summarized below :

Revenue. Gross revenue totalled £370,600,000 (compared with the revised figure of £347,500,000 in 1955-56), comprising £207,400,000 from the sale of gas, £119,100,000 from sales of coke and other by-products, £31,100,000 from the sale and rental of appliances, and £13,000,000 from other sources.

Costs and Prices. The industry incurred additional costs of £9,070,000 in 1956-57, largely owing to the increase in coal prices in June 1956. Ten Area Boards raised their prices in consequence, but all Area Boards undertook not to raise them again before the end of the financial year.

Since March 31, 1957, additional costs, estimated at £12,479,000 for the remainder of 1957-58 and at £16,632,000 in a full year, had been incurred, mainly as a result of the further rise in coal prices in July 1957, but also owing to higher transport and wage costs. No further increase in gas and coke prices was at present envisaged, but the report gave a warning that although the Boards, as in the past, would pass on to the consumer only part of the additional costs, " with increased expenses of this magnitude . . . some increases in the price of gas and coke cannot be avoided."

Number of Consumers. - Gas Sales. The number of consumers rose during the year by 83,780 to 12,875,987 on March 31, 1957. Gas sales totalled 2,607,000,000 therms, compared with 2,649,000,000 therms in 1955-56, the reduction being attributed mainly to the mild weather in January-March 1957. During the year 2,168 miles of mains were laid, raising the total to 90,350 miles.

Plant Efficiency. During 1956-57 overall production efficiency in the industry rose from 76.8 to 77.8 per cent, equivalent to a saving of 350,000 tons of coal. The cumulative effect of improved efficiency since Vesting Day, resulting mainly from the introduction of integration schemes and the concentration of production in modern economic units, was stated to be equivalent to a yearly saving of 2,250,000 tons of coal, costing £15,000,000. The report added that automation and automatic controls in manufacturing processes and in distribution were increasing with the concentration of production in larger works.

Coal Consumption. The industry used 27,668,000 tons of coal in 1956-57 (compared with 27,841,000 tons in 1955-56), including 965,000 tons of imported coal (2,116,000 tons in 1955-56).

Coke Supplies and Clean Air Policy. The report stressed that there was now " ample coke in sight for a beginning to be made with the clean air policy," nearly two-thirds of the 11,300,000 tons of coke made in gasworks being " inherently suitable for use in modern domestic coke fires." In addition, two new fuels made by carbonizing low-rank coals (as recommended by the Beaver Committee) had been produced by the North Thames and North-Western Boards ; these gave a good fire in about three-quarters of the time required for other coke or domestic coal, but demand at present exceeded supply.

Oil Gasification. At March 31, 1957, there were 14 oil gasification plants at work ; the number was expected to have risen by March 1959 to 39, using 388,000 tons of oil and saving over 1,000,000 tons of coal a year.

Gas from Coke Ovens. The quantity of gas produced from coke ovens increased by 11.4 per cent during the year, the increase being most substantial in the Northern, East Midlands, and Welsh areas, which now received 62, 58, and 81 per cent respectively of their total supplies from this source.

Oil Refinery Gas. The first supplies of gas from the Fawley oil refinery had been received at Southampton, and supplies from Shellhaven were expected to reach Romford (Essex) by the middle of 1958. When the schemes were in full operation these refineries would provide the industry with as much gas as would be produced by carbonizing 365,000 tons of coal annually.

Natural Gas. Although the results of the search for natural gas in Britain had so far not been encouraging, the report stressed that there was " every reason to complete the programme." Preparations for natural gas supplied from Cousland (Scotland) had been completed, and it was hoped to supply Musselburgh (Midlothian) with substantial quantities of natural gas piped from Dalkeith.

The report stated that the technical problems of liquifying methane gas to enable it to be transported from the Middle East, the U.S.A. and elsewhere " appeared to have been solved," and that the stage had been reached when the importation of a trial cargo of liquified methane gas could be considered.

Sales of Appliances. Sales of domestic appliances were again affected by hire-purchase restrictions and high rates of purchase tax, hire-purchase sales of the main gas appliances having fallen by 14.4 per cent compared with 1955-56, with cash sales affected to a lesser extent. The balance outstanding on hire-purchase advances fell during the year from £41,800,000 to £36,300,000.

Capital Expenditure. This amounted during the year to £51,300,000, against the approved figure of £52,000,000 (nearly £10,000,000 less than the programmes originally submitted by the Area Boards). Projects deferred from 1955-56 were put at £3,000,000. In submitting their programmes for 1957-58 the Area Boards had again taken account of financial stringency, even at the cost of deferring schemes considered essential. A projected investment of £59,000,000 had been approved for the year.

Employees. The number employed in the industry at March 31, 1957 was 138,740, compared with 141,918 at March 31, 1956.

Sir Henry Jones, deputy chairman of the Gas Council, stated on Oct. 8 that it was hoped to import a trial cargo of about 3,000-4,000 tons of liquified methane gas from the U.S.A. within the next 18 months. The Gas Council expected the cost of imported gas to be " considerably cheaper " than the cost of making gas in Britain, since one ton of liquid methane would replace six or seven tons of coal. The first experimental shipment would be unloaded in the area of the North Thames Gas Board.

The deputy chairman of the South-Western Gas Board (Mr. James Carr) declared on the same day that the importation of liquid methane could " revolutionize the gas industry," and that four cargoes annually of 30,000 tons each (the size eventually envisaged) would supply all the South-Western Board's needs.

Lord Mills, the Minister of Power, announced on Sept. 12 that, with retrospective effect from July 1, the annual salaries of the chairman and deputy chairman of the Gas Council would be increased by £2,500 each to £8,500 and £7,500 respectively. From the same date the salaries of the chairmen and deputy chairmen of Area Boards would be raised by £2,000 and £1,500 respectively to £6,500 and £5,000 ; salaries of full-time members by £1,000 to £4,000 ; and those of part-time members by £500 to £1,000. The annual salaries of the chairmen of consultative committees would be increased by £250 to £500.—(Times - Daily Telegraph - Manchester Guardian - Financial Times) **(Prev. rep. 15197 A.)**

B. NETHERLANDS.—The Velsen Road-Rail Tunnel.

A tunnel to carry rail and road traffic under the North Sea Canal, which links the port of Amsterdam with Ymuiden, on the coast, was opened by Queen Juliana on Sept. 28. The tunnel, which is at the town of Velsen (a few miles north of Haarlem), comprises a double-track railway section and two road tunnels, each with two carriageways. The total length of the railway tunnel is about two miles, of which two-thirds are roofed or underground ; the road tunnels are about one mile long, nearly half-a-mile being roofed or underground.

The tunnel scheme, the total cost of which was 130,000,000 guilders (£13,000,000), was approved before the war. Construction started in May 1941 ; was suspended by the German occupation authorities in November 1942 ; and was eventually resumed in April 1952.

The railway tunnel will abolish the need for the existing bridge, which has been a hindrance to shipping in the North Sea Canal, whilst the road tunnels will form an important communications link between North and South Holland. (Algemeen Handelsblad, Amsterdam - Nieuwe Rotterdamse Courant - Netherlands News Agency)

C. UNITED STATES. — Relaxation of Fingerprinting for Foreign Visitors.

It was announced in Washington on Oct. 10 that Mr. Dulles, the Secretary of State, and Mr. Brownell, Jr., the Attorney-General, had jointly issued an Order abolishing fingerprinting for foreign visitors to the U.S.A. staying less than one year. The only exceptions were (i) visitors from Liberia, Peru, and Ecuador, since those countries demand fingerprinting from foreign visitors, including U.S. citizens ; (ii) foreigners entering the U.S.A. without visas, such as seasonal workers from Mexico ; and (iii) seamen wishing to go ashore while in U.S. ports. Visitors from other countries staying more than a year will also have to be fingerprinted, but only on the expiry of the year.

Obligatory fingerprinting for foreign visitors had been introduced in 1942 and had been a source of irritation and annoyance for millions of people entering the U.S.A. for brief visits. The new Order abolishing it in most cases had been authorized by a clause in an immigration law voted by Congress on Sept. 11.

(New York Times - New York Herald Tribune)

A. NORWAY. — General Elections. - Labour Victory.

General elections took place in Norway on Oct. 7, resulting in a victory for the Labour Party, which has been in power since 1935 with the exception of the war years, during which a coalition Government-in-exile was established in London. Results were as follows, figures for the 1953 elections being shown in comparison :

	1957		1953*		Percentage	
	Seats	Votes	Seats	Votes	1957	1953
Labour Party (*Arbeiderpartiet*)	78	863,435	77	830,448	48.4	46.7
Conservatives	29	300,306	27	295,277	16.8	16.6
Agrarian Party (*Bondepartiet*)	15	154,392	14	148,533	8.7	8.3
Liberals (*Venstre*)	15	170,372	15	176,191	9.6	9.9
Christian People's Party	12	182,477	14	186,627	10.2	10 5
Communists ..	1	60,375	3	90,422	3.4	5.1
Joint Cons.-Agrarian and Cons.-Liberal Lists	†	50,587	†	52,311	2.8	2.9
Social Democrats	—	2,838	—	—	0.1	—
	150	1,785,139‡	150	1,779,809	100.0	100.0

*Revised figures. †Four seats gained by the joint lists included in Conservative total, and one seat in the Agrarian total in 1957 ; one seat in Conservative total in 1953. ‡Includes 357 votes for other lists.

The Labour Party, though appreciably increasing its percentage of the total vote, polled less than 50 per cent of the total but retained its majority of four seats over all other parties. The Conservatives remained the second strongest party and the only one which gained seats without losing any. Other notable features of the election were (*a*) the setback suffered for the first time by the Christian People's Party, which reflects the strong evangelical cast of thought of the more isolated parts of the Norwegian coasts and valleys ; (*b*) the further heavy fall in votes for the Communists, who lost two of the three seats they held in the previous *Storting* and retained only their seat in Hedmark, where the party leader, Hr. Emil Lövlien, was re-elected ; (*c*) the failure of the Social Democrats, a new party closely related to the Labour Party but opposed to NATO and military commitments.

The Labour Party gained two seats from the Communists (one in Oslo and the other in Finnmark), whilst losing one to the Conservatives (in Oppland). The Conservatives gained one seat from the Agrarians (in Ostfold) and, as stated above, a second from Labour in Oppland. The Agrarians gained two seats from the Christian People's Party, one on a joint Conservative-Agrarian list in Telemark, and the second in Vest Agder ; on the other hand they lost one seat to the Conservatives (Ostfold). As stated above, the Christian People's Party lost two seats to the Agrarians, and the Communists the same number to the Labour Party. There was no change in the representation of the Liberals.

In Oslo the Labour Party obtained 129,073 votes, or 46.5 per cent of the total poll (against 119,784, or 43 per cent in 1953), the Conservatives 106,099, or 38.2 per cent (105, 817, or 38 per cent), the Liberals 15,963, or 5.7 per cent (18,195, or 6.5 per cent), the Christian People's Party 15,021, or 5.4 per cent (16,961, or 6.1 per cent), and the Communists 11,376 or 4.1 per cent (17,693, or 6.3 per cent). The capital will be represented by six Labour members, five Conservatives, and one member each of the Liberals and Christian People's Party, the Communists having lost to Labour the seat previously held by them.

Hr. Einar Gerhardsen (the Prime Minister) and Hr. Trygve Bratteli (the Finance Minister) were re-elected in Oslo, whilst other Ministers re-elected included Dr. Lange (the Foreign Minister), Hr. Jens Haugland (Justice), Hr. Sjaastad (Industry), Hr. Löbak (Agriculture), and Hr. Ulrik Olsen (Municipal Affairs). Other prominent Labour members who retained their seats included Hr. Finn Moe (chairman of the Foreign Affairs Committee of the *Storting*) and Hr. Oscar Torp (the former Prime Minister).

The electoral campaign had been much restricted owing to the death of King Haakon VII, a suspension of campaigning activities having been agreed to by all parties during the period between the late King's death and his funeral.
(Arbeiderbladet, Oslo - Aftenposten, Oslo - Norwegian Embassy Press Department, London) **(Prev. rep. 13213 A.)**

B. SUDAN. — Membership of International Bank and International Monetary Fund.

The Sudan became a member of the International Bank and the International Monetary Fund on Sept. 5. Its quota in the I.M.F. is $10,000,000, and its subscription to the capital stock of the Bank is 100 shares with a par value of $10,000,000. The Sudan's admission brought the total membership of both institutions to 63, the total of members' quotas in the Fund to $8,991,000,000, and the total subscribed capital of the International Bank to $9,818,400,000.—(International Monetary Fund - International Bank, Washington) (15790 C.)

C. FRANCE. — Construction of Transatlantic Liner "France." - Sale of Liner "Pasteur" to Germany.

The keel of the new transatlantic liner *France* was laid at the St. Nazaire shipyard of the *Union des Constructions Navales de l'Atlantique* on Oct. 7. The ship, of 55,000 tons displacement, is due to be launched in October 1959 and to enter the service of her owners, the *Compagnie Générale Transatlantique* (French Line), before the end of 1961.

The *France*, the third ship of that name built for the C.G.T., will have a length of 950 feet, a maximum speed of 31 knots, and accommodation for about 2,000 passengers in two classes. She is intended to make the Havre-New York crossing in five days (like the former French liner *Normandie*, the Cunard *Queens*, and the American *United States*) compared with the six and seven days respectively required by the French liners *Liberté* (the former German liner *Bremen* of 51,000 tons) and *Ile de France* (41,500 tons).

Although the construction, with Government assistance, of a large new liner for the transatlantic service had been agreed to in June 1956, the signing of the contract had been delayed owing to the Government's financial stringency and its dissatisfaction with the shipbuilders' tender of 31,000,000,000 francs (£31,000,000), which compared with a tender of 18,000,000,000 francs from a foreign shipyard. The Government was unwilling, however, for patriotic and prestige reasons to allow the new liner to be built outside France, and eventually the C.G.T. agreed to finance the construction of the liner itself, provided that it was able to benefit under a Bill (then before Parliament) to aid French shipbuilding. This Bill, which authorized the Government to subsidize merchant shipbuilding in France to keep prices competitive with those of foreign shipbuilders, was approved by the French National Assembly on June 19 and subsequently enacted. Under it the Government agreed to pay 7,660,000,000 francs as subsidy towards the total cost of 25,000,000,000 francs (at the 1955 rate) to which the shipyard had eventually reduced its earlier tender.

The French Ministry of Finance announced on Sept. 18 that the former liner *Pasteur* (33,447 gross tons) had been sold by the Government to the *Norddeutscher Lloyd*, of Bremen, and would be transferred within a few days. The *Pasteur*, built in 1939 for the service to South America and the third largest French liner, had been used as an Allied troopship throughout the war and had since been taken over by the French Government for troop carrying, but had been laid up at Brest since the beginning of 1957.

It was stated in the French Press that the price for the *Pasteur* agreed between the French Government and the *Norddeutscher Lloyd* was 2,300,000,000 francs (£1,900,000), and that, after conversion, she was expected to enter her new owners' transatlantic service in 1959 under the name of *Bremen*. The ship would have accommodation for 1,300 passengers in two classes, and would have a speed of 24 knots.
(Le Monde, Paris - Lloyd's List and Shipping Gazette)
(Prev. rep. 14930 D ; Liberté, 10921 B ; Ile de France, 10159 B ; Normandie, 8065 B.)

D. GHANA. — Abolition of British National Anthem at Official Functions.

The Ghana Government announced on Oct. 14 that in future *God Save the Queen* would no longer be played in Ghana at official functions, even when the Queen or her special representative (i.e. the Governor-General) was present. An announcement from the Prime Minister's Office stated :

"The Government decided some time ago that *God Save the Queen* should not be played in Ghana except when her Majesty or a special representative of her Majesty was present. Since then approval has been given to the adoption of the following Royal style and title in relation to Ghana : 'Elizabeth II, Queen of Ghana and her other Realms and Territories, Head of the Commonwealth.' In consequence of this the Government does not consider that it is necessary to play *God Save the Queen*, in addition to the Ghana national anthem, at official functions in Ghana. It has been decided, therefore, that at all official functions in Ghana in future only the Ghana national anthem should be played."

Mr. Kofi Baako, the Minister of Information, emphasized that there was no question of Ghana leaving the Commonwealth or becoming a Republic within it.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 15427 A.)**

E. WOMEN'S SUFFRAGE. — U.N. Report.

The annual report of the U.N. Secretary-General on women's progress in political rights, published on Aug. 23, stated that there were now only 11 countries where women did not possess the right to vote and were not eligible for election—Afghanistan, Iraq, Jordan, Libya, Liechtenstein, Paraguay, Persia, San Marino, Saudi Arabia, Switzerland, and Yemen.—(Times)

F. ITALY. — Population Figures.

It was announced in Rome on Oct. 14 that the population of Italy was 49,600,000 at the end of 1956, an increase of 865,000 over the previous year.—(Giornale d'Italia, Rome) (Prev. rep. 11925 B.)

OCTOBER 19—26, 1957

A. MIDDLE EAST. — The Syrian-Turkish Crisis.

A further deterioration of the situation in the Middle East occurred from mid-September onwards as a result of Soviet and Syrian allegations of Turkish troop concentrations on the Syrian border aimed, it was alleged, at invading Syria and overthrowing the existing regime with the help of the United States. These unsubstantiated allegations were completely denied by the Turkish and U.S. Governments, both of which stressed that the tension in the Middle East arose primarily from Soviet attempts to convert Syria into a Communist "satellite," as evidenced by the large supplies of Soviet arms sent to that country during the past two years. Recent developments in the Middle East situation are summarized below under cross-headings.

Marshal Bulganin's Letter to Turkish Prime Minister. - Allegations of Turkish Preparations for "Attack" on Syria. - Soviet Naval Squadron visits Latakia.

The Soviet Prime Minister, Marshal Bulganin, sent a letter on Sept. 10 to the Prime Minister of Turkey (M. Adnan Menderes) expressing "concern" at "reports of Turkish troop concentrations on Syria's frontiers and shipments of American arms to Turkey to carry out an attack on Syria," and warning Turkey that she would "bring great calamities upon herself" if she should be "guided by foreign circles which are entirely unconcerned with the maintenance of peace in the Middle East."

After saying that the "basic cause" of the tension in the Middle East had arisen from the "flagrant interference by certain Powers in the affairs of the Middle East countries," and asserting that both Syria and Egypt had "for a long time been subjected to gross political, economic, and military pressure from outside," Marshal Bulganin continued:

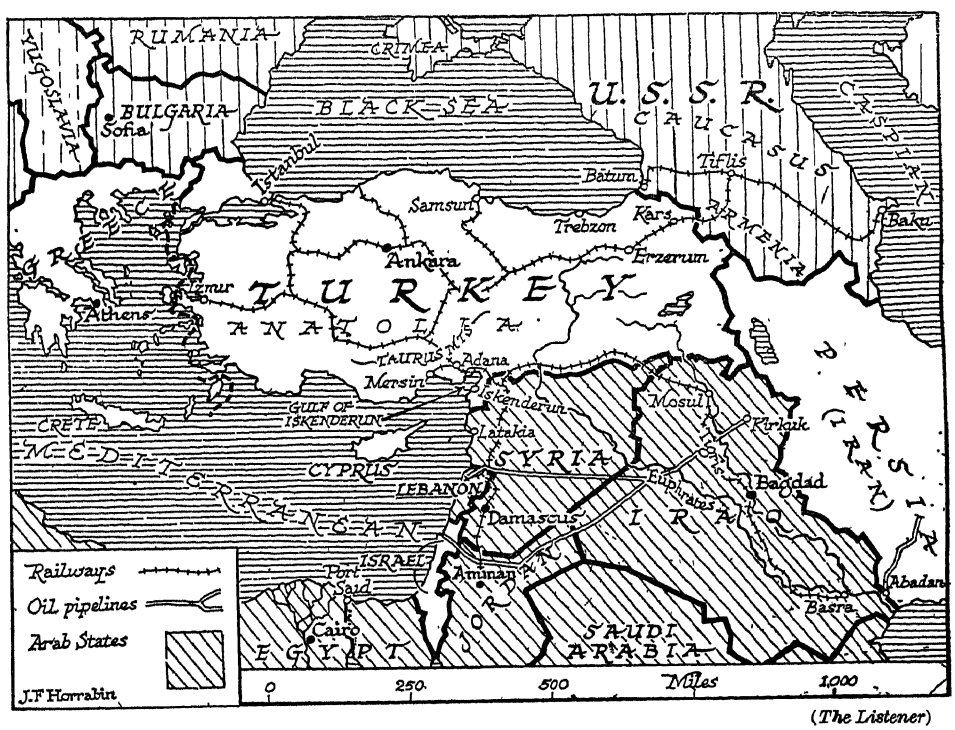
"In recent weeks this pressure on Syria has increased to danger point. The recent visit of the American envoy Henderson to the Middle East [i.e. Mr. Loy Henderson, of the U.S. State Department—see 15721 A] was obviously brought about by a desire to organize military intervention from outside in Syria's internal affairs. It is known that it was Henderson's task to organize a plot against Syria and devise means of overthrowing the Syrian Government, thus changing the situation in that area so as to satisfy the big American monopolies . . . For the purpose of an armed attack on Syria, certain American quarters would like to utilize such Middle East countries as Jordan, Iraq, and possibly others . . . In this connexion . . . a certain role is assigned to Turkey in the plans to unleash military action against Syria. We naturally would not wish to believe this, but the state of affairs is so grave that we have considered it necessary to approach the Turkish Government on the question. We are profoundly alarmed at the fact that there are signs that leading Turkish statesmen are evidently inclined to meet these plans halfway. We do not conceal the fact that we have received with great concern reports about Turkish troop concentrations on Syria's frontiers, and also about shipments of American arms to Turkey for an attack on Syria . . .

"In view of the proximity of the Middle East to the Soviet frontiers, and in the interests of its own State security, the Soviet Union cannot ignore a course of events which could lead to an armed conflict in the area, especially since the danger of a violation of peace would not be limited to that area alone. The Soviet Government, approaching the Turkish Government in the most friendly manner, appeals to it . . . not to take part in such an act as armed intervention against Syria, which is fraught with great danger, and to help to avert an undesirable turn of events in the Middle East and the unleasing of an armed conflict there . . . When reports are received about the concentration of Turkish troops on the Syrian frontier, the question naturally arises as to how the Turks would feel if foreign troops were being concentrated on their own borders.

"It is our deep-seated conviction that Turkey would only bring great calamities upon herself if she should be guided by the advice of those foreign circles which are entirely unconcerned with the maintenance of peace in the Middle East . . . Calculations that a military adventure against Syria could be localized are dangerous . . . The First and Second World Wars began with local military action by the aggressors, but everyone knows the dire consequences those wars entailed for the aggressors, as well as for mankind . . . Once started, military action in such an area [the Middle East] could easily become a broad conflict. It would then be difficult to confine its consequences within the area . . ."

After saying that the "plans for military action against Syria" could not be justified by "the alleged aggressiveness of the small Syrian State, which is defending its national rights and independence," Marshal Bulganin assured M. Menderes of the Soviet Union's "sincere and ardent desire to maintain friendly and good-neighbourly relations with Turkey." Recalling the close friendship which existed between the two countries "when the founder of modern Turkey, Kemal Ataturk, raised the banner of Turkish independence," he said, in conclusion, that his present letter was "prompted by the same kindly sentiments towards Turkey and the Turkish people, and also by concern to maintain and strengthen peace in the Middle East."

A Soviet naval squadron under the command of Vice-Admiral V. F. Kotov, consisting of the cruiser *Zhdanov* and the destroyer *Svobodny*, arrived on Sept. 21 at the Syrian port of Latakia for a week's visit. Admiral Kotov and his senior officers were entertained in Damascus by President Kuwatly, M. Sabry Assali (the Prime Minister), General Bizri (the C.-in-C.) and other Syrian leaders at a number of official functions. A 19-man Soviet economic and technical mission arrived in Damascus on Sept. 18 for discussions on questions arising out of the Syro-Soviet economic co-operation agreement.



(*The Listener*)

M. Menderes' Reply to Marshal Bulganin. - Refutation of Soviet Allegations. - Criticism of Soviet Policy in the Middle East.

In his reply to Marshal Bulganin (published on Oct. 5) M. Menderes denied the Soviet allegations *in toto*, emphasizing that Turkey had no aggressive designs against Syria or any other nation. He pointed out that Syria herself had made no complaints about the alleged "troop concentrations," a fact which showed that the U.S.S.R. had "adopted Syria and the Syrian question."

After referring to the friendly relations between the U.S.S.R. and Turkey before the Second World War, and pointing out that Turkey had pursued a policy of "friendly and benevolent neutrality" towards the U.S.S.R. in that conflict, M. Menderes recalled that the Soviet Union had begun to adopt a hostile attitude towards Turkey in the immediate post-war years—as evidenced by the repudiation of the Turkish-Soviet treaty of 1925, and the Soviet demands for a base on the Straits and for the cession of the provinces of Kars and Ardahan. It was therefore natural that "Turkey's confidence in her northern neighbour had been thoroughly shaken by these regrettable demands."

Stressing that Turkey desired the resumption of "genuine friendship" with Russia, M. Menderes continued: "The new [i.e. post-Stalinist] Soviet leaders began to criticize the policy of pressure and threats of the former leaders, and this resulted in certain hopes being raised in Turkey and elsewhere. However, positive results in matters concerning the independence of nations are not possible by words alone but by *de facto* and *de jure* actions. It is a mistake to think that confidence and trust can be restored otherwise . . ."

Turning to "general and related events in the light of the position of Turkey and of the Middle East, in which she is situated," M. Menderes went on: "We are obliged frankly to point out that a new and dangerous situation is developing. You will understand that I am referring to Syria, which was the subject of your message. At a time when the sense of insecurity caused to the Turkish national conscience as a result of the demand for Turkish bases and territory was to a certain extent alleviated by the Russian leaders' criticism of this very policy, which indicated a recantation, the emergence of the Syrian question, and the fact that this matter inspired your message —which unfortunately contains expressions of pressure in various parts—has had the effect of re-creating exactly the same atmosphere of insecurity caused by the 1945 attempt on our national existence . . . We regret that the efforts of the new Soviet leaders to correct a past mistake have thus been wasted."

As regards the situation in Syria, M. Menderes said that subversive activities in that country had "reached the maximum limit"; that Syria was "hastily arming beyond the limit of any reasonable defence needs"; and that she was becoming "an arms depot which will probably be used by others in case of need." He continued: "It is noteworthy that although we have not received any complaint from our neighbour Syria, your message . . . proves that, as the matter stands today, Soviet Russia has adopted Syria and the Syrian question. Analysis of the facts will suffice to bring out in bold relief the contrast between the policy pursued by your country in the Middle East and your expressions of desire to establish real friendship between Turkey and the U.S.S.R. If it is desired to establish relations of genuine friendship with Turkey based upon mutual confidence, abandonment of the policy pursued in the Middle East, particularly in Syria, will certainly have a positive effect.

"We wish to emphasize that we do not in the least entertain aggressive designs on any of our neighbours, and that there will never be such designs. On the contrary, we desire the inviolability of the independence and territorial integrity of Syria, as well as its happiness and prosperity. As such, we follow with anxiety the events taking place in Syria, an important member of the Arab commonwealth.

"Moved by this sense of uneasiness, and following a joint request together with our friends, the U.S.A. sent Mr. Loy Henderson to Turkey to examine the situation. The talks with Mr. Henderson were not intended for any aggressive purpose but were designed for countries which felt anxiety from the standpoint of their own security as a result of the developments described above. It is the anxiety of losing their independence and freedom in the face of a probable threat which encouraged the peace-loving States of the Middle East to effect a defensive arrangement among themselves, and to enlist the aid of the U.S.A. and the U.K. to strengthen it. In the circumstances it is not in the least in accord with the facts to look for an aggressive aim in the Baghdad Pact and to brand the Western Powers which joined it with 'colonialism.' . . . The Baghdad Pact, like other defensive pacts, is the product of the anxiety felt by nations which desire to be free . . .

"As to your reference to the need to pay attention to safeguarding peace, Turkey will not lag in this respect and has little to learn from others . . ."

In a press statement on Sept. 25 to the Anatolia Agency, M. Menderes had said that the present "highly dangerous situation" in Syria resulted from "the subversive activities of the Soviet Union during the past two years," in disregard of U.N. resolutions. The large supplies of arms shipments to Syria, far beyond the quantities which that country could require for reasonable defensive needs, implied its conversion into "a bridgehead for subversive purposes and with aggressive aims." In view of her long frontier with Syria, Turkey could not but observe the situation with concern from the standpoint of her own security.

In a statement on Sept. 14, the Turkish Defence Ministry had referred to "baseless rumours in certain foreign newspapers, and in agency reports, in connexion with military manoeuvres in certain regions of Turkey." It was pointed out that the Turkish armed forces, as previously announced, would be participating in NATO exercises during September, and that the customary annual manoeuvres would be taking place in the same month. "To fasten on these events for insidious and incitatory purposes," the statement added, "shows the intentions of those who . . . wish to sow seeds of intrigue by propaganda."

M. Khrushchev's Attack on U.S. Middle East Policy. - Allegations of American "Pressure" on Turkey. - Threat to Turkey in Event of War.

In an interview in Moscow on Oct. 9 to Mr. James Reston, of the *New York Times*, M. Khrushchev accused Mr. Dulles of "inciting" Turkey to attack Syria; challenged the U.S. Senate to investigate his charges; and declared that Turkey would "not last one day" in the event of war.

M. Khrushchev alleged that after Mr. Dulles and Mr. Loy Henderson had unsuccessfully tried to incite Iraq and Jordan to attack Syria, Mr. Henderson had "turned the pressure on Turkey" during his visit to the Middle East. Asked by Mr. Reston on what he based these charges, and whether the Soviet Union was in possession of documents to prove these allegations, M. Khrushchev replied: "I advise you to ask Mr. Dulles. As a man who often appeals to God, let him swear that he did not give such instructions to Henderson."

After accusing the U.S.A. of "pushing Turkey into war with Syria," M. Khrushchev declared: "In moving their troops [to the Syrian border] the Turks are laying bare parts of their frontier with us. They should not do that. They are very weak. Turkey would not last one day in case of war . . . If war breaks out, we are near Turkey and you [the Americans] are not. When the guns begin to fire the rockets can begin flying, and then it will be too late to think about it."

M. Khrushchev went on to condemn the "Eisenhower Doctrine" and to deny that there was any "Soviet provocation" in Syria or any Communist threat in the Middle East. He admitted that the U.S.S.R. had sold arms to Syria, but stressed that there was "not one of our soldiers" in that country. The Arabs in general, he commented, were far from Communist ideas, and were not Communists but nationalists. The Soviet Union knew that Egyptian Communists were imprisoned by President Nasser, but the U.S.S.R. nevertheless co-operated with Egypt against "all kinds of colonialism, including American," in the spirit of "practical co-existence."

During the interview M. Khrushchev made frequent reference to documents which, he said, would prove his charges against the U.S. Government. He declined to go into any details but said that they would be published in due course.

U.S. Rejection of M. Khrushchev's Allegations. - Mr. Dulles's Warning to Soviet Union against Aggression on Turkey.

M. Khrushchev's allegation that the United States was "inciting" Turkey to attack Syria was described by the U.S. State Department as "an absurdity when viewed in the light of the U.S. record last winter during the Suez crisis." In a statement issued on Oct. 10, the State Department also emphasized that the charges against Mr. Dulles and Mr. Henderson were "completely unfounded"; that Mr. Henderson had taken no such action as that imputed to him by M. Khrushchev; and that his (Mr. Henderson's) instructions were to consult U.S. and foreign officials in the Middle East and bring back a first-hand impression of the situation.

Commenting on the fact that "M. Khrushchev, who often glibly talks of peace, now openly threatens Turkey," the statement said: "Despite distances, he should be under no illusion that the United States, Turkey's friend and ally, takes lightly its obligations under the North Atlantic Treaty or is not determined to carry out the national policy expressed in the joint congressional resolution on the Middle East" [i.e. the Eisenhower Doctrine.]

Answering questions at a press conference on Oct. 16, Mr. Dulles said that if the Soviet Union were to attack Turkey, the United States would not restrict itself to a "purely defensive operation" and Russia would not be left as "a privileged sanctuary" from which to mount aggression.

Pointing out that Turkey was a favourite topic for Russian "alarums and threats," Mr. Dulles said that the present "Soviet furore over Turkey" was reminiscent of a number that had arisen in the past - e.g. when Turkey accepted aid under the Marshall Plan in 1947, and when she joined NATO in 1951. There was, however, a possibility that the Russian charges against Turkey might be "a smokescreen behind which something more serious might be taking place," and the United States must be on guard against the possibility that the "something more serious" might be some form of aggression against Turkey."

Mr. Dulles described the present situation in the Middle East as not unlike that of the period just before the Korean War. He believed, however, that an outbreak of war in the Middle East was unlikely, as the eyes of the world were focussed on that area.

The U.S. guided missile cruiser *Canberra*, together with some smaller vessels of the U.S. Sixth Fleet, arrived at Izmir (Smyrna) on Oct. 18 on a courtesy visit, which was regarded as a demonstration of U.S. solidarity with Turkey in face of the Russian threats to that country.

Note Exchanges between Syria and Turkey. - Syrian "Emergency Measures."

Although the Soviet allegations of Turkish "troop concentrations" on the Syrian border were first made by Marshal Bulganin on Sept. 10 in his letter to M. Menderes, no complaint was made by Syria until Oct. 9—i.e. until a month later. In a Note to Turkey on the latter date, the Syrian Government alleged that Turkish troops were concentrating on the Syrian frontier, that Turkish planes had flown over Syrian territory, and that Turkish frontier guards had fired on and wounded Syrian civilians. The Syrian Government demanded that these alleged activities "should cease."

The Turkish reply (Oct. 17) denied that there had been any troop concentrations on the frontier, any flights over Syrian territory, or any firing by Turkish forces on Syrian civilians. It reiterated Turkey's desire for the preservation of Syria's independence and territorial integrity ; denied any aggressive intentions against Syria ; and pointed out that there was a long-established procedure for the settlement of border incidents. The present tension in Turkish-Syrian relations (the Note continued) was due entirely to the massive armaments supplied by the U.S.S.R. to Syria, which were out of all proportion to the defence needs of the Syrian Army, and which were designed to convert Syria into an " arms dump " to be used eventually against Turkey. Finally, the Turkish Government pointed out that movements of Turkish troops inside Turkish territory did not exceed the normal seasonal movements during manoeuvres.

An incident occurred on the Syrian-Turkish frontier on Oct. 8, near the Syrian town of Jerablus, in which gunfire was exchanged for 45 minutes between border guards. It was stated in Ankara that a Turkish railway worker had been shot in the leg by Syrian gendarmes after Turkish workmen had entered a " free zone " area at the point where the Istanbul-Baghdad railway crossed the border, the Syrian police, for the first time, had insisted on searching the workers, and in the ensuing altercation a workman had been shot and wounded. The Syrian version of the incident attributed responsibility to the Turkish border guards and alleged that Syrian civilians had been fired on and wounded.

An excitable atmosphere of " war hysteria " prevailed in Syria during the second fortnight of October, during which all leave for the Syrian Army was cancelled, a state of emergency declared, and arms distributed to the People's Resistance Movement (the Syrian home guard organization) and youth organizations in Aleppo, Homs, and Hama. By Oct. 20, however, the situation had quietened and no further " emergency " measures were announced.

The following information on the arms build-up in Syria was given by the Diplomatic Correspondent of *The Times* on Oct. 3 :

" An estimate of the military aid received by Syria from Communist sources up to the present time can now be made from reports which have been reaching London from various sources. The aid has been given apparently in two main blocks. Syria first made an approach to the Communists at the end of 1955, and early in 1956 an agreement was reached with Czechoslovakia for the supply of MIG-15 aircraft, T-34 tanks, self-propelled guns, field and anti-aircraft artillery, light weapons, and other military stores. Most of this material had arrived by October, 1956, after regular shipments throughout the summer.

" At the end of October President Kuwatly visited Moscow and accepted an offer of further large supplies on favourable terms. The deliveries under this second agreement began in December and are still continuing, and arms up to a total value of £50,000,000 are believed to have reached Syria up to the present time from the Soviet bloc. These arms include : 60 jet fighters, at least 6 motor torpedo-boats, 200 T-34 tanks, 100 self-propelled guns, over 200 armoured personnel carriers, over 150 field guns, and 200 anti-aircraft guns.

" Large numbers of mortars, bazookas, sub-machine guns, machine guns, rifles, military vehicles of all kinds, a wide range of military stores, and quantities of ammunition have also been supplied. Some reports say that at least 250 Soviet-bloc advisers and instructors have arrived in Syria, mostly this year. Some Syrian officers have been sent to Communist countries for training. It is also believed that a third agreement was made in August, to a value of £35,000,000, under which would be supplied a further 50 aircraft of various types, two submarines, more tanks, artillery, and unspecified naval vessels."

Landing of Egyptian Troops in Syria.

It was jointly announced in Cairo and Damascus on Oct. 13 that Egyptian forces had landed at Latakia on that date " to support and strengthen Syria's defence potential." The communiqué said that Egyptian troops had arrived in Syria " under the joint defence agreement between the two countries, and in implementation of the joint plans to strengthen Syrian defences formulated in Cairo on Sept. 11 by the Commanders-in-Chief of the Egyptian and Syrian armed forces " [see page 15745, second column]. It was added that the Egyptian troops had been escorted to Latakia by Egyptian naval forces and the air forces of the two countries.

No information was given as to the size of the Egyptian forces sent to Syria, but in Western official circles it was believed that they were small in numbers and of a " token " character.

King Saud's Offer of Mediation in Turkish-Syrian Crisis. - Acceptance by Turkey and Rejection by Syria.

During September and October an active part was taken by King Saud of Saudi Arabia in attempting to bring about a relaxation of tension in the Middle East, firstly in the relations between Syria and Jordan and subsequently in the relations between Syria and Turkey. The King's efforts culminated in an offer to mediate in the Syrian-Turkish dispute, the offer being accepted by Turkey but rejected by Syria.

Prior to these developments, the Saudi Arabian Ambassador in Damascus had been withdrawn to Beirut as a protest against an attack on King Saud by the Syrian Defence Minister (M. Khaled Azem), who had declared on June 15 that the King was " actively co-operating with American foreign policy " and " assisting the cause of American imperialism." [These remarks were incorrectly attributed in 15612 A to the Syrian Foreign Minister, M. Salah Bitar, whereas they were in fact made by the Defence Minister.] Despite repeated requests for an apology or retraction, no *amende* was offered by the Syrian Government, and the Saudi Ambassador was therefore instructed to withdraw to Beirut until a satisfactory explanation had been given by Syria. On July 1, however, it was announced in Damascus that M. Khaled Azem was leaving for Italy " for health reasons," a statement which was interpreted as an expression of regret for his attack on King Saud. The Saudi Ambassador subsequently returned to Damascus and normal relations were restored between the two countries. M. Azem continued to hold the post of Defence Minister, and headed the delegation which visited Moscow in July and August for discussions on economic and technical co-operation between the U.S.S.R. and Syria (see 15705 A).

King Saud arrived in Damascus on Sept. 25 for a three-day visit, during which he had discussions with President Kuwatly, M. Assali, and other Syrian leaders. The Prime Minister of Iraq, Mr. Ali Jawdat, also arrived in Damascus on Sept. 26 from Beirut (where he had seen President Chamoun and other Lebanese leaders) and took part in the Saudi-Syrian talks. King Saud's visit was the first paid by him to Damascus since his accession in 1953, while Mr. Jawdat's visit was the first paid by an Iraqi Premier to Syria for eight years. A joint communiqué was issued by King Saud and the Syrian leaders on Sept. 27 reiterating the solidarity of the Arab countries, stating that Saudi Arabia would assist Syria and all other Arab countries against aggression from whatever source, and declaring that Syria posed no threat to any other Arab State.

Although no official statement to that effect was issued, it was understood that King Saud's visit to Damascus was primarily intended to improve relations between Syria and Jordan and to heal the breach between the two countries. King Saud and King Hussein exchanged messages both during and after King Saud's visit to Damascus, and it was commented abroad that there had been a considerable reduction in the Syrian press and radio campaign against Jordan following the King's return to Riyadh. On Oct. 16 King Hussein summoned the British, U.S. and Turkish Ambassadors in Amman to the Royal palace and informed them that Jordan would consider an attack on Syria as an attack on all Arab countries. A similar declaration was made by King Hussein to the Egyptian, Iraqi, Lebanese, and Saudi Arabian heads of mission, together with a pledge of Jordan's support for and co-operation with all Arab nations.

King Saud paid a ten-day visit to Beirut from Oct. 11-20 during which he had a number of conversations with President Chamoun ; at the same time he maintained frequent contact by telephone or courier with Damascus, and also with President Bayar of Turkey. Although no official statement was issued, it was understood that King Saud and President Chamoun were considering ways to bring about a relaxation of the tension between Syria and Turkey, and it subsequently became known that President Bayar had sent messages to the King and the Lebanese President assuring them that Turkey harboured no aggressive designs whatever against Syria. Similar assurances were given to the Syrian Government in the Turkish Note of Oct. 17 (see above), and by the Iraqi and U.S. diplomatic representatives in Damascus.

A joint communiqué issued on Oct. 20 by King Saud and President Chamoun made no direct reference to the Syrian-Turkish dispute, but stated that Saudi Arabia and the Lebanon would support Syria or any other Arab State in the event of any aggression. It added that respect for the independence, sovereignty, and territorial integrity of the Arab States, and non-intervention in their internal affairs, were among the fundamental requirements of Middle Eastern security.

In a broadcast on Oct. 21 from Mecca Radio, and in a statement issued on that date by the Saudi Arabian Embassy in Washington, it was announced that King Saud had offered to mediate in the Syrian-Turkish dispute ; that the offer had been conveyed to President Bayar and President Kuwatly by King Saud during his visit to Beirut ; that both Turkey and Syria had accepted the King's good offices ; and that Turkish and Syrian delegations would meet King Saud at Damman (Saudi Arabia) within two days. On the same day (Oct. 21) it was officially announced in Ankara, and confirmed by the Turkish delegation at the United Nations, that Turkey had accepted the King's mediation offer.

Syrian reactions to the King's mediation offer were extremely ambiguous, and at first took the form of a denial by the Syrian Foreign Ministry that any such offer had been made. Shortly

afterwards, however (i.e. on Oct. 21), it was authoritatively stated in Damascus that Syria had accepted an offer of mediation by King Saud and would send a delegation to Saudi Arabia. The Syrian Embassy in Washington then announced that Syria had accepted King Saud's good offices in the dispute with Turkey, but retracted this statement a few hours later. The Syrian Foreign Ministry said that the Embassy in Washington had been "misinformed," that Syria would not accept King Saud's mediation, and that she intended to proceed with her original intention of bringing the matter before the United Nations (see below).

The Saudi Arabian Government issued a statement on Oct. 22 expressing "great astonishment" at Syria's denial that she had accepted King Saud's mediation offer. A communiqué issued in Jedda quoted President Kuwatly as saying to King Saud: "We received with satisfaction your efforts to make Turkey avoid what could lead to a catrastophe, the extent of which only Allah knows." It added that the Saudi Ambassador in Damascus had been informed orally that the Syrian Cabinet had met to discuss who should lead the Syrian delegation in the mediation talks which were to have taken place in Damman.

Nothing was known of the reasons behind Syria's first apparent acceptance, and then rejection, of King Saud's mediation offer. It was suggested in the London *Daily Telegraph* that President Kuwatly had decided to accept mediation but had been overruled by the Syrian military junta, "acting on its own or on instructions from Moscow."

Syrian Complaint to U.N. General Assembly. - Soviet Charges against Turkey and United States.

On Oct. 16 the Syrian Foreign Minister (M. Bitar) had sent a letter to the President of the U.N. General Assembly (Sir Leslie Munro) asking the Assembly to place on its agenda, as a matter of urgency, the item: "Complaints about threats to the security of Syria and to international peace." At the same time the Soviet Foreign Minister, M. Gromyko, sent a letter to Sir Leslie Munro referring to the existence of a "military threat" to Syria, bitterly attacking Turkey and the United States, and urging all U.N. member-nations to render Syria "the armed assistance necessary to put a stop to aggression" in the event of a Turkish attack.

The Syrian Letter. After asserting that the security and independence of Syria were being endangered to a degree which required "measures by the United Nations in fulfilment of its Charter," M. Bitar's letter went on: "At present there exists an actual military threat to Syria, resulting from the heavy, unprecedented, and unwarranted concentration of Turkish troops, up to several divisions, in close proximity to the Syrian-Turkish border. These troops are constantly being reinforced. They are now massed mainly in a small sector and have taken up dispositions which presage imminent attack. The Turkish troops have apparently been given the slogan: 'To Aleppo!' . . ."

Reiterating the allegations that Turkish troops and aircraft had violated the Syrian frontier on a number of occasions, and that border clashes were becoming more frequent, M. Bitar continued: "The military pressures on Syria and threats to her security are connected with other actions, such as interference in the affairs of Syria to sway her policy or overthrow her Government . . . These actions have been accompanied by other foreign pressures on the Syrian people and Government, designed to create conditions which would bring about internal unrest and international strife. Besides pressures of a political nature, a propaganda campaign has been mounted, aimed at creating animosity towards Syria in order to pave the way for adventurous action against her."

In conclusion, M. Bitar proposed that the General Assembly should set up a commission to investigate the situation on the Syrian-Turkish border and report back.

The Soviet Letter. In his letter to Sir Leslie Munro, M. Gromyko asserted that the situation on the Syrian-Turkish border was "fraught with the possibility of armed conflict" which might break out at any moment. He went on to say that there was "reliable information" that the Turkish General Staff, together with American advisers, had "elaborated detailed plans for an attack on Syria to be carried out immediately after the general elections in Turkey on Oct. 27," and that the United States was "openly declaring its intention to intervene directly with armed forces" on the side of Turkey in hostilities against Syria.

After saying that the Soviet Government could not regard impassively the military "provocations" that were being planned in the proximity of her southern borders, M. Gromyko went on: "Account should be taken of the fact that the United States, while prodding Turkey to commit aggression against Syria, is urging that this operation should be carried out with lightning speed, and that the U.N. should be confronted with a *fait accompli* in order that it may have no time to take steps to prevent aggression. Apparently the intention of the U.S.A. is to employ in Syria the method resorted to by it to suppress the independence of Guatemala . . . The Soviet Government supports Syria's proposal that the General Assembly should consider without delay the threat of armed attack on Syria endangering general peace. The Soviet Government also supports the proposal that a special U.N. commission be set up forthwith to investigate the situation on the Syrian-Turkish frontier. The commission should be requested to submit its conclusions to the Security Council and the General Assembly within two weeks."

M. Gromyko added that in the event of an attack on Syria the Soviet Union was prepared to take part with its forces in "suppressing aggression and punishing the violators of peace."

The 17-nation Steering Committee of the General Assembly, meeting on Oct. 18, decided by unanimous vote to put the Syrian request on the Assembly's agenda.

M. Seyfullah Esin (Turkey) described the Syrian-Soviet allegations as "fantastic" and said that Turkey would welcome a debate on the "fictitious situation" that had been wilfully created. **Mr. Cabot Lodge** (U.S.A.) similarly welcomed a debate and a U.N. investigation, since it would show up the "absurdity" of the charges against the U.S.A. and Turkey and would demonstrate clearly "the true source of the tension in the area." **Commander Noble** (U.K.), who said that the Committee was meeting in "a spurious air of crisis," expressed doubts about the *bona fides* of the Syrian request and pointed out that it had been heralded by a large-scale Soviet propaganda offensive.

The full Assembly, meeting immediately afterwards, agreed without debate to place the Syrian item on its agenda. The vote was 60 to nil, with Liberia abstaining.

Turkish Statement to U.N. General Assembly.

In a speech in the General Assembly on Sept. 27, the Turkish representative at the U.N. (M. Seyfullah Esin) had previously expressed his Government's "concern and anxiety over the recent increase of efforts made by the Soviet Union towards the Middle East in general and Syria in particular."

"We in Turkey," said M. Esin, "have affection and respect for the people of Syria, with whom, as with all Arab nations, we are linked by cultural, religious and historic ties. We value the independence, sovereignty and territorial integrity of Syria and consider a strong, prosperous and independent Syria on our border as an additional guarantee of our own security. That is the reason why the recent events in that country are being followed by my Government with attention and concern from the viewpoint of our own security. The fact that these events have been accompanied by a campaign of propaganda and false rumours, aimed at discrediting my country and impairing our relations with our southern neighbour, have made caution and vigilance on our part even more necessary. Allegations of this nature have been made by a powerful country with which we have long common frontiers to the north. If a reserve of arms and ammunition were to be constituted by that country on our southern flank, my Government would naturally be bound to appraise the significance of such an event from the viewpoint of our own security, and to take such internal measures within our own frontiers as are customary in all independent countries desiring to live in peace and security . . ."

M. Seyfullah sent a letter to Dr. Hammarskjöld on Oct. 15 describing the Syrian allegations against Turkey as "entirely false"; pointing out that Syria had been "following of late a policy entirely parallel to that of the Soviet Union"; and stressing that Turkey had "valid reasons for feeling concerned about recent developments in Syria." (Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times - U.N. Information Centre, London - Turkish Embassy Press Office, London - Soviet Embassy Press Department, London) **(Prev. rep. Syria, 15745 A; 15721 A.)**

A. WESTERN GERMANY. — Saar Mines returned to German Ownership.

The Saar coal mines were returned to German ownership on Oct. 1, when a new company, the *Saarbergwerke A.G.*, took over from the Franco-Saar company which had hitherto administered them as trustee. The new company has a capital of 35,000,000,000 French francs (350,000,000 DM), of which the Federal Government holds 74 per cent and the Saar Government 26 per cent. The Administrative Council of the new company met for the first time on Oct. 1 under the chairmanship of Professor Adolf Blind, Finance Minister in the former Saar Government.

Total coal production of the Saar mines is about 17,000,000 tons a year, representing about 13 per cent of coal production in the Federal Republic.—(Frankfurter Allgemeine Zeitung) **(Prev. rep. 15303 A.)**

B. EGYPT - SOVIET UNION. — Cultural Agreement.

An agreement on Soviet-Egyptian cultural co-operation was signed in Cairo on Oct. 19. It provided for exchanges of students, lecturers, delegations, artists, writers, etc.; closer contacts between libraries and educational establishments; exchanges of films and encouragement for the translation of literary works; special broadcasts to provide information about either country in the other; and increased contacts in the field of sport.—(Soviet Embassy Press Dept., London)

A. BRITISH COMMONWEALTH. — Anglo-Australian and Anglo-New Zealand Defence Talks. - Mr. Sandys' Visits to Canberra and Wellington.

The U.K. Minister of Defence, Mr. Duncan Sandys, accompanied by Marshal of the R.A.F. Sir William Dickson (chairman of the U.K. Chiefs of Staff Committee), visited Australia and New Zealand during August and September for discussions on joint defence policy in South-East Asia and the South-West Pacific. During their visit to Australia (Aug. 19-Sept. 1) Mr. Sandys and Sir William Dickson had conversations with Mr. Menzies (the Prime Minister), Sir Philip McBride (Defence Minister), and other Federal Ministers and Service chiefs, in addition to visiting the Woomera rocket range and the atomic testing site at Maralinga.

A communiqué on the Anglo-Australian defence talks was issued in Canberra on Aug. 28, as follows :

" (1) The talks centred principally upon the defence problems of South-East Asia. It was agreed that SEATO is the prime instrument for the defence of this area and that every effort must be made to ensure its effectiveness both as a means of deterring aggression and as a stabilizing factor for the countries concerned.

" (2) The size and composition of the forces which the two Governments are planning to contribute now and in the future to the defences of this area were discussed. Mr. Sandys assured the Australian Government that Britain intends to maintain substantial land, sea, and air forces in South-East Asia and the Far East, and that the British Far East Fleet will continue to be based on Singapore. Although the number of British troops in that area will be somewhat reduced, this will largely be offset by increased mobility and striking power.

" (3) The Australian Government confirmed that in addition to the Australian forces already serving in the Commonwealth strategic reserve, their plans provide for the increased mobility of the Army and Air Force, including the creation of a mobile brigade group based in Australia, which would be readily available if needed

" (4) The progress of the ANZAM [i.e. Australian-N.Z.-American] defence organization was reviewed in the light of recent meetings between the British, Australian, and N.Z. Chiefs of Staff. It was agreed that the existence of this organization greatly facilitates the study of common defence problems in this area and will help to ensure that the contributions of the three countries to the SEATO alliance are made as effective as possible.

" (5) Mr. Sandys took the opportunity to explain the principles underlying Britain's new defence policy. He emphasized that its prime objective is not so much to prepare for war as to prevent it. The use of military resources is being replanned with a view to concentrating them where they will produce the maximum effort.

" (6) The Australian Government fully supports Britain's decision to go ahead with the development and production of nuclear weapons, thereby making a British contribution to the nuclear deterrent upon which, pending disarmament, the peace of the world so largely depends. At the same time the Australian Government was pleased to note that Britain would continue to maintain in Europe, the Middle East, and the Far East substantial conventional forces, which are essential to meet a limited and cold war situation.

" (7) Mr. Sandys expressed appreciation of the invaluable co-operation of the Australian Government and Services in the development of atomic weapons and guided rockets, and of the fine progress which he had seen during his visits to Woomera and Maralinga

" (8) It was agreed on both sides that the meetings have proved of great value. Exchange of information about future plans has been extremely useful, and the talks will undoubtedly help to make co-operation between Britain and Australia in the field of defence still closer and more effective."

At a press conference in Canberra on Sept. 20, Mr. Sandys stated that Britain would continue to develop and stockpile nuclear weapons for her own and Commonwealth defence ; would continue to use the Maralinga proving ground to test a variety of atomic weapons ; and proposed to extend the Woomera rocket range, in collaboration with the Australian authorities, to develop a ballistic missile with a range of 2,000 miles. He added that Britain continued to regard SEATO as " a vital factor in the defence of the free world " ; that she would continue to maintain substantial land, sea, and air forces in the SEATO area, including in due course " elements of nuclear power which will greatly enhance the effectiveness of these forces " ; and that R.A.F. *Canberra* bombers, equipped to carry atomic weapons, would be sent to Malaya.

Mr. Sandys' statement gave rise to some concern in Kuala Lumpur, where it was interpreted as implying that Malaya might become an " atomic base." The Chief Minister (Tengku Abdul Rahman) stressed that the Malayan Government would in no circumstances allow atomic weapons to be stored on its territory, whilst the Malayan Defence Minister pointed out that the Anglo-Malayan defence treaty (see 15793 A) made no provision for atomic bases anywhere in the Federation. To correct these impressions, Mr. Sandys emphasized on Sept. 23 that no decision had yet been made on what atomic weapons would be made available to British forces in the Far East, nor where such weapons would be kept.

Discussions were held in Wellington from Sept. 1-5 between Mr. Sandys and New Zealand Ministers and Service chiefs, the following communiqué being issued on the latter date :

" (1) Mr. Sandys explained the British Government's new defence policy and stressed that its central theme was collective defence through regional alliances (NATO, the Baghdad Pact, and SEATO).

" (2) The N.Z. Government welcomed the fact that, in addition to the provision of considerable conventional forces to support these alliances, Britain has decided to be a nuclear Power and to make a contribution of her own to the nuclear deterrent

" (3) Mr. Sandys expressed the appreciation of the British Government for the help given by the N.Z. Government in connexion with the recent thermo-nuclear tests at Christmas Island.

" (4) Mr. Sandys made it clear that Britain regarded South-East Asia as a vital theatre in the defensive system of the free world and would continue to maintain large land, sea, and air forces in that area. In addition plans had been made to send further considerable reinforcements by air should the need arise.

" (5) Mr. Sandys welcomed the decision of the N.Z. Government to send as soon as possible a full battalion to Malaya as their contribution to the Commonwealth force, and their proposal for despatching overseas at short notice a New Zealand brigade group in the event of an emergency. Mr. Sandys was also glad to note the intention of the N.Z. Government to replace their force of *Vampire* and *Venom* fighters with *Canberra* bombers.

" (6) It was agreed that close co-ordination of the defence effort of the Commonwealth countries in this area is of the highest importance, and it was decided to study, through the ANZAM defence organization, methods of making co-operation still more effective "

Before returning to Britain, Mr. Sandys visited Singapore (Sept. 11-14) and Hong Kong (Sept. 15) for discussions with local Service chiefs and the Governors of the two Colonies, respectively Sir Robert Brown and Sir Alexander Grantham. During these visits Mr. Sandys emphasized that Britain would continue to maintain " substantial forces " in Hong Kong and intended to keep the fortress base at Singapore as strong as possible. He reiterated that H.M Government had no intention of stockpiling atomic weapons in Malaya or anywhere else in South-East Asia.

Prior to Mr. Sandys' visits to Australia and New Zealand, joint discussions on defence questions had been held in Wellington from July 29-31 between Mr. Beale, the Australian Minister of Supply and Defence Production, and Mr. Macdonald, N.Z. Minister of Defence and External Affairs. Service chiefs of both countries took part in the talks. (Sydney Morning Herald - Australian News and Information Bureau - N.Z. Directorate of Information, Wellington - Times - Daily Telegraph) **(Prev. rep. Australian Defence Policy, 15504 A ; N.Z. Defence Policy, 15612 B ; SEATO, 15452 A.)**

B. CYPRUS. — New Governor.

The Colonial Office in London announced on Oct. 22 that Sir Hugh Foot, Captain-General and Governor of Jamaica, would succeed Field-Marshal Sir John Harding as Governor and Commander-in-Chief of Cyprus, and would take up his new duties about the beginning of December.

Sir Hugh Foot (50) entered the Colonial Service in 1929 and served in Palestine and Transjordan before becoming Colonial Secretary in Cyprus, a post he held from November 1943 to April 1945. He was subsequently Colonial Secretary in Jamaica and Chief Secretary in Nigeria before his appointment as Captain-General and Governor of Jamaica in November 1950. He is the second of five sons of Mr. Isaac Foot, the former Liberal statesman and one-time Lord Mayor of Plymouth. He is a brother of Mr. Michael Foot, the former Labour M.P. for Devonport ; Mr. Dingle Foot, a former Liberal M.P. and now Labour Member for Ipswich (see 15821 E); and Mr. John Foot, who contested Bodmin as a Liberal in 1950.

Field-Marshal Sir John Harding (60) became Governor of Cyprus in November 1955, shortly after relinquishing the post of Chief of the Imperial General Staff. The Colonial Office stated that he would relinquish the Governorship " on the expiry of the period for which he accepted the post." (Times - Manchester Guardian) **(Prev. rep. 14513 A.)**

C. PERU. — Relations broken with Czechoslovakia.

The Peruvian Government broke off diplomatic relations with Czechoslovakia on Oct. 4, when the Czechoslovak Chargé d'Affaires (M. Josef Rutta) was ordered to leave the country immediately and to close down the Czechoslovak Legation in Lima. It was announced that this action had been taken because M. Rutta had authorized the secretary-general of the Peruvian Communist party to appoint five Peruvian representatives to a labour congress in Leipzig (East Germany), constituting direct intervention in Peruvian internal affairs. (New York Times)

A. YUGOSLAVIA - GERMANY. — Yugoslav Recognition of East German Government. - Western Germany severs Diplomatic Relations with Yugoslavia.

It was officially announced in Belgrade and East Berlin on Oct. 15 that Yugoslavia and the German Democratic Republic (Eastern Germany) had agreed to establish diplomatic relations and to exchange representatives at Ministerial level. The statement said that the decision had been taken on Oct. 10 in conversations between representatives of the two Governments, following an exchange of letters between President Tito and Herr Grotewohl, the East German Prime Minister.

The Yugoslav Foreign Ministry explained that it was "the wish of the Yugoslav Government, in the spirit of seeking a working system of co-existence by the avoidance of *blocs*, to develop good relations with both German States, believing that this will contribute to German unity." It called on other countries also to recognize both German States, and declared that all the necessary conditions existed for extending co-operation in the economic, cultural, and political spheres between Yugoslavia and Western Germany as well as between Yugoslavia and Eastern Germany.

The Yugoslav decision, which had already been foreshadowed in the communiqué published after the recent visit of the Polish leaders to Belgrade, and which had been formally notified to the Federal German Government on Oct. 14, caused deep resentment and concern in Western Germany, since Yugoslavia was the first country outside the Soviet *bloc* to accord recognition to the East German Government. In 1955 the Federal Government had officially announced that any recognition of the East German régime would be considered an unfriendly act, and that it would break off diplomatic relations with all countries outside the Soviet *bloc* recognizing that régime. It was therefore feared that West German acquiescence in the Yugoslav step might cause a number of other countries to accord similar recognition to the East German régime.

Dr. von Brentano, the Federal Foreign Minister, discussed the matter on Oct. 16 with the British, U.S., and French diplomatic representatives in Bonn, whilst Herr Blankenhorn, the West German representative on the NATO Council, was instructed to raise the matter at the Standing Committee of the North Atlantic Council under Article 2 of the North Atlantic Treaty. On Oct. 18 Dr. von Brentano also had discussions with the West German party leaders in Bonn, in an effort to obtain the support of the Social Democrats and the Free Democrats for the breaking-off of diplomatic relations with Yugoslavia. Both parties, however, expressed disagreement with the Government's intention on the grounds that a break with Yugoslavia would isolate Western Germany and would have a detrimental effect on its East European policies, whilst merely delaying, but not preventing, other countries from recognizing the East German régime.

After further Cabinet discussions, the Federal Government finally decided on Oct. 19 to break off diplomatic relations with Yugoslavia. The German Note to that effect, which was handed to the Yugoslav Ambassador in Bonn (M. Kfeder) on the same date, declared that Yugoslavia's action was an affront to the whole German people as well as to its legitimate Government ; that Yugoslav recognition of the East German régime entailed support for the Soviet policy of interference in German internal affairs, which was alone responsible for the maintenance of the East German régime and which made German reunification on a democratic basis impossible ; and that the Yugoslav Ambassador had been clearly informed beforehand of the consequences of such recognition.

It was officially stated on Oct. 20, however, that the breaking-off of diplomatic relations would not affect the fulfilment of existing agreements between Western Germany and Yugoslavia, and that reparations would continue to be paid to the latter country in the form of the long-term credits agreed upon in 1956.

Dr. von Brentano stated a a press conference on Oct. 20 that he had assured the Yugoslav Ambassador that the Federal Government's decision was not an expression of hostility. Yugoslav recognition of Eastern Germany, however, had raised the question whether or not the Federal Republic should persist with its reunification policy as hitherto. If it had merely protested against the Yugoslav action it would, in effect, have recognized the existence of two German States. This would have made reunification by free elections impossible. The Federal Government had therefore no choice but to sever relations—a decision which, though deeply regrettable, was inevitable because of Yugoslavia's unilateral action.

The Federal Government's decision was strongly resented in Belgrade and was described by the Yugoslav Government as a "unilateral, arbitrary and hostile act."

M. Kfeder, who left Bonn for Belgrade on Oct. 20, said at a press conference that his Government condemned and protested against an act which would have a direct and detrimental impact on the world situation. He was unable to understand the Federal Government's decision, as Yugoslavia had been among the first countries to recognize the Federal Republic, and the first to release German prisoners-of-war, although she had lost 1,700,000 men in the Second World War. He denied that recognition of the East German Government had been an unfriendly gesture to the German Federal Government, maintaining that it was "merely the sovereign decision of one sovereign State concerning another sovereign State."

The Yugoslav Foreign Ministry described the Federal Government's decision as "a return to the cold war," and accused Western Germany of "relying on a policy of force and pressure with a view to imposing a solution which suits its political conceptions." The official *Borba* described the severance of diplomatic relations as "the second German act of aggression against Yugoslavia."

The U.S. State Department spokesman (Mr. Lincoln White) on Oct. 15 expressed "regret that Yugoslavia has taken this move," and added : "We do not think it will contribute to a settlement of the German problem. Our attitude on the question has been made known to Yugoslavia on a number of occasions." A spokesman of the French Foreign Ministry said on the same date that the French Government had officially drawn the attention of the Yugoslav Government to the "regrettable consequences" which might follow Yugoslav recognition of the East German régime, whilst the British Foreign Office stated on Oct. 18 that neither H.M. Government nor the British Embassy in Bonn had at any time attempted to dissuade the German Federal Government from breaking off relations with Yugoslavia, or suggested any alternative course of action. "On the contrary," the spokesman added, "H.M. Government have told the Federal Government that if they should decide to break off relations the Government would fully sympathize with the Federal Government's decision, which would be entirely understandable in the circumstances."

It was announced in Bonn on Oct. 20 that France would represent West German interests in Yugoslavia, whilst on Oct. 23 it was announced in Stockholm that Sweden had agreed to represent Yugoslav interests in Western Germany. (Tanjug Agency, Belgrade - Frankfurter Allgemeine Zeitung - Times - Daily Telegraph - Le Monde, Paris - New York Times)

(Prev. rep. Yugoslav-Polish Declaration on Germany, 15807 A ; West German Warning against Recognition of Eastern Germany, 14606 D ; West German-Yugoslav Reparations Agreement, 15144 F.)

B. AUSTRIA. — Formation of Austrian Airlines.

An Austrian civil aviation company under the name of *Oesterreichische Luftverkehrs A.G.* (Austrian Airlines) was set up on Sept. 20 with Austrian and Scandinavian participation. Its capital was fixed at 60,000,000 schillings, of which one-quarter will be payable in cash immediately. The founder-members included the Scandinavian Airlines System (9,000,000 s.) ; Fred Olsens Air Transport Ltd., Oslo, (9,000,000 s.) ; the City of Vienna (5,000,000 s.) ; the Austrian Tourist Office (1,500,000 s.) ; and 19 State-owned and private industrial, banking, and insurance concerns.

The formation of the new company followed an agreement in April last between the two parties of the Government coalition (the Austrian People's Party and the Socialist Party) which settled a dispute between two rival airline companies (Air Austria and Austrian Airways) that had been set up in January 1956. Air Austria had been set up with the participation of the Royal Dutch Airlines (K.L.M.), and Austrian Airways with the participation of the Scandinavian Airlines System.

The new company will start regular services in 1958 between Vienna and Zürich and Vienna and London, using British *Viscount* aircraft.—(Wiener Zeitung - Neue Zürcher Zeitung)

C. NORTHERN IRELAND. — Cabinet Appointment.

Mr. John L. O. Andrews, M.P., was appointed Minister of Health and Local Government in the Northern Ireland Government on March 26 in succession to Dame Dehra Parker, who had resigned through ill-health on March 14 after holding the post since 1940. Mr. Andrews was also appointed a member of the Privy Council.

Dame Dehra Parker continued to sit in the N.I. Parliament, of which she was an original member on its foundation in 1921. The first woman to hold ministerial office in Northern Ireland, she has sat at Stormont from 1921-29 and from 1933 onwards, and was Parliamentary Secretary to the Ministry of Education from 1937-44 before succeeding the late Mr. William Grant as Minister of Health and Local Government in 1949. She received the G.B.E. in the Birthday Honours of June last for political and public services in Northern Ireland.
(N.I. Agent's Office, London - Times - Belfast Telegraph)

(Prev. rep. 15296 C.)

A. GHANA. — Merger of Opposition Organizations as United Party. - Government Allegations of Subversive Activities by Opposition. - Denial by Professor Busia. - Suspension of Paramount Chief of Akim Abuakwa. - Regional Commissioners. - Cabinet Changes.

At a conference held in Kumasi on Oct. 6, six political organizations opposed to the ruling Convention People's Party (C.P.P.) agreed to unite as a single party. The organizations concerned were the three main Opposition parties—the National Liberation Movement, the Northern People's Party, and the Moslem Association - and three regional groups, the Ga People's Association (*Ga Shifimo Kpee*), the Wasaw Youth Association, and the Ashanti Youth Association.

The Ga People's Association had been formed soon after the establishment of independence to oppose the acquisition of tribal lands by the Government, its membership being restricted to the Ga tribe. It rapidly developed into the strongest Opposition organization in Accra, hitherto a C.P.P. stronghold, and was responsible for the riots in the capital on Aug. 20-21 (see 15760 A). To counter its activities the Government forbade the Association on Oct. 1 to hold rallies in Accra, and also decided to introduce legislation in November banning political organizations formed on a tribal, regional, or religious basis. [A resolution calling for such a ban had been adopted by the Assembly in 1954 see 13730 B.] Reports of the Government's decision were believed to have influenced Professor Busia, the leader of the National Liberation Movement, in convening the Kumasi conference. The proposed formation of a single Opposition party was welcomed on Oct. 7 by Mr. Baako, the Minister of Information.

The six organizations resumed their conference in Accra on Oct. 13, when it was decided to adopt the name of the United Party. A 12-point manifesto was approved which defined the party's aims as follows :

(1) " To build on the foundations of our traditions and culture a true parliamentary democracy, and to see that it is practised by whichever party is in power."

(2) " To see that the Constitution as by law established is upheld and strictly adhered to."

(3) " To preserve by deeds and words the fundamental rights and liberties of the individual, and to secure true freedom and justice in accordance with the U.N. Declaration of Human Rights."

(4) " To uphold and maintain the institution of chieftaincy and the rights of people to their lands, and to ensure that the chiefs play a democratic and effective part in the development of Ghana."

(5) " To ensure equal opportunity for all to develop their talents."

(6) " To develop the productive use of the country's resources."

(7) " To encourage investment of capital by creating confidence at home and abroad through stable and efficient administration based on government by persuasion."

(8) " To maintain an efficient and independent Civil Service free from interference and threats of victimization."

(9) " To maintain the independence of the judiciary, uphold the rule of law based on reason and natural justice, and ensure that everyone is equal before the law."

(10) " To help in the liberation of colonial territories to full independence, and in schemes for the rapid development of Africa in general and West Africa in particular."

(11) " To settle by negotiation and agreement problems created in Africa by the arbitrary imposition of imperialist frontiers."

(12) " To maintain the position of Ghana as a useful member of the British Commonwealth and of the United Nations, to build up high prestige for Ghana in the comity of nations, and to dedicate ourselves to the service of our country and humanity."

It was announced on Oct. 15 that Professor Busia would be the parliamentary leader of the United Party. The new party has 24 representatives in the Assembly, of whom 12 previously belonged to the National Liberation Movement, 11 to the Northern People's Party, and one to the Federation of Youth Organizations.

In a speech on Sept. 21, Mr. Edusei (Minister of the Interior) had alleged that members of the Opposition had offered £1,000 to certain persons to assassinate Dr. Nkrumah and members of the Cabinet. He declared that all Opposition M.P.s would be arrested and put on trial in the event of attempts on the lives of the Premier or other Ministers, and announced that the Government proposed to introduce a Bill to remove or detain persons indulging in unconstitutional and subversive activities. At a meeting on Oct. 3 Mr. Edusei gave warning that " the day an attempt is made on the life of the Prime Minister or any of the Ministers, that will be the beginning of dictatorship in this country. The Constitution will be suspended and we shall deal with them as we like."

Professor Busia denied on Oct. 13 that the Opposition were plotting the assassination of members of the Government or other subversive activities, and declared that these accusations were merely a part of the Government's plan to remain in power by intimidating the people. He added : " Discovering non-existent plots and making wild accusations against political opponents are familiar techniques employed by those who seek to establish or maintain dictatorship. The C.P.P. are obviously preparing the ground for staging an incident to lay at the door of the Opposition as a pretext for the most unprecedented acts of oppression which they have threatened."

Statements by Paramount Chiefs. - Suspension of the Okyenhene.

The two most powerful chiefs in Ghana, the Asantehene and the Okyenhene (paramount chiefs of Ashanti and Akim Abuakwa respectively) made public statements in October in reply to a letter from Dr. Nkrumah inviting them to define their attitude toward party politics.

The Asantehene—Otumfuo Sir Osei Agyeman Prempeh II, who rules over 1,000,000 Ashantis—said in a statement to the Asanteman Council (the supreme council of Ashanti chiefs) on Oct. 10 that it would be inconsistent with his role as the elected constitutional head of his people to join or support any political party ; in accordance with tradition, however, he would always follow the advice of his councillors, who were themselves elected representatives of the people, as he had done in the past.

The Okyenhene (Nana Ofori Atta II, who has 300,000 subjects in Southern Ghana) made a similar statement on Oct. 11 to the Okyeman Council, the supreme council of chiefs in Akim Abuakwa. The Council, he said, was a political body, but its political decisions were not partisan, and he therefore could not support one party against another either in Akim Abuakwa or in Ghana as a whole. " At the same time," he went on, " I cannot forget my duty as political head of the State. My duty is to seek the best interest of the people upon the advice of the Okyeman Council. I pledge myself to perform my duty without fear or favour, and irrespective of the political affiliations of any of my people." It would be his constant care, he went on, to uphold the traditions and prestige of the country, to preserve the rights of the people and the chiefs, to uphold the democratic principles enshrined in the Constitution, to watch jealously the observance of the rule of law, and " to see to it that the party in power, whichever it be, is guided by the principle that the interests of the governed are paramount."

In both Ashanti and Akim Abuakwa the majority of the chiefs had in the past supported the Opposition, and in consequence a minority group of C.P.P. supporters had boycotted the meetings of the Okyeman Council for some time. The Okyenhene in his speech appealed to this group to resume their participation in the work of the Council.

Following the Okyenhene's declaration of neutrality in political matters, the Government appointed a commission of inquiry on Oct. 16, headed by Mr. J. Jackson (a former judge of the Ghana Supreme Court), to investigate the administration of Akim Abuakwa State, and suspended the Okyenhene from the exercise of his statutory functions pending the commission's report. A conference of chiefs from all over Ghana, meeting on Oct. 17 at Dodowa, appointed a delegation to protest against the suspension of the Okyenhene ; it also passed a resolution asking for the appointment of a commission to consider the powers and functions of the proposed Houses of Chiefs in the five regions of Ghana and the various aspects of chieftainship.

Appointment of Regional Commissioners. - Ministerial Changes.

The names of the five regional commissioners appointed under the Statute Law Amendment Act, who will have ministerial rank, were announced on Oct. 16. The commissioners, all of whom are C.P.P. members of the Assembly, were Mr. L. R. Abavana, formerly Minister of Agriculture (Northern Region), Mr. C. H. Chapman, formerly Deputy Speaker of the Assembly (Transvolta-Togoland), Mr. C. De-Graft Dickson (Ashanti), Mr. H. T. Korboe (Eastern Region), and Mr. J. E. Jagan (Western Region).

Two Cabinet changes were announced on the same date, Mr. F. Y. Asare (Minister of Communications) succeeding Mr. Abavana as Minister of Agriculture, and Mr. B. Yeboah-Afari (formerly Minister without portfolio) becoming the new Minister of Communications.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 15760 A.)**

B. UNITED KINGDOM. — Rejection of Mr. P. A. Marrinan's Appeal against Disbarment.

The appeal lodged by Mr. Patrick Marrinan against the decision of the Benchers of Lincoln's Inn to disbar him was heard on Sept. 27 by a panel of five High Court judges, sitting not as a judicial but as a domestic " appeal tribunal," with Mr. Marrinan conducting his appeal in person. The tribunal announced on Oct. 27, however, that the appeal would be dismissed as there was ample evidence to justify the findings against Mr. Marrinan, and as, having regard to their gravity, he had been properly disbarred.

The judges hearing the appeal, who sat in the Lord Chief Justice's court as " visitors," were Justices Barry, Pearson, Sachs, Davies, and Ashworth.—(Times - Daily Telegraph) **(Prev. rep. 15776 A.)**

A. UNITED NATIONS. — Opening of 12th Session of General Assembly. - Sir Leslie Munro elected Assembly President. - Dr. Hammarskjöld reappointed U.N. Secretary-General. - Elections to Security Council.

The 12th session of the U.N. General Assembly opened in New York on Sept. 17, when Sir Leslie Munro (New Zealand) was elected President of the Assembly in succession to Prince Wan Waithayakon (Siam), who presided over the 11th session. Sir Leslie Munro received 77 votes on a secret ballot against one for Dr. Charles Malik (the Lebanese Foreign Minister), with three abstentions.

Prior to the vote, Dr. Malik had agreed to withdraw his candidature at the suggestion of the Mexican Foreign Minister (Dr. Padilla Nervo, himself a former President of the Assembly), who had suggested that one of the two candidates should withdraw to enable the Assembly to give "complete authority and unanimous support" to its President. Dr. Malik's gesture was warmly commended by Mr. Dulles (U.S.A.), Mr. Casey (Australia), Dr. Padilla Nervo (Mexico) and many other delegates, as well as by Sir Leslie himself, who said that he was "very conscious of Dr. Malik's magnanimity and high-mindedness."

Sir Leslie Munro (56) has been New Zealand Ambassador in Washington since 1951 and concurrently N.Z. representative at the United Nations. Born in Auckland, he graduated in law at Auckland University College and had a distinguished legal and academic career. In addition to his private law practice he lectured in Jurisprudence, Roman Law, and Constitutional Law at Auckland University College, was Dean of the Faculty of Law in 1938, and was a member of the Council of the New Zealand Law Society from 1936-39. In 1941 he became editor of the *New Zealand Herald*, a post he retained until his appointment as Ambassador in Washington. He represented New Zealand on the U.N. Security Council in 1954-55.

The chairmen of the Assembly committees, all of whom were nominated without opposition, were appointed as follows :

Political Committee	M. Jalal Abdoh (Persia).
Ad Hoc Political Committee ..	Señor Emilio Arenales Catalan (Guatemala).
Economic and Financial Committee	M. Jiri Nosek (Czechoslovakia).
Social, Humanitarian, and Cultural Committee	Frn (Mrs.) Aase Lionaes (Norway).
Trusteeship Committee .	M. Thanat Khoman (Siam).
Administrative and Budgetary Committee	Mr. W. H. J. van Asch van Wyck (Netherlands).
Legal Committee	Dr. Santiago Perez-Perez (Venezuela).

The first action of the Assembly after electing its President was to give unanimous approval to Malaya's admission to the United Nations as the 82nd member-State (see 15761 B). The relevant resolution was sponsored jointly by eight members of the British Commonwealth (Australia, Canada, Ceylon, Ghana, India, New Zealand, Pakistan, and the United Kingdom) and introduced by the British Foreign Secretary, Mr. Selwyn Lloyd. After the vote (80 to nil, with South Africa absent) Dr. Ismail bin Dato Abdul Rahman took his place as Malayan representative in the Assembly.

Elections to Security Council.

In the elections to the Security Council, held on Oct. 1, Canada, Japan and Panama were elected on the first ballot to replace Australia, the Philippines and Cuba. The membership of the Security Council thus became : Canada (until 1960), Nationalist China (permanent), Colombia (until 1959), France (permanent), Iraq (until 1959), Japan (until 1960), Panama (until 1960), Sweden (until 1959), U.S.S.R. (permanent), United Kingdom (permanent), United States (permanent).

Panama received 74 votes, Canada 72, Japan 55, and Czechoslovakia 25, the first three countries thus obtaining the necessary two-thirds majority of the countries present and voting. In addition, Argentina, Brazil, Chile, the Dominican Republic, India, Italy, and the Sudan received one vote each.

The Soviet delegation, which had supported the candidacy of Czechoslovakia, described the election of Japan as "a flagrant breach of the U.N. Charter and the London Agreement of 1946," since both the Charter and the 1946 agreement stipulated that one non-permanent seat on the Council should be reserved for an East European country. The Soviet statement said that while Panama, representing Latin America, and Canada, representing the British Commonwealth, had been elected in conformity with the "gentlemen's agreement" reached in London, the election of Japan was a "flagrant violation" of the principle of equitable geographical representation and constituted "an open discrimination against the East European countries."

Re-election of Dr. Hammarskjöld.

Dr. Dag Hammarskjöld, whose five-year term of office was due to expire in April 1958, was unanimously re-elected Secretary-General of the U.N. Organization for a further five years (until April 1963) on Sept. 26, following a unanimous recommendation to the Assembly by the Security Council. The voting on a secret ballot was 80 in favour of Dr. Hammarskjold's reappointment, with one vote invalid. The Israeli delegation was absent because of the Jewish New Year, but sent a letter supporting the re-election of Dr. Hammarskjöld. High tributes to Dr. Hammarskjöld's services to the United Nations were paid by Sir Leslie Munro, Mr. Cabot Lodge (U.S.A.), M. Kuznetsov (U.S.S.R.) and many other delegates, the Secretary-General receiving a standing ovation from the Assembly. (U.N. Information Centre, London - United Nations Review, New York - Times - New York Times)

(Prev. rep. 11th Session, 15505 A.)

B. WESTERN GERMANY. — Final Results of General Election. - Berlin Meeting of New Bundestag.

The final results of the Bundestag elections of Sept. 15 were announced by the Federal Election Commission on Oct. 1, as follows :

	Seats 1957	Seats 1953	Votes 1957	Percentage 1957	Percentage 1953
Christian Democratic Union	215	243	11,875,339	39.7	45.2
Christian Social Union	55		3,133,060	10.5	
Social Democrats ..	169	151	9,495,571	31.8	28.8
Free Democrats ..	41	48	2,307,135	7.7	9.5
German Party ..	17	15	1,007,282	3.4	3.3
All-German Bloc* ..	—	27	1,374,066	4.6	5.9
Other parties ..	·	3	702,975	2.3	4.9

*Refugee Party (B.H.E.).

†Comprising the German Reich Party, 308,564 votes (1 per cent); Federalist Union (Bavarian Party Centre Party), 254,322 votes (0.9 per cent); League of Germans, Party of Unity, Peace and Freedom, 58,725 votes (0.2 per cent); German Middle Class Party, 36,592 votes (0.1 per cent); South Schleswig Electors' Association (Danish minority), 32,262 votes (0.1 per cent); German Community, 17,490 votes (0.1 per cent); and Patriotic Union, 5,020 votes.

The electorate numbered 35,226,212, of whom 31,072,894, or 88.2 per cent, went to the polls. Under the electoral system two votes were cast by each voter, as explained in 15757 A: the first one for the candidate in his constituency, and the second one for the party list in his *Land*. Altogether 30,156,214 valid "first votes" were cast, whilst 916,680 were invalid; the total of valid "second votes" was 29,005,428, with another 1,167,468 votes invalid. The voting figures for the various parties given above all refer to "second votes."

The Saar participated for the first time in Federal elections, this being the reason for the increase in the number of seats from 487 in 1953 to 497 in 1957. Of the new deputies, 247 were elected on the constituency vote and 250 on the *Land* list vote, compared with 241 and 246 respectively in 1953.

The new Bundestag met for the first time on Oct. 15, the inaugural session taking place in West Berlin, instead of Bonn, so as to underline the Bundestag's claim to represent the entire German people. Dr. Gerstenmaier (Christian Democrat) was re-elected President of the Bundestag by 437 votes to 54. (Frankfurter Allgemeine Zeitung - Der Tagesspiegel, Berlin)

(Prev. rep. 15757 A.)

C. EASTERN GERMANY - SOVIET UNION. — Three-year Trade Agreement. - Soviet Credits to Eastern Germany. - Commerce and Navigation Treaty.

Following negotiations held in East Berlin from Sept. 9-27, it was announced on Oct. 1 that Eastern Germany and the Soviet Union had signed (*a*) a three-year trade agreement covering the years 1958-60; (*b*) an agreement on Soviet credits to the German Democratic Republic; and (*c*) a treaty of commerce and navigation.

The trade agreement provided for a total volume of trade during the three-year period of about 20,000,000,000 roubles on the basis of present world market prices. It laid down the goods and commodities which would be supplied by either side on the lines earlier agreed upon (see 15785 A).

Under the protocol on Soviet credits, the U.S.S.R. undertook to grant the East German Government during 1958 a 300,000,000-rouble credit in foreign exchange and a 400,000,000-rouble credit in connexion with the supply of goods. Both credits will bear interest at 2 per cent per annum and will be repaid within five years from Jan. 1, 1961. Repayment will take the form of East German deliveries of goods to the U.S.S.R.

Under the treaty of commerce and navigation both countries granted each other most-favoured-nation treatment. The treaty comes into force on the exchange of ratification instruments, and will be valid for an indefinite period until one side gives six months' notice of termination.

The conclusion of these agreements implemented the decisions taken by the two Governments during the visit of the Soviet ministerial and party delegation to East Berlin in August.—(Neues Deutschland) **(Prev. rep. 15785 A.)**

A. PAKISTAN. — Resignation of Mr. Suhrawardy. - New Cabinet formed by Mr. Chundrigar. - Elections to be held in November 1958.

Mr. Suhrawardy, the Prime Minister of Pakistan, resigned on Oct. 11 following a decision by the Republican Party on the previous day to withdraw its support from the Coalition Government. Although Mr. Suhrawardy asked President Mirza to convene a meeting of the National Assembly on Oct. 24 to enable him to seek a vote of confidence, which he claimed he could still obtain, President Mirza declined to follow this course, being unconvinced by Mr. Suhrawardy's argument. Mr. Suhrawardy thereupon resigned "in deference to the wishes of the President," but agreed to stay in office pending the formation of a new Government.

The decision of the Republicans to withdraw their support from Mr. Suhrawardy followed his refusal to act upon the resolution, recently adopted by the West Pakistan Legislative Assembly, which called for the breaking-up of West Pakistan as a single unit and its reconstitution as a sub-federation of four provinces; although this resolution had been passed with the votes of the Republicans and the National Awami League members (see 15775 A), President Mirza had publicly supported Mr. Suhrawardy's stand at the time.

After consulting with various party leaders, President Mirza on Oct. 17 commissioned Mr. I. I. Chundrigar, Parliamentary leader of the Moslem League, to form a new Government. The official communiqué described Mr. Chundrigar as "leader of the Coalition Party," thereby giving the first official indication that agreement had been reached between the Moslem League and the Republicans on the basis for a new administration.

The membership of the new Government, which was also supported by the *Krishak Sramik* (Peasants and Workers) and the *Nizam-i-Islam* parties, was announced on Oct. 19 and 23 as follows:

Mr. Ismail Ibrahim Chundrigar (Moslem League) ..	Prime Minister, Economic Affairs and Rehabilitation.
*Malik Firoz Khan Noon (Republican)	Foreign Affairs and Commonwealth Relations.
Mr. Fazlur Rahman (Moslem League) . ..	Commerce and Law.
*Syed Amjad Ali (Republican)	Finance.
Mian Mumtaz Mohammad Khan Daultana (Moslem League)	Defence.
Mr. Mozaffar Ali Khan Qizilbash (Republican) ..	Industry.
Mr. Farid Ahmed (*Nizam-i-Islam*)	Labour.
Mr. Abdul Latif Biswas (*Krishak Sramik* party) ..	Food and Agriculture.
*Mir Ghulam Ali Talpur (Republican)	Interior.
Syed Misbahuddin Husain (*Krishak Sramik* party) ..	Communications.
†Mian Jaffar Shah (Republican)	States and Frontier Regions. Information, and Broadcasting.
Mr. Abdul Aleem (Republican)	Works.
Mr. Yusuf Haroon (Moslem League)	Kashmir Affairs and Parliamentary Affairs.
Mr. Lutfur Rehman Khan (*Krishak Sramik* party) ..	Health and Education.

*Held same portfolio in Suhrawardy Cabinet.
†Held different portfolio in Suhrawardy Cabinet.

Mr. H. M. Soomro (Republican) and Mr. A. Kumar Das (Independent) were appointed Ministers of State, the former for Rehabilitation. Mr. Das's portfolio will be announced later.

The Cabinet thus consists of seven Republicans, four members of the Moslem League, three of the *Krishak Sramik* party, one of the *Nizam-i-Islam* party, and one Independent.

Mr. Chundrigar (60), who graduated in law at Bombay University, was a member of the Ahmedabad Municipal Council from 1924-27 and was elected to the Bombay Legislative Assembly in 1937. President of the Bombay Provincial Moslem League from 1940-45, and a member of the Working Committee of the All-India Moslem League, he was appointed Minister of Commerce when the Interim Government of India was set up in 1946. After the formation of Pakistan in 1947 he became Minister for Commerce, Industries, and Works in the first Pakistani administration. He was Pakistani Ambassador to Afghanistan from 1948-50, Governor of the North-West Frontier Province in 1950-51, and Governor of the Punjab from 1951-53. In August 1955 he became Law Minister in the Government of Chaudri Mohammad Ali, in which capacity he played a prominent part in piloting the new Pakistan Constitution through its final stages. Since the formation of Mr. Suhrawardy's Government he had been Leader of the Opposition.

Of the other new Ministers, Abdul Latif Biswas and Lutfur Rehman Khan had been respectively Minister of Food and Agriculture and Minister of State for Finance in the Cabinet of Chaudri Mohammad Ali. Mr. Yusuf Haroon is a former High Commissioner in Australia, whilst Mr. M. A. K. Qizilbash was formerly Minister of Industries, Labour, Commerce, and Village Aid in the West Pakistan Provincial Government. Mr. Fazlur Rahman was Minister of Education and Commerce in the Liaquat Ali Khan and Nazimuddin Cabinets.

The Ministers leaving the Government were, in addition to Mr. Suhrawardy, Mr. Abdul Mansur Ahmed, Mr. Abdul Khaleque, Mr. Dildar Ahmad, Mr. Zahiruddin (all belonging to the Awami League) and Mr. Mandal (Scheduled Castes Federation). Sardar Amir Azam Khan (Republican), Minister of Information, Broadcasting, and Parliamentary Affairs, had previously resigned on Aug. 30 in protest against the dismissal of Mr. Gurmani as Governor of West Pakistan.

Mr. Chundrigar announced on Oct. 17 that two of the principal points in his Government's domestic programme would be (*a*) the replacement of the present system of joint or non-communal electorates by one of separate communal electorates, and (*b*) the maintenance of the present "one-unit" system of government in West Pakistan until after the general elections, which it was hoped would be held in November 1958 (see below).

In a broadcast on Oct. 18 Mr. Chundrigar declared that his Government's external policy would rest on four bases: (i) adherence to the U.N. Charter; (ii) adherence to the Baghdad and SEATO pacts; (iii) "unity and brotherly relations" among the Moslem countries; (iv) "abhorrence of colonialism and imperialism in every shape and form."

Referring to Indo-Pakistani relations, Mr. Chundrigar deplored India's attitude on Kashmir; declared that his Government would uphold the right of Kashmiris to determine their future in accordance with their conscience; and accused India of "having tried to thwart and stultify all efforts to enable the people of Kashmir to do so," whilst at the same time adopting "other methods with a view to bringing about the gradual integration of the State with India." Appealing to "world conscience, and particularly to all freedom-loving countries and Pakistan's friends," to expedite a solution of the Kashmir problem, Mr. Chundrigar declared that the sooner this dispute and the canal waters dispute, which posed "a life and death problem for Pakistan," were resolved, the sooner Indo-Pakistani relations would be placed on a stable and friendly basis. Friendship between the two countries was essential, he added, if they were to make the maximum use of their limited resources for raising the living standards of their peoples.

Internally, he declared, Pakistan faced a grave economic crisis because of continued inflation, and his Government would take every measure to check it. He also announced that the Government was likely to be expanded within a short time, and said that the Awami League had not joined the Coalition because of "ideological differences" on the electorate question and its opposition to the Government's plan to reintroduce separate electorates. As regards the status of West Pakistan, no action would be taken to dismember the "one-unit" administration until after the general elections.

In the National Assembly the Republicans have at present 23 members, the Moslem League 12, the *Krishak Sramik* party 7, and the *Nizam-i-Islam* party 3. The Awami League, now in opposition, has 13, and the National Awami party 4. Of the other parties (all based on East Pakistan), the Pakistan National Congress has four members, the Scheduled Castes Federation two, and the United Progressive Parliamentary party one. There are nine Independents, whilst two seats are vacant.

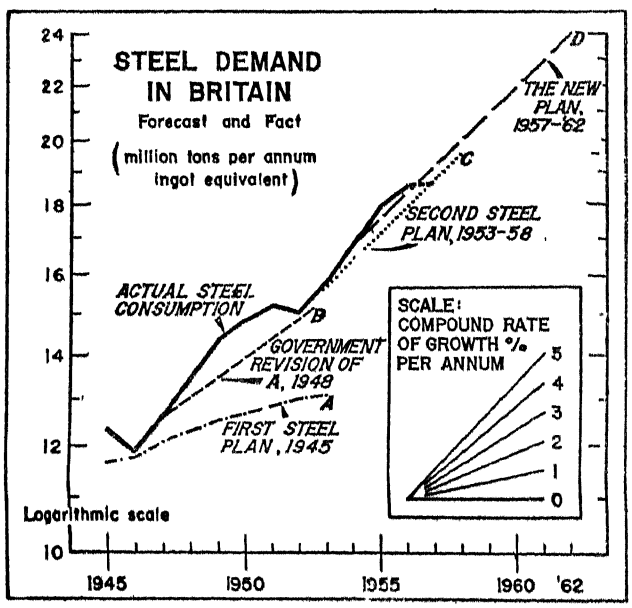
It was announced on Oct. 19 that five (out of the nine) Independent members of the National Assembly had formed a parliamentary group under the leadership of Chaudri Mohammad Ali, the former Prime Minister. Three members representing the tribal areas in West Pakistan had previously (Aug. 24) resigned from the Republican Parliamentary Party to sit as Independents supporting Mr. Suhrawardy.

The Election Commission had announced on Sept. 30 that it felt that general elections should be held "at the earliest suitable time after the rains," and that it was working towards a polling date in the first week of November 1958. This announcement followed a meeting of party leaders in the National Assembly, convened by Mr. Suhrawardy, at which the Commission stated that it was "humanly impossible" to go to the polls by May 1958, by which time either the rainy or the hot seasons would have begun in the two sections of the country. The Election Commission had previously declared on Aug. 4 that it would be impossible to hold elections in March 1958, as had originally been intended.—(Pakistan High Commissioner's Office, London - Times) **(Prev. rep. 15187B; 15112 A; West Pakistan, 15775 A; Elections, 15677 A.)**

A. UNITED KINGDOM. — Steel Industry. - New Five-Year Development Plan. - Production Figures. - Scottish Plant Extension Scheme.

A review of the iron and steel industry's development plans for the five-year period 1958-62 was contained in a special report by the Iron and Steel Board to Lord Mills, the Minister of Power, published on July 25. The plans involved a total expenditure of about £600,000,000, or an average of about £120,000,000 a year.

The Board considered that the industry should aim at a productive capacity of 29,000,000 ingot tons annually, compared with an actual output of 20,559,000 tons in 1956 and an estimated demand for 22,500,000 tons by 1958. Of the 1962 figure, 24,000,000 tons would be for the home market and 5,000,000 tons for export. The Board believed that this aim could be achieved, since proposals already approved should raise productive capacity to 28,000,000 tons by 1962 and other proposals now under consideration should, if approved, add another 1,000,000 tons. The proposals not yet finally determined included major developments by Richard Thomas and Baldwins Ltd., comprising a new iron and steel works at Newport and extensions of existing works at Ebbw Vale (S. Wales) and Redbourne (Lincolnshire).



(*Economist*)

The principal requirements for the future were listed by the Board as follows:

(1) Greater exploitation of English orefields and expansion of home production of pig-iron, to avoid too great a dependance on imports. The Board estimated that pig-iron production might rise to 19,000,000-20,000,000 tons by 1962, requiring about 21,000,000-22,000,000 tons of indigenous ore and 22,000,000-23,000,000 tons of imported ore. The report stated that home ore producers planned to increase production from 16,250,000 tons in 1956 to about 22,000,000 tons in 1962, whilst surveys now being carried out in the Oxfordshire orefield might enable even this rate to be improved on. Further expansion would probably come from orefields in Northamptonshire and Lincolnshire. The principal home ore producers, Stewarts and Lloyds and the United Steel Companies, were proceeding immediately with a survey of the reserves north of the River Welland in Northamptonshire, but considered that no ore from this source would be available by 1962. Difficulty over imported ore was increasing because of growing competition, and Britain was having to look further afield for her supplies.

(2) Replacement of obsolete iron- and steel-making capacity. The Board explained that although the amount of really obsolete plant remaining by 1962 would be small, this should be replaced as soon as possible, since some of it was barely economic even today.

(3) More capacity for producing semi-finished steel and finished products such as steel sheet and tinplate. The Board stated that there was "clear need for further capacity" in semi-finished steel, and that although supplies of the principal finished steel products should in most cases be adequate to meet demand in 1962, there would "rarely be much margin." The industry and the Board agreed that at some stage a new hot strip mill for making sheet and tinplate would be needed, but differed as to when this should be undertaken; the industry believed that the Board had overestimated the demand for sheet and tinplate in 1962, and that construction should be postponed until the position was clearer. Developments already approved should increase steel plate capacity by nearly 60 per cent above the 1956 output and should be adequate to meet the 1962 demand, whilst supplies of heavy steel sections should improve substantially from the end of 1957.

As to finance, the Board stated that projects already approved were likely to involve the industry in capital expenditure within the next five years of £350,000,000, whilst orders under contemplation - including minor schemes not requiring the Board's consent - might bring the total to about £500,000,000. In addition, further works, designed to come into operation after 1962, would be begun during the period, so that the industry's total expenditure was unlikely to be less than £600,000,000 at present prices. This would mean maintaining a capital expenditure rate of £120,000,000 a year (compared with £76,000,000 in 1956), the greater part of which would come from internal savings within the industry. The remainder would have to be raised from external sources, and the difficulties which might arise from credit restrictions were now being discussed with the authorities concerned.

Discussing the steel industry's achievements and its position *vis-à-vis* the steel industries of other countries, the Board stated that in the five years to Dec. 31, 1956, crude steel output in Britain had increased by 32 per cent (compared with an increase of only 7 per cent in the number of steel workers), whilst the least efficient British firm could make steel plates at £50 a ton, compared with the price for imported plates of £70 a ton. In proportion to their resources Britain and some European countries were now spending on steel as much as, or slightly more than, the U.S.A., where, in proportion to the country's size, production had been growing more slowly than in the United Kingdom. The report added that home demand for steel in 1958 seemed likely to be much as expected, but that export demand appeared likely to be higher; in this connexion it referred to the continuing demands at home of the shipbuilding industry and of the atomic energy and railway modernization programmes, and to the special prospects in the export market for oil pipe-line and tinplate.

The report concluded by speaking of the "many new processes and improved techniques" developed by the world's iron and steel industries in the past few years. It declared that although none of these appeared likely to revolutionize the industry in the immediate future, it might well be that the next 10 or 15 years would see "more technical change than there had been so far in this century." The Board considered it improbable, however, that a large-scale application of nuclear energy would be practicable in the industry in the near future, except through the generation of electricity, since present reactor types could not be allowed to attain useful steelmaking temperatures. Nor did it foresee any serious problems of labour redundancy as a result of automation, since there would remain so many operations which would have to be done manually that even the fullest degree of automatic control would not save much labour.

Detailed figures of iron and steel production in Britain in the second and third quarters of 1957 are given below:

	1957		1956	
	Weekly Average Tons	Annual Rate Tons	Weekly Average Tons	Annual Rate Tons
Steel Ingots and Castings.				
April	430,000	22,360,000	421,100	21,896,000
May	443,200	23,046,000	396,400	20,612,000
June	418,700	21,771,000	379,700	19,744,000
July	362,500	18,848,000	326,400	16,971,000
August	373,400	19,417,000	340,600	17,712,000
September	438,200	23,789,000	417,000	21,686,000
Pig-Iron.				
April	277,400	14,425,000	254,300	13,225,000
May	283,500	14,742,000	246,500	12,820,000
June	274,600	14,282,000	239,600	12,459,000
July	263,400	13,695,000	240,300	12,498,000
August	272,500	14,169,000	235,900	12,265,000
September	282,700	14,698,000	252,500	13,131,000

Developments in the iron and steel industry in recent months are summarized below:

Price Increases. In consequence of higher costs of coal, coke, transport, scrap, and imported ore, maximum prices of iron and steel products were increased from July 29 by an average of £1 per ton, or about 7½ per cent. From the same date maximum prices of iron and steel scrap were also raised by about £1 per ton, equivalent to about 10 per cent.

Import Duties. The Board of Trade announced on Aug. 8 that the suspension of import duties on a wide range of steel products, including iron and steel plates, would be continued for a further six months from March 18, 1958 - i.e. until Sept. 18, 1958.

Plant Expansion. Sir Andrew McCance, chairman of Colville's Ltd., announced on July 17 details of a further major development programme, estimated to cost £32,000,000 and to take four years to complete. The project—the second stage of the expansion programme begun in 1954 (see 13732 A)—had already been approved by the Iron and Steel Board and the British Iron and Steel Federation and comprised: (1) a second blast furnace and a duplicate set of coke ovens at the Ravenscraig works; (2) the replacement of the Dalzell slabbing and plate mills and the plate mill at the Clydebridge works by modern mills, in order to increase annual output of steel plates from 600,000 tons to 800,000 tons; (3) concentration of special and alloy steel production at Motherwell. Sir Andrew added that the first stage of the firm's development programme had virtually been completed, and that the second stage, now announced, would enable Colville's to produce an extra 300,000 tons of steel a year.

The South Durham Steel and Iron Co., Ltd. announced on Oct. 3 that the Minister of Housing and Local Government had approved its plan to build a large new steelworks on the site of West Hartlepool's civic airport at Greatham, Co. Durham (see 15593 A).

The Iron and Steel Realization Agency announced on Sept. 10 that it had sold its holding of the entire capital of Raine and Company to Cyril Kieft and Company and Close Brothers for £400,000. The Agency's investment in Raine and Co. was £393,232, represented by compensation under the Iron and Steel Act. -(Times - Daily Telegraph - Manchester Guardian - Financial Times) **(Prev. rep. 15593 A.)**

A. CIVIL AVIATION. — New Airline Company for Malaya, Singapore, Sarawak, North Borneo and Brunei.

The Singapore Minister for Communications and Works, Mr. Francis Thomas, announced in the Colony's Legislative Assembly on Oct. 16 that agreement had been reached on the conversion of Malayan Airways Ltd. (a company incorporated in Singapore) into a public limited liability company in which B.O.A.C., Qantas Airways, and the Governments of Singapore, the Malayan Federation, and the British territories of North Borneo, Brunei, and Sarawak would have shares.

It was proposed that the company's capital should be 8,000,000 Malayan dollars; that B.O.A.C. and Qantas together should hold 51 per cent in roughly equal shares; that the Malayan Federation, Singapore, and the three other Governments together should each subscribe 500,000 Malayan dollars of the capital; and that the remainder of the shares should be offered for public subscription. The Governments would have three directors on the company's Board.

The agreement would run until 1967, with a monopoly for the company for seven years; after that time a new Borneo subsidiary of B.O.A.C. (Borneo Airways Ltd.) was expected to operate between Malaya and Borneo, whilst a Malayan company might operate services within Malaya.

The new company had undertaken that at least four-fifths of its employees, all the operating crews, and all the directors would be British subjects or citizens of the Federation or of Singapore. It would provide training and promotion schemes to ensure the fullest practicable employment and advancement of locally domiciled staff possessing the appropriate basic qualifications, compatible with the maintenance of proper standards of safety and efficiency. [At present nearly one-quarter of the air crews and nearly half the ground staff are Malayan.]

The existing Malayan Airways Ltd. runs services between Singapore and all parts of the mainland of Malaya and British North Borneo, as well as flights to Bangkok and Sumatra. Its concession expires on Nov. 30, 1957.—(Times)

B. JAMAICA. — Cabinet System to be introduced.

In the Speech from the Throne on March 14, the Captain-General and Governor of Jamaica (Sir Hugh Foot) announced proposals for virtual self-government and the introduction of a Cabinet system in Jamaica during the present year.

It was proposed that a Council of Ministers should replace the existing Executive Council, and that it should consist of nine members of the House of Representatives and three from the Legislative Council (the Upper House of the Legislature), making a total membership of 12, compared with 15 in the present Executive Council. The three official members of the latter body—the Colonial Secretary, the Financial Secretary, and the Attorney-General—would not belong to the Council of Ministers; the first two would relinquish their seats in the Legislative Council, whilst the Colonial Secretary's title would be changed to Chief Secretary.

Sir Hugh pointed out that the proposals had been put forward in the spring of 1957 because it was unlikely that general elections would be held until after the Federal elections, and as it was considered that these important steps to self-government should not be delayed. The general revision of the Constitution, on the other hand, should wait for the enlargement of the House of Representatives.

The Governor's proposals were endorsed by the Legislative Council on May 2 and by the House of Representatives on July 3. The Chief Minister (Mr. Norman Manley) announced on Sept. 26 that Mr. Lennox-Boyd, the U.K. Colonial Secretary, had approved the constitutional changes and that draft Orders-in-Council implementing them would be submitted to the Queen in due course.—(Times) **(Prev. rep. 12931 C.)**

C. UNITED STATES. — New York Census.

Final results of the special census in New York City, published on Oct. 8, showed that the city's population was 7,795,471, a drop of 96,486 (1.2 per cent) since 1950. The census was taken in the spring at the request of the civic authorities.—(New York Times) **(Prev. rep. 15705 B.)**

D. UNITED KINGDOM. — Travel Allowances. - Corrigendum.

The last sentence of 15808 C should correctly read as follows: "There are allowances of £35 and £15 for cars and motor-cycles respectively." (Ed. K.C.A.)

E. UNITED KINGDOM. — Ipswich By-election.

The Ipswich by-election, caused by the death of Mr. Richard Stokes (Labour), was held on Oct. 24 with the following result:

Foot, Dingle (Labour)	26,898
Cobbold, John C. (Conservative)	19,161
Sykes, Miss Manuela (Liberal)	12,587
No change. Labour majority	7,737

Figures at the general election were . R. R. Stokes (Lab.) 32,306; J. C. Cobbold (C.) 28,724—Labour majority, 3,582.

The Labour candidate received 45.9 per cent of the votes, the Conservative candidate 32.7 per cent, and the Liberal candidate 21.4 per cent, whereas at the general election Mr. Stokes received 52 9 per cent and Mr. Cobbold 47.1 per cent in a straight fight. The Labour proportion of the poll thus dropped by 7 per cent and the Conservative proportion by 14 per cent. The Liberals had not contested Ipswich since 1950, when they polled 8,340 votes.

77.5 per cent of the electorate went to the polls, compared with 80.5 per cent at the general election. The total electorate numbered 77,621 an increase of 1,829 since the general election.

Mr. Richard Rapier Stokes (60) died on Aug. 3, a fortnight after he had been badly injured in a motor accident.

Educated at Downside (the Roman Catholic public school), he fought on the Western front in the First World War, winning the M.C. and bar and the French *Croix de Guerre* and being gazetted major at the age of 20. After the war he went to Trinity College, Cambridge, where he gained a Rugby blue, and subsequently entered the family engineering business of Ransome and Rapier, of which he became chairman and managing director when 30 years of age. He joined the Labour Party in 1935, unsuccessfully contested Glasgow Central, but was returned for Ipswich at a by-election in 1938 and represented that constituency until his death. One of the most forceful and independent-minded back-benchers, he was a vigorous critic of the Churchill Government during the war for its alleged inefficiency in the supply of tanks. He remained a back-bencher from 1940-50, during which period he frequently criticized the Labour Government's policy in Germany and the Middle East, but served as Minister of Works in 1950 and as Lord Privy Seal and Minister of Materials in 1951. In the latter capacity he went to Persia to negotiate with Dr. Mossadeq during the Abadan oil crisis. During the last months of his life Mr. Stokes had expressed strong criticism of the Labour Party's nationalization policy on the ground that it was too "doctrinaire." A bachelor, he was a devout member of the Roman Catholic Church throughout his life, and a prominent Catholic layman.

Mr. Dingle Foot, Q.C. (52) was Liberal M.P. for Dundee from 1931 to 1945 and Parliamentary Secretary to the Ministry of Economic Warfare from 1940 to 1945. He joined the Labour Party in 1956 (see 15007 B). He is a brother of Mr. Michael Foot, editor of *Tribune* and Labour M.P. for Devonport before the last general election, and of Sir Hugh Foot, Governor-designate of Cyprus (see 15815 B) and Captain-General and Governor of Jamaica since 1950.—(Times - Daily Herald) **(Prev. rep. By-elections, 15756 B.)**

F. MEDICAL RESEARCH. — Development of Vaccine against Common Cold Virus.

Dr. Winston H. Price, director of the division of medical ecology at Johns Hopkins University (Baltimore, U.S.A.), announced on Sept. 18 that he had developed a successful vaccine against a major common cold virus, following experiments covering a two-year period.

Dr. Price (who is 33) explained that a virus causing 30 per cent of common colds had been isolated in 1954 during researches on influenza, but no announcement had been made at the time because "we wanted to make sure we really had a common cold virus." In the course of subsequent researches a vaccine had been developed against this virus (known as the JH virus after John Hopkins University), and it had been successful in 88 per cent of 400 cases inoculated in a series of controlled tests extending over two years. The vaccine had been grown in monkey kidney tissue and then killed with formaldehyde (a procedure that had been used for many other vaccines), and those inoculated had suffered no ill effects or discomfort. The vaccine would give protection against the common cold caused by the JH virus for a minimum period of eight months. The viruses accounting for the other 70 per cent of common colds had not been isolated.

It was stated by Dr. Price that the colds caused by the JH virus were "the ordinary common or garden variety, bothersome but not particularly severe."—(New York Times)

G. LIBYA. — Egyptian Arms Supplies.

A Libyan Foreign Ministry spokesman announced on Oct. 15 that a quantity of arms, consisting of armoured cars, light weapons and ammunition, had been presented by Egypt to the Libyan Royal Guard as a "symbol of Arab solidarity." A military mission had also arrived in Libya to train the Royal Guard in the use of the arms.—(Times) **(Prev. rep. 14988 A.)**

A. YUGOSLAVIA. — Publication of M. Djilas's "The New Class." - M. Djilas sentenced to Seven Years' Imprisonment for Anti-State Propaganda. - M. Dedijer refused Permission to leave Yugoslavia.

An English translation of a book by M. Milovan Djilas (the former Vice-President of Yugoslavia) entitled *The New Class*, in which he strongly criticized the Communist system, was published in New York during August and subsequently in London. M. Djilas had written this work, which was smuggled out of Yugoslavia, during the period between his first trial for propaganda against the State in January 1955, when he was given a suspended sentence of 18 months' imprisonment, and his second trial on the same charge in December 1956, when he was sentenced to three years' imprisonment. The book was bitterly attacked by *Borba* (the official Yugoslav Communist organ), its import and distribution inside Yugoslavia being banned on Sept. 5. Foreign periodicals publishing the text of the book or extracts from it were also banned.

M. Djilas, while writing as a convinced Socialist, made a scathing indictment of Communism in *The New Class*, which attracted wide attention on its publication in Britain and America. Extracts from reviews of the book in the *Times Literary Supplement* and *The Observer* are given below :

The *Times Literary Supplement* described *The New Class* as "a uniquely important document" for two reasons : "Mr. Djilas is by far the most important defector so far from the Communist cause ; and the language of his recantation is by far the most categorical and uncompromising so far used by anyone qualified to subject Communism to serious criticism."

"The main point made in *The New Class*," said the review, "is that which gives the book its title : that so-called Communism, once it comes to power, tends to abolish itself and to give place to a tyranny of expert political managers, such as Stalin and Khrushchev, who acquire exclusive control of the national property, and thus constitute a new 'class' . . . Communism in the strict sense is therefore doomed to extinction, though Marxism, being also represented by democratic Socialism, is not. In fact, when the great schism came between Communists and Social Democrats, it was, according to Mr. Djilas, the former and not the latter who chose the wrong road, leading to a dead end . . ."

The Observer's review said : "The main ideas of the book . . . can be quickly summarized. Communism has come to power not as the movement of the working class in advanced industrial countries, but as an engine for the industrial modernization of under-developed countries where the native *bourgeoisie* was too weak, too dependent on feudal landowners and foreign capital, to fulfil this historic function. In those conditions the task could be performed only by an anti-capitalist and anti-imperialist force seizing State power, and using it for the unique purpose not of freeing a new society from traditional political shackles, as earlier revolutions had done, but of *creating* a new society. Hence the use of political compulsion proved not a passing phase of the struggle for power, but a permanent characteristic of the new regime ; the revolution ended in a rigid, totalitarian despotism, based on an unprecedented monopoly of political, economic and spiritual power in the hands of the revolutionary party, or rather of its bureaucratic oligarchy.

"Yet this monopoly of power gives to the party bureaucracy exclusive control over the means of production, i.e. the position of a ruling class in the strict Marxian sense : not being accountable to the mass of the producers who have no way of removing them, the Communist oligarchy are described by Djilas as the 'collective owners' of the apparatus of the economy, directing it as they think fit and enjoying its fruits like any privileged class. As such, they cease to have any progressive function once the task of industrialisation has been accomplished and are no longer interested in anything but the defence of their own power. In this phase of decline, though the revolutionary faith has died, its dogma is maintained as a justification of the power and privilege of the collective rulers. Territorial conflicts arise among the different 'national Communist' bureaucracies about their respective jurisdiction, but remain ultimately subordinate to the common interest in preserving their rule ; reforms are attempted to prevent the masses from revolting, but remain limited to insignificant dimensions by the unchanging power structure, and liable to be withdrawn at will.

"The book ends with an assertion of faith in the superiority of free societies, in which social control by the people—the true aim of Socialism—is advancing in many different forms while it remains unrealisable in Communist States . . ."

The publication of *The New Class* was followed on Oct. 4 by M. Djilas's third trial for spreading hostile propaganda against the State. The trial took place at Sremska Mitrovica, where he was serving the prison sentence imposed at his previous trial.

The indictment alleged that in *The New Class* M. Djilas had conducted "slanderous propaganda" against the Yugoslav State, and its social organization and constitutional institutions, with the intention of endangering the Socialist basis of the State, and had undermined Yugoslavia's reputation and interests abroad. "The statements of the accused that he only wished to make an objective criticism of the situation in our country, without any desire to act in a destructive way, has no foundation," the indictment added. "On the contrary, the book clearly reveals not only the writer's hostile attitude towards Socialism and the present constitutional order in Yugoslavia, but also his intention to mobilize all the enemies of the social order at home and abroad for action against the Socialist system and against Yugoslavia's political interests abroad."

The prosecutor asked that the trial should be held *in camera* "to eliminate the possibility that material from the trial might be used for propaganda against the social system and against Yugoslav interests." This was opposed by counsel for the defence (M. Kovacevic), who maintained that a secret trial would damage Yugoslavia in the eyes of foreign opinion. M. Djilas himself, who declared that he stood by every word of his book, also protested against being denied the right to reply publicly to the charges against him, and announced that he would refuse to answer any questions if the trial were held in secret. The judge granted the prosecutor's request and the trial was accordingly held *in camera*.

M. Djilas was found guilty on Oct. 5 and condemned to seven years' imprisonment, in addition to the three years' sentence he was already serving. He was also sentenced to five years' loss of civil rights after his release and to deprivation of all his decorations, including the wartime honour of "people's hero."

M. Vladimir Dedijer, a former member of the Central Committee of the League of Communists, and a friend of M. Djilas, was refused permission on Sept. 21 to leave Yugoslavia to take up a fellowship at Manchester University, where he was to have delivered lectures on the partisan war in Yugoslavia. M. Dedijer had been tried with M. Djilas in January, 1955, and given a suspended sentence of six months' imprisonment. During a two-months' tour of Northern and Western Europe in the spring of 1957 he gave a series of lectures in which he criticized the policy of the Soviet Union, his views being subsequently repudiated by the Yugoslav Government in an official statement. (Tanjug Agency, Belgrade - Times - Manchester Guardian - Observer - Times Literary Supplement) **(Prev. rep. M. Djilas, 15273 B ; M. Dedijer, 15258 A.)**

B. DENMARK - SOVIET UNION. — Expulsion of Attachés in Copenhagen and Moscow.

M. Sergei Smirnov, an assistant to the Soviet military attaché in Copenhagen, was expelled from Denmark on Oct. 2 for "activities incompatible with diplomatic procedure." In a strong protest Note on Oct. 13 the Soviet Government denied the allegation, and at the same time expelled Mr. Ranck, the Danish agricultural attaché in Moscow. The Danish Prime Minister, Mr. H. C. Hansen, thereupon disclosed on the same date (Oct. 13) that M. Smirnov had been expelled from Denmark because he had attempted to obtain secret defence information from a Danish radar worker. Mr. Hansen expressed his astonishment at the Soviet demand for the withdrawal of Mr. Ranck, declaring that the latter had committed no illegal act against the Soviet Union, that there was therefore no logical connexion between the two expulsions, and that the expulsion of Mr. Ranck was "clearly a mere reprisal."

M. Smirnov was the third Soviet diplomat to be expelled from Denmark during 1957, following the expulsion of one of the two Soviet military attachés in January last and of the Soviet assistant naval attaché in February.
(Berlingske Tidende, Copenhagen) **(15376 D ; 15434 C.)**

C. CHINA. — Opening of Yangtse Road-Rail Bridge.

The new road and rail bridge over the Yangtse River, construction of which began in 1955, was opened to traffic on Oct. 15. The largest bridge in China, and one of the largest in the world, it crosses the Yangtse at Hankow, has a main span of 3,800 feet, and is carried across the river on eight piers. The bridge is of "double-decker" construction—a lower level for trains and an upper level for motor-cars and pedestrians. One of the most important communications projects in China's current Five-Year Plan, it links the rail systems of North and South China and, for the first time, makes through rail traffic possible between Peking and Canton. Formerly rail passengers between North and South China had to cross the Yangtse by ferry, involving several hours' delay.—(New York Times)
(Prev. rep. 14403 A.)

D. NEW ZEALAND. — Population Figures.

A report recently published by the N.Z. Department of Statistics gave the population of New Zealand at June 30, 1957, as 2,229,437, including 248,840 Maoris.
(The Dominion, Wellington) **(Prev. rep. 15168 D.)**

OCTOBER 26—NOVEMBER 2, 1957

A. UNITED KINGDOM - UNITED STATES - CANADA — Mr. Macmillan's Visits to Washington and Ottawa. - Discussions with President Eisenhower and Mr. Diefenbaker. - Anglo-American "Declaration of Inter-dependence." - President Eisenhower to attend Paris Meeting of North Atlantic Council.

The British Prime Minister, Mr. Harold Macmillan, paid a three-day visit to Washington from Oct. 23-25 for discussions with President Eisenhower, in which Mr. Dulles, Mr. Selwyn Lloyd, and senior officials of both countries took part.

Mr. Macmillan had issued a statement on Oct. 17 announcing that he would be visiting Washington the following week to discuss with President Eisenhower "world problems which are of active concern to both of us." The statement added: "This meeting will be in the tradition of the many talks which have taken place between our two Governments. I expect that it will be one of several which we will have with our American friends and with other friendly Governments in the coming months."

President Eisenhower also issued a statement on the same day saying that Mr. Macmillan's visit would "provide an opportunity for useful talks with an old and trusted friend," and adding: "Mr. Macmillan's visit reflects the practice of free countries to consult as often as circumstances require. I hope that there will soon be occasions when I and my colleagues can meet with leaders of other free countries associated with us for similar discussions."

Mr. Macmillan left London Airport for Washington on Oct. 22, accompanied by Sir Edwin Plowden (chairman of the U.K. Atomic Energy Authority), Sir Norman Brook (Joint Permanent Secretary to the Treasury), Sir Richard Powell (Permanent Secretary to the Ministry of Defence), Sir William Hayter and Sir Patrick Dean (of the Foreign Office) and other officials. The Foreign Secretary, Mr. Selwyn Lloyd, was already in the United States, where he had been attending the 12th session of the U.N. General Assembly; Mr. Lloyd had also been in attendance on the Queen during her American tour (see 15828 A), which ended a few hours before Mr. Macmillan's departure for Washington.

Shortly after Mr. Macmillan's arrival on Oct. 23 Mr. Dulles visited the British Embassy for discussions with the Prime Minister and Mr. Selwyn Lloyd, described by the State Department as "a general review of world affairs and an appraisal of the political and military considerations involved." President Eisenhower, Mr. Macmillan, Mr. Dulles and Mr. Selwyn Lloyd opened their talks at the White House the same evening, the discussions lasting over three hours.

At the White House conference in the morning of Oct. 24 President Eisenhower and Mr. Dulles were joined by Mr. McElroy (the U.S. Secretary of Defence), Mr. Quarles (Deputy Secretary of Defence), General Twining (chairman of the U.S. Joint Chiefs of Staff), Admiral Strauss (chairman of the U.S. Atomic Energy Commission), and the U.S. Ambassadors in London and Ottawa, respectively Mr. John Hay Whitney and Mr. Livingston Merchant. Mr. Macmillan and Mr. Selwyn Lloyd were joined by Sir Edwin Plowden, Sir Norman Brook, Sir Richard Powell, Sir William Hayter, Sir Patrick Dean, Admiral Sir Michael Denny (head of the British Joint Services Mission in Washington), and Sir Harold Caccia, H.M. Ambassador in Washington.

A statement was issued after the meeting announcing (1) that President Eisenhower and Mr. Macmillan had decided to set up two study groups, one headed by Admiral Strauss and Sir Edwin Plowden and the other headed by Sir Richard Powell and Mr. Quarles; (2) that the Strauss-Plowden group had been assigned "the duties of making recommendations in the field of nuclear relationship and co-operation"; (3) that the Powell-Quarles group had been asked "to make recommendations in the field of military defence, particularly those problems dealing with missiles and rocketry"; and (4) that, under the directive of President Eisenhower and Mr. Macmillan, the work of these two groups would be "guided by the underlying principle of the meeting—namely, how our two countries can be of greater service to the free world."

Anglo-American Declaration of Inter-dependence.

The discussions ended on Oct. 25, when the following "Declaration of Inter-dependence" (cross-headings inserted) was issued jointly by President Eisenhower and Mr. Macmillan:

General Principles.

"We have met together as trusted friends of many years who have come to head the Governments of our respective countries. These two countries have close and historic ties, just as each has intimate and unbreakable ties with other free countries.

"Recognizing that only in the establishment of a just peace can the deepest aspirations of free peoples be realized, the guiding purpose of our deliberations has been the determination of how best to utilize the moral, intellectual and material strength of our two nations in the performance of our full share of those tasks that will more surely and promptly bring about conditions in which peace can prosper. One of these tasks is to provide adequate security for the free world.

"The free nations possess vast assets, both material and moral. These in the aggregate are far greater than those of the Communist world. We do not ignore the fact that the Soviet rulers can achieve formidable material accomplishments by concentrating upon selected developments and scientific applications, and by yoking their people to this effort. Despotisms have often been able to produce spectacular monuments. But the price has been heavy.

"All peoples yearn for intellectual and economic freedom, the more so if from their bondage they see others manifest the glory of freedom. Even despots are forced to permit freedom to grow by an evolutionary process, or in time there will be violent revolution. This principle is inexorable in its operation. Already it has begun to be noticeable even within the Soviet orbit. If the free nations are steadfast, and if they utilize their resources in harmonious co-operation, the totalitarian menace that now confronts them will in good time recede.

"In order, however, that freedom may be secure and show its good fruits, it is necessary first that the collective military strength of the free nations should be adequate to meet the threat against them. At the same time, the aggregate of the free world's military expenditure must be kept within limits compatible with individual freedom. Otherwise we risk losing the very liberties which we seek to defend.

"These ideas have been the central theme of our conversations which, in part, were participated in by M. Spaak, the Secretary-General of NATO [see below]. In application of these ideas, and as an example which we believe can and should spread among the nations of the free world, we reached the following understanding:

Inter-dependence of the Free World. - Intensification of Collective Scientific Research by NATO Countries.

"(1) The arrangements which the nations of the free world have made for collective defence and mutual help are based on the recognition that the concept of national self-sufficiency is out of date. The countries of the free world are inter-dependent, and only in genuine partnership, by combining their resources and sharing tasks in many fields, can progress and safety be found. For our part, we have agreed that our two countries will henceforth act in accordance with this principle.

"(2) Our representatives on the North Atlantic Council will urge an enlarged Atlantic effort in scientific research and development in support of greater collective security, and the expansion of current activities of the task force working in this field under the Council's decision of last December.

Amendment of U.S. Atomic Energy Act.

"(3) The President of the United States will request Congress to amend the Atomic Energy Act as may be necessary and desirable to permit of close and fruitful collaboration of scientists and engineers of Great Britain, the United States, and other friendly countries.

Disarmament.

"(4) The disarmament proposals made by the Western representatives on the Disarmament Sub-committee in London, and approved by all members of NATO, are a sound and fair basis for an agreement which would reduce the threat of war and the burden of armaments. The indefinite accumulation of nuclear weapons and the indiscriminate spreading of the capacity to produce them should be prevented. Effective and reliable inspection must be an integral part of initial steps in the control and reduction of armaments.

Nuclear Defence and Collective Security.

"(5) In the absence of such disarmament as we are seeking, international security now depends not merely upon local defensive shields but upon reinforcing them with the deterrent and retaliatory power of nuclear weapons. So long as the threat of international Communism persists, the free nations must be prepared to provide for their own security. Because the free world measures are purely defensive, and for security against outside threat, the period for which they must be maintained cannot be foreseen.

"It is not within the capacity of each nation acting alone to make itself fully secure. Only collective measures will suffice. These should preferably be found by implementing the provisions of the U.N. Charter for forces at the disposal of the Security Council. But if the Soviet Union persists in nullifying these provisions by veto, there must otherwise be developed a greater sense of community security. The framework for this exists in collective defence arrangements now participated in by nearly 50 free nations, as authorized by the Charter. All members of this community, and other free nations which so desire, should possess more knowledge of the total capabilities of security that are in being and in prospect.

"There should also be provided greater opportunity to assure that this power will in fact be available in case of need for their common security, and that it will not be misused by any nation for purposes other than individual and collective self-defence, as authorized by the U.N. Charter. For our part we regard our possession of nuclear-weapons power as a trust for the defence of the free world.

Free World Regional Alliances.

"(6) Our two countries plan to discuss these ideas with all of their security partners. So far as the North Atlantic Council is concerned, the December meeting of the Council may perhaps be given a special character in this respect. This has been discussed with M. Spaak.

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" (7) In addition to the North Atlantic Treaty, the South-East Asia collective defence treaty, the Baghdad Pact, and other security arrangements constitute a strong bulwark against aggression in the various treaty areas.

" There are also vitally important relationships of a somewhat different character. There is the Commonwealth ; and in the Western hemisphere the Organization of American States. There are individual mutual defence agreements to which the United States is a party.

Free World Economic Co-operation.

" (8) We recognize that our collective security efforts must be supported and reinforced by co-operative economic action. The present offers a challenging opportunity for improvement of trading conditions and the expansion of trade throughout the free world. It is encouraging that plans are developing for a European Free Trade Area in association with the European Common Market. We recognize that, especially in the less developed countries, there should be a steady and significant increase in standards of living and economic development.

Pledge to Turkey. - German Reunification.

" (9) We took note of specific factors in the ideological struggle in which we are engaged. In particular, we were in full agreement that :

Soviet threats directed against Turkey give solemn significance to the obligation, under Article 5 of the North Atlantic Treaty, to consider an armed attack against any member of the alliance as an attack against all ;

The reunification of Germany by free elections is essential. At the Geneva conference of 1955 M. Khrushchev and M. Bulganin agreed to this with us and our French allies. Continued repudiation of that agreement and continued suppression of freedom in Eastern Europe undermine international confidence and perpetuate an injustice, a folly, and a danger.

Conclusion.

" The President and the Prime Minister believe that the understandings they have reached will be increasingly effective as they become more widespread between the free nations. By co-ordinating the strength of all free peoples, safety can be assured, the danger of Communist despotism will in due course be dissipated, and a just and lasting peace will be achieved."

Mr. Macmillan and Mr. Selwyn Lloyd flew to Ottawa on Oct. 26 for discussions with Mr. Diefenbaker (Prime Minister of Canada), Major-General Pearkes (Defence Minister), and senior officials of the Canadian Atomic Energy Commission, the Defence Research Board, and the armed services. They also attended a meeting of the Canadian Cabinet.

On his return to London on Oct. 27, Mr. Macmillan described his discussions with President Eisenhower as " the beginning of a new chapter of combination and co-operation between the free nations of the world," adding that the Washington meeting had been " the most fruitful I can remember and the most effective." A statement on his visits to Washington and Ottawa was made by the Prime Minister to the House of Commons on Oct. 29, when Parliament reassembled after the summer recess :

After describing his talks with President Eisenhower as a " new start " in Anglo-American relations, Mr. Macmillan said : " The main purpose of the [Washington] declaration is to establish the principle of the inter-dependence of the countries of the free world. This principle will guide the policies of the Governments of the United Kingdom and the United States. We shall seek to secure the participation of all our Allies, and the support of the other free nations, in a common partnership. Thereby the resources of the free world can most effectively be used in the maintenance of the interests of all.

" Our two countries will pursue this purpose in the North Atlantic Treaty Organization, as well as with our other allies and with the nations of the free world, in the most appropriate way. We will urge at NATO an increase of scientific research and development in support of greater collective security. The President of the United States will request Congress to amend the Atomic Energy Act as may be necessary and desirable.

" In conformity with the same principles, we have declared that, in their possession of nuclear weapons, both our Governments regard themselves as trustees for the defence of the free world.

" In Canada, the Foreign Secretary and I had an opportunity of reporting on those discussions to the Canadian Government. The Canadian Government expressed themselves most ready to subscribe to the principle of inter-dependence and to join in the common effort necessary to make it effective."

As indicated in the Washington declaration, the Secretary-General of NATO (M. Spaak) met the President and the Prime Minister on Oct. 25, the last day of their talks. On Oct. 30 President Eisenhower announced at a press conference that he proposed to visit Paris for the December meeting of the North Atlantic Council, assuming that most of the other heads of Government concerned had accepted the invitation extended by M. Spaak (see below). The President also indicated that he would " very much like " to break his journey in London if it could be arranged.

President Eisenhower stated that he hoped to meet Congressional leaders early in December, before his projected visit to Paris, since he did not wish to leave the U.S.A. without securing bipartisan approval in advance. He added that his acceptance of M. Spaak's invitation had been inspired by the conviction he had gained at Panama, during the meeting of American Presidents in 1956 (see 15036 A), that such meetings could do much to awaken people to the realities of common problems.

The permanent representatives on the North Atlantic Council agreed on Oct. 30 to a suggestion by M. Spaak that the forthcoming December session of the Council should be attended by the heads of Government of all NATO countries. This suggestion, it was stated, was the outcome of M. Spaak's conversations in Washington with President Eisenhower and Mr. Macmillan. The Paris Correspondent of *The Times* commented : " The December meeting of the Atlantic Council is always the most important of the year and is usually attended by the Foreign, Defence, and Finance Ministers. The presence of 15 heads of Government, including President Eisenhower, on this occasion will clearly give it an importance exceeding that of any of its predecessors." (New York Times - New York Herald Tribune - Department of External Affairs, Ottawa - Montreal Star - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Bermuda Conference, 15457 A.)**

A. WESTERN GERMANY. — New Government in Bavaria. - Dr. Seidel appointed Prime Minister.

Dr. Wilhelm Hoegner, Social Democratic Prime Minister of Bavaria, resigned on Oct. 9 following the resignation on the previous day of the four members of his Government belonging to the Bavarian Party, and the decision of the All-German Bloc (Refugee Party) also to withdraw its support from the Government. The defection of these two coalition parties was caused by the success of the Christian Social Union in the recent Federal elections, in which it obtained 57 per cent of all votes in Bavaria, whereas all the smaller parties lost heavily. In consequence, Dr. Hoegner's majority in the Bavarian *Landtag* was converted into a minority of 73 (Social Democrats and Free Democrats), against 131 votes for the Christian Social Union, the Bavarian Party, and the All-German Bloc. Dr. Hoegner's coalition government had held office in Bavaria since 1954.

On Oct. 16 the Bavarian *Landtag* elected Dr. Hans Seidel (Christian Social Union) as the new *Land* Premier, Dr. Seidel receiving 110 out of 198 votes and being supported also by the Free Democrats and the All-German Bloc. The composition of his Cabinet was announced later the same day as follows :

Dr. Hans Seidel (C.S.U.) - Prime Minister ; Herr Walter Stein (All-German Bloc) - Deputy Premier and Labour ; Herr Otto Bezold (Free Democrat) - Interior ; Herr Rudolf Eberhard (C.S.U.) - Finance ; Dr. Otto Schedl (C.S.U.) Economic Affairs ; Professor Theodor Maunz (non-party) Education ; Dr. Willi Ankermüller (C.S.U.) - Justice ; Dr. Alois Hundhammer (C.S.U.) Agriculture.

There were also seven State Secretaries (one for each Ministry), of whom three belonged to the Christian Social Union, one to the Free Democrats, two to the All-German Bloc, and one was non-party.

Dr. Seidel (65) had been chairman of the Christian Social Union since 1955. Herr Stein and Herr Bezold had both been members of Dr. Hoegner's Cabinet. The Bavarian Party, two of whose members had joined the Christian Social Union, was not represented in Dr. Seidel's Ministry.

The formation of a Christian Social *Land* Ministry in place of the previous coalition government under Social Democratic leadership gave Dr. Adenauer a safe majority in the Bundesrat.—(Frankfurter Allgemeine Zeitung) **(Prev. rep. 14022 A.)**

B. FRANCE - UNITED STATES. — Export-Import Bank Loan for Air France.

The U.S. Export-Import Bank announced on Oct. 24 that it had granted to *Air France* a loan of $78,500,000 (about 33,000 million francs) to assist in financing the purchase of 17 *Boeing-707* long-range jet airliners, the total cost of which was $118,300,000. The loan, which is guaranteed by the French Government, bears interest at 5½ per cent per annum and will be repayable within seven years from the delivery of the aircraft, which is expected to take place towards the end of 1959 and in 1960.—(Le Monde, Paris - New York Times)

C. SOVIET UNION. — Government Appointments. - New Vice-Minister of Foreign Affairs.

It was announced in Moscow on Sept. 20 that M. Firyubin, lately Soviet Ambassador in Belgrade, had been appointed a Vice-Minister of Foreign Affairs. M. Firyubin is the husband of Mme. Ekaterina Furtseva, the only woman member of the Presidium of the Central Committee of the Soviet Communist Party.—(Le Monde, Paris) **(Prev. rep. 15260 C.)**

A. CANADA - UNITED STATES. — Discussions on Trade and Economic Affairs.

A meeting of the Joint United States - Canadian Committee on Trade and Economic Affairs was held in Washington on Oct. 7-8, Canada being represented by the Secretary of State for External Affairs (Dr. Sidney Smith) and the Ministers of Finance (Mr. Donald Fleming), Trade and Commerce (Mr. Gordon Churchill), and Agriculture (Mr. Douglas Harkness), and the U.S. delegation consisting of the Secretary of State (Mr. Dulles) and the Secretaries of the Treasury (Mr. Robert Anderson), Agriculture (Mr. Benson) and Commerce (Mr. Weekes).

A communiqué issued at the end of the meeting summarized the principal matters discussed as follows :

General Economic Conditions. " It was recognized that the two countries have a deep and continuing interest in each other's economic stability and strength. In particular, representatives of the two Governments expressed their full accord on the importance of a high level of business activity being maintained in their economies, and on the need for growth that does not endanger stability, both in their domestic economies and in the trade of the free world. The recognition of this reciprocal interest was considered basic to close and effective co-operation between the two countries as an integral part of their contribution to world peace and security, including the common defence of North America."

General Trade Policies. " Canadian Ministers drew attention to the important implications for Canada of the very high proportion of its external trade which is taking place with the United States. The volume and variety of goods entering into this trade made Canada by far the most important commercial customer of the U.S.A., and *vice versa*. In 1956 well over $1,000,000,000 worth of U.S. goods, or approximately one-quarter of total U.S. cash exports, were sold in Canada. On the other hand Canadian exports to the U.S.A. amounted to less than $3,000,000,000. In the light of these facts Canadian Ministers stressed the effects on Canada of developments in U.S. commercial policies.

" The U.S. members for their part stressed the dependability of the U.S. economy both as a market and as a supply source. They drew attention to the strong economic position of Canada and pointed out that Canada's trading deficit with the U.S.A. had been accompanied by an inflow of U.S. capital, and that the rest of the deficit had been covered by Canada's trade surplus and investment inflows from other parts of the world. In these circumstances the U.S. members felt that the trade and payments relationships between the two countries were basically sound, and demonstrated the effective working of multilateral trading policies. It was agreed that in formulating its trade policies each country should show careful regard for the interests of the other."

Expansion of World Trade. " There was considerable discussion of means for promoting the orderly expansion of world trade. In particular the representatives of the two Governments were in accord on the need for continued support of the General Agreement on Tariffs and Trade (GATT), to which both the United States and Canada are parties."

U.S. Agricultural Surplus Disposal Transactions. " Canadian Ministers maintained that U.S. surplus disposal operations have adversely affected Canadian wheat sales. In particular they emphasized the harmful effects barter transactions have had on commercial marketings of all exporting countries, including Canada and the United States. The U.S. members affirmed their intention in all surplus disposal activities to avoid, insofar as possible, interfering with normal commercial marketings. They gave an assurance that under the revised Commodity Credit Corporation barter programme each barter contract must result in a net increase in exports of the agricultural commodity involved, and that interest must be paid until the strategic materials are delivered or payment is otherwise effected for the agricultural commodities. The members of the committee were also agreed on the value of continuing consultation in order to keep to a minimum any harmful effects of surplus disposal activities."

U.S. Lead and Zinc Imports. " The Canadian Ministers expressed concern over the effect on Canadian producers resulting from any future U.S. action to raise duties on imported lead and zinc. The U.S. members explained the situation confronting their domestic producers. They called attention to the continuing need for imports of certain minerals and metals, and indicated that any U.S. tariff action that might be taken to relieve serious injury to U.S. producers would have the primary objective of maintaining a normal relationship between imports and domestic production. They noted that any such action would be applied in accordance with GATT procedures."

U.S Investments in Canada. " The Canadian Ministers clarified the concern frequently expressed in Canada regarding the nature and extent of U.S. investment in Canadian natural resources and important manufacturing industries They made it clear that Canada welcomed the inflow of capital and recognized its important contribution to Canadian development. It was the hope of the Canadian Government that all U.S. companies participating in the expansion of the Canadian economy would develop and maintain closer and mutually beneficial relationships with the people of Canada. In this connexion note was taken of the recent supplementary tax convention between the U.S.A. and Canada, which was designed to facilitate greater Canadian participation in American-owned corporations operating in Canada. The U.S. members welcomed this clarification by the Canadian Ministers and pointed out that the great confidence which U.S. business feels towards Canada is the result of many years of experience and association."

The meeting of the committee was the third since its establishment in 1953, its previous two meetings having been held in Washington in March 1954 and in Ottawa in September 1955. (Department of External Affairs, Ottawa - Montreal Star - New York Times - New York Herald Tribune)

(Prev. rep. 15789 A ; 14492 C.)

B. BALKANS. — Rumanian Proposal for Conference of Balkan Prime Ministers. - Greek Rejection.

It was officially announced in Bucharest on Sept. 17 that M. Chiva Stoica, the Rumanian Prime Minister, had sent a message to the Prime Ministers of Albania, Bulgaria, Greece, Turkey, and Yugoslavia proposing a conference of the Premiers of all six Balkan countries in one of their capitals before the end of 1957, in order to promote co-operation between their countries.

The message said that collective co-operation between the Balkan States for the purpose of safeguarding peace in the region, as well as for the prosperity and progress of their peoples, should be based on the full equality of the participating countries, mutual respect for their sovereignty, and non-interference in their internal affairs. The conference should take decisions on the strengthening of peace in the Balkans ; the mutual application of the principle of non-aggression ; the peaceful settlement of disputes ; the development of economic and cultural relations ; and personal contacts between leaders. The six countries could also agree on guaranteeing the security of their common frontiers by a collective treaty. M. Stoica added : " I wish to emphasize that such co-operation will in no way be directed towards the creation of a *bloc* opposed to other non-participating States."

The Albanian and Bulgarian Governments accepted the Rumanian proposal, while the Yugoslav Government also accepted it with the reservation that all Balkan countries should agree to participate. Assurances to that effect were conveyed to the Greek Government by the Yugoslav Ambassador in Athens, who also explained that his Government's endorsement of the Rumanian invitation did not imply Yugoslav agreement to the proposed treaty of friendship and non-aggression between the Balkan countries. The Greek Prime Minister (M. Karamanlis), however, declined the Rumanian invitation on Sept. 23.

In his letter to M. Stoica, M. Karamanlis said that it was impossible for Greece to take part in the proposed conference at present for two chief reasons. One was the hostility encountered by Greece in recent years on the part of certain Balkan countries, which " either of their own volition or as instruments of foreign aggressors " had invaded Greek territory or proclaimed their intention of appropriating certain Greek territories. The other reason was that the border areas of neighbouring countries were still serving as hide-outs and bases for persons who secretly entered Greek territory with the intention of destroying Greece's independence or undermining her regime.

M. Karamanlis went on to say that the question of a conference was, in the Greek view, a secondary matter ; what was important was practical proof of good faith in the settlement of differences, and the creation of a " climate of sincerity and trust." In consequence, Greece could only participate in a Balkan conference after having achieved beforehand a settlement of existing differences with her neighbour-countries, and the ending of the causes which led to tension in the Balkans.

The Turkish Government had not replied to the Rumanian proposal by the end of October.—(Agerpres, Bucharest - Le Monde, Paris - Times - Manchester Guardian)

C. RHODESIA AND NYASALAND FEDERATION. — Reorganization of Armed Forces.

It was announced in October that the ground forces of the Federation had recently been reorganized to bring them into line with those of other Commonwealth armies, and that the regular element, hitherto known as the " Staff Corps," had been designated " the Army."

Under the reorganization there will be a Corps of Engineers, a Corps of Signals, the Rhodesian and Nyasaland Infantry, a Medical Corps, an Army Services Corps, a Pay Corps, and a Chaplains' Department. The Territorial Force (wholly infantry except for supply and transport platoons) will also become part of the Federation Army. There are altogether four Regular and three Territorial infantry battalions in the Federation, but no artillery units.

The strength of the Army is about 6,000 of all ranks, including 3,500 Askaris and 800 Europeans in the Regular forces, and 1,500 Europeans and 150 Coloureds, Asians, and Eurafricans in the Territorial Force. The overall direction of the Army is exercised by Central Africa Command Headquarters. (Federal Information Department, Salisbury)

(Prev. rep. 13856 A.)

A. EASTERN GERMANY. — Currency Reform. - Compulsory Exchange of Bank Notes.

In a surprise move early on Oct. 13 (a Sunday) the East German Government announced (1) that all paper currency in circulation was being withdrawn with immediate effect; (2) that existing bank notes would be exchanged for new ones provided they were presented between 12 noon and 10 p.m. the same day at branches of the Central Note Bank, or at offices specially opened in schools and town halls; and (3) that the exchange would be at par, though each individual would receive only up to 300 East German marks in new notes, any amounts in excess of that limit being credited to special new bank accounts.

A decree was issued at the same time providing (*a*) that existing bank and savings bank accounts, as well as existing debts, both of private individuals and public institutions, would not be affected by the measures; (*b*) that balances held with East German banks by residents of West Berlin and Western Germany, or by foreigners, would also be unaffected insofar as they conformed to East German foreign exchange legislation; (*c*) that East Germans or inhabitants of East Berlin who were absent from their normal place of residence on Oct. 13 (e.g. persons on holiday, in hospitals, etc.), could declare their holdings of notes to an exchange office at the place where they were temporarily staying, and would receive a certificate enabling them to exchange the notes within three days after their return home; (*d*) that East Germans who were in Western Germany or abroad on Oct. 13, as well as crews of ships at sea, could exchange their notes on returning to East German territory.

The decree also laid down that all amounts above 300 East German marks which had been credited to a special account would be released on Oct. 19 "provided there was no suspicion that they were of speculative origin," in which case an inquiry would be held by special commissions to be formed in each administrative district (*Kreis*). All cash accounts of public and private institutions and of firms were ordered to be closed as at Oct. 13, and new cash accounts to be opened showing the holdings of new notes.

Herr Grotewohl (the East German Prime Minister), who announced these measures in a broadcast at 8 a.m., said that they had been taken because the Government had "known for a long time that monopolists and militarists in Western Germany had accumulated certain quantities of our bank notes for speculative purposes, for disturbing our economy, and for financing agents and espionage organizations." It was necessary to protect the East German economy against these "manipulations," as well as against the practice of commodity exports effected "through the exploitation of an artificial swindle rate of exchange." [The exchange rate for East German marks in West Berlin and Western Germany has in recent years fluctuated between four and five East marks for one West mark, whereas the East German Government officially regards the two currencies as being at par.]

According to an official statement in East Berlin, the total amount of bank notes issued in Eastern Germany had risen over an unspecified period from 4,500,000,000 Eastern DM. to 5,800,000,000 Eastern DM., but the East German *Notenbank* was unable to account for about 1,000,000,000 Eastern DM. It was estimated in West Berlin that about 20,000,000 Eastern DM. of this amount were held by banks and exchange offices in the Western sectors, but it was pointed out that there were far greater amounts of East German notes held by private individuals in Eastern Germany itself. The Federal Ministry for All-German Questions said in Bonn on Oct. 13 that the measure was primarily an attempt to control East German private consumers, particularly hoarders of cash; in addition to small tradesmen, it would particularly affect farmers who had remained outside the State co-operatives.

All road traffic between Eastern and Western Germany was stopped during the day, and both road and rail passengers, as well as pedestrians, were subjected to currency checks. The sector boundary between East and West Berlin was cordoned off by the East German "people's police," while underground trains from West Berlin were not allowed to stop at East Berlin stations. On Oct. 14 the East German radio announced that 80 persons had been arrested and nearly 100,000 marks found on them; it was stated that the persons concerned would be brought to trial.

A formal protest at the travel restrictions into and out of West Berlin during the currency changeover was made on Oct. 17 by the British Commandant in West Berlin (Major-General Rome) on behalf of the Western Powers. In a letter to the Soviet Commandant (Major-General Chamov) General Rome described the interference by the East German police with freedom of movement in Berlin as "a direct contravention" of the Four-Power agreement on the city's status. (Neues Deutschland, East Berlin - Frankfurter Allgemeine Zeitung - Times - Manchester Guardian - Le Monde, Paris)

(Prev. rep. Currency Reform, 9337 A.)

B. SOVIET UNION. — Sixth Five-Year Plan to end in 1958. - Replacement by New Seven-Year Plan. - Progress in Formation of Regional Economic Councils.

A major revision of Soviet economic planning, involving the drafting of a new seven-year plan for 1959-65 to supersede the present five-year plan for 1956-60, was announced by the Central Committee of the Communist Party and the Soviet Council of Ministers on Sept. 26.

The statement claimed that the Sixth Five-Year Plan for the period 1956-60 was being successfully carried out, but said that in implementing the directives of the the 20th Party Congress it had "become clear that the adjustment of some provisional targets of the Plan was necessary." In this connexion instructions had already been given in December 1956 for the adjustment of some of the targets "so as to ensure the more rational and effective utilization of material resources and finance in the development of the national economy, and also to make possible the allocation of additional funds for housing construction."

Furthermore, "a fundamental change in long-term and current planning procedure" had been made by the Central Committee and the Supreme Soviet in February 1957, "involving the reorganization of the management of industry and construction along territorial lines, the setting up of economic councils in the newly-established economic administrative areas, and the transfer of planning from separate Ministries and Departments to the Union Republics and the economic administrative areas."

The statement went on: "In recent years geologists have discovered large new deposits of various raw materials and sources of power. On the basis of these resources new enterprises and new industrial centres not provided for in the Sixth Five-Year Plan can be established. The remaining three years of the Sixth Five-Year Plan are not a long enough period for this. Such great tasks will take at least five to seven years to carry out. In view of this, the Central Committee of the C.P.S.U. and the Council of Ministers of the U.S.S.R. have decided that a long-term plan for the development of the national economy of the U.S.S.R. must be drafted for a longer period, and have instructed the State Planning Committee of the U.S.S.R., the Councils of Ministers of the Union Republics, the economic councils, and the Ministries and departments of the U.S.S.R. to draw up a draft plan for the development of the national economy covering 1959-65."

The new plan, the drafting of which should be completed by July 1, 1958, was intended to ensure the "further increase of all branches of the people's economy on the basis of priority for means of production [i.e. heavy industry], with a view to achieving a further big advance towards the accomplishment of the Soviet Union's main economic task - to overtake and surpass in a historically brief period the most developed capitalist countries in *per caput* production." Specifically, the new plan would provide for "the development of the natural resources of the eastern parts of the country on a wider scale; the rapid development of ferrous and non-ferrous metallurgy and the chemical industry, especially the production of synthetic fibres; artificial foodstuffs; the production of plastics and other synthetic materials, including artificial leather; a high rate of electrification; the further development of the oil, gas and coal industries; the speeding-up of building schedules and elimination of the dissipation of capital investments over too many building projects; a faster rate of housing construction; the expansion of agricultural production, so as to overtake the U.S.A. in the course of the next few years in *per caput* production of meat, butter and milk; and a considerable expansion in the production of other consumer goods."

Pravda reported during the second half of June that, under the recent scheme for the reorganization of economic management and control adopted by the Supreme Soviet, 105 economic administrative areas had been formed and a corresponding number of economic councils had already been or would be set up, including 70 in the Russian Soviet Republic, 11 in the Ukraine, nine in Kazakhstan, four in Uzbekistan, and one each in the other eleven Union Republics.—(Soviet Embassy Press Department, London)

(Prev. rep. 15575 A; 15299 A.)

C. HUNGARY. — Credit from Czechoslovakia.

A long-term credit agreement between Hungary and Czechoslovakia was signed in Budapest on July 19. It provided for a Czechoslovak credit to Hungary amounting to 160,000,000 roubles at 2 per cent interest, which would be repaid between 1960 and 1967. The Hungarian Communist organ *Népszabadság* stated that Czechoslovakia had already made certain deliveries on account of this credit by supplying coke, coal, chemical raw materials, textiles, and consumer goods.

(Neue Zürcher Zeitung)

D. FRANCE - POLAND. — Agreement on Exchange of Scientists.

A Franco-Polish agreement was signed in Warsaw on Oct. 24 providing for the exchange of scientists between the Polish Academy of Sciences and the *Centre National de la Recherche Scientifique Français*. The agreement will come into effect at the beginning of the academic year 1957-58.—(Le Monde, Paris)

(Prev. rep. 15668 B.)

A. SHIPPING. — World Construction Figures, Third Quarter of 1957. - Large Contract for Super-Tankers.

Lloyd's Register summary of merchant shipbuilding for the third quarter of 1957, published on Oct. 23, gave the gross tonnage of vessels under construction throughout the world (excluding the U.S.S.R. and China, as well as all vessels under 100 tons, barges, etc.), as 9,350,553, of which 23.96 per cent was building in the United Kingdom and 86.04 per cent elsewhere.

Ships building in Great Britain and Northern Ireland numbered 339 of 2,240,731 gross tons (steamers 1,085,421 tons, motorships 1,115,310 tons), including 3 steamers of over 30,000 tons, 6 steamers of 25,000-30,000 tons, 16 steamers and 1 motorship of 20,000-25,000 tons, and 5 steamers and 1 motorship of 15,000-20,000 tons. Of the total, 276 ships (1,858,123 tons) were building for Great Britain and N. Ireland, 18 (41,726 tons) for other British Commonwealth countries, 11 (117,800 tons) for Norway, 8 (82,207 tons) for Liberia, 3 (25,800 tons) for Belgium, 2 (18,220 tons) for the Irish Republic, 1 (17,900 tons) for Panama, 2 (17,700 tons) for Greece, 4 (10,000 tons) for Cuba, 7 (4,795 tons) for the U.S.S.R., 2 small vessels for Poland and 1 for Iraq, and 4 (45,100 tons) for unspecified countries. Principal shipbuilding centres were: the Clyde (104 ships of 651,162 tons), the Tyne (40 ships of 401,420 tons), Belfast (19 ships of 291,339 tons), the Tees (23 ships of 203,333 tons), Sunderland (27 ships of 199,249 tons), Liverpool (15 ships of 161,340 tons) and Barrow (4 ships of 108,770 tons).

Ships building abroad numbered 1,398 of 7,109,822 tons (steamers 2,990,064 tons, motorships 4,119,758 tons), divided as follows: Japan 209 (1,480,255 tons), Italy 109 (881,202 tons), Germany 234 (827,220 tons), Netherlands 175 (606,165 tons), U.S.A. 39 (601,178 tons), France 66 (521,306 tons), Sweden 65 (490,949 tons), Norway 86 (322, 473 tons), Spain 92 (237,069 tons), Finland 77 (226,172 tons), Poland 71 (199,937 tons), British Commonwealth countries 58 (183,908 tons), Denmark 30 (178,538 tons), Belgium 18 (155,320 tons), Yugoslavia 27 (138,906 tons), Portugal 26 (43,319 tons), Turkey 9 (7,021 tons), Peru 1 (4,297 tons), 2 each in Indonesia and the Irish Republic and 1 each in Brazil and Argentina. The total included 2 steamers of over 30,000 tons in Italy, 2 in Japan, and 1 each in France, the Netherlands, and the U.S.A.; and 9 steamers of 25,000-30,000 tons in Japan, 4 in the U.S.A., 2 in France, and 1 each in the Netherlands and Sweden.

Tankers building throughout the world numbered 329 of 4,448,626 tons, including 75 (1,004,708 tons) in the U.K., 54 (824,815 tons) in Japan, 30 (485,776 tons) in Italy, 22 (481,486 tons) in the U.S.A., 16 (323,892 tons) in France, 19 (293,615 tons) in Sweden, 20 (254,680 tons) in the Netherlands, 17 (196,069 tons) in Norway, and 34 (175,288 tons) in Germany.

Tankers building in British and foreign shipyards on Sept. 30 represented 44.8 per cent and 48.4 per cent respectively of all tonnage under construction.

Japan, the world's leading shipbuilding country in 1956, launched vessels totalling 1,725,000 tons gross during the first nine months of 1957 (compared with the United Kingdom's 953,000 tons and Germany's 872,000 tons), thus retaining her lead.

Notable tankers launched during recent months included the *Rein* (39,000 tons deadweight), launched on Aug. 9 by the *Nederlandse Dok en Scheepsbouw Mij.*, Amsterdam, for the *Tankrederi Skibs A-S Polar Front*, Tromsö (Norway); and the *Esso Windsor* (36,040 tons deadweight), launched on Oct. 12 by the *Cantieri Riuniti dell Adriatico*, Monfalcone (Italy), for the Esso Transportation Company, London.

It was announced on Oct. 1 that Mr. Daniel K. Ludwig, head of National Bulk Carriers Inc., of New York, had placed an order for five tankers, each of 104,500 tons deadweight, to be built at the company's shipyard at Kure, Japan. The order was described as "the largest single shipbuilding contract in maritime history."—(Lloyd's Register of Shipping, London)

(Prev. rep. 15704 A.)

B. BRAZIL. — Creation of State Railway Company.

The *Rêde Ferroviária Federal S.A.*, a joint-stock company incorporating all the railways owned or administered by the Brazilian Federal Government, was inaugurated on Sept. 30. The company, whose formation had been proposed in 1952 by the late President Vargas in an attempt to rehabilitate Brazil's railway system, has a capital of 60,450,000,000 cruzeiros, making it by far the biggest single company in Brazil.

The 18 railway systems incorporated in the new company have a total milcage of 24,641 kilometres (15,400 miles). All employees of the incorporated railways were transferred to the new company as from Oct. 1.—(Bank of London and South America, Fortnightly Review) **(Prev. rep. Railways, 11871 B; 11179 D; 10859 B; 10263 C; 9491 D; 8149 C)**

C. CEYLON - YUGOSLAVIA.—Diplomatic Relations.

It was announced during October that Ceylon and Yugoslavia had agreed to establish diplomatic relations at Legation level.—(Ceylon Government Information Department)

(Prev. rep. 15761 C.)

D. UNITED STATES. — The Jamestown Festival.

The 350th anniversary of the landing of the first British settlers in North America was commemorated by a festival which opened on April 1 at Jamestown (Virginia)—the site of the first settlement—and will continue until Nov. 30. The celebrations centred on the Jamestown Festival Park, which was specially built for the occasion by the Federal and State authorities at a cost of $1,500,000. A British mission headed by Lord Hailsham (then Minister of Education) participated in the opening ceremony.

The Jamestown Festival Park is built on a 35-acre site a few miles from the town of Jamestown, capital of the British Colony of Virginia from 1624 to 1699. The exhibits include a replica of Fort James, the triangular wooden stockade built round the settlement by the first settlers; a reconstruction of the "Glasse House," America's first factory (a glassworks built by the settlers in 1608); and models of the three wooden ships—the *Discovery*, *Godspeed* and *Susan Constant*—which brought the first British settlers to America. A major feature of the Festival Park is the British Pavilion, which deals with the background of the colonization of America and the influence of the British legacy on American life and civilization. Built by the British Government (which was specially invited to take part in the Festival) at a cost of £80,000, its exhibits include a copy of Magna Carta; tableaux and actual relics illustrating the parts which Elizabeth I and her sea captains played in achieving control of the seas; and displays symbolizing the British background of the early settlers in America and their heritages of religion, law, government, learning and liberty.

In addition to Jamestown, two other historic American cities played a special part in the celebrations—Williamsburg, which succeeded Jamestown as the capital of Virginia Colony after 1699, and Yorktown, where American independence was assured by Washington's victory over Cornwallis in 1781. The Jamestown Festival Park will be maintained permanently by the State of Virginia after the festival ends.

An international naval review, the largest ever held in U.S. waters, took place from June 8-17 at Hampton Roads, Virginia, in connexion with the Jamestown celebrations. It comprised 115 warships (82 American and 33 foreign) from 18 countries, drawn up in two 14-mile-long columns and consisting of naval vessels of all types.

Units of the U.S. Fleet taking part included the battleships *Iowa* and *Wisconsin*, the new 70,000-ton aircraft carrier *Saratoga*, the guided missile cruisers *Boston* and *Canberra*, and the atomic submarine *Seawolf*, the second of her kind. Foreign naval vessels participating included the British aircraft carrier *Ark Royal*, the French carrier *Bois-Belleau* and cruiser *De Grasse*, the Italian cruisers *San Giorgio* and *San Marco*, and the Netherlands cruiser *Zeven Provincien*. Other foreign navies represented were those of Belgium, Canada, Colombia, Cuba, Denmark, the Dominican Republic, Norway, Peru, Portugal, Spain, Turkey, Uruguay and Venezuela.

The first settlers—105 in number, led by Captain John Smith—landed in Virginia on May 13, 1607, from the *Discovery*, *Godspeed* and *Susan Constant* after a five-months' voyage from Blackwall (London). Their settlement of Jamestown was named in honour of King James I, who had given Captain Smith a charter to establish a settlement in Virginia. On May 13, 1957, three U.S. *Sabre* jet fighters, named after Captain Smith's three vessels and taking the same route, made a commemoration flight from London Airport to Jamestown in 7 hours 33 minutes.—(New York Times - New York Herald Tribune - U.S. Information Service)

E. BAGHDAD PACT. — Examination of Possibility of creating Free Trade Area.

A Baghdad Pact working party, meeting in London from Sept. 16-24, unanimously approved a report recommending that the study of either a Customs union or a common market in the pact area should not be proceeded with at present, but that the possibility of setting up a Free Trade Area in the pact region should receive further consideration. The report set out the most important issues requiring further study, collectively as well as at national level, in the light of the experience gained in Europe in connexion with the proposed Common Market and Free Trade Area projects.

The working party, consisting of delegates from Iraq, Pakistan, Persia, Turkey, the U.K., and the U.S.A., had been set up by the Baghdad Pact Economic Committee after its meeting in Karachi last May.—(Financial Times)

(Prev. rep. 15617 A.)

F. FRANCE. — New Inspector-General of Air Force.

Air General Max Gelée was appointed Inspector-General of the French Air Force under a decree published on Aug. 28. General Gelée was formerly Chief of Staff at the NATO headquarters of the C.-in-C., Allied Forces, Central Europe. (Le Monde, Paris) **(Prev. rep. 14309 D.)**

A. CANADA - UNITED STATES. — State Visits of Queen Elizabeth II and the Duke of Edinburgh.

Her Majesty Queen Elizabeth II and the Duke of Edinburgh paid a State visit to Canada from Oct. 12-16, followed by a State visit to the United States from Oct. 16-21. It had previously been announced in June that her Majesty and the Duke had accepted invitations from the Canadian Government and from President Eisenhower to visit Canada and the United States during October.

State Visit to Canada.

The Queen and Prince Philip arrived on Oct. 12 at Uplands Airport (near Ottawa), where they were welcomed by the Governor-General of Canada (Mr. Vincent Massey), the Canadian Prime Minister (Mr. Diefenbaker) and some 20,000 people. They drove along a 10-mile route lined by cheering crowds to Government House (Rideau Hall), where the Queen and Prince Philip attended a reception given by press correspondents covering the royal tour. On the following day (Sunday, Oct. 13) the Queen and the Duke of Edinburgh laid wreaths at the National War Memorial in Confederation Square, and later attended Divine Service at Christ Church Cathedral. In the evening the Queen made a nation-wide radio and television broadcast in which she expressed her pleasure at returning to Canada after an absence of six years.

After referring to her visit to Canada in 1951, before her accession (see 11886 A), the Queen expressed her pleasure that she would be opening the Canadian Parliament in person on the following day [see below], and her regret that her present visit was a short one. She hoped, however, "to pay more visits in the future" and to be present at the opening of the St. Lawrence Waterway in 1959. Referring to her forthcoming visit to the U.S.A., she stressed that she would be going "as the head of the Canadian nation to pay a State visit to the head of our great neighbouring country." In the course of her broadcast the Queen spoke of the great industrial and economic progress made by Canada since her last visit in 1951, and expressed her pride and happiness at being "the Queen of such a nation." Her Majesty added: "In this wonderful land of yours, men and women of various racial origins live and work together on terms of equality. That is a splendid lesson for everyone. As Queen of Canada I am proud of it . . ."

In the morning of Oct. 14 her Majesty presided at a special meeting of the Privy Council of Canada, at which the Duke of Edinburgh was sworn in as a member. [The only other living non-Canadian members are Sir Winston Churchill, the Duke of Windsor, and Field-Marshal Earl Alexander of Tunis]. Later the Queen held a reception at Government House for the heads of Commonwealth and foreign diplomatic missions in Ottawa, while Prince Philip received the president of the Royal Society of Canada (Dr. Cameron) and was presented with a diploma making him an honorary member of the society.

During the afternoon the Queen drove in state from Government House to open the Canadian Parliament—the first time in Canadian history that a reigning sovereign had done so. At a joint session of the Senate and the House of Commons, her Majesty—speaking in both English and French—read the Speech from the Throne containing the legislative programme of Mr. Diefenbaker's new Conservative Government. In the evening the Queen and Prince Philip attended a State dinner given by Mr. Diefenbaker at which the guests included all members of the Cabinet, leaders of all the political parties, the Lieutenant-Governors of the provinces, and all provincial Premiers.

At the end of her speech to the Canadian Parliament her Majesty recalled the words spoken 300 years earlier by Queen Elizabeth I to her last Parliament: "Though God hath raised me high, yet this I count the glory of my Crown—that I have reigned with your loves." Her Majesty added: "Here, in the New World, I say to you that it is my wish that in the years before me I may so reign in Canada and be so remembered."

On Oct. 15 the Queen and Prince Philip visited the French-speaking city of Hull, on the south (Quebec) bank of the Ottawa River opposite the Federal capital. On returning to Ottawa, the Queen inaugurated the beginning of work on the Queensway project which, when completed, will form part of the Trans-Canada highway system within the City of Ottawa; it involves the removal of certain railway lines and marshalling yards and their replacement by a four-lane highway, spacious boulevards, and over-passes. In the afternoon the Duke of Edinburgh made a broadcast from Government House in which he discussed the work and results of his Study Conference on Industrial Relations held at Oxford in 1956 (see 15411 A), with special reference to the human problems of industrial communities within the Commonwealth and Empire. In the evening her Majesty and Prince Philip attended an official reception at the Château Laurier Hotel, and later dined with Mr. Diefenbaker at his home. At the Château Laurier a number of Indian chiefs were presented to her Majesty, including the heads of the Algonquin, Iroquois, Cree, Micmac and other tribes.

Before leaving Ottawa for the United States in the morning of Oct. 16, the Queen and Prince Philip visited Lansdowne Park, where 20,000 children were assembled to bid them farewell.

State Visit to United States.

Her Majesty and the Duke of Edinburgh flew from Ottawa to Virginia in a Royal Canadian Air Force plane and were welcomed at Patrick Henry Airport, Newport News, by the Governor of Virginia (Mr. Thomas Stanley) and the British Foreign Secretary (Mr. Selwyn Lloyd). From the airport they drove to Jamestown, where they attended a service in the Old Church (dating from 1639) before visiting the site of the Jamestown Festival celebrations (see 15827 D). They then drove to Williamsburg, the former capital of British America, whose old Colonial character has been restored by the Rockefeller family since 1926 at a cost of £20,000,000. At Williamsburg, where 50,000 people were gathered to greet the royal visitors, her Majesty and the Duke visited many of the historic buildings dating from Colonial days and later paid a visit to the College of William and Mary, the second oldest institution of university status in the U.S.A. after Harvard.

After staying overnight at Williamsburg, the Queen and Prince Philip flew to Washington on Oct. 17 in the presidential plane *Columbine* and were greeted at the airport by President Eisenhower, Mr. Diefenbaker (who had arrived from Ottawa to act as Minister-in-attendance), Mr. Selwyn Lloyd, and the Commonwealth Ambassadors (including Sir Leslie Munro, President of the U.N. General Assembly). From the airport her Majesty and the Duke drove to the White House along a route lined by 2,500 troops and tens of thousands of enthusiastic spectators. After lunching with President and Mrs. Eisenhower the Queen and Prince Philip drove to the Arlington National Cemetery to lay wreaths on the Tomb of the American Unknown Soldier. Later in the day the Queen attended an informal reception given in her honour by the Press corps in Washington, followed by a State banquet given by President and Mrs. Eisenhower at the White House.

In the morning of Oct. 18 the Queen visited the National Gallery of Art and the Washington Children's Hospital, while the Duke of Edinburgh remained at the White House, where he was presented by President Eisenhower with the National Geographic Society's medal for services to geography. Prince Philip later drove to the National Academy of Sciences, where he spent nearly two hours with leading U.S. scientists concerned with the International Geophysical Year. The Queen and the Duke were the guests of Vice-President Nixon at a luncheon given at the Capitol, while in the evening they attended a reception at the British Embassy given by the heads of Commonwealth diplomatic missions, followed by a dinner given by Mr. Dulles at the Pan-American Union.

The National Geographic Society's medal was awarded to Prince Philip in connexion with his 40,000-mile round-the-world tour (see 15411 A) during which he visited many remote and lonely outposts of the Commonwealth. The inscription on the medal referred to the "questing spirit" of Prince Philip which had "taken him to the far corners of the globe and brought to millions a better understanding of our planet and its peoples."

On Oct. 19 the Queen held an investiture at the British Embassy at which she conferred decorations on 27 British and American nationals; among those honoured was Mr. Lewis Douglas, the former U.S. Ambassador in London, who was made an honorary G.B.E. The Queen also laid the foundation-stone of an annexe to the Embassy and attended a party for more than 2,000 Commonwealth children in Washington. In the afternoon the Queen and Prince Philip drove to the University of Maryland Stadium to see an American football game between the Universities of Maryland and North Carolina; on the return journey to Washington they paid an informal visit at short notice to a suburban "super-market," where the Queen talked to many of the staff and shoppers. In the evening the Queen and Prince Philip gave a reception at the British Embassy for President and Mrs. Eisenhower.

On their last day in Washington (Sunday, Oct. 20) the Queen and the Duke of Edinburgh, accompanied by President and Mrs. Eisenhower, attended two church services: first at the Episcopal Cathedral, where they were present at the dedication of a war memorial chapel, and later at the National Presbyterian Church, the President's regular place of worship. In the afternoon her Majesty and Prince Philip were the guests of Mr. and Mrs. Andrew Mellon (son and daughter-in-law of

the late Mr. Andrew Mellon, former Secretary of the Treasury and Ambassador in London), Mrs. Mellon being the only private hostess to entertain the Queen during her visit. In the evening the Queen and Prince Philip were the guests of the Commonwealth heads of mission at a dinner given at the Australian Embassy by Sir Percy Spender, the senior Commonwealth Ambassador in Washington.

The State visit ended on Oct. 21 with a 14-hour visit to New York, where the Queen and Prince Philip were welcomed by Mr. Averell Harriman (Governor of New York State) on their arrival by train from Washington. A spectacular "ticker-tape" procession along Broadway, where the Queen and the Duke were enthusiastically welcomed by vast crowds, was followed by a reception at City Hall given by Mayor Wagner, followed by a lunch at the Waldorf-Astoria Hotel at which her Majesty and Prince Philip were the guests of Mr. Wagner and the civic authorities. In the afternoon the Queen visited the United Nations headquarters, where she was received by Dr. Hammarskjold and Sir Leslie Munro, and addressed the U.N. General Assembly. Later in the day the Queen and the Duke went to the top of the Empire State Building (the highest in the world), followed by a visit to the Waldorf-Astoria Hotel at which her Majesty spoke at a banquet given jointly by the Pilgrims of the United States and the English-Speaking Union. In the evening the Queen and Prince Philip attended a Commonwealth Ball organized by 58 Commonwealth societies in New York.

In her address to the U.N. General Assembly the Queen spoke of the ideals, principles and purposes of the United Nations and of the organization's work for "the preservation of peace between the nations, equality of justice for all before the law, and the right of the peoples of the world to live their lives in freedom and security." Referring in particular to the role of the Commonwealth, her Majesty said:

"Ten Commonwealth countries are represented in this Assembly—countries which form a free association of fully independent States and have widely different histories, culture, and traditions. Common ideals and hopes, not formal bonds, unite the members of the Commonwealth and promote that association between them which, in my belief, has contributed significantly to the cause of human freedom. The countries of the Commonwealth regard their continuing association with one another and joint service to their high ideals as an essential contribution to world peace and justice. They add, and will continue to add, to the United Nations a tried element of strength and of accumulated experience"

The Queen and Prince Philip left Idlewild Airport at midnight on Oct. 21, arriving at London Airport the following morning. Before leaving the United States the Queen sent a message to President Eisenhower conveying the "heartfelt thanks" of Prince Philip and herself for the great welcome that had been extended to them in Virginia, Washington and New York. The Queen received a personal message from President Eisenhower before her departure, the contents of which were not divulged.—(Montreal Star - Department of External Affairs, Ottawa - New York Times - New York Herald Tribune - U.S. Information Service - U.N. Information Centre, London) **(Prev. rep. State Visits to France, 15523 A; Denmark, 15596 C; Portugal, 15416 E.)**

A. PERSIA - IRAQ.—Pledge of Support for Baghdad Pact. - King Faisal's Visit to Teheran.

A joint statement was issued in Teheran on Oct. 28, at the end of a 12-day State visit by King Faisal of Iraq, in which King Faisal and the Shah pledged their full support for the Baghdad Pact as "the most practicable instrument to maintain understanding and secure peace and order in the region." The two rulers also stressed the importance of raising living standards in the region by implementing "joint economic projects" within the framework of the pact. The official statement emphasized "the importance of non-interference by foreign powers in the internal affairs of the Middle Eastern countries."—(Times - Daily Telegraph - Le Monde, Paris) **(Prev. rep. Baghdad Pact, 15617 A.)**

B. ISRAEL. — Re-election of President Ben-Zvi.

Presidnet Ben-Zvi of Israel was re-elected for a second five-year presidential term by the *Knesset* on Oct. 28, receiving 76 votes out of the 94 members present. His re-election was supported by the Government parties and the General Zionists, while the Nationalists (*Heruth*), the Communists, and the orthodox *Agudath Israel* group abstained. A *Heruth* candidate withdrew his nomination before the election and President Ben-Zvi was not opposed. The President (who is 73) was sworn in for a second term of office on Oct. 30.
(Government Press Office, Jerusalem) **(Prev. rep. 12665 A.)**

C. AUSTRALIA - UNITED KINGDOM. — Agreement on Exchange of Air Routes.

An agreement was signed in London on Oct. 4, after talks between representatives of the U.K. and Australian Governments, laying the foundations of a new world-wide system of air routes to be operated by BOAC and Qantas Empire Airways.

New routes between the U.K. and Australia agreed upon included (i) a route across the Atlantic, North America, and the Pacific (the "Southern Cross" route); (ii) routes across the Atlantic, North and Central America, and the Pacific, including a Polar route; and (iii) an Atlantic route *via* South America and the Southern Pacific.

The existing "Kangaroo" route from London to Australia *via* the Middle East (on which sharing of traffic has been in operation for some time) was confirmed, and agreement was reached on the establishment of a new U.K.-Australia route to include the Antarctic. Other routes agreed upon were for a U.K.-Australian service *via* Africa and across the Indian Ocean, and for a service between Australia and Hong Kong.

It was also agreed that U.K airlines would be able to use new stopping-points in Australia, including Perth, Melbourne, and Brisbane. As a result, British "picking-up" points in Australia will become more numerous than those of Pan-American Airways and Trans-World Airways. Moreover, the British and Australian airlines will also enjoy an advantage in the use of the whole route from Australia *via* New York to London, since Pan-American has no rights between San Francisco and New York and Trans-World Airlines has no route from San Francisco to Australia.

An official statement was issued in London on Oct. 4 saying that it had been "agreed that the trends in world civil air transport strengthen the community of interests shared by the two countries and, in particular, underlines the importance of maintaining air communications between them on a scale proportionate to the rapid growth in air travel and in the increasing development of new world air routes."
(Times - Australian News and Information Bureau) **(Prev. rep. 15634 A.)**

D. MIDDLE EAST. — Mr. Menzies' Six-Point Plan for Settlement of Middle Eastern Problems.

In a speech to the annual meeting of the Australian Liberal Party on Oct. 21, the Prime Minister (Mr. Menzies) urged that a new attempt should be made to "break the vicious circle" in the Middle East, and called on the United Nations to "promote urgently discussions on a high level designed to discover the practicability of a new and guaranteed international agreement aimed at removing the root causes of tension" in the area. Mr. Menzies suggested the following six points as a basis for a Middle East settlement:

"(1) A final and guaranteed settlement of the Arab-Israel borders.

"(2) A settlement of the refugee problem.

"(3) Economic aid without military strings, afforded by genuine international co-operation, to Middle East nations who need it.

"(4) Peaceful trade, good for both buyer and seller, should be encouraged.

"(5) Civil and economic aspects of the Baghdad Pact should be recognized and extended.

"(6) The great problem of oil supplies should be looked at in terms of co-operation and international guarantee and not merely in terms of international competition."

Mr. Menzies also proposed the setting-up of an international advisory body or commission to advise the Middle East countries on their financial and economic problems and to "make recommendations to other nations, particularly the great ones, for constructive advice and assistance."

Mr. Menzies subsequently told the House of Representatives that the proposals represented Australian Government policy. The Leader of the Opposition, Dr. Evatt, described them as "positive and of great interest."—(Australian News and Information Bureau) **(Prev. rep. Middle East, 15811 A; Mr. Menzies on M.E. Crisis, 15201 A, page 15208)**

E. BAHAMAS. — Establishment of Joint Anglo-American Naval Research Stations.

An Anglo-American agreement to set up joint naval research stations in the Bahamas to obtain data useful in meeting any submarine threat was signed in Washington on Nov. 1 by Sir Harold Caccia, the British Ambassador, and Mr. Murphy, Deputy Under-Secretary of State. American officials said that during the Second World War allied navies often found themselves at a severe disadvantage in dealing with enemy submarines because of lack of information about water conditions in the Atlantic and Caribbean. For logistic and administrative reasons, it had been agreed that the joint shore stations would be manned and supported by the U.S. Navy.—(Times) **(Prev. rep. 14964 B.)**

A. INTERNATIONAL BANK. — Loans and Bond Issues. - Borrowing from Western Germany.

The following loans were announced by the World Bank during the period August-October :

Austria. 15,000,000 DM on Oct. 5 to the *Vorarlberger Illwerke* (a publicly-owned electricity company) towards the completion of a 190,000-kw. hydro-electric project near the Lünersee, in Western Austria. Most of the power will be exported to the Ruhr and South-West Germany, and the remainder consumed in the Austrian provinces of Vorarlberg and Tirol. The *Dresdner Bank* of Frankfurt participated to the extent of 1,960,000 DM.—the first West German commercial bank to participate in a World Bank loan. Terms : 22 years, 5¾ per cent interest, including one per cent commission ; repayment to begin May 1, 1960.

The loan, guaranteed by the Austrian Government, was the first World Bank loan in Deutschemarks, and the second for the Lünersee project. The first, for the equivalent of $10,000,000 was made in June 1955.

Belgium. $10,000,000 on Sept. 10 to the Belgian Government, concurrently with a loan of $30,000,000 issued for public subscription by two New York Banks (Morgan Stanley & Co. and Smith, Barney & Co.) to finance part of the capital expenditure authorized for public works in the 1957 extraordinary budget. The funds from the World Bank will assist in financing improvements to the Charleroi-Clabecq Canal.

Terms of the World Bank loan : 15 years ; 5¾ per cent interest, including one per cent commission ; repayment in half-yearly instalments between March 1, 1963, and Sept. 1, 1972. Terms of the bond issue (which was fully subscribed) : 15 years ; 5¼ per cent interest ; repayable in 1972. The bonds were issued at 97½ per cent.

In December 1954 the World Bank had made a loan of $20,000,000 to Belgium, and a commercial loan of $30,000,000 was also issued through the same two U.S. banks.

Ecuador. (*a*) $14,500,000 on Sept. 20 to the Government of Ecuador, of which $11,000,000 will be used towards the construction of four key roads and $3,500,000 towards a four-year road maintenance programme. Terms : 20 years ; 5¾ per cent interest, including one per cent commission ; repayment as from March 15, 1962. [A loan of $8,500,000 had previously been made by the World Bank for road improvements in 1954.]

(*b*) $5,000,000 on Oct. 1 to the *Empresa Electrica*, Quito, for the expansion of electric power supplies to Quito and its suburban area. Terms : 20 years ; 5¾ per cent interest, including one per cent commission ; repayment as from Feb. 1, 1962.. Guaranteed by the Ecuadorean Government. [This was the second World Bank loan to the *Empresa Electrica*, following one of $5,000,000 in 1956.]

Japan. The equivalent of $7,000,000 on Aug. 9 to the Aichi Irrigation Public Corporation (a Government agency formed in 1955) for a multi-purpose project for irrigation, water supply, and power in the Aichi region of Central Japan. The First National City Bank of New York participated in the loan to the extent of $721,000. Terms : 20 years ; 5¾ per cent interest, including one per cent commission ; repayment as from Nov. 1, 1961.

This was the eighth World Bank loan to Japan, bringing the total of loans to that country to the equivalent of $83,000,000.

Pakistan. The equivalent of $31,000,000 in various currencies on Oct. 18, for the purchase of goods trucks, sleepers and rails in connexion with the improvement and expansion programme of Pakistan Railways. The Bank of America and the First National City Bank of New York participated to the extent of $850,000. Terms : 15½ years ; 6 per cent interest, including one per cent commission ; repayment in semi-annual instalments as from May 15, 1961.

This was the second World Bank loan for Pakistan Railways (one for the equivalent of $27,200,000 having been made in 1952) and the seventh to Pakistan, bringing the total of loans to that country to the equivalent of $108,250,000.

Siam. The equivalent of $66,000,000 on Sept. 12 to the Yanhee Electricity Authority—an autonomous Government agency which operates the Yanhee power, flood control, and irrigation project in North-East Siam, as well as all large power plants and transmission facilities in Central Siam. Terms : 25 years ; 5¾ per cent interest, including one per cent commission ; repayment to begin Oct. 15, 1963.

The loan, guaranteed by the Siamese Government, was the sixth World Bank loan to Siam, bringing total loans to $106,800,000.

South Africa. The equivalent in various currencies of $25,000,000 on Oct. 1 to the Union Government for the expansion programme of the South African Railways and Harbour Administration. Terms : 10 years, 5¾ per cent interest ; repayment as from April 1, 1960. The World Bank loan was made concurrently with a revolving credit of $20,000,000 by seven U.S. Banks—the Bank of America National Trust and Savings Association, the First National City Bank of New York, the Hanover Bank, the Bankers Trust Company, the Chemical Corn Exchange Bank, the New York Trust Company, and the First National Bank of Chicago—replacing a similar credit of $10,000,000 originally arranged in 1951 and regularly renewed since. Of the new credit, $10,000,000 will also be used for the railway and harbour expansion programme. The World Bank loan was the fourth for this programme, and the sixth made by the Bank to the South African Government, bringing total loans to the Union to $160,200,000.

Second Loan from Western Germany.

It was announced on Sept. 23 that the *Deutsche Bundesbank* (formerly the *Bank Deutscher Länder*) had agreed to lend $75,000,000 to the International Bank against the issue of 4⅜ per cent Notes ; repayment would be made in three equal instalments between Jan. 16, 1959 and Jan. 16, 1961. A previous issue of $100,000,000 4¼ per cent bonds was placed by the World Bank with the then *Bank Deutscher Länder* in July 1957.

Bond Issue.

$75,000,000 4¾ per cent World Bank bonds were issued in the U.S.A. on Oct. 15 through a group of U.S. investment firms and banks. The Bonds, issued at 100 per cent, will be repayable on Nov. 1, 1980, but may be redeemed as from Nov. 1, 1967. This was the Bank's third Bond issue in the U.S.A. during 1957. (International Bank, Washington) **(Prev. rep. 15692 A.)**

B. ISRAEL. — Mr. Ben-Gurion on the Middle East and Syrian Situations.

In a statement to the *Knesset* on Oct. 21, Mr. Ben-Gurion spoke of the present situation in the Middle East, with special reference to the Syrian situation and to the position of Israel.

The Israeli Prime Minister said that the contending forces in the Middle East area " are not so much forces of the area itself as of world blocks of East and West, headed in one case by the United States and in the other by Russia." The arming of the Arab States brought about by this competition between the two great Powers, and " the specifically new situation which has developed in Syria following a similar situation in Egypt, causes us concern but should not lead to unnecessary panic."

Israel, Mr. Ben-Gurion continued, had " lived in two spheres " ever since the foundation of the State nine years ago a regional sphere comprising Israel and her Arab neighbours, and a " greater world sphere " which for historical and geo-political reasons had always attached great importance to the affairs of the area. Until two years ago, when the Czechoslovak-Egyptian arms transaction was concluded, the forces in the smaller area had been directed mainly by internal regional considerations. " Matters between ourselves and our neighbours were calculated then mainly according to our own balance of strength. Since then this limited sphere has lost much of its capacity for independent action. It is now politically and militarily dependent to a far greater degree than it was nine or even two years ago on the principal forces operating in the greater world sphere."

After commenting that the recent strengthening of ties between the Syrian military junta and the U.S.S.R. had at first been accompanied by incessant Soviet press and radio attacks on Israel, Mr. Ben-Gurion continued : " Recently Israel's name has been deleted, although it would be unwise to come to any exaggerated optimistic conclusions. Although the arrows of Syrian and Soviet propaganda are now aimed at Turkey it is not possible to say that Soviet enmity and hatred towards Israel has been weakened, in spite of all our efforts to improve relations with this mighty Power that includes about three million Jews among its peoples."

The transfer of the Middle East crisis from the regional to the world sphere, Mr. Ben-Gurion continued, had been closely connected with the cleavage in the Arab camp a cleavage which was no help to Israel and which, paradoxical though it might seem, actually worsened her position to some extent. This cleavage, he said, derived from two sources—overt or concealed competition between President Nasser and King Saud for the leadership of the Arab world, and internal rivalries which were the direct result of contention between the world Powers seeking to expand their influence in the region.

Mr. Ben-Gurion added : " The Arabs have exploited the world situation to get more and more arms, so that Soviet weapons are reaching Egypt, Syria, and Yemen while American weapons are going to Jordan, Saudi Arabia and Iraq. All these Arab States have been plotting to destroy Israel and have publicly proclaimed their intention to do so. Egypt, Syria, and Yemen have no intention of using their Soviet arms against the United States, while Jordan, Saudi Arabia, and Iraq do not intend to use their American and British arms against the Soviet Union. In all these countries armaments are intended to be used solely against Israel."

The Prime Minister emphasized that the present tension in the Middle East would not lead to any change in the fundamental policy of Israel, which remained " a democratic nation respecting the rights and freedom of men."—(Times)

(Prev. rep. Syria, 15811 A.)

C. INDIA. — Export Risks Insurance Corporation.

The Export Risks Insurance Corporation, a new organization in the public sector, was inaugurated in Bombay on Oct. 10 by the Union Minister of Commerce and Industry, Mr. Morarji Desai. The corporation, all shares in which are held by the Central Government, will give protection to exporters against the risks involved in export on credit terms, and help Indian exporters to transact their business on conditions similar to those offered by foreign competitors. Its functions include coverage of political and commercial risks.

(The Statesman, Calcutta)

A. SOVIET UNION - WESTERN EUROPE. — M. Khrushchev's Letters to West European Socialist and Labour Parties. - Request for Support of Soviet Attitude in Syrian-Turkish Crisis. - Rejection of M. Khrushchev's Letter. - British Labour Party refuses Discussions with Soviet Communist Party.

Letters were sent by M. Khrushchev on Oct. 12 to the Labour and Socialist parties of Great Britain, France, the German Federal Republic, Italy, Belgium, the Netherlands, Denmark and Norway speaking of a "barely disguised threat of war in the Middle East," and urging those parties to "do everything necessary to prevent aggression and preserve peace" in the area. The letters referred to a Turkish and U.S. "conspiracy" against Syria, and reiterated the allegations against Turkey and the United States previously made by Marshal Bulganin in his letter to the Turkish Prime Minister, by M. Khrushchev in his interview to Mr. James Reston of the *New York Times*, and by M. Gromyko at the United Nations (see 15811 A).

The letters, sent by M. Khrushchev on behalf of the Soviet Communist Party, were not phrased in identical terms but were worded to suit the special circumstances of the recipient countries and parties. All of them, however, contained similar denunciations of Turkey and the United States, coupled with frequent references to the alleged "designs" of those countries against Syria. The letter to the British Labour Party (but not to the other Labour and Socialist parties) suggested "the possibility of a meeting between our two parties [i.e. the Labour Party and the Soviet Communist Party] to consider any constructive proposals you may make concerning possible ways of removing the threat of war in the Middle East and preserving peace throughout the wrold."

In the case of Italy M. Khrushchev wrote to Signor Nenni, the leader of the (left-wing) Italian Socialist Party, and not to Signor Saragat, leader of the Italian Social Democratic Party. Whereas the Labour and Socialist parties of Great Britain, France, Western Germany, Belgium, the Netherlands, Denmark and Norway are members of the Socialist International, Italy is represented in that organization by the "Saragat" Socialists and not by the "Nenni" Socialists.

Extracts are given below from M. Khrushchev's letter to the British Labour Party :

After referring to the "extremely grave and dangerous situation now prevailing in the Middle East, particularly around Syria," and asserting that "the peaceloving and democratic State of Syria is faced with the grave threat of a military attack," M. Khrushchev continued : "Foreign troops are being concentrated on the Syrian frontiers. Warships of the U.S. Sixth Fleet are being assembled off the coast of Syria. U.S. officials and military leaders are making warlike statements against Syria, full of provocative fabrications and threats. Similar statements are being made by certain Turkish statesmen who cherish the idea of restoring Turkey's former domination over the Arab nations. Reactionary Syrian émigrés who hope to play the part of a puppet 'Syrian government,' backed by the bayonets of foreign invaders, have gathered in Istanbul under the protection of the Turkish authorities . . . Thus a politically unstable and dangerous situation has developed in the Middle East. There exists a barely disguised threat of war . . .

"The main reason for this dangerous worsening of the situation in the Middle East is the boundless greed of the big oil monopolies, and above all the oil monopolies of the U.S.A., who desire to secure unlimited domination over the Middle East area. The present democratic Government of Syria does not suit them because it is pursuing an independent national policy and does not wish to adhere to the aggressive Baghdad bloc and the colonialist Eisenhower doctrine . . . The oil pipelines of foreign companies run through Syria, and on these grounds . . . the monopolists want . . . to set up a government there which would slavishly carry out their orders . . . After Syria, the organizers of the plot are planning to make short work of Egypt and then, one by one, of the other Arab States which have won their independence since the war . . ."

After denying the existence of any "Communist threat" in the Middle East, M. Khrushchev went on : "In striving to establish American domination over Syria, Egypt, and other countries, the overseas colonizers calculate later on to enslave other peoples of Asia and Africa who have won political independence and freedom. They do not shrink even when confronted by the fact that through their provocative actions they are bringing the peoples to the brink of a new and devastating war. The fate of Syria thus becomes a problem which affects the destinies of all peaceloving peoples, and the budding armed conflict around Syria is fraught with the danger of developing into a wide conflagration. It is well known that both World Wars started from military actions of a local character. But in our days, in an age of rapidly developing military techniques and nuclear weapons, it is more difficult to set limits to an armed conflict, should it start in any particular area.

"Great responsibility for the preservation of peace in the Middle East rests with Britain and the British people, together with other Powers. The approval given by British ruling circles to the policy of the U.S.A. and Turkey results in a real danger of Britain becoming involved in a military conflict . . . One cannot ignore the fact that Britain is a member of the North Atlantic bloc, and a military gamble by Turkey and the U.S.A. against Syria would in effect predetermine Britain's participation in it. Any extension of the conflict around Syria may plunge Britain into a new and devastating war, with all its terrible consequences for the population of the British Isles. We are firmly convinced that the British people are not interested in the selfish aims which the imperialist forces are pursuing in the Middle East in fomenting a conflict against Syria . . .

"The events of the autumn of last year, when they were thrown into a military gamble against Egypt, are undoubtedly still fresh in the memories of the British people . . . Britain suffered a tremendous material, moral and political setback. The economic position of the British working people has worsened. Britain is being unceremoniously pushed out of a number of important positions by stronger competitors. There is no doubt that a new armed conflict in the Middle East would disorganize Britain's supplies of oil and other raw materials and would make more difficult her trade relations, both with the countries of the Middle East and with South-East Asia. All this would create difficulties for British industry and would have its effect on employment. Moreover, all this would lead to a further increase in Britain's financial, economic, and consequently political, dependence on the United States.

"Only a gambler can ignore the fact that Syria would not be alone in her struggle against aggression. The Egyptian Government has declared its unlimited support for Syria in the event of aggression against her. A number of other Arab States have also come out in support of independent Syria. On the side of Syria stand the peaceloving peoples of other countries, and in particular the peoples of the Soviet Union, which cannot be indifferent to military provocations being prepared in direct proximity to the southern frontiers of the U.S.S.R."

After an assurance that the Soviet Union "has no special economic or other interests in the Middle East," M. Khrushchev continued : "We know that when the Labour Party took resolute action to stop aggression against Egypt in October and November of last year, it proved to be of great service to the cause of peace. We also know that some leaders of the Labour Party have spoken in favour of solving all outstanding problems of the Middle East by peaceful means. We hope that the plans for organizing military intervention against Syria . . . will be condemned by the British Labour Party. . . . The situation has now become so dangerous that it admits of no complacency or delay. The criminal activities of the warmongers must be exposed and their plans frustrated.

"Being aware of the great sense of responsibility felt by the Labour Party for the fate of the British people, and of the great influence they have on the public and in the representative bodies of Great Britain, the Central Committee of the Communist Party of the U.S.S.R. appeals to the British Labour Party to do everything necessary to prevent aggression and preserve peace in the Middle East . . . To achieve this aim, a declaration by Britain, the U.S.S.R., the United States and France on the condemnation of the use of force as a means of settling outstanding problems in the Middle East, on non-interference in the internal affairs of the countries of that region, and on the reciprocal cessation of arms deliveries to all these countries, would be of great importance.

"We ask the British Labour Party to support this proposal. We are ready, in any form convenient for you, not excluding the possibility of a meeting between representatives of our parties, to consider any constructive proposals you make concerning possible ways of removing the threat of war in the Middle East and preserving peace throughout the world."

Members of the Socialist International, meeting at Strasbourg on Oct. 20, decided against drafting a joint reply to M. Khrushchev on behalf of the West European Labour and Socialist parties. As several parties—e.g. the British Labour Party and the German Social Democrats—had already acknowledged M. Khrushchev's letter, it was agreed that the various parties should send their own individual replies.

British Labour Party's Rejection of M. Khrushchev's Approach. - Reply to Khrushchev Letter.

In view of the constitutional implications of M. Khrushchev's letter (i.e. because it had been addressed to the Leader of the Opposition on a question concerning the international situation, and not to the Government) Mr. Hugh Gaitskell and Mr. Aneurin Bevan called on the Prime Minister on Oct. 15, at their own request, to acquaint Mr. Macmillan with its contents. Mr. Bevan, as the Labour Party's principal spokesman on foreign affairs, also saw Mr. Ormsby-Gore, Minister of State at the Foreign Office.

After consultation with the Leader and Deputy Leader of the Labour Party (Mr. Gaitskell and Mr. Griffiths), the party chairman (Mr. Tom Driberg), and the party treasurer (Mr. Bevan), the following interim reply was sent to M. Khrushchev on Oct. 15 by Mr. Morgan Phillips, secretary of the Labour Party :

"We are not in a position to form a judgment on the specific allegations contained in your memorandum. We note that these have been denied in other quarters. Nevertheless if, in the view of the Soviet Government, the situation has become so grave as to constitute an imminent threat to peace, then the attention of the

U.N. Security Council should be called to it immediately in accordance with the provisions of the U.N. Charter." The reply added that the communication, "and the channels through which it reached us," raised constitutional issues which would be considered by the National Executive Committee of the Labour Party.

The Labour Party's reply to M. Khrushchev, issued on Oct. 23 after a meeting of the National Executive Committee, pointed out that an opposition party did not enter into negotiations with foreign Governments; that the Labour Party was "not prepared to enter into joint activities with any Communist party"; and that the Syrian-Turkish question had already been referred to the United Nations. It was worded as follows:

"Under the British Constitution a party which is in opposition, as the Labour Party is at present, does not enter into direct negotiation with the Governments of other States on matters affecting Britain's official relations and commitments in the international sphere. Decisions on all such matters belong, constitutionally, to the Government of the day. Even though your memorandum is in a formal sense sent by the Soviet Communist Party, it reached us through the Soviet Embassy in London, and, in view of the constitutional position in the Soviet Union, we feel bound to regard it as in fact coming from the Soviet Government.

"Your suggestions for possible meetings between representatives of the Russian Communist Party and the British Labour Party cannot be accepted since the Labour Party, for reasons which have been made plain on many occasions, is not prepared to undertake joint activities with any Communist Party.

"As regards the content of your memorandum, the executive committee notes that the Turkish-Syrian question is being considered by the United Nations, to whom . . . it was obviously right to refer it. We believe it should now be left in their hands. The Labour Party's point of view on the general problems of the Middle East has been repeatedly explained in statements made in Parliament and elsewhere.

"The Labour Party will continue to do everything in its power to bring about a settlement of international problems and to secure lasting world peace."

Replies of Continental Parties.

The French, German, Belgian, Netherlands, Danish and Norwegian Labour parties all rejected M. Khrushchev's letter or intimated their intention of doing so. Signor Nenni, however, sent a letter to M. Khrushchev stating that he agreed with the latter's views on the situation in Syria, and recalling that the Italian Socialist Party had previously denounced the "**Eisenhower doctrine**" **in the Middle East.**

France. The secretary-general of the French Socialist Party (M. Pierre Commin) stated on Oct. 17 that M. Khrushchev's letter "contains no basis for discussion." No further statement was issued pending a meeting of the party's executive committee.

Western Germany. After seeing the Federal Foreign Minister (Dr. Brentano), an interim reply was sent to M. Khrushchev by Herr Ollenhauer (leader of the German Social Democratic Party) stating that the Syrian situation should be brought before the U.N. if it took a turn for the worse. Herr Ollenhauer added that his party would send a further message to M. Khrushchev "in an appropriate form after the necessary consultations."

Belgium. The Belgian Socialist Party sent a reply to M. Khrushchev on Oct. 19 rejecting his allegations *in toto*, and declaring that the party "does not intend to be the agent of Soviet or any other foreign propaganda." It condemned Russia's "partisan manoeuvres, blackmail, and recourse to the veto" at the United Nations; denounced the "massive consignments of Soviet arms" which had been sent to Syria and Egypt; and said that world confidence in the U.N. had been shaken by the "senseless abuse" to which it had been subjected by the Soviet Union and some other nations. After recalling that the Soviet Communist Party had "passed over in silence the repeated interventions of the U.S.S.R. in this same part of the world," the letter added: "Present circumstances give the Soviet Union a unique opportunity to change its policy and to give the world the first real chance to embark on the road to a true organization of peace based on respect for international law . . ."

Netherlands. The Netherlands Labour Party replied to M. Khrushchev in one sentence: "In view of our conviction that it is you who, with your system of government and domination, are threatening the peace, there is no basis for discussion between you and us."

Denmark. The Danish Social Democratic Party informed M. Khrushchev (Oct. 12) that it would confine itself to observing that it was opposed to aggression in all its forms, whether it was "the aggression by North Korea, the Suez action, or the Soviet intervention in Hungary." As regards the Middle East, it was the duty of the United Nations to bring about a settlement in that area and to "seek to avoid any possibility of bellicose complications."

Norway. The Norwegian Labour Party sent an interim reply to M. Khrushchev on Oct. 12 stating that the matters contained in his letter related to the international situation; that the letter had accordingly been sent to the Foreign Ministry and to the Foreign Affairs Committee of the Storting; and that all Norwegian democratic parties were united behind the Norwegian Government's foreign policy.

Mr. Haakon Lie, chairman of the Norwegian Labour Party, flew to London on Oct. 13 to see Mr. Gaitskell and other British Labour leaders in connexion with M. Khrushchev's letter.

At its meeting in Zürich in 1956 (see 14843 A) the Socialist International had unanimously adopted a resolution rejecting any form of political co-operation between Social Democratic and Communist parties. – (Soviet Embassy Press Dept., London - Times - Manchester Guardian - Daily Herald - Le Monde, Paris - Frankfurter Allgemeine Zeitung - Le Peuple, Brussels - Het Vrije Volk, Amsterdam - Socialdemokraten, Copenhagen - Arbeiderbladet, Oslo - Neue Zürcher Zeitung)
(Prev. rep. Middle East, 15811 A.)

A. INDIA - JAPAN. — Mr. Nehru's Visit to Tokio. - Discussions with Mr. Kishi and Mr. Fujiyama.

The Indian Prime Minister, Mr. Nehru, visited Japan from Oct. 4-13, and during his stay in Tokio had extensive talks with the Japanese Prime Minister, Mr. Kishi, and the Foreign Minister, Mr. Fujiyama. He attended a number of official functions, was received in audience by the Emperor Hirohito, and visited Hiroshima as well as the ancient cultural centres of Nara and Kyoto.

A joint communiqué was issued on Oct. 13 at the conclusion of Mr. Nehru's visit and is summarized below under cross-headings:

Indo-Japanese Relations. After referring to the Nehru-Kishi talks in Delhi in May last, the communiqué continued: "The Prime Ministers agreed that there were no difficult problems between the two countries and reaffirmed their desire for increasing understanding and co-operation between Japan and India, which will not only be to their mutual benefit but will contribute to the peace and prosperity of Asia and the world.

"Referring to Japan's recent election to a non-permanent seat on the U.N. Security Council [see 15818 A], Prime Minister Kishi stated that this brought her new and heavy international responsibilities and expressed Japan's determination in that capacity to work ceaselessly for world peace and the realization of the principles and purposes of the U.N. Charter . . ."

Nuclear Weapons and Disarmament. "The two Prime Ministers were convinced that the piling up of arms, especially weapons of mass destruction by the major Powers, spelt grave dangers to the peace of the world, which were further enhanced by the recent invention of space missiles. While comprehensive all-round disarmament is essential, the prohibition of the manufacture and use of nuclear and other weapons of mass destruction is urgent and imperative. The Prime Ministers considered that the suspension of nuclear tests must be a first step toward creating conditions in which the prohibition of the manufacture and use of nuclear weapons, and of disarmament in other fields, might become possible. They recalled in this connexion the unanimous appeal of the Afro-Asian nations at Bandung in 1955 [see 14181 A], and decided to instruct their delegations at the U.N. to co-operate with a view to bringing about suspension of nuclear tests, as well as agreement on disarmament among the Powers concerned."

Economic Co-operation. "The Prime Ministers discussed ways and means of promoting economic co-operation between the two countries, and expressed their desire that the Indo-Japanese trade agreement now under negotiation should be concluded as early as possible. They also recognized that there were many further fields of economic co-operation between Japan and India e.g. long-term arrangements for a stabilized supply of iron-ore from India to Japan, and the financing of India's import of capital goods from Japan—and they agreed that discussions should be held at expert level between the two Governments."

Mr. Kishi had offered Japan's help in establishing technical training centres in India for the purpose of contributing to the development of medium- and small-scale industries. Mr. Nehru had welcomed the offer and it was agreed that details should be discussed between the two Governments at an early date.

In connexion with India's Second Five-Year Plan, the two Prime Ministers agreed in principle on Japanese co-operation by way of a yen credit to finance the supply of capital goods from Japan.

Cultural Relations. The Prime Ministers expressed their determination to take all possible steps under the recently concluded cultural agreement between Japan and India [see 15658 A] to promote and strengthen cultural relations between the two countries. They discussed in particular the possibility of exchanging professors and students; of encouraging mutual visits by scientists, artists, and other persons eminent in the cultural life of the two countries; and of exchanging films.

Mr. Fujiyama stated on Oct. 12 that an Indian trade mission would visit Japan to discuss "concrete economic matters" with the Japanese Government, and that Japan would establish two technical training centres in India. He also said that while no agreement had been reached on Japan's proposal for a Development Fund for South-East Asia, Mr. Nehru had agreed to study the proposal further.—(Japanese Embassy Press Office, London - Indian High Commissioner's Office, London - The Hindu, Madras) **(Prev. rep. 15658 A.)**

A. LITERATURE. — Book Selections, September and October.

Selected books published in Great Britain and the United States are given below :

Great Britain. Aldington, Richard—"Portrait of a Rebel · The Life and Work of Robert Louis Stevenson." (Evans, 21s.)

André-Maurois, Simone—"Miss Howard and the Emperor." The Story of Napoleon III and Miss Howard. Translated from the French. (Collins, 18s.)

Ashley, Maurice—"The Greatness of Oliver Cromwell." (Hodder and Stoughton, 25s.)

Ashe, Geoffrey—"King Arthur's Avalon : The Story of Glastonbury." (Collins, 18s.).

Balsdon, Dacre—"Oxford Life." (Eyre and Spottiswoode, 25s.)

Bibby, Geoffrey—"The Testimony of the Spade." Life in Northern Europe from 15,000 B.C. to the Viking Age. (Collins, 30s.)

Bolitho, Hector—"No. 10 Downing Street, 1660-1900." (Hutchinson, 25s.)

Bowle, John—"Viscount Samuel : A Biography." (Victor Gollancz, 30s.)

Calder-Marshall, Arthur—"No Earthly Command." The Story of Rear-Admiral the Rev. Alex Woods. (Rupert Hart-Davis, 21s.)

Church, Richard—"The Golden Sovereign." A Conclusion to *Over the Bridge*. (Heinemann, 18s.)

Churchill, Sir Winston—"A History of the English-Speaking Peoples : Volume III—The Age of Revolution." (Cassell, 30s.)

Collier, Basil—"Leader of the Few." The Official Biography of Air Chief Marshal Lord Dowding. (Jarrolds, 25s.)

Djilas, Milovan—"The New Class." Translated from the Serbo-Croatian. (Thames and Hudson, 21s.) [see 15822 A].

Dudintsov, Vladimir—"Not By Bread Alone." Translated from the Russian. (Hutchinson, 18s.)

Faber, Sir Geoffrey—"Jowett : A Portrait with Background." (Faber and Faber, 30s.)

Friedman, William and Elizabeth—"The Shakespearean Ciphers Examined." (Cambridge University Press, 25s.)

Glubb, Sir John (Glubb Pasha)—"A Soldier with the Arabs." (Hodder and Stoughton, 25s.)

Hiscocks, Richard—"Democracy in Western Germany." (Oxford University Press, 30s.)

Kerr, J. Lennox, and Granville, Wilfred—"The R.N.V.R. : A Record of Achievement." (Harrap, 21s.)

Langford, Gerald—"Alias O. Henry : A Biography of William Sidney Porter," (Macmillan, 35s.)

Lewis, Norman—"The Volcanoes Above Us." A Novel of Guatemala. (Cape, 15s.)

Lord, Walter—"Day of Infamy : Pearl Harbour, December 7th, 1941." (Longmans, 18s.)

"Lloyd George's Ambulance Wagon : The Memoirs of W. J. Braithwaite." Edited by Sir Henry Bunbury. (Methuen, 30s.)

Majdalany, Fred—"Cassino : Portrait of a Battle." (Longmans, 21s.)

Menon, V. P.—"The Transfer of Power in India." (Longmans, 50s.)

Middleton, Drew—"The British." (Secker and Warburg, 25s.)

Mitford, Nancy—"Voltaire in Love." (Hamish Hamilton, 21s.)

Moore, Ruth—"The Earth We Live On : The Story of Geological Discovery." (Cape, 28s.)

"New Cambridge Modern History : Volume I—The Renaissance (1493-1520); Volume VII—The Old Regime (1713-1763)." (Cambridge University Press, 37s. 6d. each)

Pearson, Hesketh—"Gilbert : His Life and Strife." (Methuen, 25s.)

Saurat, Denis—"Atlantis and the Giants." Translated from the French (*L'Atlantide et le règne des géants*). (Faber and Faber, 12s. 6d.)

Slessor, Tim—"First Overland." The Story of the Oxford and Cambridge Far East Expedition. (Harrap, 21s.)

de Stoeckel, Agnes—"King of the French : A Portrait of Louis Philippe, 1773-1850." (John Murray, 25s.)

Symons, Julian—"The General Strike : A Historical Portrait." (Cresset Press, 21s.)

Trevor-Roper, Hugh—"Historical Essays." (Macmillan, 21s.)

Wallace, Graham—"R.A.F. Biggin Hill." The Story of Biggin Hill Fighter Station. (Putnam, 21s.)

United States. Meade, Robert D.—"Patrick Henry : Patriot in the Making." (J. B. Lippincott, Philadelphia, $7.50)

Middleton, Drew—"These Are the British." (Alfred A. Knopf, New York, $4.50)

Montagu, Ashley—"Man : His First Million Years." (World Publishing Company, New York, $3.75)

Tugwell, Rexford G.—"The Democratic President : A Biography of Franklin D. Roosevelt." (Doubleday, New York, $8.50)

(Ed. K.C.A.) **(Prev. rep. Book Selections, 15737 B.)**

B. JAMAICA. — New Governor.

It was announced in London on Oct. 30 that Sir Kenneth Blackburne, Governor of the Leeward Islands, had been appointed Captain-General and Governor of Jamaica in succession to Sir Hugh Foot, following Sir Hugh's recent appointment as Governor of Cyprus. Sir Kenneth Blackburne (49) has been Governor of the Leeward Islands since 1950, and was formerly Director of Information Services at the Colonial Office.—(Times) **(Prev. rep. 15815 B.)**

C. EGYPT. — Army and Civilian Plot against President Nasser. - Sentences on Alleged Conspirators. - Prison Sentences on Egyptian Communists.

Dr. Mohammed Salah ed-Din, who as Foreign Minister in M. Nahas' Wafdist Cabinet from 1950-52 was largely responsible for the abrogation of the Anglo-Egyptian treaty of 1936, and Dr. Abdel Fattah Hassan, Minister of Social Affairs in the Nahas Government, were arrested in April on charges of conspiracy, together with 11 Army officers, ex-officers, and civilians. Brigadier Ahmed Atef Nasser (no relative of President Nasser), a retired officer, was alleged to have been the leader of the conspiracy, and M. Abdel Hamid Islambouly, a senior official in the Ministry of National Guidance, to have acted as the link between the military and civilian conspirators. The other persons involved were five ex-officers—Lieut.-Colonel Fahim el-Gamam, Lieut-Colonel Mohammed Helmi Ibrahim, Major Hassan Sayam, Major Abdel Mautal el-Saidi, and Major Hassan Abdel Gaffar ; two artillery officers, Colonel Ahmed Kawkah and Major Amin Fawzy ; and two civilians, M. Mohammed el-Sawadi and M. Ahmed el-Sakka.

The trial of the accused, all of whom pleaded not guilty, opened before a military court in Cairo on Aug. 12.

The indictment alleged that they had formed a secret organization called the "Society of Upholders of Righteousness" in 1956 and had planned to assassinate President Nasser and his Ministers during a Cabinet meeting ; to instal General Neguib as President ; and to set up a Cabinet headed by Dr. Salah ed-Din which would reach an understanding with the U.S. Government and de-nationalize the Suez Canal. This plan, it was alleged, was to have been carried out at the end of April but had been frustrated by the arrest of the conspirators. The indictment made no suggestion that any foreign Power was implicated in the alleged plot.

Evidence for the prosecution was given by M. Ahmed Kadri, an official of the Ministry of National Guidance, who asserted that M. Islambouly had tried to persuade him to join the conspiracy by telling him that the U.S. Intelligence was "paving the way for the Eisenhower Doctrine all over the Middle East." He also alleged that the U.S. Ambassador had attempted to contact Dr. Salah ed-Din and M. Nahas shortly before the Israeli attack on Egypt, and that early in 1957 Dr. Salah ed-Din had visited Saudi Arabia, where he had stayed with the Minister of Commerce, to "contact Americans." Under cross-examination, however, M. Kadri admitted that he had no specific proof of U.S. complicity in the "conspiracy." A U.S. Embassy spokesman subsequently stated that the Ambassador had had "no contact whatsoever with the persons mentioned or with any others regarding domestic political matters."

M Islambouly testified that he had been forced to sign a "confession" by military intelligence officers, who had whipped him on the soles of his feet, kept him a whole day without food or water, and threatened to arrest his wife. He declared that he had never heard of the "conspiracy" before his arrest, and maintained that his conversations with M. Kadri had been merely "careless talk." Major Sayam, Major Fawzy, and two others of the accused also declared that their confessions had been extorted from them by threats and maltreatment. Major el-Saidi, Captain Kawkah, and Lieut.-Colonel Ibrahim, on the other hand, stated that their confessions were genuine and denied that they had been ill-used in any way. Dr. Hassan and Brigadier Nasser both denied all knowledge of the plot, whilst Dr. Salah ed-Din refused to give evidence.

The court on Oct. 20 found all the accused guilty except Lieut.-Colonel el-Gamam and Lieut.-Colonel Ibrahim, and pronounced the following sentences of imprisonment : Brigadier Nasser, Major Sayam, Major Fawzy, and M. Islambouly—life imprisonment ; Dr. Salah ed-Din, 15 years ; Dr. Hassan—12 years ; Major el-Saidi—10 years ; Colonel Kawkah, M. el-Sawadi, and M. el-Sakka—seven years ; Major Gaffar—five years. All the sentences, except those of M. el-Sawadi and M. el-Sakka, were to imprisonment with hard labour.

Thirteen members of the outlawed Egyptian Communist Party were sentenced by a military court on Oct. 31 to prison terms ranging from one to seven years on charges of conspiring to overthrow the regime by force. The sentences were imposed after a three-day trial held *in camera* from Oct. 21-24. Five of the accused received sentences of seven years with hard labour, together with fines of £E.200 ; three (including two women) were sent to prison for three years and ordered to pay £E.200 fines ; and five others received one-year sentences. Five other defendants were acquitted. The judge ordered the confiscation of the property of all organizations belonging to the Egyptian Communist Party.—(Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times) **(Prev. rep. 14135 A.)**

D. CEYLON. — Transfer of Katunayake Air Base.

The R.A.F. base at Katunayake, 20 miles north of Colombo, was formally transferred to Ceylonese control on Nov. 1 (Times) **(Prev. rep. Trincomalee, 15808 D.)**

A. SAN MARINO.—Grand Council dissolved by Left-wing Government. - Provisional Government formed by Opposition Parties. - Italian Blockade of San Marino. - Resignation of Left-wing Government. - New Government formed by Democratic Parties.

A political crisis was precipitated in the Republic of San Marino when a Government supporter in the Grand and General Council, Signor Giannini, announced on Sept. 17 his intention to join the Opposition. At the last general elections in 1955 the coalition of Communists and left-wing Socialists (which had held office since 1945) obtained 35 seats against 25 for the Opposition parties, but Signor Giannini's defection, which followed that of five other Government supporters, converted the Government's original majority of 10 into a minority of two (i.e. 29 against an Opposition strength of 31). The election of two new Captains-Regent (the joint heads of State, who hold office for periods of six months expiring on Oct. 1 and April 1) was due to take place in the afternoon of Sept. 19, and the Opposition had decided to oust the Communist and left-wing Socialist regime at that meeting. The same morning, however, the remaining 29 Communist and left-wing Socialist councillors tendered their resignations, whereupon the Captains-Regent, Signor Giacomini (a Communist) and Signor Marani (a Socialist), announced half-an-hour before the Council meeting that they had issued a decree dissolving the Council and calling general elections for Nov. 3.

The Opposition councillors, who were prevented by the police from entering the Council buildings, immediately protested against the dissolution and accused the Captains-Regent of having staged a *coup d'état* and usurped power illegally. These charges were rejected by Signor Giacomini, who in turn accused the Opposition of acting illegally, claiming that under an electoral law of 1920 the Captains-Regent could dissolve the Council if there was no quorum.

In a statement on Oct. 3, Signor Giacomini maintained that as elections were conducted on the party-list system, all Left-wing councillors on taking their seats had submitted letters pledging themselves to resign if they changed their party allegiance. Hence the five councillors who had joined the Opposition had thereby forfeited their seats; the resignation of the Government's supporters had reduced the number of councillors to 26; and there was no longer a quorum. [Signor Giacomini did not explain, however, why the Government had failed to claim at the time when its five former supporters joined the Opposition that they had thereby lost their seats.]

The 31 Opposition councillors (Christian Democrats, Social Democrats, and Independent Socialists) assembled at Rimini, on Italian soil, during the night of Sept. 30 - Oct. 1, and at midnight declared that the legal term of the Captains-Regent had expired. They then formed a "provisional Government" headed by Professor Bigi, a Christian Democrat, which established its headquarters in an abandoned factory at Rovereta, a few yards inside the San Marinese frontier. The provisional Government was formally recognized by Italy in the early hours of Oct. 1.

Italian *carabinieri* closely blockaded the San Marino frontier on Oct. 1, allowing no-one to pass in either direction on the only main road to and from Rimini, 11 miles away. On Oct. 3 tanks and armoured cars were moved up to the border; *carabinieri* were subsequently stationed at all the cart-tracks leading into San Marino; and telegraphic communications between Italy and San Marino were cut off on Oct. 7. Italian and foreign press representatives however, were allowed to cross the border after Oct. 3, following strong representations to the Italian authorities.

The Captains-Regent appealed to the United Nations on Oct. 2 to send an international police force to San Marino, and on the following day appealed to President Gronchi to assist in setting up an arbitration commission—whose decision they undertook to accept—to investigate the conflicting claims of San Marino and Italy. This appeal was ignored by the Italian Government, and on Oct. 7 the provisional Government announced that it had recruited a force of 110 Italian ex-*carabinieri* in preparation for a march on the town of San Marino with the aim of restoring the rule of law as quickly as possible, though there would be no reprisals or vendettas. A resolution to that effect had been adopted earlier the same day by the 31 Opposition councillors, who, however, instructed the provisional Government not to use force until all peaceful means had been exhausted.

Negotiations between the rival Governments had meanwhile opened on Oct. 6. The provisional Government proposed that the Council should reassemble to elect the new Captains-Regent, and that general elections should not be held until 1959. As a compromise, the left-wing Government suggested that each side should nominate one of the Captains-Regent, and that general elections should take place before the end of 1958. This was rejected by Professor Bigi's Government, which demanded that the resignations of the left-wing councillors should remain in force. Whilst refusing to accept these conditions, the left-wing Government agreed on Oct. 11 to hand over power after a 48-hour interregnum, during which the Chief of Police was authorized to disarm the volunteer militias which had been organized by both sides. Before relinquishing office the Captains-General issued a proclamation in which they declared that "the popular Government of San Marino, overpowered by the forces of a foreign Government, have ceased all resistance . . . for the supreme good of the country." The proclamation "denounced to the world the gravest blow in the memory of the San Marinese people to the freedom of the republic," and appealed to the citizens "to remain serene and calm."

The provisional Government and its supporters re-entered San Marino and assumed control of the administration on Oct. 14, the day being celebrated as a public holiday.

The Grand Council, at its first meeting on Oct. 23 following the installation of the new Government, elected Professor Marino Valdes Francios (Democratic Socialist) and Dr. Federico Nicheloni (Independent Socialist) as Captains-Regent. Signor Forcellini (Ind. Socialist) was appointed State Secretary of the Interior, and Professor Bigi State Secretary for External Affairs. The Council also decided that the 29 Communist and left-wing Socialist councillors who resigned on Sept. 19 had forfeited their seats, and that the necessary steps should be taken to replace them.—(Corriere della Sera, Milan - Giornale d'Italia, Rome - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 14422 B.)**

B. YUGOSLAVIA. — Implementation of Agreements with U.S.S.R. and Eastern Germany for Setting-up of Aluminium Industry and other Industrial Plants.

A protocol was signed in Moscow on July 29 between representatives of the Soviet, Eastern German, and Yugoslav Governments specifying the terms for the setting-up of an aluminium industry in Yugoslavia with Soviet and East German aid, in implementation of the agreement between the three Governments announced in August 1956. It was laid down that the first section of the aluminium works, with a projected annual capacity of 50,000 tons, should be completed in 1964.

A second protocol, signed by Soviet and Yugoslav representatives, laid down time-limits for the delivery by the U.S.S.R. of equipment and materials for the other industrial enterprises to be constructed in Yugoslavia with Soviet aid, in implementation of the Soviet-Yugoslav agreement of January 1956; it specified that Soviet deliveries for the nitrogen fertilizer plant would take place in 1958-60 and those for the superphosphate works in 1961-63.

The implementation of the earlier agreements had been held up because of the renewed deterioration of Soviet-Yugoslav relations during the winter of 1956-57, when the U.S.S.R. had suggested that all the projects should be delayed until the end of the current Soviet Five-Year Plan in 1960—a suggestion which was rejected by Yugoslavia. The new agreement represented a compromise, as the original arrangements envisaged that the aluminium plant would be ready in 1961 and the other two plants by 1959.

A protocol on Soviet-Yugoslav trade in 1957 had been signed on Feb. 26 after protracted negotiations which—as indicated by M. Popovich, the Yugoslav Foreign Secretary, in his speech on the same day [see 15731 A] had been delayed by Soviet intransigence for political reasons. Subsequently a three-year trade agreement was signed on April 10 covering deliveries of staple goods during the period 1958-60. Under this agreement the Soviet Union undertook to supply coal and anthracite, oil, grain, manganese ore, asbestos, iron and steel, non-ferrous metal products, and machinery, whilst Yugoslavia agreed to send to the U.S.S.R. iron, steel, and non-ferrous metal products, cement, chemicals, agricultural produce, textiles, leather goods, machinery, and equipment.
(Tanjug Agency, Belgrade - Soviet Embassy Press Dept., London) **(Prev. rep. 15035 B; 14937 A, page 14939.)**

C. SOUTH PACIFIC COMMISSION. — Appointment of New Secretary-General.

It was announced on Oct. 28 that Mr. Thomas Smith (New Zealand) had been appointed Secretary-General of the South Pacific Commission in succession to Dr. Ralph Bedell. Mr. Smith is Secretary for the Department of Western Samoa.
(New Zealand Directorate of Information, Wellington) **(Prev. rep. 14198 E.)**

NOVEMBER 2—9, 1957

A. SOVIET UNION. — Launching of Second Earth Satellite. - Dog sent into Outer Space in Pressurized Container. - No Further Signals from "Sputnik I."

The Tass Agency issued a special announcement at 6 a.m. on Nov. 3, broadcast by Moscow Radio, stating that a second Soviet artificial satellite, carrying a dog in a pressurized container, had been successfully launched into outer space and was circling the earth every 102 minutes. The Tass announcement was worded as follows :

"In conformity with the International Geophysical Year programme for studying the upper layers of the atmosphere, as well as the physical processes and conditions of life in cosmic space, the Earth's second artificial satellite has been launched on Nov. 3 in the Soviet Union. It represents the last stage of the carrier rocket, housing containers with scientific instruments.

"The second artificial satellite carries instruments for studying solar radiation in the short-wave, ultra-violet, and X-ray regions of the spectrum; instruments for cosmic ray studies; instruments for studying temperature and pressure; an airtight container with an animal for experimental purposes (a dog); an air-conditioning system; food and instruments for studying life processes in the conditions of cosmic space; measuring instruments for transmitting the results of scientific measurements to the Earth; two radio transmitters operating on frequencies of 40.002 and 20.005 megacycles (wavelengths of 7.5 and 15 metres respectively); and the necessary power sources. The total weight of this apparatus, the experimental animal, and power sources amounts to 508.3 kilograms [1,118 lb., or about half a ton].

"The satellite has been given an orbital velocity of about 8,000 metres per second [i.e. about 5 miles a second or 18,000 m.p.h.]. According to calculations which are being verified by direct observations, the maximum distance of the satellite from the Earth's surface exceeds 1,500 kilometres [about 1,000 miles]; the time of one complete circuit is about 1 hour 42 minutes; and the angle of inclination of the orbit to the plane of the equator is approximately 65 degrees [as in the case of the first satellite]. According to information received from the satellite, the scientific instruments and control of the life processes in the animal are proceeding normally.

"Signals from the satellite's radio transmitters on 20.005 megacycles are in the form of telegraph beats lasting about 0.3 second, with a pause of an equal duration. The 40.002 megacycles transmitter emits signals continuously.

"By the successful launching of the second artificial Earth satellite, with diverse scientific instruments and an experimental animal, Soviet scientists are extending the programme of studying cosmic space and the upper layers of the atmosphere. The unfathomed natural processes going on in the cosmos will now become more understandable to man."

The announcement added that the satellite was "dedicated to the 40th anniversary of the Great October Socialist Revolution" [which was celebrated in the U.S.S.R. on Nov. 7].

The magnitude of the Soviet achievement in launching a second satellite of such size, only a month after the launching of the first and smaller satellite, created a profound impression throughout the world. As the new satellite weighed half a ton—six times as much as the first *Sputnik*—U.S. scientists estimated that a rocket weighing 500 tons must have been used to launch it. Dr. Frank Whipple (director of the Smithsonian Astrophysical Observatory in Washington) described the second launching as "six times as great a scientific achievement as the first," while Professor A. C. B. Lovell (the British astronomer, and head of the Radio-Astronomical Station at Jodrell Bank, Cheshire) said that it was "a very dramatic and spectacular demonstration of Russian achievement in science and technology." Similar tributes were paid by many other scientists in America, Britain, France and other countries.

Comparative data about the two earth satellites, as far as known, are given below :

	Second Satellite (*Sputnik II*)	First Satellite (*Sputnik I*)
Weight	1,118 lb.	184 lb.
Maximum height of orbit	About 1,000 miles	About 630 miles
Speed	18,000 m.p.h.	18,000 m.p.h.
Time round world ..	102 minutes	96.2 minutes
Size	Unknown	Diameter 23 in.
Broadcasting wavelengths		
7.5 metres	Continuous	Every 0.3 sec.*
15 metres	Every 0.3 sec.	Every 0.3 sec.*
Launched	Morning Nov. 3	Evening Oct. 4

*As stated below, signals from *Sputnik I* gradually became inaudible during the last week of October and were no longer heard by the end of the month.

Professor A. A. Blagonravov (see below), who played a leading part in the launching of *Sputnik I*, and who is believed to be directing the Soviet earth satellite programme, said that the second satellite would remain in space for a much longer time that the first. In a broadcast from Moscow Radio (Nov. 3) he advised observers tracking the second satellite to listen for a "hissing sound" which, he said, "embodies a multitude of signals which tell everything of interest to scientists, and of how the first living being to rise to such a height is feeling." Professor Dishukin, of the Soviet Academy of Sciences, said on Nov. 4 that "new sources of power" were used to project the second *Sputnik* into space, and also spoke of a "multi-staged rocket carrier of a new design with foolproof precision controls." As quoted by Tass, he said : "The increase in the satellite's size to provide for a larger number of telemetering instruments, and even for an animal passenger, necessitated the development of new, improved instruments and sources of power."

Professor Anatol Arkadyevich Blagonravov (63) is one of the leading weapons specialists in the Soviet Union. He studied at the Soviet Military-Technical Academy in the 'twenties, specializing in the artillery branch, and began weapons research about 1930. The author of some 25 scientific works, he was awarded a Stalin Prize in 1941 for his contributions to Soviet artillery, and has been head of the Soviet Academy of Artillery Science for most of the post-war period. He holds the rank of lieutenant-general in the Soviet Army and is a member of the Soviet Academy of Sciences.

The second earth satellite, like its predecessor, was tracked by astronomical observatories and research stations throughout the world and by observers in many countries. Within a few minutes of the Tass announcement the satellite had been picked up by the Mullard Radio-Astronomy Observatory at Cambridge (England), which worked out a provisional orbit. These calculations showed that the inclination of the orbit of *Sputnik II* to the Equator was 65 deg. 5 min. (within five minutes of the figure announced by the Russians); that it was circling the earth in 1 hour 43 min. 40 sec. (about the same time as given by Tass); and that the satellite's greatest height was just over 1,000 miles and its lowest height just over 100 miles. By Nov. 5 it had completed its first million miles, circled the earth over 45 times, and passed over or near most of the world's great cities, including Moscow, London, Paris, New York, Tokio, and Sydney.

It was announced in Moscow that the dog enclosed within the satellite—the first living creature to enter outer space—was a specially-trained "husky" of the Samoyede type, its name being given as "Laika." Professor Blagonravov disclosed that the dog had previously made some rocket flights and had undergone special training "in conditions closely resembling those in which it now is." He added that the dog's breathing and the working of its heart and blood-pressure were being registered by instruments; that the data thus received, telemetered back to earth, would "be of tremendous help to our physiologists in their further work on problems of cosmic flight"; and that the animal was perfectly comfortable and getting artificial food. Up to Nov. 5, when the satellite had completed over a million miles, Moscow Radio bulletins had announced that the dog's condition was still satisfactory and its pulse and respiration normal. After that date, however, no further mention was made of "Laika" by Moscow Radio, and it was conjectured abroad that the dog might no longer be alive.

Reports from Moscow stated that the dog had been trained for her journey by previous laboratory experiments and flights in actual rockets. So that she would not eat all her food at once she had been conditioned by Pavlovian experiments to eat only at the sound of a bell, which was rung inside her pressurized and air-conditioned compartment at regular intervals. It was stated that great difficulties had been overcome to provide for regular feeding and drinking by the dog in conditions of weightlessness inside the satellite.

Two Soviet scientists—Dr. Paziekin (director of the Moscow Planetarium) and Professor Petrovsky—said on Nov. 4 that the dog would be catapulted out of the satellite at a "suitable altitude" and would have a "good chance" of survival. They disclosed that dogs had been recovered from rockets which had ascended to a height of 120 miles and added that, in the case of the present animal, "we shall try to choose a moment when the rocket is at its lowest point in the orbit, providing this coincides with other essential factors." They also said that there were several flasks of a highly calorific liquid in the dog's cabin, constituting sufficient food "for more than just a few days," and that a television tube in the rocket was recording oscillograph information about the animal, which was being transmitted. No details were given as to how the dog would return to earth, if at all.

Despite the Russian assurances as to the dog's condition, strong protests were made by animal-lovers in many countries at the launching of the dog into outer space. Such protests were particularly numerous in Britain, where representations were made to the Soviet Embassy by the Royal Society for the Prevention of Cruelty to Animals, the National Canine Defence League, and the League against Cruel Sports.

A deputation from the Canine Defence League called at the Soviet Embassy with a letter for the Ambassador (M. Malik) which said that there could be "no justification for submitting this dog to such an ordeal," and that the "horror induced in the mind of the dog can never be known, just as no explanation of the purpose of the journey can be made to her." The deputation was received by the First Secretary of the Embassy (M. Modin), who stressed that the dog's journey into outer space would be for the ultimate benefit of humanity; that every care had been taken for the comfort and welfare of the animal, which had been specially trained; and that the Russians themselves were a nation of dog-lovers. M. Modin disclosed that there had been many human volunteers, but said that none would be accepted until the risks were known —though not necessarily when the risks were negligible. Asked whether there was any chance of the dog returning to earth, M. Modin said that he did not see how this was possible, though it was only his own opinion.

The R.S.P.C.A., which received hundreds of individual protests from British dog-lovers, sent a letter expressing deep regret that "so splendid a scientific achievement should be marred by exposing an animal to unknown hazards and the likelihood of acute suffering."

The League against Cruel Sports expressed its "horror, disgust and contempt" at the Russian experiment; declared that "such acts as this will put scientists, whether Russian or otherwise, outside the pale of decent people"; and called on the United Nations to "outlaw such foul experiments and those who perpetrate them."

The First Earth Satellite.

Meanwhile the first *Sputnik* launched on Oct. 4 had remained under constant observation in all parts of the world. In Britain, careful tracking and observation were maintained by Professor A. C. B. Lovell and his staff at the radio-astronomical station of Manchester University at Jodrell Bank; by the Mullard Observatory at Cambridge, headed by Dr. Martin Ryle; by the Royal Observatory at Herstmonceaux; by Ministry of Supply establishments, including the Royal Radar Establishment at Malvern and the R.A.E. Establishment at Farnborough; and by the B.B.C.'s listening post at Tatsfield.

During the last week of October the signals from *Sputnik I* became less and less distinguishable, and finally inaudible. On Oct. 26 the Soviet Astronomical Council sent a telegram to Professor Lovell requesting the help of Jodrell Bank in locating the carrier-rocket of the satellite, and giving its probable position. [It was announced on the same day in Moscow that no more signals were being received from the satellite itself, as its batteries were exhausted.] Within a short time the Jodrell Bank telescope had located the rocket at a range of over 1,000 miles, while it was crossing the Arctic Circle towards the U.S.S.R.—an achievement which the Scientific Correspondent of the *Manchester Guardian* described as "probably never before equalled by a radar instrument." The position as found by Jodrell Bank showed the Soviet forecasts of the rocket's path to have been inaccurate. Professor Lovell received four more Soviet requests for assistance between Oct. 27-31.

By Nov. 1 the first *Sputnik* had made about 400 circuits of the earth and had travelled well over 10,000,000 miles. The rocket had passed the satellite for the first time on Oct. 10, and by the end of the month was about 30,000 miles ahead of it. Scientists in different countries expressed varying opinions as to the probable length of time the satellite would continue to encircle the earth—some believing that it would "burn out" within a comparatively short time, others affirming that it would remain in its orbit for several more weeks or even months. The consensus of opinion among Soviet scientists was that the *Sputnik* would circle the earth several hundred times more before burning out, whilst the carrier rocket (which had a stronger body) might hit the earth earlier. Professor Lovell expressed the opinion that the rocket would stay up for several weeks and the satellite for several months. (Soviet Embassy Press Department, London - Times - Daily Telegraph - Manchester Guardian - New York Times) **(15791 A.)**

A. INDIA - JAPAN. — Credit Agreement for Japanese Textile Machinery Supplies.

An agreement for the supply of textile machinery by Japan to India on a deferred payment basis was signed in New Delhi on Oct. 19 by the chairman of the Indian State Trading Corporation (Mr. K. B. Lall) and the president of the Japan Textile Machinery Manufacturers' Association (Mr. T. Ishida). It laid down (1) that various items of machinery would be supplied by the Japanese manufacturers to Indian mills with the co-operation of the Indian State Trading Corporation and the Japanese Association; (2) that orders would be placed directly by the mills with the machinery manufacturers; and (3) that 10 per cent of the value of each contract would be paid immediately, another 10 per cent on presentation of shipping documents, and the balance of 80 per cent (which will bear interest at 6 per cent p.a.) in 10 equal half-yearly instalments.—(Indian High Commissioner's Office, London)

(Prev. rep. 15832 A.)

B. WESTERN GERMANY. — New Adenauer Cabinet. - Professor Erhard appointed Vice-Chancellor.

Dr. Konrad Adenauer was re-elected Federal Chancellor by the new Bundestag on Oct. 22, receiving 274 votes to 193 with nine abstentions; of the deputies from Berlin (whose votes are not officially counted in a division), eight votes were cast for Dr. Adenauer and 13 against. Dr Adenauer has been at the head o' the Federal Government since 1949, having previously been re-elected in 1953 after the elections of that year.

The membership of Dr. Adenauer's third Cabinet was announced on Oct. 24, the Ministers being appointed by President Heuss on Oct. 28 as follows:

*Dr. Konrad Adenauer (CDU) ..	Federal Chancellor.
*Dr. Heinrich von Brentano (CDU)	Foreign Affairs.
*Dr. Gerhard Schröder (CDU) ..	Interior.
†Herr Fritz Schaffer (CSU) ..	Justice.
Herr Franz Etzel (CDU)	Finance.
*Professor Ludwig Erhard (CDU)	Economics.
*Dr. Heinrich Lübke (CDU) ..	Food and Agriculture.
Herr Theodor Blank (CDU) ..	Labour and Social Affairs
*Herr Franz-Josef Strauss (CSU)	Defence.
*Dr. Hans-Christoph Seebohm (DP)	Transport.
Herr Richard Stücklen (CSU) ..	Posts.
Herr Paul Lücke (CDU) ..	Housing.
*Professor Theodor Oberländer (CDU)	Refugees.
†Herr Ernst Lemmer (CDU) ..	All-German Questions.
*Dr. Franz-Josef Wuermeling (CDU)	Family and Youth Questions.
*Professor Siegfried Balke (CSU)	Atomic Energy and Power.
Dr. Hermann Lindrath (CDU) ..	Federal-owned Properties.
*Dr. Hans-Joachim von Merkatz (DP)	Bundesrat Affairs.

Abbreviations: CDU- Christian Democratic Union; CSU - Christian Social Union; D.P. German Party (*Deutsche Partei*).
*No change.
†Held different portfolio in previous Cabinet.

The Cabinet thus consisted of 12 Christian Democrats, four members of the Christian Social Union (the Bavarian wing of the C.D.U.), and two members of the German Party. It was evenly divided between Roman Catholics and Protestants, comprising nine Ministers of each faith.

The new Ministers were Herr Etzel, hitherto vice-president of the High Authority of the European Coal and Steel Community in Luxemburg; Herr Stücklen, business manager of the Christian Social Union; and Herr Lindrath and Herr Lücke, both members of the Bundestag. Herr Schäffer had been Finance Minister in Dr. Adenauer's previous Cabinets, whilst Herr Lemmer had hitherto been Minister of Posts. Herr Theodor Blank, who re-entered the Government, had been Defence Minister in 1955-56.

Dr. von Merkatz had previously also held the Justice portfolio, now taken over by Herr Schäffer. The responsibilities of three Ministers were widened, viz., Professor Balke became responsible for all forms of power, and not only atomic energy; Herr Blank will deal with social affairs as well as labour; and Dr. Wuermeling took over Youth Questions in addition to Family Affairs.

The outgoing Ministers were Dr. Franz Blücher, who had been Vice-Chancellor and Minister for Economic Co-ordination; Herr Jakob Kaiser, previously Minister for All-German Affairs, who retired for health reasons; Herr Anton Storch, the former Minister of Labour; and Dr. Preusker, formerly Minister of Housing. Both Dr. Blücher and Dr. Preusker originally belonged to the Free Democratic Party, but after the split in that party in February 1956 had joined the newly-formed Free People's Party, which in turn merged with the German Party in January 1957 (see 15757 A); although they had originally joined the Government as Free Democrats they had remained in the Cabinet in spite of these changes.

The Ministry of Federal-owned Properties is a new portfolio. The Ministry for Economic Co-ordination disappeared, and Professor Erhard will now be directly responsible for international economic affairs.

On Oct. 30 it was announced that Dr. Adenauer had appointed Professor Ludwig Erhard as Vice-Chancellor in succession to Dr. Franz Blücher. Professor Erhard retained the portfolio of Economics.—(Frankfurter Allgemeine Zeitung)

(Prev. rep. Elections, 15818 B; Cabinet, 15757 A.)

C. UNITED STATES. — New Attorney-General.

Mr. Herbert Brownell jr. resigned as Attorney-General on Oct. 28 in order to return to his private law practice in New York. He was succeeded by Mr. William P. Rogers (44), deputy Attorney-General since Mr. Brownell took office in 1953. (New York Herald Tribune) **(Prev. rep. 15712 B.)**

A. PERSIA - ITALY. — New Persian Oil Legislation. - Italo-Persian Oil Agreement. - President Gronchi's Visit to Teheran.

The Persian Government presented a Bill to the *Majlis* on May 16 seeking authority to develop the national oil resources with foreign participation, and laying down the principles governing such concessions. Its principal provisions were as follows :

(1) The National Iranian Oil Company (N.I.O.C.) would be authorized to make agreements for the exploration and production of oil in three ways : (*a*) by joint ventures in which the N.I O.C. would hold 50 per cent or more of the shares ; (*b*) by joint ventures in which N.I.O.C. would hold 30 to 50 per cent of the shares , and (*c*) by agreements in which N.I.O.C. would have no ownership interest.

(2) Contracts would be granted for specified areas. Drilling must be begun within a specified period and (*a*) within 10 years half of each area granted must be returned to N.I.O.C. ; (*b*) if oil was not found in commercial quantities within 12 years the whole area must be returned ; and (*c*) if oil was found a production period of 25 years would begin, with a right to three extensions of five years each.

(3) Companies concluding such agreements with N.I.O.C. would have, broadly, to make three payments, except where N.I O.C. held a share interest of at least 50 per cent : (*a*) an annual rent, part of which would be paid as a lump sum in advance ; (*b*) a cash bonus on signature of the agreement ; and (*c*) income tax equalling 50 per cent of profits less the rent.

In undertakings where N.I.O.C. held a 50 per cent or higher interest, only the annual rent and the income tax would be payable by the foreign oil company, but no cash bonus on signature.

(4) In a joint venture the foreign oil company might provide all or part of N.I.O.C.'s share of exploration costs. In that case the first payment—i.e. the rental including the initial lump sum—would be waived. If the foreign oil company provided all the exploration capital, N.I.O.C. would have to pay this back only if oil was discovered in commercial quantities, but would then be able to pay its share in the exploration costs out of profits.

(5) Any new oil agreement signed under the Bill, either with Persian or foreign oil companies, must be submitted to Parliament for approval. [This constituted an amendment of the law of 1944, which forbade the Government to negotiate or sign any oil agreement without first receiving permission from both Houses of Parliament.]

(6) The Bill would not apply to the agreement with the international oil consortium operating the Abadan refinery and the oilfields formerly belonging to the Anglo-Iranian Oil Company on behalf of the N.I.O.C.

The Bill was passed by the *Majlis* by virtually unanimous vote on July 11, and was approved by the Senate on July 29 by 33 votes to one, with nine abstentions.

The Italo-Persian Oil Agreement.

Prior to the enactment of the new oil legislation, arrangements for an oil concession had been tentatively agreed upon on March 14 between the Persian Government and Signor Enrico Mattei, chairman of the Italian State Oil Corporation (*Ente Nazionale Idrocarburi*, ENI).

The main provisions of the agreement, which conformed to the principles of the new oil legislation, and which was designed to promote the sale of Persian oil in Italy, were as follows :

(1) The National Iranian Oil Company and the AGIP Mineraria Company (a subsidiary of ENI) agreed to set up jointly a new company, to be called SIRIP (*Société Irano-Italienne des Pétroles*), to explore, produce, and market Persian oil, and possibly to extend operations to refining. Its initial capital would be 10,000,000,000 lire (about £5,700,000).

(2) During the first four years operations could not be suspended "for reasons of expediency," but after this period, or at the end of each of the following eight years, AGIP might terminate exploration by notice to SIRIP on condition that half of any unspent balance on exploration expenditure within the limits accepted by AGIP [see section 10 below] must be paid to the N.I.O.C.

(3) SIRIP would be granted three exploration zones totalling about 8,635 square miles for prospecting and exploitation in the following areas : (i) the Continental shelf at the northern end of the Persian Gulf (i.e. an area south of Isfahan and roughly east of Abadan, near the borders of the concession area now worked by the international consortium) ; (ii) the eastern side of the Central Zagros mountains [in Luristan, near the Iraqi border] ; and (iii) an area on the Makran coast of Persian Baluchistan.

(4) The original capital of SIRIP would be subscribed as to 50 per cent by N.I.O.C. and 50 per cent by AGIP. Half the directors on the board of SIRIP would represent the N.I.O.C. and half AGIP. A committee of auditors would be nominated (half by N.I.O.C. and half by AGIP) under an independent chairman named by a Swiss trustee or audit company.

(5) N.I.O.C. would nominate the president of the board of SIRIP, whilst AGIP would nominate the vice-president and the general manager.

(6) AGIP undertook to explore any oil resources in the concession areas, and if it was found that no commercial operation was possible would bear the whole cost of such explorations. If, however, commercial productivity was established, SIRIP would repay to AGIP part of the exploration costs borne by the latter.

(7) Development of any oil found would be financed in equal parts by AGIP and N.I.O.C.

(8) Fifty per cent of any profits of SIRIP (i.e. gross income after deduction of costs in Persia and abroad) would be paid to the Persian State as taxes and royalties (*redevance*), while the other 50 per cent would be divided equally between N.I.O C. and AGIP.

(9) Exploration would start within six months of the agreement coming into force, and drilling would begin when deemed useful, but in any case before the end of the first four years. If no commercial result was obtained within 12 years the agreement would lapse.

(10) AGIP undertook to spend not less than $22,000,000 during the exploration period if it maintained its rights for the full 12-year term—viz., $6,000,000 in the first four years, and $16,000,000 in the next eight years at a rate of at least $2,000,000 a year.

(11) The agreement would run for 25 years from the start of sales of petroleum, with an option for SIRIP to have it extended for three further five-year periods. If during the second and third extensions conditions in other oil agreements " collectively are more favourable to the Persian State," these conditions would apply to the extension periods, but these second and third extensions must be renounced by SIRIP if AGIP requested this.

The agreement, while preserving the rule—now customary in Middle East oil agreements—of a 50-50 division of profits between the operating company and the Government granting the concession, constituted a departure from precedent as it created a new pattern of partnership between oversea and local interests by (i) providing for actual participation by the Persian State in financing the venture, and (ii) giving Persia in return not only the customary 50 per cent share in all profits but an additional 25 per cent share through its ownership of the National Iranian Oil Company. Another feature of the agreement was the fact that it was based on co-operation between two State organizations.

The agreement with ENI-AGIP was ratified by the Persian Government on Aug. 3 and was submitted to Parliament for approval on the following day. It was agreed to by the *Majlis* on Aug. 15 and by the Senate on Aug. 24, and on Sept. 8 Signor Mattei (then in Teheran—see below) and M. Abdullah Entezam, the Administrator of N.I.O.C., signed the documents for the constitution of SIRIP. At the same time both sides deposited their shares in the initial capital of SIRIP with the National Bank of Persia.

President Gronchi's Visit to Teheran.

President Gronchi of Italy, accompanied by Signor Pella (Deputy Premier and Minister of Foreign Affairs) and Signor Mattei, visited Persia from Sept. 8-12 as guests of the Shah. During his stay in Teheran President Gronchi had discussions with the Shah, and subsequently visited the historic cities of Isfahan and Shiraz before returning to Italy.

A joint communiqué issued on Sept. 11 announced that (1) both countries, " because of their geographical position and the possibilities resulting therefrom," were determined to contribute to the maintenance of a stable situation in the Middle East, and would have regular consultations on Middle East questions ; (2) Italy and Persia, " faithful to the principles of the U.N.," believed that the Western Powers should pursue towards the countries of the Middle East a joint policy based on a spirit of sincere co-operation and mutual respect ; (3) both countries had decided to develop their economic relations still further, the newly-concluded oil agreement being the first step towards such a development, and to exchange technical missions ; (4) Italy would make scholarships available for 30 Persian students at Italian universities and technical colleges ; (5) both countries, " considering that the solidarity and co-operation of the countries of the free world, in harmony with the U.N. Charter, affords the safest guarantee for maintaining peace," regarded as a " basic factor of their policy " their faithful adherence to the defensive alliances which they had both joined to safeguard their independence and ensure their prosperity.

President Gronchi and Signor Pella returned to Rome on Sept. 12.—(Corriere della Sera, Milan - Giornale d'Italia, Rome - Le Monde - Times - Daily Telegraph - Financial Times) **(Prev. rep. Persian Oil, 15066 B ; 15048 D.)**

B. UNITED KINGDOM. — Appointments to National Research Development Corporation.

The *Board of Trade Journal* announced on Oct. 25 that Major Richard Miles and Sir Owen Wansbrough-Jones had been appointed part-time members of the National Research Development Corporation for three years ; and that the part-time appointments of Professor P. M. S. Blackett, Mr. J. F. Lockwood, and Sir Rowland Smith had been renewed for a further two years, and that of Sir John Duncanson for one year. Major Miles is chairman and managing director of Head, Wrightson and Co. Ltd., whilst Sir Owen Wansbrough-Jones is Chief Scientist of the Ministry of Supply.
(Board of Trade Journal) **(Prev. rep. 15684 B.)**

A. GHANA. — The Colvin Case. - Dr. Nkrumah's Statement. - Rejection of Appeals by Alhaji Baba and Alhaji Lalemie against Deportation Orders.

The acting Chief Justice of Ghana, Mr. Quashie-Idun, granted on Aug. 20 an application for leave to issue writs of attachment for contempt of court against Mr. Ian Colvin, correspondent of the *Daily Telegraph*, and the editor, directors and publishers of the *Ashanti Pioneer* (Kumasi), an Opposition daily.

Mr. Geoffroy Bing, Q.C., who appeared for the Minister of the Interior and Justice, the Commissioner of Police, and the Attorney-General, contended in support of the application that Mr. Colvin's report in the *Daily Telegraph* of Aug. 13 of the proceedings in the Kumasi Divisional Court in the case of Alhaji Baba and Alhaji Lalemie (see 15760 A) attacked the impartiality of the judge, Mr. Justice Smith. The case against the *Ashanti Pioneer* referred to an editorial reprinted on Aug. 15 from the London *Daily Express* and a second article of Aug. 17 which, Mr. Bing alleged, "scandalized the court by implying injustice."

The hearing of the action against Mr. Colvin and the *Ashanti Pioneer* opened in the Accra Divisional High Court on Sept. 9 before Mr. Justice Quashie-Idun and Mr. Justice Windsor-Aubrey, with Mr. Bing leading for the prosecution and Mr. Christopher Shawcross, Q.C., for the defence. The court ruled on Sept. 12 that it had no jurisdiction to hear the Government's application, and that the proceedings should have been brought in the Kumasi Divisional Court, costs of 250 guineas being awarded to Mr. Colvin and of 100 guineas to the *Ashanti Pioneer*. Writs claiming damages for alleged unlawful detention, malicious prosecution, and slander were filed by the *Daily Telegraph* and Mr. Colvin on Sept. 14 against Dr. Nkrumah (the Prime Minister), Mr. Adjei (Minister of Justice), Mr. Bing, and Major Collens (Commissioner of Police).

The Minister of the Interior, Mr. Krobo Edusei, instructed the immigration authorities on Sept. 15 to prevent Mr. Shawcross (who had left on a visit to Nigeria) from re-entering Ghana, and in a speech on the same day Mr. Edusei said that Ghana could not "tolerate British lawyers coming here to abuse her elected Government." In consequence Mr. Shawcross was refused entry to Ghana when he arrived back at Accra on Sept. 18, and had to return to Lagos. The *Daily Telegraph* announced on Sept. 17 that it considered that the exclusion of Mr. Shawcross released Mr. Colvin (who was also in Nigeria) from any obligation to return to Ghana until he was allowed to make freely the arrangements he desired for his defence.

A Commonwealth Relations Office spokesman stated in London on Sept. 16 that Sir Ian Maclennan, U.K. High Commissioner in Accra, had been instructed to express the British Government's concern at developments in the case, and to obtain additional information concerning it. A Note from the Government of Ghana was received in London on Sept. 17, to which the British Government replied on the following day. The text of the two Notes was not published.

In a broadcast on Sept. 24 Dr. Nkrumah announced that the Government had decided not to continue proceedings against Mr. Colvin, and that in consequence it would be unnecessary for Mr. Colvin or Mr. Shawcross to return to Ghana. Orders declaring Mr. Colvin and Mr. Shawcross prohibited immigrants were issued on Sept. 25.

Dr. Nkrumah referred to comments on recent developments in Ghana which had appeared in the foreign Press, and observed that while in some cases this had shown an understanding of Ghana's problems, in others criticism had been "ignorant, malicious, or both." "The first duty of a Government is to govern," he continued. "Hence the preservation of our internal security is paramount. I wonder if those abroad who have criticized us fully appreciate this problem in Ghana, where we have to deal with a complex relationship of feudal, tribal, and other factors, and where we have to fight against inspired rumours and vicious misrepresentations. It is obvious that we are dealing with conditions quite unlike those in many other countries. Thus we must adopt methods appropriate to the problems we have to solve, and still preserve the basic rights of the individual."

Dealing with the deportations, Dr. Nkrumah recalled that that section of the Deportation Act of 1957, under which action was originally taken, had not been questioned by members of either side when debated in Parliament. "That section simply renewed the powers previously possessed and exercised by the old colonial Government," he went on. "Parliament thus recognized that these powers of deportation are still necessary under the existing conditions in Ghana . . . My Government will not hesitate to act if unlawful or subversive . . . methods are used to undermine it . . . When deliberate attempts were being made to render impossible court proceedings under the Deportation Act, the Government was faced with a situation in which police and civil servants were being attacked, and in which organized disturbances were taking place in Accra and Kumasi. We took action by deporting, by Act of Parliament, two persons who we knew were behind these and other disturbances in the past. Since then the country has never been quieter . . .

"The judiciary is unfettered. The most recent African appointments to the Bench include two former politicians who were very active members of the Opposition parties. The latest appointment to the Ghana Appeal Court is an English Queen's Counsel who was a former member of the General Council of the Bar in the United Kingdom. When the international Press and radio comment on our affairs, I hope they will keep facts such as these in mind . . . Do not apply to us standards of conduct and efficiency which are often not attained in your own countries. . . ."

After announcing that the case against Mr. Colvin would be dropped, and, in consequence, that it would not be necessary for Mr. Colvin or Mr. Shawcross to return to Ghana, Dr. Nkrumah added: "I wish to stress, however, that any lawyer who fulfils the conditions imposed by our laws as to entry into Ghana and admission to our Bar will always be welcome in Ghana. What the Government cannot accept is that legal proceedings are conducted in such a way that they amount to improper interference in the political and internal affairs of Ghana. My Government cannot allow lawyers, especially from abroad, to use the courts of Ghana for political purposes. If we were to allow this it would destroy the concept of justice which we are trying to strengthen -namely, that the courts are above politics and that judges in Ghana should not be involved in political issues . . ."

In an interview on Oct. 2 with Mr. Kingsley Martin, editor of the *New Statesman*, Dr. Nkrumah stated that if he had had his way he would not have taken action against Mr. Colvin, but the acting Chief Justice had advised otherwise. After Mr. Justice Quashie-Idun had denied this, a correction was issued on Oct. 10 by the Ministry of Justice, which stated that he had advised the taking of proceedings against the *Ashanti Pioneer* but not against Mr. Colvin.

The hearing of the appeals of Alhaji Baba and Alhaji Lalemie against the deportation orders served on them was resumed in the Kumasi Divisional Court on Oct. 1 before Mr. Justice Smith, who ruled on Oct. 25 that - contrary to the submission of the appellants—the court had no power to inquire into the validity of the special Act under which they had been deported.—(Times - Daily Telegraph - Manchester Guardian - New Statesman) **(Prev. rep. 15760 A.)**

B. ASTRONOMY. — Inauguration of Radio-Astronomical Stations at Jodrell Bank and Cambridge.

The largest radio telescope in the world, built at Jodrell Bank (Cheshire) for the University of Manchester, went into operation on Oct. 11 ahead of schedule. As previously explained (see page 15792, first column) its electrical equipment was hurriedly completed to enable the telescope to track the first Soviet earth satellite which had been launched a week beforehand. Both the first and second *sputniks* were kept under constant observation by the Jodrell Bank research station, which, at the request of Soviet scientists, succeeded in tracking the rocket-container of the second satellite after Russian astronomers had failed to do so (see 15835 A).

The Jodrell Bank radio telescope weighs about 270 tons and has a paraboloid reflecting-bowl with a diameter of 250 feet. Built over five years at a cost of £500,000 (shared equally between the Department of Scientific and Industrial Research and the Nuffield Foundation), it supersedes an older radio telescope which was already the largest of its kind in the world (see 12191 B), and which had picked up radio waves from far outside the Milky Way -e.g. from the Andromedan galaxy, over 750,000 light-years distant. The Director of the Jodrell Bank station (Professor A. C. B. Lovell) said that the new telescope gave Britain a four to five years' lead in radio astronomy and would greatly expand man's knowledge of the cosmos by making it possible to explore regions of space 1,000 times greater than those visible through optical instruments.

The most extensive radio-astronomical observatory in Britian—the Mullard Radio-Astronomy Observatory—was opened a few miles from Cambridge on July 20, 1957. The Mullard Company provided £100,000 (over half the total cost) towards its construction, the remainder being found by the Department of Scientific and Industrial Research and the University of Cambridge.

The Mullard Observatory forms part of the Cavendish Laboratory of Cambridge University and contains many new instruments, based mostly on the ideas of Dr. Martin Ryle, Director of the observatory and, like Professor Lovell, one of the world's leading radio-astronomers. Its 180-acre site is covered with massive aerials in a variety of fantastic shapes—many of 'V' and parabolic form, and others described by the Radio Correspondent of the *Daily Telegraph* (Mr. L. Marsland Gander) as looking "like weird celestial harps." One array comprises a row of huge kerb structures mounted on parallel rails, so arranged that the whole can be moved backwards and forwards to cover different sections of the sky; another array is 3,300 feet long, consisting of 128 V-shaped towers each measuring 40 feet from tip to tip. There are two major aerial systems—one designed for accurate measurements of the position of faint "radio stars," and the other for measurements of radio emissions from different parts of the galaxy. The data obtained is studied and analysed in a small central observatory.

The work of the Mullard Observatory will be complementary to that at the Jodrell Bank research station.—(Times - Daily Telegraph - Manchester Guardian) **(Prev rep. Jodrell Bank, 12191 B; Palomar Telescope, 9367 B.)**

A. CHINA. — "Rectification Campaign" against "Bureaucrats" and "Rightists." - Meeting of National People's Congress. - Denunciation of "Rightist" Ministers and Writers. - Strikes and Local Revolts.

The Peking *People's Daily* (the official organ of the Chinese Communist Party) denounced in a long editorial on April 13 the bureaucratic methods of certain Communist officials, who, it declared, had ignored popular grievances, "grossly infringed the rights and interests of the masses," and "made use of brutal forms of pressure," thereby arousing "justified popular discontent." To correct these methods, it was announced, a "rectification campaign" would be launched during which "bureaucrats" would be exposed by means of public discussions and would be required to "remould" themselves by confessing their errors. A directive issued by the Communist Party's Central Committee on April 30 stated that the campaign would last six months, that the methods employed would be "gentle as a summer breeze," and that there would be solely "discussion and persuasion."

This proposal met with such an enthusiastic response throughout China that in certain towns normal working virtually came to a standstill during May, and the Government was obliged to issue an order that "rectification meetings" should be confined to two half-days a week. A prominent part in the movement was played by the intellectuals, who at meetings of their various professional associations demanded greater freedom of thought and expression and the ending of the Communist Party's control of cultural life.

Authors complained that the Chinese Writers' Association gave them orders, that the Communist Party regarded them with suspicion, and that literary works were judged by purely political criteria; these complaints were admitted to be justified by the Minister of Culture (Mr. Mao Tun), who publicly stated that writers regarded the bureaucrats who dominated the Association as "their masters." The poor quality of many new books, plays, and films, and the censoring for political reasons of classical Chinese novels and plays, were also strongly criticized by writers and by theatrical and cinema workers. Meetings of journalists protested against the obstacles placed in their way by officials and by the police; scholars pointed out that research was being hindered by the amount of time which they were obliged to devote to political meetings; and philologists criticized the Government's proposal to introduce a Latin alphabet (see 14722 A), which, they stated, had been imposed upon them against their will.

As the campaign proceeded, criticism was increasingly directed against the Communist Party and the political system as a whole, and the non-Communist parties began to demand a greater share of power. [The most important of these organizations are the Democratic League, the Kuomintang Revolutionary Committee, the Peasants' and Workers' Party, and the *Chiu San* ("September 3") Society; the last-named is so called because the victory over Japan is celebrated in China on Sept. 3.] It was pointed out that the National People's Congress (the Chinese Parliament) exercised no effective control over the Government; that the liberties guaranteed by the Constitution were constantly violated; and that the non-Communists in the Government had decreased in number and exercised no real power. Communist Party members were alleged to form a privileged class and to enjoy a much higher standard of living than the mass of the people. Finally, demands were put forward for the rehabilitation of persons unjustly accused of being "counter-revolutionaries," and for the abolition of detention without trial. The Minister of Justice (Mr. Tung Pi-wu admitted in reply to these demands that innocent people had been arrested and detained purely on suspicion; the worst abuses had taken place in 1955, during the period following the discovery of Kao Kang's conspiracy (see 14152 C), but these, he claimed, had been or were being rectified.

Full publicity was given to these criticisms by the Press, which played a prominent part in the campaign. Among the non-Communist papers the lead was taken by *Kwang Ming* ("Light"), a daily published by the Democratic League; its editor, Mr. Chu An-ping, even raised the question whether, in view of the highly organized and disciplined nature of the Communist Party, its Central Committee could evade responsibility for the abuses committed by party officials. The magazine *People's Literature* provoked a controversy, similar to that aroused in the Soviet Union by Vladimir Dudintsev's novel *Not by Bread Alone* [see 15833 A], by publishing a novel which traced the gradual disillusionment of a young Communist.

As a result of the campaign against "bureaucracy," it was announced on Sept. 12 that 300,000 Government and Communist Party officials had been removed from their posts and transferred to "productive work" in factories, mines, or agricultural co-operatives.

The Campaign against "Rightists."

The Communist Party reacted to the unexpected strength of the movement which it had itself initiated by substituting "rightists" for "bureaucrats" as the main target of the "rectification campaign." During the first half of June the *People's Daily* gave increasing prominence to attacks on "right-wing elements," and on June 18 President Mao Tse-tung's speech of Feb. 27 on "contradictions among the people" [see 15681 A] was published in a revised text which emphasized that criticism was useful only if it strengthened the "people's democratic dictatorship" and the leadership of the Communist Party. "Rectification meetings" continued, but were increasingly devoted to denunciations of "rightists"; at one such meeting at Peking University on July 26 a 67-year-old professor attempted to commit suicide by hurling himself against a stone pillar after being interrogated for several hours.

A session of the National People's Congress from June 26-July 15 was made the occasion both for public denunciation of the leading "rightists" in the non-Communist parties and for private "rectification meetings" of deputies from the same city or province. Three Ministers belonging to the Democratic League—Mr. Chang Po-chun (Communications, Dr. Lo Lung-chi (Timber Industry), and Mr. Chang Nai-chi (Food)—were the object of particularly violent attacks, as a result of which they were finally induced to "confess" their political "errors."

Mr. Chou En-lai (the Prime Minister), in his opening speech, replied in detail to criticisms which had been brought against the regime, and denounced the "calumnies" and "fantastic demands" of "certain right-wing elements." He expressed the hope that, "profiting by their own experience and increased awareness," they would "repent and accept opportunities of remoulding themselves," but warned them that they might be considered "enemies of the people" if they persisted in their "anti-Socialist position."

On July 6 Mr. Chang Po-chun and Dr. Lo Lung-chi were denounced in the Congress by **Dr. Wu Han** (chairman of the Peking branch of the Democratic League), who declared that "after the Hungarian affair this clique considered that the Communist Party could not continue leading the country, and that this offered the non-Communist parties their chance." Through their numerous supporters inside the League and through its Press, Dr. Wu Han alleged, they had tried to incite disorders in the nine largest cities and in many universities, but "their plot had been discovered and their criminal plans frustrated." Despite their activities, he concluded, the League would continue to collaborate loyally with the Communist Party. Other deputies attacked General Lung Yun, a member of the Kuomintang Revolutionary Committee and a vice-chairman of the National Defence Council, who was accused of persecuting Communists when Governor of Yunnan under the Kuomintang régime, and of adopting a hostile attitude towards the Soviet Union.

Several leading "rightists" made public confessions before the Congress on July 13. **General Lung Yun** admitted that he had displayed an "anti-Soviet and anti-Socialist attitude" by calling for easier terms for the repayment of Soviet loans to China. **Mr. Chu An-ping** confessed that during April and May, under the influence of Mr. Chang Po-chun and Dr. Lo Lung-chi, he had published many "ill-intentioned, one-sided, and destructive" reports in *Kwang Ming*; had sent reporters to nine cities deliberately to stir up disturbances; and had used the paper to "attack the Communist Party and weaken its prestige and leadership among the people." **Professor Fei Hsiao-tung** (a distinguished anthropologist and a member of the Democratic League) stated that a meeting of Peking professors addressed by Mr. Chang Po-chun on June 6 had discussed plans involving a contest for leadership against the Communist Party, whilst **Mr. Wang Hsi-chang** (vice-chairman of the Peasants' and Workers' Party) made a highly emotional confession during which he broke down and wept.

Written confessions by the Democratic League Ministers were submitted to the closing session of the Congress on July 15. **Mr. Chang Po-chun** said that his political ideas were in "a dreadful state," which he attributed to his "feudal-landlord-bourgeois" background. He had proposed that the People's Political Consultative Conference (the committee of representatives of the Communist and non-Communist parties) should be converted into an Upper House in which Communists would be in a minority, with the right to veto decisions of the National People's Congress, and had helped to set up committees to work for the weakening of Communist influence in the universities and the replacement of proletarian dictatorship by "bourgeois democracy"—a policy which, he admitted, would "inevitably have led to a capitalist comeback." **Dr. Lo Lung-chi** confessed that he had directed the Democratic League towards the right during the past year, with the aim of placing the non-Communist parties in a position to compete for power with the Communist Party. He attributed his failings to the "feudal and bourgeois" outlook of his family, to his education in Britain and the U.S.A., and to the fact that he had been "poisoned" by reading British and American magazines. The confession made by **Mr. Chang Nai-chi** was much more restrained in tone; he admitted minor errors caused by "bourgeois individualism," but denied other charges brought against him, including one of conspiring with Mr. Chang Po-chun and Dr. Lo Lung-chi.

During July and August two other Ministers, Mr. Hsu Teh-heng (Marine Products) and Mr. Tseng Chao-lun (Deputy Minister of Higher Education), were denounced for "rightist" activities. Mr. Hsu Teh-heng was accused of attempting to recruit new members in intellectual circles for the *Chiu San* society (of which he is chairman) and of advocating the abolition of the Communist Party committees which run schools and universities. Despite the gravity of some of the charges brought against them, however, all the "rightist" Ministers apparently retained their posts.

In its later stages the campaign against "rightists," which reached its height during August, was directed particularly against the intellectuals. Beginning in the universities, it was later extended to cover the Writers' Association, the schools, and cinema workers', theatrical workers', and musicians' organizations.

On Aug. 7 the Press announced that Miss Ting Ling (a famous novelist and dramatist, who had been a Communist Party member since 1931) and another writer, Miss Chen Chi-hsia, had been denounced as the leaders of an "anti-party clique" which had opposed the Communist Party's supervision of literary work, propagated "bourgeois" ideas, and conducted a campaign against fundamental aspects of the party's policy in collaboration with the leaders of the Democratic League. At the time of the Hungarian revolt, it was alleged, they had decided that "the time had come to launch a counter-attack against the party," and subsequently had taken advantage of the "rectification campaign" to "carry out their attack on the party both from inside and outside." Miss Chen Chi-hsia was reported to have confessed on Aug. 3, at the tenth of a series of meetings of the Writers' Association, but Miss Ting Ling consistently denied the charges against her.

In a report presented to the Communist Party Central Committee on Sept. 23, the secretary-general (Mr. Teng Hsiao-ping) announced that the campaign against "rightists" had been completed. The first two stages of the "rectification campaign," he stated, had permitted first the "flowering of opinions" and then "a violent counter-attack against the right." Two more stages remained, which would be concerned respectively with "reforms" and with "meditation and study."

Strikes and Local Revolts.

During the first stage of the "rectification campaign" the Press gave details of the strikes and the unrest among students to which President Mao Tse-tung had referred in his speech of Feb. 27. During 1956, it was admitted, strikes had taken place at factories in Peking, Tientsin, Chungking, and elsewhere, and disorders had occurred in the Universities of Peking, Tientsin, Chungking, Harbin, and Taiyuan. These disturbances were officially attributed to the bureaucratic attitude of the authorities; trade union leaders admitted that the unions were "out of touch with the masses," and that when unrest developed the workers had formed their own organizations outside the official trade unions. The Press also referred, though more discreetly, to opposition by the peasantry to collectivization of the land, which had led to disturbances in Shensi province (Central China).

From July to September, on the other hand, the Chinese Press gave increasing prominence to reports of the activities of "counter-revolutionary" organizations and local revolts, 18 alleged conspiracies being reported between July 24 and Aug. 19. These reports showed an increasing tendency to connect the disturbances with the activities of leading "rightists," at first indirectly and later directly. An exhibition illustrating the "crimes of the reactionaries," organized by the Ministry of Public Security, was held in Peking during September, one section being devoted to the attempts made by "counter-revolutionaries" to utilize the "rightists" in order to restore capitalism. In connexion with this exhibition, it was announced that 81,000 "reactionaries" had been arrested since July 1955.

According to reports published in the Press during July-September, local revolts took place in Shensi on May 17, when members of an organization called the "Army for Justice and Salvation" destroyed two offices of local people's committees; in Kwangtung (S.E. China) on July 12, when seven people were killed; and in Chekiang province (S.E. China) in July, when a Communist Party office and a bank were raided. Over 1,000 students rioted in the city of Hanyang in June, after they had been ordered to find employment because of the shortage of classrooms; during the riots, which continued for two days, they stuck up posters demanding the restoration of the Kuomintang régime, attacked Communist Party officials, stormed the party headquarters, and attempted to seize an ammunition depot. The leaders of the rioters, who included several teachers, were arrested.

The *People's Daily* accused Mr. Chang Po-chun on Sept. 3 of being involved in a plot to turn Fukien province (S.E. China) into an independent State, and alleged that Mr. Li Shu-chung (leader of the Peasants' and Workers' Party in the province) had tried to establish contact with "bandit groups" for this purpose through 16 agents, 10 of whom had since been sentenced to death or placed under police supervision. The arrest of members of various anti-Communist organizations had previously been reported during July and August from the provinces of Shantung (E. China), Honan and Hupeh (Central China), Kwangtung and Kwangsi (S.E. China), and Tsinghai (N.W. China).

Local revolts had previously occurred in the early months of 1956 in two areas inhabited by national minorities. In Liangshan (a district on the borders of Szechwan and Yunnan inhabited by Yis) members of the landowning class rebelled against the abolition of slavery and the division of part of their land among their former slaves, whilst in the Kanze autonomous region of Szechwan (inhabited by Tibetans) the landlords similarly revolted in February 1956 against the abolition of slavery and forced labour and the liquidation of usurious debts. [Mr. Liu Ke-ping, chairman of the Nationalities Affairs Committee of the National People's Congress, suggested on Aug. 7, 1956, that the latter revolt had given rise to the unfounded reports of a rebellion in Tibet (see 14942 A) which had appeared in the foreign Press.] Both risings were quickly suppressed with the co-operation of the local peasantry; it was suggested, however, that they were partly responsible for the warnings against undue haste in introducing reforms among the national minorities which were given by speakers at the eighth Communist Party congress (see 15232 A) and by President Mao Tse-tung in his speech of Feb. 27 1957.
(Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times) **(Prev. rep. 15681 A.)**

A. UNITED KINGDOM.—Gold and Dollar Reserves. - First Drawing on Export-Import Bank Credit.

The Treasury announced on Nov. 4 that the sterling area's gold and dollar reserves had risen during October by $243,000,000, after taking into account (*a*) the payment of $130,000,000 to the E.P.U. in respect of the U.K.'s deficit in September; (*b*) the payment of $3,000,000 to creditor countries in the E.P.U. under bilateral settlements; (*c*) the drawing of $250,000,000 on the Export-Import Bank credit.

It was pointed out by the Treasury that, excluding the drawing on the Export-Import Bank credit on the one hand and the payments to the E.P.U. on the other, neither of which concerned transactions in October, there was a net gain for the reserves of $126,000,000 during the month, compared with a fall of $292,000,000 in September and of $225,000,000 in August. Although this marked improvement reflected the corresponding improvement in sterling in the international exchange markets, it was difficult to say how much was due to currency transactions and how much to normal commercial payments.

Provisional figures for the E.P.U. October settlement showed that Britain had a surplus of £9,000,000; three-quarters of this would be settled by the E.P.U. in gold or dollars (involving a payment of $19,000,000 during November), and the remaining quarter by a reduction in the U.K.'s debt to the Union. It was officially suggested that, without the extensive drawing-in of funds by the Bank of France, Britain's E.P.U. surplus might well have reached £20,000,000.

Between Oct. 10 and the end of the month sterling continued to fluctuate around the parity of $2.80, being quoted either above or only very slightly below that level, and reaching its highest point since June 20, 1956, at $2.80⅛ on Oct. 15. On Oct. 21 it also reached its highest point against the Deutsche-mark since April 28, 1955, at 11.78⅛ DM.—(Treasury Press Office, London - Times - Daily Telegraph - Financial Times)
(Prev. rep. 15790 D; Sterling-Dollar Rate, 15800 A.)

B. EGYPT. — Formation of National Union.

A decree was promulgated by President Nasser on Nov. 2 setting up the National Union, the single-party organization which was envisaged in the Constitution adopted in 1956. Replacing the former Liberation Rally, it is designed "to realize the objectives of the revolution of 1952 and to promote efforts to build up the nation on sound foundations by establishing a socialist, democratic, co-operative society free from political, social and economic exploitation."

The National Union will have a supreme executive committee of 20 members, headed by President Nasser, which will nominate all future candidates for the 350-member National Assembly. It will be organized in local, area, provincial and national committees; will receive financial aid from the State; and is authorized to invest its funds and accept donations. Membership is open to all Egyptians aged 16 and over.
(Times - Observer) **(Prev. rep. Elections, 15730 A; New Constitution, 14927 A.)**

A. TURKEY. — Democratic Party Victory in General Elections. - Amendment of Electoral Law. - Re-election of President Bayar. - Opposition Protests at Press Legislation and Restriction of Political Meetings. - Arrest of Mr. Gulek and Mr. Bolukbashi.

General elections were held in Turkey on Oct. 27, following the dissolution of the *Kamutay* (Grand National Assembly) on Sept. 11, in accordance with a decision of the ruling Democratic Party to advance the election date from the spring of 1958.

Immediately before its dissolution the old Assembly had passed Government-sponsored legislation amending the electoral law. This legislation, adopted against strong Opposition protests, was aimed at countering an agreement between the three Opposition parties—the People's Republican Party, the Freedom (*Hurriyet*) Party, and the Republican National Party—for full co-operation between them at future elections. The three-party agreement had been announced on Aug. 22.

The Electoral Amendment Bill, which was passed by the *Kamutay* on Sept. 11, laid down :

(1) that anyone whose candidature had been discussed by a party could not join another party or stand for it in an election ;

(2) that parties participating in elections must produce lists of candidates in every Province in which they maintained a political organization, and that the number of candidates submitted by them must be equal to the number of deputies to be elected in each constituency, failing which their participation in the elections would be nullified ;

(3) that no person could become a candidate of a political party if he had resigned from another party less than six months before the election ;

(4) that any party official or other person making false statements in connexion with investigations into possible violations of the above-mentioned rules would be liable to imprisonment from one to three years ;

(5) that no person could become a candidate of any other party but his own, candidatures violating this rule being liable to invalidation ,

(6) that lists containing candidates from more than one party, or combining Independents with party candidates, would not be admitted, and that the inclusion of names other than those presented in official party lists would be illegal ;

(7) that when Parliament had decided to call general elections, new voting lists would be prepared.

The principal objectives of the legislation were : to require each political party to present lists of its own ; to prevent the presentation of common lists by a coalition of the Opposition parties ; and also to forestall the repartitioning of seats among the Opposition parties under an arrangement whereby two of them agreed to vote for the candidates of the third party. Another objective was to prevent Democratic deputies who had either recently resigned from the Democratic Party, or had not been re-nominated by it for the elections, from running for any of the Opposition parties. [Shortly before the dissolution of the old National Assembly three deputies had resigned from the Democratic Party—Professor Köprülü, the former Foreign Minister and Deputy Premier, and two deputies from Konia province.]

Following the passage of the Bill, the three Opposition parties decided on Sept. 20 that the legislation had made it impossible for them to unite in fighting the general election.

Under the electoral system members of the Grand National Assembly are elected from multi-member constituencies, each corresponding to Turkey's 67 provinces and each returning one member for every 40,000 of the population. The party list obtaining the largest number of votes is automatically entitled to all the seats in the constituency, even if it has gained a bare majority. On the basis of the population census of 1955 [see 14097 E], the Assembly's membership was increased from 541 to 610. The number of deputies for each constituency varied between 39 for Istanbul (the largest) and four for Van (the smallest).

Both the Democratic Party and the Republican People's Party contested all 67 constituencies, while the Freedom Party contested 56 and the Republican National Party 63. The Democratic Party's lists included the names of high officers of the armed forces who—in accordance with the electoral law—had previously resigned from the armed forces in order to stand as candidates. They included General Tunaboylu (former Chief of General Staff), General Aknoz (former C.-in-C., Land Forces), General Uchaner (former C.-in-C , Air Forces), and Admiral Altinjan (former C.-in-C., Naval Forces). On the other hand, the Democratic lists did not include over 100 members of the old Parliament, who were replaced by newcomers—many of whom were younger men. Among the women candidates was Mme. Nazli Tlabar, a well known deputy who stood as a Democrat in Istanbul. Altogether there were over 2,000 candidates.

At the time of its dissolution the former Grand National Assembly comprised 448 Democrats, 31 members of the Republican People's Party, 34 of the Freedom Party (including the three who had left the Democrats early in September—see above), and four of the Republican National Party ; there were also eight Independents and 21 vacant seats.

All parties were agreed on the main outlines of Turkey's foreign policy, the elections being fought mainly on domestic issues—notably on questions of economic policy, the Government's Press legislation, and the new electoral amendment law. As regards economic policy, the Democrats pointed to the achievements of their large-scale expansion programme, whilst the Opposition parties claimed that this policy had led to inflation and to a shortage of commodities, thereby causing great hardship to the poorer classes. In addition to demanding measures against inflation, the Opposition also advocated the creation of a Second Chamber and of a Supreme Court to decide on constitutional matters ; the preservation of the judiciary from interference by the Executive ; the repeal of the stringent press legislation enacted by the outgoing Parliament and of other measures restricting the liberty of the individual (see below) ; the introduction of proportional representation ; and the holding of new elections within six months. To enable the proposed constitutional changes to be enacted, the Opposition suggested that the new Assembly should become a Constituent Assembly.

The results of the elections were as follows, comparison being given with the 1954 elections :

	Seats	
	1957	1954
Democratic Party	421	503
Republican People's Party ..	173	31
Freedom Party*	4	—
Republican National Party ..	4	5
Independents	—	2

*The Freedom Party was formed in 1955 by dissident Democratic deputies [see 14549 A].

Nearly 11,000,000 voters went to the polls, representing about 90 per cent of the electorate. The successful candidates included seven women.

As the party lists for some constituencies included candidates who had also been named for a second constituency, the total number of seats actually exceeded the total number of candidates elected. Thus 424 Democrats candidates were successful, of whom three, however, were elected for two constituencies ; of the candidates standing for the Republican People's Party, 178 were successful, including five who had been elected in two constituencies. The candidates returned for two constituencies—among whom were President Bayar (elected in Istanbul and Bursa), M. Adnan Menderes (elected in Istanbul and Aydin), and M. Inonü, leader of the Republican People's Party (elected in Ankara and Malatya)—will have to choose which seat they wish to retain, whilst the second seat not accepted by them will have to be contested in a by-election. Eight by-elections will thus have to be held before the membership of the new Grand National Assembly is complete.

Of the provincial constituencies, 44 (including Istanbul and Izmir) were won by the Democrats, 18 (including Ankara) by the Republican People's Party, and one each by the Freedom and Republican National parties. In three Provinces there were mixed results owing to candidates from one party list having been combined by the voters with those from others. Among those elected was M. Osman Bolukbashi, the leader of the Republican National Party, who is in prison on charges of contempt of Parliament [see below] and who was re-elected as a deputy for Kirshehir.

The elections themselves passed off in complete calm, but several incidents occurred during the election campaign in Ankara and Istanbul, whilst serious rioting broke out on Oct. 29 in connexion with demonstrations organized by the Opposition in protest against alleged electoral frauds by the Democratic Party.

At Gaziantep (Southern Turkey) a policeman and a boy were killed and seven people wounded when several thousand followers of the Republican Party, complaining that their names had been omitted from the electoral register, attacked the headquarters of the Democratic Party and the Prefecture. The police used tear-gas and eventually fired shots to disperse the demonstrators. The election results in Gaziantep had been announced as 70,731 votes for the Democrats and 70,550 for the People's Republican Party, the Democrats thus gaining all the 10 seats for the province though having a majority of only 181.

The Republican People's Party announced on Oct. 31 that it contested the validity of the election results in 15 provinces (in which 137 Democratic deputies had been elected), on the ground that a relatively large number of voters had been unable to cast their votes because their names had been omitted from the electoral register although they possessed voters' certificates. The Opposition also complained that radio stations had announced certain results before the closing of the poll, which, it was alleged, had influenced the electorate.

The new Grand National Assembly met for the first time on Nov. 1 to elect the President of the Republic and its own president and vice-presidents. M. Jelal Bayar, the Democratic candidate, was re-elected President of the Republic for a third term by 418 votes to nil, the Opposition abstaining.

Internal Developments in 1956-57. - Restrictions on the Press and Political Meetings. - Premature Superannuation of Judges.

The Opposition's electoral campaign was particularly directed against legislation (enacted during 1956) imposing new and far-reaching restrictions on the Press and on political meetings. The Opposition parties also strongly opposed previous legislation superannuating a number of judges, including three members of the Supreme Court, before they had reached the retiring age. These and other internal developments during 1956-57 are summarized below under cross-headings :

Press Legislation. Two Bills—one tightening up the existing Press law and the other dealing with the law of libel—were introduced by the Government on June 4, 1956. The first Bill laid down (i) that the publication of "false reports" calculated to shake the political or economic stability of the State, or to cause unrest among the population, or to cause shortages of essential commodities or higher prices for such commodities, would be punishable by imprisonment from one to three years or fines up to £T.10,000 (about £1,250); (ii) that persons who published, or caused to be published, information which was false, exaggerated, or calculated to undermine the reputation of the Turkish State would be liable to similar penalties; (iii) that newspapers infringing the new regulations could be suspended for three months; (iv) that denials of false, exaggerated or tendentious reports would have to be published without comment or rebuttal, such denials to be given the same space and prominence as the original report; (v) that newspaper proprietors would be liable, equally with publishers and editors, for offences against the Press law; (vi) that journalists would be required to possess a university degree, except those who already had three years' service on a newspaper. The libel law laid down similar penalties in the case of statements directed against the honour, prestige, credit or standing of any person, either by direct attacks or by insinuation, implication, mockery, or satire. The penalties were increased if the person against whom such attacks were made held an official position.

The preamble to the Press law accused a large section of the Turkish Press of having systematically distorted or misrepresented facts in a manner detrimental to the State's prestige both at home and abroad; of having misquoted statements made by Turkish Ministers or foreign visitors, thereby creating a false impression of conditions prevailing in Turkey; and of indulging in deliberate slander of persons holding official positions, thereby shaking public confidence in their efficiency and honesty.

Both Bills were passed by the Grand National Assembly on June 7, 1956—the Press law by 297 votes to 51, and the libel law by 247 votes to 48—after violent scenes in which deputies twice came to blows. M. Ismet Inönü, leader of the People's Republican Party, accused the Government of wishing to create a regime of "violence and duress" and alleged that it had introduced the legislation to conceal its failure to deal with the economic crisis. M. Osman Bolukbashi, leader of the National Party, described the legislation as "dictatorial" and as being in absolute contradiction to the principles expressed by the Democratic Party when in opposition. The spokesman of the Freedom Party, M. Turan Guresh, denounced the Bill in similar terms. For the Government, the Minister of Justice (M. Göktürk) reiterated the allegations that certain newspapers had consistently abused democratic rights and freedoms, published slanderous reports, and attacked the honour of individuals.

By May, 1957, fifteen Turkish journalists had been sentenced to varying terms of imprisonment on charges of violating the Press law. They included the publisher and editor of the newspaper *Zaman* (now defunct) and the editor of an Eskeshir paper, who was sentenced to eight months' imprisonment for insulting the Governor of Eskeshir Province. The Syndicate of Journalists in Istanbul was temporarily closed by the courts in July last on the ground that it had indulged in political activities in violation of the legislation (see below) restricting such activities only to political parties. The case arose over a protest issued by the Syndicate alleging that journalists had been roughly handled by police officers while reporting political demonstrations.

Restrictions on Political Assemblies. A Government Bill curtailing meetings of political parties was passed by the Assembly on June 27, 1956, by 281 votes to 2, after the deputies of all three Opposition parties had walked out of the Chamber in protest. The Bill laid down (i) that political meetings could only be held within a period of 45 days prior to elections; (ii) that, outside this 45-day period, parties would be allowed to hold only three closed meetings a year (e.g. regional conferences), which must be attended by card-carrying members and to which the Press would not be admitted; (iii) that permission for such meetings would have to be sought 48 hours in advance, the Government retaining power to give or deny permission; (iv) that the names of speakers at such meetings, and the subject-matter of their speeches, would also have to be submitted in advance to the Government; (v) that political processions, demonstrations, and other forms of "propaganda" would be prohibited. The most controversial section, however, was that laying down that if attempts were made to violate the law by holding public meetings and demonstrations in the open air, a Government official present would issue a warning; if this warning were unheeded, the official would be authorized to direct the police to use firearms to disperse the demonstrators, firing three times into the air before firing "without aim" into the crowd. Violations of the law were made punishable by imprisonment from three months to two years or fines ranging from £T.1,000 to £T.5,000.

The leaders of the three Opposition parties - M. Inönü (People's Party), M. Karaosmanoglu (Freedom Party) and M. Bolukbashi (National Party)—bitterly attacked the legislation, M. Karaosmanoglu being expelled from the Chamber after he had declared that the provision giving the police powers to fire on political demonstrations was the work of a "dictator" a statement which he refused to retract when called upon to do so. M. Bolukbashi similarly denounced the powers given to the police to open fire on persons attending a political meeting, while M. Inönü declared that the law constituted a clear violation of the constitutional guarantees of freedom of speech, free assembly and political discussion. As stated above, all three Opposition parties walked out of the Chamber before the vote, the two dissentient votes being cast by Independent deputies. Government spokesmen justified the legislation on the grounds of the alleged abuse made of political meetings and demonstrations organized by Opposition parties in different parts of the country.

M. Inönü, M. Karaosmanoglu, and M. Bolukbashi issued a joint declaration in July 1956 reiterating their opposition to the legislation, and affirming the determination of the Opposition parties to press for its repeal. Only a short summary of the manifesto was issued in the Turkish Press.

Arrests of Opposition Leaders. M. Kasim Gulek, secretary-general of the People's Party and publisher of *Ulus* (the leading Opposition newspaper), was arrested on Aug. 2, 1956 at Rize (a town on the Black Sea coast) because he had shaken hands with a group of admirers—an action which was held to be an infringement of the law against political demonstrations. M. Gulek who was making a tour of the Black Sea coast, and who had been under close police surveillance at every town he visited in order to prevent any political demonstration—was sentenced a week later to six months' imprisonment and a fine of £T.1,000, both penalties being however remitted as first offences.

M. Gulek had previously been sentenced in June 1956 to a year's imprisonment, and four months' "banishment" to Bursa, for asserting that the elections of 1954 were illegal. Pending an appeal against his sentence, he had continued to remain at liberty. On Nov. 24, 1956, the Istanbul Magistrates' Court reversed the sentence, holding that the statement for which M. Gulek had been arrested could not be interpreted as questioning the legality of Parliament.

On Dec. 20, 1956, however, M. Gulek was sentenced by an Ankara court to a year's imprisonment and a heavy fine for publishing in *Ulus* the text of one of his speeches criticizing the Government's economic policy. The same sentences were passed on the editor of *Ulus*, the newspaper itself being suspended for one month. Both sentences were imposed under the new Press law described above. It was understood, however, that they would not be put into effect pending an appeal by M. Gulek and the editor of *Ulus* to the courts.

A Bill lifting parliamentary immunity from M. Bolukbashi (leader of the National Party and deputy for Kirshehir) was passed by the Grand National Assembly on June 24, 1957, against strong Opposition protests. It was the outcome of a debate a week earlier during which M. Bolukbashi had violently attacked the Democratic Party and had come to blows with one of its members, leading to his suspension from three sittings of the Assembly. The Minister of Justice thereupon introduced a Bill to remove parliamentary immunity from M. Bolukbashi on the ground that he had insulted the Assembly, and thereby the national sovereignty of which the Assembly was the symbol. The Bill was denounced by M. Inönü as unconstitutional because it limited the freedom of speech of members of Parliament in the performance of their duties. [The incidents in which M. Bolukbashi had been involved a week earlier arose during a debate on a Bill for the re-establishment of Kirshehir as a *vilayet* minus two districts, one of which was M. Bolukbashi's birthplace.]

M. Bolukbashi was arrested on July 2 on a charge of having shown disrespect for the Grand National Assembly, and of having insulted that body. He was released on July 21 but re-arrested on July 25, and was awaiting trial at the time of the general elections.

Compulsory Retirement of Judges. The Opposition had also strongly criticized the Government's action (taken in May 1956) in compulsorily retiring 16 judges, including three members of the Supreme Court, before they had reached the retirement age-limit of 60. The Government maintained that the superannuation of these judges was perfectly legal, as it had been effected in accordance with a law—passed two years earlier—whereby judges and university professors were assimilated with Civil servants and could be placed on the retired list after 25 years' service or on reaching the age of 60. At the time that law was passed, the Government—replying to Opposition criticisms—said that it would be applied in the interests of the judiciary service, and only in cases of incapacity or unfitness to exercise judicial functions. Despite these assurances, the Opposition had continued to demand the repeal of the legislation.

The president, vice-president, and four members of the Supreme Court, as well as the Attorney-General of the Turkish Republic, were also compulsorily retired by the Ministry of Justice in June 1956 in accordance with the above-mentioned legislation.

Heated controversy also arose between the Government and the Opposition in December 1956 as the result of the Government's action in dismissing Professor Fevzioglu, Dean of the Faculty of Political Science in Ankara University—an action which led to the resignation of several assistant professors and lecturers in sympathy with the Dean. The Government justified Professor Fevzioglu's dismissal on the ground that he had allegedly shown political partisanship and attempted to influence students accordingly, whilst the Opposition accused the Government of violating the academic independence of the universities and persecuting scholars who were suspected of holding views opposed to those of the Government.—(Turkish Embassy Press Department, London - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris) **(Prev. rep. 1954 Elections, 13597 A; Political Developments, 14549 A; Press Legislation, 13511 D.)**

A. SOVIET UNION. — Marshal Malinovsky succeeds Marshal Zhukov as Minister of Defence. - Marshal Zhukov dismissed from Presidium and Central Committee of Soviet Communist Party.

It was announced in Moscow on Oct. 26 (*a*) that the Presidium of the Supreme Soviet of the U.S.S.R. had "released Marshal Grigori Zhukov of his obligations as Minister of Defence," and (*b*) that Marshal Rodion Malinovsky had been appointed Minister of Defence in place of Marshal Zhukov.

Marshal Rodion Yakovlevich Malinovsky (59) was born in Odessa, served in the Russian Imperial Army as a corporal during the First World War, and after the collapse on the Eastern front made an adventurous journey *via* Siberia, Singapore and the Mediterranean to join a Russian brigade fighting in France at the side of the British, U.S. and French armies. He made his way back to Russia after the outbreak of the Revolution, joined the Red Army, and subsequently studied at Soviet military academies, rising to the rank of major-general at the time of the German invasion of the U.S.S.R. in 1941. One of Russia's outstanding generals in the Second World War, he commanded the armies which liberated Rostov, Kharkov and the Dnieper industrial region in 1943-44 and which captured Budapest in 1945. After the German surrender he was put in charge of the Soviet forces in the Far East, and led the Russian armies which advanced through Manchuria in the closing days of the war against Japan. He remained Commander of the Soviet Sixth (Far Eastern) Army after the Japanese surrender. A member of the Communist Party since 1926, he holds the Order of Lenin, the Order of Suvorov, and many other decorations.

The dismissal of Marshal Zhukov was announced on the same day as his return from an official visit to Yugoslavia and Albania (see below). No further statement was issued until Nov. 2, when it was officially announced that he had also been dismissed from the Presidium of the Central Committee of the Communist Party, and from the Central Committee itself, for "violation of Leninist principles in the leadership of the armed forces," building round himself a "cult of personality," surrounding himself with "flatterers and sycophants," and "adventurism."

After stating that the action against Marshal Zhukov (referred to throughout as "Comrade" Zhukov) had been taken unanimously at a plenary meeting of the Central Committee of the C.P.S.U., held late in October, the statement said that the meeting had been specially called to consider the "improvement of party-political work" in the Soviet armed forces. Admitting that there were still "serious shortcomings in practical party and political work" in the armed forces, the statement went on:

"The 20th Congress [of the C.P.S.U.] set before the party and the people the task of keeping our defences abreast of up-to-date military techniques and science, to ensure the security of our socialist State. Along with Commanders exercising single authority, an important part in the accomplishment of this task belongs to the military councils, political organs and party organizations of the Army and Navy. They must all firmly and consistently implement the policy of the Communist Party. The chief wellspring of the might of our Army and Navy lies in the fact that the Communist Party—the guiding and directing force of Soviet society—is their organizer, leader and instructor. We must always remember Lenin's directive that the 'policy of the military establishment, as of all other establishments and institutions' is pursued in strict accordance with the general directives given by the party through its Central Committee and under its direct control.'"

After accusing Marshal Zhukov of having "violated Leninist principles" by pursuing in the armed forces "a policy of curtailing the work of party organizations, political organs and military councils, and of abolishing the leadership and control of the party and the Government over the Army and Navy," the statement continued: "The Central Committee has established that the cult of Comrade Zhukov's personality was cultivated in the Soviet Army with his personal participation. With the help of sycophants and flatterers he was praised to the sky in lectures and reports, in articles, films and pamphlets, and his person and role in the Great Patriotic War [i.e. the Second World War] were over-glorified . . ."

Recalling the high military honours which had been conferred on Marshal Zhukov, and the high rank to which he had risen in the Communist Party, the statement went on: "As a result of insufficient party consciousness and incorrect understanding of this recognition of his services, Comrade Zhukov forfeited the party modesty taught us by Lenin; imagined that he was the sole hero of all the victories scored by our people and their armed forces under the leadership of the Communist Party; and grossly violated the Leninist principles of guiding the armed forces. Thus Comrade Zhukov has not justified the confidence reposed in him by the party. He has proved to be a politically unsteady leader, disposed to adventurism both in understanding the basic tasks of the Soviet Union's foreign policy and in heading the Defence Ministry."

In conclusion, it was stated that Marshal Zhukov would be given other work suitable to his experience and qualifications.

An article by Marshal Koniev (C.-in-C. of the Warsaw Pact forces) strongly criticizing Marshal Zhukov was published in *Pravda* on Nov. 3. The paper also gave a long list of senior military commanders who had been present at the Central Committee's meeting, saying in this connexion: "Many of them had known Zhukov for decades. They pointed out his serious shortcomings, sharply criticized his mistakes and distortions, and unanimously condemned his wrong, unparty-like behaviour in the post of Minister of Defence."

Marshal Koniev asserted that Marshal Zhukov must bear some of the responsibility for the unpreparedness of the Soviet forces at the time of the German invasion in 1941. Though his responsibility was less than Stalin's, he (Zhukov) had had at his disposal "indisputable data" of the impending German attack against the U.S.S.R., and bore "serious responsibility for the unpreparedness of our border troops in the face of sudden attack by the Fascist armies."

Describing Marshal Zhukov as "a person of unusual vanity," Marshal Koniev accused him of "immodestly" claiming a decisive role in the Battle of Berlin; of claiming that he had never suffered defeat in battle, which was "incorrect"; and of having allowed a painting of himself to be displayed in Soviet Army museums, in which he was shown astride a white horse with the ruins of Berlin in the background and the banners of defeated Germany beneath the horse's hooves. Moreover, Marshal Zhukov had "downgraded the party organization inside the armed forces to the level of purely educational forums" and had "over-estimated himself and his abilities."

The same issue of *Pravda* contained a "confession of errors" by Marshal Zhukov himself, which he was stated to have made at the plenary session of the Central Committee.

Pravda quoted Marshal Zhukov as saying that he recognized the "correctness" of the charges made against him, and also realized "the significance of the mistakes I made in the leadership of the armed forces . . . and the political mistakes I made as a member of the Central Committee and of the Presidium."

Marshal Zhukov was also quoted as saying: "The criticism against me I consider to be substantially correct, and look upon it as comradely party help to me personally and to other military workers in correctly understanding the demands and line of the party in the management of the Army and Navy, and the question of the correct party-political training of the personnel of the armed forces.

"In proposing the exaction of penalties some comrades mentioned that I had already once been excluded from the Central Committee when Stalin was alive in 1946, and that I had not understood the need to correct those mistakes for which I had been eliminated. At that time I did not admit as correct my elimination from the Central Committee and the charges brought against me. Now it is a different matter. I recognize my mistakes. I have become deeply conscious of them in the course of the plenary meeting, and I pledge my word to the Central Committee that I shall eliminate my shortcomings."

Marshal Zhukov (who had been Minister of Defence since February 1955) had paid a visit to Yugoslavia from Oct. 8-17, returning the visit paid to the U.S.S.R. in June by the Yugoslav Defence Minister, General Gosnjak (see 15731 A). While in Yugoslavia he had a meeting with President Tito at Bled, as well as discussions with General Gosnjak, and attended Yugoslav Army manoeuvres in Croatia. He returned on Oct. 26 to Moscow after paying a four-day visit to Albania.
(Soviet Embassy Press Department, London - Times - Manchester Guardian - New York Times)
(Prev. rep. 15639 A; Marshal Zhukov, 14033 A.)

B. ISRAEL. — Grenade-throwing Incident in Parliament. - Wounding of Israeli Ministers.

Six Ministers in the Israeli Government were injured on Oct. 29 when a hand-grenade was thrown from the visitors' gallery during a debate in the *Knesset*. The grenade, which exploded on the ministerial bench, caused superficial injuries to the Prime Minister (Mr. Ben-Gurion), the Foreign Minister (Mrs. Golda Meir) and the Ministers of Health (Mr. Barzilai), Transport (Mr. Carmel) and Trade (Mr. Saphir). The Minister for Religious Affairs, Mr. Shapiro, was seriously injured and had to undergo an immediate operation, but was later reported to be out of danger. The assailant, a 25-year-old Iraqi Jew without political connexions, was immediately arrested. He was found to be of unbalanced mentality and it was stated that he had previously been in a mental institution. (Times)

A. UNITED KINGDOM. — The Queen's Speech.

The new session of Parliament was opened on Nov. 5 by H.M. the Queen, who announced the Government's legislative programme in the following Speech from the Throne :

"My Lords and Members of the House of Commons :

"I look forward with much pleasure to the visit which the President of the Italian Republic and Signora Gronchi will pay to this country next May.

"I and my dear husband have been most profoundly moved by our recent stay in Canada and our visit to the United States of America. The warmth of the welcome which greeted us wherever we went was spontaneous evidence of the bond of common sympathy which unites the peoples of the Commonwealth and the English-speaking world.

"It will be the constant endeavour of my Government to foster this unity of sentiment and purpose among the free peoples, that they may be confirmed in their resolve to defend the right and to sustain those values on which our civilization is founded. My Government have recently held discussions in Washington with the U.S. Government, the results of which, they confidently believe, will greatly further the achievement of this aim.

"My Government will seek to strengthen the United Nations in the task of maintaining justice and peace throughout the world. They will pursue their endeavours to achieve an agreement on disarmament, mindful that, at this momentous time, the advance of science into the unknown should be inspired by the hopes, and not retarded by the fears, of mankind.

"In accordance with their belief in responsible self-government by free peoples, my Ministers will continue to promote the economic and constitutional development of the territories overseas which are in their care. They will introduce legislation to give effect to certain recommendations of the Conference held in April, 1957, about the future Constitution of Singapore. They will endeavour, in agreement with the Government of Malta, to further the plans for the closer association of Malta with the United Kingdom. They will continue to seek a just and enduring solution of the problems of Cyprus, in conformity both with the interests of the local communities and with those of this country and our allies.

"Members of the House of Commons :

"Estimates for the public services will be laid before you in due course.

"My Lords and Members of the House of Commons :

"My Ministers are resolved to take all steps necessary to maintain the value of our money, to preserve the economic basis of full employment by restraining inflation, to strengthen our balance of payments and to fortify our reserves, upon which depends the strength of sterling and hence the strength of the sterling area as a whole. My Government believe that these are purposes which should command the support of all sections of the nation.

"My Government welcome the recommendation, made by the recent meeting of Commonwealth Finance Ministers in Canada, that a Commonwealth trade and economic conference should be held in 1958. They consider that this would provide a valuable opportunity to reinforce still further the economic ties between the members of the Commonwealth.

"My Government also welcome the recent declaration by the Council of the Organization for European Economic Co-operation of their determination to promote the establishment of a European Free Trade Area. It is the firm purpose of my Ministers to seek to bring these negotiations to a successful conclusion, and so to strengthen the resources of the free world.

"A Bill will be introduced to revise and codify existing legislation relating to import duties.

"My Ministers will continue to give support to agriculture and fishing. Legislation will be introduced to amend certain provisions of the Agriculture and Agricultural Holdings Acts and to improve agricultural drainage in Scotland.

"My Government have completed a comprehensive review of the emergency powers relating to land. They will propose the repeal of certain of these powers and their replacement, so far as necessary, by statutory provisions.

"A measure will be laid before you to establish a Conservancy Authority for Milford Haven to regulate the increased maritime traffic which should result from the projected development of this important harbour.

"My Ministers will seek to promote the progressive development of the institutions of Government in this country, to enlarge the opportunities for public service, and to foster the sense of shared responsibility for the efficient discharge of the manifold functions of Government. Thus legislation will be laid before you to establish machinery for the reorganization of local government in England and Wales. This measure will also make adjustments in the rating system, and in the system of Exchequer grants to local authorities. Separate legislation will be introduced for these two purposes in Scotland.

"You will also be invited to approve a measure to permit the creation of life peerages for men and women, carrying the right to sit and vote in the House of Lords.

"My Government have considered with care the report of the Committee on Administrative Tribunals and Enquiries and will introduce legislation to give effect to certain of the recommendations of that committee.

"My Ministers will continue to promote the social welfare of my people. A Bill will be introduced to improve the arrangements for the industrial rehabilitation, training and resettlement of disabled persons.

"War pensions will be increased. Legislation will be introduced to authorize increases in retirement and other benefits, and in contributions under the National Insurance and Industrial Injuries Schemes ; and my Government will continue to study the wider problems of provision for old age.

"They will also introduce legislation amending the law relating to the adoption of children and providing for the supervision of those who take children into their care for payment.

"They will continue to pay particular attention to penal reform and the treatment of offenders, and will develop improvements in the prison system in the light of an imaginative programme of research.

"Other measures will be laid before you in due course.

"My Lords and Members of the House of Commons :

"Three weeks ago I opened the Parliament of Canada. Today I open Parliament at Westminster, where our forefathers, many centuries ago, laid the first foundations of those institutions of Parliamentary democracy which peoples throughout the world have adopted as the guardian of their rights, their liberties, and their hopes.

"From the New World I have brought a message of firm fellowship and the assurance of a common faith. Bearing in my heart the inspiration of that message, I pray that the blessing of Almighty God may rest upon your counsels."

Important legislative measures announced by the Queen included the creation of life peerages for men and women, a reform which will enable women to sit in the House of Lords for the first time ; reorganization of local government ; the repeal of certain emergency powers relating to land ; the establishment of a Conservancy Authority for Milford Haven ; pensions increases ; and amendment of the law relating to the adoption of children.

The forthcoming visit of the Italian President to Britain, referred to by her Majesty, had been announced from Buckingham Palace and in Rome on Oct. 29. The announcement stated that President and Signora Gronchi had accepted an invitation from the Queen to pay a State visit to London from May 13-15, 1958. It will be the first visit to Britain by the head of the Italian State since 1924, when King Victor Emanuel III and Queen Elena visited London.– (Times)

(Prev. rep. 15199 A.)

B. SYRIA - SOVIET UNION. — Signing of Agreement on Soviet Economic and Technical Aid.

Following the visit of a Soviet economic delegation to Syria (see page 15811, second column), an agreement on economic and technical co-operation between the two countries was signed in Damascus on Oct. 28 by M. Sabry Assali, the Syrian Prime Minister, and M. Nikitin, vice-chairman of the Soviet State Committee for Foreign Economic Relations and leader of the Soviet delegation. The principal provisions of the agreement were stated to be as follows :

(1) The U.S.S.R. would give technical and economic aid for 10 projects, including the building of dams and hydro-electric stations on the Euphrates, Yarmuk, and Orontes rivers ; the construction of an irrigation system benefiting 190,000 hectares (733.6 sq. miles) ; the building of two railway lines, one linking Aleppo with Kamechlieh (312 miles) and the other from Homs to the port of Latakia (95 miles) ; the construction of a nitrogen fertilizer plant ; the building of new and the reconstruction of existing road bridges ; the preparation of a geological map of Syria ; and the carrying-out of geological prospecting with regard to Syrian national resources.

(2) Soviet aid would be given in the form of designing, prospecting, and research work, the supply of equipment and materials, and other services connected with the above-mentioned projects.

(3) The U.S.S.R. would grant to Syria a 12-year rouble credit in respect of the cost involved, bearing interest at 2½ per cent p.a. and being repayable either in freely convertible foreign currencies or through the delivery of goods.

(4) The agreement would come into force on the exchange of ratification instruments.

The total amount involved was not officially given, but according to unofficial reports from Damascus the Soviet aid will amount to $98,000,000, or about £35,000,000.

(Soviet Embassy Press Department, London - Le Monde, Paris)

(Prev. rep. 15811 A ; 15745 A ; 15705 A.)

C. RHODESIA AND NYASALAND FEDERATION. — Lord Dalhousie installed as Governor-General.

Lord Dalhousie was formally installed as Governor-General of the Federation of Rhodesia and Nyasaland on Oct. 8 in succession to the late Lord Llewellin. The ceremony at Government House in Salisbury was attended by Sir Roy Welensky, Prime Minister of the Federation, and Mr. Garfield Todd, Prime Minister of Southern Rhodesia. (Federal Information Dept.)

(Prev. rep. 15501 B.)

A. INTERNATIONAL ATOMIC ENERGY AGENCY. — Inaugural Congress in Vienna. - Elections to Board of Governors. - Mr. Sterling Cole appointed Director-General of I.A.E.A. - First Programme and Budget.

The foundation conference of the International Atomic Energy Agency was held in Vienna (the permanent headquarters of the Agency) from Oct. 1 - 23. The conference, attended by representatives of 59 countries, took place in the Vienna *Konzerthaus* and was opened by the President of Austria (Dr. Adolf Scharf), who described it as "an important landmark in the history of the world." Dr. Karl Gruber, Austrian Ambassador in Washington and former Foreign Minister of the Austrian Republic, was elected president of the conference by acclamation.

Messages welcoming the establishment of the I.A.E.A., and stressing the importance for mankind of the "atoms-for-peace" programmes for which it would be responsible, were sent by many heads of States and Governments, including President Eisenhower, President Voroshilov, and Mr. Macmillan.

At the opening of the conference the U.S.S.R. and Czechoslovakia jointly presented a resolution proposing that all countries wishing to do so should participate by sending observers. This proposal (which would have allowed Communist China and Eastern Germany, for example, to be represented) was rejected by 35 votes to 13, with Morocco abstaining. In its place, the conference adopted a Canadian amendment proposing that all countries in membership of the United Nations or any of its specialized agencies, but not in membership of the I.A.E.A., should be permitted to send observers. The Soviet-Czechoslovak resolution was supported by Bulgaria, Byelorussia, Ceylon, Egypt, Hungary, India, Indonesia, Poland, Rumania, the Ukraine, and Yugoslavia, in addition to the two sponsors.

A Soviet attempt to invalidate the credentials of the Chinese Nationalist delegation was similarly rejected by 25 votes to 16, the minority vote including India, Indonesia and Yugoslavia.

The principal features of the conference were (1) the completion of elections to the Board of Governors of the I.A.E.A., on which 23 countries are represented; (2) the election of Mr. W. Sterling Cole (U.S.A.) as Director-General of the Agency; and (3) the adoption of the Agency's first programme and budget.

Board of Governors. As laid down in the Statute of the I.A.E.A., the 23-nation Board of Governors is chosen as follows: (*a*) 13 members elected by the Agency's Preparatory Commission, comprising five nations regarded as "the most advanced in the technology of atomic energy," five other countries where atomic technology is in an advanced state, two major suppliers of source materials, and one supplying technical assistance; (*b*) seven countries elected on a geographical basis; and (*c*) three members elected "at large." The Statute laid down that the countries under (*b*) and (*c*) were to be elected at the first conference of the I.A.E.A.

The 13 members under (*a*) were elected by the Preparatory Commission on July 31, prior to the opening of the conference. They were: Australia, Brazil, Canada, Czechoslovakia, France, India, Japan, Portugal, South Africa, Sweden, the U.S.S.R., the United Kingdom and the United States. The other ten members were elected by secret ballot during the conference, those elected to represent geographical areas being: Argentina (Latin America), Italy (Western Europe), Rumania (Eastern Europe), Egypt (Africa and Middle East), Pakistan (South Asia), Indonesia (South-East Asia and Pacific) and South Korea (Far East). The three members elected "at large" were Guatemala, Peru, and Turkey.

Dr. Pavel Winkler (Czechoslovakia) was unanimously elected chairman of the Board of Governors.

Director-General of Agency. Mr. William Sterling Cole (53), a Republican member of the U.S. House of Representatives, was unanimously chosen by the Board of Governors as the first Director-General of the I.A.E.A., to serve for a four-year term. His election was approved in closed session (Oct. 4) and was subsequently agreed to at a plenary session of the conference without opposition. No alternative candidate was put forward, although the Soviet delegate (Professor Emilianov) said that his Government would have preferred a representative of one of the "neutral" countries to have filled the office, rather than a representative of a great Power.

Mr. Sterling Cole, a lawyer, has been a member of the U.S. House of Representatives for Bath (New York State) since 1935. He has served on the Joint Congressional Committee on Atomic Energy since its creation in 1946, acting as chairman in 1953-54, and was a member of the U.S. delegations both to the atoms-for-peace conference held at Geneva in 1955 and the conference which drew up the Agency's Statute in New York in 1956. As Director-General of the I.A.E.A. he will be assisted by a staff of about 370. Until Mr. Cole's resignation from the U.S. Congress the functions of Director-General will be discharged *ad interim* by Dr. Paul Jolles (Switzerland), the acting Secretary-General of the I.A.E.A. and previously Executive Secretary of the Preparatory Commission which drew up the Agency's Statute in 1956.

The candidature of Mr. Cole was proposed to the Agency by the U.S. Government, whose recommendation stated in part: "It was under his chairmanship that the basic U.S. law concerning atomic energy was rewritten to make it possible for peaceful uses of atomic energy to be developed more rapidly in the United States and for these applications to be made broadly available to other nations. This legislation authorized, among other things, U.S. activities in establishing the International Atomic Energy Agency."

Agency's First Programme and Budget. The conference unanimously approved a first atoms-for-peace programme laying special emphasis on measures to help improve conditions in the under-developed countries. It called specifically (1) for the Board of Governors to give high priority to items designed to give maximum possible benefit in raising living standards in under-developed areas; (2) for members to make voluntary contributions to the I.A.E.A. towards the provision of technicians and scientists for the under-developed areas; (3) for expenditure of $250,000 from the Agency's general fund for establishing fellowships; and (4) for a reactor-building programme.

A budget of $4,089,000 (about £1,460,000) was approved for the Agency's first year, to be contributed by member-nations on a basis similar to their contributions to the U.N. Budget. Under provisional scales the United States will contribute $1,363,000 (33 per cent), the Soviet Union $682,000 (16 per cent), and Great Britain $307,000 (7.5 per cent), followed by France (5.47 per cent), the German Federal Republic (4.08), Canada (3.02) and India (2.85).

During the conference a number of countries promised to make fissionable material available for the Agency's "atoms-for-peace" programmes, and to provide facilities for training and research. The most important offers were made by the United States, the U.S.S.R., Great Britain, and Portugal.

The U.S. delegate announced that his Government would offer 5,000 kilograms (11,000 lb.) of Uranium-235 to the Agency's "pool," together with a research reactor, an isotopes laboratory, and a comprehensive technical library on the peaceful uses of atomic energy.

[A Bill permitting the United States to make small quantities of nuclear materials available to the I.A.E.A. for "atoms-for-peace" purposes, but requiring the President to obtain Congressional approval for furnishing large amounts of material, was signed by President Eisenhower on Aug. 28. It supplemented the legislation signed by the President on July 29—see 15780 A].

The Soviet representative promised 50 kilograms (110 lb.) of U-235 on behalf of his Government, and also announced that the U.S.S.R. was ready to receive 50-100 students from member-countries, to provide 50 scholarships for students from the under-developed areas, and to train specialists in the use of radioactive isotopes in science, medicine, industry and agriculture.

The British delegate announced that H.M. Government would place 20 kilograms (44 lb.) of U-235 at the Agency's disposal, and would also make fellowships available, provide radioactive isotopes, and help in the training of technical staff. It was pointed out that Britain had exported isotopes to 52 countries during 1956, and that British experience in this and related fields could form an important contribution to the Agency's work.

Portugal (which has large deposits of uranium but no facilities for enriching it) offered to make available 112½ tons of uranium oxide, from which 1,575 lb. of U-235 could be produced.

In a statement at the end of the conference, Dr. Jolles spoke of the "very encouraging" nature of the discussions and the "atmosphere of conciliation" in which the discussions had taken place; political issues between East and West had been raised but were never pressed home, and all important decisions had been taken unanimously. The most important result of the conference had been the offers by various countries to place at the disposal of the I.A.E.A. a total of 5,140 kilograms of U-235 and 200 tons of natural uranium. Dr. Jolles pointed out that the quantity of U-235 made available was sufficient to keep 20 reactors of 140 megawatts capacity going for ten years.

Dr Jolles also announced that membership of the I.A.E.A. had risen to 59 States; that Finland had applied for membership during the conference; and that one of the Agency's first and most important tasks would be the recruitment and training of permanent staff for its Vienna headquarters. The Agency was also offering 100 fellowships, which it was hoped to finance by voluntary contributions, in addition to the fellowships offered by Great Britain, the Soviet Union, and other countries.

The next general conference of the I.A.E.A. will be held at Vienna in September 1958.—(U.N. Information Centre, London - Times - Manchester Guardian - New York Times - Le Monde, Paris - Soviet Embassy Press Department, London)

(Prev. rep. I.A.E.A., 15780 A; Statute, 15261 A.)

B. TURKEY - FRANCE. — Agreement on Construction of Bosphorus Bridge.

The final agreement providing for the construction of a bridge across the Bosphorus by the *Société Française d'Entreprises Industrielles* was signed by the French and Turkish Governments on Oct. 21. The cost of the project was estimated at $35,000,000 (about 14,000,000,000 French francs). The French Government agreed to grant Turkey a credit of between $20,000,000 and $25,000,000, repayable within nine years, the balance of the expenditure being financed by Turkey herself.—(Le Monde, Paris) **(Prev. rep. 15717 B.)**

A. SOVIET UNION. — Civil Aviation. - Building of World's Largest Airliner. - Soviet Civil Aircraft Types.

Simultaneously with the launching of the second Russian earth satellite (see 15835 A), it was announced by Moscow Radio on Nov. 3 that the world's largest airliner, the TU-114, had been built in the Soviet Union. It was stated that the aircraft could carry up to 220 passengers, though its normal complement would be 170 (reduced to 120 on inter-continental flights); that its four turbo-prop engines had twice the power of those in any foreign aircraft; and that the plane could make 10 to 12 hours non-stop flights between Moscow and Vladivostok, Peking, Tokio, Delhi, Rangoon, or New York.

Moscow Radio said that one of the features of the TU-114 was a restaurant which could seat 48 people, served from two kitchens placed one above the other and connected by a lift. It was claimed that the airliner's big carrying-capacity, long range, and high speed would make possible considerable reductions in air fares and might even reduce them to the level of rail fares.

Although no name was given to the new aircraft, it was believed to be the Tupolev *Rossiya*, a civil development of the Russian four-engined swept-wing turbo-prop bomber known as the "Bear." The Aeronautical Correspondent of *The Times* said that the *Rossiya* was reported to have a range of between 4,300 and 5,100 miles and a cruising speed of over 500 m.p.h. It was designed for Aeroflot (Soviet Airlines) by M. Andrei Tupolev, Russia's leading aircraft engineer and designer of two other large turbo-prop airliners (the TU-104 and TU-110) already in service.

The TU-104 first went into service on the Moscow-Irkutsk route on Sept. 15, 1956 and is now flying regular services from Moscow to Khabarovsk, Tashkent, Tiflis, Prague, and Peking. New lines are projected from Tashkent to Novosibirsk and from Moscow to Vladivostok, and it is planned in December to open a service with TU-104 aircraft between Moscow and Copenhagen. When inaugurated, it will be the first regular passenger service between Moscow and a non-Communist capital, although the TU-104 has made special flights to London, Paris, Zürich, Delhi, Rangoon, and Jakarta.

Four new types of Soviet civil aircraft were displayed for the first time in July last at a Moscow aviation show—the TU-104A (a tourist version of the TU-104), the TU-110, the *Moskva*, and the *Ukraina*. The TU-104A carries 70 passengers and has a speed of 500-600 m.p.h.; its two engines are claimed to be more powerful and more economical than those of its predecessor. The TU-110 has approximately the same speed (500-600 m.p.h.) and is able to fly non-stop for 2,000 miles; it has two variations, for 78 and 100 passengers respectively.

The *Moskva*, designed by M. Serge Ilyushin, has four turbo-prop engines and can carry 75-100 passengers at a cruising speed of about 400 m.p.h. One of its features is its low landing speed, enabling it to land on any airfield. The *Ukraina*, designed by M. Antonov, is also a four-engined turbo-prop and can carry 84-126 passengers, like the *Moskva*, it can land at slow speed on any airfield.

All the types mentioned above are designed for service on internal and international routes, including non-stop flights from Moscow to Irkutsk, Delhi, and Paris, from Irkutsk to Peking, and from Paris to New York.

Marshal Zhigarev, the head of Soviet civil aviation, stated on Nov. 3 that Russian airlines would be entirely equipped with jet and turbo-jet aircraft by 1960.
(Soviet Embassy Press Department, London)

B. VATICAN. — New Radio Station.

The new Vatican Radio station, one of the most powerful in the world, was inaugurated on Oct. 25 by the Pope, who broadcast a speech in Latin appealing for world peace and making special reference to the tension in the Middle East. The station is situated at Santa Maria di Galeria, 15 miles north of Rome, and covers a 1,000-acre site which, by special agreement with Italy, enjoys extra-territorial status and is under Vatican sovereignty. Round-the-clock broadcasts will be made in some 30 languages and will reach all parts of the world, including North and South America and the Far East in addition to countries behind the "Iron Curtain." The station will be run by the Jesuits under the direction of Father Stefanizzi, director of Vatican Radio. (Osservatore Romano)

C. SPEED RECORDS. — New World Water Speed Record set up by Mr. Donald Campbell.

Mr. Donald Campbell established a new world water speed record of 289.07 miles an hour on Nov. 7 in his jet-engined speedboat *Bluebird*, thereby beating his own previous record of 225.6 m.p.h. set up in 1956. The new record was set up in two runs on Coniston Water (Lake District), the first run over a measured kilometre being 260.10 m.p.h. and the second being reduced to 218.02 m.p.h. owing to a swell on the lake, giving an average of 289.07 m.p.h.—(Times) **(Prev. rep. 15111 B.)**

D. CANADA. — Royal Commission on Energy.

The Canadian Prime Minister, Mr. Diefenbaker, announced on Oct. 15 that the Governor-General in Council had established a Royal Commission to inquire into and make recommendations concerning a number of matters relating to energy and sources of energy that fell within the jurisdiction of Parliament.

The Royal Commission will inquire into and make recommendations concerning:

(*a*) "The policies which will best serve the national interest in relation to the export of energy and sources of energy from Canada;

(*b*) "The problems involved in, and the policies which ought to be applied to, the regulation of the transmission of oil and natural gas between provinces or from Canada to another country, including, but without limiting the generality of the foregoing, the regulation of prices or rates to be charged or paid, the financial structure and control of pipeline corporations in relation to the setting of proper prices or charges, and all such other matters as it is necessary to inquire into and report upon, in order to ensure the efficient and economical operation of pipelines in the national interest;

(*c*) "The extent of authority that might be best conferred on a National Energy Board to administer, subject to the control and authority of Parliament, such aspects of energy policy coming within the jurisdiction of Parliament as it may be desirable to entrust to such a board, together with the character of administration and procedure that might be best established for such a board;

(*d*) "Whether, in view of its special relationship to the Northern Ontario Pipeline Crown Corporation and the nature of its financing and control, any special measures need be taken in relation to Trans-Canada Pipe Lines, in order to safeguard the interests of Canadian producers or consumers of gas; and

(*e*) "Such other related matters as the Commissioners consider it necessary to include in reporting upon the powers already specified."

Mr. Diefenbaker added that there was a special clause in the Order-in-Council to ensure that the establishment of the Commission, and the conduct of its inquiries, should not delay the negotiations relating to waters crossing the international (i.e. Canadian-U.S.) boundary.

The following were appointed members of the Commission: Mr. Henry Borden, Q.C., of Toronto; Mr. J. Louis Levesque, of Montreal; Mr. George Britnell, of Saskatoon; Mr. Gordon Cushing, of Ottawa; Mr. Robert Howland, of Halifax; and Mr. Leon Ladner, of Vancouver.—(Department of External Affairs) **(Prev. rep. Trans-Canada Pipelines, 15513 C.)**

E. PORTUGAL. — Setting-up of Corporations for Agriculture, Transport and Tourism, Credit and Insurance, and Fishing and Canning.

Four of the six Portuguese corporations, the creation of which had been provided for by legislation promulgated in August 1956, were set up under a decree issued in Lisbon on Sept. 28, 1957. The corporations concerned were for agriculture, transport and tourism, credit and insurance, and fishing and canning, each of them being formed by representatives of employers' and workers' organizations.

Dr. Veiga de Macedo, the Minister of Corporations, stated on Sept. 25 that an essential element of the Portuguese corporative system was the principle of parity between capital and labour. A representative of the Government would be attached to each corporation with the task of "defending the interests of the community and the consumers," and would be authorized to suspend the implementation of resolutions which were considered detrimental to the higher interests of the country, pending a final decision by the Corporative Council (see below).

The new corporations will exercise certain political functions; represent and defend the common interests of their respective branches *vis-à-vis* the Government; assist in the negotiation of collective agreements; develop social services and insurance; and lay down disciplinary rules for their respective branches. Their principal organs will be a Corporative Council, sectional councils, a directorate, and a disciplinary court.

The legislation of 1956 also provided for the setting-up of corporations for industry and commerce respectively.
(Le Monde Paris - Bank of London and South America) **(Prev. rep. 14990 B.)**

F. HUNGARY. — Prince Wan refused Admission.

The spokesman of the Hungarian Ministry of Foreign Affairs announced on Oct. 12 that the Hungarian Government had refused a request by Prince Wan Waithayakon for a visa to visit Hungary in order to carry out the mission entrusted to him by the U.N. General Assembly on Sept. 14. The spokesman added that the Hungarian Government regarded the U.N. resolution as "null and void" and could therefore not agree to the presence of U.N. observers in the country.
(Le Monde, Paris - New York Times) **(Prev. rep. 15777 A.)**

NOVEMBER 9—16, 1957

A. FRANCE. — Enactment of Emergency Powers Bill for Algeria. - Extension of Emergency Powers to Metropolitan France. - National Assembly rejects Constitutional Reform Bill. - Fall of Bourgès-Maunoury Cabinet. - National Assembly refuses Investiture to M. Pinay and M. Mollet. - M. Gaillard confirmed as Prime Minister. - Formation of Gaillard Cabinet.

The Government of M. Bourgès-Maunoury was defeated in the French National Assembly on Sept. 30 in a confidence vote on its Bill authorizing certain constitutional changes in Algeria (*loi-cadre pour l'Algérie*). Earlier, in July, the French Parliament had passed legislation granting to M. Bourgès-Maunoury's Government an extension of the emergency powers for Algeria which had been voted to M. Mollet's Government ; at the same time these powers were broadened to enable the authorities to deal with the growing terrorism by Algerians living in Metropolitan France directed against other Algerians in the metropolitan territory. These developments are summarized below under cross-headings.

Extension of Emergency Powers of Bourgès-Maunoury Government.

The Emergency Powers Bill as finally adopted comprised the following provisions :

Art. 1. An extension of the emergency powers under the legislation of March 16, 1956, which authorized the Government to carry out in Algeria a programme of economic development, social progress, and administrative reform, and empowered it to take any extraordinary measures considered necessary for the re-establishment of public order, the protection of people and property, and the security of the territory. These powers, however, were limited to the lifetime of M. Bourgès-Maunoury's Government, and it was laid down that any new Government would have to obtain a further extension from Parliament within 10 days of its investiture.

Art. 2. Any individual condemned for treason, espionage, illegal possession of arms or explosives, active support of banned movements, or disobedience or resistance to constituted authority could be sent to a place of fixed residence in Metropolitan France after his prison sentence. This measure could be carried out irrespective of any appeal lodged against the court's decision, but would automatically lose its validity if the person concerned was subsequently acquitted.

Art. 3. Anyone evading an Order committing him to a place of forced residence would be liable to imprisonment from one month to a year, and a fine of 50,000 to 500,000 francs.

Art. 4. During the period of the emergency powers anyone accused and arrested on suspicion of the above-mentioned crimes or offences, provided these were punishable by at least two years' imprisonment, could be held under detention without judicial order for up to 21 days, instead of the five-day period laid down in the code of criminal procedure.

Art. 5. When investigating crimes enumerated under Article 2, the police could search a suspect's home by night as well as by day. [Night searches are not usually permitted under existing law.]

The Government had originally proposed that the special powers should apply in Metropolitan France only to persons born in Algeria, but this aroused strong protests on the ground that it implied racial discrimination ; the Algerian birth qualification was therefore withdrawn. Further objections were raised when the Bill came before the National Assembly's Commission for the Interior, which on July 11 rejected the extension of the emergency powers to Metropolitan France altogether—the voting being 15 (Poujadists and Communists) against 11 (Socialists, etc.), with 14 abstentions (all the Radicals save one, the Independents and *paysans*, the Social Republicans, and the M.R.P. members).

The debate in the full Assembly opened on July 16, and during a confused all-night sitting on July 17-18 a number of amendments to Article 2 were adopted which virtually destroyed the Government's text. M. Bourgès-Maunoury thereupon announced on July 18 that the Government would ask for a vote of confidence on its version of Articles 2-5 of the Bill, which, however, incorporated two of the amendments adopted : (i) the omission of an earlier provision under which persons committed to forced residence could be sent to Algeria ; (ii) limitation of the period of detention without judicial decision to 21 days, instead of the original provision for unlimited detention. The revised version also incorporated an amendment to Article 1, previously adopted by the Assembly, under which any new Government would have to seek an extension of the emergency powers within 10 days of its investiture.

During the debate on July 17-18 M. Bourgès-Maunoury defended the Government's demand for an extension of the emergency powers to Metropolitan France, where, he said, the terrorists were trying to increase their activities after they had been checked in Algeria. He pointed out (*a*) that during the first six months of 1957 there had been in the Paris area alone 174 terrorist incidents amongst Algerians, which had caused 73 deaths and 198 other casualties ; (*b*) that the Algerian Liberation Front was imposing a compulsory levy on the wages of the 300,000 Algerian workers in France, who sent over 40,000,000,000 francs annually to their families ; and (*c*) that Algerian terrorists in Metropolitan France believed that they could carry out their activities with impunity because the Government lacked the powers with which it had been able to destroy a large number of their cells in Algeria itself.

During his speech the Prime Minister quoted from a letter found in the papers of Ben Bella [the arrested leader of the National Liberation Front—see 15329 A] in which a member of the Front's central committee had urged the movement's leaders in France to proceed with the "glorious spectacular action" which they were expected to undertake. The letter added : "We will only consider you as militants of the National Liberation Front if the papers devote entire pages to your action in France . . . Don't bother any longer with political history, but carry out terrorism." Rejecting the suggestion that the Bill would lead to a "dictatorship," M. Bourgès-Maunoury declared that the powers demanded by the Government were, on the contrary, necessary to save liberty in France and to prevent a feeling of general insecurity from spreading in French factories and workshops.

The Government received a vote of confidence on July 19 by 280 votes to 183, with 29 abstentions and 79 deputies not taking part in the division.

The majority vote included 73 of the 101 Socialists, 26 of the 45 Radicals, 10 out of 22 members of the U.D.S.R.-R.D.A., 11 of the 13 dissident Radicals, 11 of the 13 members of the R.G.R., 46 of the 74 Popular Republicans (M.R.P.), 13 of the 21 Social Republicans, 82 of the 95 Independents, four of the eight *paysans*, and four of the 11 *non-inscrits*.

The minority vote comprised 130 out of the 143 Communists, the six *progressistes* (allied to the Communists), 29 out of 37 Poujadists, 10 Radicals (including MM. Daladier and Mendès-France), two U.D.S.R., one Overseas Independent, one Social Republican, one *paysan*, and three *non-inscrits*.

The abstentions consisted of 13 M.R.P. deputies, five Poujadists, three U.D.S.R., three Social Republicans, two Radicals, two *paysans*, and one *non-inscrit*. Those not taking part in the vote comprised 26 Socialists, 13 Communists, eight M.R.P., seven U.D.S.R.-R.D.A., six Overseas Independents, five Radicals, four Social Republicans, four Independents, three Poujadists, one dissident Radical, one R.G.R., and one *non-inscrit*.

The Emergency Powers Bill was adopted by the Council of the Republic without amendment on July 25, the voting being 269 in favour and 25 against.

During the debate M. Benhabyles (*Gauche Démocratique*), senator for Constantine and one of the few Algerian Moslem members still attending the meetings of the Council, described the Government's policy as "a vicious circle" and said that even the most draconian military measures would not be able to end the Algerian revolt. While Algeria wanted to receive her independence from France, no Algerian desired the humiliation of France ; there was now only one man left in France who could initiate the necessary negotiations —namely, General de Gaulle.

M. Bourgès-Maunoury repeated an undertaking (which he had already given in the National Assembly) to the effect that the Government would soon submit a draft Bill for a *loi-cadre* embodying constitutional changes in Algeria.

National Assembly rejects Constitutional "Outline Law" for Algeria. - Fall of Bourgès-Maunoury Government.

In accordance with his promise during the debates on the Emergency Powers Bill, M. Bourgès-Maunoury started discussions during August with members of his Cabinet and parliamentary leaders on the scope and contents of a *loi-cadre* outlining certain constitutional reforms in Algeria. Although it was announced on Aug. 19 that the Prime Minister and M. Lacoste (the Minister-Resident in Algeria) were in complete agreement about the main features of the Government's new plan, difficulties subsequently arose within the Cabinet when the Ministers discussed detailed provisions of the legislation. The principal objections to the terms of the draft Bill (on which the Cabinet agreed on Sept. 12-13) were raised by M. André Morice, the Defence Minister, who expressed himself strongly opposed to the creation in Algiers of any political Assembly or any autonomous executive, in contrast to the Socialist Ministers' insistence on an Algerian legislature and executive as laid down in the draft of the *loi-cadre*. Whilst M. Morice finally agreed to accept provisionally the views of the rest of the Cabinet, he reserved his position pending discussions with his colleagues in the Dissident Radical party. M. Morice's reservations were supported by the Independents and Social Republicans (Gaullists), whilst the French Senators for Algeria likewise told M. Bourgès-Maunoury that they were categorically opposed to the granting of political powers to any federal assembly or executive in Algiers.

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On Sept. 16 M. Morice announced that he would not put his signature to the Government's draft Bill and that his stand had been endorsed by his 13 party colleagues, whilst two days later he told the Cabinet that he and three junior Ministers—all Dissident Radicals—would resign if the Government persisted in going ahead with the Bill in its present form. In the light of this situation M. Bourgès-Maunoury proposed that a "round-table conference" of all party leaders, excluding the Communists and Poujadists, should be held on Sept. 20 to work out a compromise on the Bill and to rally "a large majority" for it in the Assembly. The Prime Minister's proposal was agreed to by the other Ministers.

After "round-table" discussions on Sept. 20-21 lasting 19 hours, M. Bourgès-Maunoury succeeded in achieving a compromise by shelving a decision on the powers of the proposed Algerian federal executive and limiting the potential functions of the federal assembly.

Under the Bill in its previous form it had been laid down that certain functions could be transferred to the federal assembly by the new territorial assemblies, as well as by the French Parliament. This was strongly opposed by the Right-wing parties, which expressed concern lest the federal assembly might eventually assume autonomous functions and become a stepping-stone towards complete Algerian independence. Under the above-mentioned compromise the clause relating to the possible transfer of functions by the French Parliament was dropped altogether, whilst the transfer of powers by the territorial assemblies was restricted to the purpose of co-ordination, "without infringing upon territorial autonomy."

As regards the federal executive, the Government had originally suggested that it should be presided over by an Algerian, whereas M. Morice and the Right-wing parties insisted that it be headed by a Minister responsible to the French Government. The "compromise" provided (*a*) that the clause relating to the presidency of the federal executive council would be dropped, and (*b*) that the Government, within 18 months after the election of the territorial assemblies, would introduce a Bill defining the conditions under which the federal executive was to operate.

The Universal Suffrage Commission of the National Assembly accepted the Bill on Sept. 24 with some modifications, but the Commission of the Interior, after a 20-hour discussion during which it adopted a number of amendments substantially altering the Bill, decided on the same day not to submit any report on it. This decision followed the resignation of the Commission's *rapporteur*, M. Roclore (Independent), who had strongly opposed many features of the Bill, and, in particular, had demanded that the explicit reference to the introduction of a single electoral college should be replaced by a clause merely abolishing the existing "double" electoral college—a proposal which was rejected by the Commission.

The National Assembly opened its debate on the Bill on Sept. 25 and continued it on Sept. 26, several amendments being adopted. On Sept. 27, however, before detailed discussion of the various articles of the Bill, M. Bourgès-Maunoury put the question of confidence in respect of the Bill as a whole, as revised on the basis of the "round-table conference" and incorporating several amendments moved or adopted during the debates. In this amended form the principal provisions of the Bill were as follows :

Art. 1. "Algeria is an integral part of the one and indivisible French Republic. Its Departments are grouped in territories federated with each other, which freely and democratically conduct their own affairs. The French Republic recognizes and guarantees the individual character of Algeria (*personalité algérienne*), takes account of its diversity by instituting territorial autonomy, and ensures the common interests by creating federal institutions. All citizens of the Republic living in Algeria have a share in French sovereignty."

Art. 2. "Algeria's federal institutions will result from agreement between the territories."

Art. 3. "The Republic guarantees to all citizens without distinction an equal enjoyment of all the democratic, political, economic, and social rights and liberties that are the prerogatives of French citizenship. Conversely, they are subject to the obligations deriving from those rights.

"The Republic places under its protection the rights and liberties of the various communities, and guarantees them against any interference with their equality in their mutual relations on a basis of co-existence.

"Any political, economic, social, or cultural measure involving arbitrary discrimination is null and void."

Art. 4. "All persons possessing citizenship will preserve their status, but may renounce it."

Art. 5. "Government by the people for the people is assured in Algeria by universal, equal, and secret suffrage, both in territorial and in national elections. The Republic guarantees the freedom and integrity of elections, with a single electoral college, and with equitable and statutory representation of the various communities at all levels.

"Special legislation will determine the methods of election to the various Assemblies with a view to assuring the statutory and authentic representation of minority communities, and will thus guarantee to the minorities a number of seats corresponding to the total number of votes obtained by them in each Department or Territory. If a Bill regulating the electoral procedure is not passed by Parliament within three months after its introduction, the Government may issue a decree determining the electoral procedure on the above-mentioned basis."

Art. 6. "The organs provided for under the present Bill will exercise their powers with full respect for international agreements, the principles laid down in the French Constitution, and those recognized under the present legislation."

Art. 7. "Under the autonomy principle each Territory has the right to conduct its affairs freely and democratically through a Territorial Assembly, elected in accordance with Article 5, and through a Government responsible to the Assembly on conditions laid down by the latter. All matters not expressly assigned to the central organs of the French Republic or their representatives, or to local authorities, will be dealt with by the Territorial organs."

Art. 8. "All citizens of the French Republic in Algeria enjoy a territorial citizenship according to their birthplace, enabling them to exercise the franchise in territorial elections and giving them access to public office in the Territories. French citizens not born in Algeria may acquire territorial citizenship through residence under the conditions laid down in accordance with Art. 24 [below], whilst the acquisition of citizenship of any Territory by the holder of another territorial citizenship will be regulated in the same way."

Art. 9. "The Representative of the French Republic in each Territory designates the person charged with the formation of a [Territorial] Government . . . whose members must be presented at his investiture by the Territorial Assembly. The Representative of the Republic signs the decrees for Ministerial appointments."

Art. 10. "After two years following its election each Territorial Assembly can decide which of its functions it wishes to transfer to Federal organs for the purpose of co-ordination, without infringing upon territorial autonomy." [Originally the Bill laid down that the French Parliament could transfer to the Federal and Territorial organs certain functions reserved to the French Republic, but this was dropped after the "round-table conference."]

Art. 11. "When decisions *re* Article 10 have been taken by more than one-half of the Territorial Assemblies, a Federal Assembly will be set up, comprising an equal number of delegates from each of the Territorial Assemblies of all the Territories, elected from among their membership in accordance with Article 5."

Art. 12. "The Federal Council consists of delegates elected by each Territorial Assembly in equal numbers and for a fixed period. It will carry out the decisions of the Federal Assembly after their promulgation.

"Within 18 months after the election of all Territorial Assemblies the French Government will introduce a Bill determining the conditions under which the Federal Council is to function. If, however, this Bill has not been passed by the French Parliament before the first meeting of the Federal Assembly, the conditions will be laid down by decree."

[The original version of the Bill said that the meetings of the Federal Council would be presided over by the Minister representing the French Republic, whilst its work would be directed by one of its own members, who would be elected annually from each of the Territorial delegations in turn. This version, however, was dropped after the "round-table conference."]

Art. 13. "All French citizens in Algeria will participate in the exercise of the national sovereignty through their representatives in the French Parliament, and will also be represented in the other Assemblies provided for under the French Constitution. The conditions of their representation will be laid down by special legislation."

Art. 14. "The French Republic will retain control over the following subjects : nationality and French civil rights ; foreign affairs, national defence, and general security ; electoral matters and the organization of Algerian political institutions (see Article 22) ; currency, finance, Customs, taxes, and State expenditure ; justice and criminal law, with certain exceptions ; education, as far as preparations for all State examinations are concerned ; administration of public mineral and energy resources ; public services and establishments."

Art. 15. "The depository of the powers of the Republic in Algeria will be a Minister, a member of the French Government. He may be assisted by one or several Secretaries of State."

Art. 16. "The above-mentioned Minister will direct the Civil Service, except for justice and education, and will have authority over Government servants in Algeria. He will see that the provisions of the present law and of the French Constitution are obeyed, and will preside over the meetings of the Federal Council. In the event of inability to carry out his functions he will be replaced by one of the State Secretaries."

The Minister would also supervise the implementation of the decisions of the Court of Arbitration and would promulgate the decisions of the Federal Assembly within 15 days of their adoption ; but during this 15-day period he could return the matter to the Assembly for a new decision—a demand which could not be rejected. Within 15 clear days after the first or second reading of a Bill he could either bring the matter before the *Conseil d'Etat* or lodge an appeal

with the Court of Arbitration, with suspensory effect in respect of the legislation concerned; a decision must then be given within six months, otherwise the appeal would automatically lapse and the legislation would be promulgated.

Art. 17. "The Representative of the Republic in each Territory will be appointed by the President of the Republic in Council [i.e. with the approval of the French Cabinet]. Under the authority of the Minister in Algiers, each Territorial Representative will direct the activities of Government servants in his Territory and ensure that the institutions, rights, and liberties guaranteed under the Constitution and the present law are respected."

Art. 18. "The Representative of the French Republic in each Territory will preside at meetings of the Territorial Governments. He will promulgate the decisions of the Territorial Assemblies in the same manner as laid down in Article 16 for decisions of the Federal Assembly."

Art. 19. A Court of Arbitration would "ensure the juridical protection of the co-existence of the various communities on a basis of equality, and of the rights and liberties guaranteed to these communities." The juridical protection of the rights and liberties guaranteed to individual citizens would be a matter for the law courts and administrative tribunals.

Art. 20. "The Court of Arbitration will consist of (*a*) eight to ten members appointed by the President of the Republic on the grounds of their competence and independence, and (*b*) a president elected by the members of the court from outside its membership, and similarly appointed by the President of the Republic."

Art. 21. There would be no appeal from the decisions of the Court of Arbitration.

Art. 21*a*. "The economic and social development of Algeria will be guaranteed by the French Republic, and the Re-equipment Fund created under a decree of Aug. 10, 1957, will be supplied from the French Budget. The participation of the Territories in the programme to be financed by this Fund will be laid down by decree."

Art. 22. The French Republic would "recognize and guarantee the possibility of an evolution of the Algerian institutions within the framework of the Republic, and with due regard for the rights and liberties of Algeria's citizens and communities." The institutions fixed by the present law, as well as their functions, could be modified by the French Parliament on the joint proposal of the Algerian Territorial Assemblies and the Federal Assembly.

Art. 23. During the transitional period, and until territorial elections could be organized, the first Territorial Assemblies would consist of members who had been designated by the existing municipal councils (*conseils généraux*) or assemblies. The provisional Territorial Assemblies would cease to function when the first elections for new Assemblies had taken place.

A provisional Consultative Council, consisting of equal numbers of delegates from each Territorial Government and presided over by the Minister representing the French Republic, would assist the latter in the transfer to the Territorial organs of the functions conferred upon them by the present Bill.

Art. 24. The necessary measures to implement the Bill would be taken by governmental decree, on the proposal of the Minister for Algeria and other Ministers concerned. These decrees could "modify, abrogate, or revive existing legislation." They would have to be submitted to the National Assembly "after its decision on the constitutional amendments at present under consideration, but at the latest on Feb. 28, 1958, with the request that they be treated as a matter of urgency." They would then automatically come into force unless Parliament had amended them within three months after such submission. Periods during which Parliament was not in session, or when the session was interrupted, would not be included in the three-months' period.

Art. 25. The above-mentioned decrees would determine, *inter alia*, the borders of the autonomous Territories; the conditions of the acquisition of Territorial citizenship; details of the setting-up of the organs provided for by the present law, as well as the terms under which they would function; the conditions under which the powers conferred on the Minister and the other representatives of the French Republic would be exercised; public services and organizations; changes in the organization and electoral regime of local communities; rules for the organization and functioning of the Court of Arbitration; and the conditions under which French law in matters enumerated in Article 14 would apply to Algeria.

Art. 26. The *Gouvernement-Général* of Algeria would be abolished, and the method whereby its functions would be provisionally transferred to the new institutions would be laid down by decree.

Art. 27. The 1947 Statute for Algeria would be abrogated.

The principal point which had emerged in the debate on Sept. 25-26 was the concern expressed by a number of Right-wing speakers in respect of the introduction of a single electoral college. This led to the moving of an amendment to Article 5 by M. Brocas (Radical Socialist) which combined the introduction of a single electoral college system with provisions designed to protect the French, Jewish, and other minorities in Algeria against being "swamped" by the Moslem majority. The "Brocas amendment" was accepted by the Government and incorporated in the version of the Article on which M. Bourgès-Maunoury put the question of confidence.

M. Bourgès-Maunoury, justifying the Government's decision to introduce constitutional reforms in Algeria, pointed out that French military efforts had to be accompanied by parallel measures of pacification and social action. The *loi-cadre* would bring fresh hope to the numerous Moslems who had not yet been overwhelmed by the rebellion, and would discourage the revolt by showing clearly the determination of France to define her policy towards Algeria.

M. Roclore (Independent) maintained that it was essential to safeguard the rights of the minorities in the new electoral system; **M. Bonnet** (M.R.P.) demanded that the *loi-cadre* be accompanied by French constitutional reforms designed to reinforce the power of the centre while at the same time creating a federal system for the overseas territories; **M. Duclos** (Communist) denounced the *loi-cadre* as a "kind of monster" which would fail to restore peace in Algeria because it did not recognize Algerian independence; and **M. Merigonde** (Socialist) insisted on the introduction of the single electoral college, without which he thought the Moslems would have no confidence in the measure.

M. Lapie (Socialist), who had spent a month in Algeria staying at military and administrative outposts, spoke of the improvement of the general position in that country. Saying that "things have begun to change," he mentioned that more and more Moslems were willing to act as mayors of local communities, despite threats of death by the rebels; that, contrary to the "wall of silence" which had been experienced by the French during the last two years, more information about the rebels was now forthcoming; and that new communal administrations were being set up, new roads under construction, schools being built, law courts established, and medical services installed. However, all the hopes created by the *loi-cadre* in Algeria rested on the single electoral college, which meant "equality and the end of racialism." M. Lapie nevertheless recognized that it was essential to safeguard the rights of the European minority in the electoral system.

M. Soustelle (Social Republican), a former Governor-General of Algeria, welcomed the *loi-cadre* as such; declared that French military efforts in Algeria must be followed by economic and social measures; and supported the system of a single electoral college, though pointing out that it created amongst the French population in Algeria a "disquiet bordering on despair." While he himself considered this alarm exaggerated, he felt that it was necessary to allay these fears and that the single electoral college system should be accompanied by a twofold safeguard: (i) giving the minority community in each constituency a number of seats corresponding to its proportional strength compared with the whole electorate; and (ii) ensuring that these representatives of the minorities were elected by a majority vote of the electors belonging to the minority concerned. The 1,200,000 Frenchmen and 140,000 Jews in Algeria, M. Soustelle said, must not be confronted with the choice of becoming oppressed minorities or displaced persons. He also described it as absurd for France to go to the United Nations "on the defensive," and said that she should attack those who had helped the rebels.

M. Sid Cara (Secretary of State for Algeria) stressed that those Moslems who were faithful to France would be seriously shocked if the *loi-cadre* were rejected, or if it were adopted by only a small majority; they had been given the impression that France wanted to move forward on the path of liberalism, and they were now waiting for the implementation of the promises made to them during the past year.

M. Lacoste (Socialist), Minister-Resident in Algeria, appealed for the adoption of the *loi-cadre* as an "absolute necessity" and as "a clear expression of our determination to do justice in the face of the destructive fury of the National Liberation Front." He stressed that the situation was improving every day, whereas a year ago the fighting had raged around the principal communications, the cities, and public buildings. Today, however, free traffic had been re-established, the various services were functioning, life in the big cities was no longer unsettled, terrorism was receding, and in the countryside major results had been achieved in the destruction of the armed forces and the political and administrative organization of the rebels. Local administrations imposed by the rebels had already been largely suppressed, and over 3,000 genuine representatives of the Moslem population were participating in the administration of Departments and Regions. "One often thinks, especially abroad," M. Lacoste continued, "that Algeria is plunged in anarchy, that her economy is paralysed, and that no reform is possible. Nothing could be further from the truth. Those who come to Algeria are impressed by the vitality and expansion of the country, and the most prejudiced journalists have recognized this."

After pointing out that 35,000 Moslems were serving in the French Army and its auxiliary formations. M. Lacoste emphasized that the status proposed for Algeria as an integral part of the French Republic was quite different from the solution of the Tunisian and Moroccan questions. It was vital, however, to lay down the principle of equality of rights, which implied the abolition of all electoral privileges and the introduction of the single electoral college. This could well be combined with the protection of minorities.

The final stage of the debate took place on Sept. 30, when various deputies gave their *explications de vote* before the vote of confidence was taken.

M. Teitgen, on behalf of the M.R.P., expressed support for the Bill despite his party's opposition to the Government; **M. Roclore** indicated that, in spite of his earlier reservations, he also would vote for the Bill because of the repercussions which a negative vote would produce in Algeria; **M. André Morice,** the Defence Minister, declared himself satisfied with the changes made in the text of the Bill; and

M. Guy Petit (Independent), while regretting that certain of his party's arguments had not been met, said that he himself and a number of his party colleagues would support the Bill—both in order not to estrange the Socialists, whose leaders had given "so many proofs of their patriotism," and to equip Algeria with institutions allowing the free development of her inhabitants as well as safeguarding the presence of France.

M. Soustelle, on the other hand, declared that the "Brocas amendment" did not go far enough in protecting the minorities. Maintaining his opposition to any centralized political organs in Algeria, and his proposal for an "assembly of the communities," he expressed the belief that the Bill would "create a barrier alike to integration and federation." Because a vote for the *loi-cadre* implied support for the Government's entire foreign policy *vis-à-vis* the Arab countries, which had had dangerous results, he and his friends would vote against the Bill. Both **M. Berthommier,** for the Poujadists, and **M. Balanger,** for the Communists, violently denounced the Bill and the Government's policy.

M. Bourgès-Maunoury, winding up the debate, declared that lack of unity on the French side would only help the rebellion, and emphasized that "Algeria will be saved or lost by our joint action." He reiterated the three basic principles of the *loi-cadre*: (i) that "nothing and nobody" could separate Algeria from France; (ii) that in order to win over Moslem youth from the "fanatic nihilism of the rebels to loyal co-operation," France undertook to promote a policy of progress and justice with equal rights for everyone, implying a single electoral college, (iii) recognition that nothing would be done in Algeria without the co-operation of the Algerians themselves.

At the end of the debate the Government was defeated by 279 votes to 253, with five voluntary abstentions and 39 deputies not taking part in the division.

The minority vote for the *loi-cadre* comprised 95 Socialists, 67 M.R.P. deputies, 44 (out of 92) Independents, 26 (out of 44) Radicals, 9 Dissident Radicals, 5 (out of 13) R.G.R. deputies, 5 U.D.S.R.-R.D.A. deputies and 2 *paysans d'action sociale.*

The majority vote against the Government consisted of 139 Communists, the 6 *progressistes,* 38 Independents, 30 Poujadists, 17 (out of 21) Social Republicans, 13 Radicals, 10 (out of 12) *paysans,* 8 (out of 11) *non-inscrits,* 6 R.G.R., 5 Dissident Radicals, 3 *paysans d'action sociale,* and 2 Overseas Independents.

One Socialist, two Radicals, and two Independents abstained, whilst those not taking part in the vote comprised 14 U.D.S.R.-R.D.A. deputies (including all the African members of the party), 4 Socialists, 4 Communists, 4 M.R.P., 4 Overseas Independents, 3 *non-inscrits,* 2 Social Republicans, 1 Radical, 1 R.G.R., 1 *Paysan,* and 1 *paysan d'action sociale.*

M. Bourgès-Maunoury tendered his resignation to President Coty immediately after his Government's defeat in the National Assembly.

The Cabinet Crisis. - Unsuccessful Attempts by M. Mollet, M. Pleven and M. Pinay to form New Government. - M. Pinay and M. Mollet defeated on Votes of Investiture.

After receiving the resignation of M. Bourgès-Maunoury, and consulting the party leaders, President Coty requested M. Mollet on Oct. 4 to form a new Cabinet. On Oct. 6, however, M. Mollet informed the President of his inability to do so, his decision being endorsed by the Socialist Party after M. Mollet had had a number of consultations with other party leaders and representatives of employers' and workers' organizations. President Coty then asked M. René Pleven (leader of the U.D.S.R.) to undertake the task, which M. Pleven accepted on condition that all "national and republican" parties, from the Socialists to the Independents, agreed to take office in a Government headed by himself. After three days of inter-party consultations, however, M. Pleven abandoned the attempt to form a Government on Oct. 9, when the Radical parliamentary group voted by a small majority (21 votes to 17) not to take office under him.

On Oct. 11 M. Pinay (the Independent leader) accepted an invitation from President Coty to try to form an administration. Despite the decision of the Socialist, Radical, Popular Republican (M.R.P.) and Social Republican parties not to take office under him, M. Pinay nevertheless formed a minority Cabinet on Oct. 16 drawn mainly from the Independents, but including also some representatives of small centre groups—the R.G.R., R.D.A., and anti-Mendesian Radicals. Its membership was as follows:

M. Antoine Pinay (Independent)—Prime Minister, Foreign Affairs, and Finance; M. Houphouet-Boigny (R.D.A.)—Minister of State; M. Guy Petit (Independent)—Minister of State in charge of Administrative Reform; M. Barrachin (Independent)—Minister of State in charge of Institutional Reform; M. Corniglion-Molinier (R.G.R.)—Justice; M. Jacquinot (Independent)—Algeria; M. Badie (Radical)—Interior; M. Bonnefous (U.D.S.R.)—Public Works; M. André Morice (Dissident Radical)—National Defence; Senator Masteau (*Gauche Démocratique*)—Education, Youth, and Sports; Senator Duchet (Independent)—Industry, Commerce, and Sahara; M. Courant (Independent)—Overseas Territories; M. Bergasse (Independent)—War Veterans; M. Garet (Independent)—Labour and Social Affairs; Senator Houdet (Independent)—Agriculture.

M. Pinay presented his Cabinet to the National Assembly on Oct. 18, but was defeated on the *vote d'investiture* by 248 votes to 198, with 60 deputies voluntarily abstaining and 70 not taking part in the vote. He thereupon presented his resignation to President Coty

The 198 deputies supporting M. Pinay comprised 89 Independents, 29 Poujadists, 13 Dissident Radicals, 15 M.R.P., 13 R.G.R., 11 U.D.S.R.-R.D.A., 9 *paysans,* 6 *paysans d'action sociale,* 7 Radicals, 5 *non-inscrits,* and 1 Social Republican.

The 248 opposing votes comprised 141 Communists and *progressistes,* 85 Socialists, 7 Radicals, 2 U.D.S.R.-R.D.A., 2 *Mouvement Socialiste Africain* (M.S.A.), and 1 *non-inscrit.*

48 of the 60 "voluntary abstentions" were M.R.P. deputies, the remainder comprising 9 Radicals, 1 *paysan* and 2 *non-inscrits.* The 71 who took no part in the vote included 18 Social Republicans, 11 Socialists, 8 Communists, 7 Radicals, 7 U.D.S.R.-R.D.A., 6 M.R.P., 6 Overseas Independents, and a few Poujadists, *paysans,* and *non-inscrits.*

On Oct. 19, as the Cabinet crisis was entering its third week, President Coty asked M. Robert Schuman (M.R.P.) to draw up a report on the country's financial situation as a preliminary to further attempts to reach agreement between the political parties on the measures necessary to overcome France's economic crisis. M. Schuman accepted this mission, had a number of discussions with Treasury officials and economic experts during the next two days, and on Oct. 21 presented his report to the President. Although it was not published, it was understood to have emphasized the general gravity of the country's economic and financial position, to have stressed the danger to the franc, and to have outlined rigorous measures which, in his (M. Schuman's) opinion, the next Government should take to remedy the situation.

After M. Schuman had declined an invitation to form a Government, on the ground that such a task was hopeless until further efforts were made to narrow the gap between Socialist and Independent (i.e. conservative) opinion, President Coty summoned M. Mollet and M. Pinay to the Elysée on the same day (Oct. 21), showed them M. Schuman's report and, it was understood, stressed the gravity of the situation. It was believed that the President had emphasized the urgent need of an agreement between the Socialist and Independent parties as a pre-requisite to the formation of a stable administration which could deal effectively with the country's financial problems.

On Oct. 22 M. Mollet accepted another request by President Coty to form an administration, and in the next few days had intensive consultations with the other party leaders. On Oct. 28 he formed a "left-centre" Cabinet with the participation of his own party (the Socialists,) the M.R.P., the Radical Socialists, and the U.D.S.R.-R.D.A., group, its membership being as follows:

M. Guy Mollet (Socialist)—Prime Minister; M. Robert Schuman (M.R.P.)—Deputy Premier; M. Henri Queuille (Radical), M. René Pleven (U.D.S.R.), M. Edouard Daladier (Radical Socialist), and M. Houphouet-Boigny (R.D.A.)—Ministers of State; M. Pierre Pflimlin (M.R.P.)—Minister of State in charge of Finance and National Economy; M. Pineau (Socialist)—Foreign Affairs; M. Mitterrand (U.D.S.R.)—Justice; M. Chaban-Delmas (Social Republican)—National Defence; M. Lacoste (Socialist)—Algeria; M. Lejeune (Socialist)—Sahara; M. Jacquet (Socialist)—Overseas Territories; M. Filippi (Radical Socialist)—External Finance; M. Gaillard (Radical Socialist)—Industry and Commerce; M. Lecourt (M.R.P.)—Interior; M. Corniglion-Molinier (R.G.R.)—Public Works; M. Billères (Radical Socialist)—Education; Senator Chochoy (Socialist)—Housing and Construction; M. Charpentier (M.R.P.)—Agriculture; M. Gazier (Socialist)—Social Affairs; M. André Colin (M.R.P.)—War Veterans.

Like M. Pinay, however, M. Mollet failed to obtain a *vote d'investiture* when he presented his Cabinet to the National Assembly on Oct. 28. After hearing a lengthy statement by M. Mollet, devoted mainly to the country's financial and economic difficulties, the Assembly refused to give him a *vote d'investiture* by 200 votes to 227, with 27 voluntary abstentions and 32 deputies not participating in the division. The vote was taken in the early hours of Oct. 29.

M. Mollet was supported by 90 Socialists, 70 M.R.P., 27 Radicals, 12 U.D.S.R.-R.D.A., 11 Social Republicans, 6 R.G.R., 5 *Convention Africaine* (the West African party headed by M. Léopold Senghor), 3 M.S.A., 2 Dissident Radicals, and 1 Independent.

The 290 opposing votes comprised 144 Communists and *progressistes,* 81 Independents, 30 Poujadists, 11 *paysans,* 9 Radicals, 6 *paysans d'action sociale,* 3 Social Republicans, 2 R.G.R., and 4 *non-inscrits.*

Of the deputies voluntarily abstaining, 12 were Dissident Radicals, 4 *non-inscrits,* 3 Social Republicans, and 2 each from the Radical, R.G.R., U.D.S.R.-R.D.A., and M.R.P. groups.

Formation of Gaillard Cabinet.

Following M. Mollet's defeat, President Coty sent for M. Gaillard (Finance Minister in the Bourgès-Maunoury Government) in the early hours of Oct. 29 and asked him to form a new Government—a task which M. Gaillard accepted on the following day. He was able to obtain the support of the Socialists, M.R.P., Independents, and U.D.S.R.-R.D.A., the decision of the Socialist parliamentary leaders being confirmed on Nov. 3 by the party's national council. The voting at that session (2,087 to 1,732) showed, however, the reluctance of many Socialists to join a coalition with the Independents, in which they would be in a minority; it was believed that the decision to serve under M. Gaillard was largely due to M. Mollet's personal influence.

M. Gaillard presented his Cabinet to the National Assembly on Nov. 5 (his 38th birthday), its membership being:

†M. Félix Gaillard (Radical Socialist)	Prime Minister.
M. Robert Lecourt (M.R.P.)	Justice, and Constitutional and Electoral Reform.
*M. Christian Pineau (Socialist)	Foreign Affairs.
†M. Maurice Bourgès-Maunoury (Radical Socialist) ..	Interior.
M. Chaban-Delmas (Social Republican) ..	National Defence.
M. Pierre Pflimlin (M.R.P.) ..	Finance and Economic Affairs.
*M. René Billères (Radical Socialist)	Education and Youth.
M. Paul Ribeyre (Independent)	Industrial Production.
*M. Edouard Bonnefous (U.D.S.R.)	Public Works and Transport.
M. Paul Bacon (M.R.P.) ..	Labour.
M. Boscary-Monsservin (Independent)	Agriculture.
M. Pierre Garet (Independent)	Reconstruction.
*M. Gérard Jaquet (Socialist)	Overseas Territories.
*M. Robert Lacoste (Socialist)	Algeria.
*M. Max Lejeune (Socialist) ..	Sahara.
M. Antoine Quinson (R.G.R.)	War Veterans.
†M. Félix Houphouet-Boigny (R.D.A.)	Health.

*Held same portfolio in Bourgès-Maunoury Cabinet.
†Member of Bourgès-Maunoury Cabinet.

In his investiture speech M. Gaillard outlined his immediate programme, which would be concentrated—in that sequence—on the Algerian question, the 1958 Budget and the economic and financial problems facing France, constitutional reform, educational reform, and health service reform. His statement is summarized below under cross-headings:

Algeria. M. Gaillard said that in the first instance it was necessary to renew the emergency powers for Algeria and resume discussion of the *loi-cadre*, thus making it clear "without ambiguity" that France would "not be satisfied with the suppression of terrorism but seeks a political solution of the Algerian problem." "Within the framework of the indissoluble links between Algeria and Metropolitan France," he went on, "the Algerian personality must find its full expression. This must be achieved by respecting the various ethnic communities while assuring the whole population of equitable representation in the administrative organs of the territory. An assurance of the co-existence of the Algerian communities must thus be combined with equality of individual rights within a single electoral college." With this aim in view the Government would fix the terms of the electoral law, taking into account the anxieties of those members of the Assembly who feared for the European minority under such a system. The two Bills—the extension of the emergency powers, and the *loi-cadre*—would be submitted to Parliament at the same time.

The Government, M. Gaillard continued, would renew the appeal for a cease-fire, to be followed first by free elections and then by discussions with the elected representatives of the people on the future organization of Algeria. After declaring that his Government was ready "to make all necessary contacts at any time with a view to bringing about a cease-fire," M. Gaillard made a special appeal to the Nationalists in Algeria, declaring in this connexion: "They must understand that three years of fighting have not weakened France's determination . . . Over a million young persons have been in Algeria during that period doing their duty. They have not only carried arms but have administered the territory, given education to the children, built roads. On their return to the Metropolis, far from criticizing the work and actions of France in Algeria, they have, on the contrary, praised it . . . No-one, therefore, can count on our weakness, hoping thereby to force us to scuttle. Neither can the terrorism in Metropolitan France, which the Government is determined not to tolerate, change our aims . . . If the leaders of the National Liberation Front will not respond to this appeal they will show themselves to be the worst enemies of the Algerian people by forcing upon them terror, assassination, and war, and by depriving them of a new prosperity through the future exploitation of the resources of the Sahara . . . France, for her part, proposes peace in Algeria and the association of Tunisia, Morocco, and all other adjoining territories of *Afrique Noire* and *Afrique Arabe* in the exploitation of these resources."

Finance and Economics. Immediately after the passage of the Algerian legislation Parliament would have to deal with the 1958 Budget, which must be voted by Jan. 1. France was threatened by a most serious monetary crisis, which a month without a Government had increased. New advances were necessary from the Bank of France. About 100,000,000,000 francs (£84,000,000) of new economies in the 1958 Budget was the highest target possible, since any more would mean sacrificing capital investment and thus paving the way for economic recession or reducing the Algerian effort. It was therefore necessary to decide on new revenue, whilst any further expenses must also be met by additional taxation.

The whole future was dependent on the solution of the foreign exchange crisis, and everything must be sacrificed to solve it, lest there should not only be a halt in the country's economic expansion but recession, rationing of raw materials, and unemployment. The first condition of success was the suppression of all causes of inflation, whether they resulted from a disequilibrium of public finance, the relaxation of the credit system, or the shortage of manpower. The second condition of success was to equip the Government with powers to prevent and suppress unjustified price increases. The Government would act with vigour and would immediately ask for powers to take the necessary measures. At the same time it would bring about reforms in distribution. Too much time had already been lost, making immediate action all the more urgent and making it essential that the Government should possess extensive special powers in the economic and financial spheres.

A determined anti-inflationary policy implied that the Government would maintain the exchange rate of the franc on the basis of the recent 20 per cent devaluation, as any further changes would be contrary to its stabilization policy.

Such a policy however, would need not only the confidence of Parliament but also the understanding of those from whom sacrifices would be initially demanded, and the active co-operation of the workers. For this reason the Government would establish permanent contact with the trade unions, so as to associate them with the emergency measures to be taken. The previous Government had already proposed to the employers', workers', and State employees' organizations that they should jointly examine the situation with it so as to reach a general understanding on the action to be taken. In this manner the details of a closer association between all those contributing to industrial progress could be discussed and worked out.

Constitutional Reform. In the New Year the Assembly would have to proceed to the discussion of constitutional reforms, after a small committee of 10-12 representatives of the parties supporting the Government had prepared the ground. Any decision must be the result of an agreement between the majority parties, with the final decision left to the Government instead of to "those who are hostile in principle to any reform of our institutions." If no complete agreement could be reached the Government would itself make proposals, including the restoration of the right of dissolution of the Assembly by the President of the Republic, modification of Article 17 of the Constitution, so as to end the Legislature's right to initiate expenditure; measures to ensure greater governmental stability by amending Articles 49 and 50, relating to votes of confidence and censure; and amendments to the rules of the National Assembly to ensure time for Government Bills. At the same time the Government would set up a committee of party representatives to consider the question of electoral reform. M. Gaillard added that it was also essential to amend the Constitution with a view to preventing the present dispersion of votes, multiplication of parties, and difficulty of constituting a governmental majority. Finally, the constitutional reform committee would have to consider a reform of Chapter VIII of the Constitution with a view to creating a new structure for the Franco-African community.

Educational Reform. Stressing the need for this—and, in particular, for the development of scientific education—M. Gaillard said that there was one French engineer for every three British engineers, and that if France did not change her methods of education she would become "a country of decadent rhetoricians." Probably in no other modern country in the world were the children of workers and farmers given less encouragement to enter higher careers vital to the national welfare.

Health Service Reform. The Government would set up a committee of the coalition parties to study the salaries of doctors under the social security system, and any other reform proposals concerning that system and national assistance.

M. Gaillard received a *vote d'investiture* by 337 votes to 178, with 20 voluntary abstentions and 48 deputies not taking part in the division.

Those supporting him comprised 87 (of the 97) Socialists and 3 (of the 4) members of the *Mouvement Socialiste Africain*, 78 (of 92) Independents, 71 (out of 75) M.R.P., 28 (of 43) Radicals, 17 (of 21) Social Republicans, the 14 Dissident Radicals and the 13 R.G.R. deputies, 9 (of 21) members of the U.D.S.R.-R.D.A., 5 *paysans d'action sociale*, 4 *Convention Africaine* deputies, 3 *paysans*, and 5 *non-inscrits*.

The opposition consisted of 131 (of 143) Communists and 4 (of 6) *progressistes*, 30 Poujadists, 7 *paysans*, and 1 *non-inscrit*.

The abstentions comprised 11 Radicals, 6 Independents, 2 *non-inscrits*, and 1 *paysan*, whilst those not taking part in the vote were 12 Communists, 11 U.D.S.R.-R.D.A. deputies (including a number of African members), 8 Socialists, 4 Social Republicans, 2 M.R.P., 2 Independents, 2 *Convention Africaine*, 2 *non-inscrits*, and 1 each from the Radical, Poujadist, *paysan*, *progressiste*, and M.S.A. groups.

M. Gaillard's Cabinet consisted of four Socialists, three Radical Socialists, three members of the M.R.P., three Independents, two members of the U.D.S.R.-R.D.A., and one member each of the R.G.R. and the Social Republicans. It was pointed out in the French press that a characteristic of the new Government was that social, economic, and financial responsibilities had been taken over by members of the M.R.P. ; all the portfolios covering African affairs (including the foreign affairs portfolio) by the Socialists ; and general political responsibilities by the centre groups together.

The Social Republicans, by a small majority (56 votes to 52), had voted against participation in the Government, but nevertheless allowed M. Chaban-Delmas to accept the Defence portfolio ; M. Chaban-Delmas undertook, however, to resign as chairman of the party. Of the two dissident Radical groups, the R.G.R. was represented in the Cabinet but not the Dissident Radicals.

Ministers of the Bourgès-Maunoury Cabinet who left the Government were M. Corniglion-Molinier (Justice), Senator Gilbert-Jules (Interior), M. André Morice (National Defence), M. Gazier (Social Affairs), and Senator André Dulin (War Veterans).

The new Ministers were M. Lecourt, M. Chaban-Delmas, M. Pflimlin, M. Ribeyre, M. Bacon, M. Boscary-Monsservin, and M. Garet. All of them, except M. Boscary-Monsservin, had at one time or other held ministerial posts in previous French Cabinets. M. Quinson had been Under-Secretary of State for War Veterans in the Bourgès-Maunoury Government.

Of those Ministers retaining the posts which they previously held, M. Bonnefous took over the Transport portfolio in addition to Public Works, whilst M. Billères took over the Youth Department in addition to Education.

M. Félix Gaillard (38) is the youngest Prime Minister in the history of the French Republic, and is generally regarded as one of the most promising of the younger men in French political life. At the age of 25 he entered the French Civil Service as its youngest *inspecteur de finance* ; at the age of 34 he became the youngest Secretary of State in the Government ; and at the age of 37, when he entered M. Bourgès-Maunoury's administration, he was the youngest Finance Minister in any French Cabinet since 1899. [Further biographical details are given on page 15598, second column]. Six other Ministers in M. Gaillard's Cabinet are under 50 years of age.

The Gaillard Cabinet was completed by the appointment on Nov. 12 of the following Secretaries of State :

Senator Emile Claparède (Radical Socialist)	*Présidence du Conseil*, in charge of Information.
M. Raymond Marcellin (Independent)	Civil Service and Administrative Reform.
*M. Maurice Faure (Radical Socialist)	Foreign Affairs.
*Senator Maurice Pic (Socialist)	Interior.
*M. Pierre Métayer (Socialist)	Land Forces.
Senator Alain Poher (M.R.P.)	Naval Forces.
M. Louis Christiaens (Independent)	Air Forces.
*M. Jean-Raymond Guyon (Socialist)	Budget.
*M. Emile Hugues (Dissident Radical)	Economic Affairs.
*M. Eugène Thomas (Socialist)	Posts and Telegraphs.
M. Maurice Simmonet (M.R.P.)	Merchant Navy.
Senator François Schleiter (Independent)	Commerce.
M. Henri Dorey (M.R.P.)	Agriculture.
*M. François Giacobbi (Radical Socialist)	Under-Secretary of State, *Présidence du Conseil*.

*No change.

Senator Claparède had been State Secretary for Moroccan and Tunisian Affairs in the Bourgès-Maunoury Cabinet ; MM. Christiaens and Marcellin and Senators Poher and Schleiter had held State Secretaryships in various earlier Governments ; whilst MM. Dorey and Simmonet had not previously held Government office.

The number of State Secretaries was reduced from 25 in the Bourgès-Maunoury Cabinet to 13, and of Under-Secretaries of State from seven to one.—(Le Monde - Le Figaro) **(Prev. rep. Cabinet, 15687 C ; 15597 A ; Algerian Emergency Powers Bill, 14913 A.)**

A. GUATEMALA. — Army Junta takes Power. - Invalidation of Presidential Elections.

Presidential elections were held in Guatemala on Oct. 20 to elect a successor to the late President Castillo Armas, who was assassinated in July. They were contested by three Right-wing candidates : Señor Ortiz Passarelli, who had resigned from the post of Chief Justice of the Supreme Court to contest the elections, and who was the candidate of the ruling National Democratic Movement (*Movimiento Democrático Nacionalista*) ; General Miguel Ydigoras Fuentes, candidate of an extreme right-wing group known as the *Partido Redención* ; and Señor Miguel Asturias Quiñonez, an educationist, candidate of the small Christian Democratic Party. A new left-wing but anti-Communist party (the Revolutionary Party) had also announced its intention of contesting the election, but registration was denied to it by the Provisional Government of President Gonzalez Lopez (see 15693 D) on the ground that it had been infiltrated by Communist elements.

The elections were held in a quiet atmosphere, all men and women over 18 (whether literate or not) being entitled to vote. In the case of illiterates, who represent about 73 per cent of Guatemala's population of 3,500,000, ballot-papers of different colours were used to differentiate between the three candidates.

The Provisional Government announced on Oct. 21 that "partial" results showed 198,931 votes for Señor Ortiz Passarelli (who was officially declared elected), 128,323 for General Ydigoras Fuentes, and 26,452 for Señor Asturias Quiñonez, these figures being "subject to definite confirmation." General Ydigoras Fuentes, however, alleged that the elections had been fraudulently manipulated through the Government's control of the political machinery in rural areas, and by making illiterate peasants vote "twice, thrice, and even four times." Widespread rioting in Guatemala City by supporters of General Ydigoras Fuentes led on Oct. 23 to the proclamation of a state of siege (a form of martial law) by the Provisional Government.

On Oct. 24, after further serious riots in which three people were killed, the High Command of the Guatemalan Army issued a decree announcing that the Provisional Government of President Gonzalez Lopez had been replaced by a three-man military *junta*, and that the "provisional military government" would "restore the normal operation of public institutions and do justice to the people." The *junta* was headed by Colonel Oscar Mendoza Azurdia, the other members being Colonel Gonzalez Yurrita Novoa and Colonel Roberto Lorenzana.

Following discussions between the *junta* and General Ydigoras Fuentes, the latter agreed on Oct. 25 to call off the demonstrations by his supporters for 24 hours so as to enable the *junta* to find a solution to the political crisis. Colonel Mendoza Azurdia said after the meeting that General Ydigoras Fuentes had proposed (*a*) that the Guatemalan Congress should investigate the votes cast in the presidential election, excluding the "illegal" votes cast for Señor Ortiz Passarelli ; and (*b*) that, in accordance with the Constitution of 1956, the Second Vice-President should be installed as Provisional President of Guatemala pending new presidential elections.

General Miguel Ydigoras Fuentes (62), a career Army officer, held provincial governorships during the 14-year dictatorship of President Ubico, which was overthrown in 1944. He was subsequently appointed Minister in London (where he studied at the London School of Economics) and returned to Guatemala in 1950 to contest the presidential election in opposition to Colonel Arbenz Guzman. After the latter's electoral victory General Ydigoras Fuentes went into exile and subsequently co-operated with Colonel Castillo Armas in overthrowing the pro-Communist regime of President Arbenz Guzman. Personal differences with President Castillo Armas led to his appointment as Ambassador to Colombia, a post from which he resigned to run for the Presidency.

The military *junta* issued a decree on Oct. 26 invalidating the presidential elections of Oct. 20 ; describing those elections as "vitiated because the citizens had no full guarantee of the exercise of their rights" ; and asking the Guatemalan Congress to approve the appointment of the Second Vice-President (Señor Guillermo Flores Avendano) as Provisional President of the Republic in place of Señor Gonzalez Lopez.

The Guatemalan Constitution provides for a President and two Vice-Presidents. During the lifetime of President Castillo Armas the office of First Vice-President had been held by Señor Gonzalez Lopez and of Second Vice-President by Señor Flores Avendano ; on the assassination of President Castillo Armas the First Vice-President had taken office as Provisional President of the Republic.

The Guatemalan Congress, meeting on the same day with only 48 of its 66 members present, annulled the presidential election on the basis of "proven fraud," no date being set for new elections. Señor Flores Avenado was sworn in as Provisional President of Guatemala at a secret session of Congress on Oct. 27.—(New York Times) **(Prev. rep. 15768 C ; 15693 D.)**

A. UNITED KINGDOM. — The 1957 Trades Union Congress. - Debates and Resolutions.

The 89th Trades Union Congress was held at Blackpool on Sept. 2-6 under the presidency of Sir Thomas Williamson. The most important decisions taken by the Congress were its continued rejection of wage restraint, its approval in principle of the Labour Party's scheme for national superannuation, and its conditional support of the proposals for a European Free Trade Area.

Sir Thomas Williamson, in his presidential address, discounted the suggestion that relations in industry were "getting worse, with strikes becoming more and more the order of the day." It was true, he admitted, that more time would have been lost through disputes in 1957 than in any year since the General Strike of 1926, but it should be realized that a greater incidence of strikes in one year did not necessarily mean further trouble in the next, provided that all concerned honestly strove for industrial peace. Peace in industry was not a political matter, and should not be made into one. The trade union movement renounced any attempt to challenge the sovereignty of Parliament and resisted the temptation to dislodge a Government they disliked by industrial action. Trade unionists, like other citizens, had political rights, but could not and ought not to claim political privileges.

Condemning "minorities who organize unofficial movements and unofficial strikes," Sir Thomas stressed that trade unionists should honour agreements, accept majority decisions, and remain loyal to leaders who had to apply them. The strike weapon should only be used under constitutional trade union rules, and then only when all means of negotiation had failed. "There is no virtue in striking when there is no need to do so," he declared. "We should work for a solution before a stoppage takes place, even though it may call for patience and forbearance in the face of provocation." In this connexion Sir Thomas alleged that the recent stoppages in the engineering and shipbuilding industries (see 15609 A) had been "provoked by the employers' deliberate and contemptuous disregard of normal democratic processes."

Turning to the relationship between higher wages and inflation, Sir Thomas asserted that by cutting food subsidies, increasing purchase tax and interest rates, and removing controls, the Government had "deliberately helped to push up costs at a time when, owing to falling import prices, there had been a chance of holding the line." Trade unionists had naturally reacted by demanding wage and salary increases, and no wage restriction would be acceptable to them unless profits, salaries, and interest were also controlled. He added: "Stable prices cannot be combined with full employment by leaving our fortunes to the push and pull of market forces. The only answer to rising costs and prices is greater industrial efficiency."

Sir Thomas concluded by outlining the trade union movement's attitude towards the proposed European Free Trade Area. Although it believed that Britain would "probably lose more than she would gain" by being completely out of the scheme, it also believed that it was possible to pay too high a price for European free trade. Trade unionists would therefore want to see "a treaty precise about providing work for all," and would need to "have a look at the rules before deciding whether we can support an application by Britain to join the club."

The more important subjects discussed and resolutions adopted by the Congress are summarized below under cross-headings.

Wages Policy. - Rejection of Wage Restraint. A resolution blaming the Government for Britain's economic difficulties, and declaring that the trade unions would not accept a policy of wage restraint, was moved by Mr. Frank Cousins (Transport and General Workers' Union). It (1) condemned "the Government's refusal to direct the country's economic and social policies so as to maintain full employment, stimulate production, deal effectively with the problem of prices and profits, and enable living standards to be steadily increased"; (2) declared that Congress was not prepared to accept a policy which would decrease workers' living standards, and therefore "rejected wage restraint in any form"; (3) affirmed the unions' determination, while prices and profits remained uncontrolled, to "take such steps industrially as will ensure that wages keep pace with rising costs"; (4) reaffirmed the unions' confidence in collective bargaining and their right to pursue justifiable wage claims; (5) urged trade unionists to work for the early return of a Labour Government pledged to halt inflation and to re-establish the national economy on a firm foundation.

Mr. Cousins said that notwithstanding the Government's talk in 1956 of a "price plateau," the index of retail prices had risen five points in the past 10 months, mainly as a result of direct action by the Government itself. During that time wages had risen by 5½ per cent but profits had gone up by 6½ per cent, so the unions could not reasonably be accused of irresponsibility. He explained that the reference in the motion to "industrial action" meant that the unions would take "every possible step through negotiation and, where appropriate, through arbitration," but reserved the right to adopt strike action if these other methods failed. Trade union executives, he stressed, did not like strikes, but recognized that they were sometimes necessary "to show we are not bluffing." The T.U. movement recognized its responsibilities and would continue to show restraint, but could not stand by while the living standards of members were worsening. After describing "talk of pricing Britain out of markets" as "the language of incompetence," and calling for a planned approach to investment, production and distribution, Mr. Cousins concluded by criticizing the setting-up of the Council on Prices, Productivity, and Incomes [see 15705 D]. "The unions," he said, "do not want anyone to tell them how to divide the national cake unless they are also told how to control those who control the size of the cake . . ."

Pensions and National Superannuation. The section of the General Council's report dealing with social insurance and industrial welfare was introduced by Sir Alfred Roberts, who discussed the Labour Party's proposals for national superannuation. [These proposals, which aim at replacing the existing flat-rate basis of old age pensions by a system of benefits and contributions related to wages and salaries, will be described in a subsequent article].

Sir Alfred Roberts said that the General Council considered that although the proposals involved "an approach to social insurance on lines fundamentally different from those previously endorsed by Congress," they were "sufficiently attractive to justify further consideration" If the Congress endorsed this view it would be possible to present the results of the examination to next year's Congress. The General Council suggested that, in order to ensure the maximum consideration within the trade union movement, a series of conferences should be convened in the coming year similar to those held on the Beveridge Report.

The outstanding questions which concerned the Congress, Sir Alfred Roberts continued, were (1) whether the time had come to replace the flat-rate basis for pensions by a pensions system such as the Labour Party proposed; (2) if so, what protection could be given to ensure that all workers, including existing pensioners and the lower-paid workers, would receive an adequate subsistence minimum, (3) whether the new system would take full account of the needs of the sick, the unemployed, and the industrially disabled; (4) the problems presented by existing occupational pensions schemes. With regard to (1) it might be argued that the T.U.C. should exert its influence to demand the raising of existing flat-rate benefits to an adequate level; but although the General Council had repeatedly brought all practicable pressure to bear on successive post-war Governments in efforts to secure a substantial increase, these efforts had always failed. In consequence, over 1,000,000 of those at present drawing national insurance benefit were having to supplement it by national assistance. The General Council and the Labour Party had come to the conclusion that they could not hope to secure a proper minimum scale of benefits so long as they stuck to the flat-rate system. The two major political parties had rejected as impracticable the subsistence principle under the scheme as it now stood, and it was against this background that the General Council recommended a comprehensive re-examination of the flat-rate basis of the scheme.

After warning Congress that national superannuation, as proposed by the Labour Party, would undoubtedly mean "substantially increased contributions for most people," Sir Alfred Roberts concluded by saying that the broad principle behind the scheme—which would affect about 8,000,000 workers—was that there should be an option either to join national superannuation or to remain in an existing superannuation scheme, provided this satisfied certain conditions. The Labour Party proposals, though "certainly not utopian," were "an imaginative concept," but the General Council wished to proceed with caution in order to be quite sure that the scheme was financially and economically sound, workable and equitable.

After debate, Congress unanimously passed a resolution, moved by Mr. Cousins on behalf of the TGWU: (1) welcoming "in general principle" the Labour Party's plan for national superannuation; and (2) demanding an "immediate and substantial increase" in pension rates, to be followed by periodical reviews based on the cost of living."

Public Ownership. A debate on this subject was initiated by Mr. Bryn Roberts (National Union of Public Employees), who moved a composite resolution which (1) noted that it had not yet been possible for the General Council to carry out the mandate given at the 1952 Congress and the pledges on social ownership given at the 1953 Congress; (2) instructed the General Council to work for the implementation of the policy of public ownership "so that the trade union movement may determine the part it is to play . . . in shaping Labour's next general election programme."

Mr. Roberts said that on the public ownership question a very serious difference appeared to have developed between the declared policy of the T.U.C. and Labour Party leaders. This difference must be resolved quickly, or it might cost the party the next General Election. Congress was jealous of its rights in shaping industrial policy, and held that public ownership was "the main Socialist argument" which should not be "relegated and wrapped up in moth balls," but remain "in the front line."

In the debate, Mr. R. J. Gunter (Transport Salaried Staffs Association, and a member of the Labour Party Executive) explained that although the party had not "moved an inch from its belief in public ownership," it no longer thought that the public corporation was "inevitably the instrument on which every nationalization measure should be based." Mr. W. L. Heywood stressed that the General Council did not regard the Labour Party's proposals as "irreconcilable with the programme of public ownership to which Congress is committed," but considered the differences between them as "differences of emphasis only."

Mr. Roberts's motion was carried without dissent, but a number of trade unions abstained from voting.

A resolution (moved by Mr. J. E. Mortimer, Association of Engineering and Shipbuilding Draughtsmen), calling for the nationalization of the machine-tool industry, was subsequently carried.

The 40-Hour Week. Congress approved a motion (moved by the Amalgamated Union of Foundryworkers) pledging the T.U.C.'s support to affiliated unions in their efforts to secure a shorter working week without loss of pay, and to establish a working day and week for all manual workers of not more than 8 hours daily and 40 hours weekly.

Education. A debate on educational subjects was introduced by Mr. W. Beard (vice-president of the General Council), who referred to the successful inauguration at T.U.C. headquarters in London of a training scheme for trade union officers. Congress approved motions: (1) expressing concern at the shortage of suitably trained technical workers in industry and commerce, and calling for increases in the number of comprehensive and technical schools, in technical teachers' salaries, and in schemes for "sandwich" courses for young people in industry (sponsored by the Association of Supervisory Staffs, Executives, and Technicians); (2) condemning the Government's policy of replacing percentage grants from the Treasury to local authorities for social services by fixed block grants (sponsored by the Inland Revenue Staff Federation).

Housing Policy and the Rent Act. After approving a motion (by the Amalgamated Society of Woodworkers) expressing concern at the continued decline of local authority house-building as a result of the Government's monetary policy, Congress debated a resolution (moved by Mr. E. J. Hill for the Boilermakers' Society) dealing with the Rent Act. In its original form this had sought support for a token 24-hour strike in protest against the Act, but Mr. Hill explained that his society had accepted an amendment (by the Tobacco Workers' Union) to delete the reference to a strike and substitute the words: "This Congress calls on the next Labour Government to repeal this inquitous Act." In this form the resolution was carried without dissent.

Health Services. A debate on this subject was initiated by Dr. Bruce Cardew (Medical Practitioners' Union), who moved a resolution calling on the Government to end prescription charges under the National Health Service, abolish the special contribution towards the cost of the service, and remove restrictions on spending on hospitals, etc. The resolution was carried unanimously.

The Press. The Congress adopted a resolution (1) expressing concern at "the demise of increasing numbers of national and provincial newspapers"; (2) instructing the General Council to demand that the rise in the cost of newsprint should be investigated by the Monopolies and Restrictive Practices Commission and to take "all appropriate action" to "halt monopolistic tendencies in the field of publication"; (3) approving the General Council's arrangement with Odhams Press for the continued publication of the *Daily Herald* [see 15716 A], but instructing it to safeguard the paper's position as the official organ of the trade union movement and to ensure its continued allegiance to trade union policy. The resolution was moved by Mr. G. H. Elvin (Association of Cinematograph, Television, and Allied Technicians).

Inter-Union Disputes and Trade Union Organization. On this subject Congress first considered a resolution which (1) condemned demarcation disputes and similar inter-union differences as "inimical to the best interests of the trade union movement"; (2) called on the General Council to set up an arbitration tribunal for settling differences when agreement could not otherwise be reached. Mr. Prestwich (Engineer Surveyors' Association), who moved the resolution, stressed that the trade union movement was largely unplanned, and that there could be no planning while every union was reluctant to part with its individual prerogatives. On the advice of Sir Vincent Tewson, who explained that the General Council already had adequate powers to deal with virtually all inter-union disputes, the resolution was rejected by a large majority.

On the General Council's advice Congress also rejected resolutions (1) calling for the establishment of a special industrial department of the T.U.C. to collect and distribute information on wages and related subjects (sponsored by the National Union of Tailors and Garment Workers); (2) affirming the right of trade unionists to transfer from one union to another (moved by the National Amalgamated Union of Life Assurance Workers).

Congress went into private session to discuss a composite resolution moved by Mr. Jim Campbell, of the National Union of Railwaymen. It (1) asked the General Council to conduct a survey of the subject of trade union reorganization and make recommendations to next year's Congress; (2) stressed that in any reconstruction the interests of trade union officers and staffs must be protected. The resolution was supported by the National Union of Public Employees, the National Union of Mineworkers, and the Tobacco and Building Workers' Unions but was opposed by the Association of Locomotive Engineers and Firemen, the Transport Salaried Staffs' Association, and the Union of Shop, Distributive and Allied Workers. On the advice of the General Council it was rejected by a large majority.

Security Risks and Telephone-tapping. Security risks were considered on a resolution from the Society of Technical Civil Servants which (1) recognized the need for effective precautions, but suggested that existing procedures could weigh heavily against the individual; (2) urged the General Council to take steps to ensure that security suspects should be given details of the charges against them, and should be accompanied by a trade union representative or legal adviser at interviews and appeals. At the request of the General Council the resolution was remitted for further consideration.

The European Free Trade Area. The section of the General Council's report dealing with this subject was presented by Mr. W. L. Heywood, chairman of the T.U.C. Economic Committee. Describing the proposals as "possibly the most important we have ever been called on to consider in peacetime," he said that after carefully estimating their probable effects on full employment and on workers' living standards, the General Council had decided that it was right for Britain to be associated with the scheme. The T.U.C. could not be indifferent, however, to the passing to other countries of a considerable competitive advantage in export markets, and the General Council had asked the Government to see that full employment was maintained and that the impact of the change was softened by compensation for displaced workers and financial help for those re-training or having to move to new areas. As to the possible effects of Britain's joining a free trade area which included countries with lower wage standards, Mr. Heywood stressed that low wages were not the same as low labour costs, and that many countries with low wage levels believed that they had more to fear from higher British efficiency than Britain had to fear from those countries with lower wages.

In the subsequent debate the General Council's decision was welcomed by Mr. R. Edwards (Chemical Workers' Union), who said that failure to develop a free trade area would expose Europe to economic subjugation by Russia or the U.S.A. Trade union support of the proposals was strongly condemned, however, by Mr. G. Winchester (National Union of Vehicle Workers) and by Mr. L. Ambrose (Amalgamated Engineering Union). Mr. Winchester maintained that the competitive advantages possessed by many European countries in specific trades - e.g. the automobile industry—would lead to mass unemployment in Britain, and contended that these industries should be nationalized and given Government support before Britain associated herself with any free trade arrangements.

Nuclear Weapon Tests. The Congress unanimously adopted a composite resolution which (1) expressed "grave concern" at "the growing health hazards and danger to world peace" arising from the continued manufacture and testing of atomic and hydrogen bombs, and called for an immediate halt to their manufacture and testing; (2) urged the General Council to press the Government to propose to other Governments concerned the immediate unconditional suspension of nuclear tests as a first step towards the banning of nuclear weapons; (3) called on the International Confederation of Free Trade Unions to recommend its member movements to take similar action; (4) urged the T.U.C. General Council to press the Government for an immediate inquiry into health hazards arising from the use of nuclear materials.

International Trade Union Solidarity. Sir Charles Geddes, for the General Council, initiated a discussion on a proposal to raise £500,000 for an International Solidarity Fund set up by the International Confederation of Free Trade Unions to develop trade unionism in under-developed countries. He explained that the General Council proposed that this sum—representing 25 per cent of the total which the I.C.F.T.U. proposed to raise - should not come from trade union funds but from individual trade unionists, who would be asked to subscribe about sixpence a year for three years to the fund. The proposal was approved.

During the debate Mr. McGee (Amalgamated Society of Woodworkers) attacked the section of the General Council's report praising "the heroic fight of the Hungarian people" in the 1956 revolution. After explaining that he was not speaking for his union, he declared that the report merely "re-stated the views of spokesmen of political reaction" and ignored "widely-known facts." Mr. McGee's attitude was strongly denounced by a number of delegates, and aroused violent and sustained protests.

The elections to the General Council resulted in four changes, all caused by the retirement of senior members. Mr. W. L. Heywood (Dyers, Bleachers, and Textile Workers), Sir Charles Geddes (Union of Post Office Workers), and Mr. R. Openshaw (Amalgamated Engineering Union) were succeeded respectively by Mr. L. Sharp, Mr. R. Smith, and Mr. W. M. Tallon, of the same unions, while Mr. R. Jones (North Wales Quarrymen's Union) was succeeded by Mr. B. Walsh (Colliery Overmen, Deputies, and Shotfirers). Mr. T. Yates, general secretary of the National Union of Seamen, was elected chairman of the General Council for 1957-58 in succession to Sir Thomas Williamson.—(Times - Manchester Guardian - Daily Herald) **(Prev. rep. 15280.)**

Note. The number of trade unions represented at the Congress was 185, with a total membership of 8,304,709. The number of unions and members in each of the 18 trade groups represented was as follows: Mining and Quarrying, 5 (717,027 members); Railways, 3 (530,224); Transport (except railways), 11 (1,387,882); Shipbuilding, 5 (127,381); Engineering, Founding, and Vehicle Building, 26 (1,458,020); Iron and Steel and Minor Metal Trades, 16 (210,791); Building, Woodworking, and Furnishing, 19 (588,686); Printing and Paper, 13 (324,900); Cotton, 6 (147,076); Textiles (except cotton), 22 (102,939); Clothing, 7 (179,095); Leather and Footwear, 5 (106,940); Glass, Pottery, Food, Chemicals, etc., 15 (469,688); Agriculture, 1 (135,000); Public Employees, 4 (277,979); Civil Service, 8 (474,692); Non-manual Workers, 15 (260,548); General Workers, 4 (805,841).—(Ministry of Labour Gazette).

A. UNITED STATES. — Espionage Trials.

Several trials took place in the U.S.A. in recent months of persons accused of espionage for the Soviet Union, the various trials being summarized below.

The Soble-Albam Trial.

Jack Soble (53), a Lithuanian-born brush importer who came to the U.S.A. in 1942 and was naturalized in 1947, his wife Myra (52), also naturalized in 1947, and Jacob Albam (65), a Lithuanian whose citizenship application was still pending, appeared before a Federal Grand Jury in New York on Feb. 4 on charges of espionage for the Soviet Union. All three had been arrested in January last [see 15375 D]. After hearing evidence, the Grand Jury returned a six-point indictment.

Specifically, the charges were: (1) that the three defendants had conspired with "numerous high-ranking Soviet officials" to transmit to the Soviet Union "documents, writings, photographs, and other information relating to the national defence, particularly to intelligence activities of the U.S.A. and the U.S. armed forces"; (2) that they had conspired to obtain such information for transmission to the U.S.S.R.; and (3) that they had acted as Soviet agents without notifying the State Department. Soble was also accused of being a Soviet agent, and Soble and Albam were charged with failing to register as Soviet agents with the Attorney-General.

When their trial opened in the New York Federal District Court on April 10, both Jack and Myra Soble pleaded guilty to the second charge of conspiring with Soviet nationals to obtain documents and other material relating to U.S. defence for transmission to the U.S.S.R. By doing so they escaped the risk of being sentenced to death on the first count under the espionage law of 1954. Albam likewise pleaded guilty to the second count on April 25.

Mrs. Soble and Albam were each sentenced on Aug. 9 to 5½ years' imprisonment, but on Oct. 8 Judge Richard H. Levet reduced their terms and re-sentenced Albam to five years and Mrs. Soble to four years. Jack Soble was sentenced on the same day (Oct. 8) to seven years' imprisonment. In reducing Mrs. Soble's and Albam's sentences, the judge said that he had taken into account the valuable assistance which they had given to the Government since their arrest. On a motion by the Government's representative the judge dismissed the remaining counts against the three defendants.

The Abel Trial.

Rudolf Ivanovich Abel (55) was indicted by a Federal Grand Jury in New York on Aug. 9 on charges of conspiring with others since 1948 (1) to collect and transmit to the Soviet Union information "relating to the national defence of the U.S.A., and particularly information as to arms, equipment, and disposition of the armed forces and the atomic energy programme"; (2) conspiring with others to obtain such information; and (3) failing to register as a foreign agent. Abel, a Soviet citizen, was born in Moscow, entered the U.S.A. illegally in 1948, and had run a photographic studio in Brooklyn under the name of Rusil R. Goldfus, but had also used other *aliases*. He had been arrested on June 21 on a charge of illegally entering the country and was sent to an alien detention camp for deportation to Mexico; subsequently, however, he was found to have been a colonel in the Soviet intelligence service and one of the leading Soviet agents in the United States.

The indictment said that when F.B.I. agents inspected Abel's one-room studio they found a short-wave radio set, a hollowed-out pencil containing film, and numerous cryptic messages, some of them in code, as well as radio and photographic equipment, including microfilm. Messages containing defence secrets sent by Abel and his fellow-conspirators had been transmitted to the Soviet Union by minute containers provided by hollowed-out bolts, nails, coins, batteries, pencils, cuff-links, ear-rings, etc. Information had also been sent, both directly and indirectly, through agents and on documents, writings, photographs, plans, maps, and photographic negatives. It was alleged that he had used prearranged places in New York parks to communicate with members of his ring, which had received its instructions by radio direct from the Soviet Union. He and his co-conspirators had received large sums of money from the Soviet Union to carry out espionage activities.

Abel's trial opened on Oct. 3 in the Federal District Court in Brooklyn, and on Oct. 25 the jury found him guilty on all three counts of the indictment.

The principal witness against Abel was Reino Hayhanen, a former Soviet agent in the U.S.A., who had come over to the West in Paris in May 1957. Hayhanen, formerly a lieutenant-colonel in the Soviet secret police, testified that he had been sent to the U.S.A. in 1952 with instructions to report to the "chief resident officer" for Soviet espionage in the U.S.A.; this man, then known to him (Hayhanen) only as "Mark," had been Abel. Hayhanen also testified that Soviet spies had exchanged messages by leaving them under a certain bolt in the seat of a bench in New York's Riverside Drive Park, where they had been picked up by Soviet officials; and that Abel had shown him a number of "drops" where he (Hayhanen) could send and receive messages. Furthermore, Hayhanen said that in 1955 Abel had ordered him to locate a Master Sergeant Roy A. Rhodes, of the U.S. Army, who had been attached to the U.S. Embassy in Moscow in 1952-53. To support Hayhanen's testimony, a microfilm message concerning Rhodes was produced in court which had been removed by F.B.I. agents from a hollowed-out bolt found in Hayhanen's home; it said that the sergeant had been recruited into the Soviet intelligence service in January 1952, that he had given information and signed receipts, but that he had not been heard of since his return to the U.S.A. in June 1953. When called as a witness, Sgt. Rhodes confirmed that he had been an agent for the Russians while in Moscow in 1952-53 and that he had been paid $2,500-$3,000 in roubles for his services. He said, however, that he had not worked for the Russians since his return, and denied that he knew Abel or had ever had any dealings with him.

Further evidence was presented by F.B.I. agents, including coded reports of meetings of Soviet agents in a number of U.S. cities, as well as in London and Mexico. Abel himself did not go into the witness-box and no witnesses were produced on his behalf, but his counsel impugned the credibility and character of both Hayhanen and Rhodes.

Abel was sentenced on Nov. 15 to 30 years' imprisonment and a fine of $3,000.

The French Trial.

Captain George French, a regular officer in the U.S. Air Force, was convicted on Sept. 21 by a court-martial at Shreveport (Louisiana) of having attempted to sell secrets about atomic weapons in jet bombers to the Soviet Union.

French (36), who had an outstanding record in the Second World War and the Korean War, and had been many times decorated, had been serving with the U.S. Strategic Air Command based at Puerto Rico, being a bomb-aimer in an atomic bomber force. An Air Force spokesman said that on the night of April 5, 1957, when French had been on leave in Washington, he had tried to deliver to the Soviet Embassy a letter in which he offered to sell for $27,500 secret documents and diagrams on the handling of atomic weapons in jet-bomber aircraft, on component parts of the bomb, and on fusing methods and power yields. French, who had apparently been acting alone, had failed to deliver the letter because it had been intercepted by a Government agent, and the Russians had thus known nothing about it. French had not used the mails but had dropped the letter in the Embassy grounds, hoping that a Russian would pick it up.

French was sentenced to life imprisonment, dishonourable discharge from the Air Force, and loss of all pay and allowances.
(New York Times - New York Herald Tribune)
(Prev. rep. 15375 D.)

B. INTERNATIONAL BANK AND MONETARY FUND. — Membership of Ghana. - New Admissions.

Ghana became a member of the International Bank and the International Monetary Fund on Sept. 20, her quota in the I.M.F. being $15,000,000 and her subscription to the capital stock of the Bank 150 shares, with a par value of $15,000,000. Ghana's admission brought the total membership of both institutions to 64; the total of members' quotas in the Fund to $9,006,000,000; and the total subscribed capital of the Bank to $9,333,400,000.

At their annual meeting in Washington on Sept 25 the Governors of the Bank and the Fund approved applications for membership from four more countries—Libya, Malaya, Morocco, and Tunisia. These countries will officially join the two institutions on signing the Articles of Association.
(International Bank and I.M.F., Washington) **(15810 B.)**

C. TURKEY - UNITED KINGDOM. — Turkish Purchase of British Destroyers. - Details of Agreement.

The exchange of Notes between Britain and Turkey on the purchase by the latter country of four "M" class destroyers was published in London as a White Paper on Sept. 10. It showed (*a*) that the destroyers would be refitted in Britain at an estimated maximum cost of £500,000 each; (*b*) that the Turkish Government would pay a deposit of £100,000 and would receive a loan of £2,900,000 towards the purchase price and cost of refitting; and (*c*) that the loan would bear interest at 5 per cent p.a. until Jan. 1, 1968, after which it would be repaid in two equal half-yearly instalments from July 1, 1968.
(Times) **(Prev. rep. 15743 B.)**

D. SOVIET UNION. — Army. - Marshal Rokossovsky appointed to Transcaucasian Military Command.

A broadcast from Tiflis Radio on Oct. 23 announced that Marshal Konstantin Rokossovsky had been appointed Commander of the Transcaucasian Military District, an area bordering on the Turkish and Persian frontiers. Marshal Rokossovsky had been Deputy Minister of Defence in the Soviet Government since November 1956.
(Soviet Embassy Press Dept., London) **(Prev. rep. 15260 C.)**

A. UNITED KINGDOM. — Civil Aviation. - BEA and BOAC Reports for 1956-57. - New Aircraft Types. - Purchase of Britannias, Comets, and U.S. Boeings.

The reports and accounts of the British European Airways and British Overseas Airways Corporations for the financial year ended March 31, 1957, were published on Aug. 27 and Sept. 10 respectively. They showed that while the net profit earned by BEA was little more than one-third of the 1955-56 figure, BOAC almost trebled the profit shown in the 1955-56 accounts. Important decisions announced in the reports were : (1) that of BEA to introduce jet airliners on its longer routes by 1960 ; (2) that of BOAC to place orders for American *Boeing-707* jets for its North Atlantic services and for a new jet aircraft, the *Vickers VC-10*, for its Eastern hemisphere routes. The reports are summarized below :

British European Airways Corporation.

Gross revenue on operating account totalled £23,947,774 (compared with £21,599,494 in 1955-56), whilst operating expenditure amounted to £23,023,008 (£20,497,345), resulting in a gross profit on operations of £924,766 (£1,102,149). The deduction of £72,396 for losses on subsidiary and associated companies and BEA's share of helicopter experimental operations, £19,312 for salaries of the chairman and board members, and £2,596 for other charges, left an overall gross profit of £830,462. Interest on capital and other financial charges totalled £618,692, reducing the net profit to £216,770, compared with £603,614 in 1955-56.

Detailed financial and traffic statistics are shown below, with 1955-56 figures for comparison :

	1956-57		1955-56	
Traffic Revenue :				
Passenger	£19,815,203		£17,870,636	
Freight ..	1,568,514		1,290,669	
Mail ..	1,534,323		1,554,241	
Charters ..	162,638	£23,080,678	136,485	£20,852,031
Load-ton-miles flown :				
International services	67,239,528		59,030,392	
Domestic services	22,445,859	89,685,387	19,640,072	78,670,464
Passengers carried :				
International routes ..	1,342,777		1,215,259	
Domestic routes ..	1,118,288	2,461,065	1,029,488	2,244,747
Passenger-miles flown :				
International services	578,595,000		508,032,000	
Domestic services	230,277,000	808,872,000	200,737,000	708,769,000
Passenger load factor (per cent)		70.3		69.4
Cargo carried (tons)		22,524		18,586
Freight ton-miles flown		9,227,790		7,547,708
Mail carried (tons)		7,541		7,895
Mail ton-miles flown		3,622,641		3,745,538
Revenue load factor (per cent)		64.5		63.2
" Break even " load factor (per cent)		63.9		61.4
Costs per capacity-ton-mile		41.0d.		40.5d.
Total route mileage		26,169		23,367
Staff (March 31)		10,509		9,629

The following information was given in the report :

Future Fares Policy. BEA hoped to get other European operators to agree to the introduction of cheaper tourist fares, based on slightly increased aircraft seating and simplified cabin service. The Corporation believed that the best way of catering for the regional air traffic market was to introduce very low tourist fares at off-peak times.

Aircraft Fleet. Fixed-wing aircraft in service at March 31, 1957, numbered 107, comprising 10 *Viscount 800's*, 26 *Viscounts 700's*, 19 *Elizabethans*, 38 *Pionairs*, 3 *Hebrides*, 3 *Islanders*, and 8 *Pionair-Leopard* freighters.

Helicopter Experimental Unit. Hours flown totalled 995. The experimental London Airport-South Bank service ended on May 31, 1956, having carried 3,882 passengers in its 10 months of operation. The Birmingham-Leicester-Nottingham service began on July 2, 1956 but was withdrawn on Nov. 10, having disappointed expectations.

Future Plans. After studying the replacement plans of other airlines, the Corporation had decided to proceed cautiously in building up the *Viscount* fleet and had informed Vickers-Armstrong's that it would not be taking up its option on seven *Viscount 810's* for delivery in the autumn of 1958. It had also come to the conclusion that BEA could not afford to be without jet aircraft in the early 1960's. It was explained that the Corporation considered that on the comparatively short European stages turbo-props were better than jets from both the operational and costs standpoints, but that the decision of major world airlines to order jets for their international operations meant that BEA would inevitably face competition on some European routes from jet aircraft at least 125 m.p.h. faster than its own 425 m.p.h. *Vanguards*. The Corporation believed that cost differences between jets and turbo-props warranted a difference in fares between them. But whether or not other members of the International Air Transport Association agreed to this, it was clear that BEA would need some jet aircraft for its longer routes as early as possible in the 1960s.

After lengthy discussions with BOAC with a view to drawing up a specification for a jet airliner for use on the longer BEA and shorter BOAC routes, it had been reluctantly agreed that the two airlines' requirements were too far apart to permit of a compromise airliner satisfactory to both. The BEA specification envisaged an aircraft with a standard seating capacity for 70-80 passengers and high-density accommodation for 95-100, cruising at about 600 m.p.h. and able to carry its full payload for 1,000 miles. Several firms had put forward projects, and BEA expected shortly to decide on the most suitable [see below].

Lord Douglas of Kirtleside, the Corporation's chairman, explained at a press conference that the failure of BEA traffic to come up to expectations was due largely to (*a*) the credit squeeze ; (*b*) the slower growth of Britain's national income than expected ; (*c*) the trouble in the Middle East. He added that the small profit of £216,770 shown in the accounts really represented the difference between a profit of £1,587,770 on the international services and a deficit of £1,371,000 on the domestic routes, which had failed by that amount to meet their reasonable share of overhead and centralized service costs. The Corporation was at present negotiating for fare increases on the internal routes.

BEA and the de Havilland Company jointly announced on Aug. 30 that the Corporation had ordered six *Comet IVB* jet airliners for operation on BEA routes in 1960. They would carry up to 100 passengers and be put into service on the longer routes— particularly in the Mediterranean area—where their superior speed could be most effectively utilized. Deliveries were expected to begin towards the end of 1959 and to be completed in the spring of 1960.

British Overseas Airways Corporation.

Operational revenue amounted to £49,004,711 (compared with £42,700,582 in 1955-56) and operational expenditure to £46,942,219 (£41,264,980), resulting in a gross profit on operating account of £2,062,492 (£1,441,602). After adjusting for the results of ancillary and subsidiary undertakings, and deducting board members' and auditors' fees, the net profit, before remuneration of capital, totalled £1,776,027, against £1,295,525 in 1955-56. The deduction of £1,472,675 for interest left a net surplus of £303,352, against £117,731 in 1955-56.

The report attributed the "substantial improvement" in the actual results for 1956-57 on those forecast in June 1956 (when a deficit of £1,500,000 was predicted) to a 2 per cent improvement in the load factor and a £2,800,000 increase in revenue. This increase, in turn, was attributed mainly to (i) the introduction of immigrant fares to the U.S.A. and Canada in November 1956 ; (ii) an intensified sales campaign on all routes ; (iii) the diversion of business from sea to air owing to the closing of the Suez Canal.

Detailed financial and traffic statistics are shown below, with 1955-56 figures for comparison :

	1956-57		1955-56	
Traffic revenue :		£42,699,654		£41,002,668
Passenger	£27,534,855		£27,306,419	
Freight ..	4,354,498		3,796,000	
Mail ..	9,861,549		9,482,436	
Non-scheduled services	948,752		1,017,813	
Capacity-ton-miles		282,134,827		260,286,387
Revenue-ton-miles		182,378,888		163,681,577
Load factor on scheduled services (per cent)		63.7		61.7
Passengers carried		409,684		358,778
Percentage of tourist passengers in total		57.4		43.2
Passenger load factor (per cent)		66.0		62.2
Cargo carried (tons)		7,483		7,050
Mail carried (tons)		4,145		3,814
Costs per capacity-ton-mile		39.9d.		38.0d.
Total revenue per revenue-mile		24s. 10d.		23s. 8d.
Operating costs per revenue-mile		23s. 9d.		22s. 11d.
Unduplicated route mileage		63,418		84,393
Staff (March 31)		19,046		18,411

The report gave the following information :

Relations with Other Airlines. During the year the Corporation concluded partnership agreements with the Central African [see 15657 B], East African, and West African Airways Corporations and continued its long-standing partnerships with Qantas Empire Airways (Australian routes) and South African Airways.

The Corporation's subsidiary and associated companies continued to develop, but in the Middle East (where it had five associated companies) some services were brought to a standstill by the Suez crisis and had not been fully resumed by March 31, 1957. In the Caribbean area, British West African Airways Ltd. and Bahamas

Airways Ltd. were engaged in modernizing their fleets and extending their route networks.

Aircraft in Service and on Order. BOAC introduced two new aircraft types during the year—the Douglas *DC-7* (powered by turbo-compound reciprocating engines) on the London-New York route in January 1957, and the Bristol *Britannia-102* on the London-Johannesburg route in February. The report explained that the introduction of the *Britannias* had been delayed because engine performance had been affected by icing at high altitudes during service trials. The problem had been referred to a committee on which the manufacturers, the Royal Aircraft Establishment, the National Gas Turbine Establishment, and BOAC were represented, and certain modifications had been introduced enabling the Corporation to place the aircraft in service. The committee was still studying the problem with a view to further improving the engine design.

BOAC also planned shortly to bring into service two other new British aircraft types—the *Britannia-312* and the *de Havilland Comet IV*. It was hoped to bring the *Britannias* into North Atlantic service in the coming months—the first time that modern British-manufactured aircraft would have gone into service on this vital dollar-earning route. The *Comet IV's* were planned to go into service on the Australian routes before the end of 1958.

On the recommendation of a committee set up in 1956 to review the Corporation's future aircraft programme, and with Government approval, orders had been placed (1) with the U.S. Boeing Company for 15 *Boeing-707* jets for service on North Atlantic routes and for delivery between December 1959 and December 1960, (2) with Vickers-Armstrong's for 35 of a new type of aircraft—the *Vickers VC-10*—for delivery from 1963 onwards for service on Eastern Hemisphere routes. The committee had stressed that non-stop operations with jets would have to be introduced on North Atlantic routes by 1960 to enable BOAC to meet international competition, and as no British aircraft with the required speed, range, and payload were in sight, it had recommended that the *Boeings* should be ordered. As regards the Vickers *VC-10's*, the committee had evaluated a number of types and had decided that the new aircraft would best suit BOAC requirements on Eastern routes.

BOAC's decision to buy 35 Vickers *VC-10's* for its African, Far Eastern, and Australian services (see above) had been announced on May 22, when the airliner had been described as "a medium-long-range jet powered by four Rolls-Royce *Conway* engines"; it was stated that the type to be delivered to BOAC would seat up to 120 passengers.

Mr. Watkinson, the Minister of Transport and Civil Aviation, stated on the same day that the *VC-10* was being developed by Messrs. Vickers-Armstrong as a private venture, with no Government money involved. The Government had approved BOAC expenditure of about £68,000,000 on the purchase, including spares.

The first of the long-range *Britannia-312's* referred to in the BOAC report was delivered on Sept. 10; the Corporation explained that "subject to deliveries and the aircraft proving suitable for scheduled North Atlantic flying," it was planned to introduce it on the London-New York service in January-March 1958. Mr. Watkinson announced on Sept. 19 that the *Britannia-312* had been given a passenger-carrying certificate of airworthiness, but that operators had been advised that prolonged flights over 16,000 feet in certain weather conditions should be avoided.

A Ministry statement explained that a warning had been incorporated in the flight manual accompanying the airworthiness certificate that "prolonged flights in cloud at altitudes over 16,000 ft. in a narrow band of temperature about freezing-point and in heavy concentrations of water or ice should be avoided." The warning, however, had been expressed "in the form of advice" and was not a "mandatory limitation." The statement further explained that the *Proteus* engine with which *Britannias* were equipped had successfully passed normal icing tests, but that during BOAC proving flights in Africa about 18 months previously it had been found that flight through high concentrations of dry ice resulted in "flame-outs." After investigations by an expert committee, engine modifications had been made which alleviated the dry-ice difficulty and had enabled BOAC to start passenger operations with *Britannia-102's* in February (see above).

Further operating experience, especially in monsoon conditions in India and the Far East, showed, however, that although the modified engine could cope with dry ice it could still be affected by certain conditions of ice crystals and water occurring together. The statement added: "The problem posed by this fresh discovery has yet to be fully solved . . . In the meantime the Minister is advised that the aircraft can be flown normally provided due regard is paid to the advice in the flight manual. With this in mind he has accepted the recommendation of the Air Registration Board."

Following a forced landing at Miami (Florida) by a BOAC *Britannia-312* while on a proving flight, however, the Air Registration Board recommended the Bristol Aeroplane Company (the aircraft's builders) on Oct. 4 to make certain modifications to the engines of *Britannia* airliners. The Board described its recommendations as "precautionary" and as not involving the withdrawal of airworthiness certificates from *Britannias*, but stressed that no attempt should be made to fly the grounded *Britannia-312* to Britain until four modified engines could be installed.

BOAC announced on Nov. 8 that transatlantic proving flights with the *Britannia-312* would be discontinued pending an explanation of the crashing of a *Britannia Mark 301*—the prototype of the *300* series—at Downend, near Bristol, on Sept. 6.

The aircraft—the only one of the *301* series in existence—had made its first flight in August 1956 and since then had been airborne for more than 700 hours on test and development flights. At the time of the accident it was returning to Filton aerodrome after a routine test flight when it crashed into a built-up area. All the 15 persons on board (four crew and 11 technicians) lost their lives. There were no casualties in the built-up area, though many people had narrow escapes.

It was announced on Nov. 8 that the Ministry of Transport and Civil Aviation had begun a full investigation into the disaster.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 15234 A.)**

A. IRISH REPUBLIC. — North-Central Dublin By-election. - Independent Gain from Fianna Fail.

The Dublin North-Central by-election to the Dail, caused by the death of Mr. Colm Gallagher (Fianna Fail), was held on Nov. 14 and resulted in an Independent gain from Fianna Fail, the Government party.

The first count result was as follows: Frank Sherwin (Independent), 4,077; John O'Byrne Gregan (Fianna Fail), 3,353; Victor Carton (Fine Gael), 2,399; Sean Garland (Sinn Fein), 1,600; Thomas Herlihy (Labour), 761. Independent majority—724. After transferring second preference votes, Mr. Sherwin received 6,910 votes on the fourth count and Mr. Gregan 4,179.

The total poll was 12,316, or only 45.8 per cent of the electorate of 26,913, compared with 57.4 per cent at the general election.

The result of the by-election reduced the strength of Fianna Fail to 77 and increased that of the Independents to 10, reducing Fianna Fail's overall majority from nine to seven; because of the abstention of the four Sinn Fein members, however, the Government was still left with an effective majority of 11.—(Irish Times, Dublin) **(Prev. rep. 15429 A.)**

B. UNITED STATES. — Mr. George Allen appointed Director of U.S. Information Agency.

It was announced in Washington on Oct. 16 (*a*) that Mr. Arthur Larson, the Director of the U.S. Information Agency, had been appointed a special White House aide for countering Soviet propaganda, in which connexion he would advise both President Eisenhower and Mr. Dulles on overseas information programmes; and (*b*) that Mr. George V. Allen, Ambassador to Greece, would succeed Mr. Larson as head of the U.S.I.A.

Mr. Allen, a member of the Foreign Service since 1930, has held a number of diplomatic assignments and was Ambassador in New Delhi before his appointment to the Athens Embassy in 1956. From 1948 to 1950 he was Assistant Secretary of State for Public Affairs, in which capacity he directed the "Voice of America."

Mr. Larson, a Rhodes scholar, was Dean of the University of Pittsburgh Law School before his appointment as Under-Secretary of Labour in 1954. He became head of the U.S.I.A. in December 1956.

The U.S.I.A. directs the overseas information services of the United States.—(New York Times) **(Prev. rep. 13115 A.)**

C. GHANA. — External Broadcasting Service.

An official spokesman announced on Sept. 26 that the Government of Ghana had decided to establish an external broadcasting service to keep the outside world, and especially Britain and South Africa, well-informed on affairs in Ghana. There would also be broadcasts to the Soviet Union, North America, part of South America, China, India, Japan, Malaya, the Arab countries, the Near East, and North Africa, and in the later stages of the scheme these would be made in the appropriate languages. It was estimated that the broadcasts would cost £500,000 to launch and £340,000 a year to run. (Times - Manchester Guardian)

D. NETHERLANDS. — Armed Forces. - New Command Appointments.

General Hasselman, Chief of General Staff and C.-in-C. of the Netherlands Army, was succeeded in those posts on Nov. 1 by Lieut.-General Le Fèvre de Montigny, whilst Lieut.-General Schaper (Chief of Air Staff) succeeded General Hasselman as chairman of the Chiefs of Staff Committee. General Hasselman had relinquished these posts to become chairman of the Military Committee of the North Atlantic Treaty Organization.—(Algemeen Handelsblad, Amsterdam) **(Prep. rep. 11256 A)**

E. AUSTRIA. — Provincial Elections in Tirol.

Elections for the Provincial *Landtag* were held in Tirol on Oct. 27, the People's Party obtaining 23 seats (no change), the Social Democrats 11 (9), and the right-wing Freedom Party 2 (4).—(Wiener Zeitung) **(Prev. rep. 14889 A.)**

A. NOBEL PRIZES. — Awards for 1957.

The Nobel Prize awards for 1957 were announced during October as follows :

Peace Prize. The Nobel Peace Prize was awarded to Mr. Lester B. Pearson (60), Canadian Secretary of State for External Affairs in the Liberal Government of Mr. St. Laurent from 1948 until June 1957. A leading figure at the United Nations, and a former president of the U.N. General Assembly, Mr. Pearson first put forward the suggestion for the creation of a U.N. Emergency Force for the Middle East during the Suez crisis of November 1956. This suggestion, approved by the General Assembly, resulted in the formation of UNEF, its despatch to Egypt to take over from the Anglo-French and Israeli forces, and its subsequent stationing on the Egyptian-Israeli border.

Mr. Lester Pearson, a former Rhodes scholar and one-time professor of history, was Ambassador in Washington at the time of his appointment as Secretary for External Affairs in 1948. He played a leading part in founding the North Atlantic Treaty Organization and was secretary-general of the NATO conference held in Lisbon in 1952. He is the first Canadian to be awarded the Nobel Peace Prize.

As stated below, the Peace Prize is awarded by a special committee of the Norwegian Parliament. The Oslo newspaper *Arbeiderbladet*, organ of the Norwegian Government, said that the main reason for the conferment of the Peace Prize on Mr. Pearson was his outstanding personal contribution towards solving the Suez crisis of 1956 by suggesting the formation of a U.N. Emergency Force to keep the peace in the area.

Literature. The Literature Prize was awarded to M. Albert Camus (44), the French novelist and playwright, for "his important literary work which, with clear-sighted earnestness, illumines the problems of human conscience in our times." M. Camus was the seventh French writer to be awarded the Nobel Prize for Literature, his predecessors being Sully Prudhomme (1901), Frédéric Mistral (1904), Romain Rolland (1915), Anatole France (1921), Henri Bergson (1927), Roger Martin du Gard (1937), André Gide (1947) and François Mauriac (1952).

Born in Algeria, Albert Camus worked as a journalist and helped to found the left-wing Paris newspaper *Combat* after the liberation, being for three years one of its principal editors in collaboration with M. Sartre and Mme. Simone de Beauvoir. His first novel, *L'Etranger* (1942), was followed in the post-war years by *Le Mythe de Sisyphe*, *La Peste*, *L'Homme Révolté*, and *La Chute*. In the English-speaking countries he is best known for *La Peste* (translated as *The Plague*), for which he has written a stage adaptation

Medicine. The Prize for Medicine and Physiology was awarded to Professor Daniel Bovet (50), head of the pharmacological department of the *Instituto Superiore di Sanità* in Rome, for "his discoveries relating to the synthetic compounds that inhibit the action of certain body substances, and especially their action on the vascular system and skeletal muscles."

Born in Switzerland, the son of a famous Swiss educationist (Dr. Pierre Bovet), Professor Bovet has lived in Rome since 1947 and is a naturalized Italian citizen. A pioneer of research into the antihistamine group of drugs, now used with outstanding success in the treatment of various allergic conditions, he was awarded the Medicine Prize specifically for producing a synthetic form of curare (the substance used by South American Indians to poison their arrows). Curare has important applications in medicine and surgery, and is a valuable adjunct to anaesthesia by causing the muscular relaxation essential for surgical operations.

Professor Bovet was head of the therapeutical chemistry laboratory at the Pasteur Institute in Paris from 1936 until 1947, when he took up his present post in Rome.

Chemistry. The Prize for Chemistry was awarded to a British scientist, Sir Alexander Todd (Professor of Organic Chemistry at Cambridge), for his "work on nucleotides and nucleotide enzymes." Sir Alexander Todd's best-known work has been on the chemistry of the nucleic acids, which are believed to play a key part both in the transmission of inherited qualities, and in giving effect to them when inherited. In connexion with this research he has synthesized two substances—adenosine diphosphate and adenosine triphosphate —which are believed to be of central importance in making energy available for building-up processes in living organisms, and in the working of muscles. He had earlier developed a number of ways of synthesizing aneurin (vitamin B_1), one of which has since been employed in making it commercially.

Born in Glasgow, Professor Todd has been Professor of Organic Chemistry at Cambridge since 1944 and is chairman of the Government's Advisory Council on Scientific Policy, of which he has been a member since 1947. He was a lecturer in Biochemistry at London University (1937-38) and Professor of Chemistry at Manchester University (1938-44) before going to Cambridge.

Physics. The Prize for Physics was awarded jointly to two Chinese-born scientists working in the United States—Professor Lee Tsung-dao (31), of Columbia University, and Professor Yang Chen-ning (27), of the Institute for Advanced Study at Princeton. They were honoured for "their penetrating investigation of the so-called parity law which has led to important discoveries regarding elementary particles."

It was explained by the Nobel Institute that Professors Lee and Yang had disproved, by experiment, what had for long been considered a basic law of nature—the so-called "principle of the conservation of parity," according to which space was held to possess a symmetrical quality whereby every existing object was balanced by a corresponding "mirror image" that had to respond to the same law of nature. The discoveries of Professors Lee and Yang showed that this "law" did not apply in the field of nuclear physics—a conclusion verified by the study of atomic nuclei when disintegrated by the "atom-smasher."

The Literature Prize is awarded by the Royal Swedish Academy of Literature ; the Medicine and Physiology Prize by the Royal Carolinian Medico-Surgical Institute of Stockholm; the Chemistry and Physics Prizes by the Royal Swedish Academy of Science ; and the Peace Prize by the Nobel Committee of the Norwegian Parliament. The value of the Nobel Prizes for the current year is about £14,300 each. (Svenska Dagbladet, Stockholm - Arbeiderbladet, Oslo - Le Monde - Times - Manchester Guardian - New York Times)

(Prev. rep. 1956 Awards, 15212 B.)

B. INDIA - SOVIET UNION. — Large Soviet Credit for Indian Purchases of Industrial Equipment under Second Five-Year Plan. - Contract for Indian Purchase of Soviet Oil-drilling Equipment.

It was announced in New Delhi on Nov. 15, 1956, that the Government of India had accepted a long-term credit of 500,000,000 roubles (about Rs.600,000,000 or £45,000,000) from the Soviet Government for the purchase in the U.S.S.R. of industrial equipment for the Second Five-Year Plan. The offer had been made to Mr. K. C. Reddy, the Indian Minister for Production, during a visit to Moscow the previous month.

The credit, which brought total Soviet credits to India to Rs.1,150,000,000 (£86,250,000), was designed to cover the foreign exchange component of certain industrial projects, including a heavy machine-building plant, a coal-mining machinery plant, a power plant with a capacity of 250,000 kw. for the Neiveli lignite project in South India, a fertilizer plant, an oil refinery, an optical glass factory, and the development of the Korba coal mines in Madhya Pradesh, with an annual output of 2,600,000 tons. It was on the same terms as the credit for the Bhilai steel project [see 15298 C]—viz., 2½ per cent interest, with repayment in 12 equal annual instalments from the dates of the drawings. Repayment can be made in rupees, convertible into sterling on demand.

An agreement had been previously signed in New Delhi on May 21, 1956, providing for the supply by the U.S.S.R. of oil-drilling equipment to India worth Rs. 7,400,000 (£555,000). A year later (in May 1957) it was also agreed to purchase accessory equipment valued at Rs.3,724,000, the original agreement being modified to enable an additional expenditure of Rs.2,000,000 to be included.

On Nov. 26, 1956, the Soviet Government had agreed to assist India in her oil exploration programme, especially the projects undertaken by the Oil and Natural Gas Commission in East Punjab, and had arranged for the despatch of 175 Soviet experts and consultants for this purpose.

The agreement followed discussions during October 1956 by Mr. Malaviya (the Indian Minister for Natural Resources) with the Soviet authorities concerning the exploration of India's mineral wealth. On Mr. Malaviya's initiative a team of Soviet oil experts subsequently visited India to make recommendations with regard to the oil exploration programme ; the Oil and Natural Gas Commission then worked out a detailed scheme costing about Rs. 305,000,000 during the period of the Second Five-Year Plan.

Discussions between a Soviet delegation and Mr. M. M. Shah, the Indian Minister for Industry, opened in Delhi on Sept. 3, 1957, to finalize details of the supply and delivery programme for the various industrial projects to be carried out with the help of the 500,000,000-rouble Soviet credit. An agreement was accordingly signed in Delhi on Nov. 9 laying down that, as in the case of the Bhilai steelworks, the Soviet Union would supply during 1959 and 1960 the complete equipment and machinery for each of the above-mentioned undertakings, as well as experts to supervise their erection and training facilities in Russia for Indian technical personnel. The terms of the credit were changed, inasmuch as repayment will only begin one year after the delivery of machinery for each project has been completed. The original plan to include an oil refinery was dropped.—(Indian High Commissioner's Office, London - The Hindu, Madras - The Statesman, Calcutta)

(Prev. rep. 15298 C.)

C. FRANCE - GERMANY. — Creation of Franco-German Mixed Court for the Saar.

The Franco-German mixed court, provided for under the Franco-German agreement on the Saar, was formally set up on Nov. 5. The new court, replacing the former High Court of the Franco-Saar Economic Union, will reconcile Saar jurisdiction with French law in those spheres where the latter remains in force during the transitional economic period. (Le Monde, Paris) **(Prev. rep. 15303 A ; 15165 A.)**

NOVEMBER 16—23, 1957

A. UNITED STATES. — Reactions to Russian "Sputnik" Launchings. - President Eisenhower's Broadcasts on "Science in National Security." - Development of U.S. Missiles. - Dr. Killian appointed Special Assistant to President on Science and Technology.

The launching of the first earth satellite by the Soviet Union on Oct. 4 (see 15791 A) led to strong criticisms of the Eisenhower Administration by a number of Democratic senators, who asserted that the Administration's economy cuts in the U.S. missile research programme had enabled the U.S.S.R. to surpass the United States in this field.

Senator Richard B. Russell, chairman of the Senate Foreign Relations Committee, expressed the view that the U.S.A. had suffered "a most disastrous blow" and that the Soviet achievement "confronts us with a new and terrible danger" from a military standpoint. He noted that the Defence Department, against his own protests, had "very foolishly" cut down the atomic aircraft programme by two-thirds; asserted that the Administration had consistently under-estimated Soviet productive capacity; and recalled that the Senate Armed Services Committee had frequently urged the Administration to place greater emphasis on the missile programme.

Senator Stuart Symington (a former Secretary for Air under President Truman) sent a telegram to Senator Russell calling for an immediate investigation into the U.S. missile programme. After saying that the launching of the Soviet earth satellite was "more proof of growing Communist superiority in the all-important missile field," Mr. Symington added: "If this now known superiority over the United States develops into supremacy, the position of the free world will be critical . . ."

Senator Henry M. Jackson (Democrat), chairman of the military applications panel of the Joint Congressional Committee on Atomic Energy, described the launching of *Sputnik I* as "a devastating blow to the prestige of the U.S.A. as the leader in the scientific and technical world," adding that there could be no doubt of the correctness of the Soviet claim to have launched an inter-continental ballistic missile. **Senator Styles Bridges** (Republican), a member of the Senate Armed Services Committee, called for an "immediate revision of national psychology" and said that Americans must be "prepared to shed blood, sweat and tears if this country and the free world are to survive."

The launching of the second and much larger *sputnik* on Nov. 3 (see 15885 A), only a month after the launching of the first Soviet satellite, caused what the Washington Correspondent of the *The Times* described as a "wave of alarm" throughout the country. The *Daily Telegraph* Correspondent in the U.S. capital said that "Russia's achievements have accomplished more in a few weeks to wake up the American public and officials to the importance of scientific research and development than anything else has been able to do in as many years."

Senator Symington described the launching of *Sputnik II* as "a technological Pearl Harbour" for the U.S.A., while **Senator Kefauver** (Democrat) urged the appointment of a Secretary for Science, with Cabinet rank, to stimulate the U.S. missile programme. Mr. Kefauver also called for steps "to relax the ridiculous and outmoded security regulations" which, he said, prevented some of the best minds in science from working with the Government and hampered the pooling of knowledge with other countries of the free world.

It was announced in Washington on Nov. 4 that a full-scale Senate inquiry would be undertaken into the U.S. missile and satellite programmes. The decision was taken after a delegation representing the Senate Armed Services Committee had had a seven-hour conference with the Secretary of Defence (Mr. McElroy) and his senior advisers.

President Eisenhower's Meetings with National Security Council. - Dr. Killian appointed Special Assistant to President on Science and Technology.

President Eisenhower presided on Oct. 10 and Oct. 31 at meetings of the National Security Council, held at the White House, which were also attended by Administration officials, top scientists, and senior officers of the armed forces. In addition, he conferred several times during the last fortnight of October with Mr. McElroy, the Defence Secretary, and also with members of his (the President's) Scientific Advisory Committee on Research. No statements were issued on these meetings, but it was understood that they dealt with the U.S. missile programme in general and with the impact of Soviet rocketry advances on that programme in particular.

Among those attending the National Security Council's meetings were Dr. Alan T. Waterman, director of the National Science Foundation; Dr. Detlev W. Bronk, president of the National Academy of Science; Vice-President Nixon; Mr. J. Foster Dulles, the Secretary of State; Mr. Herter, Under-Secretary of State; Mr. McElroy, Defence Secretary; Mr. Quarles, Deputy Defence Secretary; Mr. Allen W. Dulles, head of the Central Intelligence Agency; General Nathan F. Twining, chairman of the Joint Chiefs of Staff; Dr. John P. Hagan, director of "Project Vanguard" (the U.S. satellite programme for the International Geophysical Year); Mr. Stassen, Special Assistant to the President on disarmament; Mr. Gordon Gray, head of the Office of Defence Mobilization; Mr. Anderson, Secretary of the Treasury; Admiral Lewis Strauss, chairman of the Atomic Energy Commission; Mr. Leo Hoegh, Federal Civil Defence Administrator; Mr. James Smith, head of the International Co-operation Administration; Mr. Brucker, Secretary of the Army; Mr. Douglas, Secretary of the Air Force; General Maxwell Taylor, Army Chief of Staff; and General Thomas White, Air Force Chief of Staff.

On Nov. 8, after presiding over a further meeting of the National Security Council (the biggest so far held by the Administration), President Eisenhower delivered the first of two major nation-wide broadcasts on the theme of "Science in National Security." In the course of his first speech the President gave a lengthy survey of the re-arming of the U.S. forces with missile and nuclear weapons; referred to the implications of the launching of the Soviet *sputniks*; announced that top priority would be given to missile and rocketry development and to scientific education; and announced also the appointment of Dr. James R. Killian, president of the Massachusetts Institute of Technology, to the new post of Special Assistant to the President for Science and Technology.

The President's White House Broadcast on "Science in National Security."

The President's first speech was broadcast and televised from the White House, its text being as follows:

"My subject tonight is 'Science in National Security.' Originally, this talk was to be part of one I intended to make in Oklahoma City next week. However, I found that I could not possibly deal with this subject in just one address. So tonight I shall concentrate on the most immediate aspects of this question of the relationship of science to the defence of our country.

"I am going to lay the facts before you—the rough with the smooth. Some of these facts are reassuring; others are not—they are sternly demanding. Some require that we resolutely continue lines of action now well begun. Others require new action, and still others new dimensions of effort. After putting these facts and requirements before you, I shall propose a programme of action—a programme that will demand the energetic support of not just the Government but every American, if we are to make it successful.

"First: some facts about our present security posture. It is one of great strength, but by no means should this assurance satisfy any of us. Our defences must be adequate not just today, but tomorrow and in all the years to come, until, under the safety of these defences, we shall have secured a durable and just peace for all the world.

"As of now, the United States is strong. Our nation has today, and has had for some years, enough power in its strategic retaliatory forces to bring near-annihilation to the war-making potentialities of any other country. This position of present strength did not come about by accident. The Korean War had the effect of greatly expanding our peace-time defence forces. As we began the partial demobilization of these forces we undertook also an accelerated programme of modernization.

"As a first step, scientific surveys were instituted soon after the Korean armistice. The result was a decision to give a 'new look' to the defence establishment, depending for increased efficiency more upon modern science and less upon mere numbers of men. In succeeding years there has been an across-the-board programme to bring all units of our defence into line with the possibilities of modern technology. There has been, also, a high level of expenditure on research and development for defence—now running in the aggregate at something over $5,000,000,000 a year. Later, scientific surveys focused attention and emphasis on long-range ballistic missiles. Development on this item got into high gear more than two years ago. We have since been spending $1,000,000,000 a year on this item alone.

"Before discussing some of the things we urgently need to do, I would like to give you a few samples of the things that have been done in recent years by our military forces, scientists, and engineers to put current scientific discovery at the service of our defence.

"In our diversified family of missiles we have weapons adapted to every kind of distance, launching and use. There are now 38 different types either in operation or under development. About one-third of these are in actual operation. All combat vessels of the Navy built since 1955 have guided missiles in place of, or to supplement, guns. The Navy has in both oceans submarines which can rise to the surface and launch, in a matter of minutes, a missile carrying a nuclear warhead, and submerge immediately—while the missile is guided to a target hundreds of miles away. The Navy possesses an atomic depth bomb. Since Korea, both the Army's and Navy's anti-aircraft guns have been largely replaced by surface-to-air missiles. All our new interceptor aircraft are armed with air-to-air missiles.

"Many of the traditional functions of the Army's artillery and support aircraft have been taken over by guided missiles. For example, we have already produced, in various distance ranges, hundreds of *Matador*, *Honest John*, and *Corporal* missiles. To give you some idea of what this means in terms of explosive power:

four battalions of *Corporal* missiles alone are equivalent in fire-power to all the artillery used in World War II. Some of these missiles have their own built-in mechanisms for seeking out and destroying a target many miles away. Thus, the other day, a *Bomarc* missile by itself sought out a fast-moving unmanned airplane 45 miles at sea and actually met it head-on.

"Except for a dwindling number of B-36s, there is hardly an airplane in the combat units of the Air Force that was in them even as late as the Korean conflict. The B-52 jet bomber . . . is standard in our Strategic Air Command. Again, to show you what this means in terms of power: one B-52 can carry as much destructive capacity as was delivered by all the bombers in all the years of World War II combined. But the B-52 will, in turn, be succeeded by the B-58, a supersonic bomber.

"Atomic submarines have been developed. One ran almost 16 days without surfacing; another cruised under the polar ice cap for over five days. A number of huge naval carriers are in operation, supplied with the most powerful nuclear weapons and bombers of great range to deliver them. Construction has started which will produce a carrier to be driven by atomic power.

"Since 1956 we have developed nuclear explosives with radio-active fall-out of less than 4 per cent of the fall-out of previous large weapons. This has obvious importance in developing nuclear defences for use over our own territory. In numbers, our stock of nuclear weapons is so large and so rapidly growing that we are able safely to disperse it to positions assuring its instant availability against attack, and still keep strong reserves. Our scientists assure me that we are well ahead of the Soviets in the nuclear field, both in quantity and quality. We intend to stay ahead.

"We have already shown that we can fire a large ballistic missile well over 1,000 miles. Our ballistic test missiles have had successful flights to as much as 3,500 miles. An intercontinental missile is required, and we have some of them in an advanced state of development. But, because of our many forward positions, for us an intermediate-range missile is for some purposes as good as an intercontinental one. A different kind of missile, the air-breathing *Snark*, recently travelled over a guided course for 5,000 miles and was accurately placed on target. We have fired three rockets to heights between 2,000 and 4,000 miles and have received back much valuable information from outer space.

"One difficult obstacle in the way to producing a useful long-range weapon is that of bringing a missile back from outer space without its burning up like a meteor because of friction with the earth's atmosphere. Our scientists and engineers have solved that problem. This object here in my office is an experimental missile—a nose cone. It has been hundreds of miles to outer space and back. Here it is, completely intact. [The President showed his listeners the nose-cone of the missile to which he referred].

"These illustrations—which are only a small sample of our scientists' accomplishments—I give you merely to show that our strength is not static, but is constantly moving forward with technological improvement. Long-range ballistic missiles, as they exist today, do not cancel the destructive and deterrent powers of our Strategic Air Force.

"The Soviet launching of earth satellites is an achievement of the first importance, and the scientists who brought it about deserve full credit and recognition. Already, useful new facts on outer space have been produced, and more are on the way as more satellites with added instruments are launched. Earth satellites, in themselves, have no direct effect upon the nation's security. However, there is real military significance to these launchings. Their current military significance lies in the advanced techniques and the competence in military technology they imply, evidenced, for example, by the powerful propulsion equipment necessarily used.

"But in the main the Soviets continue to concentrate on the development of war-making weapons and supporting industries. This, as well as their political attitude in international affairs, serves to warn us that Soviet expansionist aims have not changed. The world has not forgotten the Soviet military invasions of such countries as Finland and Poland, their support of the war in Korea, or their use of force in their ruthless suppression of Hungarian freedom. Eternal vigilance and increased free-world military power, backed by our economic and spiritual strength, provide the only answer to this threat until the Soviet leaders cease to consume their resources in warlike and expansionist purposes and turn them to the well-being of their own peoples.

"We frankly recognize that the Soviets are building up types of power that could, if we were attacked, damage us seriously. This is because no defensive system today can possibly be airtight in preventing all break-throughs of planes and weapons. To aid in protecting against this, we, in partnership with Canada, have long been constructing a continental defence system reaching from far out in the Pacific around the northern edge of this continent and across the Atlantic approaches. This is a complex system of early-warning radar, communication lines, electronic computers, supersonic aircraft, and ground-to-air missiles, some with atomic warheads. This organization and equipment is under constant improvement; emphasis on this improvement must be increased.

"In addition to retaliatory and continental defence forces, we and our allies maintain strong ground and naval units in strategic areas of the world. In the strength and readiness of all these varied kinds of power—retaliatory, defence and local—properly distributed and supported, lies the real deterrent to the outbreak of war. This fact brings home to all of us the tremendous importance to this country of our allies. Not only do they maintain large military forces as part of our combined security, but they provide vital bases and areas that permit the effective deployment of all our forces for defence.

"It is my conviction, supported by trusted scientific and military advisers, that although the Soviets are quite likely ahead in some missile and special areas, and are obviously ahead of us in satellite development, as of today the over-all military strength of the free world is distinctly greater than that of the Communist countries. We must see to it that whatever advantages they have are temporary only.

"The next question is: how about the future? I must say to you, in all gravity, that in spite of both the present over-all strength and the forward momentum of our defence, it is entirely possible that in the years ahead we could fall behind. I repeat: we could fall behind—unless we now face up to certain pressing requirements and set out to meet them at once.

"I address myself to this problem, knowing that for every American it surmounts any division among us of whatever kind. It reminds us once again that we are not partisans of any kind, we are Americans. We will close ranks as Americans, and get on with the job to be done.

"According to my scientific friends, one of our greatest and most glaring deficiencies is the failure of us in this country to give high enough priority to scientific education and to the place of science in our national life. Of course, these scientists properly assume that we shall continue to require the most modern weapons in adequate numbers as fast as they are produced; but their conviction does expose one great future danger that no amount of money or resources currently devoted to it can meet. Education requires time, incentive, and skilled teachers. They believe that a second critical need is that of giving higher priority, both public and private, to basic research.

"As to these long-range requirements, I shall have something to say next week [see Oklahoma City speech below]. Tonight I shall discuss two other factors on which prompt action is possible.

"The first is the tragic failure to secure the great benefits that would flow from mutual sharing of appropriate scientific information and effort among friendly countries. Most great scientific advances have been the product of free international exchange of ideas. There is hardly a nation that has not made some significant contribution to modern science. There instantly comes to mind the contribution of Britain to jet propulsion, radar, and infra-red rays; of Germany to rocketry, X-rays, and sulfa drugs; of Italy to wireless telegraphy; of France to radio-activity; of Japan to magnetics. In the free world we all have a lot to give and a lot to gain in security through the pooling of scientific effort. Why should we deny to our friends information that we are sure the Soviets already have—information our friends could use towards our mutual security? Why, for want of the fullest practicable sharing, should we waste American research funds and talent struggling with technological problems already mastered by our friends? Here is a way in which, at no cost, we can dramatically and quickly magnify the scientific resources at the disposal of the free world.

"The second immediate requirement is greater concentration of effort and improved arrangements within the Government in the fields of science, technology and missiles—including the continuing requirement for the closest kind of Executive-Legislative co-operation.

"As to action, I report the following items to you:

"The first thing I have done is to make sure that the very best thought and advice that the scientific community can supply, heretofore provided to me on an informal basis, is now fully organized and formalized so that no gap can occur. The purpose is to make it possible for me, personally, whenever there appears to be any unnecessary delay in our development system, to act promptly and decisively.

"To that end I have created the office of Special Assistant to the President for Science and Technology. This man, who will be aided by a staff of scientists and a strong advisory group of outstanding experts reporting to him and to me, will have the active responsibility of helping me to follow through on the programme of scientific improvement of our defences that I am outlining tonight and next week.

"I am glad to be able to tell you that this position has been accepted by Dr. James R. Killian, president of the Massachusetts Institute of Technology. He is a man who enjoys my confidence and the confidence of his colleagues in the scientific and engineering world and in the Government. Through him, I intend to be assured that the entire programme is carried forward in closely integrated fashion and that such things as alleged inter-Service competition or insufficient use of overtime shall not be allowed to create even the suspicion of harm to our scientific and development programme.

"Moreover, Dr. Killian will see to it that those projects which experts judge have the highest potential shall advance with the utmost possible speed. He will make sure that our best talent and the full necessary resources are applied on certain high-priority, top-secret items that for security reasons you will not expect me to enumerate. In looking to Dr. Killian to discharge these responsibilities, I expect him to draw upon the full abilities of the scientists and engineers of our country.

"Second: in the Defence Department is an official, directly responsible to the Secretary, in charge of missile development. I have directed that the Secretary make certain that the guided-missile director is clothed with all the authority that the Secretary himself possesses in this field, so that no administrative or inter-Service block can occur. Dr. Killian will, of course, work intimately with this official.

" Third : the Secretary of Defence and I have agreed that any new missile or related programme hereafter originated will, whenever practicable, be put under a single manager and administered without regard to the separate Services.

" Fourth : there will be laid before Congress proposed legislation to remove legal barriers to the exchange of appropriate technological information with friendly countries.

" Fifth : if the necessary authority is granted, I shall support, along the lines of the agreement reached with Prime Minister Macmillan [see 15832 A], a Scientific Committee organized within NATO to carry out an enlarged Atlantic effort in research Similar action in SEATO and comparable organizations will be studied. To help carry out these measures of mutual effort, the Secretary of State will appoint a Science Adviser to himself and science attachés in appropriate places abroad.

" At any point in any of these actions where additional legal authority proves necessary, that authority will be asked of Congress at the outset of its next session. These matters will be discussed in my forthcoming bi-partisan meeting with the leaders of Congress. They will be requested to consider every feasible step to hasten needed legislative action . . .

" Even in two talks I cannot by any means cover the entire subject of defence, but only selected questions of pressing and current importance. Accordingly, I am not at this time even alluding to a number of key items bearing strongly on defence, such as mutual aid and civil defence. Likewise I have not dwelt upon the urgent need for greater dispersal in the Strategic Air Command, or for providing all the means that will enable airplanes to take off in the shortest possible time after receipt of warning.

" In this whole effort it is important to see that nothing is wasted on non-essentials. Defence today is expensive and growing more so. We cannot afford waste. It misses the whole point to say that we must now increase our expenditures of all kinds on military hardware and defence—as, for example, to heed demands recently made that we restore all personnel cuts in the armed forces. Certainly we need to feel a high sense of urgency. But this does not mean that we should mount our charger and try to ride off in all directions at once.

" We must clearly identify the exact and critical needs that have to be met. We must then apply our resources at that point as fully as the need demands. This means selectivity in national expenditures of all kinds. We cannot, on an unlimited scale, have both what we must have and what we would like to have. We can have both a sound defence, and the sound economy on which it rests, if we set our priorities and stick to them, and if each of us is ready to carry his own share of the burden.

" In conclusion : although for tonight's purposes I stress the influence of science on defence, I am not forgetting that there is much more to science than its function in strengthening our defence, and much more to our defence than the part played by science. The peaceful contributions of science—to healing, to enriching life, to freeing the spirit—are the most important products of the conquest of nature's secrets. And the spiritual powers of a nation—its underlying religious faith, its self-reliance, its capacity for intelligent sacrifice—are the most important stones in any defence structure. Above all, let me say for all to hear that, so far as we are concerned, the amassing of military might never has been—and never will be—devoted to any other end than defence and the preservation of a just peace.

" What the world needs today, even more than a giant leap into outer space, is a giant step toward peace. Time and again we have demonstrated our eagerness to take such a step. As a start in this direction, I urge the Soviets to align themselves with the practical and workable disarmament proposals approved by a large majority in the United Nations. Never shall we cease to hope and work for the coming of the day when enduring peace will take these military burdens from the back of mankind, and when the scientist can give his full attention, not to human destruction, but to human happiness and fulfilment."

As stated above, President Eisenhower showed his listeners the first known object to be recovered from outer space—the nose-cone of a *Jupiter* missile which had been fired " hundreds of miles into outer space " and subsequently recovered. Although the President gave no further details, three top-ranking scientific experts disclosed on Nov. 13 how this achievement had been carried out.

The experts concerned—Mr. Alvin G. Waggoner, adviser to the Defence Secretary on guided missiles, Colonel John H. Swenson, Assistant Secretary of Defence for research and engineering, and Captain Leslie M. Slack, director of surface weapons systems for naval ordnance—disclosed that the Army's *Jupiter* missile had been fired from the Air Force test base at Cape Canaveral (Florida) and that its nose-cone was later recovered by the U.S. Navy in the Caribbean area. There was a particular reason for wanting the cone back because " no test gear on earth even approximates to the speed, heat, forces of gases, and other conditions which the cone had to endure."

Colonel Swenson said : " The cone had to think for itself and determine at least a dozen acts. At the right time it slowed itself by ejecting a parachute without burning it on the red-hot metal. Then it put out a balloon and inflated it. Then a little guillotine severed the inflated tube and the balloon was let out on a tether above the parachute. Just before it hit the water it ejected and fired some small bombs so that the Navy could pick up the noise on listening devices and know the point of the crash . . . In the water the cone put out an antenna and began broadcasting ' beeps.' It also flashed light signals. As the balloon held the cone from sinking too far beneath the surface, the cone put out marker dye on the water. It also put out repellent so that those regaining the cone would not be attacked by sharks."

President Eisenhower's Oklahoma City Broadcast.

In a second televised broadcast on Oct. 13 from Oklahoma City, President Eisenhower developed the theme of " Science in National Security " in what he described as " a somewhat wider context." In the course of his address the President laid emphasis on (1) the need for a " critical re-examination of our entire defence position " in view of Soviet technological advances ; (2) the necessity for drastic economies in the civilian sector in view of the great cost of the defence programme; and (3) the fact that the number of trained scientific workers in the U.S.S.R. now exceeded that in the United States—a development which the President described as " the most critical of all." In this connexion President Eisenhower stressed that the United States would need " thousands " more scientists in the next decade " than we are now presently planning to have." Extracts from the President's broadcast are given below :

. . . " This week the Soviets are celebrating the 40th anniversary of their revolution. These four decades have seen them change from an agricultural to an industrial nation. We know of their rigorous educational system and their technological achievements . . . We recently had dramatic evidence that even under such a system it is possible to produce some remarkable material achievements. When such competence in things material is at the service of leaders who have so little regard for things human, and who command the power of an empire, there is danger ahead for free men everywhere. That is the reason why the American people have been so aroused about the earth satellites.

" Of course, free men are meeting and will meet this challenge. Up to a point, this must be done on the Communists' own terms—outmatching them in military power, technological advance, and specialized education and research. But this is not all the story. The real strength with which the self-governing democracies have met the tests of history is something denied to dictatorships. It is found in the quality of our life and the vigour of our ideals. It manifests itself in the capacity of free men for voluntary heroism, sacrifice, and accomplishment when the chips are down. This is a weapon which has meant eventual downfall for every dictator who has made the familiar mistake of thinking all democracies ' soft.'

" Now, once again, we hear an expansionist regime declaring ' We will bury you.' In a bit of American vernacular, ' Oh yeah ! ' Seriously, it would be a grave error not to take this kind of threat literally. This theme has been a Communist doctrine for 100 years. But there was once a dictator named Hitler who also said he would ' bury us.' He wrote a long, dull book telling precisely how he was going to do it. Not enough people took him at his word. We shall not make that mistake again . . .

" Our military defences have been largely reshaped since World War II. I assure you, as I did last week, that for the conditions existing today they are both efficient and adequate. But if they are to remain so for the future, their design and power must keep pace with the increasing capabilities that science gives both to the aggressor and the defender. They must continue to perform four main tasks :

(1) As a primary deterrent to war, to maintain a strong nuclear retaliatory power. The Soviets must be convinced that any attack on us and our allies would result, regardless of damage to us, in their own national destruction.

(2) In co-operation with our allies, to provide a force structure so flexible that it can cope quickly with any form of aggression against the free world.

(3) To keep our home defences in a high state of efficiency.

(4) To have the reserve strength to meet unforeseen emergency demands.

" To provide this kind of defence requires money, lots of it. During the last five fiscal years we have spent 211,000,000,000 dollars on our security—an average of over 42,000,000,000 dollars a year . . . In my judgment, the armed forces and their scientific associates have, on the whole, used this money wisely and well. Much of it has gone and is going into better and more powerful weapons. A single B-52 bomber costs $8,000,000. The B-52 wing costs four times as much as the B-36 wing it replaces. The *Nike* missile, which has largely replaced anti-aircraft artillery, costs three times as much per battalion. A new submarine costs $47,500,000—ten times the cost of a World War II submarine. And so on, for our entire arsenal of equipment . . .

" There has been much discussion lately about whether Soviet technological break-throughs in particular areas may have suddenly exposed us to immediately increased dangers in spite of the strength of our defences. As I pointed out last week, this is not the case. But these scientific accomplishments of theirs have provided us all with renewed evidence of Soviet competence in science and techniques important to modern warfare.

" We must, and do, regard this as a time for a critical re-examination of our entire defence position. The *Sputniks* have inspired a wide variety of suggestions, ranging from acceleration of missile pro-

grammes to shooting a rocket around the moon . . . Common sense demands that we put first things first. And the first of all firsts is our nation's security. Over the next three weeks I shall be personally making our Annual Review with military and civilian authorities of our national security activities for the coming year. Then I shall meet the leaders of Congress—from both Houses and both parties—for conferences on policies, actions and expenditures . . . "

Although missile power was being added to the U.S. armed forces as rapidly as possible (the President continued), " it will be some time before either we or the Soviet forces have a long-range missile capacity equal to even a small fraction of the total destructive power of our present bomber force." Intensive research was in progress to develop long-range missiles, and also to develop " an active missile defence against missiles," but he had been assured by the technicians that " development of the long-range ballistic missile cannot be markedly accelerated by expenditure of more money." Nevertheless, the U.S.A. was now spending more than $1,000,000,000 a year on research and testing, and it was " clear that production, deployment and installation of missiles over the period ahead . . . will be costly."

Turning to earth satellite projects, as distinct from the missile programme, the President said : " Confronted with the essential requirements I have indicated for defence, we must adopt a sensible formula to guide us in deciding what satellite and outer space activity to undertake. There should be two tests in this formula. If the project is designed solely for scientific purposes, its size and cost must be tailored to the scientific job it is going to do. That is the case in the 'Vanguard' project now underway. If the project has some ultimate defence value, its urgency for this purpose is to be judged in comparison with the probable value of competing defence projects."

Reverting to the subject of defence expenditure, the President said . " All these new costs, which in the aggregate will reach a very considerable figure, must be added to our current annual expenditures for security. There is no immediate prospect of any marked reduction in these recurring costs. Consequently the first thing is to search for other places to cut expenditures. We must go all over our military programme with redoubled determination to save every possible dime. We must make sure that we have no needless duplication, or obsolete programmes or facilities . . . In the Federal Government's civilian activities we shall have to make some tough choices. Some programmes, while desirable, are not absolutely essential . . . Savings of the kind we need can come about only through cutting out or deferring entire categories of activities. This will be one of the hardest and most distasteful tasks that the coming session of Congress must face, and pressure-groups will wail in anguish . . . "

President Eisenhower said in conclusion : " The Soviet Union now has in the combined category of scientists and engineers a greater number than the U.S.A., and is producing graduates in these fields at a much faster rate. This trend is disturbing. Indeed, according to my scientific advisers, this is for the American people the most critical problem of all. My scientific advisers place this problem above all other immediate tasks of producing missiles or of developing new techniques in the armed services. We need scientists. In the ten years ahead they say we need them by thousands more than we are now presently planning to have . . .

" One thing that money cannot buy is time. It takes time for a tree to grow, for an idea to become an accomplishment, for a student to become a scientist. Time is a big factor in two longer-term problems—strengthening our scientific education and our basic research. Remember that when a Russian graduates from high school he has had five years of physics, four years of chemistry, one year of astronomy, five years of biology, ten years of mathematics and trigonometry, and five years of a foreign language . . . "

" At present, our basic research compared with any other country is considerably greater in quantity—and certainly equal in quality. The warning lies in the fast rate of increase in the Soviet effort, and their obvious determination to concentrate heavily on basic research. The world will witness future discoveries even more startling than that of nuclear fission. The question is : Will we be the ones to make them ?

" Here again, money cannot do everything. You cannot say to a research worker : 'Your salary is tripled ; get busy and produce three times as many basic discoveries.' But wise investment in such facilities as laboratories and high-energy accelerators can greatly increase the efficiency of our scientists. The Government is stepping up its basic research programme. But . . . the biggest share of the job is in the hands of industry and private organizations . . . "

Dr. James R. Killian (53) was sworn in at the White House on Nov. 15 as Special Assistant to the President on Science and Technology.

Born in South Carolina, Dr. James Rhyne Killian has been at the Massachusetts Institute of Technology since 1923, and was previously on the staff of Duke University (then Trinity College). During the Second World War he played an important part in mobilizing and expanding the Institute's research and training facilities for the U.S. war effort. Vice-president of the M.I.T. since 1945, he became its president in 1949 on the death of Dr. Karl T. Compton. One of America's top-ranking scientists, Dr. Killian holds 16 honorary degrees, the President's Certificate of Merit, and other awards. In addition to his new post he is chairman of the Army Science Advisory Panel, chairman of the President's Board of Consultants on Foreign Intelligence Activities, and a member of the Science Advisory Committee of the Office of Defence Mobilization.

The new Secretary of Defence, Mr. McElroy, revoked on Oct. 28 an Order by his predecessor (Mr. Charles E. Wilson) that would have had the effect of reducing by $170,000,000 the amount available for military research, development, testing and evaluation of new weapons. [This Order had been issued by Mr. Wilson on Aug. 17 before his resignation from the Defence Department.] In a statement the same evening, Mr. McElroy announced that the Services' basic research programmes " will be restored to the general levels justified to Congress and authorized within the 1958 fiscal year appropriations." The " McElroy Order " was aimed in particular at the Air Force, which in recent weeks had ordered a five per cent cut in its basic research contracts for economy reasons. (New York Times - New York Herald Tribune)
(Prev. rep. " Sputnik " Launchings, 15835A ; 15791 A.)

A. CANADA. — World's Largest Hydro-electric Project for British Columbia.

An agreement for the construction of a vast hydro-electric project on the Peace River in British Columbia was signed in Victoria (B.C.) on Oct. 8 by the Provincial Premier, Mr. W. A. C. Bennett, and the Wenner-Gren B.C. Development Company Ltd., representing Mr. Axel Wenner-Gren (the Swedish financier) and the Wenner-Gren Foundation.

The scheme, which will be the largest hydro-electric project in the world, will produce 4,000,000 horsepower i.e. four times the power produced by the Boulder Dam in the U.S.A., at present the world's largest hydro-electric plant. It will provide electricity throughout British Columbia and also for Alberta, as well as for the U.S.A. if required. A report submitted by the British Thomson-Houston Company proposed that the dam should be constructed on the Peace River, between the junction of the Finlay and Parsnip rivers and the Alberta border, to create a lake 260 miles long— the largest artificial lake in the world—reaching down the Rocky Mountain Trench towards Prince George. The lake will take seven years to fill and power supplies are expected to start by 1964. The total cost is estimated at between $400,000,000 and $600,000,000 (£150,000,000 to £220,000,000).

The final execution of the plan will depend on detailed geological investigations of the feasibility of erecting the dam, and on the preparation by the Wenner-Gren Foundation of plans for financing the project. Preliminary surveys had already shown that it was feasible to establish the project in the Rocky Mountain Trench — a huge geological fault, 10-20 miles wide, which runs from the United States north-westward through British Columbia and into the Yukon territory.

Mr. R. W. Bonner, Attorney-General and Minister of Industrial Development, Trade and Commerce in the British Columbian Government, said in London on Oct. 9 that it was expected that Canadian, British, and European capital would be jointly employed in financing the project, which would " roll our habitable and industrial frontier northward by about 500 miles."—(Montreal Star - Manchester Guardian - Board of Trade Journal) **(Prev. rep. Power Projects, 14574 A.)**

B. UNITED KINGDOM. — £3,500,000 Expansion Plan for Birmingham University. - " University City " planned for Edgbaston.

Details of a £3,500,000 building programme for the University of Birmingham, designed to concentrate all the faculties at Edgbaston, were announced on Oct. 27. Most of the new buildings are expected to be ready by 1961, and the project is designed to increase the number of students from the present figure of 3,700 to 5,500 by 1966.

New buildings to house the departments of Mathematics, Physics, Chemistry, and Civil Engineering will be built at Edgbaston (where there are already a number of University buildings), while the departments of Arts, Law, and Education will also be moved to Edgbaston from the old Mason College site in the centre of Birmingham. The new buildings are expected to be completed by 1960-61, together with a University library already under construction and part of a new refectory. In addition, a new nine-storey building for the Biology department—to be built on a lakeside site - is expected to be partly ready by 1961.

The broad conception of the plan is that of a " university city," comprising a large inner campus of lawns, walks and trees encircled by a ring road enclosing the principal buildings. Plans have also been drawn up for new halls of residence, accommodating some 900 students, to be built on parkland already owned by the University at Edgbaston.

The architects of the scheme are Sir Hugh Casson and Mr. Neville Conder, though different architects will be employed for individual buildings.—(Times - Birmingham Post)
(Prev. rep. 15614 A.)

C. ISRAEL. — Eilat-Ashdod Oil Pipeline.

Mr. Ben-Gurion announced on Sept. 24 that construction of the second part of the oil pipeline from Eilat, on the Gulf of Akaba, to Ashdod, on the Mediterranean, had been completed. The first (Eilat-Beersheba) section had been completed in April last.—(Daily Telegraph) **(Prev. rep. 15528 A.)**

A. UNITED KINGDOM. — Conservative Party. - The 1957 and 1956 Conferences. - New Director of Conservative Central Office.

The 77th annual conference of the Conservative Party was held at Brighton from Oct. 10-12, 1957, under the chairmanship of Mrs. Walter Elliot. The principal resolutions adopted are summarized below :

Anti-Inflationary Policy. The conference adopted a resolution, moved by Mr. Amslie Fairclough (Warrington) urging the Government "to take all necessary steps, including a reduction in Government spending and greater efficiency in the nationalized industries, to stabilize the cost of living, control inflation, and preserve the value of our currency." An amendment calling for an all-out campaign for higher productivity, moved by Mr. R. G. Leeming (Hornsey), was incorporated in the resolution.

The Government's determination to halt inflation was stressed by the Chancellor of the Exchequer (Mr. Peter Thorneycroft) during the debate on the resolution. The Chancellor reviewed the general economic situation, and discussed the Government's economic policy, in terms broadly similar to those of his Mansion House speech of Oct. 8 (see 15800 A) and of his earlier speeches in July last (see 15673 A).

Taxation. With a few dissenting votes, the conference accepted a motion by Mr. Harold Powis (Harwich) calling on the Government "to take bold steps to reduce taxation so that individuals can find the savings needed for further capital requirements both in public and private industry." There were 31 other resolutions on the agenda couched in similar terms.

Defence. Initiating a debate on defence, Mr. G. E. McWatters (Bristol South) moved a resolution expressing confidence in the Government's nuclear weapons policy, but urging it not to regard the new weapons as a complete alternative to the more conventional weapons of defence. The resolution was carried with only two dissenting votes after the conference had heard a general exposition of the Government's defence policy by Mr. Duncan Sandys, Minister of Defence.

Agriculture. By a large majority, the conference adopted a resolution by Mr. R. A. Milligan Manby (Louth) congratulating the Government on the success of its agricultural policy, but urging the Government to give careful consideration to the "disposal difficulties" [i.e. surpluses of agricultural products] which the "success of this policy will raise." Mr. Heathcoat Amory (Minister of Agriculture) reviewed the Government's agricultural policy in the debate on the resolution.

Party Publicity and Propaganda. With two dissentients, the conference approved a resolution by Mr. S. Plaister (Solihull) stating that "Conservative Party propaganda should be more clearly explained and issued in terms more easily understood by the general public, with special emphasis on a direct appeal to the uncommitted voter."

Foreign Policy. Mr. Ronald Bartle (Lecturer in Law, City of London College) moved a resolution stating that "this conference, while fully supporting the principles and objects of the United Nations, recognizes that the vital interests of Britain must always remain the paramount consideration in the conduct of foreign affairs by the Government."

The resolution was carried with only two dissenting votes after a comprehensive review of the Government's foreign policy by Mr. Selwyn Lloyd, the Foreign Secretary. In the course of his speech Mr. Lloyd stressed that Britain could not play the role of a neutral "in the great struggle between the human values as the Communists see them and our Western systems, whatever their imperfections." This did not mean that Britain should not have an independent line of approach from time to time on particular political problems, but "on the great issues I believe that the American people and the British people think alike. It would be playing into the hands of the Communists to let it be thought that in this conflict we were casting ourselves for the role of neutral. We cannot contract out . . ."

European Free Trade Area. By a large majority, the conference endorsed a resolution by Mr. T. M. Jopling (Thirsk and Malton) which (i) declared that the conference would welcome the inclusion of the United Kingdom "in a European partial free trade area," and (ii) congratulated the Government on "its avowed determination to keep agricultural products outside the organization and to preserve the Commonwealth tie."

Sir David Eccles (President of the Board of Trade) recalled that Britain's projected association with the European Free Trade Area had been discussed at the recent meeting of Commonwealth Finance Ministers in Canada (see 15796 A). Following that meeting, he could say with certainty (i) that the whole Commonwealth had examined and approved Britain's association with the Free Trade Area, and (ii) that Britain had "fresh and firm prospects of even bigger expansion of trade within the Commonwealth." He added : "The Europeans do not want free trade in foodstuffs but a managed market. We are ready to discuss that with them provided that in no way do we damage our own domestic agricultural policy."

Liberty of the Subject. Unanimous endorsement was given to a resolution, moved by Mr. W. W. Harris (Battersea South), which declared that "this conference, believing that individuality and independence are threatened by the misuse of power within the modern State, and that Socialist policies would aggravate this threat, urges Government action along the lines of the recent report on administrative tribunals and inquiries, and in other ways to strengthen our institutions and protect our rights and liberties"

In moving the resolution, Mr. Harris complained that the conditions which made possible the Crichel Down case, and other examples of "injustice at the hands of bureaucracy," still existed. He also drew attention to the recent "telephone-tapping" disclosures (see 15776 A) and to the fact that the Home Secretary had absolute power to intercept and record any conversation.

Mr. J. E. Simon, Q.C. (Under-Secretary, Home Office) welcomed the resolution and emphasized that the Government shared the general repugnance to telephone-tapping. He pointed out that the Government would announce its decisions on this matter as soon as it received the report of the Committee of Privy Councillors which had been appointed by the Prime Minister.

Industrial Relations. The conference adopted a resolution by Mr. K. V. Cooper (Harrow East) urging the Government "to get to grips with problems between management and labour in industry and to encourage trade union leadership to be responsible and representative." The resolution, as adopted, incorporated an amendment by Mr. G. Beaman (Crewe) urging the Government to tackle the problem of industrial relations in the spirit of the Conservative Party's Industrial Charter [see 8626 A]. Many Conservative trade unionists and shop stewards spoke in support of the resolution.

The Minister of Labour (Mr. Macleod) stressed during the debate that the Government had no intention of interfering with the principle of independent arbitration. Reminding the conference that the Government normally took little part in wage adjustments, he gave the following details of how wage increases came about in 1956—by direct negotiation, 40 per cent; by joint industrial councils, 28 per cent; by wages councils and wages boards, 21 per cent.; by sliding-scale agreements linked to the retail price index, 6 per cent; by miscellaneous forms of voluntary agreement, 2 per cent; and through arbitration, 3 per cent. "Over the whole field," he added, "only 1.7 per cent was attributable to cases in which the Ministry, either by conciliation or other means, had a share in the final settlement."

In the course of his speech Mr. Macleod said that it was "an illusion to think and an impertinence to talk of ten million trade unionists as if they were all devoted followers of the Socialist party. Three million of them vote Conservative—that is one of the central facts of British political life."

Pensions. By an overwhelming majority, the conference adopted a resolution by Mr. J. Arbuthnot, M.P. (Dover) which (*a*) welcomed the consideration given by the Government to the whole basis of pensions; (*b*) said that the conference would support action which enabled pensioners, including war pensioners, to share in the expanding wealth of the community; and (*c*) suggested that use should be made of private enterprise as the only basis on which demands for financial security in old age could be met on sound financial lines.

The Minister of Pensions (Mr. Boyd-Carpenter) intimated during the debate that the Government had decided to increase pensions, pointing out at the same time that increased benefits would necessarily have to be accompanied by "substantial increases" in contributions. [See 15867 A.]

Housing. With six dissentients, the conference approved a resolution by Mr. L. H. Cleaver (Birmingham) which (i) congratulated the Government on the "outstanding success" of its house-building programme, and (ii) urged immediate steps to make home ownership easier, particularly for young married couples, "in accordance with the declared aims of the party to promote a property-owning democracy." In moving the resolution, Mr. Cleaver complained that owner-occupiers were "getting the rough end of the inflationary stick" and demanded the abolition of the Schedule A tax on owner-occupiers.

Speaking of post-war housing, Mr. Henry Brooke (Minister of Housing and Local Government) said that 1,750,000 houses and flats had been built during six years of Conservative rule, whereas less than 1,000,000 had been built during six years of Labour rule. At present new houses were being built by private enterprise at the rate of 122,000 a year, whereas the Labour Government, in its last year of office, had restricted the number built by private enterprise to 22,000. With regard to Mr. Cleaver's complaints, Mr. Brooke said that he could hold out "no prospect" that the Chancellor of the Exchequer would "be able to find the money for reductions of taxation in the directions suggested."

Colonial Policy. With 12 dissenting votes, the conference adopted a resolution by Mr. W. John Peel (prospective candidate for South-East Leicester) urging the Government to explore "all methods of helping the Commonwealth countries to help themselves," and expressing the hope that "false pride" would not prevent such countries from seeking British help.

The only speaker against the resolution, Mr. Harold Soref (Dudley), asked the Government not to "rush" independence on Colonial countries, most of which, he maintained, were not ready for it. After questioning whether there was now more freedom in Ghana then under British rule, he added : "The fear in Ghana is that the rule of law has very largely disappeared with the disappearance of the British administration. That fear is not confined to that territory."

On the other hand, Mr. Clive Bailheu (prospective candidate for North Battersea) urged patience with countries such as Ghana which had newly emerged into nationhood. After saying that the

Prime Minister of Ghana "would not make as many mistakes there as Mr. Gaitskell would make as Prime Minister here," he added: "Dr. Nkrumah has got a hell of a lot to put up with, and only by sympathy can we get his co-operation. By cheap gibes we can only antagonize him and the rest of Africa."

Replying to the debate, Mr. Alport (Under-Secretary, Commonwealth Relations Office) said: "Commonwealth co-operation presupposes that we shall not be too quick to sit in judgment on another Commonwealth country, especially when that other country is a new member handling the dangerous substance of power without great experience or resources. It presupposes that even where conflicts of interest and policy come into being, and where hard things may be said, we on our side will always be fair in our attitude and quick to forget those disagreements."

Highways. The conference adopted a resolution by Mr. John Howard, M.P. (Southampton, Test) urging the Government to accelerate the building of new highways, particularly to the ports.

Mental Health. The conference also adopted a resolution by Mr. H. Berkeley (prospective candidate for Lancaster) calling on the Government to implement as soon as possible the main recommendations of the Royal Commission on mental illness and mental deficiency [see 15654 A].

In a speech at the end of the conference, Lord Hailsham (the new party chairman) declared that the Conservatives intended to attack the ideas and policies of the Labour Party and "beat the daylights out of them." Seizing the chairman's handbell, he rang it for several minutes as he said: "Let us say to the Labour Party: 'Seek not to inquire for whom the bell tolls.' It tolls for them." [A paraphrase of the words of John Donne: "And therefore never seek to know for whom the bell tolls; it tolls for thee."]

The Prime Minister, speaking after the conference had ended, dealt mainly with the economic situation and gave what he described as a "plain man's guide" to the Government's measures to combat inflation. Extracts from Mr. Macmillan's speech are given below:

". . . Our great pre-war problem was unemployment; our great post-war problem has been inflation. Our first responsibility is to see that inflation does not undermine our economic position in the world or endanger the expansion of our economy. We have had our successes. In spite of all our difficulties we have achieved a good surplus in our balance of payments. This year it will be some £200,000,000 . . . We have invested heavily overseas, and in our capacity as the bankers of the sterling area we have had to meet heavy drawings on the central funds from the rapidly developing territories of the Commonwealth.

"At home we have reached, so far as the mass of people are concerned, the highest standard of living in our history. Mr. Bevan has called the people 'an embittered and frustrated industrial mass.' I don't know where he got that impression from. Has he never seen any of those 6,000,000 T.V. aerials which have gone up since 1951? Has he never run across any of the extra 2,000,000 cars and motor-bikes? Does his view embrace none of those houses he didn't build but we did?

"Let us be frank. The wage-earner and the businessman find wages and profits go far above prices. It is the pensioner, the retired man, the people on fixed or nearly fixed incomes, who have borne the burden. I said at Bedford recently, and I say again: 'We have a clear duty to those sections of our people who have not shared in this general prosperity and we intend to discharge it . . .

"The threat to-day does not come from a shortage of money of the type that led to unemployment between the wars. It is no good trying to revive the bogy of Montagu Norman. Everyone is fully employed—indeed, there is if anything a shortage of labour. The danger does not come from too little money in the system. The danger comes from too much. In other words, from inflation.

"Of course, the Government could—but it won't—allow paper money to be created to ensure that for the time being the spiral of wages and prices goes merrily up. But who gains? The wage-earner won't gain in the long run, and all the rest of the community will lose. The spiral won't keep on going up—sooner or later it will blow up. Then all will lose in a common disaster . . . That is where the real threat of unemployment lies—not in the Government's measures to deal with the problem . . .

"We do not seek unemployment—we seek to avert it. And if it ever comes to the people in this country it can only come in one way—it will be a self-inflicted wound . . . Our aim is not to reduce living standards in any section of our people. On the contrary, our fixed purpose is to raise them—and raise them for all. Our aim is not conflict, but unity. Whatever extremists may say, I would urge ordinary men and women of every section of the community to put out of their minds all appeals to prejudice.

"I must say this frankly to the country: Unless we can show commonsense all round, we may, by ill-considered words and deeds, throw away the substance for the shadow, like the dog in the fable. I cannot believe that our people will make the tragic mistake of throwing away the solid benefits which they have gained, and the still more substantial benefits which are within our grasp.

"What we all ought to be doing is seeing how we can produce a bit more, not seeing how we can chisel a bit more off somebody else. I believe that, if they think it over, all those who hold great responsibility, either for the leadership or management of business, or the trade unions, will have these thoughts in mind. In spite of misunderstanding and misinterpretation, we intend to see this thing through. Then our policies will be seen to be not only necessary but fruitful . . .

"In due course the British people will be called upon to make a great decision. The broad divide in our political life is between Socialism and freedom; between those who accept the doctrine that the State should dominate the life of the individual, and those who believe in the highest degree of individual freedom compatible with an ordered community and the common good. That is the choice today, and will be two or three years hence." [The last sentence was generally regarded as implying that the Prime Minister did not contemplate a general election until the Government had completed, or almost completed, its term of office].

The 1956 Conference.

The 1956 party conference took place at Llandudno from Oct. 11-13, 1956, under the chairmanship of Sir Eric Edwards. Held only a fortnight before the Anglo-French intervention in Egypt, following the Israeli attack in the Sinai peninsula, it was largely dominated by the tension then existing in the Middle East. With only one dissenting vote (Mr. William Yates, M.P.) the 4,000 delegates adopted a resolution fully endorsing the Government's handling of the Middle East situation. Sir Anthony Eden, then Prime Minister and party leader, made a speech defining the Government's policy in the Middle East and its general attitude towards the problems of the area.

Apart from endorsing the Government's handling of the Suez crisis, the conference adopted the following resolutions among others:

Industrial Relations. A resolution (moved by Mr. E. J. Brown, Home Counties North Provincial Area Council) welcoming the Government's report on automation and recommending constant consultation with the National Joint Advisory Council for its gradual implementation. A second resolution by Mr. R. Hinton (Watford) was also adopted expressing concern at the damage caused by industrial disputes, and calling for a more determined effort by management and trade unions to improve the conduct of industrial relations. Both resolutions were carried by large majorities.

Mr. Macleod (Minister of Labour) said that the Government had been examining the idea of the "contract of service" first put forward in the party's Industrial Charter 10 years ago. If the conference agreed that the Government should go forward again in this sphere, he intended to invite representatives of the trade unions and employers' organizations to meet under his chairmanship to see how the idea could best be brought into effect.

Replying to a proposal that there should be compulsory secret ballots before strike action was undertaken, Mr. Macleod expressed the view that if every single case of friction were made the subject of a call for a pre-strike ballot, the number of strikes would increase.

Economic Policy. A motion urging the Government to take all possible action to restrict public expenditure, and thus make possible substantial tax reductions, was carried by a large majority. Moved by Mr. R. P. Lee (Nelson and Colne).

Mr. Macmillan (then Chancellor of the Exchequer) spoke of the Government's efforts to obtain savings on defence; justified the "credit squeeze" as a simple, economical, and effective measure; and referred in detail to the question of British association with the European Common Market through the establishment of a Free Trade Area, on which the Government had begun discussions with the other Commonwealth countries.

Public Relations and Propaganda. With only one dissentient, the conference adopted a motion urging the Government "as a matter of top priority to build up a powerful broadcasting system to enable the British viewpoint to reach the millions who at present only hear the other point of view." Moved by Mr. Colin Turner (Enfield East).

Colonial Affairs. A motion pledging full support to the policy of granting new Constitutions to Colonial territories was carried with only a few dissenting votes. Moved by Mr. G. Finsberg (Young Conservative and Unionist Advisory Committee).

Housing. A resolution (adopted unanimously) welcoming the success of the Government's slum-clearance drive, but regretting "that a substantial proportion of the nation's stock of fit houses is exposed to deterioration owing to the operation of the Rent Restriction Acts" and calling on the Government "to bring a just and urgent remedy."

Mr. Sandys, then Minister of Housing and Local Government, announced the Government's intention to introduce legislation for the progressive abolition of rent restriction. [See 15292 A].

Local Government. A resolution (moved by Mr. W. R. Rees-Davies, M.P., Isle of Thanet) calling on the Government to introduce comprehensive legislation to amend the law relating to the structure and finance of local government.

Mr. Enoch Powell (Parliamentary Secretary, Ministry of Housing and Local Government) stated that the Government was proposing to overhaul both local government finance and organization.

National Assistance. A resolution by Mr. R. Bulbrook (North Kensington) urging the Government to examine closely the present system of national assistance administration, so as to check apparent abuses in the spending of public money, was carried by an overwhelming majority. Mr. Bulbrook and other speakers referred to

numerous instances in which people unwilling to work drew national assistance, and to cases in which people spent all their earnings on drink and betting and left their wives to get national assistance for themselves. Wherever weekly payments were being made over a long period, it was said, such cases should be closely examined.

Agriculture. A resolution which (i) recognized that home agriculture could make its contribution to the balance of payments; and (ii) called for arrangements to be made, within the framework of the 1944 Agriculture Act and the Industrial Marketing Acts, under which the industry could plan ahead in the knowledge that changes in economic policy would not undermine its efforts. Moved by Mr. Donald Goodwin (Nantwich).

Capital Punishment. A motion (moved by Mr. P. A. Alcock, City of Oxford, and carried by an overwhelming majority) stating that the conference "emphatically opposes the terms of the Death Penalty (Abolition) Bill but urges that the law of murder be amended to limit the imposition of the death penalty." [See 15600 A.]

Cruelty to Children. A motion urging the Government to introduce severer punishment for those found guilty of cruelty to children. Moved by Mr. L. F. Wass (Enfield).

National Health Service. A resolution urging that facilities under the N.H.S. should be available only to nationals of those countries which offered similar facilities to British citizens. Moved by the Chelsea Conservative Party.

Nationalized Industries. A resolution (carried by an overwhelming majority) urging that "the excessive expenditure of the nationalized industries should be subject to stricter supervision and control." Moved by Miss Hope Hearson (North Devon).

The major speeches were made by Sir Anthony Eden, as stated above; by Mr. Macmillan, then Chancellor of the Exchequer; and by Mr. R. A. Butler, Lord Privy Seal and Leader of the House of Commons.

Mr. Butler recalled that the 1955 conference had asked the Government to deal specifically with four major matters—(1) monopolies and restrictive practices; (2) technical education; (3) help for the aged; and (4) administrative tribunals. As regards the first, the Monopoly and Restrictive Practices Bill had been piloted through the House, and the Government had started an inquiry into restrictive labour practices through the National Joint Advisory Committee. With regard to (2), a £100,000,000 expansion programme for technical education had been launched. As regards (3), the Government had taken steps to help pensioners and retired persons, whilst in connexion with (4) it had appointed a committee under Sir Oliver Franks to inquire into the whole question.

New Director of Conservative Central Office.

It was announced on Aug. 29, 1957, that Sir Stephen Pierssené had resigned as general director of the Conservative Central Office for health reasons and had been succeeded by Mr. W. H. L. Urton, Central Office agent for London. Sir Stephen Pierssené had been general director of the Central Office since 1945.—(Times - Daily Telegraph . Sunday Times)

(Prev. rep. Conservative Party Chairmanship, 15772 A; Party Conferences, 14493 A; 13835 A.)

A. SOUTHERN RHODESIA. — Cabinet Reshuffle.

The following Cabinet changes were announced by the Southern Rhodesian Prime Minister (Mr. Garfield Todd) at a United Rhodesia Party congress, held in Bulawayo during September: (*a*) the Departments of Irrigation and Survey, hitherto administered by Mr. Ellman-Brown (Minister of Housing, Roads, and Road Traffic), would be transferred to Mr. P. B. Fletcher, the Minister of Native Affairs and Lands; (*b*) Mr. Todd himself would relinquish the portfolio of African Education to Mr. A. R. W. Stumbles, the Minister of Internal Affairs; (*c*) Local Government and Town Planning would be incorporated into the Ministry of Housing under Mr. Ellman-Brown; and (*d*) Mr. H. J. Quinton (M.P. for Mazoe) would become Parliamentary Secretary to Mr. Fletcher—an appointment described by Mr. Todd as "a step to bring the Department of African agriculture into harmony with Federal agriculture in general."

Mr. Todd indicated that the Labour portfolio, at present held by him, was becoming "so significant that it should not continue longer than necessary to be just one of the jobs that a Prime Minister does."—(Federal Information Department)

(Prev. rep. 14698 D.)

B. EASTERN GERMANY. — New Minister of State Security. - Herr Mielke succeeds Herr Wollweber.

It was announced in East Berlin on Nov. 1 that Herr Ernst Wollweber (59) had resigned as Minister of State Security for health reasons and had been succeeded by his deputy, Herr Erich Mielke (52). Herr Mielke, like his predecessor, is a veteran Communist, his association with the party going back to the days of the Weimar Republic. He fled to the Soviet Union in 1931 after a shooting incident in Berlin in which two policemen were fatally injured, and the West German police still hold a warrant for his arrest on charges of murder.

(Frankfurter Allgemeine Zeitung) **(Prev. rep. 15267 A.)**

C. NEW GUINEA. — Australian-Dutch Co-operation in New Guinea. - Joint Statement on Future Policy. - Indonesian Reactions.

The following joint statement on the future of New Guinea was issued by the Australian and Netherlands Governments in Canberra and The Hague on Nov. 6:

"(1) The Netherlands and Australian Governments base their policies with regard to the territories of New Guinea, for which they are responsible, on the interests and inalienable rights of their inhabitants in conformity with the provisions and spirit of the U.N. Charter.

"(2) The territories of Netherlands New Guinea, the Australian Trust Territory of New Guinea, and Papua are geographically and ethnologically related, and the future development of their respective populations must benefit from co-operation in policy and administration.

"(3) The Australian and Netherlands Governments are therefore pursuing, and will continue to pursue, policies directed towards the political, economic, social and educational advancement of the peoples in their territories in a manner which recognizes this ethnological and geographical affinity.

"(4) At the same time, the two Governments will continue and strengthen the co-operation at present existing between their respective administrations in the territories.

"(5) In so doing, the two Governments are determined to promote an uninterrupted development of this process until such time as the inhabitants of the territories concerned will be in a position to determine their own future."

The statement coincided with the arrival in Australia of Dr. Helders, the Netherlands Minister of Oversea Territories, following a visit by him to Port Moresby, capital of Australian New Guinea. On Nov. 12 Dr. Helders had discussions in Canberra with Mr. Casey, the Australian Minister for External Affairs, and Mr. Hasluck, Minister for Territories, during which they considered practical measures for improving co-operation between the Australian and Netherlands administrations in New Guinea.

In a statement to the Australian House of Representatives on the same day, Mr. Casey declared that Australia was ready to discuss the question of Dutch New Guinea with Indonesia at any time suitable to the Indonesian Government. Indonesia, however, could be in no doubt about Australia's policy or where her sympathies lay in the dispute over the sovereignty of Western New Guinea. Although he (Mr. Casey) had not had an opportunity to talk with Indonesian Government representatives on his way through Jakarta, he had had long talks with the Indonesian Foreign Minister, Dr. Subandrio, in New York and Saigon, and the Indonesian Government was in no doubt about Australia's attitude. Australia had told the United Nations that though she regretted the reopening of the New Guinea question, which had already been debated three times, she was willing to take part in the U.N. General Assembly's debate on this matter.

The Australian-Dutch statement was criticized on Nov. 6 by Dr. Sastroamidjojo, head of the Indonesian delegation to the United Nations, and former Prime Minister, as "an attempt to influence the peaceful solution of Indonesia's claim to Western New Guinea."

Dr. Subandrio said on Nov. 11 that the meaning of the Dutch-Australian declaration was "not yet clear" to him, but he hoped the impression that it was meant as a military pact against Indonesia was wrong. The concerted efforts in administrative and development work in both parts of New Guinea were common knowledge, but if there was behind the joint statement a move which would lead to a military alliance, "then that will change overnight the whole attitude of all the Asian nations towards the countries of Western Europe." He appealed to the Netherlands Government to reconsider its stand so as to reach a quick settlement of the New Guinea problem which would "satisfy both parties."

Meanwhile a nation-wide campaign for the "liberation of West Irian" had opened in Indonesia on Oct. 28, the Minister of Information (Mr. Subidjo) announcing that it would be conducted in three stages: the first, coinciding with the National Youth Pledge Day, which had already begun; the second to begin on Nov. 10 (Heroes Day); and the third to be launched when the U.N. debate was held. The campaign would be co-ordinated by a Government committee.

A spokesman of the Netherlands Foreign Ministry said on Nov. 6 that co-operation between the Netherlands and Australian administrations in New Guinea had begun in 1953, when an arrangement had defined the fields of this co-operation. It was intended to extend this co-operaton in agriculture, public health, quarantine arrangements, and education, and to improve communications by the establishment of a regular air service.—(Australian News and Information Bureau - Netherlands News Agency - Algemeen Handelsblad, Amsterdam - Indonesian Embassy Press Office, London)

(Prev. rep. 15505 A.)

A. ARGENTINA. — Breakdown of Constituent Assembly. - President Aramburu decrees General Elections for February 1958.

The Constituent Assembly, which met for the first time at Santa Fé on Sept. 1 (see 15733 A), disbanded on Nov. 6 after the withdrawal of a majority of its members had left it without the necessary quorum to carry out the constitutional reforms for which it had been elected. Only two measures had been passed by the Assembly in its lifetime of little more than two months : (*a*) approval of the 1853 Constitution as the basic law of the Argentine Republic, thereby giving formal sanction to the Provisional Government's decree of May 1956 which revoked the 1949 *Peronista* Constitution (see 14871 A) ; and (*b*) adoption of a constitutional amendment establishing the rights of labour to participate in the management of industrial enterprises, to share profits, and to strike.

As stated in 15733 A, the 76 members of the Left-wing Radical party led by Dr. Frondizi (the *Unión Cívica Radical Intransigente*, known as the "intransigent" Radicals) had walked out of the Constituent Assembly at the opening session, thus reducing the Assembly's membership from 205 to 129. On Oct. 16 eight representatives of the minority groups also withdrew from the Assembly, together with nine members of the Moderate Radical party (*Unión Cívica Radical del Pueblo*), involving a further reduction in the Assembly's strength to 112. The nine Moderate Radicals—the so-called "Sabatini group" from its leader, Dr. Sabatini—left the Assembly on the ground that it had fulfilled its task by restoring the 1853 Constitution and revoking the *Peronista* Constitution. Finally, the withdrawal on Oct. 26 of the 11 Christian Democratic (Conservative) deputies, grouped as the *Partido Democratica Nacional*, reduced the Assembly's membership to 101 and left it without the quorum needed to fulfil its tasks—i.e. 104 members of its total membership of 205. The Conservatives walked out on the ground that the Moderate Radicals (the largest party in the Assembly) were seeking to insert in the Constitution "totalitarian" and "socialistic" provisions such as State ownership of the oil industry and public utilities, and a Government monopoly of education.

The Constituent Assembly decided on Nov. 6 to disband itself after an all-night debate on a proposal by a group of deputies that force should be used to secure a quorum. The proposal was rejected by 38 votes to 27 on the ground that "a Constitution cannot be written with police aid."

Following the dissolution of the Constituent Assembly, President Aramburu issued a decree on Nov. 18 for the holding of general elections on Feb. 23, 1958. Unlike the Constituent Assembly elections of July last, which were held by proportional representation, it was laid down that the general elections would be held in accordance with the "Saenz Peña" law—i.e. two-thirds of the seats would go to the majority party and one-third to the principal minority party, no provision being made for parties lower in the list. It was also laid down (*a*) that the President would be elected (as in the past) through an electoral college, and not by direct vote ; and (*b*) that the Provisional Government would hand over power to the new constitutional regime on May 1, 1958.

Widespread Industrial Disputes. - General Strikes.

Widespread labour stoppages occurred throughout Argentina during September and October, involving two general strikes and leading to the imposition of a state of siege by the Provisional Government.

Some of Argentina's biggest labour unions—including the General Confederation of Labour in Buenos Aires Province, and the Confederation of Commercial Employees—ordered "sympathy" stoppages on Sept. 19 in support of 45,000 telegraph and telephone workers who had gone on strike the previous day after the Government had refused their demand for a 25 per cent wage increase. During the following week many sectors of the economy were disrupted by a series of strikes and "go-slow" movements, involving a 48-hour stoppage of work by stevedores in the port of Buenos Aires and strikes among meat-packing, oil, building and garment workers, shop assistants, and bank employees.

On Sept. 26 the representatives of 62 unions unanimously agreed to call a 24-hour general strike at midnight on that date. At the same time the unions issued a declaration calling on the Government to abandon the policy of "freezing" wages, to authorize "emergency" wage increases, to stabilize the cost of living, and to meet the demands of the telephone and telegraph workers. The leaders of 27 other unions, however, including powerful groups representing railway workers, garment workers, shop assistants, and commercial employees, urged their members not to take part in the general strike, on the ground that the leaders of the striking unions were actuated solely by political motives and, it was alleged, were dominated by *Peronista* and Communist influences.

Some 500,000 workers obeyed the 24-hour strike call on Sept. 27, including those in the metal, textile, and building industries, and also bank employees ; on the other hand about 1,500,000 workers remained at their jobs, leading to clashes between strikers and non-strikers. The situation continued to deteriorate in the following week as a result of further stoppages of work and go-slow movements, leading on Oct. 4 to the imposition of a state of siege in the City and Province of Buenos Aires. By the latter date the port of Buenos Aires was operating at only 70 per cent efficiency and with only a quarter of the normal number of stevedores, aided by troops ; the meat-packing industry was seriously affected by go-slow movements ; and the garment workers' union had called a nation-wide strike after a lock-out of some thousands of its members. In addition, tele-communications were in a chaotic state as a result of the continued strike of telegraph and telephone employees, over 100,000 lines being affected and Buenos Aires being cut off from telephone communication with seven of the provincial capitals.

Simultaneously with imposing a state of siege -on the ground that normal political development was being jeopardized by "sabotage and unrest"—the Government arrested some 270 labour leaders, many of whom were alleged to be former *Peronistas*. In view of the mounting unrest, President Aramburu and some of his Ministers had discussions on Oct. 11-12 with leaders of the labour unions, who put forward the following demands : (1) wage increases to match the rapidly rising cost of living ; (2) "freezing" of commodity prices ; (3) suspension of the export of commodities needed for home consumption ; (4) lifting of a decree "freezing" all collective bargaining until 1958 ; (5) the release of labour leaders who had been arrested, and (6) the raising of the state of siege. Demands were also made that President Aramburu should dismiss the three Ministers primarily responsible for economic matters Dr. Krieger Vasena (the Finance Minister), Dr. Cueto Rua (Commerce), and Dr. Guevara (Labour).

During these discussions, Dr. Cueto Rua (the principal Government spokesman) insisted that suspension of exports in favour of home consumption would mean "economic suicide," as Argentina needed fuel, raw materials and machinery and could only pay for them by exports He pointed out that in 1925-29 Argentina had exported 51 per cent and consumed 49 per cent of her produce : in 1935-39 she had consumed 57 per cent and exported 43 per cent ; and in 1955 consumption had risen to 80 per cent and exports had fallen to 20 per cent. The Minister also gave figures to show that individual production had declined, and pointed out that other contributory factors in the rise in the cost of living were dearer transport, higher interest charges, more expensive fuel, and higher wages. In the latter connexion he emphasized that any wage increases must be part of a general "package deal" which would involve simultaneous increases in production.

The 62 unions which called the 24-hour strike of Sept. 27 agreed on Oct. 15 to call a 48-hour general strike for Oct. 22-23 in protest against the Government's rejection of their demands and its refusal to agree to wage increases to offset the cost of living. The unions which opposed the earlier strike, however, also opposed the 48-hour strike and instructed their members not to participate. Thus, although the second general strike paralysed large sections of industry, its effects were not universal and the public utilities and transport services were not affected ; moreover, banks, shops and most places of entertainment remained open. All key power and transport installations were heavily guarded by soldiers, sailors and marines, and transport workers (railwaymen, bus conductors and drivers, etc.) were escorted to their work by troops and police to avoid any interference by strikers. The strike was nevertheless total in many sectors, the docks and meat-packing plants being brought to a standstill and most of the country's chemical, metal and rubber factories being unable to operate.

The state of siege in the capital and Buenos Aires province was lifted on Nov. 4 after being in force for a month. At the same time the Government released most of the 1,000 persons who had been arrested during that period. Several further strikes occurred during the first fortnight of November, but these were mostly of a minor character and caused no large-scale disruption of industry.—(New York Times - New York Herald Tribune - Times - Bank of London and South America, Fortnightly Review - Le Monde, Paris) **(Prev. rep. 15733 A.)**

B. GAMBIA. — New Governor.

It was announced in London on Oct. 15 that Mr. E. H. Windley, Minister for Native Affairs in the Kenya Government, had been appointed Governor of the Gambia in succession to Sir Percy Wyn-Harris, whose term of office would expire in May 1958.

Mr. Windley (48), a Rhodesian, was Provincial Commissioner at Nyeri at the outbreak of the Mau Mau emergency and was subsequently promoted Chief Native Commissioner—a post which was transformed under the "Lyttelton Constitution" into its present title of Minister for African Affairs. A fluent Kikuyu-speaker, he made many perilous journeys into forest areas to contact Mau Mau terrorists during the surrender talks early in 1955. Sir Percy Wyn-Harris was also Chief Native Commissioner in Kenya before his appointment in 1949 as Governor of the Gambia.

Mr. Windley is expected to take up his appointment in Bathurst towards the middle of 1958.—(Times)

(Prev. rep. 10262 C.)

C. PAKISTAN. — Cabinet Appointment.

It was announced in Karachi at the beginning of November that Mr. A. Kumar Das had been appointed Minister of State in the Ministry of Commerce.—(Pakistan High Commissioner's Office, London) **(Prev. rep. 15819 A.)**

A. UNITED KINGDOM. — Increases in War Pensions, National Insurance, Old Age Benefits, Industrial Injury Benefits, and National Assistance Grants. - Higher National Insurance Contributions and Exchequer Liability. - Second Reading of National Insurance Bill. - Previous Pensions Legislation.

Increases in pensions, national insurance benefits, and national assistance payments were announced in the House of Commons on Nov. 6 by Mr. Boyd-Carpenter, the Minister of Pensions and National Insurance. The increases, which will be accompanied by higher national insurance contributions, will take effect from the last week of January 1958, or in some cases from early in February. [The Government's intention to raise pensions and benefits had been announced in the Speech from the Throne on Nov. 5—see 15844 A].

Mr. Boyd-Carpenter's statement is summarized below under cross-headings.

War and War Widows' Pensions. The Royal Warrant would be amended so as to raise the basic rate of war pensions for 100 per cent disablement by 17s. 6d. a week (e.g. for a private with 100 per cent disablement from 67s. 6d. to 85s.), with proportionate increases for the less severely disabled. The standard rate for war widows with children, and for widows over 40 or incapacitated, would be raised by 13s. 6d., with appropriate increases for their children; thus a private's widow in these categories would have her own pension raised from 52s. 6d. to 66s. There would also be increases in certain supplementary allowances to war disablement pensioners—e.g. the normal maximum rate of the constant attendance allowance would be raised from 30s. to 35s. (or from 60s. to 70s. in the most serious cases), whilst the unemployability supplement payable to men whose war disability prevented them from working would be increased from 45s. to 55s. The new rates would come into force automatically on the first normal pay day after Jan. 26, 1958. The additional cost to the Exchequer would be £16,500,000 in a full year. Corresponding improvements would be made in disability awards administered by the Service Departments.

National Insurance Pensions. Legislation was being introduced to provide for the raising of the standard rate of National Insurance retirement pensions at the minimum pension age, as well as of sickness and unemployment benefit, from 40s. to 50s. (single person) and from 65s. to 80s. (married couple). The new standard rate of widow's pension would also be 50s., whilst the widowed mother's allowance, including the payment for the first child, would go up to 70s.

Ending of Tobacco Token Scheme. Benefits in kind under this scheme, which had been much criticized as being unfair as between pensioner and pensioner, would be ended (subject to Parliamentary approval of the necessary legislation) from Jan. 26, 1958—the date on which the above-mentioned increases would come into force. The Government proposed, however, that non-contributory old age pensioners should receive a special addition to their pensions of 2s. 4d. a week, the cash equivalent of the tobacco token.

National Insurance Contributions. The higher rates of N.I. pensions and benefits, together with the increase in industrial injuries benefits (see below), would add about £177,000,000 to the expenditure of the National Insurance Fund in the first full year. Higher benefits under a contributory scheme of National Insurance implied higher contributions, and the employed man's contribution would accordingly be increased by 2s. to become 9s. 5d., and the employer's contribution by 1s. 11d. to become 11s. 6d., including the separate National Health Service contribution in each case. The contribution for the self-employed man would be increased by 2s. 3d. to become 11s. 6d., and there would be corresponding increases in other contribution rates. Parallel with this, there would be an immediate increase of about £35,000,000 a year in the supplement from the Exchequer, and in addition the new Bill would increase substantially the long-term Exchequer liability.

Industrial Injury Benefit. The standard rate of benefit under the Industrial Injury Scheme and the 100 per cent disability pension would be increased from 67s. 6d. to 85s., and the widow's pension from 45s. to 56s.

Date of Coming into Force of Increases. If the Bill became law in November the Government intended that the increased rates of retirement pension and widow's benefit should operate by the end of January, and the other new rates of benefit and the new rates of contribution come into force early in February.

National Assistance Grants. The Government had approved proposals by the National Assistance Board for increases in the assistance scales of 5s. for a single householder and 9s. for a married couple, with appropriate increases in other rates. The increases (which took into account the proposed repeal of the tobacco token scheme) would come into effect on Jan. 27, 1958.

A White Paper giving further details of the increases in pensions and benefits, in National Insurance contributions, and in National Assistance scales was published on the same day. The effect of the changes is shown in the tables given below, relating respectively to (1) national insurance, (2) national insurance contributions, (3) war pensions, (4) industrial injury benefits, and (5) national assistance.

National Insurance.

	Present weekly rate	Proposed new rate	Approx. number of current payments
Unemployment benefit	40s.	50s.	
Married women (normal rate)	30s	34s	about 150,000
Sickness benefit	40s.	50s.	
Married women (normal rate)	25s.	34s.	Between 800,000 (summer and 1,200,000 (winter)
Retirement pension (at minimum age)			
Insured person or widow	40s.	50s.	
Uninsured wife of pensioner	25s.	30s.	4,750,000 (rising substantially in 1958)
Widow's allowance (first 13 weeks)	55s.	70s.	About 20,000 at any one time
Widowed mother's allowance (including provision for one child)	56s. 6d	70s.	110,000
Widow's pension	40s.	50s.	210,000
Increases for dependants:			
Wife or other adult	25s.	30s	
First or only child	11s. 6d.*	15s.*	
Other children	3s. 6d.*	7s.*	
Maternity benefits:			
Maternity grant	£10	£12 10s.	770,000 a year
Home confinement grant	£4	£5	300,000 a year
Maternity allowance	40s.	50s.	60,000
Child's special allowance†:			
First or only child, up to	16s. 6d.	20s.	
Other children, up to	8s. 6d.	12s.	
Guardian's allowance	18s.	27s. 6d.	6,000
Death grant (adult) (standard rate)	£20	£25	230,000 a year

* Plus 5s. in the case of widowed mothers' children provided under the 1956 Act.

† A new benefit starting on Nov. 18, 1957.

National Insurance Contributions.

	Employed Persons. Men over 18 Present rate	Women over 18 Present rate
Employee	9s. 5d.	7s. 5d.	7s. 8d.	6s. 0d.
Employer	8s. 1d.	6s. 2d.	6s. 7d.	5s. 1d.
Total	17s. 6d.	13s. 7d.	14s. 3d.	11s. 1d.
Self-employed	11s. 6d	9s. 3d.	9s. 8d.	7s.10d.
Non-employed	9s. 1d.	7s. 4d.	7s. 3d.	5s.10d.

Other rates, e.g. for juveniles, will be increased correspondingly.

War Pensions.

	Present Weekly Rate	New Rate	Number of People Affected
Disablement Pension			
100 per cent rate	67s. 6d.	85s.	580,000
with proportionate increases for lesser disablement, e.g., 20 per cent	13s. 6d.	17s.	
Special Allowances paid with Disablement Pensions			
Constant Attendance Allowance up to	30s.	35s.	9,000
Most serious cases up to	60s.	70s.	
Unemployability supplement	45s.	55s.	18,000
Allowance for Lowered Standard of Occupation up to	27s. 6d.	34s.	10,000
War Widows			
Standard Pension	52s. 6d.	66s.	150,000
Allowance for each child	21s. 6d.	25s.	56,000
Rent allowance, up to	20s.	25s.	2,000
Orphans			
Under 15 years	25s.	30s.	2,000
15 years or over	35s.	40s.	

Industrial Injuries.

	Present weekly rate	Proposed new rate	Approx. number of current payments
Injury Benefit	67s. 6d.	85s.	60,000
Disablement Pension:			
100 per cent rate	67s. 6d.	85s.	150,000
With proportionate incr. for lesser disablement			
Special Allowances paid with Disablement Benefit:			
Constant Attendance Allowance up to	30s.	35s.	2,000
Most serious cases, up to	60s.	70s.	
Unemployability Supplement	40s.	50s.	500
Special Hardship Allowance, up to	27s. 6d.	34s.	73,000

Increases for Dependants :			
Wife or other adult ..	25s.	30s.	
First or only child ..	11s. 6d.	15s.	
Other children	3s. 6d.	7s.	
Widow's Pension (first 13 weeks of widowhood ..	55s.	70s.	14,000
Widow's Pension (Standard Rate)	45s.	56s.	
Allowance for first or only child	16s. 6d.	20s.	12,000
Other children	8s. 6d.	12s.	
Widower's Pension ..	45s.	56s.	

National Assistance.

	Present weekly rate	Proposed new rate
Married Couple	67s.	76s.
Single Householder	40s.	45s.

Appropriate increases are made in the rates for other persons, including dependent children.

The second reading of the National Insurance Bill, implementing the changes in National Insurance and Industrial Injury benefits, was moved by Mr. Boyd-Carpenter in the House of Commons on Nov. 13.

Claiming that the Bill was a " major measure " which would bring about substantial improvements in benefits and have considerable effects on the country's economy, **Mr. Boyd-Carpenter** explained that the Government had not adopted any of the alternative pensions schemes put forward (most of them involving graduated contributions and benefits) because it was clear that they could not be brought into effect for some considerable time. The Government wished to improve the standards of existing pensioners as soon as possible, and realized that this could be done only on the basis of the present system. Graduated contribution schemes, however, were still being studied.

The increase in the number of pensioners which would take place in 1958, combined with the proposed improvements in pension rates, would bring the cost of retirement pensions up to £622,000,000, compared with £463,000,000 in the current year. The total cost of National Insurance benefits in the coming year would be £897,000,000, compared with £685,000,000 in the present year. The Exchequer liability for the service would be increased by about £60,000,000 next year, with an even heavier increase in the long run because of the steady increase in the number of recipients of N.I. benefits. By 1965-66 the direct burden on the Exchequer on the present basis would be £357,000,000, of which £45,000,000 would be a direct result of the passing of the Bill.

The effect of the Bill would be to raise the total contribution by employers and employees together to £708,000,000 in 1958-59, of which employers would find £348,000,000 and employees, self-employed, and non-employed together would find £360,000,000—an increase of £82,000,000 in the employers' contributions and of £85,000,000 in the contributions from employees, the self-employed, and the non-employed. The new contributions amounted to about 7 per cent of average earnings in the manufacturing industries and represented " a first-class bargain." At the new benefit rates a married man aged 65 would receive a pension to an actuarial value of £2,650. If he retired in 1968 he would, at the absolute maximum, have paid £550, and if he retired in 1978 he would have paid only £970.

Regarding the tobacco concessions to certain pensioners, Mr. Boyd-Carpenter explained that M.P.s with direct experience of the concessions felt that the scheme had been difficult and unfair to work, and of doubtful merit and principle. It had been thought for some time that the scheme should be brought to an end, but this could be done fairly only when substantial increases were being made in benefit rates. The Government had given the same increase in benefit, not only to those who had not applied for the tobacco-token concessions, but also to recipients of benefits which did not carry the right to such tokens.

After claiming that the Bill would raise the National Insurance benefit to " a new high level in real terms "—viz., to 7s. 6d. above the 1946 value and 12s. above the 1951 value—Mr. Boyd-Carpenter pointed out that, as matters stood, the increases would have the effect of cutting Income-tax relief for persons who supported elderly or infirm relatives. At present the maximum allowance of £60 was given only when the dependant's income did not exceed £105 a year, and was reduced pound-for-pound for any excess. The Government did not intend that the increases should have this effect, and the Chancellor of the Exchequer had authorized him to say that provision would be made in the next Finance Bill for the income limit in connexion with dependent relative allowances to be raised to £135 a year.

Mr. Hilary Marquand (Lab.), on behalf of the Opposition, criticized the Government's failure to increase the pension increments for postponed retirement; the alleged inadequacy of the increases in allowances for children; and the proposal to withdraw the tobacco concession from old-age pensioners. He announced, however, that in order not to postpone the date on which the increases could be brought into effect, the Opposition would not vote against the second reading but would try to improve the Bill in Committee.

The second reading was accordingly given without a division, a resolution repealing the old age pensioners' tobacco scheme being subsequently carried by 294 votes to 246.

Earlier Pensions Legislation.

An earlier measure—also called the National Insurance Bill—had been enacted on June 6, 1957, after an unopposed passage through Parliament.

The Bill (1) extended eligibility for deferred pension increments—previously restricted to workers who continued to remain at work on reaching retiring age - to retirement pensioners under 70 (65 for women) who decided to return to work; (2) increased from 20s. to 40s. a week the amount which the wife of a man on sickness or unemployment benefit might earn while still qualifying for a dependant's allowance; (3) stipulated that workers normally on a five-day week but placed temporarily on short-time working should receive unemployment benefit only for the days actually lost, but not for Saturdays as well.

Mr. Boyd-Carpenter, in moving the second reading (March 21), said that the Bill implemented certain recommendations of the National Insurance Advisory Committee which had reported in May 1956. He explained that as the law stood at present, a man's decision to retire was irrevocable from the National Insurance standpoint, and if he subsequently decided to resume working he forfeited his pension and did not benefit from any pension increment when he finally retired. The Bill remedied this, and also rectified the anomaly which allowed a man normally working a five-day week to claim an extra day's unemployment benefit on any time he might lose through short-time working. The Bill was expected to affect about 250,000 workers and to cost the National Insurance and Industrial Injuries funds about £1,500,000 and £250,000 a year respectively.

The report of the National Insurance Advisory Committee, referred to by Mr. Boyd-Carpenter, had been published on May 2, 1956. It contained the following recommendations, in addition to those implemented by the Bill :

(1) The maximum amounts which retirement and widowed pensioners might earn without having their pensions reduced should be increased from 40s. to 50s. Above this amount they should lose 6d. pension for every 1s. earned between 50s. and 70s., and 1s. pension for every 1s. earned over 70s. a week.

(2) The existing earnings rule should continue to apply to the net earnings of widowed mothers where these exceeded 60s. a week, but only 6d. should be deducted from pensions for every 1s. earned between 60s. and 70s. a week, and 1s. for each 1s. earned above 70s. The committee estimated that about 20,000 of the 100,000 widowed mothers receiving the allowance had had it reduced because of their earnings.

(3) P.A.Y.E. deductions should not be taken into account in calculating pensioners' net earnings.

The committee's chairman was Sir William Spens.

The following legislation affecting pensions and family allowances had been enacted during 1956.

The Pensions (Increase) Bill. This Bill assisted retired public servants (e.g. civil servants, local government officials, teachers, policemen, postmen, and firemen) to meet the higher cost of living by increasing their pensions by from 6 to 10 per cent, according to length of service. It was enacted on May 17, 1956 after an unopposed passage through both Houses.

The Family Allowances and National Insurance Bill. This measure (*a*) increased family allowances for a third or subsequent child by 2s. a week (i.e. from 8s. to 10s.); (*b*) raised to 17 the upper age-limit at which family allowances are payable in respect of school-children or apprentices; (*c*) raised family allowances to widowed mothers by 5s. a week for each child qualifying for allowances; (*d*) raised from 15 to 16 the age-limit for the payment of allowances for children unable to attend school owing to illness; (*e*) authorized the Government to negotiate reciprocal agreements on family allowances with foreign Governments. The Bill was enacted on July 5, 1956, and the increases authorized came into effect a month later.

Increases for former members of the Armed Forces, broadly corresponding to the increases for civilian pensioners under the Bill, were subsequently effected by Royal Warrants.

Mr. Boyd-Carpenter announced on Nov. 19, 1956 that a new allowance, ranging from 5s. to 15s. a week, would be paid to war pensioners aged 65 or over whose disablement ranked as 40 per cent or more. At the same time the " comforts allowance " for seriously disabled pensioners would be increased from 10s. to 20s. a week and extended to about 13,000 war pensioners who had not previously received it. About 55,000 pensioners were affected by the increases, which came into operation from the first pay-day in February 1957.
(Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. 15078 B ; 14821 A ; 14218 A.)

A. BRAZIL. — Target Date for New Capital.

President Kubitschek signed legislation in October fixing April 21, 1960, as the date for transferring the country's capital from Rio de Janeiro to the new city of Brasilia.
(Brazilian Government Bulletin)

(Prev. rep. 15631 A ; 15437 A.)

A. KENYA. — "Lyttelton Constitution" abandoned. - New Constitutional Proposals. - Rejection by African Members of Legislative Council. - Resignation of European Unofficial Ministers. - Sir Evelyn Baring's Review of Security Situation.

The U.K. Colonial Secretary, Mr. Lennox-Boyd, arrived in Nairobi on Oct. 11 for talks with members of all racial groups in the Legislative Council. These talks were designed to break the deadlock which had existed since March, when the newly-elected African members of the Legislative Council had refused to participate in the Government and had called for the creation of 15 additional African seats (see 15632 A).

Shortly before Mr. Lennox-Boyd's arrival the African group in the Legislative Council had issued a statement on Oct. 8 outlining their demands.

The statement proposed, notably, the introduction of universal adult suffrage on a common roll and the replacement of communal representation by geographical constituencies. On the question of African representation in the Legislature, it said that "self-government in Kenya must wait until the African people are in such strength as effectively to influence public affairs." For such a change to take place, it was necessary for the African population to be adequately represented in the Legislature. The statement went on to describe the White Highlands as "an anachronism that must go," and demanded that all unused land in that area should be acquired by the Government and opened up to Africans, either as individual or co-operative farmers. In addition, there should be a maximum limit to the amount of land which any one person might own.

Other demands made by the African members included: the safeguarding of trade union rights; the immediate introduction of an eight-year period of instruction for all children; integrated schools; effective African representation in local government; the extension of jury service to all races; and the ending of the state of emergency.

The Colonial Secretary's talks failed, however, to produce a settlement, and it was officially announced on Oct. 18 that no agreement had been reached. A Government spokesman explained that the discussions had been discontinued because Mr. Lennox-Boyd felt that he could not accept the African members' proposal that the question of increased African representation in the Legislative Council should be decided before any other issues were discussed.

In a statement after the talks, Mr. Lennox-Boyd said that there were four issues which he had wished to discuss: (1) increased African representation in the Legislative Council without corresponding increases for the other racial groups; (2) African participation in the Government; (3) the joint statement on constitutional changes issued the previous year by all groups in the Legislative Council; (4) the idea "that constitutional development should ensure confident acceptance by all Kenyans of responsibility for each other, with opportunities of mutual service fostered by safeguards for all races."

On the same day (Oct. 18) statements were issued on behalf of the European members and the African members.

Sir Alfred Vincent, chairman of the European elected members, recalled that they had given a public pledge in favour of increased African representation in the Legislative Council (see 15632 A); while the proposal had necessarily been tentative, they had then had in mind an increase of four seats. The European members believed, however, that the precise number of such seats could not be determined in isolation from other outstanding issues.

On behalf of the African members, Mr. Tom Mboya said that the case for increased African representation was "independent, logical and justifiable" and that the African members had insisted that agreement on this question should be "final and unconditional." Mr. Mboya added: "During our discussions the Colonial Secretary and the Governor stated that, much as they regretted the absence of an African in the Council of Ministers, the Government was running smoothly and could continue to do so indefinitely. This we regard as a serious statement, and wish to state that it is unfortunate, unwise, uncalled-for and unrealistic."

Following a visit to Tanganyika, Mr. Lennox-Boyd returned to Nairobi on Nov. 1 for further discussions. Subsequently an unexpected development took place on Nov. 7, when the five "unofficial" Ministers in the Kenya Government tendered their resignations—Mr. Blundell (Agriculture), Mr. Havelock (Local Government), Group-Captain Briggs (European Minister without portfolio), Mr. Nathoo (Works) and Mr. Madan (Asian Minister without portfolio). [Mr. A. H. Windley, the Minister for African Affairs, had previously left the Government following his appointment as Governor of the Gambia—see 15866 B] A statement from Government House explained that "they [the Ministers] have made it clear that their action has been taken to enable the Secretary of State to take the initiative ... The Secretary of State is now, under paragraph 11 of the Command Paper issued at the time of the Lyttelton agreement, free to do so." The statement added that the Governor (Sir Evelyn Baring), in accepting the resignations, had asked the Ministers concerned to remain in office "until such time as he is in a position to reconstitute the Government."

New Constitutional Proposals.

Mr. Lennox-Boyd announced on Nov. 8 that he had reached the conclusion that the "Lyttelton Constitution" had proved unworkable and that, in consequence, a new Constitution would be introduced incorporating the following features:

(1) The number of elected African members in the Legislative Council would be increased from eight to 14, the six new members coming from constituencies "subsequently to be determined."

(2) To reduce the disparity in numbers between the Government and non-Government sides of the Legislative Council, and also to provide a place for Ministers drawing support from more than one community, 12 new non-Government seats would be created, divided equally between Europeans, Africans and Asians; of the latter, one would be an Arab, one an Asian Moslem, and two non-Moslem Indians. The new seats would be filled through election by the Legislative Council, sitting as an electoral college and voting by free and secret ballot. The method of nominating candidates for election to these seats would be determined later.

At the same time, provision would be made to ensure that the Government could appoint sufficient nominated members for it to retain an "adequate" majority in the Legislative Council. Mr. Lennox-Boyd also indicated that the number of seats designed (as were the above) to provide representation on a non-communal basis might be increased within the next 10 years, but that "the proportions between and within the groups will not be varied." In addition, any alteration in the total number of such seats or in the method of filling them would be subject to the approval of the Council of State [see below].

(3) A Council of State would be set up "in order to protect any one community against discriminatory legislation harmful to its interests." The Council would have "certain defined powers of delay, revision and reference" and would be convened "whenever the occasion arises."

(4) Whereas the "Lyttelton Constitution" had provided for only one African Minister, there would in future be two, one of whom would hold the portfolio of housing and the other a portfolio which would include adult education and community development. There would also be an additional "unofficial" European Minister, so that the "unofficial" Ministers would in future comprise four Europeans, two Asians and two Africans. Nevertheless, the division of ministerial portfolios as between officials and unofficials would remain as hitherto. In the case of the unofficial Ministers, the Governor would be entitled, if he considered that there was no suitable member of the Legislative Council willing to accept ministerial office, to appoint a "suitable person preferably, but not necessarily, of the race in question."

(5) Parliamentary Secretaries would in future be named Assistant Ministers. There would be a minimum of three and a maximum of six such posts, two of which would be filled by Africans, one by an Asian, and one by an Arab.

(6) A new seat would be created on the Government bench for a nominated representative from the Northern Province.

(7) The two seats filled by the so-called "corporate" members would not remain beyond 1960.

(8) In any future expansion of the Legislative Council, there would be no additional seats based on election by purely communal electorates.

As regards the abandonment of the "Lyttelton Constitution," Mr. Lennox-Boyd said that he was satisfied that the constitutional arrangements introduced by his predecessor had now become unworkable. In these circumstances the position had reverted to what it was before the emergency, and the British Government was "free to take such action as it may think fit." He also stressed that for many years to come it would be necessary for the Kenya Government to include a certain number of official members, and for ultimate control to remain with a Governor responsible to H.M. Government.

Asian and African Reactions.

The Colonial Secretary's proposals were welcomed by the Asian community but were rejected by the African members of the Legislative Council.

Asian Reactions. Mr. N. S. Mangat, president of the Kenya Indian Congress, described the new arrangements as "a fine example of sagacious statemanship," whilst Mr. Madan, the Asian Minister without portfolio, said that the new system of elected seats was the beginning of a common roll and therefore "a decided advance." He went on: "I would ask the peoples of Kenya not to judge the new constitutional arrangements in terms of racial gains and losses, but as a scheme worked out by a Secretary of State who has left no doubt that his only anxiety is to restore political stability to the country."

African Reactions. The African members of the Legislative Council announced on Nov. 13 that "after very serious consideration" they had decided to reject the new arrangements.

The statement said that it was regrettable that Mr. Lennox-Boyd had chosen "to throw away the golden opportunity presented by the ministerial resignations of Nov. 7" and "to resort instead to the old-fashioned colonial and imperialist technique used in the past to preserve colonial rule and in this case to ensure White-settler domination." Reiterating that the African members' ultimate objective was "undiluted democracy based on universal (one man, one vote) suffrage," the statement asserted that neither the "Lyttelton Constitution" nor the new proposals would lead towards that objective.

The proposed Council of State was described as "unnecessary since ultimate control is still vested in the British Government, in addition to the fact that the Governor has veto powers and the Government has a majority in the Legislature." As an alternative to Mr. Lennox-Boyd's proposals, the statement proposed that a report should be drawn up by a constitutional lawyer and that thereafter the British Government should convene a constitutional conference to be presided over by an impartial chairman.

Governor's Review of Security Situation.

Sir Evelyn Baring reviewed the security situation when opening the new session of the Legislative Council on Oct. 23.

The Governor said that the task which remained was to bring into custody the 150 "hard core" Mau Mau terrorists (including "one leader of note") who were believed to be still at large. He warned, however, that "because of their small number, the skill they have gained in concealing themselves, and the great extent of the territory in which they are hiding, the task may be a long one." As regards rehabilitation, Sir Evelyn said that while the task was a difficult one, a remarkable success had been achieved, since 50,000 detainees and Mau Mau convicts had been released over a period of slightly less than three years. No disorder had resulted from this process, nor had it been necessary to detain for a second time under the emergency regulations any of those released. On the other hand, the men still in custody were "those most deeply imbued with the ugly tenets of the movement" and who accordingly presented an increasingly intractable problem to the Rehabilitation Service.

On the question of reabsorption of former detainees, the Governor stated that an encouraging start had been made on this problem—a total of 12,000 landless Kikuyu families having been reabsorbed to date.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 15632 A.)**

A. SOVIET UNION. — Science City for Siberia.

A project for the construction of a "scientific city" in Siberia, to house 12 large research institutes and a new university, was announced on Nov. 16 in a broadcast by Professor Mikhail Lavrentiev, deputy president of the Soviet Academy of Sciences.

Professor Lavrentiev said that the city would be built in the Novosibirsk area, would cover 2,500 acres, and would accommodate 20,000 professors, research workers and students when completed. The first contingent of 1,500-2,000 scientists would settle in the new city in 1958, and the whole project was scheduled for completion within three years at a total cost of about 200,000,000 roubles (approx. £18,000,000). The scientists would come from Moscow, Leningrad, and other parts of the Soviet Union, and the work would include research in nuclear physics, automation, and jet and rocket techniques.

The 12 institutes will be for Mathematics, Nuclear Physics, Thermal Physics, Kinetics of Combustion, Inorganic Chemistry, Geology and Geophysics, Hydrodynamics, Mechanics, Automation and Electronics, Economics and Statistics, Sociology, and Experimental Biology.

Professor Lavrentiev added that the Mechanics Institute hoped to produce robots which would take the place of factory workers, foremen, and "even duty engineers."
(Soviet Embassy Press Department, London) **(15666 B.)**

B. PORTUGAL. — General Elections.

General elections were held on Nov. 3 for a new National Assembly, all the 120 seats being won by the National Union (*União Nacional*)—the Government party supporting Dr. Salazar. Six Opposition candidates stood in Braga (northern Portugal), polling some 800 votes against 3,000 for National Union candidates. Opposition groups had also announced their intention of running candidates in Lisbon, but withdrew them early in October after the Government had ruled that the candidatures had been presented 24 hours too late. In Oporto and Aveiro, Opposition candidates withdrew shortly before the poll after the Government had refused their request to suspend the elections for eight days to enable them to consult the lists of registered voters. It was officially stated that about 1,350,000 electors had gone to the polls, representing about 70 per cent of the total electorate.
(Times - Daily Telegraph - Le Monde, Paris) **(13286 C.)**

C. ETHIOPIA. — First General Elections.

The first general elections in the history of Ethiopia took place between Sept. 11 and Oct. 10 to elect a Chamber of Deputies of 210 members. In accordance with the new Constitution, promulgated in 1955 by the Emperor Haile Selassie on the occasion of his silver jubilee (see 14598 A), the elections were held by universal, direct and secret ballot. All native-born Ethiopian citizens over the age of 21, both men and women, were eligible to vote except for individuals who had been deprived of civil rights or imprisoned on criminal charges. Candidates were required to be at least 25 years of age, to be Ethiopian nationals by birth, and to possess a property qualification - possession of immovable property to the value of at least 1,000 Ethiopian dollars (about £140) or of movable property to a value of at least E.$2,000. In addition, candidatures had to be supported by at least 50 registered voters, and the candidate himself was required to deposit E.$250 (about £36), which was forfeited if he received less than two per cent of the votes in his constituency.

For the purpose of the election the country was divided into 95 electoral districts each containing approximately 200,000 inhabitants. Each district was represented by two deputies, while cities with a population over 30,000 were entitled to one deputy, plus an additional deputy for each 50,000 inhabitants in excess of 30,000 (e.g. Addis Ababa, with an estimated population of 400,000, was represented by eight deputies). As there are no political parties in Ethiopia, the candidates campaigned on their personal records. A total of 491 candidates stood for the 210 seats, including several women. In view of the high rate of illiteracy, the electors voted by dropping coloured cards into boxes over which the photographs of the various candidates were displayed. The total number of votes cast was 3,015,260 out of an electorate of approximately 6,000,000.

The new Chamber of Deputies met for the first time on Nov. 1, by which date 190 members had been elected (including two women), with 20 results still outstanding. On the same day the Emperor nominated a Senate of 35 members, most of them officials experienced in government and administration. The Prime Minister, Bitwoded Makonen Endalkatchaw, was appointed President of the Senate and given the title of Ras—corresponding to a peerage. He had been Premier of Ethiopia since the country was liberated by British forces in 1941.

Under the new Constitution the Emperor retains the prerogative of appointing the Senate, in addition to the direction of foreign affairs and supreme authority over all internal affairs as Head of State.—(Times - Le Monde, Paris, Neue Zürcher Zeitung - New York Times)
(Prev. rep. New Constitution, 14598 A.)

D. FRANCE. — Junior Ministerial Appointments.

M. Gaillard completed his Government on Nov. 18 after lengthy negotiations with the three African parties—the *Rassemblement Démocratique Africain*, the *Mouvement Socialiste Africain*, and the *Convention Africaine*. The following appointments of State Secretaries were accordingly announced in the *Journal Officiel* on Nov. 19: M. Mobido Keita (R.D.A.)—*Présidence du Conseil*; M. Hammadoun Dicko (M.S.A.)—Education; M. Sid Cara (Radical) and M. Abdelkader Barakrok—Algeria; M. Hubert Maga (C.A.)—Under-Secretary of State for Labour and Social Security.

M. Sid Cara and M. Barakrok had held the same posts in the Bourgès-Maunoury Government, whilst M. Dicko and M. Keita had been State Secretaries for *France d'outre-mer*. M. Maga, a headmaster, is deputy for Dahomey.

The appointments brought the number of Secretaries of State to 17, and of Under-Secretaries to two.—(Le Monde)
(Prev. rep. 15847 A.)

E. ISLE OF MAN. — Financial Autonomy.

An agreement was signed at the Home Office in London on Oct. 30 giving the Isle of Man greater control over its financial affairs.

The agreement laid down (1) that the island's finances would be freed from Treasury control as it had been exercised since 1886; (2) that the island would be free to fix its own Customs duties and purchase tax, though rates of duty levied in the island would normally continue (as at present) to be the same as in the United Kingdom; and (3) that the island would also be free to administer certain other services, e.g. harbours, mines, and its own loans. As regards (1), the announcement said: "In recent years this control has been more formal than real, but it is now thought appropriate to give the island the form as well as the substance of freedom from Treasury control."

Legislation giving effect to the agreement will be introduced at Westminster and in the Tynwald.—(Times) **(14030 E.)**

NOVEMBER 23—30, 1957

A. POLAND. — Internal Developments. - Policy Statement by M. Gomulka. - M. Berman and General Radkiewicz expelled from United Workers' Party. - Trial of Former Security Officials. - Large-scale Dissolution of Collective Farms. - Suppression of "Po Prostu." - Rioting in Warsaw. - Purge of United Workers' Party.

The Polish Government and the United Workers' Party (U.W.P.) continued to adhere during 1957 to the liberalized policy which they had adopted in October 1956. Leading members of the U.W.P. associated with the former repressive policy were expelled; former officials of the Ministry of Public Security responsible for the use of illegal methods were sentenced to long terms of imprisonment; the great majority of the collective farms were dissolved; and wages were increased by about 25 per cent. This policy, however, was strongly criticized by the "Stalinist" wing of the U.W.P., whilst other sections of the party (generally referred to as "revisionists") demanded a further development of the liberalizing trend. During October the Government and the U.W.P. adopted a number of measures directed against both wings of the Opposition; the leading "revisionist" journal *Po Prostu* was suppressed, a step which led to serious riots in Warsaw, and the U.W.P. decided to carry out a purge of both "Stalinists" and "revisionists." Details of these and other recent developments in Poland are given below under cross-headings.

Ninth Plenary Session of U.W.P. Central Committee. - Policy Statement by M. Gomulka.

At the ninth plenary session of the U.W.P. Central Committee, held on May 15-18, a detailed policy statement was presented by the party's first secretary, M. Gomulka. In it he reaffirmed his view that Poland's method of achieving Socialism must inevitably differ from that of the Soviet Union, and defended the party's policy on workers' councils, agrarian questions, and relations with the Roman Catholic Church against "Stalinist" criticisms.

"The practice of Socialist construction," M. Gomulka declared, "has demonstrated that there are not and cannot be any universal forms of this construction . . . If the Soviet Union had avoided the disease of the 'cult of personality,' would the Russian road to Socialism have been acceptable to all other countries, and would it have been necessary for them? Probably not, even certainly not . . . Every nation has its own specific features of development, its own history, its own historically determined national characteristics. This fact cannot be overlooked with impunity. These different characteristics constitute an element of the road to Socialism, which is different for each country . . . Such a policy is incompatible with the imitation of the Russian road by other countries. Such imitation was applied in many respects at a time when the individual countries were still lacking their own experience in Socialist construction. It was encouraged by the relations of inequality with the Soviet Union during the domination of the cult of Stalin.

"The stress on historical differences and national characteristics in Socialist construction must not mean the denial of the universal principles deduced from the experience of Socialist construction in the Soviet Union. The under-estimation or negation of the general regularities in Socialist construction which have been experienced by the Soviet Union is nationalist revisionism. It must be combated, and the party and the working class must be protected against it, for it has nothing in common with Socialism. Under-estimation or negation of national features and specific characteristics in Socialist construction is nihilist dogmatism, which must also be eradicated . . ."

M. Gomulka recalled that the previous plenary session in October 1956 (see 15161 A) had mapped out three lines of development—through workers' councils, expansion of the power of people's councils, and development of different economic forms of peasant self-government, all of which constituted important elements of "the Polish road to Socialism." The workers' councils were neither political nor administrative bodies, but "organs through which the working-class directly participated in the management of the national economy." They had originated as "an antidote to certain ailments within the Socialist system" as a result of "the search for new and better forms of economic management and the exercise of State power," and had been based on the experience of the Yugoslav councils, though they had developed in a different direction. Their powers and tasks included such matters as the organization of work, technical progress, labour discipline, and initiation of measures against corruption. Differences of opinion between workers' councils and the management of the establishment concerned would be settled by arbitration commissions, consisting of representatives of central boards, ministries, and the trade unions.

On agricultural policy, M. Gomulka said that the majority of the collective farms established in the past had not stood the test of experience, and the party's new policy, which had been worked out in consultation with the United Peasant Party (U.P.P.), aimed at the development of new forms of co-operative farming, such as supply and purchase, dairy, and market-gardening co-operatives, and of peasant self-government. The workers' councils and the newly-formed "agricultural circles" both had the same aim of raising output; but whereas the former were Socialist in character, peasant self-government was based on private ownership of land. M. Gomulka emphasized that the peasants would not be driven into co-operative farms by coercion or any form of pressure, and expressed confidence that in time they would realize that co-operation was in their own interests. He strongly attacked critics who had denounced the party's agricultural policy as "capitalist," describing such criticisms as "barren, empty, and dogmatic."

The U.W.P., he continued, had corrected its past attitude towards the U.P.P., which it recognized as an independent party and "a permanent element in our political life." He expressed concern, however, at the activities of some U.P.P. organizations which were openly attacking the U.W.P., and declared that the principle of alliance and co-operation between them, which had been accepted by both parties, must be implemented in practice.

On the religious question, M. Gomulka commented that the situation in Poland, which permitted non-compulsory religious teaching in schools, differed not only from that in other Socialist states but also from such countries as France and the U.S.A. "It is clear that this state of affairs is not in accordance with the world outlook of our party," he observed. "Our party must, however, never close its eyes to realities. It starts from the assumption that the idealist view of the world will exist for a long time alongside the materialist world outlook. Believers and non-believers, the Church and Socialism, the People's Government and the Church hierarchy, will also exist for a long time side by side; there is no doubt about it . . . We do not prevent the Church from marching in matters of faith along its road of Roman Catholic doctrine. But the Church should recognize the fact that Poland has changed her former social system, that she is building Socialism. In matters which are of vital concern for the interests of People's Poland and the nation, we want the Church to march together with us along the Polish road. It is on this that the long-term shaping of relations between the State and the Church will largely depend."

Turning to economic problems, M. Gomulka said that the rate of increase in real wages during the past two years had greatly exceeded that provided for in the Five-year Plan. This increase in real wages had led to a shortage of certain commodities, notably butter, which it was planned to import in increased quantities. In the present state of the country's economy, however, it was impossible to find more funds to increase wages. Admitting that short strikes had recently taken place in some factories in support of economic demands, he maintained that strikes in a Socialist state could only harm the strikers themselves and the entire working-class, and were not the way to improve living conditions. "A strike as such," he said, "is an expression of definite contradictions between the working class, or its various sections, and the people's power. These contradictions are not, however, of an antagonistic nature. They can always be resolved by means of mutual understanding between the people's power and the working-class." [The phrasing of this passage strongly suggested the influence of President Mao Tse-tung's theory of "contradictions among the people"—see 15681 A.]

In his concluding section, which dealt with relations with other Communist parties, M. Gomulka stated that differences of opinion existed on certain important points, and suggested in particular that the U.W.P. differed from other parties "in the appraisal of the happenings in Hungary." Such differences, however, did not infringe "the principle of proletarian internationalism," in which connexion M. Gomulka said: "There are comrades both in our own and other parties who think that in order to satisfy the principles of proletarian internationalism, the workers' and Communist parties all over the world must agree absolutely on everything, on every minor detail. We think that this does not have to be so, and that it is even impossible that it could be so." On the other hand, he condemned the attitude of party members who made "unfounded public attacks on the Soviet Union and its Communist Party" as "directed against the unity of the camp of Socialist States."

After praising President Mao Tse-tung's theory of "non-antagonistic contradictions" and "100 blossoming flowers" as "a bold step forward, so far unknown in the practice of Socialist construction in other countries," M. Gomulka continued: "The example of many parties shows that a search for new methods of political work is taking place in the international working-class movement. Our party follows the same road. This search can only be fruitful when it does not obscure the fundamental difference, the fundamental contradictions, between capitalism and socialism. Some of our revisionists lose sight of this difference." The U.W.P., he concluded, would continue to reject "all attempts at polluting our ideology with any forms of nationalism and revisionism, or at distorting it by ossified dogmatism."

In the ensuing discussion M. Gomulka's policy, and especially his agricultural and religious policies, were violently attacked by the "Stalinist" group on the Central Committee, headed by M. Nowak (the Deputy Premier) and M. Mijal (the former Minister of Communal Economy); M. Gomulka, however, was strongly supported by M. Ochab, the Minister of Agriculture and his predecessor as first secretary of the U.W.P. Demands by the "Stalinists" that the Committee's political resolution should include references to the Soviet Union's "leading rôle" and to the "counter-revolution" in Hungary were defeated, and a resolution was adopted fully endorsing the policy outlined by M. Gomulka.

The position of the "Stalinists" was further weakened by the presentation of a report on the responsibility of leading party members for the illegal methods used by the Ministry of Public Security during 1949-55. As a result of this report, the Central Committee announced on May 20 that M. Berman and General Radkiewicz (both former members of the Politburo) had been expelled from the party, but with the right to apply for readmission after three years, and that General Mietkowski (a former Deputy Minister of Public Security) had been permanently expelled. M. Berman had been forced to resign his post as Deputy Premier and his membership of the Politburo in May 1956 (see 14880 A); General Radkiewicz was removed from the Ministry of Public Security in December 1954 and appointed Minister of State Farms, but was dismissed from that post in April 1956 (see 14817 A).

Trial of Former Security Officials.

The trial of Roman Romkowski (formerly Deputy Minister of Public Security and a member of the U.W.P. Central Committee) and of two former officials of the Ministry of Public Security, Jozef Rozanski and Anatol Fejgin, opened in Warsaw on Sept. 16. All three were charged with illegally depriving a number of persons of their freedom and ordering or permitting the use of torture, whilst Romkowski and Rozanski were also accused of personally torturing prisoners to extract confessions from them.

The three accused had been removed from their posts and expelled from the U.W.P. in January 1955 (see 14064 C). Rozanski was arrested and subsequently sentenced to five years' imprisonment, which was reduced to 3½ years under an amnesty, but this had aroused such strong public indignation that a new trial was ordered. Romkowski and Fejgin were arrested in April 1956. At the meeting of the U.W.P. Central Committee in October 1956 it was alleged that Rozanski had personally tortured prisoners by tearing off their fingernails (see 15242 A).

After a secret trial, the accused were found guilty on Nov. 11 of all the charges against them, Romkowski being sentenced to 15 years' imprisonment, Rozanski to 14 years, and Fejgin to 12 years.

Wages Policy. - The Lodz Transport Strike.

The Government announced on Aug. 10 that the price of vodka and other spirits would be increased by 15 per cent, and the extra revenue used to grant wage increases to municipal transport workers, postal workers, nurses, and others who had not benefited by the increases granted to many categories of workers since 1956. In Lodz, however, 5,000 transport workers went on strike on Aug. 12 on the ground that the increases were inadequate, and a number of clashes occurred between strikers and the police. The majority of the strikers voted on Aug. 18 to return to work, but some of them continued to occupy the tramway depots and had to be forcibly evicted. An assurance was given that there would be no victimization, and 19 strike leaders who had been arrested were released after questioning.

A statement published on Sept. 26 in the U.W.P. monthly *Nowe Drogi* forbade party members to organize or take part in strikes, whilst rejecting the view that strike leaders were necessarily "enemies of the party and the people's authority." After pointing out that wages had increased by 30,000,000,000 zlotys since 1956, as compared with an increase of 16,500,000000 zlotys in industrial production, the statement emphasized that further wage increases were impossible without a greater increase in production.

Agricultural Policy.

M. Jaworski, chairman of the National Council on Collective Farms, stated in May that all but 1,958 of the 12,500 collective farms in the country had been dissolved since October 1956; 211 of the dissolved farms had been re-established, however, and 31 new ones formed, making a total of 2,200. It had previously been announced that 500 Government surveyors and agronomists were employed on dividing the land of the dissolved collective farms for redistribution among its former owners.

The *Seym* approved on May 29 a Bill re-establishing the rural co-operative banks, which had been transformed in 1948 into advisory bodies to the National Bank. These banks, which are among the oldest co-operative institutions in Poland, provide credit facilities for peasant farmers and artisans.

Religious Policy.

The *Seym* approved on May 29 a decree on ecclesiastical appointments, which laid down (1) that all clergymen must possess Polish citizenship and must take an oath of allegiance to the State on taking up their posts, and (2) that all appointments of archbishops, bishops and coadjutors must be approved by the Government. On the previous day a Bill had been adopted providing that religious bodies should be treated in the same way as other organizations for purposes of land-tax assessment.

Local Government.

A Bill regulating the elections to local government bodies (which are due to take place in December) was introduced in the *Seym* on Oct. 30. Its main provisions were as follows:

(1) Elections would be by direct and secret ballot, all Polish citizens of 18 years and over having the right to vote and to be elected. The councils would be elected for three years.

(2) To avoid "bureaucracy," the number of members of the higher local government bodies would be reduced and the post of deputy member of a council abolished. On the other hand, in order to increase direct participation by the peasantry and the working-class in local government, the membership of village councils would be increased, and provision made for the election of representatives by large industrial establishments.

(3) Political, trade union, co-operative, and other organizations might nominate candidates. The number of candidates was required to exceed the number of vacant seats, but not by more than one-half. In areas electing one member there would be two candidates.

(4) Councils would be empowered to deprive a member of his mandate for conviction in a criminal case, perjury, "undignified behaviour," or neglect of his duties for at least six months. A councillor could also be recalled by the electorate.

(5) Local government bodies would be forbidden to co-opt members.

Suppression of "Po Prostu." - The Warsaw Riots.

During the early months of 1957 the Press enjoyed greater freedom in Poland than in any other Communist country. Extracts from George Orwell's satire *1984* were printed in a popular Warsaw weekly, and a new edition was published of the *Critique of the Russian Revolution* by the Polish Communist Rosa Luxemburg (1871-1919), in which she emphasized the danger that the dictatorship of the proletariat might degenerate into "the dictatorship of a handful of politicians." The leading spokesman for the "revisionist" tendency inside the U.W.P. was the student weekly *Po Prostu* ("Plain Speaking"), which has a circulation of 150,000, largely outside student circles. Although most of the members of its editorial board belonged to the U.W.P., it frequently published articles exposing examples of dictatorial methods, corruption, embezzlement, and the privileges enjoyed by leading party members.

From September onwards, however, the Press censorship became increasingly strict; the first issue of *Po Prostu* for the new academic year was seized by the censorship, and on Oct. 2 the paper was suppressed. Ten members of the editorial board, including the editor (M. Turski) and the former editor (M. Lasota), were expelled from the U.W.P. on Oct. 16, and six others were reprimanded; M. Lasota, nevertheless retained his seat in the *Seym* as a deputy for Warsaw.

A statement issued by the U.W.P. secretariat on Oct. 4 alleged that for many months the editorial board of *Po Prostu* had opposed the party's policy, and that, although the censorship had suppressed articles in almost every issue and the Central Committee had given repeated warnings, the paper's tone had "deteriorated" rather than improved. The U.W.P. daily *Trybuna Ludu* stated on Oct. 12 that *Po Prostu* had put forward the slogan "all power to the workers' councils," harmed the development of the youth movement, misrepresented the economic situation, favoured "nationalist" tendencies in Poland's relations with the Soviet Union, and "presented such problems as the repatriation of Poles in the U.S.S.R. and Polish-Soviet economic co-operation in a false light."

A protest demonstration on Oct. 3 by some 2,000 students of Warsaw Polytechnic was broken up by the police, who used truncheons and tear-gas to disperse the crowd. On the following evening a larger number of demonstrators marched on the U.W.P. headquarters and further clashes occurred between the students and the police, who had been reinforced by units of the workers' militia. The violence used by the police, who were alleged to have indiscriminately attacked onlookers taking no part in the demonstrations, led to strong protests, and on Oct. 7 the Commander of the Warsaw Police issued a statement expressing regret that a number of people had been accidentally injured.

Street fighting again broke out each evening from Oct. 5-7, but on these occasions the rioters consisted almost entirely of youths of the hooligan type, who attacked the police with stones, bottles, and knives. The Polytechnic students issued a statement on Oct. 6 dissociating themselves from "the activities of trouble-making elements," and the students of Warsaw University, who had taken no part in the demonstrations of Oct. 3-4, co-operated with the police in restoring order.

Another indication of the increasing strictness of the Press censorship was the decision to ban the publication of a new monthly called *Europa*, which was announced only a few days before its first issue was due to appear on Nov. 1. *Europa* was intended to be a non-political review of international literature, and was to have published translations of work by such well-known Western writers as T. S. Eliot, Albert Camus, and Stephen Spender. As a protest against its suppression, four of the five members of the editorial board (all leading writers who had strongly supported M. Gomulka in the past) resigned from the United Workers' Party.

Tenth Plenary Session of U.W.P. Central Committee. - M. Gomulka's Proposals for Party Purge.

At the tenth plenary session of the U.W.P. Central Committee, held on Oct. 24-27, 1957, M. Gomulka proposed that the party congress, which had been fixed for December should be postponed in order to carry out a purge of "revisionists," "dogmatists" and "corrupt elements" inside the party. He also dealt with the economic situation and gave warning that, in the absence of an increase in production, the wage increases which had been granted had given rise to a grave danger of inflation.

As a result of "ideological confusion," M. Gomulka said, the U.W.P. was "only formally unified as an organization." Two wings were at work inside the party which opposed the leadership's policies, although neither had assumed an organized form. The "revisionist" group represented by *Po Prostu* were "spreading defeatism and undermining the Socialist system," and were supported by "disguised opponents of Socialism" who had joined the party for reasons of self-interest. On the other hand, the advocates of a "dogmatic sectarian attitude," by their "longing for a return to the old methods," were isolating the party from the mass of the people and were thus "playing into the hands of forces hostile to Socialism."

The party's 1,300,000 members, M. Gomulka continued, could be divided into three groups: (i) Communists conscious of their purpose; (ii) good but not very active party members; and (iii) people who had joined the party for their own interests. The last group, which was considerable in size, should leave the party. There were also a number of particularly undesirable elements—"trouble-makers" who organized strikes and put forward "demagogic demands"; "devoted followers of the Church and clergy, conducting activities contrary to party policy"; and "speculators and criminal elements who disguise their motives behind a screen of apparent party activity." All these elements should be expelled from the party.

M. Gomulka declared that while the party did not intend to "close the doors of democratic freedom which had been opened since October 1956," freedom of speech could not mean "freedom to tell lies or freedom of propaganda directed against vital Polish interests." A revival of "reactionary and anti-socialist forces," he alleged, had appeared in the United Peasant and Democratic parties, in the Writers' Union, and among intellectuals and students, although the great majority of the nation supported the policy of the party and the Government.

Turning to the economic situation, M. Gomulka stated that during the past 18 months the wages of all employees had increased by 25.7 per cent and those of industrial workers alone by 30.8 per cent, whilst the prices of most articles of everyday use had remained stable or had even fallen. The increases granted during the past year, however, had been due, on the one hand, to the cancellation of Poland's debt to the Soviet Union, the granting of new Soviet credits, and the reduction of investment and defence expenditure, and on the other to "strong pressure for further wage increases." There had not been a corresponding increase in output, and in consequence the purchasing power of the people was greater than the volume of goods on the market. To meet the increase in purchasing power, debts had been incurred abroad and exports reduced, with the result that Poland had an adverse balance of payments.

The economic situation was strained, M. Gomulka emphasized, not because production was not increasing, but because it was increasing too slowly. In the first nine months of 1957 production had risen by 8.6 per cent compared with the corresponding period of 1956, and stocks of coal, oil products, and iron-ore had increased considerably. Workers' councils, which had been established in 4,316 enterprises and had about 75,000 members, had largely contributed to this increase and had been responsible for the development of side-line production in many enterprises. Agricultural output had also risen by about 4 per cent. To maintain market equilibrium, however, it was necessary to economize in State expenditure, revise the investment plan, limit imports, and do everything possible to increase exports.

M. Gomulka stated that between October 1956 and June 1957, 32,000 new handicraft workshops had been established, the number of people employed in handicrafts having increased by 49,000. "We intend to create the best possible conditions for the development of handicrafts, private production, and private trade," he continued. "From private enterprise we require only the observance of legal regulations and of the orders of the State authorities, and timely payment of taxes. We shall treat favourably all honest artisans, merchants, and owners of small establishments, but we shall combat and punish those who are dishonest . . ."

A resolution was adopted by the Central Committee laying down that committees responsible to the Central Control Commission should examine the records of all party members in order to remove "revisionists," "dogmatists," persons guilty of corruption and other abuses, "notorious idlers, trouble-makers, and demagogues." It had previously been announced on Oct. 25 that the party had 1,283,761 members and candidate members, of whom 39.9 per cent were industrial workers, 38.8 per cent office workers, 12.8 per cent peasants, and 4.8 per cent agricultural workers, but that membership had declined by about 100,000 during the first nine months of 1957, of whom 5,077 had been expelled from the party and 12,071 had resigned.—(Polish Embassy Press Office, London - Times - Manchester Guardian - Le Monde, Paris)

(Prev. rep. United Workers' Party, 15161 A; Workers' Councils, 15242 A; Roman Catholic Church, 15312 A; Agricultural Policy, 15424 A.)

A. CZECHOSLOVAKIA. — Death of President Zapotocky. - Election of President Novotny.

M. Antonin Zapotocky, President of the Czechoslovak Republic, died in Prague on Nov. 13 at the age of 72.

Born on Dec. 19, 1884, at Zakolany, in the Kladno coal-mining district of Bohemia, he left school at 14 and subsequently worked as a stonemason in Prague. He joined the Czech Social Democratic Party (of which his father, a tailor, was one of the founders) in 1902, and during the years before the First World War was particularly active in industrial agitation. Conscripted into the Austro-Hungarian Army, he served from 1914-18 on the Italian, Serbian and Rumanian fronts, and after demobilization resumed his political activities in independent Czechoslovakia. He was imprisoned for 2½ years in 1920 for his part in fomenting a wave of strikes and industrial unrest.

M. Zapotocky became a founder-member of the Czechoslovak Communist Party in 1921, following a schism in the Social Democratic Party, and sat as a Communist in the Czechoslovak Parliament from 1925 until the Munich crisis. Captured by the Gestapo in March 1939, following the German invasion of Czechoslovakia, he was sent in 1940 to the Oranienburg concentration camp and remained there for five years until liberated by the Soviet Army in 1945. Returning to Prague at the end of the war, he became chairman of the "Revolutionary Trade Union" organization and turned that organization into an effective instrument of Communist policy. With the late President Gottwald, of whom he was a close collaborator, he played a leading role in the events of February, 1948, which resulted in the Communist seizure of power and the replacement of Dr. Benesh by M. Gottwald in the Presidency. Elected to the post-war National Assembly in 1946, M. Zapotocky became Prime Minister when M. Gottwald became President in 1948. On President Gottwald's death in 1953 he was elected President of the Republic by the National Assembly.

President Zapotocky was the author of two well-known novels of Czech working-class life—*Red Glow Over Kladno* and *New Heroes Will Arise*—and also of a volume of poems.

After lying in state in the Hradcany Castle in Prague, the body of President Zapotocky was cremated on Nov. 18 and the ashes interred with national honours in a hillside mausoleum outside the city. The funeral was attended by the President of the U.S.S.R. (Marshal Voroshilov), the Prime Minister of Eastern Germany (Herr Grotewohl), and other representatives from Communist countries, as well as by members of the Czechoslovak Government and Communist Party. The Czechoslovak Prime Minister, M. Siroky, delivered a funeral oration in Wenceslas Square.

On Nov. 19 the National Assembly elected M. Antonin Novotny (52), the first secretary of the Czechoslovak Communist Party, as President of the Republic in succession to the late President Zapotocky. Like his predecessor, President Novotny was a founder-member of the Czechoslovak Communist Party and has played a leading part in its activities for many years. It was announced that he would remain first secretary of the party (a post he has held since 1953) concurrently with his Presidential office.—(Times - Le Monde)

Prev. rep. President Zapotocky, 12824 A.)

B. LEBANON. — Cabinet Reorganization.

The Lebanese Prime Minister, M. Sami Solh, formed a new Cabinet on Aug. 14 following the general elections held in June last. Its membership was: M. Sami Solh—Prime Minister, Interior and Justice; Dr. Charles Malik—Foreign Affairs; M. Jamil Mekkaoui—Finance; M. Selim Lahoud—Public Works; Emir Majid Arslan—Defence and Posts; M. Khazem Khalil—Agriculture; M. Joseph Skaff—Health and Social Affairs; M. Farid Kozma—Education and Information. All the Ministers had previously held office, though several portfolios were exchanged.—(Le Monde, Paris)

(Prev. rep. 15696 A; 15245 B.)

A. UNITED KINGDOM. — Labour Party. - Policy Statements on Personal Freedom, Housing, Taxation, Pensions, Public Ownership, and Colonial Affairs.

Nine policy statements were published by the Labour Party between June 1956 and September 1957 as the bases of the party's programme at the next general election. The statements were issued in the following chronological order :

(1) June 18, 1956—*Personal Freedom*, subtitled *Labour's Policy for the Individual and Society*; (2) June 25, 1956—*Homes of the Future*, a statement on housing policy; (3) July 8, 1956—*Towards Equality* (subtitled *Labour's Policy for Social Justice*), dealing largely with taxation and related matters; (4) July 22, 1956—*The Plural Society*, defining Labour's policy in multi-racial Colonies; (5) May 16, 1957—*National Superannuation*, subtitled *Labour's Policy for Security in Old Age*; (6) June 1, 1957—a second Colonial policy statement under the title *Economic Aid*; (7) June 7, 1957—a third Colonial policy statement entitled *Smaller Territories*; (8) and (9) July 18, 1957—*Industry and Society*, a statement of the party's future plans on public ownership, and *Public Enterprise*, a review of the nationalized industries.

The Labour Party's intention of setting up working groups to study these and other subjects had been announced in November 1955 by Mr. James Griffiths, deputy leader of the party (see 14680 A). Most of the above-mentioned policy statements were lengthy documents running to 10,000 words or more, short summaries being given below :

Personal Freedom.

This document, dealing primarily with the relations between the individual and the State, made a number of recommendations for changes in the administration of security measures, legal aid, delegated legislation, administrative tribunals, agricultural land tribunals, public inquiries, etc.

"The Labour Party," it was stated, "believes that the State is made for man, not man for the State. We affirm that the individual, though a member of the community, has an inviolable identity with rights of his own. Democratic Socialists strive for two main groups of freedom for all : those 'liberal' freedoms usually called civil liberties, and those freedoms that can exist only in a classless society. Our concept of freedom is therefore wider than that of other parties. The parties of the Right, though they have been forced to concede civil liberties, have opposed the development of the other freedoms. In contrast, Communism is supposed to aim at the classless society but has subordinated the individual to an all-powerful one-party State, ruled by a privileged *élite* responsible to no-one but themselves."

It was stated that the Labour Party aimed at a society resting on the following bases : "(1) concentrations of power—military, political, and economic—should serve the whole community, and not dominate it; (2) privileges of the few must be transformed into rights, available to every citizen; (3) a fairer distribution of wealth and opportunity must be advanced by positive State action, with the assistance of free trade union and co-operative movements; (4) effective civil liberties and an independent judiciary must safeguard personal freedom against abuse of power, either by the State or by any organization."

After noting that the modern State "exercises great control over its citizens and could quickly become oppressive if the safeguards of democracy were not carefully maintained," a number of recommendations were made for the further safeguarding of individual rights. The most important were :

(1) *Civil Liberties.* It was pointed out that while Civil servants could appeal to an advisory board if they were considered unreliable for certain kinds of public employment, workers in private employment on secret defence contracts were also involved. There should therefore be an advisory board for private industry similar to that provided in the Civil Service. Any Civil servant or industrial worker brought before this board should be confronted with a precise charge, unless the Minister personally decided otherwise. Only Ministers, and not the police, M.I.5, or similar bodies, should take actual decisions on a person's reliability.

(2) *Access to the Courts.* There was reason to believe that the right of Government departments to refuse to produce documents in court was not always reasonably exercised. One remedy might be for the Lord Chancellor to decide whether Crown privilege should apply to official documents which a Minister wished to withhold. A method of appeal should also be provided against the Home Secretary's power to refuse to make available the verbatim report of a public trial.

(3) *Delegated Legislation.* The maximum penalties provided for by an Order should never exceed those provided for in the Act under which it was made. The courts must always be able to judge whether a particular Order was within the scope of the Act.

(4) *Administrative Tribunals.* Members of administrative tribunals should, as a general rule, be appointed by the Lord Chancellor and not by Ministers. Hearings should be in public, unless privacy was requested by an applicant on the ground that intimate personal matters were involved. Legal representation should be permitted by agreement of the tribunal. Reports made by a tribunal should normally be published, together with reasons for the decisions reached; but publication of actual recommendations to a Minister might be withheld.

(5) *Agricultural Land Tribunals.* All proposals for dispossession should be referred to the tribunals for decision. Exceptions would be granted only at the written request of the farmer or landlord concerned.

(6) *Public Inquiries.* There were cases where those conducting inquiries should be appointed by the Lord Chancellor and not, as at present, by the Minister whose department was involved. The inspector's report (but not his actual recommendations) should be made available to all the parties appearing at the tribunal, and the Minister should always give reasons for his decision after an inquiry. In special inquiries, such as in the Crichel Down case, witnesses should not be called without being made aware that their reputation might be brought into question. Where possible, a precise statement against them should be made, which they should have the opportunity of refuting.

(7) *Professional Organizations.* If a person joined a professional organization or trade union because of the protection or assistance it gave him, it was reasonable that he should be subject to discipline if he broke the rules. Such discipline, however, should accord with the procedures laid down in the rules, and these procedures should be able to stand the test of impartial criticism.

Housing.

The statement gave details of the Labour Party's plan for the public ownership of rent-controlled tenanted houses—a plan described as "the greatest public ownership project yet undertaken in this country." It envisaged the taking-over by local authorities of some 6,000,000 homes and flats at present occupied by tenants of private landlords.

After saying that Labour's aim was "to ensure a good home or flat, with modern amenities, for each family, at a price it can reasonably be expected to pay," it was pointed out that 6,000,000 of the 7,250,000 houses and flats occupied by tenants of private landlords were rent-controlled, and among them were to be found most of the overcrowded homes and nearly a million scheduled slums.

The statement went on to make the following specific proposals : (1) Houses and flats that were rent-controlled on Jan. 1, 1956, and remained tenant-occupied, should be acquired and improved by the local authorities, fair compensation being paid to the former landlords. (2) Where hardship might be caused, or where the owner had strong domestic or family reasons for retaining the property, landlords would be permitted to apply to the local authority (and in the last resort to appeal to the Minister) to have their property excluded from the plans for acquisition. (3) Houses that were owner-occupied at the time of acquisition, whether partly let or not, would be excluded. (4) Non-profit-making housing associations would be permitted to continue to own and manage estates. (5) After the next Labour Government had consulted with local authorities, the Minister would lay down dates by which time each authority would be expected to complete its programme of acquisition; if they failed, the Minister would have power to make other arrangements to speed up the acquisition. (6) Tenants of houses and flats acquired by the local authority (and of existing council houses) would be given a certain measure of rent control and security of tenure. (7) Local authorities would be expected to modernize houses with a life expectation of 15 years or more, and to do this within a period mutually agreed by the local authority and the Minister.

As regards home ownership, the statement said that Labour policy was to help those who wished to buy their own homes to do so. Since the finding of the initial deposit was one of the main stumbling-blocks, it was suggested that mortgages of 100 per cent of the value of the property should be allowed, with a maximum period of 30 to 35 years for completion of the purchase. The rate of interest of such mortgages should be kept as low as possible.

"Towards Equality."

This document advocated *inter alia* the limitation of large fortunes by taxation, a transfer of wealth from private to public hands, better distribution of wealth among individuals, and the closing of gaps which enabled some people to avoid restrictions on income, e.g. expenses allowances, capital gains, and spending out of capital.

Much of the statement was devoted to discussing methods whereby a "more just" division of income and wealth could be achieved. It was stated that many sources of spending power (capital, capital gains and expenses) were taxed inadequately or not at all, and that a review of existing tax legislation was needed in order to restrict those exemptions and reliefs which were at present being "abused." Examples given of tax avoidance were business expenses, "top hat" pension schemes for higher business executives, and covenants among surtax payers.

The statement said that while the existing system of death duties could be improved so as to have a great impact upon the maldistribution of wealth, it would not go far towards solving the problem until another major cause of inequality—capital gains—had also been tackled. Capital gains saved large estates from severe, permanent reduction by death duties. Ways in which the problem could be tackled were by additional measures of taxation, further public ownership of those types of property which led to the greatest inequality, and a broader distribution of property in private hands by encouraging small and medium savings. They would not propose, however, to tax capital gains arising from such small property transactions as the buying and selling of owner-occupied houses.

[Mr. Gaitskell, who was chairman of the committee which drew up the document, explained at a press conference that some subjects which had an obvious bearing on social equality, e.g. education and security in old age, would be dealt with in detail in later statements. As regards the fiscal proposals, they could not anticipate in detail the Budget secrets of the next Labour Chancellor of the Exchequer.]

National Superannuation.

A scheme of national superannuation, engrafted on to the existing scheme of national insurance, was set out in this policy statement. It proposed an immediate increase from £2 to £3 in the basic pension payable at 65 to all insured workers, together with a superannuation system related to earnings and compulsory for everyone not participating in an approved private scheme or possessing adequate provision for old age.

National Superannuation was defined as "a new kind of National Insurance under which every man or woman who goes out to work will be able to make provision for old age in the way those in superannuation schemes already do." The worker who joined the national scheme would contribute a fixed percentage of his earnings, the employer a somewhat larger percentage, and there would also be an Exchequer grant. Instead of a flat-rate contribution there would be "a graded contribution towards a graded pension." When the scheme was in full operation the worker whose earnings were round about the national average, and who had contributed to it throughout his working life, would get half-pay on retirement. In the transition period, the amount of benefit would depend on the number of years he had contributed.

Every insured worker, including those in approved private schemes, would be entitled to the flat-rate element as at present, whereas only those covered by National Superannuation would receive the new "graded" element. In this way everyone in the country, when they reached the approved age, would draw (1) a flat-rate pension under the existing National Insurance, and (2) a graded pension due to him either from an occupational scheme or from National Superannuation. For this purpose that part of the National Insurance contributions relating to the old-age pension would have to be divided from the rest. All insured workers would continue to pay that part of the National Insurance contribution covering sickness, unemployment, etc. Everyone who was a member of an approved occupational pension scheme would also continue to pay the flat-rate contribution towards his flat-rate State pension, though at a substantially increased rate.

The worker covered by National Superannuation would, in addition to his reduced National Insurance contribution, pay a percentage of his earnings as his National Superannuation contribution, deducted at source and entitling him to a pension composed of both a flat-rate and a wage-related element. Women wage-earners would have the same superannuation rights as men, and—at least in the transitional stage—would retain the privilege of retiring at 60 if they wished. Married women who did not go out to work would retain their present pension rights unchanged. Workers in existing superannuation schemes could choose between remaining in them (if their employer decided to continue his own scheme and it was approved by the Government) or joining the national scheme.

National Superannuation benefit would be based on life earnings, taking account of their real value from boyhood onwards, and of the increase in the national income which had occurred. Contributions in each year of working life would be related to the level of average national earnings in the year when the pension was assessed. To protect pensioners from subsequent inflation, since "the British economy cannot be completely isolated from the effects of price fluctuations on the international markets," a periodic review of pensions was recommended. A new cost-of-living index would be required, relating specially and exclusively to the cost of living of elderly and retired people. Annual adjustments would then be made to restore the full purchasing power of the pension.

As regards the cost of the proposed scheme, it was stated: "It is perfectly true that the proposals would impose an obligation on the nation to allocate a larger slice of the national cake to old people. The acceptance of National Superannuation would involve the nation in a solemn obligation to slow down the improvement of the standard of living of those in work in order to make better provision for the aged. But a steady rise in productivity should enable us to shoulder the burden without undue strain . . ."

"Industry and Society."

This document, running to 20,000 words, was largely complementary to *Towards Equality* (see above). Discussing at great length the Labour Party's attitude towards public ownership, it contained a pledge that the next Labour Government would renationalize the steel and long-distance road haulage industries, and also suggested State acquisition of shares in some of the larger industrial firms as a new method of securing public ownership and control. No detailed plans were presented in this connexion, however, nor any time-table laid down for such action.

The document pointed to the emergence of the large firm as a "most significant development in the modern economy," and one which had "profoundly modified the workings of the economic system and radically reduced the functions of the private shareholder." It asserted that some 500 great firms, each with assets of over £2,500,000, were in fact the "pacemakers" of the whole private sector of the economy, being directly responsible for about 50 per cent of total private investment and indirectly for very much more.

The statement went on to assert that the large companies were increasingly controlled by men who had little or no stake as owners in the companies they ran; that Board rooms had become "increasingly independent in relation to their shareholders"; that the main incentive for private investment today was "not dividends but the prospect of capital gains"; that the influence of private ownership in the large firms, so far as management, production and growth were concerned, was small; and that their managements were "professional, autonomous bodies, self appointed and self-perpetuating."

After saying that private ownership of these firms was "a potent force maintaining and increasing inequality," the statement went on: "A large part of all capital gains originate in this one sector, and their enjoyment is in the main confined to a small section of the population . . . Our conclusion is that the community should have the opportunity of participating in the almost automatic capital gains of industry. This does not mean confiscation or any measures directed in a discriminatory fashion against holdings of equity shares. Our proposals for a capital gains tax, for example, would have a wider coverage than the purely equity field."

There were a number of ways in which the community might become the owner of industrial shares. It could do so as a consequence of the party's National Superannuation proposals through investing part of the accumulated funds in equity shares; death duties could be paid not only in cash but in shares and land as well; and there were other methods through which State ownership in shares was possible. "We would emphasize, however, that it is not our intention that the Government should indulge in a wildly inflationary scramble for shares; both the timing and occasion for acquiring shares will need careful consideration."

In considering firms which might be taken into public ownership, the Labour Party would have in mind industries where the units of production were too numerous and too small to face effectively the challenge of modern technology or overseas competition; industries whose production persistently fell short of home and export demand; and industries dominated by large and powerful corporations whose trading, price, and profit policies were not attuned to the public interest. Forms of public ownership must meet the particular problems involved; e.g. public ownership of a single firm might suffice to break a production bottleneck or restore competition in a monopolized industry. Where public ownership was extended, "full and fair compensation will of course be paid."

After saying that the Labour Party recognized that "under increasingly professional managements" large firms were as a whole serving the nation well, the statement added: "We have no intention of intervening in the management of any firm which is doing a good job. Nevertheless, the virtual absence of shareholder control does mean that the boards of large firms are almost wholly autonomous. They exercise enormous power without being responsible to anybody. They may exercise that power well, but it is hardly satisfactory that there should be no accountability whatever. It is possible that the best way of dealing with this situation is to review the Companies Acts and to develop more definitely forms of public accountability."

In summing up, the document said that the Labour Party reserved the right to extend public ownership to any industry or part of an industry which, after thorough inquiry, was found to be "falling down on the job." It reiterated the party's intention to renationalize the steel industry and long-distance road haulage if it came to power.

"Public Enterprise."

This policy statement reviewed the functioning of the nationalized industries during the past ten years; expressed general satisfaction with the results achieved; but added that this did not mean "that everything is perfect or that there is no room for improvement."

Some 30 recommendations were made in this connexion, mostly of a minor character. They included the following: (1) While there was no general case for subsidies to nationalized industries as such, they should not be expected to jeopardize financial stability by providing uneconomic services when a private industry in similar circumstances would be given a subsidy. Any subsidy should be specific and limited. (2) Salaries of members of the Boards of nationalized industries should be brought more into line with those for comparable jobs elsewhere. (3) More use should be made of consumer surveys. (4) Periodic inquiries into nationalized industries should continue at about 10-yearly intervals.

Colonial Policy.

The Plural Society outlined the Labour Party's political and social policy in multi-racial (i.e. "plural") societies, and pledged the next Labour Government to "direct all Colonial governments to remove all administrative and statutory racial discriminations, except those expressly designed to protect under-privileged racial groups."

After saying that it was Britain's primary duty in Colonial territories to "lay the foundations of full democracy," the statement went on:

"Full democracy includes recognition of the right of different groups in a society to preserve their own culture and customs. Nevertheless, two developments are essential for the creation of a democratic society in Colonies in which racial group-consciousness is strong. First, the consciousness of belonging to a nation must become so strong that all people, of whatever race or colour, will feel themselves to be Kenyans, Tanganyikans, Rhodesians, Malayans, West Indians, or Fijians rather than only, or primarily, Europeans, Africans, or Chinese, or whites, blacks, browns or yellows. Secondly, political control and organization must increasingly be based on the expression of the will of a nation, each member of which is regarded as an equal human being and not as a member of a racial group. In this process every vestige of the idea of racial superiority or inferiority must be utterly destroyed . . .

"The Labour Party has come to two conclusions: (1) ultimately, the people of each of the Colonial territories have the right to determine which particular form of Constitution . . . best suits their own requirements; (2) the best way of giving the people of each Colony the opportunity of deciding what form of Constitution they desire is to provide for the election of representatives by universal adult suffrage, on the principle of 'one person one vote.' . . . The common electoral roll is the vital test of political democracy in the plural society."

After pointing out that this position could not everywhere be achieved quickly, and discussing various kinds of transitional arrangements, the statement said that "whatever transitional arrangements may be made, Europeans and Asians must be prepared ultimately to accept unqualified African equality as the only permanent basis for democracy."

Detailed proposals were made for ending the "colour bar" in Government services, education, hospitals, transport, factories and industrial enterprises, etc.

Economic Aid committed the next Labour Government to contribute an average of one per cent of the national income for the development of Colonial and backward territories. [At present this figure would be equivalent to about £160,000,000 a year.]

Specifically, it pledged the next Labour Government to (1) increase grants under the Colonial Development and Welfare Acts; (2) increase the British contribution to the U.N. Technical Assistance Board; (3) support the establishment of the proposed Special U.N. Fund for Economic Development (SUNFED); (4) help British Colonies to stabilize their export prices by negotiating long-term bulk purchase agreements; (5) expand the Colonial Development Corporation; and (6) encourage the development of co-operatives in the Colonies.

Smaller Territories outlined the Labour Party's plans for the smaller British Colonies, and contained the following statement of principles:

(1) Every Colony, including the smallest, should have the right of self-determination, including the right to secede from the Commonwealth if it desired. It was hoped, however, that "full and timely recognition of the right of self-determination will encourage the peoples of the Colonies to achieve their full democratic rights within the Commonwealth."

(2) A future Labour Government would aim at "the steady establishment of . . . internal self-government in all the smaller territories as well as in the larger ones."

(3) Territories for which sovereign independence was not physically practicable might achieve membership of a sovereign parliament either by becoming members of a federation or by integration into a sovereign State.

(4) "For those small territories which do not achieve representation in a sovereign parliament, either by integration with the United Kingdom or another Commonwealth State, or by federation, or by secession, the Labour Party proposes the new constitutional status of Dominion."

As regards (4), it was stated that the new status should be defined in terms similar to those in the Statute of Westminster. It would include autonomy in internal and external affairs, and the inhabitants of the smaller Colonies would be able to decide for themselves whether or not to entrust Britain or another Commonwealth State with the responsibility for external relations and defence. "The recognition of Dominion status means that any agreements about bases, defence, and foreign policy will be freely arrived at after the recognition by the United Kingdom of autonomy. It is a contradiction in terms to make the grant of sovereignty dependent upon a prior agreement made whilst the territory is still dependent."

It was stated (*a*) that most of the present Colonies would become full members of the Commonwealth, like Nigeria, or parts of a federation, like Jamaica, or might seek integration with the United Kingdom and representation at Westminster, like Malta; (*b*) that Singapore might become either a Dominion or part of the Malayan Federation; (*c*) that it was "conceivable" that there might one day be a West African Federation, including Sierra Leone and Gambia; (*d*) that Cyprus should have the right of self-determination, after which she might opt for union with Greece or decide to stay in the Commonwealth; (*e*) that territories such as Mauritius, the Seychelles, and the islands of the Atlantic, Pacific and Indian Oceans might become Dominions or integrate with other Commonwealth countries; and (*f*) that a few small communities, such as Pitcairn Island, "may choose to remain much as they are."

The scheme covered 32 territories with a total population of 13,000,000, ranging in size from Bechuanaland to Tristan da Cunha and in population from Sierra Leone (2,250,000) to Pitcairn Island (130). The full list was: Hong Kong, Singapore, Aden, Cyprus, Malta, Gibraltar, Bermuda, the Bahamas, British Guiana, British Honduras, Fiji, Tonga, the Pitcairn, Solomon, and Gilbert and Ellice Islands, the New Hebrides, North Borneo, Sarawak, Brunei, the Seychelles, the Maldives, Mauritius, Zanzibar, British Somaliland, Gambia, Sierra Leone, Bechuanaland, Basutoland, Swaziland, St. Helena, Ascension, and Tristan da Cunha.

[Mr. James Griffiths pointed out at a press conference that the proposals meant, for example, that the people of Hong Kong, Cyprus, and Gibraltar could opt, if they wished, to join China, Greece, and Spain respectively; to remain in the Commonwealth; or to choose independence. The exercise of such freedoms, however, would not be permitted until the individual Colonies were ready for self-government.]

All the above-mentioned policy statements were endorsed at the annual conferences of the Labour Party in 1956 and 1957. Further statements on agriculture and education, to be published in due course, will be submitted to the 1958 conference. In addition, it was decided on Nov. 27, 1957, to set up a working party which would draw up a report on "control of industry," supplementary to the public ownership proposals and containing a statement on the party's attitude to automation.—(Times - Daily Herald - Manchester Guardian)

(Prev. rep. 14680 A.)

Note. The 1957 and 1956 party conferences will be summarized in a subsequent article.—*Ed. K.C.A.*

A. FINLAND. — Reorganization of Sukselainen Cabinet. - M. Sukselainen's Resignation. - Non-Party Cabinet formed by M. von Fieandt. - Economic Emergency Measures. - Devaluation of Finnish Mark.

M. Sukselainen's Government resigned on Oct. 18 following an adverse vote in the Finnish Parliament. Prior to his resignation, M. Sukselainen had reorganized his Cabinet on two occasions—on July 2, when the three members of the Swedish People's Party (M. Meinander, the Finance Minister, M. Lindh, Deputy Minister of Agriculture, and M. Nordström, Deputy Minister of Communications) left the Government because of their disagreement with its decision on the question of family allowances (see below); and on Sept. 2, when M. Sukselainen took into the Government representatives of the left-wing "Skog group" of the Social Democratic Party (see 15573 A) in order to broaden the parliamentary basis for an economic programme acceptable to both employers and workers alike.

In the first reshuffle in July M. Miettunen (Agrarian), hitherto Minister of Agriculture, took over the Finance portfolio; M. Karjalinen (Agrarian) became Deputy Minister of Finance; M. Eskola (Agrarian), previously Minister of Communications, became Minister of Agriculture; M. Sarjala (Agrarian), previously Deputy Minister of Finance, went to the Ministry of Communications; M. Tiitu (Agrarian) became Deputy Minister of Communications; and M. Pekka Malinen (Finnish People's Party) became Deputy Minister of Welfare and Social Affairs.

In the second reshuffle in September M. Simonen (Social Democrat) was appointed Deputy Premier; Dr. Söderhjelm (non-party) became Minister of Justice; M. Teuvo Aura (non-party) was appointed Minister of the Interior; M. Pekka Malinen took over the Defence portfolio; M. Lepistö (Social Democrat) was appointed Deputy Minister of Agriculture; M. Sarjala (Agrarian) became Minister of Communications and Public Works; M. Liljeström (Social Democrat) became Deputy Minister of Communications and Public Works; Mme. Aino Malkamäki (Social Democrat) took over the Social Affairs portfolio; and M. Olli Uoti (Social Democrat) was appointed Deputy Minister of Social Affairs. The other portfolios remained unchanged, the reconstructed Cabinet consisting of six Agrarians, five Social Democrats, two members of the Finnish People's Party, and two non-party Ministers. Both employers and unions were represented, the former by Dr. Söderhjelm, general manager of the Central Association of Finnish Woodworking Industries, and the unions by M. Uoti, secretary of the Finnish T.U.C.

The Social Democratic executive council, meeting on Sept. 15 under the chairmanship of M. Tanner, decided by 42 votes to 5 to request the members of the "Skog group" who had accepted ministerial office to leave the Government by the end of the month, on pain of expulsion from the party. The "Skog group," however, described this demand as illegal and refused to recognize its validity. The Social Democratic parliamentary group thereupon decided on Sept. 24, by 24 votes to 19, to expel the five Ministers from the group, though they remained in the party.

Economic Emergency Programmes.

The two reorganizations of M. Sukselainen's Cabinet, and his eventual resignation, were basically due to Finland's economic difficulties caused by rapidly progressing inflation, falling production and exports, rising unemployment, and the critical condition of State finances.

To overcome an acute cash shortage in the Treasury and restore a balanced Budget, the Government had introduced on June 14 an emergency programme which proposed, *inter alia* : (*a*) the abolition of price subsidies for certain farm products ; (*b*) a deferment until 1958 of the family (i.e. children's) allowances for the second quarter of 1957, payable on July 1 ; (*c*) increased retail prices for spirits ; (*d*) a temporary suspension of road building, (*e*) an increase in telephone charges ; and (*f*) a higher licence duty for motor-cars and motor-cycles. These measures were intended to produce 12,900,000,000 Finnish marks in savings and new taxes.

The Diet, however, refused the Government's demand for a deferment of current children's allowances until 1958, whereupon the Government, as a compromise, proposed that the payments should in general be made during the first half of 1958, but that all families in receipt of special family benefits should receive payment of the allowances in July 1957. A Bill incorporating this proposal was given a first reading on June 25 by 101 votes to 88, being supported by the Agrarians, the Swedish People's Party, the Finnish People's Party (Liberals), and the Conservatives.

The Popular Democrats (Communists) thereupon adopted "filibuster" tactics to prevent the Bill's final adoption before July 1 and, supported by the Social Democrats, invoked the Constitutional provision of the Parliament Act whereby a Bill may not be enacted until after the next general election, and its subsequent approval by the new Parliament, if a motion to keep it in abeyance is supported by one-third of the Diet's membership. The Bill was thus held up, leaving the Government's obligation for the immediate payment of the allowances for the second quarter unchanged. A majority of the Cabinet nevertheless decided that while it was impracticable to submit a new Bill to the Diet, it would also be impossible to pay the allowances because of the state of the Treasury's finances. The three Ministers of the Swedish People's Party then resigned, refusing to assume responsibility for this "illegal" situation. Shortly afterwards M. Fagerholm (the Speaker) adjourned the Diet—which had meanwhile passed the other taxation proposals—so as to give the Government time to propose further emergency measures.

The new emergency programme was submitted to the Diet on Aug. 6, the Treasury's position having in the meantime deteriorated to such an extent that payments totalling 20,000,000,000 FM. (or 7 per cent of the Budget) were in arrears. It was proposed, *inter alia*, (*a*) to levy a special tax on incomes of 900,000 FM. (then about £1,300) and over, and on capital and property of 4,000,000 FM. (about £5,900) and over ; (*b*) to treble the duty on matches and double that on cigarettes ; (*c*) to double certain stamp duties ; (*d*) to introduce an export levy for an interim period of one year in the event of devaluation ; (*e*) to advance the collection of the turnover tax ; (*f*) to defer payment of the children's allowances for the third quarter. It was also proposed that Ministers and M.P.s should accept salary cuts.

The Bill for the deferment of the children's allowances was rejected by the Diet on Aug. 27, but Bills incorporating the other proposals were finally adopted on Aug. 20 and Sept. 2 respectively, though in a partly modified form ; e.g. the property limit for the special levy was reduced to 2,500,000 FM (then about £3,700). It was laid down that the proceeds of the export levy, which the Government had intended to be blocked until 1960 as an anti-inflationary measure, and to be used afterwards for the development of the wood and wood-processing industries (Finland's most important export industries), should be used first for the repayment of an earlier Government loan and then for loans to those industries as from July 1958.

Devaluation of the Finnish Mark.

The President of the Bank of Finland, M. Rainer von Fieandt, announced on Sept. 15 that the Finnish mark would be devalued in relation to other currencies by about 39 per cent—viz., from 231 to 320 FM. to the dollar, and from 676 to 896 FM. to the pound sterling. At the same time the special tourist and import rates were abolished.

The tourist rate (introduced in 1952) had been 325 FM. to the dollar and 900 FM. to the pound since the end of 1955. As regards import rates, special arrangements had been in force since 1953 under which exports of certain goods received a premium of up to 20 per cent above parity, while importers of certain goods had to pay a 20 per cent surcharge above the parity rate.

The International Monetary Fund in Washington announced on the same date that it concurred in the proposed devaluation, and that the new par value of the Finnish mark would be 0.00277710 grammes of fine gold, corresponding to the above-mentioned rate of 320 FM. to the dollar.

The devaluation was the sixth since the war, the rate for the dollar having been increased during 1945 in three stages from 49 to 136 FM., in July 1949 from 136 to 160 FM., and in September 1949 from 160 to 231 FM.

M. von Fieandt stated that devaluation had become necessary to redress Finland's balance of payments, which was being distorted by a decline in exports while imports continued unrestricted. The price level of the Finnish economy on the basis of the old exchange rates had been far above the international level for a number of years ; whilst it had been possible to maintain such "unrealistic" exchange rates for a certain time, thanks to favourable export conditions, these conditions had lately deteriorated. He mentioned that the export industries themselves, as well as the trade unions, were supporting the move, and said that the devaluation would open the way to Finland's economic reconstruction on the basis of strict economy in both the public and private sectors.

Simultaneously with devaluing the Finnish mark, the Government took the following measures :

(1) Imports from those countries which had freed the import of Finnish products in at least the same proportion (except for dollar countries) would be freed from restrictions up to 76 per cent as from Oct. 1. Certain relaxations in imports from dollar countries would also be granted.

(2) Until Oct. 31, all prices for home-produced goods, as well as for goods imported before the devaluation, were frozen at their level on Sept. 14.

(3) The Export Levy Act (see above) was brought into effect, the levy ranging from 2.8 to 21 per cent of the export prices of various products.

O.E.E.C Concessions to Finland.

In view of Finland's economic difficulties, special trade and payments arrangements had already been agreed between her and O.E.E.C. member-countries earlier in the year.

The O.E.E.C. had announced on June 12 that the majority of its member-countries having a substantial trade with Finland had agreed in principle to Finnish proposals aimed at correcting the disequilibrium of her balance of payments. These were (i) that during the six-month period from April 1 to Sept. 30 a reduced volume of imports into Finland from these countries should be regulated by global quotas ; (ii) that the countries concerned would, however, maintain or extend their liberalization measures *vis-à-vis* imports from Finland ; and (iii) that they would also give facilities for any balances earned by Finland to be transferable amongst them. As a result of further discussions, detailed arrangements on this basis were agreed during July, the O.E.E.C. member-countries concerned being Austria, Belgium (including Luxemburg), Denmark, France, the German Federal Republic, Italy, the Netherlands, Norway, Sweden, Switzerland, and the United Kingdom.

Resignation of Sukselainen Government. - "Business Cabinet" formed by M. von Fieandt.

The resignation of M. Sukselainen's Government was brought about by a vote in the Diet on Oct. 18, when a motion by the Popular Democratic Union expressing lack of confidence in the Government's economic policy was adopted by 75 votes to 74, with 42 abstentions. The Popular Democrats and the "Tanner group" of the Social Democratic Party supported the motion, whilst the Conservatives, the Swedish People's Party, and some members of the Finnish People's Party abstained from voting.

Following discussions with the party leaders, President Kekkonen invited M. Tanner on Oct. 23 to form a new coalition Government consisting of the Agrarians, Conservatives, Social Democrats, and the Finnish and Swedish Peoples' parties, but M. Tanner was unable to do so because of the Agrarians' refusal to serve under him. After prolonged negotiations M. Sukselainen was asked by the President on Nov. 13 to try to solve the Cabinet crisis, but was similarly unsuccessful in forming either a four-party government (i.e. without the Conservatives) or a government of national union, and gave up the task on Nov. 20. Efforts by Professor Eino Saari (leader of the Finnish People's Party) to form a minority government also failed, and after all other possibilities of forming a minority administration had proved unsuccessful, President Kekkonen decided on Nov. 29 to appoint a "business" Cabinet headed by M. von Fieandt, president of the Bank of Finland. Its membership was announced the same day as follows :

M. Rainer von Fieandt	Prime Minister.
M. P. J. Hynninen	Foreign Minister.
M. Kurt Kaira	Justice.
M. Urho Kiukas	Interior.
M. Kalle Lehmus	Defence.
M. Lauri Hietanen.. . ..	Finance.
M. Reino Oittinen	Education.
M. Hannes Perttula	Agriculture.
M. Lauri Kivekas	Trade.
M. Heikki Waris	Social Affairs.
M. Aku Sumu	Communications and Public Works.
M. Ahti Karjalainen	Deputy Minister of Finance.
M. Paavo Kastari	Deputy Minister of Communications and Public Works.

Of the new Ministers, M. Hynninen (a former secretary-general in the Ministry of Foreign Affairs) has held a number of diplomatic appointments, and M. Kastari was professor of constitutional and international law at Helsinki University. (Finnish Ministry of Foreign Affairs - Bank of Finland Monthly Bulletin - Times - Financial Times - O.E.E.C. Information Division, Paris - I.M.F., Washington) **(15573 A ; 10231 A.)**

A. RHODESIA AND NYASALAND FEDERATION. — Federal Constitution Amendment Bill. - British Government's Advice on Royal Assent. - U.K. Parliamentary Approval. - Lord Home's Visit to Federation.

The U.K. Under-Secretary of State for Commonwealth Relations, Mr. C. J. M. Alport, announced in a written parliamentary reply on Oct. 31 that the British Government had advised that the Royal Assent should be given to the Federal Constitution Amendment Bill.

Mr. Alport said that the Government's decision had been taken (i) after "full and careful consideration" of the report of the African Affairs Board, which had requested that the Bill be reserved for Her Majesty's pleasure because it was a "differentiating measure" (see 15781 A), and of the Federal Government's statement denying this; and (ii) following personal inquiries by Lord Home (Secretary of State for Commonwealth Relations) during his visit to the Federation earlier in October, when he had declared himself "satisfied that it would be right to advise that the Royal Assent should be given."

The Federal Government's statement claimed that if the constitutional changes proposed in the Bill were read with the Government's franchise proposals, the changes, so far from being disadvantageous to Africans, would be advantageous to them for the following reasons: (i) African members of the Federal Assembly would be increased in a greater ratio than other members; (ii) many more Africans would be eligible to participate in the election of the African members and the Special European member for Southern Rhodesia than was the case under the existing arrangements; (iii) for the first time in the history of any of the Territories, or of the Federation, Africans who were British-protected persons would be able to qualify for the ordinary franchise and thus be in a position to influence the election to the Federal Assembly of members of unspecified race.

Lord Home had arrived in Salisbury on Sept. 30 on an 18-day fact-finding visit to the Federation, during which he toured Southern Rhodesia as well as the two Northern Territories. On his arrival he said that he would have "formal and informal discussions" and would "more or less continue the talks I had with Sir Roy Welensky in London," adding that "Dominion status will be among the things we shall discuss." Among those whom Lord Home saw during his tour were the African members of the Federal Parliament representing Nyasaland, and the African members of the Nyasaland Legislative Council, who put forward a demand that Nyasaland should be allowed to secede from the Federation in 1960 and who said that "many Africans prefer the law of the jungle to federation."

In a speech at Blantyre (Nyasaland) on Oct. 11 Lord Home said that federation was "here to stay" and that "the sensible thing" was "to concentrate on making it work to the advantage of all three Territories." Dealing with the economic development of the Federation, he said he had seen many countries, such as Canada and Australia, but never one which had advanced as fast as the Federation in its short existence. It was in the industrial and economic field that joint enterprise and partnership between Europeans and Africans would most surely grow, and social and political integration would follow "naturally and certainly" out of economic integration.

At an interview in Salisbury on Oct. 15 Lord Home said that he thought it would be an extreme statement to say that most Africans opposed federation, since many of them had no clear idea of its meaning, purpose and achievements. Whereas in Nyasaland he had met more virulent opposition from the African parliamentary representatives, in Northern Rhodesia he had found no real opposition to federation but only an anxiety about how it was working. Africans had expressed the view that the economic benefits of federation were not everything, and that if they had to choose they preferred political freedom. There was fear that the Europeans might use the political machinery of federation to keep Africans in a condition of permanent inferiority, but he thought that those fears could be removed if the political purpose of federation could be clarified, and if the African was convinced that its purpose was not that he should be exploited but that he should be gradually brought into full partnership. Lord Home urged greater information and publicity to emphasize the benefits of federation, "particularly the economic benefits which are specially enjoyed by Nyasaland."

U.K. Parliamentary Debate.

The British Government's decision to advise the Queen to give the Royal Assent to the Federal Constitution Amendment Bill was debated in the House of Commons on Nov. 25. The debate was on an Opposition motion "that the draft Order in Council to signify Her Majesty's assent to the . . . Bill . . . be not submitted to Her Majesty."

Mr. Callaghan (Lab.), the principal Opposition spokesman, said that the Opposition were expressing the apprehensions and doubts of many people. In this connexion he referred to articles in *The Times* and *The Observer* stressing the Government's heavy responsibility, and to statements issued on Nov. 23 by the International Department of the British Council of Churches and by the T.U.C. General Council [see below]. He asserted that the proposed increase in the size of the Federal Assembly was unnecessary, as the Assembly had run well with its present 35 members. Moreover, the Bill had only been passed by one vote more than the two-thirds majority needed, and in the present troubled state of opinion in Africa the Government was pursuing a wrong course in adding to the difficulties. He asked whether it had ever been in the mind of the Government, during the discussions in Parliament before the creation of the Federation in 1953, that the House should be considering a Bill of this nature in advance of the constitutional review due in 1960. When Mr. Alport nodded assent, Mr. Callaghan expressed disagreement and said that that was not the impression given in Central Africa. In his opinion, to introduce a Bill of such a controversial character was a breach of the undertakings and understandings that had gone into the making of the Federal Constitution.

Everyone (Mr. Callaghan continued) had been led to believe, in the debates of 1952 and 1953, that the African Affairs Board would be there as a constitutional organ to protect the interests of the African people, and that when they had done so H.M. Government "would not try to find legal sophistries to get round them." In increasing the membership of the Assembly, the Bill would add to the influence of the Europeans in electing Africans. In Southern Rhodesia there would be 65,000 European electors and 16,000 African electors, and the latter would be outnumbered by four to one in electing eight African members. In Northern Rhodesia the number of European and African voters would balance, while in Nyasaland there would probably be a majority of African voters. It seemed "ludicrous" that in present circumstances Parliament should allow the Federal Assembly to amend the electoral roll; to attempt to justify this on the ground that it was getting away from racial elections was "hypocrisy at its worst."

Referring to the agreement reached between H.M. Government and Sir Roy Welensky in April last [see 15529 A], in which the Government had undertaken not to initiate any legislation to amend or to repeal any Federal Act or to deal with any matter included in the competence of the Federal Legislature, except at the request of the Federal Government, Mr. Callaghan declared: "I want to make it clear that the Opposition was no party to this convention. The Government may have bound its own hands between now and 1960. It has not bound ours." The Opposition relied on the words laid down by Parliament, and no convention could unwrite those words unless it was acceptable to all parties in Parliament.

In conclusion, Mr. Callaghan said that Members were being asked "to take a step further down the road of handing over control of the people of the two Northern Territories to the Federal Government, against the express wish of every articulate African there." Such action would be regarded in Africa "as one more proof that the British Parliament was deserting the African people." The Opposition, while recognizing the benefits which Europeans had brought to the Territories and the economic advancement that had taken place, believed that no minority group could pretend to govern the Territories for ever to the exclusion of the millions of residents there.

Mr. Alport, on behalf of the Government, maintained that there was no doubt whatever about the justification for the decision to advise the Queen to give her assent to the Constitution Amendment Bill. The Government could not be guided by misconceptions and misunderstandings either at home or in Africa. Where condemnation of the handling of this matter had been expressed in the Press, it had been based almost invariably upon a total misunderstanding of the facts. Where newspapers had studied the facts they had supported the Government's point of view, and had realized—as the *Manchester Guardian* had done—that it was a step forward in bringing representation off a racial basis and into something which was more closely allied with other democratic Assemblies in the world.

It had been clear for some time that an increase in the membership of the Federal Assembly was urgently needed. The Assembly had to deal with the affairs of a very large country. Moreover, the situation might easily arise after the next election that the Federal Government would have a majority not only over the Opposition but also over its own back-benchers as well—a situation which could not be conducive to carrying out the multifarious work of a democratic Assembly efficiently. He (Mr. Alport) was convinced that a Labour Secretary of State would have taken precisely the same decision.

Dealing with the functions of the African Affairs Board, Mr. Alport rejected the Opposition's contention that the Board's views were automatically binding on the Government. "It is wrong to suppose," he declared, "that the Minister is under an obligation, merely because the African Affairs Board has asked for the reservation of this legislation, automatically to support their point of view. Nor do I think it logical, right, or responsible for the Opposition to suggest that he should do so merely to give the Africans of Northern Rhodesia and Nyasaland confidence in the operation of the African Affairs Board, without any regard whatever to the merits of the legislation concerned." He found it difficult to accept the argument of the African Affairs Board that the increase between the European and African representation was necessarily differentiating. That could only be so if it were assumed that the Assembly was permanently divided into racial *blocs*.

In conjunction with the Federal Government and the two Northern Governments, H.M. Government had tried to produce the best possible estimate as to how many people would be entitled to vote as "special roll" candidates. In Southern Rhodesia the total number of Europeans and Africans eligible for the general roll was about 88,000, including about 3,000 or 4,000 Africans; the number eligible

for the special roll was 30,000, the vast majority of them Africans. The ratio would be about two or three to one in favour of the Europeans, but it was reasonable to say that the new representatives of African interests would be far more representative inasmuch as they would be elected by an electorate which contained not 1,000 but possibly 20,000 Africans. In Nyasaland the number of Europeans who might qualify to vote was about 3,500, and the estimate of Africans eligible for the special roll was about 7,000. There were not 2,000 Europeans on the existing roll, and it would be reasonable to conclude that the ratio would be one, two, or three to one in favour of the Africans. In Northern Rhodesia the number of Europeans, including Afrikaners, estimated to be eligible for the general roll was 37,000, but only 16,000 had registered in 1957. The number of Africans eligible on an income basis might be 48,000, though the literacy test would reduce this figure to about 21,000; it was reasonable, however, to conclude that the balance between European and African electors would be broadly on a 50-50 basis.

Therefore, Mr. Alport concluded, "not by the widest stretch of imagination" could the election of the African members be said to be on an overwhelming European roll. Moreover, the acceptance by the Federal Government of the right of British-protected persons to vote in Federal elections was an important concession, constituting a step away from racial politics and towards basing the Federal political pattern on a party system irrespective of race. Far from bringing disabilities to the Africans, the Bill gave them the opportunity for the first time of exercising their vote in Federal elections, and "one of the strongest arguments in favour of the Federal Government's plan" was that it would "give 12,000,000 Africans the chance to gain experience in how to deal with the practical problems of running a democracy." He hoped that the Opposition would treat this question not with any preconceived ideas but on its merits, since nothing could do more harm to Africa than for the Opposition, by dividing the House, "to add to the tensions and misunderstandings which all too often arise from mistaken guidance."

After a number of Conservative Members had supported the Government's view, and Labour Members had expressed themselves against the proposed changes in the Federation, **Mr. James Griffiths** (Colonial Secretary in the Labour Government) said that there was a deep fear among Africans in the two Northern Territories that their rights and land would be handed over to the domination of Southern Rhodesia. If the Government carried out their intention to advise the Queen to give her Assent, the message would go to Africa that the African Affairs Board, on which the Africans had relied for their safeguards, had been set aside by H.M. Government on the first occasion when it had sought to protect them. Mr. Griffiths suggested that the Government should withdraw the measure and agree to have discussions with Sir John Moffat and the African Affairs Board, after which the House could debate the matter further.

Mr. Lennox-Boyd (Colonial Secretary), replying to the debate, began by announcing changes in the procedure for the election of the African members from Nyasaland. He said that for the first elections to the Federal Assembly, the Governor had designated the Nyasaland Protectorate Council as the body which should elect the two specially elected Africans. That Council had consisted of the seven representatives of each of the African Provincial Councils, together with the African members of the Legislative Council—a body with a membership of a little over 20. Both he (the Colonial Secretary) and the Governor thought that this was too circumscribed, and the Governor had therefore promulgated a new regulation under which the election would in future be in the hands of all past and present members of the three Provincial Councils, thereby increasing the electoral college to approximately 240.

Turning to the Constitution Amendment Bill, Mr. Lennox-Boyd said that the proposals were based on the manifest inconvenience of the present Assembly and were in line with the Federal Government's general policy of partnership. He declined Mr. Griffiths' proposal to initiate discussions with Sir John Moffat or the African Affairs Board, saying that H.M. Government would not be able to do so "without a grave breach of the letter and spirit of the Federal Constitution." They had carefully examined the reasons given by the Board for the reservation of the Bill, but were satisfied that it was in the general interests of the Federation and of the African population to proceed with the legislation. Replying to a question whether the Federal Government's franchise Bill would be laid on the table of the House for 40 days, the Colonial Secretary said this would not be the case as it was not a constitutional Bill; in view of its great importance, however, the House would be given a full opportunity to debate its provisions.

Appealing to the Opposition not to divide the House, Mr. Lennox-Boyd said that whilst he believed that the differences between the Government and the Opposition over Central Africa were very small, a vote would be held there and elsewhere as denoting fundamental disagreement. All were deeply anxious to give Africans more political experience; under these proposals they would get it, and the number of elected Africans would immediately be doubled. All were anxious—and no one more than himself—that British-protected persons who formed the majority of the population of Northern Rhodesia and Nyasaland should play their proper part; under these proposals they would get the franchise. All were also anxious to move away from purely racial representation and franchise arrangements, and the present proposals would make a significant contribution to the political partnership which everyone desired.

The Opposition motion was rejected on a division by 301 votes to 245—a Government majority of 56.

The statement of the International Department of the British Council of Churches [referred to by Mr. Callaghan in the debate] expressed "deep concern" about the effect of the Constitution Amendment Bill on the mutual trust and confidence which was the basis of the Federation's progress. "Rightly or wrongly," it said, "the African understanding was that there would be no alteration in the constitutional provisons before 1960. If the British Parliament accepts such variation now, the confidence of the African will be still further undermined. Approval of the Bill at this juncture, in the Department's view, cannot but have lasting consequences in the further deterioration of race relationship."

The T.U.C.'s concern was expressed in a letter by Sir Vincent Tewson, its general secretary, to the Secretary for Commonwealth Relations. On behalf of the Council, Sir Vincent asked that there should be further consideration of the major issues raised in the Bill, and emphasized the importance of maintaining the African Affairs Board "as a safeguard for African interests," and of the need for Britain to exercise her responsibilities "towards the protected persons in the Territories concerned."

The Southern Rhodesia Electoral Amendment Bill, implementing the new franchise provisions for the Colony, was promulgated in the Government Gazette on Oct. 18.
(Federal Information Department, Salisbury - Times - Daily Telegraph - Manchester Guardian - Observer)
(Prev. rep. 15781 A.)

A. UNITED STATES. — Mr. Adlai Stevenson appointed "Consultant" on U.S. Administration's Programme for NATO Meeting.

The White House announced on Nov. 12 that Mr. Adlai E. Stevenson, the Democratic candidate in the last two presidential elections, had agreed to become a "consultant" in shaping the Administration's programme for the December meeting of the North Atlantic Council in Paris. It was stressed that Mr. Stevenson had originally been invited to take part in the formulation of American proposals to be made by President Eisenhower and Mr. Dulles to the other Heads of Government at the NATO meeting, but had declined this offer. He had agreed, however, to be kept informed of policy proposals as they were developing, and to give his comments orally or in writing before final decisions were taken.

Mr. Stevenson said in New York that while he could not undertake any part in formulating President Eisenhower's policies, he would gladly "pre-view" and discuss the Paris proposals before they were put into final shape. Where he was in agreement he would be willing to do all the "missionary work" he could, "privately, publicly, and politically, both in this country and in Europe among our Allies," and he had already furnished the State Department with a memorandum stating his first impressions of the problems to be confronted. In view of the gravity of the situation, he had "both a desire and a duty" to assist the Government, regardless of party or personal convenience. In reply to a question, Mr. Stevenson said that he would be willing to attend the Paris meeting, though his attendance would depend upon the nature of the U.S. proposals, and also on whether the President was willing to propose an increase in the Federal debt limit, which he (Mr. Stevenson) felt would be necessary to deal with the problem of increased foreign aid.

Mr Stevenson had a first meeting on Nov. 18 with Mr. Dulles, with whom he discussed questions connected with the forthcoming Paris session of the North Atlantic Council.

It had previously been announced by the White House on Nov. 6 that the President would meet Congressional leaders of both parties on Dec. 3 prior to the NATO Council meeting.
(New York Times - New York Herald Tribune)
(Prev. rep. 15823 A.)

B. UNITED KINGDOM. — Accountants' Merger.

An extraordinary meeting of members of the Society of Incorporated Accountants passed a resolution on Nov. 1 placing the society in voluntary liquidation and transferring its net assets to the Institute of Chartered Accountants in England and Wales. The decision, taken by 225 votes to 42 (or more than the three-quarters' majority required), completed the merger scheme between the national institutes and the society. Appropriate payments will be made by the English institute to the Scottish and Irish institutes in respect of members joining the latter bodies.—(Times) **(15640 A.)**

C. FRANCE.—Press. - "Franc-Tireur" changes Title.

The left-wing Paris newspaper *Franc-Tireur* changed its title on Nov. 28 to *Paris-Journal*. As hitherto, the paper will not be allied to any of the political parties and will continue to represent independent left-wing non-Communist opinion. Its principal editorial writers remain unchanged, but it has new financial backing and is designed to have a more "popular" appeal than was the case with *Franc-Tireur*. (Le Monde)
(Prev. rep. 14966 E.)

A. UNITED KINGDOM. — Report of Committee of Inquiry into Interception of Communications.

The report of the committee of Privy Councillors appointed to inquire into the interception of telephone and postal communications was published on Oct. 31. It considered that the power to tap telephones was justifiable; that it had been used with the greatest care and circumspection; that it had been effective in detecting major criminals and preventing injury to national security; and that its exercise in these limited spheres should continue, subject to precisely defined conditions and safeguards, but should not be extended. The committee felt that the decision of Lord Tenby (then Major Lloyd-George) to permit the disclosure to the Bar Council of information obtained by "telephone-tapping" was a mistaken one, and recommended that information so obtained should not in future be disclosed to private individuals or bodies. The report is summarized below.

Existing Conditions for Interception of Telephone Communications. The report pointed out that power to intercept letters had been exercised from early times and had been recognized as lawful by a succession of statutes covering the last 200 years. This power extended to telegrams, and it was difficult to resist the view that it was wide enough to cover telephone communications as well. If, however, it was thought that the power to intercept telephone messages was left in an uncertain state, it would be for Parliament to consider what steps ought to be taken to remove all uncertainty.

Interception was only carried out on a warrant from the Home Secretary or the Secretary of State for Scotland, setting out the names and addresses or telephone numbers of the persons concerned. On occasion a single warrant had been issued in the past to cover a number of names, but the committee considered this practice undesirable. The great majority of the warrants for the detection of crime were granted to the Metropolitan Police and the Board of Customs and Excise, and in 1951 three conditions had been laid down for the police and for the Customs that must be satisfied before a warrant could be issued. These were:

(1) The offence must be really serious (i.e. one for which a man with no previous record could reasonably be expected to be sentenced to three years' imprisonment, or one of lesser gravity in which a large number of people were involved).

(2) Normal methods of investigation must have been tried and failed, or must be unlikely to succeed if tried.

(3) There must be good reason to think that an interception would result in a conviction.

Where the Security Service was affected, the Home Office considered each case. The principles governing the issue of warrants were:

(1) There must be a major subversive or espionage activity likely to injure the national interest.

(2) The material likely to be obtained by interception must be of direct use in compiling information necessary to the Security Service in carrying out the tasks laid upon it by the State.

Less stress was laid upon the need to secure convictions, since the Security Service was primarily concerned with safeguarding the State and keeping itself informed about dangers to its security.

Close supervison over the use of methods of interception was maintained by the Home Office, and there was a quarterly review of outstanding warrants by the Permanent Under-Secretary at which the authorities concerned were asked to make a case for their continuance. The committee had found no evidence of interceptions being kept on longer than was thought necessary, but they felt that outstanding warrants should be reviewed more frequently. The report therefore recommended:

(1) A regular review of outstanding warrants not less than once a month, both by the Home Office and by every authority granted a warrant.

(2) Warrants should no longer be valid until cancelled, but their validity should be for a definite period of not more than two months.

(3) The cancellation of a warrant by the authority to whom it was issued should be reported instantly to the Home Office.

(4) Full records of each case of interception should be kept in the Home Office.

The Marrinan Case. The report recalled that it had been the settled policy of the Home Office that, save in the most exceptional cases, information obtained by the interception of communications should not be used as evidence in a court or in any other inquiry. The committee considered that the actions of Sir Hartley Shawcross, in obtaining authority to disclose to the Bar Council and the Benchers of Lincoln's Inn information obtained by "telephone-tapping," and of Lord Tenby, in granting this authority, had been "governed by considerations of the public interest." Sir Hartley Shawcross had been moved by the view that the integrity of the Bar was of vital importance to the administration of justice, whilst Lord Tenby had considered that the circumstances were so exceptional and the ground of the application of such importance that he should depart from the normal procedure.

"We are anxious not to use language which might imply that the decision of Lord Tenby was unreasonable," the report continued. "We recognize that the facts before Lord Tenby were indeed highly exceptional. The fact that the administration of justice was involved was the governing consideration in the mind of Lord Tenby, and it is easily to be understood that the importance of that consideration led him to the conclusion that the action which he took was in all the circumstances of the case justifiable. But we are of the opinion that the power given to the Secretary of State to issue a warrant to intercept communications, whether by letter or by telegram or by telephone, is a power of such importance and consequence that it should be most rigorously confined to the purposes which convinced the Home Secretary that it was right to issue the warrant in the first place." The committee therefore recommended that "there should be no disclosure of the information obtained on public grounds by the exercise of this great power to private individuals or private bodies or domestic tribunals of any kind whatsoever."

Use and Effectiveness of Telephone Interceptions. The report stated that the major uses to which methods of interception were put by the Metropolitan Police were to break up organized gangs, to catch men on the run, and to detect receivers of stolen property. The Board of Customs and Excise had started to use this method in 1946 at a time when exchange control and quota restrictions had led to the illicit export of capital, usually in the form of diamonds, which was estimated to have reached a value of £9,000,000 in 1952 and to be still running at about £6,000,000 a year. Internationally organized by a small group, this traffic was hard to trace by normal means of detection.

The duties of the Security Service were broadly to detect espionage and subversion and to ensure that Communists, Fascists, or their close associates were not employed on work vital to State security. Espionage was carried out by highly trained people who took extreme precautions. Communications were the weakest link in their organization, and without penetration of these communications it would often be impossible to detect major espionage at all.

The committee had received conclusive evidence of the effectiveness of interception. Results directly achieved by this method included the arrest and conviction of a number of Mr. Billy Hill's associates; the recapture of a number of escaped convicts; the conviction of a large-scale smuggler believed to have illicitly exported £6,000,000 in three years; the identification of major spies; the discovery of highly secret material in passage through the post in extremely ingenious forms; and the detection of Communists operating secretly in the Civil Service. During 1953-56 the number of arrests made by the Metropolitan Police in consequence of direct interception had been 57 per cent of the number of telephones tapped, and so far in 1957 every interception but one had led to an arrest. The number of cases of detection of major Customs frauds due to interception had been 80 per cent of the number of interceptions. Although such cases were a small proportion of the total of convictions, they were confined to the biggest and most dangerous offenders, and the most important captures had been made as a result of interceptions.

The committee were satisfied that all the officers and officials concerned were scrupulous and conscientious in the exercise of this power; that interception was used only where there was good reason to believe that a serious offence or security interest was involved; and that the number of people with access to material obtained by interception was kept to an absolute minimum. The evidence had overwhelmingly established that there were continuous, organized, and dangerous efforts to spy out secrets of the State; that similar organized and continuous efforts were made to spread subversion and to penetrate the apparatus of the Government and work of high security; and that methods of interception were often the only effective method of countering espionage and subversion and of safeguarding vital State secrets.

The committee considered that public concern might be in some degree allayed by knowledge of the actual extent of the interception of letters and telephone messages, and accordingly set out the following figures "as an exceptional measure" and in a way which disclosed as little as possible about interceptions by security:

Number of Interceptions Authorized by Secretary of State.

Year	Police, Customs, Post Office, and Security		Drugs, Lotteries, and Obscene Publications		Totals	
	Telephones	Letters	Telephones	Letters	Telephones	Letters
1937	17	335	—	221	17	556
1938	20	422	—	288	20	710
1939	29	643	—	330	29	973
1940	125	1,192	—	365	125	1,557
1941	180	833	—	29	180	862
1942	164	512	—	2	164	514
1943	126	327	—	2	126	329
1944	102	213	—	—	102	213
1945	56	90	—	—	56	90
1946	73	139	—	—	73	139
1947	110	162	—	28	110	190
1948	103	156	—	714	103	870
1949	133	183	—	458	133	641
1950	179	232	—	124	179	356
1951	177	261	—	225	177	486
1952	173	237	—	225	173	462
1953	202	240	—	219	202	459
1954	222	223	—	4	222	227
1955	231	205	10	—	241	205
1956	159	183	—	—	159	183

The average annual number of telephone interceptions in the 20 years was 130, and of letter and telegram interceptions 501.

The committee were strongly of the opinion that it would be wrong for such figures to be disclosed in the future, since even an approximate indication of interceptions for security purposes would greatly aid agencies hostile to the State.

Position of M.P.s. With reference to questions asked in the Commons about the propriety of intercepting the communications of M.P.'s, the committee stated that so far as they had been able to discover an M.P. was not to be distinguished from an ordinary member of the public unless the communications intercepted were held to be in connexion with a parliamentary proceeding. While recognizing that it was for the House itself to consider whether the interception of a Member's letters or telephone would constitute a breach of privilege, they cited a resolution of 1735 as clear recognition by the House of the Secretary of State's right to intercept a Member's postal packets by the use of an express warrant.

Conclusion. All the evidence was that there had been no tapping of telephones in Great Britain by unauthorized persons, but there could be no certainty that it did not occur. It might even be done without commission of a trespass upon private or Crown property, and Parliament might consider whether legislation should be passed to make it an offence.

The committee recognized that the interception of communications was regarded with general disfavour. They had no doubt, however, that this power should continue to be used for national security, as it had produced important results which could not have been obtained in any other way, and that its use in the detection of serious crime, so far from injuring the citizen, had been to his benefit.

Mr. Gordon-Walker's Reservations. Mr. Gordon-Walker expressed the opinion that public repugnance to this practice had increased, and that public concern was such that if the interception of communications continued as in the past there might be "some danger of a weakening of the popular approval without which the police cannot in the long run carry on effectively." He therefore recommended that this power should be used, for security purposes, only for direct counter-espionage and the protection of high secrets of State, and for the prevention of the employment of Fascists or Communists in connexion with work vital to the State. In the detection of crime it should be confined to the most extreme and dangerous cases, e.g. the apprehension of dangerous criminals or lunatics or the detection of dangerous gangs likely to commit violence.

In recent years, he pointed out, the number of detections of offenders secured through interception by the Customs had been only 0.7 per cent of the total number of convictions, whilst the number of arrests made by the Metropolitan Police as the result of interception had been only 0.13 per cent of the total number of arrests for indictable offences. These figures suggested that even if interception were brought to an end there would be no catastrophic increase in the amount of crime escaping detection. Mr. Gordon-Walker also proposed that no warrant should be issued save on a sworn information or affidavit, and that no material obtained should be used as evidence in any court of law or inquiry in the public service.

The Prime Minister, Mr. Macmillan, announced in the House of Commons on Oct. 31 that the Government had accepted all the committee's main recommendations, and that arrangements were being made to give effect to those which called for a change in procedure.

Lord Tenby stated after the publication of the report that, in view of the exceptional circumstances, he still considered that his action had been justified. At the annual general meeting of the Bar on Nov. 4 Lord Chorley withdrew a motion which he had proposed, deploring the Bar Council's use of material obtained by intercepting telephone communications, in view of the Government's acceptance of the recommendation that material of this kind should not be disclosed to private organizations. A vote of thanks to and of confidence in Sir Hartley Shawcross was adopted unanimously.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 15776 A.)**

A. BAHREIN. — British Rejection of Persian Claim.

It was announced in Teheran on Nov. 12 that the Persian Government had been instructed by the Shah to put before Parliament a Bill declaring Bahrein the 14th Persian province. A British Foreign Office spokesman stated on Nov. 14 that Bahrein was an independent Arab State under British protection; that Persia had often in the past claimed sovereignty over Bahrein on historical grounds, which H.M. Government had repeatedly rejected as unfounded; and that H.M. Government would "continue to fulfil their obligation to safeguard the independence of Bahrein."

Persian claims to sovereignty over Bahrein had been put forward in 1906, 1927, 1952, and 1956, but had always been rejected by successive British Governments.

A statement by the Arab League in Cairo (Nov. 15) said that Persia's claim could not be recognized since Bahrein was "Arab territory."—(Times - Daily Telegraph) **(14935 B.)**

B. LAOS. — New Cabinet. - Agreement with Pathet Lao on Reincorporation of North-Eastern Provinces. - Pathet Lao Representatives enter Coalition Government. - Agreement on Neutralist Foreign Policy.

After a Cabinet crisis lasting 70 days the Laotian National Assembly approved on Aug. 9 a new Government formed by Prince Souvanna Phouma, the outgoing Prime Minister, the voting being 28 to eight, with one abstention. The new Cabinet was a coalition of the Independents and National Progressives, the two principal parties. In addition to the premiership Prince Souvanna Phouma also took over the Defence Ministry, whilst M. Katay Don Sasorith became Minister of the Interior and M. Phoui Samanikone became Foreign Minister.

The policy of Prince Souvanna Phouma's new Government—as outlined by him to the National Assembly—was more accommodating to the *Pathet Lao's* demands than his previous offers; while insisting as hitherto on the indivisible sovereignty of the Royal Laotian Government, Prince Souvanna Phouma now offered to include *Pathet Lao* representatives in the Government. He also expressed willingness to incorporate the *Pathet Lao* forces into the Royal Laotian Army after "screening"; to allow a successor party to the *Pathet Lao* to take part in the elections to be held in January 1958; and to pursue a policy of neutrality, including good-neighbourly relations with all neighbouring States.

Renewed negotiations between Prince Souvanna Phouma and the *Pathet Lao*, which is led by Prince Souphannou Vong (the Prime Minister's half-brother), ended in an agreement on Oct. 23 containing the following provisions: (1) immediate cessation of hostilities; (2) integration of the *Pathet Lao* forces in the Royal Laotian Army within the limits of budgetary possibilities; (3) integration of *Pathet Lao* "civil servants" in the Kingdom's administrative system where possible; (4) recognition of the *Neo Lao Haksat*, the political wing of *Pathet Lao*, as a legal party; (5) the granting of civil rights to *Pathet Lao* followers on an equal basis with all other Laotians; (6) the formation of a new Government of National Union which would include two or three *Pathet Lao* representatives; (7) an agreement that Laos would "not participate in any bloc or military alliance, nor allow any country to establish military bases in Laotian territory"; (8) acceptance of foreign aid without political or military commitments; (9) restoration of the Government's authority over the north-eastern provinces hitherto held by *Pathet Lao*.

The agreement was approved by the National Assembly on Nov. 2, and the two north-eastern provinces were formally transferred to the Royal Laotian Government on Nov. 18. On the same day Prince Souvanna Phouma presented a new 16-member Cabinet to the National Assembly for investiture, including two *Pathet Lao* representatives—Prince Souphannou Vong, who became Minister of Planning, and M. Phoumvong Vichit, appointed Minister of Education. The National Assembly passed a vote of confidence in the new coalition Cabinet later the same day.

It was pointed out in the British and American Press that with Laos now committed to a policy of "neutrality" it would form, with its neighbour Cambodia, a "neutralist" corridor stretching from South China to the Gulf of Siam. Western observers nevertheless expressed concern lest Communist influence in the area should be strenghtened as a result of this development.—(Times - Le Monde - New York Times) **(Prev. rep. 15672 A.)**

C. LATIN AMERICA. — Agreement on Stabilization of Coffee Prices and Control of Coffee Exports.

An agreement was signed in Mexico City on Oct. 18 by seven countries—Brazil, Colombia, Mexico, El Salvador, Guatemala, Costa Rica, and Nicaragua, together producing about 80 per cent of the world's coffee—to stabilize coffee prices in world markets, and to control exports.

The agreement provided (*a*) that Brazil would retain a 20 per cent reserve of her coffee exports during the year Oct. 1, 1957-Sept. 30, 1958, exporting about 15,000,000 bags of the current crop (including 4,000,000 already sold) out of 17,000,000 bags produced for export; (*b*) that exports of mild coffee by the signatories would be limited during the period Nov. 1, 1957 to March 31, 1958 to 80 per cent of the average exports in the corresponding periods of the two previous years; (*c*) that producers of mild coffee would maintain reserves equivalent to 10 per cent of all shipments between Nov. 1, 1957 and Sept. 30, 1958.

It was decided to hold a further meeting in Rio de Janeiro in January 1958 to which all coffee-producing countries, including African countries, would be invited, in order to discuss the formation of an international organization for controlling coffee exports and stabilizing coffee prices.

(Bank of London and South America)

A. FRANCE. — Renewal of Government's Special Powers for Algeria.

The French National Assembly agreed on Nov. 12, by 344 votes to 211 with six abstentions, to renew the Government's special powers for combating the rebellion and terrorism in Algeria and Metropolitan France.

M. Bourgès-Maunoury (Minister of the Interior) stated during the debate that the "life and death struggle" waged in Metropolitan France by adherents of the National Liberation Front and the Algerian National Movement against each other had cost 550 deaths and over 2,000 injured since the beginning of 1957. This struggle indicated that the National Liberation Front, as a result of the blows inflicted upon it in Algeria, had tried to open up a new front in Metropolitan France "with a view to sapping the French fighting spirit." M. Bourgès-Maunoury also disclosed that under the Emergency Powers Act of July last, 329 people had been arrested in Metropolitan France, 101 hotels or cafés closed, 329 persons sent to a place of fixed residence, and thousands of arms seized. A large number of cases was still pending, and the Government intended to use the special powers to the greatest possible extent in order to suppress the rebellion.

During the debate deep apprehension was expressed by several deputies about the alleged excesses committed by the French forces and the police in repressing the Algerian rebellion. **M. Teitgen** (M.R.P.) expressed the view that even though the National Liberation Movement had committed "abominable crimes," their suppression did not justify the use of "certain investigative methods" [i.e. torture]. If it were established that such methods had been used, which was by no means certain, they would be immoral and contrary to the national honour, which demanded that the fighting should be conducted according to the rules of war even if the enemy employed abominable methods. Moreover, the use of such methods would help the rebel propaganda more than the cause of France. To give the Government time to set on foot the necessary investigations to establish the truth, and at the same time to compel it to take the measures necessary to end these abuses, if proved, M. Teitgen proposed an amendment limiting the special powers until April 1, 1958, or the resignation of the present Government, whichever was the earlier.

M. Lacoste (Minister for Algeria) pointed out that the Government had accepted periodical control of its actions in Algeria by various commissions. Three such commissions had been permitted to visit Algeria: first the International Red Cross Commission, which, after a visit in June last, had expressed its appreciation of the facilities granted to it; then the International Commission against concentration camps, which had similarly acknowledged the complete liberty with which it had been allowed to carry out its investigations; and thirdly the Commission to safeguard individual rights set up by M. Mollet's Government. As a result of the last-named Commission's report, the Government had already taken a number of measures. M. Bourgès-Maunoury, when Prime Minister, and he personally (M. Lacoste), had agreed at the time that the Commission's report should be published, but the governmental crisis had made this impossible. The report would be published, but it was essential that it should be accompanied by another report giving full particulars of the atrocities of the terrorists so as to provide "complete and honest information" about the position as a whole. The need for such a complementary report on the rebels' atrocities had been stressed by the "Safeguarding Commission" itself, which had expressed its horror at the ever-growing number of sadistic barbarities and atrocities committed by the rebels. In reply to M. Teitgen, M. Lacoste said that it had always been his aim "not to abandon legality and morality"; that he agreed that malpractices must be ended; and that sanctions had already been taken by the Government in at least 250 cases. He undertook to continue as rapidly as possible with this action and to give M. Teitgen all the information desired. M. Teitgen thereupon withdrew his amendment.

M. Pierre Cot (*progressiste*) moved that an additional Article should be inserted into the Bill laying down that the special powers should be exercised "within the framework of the Declaration of Human Rights"; that all investigations, searches, and interrogations should be handled by judges instead of by officers; that the military appeal tribunal in Algiers should be abolished and its functions transferred to the civil courts; that the reports of the Safeguarding Commission should be published; and that the Commission's powers should be extended to enable it to order the suspension or modification of any administrative or judicial measures. After **M. Lacoste** had intervened to say that his principal task in Algeria was to protect and save the lives of the population, and that he had always honestly tried to reconcile the execution of this task with the demand of his conscience, M. Cot's amendment was defeated by 380 votes to 130.

Both M. Soustelle (Social Republican), the former Governor-General of Algeria, and **M. Isorni** (Independent) announced that they would support the Bill, although they regarded the special powers contained therein as insufficient.

The supporters of the Bill included 95 Socialists and four members of the *Mouvement Socialiste Africain*; 87 (out of 92) Independents and five *paysans d'action sociale*; 64 (out of 75) M.R.P. deputies; 27 (out of 48) Radicals; 19 (out of 21) Social Republicans; the 14 dissident Radicals; 12 R.G.R. deputies; six members of the *Convention Africaine*; five (out of 21) members of the U.D.S.R.-R.D.A.; five *non-inscrits*; and one *paysan*.

The opponents of the Bill comprised 143 Communists and six *progressistes*, 30 Poujadists, three M.R.P., three *non-inscrits*, one Socialist (M. Daniel Mayer), and one U.D.S.R. Five M.R.P. deputies and one Independent abstained, while 16 deputies did not take part in the vote.

The Bill was approved by the Council of the Republic on Nov. 14 by 230 votes to 18, the Moslem senators abstaining. The opposition included 15 Communists.—(Le Monde)

(Prev. rep. 15847 A.)

B. EGYPT - JORDAN. — Press and Radio "War."

The Egyptian press and radio launched a violent propaganda campaign against the Jordanian Government and King Hussein personally from the beginning of November, leading to equally strong attacks on President Nasser and the Egyptian Government from the Jordanian side. The intensity and violence of this press and radio "war," in which Syrian propaganda organs also joined in the attacks on Jordan, led the Kings of Saudi Arabia, Iraq, and Libya to issue personal appeals for a cessation of recriminations between the countries concerned.

The Cairo newspaper *Al Shaab* accused the Jordanian Government on Nov. 3 of having entered into secret negotiations with Israel, alleging that the Jordanian Foreign Minister (Mr. Samir Rifai) had had a secret meeting at Nablus on Sept. 14 with the Israeli Prime Minister, Mr. Ben-Gurion, and the Foreign Minister, Mrs. Meir. [An Israeli Government spokesman described these allegations as "nonsense."] The allegations were repeated by Cairo Radio, which bitterly attacked the Jordanian leaders and accused King Hussein of accepting a "bribe" of $30,000,000 from the United States.

The Jordanian Government issued a statement on the following day (Nov. 4) denying the *Shaab* allegation as a complete lie, and accusing Egypt herself of entering into secret negotiations with Israel. After saying that the Jordanian Government possessed "quantities of evidence" to prove that "responsible Egyptians are carrying out secret communications and contacts with the Israelis," the statement accused Egypt of "treason to the Arab cause" and her rulers of "political and moral degradation." The Jordanian radio bitterly attacked President Nasser and other Egyptian leaders, applying to them such epithets as "dogs," "crows of evil," "treason trumpets," and "agents of the Kremlin"; President Nasser himself was denounced as a "little dictator," a "slave of Moscow," and a "Don Quixote striking right and left with his wooden sword but hitting only himself."

During the following week the press and radio "war" between the two countries reached a new peak of violence. The Egyptian Press (including the official *Al Goumhouria*) and Cairo Radio described King Hussein as a "traitor" and accused his Government of allowing Jordan to become a "base of American imperialism," whilst the Jordanian press and radio accused the Egyptian rulers of trying to foment dissension and mutiny in Jordan so that the Arab world would be "an easy victim for the Egyptians' masters in Moscow." The personal attacks on King Hussein were bitterly resented by the Jordanian press, which accused Egyptian newspapers of "ignoring the ethics of journalism and prostituting their profession."

At a mass meeting in Amman on Nov. 11, representatives of the Palestine Arab refugees in Jordan pledged their whole-hearted support for King Hussein, denounced the "campaign of lies" directed against Jordan by the Egyptian press and radio, and called on the Arab League to end the causes of difference between its member-states. On the following day the Speaker of the Jordanian Parliament appealed to the Heads and Parliaments of other Arab countries to assist Jordan in putting an end to the Egyptian press and radio campaign, which was "poisoning the Arab atmosphere."

In a broadcast on Nov. 9, King Hussein thanked his people for their nation-wide demonstrations of loyalty and for their resentment at the "lies fabricated against Jordan by the hired propaganda trumpets in Egypt." Speaking at a press conference on Nov. 13, King Hussein described the present rulers of Egypt and Syria as "tools of international Communism" who, through propaganda and subversion, were trying to spread Communism in Jordan. This campaign, however, had had precisely the opposite effect, as it had united the Jordanian people, the large refugee population, and the Army solidly behind the Government.

King Saud of Saudi Arabia and King Faisal of Iraq urged the Egyptian and Syrian press and radio on Nov. 14 to cease attacking Jordan, declaring that such campaigns would "benefit only the enemies of Arabs and Moslems." King Idris of Libya also appealed on Nov. 18 to the Governments and peoples of Egypt, Syria and Jordan to cease recriminations "for the sake of the dignity of the Arab nation." Although there was no official response to these appeals, the Egyptian press and radio made little or no reference to Jordanian affairs after mid-November, and ceased its attacks on King Hussein and the Jordanian leaders.—(Times - Daily Telegraph - Manchester Guardian - Le Monde - New York Times)

(Prev. rep. 15612 A; 15561 A.)

NOVEMBER 30—DECEMBER 7, 1957

A. TUNISIA - FRANCE. — Suspension of French Military Aid to Tunisia. - Delivery of British and U.S. Arms. - French Protests to British and U.S. Governments. - Mr. Macmillan's Visit to Paris. - Gaillard-Macmillan Statement. - Deterioration of Franco-Tunisian Relations in 1957. - Suspension of French Economic Aid. - Tunisian Counter-Measures. - Clashes between French and Tunisian Troops. - Incidents on Tunisian-Algerian Border.

A serious crisis arose in the relations between France on the one hand and Britain and the U.S.A. on the other when the French Government suspended the supply of equipment to the Tunisian Army in August 1957, whereupon the Tunisian Government appealed to the other Western Powers for assistance. After a French offer to resume deliveries on condition that Tunisia would not accept armaments from any other source had been rejected by President Bourguiba, consignments of British and U.S. arms were delivered on Nov. 15, an action which led to strong protests from the French Government. Details of these and other recent developments in Franco-Tunisian relations during the past year are given below under cross-headings.

Suspension of French Military Aid. - Delivery of British and U.S. Arms to Tunisia.

A request by the Tunisian Government for 1,000 rifles to equip one battalion of its Army was refused by the French Government early in August. [According to an earlier statement issued in Paris on May 27, France had previously supplied to Tunisia equipment for a mixed Army regiment, about 2,000 arms for the police, and training equipment for the n.c.o. school at Bardo.] The Tunisian Government thereupon approached the U.S.A., Italy, and Belgium, and also appealed to the Arab States on Aug. 8 for assistance. In an interview with a *New York Times* correspondent (Sept. 11) President Bourguiba stated that both Italy and Belgium had refused to sell arms to Tunisia "because of French pressure," and that no reply had been received from the U.S.A. "If the United States carries its anxiety to please France to the point of forgetting our independence," he declared, "we must begin to consider our own interests," adding that overtures had been received through the Soviet Embassy in Paris. On the following day, however, President Bourguiba received the U.S. Ambassador, who assured him that the U.S. Government was giving the matter close attention.

On Sept. 16 Cairo Radio announced that the Egyptian Government had offered to supply arms to Tunisia as a gift; the Tunisian Ambassador to Egypt (M. el-Tayab el-Sahabany) stated on Sept. 23 that this offer had been accepted, and that a Tunisian military mission would shortly visit Cairo to discuss details. On the following day the U.S. Government gave President Bourguiba a written assurance that Western arms, possibly from Italy, would reach Tunisia during October. Announcing this on Sept. 26, President Bourguiba emphasized that Tunisia did not intend to obtain arms from Communist sources, and stated that although a Czechoslovak trade delegation had recently visited Tunis the question of arms supplies had not been raised.

The possibility of Tunisia's receiving arms from an independent source caused great concern in France, and M. Pineau made a statement on the question during the debate preceding the vote of confidence on the Algerian *loi-cadre* on Sept. 30 (see 15847 A). The French Government, he announced, had proposed that a conference should be held to settle all the questions at issue between France and Tunisia, and that any decision on the delivery of arms should be postponed until the results of the conference were known.

"The Tunisian Government," M. Pineau said, "asked France to supply it with arms . . . Although no weapons belonging to the regular Tunisian Army have so far been found in the possession of the Algerian rebels, the French Government considered that it could not give an affirmative reply because of the deterioration of Franco-Tunisian relations . . . Following this refusal, Tunisia approached certain Western Governments, which after consultations with France did not comply with this request . . . The Tunisian Government then made it known that it was considering approaching certain Eastern Powers to obtain deliveries of arms—an announcement which aroused strong feeling among the majority of our allies, who considered that the question should be re-examined . . . The French Government . . . strongly insisted on a number of essentials, notably concerning the security of our troops and the maintenance of Western solidarity. As a pre-requisite to any decision it raised the question of what guarantees would be forthcoming that the equipment would not be passed on to the Algerian rebels, or employed against the French troops in Tunisia . . . It seemed to the Government that the only possible guarantee would be the settlement of the problems in dispute between Tunisia and France. For this reason it has instructed the French Ambassador in Tunis, M. Gorse, to propose to President Bourguiba the holding of a conference to deal with the questions at issue between the two countries, military, economic, financial, or administrative . . . We are asking our allies that no decision on future deliveries of arms should be taken until the results of this conference are known."

The fall of M. Bourgès-Maunoury's Government on the same day (Sept. 30), and the 36-day Cabinet crisis which followed, prevented any progress being made with the French proposal for a conference. The Tunisian Government meanwhile continued negotiations with the U.S. Government and also with the British Government, which it had approached at the end of September. In return for guarantees from President Bourguiba that the arms would be used solely for defensive purposes and would not be allowed to fall into the hands of the Algerian insurgents, the two Governments agreed to supply Tunisia with arms if France refused to do so. To avoid embarrassing the next French Government, however, no deliveries were made while the French Cabinet crisis continued, and President Bourguiba agreed that the deliveries should be postponed until a week after a new French Government had been formed.

Following the formation of M. Gaillard's Government on Nov. 5, the British and U.S. Governments informed the new French Cabinet that they would deliver a consignment of arms to Tunisia on Nov. 12 if France had not done so before that date. The French Government replied that it was prepared to supply equipment for two battalions if President Bourguiba gave a further guarantee that he would not accept arms from any country other than France—in particular, from Egypt or the Communist powers—and proposed that the British and U.S. Governments should associate themselves with a *démarche* to this effect by the French Ambassador in Tunis. Both Britain and the U.S.A. declined this invitation, but agreed to postpone once more the delivery of arms until the French offer had been submitted to the Tunisian Government. On Nov. 13 M. Gorse (the French Ambassador in Tunis) accordingly saw President Bourguiba, who rejected the French conditions as incompatible with Tunisian sovereignty.

President Bourguiba explained his reasons for rejecting these conditions in a broadcast on Nov. 15. To accept them, he said, would have placed "limits on our sovereignty as an independent country" and would have been an unfriendly gesture towards Egypt, whose offer of a free gift of arms had already been accepted. Moreover, if France became Tunisia's sole source of supply, there was a danger that she would make a frontier incident, or a speech which might cause offence in Paris or Algiers, an excuse for suspending arms deliveries as she had already suspended economic aid. The conditions laid down by Britain and the U.S.A., on the other hand, were reasonable, as Tunisia had never attacked anyone or transferred arms to others in the past, and had no intention of doing so in the future. "It seems," President Bourguiba added, "that all our difficulties arise from the fact that France does not take Tunisian independence seriously."

During the evening of Nov. 13 Mr. Houghton, the U.S. Ambassador in Paris, informed M. Gaillard that the U.S. and British Governments had decided to proceed with the deliveries, whereupon the Premier immediately summoned an emergency Cabinet meeting. M. Gaillard again saw Mr. Houghton and also Sir George Young, the British Chargé d'Affaires, during the night of Nov. 13-14 and lodged a strong protest. The British and U.S. Governments, however, officially announced their decision on Nov. 14, and the arms were delivered to Tunisia on the following day. The British consignment consisted of 350 Sterling sub-machine guns and 70 Bren guns with ammunition, representing a total value of £20,000, and the U.S. consignment of 500 rifles and 50,000 rounds of ammunition.

A statement issued in Washington on Nov. 14 said that Tunisia, as a free and independent member of the U.N., had the right to provide for her internal security and self-defence. Tunisia had freely chosen to identify herself with the West, and Western nations should provide her with an opportunity to purchase arms from Western sources. The statement concluded by expressing regret that the French Government had not "found it possible to associate herself with the supply of arms to Tunisia, despite the frequent consultations which have taken place on this subject."

Statements by M. Gaillard and Mr. Selwyn Lloyd.

Great indignation was aroused in French political circles, and among the French population generally, by the delivery of British and American arms to Tunisia. The French delegation walked out of the NATO parliamentary conference (then meeting in Paris) during the afternoon of Nov. 15, and later

the same day M. Gaillard informed the National Assembly that unless a solution were found by Dec. 16 France would reconsider her position regarding the NATO "summit" conference scheduled to open on that date.

M. Gaillard said that France had decided to suspend arms deliveries to Tunisia because of "the difficulties which arose in Franco-Tunisian relations during the summer, the numerous frontier incidents, and the admitted, if not voluntary, assistance given to the Algerian *fellaghas*." Belgium and Italy, when approached, had refused to supply Tunisia with arms, thereby "showing their friendship for and confidence in France and their clear appreciation of the real nature of the problem." During October, however, Britain and the U.S.A. had given several warnings that if France did not supply Tunisia they would do so themselves, as they considered that "it was necessary above all to avoid an appeal by Tunisia to the Soviet bloc and its allies." After his [M. Gaillard's] Government was formed, Britain and America had insisted all the more that Western arms must reach Tunisia because there were reports of a large arms delivery coming from Egypt; the result was that President Bourguiba, being "assured of deliveries from both Anglo-Saxon and Egyptian sources," had refused the guarantees asked by France.

The French Government had demanded these guarantees, and had refused to be "satisfied with vague hopes or mere promises," M. Gaillard continued, "not only because we have too often been disappointed, not only because Tunisia's independence *de jure* is compromised daily by the armed occupation of a considerable part of its territory by the *fellaghas*, not only because the Tunisian Government which submits to this occupation claims to approve of it, but also because the [French] Government is accountable to the nation for the young men who are fighting in Algeria . . . The situation created by the Anglo-American decision is a grave one. The French people resent it as an unfriendly gesture . . . Article 6 of the Atlantic Pact expressly lays down that it covers the Algerian departments. Any threat to their integrity should automatically bring the solidarity of our allies into play. How can we reconcile that with deliveries of arms, without a guarantee, to a neighbouring country which takes pride in assisting the Algerian rebels? . . .

"The Government will act firmly and calmly," M. Gaillard went on. "It does not intend to weaken what remains of the Atlantic Pact more than has been done already. On the contrary, it will seize this opportunity to strengthen it, convinced that if this result is not attained by our joint efforts the alliance uniting us would soon fall to pieces. The Government will not rest content with the very firm protest which has been addressed to the British and U.S. Governments. Without waiting for the meeting of NATO Heads of Governments which will take place in Paris on Dec. 16, it will seek a solution to this problem consistent with the solidarity of the Atlantic nations and France's vital interests in Algeria and North Africa. If a clear and unequivocal solution is not reached by Dec. 16, the basis of the NATO conference and the hopes which it has raised will be endangered. Parliament will then be informed of the situation and will have to decide . . . on solutions in keeping with the nation's interests."

The British Government's views on the situation were given by the Foreign Secretary, Mr. Selwyn Lloyd, in a statement to the House of Commons on Nov. 18.

"I deeply regret the differences of opinion which have arisen with the French Government over this matter," Mr. Lloyd said. "I wish to emphasize the following points . . . Tunisia, as an independent sovereign State, is entitled to arms for the purposes of legitimate self-defence and internal security, particularly in view of the need to ensure effective control of her frontiers. Secondly, there has been no dispute whatever with the French Government on the principle that any delivery of arms by any Western country must be subject to satisfactory undertakings by the Tunisian Government that those arms would only be used for legitimate self-defence and internal security, and would not under any circumstances be allowed to fall into unlawful hands. On that point the Tunisian Government gave assurances which both H.M. Government and the U.S. Government regarded as satisfactory. No suggestion was made to us by the French Government that the Tunisian assurances on this point were not adequate. On the contrary, the French Government were themselves prepared to send arms to Tunisia; and although in the event they did not do so, this was not because of any lack of assurances on the point which I have mentioned, but rather because certain other assurances relating to the source of future supplies to Tunisia were not forthcoming.

"Thirdly, France is the traditional supplier of arms to Tunisia and, as we made clear to both the French and Tunisian Governments, we believe that France should continue by agreement with Tunisia to be the main supplier. Fourthly, it would be most unfortunate if the Tunisian Government should be forced to rely upon arms coming indirectly or directly from the Soviet bloc." In conclusion, Mr. Lloyd emphasized that "at every point we have consulted the French authorities fully and informed them of our communications with the Tunisian Government and the U.S. Government"; that the delivery of the arms had been postponed several times "in order to meet French difficulties"; and that they had been delivered only after "the French and Tunisian Governments informed us that they had been unable to agree on the basis upon which French arms might have been supplied."

Mr. Gaitskell (Leader of the Opposition) said that if the British and U.S. Governments had refused Tunisia's request, they would have been aligning themselves firmly behind the French Algerian policy, which would have led to a grave worsening of relations between the NATO Powers and the Arab States. The concept of interdependence could not mean the simple acceptance by all NATO countries of a policy carried out by one member, unless there had been full discussion in NATO itself.

Macmillan-Gaillard Discussions.

Mr. Macmillan announced in the House of Commons on Nov. 21 that "in the light of recent developments in North Africa and the coming NATO meeting" he had accepted an invitation to visit Paris on Nov. 25 to discuss matters of common interest with M. Gaillard. The Prime Minister, accompanied by Mr. Selwyn Lloyd, accordingly visited Paris on Nov. 25-26 for talks with M. Gaillard and M. Maurice Faure (State Secretary for Foreign Affairs), who deputized for M. Pineau because of the latter's absence in the United States. The following communiqué was issued at the end of the discussions:

"The Ministers had a general discussion on North African problems, bearing in mind that responsibility for a solution of the Algerian question lies with France. The French Ministers indicated the lines on which the French Government were proceeding. In a spirit of solidarity between their two countries, both Prime Ministers expressed their conviction that France should continue to discharge her special responsibilities in North Africa, where she traditionally possesses a pre-eminent position and makes an indispensable contribution to the common defence of the free world.

"In the same spirit, after a frank discussion on the matter of arms for Tunisia, both Prime Ministers decided to make arrangements designed to avoid the recurrence of difficulties similar to those which have recently arisen. Consultations on this subject between the two Governments are continuing.

"The Ministers considered the preparations for the NATO meeting of Heads of Governments in December. Mr. Macmillan gave an account of his meeting in Washington with President Eisenhower which led up to the declaration of common purpose and interdependence of Oct. 25, and M. Gaillard expressed the French Government's views on the subject.

"The Ministers agreed that the December meeting should give a more precise definition to the principles of interdependence and to the solidarity of the alliance, in accordance with the spirit of equality which underlies the treaty. They considered, in particular, that this solidarity should result in increased pooling of resources and knowledge, especially in the field of research development and production. They also agreed that everything possible should be done to develop the system of consultation in the alliance.

"The Ministers reviewed the position reached to date in the Free Trade Area negotiations. They agreed on the political importance of finding solutions to the technical problems involved."

In a short press statement on leaving the Hôtel Matignon (the French Prime Minister's residence), Mr. Macmillan described the conference as a "complete success" and said that they had "worked in a very good spirit" and made "great progress." In a statement on Nov. 27 to the House of Commons, Mr. Macmillan said that Britain had given no absolute guarantee that no further arms would be supplied to Tunisia, but had expressed the hope that they would normally be supplied by France.

A French official spokesman expressed satisfaction at the assurances given by the British Ministers, which would allay the anxiety felt in France that British policy towards French North Africa might have undergone a change. Particular satisfaction was expressed at the fact that, in the British view, a solution of the Algerian problem remained a French responsibility. It was commented in the French Press, however, that while Mr. Macmillan had apparently convinced M. Gaillard that French fears about an independent Anglo-American policy on Algeria, or of a possible modification of Britain's attitude towards the North African problem, had been completely unjustified, he had avoided any express commitment on the part of the British Government not to send more arms to Tunisia, though agreeing on further consultations to avoid the recurrence of similar difficulties between the two countries.

Demonstrations by French extreme right-wing organizations against the delivery of arms to Tunisia took place on Nov. 12 outside the U.S. Embassy in the Place de la Concorde, resulting in clashes with the police. To avoid similar incidents during Mr. Macmillan's visit, strong detachments of armed police were stationed at the approaches to the British Embassy in the Rue du Faubourg Saint-Honoré.

Mr. Maudling, U.K. Minister of State in charge of the European Free Trade Area question, also accompanied Mr. Macmillan to Paris but returned to London on Nov. 25, since the question of the Free Trade Area and the Common Market could receive only little attention because of the Ministers' preoccupation with political problems.

M. Pineau's Discussions in Washington.

M. Pineau, who had arrived in the United States on Nov. 17 to take part in the U.N. General Assembly's debate on the Algerian question, visited Washington from Nov. 18-20 for talks with the U.S. Government. In a statement on his arrival he revealed that the Soviet Ambassador in Paris had given him an assurance that the U.S.S R. would not send arms to Tunisia. On Nov. 19-20 M. Pineau had a number of talks with Mr. Dulles, and also saw Mr. McElroy, (Secretary of Defence) and senior military officials at the Pentagon.

A State Department spokesman said that Mr. Dulles had received M. Pineau's protest on the despatch of U.S. arms to Tunisia " with understanding and sympathy " ; had told M. Pineau that the U.S.A. shared Franco's concern that these arms should be used " exclusively for internal security and self-defence " ; and had explained that Tunisia had in fact given " undertakings in that sense." After the Pineau-Dulles talks on Nov. 20 the spokesman said that an " agreement or understanding in principle " had been reached " that the U.S.A., in co-operation with other interested parties, would try to work out procedures for the future to allay French fears as to the possibility that arms going to Tunisia would fall into unauthorized hands." Mr. Dulles, in a press statement on Nov. 19, had said that he considered France to be Tunisia's " natural arms supplier " and would like to see France " do the job."

M. Pineau's talks at the U.S. Defence Department were reported to have dealt largely with the question of the establishment of U.S. intermediate-range ballistic missile bases in France.

Franco-Tunisian Relations in 1957.

Prior to the suspension of French military aid to Tunisia, and the subsequent supply of arms to that country by Britain and the United States, Franco-Tunisian relations had continued to deteriorate since the suspension of negotiations on a new defence agreement between the two countries in June 1956 [see 14989 A]. This tension between France and Tunisia, extending for over a year, attained the dimensions of a crisis on three occasions : in October-November 1956, following the arrest of five Algerian nationalist leaders while *en route* from Rabat to a conference in Tunis [see 15329 A] ; in May-June 1957, as a result of the suspension of French economic aid to Tunisia ; and in September-October 1957, following a series of incidents on the Algerian-Tunisian frontier. The first crisis ended with the announcement on Dec. 11, 1956, that normal diplomatic relations would be resumed, and with the appointment on Jan. 23, 1957, of new French and Tunisian Ambassadors [see page 15331]. Further developments in Franco-Tunisian relations during 1957 are summarized below.

Suspension of French Economic Aid to Tunisia.

The Government of M. Mollet decided on May 20, 1957, to withhold payment to Tunisia of the first instalment of 2,000,000,000 francs due under a financial aid agreement which had been signed in April, and which provided for the payment to Tunisia of 12,100,000,000 francs in several instalments. M. Mollet stated in the National Assembly on the following day that the French decision had been taken " because of Tunisia's present attitude."

A Tunisian statement of May 24 claimed that the French Government had denounced the financial aid agreement, that it had thereby also ended the Franco-Tunisian economic and financial convention of June 3, 1955 [see 14289 A], and that Tunisia had thus been released from her own obligations under that convention.

After stating that the French Government had refused to carry out its obligations " because of Tunisia's attitude towards the Algerian problem," the communiqué said : " The Tunisian's Government's attitude towards the Algerian problem has remained constant, and in any case has not changed since the French Finance Minister signed the financial agreement. It has been expressed by the Tunisian Premier on several occasions, and aims at utilizing every means of restoring peace in the neighbouring territory on the basis of free elections under international control . . . When speaking of assistance given to the Algerians, and demanding Tunisia's neutrality, the French Government fails to take into account that its own troops stationed in Tunisian territory use the country as an operational base, contrary to the wishes of the people and Government of Tunisia. The economic and financial convention between France and Tunisia signed on June 3, 1955, stipulated that aid from France was an inseparable counterpart of the economic concessions freely agreed to by Tunisia. As a French Government has considered it unnecessary to carry out its commitments in this matter, Tunisia is released from the obligations which she had accepted as a counterpart."

A French Foreign Ministry communiqué, issued on May 24, declared that the French Government had never denounced the Franco-Tunisian financial agreement. It had, however, " once again brought to the Tunisian Government's notice the inadmissible character of the assistance which it was giving or allowing to be given to the Algerian rebellion." In particular, it had been emphasized that it was " inconceivable that French aid to Tunisia should directly or indirectly assist France's enemies," and it rested with the Tunisian Government to give France " the necessary guarantees for the normal application of the financial agreement."

The Tunisian Cabinet decided on May 31 to carry out a unilateral revision of the Customs agreement with France signed on Dec. 28, 1955 [see 14812 A], so as to permit in future reciprocal tariff agreements between Tunisia and third countries without French participation—a decision equivalent to the abrogation of the Franco-Tunisian Customs union. It was also decided to set up a special commission to prepare, co-ordinate, and supervise import and export programmes and trade agreements, and to create a guarantee fund for foreign investments in Tunisia.

Following these decisions, trade agreements on a most-favoured-nation basis were signed with Yugoslavia in June and with Switzerland in October.

A law was promulgated by President Bourguiba on Oct. 10 abolishing the French and Franco-Tunisian chambers of commerce and agriculture in Tunisia.

An official statement said that French participation in these bodies was incompatible with Tunisia's status as an independent State, but that foreigners would be allowed to form a chamber of commerce which would have the same status as the foreign chambers of commerce established in France. It was pointed out in the French Press that this measure, which had been adopted without previous consultation with the French Embassy, constituted a breach of the convention of June 3, 1955, on the status of the French community in Tunisia, which expressly provided for the maintenance of the French chambers of commerce and agriculture [see 14289 A].

Clashes between French and Tunisian Forces. - Partial Withdrawal of French Forces in Tunisia.

A series of incidents occurred at the end of May 1957 on the Algerian-Tunisian frontier in the neighbourhood of Ain-Draham, where about 2,000 Algerian refugees had crossed into Tunisia. They culminated in a clash between French troops and Tunisian soldiers and National Guards on May 31, in which seven of the latter were killed ; details of the incident, which aroused intense indignation in Tunisia, remained obscure, as contradictory versions were issued by the Tunisian and the French authorities.

The Tunisian version alleged that French troops had tried to drive the refugees back into Algeria by force ; had blocked frontier roads ; and had opened fire on Tunisian forces sent to the area, killing seven and wounding 14. It was further alleged that two Tunisian officials—M. Hajeri (secretary-general of the Foreign Ministry) and M. Sebsi (of the Ministry of the Interior)—had been negotiating with the French officer in charge when the latter gave the order to open fire. The French Foreign Ministry, on the other hand, alleged that a French unit returning from a routine patrol had found the road blocked by Tunisian troops ; that the French commanding officer had been fired on by a Tunisian soldier ; and that the French forces had thereupon returned the fire.

Following a strong protest to France at this incident, M. Bourguiba announced on June 1 that the Tunisian Cabinet had informed the French Government of its desire to open negotiations on the evacuation of the French forces. On the same day the Tunisian Government issued an order forbidding French troops to make any movement without its express authority ; the French High Command, while refusing to recognize the validity of this order, nevertheless confined its troops to barracks and ordered movements to be confined to the minimum necessary for maintaining contacts and supplies. In the Gabès area, however, the French commander rejected a proposal by the local Governor that all troop movements should be suspended or notified to him beforehand, and ordered his forces to use their weapons if necessary. In consequence a number of clashes, in which 10 French soldiers and 11 Tunisians were killed, occurred during June 3-14 between French troops and Tunisian National Guards and armed civilians, who had erected barricades to prevent the movement of French troops and supply columns.

A proposal by M. Pineau that a joint inquiry commission should be set up with a view to preventing future incidents was rejected by the Tunisian Government. In a speech on June 13 M. Bourguiba denounced the " intolerable insolence " of the French military authorities, and continued : " We are determined to end this injustice and aggression, even if we have to enter into an armed conflict with France . . . If the French Government supports its soldiers' attitude in Tunisia, and allows them to treat Tunisian sovereignty with contempt and to claim the right to speak and act as if they were the country's masters, I fear that incidents will gradually become increasingly serious, until they degenerate into a general conflict." He emphasized, however, that Tunisia's desire for co-operation and friendship with France had not changed, and appealed to the new French Government headed by M. Bourgès-Maunoury to open negotiations for the withdrawal of all the French forces in Tunisia to their base at Bizerta.

M. Bourgès-Maunoury's Government subsequently submitted new proposals to the Tunisian Government for the partial evacuation of its forces in Tunisia, details of which were announced on June 27. These provided that about 10,000 of the 25,000 French troops in Tunisia should be transferred to Algeria during the next six months, and that the remainder should be confined to the bases at Bizerta, El Aouina, Gafsa, Gabès, Sfax, and Remada. M. Bourguiba welcomed these proposals as a contribution to better Franco-Tunisian relations, but emphasized that Tunisia could not enter into negotiations for a joint defence agreement until the French forces had been withdrawn from all their Tunisian bases except Bizerta.

Further Incidents on Algerian-Tunisian Frontier.

M. André Morice (then Minister of Defence) stated on June 27, 1957, in connexion with the French Government's new proposals, that the French Army would if necessary pursue Algerian rebel bands across the Tunisian border, claiming that it possessed the right to do so under international law. This warning was repeated on several occasions by M. Morice and M. Lacoste (the French Minister-Resident in Algeria). On Aug. 13 President Bourguiba appealed to Algerians who had received asylum in Tunisia to respect Tunisian sovereignty, warning them that if their attitude led the French to attack them on Tunisian soil, the Tunisian State itself would be threatened. During September and October, however, a number of incidents on the Algerian frontier led to a further grave deterioration in Franco-Tunisian relations.

The French forces exercized the "right of pursuit" for the first time on Sept. 1, when an infantry company crossed the Tunisian frontier in the Tebassa area in pursuit of an Algerian rebel band, 10 of whom were killed. The Tunisian Government alleged that the French troops had attacked a frontier post and killed seven frontier guards, and a few days later further alleged that French troops had attacked a refugee centre at Ain-Draham and killed two Tunisians.

In view of these incidents, President Bourguiba proclaimed a state of emergency along the Algerian frontier on Sept. 9. In a broadcast on Sept. 12 he maintained that the "right of pursuit" had no basis in international law; asserted that it was being used "as a pretext for attacks on Tunisia's sovereignty and integrity"; and announced that his Government had demanded the withdrawal of the French troops stationed in the Gafsa area.

On Sept. 10 the Tunisian Government alleged that French troops from Algeria had crossed the frontier in the Kasserine area and kidnapped four Tunisians, while on Sept. 12 the French authorities alleged that an Algerian rebel band had raided a refugee centre near Souk-Ahras (on the frontier) and carried off 225 refugees into Tunisian territory. A similar incident occurred during the night of Sept. 30-Oct. 1, when some 400 Algerian refugees crossed the frontier (under constraint according to French sources, voluntarily according to the Tunisian Government) in the same area.

Allegations were made by Tunisian spokesmen on Sept. 14 and Oct. 1 that French artillery and aircraft had bombarded and machine-gunned a village in the Ain-Draham area, a Tunisian military post and a Customs post. A French communiqué of Oct. 2 alleged that French aircraft had been fired upon from Tunisian soil on 13 occasions during the last fortnight of September, and emphasized that there had been no retaliation from the French side. Between Oct. 3 and Oct. 8 the Tunisian Government made further allegations that French aircraft had bombed and machine-gunned a village in the Kef area; that French planes had also machine-gunned a caravan ten miles inside Tunisia, killing three people; that French artillery had fired on a frontier post; and that French troops had kidnapped eight Tunisian nationals. All these charges were completely denied by the French authorities, who in turn alleged that French aircraft had been fired on, that an Algerian citizen had been kidnapped by "armed Tunisian elements," and that 300 Algerians had been carried off during the night of Oct. 20-21 by Algerian rebel bands operating from Tunisian territory.

In a broadcast on Oct. 3 President Bourguiba announced that he had decided to recall the Tunisian Ambassador in Paris (M. Masmoudi) as "it is impossible for me to maintain friendly relations with France, especially after the communiqué [of Oct. 2] which virtually authorizes French aircraft to bomb Tunisian territory." After M. Masmoudi had had talks with M. Bourgès-Maunoury and M. Pineau, however, it was announced on Oct. 5 that President Bourguiba had cancelled the order for M. Masmoudi's recall in view of the conciliatory attitude of the French authorities.

Judicial Convention. - Other Franco-Tunisian Agreements.

M. Maurice Faure (the French State Secretary for Foreign Affairs) visited Tunis from Feb. 14-17, 1957, for discussions with M. Bourguiba and other members of the Tunisian Government. Agreement was reached on a draft judicial convention and on a protocol defining the status of French officials employed by the Tunisian Government, both of which were signed on March 9, 1957.

Judicial Convention. This convention, which came into force on July 1, 1957, replaced the convention concluded in 1955 (see 14289 A). Its main provisions were:

(1) The French courts in Tunisia would be abolished, and their powers transferred to the Tunisian courts.

(2) In cases involving the personal status of French citizens, French law would be applied.

(3) In civil and commercial cases where no appropriate Tunisian law existed, the courts would apply the French laws formerly in force in Tunisia.

(4) For a period of five years a French magistrate would share the power of decision in civil suits in which one of the parties was of French nationality.

(5) In criminal cases in which French defendants were involved, half the members of the jury would be French. Half the assessors on conciliation boards hearing disputes between employers and employees would also be French, if any of the parties involved were French.

(6) French magistrates would continue to be employed by the Tunisian Government until sufficient Tunisian magistrates were available.

(7) French lawyers practising at the Tunisian Bar would be allowed to continue exercising their profession.

(8) The use of the French language in court and in legal documents would continue to be permitted.

Technical and Administrative Co-operation.

This protocol provided that all French Civil Servants employed by the Tunisian Government would be incorporated in the French Public Service from April 1, and that the Tunisian Government would offer a contract, valid for at least two years, to those whose services it wished to retain. M. Khiari (the Minister responsible for the Tunisian Public Service) stated on March 10 that contracts would be offered to about 3,500 French Civil Servants, including 1,800 teachers. A communiqué issued by the French Embassy in Tunis (April 16) gave an assurance that officials who remained in the Tunisian Government's service would retain the same rights of promotion and reintegration in the French Civil Service as those who returned to France.

Agreements on the status of Tunis Radio, on consular representation, and on the French *gendarmerie* in Tunisia had previously been signed during August-October 1956. Details of these agreements are given below:

Tunis Radio.

The agreement on the future status of Tunis Radio, concluded on Aug. 29, 1956, replaced the convention of November, 1953, which had placed Tunis Radio under French control for 30 years. Its provisions were as follows:

(1) All land, buildings, and installations in Tunisia belonging to the French Broadcasting Service (R.T.F.) would become the property of the Tunisian Government from March 31, 1957.

(2) A Tunisian director of Tunis Radio would be appointed immediately.

(3) The R.T.F. would continue to supply technical assistance if required.

(4) Broadcasts by Tunis Radio would "respect the spirit of friendship and co-operation animating relations between France and Tunisia."

(5) Two joint standing committees would be appointed: one to deal with the questions of French technical assistance and the training of Tunisian technicians, the other to act as a liaison committee between the French and Tunisian radio services in programme matters.

Consular Representation.

This agreement, concluded on Sept. 13, 1956, provided that Tunisia would set up two Consulates-General in France (in Paris and Marseilles), and that others would be set up later. The French Government would set up Consulates-General in Tunis, Bizerta, Sfax, and Sousse, and Consulates at Gafsa, Gabès, Souk-el-Arba, and Medjez-el-Bab.

Transfer of French Gendarmerie Posts.

The Tunisian Government announced on Oct. 3, 1956, that an agreement had been concluded whereby the French *gendarmerie* posts in Tunisia would be transferred to the Tunisian National Guard, which had been formed under a decree of Sept. 10, 1956.

Tunisian Law declaring Co-operation with French Protectorate Authorities a "National Indignity." - French Protests to Tunisia.

The Tunisian *Journal Officiel* published on Nov. 26 a law (dated Nov. 19) under which Tunisians who had "willingly given either direct or indirect help to the French Protectorate authorities before July 31, 1954," would be held guilty of "national indignity" (*indignité nationale*). [July 31, 1954, was the date on which M. Mendès-France, then French Prime Minister, had announced in a speech at Carthage the new relationship between France and Tunisia based on Tunisian internal autonomy—see 13718 A.]

The law defined the crime of "national indignity" as covering the following actions: (1) having been a member of the "pseudo-Governments" which had been in office in Tunisia before July 31, 1954; (2) having held a post in the security, Press, or information

services; (3) having been a member of the Grand Council or the Regional or Municipal Councils; (4) having taken part in the organization of cultural, economic, political, or other manifestations in favour of the French authorities; (5) having acquired property "illegally" under the terms of a law of Aug. 17, 1957.

Cases of "national indignity" would be decided by the High Court of Justice (see 14989 A) and punished by "national degradation," entailing the loss of civil rights and of all public posts and employments; expulsion from all organizations, professional associations and trade unions; and forfeiture of the right to be a teacher or to become a director or manager of companies.

The promulgation of the law of Nov. 19 caused deep resentment in France, M. Maurice Faure expressing to M. Masmoudi the "indignation" of the French Government at the Tunisian Government's action.

In his statement to M. Masmoudi (Nov. 27) M. Faure recalled that the Protectorate régime, based throughout on treaties, had been internationally recognized; that it had been abrogated in 1955 and 1956 by agreements freely entered into by both sides; that no reservation had been made at the time which would have allowed Tunisia to question the legal and political status which had existed previously for about 70 years; and that French recognition of Tunisian independence had been the logical fulfilment of the Protectorate régime. In the circumstances, the provisions of the law of Nov. 19 could only be regarded as a "hostile measure" against France.

President Bourguiba, in a statement to *Le Monde* on Dec. 2, described the French resentment as "exaggerated," though admitting that the law was worded "in very general terms." He pointed out, however, that it was in no way intended to have retrospective effect from the beginning of the Protectorate régime; that this was quite evident from the fact that the *Néo-Destour* itself had collaborated with the Protectorate authorities until Dec. 15, 1951; that he (President Bourguiba) had personally supported the decision of the National Council in August 1950 to take part in the Government [see 11360 A]; and that this co-operation had only been ended with M. Schuman's Note of Dec. 15, 1951 [see 11969 A], followed by the arrest of the *Néo-Destour* leaders on Jan. 18, 1952 [see 12181 A]. The last-named date was therefore the "beginning of hostilities" and the struggle had lasted until July 31, 1954, when France had agreed to Tunisia's internal autonomy. In consequence, the law of Nov. 19 would only apply to the above-mentioned period (i.e. Jan. 1952 - July 1954) and would not affect more than a "few dozen" people—i.e. only those who had taken a more prominent part in the political sphere, but excluding all minor civil servants, etc.—(Le Monde - Le Figaro - Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune)

(Prev. rep. Franco-Tunisian Relations, 15329 A; U.S.-Tunisian Relations, 15655 A.)

A. UNITED KINGDOM. — Press. - Centenary of the "Birmingham Post."

The *Birmingham Post* celebrated its centenary on Dec. 4 with a special issue containing congratulatory messages from H.M. the Queen, the Prime Minister, the Leader of the Opposition, and many others. Together with its associated papers, it remained a family business until the death in 1942 of Sir Charles Hyde (a nephew of the founder), when it was acquired by Lord Iliffe. The latter entered into a deed of trust to meet the wish expressed by Sir Charles Hyde in his will that the independent and local character of the *Post* and its companion papers should be retained. In 1956 the *Post* absorbed its former rival, the *Birmingham Gazette*, the paper's full title now being the *Birmingham Post and Gazette* (see 15281 B). The present Editor is Mr. W. Vaughan Reynolds.

The only surviving morning paper in Birmingham, and one of the leading provincial newspapers, the *Birmingham Post* was particularly associated with the political campaigns of Mr. Joseph Chamberlain and with the campaigns waged by Nonconformist divines for the eradication of slums and poverty in the city.—(Times - Birmingham Post)

(Prev. rep. Press Centenaries, 14338 A.)

B. CANADA. — External Affairs Minister enters Parliament. - Federal By-election.

Dr. Sidney E. Smith, the Secretary of State for External Affairs, was elected as Progressive Conservative M.P. for Hastings-Frontenac (Ontario) in a by-election held on Nov. 4. He received 9,799 votes against 239 for Mr. Ross Dowson, a "Trotskyist" Communist who ran as a self-styled Labour candidate. The by-election was caused by the appointment to the Senate of Mr. George S. White, the former Progressive Conservative M.P. for the constituency.—(Montreal Star)

(Prev. rep. 15759 B.)

C. ITALY - UNITED KINGDOM. — British-built Nuclear Power Plant for Northern Italy.

It was announced on Nov. 20 that a preliminary agreement to co-operate in building an atomic power station in Northern Italy had been concluded between *AGIP Nucleare*, a recently formed subsidiary of the Italian State Oil Corporation ENI (*Ente Nazionale Idrocarburi*), and the Nuclear Power Station Company, of Knutsford (Cheshire). The power station, which would be located on one of the North Italian lakes, would be of the same type as the Calder Hall station in Cumberland and similar to that under construction at Bradwell (Essex), and would have a capacity of about 200 megawatts. The "letters of intent" signed by the chairmen of the two companies (Signor Enrico Mattei and Sir Claude Gibb) provided that the final contract—worth between £25,000,000 and £30,000,000, including the initial fuel charge—would be concluded before June 30, 1958.

It was stated that the contract would involve the manufacture in Britain of considerable quantities of the nuclear plant, which would consist of one reactor running on natural uranium fuel and moderated graphite, with a carbon-dioxide gas heat transfer system to produce steam in six boiler units. A good deal of the civil engineering work involved was likely to be carried out by Italian firms and with local labour, but the Nuclear Power Plant Company would provide the specialized equipment and knowledge, the project as a whole being handled by the company's co-ordinating division—the Parolle Electric Plant Company Ltd.

The contract would provide for a long-term period of collaboration between the Nuclear Power Plant Company and *AGIP Nucleare*, while the U.K. Atomic Energy Authority would be responsible for the extraction of plutonium from the spent fuel, which would be returned to Britain for processing. Negotiations with *AGIP Nucleare* had been in progress since February last, with the participation and advice of the U.K. Atomic Energy Authority; under an arrangement concluded in July, the A.E.A. had agreed to act as consultant to ENI, with the reservation that it would not advise on the choice of individual British firms. Three other British groups had also competed for the contract.

The contract will represent Britain's first export order for an operational atomic power station, and will provide Italy with its first station of this kind. It was pointed out that at the nuclear power station at Bradwell (Essex), which the Nuclear Power Plant Company were building for the U.K. Central Electricity Authority, two reactors would be necessary for an output of 300 megawatts; the fact that the company could now offer an output of 200 megawatts from one reactor alone suggested that it had been able to improve substantially the performance of its nuclear "furnace" within the past year.

The companies co-operating in the Nuclear Power Plant Company are: C. A. Parsons and Co., Newcastle-upon-Tyne; A. Reyrolle and Co. Ltd., Hebburn-on-Tyne; Head, Wrightson and Co., Stockton-on-Tees; Sir Robert McAlpine and Sons Ltd., London; Whessoe Ltd., Darlington; Strachan and Henshaw Ltd., Bristol; Alexander Findlay and Co., Motherwell; and Clarke, Chapman and Co., Gateshead.

(Times - Daily Telegraph - Corriere d'Informazione, Milan)

(Prev. rep. Italian Atomic Development, 14765 A.)

D. ISRAEL. — Completion of Huleh Scheme.

The Huleh (Hula) drainage and land reclamation scheme near the Israeli-Syrian border, on which work had begun in 1951, was completed on Oct. 31. The scheme involved the draining of Lake Huleh and the adjoining malaria-infested swampland, the building of three canals with a total length of 26 miles across the area, the deepening of the bed of the River Jordan south of the lake, and the diversion of the waters of the Jordan and Hasbani (a tributary of the Jordan) into new canals. By draining the water away from the lake and the swampland, the area was turned into 15,000 acres of fertile agricultural land with a rich subsoil of peat.

Work on the scheme had been interrupted soon after its start by a number of serious incidents between Syria and Israel in March and April 1951, and by Syrian complaints to the U.N. Armistice Commission. The Syrians alleged that the scheme [which affected a small area south of Lake Huleh in the demilitarized zone] violated the Syrian-Israeli armistice agreement, which provided that no action must be taken to gain a military advantage through topographical changes. General Riley, then Chief of Staff of the U.N. Truce Supervision Organization, decided, however, that the scheme involved no military advantages. After lengthy debates in the Security Council in April-May 1951, Israel was asked, and agreed, to discontinue work in a small area belonging to Arab landlords, but was authorized to resume the work elsewhere (see 11524 A).

On May 13, 1957, the Syrian Government again complained to the Security Council, this time against the erection by Israel of a Bailey bridge south of Lake Huleh. The Council eventually decided, however, to accept the view of General Burns (the U.N. Chief of Staff) that the bridge conferred no military advantages on either side, and the work was allowed to be completed.—(Israel Weekly Digest, Jerusalem - Times)

A. WESTERN GERMANY. — Land Elections in Hamburg (1957) and Baden-Württemberg (1956). - New Land Ministry in Lower Saxony.

Elections for the *Burgerschaft* (the City and *Land* Parliament) took place in Hamburg on Nov. 10, 1957. This was the only *Land* election to be held during the past two years, except for that in Baden-Wurttemberg in March 1956. The results of these two elections were as follows, comparison being given with the previous elections in these *Länder* :

Hamburg Elections.

	Seats	1957 Votes	Percentage	1953 Seats
Social Democrats ..	69	551,568	53.9	58
Christian Democrats ..	41	330,363	32.3	36
Free Democrats .	10	87,981	8.6	18
German Party ..	—	42,194	4.1	8
German Reich Party .	—	4,106	0.4	—
Others	—	7,523	0.7	—

In 1953 the Christian Democrats, Free Democrats, and German Party had fought the elections jointly under the name of the " Hamburg Bloc," but this association was dissolved in October last to vitiate a formal complaint by the Social Democrats concerning the constitutionality of this grouping. Although the three parties fought the 1957 elections separately, they nevertheless decided to continue their close co-operation in the new *Bürgerschaft.*

The election result meant that the Social Democrats, who had lost the 1953 elections to the " Hamburg Bloc," regained their predominant position by winning an absolute majority over the non-Socialist parties. Whereas in 1953 the Social Democrats polled only 45.2 per cent of the total vote, they increased this to 53.9 per cent. The aggregate vote of the three parties of the Hamburg Bloc fell from 50 per cent in 1953 to 45 per cent.

As a further consequence Dr. Adenauer lost his two-thirds majority in the *Bundesrat,* reducing his Government's majority to 11 in an Upper House of 41 members.

Baden-Württemberg Elections.

	Seats	1956 Votes	Percentage	1953 Seats
Christian Democrats	56	1,392,326	42.6	50
Social Democrats	36	942,557	28.9	30
Free Democrats . ..	21	541,233	16.6	23
Communists	—	104,612	3 2	4
All-German Bloc (Refugee Party).. .	7	204,280	6.2	6
Others	—	80,428	2.5	—

The old *Landtag* (which was elected in 1952 as a Constituent Assembly) had a total of 121 seats, against 120 in the new *Landtag.* 71.3 per cent of the electorate went to the polls.

The elections were fought during a period of great tension between the Christian Democrats and the Free Democrats following the overthrow of the *Land* Government of North Rhine-Westphalia by the Free Democrats, the resulting split in Dr. Adenauer's coalition government, and the dissensions within the Free Democratic Party itself [see page 15758].

Dr. Gebhard Muller, who had headed the outgoing coalition government—consisting of the Christian Democrats, the Social Democrats, the Free Democrats, and the All-German Bloc—was re-elected *Land* Premier on May 10, 1956 and formed a new coalition Cabinet comprising four Christian Democrats, three Social Democrats, two Free Democrats, one Minister representing the All-German *Bloc,* and two Christian Democratic state councillors. The membership of the new Cabinet was identical with the previous one, except that Herr Viktor Renner (Social Democrat) succeeded Herr Fritz Ulrich as Minister of the Interior.

New Land Government in Lower Saxony.

The government coalition in Lower Saxony was dissolved on Nov. 6, 1957, when the joint parliamentary group of the Christian Democrats and the German Party withdrew on the ground that the joint parliamentary group of the Free Democratic and Refugee parties had admitted six right-wing extremist deputies as associated members—an action which the Christian Democratic and German Party Ministers regarded as a serious political danger. Although the Ministers belonging to the Free Democratic Party and the All-German Bloc (Refugee Party) denied these charges, Herr Hellwege (the *Land* Premier) announced that he would reorganize his Cabinet. On Nov. 12, accordingly, he formed a new Government based on a coalition of the Christian Democrats, German Party, and Social Democrats, with the following membership :

Herr Heinrich Hellwege (German Party)—Prime Minister; Dr. Werner Hofmeister (Christian Democrat)—Justice ; Herr Heinrich Kopf (Social Democrat)—Interior ; Herr August Wegmann (Christian Democrat)—Finance ; Herr Georg Diederichs (Social Democrat)—Social Affairs ; Herr Alfred Kube (Social Democrat)—Economy ; Herr Kurt Richling (Christian Democrat)—Agriculture ; Herr Albert Höft (Social Democrat)—Refugees ; Dr. Richard Langeheine (German Party)—Education.

In the Lower Saxon *Landtag* the Social Democrats have 58 seats, the Christian Democrats 44, and the German Party 18. (Die Welt, Hamburg - Frankfurter Allgemeine Zeitung)

(Prev. rep. 14339 A ; 13237 A.)

B. TURKEY. — New Government.

Mr. Adnan Menderes, who was entrusted by President Bayar with the formation of a new Government following the Democratic Party's victory in the recent general election, announced his new Cabinet on Nov. 25 as follows :

*M. Adnan Menderes	Prime Minister.
†M. Tevfik Ileri	Minister of State and Deputy Prime Minister.
*M. Emin Kalafat	Ministers of State.
M. Muzaffer Kurbanoglu ..	Ministers of State.
†M. Esat Budakoglu	Justice.
*M. Semi Ergin	National Defence.
*M. Namik Gedik	Interior.
†M. Fatin Rüstü Zorlu ..	Foreign Affairs.
*M. Hasan Polatkan	Finance.
†M. Celal Yardimci	Education.
*M. Ethem Menderes	Public Works.
*M. Abdullah Aker	Commerce.
M. Lütfi Kirdar	Health and Social Welfare.
*M. Hadi Hüsman	Customs and Monopolies.
M. Nedim Ökmen	Agriculture.
General Fevzi Uçaner ..	Communications.
M. Hayrettin Erkmen ..	Labour.
*M. Samet Agaoglu	Industry.
M. Sitki Yircali	Broadcasting and Tourism.
M. Medeni Berk	Reconstruction and Town Planning.

*No change.
†Held different portfolio in previous Cabinet.

The Ministries of Press, Broadcasting and Tourism, and Reconstruction and Town Planning were new departments.

M. Ileri had previously been Minister of Education—a post in which he was succeeded by M. Yardimci, hitherto Minister of State. M. Budakoglu had held the Agriculture portfolio, whilst M. Zorlu had been acting Foreign Minister until August 1957, and more recently Minister of State. Professor Göktürk (Justice), Dr. Koroz (Health), M. Demirer (Communications), M. Tarhan (Labour), and M. Bengü (Minister of State) left the Government. M. Yircali, M. Ökmen, and M. Erkmen had been members of previous Menderes Cabinets but not of the last one. M. Kurbanoglu (former deputy chairman of the parliamentary group of the Democratic Party), M. Kirdar (a former Governor of Istanbul), and General Uçaner (formerly C.-in-C. of the Turkish Air Force) had not previously held ministerial office.

The Cabinet was the fifth to be headed by M. Adnan Menderes since the Democratic Party first came to power in 1950.—(Turkish Embassy Press Department, London)

(Prev. rep. Cabinet, 15703 A ; Elections, 15841 A.)

C. RHODESIA AND NYASALAND FEDERATION. — Merger of Federal and United Rhodesia Parties. - Formation of Constitution Party.

The merger of the Federal Party and the United Rhodesia Party as the United Federal Party was completed on Nov. 21, when it was approved at the Federal Party's congress at Ndola by unanimous vote, with four delegates abstaining. The United Rhodesia Party had already approved the merger at its annual congress in September. It was announced that a joint congress to set up the new party would be held in April 1958.

Mr. Godwin Lewanika, president of the Mines African Staff Association, joined the Federal Party on Nov. 4, being the first African in Northern Rhodesia to do so.

The decision of Mr. Lewanika—son of the late King Lewanika of Barotseland, and a founder-member of the African National Congress —was regarded as an important political development. In a statement explaining his decision, Mr. Lewanika said that it was not meant " to placate Europeans and betray African interests " but because it was time for Africans to " show by practical concrete action that they cannot think and act in the same way simply because they are Africans," and to prove to Africans the necessity of party politics.

A new multi-racial political party, the Constitution Party, was launched in Lusaka (Northern Rhodesia) on Oct. 19, the founder-members including Dr. Alexander Scott (Independent M.P. in the Federal Assembly) and Colonel David Stirling, founder-president of the Capricorn Africa Society. It was announced that the new party would contest both federal and territorial elections on a platform of liberal principles.
(Federal Information Department, Salisbury) **(15781 A.)**

A. UNITED KINGDOM. — Telephone Service. - Inter-Urban Automation. - Cheaper Toll Calls.

Mr. Marples, the Postmaster-General, announced in the House of Commons on Nov. 13 that from Jan. 1, 1958, charges for most telephone calls at present costing 6d., 9d., and 1s. would be reduced to 3d., whilst the majority of trunk call charges would also be reduced. The reductions would form part of "revolutionary" changes in the telephone system and would pave the way for full automation in the service, including dialling of trunk calls by subscribers themselves.

A White Paper published on the same day gave the following details of the proposals, which were described by Mr. Marples as "the most sweeping and radical changes made since the Post Office took over the telephone system in 1912":

(1) From Jan. 1, 1958 over 150,000,000 short-distance calls now handled by operators would be dialled by callers direct, and the 6,000 telephone exchanges now in use would be reduced by 5,400 by combining them into 600 charging units or groups.

(2) From the same date the area covered by a 3d. call (4d. if from a public call-box) would be extended from the present average of about 80 square miles to about 900 square miles. As a result the average radius for a "local" call would go up from about 5 miles to about 17 miles.

(3) Also from Jan. 1, 1958, most trunk calls would be cheaper because (*a*) they would be charged on the basis of "crow-flight" distances between the centres of groups of exchanges, and not on distances between individual exchanges, as at present; (*b*) in many cases mileage rates would be reduced. Some trunk charges, however, would remain at existing rates, whilst about 3 per cent would be slightly increased. These latter would be for calls between exchanges on the inner circumference of two near, but not neighbouring, groups, where the distance between the group centres would be more than the distance between the places themselves.

(4) The new mileage rates would be as follows (existing rates in parentheses): Up to 35 miles [provided that the required exchange was outside the "extended local call" area—see above], 1s. (from 1s. to 1s. 6d.); 35-50 miles, 1s. 9d. (1s. 10d.); 50-75 miles, 2s. 3d. (2s. 3d.); 75-125 miles, 3s. (3s.); over 125 miles, 3s. 6d. (3s. 9d.).

(5) The existing three-minute minimum charge and subsequent timing at one-minute intervals would be retained for the present, and cheap evening rates would remain unaltered.

(6) Full automation, enabling subscribers to dial numbers anywhere in Britain, would begin at Bristol at the end of 1958, be available in 40 other towns by the end of 1960, and be extended to London by 1960-61. By the end of 1970 automation would enable three-quarters of all trunk calls to be dialled direct.

Mr. Marples outlined the main consequences of the changes at a press conference on Nov. 13, his remarks being summarized below under cross-headings.

First Stage - Extension of "Local Call" Area.

After saying that from Jan. 1, 1958 a subscriber in the Central London area would be able to call, for only 3d., a subscriber in an area bounded by Hertford in the north, Upminster in the east, Reigate in the south, and Windsor in the west, Mr. Marples explained that the simplified charging system would enable full use to be made of existing automatic equipment. Up to the present it had not been possible to use this equipment to connect subscribers outside the "local call" area because it could not record any charge except threepence. Rather than incur the heavy cost of installing new equipment able to record varying charges, it had been decided to extend the threepenny call area. This first step would reduce Post Office revenue by about £8,000,000 annually, but £2,000,000 would be saved by a reduction in the number of operators required, whilst the remaining £6,000,000 would be provided by the increases in local call charges announced in July (see 15779 A). Some 2,000-3,000 telephone operators would become redundant in the first year, but this would present no real problem as about 5,000 operators left annually. The future of displaced supervisors was more serious, but they would be generously treated and full consultations had taken place with the trade unions concerned.

Second Stage - Full Automation.

The simplified charging system, Mr. Marples continued, would "end the administrative restrictive practices caused by an obsolete system of charging," and allow full automation to go ahead. Eventually all telephone charges would be recorded mechanically, thereby saving the labour of 1,500 clerks who at present sorted about 330,000,000 trunk call tickets into 4,000,000 accounts annually, and effecting an overall economy of £15,000,000 a year.

"Grace" Robot Machine. The numbers dialled by a subscriber would be interpreted by a robot machine known as "Grace" (Group Routing and Charging Equipment), devised by Post Office engineers, which would route the calls in the required direction and record the charge. A national telephone-number system would be required, and this would be done by preceding subscribers' present numbers by three digits which, used in various permutations, would represent the code numbers of the different exchanges. To call an operator it would be necessary to dial 100. A supplementary telephone directory with the code numbers of exchanges would be issued. For the convenience of hotels and of establishments where individuals made private calls, meters would be rented out at 15s. a quarter to record call charges.

Trunk Call Charges. These would be based on a new system. The present three-minute minimum would be abolished, and instead the minimum local call charge—at present threepence—would be the basis and would buy time according to the distance involved. For example, the time for a 3d. call from Bristol to Gloucester (32 miles) might be 45 seconds, each subsequent 45 seconds costing an additional 3d. From Bristol to Edinburgh (312 miles), however, every 3d. might perhaps buy 13 seconds of time. It might eventually be possible to telephone from Land's End to John o' Groats for only 3d., but this would allow of possibly not more than 10 seconds. In this way it would be possible to pass a short message between any two points for a few pence only. The present method of warning callers of the passage of time by "pips" would be ended.

Mr. Marples concluded by saying that in spite of "Grace" some operators would still be on call for those who wished to reverse charges, as well as to give subscribers advice or personal service. As the automatic system came into effect, however, the number of operators would decrease by about 2,000 a year. The changes outlined in the White Paper would set the pattern of the telephone service for the next 15 to 20 years.
(Times - Daily Telegraph - Manchester Guardian)
(Prev. rep. 15779 A.)

B. CHILE. — Impeachment of Ministers of Foreign Affairs and Justice after Flight of Argentine Peronista Leader. - Cabinet Reorganization.

The Chilean Chamber of Deputies decided on Oct. 11, by 100 votes to eight, to impeach the Ministers of Foreign Affairs and Justice, respectively Señor Osvaldo Sainte-Marie and Señor Arturo Zuñiga. The impeachment, which was subsequently confirmed by the Senate on Oct. 26, followed the escape from prison on Sept. 28 of Señor Guillermo Patricio Kelly, a prominent *Peronista* leader who had fled from Argentina to Chile in March (see 15512 A) and who was to have been extradited to Argentina under an Order of the Chilean Supreme Court. Señor Kelly's escape appeared to confirm the existence of an organized movement to help *Peronistas*, and no trace of him could be found in spite of nation-wide searches. The two Ministers were charged with having facilitated Señor Kelly's escape through deliberate negligence in maintaining sufficient guards around the prison, thereby "gravely compromising the national honour."

Both Ministers were automatically suspended as a result of the decision of the Chilean Congress, leading to a governmental reorganization on Oct. 28. The new membership of the Cabinet was announced as follows:

Rear-Admiral Francisco O'Ryan Orrego—Interior; Sr. Alberto Sepúlveda Contreras—Foreign Affairs; General Luis Vidal Vargas—Defence; General Diego Barros Ortiz—Education; Dr. Jorge Torreblanco Droguett—Health; Dr. Raul Barrios Ortiz—Labour; Sr. Emilio González González—Mines; Sr. Luis Octavio Reyes—Justice; General Eduardo Yañez Zavala—Public Works; Sr. Enrique Méndez Carrasco—Lands and Settlement; Sr. Luis Correa Prieto—Economy; Sr. Eduardo Urzua Merino—Finance; Sr. Mario Astorga Cartes—Agriculture; Sr. Mario Ciudad Vásquez—Secretary-General to the Government.

The Ministers of the Interior, Health, Labour, Public Works, Lands and Settlement, Finance, and Agriculture retained their former portfolios.

Ministers leaving the Government (in addition to Sr. Sainte-Marie and Sr. Zuñiga) were the former Ministers of Finance (General Barrientos), Education (Rear-Admiral Quintana), and Economy (General Arce). In addition to holding the Foreign Affairs portfolio, Señor Sainte-Marie had also been Minister of Mines.

Rear-Admiral O'Ryan, Dr. Torreblanco, and Sr. Méndez had joined the Cabinet in a previous reshuffle in July, when the then Ministers of the Interior (Sr. Aravena), Health (Sr. Muñoz), and Land and Settlement (Sr. Jimenez) had resigned. Of the new Ministers, Sr. Sepúlveda is a career diplomat; Sr. Reyes had been Deputy Minister of the Interior; General Barros Ortiz was C.-in-C. of the Air Force; General Vidal Vargas was C.-in-C. of the Army; and Sr. González had been president of the State Bank.—(Bank of London and South America Fortnightly Review - Times - New York Times)
(Prev. rep. 15530 B; 15512 A.)

C. ANTARCTICA. — Renewal of Tripartite Assurances between Britain, Argentina and Chile.

The British, Argentine and Chilean Governments exchanged statements on Nov. 25 giving assurances that none of the three countries would send warships south of latitude 60 deg. S. during the coming Antarctic season, apart from such movements as had been customary for a number of years. Similar assurances have been given annually by the three Governments over the past eight years.—(Times) **(Prev. rep. 13913 E.)**

A. SINGAPORE. — Government's Action against Subversive Communist Activities. - Legislative and Political Developments.

The Singapore Government, acting under the emergency powers for the preservation of public security, arrested 35 Chinese on Aug. 23 for carrying on subversive activities in trade unions and political organizations with a view to seizing power on behalf of the illegal Communist Party at the next general elections. Those arrested included Tan Chong Kim (the chairman), Kan Kong Yuan (vice-chairman), and three other members of the central executive of the People's Action Party, 13 members of its branch executives, and 13 trade union officials. Three persons connected with the Chinese left-wing newspaper *Sin Pao* were also detained and four other persons were subsequently arrested, including Tuan Boon Hwa, assistant secretary of the P.A.P.'s education and cultural committee.

A White Paper was issued in Singapore on Aug. 23 announcing that the Government had uncovered a new Communist plot to take over the Colony by violence and armed revolt.

The White Paper said that after the dissolution of the Communist-infiltrated factory and shopworkers' union in 1956 (see page 15557, footnote) Communist agents had seized key positions in the General Employees' Union and the National Union of General Workers. It continued: "Once again the aim is to bring about a united front of workers, farmers, and students, supported by a favourable Press and by political sympathizers. The gravest developments have been among the workers. A determined and successful bid for controlling the People's Action Party has been the second feature in recent months. Here the Communists have worked through cultural, educational and propaganda groups in the party and, through them, have gone far to obtain domination of the whole party organization."

The Government statement referred to developments in the P.A.P. earlier in August, when the party's secretary-general, Mr. Lee Kuan Yew (leader of its moderate wing and its spokesman in the Legislative Assembly), resigned from the central executive after a split between its moderate and extremist factions. He was succeeded as secretary-general by Mr. T. T. Ralah, the only left-wing member of the executive not to be arrested later in August, but who resigned on Sept. 3 "on health grounds."

A motion moved by Mr. Lee Kuan Yew in the Legislative Assembly on Sept. 12, criticizing the Government's action and "deploring the inaccuracies" in the White Paper, was defeated by 25 votes to three, with seven members absent.

Opposing the motion, the Chief Minister (Mr. Lim Yew Hock) said the Communist threat was real and must not be belittled. There had been enough of riots and disturbances, and the Government could not stand by and watch the Communists "corrupt the minds of the workers and the simple people." Whilst not implying that all members of the P.A.P. were Communists, he maintained that the party had been dangerously infiltrated by Communists. The Government knew that Mr. Lee Kuan Yew, who was a genuine Socialist and Democrat, was being used by the Communists for their own ends and would be "thrown overboard" when they no longer required him.

On Sept. 24-25 the Government arrested 48 students for subversive Communist activities in the Chinese middle (secondary) schools. The Government's evidence, published on Sept. 25, revealed the existence of secret indoctrination classes in schools, of illegal "discussion groups," and of the holding of "picnics" and "house parties" designed to subvert students and exploit Chinese education. Twenty-nine of the arrested students were subsequently released, detention orders being issued against the remainder.

A detention order was also issued on Sept. 26 against Dr. Chuang Chu-lin (a Chinese national), principal of the Chung Chen secondary school—the largest in Singapore, and the scene of the 1956 riots. In spite of numerous representations on his behalf by schools and teachers, the Governor-in-Council decided on Oct. 12 to deport Dr. Chuang. A plan to reorganize the Chung Chen school was also announced, to take effect from the beginning of 1958.

Citizenship Legislation.

The Legislative Assembly passed on Oct. 16 the Singapore Citizenship Bill, which conferred citizenship rights on (i) persons born in the Malayan Federation; (ii) citizens of the U.K. and Colonies; and (iii) citizens of other Commonwealth countries which granted reciprocal rights, provided such persons had lived two years in Singapore and had taken an oath of loyalty to Singapore. Furthermore, it enabled aliens who had lived in Singapore for the past eight years to be registered as citizens after taking an oath of loyalty. The latter provision was aimed primarily at enlisting the support of nearly 200,000 Chinese immigrants who had continued to regard themselves as Chinese nationals in spite of a long period of residence in Singapore.

Educational Legislation.

On Nov. 18 the Legislative Assembly finally passed the Education Bill, with a number of amendments adopted during the Committee stage. Its principal provisions were:

(1) All schools, school managers, and teachers would have to be registered with the Government.

(2) The Government could refuse to register a school if, in the opinion of the Director of Education, it was "likely to be used for a purpose detrimental to the interests of the Colony or the public"—e.g. as a meeting-place for an unlawful society, or if discipline in the school was not being properly maintained. Other reasons for refusing registration would include inefficient administration of the school by its committee of management, or if more than 1,200 pupils—the limit set by the Government—were enrolled.

(3) Registration of teachers could be refused not only if they lacked suitable qualifications or were not of good character, but also where the Director of Education considered that a teacher's presence was "prejudicial to the good of the public or his pupils."

The Minister of Education (Mr. Chew Swee Kee) said that the Government regarded the Bill as the "foundation-stone for the education of the children of all communities without discrimination."

Mr. Chew gave assurances that the Director of Education's powers in refusing registration of schools or teachers would not be abused, and said that all appeals against decisions which were taken on political grounds would be considered by the Minister himself. Appeals on other questions would be submitted to a board comprising an independent chairman, two members nominated by institutions of higher education approved by the Minister, and six members appointed by the Minister, of whom two would be teachers and two school managers. A council, on which educational institutions would be adequately represented, would also be set up to advise on educational policy generally.

Formation of Workers' Party. - Mr. David Marshall's Return to Political Life.

Mr. David Marshall (the former Chief Minister of Singapore), who had decided in April to retire from politics, announced on Nov. 1 the formation of a new political party—the Workers' Party—to contest the municipal elections in December and the general elections in August 1958. The party's first meeting, held on Nov. 3, was presided over by Mr. N. S. N. Nair, president of the Army Civilians' Union, which represents Asian civilians working for the Army; as the question whether trade unions in Singapore should participate in politics had not yet been settled, those attending did so in an individual capacity and not as trade unionists. The meeting elected Mr. Marshall—who is legal adviser to the Army Civilians' Union—as a member of the party's executive.

Mr. Marshall accused the Government of "oppressing" Chinese-educated students and trade unionists in an attempt to defeat Communism, and asserted that this would only drive more people to become Communists. He also criticized the Constitution which the Coalition Government had negotiated with Britain in April 1957 (see 15557 A) as "dishonest."

The meeting adopted resolutions calling for the ending of "colonialism" and "exploitation," the complete independence of Singapore and its ultimate union with Malaya, repeal of laws relating to deportation and public security, and improvement of living standards of the people.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 15557 A.)**

B. PORTUGAL - UNITED STATES. — Extension of Azores Defence Pact.

The Portuguese Foreign Minister (Dr. da Cunha) and the U.S. Ambassador in Lisbon (Mr. James C. Bonright) signed an agreement on Nov. 15 extending until Dec. 31, 1962, the U.S.-Portuguese defence pact of 1951 whereby the United States was given the right to construct and maintain an airfield on Santa Maria Island, in the Azores.
(New York Times) **(Prev. rep. 11740 B.)**

C. RELIGIOUS LIFE. — Church of England. - New Bishop of Chichester. - Retirement of Dr. Bell.

It was announced on Nov. 26 that the Queen had approved the appointment of Dr. Roger Wilson, Bishop of Wakefield, as Bishop of Chichester in succession to Dr. George Bell (74), who would be retiring in January. Dr. Wilson (52) was Archdeacon of Nottingham from 1945 to 1949 before his consecration in the latter year as Bishop of Wakefield.
(Church Times) **(Prev. rep. 15423 E.)**

D. UNITED KINGDOM. — National Insurance Act.

The National Insurance Bill, which received its second reading in the House of Commons on Nov. 13, was enacted on Nov. 28 after passing through its remaining stages in both Houses of Parliament.—(Times) **(Prev. rep. 15867 A.)**

A. UNITED KINGDOM. — Labour Party. - Adoption of Policy Statements. - The 1956 and 1957 Party Conferences. - National Executive and Shadow Cabinet Elections. - Termination of Agreement between Labour Party and Co-operative Union.

The annual conferences of the Labour Party in 1956 and 1957, summarized below, were devoted mainly to a discussion of the nine policy documents issued by the party (see 15874 A), all of which were approved after extensive debate.

The 1956 Conference. - Mr. Bevan elected Treasurer of Labour Party.

The 55th annual conference was held at Blackpool from Oct. 1-5, 1956, under the chairmanship of Mr. Edwin Gooch, M.P. Its principal features were the election of Mr. Aneurin Bevan as party treasurer, and the unanimous endorsement of four of the party's policy statements—those on *Personal Freedom*, *Towards Equality*, *The Plural Society*, and *Homes and the Future*.

The election of a new party treasurer was caused by the appointment of Mr. Hugh Gaitskell to the leadership of the Labour Party. Four candidates stood for the post—Mr. Aneurin Bevan, M.P., Mr. George Brown, M.P., Mr. Charles Pannell, M.P., and Mr. David Rhydderch, a former South Wales miner. The ballot was held on Oct. 2 with the following result : Mr. Bevan, 3,029,000 votes ; Mr. Brown, 2,755,000 ; Mr. Pannell, 644,000 ; Mr. Rhydderch, 42,000.

Mr. Bevan, nominated by seven trade unions and over 100 constituency parties, was supported by the National Union of Mineworkers (678,000 votes), the Union of Shop, Distributive and Allied Workers (324,000) and the National Union of Railwaymen (295,000). His vote of over 3,000,000 compared with 2,032,000 in 1954 and 1,225,000 in 1955, when he unsuccessfully opposed Mr. Gaitskell for the party treasurership in both those years.

Mr. Brown, a former Minister of Works, was nominated by four unions and six local parties, and had the support of the Transport and General Workers' Union (about 1,000,000 votes) and the National Union of General and Municipal Workers (650,000). Mr. Pannell was nominated by the Amalgamated Engineering Union (635,000 votes) and three local parties, while Mr. Rhydderch was nominated by the Clerical and Administrative Workers' Union.

The principal resolutions adopted by the conference are summarized below :

"Towards Equality." The policy document on this subject was introduced by Mr. Harold Wilson, M.P., and approved without dissent after Mr. Gaitskell had replied for the Executive. Mr. Gaitskell ended his speech by stressing the "vital need" for a twofold unity inside the Labour movement—"unity of purpose between the trade union movement and the Labour Party, particularly in the field of economic policy, and unity within the Labour Party itself."

Speaking the same evening (Oct. 3) at a rally organized by the Socialist periodical *Tribune*, Mr. Bevan declared : "I have no quarrel with any individual inside this movement. There are sometimes personal collisions that represent differences of principle or outlook. All I can say is that I . . . will try my utmost to work in the heartiest and most intimate co-operation with everybody inside this party . . ." Mr. Bevan's speech was regarded as a personal response to Mr. Gaitskell's appeal for unity.

"Personal Freedom." The policy document was introduced by Mr. Sam Watson (the Durham miners' leader) and accepted after debate. Mr. Benn Levy (the well-known playwright and a former M.P.) moved a resolution viewing with "alarm" the increasing tendency for security measures to interfere with the freedom of the individual, and urging that anyone suspected of being a "security risk" should have the right of appeal to a panel of three High Court judges. The resolution was defeated on a card vote by 3,478,000 to 2,625,000.

"The Plural Society." Unanimous approval was also given to this document, which was introduced by Mr. Tom Driberg, former M.P. for Maldon. Several resolutions were moved during the debate and accepted by the Executive, including a resolution by Mr. A. F. Nicholls (Epping) opposing all forms of racial discrimination, and another by Mr. John Boyd (Amalgamated Engineering Union) calling for self-determination for the people of Cyprus.

Housing. The policy document *Homes and the Future* was introduced by Mr. Anthony Greenwood, M.P., and accepted after a lengthy debate. In the course of his speech Mr. Greenwood announced that the Executive had decided to make one important change in the leasehold reform section of *Homes for the Future*—viz., instead of the occupant of leasehold property being entitled to buy the freehold on the expiration of his lease, "we believe on reflection that he should be entitled to buy the freehold at any time."

The conference accepted two resolutions on housing : (1) a composite resolution by Mr. N. J. Smart (Woolwich) calling for lower building costs to be achieved by reducing interest rates and the cost of materials, and elimination of monopolistic and restrictive practices; (2) by Mr. Aneurin Bevan (in his capacity as delegate for Ebbw Vale) urging that local authorities should be able to contract with each other for the maintenance and repair of housing estates.

Social Security. Mr. David Rhydderch, for the Clerical and Administrative Workers' Union, presented a composite resolution calling for the streamlining of the administration of the social services, the abolition of the earnings limit relating to old-age pensions, and the integration of national assistance with social insurance. The resolution was adopted after Mr. Richard Crossman, M.P., had announced the Executive's intention of drawing up a policy statement which would include proposals for compulsory national superannuation [See policy statement *National Superannuation* subsequently issued in May 1957—page 15875].

Automation. Mr. Harry Knight (Association of Supervisory Staffs, Executives and Technicians) moved a resolution regretting the Executive's failure to produce a report on automation, and calling within the next six months for (1) an "effective statement providing for planning and control of automation to ensure that the whole community benefits" ; (2) prior consultation with the trade unions, and adequate compensation for workers displaced by automotive processes ; (3) an educational programme to provide sufficient technical workers to man "the automated plants." In presenting this resolution, Mr. Knight gave a warning that certain European countries and the United States were far ahead of Britain in automation, and declared that British backwardness in this field might result in "more unemployment, poverty and misery from not having automation than we should ever have from having it."

For the Executive, Mr. Jack Cooper (president of the National Union of General and Municipal Workers) proposed that the resolution be remitted for consideration, and expressed the opinion that automation was "nothing to get scared about." Many delegates, however, strongly dissented from this view, and the Executive eventually agreed to accept Mr. Knight's resolution.

Foreign Policy. Unanimous approval was given to a composite resolution by Mr. K. Zilliacus, M.P., calling on the Labour movement (1) to reaffirm its faith in the United Nations ; (2) to press for "co-existence" and disarmament agreements based on the U.N. Charter; and (3) to support the principle that "rights to military bases should be recognized only if they form part of a U.N. world security system."

The Middle East. The conference adopted by acclamation a resolution by Mr. Hugh Jenkins (Cities of London and Westminster constituency party) which (1) condemned the Government's "lamentable handling of the Suez crisis" ; (2) praised the Parliamentary Labour Party's stand on this matter, "and in particular the part it has taken in committing the Government to refer the dispute to the Security Council" ; and (3) reaffirmed that "British policy must conform with the spirit and letter of the Charter and have as its object the achievement of a peaceful settlement by negotiation."

Agriculture. The Executive accepted a resolution by Mr. H. Collison (National Union of Agricultural Workers) noting with concern "the continued worsening in the relationships between the farmers and the Government," and declaring that a flourishing agriculture needed a long-term policy, the full implementation of the 1947 Agriculture Act, and an extension of marketing boards.

Cotton Industry. The Executive also accepted a motion by Mr. W. Roberts (United Textile Factory Workers) calling for policies to safeguard the cotton textile industry against unfair foreign competition, and urging the Government to "restore confidence" in the industry by restricting yarn and cloth imports.

Elections to National Executive. Balloting for the party's National Executive Committee resulted as follows :

Constituency Party members (7)—Mrs. Barbara Castle, M.P. (952,000 votes), Mr. Anthony Greenwood, M.P. (899,000), Mr. Harold Wilson, M.P. (877,000), Mr. Tom Driberg (831,000), Mr. Richard Crossman, M.P. (740,000), Mr. Ian Mikardo (717,000), and Mr. Sydney Silverman (675,000). There were 13 unsuccessful candidates, of whom Mr. James Callaghan, M.P., obtained most votes (558,000).

Trade Union members (12)—Mr. Harry Earnshaw, Mr. Edwin Gooch, M.P., Mr. Sam Watson, Mr. J. W. Stafford, Mr. Jack Cooper, Mr. R. J. Gunter, Mr. H. R. Nicholas, Mr. G. I. Brinham, Mr. W. M. Tallon, Mr. D. H. Davies, Mr. Walter Padley, M.P., and Mr. R. W. Casasola.

Socialist, Co-operative and Professional Organizations (1)—Mr. Arthur Skeffington, M.P.

Women members (5)—Miss Margaret Herbison, M.P., Miss Alice Bacon, M.P., Dr. Edith Summerskill, M.P., Mrs. Jean Mann, M.P., and Miss Alice Horan.

[Mr. Gaitskell, the party leader, Mr. James Griffiths, deputy leader, and Mr. Aneurin Bevan, the party treasurer, are *ex-officio* members of the National Executive Committee.]

Party Chairmanship. Miss Margaret Herbison, M.P., was elected chairman of the Labour Party for the year 1956-57. Mr. Tom Driberg was elected vice-chairman.

The 1957 Conference.

The party's 56th annual conference was held at Brighton from Sept. 30 to Oct. 4, 1957. Its principal features were (1) endorsement of the policy statements on *Industry and Society*, *Public Enterprise*, and *National Superannuation*, and also of two policy documents on Colonial affairs ; (2) a pledge to repeal the Government's Rent Act if the Labour Party came to power at the next election ; and (3) rejection of a resolution which would have pledged a future Labour Government to unilateral renunciation of nuclear weapons.

"Industry and Society." In presenting this document, Mr. Harold Wilson admitted, firstly, that its wording might be considered obscure, for which the National Executive took full responsibility; and secondly, that it had given rise to much controversy, which, he stated, had been based on "misunderstandings and misconceptions." The first misunderstanding was that the document was a substitute for what had been described as "old-fashioned nationalization," whereas it was in fact "a comprehensive statement which includes and involves traditional nationalization as well as other forms." Renationalization of steel and road transport was clearly reaffirmed, and there was a clear commitment to extend public ownership to any industry, or part of an industry, which was found after thorough inquiry to be "failing the nation." Where the case had been made out for "old-fashioned nationalization," public ownership would be extended—whether by the "monolithic public corporation" or other means would be decided on the merits of each case.

A second misunderstanding had arisen on the interpretation of the phrase "failing the nation," in which connexion Mr. Wilson said: "Does this simply mean limiting the criterion to that of pure operational efficiency? The answer is 'No.' ... Efficiency will be an important test, but there are others, like failing to play an adequate part in the export effort, abuse of monopoly power, unwillingness to expand sufficiently in the national interest, lack of drive in investment, bad industrial relations, and failure to co-operate in Government planning measures."

"A third misconception," Mr. Wilson continued, "has arisen from the question that has been asked: 'Is it true that the National Executive is proposing that, in cases where it has been proved that an industry is failing the nation, there will be a mere acquisition of shares and no interference with management and control? Again the answer is 'No.' If we take over a firm or industry that has been proved to be failing the nation, obviously we have to get control of management policy."

After describing the document as "a new analysis of contemporary capitalism," and saying that it showed "the dominance in the economy of a few large firms," Mr. Wilson went on: "The main criticism [of the policy statement] ... has been that we have set out this new and challenging analysis and then failed to say what we are going to do. Some say we ought to list the industries to be taken over. We believe that job is one for the next Labour Government, and not for us here. The reason is not so much electoral considerations, or fears that the more profitable sections of firms will be hived off before the election to avoid nationalization, but the simple practical reason that we cannot tell which industries will be relevant at the time we take over responsibility of government ... So we say steel and road transport—and the decision for the rest to be made after thorough inquiry by the Labour Government ..."

Mr. Jim Campbell (chairman of the N.U.R.), speaking as "an old-fashioned Socialist," said that he had been "depressed" by Mr. Wilson's statement and his references to "obscurity" and "misunderstandings." He moved a resolution which (1) affirmed the conference's belief "in the common ownership of all the basic industries and means of production"; (2) deplored "the present tendency to deviate from these accepted Socialist principles"; and (3) urged that the policy statement be referred back to the National Executive "in order that a clear, unambiguous document be prepared and issued indicating the industries to be brought under public ownership by the next Labour Government."

On the other hand, the policy statement was supported by a number of influential trade union leaders, including Mr. Frank Cousins (general secretary of the T.G.W.U.), Mr. W. Carron (president of the A.E.U.), Mr. Ernest Jones (president of the N.U.M.), Mr. A. Birch (general secretary of the Union of Shop, Distributive and Allied Workers), and Mr. R. J. Cook (national industrial officer of the National Union of General and Municipal Workers).

A lengthy and at times heated debate was replied to by Mr. Gaitskell, who claimed that the policy statement was in full accord with Socialist principles, and who said that it involved "an advance on three fronts simultaneously · the front of nationalization, the front of control, and that of public ownership." The document was then approved by 5,309,000 votes to 1,276,000, together with two other resolutions presented during the debate: (1) a Hornsey resolution proposing that the next Labour Government, "as a first step," should (*a*) transfer to public ownership the shares of a substantial number of companies whose assets exceeded £2,500,000, and (*b*) that, in order of priority, particular attention should be paid to firms in banking, building and civil engineering, chemicals, engineering, insurance, and shipbuilding; (2) a Bromsgrove resolution urging the nationalization of water supplies.

The N.U.R. resolution was defeated by 5,383,000 votes to 1,442,000. It was supported by the Associated Society of Locomotive Engineers and Firemen (ASLEF), the Electrical Trades Union, and many local Labour parties, and also by Mr. Herbert Morrison, Mr. Shinwell, and Miss Jennie Lee (Mrs. Aneurin Bevan).

National Superannuation. The policy document on this subject was unanimously endorsed after a lengthy debate in which Mr. Richard Crossman, M.P. (chairman of the drafting committee which worked out the scheme) replied in detail to a number of points and criticisms by individual delegates. Describing the scheme as "a major and revolutionary change" in the party's approach to the social services, Mr. Crossman said: "The proper Socialist attitude to a privilege is not to destroy it but to transfer the privileges of the minority into the rights of the majority. That is what we are doing ... We are offering a Socialist national insurance in which we deliberately build a floor below which no-one's standard of living falls, deliberately weighting it in favour of the lowest-paid worker ..."

An important part of Mr. Crossman's speech dealt with the relationship between the proposed national superannuation scheme and the many existing occupational pension schemes. He stressed that the Labour Party was not proposing to close down any of the latter, but that they would "limit the schemes which they would authorize as alternatives to national superannuation to those which pass certain tests." Wherever employers did not pass these tests, it would only mean that they would have to adopt the national scheme, "and then the other scheme could be on top." The Labour Party genuinely desired the continuation of those schemes which were sound and which passed the tests. While the policy statement defined these tests, however, it was not a legal document but rather a statement of intentions and purposes. There were several thousand such schemes in existence, each slightly different, and they would "have to be tremendously careful to preserve the rights of people in them and see that the conditions laid down are practical."

"There is grave anxiety," Mr. Crossman continued, "lest our scheme, by sucking away new entrants, will injure these schemes and make them actuarially unsound, causing them to close down. This has been drawn to our attention by the T.U.C. We shall have to go into a huddle in the next 12 months and decide whether to bring some of the weaker schemes into the national scheme, but we must not subsidize private schemes out of State money." Mr. Crossman added that it was intended to get the national superannuation scheme on the Statute Book "in the first two years after the return of a Labour Government"—the first time this "deadline" had been mentioned.

The debate was primarily between the advocates of "flat-rate" pensions (i.e. those who thought the pension should be the same for everyone) and those who agreed with the National Executive that national superannuation should vary in proportion to past earnings up to a maximum of about £15 a week. Mr. Crossman pointed out that a flat-rate scheme would widen the gap between the "poor" two-thirds of the population, who relied entirely on the State pension, and the "lucky" one-third who had some form of private superannuation in addition. A number of delegates also urged that the whole conception of a contributory scheme should be rejected in favour of one financed out of direct taxation. Rejecting this argument, Mr. Crossman pointed out that the next Labour Government were already committed to an increase of £1 in the basic pension, which would cost £212,000,000 a year or 10d. on the standard rate of income-tax; to transfer the whole burden of pensions on to taxation would mean increasing the standard rate by another 2s. 8d.

The policy document was approved without dissent together with (1) a Hampstead resolution asking for special consideration to be given to the position of women under the national superannuation plan—in particular, to see what form of assistance could be given to mothers with young children; and (2) a Nelson and Colne resolution (accepted by the Executive) asking that special consideration be given to widows.

Sir Alfred Roberts, for the T.U.C. General Council, announced the T.U.C.'s acceptance of the scheme subject to an examination of its details. [See also 15853 A, second column.]

Economic Policy. The conference unanimously adopted an emergency resolution by the National Executive which (1) condemned the Government's economic and financial policy, and accused the Government of having "directly contributed to inflation, loss of gold and dollar reserves, and recent speculation against the pound" through its "abandonment of domestic planning and control and its military adventures abroad"; (2) affirmed the importance of defending the present exchange rate, but "rejected a policy which, through cutting essential investment and imposing a rigid credit freeze with the highest Bank Rate for nearly 40 years, undermines the country's future standard of living, restricts production, threatens employment and endangers industrial peace"; (3) declared that there could be "no effective solution to Britain's economic problems while the present Government remains in office."

In a speech strongly attacking the Government's economic policy, Mr. Wilson described the Prime Minister as a "bookmaker turned pawnbroker" and accused him of having "sold out Commonwealth oil assets" and "put us in pawn to the United States and Germany." Mr. Wilson also attacked the Chancellor of the Exchequer (Mr. Thorneycroft) for having made "the most savage attack on industrial production any Chancellor has made since 1931."

The Rent Act. Unanimous endorsement was also given to an emergency resolution, moved for the Executive by Miss Alice Bacon, M.P., condemning the Rent Act as "a vicious piece of legislation in support of landlord vested interests," and pledging the next Labour Government to repeal it. Declaring that "the Tories have produced a charter for the landlords and the Labour Party will produce a charter for the tenants," Miss Bacon said that a Labour Government would introduce new legislation which would (*a*) ensure that there were no further evictions, and end decontrol of property on change of tenancy; (*b*) protect tenants against unreasonable rents, and provide for the transfer of tenancy within a family in the event of death; (*c*) simplify the procedure for obtaining certificates of disrepair, and restore to rent tribunals the power to fix reasonable rents for furnished dwellings.

Nuclear Weapons. A long and heated debate took place on a Norwood resolution seeking to pledge the next Labour Government to take the lead in banning the testing, use and manufacture of

nuclear weapons. The resolution was defeated by 5,836,000 votes to 781,000 after Mr. Aneurin Bevan, for the National Executive, had emphasized that such a decision could not be taken by unilateral action.

In his speech, which attracted wide attention, Mr. Bevan stressed that neither he nor any other member of the Executive were in favour of the hydrogen bomb; that he personally had made "probably more speeches to more people condemning the bomb than anybody in this conference"; and that "I am as strongly against it now as ever I was." He continued:

"I do not believe that this conference should resolve all the fundamental issues of British international relationships and foreign policy as an incidental by-product of a resolution. If you decide in Britain unilaterally that you will have nothing to do with experiments or with the manufacture or use of such weapons—with none of which sentiments I disagree—you . . . will have to say immediately that all the international commitments, arrangements, and facilities afforded to your friends and allies must be immediately destroyed . . . If you carry this resolution and follow up its implications, you will send a British Foreign Secretary naked into the conference chamber . .

"What the proposers of the resolution are saying is that a British Foreign Secretary should get up in the United Nations and announce that the British Labour movement had decided unilaterally to contract out of all its obligations to other countries, including members of the Commonwealth. Do you call that statesmanship? I call it an emotional spasm . . . If we contract out, if we produce this diplomatic shambles, it does not necessarily follow that this country is secure from the hydrogen bomb. Britain could be destroyed merely as an accident of war between Russia and the United States. What we have therefore to consider is how far the policies we are discussing can exert influence and leverage over the policies of the United States and the Soviet Union."

After saying that the supporters of the resolution had not fully thought out its implications, Mr. Bevan went on: "You don't realize that the consequence of passing the resolution will be to drive Britain into diplomatic purdah. You have not thought out the fact that we are in relations with other countries. You are not entitled to take action as a Socialist Government without giving the members of the Commonwealth the opportunity to consider the implications of the action we are taking . . . In my opinion the carrying-out of the resolution, with all the implications I have pointed out, will do more to precipitate incidents that may easily lead to a third world war . . .

"I know you are deeply convinced that the action you suggest is the most effective way of influencing international affairs. I am deeply convinced that you are wrong. It is, however, not a question of who is in favour of a hydrogen bomb or who is against it, but what is the most effective way of getting the damned thing destroyed . . . I have reached my conclusions only after a lot of agonizing thinking. I am deeply convinced that if the resolution is adopted . . . it would embarrass a Socialist Government and might have disastrous consequences throughout the world."

Colonial Policy. The Colonial Policy documents *Economic Aid* and *Smaller Territories* were introduced by Mrs. Barbara Castle, M.P., and endorsed unanimously. In reply to Mrs. Lena Jeger, M.P., Mrs. Castle said that the next Labour Government would confer self-government on Cyprus and would not "include partition in their definition of democratic self-determination."

"Public Enterprise." This policy document (on the nationalized industries) was introduced by Mr. James Griffiths, M.P., and adopted after a short debate with a few dissenting votes.

National Executive. As compared with 1956, the only changes in the National Executive Committee were (1) in the constituency party section, where Mr. Callaghan replaced Mr. Silverman, and (2) in the trade union section, where Mr. Boyd, Mr. Matthews and Mr. Hollywood succeeded three retiring members—Mr. Cooper, Mr. Stafford and Mr. Tallon. Mr. Bevan was re-elected party treasurer unopposed.

Votes cast in the constituency party section were: Mr. Greenwood 911,000; Mr. Wilson 886,000; Mrs. Castle 855,000; Mr. Driberg 753,000; Mr. Mikardo 719,000; Mr. Crossman 578,000; and Mr. Callaghan 565,000. Mr. Silverman (533,000 votes) headed the list of 12 unsuccessful candidates.

Party Chairmanship. Mr. Tom Driberg was elected chairman of the Labour Party for 1957-58, with Mrs. Barbara Castle, M.P., as vice-chairman.

Party Membership. A report was presented to the conference stating that party membership at the end of 1956 was 6,537,228 (including 5,658,249 affiliated trade unionists), compared with 6,483,994 in 1955 and 6,498,027 in 1954. Individual membership (as distinct from affiliated union membership) totalled 845,129 at the end of 1956—an increase of 1,773 over the previous year, but a decline from the figure of 933,657 in 1954 and 1,004,685 in 1953. Affiliation fees from trade unions in 1956 totalled £142,998, an increase of £2,848 over 1955.

The "Shadow Cabinet."

Results of the balloting for the Labour Party's "Shadow Cabinet" in 1956 and 1957 were as follows:

1956 Ballot. The ballot, held on Nov. 22, 1956, resulted in the election of the following members of the "Shadow Cabinet" for 1956-57: Mr. Harold Wilson (185 votes), Mr. Alfred Robens (149), Mr. Aneurin Bevan (148), Mr. G. R. Mitchison (146), Mr. James Callaghan (140), Mr. Anthony Greenwood (137), Sir Frank Soskice (137), Mr. Philip Noel-Baker (133), Dr. Edith Summerskill (112), Mr. George Brown (110), Mr. Kenneth Younger (106), and Mr. Tom Fraser (98). Of 22 unsuccessful candidates, Mr. Arthur Bottomley polled most votes (91).

The Shadow Cabinet announced on Jan. 21, 1957, that it did not propose to pursue the "constitutional implications" of the appointment of Mr. Macmillan as Prime Minister following the resignation of Sir Anthony Eden. [As stated in 15301 A, final paragraph, the Shadow Cabinet had previously announced that it would examine the "constitutional implications" of the change in the Premiership.]

1957 Ballot. The ballot for the 1957-58 "Shadow Cabinet" took place on Nov. 14, 1957, the 12 successful candidates being: Mr. Wilson (193 votes), Mr. Mitchison (191), Mr. Bevan (181), Sir Frank Soskice (174), Mr. Callaghan (171), Mr. Robens (162), Mr. Greenwood (143), Mr. Fraser (123), Mr. Brown (119), Mr. P. Noel-Baker (114), Mr. Patrick Gordon-Walker (105), and Mr. Bottomley (99). Of 19 unsuccessful candidates, most votes were polled by Mr. Younger (94). There were two changes as compared with the 1956-57 Shadow Cabinet—Mr. Gordon-Walker and Mr. Bottomley replacing Dr. Edith Summerskill and Mr. Younger.

In addition to the above-mentioned 12 members, the Shadow Cabinet includes the party leader (Mr. Gaitskell), the deputy leader (Mr. Griffiths), and the Labour Chief Whip in the House of Commons (Mr. Herbert Bowden) *ex-officio*; the Leader of the Labour peers in the House of Lords (Viscount Alexander of Hillsborough); the Chief Whip of the Labour peers (Lord Lucan); and an elected representative of the Labour peers (Lord Faringdon).

A surprise feature of the ballot was the exclusion from the "Shadow Cabinet" of Dr. Edith Summerskill, who fell from ninth place to 15th and received only 89 votes. Dr. Summerskill's defeat was attributed in the Press largely to the widespread resentment caused by remarks made by her after a visit to the Middle East in January last. The *Manchester Guardian* commented that "her trip to Egypt and . . . her indiscretions over 'Norwegian nationality' and the like have weakened . . . her position in the parliamentary party."

[Following a visit to Egypt and other Middle Eastern countries in January, during which she was received by President Nasser, Dr. Summerskill made a statement on her return to London (Jan. 23, 1957) describing the attitude of the British forces to Egyptian civilian casualties in Port Said as "callous" and "inhuman," and alleging that those casualties were much higher than the figures given in the report of Sir Edwin Herbert (the President of the Law Society, who carried out an independent inquiry for the Government—see pages 15322-23). Her allegations were refuted by Sir Edwin Herbert in a detailed reply (Jan. 24, 1957), and were described as "monstrous" by Mr. John Hare, then Secretary of State for War. Writing of her Egyptian visit in a London evening newspaper, Dr. Summerskill said that she had given her nationality as "Norwegian" because it had embarrassed her to be British, and in view of her Scandinavian ancestry.]

Opposition Front Bench Responsibilities. The following reallocation of Opposition front bench responsibilities was announced on Nov. 29, 1956, following the "Shadow Cabinet" ballot held a few days earlier: (1) Mr. Aneurin Bevan would become the Labour Party's spokesman for foreign affairs in the House of Commons in succession to Mr. Robens, who would deal with labour, fuel and power, and atomic energy matters; (2) Mr. George Brown would deal with defence and supply; (3) Mr. Callaghan would be Opposition front bench spokesman for Colonial affairs; (4) Sir Lynn Ungoed-Thomas, Q.C., would remain spokesman on legal subjects; (5) Mr. Philip Noel-Baker and Mr. Younger would assist Mr. Bevan in matters relating to foreign affairs; (6) Sir Frank Soskice, Q.C., would act as a "freelance" member of the Opposition front bench without any specific task (this decision was taken at Sir Frank's own request in view of the demands of his Bar practice).

Following the "Shadow Cabinet" election of November 1957, it was announced that Mr. Bottomley would be principal Opposition spokesman on Commonwealth affairs, while Mr. Steele would succeed Mr. Bottomley as spokesman on Admiralty matters.

Relations between Labour and Co-operative Parties.

It was announced on Feb. 28, 1957, that the Labour Party had formally notified the Co-operative Union of the termination of the agreement of 1946 which had governed the political relationship between the two organizations during the past ten years. This agreement, dated Sept. 24, 1946, laid down that Co-operative M.P.s in the House of Commons (of whom there are at present 20) would accept the Labour Whip and the Standing Orders of the Parliamentary Labour Party, while remaining responsible to the Co-operative Union and not to the Labour Party.

Although no statement was issued about the reasons for the Labour Party's decision, it was understood that trade union leaders had pointed out that, with the single exception of the Royal Arsenal Co-operative Society, the Co-operative Union contributed nothing to the central funds of the Labour Party, whereas the unions contributed generously—a situation which, it was suggested, put the Co-operative movement in a much stronger position to finance candidates in the constituencies than the trade unions. It was also understood that trade union leaders had complained of instances during the past two or three years in which trade union candidates had been rejected by constituency parties—e.g. for by-elections—in favour of Co-operative candidates.

Mr. Morgan Phillips (secretary of the Labour Party) issued a statement on Feb. 28 describing the Labour Party's request for a review of the 1946 agreement as "normal practice," since it was desired to carry out a general review of party organization before the next general election. On the other hand, Mr. J. Bailey (secretary of the Co-operative Union) said that it was "not just a matter of bringing the present agreement to an end," and that a revised agreement was "contemplated." He added that the Co-operative Union had "no knowledge of the particular respects in which the Labour Party wish to revise the agreement."

In a statement on June 11 to the Co-operative Congress in Brighton, Mr. A. E. Jupp (of the Co-operative Union's national policy committee) said that discussions were in progress with the Labour Party on all aspects of the relationship between the two movements, including the position of Co-operative M.P.s and the selection of parliamentary candidates. Specific proposals for a new agreement had not yet been put forward by the Labour Party, but he had Mr. Gaitskell's assurance that "those who wish to see a split between the Labour Party and the Co-operative movement are in for a disappointment." Mr. Jupp stressed that there was "no basic difference of policy" between the two organizations.—(Times - Daily Herald - Manchester Guardian) **(Prev. rep. Labour Party, 15874 A; 14749 C; 14680 A; 14515 A.)**

A. UNITED STATES. — President Eisenhower's Recovery from Cerebral Attack.

A medical bulletin was issued from the White House on Nov. 26 announcing that President Eisenhower was suffering from "an occlusion of a small branch of the middle cerebral artery on the left side."

The bulletin said that the condition was "mild" and was "expected to be transitory"; that it would require "a period of rest and substantially decreased activity estimated at several weeks," though it would not be necessary for the President to enter hospital; and that "the outlook for complete recovery within a reasonable period of time is excellent." There were no abnormal signs or symptoms other than mild aphasia (difficulty in speaking), which was improving perceptibly. It could not be immediately determined "whether the condition present is one of a small clot or a vascular spasm," but all findings indicated that there was no brain haemorrhage.

It had been announced on the previous evening (Nov. 25) that the President had caught a chill after going to Washington airport to meet the King of Morocco and had been ordered to bed by his doctors. The bulletin stated that it was possible that the President's chill was "a contributing factor" in the attack of cerebral occlusion.

[The middle cerebral artery is a large vessel which when occluded (blocked) by a clot of blood results in a "stroke." The speech centre is affected, giving rise to aphasia when the occlusion is on the left side.]

A second bulletin on Nov. 27 said that the President was making "excellent progress" and was well enough to sign official documents and to indulge in his hobby of painting; he had also received the King of Morocco and Vice-President Nixon during the day. The President's Press Secretary (Mr. James Hagerty) stressed that the President was not considering the delegation of any of his powers.

Mr. Hagerty pointed out that the word "stroke" had not been used in the medical bulletins, adding in this connexion: "The word 'stroke', the doctors tell me, is not a medical word and is associated more in the public mind with a term meaning paralysis, or haemorrhage of the brain. Neither of these cases has happened. There was no paralysis, neither was there haemorrhage of the brain, so they [the doctors] were very carefully trying to avoid a connotation through the use of a popular or layman's word which would give a completely wrong report on the President's condition."

On Nov. 28 President Eisenhower was well enough to attend a Thanksgiving Day service at the National Presbyterian Church, accompanied by Mrs. Eisenhower. A further medical bulletin reported that the President was "in fine spirits" and that his progress "continues to be excellent."

Mr. Hagerty said that the impairment in the President's speech had almost completely disappeared, and that he had the President's authority to say that he (Mr. Eisenhower) was looking forward to attending the NATO Heads of Governments meeting in Paris. His doctors, however, would decide whether he could make the trip, and if the President could not go to Paris the U.S. delegation would be headed by Vice-President Nixon. In a statement on the same day, Mr. Nixon said that he would like to "scotch any rumours that the President is in a condition which would make it necessary for him to consider resigning."

President Eisenhower (who is 67) suffered a heart attack in 1955 and underwent an intestinal operation in 1956.
(New York Times - New York Herald Tribune)
(Prev. rep. 14940 C; 14530 D; 14512 D.)

B. MALAYA. — Ban on British Titles.

It was announced in Kuala Lumpur on Nov. 16 that Malayan citizens would no longer be eligible for British titles.
(Observer)

C. INDIA. — Establishment of Naga Administrative Unit. - Central Government's Legislation.

A Bill uniting the Naga areas of India into a single administrative unit under the Central Government, to be known as the Naga Hills-Tuengsang Area, was introduced in the *Lok Sabha* on Nov. 20 by the Home Minister, Mr. G. B. Pant, and passed unanimously on Nov. 25.

The Naga Hills District and the Tuengsang Frontier Division had previously been administered by the Assam Government and the North-East Frontier Agency respectively; the new unit will be administered by the Governor of Assam as agent of the President, who will be advised by the External Affairs Ministry. The Bill also provided that the Area would be represented in the *Lok Sabha* by an additional nominated member.

Introducing the Bill, Mr. Pant said that the Naga Hills District had a population of about 200,000 and the Tuengsang Division about 150,000, they comprised some 17 tribes of different racial strains and speaking different languages, who whenever they assembled had recourse to either Assamese or English as the medium of common communication. For a territory of 350,000 people, with an annual revenue of less than £40,000, to aspire to full independence was not feasible in the modern world. Although the Central Government had taken all steps to fulfil the assurances given by Mr. Nehru to the Naga delegation in September, Mr. Pant admitted that there had been "no very marked response." He expressed the hope that the Government's decision would encourage the forces of peace and help others also to realize where Naga interests lay.

The Bill was subsequently passed by the *Rajya Sabha*, and came into operation on Dec. 1 after receiving the assent of President Rajendra Prasad.

The Assam Government had previously announced on Oct. 26 that an amnesty had been offered to all Nagas who had committed offences against the State; that 161 prisoners awaiting trial had been released; and that the release of 75 convicted prisoners had been ordered. Nagas who had committed murder or other heinous crimes against other Nagas would also be pardoned, if they secured pardon from the aggrieved persons or surviving members of their families in accordance with tribal custom.

In spite of the concessions made by the Indian Government to the Nagas' demands, a section of the Naga rebels continued their activities during October and November, raiding loyal villages, sniping at military convoys and patrols, and blowing up bridges. During November they made a series of raids on villages in Manipur which, although containing a Naga minority, had not previously been affected by the rebellion. (Indian High Commissioner's Office, London - The Statesman, Calcutta - The Hindu, Madras) **(Prev. rep. 15784 C.)**

D. HONG KONG. — Closing of Naval Dockyard.

The British Government's decision to close down the naval dockyard at Hong Kong was announced in the House of Lords on Nov. 27 by Lord Mancroft, Minister without portfolio, and in the Commons by Mr. Galbraith, Civil Lord of the Admiralty. It was explained that the dockyard would be closed down over a two-year period; that 4,700 workers would become redundant; and that the closing of the dockyard would result in an estimated saving of £1,500,000 a year.

Lord Mancroft said that the decision had been taken "with real regret in view of the long association of the dockyard with Hong Kong and the loss of jobs for many employees which must inevitably result." It had been necessitated, however, by "current reorganization of naval forces and their shore support throughout the world in the light of the Government policy outlined in the Defence White Paper" [see 15493 A]. Although future requirements of naval vessels in the Far East would no longer justify the maintenance of a full-scale dockyard at Hong Kong, its closure would not mean the disappearance of British warships from Far Eastern waters. A small naval base from which ships could be serviced and operated would be retained at Hong Kong, and other vessels of the Far Eastern Fleet would visit Hong Kong from time to time. The Royal Navy would thus continue to be "very much in evidence at Hong Kong, although on a reduced scale." Six minesweepers would still be based on Hong Kong, together with a frigate or destroyer, whilst the Far Eastern Fleet would continue to use the Singapore naval base, the long-term future of which was still under examination.

Lord Mancroft explained that the decision had been taken in conjunction with Australia, New Zealand, Malaya, and the United States, "who share our regret but appreciate our difficulties and the necessity for this decision." The two-year rundown of the dockyard (expected to be completed by Nov. 30, 1959) had been fixed to give the employees the best possible chance of finding other work; it was expected that many would find employment in the building industry in view of the present building "boom" in Hong Kong.

Hong Kong was first used as a British base in the "opium war" of 1839-42, and was ceded to Britain in 1841. The present dockyard was built in 1908-11 and had thus been in use for nearly 50 years.—(Times - Daily Telegraph)

DECEMBER 7—14, 1957

A. SPAIN - MOROCCO. — Repulse of Moroccan Attacks on Ifni. - Moroccan Territorial Claims to Spanish Saharan Territory and Ifni Enclave. - Creation of Moroccan Sahara Office.

Large-scale fighting between Spanish troops and Moroccan irregulars broke out on Nov. 23 when some 1,200 well-armed Moroccan nationalists attacked the small Spanish enclave of Ifni, in southern Morocco. According to Spanish and French reports, the attacks were launched by units of the former Moroccan "Liberation Army" which had not yet been incorporated in the Royal Moroccan Army; no Moroccan regular forces were engaged, and the Moroccan Government disclaimed any responsibility for the events in Ifni. Throughout the period of the fighting—the last week of November and the first week of December—the only statements issued on the Moroccan side came from the Rabat newspaper *Al Alam*, organ of the ruling Istiqlal Party. On the Spanish side, developments in Ifni were described in a series of communiqués issued from time to time in Madrid.

Strong forces of Moroccan irregulars—described by *Al Alam* as *moujahidines* ("liberation fighters")—crossed the Ifni frontier at several points on Nov. 23 and attacked a number of Spanish outposts manned by small garrisons. *Al Alam* alleged that the Spanish authorities at Ifni had "provoked" the local inhabitants, that Spanish troops had attacked Moroccan frontier posts, and that French aircraft were supporting the Spanish forces—all these allegations being strongly denied in Madrid and Paris. During the next few days *Al Alam* claimed that the *moujahidines* had inflicted heavy casualties on Spanish troops and had captured Sidi-Ifni, the capital of the enclave—a claim which was retracted, however, on Nov. 27 and which was subsequently shown to be completely untrue.

The first Spanish communiqué, issued in Madrid on Nov. 27 by the Ministry of War, said that for several months past armed bands of the so-called "Liberation Army" had crossed into Ifni and the Spanish Saharan territories with the aim of fomenting unrest and disorder among the inhabitants. The Moroccan Government had been asked to impose its authority in the territories adjacent to Spanish possessions by withdrawing the armed bands and replacing them by units of the Royal Moroccan Army. As no response had been made to this request, and because of the acts of terrorism and violence perpetrated by the armed bands against loyal inhabitants, it had been decided to reinforce the garrisons in Ifni and the Spanish Sahara. On Nov. 23 armed bands had crossed the Ifni frontier in force and launched co-ordinated attacks on Spanish outposts after cutting the telephone-lines linking them to Sidi-Ifni. At the same time an attempted raid had been made on an arms dump at Sidi-Ifni. The Spanish garrison had reacted "promptly and energetically" and had inflicted heavy losses on the invaders—about 100 killed and wounded, against Spanish casualties of five killed and 34 wounded.

During the following week the Spanish garrison in Ifni—normally 2,000-3,000 men—was reinforced by some 10,000 troops from Spain and the Canary Islands, including parachute troops. Three Spanish cruisers—the *Canarias* (10,000 tons), *Miguel de Cervantes* (7,500 tons) and *Mendez Nuñez* (4,500 tons)—were also sent to Ifni, while Spanish bombers based in the Canaries carried out a number of heavy bombing attacks on the invading forces. A second Spanish communiqué of Nov. 29 said that the situation was "developing favourably"; that the security of Sidi-Ifni was "totally assured"; and that military, naval and air reinforcements were assisting the local garrison to "mop up" armed bands in various parts of the enclave. Claiming that "considerable losses" had been inflicted on the invaders, the communiqué said that several hundred Moroccan wounded were known to have arrived at hospitals at Agadir, Goulimine and Bou-Izakarn, in Moroccan territory. It was added that none of the prisoners in Spanish hands were natives of Ifni or the Spanish Sahara.

In different parts of the enclave small Spanish garrisons fought with great bravery for many days though heavily outnumbered by Moroccan irregular forces. Some of the bitterest fighting occurred at the frontier post of Tilouine (on the southern border of the enclave), whose garrison of 120 was incessantly attacked by Moroccan forces in greatly superior strength. Although the garrison was temporarily relieved by Spanish paratroops which fought their way inland over rough country, the post was eventually abandoned in order to reinforce the defensive perimeter covering Sidi-Ifni. A correspondent of the *Agence France-Presse* who visited the area reported on Dec. 5 that the post had been largely destroyed after a 14-day siege. Elsewhere in the enclave Spanish reinforcements relieved other isolated garrisons who had been holding out for long periods—notably at Tiourza (15 miles inland from Sidi-Ifni), which had been encircled by numerically superior Moroccan forces.

A Madrid communiqué of Dec. 8 announced that the Spanish forces had defeated "every co-ordinated enemy action" and were meeting no organized resistance, apart from hit-and-run attacks from isolated bands operating from rugged mountain terrain. It was admitted that a few frontier outposts—e.g. Tilouine—had been abandoned for defensive reasons and subsequently occupied by rebel forces, who had thus had an opportunity of announcing for propaganda purposes that they had captured the posts whereas in fact they had been voluntarily evacuated hours beforehand with all their equipment and material. The communiqué added that reinforcements would remain in the enclave to "clear bandits out of all the villages and mountains of Ifni until peace and order has been restored." Total Spanish casualties in the Ifni operations were given as 61 officers and men killed and 128 wounded. Moroccan casualties were estimated at several hundreds in killed and wounded.

A Spanish naval squadron of two cruisers, four escort vessels and a submarine anchored on Dec. 7 off Agadir, in Moroccan waters, leading to a strong protest to Madrid. The warships sailed for Ifni on the following day.

The Ifni enclave covers an area of 741 square miles and has about 35,000 inhabitants, the great majority of Moorish origin. It was ceded to Spain by Morocco in 1860, but the Spanish flag was not hoisted until 1934. The port of Sidi-Ifni is used by Spanish fishing vessels, but the territory has little economic significance nor any known economic resources.

Apart from Ifni, the Spanish Saharan territories comprise three distinct but contiguous areas as shown on the accompanying map: (1) Spanish Southern Morocco, formerly administered as part of the Spanish protectorate in Morocco [i.e. the former Spanish zone, ceded to Morocco in 1956—see 15110 A; 14947 A]; (2) Saguia el-Hamra; and (3) Rio de Oro, the southernmost and largest territory of the Spanish Sahara. Elsewhere in West Africa, Spain possesses the small colony of Rio Muni, in the Congo, and the island of Fernando Poo, in the Gulf of Guinea.

The Ifni enclave and Spanish Saharan territories. (*Economist*)

Moroccan and Spanish Statements.

Crown Prince Moulay Hassan, C.-in-C. of the Royal Moroccan Army, said in a broadcast on Nov. 28 that he had been "surprised" by the outbreak of fighting in Ifni; he alleged that Spanish aircraft had attacked the Agadir area and killed two women, and stated that instructions had been given to open fire on any foreign planes violating Moroccan air space.

In an interview on Dec. 3 to a French press correspondent, the Crown Prince denied that the fighting had been started by the Moroccan "Liberation Army" and claimed that the attacks had been launched by Moroccan nationalists living in Ifni—the Ba Amrane tribe—who had been "provoked" by the delay in settling Morocco's claim to the enclave. He added: "If General Franco—in whose word I have complete confidence—announces his intention to transfer [Spanish] Southern Morocco immediately to the Sherifian authorities, I undertake to appeal to the Ba Amrane to put their confidence in his Majesty and the [Moroccan] Government to settle their case through diplomatic channels." On behalf of his father (King Mohammed V, who was then visiting the United States), the Crown Prince expressed the sovereign's "bitter regret" at the Ifni fighting and his confidence that a peaceful solution would be reached if Spain adhered to her undertakings.

King Mohammed V issued a statement in New York on Dec. 10 which, although making no direct reference to Ifni, accused Spain of resorting to "menaces and violent methods in order to preserve her domination over part of the Moroccan national territory." After saying that this could lead to "a deterioration of relations between Rabat and Madrid," the King added that Spain "appears to have abandoned peaceful methods and the search for solutions through friendly negotiation." He reiterated his Government's intention to do all in its power to ensure "the restoration of Morocco's natural and historic frontiers."

The Spanish Government issued a statement on Dec. 6 saying that the restoration of effective control by the Royal Moroccan Army in the areas of Morocco adjacent to Spanish territories was a "prior condition" for any "present or future" discussions with the Moroccan Government on the Ifni question. As regards Southern Morocco, it was stated that Spain, in conformity with the declaration of April 7, 1956 (see 14857 B), had "not disputed" the integration of this area with Morocco; nevertheless, the Spanish Government would

be "lacking in its sense of international responsibility if it abandoned this zone to elements which do not give obedience to H.M. the King of Morocco." The statement went on to refer to the "Spanish territories in the Sahara in which the presence of Spain is reinforced by numerous international conventions which a friendly and neighbourly Morocco must undertake to respect"—a phrase indicating that Spain intended to retain her sovereignty over Saguia el-Hamra and Rio de Oro.

Prior to the outbreak of fighting in Ifni, the Moroccan Government had announced on Oct. 16 that Spain was prepared to transfer to Moroccan sovereignty the "southern territories" hitherto under her protection. No precise definition was given of the phrase "southern territories," but it was understood to refer to Spanish Southern Morocco (i.e. the area formerly administered as part of the Spanish protectorate) and not to Ifni. The Spanish Government issued no statement on the matter.

Creation of Moroccan Sahara Office.

King Mohammed V issued a royal decree on Nov. 12 establishing an Office for Saharan and Frontier Affairs in the Moroccan Ministry of the Interior. It will be responsible for negotiations with France and Spain on Morocco's eastern and southern boundaries (which have never been delimited by international agreement), and will also have responsibility for oil and mineral exploitation in the Moroccan Saharan territories. M. Abdelkebir el-Fassi, the founder of the "Liberation Army," was appointed head of the new office.

M. el-Fassi and his cousin, M. Allel el-Fassi (the Istiqlal leader), put forward in 1956 the concept of a "Greater Morocco" extending as far south as Senegal, and including all the Spanish Saharan territories as well as the French colony of Mauretania [see page 15110, second column.] Attempted justification for these claims was sought in the fact that the Moroccan political influence in the 17th century extended southwards as far as Timbuctoo and other areas now forming part of French West Africa.—(A.B.C., Madrid - Le Monde - Le Figaro - Times) **(Prev. rep. Spanish-Moroccan Relations, 15668 A; 15110 A; 14946 A; 14857 B.)**

A. UNITED STATES. — Democratic Victories in Mayoral, Gubernatorial, and State Legislature Elections.

Gubernatorial and mayoral elections held on Nov. 5 in New York, New Jersey, Connecticut and Virginia resulted in sweeping victories for the Democratic candidates.

In New York City, Mr. Robert F. Wagner was re-elected to the mayoralty by the largest majority in the city's history, receiving 1,507,342 votes against 587,440 for Mr. Robert K. Christenberry, his Republican opponent. Mayor Wagner, running on a joint Democratic and Liberal ticket, carried all five boroughs by large margins. In the northern part of New York State, a traditionally Republican area, the Democrats made a net gain of six seats in mayoral elections. In Connecticut the Democrats gained control of Bridgeport City Council for the first time in nearly a quarter of a century, and ended the 24-year tenure of the former Socialist mayor, Mr. Jasper McLevy; the Democrats captured ten seats on the council, the Socialists five, and the Republicans one.

In New Jersey, Mr. Robert B. Meyner was re-elected State Governor with a majority of nearly 200,000 over his Republican opponent, Mr. Malcolm S. Forbes—the second highest majority ever given to a Democratic governor in the State. In addition, the Democrats gained control of the New Jersey Legislature for the first time in 20 years. Governor Meyner's re-election was regarded as a particularly heavy blow to the Republicans since President Eisenhower had made two personal appeals for the election of Mr. Forbes, who was also vigorously supported by Vice-President Nixon and other Administration leaders.

On the other hand, the U.S. Press said that the Democrats could gain "little comfort" from the election of Mr. J. Lindsay Almond as Democratic Governor of Virginia. Mr. Almond, who obtained a majority of 115,000 votes over his Republican opponent, campaigned on a platform of "massive resistance" to the Administration's de-segregationist policy in schools; he was strongly supported by Senator Harry F. Byrd (leader of the State Democratic organization), who called on the voters to give Mr. Almond a "thumping majority" as a protest against President Eisenhower's action in using Federal troops to enforce school segregation at Little Rock (see 15803 A).

A statement from the White House (Nov. 5) said that it was "clear that the Republican Party has a fight on its hands if victory is to be achieved in the 1958 elections."
(New York Times - New York Herald Tribune)
(Prev. rep. 15237 A; 14608 B; 13255 A.)

B. FRANCE. — Compulsory Third Party Insurance for Motorists. - Parliamentary Legislation.

The French National Assembly unanimously passed a Bill on Dec. 6 making it compulsory for all owners of motor-vehicles and motor-cycles to take out a third party insurance policy. Motorists will have free choice of insurance company.
(Le Monde, Paris)

C. INDIA - SOUTH VIETNAM. — President Diem's Visit to India. - Nehru-Diem Communiqué.

President Ngo Dinh Diem of South Vietnam (the Republic of Vietnam) visited India from Nov. 4-9 as the guest of the Indian Government. During his stay in Delhi, President Diem had several discussions with Mr. Nehru and attended a civic reception and a State banquet given by President Prasad. He visited the Community Development area at Baraut, the Agricultural Research Institute and the National Physical Laboratory, the Bhakra-Nangal hydro-electric project, and the city of Agra. A delegation of Vietnamese experts accompanying President Diem inspected a number of industrial and agricultural projects and had discussions with members of the Indian Planning Commission.

A joint statement issued by President Diem and Mr. Nehru on Nov. 9 said that they had had "a friendly and informal exchange of views on matters of mutual interest to their countries." It continued:

"The President of the Republic of Vietnam and the Prime Minister of India are agreed that, in view of the terrible advances in the development of weapons of mass destruction, the most urgent problem before the people of the world is the maintenance of peace... To both countries, as well as to other countries in South-East Asia, the maintenance of peace is a primary need to enable them to devote their energies wholeheartedly to the social and economic advancement of their peoples...

"The President and the Prime Minister noted the important contribution made by India in the International Commission in maintaining peace in Vietnam. They hope that the problems of Vietnam will be solved peacefully and in the best interests of the people of Vietnam.

"The President and the Prime Minister have decided to continue and increase co-operation between their two countries in pursuit of their common goal of economic and social advancement of their peoples. They are resolved to continue to work in their respective spheres for the maintenance of peace in the world and understanding between nations."

Before leaving Delhi on Nov. 9 President Diem issued a statement in which he emphasized that South Vietnam "accepted neither foreign military bases nor foreign troops on her territory" and was "not considering adherence to any alliance at present." South Vietnam, however, needed internal security to recover from the ravages of war and resist Communist attempts at subversion; therefore, while not a member of SEATO, she welcomed the protection afforded to her by that organization, which was "purely defensive" in character. In reply to questions, President Diem said that before joint elections could be held in Vietnam with a view to reunification, North Vietnam must abandon the "terroristic methods" which it was still practising. The International Supervisory Commission still had a useful role to play, particularly in enforcing the prohibition on the import of arms into either part of the country.—(The Hindu, Madras - The Statesman, Calcutta - Indian High Commissioner's Office, London - Vietnam Press Office, Saigon) **(Prev. rep. 13890 A.)**

D. CHILE - VENEZUELA.—Severance of Diplomatic Relations. - Chilean Attaché arrested in Caracas.

The Chilean Government severed diplomatic relations with Venezuela on Nov. 28 on the ground that the Venezuelan Government had failed to give a satisfactory explanation of the detention and subsequent expulsion of an attaché of the Chilean Embassy in Caracas. The attaché in question, Señor Jorge Basulto, had been kept in custody for four days—leading to a strong Chilean protest at the violation of his diplomatic immunity—and then expelled from Venezuela as *persona non grata*. A senior Chilean official said that Señor Basulto had apparently been arrested and expelled because he had told the Canadian Ambassador in Caracas that there was "going to be a revolution in Venezuela"; the official added that the Ambassador had communicated Señor Basulto's confidential remarks to his Government in Ottawa and that the cable had been decoded by the Venezuelan security police.
(New York Times) **(Prev. rep. 15671 B.)**

E. GHANA. — Appointment of Economic Adviser.

It was announced in Accra on Sept. 22 that, with the co-operation of the U.N. Technical Assistance Administration, Professor William Arthur Lewis had been appointed Economic Adviser to the Government of Ghana for a period of two years. Professor Lewis, a West Indian, had held the Chair of Political Economy at Manchester University since 1948. He had visited Ghana (then the Gold Coast) in 1953 and published a report on the possibilities of industrialization in the territory.
(Manchester Guardian - U.N. Information Centre, London)

A. ARGENTINA. — Financial and Trade Policy. - Signing of Multilateral Trade and Payments Agreements with "Paris Club" Countries. - Debt Settlement Agreements with European Creditor Countries and Japan. - Settlement of Compensation for Primitiva Gas Company. - Proposed Compensation for Nationalized French Companies. - Decrees on Confiscated German Assets.

A series of agreements was signed in Buenos Aires on Nov. 25 establishing definitely the multilateral trade and payments system known as the "Paris Club," which had been provisionally in force since July 1956. The agreements were concluded between Argentina on the one hand and 10 European countries on the other—Austria, Belgium, Denmark, France, Western Germany, Italy, the Netherlands, Norway, Sweden, and Switzerland. Great Britain will also participate in the system, but no specific agreement was signed with her as the system required no change in existing U.K. policy.

The agreements were based on the Paris Treaty drawn up by the participating countries during their meeting in the French capital in May 1956. The treaty stressed the desirability of promoting maximum freedom of trade within the multilateral system; specifically allowed for payments between Argentina and the other countries concerned to be made in the currency of any member-country; and stated that Argentina would make no discrimination between member-countries in conducting her trade policy.

The U.K. representatives explained to the Argentine Government that Britain would continue to accord imports from Argentina treatment not less favourable than that accorded to imports from any other foreign country. Argentina, for her part, undertook that her import and export policy towards the U.K. would be non-discriminatory. On the payments side, Argentina is already a member of the Transferable Account area.

Agreements for the consolidation of Argentine commercial debts totalling over U.S. $441,000,000, plus nearly $59,000,000 accumulated interest, were signed at the same time between Argentina and five European creditor countries—Great Britain, France, Western Germany, Italy, and the Netherlands. Japan, although not a signatory, had previously agreed to accept terms similar to those offered to Argentina's European creditors. The principal provisions were as follows:

Breakdown of Debts.

The total amount due under the terms of the debt settlements was fixed at U.S. $500,600,000, of which $58,900,000 represented interest charges. Details are as follows, in million U.S. dollars:

	Principal	Interest	Total
Western Germany	148.0	10.6	158.6
Italy	113.6	19.9	133.6
Japan	64.0	12.2	76.2
United Kingdom	64.4	10.8	75.2
France	30.7	3.3	34.0
Netherlands	20.9	2.1	23.0
Total	441.6	58.9	500.6

Terms of Repayment.

It was laid down that repayment would be made over a period of 10 years except in the case of the Netherlands, for which a shorter period was fixed because of the relatively minor account involved. Accordingly, Argentina would pay the equivalent of $50,000,000 in each of the two years 1956-57 and 1957-58; $55,000,000 in each of the two years 1958-59 and 1959-60; $60,000,000 in each of the four years 1960-61 to 1963-64; $49,400,000 in 1964-65; and $1,200,000 in 1965-66. Outstanding amounts would bear interest at rates averaging 3½ per cent per annum over the ten-year period.

Allocation of Payments.

The annual payments would be divided among the creditor countries in the same proportion which the total debt due to each of them bore to the grand total of Argentine debts due to all the six creditors. Each country would have the right to decide how to apply its share as between governmental and private debts, the distribution of which (excluding interest) was shown as follows:

	Government	Private	Total
	£ million (approx.)		
United Kingdom	19	4	23*
	Equivalent in million U.S.$ (approx.)		
France	3	28	31
Western Germany	23	125	148
Italy	90	24	114
Japan	55	9	64
Netherlands	21	—	21

*Equivalent to $64,400,000 as shown in the previous table.

In the case of the U.K. it was decided that the liabilities to private traders should have priority, the residue being used for interest and capital redemption on the Government debt. There would be no capital redemption on the Government debt in the year 1957-58, because the amount actually received by the U.K. in the first debt year (1956-67) exceeded its quota, and it would accordingly receive less in the second debt year (1957-58).

Debts to British Exporters.

The U.K. agreement made no provision for the payment of debts to British exporters because Argentina agreed that all these liabilities would be met on maturity. Of the total amount of about £4,000,000 which was due in July 1956, £1,560,000 had already been paid in 1956-57; £1,260,000 would be paid in 1957-58; £830,000 in 1958-59; £210,000 in 1959-60; £100,000 in 1960-61; and £40,000 in 1961-62.

Argentine Guarantee to Britain.

The agreement with Great Britain also laid down that if Argentina at any time arranged with France, Western Germany, Italy, or Japan for a settlement of debts or deferred payment liabilities on terms more favourable than those laid down in the agreement with the U.K., similarly favourable conditions would apply to the United Kingdom.

The negotiations and the signing of the agreements had been held up by the unwillingness of Britain, France and Western Germany to agree to the debt settlements unless there was a definite assurance that certain claims on their part against Argentina would be satisfactorily met.

France. French claims centred on the position of the shareholders of a number of Argentine companies whose shares were formerly held in France, but which had been nationalized under the Perónista regime—notably the Quilmès, Schlau, and Palermo breweries and 14 other companies. After protracted discussions with the French Government, Argentina eventually agreed to take steps for the payment of compensation. Following the signing of the debt agreement with France, the Argentine Government issued a decree on Nov. 29 appointing a commission of senior civil servants to investigate the position of the French shareholders affected, examine their claims, and recommend the steps which should be taken to indemnify them.

Western Germany. In implementation of the agreement on former German assets reached on June 18 (see 15690 A), the Argentine Government issued decrees on Nov. 25 (*a*) ordering the return to their former owners, unconditionally and without charge, of all German trade-marks and patents seized as enemy property during the Second World War; and (*b*) ordering the liquidation of all German concerns expropriated during the war and hitherto operated on behalf of the Argentine Government, and laying down that the firms concerned should be auctioned and a considerable part of the proceeds paid to the former owners.

Western Germany's final adherence to the "Paris Club" treaties had also been made dependent on the conclusion of the proceedings taken against three German-Argentine tractor-making firms—Hanomag, Deutz, and Fahr—which had been sequestrated after the fall of the Perón régime. This condition was met at the beginning of September, when the "Restitution Junta" delivered its judgment against the three firms—the Deutz and Fahr companies being sentenced to confiscation of their works, and the Hanomag company to a fine of 128,000 pesos. The judgment, which was accepted by the firms concerned, said that the Deutz and Fahr companies had co-operated with Señor Jorge Antonio (a close personal friend of ex-President Perón, to whom he was financial adviser) and that their capital had not represented a genuine foreign investment but had been provided from Señor Antonio's funds.

United Kingdom. A decree was issued by the Argentine Government on Nov 25 authorizing the settlement of a claim for compensation by the Primitiva Gas Company of Buenos Aires, which had been outstanding since the expropriation of that undertaking in 1945. At that time the company had received as compensation only a provisional sum representing a fraction of the value of the assets taken over, and for a number of years the British Government had pressed Argentina for a final settlement.

The decree of Nov. 25 provided that the Argentine Government would pay the Primitiva Company £2,060,950 sterling in London in 10 instalments spread over 4½ years, without interest. This figure was arrived at on the basis that the claim of the City of Buenos Aires against the company would be settled out of the company's monies already under embargo, whilst each side would pay its own costs in the expropriation suit. It was stated by the company that numerous outstanding questions, some of them involving considerable sums, remained to be settled before a final estimate of the probable return to stockholders could be made.

The Primitiva Gas Company of Buenos Aires was the main interest of Primitiva Holdings (a British company); its investments in Argentina were stated to have been well over £4,000,000.

In addition, the following agreements were concluded concurrently with the multilateral trade and payments arrangements and the debt consolidation agreements: (*a*) an agreement with Switzerland ensuring that a dispute over the proposed nationalization of the CADE electricity company in Buenos Aires would be left in the hands of the Argentine law courts, and that, pending the decision of the courts, the Argentine Government would not interfere in the company's management; (*b*) a protocol with Italy guaranteeing that Italian immigrants entering Argentina would be allowed to make certain monthly remittances to their families or parents at the official peso rate.—(Financial Times - Bank of London and South America, Fortnightly Review - Frankfurter Allgemeine Zeitung - Le Monde, Paris - Neue Zürcher Zeitung)

(Prev. rep. 15690 A.)

A. BRITISH HONDURAS. — Suspension of Negotiations between United Kingdom and British Honduran Delegation. - Mr. George Price's Conversations with Guatemalan Minister in London. - Recall of Guatemalan Minister. - Mr. Price expelled from British Honduran Executive Council.

The British Colonial Secretary, Mr. Lennox-Boyd, announced in the House of Commons on Nov. 27 that talks with a British Honduran delegation on the Colony's financial needs and future constitutional advance had been broken off since it had been discovered that a member of the delegation, Mr. George Price, had been engaging in private discussions with the Guatemalan Minister in London. [Mr. Price is leader of the People's United Party, which won all the elected seats in the Legislative Assembly in the general elections of March 1957.]

Mr. Lennox-Boyd stated that early in their visit to London the four unofficial members of the British Honduran delegation had been invited to lunch by the Guatemalan Minister, Señor Jorge Garcia Granados. He went on :

" A plan was put forward which involved severing the connexion of British Honduras with the British Crown and associating it in some form with the Guatemalan Republic. When, 10 days later, I asked the delegation about this lunch, it emerged that Mr. Price was still considering this most improper offer and had not, so he told me, even then made up his mind. In the course of my meetings with the delegation it also came out that, in addition to this incident, Mr. Price had been engaged in discussions on his own with the Guatemalan Minister in London. These private discussions he attempted to conceal not only from the Governor and myself, but also from at least two of his three unofficial colleagues.

" With such lack of good faith on Mr. Price's part, I have felt it impossible to continue negotiations with him. I have told him so this morning. Though I would gladly have continued discussions with the rest of the delegation, I felt, and the Governor agreed, that the right thing was for the whole delegation to return to British Honduras and deal with the consequences of this breakdown in the negotiations. I look forward to a resumption of the talks with a reconstituted delegation as soon as possible in an atmosphere of mutual trust in which the attitude of H.M. Government will be unaffected by this unhappy episode."

Mr. Creech Jones (Labour) said that the Opposition deplored Mr. Price's conduct, and described the latter's conversations with the Guatemalan Minister as an " intrigue." He pointed out that over a number of years the British Government had pressed Guatemala to take her claim to British Honduras to the International Court of Justice, but the Guatemalan Government had consistently refused to do so.

Mr. Price issued a statement later the same day denying that he had ever been engaged in private discussions with Señor Granados.

After claiming that his contacts with the Guatemalan Minister had been known to the other members of the delegation, except possibly Mr. Henry Bowman, the nominated member, Mr. Price said that he had made his initial contact with Señor Granados on the basis of a suggestion put forward by Mr. Jeffrey (a member of the delegation and of the P.U.P.) to the Colony's Executive Council in October. Mr. Jeffrey had suggested that if an opportunity arose, Mr. Price should open talks with Señor Granados and report back to his colleagues. After the initial contact had been made, the four unofficial delegates had been invited to a lunch at which they had been informed of a proposal for self-government for British Honduras within a Central American Federation. It was also proposed that Guatemala, as the leading member of this federation, should provide finance to British Honduras during the early stages of development.

When he met Señor Granados on two subsequent occasions (Mr. Price continued), he had informed him that the above proposal should be submitted through the proper channels. He denied that the question of making British Honduras a province of Guatemala had arisen during the conversations.

Statements were also issued on Nov. 27 by Mr. Jeffrey and by the Guatemalan Minister.

Mr. Jeffrey, in his statement, gave a somewhat different account of the lunch with the Guatemalan Minister. He said that the Minister's proposal had definitely been that British Honduras should become part of Guatemala and that, for example, British Hondurans should hold Guatemalan passports.

Señor Granados claimed that the British and Guatemalan Governments had agreed some months previously that " conversations should take place to seek a solution to the problem of Belize [i.e. British Honduras]." He had subsequently been informed, however, that since any decisions would require the concurrence of British Honduran representatives, the proposed conversations could not take place until the British Honduran delegation had arrived in London. Somewhat later, the Guatemalan Foreign Minister had given the British Minister to Guatemala a broad outline of the Guatemalan plan for British Honduras. When the British Honduran delegation subsequently arrived in London at the end of October, Señor Granados had considered it desirable to brief them on the Guatemalan proposals, since he had feared that discussions on these proposals might not be begun until the very end of the delegation's visit and that, as a result, the delegation would be wholly unprepared for them.

In two subsequent meetings with Foreign Office representatives (Nov. 11 and Nov. 19) he (Señor Granados) had obtained the impression that the British Government found no fault with the reasons which had led him to contact the British Honduran delegation. Señor Granados also disclosed that he had been informed on Nov. 26 that his appointment to present his credentials to the Queen on Nov. 28 had been postponed.

A British Foreign Office spokesman commented on Señor Granados's statement later the same day.

The spokesman said that the impression which the Guatemalan Minister's statement gave that Britain had been prepared to negotiate with Guatemala on the future status of British Honduras was " incorrect," and that Britain had merely been prepared to negotiate on economic and transport questions. Furthermore, Señor Granados had omitted to say that when the British Minister in Guatemala was informed of the Guatemalan proposals for British Honduras, he had replied that they were " totally unacceptable." The spokesman also stated that the Foreign Office representative who saw Señor Granados on Nov. 11 had informed him that his discussions with the British Honduran delegation were " indiscreet." In conclusion, the spokesman added that Señor Granados's visit to Buckingham Palace had been postponed since it would have been " inappropriate " on the very day after Mr. Lennox-Boyd's statement. H.M. Government, however, did not feel it necessary to declare Señor Granados *persona non grata.*

The Guatemalan Legation in London announced on Dec 4 that Señor Granados had been recalled and that the Guatemalan Government " in the present circumstances cannot consider the appointment of another person." The statement added that " the Government of Guatemala considers that the British Government acted improperly in cancelling the appointment for the presentation of letters of credence."

Mr. Price's Expulsion from Executive Council.

It was announced in Belize on Dec. 6 that Mr. Price had been expelled from the Colony's Executive Council.

A statement issued from Government House on Dec. 7 explained that " the Executive Council considered that in not immediately rejecting the suggestion of the Guatemalan Minister that British Honduras should transfer its allegiance from the Crown to a foreign Power, and in concealing these conversations from the Governor, Mr. George Price has not discharged the obligations imposed upon him by his oath of allegiance."

The frigate H.M.S. *Ulster*, carrying a company of the Worcestershire Regiment, arrived at Belize from Jamaica on Dec. 6. An official statement said that in view of the possibility, however remote, that the existing situation might have given rise to disorders in British Honduras, the Government had a duty to take precautionary measures to protect the lives and property of all law-abiding citizens.
(Times - Daily Telegraph - Manchester Guardian) **(15461 D.)**

B. CANADA. — New Atomic Reactor.

Atomic Energy of Canada Ltd. announced on Nov. 3 that its new NRU reactor had gone into operation at its Chalk River plant the same day. The NRU reactor, which works with heavy water as its primary coolant and with natural uranium as its fuel, is a triple-purpose reactor—i.e. it will provide research, testing, and experimental facilities required for the development of nuclear power ; will produce substantial quantities of plutonium (to be sold to the U.S. Atomic Energy Commission) ; and will also produce a large variety of radioactive isotopes (including Cobalt-60, which is used in the treatment of cancer).

It was stated that the NRU reactor would be unsurpassed as a tool for research, development, and testing, as its neutron flux was approximately five times as great as that of the existing NRX reactor. Moreover, no other known reactor had such a high density of neutrons combined with such a large capacity for experiments. The reactor would be run at low power for several weeks while a series of test experiments was being carried out, but its power would then be increased to the rated capacity of 200,000 thermal kilowatts, or five times the power of the NRX reactor (which had been in operation at Chalk River for the past 10 years).

It was also stated that a unique feature of the NRU reactor was the method of changing the fuel elements. Whereas the NRX and other high-power research reactors must be shut down to change fuel elements, the NRU reactor can be refuelled without a shutdown.

The new reactor—on which work began in 1951, and which cost approximately $57,000,000—was designed entirely in Canada, practically all its components being supplied by Canadian manufacturers.

A new uranium plant—Faraday Uranium Mines—was officially opened on May 30. The plant is situated in the Bancroft camp area 140 miles N.E. of Toronto, and is controlled by the Continental Mining Corporation. Its output of uranium will be sold to Eldorado Mining and Refining Ltd., a Crown company.—(Department of External Affairs, Ottawa - Montreal Star) **(Prev. rep. Uranium Reserves, 15325 A ; Chalk River Reactor, 10377 A.)**

A. SOVIET UNION. — Fortieth Anniversary of October Revolution. - M. Khrushchev's Speech to Supreme Soviet. - 12-Nation "Moscow Declaration" by Communist Parties. - Yugoslav Abstention.

The 40th anniversary of the October Revolution of 1917 was celebrated throughout the U.S.S.R. on Nov. 6. In Moscow, the Soviet of the Union and the Soviet of Nationalities (the two Houses forming the Supreme Soviet of the U.S.S.R.) met on that date in a joint "jubilee session" to hear an extensive report from M. Khrushchev on the achievements of the U.S.S.R. during the past 40 years, with special reference to agricultural, industrial and technological development.

Delegations were present from 37 countries, including the Heads of State, Prime Ministers or First Party Secretaries of all Communist countries, and Communist party leaders from many non-Communist countries.

Among the Communist countries, China was represented by President Mao Tse-tung, North Vietnam by President Ho Chi Minh, North Korea by President Kim Il Sung, Albania by M. Enver Hoxha, Bulgaria by M. Todor Zhivkov, Hungary by M. Janos Kadar, Eastern Germany by Herr Walter Ulbricht, Poland by M. Wladyslaw Gomulka, Rumania by M. Chivu Stoica, Czechoslovakia by M. Antonin Novotny, Yugoslavia by M. Edward Kardelj, and Mongolia by M. Dashin Damba.

Delegates from non-Communist countries included M. Maurice Thorez (France), Signor Palmiro Togliatti (Italy) and Mr. Harry Pollitt (Great Britain), as well as the leaders of the Communist parties of Austria, Switzerland, Luxemburg, Norway, Sweden, Iceland, Finland, India, Indonesia, Japan, Syria and the Lebanon, Israel, Morocco, Tunisia, Australia, Canada, Argentina, Mexico, Uruguay and Ecuador. The outlawed Communist parties of Western Germany and Spain were represented by Herr Max Reimann and Señora Dolores Ibarruri respectively.

Parties co-operating with the Communists in countries where the latter are in power were also represented, including the United Peasant Party and the Democratic Party in Poland; the People's and Socialist parties in Czechoslovakia; the Christian Democratic Union and the Liberal Democratic, National Democratic and Democratic Peasant parties in Eastern Germany; the Agricultural People's League in Bulgaria; and the Democratic and Socialist parties in North Vietnam. The Italian Socialist Party (the "Nenni" Socialists") was also represented.

An airliner carrying members of the Rumanian delegation crashed at Moscow airport on Nov. 4, four persons being killed—three members of the crew and Dr. Grigore Preoteasa, secretary of the Central Committee of the Rumanian Workers' Party, and a former Foreign Minister. Dr. Preoteasa succeeded M. Simon Bughici as Foreign Minister in 1954 and held that post until the governmental reorganization of July last (see 15660 A).

A notable absentee from the celebrations was President Tito of Yugoslavia. The Tanjug Agency in Belgrade had announced on Oct. 29 that an acute attack of lumbago would prevent him from travelling to Moscow or from making a projected visit to several Asian countries during the winter. As stated above, Yugoslavia was represented by M. Kardelj, vice-chairman of the Federal Executive Council.

M. Khrushchev's Report to Supreme Soviet.

M. Khrushchev's speech to the "jubilee session" of the Supreme Soviet is summarized below under cross-headings:

Production in Pre- and Post-Revolutionary Russia. The opening section of M. Khrushchev's speech was devoted to a comparison of industrial output in pre- and post-revolutionary Russia, in which connexion he made the following claims: (*a*) Output of steel had increased from 4,200,000 tons in 1913 to 51,000,000 tons in 1957; "in 1913 our country produced two-fifths of the output in Britain, and less than France, but today we turn out more than Britain, France and Belgium together." (*b*) Coal output had risen from 29,100,000 tons in 1913 to 462,000,000 tons in 1957, and oil output from 9,200,000 tons to 98,000,000 tons; "the Soviet Union now holds first place in Europe and second place in the world in coal output, and third place in the world in oil production." (*c*) Electric power production had increased from 1,900 million kw. in 1913 to 210,000 million kw. in 1957, and "the Kuibyshev hydro-electric power station alone . . . will generate every year five times as much power as was generated by all of Russia's power stations in 1913." (*d*) Output in the engineering industries had increased over 200-fold as compared with 1913.

M. Khrushchev claimed that in spite of the heavy losses suffered as a result of the German invasion in the Second World War, the U.S.S.R. had "long ago far outstripped the biggest capitalist countries of Europe—Britain, France and Western Germany—in absolute volume of industrial production."

Agricultural Development. Reviewing the "socialist reconstruction of agriculture" since the October Revolution, M. Khrushchev stated that there were now about 80,000 collective farms and 5,800 State farms in the U.S.S.R., equipped with 1,632,000 tractors, 420,000 combine harvesters, 660,000 lorries, and "millions of other complex machines." He continued: "The socialist transformation of agriculture and its equipment with up-to-date machinery have resulted in a considerable increase in labour productivity on the farms . . . Production of marketable grain has increased almost three-fold as compared with the most productive pre-revolutionary year—1913—and wheat production has shown a five-fold increase. Production of raw cotton, sunflower seeds, and vegetables has increased six-fold, and that of sugar-beet and potatoes nearly three-fold . . ." The total sown area in the U.S.S.R. in 1957 amounted to 193,200,000 hectares (approx. 477,200,000 acres), an increase of 75,000,000 hectares over the 1913 figure.

M. Khrushchev laid special emphasis on the important results achieved in developing former virgin lands in Siberia and Central Asia. He said in this connexion that 1,021 million poods of grain (a pood = 36.1 lb.) had been procured from such lands by Nov. 1, 1957, of which 645,000,000 poods had come from Siberia and 280,000,000 poods from the Altai region.

Similar progress had been made in stock-farming, formerly "one of the most backward sections of our agriculture." There were 12,000,000 more head of cattle than in 1913, and, compared with the latter year, "the production of meat has doubled, of milk and wool has trebled, and of fine and semi-fine wool has increased five-fold." M. Khrushchev reiterated the Soviet Government's intention "to overtake the United States within the next few years in *per capita* output of meat, milk and butter."

Increase in National Income and Consumption. After reporting a "steady rise in the well-being of the people" since the revolution, and claiming that the national income showed a thirteen-fold *per capita* increase over 1913, M. Khrushchev said that the "scourge of unemployment" had been abolished, that the number of workers in the national economy had risen from 12,900,000 in 1913 to 52,600,000 in 1957; and that plans were in hand for the universal introduction of a seven-hour working day, and of six hours in coal-mining and other underground industries. He referred also to the raising of wages of lower-paid workers, to recent increases in pensions, and to other social legislation.

Speaking of the "rising standards of living of the Soviet people," M. Khrushchev said: "Our people can now buy more; they eat, dress and live better than ever before. In 1957, State and co-operative shops sold 3.3 times as much meat and meat products; 3.5 times as much butter, milk and other dairy produce; 3.3. times as much sugar; and 2.8 times as much fabrics as in 1940. The sale of woollen textiles increased nearly four-fold and of silk fabrics nearly nine-fold. In 1956, people bought over 21,000,000 watches and clocks; more than 3,000,000 bicycles; and 4,200,000 wireless and television sets: and this year even greater quantities of these commodities are being bought. Over recent years, our industry has been putting out greater numbers of sewing machines, refrigerators, washing machines and vacuum cleaners . . ."

Education, Technology and the "Sputniks." After claiming that illiteracy had "been abolished in the main before the Second World War," M. Khrushchev said that more than 50,000,000 people were studying in educational institutions throughout the country; that more than 6,000,000 people trained in universities or secondary schools were working in different branches of the economy, "nearly 33 times as many as in pre-revolutionary Russia"; and that "a vast army of engineers and technicians, agronomists and livestock experts, teachers, doctors, and men of other professions are actively helping in the building of Communism." Expressing "particular gratitude to the fruitful work of Soviet scientists," M. Khrushchev claimed that "our country leads the world in the peaceful uses of atomic energy." He referred also to the successful testing of an inter-continental ballistic missile.

"The crowning scientific achievement," he continued, "was the launching on Oct. 4 this year of the world's first Earth satellite. Less than a month later, another Soviet *sputnik*, equipped with a better and bigger variety of scientific instruments and carrying an animal aboard for research purposes, was sent into the heavens . . . Two messages of the Soviet Union, two stars of peace, are circling the globe—a really fine present for the 40th anniversary of the October Revolution . . ."

After saying that "this triumph of the Soviet Union has scared and confused our enemies," and recalling that the Americans had previously announced their intention of launching an Earth satellite named *Vanguard*, M. Khrushchev continued: "Of course, the name *Vanguard* reflected the Americans' confidence that their satellite would be the first in the world. But life has shown that the Soviet *sputniks* are in the van. Our *sputniks* are circling the globe and waiting to be joined by American and other *sputniks* to form a community of *sputniks*. This community, this competition, would be a much better one than the arms race to produce lethal weapons."

The "Cult of Personality." Speaking of the decisions of the 20th Party Congress, M. Khrushchev said: "The party congress subjected the mistakes linked with the personality cult of J. V. Stalin to fundamental criticism, and outlined measures aimed at overcoming the consequences of that cult. It started from the basic principles of Marxism-Leninism, from Lenin's critical remarks about the shortcomings and negative features in Stalin's character—features which became particularly pronounced in the last period of his life and greatly harmed our common cause . . . We Communists criticize the cult of personality as alien to the spirit of Marxism-Leninism, as something intolerable in a Socialist society . . . But we cannot agree with those who try to use our criticism of the cult of personality for attacks against the Socialist system and the Communist Party.

While criticizing the negative aspects of Stalin's activity, the party fought and will continue to fight all who slander Stalin; all who, on the pretext of criticizing the cult of personality, give an inaccurate and distorted picture of the period of our party's activity during which the Central Committee was headed by Stalin. As a devoted Marxist-Leninist and a staunch revolutionary, Stalin will occupy a worthy place in history . . ."

M. Khrushchev ended this part of his speech with a reference to the "nation-wide approval" which had been expressed for the Central Committee's action in exposing and "throwing overboard" the "anti-party group of Malenkov, Kaganovich, Molotov and Shepilov."

Future Economic Advance. M. Khrushchev adduced the following five reasons for the Soviet people's "profound conviction" that the "plan for a further powerful development of the national economy will be successfully fulfilled":

"(1) The Soviet Union now has a powerful socialist industry, equipped with up-to-date machinery, and large-scale mechanized agriculture which is forging ahead.

"(2) We now have highly trained workers capable of solving the most complex development tasks on the basis of technological progress; steady growth in the productivity of social labour; and better economic indices in industry, building, transport and agriculture.

"(3) The outstanding achievements in Soviet science and engineering, and the application of these achievements in industry, will, with the minimum expenditure of effort and capital, yield considerably greater results in developing the productive forces.

"(4) Our country possesses inexhaustible natural resources which make possible the unrestricted development of our economy. We have everything to hand for a rapid growth in the most varied branches of our national economy, and for the fuller satisfaction of the growing requirements of society.

"(5) The world system of socialism, close co-operation and mutual aid, and co-ordinated plans for the economic development of socialist society, favour more rapid advance by all the countries of the socialist camp."

Development of Natural Resources. After saying that "the more effective utilization of our natural resources is a vital factor for the fulfilment of this long-term plan," M. Khrushchev went on: "In pre-revolutionary Russia, the mineral resources had hardly been studied; the known deposits of iron-ore and coal were barely more than three per cent of the world's deposits . . . In Soviet times many new deposits of all kinds of valuable minerals have been discovered and explored, and the reserves of known deposits substantially increased. The Soviet Union now stands first in the world in prospected deposits of vital mineral raw materials, including iron and manganese ores, coal, copper, bauxite, nickel, tungsten, lead, mercury, mica, zinc, and potassium salts. It is also one of the leading countries in the world for known petroleum deposits. We have immense power resources, which make it possible to build huge power stations in different parts of the country, and our reserves of timber are vast . . ."

M. Khrushchev went on to speak of developments in remote parts of the country which in Tsarist days were "wild bears' backwoods." He instanced in this connexion the building of a scientific city in Siberia (see 15870 A); the discovery in Yakutia of "extremely rich diamond fields" (see 14872 C), as well as "huge deposits of coking coal and immense deposits of iron-ore, gold, tin and other minerals"; the discovery and exploitation of "tremendous deposits of petroleum in the vast expanses between the Volga and the Urals"; the "giant hydro-electric power developments" on the Volga; and the opening-up of "immense deposits of iron-ore" in the Kursk region. He added that "this iron-ore basin, one of the most important in the Soviet Union, will supply a huge metals industry with high-quality ore for hundreds of years and will play a major role in strengthening the industrial might of the U.S.S.R." Moreover, newly-discovered coal basins in the Dnieper and Lvov-Volhynia regions, together with the existing Donbas basin, would result in a great expansion of coal production.

Speaking of the industrial development of Kazakhstan and Central Asia, "which have changed beyond recognition in Soviet times," M. Khrushchev said: "In Kazakhstan we have discovered vast deposits of iron-ore, coal, chromites, high-quality bauxite, and all sorts of ferrous and non-ferrous metals. To date, nearly half the prospected deposits of copper, lead, zinc and tungsten in the U.S.S.R., and more than one-fifth of the country's reserves of molybdenum, are concentrated in this area. Kazakhstan is an extremely rich depository of a great variety of natural resources which make possible the development of a powerful, many-sided industry . . ."

Industrial Development. Comparing Soviet industrial output with "the output of the most powerful capitalist country—the United States," M. Khrushchev said: "This year the Soviet Union will produce approximately 84 million tons of iron-ore, 462 million tons of coal, 98 million tons of petroleum, more than 37 million tons of pig-iron, 51 million tons of steel, 210,000 million kw. of electric power, nearly 25 million tons of cement, more than 4½ million tons of granulated sugar, more than 280 million metres of woollen fabrics, and about 315 million pairs of leather footwear.

"In the U.S.A., 1956 saw the output of 98 million tons of iron-ore, 479 million tons of coal, 354 million tons of petroleum, 69 million tons of pig-iron, 104½ million tons of steel, 684,000 million kw. of electric power, 54 million tons of cement, 2,100,000 tons of sugar, 299 million metres of woollen textiles and 586 million pairs of leather footwear.

"As these figures show, the Soviet Union is still behind the United States in output of some of these important products. At the same time, it should be pointed out that the output level of the U.S.A. is now no longer beyond our reach, as it seemed to some people 25 or 30 years ago. For some products—e.g. wheat, timber and sugar—the Soviet Union has already passed the American level. The difference in output of iron-ore and coal, pig-iron and steel, certain machinery and equipment, cotton and woollen textiles, has been drastically reduced . . .

"Preliminary figures, which require checking, show that in approximately 15 years the annual industrial output of the U.S.S.R. will reach the following levels: iron-ore, 350 to 300 million tons, pig-iron, 75 to 85 million tons; steel, 100 to 120 million tons; coal, 650 to 750 million tons; petroleum, 350 to 400 million tons; gas extraction and production, 270,000 million to 320,000 million cubic metres; electric power, 800,000 million to 900,000 million kw.; cement, 90 to 110 million tons; sugar, nine to ten million tons; woollen textiles, 550 to 650 million metres; leather footwear, 600 to 700 million pairs. This is a preliminary forecast which may be revised in one direction or another. Most likely it will be revised in the direction of cutting down the time necessary to reach these targets . . ."

As regards future plans, M. Khrushchev said that "a considerable extension of our raw material base" would be set in hand, "primarily by developing the big iron-ore deposits discovered in recent years." Particular attention would also be directed to the fuller utilization of gas and petroleum as substitutes for coal—in which respect M. Khrushchev admitted that "we are lagging considerably behind," despite the fact that the U.S.S.R. had "enormous reserves of natural gas." He added in this connexion: "In view of the tremendous advantages held out by gas, we plan to increase its output by some 13 to 15 times over the next 10 to 15 years."

Special attention would also be paid to the development of the chemical industry; to increased output of plastics, fibres, and artificial fertilizers; and to railway electrification, involving the "replacement of obsolete and uneconomical steam-engines with electric and diesel locomotives."

"The calculations of our planners," M. Khrushchev added, "show that within the next 15 years the Soviet Union will be able not only to overtake but to surpass the present volume of output in the United States. Of course, in that time the U.S. economy may make headway too. But if we take account of the fact that the rate of growth of our industry is much higher than in the U.S.A., we can regard the task of speedily overtaking the United States as perfectly feasible . . ."

Housing. M. Khrushchev admitted the existence of an "acute housing shortage" in the U.S.S.R., which he attributed to the following reasons: (1) the "incredible housing shortage inherited from the old order"; (2) the rapid growth of the urban population since the Revolution; (3) the fact that in pre-war years "we were compelled to economize on everything, including the construction of dwellings, so as to be able to put every kopeck into heavy industry"; (4) the tremendous material damage caused by the Second World War, "which left nearly 25,000,000 people without a roof over their heads." After saying that the housing problem was "one of the major concerns of the Communist Party and the Soviet Government," he expressed his conviction that it would be overcome "in the next 10 to 12 years."

The "Socialist State." In the course of a lengthy exposition of Marxist-Leninist principles, M. Khrushchev denounced "so-called national Communism" and described its supporters as "ideologists of imperialism seeking to sow the poisonous seeds of chauvinism and bourgeois nationalism in order to oppose one socialist country to others, thereby betraying their secret desire to turn Communists into bourgeois liberals." He cited M. Imre Nagy in Hungary (see 15661 A) and M. Milovan Djilas in Yugoslavia (see 15822 A) as examples of those who had "descended to outright betrayal of the cause of socialism and the basic national interests of their countries."

"Modern conditions," M. Khrushchev continued, "have given rise to various forms of socialist state . . . Lenin pointed out that all peoples and countries would come to socialism, but not all in the same way, for each country would lend its own distinctive features to this or that form of democracy, to this or that variety of the dictatorship of the proletariat and, lastly, to the rate of socialist reforms in the various sides of social life . . . The theory of scientific socialism does—and must—take into consideration the special features of each country, features that to some degree or other determine the forms and methods by which it will build socialism . . .

"Differences in the practical building of socialism may show themselves, for example, in establishing this or that form of industrial management, this or that method of agricultural co-operative association. But the abolition of the private ownership of the means of production, and the association of the peasantry in co-operatives, are common elements without which the socialist system cannot develop successfully. We know that the problems of industrial management in the Chinese People's Republic are tackled with due regard to the specific conditions of that country, that is, not in the same way as in the Soviet Union or, say, in Czechoslovakia. While there is a variety of concrete forms of management, the main thing—namely, consistent fulfilment of the Marxist-Leninist principles of socialist construction—fully retains its validity . . ."

International Relations and Co-existence. M. Khrushchev began the final section of his speech with an attack on "colonialism," asserting in this connexion that a "bitter struggle for influence in

colonial and semi-colonial countries is taking place between the imperialist groups of the United States and Britain." After a denunciation of the "Eisenhower-Dulles doctrine" in the Middle East, and references to "the freedom-loving Arab peoples," he said that the "American imperialists" were "today conspiring against Syria, using Israel in their evil game, and inciting Turkey to adventurism and provocation."

M. Khrushchev went on to say that the recent meeting between President Eisenhower and Mr. Macmillan had "made it plain that the ruling circles of the two leading capitalist States have reached agreement to fan the flames of the cold war", that the forthcoming meeting of the Heads of Government of NATO countries "bodes nothing good for peace"; and that "the more aggressive imperialist circles are striving to provoke conflicts wherever possible and . . . to encircle socialist countries with military bases and extend military blocs . . ."

After referring to the "five well-known principles governing relations between countries with different systems" [i.e. the *Panch Sila* principles] M. Khrushchev said in conclusion: "As soon as it came into being, the Soviet State made the principle of the peaceful co-existence of countries with different social systems the basis of its foreign policy . . . Socialism and capitalism exist on the same planet and their co-existence is a historical necessity . . . We should like a summit conference between representatives of the capitalist and socialist countries for the purpose of reaching agreement . . . to rule out war as a method of dealing with international issues, to end the 'cold war' and the arms drive, and to establish international relations based on co-existence . . . In advocating peaceful co-existence we of course have no intention of saying that there are no contradictions between socialism and capitalism, that complete 'harmony' can be established between them, or that it is possible to reconcile the communist and bourgeois ideologies. Such a viewpoint would be tantamount to a retreat from Marxism-Leninism. These ideological differences are irreconcilable and will continue so. But this does not preclude peaceful co-existence, peaceful competition, between the socialist and capitalist countries . . ."

The 40th anniversary of the October Revolution was marked by a large military parade in the Red Square at which the salute was taken by Marshal Malinovsky, the new Minister of Defence. Some of the Soviet Union's latest military weapons were publicly displayed for the first time, the following description being given in a *Manchester Guardian* despatch from Moscow:

"The parade included 38 rocket weapons and two huge cannons 'with obvious atomic capabilities.' Nothing approaching an intercontinental ballistic missile was seen, however. The largest weapon displayed was a 75 ft. rocket. Western observers described it as 'an overgrown V2-type, single-stage' rocket, although one suggested that it might be the first and largest stage of an I.C.B.M. Other rockets included ground-to-air two-stage missiles comparable with the American *Nike*, aerial saturation rockets, tiers of other rockets 'unlike any other ground rockets,' and surface-to-surface short-range tactical missiles comparable to the American *Honest John*. Among other weapons on show for the first time were a new heavy tank which appeared to be a development of the *Stalin III*, and an amphibious assault vehicle propelled by jet exhausts. In general, however, the parade gave no real secrets away . . ."

12-Nation "Moscow Declaration" by Communist Parties. - Yugoslav Abstention from Declaration.

During the 40th anniversary celebrations, representatives of 12 Communist parties met in Moscow on Nov. 14-16 to discuss "their relations, current problems of the international situation, and the struggle for peace and socialism." A lengthy joint declaration was issued by the 12 parties concerned—the Communist parties of the U.S.S.R., China, Bulgaria and Czechoslovakia, the Polish United Workers' Party, the Hungarian Socialist Workers' Party, the Rumanian Workers' Party, the Socialist Unity Party in Eastern Germany, the Albanian Party of Labour, the (North) Korean Party of Labour, the Working People's Party of (North) Vietnam, and the Mongolian People's Revolutionary Party.

The 12-nation declaration was divided into four sections as summarized below: (1) a denunciation of "imperialism," combined with an affirmation of the Communist countries' wish for "peaceful co-existence"; (2) co-operation between the Communist countries; (3) a denunciation of "revisionism" and "sectarianism" within Communist parties; and (4) relations between Communist and non-Communist parties, with special reference to the "transition to socialism" in non-Communist countries.

Denunciation of "Imperialism." After denunciations of "colonialism" and "imperialism," the 12-nation declaration accused the "aggressive imperialist circles of the United States" of seeking to "bring most countries of the world under their sway, hamper the onward march of mankind, and enmesh liberated peoples in new forms of colonialism." It went on to describe the United States as "the centre of world reaction"; to accuse "American, British, French and other imperialists and their stooges" of waging or having waged wars "in Indo-China, Indonesia, Korea, Malaya, Kenya, Guatemala, Egypt, Algeria, Oman and Yemen"; and to blame the "aggressive imperialist forces" for their "flat refusal" to reduce armaments or prohibit nuclear weapons.

The declaration went on to attack NATO, SEATO, and "West German militarism and revanchism," and said that "the question of war or peaceful co-operation is now the crucial question of world policy." References to the "collapse of imperialist designs in Egypt" and to the "failure of counter-revolutionary plans to overthrow the people's democratic regime in Hungary" were followed by the assertion that the "cause of peace is upheld by . . . the invincible camp of socialist countries headed by the Soviet Union." Other "powerful peace forces" were "the peace-loving countries of Asia and Africa taking an anti-imperialist stand", the "international working class and above all its vanguard—the Communist Party"; the "liberation movement of the peoples of colonies and semi-colonies"; the "peoples of the European countries which have proclaimed neutrality", and the "peoples of Latin America."

This section ended with an affirmation that the 12 Communist parties signing the declaration adhered to the "Leninist principle of peaceful co-existence . . . which . . . coincides with the Five Principles put forward jointly by China and India and with the programme adopted at the Bandung conference of Afro-Asian countries."

Co-operation between Communist Countries. The declaration continued: "At the bedrock of the relations between the countries of the world socialist system . . . lie the principles of Marxism-Leninism." After a reference to the "historic political and social gains won by the Soviet Union," which was described as "the first and mightiest socialist Power," the declaration went on:

"The socialist countries base their relations on principles of complete equality, respect for territorial integrity, State independence and sovereignty, and non-interference in one another's affairs. These are vital principles. However, they do not exhaust the essence of the relations among them. Fraternal mutual aid is part and parcel of these relations . . . The socialist States also advocate all-round expansion of economic and cultural relations with all other countries, provided they desire it, on a basis of equality, mutual benefit, and non-interference in internal affairs . . ."

"Revisionism" and "Sectarianism." After saying that the meeting had "confirmed the identity of views [of the 12 Communist parties] on the major problems of the socialist revolution and of building socialism," a lengthy attack was made on "revisionism," "sectarianism" and "dogmatism," which were described as "international phenomena." Reference was made, *inter alia*, to the "correctness of the Marxist-Leninist proposition that the processes of the socialist revolution and of building socialism are governed by a number of basic laws applicable in all countries embarking on a socialist road"; to the fact that "these laws manifest themselves everywhere, alongside a great variety of historical national peculiarities and traditions which must be taken into account"; and to the necessity for the "creative application" of Marxist-Leninist principles in a manner which would not involve "mechanical imitation of the policies and tactics of Communist parties in other countries." It was claimed that Marxism-Leninism, "deriving from historical materialism," was a "world outlook reflecting the universal law of development of nature, society and human thinking" and was "valid for the past, present and future."

The declaration continued: "In condemning dogmatism, the Communist parties believe that the main danger at present is revisionism—in other words, right-wing opportunism as a manifestation of bourgeois ideology paralyzing the revolutionary energy of the working-class and demanding the preservation or restoration of capitalism. However, dogmatism and sectarianism can also be the main danger at different phases of development in one party or another. It is for each Communist party to decide what danger threatens it more at a given time . . . Modern revisionism seeks to smear the teaching of Marxism-Leninism, declares that it is 'outmoded,' and alleges that it has lost its significance for social progress . . . The revisionists deny the historical necessity for a proletarian revolution and the dictatorship of the proletariat during the period of transition from capitalism to socialism; reject the principles of proletarian internationalism; and call for the rejection of the Leninist principles of party organization and democratic centralism. Above all, they call for the transformation of the Communist party from a militant revolutionary party into some kind of debating society . . ."

Relations with Non-Communist Parties, etc. The final section of the declaration was worded, in part, as follows: ". . . The working class and its vanguard—the Marxist-Leninist Party—seek to achieve the socialist revolution by peaceful means . . . In a number of capitalist countries the working-class today has the opportunity—given a united working-class and people's front, or other workable forms of political co-operation between the different parties and organizations—to unite a majority of the people, win power without civil war, and ensure the transfer of the basic means of production to the hands of the people . . . [The] . . . working-class . . . can secure a firm majority in parliament, transform parliament from an instrument serving the class interests of the bourgeoisie into an instrument serving the working people, launch a non-parliamentary mass struggle, smash the resistance of the reactionary forces, and create the necessary conditions for the peaceful realization of the socialist revolution . . ."

"In the event of the ruling classes resorting to violence against the people, the possibility of non-peaceful transition to socialism should be borne in mind. Leninism teaches, and experience confirms, that the ruling classes never relinquish power voluntarily. In this case the degree of bitterness and the forms of the class struggle will depend not so much on the proletariat as on the resistance put up by the reactionary circles . . . The possibility of one or another way to socialism depends on the concrete conditions in each country . . .

"In the struggle for winning power and building socialism, the Communist parties seek co-operation with the Socialist parties. Although right-wing Socialist Party leaders are doing their best to hamper this co-operation, there are increasing opportunities for co-operation between Communists and Socialists on many issues. The ideological differences between the Communist and Socialist parties should not keep them from establishing unity of action on the many pressing issues that confront the working-class movement . . ."

The Yugoslav League of Communists neither participated in the 12-party discussions nor signed the declaration. On his return to Belgrade from Moscow, M. Kardelj said that "we did not sign it because we did not agree with it."
(Soviet Embassy Press Department, London - Times - Manchester Guardian - Le Monde, Paris)

A. UNITED KINGDOM. — Gold and Dollar Reserves.

The Treasury announced on Dec. 3 that the sterling area's gold and dollar reserves had risen during November by $92,000,000, after taking into account (*a*) the receipt of $18,000,000 from the E.P.U. in respect of the U.K.'s surplus in October, and (*b*) payment of $3,000,000 to creditor countries in the Union under bilateral settlements. As a result, the gold and dollar reserves stood at $2,185,000,000 on Nov. 30, as compared with $2,093,000,000 on Oct. 30.

Provisional figures for the E.P.U. November settlement showed that Britain had a deficit of £1,000,000; three-quarters of this would be settled in gold or dollars, and the remaining quarter by an increase in the United Kingdom's debt to the Union.

It was pointed out at the Treasury that the E.P.U. deficit would have been a substantial surplus had it not been for large special operations carried out at the end of the month by the French exchange authorities, who had called in currency balances from their trading banks to show them in the account of the Bank of France, thus creating a large bilateral surplus with Britain on the day of settlement.

Mr. Enoch Powell, Financial Secretary to the Treasury, stated in a written reply on Dec. 5 that the increase in the gold and dollar reserves since the rise in the Bank Rate to 7 per cent had been mainly caused—apart from drawings on the Export-Import Bank credit—by commercial requirements for sterling.

The dollar rate for sterling, which had been slightly below the $2.80 level at the beginning of November, rose again above parity on Nov. 6 (2.80\frac{1}{4}$) and remained firm throughout the month, reaching its highest points on Nov. 19 at 2.80\frac{7}{16}$ (the highest since June 19, 1956), and on Nov. 25 at 2.80\frac{11}{16}$ (the highest since May, 1954). On Nov. 30 the rate was 2.80\frac{5}{8}$. Similarly, the transferable sterling rate in Zürich moved up to $2.7880 on Nov. 19, and on Nov. 26 crossed the $2.79 mark for the first time since May 5, 1954.—(Treasury Press Office - Financial Times - Times) **(Prev. rep. 15840 A.)**

B. UNITED NATIONS. — New Director of European Office. - Signor Spinelli succeeds Mr. Adrian Pelt.

The U.N. Secretary-General, Dr. Hammarskjold, announced on Nov. 29 that he had appointed Signor Pier Pasquale Spinelli (Italy) as Director of the European Office of the United Nations in Geneva in succession to Mr. Adrian Pelt, who was resigning on Dec. 31 to become Secretary-General of the World Federation of United Nations Associations.

Signor Spinelli (55) entered the Italian Foreign Service in 1927, held a number of diplomatic and consular posts in the U.S.A., Latin America, and the Far East, and was appointed Executive Assistant to the Italian Administrator of Somalia (Italian Somaliland) in 1950, subsequently becoming Secretary-General of the Trusteeship Administration of that territory. Since 1955 he had worked in the Italian Foreign Ministry.
(United Nations Information Centre, London)

C. NEW ZEALAND. — New Chief of Naval Staff.

The N.Z. Minister of Defence (Mr. Eyre) announced early in December that Rear-Admiral J. M. Villiers, of the Royal Navy, had been appointed Chief of Staff of the Royal New Zealand Navy with effect from February 1958. He succeeded Rear-Admiral McBeath, who had held the post since March 1955.—(Directorate of Information, Wellington) **(Prev. rep. 14065 C.)**

D. YUGOSLAVIA - UNITED KINGDOM. — Mr. Selwyn Lloyd's Visit to Belgrade. - Discussions with President Tito. - Lloyd-Popovich Communiqué.

The British Foreign Secretary, Mr. Selwyn Lloyd, visited Belgrade from Sept. 4-8 for talks with President Tito, M. Kardelj, Vice-President of the Federal Executive Council, and M. Koca Popovich, the Yugoslav Foreign Secretary.

A joint communiqué said that relations between Yugoslavia and Britain had been developing "very favourably" and that there were "no major unsolved problems between the two countries." It continued: "Concrete progress was noted in the development of mutual relations in the economic, cultural, and scientific fields. Useful and constructive talks were held on a number of questions in the international sphere, including disarmament, European security, East-West relations, and the Middle East. Agreement was reached to a large extent on the nature of current international problems. The fact that Yugoslavia and Great Britain have had different views from time to time on certain questions does not affect the friendly relations existing between them, nor their determination to work for a satisfactory solution.

"During the talks, which were frank and cordial, the two Foreign Secretaries emphasized the wish of their Governments to co-operate in bringing about a relaxation of international tension and in increasing confidence, mutual respect, and peaceful co-operation among the various countries regardless of their social systems. They also expressed their determination to continue, through mutual co-operation, to strengthen and expand further the friendly relations between Yugoslavia and Britain."

While in Belgrade Mr. Selwyn Lloyd made several statements in which he spoke of the "sound relationship" between the United Kingdom and Yugoslavia. He indicated his "firm impression" that Yugoslavia would continue to follow an independent foreign policy in spite of her recent efforts to improve her relations with the Soviet Union.

Speaking at a luncheon given by M. Popovich on Sept. 5, Mr. Selwyn Lloyd declared: "Over the whole range of direct relations between our two countries, there are now no major problems and very few minor ones. The fact that our relations are good does not mean that we agree on every topic in international affairs. We do not always agree with you nor you with us. When that happens we tell one another so frankly. If we disagree, that does not make bad blood between us. That is the essence of a sound relationship between two independent countries. In the world of today all nations are, in fact, interdependent; but . . . we both believe in our right, and the right of every country, to hold an individual point of view and to follow an individual policy."

Referring to the different political systems of the two countries, Mr. Lloyd said: "We think our system suits us better, just as you think yours suits you better, but that difference does not lead us to seek to interfere in one another's internal affairs. In fact, we are a good example of genuine peaceful co-existence . . . It does not suit us if there is ill-feeling and strained relations anywhere in the world. Therefore if you succeed in improving your relations with any other Government, there will be no hard feelings on our part. We believe that your relations with us will not be impaired, and that you will maintain the sturdy independence of which you have given so many proofs."

Speaking at a press conference on Sept. 6, Mr. Selwyn Lloyd said that he had formed the "firm impression" that the Yugoslav Government's approach to questions of foreign policy had not changed in spite of its recent efforts to improve relations with the Soviet Union. He thought that the Yugoslav leaders, in the future as in the past, would continue to pursue an independent policy, judging each issue on its merits and coming to their own conclusions.

In reply to questions, Mr. Selwyn Lloyd said there was agreement between both Governments that the first international requirement was an increase of confidence between East and West, and that one of the best ways to create a better atmosphere could be a first-stage agreement on disarmament. The Yugoslav Government shared British misgivings about recent Soviet activities in the Middle East, and both Governments desired to do all in their power to relieve the tension in that area.

Mr. Selwyn Lloyd returned to London on September 8.
(Tanjug Agency, Belgrade - Times) **(Prev. rep. 14584 C.)**

E. BRAZIL - PERU. — Amazon Basin Study. - Free Port Facilities for Peru at Belem.

A convention for the joint study and exploitation of the resources of the Amazon Basin was signed in Lima on Nov. 29 at the end of a five-day visit by the Brazilian Foreign Minister, Dr. José Carlos de Macedo Soares. The convention also provided for improved river and overland communications between the two countries, increased trade, and free port facilities for Peru at Belem do Pará, the Brazilian port at the mouth of the Amazon River.—(New York Times)

F. SOVIET UNION. — Chkalov renamed Orenburg.

It was announced in Moscow on Dec. 6 that the Presidium of the Supreme Soviet of the R.S.F.S.R. had issued a decree restoring to the city of Chkalov its former name of Orenburg.
(Soviet Embassy Press Department, London) **(15808 E.)**

A. UNITED KINGDOM. — Leicester and Liverpool By-elections. - Seats retained by Conservatives.

Polling took place on Nov. 28 at South-East Leicester and on Dec. 5 in the Garston division of Liverpool, both seats being retained by the Conservative Party.

South-East Leicester.

The by-election was caused by the resignation of Captain Charles Waterhouse (Conservative). Result :

Peel, William John (Conservative)	18,023
Boothroyd, Miss Betty (Labour) ..	11,541
No change. Conservative majority	6,482

Figures at the general election were : Captain Waterhouse (C.) 26,070, E.J. Masters (Lab.) 14,529—Conservative majority, 11,541.

The Conservative candidate received 60.9 per cent of the votes and the Labour candidate 39.1 per cent, compared with percentages of 64.2 and 35.8 respectively at the general election—the Conservative proportion thus dropping by 3.3 per cent.

56 3 per cent of the electorate voted, compared with 78.4 per cent at the general election. The total electorate numbered 52,564, an increase of 817 since the general election.

Captain Waterhouse (64), leader of the former Conservative "Suez group," resigned because his appointment to the board of Tanganyika Concessions Ltd. would necessitate his absence from Britain for several months each year and thus make it impossible for him to fulfil his parliamentary duties adequately. [He is chairman of the Rhodesia-Katanga Co. and the Zambesia Exploring Co., both of which are partly owned by Tanganyika Concessions.] He had represented Leicester constituencies for 28 years—from 1924-45 and 1950 onwards—and had been chairman of the House of Commons Select Committee on Estimates since 1953. During the war he held ministerial office as Assistant Postmaster-General and later as Parliamentary Secretary to the Board of Trade. Captain Waterhouse emphasized that his resignation had nothing to do with his previous disagreement with the Government over its Suez policy.

Mr. John Peel (44) was formerly in the Colonial Service, having been British Resident in Brunei (1946-48) and Resident Commissioner for the Gilbert and Ellice Islands (1949-51). Since 1954 he had been engaged in political work for the Conservative Commonwealth Council. He unsuccessfully contested Meriden (Warwickshire) at the last general election.

Garston.

The by-election was caused by the resignation of Sir Victor Raikes (Independent Conservative). Result :

Bingham, Richard (Conservative) ..	15,521
Levin, Ian (Labour)	11,217
Dennis, Arthur (Liberal)	4,807
No change. Conservative majority	4,304

Figures at the general election were : Sir Victor Raikes (C.) 28,130 ; T. E. Nixon (Lab.) 16,161—Conservative majority, 11,969.

The Conservative candidate received 49.2 per cent of the votes, the Labour candidate 35.6 per cent and the Liberal candidate 15.2 per cent, whereas at the general election the Conservative candidate received 63.5 per cent and the Labour candidate 36.5 per cent in a straight fight. The Conservative proportion of the poll thus dropped by 14.3 per cent and the Labour proportion by 0.9 per cent. The Liberals last contested Garston in 1950, when they polled 5,966 votes in a three-cornered contest.

49.7 per cent of the electorate voted in the by-election, compared with 71 per cent at the general election. The total electorate numbered 63,445, an increase of 1,072 since the general election.

Sir Victor Raikes (56) had sat in the House of Commons continuously for 26 years—from 1931-45 for South-East Essex, from 1945-50 for the Wavertree division of Liverpool, and since 1950 for Garston. He was one of the eight Conservative M.P.s who resigned the party Whip in May last as a protest against the Government's "capitulation" to Colonel Nasser on the Suez issue (see page 15547, second column), and had subsequently sat in the House as an Independent Conservative. Sir Victor resigned from Parliament to take up a business appointment in Southern Rhodesia as chairman of the Property Manangement Co., a private company dealing with real estate and a subsidiary of the Overseas Land Purchasing Trust, of whose London advisory board he is chairman. He had previously announced his intention of retiring from Parliament before the end of the year, and had emphasized that his decision was unconnected with his opposition to the Government's Suez policy or his relinquishment of the party Whip.

Mr. Richard Bingham (42) is a Liverpool barrister and was formerly a member of Liverpool City Council.
(Times - Daily Telegraph) **(Prev. rep. 15821 E.)**

B. TURKEY. — Release of Mr. Bolukbashi.

The leader of the National Party, M. Osman Bolukbashi, was released from detention on Nov. 30 following his re-election to the Grand National Assembly.—(Times) (15841 A.)

C. FRANCE. — New Political Parties.

A new political party—the Union of the Socialist Left (*Union de la Gauche Socialiste*)—came into being on Dec. 8 as a result of the fusion of four small left-wing organizations—the *Nouvelle Gauche*, the M.L.P., the *Action Socialiste*, and the *Unité Socialiste*. A majority of the *Jeune République* group—over 60 per cent of its membership—also decided to join the *Union de la Gauche Socialiste*.

The new party stands midway between the Socialists and the Communists, but one of the most important points in its programme is to bring about "unity of action between all organizations of the workers." It will also co-operate with non-Socialist parties of a "democratic and progressive" character. Other points in the party's programme include the raising of living-standards of the workers ; respect for democratic liberties ; the ending of arbitrary police action ; and an Algerian settlement by recognizing the right of the Algerian people to decide for itself on its future status.

A political committee of 38 representatives of the constituent organizations was elected to direct the party pending its first congress in May 1958.

A new extreme right-wing party was founded on Nov. 9 under the name of the Patriotic Revolutionary Party (*Parti Patriote Révolutionnaire*). Its leader, M. Jean-Baptiste Biaggi—a former Gaullist, and a lawyer by profession—was one of the organizers of the demonstrations staged by the European community in Algiers against M. Guy Mollet (then Prime Minister) when the latter visited North Africa in February 1956 [see page 14684].

Violent attacks on the political system of the Fourth Republic were made at the party's inaugural meeting in Paris on Nov. 9, coupled with denunciations of M. Mendès-France, M. Mitterrand, and other politicians who were or had been responsible for Algerian and North African affairs. M. Biaggi accused the "men of the system" [i.e. the leaders of the Fourth Republic] of undermining France's interests in North Africa, "abandoning" Tunisia, and "indifference" to the fate of the French population of Algeria. He called upon his supporters to "wage war against the revolutionary war which the agents of treason and their accomplices are waging in France and Algeria." M. Biaggi denied that his party was fascist in character, and paid tribute to General de Gaulle as the only Frenchman of recent years who had shown the capacity for political leadership. Many of those attending the meeting were former French residents of Algeria, Tunisia or Morocco.

M. Biaggi said that "our party's aim, after coming to power, is to instal a free and strong executive capable of governing."—(Le Monde - Le Figaro)

D. CENTRAL AMERICA. — Defence Co-ordination. - Proposed Establishment of Central American Defence Council and Five-Nation "Model Battalion."

The establishment of a Central American Defence Council and the formation of a "model battalion" of troops from the five Central American republics were recommended by representatives of the Defence Ministries of Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica, meeting at San Salvador during the last week of October.

It was agreed (1) that the proposal for a joint Defence Council should be studied by the Foreign Ministers of the five Republics at their next biennial meeting at Managua in January 1958 ; (2) that the Secretary-General of the Organization of Central American States (Señor J. Guillermo Trabanino) should urge the Foreign Ministers to agree to the proposal ; (3) that Señor Trabanino should also urge the five Governments to appoint military attachés to their diplomatic missions in other Central American countries, "especially in the country [El Salvador] which is the headquarters of the Organization of Central American States" ; (4) that the secretariat of the O.C.A.S. should draw up plans for the unification of the armed forces of the five countries, covering such matters as the supreme command, administrative and technical consultative groups, weapons and services, and military instruction centres ; and (5) that military terminology and insignia should be unified in the armed forces of the Central American republics.

Detailed proposals for a "model battalion" of troops from all five countries had first been put forward by the Costa Rican Government.—(New York Times) **(Prev. rep. 15468 A.)**

E. INDONESIA. — Attempt on President Sukarno.

President Sukarno narrowly escaped assassination on Nov. 30 when hand-grenades were thrown at him while he was visiting a school celebration in Jakarta. The President was surrounded by hundreds of children when grenades were hurled by several persons posted at different points ; although Dr. Sukarno escaped injury, two of his aides and five children were killed and 150 people wounded, the great majority being children under 12 years of age. Twenty men were subsequently arrested for participation or complicity in the attack.
(Indonesian Embassy Press Office, London)

A. UNITED KINGDOM.—White Paper on Windscale Accident. - Lifting of Ban on Milk Distribution.

A White Paper on the accident on Oct. 10 at the Windscale No. 1 reactor of the U.K. Atomic Energy Authority (see 15806 A) was published on Nov. 8. It comprised :

(1) A memorandum by the Prime Minister, Mr. Macmillan.

(2) A memorandum by Sir Edwin Plowden, chairman of the Atomic Energy Authority.

(3) A simplified version of the report of the committee of inquiry, under the chairmanship of Sir William Penney, relating to the cause of the accident and the measures taken to deal with it.

(4) A report by the same committee on the measures taken to protect workers and the public.

(5) A report by the committee set up by the Medical Research Council to investigate the health and safety aspects of the accident.

(6) An annexe dealing with the technical differences between the Windscale type of reactor and those at Calder Hall and elsewhere.

Mr. Macmillan's Memorandum.

The Prime Minister stated that since the committee of inquiry's report was a technical document dealing with the design and operation of a defence installation, he (Mr. Macmillan) had asked for a less technical version to be published. The memorandum said that the accident had occurred during a routine maintenance operation known as the "Wigner release" [i.e. the release in the form of heat of the energy stored in graphite as the result of neutron bombardment]. It went on : "The immediate cause of the accident was the application too soon and at too rapid a rate of second nuclear heating to release the Wigner energy from the graphite. This caused the failure of one or more cartridges in the pile, whose contents then oxidized slowly, eventually leading to fire in the reactor."

The memorandum added that "no experiments either for civil or military purposes were being made in the pile during the time of the Wigner release, with one insignificant exception having no relevance to the accident.

[The exception in question was an experimental channel in which a small magnet was being tested.]

Sir Edwin Plowden's Memorandum.

This memorandum stated that the Atomic Energy Authority, having considered the findings of the committee of inquiry, had concluded that the cause of the accident lay "partly in inadequacies of the instrumentation provided for the maintenance operation that was being carried out at the time of the accident, and partly in faults of judgment by the operating staff. These faults of judgment were themselves attributable to weaknesses in organization." Sir Edwin's memorandum went on to cover the following points :

(1) As the responsibility for the accident was essentially collective, no disciplinary action would be taken against any individual.

(2) Temporary measures to deal with the organizational weaknesses had already been taken, pending a more comprehensive evaluation of remedies required. For the latter purpose, it was suggested that an "independent person of standing, with experience of large-scale organizations operating processes involving hazardous materials" should be appointed to undertake an inquiry and to make recommendations. Until this inquiry had been completed, the Windscale No. 2 reactor [which had been closed down] would not be put back into operation.

(3) The Authority had asked the Medical Research Council to lay down for their guidance the maximum permissible level of radioactive substances when exposure took place for a limited period rather than as a continuous lifetime dose.

(4) The accident had underlined the need for closer liaison between the factory management and local interests. A standing liaison committee had accordingly been set up at Windscale, and similar committees were being set up at all other operating factories of the A.E.A.'s Industrial Group. In the case of the A.E.A.'s other groups, arrangements for liaison with local bodies were being reviewed.

(5) Since it was answerable at Common Law for damage caused by negligence, the Authority would consider claims from persons providing evidence of hurt or damage.

First Report of Penney Committee.

The committee reached the conclusion—as mentioned in Mr. Macmillan's memorandum—that the immediate cause of the accident was the application "too soon and at too rapid a rate" of a second nuclear heating in the course of the process known as the "Wigner release." Of this latter process, the report stated that it had first occurred spontaneously in the No. 1 pile in September 1952. Thereafter, a controlled procedure for the operation had been worked out and, up to the end of 1956, had been applied eight times without mishap. On three of these occasions, a second nuclear heating had been found necessary in order to ensure the release of all the so-called "Wigner" energy accumulated in the graphite. On the present occasion, however, two "distinct and separate faults of instrumentation" had affected the efficacity of the second nuclear heating. In the first place, the uranium thermocouples [electric thermometers] were situated in the region of highest uranium temperatures during normal operations and not at the position of maximum uranium temperatures during the "Wigner release." Secondly, the pile power meter, while correct for normal operations, read low in the situation then prevailing. The committee had been unable to decide whether the fire had started in uranium fuel cartridges or in some lithium-magnesium cartridges that were in the reactor at the time ; it believed, however, that the former was probably the case. The report also observed that the physicist in charge who had decided on a second nuclear heating had neither a pile-operating manual, with special sections on Wigner release, to help him, nor the benefit of sufficiently detailed instructions.

As regards the steps taken to deal with the accident once it had been discovered, the report stated that these had been prompt and efficient and had shown great devotion to duty on the part of all concerned.

Second Report of Penney Committee.

Dealing with the measures taken to protect the factory staff and the public, this report noted that extra staff had been called in to deal with any severe cases of exposure to radiation, but that no such cases had in fact occurred. Over the 13-week period up to Oct. 24, only 14 workers concerned in the accident had exceeded the normal permissible level of body radiation. These workers had accordingly been taken out of contact with work involving radiation.

On the question of the emission of radio-active iodine, the report stated that a survey of the activity of this substance in the thyroid glands of workers had found levels as high as 0.5 micro-curies. While noting that the standard level for safe continuous and constant iodine activity in the adult thyroid gland was 0.1 micro-curies, the report added that "since iodine had a short life, some increase over the level can properly be made if the dose occurs on a single occasion."

As regards possible hazards to the public in the area, the committee found that the health physics manager of the Windscale plant had correctly assessed the situation arising from the accident by deciding that there was unlikely to be any danger from irradiation or inhalation, but that there was cause for concern with respect to the ingestion of contaminated food. For this reason arrangements were made for the analysis of milk from farms in the area, and a ban was subsequently imposed on its distribution.

Report of Medical Research Council's Committee.

The report of this committee (which was headed by Sir Harold Himsworth, the Council's secretary) described it as "in the highest degree unlikely that any harm had been done to the health of anybody," whether a worker in the plant or a member of the public. Further conclusions reached by the committee were :

(1) The highest levels of radio-strontium in locally produced milk were "well below those at which an appreciable hazard would arise even if such milk were consumed over a period of years." The radio-strontium levels in some samples of grass from certain occasional pastures indicated, however, that a watch should be kept on milk from such places.

(2) "Certain weaknesses in organization were apparent after the event, notably the delay between recognizing the existence of an accident which might lead to the emission of radio-active substances and the starting of an extensive and rapid milk-sampling programme."

(3) "Certain gaps in our scientific knowledge were revealed and require early attention."

Report on Differences between Windscale and other Reactors.

This report explained why "the accident which happened at Windscale could not happen with the Calder Hall reactors or with the reactors being built for the electricity authorities." The reasons given were as follows :

"(1) The new reactors are cooled by carbon dioxide, which does not react with uranium until the temperature is greater than 650 deg. Centigrade. The air used at Windscale for cooling can react with uranium at 350 degrees.

"(2) The new reactors will use carbon dioxide circulating in a closed circuit for cooling, so that there will be no discharge into the atmosphere.

"(3) The arrangements for detecting burst fuel elements are superior.

"(4) The cartridges which contain the uranium are of better design.

"(5) The instrumentation at Calder Hall and other civil reactors is much improved."

Mr. Macmillan announced in the House of Commons on Nov. 8 (the day of the publication of the White Paper) that three committees had been appointed, each under the chairmanship of Sir Alexander Fleck (chairman of Imperial Chemical Industries Ltd.) in order to ensure that the lessons learnt from the Windscale accident should be "fully digested and applied." The committees in question were :

(1) A Technical Evaluation Committee, which would "study the information relating to the design and operation of the Windscale piles which is to be derived from the accident."

Its members were : Sir Alexander Fleck ; Sir John Cockcroft (director of the Atomic Energy Research Establishment at Harwell) ; Sir William Penney (director of the Atomic Weapons Research Establishment at Aldermaston) ; Dr. R. Spence (chief chemist of

the A.E.R.E., Harwell); Professor J. Diamond (Professor of Mechanical Engineering, Manchester University); Professor J. M. Kay (Professor of Nuclear Engineering, Imperial College of Science); and Professor H. W. B. Skinner (Professor of Physics, Liverpool University).

(2) An Organizations Committee, which would "review organization and staffing in the operations branch of the industrial group of the A.E.A. and of staff operating reactors in the research group."

Membership—Sir Alexander Fleck; Sir William Penney; Mr. C. F. Kearton, a director of Courtauld's [the textile concern] and a member of the A.E.A.

(3) A Health and Safety Committee, which would "review the organization within the Authority as a whole for control of health and safety."

Membership—Sir Alexander Fleck; Sir William Penney; Sir George Barnett (Chief Inspector of Factories); and Dr. J.S. Carter (Chief Alkali Inspector, Ministry of Housing and Local Government).

It was subsequently announced that Professor B. W. Windeyer (Professor of Radiology at London University) had agreed to join this committee, following a suggestion by Sir Alexander Fleck that it would be valuable if a medical expert were added to it.

Normal collection and distribution of milk was authorized by the Ministry of Agriculture, Fisheries and Food as from Oct. 31 for an area south and east of Windscale comprising 538 of the 977 farms originally affected; from Nov. 4 for part of the restricted area lying in Lancashire; and from Nov. 23 for all the remaining parts of the area.
(Times - Daily Telegraph - Manchester Guardian)
(Prev. rep. 15806 A.)

A. NEPAL. — Postponement of General Elections. - Resignation of Dr. Singh. - King Mahendra assumes Personal Rule. - Creation of National Advisory Council.

The Nepalese Government announced on Sept. 30 that the country's first general elections, which had been fixed for Oct. 8, would be postponed indefinitely as the previous Government had neglected to obtain ballot-boxes, paper for the electoral rolls, and other necessities. The Democratic Front (the alliance formed by the three leading Opposition parties) subsequently decided on Oct. 10 to launch a nation-wide civil disobedience campaign as from Dec. 8 to secure early elections; it also demanded the appointment of an independent and impartial electoral commission to make preparations for such elections.

King Mahendra announced on Nov. 14 that he had accepted the resignation of the Prime Minister, Dr. K. I. Singh, and would himself take over the administration for the present. Although no official reason was given for Dr. Singh's sudden resignation, it was generally believed to be connected with a purge of corruption in the Civil Service, during which he had appointed his own nominees to senior posts and had proposed to remove a number of officials appointed by the King. Dr. Singh was also reported to have offended the Indian Government by his "isolationist" foreign policy, his opposition to any foreign aid, including aid from India, and his decision to substitute a two-year economic plan prepared by himself for the five-year plan drawn up by Indian experts.

A new National Council with advisory functions took office on Dec. 1. [The formation of this body, which was to have aided and advised the Singh Government, had been announced on Sept. 8 but the Council had never met during Dr. Singh's premiership.] Prince Basundhara, the King's youngest brother, was appointed chairman of the Council, which included Mr. Arun Shamshere (King Mahendra's brother-in-law) as the King's nominee and the Chief Justice as *ex-officio* member. The Council, appointed for a period of five years, will advise King Mahendra on internal security, law and order, and general administration.—(The Statesman, Calcutta - Times)
(Prev. rep. 15741 A.)

B. UNITED KINGDOM. — Ending of Presentation Parties for Debutantes. - Additional Garden Parties.

It was announced on Nov. 4 from Buckingham Palace (1) that the Queen had decided that no further presentation parties for debutantes would be held after 1958; and (2) that her Majesty proposed instead to hold more garden parties "in order that larger numbers may be invited to Buckingham Palace." It was understood that the Queen felt that by holding more garden parties, more people from Britain and the Commonwealth would be able to meet her and the Duke of Edinburgh. The last presentation parties for debutantes will be held at Buckingham Palace and Holyroodhouse in 1958.
(Times - Daily Telegraph)

C. ITALY - TURKEY. — President Gronchi's Visit to Turkey. - Italo-Turkish Declaration on Political, Economic and Cultural Co-operation.

President Gronchi of Italy, accompanied by Signor Pella (the Deputy Premier and Foreign Minister), visited Turkey from Nov. 11-15. During their stay in Ankara (Nov. 12-14) they had a number of discussions with President Bayar and M. Menderes, the Turkish Prime Minister, an official statement saying that the talks had been marked by "great cordiality." On Nov. 14 President Gronchi and Signor Pella left Ankara for Istanbul, accompanied by President Bayar and M. Menderes. A joint statement was issued at the conclusion of the visit on Nov. 15, as summarized below:

The International Situation. The statement said that there had been "full unanimity of views on major world problems, and especially on topics of mutual interest to the two friendly and allied countries." Both sides had explained "with frankness" the measures which they considered "most appropriate for the removal of the present tension and for peace and security in the world and especially in the Mediterranean region"; with this end in view they had expressed their determination "to make every effort for the creation of harmonious and fruitful co-operation in the Mediterranean region," and had agreed on continuous exchanges of information and consultations between the two countries. Both sides had reaffirmed the principles of the U.N. Charter and were agreed on "the necessity for making the United Nations ever stronger." At the same time they would "remain completely loyal to those alliances to which they belonged."

NATO. "The two sides agreed that NATO, of which they are two leading members, has decidedly helped to preserve world peace," and firmly believed that "this essential defence organization ... will be a very effective factor in the future for guaranteeing peace and achieving progress and freedom." They were "in complete agreement that the defensive force of the alliance should be strengthened by increasing political consultations on the basis of the full equality of its members, and by applying Article 2 of the North Atlantic Pact in a steadily expanding form in order to secure the development of healthy economic co-operation."

The communiqué added: "In view of the continued propaganda of the opponents of NATO, Turkey and Italy stress the need for increased enlightenment of public opinion in all countries about the exclusively defensive aims of the pact, which, in addition to guaranteeing peace, greatly helps the economic and social progress of its member-countries. The main aim of the forthcoming Atlantic Council meeting must be the strengthening of the Atlantic alliance ... by fully developing common defence plans and by strengthening the mutual ties among the Allies ..."

Middle East. The "consolidation of security and tranquillity in the Middle East" conformed to the common interests of both countries. "Italy and Turkey are convinced that security in the Near East is necessary to complete the security of the West and of Europe, and that an atmosphere of complete confidence must be created in the region in order to achieve this ... The clandestine or open interference of States adhering to the Soviet system, which pursue the aim of establishing complete influence over the Arab countries, and which espouse doctrines alien to the traditions of the West and of the Christian and Moslem worlds, greatly handicaps the creation of such confidence ... The gradual solution of the urgent and difficult problems in the Arab countries will help to consolidate peace in the Middle East. In this connexion the two parties, having noted that the Israeli question is a factor of confusion in the area, agree that it is essential to bring about a satisfactory solution of this problem ..."

Italo-Turkish Relations. After referring to the existing high level of Italo-Turkish trade exchanges, and stating that negotiations would be held with a view to increasing them still further, the communiqué said that Italy would "continue to provide Turkey with means of production and technical aid with a view to contributing to her industrial equipment." Both countries had agreed to direct their economic co-operation towards the development of Turkey's natural resources, minerals, and agriculture, which were "of particular interest to the Italian economy." In addition they would study the possibilities of co-operating in the irrigation and development of the Konya Plain in Anatolia. Both sides had confirmed their intention to develop their economic co-operation within the framework of the multilateral economic agreements linked with European economic integration. It had also been agreed to establish closer cultural relations.

It was agreed during the Italo-Turkish discussions that a greater number of scholarships would be awarded to enable Turkish students to study at Italian universities; in addition, Turkish students would receive greater facilities to complete their scientific and professional training in Italy.
(Giornale d'Italia, Rome - Turkish Embassy, London)
(Prev. rep. 15837 A; 14050 F.)

D. AUSTRALIA. — Petrov Case. - Identification of Soviet Espionage Agents.

The Federal Prime Minister, Mr. Menzies, stated in a written parliamentary reply on Oct. 8 that Mr. Vladimir Petrov and Mrs. Petrov had identified 522 espionage agents throughout the world since they had received political asylum in Australia.
(Times) **(Prev. rep. Petrov Case, 14523 A.)**

A. UNITED KINGDOM - UNITED STATES. — Co-operation in Thermonuclear Research.

British and U.S. scientists attending a conference on controlled thermonuclear research, held at Princeton University on Oct. 17-18, issued a joint statement on the latter date which indicated that recent experiments in both countries "suggested" the achievement of controlled thermonuclear reactions—i.e. the release of nuclear energy which might eventually be used for the generation of electric power. The statement ran as follows :

"Several essentially distinct approaches to solving the problems of controlled thermonuclear reaction are being pursued in the U.K. and the U.S.A. Some of the experimental devices utilized have, for some months, been yielding substantial numbers of neutrons from the interior gas ; in the other machines there has been confinement of very hot gases for a small fraction of a second.

"There are two main conditions necessary for the attainment of power-producing thermonuclear reaction. First, heavy hydrogen must be heated to a temperature of at least 100,000,000 degrees Centigrade. Second, this hot gas must be confined within a container for an appreciable fraction of a second. When the temperature reaches several million degrees Centigrade, neutrons will be emitted in large numbers.

"At this lower temperature it is a delicate and difficult matter to distinguish the neutrons produced by thermonuclear processes from those arising from other processes not of particular interest for controlled thermonuclear reaction. Since neutrons are similar, their mode of origin has to be established by elaborate experiments. Such experiments are in progress in both countries.

"Reports at the meeting in Princeton on the temperatures reached in controlled thermonuclear experiments in the U.K. and the U.S.A. suggest the achievement of neutrons from thermonuclear reaction, but more experimental work will be necessary to establish this as a fact. The realization of the production of thermonuclear neutrons, if definitely established, would be only a step—although an important one—in the long-range efforts to develop thermonuclear reactors for the production of economic power."

Following the arrival of Sir Edwin Plowden (chairman of the U.K. Atomic Energy Authority) in the U.S.A. for discussions with Rear-Admiral Lewis Strauss (chairman of the Atomic Energy Commission), a statement was issued by the two bodies on Nov. 22 which rejected "seriously misleading" observations in the Press about British and U.S. thermonuclear researches.

The statement referred to the Anglo-U.S. co-operation agreement for exchange of information on research in the field of controlled thermonuclear reactions ; recapitulated the conclusions of the Princeton meeting ; and continued : "Progress in the various experimental approaches to controlled thermonuclear reactions, both in terms of negative findings and positive findings, is promptly communicated between the two nations. Thus the U.S.A. benefits from the research results of the approaches being taken by the British, and the results of the work on the half-dozen or so approaches in the U.S.A. benefit the U.K. There have been statements in the news recently that have made unfortunate and confusing comparative observations about the U.K. and the U.S. programmes in this field. Such observations are not only inappropriate in co-operative programmes of this kind but are seriously misleading."

The Princeton conference had been arranged jointly by the U.S. Atomic Energy Commission and the U.K. Atomic Energy Authority to exchange information under the Anglo-U.S. co-operation agreement on the civil uses of atomic energy. It followed earlier meetings at Harwell in June and at Berkeley, California, in February.—(Times - New York Times)

(Prev. rep. 15596 A.)

B. IRISH REPUBLIC. — Cabinet Changes.

The following Cabinet changes were made by Mr. de Valera on Nov. 27-28 following the death on Nov. 16 of Senator Sean Moylan (68), the Minister of Agriculture : (*a*) Mr. Patrick Smith, Minister of Local Government and Social Welfare, became Minister of Agriculture in succession to the late Senator Moylan ; (*b*) Mr. Neal Blaney, Minister of Posts and Telegraphs, succeeded Mr. Smith as Minister of Local Government ; (*c*) Mr. Sean MacEntee, the Minister of Health, became additionally responsible for Social Welfare ; (*d*) Mr. Sean Ormonde, a Fianna Fail deputy for Waterford, became Minister of Posts and Telegraphs *vice* Mr. Blaney.—(Irish Times, Dublin)

(Prev. rep. Cabinet, 15429 A.)

C. POLAND - UNITED KINGDOM. — Agreement on Direct London-Warsaw Air Service.

It was announced in London and Warsaw on Nov. 27 that Britain and Poland had agreed on the conditions for a direct air service between London and Warsaw, to be operated by British European Airways (BEA) and the Polish Air Line (LOT) and to start not later than April 1, 1958.

(Times - Polish Embassy Press Office, London)

D. EGYPT.—Soviet and Czechoslovak Economic Aid. - General Amer's Visit to Moscow.

The Egyptian War Minister and Supreme Commander of the combined Egyptian and Syrian armed forces, Major-General Abdel Hakim Amer, arrived in Moscow on Nov. 1 as the guest of the new Soviet Defence Minister, Marshal Malinovsky. During his stay in the Soviet Union, which lasted until Nov. 20, General Amer had a number of discussions with M. Khrushchev, Marshal Bulganin, M. Mikoyan, Marshal Malinovsky, M. Gromyko (Foreign Minister), M. Semeonov (Deputy Foreign Minister) and other Soviet leaders ; attended the celebrations of the 40th anniversary of the October Revolution (see 15899 A) as Egypt's official representative ; inspected military camps and defence installations ; and watched Soviet Army manoeuvres.

The Middle East News Agency in Cairo (a Government-sponsored undertaking) announced on Nov. 20 that, as a result of General Amer's talks with the Soviet leaders, the Soviet Government had agreed to provide Egypt with economic aid amounting to 700,000,000 roubles (over £60,000,000 at the official exchange rate). The aid would be used for Egypt's five-year industrialization programme, and Egypt would start repayment of the credits received after five years, in annual instalments spread over a 12-year period.

The fact that the Soviet Union had agreed to aid Egypt in building up her national economy had first been mentioned the previous night by Marshal Bulganin at a reception for General Amer in the Kremlin. Marshal Bulganin gave no details, but said that the discussions with General Amer had been devoted mainly to economic questions, and that the Soviet aid would be rendered in response to a request from President Nasser and General Amer. Prior to the reception M. Khrushchev, Marshal Bulganin, M. Mikoyan, M. Gromyko, and Marshal Malinovsky had had a final meeting with General Amer which was stated to deal with political and economic co-operation as well as military questions.

It was confirmed in Cairo on Nov. 25 that, during a visit to Prague in September by the Egyptian Ministers of Finance (Dr. Kaissouni) and Industry (M. Aziz Sidki), an agreement had been concluded with the Czechoslovak Government under which the latter would grant Egypt economic aid to the equivalent of £22,000,000 in the form of credits for the supply of capital equipment in connexion with Egypt's industrialization programme. The terms of the credits were said to be the same as those extended to Egypt by the Soviet Government. (Soviet Embassy Press Dept., London - Times - Le Monde, Paris - Manchester Guardian) **(Prev. rep. 15599 A ; 14697 B.)**

E. KASHMIR. — Split in National Conference. - Formation of Democratic National Conference.

A new party, the Democratic National Conference, was formed in Kashmir on Sept. 6 by Mr. G. M. Sadiq and Mr. D. P. Dhar, the former leaders of the left-wing of the Kashmir National Conference, who had resigned from that party's executive on Aug. 6.

Mr. Sadiq and Mr. Dhar had announced their intention to form an Opposition party in Kashmir on Aug. 18, after discussing the situation in the State with the Indian Premier, Mr. Nehru (who advised them against the formation of a new party) and with leaders of the Congress, Praja Socialist, and Communist parties. At a press conference in Delhi, Mr. Sadiq said that the reason for the crisis inside the National Conference in 1953 was that all power had passed into the hands of Sheikh Abdullah, then Prime Minister of Kashmir. After his arrest collective leadership had been re-established for about a year, but since then power had again been concentrated in a few hands. As an example of why he found it impossible to work inside the National Conference, Mr. Sadiq stated that when he addressed a meeting on Aug. 13 the police had forcibly broken it up and had afterwards made many arrests.

The new party was joined by many leading members of the National Conference, including 14 members of the State Legislative Assembly, two members of the Legislative Council, and seven of the 19 members of the Jammu provincial committee. Mr. Sadiq stated on Sept. 6 that the party would not be affiliated to any party in the rest of India, but would be influenced by democratic and secular parties like the National Congress. A policy declaration, adopted at the new party's inaugural convention at Srinagar on Oct. 19-20, expressed complete support for Kashmir's accession to India and for the State Constitution ; demanded the withdrawal of all Pakistani forces from Kashmir and the restoration of the integrity of the State ; rejected any suggestion of a plebiscite on the future of Kashmir ; and pledged the party to work for the establishment of a socialist society and the implementation of the democratic liberties guaranteed in the Indian Constitution.

(The Hindu, Madras - The Statesman, Calcutta - Indian High Commissioner's Office, London) **(Prev. rep. 15691 A.)**

DECEMBER 14—21, 1957

A. NEW ZEALAND. — Labour Victory in General Election. - Resignation of Mr. Holyoake. - Mr. Walter Nash becomes Prime Minister. - New Government.

General elections held in New Zealand on Nov. 30 resulted in the defeat of the National Party (which had been in office since 1949) and the return of the Labour Party to power after eight years. Labour won 41 seats in the 80-member House of Representatives and the National Party 38, with one result outstanding—at Clutha (South Otago), where the Labour candidate was killed in a road accident the day before the election. There will be a by-election at Clutha—which is regarded as a safe National seat—on Jan. 18, 1958.

A total of 259 candidates was nominated for the 80 seats—240 candidates for the 76 European seats and 19 for the four Maori constituencies. The Labour, National, and Social Credit parties contested every seat, and there were also two Liberals, five Communists, and various Independent candidates. The total electorate numbered about 1,250,000, including 42,926 Maori voters enrolled in the four Maori constituencies.

Prior to the elections, certain changes in the distribution of parliamentary constituencies had been carried out on the recommendation of the Representation Commission, which meets periodically to adjust the distribution of electorates according to population trends. The most important changes were (1) the creation in North Island of the new constituency of Piako, in the rapidly-growing area of South Auckland; (2) the suppression of the former constituency of Oamaru (South Island), most of whose territory was distributed between the neighbouring constituencies of North Dunedin and Central Otago, (3) the renaming of the former constituency of Waimate (South Island) as Waitaki, and its expansion so as to take in part of the former Oamaru division.

The total number of votes cast was 1,045,619 (provisional figures), representing over 94 per cent of the electorate. Distribution of votes between the parties was as shown below, comparison being given with the last (1954) elections :

	1957		1954	
	Seats*	Votes†	Seats	Votes
Labour Party	41	508,981	35	437,843
National Party	38	458,801	45	484,619
Social Credit	—	75,135	—	112,488
Others	—	2,702	—	8,407

*One result outstanding at Clutha, as stated above.

†Subject to final adjustment—notably in respect of postal ballots cast by N.Z. citizens living in Commonwealth and foreign countries, and N.Z. forces serving overseas. New Zealanders living abroad were able to register their votes at N.Z. embassies, legations or (in the case of Commonwealth countries) High Commissioners' offices—e.g. New Zealand nationals in Britain could vote personally or by post at New Zealand House in London.

The Labour Party increased its poll by over 70,000 as shown, its proportion of the total being 48.67 per cent—an increase of over four per cent compared with 1954. The six seats won by the Labour Party from the Nationals were Nelson, St. Kilda (Dunedin), St. Albans (Christchurch), Lyttelton, Tamaki (Auckland) and Roskill (Auckland). All leading members of the party were re-elected, Mr. Walter Nash (the party leader) being returned with an increased majority for the Hutt constituency.

The National Party, though losing the election, polled over 24,000 more votes than in 1954; moreover, its proportion of the total poll (44.12 per cent) was slightly higher than in that year. Two Ministers of the outgoing National Government lost their seats—Mr. E. H. Halstead (Commerce and Industries) and Mr. John Rae (Housing), who were defeated by Labour candidates at Tamaki and Roskill respectively. Mr. Keith Holyoake, the party leader and outgoing Prime Minister, was re-elected with an increased majority in the Pahiatua constituency. Mr. J. T. Watts, Minister of Finance in the National Government, was returned for Sir Sidney Holland's former constituency of Fendalton.

Social Credit candidates polled 37,000 fewer votes than in 1954, many of them losing their deposits; the Social Credit proportion of the total poll (7.21 per cent) showed a drop of four per cent compared with 1954, when the party received 11.3 per cent of the votes on its first appearance at the polls. The highest Social Credit vote (3,167) was at Wanganui. Mr. John Owen, the party leader, polled 931 votes at Lyttelton.

The candidates grouped under "others" polled negligibly—all five Communist candidates losing their deposits and polling only 648 votes between them.

The electoral programmes of the two major parties were as summarized below :

Labour Party. In a speech on Nov. 5, Mr. Walter Nash pledged a Labour Government to introduce a number of concessions and social benefits if it were returned to power—notably, a £100 income-tax rebate when the pay-as-you-earn system was introduced in February 1958. This pledge—one of the central issues in the election, and popularly known as "Walter's £100"—related to legislation, previously introduced by the National Government, which provided for the application of the P.A.Y.E. system early in the New Year. The legislation had laid down (*a*) that the tax on a complete year's income would be extinguished when P.A.Y.E. came into effect in February 1958; and (*b*) that tax would be paid on income earned in the year ended March 31, 1957 (less a rebate of 25 per cent, with a limit of £75). Mr. Nash, however, said that if Labour came to power it would not only extinguish the tax on a complete year's income, as proposed by the National Government, but would give a rebate of £100 in addition before the P.A.Y.E. system came into operation.

Mr. Nash also pledged the Labour Party to increase old-age benefits from their present level of £3. 17s. 6d. a week to £4 a week (payable at 60 years of age subject to a means test, and at 65 without means test); to raise children's allowances from 10s. to 15s. a week, tax-free; to grant long-term loans at 3 per cent per annum for persons wishing to build their own homes; and to provide guaranteed prices for butter, cheese, and other farm products if desired by the producers. On financial policy generally, he said that Labour was opposed to overseas borrowing and saw no necessity for New Zealand to join the World Bank or the International Monetary Fund.

The party's election manifesto said that a Labour Government would abolish conscription and concentrate on building up small, fully-equipped military forces with the necessary naval and air support. It would also oppose all further tests of nuclear weapons and support an international agreement for the prohibition and destruction of such weapons.

National Party. Mr. Keith Holyoake, in a speech on Nov. 4, pledged the National Party to introduce the following benefits if returned to office : abolition of the means test from the age of 65 for Social Security beneficiaries; a grant of £25 to the parents of every child starting secondary school, to assist in buying books, school uniforms, etc.; encouragement of house-building and home ownership by offering loans of up to 100 per cent of the building cost of new houses, with a limit of £2,500, and income-tax concessions amounting to £6,500,000, associated with the introduction of P.A.Y.E. in 1958.

In addition, the party's manifesto pledged a National Government to expand multilateral trade over as wide a range as possible, while paying special regard to Commonwealth preference; to establish an economic advisory council to advise the Government on financial and economic matters; and to protect exporters against payment defaults by foreign buyers.

The National Party, like the Labour Party, expressed full support for the "Welfare State," while stressing that further social security benefits should be accompanied by increased production. In this connexion the Labour proposals—and, in particular, "Walter's £100"—were criticized on the ground that they would cost about £60,000,000 to implement. The National Party's manifesto said that it would be "a special objective of government financial policy to ensure that the creation and issue of money should be related to the production of additional goods and services, safeguarding the value of all earnings, savings and other income."

Mr. Nash formally took office as Prime Minister on Dec. 11 after Mr. Holyoake had tendered the National Government's resignation to the Governor-General, Viscount Cobham. The new Labour Government was announced on the following day, allocation of portfolios being as follows :

Mr. Walter Nash	Prime Minister, External Affairs, and Maori Affairs.
Mr. C. F. Skinner ..	Deputy Premier, Minister of Agriculture and Lands.
Mr. A. H. Nordmeyer ..	Finance.
Mr. H. G. R. Mason ..	Attorney-General, Justice, and Health.
Mr. F. Hackett	Labour, Mines, and Immigration.
Mr. W. A. Fox	Marine, Housing, and State Advances.
Mr. Hugh Watt	Works.
Mr. Eruera Tirikatene ..	Forests, and Associate to the Minister for Maori Affairs.
Mr. P. G. Connolly ..	Defence, Police, and War Pensions.
Mr. Michael Moohan ..	Postmaster-General and Minister of Railways.
Mr. Philip Holloway ..	Industries, Commerce, and Scientific and Industrial Research.
Mr. P. O. S. Skoglund ..	Education.
Miss Mabel Howard ..	Social Security, and Welfare of Women and Children.
Mr. John Mathison ..	Transport, Civil Aviation, Island Territories, and Tourist and Health Resorts.
Mr. Raymond Boord ..	Customs, Marketing, and Broadcasting.
Mr. W. E. Anderton ..	Internal Affairs.

Mr. Walter Nash (75) was Minister of Finance in the N.Z. Labour Government from 1935 until 1949, except in 1942-44 when he served as New Zealand's first Minister to the United States. As the first Labour Minister of Social Security he piloted through the House the Social Security Act which forms the basis of the Dominion's "Welfare State." He has also held the portfolios of Census and Statistics, Public Service Superannuation, Land and Income Tax, and Stamp Duties, and was a member of the N.Z. War Cabinet throughout the Second World War. He became a Privy Councillor in 1946.

Born in England (at Kidderminster) in 1882, he entered a cycle manufacturing business in Birmingham as an office-boy, rising to become chief of the firm's costing and analysis department. He subsequently went into business on his own account, emigrated to New Zealand in 1909, and represented English manufacturers for some years. He entered Parliament in 1929 (for the Hutt constituency, near Wellington, which he has represented ever since), specialized in financial and economic questions, and became Minister of Finance when the first Labour Government was formed in December 1935. Apart from the Social Security legislation referred to, he was also closely connected with the acquisition by the State of the remaining privately-owned shares in the Bank of New Zealand, the nationalization of the airways, the financing of hydro-electric schemes and other public works, and the rehabilitation of ex-servicemen. National secretary of the N.Z Labour Party from 1922-32, and president in 1935-36, Mr. Nash became leader of the party—and concurrently of the Opposition—on the death of Mr. Peter Fraser in 1950.

Short biographies of the other Labour Ministers are given below :

Mr. Skinner (57), a former carpenter and farmer, was Minister for Rehabilitation (of ex-servicemen), Lands, and State Forests in the last Labour Government. He served with distinction in the Middle East in World War II, rising to the rank of major, being wounded, and winning the Military Cross and mention in despatches. He is M.P. for Buller (South Island).

Mr. Nordmeyer (56) was Minister of Health from 1941-47 and of Industries and Commerce from 1947-49 A former Presbyterian clergyman, he resigned his pastorate in 1935 to contest the Oamaru seat for Labour. He has been M.P. for Island Bay (Wellington) since 1949.

Mr. Mason, Q.C. (72), was Attorney-General and Minister of Justice from 1935-49, Minister of Education from 1940-47, and Minister for Native Affairs until 1946. He is M.P. for Waitakere and was formerly in legal practice in Auckland.

Mr. Hackett (56) was Minister of Transport and Marine and Postmaster-General from 1946-49. Born in England, he served in the Royal Navy and the Merchant Navy in World War I before emigrating to New Zealand in 1921. A trade union official, he is M.P. for Grey Lynn.

Mr. Fox (58) was also born in England and served in the Royal Naval Reserve and the Merchant Navy in World War I. A vice-president of the N.Z. Federation of Labour, he has had long association with trade union affairs. He is M.P. for Miramar (Wellington).

Mr. Watt (44) is head of an engineering and sheet-metal business and M.P. for Onehunga (Auckland). Born in Australia, he came to New Zealand with his parents in 1914.

Mr. Tirikatene (62), a Maori, served in the N.Z. Medical Corps in 1914-18, subsequently qualified as a marine engineer, and later became a farm manager. He has done much work for the Maori community, having been an evangelistic preacher in the Rangitikei district and a promoter of Maori development in agriculture and handicrafts. Elected for the South Maori constituency in 1932, he was Cabinet Minister in charge of Maori affairs from 1943-49.

Mr. Connolly (58) served in the Royal New Zealand Navy in World War II, commanding the frigate H.M.N.Z.S. *Moa* and winning the D.S.C. A marine engineer by profession, he is M.P. for Dunedin Central.

Mr. Moohan (58) is a prominent trade unionist and current president of the N.Z. Labour Party. Born in Northern Ireland, he served in the Royal Engineers in 1914-18, emigrated to New Zealand after demobilization, and entered the Post and Telegraph Department. He is M.P. for Petone (near Wellington).

Mr. Holloway (40), the youngest member of the Cabinet, is a manufacturers' representative and has been an M.P. for only three years (his constituency is Heretaunga, near Wellington). A graduate of Otago University, he subsequently studied in the U.S.A. and at the London School of Economics. During World War II he served with the New Zealand Division in Italy.

Mr. Skoglund (58), a retired schoolmaster, has been M.P. for Palmerston North since 1954.

Miss Mabel Howard (63) was Minister of Health and Child Welfare from 1947-49, being the first woman in New Zealand to become a Cabinet Minister. She is M.P. for Sydenham (Christchurch), and has done much welfare work for women and children.

Mr. Mathison (56) was born in Glasgow and worked in the Scottish woollen mills before emigrating to New Zealand in 1925. After working on the Christchurch tramways he joined the publishing staff of the Christchurch *Star-Sun* and later became circulation manager for the Labour daily newspaper, the *Southern Cross*. He is M.P. for the Avon constituency.

Mr. Boord (49), M.P. for Rotorua, was a sheep-farmer for 13 years prior to becoming an organizer and research officer for the Labour Party. He served with the New Zealand Division in the Middle East in World War II, rising from private to lieutenant-colonel and commanding the 24th (Auckland) Battalion.

Mr. Anderton (65), a former Methodist preacher, was born in Birmingham and emigrated to New Zealand after serving with the Royal Field Artillery in the 1914-18 war. His constituency is Auckland Central.

As the Speaker of the new House is expected to be drawn from the Labour Party, and as the National Party is expected to win the Clutha by-election, it was considered probable that Mr. Nash would have a working majority of only one vote in the new House of Representatives.—(The Dominion, Wellington - Directorate of Information, Wellington)

(Prev. rep. Cabinet, 15773 B ; Elections, 13953 A.)

A. UNITED KINGDOM. — Esso Oil Refinery for Milford Haven. - Milford Haven Conservancy Bill.

Mr. Henry Brooke, the Minister of Housing and Local Government, approved on Nov. 4 the construction by the Esso Petroleum Company at Herbrandston, on the north shores of Milford Haven, of an oil refinery and deep-water berths able to accommodate tankers of 80,000-100,000 tons capacity. The refinery will have an initial capacity of about 5,000,000 tons a year, and is expected to cost about £20,000,000 and to be completed by 1961. The products of refining—chiefly petrol, octane spirit, and oil fuel—will be shipped to other British ports in coastal tankers.

The Minister's decision followed the holding of a public inquiry into an application by the Esso Company to the Pembrokeshire County Council in respect of an area of about 1,000 acres. Local opposition to the scheme had centred on grounds of amenity (much of the proposed site lying within the Pembrokeshire National Park) and on the danger to the wild life of Milford Haven and adjacent bird sanctuaries through oil pollution. In his statement Mr. Brooke explained that he did not consider that the damage to the Park's amenities which might be caused by the industrialization of a small section of it could be regarded as sufficiently serious to warrant refusal of consent. On the other hand he felt that the erection of the proposed refinery was in the national interest, and that to site it at a considerable distance from the import jetties (e.g. in the Swansea-Llanelly area, as had been suggested) and connect the refinery and jetties by a pipe-line would heavily increase the cost of the project. The refinery would not be visible from most of the Pembrokeshire coast outside Milford Haven itself - i.e. from the greater part of the area which the National Park had been established to protect and the Minister had every reason to suppose that it would be operated with particular care to avoid the fouling of the waters of Milford Haven by oil. As the special circumstances made the detailed siting of structures particularly important, permission for the refinery had been given subject to its erection on an area of not more than 350 acres to be approved by the Minister. The lay-out and design of buildings and structures would also be subject to ministerial approval.

The Milford Haven Conservancy Bill, authorizing the setting-up of a Milford Haven Conservancy Board of 17 members, including representatives of owners of waterside frontages, shipowners, the Admiralty, and the Pembrokeshire County Council, was given unopposed second and third readings in the House of Commons on Nov. 22 and Dec. 11 respectively. The Conservancy Board will have the duty of maintaining, improving, protecting, and regulating navigation in the Haven, and will have powers to borrow up to £1,000,000 in its first six years by loans or the issue of stock.
(Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. 15124 B.)

B. PITCAIRN ISLAND. — Finding of Wreck of the "Bounty."

The remains of Captain Bligh's ship, the *Bounty*, which was scuttled in 1790 by Fletcher Christian and his fellow-mutineers, were discovered in November by Mr. Louis Marden, an undersea photographer on the staff of the *National Geographic Magazine*. The wreck was located in Bounty Bay at a depth of 30 feet by Mr. Marden and two young Pitcairners after several weeks of aqualung diving. Part of the ship's hull was embedded in coral, the finds including hull fittings, an oarlock, and fragments of copper with which the *Bounty* had been sheathed. The inhabitants of Pitcairn Island (about 150) are mostly descended from the *Bounty* mutineers and Tahitian women who fled with them to Pitcairn.—(New York Times)

C. SOVIET UNION. — Atomic Ice-breaker.

The Soviet atomic ice-breaker *Lenin*, the first of its kind in the world, was launched at Leningrad on Dec. 5. Displacing 16,000 tons, she is 440 feet in length with a 90-foot beam, has an engine-power of 44,000 h.p., and a speed in ice-free water of 18 knots ; she will be able to break through ice six feet thick, and to cruise for more than a year without refuelling. The heat produced by the atomic reactor will convert water into high-pressure steam ; this steam will drive the turbo-generators, and the power thus generated will drive the electric motors connected with the screw.—(Soviet Embassy, London)

A. UNITED STATES. — The Civil Rights Act.

Major legislation relating to civil rights was passed by Congress during 1957, for the first time since the reconstruction era after the Civil War [when the Northern States favouring the protection and extension of Civil Rights were overwhelmingly preponderant in Congress]. On all previous occasions Civil Rights legislation had been defeated in the Senate, where the Southern States opposing Civil Rights are more effectively represented than in the House of Representatives. The present Bill, however, was finally passed by the Senate after a number of amendments had considerably reduced its original scope.

The Administration's Proposals.

In his State of the Union message for 1956 (see 14633 A) President Eisenhower had for the first time recommended the creation of a bipartisan commission to examine allegations that Negroes were being denied their voting rights in certain areas. [In his three previous State of the Union messages, the President had always referred only to the use of Executive power to protect Civil Rights, but had never called for any new legislation.] Subsequently (April 9, 1956) the Attorney-General, then Mr. Brownell, submitted Civil Rights legislation to Congress much wider in scope than the President's recommendation (see 15359 A). Although approved by the House of Representatives without any substantial amendments, this measure lapsed with the adjournment of the 84th Congress, since the Senate Judiciary Committee had consistently deferred taking any effective action.

In his State of the Union message for 1957 (see 15350 A), however, the President again urged the enactment of Civil Rights legislation, on this occasion specifically endorsing all proposals previously made by the Attorney-General. Bills embodying these proposals were subsequently submitted to Congress, their main provisions being as follows :

(1) A Commission on Civil Rights would be set up, consisting of six members appointed by the President with the advice and consent of the Senate. Not more than three of these could belong at any one time to the same political party. [There would thus be three Republicans and three Democrats.]

(2) The Commission's functions would be : (*a*) to "investigate allegations in writing under oath or affirmation that certain citizens are being deprived of their right to vote . . . by reason of their colour, race, religion or national origin" ; (*b*) to "study and collect information concerning legal developments constituting a denial of equal protection of the laws under the Constitution" ; and (*c*) to "appraise the laws and policies of the Federal Government with respect to equal protection of the laws under the Constitution."

(3) The Commission could hold hearings and issue subpoenas "for the attendance and testimony of witnesses or the production of written or other matter." In addition to possessing a regular staff, it could also "accept and utilize services of voluntary and uncompensated personnel."

(4) The Commission would submit a series of interim reports to the President and, not later than two years from the date of the enactment of the Bill, a final and comprehensive report. Sixty days after the submission of the final report the Commission would cease to exist.

(5) With the advice and consent of the Senate, the President would appoint an additional Assistant Attorney-General. [Although not specifically stated in the text of the Bill, it was pointed out in the U.S. Press that the new appointee would in fact be in charge of a new and separate Civil Rights Division within the Department of Justice.]

(6) In cases apparently involving a denial of Civil Rights, the Attorney-General could institute "a civil action or other proper proceeding for preventive relief," including an application for a permanent or temporary injunction or restraining order. Federal District Courts would also be entitled to intervene in such cases, whether or not the aggrieved party had "exhausted any administrative or other remedies that may be provided by law."

In the text of the Bill, these provisions took the form of amendments to an earlier section of the U.S. Code (deriving from laws of 1861 and 1871) which laid down that anyone who had been the victim of a conspiracy for the deprivation of civil rights was entitled to institute proceedings against those who had conspired against him. Until Southern opponents of the Bill drew attention to the point in the Senate debate, it was not generally realized that by incorporating these new procedures in existing legislations (instead of merely enunciating them without reference to past statutes), the Administration had in fact acquired the right to use troops to enforce them—another statute having conferred this power on the President with respect to the section of the Code to which the new provisions had been added.

(7) No person would be entitled to interfere with another person's right to vote in any election for a Federal office. In cases apparently involving interference with this right, the Attorney-General and the Federal District Courts would be entitled to intervene as laid down in (6) above.

Passage through House of Representatives.

The Bill was approved by the Judiciary Committee of the House of Representatives on March 18, 1957 with only a few minor modifications, and was debated by the full House from June 6-18.

The principal objection put forward by the Bill's opponents during the House debate was that persons tried for contempt of court following their refusal to comply with injunctions issued at the request of the Federal Government would not receive a jury trial. [Section 3691, Title 18, of the U.S. Code provides that contempt proceedings arising from an action initiated by the Federal Government are heard by a Federal judge sitting alone.] In reply to this objection, Mr. Brownell claimed that the procedure proposed in the Bill was highly desirable, since it was widely agreed that all-White Southern juries would hesitate to convict a White defendant accused of denial of Civil Rights. On June 14 Representative Keeney (Rep., Illinois) put forward a compromise amendment whereby jury trials would be mandatory in those cases in which violators of injunctions had committed a criminal offence under Federal or State law. Although this would have extended the right of jury trial to only a limited number of cases, the amendment was defeated by 199 votes to 167. On the final day of the debate (June 18), a further amendment providing for jury trials in all cases arising under the Bill was also defeated (by 251 votes to 158).

The House approved the Bill in substantially its original form on June 18, by 286 votes to 126. The majority comprised 168 Republicans and 118 Democrats, while the opposition consisted of 107 Democrats and 19 Republicans.

Passage through the Senate.

Meanwhile the Senate Judiciary Committee, whose chairman (Senator Eastland) is a leading opponent of Civil Rights legislation, was still considering the Administration's proposals submitted in January 1957. Normally, the House version of the Bill should also have gone in the first place to the Senate Judiciary Committee, but on a motion by Senator Knowland (the Republican floor leader) the Senate decided on June 20, by 45 votes to 39, that the Bill should go directly to the full Senate. Moreover, on July 16 the Senate decided by 71 votes to 18 to deal with the measure without further delay.

In the ensuing substantive debate the first important vote took place on July 22, when the Senate unanimously decided to repeal the above-mentioned post-Civil War law which empowered the President to use troops to enforce Court decisions on civil rights. A resolution to that effect had been submitted by Senator Knowland and Senator Humphrey (Dem., Minnesota), the leaders of the bipartisan group favouring Civil Rights ; although it did not affect the text of the Civil Rights Bill itself, it was intended by its sponsors to remove an important obstacle to the passage of any Civil Rights legislation.

Subsequently the Senate passed three important amendments to the Administration's proposals. The first one, adopted on July 24 by 52 votes to 38, restricted Federal enforcement powers to those cases involving a denial of the right to vote. The main purpose of this amendment, which had been moved on a bipartisan basis by Senator Aiken (Rep., Vermont) and Senator Anderson (Dem., New Mexico), was to ensure that the Federal Government would not be entitled to intervene in cases relating to school desegregation and similar matters.

The second amendment, adopted on Aug. 2 by 51 votes to 42, provided that in cases of "criminal" contempt of court arising from failure to obey any form of injunction by a Federal District Court (i.e., not only those relating to Civil Rights) the defendant would be entitled to trial by jury. In cases of "civil" contempt, the position was left unchanged, i.e. trial by a Federal judge sitting alone. [A "criminal" contempt case is one in which the court's aim is to punish someone for wilful disobedience or obstruction of an injunction, while in a "civil" contempt case the judge endeavours solely to ensure compliance with his orders.] The adoption of this amendment was strongly criticized by President Eisenhower, who said in a statement issued the same day that "no American can fail to feel the utmost concern that an attempt should be made to interpose a jury trial between a Federal judge and his legal orders." The new procedure, the President added, would "weaken our whole judicial system and particularly the prestige of the Federal Judiciary," and the amendment would "make largely ineffective the basic purpose of the Bill—that of protecting promptly and effectively every American in his right to vote."

The third amendment, moved by Senator Knowland and adopted on Aug. 2, provided that (*a*) the Civil Rights Commission could not employ unpaid personnel in its investigations of racial discrimination ; (*b*) the appointment of the Commission's staff director would be subject to confirmation by the Senate. It was generally understood that the purpose of the first part of this amendment was to prevent such organizations as the National Association for the Advancement of Coloured People from participating in the Commission's work.

The complete Bill, as amended, was approved by the Senate on Aug. 7 by 72 votes to 18. The supporters were 43 Republicans and 29 Democrats, the latter including Senator Johnson of Texas (the Senate majority leader), Senator

Kefauver of Tennessee, and three other Southern senators. The opposition consisted of 17 Southern Democrats and Senator Morse of Oregon, who had previously stated that he was dissatisfied with the "softness" of the Bill.

Final Stages.

When the amended version of the Bill was returned by the Senate to the House for reconsideration, it was at first feared that no agreement could be reached on the far-reaching amendments inserted by the Senate—especially on the contentious issue of jury trial, to which Northern members of Congress were strongly opposed. On Aug. 23, however, a compromise was worked out as a result of discussions between the majority and minority leaders of both Houses—Senator Lyndon Johnson and Representative Sam Rayburn on the Democratic side, and Senator Knowland and Representative Martin on the Republican side.

The compromise version was contained in the following amendment:

(1) The decision whether or not to hold a jury trial would be at the discretion of the Federal judge.

(2) If a non-jury trial were held and the defendant were sentenced either to a fine exceeding $300 or to imprisonment for over 45 days, he could claim a second trial, this time by jury.

(3) These provisions would apply only to Civil Rights cases (and not, as previously, to all cases of criminal contempt of court).

With this amendment, the Senate version of the Bill was finally accepted by the House of Representatives on Aug. 27 by 279 votes to 97. In the Senate, however, Senator Thurmond (South Carolina) tried to block the passage of the Bill by a "filibuster" lasting over 24 hours, and only gave way on Aug. 29. The Senate then approved the Bill in the compromise version by 60 votes (37 Rep., 23 Dem.) to 15, the opposition consisting entirely of Southern Democrats.

The Bill was signed by President Eisenhower on Sept. 9.

Membership of Civil Rights Commission.

It was announced from the White House on Nov. 7 that President Eisenhower had appointed the members of the Civil Rights Commission, as follows: Mr. Stanley F. Reed (chairman), a former Justice of the Supreme Court; Dr. John A. Hannah (vice-chairman), President of Michigan State University and former Assistant Secretary of Defence; Mr. R. G. Storey, Dean of the Southern Methodist Law School; the Rev T. M. Hesburgh, President of Notre Dame University; Mr. J. E. Wilkins (a Negro), Assistant Secretary of Labour; and Mr. J. S. Battle, a former Governor of Virginia.

Mr. Justice Reed, however, resigned from the Commission on Dec. 3, before the Commission's first meeting.

Mr. Justice Reed (who was a member of the Supreme Court when it handed down its ruling against racial segregation in public schools in 1954) explained in a letter to President Eisenhower that, on second thoughts, he had come to the conclusion that to accept the post of chairman of the Commission after service on the Supreme Court in many Civil Rights cases seemed to be "incompatible" with his obligations as a judge, since the Commission would "participate in policy-making through its investigations and its appraisals of Federal laws concerning civil rights."

Mr. W. Wilson White, Assistant Attorney-General in the Justice Department, was appointed on Nov. 21 as the first head of the department's new Civil Rights Division.

(New York Times - New York Herald Tribune)

(Prev. rep. 15359 A; 14633 A.)

A. BURMA - SOVIET UNION. — Agreement on Soviet Technical Aid to Burma. - Burmese Rice Supplies for U.S.S.R.

In implementation of the mutual Soviet and Burmese promises made during M. Mikoyan's visit to Rangoon in 1956 (see 14908 A), the two countries signed an agreement in Rangoon on Jan. 17, 1957, under which the Soviet Union undertook to carry out a number of construction projects in Burma, whilst the Burmese Government agreed to supply rice and other goods to the U.S.S.R. in return.

Further details were laid down in a general contract signed in Rangoon on Aug. 29, 1957. This provided that the Soviet Union would supply building materials (except those locally available), engineers, and technicians for the construction of a technological institute, a stadium, agricultural and industrial exhibition centres, a hotel, and a conference hall in Rangoon, as well as a hospital at Taunggyi. The Soviet Government would also send specialists to train Burmese workers, whilst a number of Burmese would be trained in the U.S.S.R. to take charge of the completed projects. Local building materials and labour would be provided by Burma.

Equipment for four laboratories—one for chemistry, one for biology, and two for physics—was presented to Rangoon University in March 1957 by a group of Soviet scientists on behalf of the Soviet Government.—(Burmese Government Information Department, Rangoon) **(Prev. rep. 14908 A.)**

B. YEMEN - ADEN PROTECTORATE. — Further Incidents on Aden Frontier. - Crown Prince of Yemen's Visit to London. - Discussions with Mr. Selwyn Lloyd.

The situation of the frontier of the Yemen and the West Aden Protectorate, which had been comparatively quiet for some months, again deteriorated during the period June-September 1957. While the Yemeni Government repeatedly alleged that British aircraft and troops had violated its territory, the Aden Government rejected these allegations, claiming that it was acting against Yemeni troops which had occupied positions inside the Aden Protectorate. The main centres of the incidents were the Shukair area in the West Aden Protectorate, about 160 miles north-east of Aden, and the Beihan Amirate, about 100 miles north-east of Aden.

A British Note of June 19 protested against the violation of Aden Protectorate territory by Yemeni forces and asked for their immediate withdrawal. In rejecting the Note, the Yemeni Government issued a counter-protest alleging that on June 18 six R.A.F. aircraft had bombed the post of Shukair, in the Harib area in "free Yemeni territory." A further Yemeni protest of Aug. 12 alleged that the R.A.F. had again attacked the post of Shukair on Aug. 5. While the British Foreign Office returned the Note to the Yemeni Chargé d' Affaires without comment, the Aden Government had announced earlier that R.A.F. attacks would continue against Yemeni troops who had illegally taken up positions in the Protectorate, and accused the Yemen Government of "trying to give the impression that Shukair was inside the Yemen."

A further Yemeni protest, alleging that British air and ground forces from the Aden Protectorate had attacked villages in Yemeni territory on Aug. 19 and 23, was delivered in London on Aug. 26. It was followed by a statement (Aug. 28) which alleged that bombs "never used before in previous British aggressions" had been dropped on Aug. 25 in the area of Shukair, "producing a liquid which burned the spot where they fell, and fatal smoke which caused the inhaler to vomit blood and die." Rejecting the Yemeni protest, the British Government stated on Aug. 28 that the operations referred to had been directed against Yemeni troops occupying positions inside the boundary of the Aden Protectorate and would continue until Yemeni troops were withdrawn from those territories. Dismissing the allegation that napalm or gas bombs had been used as a "complete fabrication," the Foreign Office said that the attacking aircraft had used 20-lb. fragmentation bombs which could not have had any effects of the alleged nature. A further Yemeni protest at alleged British operations in the area, sent on Aug. 30, was not accepted by the Foreign Office.

On Sept. 19 it was announced in Aden that Yemeni forces had been withdrawn from the Jebel Dhat-Shuqair area (inside the Protectorate), where they had been entrenched for several weeks and been constantly attacked by the R.A.F. Patrols of the Aden Protectorate levies, with the Emir of Beihan's forces, had occupied these positions and were destroying the military works built there by the Yemeni forces.

Crown Prince's Visit to London.

The Crown Prince of the Yemen (Saif al-Islam Mohammed Albadr, who is Deputy Prime Minister, Foreign Minister, and Defence Minister) visited London from Nov. 10-20 at the invitation of the British Government. During his stay he had a number of meetings with Mr. Selwyn Lloyd, the Foreign Secretary; was received by Mr. Macmillan; and also had an audience of the Queen. A Foreign Office spokesman had earlier announced that the purpose of the visit was to improve Anglo-Yemeni relations.

No communiqué was issued at the end of the talks, which were conducted in a friendly atmosphere, but a Foreign Office statement (Nov. 21) said that the Crown Prince's visit had "enabled friendly personal relations to be established" and had "provided an opportunity to discuss matters of common interest." It was hoped that the visit would "help towards a better understanding between the two Governments."

It was understood that the Yemeni delegation had maintained its claim to the whole of the Aden Protectorate, including the island of Kamaran in the Red Sea, and had proposed to open negotiations on a final settlement of the frontier. In the British view this claim, based on Yemeni occupation of the territory before the days of Turkish domination, was not valid. The British Government had therefore recommended, as a more practical measure, the setting-up of Anglo-Yemeni conciliation machinery to prevent incidents on the *de facto* frontier of Yemen and the Protectorate.

Mr. Selwyn Lloyd said in the House of Commons on Nov. 27 that although it had not been possible to reconcile differences between the two delegations regarding Yemen's claim to sovereignty over Aden, it was the policy of the British Government to utilize any opportunity which offered itself to exchange views with the Government of the Imam, and to reach agreements which would remove causes of friction. Mr. Lloyd gave an assurance that, while H.M. Government were ready to discuss frontier rectifications, it would not agree to any claim for foreign sovereignty over the Aden Protectorate.

(Times - Daily Telegraph - Manchester Guardian) **(15502 A.)**

A. WALES. — Minister of State for Welsh Affairs.

The Prime Minister informed the House of Commons on Dec. 12 that Mr. David Vivian Penrose Lewis, of Talybont-on-Usk (Breconshire), had been appointed Minister of State for Welsh Affairs and, in that capacity, would assist the Minister for Welsh Affairs (Mr. Henry Brooke, who is concurrently Minister of Housing and Local Government). It was simultaneously announced from 10, Downing Street, that the Queen had approved the conferment of a barony on Mr. Lewis.

Mr. David Lewis (52) is a member of Breconshire County Council and chairman of the Welsh Area Council of the Conservative Party. He is head of a family quarrying business, chairman of the joint industrial council for the quarrying industry, and a director of Television Wales and West Ltd. A keen sportsman, he formerly played Rugby for Abergavenny. Mr. Lewis is Welsh by birth and understands the Welsh language.

In his statement to the House, Mr. Macmillan said that it was "the Government's cardinal purpose to put beyond doubt that Wales, as a nation, has a place of its own in the councils of Britain, as well as to frame a system of administration that can be developed to meet every modern need." He explained that the Government, after consideration, had rejected a proposal by the Council of Wales and Monmouthshire for the creation of a Welsh Office, similar to the Scottish Office, and the appointment of a Secretary of State for Wales.

A White Paper (*Government Administration in Wales*, Cmd. 334) was published on the same date containing the text of a letter sent by Mr. Macmillan to Alderman H. T. Edwards, chairman of the Council for Wales and Monmouthshire. In this letter the Prime Minister gave the Government's reasons for rejecting the proposal for a separate Welsh Office and Secretary of State, and outlined the Government's plans for increased devolution in Welsh affairs and closer co-ordination of Government administration in the Principality.

Mr. Macmillan explained that, in the Government's view, the creation of a separate Welsh Office on the lines of the Scottish Office—as proposed by the Council—would not prove to be the best means of serving the distinctive needs of Wales; "what Wales needs is not isolation from the rest of Britain but concentration of ability and wise understanding of Welsh problems." After saying that any system of government for Wales must be based on full recognition of the fact that the Principality possessed not only her own language but also her own distinctive needs and culture, the Prime Minister's letter continued:

"I am convinced that . . . the main weakness which needs to be made good in the machinery of Government administration in Wales lies essentially in the economic sphere. In economic development Wales is on the move. The proposals for Milford Haven and for atomic power stations in North-West Wales are . . . striking examples of remarkable advances which, over the past 20 years, have been transforming the economic life of the Principality . . . There is, in my view, a definite need for more closely co-ordinated study by the various Government departments in Wales of the problems which these economic changes throw up.

"If the practical disadvantages inherent in the plan recommended by the Council are, as I believe, serious, the arguments are more powerful still against an alternative—which I have nevertheless considered—of appointing a Minister or Secretary of State who was not also the head of a strong Government department but a kind of advisory overlord with small direct executive authority. Though it can be argued that such a man has ample time to think, all experience proves that a Minister who is to be effective needs power in his own hands to act.

"Instead, I have decided that the Minister for Welsh Affairs should in future be assisted by a Minister of State for Welsh Affairs, who will be available to spend most of his time in Wales. The traditional duty of a Minister of State is to act for and in the name of his Minister at times and places when the Minister cannot himself be personally present, and I attach much importance to the constant contacts which the Minister of State will be able to make and maintain in Wales."

The Prime Minister went on to announce *inter alia* (1) that the Minister for Welsh Affairs, or the Minister of State, would take the chair at regular meetings of the Conference of Heads of Government Departments in Wales; (2) that a committee of that conference would be set up on which each Government department concerned with Welsh economic development would be represented; (3) that it would be the duty of this committee "to ensure co-ordination of the study of economic developments, needs and prospects in all parts of Wales, and to initiate fresh studies as required"; and (4) that much of the administrative work in connexion with Welsh affairs would be transferred from London to Cardiff—in particular, matters relating to Welsh education.

Mr. Lewis's appointment was strongly criticized by Welsh Labour and Liberal M.P.s during a debate on Welsh affairs in the House of Commons on Dec. 16.

Mr. George Thomas (Lab.), the principal Opposition spokesman, described the appointment as "the most astonishing of this Parliament," adding that "an unoffending, unobtrusive county councillor has been catapulted like a sputnik from the recesses of Breconshire . . . to the outer spaces of another place [the House of Lords] where he will be a satellite for the Minister for Welsh Affairs." After denouncing the appointment as a "piece of window-dressing intended to deceive the Welsh people," and asserting that Mr. Lewis would have no real powers, Mr. Thomas said that Wales would not be content until she had "a Minister for Wales whose sole job was to look after Welsh interests and who could speak for Wales in the Cabinet." Criticisms of Mr. Lewis's appointment, coupled with demands for the appointment of a Minister for Wales with Cabinet rank, were also expressed by **Mr. James Griffiths** (Deputy Leader of the Labour Party), **Mr. Goronwy Roberts**, and other Welsh Labour M.P.s.

The appointment was also strongly criticized by the two Welsh Liberal M.P.s, **Mr. Clement Davies** and **Mr. Roderic Bowen**, the former asserting that Mr. Lewis would be merely "fetching and carrying" for Mr. Brooke in the House of Lords. Mr. Davies also said that Mr. Lewis's appointment had come as a "deep shock" to the Welsh people, while Mr. Bowen said that it was "adding insult to injury" that the only full-time Minister for Wales should sit in the House of Lords and not in the Commons.

On the other hand, Mr. Lewis's appointment as Minister of State was welcomed as a forward step by Welsh Conservative M.P.s, including **Mr. David Llewellyn** and **Mr. Peter Thomas**. The Minister for Welsh Affairs, **Mr. Henry Brooke**, maintained that it would be of considerable advantage to Wales that the Minister of State should sit in the Lords rather than in the Commons, as he (Mr. Lewis) would not be subject to recall to London "at inconvenient times by three-line Whips." He asked the House to give the new system a fair trial.

As a Minister of State in the House of Lords, Mr. Lewis will receive a salary of £3,750. He will work in Cardiff and not in London.—(Times - Daily Telegraph - Western Mail, Cardiff)

(Prev. rep. 15761 A.)

B. UNITED KINGDOM. — Extension of I.M.F. Stand-by Credit. - Deferment of Repayment on U.S. and Canadian Loans.

The I.M.F. announced in Washington on Dec. 16 that it had agreed to a request by the U.K. Government for a 12-month renewal of the stand-by credit under which the U.K. could buy from the Fund with sterling the equivalent of up to $788,530,000 in foreign currencies. The stand-by arrangement had been in effect since Dec. 22, 1956, but no drawings had been made up to the present time.

It was pointed out in London that the renewal of the original arrangement, which was for one year, was little more than a routine matter and that the decision did not imply that the dollars would actually be drawn upon in the near future.

On the following day it was announced by the Chancellor of the Exchequer in a written parliamentary reply that the British Government had decided to exercise their right to postpone payment of the capital and interest due on Dec. 31 on the U.S. and Canadian loans, and that the U.S. and Canadian Governments had been informed accordingly. The payments to be deferred amount to $176,000,000.

Under the new loan arrangements agreed in March last, this sum will now become due in 2001—the year after the normal annuity repayments on the loans are completed—and will bear interest at 2 per cent. The decision to postpone payment did not require the consent of the creditor Governments, but the British Government had agreed under the new arrangements to defer a payment only if this were found necessary "in view of the present and prospective conditions of international exchange and the level of the gold and dollar reserves."

It was semi-officially stated that the Government's decision was to be considered as part of its long-term economic policy of trying to build up the sterling area's gold and dollar reserves, and that it had nothing to do with the recent pressure on sterling or any expected deterioration in the gold and dollar position.—(Times - Daily Telegraph - Financial Times)

(Prev. rep. I.M.F. Credit, 15260 A; U.S. and Canadian Loans, 15440 A.)

C. SWITZERLAND. — New Federal President.

Dr Thomas Holenstein, head of the Federal Economic Department, was elected President of the Swiss Confederation for 1958 at a meeting of the Joint Federal Assembly (i.e. the two Houses meeting in joint session) on Dec. 12. M. Paul Chaudet, head of the Federal Military Department, was elected Vice-President. Dr. Holenstein, who belongs to the Catholic Conservative Party, was a member of the National Council from 1937 to 1954, being elected to the Federal Government in the latter year. He is a lawyer by profession. (Neue Zürcher Zeitung)

(Prev. rep. 15264 C.)

A. UNITED KINGDOM. — B.B.C. - Reports for 1955-56 and 1956-57. - Changes in Pattern of Sound Broadcasting - Public Protests against Cuts in Third Programme. - New Television and V.H.F. Stations. - New Agreement on B.B.C. Share of Licence Revenue. - Parliamentary Criticism of Suez Broadcasts. - Sir Arthur fforde appointed Chairman of B.B.C.

The report and accounts of the British Broadcasting Corporation for the year ended March 31, 1957 were published on Nov. 1. They showed that the gross proceeds of sound and combined sound-television licences totalled £28,454,492, of which the Treasury retained £2,750,000 and the Post Office £1,914,284, the B.B.C. itself receiving £23,790,208. After adding £1,285,688 representing net profit on periodicals, interest, etc., the Corporation's total income amounted to £25,075,896. Of this sum, £12,926,273 was derived from sound broadcasting (licence revenue, share of profits on publications, etc.) and £12,149,623 from television.

Current expenditure totalled £22,502,011, including £914,587 provision for depreciation and £921,482 provision for income tax. Of the total, £12,137,306 was charged to sound broadcasting and £10,364,705 to television. The deduction of current expenditure from total income left a balance of £2,573,885 available for capital expenditure; £1,866,175 of this was actually spent and £707,710 carried to reserve.

External services were financed by Treasury grants-in-aid totalling £5,767,000 (£5,422,000 for operating expenses and £345,000 for capital expenditure).

The report gave a warning that the effect on the B.B.C.'s financial position of any continued rise in costs would be "serious," whilst even if there were no further increase it was "doubtful whether the income in view for the current year will suffice to maintain the B.B.C.'s services, introduce essential progress in television . . . and meet the burden of competition." It added: "Nothing is included in present estimates for major new developments such as a second B.B.C. television programme or the introduction of television programmes in colour."

The following information was given in the report:

B.B.C. Policy during the Suez Crisis. Defending the "B.B.C. tradition of objective reporting" which had "led it to show to the world a large part of the nation deeply critical of the Government of the day," the report stressed that if the B.B.C. had for the first time been found guilty of suppressing important items of news, the result would have been to "destroy its reputation without vindicating that of the Government." "Evidence reaching the Corporation since the Suez crisis," the report continued, "has shown not only that the B.B.C.'s adherence to honest reporting during the crucial period was greatly respected abroad, but also that the vigorous representation by B B.C. commentators of the reasons for Britain's action in Egypt did much to promote a better understanding of it." [See also below, page 15914].

Soviet Jamming of B.B.C. Overseas Broadcasts. Jamming from Soviet sources of B.B.C. transmissions in Russian, Finnish, Persian, Turkish, Hebrew, and Greek had gradually ended during and after the visit of Marshal Bulganin and M. Khrushchev in April 1956, but had been fully resumed after the Hungarian revolt in October 1956. The cessation of interference during the summer had made it possible to assess more fully the effect of B.B.C. broadcasts to the Soviet Union. Reactions obtained from all parts of the U.S.S.R. showed that the audience included students, teachers, stage and film actors, and musicians, as well as factory employees and managerial staff. "Although jamming deters the politically timid," the report added, "it has the opposite effect on those bold enough to resent the official mixture of rationed truth and lies from home sources."

Licences. The number of licences in force on March 31, 1957, was 14,525,099 (7,558,843 sound and 6,966,256 combined sound and television), compared with 14,250,000 (8,500,000 sound and 5,750,000 combined sound and television) on March 31, 1956. The report estimated that by the time the present B.B.C. charter ended in 1962, the proportions would be about 3,000,000 sound licences to possibly 12,000,000 combined sound and television licences.

The Third Programme. Although listener research indicated that only about one per cent of listeners tuned in to the Third Programme, this programme would in future receive 10 per cent of the total sound output, or ten times as much as listener statistics would justify.

Television. The report stated that amongst viewers able to receive both B.B.C. and I.T.V. programmes, those in the upper-income group favoured the B.B.C.; in the middle-income group the division was roughly equal, but in the lower-income group I.T.V. was the more popular.

The report estimated that on most winter evenings 11,000,000 adults and about 2,000,000 children tuned in at some time to B.B.C. services; programmes appealing to the largest adult audiences (8,000,000 or more) included "Panorama," "What's My Line?", the Sunday night play, the Saturday night comedy hour, and boxing and travel programmes.

Staff. This numbered 15,242 at March 31, 1957, compared with 14,519 at March 31, 1956.

Changes in Sound Broadcasting - Cuts in Third Programme. - Creation of "Network Three."

Sir Ian Jacob, Director-General of the B.B.C., announced on April 8, 1957 that a new pattern of sound broadcasting, intended to save about £1,000,000 a year, would be introduced gradually during the coming months. No drastic changes were contemplated, and the Corporation would continue to maintain three services as hitherto in order to provide a comprehensive range of programmes. The principal alterations in the existing pattern would be as follows:

(1) From October, 1957, the Third Programme would generally start about two hours later—i.e. on most nights (including Sundays) at 8.0 p.m. instead of 6.0 p.m.

(2) In the meantime there would be some "streamlining" of the Home and Light programmes to bring them together to form a single programme at certain periods of the day.

(3) Regional programmes having a national appeal would be broadcast on all networks, so as to "minimize duplication of effort."

(4) The Light Programme would start at 7.0 a.m. instead of 9.0 a.m., so as to offer a choice with the Home Service.

(5) An innovation, known as "Network Three," would be introduced to provide a new vehicle for specialized programmes. This would be quite separate from the Third Programme but would use the same frequencies (both medium-wave and V.H.F.) during the early evening, and sometimes also in the daytime.

Sir Ian Jacob emphasized that some readjustment of sound programmes had been necessitated by the growth of the television audience. Nearly half the population now had television sets, and the number of such sets would doubtless steadily increase. On the other hand there were still about 18,000,000 listeners who depended exclusively on sound radio programmes, and their number would "remain very large for several years to come." Moreover, people with T.V. sets would retain their interest in individual radio programmes, and in radio programmes broadcast at certain times of the day; thus there would always be an important national audience for sound broadcasting, and especially for those programmes which could be done better on radio than on television. In future, however, a greater proportion of the matter broadcast in sound programmes would be designed for "relaxation and entertainment," and there would be "less talk and more music of every kind," though this would be accompanied by "a new and wider provision for minority interests."

To ensure the widest possible choice of programmes (Sir Ian continued), the Home Service and Light Programme would be planned together and the Third Programme would be co-ordinated with them. The Light Programme would be "lighter" and would place even greater emphasis on programmes of "wide popular appeal," with a large proportion of material designed for easy listening—"a background for people who want to do other things while listening to the radio." The Home Service, on the other hand, would be planned for those who wished to listen more attentively, and would continue to provide the traditional wide range of music, the principal news and information services, important broadcasts on foreign affairs, and regional broadcasts. As to the Third Programme, its essential characteristics would remain unchanged, and the B.B.C. believed that the shortened programme would give scope for "all that is truly worthy of inclusion."

Sir Ian concluded by explaining that the new "Network Three" would accommodate many Spoken Word programmes displaced from the Home and Light programmes, as well as much work in the field of further education. Time would also be found for projects intended for audiences with particular interests, and not of sufficiently wide appeal to figure in the other services. The programme readjustments would make little difference to the total number of hours of sound broadcasting, but would save enough money to enable revenue to meet costs.

An earlier B.B.C. announcement (on Jan. 31, 1957) that the pattern of sound broadcasting was being reviewed had given rise to fears that it was intended to drop the Third Programme altogether, or to curtail it seriously enough to destroy many of its principal features. This, in turn, led to the formation of a Third Programme Defence Society, to strong public protests by many cultural and intellectual leaders, and to the tabling in the House of Commons of a motion, signed by nearly 200 M.P.s of all parties, deploring the possibility of the Third Programme being stopped.

After Sir Ian Jacob's announcement of April 8 the Third Programme Defence Society issued a statement denouncing the proposed changes as "a retreat in the face of the advance of competitive television," and proclaiming the Society's intention of launching "a national campaign aimed at securing a full change of policy."

The proposed changes were defended by Sir Ian Jacob on May 18, when addressing the annual conference of the Institute of Public Relations at Brighton.

The B.B.C., he said, had "no intention whatever" of curtailing the range of its work, but had to review the shape of its services in the light of post-war experience. Whereas income from sound broadcasting was likely to remain static in future, the estimated rise in costs over the next three years would "inflate our expenditure by £1,000,000 a year if we took no action to reduce it." He continued. "It is in the light of changing tastes and habits in the television age, and of economy, that we have planned our changes. It has been assumed by some that we have departed from the conception of public service in broadcasting and are bowing unduly to public taste. I do not accept this contention. The B.B.C. will continue to give, within the resources available, a service to all the interests in its audience, whether majority or minority."

It was announced on June 6 that, following a meeting between Mr. Peter Laslett, chairman of the Third Programme Defence Society, and Sir Ian Jacob and Sir Alexander Cadogan (then chairman of the B.B.C.'s Board of Governors), the Society had changed its name to "The Sound Broadcasting Society." It was explained that the change had been made "to avoid misunderstanding," and because "from the beginning the Society has realized that the changes in B.B.C. policy about which it is concerned affect all three national sound services and must be considered as a whole."

A deputation from the Sound Broadcasting Society, including Sir Laurence Olivier, Dr. Vaughan Williams, and Mr. T. S. Eliot, had a further meeting with Sir Alexander Cadogan and two other Governors of the B.B.C. on July 18. It protested against the new arrangements and submitted five specific proposals which had been set forth in a booklet issued by the Society entitled *Unsound Broadcasting*.

The five points were: (1) the retention by the Light Programme and Home Service of all the substantial music, drama, and talks at present contained within the full range of their planning; (2) the dropping of the partial merger of Home and Light; (2) four full hours daily for the Third Programme from 8 p.m. to midnight; (4) no reduction in its staff or budget; and (5) operation of Network Three as an experimental programme only.

Sir Alexander Cadogan informed the Society on Aug. 1 that it had now been decided under the new broadcasting arrangements that the Third Programme would run on Sundays for six consecutive hours instead of three.

Sir Alexander gave an assurance that the B.B.C. had no intention of diluting the Third Programme or excluding any field of material now figuring in it, and that it would continue "to give ample opportunity for the broadcasting of the best in music, drama, and speech." There would be no further reduction in the Third Programme "or those particular kinds of output of high quality that, by necessity, figure less easily in television," and if further economies had to be made later they would be sought "elsewhere."

As a further step in the rearrangement of broadcasts, the B.B.C. announced on Aug. 13 a large-scale change in the output and timing of its news bulletins.

It was stated, *inter alia*, that the present number of sound news broadcasts would be doubled, making a total of 26 bulletins and summaries daily (against 13 previously); that the Light Programme would put out news at half-past every hour throughout the day from Monday to Friday; but that 16 of these transmissions would only be brief summaries.

B.B.C. Report and Accounts for 1956.

The B.B.C. report for the year ended March 31, 1956, published on July 17, 1956, showed that total income had risen to the record figure of £22,500,000, compared with £20,800,000 in 1954-55. Operational costs totalled £17,900,000, compared with £15,000,000 in 1954-55.

Gross licence income amounted to £25,746,051, of which the Treasury retained £2,750,000 and the Post Office £1,788,942, the B.B.C. itself receiving £21,202,109. Of this amount, £11,726,029 was spent on home sound broadcasting and £9,476,080 on television. External services were financed by a Treasury grant-in-aid of £5,822,000.

The undermentioned points were stressed in the report:

Second B.B.C. Television Service. Recalling that in February 1956 the Postmaster-General had announced that, owing to the economic situation, the Government had decided not to consider any additional television programme for at least two years, the report expressed the hope that additional channels on Band III would be set aside for future B.B.C. use. The Corporation considered that the need for a second B.B.C. television programme remained unaffected by the advent of I.T.V., and that in order to provide a full service which would satisfy the many groups in a mass audience it was necessary to offer a choice between "two programmes deliberately planned to contrast with each other." Experience had shown that in broadcasting "competition . . . does not tend towards diversity of choice but rather towards a choice between different programmes of the same kind," and that only planned alternatives could give the genuine choice that the public had become accustomed to in sound broadcasting. The need to cater for varying tastes was an added reason for a second B.B.C. television programme, in which connexion it was stressed that "a second television service is essential if the B.B.C. is to have elbow-room to carry on the long-term policy on which its value to the nation largely depends."

External Services. These services, which provided regular programmes in 40 languages for listeners throughout the world, badly needed further provision for capital expenditure. "Too often," the report said, "their importance is recognized only when conditions of crisis throw into relief the urgency of presenting the British point of view." In particular, there was an urgent need for a medium-wave transmitter in the Eastern Mediterranean to relay the B.B.C.'s Arabic services.

Developments in T.V. and Sound Broadcasting.

Developments in recent months in connexion with B.B.C. television and sound broadcasting are described below.

New Television Stations. The B.B.C. announced on Dec. 14, 1956 that a permanent television station for the Isle of Man would be built at Carnane, near Douglas, and would probably be completed by the end of 1957. The new station would replace the temporary station opened in December 1953.

It was further announced on Sept. 18, 1957, that the Postmaster-General had approved plans for new stations at Peterborough and in the Orkney Islands. The Peterborough station would serve about 100,000 people and the Orkney station (which would also carry V.H.F. sound broadcasts) about 30,000. The announcement added that B.B.C. television was already available to 97 per cent of the U.K. population, and that coverage would extend to over 98 per cent by the end of the year, when it was hoped to open a temporary station near Dover.

The B.B.C.'s Londonderry station [see 13399 E], serving about 130,000 Northern Irish viewers and many in the Irish Republic, was opened on Dec. 18, extending coverage to 96 per cent of the population of Northern Ireland.

Colour Television. A new series of experiments in transmitting colour television on the 405-lines system began on Nov. 5, 1956, being transmitted from the B.B.C. Crystal Palace station and re-broadcast by the I.T.A. on its Croydon transmitter. A further series of experimental colour transmissions from the Crystal Palace, made in co-operation with the radio industry and in agreement with the Television Advisory Committee, began on Oct. 7, 1957.

Extension of Television Viewing Times. Dr. Charles Hill (then Postmaster-General) announced on Dec. 12, 1956 that from Feb. 16, 1957, the B.B.C. and I.T.A. would be free to make television broadcasts during the periods which they thought would best meet audience needs, subject to the existing maxima of 50 hours a week and 8 hours in any one day. These maxima might, however, be exceeded for such purposes as religious broadcasts, broadcasts of outside events, and Welsh language broadcasts. The 6 15-7.25 Sunday evening break and the ban on normal Sunday programmes before 2 p.m. would be retained. This decision ended the previous prohibition on weekly television broadcasting before 9.0 a.m. and after 11.0 p.m.; the two-hour limit on morning broadcasts; and the 6.0-7.0 p.m. weekday evening break. B.B.C. broadcasting hours were accordingly extended to include the 6.0-7.0 p.m. weekday break from Feb. 18, 1957.

School Television. The first B.B.C. television broadcast to schools—an illustrated talk on British Columbia—took place on Sept. 24, 1957. It was explained that there would be five broadcasts each week until the end of term (Dec. 6), dealing respectively with "Living in the Empire," Scientific subjects (two broadcasts weekly), Current Affairs, and "Young People at Work." The programmes were intended especially for pupils aged 11-15.

The Ministry of Education announced on Feb. 22, 1957 that expenditure by education authorities on school television receivers would be recognized for grant, within certain limits: viz., from equipment for one school in the case of authorities with up to 100,000 population to equipment for six schools where the population exceeded 500,000.

New V.H.F. Broadcasting Stations. The B.B.C. announced on Aug. 2, 1956 that the Postmaster-General had approved plans to build V.H.F. sound broadcasting stations at Rowridge (Isle of Wight), Kirk 'o Shotts (Central Scotland), Sandale (near Carlisle), Corwen and Anglesey (both in North Wales), and Rosemarkie (Moray Firth). Each station would carry the Home, Light, and Third programmes except Corwen, which would broadcast the Welsh Home Service only, since the area served would receive the Light and Third programmes satisfactorily from other V.H.F. stations.

The V.H.F. station at Holme Moss (the first permanent V.H.F. station with a full three-programme service, serving about 14,000,000 people in Yorkshire, Lancashire, the North Midlands, and North Wales) was opened on Dec. 10, 1956. On the same day the Corporation announced that it was hoped shortly to open V.H.F. stations at Sutton Coldfield (near Birmingham), Norwich, and Wenvoe (Cardiff), thus completing the first stage of its development programme, which would cover 84 per cent of the population. The second stage (including the six stations named above) would extend coverage to 96 per cent of the population, and was due to be completed by the end of 1958.

It was further announced on June 24, 1957 that work would begin shortly on a new V.H.F. station for N.E. Wales on a site (1,800 ft. above sea-level) near Llangollen. The station was expected to be completed by the autumn of 1958 and would serve about 270,000 potential listeners in Flintshire, Cheshire, Shropshire, Denbighshire, Merioneth, and Montgomeryshire, bringing V.H.F. coverage in Wales to about 90 per cent of the population.

The V.H.F. station at Rowridge, I.O.W. [see above], serving Hampshire, Dorset, most of Wiltshire, and parts of Somerset, Berkshire, Surrey, and Sussex, was brought into service on June 4, 1957.

B.B.C. Appointments. Mr. Kenneth Adam, Light Programme Controller from 1950 to 1955 (when he resigned from the B.B.C.), was appointed Controller of Television Programmes on Jan. 24, 1957, with effect from Feb. 25. Earlier, (July 30, 1956), the appointments had been announced of Mr. Donald Stephenson as Controller of the Overseas Services and of Mr. Tom Chalmers as Controller, North Region. On Feb. 20, 1957 it was announced that Mr. A. Stewart (Home Service Controller in London since 1953) would succeed Mr. Melville Dinwiddie as Controller for Scotland, when Mr. Dinwiddie retired in the summer.

B.B.C. Share of Licence Revenue. The terms were published on Feb. 13, 1957 of a new agreement between the Postmaster-General and the B.B.C. governing the share of licence revenue receivable by the Corporation in the three financial years April 1, 1957-March 31, 1960. In place of the agreement of June 1954, under which the Treasury retained a lump sum of £2,750,000 per annum and the Post Office deducted a further sum for collection, it substituted an arrangement providing for the B.B.C. to receive a fixed 87½ per cent of the total revenue collected in radio and television licences After March 31 1960, the Corporation will receive "such sums as the Treasury may authorize."

Extension of B.B.C. Arabic Broadcasts. At the Government's request the B.B.C. doubled its Arabic services from March 31, 1957, from 4½ to 9½ hours daily, and increased the daily number of news bulletins from seven (lasting 1 hr. 40 mins.) to 11 (totalling 2 hrs. 20 mins.). It was stated that the services (by far the largest of the B.B.C.'s foreign language services) served an area extending from Turkey in the north to East Africa and Zanzibar in the south, and from Morocco in the west to the Persian Gulf in the east—the programmes being heard in 11 independent Arab-speaking countries with 70,000,000 inhabitants.

Parliamentary Criticisms of B.B.C. Broadcasts during Suez Crisis.

Strong criticism of the B.B.C.'s allegedly biassed attitude during the Suez crisis, as expressed in its news bulletins and other broadcasts, was voiced by a number of Conservative members in the House of Commons on Nov. 14, 1956.

Mr. Peter Rawlinson (C.) who raised the subject, complained that "by means of emphasis, selection, nuance, the use of adjectives, and the use of tone," a "slant" had been given to B.B.C. news bulletins during the crisis, and that "programmes going out to a wide audience had been biassed and unfair." In particular, he criticized the alleged partiality displayed by Mr. Woodrow Wyatt (a former Labour M.P.) in the television programme "Panorama," and asserted also that the overseas programme "Press Report" gave undue prominence to the views of such papers as the *Times* and *Manchester Guardian*, with relatively small circulations, and did not reflect "what people in Britain are actually reading." Mr. Rawlinson concluded by saying that overseas broadcasts should "speak in the name of the Government of the day and the foreign policy of that Government."

Mr. Alport (then Assistant Postmaster-General), replying to the debate, said that although Parliament had an undoubted right to discuss B.B.C. activities as "matters of public interest," responsibility for the day-to-day administration of affairs, including the programmes, rested with the Corporation's Governors. Saying that "the ideal of every B.B.C. bulletin is the fair selection of items, impartially presented," and that the duty of editors and sub-editors was to "give the facts" and leave listeners to "form their own opinions," he nevertheless stressed that recent events had "presented the Corporation with an exceedingly difficult problem" The B.B.C. was now examining methods of presenting various aspects of controversial matters, bearing in mind the need to be impartial and to seem so. After this examination had been completed it would be able to judge what action, if any, was needed to safeguard the tradition of impartiality which the B.B.C. had built up and which was one of its greatest assets.

In conclusion, Mr. Alport gave an assurance that the Government was fully aware of the importance of making the British point of view heard and understood abroad, particularly in quarters where it was most frequently traduced and misrepresented. The B.B.C. had a reputation for integrity and objectivity, but there were undoubtedly arguments for the redeployment of its resources. Some people thought that special methods were needed in particular areas to ensure that the British viewpoint was not "drowned by those loud and tendentious voices whose only object appears to be the destruction of the standards and values, not only of Great Britain, but of democracy everywhere." The Government was considering the matter and was determined to find an effective solution before it was too late.

New Chairman of B.B.C. Governors.

Sir Arthur fforde, formerly Headmaster of Rugby School, succeeded Sir Alexander Cadogan as chairman of the B.B.C.'s Board of Governors from Dec. 1, 1957. Sir Arthur's appointment had been announced from 10, Downing Street on May 27, when it was explained that Sir Alexander Cadogan—whose term of office was due to expire on July 1—would be reappointed as chairman of the Board for the intervening five months until Dec. 1, 1957.

Sir Arthur fforde (56) was educated at Rugby and Oxford, and was a partner in a London firm of solicitors for nearly 20 years from 1928. In the war years he held various appointments at the Ministry of Supply, and from 1944-45 was Under-Secretary at the Treasury. He was appointed Headmaster of Rugby in 1948.

The Government announcement of May 27 added that on the expiry of their terms of office on July 1, Lord Macdonald of Gwynysgor would be reappointed National Governor for Wales until June 30, 1959 and Sir Henry Mulholland National Governor for Northern Ireland until June 30, 1958.
(British Broadcasting Corporation - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. B.B.C. 14980 B; Overseas Services, 15688 A; Fourteen-Day Rule, 15300 A.)**

A. MOROCCO. — Formation and Suppression of "People's Movement."

The formation of a new political party, known as the "People's Movement," was announced in Rabat on Sept. 28. Its primary aims were described as the unification of North Africa under the religious leadership of the King of Morocco, and the promotion of an "Islamic socialism." The statement also declared that "we will give all possible assistance, including the sacrifice of our blood, to help the Algerian people to free themselves from the oppression which they suffer."

It was widely believed that the Movement had been organized by former leaders of the "Liberation Army," and this was subsequently confirmed by M. Ahardane, Governor of Rabat Province [see below]. The Movement's propaganda had been carried on mainly in the predominantly Berber regions of the Rif, the Middle Atlas, and eastern and southern Morocco, where the "Liberation Army" still has a following and the Istiqlal (the ruling party) exerts little influence.

The Moroccan Government decided on Oct. 24, however, to suppress the "People's Movement" on the ground that its founders had not complied with legal requirements; at the same time it was announced that governmental consent would be required for the formation of any new political or religious organization. M. Mahjoubi Ahardane strongly protested against this decision in a press statement on Oct. 29, alleging that members of the Movement had been arrested at Marrakesh and Oujda. Revealing that he was among its founders, he stated that it had been established only after the Istiqlal had refused to agree to the formation of a "National Union" which would include "the people of the countryside and the mountains." M. Ahardane was suspended from his post on Oct. 30, his press statement being described as "a grave act of indiscipline."—(Le Monde, Paris) **(Prev. rep. 15110 A.)**

B. INTERNATIONAL SUGAR COUNCIL. — Initial Export Quotas for 1958.

The International Sugar Council, meeting in London on Nov. 21, fixed initial export quotas for 1958 (together with certain other permissible exports) at 4,865,000 metric tons, the highest level since the end of 1956.

The Council's statistical committee estimated that free market requirements during 1958 would amount to about 5,515,000 metric tons, leaving about 1,000,000 metric tons to be supplied by countries not participating in the International Sugar Agreement (e.g. Brazil and Peru). It was decided to set up a reserve of 20,000 metric tons from which additional export quotas might be allotted to meet special cases of proved hardship.

The Council announced that 20 countries had so far ratified the protocol of November 1956 (see 15392 A) amending the 1953 International Sugar Agreement. Ratification by the remaining participants was expected in the near future.

As the New York spot price of sugar had fallen below 3.90 cents per lb. on Oct. 23, and had remained under that level for 17 consecutive market days until Nov. 18, the quotas and other limits provided for in the Agreement—which had been inoperative since Jan. 25, 1957—came automatically back into effect from Nov. 19.—(Times) **(Prev. rep. 15392 A.)**

C. FRANCE. — National Assembly. - Increase in Minimum Size for Parliamentary Groups.

The French National Assembly adopted on Dec 6 an amendment to its rules increasing the minimum size for any parliamentary group from 14 to 28 members. The resolution, which was adopted by 364 votes to 149 (Communists), had been initiated by M. Barrachin (Independent) and M. P.-H. Teitgen (M.R.P.). Both deputies pointed out that there were at present 15 political groups in the Assembly, although there were only six fundamental political tendencies in the country, and that nine of these groups counted 21 or fewer members.

The nine small groups referred to by MM. Barrachin and Teitgen are the Social Republicans and the U.D.S.R.-R.D.A. (21 members each); the dissident Radicals and the R.G.R. (14 each); the *Paysans* (12); the *Paysans d'Action Sociale* (8); the *Convention Africaine* (7); the *Progressistes* (6); and the *Mouvement Socialiste Africain* (4).—(Le Monde, Paris)

A. ALGERIA. — Tunis Conference of F.L.N. Leaders. - Joint Mediation Offer by King of Morocco and President Bourguiba. - French and Rebel Reactions.

A conference of political and military leaders of the Algerian National Liberation Front (F.L.N.), meeting in Tunis from Oct. 25-29, issued a statement on Oct. 30 reaffirming its refusal to negotiate until France had recognized Algeria's independence, and suggesting that discussions should take place between the Tunisian and Moroccan Governments and the F.L.N. with a view to reaching agreement on a common policy. President Bourguiba of Tunisia, though expressing disappointment at the communiqué's insistence on independence as a condition for negotiations, supported the proposal for a conference and stated that he would approach the King of Morocco on the subject.

Those attending the Tunis conference included the members of the Committee for Co-ordination and Execution (the F.L.N.'s executive), leaders of the National Liberation Army, and M. Mohammed Yazid, the F.L.N. representative at the United Nations. The Committee was elected at a secret conference held in the Kabylie on Aug. 20, 1956, and includes both political and military leaders. Its nine members are M. Fehrat Abbas, Dr. Lamine Debaghine, Colonel Omar Ouamrane, M. Abane Ramdane, M. Krim Belkacem, M. Mohamed Boussouf, M. Cherif Mahmoud, M. Bentobbal Lakhdar, and M. Nehri Abdelhamid.

President Bourguiba accordingly flew to Rabat for discussions with King Mohammed V on Nov. 20-21. In a joint statement issued on the latter date, King Mohammed and the President appealed to the French Government and the F.L.N. to open negotiations aimed at combining Algerian sovereignty with safeguards for French interests. At the same time they offered their good offices in achieving such a solution.

The joint statement ran as follows: "Faced with the conflict between their Algerian brothers, with whom they are united by so many bonds, and their friends the French people, the King of Morocco and the President of the Tunisian Republic address an urgent appeal to the two parties to open negotiations for a just solution, with the aim of making concrete the sovereignty of the Algerian people, in accordance with the principles of the U.N., and safeguarding the legitimate interests of France and of her nationals. The two Heads of State offer to put their good offices at the disposal of France and the leaders of the F.L.N. for this purpose. They are convinced that this procedure will put an end to the bloodshed and to this conflict which threatens the security and stability of North Africa and endangers peace in this part of the world."

The communiqué was handed to the French Ambassador in Rabat on Nov. 22 by the Moroccan Foreign Minister, M. Balafrej, and was also conveyed to the F.L.N. leadership. President Bourguiba returned to Tunis on the same day, and subsequently gave his views on the significance of the communiqué in the following broadcast:

"France regards as undeniable and sacred the idea which has been inculcated into four or five generations of Frenchmen—that Algeria is French territory and forms an integral part of France. Faced with this unrealistic outlook, Algerians reply to French intransigence with an equal intransigence. They consider that, between the French conception of assimilation and their aspiration towards independence, there can be only war and a fight to the death. Negotiations will be impossible until France is ready to recognize Algerian independence . . . We were anxious to suggest an intermediate position, but founded on a clear basis—that is, on the necessity for Algeria to escape from colonial tutelage and attain self-government. That is what we mean when we affirm the Algerian people's right to sovereignty and independence. But we do not say 'No negotiations before independence.' We ask both parties to meet, alone or in our presence, for negotiations based on the sovereignty of the Algerian people, leading to independence after the ending of the colonial régime."

Rebel Reactions to Mediation Offer.

The F.L.N. Committee for Co-ordination and Execution issued a statement in Rabat on Nov. 22 expressing appreciation of the attempt by the King and the President "to overcome the French Government's intransigence"; claiming that the joint statement recognized "the legitimacy of the fight carried on by the F.L.N. and the National Liberation Army for their country's independence and the reconquest of its sovereignty; and adding: "The F.L.N. is convinced . . . that official negotiations opened on a basis of independence will end the bloodshed and the ravages of a colonialist war." It was commented in the French Press that this statement twice used the word "independence," which did not appear in the communiqué issued by King Mohammed and President Bourguiba, and that the only concession which it contained was the acceptance of independence as the "basis," and not as a condition (*préalable*), for negotiations.

French Reactions to Mediation Offer.

The French Foreign Minister, M. Pineau, rejected the offer of mediation by Morocco and Tunisia in a statement issued in New York on Nov. 22.

"The joint communiqué published by the King of Morocco and the President of the Tunisian Republic certainly appears very moderate," M. Pineau declared, "but I do not think it basically acceptable for all that. It does not make clear—which we consider an essential point—whether the first negotiations are to be concerned with a cease-fire or with the future status of Algeria. If the former, France would be in complete agreement, as she has always affirmed her desire to negotiate with those who are in arms; if the latter, we cannot envisage negotiations except with the genuine representatives of the Algerian people, chosen in free elections.

"The most striking feature of the communiqué is the allusion to the leaders of the F.L.N., which seems to exclude all other representatives of the Algerian population from the discussion. Even if negotiations were confined to a cease-fire, there are other combatants besides the F.L.N. with whom we should have to enter into contact. If it were a question of Algeria's status, the unique position accorded to the F.L.N. does not correspond to realities, since other Algerian political bodies will clearly have the right to take part in discussions with France and to put their point of view. We cannot understand why, if Morocco and Tunisia consider the F.L.N. to be so representative, they do not support our plan for elections, which would allow this to be demonstrated . . . It is hard to see how these two countries, which affirm their bonds with their 'Algerian brothers,' and which willingly or unwillingly are obliged to supply them with substantial material aid, could offer themselves as mediators, since they are in no way neutral on this problem."

M. Gaillard made a further statement on the French Government's attitude on Nov. 29, during the National Assembly's debate on the new *loi-cadre* for Algeria.

Referring to the Moroccan-Tunisian mediation offer, M. Gaillard declared: "We understand the disquiet of these young countries. I wish they would in turn understand that the principles of French policy are not liable to change. We will never accept that Frenchmen of European origin should regard themselves as foreigners in Algeria. Whatever the words and paraphrases, we will not agree to independence for Algeria. Nor shall we agree to consider the F.L.N. and its combatant organizations as qualified representatives for discussions, other than those for a cease-fire. Whatever the hopes entertained by certain people, Morocco and Tunisia cannot expect the French Government to take a different attitude. If it did, it would at once be not only overthrown but destroyed. No external pressure will make us bend . . .

"The close ties of race, religion, and neighbourliness existing between those countries and Algeria impose on Morocco and Tunisia a special responsibility—that is, to make the *fellaghas* understand that it is in their own interest . . . to respond at last to the proposals which France once more renews. It is for this reason that Morocco and Tunisia should stop helping the rebels, and that their fraternal feelings should express themselves not only in their consideration for the *fellaghas* but also, and still more, for the thousands of men and women whom the rebellion has forced to live in uncertainty and terror. Nothing can be done without a cease-fire, which must not be subject to any political conditions; and Tunisia and Morocco would render a great service to themselves and to the cause of peace by inducing the *fellaghas* to admit this. There is no need for a conference of any kind to bring this about.

"Algeria can neither do without the Europeans living in her territory, nor without help from Metropolitan France. A history of over 100 years, and economic integration, have created links which are too powerful to be torn asunder by an obsolete conception of nationalism. The Moroccan Government, which realistically faces the great problems of its own youthful independence, should take into account the advantages of an association with France and the perspectives thereby opened by [Moroccan] participation in the exploitation of the resources of the Sahara . . ."

M. Mendès-France urged that the Moroccan-Tunisian mediation offer should not be rejected outright.

M. Mendès-France said that it was incorrect to say that Tunisia and Morocco had taken up exactly the same position as the National Liberation Movement. In this connexion he referred to an appeal by President Bourguiba to the Algerian people warning them against intransigence and totalitarianism, and stressing the need to understand the French position and safeguard French interests in North Africa. Pointing out that the Moroccan and Tunisian Governments had declined the F.L.N. proposal for a tripartite meeting, he claimed that the joint statement of King Mohammed and President Bourguiba had been phrased in such a way as not only to facilitate French acceptance but also to "brake" the Algerian extremist elements.

When M. Mendès-France referred to the fact that the joint statement spoke purposely of Algerian "sovereignty" and not of "independence," M. Gaillard intervened to say that, in the unanimous opinion of all experts on international law, there was no difference between these two expressions. M. Mendès-France nevertheless maintained that there were differences in the interpretation of the word "sovereignty," which could mean either internal or external sovereignty. He again urged that the chance of peace which the mediation offer might present should not be rejected outright.

The Radical Party congress, meeting in Strasbourg, had previously adopted on Nov. 23 (by 648 votes to 472) a motion calling on the Government to "take the initiative in opening negotiations with Morocco and Tunisia to study appropriate methods of settling the conflicts and disputes of all kinds

affecting relations between France and North Africa." The motion was supported by M. Mendès-France but was opposed by M. Gaillard, who, however, adopted a much less hostile attitude towards the mediation offer than M. Pineau.

In a brief press statement on his return from the U.S.A. (Dec. 11), M. Pineau emphasized that the French Government would not hesitate to take advantage of the intervention of "our Moroccan and Tunisian friends" to bring about a cease-fire solution in Algeria, but reiterated that a political solution would depend solely on negotiations between France and the elected representatives of the Algerian people. He subsequently confirmed that during his talks with M. Balafrej in New York the latter had renewed his Government's offer of mediation with a view to bringing about a cease-fire, and later a "*détente.*"—(Le Monde, Paris - Le Figaro, Paris)

(Prev. rep. 15329 A.)

A. AUSTRALIA. — Report of Committee of Inquiry into the Future of Australian Universities.

The report of the Committee of Inquiry into the future of the Australian Universities was submitted to the Federal Parliament on Nov. 26. Its findings and recommendations are summarized below.

The Committee drew attention to serious deficiencies in the existing state of the Australian universities, listing the principal defects as "pressure of student numbers, particularly in the first year; inadequate staff, accommodation and equipment; high student failure rates; and a weakness of honours and post-graduate schools." In the latter connexion reference was made to the "acute" shortage of graduates in all fields (including science and technology, law, medicine, dentistry, and agriculture) and to the "critical" situation which would develop unless reforms were undertaken. "The single principal cause of these defects," it added, "has been financial stringency."

On the question of student numbers, the report said that the annual enrolment was likely to increase by 120 per cent (i.e. to 80,000) by 1969, but despite this trend Australia faced an acute shortage of graduates in all fields. In this connexion, the report noted particularly that the total output of science graduates from all the Universities in 1956-57 was only 524 and was likely to be still lower in 1957-58.

As regards the high rate of student failures, the report noted that of every 100 students who entered six State universities in 1957, only 35 graduated in the minimum time and only 58 graduated or were expected to graduate at all. The report described this failure-rate as a "national extravagance" and attributed it principally to lack of adequate preparation in schools and to the intellectual and emotional gap between school and university.

On the question of the weakness in honours and post-graduate work, the report stated that the main reasons were the acceptance of the pass degree as the normal end-point of university education, and the lack of close contact between teacher and student in the earlier years of the student's university career.

The report also criticized the low level of present State assistance to the Universities, commenting in particular on the "inadequacy" of the Victorian Government's contribution of £A200,000 per annum.

The Committee's principal recommendations were as set forth below:

(1) A permanent University Grants Committee should be set up and should function, at least in its early years, as an informal body without "legislated status." It would advise the Federal Prime Minister on the financial needs of the Universities, and distribute the Commonwealth Government's contribution among the States in the light of the particular circumstances in each case. Grants made by the Committee should be on a triennial basis for recurrent expenditure, and annually for specific capital or non-recurrent expenditure.

(2) A building programme costing £A12,445,000 should be undertaken in 1958-60. Of this sum, the Commonwealth Government should provide £A6,270,000, in addition to a contribution of £A1,003,000 towards the cost of equipping the new buildings.

(3) To meet the "more serious deficiencies," there should be emergency Commonwealth grants of £A1,015,000 in 1958, £A1,522,000 in 1959, and £A2,030,000 in 1960.

(4) There should be an annual increase of 10 per cent in the recurrent grants to State Universities in each of the three years from 1958 to 1960.

(5) Over the same period the Australian National University at Canberra should receive a total of £A1,070,000 for capital requirements, while Canberra University College should receive a grant of £A1,044,000 for the same purpose. In this connexion the Committee rejected a proposal that the latter institution should be raised to full University status. It suggested, however, that some form of constitution should be devised whereby the two institutions of higher education at Canberra could be more closely linked.

(6) A second University should be established in Melbourne. The Committee stated that while they believed in general that the needs of existing establishments should have priority over proposals for new Universities, the special needs of an expanding industrial centre like Melbourne could not be fully met by the existing University.

(7) Over the period 1958-60 the Commonwealth Government should offer capital grants to the Universities on the basis of £A1 for every £A1 provided by the States or other sources. These grants should not exceed £A200,000 in the first year, £A400,000 in the first two years, or £A600,000 in the whole three-year period.

(8) Professorial salaries should be increased by £A500 per annum without delay, and other salaries increased proportionately.

(9) The number of Commonwealth scholarships should be increased immediately.

The Federal Prime Minister, Mr. Menzies, stated in the House of Representatives on Nov. 28 that the Government accepted in principle most of the recommendations in the Inquiry Committee's "brilliant and provocative" report. Provided the States also accepted the Committee's recommendations, Federal expenditure on State Universities would accordingly be raised from £A6,000,000 in 1955-57 to £A22,000,000 in 1958-60. The principal points made by Mr. Menzies were as follows:

(1) A permanent Universities Committee would be set up, but the term "grants" would not be used as the word had acquired too narrow a connotation in Australian usage.

(2) Provided the States were prepared to undertake an extensive building programme as recommended by the Inquiry Committee, the Commonwealth would provide for this purpose the recommended sum of £A6,270,000 and would also pay the proposed £A1,003,000 towards the cost of equipping the new buildings.

(3) Over the period 1958-60, the State Universities would receive additional emergency grants totalling £A4,500,000.

(4) Commonwealth grants to the State Universities (on the basis of £A1 for every £A3 from the States) would be increased by 10 per cent per annum to make a total of £A8,501,800 for the period 1958-60.

(4) The Commonwealth Government accepted *in toto* the recommendation under (7) above.

(5) The Commonwealth Government would be willing to pay its share of the recommended increase in academic salaries.

(6) The provision for the Australian National University and Canberra University College would be increased.

The Committee, appointed by Mr. Menzies in January last, consisted of three Australian and two British members under the chairmanship of Sir Keith Murray, chairman of the University Grants Committee in the United Kingdom. (Australian News and Information Bureau - Sydney Morning Herald - Times - Manchester Guardian) **(Prev. rep. 15351 A.)**

B. IRAQ. — New Government.

A new Cabinet was formed on Dec. 15 by M. Abdul Wahab Mirjan, the Speaker of the Iraqi Parliament, after Senator Ali Jawdat had tendered his resignation from the premiership. No official reason was given for Senator Jawdat's resignation, but it was understood to have been caused by dissensions in the Cabinet after King Faisal had refused his request for the dissolution of Parliament and the holding of general elections. The membership of the new Government was as follows:

M. Abdul Wahab Mirjan—Prime Minister, and Minister of Defence; Dr. Nadim el-Pachachi—Finance; Dr. Abdul Amir Allawi—Communications and Works; M. Abdul Rasoul Khalisi—Justice; M. Arkan Abaddi—Social Affairs; General Sami Fattah—Interior; Dr. Abdul Hamid Khadim—Education; M. Jamil el-Orfali—Agriculture; Senator Sayib el-Jeburi—Development; M. Burhanuddin Bashayan—Foreign Affairs; M. Mohamed el-Hardan—Economics; M. Ahmad Mukhtar Baban—Health; M. Ali Arshaqi, M. Izzauddin Mulla, and M. Mohamed el-Khatib—Ministers without portfolio.

Seven Ministers of the outgoing Cabinet were included in the new administration, though several of them changed portfolios—e.g. Dr. Nadim el-Pachachi, formerly Minister of Economics and Development. M. Bashayan held the Foreign Affairs portfolio under General Nuri es-Said. All the Ministers are believed to support General Nuri's policies, and most of them were members of the Constitutional Union Party which was led by him before the dissolution of political parties in 1954.

M. Mirjan (47), a lawyer, was born at Hilla and entered the Cabinet in 1948 as Minister for Economics, subsequently holding the portfolios of Finance, Agriculture, and Works and Communications. A close associate of General Nuri, he is known as a strong supporter of the Baghdad Pact.
(Times - Manchester Guardian) **(Prev. rep. 15644 A.)**

C. UNITED STATES. — Federal Troops withdrawn from Little Rock.

The last of the regular troops which had been sent to Little Rock on Sept. 24 were withdrawn on Nov. 27, the task of maintaining order being entrusted to the Arkansas National Guard, which remained under Federal command. The regular troops, originally numbering 1,100, had already been reduced to 500 on Oct. 14 and to 225 on Nov. 6, whilst the number of National Guards on duty had been reduced from 10,500 to 900. Only National Guards had been stationed on the Central High School premises since November 15.—(New York Times)

(Prev. rep. 15803 A.)

A. UNITED KINGDOM. — Rent Act in Force.

The Rent Bill, which had been given a second reading during Sir Anthony Eden's premiership in 1956, was enacted on June 6, 1957. During its remaining stages in both Houses of Parliament it was amended in important respects as a result of concessions made by Mr. Macmillan's Government in response to strong opposition from a section of the Conservative Party itself, led by Mr. Rees-Davies and Sir Ian Horobin. A summary of the later stages of the Bill is given below.

House of Commons' Amendments.

The principal Government amendments agreed to in Standing Committee (Dec. 6, 1956 - March 13, 1957) and in the Report stage (March 26-27) affected Clause 9, which freed from control about 800,000 houses and flats now let at controlled rents [see page 15292, provisions 1 and 2]. The amendments were as follows :

(1) The "standstill" period which must elapse before decontrol took effect was extended from six months after the Act came into force (as originally provided in the Bill) to 15 months. During this period the landlord would not be able to raise the rent or seek to regain possession of the house or flat. The amendment did not affect the landlord's obligation to serve six months' notice on the tenant.

(2) The landlord and tenant of decontrolled flats or houses could enter into a new rent agreement at any time within the 15 months' "standstill" period, such an agreement being valid for a minimum of three years; the new rent would be payable from the date when the agreement was concluded.

(3) It was made illegal—under penalty of £100 fine—for a landlord to demand a premium for a tenancy of a decontrolled house or flat within three years of the coming into force of the Act. This prohibition applied also to "concealed premiums"—e.g. where an excessive price was charged to the tenant for furniture or fittings, or where the landlord demanded an investment or loan from him as a condition of letting.

(4) Landlords of decontrolled houses or flats were prohibited from demanding advance rent by way of premium. The amendment (*a*) provided that if, under any tenancy subject to the premium provisions of the Bill, rent was demanded further in advance than the tenancy period to which it related (e.g. a week, a month, or longer), that sum should be treated as a premium and not be recoverable; (*b*) prohibited demands for rent for more than six months in advance before the end of the rental period.

Mr. Brooke (Minister of Housing and Local Government) explained that the amendment was intended to cover cases where demands for rent were made so definitely in advance as to constitute a form of premium—e.g. where a landlord let his property on a long lease and demanded advance payments of the whole rent for the period, or a large part of it.

The following other Government amendments were also agreed to :

(5) For all uncontrolled tenancies the minimum period for a notice to quit was extended from one week to four weeks. This would apply whether the notice was served by landlord or tenant.

(6) Making it clear that the widow of a tenant of a rent-controlled house or flat would not lose security of tenure as a result of his death, providing that she was living with him at the time. Similarly, a near relative of the deceased who had lived with him for at least six months before his death would become a protected tenant.

This amendment was introduced to allay anxieties which had been expressed by Mr. James Griffiths and other Labour Members. Mr. Brooke had previously explained that the Government's intention had always been to continue protection to widows and near relatives of deceased tenants of controlled property, and had promised to bring in an amendment to clarify the position.

(7) Making it an offence for a landlord to try to persuade a tenant to give up a controlled tenancy in return for a new tenancy on more favourable terms.

Mr. Brooke explained that this amendment was intended to prevent landlords from tricking tenants into surrendering controlled tenancies by offering them new agreements which superficially seemed attractive—e.g. the new agreement might cover the original accommodation plus extra rooms.

(8) Removing uncertainty as to whether the landlord or tenant was responsible for internal decorative repairs by providing that the landlord might elect to undertake the responsibility and charge a higher rent, subject to the tenant's right to dissent in writing and undertake to do the repairs himself. Carried by 260 votes to 223.

(9) Excluding those houses or flats for which leases or agreements were still in force from the section of the Bill allowing limited increases in the rents of properties remaining controlled [see page 15292, provision 8]. This amendment, moved by the Opposition, was accepted by the Government and agreed to without a division.

The principal Opposition amendments defeated in Standing Committee and the Report stage are summarized below, with names of sponsors and voting figures in parentheses :

(*a*) To relieve tenants whose rents would be increased under the Bill of the obligation to pay rates (**Mr. Lindgren**; rejected by 23 votes to 18).

(*b*) To provide that the initial rent increase of 7s. 6d. a week for the first six months should include rates, improvements, and services (**Mr. J. Silverman**; rejected by 22 votes to 19).

(*c*) To reduce the initial rent increase from 7s. 6d. to 2s. 6d. a week (also defeated by 22 votes to 19).

(*d*) To exclude slum properties from the rent increases permitted by the Bill (**Mr. J. Sparkes**; defeated by 22 votes to 20 after Mr. Brooke had declared that the amendment was too vaguely worded to be practicable).

(*e*) To make the 25 per cent increase on Scottish rents (which include rates) sanctioned by the Bill applicable to the rent portion only (**Mr. J. McInnes**; rejected).

(*f*) To provide that, in the event of a dispute between landlord and tenant in Scotland, the amount of rent should be fixed by a rent tribunal, and not by the Sheriff as stipulated in the Bill (**Mr. McInnes**; rejected by 21 votes to 18).

(*g*) To provide that in Scotland the landlord should be responsible for continuing repairs to the property (**Mr. Lawson**; defeated by 21 votes to 20).

(*h*) To increase from 3 months to 9 months the notice required to be given by the landlord of his intention to increase the rent of a controlled house (see 15292, provisions 8 and 9). (**Mr. C. Key**; negatived by 274 votes to 233).

(*i*) To retain the tenant's right of appeal to a rent tribunal in respect of certain houses (**Mr. Blenkinsop**; defeated by 276 votes to 232).

(*j*) To delete from the Bill a sub-section empowering the Government, with the consent of Parliament, to extend decontrol to other classes of houses and flats. (**Mr. Lindgren**; defeated by 283 votes to 232 after Mr Bevins, Parliamentary Secretary to the Ministry of Housing, had stressed that the Government intended to extend decontrol gradually to all house property in Britain).

(*k*) To reduce the period allowed to the landlord in which to carry out repairs to houses and flats for which the necessity of repairs had been certified (**Mr. J. B. Hynd**; defeated by 241 votes to 216).

Two further amendments to Clause 9, moved by Conservative back-benchers, were also defeated.

The first amendment (moved by **Sir Ian Horobin**), intended to prevent speculators in house property from making quick exorbitant profits out of the Bill, stipulated that houses purchased on or after Nov. 6, 1956 (the date of its introduction) should not be subject to decontrol. Although this amendment was carried in Standing Committee, Mr. Brooke moved its deletion in the Report stage (March 26), explaining that he had carefully examined its probable effects and had decided that it would hit those who engaged in normal honest transactions much harder than speculators. The deletion of Sir Ian Horobin's amendment was subsequently agreed to by 268 votes to 237.

The second amendment (moved by **Mr. Rees-Davies** on March 26) was intended to place a limitation on excessive rent demands for decontrolled property by providing that, for three years after a house or flat had been decontrolled, the rent should be limited to 2½ times its gross rateable value.

Mr. Brooke, advising its rejection, said that although the Government sympathized with the sponsors' aim of preventing sudden or speculative rises in populous areas, they feared that if a maximum were laid down by law there would be a danger of its becoming also the accepted minimum, since people would come to regard it as having Government approval. "In seeking to protect tenants in more populous areas," he added, "the amendment would have the effect of penalizing a larger number of tenants elsewhere." The amendment was defeated by 267 votes to 242—a Government majority of only 25, about 12 Conservatives abstaining from voting.

Mr. Butler (Leader of the House) had announced on Jan. 31 that, in view of the slow progress being made in Standing Committee, the Government had decided to introduce a "guillotine" motion setting out a time-table for the remaining stages of the Bill, and providing for the completion of the Standing Committee stage by March 13 and the allocation of three days for the Report stage and third reading. The guillotine motion was accordingly introduced on Feb. 4 amidst strong Opposition protests, but was eventually carried by 307 votes to 252 after an Opposition amendment for its rejection had been defeated by 310 votes to 255.

The Bill received its third reading on March 28 by 321 votes to 261.

House of Lords' Amendments.

After giving the Bill a second reading on April 16, the House of Lords adopted the following amendments without a division in the Report stage on May 21 :

(1) Allowing expenditure incurred by landlords in carrying out street works to count as expenditure on improvements (thus permitting increases in rents) (moved by **Lord Meston**).

(2) Enabling any increase or decrease in rates which might occur during the transitional 15 months following decontrol to be passed on to the tenant (moved by **Lord Broughshane**).

A number of amendments by Opposition peers had previously been defeated during the Committee stage, notably amendments to limit the maximum rent increase for controlled houses to 15s. a week;

to raise from £40 to £60 the minimum rateable value of houses to be decontrolled in London; to raise the minimum rateable value for such houses in the rest of England and Wales from £30 to £45; to raise it in Scotland from £40 to £60; and to ensure that no further decontrol should take place for three years after the Bill's enactment.

The Bill was given a third reading by the House of Lords without a division on May 28; received the Royal Assent on June 6 after the Lords' amendments had been agreed to by the Commons; and came into effect on July 6, 1957.
(Times - Daily Telegraph - Manchester Guardian) **(15292 A.)**

A. POLAND. — Population Statistics. - Polish Nationals Abroad.

The Polish Central Statistical Office reported in November that a recent census had shown the population of Poland to be 28,234,000 at the end of June 1957, of whom 12,747,000 lived in urban areas and 15,487,000 in the countryside. Women, of whom there were 14,654,000, outnumbered men by 1,074,000—the proportion being 108 women to 100 men in the country as a whole, and 111 to 100 in the towns. The most thickly populated voivodships (provinces) were Katowice (3,103,000), Warsaw (2,293,000) and Cracow (1,966,000).

It was stated on Dec. 7 by the Polish Embassy in London that over 9,000,000 Poles were living in 30 countries outside Poland, the largest number being in the United States. The U.S. census of 1950 had shown 5,332,115 persons of Polish origin in the U.S.A., and it was estimated that this figure had since risen to 7,000,000 as a result of population increase. In addition, there were an estimated 750,000 Poles living in France; between 250,000 and 500,000 in Brazil; 250,000 in Canada; about 145,000 in Great Britain, largely wartime and post-war emigrés; about 130,000 in the German Federal Republic, mainly in Westphalia and the Rhineland; between 120,000 and 150,000 in Czechoslovakia; and over 120,000 in Argentina.—(Polish Embassy Press Office, London)

B. UNITED KINGDOM. — Ministerial Responsibilities. - Report of Privy Councillors' Study Group.

The Prime Minister informed the House of Commons on Nov. 5 that he had received the report of the Committee of Privy Councillors, under the chairmanship of Lord Attlee, which had been asked to consider possible methods of reducing the ministerial burden falling on senior members of the Government. Mr. Macmillan said that no further formal inquiry was needed into this question, and suggested that the solution to the problem lay in allowing junior Ministers to relieve their principals of some of the work. He hoped, therefore, that M.P.s might be "more ready to accept junior Ministers as spokesmen for the department on many occasions." Also, he hoped that M.P.s would not object if Parliamentary Secretaries and Ministers of State took an increasing share of responsibility in piloting Bills through the House.—(Times)
(Prev. rep. 15555 B.)

C. ASTRONOMY. — Soviet Radio Telescope.

The Tass Agency announced on Nov. 29 that the world's most powerful radio telescope had been built in the Soviet Union (the site was not disclosed). Quoting Dr. Semyon Khaikin, one of Russia's leading astronomers, the agency said that the telescope was 130 metres (about 426 feet) in length and that its reflector had a diameter of 400 square metres (about 4,300 sq. feet). Dr. Khaikin was also quoted as saying that the telescope was capable of receiving signals with a wavelength of only three centimetres, making it possible for scientists to "penetrate into the depths of the universe to distances of hundreds of millions of light-years."
(Soviet Embassy Press Department, London) **(15838 B.)**

D. EGYPT. — Secretary-General of National Union.

President Nasser issued a decree on Nov. 10 appointing Lt.-Colonel Anwar Sadat as Secretary-General of the National Union, the single-party organization set up a week earlier. Colonel Sadat had been Vice-President of the National Assembly and Secretary-General of the Islamic Congress. His new post will be the third most important in Egypt, ranking after the President himself and M. Aly Sabry, the Minister for Presidential Affairs.—(Le Monde, Paris)
(Prev. rep. 15840 B.)

E. AUSTRALIA. — New Army Chief of Staff.

The Federal Defence Minister, Sir Philip McBride, announced in November that Lieut.-General A. R. Garrett had been appointed Chief of General Staff of the Australian Army in succession to Lieut.-General Sir Henry Wells, retiring in March 1958. General Garrett is at present G.O.C. Southern Command, Victoria.—(Australian News Bureau) **(13712 F.)**

F. SHIPPING. — International Maritime Law Conference. - New Draft Conventions.

A Diplomatic Conference on International Maritime Law, attended by representatives of 31 countries, met in Brussels from Sept. 30 - Oct. 10 under the presidency of M. Albert Lilar, the Belgian Minister of Justice.

The countries represented were: Argentina, Australia, Austria, Belgium, Brazil, Canada, Denmark, Egypt, Finland, France, Western Germany, Greece, India, Indonesia, Israel, Italy, Japan, Netherlands, Norway, Persia, Peru, Poland, Portugal, Sweden, Switzerland, the U.K., the U.S.A., the U.S.S.R., Vatican City, Venezuela, and Yugoslavia.

The conference approved three conventions, dealing respectively with (1) the limitation of shipowners' liability for loss of life, bodily injury, or damage to property as a result of accidents at sea; (2) a new international understanding on the treatment of stowaways; (3) the unification of rules relating to the carriage of passengers by sea and the shipowners' specific liability to passengers carried by them.

Shipowners' General Liability. This Convention, replacing an agreement which had been in force since 1924, stipulated that compensation by the shipowner for material damage should be limited to 1,000 Swiss gold francs (£24 at the current exchange rate) per gross ton for damage to property, and to 3,100 Swiss gold francs (£74) for loss of life or bodily injury. For "mixed damages"—i.e. where both personal injury and damage to property were involved—the 3,100 Swiss gold francs would be divided, with 2,100 gold francs (£50) reserved for indemnity for bodily harm.

It was explained in the Press that the main issue before the conference in fixing shipowners' maximum liability was whether the limit should be based on the ship's gross tonnage—as advocated by the U.K.—or on her value, in accordance with the previous practice of certain other countries. U.K. shipowners had indicated that, in the interests of international agreement, they were prepared to sacrifice their existing very low limitation (£8 per gross ton for damage to property or £15 per gross ton where there was loss of life). The figures eventually agreed upon corresponded closely with the U.K. suggestions.

The convention was signed on Oct. 10 by 22 countries, with nine abstentions, including the United States and the U.S.S.R.

Stowaways. It was provided in this Convention that shipmasters might land stowaways at the first convenient port, unless they were under deportation orders or orders prohibiting entry into the country concerned.

Those landed would be taken charge of at the shipowner's expense, and normally the immigration authority at the port of landing would send them back to the country whose nationality they claimed. In the case of stateless persons, the authority would have the choice of either sending a stowaway back to the port at which he had embarked or to the flag country of the ship on which he was found. Stowaways would remain liable to police prosecution, but the convention would not affect a country's right to grant political asylum, nor would it apply to political refugees.

This Convention was signed on Oct. 10 by 11 countries; Britain, the Netherlands and the Soviet Union voted against the convention, whilst 14 countries abstained. The British and Netherlands delegations withheld their signatures on the ground that the convention would make too many inroads on immigration control.

Shipowners' Specific Liability to their Passengers. This draft convention for the unification of rules relating to the "international" carriage of passengers by sea sought to make the carrier uniformly liable for death or bodily harm arising out of his fault or from neglect by his servants, but limited his liability to 250,000 gold francs per head. It laid down that, failing evidence to the contrary, fault or neglect should be presumed where the death or injury resulted from shipwreck, collision, stranding, explosion, or fire, and that all provisions which sought to exonerate the carrier from his responsibility, or to fix a lower limit of damages than that fixed by the convention, should be null and void. The convention would only apply to seagoing ships and would not modify obligations arising from the first convention above [i.e. on shipowners' general liability.]

The convention, however, was not signed at the conference, as many delegates felt that they should first consult their Governments because of important changes made in the text.

The three draft conventions had been based on earlier drafts worked out at a congress of the *Comité Maritime International* held at Madrid in 1955.

The first two Conventions will come into force six months after ratification by at least ten signatory States, of whom five must have a minimum of 1,000,000 gross tons of shipping each.—(Lloyd's List and Shipping Gazette - Financial Times)

G. UNITED NATIONS. — New Under-Secretary.

The U.N. Secretary-General announced on Dec. 15 that Sir Humphrey Trevelyan, formerly British Ambassador in Cairo, had been appointed an Under-Secretary in the United Nations, to deal with "such special political questions" as would be assigned to him. He will have the same status as Dr. Ralph Bunche (U.S.A.) and M. Dobrynin (U.S.S.R.), both of whom on occasion act *ad hoc* for Dr. Hammarskjöld.
(U.N. Information Centre, London)

DECEMBER 21—28, 1957

A. MIDDLE EAST. — The Syrian-Turkish Dispute. - Consideration by General Assembly. - Syria drops Request for U.N. Investigation. - Ending of Crisis.

Discussion of Syria's complaint against Turkey opened in the U.N. General Assembly on Oct. 22, following the Assembly's decision to place the question on its agenda at the request of the Syrian delegation (see page 15814). After embittered and acrimonious debates extending over a week, the Assembly eventually decided on Oct. 30 to take no further action on the matter—a decision in which both Syria and Turkey concurred.

At the outset of the Assembly's debate, **M. Seyfulla Esin** (Turkey) moved—on a point of order—that further discussion be deferred to give the King of Saudi Arabia an opportunity to mediate in the dispute. He pointed out that Turkey had already accepted King Saud's mediation offer, that the Turkish Foreign Minister (M. Zorlu) was at that moment on his way to Saudi Arabia, and that Mecca Radio had officially announced that King Saud had "offered his good offices to mediate between Turkey and Syria."

Dr. Zeineddine (Syria) strongly opposed M. Esin's suggestion, asserting that talk of mediation was aimed only at "confusing the situation" and "showing up my country in a bad light." Though paying tribute to King Saud as a "great Arab king," he affirmed that "mediation does not really exist" and that the "so-called mediation" was being used as an excuse "by those who wish to avoid an investigation of the situation."

M. Gromyko (the Soviet Foreign Minister) made a bitter attack on NATO, the Baghdad Pact and the "Eisenhower doctrine" in the Middle East, and reiterated the allegation that Turkey and the United States were planning armed aggression against Syria. After referring to "attempts to utilize [Syrian] conspirators who had fled abroad," M. Gromyko alleged that Turkey and the U.S.A. aimed at setting up a Syrian "puppet" government which would "consist of American agents generously supplied with money from Washington and pursuing a policy conforming to American plans." He alleged also that "reactionary" elements in Syria were plotting to form a Syrian Government-in-exile which would be "transplanted to Syria with the support of Turkish armed forces." In the course of his speech—lasting over an hour—M. Gromyko was three times called to order by the President of the Assembly (Sir Leslie Munro) for deviating from the point of order raised by the Turkish delegate; after a heated altercation with Sir Leslie, M. Gromyko eventually quitted the speaker's rostrum in protest.

M. Salah Bitar (Syrian Foreign Minister) repeated M. Gromyko's allegations against Turkey and the United States, and accused both countries of giving the impression that Syria had aggressive intentions against her neighbours. After accusing Turkey of "aggressive" troop concentrations on Syria's northern frontier, and alleging that Turkish aircraft had violated Syrian airspace, he accused the United States of backing Turkish "designs" on Syria and of seeking to dominate Arab countries through the "Eisenhower doctrine." M. Bitar called, firstly, for the "withdrawal of Turkish troops from the frontier and the halting of provocative acts"; and secondly, for the appointment by the General Assembly of a U.N. commission to carry out an on-the-spot investigation and report back within ten days.

M. Esin (Turkey), in reply, refuted the Soviet and Syrian allegations as "baseless" and "completely unfounded," emphasizing that his country desired friendship with Syria and that Turkey had "never massed any forces on any of her frontiers beyond the needs of defensive precautions." Minor border incidents, he said, had been exaggerated out of all proportion by the Syrian propaganda machine, and the only incident of any seriousness had been that of Oct. 8, when a Turkish railway worker had been slightly wounded by a Syrian frontier guard [see page 15813, first column.] Referring to M. Bitar's suggestion of a U.N. inquiry commission, M. Esin said that Turkey considered it appropriate for the U.N. to investigate developments in Syria; in addition, it would be "natural for the free world to ask the Soviet Union why such huge forces are kept under arms at the frontiers of the free countries."

Mr. Cabot Lodge (U.S.A.) strongly supported King Saud's offer of mediation, declaring that there were only two facts in the situation which should move the Assembly to take action—King Saud's offer and its acceptance by Turkey, "acts of good faith which should be matched by Syria." After refuting the Soviet and Syrian allegations as completely untrue and unfounded, Mr. Cabot Lodge warned the Soviet Union—"merely for the record"—that "the heart of the North Atlantic Treaty is the statement that an attack on one is an attack on all; in other words, we stay where we are unless we are attacked." He added: "The North Atlantic Treaty was only evolved after the Soviet Union had gobbled up Lithuania, Latvia, Estonia, Poland, Czechoslovakia, Hungary, Bulgaria, Rumania and Albania . . . While we were working for peace last year, the Soviet Union was butchering Hungary. Is it any wonder that people all over the world are today asking themselves: 'Last year it was Hungary; is it Syria this year? . . .'"

After further debate—in which Egypt alone among the Arab countries expressed full support for Syria—the Paraguayan delegate moved that the discussion be suspended pending the outcome of mediation efforts, and that the Assembly should reconvene to discuss the matter when called upon to do so by Sir Leslie Munro. Dr. Zeineddine thereupon moved the immediate adjournment of the Assembly (which would have prevented it from voting on the Paraguayan proposal). After this had been defeated by 36 votes to 30, Dr. Zeineddine moved—as an amendment to the Paraguayan resolution—that the Assembly should adjourn for three days before resuming its discussion of the Syrian complaint. This was agreed to by a majority of only one vote (33 to 32, with 15 abstentions), and the debate was accordingly suspended until Oct. 25. Delegates of more than 30 countries spoke between the latter date and Oct. 30, the principal speeches being those of Mr. Cabot Lodge (U.S.A.), Commander Allan Noble (U.K.) and M. Selim Sarper (Turkey).

Mr. Cabot Lodge denounced M. Gromyko's speech as "calumnious, provocative, and contrary to the ideals of peaceful settlement, truth and integrity to which this Assembly is dedicated." After saying that the Assembly had witnessed an attempt by the Soviet Union "to bully the world into submission," he declared: "Here is a Government [the U.S.S.R.] which has been condemned by the United Nations three times in the past year for its actions in Hungary; which has violated the expressed wishes of the U.N. more than 30 times in the past eight years; which has abused its veto power 82 times . . . Here is a Government operating on the maxim 'claim everything; concede nothing; and if defeated, allege fraud.' Here is the chronic law-breaker trying to sit in the judge's seat and sentence the whole law-abiding community to gaol. Here is the arsonist trying his best to start another fire and demanding the right to lead the fire brigade . . ."

Mr. Lodge warned the U.S.S.R. that "the United States will not be stopped by threats or by defamation from continuing to offer its understanding and support to those nations of the Middle East which are being threatened by the Soviet Union and whose independence the Soviet Union seeks to destroy."

Commander Noble said that the Syrian charges against Turkey clearly formed part of a "concerted campaign" with its "origin and inspiration" in Moscow. "The only recent parallel," he declared, "is the attempt to persuade the world that the events in Hungary a year ago were the result of a plot inspired by the United States. It is not a coincidence that the authors of that discredited piece of horror fiction are the same as those who now try to persuade us that a similar plot has been laid against Syria."

After saying that the Soviet Union had three targets for its propaganda campaign, Commander Noble continued: "The first target is Turkey, and the two defensive alliances of which she is a member: the Atlantic Alliance and the Baghdad Pact. It is precisely because Turkey is a link between these two alliances that she was singled out for this propaganda assault on the eve of her general election, and that an attempt is being made to persuade the Assembly that she is planning aggression . . . The second target of the Soviet campaign must surely be the Arab world . . . If Arabs could really be brought to believe that Syria was menaced by invasion from Turkey and had been saved from this menace by Soviet intervention, great benefits would accrue to the Soviet Union and the position of the Arab friends of Turkey and the Western world would be gravely shaken . . . The third target at which the Soviet Union is aiming is evidently this Assembly itself. With supreme cynicism the Soviet Government has used the Assembly to secure maximum publicity for its propaganda campaign, and has tried to stampede the Assembly into taking hasty action which it would then represent elsewhere as giving support to its accusations against Turkey and the United States."

Commander Noble called on the Assembly not to be unduly disturbed by "this Soviet hullabaloo," declaring that the U.S.S.R. was "trying to create a war scare and hoping to attain its ends by every mischievous and dangerous means short of war."

M. Selim Sarper recalled that the "fantastic" Soviet and Syrian accusations had been repeatedly denied by Turkey, which "values the independence, sovereignty and territorial integrity of Syria and can never entertain aggressive designs against any of its neighbours." After pointing to Turkey's unblemished record in the United Nations, and asking "whether the record of her accusers is as good," he continued:

"When an offer was made by King Saud to mediate between Turkey and Syria, the Turkish Government . . . promptly accepted it. Although the President of the Syrian Republic also accepted the mediation offer, the present régime in Syria has declared its opposition to any acceptance and has done all in its power to obstruct this benevolent offer.

"References have been made to the disposition of Turkish defence forces within the frontiers of Turkey. When violent threats are being hurled against a country, coupled with a campaign of false accusations, when a complete co-ordination of policies and actions is clearly witnessed between the northern and southern neighbours of that country, is it too much to expect precaution and defensive vigilance on the part of the country concerned? Turkey has lately been in such a position. The most fantastic accusations and the most violent threats have been hurled against us in a co-ordinated manner from the north and the south of our country. Is there any Government that would not feel anxious in such circumstances?

"We have repeatedly stated that Turkey has never placed any forces on any of its frontiers which go beyond the needs of defensive precautions. On the other hand, we are still waiting for a convincing answer from the Syrian Foreign Minister as to why a country like

his own, which has no navy and no submarines, should be building a naval base and a submarine base. We have also asked some other questions which have remained unanswered. There are many more that we could ask . . .

" The charges brought against Turkey and the United States are unfounded and inconceivable . . . The Foreign Ministers of Syria and the Soviet Union use these allegations to threaten and intimidate my country . . . . Not only does he [Mr. Gromyko] dwell upon and elaborate these fictitious accusations, but he uses the most vehement language against NATO, the Baghdad Pact, and other similar organizations created by the free and peace-loving countries of the world for defensive purposes. Mr. Gromyko should know by now that peace-loving countries cannot and will not be intimidated to dissolve their defensive organizations, in which they see their only guarantee for survival."

Two resolutions were presented to the Assembly on Oct. 30 : (1) a Syrian resolution asking the Assembly to appoint a fact-finding commission to " investigate the situation in the area of the Syrian-Turkish border " ; and (2) a seven-nation resolution (sponsored by Canada, Denmark, Japan, Norway, Paraguay, Peru and Spain) requesting the U.N. Secretary-General to promote a settlement through discussions with Syrian and Turkish representatives.

The Syrian resolution proposed (*a*) that the Assembly should set up a fact-finding commission of seven members, of whom two would be designated by Syria, two by Turkey, and three by common agreement between the two countries ; (*b*) that this commission should visit the Syrian-Turkish border area immediately ; and (*c*) that it should submit a report to the Assembly and the Security Council within two weeks from the date of adoption of the resolution.

The seven-nation resolution stated that Dr. Hammarskjöld's discussions with Syrian and Turkish representatives would be " without prejudice to efforts being made under Article 33 " of the U.N. Charter. [This article provides that parties to a dispute shall first of all seek a solution through peaceful means of their own choosing.] It expressed confidence in the successful outcome of Dr. Hammarskjöld's efforts to bring about a settlement.

After the resolutions had been tabled, Dr. Sastroamidjojo (Indonesia) appealed to the sponsors of both resolutions not to press them to a vote ; urging Syria and Turkey to " live together in friendship and seek conciliation," he pointed out that the principle contained in Article 33 of the Charter was also one of the principles proclaimed at the Bandung conference of Afro-Asian countries, to which both Syria and Turkey had subscribed.

On behalf of the sponsors of the seven-nation resolution, Mr. Hans Engen (Norway) said that they would accept the Indonesian suggestion if Syria agreed not to press for a formal vote on her own resolution. M. Salah Bitar, for Syria, stated that his Government would " heed the appeal of an Asian sister-State " and would not ask for a vote on its resolution ; he went on to express the hope that Turkey would take " all necessary steps to end the tension resulting from the concentration of Turkish troops near the Syrian border," since this would " greatly improve relations between the two States." M. Sarper, for Turkey, thanked Dr. Sastroamidjojo for his " wise suggestion," and said that the Assembly's debate would have served a useful purpose if it had focussed world opinion " on the reasons which have brought about the situation now prevailing."

In adjourning the debate, Sir Leslie Munro expressed his conviction that the Assembly would regard the attitude now taken by Syria and Turkey as " a satisfactory outcome of the debate."

Mr. Cabot Lodge, speaking before the adjournment, welcomed the decision not to set up an investigation committee " which would have dignified an artificial concoction and war scare drummed up by the Soviet Union " ; he added that the debate had " shown clearly the spurious nature of the Soviet concoction, which was in effect admitted by M. Khrushchev himself " at a Turkish Embassy party in Moscow [see below]. Mr. Lodge said that the Assembly's decision not to vote on either resolution had established " for the first time the precedent that Assembly consideration of an important matter can be completed without even getting to a resolution "—a precedent which was " of great importance for the future."

Commander Noble also referred to M. Khrushchev's remarks at the Turkish Embassy reception, saying that they were " truly significant " and seemed to indicate that the Soviet Government were in fact of the opinion that there had never been any danger of war on the Turkish-Syrian border.

M. Khrushchev's remarks, to which Mr. Cabot Lodge and Commander Noble referred, were made on Oct. 29 at a reception held at the Turkish Embassy in Moscow in celebration of the Turkish National Day.

In view of the intense Soviet propaganda campaign which had been directed against Turkey in the preceding weeks, Western correspondents in Moscow said that the diplomatic corps in the Soviet capital were " astounded " when M. Khrushchev, accompanied by Marshal Bulganin and M. Mikoyan, arrived at the Embassy " with beaming faces " to attend the reception. M. Khrushchev and the other Soviet leaders displayed the greatest cordiality towards the Turkish, American, British and other Western ambassadors, a toast being proposed by M. Khrushchev to the assembled company in the words : " To peace ! To peace ! Let him be damned who wants war ! Let him fight alone ! But why talk about war anyway —there will be no war." Asked about the talk of war over Syria, M. Khrushchev replied : " The more talk there is of war, the less likely war becomes "

Commenting that " the great war scare has died down," the United Nations Correspondent of *The Times* wrote from New York (Nov. 1) : " Syria, who has cried ' wolf ' several times in recent years, first against Israel and more recently against Turkey and the whole NATO alliance, must realize that the great majority of the 82 member nations are disinclined to believe her version of affairs."

Syrian-Soviet and Syrian-Egyptian Relations.

Further developments in the relations between Syria on the one hand and the U.S.S.R. and Egypt on the other are summarized below, in continuation of report 15811 A :

Syrian-Egyptian Federal Union. Unanimous approval for a Federal Union between the two countries was given in Damascus on Nov. 18 at a joint parliamentary session in which 35 members of the Egyptian Parliament sat with the Syrian Chamber of Deputies. The Speakers of the Egyptian and Syrian Parliaments took the chair in turn during the joint session, from which the Syrian Opposition deputies absented themselves. An identical resolution was approved on the same day by the Egyptian National Assembly in Cairo.

Ratification of Syro-Soviet Agreements. Ratification instruments of the Syro-Soviet economic and technical co-operation agreements were exchanged in Moscow on Dec. 11 between the Soviet Government and a Syrian delegation headed by M. Khaled el-Azem, who had negotiated the agreements with the U.S.S.R. earlier in the year. The agreements had previously been ratified by the Syrian Parliament and the Supreme Soviet of the U.S.S.R. M. el-Azem had discussions with Marshal Bulganin, M. Mikoyan, M. Gromyko, Marshal Malinovsky, and other Soviet leaders before returning to Damascus.

M. Khaled el-Azem had been appointed Finance Minister in the Syrian Government on Nov. 18, concurrently with the post of Minister of Defence which he already held. Before leaving for Moscow to ratify the Syro-Soviet agreements, he was also given the status of Deputy Prime Minister by presidential decree.

The Bulganin-Menderes Correspondence.

Following the Turkish Prime Minister's reply to Marshal Bulganin's letter of Sept. 10 (see 15811 A), the Soviet Prime Minister sent a second letter to M. Menderes on Nov. 22.

The letter was largely a recapitulation of the Soviet viewpoint as previously expressed by Marshal Bulganin, containing allegations against Turkish and U.S. policy similar to those in the first letter. Though worded on the whole in moderate terms, it said that the Turkish Government should " realize that the continuation of the dangerous tension in this area, and the obvious desire to bring more pressure on Syria, may compel the countries interested in ensuring a lasting peace in the Middle East to take measures for the effective maintenance of peace and tranquillity in this area."

After an assurance that the Soviet Union had " no territorial or other claims on Turkey," and that Soviet policy was " based entirely on the Leninist principles of full respect for the territorial integrity, sovereignty and independence of the Turkish State," Marshal Bulganin reiterated his Government's wish for friendship and improved relations between the two countries. He added in this connexion : " For all its well-known and sharp opposition to the North Atlantic bloc and the Baghdad Pact, the Soviet Government believes that Turkey's membership of these military groupings is not in itself an insuperable obstacle to improving present Soviet-Turkish relations."

Détente in Syrian-Turkish Relations.

Although the allegations of Turkish " troop concentrations " were repeated from time to time in Damascus during the last week of October, a Syrian Foreign Ministry spokesman said on Oct. 30 that the tension on the border had " eased." On the following day Syrian and Turkish officials met on the frontier—for the first time since the crisis broke out in the autumn—to examine the local situation and settle complaints arising out of minor incidents.

Despite a Damascus statement of Oct. 26 claiming that King Saud had withdrawn his offer of mediation, the Saudi Arabian Government said on Oct. 28 that the King's " position on the subject of mediation has not changed and still stands as accepted by both parties—Syria and Turkey."—(U.N. Information Centre, London - Le Monde, Paris - New York Times - Turkish Embassy Press Office, London - Soviet Embassy Press Dept., London - Times - Daily Telegraph - Manchester Guardian

(Prev. rep. 15811 A.)

A. KASHMIR. — Security Council Debate on Jarring Report. - Dr. Graham to discuss with India and Pakistan Measures for Peaceful Settlement and Implementation of 1948 and 1949 Resolutions.

Mr. Ghulam Ahmed, the Pakistani delegate at the U.N., requested the president of the Security Council on Aug. 21 to convene a meeting of the Council to consider Mr. Jarring's report on the Kashmir question. The Council accordingly resumed its consideration of this question on Sept. 24, when the Foreign Minister of Pakistan (Mr. Firoz Khan Noon) again put forward his Government's proposals for demilitarization and the stationing of a U.N. force in Kashmir.

Mr. Jarring (Sweden) said in a brief statement that he did not consider it necessary for him to give an oral presentation of his report, which had been at the Council's disposal since the end of April. With the submission of the report, he considered that his duties under the Council's resolution [asking him to undertake the mission] had been terminated.

Mr. Noon said that perhaps the most gratifying part of Mr. Jarring's report was the reaffirmation that both India and Pakistan were committed to the resolutions of the U.N. Commission for India and Pakistan (U.N.C.I.P.) of Aug. 13, 1948, and Jan. 5, 1949 [see 9661 A, 9757 A]. Commenting on Mr. Jarring's statement that his suggestions for mitigating difficulties in the way of a plebiscite had not proved "mutually acceptable," Mr. Noon said that there was nothing in his suggestions which Pakistan had not accepted, and it could therefore be concluded that they had been unacceptable to India. No change of any kind which rendered the holding of a plebiscite impracticable had taken place in Kashmir; the basic factors were the same as nine years ago, and any changes that had taken place in "occupied Kashmir" had been brought about by India in defiance of the Security Council's directives. India's contention that a plebiscite would lead to communal conflict was "a threat of genocide" and "political blackmail."

India's allegation of aggression by Pakistan (Mr. Noon went on) had been dismissed by Mr. Jarring as irrelevant to his task, and neither the U.N.C.I.P. nor any U.N. mediator had called Pakistan an aggressor. The other Indian allegation—that Part I of the resolution of Aug. 13, 1948, had not been implemented by Pakistan—was now put forward for the first time, with the obvious aim of obstructing progress on demilitarization. The suggestion that Pakistan's acceptance of U.S. military aid was a violation of this resolution was "absurd," as the resolution merely prohibited augmentation of the two Governments' forces in Kashmir, and had never contemplated that they should "take no step whatever to improve their defence positions otherwise." Pakistan, he pointed out, had accepted Mr. Jarring's suggestion that the question of whether Part I of the 1948 resolution had been implemented should be referred to arbitration, whereas India had not.

Mr. Noon proposed that all troops, Indian and Pakistani, should be withdrawn from the cease-fire line, and a U.N. force stationed along it. Alternatively, Pakistan was "prepared to remove immediately every Pakistani soldier on the Pakistani side of the cease-fire line," provided that a U.N. force in sufficient strength were stationed along it, and provided that India reduced her troops to the level prescribed by the Security Council in 1952.

Mr. Krishna Menon (the Indian Defence Minister), speaking in the resumed debate on Oct. 9, reaffirmed the Indian view that the basic issue was India's complaint of aggression against Pakistan. He also accused the Pakistani Government of violating the U.N.C.I.P. resolution by promoting a "campaign of sabotage" which, he alleged, had been in progress in Kashmir since June.

Mr. Menon agreed that the Indian Government stood committed to the two U.N C.I.P. resolutions, but maintained that there was a commitment which must be met initially by Pakistan. Although, under Part I of the 1948 resolution, India and Pakistan had agreed not to augment their military potential in Kashmir, and to create and maintain "an atmosphere favourable to the promotion of further negotiations," Pakistan had carried on since 1949 "a continuous campaign of holy war (*jihad*) and hatred propaganda." India had rejected Mr. Jarring's proposal of arbitration on the demilitarization issue because "you don't arbitrate on the obvious," and also because in international law only juridical issues, and not issues affecting a State's "vital interests," were subject to arbitration.

Mr. Menon alleged that in the Pakistani-held areas of Kashmir there was "a vast number" of troops, airfields, and all the accoutrements of war, constituting a threat on India's frontiers. Whilst accepting the U.S. Government's assurance that American military aid to Pakistan was not for use against India, he noted statements by Pakistani leaders and officials of the Baghdad Pact and SEATO countries to support his contention that these alliances were being used by Pakistan to oppose India on the Kashmir question. Mr. Menon alleged that since the Council's last meeting on Kashmir, the strength of the Northern Scouts (a para-military force in Pakistani-held Kashmir) had been doubled or trebled; that this force had been issued with heavier weapons, including mortars; and that one platoon in each "Azad Kashmir" battalion had been trained in guerrilla warfare.

The "most sinister" development, however (Mr. Menon continued) was that "a new wave of aggression" had been launched. A "Kashmir Liberation Front" had been formed by Major-General Akbar Khan [see 15677 A], and between June 18 and Oct. 5 there had been 23 bomb explosions in Kashmir. He alleged that Pakistani Army sources were behind this "sabotage," as the explosives could only have come from Army stocks. Moreover, some captured agents had confessed that they had been trained by Pakistani officers.

Rejecting Mr. Noon's proposal for a U.N. force, Mr. Menon said that India would under no circumstances permit "occupation of any part of Indian soil by foreign troops," and would regard an offer by any nation to participate in such "occupation" as "an unfriendly act." After maintaining that Pakistani troops on the cease-fire line were on Indian territory, Mr. Menon said that what was required was not the occupation of the line by a U.N. force but "the vacation of aggression." Pakistan should disband and disarm the "Azad Kashmir" forces, recognize the State Government of Kashmir, give assurances that she would not permit the passage of irregulars across her territory, and end the "campaign of sabotage, infiltration, and murder," whilst her allies should give assurances that any military aid to Pakistan would not be used in or against India's territory. In return, India would be ready to establish friendly relations with Pakistan and settle all outstanding issues.

Mr. Firoz Khan Noon, replying to the points raised by Mr. Menon, emphasized that any argument as to which party had started "aggression" was "hardly relevant at this stage" and would not conduce to a peaceful settlement. The object of the U.N.C.I.P. resolutions, he emphasized, was the demilitarization of Kashmir, to be followed by a plebiscite under U.N. auspices. Pakistan had accepted 12 proposals to achieve this object, including Mr. Jarring's, each of which India had rejected. Mr. Noon claimed that the Pakistani regular forces and the "Azad Kashmir" forces in Kashmir were far less in number than they were on Jan. 1, 1949, denied that the Pakistani Government knew anything of the bomb explosions mentioned by Mr. Menon; and asserted that these explosions were either "manifestations of the increasing restlessness of a subjugated people" or a "smoke-screen from behind which India is enabled to make further charges against Pakistan." He recalled that Major-General Akbar Khan had been convicted of conspiring to overthrow the Government of Pakistan.

When the Security Council resumed the discussion on Oct. 25, Oct. 29 and Nov. 5, a proposal that Dr. Frank P. Graham (the U.N. Representative for India and Pakistan) should enter into consultations with the two Governments in an attempt to achieve a settlement was put forward by the British representative, Sir Pierson Dixon. It was supported by the U.S.A., Australia, the Philippines, and France.

Sir Pierson Dixon pointed out that neither the United Kingdom nor the Security Council had felt able to pronounce on India's contention that Pakistan was the aggressor in Kashmir; in consequence, they were unable to accept many of the deductions drawn from that contention, however logically they might seem to ensue if the major premise were accepted. The Council had taken the right approach in directing efforts towards progress in demilitarization; and if a U.N. representative could begin conversations with the two parties, and if they entered upon them with the determination to make an advance, progress would be possible. Recalling Dr. Graham's attempts in 1952 to facilitate demilitarization, Sir Pierson suggested that he "could again play a useful rôle in this." **Mr. Wadsworth** (U.S.A.), **Dr. Walker** (Australia), **General Romulo** (Philippines), and **M. Georges-Picot** (France) supported this suggestion, whilst **Dr. Tsiang** (Nationalist China) and **Dr. Nuñez-Portuondo** (Cuba) supported Pakistan's proposal for the despatch of a U.N. force to Kashmir.

Mr. Jarring said that he would be interested to learn the parties' reaction to the Swedish Government's suggestion that certain legal aspects of the dispute might be referred to the International Court of Justice for an advisory opinion. He added that Sweden would not oppose the suggestion that Dr. Graham should resume his conversations with the parties if it met with general support.

M. Sobolev (Soviet Union) said that Mr. Jarring's report reflected the fact that fundamental changes had taken place in the 10 years which had elapsed since the Kashmir question was first put on the Security Council's agenda. In view of these changes, it would be unrealistic to be guided by recommendations and proposals made several years ago. He contended that India had granted the people of Kashmir the right of self-determination through elections, and that the Kashmiris had thereby definitely decided their future. M. Sobolev denounced all proposals for an international force, or for the settlement of the question through mediators, as an attempt by the Western Powers to exercise pressure on India in order to bring about a change in her foreign policy.

Mr. Menon replied at length to the discussion on Nov. 5 and 11; on the latter date he collapsed from exhaustion after speaking for many hours, and was obliged to postpone the conclusion of his speech until Nov. 13.

Referring to Sir Pierson Dixon's statement that the Security Council had felt unable to pronounce on India's "major premise" that Pakistan was the aggressor in Kashmir, Mr. Menon said: "We regard this major premise as not only true but as basic and fundamental . . . It is quite true that they [Pakistan] have not been branded as agressors. Perhaps it is our fault; we did not ask for it at that time. We said that we did not want any name-calling—that we wanted them to call off the aggression. That is all we ask today. Therefore it is not our position that aggression has to be proved. It is our position that the resolutions by which we are engaged are built upon the basis that India has made a complaint of violation of her territory . . . If the representative of the U.K. does not accept that major premise, I am afraid that he is straying from the principles of the Charter."

In support of his allegation that the Baghdad Pact was being used against India, Mr. Menon quoted an *aide-mémoire* submitted by the Iraqi Ambassador in Delhi on June 26, 1956, which stated that the Kashmir question affected the security of the area, and that Iraq, as a member of the Baghdad Pact, "feels that it cannot but be interested in anything that upsets the security of this area." The Turkish Government had submitted a simular Note on May 4, 1956 declaring that "since the Kashmir problem is creating unrest in the Middle East it concerns the Baghdad Pact, which was set up for the defence of that area." Mr. Menon added: "If this is not a military pronouncement, what else is it? I should like to ask both the representative of the U.S.A. and the representative of the U.K. whether this last statement is correct in regard to all members of the Pact . . . Do they subscribe to this statement because it is spoken on behalf of the members of the Baghdad Pact?"

In reply to Hr. Jarring's suggestion that certain legal aspects should be referred to the International Court, Mr. Menon said that if Hr. Jarring meant the question of accession, "that was a part of the law with which Pakistan, the United Kingdom, and India were familiar." Whilst the Indian Government did not reject the idea of appealing to the Court, certain conditions must be satisfied—i.e. assurances must be given that Pakistan would abide by the advisory opinion of the Court, and the former Foreign Minister of Pakistan [Sir Muhammad Zafrulla Khan, now a judge of the International Court] must disqualify himself. On the question of demilitarization, Mr. Menon contended that this referred only to Pakistan, which had "placed troops within India's borders"; India herself was allowed to maintain as many troops as she could or could not afford on her own territory, since no State could be called upon unilaterally to disarm.

Hr. Jarring said on Nov. 13 that his Government had in mind two questions on which the International Court might be asked to give an opinion. These were (1) whether Kashmir's accession to India in 1947 was legally valid; and (2) if a plebiscite were needed to confirm the accession, to what extent India and Pakistan had "assumed precise obligations" regarding the manner in which it should be arranged and the pre-requisites for holding it.

Mr. Noon, replying to Mr. Menon on Nov. 15, declared that "the real reason for the endless repetition by India of baseless charges against Pakistan in regard to her defensive alliances" was "the failure of Indian diplomacy to bring about the political and military isolation of Pakistan." Mr. Menon, he said, had "tried to make moral and political capital out of the fact that India came as a complainant to the Security Council against Pakistan," and his intervention constituted "a major attempt to confuse the issues" and "to confound world opinion." If, however, the Council considered it necessary to go into the question of aggression, Pakistan would insist that "all the transactions in connexion with the accession of Indian States pending before the Security Council, and not only the one single case of Kashmir, must be investigated and pronounced upon."

As regards Hr. Jarring's proposal, Mr. Noon said that the issues involved in the Kashmir dispute were of a political rather than a juridical nature. Any reference to the International Court would merely delay a settlement and might thereby endanger peace, whilst there appeared to be no guarantee that the Court's opinion would be accepted or enforced. He had no doubt, however, that his Government would give due consideration to the suggestion at the appropriate time. He welcomed the idea that Dr. Graham should again visit the Indian sub-continent.

A resolution was submitted to the Security Council on Nov. 16 by the United Kingdom, the U.S.A., Australia, the Philippines, and Cuba authorizing Dr. Graham to visit the sub-continent in order to make recommendations to the two parties, and to work out with them within three months "an early agreement on demilitarization procedures." Dr. Graham was asked to concentrate his efforts on the implementation of the resolution of Aug. 13, 1948, and, in particular, to attempt to reach agreement on "a reduction of forces on each side of the cease-fire line to a specific number, arrived at on the basis of the relevant Security Council resolutions," and having regard to the recommendations contained in his own report of March 1953 [see 12989 A]. The draft resolution also pointed out that both India and Pakistan "recognize and accept" their commitments under the 1948 and 1949 resolutions, which envisaged the holding of a plebiscite in Kashmir. Finally, it called upon the two Governments to co-operate with Dr. Graham.

Before the formal introduction of the draft resolution on Nov. 18, **Mr. Menon** (who had left his sick-bed to take part in the debate) declared that India was totally opposed to it because "it goes against the Charter," and would not honour it if it were approved. The United Kingdom, he alleged, was mainly responsible for the resolution, and had shown a "totally partisan attitude" over the Kashmir issue because she had not forgiven India for her attitude at the time of the Suez crisis. **Dr. Jawad** (Iraq), who was in the chair, ruled Mr. Menon out of order on the ground that the resolution had not yet been officially introduced. Mr. Menon subsequently asked that any words to which Sir Pierson Dixon might have taken objection should be expunged from the Council's records.

Mr. Wadsworth (U.S.A.), who introduced the resolution, said that its sponsors felt that agreement on a reduction of forces on both sides of the cease-fire line would help to reduce tension and promote an atmosphere more conducive to a settlement. **Sir Pierson Dixon** described the resolution as "an attempt to bridge the opposing views of the two Governments in this matter of demilitarization"; he stressed that references in it to earlier decisions or recommendations constituted no attempt "to give some special authority to a previous series of suggestions which have proved unacceptable." **Dr. Walker, General Romulo,** and **Dr. Jawad** also spoke in support of the resolution

Mr. Noon stated on Nov. 20 that Pakistan had "serious objections" to some aspects of the resolution - in particular, to the fact that the subjects proposed for negotiation included the cease-fire provisions of the 1948 resolution, which Pakistan maintained had been fully implemented. His Government would nevertheless offer its fullest co-operation to Dr. Graham.

Mr. Menon, speaking on Nov. 21, recalled that Hr. Jarring's report had stated that the deadlock was over Part I of the 1948 resolution; he (Mr. Menon) maintained, however, that the draft resolution simply referred to the implementation of Part II. In calling upon the two Governments to "formulate an early agreement on demilitarization procedures," the resolution had completely forgotten the implementation of the cease-fire provisions. India was prepared to honour her engagements the moment Pakistan carried out Part I and removed her troops from Kashmir.

M. Sobolev announced that the Soviet Union would veto the resolution, which, he asserted, merely repeated proposals that experience had proved to be fruitless. The fact that no satisfactory solution had yet been found was "primarily due to the Western Powers' attempts to use the Kashmir question in order to carry out their own political plans and to impose an unacceptable decision on one of the parties." Hr. Jarring had come to the conclusion that implementation of the U.N.C.I.P. resolutions had been blocked by the *impasse* in connexion with the carrying-out of Part I of the 1948 resolution, and (M. Sobolev alleged) it was evident that the *impasse* arose from Pakistan's non-compliance with her obligations. The draft resolution served the interests of only one party, Pakistan, and attempted to impose unacceptable conditions on India; hence it was at variance with the provisions of the U.N. Charter, which excluded the possibility of imposing any decision on a member-State. As its adoption would only further complicate an already complicated problem, the U.S.S.R. would vote against it.

After M. Sobolev's statement, Dr. Jawad adjourned the meeting *sine die* to give the Security Council more time to consider the position. On Nov. 28, Hr. Jarring submitted a number of amendments which avoided the use of the word "demilitarization." In this amended form the resolution (*a*) proposed that the Indian and Pakistani Governments should refrain from any statements or actions which could serve to worsen the situation, and should call upon their peoples to help create and maintain an atmosphere conducive to further negotiations; and (*b*) directed Dr. Graham to make every possible recommendation to India and Pakistan for furthering a peaceful settlement and the implementation of the resolutions of Aug. 13, 1948, and Jan. 5, 1949. In this form the resolution was adopted on Dec. 2 by 10 votes to nil, the Soviet Union abstaining.

Before the vote **M. Sobolev** expressed the opinion that the best way of settling the question would be by direct talks between India and Pakistan. The Soviet Union, he stated, could not support the resolution because it retained in the preamble a reference to the importance of demilitarization as one of the steps towards a settlement. It also ignored the main causes of tension, which were "U.S. arms deliveries to Pakistan and the construction of U.S. bases," whilst concentrating on the "secondary" issue of reducing the numerical strength on either side of the cease-fire line.

Mr. Noon stated after the vote that his Government would offer Dr. Graham its fullest co-operation. Mr. Menon said that although the Indian Government did not accept the resolution, it would make no objection to Dr. Graham's visit; he added that "as a person, Dr. Graham is always welcome in India."

The Prime Minister of India, Mr. Nehru, said on Nov. 28 that while Dr. Graham was welcome to visit India, the Indian Government was not prepared to enter into discussions with him or anyone else "in continuation of old talks of several years ago about the quantum of forces and various other things like that." Mr. Nehru had previously stated on Nov. 15 that India was "keeping an open mind" on Hr. Jarring's suggestion to refer certain issues to the International Court.

On the other hand, the Prime Minister of Pakistan (Mr. Chundrigar) rejected Hr. Jarring's suggestion on Nov. 15, declaring that the questions of accession and plebiscite had already been decided several years ago under the Security Council's resolutions, and stressing that the accession of the State could be determined only by "free and impartial plebiscite."

Mr. Noon had alleged in the Pakistani National Assembly on Aug. 24 that Soviet planes were known to have landed in Kashmir, and also alleged that a new aerodrome was being built at Leh (capital of the province of Ladakh) which would be on the route between Delhi and Moscow. Mr. Nehru,

speaking in the *Lok Sabha* on Aug. 26, described these allegations as " flights of fancy " and stated that no Soviet or other foreign aircraft had landed in Kashmir since M. Khrushchev and Marshal Bulganin visited Srinagar in 1955. He added that there was only an improvised landing ground at Leh.
(Indian and Pakistani High Commissioners' Offices, London - U.N. Information Centre, London - Times - Manchester Guardian - New York Times) **(Prev. rep. 15525 A.)**

A. UNITED STATES. — Immigration Act.

A Bill implementing the proposals made by President Eisenhower in his State of the Union message for 1957 for changes in U.S. immigration legislation (see 15350 A) was submitted by the Administration to Congress on Jan. 31, 1957, its main provisions being as follows :

(1) Refugees from " Communist persecution and tyranny " would be admitted temporarily into the U.S.A. under conditions to be laid down by the Attorney-General. The number of such " parolees " would not exceed in any one year the average number of aliens who, over the preceding eight years, had entered the U.S.A. under special Acts of Congress outside the basic immigration laws.

(2) Subject to Congressional veto in each individual case, the Attorney-General would have discretionary power to permit " parolees " to remain in the U.S.A. as permanent residents. [In his message to Congress accompanying the Bill, the President explained that while this provision was principally intended to deal with the case of Hungarian refugees, it would also cover the cases of " certain Korean orphans, adopted children, and other aliens " who had been admitted on an emergency basis and whose status remained " indefinite."]

(3) The annual maximum quota of regular immigrants—at present 154,657—would be increased by about 65,000, and national quotas would be calculated on the basis of the 1950 census instead of the census of 1920. [The basic immigration law—the McCarran-Walter Act of 1952 (see 12427 A)—had (i) allotted national immigration quotas in direct relation to the ethnic composition of the U.S.A. as shown by the 1920 census ; (ii) fixed the total annual quota at one-sixth of one per cent of the total white population living in the continental United States in 1920. By the time of the 1950 census, however, both the total population and its ethnic composition had changed considerably.]

(4) Countries—such as Italy and Greece—which had large waiting lists for immigration places should be entitled to make use of places habitually left unused by other countries, such as Great Britain and the Irish Republic. The unused places should be distributed among the countries requiring them in relation to the ethnic composition of actual immigration into the U.S.A. over the period 1924-1955.

(5) Places unused in one year should not lapse (as under existing law) but should remain available for use in the following year, when they would be pooled and distributed on a " first-come, first-served basis," without regard to the applicant's country of origin. Such places, however, would be restricted to aliens qualifying for preferential treatment under existing law—i.e. those with needed skills or with close relatives already in the United States.

(6) The so-called " mortgages " on quotas should be eliminated. [In the immediate post-war period about 400,000 displaced persons had been admitted permanently into the U.S.A. on an emergency basis. Such admissions, however, were charged against future quotas, so that in some cases quotas had been partially " mortgaged " far into the future—e.g. half the Greek quota was " mortgaged " until the year 2018.]

(7) Orphans adopted or to be adopted by American citizens should be treated as a special category and admitted without reference to the quota system.

(8) The Attorney-General could authorize admission outside the quota system for the following three categories : (i) persons having close relatives in the United States ; (ii) " veterans " (i.e. ex-servicemen) ; and (iii) officials of religious organizations. [The President explained that in recent years private immigration Bills covering individual cases—mainly in the above categories—had amounted to more than one-third of all Congressional enactments. By the new proposal it was hoped to remove this " unnecessary burden " on Congress and the President.]

(9) Aliens on temporary visits to the U.S.A. would no longer need to be finger-printed on entry.

(10) Inspection procedures as regards aliens merely in transit through the U.S.A., or entering the U.S.A. from Alaska or Hawaii, should be considerably relaxed.

(11) Arrangements should be made to regularize the position of the large number of refugees who, in the immediate post-war period, had given false information in visa applications so as to avoid repatriation to Communist countries.

(12) The judicial procedures whereby aliens might appeal against deportation orders should be limited and more carefully defined. [The President explained that these procedures had been gravely abused by criminals, drug traffickers, subversives, etc.]

Congressional action on the Administration's proposals was delayed for many months. In the case of the Senate, this was due to the fact that its Judiciary Committee was almost exclusively preoccupied with the Civil Rights legislation (see 15909 A). In the House of Representatives, the Bill was held up in the Immigration Sub-committee of the Judiciary Committee, whose chairman (Representative Walter, co-author of the McCarran-Walter Act) was one of the leading opponents of the new legislative proposals.

On Aug. 20, however, the Senate Judiciary Committee approved a Bill considerably narrower in scope and omitting most of the proposals to which the President had attached the greatest importance. Its main provisions were :

(1) 18,656 visas left unused when the Refugee Relief Act [see 13152 A] expired at the end of 1956 should be revalidated for use by refugees whose relatives had been admitted to the U.S.A., but who were themselves still waiting for places under the quota system.

(2) The system of " mortgages " should be abolished and the countries concerned should start from scratch with their full annual quotas. It was estimated that this provision would enable about 8,200 immigrants to be admitted annually for an indefinite number of years.

(3) No action should be taken against persons who had given false information on entry into the U.S.A. so as to avoid deportation to Communist countries. It was estimated that about 15,000 persons fell into this category.

(4) Alien orphans up to 14 years of age, including those adopted or to be adopted by American citizens, should be admitted in unlimited numbers for a period of two years. In addition, the existing requirement whereby two years' residence was necessary before they could become U.S. citizens should be waived.

(5) Persons with needed skills should be admitted on a non-quota basis. It was estimated that some 27,000 people would be admitted within a short period under this provision.

(6) Foreign diplomatists who had broken with their own governments should be granted the status of permanent residents. This category, however, would be limited to 50 a year and each case would be subject to Congressional veto.

(7) The existing requirement of finger-printing for alien visitors should be waived for nationals of countries which did not fingerprint American visitors [see 15809 C.].

(8) Existing barriers to the admission of the illegitimate children or stepchildren of American parents should be abolished.

(9) The prohibition of the admission of tubercular relatives of U.S. citizens should likewise be ended.

In this form the Bill was approved by the Senate on Aug. 21 (by 65 votes to 4) and by the House of Representatives on Aug. 28 (by 293 votes to 58). It was signed by President Eisenhower on Sept. 11.

In a message accompanying his signature, the President described the Bill as " a disappointment in that it fails to deal with many serious inequities." He said that it was " particularly regrettable " that the question of " the thousands of brave and worthy Hungarian refugees " in the U.S.A. had been ignored, but expressed the hope that the full range of his earlier recommendations would be " promptly considered " by the next session of the 85th Congress.

The State Department announced on Sept. 12 that Mr. Robert C. McCollum had been appointed co-ordinator of the additional immigration programme deriving from the new Act.
(New York Times - New York Herald Tribune)
(Prev. rep. Immigration, 15809 C ; 13922 A ; 12761 A ; McCarran-Walter Act, 12427 A.)

B. UNITED NATIONS. — International Atomic Energy Agency. - Appointment of Deputy Directors-General.

The Director-General of the International Atomic Energy Agency (Mr. W. Sterling Cole) announced on Dec. 21 that four Deputy Directors-General had been appointed to supervise the principal activities of the Agency : Dr. Paul Jolles (Switzerland) to be in charge of administration, secretarial affairs, and external relations ; Professor V. V. Migulin, professor of physics at Moscow University, to be in charge of information and documentation ; M. Hubert de Laboulaye, of the French Atomic Energy Commission, to take charge of technical work ; and Dr. Henry Seligman, of the U.K. Atomic Energy Research Establishment at Harwell, to head the Agency's department of isotopes and research. In addition, Dr. Karl Gruber (Austrian Ambassador in Washington) would act as special adviser in connexion with the establishment of the I.A.E.A. in Vienna.—(U.N. Information Centre, London) **(Prev. rep. 15845 A.)**

C. DENMARK - SOUTH VIETNAM. — Diplomatic Relations established at Legation Level.

It was announced in Copenhagen and Saigon on Dec. 9 that the Danish and South Vietnamese Governments had decided to establish diplomatic relations at legation level, and that Mr. Seidenfaden, the Danish Minister to Siam, would be concurrently accredited in Saigon.—(Berlingske Tidende, Copenhagen - Vietnam Press Office, Saigon)

A. UNITED KINGDOM. — Trade Figures, 1956 and January-September, 1957. - Exports of World Manufactures in 1956. - Comparative British Position.

Monthly trade figures for the first nine months of 1957 were as follows :

	Imports	Exports	Re-Exports	Adverse Balance
		(£ million)		
January ..	376.5	261.0	11.7	103.8
February ..	320.8	278.2	10.9	31.7
March	361.7	296.9	16.4	48.4
April	349.7	272.2	8.6	68.9
May	374.4	302.9	11.8	59.7
June	323.8	275.8	10.1	37.9
July	359.5	281.4	9.4	68.7
August ..	335.7	269.4	10.5	55.7
September ..	308.4	246.3	9.8	52.3

The quarterly figures for the same period in 1957 are shown below :

	Imports	Exports*	Adverse Balance
		(£ million)	
1st quarter	1,059	875	184
2nd quarter	1,048	881	167
3rd quarter	1,004	827	177

*Including Re-exports.

Volume of Trade, January-September, 1957.

Quarterly volume figures are shown below (1954=100) :

	Total Imports	Retained Imports	Total Exports*
1st quarter	117.8	117.2	117.7
2nd quarter	113.5	113.5	118.0
3rd quarter	112.1	112.3	110.2

*Including Re-exports.

Summary—First Half of 1957.

Imports for the first half of 1957 totalled £2,106,900,000, the volume of imports being 2 per cent higher than in the first half of 1956. Exports in the first six months of 1957 amounted to £1,687,700,000, 3 per cent higher in volume than in the corresponding period of 1956. Re-exports amounted to £69,500,000, and the adverse visible balance of £350,400,000 was £36,000,000 more than in the first half of 1956.

Overseas Trade in 1956.

Further details of overseas trade in 1956 (see 15323 B) are given below, the figures for each quarter and for the whole year being as follows :

	Imports	Exports*	Adverse Balance
		(£ million)	
1st quarter	985	816	169
2nd Quarter	992	855	137
3rd Quarter	937	769	168
4th Quarter	976	879	97
Year 1956	3,890	3,319	571

*Including Re-exports.

Divided into the four main categories, value figures of imports and exports in 1956 were as follows :

	Imports	Exports
	(£ million)	
Food, beverages and tobacco ..	1,451	183
Basic materials	1,103	116
Mineral fuels and lubricants ..	414	162
Manufactured goods	906	2,711
Total*	3,874	3,172

*Excluding postal packages, and live animals of a kind not normally used for food.

Volume of Trade in 1956.

Quarterly and annual volume figures are shown below (1954=100) :

	Total Imports	Retained Imports	Total Exports*
1st Quarter	113.2	112.3	112.8
2nd Quarter	113.0	112.3	117.6
3rd Quarter .. .	106.6	106.8	105.5
4th Quarter	109.5	108.4	120.5
Year 1956	110.6	110.0	114.1

* Including Re-exports.

Terms of Trade in 1956.

The terms of trade for 1956 as a whole averaged 99, an improvement on the 1955 figure of 101 (1954=100).

The import price index dropped from 105 (January) to 103 (August) but, because of the effects of the Suez crisis, rose sharply in the last quarter to reach 109 in December. The export price index rose from 104 in January to 108 in December.

Trade Developments in 1956.

Imports. Imports during 1956 were only a fraction of one per cent more than in 1955, partly due to the delay in arrivals owing to the Suez crisis. The demand for imported raw materials levelled out because of the halting of the growth of manufacturing industry output, and imports of timber, non-ferrous metals, and chemicals were all lower than in 1955; the quantity of rubber imports was unchanged despite a big increase in the supplies required for re-export. Higher steel production, however, brought a continued rise in imports of steel-making materials. Imports of coal were halved in quantity, although the reduction was more than matched by a rise of 11 per cent in petroleum imports.

Exports. The value of engineering products exported rose by nearly 14 per cent to £1,270,000,000, the increase being concentrated chiefly on aircraft, ships and boats, and railway vehicles. Exports of metals increased by 11½ per cent to nearly £442,000,000, non-ferrous metals being mainly responsible for the increase (38 per cent). Other important increases were shown by commercial vehicles and chassis (6½ per cent), electrical machinery and apparatus (13 per cent), non-electrical machinery (9½ per cent), and chemicals (5 per cent). Exports of motor cars and chassis fell by 7½ per cent, textiles (including wool tops) by 4 per cent, and coal by 15 per cent.

Area Pattern of Trade in 1956.

There was a marked increase in exports to non-sterling countries, and particularly to the dollar area, greater than in any year since 1950. Details of the geographical distribution of trade are given below :

	1955	1956
	(£ million)	
Imports (c.i.f.) :		
Non-sterling :		
Dollar Area	841	853
O.E.E.C. Countries and Dependencies ..	956	973
Other	516	546
Total Non-Sterling Area	2,313	2,371
Sterling Area	1,570	1,518
Total	3,884	3,889
Total Exports (f.o.b.) :		
Non-sterling :		
Dollar Area	417	542
O.E.E.C. Countries and Dependencies ..	817	909
Other	339	398
Total Non-Sterling Area	1,573	1,849
Sterling Area	1,451	1,469
Total	3,024	3,318
Excess of Imports over Total Exports :		
Non-sterling :		
Dollar Area	424	311
O.E.E.C. Countries and Dependencies ..	139	64
Other	178	148
Total Non-Sterling Area	740	522
Sterling Area	119	49
Total	859	571

Excluding silver bullion repayments to the U.S.A. of £22,400,000, total non-sterling exports rose by 16 per cent to £1,827,000,000, while imports from non-sterling countries, at £2,371,000,000, rose by only 2½ per cent. The adverse trade balance with the non-sterling world fell from £740,000,000 in 1955 to £522,000,000 in 1956, while the deficit with the sterling area declined in the same period from £119,000,000 to £49,000,000. Exports to the rest of the sterling area, amounting to £1,469,000,000, rose much less in 1956 than exports as a whole, being £18,000,000 (or only 1 per cent) higher than in 1955. This was due mainly to stricter import policies adopted by a number of countries in 1955 because of balance-of-payments difficulties. Exports to Australia, New Zealand and South Africa fell by 16, 9 and 8 per cent respectively, but exports to India increased by £38,000,000 as a result of India's industrialization programme.

World manufactures in 1956 amounted to $88,545,000,000, of which the United Kingdom's share amounted to 10 per cent ($7,337,000,000), compared with 19.7 per cent in 1955 and 20.4 per cent in 1954. On the other hand, Western Germany's share rose from 14.8 per cent in 1954 and 15.5 per cent in 1955 to 16.4 per cent in 1956 ($6,320,000,000), and the U.S. share increased from 25 per cent in 1954 and 24.5 per cent in 1955 to 25.3 per cent in 1956 ($9,738,000,000). The share of Belgium-Luxemburg, France, Italy, the Netherlands, Sweden and Switzerland together fell from 28.8 per cent in 1954 and 29.1 per cent in 1955 to 27.8 per cent in 1956 ($10,727,000,000). Canada's share fell from 6.3 per cent in 1954 and 6.1 per cent in 1955 to 5.8 per cent ($2,244,000,000) in 1956, whilst Japan's share rose from 4.6 per cent in 1954 and 5.1 per cent in 1955 to 5.7 per cent ($2,181,000,000) in 1956. (Board of Trade Journal - Times - Financial Times)

(Prev. rep. 15323 B ; 15023 A.)

A. FRANCE - MOROCCO. — Inquiry Commission into Arrest of Algerian Nationalist Leaders. - Resumption of Diplomatic Relations. - Agreement on Administrative and Technical Co-operation. - Cultural and Judicial Conventions. - Incursions into Mauritania by "Liberation Army." - Establishment of Franco-Moroccan Frontier Commission.

Relations between France and Morocco, which had been seriously strained by the arrest of five leaders of the Algerian National Liberation Front (F.L.N.) on Oct. 22, 1956 (see 15329 A), showed a marked improvement during 1957. Negotiations on French technical and administrative assistance to Morocco, which had been suspended by the French Government on Oct. 22, were resumed in Rabat on Dec. 13, 1956, and a series of agreements on questions at issue between the two countries was concluded during 1957. As a condition for the resumption of normal diplomatic relations (which had been interrupted in October 1956 by the resignation of the French Ambassador in Rabat and the recall of the Moroccan Ambassador in Paris) the Moroccan Government insisted, however, that an international commission should inquire into the circumstances of the arrest of the F.L.N. leaders. The French Government agreed to the appointment of such a commission on Jan. 9, 1957.

The membership of the commission was announced on June 26, 1957, as follows: M. René Massigli, formerly secretary-general of the French Foreign Ministry, and onetime Ambassador in London; M. Abdellatif Filali, head of the legal department of the Moroccan Foreign Ministry; Professor de Visscher, professor of international law at the University of Louvain, and a former judge of the International Court of Justice; Professor Ago, of the University of Milan; and M. Mekkaoui, a Lebanese jurist.

Following the commission's first meeting, the appointment of M. Alexandre Parodi (French permanent representative on the North Atlantic Council since 1955) as Ambassador in Rabat was announced on July 23, and that of M. Mohamed Zeghari (the Moroccan Defence Minister) as Ambassador in Paris on Aug. 21. The two Ambassadors took up their posts in September. M. Ahmed Lyazidi, previously Under-Secretary for Commerce, succeeded M. Zeghari as Defence Minister in the Moroccan Cabinet.

Franco-Moroccan Agreements.

The following agreements on administrative and technical co-operation, cultural and judicial questions, and financial matters were concluded between France and Morocco during 1956-57.

Administrative and Technical Co-operation. The agreement on administrative and technical co-operation, was signed in Rabat on Feb. 6 and came into effect on Feb. 15, 1957. It provided that the Moroccan Government should decide within six months which of the French officials in its service it wished to retain; these officers would be offered contracts for one to five years, and would receive salaries and allowances at least as high as those they had received hitherto. Officials who did not wish to accept these terms might be retained in their present posts for a maximum period of two years before being repatriated. The French Government undertook to provide training facilities for Moroccan administrators and technicians.

Cultural Convention. This convention, initialled in Rabat on May 30 and signed in Paris on Oct. 5, 1957, was primarily concerned with the French schools in Morocco, which had been taken over by the Ministry of Education when the administration was transferred to Moroccan control in March 1956. Under the new agreement, about half the primary and two-fifths of the secondary schools would be transferred to a French cultural mission for a period of two to six years, at the end of which time they would revert to the Moroccan Ministry of Education; in the meantime, however, the mission would establish schools of its own, with the Moroccan Government's assistance, which would be open to both French and Moroccan pupils. The Moroccan Government undertook to provide education of the French type in its own schools for both French and Moroccan pupils who wished to prepare for French examinations. French private schools were also permitted to operate, on condition that they devoted at least three hours a week to the teaching of Arabic.

Judicial Convention. A judicial convention, together with a convention on the execution of judicial decisions and extradition orders, was initialled on June 11 and signed on Oct. 5, 1957. The provisions of the former were as follows:

(1) The Moroccan Government would offer a contract to those French judges whose services it wished to retain, and the judges concerned would enjoy the same salaries, privileges, and status as they would be entitled to in France.

(2) New judges might be recruited in France for the Moroccan courts.

(3) Although Arabic would be the official language of the courts, the use of French in court proceedings and legal documents would be permitted, and judgments and orders issued by the courts would be in both languages.

(4) Moroccan lawyers would be permitted to practise at the French Bar, and *vice versa*.

Financial Agreement. Under an agreement signed on Dec. 29, 1956, the French Government agreed to contribute 8,000,000,000 francs to the Moroccan Government's capital investment budget for 1956, in addition to 9,000,000,000 francs which had previously been granted for this purpose.

Activities of Moroccan "Liberation Army."

Franco-Moroccan relations were complicated during the early months of 1957 by the activities of Moroccan irregular forces which had retained their weapons when the majority of the "National Liberation Army" were incorporated into the Royal Army or disbanded. These irregulars were estimated to number between 4,500 and 5,500 men, divided into three main groups: (*a*) in the Oujda area of north-eastern Morocco about 1,000 to 1,500 men, mostly Algerians, were co-operating closely with the F.L.N. forces in the Oranie; (*b*) bands totalling about 1,000 men, and including both Moroccans and Algerians, were active in the Figuig area of south-eastern Morocco, from whence they made periodic raids across the Algerian frontier; (*c*) the majority of the "Liberation Army," however, numbering about 2,500 to 3,000 men, operated in the area south of Agadir. Skirmishes between irregulars and French troops occurred in the latter area on Oct. 20, 1956 and in March and August 1957.

A French officer, Lieutenant Perrin, was captured by the "Liberation Army" in the action of Oct. 20, 1956, and held as a prisoner until March 29, 1957, when he was released on King Mohammed's personal intervention. Strong feeling was aroused in France by this incident and by the mystery surrounding the fate of Captain Moureau, another French officer who had disappeared in Southern Morocco in June 1956. M. Claparède (State Secretary for Moroccan and Tunisian Affairs) stated in the National Assembly on July 17, 1957, that 87 Frenchmen had been kidnapped in Morocco between March and November 1956, all but three of whom had been released; only one Frenchman, however (who was subsequently freed), had disappeared since December 1956.

Moroccan irregular forces, which were believed to include members of the "Liberation Army," twice came into conflict with French troops in January and February 1957 in western Mauritania, near the frontier of the Spanish colony of Rio de Oro. One force clashed with French troops near Fort Gouraud on Jan. 12, 1957, and was subsequently routed by parachutists, losing 12 killed and 40 captured. On Feb. 15, 1957, another band about 200 strong attacked a French force, which lost 23 killed, north of Fort Trinquet. The total number of irregulars operating in this area was estimated at 600 to 800 men, of whom one-third were estimated to be Moroccans, one-third Mauritanians, and the remainder from Rio de Oro.

The French Chargé d'Affaires in Rabat lodged a protest on Feb. 23, 1957, against the incursions of Moroccan irregulars into Mauritania and Algeria. The Moroccan Government, however, disclaimed responsibility for the activities of "uncontrolled bands" in the frontier areas, on the ground that the French Government had rejected its proposals for a commission to delimit the Moroccan-Algerian frontier, and again suggested talks on this subject. This proposal was accepted by the French Government, a joint commission being established for the purpose in April 1957 under the chairmanship of Crown Prince Moulay Hassan, C.-in-C. of the Royal Moroccan Army and eldest son of King Mohammed V. (Le Monde - Le Figaro) **(Prev. rep. Franco-Moroccan Relations, 15329 A; 15379 A; Moroccan "Liberation Army," 15110 A; Ifni Fighting, 15895 A.)**

B. ITALY.—Trade Unions. - New General Secretary of C.G.I.L. - Death of Signor Di Vittorio.

Signor Giuseppe Di Vittorio, secretary-general of the *Confederazione Generale Italiana de Lavoro* (the Communist and left-wing Socialist labour federation), died on Nov. 3.

Signor Di Vittorio (65) joined the Socialist trade union movement in Italy at the age of 13 and was twice imprisoned for organizing strikes before and after the First World War. Elected to the Italian Parliament in 1921 as an Independent Communist, he joined the Communist Party in 1924; left the country after Mussolini came to power; was arrested and imprisoned upon his clandestine return in 1930; and after his release joined the International Brigade during the Spanish Civil War. After the defeat of the Republicans he fled to France, was subsequently extradited by the Vichy authorities to Italy, and was again imprisoned until his liberation after the Allied landings in 1943. In addition to being secretary-general of the Italian General Federation of Labour since 1945, Signor Di Vittorio had also been president of the (Communist-dominated) World Federation of Trade Unions since 1955. He was a Communist member of the Chamber of Deputies.

Signor Agostino Novella (52), secretary-general of the Italian Federation of Metallurgical Workers (F.I.O.M.), and a Communist deputy, was elected secretary-general of the C.G.I.L. on Dec. 8 in succession to the late Signor Di Vittorio. (Corriere della Sera, Milan) **(Prev. rep. 10125 A.)**

A. JAPAN - UNITED STATES. — The Girard Case.

The case of a U.S. soldier stationed in Japan, Sergeant William S. Girard, who was accused of causing the death of a Japanese woman, aroused strong feeling in both countries during the earlier months of 1957, and led to demands in the U.S. House of Representatives for the abrogation of all agreements giving foreign courts jurisdiction over U.S. servicemen. Details of the case are given below.

While on duty at a military firing range at Somagahara (Japan) on Jan. 30, 1957, Girard fired two empty cartridge cases from a grenade-launcher to frighten away civilians who were collecting cartridge cases for sale as scrap metal; one case struck a woman, who died of her injuries. Strong protests were expressed in the Japanese Parliament, and the case was referred to the U.S.-Japanese joint committee set up to arbitrate in cases of disputed jurisdiction. [Under an agreement signed in 1953, the U.S. military authorities have the primary right to exercise jurisdiction over U.S. servicemen in relation to offences arising out of the performance of official duties, while the Japanese authorities have this right in the case of other offences, either State, however, is required to "give sympathetic consideration to a request from the authorities of the other State for a waiver of its right in cases where the other State considers such waiver to be of particular importance."] After the joint committee had failed to agree whether Girard's action had been done in the performance of his duty (the Japanese claiming that the incident had occurred during a pause in the firing practice, and that Girard had therefore been "off duty"), the U.S. Far Eastern Command announced on May 16 that it had decided to waive its right in the case. This decision, though widely criticized in the U.S.A., was upheld in a joint statement issued on June 4 by Mr. Dulles (Secretary of State) and Mr. Wilson (Secretary of Defence), who gave warning that "attempting to prolong the dispute over the jurisdictional issue would create a situation which could basically affect U.S. relations not only with Japan but also with many other nations."

A petition for a writ of *habeas corpus* was filed on Girard's behalf in the Washington Federal District Court on June 6. Whilst rejecting this petition, Judge McGarraghy ruled on June 18 that, as Girard's act was committed in the performance of duty, he was accountable only to U.S. Federal jurisdiction and therefore should not be handed over to the Japanese authorities. The U.S. Attorney-General (Mr. Brownell) thereupon appealed directly to the Supreme Court, by-passing the Court of Appeals in view of the "imperative public importance" of the case. The Supreme Court ruled unanimously on July 11 that no constitutional or statutory barrier prohibited the implementation of the clause of the 1953 agreement which permitted the "waiver of the qualified jurisdiction granted by Japan," and that, in consequence, "the wisdom of the arrangement is exclusively for the determination of the executive and legislative branches."

Girard's trial opened in the Maebashi District Court on Aug. 26 and concluded on Nov. 19, when he was found guilty of causing bodily injury resulting in death. He was given a suspended sentence of three years' imprisonment, and was subsequently allowed to return to the U.S.A., where it was announced on Dec. 4 that he had been demoted to the rank of private and would be discharged from the Army.

The Foreign Affairs Committee of the U.S. House of Representatives adopted on June 27, by 18 votes to eight, a resolution moved by Representative Bow (Republican) calling for the revision or denunciation of all "status of forces" agreements which permitted the United States to waive jurisdiction over servicemen accused of crimes in foreign countries. Strong opposition to this proposal was expressed by President Eisenhower, who said on July 9 that, if adopted by Congress, the resolution would direct him to take actions that would endanger the security of the United States. The State and Defence Departments pointed out that modification or cancellation of the "status of forces" agreements would lead to increased opposition abroad to the presence of U.S. troops. The U.S.A. has "status of forces" agreements with 39 countries, including all the members of NATO except Western Germany and Iceland.—(New York Times) (Prev. rep. 13259 A.)

B. UNITED KINGDOM - SOVIET UNION. — Agreement on London-Moscow Air Service.

An agreement was signed at the British Foreign Office on Dec. 19 for the opening of regular air services between London and Moscow *via* Copenhagen, to be operated by British European Airways and Soviet Airlines (Aeroflot).

Since neither country has hitherto operated regular services to the other, it was provided that the agreement should come into force only when both parties had been able to investigate and satisfy themselves on a comprehensive range of technical matters, including questions of navigational safety. The agreement provided that if, as a result of tests, either country found the noise level of the other country's aircraft to be excessive, suitable modifications would be made to reduce the noise to an acceptable level before the aircraft were used on the London-Moscow and Moscow-London routes.

The agreement was signed for Britain by Mr. Ormsby-Gore, Minister of State, and for the U.S.S.R. by Marshal Zhigarev, head of Soviet civil aviation. It is terminable by either side at six months' notice.—(Times) (Prev. rep. 15906 C.)

C. UNITED KINGDOM. — The Queen's Christmas Broadcast to Britain and the Commonwealth.

H.M. the Queen made the following Christmas Day broadcast to the peoples of Britain and the Commonwealth from Sandringham House:

"Happy Christmas! Twenty-five years ago my grandfather broadcast the first of these Christmas messages. To-day is another landmark because television has made it possible for many of you to see me in your homes on Christmas Day. My own family often gather round to watch television, as they are at this moment, and that is how I imagine you now.

"I very much hope that this new medium will make my Christmas message more personal and direct. It is inevitable that I should seem a rather remote figure to many of you a successor to the kings and queens of history: someone whose face may be familiar in newspapers and films but who never really touches your personal lives. But now, at least for a few minutes, I welcome you to the peace of my own home.

"That it is possible for some of you to see me today is just another example of the speed at which things are changing all around us. Because of these changes I am not surprised that many people feel lost and unable to decide what to hold on to and what to discard, how to take advantage of the new life without losing the best of the old.

"But it is not the new inventions which are the difficulty. The trouble is caused by unthinking people who carelessly throw away ageless ideals as if they were old and outworn machinery. They would have religion thrown aside, morality in personal and public life made meaningless, honesty counted as foolishness, and self-interest set up in place of self-restraint.

"At this critical moment in our history we will certainly lose the trust and respect of the world if we just abandon those fundamental principles which guided the men and women who built the greatness of this country and Commonwealth. To-day we need a special kind of courage, not the kind needed in battle, but a kind which makes us stand up for everything that we know is right, everything that is true and honest. We need the kind of courage that can withstand the subtle corruption of the cynics, so that we can show the world that we are not afraid of the future.

"It has always been easy to hate and destroy. To build and to cherish is much more difficult. That is why we can take a pride in the new Commonwealth we are building. This year Ghana and Malaya joined our brotherhood. Both these countries are now entirely self-governing. Both achieved their new status amicably and peacefully. This advance is a wonderful tribute to the efforts of men of goodwill who have worked together as friends, and I welcome these two countries with all my heart.

"Last October I opened the new Canadian Parliament, and, as you know, this was the first time that any sovereign had done so in Ottawa. Once again I was overwhelmed by the loyalty and enthusiasm of my Canadian people.

"Also during 1957 my husband and I paid visits to Portugal, France, Denmark, and the United States of America. In each case the arrangements and formalities were managed with great skill, but no-one could have 'managed' the welcome we received from the people. In each country I was welcomed as head of the Commonwealth and as your representative. These nations are our friends largely because we have always tried to do our best to be honest and kindly and because we have tried to stand up for what we believe to be right.

"In the old days the monarch led his soldiers on the battlefield and his leadership at all times was close and personal. To-day things are very different. I cannot lead you into battle. I do not give you laws or administer justice. But I can do something else. I can give you my heart and my devotion to these old islands and to all the peoples of our brotherhood of nations.

"I believe in our qualities and in our strength. I believe that together we can set an example to the world which will encourage upright people everywhere.

"I would like to read you a few lines from *Pilgrim's Progress*, because I am sure we can say with Mr. Valiant-for-Truth these words: 'Though with great difficulty I am got hither, yet now I do not repent me of all the trouble I have been at to arrive where I am. My sword I give to him that shall succeed me in my pilgrimage and my courage and skill to him that can get it. My marks and scars I carry with me to be a witness for me that I have fought his battles who now will be my rewarder.'

"I hope that 1958 may bring you God's blessing and all the things you long for. And so I wish you all, young and old, wherever you may be, all the fun and enjoyment and the peace of a very happy Christmas."

The Queen's Christmas broadcast was televised for the first time, her Majesty being seen by many millions of viewers throughout the country.—(Times) (Prev. rep. 15284 A.)

D. FRANCE. — Launching of the "Clémenceau."

The 22,000-ton French aircraft carrier *Clémenceau* was launched at Brest on Dec. 21. The largest French warship to be built since 1939, she will carry 60 aircraft, including jet fighters, and incorporates the most recent features of carrier design such as the steam catapult, angled deck, and stabilized deck-landing mirror aids. A sister-ship, the *Foch*, is under construction at St. Nazaire.—(Le Monde, Paris) (15624 A.)

DECEMBER 28, 1957—JANUARY 4, 1958

A. EUROPEAN UNIFICATION. — Establishment of European Economic Community and Atomic Energy Community. - Signing, Ratification, and Coming into Effect of Treaties. - Provisions of Euratom Treaty. - Report on Production of Nuclear Energy.

The treaties establishing a European Economic Community (Common Market) and a European Atomic Energy Community (Euratom) came officially into force on Jan. 1, 1958. The final drafts of the treaties had been completed by the Inter-Governmental Committee in Brussels on March 9, 1957, and the treaties had been signed in Rome by Belgium, France, the German Federal Republic, Italy, Luxemburg, and the Netherlands on March 25, 1957. The signing ceremony took place at the Palazzo dei Conservatori on the Capitoline Hill, the signatories being Signor Segni (then Italian Prime Minister), Dr. Adenauer (the Federal German Chancellor), the Foreign Ministers of Belgium (then M. Spaak), France (M. Pineau), Italy (then Dr. Martino), Luxemburg (M. Bech), and the Netherlands (Mr. Luns), and the Federal German State Secretary for Foreign Affairs (Professor Hallstein, representing the Foreign Minister, Dr. von Brentano, then on a visit to Australia). Between July and December 1957 the treaties were ratified by the Parliaments of all the six member-countries.

A summary is given below of the principal provisions of the Euratom Treaty, which is valid for an unlimited period and which contains 222 Articles, an annex, and three lists of nuclear and other materials and products. [The provisions of the Common Market Treaty will be summarized in a subsequent issue.]

The European Atomic Energy Community Treaty.

The aims of the Community were defined in the preamble as the raising of living standards in the member-countries and the promotion of trade with non-Community countries. The tasks of Euratom were defined in Article 1 of the Treaty as the creation within a short period of the technicial and industrial conditions necessary to utilize nuclear discoveries, and especially to produce nuclear energy on a large scale. This result would be acheived by joint measures of the member-countries and through the activities of the institutions of the Community.

Institutions.

The institutions of the European Atomic Energy Community would be as follows :

The Assembly. This body would consist of 142 members elected by the national Parliaments of the member-countries and comprising 36 members each from France, Italy, and Western Germany, 14 each from Belgium and the Netherlands, and 6 from Luxemburg. The election of these members would initially be determined by the national rules of each member-country, but the Assembly would at a later stage draft proposals providing for the introduction of a uniform electoral procedure in all member-countries.

Euratom would share the Assembly with the European Economic Community and the European Coal and Steel Community—the existing Assembly of the latter organization being superseded by the new Assembly.

The Assembly would meet once a year (in October) to discuss the annual report of the Commission [see below]. It would have power to enforce the resignation of the Commission, such a decision requiring a two-thirds majority of the votes cast as well as an ordinary majority of its total membership.

The Assembly would also discuss the Community budgets, and would be empowered to propose amendments. It would have to be consulted on certain proposals of the Commission and the Council of Ministers implementing essential principles of the Treaty; and would be entitled to meet in extraordinary session if a majority of its members so demanded, or at the request of the Commission or of the Council of Ministers.

The Council of Ministers. This body would consist of one representative each from the Governments of the member-countries. It would take decisions in one of three ways : either unanimously, by simple majority, or by a weighted majority, according to the various circumstances laid down in the Treaty.

The unanimity requirement would apply particularly in the early stages of the Community's existence. Decisions requiring a simple or a qualified majority could in most cases be taken only on a proposal made by the Commission, and any such proposal could not be amended by the Council except by unanimous vote. [This provision was aimed at conferring great responsibility upon the Commission and safeguarding the stability of its activities.]

A simple majority would mean the vote of four of the six member-countries. In the case of a qualified majority, France, Italy, and Western Germany would each have four votes, Belgium and the Netherlands two each, and Luxemburg one ; such a majority would normally consist of at least 12 votes, but in some cases (e.g. when decisions were taken on matters not arising from a proposal by the Commission) the consent of at least four member-States would also be necessary.

The Commission. This would have five members of different nationalities, jointly appointed by the member-Governments for four-year terms and eligible for reappointment. The members would be completely independent and would neither solicit nor accept instructions from their Governments. If unanimously agreed by the Council, however, member-Governments might accredit representatives to the Commission to act as permanent liaison officers.

The Commission would be a collegial body and would take its decisions by simple majority vote. Its main tasks would be to supervise the application of the Treaty, and of measures adopted within its framework; to take part in the shaping of Council and Assembly decisions by making proposals to the Council, which the latter could not amend save by unanimous vote [see above]; to formulate opinions and recommendations on matters within the scope of the Treaty ; to take those decisions for which authority had been conferred upon it; and to publish annually a general report on the activities of the Community.

The different means by which both the Council and the Commission would guide the work of the Community were defined as follows : (*a*) regulations, which would be compulsory and directly applicable in any member-State ; (*b*) directives, which would be binding on the recipient State in respect of the result to be achieved, but which would allow it to choose the ways and means ; (*c*) decisions, which would be obligatory for the parties concerned ; and (*d*) recommendations and opinions, which would not have binding force

The Court of Justice. This body—like the Assembly—would be common to the three Communities and would supersede the existing Court of Justice of the European Coal and Steel Community. It would consist of seven members jointly appointed by the member-Governments, holding office for six years and eligible for reappointment. There would also be two Advocates-General.

The functions of the Court would be to safeguard the law in the interpretation and application of the Treaty, to decide on the legality of decisions of the Council of Ministers or the Commission, and to determine violations of the Treaty. Actions might be brought before the Court either by a member-country, or by the Council of Ministers, or by the Commission, or by any person or legal entity affected by a decision of the Community. Actions could be based on the contention that the Council or the Commission were not empowered to take a decision ; had violated essential rules of procedure ; had violated the Treaty or any rule implementing it; or had abused their discretionary powers (especially with regard to the granting of licences by the Commission and the application of compulsory measures in the sphere of security).

The Economic and Social Committee. This Committee would be common to Euratom and the Economic Community and would consist of representatives of all sections of economic and social life, such as employers' organizations, trade unions, and similar bodies. Its members, appointed for four years by a unanimous decision of the Council of Ministers, would be drawn from the member-countries in the following numbers : France, Italy, and Western Germany, 24 each ; Belgium and the Netherlands, 12 each ; Luxemburg, 5.

The Committee would assist the Council of Ministers and the Commission in an advisory capacity, and would have to be consulted in those cases specifically laid down in the Treaty.

The Scientific and Technical Committee. This body would assist the Commission in an advisory capacity and would consist of 20 members appointed by the Council (after consultation with the Commission) for five-year terms.

The seat of the institutions of the Community would be determined by agreement between the member-Governments.

Provisions for Nuclear Development.

These provisions of the Treaty (Articles 4 - 106) were divided into sections dealing respectively with the development of nuclear research, dissemination of nuclear information, protection of health, investments, Community undertakings, supplies of nuclear materials, security measures, ownership of fissile material, and external relations. Details were as follows :

Development of Research. The Commission would promote and facilitate research in the member-countries by the following means :

(1) It would set up a Community Nuclear Research Centre to ensure the execution of research programmes. This Centre would also be responsible, *inter alia*, for standardizing nuclear terminology and measurements, and a Central Nuclear Measurements Bureau would be established in this connexion. Schools for training specialists would be set up in conjunction with the Centre, and an institution of university rank would be created at a later stage.

(2) To supplement nuclear research by member-countries, the Commission would work out research and training programmes, not exceeding five years, to be carried out by the Community Nuclear Research Centre. It might, however, conclude research contracts for part of these programmes with undertakings or nationals of member-countries, and also with international organizations or with nationals and undertakings of non-Community States. These programmes would require the unanimous approval of the Council of Ministers.

(3) The Commission would endeavour to co-ordinate the research conducted in the individual member-States. To this end, it would invite member-States, undertakings, and individuals to inform it of their research programmes in a specified field, and would express an

opinion on these programmes. It would also attempt to prevent wasteful duplication and to direct research into less well-explored channels; would regularly consult public and private research bodies; would publish (with the agreement of the interested parties) the research programmes in operation; and might convene representatives of public and private research centres for mutual consultation and exchanges of information.

(4) The Commission might extend financial and/or technical assistance for research work as follows: (*a*) by a direct financial contribution, repayable or otherwise; (*b*) by the organization of joint financing by those concerned; (*c*) by supplying raw or fissile materials, either against payment or free of charge; or (*d*) by making available installations, equipment or experts, either against payment or free of charge.

Dissemination of Information. (1) The Commission would be obliged to pass on to interested persons and undertakings in the member-countries all the information acquired by the Community, and to issue to them at their request non-exclusive licences, provided they were in a position to exploit them effectively. A special procedure would apply to information which had to be kept secret for defence reasons [see below].

(2) The Commission would also seek (by way of agreement) to obtain information from the member-countries on all patents, patent applications, or working models covering inventions which would be useful to the Community. It would do its utmost to promote the issue of licences for such patents, etc.

(3) A compulsory notification procedure would apply to certain inventions. Under this procedure, member-countries would be required to notify the Commission, within 18 months of the lodging of such applications, of the details of any applications for patents for "specifically nuclear objects." In the case of applications covering objects which, while not specifically nuclear, were considered after preliminary examination to be directly connected with the development of nuclear energy, member-countries would be obliged to notify the Commission within 18 months, and to communicate full details within another two months if requested by the Commission. A special procedure would again apply to secret defence inventions.

(4) For inventions covered by the foregoing paragraph, certain compulsory powers would be available to the Commission, which could demand the issue of a licence if it considered this desirable even though no amicable agreement had been reached between the holder of the patent and the applicant for a licence. In all cases where such a licence was issued, the amount of compensation to be paid would be settled between the owner of the patent and the holder of the licence.

(5) An Arbitration Committee would be set up to deal with disputes between either (*a*) the Commission and the owner of a patent; or (*b*) the owner of a patent and a licensee on the subject of compensation. The Committee's members would be appointed by the Council of Ministers on the proposal of the Court of Justice. The final decisions of the Committee would have the force of *res judicata* as between the parties involved; but, after a lapse of one year, a request might be made for the revision of a decision if fresh circumstances had arisen to justify such a step.

(6) Special confidential procedures would be adopted in the case of information which the Community had acquired from its research programme, and the disclosure of which might be considered detrimental to the defence interests of one or more member-countries. The Council of Ministers would draw up the necessary security regulations defining the various categories of secrecy and the security measures to be adopted.

(7) The Commission would evolve a system whereby member-States, undertakings or individuals could exchange progress or final reports about their research. This system would have to guarantee the confidential nature of such exchanges, but the Commission would be entitled to transmit such reports to the Community Nuclear Research Centre for information, on the understanding that the Centre would have no right of utilization save with the consent of the originators.

Public Health. The Community would establish a code of basic standards governing personal safety against dangers resulting from ionizing radiation. This code would be drafted by the Commission, and submitted to the Council of Ministers for approval, after the Commission had heard the views of a group of persons selected by the Scientific and Technical Committee from amongst scientific experts of member-States, especially experts in the field of public health. In addition, an information and study centre for personal safety problems would be set up within the Community Nuclear Research Centre.

Investments. To stimulate initiative by public and private undertakings in the nuclear energy field, and to promote a planned development of their investments, the Commission would publish programmes indicating the Community's production aims and the capital investments thereby implied, after hearing the views of the Social and Economic Committee.

Public and private undertakings in member-countries which were contemplating investments in the nuclear energy field would be required to inform the Commission at least three months before work began or the first contracts were concluded. Such investment projects could be published, subject to the agreement of the parties concerned and their Governments.

Community Undertakings. Undertakings of outstanding importance for the development of nuclear industry in the Community might be declared Community undertakings by a decision of the Council of Ministers, taken on a proposal by the Commission. This proposal would cover the statutes and site of the undertaking, the necessary finance, and the participation of the Community as well as of non-Community countries, international institutions, or foreign nationals, in the financing or management of the undertaking.

A Community undertaking would enjoy a special status; would be a legal entity of its own with the right to own property, enter into agreements, and assume rights and obligations; but, unless otherwise stipulated, would be subject to general industrial and commercial laws and regulations.

The Council could grant Community undertakings all or some of a certain number of privileges- viz., special facilities for the purchase or expropriation of property; exemption from dues and taxes; exemption from transfer, re-transfer, and registration dues and charges; exemption from Customs duties and from economic or fiscal restrictions on scientific and technical material, or substances treated by the undertaking; and the right to hold funds and foreign currency of any kind, with freedom of transfer.

Council decisions on the creation of Community enterprises would in general be taken by a qualified majority, but the following decisions would require unanimity: (i) financial participation by the Community; (ii) the granting of the above-mentioned privileges; (iii) participation of non-Community States or their nationals in the financing or management of the enterprise.

Amendments to the statutes of such enterprises would have to be approved by the Council of Ministers. Disputes affecting them would be settled by the competent national courts, except for those matters reserved to the Court of Justice of the Community.

Supplies. A joint policy would be pursued with regard to the supply of ores, raw materials, and special fissile matter on the basis of the principle of equal access to resources. For this purpose the Commission would set up a Commercial Agency which would be a corporate body, vested with financial independence and able to conduct its affairs according to business rules, but controlled by the Commission. The Agency (the majority of whose capital would have to be owned by the Community and the member-countries) would possess (i) an option to purchase any of the materials in question produced in member-States; and (ii) the exclusive right to conclude contracts for the purchase or sale of such materials outside the Community.

Resources within the Community. All producers of ores, materials, and special fissile matter would be under an obligation to offer their products to the Agency immediately they became available, and the Agency would normally exercise its option by means of contracts with the producers. The Agency could exercise this option at any stage of production except in the following cases: (i) a producer engaged in the mining of ores as well as in the production of nuclear material need offer his product to the Agency only once, the same applying to a group of undertakings co-operating with each other in these processes; (ii) Community undertakings would supply ores, raw materials, and special fissile matter produced by them according to their statutory or contractual obligations; (iii) in the case of special fissile matter the Agency, while exercising its option, might leave the material with the producer, either to be used by the latter, or to be placed in stock, or to be placed at the disposal of undertakings associated with the producer for the execution of programmes of which the Commission had been notified.

When the Agency did not exercise its option the producer might continue to use or process the material himself, or he might be authorized by the Commission to dispose of the material outside the Community at a price not less than that of his previous offer to the Agency. In the case of special fissile material, however, only the Agency could export this to other countries, with the Commission's consent.

Resources outside the Community. While the Agency [as stated above] would normally have the exclusive right to conclude contracts for supplies from non-Community countries, consumers would be entitled to do so if the Commission found at any time that the Agency's prices for such supplies were excessively high, or that the Agency could not deliver all or some of the required supplies within a reasonable time; the Commission's ruling would be taken on an application from the consumers concerned. Any contracts concluded by consumers would have to be notified to the Commission, which might object to them within one month if they violated the aims of the Community.

Transactions with Agency. - Prices. To enable the Agency to satisfy all demands, producers and users would notify it at regular intervals of their available output and requirements. The Agency would endeavour to satisfy all applications for ores, materials, or special fissile matter, but if unable to do so fully would distribute the available supplies on a proportional basis.

Prices would be regulated by the interplay of supply and demand, member-countries being forbidden to infringe this rule by national legislation. Price adjustments designed solely to give certain consumers a monopoly would likewise be prohibited. On a proposal of the Commission, the Council of Ministers could fix prices by unanimous vote. The Commission would also be entitled to put forward proposals to consumers for the standardization of prices.

Other Provisions. The Commission would be entitled to make recommendations regarding prospecting and the exploitation of mines, and might participate financially in such activities. Member-States would be required to send the Commission annual reports on prospecting, reserves, and mining investments.

After seven years from the entry into force of the Treaty, the Council of Ministers would either confirm or replace all provisions relating to supplies.

Security. The Commission would be required to ensure (a) that ores, raw materials and special fissile matter were not diverted from their intended use as declared by their consumers, and (b) that arrangements for their supply, and any special control measures accepted by the Community in an agreement with a non-Community State or international organization, were observed

To this end, the Commission would :

(*a*) Request declarations from all the undertakings concerned describing the basic technical characteristics of their equipment,

(*b*) Request statements of all transactions in order to facilitate accounting of ores, raw materials and special fissile matter ;

(*c*) Insist, if necessary, on all surplus special fissile matter temporarily not in use being placed in deposit ;

(*d*) Arrange for its inspectors to carry out checks and, where necessary, impose sanctions ranging from a warning to the complete withdrawal of raw materials or special fissile matter.

Ownership of Special Fissile Matter. All special fissile matter would be the property of the Community. Member-States, undertakings or individuals, however, would be entitled to the widest possible utilization and consumption of the special fissile matter which had legitimately come into their possession.

On behalf of the Community, the Agency would keep a special account relating to fissile matter transactions and entitled "Financial Account for Special Fissile Matter." This account would not show any changes in the value of the fissile matter, which would be entirely at the risk of those having the matter in their possession, leaving neither profit nor loss to the Agency.

Common Market in Nuclear Materials. A common market in nuclear materials would be set up, involving the following obligations on member-countries :

(*a*) to introduce, one year after the coming into force of the Treaty, a common Customs tariff for nuclear minerals, materials and products imported from non-Community countries ;

(*b*) to repeal between each other, after the same one-year period, all import and export duties and taxes on such minerals, materials and products (the non-European territories of member-States being entitled, however, to continue to levy duties and taxes of a purely fiscal character) ;

(*c*) to apply the procedure laid down in the Common Market Treaty for the gradual abolition of internal tariffs and quantitative import restrictions between member-countries, and for the introduction of a uniform Customs tariff, to all other products which might be used in the nuclear industry ;

(*d*) to admit nationals of the other member-countries, without discrimination, to all posts and occupations requiring qualifications in the nuclear sphere, as well as to participation in the construction of nuclear undertakings ;

(*e*) to set up an insurance scheme covering risks arising from the use of atomic energy ;

(*f*) to facilitate the transfer between member-countries of capital needed for nuclear projects, and to permit the transfer to other member-countries of payments in connexion with nuclear transactions and employment in nuclear industries or research.

External Relations. The Commission would be responsible for any liaison needed with the various international organizations and, subject to the Council's approval, might conclude agreements with these bodies or with non-Community countries. Member-States would be required to notify the Commission of any clauses in agreements or arrangements concluded, or to be concluded, with non-Community States which fell within the scope of the Treaty. The Commission would consider whether such clauses were compatible with the Treaty and would be entitled, if necessary, to bring any such matter before the Court of Justice.

Financial and General Provisions.

The remaining principal provisions of the treaty covered the following subjects *inter alia* :

Finance. Estimates of all the Community's revenue and expenditure (apart from those of the Commercial Agency and the joint undertakings) would be drawn up for each financial year and entered either in the operational budget or the research and investment budget. The revenue and expenditure of the Agency, which would operate on commercial lines, would be estimated separately.

The receipts of the operational budget would consist mainly of the financial contributions of the member-countries, in the following proportions : France, Italy and Western Germany, each 28 per cent ; Belgium and the Netherlands, each 7.9 per cent ; Luxemburg, 0.2 per cent The receipts of the research and investment budget would consist of similar contributions, but with a slightly different proportionate scale, viz. : France and Western Germany, each 30 per cent ; Italy, 23 per cent ; Belgium, 9.9. per cent, the Netherlands, 6.9 per cent ; Luxemburg 0.2 per cent.

The above contributions might be replaced, in whole or part, by the proceeds of taxes levied by the Community in the member-countries ; the introduction of such taxes would be decided by the Council of Ministers on the proposal of the Commission.

The Community would also be entitled to raise loans to finance research or investment.

The preliminary draft budgets of the various Community institutions under the aegis of the Commission would have to be submitted to the Council of Ministers not later than Sept. 30 of each year (the financial year being Jan. 1-Dec. 31). The Council would be entitled to propose amendments but would be required, in its turn, to submit the budgets to the Assembly by Oct. 21 at the latest. If the Assembly either signified its approval or expressed no opinion within a month, the draft budgets would be deemed to be finally adopted. If the Assembly proposed amendments, the final decision would lie with the Council of Ministers.

The Council's decisions would be taken by a qualified majority. For the adoption of the operational budget this would be the normal qualified majority—i e. at least 12 out of 17 votes. For the adoption of the research and investment budget, however, the votes of the Council members would be weighted as follows : France 30, Western Germany 30, Italy 23, Belgium 9, the Netherlands 7, and Luxemburg 1. A qualified majority in this case would require at least 67 votes.

Overseas Territories. Unless otherwise provided, the Treaty would apply to non-European territories under the jurisdiction of member-States.

Amendment of the Treaty. The Commission or any member-State would be entitled to submit proposals for amending the Treaty to the Council of Ministers, which could then decide to convene a conference of the member-States to consider such proposals.

Admission of New Members. Any European State could apply to become a member of the Community, and could be admitted by unanimous vote of the Council of Ministers In the case of a successful application, the conditions of admission and the resultant changes in the Treaty would be set out in an agreement between the member-States and the applicant State.

An Annex to the Treaty outlined the first five-year research programme of the Community, costing $215,000,000.

Report of Euratom's "Three Wise Men."

The report of the three experts appointed on Nov. 16, 1956 [see page 15396] to estimate "the amount of nuclear energy which could be produced in the near future by the six countries," and to suggest "the means which should be employed to achieve this," was published on May 7, 1957 under the title *A Target for Euratom.*

Following their visit to the United States [see page reference above] the "three wise men" visited Britain from Feb. 25-March 2, 1957, for discussions with Lord Salisbury, then Lord President of the Council and the Cabinet member responsible for atomic energy ; Lord Mills, the Minister of Power ; Sir Edwin Plowden, chairman of the U.K. Atomic Energy Authority ; and officials of the A.E.A. and of the Central Electricity Authority. They also visited the Calder Hall and Windscale reactors and met representatives of four nuclear power plant construction companies to discuss the possibility of exports of British nuclear power plants to the Community countries. A joint statement issued by the three experts and the A.E A. on March 1, 1957, stated that the latter "had declared its willingness to facilitate contacts between U.K. firms and firms within the Euratom countries interested in the building of nuclear reactors." The Authority also expressed its willingness "to give such assistance as lies in its power towards the training of scientists and engineers."

The basic recommendation in the report issued by the "three wise men" (which is summarized below under cross-headings) was that the Community countries should instal 15,000,000 kilowatts of nuclear generating capacity by the end of 1967.

Need for Nuclear Energy. Dealing with the Euratom countries' growing dependence on energy imports, the report said they amounted at present to 100,000,000 tons of coal equivalent (23 per cent of their total energy requirements) ; would rise to 200,000,000 tons (33 per cent) by 1967 ; and might reach 300,000,000 tons (40 per cent) ten years by 1977. Imports of this "enormous" size would place an unusually severe strain on the payments position of the six countries, since they implied expenditure rising from the present level of $2,000,000,000 to $4,000,000,000 by 1967 and $6,000,000,000 by about 1975. In addition, since most of these imports were, and would continue to be, in the form of Middle Eastern oil, there would always be a danger (which the Suez crisis had amply illustrated) that supplies might be cut off for political reasons. Only nuclear energy, in the shape of big nuclear power stations producing base-load electricity, could rescue the Euratom countries from this precarious situation.

The report went on to recommend that 15,000,000 kilowatts of nuclear generating capacity should be built by 1967. This nuclear capacity, however, would not begin to make a really big contribution to the electricity systems of the six nations until 1963, since nuclear power stations took four years to build and no substantial construction orders could be placed before the end of 1958. Nevertheless, if the plan suggested were implemented, the six countries would be able to stabilize their energy imports at the estimated 1963 level—i.e. 165,000,000 tons of coal equivalent per year.

Comparison between Euratom and British Programmes. Comparing the proposed Euratom programme with the existing British programme, the report noted that the Euratom target was 2½ times the British target of 6,000,000 kilowatts of nuclear capacity by 1965. Pointing out that the ratio of population as between the six Euratom countries and Great Britain was 3 to 1, and that of electricity output

2.8 to 1, the report concluded that the Euratom target compared favourably with the British. As regards the engineering resources available for the construction of reactors, the report noted that British industry expected to be able to install 5,000,000-6,000,000 kw. of nuclear capacity at home by 1965 and at the same time to provide a similar amount for export. Since the total engineering capacity of the six Euratom countries was 1 6 times that of Britain, it was considered that the Euratom target was quite feasible from the point of view of engineering resources.

Co-operation with other Countries. Reviewing the prospects of co-operation with the United States, Great Britain and Canada, the report stated that "two-way traffic" could be set up between Euratom and the U.S A. The latter country would provide fissile materials, technical knowledge, and training facilities for Euratom's scientists and technicians, while at a later stage Euratom would make available in return the practical knowledge gained by the large-scale industrial application of atomic power. The British authorities were similarly willing to provide technical training facilities and also to facilitate contacts between British firms in the nuclear construction field and their Euratom counterparts. In the case of Canada, co-operation would be possible in two spheres . (i) the supply of natural uranium, and (ii) the construction of prototypes of a heavy-water reactor which the Canadians had developed, and which promised to be particularly suitable for European requirements. The report recommended that agreements of association should be concluded between Euratom and the three countries in question immediately after the former's establishment. Close co-operation was also recommended with Austria, Switzerland, and the Scandinavian countries.

Reactors. The report said that while there were a dozen prototype reactors in an advanced stage of design or under construction, there were only two types ready for commercial use : the American pressurized-water/boiling-water type, using slightly enriched uranium, and the British gas-cooled type, using natural uranium. Of those types not yet in the commercial phase, Euratom should pay close attention to two—a version of the gas-cooled type, operating on slightly enriched uranium, and the above-mentioned heavy-water type developed mainly in Canada. For a speedy start to its programme, Euratom would either have to buy reactors from America and Britain or build them under licence

Nuclear Fuels. As far as could be ascertained, the nuclear fuel required to reach the target would be obtainable without much difficulty, the total cost for the 10-year period amounting to about $2,000,000,000. As regards two related questions—the fabrication of fuel elements, and the chemical processing of spent fuel - the Community would have to rely initially on Britain and America for such services, but would later build its own plants for these purposes, once the possession of a sufficient number of reactors had made such a project economic.

On the question of enriched uranium, the report advised that a decision on the construction of a Community plant for producing such material should be deferred. It pointed out in this connexion : (i) that the U.S.A. could provide the Community with the required amounts of this material at low prices ; (ii) that the same material produced in Europe would cost two to three times as much ; (iii) that a Euratom plant for this purpose would take several years to build and involve exceptionally heavy capital investment ; and (iv) that future technological developments would almost certainly reduce, and might even extinguish, the need for this material.

Costs of Nuclear-produced Electricity. The report went on to compare the costs of electricity produced by nuclear and conventional (i.e. coal- and oil-fired) stations. The conclusion reached was that there was no substantial difference between the two types, the (estimated) cost of nuclear electricity being $0.0011-$0.0014 per kilowatt-hour and the (known) cost of conventional electricity $0.0011-$0.0012 per kilowatt-hour. It was further observed that while the costs of conventional electricity were moving slowly upwards, those of nuclear power were moving slowly downwards.

Capital Investment. The investment costs for nuclear stations were, broadly speaking, somewhat more than 2½ times those for conventional plant ; in the case of the Euratom target of 15,000,000 kilowatts, they would amount to $6,000,000,000 as compared with $2,000,000,000 for equivalent conventional capacity. Though representing at first sight an immense additional burden for the national economies of the six countries, the former amount would in fact be offset by the anticipated gradual decrease in expenditure on imported conventional fuels. To help electricity undertakings with the heavy initial outlay for nuclear stations, it was recommended that the Euratom Commission should consider the possibility of incentives, such as increased depreciation allowances, to cover the first and most difficult years.

Insurance against Nuclear Risks. This section of the report dealt briefly with the need for a common legislative approach on insurance for nuclear plant, especially as regards the third-party liability of companies engaged in reactor construction and operation, and the liability of non-Community manufacturers with respect to the performance of their products.

The final section of the report stressed the role which Euratom would have to play, "in particular by providing the means to bridge the gap, in the initial period, between the commercial risk which firms face in building nuclear plant and the public need for the most rapid progress."—(European Coal and Steel Community, Luxemburg - Council of Europe, Strasbourg - Le Monde, Paris - Frankfurter Allgemeine Zeitung - Giornale d'Italia, Rome) **(Prev. rep. 15393 A.)**

A. UNITED KINGDOM. — Nationalized Industries. - New Salary Scales of Board Members.

Two White Papers published on Dec. 18, 1957, listed the increased scales of pay for members of nationalized Boards "of a commercial character." They were as follows, the former salaries being shown in parentheses :

British Transport Commission. Sir Brian Robertson, chairman, £10,000 (£8,500) ; Sir John Benstead, full-time deputy chairman, £8,000 (£5,000) ; five full-time members, £7,500 (£5,000) ; seven part-time members, £1,000 (£500).

London Transport Executive. Sir John Elliot, chairman, £7,500 (£7,000) ; Mr. A. H. Grainger, full-time deputy chairman, £5,500 (£3,500) ; three full-time members, £5,000 (£3,500) ; three part-time members, £1,000 (£500).

British Overseas Airways Corporation. Mr. [now Sir] Gerald d'Erlanger, chairman, £5,000 (unpaid) ; Sir George Cribbett, full-time deputy chairman, £7,500 (£5,000) ; two full-time members, £7,500 (£5,000) ; five part-time members, £1,000 (£500) ; one part-time member, unpaid.

British European Airways Corporation. Marshal of the R.A.F. Lord Douglas of Kirtleside, chairman, £7,500 (£6,500) ; Sir John Keeling, part-time deputy chairman, £2,000 (£1,500), salary voluntarily not drawn ; one full-time member on special duties, £6,000 (£5,000) ; six part-time members, from £1,000 to £3,500 (from £1,200 to £1,750, but two members voluntarily waive their salaries).

National Coal Board.—Sir James Bowman, chairman, £10,000 (£7,500) ; Mr. J. Latham, deputy chairman, £8,000 (£5,000) ; six full-time members, £7,500 (£5,000) ; three part-time members, £1,000 (£500).

Central Electricity Generating Board.—Sir Christopher Hinton, F.R.S., chairman, £10,000 ; Mr. C. R. King, deputy chairman, £7,500 ; three full-time members, £7,000 ; four part-time members, £1,000.

Electricity Council.—Sir Henry Self, chairman, £10,000 ; Sir Josiah Eccles, deputy chairman, £7,500 ; Professor R. S. Edwards, part-time deputy chairman, £2,000 ; Mr. C. T. Melling, full-time member, £7,000.

[As from Jan. 1, 1958, the Generating Board and the Electricity Council replaced the former Central Electricity Authority]

Area Electricity Boards (12). Chairmen, £6,500 (£4,000) ; deputy chairmen, £5,000 (3,500) ; part-time members £1,000 (£500) ; part-time members who are chairmen of consultative councils, £1,500 (£1,000).

North of Scotland Hydro-electric Board. Mr. Thomas Johnston, part-time chairman, unpaid ; Sir Hugh Mackenzie, part-time deputy chairman, unpaid ; seven part-time members, from £1,000 to £1,500 (£500 to £750).

South of Scotland Electricity Board.—Mr. J. S. Pickles, chairman, £7,500 (£5,000) ; Mr. W. Hutton, deputy chairman, £6,000 (£4,250) ; seven part-time members, from £1,000 to £1,500 (£750 to £1,000).

Gas Council.—Sir Harold Smith, chairman, £8,500 (£6,000) ; Sir Henry Jones, deputy chairman, £7,500 (£5,000).

Area Gas Boards (12).—Chairmen, £6,500 (£4,500) ; deputy chairmen, £5,000 (£3,500) ; full-time members, £1,000 (£3,500) ; part-time members, £1,000 (£500). Chairmen of consultative councils receive £1,500.

U.K. Atomic Energy Authority.—Sir Edwin Plowden, chairman, £10,000 (£8,500) ; Sir John Cockcroft, F.R.S., Sir William Penney, F.R.S., Sir Donald Perrott, and Mr. W. Strath, full-time members, £7,000 (£5,000) ; five part-time members, £1,500 (£500). In the case of one part-time member (Sir Ian Stedeford) the salary is voluntarily not drawn.

Cable and Wireless Ltd.—Sir Godfrey Ince, part-time chairman, £3,500 (£2,500) ; two managing directors, £4,000 (£3,000) ; one part-time director, £1,000 (£500) ; two part-time directors, unpaid.

Colonial Development Corporation.—Lord Reith, part-time chairman, £5,250 (£3,500) ; Sir Nutcombe Hume, part-time deputy chairman, £1,500 (£750) ; four part-time members, £1,000 (£500). One part-time member voluntarily draws only half his salary.

Iron and Steel Holding and Realization Agency.—Sir John Morison, part-time chairman, £6,000 (no change) ; four part-time members, £1,000 (no change).

Sugar Board.—Sir George Dunnett, chairman, £5,000 (£4,250) ; Mr. J. A Dyson, vice-chairman, £3,500 (£2,750) ; two part-time members, unpaid.

White Fish Authority.—Sir Alfred Chick, part-time chairman (formerly full-time), £3,500 (£4,000) ; Sir John Ure Primrose, deputy chairman, £3,000 (£2,000) ; three part-time members, from £1,000 to £2,000 (from £500 to £1,500) ; five part-time members for Scotland and Northern Ireland, £1,000 (£500).

Herring Industry Board.—Sir Frederick Bell, part-time chairman, £3,000 (£2,000) ; two part-time members, £1,000 (£400).

Iron and Steel Board.—Sir Archibald Forbes, chairman, £8,500 (£7,500) ; Sir Lincoln Evans, deputy chairman, £7,500 (£5,000) ; Sir Robert Shone, full-time member, £7,000 (£5,000) ; seven part-time members, £1,000 (no change).

The salary increases (which dated from July 1, 1957) had been announced by the Prime Minister on July 4, when Mr. Macmillan told the House of Commons that they represented "long deferred adjustments." The extra cost was estimated at between £840,000 and £850,000 a year. Adjustments were decided upon by the Government after a comparison between the rewards offered "at the top" in private industry and in the public boards.—(Times - Daily Telegraph)

(Prev. rep. 15694 A.)

A. INDONESIA - NETHERLANDS. — The New Guinea Dispute. - Seizure of Dutch Economic Interests in Indonesia. - Mass Expulsion of Dutch Nationals. - Netherlands Protests to NATO and United Nations. - U.N. Debate on New Guinea. - Defeat of Indonesian and Afro-Asian Resolution in General Assembly.

The Indonesian campaign for the "liberation of West Irian" (i.e. Dutch New Guinea), launched at the end of October (see 15865 C), was followed during the first ten days of December by the wholesale seizure of Dutch enterprises and estates throughout Indonesia and the decision to expel some 50,000 Dutch citizens from the country. In taking these measures—described as "retaliatory actions"—the Indonesian Government officially stated that they were designed to force a "favourable solution" of the New Guinea question in the absence of U.N. support for Indonesia's claim to sovereignty over the western half of the island.

Some 600 representatives of political, military and youth organizations from all parts of Indonesia, meeting in Jakarta on Nov. 18-19, had urged the Indonesian Government to take "retaliatory" measures against Dutch economic interests if the United Nations "failed to solve the West Irian question in Indonesia's favour." It was proposed that such "retaliatory" action should take the form of (i) nationalization of Dutch-owned enterprises; (ii) repatriation of Dutch nationals "who do not contribute to Indonesia's reconstruction programme"; (iii) a ban on the entry of Dutch nationals into Indonesia; (iv) withdrawal of permits issued to Dutch nationals practising the liberal professions. The meeting also urged the setting-up of a "West Irian Reconstruction Brigade" and a "West Irian Liberation Fund."

A resolution embodying Indonesia's claim to sovereignty over Dutch New Guinea was rejected on Nov. 29 by the U.N. General Assembly (see below), where it failed to secure the two-thirds majority necessary for adoption—as had also been the case at a number of previous Assembly sessions. On Dec. 1 the Indonesian Minister of Information (Mr. Subidjo), acting as "chairman of the Action Committee for the Liberation of West Irian," authorized the following measures to be taken with immediate effect and with the approval of the Indonesian Government: (i) a general strike of all Indonesian workers employed in Dutch enterprises; (ii) a ban on the publication of all newspapers and magazines in the Dutch language, and on the import of publications from Holland; (iii) a ban on all aircraft of Royal Dutch Airlines (K.L.M.), which were forbidden to land on or fly over Indonesian territory. K.L.M. planes already in Indonesia were required to leave the country immediately.

Although the Indonesian Government and the military authorities issued repeated warnings against the unauthorized seizure of Dutch concerns without official permission, large numbers of Dutch businesses, offices, banks and trading concerns were seized by groups of workers and youths in different parts of Indonesia during the first week of December. In Jakarta, red flags were hoisted over the offices of the Royal Dutch Packet Navigation Company (K.P.M.), the Netherlands Trading Bank (*Nederlandse Handelsmaatschappij*), the *Nationale Handelsbank*, the *Escomptobank*, the Hôtel des Indes (the largest in Indonesia), and other large concerns and enterprises, all of which were proclaimed the "property of the Indonesian Republic." Indonesian employees at the K.P.M. offices demanded that the management should sign an "instrument of transfer"; this the board refused to do, and all Dutch personnel thereupon left the building. Similar incidents occurred at many other premises illegally seized by the employees and groups of nationalist youths.

In addition to the seizure of Dutch concerns, many Indonesian shopkeepers, hotel workers, taxi-drivers, etc., refused to sell food or perform services for Dutch nationals, in defiance of Government orders. Although there were no reports of violence against individual Dutch citizens, foreign press correspondents reported that Dutch families in different parts of Java were being refused food supplies as part of the "economic blockade" and were being subjected to great hardships. It appeared, moreover, that the Indonesian Government had little or no control over the groups of workers and youths—many of them apparently Communists or Communist sympathizers—who had seized Dutch property and enterprises. The seizure of the *Nederlandse Handelsmaatschappij* (the oldest and largest bank in Indonesia) and other financial institutions led to a heavy run on the banks by depositors and the withdrawal of large sums, while the taking-over of the K.P.M. company (the largest shipping concern in Indonesia) resulted in the virtual suspension of inter-island shipping traffic.

On Dec. 5 the Indonesian Minister of Justice announced that some 50,000 Dutch nationals in Indonesia would be "expelled or repatriated" in three stages: (1) the first group, numbering some 9,000, would consist of persons employed by the Netherlands Government (including K.L.M. officials), those who could be "replaced by Indonesians," and those whose income was derived mainly from Holland; (2) the second group would include "middle-class" Dutch nationals, e.g. shopkeepers; (3) the third phase would include "other groups" (unspecified). Dutch experts were exempted from the expulsion orders.

At the same time the Indonesian Foreign Ministry announced that all Dutch Consulates and Vice-Consulates throughout Indonesia would be closed down with the exception of the diplomatic mission in Jakarta, the consular section of which would remain open but whose cultural, military and press offices would be closed. The order involved the closing-down of the Dutch Consulates at Bandung, Surabaya and Semarang (Java), Medan and Palembang (Sumatra), and Macassar (Celebes).

The Prime Minister of Indonesia (Dr Djuanda) issued a decree on Dec. 9 placing all Dutch-owned estates and plantations under the control of the Government, the implementation of the decree being left to the Minister of Agriculture, Mr. Sadjarwo. The latter explained (i) that the 500 Dutch estates (representing, it was claimed, three-quarters of all estates in Indonesia) would be under the control of the Central Government in Java and of the provincial administrations in the other islands; (ii) that the new measures would be applied only to Dutch and joint Dutch-Indonesian interests, and would remain in force as long as there was no settlement over West Irian; and (iii) that the present Dutch managers could remain indefinitely, provided they obeyed the new regulations.

In a number of instances the former Dutch estates had been illegally taken over by workers and nationalist groups in rural areas, as had been the case with Dutch enterprises in the cities and towns. When issuing the above-mentioned decree, Dr. Djuanda forbade any "harmful or obstructive activity" on the estates, stressing that the Government's decision had been taken "for the sake of continuation of production important to the State." The Prime Minister also gave a warning against any excesses that might endanger the liberty, safety and security of Dutch nationals, or which might cause damage to individual property. In particular, he called on Indonesian citizens not to take action against any Dutch nationals in the form of economic boycott or refusal to sell foodstuffs.

A similar warning was issued by General Nasution (the Army Chief of Staff) who, in his capacity as Chief Military Administrator, issued orders forbidding the further take-over of Dutch firms and enterprises anywhere in the country. General Nasution announced that the Military Administration would draw up the necessary regulations in all cases where Dutch enterprises had already been expropriated; that the regional and local military administrations would be responsible for the control of former Dutch enterprises in their respective areas; and that this control must be exercised in a restrained and orderly manner and in the name of the Indonesian Government.

Expulsion of Dutch Nationals.

Of the 50,000 Dutch nationals affected by the expulsion order, the great majority—about 30,000—were Eurasians whose families had lived in Indonesia for many years and who had never known the Netherlands. Between Dec. 10 and Dec. 31 some 10,000 left Indonesia for Holland by ship and air, many of them being women and children. Press correspondents in Jakarta spoke of the "heart-rending scenes" at the airport and dockside as families, many with young children and babies in arms, left the country of their birth and upbringing for a land unknown to them.

By arrangement with the British and Singapore authorities, those evacuated by air were temporarily accommodated at a transit camp in Singapore before being flown to Holland. As stated above, the K.L.M. had been forbidden to land in Indonesia, and the air exodus was carried out by planes of British Overseas Airways, Qantas Airways (Australian) and Air India. The evacuation by sea was carried out by Dutch and British vessels—the latter including the P. and O. liner *Himalaya* and the Orient Line vessels *Orontes* and *Oronsay*, which were diverted from their normal routes. The New Zealand transport *Captain Cook*, bound for Singapore with a New Zealand battalion for Malaya, was also diverted to Indonesia to pick up Dutch evacuees.

Press reports from Jakarta stated that many Indonesians were becoming increasingly alarmed at the large-scale exodus of Dutch nationals, in view of the possible serious effects on Indonesia's economy caused by the departure of specialists, technicians and businessmen. In a broadcast on Dec. 9, the Minister of Information said that the Indonesian Government still needed the services of such persons as technical experts and university lecturers, who would be exempted from the expulsion order and for whom separate regulations would be drawn up. He added that if any Dutch nationals wished to remain in Indonesia, "this matter could be discussed." In the course of his broadcast the Minister denied that Dutch nationals were being "driven out" of Indonesia and stated that they had been "requested" to leave the country.

Reactions in the Netherlands. - Dutch Appeals to North Atlantic Council and United Nations.

In a statement on Dec. 3 to the States-General in The Hague, the Prime Minister of the Netherlands (Dr. Drees) said that the Government viewed the situation in Indonesia with "deep concern" and would do its utmost to safeguard the interests of Dutch nationals in that country. He described the expropriation of Dutch enterprises and the measures taken against individual Dutch citizens as "not only contrary to the law of nations but also to the laws of humanity." Nevertheless, the Netherlands Government were "not without hope that the Indonesian Government will understand that the severance of the last ties with our country will harm not only us but Indonesia as well."

After the Indonesian Government's expulsion order, Dr. Drees sent a cable to Dr. Djuanda containing an urgent appeal "to take all measures to enable an orderly departure of those [Dutch nationals] who want to leave." Dr. Drees referred to the closing of the Dutch Consulates, difficulties in obtaining exit visas [required by all foreigners], and hindrances to Dutch shipping, and suggested that the Indonesian Government should give permission for ships to leave according to prearranged schedules and for charter aircraft to pick up evacuees. In reply, Dr. Djuanda stated that Indonesia would place no obstacles to the evacuation of Dutch nationals and would take all measures to facilitate their departure. The Netherlands Government also appealed to the International Red Cross and to the Inter-Governmental Committee for European Migration (ICEM) for assistance in connexion with Dutch nationals threatened with expulsion from Indonesia.

The Netherlands Government announced on Dec. 6 that it had instructed its permanent representative on the North Atlantic Council (Dr. van Kleffens) to call for an urgent session of that body so that Holland could "explain the position to her NATO partners" and request "all measures of solidarity which the present situation demands." The statement reiterated that the measures taken against Dutch nationals by the Indonesian Government were "in violation of the basic principles of international law and of human dignity."

An emergency session of the North Atlantic Council was accordingly held in Paris on Dec. 8, when Dr. van Kleffens informed the Council of developments in Indonesia. No official statement was issued, but it was understood that Dr. van Kleffens had appealed to the other NATO Powers to display solidarity with the Netherlands in a matter which, he maintained, justified co-ordinated action by the NATO countries. The other representatives were believed to have expressed sympathy for Holland, but without committing their Governments to joint protests or joint action; it was understood, however, that the British delegate (Sir Frank Roberts) had referred to the British representations to the Indonesian Ambassador in London—see below—and to the assistance given by British vessels and aircraft in evacuating Dutch nationals from Indonesia.

No official response was reported from the American side, beyond a promise to transmit the Dutch protest to Washington; a U.S. official pointed out in this connexion that there appeared nothing in the North Atlantic Treaty requiring a collective NATO response, as Indonesia was outside the treaty area and no act of aggression had been committed against the Netherlands.

The Netherlands Foreign Minister (Mr. Luns) informed the States-General on Dec. 23 that the Netherlands permanent representative at the United Nations had presented a letter to Dr. Hammarskjöld protesting at the actions of the Indonesian Government, and requesting that the communication be brought to the attention of the Security Council and the General Assembly. Referring to the "serious deterioration" in the situation during the past three weeks, Mr. Luns drew attention to the illegal expropriation of Dutch firms and plantations; to the fact that Dutch nationals in Indonesia were forbidden to sell their private property without official consent; to the arbitrary closing of consular offices; and to the attempted seizure of the K.P.M. shipping fleet—many of whose vessels, however, had succeeded in reaching foreign harbours. Mr. Luns warmly thanked the British, Australian and Singapore Governments for their assistance in evacuating Dutch nationals, and spoke of the "spontaneous indignation" which had been aroused in many countries by Indonesia's actions against the Dutch minority.

The letter presented to the U.N. Secretary-General accused the Indonesian Government of "deliberately and systematically provoking the animosity of the population against a foreign minority in their country," and declared that Indonesia was "answerable to the fullest extent for the present shameful situation." The letter continued: "The measures taken by the Government of Indonesia not only constitute discrimination against Netherlands nationals but also fall below the minimum standards that should be observed by a State in the treatment of aliens. The hostile activities directed against the Netherlands community in Indonesia are a flagrant negation of the human rights and fundamental freedoms which the U.N. Charter is designed to uphold. The pressure exerted on the Netherlands community in Indonesia should be seen as a reaction to the General Assembly's refusal to satisfy the Indonesian claim to Netherlands New Guinea [and as] an effort to achieve by illegal means that which Indonesia has failed to achieve through lawful procedure. Such action involves a challenge to the authority of the United Nations."

As a precautionary measure, two destroyers of the Royal Netherlands Navy—the *Drenthe* (2,450 tons) and *Evertsen* (1,710 tons)—left the Dutch naval base of Den Helder in mid-December for New Guinea to reinforce the destroyer *Groningen* (2,450 tons) and the frigate *Johan Maurits van Nassau* (1,500 tons), which were already in New Guinea waters.

Australian Warning to Indonesia.

Much perturbation was aroused in Australia by the Indonesian Government's actions against the Dutch minority, and in particular at Indonesia's apparent attempt to use these measures in order to force Holland to cede Western New Guinea. A statement outlining Australia's attitude was issued on Dec. 12 by the Minister for External Affairs (Mr. Casey), with the approval of the Australian Cabinet.

The statement emphasized that the Australian Government did not wish to say anything which might contain "the slightest element of injustice to our Indonesian neighbours," with whom Australia had lived on terms of amity and with whom there was only one major point of disagreement [i.e. the New Guinea question.] It went on to make the following points:

(1) Indonesia, like Australia, was a member of the United Nations and a subscriber to the U.N. Charter. The Indonesian resolution on Western New Guinea had failed to secure a majority in the General Assembly, and Australia found it "hard to believe" that Indonesia, having failed to secure her objective in the United Nations, should now seek to secure it by direct reprisals and intimidation of the country with which she was in dispute. If it turned out that the Indonesian Government were seeking to obtain satisfaction of their claims to Western New Guinea by expelling Dutch citizens and confiscating Dutch property, and if such action were allowed to succeed, a "grievous blow" would have been struck at the entire concept of international order which the United Nations was created to defend.

(2) In any self-governing country, the elected Government must accept responsibility for acts of confiscation committed by sections or groups. No Government could "stand by and witness inside its own country the perpetration of widespread acts of aggression against a minority and wash its hands of responsibility for them."

(3) Indonesia, like many other under-developed countries in Asia and elsewhere, had the natural desire to build up the living standards of her people by encouraging investment and industry. The Indonesian Government would appreciate that if Dutch investments in Indonesia—amounting to hundreds of millions of pounds—were subject to confiscation, with or without compensation, the introduction of foreign capital into other under-developed countries would be gravely discouraged. If, therefore, confiscation of Dutch investments occurred or continued, other under-developed countries—as well as Indonesia herself—would inevitably find great difficulties in obtaining the necessary capital and external assistance for developing their resources.

(4) After stressing that Australian opinion on these matters was "both deep and strong," the statement pointed out that Australia had done what she could to help Indonesia to establish a stable and orderly government. She (Australia) therefore felt qualified to urge upon the Indonesian Government "that it should not do or permit anything which would impair the maintenance of true parliamentary democracy, or diminish the clear voice with which it should be able to speak in the councils of nations."

Indonesian allegations that the Australian-Dutch agreement of Nov. 6 (see 15865 C) contained military clauses had previously been strongly repudiated by Mr. Casey, and also by the Australian representative at the United Nations. In a statement to the Australian Parliament on Nov. 19, Mr. Casey had also denounced the "deliberate campaign of falsification" which was apparently being waged in Indonesia in an attempt to influence the U.N. debate on New Guinea. Referring to

"fantastic" Indonesian press allegations that Australian troops had entered the town of Merauke, in Dutch New Guinea, Mr. Casey pointed out that the nearest Australian troops to Merauke were several hundred miles away in Papua.

British and Malayan Reactions.

A British official spokesman said on Dec. 6 that the Indonesian Ambassador in London (Dr. Sunario) had called at the Foreign Office the previous day, at his own request, and had been informed of the British Government's concern at the developments in Indonesia. The British Government were convinced that the expulsion of Dutch nationals "would be harmful to the interests of Indonesia and could only create an unfavourable impression elsewhere," and these views had been officially conveyed to Dr. Sunario. The spokesman added that Britain would offer all possible help to Dutch nationals who might be deported from Indonesia, and was keeping in touch with the Australian and Netherlands Governments on this matter.

The British Embassy in Jakarta received a Note from the Indonesian Government on Dec. 19 asking that Dutch warships should not be allowed to use the Singapore naval base. The British Government's reply (delivered on Dec. 24) pointed out that facilities at the Singapore base were normally made available to foreign warships in time of peace, and that there were no grounds for restricting or denying such facilities

It was announced in Kuala Lumpur on Dec. 17 that the Prime Minister of Malaya (Tengku Abdul Rahman) had instructed the Malayan Ambassador in Jakarta to urge the Indonesian Government, on humanitarian grounds, to exercise moderation and restraint in its treatment of Dutch nationals. The Tengku described the developments in Indonesia as "very serious" and expressed concern lest they should have repercussions in Malaya.

Deterioration of Economic Situation in Indonesia. - President Sukarno's Warning of Hardships.

The mass confiscations of Dutch estates, banks, shipping firms and other institutions resulted in an immediate and serious deterioration of the Indonesian economic situation, as was subsequently admitted by several Indonesian politicians and economic experts, as well as by President Sukarno himself. The seizure of the K.P.M. shipping line, in particular, led to the virtual suspension of inter-island traffic throughout the Indonesian archipelago, large quantities of foodstuffs and raw materials being left to rot at the waterfronts because there were few or no vessels to carry them to other islands where they were needed. The following description of the prevailing conditions was given in a despatch (dated Dec. 18) from the Special Correspondent of *The Times* in Surabaya, normally the busiest port in Indonesia :

"In Surabaya the critical situation of Java is bleakly apparent . . . Apart from the Dutch embarcation, the dock area here is dead. At the K.P.M. wharves ships which the Government dare not allow to leave, for fear they will go to Singapore, lie idle in a long silent row. At other quays there are no ships at all . . . The price of rice, the staple food, has almost trebled in the past two months, and cooking oil from the Celebes, on which the kitchens of Surabaya depend, is no longer coming in. Civilian air services have been disrupted because the military require the aircraft. Java, with its 50 million [population], is thus being thrown back on its own resources while the outer islands go their more fortunate way, trading unofficially yet extensively in small craft with Indonesia's northern neighbours. Sugar, rice, tea, coffee and other necessities, which should be moving in and out of Java, are wasting in sheds and the holds of idle ships . . ."

In a speech at Surabaya on Dec. 11—the first since the attempt on his life ten days earlier (see 15903 E)—President Sukarno warned the Indonesian people that they would have to face shortages of food, clothing, and other vital commodities in the "struggle for West Irian." After calling on the people to be "prepared for sacrifices" and to endure hardships, and appealing for the "renewal of the revolutionary spirit of 1945," he warned the people not to "concentrate their hopes on the United Nations" and declared that the campaign for West Irian had to be "fought in Indonesia and not in the U.N., Washington, London, Moscow or Peking."

Among prominent Indonesians who opposed the confiscation of Dutch property and the expulsion of Dutch nationals was the President of the Bank of Indonesia, Professor Prawiranegara. In a statement early in December, he said that the "actions we have undertaken lately in our efforts to regain West Irian are a flagrant violation of the provisions of our Constitution." After criticizing the "high-handed" seizure of foreign enterprises in Jakarta, and referring to the "chaotic effects" of these actions as reflected in a run on the banks, paralysis of exports, and soaring rice prices, he appealed to President Sukarno and Dr. Hatta (the Vice-President) to "persuade the people to return to respect for law."

To counteract the serious lack of shipping resulting from the suspension or dislocation of the K.P.M. services and the withdrawal of Dutch vessels, an Indonesian Government representative signed an agreement in Tokio on Dec. 29 with the Japan Shipowners' Association for the charter of 26 Japanese cargo ships to Indonesia, aggregating 75,000 tons, together with three to five small tankers of up to 3,000 tons each. It was stipulated that the ships would be chartered for six months ; that the contracts would be renewable at six-monthly intervals ; and that the charter fees would be paid in sterling one month in advance.

The following comment on the gravity of the economic position in Indonesia was brought by *The Economist* (London) in its issue of Dec. 7 :

". . . West New Guinea, as the Indonesians know perfectly well, would be nothing but a liability for the foreseeable future. In ostensible pursuit of his claim to this vast tropical jungle, 1,500 miles from Java, and inhabited by Papuan tribes with a stone age level of culture, President Sukarno is driving the Dutch, on whom Indonesia's economy depends, out of the country. In reality some of the Indonesians may see a more immediate attraction in the idea of squeezing the Dutch About 70 per cent of the total estate production and 70 per cent of the inter-island shipping are in Dutch hands; the temptation to grab Dutch assets must be strong; in President Sukarno's own mind it may be strengthened by the need to distract public attention from the economic and political chaos of the country . . . If the Dutch, as is to be expected, refuse to hand over New Guinea, and President Sukarno persists in what he is doing, the Indonesians will suffer far more than the Dutch. They could not, as the Dutch do now, make the Dutch estates yield 28 per cent of Indonesia's total exports; they would lose a great deal of technical assistance and financial credit; and they would risk losing a market which takes 19 per cent of their exports. . . ."

The existence of famine conditions in 30 areas of Java and of food shortages in parts of East Indonesia was admitted on Dec. 18 by an Indonesian Government spokesman.

The Indonesian Political Situation. - Dr. Sartono appointed Acting President. - Proclamation of "State of War." - Disturbances in Celebes.

The Indonesian political situation remained confused during the events described above, and few authoritative details of developments were available. During the first fortnight of December the Dutch press and radio brought a number of reports alleging that President Sukarno was a "virtual prisoner of the Army" and that effective political control was in the hands of a triumvirate consisting of Vice-President Hatta, Dr. Djuanda and General Nasution. These allegations were denied on Dec. 15 by President Sukarno himself, who said that "Amsterdam is full of rumours and wishful thinking" and that there were no differences between himself and other political and military leaders.

On Dec. 20, however, Dr. Sartono (Speaker of the Indonesian Parliament) was sworn in as acting President of Indonesia during the forthcoming absence from the country of President Sukarno, who, it was announced, would shortly take a holiday abroad for reasons of health. Dr. Djuanda had previously told the Indonesian Parliament that the President would take a holiday in a foreign country (unnamed) on the advice of his doctors.

The head of the Indonesian Army's Intelligence Service (Lieut.-Colonel Sukendro) disclosed on Dec. 26 that 71 persons had been arrested in connexion with the attempt on President Sukarno's life on Nov. 30, including members of political parties and youth organizations and of the outlawed Dar-ul-Islam organization. Colonel Sukendro said that the "master-mind" of the plot against President Sukarno was Colonel Lubis (the former Deputy Chief of Staff), who was wanted in connexion with the abortive *coup d'etat* late in 1956 (see 15272 A) and who was still at large. He added that arrested Dar-ul-Islam suspects had confessed that Colonel Lubis had personally given them the grenades with which the attack on President Sukarno was made.

A "state of war" (i.e. martial law) was proclaimed throughout Indonesia under a decree issued on Dec. 18 by President Sukarno and approved on Dec. 23 by the Indonesian Parliament. It invested supreme authority in the Chiefs of Staff of the armed forces and the Cabinet.

New regulations were issued on Dec. 30 under the "state of war" decree whereby all foreign civilian experts, irrespective of nationality, were required to give their services to the military authorities if necessary. The regulations defined experts as "all those possessing scientific, technical or other specialized knowledge," and laid down that such persons could be employed "in the interests of the security, development and welfare of the Republic." Penalties for non-compliance were fixed at a maximum of two years' imprisonment or fines up to 10,000 rupiahs (there are between 32 and 64 rupiahs to the pound sterling at official exchange rates). It was pointed out that the regulations were in the nature of a "precautionary" measure and had not yet been officially implemented.

Though few details were given in Jakarta, it became known that serious disturbances had occurred in Celebes during December as a result of widespread attacks by Dar-ul-Islam

insurgents, who claimed to be in control of the whole island except for the south-western tip. Foreign press correspondents reported that the insurgents had attacked Indonesian Army posts in different parts of the island, disrupted communications and destroyed bridges over wide areas, and established control in a number of small towns and many villages. It was also admitted in Jakarta that disturbances had occurred in the island of Ambon (Amboyna), no details being given.

U.N. Debate on New Guinea.

As stated above, the question of Western New Guinea was debated at the 12th session of the U.N. General Assembly between Nov. 20-29. A 19-nation resolution calling for negotiations between Indonesia and the Netherlands to resolve the dispute failed to gain the two-thirds majority necessary for adoption and was therefore rejected.

The Assembly had previously agreed, on the recommendation of its Steering Committee, to place the New Guinea question on its agenda, the voting being 49 in favour (including Indonesia and most other Afro-Asian nations, the Communist countries, and several Latin American countries) and 21 against (including the Netherlands, Great Britain, France, Australia and New Zealand). The United States, Canada and Turkey were among 11 abstaining countries.

A resolution was presented in the Political Committee by 18 Afro-Asian countries (including Indonesia) and Bolivia which (i) expressed concern at the prolongation of the dispute as "likely to endanger the peaceful development of the area"; (ii) invited Indonesia and the Netherlands to "pursue their endeavours to find a solution to the dispute in conformity with the principles of the U.N. Charter"; and (iii) requested the U.N. Secretary-General to assist the two parties as appropriate and to report to the next Assembly session.

Dr. Subandrio (Foreign Minister of Indonesia) said that his country's claim to "West Irian" rested on the following "basic facts": West Irian was an integral part of the former Netherlands East Indies, which had been recognized as Indonesia since 1948; the unity of the peoples of Indonesia and West Irian was derived from "centuries of living together"; the Indonesian people had proclaimed the independence of "the whole of Indonesia" in 1945; the Netherlands, in official agreements and pledges, had undertaken to promote the establishment of complete sovereignty for the whole of Indonesia; the formal transfer of sovereignty had taken place "irrevocably" on Dec. 27, 1949, and it had been agreed in 1950 that the dispute over the political status of West Irian should be resolved by peaceful means. Dr. Subandrio denied that the principle of self-determination applied to the people of Western New Guinea, and asserted that it had been introduced by the Netherlands to "confuse the issue." Warning the Committee that the patience of the Indonesian people was "not inexhaustible," he said that if the U.N. failed to satisfy Indonesia's claim she might have to fall back on "other action short of war." Dr. Subandrio added that the recent Australian-Netherlands declaration on New Guinea seemed to have "military implications," and expressed disquiet at reports that "arms shipments were flowing from the Netherlands to West Irian."

Dr. Sastroamidjojo (Indonesian representative at the U.N., and a former Prime Minister) also gave a warning that this might be the last occasion on which Indonesia would try to "seek a peaceful solution through the United Nations" if the 19-nation resolution failed to secure the necessary majority in the General Assembly. In such an eventuality Indonesia would have "no alternative" but to seek a solution "in her own way."

Mr. Schuurman (Netherlands representative at the U.N.) emphasized that his country "cannot and will not comply with Indonesian demands for the annexation of Netherlands New Guinea, nor enter into any negotiations concerning the future status of that territory without its inhabitants having the right to decide on their own political future." The right of self-determination, he said, was explicitly set forth in the U.N. Charter, and the Netherlands adhered to that principle. After stressing that "complete peace, law and order" prevailed in Western New Guinea, and that there was no disposition on the part of its inhabitants to "yield to the domination of Jakarta 2,000 miles away," Mr. Schuurman declared that "if there is any threat to peace it comes from Indonesia and not from the Netherlands."

Mr. Luns (Netherlands Foreign Minister) pointed out that Indonesia had, on the one hand, demanded negotiations on the future status of the territory, but, on the other hand, had argued that Western New Guinea was part of her territory, which left no room for negotiations and simply meant that the Netherlands was asked to hand the territory over to Indonesia. Whereas the demand for negotiations was a political question which could be considered within the Assembly's competence, Indonesia's claim to sovereignty over Western New Guinea was a purely legal question which should be dealt with by the International Court of Justice. In this connexion he reminded the Committee that the Netherlands had wanted to consult the International Court but that Indonesia had refused. Mr. Luns emphasized that there was "no truth whatsoever" in the Indonesian allegation that the Australian-Dutch agreement had "military implications," and described that allegation as a "malicious invention."

M. Peive (U.S.S.R.) expressed full support for Indonesia and called upon the U.N. to end a situation caused by "the unlawful seizure of the territory by The Hague, backed by U.S. oil interests." After accusing the Netherlands and Australia of a "brutal regime of colonial oppression" in New Guinea, he asserted that Australia's membership of SEATO "showed the reason why certain Australian quarters are interested in preserving the Dutch colonial regime."

Dr. Ronald Walker (Australia) strongly protested at the "ridiculous" remarks of the representative of the Soviet Union, "that well-known defender of the self-determination of peoples." Australia's membership of SEATO, he emphasized, had nothing whatever to do with the question of Western New Guinea, which was of "direct interest and importance" to his country. The Dutch-Indonesian Charter of Transfer of Sovereignty [of December 1949] made it clear that Western New Guinea did not belong to Indonesia, and if there was any difference in interpretation it should be referred to the International Court. Indonesia, however, was "interested in nothing less" than unconditional transfer of sovereignty, so that there was really no purpose in direct negotiations between the two parties. The choice lay between self-determination for the people of Western New Guinea, which had been promised by the Netherlands but rejected by Indonesia, or annexation by Indonesia. After refuting Dr. Subandrio's contention that the people of Indonesia and Western New Guinea had "lived together for centuries," Dr. Walker called on the Assembly not to allow itself to be influenced by Indonesia's "threats."

The 19-nation resolution was approved by the Political Committee on Nov. 27, the voting being 42 in favour and 28 against, with 11 abstentions. In the full General Assembly on Nov. 29, the resolution received 41 votes in favour and 29 against, with 11 abstentions, and thus failed to secure adoption because the affirmative votes fell considerably short of the two-thirds majority needed for the endorsement of major political decisions by the full Assembly. The only differences in the voting were that the Philippine representative supported the resolution in the Political Committee but was absent in the plenary session, whilst the South African delegate was absent in the Political Committee and voted against the resolution in the Assembly. The voting in the plenary session was as follows:

In favour (41): Afghanistan, Albania, Bolivia, Bulgaria, Burma, Byelorussia, Ceylon, Costa Rica, Czechoslovakia, Egypt, El Salvador, Ethiopia, Ghana, Greece, Guatemala, Haiti, Hungary, India, Indonesia, Iraq, Japan, Jordan, Laos, Lebanon, Libya, Malaya, Morocco, Nepal, Pakistan, Persia, Poland, Rumania, Saudi Arabia, Siam, Sudan, Syria, Tunisia, Ukraine, U.S.S.R., Yemen, and Yugoslavia.

Against (29): Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Nationalist China, Colombia, Cuba, Denmark, Dominican Republic, France, Honduras, Iceland, Irish Republic, Israel, Italy, Luxemburg, Netherlands, New Zealand, Nicaragua, Norway, Peru, Portugal, South Africa, Spain, Sweden, and the United Kingdom.

Abstentions (11): Cambodia, Ecuador, Finland, Liberia, Mexico, Panama, Paraguay, Turkey, United States, Uruguay, and Venezuela. The Philippine delegate was absent, as explained above.

Speaking after the vote, Dr. Subandrio expressed "deep regret" that the resolution had failed to secure adoption. After pointing out that there might be "grave consequences," he added: "Up to now we have done our utmost to conduct our policy in such a way as to discourage any action which might lead to disturbances in the territory under dispute and its surroundings. To uphold this policy now would be an almost impossible task for any Indonesian Government."

It was announced in Jakarta on Dec. 21 that the "Action Committee for the Liberation of West Irian" had been dissolved and its functions taken over by the National Security Council, which is headed by the Indonesian Prime Minister and includes the Chiefs of Staff of the armed forces.

(Indonesian Embassy Press Office, London - Algemeen Handelsblad, Amsterdam - Netherlands News Agency - Times - Daily Telegraph - Manchester Guardian - U.N. Information Centre, London - New York Times - Australian News and Information Bureau - Economist) **(Prev. rep. New Guinea, Dutch-Australian Agreement, 15865 C; U.N. Debate on New Guinea (11th Session), 15505 A.)**

A. UNITED KINGDOM.—"Truth" ceases Publication.

The weekly review *Truth* ceased publication with its issue of Dec. 28, after a lifetime of 80 years. Founded by Henry Labouchère on Jan. 4, 1877, the review was conservative in politics and was known for its distinctively independent and forthright style. During its career it was involved in a number of legal actions as a result of its often vehement attacks on what it regarded as the shady and the dishonest. In 1958 Staples Press took over control of *Truth* from Mr. Collin Brooks, who had relinquished the editorship after 12 years. Mr. Ronald Staples, the controlling shareholder of *Truth*, died on Dec. 6, 1957.—(Times - Daily Telegraph) **(15587 A.)**

A. LITERATURE. — Book Selections for November and December. - Prix Goncourt Award for 1957.

Selected books published in Great Britain, the United States, and France are given below :

Great Britain. Alexander, Michael—"The True Blue : The Life and Adventures of Colonel Fred Burnaby, 1842-85." (Rupert Hart-Davis, 30s.)

Beloff, Max—"Europe and the Europeans." (Chatto and Windus, 25s.)

Bowra, Sir Maurice—"The Greek Experience." (Weidenfeld and Nicolson, History of Civilisation series, 36s.)

Butterfield, Herbert—"George III and the Historians." (Collins, 21s.)

Charlton, Warwick—"The Voyage of Mayflower II." (Cassell, 16s.)

Feis, Herbert—"Churchill, Roosevelt, Stalin . The War they Waged and the Peace they Sought." (Oxford University Press, 42s.)

Fisher, Margery and James—"Shackleton." (Barrie, 30s.)

FitzGibbon, Constantine—"The Blitz." London 1940-41. (Allan Wingate, 21s.)

Fleming, Ian—"The Diamond Smugglers." (Cape, 12s. 6d.)

Foot, Michael—"The Pen and the Sword." Jonathan Swift and the Duke of Marlborough. (MacGibbon and Kee, 30s.)

Green, V. H. H.—"Oxford Common Room . A Study of Lincoln College and Mark Pattison." (Edward Arnold, 30s.)

Guillain, Robert—"The Blue Ants : 600 Million Chinese under the Red Flag." Translated from the French. (Secker & Warburg, 25s.)

de Hartog, Jan—"The Lost Sea." Translated from the Dutch. (Hamish Hamilton, 10s. 6d.)

"History of the Second World War : The War against Japan—Volume I." (H.M. Stationery Office, 55s.)

Hutchinson, R.C.—"March the Ninth · A Story." (Geoffrey Bles, 15s.)

Hyde, Douglas—"God's Bandit." The Story of Father Orione. (Peter Davies, 15s)

Kennedy, Sir John—"The Business of War : The War Narrative of Major-General Sir John Kennedy." (Hutchinson, 25s.)

Lissner, Ivar—"The Living Past : The Great Civilizations of Mankind." Translated from the German. (Cape, 42s.)

Lowis, Commander Geoffrey—"Fabulous Admirals." (Putnam, 21s.)

Lyman, Richard W.—"The First Labour Government, 1924." (Chapman and Hall, 25s.)

Maurois, André—"The Three Musketeers : A Study of the Dumas Family." Translated from the French. (Cape, 35s.)

Maxwell, Gavin—"A Reed Shaken by the Wind." Travels on the Lower Tigris. (Longmans, 21s.)

McCarthy, Mary—"Memories of a Catholic Girlhood." (William Heinemann, 21s.)

Nicolson, Harold—"Journey to Java." (Constable, 21s.)

Packe, Michael St. John—"The Bombs of Orsini." (Secker and Warburg, 25s.)

Philip, H.R.H. Prince—"Selected Speeches, 1948-1955." (Oxford University Press, 12s. 6d.)

Stead, Philip John—"The Police of Paris." (Staples Press, 15s.)

Stirling, Monica—"The Fine and the Wicked : The Life and Times of Ouida." (Victor Gollancz, 21s.)

Todd, F. M.—"Politics and the Poet : A Study of Wordsworth." (Methuen, 25s.)

Werth, Alexander—"The Strange History of Pierre Mendès-France and the Great Conflict over French North Africa." (Barrie, 30s.)

White, Patrick—"Voss." A Novel of Australia. (Eyre and Spottiswoode, 16s.)

United States. Lerner, Max—"America as a Civilization : Life and Thought in the United States Today." (Simon and Schuster, New York, $10)

Moses, Robert—"La Guardia : A Salute and a Memoir." (Simon and Schuster, New York, $2.50)

Roberts, Kenneth—"Water Unlimited." (Doubleday, New York, $3.95)

Ruark, Robert—"The Old Man and the Boy." (Henry Holt, New York, $4.95)

"Triumph over Odds : An Anthology." Edited by J. Donald Adams. (Duell, Sloane and Pearce, New York, $6.00)

France. Crouzet, Maurice—"Histoire générale des civilisations : L'Epoque contemporaine." (Presses Universitaires de France, 3,000 francs)

Guimard, Paul—"Rue du Havre." (Editions Denoël, Paris, 450 francs). *Prix Interallié.*

Mégret, Christian—"Le carrefour des solitudes." (Julliard, Paris, 1,000 francs). *Prix Fémina.*

Peisson, Edouard—"La route du pôle sud." (Grasset, Paris, 690 francs)

Vailland, Roger—"La loi." (Nouvelle Revue Française, Paris, 750 francs). *Prix Goncourt.*

The *Prix Goncourt*—the leading French literary prize—was awarded by the *Académie Goncourt* on Dec. 2 to M. Roger Vailland for his novel *La loi* (see above). M. Vailland (50), formerly a journalist for *Paris-Soir*, distinguished himself in the wartime Resistance movement and published his first novel in 1945. He was at one time a member of the Communist Party but was censured by the party in 1956 when, together with other writers, he signed a protest against the Soviet intervention in Hungary. (Ed. K.C.A. - Le Monde, Paris)

(Prev. rep. Book Selections, 15833 A.)

B. PHILIPPINES. — Presidential and Congressional Elections. - Re-election of President Garcia.

Presidential elections held in the Philippines on Nov. 12 resulted in a victory for Señor Carlos Garcia, candidate of the *Nacionalista* Party, who—according to virtually complete returns issued by the Election Commission on Dec. 1—obtained 1,992,806 votes against 1,377,202 for his nearest rival, Señor José Yulo of the Liberal Party. In the elections for the Vice-Presidency, however, the Nationalist candidate (Señor José Laurel) was defeated by the Liberal candidate (Señor Diasdado Macapagal), who secured 2,185,269 votes against 1,767,920 for Señor Laurel.

Of the other three candidates contesting the presidential elections, Señor Manuel Manahan, leader of the newly-formed Progressive Party, received 1,034,124 votes ; Senator Claro Recto, leader of the Nationalist-Citizens Party and the only candidate to oppose the Philippine-U.S. defence agreement, obtained 425,447 votes ; and Señor Antonio Quirino, a dissident Liberal and a younger brother of the late President Elpidio Quirino, polled 60,099 votes.

Señor Garcia (61), whose political following was particularly strong in the southern islands (the Eastern and Western Visayas and Mindanao), had been elected Vice-President in the 1953 elections and had succeeded Señor Magsaysay as President on the latter's death in an air crash in March [see 15456 D]. The Liberal Party nominee—Señor Yulo, a former Secretary of Justice and Speaker of the House of Representatives—represented powerful business interests, being himself a sugar planter and industrialist, as well as a prominent politician with great influence in Luzon.

Señor Macapagal (48), the successful vice-presidential candidate, is a lawyer by profession, was Counsellor at the Foreign Ministry, and was a member of the Philippine delegation at the U.N. General Assembly in 1948. He a drew large part of his support from the island of Luzon.

Although there were no significant differences among the main parties over domestic or foreign policies, much interest was aroused by the emergence of the Progressive Party led by Señor Manahan, which denounced the graft and corruption alleged to be prevalent in the Nationalist and Liberal parties. Señor Manahan, who described himself as a "people's candidate," claimed to represent the ideals of the late President Magsaysay (of whom he was a close friend) and promised to continue the latter's social and land reform programmes. The Progressive Party also campaigned against alleged corrupt election practices through excessive expenditure on patronage, campaign managers, and advertising.

Polling on Luzon was considerably affected by a typhoon which flooded extensive areas of the island. In many rural areas large numbers of voters were prevented from reaching the polling-stations by swollen rivers, damaged bridges and flooded roads ; 20 people were drowned by the floods, while several thousand families had to be evacuated. Casualties arising out of election clashes were fewer than in the previous two elections, 22 people being killed in fights between rival groups as compared with 50 in 1949.

In his first public statement after the election, President Garcia said that his Government would continue to maintain close relations with the United States. Referring to the disagreement over the status of U.S. military bases in the Philippines, which had led to the breakdown of talks between the two Governments in December 1956 [see 15307 D], he said that a basis for the resumption of those talks would have to be found. On the domestic situation, Señor Garcia said that the main problem before the country was "economic in nature" ; he outlined a programme aiming at the utilization of natural resources, self-sufficiency in food, production of raw materials needed for the many new industries which had been established in the Philippine Republic, and stabilization of the Government's fiscal position.

General elections for one-third of the Senate (eight seats out of 24) and for a new House of Representatives (102 seats) also took place on Nov. 12. Of the Senate seats, six went to the Nationalist Party and two to the Liberal Party.

(The Times, Manila - New York Times) **(Prev. rep. Elections, 13305 A ; President Garcia, 15456 D.)**

C. ALBANIA. — Soviet Economic and Technical Aid.

An agreement on Soviet economic and technical assistance to Albania was signed in Moscow on Nov. 22 by General Mehmet Shehu, the Albanian Prime Minister, and M. Mikoyan, the Soviet Deputy Premier. Under the agreement the U.S.S.R. will grant Albania a long-term loan of 160,000,000 roubles for the development of the Albanian national economy during the period 1957-60, with special emphasis on the development of Albania's agriculture and of her oil, mining, and other industries. The aid will take the form of Soviet technical advice and of deliveries of industrial plant and equipment, and the Soviet loan will be repaid by Albanian exports to the U.S.S.R.—(Soviet Embassy Press Department, London)

(Prev. rep. 9946 E.)

A. PAKISTAN. — Resignation of Chundrigar Cabinet. - New Government formed by Mr. Firoz Khan Noon.

The Coalition Government of Mr. Chundrigar resigned on Dec. 11 following a serious disagreement between the Moslem League and the Republican Party over the electorate issue.

Although, when the Chundrigar Cabinet was formed, it had been agreed that the previous policy of joint electorates should be abandoned in favour of separate electorates, the central committee of the Republican Party, meeting at Lahore on Nov. 19, adopted three resolutions: (i) that the Bill restoring separate electorates which had been drafted by the Cabinet should not be introduced in the National Assembly, as planned by Mr. Chundrigar; (ii) that the Government should not do anything that might delay general elections beyond November 1958; and (iii) that a sub-committee be appointed to ascertain public opinion in East Pakistan on the electorate issue. Dr. Khan Sahib, the Republican leader and former Prime Minister of West Pakistan, stated on Nov. 24 that his party firmly supported a joint electorate system and would not compromise on principles to reach an understanding with the Moslem League on the electorate system.

Following unsuccessful efforts by Mr. Chundrigar to form a new Government, President Mirza invited Malik Firoz Khan Noon, the outgoing Foreign Minister and leader of the Republican Parliamentary Party in the National Assembly, to do so. Mr. Noon and the members of his Cabinet were sworn in on Dec. 16, the new Government's membership being:

Malik Firoz Khan Noon (Republican)	Prime Minister, Foreign Affairs, Frontier Regions, Defence, Economic Affairs, Rehabilitation, Information and Broadcasting, Law, Kashmir Affairs and Parliamentary Affairs.
*Syed Amjad Ali (Republican)	Finance.
†Mr. Mozaffar Ali Qizilbash (Republican)	Industry and Commerce.
*Mir Ghulam Ali Talpur (Republican)	Interior.
†Mian Jaffar Shah (Republican)	Food and Agriculture.
†Mr. Abdul Aleem (Republican)	Works, Labour, and Minority Affairs.
Mr. Ramizuddin Ahmed (Dissident *Krishak Sramik*)	Communications.
Mr. Kamini Kumar Datta (Republican)	Health and Education.
†Mr. H. M. B. Soomro (Republican)	Minister of State for Defence, Economic Affairs, Rehabilitation, Information and Broadcasting, Kashmir Affairs, Law and Parliamentary Affairs.
†Mr. A. Kumar Das (Independent) .. .	Minister of State for Finance.

*Held same portfolio in Chundrigar Cabinet.
†Held different portfolio previously, or took over additional portfolios in new Cabinet.

Mr. Noon's Cabinet was supported by a coalition consisting of the Republican Party, that group of the *Krishak Sramik* party led by Hamidul Haq Choudhury (the former Foreign Minister), the Awami League, the National Awami Party, the Congress Party, and the Scheduled Castes Federation. The four latter parties, however, while promising full support, had declined to be represented in the Cabinet pending the holding of general elections.

[The *Krishak Sramik* party consists of two groups. The larger one, with four members in the National Assembly, participated in the previous Coalition Government under Mr. Chundrigar; the smaller group, led by Mr. Choudhury, has two members in the National Assembly.]

For biographical details of Malik Firoz Khan Noon, who had been Minister of Foreign Affairs and Commonwealth Relations in both the Suhrawardy and Chundrigar Cabinets, see 15112 A. Syed Amjad Ali, Mir Ghulam Ali Talpur, and Mian Jaffar Shah were also members of the Suhrawardy and Chundrigar Governments. The only newcomers were Mr. Datta (a prominent Dacca lawyer, and formerly a Congress leader in East Bengal) and Mr. Ramizuddin Ahmed.

In a statement after taking office (Nov. 17) Malik Firoz Khan Noon said that Pakistan desired to live in amity and friendship with India, as with all nations, but would "not yield to anybody on her rights and would continue to strive for the right of self-determination for the people of Kashmir." His Government would stand by Pakistan's military and other alliances, and there would be no change in foreign policy. Internally, his Government would try to overcome the grave food problem and to achieve self-sufficiency; it would also fight inflation, root out corruption, rehabilitate refugees, and "strive to make life happier for the common man." He added that his Government was not yet complete and would shortly be expanded.— (Pakistan High Commissioner's Office, London)

(Prev. rep. 15866 C; 15819 A.)

B. UNITED KINGDOM. — The Finance Act, 1957.

The Finance Bill, 1957, embodying the provisions announced by the Chancellor of the Exchequer in his 1957-58 Budget (see 15481 A), was enacted on July 31, 1957, with only minor modifications.

The following amendments—all sponsored or accepted by the Government—were agreed to during the House of Commons Committee and Report stages, which took place respectively from May 21 - July 16 and on July 16 - 17.

(1) To provide, in connexion with gifts *inter vivos*, that property which was free of estate duty before the publication of the Bill should not be made subject to such duty under the Bill, provided that the persons who would be responsible for paying the duty exercised an option to this effect.

Mr. Enoch Powell (Financial Secretary to the Treasury), moving the amendment in the Report stage, explained that it fulfilled a promise given by the Chancellor of the Exchequer during the discussion of an earlier amendment moved by **Sir Patrick Spens** (C.) but subsequently withdrawn. [Sir Patrick's amendment had been intended to cover cases where the donor of an *inter vivos* gift died within five years, leaving the recipient liable for estate duty on the gift although he might meanwhile have spent or disposed of it. Sir Patrick had argued that in cases of this kind the clause of the Finance Bill covering gifts *inter vivos* would impose serious obligations on persons who might not have the wherewithal to meet the estate duty.] Mr. Powell explained that the Government amendment gave the recipient of such gifts the option of coming under the old law or the new, because in some cases the duty might be less under the Bill than under the old law.

(2) To provide, also in the case of gifts *inter vivos*, that the donee "should be treated, for the purposes of the Bill, as divesting himself, voluntarily and without consideration, of any interest in property which merged or was extinguished in another interest held or acquired by him in the same property."

Sir Harry Hylton-Foster (Solicitor-General), moving this amendment, explained that it was intended to deal with a form of "disappearing trick" which might become a convenient way of disposing of real property without the risk of incurring estate duty. Under the Bill, where a donee had ceased to possess the property originally given, the charge would fall on the property he had received in substitution, but the Bill did not deal with what could be done with a leasehold interest.

If, for instance, the donor gave a leasehold interest as a gift, and the donee bought the reversion to the lease, that leasehold interest would disappear because it would merge in the reversion and there would be no substituted property on which a charge for estate duty could be made.

(3) To enable a company to defer adopting the status of an "overseas trade corporation" (see page 15485), or to relinquish such status and re-assume it at a later date.

Mr. Powell, in moving this amendment, explained that it would give companies which had never been "overseas trade corporations" the option of deferring qualification as such for as long as they wished. A company which had already qualified as an "overseas trade corporation," but wished to cease to be so qualified, would, however, only be able to do so by virtue of a direction of the Commissioners of Inland Revenue, who would need to be satisfied (*a*) that, as a result of giving up its status, the company would enjoy relief enabling it to set off trading losses and capital charges against income; (*b*) that this was the sole or main benefit that the company would derive from ceasing to qualify as an "overseas trade corporation."

(4) To ensure that a U.K. company which was not itself an "overseas trade corporation," but was a shareholder in one and received dividends from it, should be in the same position as regards taxation as it would have been if the dividends had not come from an "overseas trade corporation."

Mr. Powell pointed out in this connexion that normally a U.K. company drawing dividends from a second U.K. company trading overseas would obtain credit for foreign tax against both income-tax and profits tax. Where, however, the second company was an "overseas trade corporation" it was, as such, exempt from profits tax under the Bill. The effect of this would be that the first company would be unable to obtain credit against its profits tax for any foreign tax still outstanding after it had been applied against the income-tax payable by it on the dividend received from the "overseas trade corporation."

(5) To increase from £85 to £100 the income which a child might enjoy in its own right before the parent became disqualified from drawing child allowance. (Moved by **Mr. Arbuthnot,** Conservative, and accepted by the Government).

The Bill was finally passed by the House of Commons on July 19 and by the House of Lords on July 31.—(Times - Daily Telegraph - Manchester Guardian - Financial Times)

(Prev. rep. 1957-58 Budget, 15481 A.)

A. UNITED KINGDOM. — The New Year Honours.

The New Year Honours List was published on Jan. 1, 1958, the principal awards being set out below :

Barons. Sir Norman Birkett, Q.C., Lord Justice of Appeal from 1950-57 and Judge of the King's Bench Division from 1941-50, Field-Marshal Sir John Harding, lately Governor of Cyprus.

[Sir Norman Birkett was chairman of the recent Privy Council inquiry into telephone-tapping—see 15776 A.]

Baronets. Colonel Sir Robert Chapman (a former Conservative M.P. for Houghton-le-Spring, Durham), for political and public services in the North of England; Mr. Godfrey Nicholson, M.P. (Conservative, Farnham), for political and public services; Sir Harry Platt, lately President of the Royal College of Surgeons.

A baronetcy had previously (Nov. 9) been conferred on Sir Cullum Welch, Lord Mayor of London in 1956-57.

Companion of Honour. Viscount Nuffield, for public and philanthropic services. [The benefactions of Lord Nuffield—who is 80—are estimated at £28,000,000.]

Knights Bachelor. Mr. Stanislaus Baker, Receiver for the Metropolitan Police District; Mr. Arthur Barnard, Director-General of Inspection, Ministry of Supply; Mr. Walter Barrie, chairman of Lloyd's; Mr. George Benson, M.P. (Labour, Chesterfield), for political and public services; Professor J. R. M. Butler, Chief Historian, Cabinet Office; Mr. William Cook, Deputy Director of the Atomic Weapons Research Establishment, Aldermaston; Alderman Christopher Cowan, for political and public services in Middlesex; Dr. Henry Cowan, Chief Medical Officer, Dept. of Health for Scotland; Alderman William Crane, chairman of the Housing Committee, Nottingham County Borough Council; Mr. Gerald d'Erlanger, chairman, British Overseas Airways Corporation; Mr. James Douglas, chairman, Southern Area Agricultural Executive Committee, Scotland; Mr. Claude Elliott, Provost of Eton College, Mr. Stanley Harley, for political and public services in the Midlands; Major Ernest Harston, secretary, British Empire Service League; Mr. Frank Hawker, Director of the Bank of England; Alderman Frederick Hoare, lately Sheriff of the City of London; Dr. Julian Huxley, the biologist and writer; Professor Christopher Ingold, Professor of Chemistry, University College, London, Colonel Colin Thornton-Kemsley, M.P. (National Liberal and Conservative, North Angus and Mearns), for political and public services; Professor Hans Krebs, Whitley Professor of Biochemistry, University of Oxford; Mr. Thomas Lund, secretary of the Law Society; Colonel James Miller, president of the Association of County Councils in Scotland and Convenor of Berwickshire County Council, Mr. Kenneth Murray, lately chairman of the Royal Bank of Scotland; Mr. Edward Norman, Chief Inspector of Taxes, Board of Inland Revenue; Mr. Fred Parkes, for political and public services in Lancashire; Mr. William Bentley Purchase, the London Coroner; Mr. Halford Reddish, for political and public services in Rugby; Mr. Sydney C. Roberts, Master of Pembroke College, Cambridge; Mr. Foster Robinson, for public services in Bristol, Mr. Steven Runciman, the historian; Mr. John Weir Russell, for political services in London; Mr. Ernest Stacey, for political services in Liverpool; Mr. Hubert Thornley, Clerk of the North Riding County Council, Yorkshire; Mr. Ashley Ward, for political and public services in Sheffield; Alderman Daniel Williams, for political and public services in Cardiff; Mr. Walter Worboys, chairman of the Council of Industrial Design.

[Mr. George Benson, M.P., has been chairman of the Public Accounts Committee of the House of Commons; Professor Butler, as Chief Historian to the Cabinet Office, is in charge of the official military histories of the Second World War; Mr. William Cook directed the British thermo-nuclear tests at Christmas Island in June 1957; Mr. Fred Parkes, of Blackpool, is chairman of one of the biggest fishing concerns in the world; Mr. S. C. Roberts is well known as an authority on Dr. Johnson and Sherlock Holmes; and Mr. Steven Runciman (the Hon. J. C. Stevenson Runciman), the authority on Byzantine history, is particularly known for his histories of the Crusades.]

Other recipients of knighthoods and other awards (in addition to those enumerated above) included the following :

Prime Minister's List. Mr. Maurice Adams, Civil Engineer-in-Chief, Admiralty; Mr. Neville Gass, chairman, British Petroleum Co. Ltd.; Mr. Harry Melville, secretary, Dept. of Scientific and Industrial Research; Mr. Arthur Owen, deputy-chairman, Board of Customs and Excise; Major-General William Penney, lately director, London Communications Security Agency; Brigadier George Walton, chairman, Territorial and Auxiliary Forces Association, County Durham.

Foreign Office List. Mr. William Allen, of the Foreign Office; Mr. Ian Henderson, H.M. Ambassador in Panama City; Mr. Edgar Joint, H.M. Ambassador in Bogotá; Mr. George Middleton, H.M. Ambassador in Beirut.

Commonwealth Relations Office List. The Hon. Stanley Burbury, Chief Justice of Tasmania; Mr. Patrick Fletcher, Minister of Native Affairs, Lands, Irrigation and Surveys, Government of Southern Rhodesia; Mr. Owain Jenkins, a member of the U.K. business community in India; Mr. Howard Mallaby, U.K. High Commissioner in New Zealand; the Hon. Alan Mansfield, Chief Justice of Queensland; Mr. Archibald Park, Lord Mayor of Hobart, Tasmania; the Hon. Roslyn Philp, Senior Puisne Judge, Supreme Court of Queensland; Mr. Geoffrey Tory, U.K. High Commissioner in Malaya; Dr. William Upjohn, of Melbourne (Victoria), for services to surgery; Mr. John Williams, managing director of the Herald and Weekly Times Ltd., Melbourne, Victoria.

Colonial Office List. Dr. Wilfred Marcus Askwith, Bishop of Gloucester and Prelate of the Order of St. Michael and St. George; Mr. Patrick Hogan, Q.C., Chief Justice of Hong Kong; Mr. Yusufali Jivanjee, for public services in Tanganyika; Mr. Audley McKisack, Q.C., Chief Justice of Uganda; Mr. George Roberts, for public services in the Bahamas; Alhaji Muhammadu Sanusi, Emir of Kano, Nigeria; Mr. Alexander Williams, Governor of the Leeward Islands.

The conferment of a knighthood on Mr. William Goode, the new Governor of Singapore (see 15732 C), had previously been announced on Nov. 6, 1957.

Royal Navy List, Army List and R.A.F. List. Recipients of knighthoods in the armed forces included Vice-Admiral Robert Elkins, Surgeon Vice-Admiral Robert May, Vice-Admiral Richard Onslow, Vice-Admiral Ballin Robertshaw, Lieut.-General Richard Goodbody (lately Colonel Commandant, Royal Regiment of Artillery), Lieut.-General Harold Pyman (late Royal Armoured Corps), Air Marshal Hugh Constantine (Deputy Chief of Staff, Plans and Policy, SHAPE), Air Marshal Edmund Hudleston (Vice-Chief of Air Staff), Air Marshal Patrick Potter (Director-General of R.A.F. Medical Services) and Air Vice-Marshal Arthur McDonald (A.O.C.-in-C., Technical Training Command).

Commonwealth of Australia List. Major-General Walter Cawthorn, Australian High Commissioner in Pakistan; Dr. Herbert Grieve, of New South Wales, for services to medicine; the Very Rev. Francis Rolland, Moderator-General of the Presbyterian Church of Australia, 1954-57; Dr. Ralph Whishaw, of Tasmania, for services to medicine, Lieut.-General Eric Woodward, Australian Army; Major-General George Wootten, chairman of the Repatriation Commission.

New Zealand List. The Hon. Kenneth Gresson, president of the N.Z. Court of Appeal; Mr. William Hale, chairman of the Dairy Board (1938-57), for services to the dairy industry; Dr. Ernest Marsden, of Wellington, for services to science.

Federation of Rhodesia and Nyasaland List. Mr. Stephen Courtauld, chairman of the Board of Trustees, Rhodes National Gallery.

D.B.E. Awards. The D.B.E. was conferred on Brigadier Cecile Johnson, Queen Alexandra's Royal Army Nursing Corps; Alderman Miss Mary Kingsmill Jones, for public services in Manchester; and Miss Rose Macaulay, the writer.

C.B.E. Awards. Recipients of the C.B.E. included Professor G. C. Allen, member of the Monopolies Commission and Professor of Political Economy, University of London; Mr. Denis Compton, the Middlesex and England cricketer and former Arsenal footballer; Mr. Clifford Curzon, the pianist; Professor G. R. Driver, Professor of Semitic Philology, University of Oxford; Miss Barbara Hepworth, the sculptress; Mr. Louis MacNeice, the writer and poet; Mme. Alicia Markova, the prima ballerina; Mr. Oliver Messel, the theatrical designer; Mr. Boris Ord, the organist, Director of Music at King's College, Cambridge; Mr. Dai Rees, the golfer; and Mr. Robert Speaight, the actor and author.

[Mr. Denis Compton (39), who has represented England at both cricket and association football, announced his retirement from professional cricket at the end of the 1957 season. Mr. Dai Rees captained the British golf team which won the Ryder Cup from the United States in 1957, for the first time in 24 years. Professor Driver has played a leading part in the controversy over the origin of the Dead Sea scrolls.].

The emergence of Ghana and of the Federation of Rhodesia and Nyasaland as full members of the Commonwealth was reflected in the appearance for the first time of separate lists for these two countries. The awards in the Ghana List were made to U.K. nationals holding official appointments in that country, as Ghanaian citizens are no longer eligible for British honours (see 15480 E).

The following titles were taken by the recipients of peerages in the Birthday Honours of 1957 (see 15589 A) : Sir Horace Evans—Baron Evans, of Merthyr Tydfil in the County of Glamorgan; Mr. J. Arthur Rank—Baron Rank, of Sutton Scotney in the County of Southampton; Lieut.-General Sir Willoughby Norrie—Baron Norrie, of Wellington, New Zealand, and of Hawkesbury Upton in the County of Gloucester.

Order of Merit conferred on Viscount Waverley.

The Order of Merit—which is the personal award of the Sovereign—was conferred on Dec. 8, 1957 on Viscount Waverley (formerly Sir John Anderson), chairman of the Port of London Authority. Lord Waverley (75) was a patient in St. Thomas's Hospital at the time, the insignia of the Order being handed to him at the hospital by Sir Michael Adeane, Private Secretary to the Queen. First elected to the House of Commons in 1938, he was a member of the War Cabinet in the Second World War and served successively as Home Secretary and Minister of Home Security (giving his name to the "Anderson" shelter), Chancellor of the Exchequer, and Lord President of the Council. He was created a peer in 1952.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 15589 A.)**

B. AVIATION. — World Speed Record.

A new world speed record of 1,207.6 m.p.h. was set up on Dec. 12 by a U.S. *Voodoo* jet fighter piloted by Major Adrian E. Drew (37), of the U.S. Air Force. The record was set up at the Edwards Air Base (California) over a straight 10-mile course at a height of 39,000 feet. The previous world record of 1,132 m.p.h. was set up in March 1956 by the British pilot, Mr. L. P. Twiss.—(New York Times) **(Prev. rep. 14791 A.)**

A. SOUTH-EAST ASIA.—Mekong Development Plan.

A 20-year plan for the development of the Mekong River basin in South-East Asia, to be carried out in co-operation between the Governments of Siam, Laos, Cambodia and South Vietnam, and with U.N. assistance, was announced in New York by the U.N. Secretary-General on Nov. 15. Dr. Hammarskjold stated that Lieut.-General Raymond A. Wheeler (whom the U.N. entrusted with the task of clearing the Suez Canal) would spend three months in South-East Asia discussing the project with the Governments concerned and also with the U.N. Economic Commission for Asia and the Far East (ECAFE), which had carried out a detailed survey of the region.

(*Economist*)

The plan envisages multi-purpose, long-term river development in the Mekong Basin, involving the construction of hydro-electric stations, irrigation systems, flood-control works, and land reclamation projects. The Governments of Siam, Cambodia, Laos, and South Vietnam, in agreement with ECAFE, have agreed on three projects which will have first priority in the development plan: (1) the Pamong project, involving the construction of a dam north of Vientiane (the Laotian capital) for irrigation and hydro-electric power; (2) the Sambor project (Cambodia), envisaging a dam on the lower reaches of the Mekong for multi-purpose development; and (3) the Tonlé-Sap project (also in Cambodia), which would regulate the flow of water between the lake of that name—a natural reservoir near Pnom-Penh—and the Mekong. Two other power projects are also recommended as priorities: (4) at Khône, on the Cambodian-Laotian frontier, and (5) at Khemmarat, on the Siamese-Laotian frontier. [See accompanying map for location of these five projects.]

The 2,600-mile-long Mekong River—one of the longest in the world—rises in the mountains of Tibet, flows through northern Laos, forms the frontier between Laos and Siam for a considerable part of its course, and then flows through Cambodia and South Vietnam to enter the South China Sea near Saigon. Though it provides a comparatively steady year-round supply of water for the four countries, harmful inundations affecting millions of acres occur every year in the delta area owing to the absence of flood-control measures. At present some 14,000,000 acres are under irrigation, but experts have estimated that 23,000,000 acres could be irrigated by proper utilization of the river's resources. Such new irrigation would improve the rice yield and permit the development of corn, tobacco, soya-bean and peanut crops in lands that for centuries have depended almost exclusively on rice. Moreover, the Mekong could become navigable along its whole length—instead of partly, as at present—if the necessary works were carried out, and it could provide hydro-electric power initially estimated at 5,000,000 kw. and reaching 10,000,000-15,000,000 kw. when the scheme was in full operation.

The first stage of the Mekong development plan will consist of a three-year programme of preparatory work at an estimated annual cost of U.S. $3,000,000. The U.S. Government has offered technical aid; the French, Indian and Japanese Governments have also expressed their willingness to help in the project; and the U.N. Technical Assistance Board is expected to help in the initial stages. The four interested Governments have asked the Executive Secretary of ECAFE (Mr. Narasimhan) to undertake informal discussions with other governments, particularly the Colombo Plan countries, which might be willing to give financial and technical assistance.

General Wheeler arrived in Saigon early in December for discussions with the South Vietnamese Government. He was accompanied by Canadian, French, Indian and Japanese technical experts. General Wheeler's mission will also visit the Laotian, Cambodian and Siamese capitals (respectively Vientiane, Pnom-Penh and Bangkok) and have discussions with ECAFE. Before leaving New York, General Wheeler had pointed out that the plan would constitute "a veritable T.V.A. project for South-East Asia" and would benefit some 17,000,000 people in the four countries concerned.
(Vietnam Press Agency, Saigon - Economist - New York Times)

B. UNITED STATES. — Mr. Arthur Miller convicted of Contempt of Congress.

Mr. Arthur Miller, the well-known dramatist and husband of Miss Marilyn Monroe (the film actress), was found guilty of contempt of Congress by the Washington Federal District Court on May 31, 1957. The charge, which was not denied, was that when appearing before the House Committee on Un-American Activities in June 1956 he had refused to answer two questions on the names of the chairman and the other persons present at a meeting of Communist writers which he had attended in 1947. Judge McLaughlin, who heard the case without a jury, rejected the contention of the defence that the questions were irrelevant to the subject under investigation—viz., the alleged fraudulent procurement and misuse of passports by Communists.

Following the Supreme Court's ruling in the Watkins case (see 15740 A), a motion for acquittal was filed on Mr. Miller's behalf. Judge McLaughlin thereupon reversed his previous ruling on one count on June 28, on the ground that when challenged the committee had failed to show in what respect one of the questions was pertinent. On the other hand, Judge McLaughlin upheld Mr. Miller's conviction on the other count, as he had not raised the issue of pertinence in connexion with this question but had refused to answer it for reasons of conscience. Mr. Miller was fined $500 on July 19 and given a suspended sentence of one month's imprisonment. Notice of appeal was given.—(New York Times) **(Prev. rep. 15740 A.)**

C. YUGOSLAVIA.—Rejection of Moscow Declaration.

The central committee of the Yugoslav League of Communists issued a statement on Dec. 7 criticizing the joint declaration published on Nov. 16 in Moscow by 12 Communist parties (see page 15901). It was stated that the Yugoslav delegation in Moscow had "acted correctly by not taking part in the meeting [of the 12 parties] and by not signing the declaration, which contains attitudes and appraisals which are contrary to the position taken by the Yugoslav League of Communists, and which it considers incorrect." At the same time, however, it was stressed that "differences . . . between the Yugoslav League of Communists and some other Communist parties need not and should not be an obstacle to the development of brotherly co-operation in the struggle for socialism and world peace."

The League of Communists fully endorsed the Yugoslav delegation's action in signing a "peace manifesto" which was also issued in Moscow during the 40th anniversary celebrations of the October Revolution. This manifesto, signed by all the Communist parties attending the celebrations (64 in all), called for the immediate cessation of atomic and hydrogen weapons tests; the "unconditional and speedy" prohibition of nuclear and thermo-nuclear weapons; the ending of the "arms drive" and "military blocs"; and support for a policy of "collective security, peaceful co-existence of different social systems, and the widest economic and cultural co-operation between all peoples."

During the central committee's meeting, which was held at Brioni, President Tito recalled Yugoslavia's expulsion from the Cominform in 1948 and declared that accusations of "revisionism" were still being directed against the Yugoslav League of Communists. He added that Yugoslavia would "energetically refute such insinuations" and desired "nothing more than to be treated as an equal among equals."
(Tanjug Agency, Belgrade - Le Monde, Paris) **(Prev. rep. Moscow Declaration, 15899 A; President Tito, 15807 A.)**

D. INDIA. — Gandhi Peace Foundation.

The executive committee of the Gandhi Memorial Foundation (*Gandhi Smarak Nidhi*) approved on Dec. 15 a proposal to set up a Gandhi Peace Foundation, which would be an international centre of Gandhian Studies and of research and studies in human relations based on Gandhian principles. A scheme for a Gandhi Memorial Museum in Bombay was also approved.—(Indian High Commissioner's Office, London) **(Prev. rep. 12393 B.)**

JANUARY 4—11, 1958.

A. UNITED KINGDOM. — Resignation of Mr. Thorneycroft and Junior Treasury Ministers. - Mr. Heathcoat Amory becomes Chancellor of the Exchequer. - New Ministers of War and Agriculture.

It was announced from 10, Downing Street on Jan. 6 (*a*) that Mr. Peter Thorneycroft, the Chancellor of the Exchequer, had resigned from the Government together with Mr. Enoch Powell, Financial Secretary to the Treasury, and Mr. Nigel Birch, Economic Secretary to the Treasury; and (*b*) that the following governmental appointments had been approved by the Queen: Mr. Derick Heathcoat Amory as Chancellor of the Exchequer; Mr. John Hugh Hare as Minister of Agriculture, Fisheries, and Food *vice* Mr. Heathcoat Amory; Mr. Christopher Soames as Secretary of State for War *vice* Mr. Hare; and Mr. J. E. Simon, Q.C., as Financial Secretary to the Treasury *vice* Mr. Enoch Powell.

No new appointment was being made to the post of Economic Secretary to the Treasury. It was stated that the Paymaster-General, Mr. Maudling, would in future assist the Chancellor of the Exchequer over the whole range of economic matters, in addition to his duties in connexion with the European Free Trade Area. Successors to Mr. Soames (formerly Parliamentary and Financial Secretary to the Admiralty) and to Mr. Simon (formerly Joint Parliamentary Under-Secretary, Home Office) also remained to be appointed. It was announced that Mr. Soames would become a Privy Councillor.

Mr. Heathcoat Amory (58) served with distinction during the Second World War and was wounded at Arnhem. A member of an old Devon family, he entered Parliament in 1945 as M.P. for Tiverton. He was Minister of Pensions, and subsequently Minister of State at the Board of Trade, in Sir Winston Churchill's post-war administration, and in 1954 became Minister of Agriculture, Fisheries, and Food—a post which he continued to hold under Sir Anthony Eden and Mr. Macmillan.

Mr. John Hare, M.P. for Sudbury and Woodbridge, is a brother of Lord Listowel (the Governor-General of Ghana) and was formerly vice-chairman of the Conservative Party Organization. **Mr. Christopher Soames,** a farmer and former Coldstream Guards officer, is M.P. for Bedford and a son-in-law of Sir Winston Churchill.

The resignation of Mr. Thorneycroft, Mr. Powell, and Mr. Birch resulted from an irreconcilable difference of opinion between the Chancellor and the rest of the Cabinet on financial and economic policy. Mr. Thorneycroft had insisted that the Estimates of Government expenditure for the next financial year (1958-59) should on no account exceed the amount actually spent in the current financial year. The Cabinet agreed that the departmental Estimates should be pruned to within one per cent of the current total (implying that the current year's total would be exceeded by less than £50,000,000), but the Chancellor was not prepared to accept any increase whatsoever, and accordingly tendered his resignation.

Mr. Thorneycroft's letter to the Prime Minister (dated Jan. 6) announcing his resignation, and the reasons for it, was published on the same date together with Mr. Macmillan's reply. They were worded as follows:

Mr. Thorneycroft to Mr. Macmillan.

"Dear Prime Minister,—I write to ask you to accept my resignation from the office of Chancellor of the Exchequer. My reason can be shortly stated. I am not prepared to approve Estimates for the Government's current expenditure next year at a total higher than the sum that will be spent this year.

"Your proposed departure from this country on Jan. 7 has made it essential that a decision of principle upon this matter be taken now. It is clear that in this proposal I do not have your support or that of a number of our colleagues. In the circumstances, and since the level of Government expenditure is central to my responsibilities as Chancellor of the Exchequer, resignation is the only course open to me.

"In the sterling crisis of last summer restrictions were placed in money terms upon the level of public investment and of bank advances. The Government itself must in my view accept the same measure of financial discipline as it seeks to impose on others.

"I recognize that in order to achieve my aim some combination of politically unpopular courses would have been necessary. I nevertheless regard the limitation of Government expenditure as a prerequisite to the stability of the pound, the stabilization of prices, and the prestige and standing of our country in the world."

Mr. Macmillan to Mr. Thorneycroft.

"My dear Thorneycroft,—I was sorry to receive your letter this morning offering your resignation as Chancellor of the Exchequer. I particularly regret that you should think it necessary to take this step when the difference between you and the rest of the Cabinet is such a narrow one.

"The policy upon which we are all resolutely determined is to check inflation and to maintain the stability of sterling. In this context the limitation of Government expenditure is certainly of the greatest importance. But we must regard the policy as a whole.

"We have two objectives—one to restrain the supply of money, the other to hold back pressure for more rewards, including wages and salaries. You say that the Estimates for next year must be the exact equivalent of the sum spent this year. The rigid application of this formula, to be carried out immediately and without regard to any other consideration, would do more harm than good. For, as became clear in our discussions, to apply it literally must involve cuts in vital services, including those especially affecting certain aspects of family life—and this without any regard to the effect upon the industrial front and on the task of those who have the responsibility of working for wage restraint.

"This is not a matter of popularity. We have never shrunk from unpopular measures. This is a matter of good judgment.

"In view of the terms of your letter, I feel it necessary to put on record that throughout the 12 months in which this Government have been in office you have had the full support of the Cabinet in the financial and economic policies which we have worked out together.

"When, only a few days ago, the Estimates were put before us, the Cabinet decided to pursue by every possible means the policy of keeping Government expenditure substantially the same as last year. We were faced initially with Estimates which, as they were first presented, were considerably higher. Many of these increases were unavoidable, partly because of the larger number of children at school and the expansion of secondary and university education; and partly because of the provision that has to be made for the increasing number of old people. Nevertheless, as a result of our work together, the Cabinet was able to reduce this excess to something less than 1 per cent of the total of current Government expenditure. Moreover, we agreed to review our policy during the coming year in order to provide a greater measure of control over expenditure in certain sectors on the civil side which can only be dealt with as a longer-term problem.

"I therefore cannot accept that there is any difference of principle between the rest of the Cabinet and yourself. Resignation is always a difficult decision. It is, in my view, justified only on matters of principle. I must add that your resignation at the present time cannot help to sustain and may damage the interests which we have all been trying to preserve.

"The economic and financial measures which we adopted during the past year are, I believe, beginning to bear fruit. The Government are united in their determination to pursue them resolutely to the end. I am therefore sorry that you have chosen this moment to leave us."

Mr. Heathcoat Amory, the new Chancellor, issued the following statement on Jan. 6 setting out the basis of the Government's economic and financial policy:

"The change of Chancellor means no change in the Government's economic or financial policy. The measures which have been successful over recent months in improving our economic position will be maintained as long as is necessary without relaxation. Public expenditure, both capital and current, will continue to be sternly restricted. The Government will adopt the same criteria in regard to its own expenditure as it has been urging others to adopt in relation to theirs.

"The strengthening of sterling and a stable internal price level are the dominating aims of the Government's economic policies, and nothing whatever will take precedence over them. There have been no divisions between us in the Government at any time on these objectives.

"Success is being increasingly achieved, but the battle of inflation has not yet been won. If we continue our present efforts with unremitting and single-minded resolution, it will be won.

"Every person of good will wants to see our country's economy strong and stable. If every one of us plays his part willingly and unselfishly, these aims will be successfully attained. In taking over my heavy responsibilities, I shall need, and I am sure I shall receive, the help and good wishes of all who have the welfare of our country at heart."

A statement was also sent by Lord Hailsham, in his capacity as chairman of the Conservative Party Organization, to the principal party officials in England and Wales. It was worded as follows:

"In this morning's paper you will be reading the grave news of the resignation of the Chancellor of the Exchequer. I need not tell you that this decision was received by all his colleagues, and especially by the Prime Minister, with the greatest possible regret.

"It might seem to you on reading the Chancellor's letter that the Government were not resolved to deal with inflation at home and to defend the pound by all possible means in their power. Nothing could be further from the truth.

"We are all agreed that the carrying to their full effect of the policies announced by the Chancellor last September may well involve unpalatable and unpopular decisions covering the entire range of policy. None of my colleagues would shrink from such decisions. But we do not believe that the whole future of sterling does in fact depend, or can be represented to depend, on marginal differences in the annual Estimates which would not amount to more than 1 per cent of the Government's annual expenditure.

"Moreover, it is clearly impracticable and indefensible to make permanent alterations in the shape of social policy depend on the exact out-turn of a single year's Estimates. To do so would involve the abandonment of some of the best-established of the social policies to which successive Conservative Governments have declared their adherence.

"Although the Chancellor has decided to abandon the struggle on which the Government is embarked, his colleagues in the Cabinet are all determined to carry on the responsibilities of government. I, as chairman of the party organization, look to you and the Conservative associations in your area to give their fullest support to the Prime Minister and the Government in what must inevitably be a most worrying and exacting time. Our duty to the country and the party demands no less."

The following statement was issued at Prestatyn by Mr. Nigel Birch, who is M.P. for West Flint :

"The other Ministers at the Treasury and I have thought it right to resign because we doubt whether it would be possible to be safe and secure at home and abroad and to stop rising prices unless Government expenditure was cut down. This would certainly have involved some rough things, but we believed it was essential to do them.

"I remain a strong Conservative supporter and will go on helping the new Government in Parliament. I believe more than ever that it is essential to beat the Socialists at the next election. They would spend far more than we are doing and have far higher taxation, and I believe this would be a disaster . . ."

Mr. Enoch Powell made a statement on the reasons for Mr. Thorneycroft's and his own resignation to the South-West Wolverhampton Conservative Association on Jan. 9.

After explaining that he (Mr. Powell) had had "a direct responsibility for the Civil Estimates" as Financial Secretary to the Treasury, and that "the reasons the Chancellor gave were as compelling and binding on me as on him," Mr. Powell continued : "In view of what has been said, I want to make clear these points :

"First, the issue was not over £50 million or any other specific sum—although I do not personally regard £50 million, or one per cent of the national expenditure, as a trivality. I must also say that the Chancellor is more open to criticism for not attempting to reduce the level of expenditure than for seeking to keep it at its present level.

"Secondly, the issue was not Family Allowances or any other specific item of welfare or other expenditure. The issue was whether Mr. Thorneycroft felt he had the necessary minimum support from his colleagues for the policy to which he and they were committed. He was forced to the conclusion that he had not that support. Neither Mr. Birch nor I could avoid coming to the same conclusion . . .

"A Chancellor of the Exchequer, occupying a place second in importance under the Crown, does not cast that away for any light cause . . . What is true of the Chancellor is true in scarcely a less degree of his two junior colleagues."

After praising Mr. Thorneycroft's "judgment, calmness and moderation combined with stubbornness, determination and courage," Mr. Powell went on : "In his last Budget and since, Mr. Thorneycroft had made it clear that he regarded further substantial reduction of taxation as one of his main objects. We should therefore regard the present level of taxation as an absolute maximum which must be reduced . . . If there is to be any criticism, it should be that it was not too strict but too lax . . . No Chancellor could forget the experience of the last year when, within six months of approving Estimates which showed virtually no increase over the previous year, the Government barely saved the external value of the pound and could not prevent a further decline in its internal value."

Mr. Powell concluded by saying that he would neither say nor do anything which might in any way weaken or embarrass the Government, nor would he enter into any discussion involving matters of Cabinet secrecy.

The Cabinet's action in opposing Mr. Thorneycroft's attitude towards Government expenditure was defended by Mr. Butler (Home Secretary and Lord Privy Seal) in a speech at Felsted, Essex, on January 7.

"I want to make it clear," Mr. Butler said, "that the Cabinet as a whole is united and determined to continue its battle against inflation, to keep the cost of living steady. The Cabinet were determined to reduce expenditure to the maximum extent possible, and to do this by all possible means. The difference between the rest of the Government and Mr. Thorneycroft arose from his demand that a decision should be taken, before the Prime Minister left [on his Commonwealth tour], that the Government's current expenditure in the coming financial year should be fixed at a total no higher than was spent in the current year."

The Estimates for the new financial year, Mr. Butler continued, had been swollen for a variety of reasons—most of them "natural causes"—including a larger number of children at school, increased expenditure on higher education, the increased cost of pensions, and the consequences of a fall in world prices which necessitated larger Exchequer subsidies to home producers. Until the Estimates were presented to them, the Government could not exactly foresee what the commitments would be. The Cabinet, with the sole exception of Mr. Thorneycroft, felt that the immediate and rigid application of Mr. Thorneycroft's "doctrine" would have resulted in "slashing cuts affecting the wage-earner's family and other expenses"; this would inevitably have had an effect upon the second of the Government's major objectives—to reduce the pressure of demand for increased rewards.

In answer to Mr. Thorneycroft's request, the Cabinet had agreed on the most drastic series of cuts in expenditure and had also agreed to review the whole of national policy in the field of expenditure in the coming months, especially on the civil side. "We thought," Mr. Butler added, "that was as far as we could go, and I am sure our judgment was right . . . If we had had to readjust and alter some of our social policy in the way suggested, we should have had to do so without due regard to humanity or commonsense in facing the dual problem of inflation—limitation of money and limitation of the desire for rewards. It would have meant that we would have been asked to overturn, in the course of a few days, policies in social welfare to which some of us had devoted the service of our lives. It would have been wrong to go back, at a few days' notice, on policies which had already been announced and promised when we had already cut as much as we thought right and proper in the interests of the country as a whole. This was not a struggle between what was politically courageous and what was not : it was a struggle between degrees of proper judgment. There is nothing more important in these financial matters than the question of judging, timing, and degree. I am convinced that if we had not stuck to our point of view we would have done harm to the battle against inflation."

The Labour "Shadow Cabinet" issued the following statement on the same day (Jan. 7) :

"The resignation of the Chancellor of the Exchequer with the other two Treasury Ministers is a grave and unprecedented event. Following as it does upon the resignation of other important Ministers within the past 12 months, it provides further unexampled evidence of the progressive disintegration of the Government. The plain fact is that the Government are no longer able to give the country the coherent and purposive leadership which is so urgently needed. Parliament will certainly expect a full account of the circumstances leading to this latest crisis and of its bearing upon the Government's economic and social policy. The Opposition will therefore press for a debate upon the whole matter as soon as the House reassembles."

Mr. Macmillan left London on Jan. 7 on an overseas tour of Commonwealth countries lasting six weeks, during which he will visit India, Pakistan, Ceylon, Australia, and New Zealand.

In a statement before his departure the Prime Minister said : "Some recent difficulties of our affairs at home have caused me a little anxiety. However, they are now resolved and the Government is going forward firmly along its path. It is always a matter of regret from a personal point of view when divergencies arise between colleagues. But it is the team that matters and not the individual, and I am quite happy about the strength and power of the team. So I thought the best thing to do was to settle up these little local differences and then turn to the wider vision of the Commonwealth."

It was announced earlier the same day that Mr. Butler would take charge of the Government during Mr. Macmillan's absence and would preside at Cabinet meetings.—(Times - Daily Telegraph - Manchester Guardian - Daily Herald) **(Prev. rep. Cabinet, 15761 D ; Mr. Thorneycroft, 15770 A ; 15790 D, footnote.)**

A. MOROCCO. — Inauguration of Rabat University.

The first modern university in Morocco was inaugurated at Rabat on Dec. 21 by King Mohammed V in the presence of the Moroccan Government, the Diplomatic Corps, and many eminent French scholars. Whilst Fez (the site of a famous Islamic university) will remain the centre of higher religious learning in Morocco, the new University of Rabat will teach science, law, literature, and the social sciences. The university will have a number of French teachers, to be supplied under the Franco-Moroccan cultural convention (see 15925 A), and is designed as a meeting-point of the Moroccan and French cultures.—(Le Monde, Paris)

B. FRANCE - UNITED KINGDOM. — Channel Tunnel Study Group. - British Chairman.

It was announced in Paris on Jan. 10 that Sir Ivone Kirkpatrick, formerly Permanent Under-Secretary of State at the Foreign Office, had accepted the post of British chairman of the Channel Tunnel Study Group. The French chairman is M. René Massigli, formerly Ambassador in London.
(Times - Le Monde, Paris) **(Prev. rep. 15729 A.)**

C. WESTERN GERMANY. — Charlemagne Prize.

It was announced in Aachen on Dec. 21 that the Charlemagne Prize would be awarded in 1958 to M. Robert Schuman, the former French Prime Minister and initiator of the Schuman Plan—now the European Coal and Steel Community.
(Frankfurter Allgemeine Zeitung - Le Monde, Paris)
(Prev. rep. 15436 B.)

A. DISARMAMENT. — Breakdown of London Disarmament Talks. - Soviet Rejection of New Western Proposals for Ground and Aerial Inspection. - Disarmament Debate at the United Nations. - Adoption of 24-Power Resolution. - Ending of Soviet Participation in Disarmament Commission and London Sub-Committee. - Enlargement of Disarmament Commission.

The disarmament negotiations between the Western Powers and the Soviet Union (see 15517 A) were suspended indefinitely on Sept. 6, 1957, after it had proved impossible to reconcile the Western and Soviet viewpoints. The five-Power sub-committee of the U.N. Disarmament Commission (the " London sub-committee ") had met at intervals at Lancaster House, London, since March 18, 1957, and the negotiations had thus been in progress for nearly six months before they were finally abandoned.

Following the breakdown of the London discussions, the disarmament question was debated at the 12th session of the United Nations General Assembly during November. During the discussions the Soviet delegation announced that the U.S.S.R. would take no further part in the work of the Disarmament Commission or its sub-committee so long as those bodies retained their present membership ; a Soviet resolution was presented in this connexion urging the dissolution of the present 12-member Disarmament Commission and the " London sub-committee " and their replacement by a " Permanent Disarmament Commission " representing all U.N. member-nations. The General Assembly, however, rejected this proposal and adopted a 24-nation resolution embodying disarmament proposals which had been presented by the Western Powers during the London talks but had been rejected by the Soviet Union (see below). Subsequently, the Assembly also approved a resolution enlarging the Disarmament Commission from 11 to 25 members. The Soviet delegation nevertheless maintained its refusal to serve on the Commission unless it were further extended to 32 members, drawn in equal proportions from the " Western " countries on the one hand and from the " socialist " and " uncommitted " countries on the other.

The proceedings in the " London sub-committee " and at the United Nations are summarized below.

The London Sub-committee Sessions.

The five members of the London sub-committee—Mr. Harold Stassen (U.S.A.), Commander Allan Noble (U.K.), M. Valerian Zorin (U.S.S.R.), M. Jules Moch (France) and Mr. David Johnson (Canada)— decided on May 16, 1957, to adjourn for ten days so as to give the delegations time to study the various U.S., British, and Soviet proposals that had been presented during the previous two months (see 15517 A). While the sub-committee was in recess Mr. Stassen flew back to Washington for consultations with President Eisenhower. On his return to London (May 26) he announced that he would present new American proposals aimed at " small measured steps " towards arms reductions rather than any " sweeping " agreement covering all weapons.

New American Proposals.

These proposals were outlined by Mr. Stassen at five meetings of the sub-committee between June 20 and July 5, as summarized below :

(1) The U.S. Government proposed (i) a first-stage reduction in the American and Soviet forces to 2,500,000 men each; (ii) a second-stage reduction to 2,100,000 ; and (iii) a third-stage reduction to 1,700,000. The first stage would be carried out without any political pre-conditions, whilst the second- and third-stage reductions would be " dependent on progress in the solution of political problems." The armed forces of Britain and France would similarly each be reduced in three stages to levels of 750,000, 700,000 and 650,000 *pari passu* with the reductions in the U.S. and Soviet forces.

[It was understood that the " solution of political problems " referred to by Mr. Stassen included an easing of tension in Europe, and, in particular, progress towards German reunification. Commander Noble and M. Moch expressed their Governments' willingness to reduce their forces to the levels proposed by the United States if the U.S.S.R. agreed to the three-stage reduction.]

(2) Each State which was a party to a disarmament treaty should prepare and submit to the other parties a list of conventional armaments (specified in type and quantity) which it was ready to withdraw from its national armaments during the first-stage reduction. The lists would then be compared and be subject to mutual agreement. After such agreement, the arms to be withdrawn would be placed in central depots located in the territory of the State concerned, and would there become subject to international inspection and control.

(3) A first-stage disarmament agreement would involve agreement on the mutual suspension of nuclear tests, accompanied by an adequate inspection system including the establishment of control posts in the U.S.A., the U.S.S.R., the United Kingdom, the Pacific Ocean, and perhaps other areas. This would be followed by immediate negotiations on the form and provisions of an inspection system to control the end-products of nuclear military production. One month after such an inspection system was in operation, all fissionable material would be devoted exclusively to peaceful purposes. Mr. Stassen emphasized (*a*) that the U.S.A. was " ready and willing " to accept control at its nuclear plants ; and (*b*) that the temporary suspension of nuclear and thermo-nuclear tests should start " the day after " ratification of a first-stage disarmament agreement.

Soviet and Western Proposals for Suspension of Nuclear Tests.

The Soviet delegate, M. Zorin, had previously proposed on June 14 : (1) the cessation of all nuclear tests for a period of two or three years ; (2) the setting-up of an international commission to supervise the cessation of tests and to make reports to the U.N. Security Council and General Assembly ; and (3) the setting-up of control posts, equipped with scientific apparatus, in the United States, the Soviet Union, the United Kingdom, and the Pacific Ocean area.

The four Western Powers on the sub-committee issued a joint statement on July 2 which (1) welcomed the acceptance by the U.S.S.R. of " inspection posts . . . for the purposes of control and detection of nuclear testing " ; (2) recalled that this was " an essential requirement which the four [Western] delegations had long proposed and upon which they had insisted " ; and (3) said that " Soviet acceptance of this principle brings within the realm of practical possibility a temporary suspension of nuclear testing as a first step in disarmament." The statement continued :

" This temporary cessation would be subject to precise agreement . . . on its duration and timing, on the installation and location . . . of the necessary controls, including inspection posts, and on its relationship to other provisions of a first-stage agreement. These provisions would include the first steps to halt the growth of armaments and to reverse the trend by initial reductions in armed forces and designated armaments, with the necessary initial measures of inspection, and the cessation of production of fissionable materials for weapons purposes under conditions to be agreed.

" The four delegations propose that a group of experts under the direction of the five delegations meet to proceed with the design of the inspection system to verify the suspension of testing . . . "

Soviet Rejection of Western Proposals.

In a short statement on July 2, M. Zorin expressed qualified approval of the Western proposals but asked for time to study them further before definitely committing his Government. On July 8, however, he said that a meeting of experts to draft an inspection system for verifying the suspension of nuclear tests [as proposed by the Western delegations] would be a " waste of time " unless all the Powers agreed to cease also the production of nuclear weapons, to remove such weapons from their national armaments, and to renounce their use. He added that " agreement on the suspension of nuclear tests for several years, with international control, should not be dependent on other agreements."

Mr. Selwyn Lloyd's Proposals to speed Arms Talks. - Mr. Dulles's Participation in London Discussions.

Following M. Zorin's rejection of the Western proposals—at which deep disappointment was expressed by the Western representatives—the British Foreign Secretary (Mr. Selwyn Lloyd) personally took part in the sub-committee's discussions in an effort to prevent the negotiations from breaking down. On July 17 Mr. Lloyd enumerated those matters on which agreement in principle existed between the U.S.S.R. and the West, and proposed that working parties should be set up to " get to grips " with the practical matters involved.

Mr. Selwyn Lloyd admitted that important divergencies still existed between the Soviet and Western viewpoints, but stressed that agreement had been reached on the following issues :

Level of Forces.—Agreement had been reached on manpower ceilings for the U.S.A. and U.S.S.R. of 2,500,000 men and for Britain and France of 750,000 men. There was hope of agreement on further reductions at a later stage.

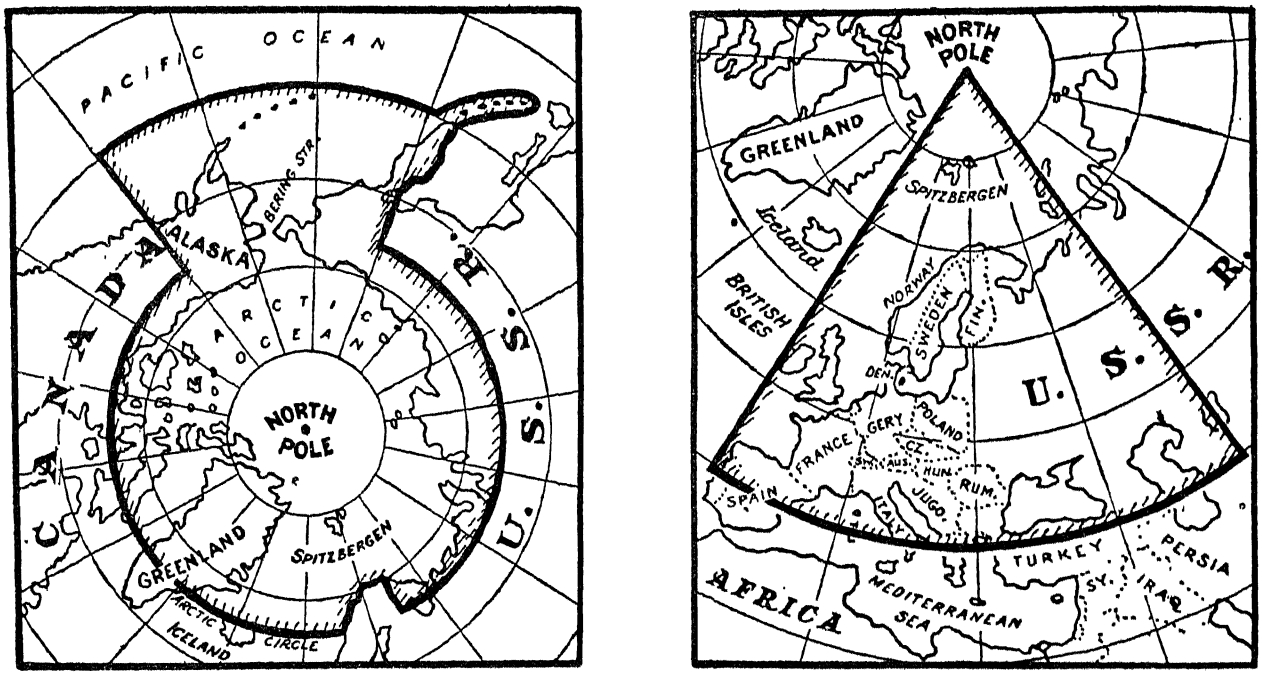
Limitation of Arms.—Agreement in principle had been reached on the drawing-up of lists of conventional armaments to be placed in depots under international supervision.

Measures against Surprise Attack.—There seemed to be agreement in principle that a first-stage disarmament agreement should contain provisions for ground observation posts and aerial inspection.

Nuclear Tests.—The principle of suspension of tests under international control had been accepted.

Mr. Selwyn Lloyd proposed that working parties be immediately set up to study and draw up agreements on the following matters :

(*a*) *Manpower Reductions.*—There was need to define manpower and methods of control.



The map on the left indicates the territory within the Arctic Circle (and, in addition, an area including the Aleutian and Kurile islands) which the West would offer as an inspection zone if the U.S.S.R. refused to accept inspection over the whole of the United States (including Alaska and the Aleutians), Canada, and the Soviet Union. The map on the right shows the area in Europe which the Western Powers would also offer for inspection if the U.S.S.R. agreed to either of the other proposals. (*Daily Telegraph*)

(*b*) *Conventional Armaments.*—Methods of drawing up and exchanging lists should be decided, as well as methods of relating lists to each other and to manpower reductions; types of armaments to be included; and methods of control over the depots.

(*c*) *Aerial Inspection.*—Definition of the areas to be covered; how the inspection should be carried out; overflying rights.

(*d*) *Ground Observation Posts.*—Where these should be established; how composed; what powers they should have, and what methods of communication.

(*e*) *Suspension of Tests.*—The composition, powers and voting procedure of the proposed international commission; the number and location of the control posts, and the composition of the teams which would man them; the types of equipment they would be allowed.

The U.S. Secretary of State, Mr. Dulles, arrived in London on July 29 to take part in the sub-committee's discussions, after previous consultations with President Eisenhower. On the following day Mr. Dulles and Mr. Selwyn Lloyd had a four-hour meeting at the Foreign Office with the Western representatives on the sub-committee, whilst the Secretary of State also saw Mr. Macmillan at 10, Downing Street.

New Western Proposals for Aerial and Ground Inspection.

New Western proposals for aerial and ground inspection, to come into force simultaneously with a first-stage agreement on disarmament, were presented in the London sub-committee on Aug. 2 by Mr. Dulles, on behalf of the U.S., British, French and Canadian Governments. These proposals, designed to safeguard the countries concerned "against the possibility of surprise attack," were as follows:

(1) All the territory of the continental United States, all of Alaska (including the Aleutian Islands), all of Canada, and all the territory of the Soviet Union, should be open to inspection.

(2) If the Soviet Government rejected this proposal, the Western Powers proposed (with the consent of the Danish and Norwegian Governments) that the following areas should be open to inspection: all the territory north of the Arctic Circle of the Soviet Union, Canada, the United States (Alaska), Denmark (Greenland), and Norway; all territory of Canada, the U.S.A. and the Soviet Union west of 140 degrees W. longitude, east of 160 degrees E. longitude, and north of 50 degrees N. latitude; all the remainder of Alaska; all the remainder of the Kamchatkan peninsula; and all of the Aleutian and Kurile islands.

(3) If the Soviet Government accepted either of the above proposals, the Western Powers proposed in addition that an area including practically the whole of Europe should be open to inspection, this area being bounded in the south by latitude 40 degrees N., in the west by longitude 10 degrees W., and in the east by latitude 60 degrees east. The Western Powers made this proposal "with the concurrence in principle of their European allies and in continuing consultation with them, subject to the indispensable consent of the countries concerned and to any mutually agreed exceptions."

(4) If the Soviet Government rejected (3) above, "a more limited zone of inspection in Europe could be discussed, but only on the understanding that this would include a significant part of the territory of the Soviet Union, as well as the other countries of Eastern Europe."

(5) To safeguard against the possibility of surprise attack, the measures taken would "include in all cases aerial inspection, with ground observation posts at principal ports, railway junctions, main highways, important airfields, etc., as agreed." There would also be mobile ground teams with specially defined authority. It would be "understood that ground posts may be established by agreement at points in the territories of the States concerned without being restricted to the limits of the above described areas, but the areas open to ground inspection shall not be less than the areas of aerial inspection."

(6) Since the establishment of any inspection system was subject to agreement on the details of its installation, maintenance, and operation, it was "proposed as a matter of urgency that a working group of experts be set up at once to examine the technical problems and to report their conclusions, which could form the basis for an annex to the agreement."

(7) "It is understood that any initial system of inspection designed to safeguard against the possibility of surprise attack may be extended by agreement of all concerned to the end that ultimately the system will deal with the danger of surprise attack from anywhere."

Mr. Selwyn Lloyd (who was present at the meeting) emphasized that the European allies of the four Western Powers had agreed in principle to the proposals; he stressed also that the position of neutral Governments such as Finland, Sweden, and Switzerland had been carefully safeguarded. Brief speeches in support of the Western proposals were also made by M. Moch for France and Mr. Johnson for Canada.

In response to American representations, the Norwegian Government had previously agreed to international air inspection of Norwegian Arctic territories, including Svalbard (Spitzbergen). The Danish Government had also agreed to international inspection of part of Greenland.

M. Zorin promised to study the proposals, but complained that they did not cover U.S., NATO, and SEATO military bases in North Africa, the Near East, Pakistan, Japan and other countries. After pointing out that there were "no settlements in the Arctic for thousands of miles, and also no military installations," he said that "if one wants to speak about preventing a surprise attack, one must presume that a surprise attack can take place from different sides and not only from one side." M. Zorin reiterated the Soviet Government's view that the ending of nuclear tests and the renunciation of nuclear weapons was a first and indispensable condition for ending the "arms race."

Mr. Dulles returned to Washington on Aug. 4, declaring on arrival that it was "now up to the Soviet Union." He said that he had returned from London "more than ever aware of the immense complexity of the task we face" but "equally convinced that that task must be pursued with unwavering resolution."

M. Zorin's Criticisms of Western Proposals.

Speaking in the sub-committee on Aug. 13 and 16, M. Zorin strongly criticized the Western proposals on a number of grounds and gave a warning that agreement was unlikely to be reached unless the Western Powers dropped what he described as "political conditions" for disarmament.

M. Zorin referred particularly to (1) the statement on German unity issued in Berlin on July 29 by Britain, France, the U.S.A. and the German Federal Republic (see 15684 A), with special reference to the phrase that "any disarmament measures applied in respect of Europe must . . . take into account the connexion between European security and German reunification"; (2) to a statement in a British White Paper that any further reductions in armed forces below the level of 2,500,000 men for the U.S.A. and 750,000 each for Britain and France "will depend on progress in the settlement of important political problems" [the White Paper in question was issued on July 18, and recapitulated the various disarmament proposals made in the London sub-committee to that date]; and (3) to the Eisenhower-Adenauer communiqué of May 29 (see 15580 A), which stressed that general agreement on disarmament "must inevitably presuppose a solution of the problem of German reunification."

After asserting that the Federal German Government was in effect being given a right of veto in "deciding the entire disarmament problem and even any initial disarmament measures," M. Zorin declared:

"If the Western Powers will remove the preliminary conditions which are now brought forward as a barrier to agreement on a substantial reduction of armed forces, it will then be possible to say that the way has been paved to agreement on the question of a reduction in armed forces . . . Are they prepared to record in the agreement a firm and definite undertaking to reduce armed forces below the level of 2,500,000 men without any preliminary conditions and without special talks on each stage of reduction? Until there is such a definite, affirmative reply, it would be wrong to create the impression that we are on the eve of agreement." M. Zorin also asked for a "clear and definite answer" as to whether the Western Powers, in agreement with the Soviet Union, were "willing to seek agreement on the withdrawal of the armed forces of the U.S.S.R., the U.S.A., the United Kingdom, and France from Germany and also from the member-countries of NATO and the Warsaw Treaty respectively."

Reverting to the question of manpower reductions, M. Zorin pointed out that the Soviet Government had originally proposed much lower figures—1,000,000 for the U.S.A. and the U.S.S.R. and 650,000 for Britain and France—than those suggested by Mr. Stassen and now accepted by the U.S.S.R. He added in this connexion: "The Western Powers' statement regarding a reduction in the armed forces of the U.S.A. and the U.S.S.R. to levels of 2,100,000 and [subsequently] 1,700,000 men is, however, emasculated by the fact that they insist on further talks being held in respect of each of these levels, and by the stipulation that agreement on any of these reductions must be conditional on the settlement of major political problems. Is it not clear that it is impossible to draw up a time-table for the settlement of international political problems? Is it not obvious that to make the settlement of one problem dependent on another means to complicate matters and drag out the settlement of each of them? . . ."

After declaring that "the question of ending nuclear tests calls for an immediate solution," M. Zorin expressed the opinion that a "mutually acceptable agreement" [on the banning of A-bomb and H-bomb tests] could be reached "within a few days" if the Western Powers "did not make the settlement of this question conditional on other disarmament questions." He added: "If the Western Powers intend seriously to discuss and solve in a businesslike way the question of ending atomic and hydrogen weapon tests, they must renounce linking the question of ending these tests with other aspects of the disarmament question on which there are still substantial differences in the positions of those taking part in the talks."

New Western Proposals on Disarmament. - Proposed One-Year Suspension of Nuclear Tests.

In an attempt to meet the Soviet objections, the Western Powers presented new disarmament proposals on Aug. 29. These proposals—put forward as a "working paper" and described by Mr. Stassen as "one of the most significant documents of the post-World War II period"—proposed *inter alia* that nuclear tests should be suspended for one year under reliable safeguards, and for a further year if steps had been taken towards a "cut-off" in the production of fissionable material for military purposes. Suspension for more than two years would depend on the "cut-off" coming into effect. [The previous Western proposal was that tests should be suspended for 10 months at first, and only on condition that the production of fissionable material for military use was also suspended; the new proposals therefore represented a concession towards the Soviet demand for the suspension of tests for two or three years without conditions.] The new Western proposals are summarized below:

Limitation and Reduction of Armed Forces and Armaments. (1) Within a year from the entry into force of a disarmament convention, the armed forces of the three Western Powers and the U.S.S.R. would be restricted to maxima of 2,500,000 for the American and Soviet forces and 750,000 for the British and French forces.

(2) During the same period these States would "place in storage depots, within their own territories and under the supervision of an international control organization, specific quantities of designated types of armaments to be agreed upon and set forth in lists annexed to the convention."

(3) The relation of other States to the convention, including the agreed levels of their armed forces, would be determined later.

(4) The States listed in (1) above would be prepared to negotiate on a further limitation of their armed forces and armaments on condition that (*a*) compliance with the provisions of the convention had been verified to their satisfaction, (*b*) there had been progress toward the solution of political issues; (*c*) other "essential States" had become parties to the convention and had accepted appropriate levels for their armed forces and armaments, fixed in relation to the limits under (1) above.

(5) "Upon the conditions cited above, negotiations could be undertaken by France, the Soviet Union, the U.K. and the U.S.A. on a further limitation of their armed forces, which would involve agreed reductions for the U.S.A. and the Soviet Union to not less than 2,100,000 men each. The levels of other essential States would be specified at the same time through negotiations with them."

(6) "Thereafter, and subject to the same conditions, negotiations could be undertaken on further limitations to not less than 1,700,000 men each for the U.S.A. and the Soviet Union. The levels of other essential States would be specified at the same time through negotiations."

(7) "Upon the conditions cited in (4) above, these States will also be prepared to negotiate on further limitations of armaments. The calculation of such armament limitations will be in agreed relation to the armed forces determined in (5) and (6) above and will be completed prior to the further limitations in armed forces. The parties must be satisfied, before such further limitations of armaments are undertaken and at all times thereafter, that the armaments at the disposal of any party to the convention do not exceed the quantities allowed in each category."

(8) "No measures for the reduction and limitation of armed forces and armaments beyond those provided for in (1) and (2) above would be put into effect "until the system of control is appropriately expanded and is able to verify such measures."

Military Expenditures. France, the Soviet Union, the U.K., and the U.S.A. would make available to the international control organization [see below] information about their military budgets and expenditures for the year preceding the entry of the convention into force, and for each year thereafter.

Nuclear Weapons. Each party to the convention would "assume an obligation not to use nuclear weapons if an armed attack has not placed the party in a situation of individual or collective self-defence."

Control of Fissionable Material. The parties to the convention would undertake:

(1) That all future production of fissionable materials would be used at home or abroad, under international supervision, exclusively for non-military purposes (including stockpiling). This undertaking would take effect one month after the international Board of Control [see below] had certified that an effective inspection system was in operation.

(2) To co-operate in the prompt installation and maintenance of such an inspection system.

(3) To appoint a group of technical experts to design the required inspection system, and to submit a progress report to the U.N. sub-committee within 10 months after the convention had come into force.

Suspension of Nuclear Tests. (1) All parties to the convention would undertake to refrain from conducting nuclear tests for a period of 12 months from the date on which the convention entered into force, provided that agreement had been reached on the installation and maintenance of the necessary controls (including inspection posts with scientific instruments) within the territories of the Soviet Union, the United Kingdom, the United States, "the area of the Pacific Ocean," and "at such other places as may be necessary, with the consent of the Governments concerned."

(2) A group of technical experts, appointed by the five Governments represented on the sub-committee, would meet as soon as possible to design the inspection system and to verify the suspension of nuclear tests.

(3) Upon the termination of the 12-months' period, the parties would be free to conduct tests unless they had agreed to continue the suspension for a further period under effective international inspection.

(4) If the inspection system referred to above was operating to the satisfaction of each party concerned, and if progress satisfactory to each party was also made in preparing an inspection system for the cessation of production of fissionable material for military purposes, all the parties to the convention would undertake to refrain from

conducting nuclear test explosions for a further 12-month period. Such an extension would be made "only with the understanding that testing may, at the discretion of each party, be conducted 24 months after the entry into force of the convention if the inspection system for the cessation of production for weapons purposes has not been installed to the satisfaction of each party concerned before the end of the 24 months, and if the cessation of production for weapons purposes has not been put into effect."

(5) If nuclear tests were resumed, each party would "announce and register in advance the dates of each series and the range of total energy to be released therein; to provide for limited observation of them; and to limit the amount of radioactive material to be released into the atmosphere."

Control of Objects entering Outer Space. Within three months after the convention entered into force, the signatories would "co-operate in the establishment of a technical committee to study the design of an inspection system which would make it possible to assure that the sending of objects through outer space will be exclusively for peaceful and scientific purposes."

Safeguards against Surprise Attack. The proposals on this matter were identical with those submitted by the Western Powers on August 2 [see page 15942].

International Control Organization. (1) All the obligations contained in the convention would be "conditional upon the continued operation of an effective international control and inspection system to verify compliance with its terms by all parties."

(2) All the control and inspections services described in the convention, and those which might be created in the course of its implementation, would be within the framework of an international control organization established under the aegis of the Security Council. It would include, as its executive organ, a Board of Control "in which the affirmative vote of the Governments represented on the sub-committee and of such other parties as may be agreed will be required for important decisions."

(3) All parties to the convention would make all relevant information freely available to the Board of Control.

(4) The functions of the international control organization would be expanded by agreement between the parties concerned "as the measures provided for in the convention are progressively applied."

(5) Other matters relating to the international control organization would be defined in annexes to the convention. They would include the duties which the organization would carry out, the method by which it should function, its composition, its relationship to the General Assembly and Security Council, and its voting procedures, working conditions, jurisdiction, immunities and prerogatives.

Movement of Armaments. In addition to its other rights and responsibilities, the Board of Control would have authority "to study a system for regulating the export and import of designated armaments."

Suspension of Convention. (1) Each party would have the right to suspend its obligations, partially or completely, by written notice to the international control organization "in the event of an important violation by another party, or other action by any State which so prejudices the security of the notifying party as to require partial or complete suspension."

(2) At its option, a party might "give advance notice of intention to suspend its obligations, in order to afford opportunity for correction of the violations or prejudicial action."

The U.S. Government issued a statement on the same day (Aug. 29) describing the proposals as "a practical workable plan for a start on world disarmament," and emphasizing that they were approved by the Governments of Belgium, Denmark, the German Federal Republic, Greece, Iceland, Italy, Luxemburg, the Netherlands, Norway, and Turkey, as well as by Britain, Canada, France, and the United States. In addition, "continuous consultation was carried out with numerous other nations in order that their views might be incorporated in the proposals to the maximum possible extent."

After stressing that the proposals, if adopted, would stop nuclear tests, halt the production of nuclear weapons, bring about a reduction in stockpiles of such weapons, reduce the dangers of surprise attack, and start a reduction in armed forces and armaments, the statement added: "The Western Allies have accomplished a major task in forging the plan. It involves major concessions by every one of them. They earnestly hope the Soviet Union will give full consideration to these far-reaching proposals. Soviet acceptance will enable a start to be made towards removing the terrible dangers of nuclear war that hang over the whole world."

Soviet Rejection of New Western Proposals. - Breakdown of London Disarmament Talks.

The new Western proposals were rejected on Aug. 27 by M. Zorin, who asserted that they "contained nothing of genuine value." In an uncompromising and strongly-worded speech, the Soviet delegate accused the Western Powers of deliberate procrastination, of "preparations for a new war," and of seeking to link the disarmament question with that of German reunification. [It was commented in the Western press that M. Zorin's attack came less than 24 hours after the Soviet claim to have successfully launched an inter-continental ballistic missile—see 15744 A.]

In the course of his speech M. Zorin asserted that the Soviet Union was being encircled by American and NATO bases; that General Norstad (the NATO Supreme Commander) and Herr Strauss (the Federal German Defence Minister) were "not concealing their plans for attacking the Soviet Union"; and that the "blackmailing military circles of Western Germany" were trying to make German reunification "on Adenauer's terms" the price of a general agreement on disarmament. Rejecting the Western inspection proposals, he said that aerial inspection in the Arctic could "not be taken seriously" and that the proposals as a whole provided no safeguards against the possibility of a surprise attack. After accusing the Western Powers of "confusing public opinion," M. Zorin reiterated the Soviet demand for an immediate suspension of nuclear tests independently of any other disarmament measures.

President Eisenhower issued a statement on Aug. 28 saying that it was "deeply disappointing to all true lovers of peace that the Soviet Union should have attacked with such scornful words" the proposals put forward by the Western Powers. He added that it was "noteworthy that this attack coincides with the boastful statement by the Soviet Union that they have made advances in the development of means for bringing mass destruction to any part of the world."

Deep disappointment at the Soviet attitude was also expressed in the London sub-committee by Mr. Stassen, Commander Noble, M. Moch, and Mr. C. S. Ritchie, the Canadian delegate. Mr. Ritchie, Canadian Ambassador in Bonn, had succeeded Mr. Johnson as Canadian delegate on the London sub-committee, to enable Mr. Johnson to return to his post as Ambassador in Moscow.

After further abortive discussions in the sub-committee it was agreed on Sept. 6 to suspend the talks *sine die*, no date being fixed for their resumption. M. Zorin had previously proposed that the talks should be suspended in view of the forthcoming session of the U.N. General Assembly.

The Disarmament Question at the United Nations.

The disarmament question was debated at the 12th session of the General Assembly during November. Before the Assembly's debate, the U.N. Disarmament Commission met on Sept. 30 to consider the work of its sub-committee in London. The principal speeches were made by Mr. Cabot Lodge (U.S.A.), as spokesman for the Western Powers on the sub-committee, and by M. Sobolev for the Soviet Union.

Mr. Cabot Lodge reiterated the Western Powers' offer to suspend nuclear tests for an initial period of up to two years if the U.S.S.R. would agree "on establishing an effective inspection system, air and ground; on stopping production of fissionable material for weapons purposes and reducing present stocks; on starting outer-space missile control; and on reducing armed forces." If the U.S.S.R. were unable to agree, "such unwillingness would confront peace-loving countries with a powerful nation whose conduct could only be explained by a determination to impose military domination on the world." In that case "peace-loving humanity everywhere would have no alternative but to concentrate all our efforts on meeting that danger."

After stressing that the possession of nuclear weapons had enabled the free world to stand firm against the large manpower resources of the Communist world, Mr. Lodge declared: "It is reasonable to believe that the possession of these weapons by the free world has helped to prevent the subjugation of still more sovereign and independent Governments. We cannot therefore, in the interests of our own security and that of world peace, agree to stop the development of nuclear weapons unless there are also restrictions on production . . . For the same reasons we will accept no ban on the use of these weapons which does not effectively apply to all instruments of war, nor will we accept a paper prohibition of stocks of these weapons when we know there is no way to ensure that such an obligation is faithfully carried out."

M. Sobolev asserted that the four Western Powers had "brought the disarmament negotiations into deadlock" by "linking the question of cessation of test explosions to the solution of a number of other questions," and had thereby "frustrated the possibility of achieving agreement" on the suspension of nuclear tests. The Western Powers had also put forward "artificial proposals" on aerial inspection which excluded "the military bases of the United States and of NATO, SEATO and the Baghdad Pact in the territories of North Africa, the Middle East, Turkey, and other countries." After claiming that the Soviet Union had made "important concessions" to the Western views, M. Sobolev declared that the London sub-committee had failed to reach agreement because "the ruling circles of the Western Powers . . . do not want disarmament but talks about disarmament, which can be used as an accompaniment to the continuation and intensification of the arms race."

Urging that the membership of the Disarmament Commission and its sub-committee should be enlarged, M. Sobolev said that the U.S.S.R. was "not opposed to narrow and private conversations" if they yielded "positive results"; in their present form, however, the disarmament negotiations had continued "in vain for years and years" and the time had come "to change the approach and move them into the fresh air of publicity."

Disarmament Debate in General Assembly.

The disarmament question was debated in the Assembly's Political Committee between Nov. 10 and Nov. 25. The

principal features of the debate were an appeal by Mr. Cabot Lodge for international control of outer space missiles; a powerful appeal for nuclear disarmament by Mr. Krishna Menon (India); and a suggestion by Dr. Luis Padilla Nervo (the Mexican Foreign Minister) for the appointment of an impartial mediator to resolve the *impasse* between the West and the Soviet Union.

Mr. Cabot Lodge, speaking in support of the 24-nation resolution before the Assembly [see below], laid special emphasis on that clause of the resolution calling for an inspection system to ensure "the use of outer space for exclusively peaceful purposes." He said in this connexion: "We seek agreement on ways to control the newest creation of science, the outer space missile. Like atomic energy, this device can serve the purpose of peace or it can be used to blow us to bits. We have only begun to learn about its possibilities, but we already know that the prospect of outer space missiles armed with nuclear warheads is too dangerous to ignore.

"In 1946, when the United States alone had nuclear weapons, it proposed to the U.N. a plan to ensure the peaceful use of the new and tremendous force of atomic energy by putting it under international control. The world knows now that a decade of anxiety and trouble could have been avoided if that plan had been accepted. We now have a similar opportunity to harness for peace man's new pioneering efforts in outer space. We must not miss this chance We have therefore proposed that a technical committee be set up to work out an inspection system which will assure the use of outer space for exclusively peaceful and scientific purposes. If there is general agreement to proceed with this study on a multilateral basis, the United States is prepared to join in this initiative without awaiting the conclusion of negotiations on the other substantive proposals."

M. Gromyko (U.S.S.R.) urged the Assembly to concentrate on achieving "a concrete agreement on specific issues" in the disarmament question, rather than to add "more useless resolutions to the dozens which have been shelved in the U.N. archives." After alleging that the Western Powers wished to continue "futile discussions on disarmament *ad infinitum*," he urged support for the Soviet Government's proposals [see below] for a two- to three-year suspension of nuclear tests and a five-year moratorium on the use of atomic weapons.

Mr. Krishna Menon stressed that the problem of disarmament was the problem of human survival, and declared that the "non-nuclear" nations had the right to expect some solution from the "nuclear" Powers—above all from the two major nuclear Powers, Russia and America. The only way to get disarmament was for the Americans and the Russians to come to some agreement, and unless they were prepared to do so "there was no hope of saving the world from atomic destruction." Mr Menon added: "If the two great Powers agree on a resolution to suspend nuclear explosions, it will change the face of the world and we can move towards disarmament. Otherwise we are living in an ivory tower isolated from the opinion of mankind, unrelated to the future of mankind, with little care for posterity, and with the survival of man at stake."

Dr. Padilla Nervo suggested that the long-standing deadlock between the U.S.S.R. and the West might be resolved by the appointment of an impartial disarmament mediator who would seek to reconcile the conflicting views of the two sides. He also proposed the setting-up of a small working group to reconcile divergent views, and suggested that this group should consist of the five countries represented on the London sub-committee plus India, Japan and Mexico. The Mexican proposals were strongly supported by the representatives of Ecuador and Panama.

Resolutions on Disarmament.

Ten separate resolutions on disarmament were presented in the Political Committee: a 24-nation resolution incorporating the Western disarmament proposals, the sponsors of which included the four Western Powers represented on the London sub-committee; three presented by the Soviet Union; three presented by India; and one each presented by Belgium, Japan, and Yugoslavia.

24-Nation Resolution. This resolution embodied the proposals put forward by the U.S.A., Great Britain, France, and Canada during the London disarmament talks. It urged the States concerned, "and particularly those on the sub-committee of the Disarmament Commission," to "give priority to reaching a disarmament agreement" which would provide for the following:

(1) The immediate suspension of nuclear weapon tests "with prompt installation of effective international control, including inspection posts equipped with appropriate scientific instruments located within the territories of the U.S.A., the U.S.S.R., the U.K., the Pacific Ocean area, and other points as required."

(2) Cessation of production of fissionable materials for weapons purposes, and the "complete devotion of future production of fissionable materials to non-weapons purposes under effective international controls"

(3) Reduction of stocks of nuclear weapons "through a programme of transfer, on an equitable and reciprocal basis and under international supervision, of stocks of fissionable material from weapons to non-weapons uses."

(4) Reduction of armed forces and armaments through adequately safeguarded arrangements.

(5) Progressive establishment of open inspection "with ground and aerial components to guard against the possibility of surprise attack."

(6) Joint study of an inspection system "designed to ensure that the sending of objects through outer space will be exclusively for peaceful and scientific purposes."

In addition, the resolution:

(*a*) requested the Disarmament Commission to reconvene the London sub-committee "as soon as feasible";

(*b*) asked that the sub-committee, as "one of its first tasks," should set up a group of experts "to study inspection systems for disarmament measures on which the sub-committee may reach agreement in principle";

(*c*) recommended that this expert group should consist of one member from each of the five countries represented on the sub-committee, plus three other members to be designated by the U.N. Secretary-General in consultation with the sub-committee;

(*d*) invited the States concerned, "and particularly those which are members of the sub-committee," to "consider the possibility of devoting, out of the funds made available as a result of disarmament, as and when sufficient progress is made, additional resources for the improvement of living conditions throughout the world, especially in the less developed countries"; and

(*e*) requested the sub-committee to report to the Disarmament Commission by April 30, 1958, on the progress achieved.

[The countries sponsoring the 24-nation resolution were: Argentina, Australia, Belgium, Brazil, Canada, Chile, Colombia, Cuba, the Dominican Republic, Ecuador, France, Honduras, Italy, Laos, Liberia, the Netherlands, Nicaragua, Panama, Paraguay, Peru, the Philippines, Tunisia, the United Kingdom and the United States. The sponsors thus included 12 Latin American countries and four Afro-Asian nations.]

First Soviet Resolution. This called for the suspension of nuclear weapons tests for a two- to three-year period from Jan. 1, 1958, and for the establishment of an international control commission to supervise the suspension of tests.

Second Soviet Resolution. This called for a five-year moratorium on the use of nuclear weapons.

Third Soviet Resolution. This resolution called for the abolition of the Disarmament Commission and its sub-committee, and their replacement by a Permanent Disarmament Commission consisting of all 82 U.N. member-States. The new Commission would hold its meetings in public and elect a Chairman and Vice-Chairman who would be responsible, *inter alia*, for helping countries to organize consultations on disarmament matters.

First Indian Resolution. This resolution urged the immediate suspension of all nuclear tests and called for the appointment of a scientific technical commission to recommend an adequate system of inspection. It was proposed that this commission should consist of equal numbers of experts representing the Western and Soviet viewpoints, plus eminent "neutral" specialists as agreed between the U.S.S.R. and the Western Powers.

Second Indian Resolution. This asked for the establishment of another commission (with the same tripartite political composition) to make recommendations on a number of fundamental questions, including (i) the "cut-off" date from which future production of fissionable material would be used for peaceful purposes only; and (ii) control and inspection arrangements relating to conventional armaments.

Third Indian Resolution. This advocated the enlargement of the Disarmament Commission and its sub-committee No specific States were named, the resolution saying only that a "more varied" membership would assist both bodies in their efforts to reach agreement on disarmament.

[An accompanying Indian memorandum pointed out that the present composition of the Disarmament Commission and its sub-committee was based on the membership of two of its predecessors—the U.N. Atomic Energy Commission and the U.N. Commission on Conventional Armaments, "which were constituted as far back as 1946, when the membership of the United Nations was very different and considerably smaller than it is to-day." It was also pointed out that the constitution of the new International Atomic Energy Agency "provides for wider representation in the Agency's Governing Body" than was the case with the Disarmament Commission or its predecessors.]

Belgian Resolution. This proposed a world-wide "publicity campaign" under U.N. auspices to inform and enlighten the peoples of the world on the dangers of the armaments race.

Japanese Resolution. This urged a suspension of all nuclear tests from the time an agreement had been reached in principle on a system of supervising their suspension until the conclusion of the disarmament debate at the next (13th) Assembly session.

Yugoslav Resolution. This urged the London sub-committee to resume its discussions at an early date and to give priority to ensuring the immediate cessation of nuclear tests, together with the necessary control measures. It also asked the sub-committee to try to reach agreement on other important matters (reduction of armed forces and military budgets, cessation of the production of fissionable materials for weapons purposes, measures to ensure that outer space missiles were used for peaceful purposes only, etc.), and to submit a progress report by May 1, 1958.

Soviet Withdrawal from Disarmament Commission.

Before a vote was taken on the above-mentioned resolutions, the Soviet Deputy Foreign Minister (M. Kuznetsov) informed the Political Committee on Nov. 4 that the U.S.S.R. would no longer participate in the Disarmament Commission and its sub-committee "as at present constituted." He asserted that both these bodies had "lost prestige in the eyes of the peoples by the fruitless nature of their work"; that their continuation on the basis of their "present narrow membership" would be "harmful to the cause of disarmament and beneficial only to those who are concerned with the further stockpiling of armaments"; and that a new Permanent Disarmament Commission, on which all U.N. member-nations should be represented, would "bring a breath of fresh air into the disarmament talks and make possible an all-round examination of the disarmament problem."

After claiming that the Soviet Union had "striven sincerely to find a reasonable solution of the disarmament problem," M. Kuznetsov again accused the Western Powers of having "invariably advanced counter-proposals which precluded a positive solution of the problem." He described the Western proposals advanced in the London sub-committee "as in the nature of an ultimatum"; accused the Western Powers of making these proposals "contingent on various political considerations and demands"; and asserted that the prolonged discussions in the Disarmament Commission and the sub-committee had shown those bodies to be "incapable of ensuring an advance towards a solution of the disarmament question." To continue the discussions in those bodies, M. Kuznetsov declared, would "merely create an illusion that something was being done on disarmament while serving to cloak the continuing arms drive carried out by the United States and other Western Powers." The Soviet Government therefore believed that "all efforts to use the Disarmament Commission and its sub-committee for fruitful deliberations have been exhausted."

In the ensuing debate a number of speakers expressed the hope that the U.S.S.R.'s decision was not a final one and that the Soviet Government would reconsider it. In reply, M. Kuznetsov said that the decision had been taken after serious consideration, that it was not designed to intimidate anyone, and that it was based on "a realistic consideration of the present situation, and on our eagerness to achieve some progress in the disarmament problem." Declaring that "the next move is up to the Western Powers," M. Kuznetsov said that there was every prospect of reaching swift agreement if those countries displayed "some goodwill and a desire for co-operation."

Adoption of 24-Nation and Belgian Resolutions.

The disarmament debate ended on Nov. 6 with the adoption by the Political Committee of two of the ten resolutions—the 24-nation resolution and the Belgian resolution. Of the other eight resolutions, four were defeated and the other four were not taken to a vote.

Resolutions adopted. (1) The 24-nation resolution was adopted by 57 votes against 9, with 15 countries abstaining and South Africa absent. The opposing votes were cast by the Soviet-bloc countries, while the 15 abstentions were Afghanistan, Burma, Ceylon, Egypt, Finland, Ghana, India, Indonesia, Japan, Nepal, Saudi Arabia, Sudan, Syria, Yemen and Yugoslavia. Thirteen of the 15 abstentions were thus Afro-Asian countries, the other two being Finland and Yugoslavia. Seventeen Afro-Asian countries supported the 24-nation resolution (Cambodia, Nationalist China, Ethiopia, Iraq, Israel, Jordan, Laos, Lebanon, Liberia, Libya, Malaya, Morocco, Pakistan, Persia, Philippines, Siam, and Tunisia), as well as all 20 Latin American countries. The other 20 supporting countries were Australia, Austria, Belgium, Canada, Denmark, France, Greece, Iceland, the Irish Republic, Italy, Luxemburg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Turkey, the United Kingdom, and the United States.

(2) The Belgian resolution was approved by 70 votes to 9 (the Soviet-bloc countries), with Syria and Yemen abstaining.

Resolutions defeated. (1) The second Soviet resolution (proposing a five-year moratorium on the use of nuclear weapons) was rejected by 45 votes to 11, with 25 abstentions.

(2) The third Soviet resolution (for the creation of a Permanent Disarmament Commission of all member-countries, and the abolition of the present Disarmament Commission and its sub-committee) was defeated by 51 votes to 9, with 21 abstentions. Most of the abstaining countries were Afro-Asian nations, the others including Austria, Finland, Mexico and Yugoslavia.

(3) The first Indian resolution (for the immediate suspension of nuclear tests) was negatived by 38 votes to 22, with 20 abstentions.

(4) The Japanese resolution was defeated by 32 votes to 18, with 31 abstentions. Britain, France, the Soviet Union and the United States all voted against the resolution.

Resolutions not voted upon. No vote was taken on the first Soviet resolution (for a two- to three-year suspension of nuclear tests), the second and third Indian resolutions, and the Yugoslav resolution.

The full Assembly, meeting on Nov. 14, approved the 24-nation resolution by an identical vote to that in the Political Committee (57 in favour, 9 against, 15 abstentions). The Belgian resolution was also approved by 71 votes to 9 with one abstention (Syria).

Enlargement of Disarmament Commission.

In response to the widespread concern expressed by many members at the Soviet boycott of the Disarmament Commission, the British, French and U.S. delegations announced on Nov. 18 that their Governments were prepared to expand the present 11-member Commission to 25 members by the addition of the following 14 countries: Argentina, Australia, Belgium, Brazil, Burma, Czechoslovakia, India, Italy, Tunisia, Yugoslavia, Egypt, Mexico, Norway and Poland.

The Western Powers had originally proposed that the Commission should be expanded by the first ten countries—i.e. from 11 to 21 members. Several delegations, however—notably those of India and Yugoslavia—had urged a further expansion so as to give the Commission as broadly-based and representative a character as possible, particularly by the inclusion of an Arab State and an additional Latin American State. After intensive private negotiations, the Western Powers agreed that Egypt, Mexico, Norway and Poland should be added to the list originally proposed.

A resolution to expand the Disarmament Commission to 25 members was accordingly presented in the plenary session of the Assembly on Nov. 19, the joint sponsors being Canada, India, Japan, Paraguay and Sweden. The Albanian delegate, however, moved an amendment that the Commission should be further expanded to 32 members by the inclusion of Austria, Bulgaria, Ceylon, Finland, Indonesia, Rumania and the Sudan (i.e. two members of the Soviet group and five "neutralist" countries). The Albanian amendment was defeated by 38 votes to 18, with 19 abstentions, and the five-nation resolution was then adopted by 60 votes to 9, with 11 abstentions, South Africa absent, and Yugoslavia not participating in the vote.

The opposing votes (on the five-nation resolution) were cast by the Soviet-bloc countries, the 11 abstentions being Afghanistan, Cambodia, Cuba, Finland, Ghana, the Irish Republic, Israel, Liberia, Malaya, Morocco and Pakistan. Yugoslavia was originally one of the sponsors of the resolution with Canada, India, Japan, Paraguay and Sweden, but withdrew her sponsorship at the last moment when it became apparent that the resolution would not command unanimous support in the Assembly. The Yugoslav delegate explained that he would not participate in the vote because the efforts of the sponsors had been "based on the conviction that the solution proposed would be generally accepted."

Speaking before the vote, M. Kuznetsov announced that the U.S.S.R. would support the Albanian proposal to expand the Disarmament Commission to 32 members, although the Soviet Government considered this only a "half-way solution." He reserved his Government's right to raise the Soviet 32-nation proposal at the next Assembly session if the Albanian amendment was not adopted. In a press statement after the voting, M. Kuznetsov said that the U.S.S.R. would be prepared to participate in a 32-member Commission "of which half the members would be drawn from the Western Powers or countries associated with them in military pacts, and the other half from uncommitted countries and the socialist countries." The new 25-member Commission, however, remained "completely unacceptable" to the Soviet Union. In reply to questions, M. Kuznetsov insisted that the Soviet boycott of the Disarmament Commission and its sub-committee need not necessarily involve a halt in the disarmament negotiations, which could still be carried on through normal diplomatic channels.

As originally constituted in 1952 the Disarmament Commission consisted of the 11 members of the Security Council plus Canada, as a member of the London sub-committee. As from Jan. 1, 1958, the Commission's membership consists of the 11 Security Council members plus the 14 countries mentioned above. [Canada herself is on the Security Council for a two-year term as from Jan. 1, 1958—see 15818 A—and is thus a member of the Commission both in virtue of her Council membership and of her membership of the London sub-committee.] Poland and Czechoslovakia, in addition to the U.S.S.R., will not participate in the enlarged Disarmament Commission—the Polish and Czechoslovak delegates having previously informed the General Assembly that they would boycott the Commission if the Albanian amendment was not adopted.—(U.N. Information Centre, London - New York Times - New York Herald Tribune - U.S. Information Agency - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - Soviet Embassy Press Department, London - The Statesman, Calcutta - Montreal Star - Tanjug Agency, Belgrade)

(Prev. rep. Disarmament, 15517 A.)

A. UNITED STATES. — Progress of Racial Desegregation in Schools during 1957. - Rulings by Supreme Court against Segregation. - Counter-measures in Southern States.

Racial desegregation in schools in the Southern States of the U.S.A. made slow progress during 1957. In November it was estimated that 740 school districts containing Negro residents had been fully or partly integrated, against 2,300 which remained segregated; three of the integrated districts were in North Carolina (where integration began in September), three in Tennessee, 10 in Arkansas, and the remainder in the District of Columbia, Delaware, Kentucky, Maryland, Missouri, Oklahoma, Texas, and West Virginia. The process of integration gave rise to local disorders at Little Rock (see 15803 A) and also at North Little Rock (Arkansas) and Nashville (Tennessee). In Alabama, Florida, Georgia, Louisiana, Mississippi, South Carolina, and Virginia the school systems remained completely segregated.

In a ruling of April 29, 1957, the Supreme Court prohibited racial segregation in private institutions administered by public officials. The Court's ruling was given on an appeal against a judgment of the Pennsylvania Supreme Court, which had decided that two Negro boys had no constitutional right of admission to Girard College—a school originally founded for "poor, male, white" orphans. The Federal Supreme Court, however, held that the Philadelphia city authorities (who administered the school) were "an agency of the State of Pennsylvania" and were therefore forbidden to practise racial discrimination under the Fourteenth Amendment to the Constitution, irrespective of the origin of the school's funds.

Developments in the individual States connected with the question of educational segregation are described below. (Figures of the school population in September 1957 are given in brackets.)

Alabama (total 745,100, Negro 273,000). At Birmingham, where Negro leaders had launched a movement in favour of integration, a Negro clergyman who attempted to enrol four Negro pupils at a white school on Sept. 9 was beaten up by a group of white men, together with his 12-year-old daughter. A Negro had previously been kidnapped, beaten and mutilated by members of the Ku Klux Klan on Sept. 2, apparently in order to terrorize the Negro population; the leader of the gang was sentenced on Nov. 1 to 20 years' imprisonment.

Arkansas (total 418,700, Negro 102,000). Four Bills intended to hinder the process of integration were adopted by the State Legislature during February and approved by Governor Faubus. These set up a State Sovereignty Commission with power to demand membership lists of organizations such as the National Association for the Advancement of Coloured People (N.A.A.C.P); allowed parents to keep children out of integrated schools; and empowered school districts to assign pupils to particular schools and to use State funds to oppose integration in the courts.

As a result of the integration controversy at Little Rock, the school board of North Little Rock (a separate town on the other side of the Arkansas River) decided early in September to suspend indefinitely the programme of limited integration which it had adopted in 1955.

Delaware (total 65,315, Negro 11,411). The position remained virtually static, most schools in Wilmington and neighbouring areas being integrated and schools in the rest of the State remaining segregated.

Florida (total 760,177, Negro 165,957). The State Legislature passed a Bill in May, 1957, which permitted any district threatened with integration to suspend the State school system, and to transfer the pupils to other districts or to private schools at the State's expense. The Bill was vetoed by Governor Collins, but was again passed by both Houses in a special session in October; in the Lower House, however, it failed to secure the two-thirds majority required to pass a Bill in a special session.

The Florida Supreme Court refused Mr. Virgil Hawkins (a Negro teacher) admission to the University of Florida law school on March 8, without prejudice to his right to appear before the court again "when he is prepared to present testimony showing that his admission can be accomplished without doing great public mischief." The U.S. Supreme Court had previously ruled on March 12, 1956, that Mr. Hawkins should be admitted to the university immediately.

Georgia (total 942,000, Negro 297,692). The State Senate adopted unanimously on Feb. 8 a resolution asking Congress to declare null and void the Fourteenth and Fifthteenth Amendments to the U.S. Constitution, on the ground that the Congresses which proposed and adopted these amendments during the reconstruction period after the Civil War refused to seat duly elected representatives from the former Confederate States. [The Fourteenth Amendment, adopted in 1868, laid down that no State should "deny to any person within its jurisdiction the equal protection of the laws"; the Fifteenth, adopted in 1870, gave Negroes the right to vote. It was on the basis of the Fourteenth Amendment that the Supreme Court declared segregation unconstitutional in 1954—see 13593 A.]

A resolution demanding the impeachment of Chief Justice Warren and Justices Black, Douglas, Frankfurter, Reed, and Clark for "high crimes and misdemeanours" was adopted by the Lower House of the State Legislature on Feb. 18, and by the State Senate on Feb. 21. The resolution did not refer to the Supreme Court's ruling on segregation, but alleged that the Justices had "usurped powers reserved to the States" or associated with "Communist-front" organizations such as the N.A.A.C.P.

Kentucky (total 590,129, Negro 38,358). At Sturgis, where 17 Negro pupils were admitted to the white high school on Sept. 3, a dynamite explosion occurred in a Negro neighbourhood on the same day, but no other disturbances took place. Following the earlier riots in the town in September 1956 (see 15359 A) the local school board had decided to return to segregation, but, as the result of an appeal by the N.A.A.C.P., the Federal Court subsequently ordered the admission of Negroes to the school.

A report published by the Louisville education authorities on Oct. 2 stated that 57 of the city's schools, attended by 78 per cent of the pupils, had been integrated; 10 others were attended only by white pupils and eight by Negroes. Louisville schools had been integrated for the first time in September 1956.

Lousiana (total 600,000, Negro 225,000). The New Orleans Federal Court of Appeal on March 3 declared the State's laws on educational segregation to be unconstitutional, and ordered the integration of New Orleans schools "with all deliberate speed."

Maryland (total 507,137, Negro 109,720). Integration was reported to be generally accepted in the western part of the State, where the Negro population is comparatively small, but to be meeting with considerable opposition in other areas.

Mississippi (total 541,938, Negro 268,216). The schools remained completely segregated.

Missouri (total 744,500, Negro 67,000). The State education authorities estimated in September that 95 per cent of Negro pupils were attending school in districts which were wholly or partly integrated.

North Carolina (total 1,025,463. Negro 301,161). Integration began in the cities of Charlotte, Greensboro, and Winston-Salem on Sept. 3 without serious opposition.

Oklahama (total 527,195, Negro 37,367). The process of integration continued without serious friction.

South Carolina (total 563,244, Negro 243,574). The schools remained completely segregated.

Tennessee (total 754,945, Negro 128,164). The Nashville Federal District Court ruled on Sept. 6 that a law permitting "voluntary" segregation, which had been passed by the State Legislature in January, was "patently and manifestly unconstitutional," and ordered the Nashville city school board to proceed with its integration programme, under which a small number of Negro children were to be admitted to white schools for the first time. When the schools opened on Sept. 9 police escorted the Negro children through hostile demonstrators; Governor Clement had previously refused a request by segregationists to use the National Guard (like Governor Faubus of Arkansas) to prevent them from attending white schools. In the early hours of Sept. 10 one of the schools concerned was seriously damaged by a dynamite explosion, whereupon the police rounded up a number of prominent segregationist agitators, including John Kasper, who had led the riots in Clinton a year before [see page 15360]. After the Federal District Court had granted an injunction on Sept. 16 against Kasper and 10 other agitators, forbidding them to interfere with the city's educational system, the situation in Nashville rapidly returned to normal.

Kasper (27), an anti-negro and anti-Semitic propagandist, achieved notoriety in 1956 by organizing the Clinton riots, in August of that year he was sentenced to a year's imprisonment for defying an injunction issued against him, his appeal against the sentence being rejected by the Supreme Court on Oct. 14, 1957. Together with six residents of the Clinton district, he was again found guilty by an all-white jury at Knoxville on July 23, 1957, of fomenting disorders in December 1956 in defiance of a Federal Court injunction; sentence was postponed pending an appeal. The case was the first in which charges of criminal contempt arising from a Federal Court's injunction against interference with integration had been tried by a jury in a Southern State.

Texas (total 1,814.100, Negro 248,532). Governor Daniel signed on Dec. 11 three Bills passed by the State Legislature which (i) authorized the Governor to close any public school where there was a danger that troops would be used to enforce integration, as at Little Rock; (ii) set up a $50,000 fund to cover the legal expenses of local authorities involved in suits arising from demands for integration; and (iii) required the N.A.A.C.P. to give details of its membership on the order of a county judge.

Integration made little progress in the eastern part of the State, where Negroes form about half the population, but elsewhere proceeded without incident. A Federal Appeals Court reversed on Dec. 27 a decision by a lower court ordering the Dallas city authorities to admit Negroes to white schools by February 1958, and ruled that they should have more time to carry out integration. The original suit had been brought in 1955 by Negro parents who claimed that their children were refused admission to all-white schools.

Virginia (total 751,013, Negro 184,417). The Norfolk Federal District Court ruled on Feb. 12 that the Pupil Placement Act passed in 1956 was unconstitutional, and ordered the educational authorities in the towns of Norfolk and Newport News to begin integration. This ruling was confirmed on Oct. 21 by the Supreme Court, which had previously rejected appeals against orders issued by lower courts for the integration of schools in Charlottesville and Arlington County.

West Virginia (total 457,807, Negro 23,806). Integration was reported in September to have begun in all the 43 counties containing Negro residents.

Segregation in Buses and Public Places.

Recent developments relating to segregation in buses and public places are summarized below.

Alabama. In Birmingham 22 Negroes who had defied the city's bus segregation laws on Dec. 26, 1956 were fined $55 each on March 22. In pronouncing sentence, Judge Parker criticized the Supreme Court's ruling against racial segregation on the Montgomery bus service, and declared that the Fourteenth Amendment was "null and void" as ratification had been imposed on the Southern States by military government.

In Montgomery two white men who had confessed to causing a dynamite explosion in a Negro church on Jan. 10, as a protest against the abolition of racial segregation on buses, were acquitted by an all-white jury on May 30 after the defence had alleged that their confessions had been extorted from them by "Communist brain-washing techniques." At Bessemer the home of a Negro lawyer who supported a movement for the abolition of segregation in public parks was damaged by a dynamite explosion on Nov. 1.

The Montgomery city commission adopted on March 19 an ordinance declaring it illegal for Whites and Negroes "to play together . . . in any game of cards, dice, dominoes, checkers, pool, billiards, softball, basketball, baseball, football, golf, track and at swimming pools . . . or in any athletic contest."

Georgia. The State Senate passed unanimously on Feb. 14 a Bill forbidding inter-racial "dancing, social functions, entertainments, athletic training, games, sports, or contests." In the House of Representatives, however, opponents of the Bill secured its postponement until the 1958 session by demanding the printing of proposed amendments, in accordance with the rules of the House. The Bill had aroused considerable opposition in sporting circles, as its implementation would have broken up the South Atlantic Baseball League, which includes both White and Negro players.

A referendum held in Alabama on Dec. 17, 1957, resulted in a majority in favour of a constitutional amendment under which Macon County would be abolished and divided between the neighbouring counties. The purpose of the amendment was to reduce the potential political influence of the Negro population, which forms seven-eighths of the population of Macon County and one-third of the electorate. A Bill had previously been passed in July to exclude the Negro districts from the city of Tuskegee, and thereby to prevent the Negroes, who form seven-tenths of the city's population, from voting in municipal elections.—(New York Times - New York Herald Tribune) **(Prev. rep. Desegregation Question, 15359 A; Little Rock, 15803 A.)**

A. MOROCCO - UNITED STATES. — King Mohammed's Visit to Washington.

King Mohammed V of Morocco, accompanied by his Foreign Minister (M. Balafrej), arrived in Washington on Nov. 25 on a State visit. During the next two days he had discussions with Mr. Dulles, the Secretary of State, acting on behalf of President Eisenhower, who had been taken ill shortly after the King's arrival (see 15894 A). Towards the end of his stay in Washington, however, King Mohammed paid a brief visit to the President at the White House.

A joint statement issued at the White House on Nov. 27 said that in their talks the King and the President had "reaffirmed the close ties and high mutual respect between the Governments and peoples of Morocco and the United States," and had "reasserted their firm attachment to the principles of the U.N. Charter and their determination to co-operate in advancing the objectives of that vital instrument for peace."

The statement said that Mr. Dulles had assured King Mohammed of the U.S. Government's readiness to assist in Morocco's efforts to stabilize and expand her economy, and that the U.S.A. would continue to undertake jointly agreed programmes of economic and technical assistance in Morocco. The two Governments had also confirmed their desire to pursue the negotiations on the U.S. bases in Morocco which had been in progress since May 1957, and, pending the conclusion of an agreement, "to proceed, by means of a provisional solution, to the appropriate adjustments of present conditions" regarding the U.S. forces in Morocco.

During discussions on the Algerian problem the King had "expressed the wish that a peaceful solution shall come about through friendly negotiations and on the basis of the rights of peoples for self-determination." Mr. Dulles had assured him that the U.S. Government favoured "a peaceful, democratic, and just solution to the problem."

After leaving Washington on Nov. 28 the King made a tour of the U.S.A., concluding with a five-day stay in New York, during which he visited U.N. headquarters and addressed the General Assembly. He left for Rabat on Dec. 13.
(New York Times - New York Herald Tribune - Le Monde)
(Prev. rep. U.S.-Moroccan Relations, 15655 A.)

B. WESTERN POWERS.—Fixing of 1958 Quotas for Exports of Non-Strategic Goods of Military Value to Communist Countries.

"Cocom," the Committee of the Consultative Group in Paris dealing with exports by its member-States to countries of the Soviet bloc and Communist China, decided on Nov. 25, 1957, to abolish the fixing of separate export quotas in respect of goods on List 2 (i.e. non-strategic goods that might nevertheless be of military value) to be supplied to Communist China. Accordingly, exports of such goods to China were co-ordinated, as from Jan. 1, 1958, with the general quotas fixed for trade with the Soviet-bloc countries. This decision implemented the announcements made in May and June 1957 by Britain and all the other member-countries of "Chincom" (the former China Trade Committee), except the U.S.A., to the effect that they would abolish the then existing differential between permitted trade with Communist China and such trade with the U.S.S.R. and other Soviet-bloc countries. The U.S.A., while abstaining from voting, did not oppose the decision taken by "Cocom."

It was announced in Paris on Dec. 16 that the various export quotas had now been fixed by "Cocom" for 1958 in respect of each member-country, covering all the quantitatively restricted goods, without any further distinction between China and the other Communist countries affected. The announcement added that all members of the Committee had been "completely satisfied" with its decisions.

"Cocom" consists of 14 of the 15 NATO countries (the exception being Iceland) and Japan.—(Le Monde, Paris)
(Prev. rep. 15607 A.)

C. UNITED KINGDOM. — Compromise Settlement of Dispute over Bernard Shaw's Will.

The Court of Appeal sanctioned on Dec. 19 a compromise settlement which had been reached between the residuary legatees under George Bernard Shaw's will (the British Museum, the Royal Academy of Dramatic Art, and the National Gallery of Ireland) and the Public Trustee, under which £8,300 would be set aside for carrying out the proposals for alphabetical reform contained in the will. The residue of the estate, which was originally valued at £716,000 (with estate duty at the rate of 70 per cent), would be released for use by the legatees.

The Public Trustee (Mr. R. P. Baulkwill) stated that a prize of £500 would be offered for the design of a new British alphabet of at least 40 letters, including 16 vowels; the remainder of the money would be devoted, in accordance with Mr. Shaw's wishes, to statistical inquiries into the economies to be effected by the new system, and to the publication of *Androcles and the Lion* with the present alphabet and the new alphabet side by side. Mr. Baulkwill will be assisted by an expert committee consisting of Mr. I. J. Pitman, M.P. for Bath, Mr. Peter MacCarthy, of the phonetics department of Leeds University, and Mr. Alan Dodson, chief typographer at the Stationery Office.—(Times) **(Prev. rep. 15530 C.)**

D. MEXICO. — Claim to British Honduras.

The Mexican Foreign Ministry issued a document on Dec. 11 setting out Mexico's claim to part of British Honduras. The document—which was made public after recent reports that Guatemala was trying to induce British Honduras to break with Britain and unite with Guatemala—reviewed the early history of the area and stated that an Anglo-Spanish treaty of 1783 had "made clear that sovereignty over Belize belonged to Spain." It was claimed that after Mexico had achieved her independence "our country substituted for Spain in the rights and obligations in Belize." No plans were announced to bring Mexico's claim before any international body, but it was stated that the Mexican claim would be pressed if there were any alteration in the present status of British Honduras.
(Times) **(Prev. rep. 15898 A.)**

E. TANGANYIKA. — New Governor.

Mr. Richard Turnbull, Chief Secretary of Kenya, was appointed Governor of Tanganyika on Jan. 8 in succession to Sir Edward Twining, whose term of office expires in June 1958. Mr. Turnbull (48) has served in Kenya for 22 years mostly in the Northern Province, where he became a provincial commissioner in 1948. He was Minister for Defence at the height of the Mau Mau emergency and in that capacity planned "Operation Anvil," a drive against terrorists in Nairobi which proved the turning-point of the campaign. The award of the K.C.M.G. to Mr. Turnbull was announced simultaneously with his appointment to the governorship of Tanganyika.
(Times - Manchester Guardian) **(Prev. rep. 10076 B.)**

A. UNITED KINGDOM. — National Health Service. - Ministers' Veto on Pay Increases for Clerical and Administrative Staff. - Unions' Ban on Overtime. - Report on Clerical Staff Grading Structure in Hospital Service.

A dispute broke out early in November between the Government and clerical and administrative staff in the National Health Service, resulting in the imposition by the principal trade unions concerned of a ban on overtime working by members involved. The dispute followed a refusal by the Minister of Health (Mr. Derek Walker-Smith) and the Secretary of State for Scotland (Mr. J. S. Maclay) to approve a pay increase of three per cent for lower-paid staff in these grades, as previously agreed to by the appropriate Whitley Council. The proposed increase had been intended as an interim measure pending the drawing-up of a new grading structure for clerical and administrative staff in the N.H.S. A report on this subject by Sir Noel Hall (Principal of the Administrative Staff College, Henley-on-Thames) was nearing completion at the beginning of the dispute and was published during its course [see below].

The staff side of the Whitley Council concerned had originally asked for salary increases of five per cent for N.H.S. clerical and administrative workers earning less than £1,200 a year, and of eight per cent for those earning over £1,200—these latter having been excluded from a three per cent increase awarded to lower-paid workers in December 1956. These demands had been rejected by the management side, but eventually both sides agreed on increases of three and five per cent respectively.

Mr. Walker-Smith, however, wrote on Nov. 1 to the Whitley Council explaining that both Mr. Maclay and he had "felt it our duty to consider the increases in the context of the Government's general policy with regard to the economic situation," and, in particular, of its determination "to check the inflationary spiral of wages and prices." In view of the increases already granted in December 1956 to those earning less than £1,200 a year, they had "felt obliged . . . to withhold approval from that part of the agreement which benefits these workers." They would be prepared, however, to review the question "after an interval of time appropriate in the light of the economic situation and of other relevant considerations."

The Ministers' refusal to approve the increase for lower-paid staff aroused strong protests from the various unions having members in the Health Services, as well as from other trade union and Labour Party leaders.

A spokesman of the National and Local Government Officers' Association (NALGO), to which most of the staff affected belong, described the Ministers' "arbitrary interference with a decision of a properly-constituted Whitley Council" as "a bombshell without precedent in the National Health Service" and "the negation of collective bargaining." On the same day Mr. Bryn Roberts, general secretary of the National Union of Public Employees, declared that the Ministers' "discreditable and reckless action" had "provoked the greatest anger throughout the Health Services," while Mr. J. Richards, general secretary of the Confederation of Health Service Employees, gave a warning that Health Service staffs were "being driven to take direct action."

Mr. Gaitskell on Nov. 2 described the rejection of a Whitley Council award as "a serious matter which is bound to raise doubts amongst trade unionists and employers whether it is worth while to refer disputes to arbitration at all." Mr. Morgan Phillips (secretary of the Labour Party) declared that the Government had "made open war on the trade unions" by "deliberately refusing to operate properly agreed wage awards."

Mr. Walker-Smith, however, denied on Nov. 1 that the withholding of ministerial approval of the increase constituted "extraordinary intervention." He made a further statement in the House of Commons on Nov. 6, in the course of the Debate on the Address.

"These agreements," Mr. Walker-Smith said on Nov. 1, "require the express approval of the Minister of Health. Ministry representatives are in a minority on this particular Whitley Council, so the normal principle of collective bargaining does not apply. To have expressly approved a wage claim which we thought it wrong to grant at the present time would have been a betrayal of a Minister's first duty. In this particular case there was a special duty because any increase would have had to come out of the taxpayer's pocket, and to grant it would have meant that the Government was talking against inflation without taking any action to stop it."

In the House on Nov. 6 Mr. Walker-Smith rejected Opposition allegations that he had "struck a blow at collective bargaining" by withholding the wage increase "for the time being." He explained that the machinery for adjusting wage claims by Health Service workers provided for two distinct steps: (1) negotiation by an appropriate body; (2) ministerial consideration with a view to approval or otherwise. In this case the negotiating machinery was the Whitley Council for administrative and clerical staff—one of nine functional councils for negotiating wages and conditions within the National Health Service. Its management side comprised 18 members, of whom 10 represented hospital authorities and three represented executive councils; there were only five official or departmental representatives of the Minister of Health or the Secretary of State for Scotland.

"Only these five representatives," Mr. Walker-Smith continued, "are concerned with finding the money for any wage increase. Although the hospital boards and executive councils are technically the employers, the wages come directly from the Exchequer . . . It is a clear exception to the rule that he who pays the piper calls the tune. In this case, however, the statutory regulations ensure that the payer of the piper has his say at a later stage . . . The second stage is ministerial consideration. In this case the 'soft option' of doing nothing is not available. Ministers must either grant approval or withhold it. They can, however, take the course we took in this case, which was to withhold approval in present circumstances with the undertaking to review it at the appropriate time."

After explaining that the five per cent increase for higher-paid staff had been approved because these employees were "more out of line with the general level of remuneration and had been so for a longer period," Mr. Walker-Smith stressed that the official representatives on the Whitley Council had never agreed to the proposed increases for lower-paid staff. "They opposed the offer," he concluded, "on precisely the same grounds—those of the general economic context—as those on which I found it necessary to withhold approval for the time being. The unofficial majority on the management side were left in no doubt that approval might well have to be withheld by the Ministers concerned."

Although a deputation from the management and staff sides of the Whitley Council which had agreed on the increases appealed to the Minister of Health on Nov. 11 to reverse his decision, Mr. Walker-Smith refused to do so, whereupon an emergency committee of NALGO decided on the same day to instruct the association's members in the Health Services to cease working overtime from Nov. 18. The National Union of Public Employees also instructed its 2,000 members in hospitals to join the ban.

It was explained that NALGO was anxious to limit its protest measures in such a way as to cause the greatest embarrassment to the Ministry of Health and the least embarrassment to members' immediate employers—the hospital boards and executive councils, with which the association had no quarrel. Staff would therefore be expected to arrange their work so that everything affecting patients directly would have their first attention, and the consequences of the overtime ban would fall mainly on routine statistical returns, official reports and paper-work in general. Working hours would be limited to 38 a week, and members forced by their duties to work extra time on any one day would be expected to work correspondingly short time on the next. One-half of any pay lost through refusal to work overtime would be made up by the Association.

[It was stated in the Press that about 50 per cent of hospital staffs normally worked up to four hours' overtime daily. The NALGO executive estimated that the overtime ban might cost the Association a maximum of £10,000 a week.]

The proposed overtime ban was endorsed on Nov. 17 by a NALGO delegate conference representing about 200 N.H.S. branches of the Association, and began at midnight on that date as arranged.

Several organizations—notably the National Federation of Hospital Officers and the Association of Officers of Executive Councils and Pricing Bureaux—opposed the ban, mainly on the grounds that hospital efficiency would be impaired and patients would suffer. The NALGO executive claimed on Nov. 18, however, that it would be observed by about 30,000 of the 40,000 Health Service employees concerned. On Dec. 4 the executive of the Confederation of Health Service Employees, which had not supported the ban pending the result of a members' ballot, announced that this ballot had shown a majority in favour, and that it would therefore call on all its members in clerical and administrative grades to ban overtime work. The executive also announced that it would ask the T.U.C. to call a conference of affiliated unions with members in the N.H.S. in order to consider stronger action in protest at the Ministers' veto.

Mr. Macmillan, on Nov. 19, informed the T.U.C. (whose economic committee had sent him a letter protesting against the Ministers' veto) that he did not propose to interfere in the dispute. On Nov. 22, however, the Prime Minister promised the Clerical and Administrative Whitley Council (which had asked him to see a deputation of N.H.S. employees) that he would consider doing so after the deputation had first re-discussed the matter with the Minister of Health. Representatives of N.H.S. employees (led by Mr. Ben Smith, chairman of the staff side of the Whitley Council) accordingly saw Mr. Walker-Smith and Mr. Maclay on Dec. 4. The meeting proved abortive, however, whereupon the deputation announced that it had asked the Prime Minister to receive it. A meeting accordingly took place at 10, Downing Street on Dec. 23 between Mr. Macmillan, Mr. Walker-Smith, and the Joint Parliamentary Under-Secretary for Scotland (Mr. J. Nixon-Browne) on the one hand and representatives of NALGO and other unions concerned on the other. This, too, proved abortive, a subsequent official statement saying that Mr. Macmillan had "explained why, in the light of the current economic situation, the decision not to grant the 3 per cent pay increase had been taken," and had stressed that the decision "could not be reversed at the present time."

Sir Noel Hall's report on the grading structure of administrative and clerical staff in the Hospital Service (see above) was published on Nov. 25.

It pointed out that the Hospital Service was at present unattractive to the better-qualified school-leavers, since it was impossible to recruit girls or boys with G.E.C. or similar qualifications. It expressed the view, however, that a "modest improvement" in pay and conditions should secure an adequate number of suitable recruits and enable a proper balance in the senior ranks to be maintained.

In order to remedy present staff shortages in the categories concerned while, at the same time balancing national requirements with the "multi-unit responsibility characteristic of the Service," Sir Noel recommended (*a*) a new and simplified staff grading system; (*b*) the gradual transfer of responsibility for grading to regional hospital boards, with an appeals panel; (*c*) the abolition of direct control by the Minister of Health or by regional hospital boards over senior appointments, and the setting-up of a register of officers and an information and advisory service, which should also advise on training schemes.

Although Sir Noel Hall made no suggestion about levels of remuneration (on which he had not been asked to advise), both sides of the Whitley Council considered that his recommendations on the introduction of a new staff grading system would involve substantial increases in pay.

Representatives of N.H.S. clerical and administrative workers decided on Jan. 2, 1958 to lift the overtime ban from Jan. 6 and to submit a new claim for an increase of 5 per cent in the salaries of employees receiving less than £1,200 a year.
(Times - Daily Telegraph - Manchester Guardian)

A. ITALY - UNITED KINGDOM. — Ten-Year Atomic Co-operation Agreement.

An Anglo-Italian agreement for co-operation in the peaceful uses of atomic energy was signed in Rome on Dec. 20 by Signor Pella, the Italian Deputy Premier and Foreign Minister, and Sir Ashley Clarke, the British Ambassador.

Under the agreement (which was concluded for 10 years) the U.K. Atomic Energy Authority and the Italian Government undertook to exchange non-classified atomic information. The Authority also undertook to carry out the following services for the Italian Government:

(1) Sale, or assistance in purchase, from U.K. sources of atomic fuel for research and the operation of power reactors in Italy. [The quantities of uranium to be supplied were not specified in the agreement, which only laid down the general framework.]

(2) Assistance in the supply of research and power reactors from Britain.

(3) Processing of used atomic fuel.

(4) Help in the design, construction, and operation of facilities for the manufacture of atomic fuel and the processing of used fuel in Italy.

(5) Provision of training facilities in atomic matters for Italian students and trainees recommended by the Italian Government.

The agreement listed a number of safeguards and controls to ensure that the nuclear material and equipment supplied to Italy would be used only for peaceful purposes, thereby implementing the obligations which both countries had undertaken as members of the International Atomic Energy Agency.

Under Article 2 of the agreement both sides will review the convention after the coming into force of the Euratom Treaty (see 15927 A). It was provided that the facilities granted to Italy might be transferred to Euratom if specific British consent was given.

The agreement was the first comprehensive convention of its kind between Britain and a foreign country. Partial agreements between Britain and France, Belgium, Sweden, Western Germany, and Denmark for co-operation in the peaceful uses of atomic energy are already in existence, but these concern only scientific research or the exchange of non-classified information. In the case of Belgium, the agreement deals also with assistance in establishing a power reactor. The Anlgo-Italian agreement was complementary to the contract which will be concluded between *AGIP Nucleare* and the Nuclear Power Station Company for the installation of a British-built atomic power station in Northern Italy.
(Times - Corriere della Sera, Milan) **(Prev. rep. 15887 C.)**

B. UNITED STATES. — The Baltimore Tunnel.

The Baltimore road tunnel, built in 2½ years at a cost of $180,000,000 (about £46,000,000), was opened to traffic on Nov. 30, 1957. Running under Baltimore harbour, it removes a notorious road "bottleneck" between New York and Washington and enables motorists to by-pass Baltimore in 12 minutes. Previously it took motorists an hour or more to pass through the city at the rush-hour peak. The twin-tube tunnel, 7,650 feet long, is served by 16 miles of limited-entry approach roads.—(New York Herald Tribune)

C. SOVIET UNION. — The "Sputniks."

The Soviet earth satellite launched on Oct. 4 (*Sputnik I*) disintegrated during the first few days of January. Russian, British and American astronomers had all previously declared that the earth satellite would burn out at the end of December or the beginning of January, and Professor Lovell (head of the Jodrell Bank station) expressed the opinion on Jan. 2 that disintegration had already occurred. A similar opinion was expressed by the American astronomer, Dr. Whipple. It was stated in *Soviet Aviation* (Jan. 11) that *Sputnik I* had disintegrated on Jan. 4 after completing 1,367 circuits of the earth and travelling about 43,000,000 miles—equivalent to the distance between Earth and Mars. It was added that study of *Sputnik I* had yielded "unique data of enormous interest for science, the complete analysis of which will take a long time."

The Tass Agency had predicted on Dec. 30 that *Sputnik I* would cease to exist "during the first days of January." It was stated that the maximum height of its orbit had been reduced to about 198 miles, compared with nearly 600 miles at the time of launching, and that it was circling the earth every 90 minutes as compared with the original period of 96.2 minutes.

The carrier rocket of *Sputnik I* burned out and fell on the earth on Dec. 1—on its 879th orbit, according to Professor Lovell and other eminent astronomers who had kept it under close observation. Professor Lovell expressed the opinion that it had "probably burned up entirely in the earth's atmosphere," though pieces of the rocket might have fallen in the Pacific Ocean. On Dec. 6, however, M. Khrushchev said that Soviet scientists were "sure" that the rocket had fallen in Alaska on Dec. 1, adding that "we shall ask them [the Americans] to return it." Asked by Western press correspondents whether he were joking, M. Khrushchev said he was "absolutely serious." Speaking later in the day at a Finnish Embassy reception in Moscow, M. Khrushchev said that "if an American *sputnik* were to fall on Russian territory we would return it."

On the following day (Dec. 7) the Tass Agency said that Soviet observations of the carrier rocket showed "a particularly intensive loss of height" about midnight on Nov. 30 - Dec. 1, while the rocket was passing over Irkutsk and eastern Siberia in an easterly direction. As it entered the denser layers of the atmosphere it had begun "to burn and destroy itself," and "according to available data the remnants of the carrier rocket fell on the territory of Alaska and the western coast of North America."

Spokesmen of the U.S. State Department and the American "Vanguard" project disclaimed any knowledge of the carrier rocket of *Sputnik I* and said that there was "no evidence whatever" to show that it had fallen in American territory. It was stated in Washington that the U.S. Army and Air Force were checking unsubstantiated reports that the carrier rocket might have fallen in the Fort Greely military reservation area, about 100 miles south-east of Fairbanks in Alaska. [On Dec. 1 a number of people in this area had reported a "flaming object" plunging towards the earth.]

Moscow Radio announced on Nov. 10 that the radio transmitters in the earth satellite launched on Nov. 3 (*Sputnik II*) had stopped working "according to plan." It was stated that "medico-biological observations" had been completed and that valuable data had been obtained "regarding the conditions of life during cosmic flight, the influence of solar radiation in the ultra-short and röntgen regions of the spectrum, radio waves, and data regarding temperature, pressure, and other information," all of which were being "carefully assessed." It was added that *Sputnik II* had completed 103 circuits of the earth as at that date and had travelled about 2,800,000 miles.

The death of "Laika," the dog launched into outer space in *Sputnik II*, was announced on Nov. 15 at a press conference given in Moscow by Professor Blagenravov and other leading Russian scientists. Professor Alexei Petrovski (in charge of the biological aspects of the Soviet earth satellite programme) explained that the oxygen regeneration plant in *Sputnik II* had stopped working at the conclusion of the experiment, and "Laika" had died a painless death from oxygen deficiency.
(Soviet Embassy Press Dept., London - Times - Observer - New York Times) **(Prev. rep. 15835 A; 15791 A.)**

D. FINLAND. — Cabinet Appointment.

It was announced in Helsinki on Dec. 30 that President Kekkonen had appointed M. Erkki Lindfors as Deputy Minister for Social Affairs—a post which had not been filled when the von Fieandt Cabinet was formed in November.
(Finnish Ministry of Foreign Affairs) **(Prev. rep. 15876 A.)**

JANUARY 11—18, 1958

A. EUROPEAN UNIFICATION. — The Economic Community (Common Market) Treaty. - Ratification of Common Market and Euratom Treaties. - Paris Meeting of Foreign Ministers. - Membership of Common Market and Euratom Commissions. - Heads of Other European Six-Nation Institutions.

The principal provisions of the Treaty setting up a European Economic Community (Common Market) are summarized below, in continuation of 15927 A.

The European Economic Community Treaty.

This treaty, which was concluded for an unlimited period, consisted of 248 Articles, 15 annexes, 4 "declarations of intention," and 3 protocols.

In the preamble to the treaty, the six signatory countries declared their intention of establishing "the foundations of an enduring and closer union between European peoples" by gradually removing the economic effects of their political frontiers. A common market and a common external tariff (Customs union) would be established for all goods; common policies would be devised for agriculture, transport, labour mobility, and important sectors of the economy; common institutions would be set up for economic development; and the overseas territories and possessions of member-States would be associated with the new Community for an experimental five-year period. All these measures would have one "essential aim"—the steady improvement in the conditions of life and work of the peoples of the member-countries.

The tasks of the Community were defined in Article 1 of the Treaty as the achievement of a harmonious development of the economy within the whole Community, a continuous and balanced economic expansion, increased economic stability, a more rapid improvement in living-standards, and closer relations between the member-countries.

Institutions.

The institutions of the European Economic Community would be as follows, being partly identical with, and partly designed on similar lines to, those of the European Atomic Energy Community:

The Assembly. This body would consist of 142 members elected by the national Parliaments of the member-countries and comprising 36 members each from France, Italy, and Western Germany, 14 each from Belgium and the Netherlands, and 6 from Luxemburg. The election of these members would initially be determined by the national rules of each member-country, but the Assembly would at a later stage draft proposals providing for the introduction of a uniform electoral procedure in all member-countries.

The European Economic Community would share the Assembly with Euratom and the European Coal and Steel Community—the existing Assembly of the latter organization being superseded by the new Assembly.

The Assembly would meet once a year (in October) to discuss the annual report of the Commission [see below]. It would have power to enforce the resignation of the Commission, such a decision requiring a two-thirds majority of the votes cast as well as an ordinary majority of its total membership.

The Assembly would also discuss the Community budgets and would be empowered to propose amendments. It would have to be consulted on certain proposals of the Commission and the Council of Ministers implementing essential principles of the Treaty; and would be entitled to meet in extraordinary session if a majority of its members so demanded, or at the request of the Commission or of the Council of Ministers.

The Council of Ministers. This body would consist of one representative each from the Governments of the member-countries. It would take decisions in one of three ways: either unanimously, by simple majority, or by a weighted majority, according to the various circumstances laid down in the Treaty.

The unanimity requirement would apply particularly in the early stages of the Community's existence. Decisions requiring a simple or a qualified majority could in most cases be taken only on a proposal made by the Commission, and any such proposal could not be amended by the Council except by unanimous vote. [This provision was aimed at conferring great responsibility upon the Commission and safeguarding the stability of its activities.]

A simple majority would mean the vote of four of the six member-countries. In the case of a qualified majority, France, Italy, and Western Germany would each have four votes, Belgium and the Netherlands two each, and Luxemburg one; such a majority would normally consist of at least 12 votes, but in some cases (e.g. when decisions were taken on matters not arising from a proposal by the Commission) the consent of at least four member-States would also be necessary.

The Commission. This would have nine members jointly appointed by the member-Governments for four-year terms and eligible for reappointment. The members, chosen on the basis of their general capability, would be completely independent and would neither solicit nor accept instructions from their Governments No country could have more than two of its nationals on the Commission.

The Commission would be a collegial body and would take its decisions by simple majority vote. Its main tasks would be to supervise the application of the Treaty, and of measures adopted within its framework; to take part in the shaping of Council and Assembly decisions by making proposals to the Council, which the latter could not amend save by unanimous vote [see above]; to formulate opinions and recommendations on matters within the scope of the Treaty; to take those decisions for which authority had been conferred upon it; and to publish annually a general report on the activities of the Community.

Compared with the High Authority of the European Coal and Steel Community, the Commission would require the approval of the Council of Ministers for a far wider range of decisions. Its other most important powers of decision would relate to subsidies and to the special safeguards embodied in the Treaty.

The different means by which both the Council and the Commission would guide the work of the Community were defined as follows: (*a*) regulations, which would be compulsory and directly applicable in any member-State; (*b*) directives, which would be binding on the recipient State in respect of the result to be achieved, but which would allow it to choose the ways and means; (c) decisions, which would be obligatory on the parties concerned; and (*d*) recommendations and opinions, which would not have binding force.

The Court of Justice. This body—like the Assembly—would be common to the three Communities and would supersede the existing Court of Justice of the European Coal and Steel Community. It would consist of seven members jointly appointed by the member-Governments, holding office for six years and eligible for reappointment. There would also be two Advocates-General.

The functions of the Court would be to safeguard the law in the interpretation and application of the Treaty, to decide on the legality of decisions of the Council of Ministers or the Commission, and to determine violations of the Treaty. Actions might be brought before the Court either by a member-country, or by the Council of Ministers, or by the Commission, or by any person or legal entity affected by a decision of the Community. Actions could be based on the contention that the Council or the Commission were not empowered to take a decision; had violated essential rules of procedure; had violated the Treaty or any rule implementing it; or had abused their discretionary powers (especially with regard to the granting of licences by the Commission and the application of compulsory measures in the sphere of security).

The Economic and Social Committee. This Committee would be common to Euratom and the Economic Community and would consist of representatives of all sections of economic and social life, such as employers' organizations, trade unions, and similar bodies. Its members, appointed for four years by a unanimous decision of the Council of Ministers, would be drawn from the member-countries in the following numbers: France, Italy, and Western Germany, 24 each; Belgium and the Netherlands, 12 each; Luxemburg, 5.

The Committee would assist the Council of Ministers and the Commission in an advisory capacity, and would have to be consulted in those cases specifically laid down in the Treaty.

The seat of the institutions of the Community would be determined by agreement between the member-Governments.

Progressive Implementation of Common Market. - Procedure during Transitional Period.

One of the principal characteristics of the process of creating a Common Market would be its irrevocable character—i.e. once the process had been set in motion, the ultimate aim would have to be achieved. This constituted an important safeguard for the member-countries inasmuch as their sacrifices in adjusting themselves to the new conditions would not be in vain, and would not involve a risk of a complete standstill and a subsequent return to the previous status after a number of years. The change from one stage to the next would thus in principle take place automatically.

The Common Market would be progressively established in three stages within a transitional period of 12 years, which might be extended to 15 years. Within the basic 12-year period there would be three stages, each lasting in principle four years. However, if at the end of the first four years the Council of Ministers and the Commission were not unanimously agreed that the objectives of that stage had been essentially accomplished, the stage would automatically be extended for one year. At the end of the fifth year there would be another one-year extension on the same condition, whilst at the end of the sixth year (when the decision of the Council of Ministers would no longer require unanimity but would be taken by a weighted majority) a further extension could be granted only if a request by a member-State for such an extension was recognized as justified by an *ad hoc* arbitration tribunal of three members appointed by the Council of Ministers. In deciding whether the objectives of the respective stages had been essentially accomplished, and the obligations under the Treaty carried out, no member-country could prevent a unanimous decision by basing its protest on non-compliance with its own obligations.

The second and third stages could either be prolonged or shortened by unanimous decision of the Council of Ministers, subject to the maximum limit of 15 years for the whole transitional period.

Other Principles.

The member-countries would co-ordinate their economic policy to the extent required for achieving the aims of the Treaty. The institutions of the Community would ensure that the internal and external financial stability of the member-countries was not endangered. Any discrimination against nationals or companies of other member-countries would be prohibited, except in the special cases expressly laid down in the Treaty.

The Basis of the Economic Community.

The European Economic Community would be based on a Customs Union covering the whole trade of member-countries and entailing (*a*) a prohibition on imposing import or export duties or similar levies between member-countries; (*b*) the introduction of a common tariff on imports from non-Community countries; (*c*) the abolition of all quantitative import and export restrictions and other similar measures between member-countries. The free exchange of goods within the Community would apply not only to goods produced in the member-countries but also to those which had been imported by a member-country from outside the Community, and on which Customs duties had been paid on entry. The only exception from the application of the common Customs tariff *vis-à-vis* non-Community countries would be in the case of goods landed in a free trade zone where each member-country could apply its own Customs tariff.

Internal Tariffs. Tariff restrictions on trade between member-countries would have to be abolished entirely by the end of the transitional period at the latest. During the transitional period, national tariffs (those in force on Jan. 1, 1957, being taken as the basis for calculation in each case) would be reduced by 10 per cent three times in each of the first two stages, and by the remaining 40 per cent during the third stage. The first reduction would take effect a year after the Treaty came into force, and the next two would follow at intervals of 12 to 18 months.

Only the first tariff reduction, however, would be uniformly applied. Thereafter Governments would have a certain discretion as to the incidence of the cuts on the various types of goods in the light of "their general economic situation and the conditions of the economic sector concerned," provided always (*a*) that the total amount of reductions made up the required percentage of 10 per cent of the total tariff proceeds on imports from the other member-countries in 1956; (*b*) that no single reduction on any article was less than 5 per cent; and (*c*) that where the initial duty was more than 30 per cent, the reduction was at least 10 per cent. To prevent any excessive delay in the tariff reduction for certain goods, member-countries would have to aim at achieving a reduction of at least 25 per cent for each item at the end of the first stage, and of at least 50 per cent at the end of the second stage.

Duties of a financial character on certain imported foodstuffs which constituted important revenue sources (e.g. coffee, tea, condiments) would be treated like other import duties. Member-countries would be permitted, however, to replace them by internal consumption duties provided these would not discriminate between the home-produced product and that imported from another member-country.

All export duties and similar levies on goods destined for other Community countries would be abolished not later than the end of the first stage.

External Tariffs. A common tariff on imports from non-Community countries would be established in full not later than the end of the transitional period. As a general rule, the final tariff for each product would be the arithmetical average of the corresponding national tariffs in force on Jan. 1, 1957. National tariffs which varied initially by no more than 15 per cent from the average tariff would be replaced by the latter within four years; in other cases the gap would be reduced by 30 per cent after four years, by 60 per cent after eight years, and eliminated entirely by the end of the transitional period.

Certain exceptions to these general provisions were permitted: (*a*) on a certain number of commodities, fixed duties would replace the arithmetical average (some of these were laid down specifically in the Treaty, others would be settled by negotiation between the member-countries during the first stage); (*b*) in the case of a wide range of raw materials, the common tariff would not exceed three per cent; (*c*) in the case of a wide range of semi-manufactured goods it would not exceed 10 per cent; (*d*) in the case of a range of inorganic chemical products, it would not exceed 15 per cent; (*e*) in the case of a range of organic chemical products, dyestuffs, and artificial fibres it would not exceed 25 per cent; (*f*) a member-country finding itself in special difficulties could be authorized by the Commission to delay the reduction or increase of certain tariff items for a limited period, but this would only apply to items which represented not more than 5 per cent of the total value of that member-country's imports from non-Community countries.

Member-countries might be permitted by the Community to import at tariff rates below those of the common tariff, or duty free, certain goods up to a fixed quantity in the following cases: (*a*) if the supply of the member-country concerned was traditionally dependent to a considerable extent on imports from non-Community countries, and if production within the Community was insufficient to cover that country's requirements; (*b*) if any change in the sources of supply, or an insufficient supply within the Community, involved serious disadvantage to the manufacturing industries of the member-country concerned; (*c*) if the quantity of imports under this exemption was not so large as to cause the risk of a diversion of economic activities to the member-country concerned [i.e. because of its lower tariffs] to the disadvantage of other member-countries; (*d*) if, in the case of food products, such imports would not result in a serious disturbance of the market.

Rates in the common Customs tariff could be altered or suspended either as a result of negotiations with non-Community countries in return for concessions by those countries, or because the Community considered such action necessary for reasons of its own economic policy. Decisions on this matter would require unanimity in the Council of Ministers. After the end of the transitional period, however, the Council could take decisions by qualified majority if the changes did not exceed 20 per cent of the duty on the tariff item in question, and if they were for a period of no more than six months—which might be prolonged once only.

Quantitative Restrictions. All quantitative restrictions on trade within the Community would be progressively eliminated by a series of quota increases. [This procedure differed from the one applied by the O.E.E.C., which provides for the immediate complete removal of import quotas in respect of a growing range of individual products.]

Thus, one year after the coming into force of the Treaty, the member-States would convert all their existing bilateral import quotas into global quotas in favour of all other member-countries, without any discrimination between them. All these global import quotas would then be increased annually by at least 20 per cent as regards their overall value, and by at least 10 per cent as regards each individual product; bigger increases would be made in the case of quotas amounting initially to less than three per cent of the domestic output of a given product. While Governments would have a certain amount of discretion as to the incidence and timing of quota increases, they would nevertheless be required to work towards the ultimate objective—viz. that by the end of the tenth year each individual quota should be equivalent to at least 20 per cent of the national production of the article concerned.

Special provisions would regulate the position of those member-countries which had already introduced high global import quotas on the coming into force of the Treaty, or which had gone beyond the obligations assumed within the O.E.E.C. as regards the liberalization of imports. If the Commission found that the imports of a certain commodity into a member-country during two successive years had been below the respective import quota, the quota would be abolished altogether.

Quantitative restrictions on exports would have to be abolished by the end of the first stage at the latest.

Member-countries were nevertheless permitted to impose import, export, or transit restrictions or prohibitions which were justified for reasons of public morality, public order, public security, or on similar grounds, provided there was no arbitrary discrimination or any concealed restriction of trade.

As regards certain State monopolies in the member-countries which might lead to restrictions in inter-Community trade with effects similar to quota restrictions, the Treaty provided that all such monopolies would have to be gradually changed so that at the end of the transitional period any discrimination between nationals of member-countries as regards both purchases and supplies would cease. If a certain product was subject to a commercial State monopoly in one or several member-countries, the Commission could authorize the other member-States to take certain protective measures.

Agriculture. Agricultural products would be included in the Common Market, although a special régime would apply in view of the different social structure of agriculture in the various member-countries, which made it impossible to introduce a completely liberalized market.

Agricultural Policy. A common agricultural policy would be implemented in the course of the transitional period, aiming at increased agricultural productivity, safeguarding an adequate standard of living for the agricultural population, stabilization of agricultural markets, an assurance of adequate supplies, and fair prices for consumers. For this purpose a conference would be convened by the Commission within two years after the coming into force of the Treaty, one of its main tasks being to draw up a balance-sheet of agricultural needs and resources. In the light of the conclusions of this conference the Commission would draw up proposals and submit them to the Council of Ministers, which would take its decisions unanimously during the first two transitional stages and by a qualified majority thereafter.

Agricultural Markets. A Joint Organization of agricultural markets would be created, but, because of the diversity of market conditions for individual products, this development would not take place under prearranged rules but through decisions of the organs of the Community, varying from case to case. The Joint Organization could accordingly be implemented by joint rules for competition, or by the obligatory co-ordination of differing national market rules, or by the introduction of European market rules. Measures which the Joint Organization might take to achieve the aims of a common

agrarian policy might include price-fixing, subsidies, provisions for building up stocks and reserves, joint stabilization measures for imports and exports, and the setting-up of one or several support and guarantee funds for the latter purpose. National market policies would eventually be superseded by the Joint Organization, and by the abolition of all discriminatory measures between producers or consumers within the Community.

Decisions of the Council of Ministers in this sphere, based on proposals by the Commission, would be taken unanimously during the first two transitional stages and by a qualified majority thereafter. However, the latter voting procedure would only apply (*a*) if the proposed Joint Organization offered guarantees for the employment and the living-standards of the producers concerned not inferior to those existing under national market regulations; and (*b*) if the Joint Organization created conditions for inter-Community trade which corresponded to those in the national markets concerned. The organs of the Community would decide how far the Treaty provisions concerning the regulation of competition should apply to agriculture.

National Minimum Prices. To facilitate the development of a common agricultural market, member-countries would be permitted to fix minimum prices for imported agricultural products during the transitional period, provided these prices did not prevent the expansion of trade within the Community. Within four years after the Treaty came into force, the Commission would submit to the Council of Ministers a series of "objective criteria" concerning the fixing of such minimum prices. If the Council were unanimously agreed on these criteria, each country would fix its own minimum prices in the light thereof, but the Council and the Commission would retain certain powers of control to prevent abuses. If actual prices fell below the prescribed levels, the country concerned could temporarily suspend or reduce imports or admit them only at a higher price. At the end of the transitional period all the minimum prices then in force would be listed, and the Council of Ministers would decide by a simple weighted majority about the system to be applied in future under a joint agricultural policy.

Long-term Purchase Agreements. With a view to steadily expanding the volume of trade within the Community, a preferential purchase system would be set up amongst member-States by means of multilateral long-term agreements and contracts which would exclude any discrimination between the producers of the various member-countries concerned. Special provision was made in respect of agricultural production dependent upon the import of certain materials from non-Community countries.

Labour, Settlement, Services, and Capital. The free circulation of labour, services, and capital, as well as the right to settle, work and trade anywhere in the Community, would be fully established by the end of the transitional period.

Labour. As soon as the Treaty came into force, the Council of Ministers would decide by simple majority what measures were necessary to ensure complete mobility of labour within the Community, including (i) the abolition of all discriminatory measures between nationals of member-countries; (ii) the right to apply for jobs anywhere within the six countries, and—on terminating any employment—to stay on in the country concerned under conditions to be fixed by the Commission. Measures to be taken by the Council of Ministers would include provisions (i) for the dissemination of information about available jobs and labour, as well as other procedures to meet supply and demand under conditions which would avoid serious danger to the standard of living and employment in the various areas and industries; (ii) for the removal of administrative difficulties; and (iii) for close collaboration between national labour organizations. The Council of Ministers would also decide (by unanimous vote) on social security arrangements applicable to conditions of full mobility of labour.

Right of Settlement. All restrictions on the right to settle freely in any member-country, or the right of nationals of any member-country to set up agencies, branches, or subsidiary companies in the territory of another, would be gradually removed during the transitional period. The right of settlement would include the right to engage in any economic activity and to establish or manage companies and other enterprises.

Before the end of the first stage of the transitional period the Council of Ministers would, by unanimous decision, work out a general programme to remove from existing restrictions every kind of activity, and to determine the various stages of implementation. All decisions relating to the execution of this general programme, or for the abolition of restrictions on specific activities, would be taken by the Council of Ministers by unanimous vote during the first stage and by a qualified majority thereafter.

The Council would also draw up rules for the mutual recognition of diplomas, certificates, and other qualifications, and for the co-ordination of existing regulations in the member-countries concerning the practice of professions.

Services. All restrictions on the offering of services by insurance companies, banks, finance houses, the wholesale and retail trade, and by members of the professions would be gradually removed within the Community during the transitional period. Before the end of the first stage the Council of Ministers would (subject to unanimous approval) draw up a general programme to implement this principle. Any further Council decisions, either for implementing the general programme or, if none had been drawn up, for abolishing restrictions relating to specific services, would be taken by unanimous vote before the end of the first stage and by a qualified majority thereafter.

Capital. Existing restrictions on the movement of capital between the Community countries would be progressively removed. As far as was necessary for the proper working of the Common Market, restrictions on current payments relating to the movement of capital (e.g. interest, dividends, rents, premiums) would be completely abolished not later than the end of the first stage of the transitional period. Decisions of the Council of Ministers on the abolition of capital movement restrictions would be taken by unanimous vote during the first two stages, and by a qualified majority thereafter.

The only exceptions from the general rule of the eventual free movement of capital within the Community would apply in the following cases: (*a*) loans directly or indirectly intended to finance the Government, public institutions, or organs of local government of one member-country could be issued or sold in another member-country only with that country's consent; (*b*) member-countries, while generally forbidden to introduce any new restrictions concerning capital movements, would be entitled to take protective measures within certain limits if such movements were likely to disturb their economies—the application of these protective measures being, however, supervised by the Commission.

As regards capital movements between member-countries and non-Community States, the Council of Ministers would lay down all the measures required for controlling such movements and the foreign exchange policies connected with them, with the aim of achieving the highest possible degree of liberalization. Council decisions in these matters would require unanimity. In the event of different degrees of liberalization of capital movements and foreign exchange policies between one member-country and another leading to abuses of the regulations then existing, a member-country affected by such abuses could take suitable measures to stop them after consulting with the other member-countries and the Commission. Measures of this kind, however, might be subsequently amended or abolished altogether by decisions of the Council, taken by a qualified majority.

Transport. The Council of Ministers would establish a joint transport policy and common rules for international transport within or through the Community, covering rail, road, and inland water transport. It would also lay down the conditions under which transport undertakings of one member-country would be permitted to operate in another. These decisions would have to be taken unanimously in the first two transitional stages and by a qualified majority thereafter, but unanimity would still be required after the second transitional stage whenever the Council's decisions related to principles of transport policy and might seriously impair the standard of living and employment in certain areas.

The extension of suitable common rules to sea and air transport, and the procedure applying in these cases, would be a matter for the Council to decide, such decisions requiring unanimity.

All freight rates which discriminated as to the national origin or destination of the goods transported would be suppressed by the end of the second stage of the transitional period, whilst all special rates or privileges granted by a member-country for the purpose of helping or protecting specific undertakings or industries would have to be ended at the beginning of the second stage, unless specially authorized by the Commission. Within two years after the coming into force of the Treaty, and after hearing the views of the Economic and Social Committee, the Council would, by a qualified majority, issue general regulations under which the Commission would take the necessary individual decisions after hearing the views of all the member-countries concerned.

In taking its decisions, the Commission would take into account not only the requirements of an adequate location of industry but also the needs of less developed areas; the problems of areas which had suffered greatly through political conditions; and the effects of the various rates and tariffs on the competitive position between various kinds of transport. Western Germany was authorized, notwithstanding the provisions of the Treaty, to take any measures required to compensate the areas affected for economic disadvantages arising from the political division of Germany.

A consultative committee of experts appointed by member-Governments would be set up to advise the Commission on all transport questions.

The Policy of the Community.

To ensure free and equal competition within the Community, common rules and policies would be introduced in the member-countries as summarized below.

Common Rules.

Cartels and Monopolies. Any agreement or association preventing, restraining, or distorting competition within the Community would be forbidden—e.g. agreements or associations directly or indirectly fixing prices; regulating or controlling production, investment, or technical development; sharing markets; requiring the acceptance of additional goods besides those needed by the customer; or providing for discriminatory conditions of supply. Exceptions would only be permissible if such agreements contributed to production, distribution, or technical or economic progress, and if (i) an adequate share of the benefits arising therefrom was passed on to the consumer; (ii) the restrictive effect was not greater than was necessary for the purpose; (iii) the agreements would not open the way to monopolistic practices. The abuse by any or a number of enterprises enjoying a dominant position in a given market within the Community would also be forbidden.

During the early period anti-monopoly rules would be enforced nationally on the basis of detailed reports by the Commission to member-Governments. Within three years, however, international rules and directives having the force of law throughout the Community would be issued by the Council of Ministers; these decisions would require a unanimous vote. If no such rules and directives had been issued by the Council within the three-year period, it would be able to make them thereafter by a qualified majority, on a proposal of the Commission and after consulting the Assembly.

Although the member-countries themselves would initially enforce anti-cartel and anti-monopoly regulations, the Commission would have certain supervisory functions immediately after the coming into force of the Treaty. Specifically, the Commission could note violations of anti-cartel or anti-monopoly rules and could authorize a member-country whose interests were affected to take the necessary protective measures.

The above principles would apply not only to private industry but also to public enterprises, as well as to enterprises enjoying special or exclusive rights and privileges. State monopolies of a fiscal character and similar undertakings would, in principle, also come under the Treaty.

Dumping. Dumping practices by any member-country within the Common Market would be prohibited. If, during the transitional period, the Commission found that a member-State had engaged in such practices, it would make "suitable recommendations" to the country concerned with a view to ending them. If the country concerned nevertheless continued such practices, the Commission might authorize the other member-country or countries affected to take the necessary protective measures, details of which would be laid down by the Commission.

State Subsidies. Unless otherwise provided by the Treaty, State subsidies (of whatever kind) which distorted or threatened to distort competition would be prohibited. Nevertheless, certain subsidies would be permissible, notably subsidies of a social character; relief after natural catastrophes; subsidies given to certain areas in Western Germany as compensation for the economic disadvantages caused by the division of Germany; special aid for under-developed areas or for projects of common European importance; and aid for the development of certain branches of the economy, provided it did not affect trade conditions in a manner detrimental to the common interest. The Council, taking its decisions by a qualified majority on proposals of the Commission, might also determine other kinds of subsidies which could be regarded as compatible with the Common Market.

On the entry into force of the Treaty, the Commission would examine all existing subsidies falling under this provision, in co-operation with the member-countries. If it found that they were incompatible with the principles laid down in the Treaty, or were abused, it could order their abolition or amendment. If the country concerned did not carry out the Commission's decision within the stipulated period, the Commission itself or any other member-country affected could immediately appeal to the Court of Justice.

All member-countries would be obliged to inform the Commission in advance of any proposed introduction or amendment of such subsidies; if the Commission considered these measures impermissible it would apply the above-mentioned procedure.

Fiscal Policy. While the fiscal autonomy of member-countries would in principle not be affected, certain restrictions essential for the working of the Common Market were laid down in the Treaty. These prohibited any discrimination by means of fiscal policy, as well as concealed subsidies for exports to other member-countries.

Adjustment of National Legislation. By unanimous vote, the Council of Ministers could issue rules for the co-ordination of existing legislation in member-countries which directly affected the setting-up or working of the Common Market.

Economic Policy.

Member-countries would harmonize their general economic, foreign exchange, and foreign trade policies.

General Economic Policy. The general economic policies of member-countries would be regarded as a matter of joint interest, and the countries concerned would consult each other as well as the Commission on the measures which should be taken to meet changing circumstances. Such measures might be laid down by a unanimous vote of the Council of Ministers.

Balance of Payments. Although each member-country would remain autonomous in currency matters and would have sole responsibility for the maintenance of equilibrium in its balance of payments, combined with the maintenance of a high degree of employment and stable prices, all members would co-ordinate their general economic and foreign exchange policies to the extent necessary for the efficient working of the Common Market. This co-ordination would include co-operation between their Economic Ministries and Central Banks. A Monetary Committee would be set up with the task of supervising the exchange and financial positions of member-countries and of making regular reports to the organs of the Community.

Each member-country would conduct its foreign exchange policy in harmony with the common interest. All payments relating to the exchange of goods and services and the movement of capital, as well as the transfer of interest, dividends, rents, wages, salaries, etc., to other member-countries, would be permitted as far as such transactions were liberalized under the Treaty. While the European Payments Union would be used for the time being as a multilateral clearing-house for such payments and transfers, member-countries would consult each other on an alternative payments mechanism if the E.P.U. came to an end—unless by that time all their currencies had become freely convertible. Restrictions on other "invisible" transactions outside the above-mentioned categories would be gradually removed.

If a member-State were threatened with serious balance-of-payments difficulties the Commission would be required to conduct an inquiry without delay. It could then propose to the Council of Ministers measures whereby the rest of the Community might help the member-State concerned, such "mutual help" including the provision of limited credits by the other member-countries. If the latter refused to give such aid, however, the organs of the Community would permit certain protective measures in favour of the country affected. Member-countries would nevertheless be able to take the necessary protective measures on their own initiative, and without waiting for the Commission's decision, if they were threatened by a sudden balance-of-payments crisis; in such eventualities the Council might, however, subsequently demand (by a qualified majority decision) that the country concerned should amend, suspend, or abolish the measures in question.

A special protocol annexed to the Treaty dealt with French export subsidies and special import duties [see below].

External Trade Policy. A common external trade policy would be established by the end of the transitional period; pending this, member-countries would be required to co-ordinate their trade relations with non-Community countries. The Commission would work out proposals for the procedure to be applied during the transitional period with a view to the eventual unification of external trade policies, and would submit these proposals to the Council of Ministers for the latter's approval; the Council's decisions would be taken by a unanimous vote during the first two transitional stages and by a qualified majority thereafter. In harmonizing their trade policies during the transitional period, member-countries would endeavour to unify their liberalization lists *vis-à-vis* non-Community countries at the highest possible level, on the basis of recommendations by the Commission. As an important aspect of this process of co-ordination, the export subsidy policies of the member-States would be harmonized before the end of the second transitional period.

The common external trade policy after the end of the transitional period would cover the application of a common Customs tariff; the joint conclusion of trade and Customs agreements; the unification of trade liberalization measures; the working-out of common export policies; and the joint application of protective measures, e.g. against dumping or subsidies by non-Community countries. The Council of Ministers would take the necessary decisions by a qualified majority on proposals by the Commission.

In future trade and Customs negotiations with non-Community countries it would be the task of the Commission to initiate discussions with the consent of the Council of Ministers, and to conduct negotiations on the basis of any instructions issued by the Council. During the negotiations the Commission would be in continuous consultation with a special committee appointed by the Council for this purpose; any agreements reached would need confirmation by the Council, which would be the organ for officially concluding agreements on behalf of the Community. The Council's decisions would be taken unanimously during the first two transitional stages, and by a qualified majority thereafter. The above-mentioned procedure would apply to all Customs negotiations from the coming into force of the Treaty, and to all trade negotiations from the end of the transitional period.

During the transitional period member-countries would consult each other in all matters relating to international economic organizations, with a view to harmonizing their actions, and would pursue a common policy as far as possible. Thereafter they would act in agreement throughout.

In formulating their joint trade policy, member-countries would take into account the favourable results which the abolition of Customs duties within the Community were expected to produce in increasing the competitive power of their industries.

Social Policy. - Creation of European Social Fund.

General Provisions. The Commission would promote the co-ordination of the social policies of member-countries, with particular reference to employment, labour legislation, conditions of work, vocational training, social security, prevention of industrial accidents and occupational diseases, health protection, trade union rights, and collective bargaining between employers and employed. The Commission would carry out this task by means of inquiries, recommendations, and consultations, and would deal with both internal problems and questions raised by international organizations. Before making any recommendations, the Commission would hear the Economic and Social Committee. The Commission would also report on social developments within the Community in its annual report to the Assembly. The latter body might request the Commission to make reports on special problems of a social nature.

Wages and Social Insurance Contributions. The principle of equal pay for equal work would be generally applied during the first transitional stage. A special protocol annexed to the Treaty dealt with social security contributions in France.

European Social Fund. A European Social Fund would be established to facilitate employment and the mobility of labour within the Community. This Fund would refund to any member-country 50 per cent of the cost incurred by that country, or its

public bodies, for the following purposes : (*a*) re-training workers who had become unemployed as a result of the Common Market for another occupation, provided they had worked at least six months in their new jobs ; (*b*) moving workers who had been compelled to change their residence [as a result of the setting-up of the Common Market] to other localities, provided they had been employed at their new places of residence for at least six months ; (*c*) special subsidies paid to workers who were temporarily forced to work short time, or who had been temporarily thrown out of work, through changes in production by the undertaking employing them, and which had been paid to enable the workers concerned to maintain their standard of living pending the restoration of their full employment. The 50 per cent refund would be dependent on (i) the workers affected having been fully employed again by the undertaking concerned for at least six months, and (ii) the Government concerned having previously submitted an approved reorganization scheme to the Commission.

The Fund would be administered by the Commission, assisted by a Committee consisting of representatives of member-Governments and trade unions. The Fund's budget would be part of the Community's general budget, and would be prepared by the Commission and approved by the Council of Ministers. All regulations for the working of the European Social Fund, and for laying down in detail the terms on which it would aid member-countries, would be issued by the Council of Ministers (deciding by a qualified majority) on proposals of the Commission, and after consulting the Economic and Social Committee and the Assembly. The Council of Ministers would also lay down general principles for a joint policy in vocational training, designed to contribute to a harmonious economic development both in the individual member-countries and in the Common Market as a whole.

The European Investment Bank.

A European Investment Bank would be set up as an independent legal entity, its members consisting of the countries signatory to the Treaty. The Bank would promote a common investment policy within the Community and would, on a non-profit basis, grant loans or guarantees for (i) projects in under-developed regions ; (ii) the modernization, reorganization, or extension of industries which were difficult to finance on a purely national basis ; and (iii) new industries of joint interest to several member-countries which, because of their size or special character, would be difficult to finance by a single member-country.

The Bank's capital would be 1,000,000,000 E.P.U. units ($1,000,000,000), of which France and Western Germany would each contribute $300,000,000, Italy $240,000,000, Belgium $86,500,000, the Netherlands $71,500,000, and Luxemburg $2,000,000. Member-countries would be required to pay in 25 per cent of their capital shares, in five equal instalments, within 2½ years after the Treaty entered into force ; of each payment, 25 per cent would be in gold and the remainder in the national currency.

The Bank could also borrow in the capital market, but if this were not possible on reasonable terms it could request member-countries to grant it special loans for financing specified projects. Such requests could only be made, at the earliest, four years after the Treaty came into force, and the loans might not exceed a total of $400,000,000, or $100,000,000 borrowed in any one year. They would bear 4 per cent interest per annum unless the Board of Governors fixed another rate.

The Bank—the statutes of which were annexed to the Treaty—would have (*a*) a Board of Governors, consisting of the members of the Council of Ministers ; (*b*) a Board of Directors, comprising 12 members and 12 alternate members who would be appointed by the Board of Governors for five years. The Board of Directors would be independent of the member-Governments and would comprise three members and three alternate members nominated by France, three each by Germany, three each by Italy, two each by the Benelux countries jointly, and one each by the Commission. There would also be a Steering Committee consisting of a chairman and two vice-chairmen, appointed by the Board of Governors on the recommendation of the Board of Directors.

Association of Overseas Territories with Common Market. - Special Development Fund for Overseas Territories.

The overseas territories of Belgium, France, Italy, and the Netherlands would be associated with the Community. A special convention annexed to the Treaty laid down the details of this association for the initial five-year period.

Territories. The territories concerned were : *France*—French West Africa (including Senegal, French Sudan, French Guinea, the Ivory Coast, Dahomey, Mauretania, the Niger, and Upper Volta) ; French Equatorial Africa (including Chad, Gaboon, the Middle Congo, and Ubangi-Shari) ; St. Pierre and Miquelon ; the Comoro Islands ; Madagascar ; French Somaliland ; New Caledonia ; the French Settlements in Oceania ; the Republic of (French) Togoland ; and the Trust territory of the French Cameroons ; *Belgium*—Belgian Congo and the Trust territory of Ruanda-Urundi ; *Italy*—the Trust territory of Italian Somaliland ; *Netherlands*—Dutch New Guinea.

Principles of Association. The products of the overseas territories would enter the Community on equal terms with those of the member-States, and each territory would extend to all the other member-countries any concessions applying to the country with which it was specially connected. Whilst Customs duties between the overseas territories and member-countries would, in general, be gradually removed under the five-year convention, and quantitative import restrictions progressively abolished, the overseas territories would nevertheless be allowed to continue to impose Customs duties required for the development of their industries and the financing of their public expenditure. Such duties, however, would be progressively reduced *vis-à-vis* other member-countries to the same level applicable to goods imported by the territory concerned from the member-country with which it was specially connected—thus abolishing any discrimination against the other member-countries.

As regards existing individual import quotas of the overseas territories, these would be converted into global quotas for the benefit of all those member-countries (and their overseas territories) with whom the territory in question was not specially connected. [Thus, in a French overseas territory there would be a global import quota for imports from, e.g., Belgium, Germany, Italy, and the Netherlands, in place of previously existing individual import quotas from each of these countries.]

Overseas Development Fund. The five-year convention provided for the setting-up of a special Development Fund for the overseas territories, with a total of 581,250,000 E.P.U. units ($581,250,000). Of this sum, France and Western Germany would each contribute $200,000,000, Belgium and the Netherlands each $70,000,000, Italy $40,000,000, and Luxemburg $1,250,000. The Fund would be allocated to the overseas territories of the four member-countries concerned as follows : France $511,250,000 ; Netherlands $35,000,000 ; Belgium $30,000,000 ; and Italy $5,000,000.

Details of the contributions and allocations for each of the five years were agreed as follows :

Contributions.

Years	First	Second	Third	Fourth	Fifth
Percentage ..	10 %	12.5 %	16.5 %	22.5 %	38.5 %
Countries		in million dollars (E.P.U. units)			
Belgium ..	7	8.75	11.55	15.75	26.95
W. Germany	20	25	33	45	77
France .	20	25	33	45	77
Italy ..	4	5	6.60	9	15.40
Luxemburg	0.125	0.15625	0.20625	0.28125	0.48125
Netherlands	7	8.75	11.55	15.75	26.95

Allocations.

Years	First	Second	Third	Fourth	Fifth
Percentage	10 %	12.5 %	16.5 %	22.5 %	38.5 %
Overseas Territories of :		in million dollars (E.P.U. units)			
Belgium ..	3	3.75	4.95	6.75	11.55
France ..	51.125	63.906	84.356	115.031	196.832
Italy ..	0.5	0.625	0.825	1.125	1.925
Netherlands	3.5	4.375	5.775	7.875	13.475

Applications for the financing of projects out of the Development Fund would be made by the responsible authorities of the member-countries and overseas territories concerned. The Commission would then draw up annually the general programme of proposed investments on which the Council of Ministers (by a qualified majority vote) would make the final decisions, on the principle of a rational geographical distribution of the projects to be financed. These projects would comprise, in particular, hospitals, technical training and research institutions, institutions to increase employment, and investment projects connected with productive development.

Within six months after the Treaty came into force, the Council (by a qualified majority vote) would also lay down the procedure for calling in contributions and paying out allocations, and for administering the Fund.

The qualified majority in this case would be one of 67 votes, "weighted" as follows : France and Western Germany 33 each, Belgium, Italy, and the Netherlands 11 each, and Luxemburg one vote.

Participation in Overseas Projects. The measures to expand the volume of trade between the member-countries and the overseas territories in question would be accompanied by decisions facilitating the settlement of nationals of all member-countries in the overseas territories, as well as the participation of enterprises of all member-countries in projects to be financed by the Development Fund.

Conventions for Subsequent Periods. Before the end of the initial five-year period the Council of Ministers would lay down rules for the next period on the basis of the results achieved, the Council's decision requiring a unanimous vote. It was, however, laid down that in any case Customs tariffs would continue to be reduced in accordance with the general principles, and that the introduction of a common tariff applying both to the member-countries and to their overseas territories would be proceeded with. [Certain exceptions were permitted in respect of commodities the import of which was of special importance to the member-country concerned.]

Mobility of Labour. Subsequent conventions (requiring unanimous acceptance by all the member-countries) would regulate the mobility of labour between the member-countries and the overseas territories, and *vice versa*.

Association of Other Countries. It was provided that member-countries might offer participation in the Community to certain independent countries such as Morocco, Tunisia, and Libya, and to the autonomous territories of the Netherlands Antilles and Surinam.

General Finance.

The member-States would contribute to the Community budget in the following proportions : France, Italy, and Western Germany, each 28 per cent ; Belgium and the Netherlands, each 7.9 per cent ; Luxemburg 0.2 per cent.

The budget would be prepared by the Commission, which would also investigate the possibility of replacing the contributions of member-countries by independent resources, notably receipts from the common tariff. The budget would be submitted for approval first to the Council of Ministers and thereafter to the Assembly. In the case of any modifications proposed by the Assembly, the Council of Ministers, in consultation with the Commission, would make the final decision.

General Provisions and Safeguards.

Safeguarding Clauses. With the consent of the Commission, member-countries would be able during a limited period to deviate from the provisions of the Treaty in order to meet special difficulties which might be caused to some of their industries during the gradual introduction of the Common Market. A member-country which was in serious and persistent difficulties would be entitled during the transitional period to take special steps to safeguard its economy or the economy of certain areas; in such a case the Commission would decide without delay about the measures which it considered necessary, and would at the same time lay down the conditions of their implementation.

Member-States would also be allowed to take special measures for the protection of their interests in the sphere of defence or in the event of war.

Membership and Association. The Treaty would apply to Algeria and the French Overseas Departments under special conditions.

Any other European country could apply for membership of the Community; the terms of its admission, and any consequential amendments of the Treaty which might become necessary, would be agreed between the original member-countries and the applicant country.

Agreements might also be concluded with another country or group of countries for their association with the Community, based on certain mutual rights and obligations, joint action, and special procedures. Similar agreements of association might be entered into with international organizations.

In a special "declaration of intent" annexed to the Treaty, the member-countries expressed their interest in bringing about an association between the Community and the European Free Trade Area as proposed by the O.E.E.C.

Annexed Protocols.

The following protocols were annexed to the Treaty:

(1) A protocol containing the statutes of the European Investment Bank.

(2) A protocol sanctioning the continuation of trade between Western and Eastern Germany as a German internal matter. It laid down that each member-country would inform both the other members and the Commission of any agreements relating to its trade with Eastern Germany; that member-countries would ensure that the implementation of such agreements were not contrary to the principles of the Common Market; and that they would accordingly take suitable measures to avoid any damage to the economies of the other member-countries. It was also laid down that member-countries would be permitted to take suitable measures to prevent difficulties for themselves arising from the trade of another member-country with Eastern Germany.

(3) A protocol allowing France to maintain for the time being the system of export subsidies and import duties in the franc area. This system would, however, be reviewed annually by the Commission and the Council of Ministers. If the Council found that it worked to the disadvantage of the industries of the other member-countries, it might (by a qualified majority vote) request the French Government to take certain measures; if the French Government failed to carry out this request, the Council might (by the same majority) authorize the other member-countries to take certain protective measures. The Council, by qualified majority vote, could demand the total abolition of the system if the franc area's balance of payments had been in equilibrium for more than a year and if its exchange reserves had reached a satisfactory level.

The protocol also dealt with the situation concerning overtime pay at the end of the first transitional stage. If the level of overtime pay in the other member-countries had by then not reached the average level prevailing in France in 1956, the French Government would be authorized to take certain protective measures to maintain French prices at a competitive level, unless the average rise of the general wage-level in the same branches of industry in the other member-countries exceeded the average rise in the French general wage-level.

(4) A protocol stipulating that the Italian 10-year plan for industrial expansion (the "Vanoni Plan") would be taken into account in the policy of the Community.

(5) A protocol providing for certain protective measures for the agriculture of Luxemburg.

(6) A protocol allowing the continuation of special tariffs for imports by member-countries from certain other countries with which they maintained particularly close political or economic relations—e.g. imports into the Benelux countries from Surinam and the Netherlands Antilles; imports into France from Morocco, Tunisia, and the Indo-Chinese States (Cambodia, Laos, and Vietnam); and imports into Italy from Libya and Italian Somaliland.

(7) A protocol providing that tariffs for imports from the other member-countries into Algeria and the French overseas Departments would be regulated in due course.

(8) A protocol on oil products allowing member-countries to maintain their Customs duties on such products *vis-à-vis* other member-countries for a period of six years.

(9) A protocol confirming that the Netherlands would ratify the Treaty only in respect of its European territory and Dutch New Guinea.

(10) A protocol allowing Western Germany to import certain quantities of bananas below the common Customs tariff.

(11) A protocol containing special provisions for the import of coffee into Italy and the Benelux countries.

(12) A special declaration on Berlin was annexed to the Treaty, reading as follows: "The Governments of Belgium, the German Federal Republic, France, Italy, Luxemburg, and the Netherlands, having regard to the special position of Berlin and the need for the free world to support it, and wishing to reaffirm their association with the population of Berlin, will support within the Community all measures required to ease the economic and social situation of the city, to further its reconstruction, and to secure its economic stability."

(13) Seven lists covering the items for which special maximum levels would be provided in the common Customs tariff [see above] were also annexed to the Treaty, together with a list dealing with agricultural products.

Agreement on Common Institutions.

Among the subsidiary conventions and protocols also signed at Rome on March 25, 1957, was an agreement laying down: (*a*) that there should be one Assembly common to the three European Communities (i.e. the Economic, Atomic Energy, and Coal and Steel Communities) and replacing the Common Assembly of the latter Community; (*b*) that there should be a Common Court of Justice, also replacing the existing institution of the Coal and Steel Community; and (*c*) that the two new Communities should share a single Economic and Social Committee.

Ratification of Common Market and Euratom Treaties by National Parliaments.

The ratification by the various national Parliaments of the treaties setting up the European Economic Community and the European Atomic Community is summarized below, in the sequence in which the ratification process was completed.

Western Germany.

The Bill approving ratification was given a third reading by the *Bundestag* on July 5, 1957; it was estimated (the voting being by show of hands) that about 400 of the 497 deputies present voted in favour. The Bill was supported not only by the parties of the Government coalition but also by the Social Democrats (the major Opposition party), who had previously announced that they would vote for the Bill in spite of certain doubts. The only opposition came from the Free Democrats and the Refugee Party (B.H.E.), who believed that the creation of a "Little Europe" of six countries would prove a fatal obstacle to the creation of a wider European grouping.

In reply to critics of the Bill, Dr. von Brentano (the Federal Foreign Minister) emphasized that the Federal Government would do everything in its power to bring about the earliest possible integration of the Common Market in a broader Free Trade Area. He also stressed that while both treaties applied to overseas dependencies of member-countries, this in no way committed the Federal Republic to the support of "old-style colonialism."

The Bill itself provided that the German instruments of ratification would not be deposited until all the other signatory countries had obtained the approval of their Parliaments. Two resolutions were also adopted, as follows:

Resolution by Government Coalition Parties. This stated that in ratifying the treaties the *Bundestag* assumed:

(1) that the Community would develop an economic policy which would help to preserve stable prices, expand production, maintain a high degree of employment, and thereby bring about a steady increase in the living standards of member-countries;

(2) that a joint currency policy would be developed with a view to stabilizing the currencies of the member-countries, removing exchange disparities, and ending obstacles to the free exchange of money;

(3) that trade with non-Community countries would be expanded, and that for this purpose the adherence of new members to the Community would be facilitated, the association of other countries (by means of a Free Trade Area or of free trade agreements) pressed forward, and trade exchanges with the rest of the world steadily developed;

(4) that the common trade policy would aim at the progressive abolition of restrictions in international trade;

(5) that the German contributions to the Overseas Development Fund would serve also the development of the peoples concerned towards political self-determination;

(6) that inter-zonal trade with Eastern Germany would not be restricted by the development of the European Economic Community;

(7) that all opportunities for improving the economic situation of Berlin would be freely utilized;

(8) that any parliamentary rights which the national Parliaments of the member-countries might renounce would be directly transferred to the European Assembly;

(9) that the use of atomic energy for peaceful purposes would remain the only basis of Euratom, with special regard for the position of the Federal Republic, which had renounced the manufacture of atomic weapons.

In addition, the resolution:

(*a*) requested the Federal Government (i) to investigate the effects of the Common Market on the structure of the German economy; (ii) to take any necessary measures to protect the status of those affected by the Common Market (especially the workers) against any unfavourable consequences; (iii) in the latter connexion, to ensure that the employment and social status of workers were safeguarded.

(*b*) emphasized that in the event of reunification Germany should be entitled to reconsider her participation in the two Communities;

(*c*) expressed the wish that the new European Communities might eventually lead to a comprehensive unification of Europe.

Social Democratic Resolution. This resolution emphasized, as regards Euratom, that no fissile material should be allowed to be used for military purposes. As regards the Common Market, it stressed that the provisions for the association of overseas territories should not only lead to political self-determination in those territories but should promote their development towards independence.

Both resolutions were also supported by the Free Democrats and the Refugee Party. The Social Democrats abstained from voting on the coalition parties' resolution, while the coalition parties abstained on the Social Democratic resolution.

The ratification Bill was unanimously approved by the *Bundesrat* on July 19, 1957.

France.

After approval by the Assembly of the French Union on June 25 (by 100 votes to 48), the Bill authorizing President Coty to ratify the treaties and the agreement on common institutions was debated in the National Assembly from July 2-9, 1957, receiving final approval on the latter date by 342 votes to 289.

An explanatory memorandum accompanying the Bill emphasized: (*a*) that the Euratom treaty contained no restrictions whatsoever on France's right to develop nuclear energy for military purposes; (*b*) that the system of security checks did not apply to factories producing for the armed forces; and (*c*) that the Community's right of ownership over special fissile matter did not extend to any such matter used for military purposes.

During the debate in the National Assembly (where the Bill had been supported by most of the Assembly's Commissions, including that of Foreign Affairs) two amendments were accepted by the Government and incorporated in the Bill's text. The first (moved by M. Boisdé, Independent) provided that the Government should submit an annual report for parliamentary approval, describing the preceding year's developments in the Economic Community and the steps which it (the Government) had taken or intended to take to facilitate the adaptation of national activities to the new conditions. The second amendment (moved by M. de Lipkowski, Radical *apparenté*) required the Government to draft one or several Bills, in the nature of *lois-cadre*, covering a number of measures which would enable France to enter the Common Market under the best possible conditions, and to introduce such legislation before the 1958 Budget.

M. Pineau (Foreign Minister), who spoke on July 6, refuted the argument that the creation of a "Little Europe" would impede the creation of a "Big Europe." He declared that the interest of third countries (and more especially of Britain) in Europe would be all the greater once "solid and dynamic" European organizations were in existence. On the question of the participation of overseas territories in the Common Market, M. Pineau maintained that the treaty, in fact, dealt more favourably with the *territoires d'outre-mer* than with Metropolitan France, for the following reasons: (*a*) the territories would receive an ever-increasing flow of cheaply-priced goods; (*b*) they would have big new markets for their own products; (*c*) they would be entitled to set up Customs barriers to protect their own industries; (*d*) the Community countries would provide them with funds for investment.

Turning to the situation which would arise if Germany were reunified, M. Pineau said that if a reunified Germany decided to withdraw from the European Communities, that, in the French Government's opinion, would entail their dissolution. On the other hand, if a reunified Germany were to take the Federal Republic's place as a Community member, any of the other member-countries would be entitled to withdraw on that account. However, it was impossible to say exactly what would happen in the event of German reunification, since no-one knew what the terms of a reunification agreement would be, or, more specifically, whether a reunified Germany would assume the existing commitments of the Federal Republic.

M. Mendès-France attacked the Treaties on several grounds. He asserted, first, that the main beneficiary of the Common Market would be the Rhineland, and that it would be the fate of French under-developed regions, such as Brittany, to provide labour for Germany. In this connexion he mentioned that one of Dr. Adenauer's principal advisers, Dr. Abs, had estimated that the Federal Republic would need to construct one or two million new houses for French and Italian workers. Dr. Abs had also estimated that there would be 1,000,000-1,500,000 unemployed in France when the weaker elements in French small and medium-scale industry had finally succumbed to German competition.

Secondly, M. Mendès-France said that there were really seven members in the two Communities—the seventh being Eastern Germany, which would enjoy all the benefits of the system but would be under no obligation towards it. Moreover, the products of the East European and Scandinavian countries would have unimpeded entry to the Common Market zone across the Customs-free German zonal boundary. Thirdly, as regards the overseas territories, he criticized the fact that while France's five partners were committed for no more than five years to assist financially in their development, the overseas territories themselves would be open indefinitely to the products of the other member-countries.

M. Mendès-France went on to declare that while European economic integration was greatly to be desired, France was not really ready to embark upon such an experiment at that particular moment. It was very doubtful whether the French economy would be out of its difficulties within 18 months, when the first tariff reductions were due to be made. Moreover, the Algerian campaign, with its attendant effects on the national economy, was likely to continue for another two or three years, according to the estimate of M. Lacoste (the Minister-Resident in Algeria).

M. Maurice Faure (Secretary of State for Foreign Affairs, and chief French representative on the Inter-governmental Committee which worked out the two treaties) had previously emphasized that, far from impeding the recovery of France's economy, the Common Market would actually help to bring it about. Replying to those critics who had expressed concern lest France would be compelled to implement decisions of the Council of Ministers of the Community in the event of a balance-of-payments crisis, M. Faure declared that these decisons would certainly not be in the form of a *diktat* but would be the result of free deliberations; he asked in this connexion what interest the five other member-countries could have in ruining the sixth at the price of being unable to sell their own goods to it any longer.

Replying to critics who had expressed concern about the situation of French farmers, M. Faure declared that France, "with the richest and most varied land in the Community," would now get the "industrial masses of the North of Europe" as buyers without any barriers or limitations—an opportunity which she should seize by conducting an "active and at the same time reasonable agricultural policy, charging fair prices." French farm production would be protected against non-Community countries by the common Customs tariff, whilst, as regards cereals, farmers would be protected by the system of long-term contracts between member-countries.

M. Bourgès-Maunoury (then Prime Minister), speaking on the final day of the debate, emphasized that if France refused to ratify the treaties she would only run the risk of "political and economic isolation." Moreover, the other five countries might go ahead and create the Community without French participation, in which case France would be without the guarantees now accorded to her. Referring particularly to French relations with Western Germany, M. Bourgès-Maunoury declared: "Our wish has always been to set up a democratic and stable framework firm enough to guide the expansion of German industrial power in the direction of the common interests of the European countries, and sufficiently flexible to guarantee respect for our own fundamental interests . . . Those who fear the weight of Germany at our side should think about the weight of a Germany not linked with us, or even ranged against us." In conclusion, he emphasized that the Government would neglect no effort to bring about a wider trade association including, above all, Great Britain.

M. Robert Schuman (M.R.P.), **M. Paul Reynaud** (Independent), and **M. René Pleven** (U.D.S.R.)—all former Prime Ministers and protagonists of European unification—warmly supported the ratification. **M. Duclos**, for the Communists, denounced the treaties as "an economic-military enterprise of a syndicate of capitalist exploiters serving German imperialism."

The voting in the National Assembly took place in five stages, as follows:

(1) That section of Article 1 of the Bill dealing with the Common Market was approved by 342 votes to 234, with five abstentions and eight deputies not taking part in the vote.

The deputies supporting ratification comprised 100 Socialists, 81 Independents, the 74 M.R.P. members, 25 (out of 45) Radicals, 20 U.D.S.R.-R.D.A., 12 R.G.R., 11 dissident Radicals, 10 *paysans*, six Overseas Independents, two *non-inscrits*, and one Poujadist. The opposition comprised the 143 Communists and six *progressistes*, 19 Radicals (including M. Daladier and M. Mendès-France), 16 (out of 21) Social Republicans, six *non-inscrits*, four *paysans*, two Independents, and one each from the dissident Radicals, R.G.R., and U.D.S.R. Three Independents, one U.D.S.R. deputy, and one dissident Radical abstained, while five Social Republicans, one Radical, one Overseas Independent, and one *non-inscrit* did not take part in the vote.

(2) The section dealing with the Euratom Treaty was approved by 332 votes to 240. [Compared with the vote on the Common Market Treaty, only 20 deputies voted in a different way. Fourteen who had supported the Common Market opposed or abstained on the Euratom Treaty; four who had opposed the Common Market or abstained voted for Euratom; a Social Republican who had not taken part in the vote on the Common Market voted against Euratom; and one Independent who had abstained on the Common Market did not take part in the vote on Euratom.]

(3) The convention on Common Institutions was approved by a show of hands.

(4) The whole of Article 1 was then approved by 346 votes to 240.

(5) Finally, the whole Bill (i.e. Article 1 plus the two amendments, which became Articles 2 and 3) was approved by 342 votes to 239.

The Bill was subsequently approved by the Council of the Republic on July 24 by 222 votes to 70, after an all-day and all-night debate.

As in the National Assembly, the Socialists, the M.R.P., and most of the Independents, the *Gauche Démocratique* (Radicals) and the Overseas Independents supported the ratification, whilst the Communists and Social Republicans voted against.

The Council of the Republic also adopted a resolution (moved by M. Durand-Reville, *Gauche Democratique*) requesting the Government (1) to consult the Governments of the French overseas territories on the conditions of their association with the Community; (2) to set up a permanent commission charged with working out an economic policy for the franc area; (3) to reserve equitable representation for the representatives of *France d'outre-mer* in the institutions of the Community; (4) to obtain as soon as possible, and at the latest after five years, a sizeable increase in investments in the Overseas Territories, more efficacious protection for their products, and an assurance that full employment would be safeguarded.

Another resolution was also adopted stating that the Council of the Republic would "always refuse any change or diminution, in whatsoever form, of the prerogatives which constitute the sovereign power of France." The resolution was moved by M. Marcel Plaisant, chairman of the Council's Foreign Affairs Commission.

Italy.

Following a 10-day debate, the Chamber of Deputies approved ratification of the treaties on July 30, 1957, by 311 votes to 144 (Communists), with 54 abstentions ("Nenni" Socialists). In the votes on the separate clauses preceding the vote on the Bill as a whole, the "Nenni" Socialists had expressed their support for the Euratom treaty—thereby isolating the Communists completely in the Chamber for the first time for many years. In the separate vote on the Common Market Treaty the Nenni Socialists had abstained. All the other parties, including the right-wing Monarchists and the neo-fascist M.S.I., supported ratification.

Signor Pella (Deputy Premier and Foreign Minister), who replied to the debate, said that in the next 12 to 15 years Italy's economy would be entirely devoted to the task of applying the provisions of the Common Market Treaty, which might, possibly, lead to the creation of a common currency for the six countries. He also expressed the Italian Government's warm support for the speediest possible creation of a European Parliament elected by direct universal suffrage. As regards Euratom, Signor Pella declared that the Treaty offered Italy a unique opportunity to migitate her great and increasing dependence on energy imports.

The Senate approved ratification on Oct. 9, 1957, by a show of hands.

Luxemburg.

Ratification of the treaties was approved by the Chamber of Deputies on Nov. 26, 1957, by 46 votes to three (Communists).

Belgium.

The Chamber of Representatives approved ratification of the treaties on Nov. 19, 1957, by 174 votes to four (Communists), two of the Christian Social (Catholic) deputies abstaining. The ratification Bill was passed by the Senate on Nov. 28 by 134 votes to two (Communists), with two abstentions.

Netherlands.

After a four-day debate, the Lower House of the States-General approved ratification of the Common Market Treaty on Oct. 4, 1957, by 114 votes to 12; the opposing votes comprised the Communists, the Protestant Reform Party, and three others (including Professor Gerbrandy, the wartime Prime Minister). The Bill ratifying the Euratom treaty was passed without a division, though the Communists expressed their opposition to the treaty during the debate.

By 77 votes to 48, the Lower House rejected an amendment by Professor Oud (League of Freedom and Democracy) which would have made ratification of the Common Market Treaty conditional upon a declaration stressing Holland's particular demographic situation and the need for a continuous expansion of employment. Against Government opposition, however, the House adopted a motion providing that any further agreements relating to the application of the two treaties should be subject to the approval of the States-General.

The Upper House approved the Common Market Treaty on Dec. 4, 1957, by 46 votes to five (three members of the League of Freedom and Democracy and two Communists). As in the Lower House, the Bill ratifying the Euratom Treaty (passed on a voice vote) was opposed only by the Communists.

Paris Meeting of Foreign Ministers. - Appointments to European Commissions and High Authority of Coal and Steel Community.

Following several meetings in Brussels and Paris of the Interim Committee for the Common Market and Euratom during September and November, 1957, the Foreign Ministers of the six member-countries met in Paris on Jan. 6-7, 1958, to discuss the future seat of these organizations and to appoint the heads and other members of their Commissions and other principal institutions. The discussions also dealt with the appointment of a new president and vice-president of the High Authority of the European Coal and Steel Community, to succeed respectively M. René Mayer, whose forthcoming resignation had been announced on Sept. 18, and Herr Franz Etzel, who had entered Dr. Adenauer's Cabinet as Minister of Finance (see 15836 B).

No agreement was reached on a permanent seat for the three European organizations (the Common Market, Euratom, and the Coal and Steel Community), strongly competing claims being put forward by various Ministers—including Brussels, Strasbourg, Milan, and Luxemburg. The Ministers therefore agreed on an interim solution pending their next meeting before June 1. It was reported in the French Press that the deadlock in the choice of a permanent seat for the Communities had been due in large measure to the "intransigence" of Luxemburg.

Wide agreement was nevertheless reached on the principal appointments, thereby enabling some of the most important organs of the two new Communities to be constituted and to start their activities in the near future.

The results of the Foreign Ministers' discussions were announced in the following communiqué issued on Jan. 7, 1958:

Appointments.

In designating the members of the executives of the European institutions set up under the Rome treaties, the Ministers had adopted the principle of rotation with regard to the nationality of the various presidents and vice-presidents. The following had been designated as the initial members:

Commission for the European Economic Community. President: Professor Walter Hallstein (Germany). Vice-Presidents: Signor P. Malvestiti (Italy), Mr. S. L. Mansholt (Netherlands), M. Robert Marjolin (France). Members: M. R. Lemoignan (France), Signor J. Petrilli (Italy), M. Rasquin (Luxemburg), M. Rey (Belgium), and a German member to be designated later.

Commission for Euratom. President: M. Louis Armand (France). Vice-President: Signor E. Medi (Italy). Members: M. de Groote (Belgium), Herr Krekeler (Germany), Mr. Sassen (Netherlands).

European Investment Bank. Signor Campilli (Italy) would be recommended to the Board of Governors of the bank as president, with one German and one French national as vice-presidents.

High Authority of the Coal and Steel Community. President: M. Paul Finet (Belgium) in succession to M. René Mayer. Vice-President: Mr. Dirk Spierenburg (Netherlands) in succession to Herr Etzel. New members to replace M. Mayer and Herr Etzel: Dr. Franz Blücher (Germany) and M. R. Reynaud (France).

European Assembly. The Assembly would be advised to choose an Italian parliamentarian as president.

Court of Justice. The new Court, to serve all three European Communities, would start to function on April 1. Its president would be a Netherlander.

Seat of European Institutions.

The Ministers had agreed that all the three European organizations should be concentrated in one place "as soon as this concentration can be effectively carried out and in conformity with the provisions of the treaties." They had accordingly decided to meet again before June 1, 1958, in order to proceed with the choice of a seat. Meanwhile, as regards the various candidatures put forward, they would consult the Assembly (i.e. the joint Assembly of the three organizations); the presidents of the High Authority of the Coal and Steel Community, of the Commissions of the Common Market and Euratom, of the Court of Justice, and of the European Investment Bank; and international town planning experts.

In the meantime, the Commissions of the Common Market and of Euratom would be convened by their presidents. As neither a definite nor a provisional seat had yet been fixed the member-Governments recommended "for practical reasons and because of existing material facilities" that the Commissions should meet in Brussels or Luxemburg.

The Council of Ministers of the Common Market and of Euratom and the board of directors of the Investment Bank would meet at the demand of their presidents, while the Assembly would meet in Strasbourg. The Secretariat of the Interim Committee would serve the organs of the two new Communities.

Biographical details of the heads of the various European institutions are given below :

M. Louis Armand (52), who started his career as a mining engineer, joined the former P.L.M. Railway Company in 1934 and subsequently directed the research work on the electric traction system now generally adopted in France and many other countries. A leader of the Resistance movement amongst French railwaymen during the Second World War, he was arrested by the Gestapo in 1944, being freed after the liberation of Paris. After the war he was appointed assistant director-general of the French National Railway Company in 1946, became its director-general in 1949, and was appointed president of its board of directors in 1955. As head of the *Bureau des Ensembles Industriels Africains*, the French Government's agency for the industrial development of French Africa, M. Armand directed in 1953 the investigations into the resources of the Sahara which led, in 1956-57, to the setting-up of the Joint Organization for the Sahara (see 15697 A). Also, as chairman of the industrial equipment committee of the French Commissariat of Atomic Energy, he wrote in 1955 a report on the production and distribution of power in Europe for the O.E.E.C. (see 14346 A). In November 1956 he was appointed by the Foreign Ministers of the six "Messina Powers" (i.e. the prospective member-countries of Euratom and the Common Market) as a member of the committee of "three wise men" which investigated the possibilities of nuclear energy production in these countries and the means to achieve it [see page 15396]. The report of the "three wise men" was published in May 1957 [see page 15929].

Dr. Walter Hallstein (56), an eminent jurist and specialist on international and comparative law, held professorships at Rostock and Frankfurt universities before and during the last world war, becoming Rector of the latter university in 1946. After lecturing in the U.S.A. in 1948-49, he was appointed State Secretary in the Chancellor's Office in 1950 and led the German delegation at the Paris conference on the Schuman Plan which resulted in the setting-up of the European Coal and Steel Community. Since 1951 he had been State Secretary for Foreign Affairs, becoming one of the most intimate collaborators of Dr. Adenauer and taking a prominent part in the negotiations with the Western Powers which resulted in the Paris Treaties and in the Franco-German negotiations on the future of the Saar.

M. Paul Finet (60), who was national secretary of the *Fédération Générale des Travailleurs Belges* (the Socialist trade union federation in Belgium) at the outbreak of the Second World War, escaped in 1941 to Britain, where he subsequently worked for the Belgian Government-in-exile. After the war he was appointed general secretary of the F.G.T.B., taking a prominent part in the work of the International Labour Organization and being one of the co-founders of the International Confederation of Free Trade Unions (see 10704 A), whose president he became in 1951. He had been a member of the High Authority of the E.C.S.C. since 1952.

Signor Pietro Campilli (66) was, with Don Sturzo, one of the founders of the former Popular Party in Italy, but abandoned politics when Mussolini came to power. A Christian Democrat, he had been a member of the Italian Chamber of Deputies since 1946 and, except from May 1947 to January 1950, had held Ministerial office ever since, serving under the late Signor De Gasperi as well as in the Pella, Fanfani, Scelba, Segni and Zoli Cabinets. As Minister without portfolio, he was in charge of the Government's investment programme and the maintenance of employment from 1950-51, and since 1953 had been responsible for the Development Fund for Southern Italy (the *Cassa del Mezzogiorno*). Earlier, he had held the Foreign Trade and Finance and Treasury portfolios (1946-47) and had also been Minister of Transport and later Minister of Industry and Commerce (1951-53).

Of the other new appointments, **Mr. S. L. Mansholt** had been Netherlands Minister of Agriculture and Food, and later of Agriculture, from 1946 until a few weeks ago, serving in every Dutch post-war Government. **M. Robert Marjolin** was secretary-general of the O.E.E.C. from its formation in 1948 until 1955, having previously been Assistant Commissioner of the "Monnet Plan." **Dr. Franz Blücher**, a banker in Essen before the war, was Vice-Chancellor in Dr. Adenauer's first and second Administrations from 1949 to 1957, holding in addition the portfolio of E.R.P. Affairs in the first and of European Economic Co-ordination in the second Cabinet. **Mr. Dirk Spierenburg** had been a senior official of the Netherlands Ministry of Economic Affairs, president of the Benelux Council, and Netherlands delegate on the Council of the O.E.E.C. before becoming a member of the High Authority of the E.C.S.C. in 1952.

M. Finet, Professor Hallstein, and M. Armand met in Luxemburg on Jan. 14, for the first time after their appointment. A subsequent communiqué said that they had "agreed on the fundamental necessity and the practical need for close collaboration between the three European Communities" ; that for this purpose they would meet "as often as necessary and in any case at least twice a month" ; and that after his appointment the President of the European Investment Bank would be invited to take part in the examination of those questions which concerned the Bank. On behalf of the High Authority, M. Finet had offered every practical support to M. Armand and Professor Hallstein, notably during the initial period of the two Commissions, and it had been decided to set up a working group to study the question of developing certain services in common between the three authorities.—(European Coal and Steel Community, Luxemburg - Inter-Governmental Committee, Brussels - Council of Europe, Strasbourg - Le Monde, Paris - Frankfurter Allgemeine Zeitung - Corriere della Sera, Milan - Netherlands News Agency) **(15927 A ; E.C.S.C., 15025 A ; 12481 A.)**

A LAOS - SOUTH VIETNAM. — Prince Souvanna Phouma's Visit to Saigon. - Joint Communiqué.

The Prime Minister of Laos, Prince Souvanna Phouma, visited Saigon from Jan. 2-4 as the guest of the South Vietnamese Government, accompanied by M. Phoui Sananikone (the Laotian Foreign Minister) and the Ministers of Defence, Public Works and Communications, and Finance. During their visit the Laotian Ministers had discussions with President Diem, M. Vu Van Mau (the Vietnamese Foreign Minister) and other Vietnamese Ministers.

A joint communiqué issued on Jan. 3 confirmed the desire of both sides for "sincere and close co-operation in order to promote the prosperity of the two countries, to combat subversive activities, and to serve effectively the cause of peace and freedom." It was stated that both countries had come to "specific conclusions" concerning agreements on transit, trade and payments, on measures to reinforce border control, and on a convention for the settlement of Vietnamese immigrants in Laos.

At a press conference on Jan. 4 Prince Souvanna Phouma stated that the main purpose of his visit was "to explain to the Governments of friendly nations the actual situation of my country after the settlement of the *Pathet Lao* question," and "to allay the fears" expressed at the consequences of this settlement. He emphasized that the agreements with *Pathet Lao* would involve "no change whatsoever in the domestic and foreign policies" of the Laotian Government ; he added also that the "Communization" of Laos was out of the question, as neither the people nor the Government wanted any change in present institutions.

It was reported from Saigon on Jan. 15 that agreement had been reached between South Vietnam and Laos on (*a*) the appointment of Vietnamese consular agents at Luang Prabang (the ancient Laotian capital) and four other Laotian towns where Vietnamese minorities had settled ; (*b*) the use of the Vietnamese seaport of Tourane for the transit of goods to Laos ; and (*c*) the rebuilding by Vietnam, with U.S. aid funds, of the road linking the port of Quinhon (210 miles S.E. of Hué) with the Laotian border, and the setting-up of joint Customs control posts on that road.—(Vietnam Press Agency, Saigon - Le Monde)

B. ISRAEL. — "Britannia" Air Services to Britain and America. - Record Long-distance Flights.

Regular Israeli air services to Britain and America with *Britannia* airliners were inaugurated on Dec. 23 by Israel Airlines (*El Al*), operating on the route Tel-Aviv-Rome-Paris-London-New York. The planes carry 66 passengers and an all-Israeli crew of 12. *El Al* set up a new transatlantic record on Jan. 9 when one of its *Britannias* flew from New York to London in seven hours 44 minutes, carrying 51 passengers and crew and two tons of freight. On a proving flight on Dec. 19, an Israeli *Britannia* had made the longest non-stop flight in the history of commercial civil aviation by flying from Lydda to New York—a distance of 6,000 miles—in 14 hours 56 minutes.

Orders for four *Britannia-310* airliners had been placed by Israel with the Bristol Aeroplane Company, three of the machines being handed over to *El Al* at Filton (Bristol) in September. Delivery of the fourth machine is expected towards the end of 1958.—(Times - Daily Telegraph - Israel Government Press Office, Jerusalem) **(Prev. rep. 15373 A.)**

C. CANADA. — Yukon By-election.

A Federal by-election held in the Yukon on Dec. 15 resulted in a victory for the Progressive Conservative candidate, Mr. Erik Nielsen, who had successfully petitioned against his defeat in the general election in June 1957, when the seat was finally allotted to the Liberal candidate after a number of re-counts. Mr. Nielsen's victory increased the strength of the Progressive Conservatives in the Federal House of Commons to 113 and reduced that of the Liberals to 105.—(Canadian Dept. of External Affairs, Ottawa) **(Prev. rep. 15887 B.)**

D. FRANCE. — Cut in Armed Forces.

Defence estimates for 1958, issued in Paris on Jan. 13, showed that the French armed forces would be reduced to 890,000 men by the end of the year, a cut of 150,000 men (or 15 per cent) on the 1957 figure, which stood at 1,040,000.—(Le Monde, Paris)

A. UNITED KINGDOM. — Coal Production in 1957. - Statistics for Second Half of 1957. - The Problem of Absenteeism. - Opencast Coal Bill.

Provisional figures published by the Ministry of Power on Jan. 11, 1958, gave the total output of saleable coal in 1957 as 223,600,300 tons (210,018,500 tons deep-mined and 13,581,800 tons opencast), compared with 222,006,000 tons (209,925,400 tons deep-mined and 12,080,600 tons opencast) in 1956.

The output of saleable mined coal by Divisions in 1957 and 1956 was as follows :

Division	1957 Tons	1956 Tons
Scottish	21,330,900	21,477,600
Northern	13,500,900	13,689,800
Durham	25,172,100	25,585,700
North-Eastern	43,733,400	43,633,700
North-Western	15,457,200	15,713,600
East Midlands	46,937,500	46,266,700
West Midlands	17,927,800	17,732,400
South-Western	24,276,400	24,140,000
South-Eastern	1,682,300	1,685,900

Although the estimated increase in output of mined coal in 1957 was only 93,100 tons more than in 1956, the number of workers on colliery books averaged 710,100 in 1957, compared with only 703,400 in 1956. The average number of shifts worked by wage-earners per week fell from 4.69 in 1956 to 4.65 in 1957, whilst the percentage of absenteeism rose from 12.74 in 1956 to 13.65 in 1957. Output per shift overall in 1957 was 1.234 tons, the same as in 1956.

Sir James Bowman (chairman of the National Coal Board), speaking in London on Jan. 8, stressed that the increase in absenteeism had resulted in the production figures for 1957 failing to show the benefits derived from technical progress.

Sir James explained that during the first 22 weeks of the year the attendance figure had been 0.66 points better than in the corresponding period of 1956, with the result that deep-mined output was 2,100,000 tons up and was "running at the highest rate since nationalization." After the abolition of the "bonus shift" system at the end of May, however (see 15530 A), attendance had begun to deteriorate, whilst the influenza epidemic in the autumn had cost the industry about 1,500,000 tons. Sir James Bowman added that absenteeism was "particularly harmful" when it fluctuated widely between different days of the week—e.g. at some pits absence was often two or three times as high on Mondays as on other days, whilst it was "very serious" immediately before and after the holidays.

The following table shows the average weekly rate of coal production and consumption, and of manpower, output, and absenteeism in the second half of 1957 :

	Saleable Mined Coal Produced Tons	Plus Opencast Tons	Total Production Tons	Inland Consumption Tons	Exports and Bunkers† Tons
July ..	3,531,850	286,150	3,188,000	3,455,250	145,500
August* ..	3,180,520	247,800	3,428,320	3,278,600	128,400
September	3,808,250	254,075	4,062,325	3,016,500	154,750
October* ..	4,137,810	266,180	4,404,020	4,018,000	158,600
November	4,376,125	270,400	4,646,525	4,358,250	140,500
December	3,848,675	221,400	4,070,075	5,705,560	125,750

	Wage-earners on colliery books	No. of shifts worked per wage-earner at coal-face	Output per manshift at coal-face	Output per manshift overall	Percentage of absenteeism
July	709,500	283,725	4.06	2.455	1.223	12.99
August	709,200	243,160	4.02	3.212	1.137	13.73
September	710,100	283,675	4.42	3.312	1.210	17.64
October	709,480	283,720	4.89	3.354	1.233	17.06
November	709,775	283,450	4.97	3.362	1.239	12.98
December	710,200	283,050	4.50	3.278	1.187	15.29

*Average of five weeks. †Including fishing vessels but excluding coastwise bunkers.

Other recent developments in connexion with the coalmining industry are summarized below :

Mining Accidents.

The most serious mining accident during 1957 occurred at Kames Colliery, Muirkirk (Ayrshire) on Nov. 19, when 17 miners were killed and 11 others injured in an underground explosion.

The report of the Chief Inspector of Mines (Sir Harold Roberts) for the years 1954-56, published on Nov. 26, 1957, showed that deaths from mine accidents in 1956 totalled 330—"by far the lowest figure ever recorded." The yearly averages of deaths and injuries in the three years 1954-56 were 375 and 1,838 respectively, compared with 433 and 2,003 in the three years 1950-53. In the 43 years in which the Coal Mines Act had been in operation, the fatality rate per 1,000 had fallen from 1.55 in 1913 to 0.45 in 1956, and the injury rate from 5 to 2.4. The report emphasized that the majority of deaths and injuries were caused by individual accidents, many of them due to illegal smoking; it stressed the "urgent duty" of managements to ensure that the arrangements for searching miners before they went down the pits were properly enforced.

The Opencast Coal Bill.

The text was published on Dec. 17, 1957, of the Opencast Coal Bill, intended to provide a statutory basis for opencast coal mining (at present carried out under Defence Regulations), and to ensure that coal production and land restoration were kept under the close control of a Minister responsible to Parliament. Its principal provisions were :

(1) The National Coal Board would be empowered to acquire land needed for opencast mining by ordinary commercial methods or, if these failed, to acquire such land by means of a "Compulsory Rights" Order.

(2) Any "Compulsory Rights" Order—a new instrument distinct from the normal "Compulsory Acquisition" Order—would require approval by the Minister of Power, which could only be given after the owner or occupier of the land (or other interested party) had been given an opportunity to lodge objections and have them heard by a local authority.

(3) No "Compulsory Rights Order" could be valid for more than 10 years or be made against an occupied dwelling house, a building which it was not intended to restore or replace, or land covered by any previous Order.

(4) Tenants and owner-occupiers whose land rights were taken would receive annual rental compensation, yearly payments for loss, and compensation for the cost of vacating the land and for losses incurred through forced sales of stock and equipment. Landlords and owners would continue to receive rent and would be paid terminal compensation (normally equal to the difference in market values before opencast working began and after restoration had been carried out) at the end of the Board's occupation.

(5) The Board was empowered, subject to Ministerial authority, to enter on land in order to prospect for coal.

It was stated in the Press on Dec. 18 that about 160,000,000 tons of coal had been obtained by opencast mining since large-scale operations began in 1942.—(Ministry of Power - Times - Daily Telegraph - Manchester Guardian) **(15767 A.)**

B. BULGARIA. — General Elections.

Elections for a new National Assembly took place on Dec. 22, resulting in 99.95 per cent of the votes being cast for the candidates of the Fatherland Front. Of the total electorate of 5,218,602, 99.77 per cent (5,206,428) went to the polls, of whom 5,204,027 voted for the Fatherland Front ; 2,076 votes were cast against the Front, and 325 votes were invalid. No candidates other than those of the Fatherland Front were allowed to stand. All citizens of 18 and over were entitled to vote and to stand as candidates.

The new Assembly will have 253 deputies, including 72 of the 90 members of the central committee of the Bulgarian Communist Party. The parties represented in the Fatherland Front comprised the Communist and Agrarian parties, whilst there were also candidates nominated by trade union and youth organizations, cultural, technical, and scientific organizations, factories and offices, co-operative and State farms, villages, etc. (Bulgarian Legation Press Department, London)

(Prev. rep. 13326 D.)

C. CHINA - YEMEN. — Treaty of Friendship and Commerce. - Chinese Economic and Technical Aid for Yemen. - Establishment of Diplomatic Relations.

A Sino-Yemeni treaty of friendship and commerce was signed in Peking on Jan. 13, together with an agreement on scientific, technical and cultural co-operation and on the establishment of diplomatic relations between the two countries. A joint statement was issued by the Crown Prince of Yemen (then on a visit to China) and Mr. Chou En-lai condemning the activities of "colonial Powers" in the Middle East and expressing China's support for Yemen in the Aden frontier dispute.

Peking radio announced that China would provide Yemen with a loan of 70,000,000 Swiss francs (about £5,400,000) over ten years to meet the cost of material and equipment to be supplied by China for building a road, a sugar factory and refinery, a factory for aluminium ware, and textile mills. (Times) **(Prev. rep. 14959 A ; 14779 E.)**

D. SOVIET UNION. — Cut in Armed Forces.

It was announced in Moscow on Jan. 6 (*a*) that the Soviet armed forces would be reduced by 300,000 men "over and above the cut of 1,840,000 carried out in 1955 and 1956" ; and (*b*) that the troops to be released from service would include 41,000 stationed in Eastern Germany and 17,000 stationed in Hungary. The announcement said that the Soviet Government regarded this step as "a major contribution to the relaxation of tension."—(Soviet Embassy Press Department, London)

(Prev. rep. 14878 A.)

A. SWEDEN. — Cabinet Crisis after Referendum on New Pensions Scheme. - Agrarians withdraw from Coalition Government. - Formation of Social Democratic Minority Government.

The Swedish Cabinet, which since 1951 had consisted of a coalition between the Social Democrats and the Agrarians, resigned on Oct. 26, 1957, following the Agrarian Party's decision to leave the Government. The Cabinet crisis—the first of its kind for 21 years—arose out of a national referendum in which the electorate were asked to vote on three different contributory pensions plans : one drawn up by the Social Democrats, one by the Agrarians, and one jointly by the Liberal and Conservative parties.

The question of a new contributory pensions scheme, additional to and superimposed on the existing old-age pension ("people's pension"), had been considered by an official commission in 1956. No agreement could be reached on a single plan, however, and three different pension schemes were put forward by the various parties.

The Social Democrats, with the support of the Trade Union Federation, proposed a national scheme with obligatory contributions, under which the "people's pension" would be raised so that a pensioner's income at the age of 67 would eventually equal 65 per cent of his average annual wage or salary during the 15 best working-years prior to retirement. It was also proposed that a pension fund should be built up over the next 30 years for the payment of these new benefits.

In contrast to the Social Democratic scheme (which was also supported by the Communists), both the Agrarians and the Liberals and Conservatives demanded that any additional pension scheme should be on a voluntary basis. The Agrarians proposed that the State should guarantee the value of pensions in terms of purchasing power, and that, while pensions should be increased, they should not exceed a certain "ceiling." The Liberals and Conservatives advocated that the additional pension payments should be left to arrangements between employers and employees, and that the resulting contributory fund should be administered by the private industrial or business management concerned.

In the referendum, held on Oct. 13, 1957, the Social Democratic plan received 1,602,516 votes, representing 46.4 per cent of all votes cast. The joint Liberal-Conservative plan received 34.6 per cent and the Agrarian plan 15.2 per cent, blank votes accounting for the remaining 3.8 per cent. Of nearly 5,000,000 people entitled to vote, 70.4 per cent took part in the referendum.

It was pointed out in the Swedish Press that voting was not exactly on party lines, as the support for the Social Democratic pensions plan was below that party's voting percentage in the 1956 elections (see below). Moreover, the vote for the Liberal-Conservative proposals was also lower than the joint poll of those two parties in the elections, whereas the percentage support for the Agrarian plan exceeded the Agrarians' electoral percentage in 1956.

Prior to the referendum, Hr. Tage Erlander (the Prime Minister and Social Democratic leader) had announced that he would consider it as a mandate for his party's compulsory pensions scheme if it were approved by at least 40 per cent of the electorate. As stated above, the Social Democratic proposals were supported by 46 per cent of those voting in the referendum, and the Prime Minister accordingly announced his intention of introducing legislation implementing the proposals. On the other hand, the Opposition leaders—Professor Ohlin (Liberal) and Hr. Hjalmarsson (Conservative)—emphasized that if the votes for their own scheme and the Agrarian scheme were added together, 49.8 per cent of the total votes had been cast against the Social Democratic plan for a compulsory pensions scheme ; if blank votes were added, there would be a majority of 53.6 per cent against the Social Democrats.

The Agrarian Party, as stated, were strongly opposed to a pensions scheme based on the compulsory principle, and subsequent differences in the Cabinet on this matter led on Oct. 24 to the resignation of the Agrarian Ministers, and two days later to the resignation of the Cabinet as a whole. Discussions aimed at the formation of a four-party Cabinet representing the Social Democrats, Agrarians, Liberals and Conservatives took place at the suggestion of King Gustav Adolf, but broke down when the Social Democrats refused to take office in such a coalition. Attempts to form a three-party coalition between the Liberals, Conservatives, and Agrarians were similarly unsuccessful, and on Oct. 29 the King asked Hr. Erlander to form a minority Social Democratic administration. Hr. Erlander agreed to do so, and the new Government was accordingly formed on Oct. 30, 1957.

Several changes in the Social Democratic and Agrarian Coalition Government had been announced earlier in the year, as follows :

(*a*) On Feb. 1, 1957 when Hr. Sam Norup (Minister of Agriculture) and Hr. Hjalmar Nilsson (Minister without portfolio), both Agrarians, left the Cabinet together with Hr. Allan Nordenstam (Independent), who was also a Minister without portfolio. They were succeeded by Hr. Bernhard Nasgard, Hr. Lars Eliasson (both Agrarians), and Hr. Herman Kling (Social Democrat) respectively.

(*b*) On March 22, 1957, when Hr. John Ericsson (Minister for Social Affairs) left the Cabinet at his own request after 12 years' service and was succeeded by Hr. Torsten Nilsson, whose post as Minister of Defence was filled by Hr. Sven Andersson, the Minister of Communications. The latter portfolio was in turn taken over by Hr. Sture Henriksson. All the Ministers concerned were Social Democrats.

(*c*) On April 22, when Hr. Henriksson was succeeded by Hr. Gosta Skoglund (Social Democrat) as Minister of Communications.

The membership of Hr. Erlander's new Social Democratic minority government was as follows :

*Hr. Tage Erlander	..	Prime Minister.
*Dr. Östen Undén	..	Foreign Affairs.
Hr. Ingvar Lindell	..	Justice.
*Hr. Sven Andersson	..	Defence.
*Hr. Torsten Nilsson	..	Social Affairs.
Hr. Rune Johansson	..	Interior.
*Hr. Gösta Skoglund	..	Communications.
*Hr. Gunnar Strang	..	Finance.
Hr. Ragnar Edenman	..	Ecclesiastical Affairs.
Hr. Gosta Netzén	..	Agriculture.
*Hr. Gunnar Lange	..	Commerce.
*Hr. Sigurd Lindholm	..	Civil Service.
*Fru Ulla Lindstrom	..	Ministers without portfolio.
*Hr. Herman Kling	..	
Hr. Bjorn Kjellin	..	

*No change.

The new Cabinet had one fewer member than its predecessor (15 Ministers instead of 16), the number of Ministers without portfolio being reduced from four to three. The three portfolios formerly held by Agrarians—Interior, Ecclesiastical Affairs, and Agriculture—were all taken over by Social Democrats, whilst the fourth Agrarian Minister—Hr. Eliasson, who held no portfolio—was succeeded in that capacity by Hr. Kjellin. The former Social Democratic Minister of Justice (Hr. Zetterberg) left the Government and was succeeded by Hr. Lindell, previously a Minister without portfolio.

The 1956 General Election.

Prior to the developments described above, general elections for the Lower House of the Swedish Parliament had taken place on Sept. 26, 1956 with the following result (comparison shown with the previous elections in 1952) :

	1956		1952	
	Seats	Votes	Seats	Votes
Social Democrats ..	106	1,729,501	110	1,739,227
Agrarians	19	366,567	26	405,910
Liberals	58	923,551	58	929,829
Conservatives	42	663,742	31	538,484
Communists	6	194,017	5	167,295

The new House has 231 seats, one more than the former House—an additional seat having been created for the island of Gotland.

As shown in the table, the two parties of the then Government coalition (the Social Democrats and Agrarians) lost four and seven seats respectively ; whilst the Social Democratic vote dropped by about 10,000 (under 0.6 per cent), the Agrarians lost nearly 40,000 votes, or almost 10 per cent as compared with the 1952 figure. The Liberals, who slightly increased their poll, remained the second strongest party after the Social Democrats, while the Conservatives made important gains, polling over 125,000 more votes than in 1952 (an increase of over 23 per cent) and winning an additional 11 seats. The Communists gained one seat as shown and increased their poll considerably (by 15.9 per cent).

The Social Democrats and Agrarians continued in coalition for a year after the elections, retaining an overall majority in the Lower House—which, however, had fallen from 42 to 19. As shown in the table above, the present Social Democratic Government is in a minority *vis-à-vis* the other parties. (Swedish Embassy Press Dept., London - Svenska Dagbladet) **(Prev. rep. Elections, 12534 B ; Swedish Cabinet, 14536 C.)**

B. GHANA.—Diplomatic Relations with Soviet Union.

It was announced in Accra and Moscow on Jan. 14 that Ghana and the Soviet Union had agreed to the establishment of diplomatic relations at embassy level between the two countries, which would be followed "in due course" by the appointment of a Ghanaian Ambassador in Moscow and of a Soviet Ambassador in Accra.

(Times - Soviet Embassy Press Department, London)

A. UNITED KINGDOM. — Mr. Thorneycroft on the Reasons for Resignation from Chancellorship of the Exchequer. - Speech to Constituents.

In a speech to his constituents on Jan. 14—his first public speech since resigning as Chancellor of the Exchequer—Mr. Peter Thorneycroft spoke of the reasons for his resignation and set forth the differences between the Government and himself on financial and economic policy. Although Mr. Thorneycroft is M.P. for Monmouth, the speech was made at Newport (Mon.)—outside his constituency—as being the most accessible centre for the members of the Monmouthshire Conservative Association, to whom the speech was addressed. Mr. Thorneycroft spoke as follows :

"I have called this meeting for one purpose only : to explain to my constituents my reasons for resigning the high office of Chancellor of the Exchequer. The reasons are not at all complicated. They are contained in the letter which I wrote to the Prime Minister on Jan. 6 . . . It was one of the hardest letters I have ever had to write . . .

"I was not prepared to support expenditure by the Government next year at a level higher than that of this year. I regarded that, and still regard it, as a matter of principle. I stand by it. Nevertheless, to you who returned me to Parliament—and, I hope, will go on returning me to Parliament—I will give some elaboration of the problem. My words may perhaps reach a wider audience, but I must emphasize that it is not my purpose to engage in fractious criticism of my late colleagues. It is certainly not my purpose to gather to me some body of revolt within the Conservative Party. If I were the only man in England who holds my views, I would still have acted as I did.

"I see some Conservative M.P.s are being asked whether they are for me or for the Prime Minister. I would remind those who ask that question that I am a back-bencher of the Conservative Party and a supporter of the Government.

"Now, as to the background. For 12 years sterling has been under pressure. Crisis has followed crisis. Prices have steadily, inexorably gone up. These are the facts. They face all parties ; they are incontrovertible. There are sincere differences of view as to how this problem should be dealt with. There are some who sincerely believe that a solution is to be found in still more Government expenditure and still higher levels of investment. There are others, among whom I count myself, who see no future for this country in constantly attempting to do more than our resources can achieve.

"One must make up one's mind which of these views one accepts. One must decide whether one is trying to beat an inflation or a slump For my part, I regard inflation as the danger. I am clear that if we show restraint, our economic difficulties are not insoluble, and we can remain with profit and with honour the centre and heart of a prosperous sterling area, to the great good not only of ourselves but of the world.

"But I believe something more. I believe that the condition of our survival, or of our survival as a great Power, rests not upon luck, not upon the whims of fortune, but in the last resort upon ourselves. When I first went to the Treasury I heard a lot about the Zürich bankers, and no doubt such worthy men exist and are important. But the decisive factor in our future is our own faith and our own absolute determination to put and keep our own house in order.

"Last summer all the signs of inflation were upon us. It was evident that not simply the world outside but the British people themselves were losing faith in their own currency. Against that background, certain events abroad touched off another exchange crisis for sterling. Let no one be under any illusions as to the gravity of that position. Had it not been checked, it could have resulted in irreparable injury to the economy of these islands and all who live here. It could have done more. It could have led to the economic disintegration of the Commonwealth.

"The measures the Government took were in line with instructions I had given earlier to the Treasury. They were harsh, they were unpopular, but they were necessary. The essence of those measures was set out in the statement which I made on Sept. 19 : 'There can be no remedy for inflation and the steadily rising prices which go with it which does not include, and indeed is not founded upon, a control of the money supply. So long as it is generally believed that the Government are prepared to see the necessary finance produced to match the upward spiral of costs, inflation will continue and prices will go up.'

"I made that statement with the full approval of my colleagues. I took many and difficult steps to implement it. The bankers had to be persuaded to hold the level of bank advances for the next 12 months at the same level as the last 12 months. Those concerned with public investment, the nationalized industries, the public authorities, were told to hold investment over the next two years in money terms at the same level as last year. The railways were told that if wages went up no more money would be made available, and thus fewer men would have to be employed, or services reduced. Civil servants were told that if higher wages were asked and given, Government services would be reduced and fewer Civil servants might be employed. Civil servants to-day are being dismissed upon this principle.

"Finally, in the world outside—to the International Monetary Fund, in front of the bankers and Finance Ministers of the free world—I was, in the last weeks of September, defending our position, and if I may say so, not altogether unsuccessfully. I said to them : 'If inflationary pressure grows inside the economy, other things may alter, other aspects of policy may have to be adjusted, but the strain will not be placed upon the value of the pound sterling.'

"In all this period I was often asked by the Press, by the Conservative Party, by all concerned—What about the Government's own expenditure ? We said that steps were being taken and would be taken to limit that expenditure, but that such limitation was not in itself sufficient.

"Then we come to the Estimates for this year. Of course, the cost of some items will go up. That happens in any family if more children arrive or as they grow older. But in a family it is not an unanswerable reason for the *total* of expenditure to grow. If some things cost more, economies are needed elsewhere. Families cannot print banknotes, and Governments can only do so with danger to the economy.

"Many figures have been bandied about in recent days, and some of them are hard to recognize. As they were either referred to in the Cabinet or are not yet published, I do not propose to quote them. Let me say this, however. The figures which matter are the following : first, what we estimated we would spend this year ; second, the substantially larger sum we will have spent this year ; thirdly, what we plan to spend next year.

"At no time have I pressed my colleagues to reduce expenditure to last year's original estimate. What I said is : 'Take last year's estimate ; add to it the substantial supplementary sums which Parliament will be asked to vote because we spent more than we planned ; and then next year do not plan to spend more than that very large total.' I have, if you like, taken the measure of our failure this year as the baseline for attempting success next year. If open to criticism at all, it is that I have been too lax and not too strict.

"Various figures have been given. Some mention has been made of £50,000,000. I do not comment on that, but I say bluntly that I do not approve of the terms 'a mere £50,000,000,' 'mere chicken-feed.' In some circles there is a tendency to talk of £50,000,000 as though it were a triviality. That is an attitude of mind which is part of the evil of our times.

"Nor am I at all impressed by the argument that such sums are marginal in our affairs. The lesson must be learnt in this country, as it has to be learnt in every business, that it is the margin that matters. If it is on the right side, we are solvent ; if it is on the wrong side, we are in the red. Margins are not irrelevant but vital to stability. Finally, I would say that if £50,000,000 is the figure and is a triviality, could it not be found somewhere out of the £5,000,000,000 to keep us straight ?

"But let us leave aside the arithmetic. I have always said, and I repeated it in my letter to the Prime Minister, that I recognize that some combination of unpopular measures would have been necessary to achieve my aim. I stand by that ; I in no way flinch from it. Great aims are not achieved without pain and effort, and this is no exception.

"What could be done ? It is said by some that you must not touch the Welfare State, though some men in recent years must have seen drawbacks in benefits clawed back each year in a constantly depreciating currency. Nevertheless, it is said that if we touch it, it will automatically mean higher wage demands. I would say this at once. It is not the making of wage claims, but the printing of the money to grant them which feeds the wage-price spiral. The Welfare State covers a wide field, from family allowances to welfare milk, from the National Health Service to school meals. Powerful arguments can be adduced against touching any of it, but is it all sacrosanct ? Or, if it is to be sacrosanct, can we do all the other things we seek to do, or do them to the same extent ?

"Let us consider defence expenditure. We spend vastly on the conventional and unconventional field. We develop missiles and anti-missiles ; we develop conventional arms as well. At the same time we also want to press ahead with research and development for civil aviation. I recognize the importance of all these. I recognize the sincerity of those who wish to go forward with them. It means that between £200,000,000 and £250,000,000 year by year is being spent by the Ministry of Supply on military and civil projects. The costs of these projects climb year by year. Projects estimated at one figure are rapidly found to cost double, treble, or more. Projects which early on cost thousands rapidly soar into the millions class.

"Don't misunderstand me. Of course, tentative efforts are made to check it. Of course, a substantial cut in this field would hurt. Of course, it would mean stopping some projects already started or deferring work of value to the nation. But is all this to be regarded as sacrosanct ?

"Or again, it was said by the Minister of Defence in November that we want a volunteer Army, and for that purpose conditions of service must be improved. The political prizes of a volunteer Army are certainly great, and in the long run the economic prizes too. Opinions vary as to how far improvements in pay and allowances affect recruiting, but how much additional expenditure can we afford here ?

"I respect the view of those who say that heavy expenditure in all these things must have priority. I speak in no spirit of bitterness or recrimination. I do not pretend the reduction of any of the plans for any of these things would be painless or would not mean sacrifices. But if it is said that the Welfare State is sacrosanct and that you cannot touch that ; if it is said that you must make pay and conditions for the Forces more attractive and pay more for them ;

if at the same time the vast expenditure of the Ministry of Supply is not susceptible to any substantial reduction—then there is a residuary legatee. There is someone left at the end of the queue, and that someone is the pound sterling.

"Whatever others have said, I have put the pound sterling and the stability of prices first, not last. I could not change my policy upon that matter. It is just not true to say that over this vast field such reductions as are necessary in order to stand on this year's level of expenditure would have disastrous consequences. The Government's current account could have been held, and still could be held, at last year's high level of spending. I regarded it as a matter of principle to hold that line as the limit. I could not accept for the Government, in their own housekeeping, a standard of financial stringency different from that which I was seeking to impose, and was in fact imposing upon others.

"My colleagues would not agree, either upon the subject of containing next year's expenditure at a level no higher than this, or upon a broad pattern for containing it in the fields which I have mentioned.

"It is possible to be wrong on issues of this kind, but I am bound to say that it would be a remarkable thing if three men with backgrounds and approaches as different as myself, Enoch Powell, and Nigel Birch arrived at the same clear conclusion and were wrong at the same moment. At the end of the day, none of us had any doubts whatever as to where our clear duty lay. Every Treasury Minister was united in the action we should take. I would say now how notably I have been sustained in these difficult weeks by their unfailing and unflinching courage and good sense in the struggle in which we have been engaged. *The Times* put it simply and well: 'If ever there was an issue upon which the Treasury team should stand, it was this.'

"For my part, I have been much moved by the wealth of sympathy, understanding, and support which has flowed in to me from rich and poor, from employer and worker, from friends and strangers, in all walks of life.

"I recognize that different views can be honourably held about these matters, and I respect those who hold a different view from my own; but they are not small matters. They turn in the last resort upon a determination of the question where greatness lies. I am firmly convinced that true greatness does not lie in constantly attempting a range of projects in total beyond the resources at our command. Our greatness depends on demonstrating that we are masters in our own house, that we are in control of our own currency, that we can meet our liabilities, honour our debts, and sustain the value of our money.

"It is for this reason that I have taken the action that I did. It was a hard decision, but I believe a right one, and I stand before you as a man content. I do not know what the future may hold for me, but I thank God I found the strength to make the decision I did."

Mr. Thorneycroft was warmly applauded by his audience, who—without a single dissenting vote—passed a resolution congratulating him on the stand he had taken and expressing complete confidence in him.—(Times - Daily Telegraph)

(Prev. rep. 15939 A.)

A. AUSTRIA - SOVIET UNION.—Three-Year Trade Arrangements for 1958-60.

Trade arrangements for the three-year period 1958-60 were concluded between Austria and the Soviet Union on Oct. 24, 1957. They provided that the volume of Austro-Soviet trade, which amounted to $38,000,000 on either side in 1957, would be increased to $40,000,000 in 1958, $50,000,000 in 1959, and $60,000,000 in 1960.

A detailed list laid down mutual deliveries for 1958, whilst the lists for 1959 and 1960 only contained a general framework which could, however, be varied or supplemented. Provision was made for larger Soviet exports to Austria of coal, coke, iron-ore, wolfram, tin, cotton, asbestos, and chemicals, but for a reduction of grain and fodder exports to 100,000 tons in each year. New Austrian export items to the Soviet Union included tinplate, cables, chemicals, woollen tissues, leather footwear, insulation material, and certain machinery. Increased Austrian exports were also envisaged for rolled-iron, steel cables, chains, steel tubes, medical supplies and equipment, woollen yarns, leather goods, diesel shunting engines, and various machinery; in addition Austria will build two passenger ships for river navigation in the U.S.S.R.

The increase in Austro-Soviet trade exchanges, which in many cases doubled the volume of export items on both sides, implemented the intention of both countries to expand their mutual commerce as agreed at the time of M. Mikoyan's visit to Austria in April 1957. The new arrangements were concluded under the five-year Austro-Soviet trade agreement signed in 1955.—(Wiener Zeitung - Neue Zürcher Zeitung)

(Prev. rep. 15552 A; 14532 A.)

B. AUSTRALIA - ITALY. — Diplomatic Missions raised to Embassy Level.

It was announced in Canberra and Rome on Jan. 9 that the Australian and Italian Governments had agreed to raise their respective diplomatic missions in Rome and Canberra to embassy level.—(Australian News and Information Bureau)

C. OBITUARY. — Viscount Waverley.

Viscount Waverley (the Rt. Hon. Sir John Anderson), the eminent administrator and former Cabinet Minister, died on Jan. 3, 1958, aged 75.

A Scotsman by birth and descent, John Anderson was born at Eskbank (Midlothian) and was educated at George Watson's College, Edinburgh, and the Universities of Edinburgh and Leipzig, graduating in Arts at Edinburgh and in Science at Leipzig. For over 30 years he had a distinguished career in the Civil Service, his first important post being that of Secretary of the National Insurance Commission which was set up in 1912 to administer Lloyd George's National Insurance Act. For most of the First World War he was Secretary to the Ministry of Shipping, and shortly after the war he was appointed Chairman of the Board of Inland Revenue, being only 37 years of age at the time. In 1922 he became Permanent Under-Secretary of State at the Home Office.

Sir John Anderson (he had received the K.C.B. in 1919) was appointed Governor of Bengal in 1932 at a time of great political and economic unrest in that province, where terrorism was rife. An attempt had previously been made on the life of the retiring Governor (Sir Stanley Jackson) and in May 1934 Sir John Anderson narrowly escaped an attempt on his own life at Darjeeling. During the next four years, however, he succeeded to a large extent in restoring normal conditions in Bengal, his reforms including the creation of an industrial credit corporation and the establishment of well-equipped training camps at which political detainees were helped to rehabilitate themselves in small industries and handicrafts, with State assistance. When Sir John Anderson left Calcutta in 1937 the number of detainees had fallen by two-thirds, and his successor (Lord Brabourne) was able to end the detention system a few months later.

On returning to Britain Sir John was invited to stand as a National candidate for the Scottish Universities. He was elected to Parliament in February 1938 and continued to represent the Scottish Universities until the abolition of university representation in 1950. Appointed Lord Privy Seal by Mr. Neville Chamberlain in November 1938, he was given important responsibilities in connexion with Civil Defence problems—in particular, for shelter policy. He approached Mr. (later Sir) William Paterson, the Scottish engineer, and asked him to devise a form of shelter that could be erected in a householder's garden and produced in large numbers at minimum cost; Paterson's design was accepted and the "Anderson shelter" was in universal use throughout the air raids of the Second World War.

After the outbreak of war in 1939 Sir John Anderson was appointed Home Secretary and Minister of Home Security, in which capacity he had to deal with A.R.P., the problems of evacuation from the large cities, and the internment of aliens. In October 1940 Mr. Winston Churchill appointed him Lord President of the Council (with charge of secret work) and promoted him to the War Cabinet. In September 1943 Sir John Anderson became Chancellor of the Exchequer on the death of Sir Kingsley Wood, his Chancellorship being notable for the introduction of the pay-as-you-earn system (PAYE). As a member of the War Cabinet Sir John had general responsibility for scientific research bearing on the war, especially in regard to atomic energy, carried on by various committees. His services to science—in which he took a lifelong interest—were recognized in 1945 when he was elected a Fellow of the Royal Society.

In January 1952, after Mr. Churchill's return to power, Sir John Anderson was raised to the peerage, taking the title of Viscount Waverley. A month later he was appointed chairman of the Royal Commission on the Taxation of Profits and Incomes in succession to Lord Cohen, who had been made a Lord of Appeal in Ordinary. The Labour Party strongly protested against this appointment on the ground that Lord Waverley had shown in the 1945-50 Parliament that he held strong political views corresponding to those of the Conservative Party. Lord Waverley subsequently decided to resign the chairmanship of the Royal Commission after the Opposition had announced its intention of debating the matter in the House. In March 1953, however, he became chairman of the Inquiry Committee set up after the East Coast flood disaster, and a month later he was appointed chairman of the Government committee which was set up to devise a plan for transferring responsibility for atomic energy from the Ministry of Supply to a non-departmental organization.

Lord Waverley was chairman of the Port of London Authority from 1946 until his death, and had also been chairman of the trustees of Covent Garden Opera House since the same year.

The Order of Merit had been conferred on Lord Waverley barely a month before his death—see 15937 A.

(Times - Daily Telegraph - Manchester Guardian)

D. INDIA.—Praja Socialist Leader enters Parliament.

Mr. Asoka Mehta, the Praja Socialist leader, was elected to the *Lok Sabha* in a by-election at Muzaffarpur held on Dec. 12. Mr. Mehta, who had been defeated in the general elections of February-March 1957, obtained a majority of 14,000 over Mr. K. P. Sinha (Communist), his nearest opponent. The by-election was caused by the death of Mr. Shyamanadan Sahaya, Vice-Chancellor of Bihar University.—(The Statesman, Calcutta)

(Prev. rep. 15533 A.)

A. INDIA. — Punjab. - The "Save Hindi" Agitation. - Establishment of Regional Committees.

The *Arya Samaj*, a Hindu religious and cultural organization, launched a civil disobedience campaign in the Punjab on June 10, 1957, as a protest against the regional formula adopted under the States Reorganization Act, and in support of its demands for securing "the rightful place for Hindi" in the educational and administrative fields. Though originally confined to Chandigarh (the State capital) the campaign spread to other areas from the end of July onwards.

The movement's main demands—which had been submitted to Mr. Nehru by a delegation led by Swami Atmananda, the leader of the *Arya Samaj*—were as follows: (1) There should be one language formula for the whole of the Punjab. (2) The medium of instruction in schools should be left entirely to the choice of parents. (3) There should be no compulsion over the teaching of either Hindi or Punjabi as a second language at any stage of education. (4) Hindi should replace English at all levels of administration. (5) All Government notifications should be issued in both Hindi and Punjabi. (6) Communications to the Government should be allowed to be submitted in either language, and the reply should be in the same language. (7) Official records at all levels should be kept in both the Devanagri and Gurmukhi scripts [in which Hindi and Punjabi are respectively written]. In a letter of June 13 to Swami Atmananda, Mr. Nehru pointed out that several of these demands had already been accepted as official policy; he deprecated the intervention of religious organizations in political controversies, observing that it could only lead to communal bitterness.

During the later phase of the campaign the *Jan Sangh* played an increasingly prominent part in the "Save Hindi" (*Hindi Raksha*) agitation, organizing mass demonstrations in its support. Sikh organizations retaliated with counter-demonstrations in support of Punjabi, and serious communal clashes were averted at Ambala, Ludhiana, Amritsar, and elsewhere only by the intervention of the police. Over 9,000 persons were arrested during the *Hindi Raksha* agitation and 144 were detained under the Preventive Detention Act; they included three former Congress Ministers—Professor Sher Singh, Mr. J. L. Narain, and Pandit Sri Ram Sharma—and seven other members of the State Assembly.

Throughout the agitation talks continued between the *Arya Samaj* and the Central and State Governments, Dr. Gopichand Bhargava being appointed a member of the Punjab Cabinet on Aug. 28 with responsibility for conducting the negotiations. [Dr. Bhargava was Chief Minister of the Punjab from 1947-51, except for a few months in 1949, but had taken no part in politics since his resignation—see 11577 B. His new appointment was in the first instance for six months only, as he was not a member of the State Legislature.] Following talks on Dec. 23-24 between Mr. G. S. Gupta (chairman of the Central Language Committee of the *Arya Samaj*), Pandit Pant (the Central Home Minister), and Mr. Dhebar (president of the National Congress), the Punjab Government ordered the unconditional release of all those arrested for participating in the agitation, except for one man who was charged with violence. In response to this "gesture of good will," Mr. Gupta ordered the suspension of the civil disobedience campaign on Dec. 27, 1957.

The two Regional Committees of the State Assembly envisaged in the regional formula were established in November by Presidential Order. The Committees consist of all the members of the State Assembly from the Punjabi- and Hindi-speaking regions respectively except the Chief Minister and the Speaker—the Punjabi Committee comprising 87 members and the Hindi Committee 65 members. It was originally envisaged that the chairman of each committee should be one of the State Ministers; the Presidential Order, however, provided that the posts should be thrown open to all members of the Committees, and that the two chairmen should enjoy ministerial status and should be entitled to attend Cabinet meetings. At the inaugural meetings, Seth Ram Nath (a former Deputy Minister of PEPSU) and Mr. Balwant Rai Tyal (a former Deputy Minister of the Punjab) were unanimously elected chairmen of the Punjabi and Hindi Committees respectively. The election of Mr. Nath (a Hindu) as chairman of the Punjabi Committee was regarded as a conciliatory gesture by the Sikh members of the Congress organization towards the Hindu community.—(The Statesman, Calcutta - The Hindu, Madras)

(Prev. rep. 15533 A; 14866 A.)

B. WESTERN GERMANY. — Influx of Refugees from Eastern Germany in 1957.

The West German authorities announced on Jan. 1 that 129,579 persons from Eastern Germany had entered the Federal Republic during 1957 and asked for political asylum. The number of refugees from Eastern Germany in the previous year was nearly 280,000.—(Frankfurter Allgemeine Zeitung)

(Prev. rep. 15416 C.)

C. UNITED STATES. — "Daily Worker" ceases Publication. - Reported Split in U.S. Communist Party.

The national executive committee of the U.S. Communist Party announced on Dec. 26 that it had decided to discontinue the publication of the *Daily Worker*, which had been the party's organ for the past 34 years.

The decision was taken at a secret meeting of the executive committee, and it was understood that all 20 members of the committee had voted to close down the paper with the sole exception of Mr. John Gates, the editor of the *Daily Worker*. According to the *New York Times*, those who voted to cease publication "were reported to have done so either because they opposed Mr. Gates's 'right-wing views,' which have been voiced in the paper, or because they felt Communist party finances were so depleted that continued support of the paper was impossible." Mr. Gates himself said that he intended to "fight for the paper's continued existence."

It was also understood that the U.S. Communist Party had been divided on the question of whether or not to endorse the 12-nation Communist declaration issued in Moscow [see page 15901]. The *New York Times* commented in this connexion: "The Gates faction has opposed the Moscow Declaration on the ground that endorsement would in effect reverse the decision of last February's Communist party convention. That convention voted to permit some criticism of the Soviet Union and declared that 'left sectarianism'—that is, an overtly rigid application of traditional Marxist-Leninist views—was the chief danger. The conflict over this issue, together with Mr. Gates's decision to try to continue publishing the *Daily Worker*, appears to indicate that for all practical purposes the Communist party is now very badly split."

The average circulation of the *Daily Worker* in October last was only 5,574, a decline of 2,000 on the figure for 1956. Its peak circulation was about 20,000 in 1938.—(New York Times)

(Prev. rep. U.S. Communist Party, 15740 A.)

D. KENYA. — Outlawing of Secret Society.

It was announced in Nairobi on Jan. 15 that the Kenya Government had outlawed a secret Kikuyu society known as the *Kiama Kia Muingi* (Party of the People), whose aims were stated to be similar to those of the Mau Mau. A Government spokesman said that 85 leaders and members of the society had been arrested under the emergency regulations; that 25 local committees had been uncovered in the Kiambu area, on the outskirts of Nairobi; and that the maximum penalty for membership of the society was seven years' imprisonment, the leaders being liable to 14 years.

It was explained that the *Kiama Kia Muingi* had its origins in the "passive" wing of Mau Mau, and first came to notice when its members were feeding and assisting terrorists in the Embu district. It died out after the detention of the terrorist leaders but subsequently reappeared in Kiambu, where it began to exercise influence through the administration of ritual oaths and the formation of local committees on the Mau Mau pattern. The aims of the society were similar to those of the proscribed Kikuyu Central Association and the Mau Mau—to undermine and subvert established authority, to drive the Europeans out of Kenya, and to foment racial hatred. While there was no indication that the society intended to resort to violence, the Government were mindful that this had been equally true of Mau Mau almost up to the time it was proscribed.

The District Commissioner for Kiambu (Mr. D. J. Penwill) stated on Jan. 16 that all the ringleaders of the *Kiama Kia Muingi* were believed to have been arrested. About half of the 85 persons taken into custody had been released "with a strict warning."—(Times - Manchester Guardian) **(15761 A.)**

E. UNITED KINGDOM. — New Junior Ministers.

The following junior ministerial appointments were announced on Jan. 17: (*a*) Mr. Robert Allan as Parliamentary and Financial Secretary to the Admiralty in place of Mr. Christopher Soames, the new Secretary of State for War; (*b*) Mr. David Renton, Q.C., as Joint Parliamentary Under-Secretary of State, Home Office, *vice* Mr. J. E. Simon, Q.C., the new Financial Secretary to the Treasury; and (*c*) Sir Ian Horobin as Parliamentary Secretary to the Ministry of Power in succession to Mr. Renton.

Mr. Allan (43) became Parliamentary Private Secretary to Sir Anthony Eden in December 1955 and remained P.P.S. to Mr. Macmillan after Sir Anthony's resignation; he is Conservative M.P. for South Paddington. **Mr. Renton** (49), National Liberal and Conservative M.P. for Huntingdonshire, had been Parliamentary Secretary to the Ministry of Fuel and Power (later renamed the Ministry of Power) since 1955. **Sir Ian Horobin** (58), Conservative M.P. for Oldham East, had not hitherto held ministerial office; a prominent back-bencher, he had frequently urged the importance of limiting Government expenditure and of relating wage increases to greater productivity.

The three junior Ministers will all draw a salary of £2,500 a year, plus £750 Parliamentary expenses allowance.
(Times - Daily Telegraph) **(Prev. rep. 15939 A.)**

JANUARY 18—25, 1958

A. NORTH ATLANTIC TREATY ORGANIZATION. — Paris Meeting of Heads of Governments. - Agreement on Closer Political, Defence, Economic and Scientific Co-operation between NATO Countries. - Reaffirmation of Western Disarmament Proposals. - Atomic Stockpiles and Ballistic Missiles for NATO Collective Defence.

The " Heads of Governments " meeting of the North Atlantic Council was held in Paris at the Palais de Chaillot from Dec. 16-19, 1957. The most important NATO conference since the formation of the Organization, it was also the biggest top-level international conference to be held in the French capital since the Versailles Peace Conference of 1919.

The U.S. delegation was headed by President Eisenhower, and the delegations of all the other NATO countries (except Portugal) by their Prime Ministers. In addition, all the Foreign and Defence Ministers of the NATO countries participated, as well as M. Spaak, the Secretary-General of NATO. The leaders of the 15 national delegations were : *Belgium*—M. Achille Van Acker ; *Canada*—Mr. John G. Diefenbaker ; *Denmark*—Hr. Hans Christian Hansen ; *France*—M. Félix Gaillard ; *German Federal Republic*—Dr. Konrad Adenauer ; *Greece*—M. Constantine Karamanlis ; *Iceland*—Hr. Herman Jonasson ; *Italy*—Signor Adone Zoli ; *Luxemburg*—M. Joseph Bech ; *Netherlands*—Dr. Willem Drees ; *Norway*—Hr. Einar Gerhardsen ; *Portugal*—Senhor Marcelo Caetano (Minister for the Presidency, representing the Portuguese Prime Minister, Dr. Salazar) ; *Turkey*—M. Adnan Menderes ; *United Kingdom*—Mr. Harold Macmillan ; *United States*—President Dwight D. Eisenhower.

President Eisenhower's doctors had announced on Dec. 10 that they were "unanimously agreed that the President's recovery [from his cerebral attack] is such that it permits him to attend the Paris meeting." The medical bulletin said that the President was " in excellent physical condition " and " his usual alert self," and that he had discussed the Paris conference " in detail and with enthusiasm."

Mr. Adlai Stevenson, who had acted as a consultant in shaping the Administration's programme for the NATO meeting (see 15879 A), declined an invitation from President Eisenhower to attend the Paris conference. In a statement on Dec. 3, Mr. Stevenson explained that his membership of the U.S. delegation would put him into a position " without authority " and would necessarily identify him with " decisions with which I might not always agree and which I could not publicly oppose."

President Eisenhower flew to Paris on Dec. 14 in the presidential plane *Columbine*, being welcomed at the airport by President Coty, M. Gaillard, General Norstad (the NATO Supreme Commander), and M. Spaak. Before the conference opened on Dec. 16, a number of private meetings was held among the statesmen assembled in Paris—including a joint meeting between Mr. Macmillan, M. Gaillard and Dr. Adenauer, a separate meeting between the French Prime Minister and the German Federal Chancellor, and discussions between President Eisenhower and the British and French Prime Ministers.

The North Atlantic Council meeting was presided over by the Prime Minister of Luxemburg (M. Joseph Bech) as *président d'honneur*, in accordance with the principle of alphabetical rotation of chairmanship by countries. [The chairmanship of the NATO Council rotates on this basis from year to year, Italy having held the chairmanship at the last Council meeting in December 1956.] The conference was held partly in open session, at which important statements were made by all the Heads of Governments, and partly in closed session, including meetings of the Foreign Ministers and the Defence Ministers.

Statements by Heads of Governments.

Summaries are given below of the principal statements and declarations made to the North Atlantic Council by the Heads of Governments, and also by the NATO Secretary-General, M. Spaak :

Statement by President Eisenhower.

The U.S. President spoke as follows : " This meeting is unique in NATO history. For the first time it is attended by Heads of Governments. We meet, not under a chilling fear that each nation among us, acting separately and alone, might fail to match the aggressive power that could be brought against any. That was once true. We meet, not in any dreadful knowledge that our cities are again scarred by conflict, our economies strained, our peoples worn from a war against totalitarianism. Again, that was once true. Most certainly we do not meet in a mood of nationalistic self-assertion, pursuing selfish interests at the expense of our sister-nations. That has never been true of NATO.

" We are here to re-dedicate ourselves to the task of dispelling the shadows that are being cast upon the free world ; to take stock of our great assets—in men, minds, and materials ; to find ways and means to apply our undoubted strengths to the building of an ample and safer home for mankind here on earth.

" This is a time for greatness. We pray for greatness in courage of will to explore every path of common enterprise that may advance the cause of justice and freedom ; for greatness in sympathy and comradeship that we may labour together to end the mutual differences that hamper our forward march within a mutual destiny ; for greatness in the spirit of self-sacrifice, so that we may forsake lesser objectives and interests to devote ourselves wholly to the well-being of all of us. We pray for greatness of wisdom and faith that will create in all of us the resolve that whatever measures we take will be measures for peace.

" By peace I do not mean the barren concept of a world where open war is for a time put off because the competitive war machines which humans build tend mutually to neutralize the terrors they create. Nor do I mean an uneasy absence of strife bought at the price of cowardly surrender of principle. We cannot have peace and ignore righteous aspirations and noble heritages. The peace we seek is an expanding state of justice and understanding—a peace within which men and women can freely exercise their inalienable rights to life, liberty, and the pursuit of happiness, in which mankind can produce freely, trade freely, travel freely, think freely, pray freely . . .

" NATO was born nearly 10 years ago. Eight European nations had then come under Soviet domination, and there was clear danger that the rest of Europe might, nation by nation, fall before the powerful military and political influence of the Soviet Union. NATO has proved itself as an agency of peace. Since it came into being no further nation of Europe has been lost to Communist aggression. Behind the barrier of NATO's deterrent power, conventional and nuclear, the peoples of the West have made great advances.

" Here on the Continent of Europe there has been achieved a progress toward unity—the Coal and Steel Community, Euratom, the Common Market. Thus is justified the vision of statesmen, and a new stimulus is provided to vast creative forces long enfeebled by irrational divisions . . .

" We can take satisfaction from the past, but no complacency in the present. The Soviet State daily increases its military and economic power, and its rulers make clear their purpose to use that power to dominate the world. To this end the Soviet system imposes upon the great mass of its workers a harsh discipline. Their lot is of forced labour and production, which is as abhorrent as it is menacing, for it provides the despotic State with vast resources produced out of serfdom. Thus there is emphasized the production of new weapons, including atomic warheads and rocketry. The Communists likewise have enlarged their industrial capacity. They challenge us to a world contest in the economic field, seeking by economic penetration to gain the mastery of still more human and material resources. These are some of the problems that confront us. The presence here of Heads of Governments proves that we recognize the magnitude of the challenge.

" At a later meeting this Council will consider specific proposals for raising the level of our collective effort. But I repeat that whatever measures we take will be measures for peace. This peace we seek will not be had for nothing. Indeed, its price will be high. But it need not dismay us. Our free peoples possess ample resources wherewith to meet every threat. The only question is : Will we do so ? Will we, in freedom, pay the price necessary to preserve freedom ?

" Let us glance at our resources. The 15 NATO countries comprise nearly 500 million people. These people have a *per capita* productivity about three times that of the Soviet Union. Our scientists and technicians were the inventors of what now revolutionizes the arts both of war and peace. We possess what is today the most powerful military establishment in the world. These are some of our material assets. Even more important are the political and moral assets that are national heritages. We have demonstrated a will for world disarmament and the peace that all men want.

" Following World War II, the free nations, without awaiting disarmament agreements, voluntarily disarmed themselves. When the West possessed an atomic monopoly we offered to dedicate it to international control, so that the fearsome power could never be used for war. We conceived and developed the concept of 'atoms for peace.' The International Atomic Energy Agency now functioning at Vienna is a product of our imagination and persistence. The Western nations proposed 'open skies' so that no nation could mount a massive surprise attack against another. At London last summer we proposed that there should be an end to the manufacture of fissionable material for weapons purposes, that therefore nuclear weapons should no longer be tested, and that existing stockpiles should be reduced by transfers to peaceful purposes.

" We have demonstrated a will for the spreading of the blessings of liberty. Within the last 15 years our nations have freely granted political independence to 20 countries, with populations totalling 800 million peoples. Within our societies we manifest, so that all can see, the good fruits of freedom. Those fruits do not consist of materialistic monuments, which despots have always been able to exhibit. They consist of providing the simple things all men want—the opportunity to think and worship as their conscience and reason dictate, to live in their homes without fear, to work in congenial tasks of their own choice, to enjoy the fruits of their labour. These are the most precious manifestations of freedom, and we have the power to defend and spread that freedom. Freedom has not failed us. Surely we shall not fail freedom.

"We shall be successful. But the task will not be easy or short. Accomplishment will prove to be a journey, not a destination. We, who inherit and share the humane and religious culture of Europe, must examine our collective conscience to determine if we are doing our best to meet the grave threat to our free institutions.

"I believe that we must rid ourselves of certain false habits of thought, of which we have all been more or less guilty. Among our misconceptions has been the belief that our free system was inherently more productive in all fields than the totalitarian system. Another has been that time was always on our side, irrespective of what we do with that time. Another has been that our nations, merely because they are sovereign, can each lead a separate, selfish, national life, without co-ordination of planning and effort. Another is the assumption that the triumph of freedom over despotism is inevitable. As a countryman of mine once observed: 'It takes a lot of hard work and sacrifice by a lot of people to bring about the inevitable.' . . .

"We are moving into an era in which vast physical forces cast a pall over our world. I believe our NATO Governments stand ready to concert our efforts with each other—and with other nations including, of course, the Soviet Union if it were willing—to bring these forces under rational control in the common interest of all humanity. Until that can be done, we must continue to create and sustain within the free world the necessary strength to make certain of the common security. And all of us must have the assurance that that strength will be used to sustain peace and freedom.

"We are in a fast-running current of the great stream of history. Heroic efforts will be needed to steer the world towards true peace. This is a high endeavour. But it is one which the free nations of the world can accomplish. We of the Atlantic community are not alone. In other parts of the world many free nations have banded together in the exercise of their inherent right to collective security. Other free nations, relying on individual rather than collective security efforts, nevertheless share our purpose and our goals of freedom. A special responsibility does, however, rest upon the Atlantic community. Within our lands freedom first had its birth. It still waxes strong.

"The members of our community need to feel an increasing responsibility to help other free peoples to attain for themselves relief from what has been for many the age-old blight of direst poverty. We have, as I have recalled, been parties to the grant of political liberty to hundreds of millions of people. But that bestowal could be a barren gift, and indeed one which could recoil against us, unless ways are found to help less developed countries to achieve an increasing welfare. All of us have a vital stake in this sense of increasing sacrifice. None of us must shirk any needed sacrifice to make it possible.

"The forces arrayed against us are formidable, but not irresistible. The captive peoples of Eastern Europe have made it evident that patriotism survives, and that they continue to live in the hope of recovering their proud and honourable traditions of national independence. The Kremlin has publicly recognized the 'contradictions' between the desires of the workers for better standards of living and the utilization by the State of colossal sums for military and capital developments. The current Soviet Five-Year Plan has had to be abandoned. There is in process a decentralization of industry which will inevitably bring with it a decentralization of power and of opinion.

"With the passage of time, despotic government historically has suffered internal decay before it is apparent on the surface. Beneath a hard governmental exterior, love of freedom among all peoples still persists. It is a force that has never been indefinitely suppressed. The industrial plans of the Soviet rulers require an ever-increasing number of finely trained minds. Such minds cannot be indefinitely subjected to thought-control, and to conformity, by the Communist or any other party . . .

"There lies before the free nations a clear possibility of peaceful triumph. There is a noble strategy of victory—not victory over any peoples, but victory for all peoples. This is no reason for complacency; it is a reason why we should confidently and hopefully do what is required to carry out that strategy. I have known the comradeship of men in arms from many nations joined in the defence of freedom. The sense of sharing moments of crisis and decision is a moving and lasting one. Too often those moments come only in time of war. It would indeed be a tragedy if we could not, in waging peace, share the joy of common decision, common effort and common sacrifice. There is no task so difficult, yet so imperative and so honourable. It is in that spirit that we have come here so that out of the reconciling and joining of our wills we shall renew our strength and press on to that peace, in freedom, which is our rightful heritage."

Statement by Mr. Macmillan.

The British Prime Minister emphasized that the object of the NATO alliance was "to prevent and avoid war, not to wage war." He added: "One must go further. It is to seek in the future a return to the objective of something like peaceful co-existence; and in the far future—for we must look to the far future for the sake of our children and grand-children—real peace. But it must be a peace based on justice."

Continuing, Mr. Macmillan said that the dangers confronting the NATO alliance were fourfold: (1) the military threat—"a serious one"; (2) the "economic pressure which is exerted against us in NATO and against other countries"; (3) political subversion; and (4) "what I would call—not the breaking of the spirit of our peoples, I do not fear that will happen—but a kind of wearying of the spirit because the struggle goes on so long, year after year, and the peoples do not see the end of it."

After stressing the importance of the principle of inter-dependence, Mr. Macmillan continued: "It is clear that we are moving into a period when, at any rate in certain large areas of the world, purely separate concepts of defence are no longer viable. In many fields of activity as in the operation of early warning systems, for instance this has already been practically recognized." As an example of this co-operation, Mr. Macmillan instanced the Canadian-U.S. air defence scheme, involving a joint command and joint agreement on the common efforts of both countries.

Mr. Macmillan went on: "Perhaps the greatest menace, or one of the greatest, that we have to face in the military field is the enormous fleet of Russian submarines [see 15980 A]. We believe the British contribution to the naval forces of NATO would perhaps be most effective if it were concentrated more on anti-submarine warfare and less on other things such as the offensive strike role, which our American friends are more able to perform."

After referring to the "immense importance" of Mr. Dulles's statement on the pooling of resources, research, development and production in the NATO countries [see below] Mr. Macmillan spoke, in conclusion, of the "psychological aspect" of the international situation. He said in this connexion: "In the psychological warfare —for it is that between us and the Russians, I would make no concession to our safety, yet I would go to any length in discussion, debate, or argument that would prove our sincerity. So when we have to consider our answer to the prolonged and widespread correspondence which we have received from Mr. Bulganin [see 15974 A] I think we must not be unwilling to enter into discussions, debates, and re-statements of our position, to fortify any of those who may be weakened and to prove to them and to ourselves that we have done all that honourable men could do to seek for peace.

"If we were to succeed in improving the situation, we should indeed have achieved something. If we fail, we will have given greater strength to the measures that we have jointly to take. Therefore our aim is not to fight war, but to hold the position. In Sir Winston Churchill's words, 'We arm to parley.' We shall not parley successfully unless we arm effectively. We must therefore reaffirm our strength and not be afraid of the implications of modern weapons. We live under their protection. We reaffirm that an attack on one is an attack on all . . ."

Statement by M. Gaillard.

The French Prime Minister said that the Atlantic Pact, "circumscribed geographically, immobile militarily, and restricted diplomatically," was in danger of becoming out of date "as a system of fixed fortifications in a war of movement." It was therefore necessary to envisage "a certain renovation of the Pact in order that it may respond in a more satisfactory manner to the new political and military problems which will arise for us."

After saying that "Fortress Europe has been outflanked at the very moment when, for the first time, the United States itself is directly threatened," M. Gaillard declared: "Our first duty is to reaffirm with greater emphasis than ever our confidence in this alliance, and our unanimous determination to employ it in the event of an aggression against any one of us. This affirmation, however, would be in vain if no concrete measures were taken to reinforce the Pact, to give it fresh life and to make it respond to the problems of today rather than those which existed eight years ago . . ."

M. Gaillard went on to urge (1) closer co-operation between member-countries in the field of science and armaments, "which should give NATO the political cohesion without which its other efforts would be condemned to sterility"; and (2) better co-operation in the economic field, with special consideration to "the role which the great resources of its members can play in non-NATO regions." He declared in this connexion: "The purchases made by the Soviet Union in Asia and Africa play only a small role in the economy of those regions, while ours play a capital part. Yet the Soviet Union's political influence in those regions is out of all proportion to her economic power."

M. Gaillard continued: "Without changing any of the clauses of the treaty, our policies should be progressively harmonized, at least in areas where experience has shown that the absence of a common attitude gravely imperils the vital interests of some of the NATO members and threatens the solidarity that should reign between us . . . In the Near East we must regain positions which are on the point of being lost. A great victory can be won in Africa if the unity of our policies promotes the constructive idea of a union between Europe and Africa. Far from taking no interest in this question, the Atlantic Pact ought on the contrary to serve as the framework for our common action. That is why the French Government proposes that if, in any part of the world not covered by the pact, the interests of member-countries diverge or are opposed, a procedure of preliminary consultation should be instituted . . ."

Statement by Dr. Adenauer.

The German Federal Chancellor commented that "nothing said or done in the Eastern bloc in the past few months justifies any hope on our part that the threat has disappeared." He therefore welcomed "the principle of inter-dependence expressed in the Anglo-American declaration of Oct. 25" [see 15823 A]. Dr. Adenauer expressed the opinion that the North Atlantic Council, possibly assisted by experts, could make "constructive proposals on our economic relations with the satellite area as a means to overcome the partition of Europe, or to tighten the economic ties between the free world and the nations of the Middle East." He added: "I would also mention the problem of the reunification of Germany; it represents, after all, the primary element of tension in our world, in the solution of which we intend to co-operate according to the agreements concluded between us . . ."

As regards the correspondence initiated by the Soviet Prime Minister, Dr. Adenauer said that he would not object to diplomatic contacts with the U.S.S.R. to find out what Marshal Bulganin's "vague" letters to the NATO leaders really meant. He (Dr. Adenauer) recognized the "moderate tone" of Marshal Bulganin's correspondence, but the Eastern bloc still adhered to the ultimate aim of "Communist world revolution." Moreover, it was difficult to believe in the relaxation of tension in view of Russia's actions in the Middle East.

"As long as our efforts to create a viable order of peace fail to make any practical progress," Dr. Adenauer declared, "and as long as the threat from the East persists, the alliance must organize its military strength in such a manner that it can meet any aggression at any time. For this purpose the alliance as a whole must be equipped with advanced weapons equalling those of our potential enemy."

Statement by Signor Zoli.

After emphasizing that his Government strongly desired general and controlled disarmament, the Italian Prime Minister declared that the "present intransigence" of the U.S.S.R. made it essential for the NATO States "to re-establish the balance of military forces in their own favour." To this end he urged (1) that "modern arms" be placed at the disposal of members of the alliance, (2) greater integration between the armed forces of NATO countries; and (3) close collaboration in the fields of scientific research and the production of modern weapons. Signor Zoli also stressed the need to give NATO political consultations a "preventive and permanent character" so as to co-ordinate political and economic co-operation between member-countries. Like M. Gaillard, he dwelt on the importance of relations with non-NATO regions and, in particular, with Latin America.

Statement by M. Van Acker.

The Belgian Prime Minister said that one of NATO's primary objectives should be "to regain from totalitarianism, in patience and in peace, that which it has seized in Europe by force." To this end it was essential to formulate a common Western policy *vis-à-vis* the countries of the Eastern bloc, to conduct this policy "firmly and resolutely," and to promote "all concrete initiatives, contacts and exchanges of every sort with the peoples of Eastern Europe." These peoples, like the peoples of Asia and Africa, should see NATO "not only as an organization of armies and armaments but as a truly great world force for peace and liberation."

Statement by Dr. Drees.

The Prime Minister of the Netherlands said that the most dangerous aspect of the Soviet threat was the indirect methods of subversion carried out in a number of countries, with a view to weakening the Western nations and poisoning their relations with the nations of Asia and Africa. In this connexion he drew attention to the methods employed by Indonesia against Dutch nationals and economic enterprises [see 15931 A], and to the support which the Russian and Chinese Communists had expressed for Indonesia's actions. Dr. Drees called for a common Western policy in face of such developments, and also for a common policy in the Near East which would assure security both to Israel and the Arab States.

Statement by Hr. Gerhardsen.

The Norwegian Prime Minister recalled that "ever since the foundation of NATO it has been the policy of the Norwegian Government not to admit foreign forces on our territory except in case of attack or when threatened by attack." He continued: "We see no reason to change this policy. We have, moreover, no plans to let atomic stockpiles be established on Norwegian territory, or to construct launching sites for intermediate-range ballistic missiles . . . On the question of establishing such sites, it is our view that the right course would be to postpone the decision . . . The time which will in any case elapse before existing plans can be implemented could be used to examine the possibilities of renewed negotiations with the Soviet Union on disarmament."

Hr. Gerhardsen urged that special attention be paid to the proposal for an "atom-free" zone in Central Europe, and spoke in favour of "the idea of an area in Europe where there would be a thinning-out of military forces so as to reduce tension in our part of the world." He urged also that the disarmament negotiations should be continued in the United Nations and, if necessary, through direct diplomatic contacts between the U.S.S.R. and the United States.

Statement by Hr. Hansen.

The Prime Minister of Denmark fully associated his Government with Hr. Gerhardsen's statement. He recalled that Denmark, like Norway, had made it clear that she would not admit foreign troops on her territory unless she were attacked or threatened with attack, and that she would not allow atomic stockpiles or missile bases on Danish territory. He urged that "serious consideration" be given to the Norwegian proposal that a final decision on intermediate-range missile sites should be deferred "so as to leave us time to probe the possibilities of disarmament."

Hr. Hansen declared: "It is of decisive importance that NATO should build up its military position in such a way as to make it clear to everybody that NATO's military forces serve two purposes only—to deter aggression and, if necessary, to defend our countries and our liberty; and to retain the possibility of negotiations having as their ultimate aim the relaxation of tension, disarmament, and understanding between East and West . . ."

Statement by M. Menderes.

The Turkish Prime Minister spoke as follows: "For the past two years we have seen the Soviet Union concentrating its actions on the Middle East, after lengthy preparations. As a result of these actions, Soviet Russia took over Syria and established close co-operation with Egypt. These actions in the Middle East are only a beginning. The real objective is undoubtedly Europe, for it is Western Europe which constitutes the only real resistance front against the Russian designs for domination. The conquest of the Middle East by Russia—even without armed intervention—after establishing herself in Syria would be extremely easy. With the fall of the Middle East, North Africa would be in danger and the Mediterranean would become a Russian field of action. Thus the Soviet Union would have come close to its goal of encircling Europe.

Referring to the situation in Syria, M. Menderes said: "If today a Communist regime has not been fully established in Syria, and if that country has not been turned into a 'classical' or typical satellite, it is only because of a definite tactical purpose. The communization and satellization of Syria would result in the stiffening of resistance in other countries earmarked for conquest and, consequently, would delay the realization of the desired aim. What Russia really desires is to take over the Middle East with the least trouble and without any intervention . . ."

After stressing that "acceptance of the Syrian *fait accompli*" would lead to the encirclement of Turkey and endanger Iraq, Jordan, the Lebanon, Saudi Arabia, and even Persia, M. Menderes urged the necessity for "some kind of relationship between NATO and the Baghdad Pact." He went on: "It would be a mistake to believe that the Moslem countries possess a strong capacity for resistance to Communist influence, and it would be wrong to rely on this . . . It is necessary to recognize that we are faced with full-scale aggression. We should not accept the situation in Syria as a *fait accompli*, and we must seek measures to deal with it . . ."

M. Menderes said that it was necessary that both intermediate-range missiles and atomic weapons should be based "in as great numbers as possible in all NATO countries which can use them in an effective and satisfactory manner."

Statement by Mr. Diefenbaker.

The Canadian Prime Minister's speech was not made textually available to the Press, although a late briefing by the Canadian delegation set forth its leading ideas. This stated that Mr. Diefenbaker had said that the Soviet proposals for a summit meeting "must be measured in the light of the earlier refusal by the U.S.S.R. to participate further in the U.N. Disarmament Commission," though the West "must continue to demonstrate a willingness to negotiate with the Soviet Union." Mr. Diefenbaker had also urged the creation of a NATO "Food Bank" whereby member-countries could make their food surpluses available to under-developed areas. In addition, he had called for increased scientific co-operation between NATO countries, and had expressed the belief that much could be done to "further understanding between Russia and the West in the spheres of human, scientific and cultural relations."

Statement by M. Karamanlis.

The Greek Prime Minister regretted that the Cyprus question had not been solved "in accordance with the principles of the alliance," but at the same time emphasized that "the bitterness felt by Greece on this matter has not shaken her attachment to the Atlantic Pact."

Statement by Hr. Jonasson.

The Icelandic Prime Minister said that his country, though possessing no military forces of her own, attached "very great importance" to the military strength of NATO. His Government believed that the supply of modern weapons to the national armies would be in the interests of all member-countries, including Iceland.

Statement by M. Spaak.

The Secretary-General of NATO spoke as follows: "If I may summarize what I consider should be our frame of mind, I should put it in a few words: 'Neither provocation nor fear.' It is high time for the Western world to recover its composure and to reassert with quiet conviction its strength and the justice of its cause. I should like us, without threatening anyone, and while making an honest attempt to understand all points of view, to accept whatever is reasonable among the proposals of those with whom, through force of circumstances, we are obliged to hold discussions. I should like us to present the picture of an Assembly which is sure of itself, whose intentions are upright, which has no reason to offer excuses, but which is determined to protect and safeguard not only territories and peoples, but also a way of life, as well as ethical and political principles. Let us repeat that this alliance was imposed on us by events, although when I say 'events' I think 'the evil political policy of a great country' would be a more accurate expression . . ."

Repudiating any idea of a "crisis" in NATO, M. Spaak declared: "Our adversaries proclaim far and wide that we are not always in complete agreement on all problems. Why should we deny this? To do so would be evidence that our alliance is not that of 15 free countries enjoying equal rights. The day when there are no longer any discussions between us will be the day when, having accepted one Government as leader, the other Governments will be no more than obedient, subdued satellites. Should that day ever arrive, one of the most important reasons for the existence of our alliance will have ceased to be.

"Of what importance, however, are these divergencies when weighed against our agreement on basic issues? It might be possible to discover three or four important problems to which our reactions are not unanimous. I shall go even further and admit that there are

three or four problems which are the subject of serious discussions among us. But I also assert that in no instance is it impossible to reach temporary agreement and, in the not very distant future, identical views of a positive character.

"How different from the way things are done on the Communist side! The Soviet armoured cars patrolling the streets of Budapest have enabled us to realize the cost, in that part of the world, of not toeing the political line of the U.S.S.R. Is that the kind of unity that some would welcome?

"One of the tasks of this conference will be to review the world political situation. We shall be forced to the conclusion, I am sure, that the most important event of the last few months was the rejection by the U.S.S.R. of the disarmament proposals of the West. Their value and significance was confirmed in the United Nations by a majority vote of more than 50 countries . . .

"Rebuffed, disappointed in our attempts at disarmament, can we afford to remain unperturbed and inactive, knowing that the Soviets are producing the whole range of guided missiles which can, of course, be fitted with atomic warheads? Can we give our agreement to the policy clearly suggested in the recent letters of Mr. Bulganin—a policy which, in effect is based on a claim by the U.S.S.R. to a monopoly in Europe of nuclear weapons, and which would have us accept the idea that our armies would be definitely inferior to those of a potential enemy and, therefore, destined to defeat in the event of a war? Such a policy can only spring from fear, and lead from fear to discouragement and from discouragement to neutralism.

"If Europe reacted in the manner counselled and hoped for by Mr. Bulganin, the Communist doctrine of the inevitable decadence of the West would be borne out by the facts, and thus would be closed a chapter of world history of which we are justifiably proud."

After stressing that the forces of the West "must be equipped as well as it is possible to equip them," M. Spaak concluded: "We must never give way to discouragement and never despair. It can surely not be impossible, stretching to the full our desire for understanding and conciliation, to prove by a concrete offer that whenever an opportunity arises for relaxing international tensions, we shall eagerly seize upon it."

Meetings of Foreign Ministers.

The Foreign Ministers of the 15 NATO countries met in closed session during the conference to discuss a number of important questions, including (1) disarmament; (2) German reunification; (3) the Middle East; (4) relations between NATO and other collective security organizations such as the Baghdad Pact, SEATO, and the Organization of American States; (5) policy with regard to Africa; (6) policy with regard to the under-developed countries; (7) the correspondence initiated by Marshal Bulganin; and (8) improvements in the procedure for joint consultation between the NATO countries.

As regards (4), it was understood that the Foreign Ministers had discussed (*a*) suggestions for closer association between NATO and the Organization of American States which had been made by President Prado of Peru in a message to the North Atlantic Council; (*b*) suggestions for closer association with SEATO, put forward by the Philippines; and (*c*) proposals for closer association with the Baghdad Pact as put forward by the Turkish Prime Minister in his speech to the North Atlantic Council [see above].

With regard to (5), it was stated in *Le Monde* that M. Pineau had "presented the French view with regard to the Maghreb and Black Africa" and had asked for recognition of "the pre-eminence of French interests in North Africa."

The Foreign Ministers appointed a committee consisting of the Foreign Ministers of Great Britain (Mr. Selwyn Lloyd), France (M. Pineau), Belgium (M. Larock), and Canada (Dr. Smith), together with M. Spaak, to draft the final communiqué of the conference.

The NATO Communiqué.

A communiqué, the text of which is given below under cross-headings, was issued on Dec. 19 at the end of the conference. It consisted of a Declaration of Principles and statements on the international situation, the working of the alliance, disarmament, NATO defence, scientific and technical co-operation, and economic co-operation.

Declaration of Principles.

"We, the representatives of 15 nations of the North Atlantic alliance, believing in the sanctity of those human rights which are guaranteed to all men of free nations by their constitutions, laws and customs, re-dedicate ourselves and our nations to the principles and purposes of the North Atlantic Treaty.

"This treaty has been in effect for nearly nine years. It was founded to protect the right of our peoples to live in peace and freedom under governments of their own choice. It has succeeded in protecting this right. Building on our experience, and confident in the success already obtained, we have agreed together upon means to give added strength to our alliance.

"At the end of the Second World War, the armies of the West were largely disbanded. The Soviet Union did not demobilize. Its expansionist policy impelled us to establish our treaty and to build up our armed forces.

"We are an organization of free countries. We have learned to live and work together in the firm conviction that our fundamental unity and our combined strength are indispensable to our own security and to the peace of the world.

"The meaning of our alliance is clear. We have given a solemn guarantee, each to the other, to regard an attack upon one as an attack upon all, to be resisted with all the forces at our command. Faithful to the Charter of the United Nations, we reaffirm that our alliance will never be used for aggressive purposes. We are always ready to settle international problems by negotiation, taking into account the legitimate interests of all. We seek an end to world tension, and intend to promote peace, economic prosperity and social progress throughout the world.

"We continue to stand firmly for comprehensive and controlled disarmament, which we believe can be reached by stages. In spite of disappointments, we remain ready to discuss any reasonable proposal to reach this goal and to lay a solid foundation for a durable peace. This is the only way to dispel the anxieties arising from the armaments race.

"The free world faces the mounting challenge of international Communism backed by Soviet power. Only last month in Moscow the Communist rulers again gave clear warning of their determination to press on to domination over the whole world, if possible by subversion, if necessary by violence [see page 15901]. Within the North Atlantic Treaty there is no place for the concept of world domination. Firmly believing in peaceful change through democratic means, cherishing the character of our peoples, and vigilant to safeguard their freedom, we will never yield to such a threat.

"For the entire world it is both a tragedy and a great danger that the peoples under international Communist rule their national independence, human liberties, and standard of living, as well as their scientific and technological achievements have been sacrificed to the purposes of world domination and military power. The suppression of their liberty will not last forever. Already in these countries there is evidence of the growing desire for intellectual and economic freedom. If the free nations are steadfast, the totalitarian menace that now confronts them will eventually recede.

"Established to defend the peace, our alliance will also enable us to reach our objectives of economic and social progress. For this purpose we have agreed to co-operate closely to enable us to carry the necessary burden of defence without sacrificing the individual liberties or the welfare of our peoples. We shall reach this goal only by recognizing our inter-dependence and by combining our efforts and skills in order to make better use of our resources. Such efforts will be applied particularly to the peaceful use of atomic energy and to the development and better organization of scientific co-operation.

"To the many nations which have gained their independence since the end of the Second World War and to all other peoples who, like ourselves, are dedicated to freedom in peace, we offer our co-operation on a basis of complete equality and in a spirit of fraternity.

"Conscious of our intellectual and material resources, convinced of the value of our principles and of our way of life, without provocation but equally without fear, we have taken decisions to promote greater unity, greater strength, and greater security, not only for our own nations but also, we believe, for the world at large."

The International Situation.—German Reunification, the Middle East, Africa, and Indonesia.

"(1) The aim of the Soviet bloc is to weaken and disrupt the free world. Its instruments are military, political, and economic, and its activities are world-wide. To meet this challenge the free world must organize its resources—moral, military, political, and economic—and be ready to deploy them wherever the situation demands. Our alliance cannot therefore be concerned only with the North Atlantic area or only with military defence. It must also organize its political and economic strength on the principle of inter-dependence, and must take account of developments outside its own area.

(2) We have therefore reviewed the international situation and, in particular, the dangers to world peace arising from Soviet actions and threats. In spite of the dangers of the situation, which are obvious to all, the Soviet Union has made no real contribution to the solution of major problems causing international tension.

"We have especially in mind the problems of the reunification of Germany in freedom, and the continuing anomaly of the isolation of Berlin, the capital of Germany. We renew and reaffirm our declaration of Oct. 23, 1954, which had in view the establishment on a firm basis of the security and freedom of Berlin. The perpetuation of injustice to the German people undermines international confidence and endangers peace.

"At the Geneva Conference of Heads of Government in July, 1955, the Soviet leaders took a solemn commitment that 'the reunification of Germany by means of free elections shall be carried out in conformity with the national interests of the German people and the interests of European security.' We call upon the Soviet Government to honour this pledge.

(3) We have reviewed the situation in the Middle East. In line with the peaceful aims of our alliance, we confirm the support of our Governments for the independence and sovereignty of the States in this region, and our interest in the economic well-being of their peoples. We believe that the stability of this important area is vital to world peace.

(4) We express our interest in the maintenance of peace and the development of conditions of stability and economic and political well-being in the vitally important Continent of Africa. We hope

that the countries and peoples of that Continent who are disposed to do so will co-operate within the free world in efforts to promote these purposes. We affirm the readiness of our countries to co-operate with the countries and peoples of Africa to further these ends. Historic, economic, and other friendly ties between certain European countries and Africa would make such co-operation particularly desirable and effective.

(5) In the course of our review of the international situation we have given consideration to recent serious events in Indonesia. We view them with concern.

The Working of the Alliance. - Strengthening of Political Consultation between Member-Countries.

(6) The strength of our alliance, freely concluded between independent nations, lies in our fundamental unity in the face of the danger which threatens us. Thanks to this fundamental unity, we can overcome our difficulties and bring into harmony our individual points of view. In contrast, as events in Hungary have shown, the Soviet bloc is held together only by political and military coercion.

(7) Although progress has been made, further improvement is needed in our political consultation. We are resolved to bring this about. Our Permanent Representatives will be kept fully informed of all Government policies which materially affect the alliance and its members. In this way we shall be able to draw fully on each other's political experience and to ensure a broad co-ordination of our policies in the interest, not only of the alliance, but of the free world as a whole.

"In addition, to strengthen the cohesion of the alliance, the Permanent Council and the Secretary-General should ensure effective consultation, including, where necessary, procedures of conciliation at an early stage.

Reaffirmation of Western Disarmament Proposals. - Criticism of Soviet Boycott of U.N. Disarmament Commission. - Offer of Foreign Ministers' Meeting to resolve Arms Deadlock.

(8) We recall that in the course of this year the Western countries taking part in the London disarmament talks put forward to the Soviet Union, with the unanimous agreement of NATO, a series of concrete proposals providing, subject to effective controls:

For reduction of all armaments and military forces;

For cessation of the production of fissionable material for weapons purposes;

For reduction of existing stocks of nuclear weapons;

For suspension of nuclear weapons tests;

For measures to guard against the risk of surprise attack.

(9) We note with regret that these various proposals, which would halt the armaments race and add to world security if they were accepted, were rejected *en bloc* by the Soviet Union, although they had been approved by 56 members of the United Nations.

(10) We regret that the Soviet Union has brought about a deadlock in the disarmament negotiations by declaring their intention to boycott the U.N. Disarmament Commission which has been extended, by a strong majority of the General Assembly, to include 25 nations.

(11) We denounce the Soviet tactics of alternating between peace propaganda statements and attempted intimidation by the threat of nuclear attack.

(12) We deplore, also, that the leaders of the Soviet Union do not allow the Soviet population to be impartially informed and enlightened by the services of the United Nations, at the same time as the populations of other member-countries, as to the danger of destruction to which all peoples would be exposed in the event of general war. A resolution to this effect was adopted in November, 1957, by the U.N. General Assembly by 71 nations against nine nations of the Soviet bloc.

(13) We emphasize that, in order to be effective, any disarmament agreement implies adequate international control, that the acceptance of such control is the test of a true desire for peace, and that the Soviet Union refuses to put this principle into practice.

(14) We have decided to establish a technical group to advise on problems of arms control arising out of new technical developments.

(15) In spite of the successive setbacks given by the Soviet Union to the cause of controlled disarmament and of peace, the NATO Council will neglect no possibility of restricting armaments within the limits imposed by security and will take all necessary action to this end.

(16) We state our willingness to promote, preferably within the framework of the United Nations, any negotiations with the Soviet Union likely to lead to the implementation of the proposals recalled above. We are also prepared to examine any proposal, from whatever source, for general or partial disarmament, and any proposal enabling agreement to be reached on the controlled reduction of armaments of all types.

(17) Should the Soviet Government refuse to participate in the work of the new Disarmament Commission, we would welcome a meeting at Foreign Ministers' level to resolve the deadlock.

NATO Defence Measures. - Establishment of Stocks of Nuclear Warheads. - Intermediate-Range Ballistic Missiles for Collective Defence of European NATO Countries.

(18) The Soviet leaders, while preventing a general disarmament agreement, have made it clear that the most modern and destructive weapons, including missiles of all kinds, are being introduced in the Soviet armed forces. In the Soviet view, all European nations except the Soviet Union should, without waiting for general disarmament, renounce nuclear weapons and missiles and rely on arms of the pre-atomic age.

(19) As long as the Soviet Union persists in this attitude, we have no alternative but to remain vigilant and to look to our defences. We are therefore resolved to achieve the most effective pattern of NATO military defensive strength, taking into account the most recent developments in weapons and techniques.

(20) To this end NATO has decided to establish stocks of nuclear warheads, which will be readily available for the defence of the alliance in case of need. In view of the present Soviet policies in the field of new weapons, the Council has also decided that intermediate-range ballistic missiles will have to be put at the disposal of the Supreme Allied Commander, Europe.

(21) The deployment of these stocks and missiles and arrangements for their use will be decided in conformity with NATO defence plans and in agreement with the States directly concerned. The NATO military authorities have been requested to submit to the Council at an early date their recommendations on the introduction of these weapons in the common defence. The Council in permanent session will consider the various questions involved.

(22) Recognizing the rapidly growing inter-dependence of the nations of the free world, we have decided to bring about closer co-ordination with a view to ensuring that each NATO member-country makes its most effective contribution to the requirements established by the alliance. Better use of the resources of the alliance and greater efficiency for its forces will be obtained through as high a degree of standardization and integration as possible in all fields, particularly in certain aspects of air and naval defence, of logistic support, and of the composition and equipment of forces. We have agreed that a military conference should be held at ministerial level in the early months of 1958 to discuss progress made in these fields in the light, in particular, of the results of the 1957 Annual Review.

(23) As regards defence production, we have decided . . . to take further measures within NATO to promote the co-ordination of research, development, and manufacture of modern weapons, including intermediate-range ballistic missiles.

(24) The best means of achieving co-ordinated production of advanced weapons needed by our forces will be studied as a matter of urgency. Those NATO countries whose programmes have already reached a very advanced stage have offered to share with their allies significant production techniques and the results of their research work in order to stimulate a truly productive effort in the defence production field.

Scientific and Technical Co-operation. - Establishment of Science Committee. - Appointment of NATO Science Adviser.

(25) We recognize that in most of our countries more should be done to increase the supply of trained men in many branches of science and technology. The full development of our science and technology is essential to the culture, the economy, and the political and military strength of the Atlantic community.

(26) We realize that progress will depend on vigorous action within individual States and, in particular, on the devoted contribution of teachers and scientists. We must increase the provision for the training of young people in scientific and technical subjects, and must also ensure that the free pursuit of fundamental research continues to flourish. Each of our Governments will therefore reappraise the support being given to scientific and technical education and to fundamental research.

(27) We seek to increase the effectiveness of national efforts through the pooling of scientific facilities and information and the sharing of tasks. We must build on the established tradition of the universality of true science. Our Governments will support the international organizations doing work in this field.

(28) We have decided to establish forthwith a Science Committee on which all the NATO countries will be represented by men highly qualified to speak authoritatively on scientific policy. In addition, a scientist of outstanding qualifications will be appointed as Science Adviser to the Secretary-General of NATO.

(29) The Science Committee will be responsible in particular for making specific recommendations to the Council for action on a proposal by the French Government for a Western foundation for scientific research [see below], and on the many other valuable proposals which have been put forward by the NATO task force on scientific and technical co-operation and by the NATO parliamentarians' conference.

Economic Co-operation. - Support for European Economic Integration. - Economic Aid for Under-developed Countries.

(30) We are united in our common purpose to promote the economic and social development of our peoples and to assist the peoples of other countries to achieve the same objective. We consider that the purpose of government in a free society is to enlarge the opportunity of the individual rather than to subordinate him to the State.

(31) We will co-operate among ourselves and with other free Governments to further the achievement of economic stability, a steady rate of economic growth, and the expansion of international trade through the further reduction of exchange and trade barriers.

(32) We reaffirm the desirability of a closer economic association between the countries of Western Europe, which we deem to be in the interest of all countries, and we will accordingly lend encourage-

ment to the successful development of the European Economic Community and of a European Free Trade Area in which full account would be taken of the interests of the less developed member-countries. We attach particular importance to these initiatives being worked out in such a way as to strengthen not only the participating countries but also the relations within the Atlantic community and the free world as a whole We recognize the inter-dependence of the economies of the members of NATO and of the other countries of the free world.

(33) We affirm the interest of our Governments in an enlargement of the resources, both public and private, available for the purpose of accelerating the economic advancement of the less developed areas of the free world.

(34) We have decided that the North Atlantic Council, without duplicating the work of other agencies, shall from time to time, and in the spirit of Article 2 of the Treaty, review economic trends and assess economic progress, and make suggestions for improvements either through existing organizations or by the efforts of individual countries, or in special cases by new initiatives.

(35) Under present circumstances, our defensive alliance takes on a new significance. Only an intensified collective effort can safeguard our peoples and their liberties. We have, together, ample capacity in freedom to defend freedom.

(36) We have taken a series of decisions which will promote greater strength and greater security not only for our own nations but also for the world at large."

In a statement before returning to Washington, President Eisenhower expressed his conviction that the conference had made "the chances of peace a little closer and the chances of war more remote." Mr. Macmillan described the conference as a "marked success," while Mr. Dulles said that the full significance of the decisions taken "may not be apparent for some months or years to come." M. Gaillard, in a broadcast, expressed particular pleasure that both President Eisenhower and Mr. Macmillan had recognized the special interests of France in North Africa and especially in Algeria, which remained "a French internal matter."

NATO Missile Bases in Europe.

As stated in the communiqué, the North Atlantic Council decided that intermediate-range ballistic missiles (I.R.B.M.s) should be made available to all European member-countries desiring them, as part of the collective defence effort, pending a general agreement on disarmament. The question of U.S. assistance in the establishment of atomic stockpiles and in the deployment of I.R.B.M.s in Europe was referred to by Mr. Dulles in the following statement to the conference on Dec. 16 :

". . . The major deterrent to Soviet aggression against NATO is the maintenance of a retaliatory power of such capacity as to convince the Soviets that such aggression would result in their own destruction. This power rests in the U.S. Strategic Air Command and in other nuclear striking forces. In this respect we have superiority over the Soviet Union. As long-range missiles become available, they will play their part in maintaining the deterrent.

"The shield of NATO ground, sea and air forces is also an integral part of the deterrent. Therefore, NATO should continue its efforts to strengthen the shield, which should increasingly include a nuclear capability. U.S. forces in Europe—ground, sea and air—now have such a capability, and this capability is being extended to other NATO forces.

"The United States has already programmed approximately $750,000,000 for modern weapons—mostly short-range missiles and aircraft—for the forces of our NATO allies . . . Personnel of several NATO countries are increasingly being trained in the maintenance, operation and deployment of these weapons systems . . .

"The United States is prepared, if this Council so wishes, to participate in a NATO atomic stockpile. Within this stockpile system, nuclear warheads would be deployed under U.S. custody in accordance with NATO defensive planning and in agreement with the nations directly concerned. In the event of hostilities, nuclear warheads would be released to the appropriate NATO Supreme Allied Commander for employment by nuclear-capable NATO forces. We believe that this arrangement meets NATO military requirements and ensures that nuclear weapons can be employed promptly when needed.

"If this Council so desires, and in order to strengthen NATO's deterrent power, the U.S.A. is prepared to make available to other NATO countries intermediate-range ballistic missiles, for deployment in accordance with the plans of SACEUR [Supreme Allied Commander Europe]. Nuclear warheads for these IRBM's will become a part of the NATO atomic stockpile system. Such IRBM deployment would be subject to agreement between SACEUR and the countries directly concerned, and to agreement between each such country and the United States with respect to material, training, and other necessary arrangements."

Recent developments in various NATO countries in connexion with the provision of U.S. guided missiles and the setting-up of I.R.B.M. sites are summarized below :

Missile Bases in Britain. - Anglo-American Discussions. The U.S. Defence Secretary, Mr. Neil McElroy, visited London from Dec. 7-10, 1957, for talks with Mr. Macmillan, Mr. Selwyn Lloyd, and Mr. Duncan Sandys, the U.K. Minister of Defence. No statement was issued on these talks, other than a brief announcement by a Defence Ministry spokesman that negotiations were in progress for the stationing of I.R.B.M.'s in Britain. The Defence Correspondent of *The Times* stated (Dec. 7) that the discussions were "likely to be concerned with the principles governing the deployment of the missiles - who is to have the custody of the nuclear warheads, for instance, and how the cost is to be shared."

Reuter reports from Washington stated that tentative agreement had been reached on the stationing of four I.R.B.M. sites in the United Kingdom, of which three would be manned by the British forces and one by the U.S. Air Force. A British Defence Ministry spokesman, however, described these reports as premature and "purely conjectural" at the moment.

[The British Government's acceptance of U.S. guided missiles for the British forces had been announced to the House of Commons by Mr. Macmillan in April last, after his Bermuda meeting with President Eisenhower see page 15460.]

Belgian Acceptance of U.S. Missiles. The Belgian Defence Ministry announced on Dec. 10, 1957 that it had accepted a U.S. offer (in agreement with the NATO authorities) to equip a Belgian unit with *Nike* anti-aircraft missiles. It was added that Belgian pilots were being trained at American centres in the use of these weapons.

The Foreign Minister (M. Larock) informed a congress of the Belgian Socialist Party on Dec. 23 that there was "no question at the moment" of establishing atomic stockpiles or I.R.B.M. sites on Belgian territory.

Dutch Acceptance of I.R.B.M. Sites. In written replies by the Netherlands Foreign Minister (Mr. Luns) and the Defence Minister (Mr. Staf), it was stated on Jan. 13, 1958, that the Netherlands Government would agree to I.R.B.M. sites and atomic stockpiles on Dutch territory if the North Atlantic Council considered such measures to be in the interests of collective security. The statements were issued after repeated demands by M.P.s of all parties for a declaration of Government policy on this question.

Turkish Acceptance of Guided Missiles. In a statement to the Anatolian Agency, M. Menderes announced on Dec. 9, 1957 that Turkey had accepted *Nike* and *Honest John* missiles from the U.S.A. under NATO arrangements. He added that Turkish Army officers would receive the necessary training in the United States.

German-American Discussions. The Federal German Foreign Minister, Dr. von Brentano, had discussions with Mr. Dulles in Washington on Nov. 23-24, 1957. No statement was issued, but it was understood that the talks dealt, *inter alia*, with, the Federal Government's attitude to the deployment of American missile sites in the European member-countries of NATO. It was stated in Bonn, however, that the discussions were primarily on political questions affecting the NATO alliance, and only secondarily on the question of missile sites.

French Attitude. The Defence Minister (M. Chaban-Delmas) informed the Council of the Republic on Dec. 12 that "no engagement has been entered into nor any agreement signed" on the question of establishing I.R.B.M. sites in France. *Le Monde* stated on the following day that while France might accept such bases on her territory, she would "not renounce control over the equipment which might be supplied."

General Norstad's Statement on Missile Bases in Europe.

In a press statement at SHAPE on Dec. 23, the Supreme Allied Commander announced that he would be making "initial recommendations" to the North Atlantic Council "within a few weeks" about the first stages of the plan for establishing I.R.B.M. sites in Europe. General Norstad said that in view of the characteristics of these new weapons there was no need for them to be sited in any particular place, nor was it "necessary or desirable that they should be based in every one of the NATO countries." Moreover, the possibility of seaborne missile sites should be taken into consideration.

General Norstad said that SHAPE had been making a special study of the new plans for more than a year, the results having been submitted to the political authorities of NATO in October. This study had taken into account the rapid introduction of new weapons, including missiles of all types, in both the Soviet and the Western forces. "We have been assuming," he added, "that the production of the entire family of missiles is in the Russian arsenal. I am sure that if the Russians could translate our assumptions into reality they would settle for it and be damned happy." General Norstad added, however, that the introduction of the new weapons did not reduce or minimize the importance of the other retaliatory forces—e.g. strategic bomber forces—which were "necessary to strengthen the shield with which we propose to defend the peoples and territories of NATO."

In an earlier statement General Norstad had disclosed that SHAPE calculations were based on a planning figure in the first phase of six to 10 squadrons or battalions of I.R.B.M.'s (excluding bases in the United Kingdom), each unit being equipped with 15 missiles. A battalion would have about 500 men at a rough estimate.

French Proposals for NATO "Science Pool."

Prior to the Paris conference, the French Government had presented an *aide-mémoire* to the United States on Nov. 25 proposing the creation of a science foundation, functioning under the North Atlantic Council, to pool scientific and military technological knowledge among the member-countries. It was suggested (1) that details of such an organization should be worked out at the Paris meeting of Heads of Governments ; (2) that all NATO members should co-operate on specific projects of value to the defence of the Atlantic community, and should make their scientists and laboratories available for this purpose ; (3) that scientists with special skills should be called upon to work, if necessary, on particular projects in any laboratory in the NATO area ; (4) that the expenses of such an organization should be shared between the member-countries.

The French proposals were to a certain extent embodied in the agreement on scientific co-operation mentioned in the NATO communiqué. As stated in the communiqué, it was agreed that a Science Committee should be set up and that a Science Adviser should be appointed to assist the Secretary-General of the North Atlantic Treaty Organization.
(NATO Information Division - Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Le Monde, Paris - Montreal Star - La Nation Belge - Frankfurter Allgemeine Zeitung - Corriere della Sera - Netherlands News Agency - Turkish Embassy Press Office, London - Berlingske Tidende, Copenhagen - Arbeiderbladet, Oslo)
(Prev. rep. NATO, 15723 A ; 15285 A.)

A. INDIA. — Population and Area of Reorganized States and Union Territories.

A Census Paper published by the Indian Registrar-General at the beginning of December gave the population and area of the Indian States and Union Territories after the reorganization of States as follows, the figures being based on the results of the 1951 census except for Jammu and Kashmir, where no census was taken in that year :

States.

State or Territory	Area (sq. miles)	Population	Capital
Andhra Pradesh	105,963	31,260,133	Hyderabad
Assam	85,012	9,043,707	Shillong
Bihar	67,164	38,783,778	Patna
Bombay	190.919	48,265,221	Bombay
Jammu and Kashmir ..	92,780	4,410,000*	Srinagar
Kerala	15,035	13,549,118	Trivandrum
Madhya Pradesh ..	171,201	26,071,637	Bhopal
Madras	50,110	29,974,936	Madras
Mysore	74,326	19,401,193	Bangalore
Orissa	60,136	14,645,946	Bhuvaneshwar
Punjab	47,456	16,134,890	Chandigarh
Rajasthan	132,077	15,970,774	Jaipur
Uttar Pradesh	113,410	63,215,742	Lucknow
West Bengal	33,945	26,302,386	Calcutta

*Estimated.

Union Territories and Sikkim.

Andaman and Nicobar Islands .. .	3,215	30,971	Port Blair
Delhi	578	1,744,072	Delhi
Himachal Pradesh .	10,904	1,109,466	Simla
Laccadive, Minicoy and Amindivi Islands .	10	21,035	—
Manipur	8,628	577,635	Imphal
Tripura	4,032	639,029	Agartala
Sikkim	2,744	137,725	Gangtok

Bhuvaneshwar was designated as the capital of Orissa in 1950, although most of the offices of the Orissa State Government continue to be located at Cuttack, 28 miles from Bhuvaneshwar.—(Census of India, Paper No. 1, 1957 - Indian High Commissioner's Office, London) **(Prev. rep. 15172 A.)**

B. NEW ZEALAND. — General Elections. - Clutha Seat held by National Party.

The election to the Clutha seat in the House of Representatives, which had been delayed through the death of the Labour candidate, took place on Jan. 18 and resulted in a victory for the National Party, whose candidate (Mr. J. A. Roy) retained the seat by a majority of 1,723 over his Labour opponent. The figures were 6,844 votes for Mr. Roy, 4,621 for Mr. Fahey (Labour) and 292 for Mr. Aberdeen (Social Credit).

The Clutha result brought the strength of the National Party to 39, as against 41 for the Labour Party. As a Labour member (Mr. R. M. Macfarlane, M.P. for Christchurch Central) was subsequently elected Speaker of the new House, this left the Labour Party with a majority of only one vote.
(New Zealand Directorate of Information) **(15907 A.)**

C. VATICAN. — The Pope's Christmas Message. - Appeal for Disarmament and World Peace.

In his annual Christmas message to the world, broadcast on Dec. 22, 1957, by Vatican Radio, Pope Pius XII spoke of the responsibility of man for his scientific and technical inventions and made a plea for disarmament and world peace.

After referring to the "news of the new technical marvels" (an apparent reference to the Soviet *sputniks*) the Pope continued : "Once the first rush of exaltation is passed, men are tortured by a real anxiety when confronted by the unlooked-for mass of their increased knowledge, by this invasion into the greatest and the smallest elements of the universe. They are brought to ask themselves if they can preserve their own control over the world or whether they will not fall victims to their own progress.

"There exist deep discords in the new man who has been created by progress. But although these are full of danger, they are not such as to justify the excessive despair of the pessimists or the resignation of the indolent. The world can, and must, be brought back to its initial state of harmony, which was the plan of the Creator from the beginning . . . If man's very nature is in the image of God, his activity, also, ought to be conformable to Him, as philosophy teaches when it says *operari sequitur esse* [the work takes its nature from the worker]. It follows that man's work on earth is not doomed to discord but is intended to show forth the Eternal Harmony of God . . .

"God has handed over to men His own designs so that they may put them into operation in their own person and in complete freedom, assuming full moral responsibility for them . . . For the sake of the common good, the chief basis of action—not only of Christians, but of all men of goodwill—should be the order and divine harmony of the world. Their preservation and development should be the supreme law which ought to govern important meetings between men. If humanity today should fail to agree on the supremacy of this law—that is, on absolute respect for the universal order and harmony in the world—it would be difficult to foresee the proximate destiny of nations The need for this agreement has been felt in practice when, lately, some specialists in the modern sciences have expressed doubts and disquiet at the development of atomic energy . . .

"In our days, an apparently blind fascination for progress leads the nations to overlook evident dangers . . . Everyone is indeed aware how the development and application of any invention to a military purpose brings harm out of proportion, even in the political sphere, to the advantages which are derived from these inventions . . . Who can give an accurate calculation of the economic damage from progress which is not inspired by wisdom? Such quantities of material, such sums of money derived from saving and from restrictions and toil, such expenditure of human labour diverted from urgent needs, are consumed to prepare these new arms that even the wealthiest nations must foresee the time in which they will regret the dangerously weakened harmony of their national economy —or are in fact already regretting it, though they endeavour to conceal the fact.

"To a person pondering on the actual state of affairs—and always allowing for the right of self-defence—the present competition between nations in demonstrating their individual progress in war equipment assuredly offers new 'signs in the skies,' but even more, signs of pride—that pride which produces on earth wide differences between human souls, nourishes hatreds, and prepares the way for conflict . . .

"The Divine Law of harmony strictly imposes on all rulers of nations the obligation to prevent war by means of suitable international organizations, to reduce armaments under a system of effective inspection, to deter whoever should aim at disturbing the peace, with the most fully guaranteed mutual dependence between the nations which sincerely desire it . . . We have endeavoured more than once in times of crisis, with warnings and counsel, to strengthen that mutual dependence. We regard it as a special task imposed by God on our Pontificate to forge between nations the bonds of true brotherhood. We renew our appeal so that among the true friends of peace all possible rivalry may come to an end and every reason for lack of trust may be removed.

"Peace is a good so precious, so productive, so desirable and desired, that every effort in its defence, even reciprocal sacrifices of legitimate individual ambitions, is well spent. We are sure that the peoples of the world are whole-heartedly in agreement with us, and that they expect a like sentiment from their rulers . . ."

The Pope's message was broadcast by the new Vatican radio station (see 15846 B) to all parts of the world, including—for the first time—the Soviet Union and China. (The Universe - Le Monde, Paris - New York Times) **(Prev. rep. 15340 C.)**

D. UNITED STATES. — Civil Rights Commission.

It was announced in Washington on Dec. 23 that Dr. John A. Hannah had been appointed chairman of the Civil Rights Commission *vice* Mr. Justice Reed, who had resigned before the Commission's first meeting. [Dr. Hannah had previously been vice-chairman of the Commission]. It was also announced that President Eisenhower had nominated Mr. Doyle Elam Carlton, a lawyer, and a former Governor of Florida, to fill the vacant sixth seat on the Commission.

The six members of the Commission were sworn in at the White House on Jan. 8.—(New York Times) **(15909 A.)**

A. MALTA. — Legislative Assembly's Resolution to break Ties with Britain. - Subsequent Retraction by Mr. Mintoff. - Mr. Mintoff's Correspondence with Mr. Lennox-Boyd. - The Dockyard Dispute.

The Maltese Legislative Assembly approved unanimously on Dec. 30 a resolution submitted by the Prime Minister (Mr. Mintoff) declaring that Malta would no longer be bound by its obligations towards Great Britain until H.M. Government provided firm guarantees concerning the future employment of Maltese workers in British Government service. The text of the resolution (which was seconded by Dr. Borg Olivier, Leader of the Opposition) was as follows :

" The Prime Minister proposes that, since the British Government do not want to honour the obligations they undertook in their declaration of July, 1955, to avoid unemployment [see 14352 A], the representatives of the Maltese people in Parliament assembled declare that they are no longer bound by agreements and obligations towards the British Government, and by those so far assumed towards their allies, until a guarantee is given by the British Government that the number of their employees in Malta does not diminish before alternative employment is found for those discharged."

Some hours before the Legislature's approval of Mr. Mintoff's motion, Mr. Mintoff had received an urgent telegram from the British Colonial Secretary (Mr. Lennox-Boyd) in the following terms :

" I have seen the report of your motion in the Legislative Assembly with incredulity. This action, taken without consultation, cannot further the common cause of our two countries, which we have both been working so hard to promote. I sincerely hope that nothing will be said or done [in the Maltese Legislative Assembly] which would prejudice our hopes of attracting new industry to Malta, of creating confidence and stability in Malta's economy and political future, and of bringing to a successful conclusion our plans, now so far advanced, for closer association of Malta with the United Kingdom.

" Towards that end, I should be grateful if you would, in the course of the debate, read the following message from me :

" (1) Your motion talks about H.M. Government not wanting to carry out the declaration of July, 1955. You suggest that our endorsement of the objective of avoiding unemployment—which of course stands—imposes an obligation on H.M. Government to guarantee alternative employment to men discharged in any branch of U.K. Government service. This is not so. The declaration of July 1955 was endorsed by all parties to it, including the Maltese Opposition, and was a statement of objectives of economic policy in Malta.

" Its emphasis was on the diversification of Malta's economy and on the need for combined efforts by the U.K. and by the Maltese people themselves. There is nothing in the statement to support the view that H.M. Government guaranteed the employment of a set number of people by the Services or the provision of alternative employment for men discharged by them. Employment by the Services has never been static, and no Government could agree to regard as sacrosanct a level of employment in a particular year.

" (2) H.M. Government are nevertheless closely concerned with Malta's economic situation and recognize that widespread unemployment would bring serious hardship and suffering. But my message of Nov. 29 [see below], if accepted in good faith and loyally supported, should have made it clear that there was no possibility of widespread unemployment in the near future. Although H.M. Government have as yet reached no decisions about the future of overseas naval dockyards, my message contained a special assurance for Malta covering the next three years.

" Meanwhile, the prospects of alternative employment are already improving. The underground oil storage scheme will start in the next few weeks. There is also additional employment in prospect on other schemes financed by H.M. Government, including the harbour. There is good reason to hope that these opportunities, taken together, will provide jobs for as many people as are laid off by the Services.

" I am also hoping that, with the help of the Hives Committee [see below], and provided conditions are stable and there is confidence in reasonable labour relations, new industries may be attracted to Malta. As to the future of the dockyard itself, we have, as you know, been holding talks with the commercial interests about the possibility of commercial use of its facilities, and representatives of two companies, Messrs. Vickers and Smiths Docks Ltd., are due to arrive in Malta next week to pursue inquiries.

" (3) Moreover, H.M. Government recognized specifically, in the proposed economic arrangements for integration which we agreed last summer, that any drastic change in defence policy affecting Malta may alter the basis of these economic arrangements, and undertook in such circumstances to review the position. In particular, if in consequence of a drastic change in defence policy, the level of unemployment in Malta were to reach, and for six months remain at, a higher level than the rate of unemployment in the United Kingdom at the time, H.M. Government undertook to assist the Maltese Government in taking remedial measures to be agreed.

" (4) These are the practical steps which the British Government are taking and have promised to take towards the attainment of the objectives of the July 1955 declaration. Together, while they do not and cannot constitute a guarantee of a particular level of employment at the dockyard or elsewhere, they hold out a very reasonable prospect of a continued high level of employment in Malta over the next three years at least, and thereafter a diversification of the economy which, with continued emigration, should help to maintain Malta's economic life and make possible a continued advance in the living standards of her people.

" (5) It is my earnest hope that this debate [in the Legislative Assembly] will do nothing to deter new industry from coming to Malta, or otherwise to hinder progress towards the attainment of these objectives and the early conclusion of our negotiations for the closer association of our two countries."

[The oil storage scheme referred to by Mr. Lennox-Boyd is a NATO infrastructure project costing £6,000,000. The cost of the commercial harbour scheme, also referred to, will be about £3,000,000.]

In a speech preceding the Assembly's approval of his motion, **Mr. Mintoff** maintained that Mr. Lennox-Boyd's message shed no new light on the situation and contained " promises but no guarantees." Mr. Mintoff also asserted that Mr. Lennox-Boyd had " broken faith " with him by the premature disclosure of one of the provisions of the agreement concluded earlier in the year [i.e. the provision referred to in the second sentence of (3) above]. Mr. Mintoff added, however, that no action would be taken on the resolution before agreement had been reached with the Opposition, by which time the British Government might have come to a " more concrete decision " on the question of alternative employment for discharged dockyard workers.

Dr. Borg Olivier, speaking in support of the resolution, said that despite the declaration of July 1955 the British Government had continued its " masterly tactics " in " neglecting its duties towards smaller communities." Alleging that the British Government always interpreted agreements unilaterally in its own favour, he declared that the Maltese people would therefore be " stupid " to accept any more of such declarations.

In a speech to a rally of dockyard workers on Dec. 30, Mr. Mintoff had commented on the motion which he intended to submit to the Legislative Assembly later the same day.

Mr. Mintoff said that British private shipyards had full order-books for five years ahead and had in fact found it necessary to transfer surplus orders to Japanese yards. It was only right, therefore, that if a decision had to be taken on the closing of naval dockyards, the choice should fall on Chatham rather than on Malta. If the Malta dockyard were closed the total annual loss to the island would be £11,500,000, and he preferred " to face British armed might rather than such a prospect of hardship and hunger." Mr. Mintoff mentioned that discharges or notices of discharge from the dockyard had totalled about 100 during the previous week.

The Progressive Constitutional Party's attitude to the crisis was outlined by its leader, Miss Mabel Strickland, at a press conference on Jan. 1. [The P.C.P. is not represented in the Maltese Legislative Assembly].

Miss Strickland said that while Mr. Mintoff had taken up the case of those being discharged from the dockyard at the present moment, it was surely more important to think of the 40,000 persons who would be directly or indirectly affected if relations with Britain were severed and the dockyard closed altogether. Mr. Mintoff, she asserted, was " in grave danger of sabotaging the Constitution through inability to govern." Miss Strickland also called for the appointment of an Anglo-Maltese financial commission to investigate what she termed the Maltese Government's " spending spree " of £18,000,000 over the previous three years. Asked whether she considered that the British Government had gone back on the 1955 declaration, she said that, in her opinion, an undertaking to avoid unemployment did not mean a guarantee of full employment.

Following the Assembly's vote, Mr. Mintoff sent a telegram to Mr. Lennox-Boyd on Jan. 2 inviting him to visit Malta and proposing a " truce " in the dispute between the two Governments. Mr. Mintoff's message ran as follows :

" My colleagues and I had hoped that the resolution in the Legislative Assembly, absolving ourselves from obligations towards Britain if discharges are carried out without the adoption of remedial measures, showed the British Government how deeply Malta feels on this subject. We had imagined your Government would not persist in the precipitate action of throwing men out of employment before you yourselves had decided on the function of H.M. dockyard in Malta in the future.

" The Maltese Government and the Admiralty section of the General Workers' Union have given proof to local British Government officials of the availability of funds in the hands of dockyard authorities to keep the men who have been served with notice of discharge in employment for a considerable time to come. You, on the other hand, entertain high hopes of alternative employment being found, not only for these men, but also for others who might have to face a similar fate. You have also assured us . . . that your Government still favours our integration proposals.

" Therefore we cannot put any interpretation on the insistence of discharging these men other than the desire of forcing us and the people of Malta to accept the principle of no specific obligation on the part of Great Britain to look after the welfare of men who have served loyally during two World Wars. There is no doubt that a solution of our present difficulties could be found if the resources of your Government were brought to bear and a truce is called to give time to both Governments to work out plans and implement remedial measures.

"We ask you to submit this message to your Prime Minister in the hope that his intervention might convince the Admiralty to withhold action tomorrow. We renew to you our invitation to come here and discuss our mutual difficulties on the spot. You know that we were patiently awaiting answers to questions arising from your first message of Nov. 29 [see below]. These questions included:

(a) What would be the level of 'employment' in the dockyard during the next three years, as opposed to 'activity' mentioned in your message?

(b) How does the British Government propose to attract industries to Malta if no funds are provided for inducements to compete with other territories striving towards the same objective?

(c) Whether it is not now necessary for you to supplement our funds so as to speed up the schemes we have initiated to provide the public facilities in Malta basic to any industrialization scheme?

"Instead of providing the answers to these questions, your Government sprang upon us the notices of discharges . . ."

Following consultations with the Governor of Malta (Major-General Sir Robert Laycock, who visited London on Jan. 2-3) Mr. Lennox-Boyd replied to Mr. Mintoff on Jan. 3 but made no reference either to the invitation to visit Malta or to the request for Mr. Macmillan's intervention. Mr. Lennox-Boyd wrote:

"Before I answer your specific questions, I must correct your statement that the discharges at the dockyard, which began to-day [Jan. 3], were sprung upon you at short notice. That is just not true. As long ago as last July the First Lord told you himself, when he was on a visit to Malta, that discharges had shortly to take place. So that the discharges might be delayed as long as possible, we had talks with you in the summer to see whether it was possible to find special work for the men due for discharge, and between us we were able to find continued employment under the Admiralty for about 150 of them. But you were left in no doubt that this relief was temporary and that the men could not be held in Admiralty employment beyond the duration of these special works. Accordingly, on Dec. 2 your Government and the General Workers' Union were told by the Admiral Superintendent of the decision to lay off 140 men in January and February.

"Moreover, as you knew all along, there was a strong likelihood of considerable additional employment becoming available on the underground oil storage scheme about the same time as the discharges became effective. Indeed, if there had not been unnecessary delays interposed by your Government on the start of that scheme, the employment might have come along a good deal sooner. And in recent weeks, while you have been stirring up the public in Malta to believe that there is an imminent crisis which has been brought about by the British Government in breach of previous undertakings, we have been concentrating on practical measures to help deal with the transitional unemployment caused by the Admiralty discharges.

"I said in my last message that there was 'good reason to hope that these opportunities taken together will provide jobs for as many people as are laid off by the Services.' In this we have had great help from the contractors on the oil storage scheme, who have been able to advance their plans for starting the preliminary works. This has enabled them to take on all the 40 men being discharged by the Admiralty to-day. This is the sort of practical activity which really yields results. We shall continue to work along these lines although, of course, we cannot accept in Malta, any more than we do in the U.K., the obligation for which you have asked—to guarantee alternative employment before any employee, whatever his trade, length of service, or qualifications, can be discharged. No responsible employer in the world could possibly accept such an obligation. It is surely more important for the men concerned that both Governments should concentrate on providing a basis for alternative employment, and in this H.M. Government have played their full part.

"Since you took office [in February 1955] we have provided nearly £15,000,000 in direct assistance to Maltese budgets. This year's grant has been the highest in Malta's history. Yet over these years not a penny by way of increased taxation or loans has been raised by the Maltese Government towards expenditure on increasing wages, improving social services, and starting new capital schemes. The Economic Commission last year recommended the levy of a 5 per cent surcharge on existing taxes to help meet increases in the Government wage bill, in addition to various economies in expenditure. You rejected all these and other recommendations and have since concentrated all your energies in claiming more money from H.M. Government. You have been told that no more money can be provided this year, but you have done nothing to adjust your financial arrangements accordingly.

"Although it was not our original intention to publish now details of the negotiations on future arrangements between Malta and the United Kingdom, your recent action puts me under an obligation to inform the Maltese people about the exceptionally generous economic and financial arrangements which we had proposed, involving continued capital assistance from H.M. Government of £25,000,000 over a five-year period, quite apart from generous assistance for such things as health and education. This, as you and your colleagues have known for many months past, is the extent of H.M. Government's willingness to help to develop and diversify the Maltese economy so as to encourage new industries and provide alternative employment. These are the intentions which you have now so recklessly hazarded.

"I must now tell you that I consider it essential not only that the Maltese people should know the foregoing facts but should understand that H.M. Government are not prepared that the British taxpayer should go on carrying alone a burden which the 1955 declaration accepted must be shared by the Maltese Government and people.

"This answers the second and third questions in your message on lines with which you are already familiar. I would only add that the provision of financial inducements is not the only or indeed the main incentive to sound industrial development anywhere. Potential industrialists must have confidence in the stability of conditions, including relations with labour, in the countries in which they propose to make new investments. For the sake of Malta and its future, I earnestly hope that what has happened in the last 10 days has not made it more difficult to achieve our joint purpose of diversifying the Maltese economy by attracting new industry there.

"On your first question about the future of employment in the dockyard, I repeat what you have been told by us many times before, and particularly by my message to you of Nov. 29 [see below]. If that assurance had been accepted in good faith and loyally supported, it would have been clear that there is absolutely no question of closing the dockyard overnight, or a possibility of widespread unemployment. Put another way, the prospects of employment in the dockyard can be summed up thus. Some discharges will be necessary. For example, one or two Fleet shore establishments may have to be closed and the works programme is especially hard to predict. Moreover, you will be aware that it is H.M. Government's policy for the time being in all Government establishments that any increase in costs in present financial circumstances must be offset by corresponding economies.

"So far as can be foreseen at present, the number of civilian employees with the Admiralty in Malta in the next three years will not have fallen below a figure of the order of 12,000, as compared with the current figure of about 13,200. The bulk of this reduction is expected to be achieved by not replacing wastage due to retirements, resignations, and other normal causes . . ."

On the same date as Mr. Lennox-Boyd's message (Jan. 3) the Valletta dockyard workers came out on strike in protest against the first batch of discharges from the dockyard. They returned to work within a few hours, however, on learning that Wimpey's (the contractors for the oil storage project) would take on both the workers discharged on that date and the 100 others due to be discharged by the end of February. After the men had returned to work, the Maltese Government spokesman (Mr. Pellegrini) stated that since the required conditions had been met, the Legislative Assembly's resolution of Dec. 30 was "clearly no longer operative"

Mr. Mintoff himself, replying on Jan. 8 to Mr. Lennox-Boyd's message of Jan. 3, stated that "a new situation" had arisen from Mr. Lennox-Boyd's assurance that the number of Admiralty employees in Malta would not fall by more than 1,200 in the next three years, and that the "new situation does not call for the implementation of the resolution passed in the Maltese Parliament on Dec. 30." He added that this decision had been reached with the full approval of the Opposition, and also of the Admiralty section of the General Workers' Union.

Replying to various points raised by Mr. Lennox-Boyd, Mr. Mintoff referred to Maltese "irritation" at being reminded continually of Britain's generosity. He quoted President Eisenhower as saying that the part played by Malta in the Second World War had shortened the conflict by at least a year when it was costing Britain £17,000,000 a day; against this, the U.K. had contributed £6,000,000 to Malta's recovery during the present financial year. Mr. Mintoff denied that his Government had caused "unnecessary delays" in implementing the plan for the oil storage scheme, saying that it had in fact approved the plan a year before it had been due to go into operation.

As regards Mr. Lennox-Boyd's accusation that he (Mr. Mintoff) was stirring up the public in Malta, he replied that "the Maltese Government had to choose between facing mob rule and giving a lead to the country to induce your Government to tackle in earnest the problem of Malta's survival." With regard to Mr. Lennox-Boyd's statement that the Maltese Government had known since July 1957 of the impending discharges from the dockyard, Mr. Mintoff alleged that this was a "half-truth" inasmuch as the British Government had agreed to find alternative employment for the men.

After asserting that the Colonial Secretary had published details of the economic and financial arrangements with Malta without the Maltese Government's consent, Mr. Mintoff alleged that Mr. Lennox-Boyd had chosen only those parts "suitable for propaganda purposes," without disclosing "your Government's refusal to make these arrangements operative before integration day." In conclusion, Mr. Mintoff said that his Government would be "more than willing" to undertake new negotiations with Great Britain "in a spirit of give-and-take without pre-determined formula." He renewed his invitation to Mr. Lennox-Boyd to visit Malta.

Prior to Mr. Mintoff's announcement that the resolution of Dec. 30 would not be implemented, news of a further alternative source of employment for discharged dockyard workers

had been made known in the island. It was announced on Jan. 4 from the office of the C.-in-C., Mediterranean Fleet (Admiral Sir Charles Lambe) that the 16,000-ton Liberian tanker *Sirius*, which had gone aground in the Sicilian Channel on Dec. 9 and had since been laid up in the Valletta floating dock, would be repaired in the naval dockyard. The repairs to the *Sirius* would cost £280,000 and would extend over three months.

The London managers of the tanker (Messrs. Rethymnis and Kulukundis), stated that the work would be regarded as a "test case"; if it proved successful, they would consider sending other repair work to Malta. It was also made known on Jan. 4 that, at a meeting between representatives of the Colonial Office, the Admiralty, and the Salvage Association (which represents Lloyd's underwriters in questions of repairs to damaged ships, and which had maintained that Maltese prices for such work were too high), it had been agreed that the U.K. Government would pay the difference between British and Maltese prices with respect to the work on the *Sirius*.

London Talks on Future Status of Malta.

The London talks on the constitutional and economic future of Malta (the first phase of which had concluded on Feb. 27, 1957—see 15456 A) were resumed on March 22 but suspended on April 2, 1957, after failure to reach agreement on the economic aspects of the proposed integration of Malta with the United Kingdom.

A Colonial Office statement said that while satisfactory progress had been achieved on the constitutional side, Mr. Mintoff had been "unable to agree to the principle underlying the proposed economic arrangements." It was pointed out in the British Press that the deadlock had arisen on the issue of "equivalence"—i.e., the improvement of the Maltese economy until it could be merged with that of the U.K. on completely equal terms. Mr. Mintoff was said to have maintained that this process should take place within a specified period (probably 12 years); the British Government, on the other hand, had considered that there should be no time-limit and that progress towards the goal of "equivalence" should be related to an increase in Maltese productivity.

Mr. Mintoff commented on the London talks in a speech to dockyard workers on May 1, 1957.

Claiming that the British Government had accepted "85 per cent" of his integration plan, Mr. Mintoff listed the following eight points on which agreement had been reached:

(1) Malta would send three representatives to Westminster.

(2) There would be a separate Maltese Parliament to run local affairs independently of the United Kingdom.

(3) The system of dyarchical government would be abolished.

(4) The right to declare a state of emergency would be vested solely in the British Parliament.

(5) The power of local British authorities would be curtailed.

(6) As requested by the Vatican, there would be absolute guarantees of the supremacy of the Roman Catholic Church in religious matters.

(7) If, as a result of changes in defence policy, unemployment in Malta remained for six months at a higher level than that prevailing in the U.K., the British Government would find or create new work for the Maltese unemployed.

(8) While Britain had accepted the principle of economic equivalence, full agreement on its practical implementation had not been achieved. Britain had offered, however, to pay one-quarter of the cost of the social services and one-third of education costs.

Mr. Mintoff added that if Britain would not agree fully to his integration plans, the "only alternative" would be "the road to independence," after which the Maltese people would "lay down the conditions under which the British will remain in Malta."

In an interim report on the London talks, presented to the Maltese Legislative Assembly on May 7, 1957, Mr. Mintoff confirmed that he had informed the British Government that its economic proposals were unacceptable in their present form.

Mr. Mintoff said that satisfactory progress had been made in the talks on constitutional questions, some of the principal decisions having been: (*a*) that the Maltese Parliament's sphere of legislative autonomy should be substantially widened, (*b*) that a number of restrictions in the present Constitution with respect to special subjects (e.g. language) should be abolished; (*c*) that the powers of disallowance of laws passed by the Maltese Parliament should be abolished; (*d*) that the power of reserving Maltese Bills should be strictly limited and become subject to parliamentary control; and (*e*) that the U.K. Government's power to legislate by Order-in-Council on "reserved" matters should be carefully defined, and should be made subject to an affirmative resolution by the British House of Commons.

No agreement had been reached on the economic side, however. The Maltese delegation had contended that, subject to their readiness to bear British taxation, the Maltese people should be entitled to social benefits equivalent to those in the United Kingdom. The British Government, on the other hand, had maintained that progress in Maltese living standards should be directly related to increased productivity in the island.

In an endeavour to resolve the deadlock on the economic questions, further talks between the two Governments were held in London from Oct. 1 to Nov. 8, 1957. A statement issued by the Colonial Office on the latter date said that the two delegations were "now in a position to put fully worked-out proposals to their Governments," and that a White Paper would be issued in due course. The talks had covered, *inter alia*, the strong representations made by the Maltese Government on the future of the naval dockyard and ways and means of encouraging industrial development, including the formation of an industrial advisory committee.

The setting-up of such a committee, under the chairmanship of Lord Hives (recently chairman of Rolls-Royce Ltd.), had been announced in London and Valletta on Nov. 6. It was stated that the other members of the committee would be Mr. Thomas Brand, Sir George Dowty, and Sir George Schuster, who had conducted an economic and financial inquiry in Malta in 1950 on the invitation of the then Maltese Government [see 10760 E; 10570 B]. The committee's terms of reference would be "to foster and encourage industrial development and promote tourism in Malta by stimulating interest among outside industrialists, and acting as liaison between them and the Maltese Government."

Despite the apparent success of the London negotiations, Mr. Mintoff—speaking in the Legislative Assembly on Nov. 20—unexpectedly accused Britain of delay in carrying out the integration plan.

Mr. Mintoff alleged that there were "serious indications of second thoughts on the part of the British Government in deciding to accept Malta's offer for closer union with Great Britain." The British delegation at the London talks had not taken the basic principle of integration for granted, and were referring the matter to the Cabinet. "The British Government," he continued, "are apparently weighing in the balance the unquestionable loyalty of our people . . . and the desire for closer union, against narrow British interests in the Mediterranean. There seems to be a growing ominous mood in certain British Government quarters to shed Britain's responsibilities in the Mediterranean on to other shoulders." On the question of the dockyard, Mr. Mintoff said that, according to calculations by private firms, there would be at least 7,000 discharges if civilian firms were to replace the Admiralty. He had made it clear to Britain, however, that if the dockyard were closed Britain would "have to leave Malta."

On Nov. 29, however, Mr. Mintoff announced at a rally of dockyard workers that he had just heard from Mr. Lennox-Boyd (*a*) that the dockyard would not be "closed overnight"; (*b*) that there was work for another three years; (*c*) that the present level of employment would be maintained; (*d*) that there would be no drastic economies; and (*e*) that it was not yet known whether the yard would in future take Admiralty or civilian work, or both. This news, Mr. Mintoff added, was "possibly the beginning of the road to salvation."

Mr. Mintoff withdraws Resignation Offer.

A brief Cabinet crisis occurred on Dec. 14 when Mr. Mintoff submitted his resignation to the Governor on the grounds of "a serious lack of confidence" recently shown in him by the executive committee of the Admiralty section of the General Workers' Union. Mr. Mintoff proposed at the same time that Mr. J. Ellul Mercer, the Deputy Leader of the Labour Party and Minister of Works and Reconstruction, should succeed him in the Premiership.

In a statement later the same day, the Secretary of the G.W.U. Admiralty section explained that the dispute had arisen in connexion with Mr. Mintoff's speech to the dockyard workers' rally on Nov. 29 [see above]. The executive committee of the Admiralty section had complained to Mr. Mintoff that by "distinguishing" political supporters in the crowd he had "exceeded the hospitality accorded you." Mr. Mintoff had threatened to resign if the letter were not unconditionally withdrawn, but the executive committee refused to withdraw under duress, though emphasizing that there was "no question of a lack of confidence" in Mr. Mintoff.

On Dec. 16, however, the executive committee announced that, "having considered the unity of the Labour movement and the interests of the nation," it was prepared to withdraw its "offending" letter. Mr. Mintoff accordingly withdrew his resignation, with the Governor's agreement.

In a statement to the House on Jan. 23, Mr. Lennox-Boyd said that he had "never disguised my belief that the policy of integration is the best for Malta and in the long run for the U.K.," and that he "deplored actions which prejudice the successful accomplishment of this aim." He added that the Maltese Assembly's resolution—which, he pointed out, had not been rescinded—"does not help the cause of integration." (Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Malta, 15456 A; 15347 A.)

A. SOVIET UNION - WESTERN POWERS.—Marshal Bulganin's Correspondence with Western Leaders. - Soviet Proposals for "Summit" Meeting.

The Note exchanges between the U.S.S.R. and the Western Powers on outstanding international problems, initiated by Marshal Bulganin in the early months of 1957 (see 15625 A), culminated in December in a series of Soviet Notes to all 82 member-countries of the United Nations, as well as Switzerland, in which Marshal Bulganin put forward the Soviet Government's proposals for a *détente* in international relations, with special reference to the suspension of nuclear tests and the creation of a security zone in Europe. These proposals, presented on the eve of the North Atlantic Council meeting in Paris (see 15965 A), were followed later in December by new Soviet proposals for a "summit" conference of Heads of Governments. Further Soviet Notes were sent on Jan. 8, 1958, to all U.N. member-nations, to the NATO countries, and to Switzerland calling for a "summit" meeting at Geneva "in the course of the next two or three months."

The voluminous exchanges of Notes and proposals—most of which ran to many thousands of words—are summarized below in chronological order, under relevant cross-headings. Covering a period of six months (July 1957 to the beginning of January 1958), they comprised :

(1) Marshal Bulganin's reply (July 20) to Mr. Macmillan's letter of June 14 [see page 15626], in continuation of the correspondence initiated by Marshal Bulganin in April.

(2) Mr. Macmillan's reply (Sept. 2) to Marshal Bulganin's letter of July 20.

(3) The Soviet Government's reply (Sept. 3) to the Western Powers' Notes on the Middle East [see pages 15625-26] in response to the earlier Soviet Notes on this subject.

(4) The Western Powers' replies (Sept. 24) to the Soviet Notes of Sept. 3 on the Middle East.

(5) A series of letters by Marshal Bulganin (Dec. 10-14) to all U.N. member-States, to the NATO countries, and to Switzerland, as mentioned above.

(6) A seven-point resolution by the Supreme Soviet of the U.S.S.R. (Dec. 21), adumbrated in a speech by M. Khrushchev, proposing a "summit" conference for the settlement of international problems.

(7) A further series of letters by Marshal Bulganin to all U.N. member-States, the NATO countries, and Switzerland (Jan. 8, 1958) recapitulating the Soviet proposals for a "summit" meeting of Heads of Governments.

The Macmillan-Bulganin Correspondence.

In a 6,000-word letter to Mr. Macmillan, dated July 20, 1957, Marshal Bulganin expressed his "disappointment" at the British Prime Minister's letter of June 14, which was itself a reply to Marshal Bulganin's first letter of April 20.

Marshal Bulganin to Mr. Macmillan.

Marshal Bulganin's second letter was largely a recapitulation of the Soviet viewpoint on international problems as set out in his first letter to Mr. Macmillan. He referred at great length to the Soviet proposals for a two- or three-year suspension of nuclear weapon tests, presented in the London sub-committee of the U.N. Disarmament Commission [see 15941 A]; accused Britain and the other Western Powers of procrastination in the disarmament negotiations; and criticized the fact that "the U.K. Government tends to link the solution of the disarmament problem with the settlement of unsolved political issues such as the complicated question of German reunification."

After requesting the U.K. Government to adopt a "constructive attitude" towards the Soviet Government's disarmament proposals, Marshal Bulganin expressed "profound disappointment" at Mr. Macmillan's views on the problem of European security. Reiterating the Soviet proposal for a general European collective security treaty, or, "as a first step," for a non-aggression pact between the NATO and Warsaw Treaty countries, he rejected Mr. Macmillan's contention that "the conclusion of such an agreement between the two groupings of States would add nothing to the obligations which members of the United Nations have already undertaken." In this connexion Marshal Bulganin expressed his support for the "Eden plan" of 1955, which envisaged "a study of the possibility of establishing a demilitarized zone between East and West." He added that the Soviet Government were "prepared to resume discussions on these British proposals."

After attacking the "NATO military bloc," and declaring that the "aggressive activities" of NATO were "primarily directed against the U.S.S.R.," Marshal Bulganin said that the problem of ensuring European security had assumed "particular urgency" because of the "measures taken . . . to equip the armed forces of European member-States of NATO, including the German Federal Republic, with atomic weapons." He added that "the concentration of atomic weapons in Europe and the unleashing of an atomic arms race between European States involves a menacing increase in the danger of atomic war breaking out in Europe."

Marshal Bulganin went on to express "regret" that Mr. Macmillan had "remained silent" on the Soviet Government's proposals "to condemn the use of force as a means of solving problems in the Near and Middle East." As regards the German problem, he reiterated the Soviet view that *rapprochement* between the two German States was an essential pre-condition to any solution, and accused the Western Powers of pursuing "a policy of reviving German militarism and of military alliance with the revenge-seeking forces in Western Germany."

In the final section of his letter, Marshal Bulganin expressed himself at great length in favour of expanding economic and cultural contacts between the two countries. As regards the former subject, he complained that the British Government, "on the basis of restrictions on international trade which are in operation for NATO countries," had banned the export to the U.S.S.R. of "many types of machinery, equipment, and ships," representing "nearly half the volume of orders proposed by the Soviet side." Regarding cultural exchanges, Marshal Bulganin asserted that the British authorities had "refused to carry out a number of important measures previously agreed upon," with the result, *inter alia*, that Russian ballet companies had been unable to perform in Britain or British ballet companies in the Soviet Union. [Reciprocal visits had been planned before the Hungarian uprising, but the British ballet company had refused to go to Moscow as a protest against the Soviet intervention in Hungary; as a result, a projected visit by Soviet artistes to London was cancelled.] Marshal Bulganin also referred to "the biassed nature of B.B.C. broadcasts and at times their hostile character in relation to the U.S.S.R., which arouses indignation amongst Soviet radio listeners."

In conclusion, Marshal Bulganin said that Mr. Macmillan's letter of June 14 contained "no new constructive proposals whatsoever" and "expresses a negative attitude towards nearly every proposal contained in my message to you."

Mr. Macmillan to Marshal Bulganin.

The text of Mr. Macmillan's reply to Marshal Bulganin's second letter was released in London on Sept. 2, 1957.

As regards disarmament, Mr. Macmillan said that the proposals put forward in the London sub-committee by the British, U.S., French, and Canadian Governments represented "an important contribution, both practical and imaginative, towards agreement between us." He (Mr. Macmillan) "earnestly trusted" that they would receive favourable consideration from the Soviet Government, but the Western Powers were "not encouraged by Mr. Zorin's intervention in the sub-committee on Aug. 27" [see page 15943].

On the question of European security, Mr. Macmillan expressed "disappointment that you have not answered the fundamental questions . . . which I posed in my letter of June 14." With reference to Marshal Bulganin's suggestion that the European States and the U.S.A. should "jointly bind themselves not to afford military or economic assistance to any State violating the peace of Europe," Mr. Macmillan declared : "Perhaps you have overlooked the fact that this undertaking has already been given, voluntarily and unilaterally, by the members of NATO on Oct. 23, 1954, when they associated themselves with the declaration by France, the U.K., and the U.S.A. made on Oct. 3, 1954. A similar obligation to withhold support from an aggressor was contained . . . in the outline Treaty of Assurance put forward by the Western Powers at the Geneva Conference of Foreign Ministers in 1955."

As regards the Middle East, Mr. Macmillan wrote : "I note your statement that the sole consideration which guides the Soviet Union in its approach to the problems of the region is the desire to contribute towards ensuring a lasting peace there. I welcome this declaration but I must frankly say that the actions—especially the recent actions—of the Soviet Government have appeared in a somewhat different light . . ."

After saying that he shared Marshal Bulganin's views on the desirability of closer economic and cultural relations between Great Britain and the Soviet Union, Mr. Macmillan stressed that his letter of June 14 had made it clear that H.M. Government were in favour of expanding Anglo-Soviet trade. Moreover, it contained "constructive proposals offered in a genuine desire to increase this trade." The restrictions on the export of certain goods to the U.S.S.R., however, were "a separate matter," and "until there has been a considerable easing of international tension, there can be no question of withdrawing those restrictions which H.M. Government and their allies feel compelled to impose in the interests of their own security." Nevertheless, he (Mr. Macmillan) could not agree that these restrictions prevented a wide development of Anglo-Soviet trade—in which connexion the Prime Minister pointed to the "large range of goods which can be freely exported from the U.K. to the Soviet Union and in which a further expansion of trade would be possible if the Soviet Government so desired."

As regards cultural contacts, Mr. Macmillan wrote : "The interpretation which our two Governments place on the events which have taken place in Hungary differ; but what is incontestable is that British public opinion was deeply shocked by the intervention of Soviet forces in the Hungarian uprising. A decision by the British Government to renew their sponsorship of certain large-scale cultural projects which were under discussion last year would not be welcome in this country in present circumstances. Nevertheless . . . the British Council is at present conducting a programme of officially-sponsored exchanges and visits. It has recently proposed discussions which it hopes will lead to a big programme of youth exchanges . . . I hope that political conditions will make it possible to increase

these contacts as time goes on, and that the Soviet Government will take steps to remove all barriers to the free exchange of persons and information between our two countries, to which I referred in my letter of June 14."

Mr. Macmillan went on to say that the ending of Soviet jamming of B.B.C. broadcasts would be "an important contribution to the improvement of Anglo-Soviet relations and would remove one of the most serious obstacles to the free exchange of ideas." He added: "As regards the broadcasts by the Russian Service of the B.B.C., no complaints were received during the period when jamming was temporarily lifted last year. If jamming ceased, we should be very ready to consider complaints about particular broadcasts, just as we should reserve the right to complain about objectionable broadcasts to the U.K. by Moscow radio. Soviet listeners would be under no obligation to listen to broadcasts which they found objectionable; like British listeners in similar circumstances, they could switch off their sets."

The Prime Minister concluded: "I am sincerely convinced that we shall achieve results with at least some of the problems which remain to be solved if both sides wish for this. But we must approach this task with sincerity and tolerance if we are to reach understanding. It is sometimes better that disagreement should be openly expressed, not camouflaged in obscure wording. In this way we may find a basis for agreement. These considerations have been uppermost in my mind during my study of your letter."

Note Exchanges on Middle East.

The earlier Note exchanges on the Middle East were continued on Sept. 3, 1957, by further Soviet Notes to the U.S., British, and French Governments, worded in similar but not identical terms. Brief summaries are given below:

Note to United States. After complaining that the U.S. Government had "refused to accept" the Soviet proposals for a Middle East settlement [see 15370 A], the Note accused the U.S.A. of pursuing in the Middle East "the so-called policy of strength, guided by the interests of the American oil monopolies and disregarding the national interests of the peoples of that region." References to the Anglo-French and Israeli "armed attack on Egypt" were followed by denunciations of the "Eisenhower doctrine" and by assertions that the U.S. Sixth Fleet had undertaken "a military demonstration in connexion with the events in Jordan" [see 15561 A]. Accusing the three Western Powers of "continually creating more and more hotbeds of conflict" in the Middle East, the Note spoke of the "unprovoked aggression by Britain against the people of Oman," of the "bombing of Omani towns and villages by British aircraft," and of the "inhuman methods" allegedly employed by British troops in "destroying Omani inhabited localities and shooting peaceful residents." In conclusion, the Note spoke of the "anti-government conspiracy recently exposed in Syria, which was organized by official American representatives," and warned the United States of "the serious consequences of such a policy."

Note to Britain. After referring to British "military attacks on Egypt and Oman" the Note rejected the British Government's contention that the Baghdad Pact Organization was exclusively of a defensive character. It alleged in this connexion that the Karachi meeting of the Baghdad Pact Council [see 15617 A] had adopted decisions "aimed at the establishment of a unified command modelled on the North Atlantic bloc and at constructing military bases on the territories of the Moslem member-countries of the Pact and other Middle Eastern States." References to British "aggression" in Oman, similar to those contained in the Note to the U.S.A., were followed by denunciations of "disgraceful British bombings in Yemen." After asserting that the Arab-Israeli conflict would never have become acute if the three Western Powers had "refrained from using Israel as a tool of their colonialist policy," the Soviet Note alleged that the "Eisenhower doctrine" was in fact designed to "create favourable conditions for the final seizure of British positions in the area by American monopolies."

Note to France. The Soviet Note to France was on the same general lines as those to the U.S.A. and Britain. It referred, in addition, to "press reports of plans for an alliance between France and Israel directed against the Arab countries," and declared that "the conclusion of such an alliance . . . would encourage those elements among Israel's ruling circles who are most hostile to the Arab countries."

The U.S. reply, delivered in Moscow on Sept. 24, described the Soviet Note as "offensive in tone," a "cynical distortion" of U.S. objectives and actions in the Middle East, and as "clearly designed to serve Soviet propaganda rather than promote peace and stability in the Middle East." Rejecting the allegations contained in the Soviet Note, the U.S. Government stressed that the Soviet Union itself bore "primary responsibility for the present aggravation of tension in the Middle East" by its large arms shipments to certain countries of the area, which had set in motion "a chain of events leading to the present dangerous situation."

The British and French replies (also sent on Sept. 24) were in similar terms. The British Note, like the American, said that the large-scale supply of Soviet arms to certain Middle Eastern countries "cannot fail to aggravate the situation" and "leads inescapably to the conclusion that the Soviet Government are not sincere in their professed wish to see peace and stability in the Middle East." It added:

"H.M. Government see little useful purpose in refuting in detail the many inaccuracies and distortions in the Soviet Note . . . But they feel obliged to draw attention to the groundless nature of the allegations made in connexion with the Yemen and Oman. British forces have never bombarded Yemen territory. With regard to 'Oman,' the district in question has in fact been an integral part of the dominions of the Sultan of Muscat and Oman since the 18th century and has been recognized as such in a number of treaties concluded by the Sultan with foreign Powers. The action taken by H.M. Government in this area was carried out at the express request of the Sultan of Muscat and Oman, with whom H.M. Government are in close and friendly relations, on the occasion of an internal uprising stimulated from outside the country. Consequently there can be no question of British 'aggression' against Oman . . ."

The sharply-worded French reply accused the Soviet Government of "using these exchanges of views between Moscow and the Western capitals for propaganda purposes, by interpreting the facts in a tendentious manner and pretending to treat baseless rumours as real." It added that "the interest shown by the Soviet Union in the settlement of Middle Eastern problems seems in sharp contradiction with the massive deliveries of war materials to Syria."

Marshal Bulganin's Notes to U.N. Member-States, NATO Countries, Spain, and Switzerland.

As stated above, Marshal Bulganin sent Notes to all the 82 U.N. member-nations, to the 15 NATO countries, to Spain, and to Switzerland between Dec. 10-14 that is, on the eve of the Paris meeting of the North Atlantic Council attended by the Heads of Government of NATO countries.

Notes to U.N. Member-States.

In his Notes to the U.N. member-countries (all of which were identically worded), Marshal Bulganin proposed (1) the suspension of nuclear weapons tests for a two- or three-year period as from Jan. 1, 1958; (2) the creation of a demilitarized zone in Central Europe, covering Western Germany, Eastern Germany, Poland, and Czechoslovakia, in which no atomic armaments would be stockpiled or manufactured; (3) a non-aggression pact between the NATO and Warsaw Treaty organizations, based on the principle of "co-existence"; (4) "normalization" of the situation in the Middle East by mutual pledges between the U.S.S.R. and the Western Powers "not to take any steps infringing the independence of the countries of that area," and by renouncing "the use of force in the solution of questions bearing on the Middle East"; (5) maximum economic, cultural, and scientific collaboration between all countries.

The Notes expressed the Soviet Government's "profound concern at the present state of international relations," and said that "the risk of a new war breaking out with the use of nuclear weapons is sharply increased as a result of the actions taken by the members of the North Atlantic alliance." After denunciations of the "militarization" of Western Germany, of the "Eisenhower doctrine" (which, said Marshal Bulganin, "has virtually become the Eisenhower-Macmillan doctrine") and of "military-political blocs," the Notes went on to accuse the NATO countries of responsibility for the "cold war" and the "armaments race." A lengthy recapitulation of the Soviet viewpoint on the disarmament problem, and allegations of "insincerity" on the part of the Western Powers in the disarmament negotiations, were followed by a warning that a third world war would "most likely know no boundaries and its terrible consequences would greatly surpass anything mankind has ever experienced."

In putting forward the above-mentioned proposals, the Soviet Government expressed its conviction that their adoption would "radically improve the international situation . . . and be a major contribution to the strengthening of universal peace." It was stated that a "positive solution" depended "above all on the Great Powers—the Soviet Union, the Chinese People's Republic, the United States, the United Kingdom, and France—and first and foremost on the NATO member-States." Every member-nation of the U.N. was asked "to oppose . . . the stepping-up of the arms race and military measures aimed at preparing a nuclear war," and to do all in its power "to strengthen peace and friendly co-operation between the nations."

Notes to NATO Countries.

Marshal Bulganin's separate Notes to the NATO countries (sent on Dec. 10-11) were addressed in each case to the Head of Government of the country concerned—that is, to President Eisenhower in the case of the United States and to the Prime Ministers of the other NATO countries. The Notes to President Eisenhower, Mr. Macmillan, and M. Gaillard repeated the proposals contained in the Notes to the U.N. member-countries, and, in addition, stated that the Soviet Union was ready to agree to a "summit" conference of Heads of Governments to discuss these proposals "and other questions which the parties to the meeting might find it necessary to consider."

The Notes to the different NATO countries were not identically worded but were drafted with special reference to the

position and situation of the country concerned. In the case of the European members of NATO, they contained warnings—similar to those previously addressed to Norway, Denmark and the German Federal Republic [see pages 15628-30]—of the dangers to which they would be exposed, in the event of a war, from Soviet "retaliatory" action against American atomic bases located in those countries. Brief summaries of some of the Notes to the NATO Powers are given below :

Note to United States. In his Note to President Eisenhower, Marshal Bulganin expressed his conviction that neither the American nor the Soviet peoples wanted war, and declared that it was "particularly important" for the U.S.A. and the U.S.S.R. to take the initiative in "breaking the ice of the cold war." After a lengthy attack on NATO and on the position taken by the Western Powers in the disarmament negotiations, the Soviet Prime Minister said that his country was "still prepared to reach agreement on effective disarmament measures" and that "it depends on the Western Powers whether the disarmament talks will be conducted in the right direction or whether the problem will remain one of stalemate."

In putting forward the above-mentioned proposals, Marshal Bulganin also called for the conclusion of a Soviet-American treaty "proclaiming the firm resolve of both our countries to develop relations of friendship and peaceful co-operation"; for measures "to halt the present propaganda in the Press and radio which generates mutual distrust, suspicion, and ill-will"; and for co-operation between American and Soviet scientists "in the further harnessing of the elemental forces of nature." In the course of his letter Marshal Bulganin spoke of the "mistaken reactions of certain groups" in the U.S.A. to the Soviet *sputnik* launchings, and emphasized that the U.S.S.R. had "no intention of attacking the United States or any other country" Marshal Bulganin concluded his letter "Knowing you [the President] as a man of broad vision and peaceful convictions, I trust you will understand this message rightly and . . . will be ready to pool the efforts of both our countries . . . in the direction of lasting peace and friendly co-operation."

Note to Great Britain. Marshal Bulganin's Note to Mr. Macmillan was broadly similar to that sent to President Eisenhower, containing the same proposals for an international *détente* and for a "summit" meeting, and referring *inter alia* to the Soviet Government's desire for the widest Anglo-Soviet co-operation "in all fields of science and engineering, culture and the arts, education and health."

In the course of his letter Marshal Bulganin referred to "such NATO measures as round-the-clock flights over the British Isles by British-based American bombers carrying atomic and hydrogen bombs." He added in this connexion : "Such actions are obviously dictated by the desire to show that the armed forces of NATO, or to be more exact the American Air Force, are in military readiness, and thereby to reassure the British, French, Belgians, Dutch, and the peoples of other NATO countries. But . . . such actions place in a very dangerous situation indeed those countries which are the bases for the American atomic air force. It cannot be denied that flights by American aircraft carrying atom and hydrogen bombs create a situation whereby the fate of peace in Europe, and not only in Europe, depends to a large extent not only on one particular commander but even on one individual airman . . . It is not surprising that voices reach us increasingly from Britain expressing a sense of deep concern . . . "

In concluding his letter to Mr. Macmillan, Marshal Bulganin said that the Soviet Government were prepared to examine any views which the U.K. Government might wish to set out "with a view to normalizing the international situation and developing relations between our countries."

Note to France. In presenting Marshal Bulganin's Note to M. Gaillard, the Soviet Ambassador in Paris (M. Vinogradov) stressed that it was not identical with those sent to the other NATO Heads of Government, that it "specially concerned France," and that it constituted "a message of peace and friendship."

The Note began with the assertion that "no matter how much the NATO countries increase their armaments, they cannot alter the fact that, with the creation of the [Soviet] inter-continental ballistic missile, the United States—NATO's most powerful member—has lost the earlier advantages of its geographical position and has become just as militarily vulnerable as its West European allies." After saying that it was "a matter of common knowledge that American military bases are situated on French soil at Bordeaux, Chaumont, Tulle, Laon and elsewhere," Marshal Bulganin referred [as in his Note to Mr. Macmillan] to American "round-the-clock patrol flights over France, Britain and other West European countries with atom and hydrogen bombs on board." He added that "things have come to such a pass that the fate of millions of people in different countries depends on some American airman whose blunder, recklessness, or evil intent may plunge mankind into a new war." Marshal Bulganin also said that France should "take into account the very important fact that forces which have not reconciled themselves to Hitler Germany's defeat, and which are only waiting for a suitable moment to launch military adventures once again, continue to exist and enjoy considerable prestige in present-day Western Germany."

Marshal Bulganin continued : "We trust that the French people—a people whom the Soviet people deeply respect for their nobility of sentiment and keen intellect, and with whom they have ties of enduring friendship cemented by blood shed in the struggle against a common enemy—will be able to distinguish falsehood from truth and realize the real worth of the inventions about the Soviet Union's intentions which are being disseminated in the West . . . This great country [France] is now forced to expend her national resources on war preparations which are not needed by her but by others ; on conflicts which could have been avoided and which bring the French people nothing but privations . . . We are sincerely convinced that there are no real conflicts of interest between the U.S.S.R. and France, with the possible exception of those which have been created artificially as a result of the policy of setting up exclusive military blocs . . . Respecting the noble traditions of the French people and their ardent love of peace, and taking into account the fact that France suffered heavy losses in the First and Second World Wars, I put the following question to you [M. Gaillard] : Why should France not take the initiative and advance at the forthcoming NATO Council session a proposal designed to ease international tensions and develop peaceful co-operation between all States ? I can assure you that the Soviet Union is prepared to support such a step . . . "

Note to Western Germany. In his message to Dr. Adenauer, Marshal Bulganin said that "a country which is thousands of kilometres away from European shores [i.e the U.S.A.] has set up in Western Germany, France, Britain, Italy and other States a network of military bases designed for atomic war." The leading West European nations, "under the leadership of the United States," had "thus formed an exclusive military group and set themselves in opposition to the East European countries." Marshal Bulganin added : "The so-called inter-dependence doctrine, formulated by the United States and Great Britain behind the backs of their NATO partners, indicates that the U S.A , with Britain's support, has set itself the task of using the scientific, economic, and manpower resources of the other members of the bloc for implementing its military and political plans. In other words, the roles are divided thus : some are to supply dollars and military equipment, while others must supply cannon-fodder and expose their territory to the first retaliatory blow designed for the aggressor . . . "

After commenting that the German Federal Republic "could have made an important contribution to the easing of international tension" owing to its "great economic potential, high level of scientific development and technology, and geographical position," Marshal Bulganin said that the Federal Republic was "not only evading any steps in that direction but is to a considerable extent responsible for the present international tension and for the division of Europe into arbitrary military groupings." Moreover, it was "becoming more and more obvious that the Federal Republic is ready to proceed with atomic armament." After alleging that the Western Powers were converting Western Germany into "their atomic bridgehead," Marshal Bulganin went on :

"It is a dangerous delusion on the part of those who claim that the stationing of atomic bases in Western Germany is compatible with the security interests of the Federal Republic. Western Germany lies directly on the line of contact between two military groupings, and any military target on its territory could be hit even by modern short-range weapons. This circumstance is perhaps of little concern to the military leaders of the country which has set up bases in the Federal Republic, far away from its own vital centres . . . What is to them the fate of Hamburg, Düsseldorf, Cologne or Munich ? But it is hard to understand those leaders of the Federal Republic who close their eyes to the fact that, if matters come to a military conflict, atomic bases on the territory of the Federal Republic would become a kind of magnet attracting retaliatory blows by modern military weapons from States defending themselves against aggression. The transformation of the Federal Republic into a launching-site for American rocket missiles, and the arming of the *Bundeswehr* with atomic weapons, will not make the Federal Republic less vulnerable, but will only increase the danger of war on its territory."

Note to Italy. In his Note to Signor Zoli, Marshal Bulganin alleged that "the sponsors of the Paris NATO session have in mind plans whose implementation would greatly increase the danger of war." He added : "It may be said that Italy is not among the authors of these plans and has no intention of waging war against any country directly. We have never doubted, and do not doubt, the peaceable nature of the Italian people. But it should be borne in mind that Italy is a member of a military bloc which . . . is engaged, day in and day out, in preparations for aggressive war . . . " Marshal Bulganin went on to say that "the stationing of foreign air, naval and ground atomic forces at Naples, Leghorn, Verona, Vicenza, Sardinia and elsewhere" had created "a grave threat to the security of the Italian people." In conclusion, he said that there had "never been any irreconcilable contradictions between the Soviet Union and Italy."

Note to Greece. Marshal Bulganin alleged, in his message to M. Karamanlis, that "the part assigned by the NATO leaders to Greece makes her a partner in plans which, if implemented, would bring great calamities on the Greek people." He alleged also that NATO intended to turn Greece into an "unsinkable aircraft-carrier" and, in the event of a war, into "a military jumping-off ground." After referring to the "long-standing bonds of cordial friendship" between the U.S.S R. and Greece, "tempered in the ordeals of the joint struggle against Nazi Germany," Marshal Bulganin said that the Soviet people "highly value the great contribution of the Greek people to the riches of world civilization."

Note to Turkey. In his message to M. Menderes, Marshal Bulganin alleged *inter alia* that "military bases and airfields on Turkish soil are to be placed in the event of war entirely at the disposal of the NATO Command and used for dealing blows at vital centres of the

Soviet Union." He also alleged that NATO was "making military plans for the use of the Black Sea straits against the Soviet Union" and that the Turkish Government had "agreed to the stationing of American task forces on Turkish soil."

Note to Belgium. In his Note to M. Van Acker, Marshal Bulganin said that "Belgians cannot feel secure when atomic and hydrogen depots are set up on their soil and when the question of their use is to be decided by American generals, and possibly Germans, heading the NATO staffs." After pointing out that Belgium had suffered from German invasion and occupation twice within the lifetime of a single generation, Marshal Bulganin said that "Belgium, which possesses rich uranium deposits [in the Congo], could contribute considerably to ending the arms race, particularly in the production of nuclear weapons, if she were to use these resources for peaceful purposes only."

Note to Netherlands. Marshal Bulganin's message to Dr. Drees referred to the NATO air base at Soesterberg, and stressed that the establishment of U.S. bases in Holland could entail "truly catastrophic consequences"—particularly "in view of the fact that a large part of Dutch territory is below sea-level." After references to the equipping of the West German armed forces with nuclear weapons, and allegations that NATO plans would "give the West German militarists and revenge-seekers a free hand in planning a new war," Marshal Bulganin recalled that the Netherlands, like her neighbour Belgium, had also been a victim of German invasion and occupation.

Notes to Norway and Denmark. The Notes to the Norwegian and Danish Premiers (respectively Hr. Gerhardsen and Hr. Hansen) were broadly similar to those sent by Marshal Bulganin in March 1957 [see pages 15628-29]. Like the earlier Notes, they stressed the consequences which atomic warfare would entail for the Norwegian and Danish peoples if U.S. nuclear bases were established on the territory of those countries.

Note to Canada. In his Note to Mr. Diefenbaker, Marshal Bulganin referred to "reports that the question of storing U.S. atomic and hydrogen weapons on Canadian territory, and of creating bases [in Canada] for launching rockets with hydrogen warheads, is being intensively discussed at the present time." He added that "the storing on Canadian territory of American atomic and hydrogen weapons creates a special danger for Canada in the event of a military conflict," and that no country could escape "a retaliatory atomic strike with devastating consequences" in the "present age of rocketry."

Note to Portugal. Marshal Bulganin's message to Dr. Salazar commented on the presence of NATO bases both in Metropolitan Portugal and in the Azores. It added that "the presence of foreign-controlled war bases in Portugal offers no escape from the disastrous consequences of modern war, especially in view of the development of military techniques."

Note to Spain.

In his Note to the Spanish Government, Marshal Bulganin said that "although Spain is not a NATO member, she nevertheless has military agreements with the United States binding her to the North Atlantic bloc." After referring to the fact that U.S. air and naval bases had been established in Spanish territory under these agreements, Marshal Bulganin drew attention to "the risk run by the population of Spanish cities near foreign military bases in the event of the NATO strategists unleashing a new war.

Note to Switzerland.

In his Note to the Swiss Government, Marshal Bulganin said that "in present circumstances no Government, not even the Governments of neutral countries, can remain indifferent to the danger of a new war." As a peace-loving nation with a policy of permanent neutrality, Switzerland could make "a definite contribution to the easing of international tension and the strengthening of trust and peace among the nations."

After recalling the Conference of Heads of Governments in Geneva in 1955, and saying that the U.S.S.R. had fully supported Switzerland's initiative in November 1956 for a similar great-Power conference [see 15216 B], Marshal Bulganin said that the Soviet Government would give careful consideration to any proposals the Swiss Government might put forward. He enclosed a copy of the Soviet proposals sent to the U.N. member-countries.

"Peace Resolution" adopted by Supreme Soviet. - M. Khrushchev's Statement.

After hearing speeches by M. Khrushchev and M. Gromyko, the Supreme Soviet of the U.S.S.R. unanimously adopted on Dec. 21 a seven-point "peace resolution" in which it was proposed that the three "nuclear Powers"—the United States, the Soviet Union, and Great Britain—should agree on the following measures :

(1) A pledge not to use atomic or hydrogen weapons; (2) cessation of all nuclear and thermo-nuclear tests as from Jan. 1, 1958; (3) an "atom-free" zone in Central Europe, comprising Eastern and Western Germany, Poland, and Czechoslovakia, in which nuclear weapons should be neither stockpiled nor manufactured; (4) a "significant reduction" of armed forces by the three Powers; (5) a non-aggression pact between NATO and the Warsaw Treaty Organization; (6) an agreement not to take any steps infringing the independence of the Middle Eastern countries, and to refrain from using force in solving the problems of the area; (7) cessation of "war propaganda," and intensification of trade, cultural, and scientific exchanges.

The resolution also expressed the conviction that "a personal meeting of the leading statesmen of the Powers and a discussion by them of pressing international problems would contribute towards . . . a relaxation of international tension and the strengthening of mutual understanding."

M. Khrushchev made a speech in which he recapitulated the Soviet viewpoint on international problems—in particular, the disarmament problem. After calling on "the imperialists" to "end the policy of cold war and the arms race," he continued :

"We say to the Western countries, primarily the United States—discard your unreasonable and compromised policy of 'positions of strength' to the garbage-heap of history where it belongs. Let us settle outstanding issues by peaceful negotiations, soberly and without *Diktats*; let us discuss on an equal footing the problems agitating mankind; let us rule out war as a means for solving international problems; let us recognize the *status quo*—that is, the situation now prevailing in the world, characterized as it is by the existence of socialist and capitalist States, let us refrain from interfering in each other's internal affairs.

"We declare that, however acute the ideological differences between the two systems—the socialist and the capitalist—we must solve disputed questions among States not by war but by peaceful negotiation. We suggest that competition in inventing new weapons be replaced by peaceful competition. The history of a social system will be decided not by rockets or by atomic and hydrogen bombs, but by which system ensures greater material and spiritual benefits to man."

After appealing for a "summit" conference to discuss international problems "in a businesslike manner and on a footing of equality," M. Khrushchev suggested that such a conference could be preceded by a meeting of U.S. and Soviet representatives. "In the communiqué issued after the NATO conference in Paris," he added, "the Western nations say they will never attack the Soviet Union unless they are attacked first. That is not badly put. The Soviet Union agrees with the NATO suggestion to examine all proposals leading to the relaxation of tension. Why cannot NATO and the Warsaw Pact countries agree on such questions? . . ."

After saying that modern rocket weapons had "made it impossible for an aggressor to escape retaliation, wherever he might be," M. Khrushchev commended the attitude taken by Denmark and Norway, which had "refused to have missile bases on their territory and have judged the situation correctly." He expressed "astonishment" that Italy, Turkey, and "certain other countries" had agreed to the establishment of such bases on their territories, adding that "atomic bases and rocket-launching sites will present exceedingly attractive targets" in the event of war. In conclusion, M. Khrushchev expressed his conviction that 1958 would see a relaxation in international tension, and declared that the Soviet Government would "not spare its efforts to put a complete, or at least a partial, end to the cold war."

Marshal Bulganin's Proposals for "Summit" Talks. - Further Notes to Heads of Governments.

On Jan. 8, 1958, Marshal Bulganin sent further Notes to the Heads of Government of 19 States (including all the NATO countries, as well as Sweden and Austria) proposing a summit conference "during the next two or three months." Copies were sent to all U.N. member-countries and to Switzerland. Marshal Bulganin suggested that such a conference should be held at Geneva, if the Swiss Government agreed, and set out nine proposals for an agenda. The main points of his message are summarized below under cross-headings :

The NATO Conference. Referring to the recent NATO conference in Paris, Marshal Bulganin said : "The documents issued [at the conference] . . . say that the Organization 'will never be used for aggressive purposes' and that its member-countries 'are always ready to solve or settle international problems by negotiation, taking into account the legitimate interests of all.' If that is so . . . then there is no obstacle to appropriate agreements being reached by means of negotiations in the interests of peace."

Preliminary Considerations. "The Soviet Government (Marshal Bulganin continued) bears in mind the fact that it would, of course, be difficult at such a [summit] conference to reach agreement on all questions. The attention of such a conference should be focused primarily on the most urgent questions, the settlement of which would lay the basis for an improvement in the whole international situation. Examination of other problems could be deferred to subsequent negotiations. If initial agreement was reached on a few individual questions, this would be conducive to the settlement of other outstanding international problems as well. The gradual solution of outstanding problems at the present time, when the necessary confidence in relations between States is still lacking, appears to be the most realistic method."

Proposed Agenda for Summit Conference. After urging that a "summit" meeting should take place "during the next two or three months of this year," Marshal Bulganin proposed a nine-point agenda for such a conference, based on the seven points of the Supreme Soviet's "peace resolution" and amplifying them in certain respects. The proposals were :

(1) The immediate ending of nuclear and thermo-nuclear tests for a period of two or three years.

(2) A pledge by the three "nuclear Powers" to renounce the use and manufacture of atomic and hydrogen weapons.

(3) The creation of an atom-free zone in Central Europe comprising Western Germany, Eastern Germany, Poland, and Czechoslovakia, in which atomic and hydrogen weapons would be neither stockpiled nor manufactured.

[As stated below, the creation of such a zone was originally proposed by the Polish Foreign Minister, M. Rapacki. Marshal Bulganin expressed the Soviet Government's full support for this proposal, declaring that the establishment of such a zone would be "received with relief by the peoples of other countries" and would constitute "an important landmark on the road to the total prohibition of atomic weapons."]

(4) The conclusion "in one form or another" of a non-aggression pact between NATO and the Warsaw Treaty Organization. Marshal Bulganin said in this connexion: "The declaration adopted at the December session of the NATO Council states that that Organization will not be used for aggressive purposes. Judging by this statement, the idea of a non-aggression agreement between the two military groupings should meet with no objection on the part of the member-States of the North Atlantic Alliance."

(5) A reduction in the Soviet and Western military forces stationed in Germany, and also in the territories of NATO and Warsaw Treaty member-countries. Marshal Bulganin said that these measures would "help to create conditions for a *rapprochement* between the two German States."

(6) Ground and aerial inspection measures to safeguard all the countries concerned against the dangers of a surprise attack. As regards aerial inspection, Marshal Bulganin proposed "that an agreement be reached on establishing an 800-kilometre [nearly 500 miles] zone of aerial photography on either side of a line dividing the opposing military groupings in Europe."

(7) Expansion of international trade, and the removal of "artificially-created legal obstacles whereby many countries are placed in an inequitable position as compared with other States."

(8) Measures to "put an end to the war propaganda which is being conducted in certain countries at the present time."

(9) An agreement on the Middle East whereby the Great Powers would "take no steps to violate the independence of the countries of that area, renounce the use of force in the settlement of Middle Eastern questions, remove all outside interference in the domestic affairs of the countries of the area, and help to strengthen the sovereignty and national independence of the Middle Eastern countries."

Discussion of Other Questions. In addition to the questions proposed for discussion in the above agenda, Marshal Bulganin suggested that the participants in a "summit" conference should also examine "other constructive proposals conducive to ending the cold war," with a view to a further examination of such matters at subsequent conferences "and also within the framework of the United Nations." In view of the differences between the Soviet and Western viewpoints on a number of important questions—e.g. the "elimination of foreign military bases" and the creation of a European collective security system—the Soviet Government recognized that "summit" discussions on these matters were unlikely to lead to any "positive results." Later, however, "after measures agreed at the proposed conference have been carried out, and a certain minimum of international confidence thereby created, the appropriate conditions will emerge for carrying out more radical measures, including disarmament."

Position of Communist China. Marshal Bulganin declared that it "goes without saying that all questions directly relating to the Chinese People's Republic can only be solved with its participation." He added that the Soviet Government "deems it necessary once again to declare that the policy of preventing People's China from taking a direct part in the consideration of outstanding international problems is gravely detrimental to the international atmosphere as a whole and to the work of the United Nations."

German Reunification. The ending of the "cold war" and the establishment of international co-operation would, in the Soviet Government's view, "undoubtedly facilitate the settlement of the German question on the basis of drawing the German Democratic Republic and the German Federal Republic closer together." A Confederation of the two German States, as proposed by the German Democratic Republic, would be "an important step towards the formation of a united, peace-loving, and democratic Germany" and would "create the pre-requisites for the conclusion of a peace treaty with Germany."

Proposed Membership of "Summit" Conference. As the proposed "summit" conference would consider disarmament, expansion of international trade, and other matters "which concern a large number of countries belonging to neither of the groupings" [i.e. NATO or the Warsaw Pact], Marshal Bulganin suggested that "such countries as India, Afghanistan, Egypt, Sweden, Yugoslavia, and Austria" should also participate in the "summit" meetings.

Opposition to Foreign Ministers' Meeting. In conclusion, Marshal Bulganin opposed the idea of a conference at Foreign Ministers' level [before a "summit" conference] on the ground that "there is no confidence that such talks would lead to positive results." He added that "pronouncements by certain statesmen who oppose the very idea of East-West talks indicate that at the present time talks at such a level would meet with serious difficulties and create further obstacles to convening a conference of Heads of Governments."

Marshal Bulganin's letters to President Eisenhower, Mr. Macmillan, M. Gaillard, and other Heads of Governments were worded in generally similar though not identical terms. They recapitulated the Soviet viewpoint on international problems as set out in Marshal Bulganin's earlier letters; urged the importance of a "summit" conference to settle outstanding problems; and stressed the dangers of atomic warfare with modern weapons. In his letters to the NATO Heads of Governments, Marshal Bulganin welcomed the North Atlantic Council's declaration on the need to settle international problems by negotiation, though reiterating his previous criticisms of NATO policy.

The letter to **President Eisenhower** asked *inter alia* how the "professions of the peaceful aims of NATO can be reconciled with round-the-clock patrolling of the airspace of certain West European countries by American bombers carrying atomic and hydrogen bombs." References to the dangers of an arms race and an eventual conflict with modern nuclear weapons, "the frightful effect of which defies comparison with what happened at Hiroshima and Nagasaki," were followed by a plea for the world's leading statesmen "to pool their efforts to achieve a decisive turn in the international situation." After expressing confidence that a summit meeting "can prove productive if we all show the necessary respect for one another's interests and do not inject into the talks a spirit of intolerance, bias, and dictation incompatible with the peaceful aspirations of the peoples," Marshal Bulganin ended his letter to President Eisenhower: "Knowing ... that you hold the destinies of peace near to your heart, I sincerely believe that you will give these proposals careful consideration."

The letter to **Mr. Macmillan** criticized the "decisions to put ballistic missiles at the disposal of the NATO Supreme Commander and to establish stockpiles of nuclear warheads, atomic bases, and rocket-launching sites on the territories of Western European countries." Re-emphasizing the dangers to which the peoples of Western Europe would be exposed in the event of a nuclear war, Marshal Bulganin said that in such an eventuality those countries containing atomic bases and rocket-launching sites would inevitably be subjected to "the first crushing blows dealt in retaliation for the action of an aggressor." He added that it was "not surprising that the British Government's decision to build several bases in the north of the country for launching American rocket weapons has aroused such a sharp reaction from the population of such cities as Glasgow, Edinburgh, and Aberdeen." In urging Mr. Macmillan's support for "summit" discussions, Marshal Bulganin referred to the fact that "people who can never be suspected of goodwill towards the Soviet Union—people like the well-known American diplomat, Mr. Kennan, and such eminent British public figures as Mr. Bevan, Mr. Cousins, Bertrand Russell, and Mr. Priestley—speak in favour of negotiations between East and West."

In his letter to Mr. Macmillan, and also to President Eisenhower, Marshal Bulganin referred to the recent cuts in the Soviet armed forces [see 15960 D] as evidence of his Government's desire to contribute to the relaxation of international tension.

Among the other letters, that to **M. Gaillard** reiterated the Soviet Government's view that France could "play a leading role in helping to end the cold war"; that to **Dr. Adenauer** laid special emphasis on the significance for Western Germany of an "atom-free" zone in Central Europe, and that to **Signor Zoli** expressed "grave concern" at Italy's "active support for the American plans for continuing the arms drive," adding that the Soviet Union could not "remain indifferent" to press reports that Italy had "agreed to the stationing of American missile bases on her territory in addition to the existing foreign atomic bases." The letter to **M. Menderes** also expressed the Soviet Government's "regret and disappointment" that Turkey had "revealed the desire to deploy foreign nuclear and rocket weapons on her territory," adding that "Turkey obviously does not realize fully the actual meaning of this dangerous step." On the other hand, the letters to **Hr. Hansen** and **Hr. Gerhardsen** expressed "great satisfaction" that Denmark and Norway had refused to have atomic weapons and rocket installations on their territories.

The Rapacki Plan.

The proposal for an "atom-free" zone in Central Europe, referred to by Marshal Bulganin in his letters dated Jan. 8, had been put forward by the Polish Foreign Minister, M. Adam Rapacki, in the U.N. General Assembly on Oct. 3, 1957. In a debate on disarmament M. Rapacki had declared that "if the two German States agree to impose a ban on the production and stockpiling of atomic and thermo-nuclear weapons on their territories, the Polish People's Republic is prepared simultaneously to impose a similar ban on its own territory." The Czechoslovak Government subsequently associated itself with this proposal and announced its willingness to ban nuclear weapons on its own territory on the same conditions—i.e. that Western and Eastern Germany should agree to such a ban on the territories of the two German States.

(Soviet Embassy Press Department, London - New York Times - New York Herald Tribune - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - Montreal Star - Polish Embassy Press Office, London) **(Prev. rep. 15625 A.)**

Note. The Western replies to the Soviet proposals for a summit conference will be summarized in a subsequent issue. *(Ed. K.C.A.)*

A. SOVIET UNION. — Submarine Fleet.

The 1957-58 edition of *Jane's Fighting Ships*, published on Dec. 19, stated that atomic-powered submarines large enough to carry intermediate-range ballistic missiles with a radius of over 1,500 miles were under construction for the Soviet Navy. The I.R.B.M.s, believed to be an improvement on the German V-2 weapons, were about 70 feet long and weighed over 50 tons (the length and weight of a motor torpedo-boat), and could be fitted with thermo-nuclear warheads. The strength of the Russian submarine fleet was given as nearly 500, and it was expected that the Soviet Navy would have 700 submarines—including atomic-powered vessels—by 1961. *Jane's* added that the largest of these vessels were "regarded by the Russian Navy as their capital ships of the future in place of their battleships now discarded."

The publishers stated in their foreword to the new edition: "It is not impossible that nuclear-powered submarines with guided missiles could replace aircraft-carriers as the spearhead of naval warfare within a few years. The importance of underwater craft in sea warfare has increased considerably in recent times. Advances in nuclear propulsion enable submarines to remain submerged indefinitely and to launch guided missile attacks with far greater chances of survival than surface ships, including carriers. The major Powers are aware of the potentialities of submarines. But, although Russia may have superiority in numbers, the United States cannot be said to have lagged behind in pressing submarine design towards its ultimate development; indeed, she already has several nuclear-powered submarines and others carrying guided missiles. And Great Britain has just completed another new high-speed submarine and is well ahead with the design of a nuclear-powered submarine, the *Dreadnought*."

The principal trend in new Soviet naval construction was described as the shifting of emphasis from 15,000-ton high seas cruisers with a speed of 25 knots to fast ocean destroyers of 3,000 tons with a speed of 38 knots. The U.S.S.R. was also reported to be building escort destroyers or frigates of 1,000 tons with a speed of 27 knots, submarines of 750 tons with a speed of 18 knots, and motor torpedo-boats of 50 tons with a speed of 40 knots.

The figure of 500 submarines in the Soviet Navy was 100 more than that given in the 1956-57 edition of *Jane's Fighting Ships*.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Soviet Navy, NATO Estimate, page 15728.)**

B. KASHMIR. — Release of Sheikh Abdullah.

Sheikh Abdullah, the former Premier of Kashmir, who had been detained at Kud since his deposition in August 1953 by the present Chief Minister (Bakshi Ghulam Mohammed), was released on Jan. 8 and returned to Srinagar four days later, being enthusiastically welcomed by thousands of his supporters. Two of the Sheikh's followers who had been detained with him were also released.

At a press conference after his release Sheikh Abdullah said that he had quarrelled with the Indian Government in 1953 because of India's "anti-Moslem communalism," and in particular because Moslems had been excluded from the Army and other public services in Kashmir. In subsequent public speeches in Srinagar he maintained that Kashmir's accession to India was temporary and provisional; demanded the holding of a plebiscite; and justified the Pakistani invasion of Kashmir on the grounds of the alleged oppression of Moslems in Jammu and Poonch by the Hindu rulers of the State. Commenting on these speeches, Bakshi Ghulam Mohammed denied on Jan. 14 that Kashmir's accession to India was merely temporary; he claimed that in ratifying the State's accession to India, the Constituent Assembly—which had come into being when Sheikh Abdullah was leader of the National Conference—had only confirmed what he (the Sheikh) had already agreed to.

Bakshi Ghulam Mohammed had previously stated on Jan. 8 that no restrictions would be imposed on Sheikh Abdullah, although the Government would deal firmly with any attempts to jeopardize law and order. On Jan. 17 he issued a further warning to Sheikh Abdullah and his followers not to attack the Kashmiri Constitution, the cornerstone of which was accession to India.—(Indian High Commissioner's Office, London - The Statesman, Calcutta - Times)

(Prev. rep. 15381 A.)

C. INDIA. — Himalayan Mountaineering Institute.

The Himalayan Mountaineering Institute, on which work began at the end of 1954, was inaugurated near Darjeeling on Dec. 25 by Mr. Nehru. The first institute of its kind in India, it is designed to develop the "mountaineering spirit" among Indian youth and will have Sherpa Tenzing (who reached the summit of Everest with Sir Edmund Hillary) as its chief instructor.—(The Statesman, Calcutta) **(Prev. rep. 13955 C.)**

D. UNITED KINGDOM. — Gold and Dollar Reserves.

The Treasury announced on Jan. 3 that the sterling area's gold and dollar reserves had risen during December by $88,000,000, after taking into account (*a*) the payment of $3,000,000 to the E.P.U. in respect of the U.K.'s deficiency in November, and (*b*) the payment of $3,000,000 to creditor countries in the Union under bilateral settlements. As a result, the gold and dollar reserves stood at $2,273,000,000 on Dec. 31, 1957. This figure compared with $2,133,000,000 at Dec. 31, 1956 and with $1,850,000,000 the lowest level during the year—at Sept. 30, 1957, following the run on the pound during the preceding months.

It was also stated that payments during December included $8,000,000 to Canada on the interest-free loan and $7,500,000 in interest on certain U.S. loans. On the other hand, there would have been a fall in the reserves if there had been no postponement of interest and capital payments (amounting to $175,000,000) on the two main U.S. and Canadian loans.

Provisional figures for the E.P.U. December settlement showed that Britain had a deficit of £6,100,000, including £1,900,000 of interest on the accumulated debit balance with the Union. This deficit would be settled in January as to three-quarters in gold or dollars and as to 25 per cent by an increase in the U.K.'s debt to the Union.

It was pointed out at the Treasury that the E.P.U. figures had again been affected by special operations, such as French *ratissage* (the calling-in by the French exchange authorities of currency balances from their trading banks towards the end of the month), as well as by end-of-the-year "window dressing" by foreign banks and purchases of transferable sterling by foreign countries in order to improve their E.P.U. accounts.

The dollar rate for sterling kept above the $2.80 parity throughout December, reaching its highest point—and the highest level since May 17, 1956—at the end of the year, when the rate closed at $2.80⅛. The transferable sterling rate in Zürich, after a steady rise throughout the month, reached $2.7905 at Dec. 31.—(Treasury Press Office - Financial Times) **(Prev. rep. 15902 A; U.S. and Canadian Loans, 15911 B.)**

E. UNITED STATES. — Failure of First Attempt to launch Earth Satellite.

The first U.S. attempt to launch an earth satellite into outer space, made on Dec. 6 at Cocoa Beach (Cape Canaveral, Florida), resulted in failure when the carrier rocket blew up as the firing-button was pressed. The rocket was wrecked—in the words of the *New York Times*—"by a great fiery billow of flame nearly twice as high as the rocket itself." The satellite itself survived the explosion and remained undamaged. There were no casualties among personnel at the launching-site. The Office of Naval Research stated on Dec. 9 that the failure had been caused by a mechanical defect in the propulsion system, details of which remained "classified" and could not be released.

The satellite, which contained two transmitters, measured 6½ inches in diameter and weighed 3½ lb., compared with the 184 lb. of Russia's *Sputnik I* and the 1,118 lb. of *Sputnik II*. Its three-stage carrier rocket was 72 feet long, with a diameter of 45 inches.

Intense disappointment at the failure of "Project Vanguard" was expressed by the U.S. Press and all sections of American public opinion, coupled with demands by prominent Congressmen for a thorough investigation. Senator Lyndon B. Johnson, the Senate Democratic leader, described the failure as "one of the best publicized and most humiliating in our history," adding: "I shrink a little inside of me whenever the United States announces a great event—and it blows up in our face." [The Senator was referring to the great publicity given to "Project Vanguard" prior to the abortive launching attempt.] It was announced on Dec. 6 that President Eisenhower had asked the Defence Department for a full report on the matter.—(New York Times - New York Herald Tribune)

(Prev. rep. 14337 A; Soviet Sputniks, 15950 C.)

F. NETHERLANDS. — Cabinet Appointment.

Dr. A. Vondeling was sworn-in on Jan. 13 as Minister of Agriculture, Fisheries and Food in succession to Mr. S. L. Mansholt, following the latter's appointment as a vice-president of the Commission for the European Economic Community (Common Market)—see page 15958, second column. Like his predecessor, the new Minister is a member of the Labour Party.—(Algemeen Handelsblad, Amsterdam)

(Prev. rep. 15160 A.)

G. TUNISIA. — Membership of I.C.A.O.

Tunisia became the 72nd member of the International Civil Aviation Organization on December 18, 1957.
(I.C.A.O. Bulletin, Montreal) **(Prev. rep. 15640 B.)**

JANUARY 25—FEBRUARY 1, 1958

A. UNITED KINGDOM. — Atomic Energy. - Progress toward Control of Fusion Reactions. - Possibility of Power from the Ocean. - Statements by Sir John Cockcroft and U.K. Atomic Energy Authority. - The "Zeta" Machine.

The Director of the Atomic Energy Research Establishment at Harwell (Sir John Cockcroft) announced on Jan. 24 that British scientists working at Harwell had produced temperatures of up to 5,000,000 degrees Centigrade (one-third of the temperature of the interior of the sun), had "held" these temperatures for times of a few thousands of a second, and had repeated this process at intervals of ten seconds "many thousands of times." Sir John disclosed that these results had been achieved with a machine known as *Zeta* (zero-energy thermo-nuclear assembly), understood to be the biggest apparatus of its kind used by any country for research in this field of science.

Commenting on Sir John Cockcroft's statement, the Science Correspondent of *The Times* said that "both factors—the production of high temperatures and ability to hold them—are vital to the bringing about of fusion reactions . . . between the nuclei of heavy hydrogen atoms—the means by which heavy hydrogen, obtained from the sea, may be used ultimately as a fuel in power stations." The Science Correspondent of the *Daily Telegraph* (Mr. Anthony Smith) similarly commented that the "historic news" from Harwell "means that the first rung has been reached on a ladder which leads eventually to the use of sea-water as a source of power." Sir John Cockcroft himself said that he was "90 per cent certain" that controlled thermo-nuclear reaction [i.e. the reaction that takes place in the hydrogen bomb] had been achieved; he expressed the opinion that this reaction would be used to produce electricity in "20 years plus."

The achievements of British scientists in this field, and parallel work in the United States, were described in (1) a press statement issued on Jan. 24 by the U.K. Atomic Energy Authority; (2) the above-mentioned statement by Sir John Cockcroft, made at Harwell to some 800 British and foreign journalists; and (3) articles by British and American scientists in the scientific journal *Nature* (issue of Jan. 25).

Statement by U.K. Atomic Energy Authority.

The statement issued by the Atomic Energy Authority was worded as follows:

"Research at Harwell with the latest apparatus has led British scientists to the conclusion that control of thermo-nuclear reactions for electricity generation may well be a possibility for the future, though its practical application is still a long way off.

"The operation of present atomic power reactors is based on the fission (or splitting) of atoms. The possibility now being explored is the harnessing of power from the fusion (or joining) of atoms . . . Results obtained from the Harwell apparatus ZETA suggest that thermo-nuclear neutrons have been obtained, but further experiments will be necessary before this can be proved conclusively. Temperatures reached in this apparatus have been as high as 5,000,000 degrees Centigrade—higher than the measured surface temperatures of any star.

"Many major problems have still to be solved before its practical application can be seriously considered, and the work must be expected to remain in the research stage for many years yet. If it proves ultimately possible to construct a power station operating on the fusion of deuterium, the oceans of the world will provide a virtually inexhaustible source of fuel.

"On Aug. 12, 1957, a large experimental apparatus for studying the controlled release of energy from thermo-nuclear reactions was started up at Harwell. On Aug. 30 this apparatus was first operated under conditions that produced nuclear reactions; neutrons emitted in these reactions were observed when deuterium gas was heated electrically to temperatures in the region from 2,000,000 to 5,000,000 degrees Centigrade. The hot gas was isolated from the [tube] walls for periods of two- to five-thousandths of a second. The heating process was repeated every 10 seconds. The high temperatures achieved, together with the relatively long duration for which the hot gas has been isolated from the tube walls, are the most important experimental results obtained so far. Whilst much longer times (perhaps several seconds) are required for a useful power output, there appears to be no fundamental reason why these longer times, together with much higher temperatures, cannot be achieved.

"The source of the observed neutrons has not yet been definitely established. There are good reasons to think that they come from thermo-nuclear reactions, but they could also come from other reactions such as collision of deuterons with the walls of the vessel, or from bombardment of stationary ions by deuterons accelerated by internal electric fields produced in some forms of unstable discharge.

"In the ZETA apparatus the number of neutrons produced by each pulse of energy as the current was doubled was roughly that which might be expected from a thermo-nuclear reaction at the measured temperatures. These temperatures have been definitely established."

Sir John Cockcroft's Statement.

The text of Sir John Cockcroft's statement is given below:

"Twenty-five years ago we discovered in the Cavendish Laboratory [Cambridge] that nuclei of heavy hydrogen speeded up by high voltage could join with, or fuse together with, other nuclei of heavy hydrogen to form helium, producing neutrons and energy in the process. We know that processes of this kind provide the energy and heat of the stars. Our sun has a central temperature of about 15,000,000 degrees, and at this temperature nuclei of light elements can move about so fast that fusion reactions can occur.

"It has long been the ambition of scientists to emulate the stars and to produce in the laboratory temperatures so high that useful energy can be produced from fusion reactions. The work which is being published in *Nature* [see below] is the culmination of the first stage of our work.

"The objective of Stage 1 was to produce temperatures of about 5,000,000 degrees for a sufficient time for fusion reactions to be produced in deuterium gas at low pressure. During the course of this work a series of toruses of increasing size have been built, culminating in ZETA. [A torus is a ring-shaped tube.] Using ZETA, Dr. Thonemann and his colleagues [see below] have achieved their first objective of about 5,000,000 degrees for times of a few thousandths of a second, and these times have been repeated at intervals of 10 seconds many thousands of times.

"I consider that to have achieved temperatures which are a third of those at the centre of the sun and to hold them for so long is a remarkable scientific achievement; and I have no doubt that within a year ZETA, with some modifications, will far surpass the sun's central temperature.

"When the temperature in ZETA reaches 2,000,000 degrees a few neutrons are produced, and these increase 300-fold as temperatures of 5,000,000 degrees are approached, until about a million are produced in each pulse. This is about the rate of increase and the number we would expect from heavy hydrogen nuclei moving about with the random motion corresponding to these temperatures. We know, however, that heavy hydrogen nuclei could be speeded up by other mechanisms than being part of a hot gas. Strong electrical fields can be produced in such electric discharges, and these could produce high-speed deuterons. So we are not yet certain that all the neutrons come from a true thermo-nuclear process, and experiments are going on to settle this.

"At the present time the energy produced in the fusion reaction is only about a million millionth of the energy input. This is why we call ZETA a zero-energy thermo-nuclear assembly. We intend to increase the current circulating in ZETA by the provision of more condensers; the temperatures should then rise substantially. If and when we reach a temperature of 25,000,000 degrees, the number of neutrons per pulse should increase at least 10,000 times. Even then, however, the amount of energy produced in ZETA would be small compared with the energy input.

"In order to break even, we will have to produce temperatures of about 300,000,000 degrees in deuterium gas and about 40,000,000 degrees in a mixture of deuterium and tritium. So while we are experimenting with ZETA, improving it and studying its performance, we will be designing and building its successor, which will aim at achieving the break-even point.

"We will have many problems to face in this second stage. New methods may have to be devised to heat the gas to higher temperatures, and new techniques will be required to measure the temperatures. Even if all goes well and we meet no road-blocks, we would still have the further engineering problem of designing and constructing a prototype of a practical and economic thermo-nuclear power station. This would be Stage 3, and after that there would be Stage 4—commercial application.

"So it is difficult for us with our limited vision to see far enough ahead to say whether and when the final goal can be achieved. Our experiments with ZETA are only the first milestone along what may be a longish road, and we cannot see the end of the road. We are, however, going forward with optimism and enthusiasm into this great new field of scientific research.

"During our work we have had the help and co-operation of a group at A.E.I. Aldermaston [i.e. the research laboratory of Associated Electrical Industries Ltd.] working under the direction of Dr. Allibone, with Sir George Thomson's advice. This work began at Imperial College [London] on rather different lines from Dr. Thonemann's but has more recently culminated in a device which looks like a baby edition of ZETA—using a torus of about three times smaller bore. We were delighted to learn three weeks ago that they had achieved temperatures of about 4,000,000 degrees and have also observed neutrons. They will now go ahead to see how far temperatures can be increased with smaller and less expensive systems.

"We have also for the last two years had very close and friendly co-operation with U.S. scientists working with the same objective, but on three or four separate lines of work. We have attended three major conferences with them and have had several visits to see and discuss their work in detail."

Commenting on the work of American scientists in this field, Sir John Cockcroft continued: "Dr. Lyman Spitzer is head of a group at Princeton University working on the so-called Stellarator project [see 15590 D]. His paper in *Nature* is mainly a theoretical commentary on the performance of ZETA . . . In the Princeton Laboratory, temperatures of 1.2 million degrees were observed in 1956 in a tube of 4 inches bore . . . Four articles in *Nature* report some of the work directed by Dr. J. Tuck at Los Alamos Scientific Laboratory. Three of the papers describe work with the so-called Colombus apparatus—straight tubes through which currents of up to a million ampères are passed in a very short pulse of a few millionths of a second. Up to a hundred million neutrons are produced in a single pulse. Estimates of temperatures range from 3,000,000 to 5,000,000 degrees.

"This work is rather similar to that described by Academician Kurchatov [a Soviet scientist] in a lecture at Harwell two years ago, the principal difference being the use of an axial stabilizing magnetic field. Since that time further work of this kind has been reported from Russia by Academician Artsimovich . . .

"A fourth paper from Los Alamos describes work with a quite small torus of two inches bore, known as the Perhapsatron. An axial magnetic field rather stronger than the ZETA stabilizing field was used. Pulses of currents of up to 200,000 ampères . . . were passed through the conducting gas channel. Up to a million neutrons per pulse were observed. This neutron emission would be consistent with a temperature of about 6,000,000 degrees, but temperatures were not measured . . .

"You will see, then, that all the papers presented in *Nature* report work on the same general principle of producing a 'pinched' discharge stabilized by an axial magnetic field. Over a million neutrons per pulse are produced in all cases, but in no case have they been definitely proved to be true thermo-nuclear neutrons. The temperatures have been measured spectroscopically only in ZETA and in the A.E.I. Sceptre III [the machine used at Aldermaston] and are in the thermo-nuclear region of 2,000,000 to 5,000,000 degrees.

"The Perhapsatron work in the United States, together with the results obtained by A.E.I. and our work with ZETA, enable us for the first time to see the effect of the size of the apparatus on performance . . . If we examine the performance of the three tori of increasing size, this provides us with a good guide for our future line of development and the conditions required to increase the time during which the high temperatures persist. Long containment times are as important as high temperatures for practical results, and one of our objectives for the future will be to achieve much longer containment times as well as 'break-even' temperatures. The performance of ZETA has encouraged us to believe that this will be possible."

Principles of the Zeta Machine. - The British Research Workers. - The "Nature" Articles.

The principles underlying the operation of *Zeta* were described in the following press release by the Authority:

"The reaction being studied in ZETA is that in which deuterons (nuclei of the heavy hydrogen isotope deuterium) collide with one another and fuse to form heavier nuclei, releasing energy and some neutrons in the process. For fusion to be possible the deuterons must have enough energy to overcome the initial electrical forces of repulsion between them; this necessitates heating the deuterium gas to temperatures of millions of degrees Centigrade. The hot gas must be kept away from the walls of the container, otherwise it falls in temperature.

"The principle adopted in ZETA is to pass a large electric current through the deuterium gas. This current sets up an electric discharge in the gas (analogous to the discharge in a neon advertising sign) which heats it and also produces an intense magnetic field around the column of hot gas. This magnetic field causes the discharge to become constricted and hence heated still more. Since it also causes the discharge to wriggle about, this field by itself is not enough to keep the discharge away from the walls. The wriggling has been suppressed by applying an additional steady magnetic field parallel to the axis of the tube.

"In ZETA the discharge chamber is a ring-shaped tube or torus of 1 metre bore and 3 metres mean diameter, containing deuterium gas at low pressure. The tube is linked (i.e. encircled over part of its length) by the iron core of a large pulse transformer. A current pulse of electricity is passed into the primary winding of the transformer from a bank of capacitors capable of storing 500,000 joules of energy. [A joule is a measure of energy, 500,000 joules being equivalent to about 14 units of electricity]. This pulse in turn induces a very large uni-directional pulse of current in the gas, which forms a short-circuited secondary for the transformer. Peak currents up to 200,000 ampères have been passed through the ionised gas for periods up to 5 milli-seconds. The current pulse is repeated every ten seconds. Emission of neutrons throughout the current pulse is observed regularly in routine operation of ZETA with deuterium; there are up to 3,000,000 neutrons emitted per pulse.

"The temperature of gas discharges may be determined from measurements of the light emitted by the gas atoms. But measurements of this kind in these experiments present problems because, at the temperature of the discharge, the hot deuterium atoms are completely stripped of their electrons and therefore do not emit a line spectrum. One method of solving this problem is to mix with the deuterium a small quantity of some heavier gas, such as oxygen or nitrogen, the atoms of which are not stripped of all their electrons under these conditions, and to study the spectral lines emitted by this impurity; the random motion of the high-energy impurity atoms which make many collisions with the deuterium atoms and so reach the same energy causes the spectral lines to broaden, owing to the Doppler effect, and the amount of broadening is a measure of the ion energy. Many measurements by this method have indicated temperatures in the region of 2,000,000 to 5,000,000 degrees Centigrade . . .

"In order to obtain a net gain in energy from the reaction it would be necessary to heat deuterium gas to temperatures in the region of 100,000,000 degrees Centigrade, and to maintain it at this temperature long enough for the nuclear energy released to exceed the energy needed to heat the fuel and lost by radiation. Lower temperatures would suffice for a deuterium tritium mixture . . ."

The work on *Zeta* was carried out in the General Physics division at Harwell, which is under the direction of Mr. D. W. Fry. The group responsible for the work was led by Dr. P. C. Thonemann (an Australian), other scientists prominently associated with *Zeta* including Mr. R. Carruthers, Mr. R. S. Pease and Dr. W. B. Thompson. The principal contractors for the construction of *Zeta* were Metropolitan-Vickers Electrical Co. Ltd. (who also collaborated in the design), British Insulated Callender's Cables Ltd., and Telcon Ltd.

Mr. Donald William Fry (47), born at Weymouth, is a graduate of King's College, London. A member of the team which designed the first V.H.F. equipment used by R.A.F. Fighter Command in the Battle of Britain, he subsequently joined the staff of the Air Ministry Research Establishment, becoming head of its General Physics Division in 1950 and Chief Physicist in 1954.

Dr. Peter Clive Thonemann (40) was born in Melbourne, graduated from the University of Melbourne, and subsequently carried out important research at the University of Sydney and the Clarendon Laboratory, Oxford. Since 1949 he has been directing the work of a group investigating the properties of highly ionised gases.

Mr. Robert Carruthers (37) was born at Leeds and graduated at the City and Guilds College (University of London). After research work in radar, infra-red techniques, and synchrotron design, he joined Dr. Thonemann in 1951 at Harwell and carried out the experiments which ultimately made it possible to construct the ZETA apparatus.

Mr. Rendel Sebastian Pease (35) was born at Cambridge, graduated from Trinity College, Cambridge, and carried out operational research for R.A.F. Bomber Command during the last war. He joined the Harwell staff in 1947.

Dr. William Bell Thompson (35) was born in Belfast but went with his parents to Canada as a child. A graduate of the University of British Columbia, he lectured at the University of Toronto and worked on the Chalk River project before joining the Harwell staff.

Research work in the field of controlled thermo-nuclear reactions is also being carried out at the Research Laboratory of Associated Electrical Industries Ltd. at Aldermaston, on behalf of the Atomic Energy Authority and with the advice of Sir George Thomson. Dr. T. E. Allibone is Director of the A.E.I. laboratory, the senior members of the staff being Mr. D. R. Chick and Dr. A. A. Ware.

The articles in *Nature*, referred to by Sir John Cockcroft, constituted the first detailed account of the work carried out by British and American scientists in controlling thermo-nuclear reactions. Of a highly technical character, they included (1) a paper by 12 British scientists working at Harwell (including Dr. Thonemann, Mr. Fry and Mr. Carruthers) describing the *Zeta* apparatus, its method of working, and the results achieved; (2) a paper by 14 scientists of the A.E.I. Laboratory, describing the parallel work achieved at Aldermaston with the *Spectre III* apparatus, to which reference was made by Sir John Cockcroft; and (3) several papers by American scientists, including Professor Lyman Spitzer of Princeton and members of Los Alamos Scientific Laboratory, New Mexico, describing the work carried out in the United States. The Los Alamos scientists described the working of the "Perhapsatron" apparatus referred to by Sir John Cockcroft.

American Statement.

By agreement between the British and American authorities, the results of the work carried out by British and U.S. scientists in this field were released simultaneously by the U.K. Atomic Energy Authority and the U.S. Atomic Energy Commission. High tributes to the achievement of the British scientists were paid by the entire U.S. Press, which gave great prominence to the Harwell discoveries, by Dr. Willard Libby and other eminent American scientists, and by Rear-Admiral Lewis Strauss, chairman of the U.S. Atomic Energy Commission.

At a press conference on Jan. 24, Admiral Strauss congratulated the U.K. Atomic Energy Authority and its scientists and engineers on "the notable advances which they have made," and expressed his pleasure at "the co-operation which we have established with our British friends in this field of science." He explained that the simultaneous release of information on both sides of the Atlantic had been made possible under a new Joint Classification Guide recently approved by both countries, and added: "After the U.K.-U.S. decision to de-classify the work on controlled thermo-nuclear reactions (except for certain areas), and following the concurrence of the two countries on a revision of the Joint Classification Guide to accomplish this, conferences began with a view to releasing the newly de-classified information as early as possible in 1958. It was agreed that Jan. 24, 1958, was the most convenient date."

Admiral Strauss strongly repudiated any suggestion of a "race" between British and U.S. scientists, saying in this connexion: "Our research efforts and those of the United Kingdom are at a point where it occurs periodically that first one laboratory and then another will make a useful and illuminating advance. This has happened in the past, and no doubt will occur in the future, as our two countries pursue their joint studies." He also declared: "Assertions that U.S. pressure was used to persuade the U.K. authorities to suppress publication of the results of their research are contrary to the facts and have been refuted by Sir Edwin Plowden, chairman of the U.K. Atomic Energy Authority, and by me. Furthermore, certain comparative observations which have been published in recent weeks about British and U.S. progress in this field will be seen from to-day's British and U.S. papers to have been not only misleading but lacking in any foundation of fact."

In reply to questions, Admiral Strauss defended the simultaneous publication of results on both sides of the Atlantic as a means of avoiding the appearance of rivalry between British and U.S. scientists "where, in fact, none existed." Though he did not think that Britain had a lead over the U.S.A. in the field of thermo-nuclear research, he admitted that Britain had achieved better results in proportion to the amount of money spent in both countries in this field; the British achievement, he added, had shown that "very significant results can be obtained under more austere conditions" than existed in the United States. Dr. Willard Libby described the Harwell results as "a wonderful achievement" and "a great step forward," adding that British and U.S. scientists were "so neck and neck that there is no difference."

[It was explained in the *New York Times* that the U.S. Atomic Energy Commission's programme of thermo-nuclear research (Project Sherwood) had been expanded 30-fold in the past five years. Whereas Project Sherwood spent $800,000 in 1953, expenditure in the current year was estimated at $23,000,000; moreover, only some 20 scientists and engineers were engaged on the project in the former year, compared with about 250 at the present time. It was stated that most of the research was being carried on in five laboratories—Los Alamos, New Mexico; the University of California's Radiation Laboratory; Princeton University; the Oak Ridge National Laboratory, Tennessee; and the Institute of Mathematical Science at New York University.]

In a statement to the British House of Commons on Nov. 11, 1957, the U.K. Paymaster-General (Mr. Maudling) had announced—in reply to a question—that the *Zeta* apparatus at Harwell was operating successfully and that discharges through heavy hydrogen were giving very high temperatures, accompanied by discharges of neutrons, which were believed to be due to thermo-nuclear reactions. Demands for the immediate publication of the results were made by a number of M.P.s and British newspapers, coupled with allegations that the American authorities were exerting pressure on Britain to hold back the announcement. These allegations were refuted by Admiral Lewis Strauss, as stated above, and also by Sir Edwin Plowden.

Tributes to the British achievement, similar to those in the United States, were also paid by leading scientists in France, Western Germany, Italy, Sweden, Japan and many other countries. The news was broadcast by Moscow radio, which "noted" that the work of the British scientists "resembled the work of Soviet scientists as reported by Academician Kurchatov in his Harwell lecture two years ago."—(U.K. Atomic Energy Authority - Nature - Times - Daily Telegraph - Manchester Guardian - New York Times)

(Prev. rep. 15906 A.)

Glossary of Scientific Terms. The Atomic Energy Authority provided the following glossary of terms used in the description of ZETA (see page 15982 above):

Capacitator (or condenser): A device which can be used to store electrical energy.

Deuterium (or heavy hydrogen): Ordinary hydrogen is made up of two isotopes: i.e two different kinds of hydrogen atoms which differ mainly in weight. The heavier isotope, called deuterium, or heavy hydrogen, is present in small proportion only (about one in 3,000).

Deuteron: The nucleus of a deuterium (heavy hydrogen) atom: it is formed by stripping the planetary electron from the atom (see also hydrogen ions).

Doppler Effect: If the atoms of a gas are emitting light in a narrow band of frequencies, then the width of the band will increase as the temperature increases, because the speed of movement of the atoms also increases. This effect (analogous to the change in the note of an engine whistle when a train passes through a station) is called Doppler "broadening." This broadening can be used to calculate the temperature of the emitting gas.

Heavy Hydrogen—see Deuterium.

Hydrogen ions (or heavy hydrogen ions): Ions are atoms which have become charged by gaining or losing planetary electrons. In ZETA atoms lose their electrons and so become positive ions; thus hydrogen and deuterium atoms in the gas discharge lose their single planetary electrons and become positive ions called protons and deuterons respectively. Atoms with more planetary electrons do not lose all their electrons so readily; thus the additive gases used to measure temperature lose some but not all of their electrons.

Line Spectrum: Atoms, or ions which still have planetary electrons, emit radiation only in very narrow and widely separated frequency bands. These appear when photographed as widely separated narrow black lines; this gives rise to the name 'line spectrum.' Fully ionised atoms (i.e. atoms which have lost all their planetary electrons) do not emit line spectra.

Milli-second: One-thousandth of a second.

Micro-second: One-millionth of a second.

Thermo-nuclear Neutrons: Neutrons which are emitted from a true thermo-nuclear reaction.

Thermo-nuclear Reaction: The atoms (or molecules) of a gas are always in random motion. As the gas is heated up, the speed of this motion increases. For a nuclear fusion reaction to take place, the colliding nuclei must possess considerable energy—i.e. they must be travelling very fast. If the gas is so hot that the speed of random motion in it provides sufficient energy for nuclear fusion to take place, then a thermo-nuclear reaction is said to take place. Neutrons produced in thermo-nuclear reactions are called thermo-nuclear neutrons. One million degrees Centigrade is the lowest temperature at which any measurable number of thermo-nuclear reactions could be observed.

Tritium: A radio-active isotope of hydrogen which has three times the weight of the ordinary hydrogen atom. It is manufactured by bombarding an isotope of lithium with neutrons; it has a half-life of 12½ years and decays by emitting beta particles (electrons).

Zero Energy: A zero-energy thermo-nuclear apparatus is one in which the thermo-nuclear output is very small (even though the initiating power input is large). (Atomic Energy Authority)

A. TURKEY. — Cabinet Changes. - Arrest of Army Officers on Plotting Charges.

M. Semi Ergin, the Turkish Minister of National Defence, resigned on Jan. 19 and was succeeded by M. Ethem Menderes, the Minister of Public Works. M. Tevfik Ileri, hitherto Minister of State and Deputy Prime Minister, became Minister of Public Works.

Although no reason was given for M. Ergin's resignation, it was generally believed to be connected with an earlier announcement (Jan. 16) that nine Army officers had been arrested in Istanbul on charges of plotting against the Turkish Government. The official statement contradicted rumours that large-scale arrests had been made among members of the Turkish armed forces; pointed out that the arrested officers comprised three colonels (one retired), one lieutenant-colonel, four majors, and one captain; and stated that the matter had come to light through information supplied by one of the officers concerned.—(Turkish Embassy Press Department, London - Times - New York Times)

(Prev. rep. Cabinet, 15888 B.)

B. MALDIVE ISLANDS. — New Chief Minister.

Amir Ibrahim Ali Didi, Chief Minister of the Maldive Islands (the British protectorate 400 miles south-west of Ceylon), resigned on Dec. 18 for health reasons and was succeeded by his former chief aide, Ibrahim Nasir. The Maldivian Government recalled that Ibrahim Ali Didi had been in office for nearly four years, adding that he had been "trying to survive in spite of increasing pressure of work as head of a State which, when he took over, was in unprecedented chaos."—(Times)

(Prev. rep. Maldives, 15295 A; 13475 A.)

C. UNITED KINGDOM. — Oxford University. - £150,000 Gift for Studies in Transport.

It was announced on Jan. 28 that the University of Oxford had accepted a gift of £150,000 from 37 public and private companies and undertakings, made through the Institute of Transport, to finance studies in the economies and organization of transport. The money was offered for the permanent endowment of a Readership and at least two research Fellowships in the subject.—(Times - Daily Telegraph)

A. INDIA - PAKISTAN. — The Canal Waters Dispute. - New Proposals by International Bank. - Failure to reach New Interim Agreement.

As no agreement on the division of the waters of the Indus basin between India and West Pakistan had been reached by March 31, 1957 (the terminal date for discussions on the preparation of a comprehensive scheme), the vice-president of the International Bank for Reconstruction and Development (Mr. W. A. B. Iliff) visited India and Pakistan in June for talks with the two Governments. Mr. Iliff began his discussions on June 7 in Delhi, where he met the Indian Prime Minister, Mr. Nehru, and the Minister for Irrigation, Mr. Patil; proceeded on June 11 to Lahore, where he discussed the question with the then Pakistani Premier, Mr. Suhrawardy, and the Finance Minister, Mr. Amjad Ali; returned to Delhi for a second round of talks on June 20; and concluded his discussions with a brief visit to Karachi on June 24-25.

Negotiations had been proceeding for three years on the basis of the Bank's proposals of Feb. 5, 1954, which envisaged (1) that Pakistan should have the exclusive use of the three western rivers of the Indus system (the Indus, Jhelum, and Chenab), and India the exclusive use of the three eastern rivers (the Ravi, Beas, and Sutlej); (2) that for a transitional period of about five years India should continue to supply Pakistan with water from the eastern rivers; and (3) that India should bear the cost of building link canals in Pakistan to replace supplies from these rivers, "to the extent of benefit derived by her therefrom" [see 13789 A]. Whereas India had accepted these proposals almost immediately, Pakistan, on the strength of an independent report, had denied that the waters of the western rivers were sufficient for her needs, and only accepted the proposals several months later with certain qualifications. In an *aide-mémoire* submitted to both Governments in May 1956, the International Bank suggested certain modifications of its proposals, including the provision of storage facilities at India's expense.

Before leaving for Washington, Mr. Iliff handed identical communications to both Governments making certain suggestions which, he stated, were "directed to moving forward towards a solution of the problem on the lines of the Bank's proposals." It was reported on July 23 that Pakistan had accepted Mr. Iliff's proposals, subject to certain conditions, and had outlined a programme for their implementation. Mr. Patil stated on July 28 that India had also accepted the proposals.

According to statements made by Mr. Patil in the *Lok Sabha* on July 25 and Aug. 1, the suggestions made by Mr. Iliff generally followed the 1954 proposals but were "a little more accurate and precise in the manner of implementation, if the main principle that the waters of the three Western rivers should be reserved for Pakistan and the waters of the three Eastern rivers for India is accepted." He added that the suggestions also sought to "provide some machinery for resolving points on which the Bank may be unable to secure agreement." He explained that the Bank, after receiving the two Governments' views, would obtain the comments of each Government on the views of the other, and would then decide whether the employment of its good offices could make any further contribution, and, if so, along what lines the work should proceed.

Mr. Patil announced in the *Lok Sabha* on Aug. 1 that India had informed the International Bank and Pakistan that she would not wait more than five years before withdrawing water from the Ravi, Beas, and Sutlej rivers for her own purposes. By 1962 the Rajasthan Canal (which would be 500 miles long, the longest in the world, and would cost Rs. 600,000,000) and the Sirhind "feeder" canal would be completed, and as soon as they were ready they would be supplied with water from the three eastern rivers. In the past three years, he pointed out, Pakistan had spent between 200,000,000 and 250,000,000 rupees on building link canals which were already capable of supplying 5,000,000 acre-feet of water, or half of what India was supplying from the eastern rivers.

A Pakistani Government spokesman declared on Aug. 10 that Mr. Patil's statement that India would withdraw water for the Rajasthan and Sirhind canals as soon as they were ready was "a threat to Pakistan's political and economic security, and if implemented would be regarded as an act of aggression against Pakistan." Even the Bank's proposals, he claimed, did not give India the right to stop or diminish water supplies from the eastern rivers to Pakistan until the completion, at India's cost, of the works necessary to replace the supplies previously provided by those rivers.

Negotiations for a new interim agreement on the supply of canal waters, to replace that which had expired on March 31, 1957, and designed to cover the period Oct. 16, 1957 to Oct. 15, 1958, opened in Delhi on Nov. 28 under the auspices of the International Bank, but broke down owing to disagreement between India and Pakistan over the question of payment for link canals built by Pakistan.

Mr. Patil stated in the *Lok Sabha* on Dec. 20 that Pakistan had demanded that India should pay not only for the construction of canals but also for their operation, whereas India was not prepared to agree to any payment except as part of an overall settlement. The International Bank, he claimed, had twice before rejected attempts by Pakistan to make India pay for the cost of the canals. Mr. Qizilbash (the Pakistani Minister for Industry), on the other hand, said on Dec. 30 that in Pakistan's view the link canals were not part of an overall replacement plan. He added that Pakistan had offered under the interim agreement to operate the canals for India's benefit, provided India agreed to pay for her share. Mr. Qizilbash claimed that the International Bank had supported Pakistan's demand, and reiterated his Government's willingness to submit any disputed questions to arbitration.

In reply to the latter suggestion, it was semi-officially stated in Delhi on Dec. 30 that while minor points of disagreement could be settled by arbitration once Pakistan had accepted the essential features of the Bank's 1954 proposals —which India denied had been the case so far— arbitration on the canal waters dispute as a whole was not acceptable to India. (Indian and Pakistani High Commissioners' Offices, London - The Hindu, Madras - The Statesman, Calcutta)

(Prev. rep. 12876 A; 13789 A; 15144 D.)

B. ALBANIA. — British and U.S. Planes forced down. - Release of Detained Pilots and Aircrew.

It was announced by Tirana radio on Dec. 31 that a British freight plane with six people on board had been forced down at Valona on Dec. 31 by Albanian fighters, after having violated Albanian airspace in disregard of warning signals. The plane concerned, a *Skymaster*, belonged to Independent Air Travel (a British charter company) and was on a flight from Düsseldorf to Singapore with a cargo of machinery for Karachi and Bangkok. Italian radar stations at Brindisi and Otranto (on the "heel" of Italy facing Albania) reported that they had seen two Albanian fighters intercept a civilian aircraft and escort it to Valona.

The *Skymaster* was piloted by Captain M. Kozubski (a former Polish bomber pilot with the R.A.F.), who is chairman and managing director of Independent Air Travel; two other pilots, an engineer officer, a steward, and an air hostess were also on board the machine. Independent Air Travel operates a world-wide service of freight and passenger flights, mostly from Hurn airport, near Bournemouth.

The Albanian Government released the *Skymaster* on Jan. 4 after representations had been made through the French Legation in Tirana. [The United Kingdom has no diplomatic relations with Albania, and only France and Italy among the Western countries maintain diplomatic missions in the Albanian capital.]

On returning to Britain, Captain Kozubski explained that his machine had approached the Albanian coast eight miles closer than usual owing to bad weather conditions over the Adriatic, and had made a forced landing after warning shots by two Albanian MIG fighters; he and the other members of the crew stated that they had been well treated while in Albanian custody. The British Foreign Office announced on Jan. 6 that the incident was regarded as closed, adding that it was clear that the machine had inadvertently flown over Albanian territory owing to bad weather. It was noted that the captain and crew had been well treated by the Albanians, and thanks were expressed to the French Minister in Tirana (M. Keller) for helping to secure their release.

A further broadcast from Tirana radio on Jan. 7 announced that Albanian fighters had forced down a U.S. *Shooting Star* trainer plane over Albanian territory on Dec. 28, 1957, and that its pilot, Major Howard J. Curran, had been taken into custody. It was stated that the plane had been forced down near Berat, 80 miles inland from the Albanian coast. The U.S. Air Force in Europe explained that a plane of this description, piloted by Major Curran, had been missing since Dec. 28 while on a flight from Châteauroux (France) to Naples. Major Curran was released by the Albanian authorities on Jan. 9 after representations by the French Legation, and was allowed to leave for Belgrade in a Yugoslav airliner. On arrival in the Yugoslav capital, he explained that he had been forced to make an emergency landing through instrument failure and lack of fuel, and was unaware that he was on Albanian territory until taken into custody. He added that he had been treated with consideration while under detention.

(Times - Manchester Guardian - New York Times)

A. NEW ZEALAND. — Severe Import Restrictions.

The New Zealand Prime Minister, Mr. Walter Nash, announced on Jan. 1 that all future imports would be subject to licensing, and that trading banks would not allocate exchange to importers unless a licence had been issued by the Customs Department.

Mr. Nash stated that New Zealand was facing her most serious oversea exchange position since the depression of the 'thirties. The deficit in the balance of payments had increased from £4,000,000 in the year ended September 1957 to an amount estimated at £30,000,000 in the calendar year 1957. On Dec. 25, New Zealand's oversea funds were down to £45,500,000 —a reserve sufficient for only six weeks at the current rate of external payments.

Mr. Nash explained that, in considering various possible remedies, the Government had rejected overseas borrowing as too costly and as being no more than a palliative. Exchange allocation without import control could give no guarantee that essential imports would be obtained or that dispensable ones would not be brought into the country, whilst alteration of the exchange rate would open the door to "a wild spiral of costs and prices." Overseas borrowing, he added, might require £50,000,000—an amount which could not possibly be raised in the present state of the London market. Moreover, the interest burden would be excessive.

The Government was determined not to take action to curb purchasing power severely by methods which would cause wage-cuts and unemployment; it believed that New Zealand's living standards and development could only be protected by a combination of exchange allocation and import selection. Accordingly, funds would be allocated for all imports of basic foodstuffs, such as wheat, tea, coffee, and dried fruits, and, to the full amount required, for a long list of basic raw materials used in N.Z. industry. Unused capacity in factories would be called upon to make good the loss of some less essential imports, including soap, footwear, leather goods, woollen piece-goods and carpets. Also, funds would not be wasted for importing many other items which New Zealand industry was well capable of supplying, but full allocations would be made for essential materials needed for medical and hospital use.

Describing the drain on New Zealand's oversea funds in recent weeks as "the worst landslide in the country's history," Mr. Nash blamed the previous (National Party) Government for having allowed New Zealand's overseas reserves to fall from £83,000,000 to £45,000,000 between Oct. 1 and Dec. 31. He added that although the terms of trade had turned against New Zealand in 1957 as a result of a sharp fall in export prices overseas, the reserves at the end of the year should have been at least sufficient for six months instead of for only six weeks. "The main cause of the frittering away of our overseas reserves has been excessive importing," Mr. Nash added. "Not only has New Zealand spent more abroad than she has earned, but the National Government borrowed abroad over £20,000,000, some of which has gone into needless importing. Too many people have been encouraged to live in an unreal world even when the country has been living on its capital and pledging its overseas assets to support this unreality."

The Minister of Customs (Mr. Boord) explained the working of the new import policy on Jan. 2.

Mr. Boord said that, apart from a few necessary exceptions such as passengers' baggage, all imports into New Zealand would now require a licence. Goods previously exempt from licensing and shipped from the country of export up to Dec. 31 would, however, be admitted without licence. Goods shipped by Dec. 31 under licences for 1958 already issued would be deducted from any new licence to which importers were now entitled; where the value of such goods exceeded the value of the new licence, the excess licence would be granted, but the amount of the excess would be charged against any subsequent allocation. All goods on order at Jan. 1, 1958, but not shipped for export to New Zealand before that date, would become subject to the new licensing provisions.

Two schedules were published on Jan. 1 covering approximately 1,000 items grouped into seven categories. These ranged from "A" items, for which licences would be granted to the amount applied for from non-dollar sources or Japan, to "D" items, for which no allocation was made.

Items for which substantial cuts were made—all on the basis of the value of 1956 imports—included electric irons and razors, toys, certain textile piece-goods, and cameras (75 per cent); assembled motor-vehicles, watches, china-ware, carpets and floor-covering (50 per cent); whisky and other spirits (40 per cent); unassembled motor-vehicles, electric motors, dairy machinery, cutlery, and imitation jewellery (25 per cent); and agricultural machinery and implements (10 per cent).

For knitted woollen underwear and outerwear, the new import quotas would be 50 per cent of the allocations already issued for 1958, and the same reduction would apply to imports of tyres and tubes of specified sizes which were also made in New Zealand.

Licences would be available on individual application for, *inter alia*, gramophone records, certain textile piece-goods, raw cotton, plated ware, and jewellery containing precious metals or precious or semi-precious stones.

No licences would be granted (save in "the most exceptional circumstances") for cigarettes, cigars, tobacco, beer, biscuits, jams, jellies, nearly all footwear, lawn-mowers, neckties, woollen blankets, a wide range of leather goods, many speciality foodstuffs, furniture, soap and soap-powder, umbrellas, and cement.

Items in the unrestricted category "A" included iron, steel, and metals generally, crude petroleum and motor-spirit, raw rubber, ball-bearings, wheat, tea, coffee, and dried fruits.

Mr. Nash said on Jan. 3 that an estimate of how much overseas exchange would be saved by the import cuts would not be released for publication; unofficial estimates, however, put the anticipated savings at 20 per cent of the 1957 level of imports, or approximately £50,000,000.

The Minister of Industries and Commerce, Mr. P. N. Holloway, explained the industrial implications of the new policy in a broadcast on Jan. 6.

Mr. Holloway mentioned that certain N.Z. industries which were using almost entirely N.Z. raw materials had been "languishing" in the last few years, particularly woollen mills, footwear factories, tanneries, and factories producing leather goods generally. It was the Government's aim that these industries should produce more in future and that the public should buy more woollen piece-goods, blankets, carpets, footwear, and leather goods made in New Zealand. Similarly, soap, cigarette, furniture, and building-board factories, which were all using New Zealand materials, should produce more to replace imports. Other industries which could achieve higher production with their existing equipment were engineering, garments, paints, bricks and tiles, and radio and communications.

From a long-term point of view all the indications pointed to the fact that New Zealand would continue to find it difficult to export and sell enough in future years to provide for the payment of a very high level of imports for her expanding population. She had reached the stage where she could not rely for her manufacturing development on industries which imported all their parts and had them only assembled in New Zealand, and the Government intended that parts should be made more and more in New Zealand if reasonably economic. Mr. Holloway expressed the hope that all the industrial groups could meet together to develop specific plans for supplying New Zealand's needs, both in the current year and in the future; the Industries and Commerce Department would initiate such discussions, after which he (Mr. Holloway) himself would meet representatives of the various industries. The Minister added that while it was not the Government's intention to encourage any and every industry to develop in New Zealand, there were "things that can be well done here and that can be economically produced up to overseas standards," and it was "these things in which we are interested."

The Labour Government's decision to impose import controls was strongly criticized on Jan. 2 by Mr. J. T. Watts, Minister of Finance in the former National Government.

Mr. Watts maintained that the position of New Zealand's overseas funds was not nearly as serious as the Prime Minister had claimed. One reason for the deterioration in the exchange position had been the rumours of an alteration in the exchange rate following the Labour Party's electoral victory. Funds had accordingly been remitted overseas, in some cases even before payment was due, whilst importers, influenced by threats of Labour candidates that controls would be introduced, had also increased their overseas orders in order to build up stocks.

Continuing, Mr. Watts said that in addition to the £45,000,000 mentioned by Mr. Nash, New Zealand had close on another £30,000,00 in reserves invested in London, plus her holdings of gold. Moreover, the export season was now commencing and funds would start to build up immediately. There was no doubt that overseas funds had reached a lower level in the previous six weeks than was expected, and that some remedial action was necessary. He deplored, however, the return to a "tight" import policy covering all goods when there was only an excess of imports of between 5 and 10 per cent of the country's total requirements.

Import control, Mr. Watts concluded, would not by itself solve the real problem, which was "an excess internal demand for goods and services—aggravated by Labour's election promises of tax concessions, increased family benefits, pensions, and Government capital works."

Great concern was expressed in the United Kingdom at the reintroduction of general import control in New Zealand.

A spokesman of the Society of Motor Manufacturers and Traders said in London on Jan. 2 that New Zealand ranked fourth among buyers of British cars in the first 11 months of 1957, whilst a spokesman of the Footwear Manufacturers' Federation stated that New Zealand was fifth highest importer of British footwear in 1956. A spokesman of the British Electrical and Allied Manufacturers' Association expressed the view that this industry would also be "fairly heavily" hit. A Board of Trade spokesman pointed out that in addition to cars and commercial vehicles, British exports to New Zealand included goods ranging from carpets and whisky to cloth and heavy machinery, other important items being paper and paper-board, wool and worsted yarns, cotton and synthetic yarns, textiles, iron and steel, and electrical apparatus.

The N.Z. Minister of Finance (Mr. Nordmeyer) disclosed on Jan. 16 that the Reserve Bank of New Zealand had sold £5,000,000 worth of investments in London to provide money for trading needs. He said that overseas reserves had fallen from £113,000,000 in June 1957 to £44,000,000 in the first week of January, adding that the Labour Government was faced with a situation "not only serious but critical." (Directorate of Information, Wellington - N.Z. Department of External Affairs - Times - Financial Times - Daily Telegraph - Manchester Guardian - Economist)

Note. U.K. exports to New Zealand amounted to £140,100,000 in 1955 and £127,900,000 in 1956; taking the first 11 months of 1957, the estimated annual total in that year was £140,000,000. The 1955 figure represented 4.6 per cent of total British exports, the 1956 figure 3.9 per cent, and the estimated 1957 figure 4.1 per cent. The largest export items were (in that sequence): cars and commercial vehicles (£17,342,000 in 1955, £13,776,000 in 1956, and an estimated £15,310,000 in 1957); electrical machinery (£12,318,000 in 1955; £10,491,000 in 1956; and an estimated £11,718,000 in 1957); miscellaneous textile manufactures, including carpets in particular (£9,523,000 in 1955; £8,385,000 in 1956; and an estimated £9,185,000 in 1957); cotton yarns and fabrics (£6,983,000 in 1955; £6,098,000 in 1956; and an estimated £6,702,000 in 1955); woollen yarns and fabrics (£4,819,000 in 1955; £3,997,000 in 1956; and an estimated £4,533,000 in 1957), synthetic fibre yarns and fabrics; clothing, footwear, etc.; and beverages.

Fifty-five per cent of total New Zealand imports came from the United Kingdom in 1955, and 53.6 per cent in 1956. (*Economist*)

A. DISARMAMENT NEGOTIATIONS. — Corrigendum.

In summarizing the proceedings in the U.N. Disarmament Sub-committee during the last week of August 1957, certain incorrect dates were inadvertently given on pages 15943-44—i.e. in the text between the cross-heading "New Western Proposals on Disarmament" on page 15943 (near end of first column) and the cross-heading "The Disarmament Question at the United Nations" on page 15944. The correct chronological sequence of events during this period was as follows:

August 21—The Western proposals for a suspension of nuclear tests were presented orally in the sub-committee by the Western delegates.

August 27—The Soviet delegate (M. Zorin) criticized these proposals on the ground that they nullified the possibility of reaching agreement on the suspension of nuclear tests by linking the question with other disarmament measures. In addition, he rejected the Western proposals for aerial inspection which had been put forward on Aug. 2 (see page 15942). In a strongly-worded speech, M. Zorin accused the Western Powers of intensifying the arms race, increasing the production of nuclear weapons, etc.

August 28—President Eisenhower issued a statement deploring M. Zorin's "scornful words" and expressing disappointment at the Soviet rejection of the Western proposals.

August 29—The full Western disarmament proposals were placed before the sub-committee, embodying the proposals of Aug. 2 for ground and aerial inspection, the proposals of Aug. 21 for suspension of nuclear tests, and other proposals on disarmament as shown under cross-headings. M. Zorin said that these proposals contained "nothing new," and the sub-committee decided on Sept. 6 to suspend its sessions *sine die*, as stated. (Ed. K.C.A.)

B. NEPAL. — Road Construction Programme.

The Indian and Nepalese Governments signed on Jan. 2 a tripartite agreement between Nepal, India, and the U.S.A. for the construction of roads in Nepal. The agreement was subsequently signed by the U.S. Ambassador in Delhi (Mr. Ellsworth Bunker), who is also Ambassador to Nepal and was unable to fly to Khatmandu because of illness. It was stated in the Indian Press that the three Governments would contribute over 50,000,000 rupees in the next five years for building about 900 miles of roads in Nepal. The present mileage of hard-surface roads in that country is only 150.
(The Statesman, Calcutta) **(Prev. rep. 15648 F; 15449 C.)**

C. AUSTRALIA. — Civil Aviation. - Round-the-world Service by Qantas Empire Airways.

A round-the-world air service by Qantas Empire Airways was inaugurated on Jan. 14 when two Super-Constellations left Melbourne on their round journey of 25,000 miles, which took less than six days. The two aircraft set out on opposite routes to London, one by way of the U.S.A. and the other *via* the Middle East.—(Australian News and Information Bureau)
(Prev. rep. 15829 C; 15634 A.)

D. PERSIA. — Death of Dad Shah.

Dad Shah, the notorious bandit whose gang ambushed and killed three American citizens and two Persians in March 1957, was killed in the Baluchistan desert on June 11 after a five-hour gun battle with Persian security forces, in which there were fatal casualties on both sides.—(Times - Daily Telegraph)
(Prev. rep. 15532 A.)

E. UNITED KINGDOM. — Record Steel Production in 1957. - Outlook and Expansion Plans for 1958.

Figures issued by the Iron and Steel Board on Jan. 9 showed that U.K. steel production in 1957 reached the record figure of 21,699,000 tons, compared with 20,659,000 tons in 1956. Production of pig-iron in 1957 was also a record, amounting to 14,283,000 tons compared with 13,170,000 tons in 1956.

Detailed figures for the fourth quarter of 1957 are given below, with 1956 figures for comparison:

	1957		1956	
	Weekly Average Tons	Annual Rate Tons	Weekly Average Tons	Annual Rate Tons
Steel Ingots and Castings				
October	437,800	22,766,000	419,100	21,799,000
November	429,200	22,319,000	426,400	22,172,000
December	397,900	20,692,000	395,900	20,587,000
Fourth Quarter ..	421,600	21,926,000	413,800	21,519,000
Pig-Iron				
October	285,500	14,844,000	260,700	13,558,000
November	281,500	14,639,000	262,700	13,660,000
December	275,500	14,329,000	262,300	13,637,000
Fourth Quarter ..	280,800	14,604,000	261,900	13,618,000

Recent developments in connexion with the steel industry are summarized below:

Import Duties. The Board of Trade announced on Nov. 29, 1957 that the suspension of import duties on iron and steel plates would be continued for a further six months from March 18, 1958 (i.e. until Sept. 18, 1958). Duty would, however, be restored on most grades of blast furnace ferro-manganese and sheet.

Closing of Welsh Steelworks. Richard Thomas and Baldwins Ltd. announced on Oct. 22 that two of their older-type steel works in West Wales -the Gwenfelin works and the Grovesend works, both at Swansea—would be closed down within a few weeks. Over 1,000 employees would be affected, but everything possible would be done to offer alternative employment and to mitigate hardship to those for whom other work could not be found. The closures were "an inevitable result of the modernization of the industry which had taken place progressively in recent years." On Jan. 27, 1958 the firm announced that circumstances had arisen which made it "inevitable" that the South Wales Steel Works at Llanelly (employing about 500 men) should be closed permanently within the next few weeks.

Messrs. Thomas and Baldwins had previously announced on Jan. 14 that two steel-sheet works in West Wales—the Pontardawe works in the Swansea valley (employing about 350) and the Whitford works, Briton Ferry (employing nearly 200)—would be temporarily closed from Jan. 20 and Jan. 27 respectively owing to shortage of orders.

The British Iron and Steel Federation, in the number of its quarterly *Steel Review* published on Jan. 1, stated that although the British steel industry was expected to produce more in 1958 than its 1957 output, demand was unlikely to be sufficient to allow production to rise to the industry's total available capacity of 23,500,000 tons. Stressing that the Government's financial measures, especially those restraining investment, were "certain to affect steel consumption in Britain," the review said that the industry hoped, however, to offset the expected reduction in home demand by expanding exports. These had risen in 1957 to an estimated total of about 4,000,000 ingot tons (the highest figure since 1923) as compared with 3,300,000 tons in 1956. It was hoped to do even better in 1958.—(Times - Daily Telegraph) **(Prev. rep. 15280 A.)**

F. JAPAN. — Legalization of Metric System.

A Government decree went into operation on Jan. 1 making the metric system of weights and measures compulsory in all shops and businesses throughout Japan, and also for a number of other purposes such as land surveys. Although the metric system was officially adopted 30 years ago, it had never gained universal acceptance and a cumbersome mixture of British, American and Japanese weights and measures had been in general use for decades. Japanese housewives, for example, had had to do their shopping in British pounds, metric kilograms, or the Japanese *momme* (a fractional part of an ounce), according to the method favoured by the shopkeeper. Moreover, while all Japanese roads are sign-posted in kilometres, it had been customary to calculate distances in the traditional *ri* (about 2½ miles).—(New York Times)

G. UNITED KINGDOM. — War Damage Payments.

The War Damage Commission announced on Jan. 14 that it had paid out £23,250,000 in war damage payments during 1957, bringing total war damage payments by the Commission to £1,222,500,000 in 4,718,000 separate payments.—(Times)
(Prev. rep. 15363 B.)

A. RHODESIA AND NYASALAND FEDERATION. — Passage of Federal Electoral Bill. - Objection by African Affairs Board.

The Federal Electoral Bill was introduced in the Rhodesian Federal Parliament on Dec. 16, 1957 by the Law Minister (Mr. J. M. Greenfield) and received a second reading on Dec. 18 by 21 votes to seven. The Bill, details of which had been published on Sept. 19 [see 15781 A], dealt with the method of election of members of Parliament as enlarged by the Constitution Amendment Act, which had become law on Dec. 16, 1957.

During the second reading debate, **Sir John Moffat** (chairman of the African Affairs Board) stated that he and other members representing African views were seeking legal advice on the Bill and on the Constitution Amendment Act, with a view to possible Supreme Court action. The method of election of African members from the Northern Territories, he maintained, was the responsibility of the Territorial Governments and not of the Federal Government, and it was on this point that legal opinion was being sought. Accusing the Government of breaking faith with the Africans, Sir John said that whilst Africans would have little say in electing the members of unspecified race, Europeans would have a great say in electing the additional African representatives.

Replying to the debate, **Mr. Greenfield** said that the Government had taken the view that under the Constitution the Bill required the prior consent of the three Territories, even though the legal advisers in some Territories had doubts whether this was necessary. Nothing but good, he maintained, could come from the system whereby Africans were elected by voters on the common roll, most of them Europeans, as the European was thereby introduced to African politicians in a normal political atmosphere. Mr. Greenfield refuted Sir John Moffat's charge that the Government was "flooding" the electoral rolls with European voters and that no African would ever be elected as an M.P. of unspecified race. Actually, Mr. Greenfield said, the Bill would bring large numbers of African voters on to the rolls, and in Nyasaland there would from the first be more African voters than Europeans on the common roll; there was therefore every possibility in the long term of Africans being elected on this roll, especially in Nyasaland.

When the debate was resumed in committee on Jan. 6, 1958, the African Affairs Board gave notice that it considered the Bill to be a measure discriminating against Africans, on the ground that whereas at present European voters controlled 20 members and Africans four, under the Bill Europeans would control 49 and Africans still only four. A proposal by Sir John Moffat for the adjournment of the debate until an all-party conference could discuss a better franchise system was rejected after a division. The Bill was given a third reading on Jan. 9 by 25 votes to eight, thus gaining the necessary two-thirds majority.

Speaking in the third reading debate, **Mr. Greenfield** denied the contention of the African Affairs Board that the Bill was a differentiating measure against Africans. The Board, he said, based its conclusions mainly on the fact that Europeans and Africans in the Federation had different standards of education and wealth, but the real question was whether the Bill imposed disabilities or conditions on Africans which were not imposed on Europeans. The Bill was meticulous in avoiding any such differentiating conditions, and all the conditions laid down applied equally to both races.

Sir John Moffat said that "the error and tragedy of the Bill" was that the Government were responsible to a European electorate and had had that in mind when drawing up the Bill. He was satisfied that the members of the Government Party were acting from the highest motives, but the African people in the Northern Territories would not believe that and thought that the franchise was being moved out of their reach.

Lord Malvern (the former Federal Prime Minister) supported the Bill, which he described as a liberal measure which would enfranchise a very large number of Africans, thus giving them the opportunity of learning the system of government and of making their contribution to the Federation. Lord Malvern added that, while they were working for the day when there would be complete partnership by evolution, he was convinced that it would not be possible "to put partnership across" as long as the Federation's domestic affairs were discussed in the U.K. Parliament, and as long as there were nominated members of the Federal Parliament.

The eight members voting against the Bill were Sir John Moffat and the Rev. A. Doig (the two specially appointed European members from Northern Rhodesia and Nyasaland representing African interests); the two African members from Nyasaland (Mr. Chirwa and Mr. Kumbikano); one of the two African members from Northern Rhodesia (Mr. Yamba); and the three Dominion Party members (Mr. W. J. Field, Mr. G. F. M. van Eeden, and Mr. R. W. Williamson). Mr. M. M. Howe, one of the two African members from Southern Rhodesia, had previously announced that he would support the Bill as a compromise attempt to solve a very difficult problem.

It was explained in Salisbury that, in terms of the Federal Constitution, only Bills to amend the Constitution were in certain circumstances brought before the British Parliament for approval. The Electoral Bill, however, was not designed to amend the Constitution and was therefore not subject to that procedure. Nevertheless, under Article 10 of the Constitution, the Electoral Bill was a measure reserved for the signification of her Majesty's pleasure, and it was for the British Government to advise her Majesty in the matter of the Royal Assent.—(Federal Information Department, Salisbury)

(Prev. rep. 15781 A.)

B. UNITED STATES. — Oil Import Restrictions extended to West Coast. - Canadian Protests.

It was announced in Washington on Dec. 24 that the U.S. Government had cancelled the special exemption of Pacific Coast areas from the "voluntary" restrictions on oil imports into the United States, thus making the cut in such imports applicable to the whole country.

The U.S. measure aroused great concern in Canada, and it was announced in Ottawa on Dec. 24 that the Canadian Government had made "the strongest possible representations" on the matter because it could not "accept the view that there was any justification for U.S. limitations on oil coming from Canada, either on economic or on defence grounds." The Canadian Finance Minister (Mr. Fleming), speaking in the Dominion House of Commons on Jan. 3, accused the U.S.A. of violating the NATO agreement concerning co-operation between member-countries.

Mr. Fleming disclosed that the Canadian Government knew in advance that the restrictions were going to be imposed. During the NATO meeting in Paris, however, Mr. Diefenbaker and himself had discussed the matter with President Eisenhower and Mr. Anderson (U.S. Secretary of the Treasury) and had explained (i) that the restrictions were doing great harm to Canada, particularly in view of her large trade imbalance with the U.S.A. and of the U.S. farm products disposal programme; (ii) that the U.S. Pacific States were a natural market for Canadian oil, and would depend on it in wartime; and (iii) that the U.S. action would run counter to the principles of U.S.-Canadian economic co-operation. Mr. Fleming said that the President and U.S. officials had seemed impressed by the Canadian arguments, and he and Mr. Diefenbaker had been led to believe that Canadian oil shipments to the U.S. Pacific States would be exempted from the regulation. On Dec. 23, however, they had learned that there would be no exemption in favour of Canada.

After saying that Canada would continue to protest "in the most vigorous terms" against the U.S. measure, Mr. Fleming refuted the U.S. argument that the oil import restrictions were necessary for reasons of national security—stressing in this connexion that the refineries in the State of Washington which had hitherto taken Canadian oil had been established with specific U.S. approval. The U.S. action, he added, was "in ill accord" with the communiqué of the NATO Council, which had stressed the economic solidarity of the member-countries.

A formal Canadian protest Note was sent to the U.S. Government on Jan. 17. It said that Canadian imports of U.S. oil in 1956 had exceeded $100,000,000, and added: "Surely it is unwise to jeopardize this two-way trade, which works to the benefit of both countries? . . . In the view of the Canadian Government, most imports of Canadian oil must be judged in the context of overall trade relations between the two countries . . . [and] cannot be viewed as an isolated action." The Note therefore urged the U.S. Administration to "reconsider its oil import programme and remove the limitations . . . imposed on the importation of oil from Canada." (New York Times - Department of External Affairs, Ottawa - Montreal Star - Times) **(Prev. rep. 15779 C.)**

C. UNITED KINGDOM. — Trade Union Membership.

Figures published in the December 1957 issue of the *Ministry of Labour Gazette* showed that the aggregate membership of trade unions in Great Britain and Northern Ireland at Dec. 31, 1956 was about 9,700,000, compared with about 9,664,000 at Dec. 31, 1955. Of the 647 unions in existence at the end of 1956, 354 had fewer than 1,000 members, whilst 16 unions (together accounting for 67.2 per cent of total trade union membership) had over 100,000 members. Twenty-five of the unions had their headquarters in Northern Ireland.

Of the total number of unions, 400 with an aggregate membership of 8,549,325, had an income in 1956 of £23,424,000, against expenditure of £20,432,000; their funds at Dec. 31, 1956 totalled £79,495,000.—(Ministry of Labour Gazette)

(Prev. rep. 15853 A; 14675 B; 12073 B.)

D. RELIGIOUS LIFE. — Consecration of First Arab Bishop in Anglican Church.

The first Arab bishop in the Anglican Church (the Rt. Rev. Najib Cub'ain) was consecrated on Jan. 6 as Bishop in Jordan, Lebanon and Syria. The consecration was performed in St. George's Cathedral, Jerusalem, by the Rt. Rev. A. C. MacInnes, Archbishop in Jerusalem.—(Church Times) **(15618 A.)**

A. SIAM. — General Elections. - Formation of National Socialist Party. - New Government formed by General Thanom Kittikachorn.

General elections were held in Siam on Dec. 15 for a new National Assembly of 283 members, of whom 160 were directly elected and 123 nominated by King Phumiphon Aduldet. The elected (first-category) seats were contested by 183 candidates representing 19 political parties, while the nominated (second-category) members consisted for the greater part of Army officers nominated by the King on the advice of Field-Marshal Sarit Thanarat, the Supreme Commander of the armed forces.

The elections were held under the surveillance of the Army authorities, who had previously declared that they would be "free and unfettered" and that no corrupt practices of any description would be tolerated. No obstacles were placed in the way of any of the political parties, and the elections took place throughout the country in a quiet and orderly atmosphere. Unlike the elections of February 1957 [see 15615 A], no allegations of corrupt or illegal practices were brought against any party or group. Of the electorate of 9,859,000 registered voters (out of a total population of about 23,000,000), some 35 per cent went to the poll—a percentage about equal to that in previous elections.

Of the 160 elected seats, 45 were won by the Unionist (*Sahaboom*) party, a moderate group comprising right-centre and left-centre elements, founded in July last and led by Dr. Sukich Nimmanhemin, Minister of Economic Affairs in Mr. Pote Sarasin's "caretaker" administration (see 15773 A). The Democratic (*Prachatipat*) party, a right-wing liberal group led by Nai Phuang Aphaiwongse, won 39 seats, while 15 seats went to various left-wing groups and 61 seats to Independent candidates—the latter including many members of the *Seri Manangasila* party formerly led by Field-Marshal Pibul Songgram.

As none of the parties obtained an overall majority, Field-Marshal Sarit Thanarat entered into discussions with military and political leaders which resulted on Dec. 19 in the formation of a National Socialist party comprising the 123 nominated members of the Assembly, the 45 Unionist members, and about 40 members of the *Seri Manangasila* who had been elected as Independents—the new party thereby obtaining an overall majority of about 210 seats in the National Assembly. The National Socialist party thus represented a coalition between the Army, moderate political opinion of the right-centre and left-centre, and followers of Field-Marshal Pibul Songgram, who had been overthrown by Field-Marshal Sarit Thanarat in the bloodless *coup d'état* of Sept. 16-17, 1957 (see 15773 A). Field-Marshal Sarit Thanarat became leader of the new party, but declined to accept the Premiership.

A new Government was formed on Jan. 3, 1958, with General Thanom Kittikachorn as Prime Minister and Minister of Defence. There were three Vice-Premiers—Prince Wan Waithayakon, General Prapart Charusathien, and Dr. Sukich Nimmanhemin, who retained the portfolios of Foreign Affairs, the Interior, and Economic Affairs respectively.

The other Ministers were: Dr. Serm Vinichaikul—Finance; Nai Vibul Thammabut—Agriculture; Major-General Pong Punakarn—Communications; Phya Atthakari Nibhon—Justice; Mom Luang Pin Malakul—Education; Phra Prakas Satakorn—Co-operatives; Nai Chalerm Prommart—Health; and Major-General Krit Punakan—Industry. In addition there were five Ministers without portfolio and 12 deputy Ministers.

General Thanom Kittichakorn (47), second-in-command of the Siamese Army, was one of the leaders of the *coup* which overthrew Field-Marshal Pibul Songgram. A Regular Army officer, he served as Minister of Defence in Mr. Pote Sarasin's Cabinet but had otherwise taken little part in political affairs. He was Commander of the First Army Corps, which includes the Bangkok area. Of the other Ministers, Prince Wan remained at the Foreign Ministry (serving concurrently as permanent Siamese representative at the U.N.), General Prapart Charusathien at the Ministry of the Interior, and Dr. Sukich Nimmanhemin at the Ministry of Economic Affairs. Most of the civilian Ministers are either non-party members or members of the Unionist Party.

In a press statement on taking office as Prime Minister, General Thanom Kittikachorn emphasized that his Government remained "100 per cent anti-Communist" and would continue to co-operate fully with the West. There would be no change in Siam's foreign policy, which would remain based on the U.N. Charter and the SEATO Pact. General Thanom Kittikachorn added that his Government would take all necessary measures to halt Chinese Communist infiltration, would co-operate with Malaya in suppressing Communism in South-East Asia, and desired co-operation with other Asian countries which were not members of SEATO, such as India, Burma, Ceylon and Indonesia.

Mr. Pote Sarasin, who returned to his post as Secretary-General of SEATO (see 15992 E), declined to take office in the new Government but agreed to become adviser to General Thanom Kittikachorn, for whom he expressed full support. (Times - Le Monde, Paris - New York Times)

(Prev. rep. 15773 A; 15615 A.)

B. RUMANIA. — Death of President Groza. - Election of President Maurer. - New Foreign Minister.

Dr. Petru Groza, President of the Rumanian People's Republic, died on Jan. 7, aged 72.

Born in Transylvania (then part of Austria-Hungary), he practised law at Deva, where he was a large landowner, and served as a sergeant-major in the Austro-Hungarian Army during the 1914-18 war. Starting his political career as a member of Dr. Maniu's National Peasant Party, he was elected to the Rumanian Parliament in 1919, held various posts in Marshal Averescu's Government until 1927 (including those of Minister for Transylvania and Minister of Communications), and in 1953 played a leading part in forming the left-wing Ploughmen's Front (*Frontul Plugarilor*), which subsequently concluded a "popular front" agreement with the Communists. He was imprisoned for these political activities, released in 1941, and served as a Vice-Premier in the Sanatescu and Radescu Governments of 1944-45.

Dr. Groza became Prime Minister in 1945 and continued in that office until 1952. His seven-year Premiership was marked by the abdication of King Michael (1947); the purging of anti-Communist elements from the Ploughmen's Front, in which Dr. Groza took a leading part; the trial and condemnation to life imprisonment of Dr. Maniu; and the conclusion of a 20-year treaty with the Soviet Union, signed by Dr. Groza in Moscow in 1948. In 1952 he was elected President of the Presidium of the Grand National Assembly (the official title of the Rumanian President) after he had been succeeded in the Premiership by M. Gheorghiu-Dej. Dr. Groza was one of Rumania's best-known classical scholars and enjoyed a considerable academic reputation.

M. Ion Gheorghe Maurer (50), the Foreign Minister, was unanimously elected President of Rumania by the Grand National Assembly on Jan. 11 in succession to the late Dr. Groza. He was succeeded as Foreign Minister by M. Avram Bunaceu (the Minister of Justice), the Justice portfolio being taken over by M. Diaconescu. President Maurer, who comes from a German minority district in Transylvania, has been a member of the Rumanian Communist Party for over 20 years and was elected to its central committee in 1948.
(Le Monde, Paris - Times) **(Prev. rep. 15660 A; 12757 A.)**

C. UNITED KINGDOM.—Army. - General Festing appointed Chief of Imperial General Staff. - Other Army Appointments.

The War Office announced on Jan. 31 that (1) General Sir Francis Festing, C.-in-C., Far East Land Forces, would succeed Field-Marshal Sir Gerald Templer as Chief of the Imperial General Staff from September 1958; (2) that Lieut.-General Sir Richard Hull, Deputy Chief of the Imperial General Staff, would succeed General Festing as C.-in-C., Far East Land Forces, in June; and (3) that Lieut.-General H. E. Pyman, G.O.C. First Corps in Germany, would succeed General Hull as Deputy C.I.G.S.

General Festing (55) was one of the youngest British generals during the last world war and commanded the 36th Division in Burma, where he once led a platoon in action while divisional commander. Since the war he had been Director of Weapons and Development at the War Office, had served at SHAPE, and was G.O.C. British Troops in Egypt from 1952-54 and G.O.C. Eastern Command from 1954-56.
(Times - Daily Telegraph) **(Prev. rep. 15669 A; 14159 A.)**

D. AVIATION. — World Altitude Record.

A new world altitude record was set up on Jan. 17 by a French *Trident II* jet fighter, piloted by M. Roger Carpentier, which reached a height of 22,000 metres (about 72,100 feet) and thereby beat the previous record of 70,000 feet set up by a British *Canberra* bomber in August 1957. The machine took off from Istres airfield, near Marseilles. The *Trident II*, built by the *Société Sud-Aviation* (one of the French State aircraft companies), is an interceptor powered by two small turbo-jets and four tail-rockets, and is capable of flying at twice the speed of sound.—(Le Monde, Paris) **(Prev. rep. 15744 B).**

E. WALES. — Minister of State for Welsh Affairs.

It was announced in the *London Gazette* on Jan. 31 that the Minister of State for Welsh Affairs, Mr. David Lewis, had taken the title of Baron Brecon, of Llanfeigan in the County of Brecknock.—(Times) **(Prev. rep. Lord Brecon, 15911 A.)**

A. SHIPPING. — World Tonnage and Construction in 1957. - Continued Supremacy of Japanese Shipbuilding.

Statistical tables published by Lloyd's Register of Shipping in November 1957 gave the total of world shipping at June 30, 1957 as 110,246,081 gross tons, compared with 105,200,361 gross tons at June 30, 1956. The sizes of the principal national fleets (excluding ships under 100 tons, sailing ships, and barges) in mid-1957 and mid-1956 are shown in the following tables :

	1957 Gross Tons	1956 Gross Tons
United States*	25,910,855	26,145,642
United Kingdom	19,857,491	19,545,875
Norway	8,488,164	8,035,340
Liberia	7,466,429	5,584,378
Italy	4,551,956	4,196,762
Japan	4,415,070	4,075,781
British Commonwealth (except U.K.)	4,174,463†	4,009,946
Netherlands	4,335,356	4,006,077
Panama	4,129,029	3,925,751
France	4,009,783	3,943,201
Germany (Western)	3,605,687	3,206,381
Sweden	3,047,535	2,922,092
Soviet Union	2,708,607	2,635,961
Denmark	1,857,478	1,695,221
Spain	1,505,224	1,437,805
Greece	1,471,545	1,307,336
Argentina	1,038,559	1,049,869
Brazil	891,480	862,066
Finland	754,720	751,818
Turkey	593,505	601,485
Belgium	579,432	539,829
Portugal	547,037	536,765
China	541,690	552,552
Costa Rica	519,341	507,706

*Including reserve fleet, estimated at about 12,750,000 tons at June 30, 1957 and at about 14,000,000 tons at June 30, 1946.

†Including 1,521,241 tons registered in Canada; 625,641 tons in India; 599,280 tons in Australia; 419,315 tons in Hong Kong; 251,934 tons in New Zealand; 176,628 tons in South Africa; and 143,558 tons in Pakistan.

Although the record increase in world tonnage during 1957 was widely distributed amongst the principal maritime nations, the largest percentage expansion (33.7 per cent) was shown by the Liberian "flag of convenience."

Of world tonnage of all types, 37.0 per cent were motorships and 55.1 per cent oil-burning steamers, making a total of 92.1 per cent using oil fuel.

Of the total world tonnage, the largest group again consisted of ships of 6,000-8,000 gross tons, but a large proportion of these (including the U.S. reserve fleet) were out of commission. By far the greatest amount of tonnage built in the past five years, however, fell within the 10,000-15,000 tons group; 75 per cent of these ships and 84 per cent of ships of more than 15,000 tons were oil tankers. The recent trend toward still larger tankers was shown by the considerable increase since 1956 in ships of over 20,000 gross tons.

Of the principal maritime nations, Liberia had the largest proportion of modern tonnage, with 50.9 per cent under five years old, followed by Western Germany (47.9 per cent), Norway (38.0 per cent), Denmark (30.2 per cent), Sweden (33.5 per cent), Japan (31.3 per cent), the Netherlands (28.9 per cent), France (25.9 per cent), the United Kingdom (22.8 per cent), and Italy (21.9 per cent). Only 3.7 per cent of tonnage registered in the United States was under five years old.

The world tanker fleet at June 30, 1957 totalled 29,937,882 gross tons, or about 27.2 per cent of all ships, compared with 26.8 per cent at June 30, 1956.

The largest tanker fleets were owned by the United Kingdom (5,585,860 tons), Norway (4,747,002 tons), Liberia (4,142,706 tons), the U.S.A. (4,142,040 tons), Panama (2,135,244 tons), Italy (1,342,292 tons), France (1,304,172 tons), and the Netherlands (1,116,746 tons).

Shipbuilding Returns.

Returns published by Lloyd's Register of Shipping on Jan. 22, 1958 gave the gross tonnage of merchant ships under construction throughout the world at Dec. 31, 1957 as 9,947,977, excluding ships building in the U.S.S.R. and China, as well as ships under 100 tons, barges, etc. Of the total, 23.58 per cent was building in the United Kingdom and 76.42 per cent elsewhere.

Ships building in Great Britain and Northern Ireland numbered 341 of 2,345,408 tons (steamers 1,070,113 tons, motorships 1,275,295 tons), including 4 steamers of over 30,000 tons, 7 of 25,000-30,000 tons, 16 steamers and 2 motorships of 20,000-25,000 tons, and 5 steamers and 2 motorships of 15,000-20,000 tons. Of the total, 27 ships (1,943,250 tons) were building for Great Britain and N. Ireland, 20 (50,628 tons) for other British Commonwealth countries, 11 (120,250 tons) for Norway, 8 (81,420 tons) for Liberia, 3 (32,280 tons) for the Irish Republic, 3 (25,800 tons) for Belgium, 1 (17,900 tons) for Panama, 2 (15,550, tons) for Greece, 4 (10,000 tons) for Cuba, 4 (2,740 tons) for the U.S.S.R., 2 small vessels for Poland and 1 for Kuwait, and 4 ships (44,550 tons) for unspecified countries. Principal shipbuilding areas were : the Clyde (100 ships of 637,344 tons), the Tyne (41 ships of 446,480 tons), Belfast (19 ships of 303,055 tons), the Tees (24 ships of 263,838 tons), Sunderland (32 ships of 259,108 tons), and Liverpool (16 ships of 156,168 tons).

Ships building abroad numbered 1,340 of 7,602,569 tons (steamers 3,308,205 tons, motorships 4,294,364 tons), divided as follows : Japan 161 (1,589,280 tons), Italy 104 (939,537 tons), Western Germany 223 (928,027 tons), the U.S.A. 39 (695,339 tons), Netherlands 173 (643,314 tons), Sweden 75 (611,252 tons), France 65 (521,837 tons), Norway 77 (324,692 tons), Finland 69 (208,845 tons), Poland 70 (186,632 tons), Denmark 32 (175,559 tons), British Commonwealth countries 55 (161,665 tons), Yugoslavia 27 (146,079 tons), Belgium 16 (144,428 tons), Portugal 28 (42,912 tons), Turkey 9 (7,637 tons), Peru 1 (4,297 tons), Argentina 1 (1,600 tons). Four small vessels were building in the Irish Republic, 2 each in Indonesia and Austria, and 1 in Brazil. The total included 4 steamers of over 30,000 tons in the U.S.A., 2 each in Italy and Japan, 1 each in France, Western Germany, and the Netherlands; and 11 steamers of 25,000-30,000 tons building in Japan, 4 in the U.S.A., and 1 each in France, Germany, and Sweden.

Tankers building throughout the world numbered 332 of 4,883,561 tons, including 75 (1,048,408 tons) in the U.K., 45 (869,041 tons) in Japan, 30 (581,262 tons) in Italy, 25 (406,795 tons) in the U.S.A., 25 (406,795 tons) in Sweden, 22 (292,107 tons) in the Netherlands, 40 (259,924 tons) in Western Germany, 13 (240,605 tons) in France, and 18 (213,119 tons) in Norway.

Launchings and Keel-Layings in Fourth Quarter of 1957.

Ships launched during the last quarter of 1957 included the *Pendennis Castle* (29,000 gross tons), built by Harland and Wolff, Belfast, for the Union Castle line's Southampton-Capetown-Durban service.

The keels were laid in September of the two largest liners to be built in Britain since the *Queen Elizabeth*—the *Oriana* (40,000 gross tons), building by Vickers-Armstrong, Barrow-in-Furness, for the Orient Line, and a 45,000-ton liner (as yet unnamed) building by Harland and Wolff, Belfast, for the P. and O. Company. The combined cost of the two ships was put at about £30,000,000.

Order for New Canadian Liner.

Vickers-Armstrong Ltd. announced on Jan. 2, 1958 that they had signed a contract with Canadian Pacific Steamships for a 27,500-ton liner, to be built at Walker-on-Tyne, with machinery built at Barrow. The new ship (whose name had not been fixed) would carry over 1,000 passengers. She would be both the largest of her owners' North Atlantic fleet and the biggest to navigate the St. Lawrence River to Montreal. Her cost was estimated at £8,000,000 to £10,000,000.

Sale of British Ex-Liners.

The sale was announced on Jan. 13, 1958 of the former Canadian Pacific liner *Empress of Scotland* (26,313 gross tons), built in 1930, to the newly-formed Hamburg-Atlantic Line, in which the Greek-controlled Home Lines has a dominant interest. The purchase price was about £1,000,000. After reconditioning at Hamburg, the liner will sail under the German Federal flag between Hamburg and New York.

On the same day it was announced that the emigrant ship *New Australia* (20,256, gross tons), built as the luxury liner *Monarch of Bermuda* and converted in 1950 by the British and Australian Governments for emigrant-carrying, had been sold to the Greek Lines, which operates a regular service between Bremerhaven and Montreal.

Figures published in the Press on Dec. 27, 1957 showed that Japan, which in 1956 won from Britain the peace-time leadership in shipbuilding, further improved her position in 1957, having launched about 2,300,000 gross tons as compared with 1,469,155 gross tons launched in Britain. Japan thus eclipsed the British record—established in 1920—of just over 2,000,000 gross tons launched in a single year.—(Lloyd's Register of Shipping - Times - Daily Telegraph) **(Prev. rep. 15338 A; 15827 A; Sale of "Pasteur," 15810 C.)**

B. GREECE. — Acceptance of U.S. Missiles.

The Greek Government announced on Jan. 26 that it had accepted U.S. *Nike* anti-aircraft missiles for the Greek armed forces under NATO arrangements for collective defence. It was stated that the weapons would have non-atomic warheads, and that equipment for training a Greek battalion in their use would be provided by the U.S. Government free of charge. (Times - Daily Telegraph) **(Prev. rep. 15965 A.)**

C. INDIA - PHILIPPINES. — Legations raised to Embassy Status.

As from Jan. 1 the Indian Legation in Manila and the Philippine Legation in Delhi were raised to the status of embassies, Major-General M. S. Chopra (the Indian Minister in Manila) becoming his country's first Ambassador to the Philippines.—(Indian High Commissioner's Office, London) **(Prev. rep. 14968 A.)**

A. ISRAEL. — Resignation and Reconstitution of Ben-Gurion Cabinet. - Coalition Parties' Agreement on Collective Cabinet Responsibility. - Israeli Efforts to obtain Military Equipment from Western Germany.

A Cabinet crisis was precipitated in Israel during December by the decision of the Prime Minister, Mr. Ben-Gurion, to send a leading Israeli personality to Western Germany to negotiate the purchase of military equipment. At a Cabinet meeting on Dec. 15 Mr. Ben-Gurion's decision was approved by a majority of only one vote, and the Prime Minister's action was strongly criticized by several Ministers. Details of the meeting were subsequently disclosed by the *Ahdut Avoda*, one of the Government parties, in its newspaper. A demand by Mr. Ben-Gurion for the resignation of the Ministers belonging to that party was rejected by the political committee of the *Ahdut Avoda* on Dec. 23.

Mr. Ben-Gurion said in the *Knesset* on Dec. 24 that Israel had succeeded in obtaining equipment to match the Arab States in two dimensions, land and air, but that a danger, "not only to our security but also to immigration before it ever reaches our shores," had recently arisen in "a third dimension." [This statement was believed to refer to the purchase by Egypt of three Soviet submarines -see 15599 A.] The purpose of the proposed mission to Western Germany by "a high-ranking person" had been to obtain equipment which was not available elsewhere to meet this danger. Mr. Ben-Gurion told a press conference on the following day that this mission had not been cancelled, although the envoy had been changed. Mr. Peres, Director-General of the Defence Ministry, left for Bonn on Dec. 25 and returned to Israel on Dec. 29.

The West German Government issued a statement on Dec. 27 expressing surprise at Mr. Ben-Gurion's statement that Israel hoped to purchase arms from Western Germany, and emphasizing that it was its policy not to allow any delivery of arms to areas where an acute conflict existed. Moreover, no private German firm would be allowed to export arms or military equipment to Israel. A Government spokesman subsequently said on Dec. 30 that envoys from Israel had seen Dr. Adenauer, but had not discussed the purchase of arms. It was reported from Helsinki on Dec. 29 that the Israeli Government had attempted to buy arms from Finland, which had refused to supply them on the ground that it might lead to international complications.

The Israeli Cabinet had meanwhile adopted on Dec. 24 two resolutions proposed by Mr. Ben-Gurion, stating (*a*) that "the gravity of the security situation in which Israel is placed makes it essential to increase her defensive capacity by the acquisition of equipment from any quarter and any source," and (*b*) that "the Government considers the publicity given to its confidential decision to be harmful to the State and a grave violation of the principle of collective responsibility." After a further meeting on Dec. 30, however, Mr. Ben-Gurion announced that he had not succeeded in his efforts "to ensure in future the maintenance of collective responsibility of Government and coalition parties in order to prevent injury to the international position of Israel and the requirements of security," and therefore intended to resign. This decision was attributed to the refusal of *Ahdut Avoda* and *Mapam* (the two left-wing parties represented in the Cabinet) to accept Mr. Ben-Gurion's proposal that any Minister who divulged Cabinet proceedings might be dismissed by a two-thirds vote of the other members of the Government.

Mr. Ben-Gurion tendered his resignation on Dec. 31 to President Ben-Zvi, who asked him to form a new Government. After discussions with the former coalition parties, Mr. Ben-Gurion reconstituted his Cabinet on Jan. 6 with the same membership as previously—i.e. nine members of the Labour Party (*Mapai*), two each from the *Ahdut Avoda*, *Mapam*, and the National Religious Party (comprising the *Mizrachi* and *Hapoel Hamizrachi* groups) and one from the Progressive Party.

Mr. Ben-Gurion made a statement to the *Knesset* on Jan. 7 on the Cabinet crisis and its solution.

After referring to his offer of resignation **Mr. Ben-Gurion** explained that he had accepted President Ben-Zvi's invitation to form a new Government on condition that the parties who were prepared to take part in the Government should undertake two obligations: (1) to maintain the collective responsibility of the Government in principle and practice; ; and (2) to ensure the effective preservation of secrecy in regard to the deliberations of the Government, especially in matters of security and foreign policy. The five parties constituting the Coalition had meanwhile informed him that they had agreed to participate in a Government which would be based on these basic principles and on the coalition agreement of the previous Cabinet. The first Article of the basic principles stressed "the collective responsibility of all the members of the Government and all the parties participating in it," and stated that this responsibility "embraces a working programme agreed upon in advance and the decisions of the Cabinet."

All five parties (Mr. Ben-Gurion continued) had declared that they were prepared to maintain the Government until the end of its term of office in July 1959, or a few months later. To reinforce the collective responsibility of the Government and the preservation of secrecy, the parties had also agreed to the following principles:

"(i) Collective responsibility will bind all the members of the Cabinet and the coalition parties to vote in the *Knesset* for all the decisions of the Government and for the laws proposed by it to the *Knesset*.

"(ii) The Government may permit a party to abstain from voting in certain circumstances. A party may also permit one or several of its members to abstain from voting.

"(iii) The details of such abstention and the circumstances under which it may be permitted will be determined by the Government.

"(iv) If one or more Ministers feel themselves compelled to abstain from voting without the agreement of the Government, the Minister or Ministers concerned must resign from the Government.

"(v) A vote by a [coalition] party against a Government decision shall be treated as equivalent to the abstention of a Minister without the agreement of the Government.

"(vi) The Ministers bind themselves, in accordance with the coalition agreement, to preserve complete secrecy in regard to all deliberations in the Government and its committees in matters of security and foreign policy, without any exception.

"(vii) If the Government decides that secrecy shall apply to its deliberations on any other matter, the Ministers are also bound to secrecy in that case.

"(viii) To guarantee the secrecy required, a State Secrets Law, applying both to the person revealing the secret and to the newspaper publishing it, will be submitted to the *Knesset* at the earliest possible moment on behalf of the Coalition parties.

"(ix) The law will define those matters included in the category of State secrets the publication of which is forbidden. It will in any case include the deliberations of the Cabinet on matters of security and foreign affairs, as well as such other deliberations as the Government itself does not release for publication."

[It was pointed out in the Israeli and foreign Press that the most controversial point in Mr. Ben-Gurion's original proposals had been dropped viz., for the dismissal of a Minister by a two-thirds majority of the Cabinet if he or his party were found guilty of divulging Cabinet secrets.]

After debate, the new Government was given a vote of confidence by 76 votes to 33. The National Religious Party (which is represented in the coalition as stated above) accepted the principle of collective responsibility with the reservation that it would not apply if any Government legislation conflicted with the laws of the Torah.—(Israel Government Press Office, Jerusalem - Times - Manchester Guardian - New York Times - Die Welt, Hamburg) **(Prev. rep. 14929 C ; 14520 A.)**

B. LONDON. — The St. Paul's Plan.

The Ministry of Housing and Local Government announced on Jan. 8 that the plan for the re-development of the area round St. Paul's Cathedral (see 14948 C) had been approved in principle by the Minister (Mr. Henry Brooke) subject to three main modifications:

(1) The Minister had taken the view that the proposed northward extension of Carter Lane to join Ludgate Hill would impair the appearance of Ludgate Hill as an approach to the Cathedral, without having any advantages for traffic. He had decided, therefore, that the original plan to extend Carter Lane directly westward to the south-east corner of the proposed Ludgate Square (which will replace Ludgate Circus) should be retained.

[The Minister's decision means that Ludgate Hill will cease to be a principal traffic route when Carter Lane has been widened and extended to the new Ludgate Square.]

(2) Mr. Brooke had also taken the view that the big office block which it was proposed to erect in Newgate Street should be substantially reduced in height, since it would "interfere with important views of the Cathedral even if scaled down to 190 feet." [The "Holford Plan" had envisaged a 22-storey block with a height of about 250 ft., compared with the Cathedral's height of 365 feet.]

(3) As the Minister felt that the best treatment had not been found for the forecourt to the south side of the Cathedral, he believed that this question would be better considered in the future, after existing commercial buildings on the site had been demolished. Accordingly, he proposed to amend the plan by deleting the proposed office zone on the south side of the forecourt, east of Creed Lane. The proposals for the north side of the forecourt were approved.

Except for the first modification (*re* Carter Lane), where the Minister decided in favour of proposals contained in the post-war London Development Plan, the plan approved by Mr. Brooke was basically that prepared by Sir William Holford at the request of the City Corporation. Sir William expressed his satisfaction at the Minister's "sound and encouraging" decisions and, in particular, at the fact that Mr. Brooke had "not whittled the plan down."—(Times - Daily Telegraph) **(Prev. rep. 14948 C.)**

A. UNITED KINGDOM. — Mr. Macmillan on Relations between Russia and the West. - Suggestion for Non-Aggression Pact. - Attitude to "Summit" Talks.

In a broadcast on Jan. 4, on the eve of his departure for a six-weeks' tour of Commonwealth countries, the Prime Minister suggested that renewed Western attempts to seek agreement with the Soviet Union on disarmament and the relaxation of international tension might start with a "solemn pact of non-aggression." Declaring that the Western Powers were "ready and anxious to make a new effort to break the deadlock," Mr. Macmillan said that he did not mind if this were done "through the United Nations, at some smaller meeting, or through diplomatic channels" provided the "rubble of old controversies and disagreements" were swept away and it was possible to "get the path ready for a meeting of Heads of Governments." The Prime Minister spoke as follows:

"Peace is the problem of our day; it was the problem of peace which took the Heads of Governments to the NATO meeting in Paris. It is peace which will occupy us a great deal in the talks I shall be having with my fellow Prime Ministers in the Commonwealth countries I am going to visit.

"Our work for peace is dominated by the problem of how well we can get on with the Russians. Yet over Russian policy hangs a question mark. They often speak fair words . . . Are these professions of respect and friendship really genuine? Or are they saying a number of things they think we would like to hear, in order to weaken our resolve? We cannot yet be sure of the truth. And it is a terrible responsibility for any Government to have to choose to act upon this interpretation or that without being absolutely certain.

"Let me give you an example. There have been repeated proposals for the abolition of nuclear armaments, atom bombs and hydrogen bombs. Suppose that we worked out an agreement for the abolition of such weapons and the prevention of their manufacture. That would be very attractive for many reasons—among others, because it would save us a great deal of money and effort. But suppose that as a result of such an agreement we found ourselves virtually defenceless before the greatly superior weight of Russian conventional arms—men, guns, tanks, aeroplanes, surface ships, and submarines? If that happened wouldn't we bitterly regret the loss of our nuclear deterrent—the one weapon that must give pause to any enemy, however powerful he may be in other respects? Some people may think that it is no part of Communist philosophy or Russian intentions to bring any more countries into subjection by force, and this may well be true. I do not rule it out—not at all. But can anyone be sure?

"I look at it like this. In a curious way the knowledge of the immense devastation which would follow a world conflict does now deter aggressors. The hydrogen bomb is a protection, for in a nuclear war neither side can win a victory. The fact that our sure defence lies in our ability to destroy an aggressor as cruelly as he destroys others is, of course, a horrible idea. I know that; but we dare not let our revulsion from the idea of the H-bomb deprive us of our best guarantee of safety from attack and so really the best guarantee of peace.

"There is at the moment a kind of stalemate, and it is worth considering how this has come about. In 1945, after the war, we were all hoping for a period of prolonged peace and friendship. We had learned to admire the courage and fortitude of our Russian allies. Although we differed profoundly from them in their attitude towards life and liberty, we were confident that we could live in harmony together. Indeed, if we had thought of the phrase then we should have said 'peaceful co-existence'—that really means 'live and let live.' But, alas, our hopes were soon to be dashed. The Soviet Union, which had already swallowed the Baltic States, brought most of Eastern Europe into subjection, and finally the seizure of Czechoslovakia led to the formation of NATO. This alliance of 15 countries was born from the bitter experience of aggression and the determination to halt it. In that purpose it has so far succeeded. And if therefore we have now reached a stalemate, it is no bad thing, for at least it means that world conflict is much less likely, perhaps even impossible.

"Now a word on the American contribution. It has certainly been very great. It may be, of course, that it has been to their own interest, but if their interest and ours coincides, all the better for us both. If we had had this sort of co-operation with America after the first war, we might not have had a second war. And every Government that we have had in Britain since 1947, of whatever political party, has welcomed and worked with the American alliance. In 1948, for instance, American bombers arrived in Britain by an arrangement entered into by Mr. Attlee, then Prime Minister. This arrangement was later reaffirmed by Mr. Churchill. The Americans came to join in the protection of the free world. They are part of our joint defences.

"Of course their bases cannot be used for warlike operations except by agreement between our two Governments. We have a veto, and they have a veto. The early American bombers were armed with the atom bomb; now they are armed with the hydrogen bomb. If occasional flights with hydrogen bombs are necessary to ensure the effectiveness and reliability of our defence, then we must accept that necessity, for effective deterrence depends on an instant readiness to deter. These bombs cannot go off of their own accord; there can't be any nuclear explosion, even if the aircraft which carries them falls and crashes. There would be a small—very small—risk of radiation, indeed practically negligible. And to make the bombs effective needs an elaborate piece of technical drill by the crew of the aircraft.

"None of these bombs could be or would be used except by deliberate military order given upon the instruction of both the British and the American Governments acting in agreement. We ourselves have an absolute veto on the dropping of these bombs from any plane based in this country; there is no doubt about this whatever. Again, if bases for nuclear rockets are the up-to-date equivalent for bomb-carrying planes, then our whole defence policy, our whole strategy, really becomes meaningless unless we have these bases. And we will have exactly the same veto on the use of rockets as we now have on the use of bombs from aeroplanes.

"Now for the future. There are two ways to preserve the peace of the world and two only. They are not opposed, they are parallel and really complementary. The first is to maintain the full strength of our alliances. There may be some who would seek to open old wounds, to stir differences between us and to incite jealousies. These people serve their own generation ill. I am certain that the great mass of responsible people in all the NATO countries want to eliminate any differences between us—they want to work for the fullest mutual understanding. We must stand together or we shall fall together. It would be fatal if we allowed NATO or the other alliances to be broken up, for NATO is not just a military alliance—it is something more, it provides a moral basis for a large part of the free world. That is the first way, then: to keep the alliances together.

"But there is a second way which is just as important: the way of negotiation, of conciliation. Do not let us be dismayed by the failures to date. We must go on trying. We intend to go on trying to get some agreement with the Russians for disarmament and for the relief of tension in the world. All sorts of plans have been discussed. In the U.N. Disarmament Commission four countries—Britain, America, Canada, and France—recently put forward what we thought was a fair plan for at least partial disarmament. This plan received the overwhelming support of the U.N. General Assembly; not one single country voted against it, except, alas, Russia and the satellites.

"There was a time, last summer, when I had every hope that the Soviet Government would begin to discuss this plan seriously with us, but in the end these hopes, too, were dashed. All the same we mustn't give up, we must try again. What can we do? We can start by a solemn pact of non-aggression. This has been done before. It will do no harm. It might do good. We must reach agreement about the testing of nuclear weapons, their manufacture, their use and their numbers, but we must also deal with what are called conventional arms. Yet peace can't be secured just by words—we need deeds as well.

"We are always ready to use new ideas and try new methods, but we must carry with us the lessons of the past. Our whole purpose is to create confidence. It is no good taking away one fear and creating another. We have at least gained this—that we have made such an even balance of power as makes war almost impossible. Don't let us lose this advantage. Therefore, in the plans proposed, whether by the elimination of some weapons, or the reduction of others, or by any other means, we must see that this balance is preserved and that one side is not left with preponderating power over the other. Reduction in all forms of weapons must be so planned as to reduce tensions and not to increase apprehensions.

"There is one condition which is vital to every plan: the agreements must be subject to an effective system of inspection and control in all the countries concerned. We on our side would agree to inspectors ranging over our countries, so long as inspectors could do the same without hindrance in the Soviet bloc.

"Nobody could have tried harder than we have to reach agreement with the Soviet Government. For example, I have been myself at two high-level meetings with the Russians—one of Heads of Governments, the other of Foreign Ministers. I have watched the work of the Disarmament Conference. We couldn't get an agreement. But I don't despair, and that is why at NATO last month we made it perfectly clear that we were ready and anxious to make a new effort to break the deadlock. For my part I don't mind whether we make it through the United Nations or at some smaller meeting. Whether it is done this way or through diplomatic channels, or a combination of both, the object would be to clear away the rubble of old controversies and disagreements, and then perhaps to get the path ready for a meeting of Heads of Government."

A British Foreign Office spokesman made the following comment on that passage in the Prime Minister's broadcast in which he stated that a non-aggression pact with Russia "would do no harm" and "might do good": "This passage should be read as a whole. It is the relationship between words and deeds which he [Mr. Macmillan] was seeking to bring out. What he was really saying was that we must continue to work for an agreement which will be followed by deeds—i.e. the fulfilment of which will be proved by actions taken. If it would assist in arriving at such agreements to have a non-aggression pact, then the British Government would feel that such a pact . . . might do some good." (Times - The Listener) **(Prev. rep. Macmillan-Bulganin Letters, 15974 A; Mr. Macmillan at NATO, 15965 A.)**

A. SOVIET UNION. — Ministries for Defence Industries replaced by State Committees. - New Premiers of Russian and Uzbek Republics. - Changes in Communist Party Leadership. - New Military Appointments. - Enlargement of Supreme Soviet.

The Presidium of the Supreme Soviet announced on Dec. 14 that the four main Ministries concerned with defence industries —those of the Aircraft Industry, Defence Industry, the Radio Engineering Industry, and the Shipbuilding Industry—had been abolished and replaced by State Committees subordinated to the Council of Ministers.

M. Pyotr Dementiev (formerly Minister for the Aircraft Industry) became chairman of the Committee on Aviation Techniques; M. Alexander Domrachev (Deputy Minister for Defence Industry) chairman of the Committee on Defence Techniques; M. Valery Kalmykov (Minister for the Radio Engineering Industry) chairman of the Committee on Radio Electronics; and M. Boris Butoma (Deputy Minister for the Shipbuilding Industry) chairman of the Committee on Shipbuilding. At the same time M. Dmitri Ustinov, the former Minister for the Defence Industry, was appointed a Deputy Premier in the Soviet Government; it was believed that he would be responsible for co-ordinating the work of the four State Committees.

A plenary meeting of the Communist Party's central committee on Dec. 16-17 elected M. Nuritdin Mukhitdinov (secretary of the Uzbekistan Communist Party) as a full member of the party Presidium, of which he had been a candidate member since February 1956. He was also elected to the party Secretariat, together with two other members of the Presidium, M. Nikolai Ignatov and M. Alexei Kirichenko (party secretaries for the Gorki district and the Ukraine respectively). The central committee's meeting was followed by a number of important changes in the party leadership, as given below:

(1) M. Frol Kozlov, a member of the party Presidium, was appointed Premier of the Russian Soviet Republic (R.S.F.S.R.) on Dec. 19 in place of M. Yasnov, who became a First Deputy Premier. M. Spiridonov, secretary of the Leningrad city party, succeeded M. Kozlov in his former post of party secretary for the Leningrad district.

(2) M. Nikolai Byelayev, also a member of the Presidium, was appointed secretary of the Kazakhstan Communist Party on Dec. 26 in place of M. Yakovlev. Reports from Moscow suggested that M. Byelayev (who is one of the party's leading agricultural experts) had been appointed to this post in order to promote grain production in Kazakhstan, which is scheduled to play an important part in the Government's plan for reclaiming uncultivated lands (see 13604 A).

(3) M. Sabir Kamalov, Premier of Uzbekistan, was elected secretary of the Uzbek Communist Party on Dec. 28 in place of M. Mukhitdinov. He was succeeded in the Premiership of Uzbekistan by M. Mansura Mirza-Akhmedov.

(4) It was announced on Dec. 25 that Mme. Ekaterina Furtseva had been released from her post as secretary of the Moscow city party (one of the most important offices in the U.S.S.R., once held by M. Khrushchev and by Stalin) in order to devote her full time to her duties as a member of the national Secretariat, and that M. Vladimir Ustinov had been appointed to succeed her. M. Smolyakov (a former Minister for Machine-building) and M. Nikolai Podgorny were appointed secretaries for the Gorki district and the Ukraine respectively on Dec. 26, in place of M. Ignatov and M. Kirichenko.

M. Maxim Saburov, onetime chairman of the former State Economic Commission, and a former Deputy Premier, had previously been appointed deputy chairman of the State Committee for Foreign Economic Relations on Sept. 16, 1957. The chairman of this committee is M. Pervukhin (see 15701 E).

A number of changes in the High Command of the Soviet Army were announced in November and January. Marshal Rokossovsky, who had been transferred to the command of the Transcaucasian Military District in October at the height of the Syrian-Turkish tension, was restored to his previous post of Deputy Defence Minister on Jan. 2. Marshal Andrei Grechko was succeeded as C.-in-C. of the Soviet forces in Germany on Nov. 25 by General Matvei Zakharov (commander of the Leningrad military district) and was reported to have been appointed a Deputy Defence Minister and commander of Soviet ground forces in succession to Marshal Malinovsky, the new Defence Minister.

Pravda referred to General F. I. Golikov on Jan. 10 as head of the political administration of the armed forces, making no reference to the previous holder of that post, General Zheltov. It was suggested in the British press that the substitution of General Golikov (a professional soldier) for General Zheltov, whose appointment had been primarily a political one, and who was reported to have been largely responsible for Marshal Zhukov's dismissal, was intended to conciliate Army opinion. A Russian Army spokesman confirmed on Jan. 14 that General Golikov had replaced General Zheltov as head of the political department of the armed forces.

It was announced on Jan. 5 that both Houses of the Supreme Soviet would be enlarged because of the increase in population. The membership of the Soviet of the Union would be increased at the next elections (which are fixed for March 16) from 700 to 731, and that of the Soviet of Nationalities from 600 to 633. (Soviet Embassy Press Department, London - Times - Manchester Guardian - New York Times - Le Monde, Paris)

(Prev. rep. 15575 A; 15639 A; 15843 A.)

B. SPAIN. — Arrests of Communists.

The Ministry of the Interior announced on Jan. 19 that 44 Spaniards had been arrested in Madrid, Valencia and Saragossa for attempting to reconstitute the Communist Party in Spain. The arrested persons were stated to have confessed to carrying out political directives from Soviet sources.

The Ministry said that some of the arrested persons had attended the World Festival of Youth held in Moscow in the summer of 1957, and had agreed on their return to Spain to infiltrate into the governing bodies of students' organizations and syndicates [trade unions] with a view to promoting "deviationist policies" and spreading confusion. Reference was made to plans for organizing throughout Spain a so-called "day of national reconciliation" which, the Ministry stated, was to have led to general disturbances. To achieve this plan a campaign of propaganda and proselytism was alleged to have been organized and "cells" formed in various centres.

General Alonso Vega (the Minister of the Interior) explained that 193 Spaniards attended the Moscow youth festival, of whom 103 the sons of exiles were not resident in Spain. Those from Spain had gone first to Paris, where they received invitations to Moscow; no mention was made of political matters, and they had been treated solely as tourists. The Spanish police had been aware of the movements of all those who visited Moscow, and they had been closely watched after their return to Spain.

The Communist Party has been outlawed in Spain since the Civil War. (Times - Le Monde, Paris)

C. UNITED KINGDOM. — Damages for Libel awarded to Labour Party Leaders against "Spectator."

Damages for libel of £2,500 each, with costs, were awarded in the High Court on Nov. 22, 1957, to Mr. Aneurin Bevan, M.P., Mr. Richard Crossman, M.P., and Mr. Morgan Phillips, the secretary of the Labour Party, against the owners of *The Spectator*. The action arose from an article published on March 1, 1957, which, the plaintiffs complained, implied that while attending the Italian Socialist Party congress they had drunk so much whisky that the Italians could not make out whether they were sober or not. The editor of *The Spectator* subsequently agreed in July to publish an apology, but this did not appear until Sept. 20. In his summing-up, Lord Chief Justice Goddard stated that he had no hesitation in saying that the words complained of could be defamatory; that there were no grounds for saying that the article had been misunderstood; and that an apology, especially one published six or eight weeks before the action came to trial, was no defence.—(Times - Manchester Guardian)

D. JAPAN. — Population Figures. - Tokio claimed as World's Largest City.

Figures published on Dec. 25, 1957 by the Statistics Bureau of the Prime Minister's Office showed that the population of Japan was 91,100,000 as at Oct. 1, 1957, an increase of 19,000,000 since the end of the Second World War. Japan thus had the fifth largest population in the world after China, India, the Soviet Union and the United States. The population of Tokio at the same date was 8,534,993, making it the world's largest city.—(Japanese Embassy Press Office, London)

(Prev. rep. 14629 B.)

Note. The British Census of 1951 showed the population of Greater London—i.e. the Metropolitan Police District—as 8,346,137 [see 11751 A]. The population of New York City in 1957 was 7,795,471, according to a census taken by the municipal authorities in the spring of that year [see 15821 C]. *Ed. K.C.A.*

E. SOUTH-EAST ASIA TREATY ORGANIZATION. — Mr. Pote Sarasin reappointed Secretary-General.

It was announced in Bangkok on Jan. 10 that Mr. Pote Sarasin had been reappointed Secretary-General of the South-East Asia Treaty Organization following the formation of a new Siamese Government headed by General Thanom Kittikachorn (see 15988 A). Mr. Pote Sarasin had been appointed Secretary-General of SEATO in July 1957, but temporarily resigned the post on Sept. 21 to take office as Prime Minister of Siam in the "caretaker" Government formed after the overthrow of Field-Marshal Pibul Songgram. (New York Times) **(Prev. rep. 15773 A; 15644 F.)**

FEBRUARY 1—8, 1958

A. UNITED STATES. — Successful Launching of "Explorer" Earth Satellite.

The first U.S. artificial earth satellite, called *Explorer* or *Alpha 1958*, was successfully launched at Cape Canaveral (Florida) at 10.48 p.m. local time on Jan. 31 (3.48 a.m. G.M.T. on Feb. 1) and began orbiting the earth seven minutes later at a speed of 18,000 miles an hour.

The pencil-shaped vehicle containing the satellite was an adapted *Jupiter-C* rocket consisting of (1) a modified *Redstone* rocket—a guided missile developed by the U.S. Army; and (ii) a cluster of rockets—scaled-down versions of the *Sergeant*, an Army tactical missile—superimposed on the cone of the *Redstone*, working in three stages and described as the "high-speed assembly." The last of these rockets (the third stage of the "high-speed assembly") remained attached to the satellite and moved with it through outer space.

The *Explorer* satellite was officially described as a bullet-shaped tube about 80 inches long, six inches wide, and weighing 30.8 lb., including 12.67 lb. of the final-stage rocket and 10 lb. of radio transmitters and instruments to measure outer and inner temperatures, cosmic rays, and the effect of meteoric dust on the outer surface of the satellite.

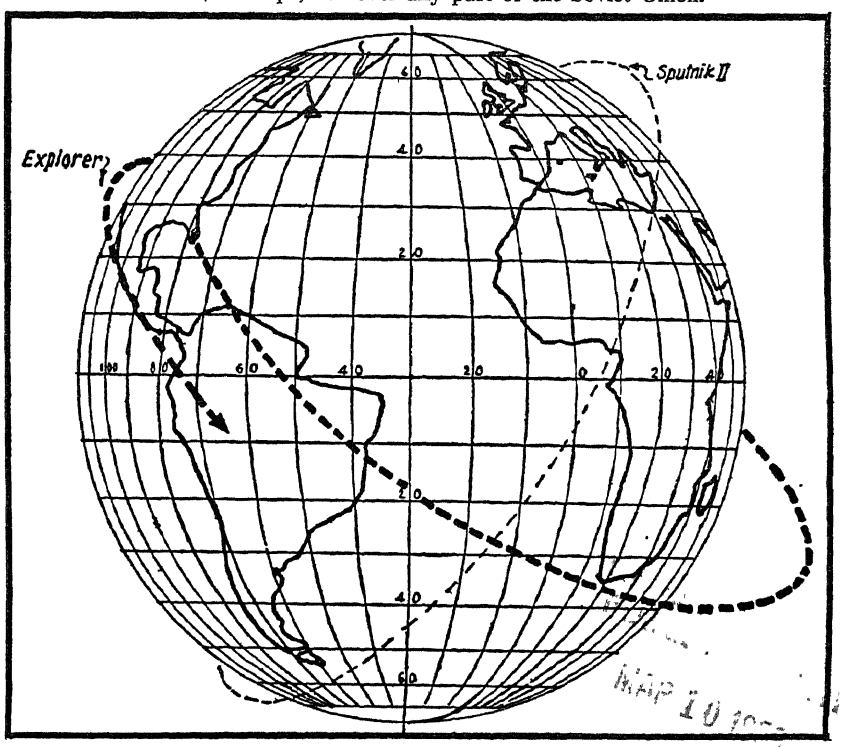
The height of the *Jupiter-C* rocket which launched the *Explorer* was given as 68½ feet, and that of its main stage (i.e. the *Redstone* rocket) as 56 feet, with a diameter of 70 inches. The *Redstone* (which is powered by a *Rocketdyne* engine, and can carry a thermo-nuclear warhead at least 200 miles) is an enlarged and improved version of the German V-2 weapon used against London during the later stages of the Second World War. As stated above, there were three more stages of rockets superimposed on the *Redstone*—the first being a ring of 11 *Sergeant* solid-fuel rockets; the second (inside that ring) three more *Sergeants*; and finally, on top, one *Sergeant* linked to the satellite itself.

All the upper stages reposed in a spin bucket which rested on the nose of the *Redstone*; 11 minutes before the launching, electric motors set the bucket spinning at 460 revolutions per minute, later increased to 760 revolutions so as to counter "wobbling" and vibration.

When the firing-button was pressed at zero hour it took 15¾ seconds before the missile rose from a huge fireball on the launching pad, disappearing into the night within a short time. According to semi-official accounts published in the American Press, the *Redstone* rocket thrust the missile to an altitude of about 50 miles, burning out after 2½ minutes. The missile then coasted upward with the other stages for four minutes to about 200 miles, where the whole vehicle inclined over to the horizontal. At that moment a member of the ground crew touched a button which triggered an important signal to *Jupiter-C*, where a battery sent an electric charge through the ignition system, touching off a chemical reaction and igniting the 11 second-stage rockets. The blast from this ignition knocked the dead *Redstone* away and sent it spinning into the ocean 400 or 500 miles off the Florida coast. Within six seconds the 11 second-stage rockets thrust the satellite forward, giving it a speed of 8,750 miles per hour. An automatic timing mechanism then ignited the next (third) rocket stage, the 11 spent rockets being thrown off. Six seconds later the three third-stage rockets burned out, whilst the single rocket comprising the final stage was ignited—the third-stage rockets falling away. When the last rocket had burned out *Explorer* had reached a height of 300 miles and a speed of 18,000 m.p.h., and had started to orbit the Earth.

The orbit of *Explorer* was described as an elongated ellipse ("severely egg-shaped") crossing the Equator at an angle of approximately 34 degrees, with a maximum height (apogee) of 1,800 miles and a minimum height (perigee) of 187 miles; these were revised figures issued on Feb. 2 on the basis of observations by American scientists, the original estimates having been an apogee of 1,700 miles and a perigee of 200 miles.

The satellite's course is east-to-west, thus enabling it to benefit from an added velocity of 1,000 feet per second because of the rotational speed of the Earth. It completes one full orbit in 118 minutes—a revised estimate on the figure of 114 minutes originally announced. Because of its smaller inclination to the Equator as compared with the Soviet *Sputniks*, the *Explorer's* orbit is confined to a band of about 2,000 miles on either side of the Equator—between 40 deg. North and 40 deg. South. At its northernmost point of orbit it passes over the southern tip of Spain, and at its southernmost point over the southern tip of Africa; thus it does not pass over Britain and the northern and central parts of Continental Europe, nor over any part of the Soviet Union.



The diagram shows the approximate track of the American *Explorer* and the Russian *Sputnik II*. The orbit of the *Explorer* is more oblique than that of the *Sputnik* satellite. (*Manchester Guardian*)

Comparative data of the American *Explorer* and the two Russian *Sputniks* are given below:

	Explorer	*Sputnik I*	*Sputnik II*
Weight	30.8 lb.	184 lb.	1,118 lb.
Shape	Cylindrical	Spherical	Conical
Dimensions	80 in. long; 6 in. diameter	22.8 inches diameter	19 ft. long; 4 ft. diameter
Orbit time	118 minutes	96.2 minutes	103.7 minutes
Speed	18,000 m.p.h.	18,000 m.p.h.	18,000 m.p.h.
Maximum altitude	1,800 miles	560 miles	1,056 miles
Minimum altitude	187 miles	145 miles	104 miles
Angle to equatorial plane	34 degrees	65 degrees	65 degrees
Date launched	Jan. 31, 1958	Oct. 4, 1957	Nov. 3, 1957
Payload	10 lb. of instruments	Instruments	Dog and instruments

The *Explorer* earth satellite was equipped with two radio transmitters, one working at 60 milliwatts on a frequency of 108 megacycles and the other transmitting at 10 milliwatts on a frequency of 108.3 megacycles. The seemingly constant E-E-E-E-toned signal emitted by the transmitters was actually a fusion of a number of complex individual signals relaying information on inner and outer temperatures, cosmic rays, and meteorites and cosmic dust. The more powerful transmitter (which was audible to amateurs) was expected to function for two to three weeks, and the smaller one (whose signals could only be picked up with special equipment) was expected to transmit for two to three months. [The *Sputnik* transmitters emitted at a whole watt; thus their batteries did not last as long as those in the *Explorer* are expected to do.]

Explorer is basically the realization of a satellite project—known as "Orbiter"—which was planned in 1954 by a group of U.S. scientists together with Dr. Wernher von Braun, a German-born scientist and an authority on rocketry.

Dr. von Braun (45), a space-travel enthusiast since his youth, graduated in physics at the University of Berlin and helped to found the German *Verein für Raumschiffahrt* (Spaceship Travel Club) in the early 'thirties. He was engaged on rocket engineering problems for the German Army since the middle 'thirties, played a leading part in establishing the research station at Peenemünde

and worked there during the Second World War, where he helped to develop the V-2 guided missile weapon. In the closing stages of the war he and other German scientists hid from the S.S. in Bavaria, where they were picked up by the U.S. Army. Dr. von Braun was taken to the United States with other German scientists, and subsequently became an American citizen. He is at present head of the Development Operations Division of the U.S. Army's Ballistic Missile Agency at Huntsville, Alabama. [Huntsville is the home of the Redstone arsenal, from which the missile gets its name.] He played a leading part in the development of the *Redstone* missile and later of the *Jupiter* as an inter-continental ballistic missile.

The other two scientists principally associated with the launching of *Explorer* were Dr. William F. Pickering (a New Zealander by birth), head of the Jet Propulsion Laboratory of the California Institute of Technology at Pasadena, which designed and built the solid-fuel rockets for the "high-speed assembly" used in the launching of *Jupiter-C*; and Dr. James Van Allen, a high-altitude research specialist and chairman of the physics department of Iowa State University, under whose direction the basic design of the satellite and the cosmic-ray recording equipment were worked out.

Other scientists prominently connected with the project were Dr. Ernst Stuhlinger, chief of the Research Projects Office of the Army Ballistic Missile Agency; Dr. Kurt H. Debus, director of the Missile Firing Laboratory in Dr. von Braun's division, and test director of the project; Dr. Hans Grueno, his deputy; and Mr. Robert Moser, chief test co-ordinator at Patrick Air Force Base (Florida). Dr. Stuhlinger, Dr. Debus and Dr. Grueno came with Dr. von Braun from Germany, while Mr. Moser is an American scientist.

Major-General John B. Medaris, head of the Army's Ballistic Missile Agency since its creation in 1956, had overall responsibility for the construction of *Jupiter-C*.

At a press conference on Feb. 2 Dr. von Braun expressed "high satisfaction" at the launching of the *Explorer*, which, however, was "a rival only in spirit" to the two Soviet satellites; he added that the rate at which the Russians were working on space and missile programmes was "frightening," and expressed his conviction that it would take the U.S.A. five years to catch up with the Russians. Dr. von Braun also said that the first stage of the *Jupiter-C* (i.e. the *Redstone* rocket) had been fuelled with an "exotic" preparation; although no details were given, the fuel was reported to be a liquid boron compound called hidyne. [The smaller rockets in the "high-speed assembly" were powered by a solid fuel, as stated above.]

Dr. Pickering disclosed that the *Jupiter-C* rocket had generated more power than anticipated and had thus thrust the satellite out into space at a somewhat greater distance from the Earth than had been expected. He expressed the view that *Explorer* would remain in orbit for "several months," although Major-General Medaris thought that the satellite might stay aloft "from two to ten years."

Unlike "Project Vanguard" (see 15890 A), which is the responsibility of the U.S. Navy, the *Explorer* project was carried out by the U.S. Army authorities. It was pointed out in the Press that preparations for launching *Jupiter-C* and the *Explorer* had been completed only 17 weeks after the Administration had given the Army permission to go ahead with the project, following the launching of Russia's *Sputnik I.*

The *Explorer* will be tracked both optically and by radio in the United States and other parts of the world.

The optical tracking in the U.S.A. will be done by "Operation Moonwatch"—a network of observation stations throughout the country. The radio tracking will be done by (i) the "Minitrack" network, a series of stations extending along the West Coast of South America and the East Coast of North America; and (ii) the "Microlock" stations, of which there are four: at Cape Canaveral (Florida), Ibadan (Nigeria), Singapore, and Earthquake Valley, near San Diego (California). The bases at Ibadan and Singapore are manned by British personnel. Other radio tracking facilities in the U.S.A. include those of the U.S. Army signal engineering laboratories at Fort Monmouth (New Jersey) and the Radio Corporation of America.

Radio signals from the *Explorer* were heard around the world on Feb. 1, being picked up at such widely scattered points as Hamburg (Western Germany), the radio astronomy observatory of Ghana University at Accra, monitoring stations at Tashkent (Soviet Central Asia), at the above-mentioned Singapore station, and in Australia.

The first optical observation was reported by a "moonwatch" team at Alamogordo (New Mexico), who saw the satellite passing over their station at about 9.45 p.m. on Feb. 1.

The successful launching of the *Explorer* was greeted with jubilation throughout the United States, whilst messages of congratulation were sent by many Western statesmen, including Mr. Macmillan (then visiting Australia). Congratulations were also sent by leading Russian scientists, including Professor A. N. Nesmeyanov, president of the Soviet Academy of Scientists, and Professor I. P. Bardin, chairman of the Soviet Committee for the International Geophysical Year.
(New York Times - New York Herald Tribune)
(Prev. rep. Project Vanguard, 15980 E; Jupiter Missile, 15895 A; Sputniks, 15950 C; 15835 A; 15791 A.)

A. UNITED KINGDOM. — Gold and Dollar Reserves. - Further Rise in Sterling-Dollar Rate.

The Treasury announced on Feb. 4 that the sterling area's gold and dollar reserves had risen during January by $131,000,000, after taking into account (*a*) the payment of $13,000,000 to the E.P.U. in respect of the U.K.'s deficiency in December, and (*b*) the payment of $3,000,000 to creditor countries in the Union under bilateral settlements. As a result, the gold and dollar reserves stood at $2,404,000,000 on Jan. 31. No U.S. defence aid was received during the month.

It was unofficially stated that the rise in the reserves could be attributed mainly to commercial transactions, as the sterling area was now entering the season when trade began to swing in its favour. In addition, a certain amount of "bear" covering was believed to have been undertaken by foreign dealers and traders who had speculated against the pound last autumn, whilst there had also been some inflow of U.S. and Continental money to take advantage of the high London interest rates, though in official quarters this influx was not regarded as significant. It was pointed out in the Press that since the Bank Rate had been raised to 7 per cent in September last the reserves had regained over one-half of the severe losses sustained during August and September 1957, if allowance was made for the receipt of $250,000,000 from the Export-Import Bank in October.

Provisional figures for the E.P.U. January settlement showed that Britain had a surplus of £10,500,000, three-quarters ($22,000,000) of which would be settled by the E.P.U. in February in gold or dollars, and one-quarter by a reduction in the United Kingdom's debt to the Union.

The pound sterling continued to maintain its firmness *vis-à-vis* the dollar and other currencies throughout January, rising from 2.81\frac{1}{16}$ at the beginning of the month to 2.81\frac{13}{32}$ on Jan. 31—a new record level. Although the news of Mr. Thorneycroft's resignation as Chancellor of the Exchequer caused a temporary relapse to slightly below $2.81 on Jan. 7, the rate recovered to 2.81\frac{3}{8}$ on Jan. 8 and continued its steady upward movement.—(Treasury Press Office - Financial Times)
(Prev. rep. 15980 D.)

B. SPAIN - UNITED STATES.—Dulles-Franco Talks.

Before returning to Washington from the NATO meeting in Paris, Mr. Dulles flew to Madrid on Dec. 20 for a three-hour talk with General Franco and the Spanish Foreign Minister, Dr. Castiella. Although no statement was issued, Mr. Dulles told press correspondents that he had reported to General Franco on the NATO meeting and had discussed U.S.-Spanish relations generally, the recent outbreak of fighting at Ifni, and Spain's economic position. He referred to the "close interlocking relations" between Spain on the one hand and the U.S.A. and NATO on the other, but said that the question of establishing missile bases in Spain had not been discussed.
(New York Times) **(Prev. rep. 15965 A; 14550 D.)**

C. INDIA. — New Governor of Madras.

Mr. Bishnuram Medhi, formerly Chief Minister of Assam, was appointed Governor of Madras on Jan. 2 in succession to Mr. A. J. John, who had died on Oct. 1, 1957.

Born in Travancore of a Christian family, Mr. Annaparambil Joseph John (64) became president of the State Congress in 1938 and served a short imprisonment when the party was declared illegal in the same year. He was Finance Minister of Travancore in 1948-49 and of the new State of Travancore-Cochin from 1949-51, Chief Minister from 1952-54, and Home Minister in 1955-56. He became Governor of Madras in December 1956.

Mr. Medhi was sworn in as Governor of Madras on Jan. 24.
(The Hindu, Madras) **(Prev. rep. 15282 A.)**

D. CEYLON. — Cultural Agreement with U.S.S.R.

A cultural agreement between Ceylon and the Soviet Union was concluded in Colombo on Jan. 15, following discussions with a Soviet delegation headed by M. Yakovlov, deputy chairman of the State Committee for Cultural Relations with Foreign Countries. It provided for the setting-up of a joint commission to work out programmes for co-operation in the fields of literature, the arts, science, education, health, broadcasting, films, sport, and tourist exchanges.
(Ceylon Government Information Department, Colombo)

A. BRITISH WEST INDIES. — Inauguration of the West Indian Federation. - Constitution of the Federation. - Trinidad Site for Capital of the West Indies.

The Federation of the West Indies came into formal existence on Jan. 3, 1958, when Lord Hailes was sworn in as Governor-General of the West Indies at Port of Spain, Trinidad. The oath of office was administered by Sir Joseph Perez, president of the West Indian Court of Appeal, the ceremony being attended by political leaders from all the ten federating islands and representatives of all the West Indian legislatures. The first Federal elections will be held on March 25 and the new Federal Legislature will be opened by Princess Margaret on April 11, when the Constitution of the West Indies (see below) will become fully effective.

The ten federating islands have a total population of about 3,000,000, of multi-racial composition—African, Carib, East Indian (especially in Trinidad) and European. Their area, population (latest estimates) and chief towns are as follows :

	Area sq. miles	Population (approx.)	Chief Town
*Antigua	108	53,000	St. John
Barbados	166	230,000	Bridgetown
†Dominica	305	63,000	Roseau
†Grenada . ..	133	87,000	St. George's
Jamaica	4,411	1,600,000	Kingston
*Montserrat	33	14,000	Plymouth
*St. Kitts-Nevis and Anguilla ..	170	55,000	Basseterre
†St. Lucia . ..	238	88,000	Castries
†St. Vincent .	150	79,000	Kingstown
Trinidad and Tobago	1,864	750,000	Port of Spain

*Leeward Islands. †Windward Islands.

Notes. (1) The islands of Barbuda (population 1,000) and Redonda (uninhabited) are administered as dependencies of Antigua.

(2) Carriacou (population 7,000) and some smaller islands are administered as part of Grenada.

(3) The Cayman Islands, with a population of about 7,000 and a total area of 100 square miles, are administered as a dependency of Jamaica; they comprise the islands of Grand Cayman, Little Cayman, and Cayman Brac. The Turks and Caicos Islands, though geographically part of the Bahamas chain, are also administered by Jamaica, from which they are 450 miles distant; they have a total area of about 166 square miles and a population of about 6,500, the principal island being Grand Turk.

(4) St. Kitts (St. Christopher), the neighbouring island of Nevis (three miles distant), and Anguilla (60 miles N.W. of St. Kitts) have been administered as a single unit since 1882. St. Kitts has a population of over 34,000, Nevis of about 15,000, and Anguilla of about 6,000.

(5) Tobago has been administered since 1888 as part of Trinidad, from which it is 20 miles distant. It has an area of 116 square miles and a population of about 35,000.

Of the ten federating islands, Antigua, Barbados, Jamaica and St. Kitts-Nevis have been British for over 300 years; Dominica, Grenada, Montserrat, and St. Vincent were ceded by France in 1783, and St. Lucia in 1814; and Trinidad was ceded by Spain in 1802. Antigua and St. Kitts were the first British West Indian islands to be colonized (1622-23); Barbados has always been in the possession of the British Crown and was first settled in 1627; whilst Jamaica was captured from the Spaniards by Oliver Cromwell in 1655.

Four British West Indian and Caribbean colonies remain outside the Federation—the Bahamas, the British Virgin Islands, British Guiana, and British Honduras.

The Constitution of the Federation.

The West Indies (Federation) Order in Council, providing for the establishment of the Federation of the West Indies, was approved in July 1957 by both Houses of the British Parliament, as required by the British Caribbean Federation Act of 1956 (see 15024 C), and was promulgated by her Majesty in Council at the beginning of August. The Constitution of the West Indies, comprising 118 Articles, was published as an annex to the Order in Council, its principal provisions being summarized below :

Preamble. This affirmed the principles of freedom of religious worship throughout the territories of the Federation; of "the greatest possible freedom of movement for persons and goods" within the Federation; and of the necessity for "an integrated trade policy for the Federation." It was stated in the latter connexion that "there should be introduced in the Federation, as far and as quickly as practicable, a Customs union, including internal free trade."

The Federation. "The Federation shall be known as The West Indies and shall consist of the Colonies of Antigua, Barbados, Dominica, Grenada, Jamaica, Montserrat, St. Christopher-Nevis and Anguilla, St. Lucia, St. Vincent, and Trinidad and Tobago," together with any dependencies of these Colonies. (Art. 1)

The Governor-General. The Governor-General of the West Indies would be appointed by H.M. the Queen and would act as her Majesty's representative in the Federation. When the office of Governor-General was vacant, or if the Governor-General was absent from the Federation or unable for any reason to perform the functions of his office, an Acting Governor-General would be appointed by her Majesty. The Governor-General would have the powers conferred on him under the Constitution. (Articles 2-5)

The Federal Capital. "The seat of the Federal Government shall be in the island of Trinidad." (Art. 6)

The Federal Legislature. "The legislative power of the Federation shall be vested in a Federal Legislature consisting of Her Majesty, a Senate, and a House of Representatives" (Art. 7)

The Senate (Articles 8-14). The Senate would consist of 19 members appointed by the Governor-General. Each Territory of the Federation would be represented by two Senators except Montserrat, which would have one. The Senate would have a term of five years and would elect its President and Vice-President at its first meeting. Neither the President nor the Vice-President of the Senate could be a member of the Council of State [see below].

A person would be qualified to be appointed a Senator if (*a*) he was a British subject; (*b*) he had lived in the Federation for at least three years since the age of 21; and (*c*) if, at the date of his appointment, he was resident in the Territory for which he was appointed.

A member of the Senate could not simultaneously be a member of the House of Representatives, and *vice versa*. Nor could any person be appointed to the Senate if he were a member of the Legislature or Executive Council of any Territory. The following categories of persons would also be ineligible for appointment to the Senate: (*a*) persons owing allegiance to a foreign Power; (*b*) persons holding any paid office in the service of the Crown; (*c*) undischarged bankrupts, (*d*) persons who, having professional qualifications, were forbidden to practise their professions on account of any act involving dishonesty, (*e*) persons of unsound mind; (*f*) persons under sentence of death, or serving prison terms of more than 12 months, in any of Her Majesty's dominions.

The House of Representatives (Articles 15-24). The House of Representatives would have 45 members, of whom 17 would be elected in Jamaica, 10 in Trinidad and Tobago, 5 in Barbados, and 2 in each of the other Territories except Montserrat, which would elect 1 member. Montserrat would also elect an "alternate" member who, however, would not take part in the proceedings of the House unless the member for Montserrat was absent or his seat was vacant.

With the exception of Montserrat, which would form a single electoral area, all the Territories would be divided into electoral areas for the purpose of returning members to the House of Representatives. To be qualified to vote in such elections, a voter must (*a*) be a British subject of 21 years or upwards; (*b*) have been a resident in the Territory concerned for a period of not less than six months.

A person could be elected to the House of Representatives if (*a*) he was a British subject of 21 years or upwards; (*b*) he had resided in the Territory concerned for not less than three years, and in any case for not less than six months immediately prior to the election. As in the case of the Senate, persons who were members of the Legislature or Executive Council of any Territory would not be eligible to sit in the House of Representatives. Certain categories of persons [similar to those in the case of the Senate—see above] would also be ineligible for membership of the House.

The House of Representatives would elect its Speaker and Deputy-Speaker at its first meeting. The Speaker could be a member of the House (provided he was not also a member of the Council of State) or could be elected from outside the House. The Deputy-Speaker would have to be a member of the House.

The House of Representatives, like the Senate, would have a term of five years.

Procedure in Federal Legislature (Articles 25-37). All proceedings in the Senate and the House of Representatives would be conducted in the English language.

A quorum of the Senate would consist of eight members, and a quorum of the House of Representatives of 17 members, provided the latter number included "four members who have been elected in four different Territories." Neither the Speaker nor the Deputy-Speaker of either Chamber would be reckoned for purposes of a quorum.

Bills could be introduced by any member in either Chamber of the Federal Legislature, with the proviso that Money Bills could not be introduced in the Senate. Except on the recommendation or with the consent of the Council of State, neither Chamber could "proceed upon any Bill . . . which, in the opinion of the person presiding in the Chamber, makes provision for imposing or increasing any tax, for imposing or increasing any charge on the revenues or other funds of the Federation, for altering any such charge otherwise than by reducing it, or for compounding or remitting any debt due to the Federation" (Art. 32)

"If a Money Bill, having been passed by the House of Representatives and sent to the Senate at least one month before the end of the session, is rejected by the Senate within one month after it is

sent to that Chamber, the Bill . . . shall . . . be presented to the Governor-General for assent notwithstanding that the Senate has not consented to the Bill." (Art. 33)

"If any Bill other than a Money Bill is passed by the House of Representatives in two successive sessions (whether or not the Federal Legislature is dissolved between those sessions) and, having been sent to the Senate in each of those sessions at least one month before the end of the session, is rejected by the Senate in each of those sessions, the Bill shall, on its rejection for the second time by the Senate . . . be presented to the Governor-General for assent notwithstanding that the Senate has not consented to the Bill," provided that at least one year had elapsed between its first and second passage in the House of Representatives in two separate sessions. (Art. 34)

"Money Bill" was defined as "a Public Bill which, in the opinion of the Speaker, contains only provisions dealing with all or any of the following matters: the imposition, repeal, remission, alteration, or regulation of taxation; the imposition, for the payment of debt or other financial purposes, of charges on public money, or the variation or repeal of any such charges; the grant of money to the Crown or to any authority or person, or the variation or revocation of any such grant; the appropriation, receipt, custody, investment, issue or audit of accounts of public money; the raising or guarantee of any loan or the repayment thereof; or subordinate matters incidental to any of the matters aforesaid."

Bills would become law when passed (with or without amendments) by both Chambers and assented to by the Governor-General. The latter may ". . . in his discretion, declare that he assents or refuses to assent thereto, or that he reserves the Bill for the signification of Her Majesty's pleasure."

Dissolution of Legislature, etc. The Governor-General could dissolve or prorogue the Federal Legislature at any time by proclamation. He must dissolve it "at the expiration of five years from the date when the House of Representatives first meets after any general election, unless it has been sooner dissolved." (Art. 38)

General elections to the House of Representatives would be held within three months after every dissolution.

The Federal Legislature would determine the privileges, immunities and powers of the two Chambers and their members. "No such privileges, immunities, and powers shall exceed those of the Commons House of Parliament of the United Kingdom or of the members thereof."

Legislative Powers within the Federation. Articles 43-54 set out in detail the subjects on which the Federal Legislature and the Territorial Legislatures would be competent to legislate. It was laid down *inter alia*:

(i) The Federal Legislature would have "power to make laws for the peace, order, and good government of the Federation with respect to any matter that is included in the Exclusive Legislative List or the Concurrent Legislative List." [These two Lists were appended as Schedules to the Constitution—see below.]

(ii) Territorial Legislatures would not have power to make laws on any matter included in the Exclusive Legislative List.

(iii) Territorial Legislatures (and also the Federal Legislature) would have power to make laws for the Territory concerned on any matter included in the Concurrent Legislative List.

(iv) The Federal Legislature could confer on any Territorial Legislature authority to make laws for that Territory on any matter included in the Exclusive Legislative List.

(v) A Territoral Legislature could confer on the Federal Legislature authority to make laws for that Territory on any matter not included in the Exclusive Legislative List or the Concurrent Legislative List, provided that the subject was within the competence of the Territorial Legislature concerned.

(vi) In the event of any inconsistency between Federal law and Territorial law, "the Federal law shall prevail over the Territorial law."

(vii) During a period of emergency, "a Federal emergency law may make provision with respect to matters not included in the Exclusive Legislative List or the Concurrent Legislative List, and a Territorial emergency law may make provision with respect to matters included in the Exclusive Legislative List." Such emergency legislation, whether Federal or Territorial, would have effect only during the period of the emergency.

(viii) No law of the Federal Legislature would be applicable to the Turks and Caicos Islands or the Cayman Islands unless explicitly stated.

(ix) Legislation by Order in Council could be enacted for the Federation in the United Kingdom on matters relating to defence, external relations, or the maintenance of the financial stability of the Federation. In the event of inconsistency between Federal or Territorial Legislation and any Order made by Her Majesty in Council, "the Order in Council shall . . . prevail over the law of the Federal Legislature or of the Legislature of the Territory, as the case may be."

(x) Special provisions would apply to Territorial laws controlling the movement of persons between the various Territories. If such laws were still in force five years after the Constitution came into effect, they would be reviewed by the Federal Legislature; unless the latter body decided within 90 days that it did not object to the law or laws concerned, the legislation would be considered to have been repealed. The only exceptions would be in the case of laws controlling the movement of persons insofar as they affected public health or public security. Laws on this matter [control of movement] enacted by Territorial Legislatures after the five-year period would be subject to approval by the Federal Legislature within 60 days after their enactment by the Territory concerned. (Arts. 49-51).

Executive Authority within the Federation (Articles 55-58). The executive authority in the Federation would be vested in Her Majesty and would be exercised by the Governor-General on her behalf.

"The executive authority of the Federation shall extend to the execution and maintenance of this Constitution, to all matters with respect to which the Federal Legislature has . . . power to make laws, and to such external relations as may . . . be entrusted to the Federation by H.M. Government in the United Kingdom. Subject to the provisions of this Constitution, the executive authority of each of the Territories shall continue in accordance with the Constitution of that Territory." (Art. 56)

The Governor-General could delegate executive authority to the Governor of any Territory on any matter relating to that Territory and falling within the executive authority of the Federation. Similarly, the Governor of a Territory could entrust the Governor-General, or any officer or authority of the Federation, with responsibility for matters affecting the Territory concerned, provided that the matter fell within the executive authority of the Territory.

The Council of State (Articles 59-71). "There shall be a Council of State which shall be the principal instrument of policy for the Federation and . . . shall advise the Governor-General in the exercise of his functions. The Council of State shall consist of a Prime Minister and ten other Ministers." (Art. 59)

The Governor-General would act on the advice of the Council of State, but would not be required to take the Council's advice (*a*) "in any case in which, in his individual judgment, the public interest requires that he should consult the Prime Minister instead of the Council"; (*b*) "in any case in which, in his individual judgment, the urgency of the matter requires him to act before the Council can be consulted, or the question for decision is too unimportant to require their advice"; (*c*) in respect of the powers conferred on him under Articles 38 and 64 of the Constitution. [Article 38 provides that the Governor-General may at any time prorogue or dissolve the Federal Legislature by proclamation -see above. Article 64 states that "every Minister shall hold office during the pleasure of the Governor-General"- see below.]

With regard to cases under (*a*), however, the Governor-General would act in accordance with the Prime Minister's advice, while in cases of urgency under (*b*) he would inform the Council of the measures that he had adopted and the reasons therefor. In matters connected with defence, external relations, or the financial stability of the Federation, the Governor-General would be required to obtain the advice of the Secretary of State for the Colonies before acting contrary to the advice of the Council of Ministers.

On the advice of the Prime Minister, the Governor-General could "assign to any Minister responsibility for dealing with any business on behalf of the Federal Government." In allocating portfolios, however, the Governor-General would not be obliged to assign to any Minister responsibility for any business relating to (*a*) defence; (*b*) the audit of the accounts of the Federation; (*c*) the making of appointments in the Public Service; and (*d*) the dismissal or disciplinary control of officers in the Public Service. Moreover, responsibility for the initiation, conduct, and discontinuance of criminal proceedings would not be assigned to a Minister but would be vested in the Attorney-General of the Federation.

At its first meeting after a general election the House of Representatives would elect the Prime Minister of the Federation from among its own members. The person chosen would be formally appointed as Prime Minister by the Governor-General. Members of the Executive Council or Legislature of any Territory would not be eligible for election as Prime Minister.

The other Ministers would be appointed by the Governor-General on the advice of the Prime Minister. At least three of the Ministers would have to be members of the Senate, and the remainder would be members of the House of Representatives. No member of the Executive Council or Legislature of any Territory could hold office as a Minister in the Federal Government. Every Minister would hold office "during the pleasure of the Governor-General." [Art. 64, referred to above.]

If the office of Prime Minister was vacant, or the Prime Minister was ill or absent from the Federation, the Governor-General could appoint one of the other Ministers (not being a member of the Senate) to perform the functions of Prime Minister. If a Minister was ill or absent from the Federation, the Governor-General could similarly (and on the advice of the Prime Minister) appoint another person to serve temporarily on the Council of State.

Three persons holding office in the Public Service of the Federation would be nominated by the Governor-General to attend any meetings of the Council of State, and to take part in discussions at such meetings. The Governor-General (or, in his absence, the Prime Minister) would preside at meetings of the Council of State.

The Federal Supreme Court (Articles 72-90). The Federation would have a Federal Supreme Court consisting of a Chief Justice and three Federal Justices, appointed by the Governor-General after consultation with the Prime Minister.

The Federal Supreme Court would have original jurisdiction (*a*) in proceedings between the Federation and a Territory, or between one Territory and another Territory; (*b*) in any proceedings "in

which a writ or order of *mandamus* or prohibition or an injunction is sought by the Federation against an officer or authority of a Territory, or by a Territory against an officer or authority of the Federation"; and (c) in any suit for a penalty under Article 113 of the Constitution. [This refers to penalties incurred by unqualified persons sitting or voting in either Chamber of the Federal Legislature—see Miscellaneous Provisions below.] In addition, the Federal Supreme Court would determine any question arising out of the interpretation of the Constitution, and would hear and determine appeals from any superior court of a Territory.

The Chief Justice of the Federation, and any two Federal Justices selected by him, would draw up rules of procedure regulating the practice and procedure of the Federal Supreme Court. The Court would deliver its judgments in open court and with "the concurrence of a majority of the judges present at the hearing of the matter."

There would be no appeal to the Privy Council from judgments of the Federal Supreme Court, unless the Federal Legislature conferred this right of appeal by law. Similarly, there would be no right of appeal to the Privy Council from the judgment of a superior court of a Territory except with the leave of the Federal Supreme Court, "which shall be granted only in such circumstances as the Federal Legislature may by law prescribe."

Finance (Articles 91-101). In each of the first five years (i.e. the calendar years 1958-62 inclusive) the Federal Government would derive its revenue mainly from a mandatory levy on the Territorial Governments, provided that the total amount levied in any one year did not exceed B.W.I. $9,120,000 (one British West Indian dollar = 4s. 2d.). Each territory would be required to contribute in the following proportions:

	Per cent.
Antigua	1.3374
Barbados	8.5562
Dominica	1.6250
Grenada	1.6969
Jamaica	43.1119
Montserrat	0.2732
St. Kitts-Nevis and Anguilla	1.7256
St Lucia	1.7400
St. Vincent	1.3086
Trinidad and Tobago	38.6252

If, in any of the first five years, the Federal Government's revenues from Customs and Excise duties on "scheduled commodities" exceeded B.W.I. $9,120,000, a corresponding refund would be made to the Territorial Governments. [The "scheduled commodities" were listed in an annex to the Constitution; they comprised motor spirit, cigarettes and tobacco, beer and other fermented beverages, rum, and distilled alcoholic beverages other than rum.] (Arts. 94-95)

As regards postal revenues, Article 97 stated: "If, by any law of the Federal Legislature, the Federal Government becomes entitled for the first time to the revenues arising in any Territory from postal services, then, during a period of five years beginning with the date when the Federal Government becomes entitled to those revenues, the Federal Government shall . . . pay in each year to the Government of that Territory, if that Government so requires, a sum equal to the average annual profits that accrued to that Government from postal services during the period of five years immediately preceding the date aforesaid."

The Federal Public Service Commission (Articles 102-105). The Governor-General would appoint a Public Service Commission for the Federation, consisting of a chairman and not less than two nor more than four other members. The Commission would be responsible for recommending appointments to all offices in the Public Service of the Federation. No person could serve on the Commission if he was a member of the Senate, the House of Representatives, or the Legislature of any Territory.

Power to make appointments to offices in the Public Service (including appointments on promotion or transfer), and to dismiss or exercise disciplinary control over officers in that Service, would be vested in the Governor-General. In exercising these powers the Governor-General would act "in his discretion but after consultation with the Commission."

Miscellaneous Provisions (Articles 106-118). The most important of these were the following:

(i) The Governor-General, on behalf of Her Majesty, would have the power of pardon (after consultation with the Minister concerned) in the case of individuals convicted of offences against Federal law. Such pardon might take the form of remission or reduction of sentences, or the substitution of a less severe sentence than that originally imposed. (Art. 112)

(ii) Any person sitting or voting in either Chamber of the Federal Legislature, "knowing or having reasonable ground for knowing that he is not entitled to do so," would be liable to a penalty not exceeding 96 B.W.I. dollars "for each day on which he so sits and votes." Any such penalty could be recoverable by civil action in the Federal Supreme Court [see above] at the suit of the Attorney-General of the Federation. (Art. 113)

(iii) The Attorney-General of the Federation, the Solicitor-General of the Federation, and any member of the Attorney-General's Department (provided he were a barrister) would have the right of audience in the Federal Supreme Court and in all other courts within the Federation. (Art. 115)

(iv) Her Majesty might by Order in Council amend or revoke any of the provisions of the Constitution, and could also (by such Order) amend the Constitution for the purpose of including other Colonies within the Federation. Specific mention was made of the possible accession of British Guiana and British Honduras to the Federation—which, it was pointed out, would require the creation of additional seats in the Senate and the House of Representatives. (Art. 117)

[It was laid down in Article 117 that no Order could be submitted to Her Majesty in Council reducing the representation of any Territory in the Federal Senate or House of Representatives, unless such reduction was approved by the Legislative Chamber of the Territory concerned.]

(v) Not later than five years after the Constitution came into force, a conference would be held for the purpose of reviewing the Constitution. It would consist of delegates from the Federation, from each of the constituent Territories, and from the United Kingdom. Among other matters, the conference would "review, in the light of progress made towards establishing a Customs union within the Federation and other relevant factors, the powers conferred on the Federal Government to make provision for the levying of taxes on income and profits." (Art 118)

Appended as schedules to the Constitution were (1) the Exclusive Legislative List, setting out those subjects on which only the Federal Legislature could make laws; and (2) the Concurrent Legislative List, on which both the Federal Legislature and the Territorial Legislatures could make laws.

Exclusive Legislative List. Subjects in this list included the borrowing of monies for Federal purposes; defence; Federal agencies and institutions for research, investigation, or special studies; exchange control; Federal libraries and museums; immigration into, and emigration or deportation from, the Federation: public relations of the Federation; the Public Service of the Federation; pensions and gratuities payable from Federal funds; and the University College of the West Indies

Concurrent Legislative List. Subjects in this list included civil aviation and ancillary services; aliens; astronomy and meteorology; audit of public accounts other than those of the Federal Government; banks (including savings banks) and banking; bankruptcy and insolvency; bills of exchange and promissory notes; borrowing of monies for the purposes of any Territorial Government; census; companies (i.e. general provision as to the incorporation, regulation, and winding-up of bodies corporate, other than bodies directly incorporated by Federal or Territorial law); conciliation and arbitration in industrial disputes; control of the movement of persons between Territories [subject, however, to Articles 49, 50 and 51 of the Constitution—see above]; copyright, patents, and trade marks; criminal law and procedure; currency, coinage, and legal tender; Customs and Excise duties [subject to Articles 94 and 95—see above]; industrial development; fishing outside territorial waters; insurance; marriage, divorce, and custody and guardianship of infants; naturalization; atomic energy; postal services [subject to Article 97—see above]; prisons; quarantine, shipping and navigation (including lighthouses, lightships, beacons and buoys); statistics; student services (i.e. financial or other assistance for students receiving university education), surveys, investigations, and research into economic and social matters (except where undertaken by a Federal agency); professional, technological, and agricultural education and training (except in connexion with the University College of the West Indies, which is on the Exclusive Legislative List); taxes on income and profits; telegraphic, telephonic and radio communications with countries outside the Federation; trade and commerce with countries outside the Federation; and weights and measures.

Trinidad Site for Federal Capital.

The Standing Federation Committee of the British West Indian Governments (which includes the Chief Ministers of Jamaica and Trinidad and the Prime Minister of Barbados) had previously decided on Feb. 11, 1957, that the capital of the Federation should be located in Trinidad, despite the earlier recommendation by Sir Francis Mudie's committee (see 15295 C) that the capital should be situated in Barbados. Eleven votes were cast for Trinidad and five for Barbados, Jamaica being eliminated on the first ballot.

The decision settled the most controversial issue in the protracted discussions on the West Indian Federation. Although Trinidad had been originally selected as the site for the Federal capital, the Chief Minister of Trinidad (then Mr. Albert Gomes) voluntarily relinquished this claim at the London conference of 1953 in the hope of reaching agreement, and Grenada was chosen instead. At the London conference of 1956, however, this decision was again altered and a fact-finding commission was appointed under the chairmanship of Sir Francis Mudie to recommend another site. The Commission's report, issued in January 1957, recommended Barbados as the most favourable site, with Jamaica second and Trinidad third in order of preference. The Commission's explanations of its decision, and its remarks about Trinidad in particular, had caused much resentment and adverse comment in that island.

After further discussions, the Standing Federation Committee recommended in May 1957 that the Federal capital should be established on a site in the north-western peninsula of Trinidad. As this site included the U.S. naval base of Chaguaramas (leased to the United States for 99 years under the "destroyers for bases" agreement of 1941), the British

Government were asked to take up with the U.S. Government the question of surrendering the leased base, which extends over some 18 square miles. In choosing this site for the Federal capital, the Standing Committee pointed out that it had access to the sea both to the north and the west, was only seven miles from Port of Spain, and had good dock and seaplane facilities.

A conference of British, U.S., and West Indian representatives was accordingly held in London from July 16-24, 1957 in connexion with the West Indian proposal.

The British Government were represented by Mr. Ormsby-Gore, Minister of State at the Foreign Office, and Mr. Profumo, Under-Secretary of State for the Colonies; the United States by Mr. John Hay Whitney, U.S. Ambassador in London, and American naval officers and officials; and the West Indies by a delegation consisting of Mr. Norman Manley (Chief Minister of Jamaica), Dr. Eric Williams (Chief Minister of Trinidad), Sir Grantley Adams (Prime Minister of Barbados), Mr. F. A. Baron (Minister of Trade, Dominica) and Mr. P. C. Bradshaw (Minister of Trade, St. Kitts-Nevis and Anguilla).

It was announced at the end of the conference (1) that the West Indian delegation had explained the reasons that had led them to choose the Chaguaramas site for the Federal capital; (2) that there was unanimous agreement on the need for a U.S. naval base in the eastern Caribbean; (3) that the West Indian delegation were unable, however, to accept the view that it was essential for strategic and economic reasons to maintain the existing base at Chaguaramas; (4) that they had therefore asked that the base should be released, and an alternative site found, so as to enable the Federal capital to be built on the Chaguaramas site; and (5) that a Joint Commission of "representative technical experts" would be set up to investigate all aspects of the West Indian request.

The membership of the Joint Commission was announced on Dec. 22, 1957, consisting of Sir Charles Arden-Clarke (formerly Governor-General of Ghana) as chairman, two U.K. representatives, three U.S. representatives, two representatives of the West Indies in general (together with an adviser), and two from Trinidad and Tobago in particular. The Joint Commission began its work in Trinidad on Jan. 13, 1958.

Miscellaneous Developments.

The principal developments in the West Indies in recent months, other than those described above, were the introduction of internal self-government in Jamaica, and legislation in the British Parliament to separate the Cayman Islands and the Turks and Caicos Islands from Jamaica so as to enable them to have their own Governments and legislatures.

Jamaican Self-Government. Jamaica became the first British West Indian colony to attain home rule on Nov. 11, 1957, when the Governor and Captain-General (Sir Hugh Foot, now Governor of Cyprus) issued a proclamation giving effect to the new constitutional reforms, including a Cabinet system of government [see 15821 B].

The new Jamaican Government was sworn in by Sir Hugh Foot on the same day. Mr. Norman Manley (who will preside over Cabinet meetings instead of the Governor) remained Chief Minister and Minister for Development, the other portfolios being redistributed as follows: Dr. Ivan Lloyd—Home Affairs (including Local Government and certain functions formerly appertaining to the island's Colonial Secretary and Attorney-General); Mr. F. A. Glasspole—Education; Dr. Glendon Logan—Housing and Social Welfare; Mr. Jonathan Grant—Labour; Sir Robert Beacroft Barker and Mr. Rudolph Burke—Ministers without portfolio. The Cabinet (officially the Council of Ministers) replaced the former Executive Council, which was abolished under the constitutional reforms.

The Cayman Islands and Turks and Caicos Islands. In January 1957, a delegation from the Cayman Islands had visited Kingston for talks with Mr. Manley, during which four main demands were put forward: (1) for maximum autonomy in the Islands' affairs; (2) for recognition of the special position of the Caymans, particularly with regard to taxation, trade, and migration; (3) for representative institutions in the Caymans when the new Jamaican Constitution was introduced; and (4) for special consideration to be given to the Caymans when the Federal Constitution was formulated.

A joint statement by Mr. Manley and the Caymans delegation (Jan. 13, 1957) said that the Governor (Sir Hugh Foot) and the Chief Minister (Mr. Manley) would bear these representations in mind when the Jamaican and Federal Constitutions were framed; that it was agreed that no Federal law should apply to the Caymans unless specifically stated in the Federal Constitution, and after prior consultation with the Caymans authorities; and that provision would be made in the Federal structure for Caymans affairs to be the direct responsibility of the Federal Prime Minister.

A Bill to separate the Caymans Islands—and also the Turks and Caicos Islands—from Jamaica was accordingly introduced in the British House of Commons on Dec. 17, 1957 by Mr. Lennox-Boyd, the U.K. Colonial Secretary. Mr. Lennox-Boyd explained that while these islands would remain dependencies of Jamaica, they would exercise wide responsibilities through their elected representatives in the management of their internal affairs. The Bill entitled the Cayman Islands and Turks and Caicos Islands Bill provided (1) that a separate Government and Legislature for each island group would be created by Order in Council; and (2) that the Caymans and the Turks and Caicos Islands would each have a legislative body of *ex-officio* members, nominated members, and members elected by universal adult suffrage, as well as executive councils which the Commissioners for those territories would normally be required to consult.

The Cayman Islands and Turks and Caicos Islands Bill was given an unopposed second reading by the House of Commons on Jan. 21, 1958. - (West Indies (Federation) Order in Council, 1957 - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Governor-General, 15523 B; Federal Capital, 15295 C; West Indian Federation, Map, 14733 A.)**

A. CHINA. — Adoption of Latin Alphabet.

The use of the Latin (Roman) alphabet for the Chinese language, which had been accepted in principle in 1956 (see 14722 A), received formal approval on Dec. 11, 1957 from the State Council of China. It was decided to adopt the 26-letter alphabet as used in Western Europe and America, and to abandon the earlier plan for a 30-letter alphabet incorporating several Russian letters.

An official spokesman explained that the Latinization of Chinese would help to eradicate illiteracy by enabling the national language (i.e. the Mandarin form of Chinese as spoken in Peking and North China) to be taught in all schools, instead of the different dialects at present used in many parts of the country. Moreover, it would facilitate language reform among the national minorities in which connexion mention was made of plans for written languages for 15 minorities, including the Uighurs and the peoples of Inner Mongolia. The spokesman emphasized that it was not intended at the present stage to supplant the traditional ideographic characters, which had themselves tended down the centuries as under the Sung, Yuan, Ming, and Manchu dynasties towards ever greater simplicity and freedom from complexity.

The Prime Minister (Mr. Chou En-lai), speaking on Jan. 10, 1958, to the National Committee of the Chinese People's Political Consultative Conference, called for nation-wide support and publicity for the new alphabet "so that the Chinese language can be steadily changed to suit the needs of socialist construction." He explained that the latinized alphabet would be used at present as a "phonetic auxiliary" for the ideographic Chinese characters. Specifically, it would be used for annotating the ideographs in dictionaries and language books; for indexing; for showing the pronunciation of foreign names and technical terms; for indicating the pronunciation of standard (i.e. Mandarin) spoken Chinese; and for telegraphic transmissions. After saying that the Latin alphabet had been adopted "because it is internationally accepted," Mr. Chou declared: "The adoption of this alphabet does not make Chinese a phonetic language. Whether the Chinese ideographs . . . should be replaced by a latinized or other phonetic language is a question we are not in a hurry to decide."—(Times - New York Times)

(Prev. rep. 14722 A.)

B. EGYPT - SOVIET UNION. — Economic and Technical Co-operation Agreement.

An agreement on economic and technical co-operation between Egypt and the Soviet Union was signed in Moscow on Jan. 29, following negotiations between an Egyptian delegation led by Dr. Aziz Sidky (Minister of Industry) and a Soviet delegation headed by M. Pervukhin, chairman of the State Committee for Foreign Economic Relations.

A joint communiqué said that the two Governments would "co-operate in the realization of plans for the development of Egypt's national economy in various industrial fields, in particular in geological work, mining, oil prospecting and production, metallurgy, engineering, and other industries." The Soviet Union would supply Egypt with machinery and equipment; help to instal and operate the machinery so as to bring production up to specified levels; render technical assistance in the design and construction of industrial enterprises; and train Egyptians in prospecting and mining. A long-term loan "on easy terms" to pay for these supplies and services had been granted by the U.S.S.R. to Egypt, which would repay it partly in hard currency and partly by supplying Egyptian goods, including cotton, to the Soviet Union.

The first contract under the agreement was signed in Moscow on the same date. It provided for Soviet aid to Egypt in the construction of three textile mills, each with 15,800 spindles, and laid down that equipment for these mills should be delivered in 1958, 1959, and 1960 respectively.
(Soviet Embassy Press Department, London - Le Monde)

(Prev. rep. 15906 D.)

A. UNITED KINGDOM. — The Life Peerages Bill. - Passage through House of Lords.

The House of Lords gave a second reading on Dec. 3-5, 1957, to the Life Peerages Bill, which, as forecast in the Speech from the Throne (see 15844 A), empowered the Queen to confer on any person, including women, a peerage for life carrying the right to sit and vote in the House of Lords.

Lord Home (Leader of the House) said that the arguments for the introduction of life peers were "strictly and severely practical." "There is a small number of Opposition peers," he continued, "who enable us to present to the world a picture of a House efficient and informed, and which maintains a high level of debate. Equally we know that that is a brave façade On a small number of noble lords opposite there is falling a strain they cannot and should not be asked to continue much longer. This House is perilously near a breakdown in its machinery. That situation can be eased if the Prime Minister is given the discretion to offer life peerages to persons who feel they cannot accept hereditary peerages today. In the selection and appointment of life peers, the emphasis will be on the appointment of persons who could help in the working of Parliament. In discovering such persons, when the Prime Minister is looking for persons who might be able to help the Opposition, he would when appropriate seek the advice of the Leader of the Opposition."

As regards the admission of women to the House of Lords, Lord Home said that the need to keep the House up-to-date was perhaps the most powerful argument for the introduction of women. He could not see any arguments in logic why, if women were in the House of Commons, they should not be in the House of Lords.

The Government had deliberately confined this Bill to life peerages (Lord Home explained) because any proposal to limit numbers, and in particular to limit hereditary peers, would raise the most acute opposition and could only be carried at the cost of bitter and sustained controversy on a constitutional issue. "On this side," he concluded, "believing as we do that the hereditary peerage has a part to play in the Upper House, we have willingly modified the hereditary principle by the introduction of life peers so as to enable the Socialist point of view to be put more effectively from the other side of the House. If Opposition peers in the years to come will show a similar spirit of compromise and be willing to include in a reformed House an element of the hereditary peers, we can arrive without much difficulty at a solution which will appeal to the common sense of the country."

Viscount Alexander of Hillsborough (Leader of the Opposition peers) described the Bill as "tinkering" with House of Lords reform, as it made no attempt to deal with the need for the abolition of the hereditary principle; nor did it give relief to the heirs of peers who did not desire to sit in the House of Lords. Its real purpose, he suggested, was to enhance the prestige of the House while retaining the hereditary principle. The House should be given more information about the Government's intentions, and should be told what the maximum number of life peers would be. If qualifications were to be the basis for their appointment, there was not much inducement in merely offering a daily expenses account, and the Government must rapidly find an alternative method of adequate remuneration.

The **Marquess of Salisbury** said that he was not against the Government's proposals, but regarded them as "sadly inadequate." Firstly, he disagreed with the provision whereby women would be able to become members of the House with life peerages, whereas women who had an hereditary right to a seat could not. Secondly, whatever its other merits, the Government's plan had the "fatal defect" of not including any financial provisions to enable life peers to take up active membership. He presumed that they, like hereditary peers, would receive three guineas a day for each day on which they attended the House. As the House sat only 100 days a year, that was a maximum of £315 per annum, which would not attract the lowest-paid labourer. This meant that it would be necessary for anyone who accepted a life peerage to have independent means, which went a long way to destroy the main object of the Government's Bill.

It would be impossible to consider more substantial remuneration for life peers, Lord Salisbury maintained, while the House contained numbers of hereditary peers who seldom or never attended. The essential pre-requisite of any viable scheme for life peers must be to limit the number of hereditary peers to those who really meant to attend and could justify the payment of larger remuneration to them. He concluded: "I believe the Government—and it applies also to my party in this House—by failing to grasp the nettle while there is yet time, are putting in jeopardy not only the hereditary system but, much more important, the whole basis of a bicameral system, which is the only protection for a country like ours with an unwritten Constitution."

Lord Silkin (an Opposition peer) said that the Bill was unacceptable as a palliative because it maintained the hereditary principle; moreover, it did nothing about the permanent Conservative majority in the House, and made no attempt to deal with the hardship of heirs of peers who got into or wanted to get into the Commons. He was sceptical whether they would "get anyone worth while" as a life peer, and hoped that no-one over the age of 55 would be appointed, as the people they wanted were those young enough to be able to help with the work of the House.

The **Earl of Airlie,** announcing his intention to move amendments in the Committee stage, suggested that it would be "wiser to wait for the inclusion of ladies" until it was seen how the reform worked, as "once they are in, they are in for keeps." **Viscount Samuel** (the Liberal peer), while expressing support for the creation of life peers and the admission of women, said that what troubled him most was how the life peers were to be selected. It would be a disaster if they were chosen simply for party reasons, and he therefore proposed that, to prevent possible abuses, the selection should be referred to an all-party standing committee of the Privy Council.

Viscount Hailsham (Lord President of the Council) said that the Bill was designed to deal with the concrete, practical difficulty that there were too few people to carry out the daily business of the House of Lords. The obvious choice was to widen the field of recruiting, and it would be "little short of idiotic" to exclude rather more than half the population by reason of their sex. On the question of payment of members' expenses, he said that it was not reasonable to expect an alteration in the amount or basis of the indemnification so soon after the announcement. Lord Hailsham also pointed out that the Government had received a large number of complaints from the country because the principle had been adopted at all.

Stressing that no other country in the free world had a Constitution which conferred so much power on the Legislature, Lord Hailsham said that between general elections Parliament was virtually an elected dictatorship, subject to the rights of minorities and public discussion. There was only one check to that—the "old, rickety, anomalous, and illogical" House of Lords. If a Government were to destroy that House and put nothing in its place, or nothing but a creature of its own, he felt certain that the country would detest an elected dictatorship to such an extent that this suppression would become intolerable; in such case the House of Commons itself would be compelled by pressure of business to create an independent body to despatch some of the least important things it had to do What would then emerge would not be the present House of Lords, "deferential, timid, cautious, and extremely responsible," but a Senate with separate authority, which would possibly be calamitous to the spirit of the Constitution.

In 1948 (Lord Hailsham continued) he had said that there was no theoretical defence of the hereditary principle, and he saw no reason to revise his opinion. If the Opposition had any care for continuity and tradition, however, they would have to retain in that House a large proportion of those who sat there by hereditary right. If they wanted a guarantee that the rights of the House would not be used irresponsibly or contrary to the public will, they had that guarantee in the fact that the great majority of peers sat in the House by hereditary right, with no desire to exercise their powers except under compelling reasons of conscience and the insistent demand of public opinion.

Earl Attlee said that in drawing a "terrible picture" of the dictatorship that would occur if there was only a single Chamber, Lord Hailsham had forgotten the most important thing—the effect of public opinion. Extravagant changes did not occur because the House of Commons was amenable to, and in touch with, public opinion. He agreed that the Bill had two merits—the invasion of the hereditary principle, and the assertion of sex equality—but thought that functions and powers were more important matters than the question of composition He stood for "a second Chamber that has no power of over-ruling or even delaying, except for the purpose of putting forward amendments to the properly elected Chamber."

The second Chamber, Lord Attlee asserted, had always been a conservative force—"always for delay, never for advancement." In the House of Lords there was a permanent Conservative majority, and he had yet to learn of "any major Conservative folly" being turned down by them. There had been a big, highly respected feeling in the House against the institution of independent television, yet this had been carried through, against the weight of argument, by a docile Government majority. If the House was to be reformed, it had to be on an entirely different basis. It was indefensible to have a hereditary House, and it was only by great exercise of wisdom that it had not broken down in the last ten years.

Lord Pakenham, winding up for the Opposition, expressed regret at the "niggardly" fashion in which the Government had settled the question of remuneration. The Bill was small enough, but it would fail almost totally if this was to be the real position. He did not think the existence of life peers would make much difference, but so far as it did, it would be to the good.

Viscount Kilmuir (Lord Chancellor) gave an assurance that the Prime Minister, when choosing life peers, would consult the Leader of the Opposition and leaders in other spheres of life. On the question of remuneration, he said that although Lord Hailsham had pointed out that they could not have changes in this matter within a short period of time, this did not mean that the Government was shutting the door on the problem. Another aspect to which attention had been drawn was the difficulty of attending the House while carrying on an occupation. It was not impossible to do both, but it would be easier if the hours of Parliament could be adjusted so that they interfered less with earning times.

The second Chamber, the Lord Chancellor declared, must not be a rival to the Commons, and therefore could not be elected. It must have members of real and wide experience in every field, including that of legislation. It must preserve in its members a true independence of outlook, and be less tied to the party Whip. These qualities existed in the present House, and they had to build on those foundations. He was optimistic about the possibility that, after discussions, they could go forward to build a more effective second Chamber.

The Bill was given an unopposed second reading on Dec. 5. The following amendments were rejected or withdrawn in committee on Dec. 17-18, 1957 :

(1) That life peerages should be conferred only on men. Moved by the **Earl of Airlie.** Rejected by 134 votes to 30.

(2) That an hereditary peerage, subject to the consent of the next heir or his guardian, might be converted into a life peerage, and that a life peer might renounce his peerage at any time. Moved by **Lord Silkin.** Rejected by 75 votes to 25.

(3) That a life peer might renounce his writ of summons to the House of Lords and become eligible to vote and stand in parliamentary elections. Moved by **Viscount Alexander of Hillsborough.** Rejected by 105 votes to 22.

The Bill was given an unopposed third reading in the House of Lords on January 30, 1958.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 15694 A.)**

A. AFRO-ASIAN STATES. — Non-Governmental "Afro-Asian Solidarity Conference" in Cairo.

An Afro-Asian "solidarity conference" at non-governmental level was held in Cairo from Dec. 26, 1957, to Jan. 1, 1958. It was attended by some 500 delegates from a large number of Asian and African countries and colonial territories, many of whom were Communists or members of Communist-front organizations. Invitations were sent to all countries represented at the Bandung conference of 1955, as well as to Ghana, Morocco, Uganda, Somaliland, and Nigeria. A number of nations represented at Bandung, however, refused to send delegates to the Cairo conference because of its pro-Communist character, including Liberia, Pakistan, Siam, the Philippines, South Vietnam, Morocco, Malaya, Cambodia and Laos.

The Cairo meeting was organized by the "Asian Solidarity Committee," a Communist-front body launched a short time before the Bandung conference under the auspices of the Soviet-sponsored "World Peace Council." Local "solidarity committees" were subsequently set up in 14 Asian countries, and at the end of 1956 the Asian Solidarity Committee decided to extend the movement to Africa and to convene an Afro-Asian "solidarity conference" in 1957, if possible in Cairo. In October 1957 a preparatory committee - on which Egypt, Syria, Communist China and the U.S.S.R. were represented— met in Cairo to fix the date and draft the agenda for the conference. It was stated that the conference would represent the "peoples" and not the Governments of Afro-Asian countries.

The Soviet Union was represented at the conference by a 27-man delegation headed by M. Rashidov, president of the Soviet Republic of Uzbekistan and a vice-president of the Supreme Soviet of the U.S.S.R. China sent a 20-man delegation headed by Mr. Kuo Mo-jo, president of the Academy of Science, while smaller delegations were present from North Korea, North Vietnam and Mongolia. Among the non-Communist countries, several were represented by Ministers (e.g. the Sudan) and others by political exiles (e.g. Jordan). The Indian delegation was headed by Mrs. Ramashwari Nehru (a distant relative of the Prime Minister), who presided over the Asian Solidarity Committee which met in Delhi shortly before the Bandung conference. A non-Communist delegation from Japan was headed by Mr. Tokutaro Kitamura, a Liberal Democratic member of the Japanese Parliament.

Large numbers of speeches were made by various delegates attacking "imperialism" and "colonialism," denouncing the U.S. "Eisenhower doctrine" in the Middle East and French policy in Algeria, and calling for independence for British, French and other colonial territories in Asia and Africa. M. Arzumanyan (a leading Soviet economist) declared that the U.S.S.R. was ready to provide economic and technical assistance to any Afro-Asian country as "brother to brother," either in the form of "money, loans or aid"; in the course of his speech he commended Egypt's action in nationalizing the Suez Canal and Indonesia's action in nationalizing Dutch banks and economic enterprises, and, by implication, urged other Afro-Asian Governments to nationalize foreign undertakings in their countries.

The conference ended with the adoption of a number of resolutions as summarized below :

"Imperialism" and "Colonialism." After condemning "imperialism in all its forms and manifestations," this resolution (1) expressed "full support for the rights of peoples to self-determination, sovereignty, and complete independence" under governments of their own choosing ; (2) called on the U.N. to end the trusteeship system and to "recognize the independence of countries now under trusteeship"; (3) called for independence for Kenya, the Cmaeroons, Uganda, Madagascar, and Somaliland, and for the "ending of aggression in Oman"; (4) demanded "the return of West Irian to Indonesia, of Goa to India, and of Okinawa to Japan," as well as self-determination for Cyprus ; (5) called for the reunification of Korea and Vietnam ; (6) expressed support for "the struggle of the Arab peoples for unity, freedom and independence"; and (7) denounced the Baghdad Pact and the "Eisenhower doctrine" as "violating the independence of the Arab countries and encroaching on their sovereignty."

Disarmament. After denouncing the "arms race," "military blocs," and the "decision of NATO to supply its member-countries with nuclear and rocket weapons," the resolution (1) called for an unconditional ban on nuclear tests, the prohibition of the manufacture of nuclear and thermo-nuclear weapons, and reductions in the armaments and armed forces of the great Powers ; (2) declared that "Asia and Africa should be a peace zone in which no nuclear and rocket weapons should exist."

In addition to this resolution, the conference issued an appeal to the U.S., Soviet and British Governments to ban nuclear weapons tests "immediately and unconditionally" as a first step towards the "complete prohibition of the manufacture, stockpiling and use of those weapons of mass destruction." It also appealed to the scientists of the world to work for nuclear disarmament, and called on the Afro-Asian peoples "to take joint action to prevent the United States from holding nuclear tests at Eniwetok atoll on March 1, 1958."

Economic, Technical and Cultural Co-operation. This resolution called for close economic and technical co-operation between all Afro-Asian countries, for maximum economic development, and for the promotion of trade among all nations "regardless of their social and economic systems." It condemned "foreign capital investments and foreign loans which are accompanied by political conditions." Stress was laid on the need to develop the fullest cultural relations between the Afro-Asian peoples.

Racial Discrimination. A resolution on this subject denounced South Africa's *apartheid* policy and urged the Union Government to rescind it.

Algeria. The resolution condemned "France's colonial war and the atrocities of the French imperialists against the Algerian people," and urged "recognition of the independence of the Algerian people without delay."

Palestine. A resolution was adopted describing Israel as "a base of imperialism," condemning that country's "aggressive policy," and calling for the repatriation of Palestine Arab refugees.

United Nations. The conference called for the admission of the Chinese People's Republic and Mongolia to U.N. membership.

General Declaration. A 10-point declaration was adopted recapitulating the principles adopted at the Bandung conference, and declaring that those principles "should remain the basis of international relations."

It was decided at the end of the conference to set up a permanent organization in Cairo, known as the Afro-Asian People's Solidarity Council, which would meet at least once a year and have its permanent headquarters and secretariat in the Egyptian capital. This body would have an Egyptian secretary-general and 10 secretaries chosen from China, the Cameroons, Ghana, India, Indonesia, Iraq, Japan, the Sudan, Syria, and the Soviet Union. All Afro-Asian peoples would be represented on the "Solidarity Council," which would have the following aims : implementation of the resolutions of the Cairo conference, promotion and strengthening of Afro-Asian solidarity, and acting as a permanent liaison between the various "national solidarity committees," which would be set up in every Afro-Asian country.

M. Yusuf Sibai, an Egyptian, was elected president of the "Solidarity Council" on Jan. 3 for a two-year term. Four vice-presidents were also elected, representing Algeria, India, the Sudan and the Soviet Union. (Times - Manchester Guardian - Le Monde, Paris - New York Times - Soviet Embassy Press Department, London)

B. JAPAN. — Mass Production of Artificial Food.

It was announced in Tokio early in the New Year that mass production had begun of a new artificial food known as "chlorela." Made from algae that grow in ponds, it will be artificially cultivated in four specially-constructed pools built at the Japan Chlorela Research Institute in Tokio. Dr. Yutaka Tamiya, a chlorela expert on the staff of Tokio University, has been invited by a food research institute in Chicago to popularize this method of artificial cultivation.

Chlorela was described as rich in nutritional value, cheap, and capable of being produced in two forms (powdered and liquid) and of being spread on bread or rice. A spokesman of the Research Institute stated that 25 grammes of chlorela powder was equal in nutritional content to "1½ bottles of milk, 1.2 eggs and 25 grammes of roast beef."

(Japanese Embassy Press Office, London)

C. CANADA. — Mr. Lester Pearson succeeds Mr. St. Laurent as Leader of Liberal Party.

Mr. Lester Pearson (60), the former Secretary of State for External Affairs and recipient of the Nobel Peace Prize for 1957, was elected leader of the Canadian Liberal Party on Jan. 16 in succession to Mr. Louis St. Laurent (76), at the end of a three-day party convention in Ottawa. Mr. Pearson received 1,074 votes against 305 for Mr. Paul Martin, the former Minister of Health and Welfare. One vote was cast for the Rev. H. Lloyd Henderson, a Presbyterian clergyman and Mayor of Portage la Prairie, Manitoba.—(Montreal Star)

(Prev. rep. Mr. Lester Pearson, 15858 A.)

A. UNITED STATES. — State of the Union Message.

President Eisenhower's sixth State of the Union message was delivered to Congress on Jan. 9. In its introductory section, it dealt with what the President described as the two primary tasks facing the American people—" to ensure our safety through strength " and " to do the constructive work of building a genuine peace." President Eisenhower then went on to lay down eight lines of action, " designed to focus our resources upon the two tasks of security and peace," which were " not only desirable but imperative." These were (1) a comprehensive defence reorganization, laying particular stress on the need to eliminate inter-Service rivalries ; (2) acceleration of the defence effort " in particular areas affected by the fast pace of scientific and technological advance " ; (3) intensification of the mutual assistance programmes, both military and economic ; (4) expansion of mutual trade, in which connexion the President called for a five-year extension of the Trade Agreements Act ; (5) legislation to permit the sharing of scientific secrets with America's allies ; (6) a four-year plan for education and research, to cost $1,000,000,000 ; (7) curbs on non-essential spending ; and (8) a call to all peoples to work for peace and disarmament, directed particularly to the Soviet people. In the latter connexion President Eisenhower urged the Soviet Government to co-operate with the United States in world-wide health programmes designed to eradicate such scourges as malaria and cancer, and also in " driving hunger and disease from the earth." As regards disarmament, he said that " we must never give up the search for a basis of agreement," and declared that " we as a nation will always go the extra mile with anyone on earth if it will bring us nearer a genuine peace."

The text of the President's State of the Union message is given below under cross-headings :

The " Two Tasks."

" There are two tasks confronting us that so far outweigh all others that I shall devote this year's message entirely to them.

" The first is to ensure our safety through strength. I have repeatedly voiced this conviction : we now have a broadly based and efficient defensive strength, including a great deterrent power, which is for the present our best guarantee against war ; but unless we act wisely and promptly, we could lose that capacity to deter attack or defend ourselves. My profoundest conviction is that the American people will say as one man : ' No matter what the exertions or sacrifices, we shall maintain that necessary strength.' But we could make no more tragic mistake than merely to concentrate on military strength. For if we did only this, the future would hold nothing for the world but an Age of Terror.

" And so our second task is to do the constructive work of building a genuine peace. We must never become so preoccupied with our desire for military strength that we neglect those areas of economic development, trade, diplomacy, education, ideas, and principles where the foundation of real peace must be laid.

" Safety through Strength."

" The threat to our safety, and to the hope of a peaceful world, is simply stated. It is Communist imperialism. This threat is not something imagined by critics of the Soviets. Soviet spokesmen, from the beginning, have publicly and frequently declared their aim to expand their power, one way or another, throughout the world.

" This threat has become increasingly serious as this expansionist aim has been reinforced by an advancing industrial, military, and scientific establishment. But what makes the Soviet threat unique in history is its all-inclusiveness. Every human activity is pressed into service as a weapon of expansion. Trade, economic development, military power, arts, science, education, the whole world of ideas—all are harnessed to this same chariot of expansion.

" The Soviets are, in short, waging total cold war. The only answer to a regime that wages total cold war is to wage total peace. This means bringing to bear every asset of our personal and national lives upon the task of building the conditions in which security and peace can grow.

" Among our assets, let us first briefly glance at our military power. Military power serves the cause of security by making prohibitive the cost of any aggressive attack. It serves the cause of peace by holding up a shield behind which the patient constructive work of peace can go on. But it can serve neither cause if we make either of two mistakes. The one would be to over-estimate our strength, and thus neglect crucially important actions in the period just ahead. The other would be to under-estimate our strength. Thereby we might be tempted to become irresolute in our foreign relations, to dishearten our friends, and to lose our national poise and perspective in approaching the complex problems ahead.

" Any orderly balance-sheet of military strength must be in two parts. The first is the position of today. The second is the position in the period ahead.

" As of today : Our defensive shield comprehends a vast complex of ground, sea, and air units, superbly equipped and strategically deployed around the world. The most powerful deterrent to war in the world today lies in the retaliatory power of our Strategic Air Command and the aircraft of our Navy. They present to any potential attacker who would unleash war upon the world the prospect of virtual annihilation of his own country.

" Even if we assume a surprise attack on our bases, with a marked reduction in our striking power, our bombers would immediately be on their way in sufficient strength to accomplish this mission of retaliation Every informed Government knows this. It is no secret.

" Since the Korean armistice, the American people have spent $225,000,000,000 in maintaining and strengthening this overall defensive shield. This is the position as of today.

" Now as to the period ahead : Every part of our military establishment must and will be equipped to do its defensive job with the most modern methods and weapons. But it is particularly important that we make a candid estimate of the effect of long-range ballistic missiles on the present deterrent power I have described. At this moment, the consensus of opinion is that we are probably somewhat behind the Soviets in some areas of long-range ballistic missile development. But it is my conviction, based on close study of all relevant intelligence, with the best information that scientists can bring to me, that if we make the necessary effort, we will have the missiles, in the needed quantity and in time, to sustain and strengthen the deterrent power of our increasingly efficient bombers.

" One encouraging fact evidencing this ability is the rate of progress we have achieved since we began to concentrate on these missiles. The intermediate-range ballistic missiles, *Thor* and *Jupiter*, have already been ordered into production. The parallel progress in the inter-continental ballistic missile effort will be advanced by new plans for acceleration. The development of the submarine-based *Polaris* missile system has progressed so well that its future procurement schedules are being moved forward markedly.

" When it is remembered that our country has concentrated on the development of ballistic missiles for only about a third as long as the Soviet, these achievements show a rate of progress that speaks for itself. Only a brief time back we were spending at the rate of only about $1,000,000 a year on long-range ballistic missiles. In 1957 we spent more than $1,000,000,000 on the *Atlas*, *Titan*, *Thor*, *Jupiter* and *Polaris* programmes alone. This is a rate of increase of 1,000 times. But I repeat, gratifying though this rate of progress is, we must still do more.

" Our real problem, then, is not our strength today ; it is rather the vital necessity of action today to ensure our strength tomorrow.

" What I have just said applies to our strength as a single country. We are not alone. I have returned from the recent NATO meeting with renewed conviction that, because we are a part of a world-wide community of free and peaceful nations, our own security is immeasurably increased.

" By contrast, the Soviet Union has surrounded itself with captive and sullen nations. Like a crack in the crust of an uneasily sleeping volcano, the Hungarian uprising revealed the depth and intensity of the patriotic longing for liberty that still burns within these countries.

" The world thinks of us as a country which is strong, but which will never start a war. The world also thinks of us as a land which has never enslaved anyone and which is animated by humane ideals. This friendship, based on common ideals, is one of our greatest sources of strength. It cements into a cohesive security arrangement the aggregate of the spiritual, military, and economic strength of all those nations which, with us, are allied by treaties and agreements.

The " Economic Offensive."

" Up to this point I have talked almost solely about our military strength to deter a possible future war. I now want to talk about the strength we need to win a different kind of war—one that has already been launched against us. It is the intensive economic offensive that has been mounted by the Communist imperialists against free nations.

" The Communist imperialist regimes have for some time been largely frustrated in their attempts at expansion based directly on force. As a result, they have begun to concentrate heavily on economic penetration, particularly of newly developing countries, as a preliminary to political domination. This non-military drive, if under-estimated, could defeat the free world regardless of our military strength. The danger is the greater precisely because many of us fail or refuse to recognize it. Thus, some people may be tempted to finance our extra military effort by cutting economic assistance. But at the very time when the economic threat is assuming menacing proportions, to fail to strengthen our own effort would be nothing less than reckless folly.

" Admittedly, most of us did not anticipate the intensity of the psychological impact upon the world of the launching of the first earth satellite. Let us not make the same kind of mistake in another field, by failing to anticipate the much more serious impact of the Soviet economic offensive.

" As with our military potential, our economic assets are more than equal to the task. Our independent farmers produce an abundance of food and fibre. Our free workers are versatile, intelligent, and hard-working. Our businessmen are imaginative and resourceful. The productivity and adaptability of the American economy is the solid foundation-stone of our whole security structure.

" We have just concluded another prosperous year. Our output was once more the greatest in the nation's history. In the latter part of the year some decline in employment and output occurred, following the exceptionally rapid expansion of recent years. In a free economy, reflecting as it does the independent judgments of

millions of people, growth typically moves forward unevenly. But the basic forces of growth remain unimpaired. There are solid grounds for confidence that economic growth will be resumed without an extended interruption. Moreover, the Federal Government, constantly alert to signs of weakening in any part of our economy, always stands ready, with its full power, to take any appropriate action to promote renewed business expansion.

" If our history teaches us anything, it is this lesson : So far as the economic potential of our nation is concerned, the believers in the future of America have always been realists. I count myself as one of this company.

" Our long-range problem, then, is not the stamina of our enormous engine of production. Our problem is to make sure that we use these vast economic forces confidently and creatively, not only in direct military defence efforts, but likewise in our foreign policy, through such activities as mutual economic aid and foreign trade.

" In much the same way, we have tremendous potential resources on other non-military fronts to help in countering the Soviet threat . education, science, research, and, not least, the ideas and principles by which we live. In all these cases the task ahead is to bring these resources more sharply to bear upon the new tasks of security and peace in a swiftly changing world.

" There are many items in the Administration's programme, of a kind frequently included in State of the Union Messages. They will be the subjects of later messages to Congress. Today I speak only about matters bearing directly upon our security and peace.

" So now I place before you an outline of action designed to focus our resources upon the two tasks of security and peace. In this special category I list eight items requiring prompt action. They are not merely desirable. I believe they are imperative.

Defence Reorganization.

" The first need is to assure ourselves that military organization facilitates rather than hinders the functioning of the military establishment in maintaining the security of the nation. Since World War II, the purpose of achieving maximum organizational efficiency in a modern defence establishment has several times occasioned action by Congress and by the Executive.

" The advent of revolutionary new devices, bringing with them the problem of overall continental defence, creates new difficulties, reminiscent of those attending the advent of the airplane more than half a century ago. Some of the important new weapons which technology has produced do not fit into any existing Service pattern. They cut across all Services, involve all Services, and transcend all Services at every stage from development to operation. In some instances they defy classification according to branch of service.

" Unfortunately, the uncertainties resulting from such a situation, and the jurisdictional disputes attending upon it, tend to bewilder and confuse the public and create the impression that Service differences are damaging the national interest. Let us by all means proudly remember that the members of the armed forces give their basic and first allegiance solely to the United States. Of that fact all of us are certain. But pride of Service and mistaken zeal in promoting particular doctrine has more than once occasioned the kind of difficulty of which I have just spoken.

" I am not attempting today to pass judgment on the charge of harmful Service rivalries. But one thing is sure. Whatever they are, America wants them stopped. Recently I have had under special study . . . the never-ending problem of efficient organization, complicated as it is by these new weapons. Soon my conclusions will be finalized. I shall promptly take such Executive action as is necessary and . . . present appropriate recommendations to Congress.

" Meanwhile, without anticipating the detailed form that a reorganization should take, I can state its main lines in terms of objectives. A major purpose of military organization is to achieve real unity in the defence establishment in all the principal features of military activity. Of all these, one of the most important to our nation's security is strategic planning and direction. This work must be done under unified direction.

" The defence establishment must plan for a better integration of its defensive resources, particularly with respect to the new weapons now building and under development. These obviously require full co-ordination in their development, production, and use. Good organization can help assure such co-ordination.

"In recognition of the need for single control in some of our most advanced development projects, the Secretary of Defence has already decided to concentrate into one organization all anti-missile and satellite technology undertaken within the Department of Defence.

" Another requirement of military organization is a clear subordination of the military services to duly constituted civilian authority. This control must be real ; not merely on the surface.

" Next, there must be assurance that an excessive number of compartments in organization will not create costly and confusing compartments in our scientific and industrial effort.

" Finally, to end inter-Service disputes requires clear organization and decisive central direction, supported by the unstinted co-operation of every individual in the defence establishment, civilian and military.

Acceleration of Defence Effort.

" The second major action item is the acceleration of the defence effort in particular areas affected by the fast pace of scientific and technological advance. Some of the points at which improved and increasing effort are most essential are these :

" We must have sure warning in case of any attack. The improvements of warning equipment are becoming increasingly important as we approach the period when long-range missiles will come into use.

" We must protect and disperse our striking forces and increase their readiness for instant action. This means more base facilities and more stand-by crews.

" We must maintain deterrent retaliatory power. This means, among other things, stepped-up long-range missile programmes ; accelerated programmes for other effective missile systems ; and, for some years, more advanced aircraft.

" We must maintain freedom of the seas. This means nuclear submarines and cruisers, improved anti submarine weapons, missile ships, and the like.

" We must maintain all necessary types of mobile forces to deal with local conflicts should there be need. This means further improvements in equipment, mobility, tactics, and fire-power.

" Through increases in pay and incentive, we must maintain in the armed forces the skilled manpower modern military forces require.

" We must be forward-looking in our research and development to anticipate and achieve the unimagined weapons of the future.

" With these and other improvements, we intend to assure that our vigilance, power, and technical excellence keep abreast of any realistic threat we face.

Mutual Assistance Programmes.

" Third : We must continue to strengthen our mutual security efforts. Most people now realize that our programmes of military aid and defence support are an integral part of our own defence effort. If the foundations of the free world structure were progressively allowed to crumble under the pressure of Communist imperialism, the entire house of freedom would be in danger of collapse.

" As for the mutual economic assistance programme, the benefit to us is threefold. First, the countries receiving this aid become bulwarks against Communist encroachment as their military defences and economies are strengthened. Nations that are conscious of a steady improvement in their industry, education, health, and standard of living are not apt to fall prey to the blandishments of Communist imperialists.

" Second, these countries are helped to reach the point where mutually profitable trade can expand between them and us.

" Third, the mutual confidence creates an atmosphere in which real understanding and peace can flourish.

" In proposals for future economic aid, I am stressing a greater use of repayable loans through the development loan fund, through funds generated by sale of surplus farm products, and through the Export-Import Bank. While some increase in Government funds will probably be required, it remains our objective to encourage shifting to the use of private capital sources as rapidly as possible.

" One great obstacle to the economic aid programme in the past has been, not a rational argument against it on the merits, but a catchword : ' Give-away programme.' The fact is that no investment we make in our own security can pay us greater dividends than economic aid to friendly nations. This is no ' give-away.' Let's stick to facts. We cannot afford to have one of our most essential security programmes shot down with a slogan.

Mutual Trade.

" Fourth : Both in our national interest and in the interests of world peace, we must have a five-year extension of the Trade Agreements Act—with broadened authority to negotiate. World trade supports a significant segment of American industry and agriculture. It provides employment for 4,500,000 American workers. It helps supply our ever-increasing demand for raw materials. It provides the opportunity for American free enterprise to develop on a world-wide scale. It strengthens our friends and increases their desire to be friends. World trade helps to lay the groundwork for peace by making all free nations of the world stronger and more self-reliant.

" America is today the world's greatest trading nation. If we use this great asset wisely to meet the expanding demands of the world, we shall not only provide future opportunities for our own business, agriculture, and labour, but in the process strengthen our security posture and the prospects for a prosperous, harmonious world.

" As President McKinley said, as long ago as 1901 : ' Isolation is no longer possible or desirable . . . The period of exclusiveness is past.'

Scientific Co-operation with Allies.

" Fifth : It is highly important that Congress enact the necessary legislation to enable us to exchange appropriate scientific and technical information with friendly countries. It is wasteful in the extreme for friendly Allies to consume talent and money in solving problems that their friends have already solved - all because of artificial barriers to sharing. We cannot afford to cut ourselves off from the brilliant talents and minds of scientists in friendly countries. The task ahead will be hard enough without handcuffs of our own making.

" The groundwork for this kind of co-operation has already been laid in discussions among NATO countries. Promptness in following through with legislation will be the best possible evidence of American unity of purpose in co-operating with our friends.

Education and Research.

"Sixth: In the area of education and research, I recommend a balanced programme to improve our resources, involving an investment of about $1,000,000,000 over a four-year period. This involves new activities by the Department of Health, Education and Welfare designed to encourage improved teaching quality and student opportunities in the interests of national security. It also provides a five-fold increase in the sums available to the National Science Foundation for stimulating and improving science education . . .

"In the field of research I am asking for substantial increases in basic research funds, including a doubling of the funds available to the National Science Foundation for this purpose.

"But Federal action can do only part of the job. In both education and research, redoubled exertions will be necessary on the part of all Americans if we are to rise to the demands of our times. This means hard work on the part of State and local governments, private industries, schools and colleges, private organizations and foundations, teachers, parents, and—perhaps most important of all—the student himself.

"With this kind of all-inclusive campaign, we can create the intellectual capital we need for the years ahead—and do all this, not as regimented pawns, but as free men and women.

Priorities in Expenditure.

"Seventh · To provide for this extra effort for security, we must apply stern tests of priority to other expenditures, both military and civilian. This extra effort involves, most immediately, the need for a supplemental defence appropriation of $1,300,000,000 for the fiscal year 1958 [i.e. 1957-58]. In the 1959 Budget [1958-59] increased expenditures for missiles, nuclear ships, atomic energy, research and development, science and education, a special contingency fund to deal with possible new technological discoveries, and increases in pay and incentives to obtain competent manpower, add up to a total increase over the comparable figures in the 1957 Budget of about $4,000,000,000 . . .

Message to Soviet People.

"My last call for action is not primarily addressed to the Congress and people of the United States. Rather, it is a message from the people of the United States to all other peoples, especially those of the Soviet Union.

"This is the spirit of what we Americans would like to say: 'In the last analysis, there is only one solution to the grim problems that lie ahead. The world must stop the present plunge toward more and more destructive weapons of war, and turn the corner that will start our steps firmly on the path toward lasting peace. Our greatest hope for success lies in a universal fact: the people of the world have always wanted peace and want peace now. The problem, then, is to find a way of translating this universal desire into action. This will require more than words of peace. It requires works of peace.'

"Now may I try to give you some concrete examples of the kind of works of peace that might make a beginning in the new direction. For a start, our peoples should learn to know each other better. Recent negotiations in Washington have provided a basis in principle for greater freedom of communication and exchange of people. I urge the Soviet Government to co-operate in turning principle into practice by prompt and tangible actions that will break down the unnatural barriers that have blocked the flow of thought and understanding between our peoples.

"Another kind of work of peace is co-operation on projects of human welfare. For example, we now have it within our power to eradicate from the face of the earth that age-old scourge of mankind: malaria. We are embarking with other nations in an all-out five-year campaign to blot out this curse forever. We invite the Soviets to join with us in this great work of humanity. We would be willing to pool our efforts with the Soviets in other campaigns against the diseases that are the common enemy of all mortals—such as cancer and heart disease.

"If people can get together on such projects, is it not possible that we could then go on to a full-scale co-operative programme of science for peace? A programme of science for peace might provide a means of funnelling into one place the results of research from scientists everywhere, and from there making it available to all parts of the world. There is almost no limit to human betterment that could result from such co-operation. Hunger and disease could increasingly be driven from the earth. The age-old dream of a good life for all could, at long last, be translated into reality.

"But of all the works of peace, none is more needed now than a real first step toward disarmament. Last August the U.N. General Assembly, by an overwhelming vote, approved a disarmament plan that we and our Allies sincerely believed to be fair and practical. The Soviets have rejected both the plan and the negotiating procedure set up by the United Nations. As a result, negotiation on this supremely important issue is now at a standstill.

"But the world cannot afford to stand still on disarmament. We must never give up the search for a basis of agreement. Our Allies from time to time develop differing ideas on how to proceed. We must concert these convictions among ourselves. Thereafter, any reasonable proposal that holds promise for disarmament and reduction of tension must be heard, discussed, and, if possible, negotiated.

"There is one indispensable condition. A disarmament proposal, to hold real promise, must at the minimum have one feature: reliable means to ensure compliance by all. It takes actions and demonstrated integrity on both sides to create and sustain confidence. And confidence in a genuine disarmament agreement is vital; vital not only to the signers of the agreement, but also to the millions of people all over the world who are weary of tensions and of armaments. I say once more, to all peoples, that we as a nation will always go the extra mile with anyone on earth if it will bring us nearer a genuine peace.

Conclusion.

"These, then, are the ways in which we must funnel our energies more efficiently into the task of advancing security and peace. These actions demand and expect two things of the American people: sacrifice, and a high degree of understanding. For sacrifice to be effective, it must be intelligent. Sacrifice must be made for the right purpose and in the right place—even if that place happens to come close to home.

"After all, it is no good demanding sacrifice in general terms one day, and the next day, for local reasons, opposing the elimination of some unneeded Federal facility. It is pointless to condemn Federal spending in general, and the next moment condemn just as strongly an effort to reduce the particular Federal grant that touches one's own interest.

"And it makes no sense whatever to spend additional billions on military strength to deter a potential danger, and then, by cutting aid and trade programmes, let the world succumb to a present danger in economic guise.

"The world is waiting to see how wisely and decisively a free representative Government can and now will act. I believe that this Congress possesses and will display the wisdom promptly to do its part in translating into law the actions demanded by our nation's interests. But, to make law effective, our kind of Government needs the full voluntary support of millions of Americans."

In conclusion, President Eisenhower expressed his confidence that "the response of Congress and of the American people will make this time of test a time of honour."
(New York Times) **(President Eisenhower at NATO, 15965 A; "Science in National Security" Broadcasts, 15859 A; State of the Union Message (1957), 15350 A.)**

A. ISRAEL. — Negev Development. - Opening of Beersheba-Eilat Highway. - Negev Research Institute.

A new 148-mile highway linking Beersheba with the port of Eilat, at the head of the Gulf of Akaba, was opened on Jan. 16 by the Prime Minister of Israel, Mr. Ben-Gurion. It is asphalted throughout its length and was built in nine months at a cost of IL. 2,500,000. Described by Mr. Ben-Gurion as a "Suez Canal overland," it is expected to play an important part in opening up the Negev (the southern desert area of Israel), and in developing Israel's economy generally, by giving better communication with Eilat and by linking the northern part of the country with a number of new agricultural and mining settlements established in the Negev during recent years. Moreover, it will reduce the travelling-time on the Beersheba-Eilat route from eight hours to 5½ hours.

The new road runs through desolate country southward from Beersheba to the mining village of Mizpe Ramon and thence plunges into Israel's "grand canyon"—the Makhtesh Ramon, a great depression extending 20 miles across the desert floor. Emerging from the canyon, it crosses more barren country until it reaches the Wadi Araba, the great rift linking the Dead Sea with the Gulf of Akaba. The mountainous nature of the terrain gives rise to differences in gradient of up to 2,400 feet. The highway replaces a rough, narrow and difficult track, a large part of which was unsurfaced and impassable after heavy rains.

A Negev Research Institute was opened at Beersheba on Oct. 31, 1957, comprising a meteorological unit and experimental plant for the exploitation of solar energy and for the desalinization of brackish ground-water. Two further laboratories are projected, one for research into minerals and their industrial exploitation. Designed to serve as a research centre into the problems of arid zones, it will have financial assistance from the U.N. Educational, Scientific, and Cultural Organization (UNESCO) and will be linked with Israeli scientific institutions such as the Hebrew University at Jerusalem and the Technion at Haifa.

UNESCO decided in 1956 to institute research in arid zones as a "major project," Israel being designated as one of four countries most suitable for this purpose. The other three are Egypt, India, and Pakistan, where similar research will be carried out with UNESCO assistance.—(Israel Government Press Office, Jerusalem - Times - New York Times)
(Prev. rep. Negev Development, 15528 C; 14511 A.)

B. EUROPEAN UNIFICATION. — Corrigendum.

In the analysis of the voting figures in the French National Assembly debate on the Euratom and Common Market treaties—at the bottom of the second column of page 15957—35 Poujadists should be added to those opposing ratification, making up the total of 234 votes against ratification. (Ed. K.C.A.)

A. UNITED KINGDOM. — Wage Increases and Industrial Disputes in 1957. - Outstanding Wage Claims.

A general review of wage increases and industrial disputes during 1957 was published in the January issue of the *Ministry of Labour Gazette*, and is summarized below.

Wage Increases.

The average increase in weekly wages during the year was nearly 5½ per cent, compared with an average rise in the cost of living of about 4½ per cent; over one-half of the wage increases occurred during the three months March, April, and May, when settlements of the wage claims in the major industries were reached. In 1956 the respective increases were 7½ per cent (wages) and 3 per cent (prices).

About 12,341,000 workers received increases in 1957 aggregating £5,333,800 a week—an average of about 8s. 8d. per worker. The following table shows the approximate number of workers affected in each of the principal groups of industries and the net amount of the weekly changes in wage rates:

	Approximate Number of Workers Affected	Estimated Net Weekly Increases £
Agriculture, Forestry, Fishing	714,500	317,600
Mining and Quarrying	411,500	201,200
Treatment of Non-metalliferous Mining Products other than coal	211,000	62,900
Chemicals and Allied Trades	234,000	84,200
Metal Manufacture	224,500	110,200
Engineering, Shipbuilding and Electrical Goods; Vehicles; Metal Goods not elsewhere specified	2,554,000	1,194,400
Textiles	501,000	194,900
Leather, Leather Goods and Fur	37,500	13,800
Clothing	266,500	102,800
Food, Drink and Tobacco	520,000	207,400
Manufactures of Wood and Cork	215,500	113,200
Paper and Printing	341,000	71,300
Other Manufacturing Industries	149,500	65,000
Building and Contracting	1,246,000	546,900
Gas, Electricity and Water	237,500	121,200
Transport and Communication	1,225,500	770,200
Distributive Trades	1,451,500	511,600
Public Administration	955,000	399,300
Miscellaneous Services	755,000	245,700
Total	12,341,000	5,333,800

Of the wage increases granted, £2,179,200 (40.9 per cent) was obtained through direct negotiation, £1,484,300 (27.8 per cent) through joint industrial councils, £1,116,400 (20.9 per cent) through wages councils and other statutory wages boards, £382,800 (7.2 per cent) under sliding scales based on the retail price index, £109,000 (2.0 per cent) by arbitration and mediation, and £62,100 (1.2 per cent) through other joint councils or conciliation boards.

The index figures of weekly rates of wages (Jan. 31, 1956 = 100) for industries and services as a whole rose from 106 in December, 1956 and January, 1957 to 107 in February, 108 in March-April, 111 in May-September, and 112 in October-December. For manufacturing industries only the index rose from 106 in December, 1956 to 107 in January-March, 1957, 108 in April, 111 in May-July, and 112 in August-December.

During 1957 about 434,000 employees had their normal working hours reduced by an average of about 2½ hours a week.

Industrial Disputes.

There were 2,855 industrial disputes involving stoppages of work during 1957, compared with 2,648 (revised figure) in 1956. About 1,358 workers (approximately 5.5 per cent of the total number in civil employment) were affected, the total number of working days lost being 8,415,000 (against 2,082,000 in 1956)—an average of nearly 7 days per worker and the highest total since 1926, the year of the General Strike.

Stoppages in the various industries chiefly affected by industrial disputes are summarized below:

Engineering and Shipbuilding Industries. The largest stoppages in any industry, judged by the numbers of workers involved and of working days lost, were the related stoppages in the engineering and shipbuilding industries in March-April 1957 (see 15609 A), involving nearly 800,000 workers and costing over 6,000,000 working days. A strike of Merseyside boilermakers and of shipbuilding and ship-repair workers in April over bonus payments involved about 5,000 workers and cost about 80,000 working days.

Transport Industry. A strike of provincial omnibus drivers, conductors, etc. in support of a claim for a wages increase (July 20-28) resulted in a virtually complete stoppage of bus services outside London lasting one week. About 100,000 workers were involved and 770,000 working days lost.

Three large strikes of dock workers and tally clerks occurred in the Port of London during the year, as follows: (1) a stoppage (Jan. 9-24) at Tilbury and London docks over the employment of dock office clerks on work claimed by tally clerks, involving over 3,000 tally clerks and dockers, and costing nearly 21,000 working days; (2) a further stoppage (March 25-April 8) following the repudiation of the agreement reached over this dispute (17,000 dockers and tally clerks involved and 54,000 days lost); (3) a stoppage (Aug. 6-17) at the London docks caused by the employers' return to the labour pool of certain workers who had refused to handle cargo consigned to a market involved in another dispute (over 12,000 dock workers involved and 70,000 working days lost).

Aircraft Manufacturing Industry. A lengthy stoppage, involving about 3,000 draughtsmen, supervisors, and other workers began on July 29 at the de Havilland factories in support of a demand for three weeks' paid holiday. About 250,000 working days had been lost when work was resumed on Oct. 4, after the Minister of Labour and National Service had appointed a committee to inquire into the dispute.

Coalmining Industry. The largest stoppage in this industry began on Feb. 22, when about 760 miners at Coventry ceased work as the result of the dismissal of four men who had led a "go-slow" movement following dissatisfaction with an umpire's award. On March 4 over 5,000 miners from other Warwickshire pits struck in sympathy, and when work was resumed on March 11 about 31,000 working days had been lost.

Other serious stoppages during 1957 included (i) the unofficial strike at the Briggs (Dagenham) motor body works in Jan.-Feb. (see 15539 A), costing about 28,000 working days; and (ii) an unofficial strike of about 2,000 porters and other workers at Covent Garden market, which, together with sympathetic strikes by about 1,500 workers at other London fruit and vegetable markets, involved the loss of about 87,000 working days.

Outstanding Wage Claims.

The following table, brought by the *Economist* in its issue of Feb. 7, shows outstanding wage and other claims at the beginning of February 1958:

	Claim	Workers affected
*Engineers; *Shipbuilders	40-hour week	2,500,000
Building operatives	8d. an hour	1,000,000
Retail shop workers	£1 a week	800,000
Clothing workers	6d. an hour	450,000
Day wage miners	10s. a week	400,000
Railwaymen	Substantial	370,000
Road haulage	3s. in the £	200,000
Wool textiles	Substantial	150,000
Transport engineers	Substantial	130,000
Rail shopmen	Substantial	120,000
Electrical supply	Substantial	120,000
Rail salaried staffs	Cost of living increase	90,000
Engine drivers and firemen	2s. in the £	75,000
Police	2s. in the £	70,000
London busmen	25s. a week	53,000
Electrical contracting	Substantial	50,000
Tobacco workers	10s. a week	40,000
Health Service	1s. in the £	40,000
Print (national newspaper)	12½ to 21 per cent	25,000
Sub-postmasters	2s. in the £	23,000

*The 12-months' wage standstill agreement accepted in 1957 by the engineering and shipbuilding workers (see 15609 A) expires in March.

If a prospective claim on behalf of 100,000 dockers is included in the total, the aggregate cost of present wage claims amounts to about £450,000,000 a year, or nearly 6 per cent of the wages bill in 1957.—(Ministry of Labour Gazette - Times - Daily Telegraph - Manchester Guardian - Economist)

(Prev. rep. 1956 Review, 15432 A; Disputes, Engineering Industry, 15609 A; Briggs Motor Works, 15539 A.)

B. SPANISH SAHARA. — New Provinces.

It was announced in Madrid on Jan. 14 that the Spanish Saharan territories had been reorganized into two provinces: (1) Ifni, and (2) Spanish Sahara, comprising the former colonies of Rio de Oro and Saguia el-Hamra. No mention was made of Spanish Southern Morocco, which was formerly administered as part of the Spanish protectorate (now retroceded to Morocco) and which lies between Saguia-el-Hamra and the southern border of Morocco—see map, page 15985. The announcement added (1) that General Mariano Gomez Zamalloa (previously Governor of all Spanish Saharan territories, and commander of the Spanish forces in the recent Ifni fighting) had been appointed Governor-General of Ifni; (2) that Major-General José Hector Vazquez had been appointed Governor-General of the Spanish Sahara; (3) that the two new provinces would be administered by the Director-General of African Provinces in Madrid; and (4) that General Lopez Valencia, Captain-General of the Canary Islands, would command all Spanish troops in the Spanish Sahara, Ifni, and the Canaries.—(A.B.C., Madrid) **(Prev. rep. 15895 A.)**

FEBRUARY 8—15, 1958

A. EGYPT - SYRIA. — Proclamation of the United Arab Republic.

A proclamation was signed in Cairo on Feb. 1 by President Nasser of Egypt and President Kuwatly of Syria under which the Egyptian and Syrian Republics were merged into a single country under the name of the United Arab Republic. The ceremony took place at the Koubba Palace in Cairo and was attended by a Syrian delegation which included M. Sabry Assali (the Prime Minister), Dr. Khaled Azem (Deputy Premier and Defence Minister) and General Bizri (the Syrian C.-in-C.), in addition to President Kuwatly.

The political and economic union of the two countries had been under discussion for the past two or three years, the Syrian Government having decided in July 1956 to enter into negotiations with Egypt for the creation of a Syro-Egyptian Federal Union (see 14988 G). An agreement on economic union was signed in Damascus in September 1957 (see page 15746, first column), and two months later the Parliaments of both countries unanimously approved the creation of a Federal Union (see page 15920, second column).

The proclamation of the United Arab Republic was read by Presidents Nasser and Kuwatly to large crowds assembled outside the Koubba Palace, the day being celebrated as a public holiday in Egypt and Syria. After recalling that the Egyptian and Syrian Parliaments had unanimously agreed that unity should be established between the two countries " as a preliminary step toward the realization of Arab unity," and after proclaiming the union of Egypt and Syria " into one State, to be known as the United Arab Republic," the proclamation stated that :

(1) The United Arab Republic would have a " presidential democratic system of government " in which executive authority would be vested in the Head of State, assisted by Ministers appointed by and responsible to him.

(2) The new Republic would have " one flag, one army, and one people, who shall be joined in unity wherein all will share equal rights and duties."

(3) President Nasser and President Kuwatly would each make a statement on Feb. 5, in the Egyptian and Syrian Parliaments respectively, " announcing the decisions reached and explaining the principles of unity on which the Republic shall be based."

(4) A plebiscite would be held within 30 days in which the Egyptian and Syrian peoples would choose the Head of State of the United Arab Republic.

(5) Any other Arab country could accede to or federate with the United Arab Republic.

As stated in the proclamation, the principles on which the United Arab Republic would be based were explained on Feb. 5 by President Nasser to the Egyptian National Assembly and by President Kuwatly to the Syrian Chamber of Deputies. In his speech to the Egyptian Parliament, President Nasser described the creation of the United Republic as " a turning-point in the history of mankind " and " a new and glorious dawn of Arab unity after the darkness of a long, pitch-black night." He emphasized that the new State threatened no-one, and expressed the hope that other Arab countries would federate with it on the principles of " positive neutralism and non-alignment."

President Nasser enumerated the following 17 points as the bases of the United Arab Republic :

(1) The Republic was an independent, democratic, and sovereign State, its people being " part of the Arab nation."

(2) Individual liberties and freedoms would be guaranteed to all citizens under the law.

(3) Participation in general elections " shall be the right of citizens within the provisions of the law," and " participation in public life shall be their patriotic duty."

(4) Legislative powers would be vested in a Council of the Nation, whose members would be chosen by the President of the United Republic. At least half the members would be chosen from the present Parliaments of Egypt and Syria.

(5) The President of the United Arab Republic would be vested with executive powers.

(6) Private property of citizens would be safeguarded, and would not be expropriated " except in the public interest and in return for just compensation under the law."

(7) Taxes would not be introduced, amended, or abrogated except by law, nor would taxes be levied in circumstances other than those defined by law.

(8) The independence of the Judiciary would be guaranteed under law.

(9) All Egyptian and Syrian legislation at present in force would remain valid until abrogated, amended, or modified.

(10) The United Arab Republic would consist of two regions (*aqlim*)—Egypt and Syria.

(11) Each region would have an Executive Council whose chairman and ministers would be appointed by the President of the United Arab Republic. The ministers of the two Executive Councils would be appointed by the President of the United Republic on the recommendations of the chairman of the Executive Council concerned.

(12) The jurisdiction and powers of the Executive Councils would be defined by decree of the President of the United Arab Republic.

(13) All international treaties and agreements at present in force between Egypt and Syria and other countries would remain valid.

(14) The public services and administrative systems of Egypt and Syria would remain as at present, until reorganized and merged by decrees of the President of the United Republic.

(15) The citizens of the United Arab Republic " shall form a National Union to work for the attainment of their national goals and to concentrate their efforts on building a politically, economically, and socially sound nation." The date on which the National Union would be formed, and its methods of operation, would be laid down in a decree to be issued by the President of the United Republic.

(16) A permanent Constitution would be drawn up for the United Arab Republic.

(17) A plebiscite would be held throughout the United Republic on Feb. 20 to choose its President and to approve the union of the two countries.

Both the Egyptian National Assembly and the Syrian Chamber of Deputies unanimously endorsed the 17-point programme outlined by Presidents Nasser and Kuwatly. The Syrian Parliament also approved—by unanimous vote—a proposal by President Kuwatly that President Nasser should be the first President of the United Arab Republic. Presidential decrees were issued in Cairo and Damascus on Feb. 7 for the holding of the plebiscite on Feb. 20.

Official spokesmen in Damascus had previously confirmed on Jan. 31 that the United Arab Republic would have one Government, one Parliament, one capital, one flag, and one army. It was also stated in Damascus (*a*) that the President of the United Arab Republic was expected to appoint a Cabinet of 20 members, of whom 15 would be Egyptians and five Syrians ; (*b*) that a Governor-General would be appointed for Syria, with decentralized authority over administrative, financial and economic affairs ; (*c*) that Cairo would be the capital of the United Arab Republic ; and (*d*) that existing diplomatic missions in Damascus would be replaced by consulates-general.

Cairo radio announced on Feb. 4 that President Nasser had decided to dissolve the Syrian political parties after the establishment of the United Arab Republic, and to form a National Union in Syria on the Egyptian model (see 15840 B).

As the Communist Party is outlawed in Egypt, it was commented in Western newspapers that the creation of a single-party National Union in Syria might also result in the outlawing of the influential Syrian Communist Party. It was reported that the Syrian Communist leader, Khaled Baqdash, had left Syria for Moscow some days before the proclamation of the United Republic, together with his family.

In the other Arab countries, as well as in Israel and Turkey, the official attitude towards the formation of the United Arab Republic was one of reserve, no formal statements being issued by any of the Governments concerned. The Crown Prince of the Yemen, however, was present at the proclamation of the United Republic, together with a Yemeni delegation, and subsequently had several meetings with President Nasser. No statement was issued, but it was understood that negotiations were in progress on the possibility of the Yemen's " federation " (not union) with the United Republic.

The United Arab Republic will have a population of about 27,000,000 (about 23,000,000 in Egypt and nearly 4,000,000 in Syria)—more than all the other Arab countries combined. The Egyptian and Syrian " regions," however, are not coterminous, being separated from each other by 150 miles of Israeli and Jordanian territory. It was commented in *Le Monde* (Paris) that, in addition to the Republic's important agricultural and mineral resources, " one of the least negligible aspects of the economic strength of the new State is the fact that about nine-tenths of the oil from the Middle East crosses its territory, either by way of the Suez Canal or through the pipelines of the Iraq Petroleum Company and Aramco." The pipelines referred to—four in number—are those which cross Syria from the Iraqi oilfields. (Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times)

(Prev. rep. 15919 A ; 15745 A ; 14988 G.)

A. NORTH ATLANTIC TREATY ORGANIZATION - WESTERN EUROPEAN UNION. — Further Reduction of British Forces in Germany. - General Gale succeeds Field-Marshal Montgomery as Deputy Supreme Commander, Europe. - NATO Scientific Adviser. - Defence Expenditures of NATO Countries. - NATO Parliamentary Conference and W.E.U. Assembly.

The Council of the Western European Union, meeting in London on Jan. 29, announced that it had agreed to a British proposal to withdraw 8,500 troops from the mainland of Europe as part of the general defence planning for the financial year 1958-59. The strength of the British Army of the Rhine would thereby be reduced to 55,000 men, and the number of withdrawals, including the 13,500 men being withdrawn during 1957-58, be increased to 22,000.

It was made known that the British representative had informed the Council on Dec. 3 that if a satisfactory agreement was reached with the German Federal Government on the question of support costs for the B.A.O.R., only 8,500 men would be withdrawn from Western Germany in 1958-59 instead of 13,000 as originally planned (see 15723 A), and that the British Government was prepared under this condition to leave the remaining 5,000 men from the U.K. "strategic reserve" in Germany. [At the time of the announcement on Jan. 29 no arrangements had yet been made as regards support costs for 1958-59.].

NATO and W.E.U. developments in recent months, apart from the December meeting of the North Atlantic Council (see 15965 A), are summarized below under cross-headings:

Retirement of Field-Marshal Montgomery. - General Gale appointed Deputy Supreme Commander, Europe.

It was announced on Nov. 17, 1957 (his 70th birthday) that Field-Marshal Viscount Montgomery would retire on Sept. 20, 1958, as Deputy Supreme Allied Commander, Europe, and also from active service with the British Army. Field-Marshal Montgomery (who was commissioned in the Royal Warwickshire Regiment in 1908) would have completed exactly 50 years' commissioned service on the date of his retirement.

It was subsequently announced on Jan. 28, 1958, that Lord Montgomery would be succeeded as Deputy SACEUR by General Sir Richard Gale, C.-in-C. of the B.A.O.R. and of NATO Northern Army Group from 1952-1956. General Gale had retired from the British Army in March 1957, but it was learnt that he would be restored to the active list in order to take up his new appointment.

General Sir Richard Gale was commissioned into the Worcestershire Regiment in 1915. In the Second World War he commanded successively the 1st Parachute Brigade, the 6th Airborne Division (with which he landed in Normandy on June 6, 1944), and the 1st Airborne Corps. After the war he commanded the 1st Division in Palestine (1946-47), became G.O.C., British Troops, Egypt (1948-49), and was Director-General of Military Training at the War Office (1949-52) before his appointment as C.-in-C., B.A.O.R.

Other NATO Appointments.

The following military and civilian appointments had also been announced in recent months.

Central European Command. Rear-Admiral M. S. Townsend to succeed Rear-Admiral K. McN. Campbell-Walter as Commander, Allied Naval Forces, Northern Area, Central Europe, with effect from May, 1958 (announced on Jan. 15, 1958).

Naval Commands. Rear-Admiral W. J. N. Woods (Flag Officer, Submarines) to succeed Vice-Admiral Sir John Eaton as Deputy Supreme Allied Commander, Atlantic, as from January 1958 (Sept. 10, 1957).

Admiral Sir Charles Lambe (Second Sea Lord and Chief of Naval Personnel) as British Commander-in-Chief, Mediterranean, and C.-in-C., Allied Forces, Mediterranean. He succeeded Admiral Sir Ralph Edwards, who relinquished the commands for health reasons (Oct. 14, 1957).

Rear-Admiral (Acting Vice-Admiral) Sir St. John Tyrwhitt to succeed Vice-Admiral B. I. Robertshaw as Chief of Allied Staff, Mediterranean, from Jan. 31, 1958 (Dec. 6, 1957).

Standing Military Committee. Colonel A.-D. von Plato, Commandant of the *Bundeswehr* Tank School at Münster, was appointed to the NATO Standing Military Committee in Washington on Nov. 15, 1957. Colonel von Plato was the first German representative to be appointed to this body.

Civilian Appointments. Mr. E. H. Meili (U.S.A.) as Assistant Secretary-General for Production and Logistics in succession to Mr. J. M. Mitchell (U.S.A.), who had resigned on Dec. 31, 1956 (Nov. 21, 1957).

Appointment of NATO Scientific Adviser.

Following the decision taken by the North Atlantic Council at its December meeting, it was announced on Feb. 5, 1958, that Professor Norman F. Ramsey (an American scientist) had been appointed Scientific Adviser to M. Spaak, the Secretary-General of NATO.

Professor Ramsey (42) has been professor of physics at Harvard University since 1947, and is also a member of the U.S. Defence Department's Advisory Panel on Atomic Energy. During the Second World War he headed a group which developed magnetron radar transmitters, and later helped to establish the Brookhaven laboratory for nuclear research, serving as the first chairman of its physics department.

Defence Expenditures of NATO Countries.

Defence expenditures of member-countries for the period 1949-57 were shown in a table published by NATO headquarters on Dec. 19. [With the exceptions mentioned below, the figures for 1949-55 agreed with those given on pages 14618 and 15336 and are therefore not repeated.]

The actual figures for 1956 and the forecasts for 1957 were as follows:

Country or Area	Currency Unit	Actual 1956	Forecast 1957
Belgium	Million B. Frs.	17,065	19,085
Canada	Million Can. $	1,892	1,871
Denmark	Million D. Kr.	936	992
France	Milliard F. Frs.	1,469	1,494
Germany (F.R.) (*a*)	Million DM.	7,211	7,789
Greece	Million Drachmae	4,345	4,424
Italy	Milliard Lire	584	584
Luxemburg	Million L. Frs.	395	454
Netherlands	Million Guilders	1,854	1,840
Norway	Million N. Kr.	967	1,028
Portugal	Million Escudos	2,297	2,389
Turkey (*b*)	Million Liras	1,169	1,347
United Kingdom	Million £ Sterling	1,614	1,609
United States (*c*)	Million U.S. $	41,754	44,278
Total Europe	Million U.S. $	13,116	13,437
Total North America	Million U.S. $	43,646	46,149
Total NATO	Million U.S. $	56,762	59,586

(*a*) The revised West German figure for 1954 was 6,287,000,000 DM.
(*b*) The revised Turkish figure for 1955 was 1,080,000,000 liras.
(*c*) The revised U.S. figures for 1954 and 1955 were $42,900,000,000 and $40,518,000,000 respectively.

Because of the above-mentioned changes, the totals for 1954 and 1955 shown on page 15336 should be revised as follows:

	(Millions of U.S. dollars)	
Europe	11,746	11,829
North America	44,671	42,333
NATO	56,417	54,162

Further German Divisions under NATO Command.

The Federal Defence Ministry in Bonn announced on Jan. 3, 1958, that two armoured divisions, a squadron of transport aircraft, and a squadron of motor torpedo-boats had been transferred to the NATO Command on Jan. 1. This brought the total strength of German forces under NATO Command to three infantry divisions, two armoured divisions, four naval squadrons (three squadrons of minesweepers and one of M.T.B.s, 31 vessels in all), and an air force squadron of 16 transport planes. A mountain division and an airborne division were expected to be available for NATO in the spring and an armoured division and an infantry division in the autumn, whilst the *Luftwaffe* planned to place nine squadrons of fighter-bombers under NATO command in the course of the year.

Franco-German-Italian Agreement on Arms Production and Development.

Following talks on Jan. 21 in Bonn between the French, Italian, and West German Defence Ministers (respectively M. Chaban-Delmas, Signor Taviani, and Herr Strauss), it was announced that it had been agreed in principle to proceed with the joint development and production of weapons and equipment, with the general aim of standardizing all defence production in the three countries.

It was semi-officially stated that a three-Power committee of military and technical experts had been set up to work out details of the proposed co-operation, and that it would concentrate first on anti-tank and ground-to-air missiles, the production of a "European" tank, and the standardization of fighter aircraft, signalling apparatus, and vehicles.

Dutch Military Reorganization.

In a memorandum submitted to the Lower House of the States-General on Dec. 19, the Netherlands Defence Minister (Mr. Staf) gave details of a military reorganization plan to be implemented over the period 1958-60. The main points covered by the memorandum were as follows:

(1) Top priority would be given to combat-ready troops for NATO use.

(2) As the result of a U.S. offer of *Honest John* rockets and ground-to-air missiles, the Netherlands forces were "on the threshold" of being equipped with ballistic and guided missiles. The training of Dutch personnel in the use of ground-to-air missiles would begin in the United States early in 1958.

(3) Since the value of conventional anti-aircraft artillery had declined with the increase in the speed and height of modern aircraft, anti-aircraft units, with their "completely obsolete" equipment, would be abolished.

(4) The actual number of Air Force squadrons would be reduced, but the striking power of the Tactical Air Force would increase considerably. In addition, "arrangements for the possible use of atomic weapons by the Tactical Air Force" would be made in accordance with a U.S. offer. Referring to U.S. legislation forbidding the issue of atomic weapons to non-American forces in peace-time, Mr. Staf said: "There is no reason not to expect that at a critical moment atomic warheads would be made available to Allied forces."

(5) Orders for conventional submarines due to be completed by 1963 had been cancelled, notably because both Britain and France were working on designs for submarines propelled by atomic energy.

(6) With the exception of the Air Observer Corps, the National Reserve would be progressively abolished.

Dutch-Belgian Air Force Co-operation.

Following a proposal by General Norstad that the Belgian and Netherlands air forces should be more closely linked (and perhaps eventually amalgamated), the Netherlands and Belgian Defence Ministers (Mr. Staf and M. Spinoy) met in Brussels on Dec. 3 to discuss the implementation of the Supreme Commander's suggestion.

It was decided at this meeting to set up four joint committees which would present regular reports on the development of co-operation in the fields of personnel training, logistics, standardization of equipment, and flying security.

Reorganization of U.S. Army in Europe.

General Hodes, C.-in-C., U.S. Army in Europe, announced on Oct. 1 that the "pentomic" reorganization of the five component divisions of the U.S. Seventh Army in Germany (see 15723 A) had been completed. "Pentomic" airborne and infantry divisions, General Hodes added, could be rapidly moved by airlift to any threatened area. By means of assault transport planes, they would have the tactical mobility necessary for rapid deployment within a given battlefield.

Warning on Naval Deficiencies.

The Joint Commanders, Eastern Atlantic (Admiral Sir John Eccles and Air Marshal Sir Bryan Reynolds), stated at a press conference on Sept. 27, 1957, that in the light of the merchant shipping protection exercise "Sea Watch," which was carried out in the English Channel from Sept. 20-28, they had concluded that they had insufficient forces to carry out the duties which would fall to them in the event of war.

Sir John Eccles said that the exercise had demonstrated (*a*) that there was a "desperate" shortage of all the necessary equipment, but especially of equipment for the long-range detection of submarines; (*b*) that to enter a war with the forces at present available would entail a "very grave risk"; (*c*) that naval forces were essential, "not only in phase two of any war but right from the outbreak"; and (*d*) that the guided missile-firing submarine of the future would constitute a major problem for NATO. Sir Bryan Reynolds stressed that the Command was especially short of long-range aircraft, and urged a combined scientific effort by NATO to improve submarine detection.

Admiral Wright, Supreme Allied Commander, Atlantic, stated on Sept. 28 that he fully endorsed the criticisms made by the Joint Commanders, Eastern Atlantic.

Transfer of Canadian Warships to Turkey.

At a ceremony at Sydney (Nova Scotia) on Nov. 29, the first five of 10 *Bangor*-class escort vessels of the Royal Canadian Navy to be transferred to Turkey under the NATO Mutual Aid Agreement were formally handed over to their Turkish crews by the Canadian Minister of National Defence, Major-General Pearkes.

Meeting of W.E.U. Consultative Assembly.

The Consultative Assembly of the Western European Union met in Strasbourg from Oct. 10-14, 1957. Some of its principal decisions are summarized below.

Relations with Council of Ministers. The debates were marked by general criticism of the W E.U. Council of Ministers for its allegedly unco-operative attitude towards the Assembly. Among other members, Mr. J. Edwards (U.K., Lab.) declared that if the Assembly could not be supplied with the proper means to do its work "it might as well close down altogether," whilst Signor Lucifero (Italy) asserted that the voice of the Assembly was being "stifled." Eventually the Assembly unanimously adopted a resolution calling upon the Council of Ministers to provide it with fuller information and to pay greater heed to its recommendations.

Guided Missiles and Defence Research. Lord Stonehaven (U.K.) presented a report on guided missiles which proposed that the W.E.U. countries should pool their efforts in this field in order to create "a common defensive weapon." On the question of U.S. guided missiles, the report declared that the United States would have "done far better to abandon their high horse of extreme secrecy and to have confided in us"; it also said that if the U.S.A. had taken "a lead in getting together instead of a lead in isolation, we should not now have the Russians wiping our eye."

Another reason why the U.S.A. was currently lagging behind the Soviet Union in this sphere [the report added] was that American research had been impeded by "inter-departmental rubbish" similar to that from which the U.K. had formerly suffered. As regards excessive secrecy, the U.K. was also guilty since it had withheld information from its Continental allies. In conclusion, the report proposed exchanges of information between the U.S.A. and the W.E U. countries, the setting-up of international teams of scientists, and joint work by engineers and technicians on specified projects for periods of three to seven years.

At the close of the debate on Lord Stonehaven's report, the Assembly adopted a resolution (by 45 votes to 2) calling for fuller co-operation between the member-countries in the field of guided missiles, and asking the Council of Ministers to lay down the circumstances in which strategic nuclear weapons would be used.

Disarmament. The conference adopted a resolution which stated: (*a*) that suspension of nuclear tests should take place only as part of a general disarmament settlement and should be linked with a ban on the production of fissile material; and (*b*) that a scientific conference should be held to discuss the risks arising from nuclear radiation.

NATO Parliamentary Conference.

The third NATO parliamentary conference was held in Paris from Nov. 11-16, 1957. Among reports submitted to the conference, the most notable were those on the military aspect of the NATO alliance and on scientific and technical training.

Military Policy. The military report—presented by M. Gilson (Belgium), chairman of the military committee of the conference, and General Calmeyer (Netherlands)—was highly critical of existing military policy and arrangements. It expressed the view that the NATO land forces were in process of "disintegration" and that the leadership of the alliance was "inadequate." Too much stress was laid on atomic weapons and "massive retaliation," and the Continental countries did not feel that this policy afforded them sufficient protection. The U.S.A. and Britain, on the other hand, did not understand how great a "nightmare" the Russian threat represented for the Continental countries. The report said that the Russians, by their subversive activities in the Middle East, had succeeded in outflanking NATO. It proposed that both the Standing Group and the Committee of Military Representatives should be transferred from Washington to Paris.

The report met with considerable opposition both from other members of the military committee and the full conference, and the resolution which the military committee eventually submitted to the conference—and which was adopted—did not embody the criticisms contained in the report. The resolution proposed, notably, closer collaboration between the political and military arms of the alliance, and the provision of fuller information on political and military developments for the parliamentarians of the member-countries.

Scientific and Technical Training. This report was submitted by Senator Jackson (U.S.A.), chairman of the scientific and technical committee of the conference. It proposed, *inter alia*, (*a*) the establishment of a NATO defence missile training centre and a NATO institute for defence studies; (*b*) a programme, to be instituted and financed by NATO, for producing an extra 500 doctors of science each year; (*c*) the distribution by NATO of 5,000 prizes annually to outstanding secondary school pupils in the fields of science and mathematics; (*d*) the holding of NATO summer schools; (*e*) the creation of a "European labour exchange" for scientists and engineers. Senator Jackson estimated the annual cost of this programme at $10,000,000, but thought that the investment would pay for itself many times over.

The conference (with the exception of the French delegation—see below) unanimously approved a resolution recommending the implementation of Senator Jackson's proposals.

Political Co-operation. A resolution adopted on Nov. 16 embodied a proposal by Senator Kefauver (U.S.A.) that NATO should convene two conferences: the first (and smaller) conference, meeting in 1958, would become a form of permanent organization to advise member-Governments on fundamental questions relating to NATO; the second, meeting in 1959, would be modelled on the Hague Conference of 1948, from which the Council of Europe had developed..

As stated on page 15883 (end of second column) the French delegation walked out of the NATO parliamentarians conference on Nov. 15 in protest against the "brutal" and unjustified" decision of the U.S. and British Governments to supply arms to Tunisia. On the same date, six Democratic members of the U.S. delegation (including Senator Green, chairman of the Senate Foreign Affairs Committee) issued a statement deploring the Anglo-American action; this statement was not signed, however, by the other two Democratic delegates—Senators Kefauver and Jackson. (NATO Information Division, Paris - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times - Netherlands News Agency - Frankfurter Allgemeine Zeitung - Department of External Affairs, Ottawa) **(Prev. rep. 15965 A; 15723 A.)**

A. SOUTHERN RHODESIA. — Cabinet Crisis. - Resignation of Mr. Todd's Colleagues. - New Cabinet formed by Mr. Todd. - Sir Edgar Whitehead elected Leader of Southern Rhodesian Division of United Federal Party.

A political crisis was precipitated in Southern Rhodesia by the resignation on Jan. 11 of all the four members of Mr. Garfield Todd's Cabinet, and the one parliamentary secretary. The Ministers who resigned were Sir Patrick Fletcher (Native Affairs), Mr. C. J. Hatty (Treasury), Mr. A. R. W. Stumbles (Justice), Mr. G. Ellman-Brown (Roads, Irrigation, and Housing), and Mr. H. J. Quinton (Parliamentary Secretary to the Minister of Native Affairs).

Announcing the resignations at a press conference on the same day, Mr. Todd said :

" On my return from holiday on Jan. 9 the acting Prime Minister, Sir Patrick Fletcher, informed me at the airport that my Ministers wished to meet me to tender their resignations. Yesterday morning we met, and the Ministers assured me that they had been fully in support of the policy we had together pursued ; that they had no criticism of my ability in leadership ; that they held me personally in high regard ; but that they had regretfully come to the conclusion that the measure of criticism levelled at me at present would make it impossible for the party to win the next election. Having come to this conclusion, they had decided to withdraw their support of me. At the recent party congress no indication was given by any Minister that there was dissatisfaction within the Cabinet. I am distressed that my colleagues . . . should have taken upon themselves to decide for the party that I should be removed from office, thus making way for one of themselves to become Prime Minister . . .

" I know that there are people who want me removed from the Premiership, but there are also many who have supported and encouraged me, and I have no intention of meekly stepping aside to permit four men who may be quite wrong, even in their summing-up of the political situation, to have their way. I am determined to go back to the party and give them an opportunity to express their will.

" I believe that a Prime Minister chosen from among my colleagues would continue in general support of the party policy, but it is now abundantly clear that the policy would have to take second place to purely political considerations. Such leadership would appeal particularly to a section of the European electorate and not to the people as a whole. My colleagues believe that the next few months must be devoted to such legislation, speeches, and action as would be designed to win over the more reactionary of our European electorate.

" I have no wish to cause a split in the party. I am a moderate. Within the ranks of the party there are a great many moderates, but there are also extremists, both liberal and reactionary. The danger at the moment is not from the extreme liberals but from moderates who allow fear to sway them to such an extent that the reactionary element may take over control of the party.

" The Dominion Party provides a comfortable home for reactionaries, but the strength of the United Federal Party lies in the free coming together of people of varying views, all determined to work together for the true welfare of the Federation and all its people. That is the party I support and, if its principles are courageously honoured, I will continue my support."

Mr. Todd concluded by saying that he had considered the advisability of going to the country in an immediate general election, but had decided against it to avoid embarrassing his party in the Federal field. He added that there was complete understanding between himself and Sir Roy Welensky, the Federal Prime Minister.

In a joint reply, issued on the same day, the four resigning Ministers refuted " the Prime Minister's version of what took place between us."

After saying that Mr. Todd had " confused our personal regard for him . . . with our opinion of him as a Prime Minister," the four ex-Ministers continued : " We made it abundantly clear to him that we ourselves had lost confidence in him as a leader and that this view was shared by many in the party, both in and out of Parliament. The allegations that we decided to be rid of him to secure the office for one of ourselves, and that if a Prime Minister is chosen from our number the party policy would have to take second place to purely political considerations, have been read with amazement and disappointment. We can only reject them as being entirely without foundation . . . The Prime Minister must recall that in taking the course of action which we felt constrained to do, we were only concerned with the true interests of stable government at this critical juncture of the Federation's history. He cannot have been totally unaware of our feelings . . . because we made them known to him some weeks ago, before his holiday."

As indicated by Mr. Todd, the conflict between him and the outgoing members of his Cabinet lay in a clash of policies on the racial issue—Mr. Todd having been criticized by many Europeans as an " extreme liberal " for advocating excessively rapid social and political advancement for Africans.

A sharp division of opinion was also apparent in regard to the events leading to the Ministers' resignations. According to Mr. Todd, when Sir Patrick Fletcher told him on Jan. 9 that the Ministers wished to resign, he (Mr. Todd) had asked for their resignations in writing, but these were not sent to him until he had again asked for them on Jan. 11. The former Ministers, on the other hand, stated that they had offered on Jan. 10 to remain in office in a caretaker capacity until Mr. Todd had re-formed his Cabinet, and that he had precipitated matters by asking for written resignations on Jan. 11.

Mr. Todd re-formed his Cabinet on Jan. 14 as follows : Sir George Davenport (Mines, Lands, and Surveys, and Roads and Road Traffic) ; Mr. A. E. Abrahamson (Treasury, and Local Government and Housing) ; Mr. A. D. H. Lloyd (Justice, Internal Affairs, and Labour) ; Mr. E. D. Palmer (Native Affairs and Irrigation) ; Mr. R. D. Palmer (Native Agriculture and Marketing --a new portfolio - and Native Education). Mr. Todd retained the Premiership, but relinquished the portfolios of Native Education and Labour.

Sir George Davenport, a farmer and company director, was for many years Minister of Mines in Sir Godfrey Huggins' Cabinet. Mr. Abrahamson, a Bulawayo industrialist, is president of the Association of Rhodesia and Nyasaland Industries ; Mr. Lloyd is a Bulawayo lawyer ; and Mr. Eric Palmer and his brother, Mr. Ralph Palmer, are farmers.

At a meeting of the United Federal Party caucus held on the same day (Jan. 14), 13 of the party's 24 M.P.s, including the former Ministers, announced that they had lost confidence in Mr. Todd's leadership, and withdrew to hold a separate meeting. At this latter meeting they adopted a resolution declaring that Mr. Todd had been " irresponsible in calling for the resignations of the retiring Ministers before he had formed a new Cabinet," and that the retiring Ministers had " acted in the best interests of the country by offering to preserve continuity of the Government by remaining in office until new Ministers were appointed."

A special congress of the Southern Rhodesian division of the United Federal Party, held in Salisbury on Feb. 8, elected Sir Edgar Whitehead (the Federation's Minister in Washington) as party leader by 193 votes against 129 for Mr. Todd. The decision was reached on a second ballot after Mr. Todd had headed the first vote, in which Sir Edgar Whitehead was second and Sir Patrick Fletcher third. Mr. Todd subsequently announced that his new Cabinet would carry on as a caretaker Government until Sir Edgar's return from Washington, when they would resign.

Mr. Wightwick, M.P. for Umtali, had previously resigned from the Federal United Party on Dec. 27 as a protest against Mr. Todd's decision to raise minimum wages for Africans without consulting either the party or the Federal Government. (Federal Information Department, Salisbury - Times - Manchester Guardian) **(Prev. rep. Cabinet, 15865 A ; United Federal Party, 15888 C ; Sir Edgar Whitehead, 15453 B.)**

B. CANADA. — Mineral Production.

Preliminary estimates published by the Dominion Bureau of Statistics in January 1958 gave the total value of Canadian production of minerals in 1957 (including oil and natural gas) as $2,133,941,000—an all-time record—as compared with $2,084,906,000 in 1956.

The total value of metallic ores was $1,136,411,000, compared with $1,146,350,000 in 1956. Figures for the principal metals were as follows (1956 figures in parentheses) : *Nickel :* $261,253,000 ($222,205,000) ; *Copper :* $199,543,000 ($292,958,000) ; *Iron Ore :* $155,549,000 ($160,362,000) ; *Gold :* $148,787,000 ($151,024,000) ; *Uranium :* $130,911,000 ($45,732,000) ; *Zinc :* $99,696,000 ($125,437,000) ; *Lead :* $52,464,000 ($58,583,000) ; *Silver :* $26,320,000 (25,498,000) ; *Platinum :* $17,490,000 ($15,726,000).

The value of the mineral fuels group rose in 1957 to the record figure of $555,500,000, compared with $518,761,000 in 1956. The chief items were : *Crude Petroleum :* $444,785,000 (compared with $406,562,000 in 1956 and now by far Canada's leading mineral, judged by value) ; *Natural Gas :* $20,823,000 ($16,850,000) ; *Coal :* $89,893,000 ($95,350,000).

The non-metallic ores group rose in value to $167,290,000 in 1957, compared with $160,312,000 in 1956. The principal item was : *Asbestos :* $106,395,000 ($99,860,000).

Structural materials as a group also rose to a record total of $274,740,000, compared with $259,453,000 in 1956.

Mineral production in 1957 was divided between the Provinces as follows (1956 production of each Province in parentheses) : Ontario, $739,219,000 ($650,823,000) ; Alberta, $411,961,000 ($411,172,000) ; Quebec, $384,465,000 ($422,464,000) ; British Columbia, $174,764,000 ($203,278,000) ; Saskatchewan, $161,487,000 ($122,745,000) ; Newfoundland, $76,245,000 ($84,349,000) ; Nova Scotia, $65,434,000 ($66,092,000) ; Manitoba, $61,299,000 ($67,909,000) ; New Brunswick, $23,250,000 ($18,258,000) ; North-West Territories, $21,966,000 ($22,158,000) ; Yukon, $13,851,000 ($15,656,000).

The total value of mineral production in 1957 was more than double the value of production in 1950 ($1,045,450,000) and three times that in 1947 ($644,870,000).—(Department of External Affairs, Ottawa - Montreal Star - Times) **(14574 A.)**

A. UNITED KINGDOM. — Administrative Tribunals. - Report of Franks Committee. - Government Acceptance of Recommendations. - Mr. Butler's Statement.

The report was issued on July 18, 1957, of the committee set up in November 1955, under the chairmanship of Sir Oliver Franks, to inquire into the working of administrative tribunals and to make recommendations (see 14536 B). Many of the recommendations were subsequently adopted by the Government, as announced by the Home Secretary (Mr. R. A. Butler) in a statement to the House of Commons on Oct. 31.

The Franks Report.

Ninety-five specific recommendations were made by the Franks Committee, the following being among the most important :

(1) The creation of two Standing Councils—one for England and Wales, appointed by and reporting to the Lord Chancellor, and the other for Scotland, appointed by and reporting to the Secretary of State for Scotland—to keep the constitution and working of administrative tribunals under constant review.

(2) The transference of the adjudicating functions at present exercised by County Agricultural Executive Committees to new tribunals, independent both of the Minister and the county committees, with a right of appeal to the Agricultural Land Tribunal and (in Scotland) to the Scottish Land Court. Strong criticism was expressed of the County Agricultural Executive Committees on the ground that their constitution was "in conflict with the principle of impartiality" and that they combined "the functions of detective, prosecutor, and judge"; it was therefore considered undesirable that these committees should continue to exercise adjudicating functions in addition to their executive responsibilities.

(3) As regards administrative procedures involving an inquiry or hearing (e.g. compulsory land purchase, and town and country planning), it was recommended that the main body of inspectors conducting these inquiries in England and Wales should be placed under the control of the Lord Chancellor, and that the inspectors' reports should be published, together with the Ministers' subsequent letter of decision and the reasons therefor.

[One member of the Committee, Lord Silkin, dissented from this recommendation; he believed that inspectors should be appointed by and come under the control of the Minister of Housing and Local Government, as at present.]

The Committee emphasized that the work of administrative tribunals, and administrative procedures involving inquiries or hearings, should be based on the principles of openness, fairness, and impartiality. "Less public resentment would be aroused against administrative action," it stated, "if all officials were trained in the principle that the individual has the right to enjoy his property without interference from the administration, unless unmistakably justified in the public interest." In general, however, the Committee found that administrative tribunals had worked "reasonably well," though there was room for much improvement.

Only brief mention was made of "the celebrated case of Crichel Down" (see 14323 G; 13705 A), the Committee pointing out that it had not been asked to go into "questions of maladministration" arising out of decisions which did not result from a formal procedure involving a tribunal or inquiry. In any event, the Crichel Down case had already been the subject of an inquiry conducted by Sir Andrew Clark, Q.C.

The principal recommendations of the Franks Committee are summarized below under cross-headings :

I.—General Principles.

The first section of the report dealt with such matters as the personnel of tribunals, qualifications of members, rights of citizens appearing before tribunals, etc.

Personnel and Qualifications of Tribunals. The Committee had received no significant evidence that any influence was exerted upon members of tribunals by Government departments, "but present practice can give no guarantee for the future." Though unable to recommend that all members of tribunals should be appointed by the Lord Chancellor, it considered that their appointment should not rest with the Ministers concerned with the subject-matter of adjudications. To enhance the independence of tribunals, the Committee considered that the Councils on Tribunals [i.e. the Standing Councils proposed in England and Wales and in Scotland] should make these appointments, but saw no need to review any existing appointments.

The chairmen of tribunals should ordinarily have legal qualifications, and all chairmen of appellate tribunals should have legal qualifications.

In general, tribunal service should not be whole-time or salaried, but there were some chairmen and members who should be paid fees, and the remuneration should be adequate to attract the right people. The Committee were not satisfied that this was at present generally so—e.g. in the case of Rent Tribunals.

Citizens' Rights. - Legal Advice and Representation. Before a tribunal hearing, the citizen should be made aware of his rights and his attention drawn to the facilities provided by the Citizens' Advice Bureau. While not recommending an official scheme of legal advice for tribunals only, the Committee stressed the desirability of its introduction. A most important requirement was that the citizen should know in good time the case he would have to meet. "We are satisfied that the requirement is generally met," the Committee added, "but in some cases—most clearly in the case of some hearings before County Agricultural Executive Committees—we are not satisfied."

The citizen should also receive, in good time beforehand, a document setting out the main points of the opposing case.

At the tribunal hearing, the most important constituent of "openness" was that the proceedings should be in public. Tribunals should sit in private only where considerations of public security were involved; where intimate personal or financial circumstances had to be disclosed; or if the hearing was a preliminary investigation of a case involving professional capacity and reputation

The right to legal representation before tribunals should be curtailed only in the most exceptional circumstances, and Government departments should not be permitted legal representation before a tribunal unless the citizen himself employed a lawyer. The Committee considered that there was a good case for extending the Legal Aid scheme to those tribunals which were formal and expensive, and to final appellate tribunals.

Payment of Costs and Expenses. The award of costs, and payment of expenses of parties concerned, should be reviewed by the Council on Tribunals. A successful applicant should be given a reasonable allowance in respect of his expenses, including in some cases an allowance for the cost of legal representation. An unsuccessful applicant should never have to pay any costs, but in most cases should be entitled to the same reasonable allowance as the successful applicant.

In disputes between private parties, however, the parties should bear their own expenses and costs, except at the appellate level or where a party had acted frivolously or vexatiously—in which case the tribunal should have power to order the unsuccessful party to pay a sum towards the other's costs and expenses.

Reasons for Tribunal Decisions. As soon as possible after the hearing, the tribunal should send to the parties concerned a written notice of decision which should include the findings of fact, the reasons for the decision, and the rights of appeal against it.

Appeals Procedure. The Committee were "firmly of the opinion" that all decisions of tribunals should be subject to review by the Courts on points of law, except from a decision of the National Insurance Commissioner, the Industrial Injuries Commissioner, or National Assistance Appeal Tribunals, which should remain subject to review by *certiorari*.

II.—Present Working of Tribunals. - Recommendations.

From the general principles summarized above, the Committee turned to particular tribunals, discussing first the possibilities of amalgamating some, but putting forward only one such proposal : for the transference of the functions of family allowance referees to National Insurance local tribunals. The Committee commented as follows on the various tribunals :

County Agricultural Executive Committees. "We have heard substantial criticism of the County Committees, and . . . there is no doubt that the workings of the committees, as adjudicating bodies, are far from satisfactory . . . Their constitution as adjudicating bodies is in conflict with the principle of impartiality which we have enunciated, in that they are the delegates of the Minister . . .

"The criticisms we have received are fourfold : Substantial objection has been taken to the fact that these committees combine the functions of detective, prosecutor, and judge, so that a fair hearing of the case and an independent decision cannot result; it has been said that the predominantly local membership of the committees leads to abuses; their procedure has been assailed because before the hearing the farmer does not fully know the case against him, and because the committees are not required to give, and do not give, adequate reasons for their decisions. Finally, many witnesses have criticized the absence of any appeal against the making of a Supervision Order. We regard it as wholly undesirable that these committees should continue to exercise adjudicating functions in addition to their executive functions."

Recommendations : "If present policy of control over agriculture is to continue, new tribunals should be established, independent both of the Minister and of the County Committees, to perform the adjudicating functions now exercised by the County Committees. Appeal should lie from these tribunals to the existing Agricultural Land Tribunals, and in Scotland to the Scottish Land Court. It would be a mistake to dispense entirely with local membership, but its risks would be largely removed by the appointment in all cases of a chairman wholly independent of the area concerned, and with legal qualifications.

"In these tribunals it will be for the County Committee, as well as the farmer when the committee is proposing action against him, to submit evidence on the state of the land. The practice of withholding from the farmer the report of the committee's inspecting panel, to which practice objection is rightly taken, could therefore no longer arise.

"The tribunals should have the right to inspect the land on giving notice to the occupier. The parties concerned should be informed in advance of such inspection and be entitled to be present. The tribunals should be required to give adequate reasons for their decisions.

"We are unable to accept the view that Supervision Orders are not penal measures. A proposal to make a Supervision Order should be heard by one of the new tribunals, and an appeal should lie to an Agricultural Land Tribunal or to the Scottish Land Court . . ."

Agricultural Land Tribunals. "We have received little comment about these tribunals . . . They appear to be generally regarded as satisfactory."

Local Valuation Courts. "We have received no important criticism of these tribunals, but think it undesirable in principle that they should continue to be composed almost entirely of members of local authorities. Their numbers should be reduced; persons acting as chairmen should be independent of any local authority and should generally have legal qualifications. Members of local authorities should not hear any case relating to property within the electoral area in which they live or which they represent."

Lands Tribunal. "We have received little evidence and virtually no criticism of it."

Rent Tribunals. "We have received more criticism of these than of any other. The main criticisms . . . were that the quality of membership was insufficiently high, possibly because the fees offered were inadequate; that many did not have a legally qualified chairman; and that in general there were no valuers on them. General criticisms of procedure were that the tribunals were insufficiently judicial in handling cases and that reasoned decisions were rarely given. There was substantial criticism of the absence of appeal, either on merits or on a point of law."

Recommendations: "All chairmen of rent tribunals should have legal qualifications; panels from which tribunals are constituted should include valuers to serve when required; appeal should lie to an appellate tribunal consisting of a County Court judge or Sheriff, sitting with a valuer as assessor."

Tribunals concerned with National Insurance, National Assistance, and Family Allowances. Legal representation should be permitted before a National Insurance local tribunal when the chairman considered that the claimant could not satisfactorily put his case unless allowed to employ a lawyer. Such tribunals should sit in public except when a case involved disclosure of intimate personal or financial circumstances. In both National Insurance and Industrial Injuries cases all parties should have an automatic right of appeal to the appropriate Commissioner. National Assistance appeal tribunals should continue to sit in private, and legal representation before such tribunals should be permitted on the same basis as that recommended for Insurance local tribunals. The functions of Family Allowance referees should be transferred to National Insurance local tribunals, with an appeal to the National Insurance Commissioner.

N.H.S. Medical Service Committees. "The public interest does not require a public hearing [in cases before these committees] but both patients and practitioners should be prepared to substantiate statements on oath. Complainants should be entitled to apply for the assistance of an official representative at hearings."

National Health Service Tribunal. "This should in general sit in public. The right of appeal from the N.H.S. Tribunal to the Minister should be abolished, and the right of appeal from executive councils to the Minister in certain cases should be replaced by a right of appeal to the tribunal. As a safeguard for practitioners, appeals by individual complainants should be heard by the tribunal in private."

Conscientious Objectors' Tribunals. "It is particularly important that the general recommendations concerning the atmosphere of tribunal hearings and the publication of selected appellate decisions should be applied to these tribunals. An age-limit for members should also be considered."

Transport Tribunal. "There has been virtually no criticism of the constitution or working of this tribunal."

Compensation Appeal Tribunals. "These should be strengthened by vesting the appointment of both chairmen and members in the Lord Chancellor. There should be an appeal to the courts on a point of law."

Compulsory Land Purchase. - Conduct of Inquiries.

A further section of the report gave the Committee's recommendations on such administrative procedures as the holding of an inquiry or hearing on behalf of a Minister, and, in particular, the procedure for the compulsory purchase or acquisition of land.

The Committee emphasized that much of the dissatisfaction with procedures relating to land arose from the basis of compensation, and that objections to compulsory purchase would be far fewer if compensation were assessed at not less than market value. It commented in this connexion:

"Before the hearing takes place, fairness requires that those whose individual rights and interests are likely to be adversely affected by the action proposed should know in good time beforehand the case which they will have to meet. Statutory requirements should be amended to compel acquiring and planning authorities to prepare a written statement of their case before the inquiry. In acquisition cases, the statement should accompany the statutory notice of the proposal to owners and others. The individual would then know in good time the case of the public authority with which he was at issue.

"This alone would not be sufficient. Fair play requires that whenever possible some statement of the relevant ministerial policy should also be made available before the inquiry; but, as broad policy is something for which a Minister is answerable to Parliament alone, he should be free, when issuing such a statement, to direct that the whole or certain parts of it are not open to discussion at the inquiry. This power would avoid useless discussion of policy in the wrong forum. The object would be to give the individual an opportunity at the inquiry of directing his arguments not only to the case of his immediate opponents but to other considerations likely to weigh with the Minister."

The Committee recommended that inspectors conducting these inquiries should be placed under the control of a Minister not directly concerned with the subject-matter of their work. In England and Wales, the appropriate Minister should be the Lord Chancellor. This change, by no longer identifying the inspector in the minds of the objectors with the department of the deciding Minister, would emphasize impartiality at an important stage of the adjudication and do much to allay public misgiving. At the inquiry the initiating authority should be required to explain its proposals fully and support them by oral evidence. The code of procedure should be formulated by the Councils on Tribunals and made statutory.

In connexion with the compulsory purchase of land, development plans, planning appeals, and clearance schemes, a public inquiry should be held in preference to a private hearing unless for special reasons the Minister should decide otherwise. The inspector should have power to administer the oath and subpoena witnesses. Officials of the department of the deciding Minister should be required to give evidence if the inquiry was into a proposal initiated by that Minister, but not otherwise.

The Committee recommended that reasonable costs should generally be awarded to successful objectors and owner appellants, and that the Council on Tribunals should assess the basis of costs. They recommended also that the inspectors' subsequent reports should be published and made available in two parts: (*a*) summary of evidence, findings of fact and inferences of fact; and (*b*) reasoning from facts, including application of policy, and (normally) recommendations. The complete text of the report should accompany the Ministers' letter of decision and be available on request centrally and locally.

Except in time of emergency, threat of emergency, or special security cases, Service departments should adopt the same procedure as other departments if they wished to acquire land for their use i.e. they should give public notice and hold public inquiries.

Government Acceptance of Recommendations.

In his statement to the House of Commons on Oct. 31, referred to above, Mr. Butler announced the Government's acceptance of the "three guiding principles" of openness, fairness, and impartiality which, as the Franks Committee had emphasized, should govern the work of all administrative tribunals and inquiries. Specifically, the Government proposed (1) to set up a single Council on Tribunals (instead of two councils as recommended by the Franks Committee) which would be appointed by the Lord Chancellor and the Secretary of State for Scotland, exercise general supervision over the working of tribunals, and be consulted by the Government; (2) to remove present restrictions on the right to legal representation before tribunals; and (3) to ensure that chairmen of tribunals were appointed by the Lord Chancellor in England and Wales and by the Lord President of the Court of Session in Scotland, and that members of tribunals should generally be appointed by the Minister of the department concerned, after consultation with the Council of Tribunals.

Mr. Butler said that the Government had to bear in mind the need of a just balance between the claims of the citizen and those of the community as a whole. "Taking these into account," he added, "we expect to be able to accept wholly or substantially the great majority of the detailed recommendations in the report." The Home Secretary went on to enumerate those recommendations which the Government proposed to accept and those which it was unable to accept.

Recommendations accepted. These included the following, *inter alia:*

(i) As stated above, the right of legal representation would be allowed before all tribunals, save in exceptional cases. In reply to Mr. Paget (Lab.), Mr. Butler confirmed that this would also apply to Conscientious Objectors' Tribunals.

(ii) The Government agreed that chairmen of administrative tribunals should for the most part have legal qualifications. They did not, however, favour the dismissal of a satisfactory serving chairman because he was not so qualified.

(iii) The Government agreed in principle that the adjudicating functions at present exercised by County Agricultural Executive Committees should be entrusted to new independent tribunals from which appeals should lie to the Land Tribunal or the Scottish Land Court.

(iv) In addition, the Government also accepted the greater part of the recommendations on procedure relating to compulsory acquisition of land. As regards the recommendation that an acquiring or

planning authority should make available, in good time before the inquiry, a statement giving full particulars of its case, Mr. Butler promised that "Ministers concerned will in future require authorities to see that their case is properly set out; this will be obligatory."

(v) The Government also accepted in principle the recommendation that, wherever possible, a statement of the relevant policy should be made available to an appellant before an inquiry.

(vi) As regards the recommendation that most inspectors should be under the control of the Lord Chancellor, the Government took the view that the Minister of Housing and Local Government should retain his present responsibilities in this field—in which connexion Mr Butler pointed out that the Minister had to arrange for some 5,000 to 6,000 inquiries every year. Nevertheless, the Government recognized the importance of emphasizing the independence of the inspectorate. To meet the spirit of the recommendations, it was therefore proposed that the Minister should only appoint inspectors after consultation with the Lord Chancellor, and should dismiss them only with the Lord Chancellor's consent. The Government were ready to arrange for the publication of inspectors' reports, as recommended by the Committee.

(vii) The Government accepted, in general, the recommendations relating to the procedure to be followed at inquiries. Mr. Butler pointed out that since it was agricultural land which was mostly the subject of compulsory acquisitions, these recommendations would be of particular interest to farmers and owners of such land.

(viii) The Government believed that it was "absolutely right" that the Minister's letter of decision should set out in full the evidence, instances of fact, and the reasons for the decision. This was already the practice in some departments, and would be adopted in all.

Recommendations not accepted. (i) Mr. Butler dwelt in some detail on the Committee's recommendation that—save in time of emergency or threat of emergency—the Service departments should be required to adopt the same procedure as other departments before acquiring land for their use. Speed, he pointed out, was often vital to Service departments, and "it was not practicable in the world we live in to wait for an emergency before acting." For this reason "the Government must therefore reserve their position in that respect." Subject to this reservation, however, private interests should be given a statutory right to object and be heard when a Service department wished to acquire land. The hearing would normally be in private, and would be conducted by a person specially appointed by the Lord Chancellor or the Secretary of State for Scotland. The Government could not undertake to publish inspectors' reports in such cases.

(ii) The Government could not agree with the proposal that legal aid should be made available for certain applicants before tribunals. "It does not seem to us," Mr. Butler added, "that there is a sufficient case for extending the official scheme of legal aid to tribunals at present." Moreover, the proposal to reimburse a citizen for some part of legal costs incurred would be expensive, and might encourage the employment of lawyers where it was not fully justified.

(iii) The Government could not accept the recommendation that costs should be awarded to successful objectors or appellants. They recognized, however, that a need existed, and he (Mr. Butler) did not wish to make a final statement on this matter as yet.

In the ensuing debate M.P.s of all parties expressed general approval of the report and recommendations of the Franks Committee, though certain criticisms were made—notably by Labour members—on points of detail. Sir Frank Soskice (a former Labour Attorney-General) welcomed Mr. Butler's statement and commended the Franks Report as a whole, though pointing out that he could not commit the Opposition to acceptance of every one of its recommendations. Sir Lionel Heald (C.), another former Attorney-General, described the report as "a tremendous victory for the ordinary citizen over Whitehall," while Sir Patrick Spens (C.) said that Sir Oliver Franks had "done a great service to the country." In replying to the debate, Sir Reginald Manningham-Buller (the Attorney-General) pointed out that some of the recommendations accepted by the Government did not require legislation and would be given immediate effect; other recommendations would involve a variety of legislation, which it was hoped to introduce as speedily as possible.
(Times - Daily Telegraph - Manchester Guardian)
(Prev. rep. Franks Committee, 14536 B.)

A. UNITED KINGDOM. — Housing Construction.

Figures published by the Ministry of Housing and Local Government on Jan. 31 showed that 301,000 permanent houses and flats were completed in Britain in 1957, compared with 300,625 (revised figure) in 1956. Of the 1957 total, 165,910 were built by local authorities, 126,455 by private builders (the highest number since the war), 2,018 by housing associations, and 6,707 by Government departments. The total number of permanent houses and flats completed in Britain since the end of the war was given as 2,841,965, of which 1,997,953 had been built by local authorities, 732,677 by private builders, 41,855 by housing associations, and 69,480 by Government departments.—(Ministry of Housing and Local Government) **(Prev. rep. 15420 A; 15696 C.)**

B. ISRAEL. — Industrial Policy. - Workers to share Control of Trade Union Enterprises.

The executive of the *Histadrut* (the Israeli General Federation of Labour) decided early in January to introduce, by stages, a scheme for the participation of workers in the management of enterprises owned by the Federation. The *Histadrut*, in addition to being the largest trade union in Israel, also owns many industrial plants.

It was stated that the scheme would start with the setting-up of joint councils on which labour and management would be equally represented; at a later stage the managements of the undertakings would themselves be re-established on the basis of equal representation for workers and managers. At first the new joint councils would work side by side with the Productivity Councils [which have been functioning in most *Histadrut* plants for several years], but after six months the two types of councils would be merged.

The joint councils would be empowered to decide on all matters affecting the enterprise except wages and social benefits, these two subjects being reserved to negotiations between Workers' Committees and the management concerned. In particular, the joint councils were expected to deal with production programmes, investment policy, purchase of equipment, plant expansion, reorganization, improvements in production methods, purchase of raw materials, selling prices, marketing policies, and finance.

The workers' representatives on the councils would be elected by their own colleagues, but members of the Workers' Committees would not be eligible. Each council would elect its own chairman. The new scheme would be on a trial basis for a period of two to three years.

The question of profit-sharing was also discussed by the *Histradut* executive, but no definite decisions were taken. The secretary-general of the *Histradut* (Mr. Lavon) said that while such a system would eventually be introduced, the time was not yet ripe for it and the executive had decided to leave the final decision to the Federation's central committee.
(Israel Government Press Office)

C. WESTERN GERMANY. — New State Secretary in Foreign Ministry.

It was announced in Bonn on Jan. 30 that Dr. Albert-Hilger van Scherpenberg had been appointed State Secretary in the Foreign Ministry in succession to Professor Walter Hallstein, following the latter's recent election as President of the Commission for the European Economic Community [see page 15958, second column.]

Dr. van Scherpenberg (58), a son-in-law of Dr. Schacht, is of Dutch origin. He joined the German Foreign Service under the Weimar Republic in 1926, served in London for eight years before the war, and remained in the Service during the Hitler regime until arrested for connexions with a resistance group. After the war he served in the Bavarian Economics Ministry until 1949, when he joined the Federal Ministry of Economics. Since 1953 he had been in charge of the trade policy department in the Foreign Ministry.

A reorganization of the Foreign Ministry was announced on Jan. 31 under which two Assistant State Secretaries were appointed—Dr. Dittmann (at present Consul-General in Hong Kong) and Herr Knappstein (Ambassador in Madrid). It was announced that Dr. Dittmann would be responsible for the political department, whilst Herr Knappstein would be in charge of administration and personnel and would also be responsible for legal, cultural, and protocol questions.
(Frankfurter Allgemeine Zeitung)

D. UNITED KINGDOM. — National Savings in 1957.

The National Savings Committee announced on Jan. 6 that savings during 1957 totalled £1,665,000,000, compared with £1,701,000,000 in 1956, and withdrawals £1,589,000,000 (the highest on record), against £1,573,500,000 in 1956. The excess of savings over withdrawals in 1957 thus amounted to £76,000,000 (£127,500,000 in 1956), being the lowest since 1953. The sum remaining invested at Dec. 31, 1957 was £6,246,000,000.—(Times) **(Prev. rep. 15363 A.)**

E. NEW ZEALAND. — Income-Tax Rebate approved by Parliament.

The N.Z. Parliament approved on Jan. 31 a Bill amending the tax law to allow a rebate of £100 where applicable on income-tax demands due in February—thereby implementing the Labour Party's pre-election pledge. The Bill, which involved tax rebates aggregating £NZ.19,000,000, was opposed by the National Party.—(The Dominion, Wellington)
(Prev. rep. 15907 A.)

F. AUSTRALIA - Air Agreement with Britain.

The Anglo-Australian air agreement which had been initialled on Oct. 4, 1957, was formally signed in London on Feb. 7 by Mr. Harold Watkinson and Senator Paltridge, the respective Ministers for Transport and Civil Aviation.—(Times)
(Prev. rep. 15829 C; 15986 C.)

A. NUCLEAR WEAPON TESTS. — American, Russian and British Tests in 1957.

A number of nuclear and thermo-nuclear weapon tests were carried out by the United States, the Soviet Union, and Great Britain at intervals from the spring of 1957 until the end of the year. These tests, summarized below, comprised (*a*) a series of 24 tests (instead of nine as originally announced) carried out by the United States at the Nevada proving-grounds, beginning on May 28 and ending on Oct. 7; (*b*) a number of Soviet tests during the last four months of the year, additional to the series which took place in April (see 15540 A); and (*c*) three British tests at Maralinga (Australia) in September and October, and a fourth at Christmas Island in November.

American Nuclear Tests.

Many different types of device were used in the 24 Nevada tests, a number being exploded from the tops of steel towers and others from captive balloons at varying heights. Military observers and press correspondents from many NATO countries witnessed many of the tests, the larger and more spectacular of which are described below:

(i) In the fifth test (June 24), in which a device was suspended from a balloon at a height of 700 feet, the blast was so violent that it wrenched doors off hinges and cracked walls of concrete blockhouses 14 miles from the point of explosion. The detonation—carried out in broad daylight—produced a "double mushroom" cloud rising to eight miles, a blinding flash visible 80 miles away, and blast effects felt in parts of California 200 miles from the proving-grounds. Experiments were made in the use of protective clothing against flash-burns and radiation, blast effects on shelters, and a variety of packaging material designed to protect food from radioactive fall-out. For these purposes various types of protective clothing were wrapped round some 800 anaesthetized pigs, and the surrounding area was studded at various distances with small concrete shelters, mostly of the dug-in "cupola" type. Nearly 1,000 troops, Civil Defence officials and observers occupied trenches some five miles from the explosion. The *New York Times* stated that the nuclear device was "somewhat larger than the atomic bombs used in World War II."

(ii) The most powerful explosion of the series, and also the most powerful in the United States to date, occurred on July 5 when a nuclear device was exploded from a captive balloon at 1,500 feet. The device was described as "four times as potent as the World War II bombs dropped in Japan." A tremendous flash of light was seen in San Francisco and Los Angeles (respectively 350 and 300 miles away); shock waves were felt at distances of hundreds of miles; and a gigantic orange-red fireball was followed by the biggest atomic cloud ever seen over Nevada, which rose for ten minutes before dispersing. Despite the violence of the explosion, radioactive fall-out was at a minimum and no ill effects were suffered by 2,000 Marines occupying dug-in trenches three miles from "ground zero."

(iii) The first U.S. rocket with an atomic warhead was fired on July 19—an air-to-air weapon (known as the *Genie*) launched from a fighter plane at an imaginary enemy. The U.S. Air Force described the device as "opening a new dimension" in aerial warfare and "the greatest advance since radar," but no details were disclosed except that it had no built-in guiding mechanism. The rocket—launched by remote control and not by the pilot of the plane—exploded at a height of 20,000 to 30,000 feet, causing an explosion of dazzling brilliance and great force.

(iv) In the 15th test on Aug. 31, an atomic device twice as powerful as the bomb dropped on Hiroshima completely vaporized the 700-ft. tower from the top of which it was detonated. A brilliant blue light was visible for hundreds of miles and was clearly seen in San Francisco and Los Angeles, while a mushroom cloud soared to 35,000 feet. Some 8,000 troops—including a Canadian infantry platoon—occupied dug-in trenches five miles from "ground zero"; shortly after the detonation 700 infantrymen in protective clothing were flown by helicopter into the affected area.

Three of America's leading nuclear scientists—Dr. Edward Teller, Dr. Ernest Lawrence and Dr. Mark Mills—informed President Eisenhower on June 24, 1957, that the U.S.A. was able to produce a hydrogen bomb almost free of radioactive fall-out. At a press conference two days later, the President said that the scientists had told him that the point had been reached at which an H-bomb could be made with 96 per cent less fall-out than was generated in the tests held in 1954; within four or five years an absolutely "clean" bomb could be produced which would have no fall-out beyond the heat and blast range of the bomb itself.

In the 23rd biennial report of the U.S. Atomic Energy Commission, issued on Jan. 31, 1958, it was announced that a new series of nuclear tests would be held at Eniwetok atoll in the spring, beginning in April.

The report emphasized that the United States had repeatedly declared its willingness to suspend nuclear tests as part of a general disarmament agreement, but stressed that continued development of nuclear weapons was essential to the defence of America and the free world until such an agreement was attained. It was stated that the Eniwetok tests would "advance the development of weapons for defence against aggression whether airborne, missile-borne, or otherwise mounted"—the first official mention of efforts to neutralize missile weapons. The report also referred to the progress made in reducing radioactivity after nuclear detonations, and stated that the further development of the "clean" bomb would be one of the aims of the Eniwetok tests.

Russian Nuclear Tests.

Following the Soviet announcement of Aug. 26 that an inter-continental ballistic missile had been developed and that a new series of nuclear tests had begun (see 15744 A), the U.S. Atomic Energy Commission issued statements on Sept. 9, Sept. 24, Oct. 9, and Dec. 28 reporting tests of Soviet nuclear and thermo-nuclear weapons. The only Soviet statement during this period was a Tass announcement that a "powerful hydrogen warhead of a new type" had been tested in the Soviet Union on Oct. 6; it was stated that the device had been exploded at a great height and that the test was successful, no further details being given. The Japanese Meteorological Office announced on Oct. 7 that shock waves registered at ten Japanese observatories indicated that the U.S.S.R. had exploded a nuclear weapon which was probably more powerful than ten megatons.

British Nuclear Tests.

Three British atomic devices were tested at the Maralinga proving-grounds in South Australia on Sept. 15, Sept. 25 and Oct. 9. The first two were detonated from the top of a steel tower, while the third—a weapon of exceptional power known as the *Gentleman*—was suspended from a tier of three barrage balloons at a height of 1,000 feet. The tests were observed by over 1,000 scientists and observers from Britain, Australia, Canada, and Allied countries.

The *Gentleman*—described as a tactical weapon of rectangular shape—caused a tremendous explosion felt many miles distant, a great fireball being followed by a mushroom cloud into which Australian airmen flew—only seven minutes after the detonation—to collect samples of atomic dust. The device was described as the most powerful yet detonated in Australia, and as having a force equivalent to more than 10,000 tons of T.N.T. Radioactive fall-out, however, was minimal.

A British nuclear weapon reported as in the megaton range (i.e. equivalent to 1,000,000 tons of T.N.T.) was exploded at high altitude in the area of Christmas Island (Central Pacific) on Nov. 8. The bomb was dropped from a Vickers *Valiant* which was specially treated with white anti-thermal radiation paint (which acts as a heat reflector) and fitted with steel windows to protect the crew from glare. Radioactive fall-out was described as negligible. The test was carried out by a task force under Air Vice-Marshal W. E. Oulton, with Mr. (now Sir) William Cook as scientific director. The British Government had previously warned all shipping against entering an area of 63,000 square miles round Christmas Island, which was declared a danger zone until further notice.

Mr. Nehru's Appeal to America and Russia for Suspension of Tests. - Replies of Marshal Bulganin and President Eisenhower.

In a statement issued on Nov. 28, the Prime Minister of India appealed to the United States and the U.S.S.R. to "stop all nuclear test explosions" and bring about "effective disarmament." Mr. Nehru expressed his conviction that "it is in the power of America and Russia to solve the crisis and save humanity from the ultimate disaster which threatens it."

Mr. Nehru's statement continued: "Our earth has become too small for the new weapons of the atomic age. While man in the pride of his intellect forces his way into space and pierces the heavens, the very existence of the human race is threatened. There are enough weapons of mass destruction already to put an end to life on earth. Today America and Russia possess them in abundance, and Britain also has them. Tomorrow it may be that other countries will possess them . . . No country, no people, however powerful they might be, are safe from destruction if this competition in weapons of mass destruction continues.

"Apart from these dangers ahead, the civilization which thousands of years of human effort have built up is being corroded and undermined by fear and hatred . . . All the peoples of the world have the right to peace and security. They can only preserve these rights by living peacefully together and solving their problems by peaceful methods. They differ in their creeds, beliefs, and ideologies. They cannot convert each other by force or threats of force, for any such attempt will lead to catastrophe for all. The only way is to exist peacefully together in spite of differences, and abandon the policy of hatred and violence. The moral and ethical approaches demand this. But, even more so, practical common sense demands it. I have no doubt that this can be done. I have no doubt that America and Russia have it in their power to put an end to this horror that is enveloping the world . . ."

The text of Mr. Nehru's statement was conveyed to President Eisenhower and Marshal Bulganin on the same

date in the form of letters from the Indian Prime Minister. Marshal Bulganin replied to Mr. Nehru on Dec. 10 and President Eisenhower on Dec. 15.

Marshal Bulganin said that the Soviet Union had considered Mr. Nehru's appeal "with close attention and sympathy" and that Mr. Nehru's "alarm for the destiny of mankind . . . is understandable to us." In the course of a lengthy letter the Soviet Prime Minister recapitulated his Government's views on international problems in general and the disarmament question in particular; reiterated the allegations that the Western Powers were pursuing a policy of "arms race," "cold war," "aggressive blocs" and "colonialism"; and attacked NATO, SEATO, the Baghdad Pact, the "Eisenhower doctrine," and what Marshal Bulganin described as the "Eisenhower-Macmillan doctrine of inter-dependence." A recapitulation of the Soviet disarmament proposals, and a reaffirmation that the U.S.S.R. would not participate in the enlarged U.N. Disarmament Commission for reasons previously stated, were followed by renewed allegations that the Western Powers were seeking "to impose their will on others by force or threat of force." After describing Mr. Nehru's appeal as "an important and serious initiative which could be ignored only by those who are indifferent to the destinies of millions of people," Marshal Bulganin said that his Government were "ready to declare solemnly that the Soviet Union will not stage any explosions of nuclear weapons from Jan. 1, 1958, if the United Kingdom and the United States . . . also express their agreement to cease tests from the same date."

President Eisenhower replied to Mr. Nehru as follows: "I have read with great sympathy your earnest and eloquent appeal of Nov. 28. This is a matter which has concerned me deeply for a very long time. In the days immediately following the end of World War II the United States proposed that the dreadful power of the atomic bomb, which we alone then possessed, be forever denied all nations. We hoped, instead, that the wonders of the nuclear age could be devoted wholly to the uses of peace. This plan was refused and we were left with no choice but to maintain our armed strength . . .

"We have repeatedly stated our readiness, indeed our anxiety, to reduce the possibility of war through arms regulation and control, to stop tests of nuclear weapons, and to devote a part of our huge expenditures for armaments to the great causes of mankind's welfare . . . We earnestly believe that the plan which we joined with the United Kingdom, France and Canada in suggesting at the London disarmament talks offers a meaningful opportunity for removing fear and gaining international trust. It is a source of great personal regret to me that these proposals have not so far been found acceptable by the Soviet Union even as a basis for negotiations.

"In these circumstances, I have been able to reach no other conclusion than that, for the time being, our security must continue to depend to a great degree on our making sure that the quality and quantity of our military weapons are such as to dissuade any other nation from the temptation of aggression. The United States, I can assure you unequivocally, will never use its armed might for any purpose other than defence.

"I know that the testing of nuclear weapons is of understandable concern to many. I have given this matter long and prayerful thought. I am convinced that a cessation of nuclear weapons tests, if it is to alleviate rather than merely to conceal the threat of nuclear war, should be undertaken as part of a meaningful programme to reduce that threat.

"We are prepared to stop nuclear tests immediately in this context. However, I do not believe that we can accept a proposal to stop nuclear experiments as an isolated step, unaccompanied by any assurances that other measures—which would go to the heart of the problem—would follow . . . To stop these tests at this time, in the absence of knowledge that we can go on and achieve effective limitations on nuclear weapons production, as well as a measure of assurance against surprise attack, is a sacrifice which we could not in prudence accept. To do so could increase rather then diminish the threat of aggression and war.

"I believe that bolder and more far-reaching measures are required. Specifically, I believe that any Government which declares its desire to agree not to use nuclear weapons should, if they are sincere, be prepared to agree to bring an end to their production. Agreement to devote all future production of fissionable material to peaceful uses is, as I see it, the most important step that can be taken . . ."

Scientists' Petition to U.N. Secretary-General.

A petition signed by over 9,000 scientists from 44 countries, urging immediate action to stop the testing of nuclear weapons by international agreement, was handed to the U.N. Secretary-General (Dr. Hammarskjöld) on Jan. 13, 1958, by Dr. Linus Pauling of the California Institute of Technology, recipient of the Nobel Prize for Chemistry in 1953. The signatories included 32 Nobel prizewinners in addition to Dr. Pauling.

The petition declared: "Each nuclear bomb test spreads an added burden of radioactive elements over every part of the world. Each added amount of radiation causes damage to the health of human beings all over the world, and causes damage to the pool of human germ-plasm such as to lead to an increase in the number of seriously defective children that will be born in future generations.

"So long as these weapons are in the hands of only three Powers, an agreement for their control is feasible. If testing continues, and the possession of these weapons spreads to additional Governments, the danger of a cataclysmic nuclear war through the reckless action of some irresponsible leader will be greatly increased . . . As scientists we have knowledge of the dangers involved, and therefore a special responsibility to make those dangers known. We deem it imperative that immediate action be taken to effect an international agreement to stop the testing af all nuclear weapons."

The signatories included 2,705 from the United States, 1,141 from Japan, 304 from Great Britain, 216 from the Soviet Union, and 65 from France.

Of the 33 Nobel prizewinners who signed the petition, 11 were American, eight German, four British, two French, two Swedish, two Swiss, one Belgian, one Indian, one Japanese, and one Russian. They included Professors Max Born, Werner Heisenberg, and Otto Hahn (Germany), Bertrand Russell, Lord Boyd-Orr, and Sir Henry Dale (Great Britain), Dr. C. V. Raman (India), Dr. Hideki Yukawa (Japan), Dr. Albert Schweizer and Professor Frédéric Joliot-Curie (France), Dr. Harold Urey, Dr. Otto Loewi, and Dr. G. H. Whipple (U.S.A.), and Dr. Nikolai Semonov (Soviet Union).

Dr. Pauling said that the signatories included 101 members of the National Academy of Sciences in the United States, 216 members of the Academy of Sciences of the U.S.S.R., and 35 Fellows of the Royal Society of London.—(New York Times - New York Herald Tribune - Times - Daily Telegraph - Manchester Guardian - Australian News and Information Bureau - The Statesman, Calcutta - Soviet Embassy Press Department, London) **(Prev. rep. 15744 A; 15540 A.)**

A. PAKISTAN. — Cabinet Changes.

A number of changes in Mr. Firoz Khan Noon's Cabinet was announced in Karachi between the end of December and the beginning of February, as follows:

(1) Mr. M. A. Qizilbash, the Minister of Industry and Commerce, also took over the portfolio of Parliamentary Affairs, hitherto held by the Prime Minister (announced on Dec. 27, 1957).

(2) Mr. H. M. B. Soomro, hitherto Minister of State for Defence, Economic Affairs, Rehabilitation, Information and Broadcasting, Kashmir Affairs, Law, and Parliamentary Affairs, was appointed a Cabinet Minister in charge of Rehabilitation, relinquishing the other portfolios (Jan. 20).

(3) Mr. Abdul Aleem, Minister of Works, Labour, and Minority Affairs, took over the additional portfolio of Information and Broadcasting, whilst Mr. K. K. Dutta [not Datta, as previously spelled], hitherto Minister for Health and Education, became Minister of Education and Law, relinquishing the Health portfolio (Jan. 21). The Information, Broadcasting, and Law portfolios were previously held by the Prime Minister.

(4) Mr. Mahfuzul Huq was sworn in as Minister of Health and also took the portfolio of Village Aid, which was transferred from the Ministry of Economic Affairs (Jan. 24).

(5) Mr. Basanta Kumar Das was sworn in as Minister of Education and Labour, the two portfolios having previously been held by Mr. Dutta and Mr. Aleem respectively, as stated under (3) above.

Of the two new members of the Government, Mr. Mahfuzul Huq sits as an Independent in the National Assembly, whilst Mr. Das is the leader of the Congress Party in the Assembly. The appointment of Mr. Das brought the representation of the Hindu minority in the Cabinet to two members.
(Pakistan High Commissioner's Office, London)
(Prev. rep. 15936 A.)

B. ISRAEL. — New Chief of Staff.

It was announced on Jan. 26 that the Israeli Chief of Staff, Major-General Moshe Dayan, had been released from the post at his own request and would be succeeded by Brigadier Haim Laskov, who would assume the rank of major-general. It was stated that General Dayan would revert to the rank of brigadier in the Israel Defence Forces, but had been granted two years' leave of absence to resume his studies at the Hebrew University of Jerusalem.

Major-General Laskov (37) was born in Russia and came to Palestine with his parents when only five years of age. During the Second World War he enlisted in the British Army, served with the Royal East Kent Regiment, was commissioned in 1942, and commanded a platoon of the newly-formed Jewish Brigade during the Italian campaign in 1944. In the Israeli Army he held the successive posts of Director of Training and Commander of the Air Force, and after a two-year period of study at Oxford University he became Deputy Chief of Staff in 1955. In the Sinai campaign Brigadier Laskov directed the fighting in the northern sector as Commander of the Armoured Corps.

Brigadier Dayan, who directed the Sinai campaign against Egypt in November 1956, had been Chief of Staff since 1953.
(Israel Government Press Office)

A. UNITED STATES. — Government's Four-year Programme for Development of Education. - President Eisenhower's Message. - Office of Education's Report on Soviet Education. - Report of President's Committee on Scientists and Engineers.

A four-year programme for the development of education, and particularly of scientific and technical education, was approved by President Eisenhower on Dec. 30, 1957, for submission to Congress. Its main features were as follows :

(1) About 10,000 university scholarships would be awarded each year for four years on a basis of ability and need, and would be allocated among the States on a population basis. The scholarships would be granted in all subjects, but preference would be given to students with a good grounding in science and mathematics.

(2) 1,000 graduate fellowships would be granted in the first year, and 1,500 in each of the three succeeding years, to encourage able students to enter university teaching.

(3) Direct grants of up to $125,000 would be made to graduate schools to help meet the cost of expanding their teacher-training programme.

(4) Financial assistance would be given for the establishment of training centres for teachers of languages, particularly those of Asia, Africa, and the Middle East.

(5) A joint fund would be set up by the Federal and State Governments to provide higher salaries for science and mathematics teachers in secondary schools.

(6) A grant of $64,500,000 a year would be made to the National Science Foundation towards the cost of programmes for the improvement of scientific research, training, and teaching.

The total cost of the programme over four years was estimated at $1,800,000,000, of which $1,000,000,000 would be provided by the Federal and $800,000,000 by the State Governments. Federal aid would normally be granted to the States' education authorities on a "matching basis"—i.e. the State would be required to make a contribution equal to that of the Federal Government. At a press conference on Dec. 30, Mr. Folsom (Secretary of Health, Education, and Welfare) said that the programme was partly based on reports submitted several months before, although the Soviet Union's successes in the development of satellites and guided missiles had added to its urgency.

Office of Education's Report on Soviet Education.

Two official reports emphasizing that scientific and technical education was more advanced in the Soviet Union than in the U.S.A. had previously been published in November. The first of these was a general survey of Soviet education published by the Federal Office of Education on Nov. 10, which is summarized below.

Since 1927, the report stated, the number of pupils in Soviet primary and secondary schools had increased from 11,500,000 to over 30,000,000 ; the number of students in technical schools from 189,000 to 1,961,000 ; and the number of university students from 169,000 to 1, 867,000. In 1956 1,500,000 pupils had completed their secondary school training, as against 1,300,000 in the U.S.A.

Although the normal course of primary and secondary education in the Soviet Union covered only 10 years, as against 12 in the U.S.A., the report emphasized that the Soviet secondary school pupil was better educated after 10 years than the American high school pupil after 12, and had studied more science than the great majority of U.S. university students. A Soviet child began studying natural science in his fourth year at school, algebra and geometry in the sixth, and trigonometry and an introduction to calculus in the ninth and tenth. After 10 years at school a Soviet pupil had studied mathematics for 10 years, physics and biology for five, chemistry for four, and astronomy for one. In the U.S.A., on the other hand, after 12 years fewer than one-third of the pupils had studied chemistry for a year, one-fourth had studied physics, one-third had studied algebra for more than a year, and one-seventh had studied advanced mathematics.

In the Soviet Union 40 per cent of the total 10-year syllabus for primary and secondary schools had been devoted to science until 1955, when this was increased to 53 per cent. After science the greatest emphasis was laid on foreign languages ; 40 per cent of secondary school pupils studied English, 40 per cent German, and 20 per cent French, Spanish, or Latin, whilst in higher educational institutions 65 per cent of the pupils studied English. In the U.S.A., the number of high school or university students who studied Russian was negligible.

Soviet university students, the report continued, were encouraged to specialize in branches of science and technology by means of subsidies and subsistence grants. 80,000 students took degrees in engineering each year compared with 30,000 in the U.S.A., and 70 per cent of the higher degrees granted by Soviet universities were in scientific and technological fields.

Among the reasons for Soviet progress in education, the report pointed out, was the high prestige enjoyed by the teaching profession. As there was no shortage of teachers, the size of the average class was 17 ; in the U.S.A., however, 8,000 more high school teachers were needed, and the size of the average class was 27. Soviet schools suffered from a serious lack of classroom space, and most of them operated on a shift basis.

Mrs. Eleanor Lowman, the author of the report, alleged on Nov. 20 that many statements in it had been "suppressed" or "distorted" before publication, e.g. that education in the Soviet Union was free at all levels ; that teachers were paid for a three-hour day, which enabled them to earn more for double shifts, laboratory work, and correction of examination papers, that they were obliged to take periodical refresher courses ; and that a Soviet student after five years' higher education was more advanced in mathematics than an American student with the degree of doctor of mathematics, whilst his training in other subjects had been equally thorough. Mrs. Lowman also alleged that most passages describing weaknesses in the Russian system had also been deleted. The Department of Health, Education and welfare stated in reply that in the published version it had only sought "to improve the original report."

Report of President's Committee on Scientists and Engineers.

The report of the President's Committee on Scientists and Engineers, published on Nov. 30, gave warning that there was little doubt of Soviet superiority over the U.S.A. in science in five or 10 years' time. The committee was established in April 1956 to "foster the development of more highly qualified technological manpower," and consists of representatives of educational, scientific, and industrial organizations. Its chairman is Dr. Bevis, President Emeritus of Ohio State University.

In a letter sent to President Eisenhower with the report, Dr. Bevis said that the committee had felt "very real concern," long before the launching of the Soviet satellites, over "the Soviet Union's mounting challenge to our technological leadership." He continued : "Russia has made extraordinary progress. During the 1930's Russia imported American engineers and American machinery for such relatively simple tasks as building dams. Today Russia has more scientists, engineers, and technicians than the United States, and is graduating more than twice as many each year. Competent American observers report that in certain fields Russian scientific work is comparable in quality to that done here. Certainly the manpower and effort devoted to research and to the education of future scientists exceeds our own. The rate of Russian progress in most scientific fields is so rapid that, unless we broaden and strengthen our own efforts, there is little question of Soviet superiority five or ten years from now."

The report stated that "the Soviet Union is concentrating on the production of highly qualified scientists, engineers, and technicians with a singleness of purpose unmatched in any other country in the world. The Russians channel large numbers of students into engineering and scientific institutions. Their training is sound and modern. The favourable status and living conditions enjoyed by technical graduates do much to stimulate their efforts. Russian scientists and technologists are highly competent and productive. They constitute a challenge which we cannot ignore."

Apart from this fact, the report continued, the "scientific revolution" now in progress meant that the U.S.A. would "need many more highly trained and highly skilled scientists and engineers than we have ever before thought necessary." The committee therefore proposed to set up local action groups to encourage co-operation between the schools, civic organizations, industry, and the trade unions for the improvement of educational standards. The principal objectives of this programme would be to improve the quality of science and mathematics teaching, to encourage young people to continue their education, and to persuade a higher proportion of them to choose science or engineering as a career.

The report emphasized that "a real and permanent improvement in the quality of teaching depends on a substantial rise in the social and economic status of teachers. So long as elementary and secondary school teachers are grossly underpaid in comparison to those with similar training and responsibility in other fields, it will be difficult to secure and to retain the quality of teaching staff which our national needs demand. This will be particularly true of those skilled in science or mathematics, for whom there is such a strong competing demand from industry." Among measures proposed for the improvement of science teaching were the provision of part-time posts for teachers in laboratories or industry ; temporary exchanges between industrial scientists and teachers ; provision of better laboratory facilities ; and revision of science and mathematics curricula.

The committee proposed to make information on scientific and engineering careers available to students and parents through the schools, local action groups, and press, radio and television publicity. Drawing attention to the shortage of technicians needed for routine operational or maintenance work, the report suggested that technical schools and similar institutions should give more emphasis to two-year courses for students with scientific aptitudes who did not wish or were unable to undertake a degree course, or whose abilities were practical rather than academic.

President Eisenhower's Education Message.

The four-year Federal programme was implemented in the Education Message which President Eisenhower sent to Congress on Jan. 27, 1958. It re-stated the various provisions mentioned above but put the total cost at $1,000,000,000, of which the Federal Government would provide $1,000,000,000 and the States $600,000,000. For the first year (1958-59) the

programme requested Federal allocations of $144,859,000, to be distributed by the Department of Health, Education and Welfare, and $78,900,000 for grants to be made by the National Science Foundation to institutions of higher education.

The President's message laid emphasis, *inter alia*, on the need for more teachers of science and mathematics; for encouragement of science as a career; and for improving the teaching of foreign languages. In the latter connexion it was stated that "the American people generally are deficient in foreign languages, particularly those of the emerging nations in Asia, Africa, and the Near East." Stress was accordingly laid on the need to improve the teaching of foreign languages, including "languages which are important today but which are not now commonly taught in the United States." (New York Times - New York Herald Tribune - Times)

(Prev. rep. 15859 A.)

A. UNITED KINGDOM. — Rochdale By-election.

Polling took place at Rochdale on Feb. 12 in the by-election caused by the death of Lieutenant-Colonel Wentworth Schofield (Conservative). The Labour Party won the seat from the Conservatives in a three-cornered contest, the result being as follows:

McCann, John (Labour)	22,133
Kennedy, Ludovic (Liberal)	17,603
Parkinson, J. E. (Conservative) ..	9,827
Labour gain from Conservative. Majority	4,530

Figures at the general election were: Lieut-Colonel W. Schofield (C.) 26,518; J. McCann (Lab.) 24,928—Conservative majority, 1,590.

The Labour candidate received 44.7 per cent of the votes, the Liberal candidate 35.5 per cent, and the Conservative candidate 19.8 per cent, whereas at the general election the Conservative candidate received 51.5 per cent and the Labour candidate 48.5 per cent in a straight fight. The Conservative proportion of the poll thus dropped by 31.7 per cent, and the Labour proportion by 3.8 per cent. The Liberals had not contested Rochdale since 1950, when their candidate polled 10,042 votes in a three-cornered contest.

80.19 per cent of the electorate voted in the by-election, compared with 82.81 per cent at the general election. The total electorate numbered 61,809, a decrease of 317 since the general election.

Lieutenant-Colonel Wentworth Schofield (66), who died on Dec. 16, 1957, had represented Rochdale since 1951. An authority on cotton trade administration, he played a leading part in forming the Yarn Spinners' Association, was a member of the general committee of the Federation of Master Cotton Spinners' Associations, and represented the interests of the Lancashire cotton industry at many conferences in Britain and abroad. He served in the Territorial Army for 33 years—with the Manchester Regiment in the 1914-18 War and as a battalion commander in the Royal Tank Regiment from 1939-45. Colonel Schofield promoted a private member's Bill—the Advertisements (Hire Purchase) Bill, enacted in July last—which required hire purchase advertisements to specify all details of their terms.

The Rochdale by-election was the first to be featured on television, several programmes being arranged by Granada Television—an independent T.V. company with its headquarters in Manchester—after the Conservative, Labour and Liberal parties had given their consent.

The three parties agreed to the televising of the by-election—as had been requested by the Granada company—after they had assured themselves (*a*) that it was legally permissible under the provisions of the Television Act, 1954, and the Representation of the People Act, 1949; and (*b*) that the proposed programmes would be accepted as fair by all three parties concerned. The Conservative Central Office took counsel's opinion on the matter before advising Mr. Parkinson that he would be "within the law" in participating in the T.V. programmes.

The Television Act (which governs independent T.V.) gives permission for political subjects and events to be televised providing that strict impartiality and balance are maintained, and that all the parties concerned agree to take part in the programmes. The Representation of the People Act (Section 63) lays down that the costs of the promotion of any candidature shall be shown in the return of electoral expenses. The counsel consulted by the Conservative Party (Mr. Charles Russell, Q.C.) gave it as his opinion that the "proposals put forward by Grenada T.V. are legal under Section 63 of the Representation of the People Act, providing the individual programmes are balanced in accordance with the provisions of the Television Act."

The three candidates accordingly took part in a televised debate at Rochdale Town Hall, and also answered questions which had been submitted to them beforehand; the proceedings were timed by stop-watch, each candidate being allotted exactly the same time for short speeches and for replies to questions. Outside broadcasts were also arranged, including street interviews with voters, the counting of votes, and the declaration of the result.

The result of the Rochdale by-election aroused nation-wide interest in view of the large poll by the Liberal candidate, Mr. Ludovic Kennedy, and the heavy drop in the Conservative vote. Mr. Kennedy (38), a newscaster for Independent Television News, and a well-known playwright and author, was released from his television contract after he had accepted the Liberal nomination. He is married to Miss Moira Shearer, the ballerina and stage and film actress, who helped her husband in the by-election.

The Rochdale result was warmly welcomed by Mr. Jo Grimond, Lady Violet Bonham-Bonham, and other Liberal leaders as evidence of a widespread Liberal revival in the country as a whole, following the large Liberal votes at previous by-elections—e.g. Ipswich (see 15821 E), Gloucester (15756 B), North Dorset (15618 B) and Edinburgh South (15572 A). The Liberal Party Council passed a resolution on Feb. 15 declaring that "the next general election will provide the Liberal Party with its finest opportunity for 30 years," and calling for the largest possible number of Liberal candidates at that election

Mr. Hugh Gaitskell, Leader of the Opposition, described the Rochdale result as "a fine victory for Labour" and "a catastrophe for the Tories," and agreed that "the Liberals have done very well." In the House of Commons on Feb. 13 he asked Mr. Butler whether, "in view of the catastrophe that has overtaken the Conservative Party and the decline in the Conservative vote from over 50 per cent to under 20 per cent," he (Mr. Butler) did not think it "desirable that . . . Parliament should be dissolved immediately?" Mr. Butler replied that "we propose to continue with our normal business for a very long time ahead," adding that Mr. Gaitskell had "little reason for self-satisfaction" in view of the fact that the Labour candidate at Rochdale had been elected on a minority vote.

Mr. Macmillan, who returned to London on Feb. 14 from his six-weeks' Commonwealth tour, described the Rochdale result as "disappointing" but said that he was "not discouraged" and that the Government proposed "to go on and do our job." Lord Hailsham (chairman of the Conservative Party), speaking in Glasgow on Feb. 14, said that the by-election represented "the loss of a small engagement in the course of a campaign for the continued survival and greatness of Britain," adding that "to lose a battle is not the same thing as to lose a war" In the course of a bitter attack on the Liberal Party he asserted that the Conservatives had lost Rochdale because of the intervention of a Liberal candidate.

Rochdale was the third seat to be gained by the Labour Party since the general election in 1955, North Lewisham having been won from the Conservatives (see 15372 C) and Carmarthen from the Liberals (see 15404 B) in February 1957. As at Rochdale, Labour won North Lewisham and Carmarthen on a minority vote in three-cornered contests—an Independent Loyalist standing at Lewisham and a Welsh Nationalist at Carmarthen.

Mr. McCann (47), the new Member for Rochdale, is a diesel engineer by profession and a member of Eccles Borough Council. He unsuccessfully contested Rochdale at the last general election.—(Times - Daily Herald - Daily Telegraph - Manchester Guardian) **(Prev. rep. By-elections, 15903 A.)**

Note. Rochdale was previously a strong Liberal constituency, having been represented by that party from the beginning of the century until 1918, when it was won by a Coalition Unionist candidate in a five-cornered contest. It was won for the first time by Labour in 1922, regained by the Liberals in 1923, and was again represented by Labour in 1924 and 1929 before being won by the Conservatives in 1931. In 1935, 1945 and 1950 it returned a Labour member, but was won by the late Colonel Schofield in 1951 and held for the Conservatives at the last general election. (Times).

B. INDIA. — New Naval Chief of Staff.

It was announced in Delhi on Feb. 3 that Rear-Admiral R. D. Katari, Flag Officer Commanding, Indian Fleet, would succeed Vice-Admiral Sir Stephen Carlill as Chief of Naval Staff towards the end of April, with the rank of vice-admiral. Vice-Admiral Katari will be the first Indian to assume the highest command in the Indian Navy.

It was also announced that Commodore A. Chakravarti, Deputy Chief of Naval Staff, would succeed Rear-Admiral Katari as Flag Officer Commanding, Indian Fleet, in March, with rear-admiral rank, whilst Captain A. K. Chatterjee would succeed Commodore Chakravarti on Feb. 7, with the rank of commodore.—(The Hindu, Madras) **(Prev. rep. 15737 A.)**

C. AUSTRALIA - EGYPT. — Release of Sequestrated Australian Property in Egypt.

It was announced in Cairo on Jan. 29 that the Egyptian Government would release Australian property worth about £A.60,000 which had been seized during the Suez crisis of 1956. An Egyptian spokesman said that the Australian owners would be allowed to enter Egypt to retrieve their assets.

Qantas Empire Airways' Sydney to London service was operated *via* Cairo on Feb. 2, for the first time since Oct. 1956.

(Australian News and Information Bureau)

A. POLAND - SOVIET UNION. — Foreign Ministers' Meeting. - Soviet Support for "Rapacki Plan." - M. Khrushchev's Visit to Poland.

The Polish and Soviet Foreign Ministers (respectively M. Rapacki and M. Gromyko) met in Moscow from Jan. 28 - Feb. 1. It was subsequently announced that the meeting had taken place on Polish initiative and that the conversations had "concerned the Polish proposal, agreed upon with other members of the Warsaw Pact, for the creation in Central Europe of a zone free from production and stockpiling of atomic weapons, covering Poland, Czechoslovakia, the German Democratic Republic, and the German Federal Republic." [i.e. the so-called Rapacki Plan—see page 15979]. Views had also been exchanged on "other current problems of the international situation."

The communiqué said that the Polish Government welcomed the Soviet proposals for a "summit" conference of Heads of Governments, whilst both sides agreed that M. Rapacki's proposal constituted "an attempt to take a real step forward towards an understanding between East and West, the relaxation of tension, and the lessening of the danger of war."

After saying that Poland and the U.S.S.R. regarded as "without foundation the argument put forward by some circles . . . that an alleged shortcoming of the [Rapacki] plan was its lack of clarity on the question of controls," the communiqué went on: "In agreement with other interested Governments, the Polish Government is prepared to participate in the examination and implementation of an effective control system in the proposed zone. Experience gained in the application of such a system in this territorially limited zone could in future be embodied in broader understandings on disarmament. The Soviet Government . . . declares its readiness to participate in the examination and implementation of an effective control system in the above-mentioned zone . . ."

It had previously been announced in Warsaw and Moscow on Jan. 17 that M. Khrushchev, "during a holiday on the Soviet-Polish border," had received an invitation to visit Poland from M. Gomulka and M. Cyrankiewicz, the Polish Prime Minister. M. Khrushchev had accordingly stayed in Poland three days and had had talks with "leading members" of the Polish United Workers' Party and the Polish Government, "in a friendly and cordial atmosphere." Neither the date nor the place of the meeting was announced but it was believed to have taken place from Jan. 9-11 at a Government hunting lodge in the forest of Bialowieza, 160 miles N.E. of Warsaw. The subject of the talks was also not disclosed. (Polish Embassy Press Office, London - Soviet Embassy Press Department, London) **(Prev. rep. Polish-Soviet Talks, 15899 A; Rapacki Plan, 15975 A.)**

B. CANADA. — Dissolution of Parliament.

The Canadian Prime Minister, Mr. Diefenbaker, announced on Feb. 1 that the Federal Parliament would be dissolved with immediate effect, that elections for a new House of Commons would be held on March 31, and that the new Parliament would meet on May 5. Mr. Diefenbaker made the announcement on the adjournment of the House, after he had flown to Quebec to obtain the signature of the Governor-General (Mr. Vincent Massey) for the proclamation dissolving Parliament.

Giving the reasons for this decision, Mr. Diefenbaker told the House of Commons that in recent weeks the position of his minority Government had become "intolerable" and had "made it impossible for us to go ahead with long-term projects to strengthen the resources of the Canadian economy." He recalled that an undertaking had been given by Mr. St. Laurent (the former Liberal leader) that the Liberal Party would not oppose measures brought in by the Conservative Government to fulfil their election promises. Most of this emergency legislation had now been passed, however, and the new Liberal leader, Mr. Lester Pearson, had shown by his statements and attitude that the Government could no longer count on Liberal support. On the other hand, there was no party in the House capable of forming an alternative Government, since none of the parties had an overall majority.

The Speaker did not allow Mr. Lester Pearson and Mr. Stanley Knowles (deputy leader of the C.C.F.) to make a statement after Mr. Diefenbaker's announcement, on the grounds that a debate could not take place after the adjournment of the House and that Parliament had no further existence. Mr. Lester Pearson subsequently protested against the Government's decision, and accused Mr. Diefenbaker of having followed an "incredible procedure."

Party strengths in the House at the dissolution were: 113 Progressive Conservatives; 105 Liberals (including two elected as Independent Liberals); 25 C.C.F. (Labour); 19 Social Credit; and three Independents.—(Department of External Affairs, Ottawa - Montreal Star)
(Prev. rep. 15959 B; 15759 B.)

C. WESTERN GERMANY. — Science Council. - Federal Grants for Technical Training and Science.

The first meeting of the newly-created Science Council took place in Bonn on Feb. 6 under the chairmanship of President Heuss. The Council had been set up under an agreement signed on Sept. 5, 1957, between the Federal Government and the *Länder*, which are in the first instance responsible for science and education.

The agreement provided that the Science Council would work out an overall plan for the promotion of science and thereby co-ordinate the plans of the Federal and *Länder* Governments, indicating priorities and the stages in which the various projects were to be carried out. In addition, the Council would compile annually an "urgency" programme and would make recommendations for the use of funds which the Federal Republic and the *Länder* would make available for this purpose.

The Science Council consists of 39 members, 22 of whom are appointed by the Federal President while the other 17 represent the Federal and *Länder* Governments. Of those appointed by the President, 16 are jointly nominated by certain scientific institutions and the Federal and *Länder* Governments; these members (all of them scientists) were appointed for three years and are eligible for reappointment. The Council will meet either in plenary session or in committees, of which there will be two - (*a*) a Scientific Committee, comprising all the members appointed by the Federal President, and (*b*) an Administrative Committee, comprising all the members representing the Federal and *Länder* Governments. All decisions will be taken by a two-thirds majority of the votes cast.

A second agreement with the *Länder* Governments was concluded on Sept. 5, 1957, whereby the Federal Government undertook to provide a special grant of nearly 22,000,000 DM (£1,833,000) to help the expansion of training facilities at engineering schools during the financial year 1957-58.

The Federal Government made a special grant of 72,000,000 DM (£6,000,000) in the 1957-58 Budget for the promotion of science, and will make another of about 80,000,000 DM in the 1958-59 Budget. - (Frankfurter Allgemeine Zeitung)

D. UNITED KINGDOM. — Trevelyan Scholarships.

In a letter to *The Times* on Dec. 12, 1957, Mr. Benton Jones, of The United Steel Companies Ltd., announced that funds were being made available by a number of industrial companies "to provide a number of awards of a new kind to enable selected boys to attend the Universities of Oxford and Cambridge." Dr. G. M. Trevelyan, O.M., the eminent historian, had expressed interest in the project and had agreed that the awards should be known as Trevelyan Scholarships.

Mr. Benton explained that the scholarships would be open to boys of British nationality receiving full-time education at U.K. schools. Their value would be £150 a year for three years (extended to four years in exceptional circumstances) and would not depend on the parents' income. "In giving these awards," he added, "the donors wish to open up a new avenue of distinction to candidates for Oxford and Cambridge. The present intense competition for university places has greatly increased the emphasis on examination requirements. These may be an effective means of selecting the majority of those with intellectual ability. But some may be denied a university career whose abilities cannot find full expression in the normal curriculum demanded by these requirements, although they possess high personal qualities and high intellectual ability . . . In awarding Trevelyan Scholarships the selectors will look for evidence that the candidate has received a broadly based education at school and has shown high intelligence, originality, enterprise, and vigour."

The first Trevelyan Scholarships, tenable at either Oxford or Cambridge, will be awarded in 1958. It is expected that at least 24 awards will be made in the first year, and that the number may later be raised to 50 a year. The successful candidates will study subjects of their own choosing.—(Times)

E. FRANCE - C.G.T. — Resignation of M. Le Léap.

It was announced in Paris on Nov. 8, 1957, that M. Alain Le Léap, one of the two joint Secretaries-General of the *Confédération Générale du Travail*, had resigned for health reasons. M. Le Léap had held the post since 1948. The other joint Secretary-General is M. Benoît-Frachon. The executive of the C.G.T. subsequently decided in January not to fill the vacancy caused by M. Le Léap's resignation for the time being.—(Le Monde, Paris) **(Prev. rep. 9103 A.)**

F. NETHERLANDS. — Reduction of Bank Rate.

The discount rate of the Netherlands Bank was reduced from 5 to 4½ per cent on Jan. 23. The Bank's action was attributed to an improvement in the foreign exchange position, the "not unfavourable" balance-of-payments position, and growing confidence in the guilder.—(Netherlands News Agency)
(Prev. rep. 15712 C.)

FEBRUARY 15—22, 1958

A. IRAQ - JORDAN. — Merger as Arab Federation. The merger of the Kingdoms of Iraq and Jordan in a Federal union, under the name of the Arab Federation, was proclaimed in Amman on Feb. 14 by King Faisal of Iraq and King Hussein of Jordan. The creation of the Arab Federation came only a fortnight after the merger of Egypt and Syria as the United Arab Republic (see 16005 A).

Discussions on the possibility of an Iraqi-Jordanian federation were initiated by King Hussein after the formation of the United Arab Republic. At King Hussein's invitation, King Faisal arrived in Amman on Feb. 11 with an Iraqi delegation which included the Foreign Minister (Mr. Bashayan), the Finance Minister (Dr. Pachachi), the Minister of Justice (Mr. Khalisi) and the Iraqi Chief of General Staff. The Crown Prince Abdul Ilah (Regent of Iraq during the minority of King Faisal II) and Mr. Tewfik Suweidi (a former Prime Minister of Iraq) also arrived in Amman on Feb. 13 to take part in the conversations.

After two days of discussions, culminating in an all-night session, a proclamation merging the two countries as the Arab Federation was signed by King Faisal and King Hussein at 7.30 a.m. on Feb. 14 and was simultaneously announced in Amman and Baghdad. It contained the following provisions :

(1) The two countries would have one Parliament, one Army, one Ministry of Foreign Affairs, one Ministry of Defence, one Ministry of Justice, and one Diplomatic Service, as well as a unified Customs regime, a unified educational system, and a single legal system. Steps would also be taken to unify the currencies of the two countries and to co-ordinate their economic and financial policy.

(2) King Faisal would be Head of State of the Arab Federation and King Hussein deputy Head of State, each retaining constitutional authority in his own kingdom.

(3) There would be a Federal Legislature, consisting of equal numbers of representatives from the present Iraqi and Jordanian Parliaments, and a Federal Executive Council to be appointed under the Federal Constitution.

(4) Two Regional Councils would be set up, for Iraq and Jordan respectively, which would be responsible for administration in non-Federal matters.

(5) The Federal Constitution would be enacted within three months of the proclamation of the Arab Federation (i.e. within three months from Feb. 14).

(6) The Federal capital would alternate between Baghdad and Amman, the Federal Government meeting for six months of the year in each city.

(7) Any other Arab State could accede to the Arab Federation. In the event of such accession, corresponding changes would be made in the arrangements under (2) relating to the Federation's Head of State.

(8) Any international agreement or alliance signed by Iraq or Jordan before federation would not commit the other country, but all such agreements or alliances signed after federation would be binding on both parties. [This provision meant that Iraq could retain her membership of the Baghdad Pact, to which Jordan is not a party.]

(9) There would be only one flag common to the Federation and to Iraq and Jordan—the Hashemite banner of black, red, white and green. The present Iraqi and Jordanian flags would accordingly disappear.

The Hashemite flag was that flown by the Sherif Hussein, leader of the Arab revolt in the 1914-18 war and great-grandfather of King Faisal and King Hussein. It consists of three horizontal stripes of black, white and green, with a red chevron in the hoist. Both Jordan and Iraq had used this flag, with the addition of two white stars in the case of Iraq and a single white star in that of Jordan. The disappearance of the stars will make the flag identical for both countries.

King Faisal and King Hussein (both 22 years of age) are cousins and, as stated above, great-grandsons of the Hashemite Sherif of Mecca, Hussein ibn-Ali, who led the Arab revolt against the Turks in the First World War. Both Iraq and Jordan (then Transjordan) achieved their independence at the end of that war, when Hashemite dynasties were set up in both countries. Two of the Sherif's sons, Faisal and Abdullah, became the first Kings of Iraq and Transjordan respectively—the first King of Iraq, Faisal I, being the grandfather of the present Sovereign, and King Abdullah of Transjordan being the grandfather of King Hussein.

The proclamation of the Arab Federation laid special emphasis on the part played by the Sherif Hussein in promoting the unity of the Arab peoples. Both King Faisal and King Hussein delivered broadcasts welcoming "this great day in Arab history" and stressing its significance for the entire Arab world. King Hussein referred in his broadcast to the reunion of the Arabs "under the banner carried by our great-grandfather Hussein ibn-Ali the Great." The agreement creating the new Arab Federation was unanimously ratified by the Iraqi Parliament on Feb. 17 and was endorsed by King Hussein of Jordan two days later.

The formation of the Arab Federation was widely regarded in the Western countries as a counter-move to the creation of the United Arab Republic by President Nasser of Egypt and President Kuwatly of Syria. President Nasser nevertheless sent a telegram to King Faisal expressing his "whole-hearted congratulations" and describing the creation of the Arab Federation as a "blessed step" which would be welcomed by all the Arab peoples. Congratulatory messages were sent to King Faisal and King Hussein by President Bayar of Turkey and M. Menderes, the Turkish Prime Minister. In a statement on Feb. 17, M. Menderes said that he had been assured by the Iraqi Ambassador that Iraq had no intention of withdrawing from the Baghdad Pact.

The Arab Federation will have a population of approximately 6,500,000—about 5,000,000 in Iraq and about 1,500,000 in Jordan. Unlike the United Arab Republic, the territories of which are not coterminous, the Arab Federation extends in a solid block from the Persian frontier on the east to the Israeli frontier on the west ; it is bounded on the north by Turkey, on the west and north-west by Israel and the United Arab Republic (Syrian region), and on the south by Saudi Arabia.

Whereas Iraq is one of the wealthiest of the Arab States, the royalties from her oilfields producing more than £80,000,000 a year, Jordan has few economic resources and had previously been dependent on foreign subsidies to the extent of at least £12,000,000 a year. It was commented in Western newspapers that the rapidly expanding Iraqi economy, and the big programme of public works being undertaken in that country (see 14884 A), might provide important opportunities for the resettlement in Iraq of a substantial number of the half-million Palestine Arab refugees in Jordan.—(Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times) **(Prev. rep. United Arab Republic, 16005 A.)**

B. UNITED STATES. — First Civilian Atomic Power Plants in Operation. The first large-scale civilian atomic power plant in the U.S.A.—situated at Shippingport, on the Ohio River 25 miles N.W. of Pittsburgh—started generating electricity for commercial use on Dec. 18, 1957. The plant, which has a designed initial capacity of 60,000 kilowatts, is operated by the Duquesne Light and Power Company for the U.S. Government, its electricity output being bought by the company for use in the Pittsburgh area. The reactor used is of the pressurized water type, using water both as a coolant and a moderator ; the water heated by the reactor core is pumped through heat exchangers, producing steam to drive a turbine.

The cost of the Shippingport plant, including the first loading of atomic fuel, amounted to $72,500,000 (about £26,000,000), of which the U.S. Government paid $50,000,000 ; the cost of the conventional part of the plant ($17,500,000) and $5,000,000 towards the cost of the reactor were borne by the Duquesne Company, whilst the Westinghouse Company waived its profit on the equipment, which would have amounted to about $500,000.

Earlier, on Nov. 14, 1957, a smaller nuclear reactor for the generation of commercial electricity had been inaugurated at Santa Susana (California). The plant had been jointly developed by the Atomic Energy Commission and the Atomics International Division of North American Aviation Inc., at a cost of $16,733,000. Producing 6,500 kilowatts, this plant works on the sodium-graphite arrangement and was the second to be completed of the five different designs which had been planned by the Atomic Energy Commission in its first civilian reactor programme—the boiling water reactor at the Argonne National Laboratory in Chicago being the first, and the Shippingport reactor the third. (New York Times) **(Prev. rep. 14416 A.)**

C. ECUADOR. — Development Ministry. A new Ministry of Development was set up under a decree of President Ponce Enriquez issued on Dec. 30, 1957. The new Ministry was provisionally placed under the control of the Minister of Economy, Señor Federico Intriago Arrata. (Bank of London and South America)

A. INTERNATIONAL BANK. — Loans and Bond Issues, October 1957 to January 1958.

The following loans were announced by the World Bank during the four-month period October 1957-January 1958 :

Belgian Congo. $40,000,000 on Nov. 27 to the Belgian Government to finance a road construction and improvement programme under the Ten-Year Development Plan for the Belgian Congo (1950-60). Nine banks—including the Royal Bank of Canada, the Chase Manhattan Bank, Brown Brothers Harriman and Co , the New York Trust Company, the First National City Bank of New York, the Belgian American Banking Corporation, and the Swiss Credit Bank—participated in the loan to the extent of $5,260,000. Terms : 18 years; 6 per cent interest, including one per cent commission ; repayment to begin February 1961.

This was the second World Bank loan for the development of the Belgian Congo, following one of $70,000,000 in 1951.

Brazil. $13,000,000 on Jan. 22 to the *Usinas Eletricas do Paranapanema S.A.*, in the State of São Paulo, to cover the foreign exchange costs of building an 85,000-kw. electricity project to supply electric power to South-Central Brazil. Terms : 20 years ; 5⅝ per cent interest, including one per cent commission ; repayment to begin March 15, 1962.

The loan, guaranteed by the Brazilian Government, was the tenth World Bank loan to Brazil, bringing total loans to that country to $182,500,000.

Ecuador. $600,000 on Oct. 31 to the Ecuadorean Government for the purchase of spare parts, tools and materials, and eight petroleum tank trucks, to improve the State Railways. The *Bayerische Hypotheken und Wechselbank*, Munich, and the Grace National Bank of New York participated in the loan to the extent of $118,000. Terms : 4 years ; 6 per cent interest, including one per cent commission ; repayment in semi-annual instalments as from May 1959.

This was the fifth World Bank loan to Ecuador, which has received loans amounting to $33,600,000.

India. $32,500,000 on Nov. 20 to the Tata Iron and Steel Company Ltd., to complete its expansion programme aimed at doubling steel-ingot production capacity to 2,000,000 tons a year. Nine U.S. and Canadian Banks—the Bank of America, the Chase Manhattan Bank, the First National City Bank of New York, the Royal Bank of Canada, Chemical Corn Exchange Bank, Manufacturers' Trust Company, the Northern Trust Company, the Philadelphia National Bank, and the National Bank of Washington, D.C.—participated in the loan to the extent of $15,000,000, the largest participation yet taken in a World Bank loan. Terms : 13½ years , 6 per cent interest, including one per cent commission ; repayment in half-yearly instalments, beginning with the *tranche* of the commercial banks, as from October 1960.

This loan—guaranteed by the Indian Government—was the second World Bank loan for Tata's expansion programme, one of $75,000,000 having been made in 1956. It brought total World Bank loans to India up to $356,000,000.

Japan. The equivalent of $8,000,000 on Jan. 29 to the Japan Development Bank (a Government agency providing long-term credit) to help the Kamasaki Steel Corporation to increase its pig-iron production. The First National City Bank of New York, the Manufacturers' Trust Company, and the Grace National Bank of New York participated in the loan to the extent of $734,000. Terms : 14 years ; 5⅝ per cent interest, including one per cent commission ; repayment to begin May 15, 1960.

The loan, guaranteed by the Japanese Government, was the ninth World Bank loan to Japan, bringing total loans to that country to the equivalent of $90,000,000.

Mexico. The equivalent of $11,000,000 on Jan. 14 to the Mexican Light and Power Company (Mexlight)—a privately owned electricity company—for the expansion of its electric power system. Seven private banks—the *Crédit Suisse*, Sofina of Belgium, the Canadian Bank of Commerce, the First National City Bank of New York, the Chemical Corn Exchange Bank, the National Bank of Washington, and the U.S. Trust Company of New York—participated in the loan to the extent of $1,000,000. Terms : 20 years ; 5⅛ per cent interest, including one per cent commission ; repayment as from Sept. 15, 1959.

The loan, guaranteed by the Mexican Government, was the second World Bank loan to Mexlight (one of $26,000,000 having been made in 1950), bringing the total of loans to Mexico to $152,300,000.

Pakistan. $4,200,000 on Dec. 18 to the Pakistan Industrial Credit and Investment Corporation Ltd.—a privately-owned organization established on Oct. 2, 1957, by Pakistani, British, American, and Japanese investors to promote the growth of private industry in the country. Terms : 15 years ; 5½ per cent interest, including one per cent commission.

The loan, guaranteed by the Pakistan Government, was the eighth World Bank loan to that country, bringing total loans to the equivalent of $112,450,000.

Philippines. The equivalent in various currencies of $21,000,000 on Nov. 23 to the National Power Corporation (a Philippine Government agency responsible for hydro-electric power development) for a hydro-electric project in Luzon. The Bank of America National Trust and Savings Association, and the Chase Manhattan Bank, participated in the loan to the extent of $987,000. Terms : 25 years ; 6 per cent interest, including one per cent commission ; repayment as from December 1960.

The loan, guaranteed by the Philippine Government, was the first World Bank loan to that country.

$150,000,000 4¼ per cent World Bank bonds were issued in the U.S.A. on Jan. 6, 1958, through a group of 176 investment firms and banks, headed by The First Boston Corporation and Morgan Stanley & Co. The Bonds, issued at 98½ per cent, will be repayable on Jan. 15, 1979. This was the Bank's largest Bond issue since 1947.—(International Bank, Washington) **(Prev. rep. 15830 A.)**

B. BULGARIA. — Re-election of Yugov Government.

The newly-elected Bulgarian National Assembly opened its first session on Jan. 13, unanimously re-electing M. Yugov as Prime Minister after he had formally tendered his Government's resignation. All the other members of the outgoing Cabinet were unanimously re-elected on Jan. 14, the composition of the Government being as follows :

M. Anton Yugov ..	Prime Minister.
M. Raiko Damyanov, M. Georgi Traikov	First Deputy Premiers.
M. Vulko Chervenkov ..	Deputy Premier, Education and Culture.
General Ivan Mikhailov	Deputy Premier, Transport and Communications.
M. Russi Hristozov ..	Chairman of the State Planning Commission.
M. Kiril Lazarov ..	Finance and State Control.
M. Karlo Lukanov ..	Foreign Affairs.
M. Georgi Tsankov ..	Internal Affairs.
M. Radi Naidenov ..	Justice.
General Peter Panchevsky	Defence.
M. Boris Taskov	Trade.
M. Ivan Prumov ..	Agriculture and Forests.
M. Radenko Vidinsky ..	Construction and Building Materials.
M. Stoyan Tonchev ..	Municipal Economy, Amenities and Highways.
M. Tano Tsolov	Heavy Industry.
M. Kimon Georgiev ..	Electrification and Water Resources.
M. Peter Kolarov ..	Health and Social Services.
M. Atanas Dimitrov ..	Food Industry.
Mme Stanka Tsckova ..	Light Industry.

The National Assembly also adopted a resolution on Jan. 14 endorsing the Supreme Soviet's "peace resolution" of Dec. 21, 1957—see page 15978. (Bulgarian Legation, London) **(Prev. rep. Cabinet, 15696 B ; Elections, 15960 B.)**

C. UNITED KINGDOM. — British Transport Commission. - Traffic Receipts in 1956 and 1957.

Traffic receipts of the British Transport Commission in 1957 totalled £693,013,000, compared with £666,567,000 in 1956, all classes of traffic having shown improved results in 1957 except British Road Services and Docks and Inland Waterways. Details are tabulated below, with 1956 figures for comparison :

	1957 £'000	1956 £'000	Increase (+) or Decrease (−) £'000
British Railways			
Passengers	138,546	126,915	+11,631
Parcels	51,352	47,422	+3,930
Merchandise and Livestock	106,925	104,977	+1,948
Minerals	53,320	51,992	+1,328
Coal and Coke	127,664	126,039	+1,625
	477,807	457,345	+20,462
British Railways Collection and Delivery Services	13,359	12,853	+506
Road Passenger Transport			
Provincial and Scottish buses, coaches, trolley buses, etc.	57,540	56,630	+910
London Transport			
Railways	22,998	22,129	+869
Road Services	59,190	55,590	+3,600
Ships	6,895	6,333	+562
Other Services			
British Road Services, Docks and Inland Waterways ..	55,224	55,687	−463
Total	693,013	666,567	+26,446

Comparisons between 1957 and 1956 were affected by increases in rates and charges authorized from time to time, as well as by the consequences of the restrictions on oil supplies during the Suez emergency and by the provincial bus strike of July 1957.—(Times - Financial Times) **(15735 A ; 14709 D.)**

A. UNITED KINGDOM. — Aircraft Industry. - BOAC and BEA Contracts for British Turbo-Jet Airliners. - Formation of Bristol-Hawker Siddeley and de Havilland-Fairey-Hunting Consortia. - Closer Co-operation between Bristol and Shorts. - Export Orders for Britannias, Comets, and Viscounts. - Abandonment of S.R.-177 Project. - Redundancy in I.O.W. Factories.

Important orders for fleets of turbo-jet airliners were announced in January and February by both major British airlines. The placing by British Overseas Airways of a contract for Vickers *VC-10's* had been decided on in May 1957 (see 15856 A), but the contract envisaged by British European Airways for a fleet of medium-range airliners to meet the outline specification published in August 1957 (see 15856 A) was preceded by lengthy negotiations with two competing groups of aircraft manufacturers. Developments leading up to the signing or negotiation of the contracts are described below.

British Overseas Airways Corporation.

It was announced on Jan. 14 that BOAC had signed a contract with Vickers-Armstrong Ltd. for 35 Vickers *VC-10* turbo-jet swept-wing airliners, for delivery between 1963 and 1965 and for service on BOAC's London-New York non-stop route and Eastern and Commonwealth routes. The value of the contract—described as "by far the largest ever placed for a British civil aircraft—was about £60,000,000; in addition, BOAC acquired an option on a further 20 *VC-10's*, bringing the total value of the contract (including spares) to "at least £100,000,000" if this option were taken up.

It was explained that when BOAC had originally decided in May 1957 to place an order for Vickers *VC-10's* (see 15856 A) it had been intended to employ them exclusively on the African and Eastern routes, but that subsequent development of the airframe and the Rolls-Royce *Conway* engines had made the aircraft suitable for non-stop North Atlantic service.

Details of the *VC-10* were given on the same day by Sir George Edwards and Mr. Basil Smallpeice, managing directors of Vickers-Armstrong and BOAC respectively.

Developed by Vickers-Armstrong as a private venture and without Government assistance, the *VC-10* would be the largest British airliner yet ordered. It would have a maximum speed of about 600 m.p.h., a length of 158 ft. (against the 146½ ft. of the *Boeing 707's* ordered by BOAC in 1957—see 15856 A), a span of 140 ft., and a wing area of 7,800 sq. ft. Its "double-bubble" fuselage would seat 108-152 passengers according to the type of accommodation provided, and would have "substantial" lower-deck space for baggage, mails, and freight—the "all-up" weight for Atlantic flights being 29,000 lb. The four *Conway* turbo-jet engines would be mounted in pairs in the tail of the fuselage (instead of being buried in the wings or carried in "pods" beneath them), it being claimed that this method would improve both airfield performance and cruising economy. As a result, the *VC-10* would be more flexible in use than the *Boeing 707's* and would be able to carry good payloads over long-distance routes with "difficult" airfields. Rear-mounted engines would reduce noise and vibration in the passenger cabin.

British European Airways Corporation.

Mr. Watkinson, the Minister of Transport and Civil Aviation, announced in the House of Commons on Feb. 12 that BEA would open negotiations immediately with a new company, formed jointly by the de Havilland Aircraft Company, Hunting Aircraft Ltd., and Fairey Aviation Ltd. (see below), with a view to the eventual signing of a contract for a fleet of turbo-jet airliners. The new aircraft, to be known as *DH-121*, would meet BEA requirements as previously announced (see 15856 A), and the power plant for the machines would be developed and manufactured by Rolls-Royce Ltd. Mr. Watkinson added that before a definite contract was signed the Government would "wish to be satisfied that the whole project will be developed and manufactured as a private venture by the companies concerned."

The Minister's addendum was considered by the Press to mean that BEA would have to show that the de Havilland consortium would be able to finance the entire development and manufacture of the *DH-121*, including possible initial troubles, out of its own resources and without Government assistance. It was pointed out that the BEA order, if placed, would probably be for about 24-25 airliners, costing, with spares, about £30,000,000, and that the Consortium, in order to cover costs, would have to sell a further 40 to 50 *DH-121's* in overseas markets.

Reorganization of Aircraft Industry in Connexion with BEA Order.

Designs for a turbo-jet airliner to satisfy BEA requirements had been submitted to BEA towards the end of 1957 by four aircraft firms—the Bristol Aeroplane Company, the de Havilland Aircraft Co., Vickers-Armstrong Ltd., and A. V. Roe and Co.—but Vickers-Armstrong had subsequently withdrawn because of its BOAC commitments (see above). Mr. Watkinson had stressed on Dec. 9 that the airliner must be developed by the successful firm as a private venture, adding that the Government believed that in placing the contract BEA should "encourage a policy of merged effort." Lord Mancroft (Minister without portfolio) had also emphasized on Dec. 11 that it was essential that the British aircraft industry should contract, in view of the reduction in military orders, and that it would need to "reorganize itself into a relatively small number of more compact and powerful groups" in order to remain efficient.

The Bristol Aeroplane Company accordingly announced on Jan. 1 that, together with the Hawker-Siddeley Group, it would form a joint company to develop a turbo-jet airliner for BEA. The type to be developed would be the Bristol *T-200*, with "such power plant as may be certified in the contract."

It was announced that the chairman and managing director of the new company would be respectively Sir Frank Spriggs (managing director of the Hawker-Siddeley Group) and Sir Arnold Hall (a director of the Group), and its other directors would be Sir Roy Dobson (Hawker-Siddeley), Sir Reginald Verdon Smith (chairman and managing director of the Bristol Aeroplane Company) and Sir Matthew Slattery (chairman of Bristol Aircraft Ltd., a subsidiary of the BAC—see below). Dr. E. A. Russell, designer of the *Britannia*, would be Chief Engineer. The share capital of the new company would be held as to 65 per cent by Hawker-Siddeley and as to 35 per cent by BAC, and the company would be backed by the "considerable financial resources of the two parent companies, whose assets exceed £200,000,000."

BEA announced on Jan. 3, however, that it would postpone a decision on the type of turbo-jet airliner to be adopted pending further consultations with the Minister of Transport and Civil Aviation. It was stated in the Press that whilst BEA itself preferred the de Havilland design (the *DH-121*), the Government favoured the Bristol-Hawker Siddeley project, mainly because it considered that the size of the group would ensure adequate financial backing.

The de Havilland Company informed BEA on Jan. 3 that it was prepared to build the *DH-121* in co-operation with the Hunting, Fairey, Handley-Page, Saunders-Roe and Bristol companies. On Jan. 13 discussions began at the Ministry of Supply between representatives of the Bristol-Hawker Siddeley Group and the de Havilland Company, whilst on Jan. 17 a meeting took place between Lord Douglas of Kirtleside (chairman of BEA) and senior officials of the Group and de Havillands. Attempts to bring de Havillands into closer financial association with the Bristol-Hawker Siddeley Group proved abortive, however, and on the same day the Group announced that it was negotiating with "a number of overseas customers" interested in the *T-200*, and that a sales team was already on the way to the U.S.A. at the invitation of an American airline to discuss plans for a fleet of these turbo-jets.

Mr. Watkinson announced in the House of Commons on Jan. 27 that final proposals for the development and manufacture of the *DH-121* had been received by the Minister of Supply and himself from the de Havilland Company and its proposed associates, Fairey Aviation Ltd. and Hunting Aircraft Ltd. He added that technical assistance had been offered by Handley-Page Ltd. in view of its special experience with high-speed aircraft and tail design, and that the de Havilland Company would endeavour to pass on to Saunders-Roe Ltd. (see below) any sub-contracting work which the consortium could not undertake itself.

Mr. Watkinson's announcement was followed on Jan. 30 by a statement from the de Havilland Company that, in association with Hunting Aircraft and Fairey Aviation, it had formed a new company—the Aircraft Manufacturing Co. Ltd. ("Airco")—to develop and manufacture the *DH-121*. De Havilland would own 67½ per cent of "Airco's" shares and appoint four members of its board, Hunting Aircraft would own 22½ per cent and nominate two members, and Fairey Aviation would own 10 per cent and appoint one member.

Other recent developments in connexion with the aircraft industry are summarized below.

Closer Collaboration between B.A.C. and Short Brothers. The Bristol Aeroplane Company announced on Oct. 15, 1957 that, in order to bring about closer collaboration between itself and Short Brothers and Harland, Belfast (who were engaged in building *Britannia* aircraft), Rear-Admiral Sir Matthew Slattery, chairman and managing director of Shorts, had been appointed chairman of B.A.C.'s subsidiary, Bristol Aircraft Ltd. Sir Matthew would succeed Mr. C. F. Uwins, who had been appointed a vice-chairman of the parent Bristol Company.

It was explained in the Press that Short Bros. and Harland were building 25 *Britannias* under sub-contract from the Bristol company; that B.A.C. had already acquired 360,000 £1 shares in Shorts (whose capital had been increased at the same time from £2,000,000 to £2,600,000) in July 1954; and that Sir Reginald Verdon Smith, chairman and joint managing director of B.A.C., had joined Shorts'

board. At present 69¼ per cent of Short Bros. and Harland's shares are owned by the Government and 15¼ per cent each by B.A.C. and Harland and Wolff, the Belfast shipbuilders.

Orders for Bristol Britannias. The number of *Britannia* turbo-prop aircraft on order or already delivered was officially given on Jan. 31, 1958, as 78, viz.. *Export Orders*: Four (including three already delivered—see 15959 B) for *El Al* Airlines (Israel); six (order increased from the original three) for Canadian Pacific Airlines (see 15373 A); two each for *Compañia Cubaña de Aviación* and *Aeronaves de Mexico*. *Home Orders:* 33 for BOAC; two for Hunting-Clan Air Transport Ltd.; 20 for R.A.F. Transport Command; and four for the Ministry of Supply.

The Bristol Aeroplane Company had previously announced on Sept. 27, 1957, that the U.S. Northeast Airlines had asked for delivery of its five *Britannia-305's* on order to be postponed until the autumn of 1958. It was explained that completion of the airliners had been delayed because of modifications required by the U.S. Civil Aeronautics Administration to make them suitable for domestic operation, and that they would therefore not be ready before the beginning of 1958. Because of this delay, Northeast Airlines (which had intended them for the New York-Florida winter holiday traffic) had decided to postpone introducing the machines until December 1958.

Manufacture of Bristol Aero-Engines in the U.S.A. The B.A.C. subsidiary, Bristol Aero-Engines Ltd., announced on April 4, 1957, that it had signed an agreement with the Curtiss-Wright Corporation for the manufacture of Bristol gas turbine engines (including *Proteus* and *Orion* turbo-prop engines) in the United States.

Bristol Aero-Engines for U.S. Aircraft. The U.S. Lockheed Aircraft Corporation announced on Oct. 12, 1957, that Bristol *Orpheus* engines installed as a stop-gap measure in the first U.S. jet transport aircraft (the Lockheed *Jetstar*) had proved so satisfactory that these planes would be fitted with two *Orpheus* engines, instead of with four U.S. jet engines as originally intended.

First BOAC London-New York Service by Britannias. The first regular passenger-carrying service across the North Atlantic by a British-built airliner, and the first by a turbo-prop engined type, was inaugurated by BOAC on Dec. 20, 1957, when a *Britannia-310* left London Airport for New York. In spite of strong headwinds (at times reaching 100 m.p.h.) the *Britannia* arrived at Idlewild Airport, New York, in 12 hrs. 25 mins. The return journey New York-London was flown in 8 hrs. 58 mins.—the fastest time ever made on this route by an aircraft in regular passenger service.

Orders for Comets. The number of *Comets* on order in February 1958 was officially given as 25, comprising 19 *Mark IV's* for BOAC (deliveries to begin in mid-1958) and six *Mark IV B's* for BEA (see 15856 A).

It was announced on Jan. 27, 1958 that U.S. Capital Airlines, which early in 1957 had requested that delivery of the *Comets* on order for it should be postponed, had now decided to cancel the order and buy 15 U.S. *Convair* jet airliners instead. The change of plan was attributed in the British Press to Capital Airlines' decision to finance its aircraft requirements in the United States.

World Circuit by Comet III. The prototype of the *Comet Mark III* set up a new record for a commercial aircraft on Dec. 4, 1955. Piloted by Group-Capt. John Cunningham (de Havilland's chief test pilot), it arrived on a proving flight at Sydney (N.S.W.) after flying from Hatfield (Herts.) *via* Cairo, Bombay, Singapore, and Darwin in 24 hrs. 23 mins. net flying time. The previous best time between London and Sydney (44 hrs. 23 mins.), was achieved by a Qantas *Constellation* in June 1953.

After flying from Sydney to Perth *via* Melbourne, the *Comet* established a further record by returning to Sydney (2,055 miles) in 4 hrs. 6 mins.; it then crossed the Pacific *via* Honolulu to Vancouver, the 2,730 miles from Honolulu to Vancouver being crossed in the record time of 5 hrs. 39 min., an average of 483 m.p.h. After flying across Canada, the *Comet* completed her circuit of the world by flying non-stop from Montreal to London (3,350 miles) in 6 hrs. 18 mins., an average speed of 548 m.p.h. The entire world trip of about 30,000 miles was completed in 66 hrs. 43 mins. net flying time, an average of about 450 m.p.h.

New Comet Types. A new type of *Comet III*, powered by four Rolls-Royce *Avon RA* 29 engines—similar to those to be fitted in the *Comet IV* (see 14397 A) ordered by BOAC—made a successful test flight on Feb. 25, 1957. On Oct. 16 the aircraft established a new record by flying from London Airport to Khartoum (3,064 miles) in about 5 hrs. 51 mins., an average speed of 523.41 m.p.h. and on Oct. 24 it flew from London to Johannesburg in the record time for civil aircraft of 13 hrs. 1 min., including a refuelling stop of about an hour at Khartoum. The average speed over the whole route was 507 m.p.h.

The de Havilland company announced on May 21, 1957 that it was developing a larger and more economical version of the *Comet IV-B* for use on short and medium-stage routes. The new aircraft would have 10 per cent more seating capacity than the *Comet IV-A* (i.e. 84 first-class or 99 tourist passengers) and 15 per cent greater economy. The maximum speed would be 520-545 m.p.h. on stages up to 2,000 miles or (flying at a greater altitude) 490-500 m.p.h. on 2,600-mile stages.

It was announced on Nov. 8 that a further version of the *Comet*—the *IV-C*—would be developed to combine the operational economy of the *IV-B* with a payload only just short of that of the inter-continental *Comet IV*. Its cruising speed would be over 500 m.p.h.

Orders for Vickers Viscounts. Export orders for the *Viscount* turbo-prop airliner announced in 1956-57 included: four for Ansett-ANA (see 15801 C); three for New Zealand National Airways; five more for the India Airlines Corporation (making 10 in all), three for Pakistan Airlines, with an option on two more; two for the Egyptian (*Misr*) Airlines, in addition to the three previously ordered—see 13612 B; three for *Lloyd Aero Colombiano* (Colombia); four for *Linee Aeree Italiane* (L.A.I.) in addition to six previously ordered; and an unspecified number for *Transportes Aeros Portugueses*.

Trans-Canada Airlines, which already had 38 *Viscounts* in service or on order, announced on May 2, 1957 that it had exercised its option to acquire 13 more, making 51 in all. The U.S. Capital Airlines, which owns the largest *Viscount* fleet of any airline apart from BEA, announced on May 8, 1957 that it had decided not to take delivery of the further 15 on which it had an option. It was explained that the decision was due solely to a falling-off in profits, coupled with labour uncertainties; the *Viscounts* already in service had proved "completely satisfactory," and their popularity and operational economy had "exceeded expectations."

Vickers-Armstrong Ltd. stated on Oct. 3, 1957 that 374 *Viscounts* were already in service or on order, and that contracts currently under discussion were expected to bring the number to 400 in the near future. The largest fleets already in operation or ordered were those of BEA (67); Capital Airlines (60); Trans-Canada Airlines (51); Continental Airlines (U.S.A.) (15); Trans-Australian Airlines (14); BOAC and *Air France* (12 each); Indian Airlines and *Linee Aeree Italiane* (10 each); and *Lufthansa* and K.L.M (9 each). The total value of *Viscounts* on order was £143,250,000, of which £117,250,000 represented export orders, including £51,500,000 of North American orders. The value of the 235 *Viscounts* already delivered was given as £79,000,000.

New All-Purpose Aircraft. Outline particulars were given on Jan. 18 of the *AW-650*, a turbo-prop pressurized aircraft intended for freighting, tourist coach travel, military transport, or car-ferry service. The *AW-650*, which is being developed as a private venture by Armstrong-Whitworth Aircraft Ltd. (a subsidiary of the Hawker-Siddeley group), will be powered by four Rolls-Royce *Dart* engines and will have a cruising speed of 300 m.p.h. at 25,000 feet, and a range of over 2,000 miles.

Abandonment of Saunders-Roe 177 Project. The Ministry of Supply announced on Dec. 27, 1957, that it had cancelled the project to develop the *S.R.-177* jet-rocket fighter, a supersonic interceptor aircraft developed by Saunders-Roe Ltd.

The R.A.F. had already decided not to adopt the fighter, in accordance with the policy changes announced in the Defence White Paper published in April 1957 (see 15493 A), which envisaged the English Electric *P.1* as "the last fighter aircraft for the R.A.F." However, at the instance of the Minister of Supply (Mr. Aubrey Jones), the project had been continued because of the interest shown by the Royal Navy and the prospect of a large order (worth up to £100,000,000) from the German Federal Government for the *Luftwaffe*. On Dec. 26, however, the German Federal Ministry of Defence definitely rejected the *S.R.-177*.

The Ministry of Supply's statement explained that although the aircraft was "generally recognized to be an excellent and unique design," the number required for the Royal Navy would be so small that the cost of development would be excessively high without the German order.

The Government's decision to abandon the *S.R.-177* project caused widespread dismay in the Isle of Wight, where the Saunders-Roe factories engaged on it are situated, and where the unemployment rate was already much higher than on the mainland. The firm's managing director (Captain E. D. Clarke) proposed to Mr. Aubrey Jones on Dec. 31 that the Government should sanction the building of three *S.R.-177's* for research purposes, while on Jan. 2 a deputation from the island, headed by Sir Peter Macdonald (M.P. for the Isle of Wight), discussed the position with Mr. Aubrey Jones, Mr. Vaughan-Morgan (Minister of State, Board of Trade), and Mr. Robert Carr (Parliamentary Secretary to the Ministry of Labour). As a result, Mr. Jones undertook to consider carefully proposals put forward by Saunders-Roe for the allocation of other aircraft work to the I.O.W. factories, whilst Mr. Vaughan-Morgan promised that the Board of Trade would do its utmost to "interest expanding firms in establishing new projects in the Isle of Wight."

Saunders-Roe announced on Jan. 17 that they had succeeded in obtaining some outside work for their factories; in consequence, redundancy would not be so heavy as feared and might not at present exceed 600. On Jan. 20, however, it was announced that the Ministry of Supply had rejected the proposal that three *S.R.-177's* should be completed for research purposes.

The net assets of the various groups engaged in aircraft production were given by *The Times* on Jan. 8, 1958, as follows: Vickers-Armstrong, £85,173,328; Hawker Siddeley, £71,140,063; English Electric, £55,050,187; Rolls-Royce, £26,400,572; de Havilland, £18,863,177; Bristol Aeroplane Co., £16,656,029; Fairey Aviation Ltd. £6,573,848; Blackburn Aircraft, £4,147,567; Handley Page, £3,837,388. In certain cases—e.g. in that of the de Havilland company—amounts for future tax liabilities had been deducted when these figures were compiled.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Aircraft Industry, 15373 A; BOAC and BEA Reports, 15856 A.)**

A. MIDDLE EAST. — Israeli-Jordanian Dispute on Jerusalem Demilitarized Zones. - Dr. Hammarskjold's Visit to Middle East. - Agreement between Israel and Jordan on Mount Scopus Demilitarized Zone. - Incidents on Israeli-Syrian Border. - Measures against Infiltration in Gaza Strip. - The Kafr Kassim Massacre.

A series of frontier incidents during the autumn of 1957 led to considerable tension between Israel and Jordan, in view of which the U.N. Secretary-General (Dr. Hammarskjold) visited the area in December for discussions with the two Governments. In consequence, an agreement was reached between Israel and Jordan on Jan. 18, 1958, for the implementation of the 1948 agreement on the Mount Scopus demilitarized zone. Details of these and other recent developments in relations between Israel and the Arab States are given below under cross-headings.

Israeli-Jordanian Relations. - The Mount Scopus Dispute.

The Jordanian Government called for an emergency meeting of the U.N. Security Council on Aug. 19, 1957, to consider alleged violations by Israel of the armistice agreement in the Jerusalem area. In its letter to the Security Council, the Jordanian Government stated that Israeli farmers, guarded by an armed force, had begun to plough land and build a road in the demilitarized zone near Government House (the former offices of the Palestine High Commission) on the Mukkaber mountain south-east of Jerusalem; in a separate letter to Dr. Hammarskjold, it accused Colonel Byron V. Leary (acting Chief of Staff of the U.N. Truce Supervision Organization) of failing to take measures to force the Israelis to leave the area. The Israeli Foreign Ministry stated on the same day that Israeli activities in this area were confined to tree-planting around the former offices of the Palestine High Commission.

It was explained in the British and U.S. Press that the Israeli intention was to create a green belt on the terraces of the mountain by planting about 100,000 trees, and that Jordanian objections were materially based on the fact that much of the land was still Arab-owned, though the Arab owners had no access to it.

After hearing statements from both parties, the Security Council requested Colonel Leary on Sept. 6 to submit a report on conditions in this demilitarized zone.

Colonel Leary's report, published on Sept. 26, stated that there were no provisions in the general armistice agreement on the status of the zone, and that the U.N. Truce Supervision Organization did not possess any specific authority with regard to civilian activities in the area. Both Jordanian and Israeli civilians had inhabited the zone, and civilians had freely crossed into the area, ownership of land had not been a criterion for its division; and the records did not show that any agreement had been reached on the creation of a "buffer zone" or on restricting civilians in the area to confine their activities to their own property. On the military side, however, Jordan had continually violated the armistice agreement in this zone; Jordanian troops had been seen there, trenches and military positions had been renovated, and the Jerusalem-Bethlehem-Hebron highway [which passes through the zone] was being used for military traffic. On the other hand, no Israeli military personnel had been observed in the zone.

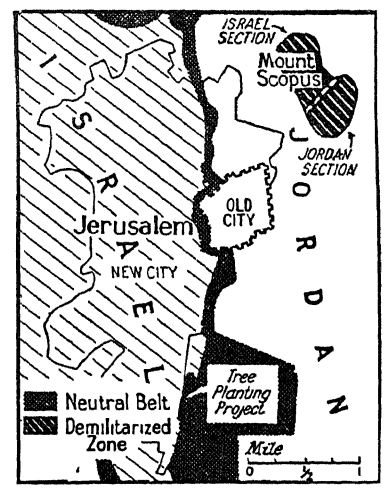
On Nov. 20, 1957, the Jordanian authorities prevented an Israeli convoy from leaving Jerusalem for the Mount Scopus demilitarized zone, which is situated on the north-eastern boundary of the city and forms an Israeli *enclave* in Jordanian territory. Under an agreement concluded on July 7, 1948, the Mount Scopus area—which contains the Hebrew University and the Hadassah Hospital—was divided into sectors to be policed by Israeli and Jordanian forces respectively, and the Israeli garrison was to be relieved and supplied with food and fuel by a fortnightly convoy from Jerusalem. This arrangement was superseded by the 1949 armistice agreement, which called for the appointment of a committee to make arrangements for free access to the "cultural and humanitarian institutions on Mount Scopus"; this clause of the agreement, however, had never been carried out. The convoy stopped on Nov. 20 was carrying, among other supplies, petrol for an electric generator which, the Jordanian authorities alleged, was intended for machines engaged in building fortifications.

Several other incidents occurred on the Israel-Jordan border during the next few days. On Nov. 21 a Jordanian farmer was kidnapped by an Israeli border patrol, and an exchange of fire took place in the Jerusalem area. The Israeli authorities alleged on Nov. 24 that three attempts had been made to carry off Israelis, apparently as a reprisal for the kidnapping of the Jordanian farmer. The Israel-Jordan Mixed Armistice Commission rejected on Nov. 26 the Israeli contention that the farmer had been arrested in Israeli territory, and demanded his immediate release.

An Israeli fighter plane had previously fired on a Jordanian airliner over Jordanian territory near Akaba on Oct. 19, but had been driven off by anti-aircraft fire. In view of the fact that Air Jordan is partly American-owned and is largely operated by American crews, the incident led to a sharp protest to Israel by the U.S. Government.

The Jordanian Foreign Minister (Mr. Samir Rifai) demanded the replacement of Colonel Leary on Nov. 24, and announced that the Jordanian Government would no longer co-operate with him or consider his decisions binding in view of his "biassed" attitude over the Mount Scopus convoy and previous incidents. Dr. Hammarskjold stated on the same day that Colonel Leary continued to enjoy his full confidence, and offered to visit Amman for direct talks on the situation.

This offer was accepted by the Jordanian Government, and Dr. Hammarskjold accordingly flew on Dec. 1 to Amman, where he had talks with Mr. Rifai. On Dec. 3 he proceeded to the Israeli side of Jerusalem for discussions with the Prime Minister, Mr. Ben-Gurion. After flying back to Amman on the following day, and then returning to Jerusalem for further talks, Dr. Hammarskjold succeeded in bringing about an agreement on the question of convoys to Mount Scopus. Both Governments expressed their willingness to give full implementation to the 1948 agreement on a basis of reciprocity; to "accept, on that basis, the inspection of Mount Scopus by the U.N. which is necessary in order to fulfil U.N. responsibilities for checking that such implementation is established and maintained by both parties"; and to discuss the implementation of the agreement with a personal representative appointed by the U.N. Secretary-General. Before returning to New York on Dec. 7, Dr. Hammarskjold visited Damascus and Beirut for discussions with the Syrian and Lebanese Foreign Ministers.



Jerusalem, showing Mount Scopus. (*Economist*)

An Israeli convoy was allowed to leave Jerusalem for Mount Scopus on Dec. 5 with a limited supply of fuel, whilst the kidnapped Jordanian was released by the Israeli authorities on Dec. 11. Dr. Urrutia, a Colombian diplomat, was appointed by Dr. Hammarskjold on Dec. 16 to negotiate on the Mount Scopus question, and began his discussions in Jerusalem on Dec. 31. The talks concluded on Jan. 18, when Dr. Urrutia informed Dr. Hammarskjold that agreement had been reached on the implementation of the 1948 agreement.

Dr. Urrutia reported that Israel and Jordan had given assurances that no new military installations would be erected in the Mount Scopus area, and that all installations erected in violation of the 1948 agreement would be removed or destroyed. U.N. observers would investigate complaints by either party on the spot, and specially designated representatives of the Secretary-General, who would report exclusively to him, would periodically visit both sections of Mount Scopus. The U.N. would assume exclusive responsibility for ensuring that convoy arrangements were in conformity with the 1948 agreement, and for ascertaining the need and ultimate use of items included in the convoy, whilst the Jordanian Government undertook to ensure the protection of convoys when crossing territory under its control. In a letter to Mr. Ben-Gurion published with his report, Dr. Urrutia stated that there would be no restrictions on the transport of food and water, and that fuel requirements would be based on the average of the last three years. Books, scientific and cultural collections, and similar items might be removed from the Hebrew University and the Hadassah Hospital, and the U.N. would make arrangements for their transport to the Israeli sector of Jerusalem.

At Jordan's request, the Security Council resumed its consideration on Jan. 22 of the Jordanian complaint against alleged Israeli violations of the armistice agreement in the demilitarized zone near Government House, in the Jerusalem area.

The Israeli delegate, Mr. Kidron, described Jordan's complaint as "trivial, petty, and more suited to the attention of a rural constable than to the Security Council." After maintaining that no civilian activity had at any time taken place on the Israeli side of the demilitarized zone which could be considered as contrary to the armistice agreement, he pointed out that even the "perfectly legitimate and proper activities" of which Jordan complained had been suspended since the beginning of November.

The Security Council unanimously adopted a resolution—sponsored by Britain and the U.S.A. and accepted by Jordan—which (1) asked the Chief of Staff of the U.N. Truce Super-

vision Organization (General Burns) to "regulate activities within the zone" in accordance with the provisions of the armistice agreement, bearing in mind that "Israelis should not be allowed to use Arab-owned properties and Arabs should not be allowed to use Israeli-owned properties" except by mutual agreement; (2) directed General Burns "to conduct a survey of property records with a view to determining property ownership in the zone"; (3) requested Israel to suspend its tree-planting programme "in order to create an atmosphere conducive to fruitful discussions"; (4) urged Israel and Jordan to endeavour to reach a settlement of the dispute through the Mixed Armistice Commission; (5) called on both countries to prevent their forces from crossing the armistice lines and to "remove or destroy all their military facilities and installations in the zone"; and (6) asked General Burns to report on the implementation of the resolution. The resolution noted that "neither Israel nor Jordan enjoys sovereignty over any part of the zone."

Border Incidents on Israeli-Syrian Frontier.

In connexion with his discussions on the Syrian complaint of Israeli activities in the Lake Huleh area (see 15887 D), the Security Council ordered Colonel Leary on May 28, 1957, to submit, within one month, a report on the situation in the Israeli-Syrian demilitarized zone.

In his report (published on July 8) Colonel Leary stated that since the Israeli military action against Egypt in October 1956 the Israeli authorities had, except on a few occasions, refused to allow U.N. observers to enter the zone, whereas the Syrian authorites had consistently allowed them free access to it. The Israeli Government had also refused to dismantle fortifications which Colonel Leary had ruled to be beyond what was required for the protection of civilian life, on the ground that Syria had not complied with Article 1 of the armistice agreement. [This states that "no aggressive action . . . shall be undertaken, planned, or threatened" and that "the right of each party to its security and freedom from fear of attack . . . shall be respected."] The report suggested that U N. observers should be permanently stationed in the demilitarized zone for purposes of surveillance and more rapid investigation.

A number of incidents occurred on the Israeli-Syrian border during June and July, 1957, notably on July 9, when a civilian was killed and seven policemen wounded on the Israeli side, and two women and two children were wounded on the Syrian side, during a 10-hour exchange of mortar fire north of Lake Huleh. It was subsequently announced on July 16 that the Israeli Government had agreed to the establishment of U.N. observation posts along the Syrian border, which it had hitherto opposed.

The Syrian delegate at the U.N. drew the attention of the United Nations on July 16, 1957, to recent statements by Mr. Ben-Gurion and other Israeli leaders, which, he alleged, constituted a violation of the armistice agreement and Security Council resolutions. The Israeli Government, in reply, lodged a formal complaint with the Truce Supervision Organization on July 22 alleging that Syria had violated Article 1 of the armistice agreement, and citing "the threatening attitude evidenced by Syria's Prime Minister, Sabry el-Assali, in recent public statements." The Truce Supervision Organization, however, refused to investigate the Israeli allegations, on the ground that there was no provision in the armistice agreement for handling complaints referring to general clauses in the agreement.

Following an exchange of fire in the demilitarized zone south-east of Lake Tiberias on Nov. 6, 1957, in which an Israeli policeman was killed, the Israeli-Syrian Mixed Armistice Commission (which Israel had rejoined after boycotting it for the past two years) agreed on Nov. 14 that legitimate work in the demilitarized zones should not be interfered with. A new series of incidents, in which an Israeli civilian was killed, nevertheless occurred in the demilitarized zones between Nov. 24-26. At a meeting of the Mixed Armistice Commission held on Dec. 9 to discuss these incidents, the Syrian delegates refused to co-operate with the chairman of the Commission, Colonel Moe (a Norwegian), whom they accused of "partiality," but continued talks with the Israeli representatives on an informal basis. U.N. headquarters subsequently announced that Colonel Moe would shortly be replaced.

Minor incidents continued to occur in the Syrian-Israeli border area during January and early in February, 1958, in which both sides accused each other of responsibility. There were no casualties.

The Situation in the Gaza Strip.

Following his visit to Cairo in March, 1957, Dr. Hammarskjold announced on April 1 that the Egyptian Government had given him assurances that the authorities were making it clear to the inhabitants of the Gaza Strip that it was Egyptian policy to prevent infiltration across the demarcation line, and that the regulations against infiltration, which included penalties, were being put into force.

Three mine explosions, in which an Israeli was killed and seven others injured, nevertheless occurred in the Gaza border area at the end of May and the beginning of June, whilst five armed Arab infiltrators were killed by UNEF or Israeli patrols between June 14-27, 1957. Major-General Burns (Chief of Staff of UNEF) stated that such incidents were not, in his view, the result of any failure by the Egyptian authorities to co-operate with UNEF; he disclosed that proposals put forward by Dr. Hammarskjold for a security zone on both sides of the demarcation line had been rejected by Israel, which had refused to admit UNEF troops to her side of the border.

A *Times* correspondent reported on Dec. 13, 1957 that the Gaza Strip area was so quiet that "Arabs and Israelis can work freely in the fields right down to the border," and that Israeli troops were no longer patrolling the demarcation line. He attributed this position largely to a regulation of the Egyptian administration forbidding the population of the Gaza Strip to approach within 500 metres of the demarcation line after dark.

In a debate in the British House of Lords, held on Jan. 29, 1958, the Earl of Gosford (Under-Secretary at the Foreign Office) pointed out that the past 11 months had seen far fewer attacks on Israel's borders, and no retaliatory attacks from the Israeli side. "One reason for the quiet on the Egyptian frontier," Lord Gosford added, "is the presence of the U.N. Emergency Force. Judging by the almost complete lack of incidents for several months, the failure to secure its stationing on Israeli territory has not lessened its effectiveness. This picture might easily change if Egypt restarted *Fedayeen* operations. The frontier with Lebanon has been almost wholly quiet, and there has been only one major brush on the Syrian border. Greater restraint has been shown by Arabs and Jews, both of whom seem agreed not to provoke fighting. This seems to be due to increasing respect for the authority of the United Nations."

The Kafr Kassim Massacre.

Deep concern was aroused in Israel, and intense indignation in the Arab countries, by the shooting of a large number of Arab civilians at the Israeli village of Kafr Kassim (near the Jordanian border east of Tel-Aviv) on Oct. 29, 1956, the day on which Israel started military operations against Egypt. A curfew had been imposed on the Arab inhabitants of border villages at the time, but a crowd of men, women and children who had not heard of the curfew regulation were machine-gunned by a patrol of the border police while returning after curfew hours to Kafr Kassim from their work in the fields, 49 persons being killed and 14 wounded.

The first official statement on the massacre was made by Mr. Ben-Gurion in the *Knesset* on Dec. 12, 1956. Speaking of "the terrible tragedy which has happened in our midst," the Prime Minister stated that he had immediately appointed a committee of inquiry; that, in accordance with the committee's recommendations, the commander of the patrol and a number of his men would be brought to trial; that preliminary compensation of £200 had been paid to each family affected; and that additional sums of up to £1,000 had been paid for the loss of the family breadwinner. [Compensation was subsequently agreed on the basis of £1,000 for each head of family and £70 for each dependant.] A joint protest was lodged with Dr. Hammarskjöld on Dec. 14, 1956, by the representatives of 11 Arab countries (Egypt, Iraq, Saudi Arabia, Yemen, Jordan, Syria, Lebanon, Tunisia, Libya, Morocco, and the Sudan), who accused the Israeli Government of the crime of genocide.

On the conclusion of the negotiations over compensation—involving a total of about £100,000, including hospital expenses borne by the Government—a *sulha* (the traditional Arab feast of reconciliation marking the end of a blood feud) was held at Kafr Kassim on Nov. 20, 1957, at which the Israeli Government was represented by the Minister of Police and by senior Army and police officers.—(U.N. Information Centre, London - Times - Daily Telegraph - Manchester Guardian - New York Times - Israel Government Press Office, Jerusalem)

(Prev. rep. 15441 A.)

A. INDONESIA. — Parliamentary Approval for Soviet Economic Aid.

The Indonesian Parliament passed legislation on Feb. 5 approving the Soviet loan of over $100,000,000 for the supply of capital and consumer goods, machinery, and heavy industrial equipment, which formed part of the technical and economic co-operation agreement signed by Indonesia and the Soviet Union on Sept. 15, 1956. The goods to be bought from the Soviet Union will also include ships. The voting on the Bill was 95 to 18; the *Masjumi* and Socialist parties opposed the Bill, while the Catholic, Protestant, and a number of other small parties abstained.—(Indonesian Embassy, London)

(Prev. rep. 15246 A.)

A. BAGHDAD PACT. — Ministerial Meeting in Ankara. - Mr. Dulles's Participation as Observer. - American Support for Baghdad Pact.

The Council of Ministers of the Baghdad Pact held its fourth session in Ankara from Jan. 27-30 under the chairmanship of Mr. Adnan Menderes, the Turkish Prime Minister. The principal delegates of the member-countries were—Dr. Eghbal, the Persian Prime Minister; General Nuri es-Said, the former Iraqi Prime Minister; Mr. Firoz Khan Noon, Prime Minister of Pakistan; Mr. Adnan Menderes, the Turkish Prime Minister; and Mr. Selwyn Lloyd, the British Foreign Secretary. The United States was represented by Mr. Dulles, the Secretary of State, who attended the Council meeting as an "observer."

The meeting of the Baghdad Pact Council had been preceded by consultations between the four Moslem members of the Pact, held in Ankara on Dec. 10-11, 1957. At these talks Turkey was represented by Mr. Adnan Menderes and Mr. Zorlu (Foreign Minister); Persia by Mr. Ardalan (Foreign Minister); Iraq by Mr. Defteri (acting Foreign Minister); and Pakistan by Mr. M. S. Baig (General Secretary at the Foreign Ministry).

An official statement said that the aim of the Ankara meeting had been "to ascertain, on the eve of the Atlantic Council meeting (see 15965 A), the ideas of the Moslem members of the Pact regarding Middle East problems and, in particular, about subversive Communist activities." It was added (1) that agreement had been reached on "problems of mutual interest"; (2) that it had been noted "that one of the main sources of unrest in the Middle East was the Palestine problem, which has not so far been settled in accordance with the decisions of the U.N. and with justice and equity"; and (3) that M. Menderes had undertaken to bring the views of the countries concerned to the attention of the North Atlantic Council.

Immediately before the meeting of the Baghdad Pact Council Mr. Menderes flew on Jan. 24 to Baghdad, where he was reported to have had long discussions with Crown Prince Abdul Ilah and Mr. Mirjan, the Iraqi Prime Minister. No official statement was issued, but Mr. Menderes said on his return to Ankara that he had discussed with the Iraqi Government "the precautions which have to be taken to ensure the protection of the Arab and Moslem worlds from subversive activities," adding that by "subversive activities" he meant Communism. He said that "complete agreement" had been reached in the discussions.

At the opening session of the Ministerial Council statements were made by all the leading delegates, as summarized below:

Mr. Menderes said that the meeting was taking place at a time when the danger of attack was increasing, and when the Middle East was facing subversive activities on a much greater scale than ever before. The potential attacker was "on the one hand declaring that he had invented new weapons, in order to subject peace-loving nations to moral threats and pressure, and on the other, was sparing no effort to create conflicts between those nations." "With this objective in view," Mr. Menderes went on, "even the slightest differences between the free nations are being exploited, and the ghosts of long-forgotten hatreds are being brought forth from the grave. The aim is to use all these things to cover the desire for aggression and domination, which is assuming new disguises.

"As in the case of other defensive associations of free nations, the duty of the Baghdad Pact nations is speedily to reinforce their political and military solidarity in the face of increasing danger, and also to strengthen the system of mutual economic aid which is the basis of that solidarity. I believe that our efforts in that direction will be facilitated by the fact that the Baghdad Pact has now become a strong alliance . . ."

General Nuri es-Said emphasized that the Baghdad Pact was "not a security arrangement imposed on us" but had "originated from within this area," adding that "our actions have proved beyond doubt that the Baghdad Pact is peaceful and purely defensive in character." Turning to issues of foreign policy which complicated the work of the member-countries, he referred to the Palestine problem; expressed regret at the "aimless and horrible massacres in Algeria"; and stressed that only the observance of U.N. principles could bring a proper solution of the Algerian and Kashmir problems. On the Cyprus issue, Nuri es-Said declared: "To remove any misunderstandings that may have arisen in certain quarters, we want to make it absolutely clear that Turkey has Iraq's unqualified support on the Cyprus question. Any settlement of this question should be based on the historical bonds between Turkey and Cyprus and should take into full consideration the vital requirements of Turkey's security."

Dr. Eghbal particularly stressed the importance of economic development as a basis for strengthening the Pact. In this connexion he announced that the Persian Government were ready to provide 10,000,000 rials (about £47,600) for technical assistance to Pact members.

Mr. Firoz Khan Noon also underlined the need for economic development under the aegis of the Pact; hoped that the challenge thrown down by the Communist world in offering economic aid to under-developed countries would be met; and referred in this connexion to the "crucial role" of the U.S.A. and Britain in the economic activities sponsored by the Pact. He also spoke of the urgent necessity of equipping member-countries with "weapons similar to those which they may have to encounter should peace in this area be unfortunately disturbed."

Dealing with the political situation in general, the Pakistani Prime Minister declared: "Of all the threats to which the Baghdad Pact area is subjected, the most invidious is from the so-called neutralist countries. The part which they are playing in supporting subversion and in providing pseudo-moral bases for it constitutes a serious threat. It is time this danger was recognized and active steps taken to meet it. The peoples of the Baghdad Pact countries are quite bewildered when they find that some of the so-called neutralists are recipients of large-scale aid, not only from Communist countries, but also from Western countries whose policies they are constantly attacking. Unless differentiation can be made between friends and neutralists, the distinction between friends and foes is in great danger of being blurred . . . In certain quarters neutrality is regarded as meaning hostility to one State and friendship with the other, irrespective of precepts or practice. NATO, the Baghdad Pact, and SEATO are dubbed as 'aggressive military alliances,' but not a word is said about the Warsaw Pact and the massive armaments of which it disposes. Building Communist bases in the Middle East is described as a contribution to world peace, whereas minute supplies of purely defensive weapons under strict guarantees by the U.S.A. and the U.K. is a 'threat to the peace of the area.'"

On the Cyprus question, Mr. Firoz Khan Noon recalled that Pakistan had given full support to Turkey at the United Nations, adding that "Turkey's case has got our full approval."

Mr. Selwyn Lloyd spoke of "the basis of complete equality" on which all member-countries co-operated, denied that the Pact was intended to divide the Arab world; and, referring to Soviet attacks on the Pact, declared: "We should take it as a compliment to the efficiency of the Pact that the Soviet Union should think it worth while to attack it so vigorously." The Foreign Secretary expressed himself in favour of a "summit" meeting between the Western Powers and the Soviet Union, provided it was carefully prepared; he added that "our constant aim must always be to reduce East-West tension and to seek agreement with the Soviet Union wherever and whenever this can be achieved, without surrender of our vital interests."

Referring to the financing of the alliance, Mr. Lloyd recalled that Britain had offered £1,000,000 for economic projects at the previous Council meeting. While he could not undertake any future commitments at the present stage, he gave an assurance that Britain, "within the limits imposed by her own economic situation and other commitments," was "determined to promote continued progress in the Economic Committee's work."

Mr. Dulles declared that the U.S.A. "stands firmly behind the resolve of all Middle East nations to remain free and to reinforce peace." He expressed "whole-hearted support" for the Baghdad Pact, stressing that it threatened no-one, obstructed "no legitimate and constructive national aspirations of any people or group of people," and had as its only purpose "co-operation for self-defence." After recalling the Congressional Resolution of 1957 which referred to "the maintenance of the national independence" of the Middle East countries [i.e. the Eisenhower resolution], Mr. Dulles went on: "Reliable independence rests on two pillars—the pillar of defensive security and the pillar of economic health . . . Congress has authorized the President to use armed forces to assist any nation or group of nations in the Middle East—and the Baghdad Pact constitutes such a group—requesting assistance against armed aggression controlled by international Communism . . . The Baghdad Pact countries can be confident that mobile power of great force would, as needed, be brought to bear against any Communist aggressor . . . Also, it is vital that there be forces of national defence. Such forces—with the reinforcement, where needed, of mobile power—can save the people from the scourge of invasion if deterrence fails . . . The United States has contributed and will continue to contribute to this aspect of defence. One of the merits of collective self-defence is that it reduces the requirements for individual self-defence."

As regards "economic health," Mr. Dulles stressed that while "some economic sacrifices are needed for military security, we dare not give so absolute a priority to military requirements that economic health collapses. Indeed, a sound and developing economy is the indispensable foundation for sustained military effort." He promised continued U.S. support for the economic programmes of member-countries.

On the following day Mr. Dulles made another important statement on the U.S. attitude towards the Pact.

"The U.S. delegation," he said, "has made clear that the United States participates wholeheartedly in the commitment of the Baghdad Pact to co-operate for security and defence. Under our constitutional processes, the Government acts in these matters either by treaty process or pursuant to a Congressional resolution. In this case we act pursuant to a Congressional resolution. Our commitments coincide with the treaty commitments and we are backing them up by co-operative effort in the political, economic and military fields."

It was pointed out in the U.S. and British Press that this statement—apparently made in reply to suggestions by the Moslem member-countries that the U.S.A. should become a

full member of the Pact—went beyond Mr. Dulles's declaration at the opening meeting, since it implied that the Congressional Resolution endorsing the "Eisenhower doctrine" had as much effectiveness in terms of military support as formal U.S. membership of the Baghdad Pact.

Mr. Selwyn Lloyd, in his closing speech, stressed that British trade with the regional members of the Pact amounted to nearly £200,000,000 in 1957, without counting trade in petroleum products. "Our opponents," he said, "blow their own trumpet We are too modest. The Russians profess to offer economic aid when, in fact, what they are offering is generally not aid but trade—and usually not on very good terms. If we went in for the same sort of presentation we could claim that all this trade is economic aid, but we make no such claim."

The following communiqué (cross-headings inserted) was issued at the end of the Council's meeting on Jan. 30 :

General Principles.

"The Council . . . reviewed the work of the Baghdad Pact Organization, and adopted the reports and recommendations of (1) the Economic Committee; (2) the Liaison Committee; (3) the Counter-Subversion Committee; and (4) the Military Committee.

"The Council recalled that the Baghdad Pact arose from the desire of the peoples of the area for security from Communist imperialism or Communist-inspired domination in any shape or form. It noted with satisfaction that in spite of attacks on the Pact and its members, the Pact had developed into a strong and cohesive organization representing the best hope for the safeguarding of peace, liberty and independence in the area.

"The purpose of the Pact, a free alliance between equal partners, is the defence and security of the area. This is as vital to world peace as it is to constructive co-operation for the benefit of the 120,000,000 people of the Pact region, who are predominantly Moslems.

"The Council recognized that attempts at subversion in the area must be defeated and peaceful conditions maintained.

"The Council reaffirmed that the economic progress of the Pact area, and the promotion of the social well-being of its peoples, require speedy implementation of its programme of economic development.

The International Situation. - Communist Infiltration in Middle East.

"The Council reviewed the international situation in a series of meetings. A number of these meetings were of a private nature, in which heads of delegations were able to exchange views and information with that frankness which befits the equal and intimate association of member-countries within the Pact . . .

"The Council recognized the need for constant exposure of the familiar Communist technique—that of subversive penetration, falsely presented as friendly co-existence and help for under-developed countries. While the free world has taken bold and important steps in the liberation and granting of independence to many nations in recent years, and while it is striving to settle the problems of the area in a spirit of justice and equality, the Council noted with regret that, in pursuit of its aims, the international Communist movement attempts to exploit nationalism, fear of war, economic distress, the plight of Arab refugees, colonialism, and Afro-Asian sentiment through propaganda and Communist-controlled and influenced organizations. Communist efforts to penetrate the region by means of indirect aggression, such as infiltration and subversion, continue to be a menace and call for constant vigilance and increased solidarity.

"The Council further noted that since its meeting in Karachi in June, 1957, Communist imperialism has increased its efforts to dominate the Middle East. These efforts, in the form of pressure, threats, and false accusations, were particularly directed by the Soviet Union against Turkey, whose calm and courageous stand evoked the admiration of her associates in the Council . . .

"The Council . . . devoted considerable time to discussion of the situation in the Mediterranean region, the Middle East, and South Asia, and emphasized that situations which imperil the security of the Pact area should be resolved in accordance with the principles of justice and the U.N. Charter.

"The Council was of the opinion that the indiscriminate use of the veto in the Security Council should be given up as an instrument of cold war, so that the United Nations can function as an effective force for the settlement of disputes.

"The Council believed that the concept of the U.N. Emergency Force as an instrument of the United Nations, and its use in areas of disturbance, should be recommended for acceptance to U.N. members.

Economic, Technical and Scientific Co-operation. - Increased U.S. Grant for Telecommunications Network.

"The Council reviewed the work of the Economic Committee and approved recommendations in the fields of health, agriculture, communications, public works, trade, and the financing of joint projects.

"It noted with satisfaction that a firm basis of economic co-operation had been established on which the pact could continue to build, and that . . . there is now a promising programme of technical assistance which is developing on a co-operative basis. This will be of great benefit to living standards in the region.

"Technical assistance already provided or planned covers the following fields—health, agriculture, pest control, animal health, and animal production. In the field of technical assistance the Persian Government have allocated 10,000,000 rials [see above] and the Turkish Government £T.750,000 over a period of five years. These are in addition to the offers made at Karachi—namely, £1,000,000 over five years by the United Kingdom and 500,000 rupees by Pakistan.

"The Council noted that progress has been made in the implementation of approved joint projects. It approved a resolution of the Economic Committee for further implementation of those projects. This resolution recommends that the donor Governments, members of the Baghdad Pact Economic Committee, give early and favourable consideration to providing assistance for such projects, and that member-countries of the region continue their present efforts to implement them.

"The Council recognized the need for specification on approved projects, and was pleased to note that the survey for the telecommunications network linking the capitals of the area members was already under way. It received with appreciation the announcement by the United States that it expected to provide an additional $10,000,000, thus ensuring that most of the funds needed for the construction of this network will be available. [Mr. Dulles had announced on Jan. 24 that the U.S.A. would make a grant of $10,000,000 for telecommunication links between the Baghdad Pact capitals, in addition to the $8,000,000 already provided for surveys now being carried out.]

"The U.S.A. referred also to the possibility of obtaining additional financing for joint projects from the World Bank, the Export-Import Bank, and the recently established development loan fund.

"The Council noted that co-operation among members of the Economic Committee and the sub-committees, and in the Nuclear Centre and its Scientific Council, is already making a contribution to raising the standards of technical and scientific knowledge in the Pact countries. It decided that their deputies should examine the possibilities of extending the present programme into wider fields.

Military Co-operation. - Combined Military Planning Staff.

"The Council noted that the Combined Military Planning Organization had been set up in Baghdad last autumn. This gave considerable impetus to defensive military planning, increased the effectiveness of the defence efforts of the signatory States, and marked a significant step forward in the determination of member-nations to uphold their sovereignty. The Council approved the designation of the permanent planning organization as the Combined Military Planning Staff. Among the duties of the Combined Military Planning Staff are the planning and co-ordinating of combined staff training exercises. The Council also accepted a recommendation of the Military Committee to hold combined staff training exercises in the near future.

"The Council accepted the Military Committee's recommendation to appoint Lieut.-General Ekrem Akallu, of the Turkish Army, as Director of the Combined Military Planning Staff for the year 1958. He will be assisted by Major-General Daniels Campbell of the U.S. Forces, who has been deputy director of the Combined Military Planning Staff since September 1957. The Council commended the work in 1957 of the first director, Major-General Habibullah Khan, of the Pakistan Army.

Next Meeting of Baghdad Pact Council.

"The Council decided to hold its next meeting at Ministerial level in London in July, 1958. Meanwhile the Council will continue to meet regularly at the deputy level."

Other recent developments in connexion with the Baghdad Pact are summarized below :

Meeting of Economic Committee. The Economic Committee of the Baghdad Pact met in Ankara from Jan. 17-21, shortly before the Ministerial meeting. A communiqué was issued urging concentration on three major objectives : (1) improved transportation and communications between the Middle East members of the Pact; (2) encouragement of free movement of persons and goods among those countries; and (3) a study of the possibility of creating a free trade area in the Pact region. Stress was also laid on the need for exchanges of views on the development plans of member-countries, and for reinforcement of national aid services in connexion with flood and earthquake disasters.

Meeting of Counter-Subversion Committee. This Committee met in Ankara from Jan. 21-25 to review the measures taken in combating Communist and other subversive activities during the past two years. It expressed satisfaction with the results already achieved; stated that its efforts would be continued and expanded "with determination and vigour" in face of the continued threat of subversive activities; and decided to co-ordinate measures against Communist subversion by exchanges of information among member-countries.

Joint Measures for Prevention of Smuggling. The Moslem member-countries signed a convention on Jan. 20 aimed at preventing smuggling in the Pact area. It provided for greater liaison between the Customs authorities of Turkey, Iraq, Persia, and Pakistan, the correlation of hours and functions of Customs offices on common frontiers, and exchanges of lists of goods subject to contraband.

Air Co-operation between Moslem Members. The Chiefs of the Air Forces of Pakistan, Persia, Turkey, and Iraq issued a joint statement in Karachi on Feb. 12 stating that the four countries would pool their knowledge to strengthen the defensive ability of their air forces.

During the Ministerial Council's meeting in Baghdad, Mr. Selwyn Lloyd and Sir Hugh Foot (the Governor of Cyprus) had discussions on the Cyprus question from Jan. 28-30 with Mr. Menderes and the Turkish Foreign Minister, Mr. Zorlu. The talks were held in closed session and no statement was issued, but it was understood that they were of an exploratory nature and that the Turkish statesmen had recapitulated their Government's views on the Cyprus problem.—(Times - Daily Telegraph - Manchester Guardian - New York Times - Turkish Embassy Press Office, London - Pakistan High Commissioner's Office, London) **(Prev. rep. Baghdad Pact, 15617 A.)**

A. UNITED KINGDOM. — Issue of 5½ per cent Exchequer Stock and Funding Stock. - Premium Bond Sales in 1956-57.

The Treasury announced on Jan. 9 the issue for cash of £500,000,000 5½ per cent Exchequer Stock, 1966, at 99½ per cent. It was stated on Jan. 14 that the issue had been oversubscribed; applications for Stock up to and including £5,000,000 had been allotted in full, and those for larger amounts as to about 74 per cent of the amounts applied for. Though no details were officially published it was stated in the Press that a substantial amount of the new Stock had been applied for by the banks.

The issue of £300,000,000 5½ per cent Funding Stock, 1982-84, at a price of 98½ per cent, was announced on Feb. 11. The new Stock, for which subscription lists opened on Feb. 14, will be free of U.K. tax for non-resident investors and can be bought with security sterling It was announced late on Feb. 14 that applications for amounts up to and including £1,000,000 had been allotted in full, and that those for larger amounts had received about 82 per cent of the amount applied for.

On Nov. 1, 1957, it had been announced by the chairman of the National Savings Committee (Lord Mackintosh of Halifax) that £114,000,000 worth of Premium Bonds had been sold in the first year since their introduction, and that only £2,500,000 had been withdrawn.—(Financial Times)

(Prev. rep. 15558 B ; 15362 A.)

B. SOVIET UNION. — Attack on Baghdad Pact.

A lengthy statement strongly attacking the Baghdad Pact was issued by the Tass Agency on Jan. 22, a few days before the Council of Ministers of the Baghdad Pact met in Ankara for its fourth session (see 16023 A).

After saying that the Baghdad Pact Council was meeting "at a time when the idea of peaceful co-existence is gaining an increasing hold on the minds of men and women," the statement went on to describe the Pact as "a military organization pursuing aggressive and expansionist aims." It accused the United States and Britain—who were described as the "inspirers" of the Pact—of "seeking to divide the countries of the Arab East," adding that the "colonialist designs of the bosses of the Baghdad Pact" had given rise to "understandable alarm even in some Baghdad Pact countries." America, Britain, and Turkey were further accused of "persistently striving to expand the Baghdad Pact by drawing new members into it, above all Lebanon and Jordan," and of exerting pressure on the other members of the Pact "to take the slippery and precarious path of participating in preparations for an atomic war"

The Tass statement went on to allege that the United States was striving to establish nuclear and rocket bases in the Pact area and "near the Moslem Holy Places," commenting that there was "little in common between the interests of the Moslem world and the Pentagon's strategic plans." After criticisms of the NATO and SEATO organizations, and a denunciation of Turkish policy, the statement commended the resolutions of the recent "Afro-Asian Solidarity Conference" in Cairo (see 16000 A) as having "demonstrated the growing unity of the peoples of the East in the struggle against colonialism."

In conclusion, the Tass statement said that the Middle East should become "a zone of peace free from nuclear and rocket weapons."—(Soviet Embassy Press Department, London)

C. FRANCE.—Socialist Party expels M. André Philip.

M. André Philip, a former deputy for the Rhône department and onetime Minister of Finance, was expelled from the French Socialist Party on Jan. 25 for persistent indiscipline. An opponent of the Anglo-French intervention in Egypt during the Suez crisis, he had also expressed strong opposition to the "Lacoste policy" in Algeria and had accused the party leader (M. Guy Mollet) of "dictatorial" tendencies and of "stifling" freedom of discussion within the party. His prolonged controversy with M. Mollet culminated in the publication of a book, *Le Socialisme trahi*, in which M. Philip attacked what he described as the "degradation" of the French Socialist Party.—(Le Monde, Paris) **(Prev. rep. 14307 E ; 14052 D.)**

D. HUNGARY. — M. Kadar resigns Premiership. - Dr. Muennich appointed Prime Minister. - Death of M. Imre Horvath. - New Foreign Minister.

In a statement on Jan. 27 to the Hungarian National Assembly, M. Janos Kadar announced his resignation from the Premiership in order to concentrate on his duties as First Secretary of the Hungarian Revolutionary Socialist Party. The National Assembly accepted M. Kadar's resignation and unanimously agreed to the following governmental changes proposed by M. Kadar: (1) the appointment of Dr. Ferenc Muennich (hitherto First Deputy Premier) as Prime Minister *vice* M. Kadar; (2) M. Antal Apro (hitherto a Deputy Premier) as First Deputy Premier *vice* Dr. Muennich; (3) Mme. Valeria Benke (head of the Hungarian State Radio) as Minister of Culture *vice* M. Gyula Kallai. In proposing these changes M. Kadar stated that M. Kallai would devote himself to his duties as a member of the party secretariat, and that he (M. Kadar) himself would be willing to serve as a Minister of State—i.e. without portfolio.

Hungary was the only Communist country in which the posts of Prime Minister and First Secretary of the party had been combined in a single individual—M. Kadar having held both positions concurrently since assuming the Premiership after the suppression of the Hungarian uprising. The separation of the two posts thus brought Hungary into line with the other Communist countries of Eastern Europe.

Dr. Ferenc Muennich (76), a lawyer, was conscripted into the Austro-Hungarian Army in the First World War and became a Communist while in a Russian prisoner-of-war camp. After the Russian revolution he helped Bela Kun to establish the short-lived Communist dictatorship in Hungary, and fled to Russia after Bela Kun's overthrow. He fought in the Spanish Civil War, returned again to Russia (where he lived throughout the Second World War), and became Chief of the Budapest Police in 1946, holding that post for three years. From 1949 to 1956 he served successively as Hungarian Ambassador in Helsinki, Sofia, Moscow and Belgrade. Regarded at one time as a "moderate" Communist, he remained relatively in the background during the Rakosi dictatorship and on Oct. 27, 1956, became Minister of the Interior in the Government formed by M. Imre Nagy shortly before the Russian intervention. A few days later, however, he left with M. Kadar to join the Russians, and after the suppression of the uprising he was appointed Deputy Premier and Minister of Public Security in M. Kadar's Government—in which capacity he played a leading role in suppressing the revolutionaries.

M. Antal Apro, a member of the party's Politburo, is regarded as belonging to the "Stalinist" wing of the party; the Vienna Correspondent of *The Times* said that his promotion was regarded as "an uneasy compromise and an intended counter-weight to Mr. Muennich's appointment." **M. Kallai,** also a member of the Politburo, was imprisoned with M Kadar during the Rakosi regime and is believed to share his views. **Mme. Benke,** a member of the party's Central committee, is believed to have opposed the "Rakosi group" before the Hungarian uprising and to have identified herself at the time with the "liberal" wing of the party.

M. Imre Horvath, the Foreign Minister, died on Feb. 2 and was succeeded on Feb. 16 by his deputy, Dr. Endre Sik (67). Dr. Sik was Minister in Washington in 1948-49, subsequently headed the political division of the Hungarian Foreign Office, and had been Deputy Foreign Minister since 1954.

Imre Horvath (57), a locksmith in his early years, took part in the abortive Bela Kun revolt and lived in the Soviet Union from 1922-32. Arrested by the Horthy Government for subversive activities after his return to Hungary, he spent 13 years in prison and was interned for a time in the Dachau concentration camp (Germany) during the Second World War. He became a career diplomat after the war and served as Minister in Washington, London and Prague between 1949 and 1956, when he was elected to the central committee of the Hungarian Workers' Party. He became Foreign Minister in the governmental changes which followed the fall of M. Rakosi, retained that post in M. Nagy's first Government formed on Oct. 27, 1956, but was dropped from M. Nagy's second Government formed on Nov. 3. Reappointed Foreign Minister in the Kadar Government, he led the Hungarian delegation at the U.N. during the debates on the Hungarian uprising, defended the Kadar regime against the strong criticisms directed against it, and walked out of the General Assembly after it had adopted the resolution denouncing Soviet armed intervention in Hungary [see page 15406].

Pastor Janos Peter, the former Calvinist bishop of Tiszantul, became Deputy Foreign Minister in succession to Dr. Sik. Pastor Peter was bishop from 1949 until the outbreak of the Hungarian revolution, when his resignation was demanded by the Calvinist Church Synod. He became chairman of the Hungarian office for cultural relations in December 1956, and was a member of the Hungarian delegation to the United Nations.—(Times - Manchester Guardian - Daily Telegraph - New York Times - Le Monde - Neue Zürcher Zeitung)

(Prev. rep. Hungary, 15661 A.)

A. VENEZUELA. — Overthrow of President Pérez Jimenez. - Formation of Governmental Junta.

The ten-year dictatorship of President Marcos Pérez Jimenez was overthrown by a popular revolt in Caracas on Jan. 21-22 and was succeeded by a Governmental junta headed by Rear-Admiral Wolfgang Larrazabal, Commander-in-Chief of the Venezuelan Navy. The junta, in which both military and civilian representatives were included, restored the democratic freedoms that had been suppressed under the Pérez Jimenez regime and announced that free Congressional elections would be held later in the year, to be followed by Presidential elections. The overthrow of President Pérez Jimenez, and the events leading up to it, are described below under cross-headings.

The December Plebiscite.

A plebiscite was held on Dec. 15, 1957, at which the electorate were asked to signify their approval or otherwise of "the aims and achievements of the present Government," and whether they wished to re-elect President Pérez Jimenez for a further five-year presidential term beginning in April 1958. Although it was originally planned to hold a presidential election on Dec. 15, the Venezuelan Government had announced on Nov. 4 (*a*) that it proposed instead to hold a plebiscite on the above-mentioned lines, and (*b*) that an affirmative vote for President Pérez Jimenez would be regarded also as a vote for the deputies of a new National Congress, of which the Government would draw up a list before the plebiscite was held. A law embodying these provisions was passed by both Houses of the Venezuelan Congress later in the month; it stated specifically that no political parties would be allowed to take part in the plebiscite, nor would any form of party propaganda or campaigning be permitted.

The plebiscite accordingly took place on Dec. 15, the electors being asked to signify their approval or disapproval of President Pérez Jimenez by putting one of two coloured cards into the ballot-boxes—a blue card, indicating support for the regime, or a red card, indicating opposition. The Electoral Commission subsequently announced that 72 per cent of the votes had been cast in favour of President Pérez Jimenez, the figures for the Caracas Federal District (the capital and its environs) being given as 487,000 blue cards (affirmative), 98,000 red cards (negative), and 53,000 blank votes.

Abortive Air Force Revolt.

A revolt against the Government broke out on Jan. 1, 1958, at the Maracay air base (50 miles west of Caracas), one of the principal bases of the Venezuelan Air Force. Jet planes from Maracay flew over the capital in several waves, one being shot down by anti-aircraft fire; otherwise no casualties occurred, nor were any attacks made on ground targets. A Government communiqué (Jan. 2) said that the "armed insurrection" had been confined to Maracay, that it had been completely suppressed, and that "scattered elements of the seditious group" were being pursued. Thirteen Venezuelan air officers arrived on the same day at Barranquilla (Colombia), apparently to escape arrest.

Changes in Venezuelan Government.

Although a strict press censorship was in operation, it became apparent during the first week of January that President Pérez Jimenez was encountering strong opposition from influential sections of the armed forces who were demanding, firstly, a relaxation of the dictatorial regime, and secondly, the dismissal of persons who had incurred particular unpopularity by their actions in recent months—notably the Chief of the Secret Police, Señor Pedro Estrada, and the Minister of the Interior, Señor Laureano Vallenilla, both of whom had been among the President's closest collaborators for several years.

On Jan. 10 President Pérez Jimenez carried out a Cabinet reorganization involving the dismissal of Señores Estrada and Vallenilla and the appointment of a number of new military and civilian Ministers. Both Señor Estrada and Señor Vallenilla left the country and were understood to have gone into exile in the Dominican Republic. The Defence portfolio was given to General Romulo Fernandez (Chief of Army Staff), who—as later became known—had played a leading part in urging the President to reform the Government and to dismiss unpopular Ministers and officials.

Three days later, however, President Pérez Jimenez announced that he had taken over the Defence portfolio from General Fernandez in order "to ensure the continued unity of the armed forces"; a separate announcement said that General Fernandez was leaving the country "on an official mission."

The Caracas Revolt. - Overthrow and Flight of President Pérez Jimenez.

The first overt civilian opposition to the regime manifested itself in a series of student riots in Caracas, extending over several days (Jan. 14-17), in which the police used tear-gas and clubs to break up large groups of youths and schoolboys demonstrating against the Government and demanding the restoration of democratic liberties; on one occasion the police opened fire, several youths being wounded. Similar violence was used to disperse a number of women demonstrators who gathered on Jan. 17 outside the headquarters of the *Seguridad Nacional* (the secret police) to demand the release of political prisoners.

On Jan. 18-19 a number of manifestos and strike leaflets, issued by various clandestine organizations, were distributed in the streets of Caracas calling for the overthrow of the dictatorship and for the restoration of democratic freedoms. The Patriotic Junta, an underground organization which had been active for many months beforehand (see below), issued a call for a general strike on Jan. 21, while the "Venezuelan Students' Front" called upon all students "from kindergartens to universities" to cease to attend classes "until the tyranny of Pérez Jimenez is overthrown." Among the manifestos widely distributed was one signed by 87 prominent persons—including 11 former Cabinet ministers, three former State Governors, two former Mayors of Caracas, and well-known scholars, workers, businessmen, industrialists, and members of the liberal professions—appealing for the restoration of freedom in Venezuela and the ending of repression.

A 48-hour revolt which resulted in the overthrow of the dictatorship and the flight of President Pérez Jimenez broke out in Caracas on Jan. 21, simultaneously with the general strike which had been called by the Patriotic Junta and was widely observed. Despite the imposition of a curfew, and Government orders to fire on any demonstrations, thousands of citizens attacked the secret police headquarters (where some 300 political prisoners were interned) and the nearby offices of the Government newspaper *El Heraldo*, while others overturned and set fire to police vehicles. The police used tear-gas in an effort to disperse the crowds, made repeated charges with clubs and machetes, and fought pitched battles with civilians in which both sides used rifles and machine-guns. No assessment of casualties was possible at the time because of the censorship, but it was subsequently estimated that over 300 persons had been killed and 1,000 wounded.

Some 10,000 civilian demonstrators attacked the headquarters of the *Seguridad Nacional*, where over 100 secret police barricaded themselves in the building and opened fire on the crowds with machine-guns after refusing to surrender. Army units, including tanks, helped the crowds to break into the building after a battle lasting nine hours; several members of the secret police were shot or beaten to death, the political prisoners were liberated from their cells, and the building was completely wrecked after all secret police files had been destroyed. The offices of *El Heraldo* were also wrecked and left ablaze. Elsewhere in the capital, crowds wrecked the offices of the Electoral Commission which had proclaimed the re-election of President Pérez Jimenez after the December plebiscite.

Faced with an ultimatum from the armed forces, many of whose leaders had sided with the demonstrators, President Pérez Jimenez surrendered in the early hours of Jan. 23. He was allowed to leave the country in a Venezuelan aircraft, and arrived later the same day at Ciudad Trujillo (capital of the Dominican Republic), accompanied by his family and several of his former political associates. The news of the ex-President's surrender and flight was greeted with enthusiastic demonstrations in Caracas and other Venezuelan cities.

Formation of Governmental Junta. - New Cabinet.

A five-man Governmental Junta was sworn in on the same day (Jan. 23) at the Miraflores Palace, the seat of the Presidency. Its first actions were to restore all political freedoms suppressed since President Pérez Jimenez seized power in November 1948; to abolish the secret police; to lift the press censorship; to order the release of all political prisoners; and to proclaim a general amnesty for political exiles. It also pledged itself to hold free elections, to respect all Venezuela's international commitments, and to restore diplomatic relations with Argentina, Chile, Uruguay, and Costa Rica, all of whom had severed relations with the regime of President Pérez Jimenez.

The Junta was headed by Rear-Admiral Wolfgang Larrazabal as stated above, its other members being Colonel Carlos Luis Araque, Colonel Pedro José Quevedo, Sr. Eugenio Mendoza, and Dr. Blas Lamberti.

Admiral Larrazabal had originally appointed a five-man military junta consisting of himself and four colonels, representing the Army, Navy, Air Force, and police force. At the request of the Patriotic Junta, however, two of the colonels were replaced by civilian members in the persons of Sr. Mendoza (then in New York), a well-known industrialist and philanthropist, and Dr. Lamberti, a civil engineer and former professor of mathematics. The Patriotic Junta had expressed its support for the Governmental Junta but had urged that the latter body should include civilians as well as military officers.

The Governmental Junta appointed a new Cabinet on the same evening in which all the portfolios were held by civilian Ministers with the exception of the Defence portfolio. Its members were :

Sr. Virgilio Torrealba—Interior; Sr. Oscar Garcia—Foreign Affairs; Colonel Jesus Maria Castro—Defence, Sr. Oscar Machado—Communications; Sr. Carlos Galavis—Agriculture; Sr. Victor Alvarez—Labour; Sr. José Lorenzo—Mines; Sr. Arturo Sosa—Finance; Dr. Carlos Luis Gonzalez—Health; Sr. René d'Sola—Justice, Sr. Oscar Palacio—Economy; Dr. Julio de Armas—Education; Sr. Victor Rotondaro—Public Works.

The new Minister of Communications, Sr. Machado (a prominent businessman and industrialist), was one of the signatories of the "freedom manifesto" issued before the revolt, while the new Minister of Education (Dr. de Armas), was formerly Director of the University of Caracas. Colonel Castro, the new Minister of Defence, led the revolt at the Maracay Air Force base on Jan. 1, and was released from prison during the uprising.

Rear-Admiral Larrazabal announced on Jan. 27 that elections for a Constituent Assembly would be held during 1958 and Presidential elections about six months later, probably some time in 1959 ; he pointed out that it would be necessary to hold the Assembly elections before the Presidential elections in order that a new electoral law could be drafted and other necessary constitutional reforms carried out. Admiral Larrazabal said that the new Government would follow an "impartial middle-of-the-road" policy, maintain Venezuela's traditional friendship with the United States, and continue the large-scale programme of public works begun by the former regime. He had previously given assurances that all foreign investments in Venezuela would be respected, including the large U.S., British, and other foreign investments in the oil industry.

Rear-Admiral Larrazabal (46) comes of a family which has been prominently connected with the Venezuelan Navy for several generations, his father, brother, and uncle having all held high naval command. A career naval officer throughout his life, he has never been identified with any political group but was known to have had sharp differences of opinion with President Pérez Jimenez. Born in Caracas, he received his naval training in the United States and subsequently spent three years in Washington as Venezuelan Naval Attaché.

The Patriotic Junta.

It was disclosed on Jan. 24 that the Patriotic Junta—the underground civilian organization which played a key role in overthrowing the dictatorial regime of President Pérez Jimenez—had been founded and directed by Sr. Fabricio Ojeda, a 29-year-old journalist who had been active in politics for several years and had spent five months in prison in 1952. The creation, activities and aims of the organization were described in a broadcast by Sr. Ojeda after the revolt.

Señor Ojeda explained that the idea of forming the organization had come to him in June 1957, when he was working as a reporter on the newspaper *El Nacional*. He had succeeded in enlisting the support of all the proscribed political parties, from the Right to the Left, and had been appointed president of the Patriotic Junta in December. Four of Venezuela's main political parties—the Christian Democrats (*Copei*), the Republican Democrats, the Democratic Action party, and the Communists—were represented in the organization, all of whose decisions required unanimity. In addition to a directing committee of four persons (one from each party) there were 100 key persons unknown to one another, the necessary co-ordination being maintained through the various parties grouped in the Patriotic Junta. A number of committees—of factory workers, women, students, etc., in addition to strike, propaganda, and "violence committees"—had been set up in preparation for the overthrow of the Pérez Jimenez regime. Although this aim had been successfully accomplished, the Patriotic Junta—which Sr. Ojeda described as a "super-party" directing the nation's political life during the present emergency—would remain in existence for the time being.

Señor Ojeda stressed that the operations had been conducted in such secrecy that none of the "inner committee" had been aware of the identity of the other members until the revolt was over. All had operated under *aliases* and *noms-de-guerre*, he himself having been variously known as "Alonso," "Antonio" and "Professor Soria." After saying that this was "the first time in Venezuelan history that Communists and *Copeianos* have sat together," he expressed his conviction that there was no danger of the Communists gaining control of the Patriotic Junta. All the parties stood for free elections and freedom of ideas, and his own party (the Republican Democratic Union) were opposed to Communism. Señor Ojeda said that the Patriotic Junta would support the Governmental Junta on condition that a Government of "national union" was created in due course.

Agreement between Political Parties.

The leaders of the three main Venezuelan parties—Dr. Romulo Betancourt (Democratic Action Party), Dr. Jovito Villalba (Republican Democratic Union) and Dr. Rafael Caldera (Christian Democratic Party)—signed an agreement in New York on Jan. 23 for the formation of a "Civic Front" so as to avoid party strife until democratic government had been fully restored in Venezuela. All three parties had been proscribed under the Pérez Jimenez regime, their leaders having lived in exile in the United States or Mexico. It was stated that the Civic Front would aim at promoting "a national government able to avoid the return of military rule and to advance economic and social progress." The Christian Democratic Party (popularly known as *Copei*) is right-centre and allied to the Roman Catholic Church, the Democratic Action Party is left-centre, and the Republican Democratic Union is leftist but anti-communist.

Expropriation of Property of Ex-President Pérez Jimenez.

The seizure of all properties belonging to ex-President Pérez Jimenez was decreed by the Governmental Junta on Feb. 7, a commission being appointed to investigate alleged misappropriation of funds during the former regime. The Junta issued a statement saying that it was "a notorious fact that during the deposed regime the property of the nation was illegally taken and official influence used in amassing illegal riches" ; it was added that a major part of these "illegal riches" had been taken out of the country.

In his statement on Jan. 27, referred to above, Rear-Admiral Larrazabal alleged that ex-President Pérez Jimenez had apparently "got away with millions of dollars," and said that a thorough investigation would be conducted into "all financial dealings of Pérez Jimenez," including those with foreign investors.

Ex-President Perón leaves Venezuela.

One of the results of the Caracas revolt was that ex-President Perón of Argentina was obliged to leave Venezuela, where he had been living in exile for 18 months, and to seek refuge in the Dominican Republic. Large crowds demonstrated against the former Argentine dictator during the uprising, and attempts were made to storm the Dominican Embassy when it was learned that he had taken refuge there. Strong contingents of Venezuelan troops were stationed round the embassy to guard it against attack, and on Jan. 26 Señor Perón requested permission to leave for the Dominican Republic, whither he had been preceded by ex-President Pérez Jimenez. Permission was granted by the Governmental Junta, and Señor Peron, accompanied by several former *Peronista* leaders, was accordingly flown to Ciudad Trujillo in a Venezuelan military aircraft.

The revolution in Venezuela, and ex-President Perón's expulsion from that country, were enthusiastically welcomed in Argentina, which had severed relations with Venezuela in July 1957 (see 15671B). Great crowds demonstrated in Buenos Aires against ex-President Perón and ex-President Pérez Jimenez—whose effigies were publicly hanged and burned outside the Congress building—and speeches were made violently denouncing dictatorships in Latin American countries, and the Paraguayan dictatorship in particular.

Argentina restores Diplomatic Relations with Venezuela.

President Aramburu of Argentina issued a decree on Jan. 29 restoring diplomatic relations with Venezuela. The new Venezuelan Government was also recognized by nearly all other Latin American countries, as well as by the United States and Great Britain.—(New York Times - New York Herald Tribune - Times - Manchester Guardian - Le Monde)

(Prev. rep. Venezuela, 14720 A ; 11221 B.)

A. BURMA. — Commonwealth War Memorial.

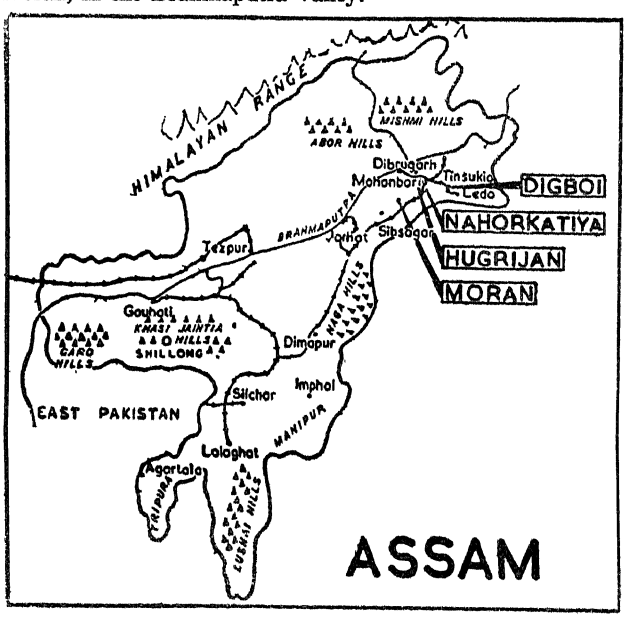
A war memorial was unveiled on Feb. 9 at Taukkyan (22 miles from Rangoon) commemorating over 27,000 men of the Commonwealth forces who fell in the Burma and Assam campaigns and who have no known grave. The memorial, erected by the Imperial War Graves Commission, was unveiled by General Sir Francis Festing (C.-in-C., Far East Land Forces) in the presence of the Burmese Prime Minister (U Nu), members of his Cabinet, and relatives of those commemorated. Units of the British, Commonwealth and Burmese forces took part in the ceremony, and prayers were said by Christian, Buddhist, Moslem, and Gurkha priests. Of the 27,000 men commemorated, more than 19,000 were members of the Indian Army.—(Times)

(Prev. rep. 15659 B ; 15426 B.)

A. INDIA. — New Company to exploit Assam Oilfields. - Proposed Construction of Oil Refineries in Assam and Bihar. - Inauguration of Visakhapatnam Refinery. - Oil and Natural Gas Commission.

An agreement for the formation of a company—partly privately owned and partly public owned—to explore and exploit the oil resources of Upper Assam was signed in Delhi on Jan. 14 between the Government of India and the Burmah Oil Company. The broad features of the agreement had previously been announced in the *Lok Sabha* on Dec. 6, 1957, by the Minister for Steel, Mines, and Fuel (Sardar Swaran Singh).

The agreement provided for the new company to be incorporated and registered in the State of Assam under the name of Oil India Private Ltd. Its authorized capital would be 500,000,000 rupees (£37,500,000), of which two-thirds would be provided by the Burmah Oil Company Ltd. (of which the Assam Oil Company Ltd. is a wholly-owned subsidiary) and one-third by the Government of India. The new company would take over the assets of the Assam Oil Company in the newly-discovered oil areas of Nahorkatiya, Hugrijan, and Moran, in the Brahmaputra Valley.



The map shows the oil-producing areas in Assam.
(*Indian High Commissioner's Office*, London)

In addition to undertaking the production of oil, the new company would also arrange for the construction in two stages, and the operation, of a pipeline to transport crude oil from the Assam oil wells to Barauni (Bihar). The first stage would be the laying of the pipeline to an intermediate locality in Assam, to be agreed between the Government of India and the Burmah Oil Company, whilst in the second stage the pipeline would be extended to Barauni.

The oil produced by the new company would be sold to two refineries to be established by the Government of India as public undertakings. The delivery price for the crude oil payable by each refinery would be determined as either (i) the lowest price at which crude oil could be secured by the refinery from any alternative source for delivery at Calcutta; or (ii) the cost incurred by the new company plus a reasonable commercial return, whichever was less. The price would accordingly be fixed by the new company (with the approval of the Government of India) after examination of costs, and would be subject to review every six months.

The Burmah Oil Company would advance a sterling loan of £10,000,000 to the new company to meet the foreign exchange content of the cost of the first stage of construction of the pipeline and related facilities. The first refinery would be located in Assam, at the terminus of the first stage of the pipeline, and the second at Barauni.

The agreement also provided (*a*) that Oil India Private Ltd. would employ Indian nationals wherever possible; and (*b*) that, in addition to the training programme already being carried out by the Assam Oil Co., a further programme of training Indian personnel would be arranged between the Government of India and Oil India Private Ltd.

The Burmah Oil Co., through the Assam Oil Co., had been prospecting and producing oil in Assam for over 60 years, the first well at Digboi having been drilled in 1890 and a refinery erected in 1930. This refinery, with an output of about 400,000 tons of high quality petroleum products a year, is still India's only indigenous producer of oil.

In 1954 oil was found at the village of Nahorkatiya in Upper Assam, followed by discoveries of new fields at Hugrijan and Moran in the same area. Although concessions to prospect the new areas were granted to the Assam Oil Co. by the Indian Government in 1955, the subsequent negotiations on their commercial exploitation proved long and difficult. A preliminary agreement for the formation of a "Rupee Company" in Assam was announced in the Indian Parliament on Dec. 18, 1956, but a controversy arose over the location of the refinery to deal with the crude oil from the new oilfields.

A special committee of experts appointed by the Government on Oct. 2, 1956, including a French and a Rumanian oil expert, unanimously reported on Dec. 2, 1956, that Calcutta was the most suitable site for the refinery, having regard also to the fact that oil reserves in the Assam area were likely to be much larger than originally estimated. This recommendation aroused strong feelings in Assam, where it had been proposed that the new refinery should be located at Gauhati, and the Assam Government proposed in July 1957 that it should itself build a refinery in the State. A special "action committee" launched a *satyagraha* campaign on Aug. 14, 1957 for the setting-up of an oil refinery in Assam. The Government of India's final decision to build one refinery at Barauni (Bihar) and another in Assam represented a compromise in face of the local agitation.

The Minister of Natural Resources (then Mr. Malaviya) had stated on Nov. 17, 1956, that it would be possible to produce 3,000,000 tons of oil per annum by 1959 as a result of the recent intensive drilling operations by the Assam Oil Co. It was hoped to increase production to 5,000,000 tons in 1962.

It was announced on Dec. 24, 1957, that negotiations for the setting-up of the State-owned oil refinery in Assam had been initiated by the Government of India with a consortium of French oil refineries, and that the Assam refinery would have an annual capacity of 775,000 tons and would cost about 150,000,000 rupees (£11,250,000), including 60,000,000 rupees (£4,500,000) in foreign exchange.

Creation of Oil and Natural Gas Commission.

It had previously been announced in Delhi on Aug. 19, 1956, that the Government of India had set up an Oil and Natural Gas Commission to undertake the exploration, exploitation, and refining of mineral oil throughout the country.

It was stated that the Commission would absorb the Directorate of Oil and Natural Gas; would have its headquarters at Dehra Dun; and would have powers of administration and implementation of the agreements with oil companies for joint or participatory working. It would also advise the Central Government on matters relating to the exploration, exploitation, and refining of oil and natural gas resources. The Commission consists of Mr. K. D. Malaviya (Minister for Natural Resources), as chairman; Mr. A. M. Ghosh (head of the Oil and Natural Gas Directorate); and Mr. G. S. Menon (joint secretary at the Ministry of Finance).

Inauguration of New Oil Refinery.

The third refinery to be built under the First and Second Five-Year plans was inaugurated at Visakhapatnam (Andhra Pradesh) on Nov. 30, 1957. Built by the Caltex company, it cost 150,000,000 rupees (£11,250,000) and can process 13,500 barrels of crude oil a day.

The Visakhapatnam refinery is the first to be built on the East Coast, the other two oil refineries built under the Five-Year plans being at Bombay.—(The Hindu, Madras - The Statesman, Calcutta - Indian High Commissioner's Office, London) **(Prev. rep. Oil Refineries, 14103 A; 13935 D; Oil Policy, 15113 A; 14872 B.)**

B. SOUTHERN RHODESIA. — New Cabinet.

The Cabinet crisis in Southern Rhodesia was ended on Feb. 17 by the formation of a new Cabinet by Sir Edgar Whitehead, the newly-elected leader of the United Federal Party. The outgoing Prime Minister, Mr. Garfield Todd, was included in the new administration, in which portfolios were allocated as follows:

Sir Edgar Whitehead ..	Prime Minister and Minister for Native Affairs.
Mr. R. S. Garfield Todd ..	Labour and Social Welfare.
Mr. Cyril Hatty	Treasury and Native Education.
Mr. Geoffrey Ellman Brown	Roads, Local Government, Housing and Irrigation.
Mr. Reginald Knight, Q.C.	Justice and Internal Affairs.
Sir George Davenport ..	Mines, Lands and Surveys.

Sir George Davenport will be Leader of the House and will deputize for Sir Edgar Whitehead until the new Prime Minister has obtained a seat in the Southern Rhodesian Parliament. (Federal Information Department, Salisbury) **(16008 A.)**

FEBRUARY 22—MARCH 1, 1958

A. UNITED KINGDOM. — The Defence White Paper. - Progress in implementing New Policy. - Defence Statistics, 1958-59.

A White Paper outlining the progress made in implementing the policy set out in the Government's "Statement on Defence" of April 1957 (see 15493 A) was published on Feb. 16, and is summarized under cross-headings below.

Balance of Arms. The White Paper first discussed the implications of the launching of the Russian *sputniks* in regard to the balance of arms between the Western Powers and the Soviet Union on which world peace at present depended. It stressed that although the Russian success was "evidence of remarkable progress in rocket development" the balance of military power had not thereby been upset; in fact, the "overall superiority of the West" was likely to "increase rather than diminish" as a consequence of the advent of medium-range ballistic rockets. It was explained that, from sites in Europe and elsewhere, these weapons could "dominate practically every target of importance in Russia," whilst for geographical reasons the possession by Russia of rockets of equal range would not "afford her any corresponding advantage."

The White Paper went on: "It would be of no use to her [Russia] to attack Western Europe unless she could simultaneously knock out the vital strategic air bases in the United States. She could at present have no reasonable hope of achieving this with manned bombers, and it will take her several years to complete the development of an accurate inter-continental rocket and produce it in sufficient numbers . . . Moreover, by that time the U.S.A. (which has now also launched an artificial satellite) will have inter-continental rockets also. There is thus no military reason why a world conflagration should not be prevented for another generation or more through the balancing fears of mutual annihilation. In fact, there is no reason why this should not go on almost indefinitely. But that would indeed be a mournful prospect. To-day no country can hope to gain anything by war; and all would derive incalculable benefit from the restoration of mutual confidence and real peace."

The White Paper stressed, however, that there could be "no such confidence of peace so long as the arms race continues," although it pointed out the "practical difficulties of reaching agreement on disarmament and of enforcing the agreement once made." It added: "The issue is further complicated by the possibility that additional nuclear Powers may emerge in a few years' time . . . whilst in the next decade the vast potential resources of China will have to be reckoned with as an increasingly important element in the balance of power."

Disarmament. After emphasizing that "the ultimate aim must be comprehensive disarmament by all nations, coupled with comprehensive inspection and control by a world authority," the White Paper went on: "It would, of course, be too much to hope that this objective could be brought about all at one stroke. It will have to be pursued by stages. If the safety of humanity is not to be imperilled, great care must be taken to maintain, at each successive stage, the balance of military power and deterrents which, for the present, constitute almost the sole safeguard of peace. In seeking a basis for agreement, account must be taken of the entirely different military positions of the two sides.

"Russia has been making great strides in the field of nuclear weapons and rockets. But her basic strength lies in her overwhelming superiority in conventional armaments and military manpower. The Soviet Union and her satellites have over 200 active divisions facing the West, about 20,000 aircraft, and a fleet which includes some 500 submarines.

"The West, on the other hand, relies for its defence primarily upon the deterrent effect of its vast stockpile of nuclear weapons and its capacity to deliver them. The democratic Western nations will never start a war against Russia. But it must be well understood that if Russia were to launch a major attack on them, even with conventional forces only, they would have to hit back with strategic nuclear weapons. In fact, the strategy of NATO is based on the frank recognition that a full-scale Soviet attack could not be repelled without resort to a massive nuclear bombardment of the sources of power in Russia. In that event, the role of the Allied defence forces in Europe would be to hold the front for the time needed to allow the effects of the nuclear counter-offensive to make themselves felt.

"It is best that these stark facts should be stated plainly; since the one thing which might conceivably tempt the Soviet Union into military adventure would be the erroneous belief that the West, if attacked, would flinch from using its nuclear power. The Western nations, although they know that their entire safety rests upon the possession of nuclear weapons, have never resisted the idea that these should be progressively reduced. But they obviously cannot agree to this without fully compensating reductions in conventional forces. Otherwise Russia would be left in a position to dominate the world."

On the other hand (the White Paper continued) there was always the chance that however carefully the balance of armaments was held, some unfortunate circumstance or miscalculation might "spark off a world-wide catastrophe." It was therefore justifiable to accept a reasonable risk in trying to bring about an agreement, and it was in this spirit that Britain, Canada, France, and the U.S.A. had put forward their proposals within the framework of the United Nations. After outlining the history of the disarmament negotiations the White Paper continued: "The British Government will approach any further negotiations without prejudice and with the will to make them succeed. Given sincerity and perseverance on both sides, and having regard to the fact that disarmament is just as much in the interests of Russia as of every other country, it should not prove impossible to find some fair and workable method of composing the differences which at present divide, impoverish, and endanger the world." Even with the best intentions, however, these negotiations were bound to be "complicated and protracted," and even when an agreement had been reached its full implementation would inevitably take a number of years. Meanwhile the free world could "not afford to lower its guard," and, until disarmament was actually achieved "the utmost vigilance and preparedness must be maintained."

Collective Defence. Although global war could probably be averted so long as the effectiveness of the nuclear deterrent was maintained, the very success of the latter would compel the Communist Powers to try to achieve their goal of world domination by other methods, and they must be expected increasingly to concentrate on "political subversion, economic penetration, and indirect military action." "The protection of the free world against the Communist threat," the White Paper stressed, "must therefore be treated as an indivisible problem, to be undertaken by the collective effort of all the countries concerned. This idea of collective defence inspired the creation of NATO, the Baghdad Pact, and SEATO, through which Britain will continue to make her main contribution to the joint task of preserving peace.

"If the full benefits of collective defence are to be obtained, the members of the alliance must be prepared to accept that they will inevitably become more and more inextricably dependent on one another. The concept of interdependence in defence planning of all kinds was formally enunciated by President Eisenhower and the Prime Minister in Washington last October and was subsequently endorsed by the Heads of the 15 NATO Governments. The adoption of this principle will unavoidably raise . . . military, economic, and political problems of varying kinds. This applies in particular to countries which, like Britain, are members of more than one defence system and have also independent overseas responsibilities of their own. But, in view of the unquestionable benefits to the common cause, ways must be found of overcoming these difficulties, as far as is practicable.

"The policy of interdependence is particularly applicable to the North Atlantic Alliance, which has an international command with a joint planning organization. Within this integrated structure, it should be possible gradually to get away from the idea that each member-nation must continue to maintain self-contained national forces, which by themselves are fully balanced. Instead, each should seek to make the most useful contribution it can to the combined forces of the alliance as a whole.

"Equally great advantages are obtainable from collective action in the technical and industrial fields. The members of NATO possess between them the world's greatest manufacturing and scientific capacity. If weapon research and production could be jointly planned, considerable economies in time and resources could undoubtedly be secured. Within the framework of the Western European Union, H.M. Government have, during the current year, initiated discussions on this subject with the French, German, and Dutch Governments. Technical studies are now proceeding, and it is intended in due course to set up appropriate machinery to co-ordinate these bilateral efforts. Close co-operation is being maintained with the U.S.A. and Canada on a number of important projects. If the U.S. Congress approve the proposal to amend the Atomic Energy Act, the scope for fruitful collaboration will be greatly extended. In that event, the British atomic research and development programme will be reviewed, with the object of eliminating duplication and ensuring the most effective contribution to the joint needs of the Western Alliance.

"In the Baghdad Pact and SEATO, where different conditions apply, measures to achieve the highest practical degree of co-operation are being taken. Efficient combined planning organizations have been set up within both these alliances, and action is being pursued to strengthen and co-ordinate the forces of the member-States."

The Nuclear Deterrent. The White Paper emphasized that the effectiveness of the defensive shield provided by NATO, SEATO, and the Baghdad Pact depended ultimately on the fact that there stood behind it "the immense nuclear power of the West." The Western nuclear deterrent still rested primarily upon the strength and constant readiness of the U.S. Strategic Air Command, with its bases all round the world and vast supply of megaton bombs. Britain, however, was making "an increasing significant contribution," and now had a "substantial and growing pile of kiloton weapons," the design of which was being steadily improved as the result of experience gained at the Maralinga proving grounds. Following the success of the thermo-nuclear tests at Christmas Island, British megaton bombs were also being produced and delivered to the Royal Air Force. Aircraft of the British strategic bomber force, equipped with these bombs and based in Britain, could be transferred within a few hours to overseas stations, thus providing "a mobile and flexible form of military power." Most of the squadrons were equipped with *Valiants*, but the proportion of *Victors* and *Vulcans* was increasing; these aircraft could fly as high and as fast as any bombers in the world, and had navigational and

bomb-aiming equipment of the highest accuracy. Progress was also being made with propelled bombs which could be released from a considerable distance, making it unnecessary for the aircraft to fly into heavily-defended target areas.

Although Britain's nuclear power could not be compared with that of the U.S.A., the British bomber force, when fully equipped with megaton weapons, would in itself constitute a formidable deterrent. For its influence to be fully effective, however, it must not be considered capable of being knocked out on the ground, and measures were accordingly being taken to raise its state of readiness so as to reduce the time needed for take-off. The organization of the radar watch was also being improved, and was being linked more fully with the Continental system so as to obtain the earliest possible warning of the approach of hostile aircraft.

The decision that it was not practical to try to defend the country as a whole against nuclear attack [see 15493 A] meant that Fighter Command had now the more limited task of protecting the bomber bases, and its strength was being correspondingly reduced. The White Paper continued: "When the Russians, in addition to manned bombers, have ballistic rockets in sufficient numbers, capable of knocking out airfields in Britain, the value of a fighter defence system will obviously decrease, and the same will apply to a missile defence system effective only against aircraft. But that point has not yet been reached. Meanwhile the squadrons of Fighter Command will continue to play their part in defending the deterrent. British short-range ground-to-air missiles will begin to be deployed during the coming year, and a longer-range type is in the course of development. In the testing of these and other weapons the Woomera rocket range in Australia is playing an invaluable part."

After stating that it had become necessary to co-ordinate operational plans with the U.S. Air Force now that Britain herself had a "substantial" strategic bomber force and a growing stockpile of nuclear weapons, the White Paper added that expenditure on the strategic bomber force and its nuclear bombs, as well as on related research and development (including work on ballistic rockets), represented less than one-tenth of the total Defence Estimates. The fighter force and control and warning systems, together with research and development on fighters and defensive guided missiles, represented about the same amount. Together these items therefore accounted for 15-20 per cent of the Estimates, and on the basis of present plans these costs seemed unlikely to increase significantly over the next few years.

Finally, it was announced (*a*) that H.M Government had accepted the U.S. offer to supply Britain with intermediate-range ballistic missiles, and that an agreement to this effect would be completed "very shortly"; and (*b*) that a British ballistic rocket of a more advanced type, designed for underground launching, was being developed on the highest priority, in close co-operation with the U.S.A.

Conventional Forces. The White Paper stressed that the existence of the strategic nuclear deterrent did not obviate the need to maintain "a substantial shield of land forces, with air and naval support, to defend the frontiers of the free world." Nor could the nuclear deterrent be used in localized emergencies or for preserving order and stability: for these tasks—which formed a large part of the present responsibilities of all three Services—conventional forces equipped with non-nuclear weapons were required, and a high proportion of Britain's military effort would therefore continue to go into forces of this kind.

Thus, in addition to her contribution to the Western nuclear deterrent and to NATO land, sea, and air forces, Britain was at present maintaining armed forces over 100,000 strong in the Far and Middle East; moreover, the widely dispersed nature of British military responsibilities made it necessary for the Army to maintain a strong Central Reserve supported by an adequate fleet of aircraft to carry reinforcements rapidly to any part of the world. A proportion of this Reserve would be kept in a high state of readiness to enable it to be moved at short notice, and vehicles and supplies would be stored at focal points, e.g. Singapore, to facilitate air transport of heavy equipment. The *Hastings*, *Comet*, and *Beverley* aircraft with which R.A.F. Transport Command was equipped would be supplemented by *Britannias*, of which 20 were on order [see page 16020, first column] and which would greatly expand the Command's long-range trooping capacity.

Close co-operation continued to be maintained between the U.K. forces and those of other Commonwealth nations. Australian and New Zealand were sharing with Britain the task of helping the Federation of Malaya, through their contribution to the Commonwealth Strategic Reserve. The Federation of Rhodesia and Nyasaland was playing its part in Commonwealth defence, and a squadron of the Royal Rhodesian Air Force was undergoing training at Aden. Discussions on defence had recently been held with South Africa, and the Royal Navy periodically carried out joint exercises with the navies of other Commonwealth countries.

During 1957-58 the strength of the British Army of the Rhine would have been reduced from 77,000 to about 64,000, and the Council of the W.E.U. had agreed to a further reduction to 55,000 during the coming year [see 16006 A]. In this connexion, the Government had asked the North Atlantic Council to consider the financial problem involved in maintaining these forces in Germany. The cost in 1958-59 was estimated at £125,000,000, including about £47,000,000 in Deutschmarks. Independent experts, appointed by NATO to examine the position, had confirmed that expenditure of this order in Deutschmarks would place a heavy additional burden on Britain's balance of payments. The Government were "most anxious to continue to make a substantial contribution to the NATO shield," but had been "obliged to state clearly that, in the event of adequate financial assistance not being forthcoming, they would reluctantly have to reconsider the size of the British land and air forces they can afford to retain on the Continent."

Sea Power. After explaining that the Government had reviewed the role, composition, and disposition of the Royal Navy during 1957, the White Paper defined the tasks of British naval forces as follows: (*a*) *in peace time*, to help carry out Britain's responsibilities in the Colonies and protected territories, to defend British shipping, and to contribute by their presence to the maintenance of peace and stability; (*b*) *in limited war*, to protect sea communications, escort troops and supplies to the area of operations, and give them support in action, (*c*) *in global war*, to make an effective contribution to the combined naval forces of the Western Alliance. It continued:

"Russia's formidable submarine force constitutes a world-wide threat which is of special concern to an island people, dependent upon sea communications for their food supplies and economic life in peace and war. For this reason the Government consider it desirable to concentrate the efforts of the Royal Navy to an increasing extent on the anti-submarine role. In the Atlantic and Mediterranean, the Royal Navy and maritime aircraft of the R.A.F. will continue to play their part in NATO. Since, apart from fulfilling certain colonial responsibilities, the Royal Navy will be operating in conjunction with other Allied navies, the aim will be to make the most effective contribution to the combined forces of the Alliance, and not necessarily to provide a fully balanced all-purpose British fleet. The British naval forces in this area will include two carriers, two cruisers, and a number of destroyers, frigates and submarines. The carriers, while containing some fighter and strike aircraft, will be equipped predominantly with anti-submarine aircraft and helicopters.

"East of Suez it is proposed to maintain a balanced, all-purpose fleet of appreciable strength . . . to enable Britain to discharge her obligations to SEATO and the Baghdad Alliance, and to fulfil her independent military commitments in that area. This Eastern Fleet, based on Singapore, will be composed of one aircraft carrier (with a balanced complement of strike, fighter and anti-submarine aircraft), one cruiser, and a number of destroyers, frigates and smaller vessels. It will also include a converted carrier, equipped to accommodate a Marine Commando force and capable of operating helicopters for either the troop-carrying or anti-submarine role. These ships will operate singly or in groups, coming together at intervals for training. In addition to the main operational fleets, a small number of frigates will be stationed in the Persian Gulf. Some light craft will be employed at Hong Kong for local defence, together with a frigate patrol to protect British shipping along the China coast. A few frigates or destroyers will also be kept on the West Indies and South Atlantic Stations.

"The naval construction and modernization programmes are being aligned with this policy, and dockyard facilities and bases will be curtailed to correspond with the reductions in the size of the Navy. Similarly, the plans for the Reserve Fleet are being revised. It is proposed to follow the principle that the Reserve Fleet should comprise only sufficient ships to keep the Active Fleet up to strength, allowing for accidents and long refits.

"A number of important projects are in hand to ensure that the Royal Navy will in the years ahead continue to keep abreast of the times. A new comprehensive radar and aircraft control system for carriers, more advanced than any other in service elsewhere, has been introduced. A low-level tactical bomber is being developed for the Royal Navy, and its adoption by the R.A.F. is being considered; the prototype will fly later this year. The development of a nuclear submarine is proceeding, with the valuable co-operation of the United States."

Civil Defence. The White Paper stressed that this remained "an integral part of the defence plan," and that the framework of the local C.D. services and of the regional organization would be maintained. Provision would continue to be made for training schools and equipment, and additional orders were being placed for instruments to measure radioactivity. The Government would encourage the recruitment and training of the Industrial Civil Defence Service, which contributed about 200,000 volunteers towards the total of over 500,000 men and women enrolled in Civil Defence. Improvements continued to be made in the warning and monitoring systems and in communications.

Contraction of Forces. In accordance with the policy approved by Parliament, the process of reducing the size of the Forces was continuing. At March 31, 1958, the three Services would have a combined adult male strength of 606,000 (Royal Navy 99,000, Army 325,000, R.A.F. 182,000), representing an overall reduction of 83,000 during the current year.

After referring to the arrangements made for compensating those whose Service careers would be prematurely cut short, and for helping them to find civilian employment [see 15795 A], the White Paper stated that the Royal Navy had now completed the selection of those to be retired—over 90 per cent of the officers concerned and 100 per cent of the ratings having voluntarily applied for retirement. The Army and the R.A.F., whose problem was larger, were less advanced, but it was already clear that it would likewise be possible to deal with a high proportion of the redundancies in both Services on a voluntary basis. The White Paper added that eight of the reductions scheduled to be made in Army "teeth arm" units would have been effected by March 31, 1958, and a further 22 would be carried out in 1958-59.

Regular Recruitment. As already announced [see 15493 A], it was planned to bring National Service to an end by Dec. 31, 1962, and to rely thereafter on all-Regular forces of a combined strength of about 375,000. By that date Britain's military commitments might have increased or decreased, but so far nothing had happened to lead the Government to revise this figure or alter its views about the prospects of recruiting the Regulars needed. In this connexion the White Paper explained that the Services had been authorized to recruit up to the following ceilings: Royal Navy, 88,000; Army, 165,000; R.A.F., 135,000. The fact that these three ceilings together totalled 388,000 did not mean, however, that it was intended to increase the maximum strength of the combined force beyond 375,000, but the Government had felt it right to maintain some flexibility at the present stage.

The White Paper gave the following details of recruiting in the three Services:

Royal Navy (all Regulars obtained on initial engagements of 7 or 12 years). 2,800 ratings and 4,300 boys and apprentices had been recruited in 1957. There was a need for some increase in recruits for certain branches and also for the Marines, who had a higher proportion of National Servicemen to be replaced. If the recruiting trend remained as at present, the manpower strength of the Royal Navy would be about 84,000 by the end of 1962.

Army: The whole pattern of recruitment had been altered by the decision to end the three-year engagement (with few exceptions) and to substitute one of at least six years. Although it was too soon to assess the effects of the change, long-term engagements in the three months (November 1957-January 1958) since the new scheme came into effect had risen to 3,557, compared with 685 in the corresponding period of 1956-57. Forecasts based on such short-term statistics must be treated cautiously, but if the recruiting trend stayed as at present the infantry should be up to basic strength by Dec. 31, 1962. Recruitment for technical, professional, and administrative units raised special problems; while the Royal Electrical and Mechanical Engineers seemed unlikely to have much difficulty in securing the numbers needed for certain trades, present recruitment rates for most other administrative corps were below requirements.

R.A.F. About 5,600 airmen were recruited on long-service and about 8,500 on short-service engagements during 1957, as well as about 3,400 boys and apprentices. Recruiting, both of men on 9-year engagements and of boys and apprentices, had shown a satisfactory increase on 1956; but, as expected, the announcement of the plan to end National Service had led to a decline in recruiting on shorter engagements. The present rate of recruiting pilots was almost sufficient, but recruiting for certain other aircrew categories needed to be increased. If present recruiting rates remained unchanged the Regular strength of the R.A.F. should be about 120,000 at Dec. 31, 1962.

After stressing the desirability of considerably augmenting the strength of the Women's Services, which would have an increasingly important part to play in the new all-Regular forces, the White Paper referred to the setting-up in November 1957 of an independent committee under Sir James Grigg (a former Secretary of State for War) to conduct a comprehensive study of the recruiting problem in all its aspects.

Pay and Allowances. Meanwhile, the Government proposed to introduce the following increases in pay and allowances for Regulars of all ranks, to come into force early in April 1958: (1) An increase in the weekly pay of all Regular "other ranks" of 14s., 17s. 6d., or 21s., depending on length of engagement. (2) Abolition of the existing specially low rate for recruits, who would in future receive the same rate as the "one star" private or his equivalent—e.g. a Regular recruit enlisting on a 6-year engagement would be paid 24s. 6d. a week more than at present. (3) Increases in officers' pay, with proportionately larger increases for junior officers than for higher ranks, e.g. a second lieutenant's pay would be raised by £73 a year and that of a lieutenant-colonel by £109. (4) A special increase in the pay of the Women's Services over and above the general increase, e.g. women recruits would receive 21s. more a week than at present. (5) Increases in marriage allowance rates, together with increases, in the rents of official quarters and the payment to other ranks of the "out-of-quarters" allowance of 3s. a day at present payable only to officers. [The White Paper explained that rents of Service quarters were at present abnormally low, with the result that married officers and men for whom quarters were not available were liable to suffer "serious financial disadvantage." The new arrangements, taken together, would leave those occupying Service quarters in broadly the same financial position as before, but would greatly improve the position of those not in such quarters.]

Other steps recently taken to remove grievances and anomalies connected with allowances included (*a*) the extension to Aden, the Persian Gulf, and Habbaniyah (Iraq) of the scheme whereby men serving in overseas stations and separated from their families were granted periods of home leave; (*b*) removal of restrictions on the use of travel warrants by Service personnel in Britain; (*c*) increases in the education allowances payable to all ranks.

The increases in pay and allowances, etc., would amount to £32,000,000 in 1958-59, including about £22,000,000 in respect of pay. The White Paper explained that these increases would be more than offset by savings resulting from the reduction in the strength of the Forces and in the number of civilians employed by them, in fact, the total bill for pay, allowances, and maintenance of Service personnel and for civilian wages would be lower in 1958-59 than in 1957-58, and these costs would decrease as the rundown of the Forces proceeded.

Accommodation. Plans for the improvement of accommodation at home and abroad covered (1) the construction of additional new accommodation in Kenya, Aden, Malaya, and Hong Kong; (2) a comprehensive programme (to cost £90,000,000 over five years) for the replacement or modernization of out-of-date barracks, messes, and hospitals in the U.K., and the building of considerably more married quarters; (3) accelerated provision (at a cost of £1,000,000 during 1958-59) of canteens, clubs, sports grounds, swimming baths, etc., with particular attention to the needs of those serving abroad or at isolated home stations.

The White Paper concluded by pointing out that the net Defence Estimates for 1958-59 [see below] were £2,000,000 less than those for 1957-58, notwithstanding the need to absorb increases in civilian wages and prices amounting to about £50,000,000, increases in Service pay and allowances costing £32,000,000, compensation to officers and men prematurely retired, totalling £14,000,000, and a reduction in U.S. aid of £13,000,000. Not only had additional charges amounting to over £100,000,000 been thus absorbed, but the favourable effects of the new defence policy announced in 1957 were beginning to make themselves felt in a fall in the proportion of the working population in the Services or supporting them, and in an appreciable reduction in the claims on the metal-using industries and on scientific and engineering skills.

Detailed analyses of the proposed active strength of the three Services, and of the estimated cost of the 1958-59 Defence programme as a whole, were given in a White Paper (*Defence Statistics, 1958-59*—Cmd. 364) which was also published on Feb. 16. A summary is given below:

Manpower Statistics.

The estimated strengths of the Forces at April 1, 1958 and April 1, 1959, compared with the actual strength at April 1, 1957, was shown in the following tables:

	April 1, 1957 (actual)				April 1, 1958 (estimated)				April 1, 1959 (estimated)			
					(thousands)							
	Royal Navy	Army	R.A.F.	Total	Royal Navy	Army	R.A.F.	Total	Royal Navy	Army	R.A.F.	Total
Regular	102.7	194.6	153 9	451.2	97.1	176.1	141.3	415.3	94.7	289.9	168.8	556.2
National Service .	9.6	174.3	68.7	252.6	5.5	153.6	46.7	205.8	2.8			
Women	3.7	6.3	5.3	15.3	3.6	5.3	4 8	13.7	3.5	5.4	5.2	14.1
Total ..	116.0	375.2	227.9	719.1	107.0	335.0	192 8	634.8	101.0	295.3	174.0	570.3

The White Paper stated that the three Services would require about 130,000 male entrants in 1958-59. Of this total, 99,000 would come (either as Regulars or as National Servicemen) from the age-groups liable to call-up for National Service during the year; 2,000 of these would go to the Royal Navy, 76,000 to the Army, and 21,000 to the R.A.F.

Financial Statistics.

Expenditure Estimates. The gross cost of the 1958-59 programme was estimated at £1,465,450,000, or £17,580,000 less than the original estimate for 1957-58 of £1,483,030,000. An amount of £47,000,000 would be appropriated in 1958-59 in respect of the local costs of British forces in Germany, but no receipts from the U.S.A. would be appropriated in aid of Service Votes; for 1957-58, receipts from the U.S.A. and Germany together had totalled £62,750,000. The net cost of the 1958-59 programme (i.e. after deducting the receipts from Germany) was therefore estimated at £1,418,450,000, or £1,830,000 less than the net estimate of £1,420,280,000 for 1957-58 (after deducting receipts from the U.S.A. and Germany).

The division of expenditure between Departments in 1958-59 and 1957-58 was as follows:

	Gross Estimate		Net Estimate	
	1958-59	1957-58	1958-59	1957-58
	(£ million)		(£ million)	
Admiralty	339.40	316.15	339.40	316.00
War Office	441.40	445.50	401.90	481.40
Air Ministry	474.55	506.15	467.05	487.65
Ministry of Supply	193.35	197.60	193.35	197.60
Ministry of Defence	16.75	17.63	16.75	17.63
Total . ..	1,465.45	1,483.03	1,418.45	1,420.28

Offshore Procurement. The value of new contracts placed in the U.K. by the U.S.A. under the Offshore Procurement Programme was $36,000,000. In consultation with the U.S. Government, adjust-

ments had been made in certain earlier contracts to take account of revisions in defence plans, the net result being that the cumulative total of Offshore Procurement orders had been reduced to $640,000,000. The savings in U.S. Aid funds would be applied to other agreed defence projects.

Military Aid from the U.S.A. and Canada. During 1957 the U.S. Government had supplied *Corporal* missiles for the equipment of British Army units stationed in Germany. Other assistance under the U.S. Mutual Security Act had consisted mainly of radio equipment, aircraft and spares. The Canadian Government had provided further supplies of ammunition and equipment spares under its Mutual Aid Programme.

Defence Expenditure by Civil Departments. £18,850,000 would be provided during 1958-59 for defence expenditure by Civil departments (including loan expenditure by the Post Office), as compared with £21,900,000 included in the Estimates for 1957-58.

Figures issued on Feb. 27 by the Defence Ministry showed that the total strength of the armed forces on Dec. 31, 1957, was 650,000, against 702,100 at June 30. Figures in detail were: Royal Navy and Royal Marines, 13,600 officers and 95,300 ratings; Army, 29,900 officers and 310,700 other ranks; R.A.F., 25,400 officers and 175,000 other ranks. These totals included 212,000 National Service officers and other ranks. The number in the Reserve and Auxiliary forces was 599,700, against 591,500 six months earlier, while civilian employees of the Services numbered 246,000, a reduction of 6,500 over the six months.—(White Papers, Cmd. 363 and 364 - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 15493 A.)**

A. BAHAMAS. — Settlement of General Strike.

A 19-day strike which had brought economic life in the Bahamas to a virtual standstill, paralysed the tourist industry, and led to the despatch of a battalion of troops from Jamaica, was ended on Jan. 30, when the strikers agreed to a general resumption of work.

The strike originated in a long-standing dispute between taxi-drivers and other transport interests competing for business at the airport, to which large numbers of tourists are brought by British Overseas Airways and Pan-American Airways. A demonstration by the taxi-drivers' union on Nov. 2 resulted in the airport closing down for 24 hours and gave the taxi-drivers complete control of transport to and from the airport for two months, during which period the Governor (Sir Arthur Raynor) tried to resolve the dispute by mediation. Negotiations broke down in January, and the Governor then offered to appoint a three-man tribunal to investigate the dispute. This offer was rejected by the taxi-drivers' union, and discussions finally broke down when the union demanded the right to dictate what form of transportation tour operators should use (i.e. the form of transport to take tourists about the islands).

The strike began on Jan. 11, when the Bahamas Federation of Labour ordered all hotel employees to cease work in support of the taxi-drivers. It spread rapidly to bakery employees, electricity department workers, dustmen and street-cleaners, plumbers, building workers, stevedores, and airport workers, with the result that normal economic life was brought to a standstill. All hotels in Nassau (including the Emerald Beach Hotel, the largest in the Colony) closed down, together with many shops and bars; power supplies in some parts of the islands were severely disrupted, and in other areas were only maintained by the efforts of the managerial staffs and volunteers; and thousands of tourists left the islands in a general exodus. At the request of the Governor, a company of the 1st Battn., Worcestershire Regt. (about 120 officers and men) was flown to Nassau on Jan. 15 to assist the police in keeping order, guarding public buildings, and preventing intimidation. The frigate H.M.S. *Ulster* anchored on Jan. 19 off New Providence Island (15 miles from Nassau) and landed technicians to man local power stations affected by the strike.

Apart from an abortive attempt to sabotage the water supply, no serious incidents occurred during the strike, nor were any acts of violence reported. The Bahamas Federation of Labour and the taxi-drivers' union notified the Governor on Jan. 30 that they were returning to work on the understanding (1) that machinery would be set up to regulate urban transport; (2) that steps would be taken to remove restrictions on Bahamian trade unions; and (3) that the Bahamas Legislature would defer adoption of a hotel-workers' Bill and revise clauses opposed by the unions. The strike ended on the same day, and the troops of the Worcestershire Regiment were flown back to Jamaica on February 4.

The strike was estimated to have cost the Colony about £42,700 a day during its duration.—(Times - Daily Telegraph)

B. UNITED KINGDOM. — Reduction in Interest Rates on Local Authority Loans.

The Treasury announced on Feb. 25 that interest rates on new loans to local authorities from the Local Loans Fund would be reduced with immediate effect as follows (existing rates in parentheses): up to 5 years—6½ per cent (7¼ p.c.); 5 to 15 years—6¾ per cent (6¾ p.c.); over 15 years—6½ per cent (6¾ p.c.). (Financial Times) **(Prev. rep. 15800 A.)**

C. UNITED KINGDOM. — Capital Issues in 1957.

New capital issues in the U.K. in 1957 amounted to £383,357,000, as compared with £295,952,000 in 1956. Of the 1957 total, £320,989,000 (83.7 per cent) was for the home market, £60,923,000 (15.9 per cent) for Commonwealth and Empire countries, and £1,445,000 (0.4 per cent) for foreign countries.

The total for the home market included the whole of £40,950,000 issued by British Petroleum Ltd. in December 1957, no information being available as to the division between home and overseas use.

Issues in respect of the home market were divided into the following categories: Public Bodies, £27,140,000; Production, £250,283,000; Trade, £6,972,000; Transport, £8,745,000; Finance, £27,848,000. Classified by industrial and other groups, the total of all capital issues (home and overseas) was divided as follows: Governments, £13,014,000; Local Authorities, £24,185,000; Public Boards, £2,955,000; Railways, nil; Gas and Water, £3,004,000; Electric Light and Power, nil; Telegraph and Telephone, £3,598,000; Road Transport, nil; Shipping, Canals, and Docks, £8,745,000; Banking, Insurance, Investment, and Finance, £33,911,000; Property, £3,233,000; Coal, Iron, Steel, and Engineering, £110,391,000; Motors and Aircraft, £14,012,000; Mining, £17,344,000; Oil, £48,166,000; Tea, Coffee, and Rubber, £85,000; Breweries and Distilleries, £2,702,000; Miscellaneous, £98,013,000.

The figures above exclude all borrowings by the British Government; shares issued to vendors; allotments arising from the capitalization of reserve funds and undivided profits; sales of already issued securities which add nothing to the capital resources of the company whose securities have been offered; issues in replacement of securities previously held in the United Kingdom; and private placings for which no market quotations are obtained. The figures are based upon the prices of issue.

In a written reply on Feb. 4, the Chancellor of the Exchequer (Mr. Heathcoat Amory) gave details of approvals of applications for new capital issues by the Capital Issues Committee. These figures showed that approved applications during the fourth quarter of 1957 totalled £351,000,000, against £380,000,000 during the third quarter, £294,600,000 in the second quarter, and £447,700,000 in the first quarter. Comparative figures for 1956 were £327,000,000 in the fourth quarter, £251,600,000 in the third quarter, and £287,500,000 in the second quarter. The totals include applications for issues by oversea Governments, local authorities, and the nationalized industries.—(Times - Midland Bank Ltd.)

(Prev. rep. 15647 A; 15375 E.)

D. RHODESIA AND NYASALAND FEDERATION. — Measures to reduce Drain on Sterling Reserves.

Measures to reduce the drain on the Federation's sterling reserves were announced by the Federal Treasury on Jan. 31, including (i) a request to the commercial banks to reduce the level of bill finance and advances, and (ii) steps to tighten up hire-purchase transactions.

The Treasury statement said that payments for imports and other overseas services had reached a record high level in 1957, while export rates had fallen sharply—the copper price having dropped during the year from £267 to £182 a ton, and having since fallen to £163. Preliminary estimates indicated that the total sterling reserves of the Federation had fallen by £47,000,000 during 1957, totalling about £100,000,000 at the end of the year. Although this figure was equal to 4½ months' overseas payments at the average rate of such payments in 1957, £30,000,000 of the total loss of £47,000,000 had occurred during the last quarter of the year; if the drain on the reserves were to continue at the same rate, the position could easily become dangerous.

The Government believed that measures to control the physical volume of imports by the reimposition of controls would not be justified. To halt the current drain on the Federation's sterling resources, however, it had decided to reduce the demand for imports by (1) asking commercial banks and merchant banks to reduce the total level of their bill finance and advances "significantly" by April 30, particularly those which were made for the purpose of financing imports; (2) issuing regulations to increase the minimum deposit for hire-purchase transactions to 50 per cent of the purchase price, and reducing the period of repayment in various groups from 18 to 15 months and from 36 to 24 months respectively. The regulations restricting hire-purchase transactions were issued on the same day (Jan. 31) with immediate effect.

It was stated that the Government would not hesitate to resort to further measures if these appeared necessary. (Federal Information Department, Salisbury) **(15794 B.)**

E. BRAZIL. — First Atomic Reactor in Latin America.

The first nuclear reactor in Latin America went into operation on Jan. 25 at the University of São Paulo. A high-powered reactor of the "swimming-pool" type, it will produce isotopes for medical and industrial purposes and will be used for the training of Brazilian atomic scientists. Its maximum potential is 5,000,000 watts. (Brazilian Government Bulletin) **(15734 A.)**

A. AUSTRALIA. — Proposed Banking Legislation. - Creation of Independent Reserve Bank. - Reorganization of Commonwealth Bank. - New Special Accounts System. - Bills rejected by Senate.

The Federal Prime Minister (Mr. Menzies) announced on April 10, 1957, that the Government had decided to introduce legislation to amend the structure of the Commonwealth Bank with a view to dividing its functions as a central bank from its trading activities, and reorganizing the latter on a par with the trading banks. Legislation was accordingly introduced in the Federal House of Representatives on Oct. 24, 1957, comprising four major Bills and 10 subsidiary Bills. The major Bills were the Reserve Bank Bill, the Commonwealth Banks Bill, the Banking Bill, and the Banking (Transitional Provisions) Bill. The main provisions of these Bills, which were designed to replace the existing Banking Act, are summarized below :

The Reserve Bank Bill.

The chief purpose of this Bill was to establish a central bank as an institution which would not be directly associated with the conduct of bank business in competition with the private banks. The Commonwealth Bank of Australia—which at present combines the functions of a central bank and a trading bank—would accordingly be renamed the Reserve Bank of Australia, which would be exclusively devoted to carrying on the central banking functions of the Commonwealth Bank.

The Rural Credits Department (at present one of the branches of the Commonwealth Bank) would be attached to the new Reserve Bank ; its capital would be increased by £2,000,000 from central bank reserves, bringing it up to £4,714,000.

The present Commonwealth Bank Board would continue in existence as the Reserve Bank Board, comprising the Governor of the Reserve Bank as chairman, the Deputy Governor as deputy chairman, the Secretary to the Treasury, and seven other members, of whom at least five would be persons who were not officers of the Reserve Bank or of the Commonwealth Public Service. The Board would determine the Reserve Bank's policy and ensure that it was carried into effect. It would have the duty of ensuring, within the limits of its powers, that the monetary and banking policy of the Reserve Bank was " directed to the greatest advantage of the people of Australia," and that the powers of the bank were used " to promote the stability of the currency, the maintenance of full employment, and the economic prosperity and welfare of the people of Australia."

The Commonwealth Banks Bill.

This measure provided for the reconstitution of the banking elements of the present Commonwealth Bank group, other than the central bank and the Rural Credits Department, under a new corporation to be known as the Commonwealth Banking Corporation. The new corporation would be the controlling body for three banks : (1) the Commonwealth Savings Bank, (2) the Commonwealth Trading Bank (both belonging to the present Commonwealth group of banking institutions), and (3) the Commonwealth Development Bank, which would take over the Mortgage Bank Department and the Industrial Finance Department of the Commonwealth Bank.

The board of the new corporation would have power to determine the policy of the three banks and to control their affairs, and would also provide a common staff for conducting the business of the three banks. The board would comprise 11 members, including the managing director and deputy managing director of the Corporation and the Secretary to the Treasury as *ex officio* members, and eight other persons who were not officers of the Commonwealth Public Service or directors, officers, or employees of any bank ; of these eight members, one would be chairman and another deputy chairman of the board.

Each of the three constituent banks (the Commonwealth Trading Bank, the Commonwealth Savings Bank, and the Commonwealth Development Bank) would have an executive committee consisting of five members of the board of the corporation appointed by the Federal Treasurer after consultation with the board. The managing director of each bank would be a member of its respective executive committee, and the deputy managing director would also be eligible for membership. The Secretary to the Treasury might become a member of the executive committee for the Savings Bank, but would be ineligible for membership of the committees for the Trading Bank or the Development Bank.

The Commonwealth Trading Bank (which would be continued in its present form) would have its capital increased from central bank reserves by £2,000,000, bringing it up to £7,429,000 ; as its present reserve fund amounted to £2,735,000, this would give the Trading Bank a combined capital and reserves of over £10,000,000, apart from provisions for contingencies set aside over the years. Under a proposed amendment to the Income-Tax Act, the Trading Bank would become liable to tax from the beginning of the financial year in which the Commonwealth Banks Act came into operation, thus placing it on an equal footing with its private trading bank competitors. Its net profits after taxation would continue to be distributed as to one-half to its reserve fund and as to the other half to the Commonwealth Government.

The Commonwealth Savings Bank would continue its present functions but would lose its existing monopoly and would be put on equal terms with other savings banks. Any profits would be exempt from income-tax and would be divided each year between its reserve fund and the Commonwealth Government.

The Commonwealth Development Bank, like the Trading Bank and the Savings Bank, would have a separate identity, its own charter, and its own General Manager. It would operate in the fields of both primary and secondary industry, and would provide finance to assist primary production or the establishment or development of industrial undertakings, especially small undertakings, where it thought this desirable and where such finance would not otherwise be available on reasonable and suitable terms and conditions. To help people who were starting new agricultural development or establishing new industrial enterprises, the Development Bank would have regard " primarily to the prospects of the enterprise becoming or continuing to be successful," and would not " necessarily have regard to the value of the security available." The Development Bank would take over the capital and reserve funds of the existing Mortgage Bank and Industrial Finance Departments, amounting to over £14,300,000, which would be increased by a further £5,000,000 from central bank reserves. It would not be subject to income tax, any profits going to its reserve fund ; would have power to accept deposits from the public, but would not rely on such deposits as a major source of funds ; and could borrow up to £2,000,000 from the Reserve Bank without the consent of the Treasurer, though consent would be required for any borrowing overseas.

The Banking Bill.

This Bill (*a*) replaced the existing special account provisions (requiring the trading banks to deposit a specified part of their reserves in special accounts with the Commonwealth Bank) by a system of statutory reserve deposits ; (*b*) made provision for the regulation of savings bank business in general, having regard to the emergence of private savings banks following the ending of the monopoly of the Commonwealth Savings Bank ; and (*c*) regulated the position of the new Commonwealth Development Bank in the banking structure.

Statutory Reserve Deposits. Each trading bank would be required to maintain a statutory reserve deposit account with the Reserve Bank, and to have on deposit in the account such percentage of its Australian deposits as was determined by the Reserve Bank from time to time. On giving one day's notice the Reserve Bank might vary the statutory reserve deposit ratio up to 25 per cent, and on giving 45 days' notice above 25 per cent. A ratio would remain in force unless replaced by another one, but any ratio above 25 per cent could only be maintained for more than six months, and for succeeding periods of three months, if the Reserve Bank gave notice of such extension at least 45 days before the end of each period. The ratio would be the same for all trading banks (except four small banks which conduct business of a restricted kind). At least once every quarter the Reserve Bank must inform the trading banks of its estimates of likely changes in certain banking figures, and of its expected policy with regard to statutory reserve deposit ratios. Amounts held in statutory reserve deposit accounts would receive interest at a rate determined by the Reserve Bank, with the Treasurer's approval.

[These new provisions, especially the requirement whereby the Reserve Bank would have to give 45 days' notice of a determination of a statutory reserve deposit ratio in excess of 25 per cent, involved important changes as compared with the present system. At present, the central bank has power to require trading banks, virtually without notice, to lodge in special accounts with it those amounts which they held in special accounts at October 1952, plus up to three-quarters of the increase in their Australian deposits since that date. In practice, however, the amount in special accounts has so far never exceeded 25 per cent of the trading banks' total deposits.]

Savings Banks. These provisions introduced the customary safety guarantees for deposits by providing that private savings banks might not accept deposits from a profit-making body or company, and might not invest their depositors' funds otherwise than in deposits with banks, public securities, loans, guaranteed building societies, and loans for housing or other purposes on the security of land. They must maintain at least 70 per cent of depositors' funds in the form of cash, deposits with the central bank, and public securities, including at least 10 per cent in Treasury Bills and deposits with the central bank. A savings bank might not maintain deposits with trading banks to an amount exceeding £2,000,000, plus 2½ per cent of its depositors' balances. All these provisions would apply uniformly to the Commonwealth Savings Bank and the private savings banks.

Commonwealth Development Bank. Because of its special functions the Development Bank would not be subject to the reserve deposit provisions, nor would it be treated as a trading bank as regards the restrictions on deposits from savings banks.

The Banking (Transitional Provisions) Bill.

This Bill provided, *inter alia*, that the new Reserve Bank would carry on without interruption as the successor to the Commonwealth Bank ; that the statutory reserve deposits of the trading banks would automatically take the place of the present special accounts ; and that the existing foreign exchange regulations would remain in force without interrup-

tion. It also dealt with the position of the staff of the Commonwealth Bank and their distribution amongst the newly-formed successor banks.

Federal Treasurer's Statement on Banking Legislation.

The above-mentioned four major Bills, and the 10 subsidiary Bills, were moved for their second reading by the Federal Treasurer (Sir Arthur Fadden) on Oct. 24, 1957.

In addition to explaining the proposed new organization and institutions, **Sir Arthur Fadden** dealt at length with the reasons which had prompted the Government to propose a change in the present set-up. He explained that the main reason why the Government had decided to separate the central bank from the rest of the Commonwealth Bank group was entirely a practical one. Experience had shown that, unless and until this separation was effected, there could "not be full harmony within the Australian banking system, nor that close co-operation which ought to subsist between the central bank and the trading banks." The Government believed that there must be a strong central bank, but also that the private trading banks had a vital part to play in the country's banking system and economy. One condition, however, for the smooth and effective functioning of a system which included both a Government-owned central bank and a number of private trading banks was that "there must be mutual understanding between the central bank and the private banks, mutual confidence, and a will to co-operate." Sir Arthur Fadden emphasized that these requirements were "just as vital as legal powers for the central bank."

The private banks (Sir Arthur went on) had consistently maintained that they could not enter into fully confidential relationships with the central bank so long as it had, under its control and operating as an adjunct to itself, a major trading bank which was a competitor of theirs. They did not object to the competition of the Commonwealth Trading Bank so long as it was fair competition, but they did consider that the Commonwealth Trading Bank gained unfair advantages from its connexion with the central bank, they also feared the use that might be made of a trading bank, linked in this manner with the central bank, if a Government hostile to their interests came to power.

"The private banks have made it plain," Sir Arthur Fadden continued, "that they do not criticize the way in which the central bank has used the powers and functions it has under present legislation. On the contrary, they have been at pains to commend the competence, integrity, and impartiality of the central bank. They say that their complaint is simply and solely against the banking legislation as it stands, and that their fears relate wholly to the wrong use that might be made of that legislation." Their objections centred on two main points—the link between the central bank and the trading bank, and the special account system, which they believed could be used to damage them in vital ways.

A highly important aspect of this matter (Sir Arthur continued) was that these apprehensions were shared by many of the customers of the banks, who represented the great majority of the people engaged in trade and industry. Whilst some people might argue that there was no essential reason why there need be such lack of confidence under the present system, it could not be denied that this lack of confidence existed, and that it constituted a barrier to the achievement of a truly satisfactory banking system. The Government had to consider the matter from the standpoint of the national interest as a whole, and had a clear obligation to remove any element of weakness which barred the way to full efficiency and harmony in the banking system.

In the light of practical experience the Government had "by degrees come round to the belief" that only by completely separating the central bank from the rest of the Commonwealth banking group would the source of friction be eliminated. Technically, this was a complex problem, but the Government considered that the scheme put forward would provide an adequate and workable solution. In framing it, they had been determined to ensure that separation would not lead to any weakening of the basic powers of the central bank—in particular, of the powers to regulate the total volume of bank credit. Hence the introduction of the proposed statutory reserve deposits system, which would provide safeguards of the kind the banks desired and at the same time give ample scope and flexibility for credit control action by the central bank. The Government had been equally concerned not to impair the other institutions belonging to the present Commonwealth Bank group; to retain the Commonwealth Trading Bank as a "strong, active, competitive bank"; to safeguard the future of the Commonwealth Savings Bank; and to preserve the useful functions of the existing Rural Credits Department, the Mortgage Bank Department, and the Industrial Finance Department.

Labour Party's Opposition to Legislation. - Bills rejected in Senate.

The proposed legislation encountered strong opposition from the Labour Party, the Treasurer's speech leading to stormy scenes in the House of Representatives.

Dr. Evatt (Leader of the Opposition), speaking on Nov. 7, described the legislation as entirely unnecessary and denounced it as having been brought in at the behest of the private trading banks, which, he said, were hostile to the Labour Party. He claimed that the private banks had nothing to fear from the present special account system, and were protected against discrimination, whereas the new system would seriously delay action by the Reserve Bank to counter inflation. Dr. Evatt alleged that the real reason for the legislation was the successful competition of the Commonwealth Trading Bank against the private banks, its deposits having increased since 1945 [when it was first required by statute to compete with the private banks] from £50,000,000 to £200,000,000, and its loans having increased eightfold. In 1956 it had had 500,000 customers, and the figure was increasing at a rate of 42,000 a year.

The four major banking Bills and the 10 subsidiary Bills were given a third reading by the House of Representatives on Nov. 26-27, the voting on the Reserve Bank Bill being 53 to 28, on the Commonwealth Banks Bill 50 to 27, on the Banking Bill 54 to 28, and on the Banking (Transitional Provisions) Bill 53 to 29. When the Bills came up in the Senate, however, the Opposition mobilized every one of its members to oppose the Bill—including three Senators who were ill, and one who had recently undergone a serious operation and was brought to Parliament on a stretcher. As a result, the Government's motion for the first reading of the Reserve Bank Bill and the Commonwealth Banks Bill was defeated on Nov. 27 on a tie vote (28 for and 28 against). In a second attempt on Dec. 3 to pass these Bills, the motion for the first reading was again rejected by a tie vote of 27-27. The Senate also rejected on the same date, and by the same tie vote, the Banking Bill and the Banking (Transitional Provisions) Bill, and defeated the 10 subsidiary Bills by a voice vote. All the votes were taken without debate.

When opening the new session of the Commonwealth Parliament on Feb. 25, 1958, the Governor-General (Field-Marshal Sir William Slim) announced in the Speech from the Throne that the Government would reintroduce the four major banking Bills which had been rejected in the Senate.
(Australian Parliamentary Report, Banking Legislation 1957 - Australian News and Information Bureau) **(12918 C.)**

A. UNITED STATES.—Reductions in Federal Reserve Bank Rates, Stock Margin Requirements, and Reserve Requirements of Member Banks.

The Federal Reserve Board approved on Nov. 14, 1957, a reduction in the discount rate from 3½ per cent to 3 per cent by the Federal Reserve Banks of New York, Atlanta, Richmond, and St. Louis, as from Nov. 15. Similar cuts took place in the discount rate of the Federal Reserve Bank of Boston on Nov. 19; of the Federal Reserve Banks of Philadelphia, Minneapolis, and Kansas City on Nov. 22; of the Federal Reserve Banks of Chicago, Cleveland, and San Francisco on Nov. 28; and of the Federal Reserve Bank of Dallas on Dec. 2.

A spokesman of the Federal Reserve Board stated on Nov. 14 that the discount rate had been reduced because the "feverish surge in the economy" had been worked off and inflationary pressure eased; it was time, therefore, to change the rate to meet present economic conditions. The reductions (the first to be effected after a three-year period of rate increases) followed a noticeable decline of industrial and business activity, largely in the production of durable goods—the downward trend being described in the American Press as a "mild business slow-down."

A further reduction in the discount rate of the Federal Reserve Bank of Philadelphia from 3 per cent to 2¾ per cent was approved by the Federal Reserve Board on Jan. 21, 1958. Similar reductions were made by the Reserve Banks of New York, Cleveland, Chicago, Richmond, St. Louis, and Kansas City with effect from Jan. 24, followed by the Reserve Banks of Boston, Atlanta, Dallas, and Minneapolis. The Reserve Bank of San Francisco, however, announced on Feb. 14 that it would continue its rate at 3 per cent.

The new cut in the bank rate was an expression of increasing uneasiness over the continued recession in U.S. economic activity. According to the Federal Reserve Board's report issued on Jan. 16, personal incomes had declined in December for the fourth successive month, whilst industrial output was at its lowest level for 18 months.

Between the first and second reduction of discount rates the Federal Reserve Board had announced another credit-easing move on Jan. 15 by reducing margin requirements for stock purchases from 70 per cent to 50 per cent, with effect from Jan. 16. [Margin is the minimum percentage of cash a purchaser must put up to purchase stock.]

In yet another move to stimulate economic activity, the Federal Reserve Board announced on Feb. 19 that reserve requirements of member-banks would be reduced by ½ per cent: viz., from 20 per cent to 19½ per cent of net demand deposits for central Reserve city banks (New York and Chicago); from 18 per cent to 17½ per cent for Reserve city banks; and from 12 per cent to 11½ per cent for country banks. The cuts will release about $500,000,000 from present required reserves, and it was estimated that this would mean some $3,000,000,000 more in available credit.—(New York Times - New York Herald Tribune - Financial Times, London) **(Prev. rep. 15784 A.)**

A. UGANDA. — Constitutional Developments. - Direct Elections to Legislative Council in 1958. - Common Roll Elections in 1961. - Rejection of Lukiko's Petition for Discussions on Self-Government. - Split in Uganda National Congress.

Proposals for the direct election of the 18 African representative members of the Uganda Legislative Council in 1958 were published by the Government of Uganda on June 28, 1957, after discussions with the district councils. The proposals were unanimously approved by the Legislative Council on Aug. 8 and accepted by the U.K. Government on Oct. 10, 1957. Details of the Government's constitutional proposals and of the controversies preceding and arising from them are given below.

Sir Andrew Cohen (then Governor of Uganda) had announced in the Legislative Council on April 24, 1956, that it was the policy of the Government of Uganda, with the full support of H.M. Government, to introduce direct elections on a common roll for representative members of the Legislative Council in 1961, if an acceptable scheme could be arranged. The Government would therefore set up machinery in the next Legislative Council to work out details of the franchise, as well as a scheme to secure proper representation of non-African communities within the system of a common roll. At the next elections in 1957 the members representing the Northern, Eastern, and Western provinces would be chosen as hitherto by district councils, but the five Baganda representatives would be directly elected, in accordance with the Buganda Agreement of 1955, if satisfactory arrangements could be agreed on with the Kabaka's Government. Although the elections in Buganda would not be on a common roll, they would provide an opportunity of testing the method of direct elections in preparation for a country-wide examination of the problems of direct common-roll elections in 1961.

The Governor's statement was strongly criticized by the African Press and political organizations.

The Uganda National Congress (U.N.C.), the largest political party in the country, issued a statement on May 13, 1956, opposing the proposal that direct elections in 1957 should be confined to Buganda, and demanding that the Government should prepare the whole country for such elections; while expressing its willingness to discuss representation of minorities, the U.N.C. questioned whether such safeguards as the Government desired were necessary. The Central Council of Moslem Associations (a largely Asian organization, then newly formed) announced its full support for the Governor's statement on Aug. 3, 1956; it added that if adequate and effective representation of non-African groups appeared likely to retard constitutional advance, "the Moslem community would not insist upon the reservation of minority representation."

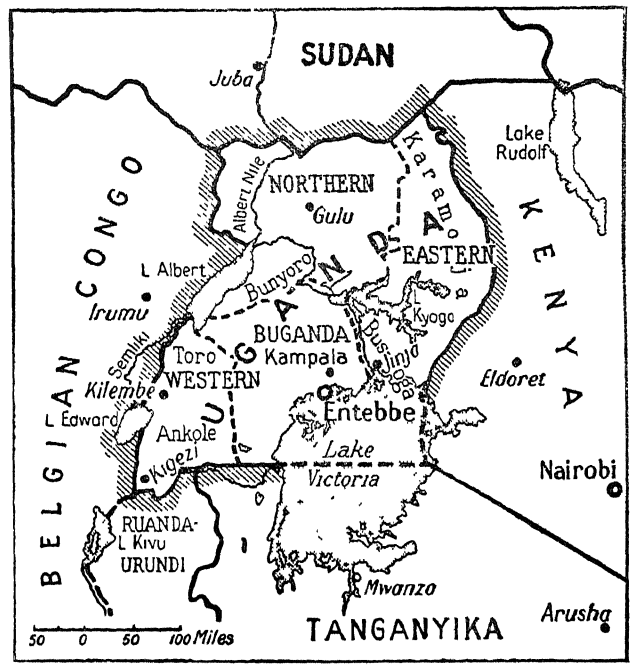
It was announced on Nov. 22, 1956, that the Government's proposals had been discussed in all districts and would be considered by a special committee of the Legislative Council appointed by the Governor. A report on discussions between representatives of the Protectorate Government and the Buganda Government, published at the same time, recommended that voters in Buganda should possess certain property, educational, or other qualifications. These recommendations, however, were subsequently rejected by the Lukiko (the Buganda Council), which adopted a resolution in favour of universal adult suffrage. Discussions were accordingly reopened in April 1957 with a different delegation representing Buganda.

On June 28, 1957, the Uganda Government published amended proposals which provided for direct elections for the whole Protectorate. The report of the Elections Committee of the Legislative Council, and another report on the discussions between the Uganda and Buganda Governments, were published at the same time.

The paper setting out the Uganda Government's revised proposals stated that the main objective remained the introduction of the common roll in 1961, but that the Government was "prepared to modify its views about the timing of the introduction of direct elections for African representatives from outside Buganda as a result of discussions held throughout the Protectorate, and because it is satisfied that it is preferable that these members should be elected on the same basis throughout the Protectorate." To make the necessary legislative and administrative arrangements, it would be necessary to prolong until 1958 the life of the Legislative Council, which was due to be dissolved at the end of 1957.

The Elections Committee recommended that every voter should be 21 or over and resident in his constituency, and should either (*a*) be an owner or genuine occupier of land; (*b*) be able to read and write in the vernacular; (*c*) have been employed continuously for seven years in the public services, agriculture, commerce, or industry; or (*d*) have an income of £100 a year or property worth £400. Candidates should be at least 27 years of age; be able to speak, read, and write English; be registered voters of the administrative district in which they were standing for election; and have an income of £200 a year or property worth £700. Agreement on similar qualifications for voters and candidates had been reached between the Protectorate and Buganda Governments.

A minority report signed by three African members of the Elections Committee, including Dr. B. N. Kununka (general secretary of the U.N.C.), dissented from the view—expressed in the report—that the non-African communities should be represented on the representative side of the Legislative Council when the common-roll was introduced, and maintained that any common-roll system should not be weighted in favour of certain sections of the population.



(*Economist*)

The Legislative Council approved unanimously on Aug. 8, 1957, a Government-sponsored motion asking H.M. Government to introduce direct elections for the 18 African representatives from all parts of Uganda except Karamoja (a backward district in north-eastern Uganda). Mr. J. V. Wild (the Administrative Secretary) stated during the debate that the proposed qualifications would make 70 to 80 per cent of African men and about 20 per cent of African women eligible for the franchise. He also announced that a seat would be found on the Government back-bench for a representative from Karamoja.

The Lukiko had previously (July 30, 1957) adopted a motion approving the introduction in Buganda of direct elections for the Legislative Council. The principle of direct elections was subsequently endorsed by all the district councils except those of Ankole and Bugishu, and on Oct. 10 Mr. Lennox-Boyd (the U.K. Colonial Secretary, then visiting Uganda) announced that he had agreed to direct elections for the 18 African seats in question being held in 1958.

A resolution approving the principle of a common roll with "adequate and effective representation" for minorities in the 1961 elections was moved in the Legislative Council by Mr. C. H. Hartwell (the Chief Secretary) on Sept. 30, 1957, and after a four-day debate was approved on Oct. 3 by 34 votes to 20. All African representative members voted against it. Mr. Hartwell explained that the concept of "adequate representation" referred to the number of seats, whilst by "effective representation" the Government meant that the electoral mechanism must be such as to ensure that the number of non-Africans regarded as adequate were in fact returned to the representative side. He gave an assurance that the Government had no intention of increasing the present number of non-African representatives.

The Government's attitude on this question also met with considerable African opposition outside the Legislative Council. The Lukiko adopted a resolution on Aug. 19, 1957, protesting against the Government's intention to link the introduction of direct elections with the Council's acceptance of the principle of a common roll. The U.N.C. announced on Oct. 13 that it would instruct its members on the Council to resign if the Government pressed its "totalitarian policies," whilst the United Congress Party, which had broken away from the U.N.C. [see below], also announced that it was considering a boycott of the Council as a protest against Mr. Lennox-Boyd's decision that there should be no major constitutional changes before 1961.

Two United Congress Party members of the Council, Dr. E. M. K. Muwazi (one of the five members from Buganda) and Mr. David Lubogo (one of the two members representing the neighbouring district of Busoga), subsequently resigned their seats in November 1957 on the ground that the Council was "ignoring the wishes of the African people." The Buganda electoral college decided on Dec. 17 not to elect a successor to Dr. Muwazi, and called upon the four other Baganda members to resign, whilst the Busoga district council similarly decided not to replace Mr. Lubogo. After both bodies had reaffirmed their decision, Sir Frederick Crawford (Sir Andrew Cohen's successor as Governor) announced on Jan. 13, 1958, that Dr. Muwazi's seat would remain vacant, but that he (the Governor) would nominate a successor to Mr. Lubogo. The U.N.C. and the Progressive Party dissociated themselves from the attitude of the Buganda electoral college and reiterated their decision to work for constitutional progress from within the Council; the four other Baganda members likewise did not resign from the Council.

Three additional African members were nominated to the Council on Jan. 6, 1958, including a representative of Karamoja. Two of these new members took over the two votes formerly held by Sir Frederick Crawford as president of the Council, whilst the third replaced Mr. C. A. L. Richards, who had resigned his seat to devote himself fully to his duties as Resident of Buganda.

Other recent political developments in Uganda are described below under cross-headings.

Buganda and Toro Demands for Self-Government.

The Lukiko unanimously approved on Feb. 14, 1957, a petition to the Queen asking for discussions in the near future between representatives of the Queen and of the Lukiko to "make a definite policy which will lead us to self-government in a fixed time within the Commonwealth."

After recalling that Buganda had accepted British protection in 1893, under an agreement signed by the then Kabaka, the petition asserted that there had since been a departure from the spirit of that agreement in three instances: (i) the deportation of the Kabaka in 1953, (ii) proposals by the Protectorate Government for the compulsory acquisition of land for a new railway; and (iii) a plan for the establishment in Nairobi of a central supply organization for the East African military forces. The petition contended that the 1955 agreement had not mentioned self-government because it had been concluded as the only means of securing the Kabaka's return, and therefore "other important political issues were not discussed."

Mr. Lennox-Boyd's reply, which was handed to the Katikiro (Chief Minister) of Buganda on April 5, 1957, stated that the U.K. Government saw no reason to alter the arrangement agreed upon in 1955—viz., that there should be no major changes in the Constitution before 1961.

With reference to the grievances mentioned, Mr. Lennox-Boyd said that no useful purpose could be served by again discussing the Kabaka's deportation; that the Protectorate Government was arranging for a test case in the courts on the railway land dispute; and that the establishment of a central military supply organization in Nairobi would not affect the Governor's control of the Forces in Uganda. Refuting the statement that the 1955 agreement had been entered into by Buganda mainly as a means of ensuring the Kabaka's return, Mr. Lennox-Boyd pointed out that the discussions leading to the 1955 agreement, and the agreement itself, had covered many important issues unconnected with the return of the Kabaka. In reply to the request for a meeting with "representatives of the Queen," Mr. Lennox-Boyd pointed out that the Governor of Uganda was the Queen's representative and was always available for discussions.

The Rukurato (Council) of the kingdom of Toro (in western Uganda) adopted a resolution on June 23, 1957, supporting Uganda's evolution towards self-government on federal lines, as a means of preserving the position of the native rulers, rather than as a unitary State. On July 30 the Lukiko adopted a similar resolution opposing Uganda's development as a unitary State, and advocating a system which would "strengthen firmly the position of the Kabaka and other native rulers."

Lukiko's Rejection of Direct Election of its Members.

The Lukiko rejected on June 20, 1956, by 57 votes to 21, a motion that direct election of its own members should be introduced in 1958.

The motion had been proposed by Mr. E. M. K. Mulira (leader of the Progressive Party) and was supported by the Katikiro (Mr. Kintu), who pointed out that they could not ask for direct election to the Legislative Council and reject it for themselves. [The Lukiko consists of the Kabaka's Ministers, 20 *saza* (county) chiefs, six nominees of the Kabaka, 50 members chosen by electoral colleges, and 20 elected by *saza* councils.] After the vote Mr. Mulira, Mr. I. K. Musazi (president of the U.N.C.), and Mr Joseph Kiwanuka (chairman of the U.N.C.) walked out as a protest The Speaker (Mr. Kasule) subsequently ordered the expulsion of Mr. Mulira from the Lukiko on the ground that he had "broken custom" by walking out.

Split in Uganda National Congress.

Dissensions among the leadership of the U.N.C. during 1956-57 culminated in an open split at the annual congress on June 30, 1957, when 47 delegates walked out in protest against alleged irregularities in the election of the leadership. The dissenting delegates subsequently formed the United Congress Party, whose leaders included several former members of the U.N.C. executive—among them Dr. Muwazi, Mr. Lubogo, and Mr. J. L. Zake, legal adviser to the Lukiko.

The U.N.C. had previously issued a manifesto on May 12, 1957, declaring that its objective was the complete independence of Uganda as a full member of the British Commonwealth. It defined its immediate aims as (1) direct elections throughout Uganda on a basis of universal suffrage, (2) the unity of Uganda's tribes as an African nation, with preservation of tribal institutions; (3) Africanization of the Civil Service; (4) the creation of opportunities for Africans in trade, commerce, and industry.

Alleged Conspiracy against the Kabaka.

Mr. Kiwanuka was arrested by order of the Buganda Government on Jan. 14, 1958, on a charge of conspiring to procure by bribery the assassination of the Kabaka, of Mr. Kintu, and of three other prominent Baganda. Mr. Musazi, for whose arrest a warrant had been issued, gave himself up on the following day, but no charge was brought against him. The hearing of the case against Mr. Kiwanuka (who had been released on bail) was adjourned indefinitely by the chief court of Buganda on Jan. 24, after the prosecution had stated that investigations were taking longer than had been anticipated.

Speaker of Legislative Council. - New Seat of Government.

Sir John Griffin, a former Chief Justice of Uganda, was appointed the first Speaker of the Legislative Council on Nov. 18, 1957.

Sir Frederick Crawford, the Governor, informed the Legislative Council on Jan. 13, 1958, that the seat of the Protectorate Government would be moved from Entebbe to Kampala.—(Times - Daily Telegraph - Manchester Guardian)
(Prev. rep. Constitutional Reform, 14356 A; 14034 A; Buganda Agreement, 14481 A; Governor, 15032 E.)

Note. As shown on the map on page 16035, the Uganda Protectorate consists of the Kingdom of Buganda and the Northern, Eastern and Western provinces. The people of Buganda are known as the Baganda; their language is Luganda.

A. PANAMA. — Assassination of President Remón. - Defendants acquitted of Complicity. - Release of Ex-President Guizado.

The trial opened in Panama City on Oct. 21, 1957, of Señor Ruben Miro on a charge of complicity in the assassination of President Remón on Jan. 2, 1955. Six other defendants (five men and one woman) were also tried the men on the same charge as Sr. Miro, and the woman for having allegedly harboured one of the accused.

The prosecution rested almost entirely on a confession which Sr. Miro was alleged to have made after the murder of President Remón; this confession, however, was subsequently retracted, and Sr. Miro pleaded not guilty at the trial. After extensive hearings, all seven defendants were acquitted on Dec. 6 and immediately released. Ex-President Guizado, who had been serving a sentence of six years and eight months on a charge of being an accessory to the assassination, was also released from gaol on Dec. 10, after serving almost three years of his sentence. - (New York Times)
(Prev. rep. 14161 B; 14053 A.)

B. ITALY - PERSIA. — New Trade Agreement.

A new trade and payments agreement between Italy and Persia was signed in Rome on Jan. 20, 1958.

Replacing an agreement of 1952, it provided for an increase in the volume of Italo-Persian trade from 15,800,000,000 lire during the first ten months of 1957 to 40,000,000,000 lire a year, and removed all Persian import restrictions on Italian exports of capital equipment and industrial machinery. Italian exports to Persia (for which quotas were fixed) will include cotton, woollen, and artificial-fibre textiles and yarns; lorries, buses, and motor cars; tyres; agricultural machinery; pharmaceutical products; cement; cables, etc. Italy may also supply small ships and aircraft. The principal Persian exports to Italy will be raw cotton and oil-seeds, as well as timber, carpets, hides, ores, wool, and silk.

The agreement abolished the existing clearing arrangement and introduced the new multilateral lira system in its place. The trade arrangements will be valid for one year in the first instance, but will continue until notice of termination is given. (Corriere d'Informazione, Milan) **(Prev. rep. 15837 A.)**

A. SAMOA. — Constitutional Development. - Introduction of Ministerial System. - New Zealand Reparation Estates transferred to Public Corporation.

Two Bills granting the Trust Territory of Western Samoa an increased degree of self-government were passed by the New Zealand Parliament in 1956 and 1957. The first of these provided that the High Commissioner might entrust elected as well as official members of the Executive Council with the responsibility for Government departments, whilst the second established ministerial government, with the Executive Council functioning as a Council of Ministers. Statements issued by the New Zealand Government emphasized that these changes were intended to be preparatory to the introduction of a full system of Cabinet government in 1960. Details of these and other recent constitutional developments are given below.

A Samoan constitutional convention held in December 1954 had put forward the following recommendations :

(1) A single Legislature should replace the existing 26-member Legislative Assembly and the Fono of Faipule (an advisory council of 41 members). The Legislature should be presided over by a Speaker elected by the House, and should consist of 41 elected Samoan members, five elected European members, and two official members (the Ministers of Justice and Finance).

(2) The Legislature should have power to make all laws necessary for the peace, order, and good government of Western Samoa, subject only to the suspensory veto of the Head of State and to any restrictions which might be advisable owing to Samoa's relationship with New Zealand. "Reserved" subjects would remain as they were for the present, but should be reviewed as constitutional changes took place.

(3) Elections should be held every three years, and the Legislature should not be dissolved save for these triennial elections. In the Samoan constituencies, only *matai* (chiefs) should have the right to vote and to be nominated as candidates. Elections should be by secret ballot, but any candidate nominated by a majority of the *matai* of the constituency should be declared elected.

(4) The two *Fautua* should be the first Head of State, acting together and with equal powers. Their term should be for life, but legal provision should be made to permit them to resign at any time. Future vacancies in the position should be filled in a manner decided by the Legislature.

(5) A Premier and Cabinet should control the executive from the time when the new Legislature was established. The Premier should be chosen by the Legislature, and could be dismissed by the Head of State only after a vote of no-confidence passed by two-thirds of its members. On the dismissal or resignation of the Premier, Parliament should not be dissolved but should elect another Premier.

(6) The Premier should choose his Cabinet from the elected members with the Legislature's approval. For the time being, two official members (the Ministers of Justice and Finance) should be included in the Cabinet.

(7) The Government should control its own Public Service through a Public Service Commissioner.

(8) The special relationship between Western Samoa and New Zealand should be maintained indefinitely, although its form might change with changing circumstances and constitutional developments. There should be a New Zealand representative in Western Samoa, whose status, powers, and functions would depend upon the nature of the relationship between the N.Z. and Samoan Governments.

The New Zealand Government's proposals for the constitutional development of Western Samoa were contained in a memorandum sent to the High Commissioner on Dec. 26, 1955, and were endorsed in principle at a joint session of the Samoan Legislative Assembly and the Fono of Faipule in February 1956.

The memorandum accepted the convention's recommendations in general, but proposed a number of amendments, the most important of which were as follows : (1) power to dissolve the Legislature before its three-year term was completed should be vested in the High Commissioner, and after his establishment in the Head of State. (2) The Legislature should be able to remove the Premier by a simple majority vote of no-confidence. (3) While accepting the recommendation for restriction of the franchise, the N.Z. Government hoped that universal suffrage would eventually be adopted.

The memorandum proposed that full Cabinet government should be achieved by the following stages : (1) As from 1956, the elected as well as the official members of the Executive Council should be responsible for departments allotted to them. The High Commissioner and the *Fautua* would continue to be members of the Executive Council (over which the High Commissioner would preside) and of the Legislature. (2) Ministerial government, with the Executive Council functioning as a Council of Ministers, would be established when the new Legislature was set up in 1957. The High Commissioner and the *Foutua* would still be members of the Executive Council, over which the High Commissioner would preside, but would cease to be members of the Legislature, which would be presided over by an elected Speaker and led by a Leader of Government Business. (3) Cabinet government would be introduced, it was hoped, in 1960. The Premier would then preside over the Council of Ministers and lead the Legislature, and the High Commissioner and the *Fautua* would no longer attend Council meetings.

"With full Cabinet government thus established," the memorandum stated, "there would remain only one more step to be taken before it could be said that self-government had been finally achieved—namely, the change in status of the representative of New Zealand and the assumption by the Head of State of the proper powers and functions of that office. When this should be done would be the subject of discussions between the new Government of Western Samoa and the Government of New Zealand."

The Samoa Amendment Act, 1956, providing for the assumption of departmental responsibilities by elected members of the Executive Council, was passed by the N.Z. House of Representatives in the summer of that year and came into force on Sept. 1, 1956. Under the provisions of this Act, four Samoan members of the Legislative Assembly assumed responsibility for the Departments of Agriculture, Lands, Education, and Health.

The Samoa Amendment Act, 1957, which received its third reading in the N.Z. House of Representatives on Oct. 9, 1957, increased the number of Samoan elected members of the Executive Council—who were to be known as Ministers—from four to five. The High Commissioner was required to consult the Executive Council and to act upon its advice in the exercise of his powers, except those relating to defence, external affairs, the title to Crown Land, and certain other matters. The Act also abolished the Fono of Faipule and increased the size of the Legislative Assembly, in accordance with the constitutional convention's recommendations. It also laid down that the Assembly should meet at least once a year and be elected for a three-year term, but might be prorogued or dissolved by the High Commissioner.

In the elections to the Assembly which took place on Nov. 15, 1957, voting took place in only 10 of the 41 constituencies. Of the remaining Samoan members, 26 were returned unopposed and five were nominated by a majority of the *matai* in their constituencies.

The N.Z House of Representatives passed on Oct. 24, 1956, an Act establishing a corporation (the Western Samoan Trust Estates Corporation) to administer the assets of the New Zealand Reparation Estates for the benefit of the people of Western Samoa.

The estates comprise cocoa and coconut plantations, bush land, and buildings which were taken over from German owners when N.Z. forces occupied the German colony of Samoa in 1914, and were subsequently granted to the N.Z. Government as war reparations. Since 1945 the profits from the estates had been used to finance projects for the social and economic advancement of the Samoan people. The estates, which are the largest single employer of labour and the largest taxpayer in Western Samoa, cover 33,245 acres and are valued at £1,104,065.

The estates were handed over on April 1, 1957, to the corporation, which consists of the Director of Agriculture of Western Samoa, a general manager, four Samoan directors appointed by the High Commissioner, and a director appointed by the New Zealand Minister of Island Territories.
(The Dominion, Wellington - N.Z. External Affairs Department)
(Prev. rep. 12824 B.)

B. SCIENTIFIC RESEARCH. — The Sea Gravimeter.

The U.S. Committee for the International Geophysical Year announced on Dec. 13, 1957, that successful tests had been carried out of a new instrument—known as the sea gravimeter —which would make it possible to determine the density of the earth's crust beneath all the oceans of the world. The new device was developed in 1955 by Dr. Anton Graf, of Munich, and Dr. J. Lamar Worzel, Professor of Geology at Columbia University, and had undergone successful tests on a route from Long Island (N.Y.) 200 miles south-eastward into the Atlantic. The instrument was mounted on a gyro-stabilized platform installed in a guided-missile ship, U.S.S. *Compass Island*, and had accurately determined the density of the earth's crust over the route taken.

The sea gravimeter can detect changes of one-millionth of the value of gravity at the earth's surface. It is expected to be used extensively in the oceanographical researches being carried out as part of the I.G.Y. programme. (New York Times)

C. FRANCE. — Population passes 44,000,000-mark.

The National Statistical Institute announced on Feb. 26 that the population of France had passed the 44,000,000-mark, being 44,289,000 at Jan. 1, 1958—an increase of 435,000 during 1957. It was stated that this increase was partly due to the influx of over 100,000 foreign workers. Births totalled 805,000 in 1957, against 803,000 in 1956, and deaths 520,000, against 542,000.
(Le Monde, Paris) **(Prev. rep. 15577 A.)**

A. SOVIET UNION.—Agricultural Policy. - Sale of State-owned Machinery and Tractors to Collective Farms. - Adoption of M. Khrushchev's Proposals.

In a speech at Minsk on Jan. 22 to a conference of agricultural workers, M. Khrushchev suggested the elimination of the State-owned machine and tractor stations (which rent out most of the agricultural machinery used by the collective farms) and the sale of their machinery to the collective farms. M. Khrushchev's proposals were approved on Feb. 26 by the Central Committee of the Soviet Communist Party.

M. Khrushchev said that the concentration of machinery in the machine and tractor stations had been justified when the collective farms were small and could not use new equipment economically. Since then, however, they had been enlarged, until some had as much as nearly 50,000 acres, and they were therefore now in a position to make rational use of equipment. Grain and other crops cost much less to produce on State farms—which owned their own machinery—than on collective farms, because of the many overhead expenses at the machine and tractor stations. The collective farms and the machine and tractor stations each had their own managerial apparatus, with the result that "there are two masters on the same land, and where there are two masters there cannot be good order . . ."

He therefore suggested that part of the machinery owned by the machine and tractor stations (e.g. tractors, cultivators, seed drills, and soil-tilling implements) should be sold to the collective farms. The machine and tractor stations should be entrusted with repairs and with the sale of spare parts and machines, and should rent out machines which it was not advantageous for the collective farms to buy—e.g. land reclamation equipment and road-making machinery. Emphasizing that this change would put an end to "the bureaucratic distribution of machinery from the centre," M Khrushchev commented: "Today, unfortunately, there is much disorder in this matter, which causes huge losses to the State. The machine and tractor stations take a machine even if they do not need it. No flax is sown, but they get flax combines; no cabbages are grown, but they receive machines for sowing cabbage seed. As a result, much equipment is unused for years, and State funds amounting to hundreds of millions of roubles are turned into dead capital."

M. Khrushchev stated that his proposal was being studied by the Communist Party Central Committee and the Council of Ministers. If it was approved, the same procedure might be followed as in the case of the reorganization of industrial management [see 15575 A]—i.e. "theses" would be published for general discussion, and a session of the Supreme Soviet would be convened. The process of reorganization, however, might be spread over two or three years, as some collective farms were not in a position to buy the necessary equipment and organize its proper utilization immediately.

A policy of transferring the machine and tractor stations to the collective farms had been approved by the Communist Party Central Committee as far back as 1930, but was reversed a few months later. The possibility of reverting to such a policy was discussed by Stalin in his *Economic Problems of Socialism in the U.S.S.R.*, published in 1952, but was rejected by him on the grounds that the collective farms would be ruined by the expense of replacing obsolete machinery, and that such a change would be a step away from Communism. M. Khrushchev's proposals therefore represented a continuation both of his campaign against "bureaucracy" in the organization of economic life, and of the attack on Stalin's economic theories launched at the 20th Communist Party congress in February 1956 [see 14745 A].

The Soviet Ministry of Agriculture announced on Oct. 24, 1957, that nearly 90,000,000 acres of virgin land (more than the total cultivated area of France, Italy, Western Germany, Austria, Belgium, Denmark, the Netherlands, Spain, and Sweden) had been brought under cultivation in the eastern part of the U.S.S.R. since 1954, with the result that output of grain had increased by nearly 24,500,000 tons. More than 7,500,000 acres had been ploughed up during 1957, mainly in Kazakhstan and Siberia, and an additional 30,000,000 to 37,500,000 acres would be brought into cultivation within the next two or three years in Siberia, the Urals, and the south-eastern part of the Russian Soviet Republic (R.S.F.S.R.)
(Soviet Embassy Press Department, London)

(Prev. rep. 15899 A; 15690 B.)

B. SWITZERLAND. — Air Force. - Purchase of 100 Jet Fighters from Britain.

An order for 100 Hawker *Hunter* turbo-jet fighters was placed by the Swiss Government on Jan. 29 with the Hawker Aircraft Company. The Swiss National Council (the Lower House) had approved the transaction earlier the same day by 123 votes to 11, the Council of States having already given its approval in December. The aircraft will cost £13,000,000 (312,800,000 Swiss francs) and will be delivered by the end of 1959. They will replace the 75 *Vampire* fighters bought by Switzerland from Britain in 1947.—(Neue Zürcher Zeitung)

(Prev. rep. 8694 C.)

C. LITERATURE. — Book Selections, January and February 1958. - British Book Production in 1957.

Selected books published in Great Britain and the United States are given below:

Great Britain. Abrahams, Peter—"Jamaica: An Island Mosaic." (H.M. Stationery Office, Corona Library, 25s.)
Baines, Frank—"Look Towards the Sea." An Autobiography. (Eyre and Spottiswoode, 21s.)
de la Bedoyere, Michael—"The Meddlesome Friar." The Conflict between Savonarola and Pope Alexander VI. (Collins, 18s.)
Bonnin, Georges (editor)—"Bismarck and the Hohenzollern Candidature for the Spanish Throne." The Documents in the German Diplomatic Archives. (Chatto and Windus, 42s.)
Bruce, Maurice—"The Shaping of the Modern World, 1870-1939: Volume I—The World to 1914." (Hutchinson, 42s.)
Campbell, Peter—"French Electoral Systems and Elections, 1789-1957." (Faber and Faber, 21s.)
Cobb, Belton—"The First Detectives." (Faber and Faber, 15s.)
Connell, John—"The 'Office': A Study of British Foreign Policy and its Makers, 1919-1951." (Allan Wingate, 25s.)
Davidson, Basil—"Turkestan Alive: New Travels in Chinese Central Asia" (Cape, 25s.)
Guppy, Nicholas—"Wai-Wai: Through the Forests North of the Amazon." (John Murray, 28s.)
Hemlow, Joyce—"The History of Fanny Burney." (Oxford University Press, 35s.)
Høyer, Liv Nansen—"Nansen: A Family Portrait." Translated from the Norwegian. (Longmans, 30s.)
Jones, L. E. (Sir Lawrence Jones)—"Georgian Afternoon." Autobiography, Volume III. (Rupert Hart-Davis, 21s.)
Kennan, George F.—"Russia, the Atom, and the West." The B.B.C. Reith Lectures for 1957. (Oxford University Press, 10s. 6d.)
Linn, Bettina—"A Letter to Elizabeth." A Novel. (Chatto and Windus, 15s.)
Lodwick, John (with D. H. Young)—"Gulbenkian." An Interpretation of Calouste Sarkis Gulbenkian. (Heinemann, 21s.)
Macintyre, Captain Donald—"Jutland." (Evans, 18s.)
Martin, E. W.—"Where London Ends: English Provincial Life after 1750." (Phoenix House, 30s.)
Mehta, Ved—"Face to Face." The Autobiography of a Blind Indian Student. (Collins, 16s.)
Namier, Sir Lewis—"Vanished Supremacies." Essays in European History, 1812-1918. (Hamish Hamilton, 18s.)
O'Connor, Philip—"Memoirs of a Public Baby." (Faber and Faber, 18s.)
Powell, Dilys—"An Affair of the Heart." Three Post-war Journeys to Greece. (Hodder and Stoughton, 21s.)
Salvesen, Sylvia—"Forgive—But do not Forget." A Norwegian Woman's Experiences in Ravensbrück Concentration Camp. Translated from the Norwegian. (Hutchinson, 21s.)
Sansom, William—"The Icicle and the Sun: Finland, Norway, Sweden, Denmark" (Hogarth Press, 18s.)
Slater, Humphrey, and Barnett, Corelli—"The Channel Tunnel." (Allan Wingate, 21s.)
Stewart, J. D.—"British Pressure Groups: Their Role in Relation to the House of Commons." (Oxford University Press, 30s.)
Swan, Michael—"The Marches of El Dorado: British Guiana, Brazil, Venezuela." (Cape, 25s.)
Warner, Oliver—"A Portrait of Lord Nelson." (Chatto and Windus, 30s.)
Watson-Watt, Sir Robert—"Three Steps to Victory." The Story of the Development of Radar. (Odhams, 30s.)
West, Morris—"Children of the Sun." The Story of Father Mario Borelli and the House of the Urchins at Naples. (Heinemann, 16s.)
Wilding, Norman, and Laundy, Philip "An Encyclopaedia of Parliament." (Cassell, 63s.)

United States. Acheson, Dean—"Power and Diplomacy." (Harvard University Press, $3.00)
Ashmore, Harry S.—"An Epitaph for Dixie." (William Norton, New York, $3.50)
"Clarence Darrow: Attorney for the Damned." Edited by Arthur Weinberg, with Foreword by Justice William O. Douglas. (Simon and Schuster, New York, $6.50)
Corwin, Edward S.—"The President: Office and Powers." (New York University Press, $6.50)

British publishers issued the record number of 20,719 titles in 1957—the first year in which the figure had exceeded the 20,000 mark. The figures were the highest ever recorded both for new titles (14,798) and for reprints and new editions (5,921).—(Ed. K.C.A. - Times Literary Supplement)

(Prev. rep. 15935 A; 15398 A.)

D. PARAGUAY.—Re-election of President Stroessner.

General Alfredo Stroessner was re-elected President of Paraguay on Feb. 9 for a further five-year term, in an election at which he was the only candidate and at which no Opposition parties were permitted. President Stroessner stood as the candidate of the *Colorado* party, the only political organization allowed in the country. A 60-member Chamber of Deputies was elected at the same time, all nominations being presented by the *Colorados* on a single list.—(New York Times)

(Prev. rep. 13688 D.)

A. ORGANIZATION FOR EUROPEAN ECONOMIC CO-OPERATION. — Creation of European Nuclear Energy Agency. - The Eurochemic Company.

Two new European agencies functioning within the framework of the O.E.E.C. came officially into existence on Feb. 1 : (*a*) the European Nuclear Energy Agency, which will co-ordinate nuclear research and development between member-countries for peaceful purposes ; and (*b*) the European Company for the Chemical Processing of Irradiated Fuel (Eurochemic), a joint undertaking in which 12 of the O.E.E.C. countries will participate. The statute of the European Nuclear Energy Agency had been signed on Dec. 20, 1957, after preparatory studies extending over 15 months.

The European Nuclear Energy Agency will be a specialized agency established within the framework of the O.E.E.C. and under the authority of its Council. It will promote the establishment of joint undertakings by the O.E.E.C. countries, discuss their research and production programmes for nuclear energy, study their requirements for raw materials and capital equipment, promote the liberalization of trade in these products, develop facilities for the training of specialists, and help to harmonize national legislation, in particular as regards the safeguarding of public health, prevention of accidents, third-party liability, and atomic risk assurance.

In carrying out these tasks, the Agency will take into account the work done by other international organizations and will, as far as possible, call on them for assistance In particular, it will establish close co-operation with Euratom.

The exclusively peaceful character of the Agency's objectives is ensured by a security control guaranteeing that the operation of the joint undertaking, together with the materials, equipment or services provided by the Agency, cannot be used for military purposes. The basic rules of this security control are laid down in a special convention, and closely follow those defined in the statute of the International Atomic Energy Agency and the Euratom Treaty. They provide for an examination of all plant subject to control; a system of quantitative control for nuclear fuel; on-the-spot supervision by international inspectors; and, in cases of non-observance, the possibility of imposing penalties by a majority vote. Provision is made for an international tribunal to settle certain disputes to which the exercise of control may give rise.

As the Euratom countries have established a complete system of security control, it is specified that control on Euratom territory will be exercised by its bodies under conditions to be settled by an agreement between the Agency and Euratom. Provision is also made for co-operation with the International Atomic Energy Agency in regard to control.

The Eurochemic Company. This Company will build and operate a plant for the chemical treatment of irradiated fuel (i.e. the production of plutonium) which will be erected at the Nuclear Research Centre at Mol (Belgium). The plant will have a capacity for treating approximately 100 tons of natural or slightly enriched uranium per annum. It is expected to cost 12 million E.P.U. units of account ($12,000,000, or 5,040 million French francs) and to be in operation by 1961.

The undertaking is constituted as a European Company, with a capital of 20,000,000 E.P.U. units of account ($20,000,000, or 8,400 million French francs), set up under an international convention with the participation of Governments, public institutions, and semi-public or private undertakings. The Company's capital will be divided into 400 shares, each of the nominal value of 50,000 units of account, to be initially subscribed and allotted as follows :

	Shares	E.P.U. Units of Account
Austrian Government	20	1,000,000
Belgian Government	44	2,200,000
Danish Government	22	1,100,000
French *Commissariat à l'Energie Atomique*	68	3,400,000
German Federal Government	68	3,400,000
Italian *Comitato Nazionale per le Ricerche Nucleari*	44	2,200,000
Norwegian Government	20	1,000,000
Netherlands Government	30	1,500,000
Portuguese *Junta de Energia Nuclear*	6	300,000
Swedish *Aktiebolaget Atomenergi*	32	1,600,000
Swiss Government	30	1,500,000
Turkish Government	16	800,000

One E.P.U. unit = one U.S. dollar or 420 French francs.

Other Projects. The O.E.E.C. announced on Feb. 1 that the following European projects were also under discussion : (1) a project for the joint operation of the reactor built at Halden (Norway) by the Norwegian Institute for Atomic Energy ; (2) the establishment of a homogeneous aqueous reactor at the British Research Centre at Winfrith Heath (Dorset); and (3) a study of the possibilities for the production of heavy water in Iceland by using geothermic energy (i.e. the hot water from geysers, which provide an abundant source of heat at exceptionally low cost).

Professor Pierre Huet, a French jurist, was appointed Director of the European Nuclear Energy Agency and took up his post on Feb. 1. General Counsel (*conseiller juridique*) of the O.E.E.C. since 1948, he was responsible for the work within the O.E.E.C. secretariat which led to the setting-up of the Agency. He was formerly professor at the *Institut des hautes études internationales* in Paris.

The chairman of the Eurochemic Company is Dr. Erich Pohland, of the Federal German Ministry of Atomic Affairs, and its vice-chairman is Dr. Erik Svenke, head of the Industrial Division of the Swedish Atomic Energy Agency (*Aktiebolaget Atomenergi*).

The European Nuclear Energy Agency was the third European organization to be created by the O.E.E.C., following the establishment of the European Productivity Agency and the European Payments Union. (O.E.E.C. Information Division)

(Prev. rep. 15097 A.)

B. POLAND. — Increased U.S. Economic Aid. - Sale of U.S. Surplus Farm Products. - Large U.S. Credit.

An economic aid agreement between Poland and the United States was signed in Washington on Feb. 15, following negotiations which had begun in October last. It provided for (1) the sale to Poland of U.S. surplus farm products worth $73,000,000 at world market prices, against payment in zlotys ; (2) the extension to Poland of a $25,000,000 credit for the purchase of additional agricultural products, raw materials, machinery, and medical equipment.

It was announced that the sales of agricultural surplus products would cover the following items : 40,000 tons of wheat ($25,700,000), 165,000 tons of barley ($7,200,000), 50,000 tons of maize ($2,600,000), 20,000 tons of sorghum ($800,000), 100,000 bales of cotton, ($16,800,000), 26,000 tons of soya oil or cotton-seed oil ($9,900,000) and 15,000 tons of powdered milk ($3,300,000). Approximate sea transport costs were estimated at $6,700,000, making a total of $73,000,000.

The zlotys received from the sale of these products will be used chiefly for the payment of U.S. Embassy expenses in Warsaw. It was provided, however, that as from March 1963 Poland would buy back the unused zlotys for dollars, at the rate of $2,810,000 a year.

The goods to be supplied against credit will comprise—machinery and installations for the food, leather, textile and metallurgical industries ($5,400,000); medical equipment ($1,000,000); articles supplementing industrial production ($4,000,000); raw and processed hides ($2,400,000); artificial silk yarn ($1,000,000); artificial fibres, e.g. dynol and orlon ($1,000,000); plastics ($1,000,000); and tinned fruit juices and preserves ($200,000). Cost of sea transport was estimated at $9,000,000, making a total of $25,000,000.

The credit [which will come from the President's special assistance fund] will be administered by the Export-Import Bank. It will be paid in dollars and will bear interest at 4½ per cent per annum, repayments being made over a 20-year period beginning in 1963.

It was also announced that both sides had agreed to discuss additional measures to facilitate U.S.-Polish trade, including the possibility of extending U.S. preferential treatment to Poland.

The agreement—which covered the financial year 1957-58—was the second of its kind, following the earlier agreement concluded on June 7, 1957.—(New York Times - New York Herald Tribune - Polish Embassy Press Office, London)

(Prev. rep. 15606 D.)

C. UNITED KINGDOM. — Clean Air Act to come into Operation on June 1.

The Minister of Housing and Local Government (Mr. Henry Brooke) announced on Feb. 6 that he had made regulations naming June 1 as the second " appointed day " for the entry into force of the Clean Air Act. As from that date (i) emission of dark smoke from chimneys would be banned ; and (ii) emissions of grit and dust would have to be reduced.

The regulations will make the pollution of air by dark smoke from any chimney an offence punishable by fines up to £100. It will apply to factories, shops, and offices, as well as to the funnels of ships and railway engines. House-chimneys will also be subject to the ban, but it was pointed out by a Ministry spokesman that in practice they rarely produced " dark smoke," which is defined in the Act as smoke " as dark or darker than shade 2 on the Ringelmann Chart." [The Ringelmann Chart was devised more than 60 years ago by Professor Ringelmann, a Frenchman, and has been used for some time by smoke inspectors in the U.S.A. in enforcing the " clean air " legislation in that country. The Ringelmann shade card is graduated from 0 (no smoke) to 5 (dense black).]

Emissions of grit and dust will also have to be reduced from June 1, as stated above. After that date all new furnaces for burning pulverized fuel, or more than one ton an hour of other solid fuels, will have to be equipped with grit- and dust-arresting plant approved by the local authority. In the case of other new and existing furnaces (except for small domestic boilers) failure to take practicable steps to minimize the emission of grit and dust will be an offence.

Much of the Clean Air Act has been in force since Dec. 31, 1956, including those sections which give local authorities powers to establish smoke-control areas in which householders must burn smokeless fuel.—(Times) **(Prev. rep. 15374 A.)**

A. UNITED STATES - SOVIET UNION.—Agreement on Development of Cultural Relations.

An agreement on the development of cultural and other exchanges between the Soviet Union and the United States was signed in Washington on Jan. 27 by M. Zarubin, the Soviet Ambassador, and Mr. Lacey, special assistant to the Secretary of State.

The question of U.S.-Soviet cultural relations had first been discussed at the Geneva "summit" conference in 1955. Further impetus leading to the opening of negotiations on this subject had been given by an interview with M. Khrushchev which was televised and broadcast by the Columbia Broadcasting System on June 2, 1957, and was estimated to have been heard by 100,000,000 people in the United States. In the course of this interview M. Khrushchev expressed his support for the exchange of cultural delegations and the development of contacts between the two peoples as a step towards the normalization of Soviet-American relations.

Following M Khrushchev's broadcast, the U.S. Government proposed on June 24 that an agreement should be reached in principle at an early date for the regular exchange of uncensored radio and television broadcasts. The Soviet reply (July 26), whilst expressing willingness to discuss this proposal, suggested that the scope of the negotiations should be widened to cover the whole field of cultural relations. This was accepted by the State Department on Aug. 16, and talks accordingly began on Oct. 28.

The terms of the agreement were as follows :

(1) Radio and television broadcasts would be exchanged, including broadcasts devoted to discussion of international political problems. The texts of broadcasts on political subjects would be exchanged in advance, and if either party considered that any such broadcast would not contribute to a betterment of Soviet-U.S. relations, the exchange would not take place.

(2) Delegations of specialists in various branches of industry, agriculture, and medicine, writers, composers, artists, and representatives of youth and women's organizations, would be exchanged during 1958. A proposal to exchange delegations of members of Congress and the Supreme Soviet would be the subject of further discussions.

(3) Negotiations between the cinema industries of both countries for the sale and purchase of films would open immediately, whilst negotiations on the possibility of organizing, joint production of films would begin not later than May 1958. Delegations of film technicians would be exchanged in order that they might study the other country's production methods.

(4) Provision was made for the exchange of a number of orchestras, ballet companies, and musicians ; e.g. the Philadelphia Symphony Orchestra would visit the U.S.S.R. in 1958, and the Bolshoi Theatre Ballet would visit the United States in 1959.

(5) The Academies of Science of the two countries would organize exchanges of scientific lecturers and research workers.

(6) Arrangements would be made for an exchange of students between Soviet and U.S. universities, amounting to 20 students on each side for the academic year 1958-59 and 30 for 1959-60. Delegations of university lecturers would be exchanged, who would study the other country's system of higher education.

(7) Contests between the two countries in various branches of sport and athletics would be organized.

(8) Both countries would promote the development of tourism.

(9) Both countries would promote the exchange of publications between scientific, medical, and educational institutions, and of films on medical and agricultural subjects. Examination of measures for promoting the distribution of the magazines *U.S.S.R.* in the United States and *Amerika* in the Soviet Union would continue at ambassadorial level.

(10) It was agreed in principle to establish direct air services between the two countries. Further discussions on this subject would be held at a later date.

The joint announcement described the agreement as "a significant first step in the improvement of mutual understanding between the U.S. and Soviet peoples," and expressed the "sincere hope" that it would be carried out "in such a way as to contribute substantially to the bettering of relations between the two countries, thereby also contributing to a lessening of international tensions."

It was reported in the U.S. Press that, in the negotiations for the agreement, the U.S. Government had failed to persuade the Soviet Government to stop jamming U.S. news broadcasts to the U.S.S.R., to permit uncensored explanations of U.S. policy on Soviet television and radio, or to abolish the ban on free travel within the Soviet Union. On the other hand, the Soviet Government had failed to persuade the U.S. Government to minimize the travel ban in the two countries, to send large numbers of industrial technicians to the Soviet Union, or to work out a definite agreement on direct air communications between the two countries.

Dr. Willard Libby, the scientific member of the U.S. Atomic Energy Commission, disclosed on Dec. 21 that samples of soil from various parts of the U.S.A. had been sent to the Soviet Academy of Sciences to be analysed for their radioactive fall-out content (particularly strontium-90) and that the Commission expected to receive similar samples from the Soviet Union. Dr. Libby stated that the original suggestion for such a joint study had been made to him by Soviet scientists attending a UNESCO conference held in Paris in September last.
(New York Times - Soviet Embassy Press Dept., London)
(Prev. rep. 15277 D.)

B. SPAIN. — Carlist Recognition of Don Juan.

Don Juan, Count of Barcelona, was recognized as the rightful claimant to the Spanish throne by 44 delegates of the Carlist movement on Dec. 20, 1957, at a ceremony which took place at his residence at Estoril, near Lisbon.

The Carlist delegates, who came from all parts of Spain, asked Don Juan to recognize the basic principles of the Carlist branch of the Spanish Royal family, which the last member of this branch, Don Alfonso Carlos, had laid down in a decree of Jan. 23, 1936, shortly before his death. These principles included the Roman Catholic unity of Spain ; the natural and organic constitution of her regions ; a legitimate monarchy ; and a modern adaptation of the principles and spirit of the secular traditions of Spain. Don Juan formally recognized these principles, whereupon the Carlist delegates acknowledged him as the future King of Spain in the traditional manner by bowing before him and uttering the words *Viva el Rey !*

Don Juan declared in his speech : "Three essential factors make traditionalism useful to Spain at the present moment. They are popular roots, a distaste for party politics, and the certainty of support for a real policy of social justice which is vitally necessary in our century and must be carried out in Spain, not for reasons of political tactics, but because it is the duty of our Christian conscience . . . I want to be a very human King, in contact with my people, and not a symbolic mummy preserved in court protocol . . . I want to be the King of all Spaniards and do not reject anyone, even my enemies. I want to establish a solid basis for the State and the Government, and to give peace and true liberty to Spain."

The Carlist recognition of Don Juan ended a dynastic dispute which had embittered Spanish politics for more than a century and had led to two civil wars. General Franco was officially informed of the Carlists' meeting with Don Juan, and was reported to have approved of the latter's recognition by the Carlist movement.—(Times - Le Monde, Paris - A.B.C., Madrid)
(Prev. rep. 15666 A ; Don Juan, 14300 A.)

Note. The Carlist movement originated when King Ferdinand VII died in 1833 without male issue and was succeeded by his daughter, who ascended the throne as Queen Isabella II. An influential section of Spanish opinion refused to recognize Queen Isabella's accession and maintained that King Ferdinand should have been succeeded by his brother, Don Carlos (hence the name Carlists), and that the succession should thereafter pass to Don Carlos' descendants. The dispute led to two Civil Wars in 1834-39 and 1872-76—in which the Carlists drew their principal support from the Basque provinces. Queen Isabella was deposed in 1868 and, after an interregnum, was succeeded by her son, who ascended the throne in 1875 as Alfonso XII and reigned until 1885. Alfonso XIII (the son of Alfonso XII) came to the throne on his father's death and reigned until 1931, when he abdicated after the proclamation of the Spanish Republic. Don Juan is a son of the late King Alfonso XIII, and thus a direct descendant of King Ferdinand.
(Ed. K.C.A.)

C. LIBERIA. — Anti-Discrimination Law.

Legislation making racial discrimination a crime punishable by fines up to $30,000, and in some cases by imprisonment, was passed by the Liberian National Assembly on Feb. 12. Drafted by President Tubman, it laid down *inter alia* that convicted foreign companies would have their businesses closed after a third offence ; that individual foreigners practising racial discrimination would be deported ; and that Liberian nationals guilty of the same offence might be sentenced to a year's imprisonment. The preamble to the law said that certain foreign concessions in Liberia had been practising discrimination and segregation.

For some weeks beforehand Liberian newspapers had been accusing certain foreign companies of such practices, specific allegations being levelled against the Firestone Plantations Company—a U.S. concern which buys most of the rubber produced in Liberia.—(New York Times)

D. NETHERLANDS. — Repatriates from Indonesia.

A total of 16,641 Dutch nationals—many of them children and aged persons—were repatriated from Indonesia to Holland between Dec. 1, 1957, and Jan. 31, 1958, of whom 13,137 came by sea and 3,504 by air. A further 700 arrived at Amsterdam on Feb. 21 in the liner *Oranje*, while 12,400 more are expected to arrive by sea before the end of March, exclusive of others who will travel by air.—(Netherlands News Agency)
(Prev. rep. 15931 A.)

MARCH 1—8, 1958

A. BRITISH COMMONWEALTH. — Mr. Macmillan's Commonwealth Tour. - Visits to India, Pakistan, Ceylon, Australia, New Zealand, and Singapore.

Mr. Harold Macmillan, accompanied by Lady Dorothy Macmillan, left London on Jan. 7 for a six-weeks' goodwill tour of Australia, New Zealand, India, Pakistan, and Ceylon—the first occasion on which a British Prime Minister had visited any of these countries while in office. During his Commonwealth tour, which also included brief visits to Singapore, Mr. Macmillan flew over 32,000 miles in a chartered *Britannia* airliner and delivered some 20 major speeches and broadcasts. Mr. Butler, Home Secretary and Lord Privy Seal, presided over the Cabinet during Mr. Macmillan's absence from the United Kingdom.

Invitations to visit Australia, New Zealand, India, Pakistan, and Ceylon had been extended by the Prime Ministers of those countries during the autumn of 1957 and accepted by Mr. Macmillan. Similar invitations had been extended previously to Sir Anthony Eden, who was unable to accept them because of his illness and subsequent resignation.

Visit to India.

The Prime Minister arrived in Delhi on Jan. 8 for a four-day visit to India (Jan. 8-11) during which he had discussions with Mr. Nehru and other Indian leaders.

Mr. Macmillan was warmly welcomed by great crowds which had assembled at the airport to greet him, Union Jacks and Indian tricolours flying side by side and bands playing *God Save the Queen* and the Indian National Anthem, *Jana Gana Mana*. After inspecting a guard of honour he drove from the airport with Mr. Nehru in an open car to the latter's residence in New Delhi, the route being lined by crowds who gave Mr. Macmillan a similarly cordial welcome.

In the morning of Jan. 9 Mr. Macmillan and Lady Dorothy Macmillan drove to Rajghat, on the banks of the River Jumna, to lay a wreath on the memorial to Mahatma Gandhi, erected on the spot where the Mahatma was assassinated on Jan. 30, 1948. Later in the morning Mr. Macmillan had meetings with Mr. Morarji Desai, the Minister for Commerce and Industries, and Pandit Pandit, the Home Minister, after which he called on Dr. Radhakrishnan, the Vice-President of India. [Dr. Sarvepalli Radhakrishnan, a distinguished scholar, was formerly Spalding Professor of Eastern Religions and Ethics at Oxford, a post he held for 16 years.] At a lunch at Mr. Nehru's residence, Mr. Macmillan met President Sukarno of Indonesia, who was also visiting New Delhi at the time.

During the afternoon Mr. Macmillan visited a rural community project at the village of Shamaspur, near Gurgaon (20 miles from Delhi), where several thousand peasants from the surrounding countryside had gathered to greet him. He inspected model farms, houses, schools, and welfare centres, and mixed informally with throngs of peasants who gave him an enthusiastic welcome and festooned him with garlands.

In the evening Mr. Macmillan was the guest of honour at a banquet given by Mr. Nehru, at which speeches were made by both Prime Ministers.

Mr. Nehru said that the centuries-old relationship between Britain and India, which contained "a good deal of the dramatic element," had been reflected in British influences upon Indian institutions which were "basic and not superficial" and which had "survived even a radical change in that relationship." Speaking of the "unique and strangely dramatic manner" in which that change had been brought about, Mr. Nehru said: "Suddenly, as if by the wave of a magic wand, an end was brought to those long years of conflict, and in its place there came the desire and the wish to co-operate in spite of considerable differences in opinion and in our reaction to events. That was not only remarkable in itself, but in some measure has set a pattern from which others can perhaps profit . . . We have learned much from you. Perhaps you have learned something from us . . ."

In the course of his speech Mr. Nehru warmly welcomed Mr. Macmillan's proposal for a non-aggression pact between Russia and the West [see 15991 A], and expressed the "earnest hope" that it could be implemented "so that the shadow of war may at last disappear from the face of the earth."

Mr. Macmillan, in reply, expressed his pleasure at being "the first British Premier to visit independent India during his term of office," and his satisfaction at being able to see something of "the life of this great Indian democracy and the tremendous efforts towards progress which are being made by the Indian Government and people." He continued:

"The history of our two countries has been inextricably bound up for more than two centuries, and our relations have seen many vicissitudes. It was a momentous event in world history that, when the time came for an independent India to choose her own institutions, she chose not only to maintain many of the traditions in the administration of Government and justice that we share today, but also freely to associate with us, on terms of complete equality and unfettered liberty of action, in the Commonwealth of Nations. It was this historic decision which first gave the Commonwealth its present character of a family of nations of many races, and paved the way for the Commonwealth to become a great practical working example of inter-racial co-existence.

"This Commonwealth, founded on the noblest ideals of international fellowship, will, I believe, prove both enduring and flexible. . . . This year membership has been increased by a new African member, Ghana, as well as the new independent kingdom of Malaya. This growth and development could not have taken place but for the lead given by India.

"There must always be a difference of emphasis, as well as of approach, between us over day-to-day events. But I do not think that should obscure agreement on the fundamental aims and ideals which exist between you in India and ourselves in Britain. We both believe in parliamentary democracy and in allowing the people to decide how they will be governed by free and secret vote . . . We like to think that the first seeds of Parliamentary Government were sown in a small island, Britain, many centuries ago. If that is so, it is in India that parliamentary democracy has come to its full power on a scale that could hardly have been dreamed of by the first parliamentarians of Britain. Of every nine people in the world who enjoy the privilege and freedom of living under conditions which you and ourselves would describe as democratic, four are Indians.

"Our people, therefore, share the universal desire for peace and tolerance between nations, and respect for the independence of small States as well as large. We will use our energies to the best of our ability towards removing from the world the fear of international conflict, which in today's conditions could only result in destruction and devastation.

"It is in accordance with these principles, which you have made well known under the name of *Panch Sila*, that nations must learn to live. But I would remind you that we in the Commonwealth stand for and cherish something that is equally important—freedom of the individual and parliamentary democracy, of which I have spoken. With much in common, scope for co-operation between our two countries is wide, and opportunity great. I look forward to long and continuing friendship between India and Britain, which will, I hope, not only bring comfort and advantage to us both, but which will make the Commonwealth of Nations an ever stronger force for peace."

In the morning of Jan. 10 Mr. Macmillan had meetings with the Finance Minister (Mr. Krishnamachari) and the Defence Minister (Mr. Krishna Menon) and later lunched with President Rajendra Prasad. In the afternoon the Prime Minister laid the foundation stone of the new British High Commission offices in New Delhi, while Lady Dorothy Macmillan visited a home for incurables founded near Delhi by Group-Captain Cheshire, V.C. Later in the day Mr. Macmillan received an enthusiastic ovation from huge crowds assembled outside the historic Red Fort, where a civic reception was given in his honour by the municipality of Delhi; speaking with great emotion, Mr. Macmillan thanked the municipality for the "wonderful" reception which had been accorded him, and expressed the wish that the "whole British people" could have witnessed it.

In a nation-wide broadcast over All-India Radio the same evening, Mr. Macmillan spoke of the steady progress being made in helping dependent countries of the Commonwealth to attain independence and self-government, as had been the case with Ghana and Malaya. In the ten years since India had become independent, the Commonwealth had increasingly assumed the pattern of a free association of independent peoples of many races, religions, and cultures—"a practical working model of that international co-operation on which the peace of the world must ultimately depend." After deploring the disparity in living standards, which was still "one of the most disturbing features of the world today," Mr. Macmillan pointed out that Britain, despite the drain of two World Wars, was playing a major part in raising the standards of life in under-developed areas of the Commonwealth. Four-fifths of all foreign business capital in India was British, and in the first five years of Indian independence British investment had been ten times that of any other country. The Anglo-Indian link was also being strengthened by the Colombo Plan, as a result of which more Indian students were studying in Britain than ever before.

After discussions with Mr. Nehru on Jan. 11, Mr. Macmillan left Delhi in the morning of Jan. 12 for Karachi. He and Lady Macmillan were seen off at the airport by Mr. Nehru, Mrs. Indira Gandhi (daughter of the Indian Prime Minister) and Mr. Krishna Menon.

In a farewell message to Mr. Nehru, Mr. Macmillan said that he and his wife were leaving India "with full hearts" and had been "deeply touched by the warmth of welcome we received in Delhi and the friendliness with which we were greeted everywhere." After expressing Britain's sympathy with and admiration for "the progress of India's great adventure in democratic development," he said that his talks with Mr. Nehru had "confirmed our joint resolve to continue working together with our other Commonwealth friends to secure lasting peace and friendship between all nations."

Visit to Pakistan.

The British Prime Minister arrived in Karachi the same morning (Jan. 12) on a four-days' visit to Pakistan, being welcomed at the airport by Mr. Firoz Khan Noon (Prime Minister of Pakistan) and members of the Government.

During his first day in Karachi Mr. Macmillan had discussions with Mr. Firoz Khan Noon and Mr. Qizilbash (Minister for Industries and Commerce), attended a reception given by Sir Alexander Symon (the U.K. High Commissioner), and was the guest of President Mirza at a State banquet. In the morning of Jan. 13 he visited the Mausoleum of the *Quaid-i-Azam* (Mohammed Ali Jinnah, the founder of Pakistan), where he placed wreaths on the graves of Mr. Jinnah and of Liaquat Ali Khan, the first Prime Minister of Pakistan. After visiting an industrial estate on the outskirts of Karachi he spent the rest of the day as the guest of the Pakistani Navy, touring the Karachi dockyard and lunching with the C.-in-C. (Vice-Admiral Choudri) on board the cruiser *Babur*, flagship of the Pakistani Navy. In the evening Mr. Macmillan was the guest at a dinner given by Mr. Firoz Khan Noon, after which he held a press conference for Pakistani journalists.

On Jan. 14 Mr. Macmillan was the guest of the Pakistani Air Force, visiting the Mauripur air station (near Karachi) to see a display by *Sabre* jet fighters and lunching with the C.-in-C., Air Vice-Marshal Asghar Khan. Later in the day he had further conversations with Mr. Firoz Khan Noon, and in the evening gave a broadcast over Radio Pakistan in which he stressed the "spirit of partnership and equality" which united Britain and Pakistan within the Commonwealth framework. In the course of his broadcast Mr. Macmillan expressed his satisfaction that Pakistan had adhered to the Baghdad Pact, emphasizing that it was a purely defensive organization framed in conformity with the principles of the U.N. Charter and designed to promote the political and economic development of its member-countries, as well as to ensure their collective defence. As in India, he stressed the importance of raising living standards in under-developed parts of the Commonwealth, pointing out in this connexion that Britain had contributed more than 90 per cent of all foreign capital invested in Pakistan during the past four years.

Mr. Macmillan, accompanied by Mr. Firoz Khan Noon, flew from Karachi to Peshawar (a distance of 770 miles) in the morning of Jan. 15 to visit the North-West Frontier as the guest of the Pakistani Army. He was welcomed at Peshawar by the Chief Minister of West Pakistan (Sardar Abdur Rashid) and the Pakistani Chief of Staff (Major-General Musa Khan), and met a number of veterans of the old [pre-partition] Indian Army who fought with distinction in the two World Wars, they included Subadar Khudedad Khan (68), who won the first V.C. of World War I at Ypres in 1914, and Jamadar Ali Haidar, who won the last V.C. of World War II in Italy in 1945.

From Peshawar Mr. Macmillan drove to Fort Jamrud (formerly a historic frontier fortress of the British Army) to meet several hundred Afridi chieftains and tribesmen who had assembled to greet him—described by the Correspondent of *The Times* as "a formidable array of shaggy, hawk-eyed warriors, more than a few of whom must have given trouble to the British authorities in the not so distant past." He was given an extremely cordial welcome by the Afridis, who presented him with many gifts and—in the words of the *Daily Telegraph* Correspondent—put "so many garlands round his neck that he had to carry some on his arm." From Fort Jamrud Mr. Macmillan drove 30 miles along the Khyber Pass to the Afghan frontier, after which he returned to Landi Kotal to visit the headquarters of the Khyber Rifles.

After flying back to Karachi, where he had further talks with Mr. Firoz Khan Noon, Mr. Macmillan left Pakistan for Colombo on Jan. 15. In a farewell message to the Pakistani Prime Minister, he expressed his pleasure at the cordiality and friendliness extended to him, and his admiration at the progress being made in developing Pakistan.

Visit to Ceylon.

Mr. Macmillan was given a particularly enthusiastic welcome in Ceylon, where he arrived on Jan. 16. He was met at Katunayake airfield by the Ceylonese Prime Minister, Mr. Bandaranaike, and drove to the latter's official residence in Colombo (Temple Trees) along a gaily decorated 22-mile route lined with cheering crowds.

After calling on the Governor-General, Sir Oliver Goonetilleke, Mr. Macmillan had discussions with Mr. Bandaranaike at Temple Trees, and later gave a press conference for Ceylonese journalists. On Jan. 17 Mr. Macmillan and Lady Dorothy Macmillan visited the Temple of the Tooth at Kandy—one of the sacred places of Buddhism—and later visited the University of Ceylon at Peradeniya (on the outskirts of Kandy), where the British Prime Minister received the honorary degree of Doctor of Laws. After a visit to the Royal Botanical Gardens at Peradeniya, Mr. Macmillan returned the same evening to Colombo for a reception given by Mr. Bandaranaike.

On Jan. 17, at a dinner given in his honour by both Houses of the Ceylonese Parliament, Mr. Macmillan announced that the British Government had decided to double its original allocation of £10,000 for the relief of victims of the recent flood disaster in northern and eastern Ceylon (see 16046 A).

Visit to New Zealand.

After a two-day visit to Singapore on Jan. 18-19 (see below) Mr. Macmillan flew on to Auckland (New Zealand), where he arrived on January 20.

Mr. Macmillan was greeted by Mr. Walter Nash (the N.Z. Prime Minister) and Sir George Mallaby (the U.K. High Commissioner), and later had private talks with Mr. Nash, followed by a civic reception at Auckland Town Hall. On Jan. 21 the British Prime Minister and Lady Dorothy Macmillan left by car for a 60-mile drive to the thermal area of the North Island, breaking their journey at Ngaruawahia to visit King Koroki and other Maori chieftains (Koroki is the fifth king of the Maoris and chieftain of the Waikato and allied tribes). After lunching at Hamilton—New Zealand's biggest inland city, and centre of a rich dairy-farming region—they visited the geothermal power project at Wairakei, 60 miles south of Rotorua.

After 24 hours in the Rotorua district, Mr. Macmillan and Lady Dorothy Macmillan travelled on Jan. 23 to Wellington, where Mr. Macmillan called on the Governor-General (Lord Cobham), had discussions with Mr. Nash and other Ministers, attended a full session of the New Zealand Cabinet, and was guest of honour at a State lunch and civic reception. It was understood that Mr. Macmillan and Mr. Nash had discussed New Zealand's balance-of-payments difficulties, the marketing of N.Z. agricultural produce in Britain, and defence problems.

On Jan. 24 Mr. Macmillan and his wife flew to Dunedin, in the South Island, where they spent two days; the Prime Minister formally opened the city's Festival Week, and attended a civic reception and other functions. After a short visit to Timaru they went on Jan. 27 to Christchurch, where they also remained two days, and where Mr. Macmillan addressed the Canterbury Chamber of Commerce. Mr. Nash flew to Christchurch on Jan. 28 for a final talk with Mr. Macmillan, after which both Prime Ministers held a joint press conference. Mr. Nash disclosed, and Mr. Macmillan confirmed, that agreement had been reached on the need to review the 1932 Ottawa Agreement on preferential tariffs in view of the great changes in Anglo-New Zealand trading relations since the agreement was signed, British and N.Z. officials would accordingly begin talks on this matter in April, followed by ministerial discussions in September or October.

In a farewell broadcast from Christchurch, Mr. Macmillan said that his discussions with Mr. Nash had been "as intimate and informal as those between Cabinet colleagues at home," and that he had "learned much from those talks which will be of real value to me and my colleagues when I return to London." Mr. Macmillan expressed his admiration for the "abounding energy and enterprise" of the people of New Zealand, who had succeeded in the past century in establishing "a society of equal opportunity and a democratic way of life which is an inspiration to the rest of the world."

Visit to Australia.

After his eight-days' visit to New Zealand the Prime Minister paid a fortnight's visit to Australia, flying to Canberra on Jan. 28 from Christchurch.

Mr. Macmillan and Lady Dorothy Macmillan were welcomed at Canberra airport by Mr. Menzies (the Federal Prime Minister), and later dined at Government House with Field-Marshal Sir William Slim, the Governor-General. On Jan. 29 Mr. Macmillan laid a wreath on the Australian National War Memorial, attended a meeting of the Australian Cabinet, had private talks with Mr. Menzies, and was guest of honour at a parliamentary dinner attended by Mr. Menzies and Dr. Evatt, the Leader of the Opposition. Speeches were made by both Prime Ministers and also by Dr. Evatt, who warmly welcomed Mr. Macmillan's suggestion for a non-aggression pact between the Soviet Union and the Western Powers.

On Jan. 30 Mr. Macmillan had a long private discussion with Dr. Evatt, after which he had further talks with Mr. Menzies and also with Sir Arthur Fadden (the Federal Treasurer), Mr. Casey (Minister for External Affairs), Sir Philip McBride (Defence Minister) and other Ministers. Mr. Macmillan visited the Australian National University during the day to receive the honorary degree of Doctor of Laws for "distinguished eminence in public service."

Mr. Macmillan and Lady Dorothy Macmillan visited Brisbane and the Queensland bush country (Jan. 31-Feb. 3), Sydney (Feb. 3-5), Melbourne (Feb. 5-7) and Hobart (Feb. 8-9) before returning to Canberra on Feb. 10 to end their Australian tour. They attended receptions given in their honour by the Premiers of Queensland, New South Wales, Victoria, and Tasmania, in addition to civic receptions in the State capitals visited. While in Sydney Mr. Macmillan paid a visit to the British Motor Corporation's new factory at Zetland (a suburb of Sydney), which covers 55 acres and represents a £13,000,000 investment of British capital; he also visited Sydney Harbour and saw the site of the proposed Sydney Opera House.

During his visit to Victoria the Prime Minister drove 40 miles from Melbourne to the rapidly-growing port of Geelong, whose population has more than doubled since the war and now stands at 90,000. He also drove 70 miles through the new Dandenong industrial area, visiting a number of factories and receiving a warm welcome from many British immigrants who have settled in the district. Among the places inspected was the new Shell Oil refinery (one of several built in Australia since the war at a cost of £125,000,000), the factory of British Nylon Spinners Ltd., and a hostel where some 550 recent immigrants—mostly from Britain—are temporarily accommodated.

Before leaving Canberra for Singapore on Feb. 11, Mr. Macmillan gave a press conference, jointly with Mr. Menzies, in which he described his Australian visit as "one of the most exciting and stimulating experiences of my life," and in which

he warmly thanked the Australian people and political leaders for the "extraordinary degree of warmth and friendship" extended to him. Both Prime Ministers announced complete agreement on economic and defence questions between their two Governments.

Mr. Macmillan said that he had two main impressions of his Australian visit—firstly, the "extraordinary kindness" of the Australian people and their affection for the "Old Country"; and secondly, the rapid rate of Australian industrial development. He recalled that British Governments had spent over £3,000,000 since the war in assisting some 250,000 British immigrants to settle in Australia, whilst about the same number had migrated "under their own steam." From the immigration point of view, Britain would do everything possible to "preserve Australia as a British country—a country of British blood." In the field of industrial development, Britain had been able to supply two-thirds of all overseas capital invested in Australia since the war

In reply to questions, Mr. Macmillan said that he had made no demands for further Australian contributions for the defence of South-East Asia. He added in this connexion: "We recognize the contributions Australia is already making, and are very happy that Australian and New Zealand troops are alongside our own in Malaya. Britain recognizes Australia's contribution in ships, planes, troops, and other ways. We can thus both be content. Discussions on the defence of South-East Asia have been full, and we are as one on the broad approach."

Mr. Macmillan said that both the British and Australian Governments were worried about the situation in Indonesia, which he had discussed at great length with the Australian Cabinet; he was not unhopeful that developments might take place which would reduce the very real danger of Indonesia falling under Communist control. On the New Guinea question Britain fully supported the attitude taken by the Australian Government [i.e. in opposing Indonesian territorial claims to Dutch New Guinea.]

Visit to Singapore.

As stated above, Mr. Macmillan broke his journey from Ceylon to New Zealand for a two-day visit to Singapore on Jan. 18-19, during which he had discussions with the Governor (Sir William Goode), the U.K. Commissioner-General in South-East Asia (Sir Robert Scott), and the Chief Minister of Singapore (Mr. Lim Yew Hock). He also attended a conference of British diplomatic representatives in South-East Asian countries, and met Service chiefs. In addition, Mr. Macmillan had a brief meeting with the Japanese Foreign Minister, Mr. Fujiyama, who was passing through Singapore on his way to Jakarta. Mr. Macmillan again visited Singapore on Feb. 12, while flying back to London from Canberra, for a further meeting with Mr. Lim Yew Hock.

At a press conference on the latter date, Mr. Macmillan was asked if there was a possibility that Britain might suspend the Colony's new constitution if an extreme left-wing Government came to power in Singapore. He replied that the British Government had no such intention and would carry out its pledge of self government for Singapore, in the confident expectation that the people of Singapore would "live up to their great responsibility."

Return to London.

The Prime Minister and Lady Dorothy Macmillan arrived back in London from their six-weeks' Commonwealth tour on Feb. 14. In a statement at London Airport Mr. Macmillan expressed his sense of "exhilaration and renewed faith" as a result of his tour, which, he pointed out, was the first of its kind ever made by a British Prime Minister. He summarized his impressions as follows:

"Many people have thought that the change from the old Empire to the new Commonwealth would mean the end of British influence. Just the opposite—it is the beginning of a new act in a great drama. The countries of British tradition and descent, like Australia and New Zealand, have a loyalty to the Crown and an affection for the Old Country which has to be seen to be believed. These countries are forging ahead with great rapidity . . . They look more and more to British people to join them, and they look to British capital and experience to share in this work.

"In the new Commonwealth countries—India, Pakistan, and Ceylon—we had an equally friendly reception. Everywhere you go you see the signs of how these vast populations of different races, creeds, and histories are determined to maintain the links which make the Commonwealth a reality. Those countries, too, want and welcome our help and partnership . . . The Commonwealth today, old countries and new, is lively, vigorous, and something absolutely unique in history . . ."

Mr. Macmillan spoke in similar terms at a televised press conference given the same evening at 10, Downing Street.
(Times - Daily Telegraph - Manchester Guardian - The Statesman, Calcutta - Indian High Commissioner's Office, London - Pakistan High Commissioner's Office, London - Ceylon Government Information Department - Australian News and Information Bureau - N.Z. Directorate of Information, Wellington)

A. INDONESIA. — Extension of Territorial Waters.

The Indonesian Government issued a proclamation on Dec. 14, 1957, declaring that all waters "around, between, and connecting the islands or part of the islands of the Indonesian archipelago, irrespective of their width or dimension," were "natural appurtenances of its land territory and therefore an integral part of the inland waters subject to the absolute sovereignty of Indonesia." Outside the perimeter of the archipelago, the limit of Indonesian territorial waters was fixed at 12 nautical miles "measured from straight base lines connecting the outermost points of the Republic of Indonesia." After claiming that the Indonesian archipelago had been "an entity since time immemorial," the declaration said that "peaceful passage of foreign vessels through these waters is guaranteed . . . insofar as it is not contrary to the sovereignty of the Indonesian State or harmful to its security."

The Indonesian declaration—which coincided with the measures taken against Dutch nationals and property in Indonesia [see 15931 A]—abolished the existing delimitation of territorial waters, which had been based on the concept of the islands of Indonesia as separate land areas each having its own territorial waters. Instead, it claimed control of an area of over 2,000 miles of sea extending from Sumatra in the west to the Indonesian islands adjacent to New Guinea in the east, as well as of the wide stretches of sea between some of the major islands—e.g. the Java Sea, the 100-mile channel between Java and Borneo which is used by all shipping plying between Australia and Singapore.

The Indonesian claim was rejected by the Governments of the principal seafaring countries, as summarized below:

Australia. A Note was presented to Indonesia on Jan. 15 declaring that Australia could not recognize the validity of what would be sovereignty not only over a vast expanse of the high seas, including the Java Sea, but over the corresponding airspace as well. The Note emphasized that Indonesia's claim was not in accordance with the recognized principles of international law.

Great Britain. A British protest was handed to the Indonesian Ambassador in London (Dr. Sunario) on Jan. 3. A Foreign Office spokesman said that the Indonesian Government had been officially informed that H.M. Government were unable to recognize the validity of the Indonesian claim. The Foreign Office had previously issued the following statement on Dec. 16, 1957:

"H.M. Government see no reason to abandon their long-standing policy of upholding the freedom of the seas. In our view the waters between many of the Indonesian islands have always constituted, and do constitute, part of the high seas."

France. A French Note to Indonesia (Jan. 9) similarly refused to recognize the legitimacy of the Indonesian decision.

Japan. The Japanese Government informed the Indonesian Consul-General in Tokio on Jan. 14 that it could not admit the Indonesian claim under established international law. It was emphasized that the Japanese attitude in this question had nothing whatever to do with the Dutch-Indonesian dispute over New Guinea.

Netherlands. The Netherlands Government similarly rejected the Indonesian claim at the beginning of January.

New Zealand. The N.Z. Prime Minister (Mr. Nash) announced on Jan. 20 that a Note had been delivered to the Indonesian Government stating that New Zealand would not accept the Indonesian claim, which was contrary to the established principles of international law.

United States. The U.S. State Department announced on Jan. 17 that it had informed the Indonesian authorities that any action to put the Indonesian declaration into effect would be viewed by the U.S.A. "with grave concern," since it would be in serious conflict with the principle of freedom of the seas.

In making its announcement, the Indonesian Government said that it would justify its attitude at the International Conference on the Law of the Sea which was to open in Geneva in February 1958.—(Indonesian Embassy Press Office, London - Times - Daily Telegraph - Australian News and Information Bureau - Netherlands News Agency - Le Monde, Paris - Japanese Embassy Press Office, London - N.Z. Directorate of Information - New York Times) **(Prev. rep. 15931 A.)**

B. MIDDLE EAST. — General von Horn becomes Chief of Staff of U.N. Truce Supervision Organization.

Dr. Hammarskjold announced on March 3 that Major-General Carl Carlsson von Horn, of Sweden, had been appointed Chief of Staff of the U.N. Truce Supervision Organization in Palestine in succession to Lieut.-General E. L. M. Burns, of Canada, who had resigned from the post in November 1956 to become Commander of the U.N. Emergency Force.

General von Horn (57) has served in the Swedish Army for 37 years. He was executive assistant to the late Count Folke Bernadotte from 1943-45, when Count Bernadotte was in charge of repatriation of prisoners of war. (New York Times) **(Prev. rep. 14079 A).**

A. BELGIUM - NETHERLANDS - LUXEMBURG. — The Benelux Economic Union Treaty.

A treaty establishing an Economic Union between Belgium, the Netherlands, and Luxemburg was signed on Feb. 3 at The Hague by the Prime Ministers of the three countries—respectively M. Van Acker, Dr. Drees, and M. Bech.

Historical Background to Benelux Treaty.

The formal signing of the treaty represented the successful culmination of fourteen years' work aimed at the economic union of the three countries. The preparatory stages are summarized below.

The first step towards achieving close economic co-operation between the three countries had been taken as long ago as Sept. 5, 1944, when the three Governments—then all in exile in London—signed a treaty establishing Benelux, with the intention, after the liberation of their countries, of introducing a common Customs tariff *vis-à-vis* third countries and of abolishing all import duties in their mutual trade relations [see 6679 A]. Owing to the great differences in the economic situation of the three countries resulting from the effects of the war, the implementation of these measures took longer than anticipated, but on Jan. 1, 1948, the London agreement, adjusted to the changed conditions, was put into operation [see 8674 B ; 8924 B ; 9045 E]. Since that date no duties have been levied in intra-Benelux trade, and a common external tariff has applied to imports from third countries. At the same time the institutions provided for under the London agreement were set up—a Customs Regulation Council, a Trade Treaties Council, and an Economic Union Council, all of them served by a Secretariat-General with headquarters in Brussels.

At a ministerial conference in Luxemburg in October 1949 the three countries concluded the so-called Pre-Union Treaty, as an introductory stage to a full-fledged Economic Union [see 10723 A]. Under this treaty, the exchange of goods between the three countries was made progressively free from quantitative restrictions, except for a special arrangement for agricultural products, and the three countries undertook not to change this liberalization of their mutual trade except by common agreement.

Following an agreement of Feb. 18, 1950, which provided for the unification of the Excise duties and hall-marking fees in the three member-countries, a protocol of July 24, 1953, laid down that they would also in future co-ordinate their economic and social policies. A further protocol concerning common trade policy was signed on Dec. 9, 1953, under which the three countries started concluding joint trade agreements with third countries, whilst in 1957 they strengthened their co-operation by entering as a single collective unit into trade negotations with third countries. The O.E.E.C. had previously decided [in January 1956] to regard the three Benelux countries as an economic unit for the purpose of applying the trade liberalization rules with other O.E.E.C. member-countries.

Further steps in the extension of economic co-operation between the Benelux countries included (*a*) the treaty of July 8, 1954, which largely liberalized the mutual exchange of capital ; (*b*) a protocol signed on May 3, 1955, on the progressive harmonization of their agricultural policies within a seven-year period ; and (*c*) the setting-up of a common labour market under interim regulations in April 1957, as a transitional stage in the implementation of a Labour Treaty which had been signed on June 7, 1955. This treaty (which came into effect simultaneously with the Economic Union Treaty) provides that workers of any member-country will have the same rights as those in the other two countries ; that labour permits will no longer be required in any of the countries for employing nationals of the other two countries ; and that a common policy on employment would be established within the Benelux community.

Other Benelux steps towards economic integration included an agreement for co-operation in the monetary sphere providing for the establishment of exchange rates by mutual consultation ; and special arrangements allowing nationals of any member-country to submit tenders for public works in the other member-countries.

An important step was the agreement of Nov. 5, 1955, providing for the establishment of an Interparliamentary Benelux Advisory Council which would consider (1) problems concerning the working of all the agreements made in preparation for full economic union of the Benelux countries ; (2) cultural matters leading to closer relations between them ; (3) the growth of Benelux co-operation in foreign affairs ; and (4) the unification of legislation in the three countries. This Council, comprising 21 members from Belgium, 21 from the Netherlands, and seven from Luxemburg—chosen by the respective Parliaments from among their own members—held its first meeting in Brussels on Feb. 22-23, 1957. [*Note.*—These membership figures supersede those given in 15437 C.]

After two further ministerial meetings on May 30 and June 15, 1957, practically complete agreement was reached on the provisions of the Union Treaty, and after the settlement of some minor points the Treaty was formally initialled in New York on Sept. 17, 1957, by the Belgian, Netherlands, and Luxemburg Foreign Ministers (M. Larock, Dr. Luns, and M. Bech), all of whom were attending the 12th session of the U.N. General Assembly. The Treaty was subsequently submitted to the Benelux Interparliamentary Advisory Council, which approved it with some minor modifications by 41 votes to two on Nov. 22-23, 1957, thereby clearing the way for the final signature on Feb. 3, 1958.

Provisions of Benelux Treaty.

The provisions of the Benelux Union Treaty, which consists of 100 Articles and will be valid for 50 years in the first instance, are summarized below under cross-headings.

Part I.—Definition of Principles.

The purposes of the Economic Union were defined as the free mutual movement of persons, goods, services, and capital ; the co-ordination of national economic policies ; and the pursuance of a common trade policy towards third countries (Article 1).

Free Movement of Persons. The nationals of the three member-countries will be free to move within the whole territory of the Economic Union, and the nationals of each member-country will enjoy in the other two countries the same treatment as is accorded to the nationals of those countries. This equal treatment will apply to freedom of movement, residence and establishment, the exercise of economic or professional activities (including the rendering of services), capital transactions, labour conditions, social provisions, dues and taxes, and legal protection of the rights and interests of the persons concerned (Article 2).

Free Exchange of Goods, Capital, and Services. Trade between the three countries will be free from all import duties, taxes, or levies, as well as from any import or export restrictions of a quantitative, qualitative, or currency nature (Art. 3) ; capital movements from one country to the other will also be free (Art. 4) ; the exchange of services will be subject to the same principles as merchandise trade (Art. 5) ; and free intercourse between the member-countries may not be unduly hampered by national measures of a non-economic or non-financial nature (Art. 6). The last-named measures would include such restrictions as import prohibitions imposed with the object of protecting public health and morals, and certain legal restrictions (e.g. quality restrictions) which, although they operate only nationally and do not in themselves prevent goods from entering the country concerned, nevertheless hinder free trade. Controls or statistical inspections exercised at common frontiers, however, will not constitute restrictions within the meaning of the Treaty. As the competitive relations between the three member-countries might be an obstacle to free mutual trade, the Treaty provides that any distortion of competitive conditions will not be permitted (Article 7).

Co-ordination of Economic, Financial, and Social Policies. The three Governments will jointly consult on their national economic policies with a view to creating the necessary conditions for the economic integration of their countries (Article 8).

Co-ordinated and Joint Action towards Third Countries. In addition to co-ordinating their internal economic policies, member-countries will also consult each other to determine the Union's attitude at meetings of international bodies and in matters relating to regional economic integration, or in relation to matters with third countries, insofar as these matters affect the aims of the Union (Art. 9). There will also be a common policy to cover trade and payments with third countries (Art. 10). Goods originating from or destined for third countries will be subject to a common tariff in respect of import and other duties. There will also be a common regime in the issue of licences and fixing of quotas, and a common policy in regard to all other arrangments affecting imports, exports, and transit trade (Article 11).

Monetary Rules. As the Economic Union does not include a monetary union, Articles 12 and 13 laid down certain monetary rules essential to the proper functioning of the Union, including the requirement that the policy to be pursued with regard to rates of exchange would be framed in joint consultation between the member-countries.

Escape Clause. Should the vital interests of a member-country be placed in jeopardy, the Committee of Ministers may take measures in deviation from the Treaty provisions (Article 14).

Part II.—Institutions of the Union.

Part II of the Treaty enumerates the eight institutions of the Union, as follows :

The Committee of Ministers. This Committee, consisting of nine members (three from each member-country), is the directing body of the Union, being charged with the implementation of the Treaty and the taking of the necessary measures to that end. Decisions must be taken by unanimous vote and be binding on the three Governments. The Committee will also give directives to the bodies operating under it, and will maintain contact with the Advisory Interparliamentary Council (Articles 16-24).

Interparliamentary Council. The constitution, powers, and procedure of this Advisory Council are based on the agreement of November 5, 1955 [see above].

Council of the Economic Union. This body, which will function under the Committee of Ministers as a co-ordinator of the other institutions, consists of three chairmen appointed by each of the member-Governments, and of representatives of the committees similarly designated by member-Governments.

Committees and Special Committees. There will be seven committees : (1) on foreign economic relations ; (2) on monetary and financial questions ; (3) on industry and commerce ; (4) on agriculture, foodstuffs, and fisheries ; (5) on Customs duties and taxes ; (6) on transport ; and (7) on social questions.

There will also be five Special Committees for (1) co-ordination and statistics ; (2) comparing the budgets of public and semi-public institutions ; (3) public tenders ; (4) public health ; and (5) for the " trading middle class " [i.e. small and medium businesses].

All these committees will be empowered to make proposals to the directing organs of the Union; they will also possess executive and supervisory powers regarding the administration of decrees by the member-Governments.

Secretariat-General. This will be established at Brussels and will be directed by a Netherlander, its organization and powers agreeing broadly with those of the Secretariat-General already existing under the Customs Agreement of 1944 (Articles 33-39).

Joint Services. The Committee of Ministers was empowered to institute joint services if a need for these should arise (Article 40)

Board of Arbitrators. Any dispute between the member-countries over the application of the Treaty will be referred to a Board of Arbitrators, each country appointing one national arbitrator and one deputy national arbitrator (Articles 41-53).

Economic and Social Consultative Council. This body (whose members will be appointed by the three Governments) will give advice—at the request of the Committee of Ministers or on its own initiative—on matters directly related to the operation of the Union (Article 54).

Part III.—Special Provisions.

Part III of the Treaty (Articles 55-92) contains a number of special provisions elaborating some of the principles laid down in Part I.

These concern mutual treatment of nationals, freedom of movement, and the exercise of economic and professional activities (Arts. 55-63); co-ordination of policies in investment, agriculture, transport, social questions, and monetary problems (Arts. 64-71); financial relations with third countries (Arts. 64-71); Customs duties and taxes, notably turnover tax, Excise duties, and hall-marking fees (Arts. 78-84); free exchange of transport services (Arts. 85-89); and statistics (Arts. 90-92).

Part II also specifies certain spheres in which the Committee of Ministers will be authorized to take decisions binding on the three member-countries; in addition, it provides that the principles of the Treaty shall be carried into effect by special agreement in a number of other cases.

Part IV.—General Provisions.

The two principal provisions of Part IV (Articles 93-100) laid down (1) that the scope of the Treaty would be limited to the territories of the member-countries in Europe, although the interests of Belgian and Dutch overseas territories could be safeguarded in trade agreements concluded with third countries; (2) that the Treaty would be concluded for a period of 50 years, but could be tacitly extended by further 10-year terms unless any of the parties wished to terminate it by giving advance notice of one year.

Supplementary Agreements.

In addition to the Union Treaty, the Ministers signed a Transitional Agreement, a Protocol of Implementation, a Protocol of Signature, and an exchange of correspondence between the three Foreign Ministers.

Transitional Agreement. This specified the exceptions from the principle of a common market during a transitional period in the following spheres: (*a*) *Agriculture.* In view of the wide difference in the economic structure of agriculture in the three member-countries, free mutual trade in agricultural products was made subject to certain conditions, with the proviso, however, that agricultural policy in the three countries should be completely harmonized within five years (i.e. by 1962). (*b*) *Transport.* Quantitative restrictions on road haulage and unscheduled road passenger transport between the three countries would remain in force for another three years. These transitional provisions would, however, be reviewed annually by the Committee of Ministers, which would consider the possibility of abolishing them at an earlier date; on the other hand, the Committee of Ministers could extend the transitional provisions by another two years should this prove necessary.

Protocols of Implementation and Signature. The former protocol laid down the manner of execution of some of the provisions of the Treaty and the Transitional Agreement, indicating which previous agreements and protocols (or part of them) would be superseded or suspended when the Union Treaty took effect. The latter protocol provided for the setting-up of a group of experts for road haulage and unscheduled road passenger transport within two years of the operative date of the Treaty; these experts would also work out road haulage rates for traffic between the three member-countries.

Foreign Ministers' Correspondence. This laid down that the agreements would not concern those measures taken with regard to the premiums payable to Rhine shipping for traffic with Belgian seaports.

The population of the Netherlands on Dec. 31, 1957, was given by the Dutch Central Statistical Bureau as 11,094,736. The populations of Belgium and Luxemburg as at Dec. 31, 1956, were 8,951,000 and 310,000 respectively. The economic union of the three countries will therefore cover a total population of over 20,000,000.

The share of the three Benelux countries in world trade (excluding internal trade between them) amounted to 5.8 per cent in 1956, compared with 17.5 per cent for the U.S.A., 10.4 per cent for Britain, 7.5 per cent for Western Germany, and 5.4 per cent for France.

Belgium and Luxemburg have been linked by an economic union since 1921. The new union of the three Benelux countries will function within the framework of the European Economic Community, of which they are all members and which, in addition, comprises France, the German Federal Republic, and Italy.—(Netherlands Ministry of Economic Affairs - Netherlands News Agency - Algemeen Handelsblad, Amsterdam - La Nation Belge, Brussels)

A. UNITED KINGDOM. — Gold and Dollar Reserves. - Extension of Export-Import Bank Credit.

The Treasury announced on March 4 that the sterling area's gold and dollar reserves had risen during February by $135,000,000, after taking into account (*a*) the receipt of $22,000,000 from the E.P.U. in respect of the U.K.'s surplus in January, and (*b*) the payment of $3,000,000 to creditor countries in the Union under bilateral settlements. As a result, the gold and dollar reserves stood at $2,539,000,000 on February 28.

The provisional figures for the E.P.U. February settlement showed that Britain had a surplus of £45,000,000, three-quarters of which would be settled by the E.P.U. in March in gold or dollars, and one-quarter by a reduction in the U.K.'s debt to the Union.

It was pointed out in the British Press that the February surplus in the E.P.U. represented the highest for eight years. It was believed that an important contributing factor had been the buying of sterling by Royal Dutch with the proceeds of its recent share issue; another favourable influence was the relaxation of the French *ratissage* measures whereby the French authorities had compelled French banks to repatriate their overseas working balances in order to ease French balance-of-payments difficulties.

It was announced in London and Washington on March 4 that the U.S. Export-Import Bank had renewed for a further year the $250,000,000 line of credit granted to the U.K., which had expired on Feb. 28. This amount represents the undrawn portion of the $500,000,000 stand-by credit opened by the Bank for the U.K. in February 1957. A Treasury spokesman in London stated that the extension had been agreed on payment by the U.K. of a commitment fee of one-quarter per cent ($625,000), which would be deductible from the interest payable on any future drawing.

Sterling maintained a strong position *vis-à-vis* the dollar and other currencies throughout February, the official dollar spot rate varying between $2.81½ and 2.81\frac{13}{16}$, except on Feb. 25-27, when it fell to $2.81¼, 2.80\frac{11}{16}$, and $2.81⅛ respectively; by Feb. 28 it had recovered to $2.81¼. The rates for transferable sterling and security sterling also remained firm, the former rising from $2.7890 on Feb. 2 to $2.7955 on Feb. 28 (its highest level since April 1954); security sterling rose from $2.74 on Feb. 1 to $2.79 on Feb. 19 (its highest level since April 1956), closing at $2.78¾ on Feb. 28.—(Treasury Press Office, London - Financial Times) **(Prev. rep. 15994 A; Export-Import Bank Loan, 15840 A; 15416 D.)**

B. IRAQ. — General Nuri forms New Government.

General Nuri es-Said (70) formed a new Iraqi Cabinet on March 3 following the resignation of Mr. Abdul Wahab Mirjan, who had been Prime Minister since mid-December. Every member of the new Government had previously held ministerial office, three of them being former Prime Ministers. Portfolios were allotted as follows:

General Nuri es-Said—Prime Minister and Minister of Defence; Dr. Tewfiq Suweidi—Deputy Prime Minister; Dr. Fadhil Jamali—Foreign Minister; Said Qazzaz—Interior; Abdul Karim Uzri—Finance; Jamil Abdul Wahab—Justice; Dr. Abdul Hamid Khadim—Education; Dr. Abdul Amir Allawi—Health; General Sami Fattah—Social Affairs; Dr. Dhia Jaffar—Economics; Rushdi Chalabi—Communications and Works; General Salah Jaburi—Development; Mohammed Mushin Hardan—Agriculture; Burhaneddin Bashayan—Minister for Arab Federation Affairs.

In addition to General Nuri, both Dr. Tewfiq Suweidi and Dr. Jamali had held the Premiership in earlier Cabinets. Dr. Jamali took over the Foreign Affairs portfolio from Mr. Bashayan, who became Minister in charge of Arab Federation Affairs. The new Minister of Justice, Jamil Abdul Wahab, was Minister in Beirut prior to joining the Cabinet. General Nuri and other members of the new Cabinet have given strong and consistent support to the Baghdad Pact, and several of them—e.g. Dr. Jamali—have been strongly critical of the policies of President Nasser and of the union of Egypt and Syria as the United Arab Republic.

No official explanation was given of the reasons for Mr. Mirjan's resignation. General Nuri became Prime Minister for the seventh time, his last tenure of the Premiership being from 1954-56.—(Times - Manchester Guardian)

(Prev. rep. 15916 B; 15644 A.)

A. NATURAL DISASTERS. — The Persian, Turkish, Mexican, and Mongolian Earthquakes. - Ceylon Flood Disaster.

Details are given below of a number of major earthquakes which occurred during 1957 in Persia, Turkey, Mexico, and Mongolia, and of a severe flood disaster which caused nearly 300 deaths in Ceylon during December.

The Persian Earthquakes.

About 2,500 people were killed in a series of severe earthquake shocks during July 2-11 in the area south of the Caspian Sea. Every house collapsed in the small town of Sangchal, where at least 180 people were killed, and several villages were completely wrecked or buried under landslides. Rescue and relief work was seriously hampered by falls of boulders which blocked the roads, and also by continuous heavy rain, and in some districts Army mules were the only means of transport which could be used.

In response to an appeal by the Persian Government, gifts of tents for the homeless were sent by the British and U.S Governments and by the International Red Cross; the British Government also sent £10,000 as a contribution to relief funds, other gifts of money or supplies being received from the Soviet Union, India, Pakistan, Iraq, and Turkey.

Another serious earthquake occurred on Dec. 13 over an area of 2,600 square miles in north-western Persia between the towns of Kermanshah, Hamadan, and Sanandaj, 1,306 people being killed and 29 villages destroyed. The great majority of the casualties, however, occurred in one village—Farsinaj, near the epicentre of the earthquake, where some 950 bodies were subsequently recovered.

The Turkish Earthquakes.

An earth tremor lasting 45 seconds wrecked 80 per cent of the buildings in the Turkish port of Fethiye on April 24, ten people being killed and 80 injured. Serious damage to property also occurred at Marmaris, Mugla, Milas, and other towns in south-western Anatolia, although no fatal casualties were reported from these centres.

A further earthquake on May 26 caused heavy damage in an area of north-western Anatolia between Bolu and Mudurnu, 66 people being killed and several hundred seriously injured.

The Mexican Earthquake.

A series of severe earthquake shocks in southern Mexico on July 28 caused 56 deaths and seriously injured 50 people. Thirty-six of the fatal casualties occurred in Mexico City, where heavy damage was done to property. Many buildings were also damaged in Chilpancingo (135 miles south of Mexico City), the capital of Guerrero State.

The Mongolian Earthquake.

One of the greatest earthquakes ever recorded occurred on Dec. 4 in Outer Mongolia, in the Altai Mountains and the Gobi Desert. The Mongolian radio, however, reported only 20 dead and 13 missing in the area, which is sparsely populated. The report of a joint Soviet-Mongolian expedition to the area, published in *Izvestia* on Jan. 23, 1958, stated that the earthquake's intensity reached 11 on the international scale [which goes up to a maximum of 12], whilst British and U.S. seismologists compared it to the San Francisco earthquake of 1906 and the Assam earthquake of 1950 (see 10978 A).

According to *Izvestia*, the shock moved mountains and rivers and created new ones, completely changing the geography of the region. Professor Florentsov, a member of the expedition, described it as being "like primitive chaos or Dante's Inferno"; dense yellow clouds of dust 3,000 to 4,500 feet high could be seen 40 miles away, and a continuous roar could be heard, caused by avalanches of rock which were still moving. Mountains had split in half, forming sheer drops of thousands of feet, and sections of the Altai range were 18 feet higher than before. The epicentre of the earthquake was marked by a fissure 170 miles long and up to 60 feet wide. Rivers had disappeared in some places, and new ones six to eight miles long had appeared elsewhere.

The Ceylon Flood Disaster.

Ceylon's worst floods for many years caused 288 deaths during Dec. 21-31 and rendered over 300,000 people homeless in the Northern, North-Central, North-Western, and Eastern Provinces. Following six weeks' continuous rain, five large irrigation reservoirs (one of which covers 90 square miles) overflowed the neighbouring areas, and at the height of the floods nearly half the island was submerged. Road, rail, and telegraph communications were disrupted over large areas, and numerous villages were completely cut off for several days. Many of the casualties were caused by landslides in highland areas, in which houses and their inhabitants were buried. The floods were estimated to have inundated over 650,000 acres of paddy land, destroying 400,000 tons of rice (three-quarters of Ceylon's total rice crop) and causing damage amounting to £25,000,000.

The Prime Minister (Mr. Bandaranaike) asked the Indian Government to send helicopters and other aircraft to assist in relief and rescue work, and also appealed to other countries to give all the help they could. R.A.F. aircraft co-operated with the Ceylon and Indian Air Forces in dropping supplies to the flooded areas and rescuing marooned people, and were subsequently joined by U.S. naval and Canadian Air Force planes. The U.S. aircraft carrier *Princeton* arrived from Singapore with 20 helicopters on board, and four ships of the British and two of the U.S. Navy, which had sailed from Singapore or the Persian Gulf, assisted in transporting food and medical supplies to coastal towns in the flooded areas. Gifts of cash, medical supplies, food, clothing, tractors and agricultural machinery were received from many sources, including the Governments of Great Britain, India, Canada, Australia, New Zealand, Malaya, Singapore, the U.S.A., France, Italy, Western Germany, the Soviet Union, Czechoslovakia, Israel, Saudi Arabia, Ethiopia, Burma, Siam, China and Japan, the Vatican, the World Health Organization, and many national Red Cross societies and private organizations. The British Government contributed £10,000 for relief, the sum being subsequently doubled as announced by Mr. Macmillan during his visit to Ceylon on Jan. 16-17 [see page 16042 A, first column].

Mr. Bandaranaike stated on Jan. 7 that several foreign Governments had offered Ceylon loans totalling 1,000,000,000 rupees (£75,000,000) to repair the damage caused by the floods, and that the Government would probably accept them if 20 to 30 years were allowed for repayment. -(Times - Daily Telegraph - Manchester Guardian - New York Times - Soviet Embassy Press Department, London - Ceylon Government Information Department) **(Prev. rep. Earthquakes, 15808 B.)**

B. UNITED STATES. — Resignation of Mr. Stassen.

It was officially announced on Feb. 15 that Mr. Harold Stassen had resigned as Special Assistant to President Eisenhower on disarmament problems in order to seek the Republican nomination in the autumn election for the governorship of Pennsylvania. In accepting Mr. Stassen's resignation, the President said that he "deeply regretted" the loss of Mr. Stassen's services to the Administration.

Mr. Stassen had been Special Assistant to the President on disarmament since March 1955, and led the U.S. delegation in the protracted discussions of the U.N. Disarmament Sub-committee (the "London sub-committee"). It had become known that a wide divergence of views on the conduct of the disarmament negotiations had developed between Mr. Dulles and Mr. Stassen, the latter having been placed under the control and guidance of the State Department in March 1957.

It was announced in Washington on Feb. 27 that Mr. James Wadsworth, a member of the U.S. delegation at the United Nations, had been appointed successor to Mr. Stassen. It was stated that Mr. Wadsworth would report to Mr. Dulles and not to the President, and that he would not be known by Mr. Stassen's former designation of Special Assistant to the President. [The *New York Times* described Mr. Wadsworth's functions as those of "U.S. representative in future disarmament negotiations."] Mr. Wadsworth has been a prominent U.S. spokesman at the U.N. for several years past, and has taken part in many important debates.

The State Department also announced on the same date (Feb. 27) that Mr. Dulles had asked General Alfred M. Gruenther, Mr. Robert M. Lovett, Mr. John J. McCloy, and General Walter Bedell Smith to advise him on disarmament policy in their private capacities. General Gruenther was Supreme Allied Commander, Europe, from 1953-56 and is now president of the American Red Cross; Mr. Lovett, Secretary of Defence from 1951-53, is a partner in the Wall Street firm of Brown Brothers, Harriman and Co.; Mr. McCloy, chairman of the Chase Manhattan Bank (New York), was formerly U.S. High Commissioner in Germany and Assistant Secretary for War; and General Bedell Smith, vice-chairman of the American Machine and Foundry Company, was Chief of Staff to General Eisenhower during the war. (New York Times - New York Herald Tribune)

(Prev. rep. 15450 B; 14119 A.)

C. NIGERIA. — First Oil Exports to Europe.

The first bulk shipment of Nigerian oil for export to Europe was pumped into the British tanker *Hemifusus* at Port Harcourt on Feb. 17, for delivery at Rotterdam. The oil came from the two oilfields now working in Nigeria—at Oloibiri (Eastern Region) and Afam (30 miles north of Port Harcourt). Oil from the five Oloibiri wells is transported to Port Harcourt by barge, whilst Afam is linked with Port Harcourt by a pipeline. The oilfields are owned by Shell-B.P. Petroleum Development Co. of Nigeria, in which the Royal Dutch-Shell group and British Petroleum Ltd. have a joint interest. Drilling of the first well began in September 1951.

(Times - Manchester Guardian)

A. UNITED NATIONS. — Twelfth Session of General Assembly. - Debates and Resolutions.

The 12th session of the U.N. General Assembly, which opened in New York on Sept. 17, 1957 (see 15818 A), ended on Dec. 14 after disposing of an agenda of about 65 items. The subjects discussed included Algeria, Cyprus, the New Guinea question, Hungary, the U.N. Emergency Force in the Middle East, the disarmament problem, the South African Government's *apartheid* policy, the status of South-West Africa, the Palestine Arab refugees, and Korea. The Syrian-Turkish dispute was also added to the agenda during the session.

Three of the principal subjects discussed—the Indonesian claim on Dutch New Guinea, the dispute between Syria and Turkey, and the disarmament question—are dealt with in earlier articles. [For New Guinea see 15931 A, page 15934 ; the Syrian-Turkish dispute, 15919 A ; disarmament, 15941 A, pages 15944-46.] Summaries are given below of the other principal subjects debated by the Assembly, and the resolutions adopted.

The Algerian Problem.

A protracted but inconclusive debate in the Political Committee resulted in the Algerian question going to the full General Assembly without any recommendation. As at the 11th session (see 15505 A), the full Assembly adopted a compromise resolution on Algeria without debate and without a dissenting vote. This resolution, sponsored by 15 countries, recalled the Assembly's resolution of Feb. 15, 1957 (see reference above) and (*a*) reiterated the Assembly's concern over the situation in Algeria ; (*b*) took note of the offer of good offices made by the King of Morocco and the President of Tunisia (see 15915 A) ; and (*c*) expressed " the wish that, in a spirit of effective co-operation, *pourparlers* will be entered into, and other appropriate means utilized, with a view to a solution in conformity with the principles and purposes of the U.N. Charter."

The Algerian question had been placed on the Assembly's agenda at the request of 21 Afro-Asian countries : Afghanistan, Ceylon, Egypt, Ethiopia, India, Indonesia, Iraq, Japan, Jordan, Lebanon, Libya, Morocco, Nepal, Pakistan, Persia, Philippines, Saudi Arabia, Sudan, Syria, Tunisia and Yemen. After recalling the resolution adopted at the 11th Assembly session, the 21 countries (in a joint *aide-mémoire*) drew attention to the continued " suffering and loss of human life " in Algeria and expressed regret that there had been " no indication . . . that any progress has been made towards achieving the purposes of the resolution." [The resolution referred to had expressed the hope for a " peaceful, just and democratic solution " of the Algerian problem, " in a spirit of co-operation " and in accordance with the principles of the U.N. Charter.]

The Political Committee began its debate on Algeria on Nov. 27, when a lengthy statement was made by M. Pineau, the French Foreign Minister.

M. Pineau emphasized that his participation in the debate was in no way inconsistent with his Government's standpoint, which it had consistently maintained, that the General Assembly was not competent to discuss the Algerian situation since this was solely within French domestic jurisdiction. In taking part in the debate, he proposed " to bring the truth of the Algerian question to the knowledge of international opinion, to stress the efforts we are making to achieve a peaceful settlement of a drama which has already caused too much bloodshed and too many tears, and to refute the calumnies levelled against us in order that we, in turn, may make our grievances heard."

The Algerian rebels (M. Pineau continued) had already lost on the military, psychological and political fronts, and knew that they had " no hope of staging a come-back " ; their only hope lay in " internationalizing " the conflict, and any " thoughtless interference " by the General Assembly would not only constitute a violation of the Charter but would also " have no practical result other than to risk postponing a solution that we all wish to find as soon as possible."

Despite the rejection of French offers to negotiate for an immediate cease-fire, France remained ready to negotiate a political settlement in the following three stages : (1) the opening of talks with the Algerian parties without any political pre-conditions ; (2) the holding of free elections, in which France would " take the initiative in inviting Governments of countries which are accustomed to democratic procedures to send as many observers as necessary " ; and (3) discussions with the duly elected representatives of the Algerian people " to decide upon the definitive institutions of Algeria."

While the French Government had no intention of equating Algerian nationalism with international Communism, M. Pineau pointed out that the Algerian Communist Party had participated in the rebellion in two ways : firstly, by specializing in " the organization of urban terrorism " ; and secondly, by successfully infiltrating into the F.L.N. terrorist bands. The Algerian Communist Party had used not only Moslem members but " especially members of European origin," who had " entered the fray in the hope that the triumph of the rebellion will lead to the setting-up of a regime of their own choice in Algeria." Were France to withdraw from Algeria, these Communist elements would be in the best position to seize power, since they were " the only truly disciplined forces involved in the rebellion " ; moreover, they would be able to rely on " powerful aid from foreign countries when they are ready to carry out their scheme." It was not contended that the Algerian rebels obeyed Communist orders alone, but " even were the rebellion to be sincerely opposed to the setting-up of a Communist regime in Algeria, it may one day, even unwillingly, turn out to be the Trojan Horse of Communism in North Africa."

M. Pineau charged that the rebellion had received considerable foreign assistance, much of it from " countries of the Near East." After referring to the anti-French radio campaigns in Egypt and Syria, and to the "constantly increasing shipments" of arms to the rebels from Egyptian sources, he alleged specifically (i) that the first orders for the rebellion had come from Cairo, with the unleashing on Nov. 1, 1954, of the first uprising in the Aurès ; and (ii) that the F.L.N. had been established in Cairo with the encouragement of the Egyptian authorities " and, to a large extent, on the orders and with the monies of the Egyptian Secret Service."

As regards the alleged arms deliveries, M. Pineau said that several " large shipments " had been made to Tunisian ports, whence they were secretly forwarded to Algeria. He went on to charge that assistance to the rebels had become " more and more overt " in Tunisia, until finally there had been set up in Tunis " a military headquarters of sorts that claims to direct operations throughout the whole of eastern Algeria." Rebel commandos from Tunisian bases were constantly infiltrating into Algeria, and " no sooner do they feel themselves threatened than they scurry back to the sanctuary of Tunisian soil." M. Pineau alleged also that the F.L.N. was " firmly entrenched " in eastern Morocco, whence it had been able to carry out raids into Algeria " in relative security " until the French Command had set up permanent field fortifications along the Algerian-Moroccan frontier.

In the course of his speech M. Pineau explained that one of the principal reasons why France could not accept the offer of good offices by the King of Morocco and President Bourguiba was because their joint communiqué had referred to the F.L.N. as the sole spokesman of the Algerian people. France, on the other hand, maintained that the " undisputed spokesmen " of the Algerian people could only be ascertained as the result of free elections. Moreover, although the Moroccan-Tunisian communiqué no longer referred to the " precondition of independence " for Algeria, it had replaced this by " the pre-condition of recognition of the sovereignty of Algeria—a less precise term than the other, perhaps, but bearing an absolutely identical juridical meaning." In view of these facts, and also of the aid received by the rebels from Tunisian and Moroccan territory, France was unable to accept the offer of good offices made by the two countries.

In conclusion, M. Pineau said that the Algerian situation should be seen within the context of the " Franco-North African Community " which it was France's desire to create. The vast economic resources of the Sahara, now being exploited, could mean " the beginning of a new economic era " from which France, the Algerian people, and the North African countries could all benefit. In mobilizing her efforts to exploit these resources, France did not intend to introduce " a neo-colonialism of the desert " but " to associate the neighbouring countries in the immense task of economic and social development so that they may be able to share in the results we hope to achieve."

In the ensuing debate, M. Omar Loutfi (Egypt) described M. Pineau's accusations as " replete with inaccuracies and falsehoods," alleging that " French propaganda " had sought " by all ways and means to make Egypt responsible for the war that has been going on in Algeria since 1954." The real explanation of the " cruel events " in Algeria, he added, was France's " refusal to recognize Algeria's rights and the struggle which the Algerian people are waging for independence against a French army 500,000 strong." In a more moderately-worded speech, M. Mongi Slim (Tunisia) also upheld the Algerian demand for independence but expressed his conviction that this could be achieved in a manner which would reconcile the rights and interests of all interested parties, including France ; he emphasized that the Tunisian-Moroccan offer of good offices represented a sincere attempt at reaching a just solution by mediation, and made a " categoric disclaimer " of M. Pineau's allegation that Algerian rebels were operating from Tunisian bases. M. Ahmed Laraki (Morocco) stressed that his country and Tunisia were not offering " arbitration " but " mediation " ; he rejected M. Pineau's contention that Morocco and Tunisia were too deeply involved in the matter to act as mediators, declaring that " France still persists in regarding this as an essentially domestic problem which only she can solve through unilateral action."

Forty-seven countries in all took part in the ten-day debate, in which the demand for Algerian independence was supported by many Afro-Asian nations (including India, Pakistan, Ceylon and Ghana) and also by the Communist countries. On the other hand, France was supported by Turkey, Japan, Israel, Portugal, and several Latin American countries, including Argentina, Uruguay and Peru. Mr. Cabot Lodge, for the U.S.A., commended the new French *loi-cadre* for Algeria and expressed the hope that the U.N. would " avoid any action that might hamper progress towards a peaceful and equitable solution." Unlike M. Pineau, however, Mr.

Lodge welcomed the mediation offer of King Mohammed and President Bourguiba, and expressed the U.S. Government's appreciation of "the worthy motives underlying this offer and the conciliatory spirit in which it was made."

An Afro-Asian resolution (presented by 17 nations, and in its final form incorporating Canadian, Irish and Norwegian amendments) declared that the principle of self-determination was "applicable to the Algerian people," and called for negotiations aimed at a solution "in accordance with the principles and purposes of the U.N. Charter."

A second resolution, presented by Spain and six Latin American countries, expressed the hope that a "peaceful, just and democratic solution" of the Algerian question would be found "through appropriate means" and in conformity with Charter principles. It noted that attempts had been made to settle the problem "both through the good offices of Heads of State and by French legislative measures."

The Political Committee's debate on Algeria ended on Dec. 6 without any resolution being adopted. The Afro-Asian resolution received 37 votes in favour and 37 against (a tie vote constituting a rejection of a resolution), whilst the seven-nation resolution was not taken to a vote.

In the full Assembly, the above-mentioned compromise resolution, sponsored by 15 countries, was introduced on Dec. 10 and adopted by 80 votes to nil with no abstentions, France not participating in the vote and South Africa being absent. As stated, the resolution was not debated. Its sponsors were Argentina, Brazil, Canada, Cuba, the Dominican Republic, India, the Irish Republic, Italy, Japan, Mexico, Norway, Persia, Peru, Spain, and Siam.

The compromise resolution was worked out at a series of conferences between the sponsors of the Afro-Asian resolution, the Spanish and Latin American resolution, and the delegations of Canada, the Irish Republic, and Norway, whose amendments had been incorporated in the Afro-Asian resolution.

Speaking after the vote, M. Pineau welcomed the resolution as a "testimony of confidence" that France would find for Algeria the "peaceful, democratic, and just solution" which the French people themselves desired. M. Mongi Slim also welcomed the resolution, but on diametrically opposite grounds—that it called on France "to follow the path of negotiations and accept the Tunisian and Moroccan offer of mediation," and that it "did not approve the French plan to solve the Algerian problem" [i.e. made no mention of the new French *loi-cadre* for Algeria].

The Cyprus Dispute.

A Greek resolution on Cyprus, amended in important respects by Canada, Chile, Denmark, and Norway, failed to obtain the necessary two-thirds majority in the General Assembly and was therefore not adopted. The voting was 31 in favour, 23 against, and 24 abstentions.

The Cyprus question was put on the agenda at the request of the Greek delegation. As originally worded, the item was presented by Greece as (*a*) "application under U.N auspices of the principle of equal rights and self-determination for the people of Cyprus," and (*b*) "violations of human rights and atrocities by the British colonial administration against the Cypriots." In the Assembly's Standing Committee, however, the Greek delegation accepted a Norwegian suggestion that the resolution should be presented simply as "the Cyprus question." In this form the resolution was placed on the agenda by 11 votes to nil, with four abstentions—Great Britain, France, the Soviet Union, and Czechoslovakia.

The British and Greek cases were presented in the Political Committee on Dec. 9 by Commander Allan Noble, U.K. Minister of State for Foreign Affairs, and M. Evangelos Averoff, the Greek Foreign Minister.

Commander Noble emphasized that H.M. Government were anxious to settle the Cyprus dispute in the spirit of the resolution adopted at the last Assembly session [see page 15473], and was ready to give the most sympathetic consideration to "any proposal which commends itself to both the Greek and Turkish Governments." The essence of any solution was that it should be acceptable to the people of Cyprus and to Britain, Greece, and Turkey, and H.M. Government had made great efforts to achieve such a solution. Britain, which bore responsibility for the government of Cyprus, had always supported the principle of self-determination and had sincerely tried to take constructive initiatives during the past year—e.g. by releasing Archbishop Makarios, by offering a safe-conduct out of Cyprus to all terrorists, and by relaxing the emergency regulations.

The active support given by Greece to the *enosis* movement and Eoka terrorism, however, had created an international problem. It had become clear that the terrorists took their orders from Archbishop Makarios, and for this reason the Archbishop had been deported and could not be allowed to return to the island at present. Nevertheless, Britain was prepared to discuss self-determination with a representative Cypriot delegation—which could include the Archbishop himself—on condition that any future arrangements provided for good government, internal security, and order in the island, and for the protection of the rights of all its inhabitants.

In supporting the principle of self-determination, H.M. Government had made it clear that this must apply equally to the Greek and Turkish communities in Cyprus. In the hope of making progress towards a compromise settlement, Britain had informally suggested to the Greek and Turkish Governments that they should get together and discuss the whole problem with open minds and without insisting in advance on any particular solution. H.M. Government had suggested that such a conference should be free to discuss, without prejudice, "every solution so far mooted"—including *enosis*, self-determination within a fixed time-limit, self-government leading to self-determination at an unspecified time, guaranteed independence, a condominium with plural nationality, partition, the maintenance of full British sovereignty, or any other solution that might be put forward. The Turkish Government had accepted this suggestion, but the Greek Government, while not rejecting the idea of a conference, had insisted that the basic outlines of a solution must first be agreed between the three Governments concerned.

Commander Noble concluded: "Bearing in mind our own responsibilities, the welfare of the peoples of Cyprus, the legitimate interest of Greece and Turkey in the future of the island, and the friendship between our three countries, we are convinced that there is room for compromise . . ."

M. Averoff claimed that the question at issue was the "abolition of colonialism" in Cyprus, declaring that there was "only one interested party—Cyprus and its people." Denouncing what he described as "certain practices of colonial oppression," he alleged that British troops had committed "atrocious acts" in Cyprus and said in this connexion: "The British people, a liberal and noble people, are not responsible for these acts which have been perpetrated by men wearing British uniforms. It is true that several emergency measures have been abolished and that the man chiefly responsible for them, Field-Marshal Harding, has been replaced by a man who enjoys an excellent reputation [i.e. Sir Hugh Foot, the new Governor of Cyprus]. But this is not a sufficient guarantee for the future . . ."

After accusing the British Government of "intransigence" on the Cyprus question, and alleging that it had taken "no serious steps" to implement the resolution adopted at the 11th session, M. Averoff expressed satisfaction that the British Labour Party had shown itself "sympathetic to the Cypriot cause." He added that the resolution on Cyprus adopted at the last conference of the Labour Party [containing a pledge of immediate self-determination for Cyprus if a Labour Government came to power] had aroused "feelings of admiration and gratitude" both in Greece and Cyprus.

In the ensuing debate M. Selim Sarper (Turkey) accused Greece of wishing to annex Cyprus outright, declaring that "all the actions, proposals, statements, and policies of the Greek Government, as well as of the Cypriot Orthodox Church, are aimed at . . . bringing about the annexation of Cyprus against the will of the Turkish Cypriots and in contradiction to treaties signed by Greece." A number of delegates - including Dr. Abdul Rahman (Malaya) and Mr. Gunewardene (Ceylon) - paid tribute to Britain's achievements in bringing independence to former non-self-governing peoples, and expressed confidence that a just solution would be found in Cyprus; Dr. Rahman said that the experience of Malaya had shown that Britain was "earnest and sincere in her desire to lead her dependent territories along the peaceful path to independence," while Mr. Gunewardene cited the examples of India, Pakistan, Ceylon, Burma, and Ghana in the same connexion. The Soviet delegate, M. Peive, called for "recognition of the rights of the Cypriots to self-determination, withdrawal of all foreign troops from the island, and the liquidation of all foreign military bases there." Mr. Cabot Lodge said that the U.S. Government maintained its belief that "quiet diplomacy" held the greatest hope for a solution of the Cyprus question.

By 33 votes to 20, with 25 abstentions, the Political Committee adopted a resolution on Dec. 12 which (1) reaffirmed the resolution adopted at the 11th Assembly session; (2) expressed "concern that more progress has not been made towards a solution of this problem"; (3) considered that the situation in Cyprus "is still fraught with danger and that a solution at the earliest possible time is required to preserve peace and stability in the area"; and (4) expressed the "earnest hope that further negotiations and discussions will be undertaken with a view to having the right of self-determination applied in the case of the people of Cyprus."

As originally submitted by M. Averoff, the resolution declared in its operative paragraph that the people of Cyprus should be "given the opportunity to determine their own future by the application of their right to self-determination." After various amendments had been suggested by Canada, Chile, Denmark, and Norway, and sub-amendments by M. Averoff, the resolution was finally presented in the form given above.

As stated, the resolution failed to secure acceptance in the General Assembly for lack of a two-thirds majority. Voting on the resolution took place on Dec. 14 with the following result:

For the Resolution (31 votes): Albania, Bolivia, Bulgaria, Byelorussia, Costa Rica, Czechoslovakia, Ecuador, Egypt, El Salvador, Ethiopia, Ghana, Greece, Guatemala, Haiti, Hungary, Iceland, Indonesia, Irish Republic, Lebanon, Panama, Poland, Rumania, Saudi Arabia, Soviet Union, Sudan, Syria, Tunisia, Ukraine, Uruguay, Yemen, Yugoslavia.

Against the Resolution (23 votes): Argentina, Australia, Belgium, Canada, Chile, Colombia, Denmark, Dominican Republic, France, Italy, Luxemburg, Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Persia, Portugal, South Africa, Spain, Sweden, Turkey, United Kingdom.

Abstentions (24). Afghanistan, Austria, Brazil, Burma, Cambodia, Ceylon, China (Nationalist), Finland, Honduras, India, Iraq, Israel, Japan, Laos, Liberia, Malaya, Mexico, Nepal, Paraguay, Peru, Philippines, Siam, United States, Venezuela.

Absent (4): Cuba, Jordan, Libya, Morocco.

The Afro-Asian group and the Latin American group were divided on the resolution, although the Communist group voted for it *en bloc*. Mr. Cabot Lodge explained that the United States had abstained because the Cyprus question "involves the interests of three of our closest allies—Greece, Turkey, and the United Kingdom"; he added that "Cyprus is not the kind of problem which can be solved by U.N. deliberations in the absence of agreement among the parties."

In defiance of his Government's instructions, the Iraqi delegate (Dr. Hashim Jawad) voted for the resolution in the Political Committee, though abstaining in the General Assembly. On Dec. 23 the Iraqi Ambassador in Ankara presented his Government's apologies to the Turkish Prime Minister (M. Menderes) for Dr. Jawad's vote in the Political Committee, and subsequently told press correspondents that Iraq fully supported Turkey's views on Cyprus. It was announced in Baghdad two days later that Dr. Jawad had been recalled to Iraq for disobeying instructions and voting against Turkey.

The U.N. Emergency Force.

By 51 votes to 11, with 19 abstentions, the General Assembly approved a report on the U.N. Emergency Force in the Middle East (UNEF) presented by Dr. Hammarskjold, and adopted a resolution calling for contributions by member-countries for the continued upkeep and operation of the Force, as requested by the Secretary-General.

In his first report on the working of UNEF—a 47-page document issued on Oct. 12, 1957—Dr. Hammarskjold said that the Force "has become, and undoubtedly continues to be, one of the pre-conditions for the preservation of peace and quiet along the line between Egypt and Israel." The maintenance of this atmosphere of quiet, he added, was "indispensable to fruitful effort towards the removal of the major obstacles to peace in the Near East." At the same time the Secretary-General expressed concern at "the present inadequate and insecure basis of UNEF financing," pointing out that "this vital U.N. undertaking" might be "seriously jeopardized" unless it was assured of "the same degree of financial support as afforded to other U.N. activities which have as their purpose the maintenance of peace and security."

Dr. Hammarskjöld's report emphasized that UNEF had proved to be "effective" during its ten-months' service in the Middle East and had "earned acceptance as a significant pioneering effort in the evolution of methods of peace-making." Since its deployment in the Gaza Strip and the Sinai desert there had been "a steady reduction in both the number and severity of incidents"; for example, there had been no crossings of the armistice demarcation line since the end of July.

The report gave the following details of the numerical strength of each national contingent of UNEF as at Sept. 15, 1957:

Contingents	Officers	Other ranks	Total
Brazil	44	501	545
Canada	113	1,059	1,172*
Colombia	31	491	522
Denmark	25	399	424
Finland	15	240	255
India	27	930	957
Indonesia	37	545	582†
Norway	71	427	498
Sweden	27	322	349
Yugoslavia	55	618	673
Total	445	5,532	5,977

*Including Royal Canadian Air Force personnel stationed at Naples and El Arish (Abu Suweir prior to Sept. 5).

†The Indonesian contingent withdrew in September (see 15680 A.)

After stressing the "grave risks" inherent in the "inadequate and insecure" basis on which UNEF was financed, Dr. Hammarskjöld pointed out that member-States had not contributed sufficient funds for its continued upkeep and operation. He recalled that when UNEF was set up in the autumn of 1956, the General Assembly had voted an initial sum of $10,000,000 to cover its expenses, and member-countries had been asked to contribute on the same scale as their general assessments to the U.N. Budget.

To the date of his report, a total of $6,330,000 had been raised—$5,744,000 on the assessment basis, and the remaining $586,000 on a voluntary basis. Thirty-two countries had contributed to the "assessment" sum and six to the "voluntary" sum—the United States, Great Britain, the Dominican Republic, Greece, New Zealand, and Pakistan. A further $3,123,000 had been promised in voluntary contributions but had not yet been received in cash, $2,700,000 of this sum had been pledged by the U.S. Government on condition that contributions were also forthcoming from other countries. As a result of the shortfall in contributions, UNEF was faced with a serious deficit which the U.N. Organization had had to cover by dipping into its working capital—to the extent of $3,775,000—and by borrowing to a limited extent from other funds under the control of the Organization.

In conclusion, Dr. Hammarskjold asked the Assembly to authorize expenditure of $24,000,000 to cover the 14-month period ending Dec. 31, 1957 (i.e. the 14 months during which UNEF had been in existence), plus an additional $6,500,000 if the Assembly decided that Governments contributing troops to UNEF should be reimbursed for the extra expenses incurred. In addition, the Secretary-General requested authority to spend up to $20,000,000 for UNEF during 1958 (plus a corresponding additional amount for extra costs if the Assembly so decided), on the understanding that UNEF expenses would not normally exceed $2,000,000 in any single month.

A 20-nation resolution was presented on Nov. 18, 1957, expressing appreciation of UNEF's role in maintaining peace in the Middle East; thanking those countries which had contributed troops to the Force; and approving the Secretary-General's report and the recommendations contained therein. Specifically, it authorized Dr. Hammarskjold to expend, in addition to the $10,000,000 already authorized, a maximum of another $13,500,000 for the period ending Dec. 31, 1957; and, as necessary, beyond that date up to a maximum of $25,000,000 for the continued operation of the Force in 1958. It was stated that these expenses should be borne by U.N. members in accordance with the scales of assessment for their contributions to the U.N. Budget, "and such other resources as may have become available" (i.e. by voluntary contributions).

The resolution was sponsored jointly by the ten countries which were contributing or had contributed troops to UNEF [see table above], together with Ceylon, Costa Rica, the Irish Republic, Italy, Japan, Liberia, Pakistan, Persia, Siam and Uruguay.

The resolution was introduced in the General Assembly on Nov. 22 by Dr. Sidney Smith (Canadian Minister for External Affairs) and approved by the above-mentioned majority. Of the 11 opposing votes, nine were cast by the Communist countries (all except Yugoslavia, which was a co-sponsor of the resolution) and two by Latin American countries (Chile and Ecuador). The 19 abstentions were all Afro-Asian and Latin American countries, while South Africa was absent.

The Soviet delegate (M. Sobolev) reiterated that the U.S.S.R. would not contribute to the expenses of UNEF, which, he maintained, should be borne solely by Britain, France and Israel as the countries which had "launched aggression" against Egypt. The Egyptian representative, M. Omar Loutfi, expressed his country's gratitude for the creation of UNEF, emphasized that Egypt had given full co-operation to the Force, and criticized Israel for refusing to allow UNEF to operate on her side of the armistice line. The Chilean and Ecuadorean delegates agreed on the necessity for UNEF, explaining their vote against the resolution on the ground that the assessments would place an additional burden on their countries' finances.

Dr. Hammarskjold had informed the Assembly on Nov. 20 that the United States had offered a further $12,000,000 for UNEF during 1958, and that Great Britain had offered $1,000,000 (£357,000) as "special assistance" for the same purpose. The Australian delegate (Dr. Walker) announced during the debate that his Government would also make a special contribution of $50,000 for UNEF expenses. Other contributions were promised by Mexico ($10,000), Austria, Japan, the Irish Republic, Burma, and Liberia.

Present Deployment of UNEF. - Withdrawal of Finnish Contingent.

The U.N. Information Centre in London gave the following description in August last of the deployment of UNEF along the armistice demarcation line in the Gaza Strip and the Sinai desert.

In the Gaza Strip, UNEF forces were deployed from north to south as follows: (*a*) the Danish-Norwegian battalion held positions from the coast inland to a point east of Gaza, (*b*) from this point the Brazilian battalion held the line southwards to Wadi Ghazza; (*c*) the Indian battalion held the sector from Wadi Ghazza to a point east of Khan Yunis; (*d*) the Colombian battalion and the Finnish company (less two platoons) held positions along the south-western part of the Gaza Strip near Rafah. All these units were manning outposts and observation posts along the demarcation line, and carrying out patrols by day and night. Two Finnish platoons were engaged on guard duties at Rafah, where they protected supply depots.

In the town of Gaza were the headquarters of Major-General Burns (the UNEF Commander), the Norwegian medical company, and the Swedish battalion, less one rifle company deployed in the Sharm-el-Sheikh area at the entrance to the Gulf of Akaba. In the Sinai desert the Yugoslav reconnaissance battalion was patrolling the demarcation line from a point north of El Quseima southwards to the Gulf of Akaba, while the north-western sector of the line from Rafah to El Quseima was patrolled by the 56th Canadian Reconnaissance Squadron. The UNEF air station was located at El Arish, where the 115th R.C.A.F. Communication Flight was based; another Canadian flight (the 114th) was stationed at Capodichino, near Naples. A few UNEF elements were also stationed near Beirut (Lebanon), the leave centre of the U.N. Emergency Force.

The United Nations announced on Nov. 18, 1957, that Finland had decided to withdraw her contingent (250 men) from service with UNEF. As the Indonesian contingent had also been withdrawn, the U.N. Emergency Force is now recruited from eight countries—Brazil, Canada, Colombia, Denmark, India, Norway, Sweden, and Yugoslavia.

It was announced in Ottawa on Dec. 17 that Major-General Burns had been promoted to the rank of lieutenant-general in recognition of his "outstanding work and leadership" as Commander of the U.N. Emergency Force.

Hungary. - Prince Wan's Report to General Assembly.

At the special session on Hungary from Sept. 10-14, 1957 [see 15777 A], Prince Wan Waithayakon—Foreign Minister of Siam, and president of the 11th General Assembly—had been asked to take "such steps as he deems appropriate" to achieve the objectives of the U.N. resolutions on Hungary. In a report to the 12th Assembly session, presented on Dec. 10, Prince Wan pointed out that he had been refused admission to Hungary [see 15846 F] and had so far been unable to negotiate with the Soviet and Hungarian Governments.

Prince Wan said that as a "first step" he had tried to obtain assurances from the Soviet and Hungarian Foreign Ministers (respectively M. Gromyko and M. Horvath) with regard to (1) humanitarian treatment in Hungary; (2) the return of deportees from the U.S.S.R.; (3) withdrawal of Soviet troops from Hungary; and (4) free elections in Hungary—the objectives set out in the U.N. resolutions on Hungary. He had offered to pursue negotiations on these matters in Moscow and Budapest, but in each case the response had been unfavourable. M. Gromyko had informed him that the matter "does not concern the Soviet Government" and had denied that there had been any deportations to the U.S.S.R., whilst M. Horvath had similarly refused to enter into discussions on the ground that U.N. "interference" in Hungarian internal affairs was "illegitimate." He (Prince Wan) had subsequently tried to obtain assurances from M. Horvath on such matters as more lenient treatment of political prisoners and an amnesty for political offenders, but the Hungarian Foreign Minister had replied that these questions solely concerned the Hungarian Government. Later, however, M. Horvath had agreed to supply information on a number of humanitarian matters if Prince Wan drew up his questions in the form of a written memorandum. Prince Wan had agreed to this and had offered to go to Budapest for discussions, but the Hungarian Government had refused to grant him a visa on the ground that the U.N. resolutions were "illegal" and that Hungary could not admit United Nations observers.

After expressing his regret that he had so far been unable to find an opportunity for negotiations, Prince Wan said that he "could not believe that the Hungarian and Soviet Governments will remain insensible to the voice of world opinion and the conscience of mankind, which continues to make an insistent and righteous appeal for the freedom of the Hungarian people." In conclusion, he expressed the hope that "as international tension relaxes, I may be given the opportunity to assist in establishing full international co-operation in promoting respect for human rights and fundamental freedoms in Hungary."

In a short debate, M. Sobolev (U.S.S.R.) and Dr. Endre Sik (Hungary) reiterated their contention that the General Assembly's discussion on Hungary constituted an "illegal interference" in Hungarian internal affairs. A number of Western delegates strongly criticized the Soviet and Hungarian Governments for their continued defiance of the General Assembly's resolutions, and Mr. Cabot Lodge announced that the United States might ask for a special session on Hungary during 1958 if circumstances should warrant it.

M. Sobolev expressed regret that Prince Wan should have allowed himself to be associated with the "notorious" U.N. Report on Hungary, and attacked what he described as the "slanderous propaganda campaign" being waged against that country. He reiterated the allegation that the Hungarian revolution had been "the work of reactionaries" supported by the "ruling circles" of the Western Powers.

Dr. Sik, who spoke in similar terms, explained that his Government, despite its high personal regard for Prince Wan, had refused him admission to Hungary "because he received and accepted his well-publicized mission from the General Assembly."

Mr. Cabot Lodge denounced the "callousness and indifference" with which the Soviet and Hungarian Governments had repulsed Prince Wan in his efforts to carry out the humanitarian functions entrusted to him by the United Nations. In the course of his speech Mr. Cabot Lodge said that reports had been received indicating that three leaders of the Hungarian revolt had been brought to trial by "the puppet Soviet regime in Hungary"—General Pal Maleter (Minister of Defence in the short-lived Nagy Government), General Istvan Kovacs, and M. Sandor Kopacsy, former Chief of Police in Budapest.

The U.N. Special Committee on Hungary (the five-nation group headed by Mr. Alsing, of Denmark) sent a letter to the Hungarian Government on Dec. 20 expressing concern at the reports (mentioned by Mr. Lodge) that General Maleter and others were being brought to trial, and asking that the "highest humanitarian standards" should be applied in the reported proceedings. After requesting "reliable information" on this matter, the Committee declared that "world opinion will continue to be disturbed until it is satisfied that the present authorities in Hungary are shaping their policy . . . in accordance with the General Assembly's resolution of Sept. 14, 1957, which called upon Hungary 'to desist from repressive measures against the Hungarian people.'"

The Hungarian delegate at the U.N. (Dr. Mod) refused to transmit the letter to Budapest and returned it to the Special Committee, with the observation that his Government did not recognize the Committee's *locus standi*. He denied Mr. Lodge's allegation that General Maleter and others were being brought to trial and accused Mr. Lodge of trying to "poison the atmosphere."

As at the 11th session, the General Assembly took no action on the credentials of the Hungarian delegation—i.e. it neither approved nor disapproved of them. A recommendation by the Credentials Committee to this effect was approved by the full Assembly by 77 votes to one (Hungary), with no abstentions.

Korea. - Ending of Korean Reconstruction Agency.

By 53 votes to nine, with 15 abstentions, the Political Committee adopted an 11-nation resolution urging that a Korean settlement should be based on "the fundamental principles for unification established at the Geneva conference in 1954 and endorsed by the United Nations." [These principles included free elections in both North and South Korea under U.N. auspices.] The resolution also commended the work of the U.N. Korean Reconstruction Agency (UNKRA) and asked that the Korean question should be placed on the agenda of the next Assembly session.

The debate in the Political Committee was marked by sharp exchanges between Representative Walter Judd (U.S.A.) and M. Sobolev (U.S.S.R.), each side accusing the other of violations of the Korean armistice agreement.

Representative Judd called on Communist China, the Soviet Union, and North Korea to demonstrate their professed desire for a Korean settlement by taking four positive measures: (1) withdrawal of Chinese troops from North Korea; (2) accounting for the fate of the 2,720 missing Servicemen (including 450 Americans) who fought under the U.N. Command; (3) returning to their homes the thousands of abducted South Korean civilians; and (4) acceptance of the U.N. resolutions for the peaceful reunification of Korea, including free elections in both parts of the country under U.N. auspices. Mr. Judd charged that modern Soviet-type weapons, including artillery and rockets, were being poured into North Korea in a "large-scale illegal military build-up" and in violation of the armistice agreement. He also criticized the fact that the North Korean regime had consistently refused to allow *bona fide* inspection, as provided for in the armistice agreement, and had not given any information to the Neutral Nations' Supervisory Commission as required by that agreement.

M. Sobolev made counter-allegations that the U.S.A. was violating the armistice by building up the forces of the "Syngman Rhee puppet regime" and sending large supplies of modern weapons to South Korea. He said that it was "perfectly obvious" that the re-establishment of Korea's national unity could only be achieved by "giving due consideration to the existence in the Korean peninsula of two States with different social and economic systems." After describing earlier U.N. resolutions on Korea as "unrealistic and harmful," M. Sobolev maintained that the "only rational approach to solving the problem of unifying Korea lies in upholding the truce and in transforming it into a lasting peace, and in political, economic and cultural *rapprochement* between the two parts of the country, which ultimately should bring about the unification of Korea."

The Political Committee adopted the 11-Power resolution on Nov. 18 by the above-mentioned majority; the nine dissenting votes were cast by the Soviet-bloc countries, and the 15 abstentions were Afghanistan, Burma, Cambodia, Ceylon, Egypt, Finland, Haiti, Indonesia, Morocco, Nepal, Saudi Arabia, Sudan, Syria, Yemen, and Yugoslavia. India did not participate in the vote, and four delegations were absent. In the

full Assembly the resolution was passed on Nov. 29 by 54 votes to nine, with 16 abstentions (Finland, Yugoslavia, and 14 Afro-Asian countries). During the debate Mr. Judd said that the Communist military build-up in North Korea included 700 aircraft (most of them jets of the latest types), 3,900 rocket launchers, heavy artillery, and T-34 tanks.

The resolution was sponsored jointly by Australia, Ethiopia, France, Great Britain, Greece, Luxemburg, New Zealand, the Philippines, Siam, Turkey, and the United States.

Prior to the debate, the head of the U.N. Korean Reconstruction Agency (Lieut-General John B. Coulter) had presented a report in which it was stated that UNKRA would be wound up during 1958. General Coulter said that the great majority of UNKRA projects would have been successfully completed by the end of 1957, and "only a very small number" would be carried forward to the spring of 1958.

UNKRA [which was established on Dec. 1, 1950] was described by General Coulter as "a most significant and highly successful chapter in U.N. history" and as an "unprecedented U.N. undertaking." In the seven years of its existence it had proved that collective action by the U.N. could "assist a country and its people who have been ravaged by aggression." Nevertheless, much still remained to be done in making good the devastation caused by the Korean War, and it was hoped that aid from the U.S.A. and world voluntary agencies would assist the "valiant efforts" being made by the South Korean Government and people.

General Coulter reported that a total of $1,914,900,000 had been provided for South Korea from July 1, 1950, to June 30, 1957, excluding direct military assistance. Of this sum, $617,400,000 had been provided through the U.N. (including $143,000,000 through UNKRA) and $474,400,000 in relief aid under the U.N. Emergency Relief Programme.

The Palestine Arab Refugees.

After considering the annual report of Mr. Henry R. Labouisse, Director of the U.N. Relief and Works Agency for Palestine Refugees (UNRWA), the Assembly adopted a five-Power resolution—sponsored by Great Britain, the Netherlands, New Zealand, the Philippines, and United States—calling for additional contributions by member-States as a matter of "urgent concern."

In his report, presented on Nov. 4, Mr. Labouisse emphasized—as in previous years—that UNRWA was in desperate need of funds if it was to continue to carry out its work for the 988,000 Palestine Arab refugees under its care in the Gaza Strip, Jordan, Lebanon and Syria. Estimated financial needs of UNRWA in 1958 would be $40,700,000 (£14,500,000), of which $25,700,000 would be for the relief programme and $15,000,000 for rehabilitation activities, including education. By Dec. 31, 1957, however, the Agency's working capital would barely suffice to cover expenditure for two months, and Mr. Labouisse therefore urged the Assembly to contribute $8,000,000 over and above the 1958 estimate so as to provide an adequate working capital.

Mr. Labouisse emphasized that UNRWA provided shelter in camps for about 630,000 of the refugees, and also maintained schools attended by about 170,000 refugee children. The Agency's commitments were "urgent and inescapable," since hundreds of thousands of human beings depended on it for the bulk of their daily food and for medical care and shelter. If UNRWA broke down for lack of funds, acute starvation and disease would become an immediate threat. Moreover, if UNRWA's education programme were curtailed it would mean that "huge crowds of refugee children would be condemned to frustration and idleness," with grave political and social consequences.

In a personal appeal to the Assembly on Nov. 18, Mr. Labouisse explained that voluntary contributions pledged by U.N. member-Governments for 1958 had fallen far short of the $25,700,000 budgeted for relief and the $15,000,000 estimated for rehabilitation. After expressing deep disappointment "that a humanitarian objective so eminently worth-while could only command the active support of little more than one-third of the members," he summarized the situation for 1958 as follows: (1) to meet the minimum relief budget of $25,700,000 would require "about $2,000,000 more than can be reasonably foreseen at present"; (2) for rehabilitation, another $2,000,000 was needed to meet only the first priority items—largely education and training; (3) to carry out the full rehabilitation programme, budgeted at $15,000,000, the Agency would need another $8,000,000 over and above present foreseeable contributions; (4) an additional $8,000,000 was needed to build up the working capital fund, which had been practically exhausted as stated in his report.

In conclusion, Mr. Labouisse said that failure by the Assembly to ensure the necessary funds for UNRWA would be "tantamount to a decision to bring whole sections of our work to an end."

Prior to Mr. Labouisse's report, the General Assembly had met on Oct. 6 as an *ad hoc* "pledging conference" to seek funds for refugees in need of U.N. aid. Twenty-one countries undertook to contribute a total of $25,000,000 (over £9,000,000) for the Palestine Arab refugees, of which $21,800,000 was pledged by the United States and $2,900,000 by Great Britain. [About 90 per cent of UNRWA's total funds have been contributed by the U.S.A. and Britain since the establishment of the Agency.] Six Arab countries—Jordan, Lebanon, Libya, Morocco, Sudan, and Saudi Arabia—undertook to give various sums, the largest being $95,000 from Saudi Arabia. Among other countries, Canada promised $500,000, Australia £A.50,000, and Yugoslavia $40,000. No offer was made by the U.S.S.R. or any other Soviet-bloc country.

The above-mentioned five-Power resolution was adopted by the Assembly on Dec. 12 by 52 votes to nil, with 19 abstentions and many delegations absent. After the vote, the President of the Assembly (Sir Leslie Munro) urgently appealed to all member-Governments to provide sufficient funds to enable UNRWA to carry out its work.

The Canadian Government subsequently announced that it would contribute $1,500,000 worth of Canadian flour to UNRWA—representing 20,000 tons of flour or 1,000,000 bushels of wheat—in 1958, over and above the cash contribution of $500,000 pledged for that year.

French Togoland.

By 50 votes to one (Ghana), with 29 abstentions, the Assembly approved a resolution—presented in the Trusteeship Committee by Canada, Colombia, Denmark, the Irish Republic and Liberia—calling for elections in the Trust Territory of Togoland in 1958 so that the inhabitants might have an opportunity of deciding on their future status.

The resolution asked (1) that the elections should be held under U.N. auspices; (2) that a U.N. High Commissioner should supervise the elections, assisted by observers; (3) that the elections should be held on a basis of universal suffrage; and (4) that, on the basis of Togolese opinion as revealed in these elections, the General Assembly should decide at its next session whether or not Togoland should remain a Trust Territory. The resolution was accepted by M. Jaquet (Minister for *France d'Outre-mer*), who took part in the debate.

In conformity with the decision taken at the 11th session [see page 15508, second column], a U.N. Commission visited Togoland during 1957 to examine the situation resulting from the application of the new French Statute, whereby the territory had become an autonomous republic within the French Union [see 15511 A].

In its report, submitted on Aug. 21, the Commission commended the Statute as a "very significant step" towards attaining the aims of the trusteeship system and as conferring "a large measure of internal self-government" on the Togolese. It pointed out, however, that the Togolese would need to be consulted in due course on the future status of the territory, and suggested that France should publicly state that the Statute did not in its present form denote the final relationship between France and Togoland. Certain criticisms were made as regards the existing situation—notably, that the presence of armed forces and *gendarmerie* under French control represented a substantial limitation on the autonomy enjoyed by the territory; and that the opposition parties did not enjoy the same political freedom of expression and assembly as the pro-Government parties, especially in northern Togoland.

M. Max Dorsinville (Haitian representative at the U.N.) was nominated by the General Assembly as High Commissioner to supervise the Togolese elections under U.N. auspices. He will be assisted by an international staff.

Atomic Radiation.

The General Assembly unanimously endorsed a resolution by the Political Committee on the effects of atomic radiation.

This resolution (1) asked the U.N. Scientific Committee on the Effects of Atomic Radiation (a 15-nation body set up two years earlier) to complete its report to the Assembly "at the earliest possible moment"; and (2) requested Dr. Hammarskjöld, in consultation with the Scientific Committee, to consider "the strengthening and widening of scientific activities" in this field taking into account the Political Committee's debate and the various proposals submitted during the discussion. The Secretary-General was asked to submit a report on this matter to the next Assembly session.

The resolution represented a compromise between two separate resolutions presented in the Political Committee: (*a*) a resolution by the Czechoslovak Foreign Minister (M. Vaclav David) calling for a U.N. scientific conference in 1959 to consider the effects of atomic radiation; and (*b*) a resolution submitted by nine of the 15 countries represented on the Scientific Committee (Argentina, Australia, Belgium, Brazil, France, Great Britain, Mexico, Sweden, and the United States) asking (i) that the Scientific Committee should complete its report as soon as possible; (ii) that the report should be made available to the second U.N. Conference on the Peaceful Uses of Atomic Energy, to be held at Geneva in September 1958; and (iii) for continued co-operation by U.N. member-countries in providing the Committee with information. A Japanese proposal was also put forward (but not embodied in a resolution) that the Scientific Committee should be converted into a permanent U.N. body reporting annually to the General Assembly.

After a three-day debate, the Indian delegation (notably Mr. Krishna Menon and Mr. Arthur Lall) succeeded in drafting a resolution acceptable both to Czechoslovakia and to the sponsors of the nine-Power resolution. The resolution went forward to the General Assembly and was approved without opposition, as stated. India, as the "major architect" of the resolution, presented it in the General Assembly with the co-sponsorship of 15 other countries—the sponsors of the nine-Power resolution plus Austria, Canada, Egypt, Japan, Poland, and Yugoslavia.

The Refugee Question.

Dr. Auguste Lindt, the U.N. High Commissioner for Refugees, presented his annual report to the General Assembly on Nov. 4, covering the period from May 1956 to May 1957.

The report stated that the Hungarian refugee problem had now been reduced "to manageable proportions" owing to the speed with which the problem had been tackled, and the fact that the burden had been shared by many nations. Of the 199,000 refugees who had fled from Hungary, nearly 165,000 had been accepted as immigrants in 40 European and overseas countries, leaving only 12 per cent of the refugees still in the country of their first asylum—just over 20,000 in Austria and 3,000 in Yugoslavia. In addition, 13,400 refugees had been repatriated to Hungary at their own request. Most of the expenses incurred by the Austrian Government would have been reimbursed by the end of 1957 as a result of financial contributions totalling over $20,000,000.

Dr. Lindt urged that the "principle of permanent solution applied so effectively to the Hungarian refugees" should also be applied to "the other refugees in Europe displaced by the upheavals of two World Wars" and to those who had fled from their countries of origin. Of the "earlier" (i.e. non-Hungarian) refugees, 106,000 were still living in France, Germany, Austria, Italy, Greece, and Turkey, of whom 39,000 were housed in camps. The High Commissioner's Office attached the highest priority to the closing of all these camps by 1960, and in this connexion Dr. Lindt appealed to the host countries to "integrate" those refugees for whom emigration would not be possible. To achieve this aim, $7,500,000 would be needed over and above governmental contributions and pledges made to date; moreover, it would be necessary for such countries as Australia, Canada and the United States to revise their immigration regulations to enable the maximum number of refugees to be settled overseas. As regards the 12,000 refugees of European origin still in China, 50 per cent had already been assured of resettlement visas: 1,500 of them were at present in transit in Hong Kong, and funds for their support were urgently needed.

After considering Dr. Lindt's report, the Social, Humanitarian and Cultural Committee adopted a number of resolutions which were approved by the General Assembly on Nov. 12 without opposition, though in many cases with a number of abstentions (mainly from the Communist countries). They included:

(1) A resolution extending the Office of the U.N. High Commissioner for Refugees for a further five years from Jan. 1, 1959.

(2) A resolution asking Dr. Lindt to intensify his efforts to secure permanent solutions for the refugees still living in camps in European countries, and also for those outside the camps.

(3) A recommendation that the existing U.N. Refugee Fund should be replaced by a new "Executive Committee of the High Commissioner's Programme," to be set up by the Economic and Social Council and consisting of 20-25 members chosen on the widest geographical basis from States "with a demonstrated interest in and devotion to the solution of the refugee problem." The new Committee would advise the High Commissioner in his work and issue directives for the termination of the U.N. Refugee Fund in 1958.

(4) A resolution appealing to all U.N. member-countries, the specialized agencies, and non-governmental organizations to give "all possible assistance" in alleviating distress among refugees in Hong Kong.

Suez Canal Surcharge.

By 54 votes to nil, with 19 abstentions (including the Soviet group and Israel), the General Assembly endorsed on Dec. 14 a recommendation by Dr. Hammarskjöld that the cost of clearing the Suez Canal—incurred by the U.N. earlier in the year—should be met by a voluntary surcharge of three per cent on Canal dues.

In his report, presented to the Assembly in November, the U.N. Secretary-General said that the total cost of clearing the Suez Canal was $8,376,042 (about £3,000,000). He recommended that all shipping and trade using the Canal should be asked to pay voluntarily a surcharge of three per cent on Canal dues, which would be paid into a special U.N. account. The sums thus received would be used to reimburse the 11 countries which had advanced contributions totalling $11,227,453 to enable the U.N. to meet the costs of clearing the Canal. Of the 11 countries concerned, the United States had advanced $5,000,000 for Canal clearance; Australia, Canada, Norway, and the German Federal Republic had each advanced about $1,000,000; and smaller amounts had been advanced by Italy, the Netherlands, Denmark, Sweden, Ceylon, and Liberia. The Secretary-General estimated that the three per cent surcharge would cover the costs of clearance within three years on the present basis of Canal traffic.

Reviewing the salvage operations, Dr. Hammarskjöld pointed out that they had begun late in December 1956 and had been completed on April 10, 1957, several weeks ahead of the original target date. In the 3½ months the U.N. Salvage Command under General Wheeler had cleared the Canal and its approaches of all sunken vessels and other obstacles. The salvage fleet—32 vessels in all—consisted of Danish, Dutch, German, Belgian, Swedish, Italian, and Yugoslav ships manned by a total of 479 personnel, including 45 divers. British and French units had also participated in the salvage operations.

The Soviet Union refused to contribute to the surcharge on the ground that all the costs should be met by Britain, France and Israel, as originators of the military action against Egypt. A similar attitude was taken by the other Soviet-bloc countries. Israel abstained because her shipping was still prevented by Egypt from using the Suez Canal.

South-West Africa.

After a fortnight's debate the Trusteeship Committee adopted on Oct. 11 six resolutions on the status of South-West Africa—a question which had engaged the attention of the General Assembly for the last 10 years, as the South African Government has consistently declined to recognize the right of the United Nations to have any say in the affairs of the territory.

South Africa's point of view is based on the claim that the mandate over S.W. Africa given to her by the League of Nations in 1920 had expired, and that the U.N. had no right to exercise any form of trusteeship over the territory, which had meanwhile been incorporated into the Union as its fifth province.

The Committee on South-West Africa set up at the 11th session had previously presented its report in August.

The Committee expressed the opinion that "the administration of South-West Africa, in which political, social, and educational rights are governed by the practice of *apartheid*, operates to the detriment of the population, and particularly the 'Native' majority, and is contrary to the spirit and purpose of the Mandates System, the U.N. Charter, and the Universal Declaration of Human Rights." It repeated its previous recommendations that South Africa, as the mandatory Power, should take steps "to safeguard the special status of the territory and the real interests of its inhabitants"; should "set up fully representative institutions for the territory, and as a first step transform the territorial legislature into a truly representative body by extending representation to all inhabitants"; and should take steps as "a matter of urgency" to "repeal all racially discriminatory legislation and practices and revise the existing policies and practices of 'Native' administration to ensure the fulfilment of its obligations and responsibilities under the mandate."

The Committee, which was under the chairmanship of Mr. Thanat Khoman (Siam), also criticized the Union Government's refusal to issue travel documents for petitioners from South-West Africa who wished to present their complaints to the U.N. Trusteeship Committee.

The six resolutions adopted by the Trusteeship Committee were as follows:

(1) A resolution, presented by Mr. Khoman, recommending the setting-up of a Good Offices Committee to discuss with South Africa "a basis for an agreement which would continue to accord to the territory an international status." The Good Offices Committee would consist of Great Britain, the U.S.A., and a third member to be appointed by the President of the General Assembly (Sir Leslie Munro). It would be asked to report to the next session of the General Assembly in 1958.

The resolution was adopted by 52 votes to 10 (the Soviet group and Burma), with 17 abstentions (Cambodia, Ceylon, Egypt, Ethiopia, Greece, Guatemala, India, Indonesia, Iraq, Jordan, Morocco, Saudi Arabia, Sudan, Syria, Uruguay, Yemen, and Yugoslavia.

(2) A Liberian resolution asking the Assembly to call on South Africa [for the 11th year in succession] to place South-West Africa under U.N. trusteeship. Adopted by 55 votes to 3, with 18 abstentions.

(3) A resolution asking the Assembly to express its appreciation of the work of the Committee on South-West Africa, and to approve the Committee's report on conditions in the territory. Approved by 60 votes to nil, with 16 abstentions.

(4) A resolution noting "with deep concern" that South Africa contended that the League of Nations mandate had lapsed and that she therefore had "no obligations under which the United Nations has cognizance." It also expressed concern at the failure of South Africa to render annual reports on S.W. Africa to the U.N.; asked that the Committee on South-West Africa should consider what aspects of the administration of the territory might usefully be referred to the International Court of Justice for an advisory opinion; and recommended that a study already made by the Committee as to what legal action could be taken to ensure that South Africa fulfilled her obligations under the mandate should be considered further at the 13th session of the Assembly. The resolution was adopted by 55 votes to 4, with 18 abstentions.

(5) and (6) Two resolutions dealing with petitions sent to the U.N. by inhabitants of South-West Africa. One of the resolutions asked South Africa to investigate the matters raised by the peti-

tioners, and the other drew attention to the observations of the Committee on South-West Africa on conditions in the territory. Before adopting these resolutions the Trusteeship Committee heard statements by the Rev. Michael Scott and an African petitioner.

The six resolutions were adopted by the full Assembly on Oct. 25, 1957—the resolution on the Good Offices Committee by 50 votes to 10 (the Communist bloc), with 20 abstentions; the second by 60 votes to 3, with 17 abstentions; the third by 65 votes to nil, with 15 abstentions; the fourth by 55 votes to 3, with 17 abstentions; and the fifth and sixth without opposition. South Africa took no part in the debates or the voting.

South African Racial Policies.

The Steering Committee decided to place on the Assembly's agenda (*a*) the racial policies of the South African Government, and (*b*) the treatment of people of Indian and Pakistani origin in the Union.

A request for the discussion of "the question of the race conflict in South Africa resulting from the policies of *apartheid* of the Government of the Union" had been made by Bolivia, Costa Rica, Egypt, India, Indonesia, Liberia, Sudan, and Uruguay, but was strongly opposed by Mr. Botha, South Africa's representative at the U.N.

The Political Committee adopted a resolution on Nov. 1 (*a*) recommending that the General Assembly should once more appeal to South Africa to revise its *apartheid* policy "in the light of the principles and purposes of the U.N. Charter and of world opinion," and (*b*) "deploring" the fact that South Africa had not responded to similar previous appeals. The resolution was sponsored by 22 Afro-Asian countries, five Latin American countries, Greece, and the Irish Republic.

During the two weeks' debate Dr. Connor O'Brien (Irish Republic) urged the Committee to "condemn" the Union Government's racial policies, and declared that his country could not regard the matter as one falling within South Africa's domestic jurisdiction. He said that South Africa was the only country in the world which did not at least endorse the principle that law must not distinguish between human beings on grounds of race. Mr. Statos (Greece) also asked that the Assembly "should spare no effort to show South Africa that she is wrong."

Mr. Longden (U.K.) announced that he would vote against the resolution, irrespective of "any opinion we may hold upon the merits or demerits of the Union's policy of racial segregation," because the matter was essentially within South Africa's domestic jurisdiction under Article 2 of the U.N. Charter.

The voting on the resolution was 59 in favour and 5 against, with 10 abstentions. The opposing votes were cast by Australia, Belgium, France, Portugal, and the United Kingdom, the abstaining countries being Argentina, Canada, the Dominican Republic, Finland, Italy, the Netherlands, New Zealand, Peru, Spain, and the United States. Eight countries were absent—El Salvador, Honduras, Lebanon, Luxemburg, Nicaragua, Paraguay, Turkey, and South Africa. In the full Assembly the resolution was adopted on Nov. 26 by 59 votes to six, with 14 abstentions.

The second resolution, on the treatment of people of Indian and Pakistani origin in the Union, expressed "regret" that South Africa had not agreed to enter into negotiations with India and Pakistan on this question, as repeatedly urged in previous Assembly resolutions. It once again appealed to South Africa to begin such talks in order to settle the question "in accordance with the purposes and principles of the U.N. Charter and the Universal Declaration of Human Rights." India, Pakistan and South Africa were invited to report back to the Assembly jointly or separately.

The Special Political Committee adopted the resolution (sponsored by Mexico, Persia, the Philippines, and Yugoslavia) on Nov. 12, 1957, by 63 votes to nil, with 14 abstentions (Argentina, Australia, Belgium, Canada, China, the Dominican Republic, Finland, France, Italy, the Netherlands, New Zealand, Portugal, Spain, and the U.K.). Five countries were absent, including South Africa. The full Assembly adopted the resolution on Nov. 26 by 64 votes to nil, with 16 abstentions.

Special Fund for Under-Developed Countries.

The Assembly unanimously approved on Dec. 14 a resolution for the creation of a Special Fund to provide "systematic and sustained assistance in fields essential to the technical, economic, and social development of the less-developed countries." The Fund will be set up as an expansion of the existing U.N. Technical Assistance Programme.

The resolution was presented in the Economic and Finance Committee by 14 countries (including the U.S.A., France, Great Britain, Canada, and the Netherlands) and was given unanimous approval on Dec. 12. After noting that the Technical Assistance Programme [whose annual expenditure is at present $35,000,000] was unable at the present time to meet "certain urgent needs" of the under-developed countries, the resolution pointed out that if these needs could be met it would not only advance the economic and social development of those countries but also "facilitate new capital investment of all types—private and public, national and international—by creating conditions which will make such investments either feasible or more effective."

As regards the operation of the proposed Fund, the resolution stated that its resources "prospectively available at this time" were "not likely to exceed $100,000,000." In view of this, the Fund would "more immediately be used" to enlarge the scope of U.N. Technical Assistance and would include "special projects in certain fields"—notably surveys of water, mineral, and potential power resources; the establishment (including staffing and equipment) of training institutes in public administration, statistics, and technology; and the setting-up of agricultural research centres. The proposed Fund and its operations would be worked out by a Preparatory Committee (to be set up by the President of the Assembly) which would report to the Economic and Social Council in the summer of 1958. This report, with the Council's comments thereon, would be considered at the next Assembly session, and it was hoped that the Fund could be established by Jan. 1, 1959. An annex to the resolution stated that the new agency would be a multilateral U.N. fund financed principally by voluntary contributions from Governments and other sources. Assistance would be given only to projects which would make a contribution to the economic development of the requesting country, and its operations would not be "influenced by political considerations."

A 16-member Preparatory Committee was appointed by Sir Leslie Munro on Dec. 14, consisting of representatives of Canada, Chile, Denmark, Egypt, France, Ghana, Great Britain, India, Japan, Mexico, the Netherlands, Pakistan, Peru, the Soviet Union, the United States, and Yugoslavia.

Proposed U.N. Economic Commission for Africa.

With only one dissenting vote (Belgium) the General Assembly approved a recommendation that the Economic and Social Council should give "favourable and prompt consideration" to the establishment of a U.N. Economic Commission for Africa, similar to the U.N regional commissions for Europe, Asia and the Far East, and Latin America.

A 29-Power resolution to this effect was adopted by the Economic Committee on Oct. 24 by 71 votes to nil, with Great Britain and Belgium abstaining. The resolution, whose sponsors included seven African nations (Ethiopia, Ghana, Liberia, Libya, Morocco, Sudan, and Tunisia), stressed the serious economic problems facing the African peoples, referred to the "extremely useful work" of the other regional commissions, and asked the Economic and Social Council to recommend the creation of a U.N. Economic Commission for Africa. The British and Belgian delegates explained that they were in sympathy with the aims of the resolution but had abstained because they did not altogether agree with its wording.

Miscellaneous Subjects.

Other subjects discussed and decisions taken by the General Assembly are summarized below:

Chinese Representation at the U.N. The Steering Committee decided (by 9 votes to 4, with 2 abstentions) not to place on the agenda an Indian recommendation that the Assembly should consider "the representation of China in the United Nations" at its current session. Instead, it approved (by 10 votes to 3, with 2 abstentions) a U.S. resolution not to consider "any proposals to exclude the representatives of the Republic of China [i.e. Nationalist China] and to seat representatives of the Chinese People's Republic." This resolution was approved by the full Assembly on Sept. 24 by 47 votes to 27, with 7 abstentions and South Africa absent.

Resolution on "Peaceful Co-existence." At its closing session on Dec. 14 the Assembly unanimously approved a three-Power resolution calling upon all States "to make every effort to strengthen international peace, to develop friendly and co-operative relations, and to settle disputes by peaceful means." The resolution had been presented in the Political Committee by India, Sweden, and Yugoslavia.

Definition of Aggression. The Assembly approved a recommendation by its Legal Committee that the problem of arriving at a definition of aggression should be postponed until 1959. After a six-weeks' debate, the Legal Committee had adopted a resolution recommending (1) the establishment of a special committee to consider the views of Governments on this matter; (2) that this committee, after receiving governmental comments, should report to the U.N. Secretary-General; (3) that the matter should be placed on the Assembly's agenda not earlier than the 14th session in 1959.

Economic and Social Council. France, the Netherlands, and Nationalist China were re-elected to the Economic and Social Council for further two-year terms, while Chile, Costa Rica, and the Sudan were elected in place of Argentina, the Dominican Republic, and Egypt. The membership of the Council at Jan. 1, 1958, was as follows: Brazil, Canada, Chile, Nationalist China, Costa Rica, Finland, France, Greece, Indonesia, Mexico, Netherlands, Pakistan, Poland, Sudan, U.S.S.R., United Kingdom, United States, and Yugoslavia. The President of the Economic and Social Council is Mohammed Mir Khan, of Pakistan.

Technical Assistance Funds. At a U.N. "pledging conference" on Oct. 10, 75 countries had promised a record total of $30,250,000 for the U.N. Technical Assistance Programme in 1958. The United

States pledged the largest amount ($15,000,000), as in former years, other major contributors including Great Britain ($2,240,000), Canada ($2,000,000), the Netherlands ($1,920,000), France ($1,540,000) and the Soviet Union ($1,000,000).

U.N. Budget. The Assembly approved a U.N. Budget of $55,062,850 for 1958, on the recommendation of its Administrative and Budgetary Committee. Dr. Hammarskjold had originally asked for $54,782,500, the higher figure adopted being principally due to the extra expenses allocated for the second U.N. Conference on the Peaceful Uses of Atomic Energy to be held at Geneva in 1958.

The Assembly also approved a recommendation by the Administrative and Budgetary Committee reducing the annual assessment of the United States from 33.33 per cent of the total Budget to a maximum of 30 per cent. The U.S. Government had sought a decrease in its contribution on the ground that it was providing one-third of the total U.N. contributions of all member-countries. The U.S. contribution will be "scaled down" to 30 per cent over the next five years, and the reduction will not be reflected in the 1958 Budget.

[In the fiscal year 1957 the U.S. Government contributed $16,361,047 of the U.N. Budget on the basis of the 33 33 per cent assessment—representing a *per capita* payment of nearly 10 cents for every man, woman, and child in the United States. In addition, the U.S.A. contributed $27,467,782 for the specialized agencies and $54,524,100 for voluntary U.N. programmes during the same year.]

At a press conference on Dec. 14, after the Assembly had ended, Sir Leslie Munro said that the principal achievement of the 12th session had been the pacification of the Syrian-Turkish border dispute—which, he pointed out, had been achieved "not by passing a resolution but by not passing a resolution." Dr. Hammarskjold particularly welcomed the decision to set up the new $100,000,000 Special Fund for under-developed territories, describing it as a "major achievement" of the 12th session.—(U.N. Information Centre, London - New York Times - New York Herald Tribune - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris) **(Prev. rep. 12th Session, Opening, 15818 A; Syrian-Turkish Dispute, 15919 A; New Guinea, 15951 A; Disarmament, 15941 A.)**

A. GREECE. — Resignation of M. Karamanlis. - M. Georgakopoulos forms Caretaker Government.

M. Constantine Karamanlis tendered his resignation to King Paul of the Hellenes on March 2 after a Cabinet crisis resulting from the resignation of two Ministers—M. Papaligouras (Trade) and M. Rallis (Public Works)—and the defection of 13 other deputies from the National Radical Union, the Government party headed by M. Karamanlis. The 15 N.R.U. deputies (including M. Papaligouras and M. Rallis) opposed the provisions of a new electoral Bill drawn up by M. Karamanlis, and the withdrawal of their support from the Government deprived it of a majority in the Greek Parliament. In submitting his resignation, M. Karamanlis advised King Paul to dissolve Parliament at an early date and proclaim general elections as soon as possible.

The Government's electoral Bill provided for the introduction of "reinforced" proportional representation, which would favour the two major parties—M. Karamanlis's Radicals and the Liberals—by awarding them a premium of seats if they polled over one-quarter of the total national vote. The smaller parties, on the other hand, insist on "pure" proportional representation.

After consultations with the political leaders, King Paul requested M. Constantine Georgakopoulos (the president of the Greek Red Cross) to form a non-party caretaker administration and to ask Parliament to pass the electoral law within 15 days, after which Parliament would be dissolved (whether or not the law was passed) and general elections held in April. M. Georgakopoulos accepted this task and formed a non-party Government which was sworn in on March 5 with the following membership:

M. Georgakopoulos—Prime Minister, and Minister of the Interior; M. Pesmajoglu—Foreign Affairs; M. Demetriakis—Justice; M. Lianopoulos—Education; M. Mertikopoulos—Finance; M. Stergipoulos—Trade and Industry; M. Pipas—Public Works and Communications; M. Frangistas—Agriculture; M. Tsafos—Merchant Marine; M. Kapodistrias—Labour; M. Malaspinas—Social Welfare; M. Spiliopoulos—Northern Greece; M. Manikadis—Under-Secretary for the Interior.

M. Georgakopoulos served as Minister of Education before the war during the Metaxas regime.

M. Karamanlis had been Prime Minister since the death of Field-Marshal Papagos in October 1955. His party, the National Radical Union—the successor to Field-Marshal Papagos's Greek Rally—obtained an overall majority at the last elections in February 1956. (Times - Manchester Guardian) **(Prev. rep. Cabinet, 14920 A; 14732 A.)**

B. BURMA - MALAYA. — Diplomatic Relations.

It was announced in Rangoon on Feb. 28 that Burma and Malaya had agreed to establish diplomatic relations between the two countries at embassy level.—(Daily Telegraph)

C. CANADA. — Immigration Statistics.

It was officially announced in Ottawa on Feb. 7 that 282,164 immigrants entered Canada in 1957, compared with 155,080 in 1956. The 1957 figure was the highest since 1913.

The largest individual groups in 1957 were as follows (1956 figures in parentheses): British (U.K. and Ireland) 112,828 (51,319); Hungarians 29,825; Germans and Austrians 29,564 (29,405); and Italians 29,443 (29,805). Other groups included 12,310 Netherlanders, 11,008 U.S. nationals, 7,790 Danes, 5,785 Yugoslavs, and 5,471 French nationals.

Of immigrants of British origin entering Canada in 1957, English immigrants totalled 72,476 (32,389 in 1956); Scots 23,514 (10,939); Irish 14,336 (6,962); and Welsh 2,502 (1,029).

The following table shows the total of immigrants entering Canada since the Second World War:

1946	71,719
1947	64,127
1948	125,414
1949	95,217
1950	73,912
1951	194,391
1952	164,498
1953	168,868
1954	154,227
1955	109,946
1956	164,857
1957	282,164
Total immigration, 1946-1957 ..	1,669,310

Of individual groups, the total number of British immigrants during the 12-year period was 531,852; of Germans and Austrians, 197,965; of Italians, 194,405; of U.S. nationals, 111,537; and of French nationals, 32,729.

The number of Hungarian refugees entering Canada since the revolution in October 1956 amounted to 36,503 as at Jan. 23, 1958; this figure compared with about 36,000 admitted to the United States.

The latter months of 1956 and the first six months of 1957 were marked by an unprecedented influx of British immigrants, which accounted for the 1957 figure being more than twice as high as the figure for 1956.

Because of the extent of this British migration, and the need to transport large numbers of Continental emigrants to Canada as well, the Minister of Citizenship and Immigration (then Mr. Pickersgill) announced on Feb. 28, 1957, that the Canadian Government had arranged for the biggest airlift in Canadian history to start to bring immigrants over, mainly from Britain. This airlift ("Operation Air Bridge to Canada"), sponsored by the Intergovernmental Committee for European Migration on behalf of the Canadian Government, began on March 15 and involved 350 transatlantic flights by chartered aircraft to take 25,000 immigrants to Canada, in addition to those who had booked normal air or shipping passages.

In addition, the Canadian Government arranged with two companies (Maritime Airways and Canadian Pacific Lines) to transport Hungarian refugees from Europe to the Canadian Pacific coast. Canada also received an increasing number of French immigrants in 1957—many of them former French settlers in Morocco, Tunisia, and Algeria who had left those countries.

The large-scale influx of immigrants during the first six months of 1957, combined with a "tighter" employment position, led to a review of the country's immigration policy by Mr. Diefenbaker's Government shortly after its assumption of office.

As a result of this review, the new Minister of Citizenship and Immigration, Mr. Fulton, announced on July 27 that it had been decided to continue the Hungarian refugee programme on a somewhat modified basis. Accordingly, during the remainder of the year only those Hungarian refugees would be accepted who were sponsored (*a*) by relatives already residing in Canada who were in a position to receive and care for them; or (*b*) by responsible persons, firms, or organizations in Canada prepared to provide employment for the refugees immediately on their arrival. [By June 30, 1957, approximately 32,000 Hungarian refugees had been admitted.]

As regards other immigrants, Mr. Fulton announced that those with no prearranged contracts had been issued with visas which would be valid only for arrival in Canada before July 31, in order to keep the total flow of immigrants within the absorptive capacity of the country's economy and the availability of housing accommodation. There would be no restrictions, however, for close relatives of earlier immigrants, large numbers of whom were expected to arrive before December 31, 1957.

An agreement modifying the Indo-Canadian agreement of 1951 on the immigration of Indian citizens into Canada was signed in New Delhi on May 3, 1957, by Mr. Nehru and Mr. Escott Reid, the Canadian High Commissioner. It provided for the doubling of the number of Indian immigrants to be admitted to Canada every year—i.e. from 150 to 300. (Department of External Affairs, Ottawa - Department of Citizenship and Immigration - Montreal Star) **(14611 C.)**

MARCH 8—15, 1958

A. ANTARCTICA. — The Commonwealth Trans-Antarctic Expedition. - Sir Edmund Hillary and Dr. Fuchs reach South Pole. - Dr. Fuchs completes Crossing of Antarctic Continent. - International Geophysical Year Programmes in Antarctica.

The British section of the Commonwealth Trans-Antarctic Expedition, led by Dr. Vivian Fuchs, successfully completed the first crossing of the Antarctic continent on March 2, 1958, after a 2,200-mile journey lasting 99 days. Sir Edmund Hillary, leader of the New Zealand section of the expedition, had reached the South Pole overland on Jan. 3 —the first man to do so since Captain Scott, who reached the Pole on Jan. 18, 1912, and perished with his four companions on the return journey to McMurdo Sound. Sir Edmund met Dr. Fuchs at the Pole on Jan. 19 and accompanied him from Depot 700 (see below) on the final stage of the expedition to Scott Base.

The Commonwealth Trans-Antarctic Expedition was undertaken as part of the International Geophysical Year programme in Antarctica (see 14349 A), in which eleven countries are participating—Great Britain, the United States, Australia, New Zealand, the Soviet Union, France, Japan, Norway, Belgium, Argentina and Chile. [The bases established by the various countries are described in 14349 A and shown on the accompanying map.] Close co-operation and exchange of scientific information was maintained between the different national expeditions, and, by mutual agreement, it was decided to ignore territorial claims in establishing the various bases—e.g. Russian bases were established in the Australian Antarctic Territory, U.S. bases in the Ross Dependency (which is under New Zealand sovereignty) and the British Falkland Islands Dependencies, and a Japanese base in the Norwegian Antarctic Territory.

A description is given below of (i) the crossing of Antarctica by Dr. Fuchs and the British section of the Commonwealth Trans-Antarctic Expedition, and the achievements of the New Zealand section under Sir Edmund Hillary; (ii) the activities of the various national expeditions in Antarctica, and the researches carried out in connexion with the I.G.Y. programme.

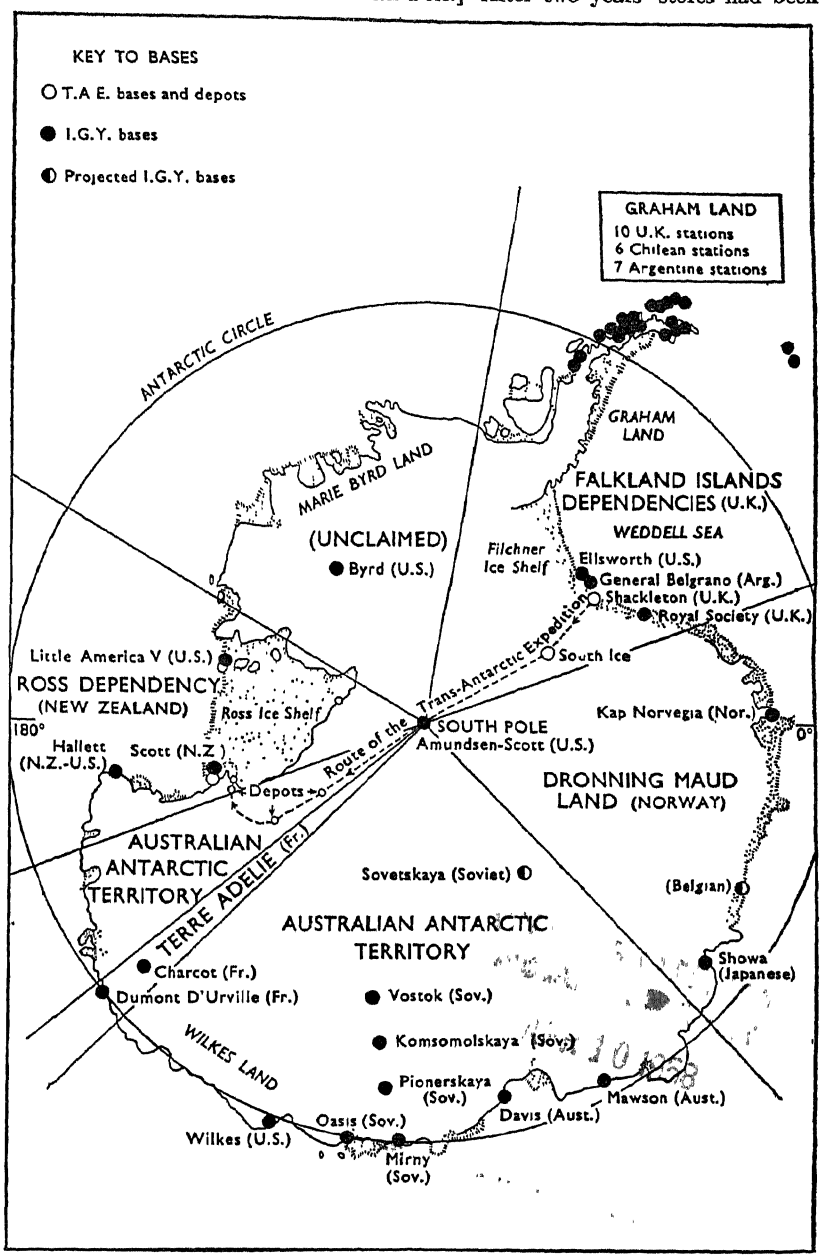
The Crossing of Antarctica.

Dr. Vivian Fuchs (50), Director of the Falkland Islands Dependencies Scientific Bureau since 1950, planned to cross the Antarctic Continent from Vahsel Bay, on the Weddell Sea, to McMurdo Sound, on the Ross Sea, carrying out *en route* a full programme of geophysical research including studies in meteorology, glaciology, mineralogy, wind and temperature measurements, etc. The planning of the expedition was directed by a committee of management in London under Marshal of the R.A.F. Sir John Slessor, a similar body (the Ross Sea Committee) being set up in New Zealand for the organization and equipment of the N.Z. supporting party under Sir Edmund Hillary.

The expedition was undertaken essentially as a Commonwealth enterprise, the route traversed crossing Commonwealth territory throughout its entire length (see map). It had the official backing of four Commonwealth Governments, the British Government contributing £100,000, New Zealand £50,000 (subsequently raised to £250,000), Australia £A.25,000 and South Africa £18,000. Support was also forthcoming from the Royal Geographical Society in London and from various British and Commonwealth commercial concerns. In addition, public appeals were launched in Britain (for £175,000) and in New Zealand (for £100,000). Altogether, the cost of the expedition was estimated at about £500,000.

Dr. Fuchs and an advance party sailed from Millwall Docks (London) on Nov. 14, 1955, in the Canadian sealer *Theron* (850 tons), a vessel specially designed for navigating in Canadian Arctic waters and chosen for its suitability for similar conditions in the Antarctic. She was loaded with some 300 tons of stores and scientific equipment, in addition to several Sno-cat and Weasel tractors and 24 Greenland "huskies." The *Theron* arrived on Jan. 30, 1956 at Vahsel Bay, where a base was set up which was named Shackleton, in honour of the British Antarctic explorer. [Sir Ernest Shackleton attempted the trans-antarctic journey in 1914, but his ship, the *Endeavour*, was caught and crushed in the Antarctic ice before he could land; on a previous overland journey he had got within 90 miles of the South Pole.] After two years' stores had been landed and an advance party of eight men left at Shackleton Base, the *Theron* left Vahsel Bay in February 1956, with Dr. Fuchs on board, and arrived back in the Thames on March 23; she was trapped for a time by ice in the Weddell Sea, and completed the journey to London with her hull badly damaged.

On Nov. 15, 1956, Dr. Fuchs and the main party left London for Antarctica in the Danish polar vessel *Magga Dan* (1,850 tons displacement), which had been specially chartered for the Expedition in place of the *Theron*. The vessel—which



The map, prepared by the New Zealand Department of External Affairs, shows the bases established in Antarctica by the countries taking part in the International Geophysical Year programme. The route taken by the Commonwealth Trans-Antarctic Expedition is also shown.

had a Danish crew and captain—carried a number of Sno-cat and Weasel vehicles (described below) and a great quantity of scientific equipment and stores.

The *Magga Dan* was launched at Aalborg (Denmark) on June 1, 1956, and cost £500,000 to build. A refrigerated motor vessel with accommodation for 34 passengers, she was specially designed for navigation in polar waters and can sail for 16,000 miles without refuelling—i.e. for three months. Powered by a turbo-charged engine, she incorporates a number of novel features—e.g. a heated glass wheelhouse on the foremast, reached by an internal ladder, from which the captain can navigate the ship with a full set of instruments similar to those on the normal wheelhouse on the bridge. In addition, the vessel has specially strong plating to resist ice pressure; an ice-cutting knife which protects the propeller; and three fins on each side of the underwater hull to force ice away from the propeller. The *Magga Dan* is one of eight similar vessels under construction for the Danish shipping firm of Lauritzen.

The Sno-cat—which was used with outstanding success in the Antarctic—is a four-ton tractor having four pontoon tracks, each equipped with spikes for manoeuvrability on ice. The pontoons are so flexible that all four tracks can be at different angles and levels and still provide complete traction; moreover, the vehicle can continue travelling with one or two tracks completely removed, as might happen in an emergency. The Weasel—evolved during the war—is a three-ton vehicle with caterpillar tracks (as on a tank), and sledges with runners 8-in. wide. Other equipment included a portable bridge of aluminium construction, designed to span crevasses up to ten feet wide. This bridge, 14 ft. in length and weighing 260 lb., was made in three longitudinal units (each 30-in. wide) which could be spaced as required so as to give three different widths of track.

Dr. Fuchs took with him the pocket chronometer which was carried to the South Pole by Captain Scott in 1911-12, and subsequently recovered when the bodies of Scott and his companions were found by the Relief Expedition under Dr. Atkinson. The chronometer was lent by its owners to Dr. Fuchs, who explained that he was taking it to the Antarctic for sentimental reasons because he felt that "Scott would have liked it." The chronometer was carried by Dr. Fuchs to the South Pole and across the entire Antarctic continent from Vahsel Bay to McMurdo Sound. [The latter was Scott's base in the ill-fated Expedition of 1911-12.]

The *Magga Dan* arrived at Shackleton Base on Jan. 13, 1957, landed Dr. Fuchs and his companions, and left for London on Jan. 29 after the unloading of stores and equipment had been completed. For the next eight or nine months the Shackleton Base was busy with the preparations for the Trans-Antarctic Expedition, reconnaissance flights being made by an *Otter* aircraft belonging to the Expedition and piloted by Flight-Lieut. Gordon Haslop, of the Royal New Zealand Air Force. These flights—over vast areas never before charted—enabled Dr. Fuchs to plan the first stage of his journey from Shackleton to the South Pole and to choose what appeared to be the most favourable route.

Meanwhile, the New Zealand party under Sir Edmund Hillary had arrived at McMurdo Sound (in South Victoria Land) in January 1957 and set up a base which was named Scott Base in honour of Captain Scott. Regular radio communication was established with Dr. Fuchs and his party at Shackleton, and extensive air and land reconnaissances were carried out with the aim of finding a favourable route which Dr. Fuchs could use on the second part of his trans-antarctic journey—i.e. from the South Pole to Scott Base. After a 200-mile journey by dog-team, lasting 13 days, a four-man New Zealand party reached the polar plateau in February and radioed to Sir Edmund that they had found a good tractor route up the Skelton Glacier.

After several months' preparation, Sir Edmund Hillary and a New Zealand party left Scott Base on Oct. 13, 1957, to lay depots for Dr. Fuchs's expedition at various points between McMurdo Sound and the South Pole, with the intention of meeting Dr. Fuchs at Depot 700 (the last depot before the Pole) and accompanying him from that point to Scott Base. Using tractors and dog-teams, and taking the Skelton Glacier route previously reconnoitred, the New Zealanders reached Depot 480 (i.e. 480 miles south of Scott Base, and 700 miles from the Pole) on Nov. 27, after an adventurous journey across country which had not been visited by man since Captain Scott's last expedition; during this journey Sir Edmund Hillary and his party had to contend with temperatures of 20 degrees below zero, continuous high winds, and dangerous areas of crevasses into which tractors and sledges sometimes fell, necessitating man-hauling from time to time under extremely trying conditions.

From Depot 480, where Sir Edmund's party stopped for ten days, Mr. Robert Miller (deputy leader of the N.Z. expedition) and Dr. George Marsh (the expedition's medical officer) went on ahead of the main body with two dog-teams and reached Depot 700 (470 miles from the Pole) on Dec. 13; the 230-mile journey was made in good weather conditions and at an average speed of nearly 18 miles a day. Sir Edmund Hillary and the remainder of the party, using tractors only, arrived at Depot 700 on Dec. 21, after a rapid journey in which Sir Edmund had a narrow escape when his tractor plunged into a crevasse to half the height of its load.

By Dec. 21, therefore, all New Zealand commitments for the Trans-Antarctic Expedition had been fulfilled, Sir Edmund Hillary and his party having reached Depot 700—the pre-arranged rendezvous for their later meeting with Dr. Fuchs—after covering the 700 miles from Scott Base in 70 days. At intervals along the 700-mile route five depots had been laid containing a total of 42 drums of fuel, food for 300 days, and 100 gallons of paraffin, as well as meat for the New Zealand dog-teams. All the depots were supplied and provisioned by air, frequent flights being made by *Beaver* and *Auster* aircraft of the Royal New Zealand Air Force, based on McMurdo Sound (where an airstrip had been built) and piloted and serviced by New Zealand airmen. The operations were in charge of Squadron-Leader John Claydon, who was in command at Scott Base during Sir Edmund Hillary's absence.

Dr. Fuchs and his party, meanwhile, had left Shackleton Base on Nov. 24 for their 2,000-mile trek across Antarctica, their first objective being South Ice—a depot 300 miles south of Shackleton (see map), and the only depot between that base and the Pole. The South Ice depot had been established and stocked some months earlier after aerial reconnaissances in which Dr. Fuchs took part.

The ten-man party leaving Shackleton consisted of Dr. Vivian Fuchs; Mr. David Stratton (of London), surveyor, and second-in-command of the expedition; Warrant-Officer Roy Homard (of London), engineer; Mr. Ralph Lenton (of Coulsdon, Surrey), radio operator and carpenter; Mr. David Pratt (of Bournemouth), engineer and transport officer; Dr. Allan Rogers (of Bristol University), medical officer; Mr. George Lowe (a New Zealander, and a member of the British Everest Expedition of 1953), photographer; Mr. Johannes la Grange (a South African), meteorologist; Mr. Geoffrey Pratt (of Richmond, Surrey), physicist and seismologist; and Mr. Hal Lister (of Keighley), glaciologist.

The expedition left Shackleton in three Sno-Cats, two Weasels, and a Muskeg tractor, the leading vehicle—Sno-Cat *Rock 'n Roll*—being driven by Dr. Fuchs and Mr. Stratton. During the first ten days of December the party was considerably delayed by a number of dangerous crevasses, and on one occasion Dr. Fuchs and Mr. Stratton had a narrow escape when the three-ton *Rock 'n Roll* broke through the covering of a 60-ft. crevasse and hung suspended with its track pontoons stuck against the sides of the crevasse; the other five vehicles acted as anchors to prevent the Sno-Cat plunging into the crevasse, and *Rock 'n Roll* was eventually recovered after five hours. Spare parts for the battered Sno-Cat were flown out by Squadron-Leader John Lewis, commanding the R.A.F. contingent providing air support for Dr. Fuchs's party.

On Dec. 22 the expedition reached South Ice nearly a month after leaving Shackleton, and after traversing 300 miles under very difficult conditions and, for the latter part of the journey, in bad weather, low temperatures, and blizzards. After a three-day stop to recover from the strenuous journey from Shackleton, to take on stores, and to change vehicle tracks and re-load sledges, Dr. Fuchs and his party left on Dec. 26 for the 500-mile stretch to the South Pole.

As stated above, Sir Edmund Hillary and the New Zealanders had already arrived at Depot 700 to meet Dr. Fuchs's party advancing from the other side of the Antarctic continent. On Dec. 26 (the day Dr. Fuchs left South Ice) Sir Edmund Hillary sent a radio message to Scott Base saying that he was "hell-bent for the Pole, God willing and crevasses permitting." Sir Edmund's decision to go on to the Pole—taken on his own initiative—was conveyed to the Ross Sea Committee in New Zealand, and also to Dr. Fuchs.

It was pointed out in New Zealand—both by the Prime Minister, Mr. Walter Nash, and by the Ross Sea Committee—that Sir Edmund had advised Dr. Fuchs of his intentions, and that his (Sir Edmund's) survey of the route from Depot 700 to the Pole would be "of inestimable value" to Dr. Fuchs and his party. The secretary of the Ross Sea Committee (Mr. Arthur Helm) emphasized that there was no question of a "race" to the Pole between Hillary and Fuchs, while Mr. Nash said that Hillary's "dash to the Pole" would be a "splendid thing" if it aided Dr. Fuchs and the Commonwealth expedition; Mr. Nash added that "everything is in order so long as Hillary is in touch with Fuchs."

Sir Edmund and his party set out for the Pole with four tractors (two of which were later abandoned) and a caboose sledge. In their 500-mile journey, across territory never before explored from the ground, they had to contend with

crevasses, deep snow, and bad weather conditions. On Jan. 3, 1958, Hillary and his party reached the South Pole after a final spurt in which they covered the last 100 miles in two days, and with only one drum of petrol remaining unused—sufficient only for another 20 miles. The New Zealanders received a warm welcome from the American scientists who had previously established a research station at the Pole (the Amundsen-Scott Base) in connexion with the I.G.Y. programme (see below).

Sir Edmund Hillary received many congratulations on being the first man to reach the South Pole overland since Captain Scott, following his earlier achievement in 1953 when he was the first man to climb Mount Everest, with the Sherpa Tensing. In a statement in Wellington, the Prime Minister of New Zealand said that Sir Edmund had achieved "a double feat of endurance and courage which must rank extremely high in the history of human endeavour." Mr. Nash added "To have climbed Everest might have been enough for any explorer, however intrepid; on top of that, to have led a party over what has been described as 'the worst journey in the world'—to the South Pole—is an achievement which all New Zealanders and all British people will be proud to honour." Sir Edmund also received congratulations from the Royal Geographical Society in London.

In a radio message to Scott Base on Jan. 5, Sir Edmund Hillary (who had kept in radio contact with Dr. Fuchs) reported that Dr. Fuchs's party were still 350 miles from the Pole and in difficulties owing to blizzards and trouble with the Weasel tractors. On the following day Sir Edmund and his party flew back from the Pole to Scott Base in two U.S. Navy planes, leaving one member—Mr. Peter Mulgrew—at the Pole to provide an independent radio link with the outside world for Dr. Fuchs and his team. On arrival at Scott Base, Sir Edmund said that further fuel supplies would be immediately flown to Depot 700, as requested by Dr. Fuchs; he added that "if Dr. Fuchs wishes to continue across [the Antarctic continent], our job is to see he does it as quickly and safely as possible; we will use our local knowledge of the area to try to give him a fast trip to Scott Base and beat the weather."

Since leaving South Ice on Dec. 26, Dr. Fuchs's party had encountered serious difficulties in the journey across the uncharted terrain between the depot and the Pole. A radio message from Dr. Fuchs, dated Dec. 31, said that the sledges were taking "heavy punishment" in their progress across "immense fields of high sastrugi" (i.e. furrows of frozen ice), while a further message dated Jan. 5 said that the Muskeg tractor had been abandoned and that the other vehicles were "crashing over precipitous places every few yards, causing damage to runners and tow-bars." In spite of these obstacles, he hoped to get to the Pole within 15 days.

The London headquarters of the Commonwealth Trans-Antarctic Expedition disclosed on Jan. 6 that Dr. Fuchs had rejected a suggestion by Sir Edmund Hillary that he (Dr. Fuchs) should abandon the second half of the 2,000-mile journey across Antarctica after he had reached the South Pole, and that the journey to Scott Base should be resumed in the next Antarctic summer season (i.e. in November 1958).

Sir Edmund Hillary had sent a cable to London pointing out that Dr. Fuchs's party was still over 350 miles from the Pole and was encountering serious difficulties owing to icefields, "enormous" sastrugi, and repairs to vehicles. Although Dr. Fuchs hoped to be at the Pole by Jan. 20 "with reasonable luck," he (Sir Edmund) felt that this would require "a much higher average than he has been able to maintain." Sir Edmund's cable continued: "Have expressed my views to Fuchs that with the extreme delay in his programme and the punishment his vehicles are sustaining, he would be most unwise to attempt to continue on over the 1,250 miles to Scott Base this season. This journey could only be done at considerable risk to man and at the sacrifice of any effective seismic programme. I suggested that he winter his vehicles at the South Pole, that his party be evacuated by air, and that in November they fly in again to the Pole in ample time to recondition their vehicles and complete their journey with full scientific progress."

Dr. Fuchs sent a message to London worded as follows: "Have received message from Hillary urging me to abandon journey at Pole and return there next season to continue work. His grounds are deterioration of weather in the late season. I am aware of this possibility, which must be accepted. I have informed him that there is no question of abandonment, and that the return of the party in the following season is impracticable . . . He states his agreement with his mechanic's view that the continuation of the journey late in the season is an unjustifiable risk. I do not agree, but have informed him that I do not feel able to ask him to join us at Depot 700 to use his local knowledge, but will find our own way out."

Marshal of the R.A.F. Sir John Slessor (chairman of the London committee) replied to Dr. Fuchs as follows: "The committee have considered your telegram and Hillary's. We have full confidence in you and your judgment as leader of the expedition. We support your decision and any other you may make."

Dr. Fuchs and his party reached the South Pole on Jan. 19, within the time-limit set by him when 350 miles from the Pole. In their pioneering journey over the uncharted and frozen wastes between Shackleton Base and the Pole they had covered 930 miles in 56 days, an average of nearly 17 miles a day in spite of the difficulties of the terrain. Dr. Fuchs was warmly welcomed at the Pole by Sir Edmund Hillary, who had flown there to meet him, and also by Rear-Admiral George Dufek (the leader of the U.S. Expedition) and the American scientists at the polar station. He was handed a telegram from the Queen and the Duke of Edinburgh expressing their congratulations on his achievement, and their best wishes for the next stage of his journey to Scott Base.

Many newspapermen and photographers were present to welcome Dr. Fuchs and his party on their arrival at the South Pole, whose "population" had grown to about 40 men—the U.S. scientists at the Amundsen-Scott base, Sir Edmund Hillary and members of the New Zealand party, Dr. Fuchs and the Commonwealth party, and the pressmen who had been flown in. In a despatch from the Pole, the Special Correspondent of *The Times* described Dr. Fuchs's arrival as "a gay and lighthearted occasion, more in the mood of an Austrian ski field than the ominous 'terrible place' that filled Robert Falcon Scott's thoughts 46 years ago."

Dr. Fuchs and Sir Edmund Hillary, who greeted each other with great cordiality, held a joint press conference at which Dr. Fuchs paid tribute to Sir Edmund's work in laying depots between Scott Base and the Pole. After saying that he was "perfectly happy" about Sir Edmund's dash to the Pole, Dr. Fuchs emphasized that he had "never considered for a moment concluding the present season's work at the Pole" and was determined to complete the journey to Scott Base at the earliest possible moment. Describing the journey from Shackleton Base, he said that his party had been delayed by the weather, crevasses, and "vehicle trouble," and had run into numerous "whiteouts" (blizzards), which he described as "like driving into a blank wall."

After repairs to vehicles, Dr. Fuchs and his party left the South Pole for Scott Base on Jan. 24, along the route previously reconnoitred by Sir Edmund Hillary and the New Zealanders. Sir Edmund had meanwhile flown back to Scott Base after his meeting with Dr. Fuchs at the Pole.

On Jan. 28, when only four days out from the Pole, a radio message was received from Dr. Fuchs stating that Mr. Geoffrey Pratt (the expedition's seismologist) had "twice collapsed from severe cumulative carbon monoxide poisoning", as the expedition had little oxygen, Dr. Fuchs requested Rear-Admiral Dufek to send a plane to evacuate Mr. Pratt to sea-level at the earliest moment, as "medical opinion indicates a rapid recovery at low altitude" Two U.S. Navy planes immediately took off from McMurdo Sound, and after an 800-mile flight in bad weather parachuted oxygen cylinders to Dr. Fuchs's party, who had given their position by radio; thanks to the promptness of this aid, Mr Pratt made a rapid recovery and was able to continue with the expedition.

Rear-Admiral C. R. L. Parry, secretary of the expedition, said in London that the carbon monoxide contamination might have occurred through a fault in the exhaust system of one of the Sno-Cats, or in a tent used by Mr. Pratt during a halt in camp.

Depot 700 was reached on Feb. 7, after Dr. Fuchs had negotiated a heavily crevassed area in which two Sno-Cats were damaged by falls into crevasses; both vehicles were recovered and repaired after several hours' mechanical work in low temperatures. Sir Edmund Hillary flew from Scott Base to join Dr. Fuchs at Depot 700, and to act as guide on the final stage of the journey to McMurdo Sound.

The Commonwealth Trans-Antarctic Expedition successfully completed its journey across Antarctica on March 2, when Dr. Fuchs, his party, and Sir Edmund Hillary arrived at Scott Base after an uneventful journey from Depot 700 in good weather. Dr. Fuchs, the first man in history to cross the Antarctic continent overland, completed the 2,200-mile trek in 99 days since leaving Shackleton Base on Nov. 24. He had originally allowed 100 days for the journey, and thus beat his own target-date.

The four Sno-Cats bearing the members of the Expedition, led by Dr. Fuchs in *Rock 'n Roll*, were escorted on the last mile by a cavalcade of vehicles and sledges which had gone out from Scott Base to welcome them. The Trans-Antarctic Expedition ended its journey at the foot of Observation Hill, whose summit bears a Cross erected to the memory of Captain Scott and his four companions who perished with their leader on the return journey from the Pole in 1912—Dr. Edward Adrian Wilson, Captain Lawrence Oates, Lieutenant Henry Bowers, and Petty-Officer Edgar Evans. The Cross on Observation Hill bears the famous words *To strive, to seek, to find, and not to yield*—taken from Tennyson's *Ulysses* at the suggestion of Mr. Apsley Cherry-Garrard, a survivor of Scott's Last Expedition and author of *The Worst Journey in the World*.

Dr. Fuchs and Sir Edmund Hillary descended from their vehicle with arms interlinked and, with the other members of the Expedition, stood bare-headed as the National Anthem was played; the Union Jack was flown from the historic flagstaff erected by Captain Scott

during the *Discovery* Expedition of 1901, with the New Zealand flag alongside. Speaking with emotion, Dr. Fuchs expressed his thanks for the enthusiastic reception accorded him, and paid high tributes to the members of his expedition, the New Zealand expedition, and Sir Edmund Hillary.

Shortly after his arrival at Scott Base, Dr. Fuchs received a telegram from the Queen in which her Majesty and the Duke of Edinburgh sent their "warmest congratulations" to all members of the expedition and to Dr. Fuchs personally; her Majesty added: "You have made a notable contribution to scientific knowledge and have succeeded in a great enterprise. Well done!" A telegram was also received from the Secretary of State for Commonwealth Relations (Lord Home) announcing that the Queen had decided to confer a knighthood on Dr. Fuchs. Other congratulatory telegrams were received by Dr. Fuchs from Mr. Macmillan, Mr. Walter Nash, and Mr. Strydom (Prime Minister of South Africa), and also from the Royal Geographical Society and scientific institutions in the United States, France, and many other countries.

Dr. Fuchs gave a press conference on the same day in which he said that the depots laid by the New Zealand support party under Sir Edmund Hillary had helped to make the last part of the journey go smoothly, "with ample food, fuel, and everything we could require from Depot 700 onwards." In a personal tribute to Sir Edmund, he said that "we only missed crevasses after Depot 700 because Ed showed us the way." Regarding the journey as a whole, Dr. Fuchs said that the "trickiest" part was the 300-mile run from Shackleton Base to South Ice, as he himself had anticipated. The Sno-Cat vehicles had performed excellently throughout and had averaged 30 miles a day since leaving the Pole.

Summarizing the Expedition's scientific work, Dr. Fuchs said that they had surveyed two previously unknown mountain ranges in the Weddell Sea, carried out seismic and gravimetric soundings right across the continent, and carried out geological and meteorological work. Mr. Geoffrey Pratt, in a separate statement, said that it had been definitely established that Antarctica was a continent and that no part of it was below sea-level.

Dr. Fuchs, the other members of the expedition, and Sir Edmund Hillary sailed from McMurdo Sound for New Zealand on March 5 in the N.Z. research vessel *Endeavour*. The main New Zealand party remained at Scott Base to continue the scientific work of the I.G.Y. programme.

The I.G.Y. Programme in the Antarctic.

A summary of the scientific work carried out in Antarctica by the different national expeditions is given below under cross-headings.

British Royal Society Expedition. - Non-stop R.A.F. Flight across Antarctica.

Although the Trans-Antarctic Expedition represented the main British contribution to the I.G.Y. programme in Antarctica, important researches were also carried out by a British scientific party, under the aegis of the Royal Society, which established a base about 150 miles from Dr. Fuchs's headquarters at Shackleton (see map). The Royal Society's base (Halley Bay) was set up in January 1956, when the m.v. *Tottan* arrived there after leaving Southampton on Nov. 22, 1955.

The Royal Society base was under the command of Surgeon Lieutenant-Commander David Dalgleish, R.N., until November 1956, when Commander Dalgleish returned to England. He was succeeded in the leadership by Colonel Robin Smart, R.A.M.C., who went out with Dr. Fuchs in the *Magga Dan*. Colonel Smart, in turn, will return to England early in 1958 and will be succeeded at Halley Bay by Mr. Joseph McDowell, a senior scientist at the Meteorological Office.

The researches carried out at Halley Bay include studies in meteorology, solar radiation, glaciology, the Aurora Australis and other atmospheric phenomena, etc. Scientists were seconded for these purposes by the Meteorological Office, the Jodrell Bank radio-astronomy station, and other scientific institutions. Similar researches are carried out by other British parties operating in Graham Land, in the Falkland Islands Dependencies.

An outstanding British achievement in Antarctica was the first non-stop flight across the Antarctic continent by a single-engined aircraft, accomplished on Jan. 6, 1958, by Squadron-Leader John Lewis and a crew of three. The machine—an R.A.F. *Otter*—flew 1,600 miles from South Ice to Scott Base in 10 hours 57 minutes, flying over the South Pole and over Dr. Fuchs's party then making their way to the Pole.

Squadron-Leader Lewis (of Kenilworth, Warwicks.) was attached to Dr. Fuchs's party at Shackleton Base and carried out the air reconnaissance preparatory to the setting-up of the South Ice depot. The other three airmen taking part in the trans-antarctic flight were Flight-Lieut. Gordon Haslop, a New Zealander (co-pilot), Flight-Sergeant Peter Weston (mechanic) and Sergeant Ellis Williams (radio operator).

New Zealand Expedition.

In addition to assisting the Commonwealth Trans-Antarctic Expedition by laying depots from Scott Base to the Pole, the New Zealand Expedition under Sir Edmund Hillary carried out a full programme of scientific work from its headquarters at Scott Base. Among the New Zealanders' achievements were the discovery of an extensive Antarctic coalfield, the climbing of what is believed to be the highest mountain in the Antarctic continent, and the discovery of important relics of Captain Scott's Expedition.

The discovery of extensive coal deposits in the Ross Dependency was reported in December 1957 by two geologists of the N.Z. Expedition, Mr. Bernie Gunn and Mr. Guyon Warren. The coalfield was first sighted from the air and then thoroughly investigated on the ground during a geological survey covering 200 miles between the Skelton Glacier in the north and the Mawson Glacier in the south. The aerial survey disclosed black coal continuously exposed for two miles, while ground investigations discovered six seams, each from 6 ft. to 10 ft. thick. Mr. Gunn reported that the coal was of the sub-bituminous variety.

Mount Harmsworth (10,500 ft.), the highest peak so far known on the Antarctic continent, was climbed in February 1957 by three members of the N.Z. Expedition (Mr. Gunn, Mr. Warren, and Mr. Arnold Heine), who reached the summit in 16 hours. The 13,500-ft. Mount Erebus, climbed by members of the Scott and Shackleton Expeditions, is on Ross Island and is not considered as being on the Antarctic continent proper.

In March 1957 Sir Edmund Hillary and three other members of the N.Z. Expedition made a return trip to Cape Crozier (at the eastern tip of Ross Island) in 48 hours, retracing the famous "worst journey in the world" carried out in 1911 by Dr. Wilson, Lieutenant "Birdie" Bowers, and Apsley Cherry-Garrard, and described in the latter's well-known book bearing that title. They found the stone hut built by Wilson, Bowers and Cherry-Garrard, and, in addition, a 9-ft. manhauling sledge used by the three explorers, a thermos flask "as good as new," clinical and meteorological thermometers in perfect condition, and three unexposed films. All these relics were taken back to Scott Base.

[Dr. Wilson, "Birdie" Bowers, and Cherry-Garrard made a hazardous journey to Cape Crozier to enable Dr. Wilson - Chief Scientist in Scott's Last Expedition—to obtain embryos of the Emperor penguin; they suffered great hardships on the journey, which lasted many weeks and was described by Captain Scott as the "hardest journey ever undertaken." Dr. Wilson and "Birdie" Bowers later accompanied Captain Scott to the Pole and perished with their leader on the return journey. Mr. Cherry-Garrard (72) is still living.]

Australian Expedition.

Australian scientists established bases at Mawson (in the Australian Antarctic Territory) and Davis (150 miles west of Mawson Base), and carried out extensive exploration and researches along the little-known coast of Wilkes Land; hitherto unknown mountain ranges were discovered, with peaks up to 8,000 feet, and journeys were made by tractor and dog-teams covering hundreds of miles. In one such journey (a three-month trek ending in February 1957, led by Mr. William Brewster) a five-man Australian team made the first penetration of the Prince Charles Mountains 150 miles inland from Mawson—and covered over 800 miles in all.

A feature of the Australian programme was the installation (in June 1957) of an automatic weather-recording station—the first of its kind in the Antarctic—at Windmill Island, about 1,000 miles east of Mawson Base. The "robot," completely unattended, issues regular weather reports at six-hourly intervals and transmits information on wind pressure, temperatures, etc., which is picked up at the Mawson and Davis bases and relayed thence to Australia.

The robot was designed by a French firm which has built similar automatic stations capable of withstanding the severe conditions of the Sahara Desert. The Australian version is designed to withstand snow, very low temperatures, and winds of up to 120 m.p.h. It is controlled by an electro-mechanical "brain" operating on power supplied by a wind-driven generator, and carries a radio transmitter, meteorological instruments, etc. Transmissions are in code, the messages being de-coded at the Australian bases.

The Australian Expedition travelled to the Antarctic in the Danish vessel *Kista Dan* (a sister-ship of the *Magga Dan*), which was chartered by the Australian Government.

American Expedition.

The American programme in the Antarctic ("Operation Deepfreeze") was the most extensive of any of the national expeditions, involving the construction of five major scientific bases—including one at the South Pole—and a number of outposts in different parts of the continent.

The first part of the programme was undertaken by a U.S. naval task force which sailed for the Antarctic in November 1955 from Boston and Norfolk (Virginia). It consisted of three large cargo vessels, three tankers and three icebreakers, including the 9,000-ton U.S.S. *Glacier*, the biggest icebreaker in the U.S. Navy. The vessels

carried over 2,000 men (including a battalion of "Seabees" for constructional work), 10,000 tons of stores, scientific instruments, and building materials, and 19 naval aircraft ranging from *Skymasters* to de Havilland *Otters*. Rear-Admiral Richard E. Byrd (70), the veteran polar explorer, was recalled to active service as officer in command of the expedition, the task force being under the command of Rear-Admiral George J. Dufek.

The task force arrived at McMurdo Sound in December 1955 and carried out the following programme up to the end of March 1956. (1) the construction of a major scientific station (Little America V) at Kainan Bay, an indentation in the Ross Ice Shelf, manned by more than 70 scientists and naval personnel; (2) the construction of an airstrip at McMurdo Sound, adjacent to New Zealand's Scott Base, which was thereafter used extensively by U.S., British, and New Zealand aircraft; (3) the stockpiling of over 1,000 tons of stores at Little America and McMurdo Sound for subsequent delivery by air to the other U.S. bases at the South Pole and elsewhere [see below]. The Little America base was named "Little America V" because four earlier bases of the same name had been established in the area during previous expeditions commanded by Rear-Admiral Byrd. The task force left Antarctica on March 29, 1956, after successfully accomplishing all its objectives.

Extensive aerial reconnaissances over the Antarctic continent were carried out by U.S. naval planes as soon as the airstrip at McMurdo Sound (a compacted snow runway) had been completed. During the first ten days of January, 1956, *Neptune* and *Skymaster* aircraft made nine long-range flights into the heart of the continent, flying over the Geographic and Magnetic poles and on one occasion making a trans-continental flight of 2,700 miles to the Weddell Sea and back to McMurdo Sound. About 1,000,000 square miles of territory—three-quarters of which was previously unknown—were flown over and photographed in these exploratory flights, in one of which Rear-Admiral Byrd flew over the South Pole for the third time in his life. Several previously unknown mountain ranges were discovered, as well as high plateaux rising in places to 13,000 feet.

The second part of "Operation Deepfreeze" was carried out in record time between November 1956 and the end of February, 1957, by a task force of 12 ships and 40 aircraft based on Christchurch and Lyttelton, New Zealand. Over 3,500 U.S. Navy, Army, and Marine Corps personnel were engaged on the programme, which included the construction of (1) the South Pole base, (2) the Byrd base in Marie Byrd Land, in that sector of the Antarctic continent to which no territorial claim has yet been made; (3) the Ellsworth base, on the Weddell Sea; (4) the Wilkes Base, in the Australian Antarctic Territory; and (5) the Hallet Base, in the Ross Dependency, which was run as a joint U.S.-New Zealand scientific station. With the exception of the South Pole station, nearly all these bases (including Little America) were established round the rim of the Antarctic continent, as shown on the accompanying map

Dr. Paul A. Siple, who first won fame when he went to Little America in 1929 as a Boy Scout, was placed in charge of the South Pole station; a specialist in polar problems, he has accompanied almost all U.S. expeditions to Antarctica. The Ellsworth Base was placed in charge of Commander Finn Ronne, who was prominently associated with Admiral Byrd's previous Antarctic expeditions, and who made a famous sledging journey of 1,200 miles in 1940-41.

The South Pole base was completed within a few weeks by a team of "Seabees" flown in and supplied throughout by air. An advance party with 30 days' supplies was landed at the Pole on Nov. 20, 1956, by five *Globemasters* and *Dakotas*, and in the next few weeks a regular "shuttle" service was maintained between the Pole and McMurdo Sound in which 500 tons of stores, prefabricated buildings, and scientific equipment were flown to the polar station, in addition to Weasel tractors and dog-teams. Some of the stores and other equipment were dropped by parachute, the heavier equipment being flown in by transport planes which made successful landings in difficult surface conditions. The polar station was completed by mid-January, 1957, and was named the Amundsen-Scott Base in honour of the Norwegian and British explorers who reached the South Pole for the first time in 1911-12. [Amundsen reached the Pole on Dec. 14, 1911, and Scott on Jan. 18, 1912.]

An outstanding American achievement was the construction of the Wilkes Base in two weeks by a team of 95 "Seabees." A *New York Times* correspondent in Antarctica described the base as consisting of "16 windowless orange buildings, a forest of radio masts, and various odd-shaped towers and domes, looking like a motion picture version of a Martian city."

Important scientific and exploration work was carried out in the Antarctic continent by American scientists, whose programme includes seven major tractor journeys, covering thousands of miles, to be carried out over the 18 months commencing October 1957. Among U.S. achievements to date have been the determination of the geological structure below the South Pole, and important geographical discoveries in different parts of Antarctica.

The seven tractor journeys referred to above were worked out by Dr. Albert P. Crary, Chief Scientist in charge of the Little America Base. They will include a 1,500-mile journey from Little America over the Ross Ice Shelf; an extensive reconnaissance of Marie Byrd Land; explorations in the South Polar area; and extensive journeys from the Wilkes and Ellsworth bases. In all, the tractor parties will traverse about 7,500 miles of little-known or unexplored territory. In most cases fuel and food will be delivered to the tractor parties by air.

Important findings with regard to the geological structure of the polar plateau were announced on Dec. 6, 1957, by the Rev. Daniel Linehan, one of America's leading seismologists and a member of the U.S. Expedition. Father Linehan stated that his tests had shown that there was bedrock under the Pole at 903 feet above sea-level, but that it was buried under 8,297 feet of snow and ice. The geological conformation below the South Pole was as follows: (1) a top layer of snow and ice, relatively compact, lying 77 feet thick on the surface of the polar plateau; (2) an intermediate stratum of harder ice, 20 feet thick, underlying the primary layer; (3) a huge mass of very dense ice, 8,200 feet thick, resting on a rock foundation.

Father Linehan's experiments constituted the first attempt to measure the depth of snow and ice at the Pole and to determine the underlying geological structure. To obtain his seismographic charts he detonated T.N.T. charges in a deep crater left by a tractor that had fallen from a U.S. supply plane in an intended parachute drop; it took 0.4 seconds for the sound-waves to reach the solid rock under the ice and to return to the seismographic recording equipment on the surface.

On Dec. 27, 1957, Commander Finn Ronne reported that exploratory flights from Ellsworth Base, followed by ground reconnaissance, had resulted in the discovery of a huge island off the Antarctic continent to the west of the Weddell Sea coast, below Cape Horn. On present maps this island was marked as the Filchner Ice Shelf, but it was in fact a true island with an area of about 200 miles by 180 miles, and a maximum inland elevation of 3,200 feet above sea-level.

American scientists at McMurdo Sound reported on Feb. 14, 1958, that aerial surveys had disclosed the existence of a great mountain range comparable to the Rockies, with peaks rising to 17,000 feet. The discovery was made in the eastern part of Marie Byrd Land, and some of the newly-discovered mountains were measured by U.S. scientists after a 1,100-mile trek by tractors. As the range runs parallel to the south coast of the Weddell Sea, it was conjectured that it might be an Antarctic extension of the Andes range, which runs the length of South America. It was pointed out that important geological similarities existed between the Andes and the newly-discovered range.

The lowest temperature ever recorded—102.1 degrees below zero (Fahrenheit)—was registered at the U.S. South Pole base on Sept. 19, 1957. Hitherto the official world minimum temperature was 90 degrees below zero, recorded at Verkhoyansk (eastern Siberia) in February 1892.

Admiral Dufek announced on Feb. 13, 1958, that three U.S. bases in the Antarctic were being discontinued—Little America, Ellsworth, and Wilkes, though Little America would continue to be used as a weather-reporting station, and a snow runway would be maintained there. The South Pole, Byrd, Hallett, and McMurdo Sound bases would continue to operate during 1958-59.

The McMurdo Sound airstrip, however, was hurriedly abandoned on Feb. 16 after the Ross Sea ice had broken up and threatened to flood the airstrip. The largest runway in Antarctica, it had been the principal staging-point for all U.S. air supply operations, and had been regularly used by planes flying to and from New Zealand. It was pointed out that the Scott Base runway was still protected by several miles of fast ice, and that planes could operate from the permanent Ross Ice Shelf if that runway was endangered.

Russian Expedition.

Important researches were carried out by a Soviet Expedition which established its main base at Mirny, on the coast of the Australian Antarctic Territory, and a number of other bases at considerable distances inland, including one at the "pole of inaccessibility"—that point of the Antarctic continent farthest from the sea. Led by Professor Mikhail Somov, it was the first Russian expedition to the Antarctic since Admiral Bellingshausen circumnavigated the continent in 1819-21, during the reign of Tsar Alexander I.

The expedition sailed from Kaliningrad on Nov. 30, 1955, in the 12,600-ton motorship *Ob* and the auxiliary ship *Lena*, both diesel electric vessels. The *Ob*, fitted out at Riga as a "floating laboratory," was equipped with hydro-chemical, hydro-biological, and micro-biological laboratories, and other research facilities of the most modern type. Both vessels carried tractors, aircraft, and large quantities of stores.

The Mirny base was established in January 1956, over 8,500 tons of stores being unloaded as well as scientific equipment for meteorological, gravimetric, geological, seismographical and glaciological studies. When completed, the base consisted of 18 prefabricated houses, a radio station, a large community centre, warehouses, and scientific buildings and laboratories, with a population of 92 scientists and research workers. Tractor journeys and reconnaissance flights were carried out in the interior, and a second base (Pionerskaya) was set up in May 1956 about 240 miles inland from Mirny. In addition, a research station (Oasis) was established on the coast 180 miles east of Mirny.

When the Mirny base had been set up, the *Ob* and *Lena* sailed for the Baltic in March 1956 and returned to Antarctica in November 1956, together with a third vessel, the m.v. *Ko-operatzia*. After landing a second party of scientists to relieve those who had already spent a year in the Antarctic, and a quantity of stores and equipment, the three ships returned to Riga in April 1957. On Oct. 8, 1957, a party of 27 Soviet explorers headed by M. Alexei Treshnikov set out from Mirny in six snow-tractors to set up a station in the area of the South Geo-magnetic Pole, about 870 miles inland. After establishing an intermediate base (Komsomolskaya), they successfully accomplished their objective on Dec. 17, when the Vostok (East) base was set up at the South Geo-magnetic Pole, about 790 miles from the South Pole. [The South Geo-magnetic Pole is not to be confused with the South Magnetic Pole, where a research station was established by the French Expedition—see below.] The Vostok and Komsomolskaya bases were supplied by *Ilyushin* transport planes based on an airstrip at Mirny.

Another 30-man party, with 10 tractors and 20 sledges, left Mirny in December 1957 to set up a research station at the "pole of inaccessibility," which is 400 miles from the South Pole. After a 1,250-mile journey across icy wastes previously unexplored, the objective was reached and a base (Sovietskaya) set up in latitude 78.24 deg. S., longitude 87.35 deg. E., at an altitude of over 12,000 feet. Thus was the first time an Antarctic party had reached the "pole of inaccessibility," which is situated in one of the remotest and least-known areas of Antarctica.

The Soviet scientists at Mirny and the other bases carried out a great deal of important research work, including measurements of the thickness of the ice shield, geological and geographical researches, and weather recordings, the results of which were communicated to the U.S., French, and Australian Expeditions. In addition, over 25,000 square miles of territory were mapped and charted in aerial surveys. During the ground surveys Russian explorers discovered an ice-free oasis, previously unknown, extending over 500 square kilometres in Queen Mary Land, on the eastern edge of the continent; scientists flown in by helicopter reported sparse vegetation of primitive type, mostly of the lichen variety.

Close co-operation was maintained between the Russian and American Expeditions, a U.S. scientist (Mr. Gordon Cartwright) spending the 1956-57 Antarctic winter at Mirny. Mr. Cartwright described the Soviet base as modern, well-equipped and comfortable, and paid tribute to the high quality of the scientific work carried out; he disclosed that the Russians had 40 pigs there "rooting away on eight tons of soil brought from Russia for an experimental garden." In January 1958 Mirny was visited by a party of 200 Americans from the U.S.S. *Burton Island*, a naval icebreaker; they were received with great cordiality and allowed to inspect every part of the research station and all scientific equipment. A *New York Times* correspondent accompanying the party said that the Russians were "very well advanced" in oceanography, meteorology, and glaciology, though in some other fields they appeared to be lagging behind the U.S. programmes; he added that "Mirny appears as well organized as Little America, the largest U.S. scientific station in the Antarctic."

French Expedition.

The French Expedition set up two bases in Adélie Land (French Antarctica)—one on the coast (Dumont d'Urville) and the second 300 miles inland at the South Magnetic Pole (Charcot). During the first Antarctic season (1955-56) the expedition was led by Captain Robert Guillard, and subsequently by M. Bertrand Imbert (in 1956-57) and Commander Gaston Rouillon (in 1957-58). M. Paul-Emile Victor, president of the *Comité antarctique français de l'année géophysique*, travelled out with the first party.

The expedition sailed from Rouen in November 1955 in the 600-ton Norwegian polar ship *Norsel*, which had been chartered for the purpose. She carried a party of 40 scientists, several hundred tons of supplies and scientific equipment, and snow-tractors equipped with caterpillar tracks. The *Norsel* arrived at Adélie Land on Jan. 2, 1956, and a temporary base was set up at Pointe-Géologie (on one of the offshore islands), where the expedition spent the first winter; during this period the French party constructed the first "railway" in the Antarctic, a 150-metre line used to transport 350 tons of stores from the *Norsel* to an improvised quay.

The Dumont d'Urville and Charcot bases were established in the following season (1956-57), and important magnetic, seismological and meteorological work carried out. Weather reports were relayed to Nouméa (New Caledonia) and also to the other expeditions operating in the Antarctic. Ice-boring tests at the Charcot base showed that the ice at the South Magnetic Pole was 9,000 feet thick.

Norwegian Expedition.

The Norwegian Expedition sailed from Oslo in November 1956 in two 600-ton sealers, the *Polarsirkel* and *Polarbjörn*, and established a base in January 1957 at Kap Norvegia, on the coast of Dronning (Queen) Maud Land—the Norwegian Antarctic territory, which is six times the size of Norway itself. The expedition was led by Hr. Sigurd Helle, of the Norwegian Polar Institute, and included Hr. John Giaever, leader of the Norwegian-British-Swedish Expedition of 1950-52 (see 12535 B).

The *Polarsirkel* and *Polarbjörn* carried several hundred tons of stores, tractors, 44 Greenland "huskies," and scientific equipment for a full programme of geo-magnetic, glaciological and meteorological studies. One of the principal objectives of the expedition (to be undertaken in the 1957-58 season) will be the exploration of a high mountain range in the interior of Queen Maud Land, and the establishment of a base in that area. The loftiest portion of this range has been seen on only one previous occasion—in 1939, when German flying-boats made a deep reconnaissance into the interior in an unsuccessful effort to establish a German claim to the region. [Norway proclaimed her sovereignty over Queen Maud Land only six days before the arrival of the German expedition in that year.] The only previous expedition to penetrate the interior of Queen Maud Land was the Norwegian-Swedish-British Expedition of 1950-52, which set up a base (Maudheim) about 240 miles west of the point which is the goal of the new Norwegian expedition.

Japanese Expedition.

A 50-man Japanese Expedition under Dr. Takesi Nagata sailed from Tokio in November 1956 in the *Soya Maru* (a converted coastguard ship of 2,200 tons), and the *Umitaka Maru* to establish a base on the coast of Prince Harald Land in the Norwegian Antarctic, about 600 miles west of the Australian base at Mawson. The Japanese base (Showa) was set up in January 1957, the two vessels subsequently returning to Tokio after unloading of stores and equipment had been completed. The last Japanese expedition to visit the Antarctic was in 1911-12, when Lieutenant Choku Shirase explored the Ross Sea area; his ship, the *Kainan Maru*, gave its name to Kainan Bay, the site of the present U.S. base of Little America.

Equipment taken by Dr. Nagata's party included four snow tractors, dog-teams, a light aircraft, two helicopters, prefabricated houses, and scientific apparatus for an extensive programme of research into cosmic rays, the ionosphere, terrestrial magnetism, the aurora, glaciology, seismography, and geological work. In addition to these studies, Japanese tractors and dog-teams penetrated over 120 miles inland and carried out geographical exploration in some of the most remote and little-known areas of the Antarctic continent.

Continuation of Antarctic Research.

The Special Committee on Antarctic Research (a body set up by the International Council of Scientific Unions, which is responsible for the I.G.Y. programmes) decided in principle on Feb. 5, 1958, that the scientific investigations in Antarctica should be continued for at least five years after the end of the International Geophysical Year. The decision was taken after a three-day meeting at The Hague, which is the headquarters of the special committee. It was also decided that three new meteorological stations should be set up in the Antarctic—on Bouvet Island, Heard Island, and Peter I Island respectively. (Times - Daily Telegraph - Manchester Guardian - New Zealand External Affairs Department - Australian News and Information Bureau - New York Times - New York Herald Tribune - Soviet Embassy Press Department, London - Le Monde, Paris - Aftenposten, Oslo)

(Prev. rep. I.G.Y. Programme, 14349 A.)

A. PERSIA. — The Shah's Divorce from Queen Soraya. - Statement by Persian Court.

A statement was issued by the Persian court on March 14 announcing the divorce of the Shah Mohammed Reza Pahlevi and Queen Soraya. The Shah and Queen Soraya, who are childless, were married in 1951.

The announcement said that the Shah had been unanimously advised by a Council of Privy Councillors, including the Prime Minister (Dr. Eghbal), that the heir to the throne must be in direct descent from the Sovereign in order to "safeguard the interests of the nation and the future of the constitutional monarchy, and to avoid unrest and confusion." It was stated that the Shah had accepted this decision and agreed to a divorce from Queen Soraya "with deep sorrow," and that Queen Soraya had agreed to abide by the decision of the Shah, "disregarding her personal feelings and the bonds of affection between them, to preserve the high interests of the State."

Queen Soraya (26) is the daughter of a Persian nobleman (the present Ambassador to Western Germany) and a German mother. She issued the following private statement in Bonn, where she was staying with her father: "Since his Imperial Majesty has deemed it necessary that a successor to the throne must be of direct descent in the male line from generation to generation, I will, with deepest regret, sacrifice my own happiness in the interest of the future of the State and the welfare of the people, and declare my consent to a separation from his Imperial Majesty."

The Shah (who is 38) was married in 1939 to Princess Fawzia, the sister of King Farouk of Egypt; a daughter (Princess Shanaz) was born of the marriage but no male heir, and the marriage was dissolved in 1948. The Shah married Queen Soraya three years later.—(Times - Daily Telegraph)

(Prev. rep. 11306 G.)

A. UNITED KINGDOM. — £60,000,000 Expansion Programme for Universities. - University College for Sussex. - Leeds University Development Plan.

The Chancellor of the Exchequer (Mr. Heathcoat Amory) informed the House of Commons on Feb. 20 that he had authorized a provisional building programme for university expansion totalling £60,000,000 in the four years 1960-63. In addition, authorization had been given for an early start on a new University College of Sussex, to be built at Brighton.

Mr. Heathcoat Amory explained that the programme had been authorized on the recommendations of the University Grants Committee, but would be "subject to review if the economic situation changes substantially." The Government were satisfied that the current rate of university building programmes (£10,400,000 in 1957, £12,000,000 in 1958 and £12,000,000 in 1959) must not only be maintained but substantially increased if the nation was to get the extra graduates needed and thereby secure the full benefits of future advances in science and technology. Under the new building programme, it should be possible to achieve an increase to about 124,000 students by the middle 'sixties, with a possible temporary rise of ten per cent in the second half of the decade. At present about 43 per cent of all university students were studying Arts subjects, and it was expected that two-thirds of the expansion plan would be devoted to science and technology.

Plans for a university or university college in Sussex were first suggested before the First World War, and had been again revived in the past two or three years. Brighton Town Council has agreed to contribute £12,000 a year towards the scheme, and also to provide a site for the University College of Sussex in Stanmer Park, the former seat of the Earls of Chichester.

Details of a comprehensive scheme to develop the University of Leeds at a cost of over £6,000,000 were given on Jan. 30 by Mr. Edmund Williamson, the University's Bursar. Mr. Williamson said that new buildings would include the Houldsworth School of Applied Science, to cost £620,000; three new engineering buildings (£1,500,000); a Chemistry and Physics extension (£520,000); a new building for the Arts faculty (£720,000); and a residential centre for 600 men students at Weetwood, three miles from the city centre (£900,000). The Houldsworth building—named after the late Sir Hubert Houldsworth, former chairman of the National Coal Board and Pro-Chancellor of the University—would house three departments: of gas engineering and general fuel science; chemical engineering; and metallurgy. The development plan would be carried out in three stages, of which the last would begin in 1962.—(Times - Daily Telegraph)

(Prev. rep. 15862 B; 15614 A; 14966 A.)

B. FRANCE - INDIA. — Economic and Technical Co-operation Agreement.

Following negotiations which had started in 1956, an agreement on economic and technical co-operation between France and India was signed in Delhi on Jan. 23, 1958, by Mr. B. K. Nehru (Secretary to the Indian Ministry of Finance) and Count Ostrorog, the French Ambassador.

The agreement provided that the French Government would facilitate the financing of the manufacture and delivery by French suppliers of capital goods required for projects under the Second Indian Five-Year Plan up to a total of 25,000,000,000 French francs (about 280,000,000 rupees, or £21,000,000). Contracts would have to be approved by both Governments, and the credit terms would be negotiated separately in each case between the purchasers and suppliers. The credits would be on a medium-term basis and would bear interest at 6 per cent p.a. They would be used for the purchase of railway equipment, harbour construction, steelworks and coal-mining machinery, electric transmission lines, telecommunications material, ships, aircraft, and equipment for technical training centres, etc.

It was also provided that the French Government would make available to India a number of highly qualified technical experts, and would provide scholarships for Indian engineering students to study in France.

It was pointed out in the French Press that France had already taken an important part in the development of the Indian economy by building an electronics factory at Bangalore, contributing to the electrification of the Indian railways, etc.; in addition, India had bought a number of *Mystère* jet aircraft from France.—(Indian High Commissioner's Office, London - Le Monde, Paris) **(Prev. rep. 15428 C.)**

C. ARGENTINA. — New Foreign Minister.

Dr. Alejandro Ceballos, a surgeon, was appointed Foreign Minister on Jan. 31 in succession to Sr. Alfonso Laferrère, whose resignation had been announced on Jan. 13. The new Foreign Minister had been Federal Commissioner for the University of Buenos Aires. No reason was given for the resignation of his predecessor.—(New York Times)

(Prev. rep. 15733 A.)

D. GERMANY. — Influx of Refugees from Eastern Germany into Western Germany, 1949-57. - East German Measures against Clandestine Emigration.

The Federal Ministry for All-German Questions announced on Feb. 1 that the total number of refugees from Eastern Germany who had been admitted to Western Germany since 1949 was as follows over the nine-year period:

1949 ..	125,245	1952 ..	182,393	1955 ..	252,807
1950 ..	197,788	1953 ..	331,390	1956 ..	279,189
1951 ..	165,648	1954 ..	184,198	1957 ..	261,622

Grand total: 1,980,343

Legislation amending the East German penal code was approved by the *Volkskammer* on Dec. 11, 1957.

Among the changes in the penal law were the introduction of severe penalties for persons clandestinely leaving Eastern Germany, who would be punished in future by up to three years' forced labour and heavy fines. Penalties were also laid down for persons who induced or aided residents of Eastern Germany to leave the country without official authority. Any person encouraging young people or specialized workers to go to Western Germany would be liable to at least six months' imprisonment, while prison terms of unspecified duration were laid down for those who incited East Germans to go to Western Germany for the purpose of joining Western military organizations.

Of the nearly 2,000,000 East Germans fleeing to the West in the past nine years, a very high proportion were from the younger age-groups, including large numbers of workers in industry and agriculture. The loss of this labour potential, and its consequent serious effects on the East German economy, had been stressed on a number of occasions by East German spokesmen, and the above-mentioned legislation was regarded in Western Germany as a further attempt to halt the exodus.

A protest resolution against the East German legislation was adopted by the West German *Bundestag* on Dec. 12, 1957. (Frankfurter Allgemeine Zeitung) **(Prev. rep. 15416 C.)**

Corrigendum. The figure of 129,579 refugees from Eastern Germany who had entered the Federal Republic during 1957, quoted in report 15964 B, should have referred only to those entering West German territory through West Berlin. The total number of East German refugees entering Western Germany, both through West Berlin and at other border areas, was 261,622 as stated above. (Ed. K.C.A.)

E. ITALY. — Abolition of Licensed Prostitution.

After protracted debates in the Italian Parliament, extending over several years, a Bill for the abolition of licensed prostitution in Italy was passed by the Chamber of Deputies on Jan. 28, 1958, by secret ballot. It had been approved by the Senate three years earlier—on Jan. 21, 1955—and came into force with its publication in the *Gazzetta Ufficiale* on March 4.

The legislation—popularly known as the "Merlin law"—owed its inception to Senator Angelina Merlin (a Left-wing Socialist and former school-mistress), who had introduced a Bill to abolish prostitution as far back as 1948. It was approved by the Senate in 1949, subsequently dropped in the Chamber of Deputies, and re-adopted by the Senate in 1952. The general elections of 1953 occurred before action could be taken in the Chamber of Deputies, and Signora Merlin once more introduced the Bill in the new Parliament, where it was passed by the Senate in 1955 as stated above, and subsequently by the Chamber of Deputies.

The Bill provides for the closing-down of all brothels within six months; according to official data, some 560 establishments will be affected. Italy was the last country in Europe in which prostitution had remained legal, brothels being conducted under licence subject to heavy taxation.
(Giornale d'Italia, Rome - Corriere della Sera, Milan - Times)

F. NEW GUINEA. — Further Agreement on Dutch-Australian Co-operation.

A joint communiqué was issued in Canberra and The Hague on Feb. 27 announcing that it had been decided to take the following measures to extend the co-operation of the two countries in respect of New Guinea, in implementation of the Netherlands-Australian declaration of Nov. 6, 1957: (1) Dutch liaison officials would be stationed at Port Moresby and Australian liaison officials at Hollandia; (2) an official of the Netherlands Ministry of Overseas Affairs would be appointed attaché at the Embassy in Canberra, with special responsibility for New Guinea affairs; (3) in addition to the normal diplomatic consultations between the two Governments concerning New Guinea affairs, regular consultations would be held between officials of Netherlands and Australian New Guinea, and representatives of the Ministries of the two countries concerned with New Guinea policy.—(Australian News and Information Bureau - Netherlands News Agency)

(Prev. rep. 15865 C.)

A. CHINA. — Marshal Chen Yi appointed Foreign Minister. - Government Reorganization. - Dismissal of "Rightist" Ministers and Deputies. - "Rectification" Campaign amongst National Minorities.

The Chinese Premier, Mr. Chou En-lai, resigned on Feb. 11 from the post of Foreign Minister, which he had held since September 1949, and was succeeded by Marshal Chen Yi, a Deputy Premier. On the same day the National People's Congress approved a Government reorganization whereby several Ministries and Commissions were abolished or merged with others.

Marshal Chen Yi (57), the son of a magistrate, was converted to Communism while studying in France after the First World War, and joined the Communist Party in 1923. He held military commands in the Civil War of 1926-27, in the subsequent Communist uprisings against the Kuomintang Government, and in the war against Japan, winning a high reputation as a guerrilla leader; during the Communist campaign against the Nationalist forces he commanded the army which captured Nanking and Shanghai in 1949. He has been a member of the Communist Party's Central Committee since 1945 and of the Politburo since 1956, and a Deputy Premier since 1954.

Announcing the Government's reorganization proposals, Mr. Chou En-lai said that the 35 Ministries and Commissions established in 1954 had since increased to 48, and that reorganization was necessary in the light of the "rectification campaign" against "bureaucracy." It was accordingly proposed (*a*) that the National Construction Commission should be abolished and its work distributed among the State Planning and National Economic Commissions and the Ministry of Building; (*b*) that the Ministries of Electric Power and Water Conservancy, of Forestry and the Timber Industry, of Education and Higher Education, and of Light Industry and Food, should be merged; and (*c*) that the First and Second Ministries of Machine-building and the Ministry of the Electrical Equipment Industry should be merged into the First Ministry of Machine-building, whilst the Third Ministry of Machine-building should be renamed the Second Ministry of Machine-building.

The following appointments were proposed by the Government and approved by the National People's Comgress in this connexion:

Mr. Fu Tso-yi (formerly Minister of Water Conservancy) as Minister of Conservancy and Power.
Mr. Yang Hsiu-feng (formerly Minister of Higher Education) as Minister of Education.
Mr. Chang Hsi-jo (formerly Minister of Education) as chairman of the Commission for Cultural Relations with Foreign Countries.
Mr. Tsao Erh-lu (formerly Second Minister of Machine Building) as First Minister of Machine Building.
Mr. Yu Chiu-i as Minister of the Petroleum Industry.
Mr. Yang Yi-chun as Second Minister of Commerce, the new name of the former Ministry of Urban Services.
Mr. Wang Shou-tao (a veteran Communist and member of the party's Central Committee) as Minister of Communications.
Mr. Sha Chien-lin (a member of the Democratic League, and hitherto Minister of Light Industry) as Minister of Food.
Mr. Li Chu-chen as Minister of Light Industry.
Mr. Liang Hsi as Minister of Forestry.

Six Communist Ministers were relieved of their posts—Mr. Wang Ho-shou (chairman of the now abolished National Construction Commission); Mr. Lai Chi-ka (Minister of the Building Industry); Mr. Liu Lan-po (Minister of Electric Power); Mr. Huang Chen (First Minister of Machine-building); Mr. Li Chu-kuei (Minister of the Petroleum Industry); and Mr. Wan Li (Minister of Urban Services).

Three non-Communist Ministers—Mr. Chang Po-chun (Communications), Dr. Lo Lung-chi (Timber Industry), and Mr. Chang Nai-chi (Food), who had been under attack as "rightists" since June 1957—were removed from their posts on Jan. 31, 1958.

Chang Po-chun, head of the Peasants' and Workers' Party (one of the minor parties allied with the Communists), had advocated a bicameral legislative system modelled on the lines of the Western democracies, whilst Dr. Lo Lung-chi, like Mr. Chang Po-chun, had criticized the Communist Party for monopolizing State affairs. Because of his "rightist" attitude and "bourgeois leanings" Mr. Chang Po-chun had previously (in November 1957) been dismissed as director of the *Kwangming Daily* (the organ of the minor parties), together with the paper's chief editor (Chu An-ping). Mr. Chang Nai-chi was vice-chairman of the Democratic National Construction Association, a small party founded by industrial, commercial and intellectual circles in 1954.

The National People's Congress approved on Feb. 3 a proposal by its credentials committee to expel 38 deputies accused of "rightism." In addition to the three Ministers dismissed on Jan. 31, they included General Lung Yun (a member of the Kuomintang Revolutionary Committee, who was also deprived of his post as a vice-chairman of the National Defence Council), Miss Ting Ling (the well-known novelist, whose expulsion from the Communist Party and the Writers' Association had been reported on Jan. 8), and Miss Hsieh Hsueh-hung (leader of the uprising in Formosa in 1949 against the Kuomintang régime). Sixteen other deputies had previously been deprived of their mandates by local congresses.

The fact that seven months had elapsed between the opening of the campaign against the "rightist" Ministers and deputies and the action taken against them was regarded as evidence of a division of opinion inside the Communist Party leadership; President Mao Tse-tung in particular was believed to have strongly supported a lenient policy. According to Reuter reports from Peking, Communist officials stated that the "rightists" would be banished to rural areas, but might be allowed to return to public life after "confessing their errors."

The purge of "rightists" had meanwhile proceeded in a number of provinces.

The Hunan Provincial Congress dismissed the Vice-Governor of the province, Mr. Cheng Hsin-ling, at the end of December, and deprived four deputies to the National People's Congress of their mandates, including Professor Tseng Chao-lun (a noted chemist), Deputy Minister of Higher Education. Earlier the same month a conference of the Chekiang Communist Party expelled Mr. Sha Wen-han, the Governor of the province, and three of his senior officials, and recommended their dismissal from their posts.

In an article published at the beginning of February, Mr. Lo Jui-ch'ing (Minister of Public Security) stated that over 100,000 "rightists and counter-revolutionaries" had been arrested during the past two years, including persons holding important Communist Party and administrative posts, and 3,000 members of the Communist Youth League. In addition, over 3,600 active agents had been arrested and the political histories of 1,770,000 people investigated between June 1955 and October 1957.

Mr. Liu Ke-ping, chairman of the Committee of Nationalities of the National People's Congress, announced on Jan. 17 that the Government had decided to launch a "rectification campaign" among the national minorities in view of "the dangerous nature and seriousness of separatist activities." He stated that separatist ideas were harboured mainly by young intellectuals among the Mongols, the Huis (a Moslem community of about 3,500,000 people, living in Kansu and other provinces of N.W. China), the Uighurs of Sinkiang (N.W. China), and the Koreans in Manchuria, and were supported by some Communist Party members, including "high-ranking cadres."—(Times - Manchester Guardian - New York Times) **(Prev. rep. 15839 A.)**

B. AUSTRALIA - UNITED KINGDOM. — Reciprocal Agreement on Social Security.

A reciprocal Anglo-Australian agreement on social security was signed in Canberra on Jan. 28 by Mr. Menzies and Mr. Macmillan, who was then visiting Australia during his six-weeks' tour of Commonwealth countries (see 16041 A). Its provisions were announced by the Australian Minister for Social Services (Mr. Roberton) as follows:

(1) British migrants would be able to receive Australian old-age, invalidity, widowhood, sickness, and unemployment benefits on the same residential basis as Australians, as well as the same family allowances. [Hitherto British immigrants received these benefits in Australia at reduced rates because of residential qualifications, but in future their residence in the U.K. will be taken into account as if it had been residence in Australia.]
(2) Persons receiving British pensions at reduced rates would be entitled to an automatic increase in their Australian pensions, ranging up to 33s. 6d. a week.
(3) Permanent incapacity for work or blindness occurring in the United Kingdom would be accepted as having occurred in Australia for the purpose of invalidity pensions.
(4) Present arrangements for paying Australian old-age and widows' pensions during temporary visits to the United Kingdom would be extended to include invalidity pensions.
(5) Australian child endowment and U.K. family allowances would be paid for periods of travel between the two countries, even when families intended to settle permanently in the country to which they were going; payment would be made by the country they were leaving.

In a joint statement, Mr. Macmillan and Mr. Menzies said that both Governments "recognize residence in one country as being equivalent to residence in the other for the purpose of qualifying for social benefits"; they added that "the people of the United Kingdom and Australia will now be able to move freely from one country to another without sacrificing rights they have acquired to benefits and pensions."

The agreement comes into force on April 1, 1958, and replaces an earlier agreement signed in 1953.—(Australian News and Information Bureau) **(Prev. rep. 12967 F; 12776 B.)**

A. UNITED KINGDOM - UNITED STATES. — Agreement on Supply of U.S. Ballistic Missiles to Britain. - Statement by Mr. Sandys. - House of Commons Debate.

An agreement for the supply of U.S. ballistic missiles to the United Kingdom was signed in Washington on Feb. 22 by Mr. Christian A. Herter, U.S. Under-Secretary of State, and Sir Harold Caccia, the British Ambassador. The agreement—in the form of a Note exchange and an accompanying memorandum—was published in London and Washington on Feb. 24, the text of the memorandum being as follows :

" (1) The Government of the United States shall supply to the Government of the United Kingdom an agreed number of intermediate-range ballistic missiles and their related specialized equipment, and make available training assistance in order to facilitate the deployment by the U.K. Government of the said missiles. The missiles shall be located only in the United Kingdom at such sites and under such conditions as may be agreed upon between the two Governments.

(2) The U.K. Government shall provide the sites and supporting facilities required for the deployment of the missiles.

(3) Ownership of the missiles and related equipment shall pass to the U.K. Government under established U.S. Mutual Assistance Programme procedures as soon as the U.K. Government is in a position to man and operate the missiles.

(4) The missiles will be manned and operated by U.K. personnel, who will be trained by the U.S. Government for the purposes of this project at the earliest feasible date.

(5) For the purposes of this Agreement, training and test-firing of missiles will normally take place on U.S. ranges, but by agreement with the U.S. Government the U.K. Government may arrange with the Government of Australia for missiles to be test-fired on the Woomera Range.

(6) Material, equipment, and training provided by the U.S. to the U.K. Government . . . will be furnished pursuant to the U.S. Mutual Security Act of 1954, as amended, acts amendatory or supplementary thereto, appropriations acts thereunder, or any other applicable U.S. legislative provisions.

(7) The decision to launch these missiles will be a matter for joint decision by the two Governments. Any such joint decision will be made in the light of the circumstances at the time and having regard to the undertaking the two Governments have assumed in Article 5 of the North Atlantic Treaty.

(8) References to intermediate-range ballistic missiles in this Agreement do not include the nuclear warheads for such missiles. The U.S. Government shall provide nuclear warheads for the missiles transferred to the U.K. Government pursuant to this Agreement. All nuclear warheads so provided shall remain in full U S. ownership, custody, and control in accordance with U.S. law.

(9) The arrangements recorded herein are made in consonance with the North Atlantic Treaty and in pursuance of the Mutual Defence Assistance Agreement between the United Kingdom and the United States, signed January 27, 1950 . . . and are subject to the applicable provisions thereof.

(10) This Agreement shall be subject to revision by agreement between the two Governments and shall remain in force for not less than five years from the date of the Agreement, but may thereafter be terminated by either Government upon six months' notice."

Statements by Mr. Sandys.

Mr. Duncan Sandys, the U.K. Minister of Defence, made a statement on the agreement to the House of Commons on the same day (Feb. 24).

After pointing out that the new agreement represented the implementation of the agreement in principle reached by President Eisenhower and Mr. Macmillan at the Bermuda conference, **Mr. Sandys** went on : " The missiles will be manned and operated by units of the Royal Air Force. The agreement provides that the missiles shall not be launched except by a joint positive decision of both Governments. The nuclear warheads will remain in American custody and will be kept in an unarmed condition so that there can be no risk of a nuclear explosion ; and the weapon is designed in such a way that it would be impossible for it to be launched accidentally.

" The United States will supply the missiles and specialized equipment at their expense, and will also pay for the training of British personnel in America. Britain will meet the cost of providing and constructing the sites and supplying certain items of equipment. The British share of this expenditure is estimated at about £10,000,000.

" The missiles will be deployed in small numbers on dispersed sites, mostly on active or disused R.A.F. airfields. These sites will be mainly in East Anglia, Lincolnshire, and Yorkshire. It would obviously not be in the public interest to disclose the number of missiles, or the number of sites, or their precise location."

Mr. George Brown (Lab.) asked the following questions : (1) Did the paragraph relating to the manning and operating by units of the R.A.F. mean that no missile sites would be constructed in Britain until those units had been trained in America to operate them ?

(2) Did it mean that there would be no sites operated by the Americans while those units were being trained ?

(3) How would the joint positive decision by both Governments be carried out ? In particular, could the Minister confirm that these sites, unlike others in Europe, would not be under the control of the Supreme Allied Commander, Europe ?

(4) Was it proposed to make British nuclear warheads to fit the missiles if the McMahon Act was not amended ; if so, would Britain have complete control, instead of a shared control, over what would be part of the nation's deterrent force ?

(5) Did the statement that the British share of the expenditure was estimated at about £10,000,000 mean that the entire British cost was £10,000,000 ? Could the Minister give an assurance that this was the limit of the British investment ?

Mr. Sandys, in reply, said that the British share of the total Anglo-American expenditure was estimated at £10,000,000. The U.S. Government had not asked for any facilities to deploy missiles of their own, or to man missiles in Britain. There would be special arrangements for ensuring that there would be rapid consultation about the joint decision, but he did not think the House would expect him to go into detail. The missiles would be assigned to R.A.F. Bomber Command, whose operational plans were being co-ordinated with those of the U.S. Strategic Air Force. Those plans already took account of the Supreme Commander's needs in Europe. " We are not planning development of a British warhead for the *Thor* rocket," Mr. Sandys added. " We are concentrating our efforts on developing a British rocket of a more advanced type."

Mr. Chetwynd (Lab.) asked whether the decision to use the bases would be political or military, and at what level the final decision would be taken.

Mr. Sandys replied : " The decision will be taken in the same manner as the arrangements for taking decisions under the Attlee-Truman agreement. It will require a joint positive decision of both Governments—I emphasize Governments, not military commanders."

In reply to **Vice-Admiral Hughes-Hallett** (C.), who asked to what extent the NATO Powers had been associated with or informed of the agreement, **Mr. Sandys** said that the Permanent Council of NATO had been fully informed. Answering a question by **Mr. Beswick** (Lab) about the rocket sites, **Mr. Sandys** said that these would have nothing to do with U.S. Air Force stations and that the sites would be mostly on R.A.F. stations, either active or disused. When **Sir John Smyth** (C.) asked whether the rockets would be test-fired in Britain, **Mr. Sandys** replied · " There is no question of these rockets being launched in Britain unless war occurs. There is no question of testing them here. The agreement specifically requires that they will be tested on American testing-grounds. We have made a special provision in the agreement that, if it is desirable, we will test them on the Woomera range."

Mr. Brown then asked whether, as the *Thor* rocket had not been successfully tested, it was intended to have a further testing at Woomera before they came to Britain. He asked for an assurance that it was not intended to proceed with the physical establishment of the missile bases until after " summit " talks had been held.

Mr. Sandys said that the weapon was in the final stages, and unless the Government had been confident that it would work they would not have made the agreement. He added : " On the other point, which is wider and political, until there is an agreement on disarmament the free world must continue to maintain the balance of power. There is absolutely no reason to suppose . . . that the Russians are holding up their rocket plans. I am sure they would be very surprised if we were to hold up ours."

A further statement was made by Mr. Sandys at a press conference later the same day.

Mr. Sandys said that there could be no accidental nuclear explosion at a *Thor* missile site, but if there was a fire at the site the main risk would be from the detonation of a certain amount of ordinary high explosive. Such an explosion would be most unlikely to have any effect outside the circumference of the airfield. In the unlikely event of such a detonation there might also be some danger of radioactive contamination, which would be localized and could be dealt with by simple decontamination procedures. The nuclear warheads would be maintained in an unarmed condition, and the arming process would not begin until the missile had actually been launched. It would not be completed until the later stages of the missile's flight. If a missile went off course, there were arrangements for destroying it in the air.

The Minister also said that it would take a number of months to train the British crews who would man the sites. Part of the training could be carried out in Britain, but the specialized technical training would be provided in the United States. Work had not yet started on the construction of the sites, but it would begin soon.

Mr. Sandys emphasized that there was no provision in the agreement for the manning of missiles and sites in Britain by the American forces, either as an interim measure until the British crews were trained, or as part of the American strategic deterrent stationed in the United Kingdom.

House of Commons Debate.

A two-day debate on the Government's Defence White Paper was opened in the House of Commons on Feb. 26 by Mr. Sandys.

Mr. Sandys referred to the " amount of space and emphasis given to disarmament " in the White Paper, and continued : " As Minister of Defence, there is nothing I wish for more ardently than world disarmament. When I speak of disarmament I mean comprehensive, thorough-going disarmament, right down to the level needed for internal security purposes only. The White Paper makes it clear that this would eventually involve supervision and control by a world authority. I believe that nothing less than that must be our ultimate objective.

"We want summit talks, and we want them to succeed. I sincerely hope that it may be possible to make some serious headway in the months ahead with discussions on disarmament. I base that hope on the simple fact that disarmament is so obviously just as much in the interests of Russia and every other country as it is in ours. The main difficulty about negotiations is that—unhappily—each side distrusts the intentions of the other.

"Since the whole process of disarmament obviously cannot be carried through all at once, it is essential to maintain the balance of military power at each stage. It is not at all a simple matter to equate a reduction in nuclear power with a reduction in conventional forces, but somehow or other we have to find a way of doing it. I have no doubt that some risks will have to be taken on both sides.

"I have spoken first about disarmament because, although this is a Defence debate, we all know that the only ultimately satisfactory solution of the problem of defence is to make it superfluous. Until we can achieve agreed all-round disarmament—and I can assure the House that the Government will work flat out for it—we cannot afford to lower our guard. Nothing would more prejudice the prospects of world disarmament than for the West to disarm unilaterally in advance of an agreement."

After saying that the White Paper was "essentially in the nature of a progress report on the Government's defence policy outlined last year," Mr. Sandys maintained that the developments of the past 12 months in the economic and military spheres had fully justified the principles upon which last year's White Paper were based.

On the Government's policy of nuclear defence the Minister spoke as follows:

"The strength of NATO rests ultimately upon the nuclear deterrent. It has been pointed out that the nuclear deterrent does not itself provide protection. It depends equally upon maintaining strong forces on the ground along the whole of the front from Norway to the Caucasus. It is essential that the NATO front in Europe should be firmly held. At the same time it is important not to allow our flank to be turned in the Middle East or Far East That is why we are making contributions to the defence system of the Baghdad Pact and the South-East Asia alliance. Britain is the only country to be a member of all three alliances If sometimes our allies on the Continent think we are not playing a full part in NATO, I hope they will remember that we also provide substantial forces to help defend freedom in other parts of the world."

The Opposition (Mr. Sandys continued) wanted the physical preparation of the missile bases in Britain to be held up until after the summit talks. The Government understood and respected the motives which inspired the proposals, but did not feel that a gesture of this kind would have any practical effect. It was clear from Mr. Khrushchev's speeches that the Russians were going ahead with their own rocket plans, and they would be very surprised if the West were to hold up theirs. In fact they might misinterpret it as a sign of weakness.

Some people had been "surprised and even shocked" by the statement in the White Paper that if the Russians were to launch a major attack against the West, even with conventional forces only, the West would have to hit back with strategic nuclear weapons. But however much the idea might be disliked it was, in fact, the position, and there was nothing new about it. It was the accepted and well-established strategy of NATO, and the method by which peace had been preserved during the past decade. Unless it was possible to get an agreement on disarmament, there was at present no alternative to it. "If there has been any doubt about this," said Mr. Sandys, "it is just as well it should be removed. It is generally agreed that if the Kaiser and Hitler had known clearly in advance what would be the reactions to their aggression, two bloody World Wars could have been avoided."

Continuing, Mr. Sandys emphasized that the West would never start a war against Russia. It was equally obvious that no-one with any sense would think of launching a nuclear counter-offensive to deal with some minor aggression, or—as *The Times* had described it—"accidental border incidents." If, on the other hand, the Russians, with their incomparably larger conventional forces, were to launch an all-out conventional attack, the Western allies would have the choice of striking back with nuclear weapons or submitting to defeat and occupation. It was inconceivable that the free peoples would meekly surrender their liberties without a fight, whatever the consequences.

It might be argued that although what had been said in the White Paper was perfectly true, it was not helpful just when it was hoped to reopen negotiations on disarmament. But it was not only helpful but necessary, as they would get nowhere in negotiations if they shrunk from basic issues. The objective must be to work out with the Russians a programme of disarmament by stages. To do that, it was necessary to start by recognizing frankly the realities of the military position on both sides. These were the overwhelming Russian superiority in conventional forces, and the reliance of the West on the nuclear deterrent. He had had a number of talks with Mr. Khrushchev, who was the last person in the world to resent or to be put off by plain speaking.

In the event of a full-scale conventional attack against the West, he [Mr. Sandys] had said that the only alternative to using nuclear weapons would be to surrender. But there was a third course. It was for Britain and her allies to expand their conventional forces to the extent necessary to resist an all-out conventional attack. There was no practical reason why they could not do this. Their combined populations were larger and their industrial resources were greater. But it would entail a stupendous increase in the demands of defence on manpower, money, and industry. Britain might have to maintain between 1,000,000 and 1,500,000 men in the armed forces, and spend perhaps £1,000,000,000 more a year on the Defence budget.

Pending some agreement on disarmament, defence must go on, Mr. Sandys concluded. He thought, however, the House would agree that the more they studied the various "ugly choices," the more they must be impressed with the aim of bringing about disarmament —"comprehensive and balanced disarmament, not of course unilateral disarmament." Mr. Sandys added: "We do not seek it because we are weak or frightened—in fact the strength of the West is increasing. We seek it because in the long run it is the only solution which makes sense; the only road to real peace and economic progress for mankind."

Mr. George Brown (Lab.) moved an Opposition amendment that "this House declines to approve a defence policy which relies predominantly upon the threat of thermo-nuclear warfare, insists on the installation of strategic rocket bases in Britain before the projected summit talks, and fails to provide effectively for Britain's defence requirement."

Mr. Brown said that what was shocking people outside was that Mr. Sandys seemed to have no other idea for dealing with any conflict —other than the smallest border incident—except the thermo-nuclear weapon. "The louder you shout that in any circumstances we will reply with a weapon of mass suicide--which means, in fact, obliterating London—the more unlikely it is that you are going to be believed." The would-be aggressor was going to say "I do not believe they would" and "I do not believe they could." It was turning a deterrent into an incentive—if they chose their ground right. This "unselective, apparently not-thought-out attempt to blanket defence problems with assertions" seemed a very grave disservice.

The Government were avoiding a decision about weapons, and were "turning the weapon of deterrence, which was only a weapon so long as it was not used, into a weapon that would be used early in the proceedings." The Labour Party accepted the deterrent, but did not bind themselves "so to arrange the defence forces that it would be used early in the chain reaction." The Prime Minister had said that the nuclear deterrent would not be used in a border incident; this meant that it would be used in all other cases.

Mr. Macmillan intervened: "I said that if it was a case of mobilization of large forces, of 200 divisions, of an all-out attack on Europe, or the bombing of London, then that would be a case where I think the deterrent would have to be used." When **Mr. Brown** replied that that was not what the Minister had said in the White Paper, **Mr. Macmillan** retorted that he meant the bombing of London with conventional bombs. The Labour Party had said the deterrent would not be used in minor cases; the White Paper said it would be used in major cases. It would seem that the opposite of minor was "major" or "massive."

Mr. Brown replied that this was not the case; "there were lots of possibilities in between." The Labour Party were not running away from their acceptance of the deterrent in an all-out global war. The Government had written a White Paper which everyone outside had taken to mean would involve the use of the ultimate deterrent in anything but a border incident. He understood that the thermo-nuclear weapon would not be used in, for example, a conflict in Central Europe or the Middle East which was "neither border, nor major, nor direct." What, he asked, would the Government use in such cases?

Mr. Sandys said that it was misleading the House to suggest that anyone on behalf of the Government had said that they intended to use massive nuclear retaliation for anything which was more than a border incident. No-one had ever said that. They had made absolutely clear that if there was a major full-scale attack, even with conventional forces, nuclear retaliation would be necessary, but that small incidents would not involve that. There was an area in between, but he was not going to enter into speculation or definition.

Mr. Sydney Silverman (Lab.) asked Mr. Brown to "correct the impression," created by his speech, that the Opposition had accepted the nuclear weapon as a make-weight to make good the deficiency in conventional forces. The last Labour Party conference, he added, had unanimously accepted a resolution which committed the party to a policy of dispensing with nuclear weapons if international agreement to dispense with them could be obtained, whether or not such an agreement was linked with other forms of disarmament.

Mr. Brown replied that he and Mr. Silverman had "better look at that resolution again." He then went on to say that if tactical atomic weapons or large-scale forces were not provided—and the Government was doing neither—then there was nothing with which to meet the "in-between" area.

Referring to the setting-up of missile bases, Mr. Brown said—speaking for himself—that he considered the H-bombers right and therefore could not say that the missiles were wrong. But that did not mean that it was inevitable to have them, or that this was the right time to begin building missile sites. The Prime Minister had said that he desperately wanted the Summit talks to be a success. If he hoped to get some kind of agreement to start a movement towards disarmament, why choose this moment to instal the rockets? It was absurd to "poison the atmosphere still further" in advance of summit talks and to create suspicion of Britain's motives. Nothing would be lost by waiting.

The "grave charge" against the White Paper (Mr. Brown concluded) was that "by its apparent concentration on the thermo-nuclear strategic ultimate deterrent, it presented a defence policy which seemed to offer people little hope."

Sir Fitzroy Maclean (C.) said that in preparing for an "all-out" war it might be found that Britain had under-prepared for a continuation of the "cold" war. There was a danger that the strength of the conventional forces, particularly of the Army, might be allowed to run down. Mr. Sandys had "nailed his colours rather too firmly to the mast of voluntary recruitment," but while nobody wanted to see conscription retained, it might be the only way to get the numbers to fight a "cold" war.

Mr. Victor Yates (Lab.) said the Government's present policy was "poisoning the prospects of peace." While supporting the Opposition amendment, he thought it did not go far enough. He was not in favour of missile bases in Britain either before or after Summit talks.

Among other Members, **Sir Peter Macdonald** (C.) thought that the Minister was taking a "very serious risk" in scrapping conventional weapons, some of them very advanced, before he had the nuclear weapons to take their place. **Mr. George Wigg** (Lab.) asked that "the nonsense of spending £300,000,000 on the thermo-nuclear deterrent" should be given up, as it was "useless" and "deceived no-one but ourselves." **Mr. Mellish** (Lab.) said that complete stalemate had been reached between Russia, the U.S.A., and Britain, who all had the "ultimate deterrent," and it was now the time for Britain to set an example. "But," he added, "if all attempts at negotiations with the Russians fail, I hope members of my own party will get up and attack the Russians. I cannot take much longer the view that anything we do is wrong and whatever the Russians do is right."

Mr. Aubrey Jones (Minister of Supply) said that half the technological resources of the Western alliance were on this side of the Atlantic, and over the past 10 years the two halves had not been hitched together to the common purpose. The Government sought not only closer co-operation with the Americans but also with the West European countries, and the scope for co-operation with the latter was certainly as great as with America. Countries should get together at the outset to determine weapon requirements and then allocate or share them out. The great obstacle to overcome was the affront to national pride caused by inter-dependence.

It was economical (Mr. Jones continued) to extend the life of the V-bomber as long as possible, but even when equipped with the propelled bomb, these aircraft were vulnerable to long-range interceptors and to long-range surface-to-air missiles. In some aspects of technology the Russians were ahead of the West, and it was prudent to presume that the vulnerability of the V-bomber would come far sooner than was thought. It ought not to be presumed that their invulnerability would be as long as had been thought six months earlier.

Mr. Brown was making a great mistake if he thought that at the first effort one could reach perfection in such things as the *Thor* missile. There were many improvements to be made to it; that was the main reason why Britain was developing her own missile. There was a geographical reason for undertaking this, as well as an industrial reason and a political reason. The Government would welcome the development of the missile as a joint project with any European country which cared to join in.

Mr. Geoffrey de Freitas (Lab.), speaking in the resumed debate on Feb. 27, supported the argument that the Government's decision on missile bases was politically and militarily wrong and that nothing should be done which might jeopardize the success of the coming summit talks with Russia. As regards the *Thor* missile, he said that of all the Servicemen, scientists, and others with whom he had talked, not one had a good word to say for it. Tests had shown that it could not be trusted to go off when it was meant to, and that the liquid propellant was "highly temperamental." Should not the Government wait for the development of a solid fuel rocket, or for something that could be launched from underground or in the air?

After criticizing the Government for its "out-of-date" attitude to Civil Defence and its "lack of decision," Mr. de Freitas asserted that the concept of a strategic reserve able to move anywhere at any time was "a complete myth" because of lack of modern transport. Referring to the Soviet propaganda, he declared: "One of its successes has been in this country, where there is about to be a wave of pacifism or neutralism. The Government has encouraged this wave, not deliberately but by confusing and frightening the public . . . Our people will not support any Government in a defence policy they do not understand."

Mr. George Ward (Secretary of State for Air) said that the Labour Party agreed there should be a British contribution to the nuclear deterrent but argued that Government policy relied too much on it. The Liberal Party believed that there should be a deterrent, but only an American one. The third school of thought believed that nuclear weapons should be banned altogether in advance of any comprehensive disarmament agreement.

On the Liberal point of view, he commented: "It is not easy to understand how one could renounce the H-bomb on high moral grounds and at the same time shelter behind the Americans, relying on that very weapon for prevention of another global war. To their credit, the Labour Party has rejected this thesis."

Continuing, Mr. Ward said that if it were Government policy to ban nuclear weapons in advance of a comprehensive disarmament agreement, then the defence of the West could rest only on conventional forces. The Russians' 200 divisions could be doubled on mobilization, and they had 500 modern submarines compared with the maximum of 235 deployed by the Germans at the height of the last war. Even if we could match the Russian strength, and Fighter Command had four or five times the strength now planned, it would be unwise to believe that we should be freed from the fear of nuclear attack. Mr. Ward added: "If the Russians found themselves losing a war fought only with conventional weapons, does anyone really believe they would hesitate to use nuclear weapons to avoid defeat?"

Replying to the criticism of the *Thor*, Mr. Ward said that doubts had been cast on its operational performance, but British scientists had been in close consultation with their American counterparts and were kept in close touch with the progress of its development and trials. The Government were satisfied that the *Thor* would be an efficient weapon, and would not have accepted it if they had thought otherwise.

As regards the missile sites, Mr. Ward said it was understandable that people should be apprehensive, but emphasized that these widely-dispersed sites would be much more difficult targets than strategic bomber bases. There was no question of launching rockets or test-fired motors in peace-time, and there would be less danger in living near missile sites than in living near an airfield. There was also no risk of a nuclear explosion caused by an accident, even if there were some other kind of explosion, which was extremely unlikely. The missiles were in the final stages of development, and their deployment would take place after technical representatives were agreed on their performance.

In conclusion, Mr. Ward stated that the Government had never intended these rockets to be an element of independent British power. That would come later with Britain's own rockets.

Mr. Shinwell (Minister of Defence in the Labour Government) said that he had "not yet reached the stage of being able to interpret with clarity what was called the unofficial defence policy of the Labour Party." He thought that the difference between the official defence policy of the Labour Party and the defence policy of the Government was less acute than the differences on defence within the Labour Party itself. Much of these differences arose from the propaganda of unofficial people outside the House—"superannuated philosophers like Bertrand Russell" and "that famous playwright J. B. Priestley, who undoubtedly has made a contribution to national culture, but in the sphere of politics is about as woolly as any person I have known since the days of Ramsay MacDonald . . ."

Mr. Shinwell said that there was general agreement on all sides with a declaration made by the Prime Minister [in a foreign affairs debate] that he desired a Summit conference, disarmament, and peace. If he [Mr. Shinwell] believed that the renunciation of nuclear weapons would promote peace, he would gladly support it. But the quarrel, if there was one, was between the most powerful Communist nation in the world, Soviet Russia, and the most powerful capitalist nation in the world, the United States. Should that quarrel lead to a major conflict, Britain, whether she liked it or not, would inevitably be involved—"whether with conventional weapons, nuclear weapons, or none at all."

"There is no escape," Mr. Shinwell declared. "The choice is either to build up a defence mechanism, for what it is worth, having regard to Britain's limited financial position, or to rely entirely and exclusively on the U.S.A. in the event of global conflict. It is impossible to build up conventional forces and employ conventional strategy capable of dealing with the Russians. What is the use of denying that we have got to rely on the military power of the United States." After saying that there had been far too much denigration of Britain on both sides of the House, Mr. Shinwell declared: "We are a great Power. But we have not got as much as we should like simply because we cannot afford it. We have to accept the Anglo-American alliance and to do everything we can to prevent an emergency."

Recalling that some Labour Members had said that it would be an unfriendly act to station missiles in Britain before a Summit conference, Mr. Shinwell declared: "What nonsense! Let us be realistic about the whole position. The Russians have everything. They have just had another nuclear test equal to a million tons of T.N.T." He could not understand those Opposition members who had suggested that it was part of the official Labour Party policy to oppose the construction of missile bases in Britain. He would like to know when that decision had been reached, and how it had been injected into official policy.

In conclusion, Mr. Shinwell made three proposals. First he urged that the Government should follow a strong policy in co-ordinating the Service departments, and "incidentally cut out the Ministry of Defence." Second, he asked, in view of the Government's declared anxiety to have a Summit meeting, whether it would not be possible for the Government to enter into consultation with the Opposition from time to time on matters of defence. He did not mean a Council of State or a coalition, but that the Minister of Defence should approach the Opposition and talk these things over from time to time. He would even go further and advocate a Standing Committee from both sides of the House to analyse defence problems in the interests of the country, and to "keep defence out of politics." Third, he urged the Prime Minister to expedite "with all his undoubted courage" a meeting with the Russians—adding that though he (Mr. Shinwell) was not too optimistic about the result, "it is far better to go on talking than to fight."

Mr. Nigel Birch (C.), after paying tribute to Mr. Shinwell for "a very patriotic speech," said that "what Britain needed to keep her end up" was good conventional weapons and a viable economy, with the ability to lend and invest in the Commonwealth and throughout the world. That, however, would depend on a valid, effective deterrent being in Western hands.

The **Rev. Llywelyn Williams** (Lab) said that he had no illusions about Russia or Communism, but he refused to continue thinking in terms of Russia as a Power which sooner or later would wage an aggressive war. He did not underestimate the terrible consequences of a Russian occupation of Britain, but thought that that would be better than an island completely ruined and devastated beyond repair. **Mr. George Thomas** (Lab.) thought that the Labour Party should give a unilateral lead on the missile bases, though conceding that he was out of step with many other Labour M.P.s on this matter. **Brigadier Prior-Palmer** (C.) said that Mr. Thomas was "flying in the face of history."

Mr. Richard Crossman (Lab.) said that there was no Western deterrent but only an American deterrent; those who were saying that Britain should not live under its shelter ignored the fact that she had been doing so for ten years. If Britain wanted to influence Washington by her military strength, it was "insane to have 240 V-bombers and 35½ H-bombs." Two efficient divisions, capable of rapid movement anywhere in the world, would influence the Americans far more, and would count for much more than the "bogus pretence of being a nuclear Power." The biggest single contribution Britain could make to peace would be to prevent anyone else joining the "nuclear club."

Mr. John Strachey (Secretary for War in the Labour Government) wound up for the Opposition. He said that the Minister of Defence had given the impression in the White Paper that the only response Britain could make would be "to start throwing H-bombs on to the sources of power in Russia and committing suicide in the process." Instead, the Minister should simply have said that any Russian aggression must be met by a proper degree of resistance sufficient to check it when it took place. The division of opinion in the country was not between people who were for and against nuclear weapons, but between those people in the Opposition who were against all nuclear weapons at all times and for anyone, and those who gave the impression that they were only against British nuclear weapons—i.e. the conflict between unilateral and multilateral disarmament. By his statement in the White Paper, however, the Minister had done great harm in tending to "break the spirit of the people of Britain and their powers of resistance by giving them no hope of survival."

Mr. Christopher Soames (Secretary for War), replying to the debate, said that there had been "a good deal of misinterpretation" of the relevant statement in the White Paper. It had been asserted that everyone had taken this to mean that the ultimate deterrent would be used in any incident but a minor one. This, however, was a complete failure to comprehend the purpose of the White Paper statement. The whole question was that "we want the deterrent to deter." The balance of conventional power had not changed since the days when America alone possessed the atom bomb, while Russia had a preponderance of conventional forces. If the West were to renounce the use of the deterrent in the event of a major aggression by Russia with conventional weapons only, then, in the context of the present balance of power, the Communist side would have a supreme military advantage. To those who thought that Britain should counter conventional aggression only with conventional resistance, he would say that they should then not support the reductions in conventional arms now taking place.

Of all the areas where there was friction or danger of it, the one in which it was least likely to develop on a major scale was Europe—owing to the fact that the Western countries had built up the strength of NATO and had devoted sufficient of their resources to provide the deterrent. The strength of NATO forces on the ground was such that it would need a major aggression to overcome them.

Mr. Soames continued: "I do not think any of us believe that Russia intends wilfully to bring about a major clash of arms with the West. The danger of global war lies not in cold calculation by the men in the Kremlin. It lies in miscalculation. So it must be not only in our interests but in the interests of the whole world that we should narrow the area of possible miscalculation. The Russians won't chance their arm in a manner which they consider will result in nuclear retaliation." However, if the West were unilaterally to renounce the use of the H-bomb, even in the event of major Russian aggression, then Western Europe would become overnight the biggest danger spot of all.

Mr. Soames said that the real danger was that an unscrupulous nation, playing on the abhorrence and reluctance of the West to launch into a mutually devastating nuclear exchange, might indulge in military adventures or encourage others to do so while giving them thinly veiled support. This was an area in which no Government could say in advance what weapons they would need to have recourse to in any of the possible different sets of circumstances. The Government could not say and would not try to, and neither would the Opposition were they in Power.

As regards the missile bases, Mr. Soames emphasized that there would be no rockets in position before the "Summit" talks unless those talks were very long delayed. The outcome of the talks would depend on whether or not the Russians wanted to reduce tension in the world. If that was so, the Russians would not be deflected by the fact that the deterrent power based in Britain had increased. Nor would the Government be deflected in their search for peace by the knowledge that the Russians were themselves building rocket bases.

On a division the Opposition amendment was rejected by 318 votes to 263, and the Government motion agreed to by 317 votes to 261. (Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Defence White Paper, 16029 A; Defence Debate, 15550 A.)**

A. CEYLON. — Parliamentary Select Committee to consider Constitutional Reform and Republican Status.

The Ceylon House of Representatives adopted a resolution on Nov. 27, 1957, proposing the appointment of a Joint Select Committee of the Senate and the House to consider the revision of the Constitution laid down in the Ceylon (Constitution and Independence) Orders in Council of 1946 and 1947. The Committee was also asked to consider other written law with reference to: (1) the establishment of a Republic; (2) the guaranteeing of fundamental rights; (3) the position of the Senate and nominated members of the House of Representatives; and (4) the Public Service Commission and the Judicial Service Commission.

The resolution had been moved by the Prime Minister (Mr. Bandaranaike) and was adopted by 41 votes to two, being supported by most Opposition members.

After the resolution had been passed by the Senate, both Houses appointed their representatives on the Joint Select Committee in January 1958. They included Mr. Bandaranaike; the Ministers of Finance (Mr. S. de Zoysa), Food and Agriculture (Mr. Gunawardene), Labour, Housing and Social Services (Mr. Illangaratne), Justice (Senator M. W. H. de Silva) and Home Affairs (Senator Jayasuriya); the Leader of the Opposition (Dr. N. M. Perera); Mr. M. D. Banda and Senator E. B. Wickremanayake, of the National Party; and Mr. Pieter Keuneman, of the Communist Party.

The committee held its inaugural meeting on March 14. (Ceylon Government Information Department) **(Prev. rep. Constitution, 9102 A; 9006 C; 7967 B; Republican Status, Proposal, 14961 A.)**

B. SOUTH-EAST ASIA.—Mekong Development Plan.

The United Nations survey mission headed by Lieut.-General Raymond A. Wheeler which visited South Vietnam, Laos, Cambodia and Siam to investigate the conditions for implementing the Mekong River Development Plan (see 15938 A) recommended in its report, published by U.N. headquarters on Feb. 21, that a five-year programme costing $9,200,000 should be carried out for the collection of basic data for the comprehensive development of the river basin.

The report recommended immediate steps to survey the exact level of the river from the Burma-Laos border to its mouth, as well as the levels of its major tributaries; to establish hydrological stations along the river and measure its flow on uniform standards; to undertake aerial mapping of promising reaches on the river, starting in Laos and Siam; and to undertake special studies of problems related to the river's development—notably fisheries, agriculture, forestry, mineral resources, and transportation.

The mission emphasized that, properly developed, the Mekong could "easily rank with South-East Asia's greatest natural resources." It acknowledged the "enthusiastic co-operation" received from the four riparian countries.

It was announced at U.N. headquarters on the same date that the mission's recommendations had been accepted by a committee of the four countries which had been set up to co-ordinate current investigations.—(U.N. Information Centre, London - Times - New York Times - Vietnam Press Agency) **(Prev. rep. 15938 A.)**

C. UNITED KINGDOM. — Restoration at Stonehenge.

Plans for re-erecting a trilithon and three other stones at Stonehenge, at a cost of £8,500, were announced on Feb. 25 by the Minister of Works, Mr. Hugh Molson. The trilithon, consisting of two uprights weighing about 45 tons each, and a lintel across the top, had lain untouched since the end of the 18th century, when amateur excavators caused its downfall; the three other stones to be raised, in the outer circle, fell in 1900. The restoration is expected to be completed within three or four months.—(Times - Daily Telegraph)

D. POLAND. — Purge of United Workers' Party.

It was announced in Warsaw during February that, as a result of the purge of party members ordered by the central committee of the Polish United Workers' Party in October last, 970,500 members and candidate members had been investigated, representing 78.1 per cent of the basic party organization. As a result, 20,890 members had been expelled and another 129,895 struck off the party's membership registers.—(Polish Embassy Press Office, London) **(Prev. rep. 15871 A.)**

A. YUGOSLAVIA. — Trial and Imprisonment of Socialist Leaders. - Protest by Socialist International.

Two leading members of the pre-war Serbian Socialist Party, Dr. Alexander Pavlovich and M. Bogdan Krekich, and a professor of theology at Belgrade University, Dr. Dragoslav Stranjakovich, were arrested at the beginning of December on charges of conspiring to overthrow the Yugoslav Government. All three men had supported the Chetnik movement led by General Mihailovich during the Second World War. Dr. Milan Zujovich, a professor of law at Belgrade University, was subsequently arrested in January on a similar charge.

The trial of Dr. Pavlovich, M. Krekich, and Dr. Zujovich opened in Belgrade on Jan. 31, Dr. Stranjakovich being granted a separate trial on health grounds.

Dr. Pavlovich (73), a Belgrade lawyer and former vice-president of the Socialist Party, was a member of the National Organization Committee of the Chetnik movement during the war; he was sentenced to 10 years' imprisonment in 1946 as a collaborator, being released after eight years. **M. Krekich** (70) was the pre-war secretary of the Yugoslav Trade Union Congress and one of the founders of the Serbian Socialist Party. **Dr. Zujovich** (58) is a brother of Dr. Mladen Zujovich (a leading supporter of General Mihailovich), who was sentenced to death *in absentia* in 1946 and now lives in Paris. **Dr. Stranjakovich** (56) served a term of imprisonment after the war for Chetnik activities; before the war he worked with Professor Jovanovich, an eminent Serbian historian who became Prime Minister of the Yugoslav Government-in-exile in London.

The indictment alleged (i) that Dr. Pavlovich, M. Krekich, and Dr. Stranjakovich had formed a conspiratorial group with the object of overthrowing the régime by force and destroying the unity of the peoples of Yugoslavia; (ii) that they had supplied Chetnik émigrés with material, subsequently published in the foreign Press, in order to "compromise" the régime and defend the policy of the "Chetnik traitors"; and (iii) that they had tried to contact foreign embassies in Belgrade. Dr. Zujovich was accused of acting as their accomplice. All the accused pleaded "not guilty."

Dr. Pavlovich and M. Krekich admitted that they had discussed means of contacting Yugoslav émigrés in Paris and London, but emphasized that they were opposed to the use of force; they said that the only object of their regular meetings was to "talk over old times over a cup of coffee." Dr. Pavlovich also admitted having given to a Yugoslav employee of the U.S. Embassy a memorandum, drawn up by M. Krekich, on a project for constructing a railway from Belgrade to Bar; he stated, however, that he had done so for the official's personal information, and not in order to obtain U.S. financial support for the plan. [The project for a Belgrade-Bar railway which would avoid Croatian territory and withdraw Serbian trade from the Croatian port of Rijeka (formerly Fiume) had frequently been put forward by Serbian nationalists in the past.]

M. Krekich admitted that he had written a letter containing "theoretical ideas" to Dr. Jovanovich (Premier of the wartime Royal Yugoslav Government-in-exile, and now living in London); that he had drawn up a "programme of action" for Yugoslav émigrés; that he had written a book entitled *The Face of Tito's Yugoslavia*, the manuscript of which was found in his house; and that he had supplied information on religion in Yugoslavia to some Yugoslavs who had told him that it was wanted by the U.S. and French Embassies. He declared, however, that his "programme" was a theoretical work and not a "call to action"; that his book was not intended for publication abroad; and that his aim had been to mobilize support among Yugoslav émigrés against "Croatian separatists."

Dr. Zujovich withdrew a statement, made to the police while under interrogation, in which he had said that he had handed M. Krekich's "programme" to Professor Leduc, of Paris University, who was then visiting Belgrade, so that it could be passed on to his (Dr. Zujovich's) brother in Paris. Denying the accuracy of this statement, he said he had made it while in a "state of depression" and declared that he had destroyed the "programme" on discovering its contents. Dr. Stranjakovich, who gave evidence at the trial of the other accused, testified that his visits to Dr. Pavlovich had been merely concerned with his researches into the history of Serbian-Croatian antagonism, and that his (M. Stranjakovich's) wife had burned his copy of M. Krekich's book. Evidence was also given *in camera* by two Yugoslav employees of the U.S. Embassy in Belgrade.

The accused were all found guilty on Feb. 4, Dr. Pavlovich being sentenced to 8½ years' rigorous imprisonment, M. Krekich to seven years, and Dr. Zujovich to four years. After a separate trial, Dr. Stranjakovich was sentenced to six years' rigorous imprisonment on March 8.

Protests against the sentences on Dr. Pavlovich and M. Krekich were sent to the Yugoslav Government by the trade union group of British M.P.s and by the Austrian Socialist Party. On Feb. 15 the Socialist International appealed to President Tito to discuss the sentences with a three-man deputation comprising Mr. Aneurin Bevan (Britain), Mr. Haakon Lie (Norway) and Herr Otto Probst (Austria), who, it was proposed, should visit Belgrade. As no official reply was received to this request, and as the Yugoslav Government indicated that it would not grant visas to the delegation, the International asked its member-parties on March 3 to use their influence with the Yugoslav Government.

Borba, the official organ of the Yugoslav League of Communists, had previously condemned the attitude of the Socialist International as an "interference in the internal affairs of Yugoslavia" and as "inconsistent with the principle of the equality of States and the independence of individual Labour and Socialist movements."—(Tanjug Agency, Belgrade - Times - Le Monde, Paris - New York Times)

(Prev. rep. Political Trials, 15822 A.)

B. CANADA. — Atomic Energy Co-operation Agreements with Western Germany and Switzerland. - New Agreement on Uranium Supplies for Britain. - Canadian Uranium Production in 1957.

The Canadian Minister of Trade and Commerce (then Mr. C. D. Howe) announced on Feb. 18, 1957, that the Canadian Government were prepared to negotiate bilateral agreements with friendly Governments covering co-operation in the peaceful uses of atomic energy, and, in particular, the supply of natural uranium for such uses. He pointed out that these agreements would contain control provisions similar to those contained in the statute of the International Atomic Energy Agency. Sales arrangements under bilateral agreements would be on a normal commercial basis, the contracts being negotiated by Eldorado Mining and Refining Ltd.—the Crown company responsible for all uranium purchases in Canada.

The first co-operation agreement for the peaceful uses of atomic energy was signed on Dec. 10, 1957, between Canada and the German Federal Republic, and the second on March 7, 1958, between Canada and Switzerland. They included provisions for exchange of information, the supply of equipment and materials, and access to and use of facilities, as well as the supply of Canadian uranium under separate contracts.

Mr. Gordon Churchill, Minister of Trade and Commerce in Mr. Diefenbaker's Government, announced on Feb. 1, 1958, that arrangements had been completed for the sale to the U.K. Atomic Energy Authority of approximately $105,000,000 (about £38,000,000) worth of Canadian uranium, in addition to the order for uranium supplies worth $115,000,000 which had been arranged at the Bermuda meeting in March 1957 [see page 15458]. Deliveries under the latter order would end on March 31, 1962, whilst the new order would cover the period from April 1, 1962 to March 31, 1963.

Mr. Churchill stated that negotiations were in progress for the supply by Canada of a substantial part of the U.K. Atomic Energy Authority's uranium requirements between April 1, 1963, and Dec. 31, 1966; hitherto, Canada had undertaken to supply in full the quantity which the U.K. Atomic Energy Authority requested in this period. In addition to the sales to Britain, every effort would be made to sell surplus uranium to individual friendly countries and to organizations such as Euratom and the O.E.E.C.

In his statement Mr. Churchill also announced that Canada had produced 6,687 tons of uranium during 1957, that it was estimated that 13,000 tons would be produced in 1958, and that production was expected to rise to about 15,500 tons in 1959. Eldorado Mining and Refining Ltd. had entered into purchase contracts with 16 Canadian producers to a total value of about $1,425,723,000, whilst the total value of shipments made under sales contracts at Dec. 31, 1957, was $223,162,037. The bulk of the uranium to be produced under existing contracts would be delivered to the U.S. Atomic Energy Commission under the 1948 arrangement.—(External Affairs Department, Ottawa - Frankfurter Allgemeine Zeitung - Neue Zürcher Zeitung - Times)

(Prev. rep. Anglo-Canadian Agreement, 15457 A; Uranium Production, 16008 B.)

C. INDIA. — Mining Disasters.

The worst colliery disaster in Indian history occurred at the Chinakuri pit in West Bengal on the night of Feb. 19, when an explosion killed 183 miners. The Chinakuri mine belongs to the Bengal Coal Company. The Indian Minister of Labour (Mr. Nanda) announced that a court of inquiry would be set up to investigate the cause of accident.

Two other mining disasters occurred in the same area, but on the Bihar side of the West Bengal-Bihar border, immediately after the Chinakuri explosion. In one of these disasters the Central Bhowrah mine was flooded and 23 miners drowned, whilst another 15 miners lost their lives when they were trapped in the Mahalbani mine by flood-waters from the Damodar River.—(The Statesman, Calcutta)

A. FRANCE. — Designation of Representatives in European Common Assembly. - Legislation passed by National Assembly.

The French National Assembly passed a Bill on March 4 providing for the designation of the 36 French members in the Common Assembly to be set up for the European Economic Community, the European Atomic Community, and the European Coal and Steel Community. The legislation laid down that 24 of the 36 French representatives should be deputies and 12 Senators ; that each Chamber should elect (by an absolute majority of votes) those of its members it wished to delegate ; and that those elected should hold office for one year but should be eligible for re-election.

M. Maurice Schumann, chairman of the National Assembly's Foreign Affairs Commission, proposed to designate an additional 18 alternate members (12 deputies and six Senators), but this proposal was dropped after M. Bonnefous (Minister of Public Works) had pointed out that no provision for alternate delegates had been made in the Euratom and Common Market Treaties. Instead, the Commission put forward a resolution inviting the French representatives in the Common Assembly to ask that body to propose to the six member-Governments that they should agree to the designation of alternate members, with a view to "ensuring the continuity of work in the Common Assembly and facilitating the participation of representatives of overseas territories." This rider was accepted by the Government and agreed to by the National Assembly.

M. Kriegel-Valrimont (Communist) moved that the French representatives should not be elected by majority vote but by proportional representation, to avoid the possibility of Communists being excluded from the Common Assembly. His amendment was rejected (by 370 votes to 150) after heated exchanges with Socialist and M.R.P. deputies, who denounced the Communist attitude towards the European treaties and institutions and declared that the Communists were themselves to blame for their exclusion from the European Assemblies.

The Bill as a whole was then adopted, against the votes of the Communists and *progressistes*.—(Le Monde, Paris)

(Prev. rep. 15951 A ; 15927 A.)

B. UNITED KINGDOM - SOVIET UNION. — Agreement on London-Moscow Air Service.

An agreement between British European Airways and Soviet *Aeroflot* for a direct air service between London and Moscow was signed in the Soviet capital on Feb. 26 by Air-Marshal Zhigarev (head of the Soviet civil aviation organization) and Marshal of the R.A.F. Lord Douglas of Kirtleside, chairman of B.E.A.

Lord Douglas said at a press conference in Moscow that a regular passenger service would be opened in the summer *via* Copenhagen, beginning with two flights a week. The flights would be made with British *Viscounts* and Soviet *TU-104's* and *IL-18's*, but later BEA would use *Comets*, which would make possible non-stop flights from London to Moscow. The *Viscounts* would take about six hours for the flights, but the *TU-104's* would be considerably faster. The new line would not affect the Scandinavian Airlines service between Copenhagen and Moscow.

The agreement implemented the Anglo-Soviet civil aviation agreement signed in December last.—(Times - Soviet Embassy Press Department, London) **(Prev. rep. 15926 B.)**

C. NETHERLANDS.—Expulsion of Soviet Diplomats.

It was announced in The Hague on Jan. 29 that the Netherlands Government had expelled three members of the Soviet Embassy as *personae non gratae*—Colonel L. I. Tchernov, the military and air attaché ; Lieut.-Commander V. S. Zenin, the naval attaché ; and M. Suchatsev, an interpreter, all of whom had left the country.

No official reason was given for the expulsion of the Soviet diplomats, but the Dutch Press stated that the two attachés had regularly invited lower-ranking Netherlands officers to parties and meetings to collect data about the Dutch armed forces, and had concentrated their attention on the naval base at Den Helder. (Netherlands News Agency)

D. MALAYA. — Membership of World Bank and International Monetary Fund.

The Federation of Malaya became a member of the International Bank and the International Monetary Fund on March 10, her quota in the I.M.F. being $25,000,000 and her subscription to the capital stock of the Bank 250 shares, with a par value of $25,000,000. This brought the membership of both institutions to 65 ; the total of members' quotas in the Fund to $9,031,000,000 ; and the total subscribed capital of the Bank to $9,358,400,000.—(International Bank and I.M.F., Washington) **(Prev. rep. 15855 B.)**

E. UNITED KINGDOM. — Kelvingrove By-election.

Polling took place on March 13 in the Kelvingrove division of Glasgow, the by-election being caused by the death of Mr. Walter Elliot (Conservative), a former Minister of Health, Minister of Agriculture, and Secretary of State for Scotland. The Labour Party won the seat from the Conservatives, the result being :

McAlister, Mrs. Mary (Labour)	10,210
Elliot, Mrs. Katharine (Conservative)	8,850
*Murray, David (Liberal-Home Rule) . ..	1,622
*Park, William (Independent Labour Party) .	587
Labour gain from Conservative. Majority ..	1,360

* Forfeited deposits.

Figures at the general election were : W. Elliot (C.) 14,854, J. L. Williams (Lab.) 11,966—Conservative majority, 2,888.

The Labour candidate polled 48 per cent of the total vote, the Conservative candidate 41.61 per cent, the Liberal-Home Rule candidate 7.63 per cent, and the I.L.P. candidate 2.76 per cent, whereas at the general election the Conservatives polled 55.38 per cent and Labour 44.62 per cent in a straight fight. The Conservative proportion thus fell by 13.77 per cent, while the Labour proportion rose by 3.38 per cent.

60.53 per cent of the electorate voted in the by-election, compared with 67.59 per cent at the general election. The total electorate numbered 35,138 (one of the smallest in the country), a decrease of 4,544 since the general election—mainly due to rehousing.

The B.B.C. and the I.T.A. collaborated in televising the by-election—the first occasion on which the B.B.C. had undertaken T.V. coverage of a by-election. In agreement between the Conservative Party, the Labour Party, the I.L.P., and Mr. David Murray (who was not officially supported by the Scottish Liberal Party), several televised programmes were given at which the candidates were seen and heard by about 1,000,000 Scottish viewers.

Mrs. Katharine Elliot, the Conservative candidate, is the widow of the late Member ; she is current chairman of the National Union of Conservative and Unionist Associations, and a member of Roxburgh County Council. Mr. Murray's candidature as a "Liberal-Home Ruler" was sponsored by a committee of independent Liberals, Scottish Nationalists, and others.

Mr. Walter Elliot (69), who died on Jan. 8, had a distinguished career in politics, science and medicine, and was a prominent figure in British political life for many years.

Born in Lanark, Walter Elliot graduated at Glasgow University with degrees in science and in medicine and surgery, subsequently taking his Doctorate of Science. He served as a doctor with the Scots Greys in the First World War, winning the M.C. and bar, and was first elected to Parliament in December 1918 as Unionist M.P. for Lanark. Thereafter he represented Kelvingrove from 1924 to 1945, when he lost the seat by 88 votes. In the following year he was returned to Parliament as an M.P. for the Scottish Universities, and after the abolition of university representation he was again returned for Kelvingrove in 1950, holding the seat until his death.

Mr. Elliot became Financial Secretary to the Treasury in the National Government of 1931, and was subsequently Minister of Agriculture and Fisheries (1932-36), Secretary of State for Scotland (1936-38), and Minister of Health (1938-40). As Minister of Agriculture he instituted Marketing Boards at a time of acute agricultural depression, while as Minister of Health in the immediate pre-war years he was responsible for the organization of special hospital services and plans for evacuation and billeting. In 1941 he succeeded Major-General John Hay Beith (Ian Hay) as Public Relations Officer at the War Office.

Mr. Elliot was a Companion of Honour, a Fellow of the Royal Society, Lord High Commissioner of the General Assembly of the Church of Scotland in 1956, and a former Rector of Glasgow and Aberdeen Universities.

Mrs. Mary McAlister, the new Member for Kelvingrove, is a Glasgow housewife and a member of Glasgow City Council. She is the 28th woman M.P. in the House of Commons. (Times - Daily Herald - Glasgow Herald)

(Prev. rep. By-elections, 16015 A.)

F. KENYA. — New Chief Secretary.

It was announced on March 11 that Mr. W. F. Coutts, Education Secretary and Minister of Education, Labour and Lands in the Kenya Government, had been appointed Chief Secretary of Kenya in succession to Mr. Richard Turnbull, following the latter's appointment as Governor of Tanganyika. (Times) **(Prev. rep. 15948 E ; Ministerial Appointments, 15632 A ; 14621 A.)**

G. MONACO. — Birth of Prince Albert.

A son was born to Prince Rainier and Princess Grace on March 14 and was given the names Albert Alexandre Louis Pierre. The infant prince became heir to the Monegasque throne under the laws of primogeniture, taking precedence over the infant Princess Caroline, who was born in January 1957.—(Le Monde, Paris) **(Prev. rep. 15358 C.)**

MARCH 15—22, 1958

A. SOVIET UNION - WESTERN POWERS. — The "Summit" Correspondence.

The voluminous correspondence between the U.S.S.R. and the Western Powers, initiated in 1957 by Marshal Bulganin, was continued during the first three months of 1958, during which period further letters—nearly all running to many thousands of words—were exchanged between the Soviet Prime Minister on the one hand and President Eisenhower, Mr. Macmillan, and other Western Heads of Government on the other.

As summarized on pages 15976-78, Marshal Bulganin had sent Notes on Dec. 10-14 to all U.N. member-nations, and also separately to the 15 NATO countries and to Switzerland, setting forth the Soviet Government's proposals for the suspension of nuclear tests, a demilitarized zone in Central Europe, a non-aggression pact between NATO and the Warsaw Treaty Organization, etc. On Jan. 8, 1958, he sent further Notes to the NATO countries and to four "uncommitted" countries (India, Egypt, Austria, and Sweden) proposing a "summit" conference of Heads of Government, preferably in Switzerland, during the early months of 1958; copies of this correspondence [summarized on pages 15978-79] were also sent to every U.N. member-country and to Switzerland.

Replies to Marshal Bulganin's Letters of December 1957 and January 1958.

During January letters were sent to Marshal Bulganin by President Eisenhower, Mr. Macmillan, M. Gaillard, Dr. Adenauer, Signor Zoli, Mr. Nehru, and many other Heads of Government in reply to the above-mentioned letters from the Soviet Prime Minister. Summaries of the more important of these replies are given below:

President Eisenhower to Marshal Bulganin.

In a letter dated Jan. 12, 1958, sent in reply to Marshal Bulganin's letter of Dec. 10, 1957, President Eisenhower proposed (1) that the U.S.A. and the U.S.S.R. should agree to relinquish the veto power in the Security Council; (2) that they should proceed "vigorously" to bring about the reunification of Germany by free elections, and also to implement that part of the Yalta Agreement whereby the peoples of Eastern Europe were promised the right to choose their own form of government; (3) that the U.S.A. and the U.S.S.R. should "agree that outer space should be used only for peaceful purposes"; and (4) that steps should be taken toward nuclear disarmament and the cessation of nuclear arms production, under effective safeguards and inspection. President Eisenhower expressed his willingness to take part in a summit conference, but emphasized that "preparatory work, with goodwill on both sides, is a pre-requisite to success."

Refuting Marshal Bulganin's allegation that peace was endangered by the collective defence efforts of the free-world nations, President Eisenhower said: "The past 40 years provides an opportunity to judge the comparative peace records of our two systems. We gladly submit our national record for respecting peace to the impartial judgment of mankind . . . Three times in this century wars have occurred under circumstances which strongly suggest, if indeed they do not prove, that it would not have occurred had the United States been militarily strong and committed in advance to the defence of nations that were attacked. On each of these three occasions the United States was militarily unprepared, or ill-prepared, when war came, and it was not known that the U.S.A. would go to the aid of those subjected to armed aggression . . .

"I may be permitted to recall that in March 1939, when the Soviet Union felt relatively weak and threatened by Fascist aggression, it contended that aggression was rife because 'the majority of the non-aggressive countries, particularly Britain and France, have rejected the policy of collective security.' Stalin went on to say that the policy of 'let each country defend itself as best it can . . . means conniving at aggression and giving free rein to war.' Now the Soviet Union is no longer weak or confronted by powerful aggressive forces. The vast Sino-Soviet bloc embraces nearly one billion people and large resources. Such a bloc would of course be dominant in the world were the free-world nations to be disunited . . .

"Of course the United States would greatly prefer it if collective security could be obtained on a universal basis through the United Nations. This was our hope when in 1945 our two Governments signed the U.N. Charter . . . Also, by that Charter we agreed to make available to the Security Council armed forces, assistance, and facilities so that it could maintain international peace and security. The Soviet Union has persistently prevented the establishment of such a universal collective security system and has, by the use of its veto—now 82 times—made the Security Council undependable as a protector of peace . . ."

President Eisenhower went on to give Marshal Bulganin "two solemn and categorical assurances":

(1) "Never will the United States lend its support to any aggressive action by any collective defence organization or any member thereof."

(2) "Always will the United States be ready to move toward the development of effective U.N. collective security measures in replacement of regional collective defence measures."

Turning to the proposals contained in Marshal Bulganin's letter of Dec. 10, President Eisenhower said that they seemed to be "inexact or incomplete in their meaning, and inadequate as a programme for productive negotiations for peace." He continued:

"You [Marshal Bulganin] first seem to assume that the obligations of the Charter are non-existent and that the voice of the United Nations is nothing we should heed. You suggest that we should agree to respect the independence of the countries of the Middle East and renounce the use of force in the settlement of questions relating to that area. But by the U.N. Charter we have already taken precisely those obligations as regards all countries, including those of the Middle East . . .

"You also suggest some form of non-aggression agreement between NATO and the Warsaw Pact. But all the members of NATO are already bound to the U.N. Charter provision against aggression.

"You suggest that the United States, the United Kingdom and the Soviet Union should undertake not to use nuclear weapons. But our three nations and others have already undertaken, by the Charter, not to use any weapons against the territorial integrity or political independence of any State . . .

"You suggest that we should proclaim our intention to develop between us relations of friendship and peaceful co-operation. Such an intention is already proclaimed as between ourselves and others by the U.N. Charter, to which we have subscribed. The need is not to repeat what we already proclaim, but to take concrete steps under the terms of the Charter that will bring about these relations of friendship and peaceful co-operation.

"As recently as last November, the Communist Party of the Soviet Union signed and proclaimed to the world a declaration which was designed to promote the triumph of Communism throughout the world by every means, not excluding violence, and which contained many slanderous references to the United States. Such a declaration is difficult to reconcile with professions of a desire for friendship, or indeed of peaceful co-existence. This declaration makes clear where responsibility for the 'cold war' lies.

"You renew the oft-repeated Soviet proposal that the United States, the United Kingdom, and the Soviet Union should cease for two or three years to test nuclear weapons; and you suggest that nuclear weapons should not be stationed or produced in Germany. You add the possibility that Poland and Czechoslovakia might be added to this non-nuclear weapons area.

"These proposals do not serve to meet the real problem of armament. The heart of that problem is, as you say, the mounting production, primarily by the Soviet Union and the U.S.A., of new types of weapons.

"Your proposals regarding Central Europe will of course be studied by NATO . . . But there cannot be great significance in de-nuclearizing a small area when, as you say, 'the range of modern types of weapons does not know of any geographical limit.'

"I note, furthermore, that your proposal on Germany is in no way related to the ending of the division of that country but would, in fact, tend to perpetuate that division. It is unrealistic thus to ignore the basic link between political solutions and security arrangements . . ."

President Eisenhower then put forward his own proposals, as follows:

(1) As the Security Council had "been too often prevented by veto from discharging the primary responsibility we have given it for the maintenance of international peace and security," the U.S.A. and the Soviet Union should agree to relinquish the veto power.

(2) Both countries should "proceed vigorously to bring about the reunification of Germany by free elections, as we agreed at Geneva in 1955 and as the situation urgently demands." President Eisenhower recalled that an agreed directive had been issued at the Geneva "summit" conference declaring that the Heads of Government "have agreed that the settlement of the German question and the reunification of Germany by means of free elections shall be carried out . . ."

The President also recalled that the Heads of Government of the U.S.A., the U.S.S.R., and Great Britain had agreed at Yalta in 1945 that the people of the East European countries "should have the right to choose the form of government under which they would live." After pointing out that this agreement had not yet been fulfilled, he continued: "At Geneva in 1955 you [Marshal Bulganin] took the position that there were no grounds for discussing this question . . . and that it would involve interference in the internal affairs of the Eastern European States.

"But have not subsequent developments shown that I was justified in my appeal to you for consideration of these matters? Surely the Hungarian developments and the virtually unanimous action of the U.N. General Assembly in relation thereto show that conditions in Eastern Europe are regarded throughout the world as much more than a matter of purely domestic scope. I propose that we should now discuss this matter. There is an intrinsic need of this in the interest of peace and justice, which seems to me compelling."

(3) To solve what he considered to be "the most important problem which faces the world today," President Eisenhower proposed that "we should agree that outer space should be used only for peaceful purposes." He wrote in this connexion: "We face a decisive moment in history in relation to this matter. Both the Soviet Union

and the United States are now using outer space for the testing of missiles designed for military purposes. The time to stop is now. I recall that a decade ago, when the U.S.A. had a monopoly of atomic weapons and atomic experience, we offered to renounce the making of such weapons and to make the use of atomic energy an international asset for peaceful purposes only. If only that offer had been accepted by the Soviet Union, there would not now be the danger from nuclear weapons which you describe. The nations of the world face today another choice perhaps even more momentous than that of 1948. This relates to the use of outer space. Let us this time make the right choice—the peaceful choice."

(4) In addition, the President urged that both countries should "end the now unrestrained production of nuclear weapons"; that nuclear tests should be stopped "not just for two or three years, but indefinitely"; that steps be taken to bring about a progressive and controlled reduction of conventional weapons; that agreement should be reached on measures to safeguard against the possibility of surprise attack, for which "there is open a wide range of choices as to where to begin"; and that technical groups be appointed to study all these matters and to reach agreement on the necessary inspection measures.

In conclusion, President Eisenhower wrote as follows with regard to the possibility of a "summit" conference: "I have noted that you attach great importance to personal contacts between statesmen, and that you would be prepared to come to an agreement on a personal meeting of State leaders to discuss both the problems mentioned in your letter and other problems. I, too, believe that such personal contacts can be of value. I showed that by coming to Geneva in 1955. I have repeatedly stated that there is nothing I would not do to advance the cause of a just and durable peace.

"But meetings between us do not automatically produce good results. Preparatory work, with goodwill on both sides, is a prerequisite to success. High-level meetings create great expectations and for that reason involve a danger of disillusionment, dejection, and increased distrust if the meetings are ill-prepared, if they evade the root causes of danger, if they are used primarily for propaganda, or if agreements arrived at are not fulfilled.

"Consequently, this is my proposal: I am ready to meet with the Soviet leaders to discuss the proposals mentioned in your letter and the proposals which I make, with the attendance as appropriate of leaders of other States . . . It would be essential that prior to such a meeting these complex matters should be worked on in advance through diplomatic channels and by our Foreign Ministers, so that the issues can be presented in a form suitable for our decisions, and so that it can be ascertained that a top-level meeting would, in fact, hold good hope of advancing the cause of peace and justice in the world. Arrangements should also be made for the appropriate inclusion, in the preparatory work, of other Governments to which I allude."

In reply to Marshal Bulganin's 10,000-word letter of Jan. 8, President Eisenhower sent a 44-word letter on Jan. 20 pointing out that his (the President's) letter of Jan. 12 had dealt with all the substantive matters raised therein.

Mr. Macmillan to Marshal Bulganin.

The British Prime Minister's reply to Marshal Bulganin's letter of Dec. 10 was published in London on Jan. 16, 1958.

Mr. Macmillan "emphatically endorsed" the view that "the preservation of peace ought in times like these to be the first objective of every civilized Government." After stressing that this was "the heartfelt desire of the British people and the sincere aim of the British Government," he continued:

"I can assure you most solemnly that no British Government will ever commit, take part in, or condone an act of aggression against the Soviet Union. That was the purpose of my reference in a broadcast on Jan. 4 to a pact of non-aggression [see 15991 A]. This concept is, of course, inherent in the U.N. Charter. Nevertheless I solemnly repeat this assurance.

"But, as I went on to say in my broadcast, peace cannot be secured just by words: we need deeds as well. We need also to understand one another correctly and not to labour under misapprehensions on either side. For this reason I was sorry to see repeated in your letter a number of statements about the policy of the U.K. Government and about the character and purpose of NATO which are not justified by the facts. Although I do not think that much would be gained by a public argument about these points, I must call attention to some of these mis-statements which, if allowed to pass without comment, might be likely to gain credence. You asserted, for example, that the German Federal Government was to be given the opportunity to produce atomic and hydrogen weapons, and that the disarmament talks had been frustrated because the Western Powers had tried to impose unacceptable conditions on the Soviet Union. As is well known, there is no justification for either of these statements . . ."

Mr. Macmillan went on to express regret that Marshal Bulganin's letter seemed "to ignore a great many constructive proposals which we and our associates have put forward with the aim of reducing tension"—e.g. the draft Treaty of Assistance offered by the Western Powers to the U.S.S.R. at Geneva in 1955, and the Western disarmament plan recently approved by a two-thirds majority at the United Nations. Moreover, he (Mr. Macmillan) was "grieved" that Marshal Bulganin had made no reference to German reunification, "although this remains an essential condition of European security."

As regards the Polish plan for an atom-free zone in Central Europe [the "Rapacki Plan"—see page 15979], Mr. Macmillan thought it was "open to certain obvious objections"; nevertheless, the British Government were studying it "with a view to seeing whether there are elements which could be made the basis of some alternative proposal."

In conclusion, Mr. Macmillan recalled that the recent Paris meeting of the North Atlantic Council [see 15965 A] had recorded the NATO countries' willingness to examine "any proposal from whatever source" for general or partial disarmament. Moreover, they had declared that they would welcome a meeting at Foreign Ministers' level if the U.S.S.R. refused to participate in the new U.N. Disarmament Commission.

In a further letter on Feb. 8 to Marshal Bulganin (in reply to the latter's letter of Jan. 8) Mr. Macmillan said that he would be willing to participate in a meeting of Heads of Government, which, however, "must be preceded by adequate preparations." Mr. Macmillan continued:

"Such a meeting will not be fruitful unless the ground has been thoroughly prepared in advance and it is clear from this preparatory work that there is broad agreement on the nature and order of the agenda, and a real desire among all who participate to make practical progress towards a settlement of the differences between us. There must be a reasonable prospect of achieving concrete results on specific issues. Otherwise we should run the risk of a fruitless meeting which might make matters worse and not better. I remember very well our meetings at Geneva in 1955. In looking back at these discussions, I am convinced that one of the main reasons why we then achieved so little was that the ground had not been sufficiently prepared before the Heads of Government met."

In drawing up the agenda (Mr. Macmillan continued) it would be necessary to consider not only the proposals which Marshal Bulganin himself had advanced but also "any other proposal which might be put forward by other Governments concerned"—for example, the suggestions contained in President Eisenhower's letter of Jan. 12, which he (Mr. Macmillan) fully endorsed.

Reverting to the suggestion that a Foreign Ministers' meeting might help to break the deadlock on disarmament, Mr. Macmillan said: "This meeting of Foreign Ministers might well extend its scope and be a preliminary to a meeting of Heads of Government . . . I therefore propose that a meeting of Foreign Ministers should take place in the near future. As a matter of convenience it might be best that this meeting should consist of the Foreign Ministers of the Governments represented at Geneva in 1955. But this does not prejudice the ultimate composition of a subsequent meeting of Heads of Government.

"I have put forward this proposal for a meeting of Foreign Ministers in the knowledge that you have already commented adversely upon it. Nevertheless I believe it to be the best way in which to begin. An alternative method would be to make these preparations through confidential diplomatic exchanges . . . If either of these proposals proved acceptable to the Governments concerned, the detailed arrangements for a Foreign Ministers' meeting or for diplomatic exchanges might best be made without delay through their diplomatic representatives in Moscow.

"If we can adopt this approach, progress may well be made towards a better understanding between us, but it is right that we should recognize from the outset that on some of these issues there is between us a considerable gulf to be bridged. To ignore or minimize this fact would be unrealistic and therefore in the long run unhelpful to the end that we have in view. This is the reason why I attach such importance to adequate preparation.

"In all this we must remember that our peoples are anxious that something concrete in the way of agreement should be achieved. My anxiety is that their hopes should not be raised only to be disappointed. Nevertheless, in spite of our different approaches to some of the issues outstanding between us, we undoubtedly have one thing in common—namely, a very strong interest in the preservation of peace. I believe that each side recognizes that the other has this same interest, and on this basis it ought to be possible for us to have a useful meeting and to obtain positive results."

Other Replies to Marshal Bulganin.

The replies of the Prime Ministers of the other NATO countries were, generally speaking, broadly similar to those of President Eisenhower and Mr. Macmillan, though laying special emphasis on matters of particular concern to the country in question—e.g. M. Gaillard stressed that the support openly expressed by the U.S.S.R. for the Algerian rebels was difficult to reconcile with the professed Soviet assurances of friendship for France, while Dr. Adenauer called on the Soviet Government to honour its pledge to reunify Germany by free elections, given at the Geneva "summit" meeting in 1955. All the NATO Premiers expressed general agreement on the desirability of "summit" talks but, like President Eisenhower and Mr. Macmillan, stressed that they should be preceded by diplomatic consultations or a Foreign Ministers' meeting so as to give the best possible chances of success. Summaries are given below of the replies sent by the French Prime Minister and by the German Federal Chancellor.

M. Gaillard said that his Government was ready to resume discussion of the "concrete problems of Europe," including those mentioned by Marshal Bulganin, "on condition that the full validity of the undertakings entered into at the last Geneva conference of Heads of Government shall not be called in question." In addition, France, was ready to resume discussions on disarmament and to study any Russian objections to the Western proposals. As regards Marshal Bulganin's suggestion for a non-aggression pact between NATO and the Warsaw Treaty Organization, M. Gaillard commented that it was "hardly easy to believe in the practical utility of new undertakings in this field as long as the Soviet Government continues to proclaim that it attaches no credence to the assurances given on numerous occasions by the Western Powers."

M. Gaillard strongly criticized Russia's support for the resolutions adopted at the recent "Afro-Asian solidarity conference" in Cairo [see 16000 A] and, in particular, for the resolutions calling for immediate Algerian independence and urging French African territories to leave the French Union. Such actions, he emphasized, were incompatible with the Soviet assurances of goodwill towards France. He supported the idea of a "summit" meeting, but stressed that it should be adequately prepared with the co-operation of all Governments concerned.

Dr. Adenauer (whose reply was sent on Jan 21) believed that progress toward "summit" talks could best be achieved by "the proven possibilities of diplomatic negotiations" rather than by the continual exchange of letters, since the experience of the past few years had shown that no progress could be made by "polemical correspondence." Diplomatic talks, followed by a meeting of Foreign Ministers, might bring matters "to a point where the Heads of Government would face clear decisions, perhaps between alternatives." He fully endorsed the proposals contained in President Eisenhower's letter.

The Federal Chancellor declared that the constant reiteration of untrue allegations against the Federal Republic did not lend itself to an easing of tensions—e.g. the Soviet allegations that Western Germany was pursuing an "aggressive" and "militaristic" policy and proceeding with nuclear armament. In the latter connexion he pointed out that the Federal Government was the only government which had voluntarily renounced the production of nuclear weapons. As regards the proposal for an atom-free zone in Central Europe, Dr. Adenauer commented: "It seems to me of decisive significance to deal, not with the subsidiary question of where atomic arms will be stored today or tomorrow, but with the fundamental question of renouncing the production of these weapons. You yourself [Marshal Bulganin] pointed out in your first letter to me that 'the use of such means of destruction knows no geographical frontiers . . .'

Dr. Adenauer reiterated that the Federal Government would give no consideration whatever to the Soviet proposal for a "confederation" between Western and Eastern Germany. He called on the Soviet Government to implement the Geneva directive of 1955 whereby the Heads of Government had agreed to "reunify Germany by means of free elections in conformity with the national interests of the German people and the interests of European security."

Among the replies sent by the Prime Ministers of "uncommitted" countries, Mr. Nehru said that India believed that "a high-level conference is both desirable and necessary," and would welcome such a conference "whether it is confined to a few or more members." He added that India would gladly consider an invitation to take part in such a conference "if her presence is desired and if we can serve the cause of peace thereby."

After recalling his messages to Marshal Bulganin and President Eisenhower on the subject of nuclear disarmament [see 16012 A], and referring to the "sympathetic" replies he had received from both statesmen, Mr. Nehru expressed his conviction that "the urgent need today is for an agreement between the Soviet Union and the United States on a summit conference." He declared: "We cannot afford to allow the present drift to continue, as this can only worsen the situation and lead to a terrible catastrophe which all wish to avoid. I feel also that discussions can only bring useful results if they are not conducted in a polemical manner, with each party arguing its case and blaming the other . . ."

The Swiss Government informed the U.S.S.R. on Jan. 20 that it did not feel itself justified in taking the initiative in convening a meeting of Heads of Government, as it had done in November 1955, because present international conditions were different from those of 1956. [Marshal Bulganin had suggested that Switzerland might "serve the cause of peace" by inviting the Great Powers to a top-level conference.] Nevertheless, Switzerland was ready to put her good offices at the disposal of the Powers, and to welcome a conference on Swiss territory if the nations concerned agreed on the desirability of such a meeting.

Further Bulganin-Eisenhower Correspondence.

Marshal Bulganin sent a further letter to President Eisenhower on Feb. 1 containing a list of the subjects which he proposed should be discussed at a "summit" conference, and again rejecting the idea of a preparatory meeting of Foreign Ministers.

The Soviet Prime Minister proposed that a "summit" conference should concentrate on "the most urgent questions," which he listed as follows:

(1) Immediate cessation of nuclear tests.
(2) Renunciation of nuclear weapons by the United States, the Soviet Union, and Great Britain.
(3) An atom-free zone in Central Europe.
(4) A non-aggression pact between NATO and the Warsaw Treaty Organization.
(5) Reduction in the number of foreign troops stationed "on the territory of Germany and in other European States."
(6) Measures to safeguard against the possibility of surprise attack.
(7) Expansion of world trade.
(8) Cessation of "war propaganda."
(9) Easing of tension in the Middle East.

In addition, the meeting could also discuss "other constructive proposals designed to halt the 'cold war' that might be tabled by other parties to the talks." Marshal Bulganin added that "it goes without saying that all participants should be unanimously agreed as to the necessity for considering such proposals." As regards questions which offered "little hope of a mutually acceptable solution at the present time," the meeting might "agree on the procedure for discussing them at a subsequent stage in the negotiations between States."

Marshal Bulganin expressed disappointment at President Eisenhower's "negative attitude" to his suggestion that the U.S.A. and the U.S.S.R. should proclaim "a firm determination to develop relations of friendly and peaceful co-operation." As regards the President's references to the U.N. Charter, he said that the Soviet proposals were "designed to strengthen world peace and are in complete accord with the principles of the Charter," adding that the dissolution of such "military groupings" as NATO, SEATO, and the Baghdad Pact was necessary if the aims of the Charter were to be fulfilled.

President Eisenhower's proposal that the U.S.A. and the U.S.S.R. should agree to abandon the veto power was described by Marshal Bulganin as "a departure from the unanimity principle of the Great Powers in the Security Council, which is the mainstay of the very existence of the U.N. Organization . . . and prevents the adoption of important political decisions which would ignore the interests of States in the minority." He added: "The United Nations is not a kind of world government adopting laws and decisions that are binding on all States. When the U.N. was formed it was intended . . . that States should voluntarily undertake obligations to fulfil the provisions of the Charter, while fully retaining their independence of action . . . The removal of this [unanimity] principle would lead to abuses, to violation of the interests of the minority, and to attempts to use the Organization in the interests of a single Power or group of Powers . . ."

Reiterating his Government's "well-known attitude" on the German question, Marshal Bulganin declared "clearly and unequivocally" that the reunification of Germany could only be achieved by a *rapprochement* between the two German States. With regard to the East European countries, the Soviet Government's position "requires no explanation" and "polemics on this question would be useless." Any discussion of the social and economic regimes of those countries would constitute "an intolerable interference in the domestic affairs of sovereign States." As regards Hungary, Marshal Bulganin said that the events of 1956 had "demonstrated that the Hungarian people were able to give a due rebuff to the elements who, acting on the instructions and with the support of certain foreign circles, raised their hand against the social system chosen by the people of Hungary."

Marshal Bulganin agreed with President Eisenhower on the importance of using outer space for peaceful purposes only, but said that this question could be considered "only as part of the general problem of banning nuclear and rocket weapons." The Soviet Union was willing to examine the question of outer space, and also of intercontinental rockets, if the Western Powers were willing to "reach agreement to ban atomic and hydrogen weapons, to end tests of those weapons, and to dismantle foreign military bases on the territories of other States."

Finally, Marshal Bulganin rejected the proposal that a "summit" meeting should be preceded by a Foreign Ministers' meeting, on the ground that "the biased attitude of certain possible participants in a ministerial conference" would create "additional obstacles" to a summit conference and might "nip this important measure in the bud."

In his reply, dated Feb. 17, President Eisenhower described Marshal Bulganin's latest letter as "a slightly abbreviated and moderated edition of the lengthy and rather bitter speech which Mr. Khrushchev made at Minsk on Jan. 22" [see below]. The President added: "I begin to wonder whether we shall get anywhere by writing speeches to each other. As I have read your successive lengthy missives, I cannot avoid the feeling that if our two countries are to move ahead to the establishment of better relations, we must find some ways other than mere prolongation of repetitive public debate."

President Eisenhower continued: "I tried in my letter to you of Jan. 12 to put forward some new ideas. For example, I proposed strengthening the U.N. by some reduction in the use of the veto power in the Security Council. That proposal you reject, alleging

that it would give the Security Council power to 'adopt decisions that would be binding on all States' and make it in effect a 'world government.' That argument is a misrepresentation of my proposal. I suggested that our two nations should avoid vetoing Security Council recommendations as to how nations might proceed toward the peaceful solution of their disputes . . . Already, the General Assembly can, free of veto, recommend procedures for peaceful settlement. Would it really be catastrophic for the Security Council to exercise that same facility?

"Another new idea was that outer space should be perpetually dedicated to peaceful purposes . . . Mr. Khrushchev in his Minsk speech said, 'This means they want to prohibit that which they do not possess.' Since the record completely disproves that uncalled-for statement, may we now hope between us to consider and devise co-operative international procedures to give reality to the idea of the use of outer space for peace only?

"When the United States alone possessed atomic weapons and the Soviet Union possessed none, the U.S.A. proposed to forego its monopoly in the interest of world peace and security. We are prepared to take the same attitude now in relation to outer space. If this peaceful purpose is not realized, and the worse than useless race of weapons goes on, the world will have only the Soviet Union to blame, just as it has only the Soviet Union to blame for the fact that atomic and nuclear power are now used increasingly for weapons purposes, instead of being dedicated wholly to peaceful uses, as the U.S.A. proposed a decade ago . . .

"A terrible new menace can be seen to be in the making—the use of outer space for war purposes. The time to deal with that menace is now. It would be tragic if the Soviet leaders were blind or indifferent to this menace as they were apparently blind or indifferent to the atomic and nuclear menace at its inception a decade ago.

"With respect to the meeting of Heads of Government, the cumulative effect of your last three missives is to leave considerable puzzlement as to what you think another such meeting could contribute to a genuine settlement of our problems. You have proposed, and insisted on, about ten topics which you want to have discussed at such a meeting. I, in turn, suggested some eight topics which I thought should be discussed . . . I wrote that, if there were to be a top-level meeting, I would be willing to discuss your proposals in good faith if you would so discuss mine. Your answer is that I must be prepared to discuss your proposals but that, as regards mine, there must be 'unanimous agreement of all participants as to the necessity for considering such proposals.' In other words, you demand the right to veto discussion of the matters I believe to be vital to peace.

"I note that Mr. Khrushchev devoted a considerable part of his Minsk speech to a discussion of the conditions in Hungary, Poland, and East Germany. Does the Soviet Union claim such a proprietary interest in these lands and peoples that to discuss them is solely a matter of Soviet domestic concern? . . . If indeed a top-level conference were to apply the formula that no-one is to say anything except what all the rest agree they would like to hear, we would end up in the ludicrous posture of just glaring silently at each other across the table . . .

"'Polemics' will not, I fear, advance us along the path of better relations, which is my nation's goal. Indeed, I deplore the constantly mounting accusations in the Soviet Union that the U.S.A. is . . . ruled by aggressive, war-minded imperialists. Mr. Khrushchev's speech of Jan. 22 is an outstanding example of such charges, and indeed they are to be found in your note of February 1.

"What is the explanation of such charges? They seem to fly in the face of established history. Until the end of the First World War, war was generally accepted as a lawful means of conducting foreign policy. But after World War I showed the terrible consequences of such toleration of war, the U.S.A. took the initiative in bringing about the Pact of Paris whereby the nations of the world renounced war as an instrument of national policy. An even broader renunciation of force is now found in the U.N. Charter. The United States, which initiated the concept of the international renunciation of force, has sought to adhere scrupulously to that concept.

"I am really amazed to be told by Soviet leaders, who have never even been near this country, that there are in the United States those who, in your words, 'utter the dangerous call for preventive war' and conduct 'unrestrained propaganda for war.' If any such persons exist in the United States, I do not know of them; nor do I know of any 'imperialist ruling circles' that are supposedly eager to plunge the world into war in order to make financial gains . . .

"It is, of course, quite true that our people are flatly opposed to regimes which hold people against their will and which deny the principle on which our nation was founded—that Governments derive their just powers from the consent of the governed, and can never rightly deprive the governed of their inalienable right to life, liberty, and the pursuit of happiness. Our people's rejection of many foreign and domestic aspects of Soviet methods and policies is, however, demonstrably not a moving cause to war. Otherwise we would have struck when we had atomic weapons and the Soviet Union had none; or when we had thermo-nuclear bombs and the Soviet Union had none.

"When I contrast the actual facts of American life with such portrayals as those of Mr. Khrushchev at Minsk . . . I am impressed more than ever before with the enormous difficulties besetting us in attempting to move toward better relations, and with the greater necessity than ever before of doing so. It is possible that the Soviet leadership feels it necessary deliberately to misrepresent the American viewpoint . . . I prefer, however, to assume that these misrepresentations are not wilful but result from genuine misconceptions which could be done away with . . ."

Mr. Khrushchev's Minsk speech of Jan. 22, referred to by President Eisenhower, was that in which he had announced the new Soviet agricultural policy with regard to the sale of machine-tractors [see 16038 A]. In addition, Mr. Khrushchev had spoken extensively on the international situation, with special reference to the position in Eastern Europe, and of Soviet technological achievements.

Speaking of the "events of 1956," with special reference to Hungary, Mr. Khrushchev said that "reactionary buzzards, in transports of joy, were croaking for all the world to hear that a crisis of Communism had set in and that the Soviet Union and the people's democracies had come up against difficulties with which they could not cope." The Soviet Union, however, had given "fraternal assistance" to Hungary, as a result of which "the counter-revolutionary gangs were routed and revolutionary order restored." Mr. Khrushchev admitted that "certain difficulties" had also arisen in other East European countries, "particularly in Poland," but said that his recent talks with the Polish leaders [see 16016 A] had convinced him that Poland would "succeed in overcoming existing difficulties and achieve new successes in developing the country's socialist economy and raising the living standards of the people." Both in the U.S.S.R. and the "people's democracies" the predictions of a "crisis of Communism" had "failed miserably," and "these forecasts of our opponents have collapsed."

Speaking of Soviet technological achievements, Mr. Khrushchev said that the launching of the two Soviet earth satellites, the second weighing 508 kilograms [half a ton], had been followed by the launching in America of "a satellite the size of an orange" weighing about 1¼ kilograms [3¼ lb.]. After referring to the successful development of a Soviet inter-continental ballistic missile, he said that the U.S.S.R. possessed "rockets which could be delivered to any area on the globe so as to strike a crushing blow at the aggressors if they attempted to unleash a new war."

Much of Mr. Khrushchev's speech was a recapitulation of the Soviet viewpoint on international questions as set out in Marshal Bulganin's letters, dealing with nuclear disarmament, the German question, the proposals for a "summit" conference, the creation of an atom-free zone in Central Europe, and the necessity for "peaceful co-existence."

In yet another letter to President Eisenhower, presented in Washington on March 6, Marshal Bulganin expressed his willingness for a meeting of Foreign Ministers preparatory to a summit conference—thereby reversing his previous refusal to agree to such a meeting.

Marshal Bulganin expressed the opinion that his correspondence with President Eisenhower had "had its positive effect and has played a definite part in the preparations for a conference." He denied that the Soviet Government was insisting that only its own proposals should be discussed, or that it would refuse to examine the issues raised by President Eisenhower, saying in this connexion: "The Soviet Government's only consideration in putting forward these problems for discussion [i.e. the agenda proposed in his previous letter] is its conviction that the best way to initiate a general *détente* under present conditions is to solve the most urgent problems that can be solved here and now, without detriment to the interests of any State . . . We do not believe, and have never stated, that a summit conference should discuss only those questions suggested by the Soviet Union . . . This does not mean, however, that we can agree to discuss issues which fall within the province of internal affairs of other States, the examination of which could have no other result than a further exacerbation of relations between States. The situation in the countries of Eastern Europe and the unification of the German Democratic Republic and the German Federal Republic fall precisely within that category . . . Discussion of such issues would mean inadmissable interference in the internal affairs of sovereign States—a course which the Soviet Union will not take under any circumstances."

The Soviet Prime Minister said that his Government had "thoroughly studied" President Eisenhower's latest letter and were prepared to discuss the following subjects at a summit conference, additional to those earlier proposed: (i) "the question of banning the use of outer space for military purposes and of closing down foreign military bases on the territory of other States"; (ii) "the question of concluding a German peace treaty," with the participation of representatives of both German States. Marshal Bulganin reiterated that the question of German reunification, as distinct from that of a peace treaty, was "wholly within the competence of the two German States and . . . cannot be a subject for discussion at the projected summit conference."

After saying that his Government believed that "all ways and means should be used" to expedite the preparations for a summit conference, Marshal Bulganin added: "Some of the questions involved could, we presume, be settled through diplomatic channels, and these naturally must be used. At the same time we take into consideration the fact that the United States and some other Governments have suggested a Foreign Ministers' conference as a preparatory step to a summit conference. If you feel that a Foreign Ministers' conference would help to expedite a conference of Heads of Government, we are ready to meet this suggestion half-way . . ."

The Pineau-Gromyko Correspondence.

Meanwhile, the French Foreign Minister (M. Pineau) had sent a letter on Feb. 13 to the Foreign Minister of the U.S.S.R. (M. Gromyko) proposing that "summit" talks should be preceded by a conference of Foreign Ministers which would be "entrusted with drawing up the agenda for a conference at higher level and determining the list of Heads of Government who should be invited to attend." M. Pineau's letter to M. Gromyko had been preceded by private discussions with the Soviet Ambassador in Paris, M. Vinogradov.

In his reply (March 1) M. Gromyko said that the Soviet Government were prepared to agree to a Foreign Ministers' meeting "in the very near future," with the "limited task of preparing the agenda and determining the composition of the conference of Heads of Government." The Soviet Government also believed that parallel negotiations should be conducted through diplomatic channels. After suggesting that the Foreign Ministers' meeting should be held in Geneva in April, and the conference of Heads of Government in June, M. Gromyko proposed that the West should be represented at both conferences by France, Great Britain, the United States and Italy, and the East by the Soviet Union, Poland, Czechoslovakia, and Rumania. Certain "uncommitted" countries should also participate, in agreement with both sides.

Soviet Aide-Mémoire to United States. - Proposed Agenda for Foreign Ministers' Conference.

The Soviet Government's agreement to a Foreign Ministers' meeting preparatory to a "summit" conference was also conveyed by M. Gromyko to the U.S. Ambassador in Moscow (Mr. Llewellyn Thompson) on Feb. 28 in the form of an *aide-mémoire*. A suggested agenda was also proposed, incorporating the nine points contained in Marshal Bulganin's letter of February 1 to President Eisenhower, together with two additional matters raised by the President.

The *aide-mémoire* expressed the Soviet Government's view that the preparatory conference of Foreign Ministers should be "strictly confined to issues pertaining to the organizational side of the preparations for a summit conference." As regards its composition, it should—in the Soviet Government's opinion—"include roughly the same countries which are to take part in the summit meeting" For example, it could be attended by representatives of all the member-States of NATO and the Warsaw Treaty Organization, and also by representatives of "uncommitted States such as India, Afghanistan, Egypt, Yugoslavia, Sweden, and Austria" If, however, a more limited composition was considered desirable, it could include the United States, Great Britain, France, Italy, the Soviet Union, Poland, Czechoslovakia, Rumania, India, Sweden, and Yugoslavia. The Soviet Government would agree to convening the Foreign Ministers' meeting "at a place acceptable to the other participants in such a conference."

As regards the agenda of the "summit" conference, the Soviet Government proposed the nine points mentioned by Marshal Bulganin plus two others raised by President Eisenhower—(i) a ban on the use of outer space for military purposes, and (ii) the conclusion of a German peace treaty. Discussions with regard to (i) should include "the elimination of foreign bases on the territories of other States." With regard to (ii), the *aide-mémoire* reiterated that the problem of German reunification "cannot be the subject of discussion." Similarly, any discussion of the internal situation in the Eastern European countries would constitute "inadmissible interference in the internal affairs of sovereign States, to which the Soviet Union will in no case be a party."

President Eisenhower discussed the Soviet *aide-mémoire* with Mr. Dulles, and also had a meeting on March 3 with M. Menshikov, who had succeeded M. Zarubin as Soviet Ambassador in Washington.

The appointment of M. Mikhail Menshikov as Ambassador in Washington *vice* M. Zarubin had been announced in Moscow in December last. M. Menshikov (55), an economist, was Minister of Foreign Trade from 1949-51 and Ambassador to India from 1953 until his appointment to Washington. It was stated that M. Zarubin would be given a new appointment.

U.S. Reply to Soviet Aide-Mémoire.

The American reply to the Soviet *aide-mémoire* was delivered in Moscow on March 6. Whilst welcoming the fact that the Soviet Government was now prepared to agree to a Foreign Ministers' meeting prior to a summit conference, it expressed "regret that the character of the preparation envisaged by the Soviet Government falls short of what would be required, in the opinion of the U.S. Government, to assure that such a meeting would actually serve to reduce international tensions."

The U.S. reply said: "The Soviet Government memorandum, and the preceding letters of December and January from Chairman Bulganin to President Eisenhower, raises a basic question in relation to a 'summit' meeting: What is the purpose for which a 'summit' meeting would be held? Is it merely to stage a spectacle? Or is it to take meaningful decisions?

"The United States wants a meeting of Heads of Government to take meaningful decisions which would begin seriously to resolve at least some important political issues; inaugurate some significant steps to limit armaments; and, by such decisions, to create an atmosphere conducive to further settlements. Anything less would not respond to the hopes of mankind. If a meeting of Heads of Government is to take meaningful decisions, then the groundwork for these decisions would have to be prepared in advance.

"The letter of Chairman Bulganin to President Eisenhower of Feb. 1, 1958, states that the agenda should concentrate on 'the most urgent problems, with regard to which the known positions of States provide a certain degree of assurance as to their positive solution at this time . . .'

"What are these matters? The presently declared positions of the Soviet Union and the United States do not as yet indicate the probability of agreement as to any matters of significance that have been proposed by either of our Governments in the course of the extensive correspondence. How shall areas of possible agreement be found, developed and defined?

"The Soviet memorandum says that the preparatory work of the Foreign Ministers should be 'strictly limited to questions relating to the organizational side of preparation for a meeting at the summit.' The U.S. Government does not press for placing upon the Foreign Ministers all the preparatory work, provided there is some other acceptable procedure. But it is convinced that, if there is to be a meeting of Heads of Government, substantive preparatory work must take place in some way to ascertain whether such a meeting would meet the criteria which both Governments accept. The U.S.A. suggests, as an alternative or supplementary means, the use of diplomatic channels.

"With respect to Soviet statements as to a desirable agenda, the position of the U.S. Government concerning certain specific items is as follows:

(1) The United States believes that any new meeting of Heads of Government should not ignore the preceding meeting but should preferably begin where that meeting left off. Meetings of Heads of Government will quickly lose the special significance and authority which is now ascribed to them if a second meeting consigns to oblivion the understandings and agreements of the first meeting.

(2) The Geneva 'summit' meeting of 1955 dealt with three main topics: (1) European security and Germany, (2) Disarmament; and (3) development of contacts between East and West. As regards the third item, persistent efforts over the last 2½ years have led to an agreement reached through diplomatic negotiations and concluded on Jan. 27, 1958 [see 16040 A]. While it is by no means all that we would desire, it does mark what we hope will be concrete progress on the third item of the 1955 agenda. With respect to the other two matters—European security and Germany, and disarmament—no progress has been made.

(3) At the Geneva conference of 1955 it was agreed that there was a 'close link between the reunification of Germany and the problems of European security.' The Heads of the four Governments recognized 'their common responsibility for the settlement of the German question and the reunification of Germany.' Furthermore, they agreed that 'the settlement of the German question and the reunification of Germany by means of free elections shall be carried out in conformity with the national interests of the German people and the interests of European security.' Yet the Soviet memorandum of Feb. 28 is emphatic that the reunification of Germany 'cannot be the subject of consideration at a forthcoming conference at the summit.'

(4) At Geneva it was agreed that we would 'work together to develop an acceptable system for disarmament through the sub-committee of the U.N. Disarmament Commission.' Yet the Soviet Union now declines to work through the sub-committee or, indeed, the Disarmament Commission itself.

(5) With respect to the agenda in general, the Soviet Government seems to claim a veto power without according reciprocity in that respect. The U.S Government suggests that there must be reasonable 'give-and-take' in the selection of items for discussion. In any event, the United States would not find it possible to enter a conference in which special privilege and authority were accorded in advance to any other State . . .

"The Soviet memorandum indicates that the 'summit' meeting should . . . result in the 'creation of conditions for the peaceful collaboration of all States.' This greatly-to-be-desired result cannot, however, be achieved if there are excluded from consideration the principal causes of international tension.

"A basic cause—perhaps the basic cause—of tension is the support by the Soviet State of the world-wide ambitions of international Communism. Other major causes of tension are the enforced partition of Germany, and external interference in countries of Eastern Europe which result in denying to the peoples their right freely to choose their own Government . . . The United States also believes that there must be effective measures of disarmament, including steps to curb the production of nuclear weapons and the means of their delivery . . . The Soviet memorandum does not suggest dealing with this problem . . .

"It is not necessary that all the problems that confront and divide us should be resolved at one time. But we do believe that, if there is to be a meeting of Heads of Government, it should deal, more effectively than did the last such meeting, with essential issues. . . . A meeting of Heads of Government that was merely ceremonial

or social, or which merely repeated promises already given or hopes already expressed, would not, in the opinion of the U.S. Government, be warranted . . . The United States reaffirms its desire that a meeting of Heads of Government will be held—not as a spectacle, not to reaffirm generalities, but to take serious decisions which will lead to an international atmosphere of co-operation and goodwill."

The Soviet terms for a summit meeting were also considered in Paris by the North Atlantic Council, which issued a brief statement on March 4 saying that " the U.S. delegate made a statement on the Soviet Note of Feb. 28 to his Government." A NATO spokesman said that the West " cannot accept a summit conference unless there is some agreement on matters of substance, including European security and German reunification."

The Bulganin-Macmillan Correspondence.

Marshal Bulganin sent a further 3,000-word letter to Mr. Macmillan on March 14 (in reply to Mr. Macmillan's letter of Feb. 8) broadly similar to that sent to President Eisenhower on March 6. Like the latter, it expressed the Soviet Government's willingness to participate in a meeeting of Foreign Ministers prior to a summit conference, and suggested that negotiations should also continue through diplomatic channels. Marshal Bulganin reiterated that the Soviet Union would not discuss the following matters at a summit conference : (1) the question of renouncing the " unanimity principle " [i.e. the veto in the Security Council] ; (2) the reunification of Germany ; or (3) conditions in the East European countries.

In the course of his letter Marshal Bulganin commented that the recent Anglo-American agreement on the establishment of missile sites in Britain [see 16063 A] " can contribute neither to the betterment of relations between our countries nor to the relaxation of international tension," and had introduced " a serious element of tension into the international situation." After alleging that the missile bases would have " targets in the Soviet Union as their objective," Marshal Bulganin also criticized the recent British White Paper on Defence [see 16029 A] on the ground that it " declares Britain's readiness to use atomic and hydrogen weapons against the Soviet Union first."

Soviet " Peace Plan " for Outer Space.

The Soviet Foreign Ministry issued on March 16 a four-point " peace plan " stating that the U.S.S.R. would agree to a prohibition on the use of outer space for military purposes, provided that " foreign military bases " were eliminated from the territory of other States. The four points were :

(1) Prohibition of the use of outer space for military purposes, and an undertaking by States to launch rockets only in accordance with an agreed international programme.

(2) Elimination of foreign military bases from the territory of other States, " first and foremost from Europe, the Middle East, and North Africa."

(3) Establishment, within the framework of the United Nations, of adequate international control to ensure implementation of the commitments under (1) and (2).

(4) Creation of a U.N. body for international co-operation in the field of outer space research, with the following functions : (*a*) to draw up an agreed international programme for launching intercontinental and outer space rockets for research purposes only ; (*b*) to continue on a permanent basis those types of outer space research being carried out as part of the International Geophysical Year programme ; (*c*) to serve as a world centre for collection, dissemination, and exchange of information on outer space research ; (*d*) to co-ordinate national research plans.

The statement accused the U.S.A. of (i) making " feverish efforts " to develop its own short- and medium-range rocket weapons while at the same time proposing a ban on the inter-continental ballistic missile ; (ii) suggesting the outlawry of the I.C.B.M. " while evading the question of eliminating American military bases on foreign territories designed to launch rocket weapons " ; and (iii) proposing to ban the use of outer space for military purposes with the aim of warding off retaliation through cosmic space, while at the same time " maintaining its numerous military bases on foreign territories intended for attacking the Soviet Union."

It was stated that the Soviet Union would agree to scientific co-operation in outer space matters " if agreement is reached on a radical solution of the disarmament problem, including a ban on atomic and hydrogen weapons." Moreover, agreement on these matters would facilitate world-wide co-operation between the U.S.A. and the U.S.S.R. in combating disease and drought and in developing arid regions of the world, as proposed by President Eisenhower in his State of the Union message [see page 16008, first column.] (New York Times - New York Herald Tribune - U.S. Information Service - Soviet Embassy Press Dept., London - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - Frankfurter Allgemeine Zeitung) **(Prev. rep. 15991 A ; 15975 A.)**

A. HONDURAS. — Constituent Assembly Elections. - Dr. Villeda Morales elected President of Republic.

Elections for a 58-member National Constituent Assembly were held in Honduras on Sept. 22, 1957, and were contested by three parties : the Liberals led by Dr. Ramón Villeda Morales, formerly Honduran Ambassador in Washington ; the Nationalists led by Señor Gonzalo Carias, a son of General Tiburcio Carias (the former dictator, who ruled the country from 1932 to 1948) ; and a Reformist Party led by Señor Abraham Williams. The Liberals won an overall majority with 37 seats, the Nationalists obtaining 18 and the Reformists three. The electorate numbered over 500,000 (of whom 40 per cent were women), and a modified form of proportional representation was introduced for the first time. No disturbances occurred except in El Paraiso province (near the Nicaraguan border), where several people were killed and injured in election incidents. The elections represented the first step in the restoration of constitutional government, which had been suspended since 1954 ; they also constituted the first defeat for the Nationalists since 1932, in which year General Carias became President of Honduras.

The Constituent Assembly elections were carried out under the aegis of the military junta which had ruled the country since the deposition of President Lozano in 1956 (see 15248 B). Of the three original members of the junta—Colonel Hector Carracioli, General Roque Rodriguez, and Major Roberto Gonzalvez Barnes—General Rodriguez had resigned in July, while Major Gonzalvez Barnes withdrew on Nov. 18, 1957 (after the elections) and was replaced by Colonel Oswaldo Lopez, the Defence Minister.

The resignation of Major Gonzalvez Barnes was caused by differences over a new constitutional provision placing the armed forces under the sole command of a Chief of the Armed Forces, who would be virtually independent of Parliamentary authority. The new Constituent Assembly approved this provision on Nov. 27 but added an amendment stipulating that the Chief of the Armed Forces should take his instructions from the President—a proviso which was believed to have been opposed by Major Gonzalvez Barnes. Another amendment was inserted allowing the Chief of the Armed Forces to appeal to the Constituent Assembly in the event of differences between himself and the President, and giving the Assembly power to decide such differences by majority vote. The Tegucigalpa Correspondent of the *New York Times* described this " ambiguous allocation of control " as " stemming from an agreement between Liberal Party leaders and the armed forces to ensure the military's acceptance of a Liberal victory."

It had been laid down that the Constituent Assembly, in addition to drafting a new Constitution (the Republic's fourteenth), would also decide whether to appoint a President itself or whether to call Presidential elections. The Assembly decided on the former course and accordingly elected Dr. Villeda Morales as President of the Republic on Nov. 25, 1957, by 37 votes to 19. President Villeda Morales will hold office for a six-year term.—(New York Times - Le Monde, Paris) **(Prev. rep. 15248 B.)**

B. POLAND - YUGOSLAVIA. — Creation of Committee for Economic Co-operation.

Following discussions held in Warsaw between Polish and Yugoslav Government delegations, an agreement was signed on Feb. 20 providing for the setting-up of a permanent Yugoslav-Polish Committee for Economic Co-operation.

A joint communiqué stated that the committee's task would be " the exchange of experiences in planning systems and economic organizations in the two countries ; the examination of questions relating to the expansion of their economic co-operation ; and the submission of recommendations to the two Governments for the extension of their trade exchanges, co-operation in the development of industrial production, research and scientific work, and co-operation of banks and commercial enterprises." The committee would initiate and develop direct contacts between individual enterprises, groups of enterprises, and the institutions and organizations concerned in both countries.

The communiqué also said that the committee, which had already started to function, had found that co-operation in the fields of transport, transit of goods, and tourist traffic could be expanded ; that there were possibilities of broad industrial co-operation, mutual technical assistance, and co-operation between scientific research institutes; and that there was room for a further widening of mutual commercial exchanges.

The agreement, which implemented a decision taken by President Tito and M. Gomulka during the latter's visit to Belgrade in September 1957, was signed by M. Jaroszewicz (a Polish Deputy Premier) and M. Vukmanovich-Tempo (a Vice-Chairman of the Yugoslav Federal Executive Council). (Polish Embassy, London - Tanjug Agency, Belgrade) **(Prev. rep. 15807 A.)**

A. EGYPT - SUDAN. — Egyptian Claim to Sudanese-administered Areas North of 22nd Parallel. - Sudanese Appeal to Security Council.

A crisis in relations between Egypt and the Sudan developed during February as a result of claims put forward by the Egyptian Government to two areas lying north of the 22nd parallel, which have been administered as part of the Sudan since 1902. The dispute was precipitated by the approach of the plebiscite on the formation of the United Arab Republic, held on Feb. 21, and of the Sudanese general elections, which began on Feb. 27.

The Egyptian claim was based on the agreement of 1899 establishing the Anglo-Egyptian condominium in the Sudan, which laid down that the 22nd parallel should form the boundary between Egypt and the Sudan. This frontier, however, divided in two certain villages and the territories of certain nomad tribes, and the Governor-General of the Sudan accordingly issued a decree in 1902 whereby two areas north of it were incorporated in the Sudan for administrative purposes and a third area south of it became Egyptian territory. The Egyptian Minister of the Interior subsequently issued a decree in 1907 recognizing the new boundary.

In support of the Sudanese claim to the disputed areas, it was pointed out that the transitional Constitution defined Sudanese territory as that forming the Anglo-Egyptian Sudan at the date of its entry into force on Jan. 1, 1956. The Egyptian Government, on the other hand, maintained that the transitional Constitution, having been drawn up unilaterally, did not affect the 1899 agreement, which was the only international treaty on the subject. The Sudan pointed out, however, that the inhabitants of the disputed territories possessed Sudanese nationality and had voted as such in the first Sudanese parliamentary elections in 1953, which had been held in implementation of the Anglo-Egyptian agreement of February 1953 on self-government for the Sudan; on the other hand, they had never voted in any Egyptian parliamentary election or plebiscite.

Three areas were involved in the dispute: (1) a large triangular area bounded on the east by the Red Sea, on the south by the 22nd parallel, and on the west by a line running north-eastward from a point about 150 miles west of the coast to reach the coast roughly at the 23rd parallel; it includes the fishing village of Halaib, where there is a Sudanese police post, and contains some mineral deposits. (2) A desert area of Egyptian territory to the west of the first area, lying south of the 22nd parallel. (3) About 140 square miles of Sudanese territory north of the 22nd parallel, on both banks of the Nile north of Wadi Halfa, which would be submerged if the Egyptian project for the Aswan High Dam were carried out.

[Talks on the revision of the 1929 Nile waters agreement, including the effects of the Aswan Dam project on the Sudan and any compensation payable to the displaced Sudanese population, had been resumed in Cairo in December 1957 between a Sudanese delegation led by Mr. Mirgani Hamza (Minister for Irrigation) and an Egyptian Government delegation, but had been suspended to "permit the delegations to consult their Governments."]

The Egyptian Government put forward its claim (*a*) in a Note of Feb. 1, which drew attention to the fact that the Sudanese Government were making arrangements for elections in areas north of the 1899 frontier, and (*b*) in a second Note of Feb. 13, which asked for an early settlement and offered to exchange the Egyptian territory south of the 22nd parallel for the two Sudanese areas north of it. Although the Sudanese Government asked for the question to be postponed until after the general elections, a third Egyptian Note (Feb. 16) stated that Egyptian officials would be sent into the disputed area to conduct the plebiscite on the United Arab Republic.

Meanwhile the Sudanese Government had despatched a small Army unit to Halaib after it had received reports on Feb. 9 that Egyptian troops were being sent to the area. Another Army unit was subsequently sent to Wadi Halfa following the unexpected arrival in Sudanese waters on Feb. 16 of an Egyptian steamer carrying a number of Egyptian officials, who were turned back by the Sudanese authorities because they had no entry permits.

A fourth Egyptian Note was presented in Khartoum on Feb. 18 protesting against the Sudanese Government's action in sending troops to Halaib, demanding their immediate withdrawal, and insisting that the area should be included in the Egyptian plebiscite.

A communiqué issued in Cairo on the same day denounced the Sudanese troop movements as a "flagrant violation" of the 1899 agreement; denied that the Egyptian officials who had entered the Halaib area had been accompanied by troops; and alleged that the Sudanese Government, by making the dispute public, had broken an agreement that the exchange of views between the Governments should be kept secret. In a message to Sayed Abdel Rahman (leader of the Ansar sect, which is closely connected with the ruling Umma Party), President Nasser strongly protested against allegations that Egypt had "invaded" the Sudan, which had appeared in the Umma Party press and which he categorically denied.

The Sudanese Cabinet immediately rejected the demands contained in the Egyptian Note of Feb. 18; in a statement issued the same day it declared that "we shall not hesitate in defending our sovereignty, territory, and dignity with all the power we possess if Egypt persists in her present attitude."

Earlier the same day (Feb. 18) the Sudanese Foreign Minister (Mr. Mahgoub) had flown to Cairo for talks with President Nasser and Dr. Fawzi, the Egyptian Foreign Minister. Mr. Mahgoub proposed that the Egyptian officials and police in the Halaib area should be withdrawn, and that elections to the Sudanese Parliament should be held in the disputed areas on the understanding that this would not prejudice Egypt's claim in later negotiations. This proposal was rejected by the Egyptian Government, which suggested that either all forces should be withdrawn from the disputed areas and neither the plebiscite nor the elections should be held there, or alternatively that both should be held, but that the population should vote at polling stations outside the disputed areas. Both proposals were rejected immediately by the Sudanese Cabinet, and Mr. Mahgoub returned to Khartoum.

The Sudanese Government sent a letter on Feb. 20 to the U.N. Secretary-General (Dr. Hammarskjold) alleging that there had been a "huge infiltration" of Egyptians into the disputed area, "backed by a concentration of Egyptian troops on the border," and requesting an immediate meeting of the Security Council so that that body could "use its offices to stop the Egyptian aggression." After setting out the legal arguments in support of the Sudanese claim, the letter expressed "deep concern" at the "unprovoked and illegal attitude of the Egyptian Government, which constitutes a breach of Sudanese sovereignty." It declared that "since the Sudan is determined to defend its territory, the situation might result in a breach of the peace and, if uncontrolled, may develop into armed conflict."

Thirteen Egyptian officials who landed on Feb. 20 from a Nile steamer at the village of Debeira (in the western disputed area north of Wadi Halfa) to conduct a plebiscite were detained by the Sudanese authorities, together with their 13-man escort (including six Army and police officers) and the ship's crew of 14. In the eastern disputed area, however, the Egyptian flag was hoisted on Feb. 21 at Abu Ramada (15 miles north of Halaib and 80 miles within the Sudanese administrative bounday) by the Egyptian electoral commissioner (Colonel Jawheri), who refused to leave the area when requested to do so by the local Sudanese district commissioner. Reports from Khartoum alleged that Colonel Jawheri was in command of a military force, though estimates of its strength varied from "a small border guard" to 200-300 men.

The Egyptian Government announced on Feb. 21 that it had decided to postpone the settlement of the frontier dispute until after the Sudanese elections, and that negotiations on all undecided questions would begin after the new Sudanese Government had been elected. The statement added: "Egypt will not reply to provocations which have attempted to present the position in the form of an armed intervention or of an invasion of the Sudanese territories, at a time when only normal frontier patrols are on the southern borders."

Cairo Radio stated that the Government had made its decision after studying messages which had been received from Sayed Ali el-Mirghani (leader of the Khatmia sect) and Mr. Azhari (the leader of the National Unionist Party, and former Sudanese Premier). No official intimation of this decision, however, was sent to the Sudan Government, which protested strongly on Feb. 22 against this omission, and also against the hostile attitude of Cairo Radio and the Egyptian Press.

When the Security Council met on Feb. 21 to consider the Sudan's complaint, the Sudanese delegate (Mr. Osman) said that it was with "profound regret" that his Government had brought the "grave situation" before the U.N., and expressed the hope that the Council would "adopt measures which will calm the situation." Mr. Omar Loutfi (Egypt), announcing his Government's decision, said that he was confident that the dispute would be "settled within the framework of friendly relations which for centuries have bound the two nations together." He deplored the Sudanese Government's "hasty" appeal to the Council, which, he said, had been made before other means of settlement had been exhausted.

The Sudanese Government announced on Feb. 25 that the Egyptian flag had been hauled down at Abu Ramada and that the Egyptian forces there had moved, although it was not known whether or not they had left Sudanese territory. The Egyptians who had been detained at Debeira were released on Feb. 28, together with their ship.—(Times - Daily Telegraph - U.N. Information Centre, London - New York Times)

A. EASTERN GERMANY. — Purge of Socialist Unity Party Leadership. - Action against "Schirdewan Group." - Decentralization of Industry. - The Five-year Plans. - Soviet Aid for Chemical Industry.

A major crisis in the leadership of the East German Socialist Unity (Communist) Party came to a head at a meeting on Feb. 3-6, when the party's Central Committee took disciplinary measures against three of its leading members who were accused of forming "an opportunist group which had attempted to change the political line of the party" (i.e. the "Stalinist" policy of Herr Walter Ulbricht, the party's First Secretary). Herr Karl Schirdewan, the party's chief of personnel and an economic expert, who had acted as First Secretary during the illness of Herr Ulbricht in 1955 and was regarded as his probable successor, was expelled from the Central Committee and the Politburo; Herr Ernst Wollweber, who had already been removed from his post as Minister of State Security on Nov. 1 [see 15865], was also expelled from the Central Committee; and Professor Fred Oelssner, a Deputy Premier and the party's leading theoretician, was expelled from the Politburo but not from the Central Committee. Professor Oelssner was subsequently deprived of his post as Deputy Premier on Feb. 16.

According to a report presented to the Central Committee by Herr Honecker (a member of the secretariat), Herr Schirdewan had "misinterpreted" the decisions of the 1956 Soviet Communist Party congress, which he had regarded as the signal for a relaxation of tensions and abandonment of "the war against the class enemy." At meetings of the Central Committee in October 1956 he had insisted that the party should take note of recent developments in Hungary and Poland and should incorporate "safety valves" into the political system by pursuing a policy of democratization. He had subsequently sought to protect "the counter-revolutionary Harich group" [see 15560 A] and had formed a "fraction," with Herr Wollweber and others, with the aim of changing the party's policy.

Herr Schirdewan's group was also accused of advocating German reunification "at any cost," of misunderstanding the policy of relaxing international tension to the extent of ignoring the need to maintain Eastern Germany's security, and of under-estimating "the constant efforts of militarists to undermine the German Democratic Republic." Both Herr Wollweber and Professor Oelssner were said to have taken a negligent view of the fight against "enemy agents," who were thereby enabled to obtain confidential information. Professor Oelssner was not accused of being a member of the Schirdewan group, but was said to have given it indirect support by advocating the liberalization of agricultural policies and opposing the party's policy of industrial decentralization.

Decentralization of Industry.

At a two-day session on Feb. 10-11, the East German *Volkskammer* approved a Bill for decentralization of industry similar to that recently carried out in the Soviet Union [see 15775 A]. Under the Bill the Ministries of Mining, the Chemical industry, Coal and Power, Heavy Engineering, General Engineering, Light Industry, the Food Industry, and Labour and Professional Training were abolished, and overall control of industrial and agricultural production was vested in the State Planning Commission, which had previously been responsible only for long-term planning. The more important branches of industry were grouped in "Associations of Nationally-owned Enterprises," under the Commission's supervision, and Economic Councils were set up in the 14 administrative districts to run industries of lesser importance; it was stated that these councils would enjoy considerable independence but would be responsible both to the State Planning Commission and the district governments.

It was claimed that the effect of the reorganization would be to abolish detailed governmental control of all stages of industry and agriculture, and to place more responsibility in the hands of managements of the nationalized enterprises and the local authorites. Herr Leuschner, a Deputy Premier, retained his post as chairman of the State Planning Commission, whilst the heads of six of the dissolved Ministries were appointed to the Commission as heads of various departments.

The Five-year Plans.

The second East German Five-year Plan, covering the years 1956-60, was approved by the *Volkskammer* on Jan. 9. The delay in presenting the Plan for parliamentary approval, after it had been originally submitted to the Socialist Unity Party congress in March 1956, was officially attributed to various re-assessments which had been found necessary, and to the need for full co-ordination with the other Communist countries.

Announcing details of the Plan, Herr Leuschner said that the four basic problems were: (1) Priority development of basic industries, particularly coal, power production, chemicals and building materials. (2) Improvement of industrial technique, including further mechanization and automation. (3) A considerable increase in agricultural production, in order to satisfy the demand for meat, animal fats, and milk. (4) A speed-up in housing construction and a considerable increase in the production of consumer goods.

The State Planning Commission's report claimed that Eastern Germany occupied fifth place in total industrial production among the countries of Europe, and that among the Communist countries it came second only to the Soviet Union in the production of electric power, machine-tools, and many chemicals. Under the plan, the value of industrial production was scheduled to rise from 46,000,000,000 marks in 1955 to 56,000,000,000 marks in 1958 and 63,000,000,000 marks in 1960, an increase of 38 per cent. [This represented a considerable downward revision of the original plan put forward in 1956, which provided for an increase of 55 per cent.]

In 1955, the report stated, production of electric power amounted to 1,610 kw. per head of population; it was planned to increase this to 1,970 kw. in 1958 and 2,340 kw. in 1960. Eastern Germany's output of lignite (200,000,000 tons a year) was the highest in the world, and by 1960 would reach 244,000,000 tons. [The East German Press had previously announced that a newly-discovered process for converting lignite into coke had been put into operation at a plant at Lauchhammer (Saxe-Anhalt), and that a similar plant would be built in the Senftenberg area (60 miles S.E. of Berlin), where lignite deposits were estimated at 30,000,000,000 tons.]

The Plan also provided for (*a*) a greatly increased output of agricultural machinery; (*b*) greater production of animal fats and meat to cover consumption entirely from home production by 1965; (*c*) an increase in exports by 64 per cent over 1955, to be achieved by 1960, in order to make possible the import of larger quantities of raw materials and consumer goods.

Detailed results of the first Five-year Plan (1951-1955), published on Feb. 6, 1956, showed that a considerable increase in industrial production had been achieved since 1950, although many branches of industry had failed to reach the targets laid down for them.

It was claimed that industrial production as a whole had increased by 90 per cent since 1950, compared with a planned increase of 92 per cent. Production of machinery had risen by 200 per cent, although the planned increase had been only 115 per cent; on the other hand, production of iron ore (a 300 per cent increase), raw steel (150 per cent), textiles (150 per cent), soft coal, electric power, and houses had all fallen short of what had been planned. In agriculture, production of most crops except grains and pulses had failed to reach the target, owing partly to inadequate production of artificial fertilizers; it was claimed, however, that production of fats had risen by 400 per cent, and that of meat and fish by 150 per cent, a greater increase than had been planned. It was stated that 20 per cent of all arable land was being cultivated by collective farms.

Agreement with U.S.S.R. on Development of Chemical Industry.

A Soviet-East German agreement was signed in Moscow on Feb. 25 providing for co-operation between the two countries in developing the chemical industry of the German Democratic Republic. It laid down (i) that the U.S.S.R. would assist the reconstruction of the East German chemical industry by delivering the necessary materials to enable Eastern Germany "to satisfy fully her requirements in chemicals and to increase deliveries of chemical industry products to the U.S.S.R."; (ii) that the Soviet Government would grant Eastern Germany a long-term loan to help pay for the materials delivered by the U.S.S.R.; (iii) that Eastern Germany would repay the loan by deliveries of chemical products.—(East German News Agency, A.D.N. - Neues Deutschland, East Berlin - Frankfurter Allgemeine Zeitung - Soviet Embassy Press Dept., London) **(Prev. rep. Socialist Unity Party, 15267 A; East German Five-Year Plans, 19010 A; Economic Co-operation with U.S.S.R., 15818 C.)**

B. UNITED KINGDOM. — Bank Rate reduced.

The Bank of England announced on March 20 that the Bank Rate would be cut from seven per cent to six per cent. An official statement explained the decision as follows:

"The abnormal rise [in Bank Rate] from 5 to 7 per cent in September, 1957, was required both to defend sterling against the marked lack of confidence in the exchange markets of the world and also to support Government measures to maintain the real value of the pound.

"While there is still a need to strengthen further the overseas monetary position, the speculative pressure against sterling has ceased and such an exceptionally high level of short-term interest rates in London is no longer justified. But at home, although inflationary pressures are moderating, the reduction in Bank Rate does not imply any general relaxation in monetary policy."

The reduction came exactly six months after the increase in the Bank Rate to seven per cent—its highest level for 37 years. It was stated in the Press that the main factors behind the cut were obviously the great improvement in the gold and dollar reserves and the greatly decreased trade gap. (Financial Times) **(Prev. rep. 15790 D; 15770 A.)**

A. UNITED KINGDOM. — Royal Navy. - Estimates, 1958-59. - Abolition of Nore and East Indies Commands. - Closing of Sheerness and Portland Dockyards. - Changes in Admiralty Technical Organization and Dockyard Administration. - New Duties for Fourth Sea Lord.

A memorandum on the Navy Estimates for 1958-59, in which far-reaching changes were announced in naval structure and organization, especially with regard to shore support, was published as a White Paper on Feb. 18. The principal changes included (1) the abolition of the Nore Command; (2) the closing of Sheerness and Portland dockyards in 1959 and 1960 respectively; (3) the closing of certain naval establishments at Chatham; (4) the concentration of underwater weapon research at Portland (to be retained as a naval base) and the transfer thither of the Torpedo Experimental Establishment from Greenock; (5) the closing over the next three years of certain naval air establishments; (6) the abolition of the East Indies Command. It was also announced that a considerable number of warships in the Reserve Fleet would be sold.

The White Paper is summarized below under cross-headings.

Finance.

The White Paper pointed out that the net total of £339,400,000 for the Navy shown in the Defence Estimates [see 16029 A] was £23,400,000 higher than the 1957-58 figure, the increase being necessary to meet higher costs of materials and transport, increased rates of pay and allowances, higher National Insurance contributions, and compensation for premature retirement [see 15795 A]. The combined effect of these items would be to reduce the Admiralty's spending power on other Navy Votes in 1958-59 by about £6,000,000 as compared with 1957-58, but savings would again accrue from reductions in the numbers of naval personnel and reserves and of civilian employees. Other economies would be achieved by the closure of certain naval establishments [see below], further reductions in material stocks, reduced requirements for new equipment and for ship repairs and refits, and reorganization and reduction of services generally. Savings would also be made by revision of the programmes of new works and of stores and equipment, and by improved co-ordination of naval requirements with those of the Army and R.A.F. As regards research and development, the rising expenditure on nuclear propulsion would be met by reductions in less urgent parts of the programme.

General Policy.

The Navy's main functions in the nuclear age were described as (1) the maintenance of the freedom of the seas; and (2) the prompt handling of local situations which, if left uncontrolled, might lead to total war. The White Paper explained that the policy of diverting, where possible, the available resources from shore support to the fighting ships had continued during 1957. "This policy" it stressed, "will not only give the Fleet greater mobility and immediate readiness, but will ensure that . . . the reduction in the number of seagoing ships will be much less than the proportionate loss in manpower."

The core of the Navy would remain the aircraft carriers, around which would be grouped supporting ships carrying the latest weapons for dealing with air, surface, and underwater attacks, and able to act by themselves on detached services should the need arise. There was no intention of maintaining any part of the Fleet for global war alone; although a large proportion of ships had been assigned their duties in the maritime plans of NATO, each of them had its duties short of global war. "Uncertainty about the course and direction of global war . . . does not therefore restrict the role, size, or shape of the future Navy."

Disposition of the Fleet.

As the responsibilities of Britain and the Commonwealth in the East were "particularly large and scattered," stretching from Aden to Hong Kong and from Mombasa to New Zealand, it was intended to maintain continuously an aircraft carrier and supporting ships east of Suez and based on Hong Kong. These ships would have the necessary fighter and strike aircraft to afford them protection, to support ground operations, and to deal with submarine threats in the event of a limited war in that area. Their ability to give assistance when necessary would be reinforced by the provision of a Commando carrier [see below] able, by means of helicopters, to land commandos far inland.

In the Atlantic and Mediterranean, the interests of the U.K. and other NATO countries centred largely on the control of the oceans around which they were grouped. In view of the growing strength of the Russian submarine fleet, it was proposed that the Navy's contribution to NATO should be predominantly in the anti-submarine role. It was intended to have two aircraft carriers at sea in the NATO area, supported by two cruisers and a number of destroyers, frigates, and submarines, with a third aircraft carrier in immediate reserve. Frigates would also be kept in the West Indies and the South Atlantic, and the Royal Navy would continue to maintain a ship in Antarctica.

Composition of the Fleet.

Aircraft Carriers. Those now in service comprised the *Eagle*, *Ark Royal*, and *Bulwark*, but the two latter would be replaced during 1958 by *Victorious* and *Centaur*, now being modernized. In accordance with the fleet disposition policy described above, *Bulwark* would be deployed east of Suez during 1958 until relieved by *Albion* (now refitting), when she would return for conversion to the role of Commando carrier. The White Paper added that *Victorious* was undergoing sea trials after being virtually rebuilt at Portsmouth; when she rejoined the Fleet in August 1958 she would be "one of the most up-to-date aircraft carriers in the world," with a fully angled deck, steam catapults, and the most modern launching control system. Her electronic equipment, of the most advanced design, included a high-powered radar set able to detect aircraft targets at considerable range and show their position simultaneously in range, bearing, and height, and also having a new display system making it possible to clarify the airborne target situation quickly and easily. This combination, which would enable the capabilities of the latest and next generations of aircraft to be exploited to the full, was believed to be in advance of anything achieved by other navies. In due course the *Hermes* (still under construction) and the *Eagle* (when modernized) would be of a similar standard.

The Commando Carrier "Bulwark." When the conversion of *Bulwark* to a Commando carrier (the first such ship to be commissioned in the Navy) had been completed, she would be deployed east of Suez, together with a full strength commando and equipment. The *Bulwark* would carry sufficient stores and fuel to support the commando in active operations ashore, and would give the Royal Marines greater mobility and usefulness. She would be fully convertible to the anti-submarine role at short notice.

Cruisers. The three *Tiger* class cruisers [see 15619 A] were nearing completion and the first should be ready by the end of 1958.

Guided Missile Ships. Trial firings from H.M.S. *Girdle Ness* of the ship-to-air guided missile *Seaslug* had achieved "marked success" in 1957. Four guided missile destroyers had been ordered and would be given the names of former "County" class cruisers—*London*, *Hampshire*, *Devonshire*, and *Kent*.

Frigates. The programmes of converting destroyers to anti-submarine frigates had been completed, and the Navy now had 32 frigates. Of the 44 in current building programmes, 17 had been completed (9 during 1957-58) and 14 were still under construction, including 5 expected to be completed during 1958-59. The first "general purpose" frigate had been laid down.

Submarines. During 1957 three more fast battery submarines of the long-range *Porpoise* class had been launched, and three others were expected to come into service during 1958-59. These would be the first submarines to join the Fleet operationally for 10 years, the high-test peroxide submarines *Explorer* and *Excalibur* [see 15619 A] being for experimental and training purposes. Since the war, however, a large number of older submarines had been modernized or converted.

Much experimental work had been done (in association with the Atomic Energy Authority) on the nuclear submarine *Dreadnought*, and design work was proceeding, making use of information made available by the U.S. Navy. To strengthen the links between the Admiralty, the Atomic Energy Authority, and the contractors, the former had appointed a Technical Chief Executive who would have executive control of the *Dreadnought* project.

Aircraft. The first front-line squadron of *Scimitars* [see 15619 A], the Navy's first swept-wing aircraft, would be formed in June, and in due course this fighter would replace the *Sea Hawk*. The *Scimitar* would be followed by the *Sea Vixen* fighter, which would replace the *Sea Venom* and eventually become the principal long-range weapon of the Fleet's air defence system. Service trials of the *Sea Vixen*, which would be armed with the air-to-air guided missile *Firestreak* and fitted with interception radar installation, would take place later in 1958. The first Blackburn *N.A. 39* was also expected to fly in 1958.

As regards helicopters, the British-built *Whirlwind* had come into service in the second half of 1957, and a squadron had already been embarked, with others under formation. Meanwhile the *Wessex*, a more powerful helicopter with a heavier load capacity, was being developed to replace the *Whirlwind*. Helicopters would be increasingly used to locate and destroy submarines, and it was planned to order more of them.

Afloat Support. To increase the Fleet's ability to operate over longer periods independently of shore bases, a "Fast Fleet Replenishment Ship" (the *Retainer*) had completed conversion and would shortly join the Fleet. A second ship (the *Resurgent*) was also being converted, and a fast freighter had been acquired for conversion.

The Reserve Fleet. The policy of reducing the size of the Reserve Fleet and maintaining the more important ships in greater readiness would be continued.

Abolition of East Indies Command.

The East Indies Command would be abolished during 1958 and the Senior Naval Commander, Persian Gulf (at present subordinate to the C.-in-C., East Indies) would become an independent Commander. He would also act as naval deputy to the Commander, British Forces, Arabian Peninsula, and be responsible for naval forces in the Arabian Sea, Persian Gulf, Gulf of Aden, and Red Sea. The remaining responsibilities of the C.-in-C., East Indies, would be divided between the C.-in-C., Far East, and the C.-in-C., South Atlantic and South America.

The impending transfer of the Royal Malayan Navy from the Singapore Government to the Federation of Malaya would be marked by the abolition of the post of Flag Officer, Malaya, who had acted as naval adviser to the Governor of Singapore. His residual tasks would be taken over by the C.-in-C., Far East Station.

The Royal Dockyards and Shore Support.

To ensure that the available resources of men and money were used to the best advantage, a thorough review had been carried out of the future needs of the Navy ashore, together with a careful examination of the future of the Royal Dockyards and naval air establishments, and of the structure of the Home Command. As a result, it had been decided to abolish the Nore Command and to close H.M. Dockyards at Sheerness and Portland, the R.N. Aircraft Yard at Donibristle (N.B.), and five other air establishments. No other dockyards would be closed in the United Kingdom. Of the dockyards overseas, those at Singapore and Gibraltar would be retained; the forthcoming closure of the Hong Kong dockyard had already been announced [see 15894 D]; and the future of the dockyard at Malta would be decided after consultation with the Maltese Government [see 15972 A].

The consequences of these decisions would be as follows:

(1) The Nore Command and the post of C.-in-C., The Nore, would be abolished and the C.-in-C.'s present functions (in both his national and NATO capacities) transferred to other authorities by April 1, 1961. Responsibility for naval establishments remaining in the Command area would be allocated to another Command.

(2) Sheerness Dockyard would be run-down by April 1960, but before closure every effort would be made to dispose of the yard to industrial or commercial interests. Of the 2,500 industrial and non-industrial staff employed, about 1,100 were established, and as many of these as possible would be absorbed into Chatham Dockyard. The balance (mostly unestablished employees) would be reduced by normal wastage and discharge. The R.N. Base (H.M.S. *Wildfire*) and the Chart and Boom Defence Depots at Sheerness would be closed at the same time.

(3) Chatham Dockyard would be retained, but by April, 1961, H.M. ships would normally be refitted there with only key personnel on board. The barracks and other naval establishments at Chatham would be closed or transferred as follows: R.N. Barracks—to be closed by April 1961; R.N. Supply and Secretariat School (H.M.S. *Ceres*)—to be housed in Chatham Barracks for at least two years and then moved (probably to Portsmouth); Mechanical Training Establishment—to be transferred (probably to Portsmouth) by September 1960; R.N. Hospital—to cease as such by April 1961; Chatham Torpedo Depot and Gunwharf Workshops—to be closed by the end of 1958, the armaments depots at Upnor, Lodge Hill, and the Isle of Grain, and Chatham Gunwharf storehouses—to be closed by 1963.

In the Medway area as a whole the total number of industrial and non-industrial employees would be reduced by normal wastage and discharge by about 2,700 over the next three years.

(4) Portland Dockyard would be run-down by July 1959, but a naval base would be retained at Portland in support of local establishments and H.M. ships using the harbour.

In addition, all research and development establishments dealing with underwater weapons, including the Torpedo Experimental Establishment at Greenock, would be concentrated at Portland. Most of the concentration would be carried out in the first quarter of 1959, but the Torpedo Experimental Establishment would not leave Greenock until the end of 1959. The R.N. Torpedo Depot, Weymouth, would then be closed, but its facilities and most of its staff would be available for the T.E.E. The Admiralty Gunnery Establishment, Portland, would be transferred in 1959 to Portsdown, near Portsmouth.

The White Paper explained that the effects of the reorganization on civilian employment at Portland could not be precisely estimated. Of 1,600 industrial and non-industrial employees at the dockyard, most established men would remain employed in the area, but 200-300 would be offered transfers to Admiralty work elsewhere, and about 700 unestablished employees would be gradually reduced by normal wastage or discharge. At the Torpedo Experimental Establishment, Greenock, which employed some 750 persons, about 200-300 unestablished employees would be reduced by normal wastage discharge, but all established staff would be offered transfers to other establishments.

(5) The Home Air Command would be concentrated in larger groups at fewer bases, and six air establishments would be closed over the next three years, in addition to the air stations at Anthorn and Stretton already closing.

These establishments would be: the Aircraft Repair Yard, Donibristle (which was unsuitable for the latest aircraft); the R.N. Air Stations at Ford (Sussex), Bramcote (Warwickshire), Eglinton (Co. Down), and Brawdy (Pembroke—to be kept in reserve); and the Air Electrical Training Establishment at Worthy Down (near Winchester). All these would be closed in 1959 except Brawdy and Worthy Down, which would be closed in 1960 and 1961 respectively.

R.N. Air Stations would be retained at Yeovilton, Lossiemouth, Culdross, Abbotsinch, Arbroath, and Lee-on-Solent, and aircraft yards at Belfast and Fleetlands. A small part of the Home Air Command task would be accommodated at the R.N. Air Station Halfar (Malta).

The White Paper explained that every effort would be made to dispose of the Donibristle repair yard to industrial or commercial interests. Of the 1,400 staff employed, as many established men as possible would be absorbed into Rosyth Dockyard, but about 700 unestablished employees would have to be reduced by normal wastage or discharge. About 900 unestablished employees would be similarly affected at the other air establishments named.

Smaller reductions and reorganizations, already effected or decided on, included: (*a*) the withdrawal from Germany of the Elbe and Rhine squadrons; (*b*) the amalgamation of the small craft supporting the Fleet and shore establishments into a single Port Auxiliary Service; (*c*) further reductions in storage depots; (*d*) a reduction of training establishments to conform to the decrease in naval personnel.

Strength of the Fleet.

The present strength of the Royal Navy was given as follows:

Ships in the Operational Fleet, or preparing for service: Total 145, including 4 aircraft carriers, 6 cruisers, 24 destroyers, 30 frigates, 2 despatch vessels, 1 fast minelayer, 1 netlayer, 39 submarines, 28 minesweepers, 5 coastal craft, and 5 landing vessels.

Ships engaged on trials and training: Total 54, including 1 guided missile ship, 1 cruiser, 2 destroyers, 21 frigates, 24 minesweepers, 2 coastal craft, and 3 landing vessels.

Fleet support and auxiliaries: 46 vessels.

Ships in reserve or in dockyards for refit, modernization, or conversion: Total 357, including 5 aircraft carriers, 8 cruisers, 1 battleship, 30 destroyers, 54 frigates, 2 fast minelayers, 18 submarines, 156 minesweepers, 19 coastal craft, 14 landing vessels, 1 netlayer, 1 destroyer depot ship, 1 submarine depot ship, 1 repair ship, 8 maintenance ships, 1 survey ship, 2 controlled minelayers, 30 boom defence vessels, and 5 degaussing vessels.

Naval Construction.

Ships completed during 1957-58 comprised 1 submarine, 9 frigates, 12 coastal and 8 inshore minesweepers, 7 fast patrol boats, and 1 seaward defence boat.

Ships under construction on March 31, 1958, would comprise: 1 aircraft carrier, 3 cruisers, 5 submarines, 14 frigates, 13 coastal minesweepers, 12 inshore minesweepers, 3 inshore survey craft, 3 fast patrol boats, 1 seaward defence boat, and 2 boom defence vessels.

Research and Development.

In addition to the development work on the atomic submarine *Dreadnought* [see above], investigations were in hand with a view to (*a*) the development of counter-measures against submarines having increased underwater speed; (*b*) the provision of automatic means for handling tactical information in warships, leading to greater speed in handling and a saving in manpower.

The decision to combine at Portsdown the Admiralty Signal and Research and Admiralty Gunnery Establishments [see above] would enable the design and development of ship-borne gunnery and guided-missile systems to be carried out in one establishment. In the international field, much progress had been achieved through the U.S. Mutual Weapons Development Programme, which had enabled Britain to introduce several valuable new weapons into service; moreover, in conformity with agreements reached in the Western European Union, bilateral discussions had started with France, Holland, and Western Germany regarding certain naval projects.

Manpower.

Regular Recruiting. The White Paper estimated that about 6,900 recruits would be obtained in 1957-58, or about 15 per cent fewer than in 1956-57. To provide the manpower needed for the reduced Navy now planned, an average annual entry of about 8,000 recruits would be needed over the next five years.

National Service. The number of N.S. entrants was expected to be about 1,900 in 1957-58 and 1,100 in 1958-59.

Women's Royal Naval Service. It was intended to bring the number of W.R.N.S. up to their authorized complement of 3,000, requiring an annual recruitment rate of about 1,000.

Premature Retirements. About 1,900 officers and 950 ratings and Royal Marine "other ranks" would be prematurely released as part of the planned reduction in the size of the Navy over the next five years. About 95 per cent of those concerned had already volunteered to retire.

The Naval Reserves. To ensure the most economical use of training facilities, the naval volunteer reserves were being reorganized by bringing the Royal Naval Reserve and the R.N. Volunteer Reserve into one unified reserve to be called "The Royal Naval Reserve." For 1958-59 the strength of the new Reserve was expected to be about 4,300 officers and 9,300 ratings, excluding about 1,800 temporary officers fulfilling their National Service obligations.

The Women's R.N.V.R. would be reorganized on similar lines and re-named the "Women's Royal Naval Reserve," but the other Naval Reserves would continue unchanged. About 15,000 National Servicemen would be discharging their liability to carry out part-time service in the Royal Naval Special Reserve during 1958-59; the remainder of this Reserve would consist of men who, having completed both full and part-time National Service, were enrolled in the Special List of the Reserves, for which no further training was required.

Civilians in the Naval Service. The total of Admiralty civilian staffs at April 1, 1958 was estimated at about 169,000, compared with about 181,000 a year before. The number was expected to fall by over 10,000 in 1958-59—a total reduction of well over 20,000 in two years. Three-quarters of the civilian staffs were employed in provision and maintenance of ships, weapons, equipment and stores, whilst 7,000 were engaged in research and development (against 1,400 in 1939) and over 10,000 were employed in the support of the Fleet Air Arm.

Admiralty Organization for Matériel. - Administration of Royal Dockyards. - Additional Responsibilities for Fourth Sea Lord.

The White Paper announced that the following measures were being put into effect as a result of the recommendations of the committee under Sir Barclay Nihill which had recently reviewed the organizations for handling Admiralty *matériel* requirements and the administrative organization of the Royal Dockyards [see 14869 A].

(1) The Fourth Sea Lord had assumed responsibility for the superintendence of the Royal Dockyards and maintenance in the Fleet, and would be known as "Fourth Sea Lord and Vice-Controller."

(2) Those departments (except the H.Q. of the Royal Naval Scientific Service) which had previously reported direct to the Controller were being grouped together into four departments, each under a Director-General, as follows: (*a*) a Ship Department, responsible for the production of ships, propelling machinery, and electrical installations; (*b*) a Weapons Department, responsible for the design and production of weapons and radar and communications equipment; (*c*) an Aircraft Department, responsible for exercising the Admiralty's *matériel* responsibilities for aircraft and their weapons and equipment, including maintenance and repair; (*d*) a Dockyard and Maintenance Department, responsible for the repair and maintenance of the Fleet and for the organization and running of the dockyards. The Director-General of this department would report direct to the Fouth Sea Lord.

(3) In place of the traditional structure based on three professional departments working directly under the Admiral Superintendent, each of the home dockyards would in future have a general manager with full authority for the administration and organization of productive work, but acting under the general direction of the Admiral Superintendent.

(4) The Admiral Superintendent would have general responsibility for the whole dockyard and the ships using it, as well as for discipline. He would be chairman of the dockyard Whitley Councils.

(5) At each home dockyard there would be four functional departments, responsible respectively for planning, production, yard services, and personnel. Each would be under a manager acting under the general direction and control of the dockyard's general manager.

(6) The Captain of the Dockyard would in future be known as "Naval Assistant and Queen's Harbourmaster." He would be relieved of his production work (which would be undertaken by the production manager), but would assume responsibility for ship berthing and mooring, and for boom defence and marine salvage work.

(7) Dockyard servicing craft (i.e. tugs, launches, barges, and lighters, numbering over 1,000) would be brought into one pool and be known as "Port Auxiliaries," under the general administration of the Director-General of Dockyards and Fleet Maintenance. At individual dockyards they would be under the direction of the Naval Assistant and Queen's Harbourmaster.

Adoption of Navy Estimates.

The Navy Estimates were passed by the House of Commons on March 4 without a division.

Mr. Robert Allan (Parliamentary Secretary to the Admiralty) referred to Russian progress in building up "an extremely large and powerful Navy" and to the transformation which would take place in naval warfare as a result of the coming of the nuclear submarine. The Soviet Union, he said, had 500 submarines, 23 cruisers of the *Sverdlov* type [12,800 tons], a large number of destroyers and supporting ships, and a naval air arm of 3,500 aircraft. It was imperative that the Western Powers should make it plain that they were well able at least to contain this fleet. Within the NATO fleet the most effective contribution which the Royal Navy could make was by giving greater emphasis to anti-submarine work.

Great advances had been made by the Royal Navy in under-water detection of conventional submarines, but nuclear submarines would transform the position, and it might be that the most effective counter to the nuclear submarine would be another nuclear submarine. The tactical superiority of nuclear submarines, which would bring about a "revolutionary" change in naval warfare, might be minimized by new defensive devices, but their strategic value, especially when armed with *Polaris* missiles (now being developed in the U.S.A.), was "invaluable." The *Polaris* was said to have a range of 1,500 miles and could be armed with a nuclear warhead; nuclear submarines (which could carry 20 or more such missiles) would thus be able to place themselves within range of almost any target in the world with little fear of detection or counter-attack.

As regards defence against hostile submarines in general, Mr. Allan stated that the Navy's modern anti-submarine vessels were fitted with an under-water detection and attack system developed since the war; that the technique of attack from the air by helicopters had also been developed; and that the Navy's submarines were playing an ever more important anti-submarine role.

Other recent developments in connexion with the Royal Navy are summarized below:

Recommissioning of H.M.S. Victorious. The aircraft carrier *Victorious*, referred to in the White Paper, rejoined the Fleet on Jan. 14, 1958, after a refit and modernization lasting about seven years, in which the ship was completely rebuilt above the hangar deck and her tonnage increased from 22,600 to about 32,000.

Submarine Escape Apparatus. The Admiralty announced on Dec. 10, 1957, that the "free escape" system, which enabled men of average fitness to rise to the surface from depths up to 250 ft. without breathing apparatus (see 15619 A), had been adopted as the standard method of escape from sunken submarines and had been fitted into all but a few submarines. The "rescue bell" method, which had been fitted experimentally in two submarines, had proved less satisfactory and had been abandoned.

"Tribal" Class Names for Frigates. It was stated on Nov. 7, 1957, that, at the instance of Admiral of the Fleet Lord Mountbatten (the First Sea Lord), who had close associations with the former "Tribal" class destroyers, the class name would be revived for the 11 "general purpose" frigates now on order. The first, already laid down by Messrs. Thorneycroft at Southampton, would be known as H.M.S. *Gurkha*.

Disposal of Obsolete and Surplus Ships. It was announced (*a*) on Dec. 10, 1957, that the 35,000-ton battleships *Anson* and *Duke of York* had been sold to Shipbreaking Industries Ltd. (a subsidiary of the Metal Industries Group) and would be broken up; (*b*) on March 10, 1958, that five aircraft carriers, five cruisers, and four destroyers—all at present in the Reserve Fleet—would be disposed of as surplus to Naval requirements, as now foreseen. The ships, which would be either scrapped or sold to friendly navies, comprised the aircraft carriers *Ocean*, *Theseus*, *Glory*, *Perseus* and *Unicorn* (varying between 12,265 and 14,750 tons and having neither angled flight decks nor a speed above 23 knots); the cruisers *Liverpool* and *Glasgow* (9,000 tons) and *Bellona*, *Cleopatra*, and *Dido* (5,000 tons); and the destroyers *Zambesi*, *Zebra*, *Zephyr*, and *Savage*.

Naval Appointments.

The following Naval appointments were announced in recent months:

Vice-Admiral R. D. Watson, Fourth Sea Lord and Chief of Supplies and Transport, to succeed Sir Geoffrey Robson as C.-in-C., South Atlantic and South America, with effect from April, 1958 (announced Nov. 22, 1957).

Vice-Admiral Sir Gordon Hubback, Director of Dockyards, as Fourth Sea Lord and Vice-Controller in succession to Vice-Admiral Watson, with effect from January 1958 (announced Dec. 21, 1957).

Vice-Admiral M. L. Power as Deputy Chief of Naval Staff and Fifth Sea Lord in succession to Vice-Admiral A. N. C. Bingley (announced July 24, 1957).

Vice-Admiral R. G. Onslow as C.-in-C., Plymouth, in succession to Admiral Sir Mark Pizey, with effect from February 1958 (announced Nov. 28, 1957).

[*Corrigendum.* It was erroneously stated in the last paragraph of report 15619 A that Admiral Sir Caspar John had been promoted to Admiral of the Fleet on Jan. 10, 1957. He was in fact promoted to Admiral rank on Jan. 8, 1957.]

The Admiralty also announced on March 6 the appointment of Mr. A. J. Sims (50) to the new post of Director-General of Ships, created as a result of the internal reorganization at headquarters [see above]. On the retirement of Sir Victor Shepheard from the post of Director of Naval Construction later in 1958, Mr. Sims would also become head of the Royal Corps of Naval Constructors.

The appointment of Mr. Rowland Baker as technical chief executive for the *Dreadnought* nuclear submarine project was announced on March 14. Mr. Baker (49), a wartime designer of landing craft, had been Assistant Director of Naval Construction. He will be responsible for close liaison between the Admiralty, the Atomic Energy Authority, and the contractors concerned, and will direct all departments and contractors participating in the project.—(Cmd. 371 - Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. 15795 A; 15701 B; 15619 A.)

A. UNITED KINGDOM. — Royal Music Library presented to British Museum by H.M. the Queen.

It was announced on Nov. 27, 1957, that the Queen had presented the Royal Music Library to the British Museum, where it had been deposited on indefinite loan by King George V in 1911.

The Royal Music Library contains over 7,000 pieces of music ranging from the early 16th century to the end of the 19th, most of the collection having been brought together in the middle of the 18th century. It includes 97 volumes of Handel autographs, the most extensive collection of works by one composer to be preserved in a single library anywhere in the world; important sources of English virginal music, and also a motet (*Quam pulchra est*) by Henry VIII; string fantasias by Giovanni Coperario (music tutor to the children of James I), an English composer who Italianized his name from John Cooper; 66 of Purcell's major compositions, dating from the latter part of the 17th century; and a collection of operas and other vocal works by Agostino Steffani, *Kappellmeister* at the Hanoverian Court at the end of the 17th century. About one-third of the compositions are in manuscript and the rest are printed.

The Queen's gift was made on the bicentenary of the presentation of the Old Royal Library by King George II. The market value of the Royal Music Library is estimated at several hundred thousand pounds. (Times - Daily Telegraph)

(Prev. rep. British Museum, 15499 E.)

A. FRANCE - YUGOSLAVIA. — French Seizure of Arms Consignment from Yugoslav Ship off Algerian Coast. - Yugoslav Protest rejected by France.

The 5,000-ton Yugoslav freighter *Slovenija*, which was suspected of carrying a consignment of arms for the Algerian rebels, was intercepted by French warships off the Algerian coast on Jan. 18 while on her way from Rijeka (Fiume) to New York *via* Casablanca. She was escorted to Oran, and subsequently allowed to proceed on her voyage after the arms found on board had been unloaded.

The consignment consisted of 55 tons of arms and 95 tons of ammunition, valued at over 2,000,000,000 French francs (about £1,700,000). The inventory given by the French authorities was as follows: 4,000 Mauser rifles, 1,500 Czech automatic pistols, 1,000 German machine pistols, 200 machine guns, 48 bazookas, 15 mortars, 1,002,000 cartridges for machine-pistols, 202,000 cartridges for automatic pistols, 998,000 other cartridges, 330 Bangalore torpedoes, 100 Bangalore primers, 6,000 mortar shells, and 2,000 anti-tank rocket charges. The arms would have been sufficient to equip five or six battalions. The Bangalore torpedoes were believed to be intended for blowing gaps in the barbed-wire defences erected by the French Army along the Algerian frontiers with Tunisia and Morocco.

According to the *Slovenija's* manifest, the cargo was to have been delivered to a Casablanca agent, M. Mohammed Laraki, acting on behalf of the Government of the Yemen; the Yemeni Government radio, however, was reported on Feb. 1 to have officially denied all knowledge of it. A consignment of seven tons of arms and 71 tons of ammunition had previously been delivered to M. Laraki on Aug. 8 by another Yugoslav ship, nominally for transmission to Saudi Arabia, but had been seized by the Moroccan police.

On Jan. 20 the Yugoslav Government lodged a protest against the interception of the *Slovenija* and the seizure of the arms with the French Ambassador in Belgrade (M. Broustra) demanding their immediate restitution and reserving Yugoslavia's right to claim damages. A similar protest by the Yugoslav Ambassador in Paris was rejected by M. Pineau, the French Foreign Minister. A statement issued in Belgrade by the official Tanjug Agency said that the *Slovenija* was 45 miles off the Algerian coast when she was intercepted, and claimed that the seizure of the arms would have been illegal "even if it had happened in French territorial waters, because even there ships have the right of innocent passage." French Government spokesmen, however, pointed out that France had claimed the right in December 1956 to stop ships suspected of carrying arms up to 50 miles from the North African coast, and that no objection had been raised by any foreign Government. A later Tanjug statement (Jan. 23) said that the *Slovenija* had been stopped when 65 miles from the coast, according to information received from her captain.

M. Pineau told the Press on Jan. 20 that the French Government knew that the arms had been purchased in Prague about Nov. 15 by Idriss Ben Said, a "notorious arms dealer" and an agent of the National Liberation Front (F.L.N.); he added that the claim that the consignment was destined for Yemen proved "with certainty" that those handling it must have had "at least some doubts" with regard to its true destination, as "it seems very difficult to go from Fiume to the Yemen by way of Casablanca." An F.L.N. spokesman in Morocco denied all knowledge of the person named by M. Pineau, and declared that the F.L.N. had never purchased arms abroad at any time. The Moroccan Foreign Minister, M. Balafrej, stated on the same day (Jan. 21) that no permission had been given for the import of the arms, which would have been seized by the Moroccan police if they had been landed. M. Broustra was informed by the Yugoslav Foreign Ministry that the Yugoslav shipping company had agreed to handle the cargo on behalf of a Zurich firm named Félix; this was confirmed in the Swiss National Council on Jan. 31 by Herr Markus Feldmann (head of the Swiss Department of Justice and Police), who said that this firm was known to have handled consignments on account of East European countries, and had been under observation for several years.

(Le Monde, Paris - Tanjug Agency, Belgrade)

(Prev. rep. Arms Traffic, 15277 C.)

B. PERSIA. — Formation of Nation Party.

The Persian Prime Minister (Dr. Eghbal) announced on Feb. 17 the official formation of a Government majority party under the name of the Nation Party. He stated that the party had been formed on the Shah's orders with a view to establishing a two-party political system, and that it would be headed by himself (Dr. Eghbal). An Opposition People's Party was formed in May 1957.—(Times - New York Times)

(Prev. rep. 15591 C.)

C. UNITED STATES. — Successful Launching of Vanguard Earth Satellite into Orbit. - Failure of Previous Vanguard and Second Explorer Launchings.

The second American earth satellite to orbit the earth was successfully launched by a Navy *Vanguard* rocket from Cape Canaveral (Florida) at 7.16 a.m. local time on March 17. The satellite (a 6-inch sphere the size of a grape-fruit) weighed 3¼ lb. and contained two miniature radio transmitters. It was at first given the name *Vanguard I* but it was subsequently announced that it would be called *Beta 1958*—the name given to it by officials connected with the International Geophysical Year programmes.

Dr. John P. Hagen, director of the *Vanguard* project, said in a press statement that both the satellite and the third stage of the launching vehicle (a rocket 4 ft. long and nearly 50 lb. in weight, which ejected the sphere from its nose when it reached the required height) were circling the earth at between 18,000 and 19,000 m.p.h., the rocket orbiting about a mile from the satellite. According to early calculations, the satellite's farthest point from the earth (apogee) was 2,500 miles—i.e. farther than the Army's *Explorer* or either of the Russian *Sputniks*—and its minimum height 400 miles. It took about 135 minutes to circle the earth. Dr. Hagen said that it would be "a very long-life satellite" and would probably remain in orbit from five to ten years.

The *Vanguard* rocket—a much more advanced rocket than the Army's *Jupiter-C* used to launch the *Explorer*—consisted of three stages. The first stage carried the satellite to an altitude of about 35 miles at 3,700 m.p.h.; the second stage carried it up to 138 miles at 9,000 m.p.h., before "coasting" to the orbit point 300 miles up; and the third stage of the rocket took over when the satellite was in orbit.

Of the two transmitters in the satellite, one is powered by solar batteries (drawing their power from the rays of the sun and operating only in sunlight) and sends out signals on a frequency of 108.3 megacycles; it is expected to continue in operation for "a long long time." The second transmitter, powered by ordinary batteries, broadcasts constantly at 108 megacycles and is expected to continue for about two weeks. Dr. Hagen said that it would be possible to determine the temperatures inside and outside the satellite from the information transmitted.

The successful launching of the *Vanguard* satellite into orbit followed two previous failures—the first one on Dec. 6 [see 15980 E] and the second on Feb. 5.

On the latter occasion the *Vanguard* had been successfully launched and, according to the U.S. Navy's announcement, had risen to several thousand feet when it "deviated to the right and broke into two pieces, at which time the range safety officer destroyed it." As a result, the two parts of the shattered missile fell flaming into the sea. It was subsequently explained that the *Vanguard* had failed 60 seconds after launching because of "small irregularities" in the control section of the first stage; these had "caused the engine to deflect far to the right, and the resultant abnormally high forces caused the rocket to break in the middle."

A second *Jupiter-C* rocket with another *Explorer* satellite was fired at Cape Canaveral at 1.28 p.m. local time on March 5, but after a successful launching no further signals from it were received. A joint statement by the U.S. Army and the Jet Propulsion Laboratory, issued on March 6, said that scientists had reported that the fourth-stage rocket (a 40-in. tube) had failed to ignite and that it was "now certain that orbiting was not achieved."

The statement continued: "The reason for the failure of the automatic ignition system to ignite the last stage, after all three stages had functioned perfectly, is not known and will probably be very difficult to determine. Lacking the additional velocity which should have been contributed by the last stage, the satellite behaved as an ordinary surface-to-surface missile. Since it was not protected against re-entry heat conditions, it probably burned up upon re-entering the atmosphere at a range of approximately 1,900 miles."

[The satellite was almost exactly the same as *Explorer I* but weighed 32.4 lb. (about one lb. more than *Explorer I*), as it carried slightly heavier instruments.]

After the successful launching of the *Vanguard* satellite, a White House statement said that it was "part of a series of tests which will be conducted prior to the launching of satellites as part of the U.S. participation in the International Geophysical Year."

Dr. Hagen said there would be seven attempts to launch full-scale satellites during the remainder of the I.G.Y. The first two of these would be 20 in. across and weigh 21¼ lb.; the third would be only 13 in. in diameter, but would have a special exterior so that magnetic measurements could be made.

(New York Times - New York Herald Tribune)

(Prev. rep. "Explorer" Satellite 15993 A.)

MARCH 22—29, 1958

A. INDONESIA. — "Provisional Government" set up in Central Sumatra. - Rising in Northern Celebes. - Government Military Action against Rebels. - President Sukarno's Tour of Asia and Middle East.

A "Provisional Government" headed by Dr. Sjafruddin Prawiranegara, the former Governor of the Bank of Indonesia, was proclaimed on Feb. 15 by the Central Sumatran Revolutionary Council (the "Banteng Council" headed by Lieut.-Colonel Achmed Hussein), after the Indonesian Government had rejected an ultimatum demanding its resignation. Central Sumatra had been one of the areas which for some time had demanded greater local autonomy, a fairer share of the national revenue and of the proceeds of their own exports, and a strictly non-Communist Government in Jakarta [see 15421 A]. The continued deterioration in the relations between the Central Government and the military administration in Central Sumatra was attributed to the interruption of inter-island traffic caused by the taking over in December of the Royal Dutch Packet Navigation Company (K.P.M.), which had compelled the provincial administrations to organize barter trade in rubber, tea, coffee, copra, and other products with Malaya and Singapore in return for rice, consumer goods, and equipment. Fears of increasing Communist influence in Java, and dissatisfaction at the continued non-participation of Dr. Hatta in the Government, were also believed to have been contributory factors.

During January a number of prominent political figures openly associated themselves with the Revolutionary Council, including two former Premiers, Dr. Mohammad Natsir and Dr. Burhanuddin Harahap, and two former Finance Ministers, Dr. Sjafruddin Prawiranegara and Dr. Sumitro Djojohadikusumo. [Dr. Natsir, Dr. Harahap, and Dr. Sjafruddin are members of the *Masjumi*, and Dr. Sumitro is a Socialist.] Several senior military officers also took refuge in Central Sumatra, among them Colonel Lubis, the former Deputy Chief of Staff, who had been evading arrest since the failure of his attempt in November 1956 to lead a military *coup* in Java (see 15421 A); Colonel Simbolon, leader of the abortive *coup* in North Sumatra in December 1956 (see 15421 A); and Colonel Djambek, a former staff officer.

Dr. Sjafruddin Prawiranegara had gone to Sumatra on leave in December, and refused to return to Jakarta when summoned by the Government. In an open letter to President Sukarno, published on Jan. 22, he expressed the opinion that there were only two ways to restore *de facto* authority over the whole of Indonesia—either by establishing "a national Government which is not only strong but has authority and has been formed according to the Constitution," or by asking for Soviet aid. He rejected the latter alternative, however, and appealed to all "patriots" to safeguard Indonesia from becoming a "Soviet satellite." He was subsequently dismissed from his post as Governor of the Bank of Indonesia.

President Sukarno, who was then visiting Tokio in the course of his foreign tour [see below], received the Indonesian military attaché in Peking (Colonel Warouw) on Feb. 8. Dr. Sukarno denied reports that Colonel Warouw had presented him with an ultimatum threatening that a "free Republic of Indonesia," with headquarters in Central Sumatra, would be proclaimed unless he consented to the formation of a new Government headed by Dr. Hatta, the former Vice-President; he stated, however, that he would return to Indonesia sooner than he had intended.

The Revolutionary Council, meeting at Padang on Feb. 9, approved an ultimatum calling on President Sukarno to dismiss Dr. Djuanda's Cabinet within five days, to abandon his policy of "guided democracy," and to appoint a new Government headed by Dr. Hatta and the Sultan of Jogjakarta (a former Defence Minister, who resigned in 1953 after the failure of a military *coup* in which he was allegedly implicated —see 12744 A). If President Sukarno failed to comply with these demands, the Council would regard themselves as no longer bound to obey him as Head of State.

The Cabinet rejected the Council's demands on Feb. 11; ordered the dishonourable discharge of Lieut.-Colonel Hussein and Colonels Lubis, Simbolon, and Djambek; and placed the military forces in Central Sumatra under the direct command of the Chief of Staff, Major-General Nasution. In a broadcast on the following day General Nasution ordered the arrest of the four Colonels, whom he accused of complicity in the attempt to assassinate President Sukarno in November last.

In view of the Government's refusal to accept its demands, the Revolutionary Council proclaimed a rival "Provisional Government" at Padang on Feb. 15. The proclamation stated that the new "Provisional Government" would be prepared to make way at any time for a Government headed by Dr. Hatta and the Sultan of Jogjakarta, and that it would carry out its threat to withdraw its recognition of President Sukarno if such a Government were not formed within a reasonable time. The members of the "provisional Government"—which established its headquarters at Bukittingi (60 miles north of Padang)—were Dr. Sjafruddin Prawiranegara (Premier and Finance), Colonel Simbolon (Foreign Affairs), Dr. Harahap (Defence and Justice), Colonel Djambek (Interior), Dr. Sumitro Djojohadikusumo (Commerce and Communications), Mr. Mohammad Sjafei (Education, Culture, and Public Health), Mr. Saladin Sarumpaet (Agriculture and Labour), Mr. Abdulgani Usman (Social Welfare), Colonel Warouw (Reconstruction and Industry), Lieut.-Colonel Saleh Lahade (Information), and Mr. Mochtar Lintang (Religious Affairs).

The position of Colonel Warouw, who was in Peking, and of Colonel Lahade and Mr. Lintang, who were in Macassar, remained at first obscure; General Nasution asked them on Feb. 16 to state whether they had accepted their nomination, whilst Padang Radio appealed to them two days later to come to Sumatra to take up their posts. Lieut.-Colonel Lahade, as well as Lieut.-Colonel Sumual (the former military commander in East Indonesia, who in March 1957 had headed the autonomous movement in that area—see 15636 A), subsequently joined the rebel Government. It was announced in Jakarta at the beginning of March that they had been dishonourably dismissed from their posts.

Immediately after its formation the rebel "Government" declared the Central Government's assets abroad to be blocked, and the signatures of directors of the Bank of Indonesia to be invalid. The three oil companies operating in Sumatra—Caltex, Royal Dutch Shell, and Standard-Vacuum—were ordered to discontinue paying royalties to the Central Government and sending oil products from their refineries to Jakarta; doubt was expressed in the British Press, however, as to the probable effectiveness of these measures, as only Caltex (which has no refineries in Sumatra) operates predominantly in the area under rebel control. A spokesman of Standard-Vacuum was reported on Feb. 17 to have stated that his company would continue to recognize the Central Government in Jakarta. On Feb. 19 the rebel "Government" asked the K.P.M. to resume normal shipping operations between the Indonesian islands, and announced that one of the company's ships then at Padang would be immediately released.

Dr. Sjafruddin said on Feb. 15 that his "Provisional Government" would pursue an independent foreign policy and would not be drawn into either of the conflicting Power blocs. On Feb. 18 the "Provisional Government" announced that it had ordered Indonesian representatives abroad to communicate with it for instructions, and on Feb. 20 that it would send three representatives to Europe, Asia, and the U.S.A. respectively to explain its aims to foreign Governments. The post of European representative was accepted by Mr. Makatita, who had been Commercial Counsellor at the Indonesian Embassy in London until November 1957; because of his support for the rebel Government he was dishonourably discharged from the Indonesian Foreign Service on Feb. 21.

Lieut.-Colonel Somba, commander in North Celebes, where a separate administration had been set up in January (see below), declared his support for the rebel "Government" on Feb. 17, but no other commander followed his example. Conflicting reports on the attitudes of the military commanders in North and South Sumatra were received from Jakarta and Padang. The rebels claimed that the commanders in North and South Sumatra had promised their "benevolent neutrality" and that those in South Sumatra and Atjeh had promised not to allow Government troops to cross their territory. The authorities in Jakarta, on the other hand, reported that the commander in North Sumatra had announced that he recognized only the Central Government, and had given warning that action would be taken against officials accepting orders from the rebel Government. Lieut.-Colonel Barlian (commander in South Sumatra) issued a statement on Feb. 18 appealing to both sides to avoid bloodshed, and on the following day a delegation left for Jakarta with his approval in an attempt to secure a peaceful settlement. A similar delegation from Atjeh was reported on Feb. 26 to be on its way to Jakarta. In South and South-East Celebes, West Java, Central Java, Borneo, and the Lesser Sunda Islands the military commanders announced their support for the Central Government.

Claims by the rebels that 10 Moslem parties, including the *Nahdlatul-'Ulama* (which is represented in the Central Government) and the *Masjumi*, had jointly declared their support for the "Provisional Government" were not confirmed in Jakarta. Mr. Mansjur, the chairman of the Parliamentary Defence Committee and a leading member of the *Nahdlatul-'Ulama*, issued a statement urging the Government to suppress the revolt, which he described as an act of high treason, whilst the *Masjumi* declared that it regarded both the rebel Government and the Central Government as unconstitutional.

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Strong measures were taken by the Central Government to meet the threat from the rebels. The naval force stationed off the Sumatran coast was heavily reinforced, and on Feb. 17 the ports of Padang and Teluk Bajur (Central Sumatra) and Menado and Bitung (North Celebes) were declared closed. Air communications with North Celebes were suspended on the following day, and Dr. Djuanda announced on Feb. 21 that an economic blockade would be imposed as one of the Government's measures to subdue the rebels.

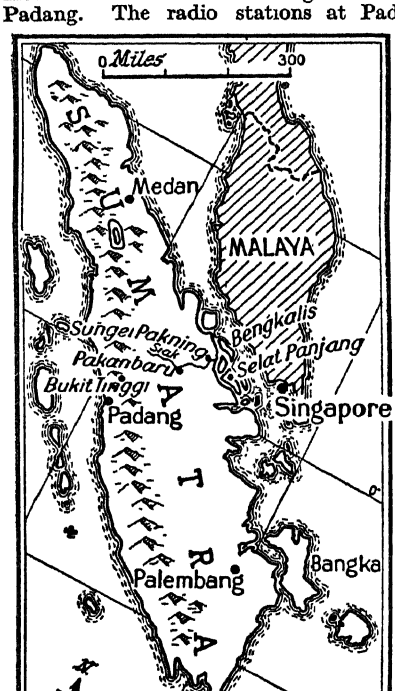
General Nasution ordered the arrest of the members of the rebel Government on charges of treason, and also of Colonel Somba (his chief of staff) and two of his officials. He also issued an order banning all organizations and private councils representing the dissident movements in the outer provinces, including the "Banteng Council," the "Garuda Council" set up by Colonel Barlian in South Sumatra, and the *Permesta* ("universal struggle") movement founded by Lieut.-Colonel Sumual.

President Sukarno returned to Jakarta from Tokio on Feb. 16, five days earlier than he had intended, and was greeted by enthusiastic crowds. He had talks on Feb. 18 with Mr. Suwirjo and Dr. Sukiman, the respective chairmen of the Nationalist Party and the *Masjumi*, and a two-hour meeting on Feb. 20 with Dr. Hatta.

In a broadcast on Feb. 21, when he resumed his Presidential functions, President Sukarno said that the efforts of a "certain small group" had reached a climax in their attempt to impose their will upon the entire people. He claimed that the Central Government had unsuccessfully tried to find a peaceful solution and announced that it would deal with the new situation firmly and with all the means at its disposal, though it would seek to avoid the use of force.

The Military Operations in Sumatra.

Military operations began on the same day, when Government aircraft bombed a bridge at Painan, 43 miles south of Padang. The radio stations at Padang, Bukittinggi, and Menado (N. Celebes) were bombed and temporarily put out of action on Feb. 22 (though Padang and Menado resumed broadcasting on March 1), and a number of other road bridges linking Central and South Sumatra were also attacked from the air. On Feb. 24 a ferry-boat on the Kampar river was sunk by aircraft, cutting communications between Padang and Pakanbaru, the centre of the Caltex oilfield; further attacks were made on ferry-boats at various other points in Central Sumatra, including the town of Tratak Buluh, near Pakanbaru, between Feb. 27 and March 1. An Air Force statement said that warning shots had been fired before each raid to enable the population to take cover.



(*Economist*)

The Central Government announced on March 8 that further measures would be taken to quell the rebellion; on the same day Government aircraft dropped leaflets over Padang announcing that a landing would be made in "a very short time," calling upon the population to clear obstacles from Padang airport and help in crushing rebel elements, and advising them to leave the town. Reports from Singapore suggested that Government troops were gathering in the Rhio (Riouw) archipelago—south of Singapore, and facing the east coast of Central Sumatra—which had previously been claimed by Jakarta to have remained loyal to the Central Government. Several hundred Government troops were also reported to have occupied the large island of Bengkalis (off the east coast of Central Sumatra) on March 7, the rebel forces in the island withdrawing to the interior.

On March 9 the Indonesian Government put more than 7,500 square miles of airspace east of Sumatra and the Rhio archipelago "out of bounds" to all foreign aircraft—including the air base of Tinjang Pinang, whence it was believed Government aircraft had been attacking targets in Central Sumatra. This measure made it necessary for foreign airliners flying to and from Singapore and the Far East to make an 80-mile detour. The Central Government also ordered the requisitioning of private aircraft and the conscription of all civilians skilled as aircrew, under threats of punishment for desertion in the event of non-compliance.

In face of the threatened landings Dr. Sjafruddin Prawiranegara gave a warning on March 10 that the rebel Government would take steps to prevent the Government in Jakarta from controlling the oil; "we won't blow up the wells," he said, "but there are other means." Four days earlier Padang radio had announced conscription for all able-bodied men in view of the measures taken by the Jakarta Government.

The Caltex Company announced on March 10 that it was suspending operations at its oilfield near Pakanbaru; that no more oil would be sent to Sungei Pakning (the port at the mouth of the Siak River to which oil is normally sent from Pakanbaru by river tanker); that all the Company's river tankers had been ordered to sail for Singapore; and that the 50 families of Caltex employees living at Sungei Pakning and Dumai on the east coast were being evacuated to Singapore at the request of the Government in Jakarta. The company's male employees, however, would remain at their posts. [There are over 600 men working for Caltex in Central Sumatra, mostly American, British, and Indonesian, with an almost equal number of dependants.]

Army headquarters in Jakarta announced on March 11 that the rebels had been cleared from Bengkalis, Selat Panjang (an island south of Bengkalis, also opposite the mouth of the Siak River), and Sungei Pakning (the oil terminal at the river mouth). The statement claimed that civil servants, the police, and the local population had proved to be loyal and had given full support to the Government.

The Pakanbaru Operations.

In the early hours of March 12 bombers and fighters of the Indonesian Air Force attacked Pakanbaru in strength, after which 300 paratroopers were dropped on the nearby airport from Dakota aircraft; after short but bitter fighting the paratroops cleared the airport, thus making it possible for transport planes to land reinforcements. Padang radio claimed that the Central Government's forces had met with "strong opposition" from the rebel forces, that many men on both sides had been killed in "intense fighting," and that the situation was "well in hand," as the paratroopers had been surrounded by rebel forces.

Indonesian Army H.Q. claimed on March 13 that the Government forces which had captured Pakanbaru airfield had occupied Pakanbaru itself in a swift operation with air support, and had advanced 15 miles west of the town. The rebels admitted that their forces had withdrawn to the outskirts of Pakanbaru but claimed that 900 of their men had counter-attacked and that fierce fighting was going on, especially at the airfield. On the following day (March 14) Indonesian Army H.Q. announced that their forces were in complete control of Pakanbaru, its airfield, and the surrounding district, and had also occupied Dumai on the coast north-east of Pakanbaru. Dr. Djuanda stated in Jakarta on March 14 that no evacuation of the oil employees would be necessary, and that the Caltex company could resume operations if it wished; a message from the Caltex employees was received in Singapore stating that all was quiet in the area and that they needed no assistance.

Jakarta radio claimed that its fighter aircraft had destroyed a rebel convoy west of Pakanbaru on March 14; that the town of Siak Intpur (on the east coast) had been recaptured on March 16; and that its forces had reoccupied Indrapura (east of Pakanbaru) on March 18. It also claimed that 400 rebel troops had surrendered to Government forces in the Pakanbaru area up to March 17. Padang radio, on the other hand, claimed on March 16-17 that rebel forces had shot down four Government aircraft and destroyed two river craft bringing reinforcements up the Siak River. Nevertheless, it became clear that the Government's grip on the east coast area at the mouth of the Siak River was tightening.

It was stated in Singapore on March 19 that the Caltex Oil Company had decided to send back the families which had been evacuated from Dumai and Sungei Pakning, in view of the restoration of peaceful conditions in the area; 17 of the Company's river tankers accordingly sailed from Singapore for Sumatra on March 22 with a number of women and children previously evacuated.

Lieut.-Colonel Sukendro, the Indonesian Army's intelligence chief, stated on March 21 that the Government's main task was now to safeguard the Caltex and Standard Vacuum oil properties in Central Sumatra; he alleged that an order to apply "scorched earth" policy to these properties had been signed by the rebel commander in the oil areas, but had been frustrated when Government forces recaptured Pakanbaru on March 12.

Following the lifting of the rebel threat to Medan [see below], the Government's forces resumed their drive in the Sumatran oil areas. On March 23 it was stated that Government troops had occupied the townships of Kamburi (the site of Caltex installations) and Ayer Molek, and the airfield at Lapura; on March 25 Jakarta radio said that there had been clashes near Sungei Darka, 60 miles south of Pakanbaru, in which 17 rebels had been killed; while on March 26 it was stated that Government forces had occupied Rengat (S.E. of Pakanbaru), the Standard Vacuum oil properties at Lirik (north of Rengat) and a nearby airfield, and Taluk, S.E of Tengat and about 100 miles east of Padang as the crow flies. The recapture of Taluk marked the farthest penetration inland from Pakanbaru.

Foreign correspondents' dispatches on March 26 made it clear (*a*) that Government forces controlled the whole of Central Sumatra along the east coast, and thence inland to the mountains in the west; (*b*) that the loopholes for the rebels' barter trade across the Straits of Malacca had been closed; and (*c*) that the rebels were "boxed in" along a narrow strip between the north-south mountains and the Indian Ocean. The reports said that there had only been "shadowy" fighting and that losses were slight. In Pakanbaru itself everything was quiet, and Army supplies were reaching the town *via* the Siak River

The Indonesian Government had stated on March 24 that the Caltex and Standard Vacuum companies had resumed operations in the oilfields round Pakanbaru. On March 25 the Government lifted its ban on the airspace over the Rhio Archipelago.

Military Operations in Medan Area.

Meanwhile the rebellion had spread on March 16 to Medan, the capital of Northern Sumatra and the largest town in the island, with a population of about 260,000 Padang radio announced that Medan airport had been captured earlier the same day by Government units which had defected to the rebels, after severe fighting with the Air Force garrison at the airport. Padang radio also said that the rebel troops were commanded by a Major Naingolan; that an agreement had been reached whereby Major Naingolan's troops undertook not to make further attacks on the garrison provided Government aircraft and soldiers did not use the airfield for military purposes; and that the city of Medan itself was under rebel control. The rebel units were stated to have been Sumatran troops several thousand men strong. No confirmation of the Medan fighting came from Jakarta, but Medan airport was suddenly closed to civil air traffic and Medan radio ceased broadcasting during the day; when it resumed, it broadcast an announcement on behalf of Major Naingolan.

On March 17, however, the rebel forces were reported to have withdrawn from Medan, and Indonesian Army H.Q. claimed that the city was again under the control of Government forces, which had recaptured Medan airport and had also reoccupied Belawandeli, the port of Medan.

Jakarta Radio said that the officers of the rebel force which captured the city the previous day had been dismissed, and that General Nasution had placed all military units at Medan under his direct command. Padang radio, however, denied the recapture of Medan; it also claimed that the Atjeh district (in the far north of the island) had gone over to the rebels, and that fighting was going on there. This, however, was denied in Jakarta.

From conflicting reports it appeared that the rebels were still in the neighbourhood of Medan on March 19; on the following day fighting for the city was reported to have flared up again, and Medan airport was again closed to civil air traffic. Meanwhile Army and Air Force spokesmen in Jakarta announced on March 19 that a rebel convoy of 60 lorries and armoured cars had been destroyed by *Mustang* fighters near Pematang Siantar, 50 miles south of Medan, and that 50 rebels had been killed in a clash with Government forces. Padang radio, on the other hand, claimed on March 20 that the rebels had captured Pematang Siantar and that the loyalist garrison had fled, leaving their arms behind.

The Indonesian Government claimed on March 21-23 that its forces advancing from Medan had isolated 300 men of Major Naingolan's rebel forces at the edge of Lake Toba (100 miles south of Medan), and that a lorry convoy of 800 rebel troops had been attacked from the air. On March 25 the Government claimed that 127 rebel officers and men had surrendered in that area, whilst Padang radio admitted that Prapat (70 miles south of Medan) had fallen to Government troops.

With the permission of the Indonesian Government, the Dutch liner *Oranje* embarked 520 foreign nationals from the Medan area (about 300 Dutch, 200 Americans, and a small number of British) at Belawandeli on March 20, landing them at Singapore on the following day.

Naval Operations off West Coast of Sumatra.

Warships of the Indonesian Navy had meanwhile shelled various rebel-held areas on the west coast of Sumatra at intervals between March 7 and 14. Simultaneously with the landings at Pakanbaru on March 12, a Government corvette off Padang warned all ships in harbour that they would be destroyed unless they left immediately; later there was an exchange of fire between the corvette and another small warship and rebel shore batteries. On March 13 Padang radio reported that there had been two bombardments of Padang by Government corvettes, claiming that shore batteries had scored hits on the vessels. Further shelling off Padang was reported on March 14.

On March 16 Padang radio claimed that shore batteries had put out of action a Government corvette, which had been towed away by another warship, after the two vessels had shelled the town and damaged a hospital and a bank. Little was heard from this area on succeeding days, but on March 21 the Danish ship *Bretagne* (2,784 tons), carrying food and medical supplies provided by the Red Cross, was shelled and slightly damaged by an Indonesian corvette off Padang, no casualties being caused. A spokesman of the *Bretagne's* owners in Copenhagen stated that the Indonesian Government had allowed her to proceed to Padang, and that the shelling was due to a "misunderstanding."

The Indonesian Navy announced on March 26 that mines had been laid along the West Sumatran coast from Painan to Pariaman—30 miles north and south of Padang respectively—and that the area had been closed to shipping.

Alleged Arms Supplies to Rebels.

Indonesian Army H.Q. in Jakarta alleged on March 13 that the rebel forces at Pakanbaru had been receiving arms dropped by foreign aircraft, and stated that most of these arms had been captured by the Government forces The official Antara News Agency, quoting a "war correspondent" at Pakanbaru, said that the arms included a bazooka, a machine-gun, and three other guns, and were of American manufacture.

Lieut.-Colonel Sukendro said on March 21 that arms had been dropped from an aircraft at Pakanbaru on Feb. 26 and March 12—on the second occasion a few hours before the landing of Government paratroops at Pakanbaru airport. The Government troops had found A A. guns, bazookas, and 75-mm. recoilless rifles, which, he said, had been bought in Formosa and were of American manufacture. He could not say, however, that the Chinese Nationalist Government had supplied the arms, nor that they had been sent by the United States. He admitted that there was no evidence of the nationality of the aircraft (a DC-4) which had dropped the arms at Pakanbaru.

International Repercussions of the Rebellion.

Dr. Djuanda issued a statement on March 19 declaring that any foreign intervention in connexion with the Sumatran rebellion could lead to developments prejudicial to world peace. He added:

"The Government will not allow the present Indonesian internal conflict to be converted into a struggle for power between the Communists and the anti-Communist group. Equally, the Government will not allow the Indonesian situation to be interpreted as a campaign against either the United States or the Soviet Union. If the rebellion in Indonesia is given belligerent rights by one party, it would follow that the other party would have every reason to recognize other rebellions, for instance in the case of the Malayan, Philippine, and Burmese rebellions. . ."

[Dr. Djuanda's remarks followed a press statement by Mr. Dulles on March 13, after the meeting of the SEATO Council in Manila, in which he said that the State Department's legal advisers were examining as "a precautionary measure" the question of recognition of the Sumatran rebels as "belligerents."]

The Malayan Government announced on March 18 that its policy was one of strict non-interference, as the situation concerned only the people of Indonesia. It added, however, that it would take a "serious view" of any infringement of the Federation's sovereignty within its territorial waters—an apparent warning to the Indonesian Government not to conduct naval operations against the rebels based on its conception of the extension of Indonesian territorial waters (see 16043 A).

The Australian Minister for External Affairs (Mr. Casey) said on Feb 16 that political developments in Indonesia must be regarded at the present stage as a domestic affair, but he hoped the Indonesian people would find a peaceful solution. Mr. Casey also said that Australia was "interested in anything designed to curb the spread of Communism anywhere" and was particularly interested in the stability and progress of her nearest neighbour, Indonesia, where she wanted to see a Government "based on the will of the people and representative of democratic opinion."

In reply to a suggestion by Dr. Evatt (the Leader of the Opposition) that Australia should offer to mediate in the Indonesian dispute, Mr. Menzies announced on March 21 that the Government had decided against mediation because it took the view that intervention would not be welcomed by the Indonesian Government in what was a purely domestic affair. On the following day Mr. Casey declared, on his return

from the SEATO meeting, that although the Indonesian rebellion was causing much anxiety to SEATO member-countries, neither Australia nor SEATO planned to intervene in the Indonesian crisis.

Separatist Movements in Celebes and the Moluccas.

The military authorities in North Celebes severed relations on Jan. 1 with the administration in Macassar (capital of Celebes), and on Jan. 7 declared North Celebes a separate province with Menado as its capital. Press reports suggested that this movement was not generally supported by the civil population, and 2,000 civilians and two Army platoons in Central Celebes were reported to have left their towns and villages several days beforehand in protest against the local military leaders' support for the *Permesta* movement. On the island of Ternate (in the North Moluccas) troops of the North Celebes command clashed with the local police on Dec. 31, some civilians and soldiers being killed. The Moluccas military command declared the North Moluccas a closed area for sea, land, and air traffic on Jan. 7, and two troopships sent to Ternate by the North Celebes command were seized by a gunboat despatched from Ambon, in the South Moluccas.

An Army spokesman in Jakarta reported on Jan. 9 that 2,000 members of the revolutionary "Republic of the South Moluccas" movement had surrendered on the island of Ceram, following widespread dissensions in the ranks of the movement. Ten Army officers and civilians had previously been arrested at Ambon in December on a charge of conspiring to overthrow the provincial Government.

President Sukarno's Tour.

President Sukarno left Jakarta on Jan. 6 for a six-weeks' tour of Asian countries and the Middle East, accompanied by the Foreign Minister, Dr. Subandrio. After spending six days in India, during which he had informal talks with the Prime Minister, Mr. Nehru, he flew to Cairo for discussions with President Nasser; a joint communiqué (Jan. 16) stated that President Nasser had reaffirmed Egypt's full support for the Indonesian claim to Dutch New Guinea. On Jan. 17-19 President Sukarno and Dr. Subandrio visited Belgrade as the guests of President Tito. A communiqué issued at the end of the visit announced that a joint commission for the promotion of economic relations between Yugoslavia and Indonesia would soon be established, and that measures would be taken to increase trade between the two countries, "including the sale of certain military equipment by Yugoslavia to meet the needs of the Indonesian forces." It was stated that President Tito had accepted an invitation to visit Indonesia in 1958.

After a brief visit to Syria, where he had talks with President Kuwatly, President Sukarno flew to Karachi on Jan. 20 for a four-day visit to Pakistan. A communiqué issued on Jan. 23 said that President Sukarno and President Mirza had reaffirmed their faith in the principles of the U.N. Charter and the resolutions of the Bandung conference; that closer commercial and cultural relations between the two countries would be developed; and that President Mirza would visit Indonesia at a future date. President Sukarno next flew to Colombo for discussions with the Ceylonese Premier, Mr. Bandaranaike. A statement issued on Jan. 24 reaffirmed Ceylon's support for Indonesia's claim to Dutch New Guinea; appealed for the admission of Communist China to the U.N. and for high-level negotiations on disarmament and control of nuclear weapons; and announced that Mr. Bandaranaike had accepted an invitation to visit Indonesia.

On Jan. 24-26 President Sukarno visited Rangoon, where the Burmese Premier (U Nu) gave him an assurance of Burma's support for the Indonesian claim to Dutch New Guinea. After a three-day visit to Bangkok, President Sukarno concluded his tour with a more prolonged visit to Japan; in view of the situation in Indonesia, however, he curtailed his visit and returned to Jakarta on Feb. 16, as stated above.

(Indonesian Embassy Press Office, London - Times - Daily Telegraph - Manchester Guardian - New York Times - Indian and Pakistan High Commissioners' Offices, London - Ceylon Government Information Dept. - Tanjug Agency, Belgrade)
(Prev. rep. Indonesia, 16043 A; 15931 A; 15802 A.)

A. UNITED KINGDOM. — Viscount Simon appointed Chairman of Port of London Authority.

The Port of London Authority announced on Jan. 30 that Viscount Simon, who would shortly relinquish his office as president of the U.K. Chamber of Shipping, had been unanimously elected to succeed the late Viscount Waverley (see 15963 A) as chairman of the P.L.A. (Times)

B. UNITED KINGDOM. — Increase in National Health Service Contributions. - Implementing Legislation. - Increased Cost of Health Service.

Mr. Heathcoat Amory, the Chancellor of the Exchequer, announced in the House of Commons on Feb. 18 that the weekly contributions of employees under the National Health Service would be increased from July 1 by 6d. (men), 4d. (women), and 2d. (juveniles), with an increase of 2d. in each case from the employer.

The Chancellor explained that the increasing cost of the Health Services had caused the Government particular concern. When the N.H.S. was instituted in 1948, the gross cost was expected to be £175,000,000 and the share borne by the Exchequer £126,000,000. These expectations had been immediately falsified, and the cost had risen greatly from the start; as a result, the gross cost for 1958-59 was estimated at £740,000,000, of which the Exchequer's share, at existing contribution rates, would be £555,000,000. This was over four times as much in money terms and three times as much in real terms as was originally contemplated, and represented a higher proportion of the total than envisaged at the outset. The Government had decided that the whole of this vastly increased charge could not be borne by the Exchequer, and that it was necessary to increase contributions; the increases would yield about £24,000,000 next year and £32,000,000 in a full year. Even on the basis of the higher contributions, employees and employers together would still be paying under 20 per cent of the gross cost of the service—i.e. less than the proportion originally proposed.

The National Health Service Contributions Bill, giving effect to the increases, received a second reading in the House of Commons on March 5.

Mr. Derek Walker-Smith (Minister of Health) said that the total cost of the National Health Service had risen from £452,000,000 in 1949-50 (its first full year) to an estimated £740,000,000 in 1958-59. About £200,000,000 of the increase was due to inflation, and the actual amount of the increase, when adjusted to real values, was about £80,000,000. Over 50 per cent of the estimated cost of the N.H.S. in 1958-59 represented hospital administration (mainly wages and the cost of ordinary commercial commodities), but £74,000,000, or 10 per cent, was for drugs. The size of the drug bill represented both the high level of general costs and the special costs of research and development work carried out on new and improved drugs; attempts were being made to limit its size by influencing doctors' prescription habits and curbing manufacturers' prices. Most proprietory drugs were covered by an agreement negotiated in 1957 for a trial period of three years, and a committee had been set up last summer to investigate its working. Mr. Walker-Smith added that the present average cost of a prescription was 6s.

Labour Members opposing the Bill included **Dr. Edith Summerskill**, who called it a "panic measure" which would "place an additional burden on the poorest in the country," and **Mr. Hilary Marquand**, who gave a warning that it might well prove "an inflationary move" by encouraging fresh wage claims.

The second reading was given by 308 votes to 252 after Dr. Charles Hill (Chancellor of the Duchy of Lancaster) had pointed out that at present contributions covered only £18,000,000 of the £74,000,000 drug bill—which itself did not include drugs prescribed in hospitals. The third reading was given on March 24 by 307 votes to 237.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 15397 A.)**

C. PAKISTAN - PERSIA.—Agreement on Commerce, Transit Trade and Domiciliary Rights.

A reciprocal agreement on commerce, transit trade, and the rights of domicile was signed in Karachi on Feb 5 by the Pakistani and Persian Governments.

Under the agreement the nationals of either country will be granted most-favoured-nation treatment in the other as regards movable and immovable property and the import and export of goods. They will also be permitted to establish commercial, industrial, trading, banking, and insurance organizations on a reciprocal basis, and will enjoy in the host country the same protection as that country's own nationals with regard to their persons and property. The agreement also allowed freedom of transit for goods moving from one country through the other to third countries, and laid down certain routes for such transit trade.

The agreement is valid for three years in the first instance, and may be automatically renewed for further three-year periods unless six months' notice of termination is given by either country.—(Pakistan High Commissioner's Office, London)
(Prev. rep. 16023 A.)

D. RELIGIOUS LIFE. — Church of England. - New Bishop of Wakefield.

It was announced on March 27 that the Rt. Rev. J. A. Ramsbotham (52), Suffragan Bishop of Jarrow, had been appointed Bishop of Wakefield in succession to Dr. Roger Wilson, recently translated to the See of Chichester.
(Church Times) **(Prev. rep. 15890 C.)**

A. UNITED ARAB STATES. — Plebiscite on Union of Egypt and Syria. - Colonel Nasser elected President of United Arab Republic. - First U.A.R. Cabinet. - Federation of United Arab Republic and Yemen as United Arab States. - Conspiracy Allegations against King Saud and King Faisal. - President Nasser's Attack on Arab Federation. - Resignation of General Bizri.

A plebiscite held in Egypt and Syria on Feb. 21 resulted in an overwhelming majority for the union of the two countries, and in the election of Colonel Nasser as first President of the United Arab Republic (U.A.R.). President Nasser formed the first U.A.R. Cabinet on March 6. An agreement was subsequently signed on March 8 whereby a Federal union was established between the U.A.R. and the Yemen, under the name of the United Arab States. Details of these and other recent developments in the U.A.R. are given below under cross-headings.

The U.A.R. Plebiscite. - President Nasser's Cabinet.

The plebiscite of Feb. 21 resulted in a 99.99 per cent majority in favour of union in Egypt and a 99 8 per cent majority in Syria. The voting figures were officially given as follows : for union, 6,102,128 in Egypt and 1,312,759 in Syria ; against union, 247 in Egypt and 39 in Syria. For Colonel Nasser's election as President, 6,102,116 in Egypt and 1,312,809 in Syria ; against, 265 in Egypt and 186 in Syria.

After the result was announced President Kuwatly and the Syrian Cabinet headed by M. Sabry Assali tendered their resignation to President Nasser. Foreign diplomatic missions to Syria automatically lost their official status with the confirmation of the union, but were allowed two months in which to wind up their work, during which period their immunity and privileges would continue.

Between Feb. 22 and 25 the United Arab Republic was officially recognized by Afghanistan, Albania, Belgium, Bulgaria, Ceylon, Communist China, Czechoslovakia, Denmark, Western Germany, Greece, Hungary, Indonesia, Italy, Japan, Netherlands, Norway, Spain, Sweden, Switzerland, Tunisia, the U.S.A., the U.S.S.R., and the Vatican. Lebanon and Saudi Arabia announced their recognition on Feb. 26, the Sudan on March 3, and Pakistan on March 11. By March 13 recognition had also been accorded by Ethiopia, India, Yugoslavia, and all other countries having diplomatic representation in Cairo except Iraq, Jordan, Panama, and the Philippines. [Great Britain, France, and Australia have at present no diplomatic relations with Egypt.] The Iraqi Foreign Minister (Dr. Jamali) stated on March 6 that Iraq would not recognize the U.A.R. at present, and denounced it as an " unnatural union " and " a forgery and a farce."

The U.N. Secretary-General (Dr. Hammarskjold) announced on March 7 that he had accepted the credentials of the delegation of the U.A.R., which had become a single member of the U.N. in place of Egypt and Syria—thereby reducing the number of U.N. member-countries from 82 to 81. The delegation of the United Arab Republic at United Nations headquarters will be headed by M. Omar Loutfi, formerly head of the Egyptian delegation at the United Nations.

On Feb. 24 President Nasser flew to Damascus for consultations with Syrian political leaders on the Constitution of the U.A.R. and the formation of his Cabinet. A provisional Constitution, which expanded to 75 Articles the 17-point programme announced on Feb. 5, was proclaimed on March 5 ; the most important new provisions were that the President could appoint and dismiss one or more Vice-Presidents, and that the National Assembly would have the right to pass a vote of no-confidence in a Minister of the Republic.

The appointment by President Nasser of four Vice-Presidents of the United Arab Republic, and the membership of the first Cabinet of the U.A.R., were announced in Damascus on March 6.

Vice Presidents.

M. Abdel Latif el-Boghdadi ; Field-Marshal Abdel Hakim Amer ; M. Sabry Assali ; and M. Akram Hourani.

Cabinet.

Joint Egyptian-Syrian Ministries.

Dr. Mahmoud Fawzi	Foreign Affairs.
Field-Marshal Abdel Hakim Amer	War.
Dr. Aziz Sidky	Industry.
M. Kamaleddin Hussein ..	Education.
M. Fathi Radwan	National Guidance.
M. Ahmed Hassan Bakoury	Religious Affairs.
Wing-Commander Ali Sabry	Presidential Affairs.
M. Salah Bitar	Minister of State for Arab Affairs.

Ministries with Separate Regional Heads.

M. Hassan Abbas Zaki (Egypt) and M. Fakher el-Kayali (Syria)	Finance.
M. Zakaria Mohieddin (Egypt) and Colonel Abdel Hamid Sarraj (Syria)	Interior.
Dr. Nureddin Tarraf (Egypt) and M. Shawkhat Kanawati (Syria)	Health.
M. Ahmad Husni (Egypt) and M. Abdel Wahab Homad (Syria)	Justice.
M. Abdul Sharbassi (Egypt) and M. Nureddin Kuhala (Syria)	Public Works.
M. Mohammed Abu Nosseir (Egypt) and Major Ahmed Abdel Karim (Syria) ..	Rural and Municipal Affairs.
M. Abdel Moneim el-Kaissouny (Egypt) and M. Khalil Kallas (Syria)	Trade and Economy.
Dr. Said Marei (Egypt) and M. Ahmed Yunis (Syria) ..	Agriculture.
Dr. Mustafa Khalil (Egypt) and Colonel Amin Nafouri (Syria)	Communications.
M. Hussein Shafei	Planning and Social Affairs for Egypt.
M. Hassan Jubarrah ..	Planning for Syria.
Major Mustafa Hamdun ..	Social Affairs for Syria.

Of the four Vice-Presidents, M. el-Boghdadi was the former Speaker of the Egyptian National Assembly ; Field-Marshal Amer was C.-in-C. of the Egyptian armed forces and had been appointed C.-in-C. of the forces of the United Arab Republic on Feb. 22 ; M. Sabry Assali had previously been Prime Minister of Syria ; and M. Hourani, leader of the *Baath* Party, was the former Speaker of the Syrian Parliament.

All the joint Ministers had previously held the same posts in the Egyptian Government except M. Salah Bitar, the former Syrian Minister of Foreign Affairs. Most of the other Ministers had also belonged either to the former Egyptian or Syrian Governments, holding the same or similar posts. The newcomers on the Syrian side included Colonel Sarraj, hitherto head of the *Deuxième Bureau* (Intelligence Section) in the Syrian General Staff, as well as three other young Syrian officers, all of whom were reported to be *Baath* Party supporters—Major Hamdun, Major Kamm, and Colonel Nafouri. Apart from ex-President Kuwatly, who for some time had wished to retire for health reasons, the most notable member of the former Syrian Government not to be included in the new Ministry was Dr. Khaled el-Azem, the former Deputy Premier and Defence Minister, who had conducted the negotiations with the Soviet Union for Soviet economic aid to Syria.

The system of duplicate Ministries was regarded as an indication that the original proposal for a Central Cabinet and two Regional Executive Councils had been abandoned. M. Kayyali stated on March 12, however, that each region would have its own budget, in addition to the budget for the United Republic as a whole.

The *Baath* (Renaissance) Party dissolved itself on Feb. 24, and in a message to President Nasser promised to continue to work under his leadership " to liberate Arab territory from imperialism and to establish a progressive Arab society in which freedom, justice and prosperity prevail." This party—which enjoyed widespread support among the younger Syrian officers and part of the intellectuals and the middle classes—was largely responsible for the overthrow of the Shishakli dictatorship in 1954, and since 1956 had occupied a dominant position in Syrian politics. Its programme—Arab nationalism and unity, social and agrarian reforms, and neutralism—closely resembled that of Colonel Nasser's movement in Egypt.

Federal Union with Yemen.

An agreement establishing a federal union between the United Arab Republic and the Yemen, under the name of the United Arab States, was signed in Dasmascus on March 8 by President Nasser and the Crown Prince of the Yemen, Mohammed el-Badr. The terms of the agreement, which had been drafted during negotiations in Cairo on Feb. 6-16 and subsequently approved by the Imam of the Yemen, were as follows :

(1) The United Arab States would be a federation of the U.A.R., the Kingdom of the Yemen, and " those Arab States which will agree to join this Union."

(2) Each State would " preserve its international personality and its system of government."

(3) Defence and foreign policy would be unified, and economic policies co-ordinated. A Customs union and a common currency would be established later.

(4) The heads of member-States would constitute the Supreme Council of the Union.

(5) A permanent Federal Council, consisting of six representatives from each member-State appointed for three years, would assist the Supreme Council in the exercise of its duties, handle the political affairs of the Union, and prepare plans and measures designed to achieve closer unity. The members of the Supreme Council would preside in turn over the Federal Council for a year at a time, and their decisions would have to be unanimous.

(6) Councils for defence, economic questions, and cultural matters would be attached to the Federal Council.

(7) The United Arab States would have a separate Federal budget, to which the U.A.R. would contribute 97 per cent and the Yemen 3 per cent.

(8) A federal authority would define the frontiers of the United Arab States.

Orders issued by the Supreme Council on March 13 appointed Field-Marshal Hakim Amer as C.-in-C. of the armed forces of the United Arab States; named the Yemeni port of Hodeida as the permanent seat of the Federal Council, which, however, would also meet periodically in Cairo and Damascus; and set up a central currency organization for the Yemen, with authority to issue currency and control financial operations. A new paper currency would be issued—to be known as the Yemen pound, with the same value as the Egyptian pound—and silver rials of the same value as the existing Maria Theresa thalers would be the smaller monetary units.

The Imam's decision to federate with the U.A.R. was attributed by the Middle East Correspondent of *The Times* to "a realistic assessment by his advisers of the vulnerability of the monarchy in face of Colonel Nasser's emotional appeal to the dispossessed." A similar view was expressed by *The Observer*, which commented that "faced with growing pressure for reform in the Yemen, the Imam seems to have decided that this can be appeased less explosively inside the U.A.R. orbit than outside."

The Times commented: "The Imam is 69 and a sick man; for some years now the manoeuvring to secure the succession has been intense, and it would seem, particularly since the attempted *coup d'état* of 1955 [see 14167 C], that the so-called Young Yemenis, of whom Crown Prince El-Badr is the figurehead, have increasingly won the Imam's ear. Aware of the influence in their country of Cairo Radio and the 'Free Yemeni' movement directed from Cairo against the interests of the throne, they appear to have captured the Imam from within and, by persuading him to accept Colonel Nasser's leadership in the Arab world, they may hope to have outflanked their opponents and to have preserved the succession for their protégé, the Crown Prince.

"The logic of events may subsequently force upon them both the development and the reform of their backward country—some sketchy development has, indeed, already begun—but both they and Colonel Nasser may find it easier to concentrate on exploiting the squabble with Britain about the status of the Aden Protectorates as an escape from the enormity of their domestic problems." In this connexion it was noted that the agreement of March 8 provided for the definition of the frontiers of the United Arab States, and that the Crown Prince had expressed the hope, in a speech in Damascus on March 2, that the U.A.R. would help to "liberate the occupied south of Yemen" (i.e. the Aden Protectorates).

The total population of the United Arab States is about 35,000,000—23,000,000 Egyptians, 4,000,000 Syrians, and 8,000,000 Yemenis.

Resignation of General Bizri.

A Cairo announcement of March 22 stated that President Nasser had accepted the resignation of General Afifi Bizri, Commander-in-Chief of the Syrian Army prior to the formation of the United Arab Republic.

General Bizri became Syrian C.-in-C. in August last (see 15721 A), and had been generally regarded as a pro-Communist. No official reason was given for his resignation, but the Middle East Correspondent of *The Times* said that it was "unofficially conceded in informed Egyptian quarters that the decision to drop him from the team was taken by Colonel Nasser because of his Communist connexions." The Correspondent added that it was "not to be overlooked that all three of the Syrian leaders who were supposed to be aligned on the Communist side against the Baathists—the Communist Party leader, Khaled Baqdash, the deputy Prime Minister, Khaled el-Azem, and General Bizri—have been removed from their positions since the proclamation of the Syrian-Egyptian union." General Bizri held the rank of colonel at the time of his appointment as Syrian C.-in-C.; he was promoted to the rank of full general ten days before his resignation.

Egyptian-Syrian Conspiracy Allegations against King Saud and King Faisal. - President Nasser's Attack on Arab Federation.

In a speech in Damascus on March 5, President Nasser alleged that three cheques totalling £1,900,000, drawn on the Arab Bank of Riyadh (the capital of Saudi Arabia), had been paid to Colonel Sarraj to finance a military *coup* against the union of Syria and Egypt; he stated also that Colonel Sarraj had cashed the cheques but had passed on the money to the United Arab Republic, which would use it to promote heavy industry. Although President Nasser mentioned no names, Colonel Sarraj himself openly accused King Saud of being the instigator when he gave details of the alleged conspiracy at a press conference on the same day.

Colonel Sarraj said that he had been approached by Assad Ibrahim, the father of one of King Saud's wives, who had told him that the King had sworn to prevent the union, and had offered his financial and moral support to a *coup* which would make Colonel Sarraj President of Syria. King Saud's alleged plan was said to have involved the death of President Nasser, whose aircraft was to have been shot down while on its way to Damascus. Ibrahim was also alleged to have said that the U.S. Ambassador in Damascus was aware of the plot, and that the U.S.A. would recognize the new Syrian régime after the *coup*. Colonel Sarraj said that he had pretended to accept the proposal and that a cheque for £2,000,000 had been handed to him on Feb. 21 by M. Aziz Abbad (a member of the Syrian Parliament), who had brought it from Riyadh, in earnest of £20,000,000 more for carrying out the *coup*; he had, however, kept his Government informed, and the cheque had been cashed for the benefit of the U.A.R. on March 7. M. Abbad confirmed that he had acted as a "go-between," and alleged that King Saud, while not insisting on President Nasser's murder, had asked him to suggest it to Colonel Sarraj.

King Saud issued a statement on March 6 denying all knowledge of the alleged plot.

The King said that such a plot was inconsistent both with his principles and with his neutral attitude towards the U.A.R.; declared that it was "either a foreign conspiracy aimed at causing a dispute between sections of the Arab world or an artificial plan designed to jeopardize the interests of Arab nations"; and ordered the setting-up of a committee to investigate the matter. The Arab Bank stated on March 6 that it had no record or knowledge of the cheques allegedly paid to Colonel Sarraj, whilst the U.S. State Department described the allegations of U.S. complicity as "completely without foundation." The Government of the U.A.R. offered on March 7 to receive the inquiry committee set up by King Saud, and to provide it with all documents and facilities to enable it to carry out its mission. Demonstrations against King Saud occurred on March 6 both in Damascus and in Beirut, the Lebanese capital.

During a political trial in Cairo, held on March 5-9 before the Supreme Military Court, allegations were made that a conspiracy for the assassination of President Nasser and his Cabinet, and the setting-up of a Government headed by M. Ahmed Mortada el-Maraghi (Minister of the Interior in the Maher and Hilaly Governments of 1952), had received financial support from both King Saud and King Faisal of Iraq.

The five persons accused (all of whom were tried *in absentia*) were M. Maraghi, M. Hussein Khairy (a relative of ex-King Farouk), M. Mahmoud Namek, and two Lebanese citizens, M. Edmond Habib and M. Jofy Bishara. The chief witness for the prosecution, Wing-Commander Issam Khalil, alleged that the defendants had been promised £2,000,000 to £3,000,000 by King Saud and £100,000 by Crown Prince Abdul Ilah of Iraq; that British intelligence agents had paid him sums totalling £162,500, unaware that he was himself a Government security agent; that M. Maraghi, whom he accused of being the "No. 1 British agent," had said that the U.S.A. and France were co-operating with the conspirators; and that the Lebanese Government had given them police protection in Beirut. Another witness, M. Farid Sherif, told the Court that the accused had said that they were receiving money from King Faisal as well as from King Saud.

Despite his congratulatory message to King Faisal on the creation of the Arab Federation (see 16017 A), President Nasser declared in a broadcast on Feb. 26 that the Federation of Iraq and Jordan would be "scattered like dry leaves before the wind" and that the U.A.R. would "bring together the whole Arab nation whether they [i.e. the Governments of Iraq and Jordan] like it or not." In another broadcast on Feb. 27 President Nasser denounced the Foreign Ministers of Iraq and Jordan (respectively Mr. Burhanuddin Bashayan and Mr. Samir Rifai), together with Dr. Jamali (the former Iraqi Premier), as "imperialist stooges." (Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times) **(Prev. rep. United Arab Republic, 16005 A.)**

A. UNITED KINGDOM. — Exchange Control. - Lifting of Restrictions on Import of Sterling Notes.

All restrictions on the import into the U.K. of sterling notes were removed as from Feb. 28; previously the amount of sterling notes which a traveller was allowed to bring into the country was limited to £10 per person. The new relaxation will help travellers, enable some exchange control work at ports to be eliminated, and make possible the repatriation of the large stocks of sterling notes held abroad, especially by foreign banks. No change was made in the limit of £10 in sterling notes which may be taken out of the United Kingdom by travellers. (Treasury Press Office - Financial Times)

A. UNITED KINGDOM.—Army Estimates, 1958-59. - Brigade Group adopted as Basic Formation of Army. - Reorganization of Middle East Command.

The Army Estimates for 1958-59, and an accompanying memorandum by the Secretary of State for War (Mr. Christopher Soames), were published as White Papers on Feb. 19. The memorandum is summarized below under cross-headings.

Finance.

The net figure of £401,900,100 shown for the Army in the Defence White Paper (£500,000 more than the net figure shown in the Estimates for 1957-58) was arrived at after deducting from the gross Estimates a total of £96,750,000 for Appropriations in Aid, including £39,500,000 representing the estimated contribution by the German Federal Government to the local costs of the British Army in Germany. No mutual defence assistance would be forthcoming from the U.S. Government in 1958-59.

As a result of the decrease in the Army's strength from about 325,000 adult males to 285,000, reductions had been possible in the Votes for civilians, movements, supplies, and stores for maintenance —the last-named Vote having been still further reduced by the proposed use for normal maintenance of surplus stores worth about £20,000,000 Against these reductions had been set the increased cost of improvements in pay, allowances, and conditions of service (amounting to about £13,000,000), and the extra cost (totalling £11,000,000) of retirement benefits, including special compensation payments to officers, warrant officers, and n.c o.s prematurely retired [see 15795 A].

Operations.

After speaking of the " substantial savings " in manpower made by the re-deployment of British troops in Germany and the rundown of the B.A.O.R., the memorandum reviewed the Army's activities in the Middle East, East and West Africa, and Malaya. It mentioned the Command reorganization in the Middle East necessitated by Britain's inability to rely in future on unrestricted sea passage through the Suez Canal or overflying rights for military aircraft [see below], and said that G.H.Q., Middle East Land Forces in Cyprus would remain responsible for British commitments under the Baghdad Pact.

The garrison in Libya had been reduced; evacuation of British troops from Jordan had been completed in July; and the Government of the Federation of Malaya had assumed responsibility for external defence and internal security, although at its request U.K., Australian, and New Zealand forces remained in Malaya and had continued to take part in anti-terrorist operations.

In West Africa, control of the Nigerian military forces and financial responsibility for them would be assumed by the Government of the Federation of Nigeria on April 1, 1958, and discussions were proceeding for the transfer of the forces in Sierra Leone on April 1, 1959. In Kenya, the last of the British battalions sent out in the Mau Mau emergency would leave the Colony during the coming spring, but a battalion of the Central Reserve would be stationed there from the same period.

Organization. - Brigade Group adopted as Basic Formation.

Under the Army reorganization plan announced in July 1957 (see 15702 A), four amalgamations of Royal Armoured regiments and seven amalgamations of infantry battalions would take place during 1958-59, whilst the Royal Artillery would be reduced by seven regiments and the Royal Engineers by the equivalent of two, with consequential reductions in the Royal Signals and in administrative services.

After prolonged study, the War Office had decided to adopt the Brigade Group as the most suitable basic formation for all purposes. There would be infantry and armoured brigade groups, and each would consist of all arms and be self-contained and capable of operating independently. Divisional headquarters, instead of commanding a fixed number of brigades as hitherto, would be smaller, with a varying number of armoured and infantry brigade groups placed under each, according to the requirements of the military situation. Divisional troops would be kept to a minimum, and Brigade groups would obtain their support mainly from Corps resources.

The Central Reserve would, in the main, be stationed in the United Kingdom, and would be organized on a brigade group basis. To increase its mobility and effectiveness, recourse would be had to stores located at suitable points overseas; Central Reserve units could thus be flown in an emergency to the theatre of operations with little more than personal equipment.

The proposed Brigade Group organization was set out in an appendix to the memorandum as follows:

H.Q. Armoured Brigade Group—3 armoured regiments; armoured personnel carrier squadron; infantry battalion; medium regiment Royal Artillery; field squadron Royal Engineers; signals squadron; reconnaissance flight Army Air Corps; services.

H.Q. Infantry Brigade Group—3 infantry battalions; armoured regiment; field regiment Royal Artillery; field squadron Royal Engineers; signals squadron; reconnaissance flight Army Air Corps; services.

The Reserve Army. Since part-time training for National Servicemen in the Reserve Army had been waived in January 1957 [see 15669 A] recruiting for the Territorial Army had risen steadily, and in October-December 1957 had increased by an average of 1,000 a month, compared with a net monthly decrease in October-December 1956. Returns also showed that 14,000 young men with no previous military experience had volunteered for the T.A. in 1957, compared with only 7,000 in 1956.

The memorandum also referred to the recommendations of a Committee on the Army Cadet Force, which had published its report in October 1957. These included (1) a more standardized organization; (2) closer co-operation between the A.C.F. and the Regular and Territorial Armies; (3) a stricter selection procedure for A.C.F. leaders; (4) the setting-up of an A.C.F training centre. The memorandum stressed that implementation of the report should improve the efficiency of the A C.F. and increase the flow of volunteers from the A.C.F. to the Regular and Reserve Armies.

Civilianization. During 1957-58 the rundown of the Army had been accompanied by a reduction of 30,306 in the number of civilians employed, a further 10,359 being due for discharge in 1958-59. The policy of employing civilians in lieu of soldiers to the maximum possible extent would continue, however, and the ratio of soldiers to civilians (5 to 3 in 1956) was expected to be about 1 to 1 in 1963.

Closure of Installations. As a result of a review of U.K. administrative arrangements, 15 major storage installations and two important workshops had been closed during 1957, and a further 26 installations would be closed in 1958-59

Weapons and Development.

The Memorandum stated that two surface-to-surface Guided Weapons Regiments now in training would join the B.A O.R. in due course, and that the *Thunderbird* surface-to-air guided missile (see 15669 A) would be available for training purposes in 1958-59. As to other weapons, a proportion of the Army would be equipped with the British version of the FN rifle during the year; the L-2 submachine gun (also known as the *Sterling*) was now being produced in quantity and would progressively replace the *Sten*; and the *Mobat A*—an interim heavy anti-tank gun derived from the B.A.T.—would be issued to infantry units. More of the new range of radio equipment would also be introduced into service. Development was proceeding of a more advanced anti-tank weapon

Manpower.

The total strength of the Active Army at Dec. 31, 1957, was given as 340,638, compared with 383,848 at Dec. 31, 1956.

National Servicemen. The Army's share of the men to be called up in 1958 would be about 79,000, against about 90,000 in 1957.

Regular Other Ranks. *Recruiting.* The number of Regular recruits in 1957 was given as 28,696 (27,611 on normal and 1,085 on short-service engagements). The memorandum explained that the announcement in April 1957 that it was planned to end National Service in 1962 had been followed by a sharp decline in the number of three-year engagements. Since October, 1957, the shortest engagement (with some minor exceptions) had been for six years, and between Nov. 1, 1957 and Jan. 31, 1958 the number of six-year and nine-year engagements was 3,537.

The number of boys recruited in 1957 was 3,076, or 18 per cent more than in 1956. The number of boys under training as Junior Leaders and Army Apprentices had increased during the year from 4,300 to 4,700.

Prolongations. In October-December, 1957, 620 men on three-year engagements prolonged to six, nine, or 12 years; and 1,254 others on six to 12 years' engagements prolonged to 15 years or more.

Women's Royal Army Corps. Recruiting declined during the first nine months of 1957 but improved in the fourth quarter, though there was still a shortage of clerical and signal grades. It was intended that the WRAC should take over more administrative and static jobs as the Army grew smaller.

Officers. There were still too few young Regular officers coming forward. Although the shortage was at present being made good by National Service officers, it was vital that more candidates should be obtained from the Royal Military Academy, Sandhurst, and by direct entry from the Universities.

To help remedy the present shortage of professionally-qualified officers, the following categories of University graduates would be eligible for National Service and short-service commissions without preliminary service in the ranks: (*a*) science or engineering graduates, for direct commissioning into the Royal Engineers, Royal Signals, Royal Army Ordnance Corps, and Royal Electrical and Mechanical Engineers; (*b*) graduates holding degrees in mathematics, physics, or engineering subjects, for commissioning into the Intelligence Corps; (*c*) graduates with degrees in subjects required by the Royal Army Educational Corps; (*d*) graduates holding a degree of Bachelor of Commerce or Economics, or qualified as accountants, for commissioning into the Royal Army Pay Corps.

The memorandum stressed that there were still too few candidates coming forward for permanent commissions in the Royal Army Medical Corps.

Rations.

After referring to the improved ration scales (with more protein foods, especially meat) introduced early in 1957 for troops at home and overseas, the memorandum stated that catering by civilian contract would be tried out in two major U.K. units in 1958-59. Meanwhile proposals made by an Inter-Service Working Party for co-ordinating food supplies in the U.K., and accepted by the Service Departments, would enable two Army Command Supply Depots (at Plymouth and Southampton) to be closed immediately, and there would be further closures during 1958-59. In addition, some Army Depots would draw their bulk food supplies from Naval Depots, resulting in less movement.

Works.

In accordance with recommendations put forward by a committee under Lieut.-General Lord Weeks, and accepted by the Army Council, the existing military works organization would be replaced by a new civilian works organization which would combine technical, administrative, and financial responsibility for the planning, execution, and control of works services. It would be headed by a Director-General of Works and an Assistant Under-Secretary of State, to be appointed shortly.

During 1957-58 barracks had been completed in the U.K. for about 3,750 men at 12 sites (the largest being at Bicester, Sudbury, and Donnington), and 140 new married quarters had been built and about 1,000 modernized. A building programme to cover the next five years, with special emphasis on new barrack accommodation and married quarters, had been drawn up and 15 major projects were planned to start in 1958-59. Provision of permanent accommodation (including married quarters) for long-term garrisons in Aden, East Africa, and the Far East was also planned to begin in the year 1958-59.

Disposals.

Since April 1956 about 328,000 tons of stores, 193,000 tons of ammunition, and 30,000 vehicles had been disposed of in the U.K., and a further 300,000 tons of stores and ammunition and 13,000 vehicles remained for disposal. In 1956-57 about £9,800,000 was obtained from the sale of Army surpluses at home and overseas. Corresponding receipts for 1957-58 and 1958-59 were expected to total £16,000,000 and £13,000,000 respectively.

Administration.

During 1957-58 the War Office had begun studies aimed at the simplification of Army Administration, the delegation of authority, and the reduction of paper work. A Committee on Army Administration under General Sir Robert Mansergh, and with members drawn from business and industry, had been appointed to pursue these studies and, in particular, to simplify the administrative work of "teeth" arm units. Modern systems of stock control would be introduced for the B.A.O.R., thus reducing the amount of stores needed to be held on the Continent, and saving manpower, storage, and foreign exchange. Electronic computers would also make an increasing contribution towards efficiency and economy.

The names of the units affected by the amalgamation announced in the memorandum as due to take place in 1958-59, with the provisional dates and places of amalgamation, were given by the War Office on Feb. 20 as follows :

Royal Armoured Corps. 3rd and 7th Hussars (October 1958, U.K.); 4th and 8th Hussars (October 1958, B.A.O.R.); 4th and 7th Royal Tank Regiment (January 1959, B.A.O.R.); King's Dragoon Guards and Queen's Own Hussars (January 1959, place undecided).

Infantry. West and East Yorkshire Regts. (April-June 1958, Dover); Devonshire and Dorset Regts. (April-June 1958, B.A.O.R.); Bedfordshire and Hertfordshire Regt. and Essex Regt. (June-August 1959, B.A.O.R.; East and South Lancashire Regts. (July-September, 1958, Hong Kong); King's and Manchester Regts. (September-November 1958, U.K.); North and South Staffordshire Regts. (March-May 1959, B.A.O.R.); Royal Berkshire and Wiltshire Regts. (March-May 1959, U.K.).

The nine Royal Artillery regiments to be disbanded in 1958-59 had not yet been decided on.

Adoption of Army Estimates.

The House of Commons passed the Army Estimates without a division on March 6, on a motion by Mr. Christopher Soames (Secretary of State for War).

Speaking of the "re-shaping" of the Army, Mr. Soames said that from the time when atomic weapons became a possibility on the tactical battlefield, large concentrations of men and material became "a thing of the past." The organization of the fighting formation thus had to be adapted to changed circumstances. The large division of 20,000 or more was no longer what was required, and most countries had decided in favour of a division of about 10,000, with armoured divisions of possibly 15,000. The Army Council had unanimously decided that the Brigade system, with two types, armoured and infantry, should be adopted as being "sound for global war and readily adaptable to our needs for cold or limited war." There would be Brigade Groups in Europe [Germany] and at home. Divisional headquarters would be smaller and would be capable of controlling from two to four Brigade Groups, which might possibly include both types of brigade; the support units would be Corps or Army Groups, allotted as the tactical situation demanded. This would provide a basic fighting formation organized in the best way to meet the situation in nuclear war, while retaining the power of centralization at divisional headquarters. In addition to the active U.K. Army, there would be a Brigade of Gurkhas and the Colonial forces. Mr. Soames added that it was planned to raise the percentage of men serving in the "teeth" arms—the infantry, armoured corps, artillery, engineers, and signals—from the present 59 per cent to 64 per cent by employing more civilians in the administrative services.

Turning to the effects of the Army's rundown, the Minister stated that by the beginning of 1963 about 5,000 officers and over 6,000 warrant officers and senior n.c.o.'s would have been retired, but about 78 per cent of Regular officers of or below the rank of major and 70 per cent of warrant officers and senior n.c.o.'s of or above the rank of sergeant would be retained. About 1,280 officers and 1,820 warrant officers and senior n.c.o.'s would be retired in 1958-59; in the later stages, lists of those to be retired would be issued every six months.

Mr. Soames said that although recruiting figures so far were "encouraging," it was as yet too soon to prophesy whether or not the Army would get the numbers needed, since neither the results of the improved pay and allowances coming into operation in April nor the effect on recruits of the approaching end of National Service could be predicted. Financial benefits, however, were by no means the whole answer to the problem of recruiting and keeping men, and it would not be possible to get the recruits or prolongations needed unless the permanent building programme was proceeded with urgently. The Government therefore planned to spend £45,000,000 in the next five years on rebuilding barracks and providing married quarters at home, in addition to work already in hand.

In connexion with recruiting, Mr. Soames also announced : (1) that the provision of a new and attractive "walking out" uniform was being considered, and that different types of uniform would be tried out by chosen regiments during 1958; (2) that a committee of serving officers with recent regimental experience had been set up under General Sir Lashmer Whistler to review methods of discipline, management, and instruction from the point of view of the individual soldier.

Other Army Developments.

Other developments in connexion with the Army during recent months are summarized below :

Opposition to Merger of Scottish Regiments. The Government's proposal, as part of the regimental merger scheme (see 15702 A), to amalgamate the Highland Light Infantry and the Royal Scots Fusiliers—both regiments with a long and distinguished history—was strongly opposed by the regiments themselves and by prominent Scottish civilians. On Aug. 1, 1957, a deputation of Scottish M.P.s of all parties, led by Sir Thomas Moore, saw the Prime Minister and suggested as alternatives (*a*) that the R.S.F. should be merged with the Cameronians instead, or (*b*) that both the H.L.I. and the R.S.F. should remain intact, but that the R.S.F. should form part of the proposed Fusilier Brigade (15702 A). On Aug. 16, however, Mr. Macmillan replied that neither alternative was practicable, and that the H.L.I. and the R.S.F. might have to be disbanded and a new regiment raised in their place unless they agreed to the proposed merger.

The Government's refusal to modify their plan aroused great indignation in Scotland, culminating on Sept. 29 in a protest march at Glasgow (the H.L.I. headquarters) in which about 20,000 soldiers and civilians took part. Renewed approaches to the War Office proved useless, however, and on Oct. 15 Mr. John Hare (Secretary of State for War) informed the Lord Provost of Glasgow (Mr. Andrew Hood), who had taken a prominent part in opposing the amalgamation, that each of the suggested alternatives possessed "some insuperable objection." Mr. Hare also rejected a further suggestion, put forward by (the late) Colonel Walter Elliot, M.P., that the H.L.I. should amalgamate with a battalion of the Parachute Regiment.

The position was made more difficult by the fact that the H.L.I. traditionally wore kilts and the R.S.F. trews. After lengthy inter-regimental discussions, a compromise was reached whereby the R.S.F. agreed to wear kilts instead of trews provided they were in the R.S.F.'s own tartan, whilst the H.L.I. agreed to give up their own tartan provided that kilts were worn. This solution, however, was unacceptable to the War Office, which insisted that the amalgamated regiment should wear trews. The honorary colonels of the H.L.I. and R.S.F. (respectively Major-General Urquhart and Major-General Hakewill-Smith) were unable to agree to this, whereupon Mr. Hare asked them to resign "to allow of successors being appointed who could agree." [It was commented in the Press that there was no precedent in modern times for the colonel of a regiment resigning except for health reasons.]

Mr. Hare explained in the House of Commons on Dec. 11, 1957, that the Army Council had decided that the amalgamated regiment should wear trews and not kilts for two reasons : (1) the other colonels of both Highland and Lowland Brigades had stressed that "the wearing of the kilt by a regiment forming part of the Lowland Brigade is unacceptable to both Highland and Lowland regiments"; (2) the new amalgamated regiment would be one of four within the Lowland Brigade, and senior officers and n.c.o.'s would be on a common roll for posting. "To submit officers and other ranks to the need to change from kilts to trews, or alternatively from trews to kilts, would . . . be most unwelcome to other Lowlanders in the Brigade."

The War Office announced on Dec. 24 (i) that Brigadier A. L. Buchanan-Dunlop (Deputy Advocate-General at G.H.Q., Far East Land Forces) had been appointed honorary colonel of the Royal Scots Fusiliers; (ii) that Major-General Bramwell-Davis (G.O.C., Aldershot District) had been appointed honorary colonel of the Highland Light Infantry. On Feb. 10 the two colonels issued a joint statement expressing the wish of both regiments to "accept the necessity of amalgamating, with all that this entails."

T.A. Yeomanry Regiments reorganized as Armoured Car Regiments. The War Office announced on Feb. 26, 1958, that the British commitment to provide two Territorial Army divisions as NATO reinforcements had ended, and that five T.A. yeomanry regiments at present equipped with tanks (including four retained as armoured regiments for the NATO divisions when the T.A. was reorganized in 1956) would be reorganized as armoured car regiments. They

were : the Royal Wiltshire Yeomanry, the Queen's Own Warwickshire and Worcestershire Yeomanry, the Staffordshire Yeomanry, the Cheshire Yeomanry, and the Westminster Dragoons.

New Guided Weapons Regiment. The War Office announced on Sept. 4, 1957, that No. 27 Heavy Anti-Aircraft Regiment would be converted into No. 27 Guided Weapons Regiment (Field), Royal Artillery, and would be equipped with guided weapons and stationed at Oswestry. The new regiment was the second *Corporal* regiment to be formed.

Army Appointments. The following senior appointments were announced in recent months (date of announcement in parentheses) :

Lieut.-General Sir Gerald Lathbury, C.-in-C., East Africa, as Director-General of Military Training, War Office, *vice* Lieut.-General Sir James Cassels (April 1, 1957).

Lieut.-General Sir Roger Bower, lately G.O.C., Malaya Command, as C.-in-C., Middle East Land Forces, *vice* General Sir Geoffrey Bourne, appointed Commandant of the Imperial Defence College in succession to Admiral Sir Guy Russell. (Nov. 14, 1957).

Reorganization of Middle East Command.

Mr. Sandys, the Minister of Defence, had announced on Nov. 8, 1957 that, as it was clear that British forces in Arabia and East Africa could be better controlled from London than from Cyprus in the present situation, the Government had decided to create a separate integrated command at Aden responsible direct to London. The new Command would control all British land and air forces in the Arabian peninsula and British Somaliland, and the naval forces allotted to the Persian Gulf. The new arrangements would come into force on April 1, 1958.

For the same reasons it had been decided to separate the East African area from the Middle East Command. An element of the Strategic Reserve would be stationed in Kenya, and these troops would be readily available at need to go as reinforcements either to the Arabian Peninsula or the Far East. Although their use would be controlled from London, they would be administered by the G.O.C., East Africa. The new arrangements would not involve any new headquarters or base installations in Kenya ; vehicles and heavy equipment would be kept in Aden and Singapore to enable them to be quickly transported.

The Minister added that it was intended eventually to establish an integrated Army and Air Force Command in Cyprus, under a single commander, but the internal situation in the island made it necessary for the time being to postpone this arrangement. British land forces in Libya would continue to be controlled from Cyprus. The decision to detach the forces in the Arabian Peninsula and East Africa from the Middle East Command would enable substantial reductions to be made in the staff and base organization in Cyprus.

The independent Aden Command came into being on April 1, 1958, under Air Vice-Marshal M. L. Heath, who, as A.O.C., British Forces, Arabian Peninsula, will control the above-mentioned forces and also the Trucial Oman Scouts, the Aden Protectorate Levies, and the Somaliland Scouts. (Cmnd. 372 - Times - Daily Telegraph - Manchester Guardian)
(Prev. rep. 16029 A ; Army Estimates, 1957-58, 15669 A ; Amalgamation of Units, 15702 A.)

A. UNITED KINGDOM. — Committee on Co-operation between Gas and Electricity Industries.

The Parliamentary Secretary to the Ministry of Power (Mr. Ian Horobin) announced on March 10 that the Government had set up a committee to re-examine the possibilities of economic co-operation between the gas and electricity industries—e.g. by cutting out needless duplication of showrooms, meter reading, and administrative methods—without affecting the basic competition between them. The committee's chairman will be Sir Cecil Weir, a former head of the British delegation to the European Coal and Steel Community, and previously economic adviser to the Control Commission for Germany. (Times - Daily Telegraph)

B. JAPAN. — Opening of Kanmon Tunnel.

The Kanmon undersea road tunnel, linking the islands of Honshu (the main island) and Kyushu under the Straits of Shimonoseki, was opened to traffic on March 9. With a length of 11,421 ft., it is the second largest undersea tunnel in the world, being surpassed only by the Mersey Tunnel in Britain. It consists of two " storeys "—an upper one for vehicles and a lower for pedestrians—and cost 7,616,720,000 yen (about £7,000,000). A railway tunnel under the Straits of Shimonoseki has been in operation since 1942.—(Japanese Embassy Press Office, London) **(Prev. rep. 5649 D.)**

C. UNITED KINGDOM. — Torrington By-election. - Liberal Gain from Conservatives.

Polling took place on March 27 in the Torrington division of Devon, the by-election being caused by the succession to the peerage of Mr. George Lambert (National Liberal and Conservative) consequent on the death of his father, Lord Lambert. The Liberal Party won the seat from the Conservatives in a three-cornered contest, the result being :

Bonham Carter, Mark (Liberal)	13,408
Royle, Anthony (National Liberal and Conservative)	13,189
Lamb, Leonard (Labour)	8,697
Liberal gain from Conservative. Liberal majority ..	219

Torrington was the first by-election to be won by the Liberal Party for 29 years. Figures at the 1955 general election were : G. Lambert (Nat. L. and C.) 20,124, L. Lamb (Lab.) 10,812—National Liberal and Conservative majority, 9,312.

The Liberal candidate received 37.99 per cent of the votes, the National Liberal and Conservative 37.37 per cent, and the Labour candidate 24.64 per cent. At the general election the National Liberal and Conservative candidate received 65 05 per cent of the votes and the Labour candidate 34.95 per cent. The National Liberal and Conservative proportion thus dropped by 27 68 per cent and the Labour proportion by 10.31 per cent. The last occasion the Liberals contested the constituency was in 1950, when they polled 9,589 votes in a three-cornered contest—the National Liberal and Conservative receiving 19,128 votes and the Labour candidate 8,735 votes. Mr. George Lambert had represented the constituency and its predecessor, South Molton, since 1945.

79.98 per cent of the electorate voted in the by-election, against 69.19 per cent at the general election—an increase of over 10 per cent. The total electorate numbered 44,128, a decrease of 584 since the general election.

Torrington is a large rural constituency covering 600 square miles of north-west Devon and including the small towns of Bideford, Crediton, and Okehampton. It extends from just south of Barnstaple to within a few miles of Exeter, taking in a stretch of the North Devon coast and part of Dartmoor. The constituency includes Lundy Island.

The Torrington result was greeted with jubilation by the Liberal Party, whose leader (Mr. Grimond) described it as " a magnificent achievement " and added that " we [the Liberals] are now a real, progressive alternative to discredited Conservatism." Mr. Morgan Phillips, secretary of the Labour Party, said that the by-election represented " another shattering blow to the Government." Lord Hailsham, chairman of the Conservative Party, said that the Government " will not be deterred from continuing to pursue their policies in the interests of the safety and stability of the country."

The result was declared at Bideford on March 28 after a recount. In a televised interview the same evening, Lady Violet Bonham Carter (mother of the successful candidate) disclosed that the first count had given the Liberals a majority of 294 and that a recount had been demanded on behalf of the Conservative candidate.

The Torrington result constituted the Government's fourth by-election defeat since the last general election, and the third in succession following the Rochdale and Kelvingrove by-elections, both of which were won by Labour. It also restored the number of Liberal M.P.s in the House of Commons to six, cancelling out the loss of Carmarthen to Labour in February 1957.

Mr. Mark Bonham Carter (36) is the son of Sir Maurice and Lady Violet Bonham Carter and grandson of the Earl of Oxford and Asquith, who (as Mr. Herbert Asquith) was Prime Minister from 1908-1916. He is a director of the publishing firm of Collins, and contested Barnstaple for the Liberal Party in 1945. (Times - News Chronicle)
(Prev. rep. By-elections, 16068 E.)

D. GREECE. — Discovery of Uranium Deposits.

The discovery of " rich " uranium and thorium deposits in northern Greece was announced in Athens on March 17. It was stated that the deposits had been discovered by a French team of geologists in parts of eastern Macedonia and western Thrace, near the Greek-Bulgarian frontiers. Under Greek law the uranium and thorium deposits are the property of the State.—(Times)

E. UNITED STATES. — Mr. Stans succeeds Mr. Brundage as Director of the Budget.

It was announced in Washington on March 13 that President Eisenhower had accepted the resignation of Mr. Percival F. Brundage as Director of the Budget and had appointed Mr. Maurice A. Stans, the deputy director, as Mr. Brundage's successor.—(New York Times - New York Herald Tribune)
(Prev. rep. 14732 B.)

A. DISARMAMENT. — Polish Proposals for Atom-free Zone in Central Europe. - Memorandum on Rapacki Plan. - Soviet Allegations against Western Powers. - Repudiation by Britain and United States.

The Polish proposals for an "atom-free" zone in Central Europe, covering the territory of Poland, Czechoslovakia, Eastern Germany and Western Germany, were amplified in a memorandum issued in Warsaw on Feb. 15 and handed by M. Adam Rapacki (the Foreign Minister, and originator of the proposals) to the Ambassadors of the United States, the Soviet Union, Great Britain, France, Czechoslovakia, and Eastern Germany, and also to the Chargés d'Affaires of Canada and Denmark. The memorandum was also conveyed to the West German Government through the intermediary of the Swedish Government.

The memorandum contained a "more detailed elaboration" of M. Rapacki's proposals originally made at the U.N. General Assembly [see page 15979], and expressed the hope that they might "facilitate the opening of negotiations and the reaching of an agreement on this subject." The detailed proposals were set forth as follows :

(1) Poland, Czechoslovakia, the German Democratic Republic, and the German Federal Republic should constitute an "atom-free" zone in which (*a*) nuclear weapons would be neither manufactured nor stockpiled ; (*b*) installations designed for such weapons would not be set up ; and (*c*) the use of nuclear weapons would be prohibited.

(2) The United States, the Soviet Union, Great Britain and France should undertake not to maintain nuclear weapons in the armaments of their forces stationed on the territories of these States ; not to instal any installations or equipment in those territories for servicing nuclear weapons, including missile launching sites ; and not to transfer such weapons or equipment to any of the four Governments in the area.

(3) Those Powers possessing nuclear weapons should undertake not to use them against any territory in the "atom-free" zone, or against any targets situated in the zone.

(4) Other States maintaining forces on the territory of any State in the zone should give undertakings similar to those of the great Powers.

(5) To ensure the implementation of these provisions, the States concerned should create "a system of broad and effective control in the area of the proposed zone, and submit themselves to its functioning." Such inspection could comprise both ground and aerial control, and the experience gained "could provide useful experience for the realization of broader disarmament measures."

(6) The control and supervisory machinery should include representatives of the NATO and Warsaw Treaty organizations, and also "representatives of States which do not belong to any military grouping in Europe."

(7) In the Polish Government's view, these arrangements and obligations could best be embodied in an "appropriate international convention." Alternatively, they could be embodied either in four unilateral declarations [by the great Powers] "bearing the character of an international obligation" and deposited with a mutually agreed State ; or in a joint document signed by the Powers.

Full agreement with these proposals was notified to the Polish Government by Czechoslovakia on Feb. 19, by Eastern Germany on Feb. 27, and by the Soviet Union on March 3. The spokesman of the Soviet Foreign Ministry (M. Ilyichev) had previously stated that the U.S.S.R. was willing to undertake all the commitments in the "Rapacki plan" provided that the U.S., British, and French Governments "do the same." No replies from the Western Powers had been received in Warsaw by the end of March.

The Soviet Government issued a statement on March 14 accusing the Western Powers of trying to "distract attention" from a summit conference by resuming disarmament negotiations through U.N. channels. The statement said :

"Reports have appeared in the foreign Press lately that the U.S.A. and other Western Powers are planning to summon the U.N. Disarmament Commission. Knowing in advance that this would yield no positive results, they set themselves the task of blaming the stalemate in the disarmament talks on the Soviet Union's refusal to take part in the Commission's work. Using this as a pretext, it is planned to refer the entire disarmament problem to the Security Council . . . Under these circumstances, the plans to summon the U.N. Disarmament Commission and to refer the disarmament problem to the Security Council can be regarded only as an attempt to sidetrack public attention from a summit meeting of Heads of Government, one of whose main tasks would be to find ways to agreed decisions on disarmament problems."

The statement went on to recapitulate the Soviet Government's objections to the enlarged U.N. Disarmament Commission, and the reasons why it would not participate in its work.

The British Foreign Office issued a statement on the same day (March 14) saying that it was "regrettable that the Soviet Union should have issued so distorted a statement," and continuing :

"It is true that the Western Powers were thinking of a meeting of the Security Council if the Russians remain unwilling to attend a meeting of the Disarmament Commission. But the intention was that the Council would be summoned only to give their approval for the prosecution of disarmament negotiations through other channels—including, of course, a possible summit meeting. In this way the responsibility of the U.N. in the matter of disarmament would be maintained. There was never any intention to inaugurate a discussion of the substance of disarmament in the Security Council at this stage.

"This whole concept was explained to the Russians in confidence some days ago, and it is unfortunate that they should have chosen to react in this unhelpful manner to a constructive scheme designed to take account of their position and to improve the prospects of breaking the deadlock in the disarmament talks."

The U.S. State Department issued an announcement on March 15 saying that the Soviet statement "distorts the U.S. position and casts doubt that the Soviet Union wants serious discussions on the disarmament question." It continued :

"Specifically, the U.S.A proposed to the U.S.S.R., after consultation with a number of other U.N. members, that a meeting of the enlarged Disarmament Commission be held pursuant to the resolution adopted by the General Assembly last year . . The U.S.A. also informed the U.S.S.R. that if it was found that, owing to Soviet non-participation, the Disarmament Commission could not usefully pursue serious discussions, the Security Council should hold a purely procedural meeting in order to provide a proper link between the U.N. and any subsequent disarmament discussions.

"Under the Charter, the Security Council has an important responsibility to bring about the regulation of armaments. The purpose of Council consideration would be to give this body the opportunity to take procedural action designed to lead to an early resumption of disarmament discussions through other channels. Rather than creating obstacles in the way of future disarmament discussions, this procedure would ease the way to and enhance the possibility of meaningful talks.

"The U.S.S.R.'s reiteration of its unwillingness to participate in the Disarmament Commission constitutes a continued flouting of the resolution adopted overwhelmingly by the General Assembly. In opposing Security Council consideration of disarmament, even on a procedural basis, the U.S.S.R. seems to be implying that it no longer recognizes the responsibility of the Council to deal with disarmament."

The statement added that "the United States is not prepared to disregard the United Nations in its efforts to resume disarmament talks."—(Polish Embassy Press Office, London - Soviet Embassy Press Dept., London - Times - New York Times) **(Prev. rep. 15941 A ; Rapacki Plan, page 15979 ; Polish-Soviet Discussions, 16016 A.)**

B. VATICAN. — Cardinal Stritch appointed Pro-Prefect of "Propaganda Fide" Organization.

The Papal organ *Osservatore Romano* announced on March 1 that the Archbishop of Chicago, Cardinal Samuel Alphonsus Stritch (70), had been appointed by the Pope to the newly created post of Pro-Prefect of the Sacred Congregation for the Propagation of the Faith (*Propaganda Fide*). Cardinal Stritch thereby became the first American prelate to head one of the 12 Congregations (departments) of the central administrative machinery of the Roman Catholic Church.

In his new capacity, Cardinal Stritch will be in effect head of all Roman Catholic missions throughout the world, with authority over some 25,000 missionary priests, nearly 10,000 missionary lay brothers, and over 60,000 missionary nuns in five continents. As a member of the Curia he will reside in Rome permanently. The 14 other members of the Curia include only one non-Italian—Cardinal Tisserant, of France, who is Dean of the Sacred College.

The nominal head of the *Propaganda Fide* organization is Cardinal Biondi, who is 85 years of age and in ill-health. The *New York Times* said that the appointment of a Pro-Prefect in the person of Cardinal Stritch was "an acknowledgement that Cardinal Biondi needs an assistant with vast powers." (The Universe - New York Times)

C. AUSTRALIA. — New Leader of Country Party.

Sir Arthur Fadden (63), the Australian Federal Treasurer, announced on March 21 that he was resigning from the leadership of the Country Party, which he had held since 1941. Mr. John McEwen (58), Federal Minister for Trade and deputy leader of the Country Party, was elected to the party leadership on March 26, and at the same time was appointed Deputy Prime Minister in the Federal Government. It was stated that Sir Arthur Fadden would continue as Federal Treasurer during the remainder of the term of the present Parliament. (Australian News and Information Bureau) **(Prev. rep. Cabinet, 15170 C ; Country Party, 14649 A.)**

A. INTERNATIONAL LABOUR ORGANIZATION.— Convention on Abolition of Forced Labour. - Credentials withdrawn from Hungarian Employers' and Workers' Delegates. - New I.L.O. Members.

A convention banning all forms of forced or compulsory labour was adopted by the International Labour Organization by 240 votes to nil, with one abstention, at its 40th session in Geneva in June 1957. It provided that each I.L.O. member-country ratifying the convention would undertake not to make use of any form of forced or compulsory labour (1) as a means of political coercion or as a punishment for holding political views opposed to the established political, social, or economic system ; (2) as a method of using labour for purposes of economic development ; (3) as a means of labour discipline ; (4) as a punishment for having participated in strikes ; (5) as a means of racial, social, national or religious discrimination.

The new convention (which supplemented a largely outdated instrument of 1930) represented the culmination of efforts which had been in progress for five years previously. The first step was taken in June 1951, when the U.N. Secretary-General and the Director-General of the I.L.O. jointly set up a five-man *ad hoc* committee to investigate forced labour systems [see 11820 C], at the request of the U.N. Economic and Social Council. After two years' investigations, this committee issued a report (June 1953) emphasizing that forced labour, as used in several countries for political or economic ends, violated the principles set forth in the U.N. Charter and the Declaration of Human Rights [see 13009 A]. In November 1953 the eighth session of the U.N. General Assembly adopted a resolution condemning all forms of forced labour, whether for political coercion or economic purposes ; demanding their abolition ; and asking the I.L.O. and the Economic and Social Council to give early consideration to the committee's report " as a matter of urgency " [see page 13372, second column].

The I.L.O. convention was adopted after an acrimonious debate in which the U.S., Irish, and other Western delegates alleged that forced labour was being used in " Iron Curtain " countries on a considerable scale ; the U.S. Government delegate (Mr. Stuart Rothman) commented in this connexion on the deportations of Hungarians to the Soviet Union after the suppression of the Hungarian uprising. Delegates of the U.S.S.R. and other Communist countries made counter-allegations of forced labour practices in colonial territories of certain Western Powers, and of alleged racial discrimination against Negro, Puerto Rican, and Mexican workers in the United States. All these allegations were strongly denied by the countries against which they were levelled.

The single abstaining vote was that of the U.S. employers' delegate (Mr. Cola G. Parker), who refrained from voting as a protest against the " cynical hypocrisy " of certain countries which, he alleged, would vote for the convention but had no intention of carrying out its provisions. The U.S. Government and workers' delegates voted for the convention.

The British Government announced on Nov. 21, 1957, that it intended to ratify the convention, pointing out that U.K. law and practices were fully in accordance with its provisions. The British instrument of ratification was deposited with the International Labour Office in Geneva on Jan. 1, 1958.

Credentials withdrawn from Hungarian Employers' and Workers' Delegates.

At its 40th session in June 1957 the I.L.O. voted to invalidate the credentials of the Hungarian employers' and workers' delegates, the required two-thirds majority being obtained in both cases. A proposal to invalidate the credentials of the Hungarian Government delegates failed to secure the two-thirds majority needed for adoption. [Under the constitution of the I.L.O., each member-country is represented by two Government delegates, one employers' delegate, and one workers' delegate.]

The proposal to unseat the Hungarian employers' delegate was made by employers' representatives of the non-Communist countries, while the unseating of the Hungarian workers' delegates was urged by the International Confederation of Free Trade Unions (I.C.F.T.U.) and the International Confederation of Christian Trade Unions. The proposals were put forward a few days after the publication of the U.N. Fact-Finding Report on Hungary [see 15621 A], in which both the Soviet Government and the Kadar regime were strongly criticized. The Credentials Committee of the I.L.O. recommended by majority vote that the Hungarian employers' and workers' delegates should be debarred, but that no action should be taken with regard to the Hungarian Government delegation pending a solution of the Hungarian problem within the framework of the United Nations.

The full conference accordingly voted to unseat the Hungarian employers' and workers' delegates ; the only opposing votes were cast by the Communist countries, though there were a number of abstentions. Despite the Credentials Committee's recommendation that no action should be taken on the Hungarian Government delegation, a resolution to unseat it received 94 votes in favour and 88 against, with 52 abstentions ; as stated above, it failed to secure adoption for lack of a two-thirds majority.

The last occasion on which an I.L.O. delegation had been unseated was in 1950, when the Venezuelan workers' delegation was debarred on the ground that free trade unionism had been destroyed by the military junta then ruling the country.

New Members of I.L.O.

Tunisia, Morocco and the Sudan were admitted to I.L.O. membership in 1956, and Ghana in 1957. Venezuela, which withdrew from the I.L.O. in 1956 (see 14212 A), decided on March 17, 1958, to rejoin the Organization, whose membership was thereby raised to 79 countries.—(Ministry of Labour Gazette - Manchester Guardian - New York Times)

(Prev. rep. 13369 A, page 13372 ; 13009 A ; 11820 C.)

B. LONDON. — Opening of Planetarium.

The London Planetarium—the first of its kind in Britain—was opened on March 20 in Marylebone Road, N.W.

The planetarium is enclosed in an aluminium dome 81 ft. in diameter, and has a projection hall seating 550 people. The heavenly bodies are projected on to the interior of the dome by a complex instrument (built by the German firm of Carl Zeiss at a cost of £70,000) consisting of nearly 29,000 separate parts and weighing 2½ tons. This instrument contains some 200 projectors and gearing systems which ensure that the positions in the sky of the sun, moon, planets, stars, and comets are shown correctly for any date in the past, present or future. For example, it can show the night sky as it was at the time of the Battle of Hastings (1066) ; reproduce the three-tailed Donati Comet which appeared in 1858, or the meteoric showers that occur when the Earth passes through the Orionid belt ; or illustrate the orbit of the *sputniks*. Moreover, the instrument can be so adjusted that viewers see the night sky as it appears in Australia, with the Southern Cross. The images of over 9,000 stars can be projected in their various magnitudes of brightness, and the passage of the sun, moon, planets, and stars can be speeded up so that the celestial movements of 24 hours are compressed within 11 seconds.

The inaugural ceremony was attended by Prince Philip and by many well-known scientists, including the Astronomer-Royal, Dr. Richard Woolley.—(Times - Daily Telegraph)

C. LIBYA - TURKEY. — President Bayar's Visit to Tripoli. - Cultural and Residence Agreement.

President Bayar of Turkey visited Tripoli from Feb. 5-10 as the guest of King Idris of Libya, returning a visit paid by the King to Turkey in 1956. The President was accompanied by M. Zorlu, the Turkish Foreign Minister.

A communiqué issued on Feb. 10 said that the representatives of the two countries had discussed " various questions of mutual interest " and had agreed " to harmonize their efforts to ensure peace and security in their respective regions and to strengthen Turkish-Libyan co-operation." It was also announced that an agreement had been signed (*a*) providing for cultural co-operation (including exchanges of students, teachers, and experts) between the two countries ; and (*b*) granting nationals of either country the right to live and set up establishments in the other. The agreement will be valid for five years in the first instance, and will continue in force thereafter unless six months' notice is given by either side.

(Turkish Embassy Press Department, London)

D. EGYPT. — Legislative and Executive Councils for Gaza Strip.

A new 30-member Legislative Council for the Gaza Strip was set up by the Egyptian administration on March 15, following the establishment of a 10-member Executive Council in February. The Legislative Council will be presided over by Major-General Hassan Abdul Latif, the Civil Governor of the area, and will include among its members the mayors of Gaza and Khan Yunis (the two main towns), representatives of other municipalities, seven representatives of the indigenous population, and four representatives of the Palestine Arab refugees in the area (who number 220,000 out of the Gaza Strip's total population of 300,000). It was stated in Cairo that the new Legislative Council would " help the Governor to administer the Strip " but that there was no intention of granting autonomy or independence to the area.

(Times - Manchester Guardian)

E. ITALY. — Dissolution of Parliament.

A decree dissolving both Houses of the Italian Parliament in preparation for general elections on May 25 was signed on March 17 by President Gronchi. The dissolution had been requested by Signor Zoli's Government, as the five-year term of the Chamber of Deputies had almost expired. Although the Senate's mandate was not due to expire until the summer of 1959, Signor Zoli requested a simultaneous dissolution of both Houses in the interests of political stability.

(Giornale d'Italia, Rome - Corriere della Sera, Milan)

A. EUROPEAN ORGANIZATIONS. — First Meetings of Councils of Ministers of Euratom and Common Market. - Inaugural Meeting of European Parliamentary Assembly. - M. Robert Schuman elected President of European Assembly.

The Councils of Ministers of the European Common Market and Euratom met for the first time in Brussels on Jan. 25, M. Victor Larock (the Belgian Foreign Minister) being elected President of the Council of the European Economic Community and M. Roger Motz (Belgian Minister for Economic Affairs) President of the Council of Euratom. The joint meeting was attended by the Commissions of the Common Market and Euratom, the High Authority of the Coal and Steel Community, and the Board of Governors of the European Investment Bank, which consists of the Finance Ministers of the six member-countries.

It was decided that the members of the Commission of the Common Market should be allotted the following specific tasks: M. Rey—external relations, i.e. GATT and the Free Trade Area; M. Marjolin—economic and financial questions; Signor Malvestiti—internal marketing problems of the Community; Herr Hans von der Groeben—trade competition and harmonization of policy; Signor Petrilli—social questions; Mr. Mansholt—agriculture; M. Rasquin—transport; and M. Lemeignan—overseas territories. Herr Hans von der Groeben had been appointed as the second German member [see page 15958, second column] in mid-January.

It was also decided that the six member-countries should be represented by a joint spokesman in the negotiations for a European Free Trade Area, and also in the trade discussions within GATT and in atomic energy discussions with the O.E.E.C.

At a separate meeting on the same day the Governors of the European Investment Bank appointed the 12 members of the Bank's Board of Directors, and decided that the Steering Committee should consist of an Italian as chairman, and a Frenchman and a German as the two vice-chairmen.

The first business meeting of the Commission of the Common Market took place in Luxemburg on Jan. 31, whilst the Commission of Euratom held its first business meeting on Feb. 24 in Brussels. The inaugural meeting of the Board of Directors of the European Investment Bank was held in Brussels on Feb. 26 under the chairmanship of Signor Campilli, the Bank's President.

The new European Assembly, which serves as the parliamentary body for the three institutions of "Little Europe"—the Common Market, Euratom, and the Coal and Steel Community—was inaugurated at the *Maison de l'Europe* in Strasbourg on March 19. It elected as its President M. Robert Schuman (France), the originator of the "Schuman plan" and one of the pioneers of European integration.

The Assembly concluded its meeting on March 21 after adopting the following resolutions *inter alia*:

(1) It unanimously voted that its name should be the European Parliamentary Assembly.

(2) It decided to adopt seating by political groups from left to right in the semi-circular chamber, instead of the seating method adopted in the former Assembly of the Coal and Steel Community, which was in alphabetical order. There will thus be three groups—Socialists, Liberals, and Christian Democrats. The resolution marked not only formal recognition that the Assembly was divided into political rather than national groups, but also the determination of its members to stress the Assembly's supranational character.

(3) It adopted a motion put forward by the Socialists and Christian Democrats inviting the Councils of Ministers to give employers and workers equal representation in the Economic and Social Committee, thereby opposing the proposals for the Committee's membership which had been put forward by the Councils of Ministers.

(4) Another resolution put forward by the Liberal group was also adopted, expressing the wish that a section of the Economic and Social Committee should deal specially with economic and social questions relating to the populations of overseas territories.

(5) Thirteen Standing Committees were set up to maintain a close and permanent watch on the joint work of the three Communities as regards foreign and commercial policy, social policy, finance, agriculture, etc.

It was announced in Washington on Feb. 28 that President Eisenhower had appointed Mr. W. Walton Butterworth as U.S. Representative to the European Economic Community and the European Atomic Energy Community; it was stated that Mr. Butterworth would continue to serve as U.S. Representative to the European Coal and Steel Community, a position he had held since March 1956.

It had previously been announced on Feb. 28 that M. Louis Armand, the president of Euratom, would visit the U.S.A. in April at the invitation of the U.S. Government to discuss the possibilities of close co-operation between the U.S.A. and the European Atomic Energy Community in the peaceful uses of atomic energy.—(Bulletins of the European Communities, Brussels - Luxemburg - Le Monde, Paris) **(Prev. rep. 15951 A.)**

B. INDIA. — New Atomic Energy Commission. - Indian Atomic Energy Developments.

Dr. H. J. Bhabha, Secretary of the Indian Atomic Energy Department, announced on March 14 that the Government of India had decided to set up a new Atomic Energy Commission with full executive and financial powers, modelled to a certain extent on the U.K. Atomic Energy Authority. He explained that the new Commission would replace the first Atomic Energy Commission set up in 1948, and that its object would be the expansion of India's atomic energy programme.

Dr. Bhabha said that the new Commission would consist of full-time and part-time members, the total number of members being not less than three nor more than seven. The Secretary of the Department of Atomic Energy would be *ex officio* chairman of the Commission, which would also have two other *ex officio* members—one for Finance and Administration, and the Director of the Atomic Energy Establishment, who would be in charge of research and development.

The new Commission would be responsible for (*a*) formulating the policy of the Department of Atomic Energy for the consideration and approval of the Prime Minister; (*b*) preparing the budget of that Department; (*c*) implementing governmental policy in atomic energy matters. Within the limits of Budget provisions as approved by Parliament, the Commission would exercise the Government's powers, both administrative and financial, for carrying out the work of the Department of Atomic Energy.

The Chairman, in his capacity as Secretary of the Department of Atomic Energy, would be responsible under the Prime Minister for taking decisions on technical questions and advising the Government on matters of atomic policy. All recommendations of the Commission on policy and allied matters would be put to the Prime Minister through the Chairman. He would have the power of overriding the other members of the Commission, except that the Member for Finance and Administration might ask that any financial matter with which he disagreed should be referred to the Prime Minister and the Finance Minister.

The Member for Finance and Administration would exercise the Government's powers in all financial matters concerning the Department of Atomic Energy, and no proposal with financial implications could be sanctioned without his prior concurrence.

Dr. Bhabha also announced that the Radio Chemistry Laboratory at Trombay (near Bombay), the creation of which had been decided on in 1956, had been in full operation since the beginning of February.

Other important developments relating to atomic energy had been announced in the report of the Department of Atomic Energy published on June 6, 1957.

The report said that the Government of India had decided to give top priority to the construction of a plant to produce uranium metal of atomic purity. The new plant would provide fuel elements for the zero-energy reactor (*Zerlina*), which was expected to be in operation by the middle of 1958, and also for the "Canada-India" reactor under construction; the latter, when completed, would be one of the most powerful research reactors in the world. The new uranium metal plant would be additional to the thorium-uranium plant at Trombay, which produces thorium nitrate for the gas-mantle industry.

The report also announced that the capacity of Indian Rare Earths Ltd., which processes the Travancore monazite sands, was to be doubled to 3,000 tons of monazite per annum; that steps were being taken to establish plants for the production of atomically pure graphite and beryllium oxide; and that a separate heavy-water plant was being set up at Nangal in conjunction with the proposed fertilizer plant in that area. In addition, a plant for producing ziliconium (another valuable atomic metal) was also contemplated, and large deposits of uranium and thorium ore had been discovered on the Ranchi plateau.

President Prasad, opening the new session of both Houses of Parliament on Feb. 10, 1958, announced that the Government of India had under consideration the construction of one or more atomic power stations during the current Five-Year Plan period.—(The Hindu, Madras - The Statesman, Calcutta - Indian High Commissioner's Office, London)

(Prev. rep. 15375 A; 14877 B; 9471 E.)

C. BULGARIA - GREECE. — Border Agreement.

Following Greco-Bulgarian military talks on border problems, the General Staffs of both countries signed four protocols at Salonika on Feb. 11 settling all issues considered likely to arise along the 300 miles of common frontiers. (Times)

MARCH 29—APRIL 5, 1958

A. SUDAN. — General Elections. - New Umma-P.D.P. Coalition Cabinet formed by Mr. Khalil.

Voting in the first general elections held in the Sudan since the attainment of independence in 1956 began on Feb. 27 and was completed on March 8. A total of 203 members were to be elected—the 173 members of the House of Representatives, and 30 of the 50 members of the Senate. The elections resulted in a victory for the ruling alliance of the Umma and People's Democratic parties, the results for the House of Representatives being announced on March 11 as follows :

Umma Party	63
National Unionist Party	45
People's Democratic Party ..	27
Southern Liberals	20
Southern Federalist	1
Anti-Imperialist Front	1
Uncommitted Southern members	16

Thirty members of the Senate are elected, as stated above, and the remaining 20 nominated by the Supreme Commission which exercises the functions of Head of State. The Umma Party won 14 of the elected seats, the National Unionists and P.D.P. five each, and Southern representatives six. The nominated seats were distributed in proportion to party strengths in the House of Representatives, seven being allocated to the Umma Party, five to the National Unionists, four to the P.D.P., and four to Southern representatives. Hence the final distribution of seats in the Senate was announced on March 20 as follows :

Umma Party	21
National Unionist Party	10
People's Democratic Party ..	9
Southern representatives	10

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Electoral procedure, which had been laid down in the Parliamentary Elections Act of 1957 [see 15787 A], differed in certain respects from that followed in the 1953 elections ; e.g. voting in all constituencies was direct, and the five seats reserved in the former House of Representatives for graduates' representatives were abolished. In over 100 constituencies, including all those in the Southern Provinces and Darfur Province, voting was by token ; each candidate was allotted a symbol, and the elector voted by dropping his token into the ballot-box bearing the symbol of the candidate of his choice. In the remaining constituencies voting was by ballot ; the ballot papers, however, did not give the candidates' names but the symbols or colours allotted to them, against one of which the voter made a mark. To prevent plural voting, voters were marked on the left hand with silver nitrate after voting for the House of Representatives ; those over 30, who had a second vote for the Senate, were marked on the right hand after casting their second vote.

Over 500 candidates were put forward for the House of Representatives, and over 70 for the elected Senate seats ; some candidates stood for both Houses, as is permissible under Sudanese law. Only two candidates were returned unopposed to the Lower House ; both were Northerners contesting Southern seats, their opponents being disqualified on technical grounds.

Of those eligible for the franchise, 77 per cent had registered as voters, the proportion ranging from 63.5 per cent in Darfur Province to 93 per cent in Khartoum Province. The proportion of the registered electors who voted in the main towns was extremely high, being over 90 per cent in five Khartoum constituencies.

No serious incidents occurred during the elections, strict precautions having been taken to maintain order ; voters were forbidden to carry heavy sticks when going to the polls, and public meetings and processions were banned from Feb. 27 to March 20. As allegations had been made by various parties that their opponents were receiving financial assistance from the Egyptian, U.S., or Soviet Embassies, members of the Diplomatic Corps were forbidden to leave Khartoum without permission while the elections were in progress.

Details are given below of the election results as they affected the leading parties, and of the policies of the various parties.

Umma Party. All leading members of the Umma (People's) Party were re-elected, including the Prime Minister, Mr. Khalil, and all the Umma members of his Cabinet. Founded in 1945, the party has consistently advocated complete independence of Egypt. Its foreign policy is defined as " positive neutrality ; better understanding with Egypt and closest collaboration with neighbouring countries, such as Libya and Ethiopia ; Arab unity within the Arab League ; collaboration with all African States." It also favours close trade and economic relations with Britain and the U.S A., and in 1957 advocated acceptance of the " Eisenhower Doctrine." Conservative in outlook, it is closely associated with the Ansar sect headed by Sayed Abdel Rahman el-Mahdi.

National Unionist Party. The defeat of the National Unionists, led by Mr. Azhari, was attributed partly to the frontier dispute with Egypt [see 16075 A] and partly to the opposition of Sayed Ali el-Mirghani, leader of the Khatmia sect, who had supported the N.U.P. in the 1953 elections but in 1956 joined with Sayed Abdel Rahman el-Mahdi in advocating an all-party Government. The party formerly advocated union with Egypt, and still favours the conclusion of a defence pact with Egypt and the co-ordination of the two countries' foreign policies ; in other respects, however, it supports a neutralist foreign policy, avoidance of military pacts, and the development of Sudanese trade with the most favourable markets, irrespective of Power blocs. It draws much of its support from the large towns and from the official and professional classes.

People's Democratic Party. Four of the six P.D.P. members of the Government—Mr. Mirghani Hamza (the Vice-Premier and Minister of Agriculture, Irrigation and Power), Mr. Ali Abdel Rahman (the party president and Minister of the Interior), Mr. Hammad Tewfik (Minister of Commerce), and Dr. Amin el Sayed (Minister of Health)—lost their seats in the House of Representatives. The P.D.P. was formed in 1956 by a number of dissident groups inside the National Unionist Party, including those led by Mr. Hamza, who opposed Mr. Azhari's policy as too pro-Egyptian, and by Mr Mohamed Nur el-Din, who favoured union with Egypt. It is also supported by Sayed Ali el-Mirghani and many of the Khatmia sect. Though allied with the Umma Party, it advocates close political collaboration with Egypt, and in 1957 opposed acceptance of the "Eisenhower Doctrine."

Southern Parties. The most striking feature of the election was the defeat of the Government's supporters in the Southern Provinces. The Liberals (the principal Southern party) were divided before the election into two main groups—the orthodox Liberals led by Mr. Benjamin Lwoki, who supported the Umma Party and the Government, and the dissident Liberals led by Mr. Stanislaus Paysama, who demanded a federal Constitution and had close ties with the National Unionists. In the elections, all the three Southern Ministers —Mr. Lwoki, Mr. Alfred Uludo, and Mr. Gordon Ayom—lost their seats in the House of Representatives, together with most of the pro-Government Liberals, although Mr. Lwoki was elected to the Senate. Almost all the Southern Liberals re-elected were followers of Mr. Paysama, whilst the new members—one of whom was in prison for a non-political offence—were largely supporters of the 1955 uprising.

Mr. Paysama formed a new parliamentary group—the Southern Sudanese Federal Bloc—on March 19 from Liberals and Independents. Father Saturnino Lohure, a native Roman Catholic priest who had stood as an Independent, was elected president of this group, which comprised 39 of the 46 members for Southern seats, including the member in prison.

Other Parties. The Anti-Imperialist Front, which won one seat, is an extreme left-wing organization. The recently-formed National Liberation Party, which is supported by members of the family of the Khalifa (the successor of the Mahdi, who was defeated at Omdurman in 1898 after the Dervish revolt), failed to return a candidate. Both parties are pro-Egyptian in outlook, and co-operated with the National Unionists in the elections.

When the House of Representatives assembled on March 20, Mr. Mohamed Saleh Shangeiti (a former High Court Judge and Speaker of the Legislative Assembly from 1949-52, who was not a member of either the new House or its predecessor) was unanimously elected Speaker. Mr. Khalil was then re-elected Prime Minister by 103 votes against 44 for Mr. Azhari and 25 for Mr. Paysama ; 11 members of the Southern Federal Bloc voted for Mr. Khalil and two for Mr. Azhari, as they had already promised their votes before Mr. Paysama was nominated. After his re-election Mr. Khalil stated that his external policy would be based on non-alignment with either of the world power blocs, and on the maintenance of good relations with all countries, including Egypt.

The formation of the Cabinet was delayed by disagreement inside the People's Democratic Party over its nominees. The party's backbenchers protested on March 26 against Mr. Khalil's proposal to give the Ministry of the Interior to Mr. Hamza, whom they considered to be too closely connected with the Umma Party, and demanded that Mr. Abdel Rahman should retain the post. Mr. Khalil, however, refused to accept this demand, the membership of the Cabinet being announced on March 27 as follows :

*Mr. Abdullah Khalil (Umma)	Prime Minister and Defence.
†Mr. Mirghani Hamza (P.D.P.)	Deputy Premier, Interior, and Irrigation.
*Mr. M. A. Mahgoub (Umma)	Foreign Affairs.
†Mr. A. A. Rahman (P.D.P.)	Agriculture and Commerce.
*Mr. Ziada Arbab (Umma) ..	Education and Justice.
Mr. Buth Diu (Umma) ..	Public Works.
†Mr. Mohamed Nur el-Din (P.D.P.)	Health.
Mr. A. R. Ali Taha (Umma)	Local Government.
*Mr. M. H. Sherrif (Umma)	Communications.
*Mr. M. A. Abusin (P.D.P.) ..	Social Affairs.
Mr. Santino Deng Teng (Umma)	Animal Resources.
Mr. Ferdinand Adyang (P.D.P.)	Mineral Resources.
†Mr. Amin El-Tom (Umma)	Minister of State.
Mr. Abdullah Nugdalla (Umma)	Minister without Portfolio.

* Held same post in previous Cabinet.
† Member of previous Cabinet.

Mr. Mirghani Hamza, though defeated in the elections to the House of Representatives, was subsequently appointed a member of the Sudanese Senate.

The main differences between the new Cabinet and its predecessor were that the Umma Party now holds a majority of the portfolios, and that the Republican Socialists (now largely merged with the Umma Party) and the Liberals are no longer represented. The three Southern Ministers are Mr. Buth Diu and Mr. Santino Deng Teng (both former National Unionist Ministers who had joined the Umma Party) and Mr. Adyang, a P.D.P. supporter.—(Sudan Government Information Centre, Khartoum - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 1953 Elections, 13303 A; 13331 B; Electoral Law, 15787 A; Cabinet, 14970 C.)**

A. UNITED KINGDOM. — Manpower Distribution.

The following table shows the manpower position in Britain at the end of 1957, comparison being given with the position at December 31, 1956:

	Dec. 31 1957	Dec. 31 1956
Total Working Population*		
Men	16,218,000	16,270,000
Women	7,930,000	7,939,000
	24,148,000	24,209,000
H.M. Forces and Women's Services	650,000	761,000
Registered Unemployed†	361,000	331,000
Persons in Civil Employment	23,131,000	23,111,000
of whom: *Men*	15,319,000	15,290,000
Women	7,812,000	7,821,000

*The total "working population" represents the total number of persons aged 15 or over working for pay or gain, or registering themselves as available for such work. It includes H.M. Forces and the Women's Services, those on release leave and not yet in employment, registered unemployed, private indoor domestic servants, and gainfully employed persons over pensionable age. Part-time workers are counted as full units.

†Excluding persons registered as "temporarily stopped," most of whom were on employers' pay-rolls and were therefore included in the numbers shown as in civil employment.

An analysis by industrial groups of the total number of persons in civil employment is given below:

Basic Industries	Dec. 31 1957	Dec. 31 1956
Coal Mining	790,000	783,000
Other Mining and Quarrying	78,000	78,000
Gas, Electricity, and Water	381,000	379,000
Transport and Communications	1,710.000	1,711,000
Agriculture and Fishing	964,000	993,000
Number in Basic Industries	3,923,000	3,944,000
Manufacturing Industries		
Chemicals and Allied Trades	534,000	532,000
Metals, Engineering, and Vehicles	4,677,000	4,633,000
Textiles	917,000	941,000
Clothing (including footwear)	667,000	682,000
Food, Drink, and Tobacco	911,000	914,000
Other Manufactures	1,594,000	1,596,000
Number in Manufacturing Industries	9,300,000	9,298,000
Building and Contracting	1,470,000	1,496,000
Distributive Trades	2,981,000	2,933,000
Professional, Financial, and Miscellaneous Services	4,169,000	4,142,000
Public Administration		
National Government Service	537,000	557,000
Local Government Service	751,000	741,000
Total in Civil Employment	23,131,000	23,111,000

The largest percentage increases, as compared with 1956, were in distributive trades (1.64 per cent); local government (1.35 per cent); metals, engineering, and vehicles (0.94 per cent); coal mining (0.89 per cent); professional, financial, and miscellaneous services (0.65 per cent); and chemicals and allied trades (0.38 per cent). The biggest percentage decreases were in national government service (3.59 per cent); agriculture and fisheries (2.92 per cent); textiles (2.62 per cent); clothing and footwear (2.19 per cent); and building and contracting (1.80 per cent). (Ministry of Labour Gazette) **(15432 A.)**

B. UNITED KINGDOM. — Army. - Corrigenda.

The following corrections should be made on page 16088: (*a*) in column one, paragraph 6, under the cross-heading "Royal Armoured Corps," the correct name of the regiment to be amalgamated with the King's Dragoon Guards is the Queen's Bays, not the Queen's Own Hussars as incorrectly stated; (*b*) in the second column, ninth paragraph, second line, the post of Brigadier Buchanan-Dunlop should correctly read Deputy Adjutant-General at G.H.Q., Far East Land Forces. (Ed. K.C.A.)

C. NETHERLANDS.—State Visit of Queen Elizabeth II and the Duke of Edinburgh.

Her Majesty Queen Elizabeth II and the Duke of Edinburgh paid a three-day State visit to the Netherlands on March 25-27—the first State visit to that country by a British sovereign for 300 years. During their visit the Queen and Prince Philip went to Amsterdam, The Hague, and Rotterdam, receiving an enthusiastic welcome from the great crowds which had assembled to greet them.

The Queen and the Duke of Edinburgh travelled from Harwich in the Royal yacht *Britannia* and arrived in the morning of March 25 at the port of Ymuiden, where they were welcomed by Princess Beatrix, the heiress to the Dutch throne. The *Britannia* then sailed up the North Sea Canal and anchored in the River Y, in the heart of Amsterdam. On disembarking, the Queen and the Duke were welcomed by Queen Juliana of the Netherlands, Princess Irene (the second daughter of Queen Juliana and Prince Bernhard), the Netherlands Prime Minister (Dr. Drees), the ambassadors of the Commonwealth countries, and the civic authorities. Prince Bernhard was unable to be present owing to his convalescence from an influenza attack.

From the landing-stage the Queen and Prince Philip drove with Queen Juliana and Princess Irene to the Royal palace on the Dam (the main square of Amsterdam), where Queen Elizabeth reviewed a guard of honour of the Dutch Grenadier Guards. Later in the morning her Majesty, accompanied by Prince Philip, Dr. Drees, and the Burgomaster of Amsterdam (Mr. van Hall), laid a wreath on the National War Memorial facing the palace, which commemorates the 210,000 Dutch men and women who lost their lives in the Second World War and the German occupation. In the afternoon the Queen and the Duke visited the Rijksmuseum, which houses one of the world's most famous art collections, notably of the great Dutch masters. Later they visited Asscher's diamond-cutting works, one of the leading firms in the diamond industry. In the evening a State banquet was held at the Royal palace at which speeches were made by Queen Juliana and Queen Elizabeth, after which the two Queens and Prince Philip attended a concert by the Concertgebouw Orchestra under its conductor, Eduard van Beinum.

In the morning of March 26 Queen Elizabeth and Queen Juliana drove to Aalsmeer (the biggest horticultural centre in the Netherlands) to see a flower auction, while Prince Philip and Prince Bernhard visited the International Trade Fair at Utrecht. From Aalsmeer the two Queens drove to The Hague by way of the seaside resort and fishing harbour of Scheveningen, where their car was "mobbed" by several hundred fisherwomen wearing the traditional voluminous dresses. With Prince Philip and Prince Bernhard they lunched with Princess Wilhelmina (the mother of Queen Juliana, who abdicated ten years ago after a reign of 50 years) at the House in the Woods (Huis ten Bosch), a small palace near The Hague where the ex-Queen lives in retirement.

During the afternoon the Queen and the Duke of Edinburgh visited an "Age of Shakespeare" exhibition held in the municipal museum at The Hague, after which they attended a reception given by the heads of the Commonwealth diplomatic missions. In the evening they attended a dinner given in their honour by the Netherlands Government, followed by a reception in the Ridderzaal (Hall of Knights), where the States-General meets on ceremonial occasions.

Before visiting Rotterdam on the final day of their tour, Queen Elizabeth and Prince Philip paid a short visit to Delft to see the Hydraulics Laboratory at which plans are drawn up for large-scale coast protection and reclamation projects. In addition to inspecting models of the Delta Plan [see 14292 A], they also saw the plans for the construction of Europort, a new harbour which will be built near the Hook of Holland to accommodate the largest and most modern oil tankers. Prince Philip also visited the Technical University at Delft, while Queen Elizabeth and Queen Juliana visited a new housing estate on the outskirts of Rotterdam.

In Rotterdam the Queen and the Duke of Edinburgh visited the Town Hall (one of the few buildings in the city centre to survive the German air attack of 1940), the Bouwcentrum (the building centre at which plans for the city's reconstruction are drawn up), and the English Church (St. Mary's). They also saw some of the city's modern architecture, and the great progress made in rebuilding the war-devastated areas. In the evening her Majesty and Prince Philip gave a farewell dinner for Queen Juliana and Prince Bernhard on board the *Britannia*, which was berthed in the River Maas.

The Queen and Prince Philip sailed from Rotterdam in the *Britannia* in the evening of March 27, arriving at Dover the following morning.

Mr. Selwyn Lloyd accompanied H.M. the Queen on her visit to the Netherlands as Minister-in-Attendance. While in The Hague he had discussions with the Netherlands Foreign Minister (Mr. Luns) on a number of international problems. (Algemeen Handelsblad, Amsterdam - Nieuwe Rotterdamse Courant - Haagse Post - Netherlands News Agency) **(15596 C.)**

D. NIGERIA. — Control of Military Forces.

Control of the Nigerian military forces was formally transferred to the Federal Government of Nigeria on April 1, in conformity with the policy announced by the U.K. Secretary of State for War in the White Paper issued on Feb. 19.—(Times) **(Prev. rep. 16087 A.)**

A. UNITED STATES. — Vice-President Nixon to assume Presidential Functions in Event of President Eisenhower's Disability. - Constitutional Implications of Eisenhower-Nixon Agreement.

President Eisenhower stated on Feb. 26 that he had a "clear understanding" with Vice-President Nixon on what to do if he (the President) should become unable to perform his duties. He added that Mr. Nixon "knows exactly what he should do in the event of a presidential disability," and that others around him (the President) were "completely privy" to the arrangement.

Following widespread demands in Congress that any arrangements about the presidency should be made public, the White House announced details of the agreement between President Eisenhower and Vice-President Nixon on March 3. The statement was as follows :

"The President and the Vice-President have agreed that the following procedures are in accord with the purposes and provisions of Article 2, Section 1, of the Constitution, dealing with Presidential inability. They believe that these procedures, which are intended to apply to themselves only, are in no sense outside or contrary to the Constitution but are consistent with its present provisions and implement its clear intent.

"(1) In the event of inability the President would—if possible—so inform the Vice-President, and the Vice-President would serve as Acting President, exercising the powers and duties of the office until the inability had ended.

"(2) In the event of an inability which would prevent the President from communicating with the Vice-President, the Vice-President, after such consultation as seems to him appropriate under the circumstances, would decide upon the devolution of the powers and duties of the Office and would serve as Acting President until the inability had ended.

"(3) The President, in either event, would determine when the inability had ended and at that time would resume the full exercise of the powers and duties of the Office."

The U.S. Constitution contains no clear provision as to the exact arrangements which would have to be made in the event of the President's incapacity to perform his presidential functions, or how such incapacity should be ascertained. The relevant section of the Constitution (Article 2, section 1, paragraph 6) reads as follows :

"In case of the removal of the President from office, or of his death, resignation, or inability to discharge the powers and duties of the said office, the same shall devolve on the Vice-President, and Congress may by law provide for the case of removal, death, resignation or inability, both of the President and Vice-President, declaring what officer shall then act as President, and such officer shall act accordingly until the disability be removed or a President shall be elected."

[It is generally agreed in the U.S.A. that the "founding fathers" of the country had left the provision purposely vague in framing the Constitution.]

Mr. Hagerty, press secretary at the White House, said on March 3 that the statement on the proposed arrangement in the event of the President's disability had been drawn up by President Eisenhower, Vice-President Nixon, and the Attorney General, Mr. Rogers, who had fully concurred in its constitutional aspects. Mr. Hagerty pointed out that the arrangement did not imply any abandonment of the request, previously made by the Administration to Congress, for a Constitutional amendment to deal with the problem.

At his press conference on March 5 President Eisenhower stressed that during his three illnesses in recent years Vice-President Nixon had not exercised any presidential powers. However, in any future crisis which required presidential action when the President was incapacitated, Mr. Nixon would have legal authority to use all necessary powers. He added : "We are not trying to rewrite the Constitution. We are just trying to carry out what normal humans of good faith having some confidence in each other would do in accordance with the language of the Constitution."

Mr. Rogers, the Attorney-General, stated on the same day that in the event of the President's disability, the Vice-President could exercise supreme power without taking the presidential oath of office. His powers would include authority to sign or veto legislation, and presumably to reorganize the Cabinet, command the armed forces, and make decisions affecting peace and national security. Mr. Rogers expressed the view that the President would regain his powers on the ending of his disability by making a simple declaration to that effect.

The arrangement between President Eisenhower and Vice-President Nixon was welcomed by Representative Emanuel Celler (Democrat), chairman of the Judiciary Sub-committee of the House of Representatives, which had been studying the question ; Mr. Celler expressed the view that only an ordinary Act of Congress would be required to regulate the question, and that no Constitutional amendment would be necessary. On the other hand, the legality of the arrangement was challenged by Mr. Sam Rayburn (Democrat), the Speaker of the House, who expressed the view (*a*) that the scheme was not possible under the Constitution ; (*b*) that there was no constitutional provision for an Acting President ; and (*c*) that any such provision would need endorsement from Congress, either by Act or Constitutional Amendment. Mr. Rayburn also thought that a Vice-President could not exercise presidential powers without taking the presidential oath, and that if he took the oath he must remain President for the remainder of the presidential term of office.

On March 25 President Eisenhower put before a bi-partisan group of Congressional leaders a proposal for the amendment of the Constitution on this question, which had been worked out by the Department of Justice and had received the President's full support. The proposal was (i) that the Constitution should be amended to permit the Cabinet to determine when the Vice-President should assume the duties of a disabled President ; and (ii) that the decision should be taken by majority vote, thus filling the gap in the Constitution as to who should decide when the President was incapacitated. In a subsequent press statement Mr. Hagerty pointed out that the proposed constitutional change would not apply as a practical matter to President Eisenhower, because his second and final term of office would have ended before such an amendment could be adopted under the procedure required.

Meanwhile several other proposals had been considered in Congress. The House Judiciary Sub-committee decided on Feb. 20, by three votes to two (the Republicans opposing), that an eight-man commission should be set up under the chairmanship of the Vice-President to advise him when a President was ill or otherwise unable to perform his duties, though leaving the final decision to the Vice-President himself.

The Bill approved by the sub-committee would allow any three members of the advisory commission to start an investigation into the President's health ; it also provided that the Vice-President would be authorized to take over from an incapacitated President only the "powers and duties" of the presidential office, but not the office itself. [In the past ailing Presidents had been reluctant to transfer their powers for fear they would not get them back on their recovery, whilst Vice-Presidents had been reluctant to assume the presidential power for fear of being charged with usurpation of functions.] In addition to the Vice-President, the members of the advisory commission would comprise the Secretary of State, the President *pro tempore* of the Senate, the Speaker of the House of Representatives, and the majority and minority leaders in the House and Senate, but the Vice-President, the Speaker, and the Senate President *pro tempore* would not have a vote. The Vice-President's decision would only be required if an ailing President was too ill to understand his condition or unwilling to declare it. Otherwise, the President could himself declare his inability in a written message to Congress, upon which the Vice-President would then temporarily take over.

Following the announcement of the arrangement between President Eisenhower and Vice-President Nixon, Senator Kefauver (Democrat) and eight other senators of both parties proposed on March 4 a Constitutional Amendment authorizing a Vice-President to take over as Acting President whenever a President was unable to carry out his duties. The Kefauver amendment provided :

(*a*) That a Vice-President could assume power as Acting President whenever the President felt himself incapacitated and so notified the Vice-President, or when a majority of the Cabinet decided that the President was unable to perform his duties.

(*b*) That a President could regain his office by giving seven days' notice that he intended to do so. If a Vice-President still questioned Presidential ability to function he could appeal to Congress on the matter. A two-thirds majority of both Houses would be required to sustain the Vice-President's protest ; otherwise, the President would reassume his office at once.

The co-sponsors of Senator Kefauver's amendment were Senators Dirksen, Langer, Jenner, Watkins, Hruska, and Butler (Republicans) and Senators Hennings jr. and Olin D. Johnston (Democrats). Senator Knowland, the Republican Senate leader, stated that the proposal would be "generally acceptable" to the Administration.—(New York Times - New York Herald Tribune) **(Prev. rep. 15894 A.)**

B. SOVIET UNION. — Further Nuclear Tests.

Nine nuclear weapon tests were held in the Soviet Union during the month Feb. 22 to March 22, the last six of these tests taking place within a period of ten days (two on March 14 and one each on March 15, 20, 21, and 22). All the tests were reported by the U.S. Atomic Energy Commission, which stated that the first test on Feb. 22 and another on Feb. 27 were in the megaton range (i.e. of the hydrogen-bomb type) and the others on a smaller scale. The Japanese Meteorological Office reported an exceptionally high degree of radio-activity over Japan during the period of the tests, while the Norwegian and Swedish military authorities reported similarly high radio-activity over Scandinavia during the same period. No statement was issued in Moscow.—(New York Times - Times) **(Prev. rep. 16012 A.)**

A. UNITED KINGDOM. — National Trust Acquisitions. - Hardwick Hall and Chatsworth Art Treasures accepted in lieu of Estate Duty.

Important acquisitions by the National Trust during the past three years (up to Easter 1958) are listed below, the names of donors or other methods of acquisition being given in parentheses :

Houses of Historical or Architectural Interest.

Ashdown House, near Lambourn (Berks.)—A small 17th century house of great architectural interest, together with 40 acres of parkland and an endowment. (The Dowager Countess of Craven).

Berrington Hall, near Leominster (Herefordshire)—An 18th century mansion with fine painted ceilings and interior decorations, together with 482 acres of land and an endowment. (The Dowager Lady Craven).

Clandon Park, near Guildford (Surrey)—A fine example of Palladian architecture, with 300 acres of parkland laid out by "Capability" Brown. (Given, with an endowment, by the Earl of Onslow).

Claydon House, near Aylesbury (Bucks.)—Home of the Verney family since the 15th century, with an 18th century wing containing rich rococo decorations. (Mr. and Mrs. Ralph Verney).

Croft Castle, near Leominster (Herefordshire)—A castellated mediaeval stronghold, modernized in the 18th century, with parkland planted with celebrated avenues of Spanish chestnuts, some of great age. The home of the Croft family since the Norman Conquest, but in danger of becoming derelict following the death of the late Major O. G. S. Croft. (Purchased, together with an estate of 1,750 acres, with the help of grants totalling £50,000 from the Minister of Works).

Dyrham Park, near Chipping Sodbury (Gloucestershire)—An 18th century mansion containing an important collection of furniture and pictures. (Transferred to the National Trust, after restoration, by the Ministry of Works.)

Ickworth Park, near Bury St. Edmunds (Suffolk)—A large house dating from 1791-1830 and of great architectural interest. (Offered to the Treasury, together with 1,000 acres of parkland and an endowment of £180,000, by the Dowager Lady Bristol in settlement of death duties, and transferred to the National Trust.)

Mottisfont Abbey, near Romsey (Hants.)—Formerly an Augustinian priory, dating from the 12th century but secularized in Henry VIII's reign. Given with 2,029 acres of land and an endowment. (Mrs. Gilbert Russell.)

Pinehurst House, near Dorking (Surrey)—(Accepted by the Treasury in part-payment of death duties on the estate of the late Miss G. Corbet Hue, and handed over to the Trust through the National Land Fund.)

Saltram House, Plympton (Devon)—A Georgian mansion with rooms decorated by Robert Adam, paintings by Sir Joshua Reynolds and Angelica Kauffmann, unique Chinese mirror paintings, and especially fine 18th century furniture. (Accepted by the Treasury, together with 391 acres of park and woodland, in part-payment of duty on the estate of the late Earl of Morley, and transferred to the National Trust)

St. Michael's Mount, near Penzance (Cornwall)—A small "island" connected with the mainland at low tide and surmounted by a 15th century castle, which incorporates part of a monastery given by Edward the Confessor to the Abbey of Mont St. Michel in Brittany and rebuilt in 1135-50. The legendary home of the giant Cormoran (killed by Jack the Giant Killer), and traditionally associated with Joseph of Arimathea and Tristan and Iseult, the Mount has been the home of the St. Aubyn family since 1660. (Lord St. Levan.)

Trelissick, Feock, on the Fal estuary near Falmouth (Cornwall)—Originally an Elizabethan farmhouse, to which a large classical portico and wings were added in 1824. Given with 376 acres of estate and woodlands, and an endowment (Mrs. Ronald Copeland.)

Waddesdon Manor, near Aylesbury (Bucks.)—Built in the 1880's by Baron Ferdinand de Rothschild in the style of a Renaissance French château, the house contains valuable 17th and 18th century French furniture and tapestries, a magnificent collection of Sèvres, Oriental, and other porcelain, and one of the finest private art collections ever given to the public. The pictures include about 70 by Guardi, Gainsborough (notably the famous *Pink Boy*), Reynolds, Romney, Watteau, Boucher, Cuyp, Pieter de Hooch, Gerard Dou, Teniers, Van der Velde, and Wouwermans. Given with the ornamental gardens, about 200 acres of parkland, and an endowment fund of £750,000—the largest bequest ever made to the National Trust. (Bequeathed by the late Mr. James de Rothschild.)

Washington Old Hall, near Sunderland (Co. Durham)—The ancestral home of George Washington's family. (Taken over from Washington Urban District Council).

Cliffs, Headlands, Harbours, and Islands.

Boscastle Harbour (North Cornwall)—Given with 146 acres of surrounding land, including the rugged headlands of Penally Point and Willapark. (Mr. T. P. Fulford and others).

Gower Coast (Glamorgan)—About 350 acres of great scenic beauty, including the Bishopston valley, Pwll Du Head, and cliffs to the westward. (Given by the widow and daughter of the late Mr. F. W. Gilbertson).

Gunwalloe Towans, near Mullion (South Cornwall)—About 108 acres overlooking Poldhu Cove, Lizard Peninsula. (Purchased out of funds bequeathed by the late Mr. E. S. Arnold).

Lowland Point, near Coverack (South Cornwall)—Overlooking the well-known Manacles rocks, the scene of many shipwrecks. The area of 57 acres includes cliffs and croft land. (Given by an anonymous group to prevent "commercialization").

Portquin, near Port Isaac (North Cornwall)—A small area of cliffs and farmland. (Purchased out of the Woodward and Arnold bequests).

St. Agnes Beacon, near Perranporth (North Cornwall)—A 630-ft. heather-covered hill close to the sea, giving views over the coast from Gurnard's Head (St. Ives) to Trevose Head (Padstow). (Purchased from funds bequeathed by the late Mrs. Hetty Cohen).

The St. Kilda group, Outer Hebrides—An isolated group of islands (St. Kilda, Hirta, Dun, Soay, Boreray, and Levinish), the largest being seven miles in circumference. Uninhabited since the islanders migrated to the mainland in 1930, the group is now mainly important from the standpoint of nature conservation and as a bird sanctuary. (Bequeathed to the National Trust for Scotland by the late Marquess of Bute).

Other Places of Scenic or General Interest.

Gatton Park, near Reigate (Surrey)—About 111 acres of parkland adjoining woodlands already owned by the National Trust. (Purchased from Sir Jeremiah Colman).

Harewoods Estate, near Bletchingley (Surrey)—A 2,000-acre estate comprising farms, smallholdings, cottages, and parkland, together with manorial rights over Outwood Common. (Mr. and Mrs. Theodore H. Lloyd).

Holmwood Common, near Dorking (Surrey)—About 630 acres of common, much of it wooded. (Purchased from the Duke of Norfolk by the Surrey County Council and local district councils, and handed to the Trust with an agreement to contribute to upkeep.)

Marsden Moor, between Huddersfield and Oldham—Lying partly within the Peak District National Park and consisting of 5,689 acres of unspoilt country within easy reach of large industrial towns. (Accepted by the Treasury in part payment of death duties and transferred to the National Trust.)

Plas-yn-Rhiw, near Pwllheli (Caernarvonshire)—About 200 acres of woodland and moorland overlooking Cardigan Bay. (Given by the Misses Keating in 1956 to celebrate the Trust's 60th anniversary.)

Pont Pill, Fowey Harbour (Cornwall)—A small area on the south bank of the Pill, opposite land already owned by the National Trust and facing Fowey town. (Mr. J. G. Allday).

Wasdale (Lake District)—A large area of 7,234 acres at Wasdale itself (Wastwater valley) and 410 acres at Seatoller, at the head of Borrowdale. (Accepted by the Treasury in part satisfaction of death duties on the Leconfield estates and handed over to the National Trust.)

East Afton Down, Freshwater, Isle of Wight—About 200 acres of downland ridge rising from Freshwater Bay. (Given by Lord Mottistone in memory of his father, the first baron).

Compton Farm, Freshwater, I.O.W.—A 240-acre farm adjoining the above. (Purchased by the National Trust with funds left by the late Mrs. Mary Salter in memory of her son).

Bembridge Mill, Bembridge, I.O.W.—The last windmill in the island and an 18th-century landmark. (Accepted by the Trust conditional on its being put into good repair at an estimated cost of £1,500).

Acquisition of Hardwick Hall and Chatsworth Art Treasures.

It was announced on Aug. 13, 1957, that, in part-payment of duty on the estate of the late Duke of Devonshire, who died in 1950 (see 11319 A), the Treasury had accepted the following property from the trustees of the Chatsworth Settlement : (1) Hardwick Hall, near Chesterfield (Derbyshire), with its contents, including a fine collection of furniture and works of art ; (2) Hardwick Park, covering 934 acres ; (3) eight major works of art from the famous Devonshire collection at Chatsworth, near Bakewell (Derbyshire). The total value of the transaction was given as over £1,200,000, of which the Chatsworth art treasures represented about £1,000,000 ; Hardwick Hall and Park about £30,000 ; and the Hardwick collection of furniture, pictures, and tapestries about £200,000. It was stated that Hardwick Hall and its contents, together with Hardwick Park, would be transferred to the National Trust through the National Land Fund.

The eight works of art from the Chatsworth collection comprised (*a*) the Donne Tryptich by Hans Memling, one of the most celebrated 15th century Flemish paintings in existence ; (*b*) the Chatsworth Head of Apollo (470-460 B.C.) one of the finest works extant of its period ; (*c*) the Benedictional of St. Aethelwold, dating from the 10th century and an excellent example of the Winchester school of illumination ; (*d*) the Hardwick hunting tapestries, a set of four 14th century tapestries woven at Arras or Tournai ; (*e*) Holbein's cartoon (large drawing) of Henry VII and Henry VIII (1537) ; (*f*) the Chatsworth Van Dyck sketch book, once owned by the English painter Sir Peter Lely ; (*g*) the *Liber Veritatis* of Claude Lorrain—a volume of drawings (copies of his paintings) with notes ; (*h*) Rembrandt's *The Philosopher* (1652). It was announced that the eight works of art from Chatsworth would be transferred to London art galleries and museums.

The announcement that the eight art treasures from Chatsworth would be removed to London aroused strong local protests, and demands that they be retained in Derbyshire were made by a conference of the local government bodies concerned. In reply to these representations, Mr. Thorneycroft (then Chancellor of the Exchequer) pointed out on Sept. 23 (*a*) that it was not Government policy to remove to London all works of art accepted in satisfaction of estate duty; (*b*) that the contents of Hardwick Hall had been accepted under the 1953 Finance Act, which allowed works of art to be accepted in satisfaction of estate duty only where they remained in the building with which they had been associated, and where that building passed into public ownership or the ownership of the National Trust; (*c*) that the Chatsworth art treasures had, however, been accepted under the 1956 Finance Act, which enabled the Treasury to take "works of art of pre-eminent quality" in payment of duty, the question where they should be placed being left to be examined on merit in each case. He added that the curator of the Chatsworth collection had stated that Hardwick Hall was an unsuitable building for the display of delicate paintings such as the Memling Triptych, which needed to be kept in conditions of constant temperature and humidity.

[The acceptance of these treasures constituted the first such decision by the Treasury under the 1956 Finance Act.]

Hardwick Hall was built in 1591-97 by Elizabeth, Dowager Countess of Shrewsbury (the celebrated "Bess of Hardwick"), whose second husband, Sir William Cavendish, became the ancestor of the present ducal family. Comparatively little altered either internally or externally, the house remains an outstanding example of Elizabethan domestic architecture.
(Times - Daily Telegraph - Manchester Guardian)
(Prev. rep. 13682 A; 13085 A.)

A. CEYLON. — Trade and Economic Co-operation Agreements with U.S.S.R. - Soviet Loan to Ceylon.

A trade and payments agreement between Ceylon and the Soviet Union was signed in Colombo on Feb. 8. It is valid for one year in the first instance, but automatically renewable unless either party gives notice of termination.

Under the agreement, Ceylonese exports to the U.S.S.R. will include tea, rubber, coconut oil, copra, dessicated coconuts, coconut fibre, coir and coir products, citronella oil, spices, etc. The Soviet Union will supply Ceylon with petroleum products, rolled iron and steel products, chemicals and chemical fertilizers, cement, sawn timber, cellulose, cotton fabrics, miscellaneous machinery and equipment, and other commodities. These lists, however, will not restrict trade in other goods.

A second agreement on Soviet-Ceylonese economic and technical co-operation was signed in Colombo on Feb. 25.

It provided for Soviet co-operation in implementing Ceylon's economic development plans with regard to the following projects: irrigation schemes and hydro-power installations in the Malwatu-Oya, Kelani Ganga, and Kaluganga river basins; reclaiming land for sugar-cane at Kantalai, and for cotton planting in the Hambantota district; designing and building a metallurgical plant, a factory for the production of motor-car tyres and tubes, a flour mill and grain elevator, a plant for the manufacture of building materials, prefabricated units, and certain other projects; opening up peat production in the area of Muturajawela; joint scientific research and technical co-operation for the development of fisheries, and for the equipment of science laboratories in secondary schools. Technical assistance will also be given in restoring irrigation installations destroyed by the recent floods.

The Soviet Union will assist in the above projects by carrying out designing and research work; supplying the necessary equipment, machines, and some materials; and providing specialists to help in the construction and installation of the projects envisaged by the Ceylon Government. Soviet specialists will also help to train Ceylonese personnel engaged on the projects to be built with Soviet aid.

To help Ceylon pay for the designing work and for the equipment, machines and other technical assistance supplied by the U.S.S.R., the Soviet Government granted to the Ceylonese Government a long-term loan of 120,000,000 roubles (142,000,000 rupees or £10,650,000) at 2½ per cent interest p.a., repayable over 12 years. The loan will be repaid by deliveries of Ceylonese goods, or in pounds sterling or other convertible currencies, by agreement between the two sides. The prices for the equipment and materials supplied by the Soviet Union will be based on world prices.

In addition, it was agreed that the Soviet Union would admit Ceylonese students for training in various branches of agriculture and industry at higher educational institutes in the U.S.S.R. The two countries also agreed to exchange planning experts.

The Soviet delegation in the negotiations was led by M. Maletin, deputy chairman of the State Committee for Foreign Economic Relations; the Ceylonese negotiators were Mr. Stanley de Zoysa, the Finance Minister, and Mr. R. G. Senanayake, the Minister of Commerce and Trade.
(Ceylon Government Information Dept., Colombo - Soviet Embassy Press Department, London) **(Prev. rep. 15164 B.)**

B. NORTHERN IRELAND. — General Election.

General elections held in Northern Ireland on March 20 resulted in the Unionist Party's return to power with only one fewer seat than in the former Parliament. Although the Unionists lost four seats to the Northern Ireland Labour Party (all in Belfast), they gained three other constituencies—one from the Irish (Eire) Labour Party, one from an Independent Unionist, and one from a Nationalist Abstentionist. With the election of the four members for Queen's University, the final state of the parties was: Unionists 37, Nationalists 7, N.I. Labour 4, Republican Labour 1, Independent Labour 1, Independent Nationalist 1, Independent 1—giving the Unionists an overall majority of 22 at Stormont.

Unlike the last (1953) elections, there were no "abstentionist" Nationalists, since all candidates were required to sign a declaration pledging themselves to take their seats if elected. In the former Parliament there were 38 Unionists, 7 Nationalists, 2 Abstentionists, 2 Independent Unionists, 1 Republican Labour, 1 Independent Labour and 1 Independent.

Of the 52 seats in the N.I. Parliament, 27 were filled by unopposed returns—the unopposed members comprising 25 Unionists and two Nationalists. Among the unopposed Unionists (constituencies in parentheses) were Lord Brookeborough, the Prime Minister (Lisnaskea, Co. Fermanagh); Mr. Terence O'Neill, Minister of Finance (Bannside); Mr. W. B Topping, Q.C., Minister of Home Affairs (Larne); Mr. W. M. May, Minister of Education (Ards); Mr. J. L. O. Andrews, Minister of Health (Mid-Down); the Rev. Robert Moore, Minister of Agriculture (North Londonderry); Sir Norman Stronge, Speaker of the N.I. House of Commons (Mid-Armagh); Dame Dehra Parker, the former Minister of Health (South Londonderry); and Mr. Edmond Warnock, Q.C., the former Attorney-General (St. Anne's Belfast). The two unopposed Nationalists were Mr. Cahir Healy (South Fermanagh) and Mr. P. J. Gormley (Mid-Londonderry). Mr. Healy (81) has represented South Fermanagh in the N.I. Parliament since 1925, and formerly sat at Westminster as an Irish Nationalist.

Among the Unionists elected, Mr. Ivan Neill (Minister of Labour) retained the Ballynafeigh division of Belfast against an Independent Unionist, while Lord Glentoran (Minister of Commerce) retained the Bloomfield division of Belfast in a three-cornered contest against N.I. Labour and Independent Unionist opponents. The Unionists gained the Clifton division of Belfast from an Independent Unionist, the Dock division of Belfast from the Irish Labour Party, and Mid-Tyrone from a Nationalist Abstentionist. The successful Unionist candidate at Mid-Tyrone (Mr. Alexander Blevins, a new member, and a former police sergeant) won the constituency in a three-cornered contest against a Farmers' candidate and a Nationalist. As stated above, the N.I. Labour Party won four Belfast seats from the Unionists—the Oldpark, Pottinger, Victoria, and Woodvale divisions.

The elections for the four Queen's University seats (held by proportional representation) resulted in the re-election of the three sitting Unionist members (Sir Samuel Irwin, Miss Bessie Maconachie, and Professor Lloyd Dodd), the fourth seat being won by an Independent, Mr. Charles Stewart, Q.C. [Mr. Stewart replaced Dr. Eileen Hickey, who was also an Independent and did not seek re-election.] The unsuccessful candidates included the Rev. Albert McElroy (a Presbyterian clergyman), chairman of the Ulster Liberal Party and the first Liberal to fight an election in Northern Ireland for 25 years.
(Belfast Telegraph - Northern Whig) **(Prev. rep. 13227 A.)**

C. UNITED KINGDOM. — Opening of the Belgrade Theatre at Coventry.

The Belgrade Theatre, Coventry, the first major theatre to be built in Britain since the war, was opened on March 27 by the Duchess of Kent, in the presence of the Lord Mayor of Coventry (Alderman Mrs. Pearl Hyde) and the Yugoslav Ambassador. The theatre gets its name from the close post-war links between Coventry and the capital of Yugoslavia, whose Government and people have made a number of gifts to Coventry—including £6,000 worth of timber used in building the theatre.

The theatre block contains a number of shops and was built over five years at a cost of £274,000, following a decision by Coventry City Council to build a civic theatre as part of the city's reconstruction plan. The Belgrade Theatre, autonomous and non-profit-making, is administered by a trust of 15 members on which members of the City Council are in a majority. Its director is Mr. Bryan Bailey, formerly director of the Guildford Repertory Company.
(Times - Manchester Guardian)

A. HAITI. — Political Developments. - Resignation of Provisional Presidents. - Military Government takes Political Control after Widespread Disorders. - Election of President Duvalier.

The resignation of President Magloire in December 1956 (see 15363 A) was followed by six months of serious political disturbances, during which Haiti was ruled by three successive Provisional Presidents—all of whom were ousted after a few weeks—and an Executive Council. Large-scale strikes and other disturbances occurred from time to time throughout this period, culminating in May 1957 in an outbreak of violence which threatened to develop into a civil war. After widespread rioting in Port-au-Prince (the capital), the Haitian Army took over control at the end of May and for some months thereafter ruled the country through a Military Government. When tranquillity and order had been largely restored, elections were held in September 1957 at which Dr. François Duvalier was elected President of the Republic. In October the military authorities relinquished control to the civilian administration of President Duvalier, and no further disturbances occurred during the remainder of 1957 or the first three months of 1958. The developments summarized above are described below in greater detail.

As stated in 15363 A, the president of the Haitian Supreme Court (M. Pierre-Louis) took office as Provisional President after the resignation of President Magloire, and announced his intention of holding presidential elections in April 1957. M. Pierre-Louis' appointment as Provisional President had been agreed to by a number of leading politicians who had announced their intention of standing as candidates at the presidential elections, the most important of whom were Senator Louis Dejoie, a wealthy landowner and industrialist; Dr. François Duvalier, a physician who had taken a leading part in the campaign to eradicate malaria and yaws, and who enjoyed strong support from the trade unions and the working classes generally; M. Clement Jumelle, a former Minister of Finance under President Magloire; and Dr. Daniel Fignole, a professor of mathematics.

On Feb. 4, 1957, however, President Pierre-Louis resigned after M. Dejoie and Dr. Duvalier had threatened to call a general strike of their supporters as a protest against his alleged slowness in investigating corruption under the Magloire regime. Three days later M. Franck Sylvain (a former Supreme Court judge) was elected Provisional President at a joint session of the Senate and the Chamber of Deputies, and announced—like his predecessor—that presidential elections would be held in April.

President Sylvain's position, like that of President Pierre-Louis, rapidly became untenable as a result of differences with the presidential candidates, a number of whom alleged that M. Sylvain was designing to "fix" the presidential elections in favour of Dr. Duvalier. Faced with demands that he should reorganize his Cabinet, President Sylvain dissolved both Houses of the Haitian Congress on March 30, 1957. On the same date the Ministry of Justice issued a warrant for the arrest of M. Jumelle (who had meanwhile gone into hiding) on the ground that he had allegedly transferred a credit of $400,000 to a New York account while Minister of Finance in the Magloire regime.

On April 2, 1957, however, President Sylvain himself resigned in obscure circumstances, an Army communiqué announcing that he was under house arrest while inquiries were being made into "events of extreme gravity" that had occurred the previous evening. The Army authorities did not enlarge on this statement, but it was understood to refer to the discovery of a bomb cache in a house outside Port-au-Prince. The *New York Times* Correspondent in Haiti, quoting "authoritative sources," said that the discovery had "thwarted a plot to blow up stores here [in Port-au-Prince] that had been closed in a protest strike aimed at forcing out the Sylvain regime."

Following President Sylvain's resignation, the various presidential nominees agreed to set up an Executive Council to govern the country until the presidential elections, which were postponed to June 16, 1957. The members of this Council were chosen by the presidential candidates and the names submitted for approval to the Army Chief of Staff (General Cantave), who had taken over interim control on behalf of the Army. The Executive Council was sworn in on April 6, 1957, but split three weeks later when three of its members (supporters of Dr. Duvalier) resigned after alleging that Dr. Duvalier's opponents were attempting to gain control of the electoral machinery. At the request of General Cantave, the Haitian Supreme Court was asked to give a ruling as to whether or not the Executive Council was qualified to exercise executive authority despite the withdrawal of the Ministers backing Dr. Duvalier. The Supreme Court's affirmative reply to this question was accepted by the Army, and the Council continued to function minus Dr. Duvalier's supporters. On May 13, 1957, however, the Executive Council virtually collapsed when five of the presidential candidates—including Dr. Duvalier and M. Jumelle, who had meanwhile come out of hiding—alleged that the supporters of M. Dejoie and Professor Fignole had seized control of the country's administrative machinery and electoral organization with the intention of "rigging" the forthcoming presidential and congressional elections.

Meanwhile, partisans of Dr. Duvalier and M. Jumelle had seized control of the ports of St. Marc and Cap Haitien (respectively 50 miles north-west and 80 miles north of Port-au-Prince), set up a "revolutionary committee of public safety," and announced that they no longer recognized the authority of the Executive Council; the "committee of public safety" said that it would exercise control in northern Haiti until a President had been selected who would guarantee "free and honest elections." The members of the Executive Council, accompanied by General Cantave, travelled to St. Marc on May 19 to visit the town as a test of their authority, but were refused admittance, although General Cantave was allowed to enter amidst demonstrations of support for the Army. The Executive Council thereupon ordered General Cantave to surrender his post as Army Chief of Staff to Colonel Arnaud, the Chief of Police.

Amidst mounting unrest throughout the country, marked by lawlessness, strikes, and anti-Government demonstrations, General Cantave issued a proclamation on May 21, 1957, dissolving the Executive Council and announcing that the Army had taken over control until a Provisional President was chosen who could guarantee free elections. At the same time the Army imposed a nation-wide curfew, banned all broadcasts of a political or subversive nature, and imposed a censorship on outgoing press reports. On May 24-25 violent rioting occurred in Port-au-Prince as supporters of the opposing candidates battled with each other in the streets; at the same time fighting also broke out between troops supporting General Cantave and others supporting Colonel Arnaud, who had attempted to seize Army headquarters. Meanwhile pillaging mobs raged through the capital looting and burning buildings, including a number of business establishments and the offices of the newspaper *Le Matin*. No precise estimate of casualties was possible because of the censorship, but it was believed that at least ten people were killed and many more injured.

The crisis was temporarily resolved on May 26, 1957, when Professor Fignole was sworn in as Provisional President with the agreement of Dr. Duvalier, M. Jumelle, General Cantave, and Colonel Arnaud, all of whom had held a conference at the Presidential Palace. President Fignole issued a statement on the same day announcing his intention of holding "free and honest" elections in the near future, and also announcing that General Cantave had resigned as Army Chief of Staff in favour of General Antonio Thrasybule Kebreau. On June 14, 1957, however, President Fignole was ousted by the Army in a bloodless coup, and General Kebreau appointed a six-man Military Government to rule the country pending free elections. The rift between President Fignole and the Army had begun when M. Fignole ordered General Kebreau to make a "loyalty check" of every officer in the forces; the new Chief of Staff refused this demand, ordered the arrest of a number of the President's supporters, and deposed the President by a coup. Professor Fignole himself was placed on board a coastguard vessel which took him to Miami (Florida).

The supporters of Professor Fignole ("Fignolistes") immediately launched a "passive resistance" campaign in support of the ousted President, which took the form of mass wailing, beating of steel drums, and banging of pots and pans in the streets of Port-au-Prince and other centres. Large-scale mob violence broke out in the capital on June 16, 1957, following an unfounded rumour that the ex-President had been executed by the military authorities (Professor Fignole had in fact arrived in New York as an exile), and order was only restored after heavy fighting between Army detachments and the "Fignolistes" in which at least 50 people lost their lives and more than 200 were wounded.

On Aug. 3, 1957, the Military Government announced that presidential and congressional elections would be held in September on the basis of universal suffrage. An electoral decree, signed by General Kebreau, was issued on Aug. 29 laying down (1) that all men and women aged 21 and over would be eligible to vote; (2) that authorized agents of the candidates would be present at the polling booths, together with the presiding officials; (3) that no member of the armed forces might carry arms while voting; (4) that the President, when elected, would be sworn-in on the basis of the 1950 Constitution; (5) that the President's term of office would be six years from May 15, 1957 (i.e. expiring in May 1963); (6) that the first task of the new National Assembly would be the framing of a Constitution; (7) that Senators would serve for a six-year term; and (8) that Deputies would serve for four years.

The Military Government also took elaborate precautions to prevent irregularities at the polls (e.g. attempts to disrupt the voting or to tamper with ballot-boxes), penalties of three months' imprisonment or heavy fines being laid down for such offences. Other measures included a ban on the wearing of political emblems, and a prohibition on the sale of alcoholic drinks on polling day. As 90 per cent of the electorate of 1,500,000 were illiterate, special rules were also drawn up for the balloting. To prevent electors from voting twice, each voter was required to dip his little finger in indelible red ink so that he could be identified if he tried to vote elsewhere.

Presidential and congressional elections were held on Sept. 22, 1957, under the Army's surveillance and in an orderly atmosphere; few irregularities were reported, only a few minor incidents occurred, and foreign press correspondents stated that the elections as a whole were fairly and freely conducted. The elections were contested by two candidates, Dr. Duvalier and Senator Dejoie, M. Jumelle having withdrawn at the last moment after alleging electoral irregularities and calling upon his supporters to abstain from voting. M. Jumelle's allegations were described by the Military Government as merely a "political manoeuvre."

The official results, issued by the Military Government, showed that Dr. Duvalier had been elected to the Presidency with 679,884 votes against 266,992 for Senator Dejoie. In the congressional elections, Dr. Duvalier's supporters won all seats in the Senate and 23 out of 37 in the Chamber of Deputies. Senator Dejoie, however, alleged that the elections had been "riddled with fraud and violence" and called on his supporters to launch a general strike as a protest. [M. Dejoie had sponsored five successful general strikes against various Governments since 1946.] The Army responded to this threat by imposing martial law on Sept. 27, whereupon the threatened general strike collapsed and M. Dejoie went into hiding after a warrant had been issued for his arrest.

President Duvalier (48) was sworn-in on Oct. 22, 1957, on which date the Military Government relinquished all the executive and legislative powers it had wielded since June 16. The state of martial law was ended at the same time, and all security measures previously taken by the Military Government were cancelled. The new President formed a ten-member civilian Cabinet in which the Foreign Affairs portfolio was taken by the Ambassador to the Dominican Republic, M. Vifort Beauvoir. Among other appointments, the portfolio of Education was taken by the Rev. Jean-Baptiste Georges, the first minister of religion to serve in a Haitian Cabinet.

Shortly after taking office, President Duvalier announced an amnesty for all Haitians accused of subversive activities since the beginning of 1957, except for those charged with complicity in the Port-au-Prince riots of May 24-25. On Feb. 25, 1958, after a meeting at the Presidential palace between President Duvalier and Senator Dejoie (who had meanwhile come out of hiding after the warrant for his arrest had been withdrawn), it was announced that the amnesty would also be extended to those involved in the May disturbances.—(New York Times - Le Monde, Paris)

(Prev. rep. Haiti, 15363 C.)

A. LITERATURE. — Book Selections, March 1958.

Selected books published in Great Britain, the United States, and France are given below:

Great Britain. Bjarnhof, Karl—"The Stars Grow Pale." A Novel. Translated from the Danish. (Methuen, 16s.)

Bromhead, P. A.—"The House of Lords and Contemporary Politics, 1911-1957." (Routledge & Kegan Paul, 30s.)

Churchill, Sir Winston—"A History of the English-Speaking Peoples: Volume IV—The Great Democracies." (Cassell, 30s.)

Gary, Romain—"The Roots of Heaven." Translated from the French (*Les racines du ciel*). (Michael Joseph, 16s.) Prix Goncourt Novel.

Herrmann, Paul—"The World Unveiled: The Story of Exploration from Columbus to Livingstone." Translated from the German. (Hamish Hamilton, 42s.)

Lerner, Max—"America as a Civilization: Life and Thought in the United States Today." (Jonathan Cape, 50s.)

Phelps, Gilbert—"The Centenarians." A Novel of the Future. (William Heinemann, 15s.)

Runciman, Sir Steven—"The Sicilian Vespers: A History of the Mediterranean World in the Late Thirteenth Century." (Cambridge University Press, 27s. 6d.)

West, Ray B.—"Kingdom of the Saints: The Story of Brigham Young and the Mormons." (Jonathan Cape, 30s.)

United States. Lapp, Ralph E.—"The Voyage of the Lucky Dragon." The Story of the *Fukuryu Maru* and the Nuclear Test at Bikini in 1954 (Harper & Brothers, New York. $3.50)

Mayer, Martin—"Madison Avenue, U.S.A." (Harper & Brothers, New York, $4.95)

France. Romains, Jules—"Souvenirs et confidences d'un écrivain." (Arthème Fayard, Paris)

(Ed. K.C.A.) **(Prev. rep. Book Selections, 16038 C)**

B. AUSTRALIA. — Parramatta By-election.

Sir Garfield Barwick, Q.C., one of Australia's leading barristers, was elected on March 10 as Liberal member for Parramatta (N.S.W.) in a Federal by-election caused by the appointment of Mr. Howard Beale as Ambassador to the United States. Excluding 500 overseas postal votes which remained to be counted but could not affect the result, Sir Garfield polled 22,621 votes against 17,859 for Alderman D. J. Mahoney, the mayor of Parramatta (Labour), and 911 for Mr. A. V. Fenwick (Independent). Mr. Howard Beale, formerly Minister for Supply and Defence Production, had a majority of nearly 10,000 when he stood for the Liberals at the last general election.—(Australian News and Information Bureau)

(Prev. rep. 14442 C.)

C. NETHERLANDS. — Bank Rate reduced.

The discount rate of the Netherlands Bank was reduced from 4½ per cent to 4 per cent on March 24—the second reduction in two months. (Algemeen Handelsblad, Amsterdam)

(Prev. rep. 16016 F.)

D. SOVIET UNION. — Elections to Supreme Soviet.

Elections to the two Houses of the Supreme Soviet took place throughout the U.S.S.R. on March 16, a total of 1,378 candidates being elected—738 to the Soviet of the Union and 640 to the Soviet of Nationalities. [It had previously been announced that the membership of the Soviet of the Union would be increased from 700 to 731, and that of the Soviet of Nationalities from 600 to 633—see 15992 A]. In accordance with the usual practice, only one candidate was put forward for each seat, the list of candidates being officially described as "the Communist and non-party bloc."

The following description of the method of selection of candidates was given by the Moscow Correspondent of *The Times* (March 11): "Nominations may be made by any industrial, agricultural, social, or party group. About two months before election day nomination meetings are held at which various nominees are openly and sometimes even hotly discussed. Nominations from various meetings in a district go to an election board composed of leading individuals of the area, who correlate and select nominees. The final list of candidates is compiled by a central election board, and carries only one name for each district on election day." Electors voted for the official candidates by dropping their unmarked ballot papers into a box, without entering the polling booths. Those wishing to vote against a candidate had to cross out his name or write in another name, either publicly or in a polling booth.

The electorate, comprising all Soviet citizens over 18 except the insane and those deprived of electoral rights by a court of law, numbered 133,836,325—an increase of over 13,000,000 since the 1954 elections. The official results, published on March 18, stated (1) that over 133,796,091 electors (99.97 per cent) had voted; (2) that the candidates for the Soviet of the Union had received 133,214,652 votes (99.57 per cent of the votes cast); (3) that the candidates for the Soviet of Nationalities had received 133,431,524 votes (99.73 per cent). As compared with the 1954 elections, the proportion of abstentions slightly increased (from 0.02 to 0.03 per cent) and the number of adverse votes roughly doubled—from 247,897 to 580,641 in the voting for the Soviet of the Union, and from 187,357 to 363,736 in the voting for the Soviet of Nationalities. There were 798 and 831 invalid ballot papers respectively in the elections for the two Houses.

More than half the deputies returned were new, only about 600 of the members of the previous Supreme Soviet being re-nominated and re-elected. The number of members of the armed forces elected was considerably reduced. Over 60 per cent of the candidates were described as "workers" or "peasants" and the remainder as "intellectuals," whilst over 25 per cent were women.

A statement was issued on Feb. 9 by a number of members of the Communist Party Central Committee (including all the 23 full or candidate members of its Presidium except M. Pervukhin) announcing that they had been nominated for more than one constituency, and that they had received instructions from the Central Committee as to which nomination they should accept. M. Khrushchev, who stood for the Kalinin district of Moscow, had been nominated for about 100 constituencies, far more than any other candidate. Marshal Bulganin, on the other hand, received only a small number of nominations; on the Central Committee's instructions he stood as candidate for a remote district in the Caucasus, instead of the Moscow constituency which he had previously represented.

At the Soviet Government's invitation, three U.S. observers made a tour of the Soviet Union during the election campaign and visited polling stations in Moscow while voting was in progress. The delegation, which had a 90-minute interview with M. Khrushchev on March 17, consisted of Professor Scammon, of the U.S. Government Affairs Institute, Professor Black, professor of history at Princeton University, and Mr. Donovan, managing editor of *Fortune* magazine. A Soviet delegation of three observers had previously visited the U.S.A. at the Government's invitation during the 1956 presidential campaign and election.—(Soviet Embassy Press Department, London - Times - New York Times) **(Prev. rep. 13491 B.)**

E. NORWAY. — Reduction of Working Week.

Under an agreement concluded between the Norwegian Federation of Trade Unions and the Employers' Federation in February, the 48-hour working week in Norway will be reduced to 45 hours from March 1, 1959, without loss of pay, for a period of three years. The agreement fixed wage-rates for that period, and laid down that the unions could only put forward new wage demands if the cost of living rose by more than seven points above its present level.

(Norwegian Embassy Press Office, London)

F. GHANA. — Diplomatic Relations with Holland.

It was announced from The Hague in February that the Netherlands and Ghana had agreed to establish diplomatic relations at ambassadorial level.—(Netherlands News Agency)

A. ARGENTINA. — Left-wing Radical Victory in Presidential and Congressional Elections. - Dr. Frondizi wins Presidential Nomination.

Polling took place in Argentina on Feb. 23 to elect a President and Vice-President of the Republic (chosen by an Electoral College as described below), and also for a new Congress, provincial legislatures, provincial governorships, and municipal councils. The presidential elections were contested by ten parties, of which the most important were the Left-wing Radicals (*Unión Cívica Radical Intransigente*) led by Dr. Arturo Frondizi; the Moderate Radicals (*Unión Cívica Radical del Pueblo*) led by Dr. Ricardo Balbin; the Christian Democratic Party (*Partido Democráta Cristiano*), which is moderate conservative in outlook; and the Socialist Party (*Partido Socialista*).

Whereas the deputies in the new Argentine Congress were directly elected, the President and Vice-President were indirectly elected under an Electoral College system instituted in 1912 by President Roque Saenz Peña.

Under the "Saenz Peña law," all the Argentine provinces and the City of Buenos Aires send electors to an Electoral College of 466 members which chooses the President and Vice-President of the Republic. Two-thirds of the Electoral College members in each province are chosen from the party whose presidential candidate obtains most votes in that province, while one-third of the members goes to the party whose candidate is runner-up. The Electoral College thus represents only the two candidates polling the highest number of votes in each province, all other candidates being eliminated. To secure election as President, a candidate must receive at least 234 Electoral College votes out of the total of 466—i.e. half the votes plus one, a bare absolute majority. Should none of the candidates command such an absolute majority, the election of the President devolves on the Argentine Congress.

The elections of Feb. 23 were held in an atmosphere of complete electoral freedom and without any incidents; the *New York Times* said that they were regarded by Argentinians as "free of official intimidation, corruption and fraud for the first time in thirty years," while the Buenos Aires Correspondent of the London *Times* described them as "probably the only completely democratic elections held in the nation's history." To prevent electoral irregularities or intimidation, units of the armed forces were stationed at all the 41,000 polling stations from the Bolivian frontier in the north to Tierra del Fuego in the south. General Aramburu, who had acted as Provisional President since November 1955, emphasized in an eve-of-the-poll broadcast that the Provisional Government had kept its promise to lead Argentina towards democracy and to hold free and fair elections. "Two years ago," he declared, "we took over a country plunged into internal warfare; today we return it to the people in freedom."

The elections resulted in a sweeping victory for the "Intransigent" Radicals led by Dr. Frondizi, who won large majorities in the Electoral College, in both Houses of the Argentine Congress, and in all the provincial councils. In the presidential elections Dr. Frondizi obtained 4,370,189 votes and Dr. Balbin 2,687,745, all other parties polling poorly; the Christian Democrats received about 280,000 votes and the Socialists about 253,000. The number of "blank" votes was 710,815, compared with over 2,000,000 at the Constituent Assembly elections of July 1957 [see 15733 E]. As the *Unión Cívica Radical Intransigente* obtained 319 votes in the Electoral College, Dr. Frondizi was assured of election to the Presidency. In the Congressional elections the "Intransigent" Radicals secured 133 of the 187 seats in the Chamber of Deputies, and Dr. Balbin's *Unión Cívica Radical del Pueblo* 52 seats; the two remaining seats went to a Liberal group from Corrientes province. Polling was heavy throughout the country—about 90 per cent of the electorate of approximately 10,000,000.

Dr. Frondizi's candidature was supported by a wide range of political opinion ranging from the Communists on the extreme left to the outlawed Peronistas on the extreme right, though he had not officially solicited the support of either of these groups. Ex-President Perón, from his exile in Ciudad Trujillo, had instructed his supporters to vote for Dr. Frondizi, and an analysis of the voting figures made it apparent that over 1,000,000 Peronistas had done so instead of casting "blanks" as in the 1957 elections. In a post-election statement, however, Dr. Frondizi declared that he was under no obligation either to the Peronistas or to the Communists; he announced his intention of granting an amnesty to all political prisoners, but said that the possibility of Señor Perón's return to Argentina would have to be decided by Congress. In Ciudad Trujillo, Señor Perón said that the election results had "opened new perspectives" but did not elaborate on this statement.

Dr. Arturo Frondizi (49) was born in the small town of Paso de los Libres, the son of Italian immigrant parents. Graduating at the University of Buenos Aires, he became a well-known lawyer and a leading member of the then undivided Radical Party. He entered the Chamber of Deputies in 1946— at the elections which first brought the Peronistas to power—and was prominent among the small group of Opposition deputies who tried to resist Perón's suppression of democratic liberties. In his capacity as lawyer he frequently defended persons who had been imprisoned by the Peronista regime. In the Radical split which followed Perón's overthrow he became leader of the "Intransigent" (left-wing) section of the party in opposition to the "Moderate" section under Dr. Balbin's leadership. Dr. Frondizi is known as a strong supporter of civil liberties and an opponent of the policy of granting concessions to foreign companies; he was one of the deputies who voted against ratification of the Pan-American treaty of Rio de Janeiro. He has also advocated a more conciliatory attitude towards the Peronistas.—(New York Times - New York Herald Tribune - Times - Le Monde, Paris)

(Prev. rep. 15866 A; 15733 A.)

B. UNITED KINGDOM. — Information Services.

The Chancellor of the Duchy of Lancaster (Dr. Hill) issued a written statement on Feb. 3 dealing with the progress made in co-ordinating Government information services at home and abroad, in accordance with the policy set out in the Government's White Paper of July 1957.

Dr. Hill stated that the main instrument of co-ordination in Britain was a meeting of chief information officers of departments, held twice weekly under his chairmanship. Working groups had been set up to consider the information aspects of particular issues, e.g. the defence of the pound, the "projection at home of the Commonwealth and its significance," and British scientific and industrial achievements.

Abroad, the expansion of the official information services was proceeding "with due regard to the need for economy in Government expenditure."

In the Commonwealth, a new post was being opened shortly in the Federation of Rhodesia and Nyasaland, and additional posts in certain important cities in Canada and Malaya. In addition, the staffing of the existing posts in Australia, India, Pakistan, Ceylon, Ghana, and Malaya was being strengthened; appointments had been made to new information posts in East Africa and Singapore; arrangements were being made to open new posts in Nigeria; and the programme of visits to the U.K. from the Commonwealth had been increased.

Information staffs and facilities had been increased in Burma and the Persian Gulf, and the building-up of staffs and facilities in Morocco and Tunisia had begun.

The overseas Press services of the Central Office of Information carried by wireless had been extended to Australia; the hitherto combined service to India, Pakistan, and Ceylon had been separated into two distinct services (one for India and Ceylon and another for Pakistan); and improved methods of transmission were being introduced.

Television films now went regularly to 25 countries, and material to 15 more. The photographic, reference, and publication services of the C.O.I. had been expanded.

The British Council was increasing its work in Burma, Indonesia, Iraq, Persia, the Persian Gulf, Latin America, Siam, the Sudan, Turkey, and Yugoslavia. In the Commonwealth there would be a similar expansion in South Africa, India, Pakistan, and Ceylon.

Dr. Hill also stated that the rearrangement of the external services of the B.B.C. was nearing completion, and that the increased services in Hausa, Swahili, and Somali were expected to begin shortly.—(Times) **(Prev. rep. 15688 A.)**

C. RELIGIOUS LIFE. — Church of England. - Commission on Revision of Church Catechism.

The Church Information Board announced on March 26 that the Archbishops of Canterbury and York had appointed a Commission with the following terms of reference:

"(1) To consider the revision of the Church Catechism in order that its scope may be enlarged and its language made more suitable for present conditions.

(2) To assist it in its task, the Commission is to consult with a panel of laymen and women, members of the Church of England who are professionally engaged in the teaching of the Christian religion to children and young people. The Commission is to select the names of persons who might be invited to serve on this panel and to submit them for the approval of the two Archbishops.

(3) It shall be within the powers of the Commission, if they so desire, to propose in place of our Catechism two catechisms, one for children and the other for persons of riper years."

The 14-member Commission is headed by the Bishop of Bradford as chairman, its other members including the Bishops of Coventry, Truro, and Worcester and the Lady Margaret Professor of Divinity at Cambridge, Canon C. F. D. Moule. It was set up in accordance with resolutions passed by the Convocations of Canterbury and York.—(Church Times)

D. IRISH REPUBLIC. — Bank Rate reduced.

The Irish Central Bank announced on March 27 that its discount rate was being reduced from 6 per cent to 5½ per cent with immediate effect.—(Irish Times, Dublin) (15784 E.)

APRIL 5—12, 1958

A. SOVIET UNION.—First Session of New Supreme Soviet. - M. Khrushchev appointed Prime Minister. - Premiership combined with First Secretaryship of Communist Party. - Composition of New Government. - Suspension of Soviet Nuclear Tests.

The newly elected Supreme Soviet of the U.S.S.R. (see 16099 D) held its first session in Moscow from March 27-31. The most important developments during this session were (1) the replacement of Marshal Bulganin as Prime Minister by M. Nikita Khrushchev, who retained the post of First Secretary of the Communist Party concurrently with the Premiership; (2) the appointment of a new Government in which the principal portfolios (e.g. those of Foreign Affairs and Defence) remained unchanged, and in which Marshal Bulganin took the relatively minor post of chairman of the State Bank; and (3) the announcement by M. Gromyko (the Foreign Minister) that the Soviet Government had decided to suspend nuclear tests.

M. Khrushchev appointed Prime Minister.

After the Supreme Soviet had re-elected Marshal Voroshilov as President of the U.S.S.R., Marshal Bulganin formally tendered his resignation as required under the Constitution following the election of a new Supreme Soviet. President Voroshilov then proposed that M. Khrushchev should be appointed Chairman of the U.S.S.R. Council of Ministers (i.e. Prime Minister) and should retain the post of First Secretary of the Soviet Communist Party. In proposing M. Khrushchev for the Premiership, President Voroshilov described him as an "outstanding personality of the party and Government," a "staunch fighter for peace and peaceful co-existence," and a man whose "indefatigable labours in this field, visits to East and West, and interviews with politicians and newspapermen from various countries have added considerably to the circle of our friends and raised the international prestige of the Soviet Union to new heights." After the Supreme Soviet had unanimously adopted President Voroshilov's proposal, M. Khrushchev thanked the deputies for the "honour and great confidence" shown in him, and declared that he would "spare neither health, strength nor even life" to justify that confidence. [A biography of M. Khrushchev is given on page 12870, first column.]

Marshal Bulganin (62) had been Prime Minister since the beginning of 1955, when he replaced M. Malenkov; during his Premiership he accompanied M. Khrushchev on many foreign visits, including the one to Britain in 1956. Since that year he had been engaged in prolonged and lengthy correspondence with Western Heads of Government, culminating in the recent proposals for a "summit" conference (see 16069 A, 15975 A, 15625 A). It was believed—though never officially confirmed—that he had given only lukewarm support to M. Khrushchev at the time of the expulsion of the Molotov-Malenkov-Kaganovich "anti-party group" in July 1957 (see 15639 A), and that his political influence had diminished since that time. As stated in 16099 D, Marshal Bulganin received only a small number of nominations in the recent Supreme Soviet elections, whereas M. Khrushchev was nominated in about 100 constituencies.

M. Khrushchev (63) became First Secretary of the Soviet Communist Party in March 1953, shortly after the Malenkov Cabinet was formed following Stalin's death. His retention of the party secretaryship, concurrently with the Premiership, was widely commented on abroad as an apparent reversal of the post-Stalinist policy of ensuring that the two offices were not filled by the same individual. Moreover, it was conjectured abroad that M. Khrushchev's assumption of the two posts might represent the abandonment of the policy of "collective leadership," of which M. Khrushchev himself had been a leading exponent since the death of Stalin.

Marshal Stalin combined the post of Prime Minister and party secretary throughout the Second World War and until his death in 1953. His successor, M. Malenkov, held the two posts for only a few days before relinquishing the party secretaryship to M. Khrushchev.

The London *Times* commented as follows on the political changes in the Soviet Union:

"Mr. Khrushchev, as first secretary of the party since 1953, has had more power than any other Soviet leader; his appointment as Prime Minister puts him in a position comparable with that of Stalin at the time of his death . . . Mr. Bulganin's departure had been more or less expected . . . but Mr. Khrushchev's appointment as his successor has caused a certain surprise. Some thought it unlikely that the man who denounced Stalin and the 'cult of the individual' would appear to be treading the same path so soon after the 20th party congress. A motive that may have weighed with Mr. Khrushchev is that, though he has long been the sole arbiter of Soviet foreign policy, he has had no legal status as Russia's spokesman and negotiator with foreign Powers. This was of some hindrance at the summit talks at Geneva. As Prime Minister he will no longer suffer from this disability."

Composition of New Government.

The Supreme Soviet approved the composition of the new Government, which was announced by M. Khrushchev after approval by the central committee of the Communist Party. Its membership was:

M. Nikita Khrushchev	Prime Minister.
M. Frol Kozlov, M. Anastas Mikoyan	First Deputy Premiers.
M. Alexei Kosygin, M. Alexander Zasyadko, *M. Josef Kuzmin, M. Dimitri Ustinov	Deputy Premiers.
M. Andrei Gromyko	Foreign Affairs.
M. Nikolai Dudorov	Internal Affairs.
M. Ivan Kabanov	Foreign Trade.
M. Vyacheslav Yelyutin	Higher Education.
M. Nikolai Mikhailov	Culture.
Mme. Maria Kovrigina	Health.
M. Pyotr Antropov	Geological Surveys and Mineral Resources.
Marshal Rodion Malinovsky	Defence.
M. Boris Beshchev	Railways.
M. Viktor Bakayev	Merchant Marine.
M. Nikolai Psurtsev	Communications.
M. Vladimir Matskevich	Agriculture.
M. Yefim Slavsky	Medium Machine-building.
M. Dimitri Pavlov	Internal Trade.
M. Yevgeny Kozhevnikov	Transport Construction.
M. Arseny Zverev	Finance.
M. Sergei Tikhomirov	Chemical Industry.
M. Leonid Korniets	Grain Products.
M. Alexei Pavlenko	Power Stations.

*Also Chairman of the State Planning Committee.

In addition to the 26 Ministers listed above, the new Government also included the chairmen of the various State Committees and the Premiers of the 15 Union Republics, as follows:

Chairmen of State Committees.

*M. Georgi Perov	State Planning Committee.
M. Georgi Yenyutin	Control Commission of Council of Ministers.
M. Alexander Volkov	State Committee for Labour and Wages.
M. Yuri Maksarev	State Scientific and Technical Committee.
M. Pyotr Dementyev	State Committee for Aviation Engineering.
M. Konstantin Rudnev	State Committee for Defence Engineering.
M. Valery Kalmykov	State Committee for Radio and Electronics.
M. Boris Butoma	State Committee for Shipbuilding.
M. Vladimir Kucherenko	State Committee for Construction.
M. Semyon Skachkov	State Committee for Foreign Economic Relations.
General Ivan Serov	State Security Committee.
Marshal Nikolai Bulganin	State Bank.

*First Vice-Chairman; M. Kuzmin is Chairman of the State Planning Committee as stated above.

Prime Ministers of Union Republics.

M. Dimitri Polyansky	Russian Soviet Republic.
M. Nikifor Kalchenko	Ukraine.
M. Nikolai Avkhimovich	Byelorussia.
M. Alexei Murisepp	Estonia.
M. Vilis Lacis	Latvia.
M. Moteyus Shumauskas	Lithuania.
M. Alexander Diordita	Moldavia.
M. Givi Djavahishvili	Georgia.
M. Anton Kochinyan	Armenia.
M. Sadykh Ragimov	Azerbaijan.
Mansur Mirza Akhmedov	Uzbekistan.
M. Dinmukhamed Kunayev	Kazakhstan.
M. Nazarsho Dodkhudoyev	Tajikistan.
M. Djuma Karayev	Turkmenistan.
M. Kazy Dikambayev	Kirghizia.

M. Khrushchev's Government contained only two Deputy Premiers—M. Mikoyan and M. Kozlov—compared with six in Marshal Bulganin's Cabinet. M. Mikoyan (60) is the last of the "old guard" Bolsheviks to occupy a top governmental post, while M. Frol Kozlov (50) is a comparative newcomer whose appointment to a First Deputy Premiership was one of the principal changes brought about by M. Khrushchev. Born near Ryazan of peasant origin, he is an engineer by profession, held party secretarial posts in Kuibyshev and Leningrad during and after the war, and in 1953 was appointed head of the Leningrad party organization by M. Khrushchev. M. Kozlov was made a member of the party presidium in 1957 and at the end of that year became Prime Minister of the Russian Soviet Republic—a post in which he is now succeeded by M. Polyansky, as shown in the list above.

All the four Deputy Premiers have held top administrative posts in the country's economy. M. Kuzmin, as shown, holds the post of Chairman of the State Planning Committee concurrently with his Deputy Premiership, while M. Ustinov was formerly head of the defence industries. The only new Deputy Premier was M. Zasyadko, formerly vice-chairman of the State Planning Committee. Most of the Ministers continued to hold the same portfolios as under Marshal Bulganin, the reappointed Ministers including M. Gromyko, Marshal Malinovsky, and the Ministers of Internal Affairs, Internal Trade, Foreign Trade, Health, and Finance. General Ivan Serov remained head of the State Security Committee, while M. Semyon Skachkov succeeded M. Mikhail Pervukhin as chairman of the State Committee for Foreign Economic Relations, consequent on M. Pervukhin's recent appointment as Ambassador to Eastern Germany.

Suspension of Nuclear Tests. - Supreme Soviet Resolution. - Statement by M. Gromyko.

At its concluding session on March 31, the Supreme Soviet unanimously adopted a resolution on "the unilateral termination by the Soviet Union of atomic and hydrogen weapon tests." The resolution:

(1) Announced the ending of "all types of atomic and hydrogen weapon tests in the Soviet Union," and expressed the hope that "the Parliaments of other States possessing atomic and hydrogen weapons will do everything to terminate test explosions of these weapons by their countries as well."

(2) Entrusted the U.S.S.R. Council of Ministers with "taking the necessary measures to implement this resolution," and requested it to appeal to the other nuclear Powers to take "similar steps to ensure the ending of atomic and hydrogen weapon tests everywhere and for all time."

The resolution added: "In the event of other nuclear Powers continuing these tests, the Government of the U.S.S.R. will naturally act as it sees fit as regards the testing of atomic and hydrogen weapons by the Soviet Union . . . having regard to the interests of the security of the Soviet Union."

The preamble to the resolution declared that the ending of nuclear tests was "being demanded by the overwhelming majority of the people of the world." Nevertheless, nuclear weapons were still being manufactured and had resulted in "the creation of ever newer types of death-dealing weapons" and "an increase in the concentration of radioactive elements in the air and the soil which is poisoning the human organism and threatening the normal development of future generations." After recalling the Supreme Soviet's appeals to the British Parliament and the U.S. Congress in May 1957 [see page 15542], and asserting that the British and U.S. Governments had "failed to react" to the Soviet proposals for suspending nuclear tests, the resolution stated that the suspension of tests by the U.S.S.R. would constitute "the first step towards finally ridding mankind of the threat of devastating atomic war."

The resolution was adopted after the Supreme Soviet had heard a speech by the Foreign Minister, M. Gromyko, in which he announced the Soviet Government's decision to suspend nuclear tests.

The greater part of M. Gromyko's speech was a recapitulation of the Soviet viewpoint on disarmament and on the ending of nuclear tests, as put forward by the U.S.S.R. during the discussions of the sub-committee of the Disarmament Commission and subsequently at the United Nations. After saying that it would be "comparatively easy" to reach an agreement to end nuclear tests, because only three Powers had these weapons at present, M. Gromyko said that Britain and America had "not shown themselves willing to agree to the final and unconditional ending of tests" and had "chosen the method of obstructionism, piling one obstacle on top of another in the way of implementing the [Soviet] proposal."

M. Gromyko said that the ending of nuclear tests was being urged not only by "all the Socialist countries" but also by the peoples and Governments of India, Indonesia, Japan, Burma, Ceylon, the United Arab Republic, Pakistan, Persia, Sweden, Norway, Denmark, Finland, Mexico "and many other countries." In Great Britain, protests against nuclear tests had been "voiced by the widest sections of the population and the most diverse political and social groups," while in the United States "many noted politicians and public figures . . . have gone on record for the conclusion of an agreement on this question with the Soviet Union and Britain."

After accusing NATO of "stepping up war preparations," and declaring that the "only basis for disarmament is an honest agreement taking into account the security interests of all the parties concerned," M. Gromyko strongly criticized the decision of the West German *Bundestag* to arm the Federal German forces with atomic and rocket weapons "with the blessing of their Atlantic bloc partners." He declared that it would be "sheer folly to underrate the gravity of this step"; said that "one cannot forget that the German Federal Republic is the only European State whose government is seeking to re-define the present frontiers in Europe"; and added that the West German decision "cannot be interpreted otherwise than as a challenge to the European nations, and above all to those bordering on Germany."

The Supreme Soviet ended its session by adopting appeals to the British Parliament, the U.S. Congress, and the Parliaments of all countries calling for the ending of nuclear weapon tests. In addition, it adopted (i) a message to the West German *Bundestag* drawing attention to the "dire consequences to the cause of peace" arising from the decision to equip West German forces with atomic and rocket weapons, and (ii) a message to the Parliaments of all countries which suffered from German aggression in the Second World War, calling on them to "unite in their efforts" to prevent the arming of the German Federal Republic with such weapons.

Approval for New Agricultural Policy.

The Supreme Soviet also unanimously approved a law "on the further development of the collective farm system and the reorganization of the machine and tractor stations," embodying the reforms previously proposed by M. Khrushchev (see 16038 A) and approved by the central committee of the Communist Party and the U.S.S.R. Council of Ministers. (Soviet Embassy Press Department, London - Times)

(Prev. rep. Ministries, 15992 A; Nuclear Tests, 16095 B; Summit Correspondence, 16069 A.)

A. SAUDI ARABIA. — Increased Powers for Emir Faisal in Internal, Foreign and Economic Affairs.

King Saud issued a decree on March 23 granting his brother, the Emir Faisal, full powers over the kingdom's foreign, internal and economic affairs, with the aim of "strengthening the governmental machinery and centralizing responsibilities." The Emir Faisal (who is Crown Prince) was already Prime Minister and Foreign Minister, and had led the Saudi Arabian delegation at the United Nations on several occasions.

In the United Arab Republic—where the Emir Faisal is regarded as more pro-Egyptian than King Saud—allegations were made in Egyptian and Syrian newspapers that King Saud had virtually "abdicated" in favour of his brother, and that long-standing political differences had existed between the King and the Crown Prince. References were also made to "internal dissatisfaction" in Saudi Arabia in connexion with the alleged plot against the life of President Nasser [see page 16086]. These allegations were described as "untrue and fabricated" by the Saudi Arabian Ambassador in Baghdad (Sheikh Ibrahim Sowayel), who emphasized that the transfer of powers to Crown Prince Faisal was in accordance with the King's desire to secure a greater degree of administrative centralization as the best way of promoting Saudi Arabian interests. The Ambassador in Baghdad, and other Saudi Arabian diplomats, stressed that no disagreement existed between the King and the Crown Prince, and that King Saud continued to exercise full authority over the State as hitherto.

The following comment was brought on April 10 by the Diplomatic Correspondent of *The Times*:

"In spite of conflicting reports, it now seems possible to assess the position of the Saudi Arabian Government since the establishment of the United Arab Republic of Egypt and Syria, and since the Emir Faisal . . . took over the Ministries of Finance and Interior. The Emir Faisal, while in Cairo for medical treatment, saw President Nasser and Shukry Kuwatly [the former Syrian President] a few days before they announced the creation of the United Arab Republic, but neither of them informed him of their intentions and he was affronted by this treatment. When he returned to Saudi Arabia his pro-Egyptian attitude had modified, and King Saud chose the moment to make clear that differences with his brother, if, in fact, they existed before, were now at an end. On this view King Saud still retains ultimate control and Saudi Arabia is likely to remain poised between the United Arab Republic and the Federation of Iraq and Jordan."

During the last week of February King Saud and his Ministers had discussions in Riyadh with a delegation from the Arab Federation led by the Foreign Ministers of Iraq and Jordan. According to an official statement in Riyadh, confirmed on March 1 by the Saudi Arabian Embassy in Beirut, King Saud had made it clear that he did not intend either to join the Arab Federation or to federate with the United Arab Republic. (Times - Manchester Guardian - Le Monde, Paris)

A. KOREA. — Evacuation of Chinese Forces from Korea. - North Korean and Chinese Proposals for Withdrawal of U.N. Forces. - Forced Diversion of South Korean Aircraft to North Korea.

The North Korean Government, in a statement issued on Feb. 5, proposed that all foreign troops should be withdrawn simultaneously from North and South Korea; that free elections should subsequently be held under the supervision of representatives of neutral States with the aim of unifying the country; that consultations should take place between the North and South Korean Governments on the establishment of economic and cultural relations between the two parts of Korea; and that both Governments should reduce their armed forces to a minimum as soon as possible. The statement—issued after the North Korean Government had met to study counter-measures against the introduction of nuclear weapons into South Korea by the U.N. forces—added that the North Korean forces had been reduced by 80,000 men.

The Chinese Communist Government proposed on Feb. 7 that all foreign troops should leave Korea by specified dates; announced that it was prepared to discuss the withdrawal of the Chinese "volunteers" with the North Korean Government; and asked the U.S.A. and other countries participating in the U.N. Force to take similar measures to withdraw their troops from South Korea, as a preliminary to the reunification of the country. The statement was handed to the British Chargé d'Affaires in Peking for transmission to the 16 Governments with contingents in the U.N. Force.

The Chinese Premier, Mr. Chou En-lai, accompanied by the Foreign Minister, Marshal Chen Yi, subsequently left for Pyongyang for talks with Mr. Kim Il Sung, the Prime Minister of North Korea. A joint communiqué was issued on Feb. 19 announcing that all Chinese forces would be withdrawn from Korea by the end of 1958.

Referring to the North Korean proposals for the withdrawal of all foreign troops, the communiqué said: "After consultation with the [North] Korean Government, China has proposed to the Chinese people's volunteers that they take the initiative in withdrawing from Korea. The Chinese people's volunteers have fully concurred in this proposal . . . and have decided to withdraw completely by stages and to complete their withdrawal before the end of 1958. Now is the time when the United States and other countries in the U.N. Forces are faced with a serious test. If they sincerely desire a peaceful settlement of the Korean question, they should similarly withdraw all their forces from Korea. Otherwise the whole world will see even more clearly that it is they who have all along been obstructing the peaceful unification of Korea. If the United States and South Korea think that the withdrawal of the Chinese troops is a sign of weakness and seek to take advantage of it, they will certainly meet with unthinkable consequences The Korean people's ability to resist aggression is stronger than ever before."

The Chinese Government announced on March 12 that the first six divisions (about 100,000 men) of the Chinese "volunteers" would begin to leave Korea on March 15 and would complete their withdrawal by April 30. The total number of Chinese "volunteers" in North Korea is estimated at about 350,000 men.

The Soviet Government expressed its full support for the Chinese proposals in a statement issued on Feb. 20, and suggested that a conference of countries interested in the Korean problem should be called to consider the reunification of the country.

"The situation in Korea cannot but arouse apprehension," the statement said. "In spite of a number of constructive proposals and efforts on the part of the Government of the Korean Democratic People's Republic [i.e. North Korea] aimed at a peaceful settlement of the Korean issue, and as a result of the resistance to this on the part of the South Korean authorities, supported by the United States, the country had not yet been unified. The refusal of the United States in the summer of 1957 to fulfil the important provision of the armistice agreement which limited the importation of arms into Korea, and also the arming of the South Korean forces with the most up-to-date weapons and the transformation of South Korea into an atomic base, do not in the least serve to facilitate a peaceful settlement of the Korean issue . . .

"The Soviet Government continues to believe that the Korean issue cannot be solved by foreign interference in Korea's affairs. The solution of the problem of restoring Korean national unity can only be achieved by the Koreans themselves, through a gradual *rapprochement* between the two parts of Korea . . . *Rapprochement* between North and South Korea would be facilitated and the preservation of peace in Korea ensured if the two Governments concluded a peace pact and undertook not to resort to force in settling controversial issues; if an agreement were reached on a substantial reduction of the armed forces of the Korean Democratic People's Republic and South Korea; and if they were to declare that they would not allow the installation of nuclear and rocket weapons on their territories. Bearing in mind that Korea has now been divided for more than 12 years, and that the necessary confidence in the relations between the two parts of Korea is lacking, it would be desirable, in the Soviet Government's opinion, to call a conference of the States concerned to discuss steps conducive to a *rapprochement* between the two parts of Korea."

A Foreign Office spokesman in London, commenting on the Chinese Government's decision, said on Feb. 19 that "the British Government welcome any move which might help to reduce tension in the area and to bring about a peaceful settlement of the Korea problem on the lines described by the United Nations."

In Washington, the State Department spokesman (Mr. Lincoln White) also welcomed the withdrawal decision, and added that "once the withdrawal has been completed we would hope that the Chinese Communists would . . . agree to further steps repeatedly set forth in the U.N. General Assembly resolutions for the peaceful unification of a democratic Korea. The first step would be to agree to genuinely free elections under U.N. supervision." Mr. Lincoln White also pointed out that the U.S. forces in Korea had already been reduced by 80 per cent. [The present strength of the U.S. forces is about 30,000.] Other State Department officials said that the U.S. Government did not intend to permit the Communists to equate the status in Korea of the Chinese Communist and U.S. forces, as the U.S.A. and 15 other countries had gone into Korea to repel aggression at the request of the United Nations, whereas the Chinese Communists had entered North Korea to support aggression.

The South Korean Government denounced the Chinese and North Korean proposals on Feb. 19 as "nothing but propaganda" and "unworthy of serious study"; in a further statement on Feb. 21 it declared that if the U.N. forces withdrew, North Korea could "invade South Korea again in a blitzkrieg and face the free world with the *fait accompli* of Korea in Communist hands."

The North Korean Government submitted its proposals for free elections and for discussions on economic and cultural relations between North and South Korea to the Military Armistice Commission on Feb. 24, and called for the withdrawal of the U.N. forces as a step towards reunification. This demand was rejected by the chief U.N. delegate (General Kyster, of the U.S. Army) on the ground that reunification was not a proper subject for the Commission to consider. Representatives of the 16 Governments to which the Chinese proposals of Feb. 7 had been addressed decided at a meeting in Washington on March 4 to reject them, and to demand the withdrawal of all Chinese forces and the holding of elections under U.N. supervision.

Following the British Government's decision to withdraw all U.K. forces from Korea [see page 15669, second column] the New Zealand Minister of Defence (then Mr. Macdonald) announced on April 5, 1957, that the remaining New Zealand troops in Korea would also be withdrawn within the next few months. The last Canadians serving in the Commonwealth contingent returned home on July 31, and the last Australians on Aug. 29, 1957.

Some of the passengers—believed to be Communist agents—on board a South Korean airliner flying from Pusan to Seoul forced the American pilot at the point of a gun to fly into North Korea and land near Pyongyang on Feb. 16. Among those on board were Colonel Kim Ki Wan, chief information officer of the South Korean Air Force, Lieut.-Colonel Howard McClennan, of the U.S. Air Force, and two German sales agents. The North Korean radio claimed on the following day that the passengers had done so because they could "no longer endure the daily pressure of the fascist Syngman Rhee government" and wanted to escape "imperialist oppression." The U.N. Command demanded the return of the aircraft with its passengers and crew, and after lengthy negotiations conducted through the Armistice Commission, the two American pilots and 24 passengers were eventually released on March 6; eight other passengers remained in North Korea, the aircraft itself being detained by the North Korean authorities. (Times - Daily Telegraph - Manchester Guardian - New York Times - Soviet Embassy Press Department, London)

(Prev. rep. 16047 A; 15642 A.)

B. MIDDLE EAST. — Industrial Corporation.

The Federation of British Industries announced on April 3 that an international organization known as Midec S.A. had been formed to further the development of industrial projects in the Middle East in conjunction with Arab and other local interests. The present participating countries in Midec S.A. are Belgium, Canada, Denmark, France, the German Federal Republic, Italy, the Netherlands, Norway, Sweden, Switzerland, the United Kingdom and the United States. Its initial share capital is 1,000,000 Swiss francs.—(Times)

A. UNITED KINGDOM. — Agricultural Policy. - Farm Prices for 1957-58.

A White Paper published on March 20 announced the new farm prices and production grants for 1958-59, fixed as the result of the Annual Review in February, and providing for a cut in the total value of agricultural guarantees of about £19,000,000 in a full year. Decreases were shown in the guaranteed prices for fat pigs, eggs, milk, and wheat, but there was a small increase for fat cattle and in the rates of quality premium for bacon pigs. The new prices (effective from April 1, 1958, except those for cereals and root crops) are given below, with the 1957-58 review prices in parentheses :

Livestock and Livestock Products. *Fat Cattle* 157s. a live cwt. (156s.). *Fat Sheep and Lambs* . 3s 2½d. a lb , dressed carcase weight (same). *Fat Pigs :* 44s. 9d. a score deadweight (51s. 11d.). *Milk :* An average of 3s 1.70d a gallon (3s. 2.70d.). *Wool :* An average of 4s. 8½d. a lb. (unchanged).

The price of 44s. 9d. a score for fat pigs (subject to a reduction of 1d. a score to take account of certain expenditure on pig progeny testing stations) is related to a feed price of 26s 3d a cwt , and is equivalent to 49s. 11d. a score related to the 1957-58 feed price.

Eggs. Averages of 4s. 0.95d. a doz. for hen eggs (4s. 6.2d.) and 2s. 5.7d. a doz. for duck eggs (2s. 10.2d.).

Cereal and Other Crops (1958 Harvest). *Wheat :* An average of 28s. 1d. a cwt. (28s. 7d.). *Barley :* 29s. a cwt. (unchanged). *Oats :* 27s. 5d. a cwt. (unchanged). *Rye :* 22s 1d. a cwt. (unchanged). *Potatoes :* 229s. a ton on new basis (225s. a ton on old basis, equivalent to 229s. on new basis). *Sugar Beet :* 130s. 6d. a ton (unchanged).

Existing production grants, amounting to about £80,000,000 in a full year, would be continued, but higher rates of subsidy would be given for nitrogen fertilizers from July 1, 1958, involving additional payments totalling about £1,500,000

Important points from the White Paper are summarized below :

Reasons for Reduction of Price Guarantees. The White Paper stressed that the total cost of agricultural support had risen from £206,000,000 in 1955-56 to £240,000,000 in 1946-57 and an estimated £290,000,000 in 1957-58. In the Government's view the present trends of net income and costs and the effects of the continued increase in the efficiency of the industry—"whose recent production reflects its strength and resilience"—were such that the level of the guarantees could be reduced "consistently with the maintenance of a proper level of remuneration in the industry." Moreover it was essential to reduce the guarantees on certain products in order to guide production into the desired channels. The White Paper pointed out that under the long-term measures of the Agriculture Act [see 15415 A] the Government was obliged to maintain the guarantees at 95 7 per cent of the total, after allowing for cost changes. On the basis of the calculation in the Review, this would allow a total reduction of £21,000,000, or £2,000,000 more than the reductions now announced.

The Government's Production Policy. The main object of the Government's policy continued to be more economic production. The recent expansion of gross output had been based largely on the production—at a substantial cost in import feed—of milk, eggs, and pigs. The value of such output to the balance of payments, however, was doubtful, and it was considered that in present circumstances gross output should not be expanded any further "unless this can be done at substantially lower cost of production and without prejudicing the aim of relieving the taxpayer of the increasingly heavy burden of subsidy cost."

The general directions of the Government's policy, therefore, were as follows :

(1) The maintenance of a large arable acreage—about the present size—with greater emphasis on feed crops and less on wheat.
(2) Greater reliance on home-produced feed for livestock.
(3) Production of more beef and lamb of good market quality.
(4) Production of less milk, pigmeat, and eggs.

The White Paper pointed out that production of pigs, milk, and eggs had continued to rise. It was considered important to stop the "huge upwards fluctuations" in pig production, especially in view of the demands made on imported feeding-stuffs, and the cut of 2s. a score was nearly the maximum possible under the Agriculture Act. Egg production had risen to the point where British farmers supplied virtually the entire home market, and under international agreements Britain was forbidden to export subsidized food products : the cut of 1d a doz. compared with a maximum possible under the Agriculture Act of 2½d. The cut of 1d. a gallon in milk prices would have been more severe if it had not been necessary to consider the interests of small farmers.

The Government, however, recognized the special problem which arose because many small farmers were particularly concerned with the production of milk, pigs, and eggs; accordingly, they intended to begin discussions about marginal production schemes and also about proposals (now being prepared) for additional provisions to help small full-time farmers.

[It was explained that these proposals, intended to benefit small farms of, for example, 30-60 acres, would be based on the principle of grassland conservation, in order to build up their capacity to produce beef and lamb. The Minister of Agriculture would seek a way to inject yearly grants into small farms, with a programme covering a period of perhaps 3 to 5 years.]

Farm Output, Costs, and Income. The White Paper estimated that agricultural output had risen from 61 per cent over pre-war in 1956-57 to 63 per cent in 1957-58 ; there had been a continued expansion in production of beef, mutton, and lamb, and the arable area had been "substantially maintained." Farm efficiency appeared to be increasing at least at the rate previously announced (about £25,000,000 a year for review commodities), with the result that the increase of about £11,000,000 for review commodities in farmers' costs was the lowest since 1954.

Actual farm income for 1957-58 was forecast at £360,000,000, compared with £314,000,000 for 1956-57. When adjusted for normal weather conditions, these figures became £361 500,000 for 1957-58 and £333,500,000 for 1956-57. "Both on an actual and on a normal weather basis," the White Paper stressed, "the net income forecast for 1957-58 is by far the highest ever recorded."

Strong protests against the Government's decision to impose the price support cuts announced in the White Paper were made on March 20 by the three farmers' unions of England and Wales, Scotland, and Northern Ireland.

In a joint statement the farmers' unions explained that in discussions with the Minister of Agriculture they had offered to accept a cut of £5,000,000 in the total value of agricultural guarantees, although there was "considerable feeling" amongst their members in favour of higher guarantees to meet costs and enable farmers to enjoy a greater share of the benefits of their own efficiency. This offer would have had the effect of pegging farming incomes at about their present level, and farmers would have been prepared to accept cuts on this scale, despite the fact that their real incomes had not increased with those of the rest of the community. They felt, however, that the Government's decision to make a reduction of £19,000,000 placed "an unjustifiable burden on an industry that has already borne far more than its share of the battle for national solvency." The unions had therefore withdrawn from the discussions because they felt that there "could be no useful purpose in continuing them."

Sir James Turner, president of the N.F.U. of England and Wales, described the White Paper policy as "a harsh economic squeeze that the Government have put on people who are ill-equipped to stand it." He pointed out that the breakdown in the discussions between the Minister of Agriculture and farmers' leaders was the second of its kind in the past three years.—(Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. 15590 C ; 15465 A.)

B. FIJI. — Development of Nandi Airport.

At a meeting of the Pacific Air Transport Council, held at Wairakei (New Zealand) from Nov. 25 to Dec. 6, 1957, Britain, Australia and New Zealand concluded an agreement to share the cost of developing Nandi airport, Fiji, so as to enable it to take large jet aircraft.

Announcing the scheme on Sept. 25, 1957, Mr. Shand (then N.Z. Minister of Civil Aviation) had stated that Nandi airport was the responsibility of the South Pacific Air Transport Council, which comprises Australia, the U.K., New Zealand, Canada, Fiji, and the Western Pacific High Commission. Construction, maintenance, and operation of the airport were responsibilities of New Zealand as the agent of the Council. Mr. Shand explained that Nandi, "the northern gateway to New Zealand for air traffic," was the most important airways junction in the Pacific after Honolulu.

Under the tripartite agreement Britain and Australia will each pay 40 per cent and New Zealand 20 per cent of the total costs (estimated at £3,600,000 at the Wairakei conference), whilst Canada and Fiji will make contributions towards the operating costs of the new airport, which will have a main runway of 10,700 feet compared with 7,100 feet at present. The extended runways will be ready for the new jet airliners by July 1959, and the whole project will be completed by the end of that year.—(Directorate of Information, Wellington - New Zealand Department of External Affairs)

C. UNITED KINGDOM - UNITED STATES. — Purchase of Surplus American Tobacco against Provision of Housing for U.S. Servicemen in Britain.

The U.K. Paymaster-General, Mr. Maudling, announced on Feb. 24 that new arrangements had been made with the U.S. Government under which Britain would import $5,000,000 (£1,785,000) worth of tobacco for sterling, and in exchange would build houses for U.S. servicemen and their families in Britain at an equivalent cost.

Mr. Maudling explained that this was a second extension of the transaction announced in June 1956, and extended in March 1957, which together had involved the importation of $18,000,000 worth of tobacco without dollar expenditure. The proceeds of the new transaction would be appropriated to the defence budget, whilst the houses would be let to the U.S. authorities at a nominal rent but would remain the property of the British Government.

It was stated that the new tobacco purchase would not cause any reduction of British tobacco purchases from Commonwealth countries.—(Times - Daily Telegraph)

(Prev. rep. 15608 A.)

A. MALAYA. — Terrorist Leader's Rejection of Government Surrender Terms. - Extension of General Amnesty Offer. - The Anti-Terrorist Campaign. - Statement by Tengku Abdul Rahman.

The Prime Minister of the Malayan Federation, Tengku Abdul Rahman, announced on Dec. 22, 1957, that he had received a letter from Chin Peng, the leader of the Communist terrorists, saying that he was prepared to send two emissaries for preliminary talks with the Government with the aim of ending the jungle fighting, but that "the question of surrender does not arise." The Tengku added that he was not willing to accept the Communist terms.

Chin Peng's letter, dated Dec. 9 but posted only on Dec. 19, said: "It is not our intention to treat the elected Government as an enemy. It is also clear that the question of the surrender by us to the elected Government does not arise. The Communist Party's object is to end the emergency by reaching a fair and just agreement, and to talk of surrender on your Government's unreasonable demands is unfair and unjust."

Commenting on this letter in his statement of Dec. 22, Tengku Abdul Rahman said that "the Government cannot see any possibility of coming to terms with Chin Peng unless and until he is willing to surrender, so there will be no meeting." He added: "There will never be peace in Malaya if the emergency is to end on terrorist terms It is now obvious that the terrorists' ultimate goal is the overthrow of our democratically elected Government and the setting-up of a Communist State I will not tolerate this."

In an earlier letter of Oct. 12, 1957, which had reached Kuala Lumpur only on Nov. 7, Chin Peng had informed the Tengku that he was "prepared to meet you again for a talk with the object of obtaining a just and fair agreement in order to end this war," and that he "expected that this time agreement will be reached to our mutual satisfaction" In a statement on Nov. 8, Tengku Abdul Rahman said that as Chin Peng had obviously accepted the principle of surrender, he (the Prime Minister) was willing to discuss the further arrangements with him; he would therefore await a message from Chin Peng announcing the name of his representative and proposing the time and place where contact could be made with him.

As no further reply was received from Chin Peng, Tengku Abdul Rahman announced on Dec. 6 that unless Chin Peng sent an emissary before Dec. 31 to arrange peace talks, his (the Tengku's) offer to meet Chin Peng would be withdrawn. Chin Peng thereupon replied on Dec. 9 as stated above.

The Government's general amnesty offer to the terrorists, which was to have expired on Dec. 31, 1957, was extended to April 30, 1958, and subsequently until July 31, 1958.

Announcing the first extension on Dec. 16, 1957, Tengku Abdul Rahman stated that 122 Communist terrorists had surrendered since the latest surrender terms were announced on Sept. 3; that most of the surrenders had been from Johore, Negri Sembilan, and Perak; that "definite cracks" were appearing in the terrorist organization in Johore and Perak; and that 36 of those who had surrendered were branch committee members or of even higher rank. About 1,650 terrorists under the leadership of Chin Peng were still holding out against the Government.

Announcing the second extension of the surrender terms on March 30, 1958, Tengku Abdul Rahman said that over the past seven months the total number of surrenders had risen to 215 (against 93 in the previous seven months), if those killed and captured were included, the total number of terrorists eliminated since the achievement of Malayan independence was 300. This was sufficiently encouraging to justify an extension of the period of the surrender offer, but he did not think that the emergency could be ended by the end of the year, as he had earlier hoped [see 15793 A, second column]. The total number of Communist terrorists still in the jungle was estimated by the Tengku at about 1,500.

New anti-terrorist regulations had previously been promulgated by the Federation Government on Aug. 16, 1957, whilst on Nov. 8 the Government announced a higher scale of rewards for information leading to the killing or capture of terrorists.

The regulations of Aug. 16 were aimed primarily at Communist sympathizers and other subversive elements. They stipulated (*a*) that any person who refused to disclose the whereabouts of terrorists, or did not report a breach of the existing emergency regulations to the police, might be imprisoned for up to 10 years; (*b*) that anyone failing to report to the authorities the whereabouts of a person he had reasonable cause to believe was a Communist terrorist, or to notify to the police the receipt of any communication of terrorist origin, would also be liable to imprisonment; and (*c*) that publishers of any subversive document would incur long prison sentences. At the same time the Government prohibited the unauthorized organization of school and student tours between Malaya and other countries, in an effort to check Communist subversion of youths going abroad.

The new rewards for information on terrorists, announced on Nov. 7, were: for information leading to a capture, from 5,000 Malayan dollars (about £380) to 20,000 Malayan dollars, depending on rank. For information leading to the killing of a terrorist: from 2,000 Malayan dollars to 16,000 Malayan dollars. The previous minimum rates had been 2,000 Malayan dollars and 1,500 Malayan dollars respectively.

Meanwhile operations by the security forces against the terrorists had continued without interruption. Major anti-terrorist operations included an extensive bombardment of a known Communist-held area in south-east Johore, carried out by the cruiser H.M.S. *Newcastle* during the night of Dec. 5-6, 1957, and an all-out drive (described as the largest in the ten years of the emergency) in a 1,200-square-mile area of northern Perak in which 10,000 British, Australian, and New Zealand troops took part, together with several thousand police and Home Guards. It was announced on April 7, 1958, that British, Australian and New Zealand aircraft had completed the heaviest aerial bombardment of the jungle war, having carried out continuous round-the-clock attacks on suspected Communist supply-dumps and hide-outs in Perak State since March 17. A number of terrorists were killed or captured in smaller operations.

Kuala Lumpur, the Federal capital, and its outlying districts were declared "white" (terrorist-free) on Aug. 23, 1957, thus completing a belt across the Federation from coast to coast which was freed from the nine-year-old emergency restrictions. A further area of 120 sq. miles of the Segamat district of Johore—formerly one of the most bandit-ridden areas of Malaya—was declared "white" on Jan. 3, 1958, and Malacca on Feb. 10.

Changes in British Commonwealth Forces. - Tengku Abdul Rahman on Necessity for Defence Agreement with Britain.

It was announced in Salisbury on Oct. 24, 1957, that the proposed transfer of the 1st Battn. King's African Rifles to Malaya to relieve the Rhodesian African Rifles would no longer be required, and that there would be no Rhodesian troops left in Malaya after the return of the Rhodesian African Rifles in February 1958. The 2nd Battn. King's African Rifles had served in Malaya from 1950-52, and the 1st Battn. Northern Rhodesian Regiment from 1952-56, when the Rhodesian African Rifles took over.

The 1st Battn. New Zealand Regiment—the first battalion ever to leave New Zealand in peace-time—sailed from Wellington for Singapore on Nov. 28, 1957, to join the Commonwealth forces in Malaya. It included 150 Maoris out of a total strength of 670 men.

Tengku Abdul Rahman declared in the Legislative Council on Oct. 2, 1957, that while he was head of the Government he would "stand or fall by the defence agreement between Britain and the Federation."

After describing the agreement as "a treaty of friendship," and stressing that it in no way infringed on Malaya's sovereignty, the Tengku pointed out that at present the Federation had an Army under one division in strength, no Air Force, and no Navy. With the revenue at their command they could not at present build up the Malayan forces to the strength required for the defence of the country. The Prime Minister declared:

"We have 771,000,000 Malayan dollars (£90,175,000) in revenue. Only one-tenth of that can we spare for our armed forces. The rest must go for the national development, schools, medical and postal services, housing, agricultural improvement, land development, drainage, irrigation, road improvement, and the like. In the circumstances it is only too obvious that we cannot stand alone. If we had not entered into a defence treaty with Britain, we should have signed our death warrant. God alone knows what would happen to our country if we had to 'go it alone' at this very early stage of our independence."

In a subsequent statement on March 3, 1957, the Tengku strongly criticized a demand made by 35 British Labour M.P.s for the withdrawal of British forces from the Federation on the ground that their presence was incompatible with Malayan independence. In rebuking the Labour M.P.s concerned, Tengku Abdul Rahman declared:

"It is as much the duty of the British people as of the Malayans themselves to meet and crush the Communist challenge. It is accepted by all the free world that the fight against the Communists in Malaya is not Malaya's concern alone. The Reds are trying to establish Communist dictatorship in South-East Asia—if they succeed, the whole of South-East Asia will be lost. Malaya is engaged not only in a life or death struggle, but also in a struggle to free this part of Asia from the Communist menace. If the British and other Commonwealth countries were to withdraw their support and leave Malaya to shoulder the burden alone, it would be necessary for this country to double her security forces and expenses in order to end the war."

Other Anti-Subversion Measures.

It was announced on Oct. 30, 1957, that four Chinese officials of the National Union of Factory and General Workers had been detained under the emergency regulations for suspected subversive activities.

The Deputy Premier and Minister of Defence (Dato Abdul Razak) stated on the same day that the Government was determined to protect lawful organizations from subversive penetration, and that the persons arrested had propagated Communist subversive doctrines and practices in their union. The action taken against them implied

no departure from the Government's declared policy of fostering a sound trade union movement; the four men had been arrested, not because they were trade unionists, but because their activities were detrimental to the peace and good order of the country.

The four men concerned were the union's president and assistant secretary-general, and the vice-chairman and secretary of its Johore branch.

Tengku Abdul Rahman's Visit to South Vietnam.

Tengku Abdul Rahman, accompanied by the Malayan Ministers of Commerce and Industry (Tan Siew Sin) and Transport (Abdul Rahman Binhaji Talib), paid an official visit to South Vietnam from Jan 27-31—his first visit to a foreign country since the achievement of Malayan independence. During his stay in Saigon the Tengku had a number of conversations with President Diem, visited the headquarters of the Vietnamese armed forces, inspected the works of the Vietnam Textile Corporation at Binh-Hoa, and attended a State banquet given by President Diem.

A joint statement issued on Jan. 31 said that the discussions between President Diem and the Tengku had shown a "complete identity of views" on problems of interest to the two countries, "especially as regards the Communist danger to their internal and external security." The statement continued: "In their common desire for building a new Asian democracy founded upon respect for human rights and upon the spiritual traditions of Asia, the two Governments decided to co-operate closely in their struggle against subversive activities on their respective territories . . . They also considered the possibility of developing commercial and cultural exchanges between the two countries."

It was decided during the Tengku's stay that Malaya and South Vietnam should establish diplomatic relations in the near future.—(Times - Daily Telegraph - Manchester Guardian - Australian News and Information Bureau - N.Z. Directorate of Information, Wellington - Federal Information Department, Salisbury - Vietnam Press Agency) **(Prev. rep. 15793 A.)**

A. NETHERLANDS. — Provincial Elections.

Elections for the 11 Provincial Assemblies (*Provinciale Staten*) took place on March 25 and resulted in (*a*) considerable gains for the Liberal Party (the League of Freedom and Democracy); and (*b*) the regaining by the Catholic People's Party of the leading position which it lost to the Labour Party in the 1956 general elections. The total number of seats won by the various parties is shown in the following table, comparison being given with the last (1954) provincial elections:

	1958	1954
Labour Party	178	180
Catholic People's Party	190	186
*Anti-Revolutionary Party	63	69
Liberals	63	50
*Christian Historical Union	59	64
Communists	18	24
*Political Reform Party	11	11
Reformed Protestants	2	2
Other parties	6	4
	590	590

*Protestant parties of Conservative tendency.

Voting figures were as follows, the figures in the 1954 provincial elections and the 1956 general elections being shown for comparison:

	Prov. Assemblies 1958	Lower Chamber 1956	Prov. Assemblies 1954
Labour	1,654,281	1,869,270	1,566,667
Catholic	1,899,058	1,812,685	1,680,527
Anti-Revolutionary	544,243	565,471	569,363
Liberals	658,362	501,739	467,622
Christian Historicals	520,165	481,396	514,561
Communists	239,102	271,908	283,486
Political Reform	129,106	129,265	116,243
Reformed Protestants	43,512	37,040	38,127
Other parties	86,495	48,450	92,382

The provincial elections are of national importance because the Provincial Assemblies elect the members of the Upper Chamber of the States-General.—(Netherlands News Agency) **(Prev. rep. 14936 E.)**

B. CEYLON. — New Leader of United National Party.

Sir John Kotelawala (61), the former Prime Minister of Ceylon, announced on March 30 his resignation from the leadership of the United National Party, which he helped to form in 1948 and which was defeated at the last (1956) general elections. He was succeeded in the party leadership by Mr. Dudley Senanayake, from whom Sir John took over the Premiership in 1953. Although Mr. Senanayake had withdrawn from the U.N.P. and from political life prior to the 1956 elections, he has now agreed to re-enter active politics. (Ceylon Government Information Department)

(Prev. rep. 14849 A; 14735 C.)

C. INDONESIA. — K.P.M. Fleet returned to Dutch Control. - Soviet Ships transferred to Indonesia.

The Indonesian Minister of Shipping, Commodore Nazir, announced on March 21 that the Indonesian Government had decided to return to the *Koninklijke Pakketvaart Maatschappij* (K.P.M.) the 34 ships which had been seized on Dec. 6, 1957, as part of the Indonesian measures against Netherlands property; most of these vessels had been tied up in various Indonesian harbours, but four had been recaptured by Dutch warships shortly before Commodore Nazir's announcement. Commodore Nazir added that the K.P.M. ships were "no longer needed" and that there would be "no more room for K.P.M. activities in Indonesia."

Explaining his Government's decision, Commodore Nazir said that if Indonesia continued to detain the vessels after four months, Lloyds of London would have had to pay the K.P.M. between £7,000,000 and £12,000,000 as insurance money, and the ships would then have become automatically the property of Lloyds. The decision to hand back the vessels, however, would not free the company from liability for "violation of Indonesian shipping laws." The Minister also claimed that the K.P.M. owed the Indonesian Government £1,600,000 for Government advances of salaries and wages to K.P.M. staff since the vessels came under Indonesian State control, and was owing still more as "compensation for damages incurred by the Indonesian economy because the company stopped its operations abruptly."

The four K.P.M. ships which had been recaptured by the Netherlands Navy were (*a*) the *Kasimbar*—seized by the Dutch destroyer *Drenthe* on Feb. 20 in the Macassar Straits (between Borneo and Celebes) and taken to Dutch New Guinea with her Indonesian crew; and (*b*) the *Swartenhondt* (4,900 tons), the *Banjoewangi* (1,300 tons), and the *Kalabahi* (2,200 tons), which had been intercepted in March by the *Drenthe* and the frigate *Evertsen* off Celebes. It was stated in The Hague on March 13 that the *Swartenhondt*, *Kalabahi* and *Banjoewangi*, carrying 113 Dutch and 218 foreign nationals from Menado, had been intercepted and escorted to New Guinea at the request of their Dutch captains, who had asked for protection.

The Netherlands Foreign Ministry announced on March 4 that it had protested to the Indonesian Government on Feb. 28 against the "unlawful use" of the *Kasimbar*, which, when stopped by the *Drenthe*, had been flying the Dutch flag and was carrying her Dutch certificate of registry, although there were no Dutch officers on board. The Note also protested at the refusal of the Indonesian captain of the *Kasimbar* to stop when called upon to do so, and at the fact that Indonesian soldiers on board had opened machine-gun fire on the *Drenthe* after the latter had fired a warning shot across the *Kasimbar's* bows.

An Indonesian counter-protest against the detention of the *Kasimbar* and her crew was sent to the Netherlands Government on March 6. The Note claimed that the Indonesian Government's use of the vessel had been authorized by an Ordinance under which the Government could appoint officials to supervise the K.P.M. company. It described the seizure of the ship as a "violation of the rights of free shipping in peace-time"; demanded the return of the ship and its crew, armed guard, and cargo; and claimed compensation for the damage and losses incurred.

Ten Russian freighters, each of about 1,900 tons, arrived at Tanjong Priok (the harbour of Jakarta) on March 17 and were handed over to the Indonesian Government on March 23 under the Soviet-Indonesian economic co-operation and credit agreement. It was stated in Jakarta that since the crisis in Indonesian-Dutch relations the Indonesian Government had tried to obtain ships for the maintenance of inter-island shipping after the taking-over and immobilization of the K.P.M. vessels, but that negotiations with the Japanese Shipowners' Association for the chartering of Japanese ships had broken down. Commodore Nazir had previously announced on Jan. 3 that six foreign shipping enterprises had been given permission to operate inter-island services—the West German *Hapag* Line, the Japanese *Tokio Senpaku*, the British Blue Funnel Line, the U.S. Isthmian Line, and the Polish and Yugoslav State Shipping companies.—(Indonesian Embassy Press Office, London - Algemeen Handelsblad, Amsterdam - Netherlands News Agency - Soviet Embassy Press Department, London) **(Prev. rep. Seizure of K.P.M. Ships, 15931 A; Soviet-Indonesian Aid Agreement, 16022 A.)**

D. POLAND - SOVIET UNION. — Soviet Aid for Polish Atomic Energy Development.

An agreement on Soviet technical aid to Poland in the peaceful uses of atomic energy was signed in Moscow on Jan. 22. Under its terms the Soviet Union will assist Poland in designing and building her second experimental reactor and her first atomic power station, as well as in the prospecting, mining, and processing of uranium, while Polish specialists will be given industrial and technical training in the U.S.S.R.

(Polish Embassy Press Office, London)

A. SPORT. — Review of Sporting Events in 1957.

A review of the principal sporting events during 1957 is given below, covering cricket, association and rugby football, lawn tennis, rowing, and horse-racing.

Cricket.

County Championship. Surrey won the County Championship for the sixth successive year, with a total of 312 points. Northamptonshire were runners-up with 218 points, and Yorkshire third with 190 points.

England v. West Indies Test Matches. The West Indies touring team visited England in the summer of 1957 and played five test matches, of which three were won by England and two were drawn. Results of the Tests were as follows ·

First Test—Match drawn. England 186 (S. Ramadhin 7-49) and 583 for 4 declared (P. B. H. May 285 not out, M. C. Cowdrey 154); West Indies 474 (O. G. Smith 161, C. L. Walcott 90, F. M. Worrell 81) and 72 for 7 wickets (G. A. Lock 3-31). Played at Edgbaston, Birmingham.

Peter May's score of 285 not out in England's second innings was the highest ever made in a Test match between England and the West Indies, and the highest score made by an England captain in any Test match. The second innings stand of 411 by May and Cowdrey was the highest ever made for England, the third highest in Test cricket, and the best made by any country for the fourth wicket.

Second Test—England won by an innings and 36 runs. England 424 (M. C. Cowdrey 152, T. G. Evans 82, P. E Richardson 76); West Indies 127 (T. E. Bailey 7-44) and 261 (F. D. Weekes 90, G Sobers 66, T. E. Bailey 4-54). Played at Lord's.

Third Test—Match drawn. England 619 for 6 declared (T. W. Graveney 258, P. E. Richardson 126, P. B. H. May 104, M. C. Cowdrey 55) and 64 for 1 wicket; West Indies 372 (F. M. Worrell 191 not out, F. Trueman 5-63) and 367 (O. G. Smith 168, J. D. Goddard 61, J. B. Statham 5-113). Played at Trent Bridge, Nottingham.

Fourth Test. England won by an innings and 5 runs. England 279 (P. B. H. May 69, M. C. Cowdrey 68, Rev. David Sheppard 68, F. M. Worrell 7-69); West Indies 142 (P. J. Loader 6-36) and 132 (P. J. Loader 4-50) Played at Headingley, Leeds.

Fifth Test—England won by an innings and 237 runs. England 412 (T. W. Graveney 164, P. E. Richardson 107); West Indies 89 (G. A. Lock 5-28) and 86 (G. A. Lock 6-20). Played at The Oval.

England v. South Africa Test Matches. The M.C.C. touring team visited South Africa during the winter of 1956-57, England and South Africa each winning two Test matches and the fifth being drawn.

First Test—England won by 131 runs. England 268 (P. E. Richardson 117, M. C. Cowdrey 59, N. A. Adcock 4-36) and 150 (N. A. Adcock 3-33, P. Heine 3-41, H. J. Tayfield 3-40), South Africa 215 (T. E. Bailey 3-33) and 72 (T. E. Bailey 5-20). Played at Johannesburg.

Second Test—England won by 312 runs. England 369 (M. C. Cowdrey 101, T. G. Evans 62, D. Compton 58, H. J. Tayfield 5-130) and 220 for 6 declared (D. Compton 64, M. C. Cowdrey 61); South Africa 205 (J. H. Wardle 5-53) and 72 (J. H. Wardle 7-36). Played at Cape Town.

Third Test—Match drawn. England 218 (T. E. Bailey 80, P. E. Richardson 68, N. A. Adcock 4-39) and 254 (D. J. Insole 110 not out, H. J. Tayfield 8-69); South Africa 283 (R. A. McLean 100, T. L. Goddard 69, J. H. Wardle 5-61) and 142 for 6 wickets. Played at Durban.

Fourth Test—South Africa won by 17 runs. South Africa 340 (R. A. McLean 93, T. L. Goddard 67, J. H. B. Waite 61) and 142; England 251 (P. B. H. May 61, H. J. Tayfield 4-79) and 214 (D. J. Insole 68, M. C. Cowdrey 55, H. J. Tayfield 9-113). Played at Johannesburg.

Fifth Test—South Africa won by 58 runs. South Africa 164 (W. R. Endean 70, T. E. Bailey 3-23, P. J. Loader 3-35) and 134 (F. Tyson 6-40); England 110 (N. A. Adcock 4-20, P. Heine 4-22) and 130 (H. J. Tayfield 6-78). Played at Port Elizabeth.

University Match. Cambridge beat Oxford at Lord's by an innings and 186 runs, the biggest victory ever achieved by Cambridge in a University match. Scores—Cambridge 424 for 7 declared (G. Goonesena 211, G. W. Cook 111 not out); Oxford 92 (O. S. Wheatley 5-15) and 146 (I. M. Gibson 63, G. Goonesena 4-40, B. T. Smith 4-42).

The 211 runs scored by Gamini Goonesena (Cambridge's Ceylonese captain) was the highest individual innings by a Light Blue in the 113 years of the University match; it has been exceeded in the series only by the Nawab of Pataudi's 283 not out for Oxford in 1931.

Revision of Laws of Cricket. Important changes in the laws of first-class (i.e. county) cricket were proposed on Feb. 25, 1957, in the report of a committee which had been appointed by the M.C.C. during the previous autumn, under the chairmanship of Mr. H. S. Altham. The committee was set up to inquire into the future of first-class cricket and to make any necessary recommendations for making the game more interesting and attractive to the spectator. Its principal recommendations were :

(1) On-side fielders to be limited to five, with not more than two behind the wicket.

(2) The number of overs in the first innings of each team to be limited to 85.

(3) Umpires to exercise firmer control with a view to eliminating time-wasting (e.g. dilatoriness by bowlers in running up to the crease).

(4) Boundaries to be limited to a maximum of 75 yards in any direction (designed to encourage more attractive stroke play).

(5) Overseas players in any county team to be restricted to two (designed to halt the "import" of overseas players).

(6) A knock-out competition to be held on an experimental basis during the next two seasons.

The M.C.C.'s Advisory Cricket Committee decided on March 27 to accept recommendations (1), (3), (4), and (5), but not (2) and (6). As an alternative to the second recommendation (to limit the number of overs in a first innings to 85), it was agreed to institute a system of bonus points for fast scoring in the first innings of championship games. The sixth recommendation (for a knock-out competition) was deferred for further consideration

The decisions of the Advisory Cricket Committee were formally approved by the M.C.C. on April 4, 1957, and took effect in the 1957 season. The reforms applied to first-class cricket only.

Association Football.

Football League. League champions—Manchester United (for the second successive year); runners-up—Tottenham Hotspur; promoted to Division I—Leicester City and Nottingham Forest; promoted to Division II—Derby County (from Div. III North) and Ipswich Town (from Div. III South); relegated to Division II—Cardiff City and Charlton Athletic; relegated to Division III—Bury and Port Vale.

Scottish League. League champions—Glasgow Rangers; runners-up—Heart of Midlothian; promoted to Division I—Clyde and Third Lanark, relegated to Division II—Ayr United and Dumfermline Athletic.

International Championship. The International Championship for 1956-57 was won by England, the final table being :

	P.	W.	D.	L.	Goals F	Goals A.	Pts.
England .. .	3	2	1	0	6	4	5
Scotland . .	3	1	1	1	4	4	3
Wales	3	0	2	1	3	5	2
Ireland . ..	3	0	2	1	1	2	2

Results of championship matches were as follows :

Ireland 1 England 1 (Belfast)
Wales 2 Scotland 2 (Cardiff)
Scotland 1 Ireland 0 (Hampden Park, Glasgow)
England 3 Wales 1 (Wembley)
England 2 Scotland 1 (Wembley)
Ireland 0 Wales 0 (Belfast)

F.A. Cup. Won by Aston Villa, who beat Manchester United 2-1 at Wembley on May 4, 1957 Aston Villa created a new record by winning the trophy for the seventh time, their previous successes being in 1920, 1913, 1905, 1897, 1895 and 1887. Blackburn Rovers and Newcastle United have each won the Cup six times.

F.A. Amateur Cup. Won by Bishop Auckland, who beat Wycombe Wanderers 3-1 at Wembley on April 13, 1957. Bishop Auckland won the Amateur Cup for the third successive season (a record for the competition) and for the tenth time in the club's history.

Scottish Cup. Won by Falkirk, who beat Kilmarnock 2-1 at Hampden Park on April 24, 1957, after a 1-1 draw. Falkirk last won the Scottish Cup in 1913, on their only previous appearance in the final.

European Cup. A new international competition, the European Cup, was inaugurated in 1956; the idea for such a competition was first suggested by the French sporting paper *L'Equipe*, and adopted by the European Football Union. The competition is confined to the league champions of each European country, with the addition of the team winning the cup in the previous season. Games are played on a knock-out home-and-away basis and decided by goal aggregate; should a third match be necessary as a decider, it is played in a neutral country.

The European Cup was won by the Spanish champions, Real (Royal) Madrid both in 1956 and 1957. In the latter year the final was played between Real Madrid and Fiorentina (the Italian champions), the Spanish team winning 2-0. The champion clubs of 21 European countries competed in 1957—those of Austria, Belgium, Bulgaria, Czechoslovakia, Denmark, England (Manchester United), France, Western Germany, Hungary, Italy, Luxemburg, the Netherlands, Poland, Portugal, Rumania, Scotland (Glasgow Rangers), Spain, Sweden, Switzerland, Turkey and Yugoslavia.

Rugby Union Football.

International Championship. England won the International Championship for 1956-57, the final table being :

	P.	W.	D.	L.	Points F.	Points A.	Pts.
England . .	4	4	0	0	34	8	8
Ireland . ..	4	2	0	2	21	21	4
Scotland . .	4	2	0	2	21	27	4
Wales .. .	4	2	0	2	31	30	4
France	4	0	0	4	24	45	0

Results of the championship matches were as follows :

France nil, Scotland 6 points (Paris)
Wales nil, England 3 points (Cardiff)
Ireland 11 points, France 6 points (Dublin)
Scotland 9 points, Wales 6 points (Edinburgh)
Ireland nil, England 6 points (Dublin)
Scotland 3 points, Ireland 5 points (Edinburgh)
England 9 points, France 5 points (Twickenham)
Wales 6 points, Ireland 5 points (Cardiff)
England 16 points, Scotland 3 points (Twickenham)
France 13 points, Wales 19 points (Paris)

County Championship. Devon won the County Championship for the first time for 45 years, beating Yorkshire by 12 points to 3 points at Plymouth on March 9, 1957.

University Match. Cambridge beat Oxford by 14 points to 9 points at Twickenham on Dec. 12, 1956.

Lawn Tennis.

Wimbledon Championships. The winners of the Wimbledon Championships in 1957 were as follows :

Men's Singles—L. A. Hoad (Australia) beat A. J. Cooper (Australia) 6-2, 6-1, 6-2.

Women's Singles—Miss Althea Gibson (U.S.A.) beat Miss Darlene Hard (U.S.A.) 6-3, 6-2.

Men's Doubles—G. Mulloy and B. Patty (U.S.A.) beat N. A. Fraser and L. A. Hoad (Australia) 8-10, 6-4, 6-4, 6-4.

Women's Singles—Miss A. Gibson and Miss D. Hard (U.S.A.) beat Mrs. K. Hawton and Mrs T. D. Long (Australia) 6-1, 6-2.

Mixed Doubles—M. G. Rose (Australia) and Miss D. Hard (U.S.A.) beat N. A. Fraser (Australia) and Miss A. Gibson (U.S A.) 6-4, 7-5.

L. A. Hoad won the men's singles for the second year in succession; he turned professional after the tournament. Miss Althea Gibson was the first coloured player to win the women's singles.

Davis Cup. In the challenge round of the Davis Cup, played at Adelaide on Dec. 26-29, 1957, Australia beat the United States by three matches to two and thus retained the trophy. Australia and the U.S.A. have appeared in the challenge round for 14 successive years.

Rowing.

Henley Royal Regatta. The winners of the various trophies in the 1957 Royal Regatta were :

Grand Challenge Cup—Cornell University (U S.A.) beat Yale University (U.S A.) by half a length in 6 min. 53 sec.

Ladies' Plate—Pembroke College, Cambridge, beat Christ Church, Oxford, by one length in 7 min 11 sec.

Princess Elizabeth Cup—St. Paul's School beat Shrewsbury School by 1½ lengths in 7 min. 19 sec.

Thames Cup—Princeton University (U.S.A.) beat National Provincial Bank by one length in 7 min. 8 sec.

Stewards' Cup—Krylia Sovietov (U.S.S.R.) beat London R.C. easily in 7 min. 35 sec.

Visitors' Cup—Pembroke College, Cambridge, beat Christ Church, Oxford, by 2 lengths in 7 min. 33 sec.

Wyfold Cup—National Provincial Bank beat Putney Town R.C. by 3 lengths in 7 min 49 sec.

Silver Goblets—D. A. T. Leadley and C. G. V. Davidge (Leander) beat J. Kloimstein and A. Sageder (Austria) by one-third of a length in 8 min. 17 sec.

Double Sculls—A. Berkutov and Y. Tukalov (U.S.S.R.) beat G. W. Baker and M. A. Spracklen (Marlow and R.A.F.) easily in 7 min. 41 sec.

Diamond Sculls—S. Mackenzie (Australia) beat V. Ivanov (U.S.S.R.) by 4 feet in 8 min. 25 sec.

University Boat Race. In the 103rd University Boat Race, rowed on March 30, 1957. Cambridge beat Oxford by two lengths with a time of 19 min. 1 second. Cambridge have won 57 boat races and Oxford 45, with one dead-heat.

Horse Racing.

The results of the five " classic " races and the Grand National in 1957 were as follows :

The Derby. Sir Victor Sassoon's *Crepello* (L. Piggott) beat *Ballymoss* by 1½ lengths, with *Pipe of Peace* third. Run at Epsom on June 5.

The Oaks. H.M. The Queen's *Carrozza* (L. Piggott) beat *Stilken Glider* by a short head, with *Rose Royale II* third. Run at Epsom on June 7. This was the first success of one of Her Majesty's horses in a " classic " race.

St. Leger. Mr. J. McShain's *Ballymoss* (T. P. Burns) beat *Court Harwell* by a length, with *Brioche* third. Run at Doncaster on Sept. 11. Mr. McShain, an American, is the builder of the Pentagon in Washington.

2,000 Guineas. Sir Victor Sassoon's *Crepello* (L. Piggott) beat *Quorum* by half a length, with *Pipe of Peace* third. Run at Newmarket on May 1.

1,000 Guineas. The Aga Khan's *Rose Royale II* (C. Smirke) beat *Sensualita* by a length, with *Angelel* third. Run at Newmarket on May 3.

Grand National. Mr. and Mrs. Geoffrey Kohn's *Sundew* (F. Winter) beat *Wyndburgh* by eight lengths, with *Tiberetta* third. Run at Aintree on March 29.

(Times - Daily Telegraph - Manchester Guardian - Observer - Sunday Times) **(Prev. rep. 15278 A ; 15298 B.)**

A. LEBANON. — New Government.

A new and expanded Lebanese Government was formed on March 14 by M. Sami Solh, who had formally tendered his resignation two days earlier, and who had been asked by President Chamoun to form a new administration. The new Government—the ninth headed by M. Solh—had 14 Ministers compared with eight in the previous Cabinet, its membership being as follows :

M. Sami Sohl—Prime Minister and Interior ; Dr Charles Malik—Foreign Affairs ; M Khalil Hibri—Public Works ; M. Farid Kozma—Information ; M. Pierre Eddé—Finance ; M. Clovis Khazen—Education ; M. Bashir Osman—Posts and Telegraphs ; Dr. Albert Moukheiber—Health ; Emir Majid Arslan—Agriculture ; M. Bashir Awar—Justice ; M. Joseph Skaff—Social Affairs ; M. Rashid Beydoun—Defence ; M. Kazem Khalil—Economy ; and M. Joseph Shader—Planning.

The Cabinet included six of the former Ministers (among them Dr. Malik, the Foreign Minister) and eight new members, several of whom took office for the first time. Two Ministers of the former Cabinet were dropped—M. Jamil Mekkaoui (Finance) and M. Selim Lahoud (Public Works).

The new administration represented all parties and groups supporting the Government, and all the country's religious denominations. By religious affiliation, it comprised three Sunni Moslems (M. Sami Solh, M. Hibri and M. Osman), three Maronites (M. Cosma, M. Eddé and M. Khazen), two Greek Orthodox members (Dr. Malik and Dr. Moukheiber), two Druses (Emir Arslan and M. Awar), two Shia Moslems (M. Beydoun and M. Khalil), a Greek Catholic (M. Skaff, and an Armenian Catholic (M. Shader).

Prior to M. Solh's resignation—tendered on the ground of " political incompatibility " within the former Cabinet—certain Ministers were understood to have been critical of the Government's pro-Western policy and to have urged closer collaboration with the United Arab Republic. The governmental reorganization was regarded by foreign correspondents as indicative of M. Solh's determination to resist Egyptian-Syrian pressure on the Lebanon to join the U.A.R., and to maintain the pro-Western policy pursued hitherto. Dr. Malik's reappointment to the Foreign Ministry was regarded as particularly significant in this respect, since he had consistently pursued a pro-Western policy and had supported the " Eisenhower doctrine " for the Middle East—to which the Lebanon is the only Arab country to give official support. Opponents of the Government, on the other hand, alleged that the real purpose of the reorganization was to enable it to amend the Constitution so that President Chamoun could stand for re-election next September, which he is at present prevented from doing.

Demonstrations in support of President Nasser and the United Arab Republic, some of considerable size, occurred in Beirut and other centres both before and after the governmental reorganization, leading to several clashes between the police and demonstrators. The most serious incident occurred on April 2, when two people were killed and 10 injured at Tyre during protest demonstrations against sentences of three years' imprisonment imposed on persons charged with tearing down the Lebanese flag during rallies in support of the United Arab Republic.

In a statement to the Chamber of Deputies on March 26, M. Sami Solh reaffirmed that the new Government would " not establish any relation or enter into any agreement with any State or group of States that would limit our independence, sovereignty, and freedom." He added that " Lebanon will remain a sovereign, independent, free and peaceful State and is determined not to permit any foreign interference in her internal affairs, no matter from what source the interference may come." The Prime Minister's declaration was regarded as an answer to Arab nationalists among the Opposition who had complained of the Government's " lukewarmness " towards the United Arab Republic, and also as a reply to the demonstrators who had acclaimed President Nasser in Beirut, Tripoli, and other centres.

The new Government was given a vote of confidence on March 27, by 88 votes to 15, after a debate marked by Opposition criticisms of Dr. Malik on the ground that he was allegedly pursuing an independent foreign policy and " imposing his will " on the Government. The two Ministers dropped from the former Cabinet, M. Mekkaoui and M. Lahould, were among the critics of the Foreign Minister.—(Times - Le Monde)

(Prev. rep. 15873 B.)

B. UNITED ARAB REPUBLIC. — New Flag.

Under a decree issued by President Nasser, a new flag was introduced on April 10 for the United Arab Republic consisting of three horizontal stripes of black, white and red, with two green stars on the white stripe.—(Daily Telegraph)

(Prev. rep. 16095 A.)

A. UNITED KINGDOM. — Lord Wheatley's Ruling on Artificial Insemination as Ground for Divorce. - Archbishop of Canterbury's Denunciation of A.I.D. - House of Lords Debate. - Government to appoint Departmental Committee on Artificial Insemination.

Widespread controversy was aroused by a ruling given by Lord Wheatley, a Judge of the Court of Session in Edinburgh, on Jan. 10 that artificial insemination by a donor (A.I.D.), although "a grave and heinous offence of contract of marriage," did not come within the definition of sexual intercourse as understood by Scots law, and therefore was "not adultery as the law interprets that term."

Lord Wheatley's ruling arose from a divorce case in which the wife claimed that her child, born when she had been separated from her husband for over a year, had been conceived as a result of A.I.D. The judge adjourned the case in order that she might supply the necessary details; as she refused to do so, he pronounced her defence irrelevant on the ground of lack of specification, and granted the husband a decree of divorce.

In his presidential address to the Convocation of Canterbury on Jan. 14, the Archbishop of Canterbury (Dr. Fisher) condemned A.I.D. as "an offence against the social and legal implications of marriage." He advocated that either it should be made a criminal offence or that the law should require every case to be registered.

Referring to Lord Wheatley's ruling, the Archbishop said: "If many people get confused over the difference between crime and sin, I doubt not that some will get confused by this judgment. They know that the Church says that adultery is a sin; they read that A.I.D. is not adultery, and some of them will get a quite illogical impression that if A.I.D. is not adultery, then it cannot be a sin either . . . Whether A.I.D. should be regarded by law as adultery for legal purposes is a matter for lawyers. Whether it is against the interests of social or personal morality, whether or no it is a sin, is a matter of great Christian concern."

Dr. Fisher recalled that in 1946 he had appointed a commission of eminent Church doctors, lawyers, and theologians to consider the subject, under the chairmanship of Dr. Wand, then Bishop of London. In its report, published in 1948, the commission had stated, with one dissentient, that "A.I.D. involves a breach of the marriage. It violates the exclusive union set up between husband and wife. It defrauds the child begotten, and deceives both his putative kinsmen and society at large For both donor and recipient the sexual act loses its personal character and becomes a mere transaction. For the child there must always be the risk of disclosure, deliberate or unintended, of the circumstances of his conception. We therefore judge A I.D to be wrong in principle and contrary to Christian standards" The commission had also declared that "the evils necessarily involved in A.I.D. are so grave that early consideration should be given to the framing of legislation to make the practice a criminal offence."

"An honest and moving case can be made out for A.I.D. on compassionate grounds," Dr. Fisher continued. "But it cannot be treated as a private matter only. It is an offence against the social and legal implications of marriage, and the fact that the offence takes place under conditions of secrecy makes it the more dangerous . . . It is impossible to tell how many cases there are. I have seen it stated that there are only some four or five specialists to cater for the whole country: the doctor in a television interview said that she acts in 50 to 60 cases a year, two-thirds of which produce A.I.D. children.

"But the evil of A.I.D. children does not rest on numbers. The institution of marriage is meant among other things to give to children the security of knowing who their parents are, and to give society the same security. By the device of A.I.D. that security is destroyed at the roots The truth must never be told to the child. The child is to be a lifelong victim of a deception; society is to be deceived also; and the family, mother, foster-father, and child exist in a relationship which is not that of nature, nor of open adoption, but one of secret make-believe It is hard to believe that the decision on so profound a matter of social, domestic, and moral welfare should be left entirely in the hands of a medical practitioner.

"It is difficult also to suppose that the law can allow the standing and integrity of the family and the parentage of children to rest upon a deliberate deception, deliberately concealed. Either parentage by A.I.D. should be made a criminal offence altogether, as the commission recommended, or if that cannot be, then the law should require that every case of A.I.D. be registered: and the register should be available for inspection under safeguards. In such a register should be recorded the name of the donor provided by the doctor.

"Indeed the donor's share in this business is the most secret, the most responsible, and the most hard to justify, since he begets children whom he will never be able to see or know, and for whose temporal and spiritual welfare he can never bear any personal responsibility. If that is not adultery on his part it is something far less responsible and far less human than adultery. For these and other reasons it would seem that legislation of some kind is urgently needed to resolve doubts and to preserve under control the integrity of marriage and of the family."

A debate on the subject was initiated in the House of Lords on Feb. 26 by Lord Blackford, who moved: "That in the opinion of this House, artificial insemination of a married woman by a donor other than her husband is tantamount to adultery, that it should be sufficient ground for divorce, and that all children so conceived are illegitimate." In reply to the debate, the Lord Chancellor (Viscount Kilmuir) announced that the Government had decided to appoint a committee to inquire into the subject and make recommendations.

Lord Blackford stated that although the celebrated surgeon John Hunter had produced a baby by A.I.D. in 1790, as a recognized branch of the medical profession the method was hardly 20 years old in Britain. A group of scientists and doctors had been formed in 1938 to experiment in this field, but had broken up after 10 years because it came to the conclusion that the results were bad from the child's viewpoint. He estimated the number of children in the country conceived in this way at 7,500, of whom only 500 had been born before 1947.

It would be idle to argue that A.I.D. was adultery, and that was why his resolution said "tantamount to adultery." If it were performed without the husband's consent he should be entitled to relief by divorce if he wished it, and the law should be amended to that effect. Contending that a child so conceived was illegitimate, Lord Blackford maintained that it appeared to be legitimate only because the husband and wife had conspired to conceal the truth about its birth, and had committed perjury when they signed the birth certificate putting down the husband as the child's father.

There were four reasons, he continued, why a husband might consent to A.I.D The chief reason, which applied to 80 per cent, was to satisfy a childless wife's craving for maternity—a reason with which they all sympathized. The second was the wish of both husband and wife to have a child which was at least 50 per cent theirs, and to have the interest of bringing it up, rather than one which was adopted. The third was the husband's fear that unless he consented to such a practice his wife might run away to another man. The fourth was the desire to get a spurious heir to a title, or to the life tenancy of an entailed estate or a trust fund. All four reasons had one common characteristic: they were all selfish reasons, which gratified the desires of the husband and wife and took no account of the action's effect on the community, on the family unit, and above all on the child.

His most serious doubt was whether the secret would be kept. Everyone knew how difficult it was to keep secrets, and how inquisitive young people were. The effect on a child of 14, 15, or 16 of getting to know that he was a "test-tube baby" would be psychologically disastrous.

Rejecting the view that A.I.D. should be made a criminal offence, Lord Blackford said that adultery was a sin but not a criminal offence, and if A.I.D. was tantamount to adultery it could not be worse. Nor did he think it a sin if it was performed with the husband's consent, but merely an undesirable practice. He was against any system of registration, but favoured the licensing of a limited number of practitioners to carry out this operation, which might lessen the increase now going on

The **Archbishop of York** (Dr. Ramsey) said that as one who held A.I.D. to be thoroughly wrong, he recognized that "high motives of doing good to unhappy people are often very conspicuous, and among doctors who practise A.I.D. ethical distinctions are shown to be clearly present about when it is and when it is not right for A.I.D. to be given." He did not think it would be wise to make it a criminal offence, but he was convinced of the need to eliminate any idea that "A.I.D. can somehow be made to lie within the marriage bond." If there were divorce laws, A.I.D. should be a ground for divorce as adultery was. The matter was urgent, because there was an idea abroad that A.I.D. could be brought within the terms of a decent fulfilment of the marriage contract. For the sake of public opinion, the divorce laws should recognize that "this intrusion of the seed of a third is as contrary to the proper meaning of the marriage bond as the intrusion of the illicit affection or body of a third."

Lord Denning (a Lord of Appeal) expressed the opinion that if A.I.D. was done without concealment there was no law against it, but if it was accompanied by secrecy and deception it was a criminal conspiracy, and the child so produced was illegitimate. To prove a child legitimate it must be shown to be the offspring of both husband and wife in lawful wedlock Once it was established that the husband was not the father, then the child was illegitimate.

From that a whole train of consequences followed in law. If the wife and doctor agreed to keep secret the child's illegitimacy, they were guilty of conspiracy. If they did it without the husband's knowledge or consent it was a gross fraud on him, since he was made liable to maintain a child which was not his. Even if he knew and consented, it was a potential fraud on others—e.g. if the grandfather left his money to his son and his son's children, or if there was a trust for the couple and their children. As the law stood the child, being illegitimate, should not receive it, but if the deception were successful he would.

If the husband died intestate, by law his property went to his wife for life, and after to his children. This child was not in law entitled to it, but by this deception it would receive the property. When it came to a false statement in the Register of Births there was an additional crime of perjury. The whole essence of the agreement between the doctor and the donor was that it should be secret, so that the donor could evade his legal responsibilities. The consequence was that he was exempt from maintenance or responsibility for his own child.

Lord Pakenham recalled that artificial insemination had been condemned 60 years ago in a Papal pronouncement. The social consequences of A.I.D. could be so damaging that the Government could reasonably be asked to bring it within the orbit of the criminal law. By some sort of registration some of the worst consequences could be averted, but it was difficult to recognize such a practice for the purpose of regulation without appearing to give it some kind of official condonation.

Lord Amulree (a doctor) suggested that the estimate of 7,000 A.I.D. children might be "on the big side." One practitioner had seen 2,500 barren couples in 25 years, only 200 of these were considered suitable for attempting A.I.D., and about half these cases were successful. His information suggested that marriages were consolidated rather than broken by A.I.D., and if it were made a crime it would be driven underground, to be performed by "charlatans and crooks."

The Bishop of Norwich (Dr. Herbert), advocating that A.I.D. should be declared illegal, questioned whether it was possible to secure complete secrecy. Was it not possible that one day some member of the House might discover that, because he was not the son of his reputed father, he had no right to his title and estates?

The Marquess of Reading, who asked for an inquiry by a departmental committee, said that they should not commit themselves to dealing with this problem until they were better informed.

Lord Brabazon of Tara contended that in the case of a couple who could not have a child because of the father's inability, it was better for the husband to have a child which was at least his wife's rather than to adopt one.

Lord Chorley maintained that A.I.D. could do much to relieve suffering, misery, and frustration, and to that extent should be encouraged and made more readily available rather than proscribed. To make it illegal would strike at the liberty of the citizen. The doctors engaged on this work did so under a high sense of the responsibility they were taking upon themselves, whereas the course advocated by the bishops would drive their patients into the clutches of charlatans, who instead of securing good donors would bring any sort of person into it. This would result in many cases in a progeny poor both morally and genetically instead of a high-class progeny. The argument that adoption was preferable to A.I.D. did not stand up to examination. An adopted child was generally the fruit of some passing and often sordid sexual relationship, but an A.I.D. offspring was likely to be a sound and healthy human being.

Lord Merriman (the president of the Probate, Divorce and Admiralty Division) agreed that A.I.D. without the husband's consent should be a ground for divorce, and suggested that registration of the full facts, with the name of the donor, should be made compulsory. On good cause being shown, a Judge of the High Court should be empowered to allow discreet access to the register.

The **Bishop of Exeter** (Dr. Mortimer) said that although, as a member of the Archbishop's Commission, he had signed their report in 1948 recommending that A.I.D. should be a criminal offence, he would not sign it today. Such a step would drive the conduct of this practice from the responsible hands in which it now rested to totally irresponsible—possibly even disreputable—hands, as happened in the case of abortion. Moreover, it might open the door to "a fiendish type of blackmail." It would be far better to institute a system of regulation and control, only selected doctors enrolled on a panel by a competent medical authority being allowed to practise. Anyone else doing so should be guilty of a criminal offence.

The **Archbishop of Canterbury** said that he hoped the Lord Chancellor would commit the Government to some kind of action. A.I.D. involved falsehood and deception by the husband who falsely claimed the status of a father; by the mother who pretended to bear in wedlock a child born out of wedlock; by the donor who could never know his own child or the mother who bore him, and who could never discharge the responsibilities of fatherhood; and by the doctor who not only connived at a perjured declaration at the birth but made the supposed father and the mother promise to conceal the truth from the child and from society.

There would be great relief throughout the country, Dr. Fisher declared, if people knew that it had been decided by Parliament that this matrimonial offence should be in itself more illegal than it now appeared. The Government should commit itself to either prevention or registration. The whole medical profession would accept what the law decreed as a matter of professional honour. Let it be driven underground, as abortion was, and no reasonable doctor would touch it. He would expect the medical profession to welcome a step which would relieve them of a spiritual, moral, and social responsibility which did not properly belong to them.

Viscount Astor said that although the House was clearly unanimous that A.I.D. without the husband's consent should be a cause for divorce, it would split the country deeply if A.I.D. was to be made a matter of legal crime rather than of personal morals.

The Lord Chancellor, replying to the debate, said that he was impressed by Lord Wheatley's reasoning, and he would certainly not be disposed without more argument to endorse the view of the Archbishop's Commission that A.I.D. at present was adultery either in English or Scottish law. The Government had been impressed by the force of the argument that A.I.D. without the husband's consent should be a ground for divorce. Whether the same result should ensue if the husband consented was a different question.

Before the question of regulation could arise, the Government and Parliament would have to make up their minds whether the practice of A.I.D. was so harmful that it should be suppressed. The Government could not be expected to give a final view on all the questions involved, as the information was by no means sufficient. In view of the many difficult and controversial questions arising, the Government had concluded that the right course was to appoint a small departmental committee to inquire into the matter and make recommendations. A committee had been chosen in preference to a Royal Commission because its procedure would be less cumbersome, and a smaller body would be able to make its recommendations rather more quickly. The precise terms of reference had still to be decided, as he had not wanted to state them before hearing the debate. In his view it would clearly be necessary for the committee to investigate what the existing practice was, and what were and should be its legal consequences.

Lord Blackford's resolution was withdrawn at the end of the debate. (Times - Daily Telegraph - Manchester Guardian)

A. ISRAEL. — Posthumous Exoneration of Dr. Kastner. - Ruling by Supreme Court.

The Supreme Court of Israel issued a ruling on Jan. 15, 1958, clearing the late Dr. Israel (Rudolf) Kastner—formerly leader of the Hungarian Jewish community—of charges of collaboration with the Nazis during the war and indirectly causing the destruction of Hungarian Jewry. In quashing the verdict delivered in 1955 by Dr. Halevi, president of the Jerusalem District Court [see 14308 A], the Supreme Court found that there was no evidence to show that Dr. Kastner had "sold his soul to the devil," as alleged in 1955, nor that he had entered into arrangements with the Nazis whereby his own family and 600 other Hungarian Jews were saved while the greater part of the Hungarian Jewish community were deported to the Auschwitz extermination camp. On the contrary, it was found that Dr. Kastner had done all in his power to prevent the deportations; that he had entered into negotiations with the Germans for this sole purpose; and that, although he had failed in his attempts, he had not aided the deportations in any way. Mr. Malkiel Gruenwald (73), who had originally accused Dr. Kastner of these crimes, was found guilty of libel and given a suspended sentence of a year's imprisonment in view of his age and ill-health.

Three men—Z. Ekstein, J. Menkes and D. Shemer—were sentenced to life imprisonment by a Tel-Aviv court on Jan. 7, 1958, for complicity in the murder of Dr. Kastner in March 1957.—(Israel Government Press Office, Jerusalem)

(Prev. rep. Dr. Kastner, 15462 B; 14308 A.)

B. FRENCH AFRICA. — Population Figures.

The population of the French African territories was given as follows in a statistical bulletin recently issued by the *Ministère de la France d'outre-mer* in Paris: (i) French West Africa (comprising Senegal, Mauritania, French Sudan, French Guinea, Ivory Coast, Dahomey, Upper Volta, and Niger)—18,930,000, including 88,200 of French and foreign origin; (ii) French Equatorial Africa (comprising Gaboon, French Congo, Ubangui-Shari, and Chad)—4,879,000, including 25,200 of French and foreign origin; (iii) Madagascar—4,918,000, including 74,100 of French and foreign origin; (iv) French Cameroons (trust territory)—3,187,000, including 16,000 Europeans; (v) French Togoland (trust territory)—1,085,000, including 1,200 Europeans. The most populous territories were the French Sudan, with 3,708,000 inhabitants (7,400 Europeans), and Upper Volta, with 3,266,000 (3,700 Europeans).

The largest towns in *Afrique Noire* were Dakar (Senegal), with 234,000 inhabitants (34,000 Europeans); Tananarive (Madagascar), with 181,000 (17,800); Abidjan (Ivory Coast), with 125,700 (7,900); Duala (Cameroons), with 119,100 (5,900); Brazzaville (French Congo), with 99,000 (1,600); and Bamako (French Sudan), with 68,600 (3,600).

(Le Monde, Paris)

C. LONDON. — Closing of Mercers' School.

The closing of the 400-year-old Mercers' School, in Holborn, as from the end of the summer term was announced on March 24 by Mr. N. C. Watney, Master of the Mercers' Company. Mr. Watney explained that the school's income was derived solely from fees and from annual grants made by the Mercers' Company; that these sources of income were insufficient to ensure the school's continuation; and that the Ministry of Education had rejected an application for Mercers' to become a direct-grant grammar school, on the ground that the school's buildings "do not measure up to the minimum educational standards."

Mercers', an independent public school, was founded by the Mercers' Company in 1542 during the reign of Henry VIII. The present number of pupils is 280, all day-boys.

(Daily Telegraph)

A. UNITED KINGDOM. — Revenue and Expenditure Returns, 1957-58. - The Floating Debt.

Exchequer returns for the financial year 1957-58, published on April 1, showed an Ordinary Budget surplus (after charging sinking funds of £37,540,573) of £423,002,559 ; this compared with an Ordinary surplus of £289,781,587 in 1956-57 and one of £461,973,000 estimated by Mr. Peter Thorneycroft (then Chancellor of the Exchequer) in his 1957-58 Budget speech, subsequently revised to £316,215,000 as a result of Supplementary Estimates. Net capital expenditure "below the line" (i.e. excluded from the Ordinary Budget) amounted to £634,566,000, as against Mr. Thorneycroft's estimate of £587,000,000. Taking the "above the line" surplus and the "below the line" deficit together, there was therefore an "overall" deficit of £211,563,441, instead of the original estimate of £125,000,000, which was subsequently increased to about £271,000,000 through Supplementary Estimates.

The following table gives the actual returns for the financial year 1957-58, the Budget estimates for that year, and the returns for the financial year 1956-57 :

	Revenue £	Expenditure £
1957-58 Actual*	5,342,584,450	4,919,581,891†
Budget estimate ..	5,288,850,000	4,826,877,000‡
1956-57 Actual§	5,157,812,652	4,868,031,065‖

*Excluding self-balancing revenue and expenditure amounting to £336,090,000, i.e. £335,515,000 for the Post Office and £575,000 for income-tax deducted from post-war refunds of excess profits tax. †Including sinking funds of £37,540,573. ‡This was subsequently increased to £4,972,635,000 by Supplementary Estimates for Supply Services totalling £135,758,000, plus an adjustment of £10,000,000 for net reduction in Civil Supply expenditure provided for in the Budget, making a total increase of £145,758,000. §Excluding self-balancing revenue and expenditure amounting to £304,635,000, i.e. £304,036,000 for the Post Office and £599,000 for income-tax deducted from post-war refunds of excess profits tax. ‖Including sinking funds of £36,984,749.

Details of the various Revenue items were as follows :

Ordinary Revenue	Year ended March 31, 1958 £	Year ended March 31, 1957 £	Increase (+) or Decrease (−) £
Inland Revenue :			
Income Tax	2,208,266,000	2,114,173,000	+ 94,093,000
Surtax	157,400,000	158,000,000	− 600,000
Death Duties ..	170,600,000	169,000,000	+ 1,600,000
Stamps	63,700,000	63,000,000	+ 700,000
Profits Tax, Excess Profits Tax and Profits Levy ..	255,150,000	200,000,000	+ 55,150,000
Other Inland Revenue Duties	550,000	640,000	− 90,000
Customs	1,207,452,000	1,198,882,000	+ 8,570,000
Excise	942,360,000	901,735,000	+ 40,625,000
Motor Vehicle Duties	100,734,000	90,610,000	+ 10,124,000
Post Office (net receipts)	7,785,000	4,464,000	+ 3,321,000
Broadcast Receiving Licences	30,700,000	28,400,000	+ 2,300,000
Receipts from Sundry Loans	32,167,591	32,713,852	− 546,261
Miscellaneous ..	165,719,859	196,194,800	− 30,474,941
Total Ord Revenue	5,342,584,450	5,157,812,652	+184,771,798

Of the Inland Revenue items exceeding the Budget estimates, Income-tax yielded £32,000,000 more, Surtax £8,400,000 more, and Stamps £3,700,000 more. Only slightly larger yields above the estimates were shown by Death Duties (£600,000), Profits Tax, E.P.T. and Excess Profits Levy (£150,000), and other Inland Revenue duties (£50,000). Customs exceeded the estimate by £3,200,000 and Excise by £29,500,000. Of the other items, Motor Vehicle Duties contributed over £7,700,000 more than estimated, but net receipts of the Post Office were £12,115,000 less, Broadcast Receiving Licences £300,000 less, and Miscellaneous revenue £19,280,000 less. Sundry loan receipts were £167,600 above the estimate.

Ordinary Expenditure is shown in the following table :

Ordinary Expenditure :	Year Ending March 31, 1958 £	Year Ending March 31, 1957 £
Interest and Management of National Debt	662,967,836	710,634,000
Sinking Funds	37,540,573	36,984,749
Payments to Northern Ireland Exchequer	71,630,645	66,443,851
Other Consolidated Fund Services ..	9,663,837	9,669,465
Total	781,802,891	823,732,065
Total Supply Services (excluding Self-Balancing)	4,137,779,000	4,044,299,000
Total Ordinary Expenditure ..	4,919,581,891	4,868,031,065

Ordinary expenditure exceeded the Budget estimate by £92,700,000, but was £53,000,000 lower than the revised estimate. Interest on and management of the National Debt took £23,000,000 more than estimated, reflecting the rise in the Bank Rate to 7 per cent. Supply Services cost nearly £68,000,000 more than estimated in the Budget, but were nearly £78,000,000 less than the revised estimate.

The increase of £48,000,000 in net expenditure "below the line" (i.e. capital expenditure) as compared with the Budget estimate was largely due to net advances to the National Coal Board for capital expenditure being over £36,000,000 higher than originally provided, whilst £16,000,000 more had to be advanced to British Railways to meet its current deficit, and £12,000,000 net to the Sugar Board. Nearly £12,000,000 less, however, was spent on Colonial Development loans.

New loans to the National Coal Board amounted to £81,381,000 (against an estimated £45,000,000). Loans to other nationalized industries were £295,000,000 (against £290,000,000 estimated), whilst repayments from these industries amounted to only £12,975,000 (against £14,000,000 estimated), and loans to British Railways were £66,327,000 (against £50,000,000 estimated). On the other hand, loans to Local Authorities were only £92,050,000, against £100,000,000 estimated ; loans for New Towns (at £28,669,000) were over £4,000,000 less than the estimate (£33,000,000) ; and Town and Country Planning compensation (£1,605,000) was nearly £400,000 less than the estimate (£2,000,000). Expenditure on Colonial Development loans at £3,070,000 was considerably lower than the estimate of £15,000,000. Loans to the Potato Marketing Board took £11,125,000 (£6,000,000 estimated) ; loans to the Sugar Board, £12,045,000 (nil) ; net advances to the Raw Cotton Commission were £579,000 (nil) ; and payments for the Development of Inventions totalled £65,000 (nil). There were no loans to the Film Corporation or the Independent Television Authority (£1,000,000 had been estimated for each), nor any loans to the Northern Ireland Exchequer (£3,000,000 estimated). Post Office capital expenditure took £78,900,000, against an estimated £75,000,000 ; Export Credits £7,008,000 (£7,000,000) ; Post-war Credits £17,499,000 (£17,000,000) ; Excess Profits Tax Refunds £703,000 (nil) ; and War Damage payments £22,040,000 (£22,000,000). Against estimates of £6,000,000 each, Scottish Special Housing accounted for only £5,315,000 and Armed Forces Housing for £2,780,000.

Interest receipts outside the Budget amounted to £169,401,000 (estimate £175,000,000), the same as payments. Amongst other receipts, in addition to those from other nationalized industries (£12,975,000), were repayments from Local Authorities of £47,497,000 ; under Town and Country Planning Acts of £4,183,000 ; from New Towns Development £730,000 ; under Export Guarantees £3,572,000 ; from the Potato Marketing Board £6,804,000 ; and from Land Settlement £1,972,000. Housing receipts from Votes were £7,216,000, and Post Office capital repayments from Votes £5,600,000. Small repayments were made by the Colonial Development Corporation (£467,000) ; Scottish Special Housing (£336,000) ; the Overseas Food Corporation (£96,000) ; the Northern Ireland Exchequer (£89,000) ; and the Independent Television Authority (£58,000).

Details of the Floating Debt are given below:

	March 31, 1958 £	March 31, 1957 £
Ways and Means Advances Outstanding :—		
Advances by Bank of England ..	—	—
Advances by Public Departments	277,080,000*	276,890,000
Treasury Bills Outstanding	4,571,150,000†	4,195,295,000
Total Floating Debt Outstanding ..	4,848,230,000	4,472,185,000

*Reduced by the cancellation on Oct. 1, 1957, of £44,915,000 Ways and Means Advances from the National Land Fund (Finance Act, 1957, Section 41). †Includes £962,000, the proceeds of which were not carried to the Exchequer within the period of the Account.

The Floating Debt thus showed a net increase over the year of £376,045,000.—(Treasury Press Office - Financial Times)

(Prev. rep. Revenue and Expenditure 1956-57, 15462 A ; 1957-58 Budget, 15481 A.)

B. UNITED ARAB REPUBLIC. — Acquisition of Submarines from Poland.

It was officially confirmed in Cairo on April 3 that three submarines had been acquired by the United Arab Republic from Poland. The Government newspapers *Al Shaab* and *Al Gomhouria* reported that the submarines had arrived at Alexandria on April 1 after "steering a course from Poland which is not normally taken by merchant ships, so as to avoid detection" ; they added that the submarines were "operated and manned by personnel of the U.A.R. armed forces who have received training in this field." Egypt had previously obtained three submarines from the Soviet Union in June 1957. (Times - Le Monde, Paris) **(Prev. rep. 15599 A.)**

C. NORWAY - UNITED KINGDOM. — Ratification of Social Security Agreement.

The social security agreement between the United Kingdom and Norway, signed on July 25, 1957, came into force on April 1 after ratification by both countries.
(Manchester Guardian - Norwegian Embassy, London)
(Prev. rep. 15715 D.)

A. UNITED KINGDOM. — Gold and Dollar Reserves.

The Treasury announced on April 2 that the sterling area's gold and dollar reserves had risen during March by $231,000,000 after taking into account (*a*) the receipt of $94,000,000 from the E.P.U. in respect of the U.K.'s surplus in February, and (*b*) the payment of $3,000,000 to creditor countries in the Union under bilateral settlements. As a result, the gold and dollar reserves stood at $2,770,000,000 on March 31.

The March increase was the largest monthly gain since October 1950, except for October 1957, which reflected the effect of the drawing of the U.S. Export-Import Bank loan. The reserves had risen steadily since the increase of the Bank Rate to 7 per cent in September last, the increase having been particularly notable in the past two or three months. It was pointed out in the Press that this trend reflected the growing confidence of foreign traders in the pound, and the reversal of the speculative movement against sterling; moreover, foreign money had been attracted to London to an increasing extent over the past two months—a movement which was not interrupted by the recent reduction in the Bank Rate to 6 per cent. The main support for the pound, however, came from genuine commercial transactions, including the narrowing of the U.K.'s trade gap and the seasonal rise in certain commodity earnings.

Provisional figures for the E.P.U. March settlement showed that Britain had a surplus of £5,000,000, three-quarters of which would be settled during April in gold or dollars and one-quarter by a reduction in the U.K.'s debt to the Union.

Sterling remained strong *vis-à-vis* the U.S. dollar throughout March, the closing rates in London for spot sterling varying between $2.81½ and $2.81⅝. Transferable sterling in Zürich was also firm, reaching an all-time peak of $2.79635 on March 14 and otherwise varying between $2.7925 and $2.79625. (Treasury Press Office - Times - Financial Times)

(Prev. rep. 16045 A.)

B. YUGOSLAVIA. — General Elections.

Elections were held in Yugoslavia on March 23 for a new Federal Council (one of the two Houses of the Federal National Assembly) and for the National Assemblies of the six constituent Republics.

Under the Yugoslav electoral system adopted in 1953, candidates were nominated at public meetings of the electors, for approval by district nomination conferences. Although voters had the right to reject an approved nomination and endorse another candidate, a contest between two candidates only occurred for six out of the 301 seats in the Federal Council open for election by general suffrage, compared with 16 in 1953. For the other 295 seats there was only one candidate each, who had been officially approved by the League of Communists or the Socialist Alliance. Of the 307 candidates nominated, 123 (or over 40 per cent) were newcomers. The candidates included 54 members of the Central Committee of the League of Communists, including President Tito, and M. Kardelj and M. Rankovich, the two latter being Vice-Presidents of the Federal Executive Council.

It was announced on March 25 that 94 per cent of the registered electorate had voted—a record poll in spite of heavy snowstorms. Of the 10,645,556 votes cast, 10,296,239, or 96.7 per cent of the total poll, had been in support of the officially approved candidates, whilst 349,317 voters, or 3.3 per cent of the total, cast negative or invalid votes (the only way of expressing opposition) compared with 4.3 per cent in 1953.

Voting for the Council of Producers (the other House of the Federal National Assembly) took place on March 26, when 226 candidates presented themselves for the 216 seats; 80 per cent of the candidates were newcomers, but this represented changes decided upon by the party leadership rather than decisions by the voters.

In addition to the 301 members of the Federal Council who were elected by direct suffrage, 70 will be elected from among the members of the National Assemblies in the Federal Republics.—(Tanjug Agency, Belgrade - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris)

(Prev. rep. 13409 A.)

C. ISRAEL. — Immigration Figures.

The Central Bureau of Statistics in Jerusalem announced in January that Israel's population as at Dec. 31, 1957, amounted to 1,976,000, an increase of 103,000 over the population on Dec. 31, 1956. Of the country's total population, 1,760,000 were Jews, and 200,000 of other denominations.

Immigration in 1957 totalled 71,000 compared with 55,000 in 1956, whilst the number of emigrants was 6,245. Of the immigration in 1957, about 41,000 came from Europe, about 25,000 from Africa, about 4,000 from Asia, and about 1,000 from South America.—(Israel Government Press Office)

D. CANADA - WEST INDIES. — Canadian Economic and Technical Assistance for West Indies Federation.

The Canadian Prime Minister, Mr. Diefenbaker, announced on March 12 that the Government had decided to recommend to Parliament that Canada should give the West Indies Federation a passenger-and-cargo ship for inter-island traffic as the first major capital project in the Canadian aid programme to the Federation. This programme had been initiated some time ago, when interim arrangements were made for Canadian technical assistance; the decision now taken had followed discussions between Canadian and West Indian representatives, who had reviewed the needs of the West Indies and the possibility of Canadian assistance. In his letter to Lord Hailes, the Governor-General of the West Indies Federation, he (Mr. Diefenbaker) had proposed that further discussions on Canadian capital aid and technical assistance should take place during the Commonwealth Trade and Economic Conference to be held in Montreal in September.

The Canadian State Secretary for External Affairs (Dr. Smith) had previously announced in January (i) that $150,000 had been included in the Estimates as an interim measure for the provision of Canadian technical assistance to the West Indies and Ghana; (ii) that a Canadian housing adviser would go to the West Indies; and (iii) that immediate consideration was being given to West Indian requests for a statistician and for experts in forestry, fisheries, and technical education. (Department of External Affairs, Ottawa)

E. AUSTRALIA. — Banking Legislation. - Second Rejection by Senate.

The controversial banking legislation which had been defeated in the Senate in November and December last was reintroduced by the Federal Government in the House of Representatives on March 13, and was subsequently passed by the House in spite of continued strong Labour opposition. In the Senate, however, the Bills were again defeated on a tie vote at their second reading on March 27, the voting being 30 in favour and 30 against; the breakaway Labour groups —the Democratic Labour Party and the Queensland Labour Party—joined the Labour Party in voting against the Bills.

The Australian Prime Minister, Mr. Menzies, said after the vote that the Government's banking reforms had "not been finally disposed of," and that the Australian electors would have a "golden opportunity" when they next voted "to cast a Senate vote which would prevent the views of the House of Representatives from being frustrated." Mr. Menzies' statement was believed by political observers in Canberra to refer to the normal elections to be held in December 1958, and not to an immediate election caused by a "double dissolution" of Parliament, which would have been possible under the Constitution following two subsequent rejections of Government legislation.—(Australian News and Information Bureau - Times - Manchester Guardian) **(Prev. rep. 16033 A.)**

F. INDIA. — Creation of Defence Research and Development Department.

A Research and Development Department in the Indian Ministry of Defence came into being on Jan. 1, 1958, headed by Dr. D. S. Kothari, scientific adviser to the Defence Minister. The new department includes the Defence Science Organization, which was created in 1948, and the Technical Development Organization; the former organization consists of scientists, and the latter is staffed largely by Service officers. A Defence Research and Development Committee was also set up under the chairmanship of Dr. Kothari, who will be closely associated with the Chiefs of Staff Committee. (Indian High Commissioner's Office, London)

(Prev. rep. 14391 C.)

G. TURKEY. — Maritime Disaster.

One of the worst maritime disasters for many years occurred on March 1 when the Turkish ferry-boat *Uskudar* (148 tons), bound from Izmit to Karamürsel, sank in a heavy gale in the Sea of Marmara. The vessel carried several hundred passengers but it was impossible to ascertain the exact number of victims of the disaster; 199 bodies were recovered, but it was presumed that many more had gone down with the ship, the total number of those drowned being variously estimated as about 300 or over 400. Only 47 of the passengers and crew were rescued by Turkish warships and other craft which had rushed to the scene. A day of national mourning was observed throughout Turkey on March 3.

(Turkish Embassy Press Department, London - Times - Corriere della Sera, Milan)

APRIL 12—19, 1958

A. UNITED KINGDOM. — The Budget, 1958-59.

The Chancellor of the Exchequer, Mr. Derick Heathcoat Amory, introduced the Budget for 1958-59 in the House of Commons on April 15. Estimates of Ordinary Revenue and Expenditure are shown in the following table :

ESTIMATED REVENUE	£
Inland Revenue—	
Income Tax	2,312,500,000
Surtax	163,000,000
Death Duties	163,500,000
Stamps	56,250,000
Profits Tax, Excess Profits Tax, and Excess Profits Levy	275,000,000
Total Inland Revenue	2,970,250,000
Customs and Excise—	
Customs	1,256,940,000
Excise	932,310,000
Total Customs and Excise	2,189,250,000
Motor Vehicle Duties	104,000,000
Total Receipts from Taxes	5,263,500,000
Post Office (Net Receipts)	2,000,000
Broadcast Receiving Licences	34,000,000
Receipts from Sundry Loans	30,000,000
Miscellaneous	110,000,000
TOTAL REVENUE	5,439,500,000

ESTIMATED EXPENDITURE	£
Interest and Management of the National Debt	*695,000,000
Sinking Funds	38,000,000
Payments to N Ireland Exchequer	73,000,000
Other Consol. Fund Services	10,000,000
Total	816,000,000
SUPPLY SERVICES—**Defence—**	
Army Votes	441,400,000
Navy Votes	339,400,000
Air Votes	474,550,000
Ministry of Supply (Defence)	193,350,000
Ministry of Defence	16,750,000
	1,465,450,000
Less—Contribution to local costs in Germany appropriated in aid of Defence Votes	47,000,000
	1,418,450,000
Civil—	
I. Central Government and Finance	16,890,000
II. Commonwealth & Foreign	80,700,000
III. Home, Law & Justice	99,215,000
IV. Education & Broadcasting	520,817,000
V. Health, Housing, and Local Government	779,092,000
VI. Trade, Labour & Supply	76,061,000
VII. Works, Stationery, etc.	79,988,000
VIII. Agriculture and Food	360,902,000
IX. Transport, Power and Industrial Research	221,666,000
X. Pensions, National Insce. & National Assistance	543,975,000
	2,779,306,000
Tax Collection—	
Customs and Excise and Inland Revenue Votes	61,828,000
	2,841,134,000
	4,259,584,000
TOTAL EXPENDITURE	5,075,584,000
SURPLUS	363,916,000
	5,439,500,000

SELF-BALANCING REVENUE AND EXPENDITURE

Post Office Revenue required to meet Post Office expenditure .. £367,698,000

* In addition, £205,000,000 for interest on the National Debt will be met from receipts under various Acts authorizing such application.

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The principal changes brought about by the Budget are set out below :

Purchase Tax. The present seven rates of duty (from 5 per cent to 90 p.c) to be reduced to four (5, 15, 30, and 60 per cent), those of 10, 50, and 90 per cent being abolished. Goods hitherto charged at 90 per cent would be chargeable at 60 or 30 per cent, for electric and gas fires and water heaters, refrigerators, washing machines, vacuum cleaners, cameras, jewellery, watches, and musical instruments, etc., the rate would be cut from 60 per cent to 30 per cent; on wallpaper and garden furniture from 30 per cent to 15 per cent; on ties and other minor articles of apparel from 30 per cent to 5 per cent; on hall, office, and metal furniture from 15 per cent to 5 per cent (the same as for other furniture), and for hats from 10 per cent to 5 per cent.

Wool cloth, hitherto 10 per cent, would be exempt, but woollen clothing would be taxable at 5 per cent like other clothing. Domestic oil heaters, shopping bags and brief cases, previously exempt, would pay 30 per cent, and some other previously exempt articles 5 or 15 per cent.

The standard rate of purchase tax would therefore be 30 per cent, with a higher range of 60 per cent on cars, wireless and television sets, gramophones, gramophone records, and cosmetics, and with lower rates of 15 and 5 per cent on the more essential domestic and personal articles. [For fuller details see page 16120].

Entertainments Duty on Cinemas. To be reduced on the average by rather more than one-half, viz., from 50 per cent of the amount by which the total admission price exceeds 11d. to 33⅓ per cent of the amount by which the total admission price exceeds 1s. 6d.

Profits Tax. A single rate of 10 per cent on all profits instead of different rates on distributed (30 per cent) and undistributed (3 per cent) profits, as from April 1. The existing exemption and marginal relief for companies with small profits would continue.

Loan interest of nationalized industries and loan or share interest of building societies and co-operative societies to be allowed as a deduction in computing chargeable profits.

Industrial Allowances. The present initial allowances to be increased from 20 per cent to 25 per cent for plant and machinery, and from 10 to 12½ per cent for industrial buildings, affecting expenditure due and payable on or after April 15. The special 40 per cent rate for mining works would remain.

Income Tax. (*a*) Exemption limits for persons over 65 raised from £250 to £275 for single persons and from £400 to £440 for married couples. (*b*) The income limit for old-age relief raised from £700 to £800; thus where the income is below £800, the whole—whether earned or from investments—will be treated as earned income. (*c*) The income limit for the dependent relatives allowance to be raised from £105 to £135. (*d*) Tax relief in certain circumstances on pensions for overseas service becoming payable under the Overseas Service Act to former Civil Servants, etc. (*e*) An allowance in respect of subscriptions to professional societies with activities relating to an employee's work, and for certain statutory registration fees.

"Dividend Stripping." The law dealing with this device to be strengthened with retrospective effect to Oct. 26, 1955.

Charities. The existing disqualification from tax relief for property used by a person with an income of £150 or more to be removed.

Surtax. The law relating to revocable settlements to be tightened up.

Estate Duty. (*a*) Duty to be charged only once where two persons, e.g. a husband and wife, die together. (*b*) "Quick succession" relief, hitherto applicable only where land passes on successive deaths twice within five years, to be extended to all kinds of property.

Stamp Duty. On house purchases to be reduced to nil for property up to £3,500; ½ per cent up to £4,500; 1 per cent up to £5,250; and 1½ per cent up to £6,000. The normal 2 per cent rate to operate for property over £6,000.

Wine Duty. Reduced for heavy wines (such as port, madeira, and sherry) by about 12s. a gallon, or 2s. a bottle. [Because of other higher expenses the retail price reduction per bottle was expected to be 1s. 6d.].

Areas with Unemployment above Average. (*a*) Existing restrictions on capital issues and bank advances to be removed for development in areas where unemployment was substantially above the average. (*b*) Forthcoming legislation amending the Distribution of Industry Act to provide financial assistance to trades or businesses in any locality with a relatively high rate of unemployment (i.e not only in "development areas" scheduled under that Act). (*c*) Financial assistance under the Distribution of Industry Act for the provision of dry-docks in development areas.

Savings. (*a*) Issue of a new seven-year 5 per cent Defence Bond on May 1, repayable at £103 per cent. (*b*) Limit on holdings of current issue of National Savings Certificates raised from 600 to 1,000 units from May 1.

The Budget Speech.

The Chancellor's Budget speech fell into four main parts : (1) a review of economic developments over the past year ; (2) the Revenue and Expenditure figures for the past financial year and the Estimates for the coming year ; (3) an examination of the economic outlook and of Budget policy ; (4) specific proposals for taxation changes. The speech is given below under cross-headings.

"This is indeed a difficult moment at which to read confidently the barometer of world trade and economic activity. It is clear that the economic climate of the free world is changing. Inflationary pressures are subsiding and in some countries production has fallen off. The question is : Does this portend only a pause, soon to be followed by a renewal of the former upward movement, or are we at the beginning of a more protracted downward trend ? It is too soon to be sure.

"But of one thing at least we can be certain. Whatever the outcome, our policies must be guided by three dominant objectives : to maintain the value of our currency ; to strengthen our external finances by increasing our reserves or reducing our liabilities, or both ;

and to play a part consistent with our resources and responsibilities in the expansion of world trade and the development of the Commonwealth. Our strategic aim must always be steady expansion, though tactics may sometimes dictate a pause.

"I want first to describe shortly the course of economic events over the past year and to give my impression of our present state of economic health. I see a number of heartening signs that it has improved.

Economic Developments in 1957. "Looking at the situation at home, although the growth of production was small in 1957, there were some satisfactory shifts in the use which we made of our resources. For example, Government expenditure on goods and services fell slightly in real terms. Consumption rose by about 2 per cent, which was reasonable considering that it had not risen the year before. The rate of personal saving reached the record level of 10 per cent of income after tax. This is satisfactory and encouraging, and something from which we are going to benefit in the future.

"The lion's share of the increase in output went to investment, both in stocks and fixed capital. In 1957, the rate of fixed investment rose by 5 per cent in real terms. Over the past five years the proportion of the national product devoted to fixed investment has risen from 14 per cent to 17 per cent. These are all signs of growing economic strength.

"The excessive pressure of demand has perceptibly relaxed over the past year. Although we are still fully employed by any normal standard, there is rather more unemployment than a year ago—2 per cent in March, compared with 1.7 per cent in March last year. There are also fewer vacancies than a year ago. I know very well that statements about the high level of employment over the country as a whole carry little comfort in those particular places where the percentage of unemployment may be several times greater than the national average. Local pockets of heavy unemployment must be tackled with all possible energy, and I shall say more of this later. But they must not cause us to lose a sense of perspective when we are scrutinizing the whole picture.

"So far I have mentioned the favourable signs. But there is, of course, another side to the picture. Costs and prices again proved to be our Achilles' heel. Comparing 1957 with 1956, the price-level of output as a whole was 3 per cent up, with retail prices 3½ per cent higher. Once again the chief cause was that wages and salaries went up much faster than output—6 per cent compared with 1½ per cent. Profits rose on much the same scale, although their effect in the aggregate on prices was, of course, much smaller. These figures are important because they explain our failure as a nation to halt inflation last year. And most of our present economic worries stem from that fact.

"I am glad to say that in several important respects recent months have shown greater stability. The retail price index has remained steady over the past five months, and wholesale prices of manufactured goods have also been stable. It may be that the retail price index will go up slightly during the next few months, but the prospects generally are bright.

"At present the terms of trade are exceptionally favourable to us. Import prices are 11 per cent lower than a year ago, while export prices have not so far fallen. We now have a golden opportunity, therefore, at least to halt, and possibly reverse, the trend of rising prices from which we have suffered for so many years. We cannot count on the terms of trade remaining so favourable to us for very long, and this makes it all the more important that we should make full use of this opportunity.

"Turning to the external side of our affairs, our trading position was adversely affected during part of last year by the aftermath of the Suez trouble. Over the year as a whole, however, we had a substantial and encouraging current surplus. Indeed, it is probable that the published figure of £237 million is an under-estimate, since some of the very large receipts during the year which cannot be identified are almost certainly attributable to current transactions.

"But one must remember, again, that this surplus was helped by the favourable movement in the terms of trade in the later part of the year. The monthly trade gap in the last few months has been considerably reduced, mainly as a result of the big fall in import prices. Our exports, however, have recently levelled off after a long period of steady growth. This is an unwelcome result of the more difficult conditions in overseas markets, caused by the check to the growth in industrial production in the U.S.A. and elsewhere.

"But as recent experience has shown, we can earn a current surplus big enough to match our long-term investment oversea and still find ourselves with serious problems for sterling. Both in 1956 and in 1957 our surpluses on current trade were sufficient or more than sufficient to cover our normal long-term oversea investment. However, in both years there were very large reductions in the sterling holdings of oversea countries—over £150 million in each year. These amounted, of course, to reductions in our obligations. But falls of this kind would have led to big losses of reserves had we not undertaken fresh borrowing.

"The sterling withdrawals of which I have spoken were of two kinds. Those by non-sterling countries largely, though not wholly, reflected lack of confidence in sterling. They were substantial in the last half of 1956 and in the third quarter of 1957. The other kind of withdrawal was made by sterling area countries. This was due not to speculation but to the worsening of their general balance of payments on commercial account. The rundown of sterling area holdings was concentrated in the last half of 1957, and amounted to no less than £226 million.

"In the decline of confidence in sterling which reached its climax in the events of last autumn, there were a number of factors, both internal and external, which led to a sudden outflow of our gold and dollar reserves. One of the most important was the continued rise in money incomes in the U.K. which produced serious doubt—a doubt which was felt within our own shores as well as oversea—about the stability and strength of our currency. Faced with this crisis, the Government took drastic action to restore confidence—in priority to every other economic issue. The decisive response which we made to that emergency proved effective and received the general support of the country. Since then, as the figures have shown, confidence in the pound has been restored.

"In the third quarter of last year we lost £189 million from the reserves. In the six months since then we have increased the reserves by £328 million. £152 million of this came from borrowing from the Export-Import Bank and from postponing debt payments. The remainder, £176 million, reflects a strong commercial position and a genuine return of confidence in sterling.

"Broadly, therefore, even apart from the special measures taken to reinforce the reserves, we have regained what we lost in the third quarter of last year. Indeed, at the end of last month the reserves were only fractionally less than £1,000 million. In addition we reduced our sterling liabilities to oversea countries in the second half of last year by £227 million. In the same period we increased our private oversea investments by over £100 million. So we have some solid progress to record.

Revenue and Expenditure in 1957-58. "Revenue last year was £5,343 million, £185 million more than in the preceding financial year and £54 million above the estimate. Inland Revenue duties came to £2,855 million and Customs and Excise duties to £2,150 million, that is, £14 million and £33 million respectively above the estimate. Other revenue, at £338 million, was £23 million below the estimate, mainly due to lower receipts from the sale of Government-owned stocks.

"Expenditure above the line was originally estimated at a total of £4,827 million. It turned out to be £4,920 million, or £93 million higher. This increase was spread pretty well over the whole field of expenditure.

"The cost of the Consolidated Fund services was £782 million, £25 million higher than the estimate. This was due in the main to increased debt charges arising from higher interest rates, offset in part by the postponement of the payment of interest on the North American loans. Defence expenditure exceeded the estimate of £1,420 million by £10 million, as a result of increased prices, which to this extent could not be offset by economies elsewhere. Civil Expenditure, at £2,708 million, was £58 million above the Budget estimate. The main increase was in the cost of agricultural subsidies, due to the fall in market prices, particularly of cereals, pigmeat, eggs and milk for processing, and to the additional cost of awards following the 1957 Annual Review. Increases in the cost of running the social services and other parts of the civil administration were largely offset by savings on other items.

"While it is true that Government expenditure has risen year by year, it has risen more slowly than the value of the gross national product. Government expenditure, as defined in the national income estimates, has fallen, as a percentage of the gross national product, from 29 per cent in 1951 to 25 per cent in 1957—mainly during the period when Mr. Butler was at the Treasury.

"To sum up the result, 'above the line' there was a surplus of £423 million compared with an estimated surplus of £462 million and an actual surplus in the previous year of £290 million. So the estimates made by Mr. Thorneycroft last year have proved to be very close to the mark.

"'Below the line' receipts at £261 million were £6 million less than estimated, but payments at £896 million were up by £42 million. The main increases were in net advances to the National Coal Board, which at £81 million were £36 million above the estimate, and in the issues required to meet the deficits of British Railways, which were £16 million above the estimate. The increase in the net advances to the National Coal Board was caused in the main by an increase in stocks of small coal. Advances to the other nationalized industries at £295 million were £5 million above the estimate, while loans to local authorities at £92 million were £8 million lower. The reduction in loans to local authorities reflects the continued success of the policy of encouraging these authorities to borrow in the market wherever possible.

"The out-turn can therefore be summed up as follows. 'Above the line' there was a surplus of £423 million. 'Below the line' net payments were £635 million. So the difference which had to be financed by borrowing was £212 million. This was the main factor leading to the net increase over the year of £224 million in the total of the National Debt. Within this total the floating debt increased by £376 million. My predecessor in last year's Budget speech hoped that an overall Budget deficit of £125 million would 'be amply covered by small savings and other non-inflationary methods of finance.' In the event, the requirements of the Exchequer were higher than he had expected.

"Some increase in short-term Government borrowing and therefore in bankers' liquid assets could not be prevented. Nevertheless, the level of bank advances has fallen over the year by £72 million. I am most grateful to the banks for the co-operation which they have shown in keeping down the level of advances fully in accordance with the undertakings they gave to my predecessor.

Savings Policy. "During the year ahead I am determined to maintain the effort to meet Exchequer requirements without increasing the floating debt. This means a continuing tight hold on public expenditure, vigorous funding, and, I hope, an increase in Exchequer receipts from small savings.

"With this in mind, I have reviewed the terms of the securities offered by the National Savings movement. The Prime Minister's Premium Savings Bonds are running well. I see no reason for change here or in the arrangements for the Post Office and Trustee Savings Banks. But it is time to raise the limit on holdings of the current issue of the National Savings Certificate. This limit has remained at 600 units since the present series began in August, 1956. It will now be raised to 1,000 units with effect from May 1. Otherwise the terms of the certificates stay the same.

"There remains the Defence Bond. The present 4½ per cent bond has suffered recently by comparison with the higher yields that small savers can get elsewhere. I intend to issue a new Defence Bond on May 1, carrying interest at 5 per cent and repayable in seven years at the rate of £103 for each £100 invested. If held to maturity, the yield will be £5 8s. 6d. per cent, without any allowance for the fact that the bonus paid on maturity is tax free. The Defence Bond holder will continue to be protected from market fluctuations; but now he will also get a yield that is fully competitive with that of comparable gilt-edged securities in the market. These are very favourable terms; I think rightly so." The Chancellor then paid tribute to the continued efforts of the National Savings Movement.

Expenditure Estimates for 1958-59. - Revenue Prospects on Existing Taxation Basis. "I turn now to my crystal ball, and to the prospects for the Exchequer in the financial year just started. On the basis of existing taxation I estimate total revenue at £5,490 million—£147 million more than last year. Inland Revenue duties are expected to yield £2,975 million, and Customs and Excise duties £2,253 million. These figures are £120 million and £85 million respectively more than last year's yields. I expect an increase of £3 million from motor vehicle duties, which are estimated to yield £104 million. The estimate for non-tax revenue is £176 million, compared with £237 million last year. One reason for this fall of £61 million is that last year we had a book-keeping windfall of £37 million from the return of interest payments on the North American loans, which had been deposited in a special account pending negotiation with the Governments concerned.

"I estimate total expenditure 'above the line' this year at £5,075 million—£155 million more than the out-turn for last year. The Consolidated Fund services will require £816 million in the coming year—£34 million more than last year's out-turn. Supply expenditure is estimated at £4,259 million, £44 million more than the final estimates for last year, including all supplementary estimates, and £121 million more than last year's out-turn. This increase is the net effect of a rise of £133 million in civil expenditure—notably in the social services—and a reduction of £12 million in defence expenditure. The latter estimate assumes the receipt of £47 million from Germany towards the cost of our forces in Germany. As the House knows, this matter is still under discussion in the NATO.

"On the basis of existing taxation, therefore, total revenue is estimated at £5,490 million against expenditure of £5,075 million, giving an estimated surplus 'above the line' of £415 million. This compares with last year's surplus of £423 million, which was, however, inflated by the £37 million of returned interest on the North American loans.

"I expect the net total of expenditure 'below the line' to be £35 million less than last year's out-turn. Loans to local authorities next year I put at £65 million, £27 million less than last year. Capital expenditure by the Post Office charged 'below the line', at £38 million, is down by £41 million. This results from the new accounting arrangements announced last November.

"The National Coal Board is expected to need £76 million. Issues to other nationalized industries I put at £370 million, an increase of £75 million over last year. The bulk of this increase is accounted for by the British Transport Commission, whose investment programme is getting into gear, and who last year were able to keep down their borrowings from the Exchequer by using balances which they had available for investment. Repayments by the nationalized industries in respect of earlier borrowings are, however, expected to be £16 million higher than last year. Finally, £61 million is likely to be required for the British Transport Commission under the Transport (Railway Finances) Act to meet their current deficit, as against £66 million last year.

"The power to make advances from the Exchequer to the nationalized industries, other than the National Coal Board, was first given in the Finance Act of 1956. That power expired on March 31 of this year, but was extended to Aug. 31 by the Nationalized Industries Loans Act. Parliament passed that Act on the understanding that I would make substantive proposals in this Budget either to abandon or to continue the practice of using the Exchequer as the source of capital finance for these bodies. I have decided to recommend that the practice should continue, at any rate for another year. It is still the case that these industries cannot in practice borrow on their own credit. If they borrow on Government credit there are decisive reasons of market management for centralizing the raising of the money in the Exchequer. The renewed powers, for which I propose to move a procedure resolution, will expire at Aug. 31, 1959, so that the matter may be reviewed again in next year's Budget.

"To sum up the Exchequer prospects for the year ahead: if taxation remained unchanged, I should expect a surplus 'above the line' of £415 million and net total expenditure 'below the line' of £600 million, giving a deficit overall of £185 million, compared with last year's out-turn of £212 million.

Economic Prospects. "I come now to the part of my speech in which I must explain my view about our economic prospects and the policies which I think we should follow. This task is the more difficult this year because there are two considerations which must be in the front of all our minds. We must succeed in our struggle for stable prices, and we must find the right course to pursue in a world threatened by tendencies to recession.

"Looking first at probable developments in the economic situation at home, in spite of some uncertainties the prospects for home demand this year seem reasonably satisfactory. As regards fixed investment, we have taken steps to stabilize expenditure in the public sector this year at the same level as last year. Private investment expenditure, so far as can be judged from sample inquiries, also seems likely to stay at about its present level, which is in fact an all-time record.

"Turning to consumption, there is a special factor at work this year which reflects to some extent the world situation to which I have been referring—namely, the low level of import prices. This will tend to raise the volume of consumption, by keeping prices—especially food prices—down in relation to incomes. Provided that we maintain our competitive power, employment should remain at a generally high level, and this should make possible a moderate increase in consumer spending in real terms.

"Government expenditure will be about the same as last year in terms of real resources. The level of expenditure all across the front—civil and defence—will continue to be held at the absolute minimum consistent with the execution of our current policies.

"The remaining component of internal demand is business expenditure on stocks. A good deal has been spent on additions to stocks in the last three years. Now that commodity prices are falling and production is not rising there is likely, I should think, to be less stockbuilding this year than last, with correspondingly less demand for home production and imports. Past experience both here and in the U.S.A. has shown that fluctuation in expenditure on stocks can play quite an important part in expanding and contracting economic activity. This, then, I would say is the big uncertainty on the home front.

"The last component of total demand, in the economic sense, is exports. Their course will depend very much this year on developments abroad. We are dependent on overseas markets for the sale of nearly a quarter of our national output. So far foreign demand for our goods has kept up well, but we are seeing to-day something which we have not seen for many years—a halt in the general upward trend of world economic activity.

"It is right that we should watch particularly closely developments in the United States. The present recession there is naturally causing a feeling of uncertainty in the minds of businessmen everywhere, and particular anxieties to the primary producing countries. Everyone is wondering how deep it will go, how long it will last, and whether it will 'saucer out,' in the apt phraseology of our friends across the Atlantic. No-one can tell yet. We must bear in mind that the world economic background is by no means as buoyant as it was at the time of the 1954 recession. On the other hand, the U.S. authorities are alive to their economic problems and have so far handled them since the war with undoubted success.

"Nevertheless, we must take this situation seriously into account, both in assessing our own position and in formulating our policies. We must be careful not to do anything to add to world difficulties. At the same time it is no use deceiving ourselves into thinking that we can carry the world on our shoulders, or stem single-handed forces which are to only a limited extent within our own control. If we tried to halt a world recession by undiscriminating expansion of economic activity at home, we should fail. We could not hope to buy ourselves out of it, and we might well come near to ruining ourselves if we tried. As the Prime Minister said the other day, 'the worst possible solution would be for this country to find itself an island of inflation in a world of deflation.' It is very true.

"In these circumstances I will not attempt to forecast exactly how our balance of payments will work out in the rest of this year. But with the terms of trade so much in our favour I have every confidence that our position will remain strong.

"This does not mean that we can count on the firm foreign demand for our exports that we have enjoyed almost without a break since the war. Exporting is going to become more difficult. That is why it is so vitally important in the new circumstances that we should keep ourselves fully competitive. It is not too much to say that our national livelihood depends on that. It will be a fine achievement in the present world situation if we can maintain the volume of our exports. Any serious failure in this direction would, of course, be bound to have a seriously depressing effect on our economy. Incidentally, it is good news how well our cars are selling on the other side of the Atlantic at present.

"To sum up the economic prospect. Home demand should on the whole remain firm. But with our foreign customers running into difficulties, export demand may weaken, and this may be reinforced by a fall in business expenditure on stocks. The level of industrial production has tended to decline slightly in the last few months, and unemployment has been rising. These trends may well go rather further during the rest of the year, but I do not believe that a sudden

sharp recession in this country during the coming months is likely. But this will, of course, depend both on our continuing to follow economic policies appropriate to the circumstances in which we find ourselves and on how things develop in other parts of the world.

Sterling and the Sterling Area. "Before I come to our future policies, I want to say a few words about sterling and the sterling area. I recalled earlier the Government's declaration that the strength of sterling remained the primary objective of our economic policy. By that I mean not only a stable value for the pound at home and abroad: I mean the successful working of a sterling area system. These sterling area arrangements have proved of immense value in recent years, not only to us but to the whole sterling and non-sterling world.

"Unless sterling is strong it cannot continue to be the currency which finances a large part of the world's trade. There is no other currency in a position to take its place; nor could one quickly be developed. This is a matter not only of experience, but also of banking connexions abroad and the facilities of the City of London. No country is more dependent on international trade than ours; none would suffer more from the lack of a medium for financing it.

"It seems a pity, therefore, that in recent months voices should have been raised to question the value of the system and to suggest that it should in some unspecified way be wound up or that it should at least be drastically altered. Admittedly our reserves are not as big as we should like, particularly in relation to our liabilities. This is in part the aftermath of war. But this insufficiency can be exaggerated. The liabilities look big on paper. But we should remember that a large part of them are held for long-term purposes. Provided that confidence in sterling is maintained, only a relatively small proportion will have to be met in the immediate future.

"It is also the case that at the present time, temporarily and for reasons partly outside their control, a number of sterling area countries are having to draw down their balances. This puts a strain on the reserves and limits the freedom of our domestic action. To a large extent, however, the run-down in their balances is due to a change in the terms of trade. This same change has made it easier for us to meet the strain.

"Moreover, the fact that sterling area countries can draw down their balances in bad times, just as they build them up in good times, is a most useful contribution to world liquidity. In present circumstances this is likely to prove of great value as a cushion against the effects of diminishing income in the primary producing countries which hold their reserves in sterling.

"I hope, therefore, that we shall neither exaggerate the difficulties that come from our position as the banker of the sterling area, nor under-estimate its value to us. In a world where liquid reserves in other forms are all too scarce, sterling and the sterling area are indispensable to the smooth functioning of a large part of the world's trade, as well as to the unity and strength of the Commonwealth.

"We do not intend to tamper with this system, which is working well. On the contrary, our purpose is that it shall be preserved and developed, that confidence in its viability should be fortified, and that we shall be able to move gradually towards still wider freedom and, as opportunity offers, make yet greater contributions to Commonwealth development.

"This all means that we must conduct our own finances with a special caution in difficult times. It requires, too, that we should maintain close and continuous consultation with our sterling area partners. This will be especially reinforced this year by the Commonwealth Economic Conference in September, and through the preparations for it which are already in hand.

"I believe the problem of world liquidity, and of ensuring the strongest possible credit base for the trade of the free world, is a matter of increasing importance and urgency. It may well be that a solution can best be found by the steady expansion of institutions such as the International Monetary Fund and the International Bank. Such a solution would, of course, require the active good will and assistance of the chief creditor countries. It may be that more can be done co-operatively within the Commonwealth. That will doubtless be discussed at the Economic Conference. I can only say that in this vitally important field of provision of capital and credit for the trade of the free world, any sound plans that can be worked out for more effective international co-operation will receive the wholehearted support of the Government.

Economic Policies. - Continuation of Anti-Inflationary Measures. "I will now outline the policies that I think we should follow. At home our first priority must continue to be to finish winning the battle against inflation, and our success or failure here will largely determine our fortunes in the months and years ahead.

"The past six months or more have seen quite a significant change in the temper of public opinion about economic matters. I sense a greater realization among people generally of the real meaning of inflation and the dangers, the hardship and the social injustice that it entails. There are signs that opinion is becoming less tolerant of the endless spiral process whereby, as a nation, we have paid ourselves in incomes more than we have earned by our efforts. If the experiences of the years since the war have at last spread a wider understanding of the folly of this process, we have made an important advance.

"One factor which has contributed to this fuller understanding has been the first report of the Council on Prices, Productivity and Incomes. This report gives us an exposition of the facts about movements in wages and salaries, prices, profits and dividends over recent years—hard facts which exist quite independently of the political or economic views of the reader. I know that everybody does not agree with every opinion which the Council has expressed. It may be all to the good that the report has given rise to lively controversy. The more informed discussion we have of these matters, the better.

"But disagreement with some of the views expressed by the Council does not dispose of the problem. It cannot excuse all those concerned—including the Government—from continuing the search for a constructive solution. By a constructive solution I mean arrangements which will give us reasonable assurance that an expanding economy does not inevitably lead to rising costs and prices as it has done over the post-war years.

"The Government's view on wage settlements has been made perfectly clear. If wage increases in general go beyond the national increase of productivity, this is bound to damage the national interest. It looks very much as though this fact has been ignored in a number of voluntary agreements within the past few months. It is no use those concerned in industry pressing the Government to follow a firm and consistent line in these matters, if they themselves ignore in practice the precepts which they urge on others so strongly.

"If general wage settlements this year ignore the criterion I have mentioned, the only result in the long run will be that fewer people will be in jobs, the security of those in employment will be reduced, and the strength of our currency will once more be put in jeopardy. On the other hand, if all concerned show moderation during the next few months we shall, I believe, have laid the foundations on which we can confidently hope to build a steadily expanding economy, with price stability and with fairness to all sections of the nation.

"In the light of all this it is clear that it is too soon yet to contemplate any general relaxation on the economic front. Although the economy is capable of meeting a higher level of demand this year than is likely to be made on it, we are not yet in a strong enough position to resume a policy of general expansion.

"In the first place, we have only just emerged from a dangerously strained position. We certainly cannot be sure that we have yet fully attained price stability; and whether we do or not will depend a very great deal on the moderation shown by all concerned in fixing the level of wages and salaries on which our costs so largely depend. In the second place, our external financial position, stronger as it certainly is, is one that still imposes caution. We have had a series of foreign exchange crises, and I am determined to spare no effort to see that we do not have another.

"Our present policy must therefore be to consolidate our improved position. I do not suggest that any intensification of our disinflationary measures is needed. The September measures succeeded in their first object of restoring confidence in the pound; and I was able last month to approve a reduction in Bank rate from the exceptionally high level of 7 per cent. But the moment has not yet come for any general relaxation of credit policy. It is still necessary for the banks to hold down the level of advances and for the hire-purchase restrictions to be kept on. The Capital Issues Committee will continue for the present to maintain their critical scrutiny.

"That is the position at the moment. But I would like to re-emphasize that as a Government we are convinced that the long-term welfare of this country demands a steady expansion of our national economy. That is the objective of all our policies. We shall, therefore, not keep the brakes on one day longer than we must. We dislike restrictions intensely and we are eager to resume expansion. But the lesson from the past is that as we resume expansion we must do so at a steady pace. There is no salvation to be won through increasing production indiscriminately at any cost. That would land us back in rising prices and balance of payments difficulties, and I do not believe that the nation wants to pay such a price.

"In any case, I am convinced that in present circumstances it is not a question of getting price stability at the cost of mass unemployment. Indeed, I see no prospect, I am glad to say, of mass unemployment at the present time. There are many ways in which purchasing power can be quickly stimulated if the general level of demand was suddenly and sharply to fall.

"The real risk of large-scale unemployment would arise if our currency lost its value, or we lost our competitive power to such an extent that we could no longer pay for our food and raw materials. In the meantime, we want to see production and employment just as high as we can, consistent with maintaining the value of our money.

Policy on Export Credit Insurance. "There are some things which ought to have priority for immediate action. It must, for example, be right to make every possible effort to foster our export trade. The Government have been considering whether there are any further ways in which exports can appropriately be encouraged. I have already referred to the Commonwealth's sterling balances. As far as these are run down, that should help both to maintain the level of development in the countries concerned and to benefit our export trade.

"We have recently undertaken a detailed review of the facilities provided for our exporters by the Exports Credits Guarantee Department. Our broad conclusion is that our export credit insurance service is as good as any in the world, and that there is no need, in present circumstances, to make any substantial change in the terms or period of insurance cover which the Department, on the advice of its Advisory Committee, is prepared to give. The President of the Board of Trade will be making a more detailed statement about this later in the debate.

"I emphasize 'in present circumstances.' We do not want to start a race in credit-giving, but if our competitors were to push the credit terms for a particular type of export beyond those normally insurable, and our exporters found themselves excluded from business, we would be bound to consider extending our cover too in the field of trade affected.

"We must also be ready to meet the possibility that the level of world trade may continue to fall. In this event the buying power of our customers and industrial activity in this country might be so affected that we would be ready to use the other powers which exist in Sections 2 and 3 of the Export Guarantees Act outside the normal insurance scheme for offering economic assistance to Commonwealth and other oversea countries, and to maintain export activity here. This might well involve the provision of guarantees or finance over longer periods than at present.

"It is impossible to formulate now a precise policy to cover hypothetical needs and conditions in the future. What is clear is that these other powers in the Export Guarantees Act might be used in the event of a major reduction in world trade involving a pressure on the available currency reserves of those with whom we trade. This, of course, would involve an additional claim on our resources, and the amount which we could devote to these activities would have to be balanced against other claims at the time.

"Then there is home investment. The existing tight restrictions on expenditure by central government, local government, and nationalized industries are flexible, and can and will be modified or relaxed at any time when the moment seems right. There will be no lack of candidates for relaxation and there need be no delay. In the private sector, as I have said, it looks as if about the same amount of investment will be carried out this year as last. But we do not want a gap to develop, and I hope that those who are planning for the future will continue to do so with steady confidence.

Measures against Patches of Severe Unemployment. "The need for caution generally should not make us overlook the problem of patches of severe and persistent unemployment. This is an intractable problem, but it is the Government's firm resolve to tackle it with the greatest energy from both ends—endeavouring to bring work to the worker, and when that is not possible, helping the worker to move to where work is available.

"We have two steps in mind in this connexion. First, I am confirming to the Capital Issues Committee and to the banks that the Government would not wish any projects for sound developments in areas where unemployment is substantially above the average to be held back by lack of credit or finance. I have also informed the banks that I will regard advances made for this purpose as excluded from their promise to do their best to hold the general level of bank advances. This puts such advances on the same footing as medium credit for exports.

"Secondly, the Treasury already have powers under Section 4 of the Distribution of Industry Act to give financial assistance mainly by loans to industrial concerns in development areas. The present areas of above-the-average unemployment are, however, mostly outside the present development areas. The Government have authorized the President of the Board of Trade to introduce an amending Bill. This will enable the Treasury to give financial assistance provided under the Distribution of Industry Act to a trade or business, if the purpose for which the finance is required is likely to raise the level of employment in a locality in which a relatively high rate of unemployment exists and would otherwise be likely to persist.

"There is one type of case in which we need not wait for new powers. The Government are ready to make finance available under Section 4 of the Distribution of Industry Act to assist in the provision of dry docks in development areas, if appropriate arrangements can be made for proper contributions from the enterprises themselves and from non-Government sources. The reasons are two-fold. There is a grave risk of a shortage of dry-dock accommodation, in particular accommodation for the larger tankers and other vessels which will be coming forward in increasing numbers in the next decade; and there is substantial unemployment in several places where dry docks have from time to time been projected. I hope this assistance will prove practicable and useful.

"Regarding unemployment generally, I only want to say this. It may sound as if my unwillingness to put expansion of production before everything at any cost means that I regard unemployment as of no great importance, and as a low price to pay for the success of an economic policy. That is not my view. I have always considered that the persistent lack of a chance of a job for the person who wants to work—as most people do—is one of the most soul-destroying hardships one can imagine.

"I could therefore never be associated, any more than I know any of my right hon. friends could be, with an economic policy which did not have as one of its main aims the provision of regular productive employment for all who are able and willing to work. It ought to be—and indeed it is—our continuous aim . . . to see just how near we can get to this objective without losing price stability and putting our balance of payments and our reserves in jeopardy.

Priorities of Economic Policy. "To sum up our policies: the four priorities we should set before us are clear. We must make sure that our economy is strong and sound so that it can stand up in whatever weather lies ahead. And that means we must put first the maintenance of the value of our currency and our competitiveness as exporters. We must maintain a high rate of savings and investment, for on that our national future depends. We must make sure our economy is not only sound but fair to all sections of the nation. And we must continue to reduce, as opportunity offers, the heavy burdens of taxation.

"That these aims can be achieved, I have no doubt whatever. but they will only be if the nation as a whole means them to be. The present time is a critical one. If all of us were to press our own sectional interests to the exclusion of the nation's interest, then—let there be no doubt—we should lose all and be back in deep and dangerous economic trouble, for which we should have no-one but ourselves to blame.

Taxation Policy. "It is with these principles and objectives in mind that I ask the House to consider my proposals in taxation. If, in the economic circumstances which I have described and with the limited resources which I have available, I were to remit substantial sums of taxation, the result would . . . be to jeopardize the consolidation of our economic position which must be our immediate task That would be rash indeed.

"On the other hand, I think that I can justifiably give up some small amount of revenue if by so doing I can strengthen our economy at one or two points, improve our tax system, and deal with several cases of special need. Those, therefore, are the objects to which I propose to devote my attention within the narrow limits of finance which I judge to be available this year I will start by mentioning a number of minor proposals which in various ways will help to improve our tax system.

Vehicle Licences. "The present arrangements are not very convenient for motorists, and produce an awkward peak load of work for the issuing authorities at the end of each quarter, particularly at the end of December. I propose to take powers to introduce a new system under which licences will be issued from the first day of the first month in which they are required for periods of four, eight, or 12 months. As an exception, licences costing £3 or less will be issued only for 12 months. The amount of the vehicle tax will be unchanged. The effect on the yield this year will be negligible, but owing to the changed incidence of payments, I am sorry to say the yield will be reduced by about £2 million in the first full year of operation. That goes against the grain, but it is a good thing to do. Details of the arrangements will be announced in due course by the Minister of Transport.

Abolition of Treasury Chest Fund. "Secondly, I propose to abolish the Treasury Chest Fund. Treasury Chests, which for over a century were the means of providing local currency for the use of our forces at a number of oversea stations, have now been closed down and the functions transferred to the War Office. The central fund itself can therefore be abolished and its capital, amounting to £700,000, can be transferred to the Exchequer. Would that I had more chests to abolish!

Tithe Redemption. "A third proposal concerns Tithe Redemption Annuities The scheme set up by the Tithe Act, 1936, is proving cumbersome and costly to administer. I propose to simplify it by providing for annual instead of half-yearly collection and for the compulsory redemption of annuities of £3 per annum or less, with power to increase this figure at a later date if necessary.

Time-Limits for Income-tax Claims and Appeals. "Next I propose to rationalize the various time-limits prescribed by the Income Tax Acts for appeals and claims to relief. The alterations will all be in the direction of making the time-limits more generous. This reform, which was recommended by the Royal Commission on Taxation, should ease the way of those who have to deal with our complicated tax laws.

Minor Income-tax Changes. "Another minor improvement is a proposal to give tax relief in certain circumstances on pensions for oversea service becoming payable under the Overseas Service Act.

"I am proposing in the Finance Bill to meet one point that has been pressed upon me in connexion with the Schedule E expenses rule. This will enable some deduction to be claimed in respect of subscriptions to professional societies with activities relating to an employee's work, and for certain statutory registration fees. It will cost £750,000 in the first year and £1 million in a full year.

"Finally, in this group I propose to remove from the law the anomalous rule that a charitable body, such as a church, cannot get its ordinary exemption from tax on property it owns if the property is used by an officer whose income exceeds £150 a year.

"Dividend Stripping." "I now turn to a small group of proposals which I have felt bound to include for the protection of the revenue. The first has to do with an activity known as 'dividend stripping.' This is a device for extracting the liquid taxed reserves of one company with considerable, and unjustified, income-tax advantage, to another company which gets those reserves as taxed dividends, and at a considerable cost to the revenue.

"Although the Lord Privy Seal [Mr. Butler] dealt with this in his autumn Budget of 1955 [see 14500 A], and despite stern warnings given then, I am sorry to say that apparently the fascination of 'dividend stripping' is such that it is still being practised by some. Although the form of the device has somewhat altered—it is now largely practised by companies with trading losses—it remains quite unacceptable, and I must put a stop to it.

"The Minister of Housing and Local Government, then in another office, gave clear warning in 1955 that the Government would not hesitate to legislate against subsequent attempts at 'dividend stripping,' and to make such legislation retrospective. Accordingly, the provisions I now propose will be retrospective to Oct. 26, 1955,

which was the governing date of the earlier legislation. This should make good a loss of revenue of £2 million a year. But the gain this year will be about £4 million because of the retrospection.

Revocable Settlements. "My next protective provision relates to Surtax. Under the existing law, if a man makes a revocable settlement and on revocation he or his wife might benefit, the income arising under the settlement is treated as his for surtax purposes. A particular settlement, which came before the House of Lords recently, was designed to defeat this law by the artifice of providing that a minimum sum of £100 should not be subject to the provisions of the settlement enabling capital or income to be appointed to the settlor's wife. The taxpayer was successful on this technical point.

"I cannot approve of such a stratagem. I propose to restore the law to what was originally intended, so that if any part of the settlement capital or income can go to the settlor or his wife a proportionate part of the income should be treated as the settlor's for tax purposes. This provision will apply for 1957-58 Surtax (payable on Jan. 1, 1959) to all settlements whenever made. But I shall excuse from its operation any settlement made before today that would otherwise be caught, if the settlement is made truly irrevocable within three months after the Royal Assent to the Finance Bill.

Estate Duty. "Under the present law, if a life tenant of settled property disposes of his life interest to the reversioner within five years of his death, estate duty is payable on the settled property on his death. But the converse case, where the reversioner sells his reversion to the life tenant, is not covered by the existing law, and the gap is being exploited to a considerable extent. I propose to close this gap. The broad effect will be to charge duty, when the life tenant dies, on the amount paid by the life tenant for any reversionary interest in the settlement which he has acquired within five years of his death. The legislation will apply only where the purchase of the reversion and the death of the life tenant both take place after to-day. I do not expect any material gain to the revenue this year, but there should be a gain of £2 million in a full year.

Stamp Duty on House Purchases. "I propose in a modest way to help people who wish to buy their houses. The full rate of stamp duty on conveyances of property is £2 per cent. There is a sliding scale providing lower rates of duty for conveyances of land and buildings where the consideration is less than £5,000. I propose to improve the scale of graduation and to carry it up to a figure of £6,000." The Chancellor then explained the new scales of duty for conveyances below £6,000 [see page 16113], and said that this change was estimated to cost £3,750,000 in the present year and £6,000,000 in a full year.

Income Tax Concessions to Old People. "The first two [small changes in personal taxation] affect some older members of the community, who I think we would all agree are in general having the most difficult time to-day.

"I propose to extend the income-tax exemption limits, which were first introduced last year, from £400 to £440 for the married couple where either husband or wife is 65 or over, and from £250 to £275 for the single person who is 65 or over. Where the income is below these amounts no tax at all will be payable. There will be an appropriate marginal adjustment for incomes slightly above the limits I have mentioned. To avoid misunderstanding I ought to make it clear that this provision, which is deliberately designed for very small incomes, will not give any benefit where the income exceeds £492 for a married couple and £306 for a single person.

"To help old people with rather larger incomes I propose to increase the income limit for the age relief, which is given where the taxpayer, or in a married couple one of the spouses, is 65 years old or more, from £700 to £800. This means that where the total income is below £800 the whole of the income, whether earned or not, will be treated for tax purposes as if it were earned income. This change will reduce the tax on a single person with an investment income of £800 by about £27; for a married couple with the same income by about £32. Here again there will be marginal provision for incomes a little above the limit set. The cost of these two reliefs taken together will be £2,750,000 this year and £4,750,000 in a full year.

Dependent Relatives Allowance. "I also propose to give some help to those who assist elderly or infirm relatives. At present a taxpayer is entitled to an income-tax allowance of £60 in such cases if the dependant's income does not exceed £105. I propose to increase that limit to £135, which is a few pounds above the new old-age pension figure of 50s. a week. This will ensure that an increase in social security benefits does not lead to a loss of tax relief.

Death Duties. "In death duties, I am proposing to remove the hardship which can arise when two persons such as husband and wife die together, perhaps in an accident, and the law has to presume that the elder has died first. In some such cases it can happen that death duty is levied twice. I propose to provide, in effect, that in such cases death duty shall be levied once only.

"I propose also that what is known as the existing 'quick succession' relief, which gives relief from estate duty on a graduated scale where real property or business assets pass on successive deaths within five years, shall be extended to cover other forms of property that pass in like circumstances. This will cost £1,500,000 this year and £3 million in a full year. Both these changes will take effect on deaths occurring after today.

Profits Tax. "Next I come to a considerable reform in company taxation. The Royal Commission on Taxation recommended, and I now propose, that the two rates of profits tax at present charged by reference to distributed and undistributed profits of a company shall be replaced by a single rate to be levied on the whole of a company's profits.

"This is generally agreed to be a desirable reform. Those responsible for the management of industry and commerce have emphasized to me most strongly that it would strengthen the financial structure of industry, improve the supply of capital to firms which need it most, and help to remove distortions in company finance. This will all help in modernizing and expanding our industrial system. It will also greatly simplify the tax code and the work of administration. The existing provisions for exemptions and abatements to companies with small incomes will continue

"To maintain the present yield of profits tax—about £275 million a year—a flat rate would need to be set at about 10½ per cent. I propose to set it at the more convenient figure of 10 per cent. The change will operate as regards profits from April 1, 1958, the tax on which, broadly speaking, will not be payable until next year. This will cost a negligible amount this year, £10 million next year, and £16 million in a full year.

"After the profits to March 31, 1958, have been dealt with, the contingent liability for payment of profits tax at subsequent distributions or liquidation will cease. This should remove a source of apprehension in the case of companies which have ploughed a big part of their profits back into the business, and should enable them to face the future with greater confidence.

"I am well aware that, although the yield of duty will remain broadly the same, there will nevertheless be some differences of incidence as between different sections and units of industry. Some that make lower distributions will pay rather more profits tax than hitherto. Some that make higher distributions will pay less. Only a few will break exactly even. The Royal Commission were of course aware of these effects when they made their recommendation. They are effects which must be faced if we are to change to a system which, I believe, is generally recognized to be sounder in the long run. I consider they should be faced now.

"I propose at the same time to give effect to the recommendations of the Royal Commission that all loan or share interest paid by building societies and co-operative societies, and all loan interest paid by the nationalized industries, should be deducted in computing their profits. These bodies will then pay profits tax at 10 per cent on their properly computed profits. There will be other consequential amendments of the profits tax law; in particular, a provision to protect the yield of revenue in the current year by countering any attempts to allocate normal dividends out of last year's profits which should bear 30 per cent tax to current periods.

Allowances for Capital Investment. "My predecessors have made changes in the system of taxation for capital assets in accordance with the need to encourage or discourage investment expenditure in the aggregate. I said earlier that I hoped plans for future developments in industry will continue to be made with confidence, and I want to give a little practical encouragement in this direction. I accordingly propose to increase the present initial allowances by a quarter . . . These increases should be of particular help to actively developing concerns which need to retain in the business a high proportion of their profits. This will in many cases provide a compensating benefit for the slightly increased profits tax which the concern may have to pay. The cost of these improvements in initial allowances will be negligible this year, £16 million next year, and £23 million in a full year.

Wine Duties. "When a reduction was made in the duties on imported wines in 1949 the change related only to light wines imported in cask. The duty on these wines was reduced by about a half, from 25s. to 13s. a gallon for foreign wines and from 23s. to 11s. for Commonwealth wines. There were good reasons for giving special relief at that time to light wines imported in cask, consumption of which had fallen to a low level. But this change in the structure of the wine duties has been accompanied over the years by a considerable change—perhaps distortion is not too strong a word—in the pattern of wine consumption. Consumption of light wines has expanded rapidly and is now twice the pre-war level. Consumption of heavy wines, on the other hand—that is, port, sherry, and other high-strength wines—is still at little more than half the pre-war level. This is not necessarily a direct consequence of the structure of the duty. In wine, I am advised, tastes and fashions change. But it cannot be disputed that the duties on light and heavy wines are now further out of alignment than is reasonable."

After saying that he could not "in present circumstances" accede to the trade's proposal for a reduction of 24s. a gallon, Mr. Amory announced a reduction of 12s. and went on: "The basic duty on foreign heavy wine imported in cask will accordingly be reduced from 50s. to 38s. a gallon, while the corresponding rate for Commonwealth wine will come down from 40s. to 28s. a gallon, thus maintaining the existing preference margin of 10s. a gallon. There will be a similar reduction of 12s. a gallon in the rates for heavy wines, whether still or sparkling, imported in bottle. The excise duty on still wines of comparable alcoholic strength produced in this country will be reduced by 12s. a gallon.

"The increase in trade to be expected from these reductions of duty will benefit the Commonwealth, especially Australia and South Africa, as well as those European countries, mainly Portugal and Spain, which supply us with heavy wines. These changes will operate from tomorrow . . . I estimate the cost at £2,750,000 this year and £3 million in a full year . . .

Entertainments Duty. "A number of changes were made in the duty on entertainments by my predecessor last year. A duty of £1 per licence was imposed on television, which had become a strong competitor with other entertainments. The duty on the cinema was reduced, while the theatre and sports, which had for long paid appreciably lower rates of duty than the cinema, were freed from duty altogether.

"It was not to be expected that the changes in public demand for entertainment which had been taking place would suddenly come to an end. But the movement during the past year has been on a scale which makes it necessary to consider whether some further adjustment in the duty is called for. Attendances at cinemas, which had been declining for some years, have in the last financial year fallen much more sharply. The industry have represented to me with vigour, both in a memorandum and at a meeting with the Financial Secretary, that in these circumstances the entertainments duty on cinemas should be abolished. Even members of this House have not been altogether silent.

"I have considered carefully all that has been said. I must say frankly that it cannot possibly be an object of Government policy to keep open the doors of every cinema in the country, regardless of the tastes and habits of the public. If people prefer to occupy more of their leisure time in other forms of entertainment and less in film-going, some reduction in the number of cinemas seems inevitable. However, I am satisfied that the present level of duty is, in the changed circumstances, now too high and should be substantially reduced."

After announcing the new rates, the Chancellor said that there would also be a simplification of the arrangements for collecting the duty in a way which should both assist the trade and save work in the Customs and Excise department. He went on: "This is a substantial relief, which should be of real assistance to the industry. It should be of particular help to the smaller cinemas, many of them in small towns, where the closing of what may be the only cinema can be a serious loss. I believe that there is still a keen demand for good cinema entertainment, even if audiences are smaller and more discriminating than in the past.

"In reaching this decision, I have had fully in mind the difficulty which the fall in box-office takings has caused to the industry as a whole—producers as well as exhibitors. I believe that we need to sustain a vigorous film-production industry. British producers will, of course, obtain a share of the reduction in duty under the ordinary contractual arrangements for renting films. This change should help them to continue to improve standards and to take full advantage of the openings for an improvement of earnings from film production which I believe the future will bring.

"In addition to the benefit which the producers will derive from the reduction in duty there is also an arrangement, as the House is aware, under which a levy based on cinema admissions is collected from the exhibitors and paid into a fund for the support of British film production. The question of the future yield of the levy is under review by the President of the Board of Trade, and I have consulted with him in order to satisfy myself that the proposed reduction in duty will provide room for any change he may consider necessary. My proposal, which will operate from May 4, will cost £13 million this year and £14,500,000 in a full year.

Purchase Tax Changes. - Rejection of General Sales Tax. "Before I come to the results of the general review which I have undertaken of purchase tax, I want to say a few words about a larger issue of which we have heard a good deal in recent months—namely, the possibility of substituting for the purchase tax a general sales or turnover tax imposed at a low rate over a much wider range of expenditure. Since the last Budget this possibility has been thoroughly examined, in the light both of our own experience in this country over the 17 years during which the purchase tax has been in force, and also of the systems of sales and turnover taxation employed in some other countries. Personally, I have always been attracted by the idea of a general tax at a low rate as an alternative to the purchase tax in its present form. I certainly did not approach this subject with any prejudice in favour of the existing system.

"But for all the attractions, I can see little prospect—at any rate in the foreseeable future—of changing over to a retail sales tax. Purchase tax yields nearly £500 million a year. I have had to assume, while I have been considering this matter, that we shall have to go on looking to some form of indirect taxation on a wide range of articles to produce a yield on about the present scale. First of all, what scope is there for broadening the base of the tax? Ideally, one may say that it ought to apply to all consumer expenditure. But how would this work out in practice?

"Personal consumer expenditure in the United Kingdom is about £14,000 million a year. Breaking this total down into the main items, we first have services at about £3,800 million. Theoretically, I know this is a potential field for indirect taxation. But does it make sense? The biggest element in this total is the cost of house accommodation. Then we have travel, insurance, fuel, school fees, payment for the chimney-sweep, for the undertaker, and so on. Could we really contemplate the complication and confusion of trying to tax these multitudinous ingredients of life in the modern world? I believe that the practical answer is 'no.'

"Next, we have between £4,500 million and £5,000 million spent on goods which are already subject to purchase tax or to other revenue duties—tobacco, liquor, petrol, and so on. Another £4,500 million is spent on food. I do not personally recoil in absolute horror at the idea of taxation on at least some forms of food. But it would surely be unrealistic to regard food as a major source of revenue.

"We are left, therefore, with less than £1,000 million of expenditure on a variety of untaxed goods—young children's clothing, many textiles, books, newspapers, household soap, and cleaning materials—a whole host of things which have at various times in the past been deliberately exempted from tax. Even assuming that all these goods were included in the scope of the present purchase tax, it would require a uniform rate of tax approaching 20 per cent of the wholesale value to produce the present yield. I believe, therefore, that the comprehensive sales tax charged at a very low rate but yielding the same revenue as the present purchase tax is for practical purposes something of a mirage. And the same is true of a turnover tax.

"Turning from the scope of the purchase tax to the method of collecting it, many people have suggested that it ought to be imposed at the retail rather than at the wholesale stage. This would, I know, have some advantages from the point of view of traders. But it would also have serious disadvantages. As present we collect purchase tax from about 60,000 manufacturers and wholesalers. If the tax were charged at the retail stage it would have to be collected from about a quarter of a million different points, if not more. It is not surprising that the view reached in 1940 was that it was much more efficient to collect the tax at the earlier stages on the smaller number of traders.

"I believe that that view is just as right to-day as it was then. And it is not merely a question of the number of collection points. We all know the small village general store which sells cigarettes, groceries, ironmongery, clothing, newspapers, indeed practically everything you can think of. All the takings go into a single till with few refinements of book-keeping. It would really be unthinkable to try to insist on anything more elaborate. For all these reasons, I have little doubt that this type of indirect taxation is, in general, most effectively and economically collected at the wholesale stage.

"Although I am no lover of the purchase tax and recognize its defects, I think that its shortcomings have been somewhat exaggerated in recent months. I know that there are anomalies. But whenever you classify things into categories, borderline cases arise which, taken in isolation, may sound absurd. I have come to the conclusion that the most helpful thing that I can do is to simplify the tax and to adjust it to a more sensible pattern.

"For obvious reasons violent and abrupt change is not in the interest of trade, but unfortunately anything approaching major reform of the tax involves substantial changes, at least in some sectors. Having chosen to grasp this nettle now, I have sought to leave the structure of the tax in such a shape as to allow any further changes to be made smoothly and with the minimum of disturbance to trade."

After announcing the purchase tax changes as set out in the summaries above and below, the Chancellor said: "With the exception of the changes affecting greeting cards, calendars, and so forth, where special considerations apply, these changes will be operative from to-morrow. They will cost £30 million this year and £41 million in a full year. I am glad to think that they will make at least a small contribution to holding down the cost of living."

Estimated Results in 1958-59 on Basis of Taxation Changes. "To sum up, the changes which I propose will cost £50,500,000 this year and £108 million in a full year. This leaves me, subject to the outcome of the present discussions on the financing of our forces in Germany, with an estimated surplus 'above the line' of £364 million and an estimated deficit overall of £236 million. I think these are about right.

"I hope that the House will consider that these measures, taken together, amount to a not inconsiderable step forward in simplification and reform. There is clearly no room for large relaxations this year, but my proposals do lighten some of the burdens on the taxpayer, as well as improving our fiscal system. They will also, I believe, help to strengthen our economy and, according to the best judgment I can make, should leave it balanced and poised ready to resume a steady rate of expansion just as soon as we can. I have done my best to produce a Budget this year that consolidates what we have gained and which is, at the same time, flexible and forward-looking. I hope I have succeeded."

As pointed out by the Chancellor, the estimated effect of the taxation changes will be as follows: (*a*) extension of age exemption limits for income-tax: a loss of £2,000,000 in 1958-59 and £3,000,000 in a full year; (*b*) extension of income limit for age relief: a loss of £750,000 in 1958-59 and £1,750,000 in a full year; (*c*) allowance in respect of subscriptions to professional societies, etc. (Schedule E expenses): a loss of £750,000 in 1958-59 and £1,000,000 in a full year; (*d*) measures against "dividend stripping" by restricting relief for losses where certain dividends are received: a gain of £4,000,000 in 1958-59 and £2,000,000 in a full year; (*e*) increase of initial allowances: a negligible loss in 1958-59, one of £16,000,000 in 1959-60, and £23,000,000 in a full year; (*f*) introduction of flat rate of profits tax: a negligible loss in 1958-59, one of £10,000,000 in 1959-60, and £16,000,000 in a full year; (*g*) extension of "quick succession" reliefs from estate duty: a loss of £1,500,000 in 1958-59 and £3,000,000 in a full year; (*h*) enlargement of life interests: a negligible gain in 1958-59 and one of £2,000,000 in a full year; (*i*) stamp duty reduction for house purchase: a loss of £3,500,000 in 1958-59 and

£5,500,000 in a full year ; (*j*) abolition of *ad valorem* stamp duty on credit instalment contracts : a loss of £250,000 in 1958-59 and £500,000 in a full year ; (*k*) reduction in duty on heavy wines . a loss of £2,750,000 in 1958-59 and £3,000,000 in a full year ; (*l*) cinema entertainments duty : a loss of £13,000,000 in 1958-59 and £14,500,000 in a full year ; (*m*) purchase tax changes : a loss of £30,000,000 in 1958-59 and £41,000,000 in a full year. Total net loss : £50,500,000 in 1958-59 and £108,250,000 in a full year.—(Times - Daily Telegraph - Manchester Guardian - Financial Times)

(Prev. rep. 1957-58 Budget, 15481 A ; Revenue and Expenditure Returns, 16111 A.)

Purchase Tax Changes. The following table shows the changes in Purchase Tax in detail :

Reductions in Rate of Purchase Tax.

From 90 *per cent to* 60 *per cent.* Hairdressing goods and toilet requisites ; perfumery and toilet preparations.

From 90 *per cent to* 30 *per cent.* Pictorial calendars, post-cards, letter-cards, and greeting cards ; toilet nippers and knives ; hair curlers.

From 60 *per cent to* 30 *per cent.* Household gas and electric appliances ; mirrors ; garden ornaments ; clocks and watches of precious metal ; musical instruments (other than gramophones, radiograms, etc.) ; walking-sticks ; smokers' requisites ; trunks, bags, wallets, etc. ; cameras and photographic films ; pictures, prints, etc. ; jewellery and imitation jewellery ; pictorial calendars, post-cards, and letter-cards (not charged at 90 per cent) ; fancy goods and toilet mirrors.

From 50 *per cent to* 30 *per cent.* Fur garments, fur headgear and haberdashery, fur skin (other than rabbit and sheepskin), and fur skin rugs.

From 50 *per cent to* 5 *per cent.* Rabbit and sheep skin.

From 30 *per cent to* 15 *per cent.* Other haberdashery ; wallpaper, display papers, paper serviettes, etc. ; garden furniture ; cane or wicker receptacles ; trophy cups, bowls, etc.

From 30 *per cent to* 5 *per cent.* Articles of apparel and accessories to apparel.

From 15 *per cent to* 5 *per cent.* Office and metal furniture ; hat, coat, and umbrella stands.

From 15 *per cent to nil.* Draught excluder strip ; water filters.

From 10 *per cent to* 5 *per cent.* Narrow fabrics (not exceeding 12 in. width).

From 10 *per cent to nil.* Woollen cloth (exceeding 12 in. width).

Increases in Rate of Purchase Tax.

From nil to 5 *per cent.* Protective boots for miners, quarrymen, etc. ; clogs and other wooden-soled footwear ; protective helmets for miners and quarrymen ; laces for garments or footwear.

From nil to 15 *per cent.* Cane or wicker shopping baskets.

From nil to 30 *per cent.* Oil-burning heaters (except for central heating) ; shopping bags and baskets (not of cane or wicker) ; brief-cases and document cases ; hairpins and tiepins of base metal.

From 5 *or* 15 *per cent to* 30 *per cent.* Certain cabinets, bases, tables, etc., for sewing machines.

All these changes will apply to goods delivered by registered manufacturers or wholesalers, or imported by unregistered persons, from April 16, 1958, except the reduction for pictorial calendars, post-cards, letter-cards, and greeting cards, which will take effect from a date to be fixed by Parliament.—(Times - Financial Times)

A. KENYA. — Arrests of Kikuyu Suspects.

The Kenya Government announced on April 13 that 153 Kikuyu suspected of being leaders or organizers of the outlawed *Kiama Kia Muingi* secret society (see 15964 D) had been arrested in an operation lasting two days. The bulk of the arrests were made in the Kiambu area. Although only a small percentage of the Kikuyu tribe was involved, the Government were alert to the possibility of the K.K.M. spreading and would not hesitate to take any steps necessary to deal with this or any other subversive organization. It was stated that the K.K.M. had carried out a number of oath-taking ceremonies, some of which were similar to those of Mau Mau.—(Times - Daily Telegraph) **(Prev. rep. 15964 D.)**

B. TUNISIA. — Membership of World Bank and International Monetary Fund.

Tunisia became a member of the International Bank and the International Monetary Fund on April 14, her quota in the I.M.F. being $12,000,000 and her subscription to the capital stock of the Bank 120 shares with a par value of $12,000,000. This brought the membership of both institutions to 66 ; the total of members' quotas in the Fund to $9,053,000,000 ; and the total subscribed capital of the Bank to $9,860,400,000.—(International Bank, Washington)

(Prev. rep. 16068 D.)

C. COSTA RICA. — Presidential Election.

Presidential elections held in Costa Rica on Feb. 2, 1958, resulted in the election of Señor Mario Echandi, candidate of the National Union Party. The unsuccessful candidates were Señor Francisco Orlich, of the ruling National Liberation Party, and Señor Jorge Rossi, of the Independent Party. Virtually complete returns, issued by the Supreme Electoral Tribunal on Feb. 5, showed 104,253 votes for Sr. Echandi, 98,068 for Sr. Orlich and 32,471 for Sr. Rossi. Elections were also held at the same time for two Vice-Presidents and a new unicameral National Assembly. The number of registered electors was 354,778.

Señor Mario Echandi (52), who is of Basque descent, was born in San José, the son of a former President of Costa Rica. A leader of the National Union Party for many years, he was Ambassador in Washington in 1950 and became Foreign Minister in the following year. He entered the presidential contest against President Figueres in 1953, but withdrew shortly before the election and successfully ran for a seat in the National Assembly. He will be inducted for a six-year presidential term in May.

At the invitation of the Costa Rican Government, the U.N. Secretary-General (Dr. Hammarskjöld) sent a three-man team to observe and report on the elections—the first time that any Latin American election had been held under international supervision.

President Figueres (the outgoing president) had previously asked Dr. Hammarskjöld to submit a list of individuals from democratic countries for this purpose, and the U.N. Secretary-General accordingly submitted some 40 names - including Government officials, newspaper editors, and authorities on constitutional matters for consideration by the Costa Rican Government. After consultations between President Figueres and the political parties contesting the election, it was agreed to invite a three-man team of foreign observers consisting of Dr. Horace E. Read, Dean of the Law School of Dalhousie University, Halifax (Nova Scotia) ; Dr. Herbert Fingsten, publisher of the Stockholm newspaper *Dagens Nyheter* ; and Dr. Raul Negro, president of the Supreme Electoral Tribunal of Uruguay. The Canadian, Swedish and Uruguayan representatives accordingly observed the elections (their expenses being paid by the Costa Rican Government) and subsequently drew up a report for presentation to Dr. Hammarskjöld.

Prior to the elections, President José Figueres said that foreign observers were being invited so as to ensure that the elections were "the cleanest ever" and in order to "set an example to the Americas." [Costa Rica has a tradition of democratic government and free elections, the *New York Times* commenting that recent elections in that country "have been orderly and democratically conducted campaigns compared to those of many other Latin American countries."] In a post-election statement, Señor Figueres said that the National Liberation Party (of which he is the titular head) would act as a responsible Opposition and was "not interested in creating difficulties for the new administration." As stated above, the N.L.P. was beaten by Señor Echandi's National Union Party, which was formerly in Opposition.—(New York Times)

(Prev. rep. 13076 B.)

D. RELIGIOUS LIFE. — New Archbishop of Wales.

The Electoral Council of the Church in Wales, meeting at Llandrindod Wells on Nov. 5, 1957, elected Dr. Alfred Edwin Morris (63), Bishop of Monmouth, as fifth Archbishop of Wales in succession to the late Dr. John Morgan. The new Archbishop had been Bishop of Monmouth since 1945, and was previously Bishop of Llandaff and Professor of Hebrew and Theology at St. David's College, Lampeter.

Dr. John Morgan (71), who died on June 26, 1957, succeeded Dr. Prosser as Archbishop of Wales in 1949, having previously been Bishop of Llandaff. The son of a former Archdeacon of Bangor, he served as a chaplain to the Forces in the 1914-18 war and was subsequently Rural Dean of Llandudno and Canon of Bangor before his election as Bishop of Swansea and Brecon in 1934. He was translated to the see of Llandaff in 1939.

Dr. J. J. A. Thomas (49), Archdeacon of Gower and Vicar of Swansea, became Bishop of Swansea and Brecon on Feb. 2, 1958, in succession to Dr. Glyn Simon, now Bishop of Llandaff. The six dioceses of the Church in Wales (disestablished in 1914) are St. David's, St Asaph, Bangor, Llandaff, Monmouth, and Swansea and Brecon.—(Times - Western Mail, Cardiff)

(Prev. rep. 10060 C.)

E. MALAYA. — The Royal Malay Regiment.

It was announced in Kuala Lumpur and London on April 8 that The Malay Regiment had been given the title of The Royal Malay Regiment by Tuanku Sir Abdul Rahman, King and Ruler of the Malayan Federation. The regiment has seven battalions, the first of which was formed in 1933. (Daily Telegraph) **(Prev. rep. Army, 15669 A.)**

A. MALTA.—Crisis in Financial and Constitutional Negotiations with Britain.

Further talks on the future of Malta opened at the Colonial Office on March 10 between the Colonial Secretary, Mr. Lennox-Boyd, and a Maltese delegation led by Mr. Mintoff, the Prime Minister. After a meeting on March 11 the talks were adjourned until March 18, the only contact between Mr. Lennox-Boyd and Mr. Mintoff in the meantime being by correspondence. A further meeting took place on March 19 which was attended by Sir Robert Laycock, the Governor of Malta, and Lord Perth, Minister of State for Colonial Affairs, but on March 21 Mr. Mintoff left London for Valletta without any statement being issued.

Mr. Lennox-Boyd made a statement on his talks with Mr. Mintoff in the House of Commons on March 25, explaining the reasons for the inconclusive ending of the discussions. The Colonial Secretary said :

" In the discussions which have just concluded, the Prime Minister of Malta refused to recommend integration to the Maltese people on the imaginative terms proposed by H.M. Government. He attempted to attach a political condition - namely, the right to independence on a unilateral basis, which strikes at the root of a union in mutual confidence which was the basis of the integration proposals.

" It is impossible for the U.K. Government to pledge Parliament to proceed with integration unless a very different state of mind is shown. H.M. Government are, however, prepared to resume discussion with the Maltese Government in order to find a *modus vivendi* pending consideration of long-term arrangements.

" The Prime Minister of Malta proposed that H.M. Government should immediately enter into further financial commitments of a most extensive character or be ready to grant independence to Malta. He suggested that in implementing the plan for integration the U.K. Parliament should undertake that, until such time as full economic equivalence was achieved, they would be prepared to grant independence to Malta if a Maltese Government were at any time during that period returned to office with a mandate for that policy. At a later stage he offered to withdraw this proposal, provided that the U.K. Parliament were prepared to extend to the Maltese people at their next election a choice between integration and independence.

" In the circumstances I revived the tentative suggestion that, rather than lose all the fruits of our long negotiations, H.M. Government would be prepared, if the Maltese people so desired, to proceed with interim constitutional and economic arrangements for a period of five years. The essence of this five-year plan would be that Malta would be granted a constitution broadly on the lines of that proposed under the integration plan, save for the time being making Malta part of the United Kingdom and providing for representation at Westminster ; the same economic and financial arrangements ; and, at the end of the five years, both Governments would consult together to review the working of the constitutional and economic arrangements and to consider whether they could then proceed to the conclusion of arrangements on a permanent basis.

" Let me tell the House what our other offers were. In the first place I made it abundantly clear that there was no question whatever of H.M. Government abandoning Malta and its people, or of their being indifferent to the economic consequences of the effect of defence cuts. I repeated again the assurances already given about the level of employment in the dockyard until 1960, and again confirmed that, pending investigation of the possibility of converting the dockyard to commercial use, no decision had been taken about its future thereafter. I repeated that we stood by the economic and financial commitments under the integration plan.

" What in fact were these ? We offered to provide over a period of five years capital assistance of £25,000,000 for diversifying the economy. We offered percentage grants towards the social services costing not less at the start than £1,000,000 a year, and with provision for it to rise materially thereafter. We offered additional assistance towards remedial measures in the event of there being, unhappily, substantial unemployment. We offered to set up a working party at once to consider what practical plans . . . could be made in advance to deal with the problems that might arise if, despite the joint efforts of both Governments, there should be substantial unemployment after 1960 owing to changes in defence policy. As to the cost of converting the dockyard to commercial use, we made it clear that this is a separate issue and that it would not affect the arrangements which I have described.

" At our last meeting we discussed the 1958-59 Budget. I said that in the light of our current financial difficulties, our contribution would have to be less than in the present financial year ; but we were still ready to provide the very substantial sum of £5,000,000. In our view, and that of independent economic experts, the Maltese Government are fully capable of making a contribution from their own resources, such as raising a local loan. There was therefore no reason why the rate of advance in Malta need be slowed down.

" It was then suggested that there should be a period of three months during which H.M. Government should provide interim financial assistance. The Maltese Government maintained, however, that this should be given without prejudice to the size of the U.K. contribution for the whole year, and to the question of the Maltese Government making a contribution from their own resources.

" It was not, however, possible to agree on the provision of interim financial assistance without prior agreement on these two points, since it would make the U.K. taxpayer liable for an unknown deficit which would, in the end, be determined only by the rate of expenditure which the Maltese Government decided to incur. Moreover, Mr. Mintoff maintained that he could not withdraw the resolution [passed by the Maltese Assembly on Dec. 3, 1957—see 15972 A] unless agreement had been reached at the end of three months on all outstanding issues. I regret that Mr. Mintoff did not accept H.M. Government's offers."

Mr. Lennox-Boyd's statement was followed by exchanges with Labour members, who expressed anxiety about the latest developments and called for an immediate debate, which was refused by the Speaker.

Mr. James Callaghan (Lab.) asked whether the difference between Mr. Lennox-Boyd's offer and Mr. Mintoff's demands, on which the breakdown had finally occurred, had not been " something between £5,000,000 and £6,000,000 a year " ; and whether it was " really worth jeopardizing relations with Malta for the sake of £1,000,000 a year or less."

Mr. Lennox-Boyd replied that it was " entirely untrue " that the so-called breakdown was over a small sum of money. The memorandum submitted by Mr. Mintoff during the talks had asked for a further £22,500,000 as an industrial fund, £5,000,000 for unemployment equivalents, and a further unspecified sum to make up the loss of revenue.

Mr. Callaghan then asked whether Mr. Mintoff had been invited to issue an agreed statement about the negotiations but had refused to do so. He also said that the financial arrangements to which the Colonial Secretary had agreed had been concluded before the Minister of Defence [Mr. Sandys] had gone to Malta and cast doubts about the continuance of the dockyard. Was it not " natural " in these circumstances that a Prime Minister, looking after his own people, should ask for a revision of these financial arrangements ?

Mr. Lennox-Boyd replied that though it would have been much better to have had an agreed statement on the talks, it seemed to Mr. Mintoff that the difference was so wide that it would be impossible to arrive at any such statement. As regards the dockyard, H.M. Government were " deeply concerned about the anxieties in the minds of those working in the dockyard," but he had made it clear that the financial arrangements reached in 1957 were a separate issue from the cost of the conversion of the dockyard to civilian use. Moreover, the Government had indicated their intention to keep the level of employment in the dockyard until 1960 at about 12,000 people, about half of them on ship-repair work. They were doing their utmost to arrange that private enterprise should take over the work of ship repairing, and the Admiralty would have work for such firms " for a long time, and indeed for the foreseeable future."

Mr. Aneurin Bevan (Lab.) contended that the statement about the five-year interim arrangement went back on the promise of integration, which envisaged three seats for Malta in the British House of Commons. If these seats did not exist, there could not be integration, it was " unwise and undesirable " for Mr Lennox-Boyd to have made a statement of the Government's intentions, which would be read in Malta as an abandonment of integration, without giving the House a further opportunity of discussing the entire matter. He accused Mr. Lennox-Boyd of having made a party issue out of what was a non-party issue.

Mr. Callaghan then moved the adjournment of the House on a " definite matter of urgent public importance, namely, the breakdown of the negotiations with the Malta Government and the abandonment of the principle of integration by the British Government." **The Speaker** refused to accept the motion, saying that the discussions with Malta had been going on for a long time and that this was not a new but a continuing matter. The proper course was to arrange for a debate through the usual channels.

Mr. Lennox-Boyd's Memorandum on British Proposals to Maltese Government.

The following summary setting out the main features of the proposals that had been worked out in negotiations with the Maltese Government was circulated by the Colonial Secretary on the same day (March 25).

It would be provided in legislation that Malta would be " comprised in the territories of the United Kingdom," and the British Parliament would be asked to affirm that in no event would Malta cease to have this status without the consent of the Maltese Parliament. Provision would be made for Maltese representation (by three members) at Westminster. The U.K. Parliament would affirm that the representation of Malta would not cease without the consent of the Maltese Parliament.

Parliament would also be asked to affirm that no British legislation would be extended to Malta with respect to matters within the competence of the Maltese Parliament, except where necessary for the fulfilment of H.M. Government's responsibilities for defence, external affairs, and certain other specified purposes.

The new Constitution for Malta would provide for the disappearance of the diarchy in its present form, and for the Governor to act in accordance with the advice of Maltese Ministers in matters within their responsibility. The Maltese Parliament would have power to legislate on all matters except those specified in a schedule of excluded matters, of which the main items would be defence and external affairs. The Maltese Government would have delegated to it certain executive powers in the field of external affairs, notably to negotiate trade agreements with neighbouring countries.

Her Majesty in Council would have power to make provision for Malta (by Order in Council) with respect to defence and external affairs, where such provision was urgently necessary.

There would be provision in the legislation for consultative machinery in Malta and London. The responsible Secretary of State would have certain powers of directing reservation of Maltese Bills affecting the responsibilities of H.M. Government for defence or external affairs, or certain other specified matters.

H.M. Government would approve and support the ultimate aim of the Maltese Government that, after a reasonable period of years, Malta should reach an economy and standard of living comparable to that of the United Kingdom.

It would be open to the Maltese Government after 12 to 15 years to request that their economy should become an integral part of that of the United Kingdom. The Maltese Government would recognize the obligation of the Maltese people to make sustained efforts to bring the economy of Malta to a level which, taking account of all relevant factors, was comparable to that of the United Kingdom. A development programme would be drawn up in consultation with H.M. Government.

Towards this plan, H.M. Government would as a first step provide assistance for the first five years, as follows :

Capital.—A grant of £25,000,000 over the five-year period; also the good offices of the U.K. Government to attract industry to Malta.

Recurrent.—A minimum annual contribution of £1,000,000 towards the social services, or more as the case might be, as follows :

(i) Education—one-third of the annual recurrent expenditure of the Maltese Government if it were less than £1,250,000, or one-half if such expenditure were £1,250,000 or more ;

(ii) Health—one-third of the Maltese Government's expenditure ;

(iii) Other social welfare services—one-quarter of the Maltese Government's expenditure.

The above financial arrangements would be reviewed, and the U.K. Government would be willing to assist the Maltese Government in taking remedial measures to be agreed if, in consequence of any drastic change in Imperial defence policy, the level of unemployment in Malta should reach, and for six months remain at, a higher level than in the United Kingdom.

A working party would be set up at once to consider in advance what plans might be made to deal with such a situation should it seem likely to arise, including the possibility of changes in the arrangements for unemployment benefit and gratuities for men discharged by the Service departments.

An independent commission could be set up after two years, and would in any case be appointed towards the end of the first five years, to review progress and to report on possible changes in the above arrangements.

The summary concluded with the proposals for a five-year trial period given by Mr. Lennox-Boyd in his statement to the House.

Parliamentary Debate on Malta. - Statement by Mr. Lennox-Boyd. - Labour Criticisms of Mr. Mintoff.

The Government's attitude in the dispute with Malta was debated in the House of Commons on April 1 on a motion by Mr. Lennox-Boyd that the House should " take note " of his statement on Malta of March 25.

Mr. Lennox-Boyd stressed that he had always hoped that it would be possible to treat the consequences of the Round-Table conference report as a parliamentary and not a party matter. Since March 1956, when the Government had accepted in principle the plan for the integration of Malta, considerable progress had been made in the difficult and lengthy negotiations to implement the plan. " The whole position," he went on, " has been much complicated by the insistence of the Malta Government on points of principle such as economic equivalence. Above all there has been the weary continual argument about the U.K.'s contribution to Malta's budget. I do not think I made the slightest impression in these two years in conveying to the Maltese Government that the U.K. had to consider other territories in gauging their financial contribution to Malta. They also have to consider the readiness of a territory to help itself."

Nevertheless, in the Anglo-Maltese talks of October 1957 agreement had been reached on most outstanding points in the detailed plan for integration ; though these were not initialled, it was " fair to say they represented a certain measure of agreement." In December, however, had come the Maltese resolution threatening the severance of the ties with the United Kingdom, and this had done " great harm to our relationship with Malta."

The United Kingdom's objective had been : to raise the standard of education and other social services to get a more skilled population, which would attract commercial firms to set up business in Malta ; to increase substantially the opportunities for employment outside the Service establishments ; and to avoid unemployment. There was no guarantee of the employment of an immutable number of people by the Services, or of the provision of alternative employment for men discharged ; any statement to the contrary in the resolution was not consistent with the facts. Mr. Lennox-Boyd declared: " I do not believe any Government could give that undertaking, which we could not give to the United Kingdom."

The Colonial Secretary continued : " It has always been realized that changes in the British Government's defence policy must bring acute anxieties to many people in Malta. In the discussions last year we jointly devised what was called among ourselves the 'remedial measures' clause. This ran as follows :

'The U.K. recognizes that any drastic change in Imperial defence policy affecting Malta might alter considerably the basis on which the capital expenditure plan was drawn up, and the level of employment in Malta. In such circumstances the U.K. Government would be willing to review the position -in particular, if in consequence of such a change in Imperial defence policy the level of employment should reach, and for six months remain at, a higher level than the rate of unemployment in the United Kingdom at the time. The U.K. Government would be willing to assist the Maltese Government in taking remedial measures to be agreed.' "

" Anything that has happened since then," Mr. Lennox-Boyd continued, " must be seen in the light of this undertaking. It would have come into effect under the integration plan, and was settled as early as February 1957. Later in that year, on Nov. 20, I told Mr. Mintoff that no decision had been taken as to the future of Malta dockyard after 1960. I also told him that there was enough work to keep the dockyard going for about three years at approximately the present level of activity, although some economies would be necessary. This assurance held whether it continued to be run as a naval establishment or whether it was transferred, in whole or in part, to commercial interests.

" In a recent communication to M.P.s, the Maltese Prime Minister has said that he had been warned that employment by the Admiralty after 1960 would be reduced to 30 per cent. This is simply not true. I repeatedly said to Mr. Mintoff that the level of activity would remain substantially the same until 1960. When I was able to give a more exact figure, I said that work could be guaranteed for about 12,000 in the dockyard and naval base until 1960. No decision had been taken regarding policy after 1960.

" Mr. Mintoff's reference relates to an Admiralty memorandum which was sent in an effort to help the Maltese Government, and not to add to its alarms or fears. In the memorandum the Admiralty, in fact, assured Mr. Mintoff that even if a commercial firm did take over the dockyard, the Admiralty would still be willing, as a means of helping that commercial firm to establish itself, and thus helping Malta, to provide naval work for some years after 1960 in addition to the commercial work being done there.

" I wish I could believe that this distortion by the Prime Minister of Malta is the result of misunderstanding. It seems a tragedy that a document designed to calm fears should, in fact, have been misrepresented. I feel that a large number of employees in Government and other activities in this country would be exceedingly glad if they could have had the solemn assurance I have given to the people of Malta in the last few months."

Despite the " imaginative terms " proposed by the British Government, Mr. Mintoff had made it clear to him (Mr. Lennox-Boyd) that he would be unable to recommend integration to the Maltese people on those terms. Mr. Mintoff had argued that because of the uncertainty about the dockyard the whole basis of understanding had been unilaterally changed, and that it was no longer possible for him to proceed with integration on this basis ; as an alternative, he had proposed independence.

In the light of these arguments he (Mr. Lennox-Boyd) had suggested that rather than lose all the fruits of the long negotiations, the British Government would be prepared to proceed with the interim constitutional and economic arrangements for a period of five years, after which both Governments could consider the conclusion of arrangements on a permanent basis. This plan, however, had found no favour with Mr. Mintoff, although he (Mr. Lennox-Boyd) believed that it merited the most serious consideration.

It could not be said (the Colonial Secretary continued) that the talks with Mr. Mintoff had broken down on " a mere bagatelle," for Mr. Mintoff had now said himself that he was budgeting for a deficit of £7,000,000. No-one should think for a moment that he (Mr. Lennox-Boyd) had disregarded the contribution made by Malta to the U.K., both historically and at the present time. But the annual grant-in-aid and other financial assistance had only become a regular feature of the Maltese Budget from 1955 onwards, when Mr. Mintoff assumed office. The Government did not regret this—they were, in fact, anxious to ensure a diversified Maltese economy—but there were other important considerations.

Mr. Lennox-Boyd went on : " The U.K.'s aid to Malta was provided in pursuance of a declaration signed in 1955 by the leaders of the Maltese Labour Party (the Government), the Maltese Opposition, and H.M. Government. This made it clear that there should be close co-operation in the detailed elaboration of the long-term development plan, and that the degree of success attained would depend on the hard work and self-discipline of the Maltese people, and on the Maltese Government and people making the best possible contribution from their own resources.

" To this day we have not received a draft long-term development plan from the Maltese Government, nor has it taken any steps to increase its contribution to that development from its own resources. During this period the Maltese nation's income and note circulation has greatly increased, and the island has never been so prosperous. The reasons put forward by Malta for not taking steps to increase the contribution have been mainly political. I am not unsympathetic to the political difficulties in raising taxation in a period of constitutional and political uncertainty. But the best part of three years has gone by without any move.

" I have been frequently criticized . . . for having, if anything, been too tolerant over the failure of the Maltese Government to make their own contribution. But the U.K. Government has never insisted that the contribution should be in the form of an increase in income-

tax. The independent Economic Commission suggested that a five per cent surcharge on existing taxes would be a desirable means of meeting the costs of the six per cent increase in Government wages and salaries which came into effect in January 1957; but the Maltese Government has refused to consider this, or to consider a small increase in Excise duty.

"An easy, practical, orthodox, and politically unembarrassing means exists by which such a contribution could have been made to the capital programme from a fiduciary issue. The Maltese currency fund at present stands at £20,000,000. A fiduciary element of £4,000,000 could be created by the application of the accepted proportion of 20 per cent. The first contribution which the Maltese Government might require to contribute to a local loan may be between £1,500,000 and £2,000,000. No good reason has been advanced by the Maltese Ministers as to why they should not follow the widely accepted practice in other territories. I fail to see why the Maltese Government considers that to adopt such a course would make them puppets of the British Government. Continued reliance on grants-in-aid from the U.K. is much more undesirable from the point of view of maintaining their own independence.

"At this point the Maltese Government are not merely rejecting the contribution of £5,000,000 from the United Kingdom. They are rejecting a continuance of aid even at last year's level, which was £6,070,000. They do not seem prepared to change their position regarding a contribution from their own resources. They are prepared to proceed with expenditure at a rate which would involve a total deficit for the whole year of about £7,000,000, which in their view should be met entirely by the U.K. taxpayers. This sort of financial ultimatum is not altogether unusual, but I do not think Members could expect the Government to submit to it."

After reasserting the Government's willingness to resume discussions to find a *modus vivendi* pending consideration of long-term arrangements, the Colonial Secretary went on: "I cannot disguise from the House the possibility of a grave financial situation. The Governor of Malta, on the advice of his Ministers and since the return of Mr. Mintoff and his colleagues, has assented to an Appropriation Bill for expenditure which would involve a deficit of about £7,000,000 in 1958-59. These are formal acts and do not necessarily involve the Governor's approval of the circumstances in which they were presented to him. The Governor was entitled to assume that the Maltese Ministers were making the necessary arrangements to provide money for the expenditure contemplated. Maltese Ministers have placed the Governor in an invidious position, but his assenting to the Bill and signing of the warrants does not imply that the U.K. Government are committed to meet the deficit."

Mr. Lennox-Boyd disclosed that he proposed to instruct the Governor to make this point clear to the Maltese Ministers. The U.K. would renew its offer of £5,000,000 for the whole year, or an immediate cash issue to the Maltese Government for the next few months, provided (*a*) that Malta accepted that the contribution for the whole year would not exceed £5,000,000, and (*b*) that any budgetary expenditure in excess of that amount would be met from Malta's own considerable resources.

The ensuing debate was noteworthy for the criticisms of Mr. Mintoff's attitude expressed by a number of Labour members, including Mr. James Callaghan, Mr. Herbert Morrison and Mr. Richard Crossman.

Mr. Callaghan (Lab.) said that the situation in Malta was becoming increasingly grave. The major point was the changed strategic concept in the Mediterranean, which had given rise to the uncertainty about the future of the dockyard and to misunderstandings—whether accidental or not—in the minds of Maltese Ministers.

As regards the financial situation, Mr. Callaghan thought that there was every case for the Colonial Secretary saying to Mr. Mintoff that Britain was not ready to go beyond last year's figure [i.e. £6,000,000], although it was "a little mean" to ask a Colony like Malta to cut expenditure by £1,000,000 so that Britain could stabilize her own. He agreed, however, that Malta should rely more on her own resources, and that she could well afford to make some contribution by raising a loan in the City in view of the fact that she had a 100 per cent cover for her currency. He also thought that the British Government's long-term financial proposals after integration were "not ungenerous," and that an agreement could well have been concluded along those lines. A guarantee of ultimate equivalent standards was "invaluable" to the people of Malta and should be "snatched" by the Maltese Government.

The Opposition believed, moreover, that Mr. Mintoff should have pushed ahead with the constitutional proposals much faster than he had, and that he was "ill-advised to bury them under a mass of financial detail," which could have been argued out afterwards. There was a time when the House of Commons would have passed the integration proposals with little opposition, but he was not sure that it would be so easy now; he himself still believed that integration was the best solution, but he recognized that there were real doubts about it.

In pushing the "independence" resolution through the Maltese Legislative Assembly, Mr. Mintoff had lost sight of the way in which members of the House of Commons regarded their position. "I do not see," Mr. Callaghan declared, "how any body of persons may ask to throw in their lot with us on condition that they may be able to opt out at a later date if they do not like it. If they throw in their lot with us, then they sink or swim. There can be no question of contracting out once they come in. I regard this resolution [i.e. the "independence resolution"] as extremely ill-advised. It has made the situation more difficult than it need otherwise have been."

Referring to the possibility of a Maltese general election in the near future, Mr. Callaghan said that it would be "a sorry day for Britain and Malta" if that election were fought on the issue of independence in a mood of irritation and exasperation with Britain. He urged an immediate resumption of negotiations, and a gesture to the Maltese people by enacting the constitutional arrangements outlined by Sir Anthony Eden in March 1956 [see 15347 A] but keeping them in suspense until an appointed day. The Government should also restore the subsidy from £5,000,000 to £6,000,000.

Mr. Herbert Morrison (Lab.) was strongly critical of Mr. Mintoff's attitude, saying that if he (Mr. Morrison) had been a friend of political integration, Mr. Mintoff's recent conduct would have made him doubtful about supporting it. There could be stiff arguments in the course of free negotiations, but it was a different thing when one of the parties said that he must be given what he wanted "or else." If that was going to happen now, what would it be like when there was parliamentary representation for Malta?

Mr. Morrison added that he himself did not like the idea of Maltese representation in the House of Commons. It would be confusing and difficult, and once the principle was conceded other Colonial territories might ask for representation on a similar basis. Maltese representation was based on the French practice, which, judging by the present unhappy fate of the French Colonial territories in North Africa, did not seem to be working very successfully. In conclusion, Mr. Morrison asked the Government to resume negotiations with Malta as soon as possible and do all they could to get a friendly atmosphere, whilst dropping the idea of Maltese representation at Westminster. It would "not hurt the Labour Party if its members were not afraid to stand up and say that, on this issue, by and large Britain had been right."

Mr. Aitken (C.) did not agree that there was any other solution except integration. Whatever difficulties there might be with Mr. Mintoff, Britain was still "bound by duty and conscience to be generous to Malta," as she had been responsible for building up the Maltese economy based on British requirements. **Mr. Houghton** (Lab.) also thought that, in spite of Mr. Mintoff's "provocations," Britain should "try to rise above them and discharge her duty to Malta."

Mr. Richard Crossman (Lab.) said that it was "an extremely bad habit to go on paying money to people who do nothing but insult one"; it was "paying Danegeld for nothing." He appealed to Mr. Mintoff to "take cognizance of the difference between the present debate and the one two years ago, as there was "a serious decline from the point of view of the friends of integration" By and large the obstacles in the last two years had come from the author of the idea of integration—Mr. Mintoff—and it was "a terrible disappointment" that the man who had had this "wonderful idea" should have made it far more difficult for the Government to persuade their supporters to carry the policy through. Mr. Crossman suggested that the Government should take the claim for independence at its face value and ask Mr. Mintoff to say in detail how he proposed to achieve it; there was "no better way of teaching the people of Malta the facts of life than to take their claim seriously."

Mr. Richard Fort (C.) said: "My sympathy is with Mr. Mintoff in trying to get the British to do what we so much dislike doing—namely, to be precise in constitutional as well as in financial matters. Mr. Mintoff is an extremely intelligent representative of the Mediterranean thinker and politician, and it is precisely because his whole outlook is so entirely different from ours in this House that I have been consistently opposed to the integration proposal. That is why I found myself in sympathy with the criticism of the integration scheme which Mr. Morrison made. The principal argument advanced by those who support integration . . . seems to be that there is no alternative. I agree. To this extent I listened with by no means complete disagreement to Mr. Crossman when he said that if the Maltese are so concerned about their standing in the world, concerned to the extent of wishing to put aside very valuable financial arrangements, then we as well as they should think about their becoming an independent country. In saying that I realize that I am making a tacit decision on a subject about which I am singularly ill-equipped to take a decision—the strategic developments in the next decade or further ahead. It seems to me, however, that it is no argument for integration to say that those who oppose it are not prepared to face the alternative, when in fact there is at least one alternative the full consequences of which should be much more carefully examined than they have been so far—namely, independence.

Sir Godfrey Nicholson (C.) said that he knew Mr. Mintoff personally and thought him a "brilliant administrator," but "five per cent of him was completely unpredictable." It was no good Mr. Mintoff thinking he could "bring off a marriage on the shot-gun principle."

Mr. Chuter Ede (Lab.) said that as a member of the Round-Table conference he had "moved reluctantly towards integration," but having been to Malta, seen the people, and realized the difficulties, he had found no alternative to it. He hoped that some fruitful decision would be reached long before the proposed five-year period had expired.

Mr. Profumo (Under-Secretary, Colonial Office), who replied to the debate, emphasized that the Government would wish to do just as much to safeguard against possible unemployment in Malta, especially if it arose as a result of any change in British defence policy, as they would try to do in the case of unemployment in Britain. They could go no further than that, and could not possibly accept the Maltese Government's demand that the level of Service employment in Malta should be maintained indefinitely at any particular level, or that every man declared redundant should have an alternative job guaranteed by the Services and financed by the

British taxpayer. Every effort had been made to provide all possible assurances to the Maltese Government and people about the future of the dockyard, but there was "no place for pistols in negotiations." The British Government were ready to negotiate on the basis of a five-year trial period, at the end of which it might be possible to proceed with integration or some other long-term constitutional plans acceptable to the Government of the day.

The motion was then agreed to.

Statement by Maltese Delegation.

The Maltese Government delegation which took part in the London talks issued a statement on March 31 stressing that their main representations had centred on finding a solution to two urgent problems, one economic and the other financial.

With regard to the economic side, the Maltese Government had reached the conclusion that the Admiralty would discharge 5,000 to 8,000 men from the dockyard after 1960; the repercussions on civilian employment were expected to produce a total of between 15,000 and 24,000 unemployed out of a total working population of 85,000. Tentative proposals had been put forward for immediate measures "to forestall a catastrophe after 1960," but the British Government did not believe there would be large-scale unemployment after that year. "At the last minute" the British Government had suggested a fact-finding committee to report on future economic trends, and the Maltese delegation had suggested that discussions on remedial measures should be reopened immediately the fact-finding committee had reported. "That is how negotiations on that vital subject were left."

As regards the financial side—with special reference to the proposed reduction of the U.K. contribution to Malta from £6,000,000 to £5,000,000 in 1958-59—the delegation said that Britain's adherence to a rigid policy of deflation, if "blindly applied to Malta in the local context of unemployment and under-employment," would produce the opposite effect from that intended. In the past the British Government had agreed that Malta should put off additional taxation, the raising of public loans, and the use of the investments backing the Maltese currency until her economic and political conditions had improved. The new defence policy had not contributed to "bringing this brighter future in sight"; instead, it called for a greater contribution from Britain.

Finally, the delegation had repeatedly told Mr. Lennox-Boyd that if an acceptable solution were found to these issues, the Maltese Government would champion integration at the impending general elections. Otherwise the Maltese people should be allowed to choose "not between integration and their present colonial status but between integration and independence."

Mr. Mintoff's Threats to Britain. - Demand for Integration on Maltese Terms or Independence.

Speaking in Valletta on April 6, at an open-air mass meeting of the Malta Labour Party, Mr. Mintoff made an intransigent speech in which he demanded "integration on our terms or independence."

Mr. Mintoff said that it was "untrue" that the "independence" resolution of December last had caused the present crisis in relations with Britain, as had been alleged by the British Government. Britain could "not use Malta as she thought fit and then give financial aid as she thought fit," and no serious Government could accept such a situation. Malta still preferred integration with Britain, but the alternative of independence remained; in that case Malta would turn the naval dockyard to commercial use in much the same way as Britain proposed to do.

He had been told in London that in the event of independence Malta would lose £5,000,000 annually, and he had replied that independence did not mean that another nation would not replace Britain. He had also been told that in this case he would be letting the Russians into Malta, and that the Maltese would be unable to stop them; he had replied that it would not be up to Malta to do so, but up to Britain. Referring to a recent visit to Libya, Mr. Mintoff said that Britain was paying that country more than she had ever paid Malta "in order to keep a few soldiers there," while the Americans were paying still more for the use of one airfield; in addition, the United Nations were also helping Libya, and Russia had offered that country £10,000,000 "without strings." NATO was not paying Malta anything in return for the use of the island, but "it would not be long before they would have to start doing so"; the Maltese would "no longer be ordered about" and "whoever wants to use Malta must pay for her."

After warning Britain that she should keep Cyprus in mind, as well as other territories which she had lost because she had tried to rule by "outdated methods," Mr. Mintoff declared: "We do not want the Russians; we want work and equality with the British." If, however, Britain did not give guarantees for the employment of redundant dockyard workers, and if she did not increase her contribution to the island's Budget, the Maltese people would "fight for independence with the same vigour as they fought for integration."

Demonstrations by the Malta Labour Party in support of Mr. Mintoff took place in Valletta on April 7-8, many of the demonstrators carrying placards with the words "Englishmen pay up or go home." Anti-British slogans were shouted outside the Governor's residence and the headquarters of the armed forces, and there were some stone-throwing incidents. Valletta was temporarily placed out of bounds to British and U.S. troops, and Commandos stood by to prevent disturbances.

Archbishop of Canterbury on Anglican Rights in Malta.

Uneasiness about the position of the Anglican and other religious minorities in Malta was expressed by the Archbishop of Canterbury (Dr. Geoffrey Fisher) at a meeting of the Church Assembly in Westminster on Feb. 12.

The Archbishop's statement was made in connexion with a motion on Malta tabled by Sir Kenneth Grubb (vice-chairman of the House of Laity of the Church Assembly) and worded as follows: "That this Assembly, concerned at the extent to which the Anglican and other religious minorities in Malta continue to suffer discriminating disabilities inconsistent with their right to tolerance, urges the authorities of the Church of England to make it clear beyond all doubt that no scheme for integration of Malta with Britain can be acceptable which does not include specific guarantees for religious freedom in Malta under the civil law."

The Archbishop of Canterbury spoke as follows on the position of religious minorities in Malta:

"As the Assembly knows, plans have been under discussion for some long time by which Malta might be made constitutionally a part of the United Kingdom, with representatives in the House of Commons . . . It is not for me to express any opinion about the political and constitutional aspects of this proposal. But there is one aspect of it which directly concerns Christian people both in Malta and in the United Kingdom. It need hardly be argued that under any such proposal there must be absolute security that the conditions of religious liberty which operate in Great Britain shall operate no less effectively in Malta also.

"In fact, the principles of religious liberty are already enshrined in the present Constitution of Malta. In the Declaration of Rights in 1802 (quoted and endorsed by the Round-Table Conference) occurs this clause: 'That freemen have the right to choose their own religion. Toleration of other religions is therefore established as a right; but no sect is permitted to molest, insult, or disturb those of other religious professions.'"

Dr. Fisher also pointed out that Section 3 of the present Constitution of Malta contained the following clauses:

"(i) All persons in Malta shall have full liberty of conscience and enjoy the free exercise of their respective modes of religious worship.

(ii) No person shall be subjected to any disability or be excluded from holding any office by reason of his religious profession."

The Archbishop continued: "Some months ago I had discussions with the Colonial Secretary on this matter. He gave me an assurance that these same provisions safeguarding religious liberty would be repeated in any new constitutional agreement with Malta and that he would consider it his duty to ensure that, so far as it lay in his power to do so, these constitutional provisions should be maintained and enforced. That assurance was given, of course, in entire good faith, and I quoted it in a speech which I made to the British Council of Churches.

"Since then, however, I have grown increasingly uneasy. The history of this matter has been unhappy. Anglicans and others in Malta have often and grievously suffered denials of their proper liberties, and the Colonial Office for many years past has been very unwilling to give us any help or encouragement in the assertion of our proper claims to the rights and equalities of religious freedom.

"In recent months I began to wonder whether it should not be made quite plain that, in the view of the Church of England and of other churches, the Roman Catholic Church in Malta must be prepared to see Anglicans and others exercising the same liberties of conscience and religious profession, and enjoying the same ecclesiastical freedoms, as are an essential part of our constitutional freedoms here, and indeed of the British way of life.

"Accordingly, knowing that failure to apply the provisions in the present Constitution of Malta had often in the past given rise to serious dissatisfaction, and that any attempt under the new Constitution to change this situation would be unwelcome to the Church authorities in Malta, I took the matter up again a short while ago with the Colonial Secretary. I have had discussions with him and the Lord Chancellor, and I have submitted a full memorandum to them on the subject, which they are now considering.

"I think, therefore, that while Sir Kenneth Grubb's motion would have been very useful in showing how deep and widespread is the concern of the Church of England on this fundamental matter of human rights and religious liberties in Malta, we ought not to attempt a debate on the matter at short notice in this session of the Church Assembly."

The Maltese newspaper *Lehen Is Sewwa*, organ of the Catholic Action in Malta, replied to Dr. Fisher in a leading article on Feb. 19. It recalled the guarantees of religious toleration embodied in the Declaration of Rights of 1802 and the island's present Constitution; alleged that the Protestants in Malta had at times been "aggressive" in the past, notably during the early 19th century; and added: "Malta is Catholic and . . . has the right to principles on which it has based itself for twenty centuries. This is a question in which Dr. Fisher has no right to interfere." The newspaper is regarded as representative of Roman Catholic opinion in the island. (Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Malta, 15972 A.)

A. WESTERN POWERS - SOVIET UNION.—American and British Reactions to Soviet Suspension of Nuclear Tests. - Khrushchev-Eisenhower Correspondence.

American and British reactions to the suspension of nuclear tests by the Soviet Union are summarized below, together with other developments since the Supreme Soviet's resolution of March 31 (see page 16102).

Statements by U.S. State Department, President Eisenhower, and Mr. Dulles.

The U.S. State Department issued a statement on March 31 making the following "general observations" on the Soviet announcement:

"The Soviet statement comes on the heels of an intensive series of secret Soviet tests [see 16095 B]. They should arouse world opinion to the need to deal in an orderly and dependable way with the testing and related aspects of the disarmament problem.

"Soviet official propaganda incessantly seeks to create abroad the image of a peace-loving Soviet Government. But that same Government openly defies the United Nations with respect to both the substance and the procedure of disarmament.

"The U.N. Charter gives that organization broad authority with reference to principles of disarmament and the regulation of armaments. In the exercise of that authority the U.N. General Assembly has, by an overwhelming vote, approved comprehensive first-stage disarmament proposals and called on the nations concerned to begin at once technical studies as to how these proposals might be carried out. These studies include the studies needed for supervised suspension of nuclear testing. The U.S.A. stands ready instantly to respond to that resolution. But the Soviet Union refuses to comply.

"The same General Assembly reconstituted and enlarged its Disarmament Commission. The United States wants that Commission to carry out its mandate. But the Soviet Union boycotts the Commission.

"The Charter makes the Security Council responsible for formulating plans for . . . the regulation of armaments. The U.S.A. has recently proposed to the Soviet Union that this responsibility be discharged. But the Soviet Union refuses to co-operate.

"The Soviet Government declines to deal with the subject of armaments in any of the several ways prescribed by the U.N. Charter. It prefers elusive formulations of its own.

"It is elemental that free nations which want to remain free will not, and should not, forego their indispensable collective capacity to deter and defend against aggression merely in reliance on a Soviet statement of intentions for which there is no system of verification, which can be evaded in secrecy and altered at will.

"The U.S.A. again calls on the Soviet Union to deal with the vital problem of disarmament in an orderly way, in accordance with the U.N. Charter, to which the signature of the Soviet Union is affixed. That Charter constitutes a solemn agreement. If it is nullified by the Soviet Union, why should the world place confidence in new Soviet engagements?"

At a press conference on April 1 Mr. Dulles described the Moscow announcement as "propaganda," since the Soviet Union "would naturally suspend tests after the conclusion of a series" [i.e. the nine nuclear tests held in the U.S.S.R. between Feb. 22 and March 22]. After saying that the U.S. Administration had had "foreknowledge" that the Soviet Union would probably "make a gesture" after the end of its latest test series, Mr. Dulles disclosed that a White House meeting had been held ten days earlier to discuss "whether to try to steal a march on the Soviets by ourselves announcing a suspension of testing, at least for the time being." It had been decided, however, "in fairness to our responsibilities and our duties to the American people," that the Administration should proceed with its programme of developing smaller and "cleaner" nuclear weapons, rather than abandon it "merely for propaganda advantages."

President Eisenhower, at his weekly press conference on April 2, described the unilateral suspension of Soviet nuclear tests as a "gimmick" that was "not to be taken seriously"; amidst the vast range of East-West problems, the question of test suspension was "just a side issue" that the Soviet Union had seized upon for propaganda purposes. This, however, did not mean that the U.S.A. should not try to seek some common ground with the Soviet Union wherever possible, nor had he abandoned hope of "a sufficient conciliatory attitude by the Soviets so that there could be a constructive summit meeting." The President confirmed that the Administration had considered the unilateral suspension of U.S. tests prior to the Russian announcement, but had rejected this for the reasons mentioned by Mr. Dulles.

In the course of his statement President Eisenhower listed a number of U.S. proposals for international disarmament and *détente* made since the end of the Second World War, all of which had been rejected or ignored by the Soviet Union. They included:

(1) The "Baruch plan" for the international control of atomic energy, presented to the United Nations in June 1946.

(2) The "open skies" proposal made at the Geneva summit conference in July 1955.

(3) The proposal for the peaceful use of outer space, presented by Mr. Cabot Lodge in the U.N. General Assembly in January 1957 and elaborated in his (the President's) letter to Marshal Bulganin of Jan. 12, 1958.

(4) The proposals presented in August 1957 to the London sub-committee of the U.N. Disarmament Commission, including technical studies aimed at drawing up an inspection system for verifying the suspension of nuclear tests; cessation of the production of fissionable material for weapons purposes; and the transfer of nuclear weapon stocks to peaceful uses.

(5) The proposal that the U.S.A. and the U.S.S.R should agree not to exercise the veto power in the Security Council, contained in his letter to Marshal Bulganin of Jan. 12, 1958.

At his press conference on April 9, President Eisenhower said—in reply to questions—that he would "seriously consider" ending American nuclear tests after the completion of the forthcoming summer series at Eniwetok, provided that he was convinced by U.S. scientists that they had all the information needed to make "clean" nuclear weapons. At an earlier press conference on March 26, the President had said that the purpose of the Eniwetok tests would be to demonstrate to other nations "the progress our scientists are achieving in reducing radio-active fall-out from nuclear explosions"; he added that foreign scientists, including scientists from Communist countries, would be invited to witness "a large nuclear explosion" in which fall-out would be "drastically reduced."

Mr. Khrushchev's Letters to President Eisenhower and Mr. Macmillan. - President Eisenhower's Reply.

Letters were sent by Mr. Khrushchev on April 4 to President Eisenhower and Mr. Macmillan drawing attention to the Supreme Soviet's resolution of March 31 on the suspension of nuclear tests by the U.S.S.R., and urging the U.S. and British Governments "to follow this example."

The letters were largely a recapitulation of the resolution adopted by the Supreme Soviet, and of the arguments adduced by M. Gromyko in his speech to that body. After saying that experimental nuclear tests had "already now, in peace-time, become hazards to the health of innocent civilians in various countries," and referring to the petition by 9,000 scientists from 44 countries for the immediate suspension of tests [see page 16013], Mr. Khrushchev commented: "Today nuclear weapons are possessed by only three Powers—the U.S.S.R., the United States, and the United Kingdom—which makes agreement on ending tests relatively easy to achieve. If the tests are not ended now, other countries may also develop nuclear weapons soon, and then agreement to end tests will, of course, be much more difficult."

Mr. Khrushchev's letter ended: "If the Powers now possessing nuclear weapons . . . also decide to give up further tests, this problem . . . will be finally solved and a big step will thereby be taken to strengthening peace and confidence among States. However, if those Powers refuse to respond to this decision of the Soviet Government and continue experimenting with atomic and hydrogen weapons, the Soviet Union will naturally have no other choice but to consider itself free, in the interests of its security, from its commitment to end nuclear tests. The Soviet Government would not like this to happen . . ."

In his reply to Mr. Khrushchev, sent on April 8, President Eisenhower urged that U.S. and Soviet experts should immediately begin to work out the technical problems involved in establishing a system of international control for "a dependable and agreed disarmament programme." The President's letter was worded as follows:

"I have your communication of April 4 repeating, in substance, the already widely publicized statement of the Soviet Government with reference to the suspension of nuclear testing.

"It seems peculiar that the Soviet Union, having just concluded a series of tests of unprecedented intensity, should now, in bold headlines, say that it will not test again, but add, in small type, that it may test again if the United States carries out its already long-announced and now imminent series of tests. The timing, wording, and manner of the Soviet declaration cannot but raise questions as to its real significance.

"The position of the United States on this matter of testing is well known. For several years we have been seeking a dependable ending to the accumulation of nuclear weapons and a dependable beginning to the steady reduction of existing stockpiles. This was my 'Atoms for Peace' proposal, made in 1953 before the United Nations. Surely, the heart of the nuclear problem is not the mere testing of weapons, but the weapons themselves. If weapons are dependably dealt with, then it is natural to suspend their testing. However, the Soviet Union continues to reject the concept of an internationally supervised programme to end weapons production and to reduce weapon stocks. Under those circumstances of the Soviets' making, the United States seeks to develop the defensive rather than the offensive capabilities of nuclear power, and to learn how to minimize the fissionable fall-out. It goes without saying that these experiments, so far as the United States is concerned, are so conducted that they cannot appreciably affect human health.

"Perhaps you recall the joint declaration made by the U.K. and U.S. Governments at Bermuda on March 21, 1957. We then declared that we would conduct nuclear tests only in such a manner as would keep world radiation from rising to more than a small fraction of the levels that might be hazardous. We went on to say that we would continue publicly announcing our test series well in advance of their occurrence, with information as to their location and general timing.

"We further said that we would be willing to register with the United Nations advance notice of our intention to conduct future nuclear tests, and to permit limited international observation of such tests if the Soviet Union would do the same.

"The Soviet Union has never responded to that invitation. Its latest series of tests was conducted behind a cloak of secrecy, so far as the Soviet Union could make it so. Nevertheless, as I recently stated, it is the intention of the United States to invite observation by the U.N. of certain of our forthcoming tests.

"Not only did the Soviet Union ignore our Bermuda proposal on testing, but it has persistently rejected the substance of my 'Atoms for Peace' proposal. It refuses to agree to an internationally supervised cut-off of the use of new fissionable material for weapons purposes and the reduction of existing weapon stocks by transfers to peaceful purposes. During the five years since I first proposed 'Atoms for Peace,' the destructive power in our nuclear arsenals has steadily mounted, and a dependably controlled reduction of that power becomes ever more difficult.

"Now that you Mr. [Khrushchev] have become head of the Soviet Government, will you not reconsider your Government's position and accept my proposal that fissionable materials henceforth be manufactured only for peaceful purposes? If the Soviet Union is as peace-loving as it professes, surely it would want to bring about an internationally supervised diversion of fissionable material from weapons purposes to peace purposes.

"If the Soviet Union is unwilling to accept 'Atoms for Peace,' there are other outstanding proposals by which the Soviet Union can advance the cause of peace. You will recall my 'open skies' proposal made to you and Chairman Bulganin in Geneva in 1955. You will also recall my proposals for the international use of outer space for peaceful purposes, emphasized in my recent correspondence with Chairman Bulganin. These proposals await Soviet acceptance . . .

"If there is ever to be an agreed limitation or suspension of testing—and the United States hopes and believes that this will in due course come about as part of a broad disarmament agreement—plans for international control should be in instant readiness. Why should we not at once put our technicians to work to study together and advise as to what specific control measures are necessary if there is to be a dependable and agreed disarmament programme?

"The U.N. General Assembly has called for technical disarmament studies in relation both to nuclear and conventional armaments. The United States says 'Yes.' I urge that the Soviet Union should also say 'Yes.' Then we can at once begin the preliminaries necessary to larger things."

Soviet Protest at Forthcoming U.S. Nuclear Tests.

The Soviet Government had previously protested to the United States on March 28 against the forthcoming U.S. nuclear tests in the Pacific, following an earlier announcement by the State Department (Feb. 17) that a large ocean area round the Marshall Islands would be dangerous to shipping from April 5, 1958, until further notice.

After referring to the fact that the Marshall Islands were a trust territory administered by the United States under the U.N. Charter, the Soviet Note asserted (1) that the holding of nuclear tests in the Marshalls would "violate the commitments assumed by the U.S.A. with regard to the trust territory, and also violate the principles of international law with regard to the freedom of the high seas"; (2) that the establishment by the U.S.A. of "a vast danger zone of 1,400,000 square kilometres" [about 540,000 square miles] would "not only hamper freedom of navigation and fishing but also infringe the rights of other States and inflict serious damage on them"; (3) that "the holding of nuclear tests on a trust territory is contrary to the principles of the international trusteeship system"; and (4) that radioactive substances resulting from the tests would contaminate the winds and ocean currents.

A State Department spokesman pointed out on March 29 that the Security Council's approval in 1947 of U.S. trusteeship over the islands was "clearly predicated upon the fact that the islands were a strategic area in which nuclear tests had already been held [in 1946] and would be held in future." The spokesman made it clear that the forthcoming test series would be carried out according to schedule.

Statement by Mr. Macmillan. - Immediate Ban on Nuclear Tests urged by Labour Party Leaders.

The following statement on the Soviet suspension of nuclear tests was made by Mr. Macmillan on April 1 in the British House of Commons:

"Any formal statement of H.M. Government's position must wait until we have had the opportunity of consultation with our allies and partners. Meanwhile, I note that the Russian announcement was timed to come after the completion of an extensive and accelerated series of Russian tests, and just before a series of American tests already announced by the U.S. Government, and when the current series of British tests is not completed.

"We have long been anxious, as our proposals have shown, to negotiate an agreement on disarmament which will include arrangements for the ending or suspension of tests under proper conditions, at a suitable date and with agreement on an inspection system. H.M. Government, with other Western Powers, suggested as long ago as July the setting-up of an expert committee to work out the inspection system. That offer has been frequently repeated since, and still stands."

Mr. Macmillan expressed the hope that "this whole question can be brought to a conclusion" at an early summit conference.

The Prime Minister replied to a number of questions by Mr. Hugh Gaitskell (Leader of the Opposition) and Mr. Aneurin Bevan, both of whom pressed for an immediate ban on British nuclear tests, followed by talks with the Russians on effective international controls.

Mr. Gaitskell recalled that several months ago the U.S.S.R. had proposed multilateral suspension of tests with the necessary controls, during the disarmament negotiations. "Had that been accepted by the Western Powers," he declared, "the tests of which you [Mr. Macmillan] have spoken would never have been carried out by the Soviet Union. There is a widespread desire in this country that we should make an effective response to what the Russians have said. There is a general feeling that we should indicate our willingness to suspend tests and propose immediate talks with the Russians on the controls needed to check them."

Mr. Macmillan reiterated that H.M. Government had proposed setting up an expert committee for control of tests as long ago as July 1957. That offer was rejected by Russia but still remained open, and he thought this approach was the one most likely to obtain satisfactory results.

Mr. Gaitskell suggested that the Soviet Union had rejected the offer because the Western Powers had "insisted on attaching to multilateral suspension conditions relating to other parts of the disarmament agreement." He added: "There is a widespread fear that if Britain delays taking advantage of this offer by Russia, and says that she or America must carry out further tests, the difficulty will arise of some country saying 'No, we cannot have suspension because we have to make some tests.' I beg the Prime Minister to do everything he possibly can to see that a positive and not a negative response is made to the Soviet proposal."

Mr. Bevan (Labour) remarked that M. Gromyko's statement about the suspension of Soviet tests had been expected for some time, and in fact had been anticipated by many newspapers. Could not the British Government have had consultations in anticipation of that statement? The Prime Minister had recently made a statement, which was universally applauded, declaring that he was "anxious for any progress, no matter how humble, because one small advance might make other advances easier." Why, then, did not Mr. Macmillan act with "a little more moral courage" and accept the Russian offer?

Mr. Macmillan replied: "I am as anxious for advance as any member of the House, but anxious that it should be properly negotiated, properly tied up, and effective without endangering our security. As for moral courage, the House must judge."

American and Russian Nuclear Tests since 1946.

The U.S. Atomic Energy Commission stated on March 31 that the Soviet Union had exploded at least 39 nuclear devices in the last nine years, while the United States had carried out 90 nuclear explosions in the last 13 years, including the bombs dropped on Hiroshima and Nagasaki in 1945.

The *New York Times* commented (March 31): "The first Soviet atomic explosion is believed to have taken place on Sept. 23, 1949. Since then the United States has announced a total of 39 Soviet tests, including the first hydrogen bomb explosion on Aug. 12, 1953. The actual total of Soviet explosions is probably somewhat larger, since the Atomic Energy Commission has followed a policy of only announcing those it deems of particular significance or interest. The Soviet explosions have taken place primarily at two principal test areas—in Central Asia and in the Barents Sea area north of the Arctic Circle.

"Because of its comparatively late start in the nuclear field, the Soviet Union staged few explosions in the 1949-54 period, with two each in 1951 and 1953 and one in 1954. During the same period the United States set off 16 explosions in 1951, 10 in 1952, 11 in 1953, and three hydrogen bombs in 1954.

"Since 1955 the Soviet test schedule has sharply accelerated. In the last nine months there were 15 explosions, including two hydrogen bombs on Feb. 27. There were four Soviet explosions in 1955, seven in 1956, 12 in 1957, and nine in 1958.

"In the last three years the United States also has been increasing the number of test explosions as it sought to decrease the size of atomic warheads, minimize radioactivity, and develop a varied family of weapons adaptable for tactical battlefield and defensive use as well as strategic devastation.

"The United States exploded 15 test devices in 1955, three in 1956, 24 in 1957, and is scheduled to set off up to 20 explosions in the forthcoming test series in the Pacific beginning next month."

In reply to a House of Commons question on March 27, Mr. Macmillan stated that the Russians had carried out over 50 nuclear tests "in the last few years."

Possibility of Undetected Nuclear Tests.

The Soviet announcement of the suspension of tests aroused much controversy in American scientific circles as to whether it might not be possible for a country—and specifically the Soviet Union—to carry out nuclear tests which would remain undetected by the outside world, by "camouflaging" them as underground explosions which could be mistaken for earthquakes. President Eisenhower had asked his Science Adviser to examine this problem, and Dr. Killian accordingly set up a special group under Dr. Hans Bethe (a leading nuclear physicist at Cornell University) to conduct detailed studies. Dr. Killian's report was not made public, on the ground that it would give the Russians too much information about U.S. techniques for detecting nuclear explosions.

Senator Hubert H. Humphrey, chairman of the Senate Disarmament Sub-committee, announced on April 13 that the sub-committee would carry out its own investigations into the possibility of detecting underground explosions; the findings would be made public "so that the American people can know the facts of inspection systems to verify a suspension of weapons tests." Questionnaires would be sent to all leading American seismologists asking them for their views on this matter, and evidence would be taken from Dr. Edward Teller (who played a leading part in developing the H-bomb), Admiral Lewis Strauss (chairman of the Atomic Energy Commission), and Dr. Hans Bethe. [The *New York Times* stated that Dr. Teller and Admiral Strauss had "opposed suspension of nuclear tests" and had "contended that the Soviet Union could evade an agreement with underground tests represented as earthquakes."] Senator Humphrey had previously urged the publication of Dr. Killian's report, but had failed to persuade the Atomic Energy Commission to authorize its release.

In a televised interview on April 13, Senator Humphrey said that there was a great deal of evidence to support a Danish newspaper report [see below] that a "catastrophic accident" involving radioactive fall-out had forced the Soviet Union to end its latest test series. Mr. Humphreys said that the Soviet tests were the "dirtiest"—in the sense of dangerous radioactivity—of any carried out to date, and had "literally covered" the northern areas of the U.S.S.R., the Scandinavian countries, Northern Europe, the United States and Japan with "very heavy" radioactive fall-out. [As stated in 16095 B, exceptionally high radioactivity was reported in Japan, Sweden, and Norway during the period of the Russian nuclear tests].

Senator Humphrey disclosed that an underground non-nuclear explosion of a magnitude of about 3.4 kilotons had taken place in the Soviet Union on March 25 and had been recorded in Nevada (5,000 miles away), Alaska, India, and Sweden. This explosion had occurred in the northern Urals, an area which had been free from earthquakes for 40 years, and its detection at such great distances was highly significant.

[The explosion to which Senator Humphrey referred had been described by *Pravda* as a "conventional" (i.e. non-atomic) explosion, "the most powerful in Russian industrial history"; it was designed to divert the Kalonga River so as to prevent the flooding of iron-ore mines in the area.]

The Danish newspaper *Berlingske Tidende*, quoting information reaching Copenhagen through diplomatic channels from Moscow, stated on April 13 that the recent Soviet nuclear tests had been broken off because of a "catastrophic accident." The nature of the reported accident was not defined, but it was stated that it had caused radioactive fall-out over the Soviet Union and many neighbouring countries to increase to danger-point.

In reply to a question in the British House of Commons on April 5, Mr. Macmillan said that "we now have specific evidence confirming that a deliberate attempt to hold a nuclear test explosion so as to avoid detection would almost certainly be successful."—(New York Times - New York Herald Tribune - Times - Daily Telegraph - Manchester Guardian - Soviet Embassy Press Department, London - Berlingske Tidende) **(Prev. rep. 16101 A; 16095 B.)**

A. AVIATION. — Paris-Tokio Transpolar Service.

A new direct air service from Europe to the Far East over the North Pole was inaugurated by *Air France* on April 10, when one of its new Lockheed *Super Starliners* left Paris for Tokio. After only one stop at Anchorage (Alaska), the plane arrived in the Japanese capital in the morning of April 12, taking only 30 hours for the 8,250-mile journey as compared with 45 hours on the southern route *via* Karachi, Delhi, Bangkok, and Saigon. Amongst those taking part in the inaugural flight was M. Gaston Monnerville, president of the Council of the Republic. A weekly flight will be made over the polar route in each direction, and a second flight added later. (Le Monde, Paris) **(Prev. rep. 15794 A.)**

B. UNITED STATES.—Disbanding of Ku Klux Klan. - The Maxton Incident. - Sentences on Klan Leaders.

A rally of about 100 members of the Ku Klux Klan, which was to have been addressed by the "Grand Wizard," the Rev. James W. Cole, was put to flight on Jan. 18 near the small town of Maxton (in Robeson County, North Carolina) by about 500 Red Indians of the Lumbee tribe, armed with shotguns, who destroyed the Klan's "fiery cross" and amplifying equipment. The Klansmen were rescued by State troopers, who organized their removal from the scene.

The population of Robeson County consists of 40,000 Whites, 30,000 Indians, and 25,000 Negroes, who live in separate communities and attend separate schools. The Klan had burned fiery crosses on Jan. 13 outside the homes of an Indian living in a house formerly owned by whites and of a white family which had taken an Indian boarder. In view of the tension aroused among the Indians by these actions, the Sheriff of Maxton had twice warned Mr. Cole not to hold the proposed rally; the local clergy had urged the population to boycott the rally, and the all-white Maxton town board had passed a resolution declaring that "we want nothing to do with the Klan."

Mr. Cole was sentenced on March 14 to 18 to 24 months' imprisonment for inciting a riot, and another leader of the Klan to six to 12 months' imprisonment. Commenting on the incident, Governor Hodges of North Carolina said that the responsibility for the riot "rests squarely on the irresponsible and misguided men who call themselves leaders of the Ku Klux Klan."

At Greenville, South Carolina, four members of the Klan were sentenced on Jan. 23 to terms of imprisonment ranging from one to six years for beating a Negro because he and his wife had cared for seven white children while their mother was in hospital.

Mr. William Hendrix, "Imperial Father" of the Ku Klux Klan, announced on Jan. 24 that its members had been ordered to disband and to destroy all records and robes, but that some sections of the movement would unite under the name of the "National Christian Church."

Founded after the Civil War to terrorize the emancipated Negro slaves, the Klan was revived in 1915 as an extreme racialist, anti-Negro, anti-Semitic, and anti-Catholic secret society. For some years it exercised great influence in the Southern States.—(New York Times - N.Y. Herald Tribune) **(Prev. rep. 15947 A; 10180 A.)**

C. UNITED KINGDOM. — New Junior Ministers.

The following junior ministerial appointments were announced from 10, Downing Street, on April 14: (*a*) Mr. Richard Wood as Parliamentary Secretary to the Ministry of Labour in succession to Mr. Robert Carr, who resigned for personal business reasons; (*b*) Mr. W. M. F. Vane as Joint Parliamentary Secretary to the Ministry of Pensions and National Insurance in place of Mr. Richard Wood.

Mr. Carr (41) resigned his ministerial post to become chairman of John Dale Ltd., a light engineering firm in North London founded by his great-great-grandfather in 1837. He is Conservative M.P. for Mitcham, and was formerly Parliamentary Private Secretary to Sir Anthony Eden when the latter was Foreign Secretary.

Mr. Richard Wood (37), the second surviving son of Lord Halifax, lost both legs while on active service in the Middle East during the Second World War; as Joint Parliamentary Secretary to the Ministry of Pensions he was specially concerned with the problems of ex-Servicemen. Mr. Vane (49), a Territorial Army officer for 17 years before entering Parliament, was formerly P.P.S. to Mr. Heathcoat Amory at the Board of Trade and the Ministry of Agriculture.

Mr. Wood has been M.P. for Bridlington since 1950, and Mr. Vane M.P. for Westmorland since 1945. Both are Conservatives. (Times - Daily Telegraph) **(Prev. rep. 15964 E.)**

D. URUGUAY. — New Chairman of National Council of Government.

Dr. Carlo L. Fischer became Chairman of the National Government Council on March 1 for the year 1958-59 (ending Feb. 28, 1959) in succession to Señor Lezama, who had held that office in 1957-58. Under the Uruguayan Constitution, the office of chairman of the National Government Council—corresponding to the Presidency of the Republic—rotates every year between the members of the majority party on the Council, and is thus analogous to the Swiss presidential system.

The National Government Council consists of six representatives of the majority *Quincista* party (Dr. Fischer, Sr. Luis Batlle Berres, Dr. Alberto Zubiria, Sr. Arturo Lezama, Sr. Justino Zavala Muñiz, and Dr. Zoilo Chelle) and three representatives of the minority Opposition parties (Dr. Luis Alberto de Herrera, Sr. Daniel Fernandez Crespo, and Sr. Ramón Viña). (Bank of London and South America) **(Prev. rep. 15440 C.)**

A. UNITED KINGDOM. — Civil Estimates, 1958-59.

The Civil Estimates for the financial year 1958-59 were published on Feb. 17, together with the Estimates for the Revenue Departments and the Ministry of Defence (civil expenditure). They showed an estimated total expenditure of £3,418,932,067, an increase of £105,698,153 over the total of the original estimates for 1957-58.

The sums required for the various classes of expenditure, with the corresponding amounts for 1957-58 given for comparison, are shown in the following table :

	Total Civil Estimates† 1958-59 £	1957-58 £
Central Government Services ..	16,889,943	16,799,899
Foreign and Colonial Offices, etc. ..	80,700,292	93,819,014
Home Department, Law and Justice	99,215,009	100,825,666
Education and Broadcasting ..	520,816,906	481,496,401
Health, Housing, and Local Government	779,091,968	788,915,868
Board of Trade, Ministries of Labour and Supply	269,410,730	288,480,328
Ministry of Works, Public Buildings, Stationery and Printing, Central Office of Information	79,987,990	78,861,280
Ministry of Agriculture, Fisheries and Food, etc.	360,902,439	351,128,137
Ministry of Transport and Civil Aviation, Ministry of Power, Department of Scientific and Industrial Research, Atomic Energy, Roads, etc.	221,666,068	203,327,706
Ministry of Pensions and National Insurance, etc.	543,974,685	490,981,475
Total Civil Estimates	2,972,656,030	2,897,635,774
Revenue Departments :		
Customs and Excise	17,008,037	16,489,630
Inland Revenue	44,820,000	41,981,000
Post Office	367,698,000	339,512,000
Total for Revenue Departments	429,526,037	397,982,630
Ministry of Defence*	16,750,000	17,615,510
Grand Total	3,418,932,067	3,313,233,914

*See also Defence Estimates. †Adjusted for Transfers.

Particulars of the more important items included in the Civil Estimates are given below, with comparative figures for 1957-58 in parentheses :

National Health Service. £530,712,430 (£545,330,965), of which £472,459,430 was for England and Wales and £58,253,000 for Scotland.

Housing. England and Wales £65,918,820 (£63,893,720), Scotland £16,293,700 (£15,372,780).

Agricultural Subsidies and Grants. £265,094,200 (£254,132,670).

Ministry of Education. England and Wales £381,667,154 (£355,803,587), Scotland £52,976,158 (£49,397,051).

Ministry of Supply. £231,300,000 (£238,937,000).

Other Estimates included £277,130,000 for National Insurance and Family Allowances ; £136,533,000 for the National Assistance Board ; £100,241,250 for War Pensions ; £17,303,061 for Colonial Services ; £19,500,000 for Colonial Development and Welfare ; £49,024,140 for grants to Universities and Colleges ; £33,889,500 for Broadcasting ; £28,945,200 for Public Buildings ; £70,398,260 for Roads in England and Wales and £10,688,690 for Roads in Scotland ; and £100,000,000 for Atomic Energy. (1958-59 Votes on Account) **(16113 A ; 15397 B.)**

B. ISRAEL. — Shell Company of Palestine sold to Wolfson Investment Company.

It was announced in London on April 1 that the Shell Company of Palestine, which distributes and markets petroleum products in Israel and was jointly owned by the Royal Dutch-Shell and British Petroleum groups, had been purchased by a newly-formed U.K. investment company, Iwol Investments, headed by Mr. Isaac Wolfson, chairman of Great Universal Stores.

The assets of the Shell Company of Palestine in Israel have been estimated at £4,250,000. They include a storage installation at Haifa, bulk oil depots at Tel-Aviv, Jerusalem, and Beersheba, about 50 service and filling stations, and distributing equipment such as pumps, tanks, and road vehicles. Consumption of petroleum products in Israel in 1957 totalled some 1,300,000 tons, of which about 40 per cent was handled by the Shell Company of Palestine. The purchase price was not announced, but press reports mentioned a figure of around £5,000,000.

The Shell and B.P. Companies decided in July 1957 to cease the marketing and distribution of petroleum products in Israel.—(Times - Financial Times) **(Prev. rep. 15720 A.)**

C. GUATEMALA. — Presidential Election.

Guatemala's second presidential election within three months was held on Jan. 19, 1958, resulting in the election of General Miguel Ydigoras Fuentes, the candidate of the right-wing Party of National Reconciliation (*Partido Redención Nacional*, or P.R.N.). Three other candidates contested the election—Colonel José Luis Cruz-Salazar, lately Guatemalan Ambassador in Washington, who ran for the right-wing National Democratic Movement (*Movimiento Democrático Nacional*, M.D.N.) ; Señor Mario Mendez Montenegro, a lawyer, representing the left-wing Revolutionary Party (*Partido Revolucionario*) ; and Colonel Enrique Ardón Fernandez, candidate of a small party known as the National Liberal Union.

As stated in 15852 A, the elections of October 1957 were invalidated after General Ydigoras Fuentes and his supporters had alleged that the successful candidate, Señor Ortiz Passarelli, had been " illegally " elected as a result of fraudulent manipulation of the ballot in rural areas. Of the three main parties contesting the January elections, the P.R.N. represents the most conservative interests in the country, including the wealthiest landowners and businessmen ; the M.D.N. is a conservative group pledged to carry on the policies of the late President Castillo Armas, who was assassinated in July 1957 ; and the *Partido Revolucionario* is a new left-wing party to which registration was denied in October, but which was permitted to contest the January elections.

Voting took place on Jan. 19 in an orderly atmosphere and with few incidents, the electors also choosing 33 of the 66 members of Congress in addition to a new President. The Office of the Provisional President (Señor Flores Avendano) announced on Jan. 20 that " tentative " results showed 140,802 votes for General Ydigoras Fuentes, 98,238 for Señor Mendez Montenegro, and 97,668 for Colonel Cruz-Salazar, the fourth candidate polling negligibly. The M.D.N. and the *Partido Revolucionario*, however, each claimed that their own candidate had headed the poll, while the P.R.N. claimed that General Ydigoras Fuentes had a majority of over 50,000 over his nearest opponent, and not 42,000 as stated by the Government.

In view of these objections, President Flores Avendano set up a 15-man Electoral Commission to scrutinize the results and issue final figures on the basis of complete reports by the Provincial Governors. The definitive results were announced by the Electoral Commission on Feb. 9 as follows : General Ydigoras Fuentes, 190,972 votes ; Colonel Cruz-Salazar, 138,488 ; Señor Mendez Montenegro, 132,824 ; Colonel Ardón Fernandez, 5,834. The total of 492,274 votes (including 24,156 invalid papers) was the highest ever recorded for a Guatemalan presidential election, though representing less than 50 per cent of the registered electorate of over 1,000,000.

Although General Ydigoras Fuentes had a majority of 52,000 over his nearest opponent, he failed to obtain the constitutionally required minimum (a bare majority of the total votes) necessary for election to the Presidency. Under the Constitution, therefore, the Guatemalan Congress had to choose between the two leading candidates - i.e. General Ydigoras Fuentes and Colonel Cruz-Salazar. The new Congress, meeting on Feb. 12, elected General Ydigoras Fuentes by 40 votes against 18 for Colonel Cruz-Salazar, with seven " blank " votes and one deputy absent.

General Ydigoras Fuentes (62) was sworn in as President of Guatemala on March 2 for a six-year term. A biography of the new President is given in 15852 A.—(New York Times)

(Prev. rep. 15852 A.)

D. AUSTRALIA. — First Atomic Reactor.

Australia's first atomic reactor was started up by the Prime Minister, Mr. Menzies, when he opened the Australian Atomic Energy Commission's research establishment at Lucas Heights, Sydney, on April 18.

The British-designed reactor, built by Head, Wrightson & Co., and known as HIFAR (High Flux Australian Reactor), is a heavy-water-moderated research model similar to those being built in the United Kingdom. It has a heat output of 10,000 kw. and a high neutron intensity ; for safety reasons it is housed in a 70-ft.-high dome-shaped cylindrical building. In addition to being used for research work, it will be a major producer of isotopes for use in medicine, science, industry, and agriculture. The cost of building the Lucas Heights station (on which work began at the end of 1955) was over £A5,000,000, including over £A1,000,000 spent in Britain. (Australian News and Information Bureau)

(Prev. rep. 14360 A.)

E. DENMARK. — Princess Margrethe assumes Constitutional Duties as Heiress to Throne.

Princess Margrethe, daughter of King Frederik IX and Queen Ingrid, officially assumed the duties of heiress to the Danish throne—including membership of the State Council—on April 16 (her 18th birthday), when she came of age under the Constitution of 1953.—(Berlingske Tidende, Copenhagen)

(Prev. rep. 12950 C ; 12921 A.)

APRIL 19—26, 1958

A. CANADA. — Conservative Victory in General Election. - Large Overall Majority in New Parliament.

Canada's second general election within nine months, held on March 31, resulted in a sweeping victory for the Progressive Conservative Party led by Mr. J. G. Diefenbaker, the Prime Minister. In the biggest political landslide in Canadian history, the Conservatives won 97 seats from other parties and emerged with an overall majority of 153 in the new Canadian Parliament- the 24th of the Confederation.

A total of 836 candidates stood for the 265 seats, the Progressive Conservatives and Liberals contesting every constituency. The C.C.F. presented 169 candidates (seven more than in 1957) and the Social Credit Party 82 (32 fewer). There were also 55 Independents and others, including 18 candidates of the Labour-Progressive (Communist) party.

Party strengths at the dissolution of the former House were: 113 Progressive Conservatives, 106 Liberals, 25 C.C.F. (Labour), 19 Social Credit, and two Independents. There were no vacancies. As stated in 16016 B, Mr. Diefenbaker sought a dissolution because the Progressive Conservatives did not command an overall majority in the House elected in June 1957.

The results of the general election were as follows, showing comparison with the 1957 elections:

	March 1958		June 1957	
	Seats	Votes	Seats	Votes
Progressive Conservatives	209	3,738,522	111	2,656,312
Liberals	48	2,316,322	104	2,704,690
C.C.F. (Labour)	8	671,736	25	707,833
Social Credit	—	180,084	19	435,263
Independents	—	50,425	6	195,434

Notes. (1) The slight discrepancy between the Conservative and Liberal representation after the 1957 elections and at the dissolution is accounted for (*a*) by the fact that several of the Independents elected in 1957 subsequently joined one or other of the two major parties, and (*b*) by by-elections during the lifetime of the former Parliament.

(2) The figure of 111 Progressive Conservatives in 1957 includes the postponed result in Wellington South (see 15676 C).

(3) Voting figures for 1958 are the latest available, covering 41,961 of the country's 43,873 polling stations (96 per cent of the total); the figures for 1957 are complete and revised.

(4) The 48 Liberals in the new House include a Liberal-Labour member, re-elected for Kenora-Rainy River (Ontario) after a recount. In the comparative figures for 1957 he is included among the six Independents.

Party representation in the new House of Commons by provinces is as follows:

	Progressive Conservative	Liberal	C.C.F.
Newfoundland	2	5	—
Prince Edward Island	4	—	—
Nova Scotia	12	—	—
New Brunswick	7	3	—
Quebec	50	25	—
Ontario	68	14*	3
Manitoba	14	—	—
Saskatchewan	16	—	1
Alberta	17	—	—
British Columbia	18	—	4
Yukon and North-West Territories (Mackenzie River)	1	1	—

*Including a Liberal-Labour member.

Party votes by provinces (returns from 41,961 of the 43,873 polling stations, or 96 per cent of the total) were as follows:

	P.C.	L.	C.C.F.	Others
Newfoundland	68,914	77,574	234	252
Prince Edward Island	41,981	25,187	211	—
Nova Scotia	206,678	136,752	16,132	—
New Brunswick	126,402	99,310	4,019	1,443
Quebec	962,481	886,327	45,193	50,864
Ontario	1,376,398	788,145	258,723	12,974
Manitoba	208,197	78,111	72,613	8,182
Saskatchewan	183,269	72,896	108,197	1,873
Alberta	261,870	57,236	19,154	95,052
British Columbia	297,752	90,374	147,260	59,749
Yukon and N.W. Territories (Mackenzie River)	4,580	4,410	—	120

Social Credit votes (included under "Others") were 93,278 in Alberta, 57,143 in British Columbia, 12,173 in Quebec, 8,809 in Ontario, 6,681 in Manitoba, 1,443 in New Brunswick, and 1,277 in Saskatchewan.

The Progressive Conservatives were returned as the majority party in nine of the ten provinces—the exception being Newfoundland, the only province with a Liberal majority. In addition to holding Ontario, Manitoba, British Columbia, and New Brunswick, the Conservatives won Quebec, Nova Scotia, and Prince Edward Island from the Liberals, Saskatchewan from the C.C.F., and Alberta from the Social Credit Party. Of the 265 seats in the Federal House of Commons, 165 remained unchanged in political representation; the Conservatives won 97 from other parties as stated above (59 from the Liberals, 19 from Social Credit, 17 from the C.C.F., and two from Independents); and the Liberals won three from Independents. The Conservatives polled 1,000,000 more votes than in 1957, their proportion of the total poll increasing from 40 per cent to 54 per cent.

The Conservatives' most spectacular success was in Quebec, where they won a majority of seats for the first time since 1887. Of the 75 Quebec seats, the Conservatives won 50 (against only nine in 1957), including five which had not returned a Conservative during the present century. Constituencies previously regarded as safe Liberal seats were won in many parts of the province—e.g. the traditional Liberal seat of Quebec East, where Mr. Louis St. Laurent had a majority of over 17,500 at the last election, returned a Conservative for the first time since 1872.

All Conservative Ministers were re-elected, mostly with large majorities. Mr. John Diefenbaker had a majority of over 11,000 at Prince Albert (Saskatchewan); Dr. Sidney Smith, the Secretary for External Affairs, had a majority of over 6,000 at Hastings-Frontenac (Ontario); Major-General Pearkes had a majority of nearly 14,000 at Esquimalt-Saanich (British Columbia); Mr. Donald Fleming had a 19,000 majority at Toronto-Eglinton; Mr. Gordon Churchill had a 20,000 majority at Winnipeg South-Centre; and Mrs. Ellen Fairclough (the only woman member of the Cabinet) had a majority of nearly 14,000 at Hamilton West (Ontario). The only other woman member in the new House was also returned for the Conservatives—Miss Margaret Aitken, who had a 15,000 majority at York-Humber (Ontario).

The Liberals suffered their worst defeat in Canadian political history, their representation falling to its lowest point since Confederation. As stated above, they lost three provinces to the Conservatives—including the traditional Liberal stronghold of Quebec—and are now without representation in six provinces; Newfoundland alone returned the Liberals as the majority party (five out of seven seats). The Liberals polled nearly 400,000 fewer votes than in 1957, their percentage of the total falling from 40 per cent to 33 per cent.

Among prominent Liberals defeated were three former Ministers—Mr. George Marler (ex-Minister of Transport), Mr. James Gardiner (ex-Minister of Agriculture) and Mr. James Sinclair (ex-Minister of Fisheries) - and the Liberal Chief Whip in the former House, Dr. Pierre Gauthier. All were defeated by Conservative candidates—Mr. Marler at St. Antoine-Westmount (Montreal), Mr. Gardiner at Melville (Saskatchewan), Mr. Sinclair at Coast-Capilano (British Columbia) and Dr. Gauthier at Portneuf (Quebec). Mr. Jean-Paul St Laurent, son of the former Liberal Prime Minister, was defeated by a Conservative at Temiscouata (Quebec). Mr. Louis St. Laurent (76) did not seek re-election for reasons of health.

Mr. Lester Pearson, the new leader of the Liberal Party, was re-elected for Algoma East (Ontario) with a majority of 2,500 in a three-cornered contest. Other prominent Liberals re-elected included Mr. Lionel Chevrier (Montreal-Laurier), a former Minister of Transport; Mr. Paul Martin (Essex East, Ontario), former Minister of Health; Mr. J. W. Pickersgill (Bonavista-Twillingate, Newfoundland), former Minister of Citizenship and Immigration; and Mr. Jean Lesage (Montmagny-L'Islet, Quebec), former Minister of Northern Affairs.

The severe reverse suffered by the C.C.F. involved the defeat of the party's leader, Mr. M. J. Coldwell, and its deputy leader, Mr. Stanley Knowles, both of whom lost their seats to the Conservatives—Mr. Coldwell at Rosetown-Biggar (Saskatchewan), a constituency he had represented since 1935, and Mr. Knowles at Winnipeg North-Centre, hitherto regarded as a safe Labour seat. The C.C.F. lost nine of its 10 former seats in Saskatchewan and all five in Manitoba, its eight members in the new House comprising four from British Columbia, three from Ontario, and one from Saskatchewan. The total C.C.F. vote fell by 36,000, and its percentage of the total poll from 11 per cent to 10 per cent.

In a post-election statement, Mr. Coldwell said that he would not run for Parliament again and that his electoral defeat "ends my work in the House of Commons, to which I have given the best years of my life."

The Social Credit Party was eliminated in the Canadian Parliament for the first time since 1935. All its 19 former seats (13 in Alberta and 6 in British Columbia) were won by Conservatives, the party leader—Mr. Solon Low—being defeated at Peace River (Saskatchewan) in a four-cornered contest. The Social Credit vote fell by 255,000 as compared with 1957, its percentage of the total vote dropping from six per cent to two per cent.

The Social Credit Party, born of the depression of the 'thirties, won control of the Alberta Legislature in 1935 and returned 17 members to the Federal Parliament in the same year. It returned 10 members to the Federal House of Commons in the elections of 1940 and 1949, and reached its peak representation in 1957 with 19 members.

Based on the economic theories of Major C. H. Douglas, the British writer, the Social Credit Party was founded by the late Mr. William Aberhart, a Calgary school-teacher who became the first Social Credit Premier of Alberta in 1935. The party has had its principal stronghold in Alberta since that time, and has also obtained a considerable following in British Columbia.

On the basis of 96 per cent of complete returns, the total number of votes was 6,957,089 (about 78 per cent of the electorate), the highest figure for any Canadian general election, and about 260,000 more than in 1957. A total poll of well over 7,000,000 is expected when the remaining four per cent of returns are known, including overseas and Service-men's votes.—(Montreal Star - Toronto Globe and Mail) **(Prev. rep. 16016 B ; 1957 Elections, 15676 C ; 15613 A.)**

A. NETHERLANDS. — Split in Communist Party.

A dispute in the Netherlands Communist Party, which has seven seats in the Lower Chamber of the States-General and four in the Upper Chamber, resulted in a split on April 15, when four of the seven deputies in the Lower House formed themselves into a separate parliamentary group led by Mr. Henk Gortzak.

On April 4 the party's executive had suspended its chairman (Mr. Wagenaar) and three other deputies—Mr. Gortzak, Mr. Brandsen (secretary of the Communist-dominated trade union [E.V.C.] and vice-president of the International Federation of Communist Trade Unions), and Mr. F. Reuter (chairman of the E.V.C.)—after accusing them of plotting to seize control of the party with a "rightist *bourgeois*" policy; at the same time Mrs. Lips-Odinot (also a member of the Lower Chamber) was expelled from the party's executive. Mr. Paul de Groot, the party's general secretary, accused the suspended members of being a "rightist group" who had committed "open treason," while the dissident members accused Mr. de Groot of having for a long time displayed an "authoritarian attitude."

In addition to Mr. Gortzak, the "dissident" parliamentary group comprises Mr. Wagenaar, Mr. Brandsen, and Mrs. Lips-Odinot; the "official" group consists of Mr. de Groot, Mrs. Bakker, and Mr. Borst.—(Netherlands News Agency)

B. SOVIET UNION. — End of Sputnik II.

The second Russian earth satellite (*Sputnik II*), which was placed in orbit on Nov. 4, entered the denser layers of the atmosphere on April 14, disintegrated and was burned up. The Tass Agency announced that its fragments "were dispersed in a south-easterly direction over the Lesser Antilles, Brazil and the Atlantic Ocean." During its existence *Sputnik II* completed some 2,370 revolutions of the earth and travelled about 62,000,000 miles. It carried the dog "Laika," whose death was announced 11 days after the satellite was placed in orbit. *Sputnik II* was last seen late in the evening of April 13, when hundreds of people in Barbados reported seeing a "comet-like object with a tail of fire" burn up over the Caribbean; the crew of a Dutch tanker in the area saw the phenomenon at the same time.

The Tass Agency confirmed on Jan. 20 that *Sputnik I* had ceased to exist on Jan. 4, as previously announced by British and American astronomers.—(Soviet Embassy Press Department, London - Times) **(Prev. rep. 15950 C.)**

C. POLAND. — Repatriation Statistics.

It was announced in Warsaw during April that 137,038 Poles had been repatriated from foreign countries between the autumn of 1955 and Dec. 31, 1957, of whom 131,087 had returned from the Soviet Union and 5,190 from Western countries, chiefly Western Germany, Great Britain, and France. Of the nearly 94,000 Poles repatriated from the U.S.S.R. in 1957, almost 90 per cent came from Byelorussia, the Ukraine and Lithuania. It was stated that about 80 per cent of the repatriates had been settled in the western and northern territories of Poland.—(Polish Embassy Press Office, London) **(Prev. rep. 15499 A ; 14928 B ; 14510 A.)**

D. FRANCE. — New Chief of Staff and Inspector-General of Air Force.

The appointment of Air Force General Max Gelée as Chief of Staff of the Air Force, and of Air Force General Paul Bailly as Inspector-General of the Air Force, was officially announced in Paris on March 19. General Gelée had previously been Inspector-General and General Bailly Chief of Staff.
(Le Monde, Paris) **(Prev. rep. 15827 F ; 14309 D.)**

E. SOUTH AFRICA. — Death of Sir Ernest Oppenheimer. - The Oppenheimer Memorial Trust.

Sir Ernest Oppenheimer, mining magnate, financier, industrialist and philanthropist, and for 40 years an outstanding figure in South Africa's national life, died in Johannesburg on Nov. 25, 1957, aged 77. He was head of three great industrial "empires"—the Anglo-American Corporation of South Africa, De Beers Consolidated Mines Ltd., and Rhodesian Anglo-American Ltd.—and of the many subsidiary companies in these groups.

Born at Friedberg, Hesse (Germany), the son of a Jewish cigar merchant, Ernest Oppenheimer came to London at the age of 16 to work in the diamond merchant firm of Anton Dunkelsbuhler. When 22 years of age he was sent out to South Africa as the firm's representative in Kimberley, and rapidly established himself as a leader in the diamond industry. He also played a prominent part in municipal affairs, being Mayor of Kimberley in 1912-15 and helping to raise the Kimberley Regiment at the outbreak of the First World War. He was knighted for his services to the Empire in 1921.

In 1917, together with an American mining engineer (Mr. W. L. Honnold), Ernest Oppenheimer formed the Anglo-American Corporation of South Africa, of which he became chairman—a position he held throughout his life. Buying up important German diamond interests in South-West Africa in 1919, he emerged as one of the most powerful figures in the diamond industry, becoming chairman of the Consolidated Diamond Mines of South-West Africa and the Premier Diamond Mine. During the 'twenties the Anglo-American Corporation under Oppenheimer's leadership became heavily interested in the gold and copper-mining industries of Southern Africa in addition to diamond mining, and rose to a position of great prominence in the mining and financial worlds. Extending its activities to Rhodesia, the Corporation played a major part in developing the territory's copper, lead, zinc, and other mineral resources; to consolidate its important holdings in Northern Rhodesia, the Rhodesian Anglo-American Company (Rhoanglo) was formed in 1929 with Sir Ernest as chairman. In the same year Sir Ernest was invited to join the board of De Beers—the world's largest diamond-producing concern, in which he had become a major shareholder—and in the following year he became chairman of De Beers. He also formed the Diamond Corporation in 1930 to control world marketing of diamonds.

Sir Ernest was largely instrumental in saving the diamond industry from threatened collapse during the world economic depression of 1931. He consolidated his own organization, persuaded competitors to pool their resources to meet the emergency, and formed the Diamond Producers' Association which controlled the flow of diamonds to the market, bought up stocks which threatened to flood the market, and kept prices stable.

The companies headed by Sir Ernest at the time of his death control about 95 per cent of the world's supply of diamonds, and constitute the world's biggest single gold-producing group. They also control about half the production of the Rhodesian Copperbelt (which is itself about 15 per cent of the total world supply), about 45 per cent of South Africa's coal output, and much of its uranium, lead, zinc, and vanadium. In addition, they hold large interests in engineering, cold storage, land, and ranching. The Anglo-American Corporation group comprises over 80 companies, including the Rand Selection Corporation, the Anglo-American Investment Trust, De Beers, Rhoanglo, the African and European Investment Company, and large gold-mining producers in the Rand and the Orange Free State.

Apart from his vast industrial and financial interests, Sir Ernest Oppenheimer played an important part in South African political life as a leading member of the South African Party. A friend of General Smuts, he entered the Union Parliament in 1924 as Member for Kimberley and represented the constituency until 1938, when he left politics to devote himself to his business interests.

Among Sir Ernest's philanthropic benefactions, hundreds of them anonymous, were many for the Red Cross and St. John's, on whose directing committees he served for many years; he played a prominent part in the campaign for the prevention and treatment of blindness, and was chairman of the St. John's Committee for the Prevention of Blindness set up to deal with this problem. He also fostered research into cardiac diseases and endowed a Chair of Surgery at the University of the Witwatersrand, as well as a Chair of Engineering at Stellenbosch University. In the industrial field he was specially concerned with providing good housing and amenities for his employees, both Native and European, and gave a £3,000,000 loan to Johannesburg City Council so that slum and "shanty" areas could be pulled down and their African inhabitants re-housed in good conditions on the city's outskirts. A strong supporter of the Commonwealth, he gave £100,000 to Oxford University in 1954 towards the establishment of Queen Elizabeth House as a centre for Commonwealth studies (see 13664 D). Sir Ernest was an honorary D.C.L. of Oxford University.

Mr. Harry Oppenheimer succeeded his father in the chairmanship of the Anglo-American Corporation, De Beers, and their subsidiary companies. On Dec. 4 Mr. Oppenheimer announced that his father had set aside £1,000,000 as a memorial trust to be used for "educational, cultural and general charitable purposes . . . to be applied for the benefit of the peoples of the Union, South-West Africa, and the Rhodesian Federation." (Times - Cape Times)

A. SOUTH-EAST ASIA TREATY ORGANIZATION. — Manila Meeting of SEATO Council.

The fourth annual meeting of the SEATO Council was held in Manila from March 11-13 under the chairmanship of Señor Felixberto M. Serrano, acting Philippine Secretary of Foreign Affairs. The other Ministers attending were Mr. Richard Casey, Australian Minister for External Affairs; M. Pineau, the French Foreign Minister; Mr. Walter Nash, the New Zealand Prime Minister; Mr. Firoz Khan Noon, Prime Minister and Foreign Minister of Pakistan; Prince Wan Waithayakon, the Siamese Foreign Minister; Mr. Selwyn Lloyd, the British Foreign Secretary; and Mr. Dulles, the U.S. Secretary of State.

A communiqué was issued at the end of the meeting surveying the position in the treaty area and announcing the measures which the Council had decided to take. They included (*a*) recognition that Communist subversion in the treaty countries represented the most substantial current menace; (*b*) continued economic aid to the Asian treaty members; (*c*) an Australian grant to the Asian treaty members of a further £1,000,000 for purposes relating to SEATO defence, in addition to £2,000,000 previously contributed by Australia for these purposes; (*d*) initiation of new cultural projects; (*e*) establishment of contacts with other collective security organizations of the free world; and (*f*) the proposed setting-up of a defence college in the Philippines, open to members and non-members of SEATO.

The principal sections of the communiqué were worded as follows (cross-headings inserted):

Security of the Region. "The Council considered the continuing Communist threat to the region. The Ministers reaffirmed their determination to maintain national and collective defence against the possibility of Communist and Communist-inspired armed aggression, while at the same time earnestly working for international disarmament with adequate safeguards covering both nuclear and conventional elements.

"SEATO has become a bulwark which has enabled the countries protected thereby to proceed in peace with their programmes of national development. Members of SEATO recognize that a threat to security or freedom in any region of the world is a threat to security and freedom everywhere.

"Some criticism of the aims and objectives of SEATO continues to be heard. The Council agreed that every country has the right to follow the policy it prefers. It noted with regret that some countries nevertheless continue to criticize the collective security arrangements of the free world, though such arrangements are in accordance with the U.N. Charter.

Subversion. "The problems of Communist subversion in the treaty countries were discussed at length. It was recognized that this represented the most substantial current menace.

"The Council was of the opinion that collective security measures had resulted in the diversion of the emphasis of Communist activities from the military to the non-military field. Communist and Communist-inspired activity has continued within the treaty area. In countries protected by the treaty there has been a noticeable change of emphasis by the Communists to activity in the economic, political and cultural fields, and also to activity within youth and labour organizations.

"The Council welcomed the counter-subversion measures being taken by members, and particularly the success of a seminar on countering Communist subversion held at Baguio (Philippines) last November. The Council recognized that, in view of the insidious character of Communist subversion, there was particular danger arising from some non-Communist Governments' failing to distinguish between the aims and ideals of the free world and the purposes of international Communism.

Economic Activities. "The Council heard statements on the economic progress and problems of the treaty area, and what further steps could be taken inside and outside SEATO to attain the economic objectives set forth in the Manila Treaty.

"A principal means of attaining these objectives continues to be through extensive bilateral and other economic arrangements between the SEATO countries. During the past year over $700,000,000 for economic purposes was provided for countries covered by the Manila Treaty, principally by the United States. This aid is a major factor in preserving peace and genuine independence for countries of the region.

"Australia announced that she would make available to the Asian members of SEATO a further £1,000,000 for purposes generally related to SEATO defence, in addition to £2,000,000 previously contributed by Australia for these purposes.

"The United States announced that $2,000,000 was being made available to the Asian members of SEATO for vocation and on-the-job training. Australia, France, New Zealand, and the United Kingdom also offered to help on various aspects of skilled labour training.

"The United States also announced that the major portion of its economic aid was now being directed to the region of Asia.

"The Council approved in principle a project submitted by Siam to establish a SEATO graduate school of engineering in Bangkok, and several members announced that they would be pleased to participate in providing the necessary funds.

Cultural Activities. "The Council agreed to continue and expand its programme of cultural activities. It expressed its satisfaction at the holding in Bangkok under SEATO auspices of a round-table conference on the impact of modern technology upon traditional cultures in South-East Asia. [This meeting had been held from Jan. 27 to Feb. 2.] A number of SEATO fellowships have been awarded and some members are conducting bilateral cultural exchanges.

"The Council agreed to continue its fellowship programmes and to initiate new cultural projects, the most important being a scholarship programme and the appointment of professors at universities of the Asian members, and of travelling lecturers.

Relations with Other Organizations and Countries. "The Council expressed its interest in the development of relations with other collective defence organizations of the free world . . . It authorized the Secretary-General [of SEATO] to enter into contact with the Secretary-General of other collective security organizations of the free world.

"The Council considered that contacts between SEATO and non-member States had proved useful in many respects, and directed that . . . such contacts be continued and expanded in the coming years.

Work of Military Advisers. "The Council noted with approval the work of their military advisers and of the Military Planning Office, which has completed its year's work. Plans in fulfilment of the defensive role of SEATO have been developed to resist aggression in the treaty area. Since the last Council meeting, four major SEATO military exercises have been held, as well as three multilateral or bilateral exercises. These have served effectively to increase the degree of co-operation between the forces of the SEATO Powers and to make them more ready for speedy action in the event of any sudden attack. The Council authorized a further programme of combined exercises.

"The Council learned with regret of the relief of Brigadier General Alfredo M. Santos, who has been the first Chief of the SEATO Military Planning Office [see page 15453]. He is returning for reassignment in the Philippines.

"The United States and the Philippines announced that they intend to co-sponsor a defence college, to be located in the Philippines, open to members and non-members of SEATO. The Council took note of this announcement with particular interest.

SEATO Budget. "The Council approved a Budget totalling $850,360 for the financial year 1958-59, to cover the cost of the Secretariat-General and Military Planning Office in Bangkok and to finance certain joint programmes.

Next Meeting. "The Council accepted . . . an invitation from the New Zealand Government to hold its next annual meeting in Wellington.

Conclusion. "The Council considered that the work of the present meeting had helped to consolidate the work already achieved by SEATO. They placed on record their determination to continue to work together for the security and progress of South-East Asia in accordance with the principles and purposes of the U.N. Charter. The Council members again emphasized the defensive character of SEATO and reaffirmed the principle that international disputes should be settled peacefully in accordance with the U.N. Charter."

The SEATO Council also discussed the situation caused by the rebellion in Sumatra, but no mention of this was made in the final communiqué. Mr. Dulles, questioned at a press conference, said that non-SEATO countries had been discussed but added: "We do not think it is polite or appropriate to name other nations in our communiqué." He added that the Ministers had agreed that the alliance should not project itself into Indonesia's affairs as long as the conflict remained purely internal; only if developments threatened the security of the SEATO countries would it be "appropriate to consider measures to combat that peril."

In addition to the Council sessions, Mr. Selwyn Lloyd, Mr. Dulles, and M. Pineau had a tripartite meeting at the British Embassy on March 12 during which they discussed the question of a "summit" meeting. M. Pineau also explained a French proposal—made shortly before the SEATO meeting—for the creation of a Western Mediterranean Defence Community to include France, Italy, Spain, Morocco, Tunisia, and Great Britain, and possibly the United States also.

(New York Times - Le Monde, Paris - Times)

(Prev. rep. SEATO, 15992 E; 15452 A.)

B. LIECHTENSTEIN. — General Election.

Elections to the Liechtenstein Parliament were held on March 22-23, the Progressive Citizens Party (the Government party) obtaining 54.5 per cent of the votes and nine seats, and the Patriotic Union Party 45.5 per cent and six seats. The electorate (confined to men) numbered 3,863 out of a total population of 14,757, the poll being 98 per cent. The former Parliament, elected on Sept. 1, 1957, had been dissolved by Prince Franz Josef II (the ruler of the principality) after the seven members of the Patriotic Union Party had refused to participate in the parliamentary sessions, alleging that "irregularities" had occurred in the September elections.

(Neue Zürcher Zeitung)

A. WEST INDIES. — First Federal Election. - Sir Grantley Adams becomes Prime Minister of West Indian Federation. - Membership of Council of State. - Opening of Federal Parliament.

Elections were held on March 25 in the ten constituent territories of the West Indian Federation to elect the first Federal House of Representatives. They were contested by two main parties: (*a*) the Federal Labour Party, whose leaders include Mr. Norman Manley, Q.C. (Chief Minister of Jamaica and leader of the Jamaican People's National Party), Dr. Eric Williams (Chief Minister of Trinidad and leader of the Trinidad People's National Movement), and Sir Grantley Adams, Q.C. (Premier of Barbados and leader of the Barbados Labour Party); and (*b*) the Democratic Labour Party, which is anti-socialist and whose leaders include Sir Alexander Bustamante and Mr. Albert Gomes, respective leaders of the Opposition parties in Jamaica and Trinidad.

The elections resulted in the Federal Labour Party winning 25 seats, the Democratic Labour Party 19, and the Barbados National Party one; the final position of the parties, however, will not be definitely known pending the result of two recounts in Jamaican constituencies and an election petition in St. Vincent. Although the elections were held in a festive atmosphere and amidst much popular enthusiasm, only some 26 per cent of the electorate of about 1,500,000 went to the polls.

Under the Constitution of the West Indies [see 15995 A] the 45-member House of Representatives comprises 17 from Jamaica, 10 from Trinidad and Tobago, 5 from Barbados, and two each from the other islands of the Federation except Montserrat, which returns one member. There were 111 candidates for the 45 seats. As simultaneous membership of the Federal Legislature and a Territorial Legislature is prohibited under the Constitution, several West Indian political leaders—including Mr. Manley and Dr. Williams—did not contest the Federal elections in order to retain their membership of their respective Territorial Legislatures.

Sir Grantley Adams was elected the first Prime Minister of the West Indian Federation, by 25 votes to 19, when the new Federal House of Representatives met on April 18 at Port of Spain, Trinidad. He received all the votes of the 24 Federal Labour members present and the vote of the Barbados National Party member (Mrs. Florence Daysh), and was opposed by the Democratic Labour Party. Mr. Erskine Ward, formerly Chief Justice of British Honduras, was elected Speaker of the House of Representatives, while Mr. Allen M. Lewis, Q.C., of St. Lucia, was elected President of the Senate, which also met on the same day. [The 19-member Senate is appointed by the Governor-General—see page 15995 A, second column.]

Sir Grantley Adams (60) was born in Barbados, the son of a headmaster. Graduating in Classics at Oxford, he was called to the English Bar in 1924, knighted in 1952, and took silk in the following year. One of the leading politicians and lawyers in the West Indies, he has been a strong advocate of Federation for many years. He was a member of the British delegation to the U.N. General Assembly in Paris in 1948.

The 10-member Council of State—the executive organ of the Federation [see page 15996 B, second column]—was appointed by the Governor-General of the West Indies (Lord Hailes) on April 20 on the advice of Sir Grantley Adams.

The Council of State comprises Mr. R. L. Bradshaw (St. Kitts) as Minister of Finance; Mr. C. D. Lacorbiniere (St. Lucia), Minister of Trade and Industries; Mr. F. B. Ricketts (Jamaica), Minister of Natural Resources; Mr. W. A. Rose (Trinidad), Minister of Communications and Works; Mrs. Phyllis Allfrey (Dominica), Minister of Social Affairs; two Ministers without portfolio (Mr. V. B. Vaughan, of Barbados, and Mr. N. H. Richards, of Antigua); and three Senators—Mr. A. G. Byfield (Jamaica), Mr. J. L. Charles (St. Lucia), and Mr. J. W. Liburd (Nevis). Defence and foreign relations remain responsibilities of the British Government under the Federal Constitution.

The first Parliament of the West Indian Federation was officially inaugurated at Port of Spain on April 20 by Princess Margaret, representing H.M. the Queen. The Princess, who was received with great enthusiasm, read a message from her Majesty expressing "warmest greetings" to the West Indian people and congratulating them on "the achievement of closer association with each other on which they have decided, and which holds so much promise for the future." In reply, Sir Grantley Adams reaffirmed the loyalty of the West Indian people to the Throne and stressed that the Federation would need the help and encouragement of Great Britain in its further progress towards full nationhood.

The ceremony was attended by delegations from all the islands of the Federation and by all leading West Indian politicians, including Mr. Manley, Dr. Williams, and Sir Alexander Bustamante. Britain was represented by Mr. Profumo (Under-Secretary of State for the Colonies) and by an all-party delegation which included Mr. Creech Jones, who, as Colonial Secretary in the Labour Government, played a major part in the early formative days of the Federation. Canada was represented by Dr. Sidney Smith (Secretary for External Affairs) and Mr. Gordon Churchill (Minister of Trade), and the United States by five members of the U.S. Congress.

A flag has been officially adopted for the West Indian Federation—the "Sun and Seas" flag—consisting of white wavy lines on a background of Caribbean blue, with an orange sun in the centre. (Times - Daily Telegraph - Manchester Guardian - Montreal Star) **(Prev. rep. 15995 A.)**

B. KOREA. — U.N. Reply to Chinese and North Korean Proposals. - Request for Clarification on Question of Free Korean Elections.

The 16 countries represented on the U.N. Command in Korea sent a joint Note to the Chinese Government on April 9 stating that "careful study" had been given to the Chinese and North Korean statements of February last [see 16103 A] and the proposals contained therein. The Note continued:

"The Governments concerned reaffirm that their aim is the establishment of a unified, independent and democratic Korea, in accordance with relevant U.N. resolutions. To this end, as they have often stated, they wish to see free elections held under U.N. supervision for a [Korean] National Assembly. They are glad to note that the North Korean authorities and the People's Republic of China also favour free elections, and they welcome the announcement that Chinese forces are to be withdrawn from North Korea.

"There appears, however, to be some doubt as to the precise interpretation to be placed on the North Korean proposals. A variety of statements is reported to have been made, for example, by North Korean representatives in Peking and Moscow, to the effect that the 'purpose of supervision by a neutral nations organization was to see that all political parties and public figures in both North and South Korea would have freedom of action, speech, publication, assembly and association' but that 'such supervision should not intervene in the elections.'

"These interpretations appear to call for some clarification, and the Governments of the countries concerned would be glad to know whether, when the North Korean authorities speak of a 'neutral nations organization' to supervise the elections, they accept that these should be held under U.N. auspices and that there should be adequate supervision not only of the preliminaries but also of the elections themselves.

"They would also be glad to know whether it is accepted that representation in the new National Assembly shall be in proportion to the indigenous population. [There are about 21,500,000 inhabitants in South Korea and about 7,000,000 in North Korea].

"If the People's Republic of China will seek from the North Korean authorities clarification of the points mentioned above, with such other details of the Korean proposals as may be relevant, they will be given careful consideration."

The Note was presented in Peking by the British Chargé d'Affaires on behalf of the 16 countries concerned. A copy was sent to the United Nations. (New York Times) **(Prev. rep. 16103 A.)**

C. ARAB FEDERATION.—Adoption of Constitution.

The draft Constitution of the Arab Federation received final approval in Baghdad on March 17 after joint discussions between Iraqi and Jordanian parliamentary representations extending over nine days. The Constitution was approved by the Jordanian and Iraqi Cabinets on March 18-19 and by the Parliaments of the two countries on March 27.

The Constitution of the Arab Federation is based on the principles proclaimed by King Faisal and King Hussein in their joint declaration of Feb. 14 [see 16017 A]. It provides *inter alia* (1) that King Faisal will be Head of the Federation and King Hussein deputy Head; (2) that fixed revenues from taxes and duties will be allocated for Federal expenditure, Iraq paying 80 per cent during the first year and Jordan 20 per cent; (3) that membership of the Federation will be open to any other Arab State, in which case consequential changes will be made in the arrangements for the Head of State; (4) that Iraq and Jordan will individually observe the treaties, agreements and international pacts to which they were bound before joining the union [thus preserving Iraq's membership of the Baghdad Pact]; (5) that each country will retain sovereignty over its territory, and its prevailing system of government; (6) that the Federation will have a Chamber of Deputies of 40 members (20 from Iraq and 20 from Jordan), as well as a Council of Ministers; (7) that the competence of the Federation will extend to foreign affairs, defence, financial and economic policy, and "any other matter which the Council of Ministers may propose in future"; (8) that the Iraqi and Jordanian armies will be collectively known as the Arab Army, with King Faisal as Commander-in-Chief and King Hussein in command of the forces in Jordan; (9) that King Faisal, as Head of the Union, would have power to declare war after approval by the Council of Ministers.

Turkey officially recognized the Arab Federation shortly after its formation in February.—(Times - Manchester Guardian - Turkish Embassy, London) **(Prev. rep. 16017 A.)**

A. KASHMIR. — Dr. Graham's Proposals for Settlement of Kashmir Question. - Rejection by India. - Statements by Mr. Nehru and Mr. Noon. - Political Activities of Sheikh Abdullah. - Terrorist Activities in Indian-held Kashmir. - Indian Allegations of Pakistani Complicity. - The Mangla Dam Dispute. - Integration of Indian and Kashmiri Finances and Public Services.

In accordance with the Security Council's resolution of Dec. 2, 1957, Dr. Frank P. Graham, the U.N. Representative for India and Pakistan, visited the sub-continent from Jan. 12 to Feb. 15 for discussions with the two Governments on the Kashmir question. Arriving in New Delhi on Jan. 12, Dr. Graham had introductory talks with Mr. Nehru, Mr. Krishna Menon (Defence Minister) and Mr. M. J. Desai (Commonwealth Secretary) and then proceeded on Jan. 17 to Karachi, where he met Mr. Firoz Khan Noon (the Pakistani Premier and Foreign Minister), Mr. S. A. Baig (Foreign Secretary), and Mr. Din Mohammad (Adviser to the Pakistani Government on Kashmir Affairs). He subsequently paid two further visits to Delhi (Jan. 23-Feb. 1 and Feb. 7-13) and two to Karachi (Feb. 1-7 and Feb. 13-15) before leaving for Geneva to draft his report.

In his report, published on April 3, Dr. Graham gave details of a five-point plan for the settlement of the Kashmir dispute which he had submitted to the two Governments. This envisaged declarations by India and Pakistan appealing to their peoples to maintain an atmosphere favourable to negotiations, and reaffirming the inviolability of the cease-fire line; the evacuation of the Pakistani forces from Kashmir, and the stationing of a U.N. force on the Pakistani side of the Kashmir border; discussions between the U.N. Representative and the two Governments on the possibility of a plebiscite; and a meeting between the two Prime Ministers at the earliest practicable date. These recommendations were accepted by the Pakistani Government in principle, but were rejected by India on the grounds (*a*) that they by-passed the question of Pakistan's failure to implement the resolution of Aug. 13, 1948, of the U.N. Commission for India and Pakistan (UNCIP), and (*b*) that they would "place the aggressor and the aggressed on the same footing."

The most important passages from Dr. Graham's report are given below:

"In the debates in the Security Council, held between September and December 1957, the Governments of India and Pakistan affirmed that they continued to be engaged by the resolutions of UNCIP of Aug. 13, 1948 [see page 9664], and Jan. 5, 1949 [see 9757 A]. In my initial discussions with the two Governments, I addressed myself to certain obstacles which appeared to stand in the way of progress in the implementation of these two resolutions. Foremost among these was the procedure for the withdrawal of the Pakistan troops and the withdrawal of the bulk of the Indian Army, as provided for in Part II of the resolution of Aug. 13, 1948 . . . I therefore embarked on discussions with the two Governments to ascertain their views on how these difficulties might be overcome. In following this approach, I was of course fully aware of the fact that the Government of India had not accepted the resolution of the Security Council of Dec. 2, 1957, and of their position regarding the actions contemplated in the resolution of Aug. 13, 1948, but I believed that they would be interested in finding ways and means to facilitate the implementation of those elements which were standing in the way of the withdrawal of Pakistan troops from the State.

"In my conversations with the two Governments I could not fail to note that while the objective envisaged in Part II-A—namely, the withdrawal of Pakistan troops from the State—was clear enough, the method and machinery to be pursued to this end would be likely to create its own problems. As I envisaged the situation that would obtain after withdrawal of Pakistan troops, I foresaw, as provided by the first UNCIP resolution, an area administered by the local authorities under the surveillance of the U.N. Commission, or as it had now developed, of the successor organ, the U.N. Representative for India and Pakistan.

"It should be noted that the position of this territory is of a peculiar nature. Its sovereignty rests with the State of Jammu and Kashmir, but the full exercise of that sovereignty would be limited under the resolution by (*a*) the surveillance of a U.N. organ, and (*b*) the commitment by India that her forces would remain within the cease-fire line. Furthermore, the degree of U.N. concern with the administration was left undetermined by the Commission by using the term 'surveillance.' Such problems as logistics and supply . . . have never been fully considered. . .

"Thus it would appear that the execution of Section A in Part II might create more serious difficulties than were foreseen at the time the parties agreed to that clause. The determination as to who are the 'local authorities' might not be an easy matter. Whether the U.N. Representative would be able to reconstitute the *status quo* which had obtained some ten years ago, would seem to be doubtful. I therefore came to the conclusion that prior negotiations with the parties on these problems would not only be essential but imperative. Otherwise the evacuated territory might be left in an unsettled condition.

"Since I was aware that the Government of India were concerned about the security of the evacuated territory, and more particularly were apprehensive that the Pakistan Army, after its withdrawal, might return to the territory, I felt it my duty to give serious consideration to ways and means to allay this concern. I therefore proposed that the feasibility of placing a U.N. force on the Pakistan side of the Pakistan and Kashmir border should be explored. If this conception in principle were to meet with approval, agreement might be sought from the Pakistan Government for receiving such a force, and negotiations might be initiated within the U.N. on the size, composition, and functioning of such a force.

"Other suggestions were also discussed informally with the two Governments. In view, however, of the urgency of what I considered the most immediate requirement of the situation—namely, a resumption of direct negotiations under U.N. auspices—I decided to make my formal proposal with as little detail as possible . . .

"Thus, on the day of my departure from the sub-continent on Feb 15, 1958, I submitted to the representatives of both Governments the following recommendations:

"(1) That they should consider the possibility of a renewed declaration in line with the Jan. 17, 1948 resolution of the Security Council and of Part I of the Aug. 13, 1948, resolution, under which they appeal to their respective peoples to assist in creating and maintaining an atmosphere favourable to further negotiations, and in which they undertake to refrain from statements and actions which would aggravate the situation.

"(2) That they reaffirm that they will respect the integrity of the cease-fire line, and will not cross or seek to cross the line on the ground or in the air, thus further assisting in creating a more favourable atmosphere for negotiations.

"(3) The withdrawal of Pakistan troops from the State of Jammu and Kashmir is provided for in Part II of the Aug. 13, 1948, resolution. Pending a final solution, the territory evacuated by the Pakistan troops is to be administered by the local authorities under the surveillance of the Commission. Part II of this resolution also provides for the withdrawal of the bulk of the Indian forces from the State in stages to be agreed upon with the Commission.

"In an effort to speed the implementation of these actions provided for in Part II, the U.N. Representative is suggesting that a prompt study be undertaken, under his auspices, of how the territory evacuated by the Pakistan troops could, pending a final solution, be administered in accordance with the provisions of the resolution. With a view to increasing the security of the area to be evacuated, the U.N. Representative recommends that consideration be given to the possibility of the stationing of a United Nations Force on the Pakistan side of the Pakistan and Kashmir border, following the withdrawal of the Pakistan Army from the State.

"(4) If progress is to be made in the settlement of the Indo-Pakistan question, there is need for an early agreement between the two Governments on the interpretation that should be placed on Part III of the Aug. 13 resolution and those parts of the Jan. 5 resolution which provide for a plebiscite. In this connexion the U.N. Representative would call attention to the communiqué of the Prime Ministers of India and Pakistan issued in New Delhi in August 1953, which recognized that a plebiscite had been agreed to and expressed the opinion that a solution should be sought 'causing the least disturbance to the life of the people of the State' [see 13162 A].

"The U.N. Representative will be considering with the two Governments the means and timing under which agreement might be sought on these questions.

"(5) The U.N. Representative, believing that further negotiations on the questions which he has been considering with the Governments of India and Pakistan would be useful, and believing that it would facilitate progress if these negotiations could be undertaken at the highest level, proposes to the Governments that a Prime Ministers' conference be held under his auspices in the early spring. If the latter recommendation would not be agreeable to either or both Governments, the U.N. Representative recommends to the parties that they keep the general proposal, or any reasonable variation thereof, under consideration, and that such a conference be held at the earliest practicable date.

"The Government of Pakistan agreed to these recommendations in principle. They informed me that they were willing to make a renewed declaration as suggested by me, and that they were prepared to reaffirm that they would respect the integrity of the cease-fire line. They informed me further that they were prepared to withdraw Pakistan troops from Kashmir simultaneously with the withdrawal of the bulk of the Indian forces from the State in stages to be agreed upon with the Commission, as provided in Part II of the Aug. 13, 1948, resolution. They also agreed with my recommendation that a prompt study be undertaken under the auspices of the UNCIP of how the territory evacuated by the Pakistan troops could, pending a final solution, be administered by the local authorities in accordance with the provisions of the resolution.

"The Government of Pakistan also informed me that they were agreeable to my recommendation to consider the possibility of the stationing of a U.N. force on the Pakistan side of the Pakistan and Kashmir border, following the withdrawal of the Pakistan Army from the State. In the matter of the interpretation that should be placed on Part III of the Aug. 13 resolution, and those parts of the Jan. 5, 1949, resolution which provide for a plebiscite, the Government of Pakistan indicated that they were prepared to abide by

the terms of the Prime Ministers' communiqué of August 1953. Finally, the Government of Pakistan agreed to my proposal for a conference at Prime Ministers' level, or any reasonable variation thereof, to be held under my auspices, adding that they hoped that this conference would be held as soon as possible.

"The Government of India declared themselves unable to agree to my recommendations. They based their position on the ground that my recommendations were made without regard to the failure to implement the Security Council resolution of Jan. 17, 1948, and Clauses (*b*) and (*c*) of Part I of the UNCIP resolution of Aug. 13, 1948, for which they held Pakistan responsible. In their view the sole onus of performance was on Pakistan and the United Nations, which both had the responsibility and the capacity for taking steps towards a peaceful approach to the situation, and for making a contribution to resolving the difficulties between India and Pakistan.

"While, therefore, the inability of India to accept my recommendations primarily followed from their contention that my approach was not feasible, since in their view it tended to by-pass the implementation of what they considered to be the preliminary question, they also informed me that they did not look with favour on the substance of my recommendations. Thus, they felt that a new declaration regarding a peaceful atmosphere and the cease-fire line might denote a displacement of the previous engagements. They further contended that such a declaration would imply that Pakistan had not violated their previous engagements and that the consequences of them would thereby stand condoned.

"The Government of India could also not see their way to accept the study I had recommended in my third recommendation, as they felt that it would tend to by-pass and evade what they considered to be the main issue—namely, the illegal occupation of Indian Union territory by Pakistan. In their view that territory was an integral and inseparable part of India, and the recommendation was based on a misconception that Jammu and Kashmir were a no-man's-land. Further, the study, in their view, would not be relevant since, according to the UNCIP resolutions and the assurances given on behalf of the Security Council to the Government of India, they alone, with the United Nations, were concerned in this matter and Pakistan would not seem to have any place whatsoever in those arrangements.

"With regard to the recommendation on the stationing of a U.N. Force on the Pakistan side of the Kashmir border, the Government of India were taking cognizance of a concern of the U.N. Representative in this matter which they understood to be conditioned by the previous conduct of Pakistan. They would on their part, however, consider it as highly improper, and indeed an unfriendly act, to promote a suggestion which would involve the stationing of foreign troops in a neighbouring sovereign State with whom they desired nothing but the most friendly relations. Since, however, this was a matter for decision by the Government of Pakistan in their sovereign competence, they would not be in a position to object to this proposal, though they would regret it.

"With regard to recommendation (4), the Government of India informed me that they regretted that they could not enter into any such discussions in view of their preliminary objections.

"Finally, the Government of India declared themselves unable to accept my last recommendation since it would, in their view, place the aggressor and the aggressed on the same footing. They therefore considered it contrary to the Charter and to all considerations of international ethics and equity.

"I should, however, inform the Council that the Government of India, at the same time as they declared themselves unable to accept my recommendations, also informed me that they have been and are anxious to promote and maintain peaceful relations with Pakistan. They stated that they firmly hold the view and belief that there should be a constructive and peaceful approach to every problem, and that they firmly adhered to their determination to pursue paths of peace, while placing their faith in the United Nations and its Charter.

"In keeping with this spirit expressed by India, which I know is shared by Pakistan, I still express the hope that the two Governments will keep under consideration the proposal for a high-level conference. I trust that, in their further consideration, they will find it possible promptly to make, without prejudice to their respective positions on the Kashmir question, preparations for holding ... such a conference at the earliest practicable date, covering questions of time, place, auspices and agenda. The agenda ... might include the basic differences which the parties find to stand in the way of a settlement, and such other matters as the parties might find would contribute to 'progress toward the implementation of the UNCIP resolutions of Aug. 13, 1948, and Jan. 5, 1949, and toward a peaceful settlement.'

"However wide the differences and deep the distrust, and however bad the situation in the opposite views of each other's position, no situation is completely and for ever beyond the redemptive power of the development of reciprocal faith, and the creative interchange of views and proposals for a peaceful settlement, as alternatives to the deepening differences in an age of unprecedented peril and hope. Better than talking at long distances across the sub-continent is, on occasion, to talk directly to each other at the highest possible level. The holding of well-prepared direct talks with the desire for a settlement is more than talk; it is an act of potentially creative faith which might lead to steps for a fair and peaceful settlement."

Mr. Nehru's Statement on U.N. Mediator's Proposals. - Denunciation of "Anti-Indian" Campaign in Pakistan.

India's attitude to Dr. Graham's proposals was explained by Mr. Nehru in a statement to the *Lok Sabha* on April 9.

After saying that the "facts of life" demanded that India and Pakistan must live together co-operatively, Mr. Nehru expressed regret at the strained relations between the two countries. It had been argued that once Kashmir and the Canal Waters issues had been solved, a good atmosphere would thereby be created; he did not think, however, that strained feelings between the two countries were due to these issues, but rather that these issues were the outcome of such feelings.

After referring to the "bitter dislike" of India exhibited in Pakistan, to the "anti-Indian campaign" waged in the Pakistani press, and to the "atmosphere of bitterness and cold war" created by statements of some Pakistani leaders, Mr. Nehru declared: "If that is the basis of their foreign and internal policies, then it does not matter what you settle. If by chance the Kashmir issue is out of the conflict, it will no doubt have a good effect, but their basic policy will continue in some other form." Mr. Nehru went on to accuse "noted personalities" in Pakistan of having trained people to commit sabotage in Jammu and Kashmir, where at least 100 bomb outrages had taken place.

Referring to Dr. Graham's suggestion that India and Pakistan should issue a new declaration promising to maintain an atmosphere of peace, Mr. Nehru said the Government of India were "perfectly prepared" to do so but had drawn Dr. Graham's attention to the type of declarations that had been made in Pakistan. Moreover, the bomb explosions which were taking place in Jammu and Kashmir were - he alleged - organized in Pakistan.

As regards Dr. Graham's second suggestion that India and Pakistan should make a joint declaration to observe the integrity of the cease-fire line, Mr. Nehru said: "I do not know if anybody has accused us during these ten years of a breach of the cease-fire line ... We gave our word that we would not take any offensive, and we have not done so. On the other hand you see what I have referred to as organized sabotage across the cease-fire line in Kashmir. ..."

With regard to Dr. Graham's third suggestion for the withdrawal of Pakistani troops from that part of Kashmir now held by them, and the stationing of a U.N. force on the Pakistani border of Kashmir, Mr. Nehru said: "Obviously Pakistan is an independent sovereign State and if she wants to have any foreign forces on her soil India cannot say 'no' to it. We cannot prevent it, but on our part we do not like the idea of a foreign force anywhere; more especially in this connexion, we did not see any reason why a U.N. force should stay in Pakistan on the Kashmir border. It is for Pakistan to agree or not to agree."

With regard to Dr. Graham's final suggestion that the Indian and Pakistani Prime Ministers should meet under his auspices, Mr. Nehru said: "We told Dr. Graham that we are always prepared to meet, but that this way of meeting under a third party's presence, even though the third party may be so eminent a person as Dr. Graham—was not a desirable way ... I need not go into it, but it is obvious that first of all it would place us in a position of equality with that of Pakistan. We have always challenged that position. Pakistan is the aggressor in Kashmir and we are the aggrieved party. Secondly, for the two Prime Ministers to sit with him would almost appear as if they would plead with Dr. Graham ... as advocates of a certain cause which they represent. This kind of approach would not lead to the problem being considered properly, or solved ... If my opinion is asked, I should say that the meeting should take place when the omens are favourable and when the atmosphere is helpful, otherwise it is not likely to do any good."

Statement by Mr. Firoz Khan Noon. - Attack on India and Britain.

Mr. Firoz Khan Noon had previously made a statement on Kashmir in the Pakistan National Assembly on March 8.

After denouncing India's "brown colonialism" as "the worst the world has ever known," and declaring that Kashmir was "only a beginning towards Indian domination of Asia," Mr. Noon bitterly attacked Britain, asserting that she had granted freedom to Ghana, Malaya, and other countries only because she could no longer hold them "under subjugation" and because she needed their votes to strengthen her position in the United Nations. Alleging that India's armed strength was four to five times greater than Pakistan's, he said that Britain had recently sold India 73 *Canberra* bombers, 300 *Centurion* tanks, and 173 *Hunter* fighters. "Are we such fools as to sit here and believe that England is supplying these arms to India to fight against China?" he asked. "They [the British] have said that we can buy too. We, being a poor country, cannot afford to go on buying arms. They just mean to create rivalry. If we fall a prey to the spirit of rivalry, the result will be that we shall be doing nothing except pouring our money into their factories ... If this is the attitude of the British under a Conservative Government, God help us if a Labour Government comes into power, because their leader has said already that Kashmir belongs to India and that they are neutral. They hope to come into power at the next election, and then, if we even say that we will walk out of the Commonwealth, they will kick us out and embrace India ...

"America has given us arms and aid. We are grateful to them. But I hear rumblings that from 1959 they will probably want to stop our military aid. I am sure that if they do that it will be under

pressure from India. If they do that, it will be time for us to reconsider the situation. I can tell the world this—that if our people find that their freedom is in jeopardy and is threatened by India, they will break all pacts in the world in order to save their freedom, and will shake hands with the people of whom they have made enemies for the sake of others . . . We are taxing ourselves now, we will tax ourselves more. We will prefer guns to butter, but we will keep our freedom . . . Even if we have to spend half our foreign exchange on paying for armaments to defend our freedom, we will do so."

After alleging that "under Hindu domination there can be no freedom for anyone, let alone Moslems," Mr. Noon accused the Kashmir Government of starting a "reign of terror" with the Indian Government's encouragement. "If the democracies of Europe and America do not solve the problem of the freedom of Kashmir to the satisfaction of the Kashmiri people," he declared, "the only solution for the Kashmiris will be to walk into the Communist camp. Some of the European countries have got the impression that no Moslem will enter the Communist camp. I can tell the world today that the Moslems will enter the Communist camp rather than remain under Hindu domination . . . Then God help Mr. Nehru, and God help those who are against Communism . . .

Mr. Noon concluded: "All that I say now to my friends is to be patient in Kashmir as well as here, because Dr. Graham is dealing with the Kashmir case and I have not lost hope yet. If Dr. Graham fails to solve the problem by April, then the nation will have to revise its whole policy. I tell you now that we must gird up our loins, economize, save money, tax ourselves, and build up our defence forces. . . ."

In a further statement on April 15, in reply to Mr. Nehru's *Lok Sabha* speech, Mr. Firoz Khan Noon offered to sign a "no-war" declaration with India provided that India agreed to settle all outstanding issues between the two countries by negotiation, mediation, or, if necessary, arbitration.

"It is well known," Mr. Noon said, "that cross-currents of hatred between India and Pakistan are primarily due to the repudiation by India of all her international obligations and commitments in respect of the Kashmir dispute, and the manner in which the Canal Waters dispute has been allowed to develop. I am sure the two countries could settle down to a state of perpetual friendship if only India would agree to a settlement of the Kashmir and Canal Waters disputes in accordance with the accepted universal standards of justice. I hope sincerely that Mr. Nehru will realize that it is the existence of these disputes alone which is forcing the two countries to waste their wealth in an armaments race . . . Our hand of friendship will always be extended, and it is for India to reciprocate the gesture. Let us live in peace and not make ourselves the laughing-stock of the world."

Political Activities of Sheikh Abdullah.

Following his release from prison on Jan. 8, Sheikh Abdullah (the former Premier of Kashmir) confined his political activities to addressing prayer meetings inside mosques, and did not associate himself with any political party.

In his speeches and press statements he consistently reaffirmed his demand for a plebiscite which would enable Kashmir to choose between accession to India or Pakistan and independence; maintained that the people of Kashmir were not bound by the Constituent Assembly's decisions, because that body had lost its representative character when he was arrested in 1953; accused Mr. Nehru and the Indian Government of being under the influence of Hindu communalists; and attributed his arrest to the Indian leaders' "communal bias." Particular offence was caused in India by a speech in which Sheikh Abdullah declared that those who did not support Kashmir's right to self-determination were "our enemies, though they be our neighbours," whilst those who did, "be they in the East or West, are our friends."

The Prime Minister of Kashmir, Bakshi Ghulam Mohammed, said on Feb. 2 that Sheikh Abdullah's speeches had fully justified his arrest in 1953. It was possible that he had a following of 10,000 to 20,000 people, but the other 5,000,000 Kashmiris were "solidly behind the National Conference." Sheikh Abdullah had been given the fullest freedom of speech since his release, but if the security of Kashmir was endangered the Government would deal with the situation "with an iron hand."

Sheikh Abdullah sent a letter to Mr. Nehru on April 13 asking him to grant Kashmir the right of self-determination, otherwise "the conscience of the world will force India to yield to our demand."

Bomb Explosions in Kashmir. - Indian Allegations of Pakistani Complicity.

A series of bomb explosions occurred in Kashmir from June 18, 1957, onwards, and were attributed by the Indian Government to Pakistani agents allegedly working in collaboration with the Kashmir Political Conference (a pro-Pakistani organization) and the Plebiscite Front (the organization of Sheikh Abdullah's followers). Mr. Nehru stated on Feb. 19, 1958, that 38 explosions had occurred in Kashmir in which six people had been killed and 17 injured.

In an earlier statement on Sept. 13, 1957, Mr. Nehru had mentioned explosions up to Sept. 8 and had stated that from various sources, including statements of people arrested, it was clear that the explosive devices had come from Pakistani sources across the cease-fire line. He said that some of the devices employed had been complicated and had borne Army markings; they could not have been made locally and could only have come from Army stocks. He also alleged that bombs had been placed in mosques and temples, apparently in order to cause communal disturbances.

The Kashmir Prime Minister stated on March 3 that 71 persons had been arrested during the preceding 12 months on charges of being Pakistani agents, and 21 for being in possession of bombs and other explosive material.

The Mangla Dam Controversy.

Another controversy between India and Pakistan arose over the Mangla Dam project, which provides for the building in the Pakistan-held part of Kashmir of (*a*) a dam almost two miles wide and 360 feet high on the River Jhelum, above the Upper Jhelum Canal; (*b*) a power station to supply power for the exploitation of bauxite deposits; and (*c*) a reservoir covering an area of 100 square miles. The project, which will cost about Rs. 1,000,000,000, will also enable an additional 6,000,000 acre-feet of water per year to be transferred through the Upper Jhelum Canal to the Chenab River for irrigation purposes in West Pakistan.

The "Azad Kashmir" Government announced on June 25, 1957, that it had issued the necessary notification for the acquisition of land in the Mirpur area for constructing the reservoir, which would affect about 122 villages with a total area of about 42,000 acres. Sardar Ibrahim Khan, President of the "Azad Kashmir" Government, said on Aug. 22 that as a first step towards the construction of the dam, the town of Mirpur would be demolished and the displaced population rehabilitated in West Pakistan within four years. According to reports in the Pakistani Press, about 100,000 people were expected to be affected by the scheme.

A letter protesting against the Mangla Dam project was sent to the Security Council on Aug. 21 by the permanent Indian representative at the U.N., Mr. Arthur Lall.

The Indian letter described the project as "a further instance of consolidation by the Government of Pakistan of their authority over the Indian territory of Jammu and Kashmir which they continue to occupy by force," and as involving "exploitation of the resources of the territory to the disadvantage of the people of Jammu and Kashmir and for the benefit of the people of Pakistan." It was asserted that the project constituted a violation of (1) the Security Council's resolution of Jan. 17, 1948, which called upon India and Pakistan to "refrain from making any statements and from doing or causing to be done or permitting any acts which might aggravate the situation"; (2) assurances given to the Indian Prime Minister by the chairman of the U.N. Commission for India and Pakistan (U.N.C.I.P.) that "the Pakistani Government will not be allowed to consolidate their position in a territory they had unlawfully occupied"; (3) the U.N.C.I.P. resolution of Aug. 13, 1948, under which "Pakistani troops are required to vacate the territory unlawfully occupied by them"; and (4) the U.N.C.I.P. resolution of Jan. 5, 1949. Mr. Lall did not call for any action by the Security Council, but asked that his letter should be brought to the notice of its members.

Pakistan's permanent representative at the U.N., Mr. Ghulam Ahmed, replied to Mr. Lall on Oct. 3 in a letter to the president of the Security Council.

The Pakistani reply stated that the project, which was being executed co-operatively by the Government of Pakistan and the "Azad Kashmir" authorities, would greatly improve the economy of "Azad Kashmir" by providing irrigation and hydro-electric facilities, and would in no way adversely affect any existing interest. After referring to the building of new roads and bridges on the Indian side of the cease-fire line and to the construction of the Banihal tunnel, which had opened a new line of communication between India and Kashmir, Mr. Ahmed declared that "if the above measures carried out by the Government of India in Indian-held Kashmir cannot be deemed to aggravate the situation in terms of the resolution of Jan. 17, 1948, my Government fails to understand how a development measure undertaken in the 'Azad Kashmir' area can be described as a violation of the resolution."

The Government of Pakistan had previously signed an agreement with a British firm—Messrs. Binnie, Deacon and Gourley—to act as consultant engineers on the Mangla Dam project. Another British firm, Messrs. Preece, Cardew and Rider, was to act as electrical engineers, and an American firm, Messrs. Harza Engineering Co., as civil engineers. A second letter protesting against this agreement was sent by Mr. Lall to the president of the Security Council on Jan. 20, 1958.

Mr. Nehru stated on Feb. 18 that the Indian Government had informed the British and U.S. Ambassadors of its "distress" that engineering firms of permanent member-countries of the Security Council should become parties to a contract which, he alleged, was in "direct violation of the resolutions of the Security Council and the U.N.C.I.P."

Integration of Indian and Kashmiri Public Services and Finances.

The Indian Home Minister, Pandit Pant, announced in the *Rajya Sabha* on Feb. 17, 1958, that the Kashmir Public Service would shortly be integrated with that in the rest of India, and that the Comptroller and Auditor-General would be in charge of the accounts of Kashmir, over which he had previously had no control. An Order by President Prasad extending the jurisdiction of the Comptroller and Auditor-General of India to Kashmir was published in Srinagar on March 28, thus completing the process of the State's financial integration with India and enabling Kashmir to be treated on a par with other Indian States in its financial relations with the Union concerning its share of Central taxes and grants-in-aid.

Re-election of Kashmir Head of State.

Yuvraj Karan Singh, son of the former Maharaja, was re-elected *Sadar-i-Riyasat* for the next five years by the Kashmir State Assembly on Nov. 4, 1957, without opposition. (Indian and Pakistani High Commissioners' Offices, London - The Statesman, Calcutta - The Hindu, Madras)

(Prev. rep. Kashmir Dispute, 15921 A.)

A. SOVIET UNION. — Denunciation of SEATO. - Proposal for Asian Collective Peace Pact.

A lengthy denunciation of the South-East Asia Treaty Organization was made by the Tass Agency on March 8, shortly before the opening of the annual meeting of the SEATO Council in Manila—see 16131 A. [A similar denunciation of the Baghdad Pact Organization was made by Tass shortly before the recent Ankara meeting of the Baghdad Pact Council : see 16025 B, 16023 A.] The Tass attack on SEATO was coupled with a proposal for a "collective peace pact in Asia."

The Tass statement alleged that the "Colonial Powers" were "using the SEATO bloc in their attempts to interfere in the internal affairs of the South-East Asian countries, so as to retain their economic and political positions in the area and to keep the peoples of these countries in a state of dependence." It went on :

"Seeking to camouflage this interference, the SEATO leaders intend to use the Manila session to elaborate plans for combating so-called subversive activities in South-East Asia. It is well known, however, that what the ruling circles of the U.S.A. and other SEATO countries usually mean by 'subversive activities' is the national liberation movement of the peoples of the South-East Asian countries, and the struggle of these peoples against the remnants of Colonial repression and for the consolidation of national independence . . . To bring pressure to bear on the South-East Asian countries, extensive use is also made of joint and regional military manoeuvres of SEATO armed forces."

After saying that any discussion of the Indonesian situation by SEATO "cannot be regarded otherwise than as gross interference in that country's affairs," the statement alleged that such interference was also the purpose of SEATO naval exercises held close to the Indonesian archipelago. It was further alleged that a number of SEATO countries were rendering the Sumatran rebels direct assistance in arms and money, and that "the Colonial Powers belonging to SEATO were using as their military base a part of Indonesian territory, West Irian, which is unlawfully held by the Netherlands."

The statement went on to assert that the Manila meeting would "consider strategic plans which the Colonial Powers intend to push through with a view to stationing nuclear and rocket weapons on the territories of certain Asian countries." After referring to the "dire consequences of preparations for a nuclear missile war in Asia" it continued :

"The efforts of the imperialist States to strengthen SEATO, primarily in military respects, are connected with the U.S.A.'s attempt to extend its network of overseas military bases. The aggressive circles of the West thereby wish to turn the territories of the Asian SEATO members into *places d'armes* which would certainly become targets for retaliation against the aggressor . . . The danger of a nuclear war in Asia is all the greater since the American units in South Korea and Taiwan [Formosa] already have rockets with nuclear warheads at their disposal, and aircraft of the U.S. Strategic Air Force are making patrol flights in those parts of Asia with hydrogen bombs aboard.

"All peace-loving peoples cannot fail to be seriously alarmed by the Western plans to use the SEATO Council session in Manila for the actual merging of the three aggressive blocs—NATO, the Baghdad Pact, and SEATO . . . Implementation of these schemes would signify the final turning of SEATO into an adjunct of the principal aggressive bloc—NATO. Whereas the SEATO pact stipulates that joint actions by its members call for preliminary consultations, the lining-up of SEATO and the Baghdad Pact with NATO would give the United States an opportunity to extend automatically the commitments of the North Atlantic bloc countries to the SEATO members . . ."

After describing Western promises of economic aid to Asian countries as "empty," and alleging that they were "chiefly directed at stepping-up the militarization of Pakistan, Siam, and the Philippines," the statement went on : "The Soviet Union believes that a radical improvement in the international situation . . . should be sought in the creation of a system of collective security in Europe and Asia . . . The conclusion of a collective peace pact in Asia would be an important step in this direction.

"Great significance is attached in the Soviet Union to the movement which has started in Asia against the deployment of atomic and hydrogen weapons on that continent . . . In full conformity with the aspirations of the Eastern peoples, all the countries of Asia can and must set up a peace zone where there would be no place for nuclear or rocket weapons . . ."

The Soviet denunciation of SEATO as an "aggressive" organization, coupled with the proposal for a peace pact and a nuclear-free zone in Asia, were described as mere propaganda by Mr. Selwyn Lloyd (U.K. Foreign Secretary), Mr. Walter Nash (Prime Minister of New Zealand), Mr. Richard Casey (Australian Minister of External Affairs) and Señor Serrano (Philippine Foreign Secretary) in statements issued in Manila on March 9. Mr. Casey said that the timing of the Tass statement "brands it quite clearly," while the British delegation recalled that the Soviet Union had issued a similar propagandist statement on the eve of the recent Ankara meeting of the Baghdad Pact Council.

Señor Serrano said that the Tass statement indicated that Russia feared SEATO, which had become an effective instrument in the area's struggle against Communism ; he added that the Philippines would make every effort to bring about close co-ordination between SEATO, NATO, and the Baghdad Pact, and would support any measure which might strengthen those organizations. - (Soviet Embassy Press Department, London - Times - Daily Telegraph) **(Prev. rep. SEATO 16131 A ; Soviet Attack on Baghdad Pact, 16025 B.)**

B. INDIA - NORTH VIETNAM. — President Ho Chi-minh's Visit to Delhi. - Discussions with Mr. Nehru. - Proposals for Reunification of Vietnam.

President Ho Chi-minh of North Vietnam visited India from Feb. 5-14 as the guest of the Government. During his stay in Delhi he had conversations with Mr. Nehru, and subsequently visited Bombay, Bangalore, and Calcutta, the Bhakra Dam, and industrial centres and community development projects before returning to Hanoi.

A joint communiqué issued on Feb. 12 stated that President Ho Chi minh and Mr. Nehru had reaffirmed their faith in the "five principles of peaceful co-existence" and had "expressed the hope that a high-level meeting would be held at an early date to consider ways of ending nuclear tests, achieving progressive disarmament, and lessening world tensions."

The communiqué continued : "The President expressed his appreciation of the valuable contribution made by the International Supervisory Commission, and by India as the chairman country, for the fulfilment of the purposes and provisions of the Geneva Agreements . . . The President and the Prime Minister reaffirmed the hope expressed at Geneva in 1956 that 'the International Supervisory Commission will persevere in their efforts to maintain and strengthen peace in Vietnam on the basis of the fulfilment of the Geneva Agreements . . . with a view to reunification of the country through free, nation-wide elections under the supervision of the International Commission.' In this connexion they stressed the need for promoting mutual understanding between the two Governments in Vietnam in accordance with the purposes and provisions of the Geneva Agreements . . . They were confident that the personal contacts established will further strengthen the friendly relations between their two countries and peoples . . ."

Addressing the Indian Council of World Affairs on Feb. 7, President Ho Chi-minh advocated discussions between the Governments of North and South Vietnam in preparation for the holding of free elections on the basis of universal suffrage and secret ballot, under the supervision of the International Commission. The single Parliament thus elected should choose a national coalition government, and the two armies should be gradually merged. "Pending reunification," he stated, "the parties and people's organizations which support peace, unity, independence, and democracy must be granted legal status ; normal economic, cultural, and social relations established ; and free communication between the two zones guaranteed."—(The Statesman, Calcutta - Indian High Commissioner's Office, London - The Hindu, Madras)

(Prev. rep. 15896 C ; 14172 A.)

C. DIAMONDS. — World Sales in 1957.

Sales of diamonds effected through the Central Selling Organization on behalf of South African and other producers reached the record figure of £76,772,112 in 1957, of which £52,818,096 came from the sale of gems and £23,954,016 from the sale of industrial diamonds. Total diamond sales in 1956 had amounted to £74,546,010. The Organization handles an estimated 95 per cent of world diamond production. (Financial Times) **(Prev. rep. 15289 C.)**

A. UNITED KINGDOM. — Coal Industry. - Economy Measures to counteract Accumulation of Stocks. - Suspension of Saturday Working. - Measures against Persistent Absenteeism. - Production Statistics.

The rapidly worsening position of the coalmining industry, evidenced by mounting financial losses, decreasing consumption, and—for the first time since the war—excessive accumulation of stocks, aroused much concern in recent weeks on the part both of the National Coal Board and the National Union of Mineworkers. On March 19 the N.C.B. announced that, in view of the need for further economies, it proposed (1) to suspend Saturday morning working after April 30 ; (2) to suspend recruitment of miners, except in a few special pits ; (3) to close down a further number of uneconomic pits ; (4) to introduce compulsory retirement for miners at the age of 65.

The proposals were discussed between the N.C.B. and the N.U.M. executive on March 25. Sir James Bowman (chairman of the N.C.B.) explained that, largely as a result of decreased productivity and higher absenteeism, deep-mined coal had cost 9s. more a ton to produce in January 1958 than in January 1957 ; as a result, British coal was being undersold by Polish and American coal abroad and by oil fuel at home. The N.U.M., on the other hand, proposed through its president, Mr. Ernest Jones : (*a*) that opencast mining should be gradually ended and that existing contracts should not be renewed when they expired ; (*b*) that the N.C.B. and the union should jointly ask the Government to restrict imports of fuel oil into Britain. With regard to (*a*) Mr. Jones argued that it had always been understood that opencast production should be considered as a "cushion against unemployment" and be discontinued or curtailed when any threat to miners' employment arose. In respect of (*b*) he explained that the N.U.M. was deeply concerned at the stepping-up of oil imports in recent years and at the place oil now occupied in the national economy.

To these arguments, Sir James Bowman replied (*a*) that to abandon or reduce opencast working (which had recently yielded profits of up to 17s. a ton) would only worsen the Board's financial position and add to its difficulties ; (*b*) that the N.C.B. could not reasonably ask the Government to cut oil imports unless it was in a position to offer coal at competitive prices. He added that the number of uneconomic pits to be closed would be few, and that they would be selected from mines with the worst records for productivity and attendance.

The N.U.M. executive thereupon agreed to reconsider the Board's proposals, and on April 1 announced that "in view of the industry's critical financial position" it felt that it must ask miners' acceptance of most of them ; a policy statement to this effect would be placed before a special delegate conference from the coalfields on April 11. The statement added (1) that the executive proposed to examine carefully the N.C.B.'s proposals with regard to uneconomic pits, to make sure that they did not cause local unemployment ; (2) that it was convinced of the necessity for a cut in oil imports and, if necessary, would put its case before the Minister of Power without the co-operation of the N.C.B.

On March 4 the Yorkshire area council of the N.U.M., representing 138,000 miners at 108 pits, had resolved to end Saturday working when the present agreement expired on April 30. The decision, resulting from the council's "growing alarm" at the rise in coal stocks, was expected to result in a loss of about 12,000,000 tons of coal a year. Subsequently miners in the Scottish and South Wales areas also decided to end Saturday working.

Other recent developments in connexion with the coalmining industry are summarized below :

Quarterly Statistics. The following table shows the average weekly rate of coal production and consumption, and of manpower, output, and absenteeism in the first quarter of 1958 :

	Saleable Mined Coal Produced Tons	Plus Opencast Tons	Total Production Tons	Inland Consumption Tons	Exports and Bunkers† Tons
January* ..	4,094,620	234,860	4,329,480	4,507,000	114,600
February ..	4,266,650	234,025	4,500,675	4,712,500	107,500
March ..	4,355,675	278,475	4,634,150	4,667,000	81,000

	Wage-earners on colliery books	No. of shifts worked at coal-face	No. of shifts worked per wage-earner	Output per manshift at coal-face Tons	Output per manshift overall Tons	Percentage of absenteeism
January*	711,200	278,340	4.33	3.334	1.172	13.84
February	712,000	276,975	4.87	3.476	1.245	10.69
March	709,050	276,625	4.79	3.499	1.255	14.84

*Average of five weeks. †Including fishing vessels but excluding coastwise bunkers.

New Price Structure for Industrial Coal. In order to encourage industrial users of larger grades of coal to substitute smaller sizes wherever possible, the N.C.B. introduced a new price structure from March 17 under which pithead prices of large coal were increased by up to 5s. a ton and prices of small coal reduced by up to 3s.

Dismissals for Absenteeism. Mr. Edwin Hall, Lancashire area secretary of the N.U.M., announced on Jan. 20 that, in order to combat the high incidence of absenteeism in the Lancashire area, the North-Western Division of the N.C.B. and the union had agreed to set up a system of "attendance committees" at each of the 71 pits in the area. Men reported by these committees for "persistently failing to work a full five-day week" would be dismissed and would receive no protection of any sort from the union.

Similar steps against absenteeism were announced by the West Midland Divisional Coal Board on Feb. 21. They included the drawing-up by colliery managements of lists of the worst offenders, and the issue by the Board of "warnings of dismissal," effective unless improvement was shown within three months.

The National Coal Board rejected on Jan. 15 a claim submitted by the National Union of Mineworkers for a reduction in the hours of surface workers (numbering about 385,000) from 42 weekly to 40, as well as for a general sick-pay scheme for all miners. The N.U.M. thereupon resolved (1) to refer the claim to the National Reference Tribunal for arbitration ; (2) to put forward a claim for a weekly increase of 10s. for surface workers (raising their basic minimum wage to £9 weekly, and estimated to cost £11,000,000 in a full year). This claim, however, was also rejected outright, whereupon the N.U.M. decided to submit it to the National Reference Tribunal for arbitration. (Ministry of Power - Times - Daily Telegraph) **(15960 A.)**

B. UNITED STATES. — Launching of Third Earth Satellite (Explorer III).

The third American earth satellite, *Explorer III*, was successfully launched into orbit by the U.S. Army at Cape Canaveral on March 26. Launched by the Army's *Jupiter-C* missile, it reached orbital velocity of slightly more than 18,000 m.p.h. 7½ minutes after leaving the ground, and completed its first orbit of the earth in about 121 minutes.

Explorer III is a 31-lb. tube with a length of 80 inches and a diameter of six inches—virtually a "twin" of *Explorer I* launched on Jan. 31 [see 15993 A]. Like the latter, it is a four-stage rocket, the last stage remaining attached to the satellite and moving with it through space. The chief innovation in *Explorer III*, compared with *Explorer I*, is that it contains a new device for recording and transmitting information on cosmic rays, inner and outer temperatures, etc. This device, a magnetic tape-recorder, was described by the *New York Times* as "no bigger than a pack of cigarettes" ; it was stated that it was "designed to provide data in chunks five times as large as provided by cosmic-ray recorders in *Explorer I*" and was "able to play back two hours' worth of information in a mere six seconds." The instrument was designed by a graduate student at the University of Iowa—Mr. George F. Ludwig, an ex-pilot. The two transmitters in *Explorer I* and *Explorer III* are identical, one being a 60-milliwatt transmitter using a frequency of 108.03 megacycles and the other a 10-milliwatt transmitter on 108 megacycles.

It was officially stated after the launching that the life of *Explorer III* was expected to be "rather short" owing to an "apparent deviation from the planned orbit." [It was explained that in the final stage it had directed itself too far from the horizontal, resulting in an orbit considerably closer to the earth than originally planned.] Although Dr. von Braun at first estimated its life at not more than two weeks, the Naval Research Laboratory in Washington said on March 23 that latest calculations indicated "a life expectancy of from four to six months." The laboratory said that *Explorer III* was orbiting the earth in 115.7 minutes, with an apogee (farthest point from the earth) of 1,738 miles and a perigee (nearest approach to the earth) of 110 miles. *Explorer I* is orbiting the earth in 118 minutes, with an apogee of 1,800 miles and a perigee of 187 miles.

As the Russian *Sputnik II* went out of existence on April 14 (see 16130 B), all three satellites at present orbiting the earth are American—*Explorer I*, launched on Jan. 31, *Vanguard I*, launched on March 17, and *Explorer III*, launched on March 26. As stated in 16080 C, the attempt to launch *Explorer II* was unsuccessful.—(New York Times)

(Prev. rep. 16080 C ; 15993 A.)

C. SOVIET UNION. — Reduction of Working Day.

A joint statement was issued on April 21 by the central committee of the Soviet Communist Party, the Council of Ministers of the U.S.S.R., and the All-Union Central Council of Trade Unions announcing that the working day would be reduced to seven hours in heavy industry generally and to six hours for underground workers in the coal and iron-ore industries. After stating that a steady rise in labour productivity had made these measures possible, it was announced (1) that the six-hour day had already been introduced in the Donets and Lvov-Volhynia coal basins ; (2) that the introduction of the seven- or six-hour day in the coalmining, iron and steel, coke, chemical, and metallurgical industries was "nearing completion" ; (3) that it would be possible during 1958 and 1959 "to go over to a shorter working day in all branches of heavy industry and to start introducing the seven-hour day in other branches of the national economy" ; and (4) that the wages of lower-paid workers would be raised "to reduce the gap between maximum and minimum wages." (Soviet Embassy Press Department, London)

(Prev. rep. 15086 A ; 14879 B.)

A. SOUTH AFRICA. — The Johannesburg "Treason Trial." - Preliminary Hearings. - African National Congress banned in Native Reserves.

The Special Branch of the South African police carried out a series of raids throughout the country at dawn on Dec. 5, 1956, during which they arrested 140 prominent opponents of the Government's *apartheid* policy on charges of treason, searched their houses and the offices of the political organizations with which they were associated, and seized numerous documents; 16 more persons were subsequently arrested on similar charges. All the accused were granted bail on Dec. 20, on condition that they did not attend public gatherings and reported to the police every week.

Among the 156 arrested persons (comprising 103 Africans, 23 Europeans, 22 Indians, and eight Coloureds) were Mr. L. B. Lee-Warden, M.P., the British-born Natives' Representative for Cape Western; Mr. Fred Carneson, a former member of the Cape Provincial Congress; Professor Z. K. Mathews, acting principal of Fort Hare University College; the Rev. D. C. Thompson, a Methodist minister, and chairman of the South African Peace Council; Mr. A. J. Luthuli, Mr. Oliver Tembu, and Mr. Walter Sisula, president-general, general secretary, and a former secretary of the African National Congress respectively; Mr. Moses Kotane, formerly secretary-general of the Communist Party; Dr. H. M. Moosa, formerly secretary of the South African Indian Congress; Mr. E. P. Moretsele, secretary of the Congress of Democrats; Mr. L. Levy and Mr. L. Massina, president and general secretary respectively of the Congress of Trade Unions; Mr. Jack Hodgson, formerly secretary of the Springbok Legion, an ex-servicemen's organization; and Mrs. Helen Joseph, secretary of the Federation of South African Women. Two of the lawyers who had been briefed for the defence, Mr. D. Nokwe (the only practising African barrister in the Transvaal) and Mr. J. Slovo, were arrested on Dec. 13, 1956.

The preliminary hearing of the charges against the accused opened in Johannesburg on Dec. 19, 1956, before the Chief Magistrate of Bloemfontein, Mr. F. C. A. Wessel, and were not concluded until Jan. 30, 1958. During the first three days of the hearing large crowds of Africans assembled outside the court, and on Dec. 20 four Europeans and 18 Africans were injured when the police made baton charges and opened fire on the demonstrators.

The formal charges against the accused—which were read for the first time when the Crown concluded its case on Jan. 21, 1958—alleged that they were guilty of high treason, or alternatively of contravening the Suppression of Communism Act, and that between Jan. 1, 1952, and Nov. 30, 1956, they "did wrongfully and unlawfully and with hostile definition against H.M. the Queen and her Government in the Union of South Africa disturb, impair, or endanger the existence or security of the said Government by committing hostile acts or by inciting or instigating members of the public to commit hostile acts."

The "hostile acts" were listed as follows: (1) organizing or taking part in campaigns against the Native Resettlement Act, the Bantu Education Act, the Group Areas Act, the Bantu Authorities Act, the Natives (Abolition of Passes and Co-ordination of Documents) Act, the Public Safety Act, and other existing laws; (2) conspiring to overthrow the Government by extra-parliamentary, unconstitutional, illegal, and violent means; (3) convening a "Congress of the People" at Johannesburg on June 25-26, 1955; (4) adopting a "Freedom Charter" at that meeting; (5) advocating the establishment of a Communistic State; (6) inciting members of the public to commit acts of violence against the police and Europeans; (7) spreading feelings of hostility between Europeans and non-Europeans; (8) making speeches and distributing documents to stir up discontent, promote disturbances, and further the aim of changing the form of government; and (9) recruiting "freedom volunteers" to assist in the implementation of the "Freedom Charter." The alternative charges were of performing acts "calculated to further the achievement of any of the objects of Communism," and of advocating "the achievement of any of the objects of Communism or any act or omission which is calculated to further the achievement of any such objects."

Mr. J. C. van Niekerk, Q.C., led for the prosecution and Mr. V. C. Berrange, Q.C., for the defence.

Mr. J. C. van Niekerk, opening the case for the prosecution on Dec. 20, 1956, said that "the basis of the high treason charge will be incitement and preparation for the overthrowing of the existing State by revolutionary methods and the establishment of a so-called people's democracy on the pattern of the East European Communist satellite States and China." The accused were known to be actively connected with associations grouped as the "National Liberation Movement," and plans had been made for co-ordination of these various multi-racial organizations to work for the "Freedom Charter." At a meeting of the South African Indian Congress in July 1954, the formation of a "world democratic freedom front" to fight for "freedom of the oppressed peoples" had been discussed. Evidence would show that the South African Peace Council was the mouthpiece of Communism in South Africa and a distributor of Communist literature and propaganda to all the other organizations involved, and that members of the Peace Council were also members of these organizations, including the African National Congress, the South African Indian Congress, and the Congress of Democrats.

The "Freedom Charter," Mr. van Niekerk continued, proposed that the ownership of the mines and other industries should be taken over by "people's committees," that the workers should take over the factories, and that the people should control the banks. A call had been issued for "freedom volunteers," who took an oath to "fight *apartheid*" and to "die fighting." As evidence of revolutionary activities, he referred to the resistance to the Sophiatown evictions in 1955 [see 14246 A] and to a boycott of bus services by the African community at Evaton (near Johannesburg); Mr. van Niekerk also quoted statements by the accused that "minority rule" should be replaced by "more democratic" forms of government and that it was now time for the "people of South Africa" to govern the country. He laid particular emphasis on a bulletin alleged to have been issued by the Congress of Democrats in 1956, which declared that "the Congress must have money to buy machine-guns to fight with."

Mr. V. C. Berrange, for the defence, said on Jan. 9, 1957, that the accused would ask the court to hold that they were the victims of "political kite-flying," and that the prosecution was "testing the political breezes to ascertain how far the originators can go in their endeavours to stifle free speech and criticism of the policies of the Government." The accused persons constituted a cross-section of the population; among them were M.P.s, priests, lawyers, journalists, students, clerical workers, and labourers. "They come of all races," he contined, "but all of them hold one thing in common, in spite of the fact that they have different political affiliations a belief in the brotherhood of man . . ."

Mr. Berrange went on to say that many months ago the Minister of Justice, in a debate in the House of Assembly, had been prophesying the arrest of 200 persons on charges of treason. Mr. Berrange continued: "The defence will seek to show that the preparations for the fulfilment of this prophecy had been made even before that by the security police. We shall show that as a prelude for these proceedings, and for the purpose of creating favourable conditions, the security police set out deliberately to create a fantastic atmosphere of treason around everything that the accused have worked for. They did this by endeavouring to intimidate the public with their attendance at open and legitimate meetings, by conducting mass raids and country-wide searches, and by flourishing Sten guns, fixed bayonets, and truncheons. The most fantastic allegations of plots to poison water supplies and to bomb power-stations have been made by Ministers of the Crown, which were made to provide a certain justification for the activities of the police . . .

"The defence will allege that this trial has been instituted in an attempt to silence and outlaw the ideas held by the accused and the thousands whom they represent. The defence will also show that the political activities of the accused, the views that they hold, and the ideas they have expressed, are matters of public record, and that no attempt has ever been made to conceal their aims from the world or the manner in which they hope to achieve them. The defence will therefore contend that this case is a political plot of a type which characterized the period of the Inquisition and the Reichstag fire trial . . ."

The evidence for the prosecution, which totalled nearly 2,500,000 words, included over 10,000 documents and reports by police witnesses of speeches alleged to have been made by the accused. Witnesses for the prosecution included Dr. Arthur Murray, Professor of Philosophy at Cape Town University, who gave expert evidence on Communism. Mr. Berrange stated on Jan. 21, 1958, that no evidence would be called by the defence.

After the Crown had concluded its case, Mr. Berrange applied on Jan. 29, 1958, for the discharge of all the accused, on the ground that the prosecution had failed to prove the commission of any offence. He maintained that not one witness for the prosecution had failed to admit that the accused had repeatedly advocated that violence must be avoided, and that they had emphasized the idea of racial harmony. The "Congress of the People" had been a peaceful gathering to which all recognized political organizations, including the Nationalist Party, had been invited to send delegates. "If that which the Crown has established be evidence of treason, subversion, or Communism as defined in our law," Mr. Berrange declared, "then there is an end in this country to all that is implicit in the term democracy."

Replying for the prosecution, Mr. Oswald Pirow, Q.C., protested against Mr. Berrange's allegation of "political kite-flying" and stressed that the proceedings had been set in motion by the Attorney-General, who was a public servant. Mr. Pirow maintained that the Crown had produced more than enough evidence to show that there was a dangerous Communist conspiracy to overthrow the State and to replace it with a "people's republic."

The Crown had previously withdrawn its case on Dec. 17, 1957, against 61 of the accused, including Mr. Luthuli. The judge ruled on Jan. 30, 1958, that there was sufficient reason for putting the remaining 95 accused (58 Africans, 17 Europeans,

18 Indians, and two Coloureds) on trial for high treason. All the accused pleaded " not guilty " and elected to be tried by a judge and jury. The charges against Mr. Lee-Warden and two of the accused Indians were subsequently withdrawn on Feb. 12, no reason being given for this decision.

A fund to meet the costs of the defence and of bail, and to assist the dependants of the accused, most of whom had lost their employment, was launched on Dec. 13, 1956, by the then Archbishop of Cape Town (the late Dr. Clayton), the Bishop of Johannesburg, two former judges (Mr. R. Feetham and Mr. F. Lucas), and other public figures. A similar fund was launched in London by Christian Action, its sponsors including Canon L. J. Collins, of St. Paul's Cathedral, the Bishop of Birmingham, Earl (Bertrand) Russell, Lord Faringdon, and Father Trevor Huddleston.

A proclamation issued by the Governor-General on March 17, 1958, banned the African National Congress from the Zeerust area (where a series of disturbances had taken place since April 1957 as a result of attempts by the chiefs to carry out Government instructions to make African women carry passes) and a number of other African reserves. The Minister of Native Affairs was empowered to extend the ban to other areas and organizations, and to order Congress property to be disposed of or destroyed. Congress members in the named reserves who did not resign, and persons who became members or took part in Congress activities, became liable to a fine of up to £300, imprisonment for up to three years, or both.—(Cape Times)

(Prev. rep. African National Congress, 14077 A ; Suppression of Communism Act, 14236 B.)

A. JAMAICA. — Constitutional Reform Proposals.

Final recommendations on constitutional reform in Jamaica, made by the bipartisan committee appointed in 1956, were presented in the Jamaica House of Representatives on April 1. The principal recommendations—providing *inter alia* for a two-Chamber legislature—were as follows :

Legislative Council. This body the Upper Chamber—would consist of 21 members, to be appointed by the Governor after consultations with the leaders of all parties represented in the House of Representatives ; the Chief Minister or Premier would have the right to recommend not fewer than three of the members. The Legislative Council would elect its President and Deputy President ; would be able to initiate any legislation except money Bills ; and could hold up any measures passed by the House of Representatives for six months, except money Bills, which might be delayed for one month only. It would have no official members.

House of Representatives. This Chamber would have 45 members, all elected. It would elect its Speaker and Deputy Speaker.

Council of Ministers. This body would be known as the Cabinet and would consist of up to 15 members, of whom not more than 12 could belong to the House of Representatives. It would be presided over by the Chief Minister, who might be designated Prime Minister.

Legislation. No Bills would be reserved for the Sovereign's assent except those relating to defence or international relations—i.e. subjects reserved to the West Indian Federal Government on the achievement of Dominion status. The Governor would have no reserved powers but would have a power of veto, to be exercised on the advice of the Cabinet.

Privy Council. The existing Privy Council would be retained to advise the Governor on the exercise of the Royal prerogative, and to be responsible for disciplinary matters relating to the Civil Service.

Judiciary. The Chief Justice would be appointed by the Governor after consultation with the Premier, whilst puisne judges would be appointed on the advice of the Judicial Service Commission.

Civil Service Commission. This body would be responsible for the appointment and promotion of Civil Servants.

The recommendations followed the introduction of a Cabinet system and virtual self-government in the island in November, 1957. (Times) **(Prev. rep. Jamaica, 15821 B.)**

B. UNITED KINGDOM. — Trade Unions. - New General Secretary and President of N.U.R.

Mr. Sydney Greene (47) was appointed general secretary of the National Union of Railwaymen on Feb. 25, and Mr. C. W. Evans (52) president of the union, in succession respectively to Mr. James Campbell and Mr. Tom Hollywood, both of whom died from severe injuries received in a motor accident at Stalingrad on Nov. 7-8, 1957, while visiting the Soviet Union with a trade union delegation.

Mr. Jim Campbell (62) was one of the leading personalities in the trade union movement and a member of the T.U.C. General Council. Formerly in the service of the old Glasgow & South-Western Railway, he was active in the N.U.R. for many years and succeeded Mr. Figgins as general secretary in 1953. Mr. Hollywood (55), an engine-driver, was a member of the National Executive Committee of the Labour Party. The bodies of Mr. Campbell and Mr. Hollywood were flown from Russia to Britain for burial.

Mr. Greene had been acting general secretary of the N.U.R. since Mr. Campbell's death.—(Times - Daily Herald)

(Prev. rep. 12843 D.)

C. TELEVISION. — New British Invention for Tape-recorded Television. - The " Vera " Apparatus.

It was disclosed on April 8 that engineers at the B.B.C.'s research laboratories had developed a new method whereby television programmes could be recorded on magnetic tape in much the same way as sound programmes are recorded. The apparatus—Vision Electronic Recording Apparatus (Vera)—was demonstrated to press correspondents by Sir Harold Bishop the B.B.C.'s Director of Engineering, who described it as " a very substantial advance " in the technique of television recording.

The Radio Correspondent of *The Times* gave the following explanation of the difference between the new and the existing systems :

" Until recently the only way of recording television pictures for later reproduction was by photographic film, using a film camera to photograph the images on the face of a television tube. The film had to be developed before the pictures could be re-broadcast ; apart from the delay, in some cases a degree of distortion was introduced. Moreover, the film could only be used once, and it was expensive.

" Vera records the picture information in the form of electrical impulses provided by the television camera. Because a band of frequencies some 300 times as wide as that required for high-quality sound recording has to be inscribed on the tape, it has to be run across the recording head very much faster than is necessary for normal sound recording, and 15,000 ft. are used to record a television programme lasting for a quarter of an hour The frequency band is divided and recorded simultaneously in two parts, together with the sound component of the programme, on conventional half-inch magnetic tape which can be used time and time again."

At the demonstration witnessed by press correspondents, a complete broadcast in vision and sound was immediately reproduced on a T.V. screen by the " Vera " apparatus within one minute. Mr. Cecil McGovern, deputy director of B.B.C. Television, estimated that the reproduction would have taken three to four hours by the existing method of filmed tele-recording, depending on the circumstances of processing ; he pointed out that the new method would be particularly advantageous for newscasts, outside broadcasting, and the T.V. talks department.

The British " Vera " apparatus is regarded as superior to a similar but much more expensive method of tape-recorded T.V. which had been in use in the United States for about two years. Whereas the British equipment costs £85 an hour to run, the American costs three times as much ; moreover, the capital cost of the equipment (about £5,000) is much less than in America. Sir Harold Bishop explained that the magnetic tape used in Britain was of half-inch width and obtainable from any manufacturer, whereas a specially wide tape was needed for the American system. He said that there was no fundamental reason why " Vera " could not be used for recording colour television when it was brought into service.

(Times - Daily Telegraph - Radio Times)

D. ADEN. — Agitation in Lahej Sultanate.

The Governor of Aden (Sir William Luce) ordered the arrest of three leading personalities in the Sultanate of Lahej on April 18 on charges of contact with foreign Powers [unnamed] and of trying to make trouble in the Western Aden Protectorate. The Sultanate of Lahej is the most important of the 17 sultanates, emirates and sheikhdoms which make up the Western Protectorate.

The three men concerned were Muhammed Ali Jiffri, president of the Lahej Legislative Assembly and legal adviser to the Sultan ; his younger brother, Abdullah Ali Jiffri, Director of Education in the Sultanate ; and Alwai Jiffri. All were described in official quarters as " agitators " and " conspirators." Abdullah Ali Jiffri was taken into custody but the other two remained at large.

Muhammed Ali Jiffri was instrumental in 1951 in forming the South Arabian League—an organization advocating the creation of a new South Arabian State to include Aden Colony and the Protectorates, and unity with the United Arab States. Alwai Jiffri is closely associated with M. A. Jiffri in the League's political activities and is president of its Yeshbum branch.

Intensive searches for Muhammed Ali Jiffri and Alwai Jiffri were made by two companies of The Buffs, who were reinforced on April 19-20 by other British troops flown to Aden from Kenya.—(Times - Manchester Guardian - Observer)

E. ARGENTINA. — Compensation Agreement signed with Primitiva Gas Company.

It was announced on April 5 that the Argentine Government had signed an agreement with the Primitiva Gas Company of Buenos Aires for compensation payments to that company in accordance with the decree of Nov. 25, 1957. The first payment (about £206,000) will be made within 30 days.—(Times)

(Prev. rep. 15897 A.)

A. AUSTRALIA. — Defence Reorganization. - The Morshead Committee Report. - Cabinet Changes.

A reorganization of Australian defence planning and administration was announced in the House of Representatives on March 19 by the Prime Minister, Mr. Menzies. The Government's decisions were partly based on the recommendations of a sub-committee set up in November 1957 under the chairmanship of Lieut.-General Sir Leslie Morshead. This committee, which also included the chairman of the Public Services Board (Sir William Dunk), the Secretary of the Defence Department (Mr. E. W. Hicks), and the Assistant Secretary of the Prime Minister's Department (Mr. E. J. Bunting), had been asked "to review the organization of the Defence group of departments and to advise the Cabinet."

The principal recommendations of the Morshead Committee were (*a*) that the separate departments of Defence, Navy, Army, and Air should be amalgamated into a single Department of Defence under a Minister of Defence; (*b*) that the Minister of Defence should be assisted by two "Associate Ministers" who would hold Defence assignments in addition to their own non-Defence ministerial portfolios; (*c*) that the Associate Ministers should be allotted duties on a "functional" and not a "Service" basis, so that each of them would be in charge of certain functions (e.g. personnel or logistics) for all Services; (*d*) that the separate Departments of Supply and Defence Production should be amalgamated into a single department under one Minister.

Mr. Menzies announced that, while rejecting a complete amalgamation of the Defence department and the three Service departments into a single department, the Government had come to the following conclusions:

(1) An administrative direction would be issued "to establish the complete superiority of the Department of Defence in the field of policy and to enable it by authority, if persuasion failed, to secure the elimination of overlapping between the various departments, and the creation wherever possible of common services and standards."

(2) The Chiefs of Staff would in future meet regularly for the formulation of purely military views, while continuing as hitherto to sit on larger committees in which important non-military considerations, either political or financial, were also taken into account.

(3) To avoid the possibility of the Minister of Defence receiving military advice representing a form of compromise between the individual Service views of the Chiefs of Staff, an independent Chairman would be appointed to head the Chiefs of Staff Committee; he would not himself be one of the Chiefs of Staff, and his duty would not be towards his former Service but to the Minister in respect of the overall defence picture. He would also act as military liaison officer with SEATO, ANZUS, and ANZAM. Otherwise, his appointment would not affect or reduce the proper authority of each Chief of Staff in relation to his own Service.

(4) The membership of the Defence Committee would be expanded to include the Chairman of the Chiefs of Staff Committee. [The Defence Committee was created about a year ago to co-ordinate inter-Service military ideas with the special knowledge possessed by the External Affairs Department, the financial considerations of the Treasury, and the broad policy preoccupations of the Prime Minister's Department].

(5) There would be increased consultation between the Minister for Defence and the Service and Supply Ministers, as well as between the permanent heads of the Defence, Service, and Supply Departments.

(6) The Departments of Supply and of Defence Production would be amalgamated into a single Department of Supply, which—like the Service Departments—would operate within and be subject to the general policy authority of the Department of Defence.

(7) Paramount responsibility for the elimination of overlapping, co-ordination of activities, and development of common services would rest with the Department of Defence, the Minister of Defence being given final authority to direct the introduction of reforms.

(8) The control of the research and development programme by the Department of Defence would be strengthened, whilst at the same time ensuring that the Services were more intimately associated with research and development at all relevant stages.

Mr. Menzies gave the following reasons why the Government had not adopted the Morshead Committee's recommendation for the complete amalgamation of the Service departments under a single Defence Minister, helped by Associate Ministers:

(*a*) The task of overall Defence administration and responsibility was far too great for one Minister.

(*b*) The appointment of Assistant Ministers or of Parliamentary Secretaries on a paid basis to assist the Minister would not be feasible in the light of Sections 44 and 46 of the Constitution, which provided that persons holding any "office of profit under the Crown" were incapable of sitting as members of the House of Representatives, and in the case of contravention were liable to penalties. The only offices of profit under the Crown which a member might take without forfeiture were those of Ministers of State. Under Section 64 of the Constitution, Ministers of State were appointed to administer such Departments of State as the Governor-General in Council might establish.

(*c*) For similar reasons Associate Ministers of Defence would first have to be appointed Ministers of State for some other department, and would receive their salary in respect of that department. As they had no department of their own they would be without the normal administrative organization for the performance of their work, and there would be no clear vertical line of authority connected with ordinary departmental organization; similarly, there would be difficulties in the status of an Associate Minister in relation to the Chiefs of Staff.

(*d*) Moreover, as the Associate Ministers would be responsible only for limited spheres (e.g. logistics or personnel), the Minister of Defence would be himself responsible, politically and in Parliament, for all other matters covered by the activities of the Defence Services and their administration. This would necessitate his becoming in part a detailed Services administrator, thus giving him less time to consider the important problems of strategic thinking and overall planning which were the vital business of the Defence Department.

Replying on March 27 to criticism of the Government's plans, expressed by both Government and Opposition members, the Minister for Defence (Sir Philip McBride) emphasized that the Morshead Committee had recommended only the integration of the administrative structure of the Services, but not any integration of the Services themselves a major step which had not been taken in any other country. He also stated that the Government were considering establishing common telecommunications, medical, transport, and education services for the armed forces.

Mr. Menzies announced on March 24 (*a*) that Mr. Athol Townley, Minister for Immigration, Supply, and Defence Production, would become Minister of the new unified Supply Department; and (*b*) that Mr. A. R. Downer would succeed Mr. Townley as Minister for Immigration. Mr. Downer (48) has been a member of the House of Representatives since 1949, representing a South Australian constituency.

Mr. Townley had taken over the portfolios of Supply and Defence Production, in addition to the Immigration portfolio, following the appointment of Mr. Howard Beale as Ambassador to Washington in February [see 16099 B].

It was announced in Canberra on April 9 that Lieut.-General Sir Henry Wells, recently Chief of General Staff of the Australian Army, had been appointed the first Chairman of the Chiefs of Staff Committee.—(Australian News and Information Bureau - Parliamentary Statement on Defence Organization, Canberra) **(Prev. rep. 15504 A.)**

B. UNITED KINGDOM. — Mr. Macmillan's Reply to Mr. Khrushchev on Suspension of Nuclear Tests.

Mr. Macmillan's reply to Mr. Khrushchev's letter of April 4 on the suspension of nuclear tests (see 16125 A) was delivered in Moscow on April 21. After expressing the hope that satisfactory arrangements would soon be made for a meeting of Foreign Ministers preparatory to a summit conference, Mr. Macmillan wrote:

"It seems to me that the question of nuclear tests must be one of the subjects, together with other problems of disarmament, which will be discussed. Any practical agreement in this sphere must depend, of course, upon an agreed system of inspection and control. I wonder, therefore, whether we could not press forward now with the proposal which has already been made—namely, that technical experts should meet in order to work out the kind of arrangements which would be necessary for such a system."

As stated in 16125 A, President Eisenhower had replied to Mr. Khrushchev on April 8.—(Times) **(Prev. rep. 16125 A.)**

C. PORTUGAL.—Second Six-Year Development Plan.

Details of Portugal's second six-year development plan were announced on April 11. It provides for an investment of 21,000 million escudos (about £260,000,000) in metropolitan Portugal and 9,000 million escudos (about £100,000,000) in the Portuguese overseas territories—about double the expenditure under the first development plan. Individual projects include a suspension bridge across the Tagus at Lisbon; 15 vessels for the Portuguese merchant navy, together with 10 cod-fishing vessels and 57 trawlers; increased electrification; new airports at Madeira and Horta (Azores); an increase in oil-refining capacity; and a free port zone at Montijo, near Lisbon. The plan as a whole lays emphasis on industrial and agricultural development and on improvements to communications.—(Times - New York Times)

(Prev. rep. 12755 B; 12540 B.)

APRIL 26—MAY 3, 1958

A. WESTERN GERMANY. — Arming of West German Forces with Nuclear Weapons. - Parliamentary Approval for Government Decision. - Bundestag Debate. - Social Democratic and Free Democratic Opposition to Nuclear Arms for Bundeswehr. - Protest Demonstrations. - Social Democratic Plans for National Referendum.

A four-day debate on foreign affairs and defence took place in the *Bundestag* on March 20-25. The debate—the longest in the history of the *Bundestag*, and characterized by impassioned speeches on both sides - dealt in particular with the question of whether or not the *Bundeswehr* should be equipped with nuclear weapons, and whether the Federal Government should accept the "Rapacki plan" for an atom-free zone in Central Europe comprising Western and Eastern Germany, Poland, and Czechoslovakia.

Prior to the debate, the Federal Defence Minister, Herr Strauss, had visited the U.S.A. during the first fortnight of March for discussions with the U.S. Defence Department, and had announced in Washington on March 5 that his Government would accept a U.S. offer of *Matador* pilotless bombers for the West German armed forces. [The *Matador* has a range of about 600 miles and can carry atomic as well as conventional warheads.] After his return to Bonn, Herr Strauss confirmed on March 18 that the Federal Government intended to buy two groups of *Matadors*, each with six launching ramps and 20 missiles. It was also authoritatively reported from Bonn that the Defence Ministry had ordered 300 *Nike* rockets in addition to the *Matadors*. All these missiles will be delivered with conventional warheads only, nuclear warheads remaining under U.S. control in accordance with NATO policy.

The Bundestag Debate.

The four-day debate was opened by Dr. Erich Mende, chairman of the Free Democratic Parliamentary Group.

Dr. Mende criticized the "negative attitude" of the Federal Government, and expressed the view that the Soviet Union might perhaps regard German reunification as a long-term process consisting of several stages. The first stage which might be discussed at a Summit Conference would be concerned with the principles of a peace treaty for the whole of Germany, and a decision on Germany's military and political status. Possibly the question of frontiers might also be discussed at this stage, although it could only be finally decided by an All-German Parliament in connexion with a peace treaty.

As regards the second stage, Dr. Mende said that his party agreed with the whole House that Eastern Germany was not a legitimate German State and that formal bilateral negotiations between Western and Eastern Germany must be rejected. Nevertheless, he was not opposed to discussions with the East German regime if the four Powers were to delegate to the two German States such questions as the adjustment of their economic and social systems, land reform, and electoral legislation for all-German elections. Such discussions, while not implying any abandonment by the Soviet Union and the Federal Republic of their respective principles, might help to "loosen the situation."

During the third phase the agreements reached could be formally laid down, and if there were any difficulties in working out details the four great Powers could still deal with these questions themselves. The fourth and final phase would consist of ratification of the treaty by an All-German Parliament created by free elections.

As regards the creation of an atom-free zone, Dr. Mende pointed out that the second Rapacki Plan [see 16090 A] contained certain control clauses, as had been previously demanded by the Western Powers; it should therefore receive serious consideration.

Dr. Adenauer said that the decisive question was whether or not the Federal Republic wanted to remain a member of NATO. This was not an opportune time to discuss the Rapacki Plan and other proposals because, with "seven Rapacki-like proposals and 21 other suggestions" for the agenda of the Summit Conference, nobody knew yet what was really intended. Stressing the "striking parallel" between the present situation and the *Bundestag* debates of December 1954 on German adherence to NATO, the Chancellor recalled that at that time the Soviet Union had suddenly brought up again the question of German reunification, with the clear intention of preventing the Federal Republic's entry into NATO. Now that a NATO reorganization in armaments and strategy was pending, the Soviet Union was again trying, by large numbers of letters and Notes, to create disunity and doubts among the Western countries and thus prevent these changes.

After stressing that the Federal Government wished "most urgently" for a Summit Conference to be held, Dr. Adenauer pointed out that the Soviet Union—the potential enemy of NATO—was equipped with nuclear weapons and guided missiles. If an important section of NATO did not have equally strong arms, NATO itself would "lose its importance and its purpose." If the Federal Republic were to refuse to participate in these developments in armament techniques, contrary to a request by NATO, the Federal Republic would for all practical purposes have left the North Atlantic Treaty Organization.

A country with the economic potential of Western Germany, and in her geographical position, could not remain in isolation; if a world catastrophe occurred, she would be involved irrespective of whether she was armed or unarmed "In the interests of our self-preservation," he added, "we have the duty to do all we can to prevent any such catastrophe. This we can do only if we remain in NATO and strengthen the Organization—but not if we weaken it by refusing to fulfil obligations arising from our membership."

After referring to Soviet penetration in the Middle East, Dr. Adenauer said that of the three Powers possessing nuclear weapons the Soviet Union was the only one with aggressive tendencies; being a dictatorship, it could start a war of aggression without taking account of any democratic inhibitions. The declaration of the Moscow Congress of Communist parties in November 1957 had expressly stated that the aim of Communism was world domination. The Soviet Union's aggressiveness had been increased by her possession of nuclear weapons, as shown not only by her policy in the Middle East but also by her attitude in the efforts to bring about controlled disarmament. In this connexion the Chancellor referred to the Soviet rejection of all the disarmament proposals made by the Western Powers in the United Nations and its Disarmament Commission. As regards the Soviet claim of having demonstrated her wish for disarmament by reducing her own forces, Dr. Adenauer said that during the past few years the Soviet Union had greatly increased not only her nuclear armaments but also her conventional weapons; the reduction of her forces, therefore, meant no reduction of her fighting power and could not be interpreted as a sign of peaceful intentions.

Dr. Adenauer went on to reject the argument put forward by those who opposed the equipment of the *Bundeswehr* with nuclear weapons—namely, that the only choice was between "atomic death and the renunciation of nuclear weapons." He emphasized that there was a third possibility—the prevention of any atomic war through general controlled disarmament. This was the aim of the Federal Government's policy, and only in this manner could the world be safeguarded against the horror of atomic war.

If NATO disintegrated through the Federal Government's refusal to take part in the reorganization of NATO forces from the point of view of strategy and equipment, the situation would become infinitely more dangerous. It would lead to a situation in which the United States, "perhaps with Britain," would have to face the Soviet Union alone, whilst Germany would lose all political influence and become "an object of the policy of other countries."

NATO, the Chancellor continued, was not only a military defensive alliance but a great political alliance aiming at the economic and cultural co-operation of its members, and pointing the way from a confused international situation to a better future. He stressed that in the London disarmament negotiations all Western proposals had been made with the agreement of all NATO members, and that the replies to the Soviet letters were likewise the result of full consultations within NATO. The final communiqué of the Paris Conference had expressly reaffirmed that all member-countries of NATO demanded German reunification in peace and freedom.

In conclusion, the Chancellor stressed that he was prepared to negotiate with the Soviet Union on German reunification at any time. Much progress could be achieved in relaxing world tensions and improving German-Soviet relations if the Germans living in the Soviet zone were allowed to live in freedom; this was not a question of "excessive nationalism" but one of humanity.

Dr. von Brentano (the Federal Foreign Minister) emphasized that the question of German reunification and the restoration of a democratic order in Germany based on the freely-expressed will of the German people should be discussed at a Summit Conference. The Federal Government would continue to press for the inclusion of this subject on the agenda, although the Soviet Government had so far shown no signs of willingness to negotiate on this question. The Federal Government were convinced that no useful discussion of the question of European security was possible at a Summit Conference so long as the Soviet Union declined to discuss German reunification.

The Government still adhered to its view that the process of reunification must begin with free elections in the whole of Germany, and not with the formation of a provisional all-German Government. This did not imply, however, that in the negotiations with the Soviet Union there was no room for discussion of other questions of international security connected with reunification. The Government had always been fully conscious of the close connexion between these problems, and was ready to integrate itself in a system of European security which would safeguard Germany's security and contain guarantees for the security of the other members.

After reiterating the Federal Government's rejection of the Soviet proposal for a Confederation between the Federal Republic and the German Democratic Republic, Dr. von Brentano deprecated the contradictory attitude of the Soviet Union, which on the one hand declared its willingness to talk about a peace treaty with Germany, but on the other hand demanded that the question of German reunification should not be discussed at a Summit Conference. With regard to the Rapacki Plan, he asked whether those who supported an atom-free zone for the whole of Germany realized that this might imply an American withdrawal from Germany. The choice lay between "total security or total insecurity," and they could only expect other countries to protect Germany's security if Germany in turn was willing politically and morally to contribute to the security of those countries. He appealed to the Opposition to reach some agreement with the Government on these questions.

Dr. Arndt, for the Social Democrats, accused the Government of wishing to create a *fait accompli* before a Summit Conference; this, he asserted, was the "true meaning" of the "almost irrevocable step to equip the *Bundeswehr* with atomic weapons," and the Opposition wanted to expose the "incalculable effects" of such a decision.

Recalling the Social Democratic opposition to Western Germany's adherence to NATO, Dr. Arndt said that there had been no mention of nuclear armaments for the *Bundeswehr* when Germany joined NATO, and before the 1957 elections the Christian Democrats had denied that its equipment with nuclear weapons was contemplated. He asserted that the Government, by making "veiled announcements and ambiguous denials," had followed a policy of "advancing step by step" and "gradually sliding down" until, with the proposed purchase of *Matador* missiles from the United States, it had now "out-manoeuvred" Parliament without revealing the full implications of such a decision.

Dr. Arndt declared: "We cannot make a contribution to the Summit Conference by demonstratively arming the *Bundeswehr* with nuclear weapons. Our appeal to the Powers to stop the atomic armaments race would be politically and morally insincere if in the same breath we advocated atomic weapons for ourselves. Any prospect of braking this race towards universal suicide is dependent upon limiting the number of countries possessing atomic armaments."

Continuing, Dr. Arndt said that while there was general agreement on comprehensive disarmament as the ultimate aim, to demand disarmament as the beginning of a relaxation of tension would only prevent such a relaxation under present conditions. To bring about a relaxation of tension it was necessary to start patiently with regionally restricted measures and limited risks; and this led necessarily to the conclusion that a beginning should be made in Central Europe. To equip Western Germany with atomic weapons would entail the danger of an increased concentration of Soviet atomic weapons in Eastern Europe, and especially in Eastern Germany, and would also result in intensified Soviet pressure on the European peoples and the population of Eastern Germany. German reunification could be achieved only by way of a limitation of armaments, and a decision for equipping the *Bundeswehr* with nuclear weapons would almost certainly be a decision against reunification.

Finally, Dr. Arndt declared that atomic explosives were "not proper arms but means of mass destruction which will only lead to suicide and the extinction of all human life." The Federal Constitution permitted only defensive wars, but no such war could be conducted by using atomic weapons, which were aimed solely at the destruction of all human life in a given area. It was his party's conviction that they could not and should not use such means. Instead, they felt that Western Germany should contribute to the creation of a "zone of relaxation" in Central Europe, thereby helping to facilitate a Summit Conference and to bring about an initial "reduction of horror."

Herr Strauss (the Federal Defence Minister) called on the Opposition to join in the active defence of Germany, and criticized the Opposition's attitude of relying on the Americans for atomic weapons while refusing such weapons to the German forces. The *Bundeswehr* could not be treated in isolation from the Western alliance, and nuclear armaments for the West German forces implied no more or no less than what Germany's allies were doing and what everybody must be prepared to do, however unpopular. German soldiers could not be equipped with weapons a thousand times weaker than those of an aggressor. To refuse the *Bundeswehr* such purely defensive weapons as the *Nike Ajax*, the *Nike Hercules*, and the *Nike Zeus* would deprive Germany of any active protection against air attacks.

Herr Strauss emphasized that the nuclear warheads would remain in American custody and could only be used on the orders of the NATO High Command in the event of aggression. To prevent aggression, it was essential that any aggressor should know that such a decision might be taken—but this presupposed that such weapons were in existence. He added: "We do not wish atomic weapons to be in German hands or dependent on German decisions. We do not wish to have them for the *Bundeswehr* but for the NATO units of all the European allies—a decisive difference." The solidarity of NATO could only be maintained if all member-countries, including Germany, shouldered the burdens arising from that solidarity, even if such action was unpopular.

The Federal Government did not wish to engage in the production of atomic weapons, and favoured the abolition of such weapons under a system of control and of equality of conventional forces. It was not prepared, however, to weaken the defensive potential of the NATO alliance to such an extent that the aggressor might hope one day to conquer Western Europe without the risk of a third World War. Any weakening of the alliance, or its dissolution, would be "a deadly sin against the elementary interests of German policy."

Herr Ernst Lemmer (Federal Minister for All-German Questions) gave a warning that by making a wrong decision now they might destroy the existence of the Federal Republic. For Western Germany to take certain steps in anticipation of hoped-for developments on the Soviet side might only make things more difficult, as they had no certainty that such steps would lead to any change in Soviet policy. As regards the East German regime, Herr Lemmer reiterated that the Federal Government would continue to refuse it recognition and would also refuse any formal contacts with it—which, he felt, was in harmony with the feelings of the East German population. Nevertheless, the Federal Government would not refuse an invitation to an East-West conference for the settlement of the German question on the ground that the East German regime might also send a delegation. What they would refuse, even at such a conference, was a "fusion" with such a delegation into an "all-German team." For the same reason they could not agree to a Confederation with Eastern Germany.

Herr Erler (Social Democrat) said that there should be no rejection of limited and regional disarmament, and that the "all or nothing attitude" must be dropped. Soviet troops must be withdrawn if people were to breathe freely again, but they would never be withdrawn if other foreign troops remained. A suspension of nuclear tests could be a first step towards achieving some measure of disarmament.

Turbulent scenes occurred when **Herr Helmuth Schmidt** (Social Democrat) accused the Government of trying to make the *Bundeswehr* an instrument of power policy; he declared that it would one day be recognized that the decision to arm the two Germanies with nuclear weapons had been as disastrous as the "enabling laws" passed by the *Reichstag* for the Hitler regime. Herr Schmidt asserted that many of the speeches in the debate had been "in the manner of the Kaiser," and alleged that when the Government spoke of nuclear weapons for the *Bundeswehr* they meant "military power."

Professor Carlo Schmid (Social Democrat) deprecated the suggestion that any proposal to negotiate meant submission, or that it was right to be prepared for negotiations only if one was certain of achieving one's aims. In the present situation negotiations were particularly difficult in view of the fact that they had to be held with someone who held "the heart of Germany as a lien." The real problem was not whether the Federal Republic should remain in NATO but whether a reunited Germany should be a member of NATO, and whether the Federal Republic should form part of an atom-free zone comprising Germany, Poland, and Czechoslovakia. He denied that favouring such a plan would affect Germany's membership in NATO; instanced in this connexion the case of Denmark and Norway, which had rejected atomic weapons for themselves without impairment of their NATO membership; and referred to a recent conference of Scandinavian Foreign Ministers which had advocated discussions of regional disarmament in Europe "on the basis of recently announced plans" i.e. the Rapacki plan.

Professor Schmid expressed the opinion that acceptance of such a plan would not necessitate the conclusion of a formal treaty between Western and Eastern Germany, and that it would be sufficient to accept the plan unilaterally. This would involve a risk, but there were no politics without risk.

Negotiations, he declared, were the only way to German unification and European security, with eventual free elections. Nor could they insist on demanding for a unified Germany absolute freedom to decide on the alliances she wished to join, since this would make reunification impossible. The present policy, he feared, would destroy all hopes of a solution, whereas the Rapacki plan was a good basis for starting negotiations. In this connexion Professor Schmid referred to his talks with Polish leaders in Warsaw, and said that it had not been easy for the Poles to defend the plan *vis à-vis* the Soviet leaders. All Poles he had seen, irrespective of their political views, had told him that in the present situation the alliance with the Soviet Union was the only guarantee of Poland's security, although they had emphasized that this alliance would not prevent them from carrying out a Polish policy and pursuing their own objectives. It was therefore important for the Federal Republic to seize the initiative and reassure the Poles with regard to Germany's future, while using "flexible methods" in pursuing their aim of peaceful reunification.

Dr. von Brentano, in reply, agreed that they would have to make concessions in their negotiations with the Soviet Union. He rejected Professor Schmid's proposal for consideration of the Rapacki plan, however, because that plan was "not a good beginning," would "block rather than facilitate" further developments, and would upset the political equilibrium in such a way as to "prevent the next step." The Government could not agree with the Opposition's reasoning that it was right to keep the Americans for Germany's protection but at the same time to "wash their hands of the whole matter" and "remain outside," leaving it to the Americans to "do the unpleasant jobs."

Dr. Gustav Heinemann (Social Democrat), a prominent Evangelical leader and a former Minister of the Interior in Dr. Adenauer's Government, refuted the Chancellor's assertion that the decision facing Parliament was the survival of NATO, since nobody was demanding that Germany should leave NATO. The Government claimed that the Federal Republic's membership of NATO was placed in jeopardy if the *Bundeswehr* was not equipped with atomic weapons. The Opposition replied that the NATO treaty did not demand nuclear armaments, and that the Federal Republic could retain her membership with a conventionally armed *Bundeswehr* in the same way as other countries remained members without possessing atomic weapons.

Dr. Heinemann called upon the House to take a stand against "weapons of mass suicide," for which as Christians they could not take responsibility. There was no Christian justification for these weapons, which were wrong and solved nothing. If the Government said that they only wanted to have these means of mass destruction as a deterrent, and not to engage in an atomic war, this was not

correct because any deterrent could only be effective if one was prepared to make use of it. Dr. Heinemann stressed that he was neither an idealistic pacifist nor an advocate of total disarmament for Western Germany; but he believed in a better form of security than that offered by the Government - namely, security brought about by negotiation.

In conclusion, he gave a warning against letting "blind anti-Communism" gaining sway over them, which once before had "led the German people into disaster and crimes." The long-standing "hereditary" hostility with France had now at last been overcome, but it should not be replaced by a "deadly hostility" against Germany's eastern neighbour.

Dr. Gerstenmaier (Christian Democrat), president of the *Bundestag* and also a prominent Evangelical leader, took a stand diametrically opposed to Dr. Heinemann's. He said that since the war they had tried to renounce "any sort of national power policy," and had also been prepared to renounce any German rearmament on reasonable conditions. They had been forced to adopt rearmament, however, not because they had changed their minds or their principles, but because of the "rough realities" of world history. Faced with this situation, they had had only "the alternative of waiting indifferently for further developments in the conflict between East and West or of taking up a position in conformity with our democratic needs." They had chosen the latter course in 1950, and since then the situation in this respect had not changed.

Continuing, Dr. Gerstenmaier said that Germany remained divided because the Soviet Government did not want reunification; the impression given by the Opposition that Germany could have unity if she wanted it was "entirely wrong." Nevertheless, it was essential to make continuous efforts with a view to removing totalitarian pressure in Eastern Germany —"a question even more important than formal reunification"— and to work actively, through direct contacts between Bonn and Moscow, for a relaxation of tension between East and West.

Dr. Gerstenmaier said they were all agreed that reunification was likely to be the result of a relaxation of tension, and it was therefore important that discussions on reunification should be continued at a Summit Conference. He thought that if there could be an agreement between the U.S.S.R. and the Western Powers on the political and military status of a unified Germany, the negotiations on the terms of reunification would assume a different character and might be brought nearer a successful conclusion.

Summing up the present situation, Dr. Gerstenmaier made the following three points: (1) The Soviet Government prevented any advance in the question of German reunification by demanding an absolute right of veto for the East German regime. (2) Marshal Bulganin's proposal for a peace treaty with Germany was "mutilated" by separating peace treaty negotiations from the question of reunification. (3) Mr. Khrushchev tried to prevent any joint development of the European security and German problems, which were inter-locked, and to retain the *status quo* in Germany by keeping the two questions separate. They in Western Germany could not accept this, nor could they agree that the Federal Republic should be removed from the protective community of the free world without any equivalent security guarantees. They must also insist that any all-German Parliament created by free elections should have a free hand in considering and ratifying a peace treaty.

As long as Germany was divided and there was no European security system or other equivalent, the Federal Republic's membership of NATO was vital not only for Western Germany but for Germany as a whole. One essential point had been overlooked by the Opposition namely, that the equipment of the *Bundeswehr* with atomic weapons would be completed at the earliest in the autumn of 1959, that is in 1½ to 2 years. This, however, would only be the case if no disarmament agreement was forthcoming; there would be no atomic weapons for the German forces if a Summit Conference were to reach "satisfactory, practical, and controllable disarmament arrangements during the next 12 or 18 months."

In conclusion, Dr. Gerstenmaier declared that what was involved was not a question of Christian principles but of the efforts they regarded as commensurate with the preservation of the fundamental rights enshrined in the Federal Republic's Basic Law.

Dr. Mende said that the Opposition agreed with the Government that there was a Soviet danger. In the view of the Free Democrats, that danger was a spiritual as well as an economic, social and military one. The Free Democrats were willing to defend freedom by all means, but held that the equipment of the *Bundeswehr* with atomic weapons was not necessary because the atomic balance of the great Powers constituted a safe guarantee that neither of the two leading Powers would incur the risk of atomic war. The Free Democrats' opposition to atomic weapons for the *Bundeswehr* was also based on the fact that there had been offers from the other side to renounce atomic weapons on their part. Finally, they felt that freedom had lost its meaning where life was extinct, and that there was no sense in defending values if that defence resulted in the destruction of the values to be defended. For years they had lived in the period of the "atomic deterrent," and the value of that deterrent would not be increased if a "small German atomic potential" were added to those of the "two giants." On the other hand, any actual use of atomic weapons was an entirely different matter and was bound to end in the destruction of the German people.

In conclusion, Dr. Mende said that Western Germany would not be making any unilateral sacrifices by accepting the Rapacki plan, since the creation of a 250-mile-wide atom-free zone in Western Germany would be paralleled by an atom-free zone in Eastern Europe of double that width. The Federal Republic should "take the Soviet Union at its word" and not reject the Bulganin offer of 1957 expressing willingness for the withdrawal of Soviet forces from Central and Eastern Europe on condition that Allied forces were simultaneously withdrawn from Western Germany.

Herr Erich Ollenhauer, leader of the Social Democratic parliamentary group, announced in the closing stages of the debate (March 25) that his party had decided to submit a Bill for a referendum on the question of whether the *Bundeswehr* should be equipped with atomic weapons, and whether there should be launching sites for atomic weapons on German territory. He also announced that his party reserved the right "to take further measures" since the Federal Government's decision to arm the *Bundeswehr* with nuclear weapons, in conjunction with the continued division of Germany and the absence of a peace treaty with a unified German State, threatened to lead to "a national emergency."

Dr. Mende, on behalf of the Free Democrats, demanded that all parties should co-operate in view of the "deadly danger" and that an all-party "Government of national emergency" should be formed under a Chancellor who "possesses the will and the capability to conduct a generally acceptable German policy." Such a Government should approach the four Powers with the aim of (1) ensuring that the question of a treaty with a unified Germany was included on the agenda of a Summit Conference, (2) securing the participation of German representatives in an advisory capacity at such a conference; (3) accepting, in agreement with the Federal Republic's allies, the Polish offer of an atom-free zone in Central Europe, (4) safeguarding the Federal Republic's contractual obligations and reaching agreement with the Allies so that the special position of a divided Germany was duly taken into account within the alliance; and (5) maintaining the broadest possible basis of confidence for the Government's measures by close co-operation with Parliament.

The Bundestag Resolution.

At the conclusion of the debate on March 25 the *Bundestag* adopted a five-point resolution, as follows:

(1) Requesting the Federal Government, in any international negotiations in which it was participating, or on which it could exert some influence, to advocate general controlled disarmament both in respect of nuclear and conventional weapons; and to reaffirm the Federal Republic's willingness to accept such a disarmament agreement, with a view to contributing to a relaxation of tension and the solution of international questions, including the German question.

(2) Expressing the view that as long as Communism pursued its world revolutionary aims, peace and liberty could be safeguarded only by the joint defence effort of the free world; reaffirming that the tasks of the *Bundeswehr* were confined to the maintenance of peace and to defence; and requesting the Federal Government "to continue the building-up of Germany's defence within the North Atlantic Defence Community until a general disarmament agreement has been reached." The resolution added: "In conformity with the requirements of this defence system, and having regard to the armament of the possible enemy, the armed forces of the Federal Republic must be equipped with the most modern weapons so that they may be able to carry out the obligations assumed by the Federal Republic within NATO, and to make an effective contribution to the safeguarding of peace."

(3) Requesting the Federal Government to do all in its power to bring about a fruitful discussion of the German question at the forthcoming Summit Conference.

(4) Reiterating that free elections must form the basis of German reunification; and rejecting the proposals for the conclusion of separate peace treaties with Eastern and Western Germany, as well as negotiations with the present regime in the Soviet Zone or a Confederation with that regime.

(5) Reaffirming that German reunification in conjunction with a security system was the most urgent task of German policy.

The resolution was moved by the Government coalition parties (the Christian Democratic Union, the Christian Social Union, and the German Party) and adopted by 270 votes to 165, with 26 abstentions. One Free Democrat voted with the Government parties and one with the Social Democratic opposition, the other Free Democrats abstaining.

A number of motions by the Social Democrats and the Free Democrats were rejected, whilst others were sent to the Foreign Affairs Commission of the *Bundestag* for further consideration.

Those rejected included motions opposing the equipment of the *Bundeswehr* with atomic weapons and, alternatively, demanding that a decision on this question be deferred until after a Summit Conference. The motions referred to the Foreign Affairs Commission included a motion to enter into negotiations with Poland and the other countries concerned for the realization of the plan for an atom-free zone in Europe; another requesting the Federal Government to report by May 31 on "positive steps" it intended to propose to the U.S., British, French, and Soviet Governments with a view to bringing about controlled disarmament, closer relations with the East German people, and German reunification;

and a third requesting the Federal Government to take suitable measures to protect the population against atomic attack, and to ensure that atomic energy was used only for peaceful purposes.

Following the *Bundestag's* vote the Defence Committee approved the purchase of 24 *Matador* missiles and six mobile launching ramps from the U.S.A. on March 27, thereby authorizing the Defence Ministry to conclude the formal contract and arrange for the training of crews. It was announced on the same date that a number of German personnel were already in the U.S.A. for training; that the first anti-aircraft rocket units equipped with *Nike* missiles would be ready early in 1959; and that units armed with *Corporal* missiles were expected to be ready by the end of that year. Other missiles to be ordered from the U.S.A. would include the *Honest John* and *Redstone* rockets.

Anti-Nuclear Campaign by Opposition Parties and Trade Unions.

The Social Democratic Party issued a resolution on March 27 calling on the German people to demand that the Federal Government should reverse its decision to arm the *Bundeswehr* with nuclear weapons and devote all its efforts to peace negotiations and a relaxation of tension.

The resolution claimed that the Federal Government had no mandate for the introduction of nuclear weapons; said that the vital interests of the people demanded that the Government be replaced; and stated that the Social Democrats would support a new Government which abandoned nuclear armaments and concentrated seriously on peace negotiations for all Germany. After declaring that there was no longer any justification for Dr. Adenauer remaining in office, Herr Ollenhauer said that the *Bundestag* debate had been "a beginning and not an end," and that the struggle against nuclear armaments would be continued. Herr Ollenhauer claimed that both a referendum and political protest strikes were constitutional methods of achieving these aims.

The executive of the German Trade Union Federation decided on March 28, after an emergency meeting in Hamburg, to organize demonstrations against the Government's decision throughout the country. It expressed its support for the "struggle against atomic death" movement; called on the Government to hold a national referendum; and said that it would support those workers who refused, for reasons of conscience, to build missile sites.

Large protest demonstrations took place on March 29-30 in a number of big cities, including Hamburg, Bremen, and Frankfurt (all Social Democratic strongholds); there were also brief protest strikes by dockers in Hamburg on March 28 and by employees of the Volkswagen works at Brunswick and Wolfsburg on March 27-28. Protest demonstrations also took place at many universities, the students of the Hamburg engineering college marching in silent procession through the city carrying placards with slogans such as "Remember Hiroshima" and "Beware, Atomic Death Threatens!" Nearly 70 university professors, including Professor Max Born, the physicist and Nobel prizewinner, signed an appeal calling for widespread demonstrations against nuclear weapons.

The Free Democratic Parliamentary Group issued a joint statement with the Federation of Trade Unions on April 2 claiming that the majority of the people were opposed to the arming of the *Bundeswehr* with atomic weapons, and calling for a referendum to demonstrate the people's feelings.

The Federal Ministries of Justice and the Interior reported to the Cabinet, however, that such a referendum would be incompatible with the Constitution, which made no provision for a referendum except in the case of territorial adjustments between the *Länder*. The Social Democrats accordingly announced that, in the event of any constitutional difficulties in connexion with a Federal referendum, they intended to introduce proposals for State referenda in all the 11 *Länder* of the Federal Republic. A Bill providing for a national plebiscite on atomic weapons for the West German forces was introduced by the Social Democrats in the *Bundestag* on April 18, but on April 24 it was referred to the Legal Commission of the *Bundestag*—which, in practice, meant that it had no chance of being adopted.

East European Protests at Atomic Weapons for West German Forces.

A communiqué denouncing the arming of the West German forces with nuclear weapons was issued by the Foreign Ministers of Poland, Czechoslovakia and Eastern Germany after a meeting in Prague on April 10-12.

The communiqué said that the *Bundestag* resolution had "aggravated the tension in Europe" and caused "justified concern and indignation" at a time when the nations were making "efforts to lessen international tension and demanding a check to the atomic armaments race." It added that the "revival of German imperialism and militarism constitutes the main danger to European peace," and described the German Federal Republic as "the only European country where a policy of revenge is being deliberately supported and where territorial claims are openly put forward."

After reaffirming their countries' support for the "Rapacki plan," the three Foreign Ministers welcomed "the momentous decision of the Supreme Soviet concerning the immediate suspension of nuclear weapon tests." They expressed the hope that the United States and Great Britain would take similar action "despite their present negative attitude."

It was subsequently announced in Warsaw that the Polish diplomatic representatives in the NATO countries had made *démarches* to the Governments concerned on the subject of arming the *Bundeswehr* with atomic weapons.

In Belgrade, a spokesman of the Yugoslav Foreign Ministry stated on March 28 that the *Bundestag* decision had "aroused justified concern in Yugoslavia, which twice in the recent past has been the victim of German aggression." The West German decision "sharpens and aggravates the international situation and seriously threatens the prospect of a further relaxation of international tension precisely at the moment when concrete efforts are being made to reach agreement among nations." The spokesman added that the Yugoslav Government was "considering the possibility of bringing this question before the United Nations."—(Frankfurter Allgemeine Zeitung - Die Welt, Hamburg - Welt der Arbeit, Cologne - Polish Embassy Press Office, London - Tanjug Agency, Belgrade)

(Prev. rep. NATO, 15965 A; Rapacki Plan, 16090 A.)

A. MAURITIUS. — Constitutional Reforms. - Report of Electoral Boundary Commission.

The Mauritius electoral boundary commission under the chairmanship of Sir Malcolm Trustram Eve, Q.C., issued its report on Feb. 25. It recommended (1) that the Colony should be divided into 40 single-member constituencies; (2) that the Governor should appoint up to 12 members of the Legislative Council to ensure that its representation was broadly proportionate to the communities in the electorate; and (3) that he should be free to select these members from candidates who were unsuccessful in the elections, if they had received reasonable support, as well as from non-candidates, so long as the result of an election was not frustrated.

Reporting on its consultations in Mauritius, the commission stated that all important sections of opinion in the island, including the Labour Party, the *Parti Mauricien*, and groups representing the Moslem community, had accepted the three principles agreed at the London Conference of March 1957, viz.:

(1) That the electoral system should be on the basis of universal suffrage.

(2) That any system of voting should provide an adequate opportunity for all the main sections of opinion in Mauritius to elect their representatives to the Legislative Council in numbers broadly corresponding to their own weight in the community.

(3) That the electoral system should facilitate the development of voting on grounds of political principle and party rather than on race or religion.

In the commission's view, it was necessary to constitutional development that for, say, the next three elections "there should be a certainty that the proper proportions are obtained in the Legislative Council by election, or, failing that, by election plus Governor's appointments."

In accordance with its terms of reference, the commission proposed geographical boundaries for 40 constituencies of approximately equal voting strength, and in none of which the electorate would be below 5,000. The average constituency would have about 7,000 electors. The proportions of the electorate, broadly corresponding to the three main sections of the population, would be: Indo-Mauritian Hindus, just under half; general population, just under one-third; Indo-Mauritian Moslems, just over one-seventh. The commission was satisfied that its recommendations would secure adequate representation to the Indo-Mauritian Hindus and the general population, though certain doubts were expressed about the Moslems.

The commission agreed that a system of three-member constituencies would give a worse opportunity to the Moslems than that proposed; it also held that merely communal voting would be contrary to the third principle of the London agreement. The Commission therefore recommended single-member constituencies, subject to the guarantees asked for in the use of the Governor's power of appointment.

The British Colonial Secretary (Mr. Lennox-Boyd) announced on the same day that he had accepted the commission's report and had given an assurance that the Governor's appointments would be made in accordance with the principles sought. Mr. Lennox-Boyd expressed satisfaction that a solution had been found which was in entire accord with the three main principles set out in the London agreement.—(Times)

(Prev. rep. 15698 A.)

A. UNITED KINGDOM. — Wolfenden Committee Report on Homosexual Offences and Prostitution. - House of Lords Debate.

The report of the Departmental Committee on Homosexual Offences and Prostitution (known as the Wolfenden Committee after its chairman, Sir John Wolfenden) was published on Sept. 4, 1957, Cmd. 247). The committee, whose members included two High Court judges, two M.P.s, doctors, lawyers, ministers of religion, and three women, had been appointed on Aug. 24, 1954, with the following terms of reference: "To consider the law and practice relating to homosexual offences and the treatment of persons convicted of such offences by the courts, and the law and practice relating to offences against the criminal law in connexion with prostitution and solicitation for immoral purposes; and to report what changes, if any, are in their opinion desirable."

The Wolfenden Committee recommended *inter alia* that homosexual behaviour between consenting adults in private should no longer be a criminal offence; that maximum penalties for homosexual offences against young persons, however, should be increased; that maximum penalties for soliciting in the streets by prostitutes should also be increased; and that the requirement that annoyance to other persons must be established before a prostitute could be convicted should be eliminated.

The report was signed by Sir John Wolfenden (Vice-Chancellor of Reading University), Mrs. Mary Cohen, Mrs. Kathleen Lovibond, Lady Stopford, Sir Hugh Linstead, M.P. (Conservative, Putney), Mr. W. T. Wells, Q.C., M.P. (Labour, North Walsall), Mr. James Adair (formerly Procurator-General at Glasgow), Dr. Desmond Curran, Canon V. A. Demant, Mr. Justice Diplock, Lord Lothian, Mr. Victor Mishcon, and Dr. Joseph Whitby. Two of the original members of the committee, Mr. Goronwy Rees and the Very Rev. R. F. V. Scott, had resigned in 1956 and did not sign the report.

The committee's findings and recommendations are summarized below under cross-headings.

The Problem of Homosexual Offences.

Introduction. The function of the law in matters of moral conduct, the report suggested, was "to preserve public order and decency, to protect the citizen from what is offensive or injurious, and to provide sufficient safeguards against exploitation and corruption of others, particularly those who are specially vulnerable because they are young, weak in body or mind, inexperienced, or in a state of special physical, official, or economic dependence." The report continued: "It is not, in our view, the function of the law to intervene in the private lives of citizens, or to seek to impose any particular pattern of behaviour further than is necessary to carry out the purposes we have outlined. It follows that we do not believe it to be a function of the law to attempt to cover all the fields of sexual behaviour. Certain forms of sexual behaviour are regarded by many as sinful, morally wrong, or objectionable for reasons of conscience, or of religious or cultural tradition; and such actions may be reprobated on these grounds. But the criminal law does not cover all such actions at the present time; for instance, adultery and fornication are not offences for which a person can be punished by the criminal law. Nor, indeed, is prostitution as such . . ."

Problems of Homosexuality. The Committee found evidence for the view that there were varying degrees of homosexual propensity. This indicated, in their opinion, that homosexuals could not be regarded as quite separate from the rest of mankind; it also had implications for possible treatment. Distinguishing between active and latent homosexuality, the report observed that "among those who work with notable success in occupations which call for service to others, there are some in whom a latent homosexuality provides the motivation for activities of the greatest value to society."

The Committee dismissed the concept of homosexuality as a disease, with the implication that the sufferer could not help it and therefore carried a diminished responsibility for his actions. It was often the only symptom, being associated with full mental health in other respects, while alleged psychopathological causes had been found to occur in others besides the homosexual. It had been suggested to the Committee that associated psychiatric abnormalities were less prominent, or even absent, in countries where the homosexual was regarded with more tolerance. Discounting the widely-held belief that homosexuality was peculiar to particular professions or classes or to the "intelligentsia," the report pointed out that the evidence showed that it existed among all callings and classes and among persons of all levels of intelligence.

It was difficult to assess the extent of the problem, as any figures of offences known to the police were bound to reflect police efficiency. Many of the Committee thought it unlikely that there had been an increase in homosexual behaviour proportionate to the "dramatic rise" in the number of offences known to the police. Its incidence among a population of more than 18,000,000 adult males, however, must be large enough to constitute a serious problem.

Offences among Consenting Adults. The report examined and dismissed a number of arguments against legalizing adult acts in private, its conclusions being as follows: (1) There was no evidence for the view that such conduct was the cause of the "demoralization and decay of civilizations," although like other forms of debauch it might unfit men for certain forms of employment. (2) There was no reason to believe that such behaviour inflicted any greater damage on family life than adultery, fornication, or lesbianism. (3) The evidence indicated that the fear that legalization of homosexual acts between adults would lead to similar acts with boys had not sufficient substance to justify the treatment of adult homosexual behaviour in private as a criminal offence; on the contrary, the evidence suggested that such a change in the law would be more likely to protect boys than to endanger them. The Committee accepted the evidence of expert witnesses that there were two recognizably different categories among adult male homosexuals—those who sought adult partners, and paedophiliacs, who sought as partners boys who had not reached puberty. The latter category would continue to be liable to the sanction of the criminal law. (4) The Committee did not share the fear that such a change in the law would lead to "unbridled licence," as the law seemed to make little difference to the amount of homosexual behaviour which actually occurred.

The report continued: "Unless a deliberate attempt is made by society, acting through the agency of the law, to equate the sphere of crime with that of sin, there must remain a realm of private morality and immorality which is, in brief and crude terms, not the law's business. To say this is not to condone or encourage private immorality. On the contrary, to emphasize the personal and private nature of moral or immoral conduct is to emphasize the personal and private responsibility of the individual for his own actions, and that is a responsibility which a mature agent can properly be expected to carry for himself without the threat of punishment from the law. We accordingly recommend that homosexual behaviour between consenting adults in private should no longer be a criminal offence."

Offences by Males under 21. The majority of the Committee agreed that an adult for the purposes of their recommendation should be a person of 21, although a minority considered that the age should be fixed at 18. Medical witnesses had held that the sexual pattern was normally fixed by the age of 16; the Committee considered, however, that a boy of 16 was incapable of forming mature judgments about actions which might set him apart from the rest of society, whilst to set the age at 18 would lay youths between 18 and 21 open to undesirable attentions and pressures.

Any indecent homosexual act by a male under 21 would continue to be an offence. The Committee recommended, however, that, apart from cases of indecent assault or violation of public decency, proceedings should be taken only if the behaviour had been accompanied by conduct of a patently criminal or vicious nature (e.g. bullying at a school or institution, the abuse of his position by a superior in one of the Services, or an element of prostitution or blackmail), or if it appeared that the offender would benefit from being placed on probation with a view either to treatment or general supervision. Proceedings in such cases should be instituted only by the Director of Public Prosecutions or with the consent of the Attorney-General.

Revision of Penalties. The Committee recommended the following maximum penalties: (*a*) sodomy with a boy under 16 - life imprisonment, as at present; (*b*) indecent assault (i.e. acts of gross indecency committed against the will of the partner, or with a boy under 16)—10 years' imprisonment, as at present in England and Wales; (*c*) gross indecency committed by a man over 21 with a youth between 16 and 21—five years' imprisonment; (*d*) gross indecency committed in any other circumstances—two years' imprisonment. These proposals had the effect of increasing the maximum penalty that could be awarded for homosexual behaviour with a person under 21, and the Committee felt that this might serve in some measure to protect the young.

The Committee considered that the amount of blackmail which took place as a result of homosexual acts had been considerably exaggerated. They recommended that, except for grave reasons, there should be no prosecutions for offences revealed by investigating blackmail, and that the law relating to blackmail should be strengthened. The report also recommended that the law relating to living on the earnings of prostitution should be made to apply to the earnings of male prostitution; that procuring or attempting to procure for such purposes should continue to be an offence; and that if possible the law should be amended to apply the term "brothel" to premises used for homosexual as well as heterosexual acts.

Police Practice. The Committee had found that police practice varied in different parts of the country; in some the police appeared to exercise "discretion," whilst in others a firm attempt was made to apply the full vigour of the law. "What we have found," the report stated, "is that there may from time to time arise particular local campaigns against this kind of offence, either as a result of a deliberate drive by the police or by reason of local public indignation. We would not wish to imply that it would never be proper for police officers to follow up offences on mere suspicion. But where no clear public interest is involved, we would deprecate any out-of-the-way prying which could soon give rise to suspicions of 'witch-hunting' and so bring, if not the law, at least the police, into disrepute."

In some cases, it was pointed out, the police had investigated offences several years old. The Committee considered that no public interest was served by pursuing such stale offences, and recommended that, except for cases of indecent assault, prosecution for any homosexual offence more than 12 months after it was committed should be barred by statute.

Proceedings. The Committee expressed concern at the wide disparities between the sentences imposed by different courts for homosexual offences, but could suggest no remedy. The report recommended that charges of gross indecency between males should be summarily triable with the consent of the accused, as the sentence usually imposed was one that would be within the competence of a magistrate's court. This would also avoid a tendency to plead guilty to a charge of importuning, to enable the magistrate's court to dispose of the case when the facts seemed to sustain a charge of gross indecency. Men charged with importuning, on the other hand, should be entitled to claim trial by jury, since a conviction might have serious consequences, and behaviour establishing a *prima facie* case of importuning might be attributable to innocent causes.

The Committee recognized that in the Services and other establishments subject to discipline it might be necessary to regard homosexual behaviour, even by consenting adults in private, as an offence. They also recommended that heads of approved schools in England and Wales (who at present are required to report to the police and the Home Office all cases of certain offences) should enjoy the same discretion in such cases as those responsible for any other educational establishment.

Medical Treatment. The Committee saw no reason why the courts should be required to obtain medical reports on all persons convicted of homosexual offences. They recommended, however, that the courts should be required to obtain such reports on offenders under 21, or if the circumstances were such as to suggest the existence of some mental abnormality. They deprecated the fact that the courts sometimes suggested that an offender was being sent to prison for medical treatment, since to hold out hopes of treatment which did not materialize created a sense of grievance and made the offender less responsive. If the primary consideration in the mind of the court was successful treatment, offenders could be required to undergo this without being sent to prison; if, on the other hand, the seriousness of the offence made a prison sentence necessary, this should be awarded on its own merits.

The prison medical service was found by the Committee to be understaffed and incompletely integrated with the National Health Service. If the most effective use was to be made of the limited number of qualified psychiatrists, it was essential that there should be a two-way flow between the two services.

Whilst expressing the view that a special institution for homosexual offenders would be undesirable, the Committee gave consideration to the possible use of oestrogens (which affects the strength, though not the direction, of physical desire) in the treatment of convicted homosexual offenders. Their use, the report pointed out, was prohibited in prisons in England and Wales, even when the prisoner himself wished for treatment, but not in Scotland. The Committee considered that oestrogen treatment should be permitted where the prisoner expressed a wish for it and the prison medical officer believed it would be beneficial. For many reasons, the Committee did not believe that the practice of castration, which was followed in some countries with the offender's consent, would "commend itself in this country."

Research and Education. The Committee recommended research into the aetiology of homosexuality and the effects of various forms of treatment. Such research, however, would necessarily take a long time; preventive measures which might be taken in the meantime included better education of medical students, clergy, and probation officers on the subject, and more care in the selection of teachers, youth leaders, and others in similar positions.

The report suggested that the Press might do much towards the education of public opinion by ensuring that reports of court cases concerning homosexual offences were treated as matrimonial cases had been treated for some years past. There was little doubt that the influence of detailed reports of such cases was almost wholly bad; the Committee had encountered several cases in which men had got into touch with homosexual offenders whose convictions had been reported in the Press, with the result that further offences had been committed.

The Problem of Prostitution.

Penalties for Street Offences. Turning to the question of prostitution, the Committee again emphasized that they were concerned only with the law and not with morals. Although prostitution was an evil of which any society claiming to be civilized should seek to rid itself, the law by itself could not effect this until education and the moral sense of the community had brought about a change of attitude. The aspect of prostitution which caused the greatest public concern was the visible and obvious presence of prostitutes in considerable numbers in the streets of some parts of London and of a few provincial towns. "It has indeed been suggested to us," the report stated, "that in this respect some of the streets of London are without parallel in the capital cities of the world."

The law as it stood made liable to a fine of 40s. every common prostitute "loitering or being in any thoroughfare or public place for the purpose of prostitution or solicitation to the annoyance of the inhabitants or passengers," with an alternative punishment of up to 14 days' imprisonment in certain urban areas of England and Wales. In Scotland, annoyance need not be proved. The Committee had found a wide measure of agreement that the present law was defective, and that "the present system whereby a prostitute is repeatedly brought before the courts and automatically disposed of on pleading guilty and paying a fine of 40s., which she regards as an indirect and not very onerous form of taxation or licence, is making a farce of the law."

Discussing the question whether "annoyance" should be established as a necessary part of the nuisance caused by soliciting, the report stated: "In our view, both loitering and importuning for the purpose of prostitution are so self-evidently public nuisances that the law ought to deal with them, as it deals with other self-evident public nuisances, without calling on individual citizens to establish the fact that they were annoyed. We accordingly recommend that the law be reformulated so as to eliminate the requirement to establish annoyance." Although the present laws applied only to urban areas, there was evidence that public nuisance was caused by women who loitered at certain places outside urban areas, notably where there were Service camps. The laws relating to these offences should therefore be made of general application.

After stressing that the present maximum fine of 40s. was quite inadequate, and that repeated fines of the same amount were futile as a deterrent, the Committee expressed its belief that a system of progressively higher penalties must be introduced if the problem was to be effectively dealt with. They accordingly recommended that the maximum penalty for a first offence should be a fine of £10, for a second offence £25, and for a third and subsequent offences three months' imprisonment.

"Our decision to make this recommendation has not been lightly reached," the report continued. "We are well aware that in the majority of cases the prostitute must pay the fines from the proceeds of her prostitution, and that if the fines are increased she will attempt to recoup herself either by passing on the cost to her clients or by seeking more customers. If the prostitute resorted to the first of these alternatives, then increased fines would tend to curb demand as well as supply. But the second possibility cannot be overlooked, and that would cause the prostitute to be more active on the streets, with the result that increasing the fine would defeat its own object. For this reason, therefore, the sanction of imprisonment must be available."

In recommending imprisonment the Committee had in mind not only straightforward deterrence, but the possibility that individual women faced with the threat of ultimate imprisonment might be more willing to accept, and the courts more anxious to try, probation in suitable cases. At present, probation could be imposed on an offender over 14 only if she were willing; as the alternative to probation was a fine of 40s., the prostitute frequently declined even to see the probation officer. This was regrettable, for many women might be led to renounce a life of prostitution by the help the probation service could give them. The Committee attached special importance to the use of probation in the case of the young prostitute, but since the co-operation of the probationer was essential to success they did not recommend compulsory probation. They recommended, however, that the courts should be empowered to remand for not more than three weeks, in custody if need be, any prostitute convicted for a first or second street offence, so as to enable a full social or medical report to be furnished.

Possible Consequences of Amending the Law. "It will be apparent," the report stated, "that we are not attempting to abolish prostitution or to make prostitution in itself illegal. We do not think that the law ought to try to do so, nor do we think that if it tried to do so it could by itself succeed. What the law can and should do is to ensure that the streets of London and our big provincial cities should be freed from what is offensive or injurious, and made tolerable for the ordinary citizen who lives in them or passes through them.

"It must be accepted that so long as prostitution exists, the prostitute will seek customers and the potential customer will seek prostitutes. If the prostitute is not allowed to find her customers in the streets, then presumably she and her customers will find other means of meeting each other. It has been suggested to us that to drive prostitutes from the streets is to encourage the closer organization of the trade, with greater opportunities for exploiting prostitutes and greater dangers that new classes of 'middlemen' (e.g. taxi-drivers and hotel porters) will arise. We think it possible, indeed probable, that there will be an extension of the 'call-girl' system, houses or flats to which men go and to which prostitutes are summoned by telephone message or some other arrangement, and perhaps a growth in the activities of touts. These are dangers; but where they involve exploitation of the prostitute we should expect the laws which already cover this kind of exploitation to be rigorously enforced and even extended in their range. Another possible consequence is an increase in small advertisements in shops or local newspapers offering the services of 'masseuses,' 'models,' or 'companions'; but we think that this would be less injurious than the presence of prostitutes in the streets . . ."

The report continued: "There must be set against these disadvantages the clear advantage that the ordinary citizen would be able to go about his business without the constant affront to his sense of decency which the presence of these women affords. So even if this can be achieved only by risking the dangers we have outlined, we still feel the time has come to rid the streets of this nuisance, and that the risk must therefore be taken. Moreover, we think the measures we have proposed, even if they can be made effective only at the risk of other evils, might serve, perhaps to a large extent, to discourage newcomers to the ranks of the prostitute. We attach great importance to this. Not only does the present law fail to discourage; its inadequacies afford an encouragement, in that the very presence of the prostitutes in the streets provides an example which some young women, to whom a life of prostitution had not yet become a fully formed intention, might be tempted to follow. Again, while it is fully recognized that the prostitute could

not exist in the absence of a demand for her services, demand and supply are not entirely unrelated, and the mere presence of the prostitutes in the streets stimulates a demand for their services. Many men, especially younger men, who now avail themselves of the services of prostitutes would be less inclined to do so if those services were less readily and obviously available. In short, therefore, we feel that the possible consequences of clearing the streets are less harmful than the constant public parading of the prostitute's wares."

Organized Vice. Some witnesses had suggested that the most satisfactory way of clearing the streets was to institute licensed brothels. The Committee considered that this would be a retrograde step, and would make nonsense of their view that prostitution could be eradicated only through measures directed to a better understanding of the nature and obligations of sex relationships and to a raising of the social and moral outlook of society as a whole.

The number of males found guilty in England and Wales of living on the earnings of prostitution, the report stated, had been 125 in 1954 and 127 in 1955. The number of women convicted of exercising control, direction, or influence over a prostitute's movements was negligible, and had not exceeded five in any recent year. In its simplest and most usual form, "living on the earnings of prostitution" consisted of an arrangement by which a man lived with a prostitute and was wholly or mainly kept by her. Evidence suggested that such an arrangement was usually brought about at the instance of the woman, and seemed to stem from a need on the part of the prostitute for some element of stability in the background of her life.

The Committee had no doubt that behind the trade of prostitution there lay a variety of commercial interests, but the evidence had disclosed nothing in the nature of "organized vice" in which the prostitute was an unwilling victim. The popular impression of vast organizations in which women were practically enslaved, the report suggested, might be due to "the indiscriminate use of words which suggest an entirely passive role for the woman concerned." This did not mean that there was not organization in the sense of encouragement to willing girls and women to enter or continue upon a life of prostitution. The Committee had learned of an arrangement between several prostitutes and a car-hire firm, which made large sums of money out of the use of its cars by the prostitutes, and of another group of prostitutes who lived in rooms at various addresses of which one particular man was landlord. In both cases, however, the association between the prostitute and the "exploiter" was entirely voluntary and operated to mutual advantage.

Penalties for Living on Earnings of Prostitution. Although it had been suggested that the present penalties for living on the earnings of prostitution should be increased, the majority of the Committee felt that the maximum of two years' imprisonment was adequate. They had been informed of "flat-farmers" who made big profits from letting flats to prostitutes, sometimes charging £200 as key-money and rents of £20 to £25 a week. The Committee recommended that a landlord who could be shown to be letting premises at exorbitant rents or demanding exorbitant key-money in the knowledge that they were to be used for the purposes of prostitution should be deemed to be "living on the earnings of prostitution," and that the same should apply to any agent knowingly taking part in the transaction.

Use of Premises for Immoral Purposes. The Committee did not recommend the adoption of the Scottish system whereby conviction of a tenant for permitting premises to be used as a brothel automatically terminated the tenancy. In England, the report pointed out, leases providing for payment of a substantial premium and thereafter of a nominal rent were much more common, so that automatic termination of a lease might result in a disproportionate penalty.

It would be going too far, the Committee considered, to apply in its entirety the law relating to brothels to premises used habitually for prostitution. "As long as society tolerates the prostitute, it must permit her to carry on her business somewhere," the report commented. "That she ought not to be allowed to carry it on in public will be apparent from what we have said, and the law rightly frowns on the brothel. The only remaining possibility is individual premises. We have therefore reached the conclusion that it would not be right to amend the law in such a way as to make guilty of a criminal offence a person who lets premises to a prostitute who uses them, even with his knowledge, for the purposes of habitual prostitution." On the other hand, the Committee was very conscious of the difficulties experienced by reputable landlords who were anxious to eradicate prostitution from their properties. They therefore recommended that the magistrates' courts, on convicting a tenant of knowingly permitting premises to be used for the purposes of habitual prostitution, should be empowered to make an order either terminating the tenancy or requiring the tenant to assign the lease to some person approved by the landlord.

The Committee considered that too rigorous an enforcement of the law relating to the congregation of prostitutes in public houses might aggravate the situation on the streets. It suggested that action should be confined to cases where prostitutes gave offence to other customers or to residents in the neighbourhood.

"Marriages of Convenience." After investigating allegations that foreign prostitutes contracted marriages of convenience abroad so as to be able to operate in Britain without having to register as aliens or being liable to deportation, the Committee found that, while there had been such cases, the problem had been much exaggerated. Of 372 prostitutes arrested for the first time in the West End of London in 1953 and 1954, only 17 had been of foreign birth, and only five had contracted what seemed to be marriages of convenience.

Reservations. A number of reservations were entered by members of the Committee. (1) Mr. Adair dissociated himself from the recommendation to legalize homosexual acts committed in private by consenting males, on the ground that such conduct was contrary to the best interests of the community and could have serious effects on the whole moral fabric of social life. He also proposed that further steps should be taken to prevent annoyance by prostitutes' small advertisements, and against "middlemen" and landlords not covered by the Committee's recommendations.

(2) Mrs. Cohen, Dr. Curran, Lady Stopford, and Dr. Whitby opposed the retention of sodomy as a special offence, on the ground that this would prevent the growth of a more rational public opinion.

(3) Dr. Curran stated that he could see no logical ground why male importuning should be treated differently from female solicitation.

(4) The three women members of the Committee—Mrs. Cohen, Mrs. Lovibond, and Lady Stopford—recommended that the maximum penalty for living on the earnings of prostitution should be increased to five years' imprisonment, as the proposed increase in penalties for street offences might encourage the closer organization of the trade and result in new classes of "middlemen."

House of Lords Debate on Wolfenden Report.

Speaking in a debate on the Wolfenden Report, held on Dec. 4, 1957, in the House of Lords, the Lord Chancellor (Viscount Kilmuir) stated that there could be no prospect of early legislation on the Committee's proposal to legalize homosexual behaviour in private between consenting adults. He considered that the substance of the Committee's recommendations on prostitution commended themselves to public opinion, although there were reservations on certain points.

Lord Pakenham (a Roman Catholic Labour peer), who opened the debate, said that by and large they could accept the Committee's view that the law should not intervene to stop a man doing wrong unless he was harming someone else. He did not say that it was always wrong for the law to protect people from themselves or their associates, but experience had shown that this could not be done without interfering with private life so drastically as to undermine social responsibility. If he thought that a repeal of the existing law would appreciably expand homosexual conduct, that, in his opinion, would be a decisive argument against change; but having studied the causes of crime for some years, he confessed complete uncertainty as to whether there would be any effect in that direction.

If the general proposition was accepted that the State should not interfere except where third parties were directly damaged, could they say that this particular sin was so heinous as to require treatment almost unparalleled? Some passed a life of agony trying to resist sinful impulses, or at least to canalize them where they could do least harm to others. Some were denied by nature the normal fulfilment of marriage. Some at least might be prepared to seek medical and spiritual assistance if the criminal taint were withdrawn, whereas they felt unable at present to lay bare their secret. The general conceptions of the law raised a powerful presumption in favour of the Committee's recommendations.

Lord Moynihan, who welcomed the report as a serious attempt to better present conditions, said that in practice changes in the law relating to prostitution would be far more difficult than any change allowing consenting adults to practise homosexuality. He suggested that the possibility of raising the age of consent of young girls, at present 16, should be considered.

The Archbishop of Canterbury (Dr. Fisher) said that the report was right in saying that while the law should protect and control those under 21 and protect unwilling people over that age, homosexuality between consenting adults in private should not come within the ambit of the law. There was one great benefit in obeying that principle. He had reason to believe that often great pressure was put on a consenting adult to continue when, if left to himself, he would like to get free. He had heard of a young man, who wished to get free, being pursued by his partner from Australia to Britain, and so brought back into the practice. Another young man, half wishing to get free of the habit, was recommended to fresh partners when he moved from the provinces to London, and later when he went overseas. There were "groups or clubs of homosexuals with an organization of their own and a language of their own, a kind of freemasonry of their own, from which it is not at all easy to escape."

The Archbishop continued: "So long as homosexual offences between consenting adults are criminal and punishable by law, this pressure will mount and homosexualism will remain. It has all the glamour and romance of chosen and select rebels against the conventions of society and the forces of the law. At the heart of this kind of freemasonry are men of passionate sincerity who are made strongly homosexual by nature, who believe that what is wrong for others is right for them, and that society is not merely hostile but unjust and cruel. Into this kind of nightmare world there can be no entrance for the forces of righteousness until the offences are made no longer criminal, so there is no longer a question of betraying companions to criminal offences. At once the free air of normal morality will begin to circulate." Those involved would be set free to talk without giving anyone away to the law; they would seek

advice, and would be free to seek protection by the police from molestation by their former companions. It would be all the more easy to convince them of the restraints of common sense and Christian morality when they were "delivered from the fears, the glamour, and even the crusading spirit of the rebel against law and convention."

"There is a great general moral indignation against homosexual sins because they are unnatural," Dr. Fisher observed. "There is a queer lack of general moral indignation against fornication and adultery, because they are supposed to be natural and therefore in some sense not wrong. In my judgment, the threat to general public moral standards from homosexual offences done in private is far less, and far less widespread, than the damage openly done to public morality and domestic health by fornication and adultery."

Continuing, Dr. Fisher said that there were obtrusive conclusions of the utmost gravity about prostitution which the report left completely untouched and for which it had no remedy. What was called "kerb crawling" was a public thing, yet the Committee made no recommendation on how to deal with it. The report recognized that if the streets were cleared there would be various other ways of arranging the trade "under the counter," and to drive a thing underground was sometimes the worst way of dealing with it. The root of the confusion on this subject was that prostitution was not a private occupation but a trade, and it had to be dealt with like any other trade. The fewer prostitutes, fornicators, and adulterers in the community, the better equipped the nation would be to get on with its job.

Hitherto prostitutes had been made to bear the brunt of legal action against the trade. It had been agreed that they were undesirable and must be kept out of sight, but it had been taken for granted that their customers had every right to a reasonable supply of prostitutes and should not in any way be restrained from resorting to them. That was an old-fashioned view, dating from the time when women had no rights and man in the sexual field claimed for himself unlimited rights. By far the quickest way to restrain this trade was to get at, restrain, and punish the customer--i.e. the man. Very many men would be strongly restrained if there was a fear that they would find themselves in the police courts and their names made public. "I do not believe," Dr. Fisher concluded, "that the lawyers would be utterly unable to find some way of getting at the men along with the prostitutes if the community said they were to find the way."

Lord Brabazon said that the glamour of love, odd as it might seem to some, was just as much present between two homosexuals as between a man and a woman. To have on the Statute Book imprisonment for life for one act of homosexuality between two men was almost going back to the time when men were hanged for stealing five shillings. He asked the Government to consider at least whether they could meet one point of the recommendations--that only the Director of Public Prosecutions should be entitled to start proceedings against homosexuals, and that prosecutions in cases of blackmail should be avoided.

Viscount Kilmuir said that before reaching any final conclusion on the report, the Government wished to take careful account of public opinion. He could not do more than indicate the lines on which the Government was thinking, but as the report had been available for three months it was right that he should indicate its preliminary views. The most far-reaching and widely discussed proposal was that homosexual behaviour in private between consenting adults should no longer be a criminal offence. It would obviously be a serious step to reverse a provision of the criminal law which had stood for a long time, and any Government would be bound to think long and carefully before deciding to do so.

"There are occasions when it may well be the duty of a Government to lead rather than to follow public opinion," the Lord Chancellor continued. "But in a matter of this kind the general sense of the community, particularly as expressed in the statutes left undisturbed for long periods, is an important feature, and the community is entitled to its view as to what affects society as a whole. The Government does not believe that the general sense of the community is with the Committee in these recommendations. We think the problem requires further study and consideration. Certainly there can be no prospect of early legislation on this subject.

"The argument has been put forward forcibly, in different forms from different quarters, that for the State to remove the sanctions of criminal law from homosexual behaviour, even between consenting adults in private, is tantamount to suggesting that there is nothing socially harmful in such behaviour, and would inevitably have the consequence that young people would be encouraged to indulge and that society would be corrupted. I believe that this is not an argument which can be lightly dismissed. For every genuine invert there are many perverted by money, or by desire for fresh sensation, or by imitation. That is my conviction after much study of the subject.

"Even if it were thought right to accept the Committee's recommendation in principle, which we do not, difficult consequential problems would arise. There would be the problems of definition. What is 'in private' for this purpose? What is 'consent'? Again, the Committee points out that problems would arise in relation to the armed forces and other establishments whose members are under a disciplinary code. It is essential to face these difficulties, as well as to face the difficulties of those who are affected. That is why the Government takes the position I have stated, and cannot hold out hope of legislation on this point." So little was known about the nature and origins of homosexuality, the Lord Chancellor added, that further research was clearly desirable, and the Government would give attentive thought to the Committee's recommendations on this subject, which had repercussions far beyond the sphere of the criminal law.

Turning to the question of prostitution, Lord Kilmuir said that there was little doubt that the substance of the Committee's recommendations commended themselves to the majority of public opinion, although there were reservations on certain points. It was reasonable and proper that the streets should be free from what was offensive and injurious and made tolerable for the ordinary citizen, and the Government had to consider what practical alternative could be found. It was not a conceivable proposition that prostitution should be stopped by law, and no-one had suggested that. Speakers had made the point that nothing was done against the man who consorted with prostitutes, but it was not easy to see how this criticism could be met without overstepping the proper bounds of the criminal law. Proceedings could already be taken against men for importuning for immoral purposes, and he would willingly examine an extension of the law on these matters.

He had considered the suggestion that bigger fines would prove a sufficient deterrent, and that many prostitutes would be unable to pay them, with the result that they would be committed to prison. The difficulty of that argument was that it took no account of the statutory requirement under the Magistrates' Courts Act that the court, in fixing a fine, must have regard to the means of the offender. In any case, it would not be proper to "legislate for imprisonment by a side wind," and one must either take it or reject it. The Government would consider with the greatest care and sympathy those recommendations which were designed to dissuade or reclaim the newcomer to the ranks of the prostitutes, and were sympathetically disposed towards the recommendations about the use of premises for prostitution.

Lord Lothian (a member of the Wolfenden Committee) said that in spite of the controversy over the main recommendation, the Government should not let the other proposals pass unnoticed. A more constructive attitude towards the homosexual offender should be taken in prison, and the prison medical service should be augmented.

The Bishop of Rochester (Dr. Chavasse) maintained that there was no more contagious influence in the world than that emanating from homosexual practices. There were such things as sodomy clubs, which drew in those who would otherwise be immune and turned them into corrupters of others. There had been one in Oxford between the wars, and he was informed that there had been another at Cambridge which "shamelessly sported a tie." He could not agree with the Primate that the best way of getting rid of them was to allow them to indulge in this practice and exist. He felt, with half the people in the Church, that no change in the present lines of the law should be made, for the sake of homosexuals themselves and to protect people from their corruption.

The Committee's recommendation to legalize homosexual behaviour in private between consenting adults was supported by **Lord Huntingdon, Lord Jessel** and **Lord Strabolgi**, but opposed by **Earl Winterton, Lord Denning**, the **Bishop of Carlisle** (Dr. Bloomer), **Lord Lawson**, and **Lord Mathers**.

The Church Assembly adopted on Nov. 14, 1957 a motion, which had been proposed by the Bishops of Exeter and St. Albans (respectively Dr. Mortimer and Dr. Gresford Jones), approving "the principles on which the criminal law concerned with sex behaviour should be based, as stated by the Wolfenden Committee." The specific recommendations relating to homosexuality were approved by 155 votes to 138 after a debate characterized by considerable differences of opinion on the Wolfenden proposals. It was unanimously agreed that the Committee's proposals on the subject of prostitution required further study.—(Cmd. 247 - Times - Daily Telegraph - Manchester Guardian)

A. EGYPT. — "Assassination Plot" Sentences.

Sentences of life imprisonment with hard labour were passed by a Cairo military court on April 28 on two of the defendants accused of plotting to assassinate President Nasser (see page 16086, second column)—M. Mortada el-Maraghy, the former Minister of the Interior, and M. Hussein Khairy, both of whom were sentenced *in absentia*. The other three defendants were each sentenced—also *in absentia*—to 15 years' hard labour on similar charges.—(Times - Le Monde)

(Prev. rep. 16085 A.)

B. ARGENTINA. — Diplomatic Relations broken with Dominican Republic.

Argentina broke off diplomatic relations with the Dominican Republic on April 10, the Dominican Ambassador in Buenos Aires being ordered to leave the country within 48 hours. The decree published by the Provisional Government alleged that ex-President Perón (now resident in Ciudad Trujillo) had been permitted to continue a defamatory campaign against Argentina with the connivance of Dominican Ministers and officials.—(Bank of London and South America)

(Prev. rep. Ex-President Perón, 16026 A.)

A. RHODESIA AND NYASALAND FEDERATION. — Federal Electoral Bill enacted after British Government's Approval. - Statements by African Affairs Board and Federal Government. - House of Commons Debate. - Representations by British Council of Churches.

The U.K. Colonial Secretary, Mr. Lennox-Boyd, announced in the House of Commons on Feb. 18 that the Government would advise the Queen to give her assent to the Electoral Bill passed by the Federal Assembly of Rhodesia and Nyasaland on Jan. 9. A memorandum from the Federation's African Affairs Board giving its reasons for regarding the Bill as a "differentiating measure" had previously been published by the Commonwealth Relations Office on Feb. 11, together with a statement by the Federal Government defending the Bill.

Memorandum by African Affairs Board. This pointed out that the income and education qualifications for general voters under the Bill were either (*a*) an income of £720 a year; (*b*) £480 a year plus completed primary education, or (*c*) £300 a year plus four years' secondary education. The average income of Africans in employment in 1956 was approximately £70 a year (the average income of adult Africans all told being far lower than this), whilst the average European income for the same year had been about £1,100. "From this it is apparent," the memorandum continued, "that although the income qualification applies to all persons irrespective of race, the practical effect of a qualification of £720 will be to exclude only a minor proportion of Europeans, but to prevent all but exceptionally wealthy Africans from getting the vote. The Board have no corresponding figures for education, but the general standard of European education is far higher than the African, and the education qualifications required for voters certainly also differentiate in favour of Europeans as against Africans in getting a vote." The Board also pointed out that the number of members elected only by Africans (i.e. two each of the African members for Northern Rhodesia and Nyasaland) would remain the same, whereas the number of members elected predominantly by Europeans would be greatly increased; it maintained, in consequence, that African electors would suffer a serious proportionate loss of influence.

Statement by Federal Government. This observed that no conditions or disabilities had been directly laid upon Africans, and that the Board's argument taken to its logical conclusion would mean that no Electoral Bill falling short of virtual manhood suffrage could escape being regarded by the Board as a "differentiating measure." The statement also denied that African voters would suffer a loss of influence, as many more Africans would be able to vote for the additional African members. It maintained, therefore, that "the system offers a workable solution, within the framework of existing constitutional arrangements, to the twin problems of preserving political control in civilized and responsible hands and of associating the emergent African with the processes of government."

The Colonial Secretary's announcement of Feb. 18 was made at the opening of a debate which had been requested by the Opposition, and in which Mr. Creech Jones (the former Labour Colonial Secretary) was the principal Opposition spokesman.

Mr. Lennox-Boyd, referring to the African Affairs Board's request, said with regard to the Board's first objection (i.e. that the qualifications for the general roll had been fixed at a level permitting Europeans in general to qualify, but only the exceptional African) that the Federal Parliament had tried to meet this objection by providing for a special roll for which Africans could qualify in comparable numbers. As regards the Board's second objection (i.e. that African electors would suffer a serious proportionate loss at the next election, compared with the influence they were able to exert at previous elections), this was based simply on the fact that the four newly-elected African members would not be returned on a purely racial basis, and that the proportion of the races on the rolls which elected them remained uncertain. If that were a valid objection to the Bill, it would never be possible to take the first step away from the existing racial basis of representation. It was the common roll principle which, in the belief of the Federal Parliament and the Government, held the only prospect of fair and genuine partnership between the races.

In calculating the proportionate influence of Africans, it should be remembered that in the next Assembly the number of Africans would be doubled, whilst the number of ordinary members of unspecified race had been increased by only two-thirds. In the election of the specially elected European members and the four elected African members from Southern Rhodesia, the addition of the special votes to the ordinary votes would give Africans in that territory an enormously increased say. In the two Northern territories there was no change in the method of returning the four existing Africans, whilst the number of Africans eligible to vote for the four new African members ran to thousands, perhaps tens of thousands. From the beginning there would be a gain in respect of the Africans who would have an opportunity to take part in the election of their representatives, and it was confidently expected that these numbers would increase substantially year by year. The Africans on the special roll in Southern Rhodesia might be between 20,000 and 30,000, instead of 1,000 as at present. In Northern Rhodesia and Nyasaland, perhaps between 20,000 and 30,000 Africans would for the first time be entitled to participate directly in the election of their representatives.

According to the estimate of the Federal Minister of Law, the balance at the next election, but at no subsequent election, would be six to four in favour of the Europeans. The number of Africans in the Federal Parliament would be increased from six to 12, and the fact that a minimum of one-fifth of the House would be African would ensure that the major parties would have due regard to the African point of view.

Denying that the Bill involved a breach of faith, Mr. Lennox-Boyd said that it was not only untrue that the Government had undertaken not to make any major changes in the Constitution before 1960, but it was plain from the Constitution itself that, provided certain conditions were fulfilled, it could be amended. He agreed with the Federal Government that the common-roll system would be of the greatest value in encouraging political discussion based on party political and not on racial lines. He therefore hoped that those who had had some doubts about the Bill would give unanimous support to "this brave attempt in the field of partnership."

Mr. Creech Jones (Lab.) described the Bill as "a negation of partnership." He declared: "It is ironical in a genuine partnership to give one-twenty-fifth of the population 42 out of the 57 seats in the House of Representatives, and to give the Europeans full control of the Cabinet in the Federation. On the general roll for election to the Chamber there will be . . . 81,000 Europeans and 2,500 Africans. Is it not obvious, in the present state of African development, that the conditions necessary for an African to get on the roll make it virtually impossible for them to qualify? How can you ever hope for fast progress by the Africans to reach the high standard of qualification for the general roll when they are repressed by segregation principles, colour bars, denial of trade union rights, and a whole series of other discriminatory clauses, with poor facilities for education?"

Mr. Creech Jones contended that the Africans had no influence in the election of the ordinary members, and that no elected European need pay the slightest attention to African opinion. On this basis, no African would ever represent a constituency in Nyasaland or in Northern or Southern Rhodesia. To be enfranchised, native electors needed to be able to speak, read, write, and comprehend English, and it was "monstrous" to debar a man from playing a part in the political life of his own country merely because he could not speak a foreign language. The whole political machine was in the hands of Europeans, possibly for ever, and served "certain European communal interests."

It was therefore important (Mr. Creech Jones concluded) to ask the Federal Government to withdraw the Bill, to reconsider it, and to recommend that the next election should be on the old basis, so that the whole question might come under review at the 1960 conference. Political arrangements of this kind were discriminatory, and defeated the purpose declared in the preamble to the Constitution that of partnership between the races

Mr. Clement Davies (Liberal) said that any legislation for Africa concerned not only part but the whole of Africa, since all Africa would be watching it. The Government had described the African Affairs Board as a safeguard for Africans against changes which might affect their rights, and it was a vital matter when that Board said that the Bill was disadvantageous to Africans. How much regard could be had for "paper safeguards?"

A motion approving the British Government's support for the Bill was passed by 305 votes to 256. The Bill accordingly received the Royal Assent on Feb. 20 and was promulgated in the Federation on Feb. 22. An official statement was issued in Salisbury announcing that proclamations would be published bringing into effect the Federal Electoral Act and the Federal Citizenship Act as from March 1, and that regulations would be issued creating the necessary electoral registration machinery.

Representations by British Council of Churches.

Prior to the House of Commons debate there had been correspondence on the Federal Electoral Bill between the International Department of the British Council of Churches and the Secretary of State for Commonwealth Relations, Lord Home.

In a letter to Lord Home, published on Feb. 17, the Council expressed "the greatest disquiet" at the Electoral Bill, saying that in the view of many Africans it "very gravely imperilled" the African Affairs Board, since that body would "probably be elected mainly by those responsible to predominantly European constituencies" as a result of the Bill. The Department called on the Government to reject the view that the British Parliament's responsibility was restricted to judging the constitutional competence of the Federal Parliament to enact such legislation, and to declare that the wisdom and justice of such legislation was clearly within its purview. It also expressed the hope that the British Government would not approve the Bill unless the Federal Government gave pledges that when, with the progress of African education, more and more Africans qualified for inclusion on the rolls, no step would be taken to frustrate this development.

In his reply, published on Feb. 18, Lord Home said that the Council's concern about the future composition of the African Affairs Board was based on "a theoretical rather than a practical possibility." The two members of the African Affairs Board from Southern Rhodesia would continue for a time to be elected by a majority of European voters, but this majority would be much

smaller once the proposals of the Federal Electoral Bill were in force. The Governors of the Northern Territories, as hitherto, would continue to select two specially appointed European members for African interests. The choice of the two other African members would be made by all the Africans returned to the Assembly, voting with the three Europeans representing African interests.

If the Electoral Bill became law, there would be four potential candidates for one place from Nyasaland, two of whom would be elected by a body designated by the Governor as representative of Africans, and two by the combined general and special rolls, on which it would be possible for Africans to have a large majority from the start. There would also be four potential candidates for one place from Northern Rhodesia, of whom two would be elected by a body designated as representative of Africans, and two by the combined general and special rolls, on which Africans could have a majority—if not at first, then at a subsequent general election.

Since eight of the 15 members who would make the choice were themselves likely to have been chosen by Africans or to have been appointed to represent African interests, and because all the candidates for one place would very possibly have been returned by Africans alone or by an African majority, it did not appear that the changes made in the Constitution Amendment Act need have any very considerable effect on the composition of the Board.

Appointment of Federal Delimitation Commission for Southern and Northern Rhodesia.

The appointment of a Federal Delimitation Commission for Southern Rhodesia and Northern Rhodesia, for the purpose of dividing those territories into Federal electoral districts based on the enlarged membership of the Federal Assembly, was announced on March 3. Mr. Justice H. J. Clayden was appointed chairman of the Commission. On the same date the Government announced the members of the Educational Qualifications Board to be established under the Electoral Act.—(Times - Daily Telegraph - Manchester Guardian - Federal Information Department, Salisbury)

(Prev. rep. 15987 A.)

A. LUXEMBURG. — New Cabinet.

M. Joseph Bech (71), the Prime Minister and Foreign Minister of Luxemburg, resigned the Premiership on March 29 to devote himself entirely to the country's foreign affairs in the light of the current negotiations on the permanent seat of the European Communities. M. Bech has been Foreign Minister of Luxemburg for nearly 32 years.

On the same date M. Pierre Frieden (65), Minister of Education and the Interior in M. Bech's Government, was appointed Prime Minister in succession to M. Bech. The composition of M. Frieden's Cabinet was announced on March 31 as follows :

M. Pierre Frieden (Christian Social)	Prime Minister, Education, and Interior.
M. Joseph Bech (Christian Social)	Foreign Affairs and Foreign Trade.
M. Victor Bodson (Socialist)	Justice and Public Works.
M. Nicolas Biever (Socialist)	Labour and Social Security.
M. Paul Wilwertz (Socialist)	Economics.
M. Pierre Werner (Christian Social)	Finance and Defence.
M. Emile Colling (Christian Social)	Agriculture and Public Health.
M. Henri Cravatte (Socialist)	Secretary of State at the Ministry of Economics.

All the members of the Frieden Cabinet sat in M. Bech's Ministry except M. Cravatte, the new Secretary of State for Economics—a post formerly held by M. Wilwertz. The latter had been appointed Minister of Economics in M. Bech's Cabinet on Jan. 20 *vice* M. Michel Rasquin, following M. Rasquin's appointment to the Commission of the European Economic Community (see page 15958).

Like its predecessor, the new Cabinet comprises four Christian Social Ministers and four Socialist Ministers. (Luxemburg Embassy, London) **(Prev. rep. 13696 B.)**

B. CHILE. — Further Extension of I.M.F. and U.S. Exchange Stabilization Credits.

It was announced in Santiago and Washington on March 31 that the "stand-by" arrangement with the International Monetary Fund, under which Chile could purchase up to $85,000,000 from the Fund in support of her programme of exchange reform and economic stabilization, had been extended for a further year—i.e. to March 31, 1959. The U.S. Treasury credit of $10,000,000 and the $80,000,000 credit granted by eight U.S. banks for currency stabilization purposes were also extended for a year.—(I.M.F., Washington - New York Times)

(Prev. rep. 15513 E.)

C. INDIA - RUMANIA. — M. Stoica's Visit to Delhi. - Nehru-Stoica Communiqué. - Rumanian Co-operation in establishing Assam Oil Refinery.

M. Chivu Stoica, the Rumanian Prime Minister, accompanied by M. Emil Bodnaras (a Deputy Premier) and M. Bumaciu (the Foreign Minister), visited India from March 7-22 for discussions with Mr. Nehru and other members of the Indian Government, especially Mr. K. D. Malaviya, the Minister for Mines and Oil. In addition to his stay in Delhi, he also visited industrial establishments and rural development areas, as well as Calcutta and other cities.

A joint statement was issued by Mr. Nehru and M. Stoica on March 9 saying that they had had "frank and friendly discussions in regard to the present world situation, as well as on matters of mutual interest, including increased economic and cultural co-operation between the two countries." Both Prime Ministers expressed support for a practical approach to disarmament, the removal of lack of confidence among nations, the proposals for a Summit meeting, and the lessening of world tensions. They also called for the immediate cessation of nuclear tests; expressed their "sympathy with and support for peoples in their struggles against colonialism and to win or consolidate their independence"; stressed the importance of assistance to under-developed countries; and declared that economic co-operation among countries should be based on "equality, mutual advantage, and respect for each other's economic and political independence."

The statement went on to say that the two Prime Ministers would "continue their endeavours to ensure that the People's Republic of China takes its rightful place in the U.N.," and that they welcomed the withdrawal of Chinese "volunteers" from North Korea. The two Prime Ministers welcomed the growing economic and cultural co-operation between their two countries, and Mr. Nehru expressed his Government's appreciation of the assistance given by the Rumanian Government, especially with regard to the development of the Indian oil industry.

M. Stoica said in Calcutta on March 21 that during his talks in Delhi agreement had been reached in principle on the supply by Rumania of an oil refinery—understood to be the State-owned refinery in Assam which will be erected near Gauhati, on the planned pipeline from the oilfields in Upper Assam. Mr. Malaviya told the *Rajya Sabha* on April 21 that the Government of India had accepted an offer by the Rumanian Government to collaborate in setting up an oil refinery in Assam, subject to consideration of detailed terms. (Indian High Commissioner's Office, London - The Statesman, Calcutta) **(Prev. rep. Assam Oil Refinery, 16028 A.)**

D. NETHERLANDS. — Post-war Naval Programme.

The 10-year post-war reconstruction programme of the Royal Netherlands Navy was completed on April 10 with the commissioning of the 2,500-ton anti-submarine destroyer *Amsterdam*, the last of eight warships of this type. Like the other vessels of her class, she is equipped with the latest electronic devices for locating and destroying submarines and has an armament of four quick-firing 12-cm. guns, six 40-mm. machine-guns, depth charges, and torpedoes. The Royal Netherlands Navy, with 130 vessels, is larger today than ever before and includes an aircraft carrier, two cruisers, 12 destroyers, 22 frigates, five submarines, six patrol vessels, and smaller craft.—(Netherlands News Agency) **(13402 C.)**

Note. The principal units of the Royal Netherlands Navy are the 13,000-ton aircraft carrier *Karel Doorman* (ex-H.M.S. *Venerable*), purchased from the British Royal Navy in 1948; the 8,000-ton cruisers *De Ruyter* and *Zeven Provincien*, both commissioned in 1953; the above-mentioned eight anti-submarine destroyers (*Amsterdam, Drenthe, Friesland, Groningen, Limburg, Overijssel, Rotterdam* and *Utrecht*); and four other destroyers of the same displacement (*Gelderland, Holland, Noord Brabant*, and *Zeeland*).

E. MOROCCO. — Admission to World Bank and International Monetary Fund.

Morocco became a member of the International Bank and the International Monetary Fund on April 25, her quota in the I.M.F. being $35,000,000 and her subscription to the capital stock of the Bank 350 shares with a par value of $35,000,000. This brought the membership of both institutions to 67; the total of members' quotas in the Fund to $9,078,000,000; and the total subscribed capital of the Bank to $9,405,000,000.—(International Bank, Washington)

(Prev. rep. 16120 B.)

F. AUSTRALIA. — Dollar Loan.

A $25,000,000 loan of the Commonwealth of Australia bearing interest at 4½ per cent p.a. and maturing in 1978 was issued in New York on April 22 and was immediately oversubscribed.—(Australian News and Information Bureau)

A. UNITED KINGDOM. — Labour Party. - Joint Campaign with T.U.C. for Disarmament and Suspension of Nuclear Tests. - Labour-T.U.C. Declarations on Disarmament and Disengagement in Europe. - Mr. Strachey's Pamphlet on Nuclear Disarmament. - Rejection of Unilateral British Renunciation of H-Bomb.

The Labour Party and the Trades Union Congress issued a joint statement on March 6 announcing their intention of conducting a national campaign for disarmament and the immediate suspension of nuclear tests. The policy of the Labour Party and the T.U.C. on these questions was summarized as follows :

(1) The British Government should make a serious effort to bring about summit talks in the near future.

(2) The Government should immediately give a lead to other nations by suspending British thermo-nuclear tests.

(3) Simultaneously, the Government should press for a general agreement to end all nuclear tests, if necessary as a separate measure, distinct from any wider disarmament measures.

(4) Agreement on suspension of tests must lead within a reasonable period to real progress on the basic problem of general disarmament.

(5) A general disarmament agreement should include a declaration banning the use of all nuclear weapons.

(6) Patrols by aircraft based in Britain carrying H-bombs should be discontinued forthwith.

(7) No physical steps should be taken to set up missile bases in Britain before a fresh attempt had been made to negotiate with the Soviet Union.

The joint Labour-T.U.C. declaration was worded as follows (cross-headings inserted) :

" The Labour Party and the Trades Union Congress have considered with profound concern the steadily increasing momentum of the international arms race. Three great Powers now have nuclear weapons. If the race continues, other States will be similarly equipped. The situation is one of unprecedented menace to the peoples of the world. The position of Britain, as a small crowded island, is particularly vulnerable . . . The issue before us now is the survival of mankind itself, and the peoples of West and East alike are looking to their Governments to break the vicious circle.

" We believe that the British Government has the duty and opportunity to play a major part in this situation. We therefore make the following joint declaration on policies which we consider the Government should follow in the hope of ending the deadlock. As a first step towards this the Government should make a serious effort to bring about summit talks in the near future.

Nuclear Weapon Tests. " We believe that it would be possible to achieve an initial agreement on the suspension of nuclear weapon tests, and that such an agreement would help to create an atmosphere favourable to wider international agreement. This subject is . . . of prime importance because of the dangers to health and to posterity arising from the tests ; and agreement on it should be relatively easy to reach because the most dangerous thermo-nuclear tests, at any rate, can be detected without difficulty.

" The Soviet Government has expressed its willingness . . . to negotiate such a suspension of tests independently of disarmament. We believe that it is of the first importance to test the sincerity of these offers without delay. We therefore consider that the British Government should press now for an international agreement on the suspension of thermo-nuclear tests. This should be extended to cover other nuclear tests if an efficient system can be devised for checking that they do not in fact take place.

" Further, we consider that, as an example, the British Government should at once suspend thermo-nuclear tests unilaterally for a limited period, in the hope that this will hasten permanent international agreement on tests and lead on to a general disarmament convention.

Disarmament. " Obstacles to agreement on the more advanced stages of disarmament must not prevent limited agreements which prove practicable at an earlier date . . . Nor must agreement on such limited measures be made dependent on the settlement of political problems, although we anticipate that the lessening of international tension on any one point will make progress on the other issues easier.

" The stages of disarmament will have to include agreement on the reduction of conventional arms and forces, on stopping the production of fissile material for military purposes, and on the reduction and ultimate destruction of stocks of nuclear weapons — all under international inspection and control. Looking at the prospects for early limited accord, again in the light of Soviet offers, we believe that an international declaration banning the use of all nuclear weapons, coupled with an agreement on the reduction of conventional arms and forces, would be of great value in the creation of mutual confidence during the disarmament process.

" Because of Soviet preponderance in conventional arms and forces, the Western Governments have so far considered it necessary to reserve freedom to use nuclear weapons first. It seems to us logical and sane to attempt to meet the Soviet proposals for a ban on the use of nuclear weapons by negotiating the removal of this particular preponderance.

" We believe that the early conclusion of a non-aggression treaty between East and West would similarly help to build confidence.

" A number of proposals have recently been put forward for disengagement in Central and Eastern Europe, ranging from a plan for a nuclear-free zone [i.e. the Rapacki Plan] to more elaborate schemes for a neutral area. We urge that attempts should be made to reach agreement with the Communist Powers on some proposal of this kind, provided always that the balance of security is maintained . . .

Aircraft carrying Nuclear Weapons. " We consider that the Government has failed to show that it is necessary for British-based aircraft to carry nuclear weapons on either patrols or training flights. Any military advantage that there may be in such patrols is far outweighed by the risk that a war might be started by accident The very fact that such flights are carried out serves to increase the general atmosphere of international mistrust and tension.

" There is also the danger of radio-activity resulting from a crash, and we consider that training flights should be made with dummy weapons. In short, flights with nuclear weapons by British-based aircraft should be limited forthwith to those necessary for the transport of weapon stocks.

Missile Bases. " There has been much public concern about the new agreement to set up in Britain bases for launching missiles of American origin [see 16063 A] . . . We believe not only that these bases must be effectively under British control, but also that no physical steps should be taken to set them up before a fresh attempt has been made to negotiate with the Soviet Government."

Mr. Strachey's Pamphlet on Nuclear Disarmament.

Mr. John Strachey, the former Labour Secretary of State for War, issued a 5,000-word pamphlet on April 7, entitled *Scrap All the H-Bombs*, in connexion with the Labour-T.U.C. declaration of March 6. While stressing that it was Labour's policy " to scrap all H-bombs and A-bombs," whether Russian, American, or British, he emphasized that " Britain must not scrap her own nuclear deterrent unless and until the other nations scrap theirs." Mr. Gaitskell stated in a foreword that although the pamphlet was not an official statement of policy, the party's National Executive Committee regarded it as " a most useful background document which helps to explain the Labour-T.U.C. declaration and sets forth clearly many of the considerations which led to the formulation of Labour's policy."

Mr. Strachey wrote *inter alia* that unilateral renunciation of the H-bomb by Britain " would neither receive nor deserve the confidence of the British people " ; moreover, by weakening Britain's influence in the world " it might well make the Russian-American struggle still more dangerous." After urging that Britain should give a lead to the world by suspending her own nuclear tests, following the similar action announced by the Russians, Mr. Strachey continued :

" The next step is clearly to get all H-bomb tests suspended and to establish an effective system of inspection and control to prevent any nation from secretly resuming them. But even the suspension of all tests by all the three nuclear Powers would be no more than the first step towards general disarmament. Up till now the West has felt that it was impossible to ban nuclear weapons without reducing ordinary weapons too. For obviously, as the Russians have a far bigger army than anyone else, such one-sided disarmament would be greatly to their advantage. So the Labour Party-T.U.C. declaration sensibly suggests that the way to get rid of this objection is to negotiate a substantial reduction of ordinary weapons at the same time. For then the banning of nuclear weapons should still leave the two sides with an approximately equal degree of strength . . ." Mr. Strachey went on to emphasize that " watertight international inspection and control " were indispensable to any agreement on disarmament.

Discussing the possibility that America might once again become isolationist—that is, " wash her hands of Europe and allow Russia to dominate and even occupy it if she wanted to do so "—Mr. Strachey wrote : " Most of us would regard this as a major disaster. Yet we must face the fact that with neither nuclear weapons nor American support we could not possibly resist Russian pressure nor, ultimately, Russian occupation. Of course, it is also possible that even if we disarmed completely and, as would be inevitable, withdrew from NATO, America would still continue her alliance with Western Europe in some form, though without Britain. This would simply mean that the cold war continued while the British Government ceased to have any influence whatever on American policy . . . The fact is that a helpless Britain would lose her power to influence events in general. She would in particular lose her power to have a restraining influence on Russia. For the Russians notoriously take very little account of people who have no power with which to back up their opinions . . ."

Mr. Strachey rejected the pacifist case for total disarmament, arguing that it would be impossible for Britain to " contract out " of the world situation. He wrote in this connexion : " What the elimination of British strength, and the consequent collapse of NATO, might well actually do would be to produce the one situation in which Russia would be sufficiently encouraged to make rash forward moves in this or that part of the world where tensions ran high, and so touch off a third World War between Russia and America. Even if the Americans had withdrawn from Britain, the first act of a third World War might well be a race between the Russians and Americans to occupy us and establish their bases here. And then the other one would probably attack the occupiers' bases with

H-bombs. It is very easy to foresee that a disarmed and would-be neutral Britain might be totally destroyed by H-bombs aimed at her, or by the fall-out of H-bombs not aimed at her, in such a war. The essential thing to grasp is that there is no safety whatever for us in trying to contract out of a world war."

Similarly, Mr. Strachey rejected the "halfway house" argument that Britain should scrap her own nuclear weapons and rely on the protection of the American deterrent. "It would be a really nauseating piece of hypocrisy," he declared, "to protest that we were too holy to possess H-bombs ourselves, while all the time saying under our breath that anyhow we didn't need them because the American H-bombs would always protect us. Nor is there any practical advantage. So long as we are members of NATO and allies of the Americans, we are part of the Western Alliance. We should be just as much in the front line in a third World War if we did not have our own H-bomb as if we did . . ."

Labour-T.U.C. Statement on Disengagement in Europe.

A further joint statement was issued on April 23 by the Labour Party and the T.U.C. on the question of disengagement in Europe. It urged that the British Government should seek the support of other Western Governments in an attempt to reach an agreement with the Soviet Union on the following lines :

(1) Gradual withdrawal, under effective international control, of all foreign forces from Eastern and Western Germany, Poland, Czechoslovakia, and Hungary.

(2) Establishment of effective international control over the level and type of national armaments and armed forces agreed for those countries.

(3) German reunification within a framework to be agreed and guaranteed by the four Powers (Britain, France, the U.S.A., and the U.S.S.R.), including free elections, leaving the ways and means to be settled by the Germans themselves.

(4) Negotiation of a European security treaty backed by the four Powers to guarantee the territorial integrity of countries in the area.

(5) Withdrawal of the countries in the area from NATO and the Warsaw Pact.

The joint declaration on this subject ran as follows :

"The Labour Party and the T.U.C. recognize that the dangers which to-day threaten mankind are particularly intense in Central and Eastern Europe, along the boundary dividing the military forces of NATO and the Warsaw Pact. In our declaration of March 6 on disarmament and nuclear war we therefore urged . . . that attempts should be made to reach agreement with the Communist Powers on a plan for disengagement in the area. Such is the importance and complexity of this subject that we now set out in more detail what we consider the approach of the Western Governments should be.

"In the present situation there is a risk that, with major opposing forces at close quarters, a border incident could at any time touch off general war. Still graver dangers exist in the possibility of further political unrest in Eastern Europe. If, for example, a revolution developed on the Hungarian pattern in Eastern Germany, West German forces might become involved, almost inevitably bringing NATO into conflict with the Communist powers.

"An agreement on disengagement or mutual withdrawal which would lessen and eventually eliminate these fearful possibilities might well be as acceptable to the Soviet Government as to Governments in the West. We believe that Soviet intransigence on European political questions, and particularly on Germany, must to some extent be viewed in the context of official Western pronouncements. The latest Western declaration on Germany, issued on July 29, 1957, still insists that a unified Germany must have the right to enter NATO. Yet it is by now perfectly clear that negotiations for a European settlement with the U.S.S.R. will prove fruitless without a guarantee that Germany shall not add its weight to either side. We cannot conceive such a guarantee except within the framework of a disengagement plan. Conversely, we cannot conceive complete, and therefore fully effective, disengagement without reunification of Germany.

After making the five proposals listed above, the statement went on : "We fully realize that no plan for disengagement will be acceptable if it changes the balance of military security to the disadvantage of either side. Proposals for the withdrawal of NATO forces from part of their present area must, for example, be consistent with the retention of NATO itself, including the continued presence of U.S. forces on the Continent. However, we believe that, pending summit talks, no steps should be taken towards the ultimate equipment of West German forces with nuclear weapons, since this would make it more difficult both to reach agreement on disengagement and to carry out such an agreement.

"We are aware of the difficulties of the task ahead, and recognize that the full implementation of proposals of this kind may be a long and gradual process. We believe, however, that points (1) and (2) above offer scope for early progress in negotiation, and that such progress would facilitate an advance on the other problems.

"We welcome the initiative taken by Mr. Rapacki, the Polish Foreign Minister, in tabling his proposal for a nuclear-free zone in Central Europe. This proposal contains certain weaknesses, particularly in that it excludes Hungary, omits the problem of German reunification, and suggests only gradual reduction, as opposed to total withdrawal, of foreign forces from the area. Nevertheless, we regard the Rapacki Plan as an advance, and we consider that it should be included . . . at summit talks."

Three members of the Labour "shadow Cabinet"—Mr. Gaitskell, Mr. Bevan, and Mr. George Brown visited General Norstad (Supreme Allied Commander in Europe) at his headquarters near Paris on April 7. No statement was issued, but it was understood that General Norstad and the three Labour leaders discussed current military problems in Europe, including nuclear weapons and tests, and that the Labour Party's "disengagement" proposals had been explained to the Supreme Commander. (Daily Herald - Times - Manchester Guardian) **(Prev. rep. Labour Party Conference, Debate on Nuclear Disarmament, 15891 A, pages 15892-93.)**

A. LITERATURE. — Book Selections, April 1958.

Selected books published in Great Britain and the United States are given below :

Great Britain. Durrell, Lawrence "Balthazar." A Novel. (Faber and Faber, 15s.)

Eytan, Walter—"The First Ten Years : Israel between East and West." (George Weidenfeld and Nicolson, 21s.)

"Germany and the Revolution in Russia, 1915-1918." Documents from the Archives of the German Foreign Ministry. Edited by Z. A. Zeman. (Oxford University Press, 25s.)

Gunther, John—"Inside Russia Today." (Hamish Hamilton, 25s.)

Heyerdahl, Thor—"Aku-Aku : The Secret of Easter Island." Translated from the Norwegian. (George Allen and Unwin, 21s.)

Jiménez, Juan Ramón "Platero and I." The Story of a Man and his Donkey, by the 1956 Nobel Prizewinner for Literature. Translated from the Spanish. (Nelson, 21s.).

Mitchell, R. J., and Leys, M. D. R.—"A History of London Life." (Longmans, 25s.)

Parkinson, C. Northcote—"Parkinson's Law, or The Pursuit of Progress." Illustrated by Osbert Lancaster. (John Murray, 12s. 6d.)

Pitt, Barrie—"Zeebrugge : St. George's Day, 1918." (Cassell, 18s.)

Rolt, L. T. C.—"Thomas Telford." A Biography. (Longmans, 25s.)

Russell of Liverpool, Lord—"The Knights of Bushido : A Short History of Japanese War Crimes." (Cassell, 18s.)

"The Dream of the Red Chamber : A Chinese Novel of the Early Ching Period." The *Hung-lou-meng*, translated from the German Version. (Routledge, 50s.)

"The Stories of Sean O'Faolain." (Rupert Hart-Davis, 21s.)

Woodrooffe, Thomas—"The Enterprise of England : An Account of her Emergence as an Oceanic Power." (Faber and Faber, 25s.)

Weissberg, Alex—"Advocate for the Dead : The Story of Joel Brand." Translated from the German. (André Deutsch, 15s.)

White, T. H.—"The Once and Future King." *The Sword in the Stone, The Queen of Air and Darkness, The Ill-Made Knight* and *The Candle in the Wind*, published in one volume. (Collins, 25s.)

United States. Conant, James B.—"Germany and Freedom : A Personal Appraisal." (Harvard University Press, $3.00)

Ferber, Edna—"Ice Palace." A Novel of Alaska. (Doubleday, New York, $4.95)

Gunther, John—"Inside Russia Today." (Harper and Bros., New York, $5.95)

Maritain, Jacques—"Reflections on America." (Charles Scribner's Sons, New York, $3.50)

Redding, Saunders—"The Lonesome Road : The Story of the Negro's Part in America." (Doubleday, New York, $5.75)

(Ed. K.C.A.) **(Prev. rep. Book Selections, 16099 A.)**

B. INDIA. — Indian Navy. - Vice-Admiral Carlill appointed Honorary Vice-Admiral.

Vice-Admiral R. D. Katari took over as Chief of Naval Staff on April 22 from Vice-Admiral Sir Stephen Carlill, the last British officer to command the Indian Navy. It was announced in Delhi on April 20 that Sir Stephen Carlill had been appointed an Honorary Vice-Admiral in the Indian Navy —the first such appointment—in recognition of the great services rendered by him to the Indian Navy's development. (The Statesman, Calcutta) **(Prev. rep. 16015 B.)**

C. UNITED STATES. — Further Restrictions on Oil Imports. - Presidential Order.

A presidential Order of March 29 reduced the ceiling on imports of foreign crude oil outside the Pacific coast by another 14.8 per cent for April, May and June, the West Coast imports quota remaining unchanged. The Order also stipulated that contracts for Government purchases of imported crude oil or crude-oil products should contain a clause under which the oil company would promise to comply with the "voluntary" oil import programme.—(New York Herald Tribune)

(Prev. rep. 15987 B ; 15779 C.)

A. FRANCE. — Development of Saharan Resources. - First Cargo of Algerian Oil. - Concessions granted to British and U.S. Oil Companies. - Discoveries of Natural Gas and Minerals. - Project for Inland Sea in Sahara.

The first cargo of Algerian oil—15,000 tons—left Philippeville on March 4 in the tanker *Président-Mény* for the French port of Martigues-Lavera (Marseilles). A 120-mile pipeline linking the Hassi-Messaoud oilwells with the railhead at Touggourt had been completed on Dec. 3 and came into use on Dec. 30, 1957, the first trainload of oil leaving Touggourt for Philippeville on Jan. 9. Strict precautions were taken against sabotage or ambush by the Algerian insurgents, especially as a goods train using the same route had been blown up by a mine on Jan. 8 ; observation and fighter planes flew over the train taking the oil cargo to Philippeville, and armoured vehicles accompanied it on nearby roads and tracks. For security reasons the oil was not conveyed on trains consisting entirely of tank cars, and in consequence the average amount leaving Touggourt daily was only 300 tons.

Oil Deposits of the Sahara.

The first official estimates of the oil deposits in the Sahara were given by the French Ministry of Industry and Commerce on Jan. 17, 1958. The statement said (*a*) that at Hassi-Messaoud, "assuming that the nature of the rock containing oil in the area where wells have been sunk is constant, the reserves which can be recovered are of the order of 100,000,000 to 150,000,000 tons" ; (*b*) that at Edjelé the oil reserves were estimated at 30,000,000 tons. It was planned to build a permanent pipeline from Hassi-Messaoud to Bougie, on the Algerian coast (a distance of about 400 miles), and also to construct another pipeline from Edjelé and the nearby oilfield at Tiguentourine to the coast, although it had not yet been decided whether that pipeline would run through Libya or through Tunisia.

M. Lejeune, Minister for the Sahara, had said in October, 1957 that "from 1960 onwards Saharan production will account for a large part of France's oil consumption, which in 1956 reached 18,000,000 tons. It is already possible to envisage the possibility of an annual production of 14,000,000 tons in 1960—6,000,000 tons from deposits already discovered and 8,000,000 tons from the extension of these oilfields or from others not yet discovered." [The development of oil production in the Sahara on this scale would radically transform France's balance of payments, as the country's annual expenditure on foreign oil is about £200,000,000.]

Saharan Oil Concessions.

On Feb. 21 the French Government granted the right to prospect for oil over an area of 11,000 square miles in the Sahara to seven groups of companies, five of which included important British and U.S. interests. The British companies, Royal Dutch-Shell and British Petroleum, greatly expanded their investments in Algerian oil, whilst two U.S. companies, Phillips and Cities Service, acquired prospecting rights for the first time. The major U.S. oil companies had hitherto taken no part in the development of the Sahara's oil resources, as they had refused to accept the French Government's condition that French companies must maintain a majority interest in each group that was formed.

The concessions formed part of areas surrendered by two French companies, the *Compagnie Française des Pétroles d'Algérie* (C.F.P.A.) and the *Société Nationale de Recherches and d'Exploitation des Pétroles en Algérie* (S.N. Repal), on the expiry of their leases in September. Under French law concessions to explore for oil are granted for five years, at the end of which time the company must hand over half the area allocated to it for reallocation—the company being allowed to decide which part of the area it wished to retain.

The concessions were granted to the following companies :

(1) The State-controlled *Société Nationale des Pétroles d'Aquitaine*, which already exploits the Lacq natural gas deposits south of Bordeaux— 3,000 square miles.

(2) The *Société des Pétroles de Valence*, in which British Petroleum has a 50 per cent interest—1,800 square miles. [British Petroleum had previously held only a 2 per cent interest in the *Compagnie d'Exploration Pétrolière*, which received a concession in April 1957.]

(3) The *Compagnie de Recherches et d'Exploitation de Pétrole au Sahara* (C.R.E.P.S.), in which the French Government holds 51 per cent and Royal Dutch-Shell 35 per cent of the shares—1,000 square miles. The C.R.E.P.S. already holds prospecting rights over 60,000 square miles, and in 1956 made the first discoveries of oil in the Sahara at Edjelé and Tiguentourine.

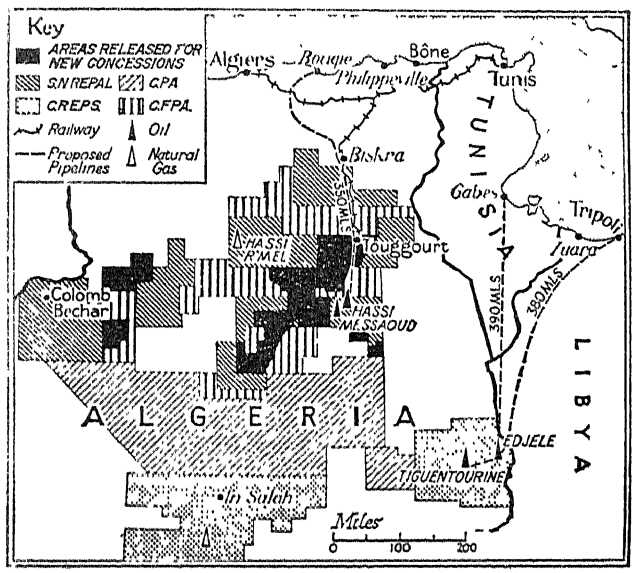
(4) The *Compagnie des Pétroles d'Algérie* (C.P.A.), in which Royal-Dutch Shell has a 65 per cent and the French Government a 24 per cent interest—1,000 square miles. The C.P.A. has a concession of 60,000 square miles in the southern Sahara, where it has been prospecting without success.

(5) A Franco-American group including Phillips Petroleum France (the French subsidiary of the Phillips company) and two French companies, France-Afrique and Omnium.

(6) Another Franco-American group including Afropec (the French subsidiary of Cities Service) and two French industrial and finance groups, Prepa and Francarep.

(7) Petrosarep, a subsidiary of Petrofrance.

In addition to the C.R.E.P.S. and C.P.A., three other main groups are prospecting for oil in the Sahara : (1) The C.F.P.A., 35 per cent of whose shares are held by the *Compagnie Française des Pétroles* (in which the French Government has a 35 per cent interest), holds a concession of 50,000 square miles. (2) The S.N. Repal, in which the Algerian Government has a 50 per cent and the French Government a 48 per cent interest, has prospecting rights over 75,000 square miles These two companies discovered the Hassi-Messaoud oilfield during a joint exploration programme. (3) The *Société Française de Recherches et d'Exploitation du Pétrole*, in which the French Government has a 65 per cent interest, has prospecting rights over 25,000 square miles in the Tindouf area, on the Moroccan border. No oil has so far been discovered in this area.



Oil Concessions in the Sahara. (*Economist*)

Sale of "Oil Certificates" to Private Investors.

The French Government issued a decree on Sept. 21, 1957, laying down the terms under which the State would issue for sale to private investors negotiable certificates representing the Government's own shares in companies prospecting for and producing oil in France and the Sahara.

The decree provided that the certificates would carry the same rights as the shares against which they were issued, entitling the purchasers to dividends on the shares, the proceeds of the shares in case of liquidation, and rights or new shares allocated to existing shareholders in the case of an increase of capital, etc., except that the voting rights in the oil companies would remain vested in the Government. Similar certificates could be issued by specially authorized public bodies or private companies holding participations in oil-prospecting or producing companies.

The actual issue of the certificates would be in the hands of the *Caisse des Dépôts et Consignations* or other institutions which had been specially designated by the Government. The proceeds of the sale of the certificates would be paid into a special Treasury account to be used exclusively for the financing of oil development plans, with special priority in each case for the programme of that company against whose shares the particular certificates had been issued. Such shares could not be disposed of by the holder (i.e. the State or other public or private body) until the certificates issued against them had been returned to the issuing house.

The Government's shares, the value of which was estimated at nearly 100,000,000,000 francs, were expected to be put on the market gradually. The first sale of "oil certificates" against shareholdings of the Government in two leading French oil companies opened on Oct. 7, 1957. The offer referred to (*a*) 1,000,000 certificates each representing one-quarter of a share of the *Compagnie Française des Pétroles* ; (*b*) 320,000 certificates each representing one share of the *Société Nationale des Pétroles d'Aquitaine* belonging to the *Bureau de Recherches du Pétrole* (a public body), The total proceeds were expected to be around 20,000,000,000 francs (about £17,000,000), which would be spent by the Government on future oil prospecting and development.

Discoveries of Natural Gas and Minerals in the Sahara.

M. Collot, chairman of S.N. Repal, announced on Sept. 18, 1957, that a natural gas deposit had been discovered at Guerrara (80 miles N.W. of Ouargla) and that other boreholes would be drilled for oil in this area. This was the first deposit of petroleum gas found in this part of the Sahara.

Prospectors from the Algerian Mineral Research Bureau were reported on Jan. 9, 1958, to have discovered a large industrial diamond and five smaller diamonds in river deposits in the Hoggar *massif* (900 miles south of Algiers). Two platinum nuggets weighing 1,260 and 500 milligrams were dug up in the same area in January, and considerable traces of nickel, copper, and asbestos were also discovered.

First Meeting of Joint Organization for the Sahara.

The High Commission of the Joint Organization for the Sahara (O.C.R.S.), whose objects are officially described as "to define and co-ordinate the Organization's programmes for joint action and to control their application," met for the first time in Paris on Jan, 21-23, 1958. The Commission consists of eight representatives of the National Assembly, four of the Council of the Republic, two of the Assembly of the French Union, two of the Economic Council, five of the Oases department of Algeria, three of the Saoura department, and two each from Mauritania, Niger, the French Sudan, and Chad.

M. Marius Moutet (a Socialist senator) was elected president of the Commission; Colonel Merred (Oases department), M. Mitterrand (the U.D.S.R. deputy), and M. Condat (a U.D.S.R. deputy, and president of the Niger Territorial Assembly) vice-presidents; and M. Cornet (an Independent Republican member of the Assembly of the French Union), M. Ahmed Mangue (Chad), and M. Charver (of the Economic Council) secretaries. The Commission also elected its permanent delegation, consisting of M. Louvel (an M.R.P. deputy) as president and representatives of the National Assembly, the Council of the Republic, the French Sudan, Mauritania, and the Oases and Saoura departments.

Project for Inland Sea in Sahara.

The setting-up of a "Technical Research Association for the Study of an Inland Sea in the Sahara" had been announced in the *Journal Officiel* on June 14, 1957. This project, which was first put forward in 1877, envisages the construction of a maritime canal about 130 miles long from the Gulf of Gabès (on the east coast of Tunisia) to the Shatt Djerid (a large salt lake on the Algerian-Tunisian border, lying below sea level) and the flooding of the whole region of salt swamps, which extends into southern Algeria. An inland sea would thus be created with an area of over 3,000 square miles and an average depth of nearly 80 feet. The objects of the scheme are to transform the climate of southern Tunisia and Algeria and make agricultural development possible by creating a large evaporating surface, and to open up a waterway which would provide an outlet to the sea for oil from Hassi-Messaoud and Edjelé and for iron and phosphates from the mines at Tebessa and Gafsa. The project would involve the shifting of 500,000,000 cubic metres of earth, or six times the amount dug for the Suez Canal, and would cost about 100,000,000,000 francs.—(Le Monde - Le Figaro - Financial Times - Economist)

(Prev. rep. 15697 A.)

A. OKINAWA.—Left-wing Gains in General Election.

Elections to the Legislature of the U.S.-occupied Ryukyu Islands (of which Okinawa is the largest), held on March 16, resulted in big gains for the left-wing parties at the expense of the conservative and pro-American Democratic Party, which had previously had a majority. Results were as follows, those of the last (1956) elections being shown in parentheses: Social Masses Party 9 (6); Democrats 7 (17); *Minren* 5 (2); Independents 8 (4).

The *Minren* (Council for the Protection of Democracy) is an alliance of left-wing Socialist organizations, including the Okinawa People's Party and the new Okinawa Socialist Party [see below]: the People's Party is alleged by the U.S. authorities to be pro-Communist, but this is denied by its leaders. Both the Social Masses Party (a right-wing Socialist organization) and the *Minren* advocate the reversion of the islands to Japanese rule, but whereas the latter demands the immediate withdrawal of the U.S. forces, the former favours the fixing of a time-limit of 10 to 20 years for the ending of the U.S. occupation. In the elections the *Minren* increased its vote from 15,000 to 81,000, whilst the Democratic vote fell from 193,000 to 81,000.

The formation of a new political party—the Okinawa Socialist Party—from former supporters of the Social Masses Party was announced on Feb. 12. The leader of the new party, Mr. Kaneshi (mayor of Naha, the capital of Okinawa), stated that it would become an integral part of the *Minren* and would eventually merge into a single organization with the People's Party. The Japanese Socialist Party recognized the Okinawa Socialist Party as part of its own organization on Feb. 25. (New York Times - New York Herald Tribune)

(Prev. rep. 13351 A.)

B. UNITED STATES. — Release of Ezra Pound.

The treason charges brought in 1945 against the American poet Ezra Pound (72) were quashed by the Federal District Court in Washington on April 18. Pound, much of whose poetry was violently anti-semitic, lived in Europe mainly in Italy for 40 years before the Second World War. He was arrested by U.S. troops in Italy for having broadcast Fascist and anti-American propaganda for the Mussolini regime. Indicted *in absentia* in 1943, he was brought to trial in 1945 but found by psychiatrists to be insane; he was accordingly committed to St. Elizabeth's hospital (the Federal mental institution), where he had been kept ever since.

The superintendent of the hospital (Dr. Winfred Overholser) presented an affidavit to the court testifying that Pound was permanently and incurably insane and would never be competent to stand trial. The affidavit was accepted by the presiding magistrate (Chief Judge Bolitha J. Laws) and Pound was accordingly released.

Dr. Overholser stated that Pound would "die insane in the hospital without trial of the charges against him if the indictment remained pending"; that there was a "strong probability" that Pound's pro-Fascist broadcasts in Italy were the result of insanity; and that it was doubtful whether any prosecution could show criminal responsibility if he were brought to trial. Further confinement could serve no therapeutic purpose and would only be "a needless expense and burden on the hospital." As Ezra Pound was not violent, his release would "not endanger the safety of other persons."

An important part in securing Pound's release was played by the well-known American poet Robert Frost, who had personally intervened with the Justice Department on Pound's behalf and headed an informal committee of literary figures seeking Pound's release. Mr. Frost admitted that Pound had been "very wrongheaded" but said that leading American writers and poets could not "bear the thought of letting Ezra Pound come to his end where he is." Among other well-known literary figures urging Pound's release were John Dos Passos, Van Wyck Brooks, Ernest Hemingway, W. H. Auden, T. S. Eliot and Archibald Macleish.

Mrs. Dorothy Pound (the wife of the poet) was appointed legal guardian of her husband, who was placed in her care after his release. It was understood that he would be allowed to live in Italy. (New York Times)

(Prev. rep. Ezra Pound, 7723 E; 7274 B.)

C. JAPAN. — Release of War Criminals.

The last 10 of the Japanese "Class A" war criminals who had been sentenced to life imprisonment by the International Military Tribunal in 1948 for conspiracy to wage aggressive war were unconditionally released on April 7. All of them had previously been released on parole, either for health reasons or on completing 10 years of their sentences (the last, General Sato, on March 31, 1956.

Of the 25 men tried before the International Tribunal, seven were condemned to death and hanged, and 16 were sentenced to life imprisonment. Those pardoned were General Sadao Araki, Marshal Shunroku Hata, Naoki Hoshino, Okinori Kaya, Marquis Koichi Kido, Admiral Takasumi Oka, General Hiroshi Oshima, Lieut.-General Kenryo Sato, Admiral Shigetaro Shimada, and Teiichi Suzuki, the other six having died in prison or since their release. Of the two other defendants at the Tokio trial, one died while serving a 20 years' sentence, whilst Mamoru Shigemitsu, who was sentenced to seven years' imprisonment, was released in 1950 and served as Foreign Minister from 1954-56. [For details of the Tokio trials see 10073 A]. Mr. Shigemitsu died on Jan. 25, 1957.

The decision to pardon the 10 war criminals was taken after consultations between the Japanese Foreign Ministry and the Governments of the U.S.A., Britain, Canada, France, the Netherlands, Australia, New Zealand, Pakistan, and the Philippines. All these countries were represented on the International Tribunal except Pakistan, which was consulted as a successor State to the former Government of undivided India. The U.S.S.R., China, and India, which had also been represented on the tribunal, were not approached as they had not signed the San Francisco Peace Treaty. Article 11 of this treaty provided that clemency might be granted to persons sentenced by the tribunal only by a decision of a majority of the Governments represented on it, and on the Japanese Government's recommendation (see 11681 A).

84 "Class B" and "C" war criminals who had been convicted by U.S. tribunals were reported on April 7 to be still held in Sugamo prison, Tokio. The last Japanese war criminal sentenced by a Netherlands tribunal had been released on Aug. 9, 1956, whilst the last 14 sentenced by Australian tribunals were freed on July 4, 1957. The Chinese Government released 1,059 war criminals in three groups during July and August, 1956.—(Japanese Embassy Press Office, London - Times - New York Times)

(Prev. rep. 14179 D.)

A. GHANA. — Political Developments.

The Earl of Listowel was sworn in as Governor-General of Ghana at a ceremony in Parliament House, Accra, on Nov. 13, 1957, in the presence of the Cabinet, members of Parliament, judges, chiefs, and ambassadors. An address of welcome to the new Governor-General was moved in the Assembly by Dr. Nkrumah and seconded by Mr. Dombo, Deputy Leader of the Opposition. In his reply, Lord Listowel appealed to the people of Ghana to make their country "a shining example not only to the people of Africa but to its neighbours in the Commonwealth and to the rest of the world."

Before leaving London on Nov. 11 Lord Listowel had expressed the opinion that Ghana had "weathered her difficulties very satisfactorily," and that recent trends were not so disturbing as many people had been led to imagine. He added that the new emergency powers sought by the Government [see below] were not unreasonable in view of the threats of violence it had had to face.

Recent internal developments in Ghana are described below under cross-headings.

Cabinet Changes.

The following Cabinet changes were announced on Oct. 31, 1957: (1) Mr. Kojo Botsio (Minister of Trade and Development) became Minister of State with responsibility for parliamentary business and co-ordination of Government policy and legislation. (2) Mr. P. K. Quaidoo (Parliamentary Secretary to the Ministry of Trade and Development) succeeded Mr. Botsio as Minister of Trade. (3) Dr. Nkrumah, the Prime Minister, took over the development functions previously exercised by the Minister of Trade and Development, together with the responsibility for industrialization policy. The ruling Convention People's Party (C.P.P.) announced on the same day that Mr. Botsio had been appointed secretary of its central committee.

Mr. Akiwumi, an Accra district magistrate, was unanimously elected Speaker of the National Assembly on Nov. 15, 1957, in succession to Sir Emmanuel Quist, who had announced his resignation.

The Emergency Powers Act. - Security Measures.

The Ghanaian Government published on Nov. 9, 1957, an Emergency Powers Bill to replace the Emergency Powers Orders-in-Council which had been continued in force for a period of 12 months after independence and were due to expire in March 1958. The main provisions of the Bill were as follows:

(1) "If the Governor-General is satisfied that a state of emergency (general, local or limited) exists he may, by proclamation, make such regulations as appear to him to be necessary or expedient for securing public safety, the defence of Ghana, the maintenance of public order, the suppression of mutiny, rebellion, and riot, and for maintaining supplies and services essential to the life of the community."

(2) The Government might make a provision in a general emergency for the detention of persons or their deportation or exclusion from Ghana, and in a local emergency for their detention or their exclusion from the emergency area. All detention, exclusion, or deportation orders must be signed by the Governor-General.

(3) In an emergency the Government might take possession or control of any property or undertaking, acquire any property other than land, and order any premises to be entered and searched.

(4) Parliament must be informed of the reasons for an emergency: within 10 days in the event of a national emergency, and as soon as practicable in the event of a local or limited emergency. Any emergency regulations would lose their effect if not approved by Parliament within 28 days. [These safeguards were not contained in the Emergency Powers Orders-in-Council.]

(5) The Governor-General was no longer empowered to suspend the Constitution or any of its provisions, or to extend the life of Parliament beyond its normal term, even during a general emergency.

Moving the second reading in the National Assembly on Dec. 2, Mr. Edusei (Minister of the Interior) said that the Bill had been introduced to deal with people who, if the opportunity arose, would resort to violence; he referred in this connexion to the recent disturbances in Ashanti, Transvolta, and Accra. Despite strong protests by the Opposition, who maintained that any disorders could be dealt with by the police through normal legal processes, the Bill passed its third reading without amendment on Dec. 12.

Mr. Kofi Baafo, the Minister of Information, had previously stated on Nov. 9 that the Cabinet did not consider it necessary to introduce special legislation authorizing local deportations, as had been proposed by Mr. Edusei [see 15760 A]. An announcement by Mr. Edusei on Dec. 11 that he hoped to introduce a Preventive Detention Bill, empowering the Government to imprison without trial any person suspected of activities prejudicial to State security, was likewise not implemented by the Government.

The Emergency Powers Act was invoked for the first time on Dec. 30, 1957, when the Government proclaimed a local state of emergency in Kumasi. The post of Zerikin Zongo (head of the local Moslem community) had been vacant since the deportation of Alhaji Lalemie in August [see 15760 A], and in the Government's view the tension between the supporters of three rival claimants to the position threatened "a serious breach of the peace." One of the claimants (Malam Mutawakilu, a former chairman of the Kumasi branch of the C.P.P.) was recognized by the Government as Zerikin Zongo on Jan. 8, but tension nevertheless continued in the city; rifle shots were fired at the regional commissioner's residence on Jan. 17 and 26, though without causing any serious damage, and 36 people were arrested on Feb. 2 in connexion with various incidents. A Government motion for the continuance of the state of emergency in Kumasi was approved by the Assembly on Feb. 19, 1958.

Deportation orders had been issued on Oct. 30, 1957, against Laremba Gao, head of the Gao community in Kumasi, and Hamidu Moshie, tribal head of the Moshie community in Nkawie (Ashanti), on the ground that they had been associated with the organization of violence. Both had entered Ghana from French Equatorial Africa, and were of French nationality. On Dec. 4 four Lebanese and Syrian businessmen were ordered to leave the country, and another Lebanese merchant (then visiting the Lebanon) was forbidden to return; official quarters stated that the deportations had no political significance but were connected with a "clean up" of trade in Ghana. Nine Africans living in Kumasi, all of whom were leading members of the Opposition United Party, were ordered to leave Ghana on April 5; some were stated to be of French and the remainder of Nigerian nationality. These deportations brought the total number of persons deported since the attainment of independence to 24.

Disturbances in Togoland. - Sentences on Togolese M.P.s.

Two Opposition M.P.s, Mr. S. G. Antor and Mr. Kojo Ayeke, were arrested on Nov. 30, 1957, on charges of conspiring to attack certain people with armed force. Both were leaders of the now defunct Togoland Congress, which agitated against the integration of British Togoland with Ghana.

The charges arose from riots which had occurred at Ho, Kpandu, and other centres in Southern Togoland during the Independence Day celebrations on March 6, 1957, when five people were killed and 23 injured. A Government statement (March 10, 1957) revealed that before the disturbances began two military training camps, together with quantities of ammunition and explosives, had been discovered in the bush by the police. In a speech at Ho on Oct. 26 Dr. Nkrumah said that special measures taken in the Ho and Kpandu districts earlier in the year could not be relaxed until the Government was "satisfied beyond all doubt that there will be no further attempt by evil men to seduce the people of this region from their peaceful and lawful pursuits."

At the trial in Accra of Mr. Antor, Mr. Ayeke, and seven other men, the prosecution alleged that the aim of the conspiracy had been to show that the integration of British Togoland with Ghana was a failure, and to persuade the U.N. to intervene. Mr. Antor and Mr. Ayeke, who were described as the organizers of the plot, were found guilty on March 11, 1958, and sentenced to six years' hard labour; of the other accused, four were sentenced to three years' imprisonment and the remaining three were acquitted. All the convicted men gave notice of appeal.

The Avoidance of Discrimination Bill.

The Assembly gave a second reading on Dec. 11, 1957, by 40 votes to seven, to the Avoidance of Discrimination Bill, which prohibited the formation of political parties on a racial, tribal, or religious basis.

The Bill laid down (1) that it would be an offence for any organization, membership of which was substantially restricted to one community or religion, to have as one of its objects exposure of any other organization or part of the community to hatred or contempt on racial or religious grounds; (2) that no organization formed for the primary benefit of any community or religion might allow the use of any name or symbol associated with that organization for political purposes; (3) that the Minister concerned might require alteration of the rules of such an organization if it discriminated as to membership by reason of race or religion.

Relations between the Government and Chiefs.

In reply to an appeal by the Joint Provincial Council (the council of chiefs of southern Ghana) to the Government to reconsider its decision to withdraw recognition of the Okyenhene of Akim Abuakwa, Dr. Nkrumah stated on Nov. 22, 1957, that it would be prepared to do so if the Okyenhene undertook not to take part in or encourage activities likely to cause unrest in his State. The Joint Provincial Council unanimously recommended on Nov. 27 that chiefs should not take part in party politics, identify themselves openly or actively with any political party, or preside at political rallies.

The terms of reference of the commission of inquiry into the administration of Akim Abuakwa, published on Nov. 6, required the commission to inquire (i) whether there had been any abuse of power by the Okyenhene and his councillors; (ii) whether chiefs had been appointed or deposed for improper reasons; (iii) details of the State Council's revenue and expenditure; (iv) whether members of the State Council and chiefs had received the emoluments to which they were entitled; and (v) whether payments had been made by the Council for improper purposes.

On Feb. 2, 1958, the Government announced its decision to create eight new States in Ashanti, to recognize the chiefs of these areas as paramount chiefs, and to withdraw recognition from two of the existing States, whose chiefs would cease to be paramount chiefs. At an emergency meeting on Feb. 17 of the Asanteman Council (the council of paramount chiefs in Ashanti), the Asantehene accused the Government of seeking to usurp his powers to elevate or reduce chiefs. A resolution was adopted denouncing the Government's action as unconstitutional, on the grounds (*a*) that under an Ordinance of 1952 the Governor should give the Council an opportunity of expressing its views before recognizing or withdrawing recognition of a person as paramount chief; and (*b*) that under the Ghana Constitution Order in Council, 1957, the office of chief, as existing by customary law and usage, was guaranteed.

An inquiry into the affairs of the Asanteman Council and the Kumasi State Council (the body of chiefs in the Kumasi area of Ashanti) was ordered by the Government on Feb. 17, 1958.

Mr. Justice Sarkodee Addo, the commissioner, was directed to inquire (i) whether there had been any abuse of power by either of the Councils; (ii) whether any financial transactions had been entered into between the Councils and political parties; and (iii) whether stool property [see below] had been dealt with improperly by the Councils or any of their officers. Allegations that Government funds voted for the development of Kumasi State had been used for Opposition propaganda had previously been made by C.P.P. supporters.

The London *Times* commented as follows (Feb. 5) on the relations between the Government and the chiefs:

"The official policy of this Government is to tolerate the chieftainship as an institution but to 'take the chief out of politics.' This is not an easily realizable objective. The chieftainship is embedded in the fabric of African society. The chief is by tradition the religious, political, and military head of his people. In the course of years these functions have been modified. The military power went with the British. The introduction of elected local government councils in 1954 deprived the chiefs of most of their direct political and administrative influence. Yet their power in some parts of the country is still great. They were . . . priest-kings, and there are still many offices vital to the life of the community which cannot be performed except by the chief in his priestly capacity. There is no private ownership of land. The chief is the trustee of the land on behalf of his people and is therefore immensely powerful in ability to allocate it and grant concessions in matters such as forestry. Most important of all, he is a perhaps indispensable link in the close-knit family and clan system which still persists in Africa in the bush and stretches out its tentacles into the towns . . . In Ashanti the system reaches even farther, for the paramount chiefs are grouped together in the Asanteman Council, which is a statutory body, and all owe their allegiance to the head of the Ashanti nation and guardian of the Golden Stool, the Asantehene.

"The present rulers in Accra pay lip-service to this system—they can hardly do otherwise. But instinctively they regard it as reactionary, obstructive, and obscurantist. Many of them are Western-trained and have been outside the influence of this traditional social fabric for many years . . . The chiefs have reacted by plunging into politics, mostly in opposition to the Government . . . A determined central Government has many opportunities of weakening the chieftainship, but the fact that the chief derives his authority from beneath, not from above, makes him a prickly opponent both practically and constitutionally."

Mr. Edusei introduced into Parliament on Dec. 4 (with the support of the Opposition) a Bill repealing an Act passed by the Legislative Council in 1921 for the banishment to Nigeria of five Africans who had been found guilty of desecrating the Golden Stool of Ashanti. [This stool, which is said to have descended from heaven, is greatly reverenced by the Ashantis, who believe that it contains the soul of their people and that their welfare is dependent on its safety]. Mr. Edusei stated that the Asantehene and his Council no longer opposed the return of the one person remaining in exile.

Municipal Elections in Kumasi.

Municipal elections held in Kumasi on Feb. 12, 1958, resulted in a victory for the C.P.P., which won 17 of the 24 seats on the municipal council. Although the C.P.P. won 20 seats in the 1954 municipal elections, 12 of its supporters on the council joined the Opposition National Liberation Movement on its formation later the same year. In the parliamentary elections of 1956 both the Kumasi seats were won by Opposition candidates.

New National Anthem.

The Government approved on March 14 a new national anthem to replace *God Save the Queen*. The words were taken from nine entries in a national competition, with additions by the panel of judges. (Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Lord Listowel, 15636 D; Cabinet, Relations between Government and Chiefs, 15817 A; Security Measures, 15838 A.)**

Note. The hymn written by Mr. Hector Hughes (a British Labour M.P.), referred to in 15427 A, was not intended as a definitive National Anthem for Ghana but was written specially for the Independence Day celebrations.

A. RHODESIA AND NYASALAND FEDERATION. — Immigration in 1957. - Land Settlement Schemes for British Ex-Servicemen.

The number of immigrants into the Federation of Rhodesia and Nyasaland in 1957 was 24,217, against 26,201 in 1956.

Of the 1957 total, 10,347 came from the British Isles, 10,000 from South Africa, 1,954 from other European countries, 908 from other African countries, 580 from Asia, 256 from America, and 122 from Australasia. 16,341 of the immigrants went to Southern Rhodesia, 6,801 to Northern Rhodesia, and 985 to Nyasaland.

The Parliamentary Secretary to the Federal Ministry of Home Affairs (Mr. B. D. Goldberg) visited London in September-October 1957 to discuss immigration problems with H.M. Government and Service departments and organizations. In a statement on Sept. 3 he announced that the Federation was anxious to attract Servicemen discharged because of the reorganization of the U.K. defence services, and that the Federal Government visualized three ways of helping such men: (*a*) land settlement schemes; (*b*) nomination schemes whereby residents of the Federation who had friends or relatives among ex-Servicemen could assist them to find employment; and (*c*) recruitment of men with specialist qualifications for the civil and armed services of the Federation.

A scheme whereby at least 50 "axed" British servicemen could be set up on farms in Southern Rhodesia in the first year was announced by Mr. Goldberg in London on Oct. 10. He stated that an area of some 250,000 acres, about 70 or 80 miles from Broken Hill, would be divided into farms of 2,000-3,000 acres to form a Rhodesian land settlement scheme; that both Rhodesians and British ex-servicemen would be settled there in the ratio of two Rhodesians to one British; and that the ex-servicemen would first serve for two years with an approved farmer in Southern or Northern Rhodesia. During this period of apprenticeship their pensions—supplemented by an amount paid to them by the farmer, plus accommodation—would enable them to carry on without touching the gratuity which they had brought with them; after two years they would be allocated farms of their own, sufficiently developed to grow a crop in the first year. At first they would farm a small acreage of tobacco, but could later go in for mixed farming. The minimum capital needed would be £3,000, whilst the Federation would provide another £4,000 as a long-term loan repayable over 25 years.

At a meeting in London on the same day (Oct. 10) representatives of the British South Africa Company, the Willoughbys Consolidated Co. Limited, and the London and Rhodesian Mining and Land Company expressed their willingness to make land available for the scheme. The British South Africa Company was also prepared to lend a substantial sum to assist the scheme.

In addition to his discussions in London, Mr. Goldberg also visited the Scandinavian countries, Holland, Scotland, Northern Ireland, and the Irish Republic for talks with Ministers and Government officials on immigration matters. (Federal Information Department, Salisbury) **(15565 A.)**

B. SUDAN. — American Economic Aid.

The Sudanese Council of Ministers approved on April 1 an agreement providing for U.S. economic and technical aid to the Sudan, which had been signed on the previous day by the Sudanese Foreign Minister (Mr. Mahgoub) and the U.S. Chargé d'Affaires in Khartoum. It was pointed out that similar agreements had been concluded with the U.S.A. by many other African and Asian countries—e.g. Ceylon, Egypt, Ethiopia, Ghana, India, Iraq, Libya, Morocco, Pakistan, Saudi Arabia, and Tunisia—and that the Sudanese agreement was in complete harmony with the declared policy of the Sudanese Government that it would not accept any aid likely to prejudice the country's sovereignty and independence. (Sudan Information Centre, Khartoum) **(16093 A; 15655 A.)**

C. ARGENTINA. — President Frondizi inaugurated.

Dr. Arturo Frondizi was inaugurated on May 1 as President of the Argentine Republic, and Señor Alejandro Gomez as Vice-President. President Frondizi and Vice-President Gomez will each serve for a six-year term of office.—(New York Times) **(Prev. rep. 16100 A.)**

MAY 3—10, 1958

A. UNITED STATES. — Space Exploration Research Programme. - The Moon Rocket Project. - Report and Recommendations of U.S. Scientists. - President Eisenhower's Congressional Message for Creation of Space Agency. - The Advanced Research Projects Agency.

A long-range programme of space research envisaging the exploration of the moon and the planets was recommended to the U.S. Government on March 19 by a technical panel of leading American scientists. Plans to explore space in the vicinity of the moon, by means of unmanned moon rockets, were announced by the White House and the Department of Defence on March 27 ; at the same time an " Introduction to Outer Space," drawn up by the President's Science Advisory Committee, was issued and given the widest possible publicity at the express wish of President Eisenhower. On April 2 the President sent a special message to Congress calling for the creation of a National Aeronautics and Space Agency as a matter of high priority, and urging the enactment of the necessary legislation at the earliest possible moment. These developments are described below under cross-headings.

Report and Recommendations on Outer Space Research. - Proposals for Lunar and Planetary Investigations.

The above-mentioned recommendations were contained in a report drafted by the Earth Satellite Panel of the U.S. National Committee for the International Geophysical Year, and presented to the U.S. Administration on March 19. The report fell into three main sections : (i) a description of the " crucial experiments " which would have to be carried out as a prelude to space flight ; (ii) the lunar, planetary, and interplanetary investigations to be undertaken once space flight had been mastered ; and (iii) the problems of space flight. It was envisaged that the lunar and planetary investigations would be carried out initially by unmanned vehicles and later by manned spaceships, in which connexion the report said that " ultimately there will be manned vehicles capable of landing on the moon." The report (cross-headings inserted) is summarized below :

Introduction. " The interests of human progress and our own national welfare," the report began, " demand that a long-term programme of space exploration be formulated and pursued by the United States with the utmost energy." After stating that " the basic goal of this exploration must be the quest of knowledge about our solar system and the universe beyond," the report pointed out that the scientific programme proposed had been formulated with the following ideas in mind :

" (1) Technology of space flight will probably develop gradually. Therefore, the payloads and distances travelled will be relatively small at first, and the scientific experiments and observations will be correspondingly modest in the early stages.

" (2) The scientific programme should be designed to give information at each stage which will help in the planning of later flights.

" (3) Manned space flight will occur in the course of the programme, but before this occurs certain crucial experiments must be performed which are aimed specifically at the design of a manned vehicle.

" (4) In the quest for outer space we must not lose sight of the tremendous implications to life on earth which the occupation of space will have."

Biological Experiments. - The Problem of Weightlessness. The report continued : " Biological experiments should be instituted at the earliest opportunity in the satellite programme, since they will be crucial to the eventual attainment of manned space flight. There appear to be two main areas of concern : the biological effects of prolonged exposure to the radiation in space, ranging from cosmic rays to the various solar emissions ; and the subtle and complicated effects of prolonged weightlessness.

" With regard to the first, a programme of exposure of biological samples and live animals to cosmic radiation at high altitude by balloons has been under way for some time, and at the altitudes attainable by balloons (over 100,000 feet) the cosmic radiation is essentially the same as at satellite altitudes. There are other kinds of radiation, such as solar ultra-violet and X-rays, which do not penetrate the balloon altitudes, but these can be reproduced conveniently in a laboratory. Thus the use of a satellite for study of radiation effects on biological specimens does not appear too rewarding.

" For the study of prolonged weightlessness, on the other hand, there is no known substitute for a vehicle floating freely in space. Biological specimens and live animals have been successfully flown and recovered from high-altitude rockets, having been exposed to a few minutes of weightlessness. The second Soviet satellite carried a dog, thereby lengthening the duration of the period of weightlessness *ad mortuum* . . . These first attempts to study weightlessness will have to be greatly expanded in the future.

Lunar Investigations. " One of the major justifications for launching a rocket to the moon," the report continued, " is the knowledge which would be obtained about our nearest neighbour in space . . . In this context the investigation of the moon is but a step to the investigation of the planets. There are several potentially fruitful experiments and observations on the moon, some of which could be done by impacting the moon directly, some of which could be done by a circum-lunar orbit (which would be a special kind of satellite), and some of which would require the lowering of instruments to the surface. Ultimately there will be manned vehicles capable of landing on the moon.

" The early experiments which should take priority are, in general, those which give information about the moon as a whole, rather than about the particular point of impact. These will reveal most about the processes by which it was formed, its past history, and so forth, and will be most useful in planning for subsequent experiments.

" The three quantities to be measured which pertain to the moon as a whole are the lunar gravity or mass, its magnetic field, and its atmosphere. Of these, probably the last is the only one which requires landing on the moon. A further experiment is the determination of the structure of the moon by seismic prospecting techniques—this will certainly require the landing of an instrumented package."

The report went on to suggest a number of ways in which accurate measurements could be taken of the lunar mass and gravity, the lunar magnetic field, and the lunar atmosphere. It stated in the latter connexion :

" It is customary to think of the moon as having no atmosphere at all. Astronomical observations have given no sure indication of a lunar atmosphere . . . Nevertheless, there is a possibility that enough gas is trapped in the crust of the moon so that there is a steady leakage of this gas. The heavier gases would stay on the surface for awhile, so there would be a very tenuous but constantly replenished atmosphere. A measurement of the constituents of this atmosphere would reveal information about the rate at which these gases were being released by the crust . . . It is possible to design a lightweight mass spectograph which could give an indication of both the atmospheric density and the atomic mass distribution of the lunar atmosphere . . . "

Planetary Investigations. - Entry into Planetary Atmospheres. Discussing the problems of planetary investigations, as distinct from lunar investigations, the report pointed out that " the requirements for landing an instrument package gently on to the surface of the moon are roughly equivalent in difficulty to those for placing the same weight of instruments on a collision course with Mars or Venus." Though the detailed problems to be solved were different, particularly with respect to guidance, the propulsion requirements might actually be considerably less for inter-planetary journeys than for flights to the moon. It was emphasized in this connexion that " the velocity necessary to escape from the Earth-Moon system is less than 0.01 per cent greater than the initial velocity required to reach the moon."

After stressing that one of the major problems in inter-planetary flight would be that of tracking, and making various suggestions in this connexion, the report continued : " A logical prelude to actually landing on a planet (though probably not a necessity for Mars and Venus) would be the observation of the behaviour of an instrumented ' re-entry body ' as it plunged into the planet's atmosphere. From a knowledge of its approach trajectory and a time-history of altitude, deceleration, and vehicle surface heating, the atmospheric data necessary to design subsequent entry vehicles would probably be determined . . . Present estimates indicate that the penetration of the atmosphere of Mars or Venus, given a slanting approach, would be even easier than for a satellite returning to Earth. The atmosphere on Mercury is essentially non-existent. It is for the larger outer planets that such atmospheric entry bodies or ' probes ' would be most useful."

Landing on the Planets. " Each planet is unique in its characteristics," the report continued, " and so the objectives and techniques for a landing vehicle on each planet would be different. Mercury, small and sun-scorched, poses many of the same problems as our moon. Venus and Mars, the most intriguing planets as well as the closest, will undoubtedly merit attention first, and the problems associated with placing instruments on their surfaces are so similar to placing instruments on our earth's surface that development of landing schemes and experiments should be fairly straightforward, once the guidance and propulsion problems have been overcome.

" The large outer planets [Jupiter, Saturn, Uranus, and Neptune] are entirely different from the inner planets, and there may be no such thing as ' landing ' on their inner cores, which very possibly are nowhere solid but may consist of a liquid centre merging with a deep gaseous envelope. One might, instead, design a vehicle which would enter the atmosphere of such a planet and then settle to a certain density level where it would float, like an inextensible balloon. As for Pluto [the outermost planet of the solar system], we can only guess what its atmosphere and surface are like.

" Restricting the discussion to Venus and Mars, the significance of obtaining observations on the surfaces of these two planets is too obvious to require emphasis. Moreover, the number of things which one would wish to find out about these sister planets is overwhelming. The most compelling question is undoubtedly : what forms of life, if any, do they have ?

" For the purpose of paving the way for subsequent landings on these two planets by manned spaceships, the following are probably the most important features to be determined :

(1) Atmospheric density and composition near the surface.

(2) The range of atmospheric temperatures and winds near the surface.

(3) Terrain features such as mountains, valleys, snow fields and, at least in the case of Venus, possible rivers and seas. It must be remembered that the surface of Venus is unobservable in the visible or infra-red, due to the continuous cloud check, so one must land to explore its surface and fly over it at relatively low altitude to map it by radar. Mars could probably be roughly mapped by aerial reconnaissance without having to penetrate its atmosphere, but it might be impossible to identify some features without a closer look.

(4) Surface composition. One would expect the surfaces of these planets to be infinitely varied, as is the surface of the earth. Still, one would learn a great deal about the conditions to be encountered on landing if one had previous knowledge of the chemical composition of some representative soils, their hardness and depth, their moisture content, etc."

Manned Space Flight. The report concluded: "Although it is impossible to predict how quickly man will follow his exploring instruments into outer space, the inevitable culmination of his efforts will be manned space flight and his landing on the nearer planets. It is clear that he can develop the ability to do this, and it is hard to conceive of mankind stopping short when such a tempting goal is within reach.

"The attainment of manned space flight, however, cannot now be very clearly justified on purely rational grounds. It is possible, at least in principle, to design equipment which will do all the sensing needed to explore space and the planets. Mobile vehicles could be designed to land and crawl across the face of these distant worlds, measuring, touching, looking, listening, and reporting back to earth all the impressions gained. They could be remotely controlled, and so could act like hands, eyes, and ears for the operator on earth. Moreover, such robots could be abandoned without a qualm when they ran out of fuel or broke down.

"Though all this could be done in principle there may be a point at which the complexity of the machine to do the job becomes intolerable, and a man is found to be more efficient, more reliable, and above all more resourceful when unexpected obstacles arise. It is, in a sense, an article of faith that man will be required to do the job of cosmic exploration personally—and furthermore, that he will want to do the job himself, whether required to or not.

"With man's first venture into outer space, a new programme of research and exploration will begin. The programme described above will therefore be the prelude to the drama to follow."

The chairman of the committee which drew up the report was Dr. Richard W. Porter (45), an authority on electronics and a key figure in the U.S. earth satellite project. Dr. Porter, a former president of the American Rocket Society, is electronics consultant to the General Electric Company, for whom he developed and designed the first military and commercial applications of amplidyne generators (devices for regulating and controlling electrical power).

The Moon Rocket Programme.

It was announced at the White House on March 27 that President Eisenhower had approved "several projects for launching a number of small unmanned space vehicles," to be carried out by the new Advanced Research Projects Agency of the Defence Department [see below]. The announcement stated (1) that the programmes would include "both scientific earth satellites and efforts to develop our capability of exploring space in the vicinity of the moon"; (2) that the moon projects would be known as "lunar probes," on which preparatory work had been "proceeding for some time"; (3) that, since numerous test launchings would probably be required for the lunar programme, "it is not intended to offer a timetable for the successful accomplishment of these undertakings or to speculate on probable dates." The Defence Department was asked to co-ordinate its activities with the National Advisory Committee for Aeronautics, the National Academy of Sciences, and the National Science Foundation in carrying out these projects.

The Secretary of Defence (Mr. McElroy) announced on the same day that an initial allocation of $8,000,000 had already been made by the Advanced Research Projects Agency so that the agencies concerned could begin work on the moon project. Mr. McElroy disclosed (1) that the Army Ballistic Missile Agency (at Huntsville, Alabama) had been given authority to undertake one, and possibly two, lunar probes, in which modified *Jupiter-C* rockets would be used; (2) that a programme for three lunar probes had been assigned to the Air Force Ballistic Missile Division (at Los Angeles), which would use "a *Thor-Vanguard* system and a third stage to be developed"; and (3) that the Naval Ordnance Test Station (at China Lake, California) had been ordered to develop "a mechanical ground scanning system for use in lunar probes."

Dr. Herbert York, Chief Scientist of the Advanced Projects Research Agency, disclosed at the same time that "much groundwork has been done on these projects" during the past few months; he added that the three military agencies mentioned by the Secretary of Defence were "thus not starting from scratch."

Report of President Eisenhower's Science Advisory Committee. - "Introduction to Outer Space."

A 4,000-word statement entitled *Introduction to Outer Space*, drawn up by the President's Science Advisory Committee headed by Dr. Killian, was published on March 26 on the instructions of President Eisenhower. The President emphasized that it was "not science fiction" but "a sober, realistic presentation by leading scientists" of the problems of the space age, written in non-technical language. After saying that he had found the report "so informative and interesting that I wish to share it with the people of America and indeed with all the people of the earth," President Eisenhower expressed the hope that it would be "widely disseminated by all news media."

The 18 authors of the report included the following eminent scientists in addition to Dr. Killian: Dr. Robert F. Bacher, Professor of Physics, California Institute of Technology; Dr. Hans A. Bethe, Professor of Physics, Cornell University; Dr. Detlev W. Bronk, president of the National Academy of Sciences; Dr. George B. Kistiakovsky, Professor of Chemistry, Harvard University; Dr. Edward M. Purcell, Professor of Physics at Harvard, and Nobel prizewinner; Dr. Isidor Rabi, Professor of Physics, Columbia University, and Nobel prizewinner; Dr. Jerome B. Wiesner, director, Electronics Research Laboratory, Massachusetts Institute of Technology; Dr. Herbert York, Chief Scientist, Advanced Research Projects Agency; and Dr. Jerrold R. Zacharias, Professor of Physics, Massachusetts Institute of Technology.

It was stated in *Introduction to Outer Space* that manned expeditions to the moon and the nearer planets "might come within one or two decades" or not until the 21st century, depending on "how rapidly we want to expand and accelerate our programme." The report is summarized below, with cross-headings inserted:

Objectives of Space Flight. It was stated that the report sought to provide "brief and introductory answers" to the questions: "What are the principal reasons for undertaking a national space programme? What can we expect to gain from space science and exploration?" In this connexion four factors had to be distinguished "which give importance, urgency, and inevitability to the advancement of space technology," as follows:

"The first of these factors is the compelling urge of man to explore and discover; the thrust of curiosity that leads men to try to go where no-one has been before. Most of the surface of the earth has been explored, and men now turn to the exploration of outer space as their next objective.

"Second, there is the defence objective. We wish to be sure that space is not used to endanger our security. If space is to be used for military purposes, we must be prepared to use space to defend ourselves.

"Third, there is the factor of national prestige. To be strong and bold in space technology will enhance the prestige of the United States among the peoples of the world and create added confidence in our scientific, technological, industrial, and military strength.

"Fourth, space technology affords new opportunities for scientific observation and experiment which will add to our knowledge and understanding of the earth, the solar system, and the universe."

Basic Laws of Space Flight. In simple and non-technical language, the report went on to describe the basic scientific laws of space flight. "While they have been well known to scientists ever since Newton," it stated, "they may still seem a little puzzling and unreal to many of us; our children, however, will understand them quite well." The following description was given:

"We all know that the harder you throw a stone, the farther it will travel before falling to earth. If you could imagine your strength so fantastically multiplied that you could throw a stone at a speed of 15,000 m.p.h., it would travel a great distance; in fact, easily cross the Atlantic Ocean before the earth's gravity pulled it down. Now imagine being able to throw the stone a little faster, say about 18,000 m.p.h., what would happen then?

"The stone would again cross the ocean, but this time it would travel . . . so far that it would overshoot the earth, so to speak, and keep falling until it was back where it started. Since in this imaginary example there is no atmospheric resistance to slow the stone down, it would still be travelling at its original speed, 18,000 m.p.h., when it got back to its starting point. So around the earth it goes again. From the stone's point of view, it is continuously falling, except that its very slight downward arc exactly matches the curvature of the earth, and so it stays aloft—or as the scientist would say, 'in orbit'—indefinitely.

"Since the earth has an atmosphere, neither stones nor satellites can be sent whizzing round the earth at tree-top level. Satellites must first be lifted beyond the reach of atmospheric resistance. It is absence of atmospheric resistance plus speed that makes the satellite possible. It may seem odd that weight or mass has nothing to do with a satellite's orbit. If a feather were released from a ten-ton satellite, the two would stay together, following the same path in the airless void. There is, however, a slight vestige of atmosphere even a few hundred miles above the earth, and its resistance will cause the feather to spiral inward toward the earth sooner than the satellite.

"It is atmospheric resistance, however slight, that has set limits on the life of all satellites launched to date. Beyond a few hundred miles the remaining trace of atmosphere fades away so rapidly that tomorrow's satellites should stay aloft thousands of years, and, perhaps, indefinitely. The higher the satellite, incidentally, the less speed it needs to stay in orbit once it gets there (thus, the moon's speed is only a little more than 2,000 m.p.h.), but to launch a satellite toward a more distant orbit requires a higher initial speed and greater expenditure of energy.

"Rocket engineers rate rockets not in horsepower but in thrust. Thrust is just another name for push, and it is expressed in pounds of force. The rocket gets its thrust or push by exhausting material backward. It is this thrust that lifts the rocket off the earth and accelerates it, making it move faster and faster.

"As everyone knows, it is more difficult to accelerate an automobile than a baby carriage. To place satellites weighing 1,000 to 2,000 lb. in orbit requires a first-stage rocket engine, or engines, having a thrust in the neighbourhood of 200,000 to 400,000 lb. Rocket engines able to supply this thrust have been under development for some time. For launching a satellite, or other space vehicle, the rocket engineer divides his rockets into two, three, or more stages, which can be dropped one after the other in flight, thus reducing the total weight that must be accelerated to the final velocity desired.

"To launch some of the present satellites has required rockets weighing up to 1,000 times the weight of the satellite itself. But it will be possible to reduce take-off weights until they are only 50 to 100 times that of the satellite. The rocket's high ratio of gross weight to payload follows from a fundamental limitation in the exhaust velocities that can be achieved by chemical propellants.

"If we want to send up not a satellite but a device that will reach the moon, we need a larger rocket relative to its payload in order that the final stage can be accelerated to about 25,000 m.p.h. This speed, called the 'escape velocity,' is the speed with which a projectile must be thrown to escape altogether from the gravitational pull of the earth. If a rocket fired at the moon is to use as little fuel as possible, it must attain escape velocity very near the beginning of its trip. After this, peak speed is reached; the rocket will be gradually slowed down by the earth's pull, but it will still move fast enough to reach the moon in two or three days.

Lunar Exploration. "Moon exploration will involve three distinct levels of difficulty. The first would be a simple shot at the moon, ending either in a 'hard' landing or a circling of the moon. Next in difficulty would be a 'soft' landing. And most difficult of all would be a 'soft' landing followed by a safe return to earth.

"The payload for a simple moon shot might be a small instrument-carrier similar to a satellite. For the more difficult 'soft' landing, the carrier would have to include, as part of its payload, a 'retro-rocket' (a decelerating rocket) to provide braking action, since the moon has no atmosphere that could serve as a cushion.

"To carry out the most difficult feat, a round-trip to the moon, will require that the initial payload include not only 'retro-rockets' but rockets to take off again from the moon. Equipment will also be required aboard to get the payload through the atmosphere and safely back to earth. To land a man on the moon and get him home safely again will require a very big rocket engine indeed one with a thrust in the neighbourhood of one or two million pounds. While nuclear power may prove superior to chemical fuels in engines of multi-million-pound thrust, even the atom will provide no short cut to space exploration.

"Sending a small instrument-carrier to Mars, although not requiring much more initial propulsion than a simple moon shot, would take a much longer travel time (eight months or more), and the problems of navigation and guidance are formidable.

"Fortunately, the exploration of the moon and near-by planets need not be held up for lack of rocket engines big enough to send men and instrument-carriers out into space and home again. Much that scientists wish to learn from satellites and space voyages into the solar system can be gathered by instruments and transmitted back to earth. This transmission, it turns out, is relatively easy with today's tiny electronic equipment.

"For example, a transmitter with a power of one or two watts can easily radio information from the Moon to the Earth. And messages from Mars, on the average some 50 million to 100 million miles away at the time the rocket would arrive, can be transmitted to Earth with less power than that used by most commercial broadcasting stations. In some ways, indeed, it appears that it will be easier to send a clear radio message between Mars and the Earth than between New York and Tokio.

Financial Considerations. "This all leads up to an important point about space exploration. The cost of transporting men and material through space will be extremely high, but the cost and difficulty of sending information through space will be comparatively low.

"Since rocket-power plants for space exploration are already in existence, or being developed for military needs, the cost of additional scientific research, using these rockets, need not be exorbitant. Still, the cost will not be small either. This raises an important question that scientists and the general public (which will pay the bill) must both face. Since there are still so many unanswered scientific questions and problems all around us on Earth, why should we start asking new questions and seeking out new problems in space? How can the results possibly justify the cost?

"Scientific research, of course, has never been amenable to rigorous cost accounting in advance. Nor, for that matter, has exploration of any sort. But if we have learned one lesson, it is that research and exploration have a remarkable way of paying off—quite apart from the fact that they demonstrate that man is alive and insatiably curious. And we all feel richer for knowing what explorers and scientists have learned about the universe in which we live.

"It is in these terms that we must measure the value of launching satellites and sending rockets into space. These ventures may have practical utility, some of which will be noted later.

Scientific Uses of Earth Satellites. "A satellite in orbit can do three things: (1) it can sample the strange new environment through which it moves; (2) it can look down and see the Earth as it has never been seen before; (3) it can look out into the universe and record information that can never reach the Earth's surface because of the intervening atmosphere.

"The satellite's immediate environment at the edge of space is empty only by earthly standards. Actually, 'empty' space is rich in energy, radiation, and fast-moving particles of great variety. Here we will be exploring the active medium, a kind of electrified plasma, dominated by the sun, through which our earth moves. Scientists have indirect evidence that there are vast systems of magnetic fields and electric currents that are connected somehow with the outward flow of charged material from the sun. These fields and currents the satellites will be able to measure for the first time. Also for the first time, the satellites will give us a detailed three-dimensional picture of the Earth's gravity and its magnetic field . . .

"There are also special questions about cosmic rays which can be settled only by detecting the rays before they shatter themselves against the earth's atmosphere. And, of course, animals carried in satellites will begin to answer the question: What is the effect of weightlessness on physiological and psychological functions? (Gravity is not felt inside a satellite because the earth's pull is precisely balanced by centrifugal force; this is just another way of saying that bodies inside a satellite behave exactly as they would inside a free falling elevator).

Meteorological Applications. "The satellite that turns its attention downward holds great promise for meteorology and the eventual improvement of weather forecasting. Present weather stations on land and sea can keep only about 10 per cent of the atmosphere under surveillance. Two or three weather satellites could make a cloud inventory of the whole globe every few hours. From this inventory meteorologists believe that they could spot large storms (including hurricanes) in their early stages and chart their direction of movement with much more accuracy than at present. Other instruments in the satellites will measure for the first time how much solar energy is falling upon the earth's atmosphere and how much is reflected and radiated back into space by clouds, oceans, the continents, and the great polar ice fields . . . With the insight gained from such studies, meteorologists hope they may improve long-range forecasting of world weather trends.

Investigation of Stellar Radiation, Radio Waves, etc. "Finally, there are the satellites that will look not just around or down, but out into space. Carrying ordinary telescopes as well as special instruments for recording X-rays, ultra-violet and other radiations, these satellites cannot fail to reveal new sights forever hidden from observers who are bound to the earth. What these sights will be, no-one can tell. But scientists know that a large part of all stellar radiation lies in the ultra-violet region of the spectrum, and this is totally blocked by the earth's atmosphere. Also blocked are other very long wave-lengths of 'light' of the kind usually referred to as 'radio waves.' Some of these get through the so-called 'radio window' in the atmosphere and can be detected by radio telescopes, but scientists would like a look at the still longer waves that cannot penetrate to earth.

"Even those light signals that now reach the earth can be recorded with brilliant new clarity by satellite telescopes. All existing photographs of the moon and the near-by planets are smeared by the same turbulence of the atmosphere that makes the stars twinkle. Up above the atmosphere the twinkling will stop and we should be able to see for the first time what Mars really looks like. And we shall want a really sharp view before launching the first rocket to Mars.

Possibility of Inter-continental Television. "Meanwhile, back on Earth, satellites will be entering into the everyday affairs of men. Not only will they be aiding the meteorologists, but they could surely—and rather quickly—be pressed into service for expanding world-wide communications, including inter-continental television.

"At present all trans-oceanic communication is by cable (which is costly to instal) or by shortwave radio (which is easily disrupted by solar storms). Television cannot practically be beamed more than a few hundred miles because the wavelengths needed to carry it will not bend around the earth and will not bounce off the region of the atmosphere known as the ionosphere. To solve this knotty problem, satellites may be the thing, for they can serve as high-flying radio relay stations. Several suitably-equipped and properly-spaced satellites would be able to receive TV signals from any point on the globe and to relay them directly—or perhaps *via* a second satellite—to any other point. Powered with solar batteries, these relay stations in space should be able to keep working for many years.

Study of the Moon. "While these satellite observations are in progress, other rockets will be striking out for the Moon with other kinds of instruments. Photographs of the back or hidden side of the Moon may prove quite unexciting, or they may reveal some spectacular new feature now unguessed. Of greater scientific interest is the question whether or not the Moon has a magnetic field. Since no-one knows for sure why the Earth has such a field, the presence or absence of one on the Moon should throw some light on the mystery.

"But what scientists would most like to learn from a close-up study of the Moon is something of its origin and history. Was it originally molten? Does it now have a fluid core, similar to the Earth's? Just what is the nature of the lunar surface? The answer to these and many other questions should shed light, directly or indirectly, on the origin and history of the Earth and the surrounding solar system.

"While the Moon is believed to be devoid of life, even the simplest and most primitive, this cannot be taken for granted. Some scientists have suggested that small particles with the properties of life—germs or spores—could exist in space and could have drifted on to the Moon. If we are to test this intriguing hypothesis we must be careful not to contaminate the Moon's surface, in the biological sense, beforehand. There are strong scientific reasons, too, for avoiding radioactive contamination of the Moon until its naturally acquired radioactivity can be measured."

Study of the Inner Planets. "The nearest planets to Earth are Mars and Venus. We know enough about Mars to suspect that it may support some form of life. To land instrument-carriers on Mars and Venus will be easier, in one respect, than achieving a 'soft' landing on the Moon. The reason is that both planets have atmospheres that can be used to cushion the final approach. These atmospheres might also be used to support balloons equipped to carry out both meteorological soundings and a general photo survey of surface features. The Venusian atmosphere consists of what appears to be a dense layer of clouds, so that its surface has never been seen at all from earth.

"Remotely-controlled scientific expeditions to the Moon and the near-by planets could absorb the energies of scientists for many decades. Since man is such an adventurous creature, there will undoubtedly come a time when he can no longer resist going out and seeing for himself. It would be foolish to try to predict today just when this moment will arrive. It might not arrive in this century, or it might come within one or two decades. So much will depend on how rapidly we want to expand and accelerate our programme. According to one rough estimate, it might require a total investment of about a couple of billion dollars, spent over a number of years, to equip ourselves to land a man on the Moon and return him safely to earth."

Military Applications of Space Technology. "The development of military rockets has provided the technological base for space exploration . . . The subject of ballistic missiles lies outside our present discussion. We ask instead, putting missiles aside, what other military applications of space technology can we see ahead?

"There are important foreseeable military uses for space vehicles. These lie, broadly speaking, in the fields of communication and reconnaissance. To this we could add meteorology, for the possible advances in meteorological science which have already been described would have military implications. The use of satellites for radio relay links has also been described, and it does not take much imagination to foresee uses of such techniques in long-range military operations.

"The reconnaissance capabilities of a satellite are due, of course, to its position high above the earth and the fact that its orbit carries it in a predictable way over much of the globe. Its disadvantage is its necessarily great distance, 200 miles or more, from the surface. A highly magnifying camera or telescope is needed to picture the earth's surface in even moderate detail. To the human eye, from 200 miles away a football stadium would be a barely distinguishable speck. A telescopic camera can do a good deal better, depending on its size and complexity. It is certainly feasible to obtain reconnaissance information with a fairly elaborate instrument—information which could be relayed back to the earth by radio.

"Much has been written about space as a future theatre of war, raising such suggestions as satellite bombers, military bases on the moon, and so on. For the most part, even the more sober proposals do not hold up well on close examination or appear to be achieveable at an early date. Granted that they will become technologically possible, most of these schemes nevertheless appear to be clumsy and ineffective ways of doing a job.

"Take one example—the satellite as a bomb-carrier. A satellite cannot simply drop a bomb. An object released from a satellite doesn't fall. So there is no special advantage in being over the target. Indeed, the only way to 'drop' a bomb directly down from a satellite is to carry out aboard the satellite a rocket-launching of the magnitude required for an inter-continental missile. A better scheme is to give the weapon to be launched from the satellite a small push, after which it would spiral in gradually. But that means launching it from a moving platform halfway around the world, with every disadvantage compared to a missile base on the ground. In short, the earth would appear to be, after all, the best weapons-carrier.

"This is only one example; each idea has to be judged on its own merits. There may well be important military applications for space vehicles which we cannot now foresee, and developments in space technology which open up quite novel possibilities . . ."

The "Space Time-table." In conclusion, the report suggested "the approximate order in which some of the scientific and technical objectives mentioned in this review may be attained." The time-table was not broken down into years but listed "various types of space investigations and goals under three broad headings - early, later, and still later," as follows:

(1) *Early* (1) Physics; (2) Geophysics; (3) Meteorology; (4) "minimal moon contact"; (5) experimental communications; (6) space physiology.

(2) *Later* (1) Astronomy; (2) extensive communications; (3) Biology; (4) scientific lunar investigations; (5) "minimal planetary contact; (6) human flight in orbit.

(3) *Still Later* – (1) automated lunar exploration; (2) automated planetary exploration; (3) human lunar exploration and return.

(4) Finally, *Much Later Still* human planetary exploration.

President Eisenhower's Request for Space Agency. - Creation of Advanced Research Projects Agency.

In a special message to Congress on April 2, President Eisenhower urged that legislation be enacted "at the earliest possible date" to set up a new civilian-controlled body—a National Aeronautics and Space Agency - which would give "high priority to an imaginative and well-conceived space programme." After stressing that the U.S.A. and the U.S.S.R. had already successfully placed a number of earth satellites in orbit, the Presidential message said that it was "now within the means of any technologically advanced nation to embark upon practical programmes for exploring outer space." Congress was therefore urged to take the necessary legislative action to ensure that the United States would "successfully meet the challenges of the space age."

President Eisenhower recommended that "aeronautical and space science activities sponsored by the United States should be conducted under the direction of a civilian agency, except for those projects primarily associated with military requirements." The proposed new agency would be appointed by the President "by and with the advice and consent of the Senate," and its members would be drawn from "Government agencies with the most direct interest in aeronautics, space science, and space technology." To ensure that military factors were considered, at least one member should be appointed from the Defence Department. The National Aeronautics and Space Agency should be given "that authority which it will need to administer successfully the new programmes under conditions that cannot now be fully foreseen." When formed, the N.A.S.A. would absorb the National Advisory Committee for Aeronautics and would co-operate with the Advanced Research Projects Agency [see below], the National Science Foundation, and the National Academy of Sciences in carrying out its tasks.

The creation of a new "outer space" agency in the Department of Defence had previously been announced on Feb. 7. Known as the Advanced Research Projects Agency (A.R.P.A.), it will have authority to devise and test outer space vehicles, rockets, and missiles and to supervise research and development in these matters. Mr. Roy W. Johnson, a vice-president of the General Electric Company, was appointed by Mr. McElroy as the first Director of the new agency.

Congressional Committees for Space Programmes.

A new bipartisan Senate committee was set up on Feb. 8 to frame legislation for outer space programmes and to consider various proposals for the administration of such programmes. Chosen by Senator Lyndon B. Johnson (the Senate majority leader) and Senator William F. Knowland (the Senate Republican leader), it includes the chairmen of six standing Senate committees among its 13 members.

The committee consists of the chairmen and senior Republican members of the Appropriations, Armed Services, Atomic Energy, Foreign Relations, Government Operations, and Interstate and Foreign Commerce Committees, except that Senator Lyndon B. Johnson (Dem.) represents the Appropriations Committee instead of its chairman, Senator Carl Hayden (Dem.). The 13th member is Senator Stuart Symington, formerly Secretary of the Air Force, Assistant Secretary of War, and chairman of the National Security Resources Board. Senator Lyndon Johnson is chairman of the committee.

A bipartisan committee on astronautics and space exploration was subsequently set up by the House of Representatives, parallel to the new Senate committee. Its chairman is Representative John W. McCormack, the House Democratic leader. (New York Times - New York Herald Tribune) **(Prev. rep. U.S. Earth Satellites, 16137 B; 16080 C; 15993 A.)**

A. NEW ZEALAND. — New Chief of Air Staff.

The N.Z. Minister of Defence, Mr. P. G. Connolly, announced on April 28 that Air Commodore M. F. Calder had been appointed Chief of Air Staff, A.O.C. Royal New Zealand Air Force, and First Member of the Air Board (with rank of air vice-marshal) from July 1, 1959, in succession to Air Vice-Marshal Kay, retiring.—(N.Z. Directorate of Information)

A. UNITED KINGDOM. — The Unemployment Situation. - Increase in Areas of Local Unemployment. - Government Statements. - Remedial Legislation.

Figures of registered unemployed in Great Britain in 1957 were slightly higher than the corresponding figures for the previous year (see 15361 A), fluctuating between 382,000 in January and 335,000 in December. The latter figure represented 1.5 per cent of the total employed population, compared with 1.2 per cent at December 1956, when the number of unemployed totalled 296,000. During the first three months of 1958, however, the unemployment figures rose sharply to 433,000 in March—the highest figure for five years, representing 2 per cent of the total employed population. Detailed figures for 1957 and the first quarter of 1958 are given below :

	Wholly unemployed (including casuals)		Temporarily stopped		
1957	Males	Females	Males	Females	Total
January 14 ..	237,454	105,035	30,281	9,835	382,605
February 11 ..	248,073	109,302	14,278	8,407	380,060
March 11	230,873	104,480	20,298	7,294	362,945
April 15	221,872	99,378	14,639	6,370	342,259
May 13	201,412	92,531	13,566	5,963	313,472
June 17	170,278	76,704	11,968	5,773	264,723
July 15	162,110	67,971	9,336	4,889	244,306
August 12 ..	181,516	76,986	4,061	3,064	265,627
September 16 ..	179,201	80,066	3,767	3,372	266,406
October 14 ..	184,162	82,868	4,693	3,499	275,222
November 11 ..	209,081	92,776	9,887	4,779	316,523
December 9 ..	224,597	94,859	10,630	5,383	335,469
1958					
January 13 ..	268,304	105,753	14,084	7,386	395,527
February 17 ..	280,876	111,944	20,656	11,071	424,547
March 17	285,372	110,355	21,609	15,735	433,071

The incidence of unemployment in the first quarter of 1958 was not spread uniformly among the geographical regions but was much greater in some areas than in others. While Scotland, Wales, Merseyside, and—in particular—Northern Ireland showed a considerable rise in unemployment, the figures for other areas showed little change or even an improvement compared with March 1957 ; e.g. in the Midlands, where the percentage of registered unemployed fell from 1.8 to 1.4 over the 12 months. The number of unfilled vacancies on the books of employment exchanges in March was 217,000, about 8,000 more than in February but 62,000 fewer than in December ; that is, there were approximately two unemployed persons for every unfilled vacancy.

In Great Britain, the highest incidence of unemployment in March 1958 was in Scotland (78,908, or 3.6 per cent, including 18,910 unemployed in Glasgow) ; Wales (34,815, or 3.7 per cent, including 3,560 in Swansea) ; and North-West England (71,142, or 2.4 per cent, including 20,482 in Liverpool). Figures for other areas were : London and South-East England, 72,272 (1.3 per cent) ; Eastern England, 24,321 (2 per cent) ; Southern England, 17,530 (1.6 per cent) ; South-West England, 26,935 (2.4 per cent) ; Midlands, 29,087 (1.4 per cent) ; North Midlands, 22,004 (1.5 per cent) ; East and West Ridings, 27,798 (1.5 per cent) ; Northern England, 28,259 (2.2 per cent).

In Northern Ireland, 50,822 people were unemployed in March (18,083 in Belfast and 4,388 in Londonderry), representing 10.7 per cent of the total labour force. In December 1957 there were 36,246 unemployed in Northern Ireland (7.6 per cent), the incidence of unemployment thus rising by over three per cent during the first three months of 1958.

The industries showing the biggest growth of unemployment during 1957 were building and contracting and the textile industries. On the other hand there was a large reduction in unemployment in the motor-vehicles and cycles industry—from 23,000 at the beginning of the year to only 2,400 in December. The only other change of importance was an increase towards the end of the year in the numbers unemployed in the iron and steel, tinplate, and steel-sheet industries, following the closing of some of the older establishments in these industries in South Wales.

Unemployment during the first quarter of 1958 was most marked in the engineering and shipbuilding industries (34,854 in March) and particularly in shipbuilding and ship-repairing, where 11,013 workers were unemployed as at March 17. The second biggest group was textiles, with 27,887 unemployed at that date.

Unemployment Position in Scotland, Wales, Northern Ireland, and Merseyside.

Apart from Northern Ireland, the biggest pockets of unemployment in the United Kingdom were in Scotland, Wales, and North-West England (particularly on Merseyside) as stated. The situation in these areas and in Northern Ireland is summarized below :

Scotland. The Scottish Council (Development and Industry) issued a statement on Feb. 17 expressing alarm at the fact that unemployment in Scotland had risen to over 70,000, and announcing that a special survey of the Scottish economy would be undertaken "as a matter of urgency." It was pointed out that 3.4 per cent of the insured population in Scotland were unemployed, in contrast with improving figures in London and South-East England. A deputation from the Scottish Council saw the Chancellor of the Exchequer and the Secretary of State for Scotland on April 30. The Minister of Labour (Mr. Iain Macleod) had previously visited Clydeside on March 14 to discuss the serious incidence of unemployment in Greenock (where 2,700 people were out of work, representing 8 per cent of the insured population), Port Glasgow, and Gourock—an area forming a single industrial unit based on shipbuilding and marine engineering.

The General Council of the Scottish T.U.C. issued a statement on April 13 calling for immediate Government action to relieve unemployment in Scotland, which was approximately 20 per cent of total unemployment in Great Britain. After noting that Mr. Macmillan had declared a few days earlier that the Government had prepared plans "which could be put into effect as and when remedial action is required" [see below], the statement said that the position in Scotland "calls for remedial action by the Government now." Only a fraction of the present increasing unemployment in Scotland was attributable to seasonal causes, and there was "ample evidence" that Scottish unemployment would continue to grow. It was pointed out that unemployment in certain parts of Scotland was much higher than the national average of 2 per cent—e.g. it was 5.2 per cent in Dundee, 8.1 in Greenock, 11.6 in Wick, 12.8 in Fraserburgh, 13.5 in Peterhead, and as high as 33 per cent in Stornoway, in the Outer Hebrides.

The Scottish T.U.C. listed five major projects which could be put in hand almost immediately and which, if proceeded with, could "change the face of Scotland's economy" : (1) location of a new steel strip mill (planned by the Iron and Steel Board) at Grangemouth ; (2) the projected atomic energy scheme at Crimond, Aberdeenshire ; (3) construction of the Forth and Tay road bridges ; (4) construction of a proposed new graving dock at Greenock ; (5) more Government-financed factory building, and special-purpose factories on amortization terms, to encourage new industries to Scotland.

Wales. The worst-hit areas in Wales were Caernarvonshire, owing to the decline in slate quarrying, and the Swansea-Llanelly area, primarily owing to the closing-down of the old steel and tinplate works at Pontardawe, Briton Ferry, and Gorseinon [see 15986 E ; 15593 A]. In Caernarvonshire, where some 3,000 workers were unemployed in March (about 9 per cent of the local labour force), two large slate quarries normally employing 2,000 men were working for only one week in four or five. In the tinplate area of South-West Wales, about 7½ per cent of workers were unemployed in the Llanelly area and 5.6 per cent in Swansea. [More than 20 old tinplate and sheet steelworks in the area have been closed down since January 1957 ; they were concentrated mainly in a small triangular area extending from Swansea, the apex, 11 miles westward to Llanelly and about the same distance east to Pontardawe. Some 9,000 workers are at present unemployed in this area.].

A committee for the relief of unemployment in Caernarvonshire was formed on Feb. 15 at a conference at Pwllheli attended by representatives of local government authorities and religious, social and cultural organizations. Mr. Goronwy Roberts (Labour M.P. for Caernarvonshire) stated at the meeting that 12 per cent of the insured population in the area were out of work—the highest average in the country. It was announced that the Minister of State for Wales (Lord Brecon) would be asked to press for a public inquiry into the scheme to build a nuclear power station on the northern coast of the Lleyn Peninsula ; proposals would also be submitted for a trading estate and a new factory.

Northern Ireland. The figure of 50,000 unemployed in March 1958—the highest for five years—represented over 10 per cent of the insured population of Northern Ireland. The N.I. Prime Minister (Lord Brookeborough) visited London on March 4 to discuss the situation with Mr. R. A. Butler and, it was understood, to urge a relaxation of the "credit squeeze" which was holding up public works programmes and housing schemes in Ulster.

On his return to Belfast, Lord Brookeborough announced that the following measures would be taken by the N.I. Government as a result of his talks in London : (i) a £60,000 programme of road-building and tree-clearing to give employment to 400 men ; (ii) a £100,000 scheme for clearing main watercourses, on which 400 men would also be employed ; (iii) the placing of contracts for new factory building costing £2,000,000. In addition, the British Government had agreed that assistance to new enterprises establishing themselves in Ulster might be increased from 25 per cent to 33⅓ per cent where the circumstances warranted. Lord Brookeborough also announced that Imperial Chemical Industries had decided (subject to market developments) to build a plant in Northern Ireland for the spinning of Terylene fibre ; this, however, would take several years to complete. It was hoped to start production in 1963-64 and to give eventual employment to at least 2,000 people.

The turbo-alternator generator factory built by the British Thomson-Houston Company at Larne (see 14622 A) was opened by the Duke of Gloucester on Oct. 24, 1957. Ancillary developments connected with the project included the building of several hundred new houses for workers, as well as new quays at Larne harbour. Over 1,500 people are at present employed, and the figure is expected to rise to over 3,000. The Larne factory is designed to produce turbo-alternators for generating electric power of 30,000 kilowatts and upwards ; it was built over two years at a cost of £8,000,000.

Merseyside. Unemployment on Merseyside stood at about 26,000 in March 1958—approximately 3¼ per cent of the local insured population, or 1½ per cent above the national average. It was attributable principally to two causes - a recession in the ship-building and ship-repairing industries, and increasing unemployment among juveniles.

Other Pockets of Unemployment. The recession in shipbuilding and ship-repairing also affected Barrow-in-Furness (4½ per cent unemployed in March), Tyneside, and Falmouth. There were nearly 1,700 unemployed in the Isle of Wight in the same month (5·6 per cent)—partly owing to discharges from the Saunders-Roe factories [see page 16020, second column], but mainly through seasonal influences.

House of Commons Debate on Unemployment.

The unemployment position was debated by the House of Commons on Feb. 24, when Mr. James Griffiths (Lab.) moved an Opposition motion expressing "concern at recent increases in local unemployment" and calling on the Government "to take appropriate action to remedy the situation." The Minister of Labour (Mr. Macleod) moved an amendment stating that "this House, while recognizing the concern felt at recent increases in local unemployment, welcomes the intention of the Government to continue the practical steps being taken to deal with pockets of unemployment in particular localities."

Mr. Macleod said that it would be "idle to deny that although most of the increase in unemployment has come from seasonal causes, some of it can be linked to Government policies." He added: "We believe these policies to be right, and therefore it is difficult for us to accept . . . the first part of the Opposition motion which suggests that these policies are wrong." The main features of the January figures were, first, that unemployment was at 1.8 per cent; this, although higher than in recent years, was only one-tenth of one per cent higher than the average for the past ten years. The second main feature was that employment remained at record levels, being higher at the end of December 1957 than in any previous December. It had to be borne in mind that January and February were the seasonal peaks of unemployment.

The February figures showed that unemployment had increased by 28,000, and the percentage to 1.9. This appeared to be a real and not a seasonal increase, and the areas which had been causing most concern were Wales and Scotland. In North-West Wales, however, the outlook was not so bleak as the figures seemed to suggest; new projects were coming forward which would provide for substantial temporary construction work, and thereafter for a permanent labour force.

It was of the first importance to consider remedies in the light of the defence situation, which in 1957 had caused probably the most drastic changes in the employment position since demobilization. Nevertheless, in the 12 months ending December 1957, unemployment in the whole of the manufacturing industries rose by only 15,000, although the numbers employed in defence fell by 150,000.

Discussing the effects of the Admiralty's decision to close down or transfer certain naval establishments [see page 16078], Mr. Macleod said that the most baffling problem was that of Greenock, where there were 3,300 unemployed, or about 8 per cent of the local insured population. It was only with the greatest reluctance that the Government had finally decided to move the torpedo experimental establishment from the town; it would not be moved until the end of 1959, however, and the Government would meanwhile do everything possible to increase employment and attract new industries to the area.

After expressing his conviction that the future level of employment was going to be very high, Mr. Macleod said that the big question for the Government was whether the time had now come to relax the economic policies on which they had embarked. Pressure on the Government was growing, and equally the time for relaxation would come; when it came, no-one would be more pleased than the Government itself. The immediate present, however, was not the most suitable time. As a result of the Government's policies, there was today a better chance of achieving price stability than at any time since the war, and it would be "worse than folly to throw that chance away."

Mr. Goronwy Roberts (Lab.) said that the counties of Caernarvonshire, Anglesey, and Merioneth would "slowly die on their feet" unless decisive action was taken. Immediate measures should be taken to revive the slate and granite industries, to introduce new industries, and to build the two nuclear power stations proposed for North Wales, irrespective of the fact that much of the area lay within the Snowdonia National Park.

Among West Country members, **Sir Harold Roper** (C.) urged the revival of the granite and slate-quarrying industries in Cornwall, while **Miss Joan Vickers** (C.) asked that more contracts should be placed in Devonport dockyard, more shipping directed to Plymouth harbour, and a start made on the projected Tamar road bridge. Among Ulster Unionist members, **Mr. Chichester-Clark** pointed out that the unemployment percentage in Northern Ireland would mean 2,400,000 unemployed in Great Britain if translated into equivalent terms; he urged the vital need for investment in Ulster if the situation was to be remedied.

The motion as amended by Mr. Macleod was carried by 309 votes to 258—a Government majority of 51.

Mr. Macmillan's Pledge against Unemployment.

In a speech at Halifax on March 31, the Prime Minister emphasized that he would do all in his power to ensure that there was no recurrence of the large-scale unemployment such as occurred between the two world wars. He said in this connexion: "If the economic climate should change, we must be ready to take the necessary remedial action. We must have indeed we already have our plans ready now to put into effect as and when they are required."

Mr. Macmillan said in the course of his speech: "It is worth noting that anyone above the age of 25 has actually lived in a period when there were 2,750,000 unemployed in this country; when 60 per cent of all workers in the shipbuilding and allied industries were out of work, and nearly 50 per cent of all workers in the iron and steel trades. The young, of course, do not remember those days. Even the middle-aged have little experience of them. But the older ones among you have not forgotten and can never forget. I am determined, as far as lies in human power, never to allow this shadow to fall again upon our country . . ."

Legislation for Alleviation of Unemployment.

Plans for helping areas suffering from a high rate of unemployment were contained in the Distribution of Industry (Industrial Finance) Bill, which was published on April 28. The legislation had been foreshadowed by the Chancellor of the Exchequer in his recent Budget speech, together with other measures to overcome "patches of severe and persistent unemployment" [see page 16117, first column].

As stated by Mr. Heathcoat Amory in the Budget speech, the Bill extended the Treasury's powers under the Distribution of Industry Act, 1945, to deal with unemployment outside the scheduled development areas. Under the 1945 Act [see 7257 A] the Treasury can make grants or loans on the recommendation of the Special Advisory Committee "to industrial undertakings in development areas which are approved by the Board of Trade as complying with the requirements of the proper distribution of industry." The new Bill extended this provision in several ways.

First, it was not limited to "industrial undertakings" as laid down in the 1945 Act; other undertakings (inside or outside the development areas) which were designed to reduce unemployment also became eligible. Secondly, the existing requirements for the proper distribution of industry as laid down by the 1945 Act were lifted "so long as the Board of Trade is satisfied that the money is required for a purpose which is likely to reduce or contribute to the reduction of the rate of unemployment in any locality in which a high rate of unemployment exists and is likely to persist."

Neither localities nor levels of unemployment were specified in the Bill, the Treasury and the Board of Trade being given discretion in making the grants and loans authorized.

The Bill received an unopposed second reading in the House of Commons on April 30.

Financial Aid for Displaced Workers.

In a statement to the House of Commons on April 25, the Minister of Labour announced the following new measures under the resettlement and training scheme for helping unemployed workers to move from areas of persistent unemployment to those with better prospects: (1) a 10 per cent increase in maintenance allowances to men and women at Government training and rehabilitation centres; (2) an increase from £2 to £10 in the grant for incidental expenses for persons who had to move from one area to another, in addition to free removal of household goods and effects as hitherto; (3) payment of half the solicitors' and agents' fees when the sale of a house was involved, subject to a total grant of £50 in respect of the transfer as a whole. Mr. Macleod stated that no fewer than 92 per cent of all persons trained in Government centres in 1957 had been placed in employment.—(Ministry of Labour Gazette - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 15361 A.)**

A. ITALY. — Project for British-built Nuclear Power Plant. - Collaboration Agreement with U.K. Firm.

A seven-year "collaboration agreement" implementing the "letters of intent" of Nov. 20, 1957, with regard to the supply of a British-designed and built nuclear power station for Italy, was signed in London on May 2 by Signor Enrico Mattei, president of *AGIP Nucleare*, and Sir Claude Gibb, chairman of the Nuclear Power Plant Company. It was stated that the power station would not be built in Northern Italy, as originally envisaged, but near Latina (50 miles south of Rome) and that the cost would probably be over £20,000,000. The actual contract was expected to be signed within a few weeks, and work started in June; the completion date was given as 1962.—(Times) **(Prev. rep. 15887 C; 15950 A.)**

B. SWEDEN. — Bank Rate reduced.

The Swedish Bank Rate was reduced from 5 per cent to 4½ per cent from May 3.—(Financial Times) **(Prev. rep. 15720 C.)**

A. FRANCE. — Constitutional Reforms. - National Assembly adopts Constitutional Amendments on Votes of Confidence and Dissolution of Parliament.

A "round-table" conference of representatives of all the parties supporting M. Gaillard's Government began discussions on Dec. 3, 1957 on amendments to the French Constitution designed to increase governmental stability, under the chairmanship of M. Lecourt (Minister of Justice). Their proposals, which were approved by the Cabinet on Dec. 26, involved the following changes in four Articles of the 1946 Constitution :

Article 17 provides that deputies may propose changes in public expenditure, but may not propose increases during the Budget debate. The round-table conference proposed that deputies should be prohibited altogether from introducing Bills or amendments entailing increased expenditure or a reduction in revenue.

Articles 49 and 50 provide that a Government must resign when an absolute majority of the National Assembly votes against a Bill which the Government has made a question of confidence, or votes in favour of a motion of censure. The conference proposed that the vote should take place, not on the Government's Bill, but on a motion of censure proposed by the Opposition. Only the supporters of this motion would vote, and if they failed to obtain an absolute majority the Government's Bill would automatically be adopted.

This proposal was intended to obviate two difficulties which had led to frequent changes of Government since the war. (1) Governments had often resigned when an important measure had been defeated by a relative majority of the Assembly, although under the Constitution they were not obliged to do so. (2) Government Bills had often been defeated by a combination of Left- and Right-wing deputies voting against a measure for opposite reasons ; e.g. M. Bourgès-Maunoury's Government fell when the Communists voted with the Social Republicans and Poujadists and a section of the Independents against the *loi-cadre* for Algeria [see 15847 A]. The conference's proposals were intended to make it almost impossible for such a combination of parties to agree on a single motion of censure.

Article 51 provides that the Assembly cannot be dissolved within 18 months of an election, but that if subsequently two Governments have been defeated on confidence or censure motions within 18 months, the Government may order a dissolution. [The last Assembly was dissolved under this Article in 1955 : see 14577 A.] The conference proposed that, except in the 18 months following an election, the Assembly might be dissolved either by the Government after its defeat on a motion of censure, or by the President (acting with the approval of the Council of the Republic) if he found himself confronted with a seemingly insoluble crisis. [The President possessed the right to dissolve the Assembly under the Third Republic, but it was exercised on only one occasion.]

These proposals encountered such widespread opposition inside the Government parties especially among the Independents, who demanded that the question of constitutional reform should be linked with that of electoral reform - that the Cabinet approved on Jan. 10, 1958 a revised procedure for votes of confidence. Under this, the Opposition was required to submit a motion of censure containing the outline of an alternative programme and the name of a suggested Premier. This motion (which would be voted on in the normal way) would have to be passed by an absolute majority, and deputies who abstained or were absent without a legitimate reason would be considered to have voted for the Government.

M. Gaillard put the case for constitutional reform and for the Government's specific proposals in a speech on Jan. 12 at Confolens, his constituency near Limoges.

Since the war, M. Gaillard pointed out, the United States had had two Presidents, Britain four Prime Ministers, and Western Germany one Chancellor, whereas France had had 25 Governments. He continued : "Democracy is only inconsequence and anarchy if those who hold power by the will of the majority do not also enjoy an authority corresponding to the responsibilities which they assume. But what authority can they wield if everyone believes, when they receive it, that they have only obtained it for a moment—that they are birds of passage, as we say ? If a Minister tries to assert himself the public services procrastinate, and wait for the next crisis and his successor. In this way a technocracy is being formed which is the very opposite of the democratic spirit . . . If you know the harm being done to France's foreign policy by the precarious position of her Governments, you would demand an end to this state of affairs. This is more necessary than ever at a time when our interests and our positions abroad are being attacked, and our allies and friends are doubtful about us."

After saying that the Government's proposals on votes of confidence and censure motions were "based on two simple and obvious ideas," M. Gaillard continued : "The overthrow of a Government which has been placed in office by a majority of the deputies should be possible only by the vote of such a majority. The reform of the Constitution must compel the Opposition—or rather the contradictory Oppositions which unite for a moment to destroy a Government, and then fight all the harder next day—to set their respective programmes and counter-projects against those of the Government, and to put forward their men to carry out their policy if they get a majority . . . In these all-important divisions we want the deputies to pronounce for or against the Government, not to abstain or stay away. If they do, the abstentionists will be presumed to have voted against the motion of censure, since it is a more serious matter to overthrow a Government than to keep one in office. Thus, by means of this general obligation to vote, the Government could be overthrown only by a majority of the deputies composing the Assembly, and such a majority could be brought together only on the basis of a new programme. They would commit themselves by such a vote, whereas at present they commit themselves to nothing.

"Finally, we wish the Prime Minister's right to dissolve the Assembly—at present hemmed in by so many conditions, which are fulfilled so rarely, that he can never use it—to become more effective. We also wish the Chief of State to recover his right of calling on the electors, in the event of a prolonged and insoluble governmental crisis, to pronounce on a situation which the Assembly cannot resolve. But this reform would be incomplete if, as a result of our electoral system, no coherent majority could emerge to assume the responsibility of power . . . The Government does not want the Assembly to wait once more till the last weeks of its mandate before voting on a new electoral law which everyone now recognizes to be necessary. On the contrary, it will ask for this discussion to be linked with that on constitutional reforms." [This section of M. Gaillard's speech referred to the abortive debates on electoral reform which led to the defeat of M. Faure's Government and the dissolution of the Assembly in 1955—see 14577 A.]

When the Government's proposals were submitted on Jan. 30 to the Universal Suffrage Commission of the National Assembly, which deals with constitutional questions, M. Barrachin (Independent) criticized them as unsatisfactory and moved their rejection. He proposed that a report submitted to the Assembly on the Commission's behalf in March 1957 by its *rapporteur*, M. Paul Coste-Floret (M.R.P.), should form the basis of the forthcoming constitutional debate in the Assembly. This motion was adopted by 25 votes to 19, the majority of the Independents and Radicals voting with the Communists, Social Republicans and Poujadists in favour. M. Coste-Floret's main proposals were as follows :

Article 17. Deputies might propose changes in public expenditure, but under conditions laid down in each annual Budget Bill.

Article 50. Any motion of censure must contain the outline of an alternative programme, to which the Government might reply with a confidence motion defining its policy. Both motions would be put to the vote, but the Government would be obliged to resign only if the censure motion received an absolute majority.

The debate on constitutional reform opened on Feb. 12 and continued until Feb. 21. A new series of proposals were submitted on Feb. 18 by three ex-Premiers, M. Paul Reynaud, M. René Pleven, and M. Edgar Faure, the most important of which were as follows :

Article 49. When the Government made a Bill a question of confidence, two votes would be taken, one on the Bill and the other on the question of confidence If a relative majority of deputies refused the Government a vote of confidence, it would resign. On the other hand, if the Government received a vote of confidence but its Bill was defeated, the Bill would be referred to the Council of the Republic as if it had passed. When it returned to the Assembly for a second reading the question of confidence might again be raised, but this time only one vote would be taken.

Article 50. Abstentions would not be permitted in a division on a motion of censure. Any deputy who within a year failed, without adequate reason, to take part in two divisions on motions of confidence or of censure would be considered to have resigned his seat.

Article 51. The Assembly could not be dissolved within 18 months of a general election. Subsequently, if a Government was defeated on a motion of confidence or of censure within two years of taking office, the Assembly would be dissolved. The President of the Republic, however, might delay the signing of the dissolution decree for 20 days to enable the formation of a new Government if he considered that, because of internal or external circumstances of exceptional gravity, a dissolution would represent a danger to the nation. Nevertheless, if no new Government had been formed within the 20-day period the Assembly would be dissolved.

The Government's proposals for constitutional reforms were strongly criticized during the debate by two former Prime Ministers—M. Queuille (*Gauche Democratique*), who attacked the suggestion that a Bill should be passed without a debate or amendments because it had been made a question of confidence, and M. Reynaud (Independent), who accused the Government of wishing "to make the Assembly the vassal of the Executive." By putting the question of confidence, M. Reynaud maintained, a Government would be able to force through any legislation, whilst the conditions attached to censure motions would make it impossible to overthrow it.

The Government's proposals were defended by M. Robert Lecourt (M.R.P.), the Minister of Justice.

M. Lecourt said that political instability was not a new evil, but went back for over 50 years. Whereas before 1910 Governments lasting two or three years had not been exceptional, there had been 10 Governments between 1910-14, 16 between 1920-28, and 31, none of

which had lasted over a year, between 1928-40. He continued: "The fall of the Cabinet has become the principal institution of the régime, the number of absentees and abstentionists being such that a relative majority is sufficient. The parliamentary system is based on the alternation in power of a majority and an Opposition, but for the last 50 years the Opposition has formed a permanent majority . . . The Opposition has the easy task of saying 'no,' without being obliged to define its policies, to act constructively, or to share the responsibilities or the unpopularity of office. When a Government is overthrown by a coalition of ill-assorted Opposition groups, none of these need worry about the solution of the crisis . . . The Government's plan links up the question of confidence with a motion of censure . . . by providing that the Assembly shall be informed on the two opposing policies . . . The 1946 Constitution laid down the rule that an absolute majority is needed for the fall of a Government. That rule has been evaded; it is intolerable that 200 deputies out of 600 can overthrow the Government because 100 of their colleagues have abstained. Everyone must vote on one side or the other. As for a dissolution, it must be the last resort, not something automatic, and it must therefore be entrusted to the President of the Republic."

M. Faure (R.G.R.) said that two sorts of crises occurred. Some were serious, and even inevitable if a certain level of political tension existed. Others were "artificial crises arising from the misjudgment of a Government which asks for too many votes of confidence, or from the Assembly's bad temper, or, still more, from the frame of mind which makes us live in a perpetual pre-crisis atmosphere. We are never free from the idea that the Government is about to fall, so after a certain time the Assembly is astonished to see that the Government is still there, and the Government is even more stupefied to find itself still in office." M. Faure stressed that the proposals which he had drawn up with MM. Reynaud and Pleven sought to avoid unnecessary crises, and to change the parliamentary atmosphere by removing the instability in relations between the Assembly and the Government.

In the ensuing debate the Faure-Pleven-Reynaud proposals were strongly criticized by **M. Teitgen** (M.R.P.) and **M. Coste-Floret** (M.R.P.), both of whom attacked as unconstitutional the proposal that a Bill which had been rejected by the Assembly should be referred to the Council of the Republic.

The Assembly agreed on Feb. 21 to refer the Faure-Pleven-Reynaud proposals to its Universal Suffrage Commission, together with all the amendments to the Government's plan which had been submitted. As a result of discussions between the Cabinet, the Government parties, and the Commission, agreement was reached on the following compromise:

Article 17. Deputies would be prohibited from introducing Bills or amendments entailing increased expenditure or a reduction in revenue.

Article 49. "Debates on *interpellations* shall end with a vote on a simple Order of the Day, except if a censure motion has been submitted; such a motion will require for its adoption an absolute majority of the members of the Assembly. If a censure motion has been adopted it will involve the resignation of the Cabinet."

Article 50. "A motion of confidence can only be submitted by the Prime Minister on a Cabinet decision, and only in connexion with a debate on legislation or a debate following a statement of Government policy.

"If the Government has announced its intention to make its continuation in office dependent on the adoption or rejection of a Bill, the latter must be placed on the agenda of the National Assembly and procedural or adjournment motions will not be permissible. The debate will deal with the proposed Bill as well as with any amendments that may be moved, voting on individual clauses or amendments being reserved on the Government's demand. At the end of the debate, and within not more than 24 hours, the Prime Minister may table a confidence motion on his Government's general policy, including the Bill as approved by the Government or a request to reject any provisions of which the Government disapproves.

"If no *motion de défiance* [a new constitutional term] is submitted in opposition to the Government's confidence motion, the President of the National Assembly shall rule that the confidence voted in the Government under Article 45 [i.e. at the Prime Minister's investiture] has not been withdrawn, and that the legislative proposals in connexion with which the Government has raised the question of its continuation in office have been either adopted or rejected, whichever may be the case.

"When a confidence motion has been submitted, one or more *motions de défiance* may be introduced within 24 hours; such motions will require the signature of at least the minimum number of deputies required for a parliamentary group [i.e. of 28 members—see 15914 C] and must lay down the principles of a governmental programme.

"Each *motion de défiance* will be voted upon in its turn at the same time as the motion of confidence, and in each division the deputies will be required to vote for one of the two, abstentions not being permitted. Of the two motions, that which receives the highest number of votes will be adopted. The adoption of a motion of confidence will involve, as the case may be, either the adoption or the rejection of the legislative proposals in connexion with which the Government has raised the question of its continuation in office.

"Any deputy who has either abstained or not taken part in the vote on a confidence motion will be liable to censure unless he is absent for a legitimate reason; the President of the Assembly and the Chairman at any particular session may, however, refrain from voting at any time.

"The adoption of a *motion de défiance* by the National Assembly will involve the resignation of the Cabinet."

Article 51. "When a *motion de défiance* or a *motion de censure* has been adopted by the National Assembly within two years of the investiture of a Prime Minister, the President of the Republic will dissolve the Assembly if the Prime Minister has given notice before the vote that the adoption of the motion would be followed by a dissolution. If, however, the President considers that a dissolution would represent a danger to the nation, because of internal or external circumstances of exceptional gravity, he may decide against it.

"These provisions will not apply during the first 18 months of the life of a Legislature unless a second ministerial crisis has arisen [i.e. at least two Governments have been overthrown] within that period.

"During the last [i.e. the fifth] year of the life of a Legislature, the Cabinet may at the request of the Prime Minister propose to the President of the Republic a dissolution of the National Assembly [i.e. at any time and without any special procedure], but the President will be free to decide whether or not to accept this advice." [During the period after the first 18 months and before the fifth year of a Legislature, dissolution may therefore only take place within the procedure outlined above.]

Article 90. "Any constitutional reform Bill must be submitted to a referendum unless it has been adopted by the National Assembly at its final reading."

The Government's revised Bill incorporating the above constitutional amendments also provided (in Article 6) that they would not come into force until after a new law had been adopted regulating the voting procedure in elections to the National Assembly, and revising the Assembly's Rules.

When the Assembly resumed its debate on March 11, the new text of Article 17 was adopted by 352 votes to 165, only the Communists opposing. The proposals for the revision of Articles 49-51, however, encountered considerable criticism from M. Paul Reynaud as well as from the Communists and the Social Republicans.

M. Reynaud thought that the new provisions were not sufficiently effective. Observing that the provisions on censure motions were meant to ensure that the Communists would only be able to vote for a Communist motion and the Poujadists for a Poujadist motion, he said that in this way the Government would be able to defeat them one after the other. Deputies of the Centre, however, who neither agreed with the Government's Bill nor with the censure motions, would be forbidden to abstain. "This does not sufficiently take into account the ingenuity of deputies," M. Reynaud declared. "Agreement could easily be reached on a colourless and tasteless censure motion such as: 'The National Assembly, affirming its desire for peace and the raising of the people's living standards, regrets that the Government . . . etc.' Result: 400 votes." M. Reynaud also maintained that the proposals concerning a dissolution were insufficient; he asserted in this connexion that the only effective means of exerting pressure on the Assembly was the threat of a dissolution, and that this threat was itself a condition of governmental stability. Moreover, he objected to the proposal that a Prime Minister should warn the Assembly that a vote of censure would be followed by a dissolution, maintaining that no Prime Minister would endanger his career by threatening the Assembly.

M. Ballanger (Communist) moved that the new text of Article 49 be deleted from the Bill. The Assembly rejected this by 318 votes to 183.

M. Triboulet (Social Republican) moved that Articles 49-50 should remain in their original form, but should be preceded by the words: "Motions of confidence and of censure can be introduced only in connexion with the Government's general policy, international treaties, budgetary receipts, and total expenditure." This amendment, he claimed, would prevent Governments from abusing the procedure of votes of confidence to force legislation through the Assembly, and would also reduce the danger of ministerial crises.

M. Triboulet's amendment was adopted on March 12 by 281 votes to 210, with the support of the Social Republicans, the Communists, and a number of Independents, including M. Reynaud. M. Gaillard then announced that he would make the adoption of the remainder of the Government's Bill (i.e. the revised versions of Articles 50, 51 and 90) a question of confidence, and would also treat as a confidence question the reconsideration of the new version of Article 50 without M. Triboulet's amendment, which the Government refused to accept. The Government received this confidence vote on March 18, when 282 deputies supported the Government, 196 opposed, 16 abstained, and 70 did not take part in the voting.

Most of the Socialists and M.R.P. deputies supported the Government, as well as 73 Independents (out of 91), 24 Radicals (out of 43), 10 R.G.R., 9 *Gauche Démocratique*, 7 *Paysans d'Action Sociale*,

5 U.D.S.R.-R.D.A. (including M. Pleven and M. Mitterrand), 2 *Paysans*, and one Social Republican (M. Chaban-Delmas). The opposition comprised the majority of the Communists, *Progressistes*, and Poujadists, as well as 11 Social Republicans and 7 *Paysans*. The abstentions included 10 Radicals (among them M. Mendès-France), whilst those not taking part in the vote included members of all parties from Right to Left.

The Assembly resumed discussion of the remaining Articles of the Bill on March 21, when it adopted the modifications to Article 50 of the Constitution by 298 votes to 206, those to Article 51 by 313 votes to 202, and Article 6 of the Bill by 301 votes to 222. No further vote was required on the modifications to Article 90, as no amendments to the Government's text had been submitted. During the debate the following additional amendments were proposed :

(1) That participation in the work of an organism of the French Union, or of an International European organization, should be accepted as a legitimate reason for absence from a division on a motion of confidence. Moved by **M. Giscard d'Estaing** (Independent). Adopted by 298 votes to 206.

(2) That abstentions should be permitted in votes on a motion of confidence. Moved by **M. Ballanger** (Communist). Amendment rejected.

(3) That the President of the Republic should be empowered to dissolve the Assembly. Moved by **M. Triboulet.** Amendment rejected.

(4) That the Assembly should automatically be dissolved in the event of a governmental crisis. Moved by **M. Giscard d'Estaing.** Amendment rejected.

(5) That if two crises occurred within 18 months, or if several nominees for the Premiership failed to obtain a *vote d'investiture* during the same crisis, the President of the Republic might dissolve the Assembly. Moved by **M. Triboulet.** Amendment rejected.

(6) That the Bill should come into force only after the abrogation of the present electoral law and the adoption of a new one. Moved by **M. Auxionnaz** (Radical). Adopted by 270 votes to 263.

The Bill as a whole was passed in the early hours of March 22 by 308 votes to 206. The Socialists, the M.R.P., and the majority of the Radicals and Independents voted in favour, the Communists opposed, and the Poujadists abstained. (Le Monde, Paris - Le Figaro, Paris) **(Prev. rep. 14418 A.)**

A. SOUTHERN RHODESIA. — Sir Edgar Whitehead defeated in By-election. - Dissolution of Territorial Assembly. - Split in United Federal Party. - Mr. Garfield Todd to revive United Rhodesia Party.

Mr. J. M. Macdonald, the United Federal Party member for the Hillside constituency, resigned his seat in the Southern Rhodesia Parliament on Feb. 22 to enable Sir Edgar Whitehead (the new Prime Minister of Southern Rhodesia) to enter Parliament through a by-election. Sir Edgar Whitehead was subsequently adopted as candidate for Hillside but was defeated in the by-election on April 16, obtaining 604 votes against 691 for Mr. Jack Pain, of the Dominion Party.

A statement was issued on April 18 by the Governor of Southern Rhodesia announcing that the Territorial Parliament would be dissolved and a general election held on June 5. The statement added that the Governor had received the report of the Commission for the re-delimitation of constituencies and that its recommendations would be published on April 23.

Sir Roy Welensky (the Federal Prime Minister, and president of the United Federal Party), commenting on the Hillside by-election, said that the majority of voters "obviously believe that following the recent governmental crisis in Southern Rhodesia there should be a general election as soon as possible." He added, however, that he could see no reason why an early general election in Southern Rhodesia should mean an earlier general election in the Federation. Mr. Winston Field, the Dominion Party leader in the Federal Assembly, similarly described the by-election result as "an indication that the public accepts our contention that there should have been a general election after the Cabinet crisis in Southern Rhodesia."

Following a meeting of the United Federal Party caucus in the Territorial Assembly on April 23, it was announced that Mr. Garfield Todd—the former Prime Minister of Southern Rhodesia, and Minister of Labour and Social Welfare in Sir Edgar Whitehead's Cabinet—had left the U.F.P. and would resuscitate the United Rhodesia Party, which had been merged with the U.F.P. in 1957. It was also announced that six of Mr. Todd's supporters in the Territorial Assembly (Mr. Ben Baron, Mr. H. H. Holderness, Mr. A. D H. Lloyd, Mr. Ralph Palmer, Mr. Eric Palmer, and Mr. M. M. Buchan) had also left the U.F.P. together with Mr. Garfield Todd.

Mr. Lloyd (M.P. for Bulawayo), who acted as spokesman for the United Rhodesia Party group, said after the caucus meeting that 14 of the 22 M.P.s present had supported Sir Edgar Whitehead, six had sided with Mr. Todd, and one (Mrs. Muriel Rosin) had reserved her decision. He also said that the dissenting members had all been prepared to accept Sir Edgar as leader, but that some members of the caucus had not been prepared to accept the Todd group. The U.R.P. group accepted Mr. Todd as their leader and would fight the coming territorial election on the U.R.P.'s policies, which would be revised to bring them up to date ; actually, he pointed out, the U.R.P. had never been dissolved after the fusion with the Federal Party. Mr. Lloyd added that it was not the intention of the U.R.P. to fight the next general election, and that it stood for the fullest co-operation with the Federal Government, though from an independent point of view.

A statement signed by the seven members of the "Todd group" said that the fusion of the United Rhodesia and Federal parties as it had developed "clearly indicates the danger of the subjection of Southern Rhodesian policy to outside influences. Our record in the United Federal Party shows that we were steadfastly loyal to that party so long as it was not prepared to compromise on fundamental issues. We are now satisfied that the spirit of compromise within that party is destructive of the best interests of Southern Rhodesia."

Sir Roy Welensky announced in a press interview on April 24 that there would be no change in the U.F.P.'s policy in the Federal field following Mr. Garfield Todd's departure from the Southern Rhodesian section of the party. After saying that "we follow the policy of evolution, not revolution, that was introduced to this country by my great predecessor Lord Malvern," Sir Roy commented as follows on the split in the United Federal Party :

"In recent times we have seen the advent of a leftist movement here. I am of the opinion that it is premature in a society like ours. What these gentry ignore is that 25 years ago the African already enjoyed the benefits of a State medical scheme, which was paid for in the main by his employers and the taxpayers generally. We believe in the steady progressive advance of all our people, making certain that economic development and political progress march hand in hand. I personally strongly believe that to grant full political rights to a section of the community who are as yet incapable of making a major contribution to the economy of the country, perhaps through no fault of their own because they missed the march of civilization, is a cardinal error and will in the long run drag down the standard of living instead of raising it. I feel that if this happens you create large blocks of voters to whom the demagogue must appeal because he will promise anything."

In a further statement on April 28 Sir Roy said : "Mr. Garfield Todd was maintaining a party within a party. He had to go . . . The party defeat in Hillside was proof that although Sir Edgar Whitehead had healed the breach among the party leaders, the electorate was still against Mr. Todd."

Mr. Garfield Todd resigned from Sir Edgar Whitehead's Cabinet on April 23, his portfolios of Labour and Social Welfare being subsequently taken over by Sir George Davenport.

Proclamations dissolving the Territorial Parliament and calling a general election were published on April 24. With the breakaway of the "Todd group" and the decision of Mr. H. D. Wightwick (Independent member for Umtali) to join the Dominion Party, the state of the parties at the dissolution was : United Federal Party 17 ; United Rhodesia Party 7 ; Dominion Party 5 ; Independent Labour 1.—(Federal Information Department, Salisbury - Times - Daily Telegraph) **(Prev. rep. 16028 B ; 16008 A.)**

B. FRANCE. — Commutation of Death Sentences on German War Criminals.

The death sentences imposed in 1955 on the former S.S. general Kurt Oberg (62) and the former S.S. colonel Helmut Knochen (48) for war crimes in occupied France were commuted by President Coty on April 22 to life imprisonment with hard labour. Oberg and Knochen were found guilty in 1955 of responsibility for the execution of about 1,000 French hostages, the deportation of 114,000 French Jews, of whom all but 10,000 perished, and the deportation of 80,000 other French citizens to forced labour in Germany. Oberg was head of the Gestapo in France during the occupation, his crimes earning for him the epithet of the "butcher of Paris."

Four other Nazi war criminals previously sentenced to death also had their sentences commuted to life imprisonment at the same time : A. Fuchs (a former S.S. guard at the Struthof concentration camp), A. Heimann (former head of the Gestapo at Grenoble), and two of Heimann's assistants. (Le Monde, Paris) **(Prev. rep. 14298 A ; 14042 A.)**

C. MOROCCO. — Trade Agreement with U.S.S.R.

A trade and payments agreement between Morocco and the Soviet Union was signed in Moscow on April 19. Each country will accord the other most-favoured-nation treatment in their commercial relations, and a list of goods for delivery during the first year was also agreed providing for a considerable expansion of trade between the two countries. Soviet supplies to Morocco will consist of oil and oil products, machinery, sawn timber, chemicals, etc., while Morocco will export citrus fruits, wool, raw hides, cork, tinned fish, and other commodities to the Soviet Union.—(Le Monde, Paris)

A. SOVIET UNION - UNITED STATES. — Soviet Complaint to Security Council at U.S. Bomber Flights. - U.S. Proposal for International Arctic Inspection System. - Soviet Veto in Security Council.

The Soviet representative at the United Nations (M. Arkady Sobolev) sent a letter to the U.N. Secretary-General on April 18 asking for an immediate meeting of the Security Council to consider the taking of "urgent measures to end the flights by U.S. military aircraft carrying atomic and hydrogen bombs towards the frontiers of the Soviet Union." At a press conference in Moscow on the same day, the Soviet Foreign Minister (M. Gromyko) alleged that U.S. planes carrying A-bombs and H-bombs had "repeatedly flown across the Arctic areas in the direction of the frontiers of the U.S.S.R."

M. Gromyko alleged that such flights took place on the instructions of the U.S. Air Command "whenever the screens of American radar installations of the so-called Advance Warning System show vague shapes which American observers take for guided missiles or ballistic rockets." He went on: "Subsequent checks have shown that the reasons for these actions by American bombers have been either electronic interference or meteoric showers. American generals plead that so far U.S. aircraft have returned to their bases from half-way as soon as it has become clear that the alarm was false. But what would happen if these generals . . . did not realize in time that the meteor they were seeing was not a guided missile, and American aircraft proceeded with their mission and approached the Soviet frontier? Is it not clear that the interests of security would require instant measures on the part of the U.S.S.R. to eliminate the threat to the Soviet people? And what would happen if the Soviet Air Force acted as the American Air Force is now doing? Soviet radar screens also show meteors and electronic interference. If, in these circumstances, Soviet planes carrying atom and hydrogen bombs were to fly in the direction of the United States, the two air fleets, sighting each other somewhere over the Arctic wastes, would draw the natural conclusion that an enemy attack had indeed taken place, and mankind would find itself plunged into the vortex of an atomic war . . ."

In reply to these allegations, the U.S. State Department said that the United States would welcome a U.N. debate on the "false" charges made by the Soviet Union.

After pointing out that the U.S Air Force was maintained in a state of constant alertness to prevent any possibility of a surprise attack on the United States and the free world, the statement added: "Should there be a real alert based on a warning of a possible attack, the force would be launched under a procedure which makes certain that no Strategic Air Command plane can pass beyond proper bounds, far from the Soviet Union or its satellites, without additional unequivocal orders which can come only from the President of the United States. The procedures are in no sense provocative and could not possibly be the accidental cause of war."

The U.S. Air Force issued the following statement on the same day (April 18):

"A portion of the Strategic Air Command force is maintained on a 15-minute alert status . . . The alert force, however, cannot proceed beyond a certain established line unless it receives additional information. This additional information to proceed to the target can be given only on authority of the President. In the event that the initial alert should have been caused by other than a hostile attacking force, the aircraft automatically returns to base from the fall-safe point (a previously designated geographic point) in the absence of orders to proceed to target. As the name implies, the concept of 'fall-safe' is insurance that in the event of a communications failure no bombers will proceed to target."

The following explanation of the "fall-safe" system, referred to in the Air Force statement, was given by the *New York Times* in its issue of April 19:

"U.S. strategic bombers have been on a 15-minute alert since last November, three months after the Soviet Union announced the successful firing of an inter-continental ballistic missile. Previously . . . the alert margin had been two to six hours. That was the amount of time Air Force intelligence officers estimated that it would take for enemy aircraft to come within striking distance of the United States after being sighted on defence radar screens and by sea and air spotters. On that basis about 3,000 aircraft—many stationed at nearly a hundred overseas bases—were controlled from the Strategic Air Command headquarters at Omaha.

"The United States built a 3,000-mile electronic fence known as the Distant Early Warning System—or DEW line—across northern Alaska and Canada, on the premise that the Soviet air threat was directed over the North Pole. But the additional premise of that expensive network . . . was that the air threat consisted of Soviet jet nuclear bombers—not, for some time at least, of 5,000-mile ballistic missiles designed to hurtle hundreds of miles above the atmosphere and reach their targets in 30 minutes.

"The United States expected Soviet missile development. But when the Russians made their announcement that they had successfully fired an inter-continental missile, the Strategic Air Command prepared for a new, accelerated defence flight schedule. Last November it was officially started.

"The new programme is called Fail Safe. The name is derived from a provision that the bombers may respond to prepared signals or sightings of unidentified objects on radar. But they do not complete their missions without a second signal that can be ordered only by President Eisenhower . . .

"The centre of these operations is a vast underground establishment at Offlitt Air Force Base, Omaha, the Command's headquarters. In the main chamber of the underground base, technicians receive signals, radio and telephone reports of sightings from all over the world. Few chances are taken. In case of doubt, the signal to proceed is given to sizeable fleets of bombers to head for their targets.

"There is one major precaution. Each mission requires two signals. One signal is to proceed to a spot, possibly over the Atlantic — or over the Arctic wastes of Canada, or in the South Pacific. The second signal has never been given. That is the signal a plane crew must have before it can proceed from its first assembly point to its strategic destination. If it does not get that signal, the crew returns to its base.

"Nor can any enlisted man or junior officer mistakenly set off the second signal. For that is coded. The codes are always changed. A few high officers, under varying specifications, can complete the delicate mechanism of telephoned and radioed communications that can be set off only by the Joint Chiefs of Staff in Washington, on orders of the President."

Security Council Debate. - Withdrawal of Soviet Resolution.

The Security Council met at the request of the Soviet delegate on April 21, when M. Sobolev presented a resolution calling upon the United States "to refrain from directing its military aircraft, armed with atomic and hydrogen bombs, towards the frontiers of other States with a view to creating a threat to their security or of military demonstrations." In the course of the debate, however, it became apparent that nine of the 11 members of the Security Council would oppose the resolution the U.S.A., Great Britain, France, Canada, Japan, Colombia, Panama, Iraq, and Nationalist China. [Sweden, the 11th member, took no part in the debate.] M. Sobolev eventually withdrew his resolution after making two unsuccessful attempts to adjourn the discussion to the following day.

M. Sobolev reiterated the arguments put forward by M. Gromyko in his Moscow statement, asking *inter alia* what would happen if the U.S. aviators were "incapable of ascertaining in time that a meteor is not a guided missile, and a flight of geese not a bomber aircraft?" After describing the U.S. flights as "a direct provocation against the cause of peace," he referred to "the feeling of alarm and outrage gripping the European peoples, who consider these acts of the American Air Force as manifestations of progressive insanity." M. Sobolev declared that the "flights of American bombers are drawing the dreadful threat of atomic war upon Britishers, Frenchmen, inhabitants of Western Germany, and the peoples of all countries which are entangled in the toils of the network of military obligations to the United States, and which are permitting American atomic and rocket bases to be situated on their territory."

Mr. Cabot Lodge (U.S.A.) said that the U.S. Strategic Air Command was "the mainstay of all nations which wished to maintain their independent existence"; it could "accomplish its mission of deterrence" only if it were known it was "so trained, so equipped and so situated that it cannot be destroyed on the ground," and it was therefore "mandatory" that this high state of efficiency should be maintained "through constant practice." Denying that the flights constituted any "provocation" to the U.S.S.R., Mr. Lodge emphasized that "all these training exercises are designed to maintain the force within areas which by no stretch of the imagination could be considered provocative to the Soviet Union." He also stressed that the flights "could not possibly be the accidental cause of war," since "a procedure is followed which ensures that no aircraft can pass beyond its proper bounds, far from the Soviet Union or its satellites, without additional unequivocal orders and these orders can come only from the President of the United States personally."

Mr. Lodge laid great emphasis on the fact that the United States had been forced "reluctantly" to build up its present defence system by "the aggressive policies of the Soviet Union" and its "continued resistance to countless efforts on our part, over a period of more than ten years, to . . . settle the differences which divide us." In particular, the Soviet Union had "refused to join hands . . . in setting up a true inspection system" which would ensure that no surprise air attack could be launched in secret. Among specific examples he cited were: President Eisenhower's "open skies" proposal for mutual aerial inspection; the Western proposals in the U.N. Disarmament Sub-Committee suggesting alternative inspection systems, starting in the Arctic region; and proposals for the immediate establishment of groups of technical experts who would study the question of inspection systems.

Mr. Matsudaira (Japan), while noting Mr. Lodge's assurances, said that the Japanese Government and people "could not but view with uneasiness a situation in which bombers armed with atomic and hydrogen bombs have to make flights in time of peace." The Soviet resolution, however, did not meet the requirements of the case, since the only sure way to improve international relations

was to reach a settlement of the disarmament problem "under the aegis of the United Nations." He therefore urged a resumption of negotiations and, in particular, a meeting of the U.N. Disarmament Commission "without delay."

M. Sobolev, speaking later in the debate, maintained that the "only way" to deal with the disarmament problem was at a "summit" conference of Heads of Government. He then proposed that the discussion be adjourned until the following day to enable him to study the statements made in particular, that of Mr. Lodge "so as to give a well-founded answer." **Mr. Cabot Lodge,** as chairman of the Security Council during the current month [i.e. April], maintained that since the Soviet Union had requested the meeting on an urgent basis, the matter should be dealt with in a spirit of urgency and a vote taken on the Soviet resolution on the same day [i.e. April 21]. Although this view was supported by a majority of Council members, **M. Sobolev** formally moved an adjournment to April 22 - the motion being defeated by four votes (U.S.A., France, Colombia, and Panama) to two (U.S.S.R. and Sweden), with five abstentions (Britain, Canada, Japan, Iraq, and Nationalist China). A second attempt by Mr. Sobolev was similarly unsuccessful, the U.S.S.R. again being supported only by Sweden; Canada and Britain joined the four countries which voted against the first resolution, while Japan, Iraq, and Nationalist China abstained.

M. Sobolev thereupon withdrew his resolution as a protest against Mr. Lodge's decision to take a vote on the same day; he accused Mr. Lodge of "side-stepping free discussion" and of "a procedure which is tantamount to an attempted gag on . . . the debate." Mr. Lodge, supported by the British, French, Colombian and other members, maintained that as president of the Council he had "carried out the regular order in the democratic way," adding that "the fact of the matter is that the Soviet representative did not have the votes."

American Proposal for Arctic Inspection Zone. - Soviet Veto in Security Council.

On April 27 the U.S. delegation presented a resolution proposing the establishment of an international zone of inspection in the Arctic to safeguard against the possibility of a surprise attack. With the exception of the Soviet representative, this proposal was supported by all members of the Security Council and also by the U.N. Secretary-General, Dr. Hammarskjöld, who urged its acceptance as an important step towards the relaxation of international tension. The resolution was nevertheless defeated by the Soviet veto - the 83rd cast by the U.S.S.R. in the Security Council - when a vote was taken on May 2.

The U.S. resolution noted the growing capabilities of massed surprise attack, particularly in the Soviet Union and the United States, and recommended: "That there be promptly established the northern zone of international inspection against surprise attack, comprising the area north of the Arctic Circle with certain exceptions and additions, that was considered by the U.N. Disarmament Sub-committee during August, 1957."

The resolution asked the five members of the U.N. sub-committee (the U.S.A., U.S.S.R., Great Britain, France and Canada) together with Denmark, Norway, and any other States with territories north of the Arctic Circle who wished such territories to be included in an inspection zone, "to designate representatives to participate in immediate discussions with a view to agreeing on the technical arrangements required."

The resolution was debated in the Security Council on April 29, when it was introduced by Mr. Cabot Lodge on behalf of the U.S. Government.

Mr. Cabot Lodge explained that the proposed inspection zone covered (*a*) all territory north of the Arctic Circle under the sovereignty of the United States (i.e. Alaska), Canada, the Soviet Union, Denmark (i.e. Greenland), and Norway; (*b*) all territory of the United States, the Soviet Union and Canada west of longitude 140 degrees W., east of longitude 160 degrees E., and north of latitude 50 degrees N.; (*c*) all the remainder of the Kamchatkan peninsula; and (*d*) all the Aleutian and Kurile islands.

Mr. Lodge emphasized that the proposal was made entirely apart from the general question of disarmament, nor was it intended as a "wedge" to bring the disarmament problem before the Security Council. Although the U.S.A. was convinced that general disarmament discussions should be renewed urgently, it was nevertheless ready to go ahead with the Arctic proposal "without awaiting agreement on disarmament as a whole." After re-emphasizing that U.S. flights were necessary in present circumstances to guard against surprise attack, and noting that the U.S.S.R. had expressed similar fears, Mr. Lodge said that the best way to lessen these mutual fears was to institute inspection procedures acceptable to all parties. For geographical reasons, inspection in the Arctic area could be "at least the first line of approach to the problem of a surprise attack," and the proposed inspection zone "encompasses a principal area through which the bulk of any attack might pass." The U.S.A. believed that mutually acceptable arrangements could be devised on these or similar lines, and that the proposals afforded "a reasonable basis for a discussion which could lead to agreement."

Mr. Lodge concluded: "If we can proceed gradually, and first experiment with limited measures of aerial and ground inspection, it should facilitate the subsequent expansion of inspection. Once this limited inspection system has proved its value and begun to rebuild mutual confidence, any suspicions that ulterior motives underlie proposals for aerial inspection arrangements should be removed once and for all. We urge all members of the Council, and all countries concerned, to join in making this beginning . . . This session of the Security Council could mark the turn in the road for which humanity has been looking. . . ."

Mr. Jarring (Sweden) announced that his Government would vote for the American resolution. He submitted an amendment stating that discussions on the proposed Arctic inspection zone "might serve as a useful basis for the deliberations on the disarmament problem at a summit conference."

M. Sobolev (U.S.S.R.) described the U.S. proposal as a "diversionary manoeuvre" aimed at diverting the Security Council's attention from the Soviet complaint about U.S. bomber flights; the purpose of the American resolution, he asserted, was not to reduce tension, but "to obtain intelligence data concerning a considerable part of the territory of the Soviet Union." After declaring that the threat to peace caused by U.S. flights "still continues to loom over the world," M. Sobolev said that "the U.S. proposal to single out the question of an Arctic zone of inspection from the general problem of disarmament does not bear witness to a readiness to put an end to this dangerous playing with atomic fire, nor to a willingness to solve the problem of disarmament."

M. Sobolev objected to the proposed membership of the group of countries asked to join the Arctic inspection system, on the ground that it was "even more lopsided than the membership of the Disarmament Commission." The disarmament problem, he declared, could not be solved "by an arithmetical vote in an organization in which the majority of members are linked to each other by military pacts," but only by negotiating on a basis of equality. The only "realistic" way to tackle the disarmament question as a whole—including prevention of surprise attacks, the immediate suspension of nuclear tests, the creation of an atom-free zone in Central Europe, and the prohibition of the use of outer space for military purposes—was at a summit conference. M. Sobolev then reintroduced the Soviet resolution of April 21, together with a new clause which (*a*) noted "with satisfaction" that talks were in progress "for the purpose of calling a conference of Heads of Government to discuss a number of urgent international problems, including the problem of working out measures to prevent the danger of a surprise attack," and (*b*) expressing the hope "that this conference will be held at the earliest possible date."

Sir Pierson Dixon (U.K.) said that it would be "formalistic and unreal" to claim that no progress could be made on any disarmament question except by discussions at "summit" level. On the contrary, it would surely be encouraging to the Heads of Government if, when they met, they had before them a practical plan for international inspection in a particular part of the world. M. Sobolev's speech was "disheartening" to the prospects of progress towards a settlement, and the British Government earnestly hoped that the U.S.S.R. would support the American resolution.

Mr. Matsudaira (Japan) welcomed the U.S. resolution and said that its adoption could pave the way to agreement on other inspection systems to safeguard against surprise attack in other parts of the world. Speeches in support of the U.S. resolution were also made by **M. Georges-Picot** (France), **Mr. Ritchie** (Canada), and the Iraqi, Colombian, Panamanian, and Chinese Nationalist members.

Dr. Hammarskjöld, who spoke at the end of the debate, noted that his intervention was "most unusual" but emphasized that the U.N. Secretary-General "has not only the right but the duty to intervene when he feels that he should do so in support of the purposes of the Organization and the principles laid down in the Charter." After welcoming both the U.S. proposal for Arctic inspection and the Soviet Union's recent decision to suspend nuclear tests, Dr. Hammarskjöld declared: "Such initiatives . . . are steps which could make a dent in the disarmament problem. They might have a major impact if treated in good faith—which is not the same as to let down one's guard. And they could, if followed through, provide a first frail basis for the development of some kind of trust. . . Each Government is in close contact with the opinion of the man-in-the-street in its own country. For that reason, I am sure all Governments are in a position to confirm my statement that the peoples are eagerly and anxiously expecting leadership to bring them out of the present nightmare. The Government taking a fruitful initiative will be hailed as a benefactor by the peoples. . ."

After expressing the hope that every one of the Governments represented on the Security Council would "try the line of trust as a way out of the disintegration and decline under which we now all suffer," the Secretary-General ended: "I trust that my intervention will not be misinterpreted as a taking of sides, but merely as an expression of profound feelings which are current all over the world, and which have a right to be heard here outside the framework of government policies." [Despite this appeal, Dr. Hammarskjold's intervention was strongly criticized by *Pravda* on the ground that it allegedly constituted partiality towards the U.S. resolution.]

When the Security Council re-convened on May 2, the U.S. resolution—incorporating the Swedish amendment—received ten votes in favour and one against (U.S.S.R.) and was thus defeated by the Soviet veto. The Soviet resolution was then defeated by nine votes to one, with Sweden abstaining.—(U.N. Information Centre, London - New York Times - Soviet Embassy Press Department, London - Times)

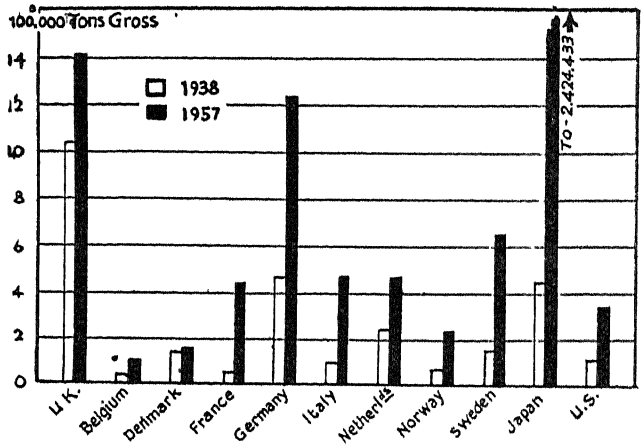
(Prev. rep. Disarmament Negotiations, 15941 A.)

A. SHIPPING. — World Launchings in 1957. - Construction in First Quarter of 1958.

Statistics published by Lloyd's Register of Shipping on Feb. 19 gave the gross tonnage of merchant ships launched throughout the world in 1957 (excluding the U.S.S.R. and China) as 8,501,404, compared with 6,670,218 tons launched in 1956. Vessels under 100 tons, barges, etc., were excluded.

The principal shipbuilding country was again Japan, which launched 2,432,561 tons (28.6 per cent of the total), followed by the United Kingdom (1,431,701 tons, or 16.63 per cent), Western Germany (1,231,152 tons, or 14.84 per cent), Sweden (660,623 tons, or 7.77 per cent), Italy (485,025 tons, or 5.71 per cent), the Netherlands (476,309 tons, or 5.60 per cent), and the United States (359,006 tons, or 4.22 per cent).

MERCHANT SHIPBUILDING 1938-1957



The chart shows the comparative tonnage of merchant shipping (figures from Lloyd's Register of Shipping) launched in the principal shipbuilding countries in the years 1938 and 1957. The Japanese figure for 1957 is too great to be accommodated on the chart. (*Manchester Guardian*)

The total included 3 ships of over 40,000 tons (all launched in Japan) and 4 of 30,000-40,000 tons (3 launched in France and 1 in Italy). Oil tankers aggregated 3,850,701 tons, of which 1,378,678 tons were launched in Japan, 535,333 tons in the U.K., 389,093 tons in the U.S.A., 248,400 tons in Western Germany, 244,534 tons in France, and 225,003 tons in Italy.

The countries for which the largest amounts of new tonnage were launched were: Liberia (1,742,503 tons), United Kingdom (1,309,937 tons), Japan (919,882 tons), Norway (910,828 tons), Western Germany (454,884 tons), the Netherlands (424,765 tons), Panama (367,477 tons), Italy (325,995 tons), the U.S.A. (319,997 tons), France (309,647 tons), Sweden (303,777 tons), and Denmark (218,996 tons).

Notable ships launched in 1957 included the liner *Pendennis Castle* (29,000 tons, see 15989 A) and the 51,000-ton tankers *Universe Commander*, *Universe Challenger*, and *Universe Admiral*, launched at the Kure shipyards (Japan) for Mr. Daniel K. Ludwig, of New York. With the *Universe Leader*, launched at Kure for Mr. Ludwig in 1956, the *Universe* ships will rank as the largest cargo ships built to date. Other large tankers launched in 1957 included the *Agrigentum* (34,000 tons) launched by the Ansaldo Company at Sestri Ponente, Genoa, and the *Oklahoma Getty*, *Minnehoma*, and *Tidewater*, (each about 33,700 tons) launched at St. Nazaire for the Tidewater Oil Company. The largest tanker launched in the U.K. during the year was the *Esso Durham* (23,500 tons), built by Vickers-Armstrong Ltd., Walker-on-Tyne, for the Esso Petroleum Company. Of ships over 20,000 gross tons launched throughout the world in 1957, all were tankers except the *Pendennis Castle* and the passenger liner *Federico C.*, launched in Italy.

Lloyd's Register shipbuilding returns for the first quarter of 1958, published on April 23, gave the gross tonnage under construction throughout the world (with the usual exceptions, as above) as 10,065,419 tons, of which 22.49 per cent was building in the United Kingdom and 77.51 per cent elsewhere.

Ships building in Great Britain and Northern Ireland numbered 342 of 2,263,854 tons (steamers 1,070,410 tons, motorships 1,193,444 tons), including 2 steamers of over 40,000 tons each, 3 of 30,000-40,000 tons, and 7 of 25,000-30,000 tons, and 15 steamers and 3 motorships of 20,000-25,000 tons. Of the total, 283 ships (1,897,422 tons) were building for the U.K., 19 (39,085 tons) for other British Commonwealth countries, 10 (107,400 tons) for Norway, 8 (77,623 tons) for Liberia, 3 (25,800 tons) for Belgium, 1 (19,000 tons) for Denmark, 1 (18,750 tons) for Panama, 1 (12,000 tons) for the Irish Republic, 4 (11,600 tons) for Cuba, 1 (6,100 tons) for Greece, 2 (2,700 tons) for Poland, 3 (2,054 tons) for the U.S.S.R., 1 small vessel each for Iceland and Kuwait, and 4 (43,450 tons) for unspecified countries.

The principal shipbuilding areas were: the Clyde (100 ships of 633,373 tons), the Tyne (41 ships of 421,700 tons), Belfast (17 ships of 298,490 tons), the Tees (25 ships of 277,923 tons), Sunderland (26 ships of 217,862 tons), and Liverpool (15 ships of 145,187 tons).

Ships building abroad numbered 1,390 of 7,801,565 tons (steamers, 3,378,329 tons, motorships 4,423,236 tons), divided as follows: Japan 163 (1,457,791 tons), Western Germany 254 (1,058,069 tons), Italy 100 (884,343 tons), the U.S.A. 49 (797,496 tons), the Netherlands 174 (695,364 tons), Sweden 68 (563,559 tons), France 64 (557,046 tons), Norway 72 (315,746 tons), Spain 116 (276,770 tons), Denmark 35 (235,639 tons), British Commonwealth countries 70 (224,575 tons), Finland 67 (201,841 tons), Poland 66 (168,477 tons), Belgium 18 (152,872 tons), Yugoslavia 26 (142,288 tons), Portugal 29 (50,218 tons), Turkey 9 (7,637 tons), Peru 1 (4,297 tons), and Argentina 2 (4,000 tons). In addition, 4 small vessels were building in the Irish Republic, 2 in Indonesia, and 1 in Brazil. The overall total included 2 steamers of over 40,000 tons in Japan, 1 in France, and 1 in the U.S.A.; 1 steamers of 30,000 40,000 tons in the U.S.A., and 1 each in Western Germany, Italy, Japan, and the Netherlands; and 10 steamers of 25,000-30,000 tons in Japan, 5 in the United States, 2 in Western Germany, and 1 in France.

Tankers building throughout the world numbered 363 of 5,052,802 tons, including 76 (1,069,238 tons) in the U.K., 51 (798,700 tons) in Japan, 28 (652,383 tons) in the U.S.A., 31 (556,981 tons) in Italy, 23 (361,955 tons) in Sweden, 23 (341,181 tons) in the Netherlands, 16 (296,135 tons) in France, 54 (294,944 tons) in Western Germany, and 16 (199,025 tons) in Norway.

Other recent developments in connexion with shipping and shipbuilding are summarized below:

Pacific Service by P. & O. and Orient Lines. Sir Donald Anderson, deputy-chairman of the P. and O. Line, announced in Canberra on March 17 that the company's new 45,000-ton liner (see 15989 A) the largest merchant ship to be built in the U.K. since the *Queen Elizabeth* —would be named *Canberra*. Together with the new Orient liner *Oriana* (see 15989 A), the ship would be the nucleus of a British passenger fleet (to be formed by the P. & O. and Orient companies) which would enter the north, central, and south Pacific trades under the name of "Orient and Pacific Lines." Sir Donald explained that although the two companies assumed that British emigration to Australia would continue, and would need "passenger ships to carry immigrants under the most up-to-date conditions," they considered that ships of the size and cost of the *Canberra* and *Oriana* "could not be operated at a profit on the U.K.-Australia trade alone"; they therefore "looked to obtain adequate earnings by extending voyages across the Pacific." He added that the *Canberra* would accommodate 2,250 passengers and have a speed of 27½ knots.

Japan to build Nuclear-Powered Ships. The Mitsubishi Nippon group announced on Jan. 7 that plans had been completed for an atomic tanker of 80,000 tons, powered by a pressurized water reactor, and for an atomic-powered passenger liner of 20,000 gross tons for the Japan-Brazil trade. The keels of both ships (to be built respectively at Yokohama and Kobe) would be laid shortly.

Increase in Laid-Up Tonnage. The continued rise in the amount of laid-up tonnage, both British and foreign, caused serious concern in the shipping industry during the last quarter of 1957 and the first quarter of 1958. Figures published by the Chamber of Shipping of the United Kingdom on March 28 showed that 127 British ships of 610,745 gross tons and 55 foreign ships of 356,910 gross tons were laid up on March 1 at U.K. ports "for reasons other than repair." These figures compared with 141 ships (778,703 tons) laid up on Feb. 1, 108 ships (537,814 tons) on Jan. 1, and only 16 ships (32,160 tons) laid up on Jan. 1, 1957.

The approximate amount of tonnage laid up in overseas countries was estimated as: U.S.A., at least 500,000 tons, including 29 tankers; Western Germany, 375,000 tons; Norway 266,000 tons; Denmark, 129,000 tons; Sweden, 98,000 tons; Greece, 244 ships (tonnage not available). Ten per cent of the Italian fleet was estimated to be laid up, while in France orders for 100,000 tons of new shipping had been cancelled.

The total number of ships laid up in Dutch ports on April 1 was officially given as 54, aggregating 328,000 tons, compared with only 20, aggregating 167,000 tons, laid up on Feb. 1, 1958. Of the 54 ships laid up at the beginning of April, 19 were Dutch vessels.

A Shipbuilding Conference spokesman stated on April 22 that during the first quarter of 1958 cancellations of tonnage already ordered from British shipyards exceeded in size the amount of new tonnage ordered during the quarter. No orders were booked at all for overseas shipowners; only 39 ships, aggregating 41,000 gross tons, were ordered by British owners; whilst orders for 14 ships aggregating 183,000 tons were cancelled, six of these (representing about 129,000 tons) being for tankers.

Colonel Denis Bates, chairman of the Cunard Line, announced on April 28 that the company had decided to postpone construction of its new 28,000-ton liner (see 15704 A) ordered from John Brown and Co. to replace the *Britannic* on the New York service. Colonel Bates explained that the decision had been taken "because of the decline in our fortunes last year," when gross profits were over £2,000,000 less than in 1956.
(Lloyd's Register of Shipping - Times - Manchester Guardian)

(Prev rep. 15989 A)

MAY 10—17, 1958

A. SOUTH AFRICA. — Nationalist Victory in General Election. - Cabinet Appointments.

The Nationalist Party was returned to power with an increased majority in the South African general elections, held on April 16 The elections were the first "all-white" elections in South Africa, as the Cape Coloured voters had been placed on a separate electoral roll under the Separate Representation of Voters Act (see 14997 A, 14805 A) The elections in the four Cape Coloured constituencies were held on April 3, prior to the general elections proper.

The new House of Assembly (the 12th of the Union) contains 163 members, of whom four represent the Cape Coloureds and three are Natives' Representatives. The position in the new House is shown below, comparison being given with party strengths at the dissolution of the former House on March 11 :

	New House	Old House (at dissolution)
Nationalist Party	103	96
United Party	53	52
Labour Party	—	4
Independents	—	4
Natives' Representatives	3	3
Cape Coloured Representatives ..	4	—

Notes. (1) As the four Cape Coloured representatives all support the United Party, the U.P.'s effective strength in the new House is therefore 57. The representatives of the Cape Coloured electors are Europeans, as laid down in the Separate Representation of Voters Act.

(2) The three Natives' Representatives (two Liberals and an Independent, all Europeans) were not affected by the dissolution, as they are separately elected. Their terms of office expire later in the year.

The final state of the parties (figures at dissolution in parentheses) was as follows, divided between the four Provinces and South-West Africa and including also the Natives' and Cape Coloured Representatives :

	Nat.		U.P.		Lab.		Lib.		Ind.	
Cape Province .	33	(31)	19	(23)	—	(—)	—	(—)	—	(—)
Transvaal ..	48	(44)	20	(18)	—	(3)	—	(—)	—	(3)
Natal .. .	2	(2)	14	(11)	—	(1)	—	(—)	—	(1)
Orange Free State	14	(13)	—	(—)	—	(—)	—	(—)	—	(—)
South-West Africa	6	(6)	—	(—)	—	(—)	—	(—)	—	(—)
Natives' Representatives ..	—	(—)	—	(—)	—	(—)	2	(2)	1	(1)
Cape Coloured ..	—	(—)	4	(—)	—	(—)	—	(—)	—	(—)
Total ..	103	(96)	57	(52)	—	(4)	2	(2)	1	(5)

Whereas the Nationalists won seven seats and the United Party's representation (excluding the Cape Coloured seats) was practically unchanged, the Labour Party was without representation in the Union Parliament for the first time in South African political history. As all Liberal and Independent candidates were also defeated, the Natives' Representatives constitute the only "third force" in the new Parliament. As shown in the table above, the Nationalists have an overall majority of 43 in the new House, against a majority of 33 in the former House - i.e. an overall gain of ten seats.

Of the 156 seats in the Union Parliament (excluding those allotted to Cape Coloured and Natives' Representatives), 24 were filled by unopposed returns, all for the United Party—10 in Cape Province (including six in the Cape Peninsula), seven in the Transvaal (mostly on the Rand), and seven in Natal. Of the 132 contested seats in the Union and South-West Africa, the U.P. contested every constituency ; the Nationalists contested 125 ; the Liberals, standing for the first time as an organized party, put up three candidates (one each in Cape Town, Pietermaritzburg, and the Rand); and the Labour Party presented only two candidates, at Rosettenville and Benoni respectively. Unlike the last (1953) elections, there was no electoral agreement between the Labour Party and the U.P. to refrain from putting up candidates against each other.

The ten Independent candidates included two members of the former Conservative group (now disbanded)—Mr. Bailey Bekker and Mr. Frank Waring, who opposed the U.P. at Vonbrandis (Transvaal) and in the Cape Town Gardens constituency. Two other former Conservatives stood as Nationalist candidates—Dr. A. H. Jonker and Mr. Blaar Coetzee.

All members of the Government were returned in the elections on April 16, in most cases with increased majorities. Mr. J. G. Strydom, the Prime Minister, was re-elected for Waterberg with a majority of 4,774, an increase of 1,857 compared with the last general election. Among leading Nationalists re-elected (constituencies in parentheses) were Dr. T. E. Dönges, Minister of the the Interior (Worcester) ; Mr. Eric Louw, Minister of External Affairs (Beaufort West) ; Mr. F. C. Erasmus, Minister of Defence (Moorreesburg) ; Dr. H. F. Verwoerd, Minister of Native Affairs (Heidelberg) ; Mr. J. F. Naude, Minister of Finance (Pietersberg) ; Mr. B. J. Schoeman, Minister of Transport (Maraisburg) ; Dr. A. J. R. van Rhijn, Minister of Economic Affairs and former Administrator of South-West Africa (Windhoek) ; Mr. P. O. Sauer, Minister of Lands and Irrigation (Humansdorp) ; Mr. J. H. Serfontein, Minister of Posts and Telegraphs (Fauresmith-Boshof) ; Mr. C. R. Swart, Minister of Justice (Winburg) ; Mr. J. H. Conradie, Q.C., Speaker of the House of Assembly (Gordonia) ; and Mr. P. M. K. le Roux, the Government Chief Whip (Oudtshoorn).

Other re-elected Nationalist members included Dr. J. A. Hertzog, the eldest son of the late General Hertzog (Ermelo), and Professor L. I. Coertze, formerly Dean of the Law Faculty at Pretoria University (Standerton). The two former Conservatives who stood for the Nationalists were both successful—Dr. Jonker at Fort Beaufort and Mr. B. Coetzee at Vereeniging, the latter seat being won from the United Party.

Sir de Villiers Graaff, leader of the United Party, lost his seat (Hottentots-Holland) to the Nationalists by 898 votes, while Mr. S. J. Marais Steyn, U.P. leader in the Transvaal, was defeated by Mr. Coetzee at Vereeniging as stated above. Among prominent U.P. members to be re-elected were Mr. H. G. Lawrence, a former Minister of Justice (Salt River) ; Dr. D. L. Smit, a former Minister of Native Affairs (East London City) ; Mr. J. W. Higgerty, Chief Whip of the United Party (Vonbrandis) ; and Mr. C. B. van Ryneveld, the cricketer, who captained South Africa in the Test matches against England in 1956-57 (East London North).

The 24 U.P. members returned unopposed included Mr. S. F. Waterson, a former Minister of Economic Affairs and onetime High Commissioner in London (Constantia), and Major P. V. G. van der Byl, a former Minister of Native Affairs (Green Point). In the elections as a whole, the U.P. achieved its greatest successes in the large urban areas—Cape Town, Johannesburg, Durban, Port Elizabeth, and East London. Outside Natal, it was virtually eliminated in the *platteland* (rural areas) except in the Albany, Queenstown, and King William's Town constituencies.

Two of the unopposed U.P. members—Colonel R. D. Pilkington Jordan and Mr. A. L. Kowarsky—resigned their seats after the election to enable Sir de Villiers Graaff and Mr. Marais Steyn to sit in the new Parliament. Sir de Villiers Graaff was offered Colonel Pilkington Jordan's former constituency (Rondebosch), while Mr. Marais Steyn was offered the constituency (Yeoville) for which Mr. Kowarsky was returned.

Mr. Alex Hepple, leader of the Labour Party, polled only 974 votes at Rosettenville and forfeited his deposit, the U.P. candidate winning the seat with a 4,900 majority in a three-cornered contest ; at the last general election Mr. Hepple had a majority of 6,200 in the same constituency. Mr. Leo Lovell, the only other Labour candidate, was defeated by the United Party at Benoni in a three-cornered contest.

Party gains and losses were as follows : (*a*) Nationalists, 10 gains and 3 losses—a net gain of seven seats ; (*b*) United Party—10 gains and 9 losses -a net gain of one seat ; (*c*) Labour Party -no gains, 4 losses.

The Nationalists won 6 seats from the United Party (Hottentots-Holland, Fort Beaufort, Kimberley South, Vereeniging, Boksburg, and Edenvale) and 4 new seats created by re-delimitation of constituencies ; one seat was lost to the U.P. (Gardens) and two by delimitation. The U.P. won 4 seats from Independents (Hospital, Durban Point, Orange Grove, and Johannesburg North), 3 from Labour (Benoni, Rosettenville, and Durban-Umlazi), one from the Nationalists (Gardens), and 2 new seats ; it lost 6 seats to the Nationalists (those mentioned above) and 3 by delimitation. Three of the four Labour seats were lost to the U.P. (see above) and one by delimitation.

Prior to the elections, many constituencies were re-delimited and various new constituencies created under the provisions of the Electoral Laws Amendment Act of 1952 (see page 13006), which also formed the basis for re-delimitation at the last (1953) general elections. This Act provided for delimitation of constituencies on the basis of the total number of registered White European voters over the age of 21, as shown by periodical registrations of voters and supplementary registrations every two or three years. The 1958 elections were held on the basis of a general registration which took place in August 1956, plus a supplementary registration which closed on Feb. 28, 1957. On the basis of the 1956 registration, the Transvaal had 655,711 voters, Cape Province 510,297, Natal 157,510, and the Orange Free State 133,856—a total of 1,456,874. Together with the supplementary registration (i.e. new voters coming on the register for the first time on reaching the age of 21), the total electorate was well over 1,500,000. Polling was heavy in most constituencies.

Voting figures in the 132 contested constituencies were as follows :

Nationalists	647,468
United Party	503,635
Independents	3,552
Liberals	2,934
Labour Party ..	2,607
Minor groups ..	1,205

In view of the large number of uncontested seats, various estimates of the aggregate voting strength of the two major parties were made by South African newspapers; e.g. the *Cape Times* claimed that the U.P. would have polled 687,000 votes and the Nationalists 654,000 had all seats been contested. On the other hand, *Die Burger* estimated that the Nationalist vote would have aggregated 703,000 and the U.P. vote 671,000 had every seat been contested. In arriving at these figures, *Die Burger* credited the Nationalists with 2,000 votes in each constituency where there was no Nationalist candidate, while the *Cape Times* credited the Nationalists with an average of 1,150 votes in each of those constituencies, assuming a poll of 80 per cent.

As stated above, the Cape Coloured electors voted on April 8 to elect four European M.P.s to represent their interests in the new Parliament. Independents supported by the United Party were returned for three of the Cape Coloured constituencies (Peninsula, Boland, and Karoo) and a U.P. candidate for Outeniqua.

Between 29,000 and 30,000 Cape Coloureds were eligible to vote, the electorate being confined to males. The average poll in the four constituencies was 51.6 per cent, varying between 41.9 per cent in Boland (the lowest) to 65.6 per cent in Outeniqua (the highest). All three Nationalist-supported candidates forfeited their deposits in the constituencies for which they stood. The successful candidates included Mr. Abe Bloomberg (Peninsula), a former Mayor of Cape Town and a U.P. member of the former House.

Aggregate votes in the four Cape Coloured constituencies were: U.P. and Independent U.P., 11,710; Independent Nationalists, 528; South African Coloured Peoples' Organization (SACPO), 909; Independents, 1,035.

Statements by Mr. Strydom and Sir de Villiers Graaff.

In a post-election broadcast on April 17, Mr. Strydom declared that "the answer that has been given to our opponents here, and to all those who libel our country beyond our borders, is that the electorate of South Africa are solidly behind the Government and our policy, and that no interference in our domestic affairs will be tolerated."

Mr. Strydom said that the Government would continue its aim of fostering "the growing good relations and co-operation between the two language groups—English- and Afrikaans-speaking." He added: "As far as the colour question is concerned, we shall continue resolutely on the course we have taken—that is, to develop and maintain the traditional way of life of our country, namely *apartheid* or separation between White and non-White. This we shall do because we are convinced that it is the only way to maintain ourselves as a White race, while at the same time doing justice to the non-Whites and to avoid racial clashes in South Africa."

The Prime Minister expressed his thanks to the "thousands of English-speaking people and others, not enrolled members of our party, who on April 16 gave the Government this overwhelming majority."

Speaking on April 22 at a victory rally in Pretoria, Mr. Strydom declared that the ultimate goal of the Nationalist Party was a republic. He appealed for the greatest possible co-operation between the two language-groups, and reiterated that the *apartheid* policy would be implemented in a manner "fair to both Europeans and non-Europeans."

Sir de Villiers Graaff issued the following statement on April 24 :

"The principles of the United Party are indestructible. As a result of Government mismanagement, irresistible economic factors and moral considerations are working for the United Party, which fills us with confidence and assurance for the future of our cause. For these reasons our faith remains unshaken. We shall continue to fight for unity, reason, and justice . . .

"There has been much speculation in various newspapers on whether the United Party or the Nationalist Party has the majority of the electorate behind it. If there is any uncertainty the Nationalist Party is to blame. They shirked making the general election a true test of public opinion by refusing to contest no fewer than 31 of the seats, where at least one-fifth of South African voters are registered.

"What is indisputable is that the result of the election is anomalous. The Nationalist Party with approximately half the voters has nearly twice as many seats as the United Party, which has the support of at least the other half of the voters. One thing is clear. The United Party is a vastly stronger force in the country than a superficial glance at its representation in Parliament would indicate. . .

"Opinion is hardening to the view that, apart from a delimitation which had a disproportionate effect upon the results, our party's defeat at the polls was in the main due to ruthless exploitation of the racial situation in South Africa and to an emotional appeal to sectional sentiment. It was certainly not due to approval by the electorate of the Government's actual record and administration over the past ten years.

"Against this background the role of the United Party . . . is clear. Not only must we play the part of the public's watchdog against the impact of the extremism inherent in the Nationalist Party, but we must also work unceasingly . . . for the triumph of logic, reason, and moderation in the councils of our nation . . ."

Abortive Strike Campaign by African National Congress.

The African National Congress had planned to call a stay-at-home strike of all African workers on election day, accompanied by demonstrations, as a means of voicing African grievances. The projected strike and demonstrations were called off on April 14, however, after strong measures by the Government to prevent possible disturbances, and after Mr. Strydom and Mr. Swart (the Minister of Justice) had emphasized that full protection would be given to all non-White workers who refused to obey the strike call.

In a statement on April 10, Mr. Strydom expressed his conviction that the great majority of the African workers were peace-loving and did not wish to leave their work. In view of the "efforts of Communists and Leftists to organize a strike of non White workers," a departmental committee had been set up "to take all necessary steps to ensure that . . . the mass of peace and order-loving non-White workers will be able to continue with their work, and to keep essential services running." Mr. Strydom added that "drastic action" would be taken against "any disturbances of the peace by agitators of labour unrest."

On the following day the South African Government banned all meetings of more than ten Africans in certain areas of the Cape, the Transvaal, and the Orange Free State to prevent irresponsible elements from causing labour unrest. Security police raided the Johannesburg offices of the African National Congress and the Transvaal Indian Congress and removed documents and pamphlets calling on Africans to take part in the projected strike. The Commandant-General of the Union Defence Forces (General Klopper) announced that the armed forces would provide transport for African workers who refused to take part in the stay-at-home movement, while the Commissioner of Police (Major-General Rademeyer) gave warning that any agitators intimidating or coercing law-abiding Africans would be immediately arrested. As a result of these measures the strike was called off.

Cabinet Appointments.

Two new Cabinet appointments were announced by Mr. Strydom on April 25 : (i) Mr. M. D. C. de Wet Nel (deputy chairman of the Native Affairs Commission) as Minister of Education, Arts and Science in succession to the late Mr. J. H. Viljoen, who died on Dec. 5, 1957 ; (ii) Mr. P. M. K. le Roux (the Government Chief Whip) as Minister of Agriculture in place of Mr. S. P. le Roux, retiring. Mr. de Wet Nel is M.P. for Wonderboom (a Pretoria constituency) and Mr. P. M. K. le Roux is M.P. for Oudtshoorn, Cape Province.

Johannes Hendrikus Viljoen (64), born in the Hoopstad district of the Orange Free State, was a teacher until his election to Parliament in 1933 as United Party M.P. for Hoopstad. He supported General Hertzog's unsuccessful motion for South African neutrality on the outbreak of war in 1939, went into opposition with General Hertzog and Mr. Havenga, and became Assistant Whip of the Afrikaner Party, which was formed from supporters of the Hertzog-Havenga group in Parliament. In 1950 he became Minister of Mines in Dr. Malan's Cabinet, and in the following year played an important part in the negotiations which led to the formation of the Nationalist Party. He was subsequently appointed Minister of Education, taking over the Health portfolio in addition in 1956. In 1957 he was in charge of two controversial measures aiming at *apartheid* in the nursing profession and the universities.

It was also announced that Dr. J. H. O. du Plessis (Nationalist member for Stellenbosch) had been appointed Administrator of Cape Province in succession to the late Mr. P. J. Olivier, and that Mr. A. E. Trollip (a former United Party member for Bezuidenhout) would succeed Mr. D. G. Shepstone as Administrator of Natal.—(Cape Times - Die Burger - State Information Office, Pretoria)

(Prev. rep. Elections, 13005 A ; Cabinet, 15023 C.)

A. UNITED STATES. — Cabinet Appointment.

Dr. Arthur Flemming (53), president of Ohio Wesleyan University, was nominated by President Eisenhower on May 7 as Secretary of Health, Education and Welfare in succession to Mr. Marion B. Folsom, who had resigned for reasons of health. Dr. Flemming has served on many Government Commissions and was Director of Defence Mobilization from 1953 to 1957.—(New York Times) **(Prev. rep. 15385 C.)**

B. AUSTRALIA. — Dollar Loan. - Corrigendum.

The interest rate on the recent Australian $15,000,000 loan in New York was 4¼ per cent, not 4½ per cent as incorrectly stated in 16150 F.—(Ed. K.C.A.)

A. YUGOSLAVIA. — Re-election of President Tito. - Congress of Yugoslav League of Communists. - Insistence on Ideological and Political Independence of Yugoslavia. - Reply to Soviet Criticisms of Draft Programme. - Soviet and Chinese Propaganda Campaign against Yugoslavia. - Yugoslav Rejoinders.

Marshal Tito was unanimously re-elected President of Yugoslavia for a third four-year term at the inaugural meeting of the newly-elected Federal National Assembly on April 19. In a speech to the Assembly, President Tito gave a comprehensive survey of the Government's home and foreign policy since 1954, in which he suggested that representatives of Yugoslavia and other neutral countries should take part in any "summit" meeting between the great Powers.

President Tito declared that Yugoslavia's foreign policy had been based throughout on the fundamental principles of ensuring the independence and free Socialist development of the country; of co-operation with all countries on the basis of mutual respect for independence, sovereignty, equality, territorial integrity, and non-interference in internal affairs; the harmonious solution of international problems; and the development of the U.N. as an efficient instrument for peace, international co-operation, and mutual aid. After paying tribute to the Soviet Government's initiatives for reducing international tension during 1954-56, he said that international relations had seriously deteriorated since then because of the Suez and Hungarian crises, the "pressure" exerted on Syria, "foreign interference" in Indonesia, and the decision to arm the West German forces with nuclear weapons, with the result that "the mutual distrust which exists recalls from time to time the most acute phases of the cold war." President Tito welcomed the Soviet initiative in favour of summit talks, and also mentioned with approval the Polish proposal for an atom-free zone in Central Europe, Mr. Macmillan's suggestion of a non-aggression pact, and the appeals issued by Mr. Nehru.

In view of the mistrust between the great Powers (Marshal Tito continued), "we consider that it would be useful if representatives of countries which do not belong to any of the military alliances also took part in such a meeting—countries which have proved that they are loyal to the policy of peace and international understanding . . . The participation of such countries as India, Sweden, and Yugoslavia at a summit meeting would contribute constructively to a *rapprochement* of views and to the working-out of solutions acceptable to all . . . Such a high-level meeting would certainly have much better prospects of success if various methods of pressure were abandoned beforehand—for instance, the armaments race—and if nuclear tests for war purposes were discontinued, the erection of launching sites stopped, and so on. The unilateral cessation of nuclear tests by the Soviet Union is undoubtedly a good example for the improvement of the international atmosphere."

Continuing, President Tito said that Yugoslavia's relations with all her neighbours had been normalized and were developing favourably, except with Albania. Political, economic, and cultural relations with the U.S.S.R. were developing successfully, and agreements had been concluded on Soviet economic aid to Yugoslav industry. A "sensible improvement" had also occurred in relations with the other Socialist countries, notably with Poland. Moreover, relations between Yugoslavia and the Western countries had been strengthened, and served as an example of co-operation between countries with different political systems. Yugoslavia was grateful for the economic aid which she had received from the U.S.A. without any political conditions attached, and for the U.S. military aid which she had also received until it was ended at her own request in 1957. There were no outstanding problems between Yugoslavia and Britain, and favourable conditions existed for the further development of Anglo-Yugoslav economic and cultural co-operation. Relations with France had been seriously impaired by the *Slovenija* incident [see 16080 A], but the Government hoped that they would improve in the interests of both countries.

The membership of the new Federal Executive Council, announced on the same day, was identical with that of the former Council except that M. Todorovich succeeded M. Vukmanovich as a Vice-President and as chairman of its economic committee. M. Vukmanovich, who commanded the Macedonian partisans during the war under the name of "Tempo," had been appointed president of the Central Council of the Yugoslav Trade Union Federation on April 7 in place of M. Salaj. His appointment, which coincided with a number of other changes in the trade union leadership, was believed to be connected with a miners' strike which occurred in January (the first strike known to have taken place in Yugoslavia since the war), as a result of which the League of Communists had issued a statement in March condemning "bureaucracy" and "luxurious living" by factory directors and managers.

Draft Programme of League of Communists. - Soviet Criticisms.

The seventh congress of the Yugoslav League of Communists, which met at Ljubljana from April 22-26, was boycotted by almost all the foreign Communist parties which had been invited to send delegations. This renewed deterioration in relations between the Yugoslav Communists and the other Communist parties was due to Soviet criticisms of the League's draft programme, which was to have been submitted to the congress for approval, and particularly of the references to international relations contained therein.

After commenting that "Marxist thought in the last few decades has not kept step with the advance of contemporary society," the programme maintained that the extension of State ownership and control in certain of the Western, Asian, African, and South American countries afforded "the most obvious proof that mankind is indomitably moving into the era of Socialism along a variety of different roads." One result of this process, however, was that in both capitalist and Socialist countries the State machine tended to play an increasingly independent role. In Socialist countries the bureaucratic State "leads perforce to greater centralization of power, to an ever closer merging of the State and party apparatus . . . whereby they tend to become independent and impose themselves as a force over and above society."

"Socialist thinking," the programme continued, "should no longer be primarily concerned with questions relating to the overthrow of capitalism," but with the problems of the development of Socialist society and the "withering away" of the State. It suggested that the State should become an apparatus of experts subordinated to elected bodies, such as the Yugoslav workers' councils, "within which Communists should strive to keep the work and decisions in harmony with the needs of the development of Socialism." The view that "Communist parties have a monopoly over every aspect of the movement of society towards Socialism, and that Socialism can only find its representatives in them and through them," was "theoretically wrong and harmful in practice."

The fact that "the working class of one country or another may for a certain period of time be the vanguard of the struggle for Socialism, or may dispose of greater material power, does not entitle it to a monopoly position in the labour movement, least of all to a monopoly in the sphere of ideology," the programme declared. In this connexion the programme mentioned Stalin's "anti-Yugoslav action of 1948" as an example of "hegemonistic aims put above the actual interests of Socialism." It declared that "so long as marked differences in the level of economic development of specific countries create substantial differences between the position of the working people in each of these countries," it would be possible for "a given State, in consequence of the hegemonistic position it has acquired for one reason or another, to resort in one form or another to economic exploitation of the other country."

In the section dealing with international relations, the programme attributed the instability of the international situation to the rivalry between Power blocs and the "division of the world into spheres of influence," which, it stated, was already evident at the Teheran, Yalta, and Potsdam conferences. "The logical consequence of this policy," the programme added, "is the straining of international relations generally, the formation of military-political blocs, and reinforced armaments."

The views expressed in the Yugoslav programme (which was circulated to other Communist parties) were strongly criticized in an article published in *Kommunist*, the theoretical journal of the Soviet Communist Party, the text of which was broadcast in Serbo-Croatian by the Soviet radio on April 19.

After asserting that the threat to peace proceeded from "capitalist monopolies which have a vested interest in war," *Kommunist* protested against "Yugoslav reproaches to both sides concerning the arms race," which put "the peaceful policy of the Socialist countries on a level with the aggressive policy of the ruling circles of the imperialist States." The Yugoslav programme, it argued, ignored "the class essence, the political character of the bourgeois State, and distracts the attention of the proletariat from the historic task of the revolutionary conquest of power." Although the transition to Socialism might take place either forcibly or peacefully, "even the peaceful way is one form of revolutionary development." The Yugoslav League of Communists had been led by its theories to renounce the "leading role" of the Communist Party and to consider the "withering away" of the State as an immediate task, ignoring Lenin's view that the State was necessary "right up to the transition of victorious Socialism into complete Communism." In consequence the Yugoslavs had adopted an attitude of "petty-bourgeois nationalism," and had failed to recognize that "in certain conditions proletarian internationalism demands the subordination of the interests of the proletarian struggle in one country to the interests of the struggle on a world-wide scale."

In an attempt to meet Soviet criticisms, the League of Communists had introduced a number of amendments into the draft programme even before the publication of the *Kommunist* article. The most important of these were the omission of the reference to the Teheran, Yalta, and Potsdam conferences and the insertion of a statement that "the Warsaw Pact and similar measures of the Socialist countries form a natural defensive reaction to the establishment of the North Atlantic Pact, as well as to the rearmament of Germany." The reference to Stalin's "hegemonistic aims" was also omitted, and a reference to the fact that Stalin's anti-Yugoslav policy had been condemned by the 1956 congress of the Soviet Communist Party was inserted instead.

The League of Communists had invited 51 Communist, Socialist, and other parties and organizations to send delegations to the Ljubljana congress. The invitations were rejected by a number of Western Socialist parties, but accepted at first by most of the other organizations. On April 5, however, the Soviet Communist Party reversed its decision to send a delegation, this example being followed by the Communist parties of China, Bulgaria, Rumania, Czechoslovakia, Poland, Hungary, Eastern Germany, Albania, Mongolia, Sweden, and Great Britain.

Among the organizations represented at the congress were the Danish, Norwegian, and Indonesian Communist parties, the Italian, Japanese, and Chilean Socialist parties, the Algerian National Liberation Front, and the National Union of the United Arab Republic. The diplomatic representatives of the U.S.S.R., China, Bulgaria, Rumania, Poland, Hungary, Eastern Germany, Mongolia, and North Vietnam attended the congress as "observers"; the Czechoslovak Ambassador was refused admission to the congress as he was unable to produce his credentials.

Great offence was caused in Yugoslavia by a speech made by M. Khrushchev on April 10 after his return from a visit to Hungary, one passage of which was regarded as an indirect attack on the Yugoslav leaders.

After praising the Hungarian Communist leaders as "faithful friends of ours, struggling against opportunism and treachery, nor slurring over the question of class struggle," M. Khrushchev continued: "They do not grovel for the friendship of those who would like to throw them some of their stale goods in order to entice them to their side. Guided by the revolutionary Marxist-Leninist teaching, they know one thing—do not adapt yourselves to imperialists. Nobody can sit on two stools at the same time; he will inevitably come a cropper on a certain part of his anatomy, and rightly so."

Although expressing "serious reservations" about the section of the Yugoslav programme dealing with international relations, and with certain of its theoretical conclusions, the organ of the Polish United Workers' Party (*Trybuna Ludu*) adopted a more friendly attitude towards the League of Communists in an article published on April 23. It emphasized that the Polish party stood for the independence of all parties and non-interference in their internal affairs, as distinct from friendly criticism, and expressed the desire for a strengthening of co-operation between the Polish and Yugoslav parties and "a *rapprochement* of views on the basis of the creative ideas of Marxism-Leninism."

Congress of Yugoslav League of Communists. - Speeches by President Tito, M. Rankovich and M. Kardelj. - Replies to Soviet Criticisms. - "Cominform" Policy denounced by M. Rankovich.

The Ljubljana congress was opened on April 22 by President Tito, who, although conciliatory in his references to the Soviet Union, reaffirmed the Yugoslav Government's policy of ideological and political independence.

In the section of his speech dealing with international relations, **President Tito** said that Stalin's "inflexible and unnecessarily menacing foreign policy," which had prevented the Western Powers from achieving their aims by diplomatic means, had led them to make "a show of force," whilst the Atlantic Pact, which was aimed at "world domination," had in turn inevitably led to the formation of the Warsaw Pact. Since Stalin's death the Soviet Union had altered its methods, and had endeavoured to settle international problems by negotiation. This change, however, had been erroneously interpreted as a sign of weakness, and the Western Powers had turned down the Soviet proposals and continued to build up their military forces. After repeating his proposal that countries outside the Atlantic and Warsaw Pacts should take part in a summit conference, President Tito said that he was "not too optimistic" about the results of such a conference, but that an agreement even on one question—e.g. the cessation of nuclear tests—would lead to a relaxation of tension and the possibility of a settlement of other outstanding problems.

Since the talks between the Yugoslav and Soviet leaders in August 1957, he continued, relations between the two countries had been developing very successfully "until today. [The text of the speech circulated beforehand said that Soviet-Yugoslav relations were "today" developing very successfully, this being officially described as a printing error.] "Certain comrades" in some East European countries, however, still showed "signs of distrust" towards Yugoslavia and were suggesting that she should be "educated and again brought into the camp. "This is not the way to promote confidence and good relations between Socialist countries," President Tito declared, "and it would be very useful if these comrades finally abandoned such absurd tendencies, which are only harmful and prevent the proper development of our relations." Repudiating the allegation that the Yugoslavs were not "internationalists," he observed that "internationalism means respect for equal relations and a comradely attitude towards those countries which are building Socialism."

"During the last few years of the Stalin period," President Tito went on, "the workers' movement . . . not only stagnated but even retrogressed. The reasons for this were to be found, in the first place, in the dependent policies conducted by the various parties whose leaders had been accustomed to receiving and implementing directives from outside, regardless of whether these directives were the right ones or not for the country concerned. This was typical up to the 20th Congress of the Communist Party of the Soviet Union . . . It is particularly important that the old forms of co-operation are being gradually abandoned and that bilateral relations are being adopted. This does not in any way mean that there is a weakening of the Socialist world, or of its unity and effectiveness, but precisely the opposite. It makes possible the mobilization of all the forces of Socialism . . . Because of this attitude of ours regarding co-operation between Communist parties and progressive movements in the world in general, we could not sign the declaration of the 12 Communist and workers' parties of the Socialist countries in Moscow [see 15938 C]."

In the concluding section of his speech, President Tito strongly protested against the "propaganda campaign" against Yugoslavia which, he alleged, had been organized by certain foreign Socialists, and particularly by some members of the British Labour Party, in connexion with the trials of M. Djilas and four former Serbian Socialist leaders [see 16067 A; 15822 A].

In a speech to the congress on April 23, M. Rankovich (a Vice-President of the Federal Executive Council) replied to the Soviet criticisms of Yugoslav policy, and particularly to M. Khrushchev's speech of April 10. During this section of his speech, the text of which had been circulated beforehand, all the observers from the Communist countries walked out with the exception of the Polish Ambassador.

M. Rankovich said: "No attempt from abroad to destroy the struggle of the Communists and people of Yugoslavia for independence and Socialism, or to turn them in another direction, can succeed. We pursued this course faithfully in 1948, when we were asked to abandon this road in the name of what was called 'higher interests,' and to renounce our independence and our Socialist development. Many responsible and eminent leaders of the U.S.S.R. and other East European countries have expressed their admiration of the fact that, in spite of strong pressure from the Stalinists and the Cominform policy, we succeeded in maintaining and consolidating our independence . . . Now, however, we are again hearing voices from various sides making barely disguised allusions to the effect that we are 'sitting on two stools,' to our 'bowing and scraping before the imperialists' in order to get some of their 'tainted goods,' and so on. They say that only the countries of the Socialist bloc do not bow before the imperialists but pursue an independent policy and a policy of peace - meaning that Yugoslavia, as a Socialist country which does not belong to the camp, is by this very fact 'bowing and scraping' before the imperialists and is not pursuing an independent policy or a policy of peace. How absurd that is!" [This passage was followed by a prolonged ovation, which included the singing of patriotic songs.]

"Neither the Communists nor the peoples of Yugoslavia who followed their lead sat on two stools," M. Rankovich continued. "They did not sell out to Fascism or reconcile themselves to it, nor did they sell out to anyone in 1948, even when there was a rattling of arms on the Yugoslav borders . . . If we Yugoslav Communists had had such flexible spines they would have bent in 1948 under the powerful pressure of the great propaganda machine turned upon us from several countries. And not only propaganda . . . If a blunder has been made as regards our unity, that does not give anyone the right to interfere in the internal affairs of our country, or to pin their hopes on alleged disunity in the League of Communists and among its leaders. The experience of the past shows that the discredited method of playing off one people against another cannot succeed . . . All propaganda moves to play off the leaders of one country against the leaders of another are senseless. They can only serve to provoke mutual suspicion and distrust . . .

"Unfortunately, it is evident that some highly responsible people in our neighbourhood, instead of learning a lesson from the past, are beginning to sharpen the rusty old weapons of the Cominform again, openly reviving the long-discredited charges against the Yugoslav Communists about having 'departed from the principles of Marxism-Leninism,' 'serving the bourgeoisie,' etc., while initiating a policy of pressure against Yugoslavia and its Socialist institutions. In this we see nothing but an absurd, barren attempt to isolate the League of Communists . . . We considered, and still consider, that divergences of an ideological nature need not affect the friendly development of relations between States, and especially between countries which are building Socialism . . ."

M. Kardelj (also a Vice-President of the Federal Executive Council) submitted a report on the draft programme on April 24, in which he dealt with the specific criticisms raised by the Soviet Communist Party.

On the subject of co-operation between Communist parties, **M. Kardelj** said: "The programme provides that such co-operation should be completely voluntary and based on equality; that it should preclude the imposition of an attitude by the majority; and that it should recognize the exclusive right of each individual party to appraise the suitability or the ideological or tactical correctness of any action. When stressing such principles of co-operation, we are guided primarily by experience from the past, when one organizztion for mutual co-operation—the Cominform—was turned into an instrument of pressure against Yugoslavia. Much has changed since then, and we do not claim that the conditions for the repetition of such actions exist today. However, the

contradictions of the transitional period and the powerful influence of the present international situation on relationships between Socialist countries can still be a source of mistakes and negative tendencies, which is why co-operation should be of such a kind as to make it impossible, or at least more difficult, for such tendencies to assert themselves . . ."

Dealing with Yugoslavia's attitude towards military blocs, M. Kardelj said: "The Warsaw Pact, as an international factor, will no doubt have a defensive role as long as the reactionary forces in the world endeavour to exploit the Atlantic Pact and similar organizations as an instrument in the anti-Communist crusade . . . The division of the world into blocs cannot be destroyed by discussions on the mechanical, unilateral disbanding of these blocs, but only by removing those causes in international relations which have led to their creation. This primarily means by struggle against the domination of power politics in international relations—that is, through the struggle for active co-existence, based on constant efforts for disarmament and the promotion of democratic relations between peoples. We consider that certain of the proposals of the Soviet Union and other Socialist countries during the last few years act precisely in that direction. All Governments whose interests lie in peace should act in the same direction, irrespective of whether or not they belong to one or other of the military pacts. The independent foreign policy of Socialist Yugoslavia, which is not committed to any military pact, operates in that direction. We think that Yugoslavia, by conducting such a policy, can contribute not only to the consolidation of peace but also to the strengthening of the Socialist forces. Conversely, by abandoning this position Yugoslavia would only contribute to intensifying the antagonisms in Europe, and would thereby be inflicting harm upon the genuine interests of international Socialism."

The League of Communists, M. Kardelj emphasized, would accept criticisms of its programme from abroad if they were not in conflict with the League's principles. They would not, however, "recognize the right of anyone to determine what in that programme is Marxist and what is not, what should go into our programme and what should not . . ."

The congress concluded on April 26 with a speech by President Tito, in which he again referred to relations with the Soviet Unions.

"Certain manifestations of dissatisfaction have appeared at this congress," President Tito said, "because certain fraternal parties reported that their delegates would attend the congress and then cancelled the trip for very unconvincing reasons. Such reactions are not the result of any exaggerated sensitivity, but of memories of the dark past . . . We should like to solve our misunderstandings and disagreements in a different way in future, through comradely understanding . . . The negative and incorrect Press articles and the biassed speeches about Yugoslavia in some Socialist countries cannot be regarded as optimistic prospects for our future relations. It is time they understood us properly, or attempted to do so, because . . . any expectation in any quarter that we shall renounce our positions of principle, both in international and in domestic matters, is just a waste of time . . ."

It was reported at the congress that the membership of the Yugoslav League of Communists was 755,055. The new Central Committee elected an Executive Committee (formerly known as the Politburo) of 15 members, of whom President Tito, M. Kardelj, M. Rankovich, M. Vukmanovich, and General Gosnjak formed the Secretariat.

Intensification of Anti-Yugoslav Propaganda Campaign.

The Ljubljana congress was followed by an intensification of the propaganda campaign against Yugoslavia in the other Communist countries. The most violent attack on the Yugoslav programme yet published appeared on May 5 in the Peking *People's Daily*, the official organ of the Chinese Communist Party.

The article said that the Cominform resolution of 1948 on Yugoslavia [see 9381 A] had been "basically correct," although "mistakes" had been made in dealing with the problem and the 1949 resolution [see 10404 A] had been "incorrect." Describing the Yugoslav draft programme as "a wild attempt to induce the working people of various countries to take the road of surrender to capitalism," the article commented that it was "by no means accidental" that it had appeared at a time when "the imperialists, led by the United States, are stepping up their sabotage of the world Communist movement."

A vigorous reply to the Chinese attack was published on May 9 in the Yugoslav weekly *Kommunist*, which denounced the "filthy insinuations" of the Peking *People's Daily*.

Pointing out that the criticisms in the *People's Daily* were virtually identical with those in the 1948 Cominform resolution, *Kommunist* recalled that 12 of the 17 signatories of that resolution from Communist countries had since fallen into disgrace. M. Kostov (Bulgaria) and MM. Slansky and Geminder (Czechoslovakia) had been hanged; M. Chervenkov (Bulgaria) had been removed from the Premiership; Mme. Ana Pauker (Rumania) and M. Berman (Poland) had been expelled from the Communist Party; M. Luca (Rumania) and General Farkas (Hungary) were in prison; MM. Rakosi and Gerö (Hungary) were in exile; M. Malenkov (U.S.S.R.) had been expelled from the Communist Party's Central Committee; and M. Bares (Czechoslovakia) had been removed from his party functions. *Kommunist* added: "Stalin's attempt to make an arbitrary appraisal of the social and political order in Yugoslavia met with inglorious failure. Under present conditions such attempts are all the more doomed to failure."

The *People's Daily* (the article continued) "demands . . . that we Yugoslav Communists renounce not only the principles on which we are today conducting our Socialist internal and foreign policy, but also every independent development of Marxist thought . . . If this is the price of co-operation, than what is involved is a problem exactly 10 years old; and for Yugoslav Communists that price is unacceptable today just as it was 10 years ago . . . We can pass over, with indignation but nevertheless quietly, the filthy insinuations about the connexion of the League of Communists and its policy with the political plans of American or other imperialists. History has already given its judgment on whom such accusations and such methods really benefit. . ."

The article in the *People's Daily* was reprinted on May 6 in *Pravda* and broadcast on May 9 by the Serbo-Croatian service of Moscow radio. Other articles criticizing the Yugoslav League of Communists, though in milder terms, appeared in *Rude Pravo* (the organ of the Czechoslovak Communist Party) and in *Neues Deutschland* (organ of the East German Socialist Unity Party). The Polish Press, on the other hand, maintained a neutral attitude, publishing both the Chinese and Soviet criticisms of Yugoslav policy and extracts from *Kommunist's* reply to those criticisms.

Following a meeting of the Central Committee of the Soviet Communist Party on May 6-7, at which the Soviet Ambassador in Belgrade (M. Zamchevsky) was present, *Pravda* published a long editorial on May 9 which suggested that Soviet economic aid to Yugoslavia might be ended.

Pravda accused President Tito of "white-washing" the Western Powers and "grossly distorting historical facts" by attributing the post-war international tension to "the policy of the U.S.S.R. in the Stalin period." It described his expressions of gatitude for U.S. economic aid as "kowtowing to American ruling circles," and declared that Yugoslavia was "in favour with the American monopolists" because the Yugoslav leaders were "endeavouring to smear the Soviet Union and weaken the unity of the international Communist and working-class movement." Commenting on the reference in the draft programme to the possibility of exploitation of one Socialist country by another, it asked whether Yugoslavia felt that her economic relations with the Soviet Union fell into this category, and added: "If so, it would be possible to free Yugoslavia from such exploitation."

M. Zamchevsky returned to Belgrade on May 10. On the following day, a few hours before President Voroshilov was due to arrive for a State visit to Yugoslavia, it was officially announced in Belgrade that the visit had been postponed, no reason being given.—(Tanjug Agency, Belgrade - Times - Manchester Guardian) **(Prev. rep. 15938 C.)**

A. UNITED KINGDOM. — Islington By-election.

Polling took place in North Islington on May 15 in the by-election caused by the death of Mr. Wilfred Fienburgh (Labour), who died on Feb. 3 from severe injuries received in a motor accident. The seat was held by the Labour Party, voting being as follows:

Reynolds Gerald (Labour)	13,159
Bartle, Ronald (Conservative)	5,698
*McKie, James (Independent Labour Party)	576
No change. Labour majority	7,461

*Forfeited deposit.

Figures at the general election were: W. Fienburgh (Lab.) 22,100, E. Mackinnon (C.) 14,522—Labour majority, 7,578.

The Labour candidate received 67.8 per cent of the votes in the by-election, the Conservative candidate 29.3 per cent, and the I.L.P. candidate 2.9 per cent; at the general election the Labour candidate received 60.3 per cent and the Conservative candidate 39.7 per cent in a straight fight. The Labour proportion of the poll thus increased by 7.5 per cent and the Conservative proportion fell by 10.4 per cent. Only 35.7 per cent of the electorate went to the polls, compared with 64.7 per cent at the general election. The total electorate numbered 54,476, a decrease of 2,098 since the general election.

Mr. Wilfred Fienburgh (38) was assistant secretary of the Civil Service Clerical Association before entering the Labour Party Research Department in 1947, specializing in economic affairs. He served in the Rifle Brigade during the war, held the rank of major on the General Staff on demobilization, and entered Parliament for North Islington in 1951.

Mr. Gerald Reynolds (30) is local government officer to the National Executive Committee of the Labour Party. He unsuccessfully contested Worthing at the 1951 general election. (Times - Daily Herald) **(Prev. rep. By-elections, 16089 C.)**

A. FINLAND. — Resignation of von Fieandt Cabinet. - New Non-party Cabinet formed by Dr. Kuuskoski.

The non-party Government of Dr. von Ficandt resigned on April 18 after being defeated on its price policy for agricultural products.

On March 19 the Cabinet had decided to reduce the retail price of butter by 40 marks a kilogram, while at the same time increasing the price of milk, cheese, and flour mixtures—the last-named measure resulting in a considerable increase in the price of bread and other bakery products.

The Government's decision to make these price changes was the result of a prolonged political dispute which had threatened to disrupt the Government. On the one hand, the existing legislation on farmers' incomes necessitated higher prices for farm products to bring farmers' incomes into line with general pay increases; on the other, it was recognized that an increase in the retail price of foodstuffs was bound to lead to a further rise in the cost of living. The higher prices for milk and cheese were accordingly meant to satisfy the farmers, whereas the reduction in the butter price was intended to compensate consumers and at the same time to stimulate home consumption. The resulting increase in State subsidies to butter producers (by some 4,200,000,000 Fmk. annually, to make up for the retail price reduction) was covered from the budgetary point of view by the decision to increase the sales price of Government-imported cereals to the higher price level for home-produced wheat and rye, thus giving the Government an extra revenue of 4,500,000,000 Finnmarks annually. As a compensation for the resulting increase in the bread price, the Government decided to grant poorer families a special allowance.

A debate opened in the Diet on April 15 on (1) an Agrarian motion demanding the cancellation of the increase in the bread price; (2) a Social Democratic motion demanding changes in legislation on farmers' incomes, which was described as harmful to the poorer elements of the population; (3) a motion by the Popular Democratic Union (Communists) demanding the Government's resignation and a complete changed in the country's economic policy; (4) a motion by the President of the Diet expressing confidence in the Government. After a four-day debate, dominated by the forthcoming general elections to be held in July, the Diet adopted the Social Democratic censure motion by 143 votes to 50, with five abstentions and two deputies absent. The Government thereupon resigned the same day.

Defending the Government's policy during the debate, Dr. von Fieandt pointed out that whilst the law on farmers' incomes had been unanimously voted at the time, it was not regarded as entirely satisfactory; the previous Government had therefore appointed a special committee to draft amendments. He dwelt on the difficulties of supplying consumers with farm products at reasonable prices while at the same time assuring a fair standard of living to the farming population; stated in the latter connexion that whereas the cost-of-living index had increased by 18.2 per cent since May 1956, the price of farm produce as a whole had risen by only 5.8 per cent; and stressed that the Government had increased family allowances to compensate poorer families for the higher bread price, and had also introduced a Bill providing for special grants to families with many children. Dr. von Fieandt dwelt on the compromise nature of the Government's decision, and emphasized that the precarious position of the Treasury made any further subsidies impossible.

The Social Democrats' censure motion was supported not only by the Communists but also by the Agrarians.

After consulting the leaders of the various parties, and ascertaining that it would be impossible to form a majority government under present circumstances, President Kekkonen called on Dr. Reino Kuuskoski (director of the National Pensions Institution, and a former Minister of Justice) to examine the possibility of forming a Cabinet. Only the dissident Social Democrats [see below], however, were willing to serve under Dr. Kuuskoski, whilst the Agrarians, the majority of the Social Democrats, the Swedish and Finnish national parties, and the National Coalition Party all declined to do so. Dr. Kuuskoski thereupon decided to form a non-party government of officials, businessmen, and trade union representatives, his Cabinet being announced on April 26 with the following membership:

Dr. Reino Kuuskoski ..	Prime Minister.
Mme. Tyyne Leivo-Larsson	Deputy Premier and Minister without portfolio.
*M. P. J. Hynninen	Foreign Affairs.
Dr. J. O. Söderhjelm ..	Justice.
M. Harras Kyttä	Interior.
M. Lars Björkenheim ..	Defence.
M. I. O. Nurmela	Finance.
M. Kustaa Vilkuna	Education.
M. Pauli Lehtosalo	Agriculture.
M. Matti Lepistö	Deputy Minister of Agriculture.
*M. Paavo Kastari	Communications and Public Works.
M. Eero Antikainen ..	Deputy Minister of Communications and Public Works.
M. Lauri Kivekäs	Commerce and Industry.
M. Valdemar Liljeström ..	Social Affairs.

*Held same post in previous Government.

Dr. Kuuskoski, M. Vilkuna, M. Kastari, M. Lehtosalo, and M. Lars Bjorkenheim all belong to the Agrarian Union; Mme. Leivo-Larsson, M. Lepistö, and M. Liljeström are members of the dissident Social Democratic Party in the Diet; whilst M. Kyttä belongs to the Finnish National Party. M. Antikainen (chairman of the Finnish T.U.C.) and M. Liljeström (chairman of the Metalworkers' Union) represent the trade union movement; industry is represented by M. Kivekäs and M. Söderhjelm; and commerce by M. Nurmela. It was emphasized, however, that all the members of the new Government were serving in a personal capacity and did not represent the parliamentary groups to which they belonged.

In a broadcast on April 26, Dr. Kuuskoski said that in view of the unstable political and economic conditions, the Cabinet would act as a caretaker Government pending the elections in July. It would deal with outstanding business in conformity with the law and the decisions of Parliament; try to ensure the solvency of the State and apply strict economies; and reduce expenditure caused by unemployment, while working out an unemployment insurance scheme. In foreign affairs it would continue the country's traditional policy of neutrality and maintain good relations with all States, especially the Soviet Union and the Scandinavian countries.

On May 2 the new Government introduced a Bill asking for special powers to fix the prices and selling conditions for imported rye and wheat to be sold by the State cereal depot. The Bill laid down that in fixing such prices regard must be had to maintaining the cost of living within reasonable limits, as well as to the furtherance of home cereal production.

Split in Social Democratic Party.

Following their expulsion from the Social Democratic Party, the three deputies belonging to the minority opposed to M. Tanner's leadership—M. Simonen, M. Liljeström, and M. Lepistö—decided on March 27 to form an "Independent Social Democratic" group in the Diet. During April they were joined by another deputy, Mme. Malkamäki, who had been rejected by the Social Democratic Election Board as a candidate for the general elections, in conformity with the party leadership's earlier decision to reject all candidates belonging to the minority. The Trade Union Federation decided to support the new party, whereupon the Social Democrats threatened on April 10 to form a new trade union confederation unless the T.U.F. abandoned party politics, ceased its support for the dissident Social Democrats and their newspapers, readmitted members and trade unions which it had expelled, and admitted newly-formed trade unions to membership—in particular the Electricians' Union and the Port Workers' Union.—(Finnish Ministry of External Affairs, Helsinki) **(Prev. rep. 15950 D; 15876 A.)**

B. UNITED KINGDOM. — Royal Empire Society renamed Royal Commonwealth Society.

The chairman of the Royal Empire Society (Earl de la Warr) announced on May 8 that the society would henceforth be known as the Royal Commonwealth Society, the change of name having been approved by H.M. the Queen by Order-in-Council.

After explaining that the decision had been taken on advice received from the Society's branches in all parts of the Commonwealth, Lord de la Warr said: "The bulk of the Society's members are overseas, and there is no question that in Dominions like Australia and Canada our work will be tremendously strengthened when we make this change. As an Empire Society we could not exert the influence we should be able to do. The change is going to enable us to do a great deal more in the new Commonwealth countries such as Ghana and Malaya . . . All we are doing is recognizing reality. Our old name was holding up our development in the new Commonwealth territories. We just would not have made any headway—particularly with younger people."

Lord de la Warr also pointed out that the former chairman of the Society (Sir Charles Ponsonby) had travelled extensively throughout the Commonwealth in 1957 and had found overwhelming evidence that the word "Empire" was holding up the work of the Society, and a strong demand for its replacement.

Of the 29,000 members of the Society, some 22,000 are overseas. There were 3,000 replies to a circular letter seeking opinions on the change of title, the ratio in favour being 12 to one. In addition, many overseas branches—including most of the Australian branches—had passed resolutions favouring the change of name. (Times - Daily Telegraph)

A. UNITED KINGDOM.—The H-Bomb Controversy. - House of Commons Questions on Nuclear Bomber Flights over Britain. - Statements by Mr. Macmillan and Mr. Butler. - Nuclear Disarmament Campaign. - The Aldermaston March. - Mr. Macmillan's Reply to Scientists' Petition. - University Referenda.

During recent months the Prime Minister was closely questioned by a number of Opposition M.P.s on the subject of flights over Britain by H-bomber patrols of the R.A.F. and the U.S. Air Force. Particular attention was drawn to the danger of radioactivity in the event of the crash of an aircraft carrying a nuclear weapon, and to the risks involved in flights over Britain by aircraft carrying such weapons. Mr. Macmillan and Mr. Butler gave assurances on these and a number of related matters in reply to numerous questions in the House of Commons in December 1957 and February and March 1958.

House of Commons Questions. - Government Statements.

In reply to questions on Dec. 3, 1957, by Mr. Roy Mason and other Labour M.P.s, Mr. Macmillan said that it was "clearly necessary for all forces, whether American or British, to operate with their weapons on board; it is the only way they can learn to handle them." He emphasized, however: (1) that the weapons were not armed; (2) that the process of arming them was "quite an operation"; and (3) that U.S. bombers based in Britain could not be used for military operations except with the agreement of the British Government. Mr. Macmillan added that "all these cases are covered by the Churchill-Attlee understandings."

Further questions were asked on Dec. 12 by Mr. Arthur Henderson, Mr. Shinwell, Mrs. Barbara Castle, and other Labour members.

Mr. Henderson asked the Prime Minister "what change in the international situation led to the decision by H.M. Government, in conjunction with the U.S. Government, to place the U.S. and R.A.F. bomber squadrons in the United Kingdom in a state of readiness as from Oct. 1"; while **Mr. Shinwell** asked what representations had been received from the U.S. Government "suggesting that the R.A.F. be placed in a state of readiness in conjunction with the U.S. bomber force."

Mr. Macmillan replied: "The state of readiness of our air forces and those of the United States are matters for our respective Governments, though naturally there is close co-operation between us. No representations have been received in respect of the readiness of our air forces, and H.M. Government have made none to the U.S. Government. Naturally it is the aim to continue to improve the state of readiness. The present state of readiness is a manifestation of that aim, and is not connected with any change in the international situation."

Mrs. Castle asked the Prime Minister to what extent U.S. aircraft carrying hydrogen bombs on patrol in Britain were also carrying the apparatus which would enable the bombs to be armed in flight.

Mr. Macmillan replied: "U.S. aircraft carrying nuclear weapons also carry the apparatus for arming them. I have the assurance of the U.S. Government that the pilots have specific instructions not to arm weapons until they are directly ordered to do so in order to carry out an operation of war, and that in that event the arming would not take place until the latest moment necessary for the execution of the operation. I must repeat that such an order could be given only after agreement between the two Governments."

Mrs. Castle: "Does not that answer reveal that the Prime Minister gave a misleading impression to the House [on Dec. 3] when he said there was not really any danger in patrol and training flights because these bombs were not armed? Did he not give the impression that the arming of these bombs was a long and difficult process? Is it not now clear that these bombs can be armed in flight in a matter of minutes by remote control from the crew cabin? Does not this mean that the bombs are armable within a few minutes during patrol flight?"

Mr. Macmillan: "I do not think I gave any wrong impression to the House . . . I tried to describe the operation by saying that these bombs were in existence but were not fused, thinking of the experience we had with minor weapons which were kept in a certain position until fuses were put into them. This is exactly the same, except that the fuse is a much more complicated and elaborate instrument than the older fuses of which I was thinking. I tried to give, and did give, an exact description to the House."

Mr. Butler, Home Secretary and Lord Privy Seal, made the following statement to the House on Feb. 4, 1958, on the carrying of nuclear bombs in British and U.S. aircraft:

"It is necessary for the maintenance of the deterrent that aircraft of the R.A.F. and U.S.A.F. should from time to time carry nuclear weapons over the United Kingdom. Such flights take place infrequently and dummy bombs are used whenever possible. When real bombs are carried it is only on special operational exercises and on training exercises which involve moving aircraft from one airfield to another with their weapons.

"Bombs carried on such flights are never ready for instantaneous use. As the Prime Minister explained on Dec. 12, aircraft carrying nuclear weapons also carry the apparatus for arming them. The process of arming would require an elaborate technical procedure by the crew of the aircraft, and in no circumstances could bombs be armed by accident.

"As regards danger from a crash of an aircraft carrying a nuclear weapon, the risk from radiation, if any, would be small. Contamination of the ground, if it existed at all, would be limited to the immediate vicinity of the crash and could be dealt with in due course by special military teams.

"For these reasons it has not hitherto been considered necessary to add any special instructions relating to aircraft carrying nuclear weapons to the standard instructions issued to local services, such as the police and fire brigades, on action to be taken in relation to crashed aircraft. These standard instructions are kept continually under review and will be added to and amended if necessary.

"As regards U.S. aircraft operating from bases in this country, the position is that in accordance with the understanding reached by Lord Attlee and confirmed afterwards by Sir Winston Churchill, the operational use of these bases in an emergency would be a matter for joint decision by H.M. Government and the U.S. Government. It would not be in the interests of this country for me to disclose details of operational procedure."

On March 13 the Prime Minister answered 14 questions from Labour M.P.s, as well as a number of supplementaries, arising out of the incident in South Carolina in which a nuclear bomb was dropped from a U.S. aircraft [see 16180 C].

Mr. Macmillan said: "The cause of the recent accident in the United States was quickly known. Consequently, the U.S. authorities were able to inform us almost immediately of the new arrangements which should prevent any repetition. These new arrangements are known to all concerned. As regards the result of the accident, preliminary reports appear to confirm the statements which the Minister of Defence, the Lord Privy Seal, and I have made about the possible damage from an accident of this sort. With regard to the carriage of nuclear weapons by aircraft using U.K. bases, the position is as stated by the Lord Privy Seal on Feb. 4. Nuclear weapons are only carried on special operational exercises, or on training exercises in which it is necessary to transport the weapons with their aircraft from one airfield to another. Bombs carried in these exercises are never ready for instantaneous use. The process of arming the bombs requires an elaborate procedure by the crew of the aircraft, and the bombs cannot be made ready for use accidentally."

Campaign for Nuclear Disarmament. - Appeal for Suspension of Nuclear Tests. - The Aldermaston March.

In addition to the Labour Party-T.U.C. decision to launch a national campaign for disarmament and the immediate suspension of nuclear tests [see 16151 A], similar campaigns were announced during the first few months of 1958 by a number of unofficial organizations of varying size and importance. The largest of these organizations was launched in February under the name of the Campaign for Nuclear Disarmament, with Earl (Bertrand) Russell as its president and Canon L. J. Collins (of St. Paul's Cathedral) as chairman of its executive committee. Disclaiming any political ties, the organization was launched "to demand a British initiative to reduce the nuclear peril and to stop the armaments race, if need be by unilateral action by Great Britain."

The other members of the executive committee included Mr. Michael Foot, editor of *Tribune* and former Labour M.P.; Mr. Ritchie Calder, the scientific journalist; Mr. J. B. Priestley, the novelist and playwright; Mr. James Cameron, of the *News Chronicle*; Mr. Howard Davies, treasurer of the United Nations Association; Mr. Kingsley Martin, editor of the *New Statesman*; and Lord Simon of Wythenshawe.

During the first week of April the Campaign for Nuclear Disarmament organized a 50-mile protest march from London to the Atomic Weapons Research Establishment at Aldermaston, Berkshire. About 4,000 marchers—many of them students and young people—left Trafalgar Square on April 4 after hearing speeches by Canon Collins and other leaders of the movement; although many of the marchers dropped out *en route*, over 5,000 people were present when the march ended at Aldermaston on April 7. After a number of speeches outside the A.E.R.E., the marchers dispersed after adopting a resolution (by show of hands) to be sent to 10, Downing Street, and to the American and Soviet Embassies. Apart from some scuffles at Aldermaston, the march was uneventful and was completed without incident. The marchers included Mr. Frank Allaun, Labour M.P. for Salford East, and Dr. Donald Soper, the Methodist leader, while the speakers at Aldermaston included Pastor Martin Niemöller, president of the Evangelical Church in Hesse and a leading figure in the West German "anti-nuclear" campaign.

At the beginning of May the Campaign for Nuclear Disarmament sent an appeal to the Prime Minister, signed by several bishops and heads of universities and colleges, calling upon the Government to suspend further tests of atomic and hydrogen weapons and not to support proposals for the supply of atomic weapons to Western Germany.

The 71 signatories included the Bishops of Birmingham and Llandaff, the Moderator of the Church of Scotland (Dr. Macleod), the Vice-Chancellor of Glasgow University (Sir Hector Hetherington), the Principal of St. David's College, Lampeter (Canon J. R. Lloyd Thomas), the Principal of University College, Bangor (Sir Emrys Evans), Lord Boyd-Orr, Sir Compton Mackenzie, Dame Peggy Ashcroft, and Mr. Denis Matthews, the pianist.

Prime Minister's Reply to Petition by Scientists.

The text was published on May 2 of the Prime Minister's reply to a petition by 618 British scientists, including 69 Fellows of the Royal Society, urging that "an international agreement to stop the testing of nuclear bombs be made now." The petition was forwarded to Mr. Macmillan by Earl Russell, who said in a covering letter that he personally felt it "intolerable that Britain should continue its present series of tests despite the suspension by the Soviet Government"; Lord Russell added that "a unique opportunity now exists to reduce the nuclear peril which confronts us all."

Among Fellows of the Royal Society signing the petition were Lord Boyd-Orr, Sir Charles Darwin, Sir Alfred Egerton, Sir James Gray, Sir Julian Huxley, Sir Joseph Hutchinson, Sir Ben Lockspeiser, and Professors Max Born, J. D. Bernal, J. B. S. Haldane, Lancelot Hogben, and C. F. Powell, in addition to Earl Russell.

Mr. Macmillan replied to Earl Russell as follows:

"I note that there is a significant difference between the terms of the petition which the scientists signed and those of the covering letter which accompanied it. The petition calls for an international agreement to stop the testing of nuclear bombs now. You, in your covering letter, ask for an immediate end to the present series of British nuclear tests.

"I, no less than the signatories to the petition, have a deep concern for the welfare of all human beings. The whole British people share that concern . . . which is not confined to those who participate in demonstrations or sign petitions to urge the ending of our tests now. It is this very concern which leads me and my colleagues to doubt the wisdom at the present time of the suspension of British tests, and to fear that such a step now would increase and not lessen the danger of war, with the wholesale slaughter that modern war would mean.

"The position of H.M. Government, which has been frequently explained in the House of Commons and elsewhere, is that unilateral declarations of intention to suspend tests are in themselves of little value, and that the suspension of tests should not be considered in isolation from other aspects of disarmament.

"What is needed in this field, as in other disarmament matters, is an international agreement including adequate measures of inspection and control. H.M. Government hope that it will be possible to reach a disarmament agreement, which would include the suspension of nuclear tests, or at least to make progress toward such an agreement, at a meeting of Heads of Governments. H.M. Government wish to see such a meeting take place in conditions which offer a chance of success. For that reason they are at the moment, in concert with their allies, conducting negotiations with the Soviet Union with a view to arranging a meeting of Heads of Governments.

"I cannot accept that it is the view of a large majority of the British people that the present series of British tests should be suspended. I know of no scientific evidence for the assertion to this effect in your letter. On the contrary, I believe that the people of this country recognize that, in the absence of a disarmament agreement, it is essential to rely upon the nuclear deterrent in order to prevent aggression . . . I believe also that the British people would not consider that they were taking a moral stand, or contributing to a genuine solution of these problems, if this country were simply to abandon its contribution to the nuclear deterrent and leave to the United States the sole burden of protecting the free world against possible aggression . . .

"It must never be forgotten that the whole purpose of our policy is to save countless millions from death and suffering. This must be balanced against possible future hazards associated with nuclear tests . . ."

A petition signed by 204 professors, readers, lecturers, and research workers at London University had previously been sent to the Prime Minister by Professor D. V. Glass, Professor of Sociology in the University. It called for international negotiations on disarmament and asked that, pending such negotiations, the British Government (1) should suspend patrol flights of aircraft equipped with nuclear weapons, (2) should make no further tests of H-bombs, and (3) should not establish missile bases on British territory. The text of letters exchanged between Mr. Macmillan and Professor Glass on this matter was released on March 28.

University Referenda on Nuclear Disarmament.

A referendum on nuclear disarmament, in which all Oxford undergraduates were asked to reply to seven questions, was organized at Oxford University in the first fortnight of March by the University Committee of the Campaign for Nuclear Disarmament. The questions, and the replies received, were as follows:

(1) *Does Britain's possession of the H-bomb decrease the risk of total war?*
Yes, 37 per cent; No, 47 per cent; Doubtful, 12 per cent; No response, 4 per cent.

(2) *Does the argument that Britain's possession of the hydrogen bomb gives her greater influence in negotiations provide a sufficient reason for indefinite retention of the bomb?*
Yes, 32 per cent; No, 55 per cent; Doubtful, 7 per cent; No response, 6 per cent.

(3) *Should Britain press for agreement on nuclear disarmament without necessarily linking it with an agreement on general disarmament?*
Yes, 47 per cent; No, 42 per cent; Doubtful, 7 per cent; No response, 5 per cent.

(4) *Should Britain stop testing bombs (a) unconditionally; (b) until new attempts have been made to reach agreement with the Soviet Union?*
(a) Yes, 40 per cent; (b) Yes, 60 per cent; No, 31 per cent; Doubtful, 5 per cent, No response, 4 per cent.

(5) *Should Britain stop the establishment of missile bases on her territory (a) unconditionally; (b) until new attempts have been made to reach agreement with the Soviet Union?*
(a) Yes, 31 per cent; (b) Yes, 49 per cent; No, 10 per cent; Doubtful, 6 per cent; No response, 4 per cent.

(6) *Should Britain suspend patrol flights of aircraft carrying nuclear weapons over her territory even at the risk of straining the Anglo-American alliance?*
Yes, 38 per cent; No, 50 per cent; Doubtful, 8 per cent; No response, 4 per cent.

(7) *Should Britain do everything within her power, including, if need be, renunciation of her own nuclear arms, to stop any further countries acquiring or developing nuclear weapons?*
Yes, 53 per cent; No, 20 per cent; Doubtful, 10 per cent; No response, 7 per cent.

Of the 8,233 undergraduates in the University (7,043 men and 1,190 women), 4,015 replied to the questions asked representing 49.8 per cent of the men students and 55.1 per cent of the women students. The "anti-bomb" percentage was in general 15 to 20 points higher at the women's colleges than at male colleges.

Similar undergraduate polls were conducted during March at the Universities of London, Glasgow, Liverpool and Nottingham. (Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. 16151 A.)

A. SWITZERLAND. — Federal Franchise for Women.

The Swiss National Council (the Lower House of Parliament) adopted on March 20, by 95 votes to 87, a Government proposal to amend the Federal Constitution so as to give women the right (i) to vote in Federal elections; (ii) to be elected as members of the National Council and the Federal Council (the Government), and (iii) to be appointed judges of the Supreme Federal Court.

The decisive amendment was to Article 74 of the Federal Constitution, the revised version of which, however, makes it clear that women's franchise in cantonal and municipal affairs would be a matter for each Canton to decide. [This also affects the eligibility of women to sit in the Council of States (the Upper House of the Federal Parliament), since the members of that House are elected by the Cantons according to cantonal law.] Because of the resulting increase in the Federal electorate, the Government's proposal also provided that the minimum of signatures for demanding a referendum should be increased from 30,000 to 60,000, and for a legislative initiative from 50,000 to 100,000; this change was approved by the National Council.

The Council of States had previously endorsed the Government's proposals on Oct. 2, 1957, by 19 votes to 14, but in view of small textual amendments made by the National Council the Bill had to be referred back to the Council of States for its consent. When this is given, the proposed revision of the Constitution will be subject to a referendum in which the electorate will be asked to reply to the question: "Do you agree that women should possess the franchise in Federal matters?"

In its message of Feb. 23, 1957, proposing the granting of the franchise to women, the Federal Council had pointed out that, apart from Liechtenstein, Switzerland was the only country in Europe in which women were not yet enjoying full political rights. Several proposals had been made in recent years to extend the cantonal franchise to women in the Cantons of Geneva, Basle, and Zürich, but all had been rejected by the male electorate. The first change in this attitude occurred on Nov. 3, 1957, when a proposal to give women in the Canton of Basle City the right to vote in municipal elections was approved in a referendum by a three-to-two majority, though only 35 per cent of the electorate took part; this change, however, has not yet been implemented because of the need to revise the cantonal legislation on municipalities and, thereafter, to obtain in each municipality the consent of its voters in a referendum.—(Neue Zürcher Zeitung)

A. CEYLON. — The Language Controversy. - Federal Party's Campaign against Use of Sinhalese Symbol on Buses. - Abrogation of Agreement between Government and Federal Party. - Civil Disobedience Campaign by Federalists.

Following a period of renewed tension between the Sinhalese and Tamil communities in Ceylon, the Prime Minister (Mr. Bandaranaike) announced on April 9 that the Government would not proceed with the implementation of the agreement on the official language question which it had concluded with the Federal Party on July 26, 1957. Developments leading up to this decision are described below.

Considerable opposition to the agreement had been expressed by the United National Party and by Sinhalese communal and Buddhist organizations during the second half of 1957.

On Sept. 7 Mrs. Rajaratna, who put forward the demand for the abrogation of the agreement, was returned in a by-election in the predominantly Sinhalese constituency of Welimada, receiving 80 per cent of the votes. A ceremony to invoke the intervention of the gods to prevent division of the country, at which the agreement was denounced as a threat to religion and the nation, was held on Oct. 8 at the Temple of the Tooth in Kandy, one of the most sacred Buddhist shrines; during the ceremony fighting broke out outside the temple, and the police had to use batons to disperse the crowds. Opponents of the agreement had planned a Colombo-to-Kandy march to attend the ceremony, but the projected march (organized by Mr. Jayewardene, vice-president of the United National Party) was turned back by the police on Oct. 4 to prevent a possible breach of the peace. Threats by Sinhalese organizations to launch a civil disobedience campaign if the agreement were not repudiated by Oct. 1 failed to materialize, however, and for some months thereafter the situation remained peaceful.

Discussions on the implementation of the agreement meanwhile continued between the Government and the Federalist leaders. Progress was delayed by the Federalists' insistence that the two Bills involved—the Tamil Language Bill and the Regional Councils Bill -should be ready at the same time, and that the latter should include a detailed statement of the Councils' powers *vis-à-vis* the Central Government.

The agreement had provided that the Northern Province should form one regional area, and the Eastern Province two or more; that regions should be permitted to collaborate, amalgamate, or divide themselves; that regional councillors should be directly elected; that the Councils should have powers over specified subjects, including agriculture, co-operatives, lands and colonization, education, health, industries, fisheries, housing, social services, electricity, water schemes, and roads; that they should be empowered to decide to whom lands should be allotted and who should be employed under colonization schemes; and that they should receive block grants from the Government and should have powers of taxation and borrowing.

The situation suddenly deteriorated at the end of March 1958, when the Federal Party organized a campaign in the Tamil-speaking Northern and Eastern Provinces against the use of the Sinhalese symbol "Sri" on the number-plates of Government-owned buses. Their supporters took to daubing tar on this symbol, whilst Sinhalese-speakers retaliated by defacing Tamil letters on road signs and shop windows. On April 2 Tamil demonstrators stoned the police station at Bogawantalawa (90 miles from Colombo), whereupon the police opened fire, killing two plantation workers of Indian origin. Their funeral was attended by nearly 80,000 plantation workers and led to a *hartal* (general stoppage of work) in the Northern and Eastern Provinces on April 5. Two days earlier two Sinhalese had been fatally stabbed and many people injured in a clash between Tamil and Sinhalese demonstrators near Ratnapura, 60 miles east of Colombo.

Speaking in the House of Representatives on April 8, Mr. Bandaranaike said that during discussions with the Federalist leaders in March he had reached an understanding with them about the Tamil Language and Regional Councils Bills, which were being delayed only by the preparation of the schedule to the latter on the division of powers between the Councils and the Government. During the discussions, however, the Federalist leaders had said nothing about the use of the "Sri" symbol in Tamil districts. The Transport Board had sent new buses to these districts because complaints had been received that most of those plying on the northern routes were old ones, and nothing had happened until trouble was deliberately created. During the previous campaign in 1957 against the use of the "Sri" symbol [see 15643 A] the Sinhalese had not retaliated in any way, but the new campaign had proved to be "the last straw"; moreover, the situation had been taken advantage of by "certain elements who always emerge on such occasions." After paying tribute to the attitude of the Indian community, and particularly of Mr. Aziz (president of the Democratic Workers' Congress), who had refused to support the "anti-Sri campaign," Mr. Bandaranaike said that the Government would not allow what had happened to stand in the way of just action towards the minorities, although the position had been made much more difficult and embarrassing.

Before the Cabinet met on April 9 to discuss the situation, a large number of Buddhist monks demonstrated near the Prime Minister's residence and presented to Mr. Bandaranaike demands for the abrogation of the Government's agreement with the Federalists, the implementation of the Official Language Act, the banning of the Federal Party, and the repatriation of stateless Indian labourers. Later the same day Mr. Bandaranaike announced in a broadcast that the Government had decided not to proceed with the implementation of the agreement.

Mr. Bandaranaike stated that the Cabinet had decided that the "Sri" symbol which had been defaced on certain buses should be restored, and that legal action should be taken against anyone who tampered with this symbol or committed similar illegal acts in any part of Ceylon. After declaring that the Federalists' action had "created a new situation," he continued: "While assuring the Tamil people that the Government will do what it always intended to do in justice to them, I must say that this recent action on the part of the Federal Party has not made it possible to proceed with the implementation of the agreement as contemplated, in view of the feeling created in the country by the Federal Party's action. Further consideration of the problem has now become necessary." The Prime Minister concluded by appealing to all Ceylonese to help in removing the tension in the country, and not to be misled by "mischievous or misguided elements."

Support for the Government's action was expressed by Mr. Dudley Senanayake, leader of the (Opposition) United National Party.

The Federal Party issued a statement on April 10 calling upon all Tamil-speaking people to embark on a non-violent civil disobedience movement of such magnitude as to make the prisons inadequate to accommodate them, in order to secure an honourable place in the community for themselves and their language. The statement accused the Government of surrendering to pressure from the Buddhist monks and failing to prevent or control Sinhalese hooliganism; it declared that the only alternatives before the Tamils were "to fight back for sheer survival or to be for ever content to remain a subject race."

About 100 Tamils, including Mr. Chelvanayakam (the Federal Party leader), seven other M.P.s, a Senator, and the wives of two M.P.s, were arrested on April 10-14 for defacing the number-plates of buses, but were subsequently released on bail. Federal Party spokesmen said that they also planned to court arrest by refusing to pay taxes and by travelling on Government buses without tickets, and that when arrested they would refuse to pay fines and insist on going to prison. The campaign, however, was not supported by the Democratic Workers' Congress or the Ceylon Workers' Congress, which together represent about 1,000,000 Tamil-speaking Indian estate workers.—(Ceylon Government Information Department - Times - Manchester Guardian - The Hindu, Madras)

(Prev. rep. 15734 A.)

B. UNITED KINGDOM. — Motor Industry. - Production and Exports in 1957 and First Quarter of 1958.

Figures published by the Society of Motor Manufacturers and Traders on Jan. 21, 1958 showed that the British motor industry produced 1,150,964 vehicles in 1957, compared with 1,006,203 in 1956. The 1957 output comprised 860,842 private cars and 290,122 commercial vehicles, as compared with 707,594 private cars and 298,609 commercial vehicles in 1956.

Exports of motor vehicles and agricultural tractors in 1957 totalled 664,520 valued at £324,231,676, compared with 555,986 valued at £250,947,338 in 1956. The 1957 total comprised 462,272 cars (a record), 123,288 commercial vehicles, and 114,965 tractors.

The largest oversea market for private cars was again the United States, which took 94,867 valued at £39,588,284, followed by Australia (49,056), South Africa (42,001, nearly twice as many as in 1956), New Zealand (32,900), Canada (28,872), Sweden (20,269) and Belgium (17,611). The largest number of commercial vehicles (15,908) went to Australia, followed by South Africa (13,171), New Zealand (8,060), and British West Africa (7,162). Australia also headed the list for agricultural tractors, with 20,302, followed by South Africa (9,647) and New Zealand (9,117).

The Society announced on April 24 that about 365,000 motor vehicles were produced in the first quarter of 1958, the output of cars in March (109,000) having exceeded the 100,000 mark for the first time in any month. Over 132,000 cars and nearly 36,000 commercial vehicles were exported, the total value of exports of cars, commercial vehicles, agricultural tractors, and spares being approximately £129,000,000. (Society of Motor Manufacturers and Traders - Times)

(Prev. rep. 15515 A.)

A. WESTERN GERMANY - SOVIET UNION. — Signing of Trade, Shipping, and Consular Agreements. - Arrangements for Mutual Repatriation of Nationals.

Following negotiations which had extended over nearly nine months, and which were repeatedly suspended, agreements on trade, shipping, and consular relations were initialled in Moscow on April 8 between the German Federal Republic and the Soviet Union. Informal arrangements were also concluded on the repatriation of certain groups of German nationals in the U.S.S.R. and of Soviet nationals in Western Germany.

Talks between a German delegation led by Dr. Rudolf Lahr and a Soviet delegation headed by M. Semeonov (a Deputy Foreign Minister, and formerly High Commissioner in Eastern Germany) had opened in Moscow on July 23, 1957, following lengthy Note exchanges in which the German Federal Government insisted that the question of repatriation of German nationals from the Soviet Union should be included on the agenda of the talks—a proposal which the Soviet Government rejected [see page 15631]. In a Note of July 6, however, the Soviet Government said that while the number of German nationals still in the Soviet Union was "quite insignificant," and while the repatriation question would be better left to the Red Cross organizations of the two countries, this "does not exclude the possibility that some practical questions might arise . . . with regard to the carrying-out of measures for the repatriation of individual German citizens from the Soviet Union or of the return of displaced Soviet nationals from the Federal Republic, and these questions could be the object of specific discussion during the forthcoming talks." This statement was regarded by the Federal Government as implying that the U.S.S.R. would no longer insist on the exclusion of the repatriation question from the agenda.

Nevertheless, when the talks opened on July 23 the Soviet delegation refused to discuss repatriation, and the discussions were suspended on July 31 after the West German Government had recalled Dr. Lahr for consultations. Following an exchange of Notes between M. Gromyko and Dr. von Brentano (the two Foreign Ministers) the talks were resumed on Aug. 14, but in view of continued Soviet insistence on excluding the subject of repatriation Dr. Lahr was again recalled to Bonn on Aug. 16. The talks were again resumed on Aug. 26, but a further breakdown occurred when M. Semeonov, in a letter to Dr. Lahr published on Sept. 3, stated that the Soviet Union was prepared to discuss a trade and consular agreement but maintained her original assertion that no repatriation problem existed. M. Semeonov added that if Western Germany insisted on its proposal to suspend the talks on trade and consular questions because of the Soviet attitude on the repatriation question, the Federal Government "would have to bear full responsibility for the breakdown of the talks and the attendant consequences."

After a prolonged deadlock, which coincided with the Federal elections in Western Germany, the talks were resumed on Nov. 14, 1957, and from then onwards continued without interruption.

The agreements initialled on April 8, 1958, comprised (*a*) a three-year trade and payments agreement; (*b*) a protocol on trade exchanges in 1958; (*c*) a general agreement on commerce and navigation; (*d*) a consular convention; (*e*) an agreement on repatriation. In addition, the two delegations made verbal declarations giving further details of the repatriation arrangements, but it was stated in Bonn that it had been agreed that these declarations would not be published in the Soviet Union.

The joint communiqué gave the following details of the various agreements:

Long-term Trade and Payments Agreement. This was concluded for the three-year period 1958-60, and laid down lists of goods for Soviet-West German trade exchanges, as well as the procedure for trade and payments between the two countries. Aimed at making the commercial relations between the two countries "more stable and lasting," it provided for a considerable annual expansion of mutual trade, which by 1960 would amount to some 1,200,000,000 roubles, or about 1,260,000,000 Deutschemarks—approximately double the 1957 figure. The total volume of deliveries agreed for the period 1958-60 would amount to 3,000,000,000 roubles, or about 3,150,000,000 DM. The lists of goods would be specified and extended each year by supplementary agreements between the two countries, and it was therefore expected that total trade exchanges would exceed the above-mentioned amounts within the three years.

The lists of goods annexed to the agreement provided that the Soviet foreign trade organizations in the German Federal Republic would place large orders for various kinds of machinery and equipment for supply to the U.S.S.R. within the three-year period. These orders would include equipment for the mining and steel industries, heavy forges, automation machinery, heavy machine-tools for the metallurgical industries, equipment for chemical industries (in particular for the manufacture of artificial fibres), equipment for whaling ships and floating factories, cables, chemical products, certain steel products, and other goods, including certain consumer goods. In return, the Soviet Union would supply Western Germany with timber, cellulose, oil and oil products, wheat, coal, asbestos, manganese and chrome ores, machinery and equipment, cotton, flax, hemp, tobacco, certain chemical products, and a number of raw materials.

Trade Protocol for 1958. This laid down the exact lists of commercial exchanges for the current year.

Agreement on General Questions of Commerce and Navigation. This provided for most-favoured-nation treatment in Customs and other matters connected with the export and import of merchandise. It also regulated shipping questions, and provided for the setting-up of a Soviet trade representation in Western Germany, defining its legal status.

Consular Convention. This placed consular relations between the two countries on a treaty basis, ensuring the effective protection of nationals of both countries, as well as of their trade and shipping interests. It was stated that its practical effect would be confined at present to the consular departments of the Federal German Embassy in Moscow and the Soviet Embassy in Bonn, but it would form the basis of the activities of any consulates which might be set up in future.

Repatriation. The communiqué said: "During the talks on questions relating to the reciprocal repatriation of nationals of the two countries, it was agreed that the Soviet authorities would give favourable consideration to applications by individual German nationals for exit permits from the U.S.S.R. to the German Federal Republic. Conversely, the German Federal authorities would give the same treatment to applications from Soviet nationals now in the Federal Republic and wishing to leave for the Soviet Union. Both sides declared . . . that they supported the principle of reuniting families separated by the Second World War, and agreed that they would act in accordance with their respective legislation. They also agreed that co-operation between the two Red Cross societies would be continued."

The verbal Soviet declaration on the repatriation question said that, in addition to the arrangements mentioned in the communiqué, the Soviet authorities would examine and decide "in a positive way" the "practical questions arising in connexion with applications of those German nationals who possessed German nationality on June 21, 1941 [the date of the Nazi invasion of the Soviet Union], were still in the Soviet Union, and wished to leave for the German Federal Republic with their wives and children." The sole "decisive criterion" for these people would be their possession of German nationality at the above date.

It was stated that this arrangement would not cover (*a*) persons of non-German ethnic origin who had settled in the Memel area after 1918; (*b*) persons who, coming from Eastern European countries, had settled in the former Reich between 1939 and 1941 but were now Soviet nationals. [These persons—the so-called "treaty settlers" of German descent—were collected between 1939 and 1941 from the Baltic States, Bessarabia, Volhynia, and other parts of what is now the Soviet Union, brought to Germany and German-occupied Poland under the Molotov-Ribbentrop pact, and given German nationality in addition to Russian.] Nevertheless, individual applications from persons belonging to these groups would be "sympathetically" considered by the Soviet authorities if the persons concerned had families or near relatives in the Federal Republic, or if they and their families were ethnic Germans. In the case of mixed marriages, the decision would be taken by the Soviet authorities "in accordance with concrete circumstances, taking into account the interests of the family and of individual family members."

The above arrangements, however, would not apply to persons against whom criminal proceedings were pending in the Soviet Union or who were serving a sentence imposed by a Soviet court. The Soviet authorities expected that the repatriation measures arising from the above arrangements would be completed by the end of 1959.

It was added (*a*) that the Soviet delegation had "taken note" of the statement made by the German delegation that the German Federal Republic was likewise willing to examine "in a positive manner" the practical questions arising from applications by Soviet nationals in Western Germany wishing to be repatriated to the Soviet Union; and (*b*) that this arrangement would apply to all Soviet nationals who were at present in Western Germany owing to the war, as well as to their spouses and children.

The Soviet declaration reiterated that both sides would try to reunite families separated by the war; would act in accordance with their legislation; and had agreed to continued co-operation between the Soviet and West German Red Cross societies.

The verbal German counter-declaration took note of the Soviet statement and confirmed the willingness of the German Federal Republic to accede to applications by Soviet nationals wishing to leave Western Germany for the Soviet Union.

It was stated in Bonn that the repatriation agreement would affect first and foremost East Prussians and other inhabitants of the former Reich, as well as inhabitants of the Memel area before 1918; it was estimated that from 80,000 to 100,000 Germans had been deported to Russia after the Second World War from East Prussia and the Oder-Neisse territories. Of the "treaty settlers," whose number was estimated at about 200,000, only a minority would benefit from the agreements; the so-called "administrative settlers" who received German nationality as a result of the war would not be affected, except in very special cases. The Federal Foreign Ministry estimated that about 20,000 people might benefit from the agreement, although the figure would depend, firstly, on how many applied for repatriation, and secondly on the attitude of the Soviet officials.

M. Mikoyan's Visit to Western Germany. - Signing of Trade and Consular Agreements.

M. Mikoyan, the First Vice-Chairman of the Soviet Council of Ministers, arrived in Bonn on April 25 to sign the Soviet-German trade agreements and consular convention at the Federal Foreign Ministry. Dr. von Brentano signed for the German Federal Republic. During his stay in Bonn (April 25-26) M. Mikoyan had discussions with Dr. Adenauer, Dr. von Brentano, Professor Erhard (Federal Minister for Economic Affairs), and Dr. Gerstenmaier, president of the *Bundestag*.

After visiting Duisburg and the Hanover Trade Fair, where he invited senior executives of Krupp's to send representatives to Moscow, M. Mikoyan went to Stuttgart and Frankfurt. He left the latter city on April 28 for an official visit to Eastern Germany before returning to Moscow.

Speaking on April 25 at a dinner given in his honour by Dr. von Brentano, M. Mikoyan said that the Soviet Union was ready to guarantee that if the territory of the Federal Republic were free of nuclear and rocket weapons, the Soviet Union would refrain from using such weapons against objectives in Western Germany, even in the event of a military conflict in which the Federal Republic participated. He repeated this statement at a press conference on April 26 and also expressed the view that the opportunities presented by the "Rapacki Plan" were seriously under-estimated in Western Germany.

A communiqué issued in Bonn on April 28 stated that M. Mikoyan and the German Ministers had re-emphasized that they would do all in their power to ensure the implementation of the agreements signed in Moscow, and also of the verbal agreement on repatriation. It had also been agreed that talks would be held later in the year to place cultural, scientific, and technical relations between the two countries on a firmer footing. Soviet-West German relations in general and the present international situation had also been discussed, and both sides had emphasized that their respective Governments would do their utmost to ensure that existing problems were solved in a spirit of mutual understanding and by peaceful means, on the basis of non-interference in each other's internal affairs.

Earlier Repatriation of German Scientists from U.S.S.R. - Soviet-German Red Cross Agreements.

It was announced in Moscow on Jan. 20, 1958, that the Soviet Government had agreed to repatriate 21 German scientists, engineers and technicians (including a number of rocket experts) who had been detained in the U.S.S.R. since the end of the war and had been working for the Soviet Government. Exit visas were accordingly granted to the 21 scientists and their families, and the repatriates —54 persons in all— arrived back in Western Germany on Feb. 12-14, except for two who elected to remain in Eastern Germany.

A spokesman of the first group to return said that most of them had been connected with the V-1 and V-2 rocket projects during the war and had been taken in 1945-46 to the Soviet Union, where they had worked under contract until 1956. In the latter year they had been offered repatriation to Eastern Germany, and those who refused were sent to Suchumi, on the Black Sea, where they had lived in reasonable comfort. Their main task had been to provide the Soviet authorities with German scientific and technical knowledge, but neither they nor any of the other detained German scientists had worked on the Soviet earth satellite project.

A Red Cross delegation led by Dr. Weitz (chairman of the West German Red Cross) had visited Moscow in February 1957 for discussions with the Soviet Red Cross and especially with its chairman, Professor Miterev. The discussions dealt with the question of extending the family reunion scheme to Germans detained in the Soviet Union, but only limited progress was made on this question, since the Soviet Red Cross intimated that further decisions would be dependent on the conclusion of a consular agreement between the Federal Republic and the Soviet Union, as had been proposed by Marshal Bulganin. During Dr. Weitz's stay he agreed to a Soviet proposal that Soviet citizens living in the Federal Republic -numbering nearly 14,000 -should be given another opportunity to return to Russia if they wished; Dr. Weitz pointed out in this connexion that any Russian living in Western Germany, whatever nationality he might now possess, was free to return to the Soviet Union.

Professor Miterev and a Soviet Red Cross delegation paid a return visit to Munich in May 1957. An agreement was signed on May 20 between the Soviet and West German Red Cross Societies whereby both sides undertook to press their respective authorities to consider all requests for repatriation on purely humanitarian lines, and pledged their mutual support in trying to locate missing persons.
(Frankfurter Allgemeine Zeitung - Soviet Embassy Press Dept., London - Times) **(Prev. rep. 15625 A, page 15631)**

A. UNITED NATIONS. — Creation of Economic Commission for Africa.

The U.N. Economic and Social Council, meeting in New York, unanimously decided on April 29 to establish an Economic Commission for Africa, as recommended at the 12th session of the U.N. General Assembly [see page 16053, second column]. The E.C.A. was the fourth regional economic commission to be set up by the United Nations, the others being the Economic Commissions for Europe (E.C.E.), for Asia and the Far East (ECAFE), and for Latin America (ECLA).

The following decisions were taken by the Economic and Social Council in connexion with the setting-up of the Economic Commission for Africa:

Membership. This would be open to all African member-countries of the United Nations and all countries administering non-self-governing territories in Africa—i.e. to Belgium, Ethiopia, France, Ghana, Italy, Liberia, Libya, Morocco, Portugal, South Africa, Spain, Sudan, Tunisia, the United Arab Republic, and the United Kingdom.

Associate membership—with the right to participate in discussions but not to vote—would be open to the Nigerian Federation, Gambia, Kenya and Zanzibar, Sierra Leone, the Somaliland Protectorate, Tanganyika and Uganda. Applications would also be considered from other territories desiring associate membership. In addition, the U.N. specialized agencies and other inter-governmental bodies would be invited to participate in meetings, without voting rights.

Functions and Scope of E.C.A. The functions of the E.C.A. were defined as follows in a resolution drawn up by the Sudan in consultation with the other independent African nations: "To initiate and participate in measures for facilitating concerted action for the economic development of Africa, including its social aspects, with a view to raising the level of economic activity and the levels of living in Africa, and for maintaining and strengthening the economic relations of countries and territories in Africa, both among themselves and with other countries of the world."

It was laid down that the work of the Commission would encompass the whole of the African continent, together with Madagascar and other African islands.

Co-operation with Other Regions. The Council accepted a Polish proposal (by 11 votes to 2, with 5 abstentions) that the Economic Commission for Africa should establish "appropriate liaison and co-operation" with other regional economic commissions of the United Nations. The proposal was supported by Brazil, Costa Rica, Finland, France, Greece, Indonesia, the Netherlands, Poland, Sudan, the U.S.S.R., and Yugoslavia, and opposed by Mexico and the United States; the five abstentions were Canada, Chile, Nationalist China, Pakistan, and the United Kingdom.

The Sudanese representative (Mr. Yacoub Osman), as spokesman for the eight independent African nations, had previously proposed that membership of the E.C.A. should be open to (*a*) the independent African countries; (*b*) countries administering non-self-governing territories in Africa; and (*c*) the Soviet Union and the United States. The U.S. delegate (Mr. Christopher Phillips) believed, however, that the Commission's membership should be limited to African countries and those administering African territories; on the other hand, the Soviet delegate (Mr. Arkadev) felt that his country's participation would benefit the work of the Commission, and also stated that the Soviet Union would have no objection to U.S. participation. On a vote (taken on April 29), the Economic and Social Council decided against U.S. and Soviet membership by 12 votes to 5, with Finland abstaining.

The 12 majority votes were those of Brazil, Canada, Chile, Nationalist China, Costa Rica, France, Greece, Mexico, the Netherlands, Pakistan, the United Kingdom, and the U.S.A.; the five countries supporting Soviet and U.S. membership were Indonesia, Poland, Sudan, the U.S.S.R., and Yugoslavia.

Five African nations—Ethiopia, Ghana, Morocco, the Sudan, and the United Arab Republic—offered sites for the Commission's headquarters. Addis Ababa (the capital of Ethiopia) was chosen on a secret ballot, receiving 11 votes against three for Tangier, two for Cairo, and one each for Accra and Khartoum.—(U.N. Information Centre, London)

B. ANTARCTICA. — Joint Australian-American Co-operation in Maintenance of Wilkes Base.

It was announced in Canberra and Washington on May 7 that Australia and the United States had agreed to co-operate in maintaining the Wilkes Base (one of the U.S. scientific stations in the Australian Antarctic Territory) after the ending of the International Geophysical Year in December 1958. It was stated that the U.S.A. would contribute all buildings, facilities and supplies at the base; that Australia would provide the administrative services needed for its continued operation; and that scientists from both countries would take part in a programme of technical studies, research, and scientific observations.—(Australian News and Information Bureau - New York Times) **(Prev. rep. 16055 A.)**

A. UNITED KINGDOM. — Appointment of Select Committee into House of Commons Procedure.

A private member's motion for the appointment of a Select Committee to inquire into the procedure of the House of Commons was accepted by Mr. R. A. Butler (Leader of the House) on Jan. 31, after a debate in which many Members made suggestions for improvements in the methods of business in the House—e.g. press-button voting, devolution of functions to committees, and improved facilities for M.P.s.

The motion was introduced by Mr. Albert Oram (Lab.), who moved the appointment of a Select Committee "to consider the procedure in the public business of the House and to report what alterations, if any, are desirable for the more efficient despatch of such business."

Mr. Oram suggested that a Select Committee should examine the following matters, *inter alia*: whether it might not be possible for the House to meet more frequently in the mornings, rather than start its business in the afternoons [at present the House only sits in the morning on Fridays]; whether more use should not be made of committees for complex legislation; whether members might not impose on themselves a measure of "self-discipline" by making their speeches shorter; and whether there should not be a change in the present procedure whereby Privy Councillors were given precedence in debates as a matter of tradition.

Mr. Wedgwood Benn (Lab.), who seconded, said that the trouble was that M.P.s were faced with such a complexity of public business that they were "swamped," both collectively and individually. Legislation today was so complicated and complex that it was impossible for them to keep abreast of all important issues. He strongly refuted arguments—such as those advanced by Sir William Haley in a recent article in *The Times*—that Parliament to-day was unable to attract people of outstanding ability, but only "little men."

Sir Robert Boothby (C.), speaking as an M.P. of many years' standing, believed that the power and status of Parliament were considerably lower than when he first entered the House in 1924. This was not because M.P.s were "little men" but because of the complexity of the problems with which they had to deal and the pressure of public business, which it was almost impossible to handle under the present procedural rules.

He believed Sir William Haley's article in *The Times* had "got home" when it said: 'To-day mediocrity has little to offset it. The cheap jibes, the incessant accusations and counter-accusations, the mocking 'Ministerial cheers' and the inane cries of 'Resign,' the desperate fighting over things that do not matter, which probably hides from the participants themselves their poverty of ideas about those issues that do matter . . .' Sir Robert Boothby asked whether Members could "put their hands on their hearts and say that there was no element of truth in the article?"

The real dangers (Sir Robert continued) were those of growing bureaucracy and the rigidity of the party machines—the danger that the House would gradually cease to have any effective control over the Executive, particularly in public finance and expenditure and in administration. He did not agree that the function of the House was merely to criticize; it should exercise some control over the Executive. Under the present party system there was a growing tendency in the country to regard Members merely as "fuglemen of Abbey House and Transport House" [the respective headquarters of the Conservative and Labour parties]. As the present was an age of specialization, he believed that about five Standing Committees should be set up to deal with special subjects, with the possible exception of Finance Bills.

Mr. Glenvil Hall (Lab.) suggested that speeches could be limited by a system of coloured lights such as used in other Assemblies, e.g. that of Southern Rhodesia, which seemed to work well; **Mr. Peter Kirk** (C.) thought that a permanent Foreign Affairs Committee would help to keep the Government in touch with the views of back-bench members and with feeling in the country generally; **Mr. Geoffrey de Freitas** (Lab.) urged an all-party Standing Committee on Defence; and **Mr. Hugh Delargy** (Lab.) believed that some of the ancient ceremonial should be re-examined—e.g. the summoning of the House by Black Rod, which members found a disconcerting interruption of their debates.

Mr. Gresham Cooke (C.) thought that the present procedure laid a great strain on the health and strength of M.P.s and Ministers; many middle-aged men were deterred from entering the House because they could not face the irregular hours and bad working conditions. He thought that the time of a division could be cut from 14 minutes to seven minutes by electronic voting; he also suggested proxy voting, as in the French Parliament.

Mr. Butler, replying to the debate, agreed that the matter was ripe for further examination. The physical conditions in which Members had to do their work would not be tolerated in any other Commonwealth Parliament, and were completely different from those in the U.S. Senate or House of Representatives. Discussing the various ideas put forward, he agreed that more matters might be referred to Select Committees or Standing Committees as a method of devolution. The House, however, was already overcrowded in standing committee, and if they adopted this system they would have to limit the amount of legislation brought in. Moreover, the appointment of Standing Committees on Defence, Finance, Economics, or Foreign Affairs—"standing committees *à l'américaine*"—would be absolutely opposed to British constitutional development.

In conclusion, Mr. Butler accepted Mr. Oram's motion on behalf of the Government.

An all-party Select Committee was set up on Feb. 28 to examine this question, consisting of nine Conservatives, six Labour members and one Liberal.

The members were: Mr. Ronald Bell (C.), Mr. Wedgwood Benn (Lab.), Mr. F. Blackburn (Lab.), Sir Herbert Butcher (Nat. L. and C.), Lady Davidson (C.), Mr. Clement Davies (L.), Mr. Denzil Freeth (C.), Mr. A. Green (C.), Mr. Leslie Hale (Lab.), Mr. G. R. Mitchison (Lab.), Mr. A. Oram (Lab.), Mr. Charles Pannell (Lab.), Mr. J. Ramsden (C.), Mr. James Stuart (C.), Mr. A. Tiley (C.) and Mr. D. Vosper (C.).

The committee held its first meeting on March 20 under the chairmanship of Mr. James Stuart.

(Times - Daily Telegraph - Manchester Guardian)

B. BRITISH COMMONWEALTH. — The Queen Mother's Visit to Australia and New Zealand.

At the invitation of the Governments of New Zealand and Australia, Queen Elizabeth the Queen Mother paid official visits to the two Dominions from Feb. 1 to March 7, spending a fortnight in New Zealand and three weeks in Australia. Her Majesty had last visited these countries in 1927 as Duchess of York. At her own request, the emphasis during the tour was on informal engagements rather than on ceremonial occasions.

The Queen Mother left London for Auckland (N.Z.) on Jan. 28, flying *via* Montreal, Vancouver, Honolulu and Fiji. During her fortnight's visit to New Zealand (Feb. 1-14) and her three weeks' visit to Australia (Feb. 14-March 7) her Majesty attended governmental and civic receptions, visited schools, hospitals, and other social institutions, met representatives of women's organizations, attended social, cultural and sporting events, and paid visits to large numbers of school-children assembled to greet her in both countries.

Among the places visited by the Queen Mother in New Zealand were Wellington, Auckland, Hamilton, Napier, New Plymouth, Palmerston North, Blenheim, Dunedin, Christchurch and Invercargill. Australian cities visited by her Majesty included Canberra, Sydney, Melbourne, Brisbane, Adelaide, Hobart, Launceston, Ballarat, Kalgoorlie, and Perth. Her Australian tour included visits to the Universities of Melbourne (where she received the honorary degree of Doctor of Laws), Sydney, and Queensland.

The Queen Mother arrived back in London on March 13, flying *via* Mauritius, Uganda and Malta.—(Times - Australian News and Information Bureau - N.Z. Government Office)

(Prev. rep. 14053 B.)

C. UNITED STATES. — A-Bomb Accident in South Carolina. - Air Force Statement.

An unarmed atomic bomb was accidentally dropped from a B-47 jet bomber on March 11 a few miles from Florence, South Carolina, and fell in the garden of a private house, making a crater 35 ft. deep and 75 ft. wide; the house was wrecked and its six occupants injured, one being taken to hospital. Five other houses and a church were damaged.

A statement was issued by Strategic Air Command H.Q., Omaha, explaining that the accident was due to "a mechanical malformation of the plane's bomb-lock system." Although there was no atomic explosion, as the bomb was un-triggered, there had been an explosion of the T.N.T. in the bomb's triggering device. The area had been cordoned off and placed under surveillance as a precautionary measure, but there was no need for any general evacuation. The statement added: "The potential danger in an incident of this type is possible contamination of a small area if a high-explosive charge completely destroys the weapon. Decontamination is a simple washing procedure and the area affected is relatively small."

Following an immediate thorough examination of the area, it was announced on March 12 by the Defence Secretary (Mr. McElroy) that it had been "established that there was no contamination from any scattering of nuclear material." On March 26 the U.S. Air Force ordered all bomber crews to "lock in" nuclear bombs while on practice missions as a precaution against accidents. (New York Times)

D. BRAZIL. — Ocean Outlet for Brasilia.

It was announced in April that the Federal Government would build a large port on the Maraú peninsula to serve as the natural sea outlet for Brasilia, the future capital of the country. Land would be taken over for this purpose by the State of Bahia and the port, when completed, would be capable of taking vessels of the deepest draught. The Federal Government would build road and rail communication to link Brasilia and the new port of Maraú, at the base of the peninsula of the same name.

Maraú is approximately 1,000 kilometres due east of Brasilia, about 75 kilometres north of Ilhéus (the cocoa port), and 180 kilometres by sea south of the port of Salvador (Bahia). When completed, the port will be the nearest straight-line ocean outlet to the new capital.

(Brazilian Government Bulletin) **(15868 A; 15437 A.)**

MAY 17—24, 1958

A. LEBANON. — Insurrection in Beirut and Tripoli. - Syrian Infiltrations into Lebanon. - Lebanese Protests to Security Council and Arab League. - U.S. Arms Supplies for Lebanon. - Soviet Warning to United States.

Serious anti-government disturbances involving heavy loss of life broke out in the Lebanon during the second week of May, originating in Tripoli and spreading to Beirut, Sidon, and the northern and north-eastern areas near the Syrian border. The disturbances were fomented primarily by Moslem opponents of the Government's pro-Western policy and sympathizers of President Nasser and the United Arab Republic, aided by infiltrators who crossed the border from Syria and attacked Lebanese frontier posts. [Generally speaking, the pro-Western policy of President Chamoun and M. Sami Solh is supported by the Lebanese Christians but opposed by considerable sections of the Moslem population—notably the Sunni Moslems, one of whose principal strongholds is Tripoli.] A secondary cause of the disorders was the apparent fear of Opposition groups that the Government might introduce constitutional amendments to enable President Chamoun to stand for a second term of office [see 16108 A]. An additional complication arose from the outbreak of fighting between pro-government and anti-government Druse tribesmen in the south-eastern Lebanon.

In the absence of authentic information, and in view of conflicting statements issued by the Lebanese Government, it was virtually impossible to obtain a clear picture of developments in the country. By May 20, however, it appeared (i) that the Lebanese Army had re-established control in most of Beirut and Tripoli, though insurgents were believed to be still holding out in both cities; (ii) that the Lebanese forces were gradually re-establishing control in the northern border areas, some of which were reported to be still in insurgent hands. In a despatch from Beirut on May 19, however, the Special Correspondent of *The Times* said that "with reliable information hanging far behind events, the situation in the Lebanon can only be described . . . as confused." Similarly, the *Manchester Guardian* correspondent in the Lebanese capital cabled on the same day: "Since even official sources in the Lebanon now contradict each other, it is impossible to present a clear picture of events, but the insurrection continues and the insurgents are still in control of a large sector of Beirut and of a part . . . of Tripoli."

The disturbances began after the murder on May 8 of a newspaper proprietor (M. Nassib Matni) who had campaigned strongly against the pro-Western policy of M. Sami Solh's Government and in support of the United Arab Republic. In Tripoli- a nationalist stronghold — various Opposition groups called an immediate general strike in protest against the murder of M. Matni, leading to clashes with the police on May 9 in which 40 people were injured. On May 10-11 Tripoli was the scene of serious rioting in which 16 people were killed and over 100 injured; the demonstrators erected street barricades, publicly displayed portraits of President Nasser, wrecked the library of the U.S. Information Service and left it ablaze, and smashed a number of business premises; in addition, the city's hydro-electric plant was put out of action by a bomb explosion, temporarily depriving Tripoli of electric light.

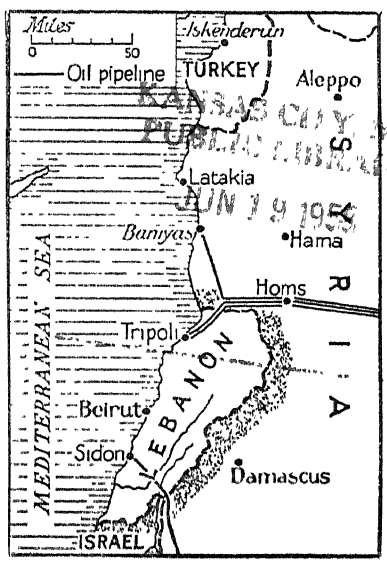
The disorders spread on May 12 to Beirut, where bomb explosions occurred in different parts of the city (one near the Presidential palace) and serious clashes took place between rioters and the police in which several people were killed and about 20 injured. As in Tripoli, the mob attacked the premises of the U.S. Information Service, breaking through a police cordon, throwing books and furniture into the street, and setting the library ablaze. Anti-American demonstrations also took place near the U.S. Embassy, and stones were thrown at a busload of American citizens being driven to Beirut airport.

Further bomb outrages occurred in Beirut on May 13, in which Captain Shehab (a nephew of the Lebanese C.-in-C., General Shehab) was killed when a grenade was thrown into his car, and on May 15, when six people were killed and 50 injured; in the worst incident a bomb was thrown from a lorry into a crowded restaurant, killing four people and wounding 35. Outside the capital, minor disturbances took place at Tyre and Sidon, and the Iraq Petroleum Company's pipeline was sabotaged near the Syrian border (the damage was repaired three days later).

The Lebanese Government announced on May 12 that the Belgian Consul-General in Damascus (M. Louis de San) had been arrested on the Syrian border while trying to cross into the Lebanon in a diplomatic car which, when examined by Customs officials, was allegedly found to contain 33 sub-machine guns, 28 pistols, a time-bomb, and a large quantity of ammunition. On the following day some 500 armed men from Syria attacked the Customs post where M. de San had been arrested—apparently as a reprisal—and killed the six officials on duty before being driven back across the border by Lebanese troops.

Syrian armed bands again crossed the northern Lebanese border on May 15 and attacked frontier posts, being engaged by Lebanese troops supported by jet fighters. Beirut reports stated that there had been heavy fighting in the northern border area; that 1,000 rioters, mostly from Syria, were in control of a small airfield north of Tripoli; and that the armed forces had repulsed an attempt to storm a Government building at Baalbek. It was also announced that a number of infiltrators and saboteurs from Syria had been arrested and expelled.

During the next three days reports from Beirut spoke of battles in the mountain areas against rebel bands, infiltrators from Syria, and dissident Druse tribesmen; it was claimed that Lebanese forces supported by tanks, armoured cars and aircraft had recaptured the border town of Halba—previously occupied by the insurgents—and were re-establishing control in the northern and north-eastern areas. It was also announced that a mule caravan carrying arms and ammunition from Syria had been attacked and destroyed by Lebanese fighters.



(*Economist*)

In Tripoli, fierce street fighting was reported on May 18 after a lull of several days; little factual information was available, but foreign press correspondents said that the insurgents were fighting from behind barricades and offering desperate resistance to Lebanese troops engaged in mopping up rebel strongholds. Further bomb explosions were reported from Beirut, and a curfew was imposed at Sidon after two tank lorries of the (American) Aramco Oil Company had been set on fire by demonstrators.

Fighting had meanwhile broken out in the mountains south-east of Beirut between rival forces of Druse tribesmen—some supporting the Druse leader Kamal Jumblatt, who is opposed to the Government, and others supporting the Emir Majid Arslan, Minister of Defence in the Government. After the dissident tribesmen had unsuccessfully tried to besiege President Chamoun's summer palace at Beit-ed-Din, a truce was concluded on May 18 between Kamal Jumblatt and the Emir Majid Arslan, and the rival factions agreed to disperse.

The Lebanese Army had taken over security duties in Beirut, Tripoli, and other affected centres on May 12, a curfew having previously been imposed in these cities. Strategic points, Government buildings, and foreign diplomatic missions were strongly guarded by tanks and armoured cars, and the streets were patrolled by lorry-borne troops.

Lebanese Accusations against United Arab Republic. - Protest to Security Council. - Statements by President Chamoun and Dr. Malik.

In a press statement on May 13, the Lebanese Foreign Minister (Dr. Charles Malik) accused the United Arab Republic of direct responsibility for the disturbances and of "massive interference" in Lebanese internal affairs. After announcing that a protest had been made to Cairo, Dr. Malik emphasized that the Government were "absolutely determined to defend the integrity, freedom, and independence of the Lebanon to the end" and would "not make the slightest concession to those who plan the destruction of the Lebanon."

Dr. Malik described the disturbances as "the latest manifestation of a concerted movement to undermine the Lebanon as a free and sovereign State and to bring about radical political changes." After speaking of the "unbroken arms smuggling which has been going on across our frontiers for months," he mentioned a number of significant incidents, all of which had occurred during the previous two days:

(1) The arrest of M. de San while attempting to cross from Syria into the Lebanon (see above). Dr. Malik alleged that Customs officials had found in M. de San's car not only arms and ammunition but also instructions to unknown individuals in the Lebanon to undertake bombing and assassination.

(2) The Syrian attack on the Customs house where M. de San had been detained.

(3) The capture of three boatloads of Palestinians from the Gaza Strip while approaching the Lebanese coast with the obvious intention of landing. The vessels were laden with arms and ammunition, and the crew of one of them had "thousands of Egyptian pounds" in their possession. Dr. Malik thought it significant that there were 11 Palestinians in each boat, suggesting a certain type of unit.

(4) The arrest in Beirut of 24 foreigners, many of whom had identity cards in their possession showing that they belonged to the Syrian Army or had served in it.

At a press conference in Beirut on May 21, President Chamoun repeated the accusations of "massive interference" by the United Arab Republic in Lebanese affairs; like Dr. Malik, he emphasized that the Lebanon was "determined never to become subservient to the United Arab Republic's policy or its orientation." It was announced on the following day that the Lebanese Government had decided to take its complaint against the United Arab Republic to the Security Council.

The Lebanese Foreign Office announced on May 21 that a protest had been delivered to the Arab League against U.A.R. interference in Lebanese affairs, and that an immediate session of the League's Council had been requested. It was suggested that this meeting should be held in a "neutral" centre—either in Benghazi or Khartoum.

The Ministry of the Interior announced on the same date that about 4,000 foreigners—mostly Syrians—had been expelled from the Lebanon in the past week or had left of their own accord; 2,800 of these had been expelled for not having valid identity cards. About 100 Syrians had been arrested in the same period, many of whom belonged to the Syrian Army. The U.A.R. Ambassador in Beirut had previously protested at the expulsions, while official U.A.R. spokesmen in Cairo and Damascus had repudiated the allegations of interference in Lebanese affairs as "untrue" and "designed to create confusion."

U.S. Arms for Lebanese Forces.

A spokesman of the U.S. State Department disclosed on May 14 that the United States was supplying Lebanon with small arms and equipment "such as rifles, ammunition, pistols, and tear-gas—the stuff you would ordinarily need to suppress a riot." After recalling that such equipment had been sent to the Lebanon since 1956 under U.S. aid programmes, he paid tribute to the "courageous efforts of the legally constituted Government of the Lebanon to maintain security and stability," and expressed the State Department's hope for the rapid re-establishment of normal conditions. The arms and equipment were flown to the Lebanon during the week-end May 17-18, at the urgent request of the Lebanese Government.

It was further announced by the State Department on May 16-17 (*a*) that arrangements were being made to supply American tanks to the Lebanon, in response to a request made by the Lebanese Government at the time of Ambassador Richards' mission to the Middle East (see 15655 A); (*b*) that consideration would be given to the despatch of U.S. troops should President Chamoun call for them because his security forces could not guarantee the protection of American lives and property; and (*c*) that 18 *Globemaster* transport planes, each capable of seating 200 persons, were being flown from the Donaldson Air Base (South Carolina) to Western Germany and would be available to evacuate U.S. nationals from the Lebanon if necessary. Another 22 *Globemasters* were being held in readiness at the Donaldson base.

As regards (*a*), it was explained that the United States had been making arrangements to fulfil the Lebanese request for tanks "for several months past," and it was expected that these arrangements would be completed in the near future.

The following statement on the Lebanese crisis was issued by the State Department on May 17:

"Some time ago the United States concluded an agreement with the Lebanon to furnish the Lebanese Government with certain arms and equipment for use in defending the territorial integrity and independence of the Lebanon. Recently the Government of Lebanon asked the U.S. Government to expedite the implementation of agreed programmes and in some instances to augment these programmes. In making this request, to which the United States agreed, the Lebanese Government indicated that the integrity of the Lebanon was threatened by persons acting under alien influence.

"The U.S. Government has profoundly admired the valiant efforts of Lebanon in recent days to maintain its internal security and defend its national integrity. Lebanese political leaders of varying shades of opinion, stressing the importance of using only peaceful means to achieve political objectives, have been unanimous in stating to U.S. representatives that they deplored the resort to violence, the attacks on persons and property, and the efforts to disrupt public order in the Lebanon.

"The additional assistance which the Lebanon is receiving from the United States has as its sole purpose the augmentation of the capacity of Lebanese security forces to control and prevent these subversive efforts and to facilitate the restoration of peace and quiet, which the Lebanese people desire and to which they are entitled."

Commenting on this and earlier statements, a State Department spokesman said that "present indications" were that the Lebanese security forces would be "able to maintain constitutional order" and that consideration of the despatch of U.S. troops would be unnecessary.

The U.S. Navy Department had announced on May 14 that the size of the American amphibious force in the Mediterranean was being temporarily doubled; a Navy spokesman said that the action was not connected with the Lebanese crisis.

Soviet Warning to Western Powers.

The Tass Agency issued a statement on May 17 saying that U.S. or other Western intervention in the Lebanese crisis could have "serious consequences not only for the future of the Lebanese State and its independence but also for peace in the Middle East." It added that "leading circles" in the U.S.S.R. were "confident that no Power will intervene in the internal affairs of the Lebanon, regardless of the form which such interference takes, or permit the formation of a dangerous military centre in that area."

The Tass statement alleged that the U.S. Sixth Fleet had "received orders to proceed immediately to the shores of the Lebanon"; that "troops of the American Command in the Mediterranean are being urgently reinforced"; and that "preparations are being made to land U.S. Marines on the Lebanese coast." It said that "press reports and statements of senior officials show that all this is being done under the false pretext that the massive outbursts of the Lebanese people against foreign intervention . . . have allegedly been inspired by the United Arab Republic."

British Rejoinder to Tass Statement. - Statement by Mr. Selwyn Lloyd.

A Foreign Office spokesman in London described the Tass statement as "a collection of untruths and unsupported innuendoes." The spokesman said it was "remarkable" that Tass had avoided all mention of the Lebanese Foreign Minister's press statement of May 13 [see above], in which Dr. Malik had publicly accused the United Arab Republic of "massive interference" in the Lebanon's internal affairs.

The following statement on the Lebanese crisis was made by Mr. Selwyn Lloyd in the House of Commons on May 19, in reply to questions:

". . . H.M. Government are in close touch with the U.S. Government, and with their other allies. The Government have recently consulted the other signatories of the Tripartite Declaration and we are all agreed that it remains valid as a declaration of policy. The situation does not, however, at present seem to be the sort which the Tripartite Declaration was designed to meet.

"The recent announcement of the Lebanese Foreign Minister indicates that subversion and incitement from outside the Lebanon is playing an important part in the current disorders.

"On the question of referring the situation to the Security Council, I consider that that is primarily a matter for the Government of the Lebanon . . . There is much to be said for this course."

Mr. Arthur Henderson (Lab.) asked whether, in view of the allegations contained in the Tass statement, the Foreign Secretary would "make it clear that the Western Governments have no intention of intervening militarily in the Lebanon."

Mr. Selwyn Lloyd replied: "The situation is uncertain and obscure, and I cannot make such a statement. What I will say is that no action will be taken contrary to the Charter or the established rules of international law."

The British Admiralty stated on May 19 that a NATO naval exercise taking place in the Western Mediterranean had been switched to the Eastern Mediterranean so that British and American warships could be available, if needed, to help in evacuating British and U.S. nationals from the Lebanon.—(Times - Daily Telegraph - Manchester Guardian - New York Times - Le Monde, Paris - Soviet Embassy Press Department, London) **(Prev. rep. Lebanon, 16108 A.)**

A. SOVIET UNION. — Launching of Sputnik III.

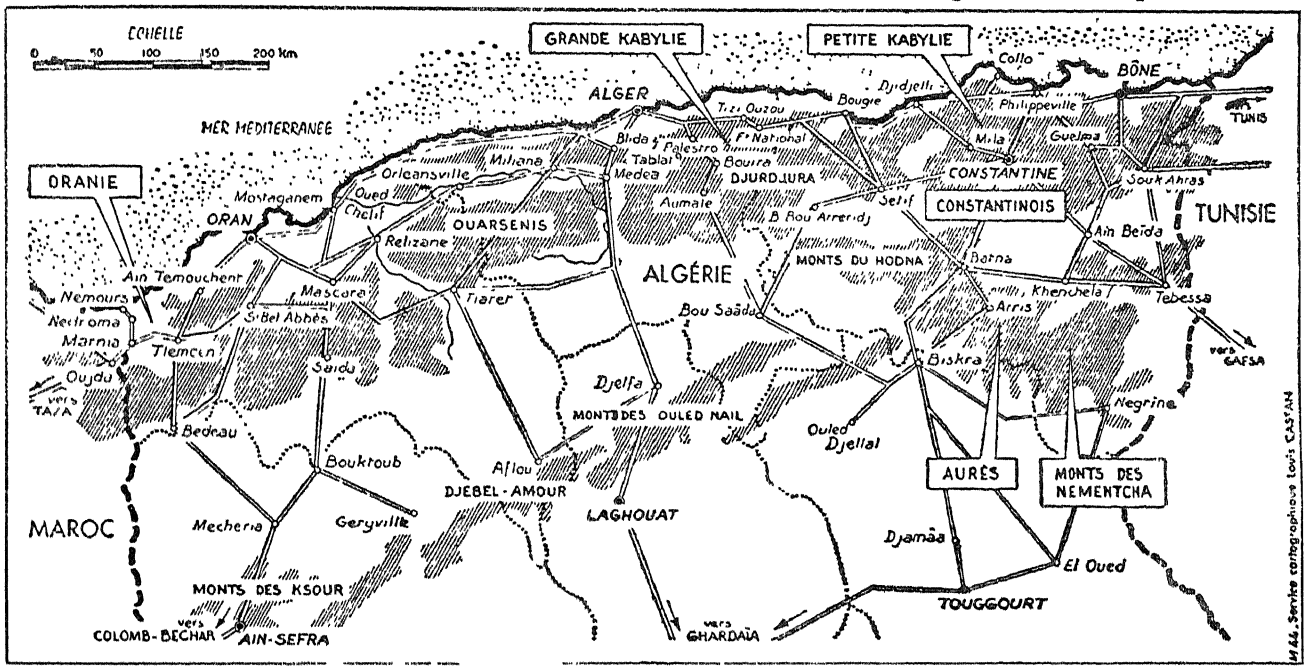
The third Russian earth satellite (*Sputnik III*) was launched on May 15 under the International Geophysical Year Programme. The biggest of the three *Sputniks* launched to date, it weighs well over two tons—one ton six cwt. for the weight of the satellite itself, plus nearly a ton of instruments on board. It was orbited at an angle of 65 degrees to the Equator, and is accompanied by its carrier rocket.

Sputnik III (of which diagrams were given in *Pravda*) is a cone-shaped object 5 ft. 8 in. in diameter at the base and 11 ft. 7 in. high, excluding the protruding antennae. The instrument load—nearly twice as heavy as in *Sputnik II*—includes apparatus for measuring pressure and composition of the upper layers of the atmosphere, concentration of positive ions, intensity of the Earth's magnetic field, intensity of cosmic and solar radiation, etc. Powered by solar energy batteries, its radio transmitter sends out signals on 20.005 megacycles with a duration of 150-300 milli-seconds.

First reports placed the apogee of *Sputnik III* at 1,165 miles, and its period of revolution round the Earth at 100 minutes.—(Soviet Embassy Press Department, London) **(Prev. rep. 16137 B; 16130 B.)**

Note. The earth satellites at present encircling the globe are *Sputnik III* and the American *Explorer I*, *Explorer III* and *Vanguard I*.

A. ALGERIA. — The Nationalist Uprising. - Military Operations, September 1955-November 1957. - Rebellion extended to Oran Department and Southern Algeria. - Strong Reinforcement of French Troops. - General Salan appointed C.-in-C. - The Melouza Massacre. - Large-Scale Terrorist Activities in Algeria and Metropolitan France.



(*Le Monde*, Paris)

Developments in Algeria up to the end of the third year of the Algerian war (Nov. 1, 1957), together with related developments in metropolitan France, are described below under cross-headings in continuation of 14431 A. The further developments in North Africa and metropolitan France subsequent to that date will be described in following issues.

The military situation in Algeria deteriorated seriously between September 1955 and the spring of 1956, considerable sections of the Aurés and Nementcha mountains, the Grande and Petite Kabylie, and the Constantinois (the area between the Tunisian frontier and the Petite Kabylie) passing entirely under nationalist control. In the Oran department, where only a few minor incidents had occurred during the first 11 months of the rising, rebel forces began operating on Oct. 1, 1955, and by May 1956 were largely in control of a sector adjoining the Moroccan border.

Between March and July 1956, however, the strength of the French forces in Algeria was increased from 190,000 to 400,000, and by September, 1956, the Minister-Resident (M. Lacoste) was able to report a marked improvement in the situation, especially in the Constantinois, the Grande and Petite Kabylie, and the Moroccan frontier area. In view of the increased odds against them, the insurgents, who had been operating in bands up to 3,000 strong, split up into smaller units which carried on a guerrilla struggle. They also moved into areas which had hitherto remained peaceful, notably the area between Algiers and Oran and the mountain ranges of southern Algeria, until by the spring of 1957 military operations were in progress across the whole of northern Algeria and along the line of the Saharan Atlas. From July 1957 onwards the rebels extended their activity south of the Saharan Atlas into the Sahara desert.

Details of the insurgent forces, the main developments in the struggle, and the most important engagements are given below.

The Insurgent Forces.

The insurgents' "National Liberation Army" was divided into two main groups, corresponding to the political division inside the nationalist movement between the National Liberation Front (F.L.N.) and the Algerian National Movement (M.N.A.)—see 15645 A. The rivalry between the F.L.N. and M.N.A. bands led to a number of armed clashes between them in the Kabylie and the Orléansville area in the spring of 1956; in consequence the M.N.A. forces moved southward into the Ouled-Naïl Mountains and the Djebel-Amour, but as the F.L.N. forces also penetrated these areas fighting between them was renewed in the spring of 1957. It was nevertheless reported that many units of the National Liberation Army were not firmly committed to either faction.

The Algerian Communist Party formed its own military organization in April 1956; this at first co-operated with the M.N.A. in the Orléansville area, but was subsequently incorporated into the F.L.N. forces. The insurgents had also been joined at the outbreak of the rebellion by some groups which had taken to the mountains for non-political reasons; e.g., in the Tunisian border area certain Berber tribal leaders previously engaged in banditry or cattle-stealing subsequently joined the Liberation Army or took to smuggling arms across the frontier, while among the Kabyles, rival clans joined the insurgents or rallied to the French in order to procure arms with which to carry on their traditional vendettas.

The number of fully armed insurgents was estimated in the spring of 1956 to be between 15,000 and 20,000; M. Mollet (then French Prime Minister) stated on April 16, 1956, that they appeared to be far more numerous because "auxiliaries engaged in all sorts of tasks" had to be taken into account. Insurgent casualties were heavy, especially from the summer of 1956 onwards; French official statements gave the total number of rebels killed in action as 4,885 between Nov. 1, 1954, and March 31, 1956, and 17,784 from the beginning of the fighting to the end of 1956, as against 1,892 French soldiers killed during the same period. Although the rebels' losses showed a further sharp increase during 1957, the size of their forces also continued to increase, being estimated at 25,000 by a French parliamentary mission which visited Algeria in May 1957. This growth in numbers was attributed on the one hand to the widespread support for the insurgents among the Moslem population, which enabled them to replace their losses without difficulty, and on the other hand to the increased supply of arms reaching the insurgents during the first six months of 1957.

A *Manchester Guardian* correspondent who spent some time with an insurgent unit in the summer of 1957 reported on July 31 that "the Algerian National Army is now an efficient, disciplined force, with a unified command and strategy," and that most of its officers were professional soldiers who had served in the French Army. It had its own medical and dental services, hospitals, and Red Crescent organization (the Moslem equivalent of the Red Cross). The troops received regular pay, plus family allowances, and full records were kept of those killed and wounded to ensure that the next-of-kin were informed and "to arrange for war pensions when Algeria becomes independent." Expenses were met from contributions from sympathizers, and from other sources such as the sale of cattle taken from large landowners' estates.

The French parliamentary mission which visited Algeria in May 1957 reported that "the rebels' politico-administrative organization" had made "very great progress"; that it involved the "systematic establishment of a clandestine administration in every village, canton, and *douar*"; and that the tax-collector was "the rebellion's

most valuable agent." These conclusions were confirmed by the *Manchester Guardian's* correspondent, who wrote: "What has come into being in Algeria during these last three years is not simply a new kind of army but also the rudiments of a new form of State – with its clandestine (or semi-clandestine) local authorities, courts of justice, police, schools, medical services, communications, and taxation . . . 'Free Algeria' is divided into six *wilayat*, which are at the same time military commands and administrative regions. At every level, from the *wilaya* down to the local underground cell, there is close interlocking between the military organization and the political; and at every level there are *commissaires politiques* within the Army, specially responsible for liaison with the civilian population."

The growth of nationalist influence among French Moslem troops fighting in Algeria caused grave concern during the early months of 1956. Groups of Moslem soldiers deserted to the insurgents while in action on several occasions (see below), and on Aug. 21, 1956, a Moslem lieutenant was sentenced to 10 years' imprisonment for supplying military information to the Liberation Army. In view of these developments, most of the Moslem units serving in Algeria were transferred to France or Germany during the summer of 1956 and replaced by French troops.

In February 1957 a letter was addressed to President Coty by 52 Algerian Moslem officers stationed in Europe, including two colonels, stating that the French Government's policy was transforming their attachment to France into "treason to the Algerian people," and appealing to the President to find "an honourable solution to the crisis of conscience with which the body of Algerian officers are confronted." Following the unauthorized publication of this letter, Lieutenant Rahmani (the officer regarded as primarily responsible) was arrested; though released in May he was rearrested in September and charged with "attempted demoralization of the Army and the nation." Similar charges were brought against 17 other signatories of the letter; five of them, however, succeeded in escaping to Tunis, where they announced their intention of joining the Liberation Army.

A number of cases of nationalist penetration of the police were also discovered. At the end of May 1957 an inspector and seven policemen, accused of planning to assist a rebel attack on the town, were arrested at Tlemcen, and 15 policemen at Tebessa. Other groups of policemen, including officials of high rank, were arrested in Algiers, Oran, Mostaganem, Bougie, Bouira, and Blida between November 1956 and September 1957 on charges of supplying information to terrorist groups.

The Arms Traffic.

M. de Gouyon, chairman of the Defence Commission of the Assembly of the French Union, stated on April 24, 1956, that about one-third of the insurgents were equipped with sporting guns or weapons dating from the Second World War, another third with arms captured from the French forces, and the remainder with weapons of foreign origin. The arms traffic, he added, took two main forms: a "semi-official" traffic from Spain and Libya, and an international underground traffic. Spanish arms, as well as others smuggled from Britain and the U.S.A., were reaching Algeria through Tetuan and Melilla; other weapons, mostly of Czechoslovak origin, were imported from Egypt *via* Tripoli and Benghazi; and others were smuggled in from French Equatorial and West Africa.

During the first six months of 1957 official French sources alleged that increased supplies of arms were reaching the insurgents from Tunisia, and to a lesser extent from Morocco. After a tour of inspection in Algeria, M. Bourgès-Maunoury (then Minister of National Defence) stated on Feb. 12, 1957 that the rebels were receiving the greater part of their arms supplies across the Tunisian and Moroccan borders. He added: "In view of the inadequacy of the means employed by the Moroccan and Tunisian forces to end this state of affairs, and the size of the forces which we should need to ensure completely effective supervision, it has seemed indispensable to us to establish a system of defence in depth. All through the winter the units on the frontier have worked continuously on the construction of a network of fortifications and barbed-wire entanglements, the efficacy of which has plainly made itself felt in recent weeks."

The defence system along the Tunisian frontier was completed on Sept. 15, 1957, as far as El-Ma-El-Abiod, about 175 miles from the coast; it was proposed to extend it to Bir-El-Ater, about 50 miles farther south. It consisted of four separate barbed-wire barriers, two of which were electrified, with minefields and observation posts placed along it at intervals; M. Morice (Defence Minister in M. Bourgès-Maunory's Government) stated in July that the area between the defence line and the frontier would be occupied by French troops withdrawn from Tunisia. A similar defence system was installed along the Moroccan frontier from the coast to Sidi-Aïssa, a distance of about 90 miles, which it was also proposed to extend farther south. At a press conference on Aug. 24, 1957, M. Morice stated that about 1,500 weapons had been crossing the frontier every month, and expressed the hope that this figure would be reduced by 80 per cent. when the two defence lines were complete.

A motor yacht, the *Athos*, was seized off the Algerian coast on Oct. 16, 1956, with a large cargo of arms (see 15277 C). Two more ships loaded with arms, the *Juan-Illueca* and the *Svance*, were seized by the Spanish Navy off the Moroccan coast on June 16 and 26, 1957, respectively; the former was carrying 800 tons of arms, including quantities of ammunition, and the latter 300 tons.

The Sudanese owner of the *Athos* was sentenced to 10 years' imprisonment by the Oran military court on June 21, 1957, and five Algerians found on board to terms ranging from five to 20 years. On appeal, however, the sentences were annulled on technical grounds, and after a new trial those on three of the Algerians were reduced to 10 years and that on the owner to three years.

Military Operations, September 1955–May 1956.

Military operations during this period are summarized below:

September 1955 – January 1956. By September 1955 strong insurgent forces were active in the Aurès and Nementcha mountains, in the Kabylie, and in the Constantinois, and considerable areas were virtually under insurgent control. A deputation of local mayors which visited Paris to appeal to the Government for stronger military measures described the situation in the Constantine department as follows: "The country is entirely controlled by the rebels south of a line through Meskiana, Khenchela, Tebessa, and Souk-Ahras; in the north, the Collo-Philippeville-El Milia triangle is practically in the hands of the fellaghas; Europeans can no longer venture outside the towns." The statement added: "The small town of Collo is isolated by the fellaghas. There is an atmosphere of fear, even of panic, in the towns, where all life stops every evening. The markets are closed and business is paralysed. . . "

Insurgent activities, which had hitherto been almost entirely confined to the eastern half of Algeria, spread in the autumn of 1955 to the Oranie (the area between Oran and the Moroccan border). During the night of Oct. 1-2, 1955 [a date apparently chosen to coincide with the uprisings in Morocco—see 14473 A], 10 to 15 uniformed and well-armed bands attacked an Army camp near Nedroma and murdered or kidnapped a number of French officials and Moslem "collaborators"; thenceforward strong insurgent forces remained active in this area. There was a sharp increase in terrorism in and around Algiers at the end of December 1955, and two military posts in the immediate neighbourhood of the city were attacked during the night of Jan. 1-2, 1956.

February-May 1956. During February and March 1956 the insurgents became increasingly aggressive, notably in the Constantinois, the Oranie, and the neighbourhood of Algiers. Agricultural activity in the Oranie was virtually brought to a standstill by rebels operating in the immediate neighbourhood of Marnia, Nedroma, and Nemours, and many roads were closed to traffic by official order. In the Constantinois the insurgents frequently attacked convoys and military posts, and raided villages and small towns. Algiers itself was raided during the early hours of March 16 by several armed bands which burned down a garage in the centre of the city and a factory in the suburbs.

A disturbing feature of the situation during this period was the assistance which the insurgents received on several occasions from Moslems serving in the French Army. At Sebaiah (near the Moroccan frontier) 65 out of 80 Moslems in a mixed unit, led by their n.c.o.'s, went over to the rebels during an engagement on the night of Feb. 19-20. An insurgent force attacked a post near Souk-Ahras during the night of March 7-8 with the assistance of 75 Moslem soldiers in the garrison, who deserted to them with the unit's equipment. Moslem troops also assisted insurgents who attacked a post in the Aurès during the night of May 29-30, and several similar incidents were reported in other areas.

In the Kabylie the military situation was complicated by the feuds between the Berber tribes. As the insurgents extended the area under their control, the Ourabah tribe of the Soummam river valley (between the Grande and Petite Kabylie) rallied to the French and were allowed to form self-defence units. A pro-French village in this area was besieged by 300 insurgents from Feb. 17-23, but the defenders, helped by French forces, succeeded in repelling the attack. During the night of April 20-21 about a dozen Ourabah villages were raided by rival tribes, several being burned down and about 70 people murdered.

In the Orléansville area, which had hitherto been unaffected by the revolt, M.N.A. units became active in March. On April 4 an Army lorry loaded with arms and ammunition was seized a few miles outside Algiers by the officer-cadet in charge, a Communist named Maillet; in consequence the Communist military organization—the "Liberation Fighters," which included both Moslems and Europeans—was enabled to begin operations in the area round Orléansville, where the Communists exercised considerable influence. Maillot himself was killed in a later action on June 5. Following negotiations between the Communist Party and the F.L.N., the "Liberation Fighters" were incorporated in the National Liberation Army from July 1, 1956.

Towards the end of March the French launched a series of successful offensives in the Constantinois. Infantry and naval commandos were landed during the night of March 26-27 on the

Collo peninsula, supported by aircraft and by gunfire from the cruiser *Georges-Leygues*, to eliminate the rebel bands which had controlled the area for several months; as stated above, the town of Collo had been isolated since September 1955, receiving its food supplies by sea. Sixty insurgents were killed in another operation between Guelma and Souk-Ahras during March 30-April 3; rebel bands were wiped out in combined operations in the Bône area on April 14 and 24; and 82 insurgents were killed in an operation north of Constantine on April 15.

While the French offensive continued, the insurgents avoided pitched battles in this sector and concentrated on terrorist activities. During the night of May 8-9, however, they launched their largest concerted operation to date, attacking 46 villages and military posts in the Constantinois and the Petite Kabylie and some 20 posts in the Grande Kabylie. All the attacks were repulsed, often after fierce fighting, and over 200 rebels killed; the fighting was particularly intense at Rouached (between Constantine and Mila), which was raided by a force about 1,000 strong.

In the Oranie the insurgents, operating in bands several hundred strong, increasingly took the offensive during April and May. Tlemcen was virtually besieged during the first half of May by a force estimated at 3,000 men, which withdrew on May 14 only after strong French reinforcements, supported by aircraft, had been sent to the town. Bands believed to number about 1,000 men burned down 59 farms in the neighbourhood of Aïn-Temouchent between May 6-10, with the assistance of armed auxiliaries recruited among local labourers and unemployed, and the port of Nemours was raided on May 15.

Strengthening of French Forces in Algeria.

The French armed forces in Algeria, which numbered about 100,000 in June 1955, were increased to about 400,000 by the end of June 1956. The reinforcements consisted partly of troops transferred from France, Western Germany, and French West Africa, and partly of reservists recalled for active service under decrees issued on Aug. 25, 1955 [see 14431 A] and April 13, 1956. The latter decree provided for the recall of about 200,000 reservists if required, and authorized the incorporation in the Army, wherever necessary, of reservists who had done their military training in the Navy or Air Force. General Bailly, then Chief of Staff of the French Air Force, stated on April 13, 1956, that the number of Air Force personnel in Algeria, Morocco, and Tunisia had been increased from 21,500 in June 1955 to 39,000 at the beginning of April 1956, and would reach 64,000 in October 1956.

The recall of reservists under a decree of Aug. 25, 1955, led to a succession of protest demonstrations in France during the autumn of 1955, both by men who had been recalled and by conscripts whose release had been postponed. The most serious incident occurred at Rouen, where about 200 men mutinied on Oct. 6, 1955, and occupied the barracks for two days; the mutineers were supported by large crowds of civilian demonstrators, about 50 of whom were injured in street fighting with the police. The new call-up under the decree of April 13, 1956 was followed by further demonstrations, and between April and July 1956 reservists repeatedly held up troop-trains by pulling the communication-cord or uncoupling coaches; serious riots occurred at railway stations on several occasions, notably at St. Nazaire on May 28, 1956, when about 5,000 civilian demonstrators clashed with the police.

The Government announced on Sept. 26, 1956, that an acceleration in the rate of embodiment of newly called up national servicemen had made it possible to release about 200,000 men between October and December; those released were either conscripts who had been serving continuously since May 1954 or reservists who had been recalled earlier in the year. After his visit to Algeria in February 1957 M. Bourgès-Maunoury stated on Feb. 12 that the military leaders in Algeria had been informed "that they should and could count henceforward on stable effectives at the present level, derived from the normal call-up of age-groups." In order to maintain this number, conscripts were retained with the colours for over two years, instead of the normal 18 months; M. Morice (Defence Minister in the Bourgès-Maunoury Government) said on July 27 that there were 450,000 troops in Algeria, and that it was hoped gradually to reduce the term of service to two years.

General Lorillot, Supreme Military Commander in Algeria, was appointed Chief of Staff of the Army on Nov. 13, 1956. He was succeeded in Algeria by General Salan, who had served as C.-in-C. in Indo-China from January 1952 to May 1953.

Military Operations, June 1956 - May 1957.

Military operations in Algeria during the 12 months ending May 1957 are summarized below:

June-December 1956. The arrival of reinforcements enabled the French Army to carry out a series of major operations in the Kabylie and the Oranie during the first six months of June 1956. About 230 insurgents were killed during a French offensive in the upper Soummam valley on May 31-June 1, as a result of which 210 villages in the Petite Kabylie, formerly under insurgent control, came once more under French control. A second operation in the Djurdjura mountains (south of Tizi-Ouzou) between June 5-8 resulted in the death of 68 insurgents and the reoccupation of a number of villages. M. Lejeune (then State Secretary for Defence) subsequently stated on July 8 that pacification was making good progress in the Petite Kabylie, where military posts were being established in or near the villages and new roads were being built. In the Oranie 67 insurgents were killed and 600 suspects arrested during a French operation in the Nemours-Marnia area between June 5-9.

The strengthening of the French forces throughout large areas of Algeria, and the intensification of the French campaign against the insurgents, led to a change in rebel tactics. On the one hand, they split up into smaller and more mobile bands, avoided pitched battles, and concentrated on ambushes, sabotage, and large-scale terrorism, the principal victims of which were other Moslems; on the other hand they extended their activities into new areas. The revolt from the beginning had spread along two mountain ranges which run across Algeria in roughly parallel lines—the Little Atlas (*Atlas tellien*) in the north, and the Saharan Atlas farther south. Beginning in the Aurès, it had spread east into the Nementchas and north along the Hodna Mountains into the Djurdjura, the Grande and Petite Kabylie, and the Constantinois. In the autumn of 1955 a new centre of insurgent activities had appeared in the Oranie. During the summer and autumn of 1956 the insurgents moved westward from the Grande Kabylie and eastward from the Oranie, along the line of the Little Atlas, to link up in the area between Algiers and Oran. A similar double movement took place in the Saharan Atlas westward from the Aurès to the Ouled-Naïl Mountains and the Djebel-Amour, and eastward from the Ksour Mountains.

In southern Algeria an insurgent force captured a military post 40 miles south of Bou-Saâda during the night of June 9-10, assisted by a section of the Moslem garrison, and during the following week M.N.A. units estimated at 1,500 men carried out a series of raids in the Ouled-Naïl Mountains around Djelfa. Near the Moroccan frontier, terrorist activities began at Colomb-Béchar on June 17, and two days later a post commanding the road from Aïn-Sefra to Colomb-Béchar was attacked. Insurgent activity in the Ksour Mountains began with an attack on a post in the Géryville area during the night of June 27-28, and the ambushing of a convoy on June 29, when 15 French soldiers were killed. The insurgent units operating in this area were believed to have been formed in southern Morocco from Algerians resident in the country or coming from France, reinforced by Moslem deserters from the French troops stationed in Morocco. The rebels' activities in the Ouled-Naïl and Ksour Mountains represented a serious threat to the two main roads leading to the Sahara, which run through Aïn-Sefra and Colomb-Béchar and through Djelfa, Laghouat, and Ghardaïa respectively.

The most important military operations during July took place in the Oranie, where 63 insurgents were killed in a battle near Nedroma on July 15. During operations south of Oran two French units were ambushed on July 18-19, a colonel and 25 soldiers being killed; in heavy fighting south of Tlemcen 64 insurgents were killed on July 22-23; and on July 25 eight French soldiers were killed in an ambush in the same district. Near the Tunisian frontier French troops carried out an operation in the Souk-Ahras area from July 4-12, killing 44 rebels. The insurgents ambushed a French convoy on July 12 near the port of Djidjelli, 12 soldiers being killed, while in the Aurès nine soldiers were killed on July 15 when a goods train was blown up by a land-mine between Batna and Biskra.

During August the insurgents achieved a number of successes in the mountains south of Algiers, between Palestra, Tablat, Blida, and Médéa, to which they were believed to have transferred part of their forces from the Grande Kabylie. In this sector, where 19 French soldiers had been killed in ambushes on May 18 and eight more on July 9, French forces carried out an operation from July 14-16 in which 25 insurgents were killed, 1,300 suspects arrested, and a rebel hospital and several camouflaged encampments discovered. Nevertheless, nine more French soldiers were killed in an ambush on Aug. 7; 27 more in three actions on Aug. 8-9; and all but five of a patrol of 50 men on Aug. 12, after they had been led into an ambush by a Moslem guide.

In the Petite Kabylie the insurgents lost 95 men during a French operation which ended on Aug. 17, and another 47 on Aug. 29 during operations which followed an ambush in which 11 *légionnaires* were killed. Rebel activity in the Oranie revived during the second half of August, 71 insurgents being killed in a battle near Nedroma on Aug. 29.

Insurgent forces became active early in September in the area east of Oran, between Mostaganem, Relizane, and Mascara, which had hitherto remained peaceful; this was regarded as an indication that the rebel bands moving eastward from the Grande Kabylie had linked up with those in the Oranie. Fourteen farms in the Mascara region were burnt down by the rebels during the night of Sept. 22-23, and several small French units were ambushed between Algiers and Oran in September and October. The French forces, on the other hand, killed 32 rebels in an engagement near Mostaganem during the night of Sept. 15-16, and 40 near the port of Tenès on Oct. 16.

Increased insurgent activity in the Grande Kabylie led to several engagements in September and October; 46 rebels were killed near Menerville (25 miles E. of Algiers) on Sept. 16 when French troops stormed their underground headquarters, and 35 more in another action on Sept. 19. A French offensive in the Grande Kabylie resulted in the death of 106 rebels during Oct. 9-11, and 25 more were killed in an operation in the Soummam valley on Oct. 16. The French suffered considerable casualties in two ambushes in this area, 17 soldiers being killed near Palestro on Sept. 21 and 24 near Tablat on Oct. 27.

Farther to the east, Zighout Youssef Ben Saïd (the insurgent commander in the Constantinois, who had organized the offensive of Aug. 20, 1955—see 14431 A) was killed near Philippeville on Sept. 22 with eight of his staff. In the Aurès two important engagements took place on Sept. 14, when 39 insurgents were killed near Batna, and on Sept. 27, when 105 were killed in fierce fighting near Mac-Mahon. One of the principal rebel leaders in the Aurès, Adjoul Adjoul, surrendered on Nov. 1.

The first major action in the Djebel-Amour occurred on Oct. 2 when a rebel force over 200 strong ambushed a convoy, nine French soldiers being killed. Reinforcements were rushed to the area, but on the following day the insurgents succeeded in cutting off their rearguard, 30 of whom were killed. The insurgents' casualties totalled 47 killed and 19 captured; prisoners stated that the band had come from the Ksour Mountains intending to attack the town of Aflou, where many leading nationalists were interned. In the southern Djebel-Amour, on the edge of the Sahara, a strong rebel force lost 70 killed and 56 captured on Dec. 9 when attacked by French parachute troops and aircraft. In other sectors of the Saharan Atlas, Hachour Zian (the M.N.A. leader in the Ouled-Naïl Mountains) and about 25 of his men were killed in two actions on Nov. 7-8, whilst nearly 50 insurgents were killed in an engagement near Bou-Saâda on Nov. 18. Numerous attacks on communications took place in the Colomb-Béchar area during the last three months of 1956, and at Touggourt (150 miles south of Biskra) two grenade attempts occurred on Dec. 31—the first terrorist incidents reported so far to the south.

In the area between Oran and Algiers the insurgents, operating in small and highly mobile groups, maintained their activity throughout November and December; particular anxiety was caused by the frequency of rebel raids in the Ouarsenis, between Miliana and Tiaret. French convoys were ambushed on several occasions, notably on Nov. 12, when 18 soldiers were killed in two attacks, and on Nov. 28, when 11 soldiers were killed near Orléansville. A rebel force attacked a military camp 60 miles south-west of Algiers on Dec. 13 with the complicity of Moslem n.c.o.'s of the garrison; subsequent inquiries established that there was an active F.L.N. group inside the camp. In the Oranie 30 insurgents were killed in a battle near Tlemçen on Nov. 29, and another 40 in the same area on Dec. 6-7.

A French convoy was ambushed with the loss of 12 killed on Nov. 22 in the Palestro area; in other sectors of the Grande Kabylie over 40 insurgents were reported on Dec. 10 to have been killed in two separate operations. A Senatorial commission which visited this area at the beginning of December reported that about 2,000 insurgents, divided into groups of 15 to 30, were operating in the Grande Kabylie, where the terrain was particularly suitable for guerrilla warfare. Although 23,000 soldiers were stationed there, pacification was making progress over only half of the area, and rebel activity had recently increased.

In eastern Algeria 30 insurgents were killed in a battle in the Collo area on Nov. 21, and several major engagements occurred near the Tunisian frontier, where three large and well-armed bands totalling about 1,200 men were reported to be active. Thirty-three rebels were killed in an action south of Tebessa on Nov. 27, and 17 more two days later when French troops intercepted an arms convoy coming from Tunisia. Another 47 insurgents were killed in heavy fighting in the same area on Dec. 22.

January-May 1957. Owing to strong French counter-action, insurgent casualties increased considerably during the early months of 1957; M. Lacoste, speaking in the National Assembly on March 21, claimed that between Jan. 27 and Feb. 20 the rebels had lost 2,512 men killed in action and 333 wounded or taken prisoner, whilst on April 2 it was announced that 806 insurgents had been killed and 85 captured during the single week March 23-29. Despite these losses, the insurgents remained extremely active; as stated above, official French sources estimated that there were at least 25,000 in arms at the beginning of May, and that their equipment had greatly improved in the preceding six months.

The most important military operations by both sides took place in northern Algeria, from the Moroccan frontier to the Kabylie; 46 insurgents were killed on Jan. 20-21 in operations in the Tlemçen sector of the Oranie, 92 on Jan. 26, and 36 on Feb. 17. After a lull in this sector, the insurgents raided 39 farms in the area between Tlemçen and Aïn-Temouchent during the night of April 1-2, 23 being set on fire. Another rebel force about 200 strong lost 65 men on April 17 in a battle between Marnia and Nedroma; retreating to the south, it was encircled on April 20 and almost wiped out, 95 men being killed.

In the densely forested mountains of the Ouarsenis rebel raids and ambushes became increasingly common; it was reported on Feb. 26 that 27 farms had been burned down in the previous two days, frequent attacks made on motorists, and telephone communications sabotaged. Nine soldiers and civilians were killed in an ambush on Jan. 26, and 14 soldiers on April 18. The insurgents also extended their activities to the Plain of Chélif (between Orléansville, Mostaganem, and Oran) for the first time since 1954. In the coastal area west of Algiers, the French lost 20 soldiers in an ambush near Cherchell on Jan. 9 and 27 more on Feb. 28, including the pilot of an observation plane which was shot down near Dupleix; in subsequent counter-operations in this area 64 members of the band responsible were killed between March 1 and March 4.

The wooded and mountainous country round Tablat (about 30 miles south of Algiers) was the scene of heavy fighting during May. In offensive operations between May 8-18 the French forces killed or captured 189 insurgents and seized large stocks of arms and ammunition, including a large supply of up-to-date weapons. The rebels launched a surprise attack on May 22 in which 15 French soldiers lost their lives; in the ensuing French counter-action 70 insurgents were killed. Another 86 rebels were killed in an engagement which followed an ambush on May 25.

A disquieting feature of the situation in the Kabylie was the revival of insurgent activities in the Soummam valley, which had remained peaceful since the previous summer; 63 insurgents were killed in this area on Jan. 3, and another 57 on Feb. 28. The rebels suffered heavy casualties in the Grande Kabylie in a series of French operations during the first three months of 1957—notably on March 23, when 137 were killed.

In the Constantinois, where rebel activity had greatly declined since the spring of 1956, the insurgents again took the offensive and on Jan. 7 raided Souk-Ahras, a town of 20,000 people. In a series of ambushes 21 French soldiers were killed and 18 wounded on April 3 north of Constantine; 11 were killed on April 15 in the El-Milia area, south of the Collo peninsula; and 35 killed and 27 wounded in the same area on May 11. In an action on Jan. 24, in which 19 insurgents were killed, the French claimed to have wiped out the rebels' general staff for the Bône area. Other French successes included an engagement east of Constantine on April 2-3, in which 41 insurgents were killed, and one in the El-Milia area on April 24 (25 rebels reported killed). A number of engagements took place in the Tebessa area, where rebel units frequently crossed the frontier while retreating into or returning from Tunisia; 85 insurgents were killed on Jan. 26, and 65 more on March 6.

Fighting meanwhile continued along the whole length of the Saharan Atlas. In a battle south of Bou-Saâda 68 insurgents and 12 French soldiers (including the crew of a helicopter which was shot down) were killed on April 9, Bou-Saâda itself being raided by a rebel force during the night of April 15-16. In the Ouled-Naïl Mountains 60 rebels were killed on April 4 near Djelfa, whilst in the Djebel-Amour they lost 72 killed on Feb. 27 and 50 on March 3-4. A rebel band was wiped out near Aflou on May 21, losing 99 killed, and three days later 43 members of another band were killed in the same area. In the Moroccan frontier zone 22 insurgents were killed in an engagement near Aïn-Sefra on Jan. 22.

The Melouza Massacre.

One of the worst atrocities of the Algerian war occurred on May 28, 1957, when 303 men and youths living in villages near Melouza (at the western end of the Hodna Mountains, between Bordj-Bou-Arreridj and Aumale) were massacred at the village of Kasbah. Three days later (during the night of May 30-31) armed men murdered 35 Moslem workmen in the village of Wagram, near Saïda. Both massacres were attributed by the French authorities to the F.L.N., which, however, denied all responsibility and appealed to the U.N. to sponsor an international inquiry.

According to reports from French sources, a large insurgent force (variously described as 150 and 400 strong) entered the village of Beni-Ileman, near Melouza, in the morning of May 28, rounded up all males over 15 in the village and in neighbouring hamlets, and took them to Kasbah, where they were held prisoners until the evening. They were then machine-gunned, cut down with hatchets, or bludgeoned to death. Various reasons for the massacre were given by French sources: that the victims had protested against the assassination of a family suspected of being pro-French, that they were M.N.A. supporters, or that they had welcomed French troops. On May 31 the French authorities published an F.L.N. directive, said to have been discovered on April 17, that all villages which asked for French protection should be burned down and all their male inhabitants over the age of 20 murdered.

About 200 inhabitants of Melouza and neighbouring villages were arrested on June 3, and were reported to have confessed to taking part in the massacre; according to subsequent French statements, it was said to have been carried out by a band of 50 insurgents and 100 auxiliaries recruited in the Melouza area. French spokesmen stated that the band responsible consisted of Kabyle tribesmen who had taken advantage of a long-standing feud between the Kabyle population of Melouza and the Arab inhabitants of Beni-Ileman.

President Coty issued on June 1 an "appeal to the civilized world" worded as follows:

"These abominations are not just the work of a few bandits. The killers continue to carry out the orders of their leaders, the same leaders who only yesterday boasted over a foreign radio of having caused the treacherous assassination in Paris of another Moslem guilty of loving France [i.e. M. Chekkal—see below], as they have already caused the murder of 5,000 defenceless Moslems, men and women, old men and children. I ask all civilized peoples whether they do not think the time has come to make it known that they will refuse a hearing to the supporters and agents of this hideous terrorism, which tramples underfoot all divine and human laws, in complete contempt for the conscience of humanity . . ."

F.L.N. spokesmen in Tunis categorically denied that the F.L.N. was responsible for the massacre; accused the French troops of conducting a "veritable campaign of extermination of Algerian populations"; and described both the Melouza and Wagram massacres as "an odious plot intended to discredit the F.L.N. in the eyes of the civilized world." On June 2 the F.L.N. representative

in New York (M. Yazid) appealed to the U.N. Secretary-General to propose to President Coty that the U.N. Secretariat should organize an inquiry into the methods used by the belligerents in Algeria; he promised the full co-operation of the F.L.N. and the National Liberation Army. M. Yazid repeated his request for an international inquiry on June 12, and gave an assurance that if it were proved that the massacre had been committed by F.L.N. supporters the movement would not hesitate to execute them.

The M.N.A. issued a communiqué on June 3 attributing the massacre to the "pseudo-patriots of the F.L.N."; its secretary-general, M. Moulay Merbah, sent a message to Dr. Hammarskjöld proposing that the International Red Cross should institute an inquiry.

Military Operations, June-October 1957.

The principal military operations during the summer and early autumn of 1957 are summarized below:

Northern Algeria and the Saharan Atlas. The insurgents suffered two major reverses in eastern Algeria during June. On June 15 French troops attacked a large force which had recently crossed the border near Tebessa; in fierce fighting, which continued throughout the day, the rebels lost 205 killed, the largest number of casualties in any single battle to date. The biggest French air operation since the beginning of the rebellion was carried out on the following day, when about 100 aircraft bombed and machine-gunned rebel bases in the mountains east of Djidjelli, insurgent casualties being estimated at about 100 killed. This attack formed part of a large-scale French operation in the Collo peninsula, which had remained an insurgent stronghold for nearly two years despite repeated French offensives.

125 insurgents were killed in heavy fighting on June 4-5 in the Fort-National area, and 48 in an engagement near Tlemçen on June 14. The rebels had previously raided Tlemçen on June 4, and on June 21 ambushed two French units near Bougie and Bou-Saâda; French casualties totalled 34 killed in these two attacks.

For the greater part of July military operations were virtually confined to the Saharan Atlas, this being attributed to the rebels' desire not to interfere with the harvesting of crops. 70 insurgents were killed on July 2 in an engagement in the Djelfa sector; 98 on July 22 near Mac-Mahon, in the Aurès; and 101 on July 24 in fighting near Géryville.

A revival of insurgent activity south of Algiers occurred at the end of July. Near Aumale the rebels attacked a French post during the night of July 27-28 and, assisted by Moslem members of the garrison, killed 14 French soldiers. In the Djebel Bou-Zegza (about 25 miles south-east of Algiers) French parachutists on Aug. 3 a encircled strong insurgent force equipped with modern weapons, including a transmitting post from which false signals had been sent out to mislead French aircraft. On the following day the rebels broke through the French lines, and an engagement took place in which the French lost 21 killed and 18 wounded and the insurgents 16 killed. Strong reinforcements were rushed to the area, and on Aug. 14 the French authorities claimed to have wiped out the rebel band, which had lost 126 men during the four days' fighting.

Heavy fighting occurred in many areas during the first fortnight of August. A French communiqué of Aug. 13 claimed that the insurgents had lost 800 men killed, wounded, or captured in 200 French operations in all parts of Algeria during the previous ten days, despite their tactics of systematically avoiding pitched battles. French casualties were given as 50 killed and 25 wounded. Another communiqué of Aug. 16 claimed that in the Kabylie alone 1,037 insurgents had been killed and 711 captured since May 1, including many rebel officers and n.c.o.'s. The rebels' casualties remained heavy throughout August; in particular, they were reported to have lost 98 killed in a battle near Tebessa on Aug. 13 and 107 in three engagements in the Aurès on Aug. 31.

Because of the intensity and progressive success of the French counter-measures, the rebels concentrated during August on ambushes, hit-and-run raids, and acts of terrorism, incidents of this kind being reported from all parts of Algeria—notably from the area east of Oran and the Constantinois. A French military vehicle was ambushed on Aug. 7 on the main road from Orléansville to Miliana, 10 soldiers being killed, and on Aug. 24 strong rebel bands which raided Mascara and Tiaret were driven out only after fierce street fighting. Four police officers were killed when their car was ambushed outside Constantine in the night of Aug. 17-18, and Constantine itself was raided by rebel commandos on Sept. 25.

French military operations continued throughout September. Two rebel bands were wiped out near Mascara on Sept. 5-6 and near Tlemçen on Sept. 13, losing 106 and 36 killed respectively; 51 insurgents were killed in a battle near Nedroma on Sept. 12; and in the Kabylie the insurgents lost 83 men on Sept. 5 near Bougie, and 59 in an operation in the Soummam valley on Sept. 23. From Oct. 1-4 the French forces carried out an operation in the Plain of Chélif, during which 51 insurgents were killed and 64 captured. After a period in which heavy rains and flooding prevented all military activity, the French authorities announced on Oct. 14 that 149 insurgents had been killed and 92 captured in the Aurès and the Constantinois during the previous three days. The rebels increased their activity during the second half of the month, successfully ambushing several French units; the French authorities, however, denied claims by F.L.N. spokesmen that they had launched a "general offensive" on Oct. 20 and had inflicted heavy casualties on the French forces in four engagements.

An important development during September and October was the increasing number of insurgents who surrendered voluntarily. A band of 21 men gave themselves up in the Tebessa area on Sept. 7 without resistance (the first time a rebel band had surrendered in a body), while another 108 rebels surrendered between Oct. 9-12 in the Aurès, the Constantinois, and the Sétif area.

The Sahara. Isolated rebel activity in various parts of the Sahara started in July 1957, when a rebel force raided the town of Laghouat (250 miles south of Algiers) during the night of July 13-14 and blew up the power station, cutting off electricity and water supplies to the whole area and causing damage estimated at 450,000,000 francs. Seven French soldiers were killed near Laghouat on Aug. 13 in a rebel attack.

In the Libyan border area (where some of the main oil deposits were found in 1956—see 15697 A) an oil well at Edjelé which was being prepared for exploitation caught fire on Aug. 7; the French authorities attributed the fire to a sudden escape of natural gas during the construction work, but F.L.N. spokesmen in Cairo claimed that it was due to sabotage, though it was not certain whether this claim was true. Farther south, a French civilian convoy bringing supplies to a military post, and using a track passing through Libyan territory with the consent of the Libyan authorities, was attacked south of Ghat on Sept. 16, its crew being kidnapped and the lorries burnt. On Oct. 3, according to the French military authorities, a Foreign Legion patrol on reconnaisance in the same area was attacked near the Libyan frontier by a uniformed force which withdrew when French aircraft appeared; the Libyan authorities, on the other hand, alleged that a strong French force had attacked a Libyan military post. The French Government accepted on Oct. 9 a proposal by the Libyan Government that a mixed commission should investigate the incident and delimit the frontier in this area.

In the central Sahara near Timimoun, 60 Moslem soldiers of the camel corps mutinied on Oct. 17, murdered eight French soldiers in charge of the patrol, and joined a rebel band.

As stated by M. Pineau on Nov. 27 in the U.N. General Assembly's debate on Algeria, the French Government and military authorities claimed during the autumn of 1957 that they had gained complete superiority over the rebels and had almost won the war (see 16047 A). The F.L.N. leaders, however, while admitting the failure of urban terrorism and conceding their defeat in the "battle for Algiers," asserted that they were gaining rather than losing ground outside the towns; they also expressed optimism about their ability to extend their activities in the Sahara.

Terrorist Activities in Algeria and France.

One of the worst features of the situation was the resort to mass terrorism on the part of the rebels, both in Algeria and in Metropolitan France. In Algeria this was directed largely, and in Metropolitan France almost exclusively, against other members of the Algerian Moslem population.

Terrorism in Algeria. Following the reinforcement of French troops in Algeria in the summer of 1956, and the resultant tightening of French military control, the insurgents resorted increasingly to terrorist acts against the civilian population. As a "reprisal" for the execution of two nationalists on June 19, 1956 (the first executions since the outbreak of the rebellion), 14 Europeans were murdered in Algiers alone between June 20-24. The principal victims of rebel terrorism, however, were Moslems and not Europeans. According to official figures published on Oct. 1, 1956, attacks on individuals totalled 732 in June, 660 in July, and 647 in August; 493 Moslems were murdered in June, 544 in July, and 444 in August; in Algiers alone 29 civilians were murdered in June, 21 in August, and 16 between Sept. 1-29. On Sept. 30 two time-bombs exploded simultaneously in two Algiers cafés, injuring 64 people, whilst 26 people were killed by two bomb explosions at Nedroma on Nov. 30.

M. Amédée Froger (74), mayor of Boufarik and president of the Federation of Algerian Mayors, was shot dead outside his house in Algiers on Dec. 28, 1956. One of the leading spokesmen of right-wing opinion among the French settlers, he had campaigned against the dissolution of the Algerian municipal councils (see 15645 A). [Details of the riots which occurred at his funeral will be given in a subsequent article.]

During 1957, owing to the increasing effectiveness of French security measures, terrorism in Algiers was largely suppressed, although three major incidents occurred in February and June. On Feb. 10, 1957, several bombs exploded at two sports grounds in Algiers where football matches were being played, killing 10 people and injuring 37; at one stadium a section of the European spectators rioted after the explosion, attacked Moslem spectators indiscriminately and lynched two men before the police could intervene. On June 3 three bombs exploded simultaneously in different parts of the city, nine people being killed and 85 injured, whilst 10 people were killed and about 80 injured on June 9 when a bomb exploded in a crowded dance hall. [The riots which followed the funerals of the victims will be described in a forthcoming article.]

During the summer and autumn troops and police carried out a series of raids on the Casbah (the Moslem quarter of Algiers), as a result of which the F.L.N.'s terrorist organization in the city was largely broken up. Yacef Saadi, the F.L.N. leader for Algiers, surrendered on Sept. 24 after his hiding-place had been surrounded by soldiers. "Ali the Knife," his successor in the leadership, and

23 other rebels were killed on Oct. 8 when a store of explosives blew up in a house which was being searched by troops. The last member of Yacef Saadi's staff still at Liberty was arrested on Oct. 15, whilst Si Sallah, the leader of the F. L.N. organization in Oran, was killed in a fight with the police on the following day.

Several Moslems prominent in political or religious life were murdered during 1957, including M. Ali Chekkal (60), the former vice-president of the Algerian Assembly, who was shot dead on May 26 as he was leaving a Paris sports ground after a football match. As the best-known Moslem politician who continued publicly to support the connexion between France and Algeria, M. Chekkal had repeatedly been threatened with death and had been under police protection day and night. The assassin, a young Algerian workman, was arrested immediately after the crime; under interrogation he maintained that he had acted on his own initiative, and denied that he belonged to any political organization.

M. Adda Chentouf, a member of the Regional Commission for Oran, and a former member of the Algerian Assembly, was shot dead at Mascara on May 29; his death followed the murder of several other Moslem members of the local government bodies recently set up in Algeria by the French Government. The Grand Mufti of Mostaganem, Si Henni Hadj Ahmed, was assassinated on Aug. 7, and Sheikh Ben Tekkouk, a leading member of the Senussi sect in the Mostaganem area, was murdered on Aug. 22.

Terrorism in France. Acts of terrorism by Algerian Moslems against other Algerians living in Metropolitan France became increasingly frequent from 1956 onwards; the French Press brought almost daily reports about killings in the street, or the finding in Algerian lodging-houses of dead Algerians who had been shot or had had their throats cut. Seventy Algerians were murdered in France during 1956, and over 550 killed and 2,200 wounded in the first 10 months of 1957. In August 139 were killed and 300 wounded, while in October 53 were killed and 77 wounded in the Paris area alone. About 300,000 Algerians (almost all of whom are men) live in France, and about 120,000 of them live in Paris, which contains more male Algerian Moslems than any other city; by comparison, the Moslem population of Algiers is 180,000, but this figure includes women and children. Many Algerian workers are also to be found in the Northern industrial areas and in the Marseilles region.

About two-thirds of the victims were believed to be members of the M.N.A. or the F.L.N. who had been attacked by supporters of the rival nationalist organization. Most of the attacks were attributed to members of the F.L.N., which was reported to have built up a powerful organization in France, and was known to possess a large supply of arms and cars; it was also known to be imposing compulsory levies (believed to total about 1,000,000,000 francs a year) on Algerian workers in France, eliminating those who refused to pay. Political opponents were "tried" and sentenced to death by secret F.L.N. "courts"; an Algerian lodging-house at Lille which had been used for this purpose was burnt down by M.N.A. supporters on Aug. 26, 1957.

Almost all the leaders in France of the *Union des syndicats de travailleurs algériens* (U.S.T.A.), the trade union federation affiliated to the M.N.A., were murdered during September and October 1957, including its general secretary, M. Ahmed Bekhat (shot dead in Paris on Oct. 26), its assistant general secretary (M. Abdallah Filali), and its secretary in the Paris region (M. Ahmed Semmache). These murders were attributed to supporters of the F.L.N. and its trade union organization, the *Union générale des travailleurs algériens* (U.G.T.A.).

In addition to M.N.A. and F.L.N. supporters, Algerians who had refused to contribute to nationalist funds or to take part in political strikes were also among the terrorists' victims. The situation was further complicated by the fact that criminal elements were extorting money from other Algerians by posing as representatives of nationalist organizations; by gang warfare between rival groups of these "racketeers"; and by warfare between the "racketeers" and the genuine nationalists.

During the first ten months of 1957 nine Frenchmen were killed in France and about 30 wounded as a result of Algerian terrorism. Most of the victims were killed or injured accidentally during shooting affrays between Algerians; on Oct. 18, however, a police officer was killed and two others seriously wounded when their car was ambushed in a Paris suburb. M. Borgeaud, a Radical senator for Algiers and a leading spokesman for the settlers' interests, was shot at in a Paris street on Oct. 31 but escaped unharmed.

French and Rebel Casualties.

No official figures of the number of casualties during the first three years of the war were issued by the French authorities. *Le Monde*, however, published the following estimates on Oct. 30, 1957, based on statistics given in earlier official statements: French forces, 3,700 killed, 6,000 wounded, 650 missing; insurgent forces, 30,000 killed, 13,000 captured. It was pointed out that the insurgent casualties were only an approximation, as official statistics made no distinction between combatants and Moslem civilians killed in the course of military operations. The number of victims of terrorist activities was estimated at 950 Europeans and 6,200 Moslems killed, 2,500 Europeans and 4,100 Moslems injured, and 130 Europeans and 2,100 Moslems missing.—(Le Monde, Paris - Le Figaro, Paris - Times - Manchester Guardian)
(Prev. rep. 16080 A; 16047 A; 15882 A; 15847 A; 15645 A; 14969 A; 14913 A; 14431 A.)

A. UNITED KINGDOM. — Further Cut in Bank Rate. - Gold and Dollar Reserves in April.

The Bank Rate was reduced from 6 per cent to 5½ per cent on May 22—the second reduction since it was raised to 7 per cent on Sept. 19, 1957.

A Bank of England spokesman described the latest reduction as a "technical adjustment" based on the same general considerations as the reduction from 7 per cent to 6 per cent in March. It implied no change in financial policy and was not to be taken as a "green light" to the economy, nor was it an anti-recession move. The exchange reserves had continued to gain ground steadily during the past two months and, as in March, a reduction in Bank Rate could have been justified on market grounds some time ago; but it had "again been felt wise on more general grounds to proceed slowly and cautiously."

The Treasury had announced on May 2 that the sterling area's gold and dollar reserves rose during April by $144,000,000 after taking into account (*a*) the receipt of $11,000,000 from the E.P.U. in respect of the U.K.'s surplus in March, and (*b*) the payment of $3,000,000 to creditor countries in the Union under bilateral settlements. As a result, the gold and dollar reserves stood at $2,914,000,000 on April 30.

It was pointed out in the Press that the further rise in the reserves reflected the U.K.'s current payments surplus on its oversea payments, owing mainly to the strong favourable movement in the terms of trade and a resulting reduction in the import bill. In addition, sterling area commodities were being bought by other countries on a fairly significant scale at the present time of year. The covering of outstanding "bear" positions and the switching of funds to London from other centres had also contributed to the rise in the reserves.

Provisional figures for the E.P.U. April settlement showed that Britain had a surplus of £2,000,000, three-quarters of which would be settled during May in gold or dollars and one-quarter by a reduction in the U.K.'s debt to the Union.

Sterling continued to remain strong throughout April, the sterling-dollar spot rate centring mostly round 2.81¼ and 2.81⅜, and reaching its highest point since July 7, 1954, on April 18 and 19 at 2.81⅞. The lowest point was 2.81⅛ on April 23, after which the rate again rose steadily to reach 2.81⅝ on April 30. Transferable sterling in Zürich also remained firm, varying between 2.79275 and 2.79575.
(Treasury Press Office - Times) **(Prev. rep. 16076 B; 16112 A.)**

B. UNITED STATES. — Troops leave Little Rock.

President Eisenhower issued a statement on May 8 announcing that troops of the Arkansas National Guard would be withdrawn from the Little Rock Central High School as from the beginning of the summer recess on May 29. The President added:

"Following that date, I trust that State and local officials and citizens will assume their full responsibility for seeing that the orders of the Federal Court are not obstructed. The faithful execution of this responsibility will make it unnecessary for the Federal Government to act further to preserve the integrity of our judicial processes."

As stated in 15803 A, the Arkansas National Guard had been "federalized" at the time of the integration crisis in September last; it will revert to its normal status of a State Guard at the end of May. The *New York Times* stated that about 400 National Guardsmen remained on duty at the Central High School, where there had been no incidents for several months.—(New York Times - New York Herald Tribune)
(Prev. rep. Little Rock, 15916 C.)

C. UNITED KINGDOM. — Sir Vivian Fuchs's Return from Antarctica. - Award of Gold Medal of Royal Geographical Society.

Dr. Vivian Fuchs and the other 19 members of the Commonwealth Trans-Antarctic Expedition returned to England on May 12 and were received by the Queen at Buckingham Palace on May 15. Her Majesty conferred the accolade of knighthood on Dr. Fuchs and presented him with a clasp to the Polar Medal; 14 other members of the Expedition were awarded the medal, and the other five who already possessed it (like Dr. Fuchs) received clasps.

Sir Vivian and his companions were given a civic reception on their arrival at Southampton, and were warmly welcomed by large crowds both in Southampton and London. A Government reception was given in their honour at Lancaster House on May 19.

The Royal Geographical Society had announced on March 17 that its special Gold Medal would be awarded to Dr. Fuchs. The last award of the society's Gold Medal was made in 1910 to Robert E. Peary, of the U.S. Navy, the first man to reach the North Pole. Previous recipients were Captain Scott (in 1904) and Sir Ernest Shackleton (in 1909).—(Times).
(Prev. rep. 16055 A.)

A. UNITED KINGDOM. — Miscellaneous Legislation.

Miscellaneous Government-sponsored legislation enacted during the period 1956-58 is summarized (in alphabetical order) below, the dates of the House of Commons second reading and of the Royal Assent being shown in parentheses ; the dates of the second reading in the House of Lords are also given where Bills were first dealt with by that House.

The Aliens Employment Act made permanent provision for the employment of aliens in a civil capacity under the Crown, either at home or abroad ; it revoked Defence Regulation 60 D, which had conferred a temporary and limited authority for this. Under the Act, aliens may only be employed under the Crown in Britain (*a*) if a responsible Minister issues a certificate of authority, and the Treasury consents ; (*b*) if no suitable British candidate for the job is available, or the alien has special qualifications or experience. The Treasury must lay before Parliament annually a list of certificates in force and the number of aliens covered by each. (H.C. second reading June 20, 1955 ; enacted Dec. 21, 1955).

The Cayman Islands and Turks and Caicos Islands Act enabled the two island groups to be administered separately from Jamaica (of which they were formerly dependencies) and to possess their own legislative bodies under the new constitutional arrangements in the West Indies—see page 15998, first column. (Enacted Feb. 20, 1958).

The Christmas Island Act enabled the British Government to transfer the administration of Christmas Island to Australia—see 15590 A. (Introduced in H.L. April 17, 1958 ; enacted May 14, 1958).

Under an Order in Council dated Dec. 13, 1957, Christmas Island was detached from Singapore on Jan. 1, 1958, and administered as a separate dependency of the U.K. pending its transfer to Australia, which will take place in 1958. An *ex gratia* payment of 20,000,000 Malayan dollars (nearly £2,500,000) was made to the Singapore Government to compensate it for the loss of revenues from the island's phosphate deposits, which are worked jointly by Australia and New Zealand.

Parallel Australian legislation for the acquisition of sovereignty over Christmas Island was enacted in Canberra on Feb. 25, 1958.

The Commonwealth Institute Act enabled the Trustees of the Imperial Institute (to be renamed the Commonwealth Institute) to dispose of its existing buildings [see 14897 A] and erect new ones on a site in Kensington, the Government providing £725,000 towards the capital cost. (H.C. second reading, Feb. 11, 1958 ; enacted March 13, 1958).

The Copyright Act amended the U.K. law of copyright, as codified by the Copyright Act of 1911, in order to take account of changes in international copyright law and of developments since 1911 in film-making, gramophone recording, sound and television broadcasting, etc. The main provisions of the Act, which embodied most of the recommendations of a departmental committee on copyright which reported in 1952, are summarized below :

(1) The general law of copyright as set out in the 1911 Act was re-enacted, authors and artists being given copyright protection during their lifetime and for 50 years after their death.

(2) The provision in the 1911 Act that the work of authors and artists who had been dead for 25 years might be re-published by any publisher who agreed to pay a statutory royalty of 10 per cent to the copyright owners was repealed. British copyright law was thus made to conform to the Berne Union, which gives authors and artists absolute protection for 50 years after death.

[This clause of the Act precluded the issue of cheap reprints—unless published by the copyright owners themselves—until the author had been dead for 50 years ; e.g. the works of Kipling (d. 1936) may not now be published (except by the original publishers) until 1986, whereas under the 1911 Act they could have been issued by other publishers in 1961.]

(3) Journalists or artists on newspaper or magazine staffs would retain all rights in their work except the actual newspaper or magazine rights (e.g. they could publish their work in book form, dispose of film rights, etc.). Similarly, "free-lance" and other authors having works commissioned by newspaper or magazine publishers would retain all rights therein except the actual newspaper or magazine rights, unless they had otherwise agreed.

(4) The makers of a film would have a 50 years' copyright in it from the date of registration ; the copyright of any script, music, etc., specially written for the film would expire together with the copyright of the film itself, even though the writer or composer might not have been dead for 50 years. Where the story, music, etc. already enjoyed copyright in its own right—i.e. where a novel was filmed—this would not be affected, and would continue independently of the film until 50 years after the author's or composer's death.

(5) The Act reduced from 50 years to 25 years the existing copyright in "gramophone records, perforated rolls, and other contrivances by means of which sound may be mechanically reproduced," as well as the period during which the recording companies enjoyed "performing rights" in respect of the playing of records in public. It stipulated also that "performing fees" would not be payable in respect of records played as an amenity and without charge in residential premises, clubs, public houses, etc.

(6) New copyrights, valid for 50 years, were created in sound broadcasting and television programmes. Performing and other rights in their respective programmes were vested in the B.B.C. and the I.T.A., which were empowered to set up separate or joint agencies to collect fees. As in the case of gramophone records, the Act stipulated that fees would not be payable in respect of public performances unless a separate charge was made for admission.

(7) A Performing Rights Tribunal, consisting of a chairman appointed by the Lord Chancellor and from two to four other members appointed by the Board of Trade, would be set up to adjudicate in disputes between persons seeking licences to give public performances of sound or television broadcasts, gramophone records, etc., and the owners of the copyrights.

(8) Teachers and educational authorities were safeguarded against infringement of copyright in respect of quotations from textbooks in examination papers, etc.

(9) The rights of libraries to make photostat or similar copies of copyright works, and of students to make copies or transcriptions, were certified by the Act.

(H.L. second reading Nov. 15, 1955 ; H.C. second reading June 4, 1956 ; enacted Nov. 5, 1956).

The appointment of Mr. Clive Burt, Q.C., as chairman of the Performing Rights Tribunal set up under the Act was announced on May 17, 1957.

The Crown Estates Act implemented the main recommendations of the Committee on Crown Lands [see 14296 A]. It provided for the replacement of the former four Commissioners of Crown Lands by up to eight Crown Estate Commissioners, subject to the general direction of the Lord Privy Seal and the Secretary of State for Scotland, and responsible to Parliament. (H.C. second reading, July 20, 1956 ; enacted Nov. 5, 1956).

The appointment of Sir Malcolm Trustram Eve as First Commissioner and Chairman, and of Mr. R. M. J. Harris as Second Commissioner and Deputy Chairman, was announced on Dec. 14, 1956. They had both been Commissioners of Crown Lands.

The Crown Estate Commissioners announced on Feb. 1, 1958 the forthcoming establishment of a Directorate of Forestry, to be responsible for Crown woodlands. It will be based on Windsor, and Sir Eric Savill, Surveyor to the Windsor Estate, will concurrently become Director of Forestry.

The Customs Duties (Dumping and Subsidies) Act empowered the Board of Trade (1) to impose or vary Customs duties on imported goods which it considered had been dumped or subsidized—i.e. which were being sold in Britain at less than the "fair market price" in the country of origin or export ; (2) to make Orders allowing drawback of duty on such goods subsequently re-exported. (H.C. second reading, Jan. 22, 1957 ; enacted April 17, 1957).

The Dentists Act (1) provided for the setting-up of a General Dental Council (on the lines of the General Medical Council, but with fewer members) to enable the dental profession to become self-governing ; (2) authorized certain auxiliary workers, in view of the shortage of qualified dentists, to perform extractions, etc., for schoolchildren under the direction of registered dentists, and under regulations to be made by the new General Dental Council. (H.C. second reading, Nov. 4, 1955 ; enacted March 15, 1956).

The Department of Scientific and Industrial Research Act replaced the former Advisory Council for Scientific and Industrial Research by an executive council—known as the Research Council—having control over the Department of Scientific and Industrial Research, subject to the over-riding responsibility of the Privy Council and the Lord President of the Council. (H.C. second reading June 20, 1956 ; enacted Aug. 2, 1956).

The membership of the Research Council was announced on Nov. 7, 1956, consisting of eminent scientists (including a number of university professors), leaders of industry and commerce, and trade union representatives. Its chairman is Sir Harry Jephcott, chairman of Glaxo Laboratories.

The Food and Drugs (Scotland) Act applied to Scotland the main provisions of the Food and Drugs (Amendment) Act [see 14491 A]. (H.C. second reading July 6, 1955 ; enacted March 15, 1956).

The Friendly Societies Act extended the field of activities open to friendly societies by removing certain obsolete restrictions. *Inter alia*, it permitted a friendly society (*a*) to pay marriage endowment and unemployment benefits to its members ; (*b*) to invest its surplus funds in a housing association of another friendly society, without losing exemption from income tax. (H.C. second reading July 8, 1955 ; enacted Dec. 21, 1955).

The House of Commons Disqualification Act is a revised version of the Bill which was introduced by the Government in July 1955 (see 14381 A). This Bill, after receiving an unopposed second reading in the House of Commons on Nov. 9, 1955, had been sent to a Select Committee in February 1956 for consideration and re-drafting. The Select Committee (chairman, Sir Patrick Spens, C.) stressed in its report—published on Aug. 29, 1956—that it attached great importance to two principles : (*a*) that qualification for membership of the House of Commons should be on as wide a basis as possible ; (*b*) that any restrictions on membership should be contained in legislation and be set out in a form which would be readily available to persons likely to be affected, and could be easily interpreted by them.

The new Act substantially followed a draft presented by the Select Committee with its report, its main provisions being as follows :

(1) The general descriptions of disqualifying offices contained in earlier legislation were replaced by a definite and detailed list of offices that ought not to be held by Members of Parliament.

The list included judicial offices; appointments on commissions, tribunals, and other bodies; and other official posts. A special section included offices barred to members for particular constituencies (e.g. a Recorder of a borough would be disqualified from sitting for that borough or any part of it). A further schedule set out a list of Ministerial posts which would not disqualify a member from sitting in the House.

The Act provided for the list of disqualifying offices, etc., to be kept up-to-date by Orders in Council, which would require affirmative resolutions of the House of Commons.

(2) Because of the new arrangements for a detailed and exhaustive list of disqualifying offices, the onus of satisfying themselves before nomination that they were not subject to any disqualification was placed on candidates.

(3) The former statutory disqualification of Crown pensioners and Crown contractors was repealed.

[The Select Committee had pointed out that there had been no evidence for the past 100 years of any corruption in connexion with M.P.s and Government contracts, and that the difficulty of drafting a clause which would disqualify some contractors while avoiding anomalies made it preferable to omit this category of disqualification altogether.]

(4) The former provision that members of the Reserve or Auxiliary Forces would be disqualified on their embodiment or recall was repealed.

(H.C. second reading, Dec. 19, 1956; enacted April 17, 1957).

The House of Commons (Redistribution of Seats) Act amended the 1949 Act of the same name. It (1) lengthened the interval between general reviews of Parliamentary constituencies (previously required to be held every three to seven years) to a minimum of 10 years and a maximum of 15; (2) provided that there should be separate "average constituency populations" in England, Wales, Scotland, and Northern Ireland; (3) relieved the four Boundary Commissions of their existing obligation to observe strict mathematical equality between constituencies and required them, when drawing constituency boundaries, "to pay strict regard to local ties and sentiment." The Act does not affect the number of seats in the House of Commons.

[As the last general review of constituency boundaries was completed in November 1954, the effect of the Act is to ensure that the next general review cannot be completed before November 1964 (instead of by 1961, as provided under the 1949 Act) and need not be completed before November 1969. Under the Act, it will also be possible for, say, Scotland and Wales to increase their representation slightly in the House of Commons.]

(H.C. second reading Feb. 11, 1958; enacted May 14, 1958).

The Import Duties Act provided for the codification of all U.K. tariff legislation (based mainly on the Import Duties Act of 1932) into one comprehensive document, to be drafted in accordance with a standard international classification (the "Brussels nomenclature") which was agreed to by a number of European countries at Brussels in 1950 and completed in 1955. The new classification (under which the present level of duties will, in general, be maintained) will come into force on Jan. 1, 1959. (H.C. second reading, Dec. 2, 1957; enacted Feb. 20, 1958).

The Isle of Man Act removed Treasury control over the expenditure of Isle of Man customs duties and—in accordance with the agreement of Oct. 30, 1957 [see 15870 E]—left the Tynwald free to legislate on loans, harbours, the fixing of customs duties, and similar matters. (H.C. second reading, Nov. 27, 1957; enacted Feb. 20, 1958).

The Magistrates Courts Act (1) enabled persons summoned to appear on summary offences before magistrates' courts (except juvenile courts) to plead "guilty" in writing if they wished; (2) permitted prosecutors to be absent in such cases. (Second readings, House of Lords March 12, 1957; House of Commons April 8; enacted June 7, 1957).

The Milford Haven Conservancy Act (see 15908 A) received the Royal Assent on April 29, 1958, after passing through its remaining stages in both Houses.

The National Health Service (Contributions) Act gave effect to the new rates of N.H.S. contributions—see 16084 B. Enacted on April 30, 1958.

The Naval Discipline Act implemented the main recommendations of the Select Committee on the working of the Naval Discipline Act of 1866 [see page 15620]. It (1) abolished capital punishment in the Royal Navy except for offences "committed with intent to assist the enemy"; (2) required the findings of a court-martial to be unanimous before a death sentence was imposed; (3) increased the maximum penalty for absence without leave from 10 weeks to two years; (4) created new offences of (*a*) low or dangerous flying; (*b*) careless talk, covering peacetime as well as wartime, as in the other Services. (H.C. second reading March 20, 1957; enacted July 31, 1957).

The Occupiers' Liability Act implemented recommendations of the Law Reform Committee concerning the duty of an occupier of premises to his visitors in respect of injury due to the state of the premises. It (1) made the occupier responsible for exercising "all reasonable care" to ensure the visitor's safety when "using the premises for the purposes for which he is invited or permitted by the occupier to be there," including the giving of adequate warning of any danger which the visitor might encounter; (2) stipulated, however, that the occupier should not be responsible for damage caused to a visitor by the faulty execution of constructional, maintenance, or repair work done by a contractor employed by the occupier, provided that he had taken "reasonable steps" to ensure that the work was properly done; (3) made the occupier responsible for exercising care in respect of any third party whom he was bound by contract to permit to enter his premises; (4) provided that a landlord who was responsible to his tenant for maintaining or repairing the premises should "have the same duty of care towards his tenant's lawful visitors" as if he were the occupier himself. (H.C. second reading March 6, 1957; enacted June 6, 1957).

The Overseas Service Act enabled the Government to implement the policy on the Overseas Civil Service set out in the White Paper of May 1956 [see 14966 A] and to meet the various financial obligations (e.g. for payment of pensions, contributions to salary, and compensation) assumed under agreements with former Colonial territories. (H.C. second reading Jan. 21, 1958; enacted March 13, 1958).

The Rating and Valuation (Scotland) Act, based largely on the recommendations of a committee under Lord Sorn which reported in September 1954, corresponded to the similar Bill for England and Wales enacted in 1955 [see 14491 A]. It (1) provided for the abolition of owners' rates in Scotland and the proportionate reduction of rents; (2) introduced changes in valuation, rating, and equalization grants; (3) exempted churches, church halls, and (at local authorities' discretion) charitable organizations from payment of rates. (H.C. second reading Dec. 16, 1955; enacted Aug. 2, 1956).

The Recreational Charities Act gave statutory recognition for income tax and other purposes to the charitable nature of certain trusts and institutions which exist to provide recreational and similar facilities, but the status of which had been made doubtful by a recent decision of the House of Lords (*Commissioners of Inland Revenue v. Baddeley*). The Act laid down that the facilities must be provided either (*a*) for the public as a whole; or (*b*) "to improve the conditions of life" of persons who needed them "by reason of their youth, age, infirmity or disablement, or poverty or social and economic circumstances." (Second readings, House of Lords Jan. 21, 1958; House of Commons, Feb. 11; enacted March 11, 1958).

The Sugar Act enabled the Government to implement its undertakings to Commonwealth and British sugar growers whilst restoring to importers and exporters the freedom to trade competitively, thus preparing the way for the re-opening of the London sugar market. The Act provided for (1) the dissolution of the Sugar Commission and the ending of State trading in sugar; (2) the establishment of a Sugar Board to take over the Government's undertakings under the Commonwealth Sugar and other agreements, and to sell the sugar concerned to refiners and traders at current commercial prices; (3) the financing of the Sugar Board including the meeting of deficits incurred in sugar trading by means of a surcharge on all sugar and molasses entering the U.K. internal market (i.e. excluding sugar imported for re-export); (4) the making of further regulations affecting the British Sugar Corporation, the U.K. sugar industry, and the importation of sugar. (H.C. second reading Nov. 10, 1955; enacted July 5, 1956).

The White Fish and Herring Industries (No. 2) Act (1) extended the period of the White Fish Subsidy [see 13085 A] until May 1961, or two years later if required; (2) provided for the payment of a similar subsidy for a like period to the herring industry; (3) authorized the payment of Government grants (estimated to total £250,000-£500,000) to meet up to 25 per cent of the cost of converting coal-burning trawlers to oil fuel. (H.C. second reading, March 12, 1957; enacted April 17, 1957).

The Wireless Telegraphy (Blind Persons) Act provided for £1 of the £3 combined wireless and television licence to be remitted wherever a blind person was a member of the household. (H.C. second reading July 9, 1955; enacted July 27, 1955).

The Workmen's Compensation and Benefit (Supplementation) Act provided for the payment from the Industrial Injuries Fund of a supplement of 17s. 6d. a week to totally disabled persons who still drew weekly payments under the Workmen's Compensation or Industrial Diseases (Benefit) Acts. About 13,000-14,000 persons were expected to qualify, the initial cost being put at £650,000, decreasing later. (H.C. second reading May 15, 1956; enacted July 5, 1956).

Private Members' Legislation.

The following Private Members' Bills were enacted between 1956 and 1958 (sponsors names in parentheses):

The Advertisement (Hire Purchase) Act. (The late Lieut.-Colonel Schofield, C.). The Bill laid down that advertisements of hire-purchase goods giving price figures must state clearly (1) the amount of deposit (if any) or its percentage of the total price; (2) the number and amount of instalments and the period over which each is payable; (3) the number of instalments (if any) payable before delivery of the goods; (4) the cash price of the goods. Where the advertisement does not contain price figures, however, it need only show the relationship between the deposit and the total purchase price. Maximum penalty for contravention: first offence, £50; second offence £100. (H.C. second reading, Feb. 1, 1957; enacted July 17, 1957).

The Arundel Estate Act. (The Duke of Norfolk). As enacted, this Bill enabled the Duke to break the entail imposed on the Arundel estates by an Act of 1627 (under which the estates were settled in tail male and successive owners debarred from disposing of them) and put the owner in the same position as an ordinary landowner.

Other clauses which would have had the effect of vesting Arundel Castle in trust for the Earl Marshal of England (a post held for many generations by the Duke's family), with endowments for its upkeep and compensation for the Duke's successors affected by the ending of the entail on the estates, were strongly opposed by Labour members in the House of Commons and were dropped from the Bill in the Committee stage. (H.L. second reading, May 1, 1957; H.C. second reading July 17; enacted July 31, 1957).

The Cheques Act. (Mr. Graham Page, C.). The main purpose of this Act was to abolish the need to endorse cheques paid direct by the payee into his own bank. It (1) relieved banks of any liability for paying an unendorsed cheque (thus making endorsement by the payee unnecessary, unless he wished to negotiate the cheque); (2) abolished the necessity for receipts on the backs of cheques by providing that an unendorsed cheque, once it became a paid cheque, should be considered evidence of the payee having received the money. It was nevertheless provided that the drawer of a cheque might still, if he wished, require the payee to complete a receipt on the back.

Under the Act, endorsements will still be necessary in the case of (*a*) cheques cashed or exchanged across the counter; (*b*) negotiated cheques (i.e. cheques made over to a third party); (*c*) cheques payable to joint payees and tendered for the credit of an account to which all of them are not parties; (*d*) bills of exchange and promissory notes, drafts and other instruments drawn on the G.P.O. or payable at a Post Office, Inland Revenue warrants, travellers' cheques, and instruments payable by banks abroad. (H.C. second reading April 12, 1957; enacted July 17, 1957).

The Road Transport Lighting (Amendment) Act. (Mr. Gresham Cooke, C.). This Act, drafted in conjunction with Ministry of Transport officials, sanctioned the use of amber-coloured reflectors on the pedals of bicycles and tricycles as an additional safety precaution. (H.C. second reading, Dec. 6, 1957; enacted April 30, 1958).

The Sanitary Inspectors (Change of Designation) Act. (Sir Wavell Wakefield, C.). This provided for sanitary inspectors to be known in future as "health inspectors." (H.C. second reading June 15, 1956; enacted Aug. 2, 1956).

The Small Lotteries and Gaming Act. (Mr. Ernest Davies, Lab.). This legalized small lotteries, whist and bridge drives, etc., run by registered charitable and non-profit-making societies, sports clubs, or churches. [Previously, lotteries and "games of chance" involving the transfer of money had been illegal under statutes dating back to Henry VIII]. The Act stipulated, however: (1) that no prize could exceed £100 and not more than half the proceeds be distributed; (2) that not more than £750 must be raised by the sale of tickets; (3) that tickets must all be of one price, not exceeding 1s.; (4) that tickets must not be sold to or by children under 16 or sent through the post, except to members; (5) that lotteries must not be advertised, except to members; (6) that expenses must not exceed 10 per cent of the proceeds. (H.C. second reading Nov. 25, 1955; enacted July 5, 1956).

The Thermal Insulation (Industrial Buildings) Act. (Mr. Gerald Nabarro, C.). This Act applied to industrial buildings where fuel is used for space heating. It required (*a*) all existing buildings to be insulated against loss of heat from a date to be fixed by the Minister of Power, but not earlier than Jan. 1, 1962; (*b*) insulation to be provided in all new buildings begun after Dec. 31, 1958. It also authorized the Minister of Power to make regulations prohibiting the use of non-fireproof material for insulating purposes. (H.C. second reading March 15, 1957; enacted July 17, 1957).

Major legislative measures such as the Rent Act (15917 A), the Clean Air Act (15374 A) and the Road Traffic Act (15753 A) are given in previous issues.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 14491 A.)**

A. ITALY. — The Bishop of Prato Case.

The hearing opened on Feb. 24 before the Florence court of an action for libel and slander brought against the Bishop of Prato (Mgr. Pietro Fiordelli) and the parish priest of Prato (Don Danilo Ajazzi). The action was brought by Signor Mauro Bellandi (a grocer) and his wife Loriana, who had entered into a civil marriage on Aug. 12, 1956, but had not been married in church, although both had been baptized as Roman Catholics. The allegedly defamatory statements were made by the Bishop in a pastoral letter issued on the day of their civil wedding, which he did not recognize as valid. In this letter, Mgr. Fiordelli referred to Signor and Signora Bellandi as "public sinners," said that their civil marriage was "no more than the beginning of a scandalous concubinage," and ordered that all the sacraments should be denied them, that their house should not be blessed, that they should not be given religious burial, and that their parents should be denied holy water at Easter for neglecting their religious upbringing. The pastoral letter was read in the parish of Prato, affixed to the church door, and published in the parish magazine.

The couple subsequently brought an action against the Bishop of Prato and Father Ajazzi, but the local court ruled that there was no case to answer in civil law as the Church possessed its own jurisdiction. Signor and Signora Bellandi then applied to the Court of Appeal in Florence, which ruled that Mgr. Fiordelli and Father Ajazzi must answer the charge. The case—which had meanwhile aroused national controversy—was the first court arraignment of a bishop in Italy since the conclusion of the Lateran treaties between the Italian Government and the Holy See in 1929.

Neither the Bishop nor Father Ajazzi appeared in court, but the former sent a letter in which he gave his reasons for not attending. In it he claimed that his denunciation of two baptized Roman Catholics of his diocese who had undergone only a civil marriage ceremony was "an act of my spiritual power . . . taken in the exercise of my episcopal jurisdiction." His presence in court, he declared, might have been taken as a recognition that the civil magistracy could deal with "an act concerning the spiritual government of the faithful." The liberty of this spiritual government had been guaranteed in the Lateran Treaties and solemnly proclaimed in the Italian Constitution.

Mgr. Fiordelli's letter continued: "In face of the great publicity with which this deplorable act was intentionally surrounded, in view of the grave scandal caused by it among my faithful, and as I failed to overcome the stubborness of the two people about to get married, I was forced to announce publicly the painful situation in which their action would place them before the Church, and the penalties they would incur. About my conduct in the spiritual government of the faithful I am answerable to my conscience as a bishop, to the Supreme Pontiff, and to God."

[Article 7 of the Italian Constitution, to which the Bishop referred, lays down that Church and State are "each in its own field" independent and sovereign. The Concordat of 1929 allows the Holy See and its bishops to publish freely, and affix to religious buildings, instructions, ordinances, pastoral letters, diocesan bulletins, "and other matters regarding the spiritual government of the faithful." Religious marriage ceremonies conducted according to canon law and properly registered were recognized in the Concordat as having "the civil effects"—i.e. they were recognized as valid marriages under civil law. Previously Italians had to be married before the civil authorities, and were free to have a religious ceremony in addition if they wished.]

On behalf of Signor and Signora Bellandi, counsel argued that the State had granted no immunity from its laws to priests under the Concordat. This immunity had been granted only in certain exceptional cases, such as to the Pope himself, to the Cardinals in conclave, to Bishops in council, and to acts of the Holy See, and Mgr. Fiordelli's pastoral letter came into none of these categories. Counsel for the plaintiffs also said that his clients were not objecting to the ecclesiastical censure as such but to the manner and the terms in which it was expressed; whereby, it was alleged, the Bishop had taken the affair beyond the purely religious sphere.

The public prosecutor [who is an official party in all slander and libel actions under Italian law] asked for the acquittal of the two defendants, on the grounds (i) that the Bishop had been acting within the limits imposed by his mandate; (ii) that he therefore lacked criminal intent; and (iii) that his denunciation of Signor and Signora Bellandi thus did not constitute an offence. Counsel for the Bishop argued that the State, by concluding the Concordat, had set limits to its interference in ecclesiastical affairs; to attribute to the State the task of controlling matters relating to faith was to negate its own existence and to transgress the limits which it had imposed on itself. In such an eventuality it was not the Church which was invading the political field but the State which was introducing itself into religious matters.

Counsel for Signor Bellandi, on the other hand, contended that the State could not recognize the right of the Church to decide for itself how far its actions were subject solely to its own spiritual jurisdiction. He rejected as "absolutely impossible" the defence's argument that a distinction could be drawn between a man's religious reputation and his lay reputation.

On March 1 the court found Mgr. Fiordelli guilty of defamation of the plaintiffs and sentenced him to a fine of 40,000 lire (about £24), payment being suspended for five years. The Bishop was also sentenced to bear the entire costs of the proceedings and to pay damages to the plaintiffs, which would be assessed in a civil court. Father Ajazzi was acquitted because, in the view of the court, he had executed the order of a superior in the belief, though erroneous, that this order was a legitimate one.

The written judgment of the court giving the reasons for its decision was issued on April 1.

It rejected the Bishop's contention that he was responsible only "to his own conscience, the Supreme Pontiff, and God" for an act concerning his spiritual power. Such a principle, it was stated, would only be valid if the act in question had been performed by the Holy See. Moreover, it should not be overlooked that all persons in Italian territory, whether Italian nationals or foreigners, were subject to Italian penal jurisdiction under the criminal code, not excluding those holding episcopal office. To understand fully the character of the relations between Church and State, and the limitations between the two Powers, it was also necessary to remember that the Concordat required bishops to swear an oath before the Head of State.

Dealing with the question whether the Bishop of Prato's letter constituted a defamatory statement, objectively considered, the judgment said that there was no doubt that the expressions used were such as to be regarded, according to the common feelings of the great majority of men, as an expression of discredit. In defamation the "subjective" element arose from the deliberate desire of one person to harm the reputation of another, regardless of the cause; that this had been Mgr. Fiordelli's intention appeared clear from his whole behaviour, and the court could not agree that the Bishop had exercised a proper right by making the statement in question.

As regards the effects of such a defamatory statement, the Court held that whenever acts by the ecclesiastical authorities offended the rights of the citizen as guaranteed by the Constitution, the protection provided by the laws of the State must operate in defence of those rights. No provision had been made for a case of this kind in the 1929 Concordat, but it could not be validly argued that "if at any time the Church and her competent organs, exercising their spiritual and jurisdictional power . . . harm the rights of a citizen recognized and protected by the law of the State, the State will have to remain idle just because the law of the Concordat does not provide for this particular situation."

Rejecting the Bishop's argument that he had acted within his religious rights under the Lateran treaties, the Court found that Mgr. Fiordelli's expressions had not been "of the kind that are strictly reserved to the religious field" but had been "relevant in the social-ethical field."

The Court nevertheless granted the Bishop extenuating circumstances on general grounds, and also because he had acted for "reasons of a moral and social character."

The court's judgment caused deep concern and consternation at the Vatican, and it was announced on March 2 that the Pope, who was reported to be "grief-stricken," had cancelled the celebration of the 19th anniversary of his coronation (arranged for March 12 in St. Peter's) because of the "bitterness, grief, and outrage to the Church" arising from Mgr. Fiordelli's conviction.

The Archbishop of Bologna (Cardinal Lercaro) ordered all churches in his archdiocese to go into mourning until Palm Sunday, and to sound a funeral peal for five minutes each day. Vatican Radio declared that the verdict had brought not only "stupor" but also "bitterness and deep regret at the fact that an innocent man has been punished for having exercised a right and done his duty." The Catholic Action newspaper *Il Quotidiano* compared the Court's finding to the persecution of Roman Catholics in China.

On the other hand, nine bishops in Lombardy issued a pastoral letter on March 5 aimed at easing public tension in the dispute; it urged both the clergy and the faithful "to work for peace and rectify the false ideas that have led to the anti-clerical campaign." After interpreting the Bishop of Prato's conviction as a "victory for atheistic Communism," the letter added: "We want to co-operate in re-establishing serenity in public opinion, especially among honest and objectively-minded citizens . . . We cannot accept the accusation that the Church and Catholics are threatening the prestige and authority of the State." The Archbishop of Pisa (Mgr. Camozzo) also issued a statement in which he said: "We respect the magistrature . . . We do not think that bishops are exempt from the penalties of the law for common offences."

The Italian Prime Minister, Signor Zoli (Christian Democrat), declared on March 4 that though he was "sorry as a Catholic," as a Prime Minister he thought that "justice must take its course" in the case of the Bishop of Prato. The independent liberal newspaper *Corriere della Sera* (Milan) appealed for a "sense of moderation" lest a religious struggle in Italy should play into the hands of the Communists. Similar appeals were made by the organs of the Social Democratic Party and the Republican Party—*Giustizia* and *Voce Repubblicana* respectively—whilst news agencies close to the Christian Democratic leadership stressed that the case of the Bishop of Prato should on no account bring about an atmosphere of religious strife in the forthcoming general elections.

It was announced on March 4 that counsel for Mgr. Fiordelli had lodged an appeal against the sentence, and that a formal appeal had also been filed on behalf of Father Ajazzi to obtain his acquittal on different grounds. It was stated that although Mgr. Fiordelli had maintained his non-recognition of the competence of the court, his counsel had acted under a provision entitling the defence to appeal independently of the defendant.—(Corriere della Sera, Milan - Times)

A. CHESS. — Botvinnik regains World Title.

The Russian chessmaster, Mikhail Botvinnik, regained the title of world champion on May 9 from his compatriot, Vassily Smyslov, at the end of 23 games played in Moscow. Botvinnik had seven wins and Smyslov five, with 11 games drawn. (Soviet Embassy Press Dept., London) **(Prev. rep. 15513 A.)**

B. NETHERLANDS. — Parliamentary Approval for Delta Plan. - Progress of Zuider Zee Reclamation.

The project for closing the sea inlets of the south-western Netherlands (see map, page 14292), known as the Delta Plan, was approved by the Upper House of the States-General on May 8, 1958. The Lower House had previously approved the plan on Nov. 5, 1957, by 106 votes to eight.

As shown in the map referred to, the Delta Plan provides for the building of four great sea-dykes connecting the islands of Goeree-Overflakkee, Schouwen-Duiveland, North Beveland, and Walcheren. The biggest hydraulic engineering project in Dutch history, it will take an estimated 25 years to complete at a cost equivalent to £250,000,000. When completed, the islands of Zeeland and South Holland will no longer be isolated from the mainland, and the estuaries of the Rhine and Scheldt, when drained out, will be available for agriculture, land settlement, and industrial development. [As explained in 14922 A, the project does not affect the channel of the Western Scheldt, which affords access from the North Sea to the Belgian port of Antwerp.] The four dykes will have a total length of 19 miles and, when completed, will make impossible a repetition of inundations such as the Zeeland disaster of 1953, when over 1,800 people lost their lives. The existing network of dykes, with a combined length of 437 miles, will be retained as a secondary line of defence against the sea. The Delta Plan will involve the extinction of oyster and mussel beds from which some 2,000 people derive a livelihood; the persons affected will receive compensation under the Government's legislation.

The first stages of the work began in July 1956, when a start was made on closing the Haringvliet the sea inlet between Goeree-Overflakkee and the mainland of South Holland province. Although not part of the actual Delta Plan, it forms an important preparatory work and will take about 12 years to complete. In addition to the enclosing dyke (which will run from Hellevoetsluis to the sand-dunes at the mouth of the Haringvliet) it will also involve the construction of 16 drainage sluices, each about 20 yards in width. Work on the Delta Plan proper began early in 1958, when a start was made on building a dyke to link Walcheren and North Beveland.

The Zuider Zee Reclamation Scheme.

A further important stage in the Zuider Zee reclamation scheme (see 14292 A) was reached on Sept. 13, 1956, with the closing of the East Flevoland polder—one of the five polders (areas of reclaimed land) forming part of the overall reclamation project. The new polder is enclosed by a 66-mile dyke running from Harderwijk into what was formerly the middle of the Zuider Zee.

The Zuider Zee scheme—the biggest land reclamation project undertaken anywhere in the world—began in the 1920's and is scheduled for completion by 1980. When finished, it will have increased the size of the Netherlands by seven per cent and the country's arable area by over 500,000 acres, or ten per cent. Of the five polders projected (see map, page 14292) three are completed and work on the remaining two is in progress. The five polders are:

(1) The North-West polder (Wieringermeer). This was completed in 1930 and covers an area of 50,000 acres. Adjoining the province of North Holland, it includes the former island of Wieringen.

(2) The North-East polder, covering 119,000 acres and including the former island of Urk. The main part of the work was carried out between 1938 and 1942, and the polder was completed after the war. A new town (Emmeloord), ten villages, farms, and roads have arisen on what was formerly the sea-bed. The population of the polder has grown from 3,000 in 1949 to over 20,000 at the present time, of whom some 9,000 live in Emmeloord.

(3) The South-East polder (East Flevoland), completed in 1956 as stated above. Covering 133,000 acres, it includes the new town of Lelystad (see page 14292, second column) and 11 new villages. Lelystad, built on a site formerly in the middle of the Zuider Zee, is designed as the chief town of the five polders when the project is finally completed; it already has a considerable population.

(4) The South-West polder (South Flevoland), which will cover an area of 111,000 acres when completed.

(5) The Markerwaard, covering an area of 150,000 acres when completed, and comprising the western part of the Zuider Zee. Work on this project reached an important stage on Oct. 17, 1957, when Marken—the last remaining island in the Zuider Zee—was linked to the mainland by a new dyke.

The Zuider Zee—now known as the Ijsselmeer (Ijssel Lake)—has been a freshwater lake since 1932, when it was sealed off from the North Sea by the dyke and motor-road (*Afsluitdijk*) connecting the provinces of North Holland and Friesland. (Netherlands News Agency - Algemeen Handelsblad)

(Prev. rep. 14292 A.)

C. FIJI. — New Governor.

It was announced in London on May 20 that Mr. K. P. Maddocks (51), deputy Governor of the Northern Region of Nigeria, would succeed Sir Ronald Garvey as Governor of Fiji in October, when Sir Ronald's term of office would have expired.—(Times) **(Prev. rep. 12296 A.)**

MAY 24—31, 1958

A. INDIA. — The Chagla Commission Report. - Mr. Krishnamachari resigns from Finance Ministry. - New Cabinet Appointments. - Death of Dr. Kalam Azad.

The Government of India appointed on Jan. 17 a one-man Commission of Inquiry consisting of Mr. Justice M. C. Chagla (Chief Justice of the Bombay High Court) in connexion with certain transactions of the Life Insurance Corporation of India relating to the purchase of shares in six companies controlled by a Mr. Haridas Mundhra. The shares had been purchased in June 1957, but their acquisition subsequently aroused serious concern because of the doubtful financial position of some of the companies involved, the continued fall in the prices of their shares, the reputation of Mr. Mundhra himself, and the fact that he remained in control of the companies.

The six companies were (1) Angelo Bros. Ltd., Calcutta; (2) the British India Corporation Ltd., Kanpur; (3) Smith Stanistreet and Co. Ltd., Calcutta; (4) Jessop and Co. Ltd., Calcutta; (5) Richardson and Cruddas Ltd., Calcutta; and (6) the Osler Electric Lamp Manufacturing Co. Ltd., Calcutta. Mr. Justice Chagla was asked to inquire into "(i) whether the purchases were in accordance with normal business principles or practices; (ii) the propriety of the purchases; (iii) the person or persons responsible for the purchases; (iv) any other circumstances which to the Commission appear to be relevant."

During the inquiry, which was held in public, a number of witnesses were heard and large numbers of documents submitted. The principal witnesses included Mr. T. T. Krishnamachari (the Indian Finance Minister); Mr. H. M. Patel (Principal Secretary to the Ministry of Finance, and first chairman of the Life Insurance Corporation from Sept. 1, 1956, to June 5, 1957); Mr. G. R. Kamat (Mr. Patel's successor as chairman, and previously deputy chairman of the L.I.C.); Mr. Vaidyanathan (managing director of the Corporation); Mr. Bhattacharya (chairman of the State Bank); Mr. D. L. Mazumdar (secretary of the Company Law Administration in the Ministry of Finance); Mr. R. P. Shroff (president of the Bombay Stock Exchange); and Mr. Haridas Mundhra.

Mr. Justice Chagla's report, published on Feb. 13, was strongly critical of the share purchases from the point of view of sound business, and was also highly critical of the way in which they had been effected in disregard of statutory obligations. It placed the principal responsibility for the transactions on Mr. Patel, but added: "The Finance Minister [Mr. Krishnamachari] must fully and squarely accept the responsibility for what Mr. Patel . . . did; and if the transaction is improper and unjustified, although Mr. Patel may be actually responsible for the transaction, constitutionally the responsibility is that of the Minister." The report is summarized below under cross-headings.

The Facts of the Case.

After reviewing the setting-up of the Life Insurance Corporation on Sept. 1, 1956, and the principles of the Corporation's investment policy which the former Finance Minister (Mr. Deshmukh) had enunciated during the parliamentary debates, the report mentioned the relevant provisions of the Life Insurance Act of 1956 on its status and management. It described the executive machinery of the Corporation which enabled it to carry out its functions as an autonomous body, with complete independence in managing its own day-to-day administration and investing its funds in the interests of the policy-holders, subject only to "such directions in matters of policy involving the public interest as the Government might give to it in writing."

The Report mentioned that under the regulations governing the Corporation's administration, the power to invest had been conferred upon its Executive Committee but could only be exercised after taking into consideration the advice of its Investment Committee. The latter Committee functioned under the chairmanship of the chairman of the Corporation, its other members comprising three official members (including the Corporation's managing director) and three unofficial ones, including the presidents of the Calcutta and Bombay Stock Exchanges. The Investment Committee had laid down special rules of guidance for making investments, and "as long as there was no departure from the principles laid down by the Investment Committee, there was no danger that any investments might be made by the officials of the Corporation which would not be sound and prudent investments."

The report then dealt in detail with the transactions in question, starting with an offer by Mr. Mundhra to Mr. Patel made in Bombay on June 21, 1957, in which Mr. Mundhra proposed (i) that the Life Insurance Corporation should buy shares worth 8,000,000 rupees (£600,000) and further shares worth 3,000,000-4,000,000 rupees direct in the market; (ii) that the L.I.C. should give him (Mundhra) a loan of 10,000,000 rupees, against which he undertook to give the Corporation business worth the same amount; and (iii) that it should buy newly-issued preference shares in British India Corporation and Jessop and Co. to the extent of 12,500,000 rupees, against which he would offer to the Corporation fire insurance business to the extent of 1,500,000 rupees annually. In his letter Mr. Mundhra mentioned that his total liabilities to banks and brokers amounted to 52,400,000 rupees, while his free assets were 15,500,000 rupees; he pointed out that it was essential to avoid any selling pressure from the brokers to whom he was owing money, to clear their accounts, and to take delivery of the shares, so as to relieve pressure on the stock markets and upon himself personally.

Mr. Kamat had rejected any transaction except the possible purchase of shares of the various companies; after further discussions on June 23 - 24 with Mr. Patel, Mr. Kamat, and Mr. Bhattacharya, Mr. Mundhra had submitted revised proposals with regard to the sale of his own shares to the Life Insurance Corporation. In a letter to Mr. Patel dated June 24 he had accordingly offered shares in his various companies having a value at the prices mentioned of 11,949,500 rupees. Mr. Mundhra had also confirmed that he was arranging to take delivery of the shares from his brokers and to deliver them to the L.I.C.; that he would place with the Corporation general insurance business to yield a minimum premium of 1,500,000 rupees per annum; and that, in order to safeguard the L.I.C. against defective scrips, he would make himself personally responsible for any defect in the shares that might be found prior to their registration in the Corporation's name.

Various changes in the kind of shares had been demanded by Mr. Patel in these discussions, and as a result the Corporation had agreed on June 24 to buy 7,000,000 Ordinary shares of the British India Corporation, 6,000 Preference shares and 78,000 Ordinary shares of Jessop and Co., and 7,500 Preference shares of Smith Stanistreet—all at prices which Mr. Vaidyanathan obtained from the Calcutta Stock Exchange. On June 25 the Corporation, having obtained the latest-known prices for the other shares, had also agreed to purchase 19,000 Preference shares and 150,000 Ordinary shares of Richardson and Cruddas, 25,000 Ordinary shares each of Smith Stanistreet and Angelo Bros., and 6,000 4½ per cent Preference shares and 100,000 Ordinary shares of the Osler Electric Lamp Manufacturing Company—bringing the total payment to be made by the Corporation to Mr. Mundhra as a result of the transaction to 12,685,750 rupees.

In view of Mr Mundhra's inability to give delivery of 9,675 Ordinary shares of Angelo Bros. and 505 Preference shares of Jessop and Co., the Corporation had agreed on Aug. 9, 1957, to purchase instead another 8,700 Ordinary shares of Richardson and Cruddas and 5,300 Ordinary shares of Jessop and Co. The price of all the shares had been paid by the Central Bank (the L.I.C.'s bankers) to Mr. Mundhra against delivery of the share certificates.

The report then mentioned that both before and after the deal of June 24 there had been certain other transactions entered into by the L.I.C. with regard to shares of companies in the Mundhra group, viz.: (1) On March 9, 1957, the Corporation had purchased 10,000 Ordinary shares of Jessop and Co. through a firm of brokers, after consulting the Investment Committee; (2) on April 5, 1957 (also after consultation with that committee) it had bought 50,000 Ordinary shares of Jessop and Co. direct from Mr. Mundhra; (3) on April 25, 1957, a further 50,000 Ordinary shares of Jessop and Co. had been purchased direct from Mr. Mundhra; (4) on Sept. 3, 1957, 3,900 Preference shares of Richardson and Cruddas had been bought through brokers; (5) on Sept. 14, 1957, 1,000 Ordinary shares of Richardson and Cruddas had been bought, also through a firm of brokers; and (6) on Sept. 20 and 23, 1957, 10,500 Ordinary shares of Richardson and Cruddas had been bought through brokers. In none of the transactions under (3) to (6) had the Investment Committee been consulted.

Mr. Mundhra's Antecedents.

In considering the propriety of the deal concluded on June 24, and whether it was entered into in accordance with sound business principles, Mr. Justice Chagla commented about Mr. Mundhra and his activities: "We are dealing with a statutory corporation set up by the Government of India which in its business transactions must maintain certain standards. It would be clearly wrong for the Corporation to utilize its funds to help an individual or the concerns of an individual. It would be even more wrong for the Corporation to deal with an individual who was suspected to be a lawbreaker and possess a doubtful financial reputation, and whose antecedents were of a most questionable character. Mundhra is a man who has a flamboyant personality and is a financial adventurer whose only ambition is to build up an industrial empire by dubious methods. He is not very particular about the means he employs so long as the end is achieved. Starting from scratch with no education and no means, he succeeded in acquiring control of several large concerns. He is not an industrialist in the real sense of the term. His interest does not lie in developing or enlarging the industrial output of the country but . . . in being a financial wizard who can swallow up concern after concern . . . The record makes it perfectly clear that all that I have said about Mundhra, and more, was known to the Finance Ministry."

The report then referred to a letter written by Mr. Krishnamachari (then Commerce Minister) to Mr. Deshmukh (then Finance Minister) on Aug. 23, 1955, in which the former pointed out that Mr. Mundhra had been operating in "a big way" in acquiring control of British-owned concerns in India, and suggested an inquiry into possible amendments to the Companies Act to prevent similar activities by

Mr. Mundhra in future. The report also mentioned that on Feb. 17, 1956, Mr. Rama Rau (then Governor of the Reserve Bank) had drawn Mr. Patel's attention to Mundhra's activities, about which he (Mr. Rau) had been "rather disturbed." Attached to this letter was a note by Mr. Ram Nath (Deputy Governor of the Reserve Bank) explaining Mundhra's operations in detail, and saying that Mundhra did not appear to possess "either the experience or the background necessary for successfully working the large enterprises whose control has now passed into his hands." Mr. Ram Nath also quoted a remark of a judge who had characterized Mr. Mundhra's attitude as "thoroughly dishonest," and who had given a warning that "the entire edifice built up by Mundhra was liable to collapse."

Criticisms of Purchase of Mundhra Group Shares.

After dealing with further statements on the unfavourable reputation of Mr. Mundhra (including one by Mr. Nehru himself when he acted as Finance Minister), the Report pointed out that the transaction of June 24 was "the largest single transaction ever entered into by the Corporation, and also the first transaction—apart from two earlier ones—in which the Corporation had dealt direct with the owner of the shares and had not purchased the shares through brokers." In an extensive review of the transaction Mr. Justice Chagla strongly criticized it on the following grounds:

(1) "*Prima facie* the transaction entered into by the Corporation was a transaction with an individual of doubtful reputation about whom the Finance Ministry entertained most serious suspicions, and effected for the purpose of relieving him of his financial difficulties—or to put a more charitable construction on the transaction, to relieve the financial difficulties of the various concerns in which he had succeeded by dubious methods in acquiring a controlling interest . . . A large number of shares of these concerns had been purchased by Mundhra of which he could not take delivery and which were held for him by his brokers. The prices of these shares were going down, and many of the brokers were demanding additional margin from Mundhra. The brokers were themselves in difficulties because they had obtained monies from the banks on the strength of these shares in order to hold on to them . . ."

(2) Mr. Patel's contention that Mundhra's difficulties constituted a "drag on the market" was not correct, as the ordinary investing public had already "practically lost all interest in the Mundhra concerns" because of their reputation. It could also not be said "by any stretch of the imagination" that a large number of the shares purchased by the Corporation in this transaction had been good equity shares, or could be regarded by any person with any knowledge of shares as "blue chips" [i.e. first-class investments].

(3) No precaution was taken to see that the shares were obtained from the brokers. He (Mr. Justice Chagla) had been unable to understand why it was necessary, in order to raise the prices of the shares, to buy such a large quantity of them from Mundhra direct if the same purpose could have been achieved much more effectively by buying them in the open market. The report drew attention to the fact that when Mundhra had not been in a position to deliver some of the shares, it was open to the Corporation to pay him less; instead, they had bought other shares of Mundhra concerns in order to make up roughly the amount of 12,500,000 rupees. "This action," Mr. Justice Chagla commented, "reinforces what I have already said—that the object of this deal seemed to be to help Mundhra financially by paying him a definite amount as the price for the shares of his concerns purchased by the Corporation."

(4) The haste with which the transaction was effected. The report said in this connexion: "It did not seem to have occurred to any one of those concerned that there was a statutory Investment Committee which might be consulted when so large an amount was being invested in concerns of doubtful financial stability . . . An early meeting could easily have been convened within two or three days. Mr. Kamat . . . was new to the ways of the Stock Exchange. He was not familiar with all the concerns. He had not studied their balance sheets . . . The obvious thing for Mr. Kamat would have been to take a little time to consider whether the large investment he was making was a sound and prudent one . . . Even the price had to be fixed in a hurry . . . Therefore it is clear that there was some compelling reason, some motivating force, which was driving all these actors into this precipitate action."

The reason given by Mr. Patel for an immediate decision—viz., that the Finance Minister was in Bombay—was not convincing; it would have been quite sufficient if the Minister had been consulted and his general approval obtained, and the Corporation could then have made the investment after following the normal procedure. Another reason suggested by Mr. Patel—that there was a danger of a crisis and that the decision had been taken so hastily to avert it—was also rejected by Mr. Justice Chagla. According to reports submitted and testimony given by leading share-brokers in Calcutta, there had been no special crisis at the time in question, and the "so-called drag of Mundhra shares" had been going on in the Calcutta market for two years or more. Mr. Justice Chagla therefore concluded that "what required the transaction to be put through with such haste was . . . the threatening financial difficulties of Mundhra himself, [who] had made no secret of his own extremely difficult financial situation."

(5) The "amazing manner" in which the price to be paid by the Corporation for the shares had been fixed. "One should have thought," Mr. Justice Chagla commented, "that when one is entering into a transaction of this magnitude the most important term in the contract would be the price, and yet everyone concerned . . . seemed to have attached the least importance to this aspect of the matter." In none of the letters exchanged between Mundhra and Mr. Patel, and between the Corporation and Mundhra, had it been clearly stated on what basis the price was to be fixed. In negotiating the deal Mr. Patel had not been prepared to accept the price quoted by Mundhra and had only been willing to pay the prevailing market rate, but he had not been clear in his mind as to what the prevailing market rate was i.e. which date should be taken into account. Mr. Patel, Mr. Vaidyanathan, and Mr. Kamat had all given different interpretations of this during their testimony, and it was clear from their evidence that none of them had made it clear what price was to be paid before the meeting with Mundhra on June 24, nor had they taken "the elementary precaution" of putting the agreed basis down in writing.

After discussing in detail the Stock Exchange prices for the shares in question on June 21 and June 24, 1957, and comparing them with the prices actually paid by the Corporation, Mr. Justice Chagla pointed out that not only had the price been fixed on a basis which was "unwarranted by any business principle" but "in some cases even more than that basis had been paid." It had been urged that this was a "package deal." Admittedly there were such deals in which the dealer was prepared to sell certain good shares provided the buyer also bought other shares which were not so good; but in that case the buyer might agree to take all the shares provided he got a substantial concession in the price to be paid for the good shares. In the present case, however, "good, bad, and indifferent shares" had been bought without any concession being made to the Corporation with regard to the price it was paying for what might be considered reasonably good shares.

(6) The transaction was also "open to challenge" on the ground that it was "not really a transaction effected by the Corporation in the exercise of its statutory duty and discretion." "The evidence is clear beyond doubt," the report added, "that the transaction was brought about as a result of interference by the Government, and the transaction may be characterized as a dictated transaction. There can be no doubt that the leading part in bringing about this transaction was taken by Mr. Patel."

(7) The transaction had been effected without consulting the Investment Committee. Mr. Justice Chagla commented: "I find no justification whatsoever in the Corporation investing this large amount without seeking the advice of a statutory body which has been set up for the very purpose of advising the Corporation with regard to the investments it wishes to make. In making this investment the Corporation had also contravened the clear directions given by the Investment Committee . . ." In this connexion the Report referred to the rules laid down by that Committee on the selection of investments, one of which was that the L.I.C. should not invest or keep invested in the shares or debentures of any one company more than 30 per cent of that company's capital, except with the prior permission of the Central Government. Exceptions from this rule were only possible on the advice of the Investment Committee.

(8) Dealing with the question "whether the investment was sound and prudent from a business point of view," Mr. Justice Chagla quoted a memorandum submitted to him by the Bombay Shareholders Association laying down criteria for making investments in large blocks of shares of limited companies. One of these criteria was the "integrity, reputation, and credit of the controlling management," and the Corporation's investments in the Mundhra shares had certainly failed to conform to this. The president of the Bombay Stock Exchange (Mr. Shroff) had testified that, knowing what he did about Mundhra and his activities, he would have hesitated to buy any shares in which Mundhra had a controlling interest. A leading Bombay Stock Exchange broker (Mr. Govardhandas) had also testified that he "would not ask any of his investors to touch any of the Mundhra scrips with a pair of tongs."

The report then compared in detail the depreciation of the shares in the Mundhra companies with the depreciation ratios of some of the leading stocks in the market. It concluded that whatever might be said about Jessop and Co., Angelo Bros., and Smith Stanistreet, the purchase by the L.I.C. of Richardson and Cruddas, British India Corporation, and Osler Manufacturing shares "did not constitute a sound and prudent investment."

Responsibilities for the Transaction.

The principal conclusions in the remaining sections of Mr. Justice Chagla's report are summarized below:

"There can be no doubt that the leading part in bringing about this transaction was taken by Mr. Patel. Even the letters written by Mr. Mundhra offering to sell the shares and containing other offers are addressed to him, and he asked Mr. Mundhra to communicate these offers to him rather than to Mr. Kamat of the L.I.C. It is also clear on the evidence that at the meetings held with Mundhra in the Reserve Bank, his was the dominating personality. Even alterations made in the offer of Mundhra contained in the letter of June 23 are in his handwriting.

"The evidence of Mr. Vaidyanathan is clear and categoric. He says that when the Finance Secretary asked them to do something, they looked upon it as a directive from Government. He even went to the extent of saying that he looked upon Mr. Patel as Government, and Government had got the right to supersede the Investment Committee. He made no secret of the fact that the decision to buy shares was solely that of Mr. Patel, and the Corporation had nothing to do with it. We have, therefore, the spectacle of the will of the Chief Executive Officer of the Corporation completely paralysed in the presence of the Secretary to the Government—so paralysed that he completely abdicated his own duties and functions and merely carried out the direction of Mr. Patel as an order of Government.

"With regard to Mr. Kamat, it is true that the evidence discloses that he discussed various details with Mr. Patel and Mundhra. But even he, wittingly or unwittingly, was influenced by the fact that the suggestion to buy these shares was being made by a senior I.C.S. official and Secretary to Government. If he had not been so influenced, he would never have agreed to enter into this transaction without satisfying himself as to the soundness of the investment. He frankly admitted that if he had had the knowledge about Mundhra which he now has, he would never have entered into this transaction.

"There is a conflict between the testimony of the Finance Minister and Mr. Patel. Whereas, according to Mr. Patel, the question of investing in Mundhra concerns was discussed with the Minister and his general approval obtained before the transaction was put through, the Minister has not stated that he gave his approval to this transaction (of June 24)."

In this connexion the report pointed out that there had been a meeting in Bombay on June 22 between Mr. Krishnamachari, Mr. Iengar (Governor of the Reserve Bank of India), Mr. Bhattacharya (chairman of the State Bank of India), and Mr. Patel, at which a number of financial matters were discussed. According to Mr. Patel's evidence, he had brought up at this meeting the proposals he had received from Mundhra; they had been briefly discussed and it had been agreed that he (Mr. Patel) should take up with the L.I.C. the question whether they could appropriately accept any of the proposals. Mr. Patel had also testified that after it had been agreed in principle with Mundhra to buy his shares worth about 10,000,000 rupees, he had mentioned the fact to the Minister and had obtained the latter's general approval.

According to Mr. Krishnamachari, all that had happened in Bombay between himself and Mr. Patel was that the latter had said that some kind of offer had been made by Mundhra; that some of the Mundhra concerns had been mentioned; and that he (Mr. Krishnamachari) had told Mr. Patel that there were rumours about some of the concerns and that he should look into the matter. He (the Minister) had not gone very much behind the matter and had been quite clear that he had given no instructions to Mr. Patel; nor had it occurred to him that he was called upon to give any directions. According to the Minister the whole matter had appeared to him as one which was casually mentioned by Mr. Patel; he [Mr. Krishnamachari] had taken no interest in it, nor had the Government given any direction to the Corporation.

Of the two witnesses present at the meeting on June 22, Mr. Iengar's evidence had been negative. Mr. Bhattacharya had stated in evidence that Mr. Patel had mentioned to the Minister that a letter had been received by him from Mr. Mundhra in which the latter proposed the sale of certain shares of his concerns to the L.I.C. The Minister had said, "You might look into it." In regard to the second meeting, Mr. Bhattacharya had said that Mr. Patel had told the Minister that a principal was willing to sell shares and that the L.I.C. was willing to buy. The Minister had said that if the L.I.C. was buying, there was no harm in it, and had added that Mr. Patel should be careful because there were some rumours about certain scrips being spurious.

The report continued: "Mr. Patel has rightly said that the decision arrived at to buy Mundhra shares was a decision of some importance, and that it was impossible that he should proceed to finalize it on his own. He further said that he was acting in his official capacity as Finance Secretary, and if he felt that his view of the matter was not acceptable to the Minister, then obviously he would not have advised the Corporation to go into the matter. It is difficult to believe that when the Minister was in Bombay and easily available, and when Mr. Patel was 'advising' the Corporation to enter into the largest transaction it had so far entered into in its history—and that, too, with a man whose antecedents Mr. Patel knew—he would act on his own responsibility without obtaining the approval of the Minister.

"I quite understand that there are occasions when Secretaries have to act on their own responsibility . . . In day-to-day administration, in cases of emergency, the Secretary must take the responsibility and must act in a manner which according to him would ultimately meet with the approval of his Minister. But this was neither a case of day-to-day administration nor a case of emergency. The Government were going out of their way to ask the Corporation to invest a large amount, which was done without consulting the Investment Committee; and that, too, for the specific purpose of removing the drag on the Calcutta Stock Exchange created by the Mundhra shares. Why should Mr. Patel act on his own responsibility with regard to so unusual and doubtful a transaction? . . ."

Mr. Justice Chagla recalled that in a *Lok Sabha* debate on Dec. 16, 1957, Mr. Krishnamachari stated that he had asked the L.I.C. to carry out a policy of "blue chips." But he had made it equally clear that he had not imposed any other policy on the Corporation. Therefore, according to him, if the Corporation were buying these shares in pursuance of some other policy, then it would be on their own responsibility and not pursuant to any directions given by Government. Mr. Patel, however, had clearly stated in evidence that his understanding of Government policy had not been that of the Minister.

From various letters submitted during the inquiry, it was apparent that Mr. Krishnamachari must have been in possession of all the facts before Sept. 4, 1957; when he did come to know of the transaction, he had never repudiated Mr. Patel's action. The Report added: "Therefore there is clearly acquiescence on the part of the Minister in the part played by Mr. Patel . . . The lack of repudiation on the part of the Minister would go to support Mr. Patel's story that the Minister had approved in Bombay of the transaction."

Mr. Justice Chagla continued: "In my opinion . . . it is clear that constitutionally the Minister is responsible for the action taken by his Secretary with regard to this transaction. It is clear that a Minister must take the responsibility for actions done by his subordinates . . . The doctrine of ministerial responsibility has two facets. The Minister has complete autonomy within his own sphere of authority. As a necessary corollary, he must take full responsibility for the actions of his servants. It is true that this may throw a very great burden on the Minister, because it is impossible to expect that in a highly complicated system of administration . . . the Minister could possibly know, let alone give his consent to, every action taken by his subordinates. But it is assumed that once the policy is laid down by the Minister, his subordinates must reflect that policy and must loyally carry it out. If any subordinate fails to do so, he may be punished or dismissed; but, however vicariously, the responsibility of his action must be assumed by the Minister . . . The Minister must fully and squarely accept the responsibility for what Mr. Patel did . . ."

In conclusion, Mr. Justice Chagla enumerated a number of "lessons" which could be derived from the inquiry.

Resignation of Mr. Krishnamachari.

Simultaneously with the presentation of Mr. Justice Chagla's report to Parliament, it was announced on Feb. 13 that Mr. Krishnamachari had tendered his resignation as Finance Minister and that the Finance portfolio had been taken over by Mr. Nehru. The correspondence between Mr. Nehru and Mr. Krishnamachari was published at the same time.

Mr. Krishnamachari's Letter of Resignation. After recalling that he had repeatedly asked for the acceptance of his resignation since the appointment of the Chagla Commission, Mr. Krishnamachari said that "certain statements and criticisms . . . made in the course of this inquiry in regard to myself and others" had made it "increasingly difficult" for him to continue as Finance Minister. The letter continued: "In my evidence before the Chagla Commission I stated what I knew about the facts of the situation. But since my evidence was not a deposition, but answers to specific questions, it is likely that I may not have mentioned one or two facts relevant to the inquiry which I might have done if I had submitted a written deposition. Some of these aspects came out later in the evidence of others, and I had no chance at that stage to deal with them. An important factor in this connexion is that I took no direct or immediate interest in the investments or the investment policy of the L.I.C. until after the Budget of May 15, 1957. It is true that I was not satisfied with the mechanism that was directing the L.I.C. investments, and it was because of this that I had endeavoured to draft a Bill for setting up a new body for the purpose of controlling L.I.C. investments . . ."

Mr. Krishnamachari said that nothing in the nature of a policy decision or policy advice to the L.I.C. had been communicated until late in May 1957, when he had suggested that the L.I.C. might buy steel and cement shares and thereby help the sagging market. Apart from the casual mentioning to him in June of some kind of offer made by Mundhra, the only other fact brought to his notice about L.I.C. investments was a letter from Mr. Kamat of July 12 giving a summary of the Corporation's investments; that summary, however, had only covered two of the six investments which were the subject of Mr. Justice Chagla's inquiry.

Mr. Krishnamachari continued: "Our economy is under great strain and has been so almost from the time I took over as Finance Minister on Sept. 1, 1956. The strain in varying degree is likely to continue until the end of the Plan period . . . While the future is hopeful . . . we cannot avoid . . . a greater measure of economic discipline being injected into the economy and the administration . . . Since we have to seek foreign loans, the safeguards necessary to ensure that the economy is under control will have to be continued, and perhaps expansion in certain directions by the private sector or increased spending by the public sector will have to be curtailed. These measures can only be taken by a Finance Minister whose moral and political prestige is high. Such prestige is engendered by the support he receives from his chief, his colleagues, and his party, but the evaluation of this prestige is . . . in the hands of the public . . . Those who have not approved of the Government's broad policies might endeavour to use the L.I.C. inquiry in their campaign against these policies, although the inquiry has nothing to do with any basic policy. This campaign will affect public opinion in India and abroad. A Finance Minister in these critical times can function adequately only from a position of strength and not from one of weakness. For these considerations my usefulness to you as Finance Minister will be considerably less than it would have been if the unfortunate events of the last few weeks had not occurred. This is the main factor that compels me to reiterate my request to be relieved."

Mr. Nehru's Reply. In accepting Mr. Krishnamachari's resignation, the Prime Minister wrote: "In a matter of this kind we have to maintain the highest standards and conventions, and it was only right that a public inquiry should be held, whatever its results might be . . . The Government was naturally interested in all the facts being brought out and the truth established. It was no party to the dispute. But, curiously, Government policies were referred to in the course of the inquiry without the Government having any chance to explain them. As you stated in your letter, some facts were mentioned and insinuations made in the course of the evidence, as well as in the addresses of counsel, which could not be explained or otherwise dealt with at any later stage. In effect there was rather a one-sided presentation of facts . . . I am not mentioning this by

way of complaint, but merely to point out that such an approach did not appear to me satisfactory. I have still a feeling that all the relevant facts connected with this unhappy matter have not been brought out.

"It is clear, however, that a number of steps taken in regard to these investments were not taken in the proper manner or with due safeguards. Whoever might be responsible for this, you rightly say that, according to our conventions, the Minister has to assume responsibility even though he might have had little knowledge of what others did and was not directly responsible for any of these measures. This whole upset has been as painful an ordeal to me as it has been to you . . . So far as you are concerned, I am myself convinced that your part in this matter was of the smallest and that you did not know even much that was done."

After praising Mr. Krishnamachari's "devotion to his work, broad vision, and keenness of intellect," and expressing his deep gratitude for Mr. Krishnamachari's "signal service" to India's second Five-Year Plan, Mr. Nehru concluded: "Although we part now, insofar as government is concerned . . . I have no doubt that in the future there will be many ways of co-operating with each other . . ."

Parliamentary Debate on Chagla Report.

The report of Mr. Justice Chagla was debated by the *Lok Sabha* on Feb. 18-20, 1958.

Mr. Krishnamachari, in a personal statement, dealt at length with the question of his direct responsibility and his constitutional responsibility in the matter. He recalled that both Mr. Patel and Mr. Bhattacharya had testified (1) that no specific approval for the transaction had either been sought from or given by him; (2) that when the matter was mentioned to him, all he had said was that he saw no harm or had no objection if the L.I.C. wanted to buy, but had urged caution; (3) that they had not suggested that either the number of shares or the prices had ever been mentioned to him. When Mr. Patel and Mr. Bhattacharya had told him that shares of Jessops and of Richardson and Cruddas had been offered to the L.I.C., he had had no reason to believe that the normal procedures for L.I.C. investments would not be followed—e.g. purchase at market prices, consultation with the Investment Committee, and compliance with the Insurance Act. He could see no reason why these normal steps had not been taken, "particularly when I had administered a special caution."

Mr. Krishnamachari refuted the assumption that there must have been some prior understanding with Mr. Mundhra to which he (the Minister) had been privy, and that his prior concurrence or subsequent acquiescence could be inferred from the absence of any subsequent repudiation. As he had had no knowledge of the possible impropriety in regard to these transactions for months after they had taken place, he could not see how he could have repudiated the purchase of the shares. Moreover, repudiation was not a normal administrative process, and condemnation of official action could take place only after an inquiry.

Refuting the charge that he had not given the House full information on previous occasions when questions had been asked in the *Lok Sabha*, Mr. Krishnamachari pointed out that in the autumn of 1957 he had been away from Delhi for nearly two months and had not received the full facts until shortly before the parliamentary debate on Dec. 16. In this connexion he recalled that Mr. Patel—the person who had been fully aware of the details of all the transactions—had been abroad at the time and had not returned until after the debate.

In the course of his statement Mr. Krishnamachari reiterated his belief that the Commission would not have reached its conclusions about him in the way it had if a different procedure had been followed, and if he had been re-examined to clarify points on which there were differences between his own version and those of the other witnesses. Moreover, while the Corporation and Mr. Patel had been represented at the inquiry, he (the Minister) had not.

Mr. Nehru pointed out that the L.I.C. transactions had come within his knowledge only two months earlier. He continued: "This has been a painful ordeal for some of us, and these two months have made us sadder, a little older, and perhaps a little wiser. But that experience . . . has been purchased at a fairly considerable cost, for it has cost us the services of an able and distinguished Finance Minister at a time when we most needed them. Let me say at the very outset that whatever the penalties that we or others have paid or may suffer, this inquiry had demonstrated to India and to the world the democratic way in which we function. It has established the dignity and majesty of this Parliament and of the procedures we follow in maintaining high standards of public life and administration. This is an example to be remembered by all of us in India."

Mr. Nehru announced that the Government agreed with Mr. Justice Chagla that the transaction resulting in the purchase of the shares of the six Mundhra companies had not been entered into in accordance with business principles, and had also been opposed to propriety on several grounds. They also agreed with Mr. Justice Chagla that there were several factors for which they could find no explanation—e.g. how the price for the shares had been fixed, and why the Investment Committee was not consulted. Attempts would be made to elicit further information on these aspects of the transaction; and so far as the officers responsible for them were concerned, appropriate proceedings on the basis of the Commission's findings would be initiated. The Government accepted the broad principles of ministerial responsibility in this matter, although to say—as the Commission had done—that the Minister was always responsible for all the actions of officers working under him would be "taking this much too far."

After referring to the success which the L.I.C. had achieved in general under its management, and paying tribute to the high standards of the senior Civil Service, Mr. Nehru dealt with the question of employing Civil Servants in nationalized undertakings. He also spoke of the part which the Government should play in the working of autonomous corporations, and stated that the Government would continue its policies in regard to widening the public sector of the economy.

After a lengthy debate, the House adopted a motion submitted by Mr. Nehru expressing approval of his statement that (i) the Government accepted the Commission's findings that the transaction resulting in the purchase of shares of the six companies was not entered into in accordance with business principles and was also opposed to propriety on several grounds; (ii) that the Government proposed to initiate appropriate proceedings, on the basis of the findings of the Chagla Commission, in respect to the officers responsible for putting through the transaction; and (iii) that the Government proposed to examine carefully the principles recommended by the Commission for adoption by the Government and the Life Insurance Corporation.

Further Measures Resulting from Chagla Report. Proceedings against Mr. Mundhra.

The following measures were announced by the Government as a result of the findings of Mr. Justice Chagla:

(1) It was announced on March 13 that a four-man committee had been appointed to make a full and complete investigation into the management of Jessop and Co. Ltd., Calcutta, which in the Government's view was "being managed in a manner highly detrimental to the scheduled industries in which it was engaged and to public interest." Mr. S. Moolgaokar (a director of Tata Industries, Bombay) was appointed chairman of the committee.

The Ministry of Commerce and Industry announced on May 15 that after considering the committee's report, which showed an "extremely unsatisfactory" financial position of Jessop and Co. Ltd., and after examining the firm's operations, the Government had decided to place the undertaking under sound management. Acting under the Industries (Development and Regulation) Act, 1948, the Government had therefore appointed a Board of Management for a three-year period under Mr. B. P. Singh Roy, president of the Federation of Indian Chambers of Commerce and Industry.

(2) The appointment of a Board of Inquiry to consider action to be taken against the officers connected with the purchase of shares belonging to the Mundhra group by the L.I.C. was announced by Mr. Nehru on March 18. Mr. Justice Vivian Bose (of the Supreme Court) was appointed chairman of the Board, its other members being Mr. Sukumar Sen (Chief Election Commissioner) and Mr. W. R. S. Sathianathan (Chief Secretary, Madras Government). The officers whose conduct will be investigated are Mr. Patel, Mr. Kamat and Mr. Vaidyanathan.

(3) Mr. P. A. Gopalakrishnan became the new chairman of the Life Insurance Corporation in succession to Mr. Kamat on April 10. Mr. Gopalakrishnan was previously Joint Secretary to the Cabinet.

Mr. Mundhra was arrested in New Delhi on Feb. 18 on a charge of having made a fraudulent statement to the managing director of the British India Corporation. He was released on bail on Feb. 20, the bail being allowed on a personal bond of 1,000,000 rupees and two sureties of 50,000 rupees each.

Ministerial Changes.

A reshuffle of the Indian Government was announced on March 13, the new appointments being as follows:

Cabinet Ministers: (*a*) Mr. Morarji Desai, Minister of Finance *vice* Mr. Nehru; (*b*) Mr. Lal Bahadur Shastri, Minister of Commerce and Industry *vice* Mr. Desai; (*c*) Mr. S. K. Patil, Minister of Transport and Communications *vice* Mr. Shastri; and (*d*) Mr. Hafiz Mohammed Ibrahim (a new member of the Cabinet), Minister of Irrigation and Power *vice* Mr. Patil.

Ministers of State: (*a*) Dr. K. L. Shrimali, Minister of Education; (*b*) Mr. Humayun Kabir, Minister of Scientific Research and Culture; (*c*) Mr. B. Gopala Reddy, Minister of Economic Affairs.

Deputy Ministers: (*a*) Mr. S. V. Ramaswami, Railways; (*b*) Mr. Ahmed Mohiuddin, Civil Aviation; (*c*) Mrs. Tarakeshwari Sinha, Economic Affairs; (*d*) Mr. P. S. Naskar, Rehabilitation.

No new Cabinet appointment was made for the Ministry of Education and Scientific Research previously headed by Dr. Abul Kalam Azad, who died on Feb. 22 (see below). The post of Minister of State for Economic Affairs was a new portfolio.

It was further announced on May 12 (*a*) that Mr. Asoka Kumar Sen (the Minister of Law), who had previously held the rank of Minister of State, had been appointed a Cabinet Minister; (*b*) that Mr. B. Gopala Reddy would henceforth be

known as Minister of Revenue; and (c) that Mrs. Sinha would be designated Deputy Minister of Finance.

With a number of changes in the titles and functions of Ministers of State and Deputy Ministers previously announced, and the appointments of March 13 and May 12, the membership of the Indian Government became as follows:

Cabinet Ministers.

Mr. Jawaharlal Nehru ..	Prime Minister, External Affairs and Atomic Energy.
Pandit Govind Ballabh Pant	Home Affairs.
Mr. Morarji Desai	Finance.
Mr. Jagjivan Ram	Railways.
Mr. Gulzarilal Nanda	Labour, Employment and Planning.
Mr. Lal Bahadur Shastri ..	Commerce and Industry.
Sardar Swaran Singh ..	Steel, Mines, and Fuel.
Mr. K. C. Reddy	Works, Housing, and Supply.
Mr. Ajit Prasad Jain ..	Food and Agriculture.
Mr. V. K. Krishna Menon ..	Defence.
Mr. S. K. Patil	Transport and Communications.
Mr. Hafiz Mohammed Ibrahim	Irrigation and Power.
Mr. Asoka Kumar Sen ..	Law.

Ministers of State.

Mr. S. N. Sinha	Parliamentary Affairs.
Dr. B. V. Keskar	Information and Broadcasting.
Mr. D. P. Karmarkar ..	Health.
Mr. S. K. Dey	Community Development.
Mr. M. C. Khanna	Rehabilitation.
Dr. P. S. Deshmukh	Food and Agriculture.
Mr. K. D. Malaviya	Mines and Oil.
Mr. Nityanand Kanungo ..	Commerce.
Mr. M. M. Shah	Industry.
Mr. Raj Bahadur	Transport and Communications.
Mr. B. N. Datar	Home Affairs.
Dr. K. L. Shrimali	Education.
Mr. Humayun Kabir ..	Scientific Research and Culture.
Mr. B. Gopala Reddy ..	Revenue and Civil Expenditure.

Deputy Ministers.

Sardar Surgit Singh Majithia, Mr. Kotta Raghuramaiah ..	Defence.
Mr. Abid Ali	Labour.
Mr. Anil Kumar Chanda ..	Works, Housing, and Supply.
Mrs. Lakshmi Menon	External Affairs.
Mr. A. Mathai Thomas .., Mr. M. V. Krishnappa ..	Food and Agriculture.
Mr. J. L. Hathi	Irrigation and Power.
Mr. Satish Chandra	Commerce and Industry.
Mr. S. N. Mishra	Planning.
Mr. B. R. Bhagat .. .., Mrs. Tarakeshwari Sinha ..	Finance.
Dr. Mono Mohan Das ..	Education and Scientific Research.
Mr. Shah Nawaz Khan .., Mr. S. V. Ramaswami ..	Railways.
Mrs. Violet Alva	Home Affairs.
Mr. R. M. Hajarnavis ..	Law.
Mr. Ahmed Mohiuddin ..	Civil Aviation.
Mr. P. S. Naskar	Rehabilitation.

Mr. Hafiz Mohammed Ibrahim, the new Minister of Irrigation and Power, was previously Finance Minister of Uttar Pradesh, whilst Mr. B. Gopala Reddy, the new Minister of Revenue and Civil Expenditure, was Minister of Finance in Andhra Pradesh. Mr. Ibrahim had been nominated a member of the Congress Working Committee on March 11. Mr. Ramaswami, Mr. Mohiuddin, Mr. Naskar and Mrs. Sinha entered the Government for the first time.

Death of Dr. Abul Kalam Azad.

Dr. Abul Kalam Azad, the Minister of Education and one of India's leading statesmen, died on Feb. 22, 1958, as stated above. He was 69 years of age.

Maulana Kalam Azad was a member of a distinguished Moslem family of *sufis* (mystics) and divines, and a descendant of Sheikh Jamaluddin, who rose to prominence in the reign of the Mogul Emperor Akbar. He was born in Mecca in 1888, his father having migrated from India to Arabia after the Indian Mutiny. After studying Arabic, Persian and other Islamic literature at Al-Azhar University in Cairo he travelled widely in the Middle East and Europe, subsequently settling in Calcutta. A modernist in outlook, and an Islamic scholar of wide repute, he founded in 1912 the Urdu weekly *Al-Hilal*, which exerted an important influence on Moslem opinion both inside and outside India.

An opponent of communalism, Dr. Azad took an active part in Gandhi's first non-co-operation campaign during the First World War, and also campaigned actively in support of Turkey, as a result of these activities *Al-Hilal* was banned by the authorities and Dr. Azad served several terms of imprisonment. He was elected president of the Indian National Congress in 1923, took a leading part in non-co-operation movements during the 'twenties, and was imprisoned for two years. Re-elected to the Congress presidency in 1930, he was prominent in the civil disobedience campaigns of 1930-32 and served further prison terms for these activities. In 1940 he was elected president of Congress for the third time and continued to hold that post until 1946, despite the fact that he was imprisoned for three years (1942-45) in connexion with the "Quit India" movement, in which he played an active role.

Dr. Azad was one of the principal spokesmen of the Congress Party during the negotiations with the Cripps Mission in 1942, and again with the British Cabinet Mission in 1946. In 1947 he joined the Interim Government as Minister of Education, a post he held in the Government of India until his death; the portfolios of Natural Resources and Scientific Research were added in 1952. He had been Deputy Leader of the Congress Party in the *Lok Sabha* since 1951, and represented the Punjab constituency of Gurgaon. A distinguished scholar, he was the author of many theological and cultural works and of a well-known commentary on the Koran.

An Azad Memorial Fund was set up by the Congress Party on Feb. 28 as a national memorial to the late Dr. Kalam Azad. It will take the form of scholarships to enable Indian students to study in Western Asian countries and Egypt, and *vice versa*, and of the endowment of Chairs at Indian universities to promote cultural relations between India and the countries concerned. It was also decided to publish the collected works and speeches of Dr. Kalam Azad in about 15 volumes.

Pandit Pant (the Home Minister) was elected Deputy Leader of the Congress Parliamentary Party in succession to the late Dr. Azad on May 1.

Withdrawal of Mr. Nehru's Resignation Offer.

Mr. Nehru told a meeting of the Congress Parliamentary Party on April 29 that he had requested President Prasad to release him temporarily from the Premiership so that he might be able for a period to "free myself from this daily routine" and to "think of myself as an individual citizen of India and not as Prime Minister."

Recalling that he had let it be known some weeks earlier that he was feeling "rather tired and stale" and would like a change after 10½ years of heavy work as Prime Minister, Mr. Nehru said that physically he remained "fit and active" and believed that he still had "some years of efficient service before him." The work of Prime Minister, however, allowed of no respite and afforded "little time for quiet thinking." Mr. Nehru added that he was "greatly concerned at the international situation" and that in addition there were internal Indian problems which required "constant attention and fresh thinking" if they were not to "get into ruts of thought and action."

Making it clear that he was not thinking of permanent retirement, Mr. Nehru said: "I am anxious to fit myself for the great tasks ahead, and I feel that it might help me to do so if I am away from the centre of activity and responsibility." The time had come when he should place "this rather personal matter before the party and seek its guidance"; although he had already approached the President, "the final decision must rest with the party."

Mr. Nehru's statement aroused deep concern among Congress members. At an extraordinary meeting of the Parliamentary party on May 1, wide support was expressed for a resolution which (i) declared that the Congress Party "cannot contemplate acceptance of any suggestion which would mean the severance, even though for a temporary period," of the ties binding Mr. Nehru to the party and the Government; (ii) expressed awareness of the great strain borne by Mr. Nehru; but (iii) refused to accept "any period devoid of his leadership."

Mr. S. N. Sinha, the parliamentary Chief Whip, told Mr. Nehru: "You are condemned to hard labour for the rest of your life; there will be no respite for you." After recording the party's "grief and desolation" at Mr. Nehru's suggestion, he urged him to take a few months' holiday and on his return to appoint a Minister without portfolio to relieve him of the burdens of routine administration.

Requesting that the resolution should not be passed, Mr. Nehru declared that he had made his proposal only after "months of thought" and that the resolution, if adopted, would suggest that he had acted casually, whereas he would do nothing which was in his opinion harmful to the country. He wanted no holiday but a period of contemplation "for my soul's good," during which he could ponder "what was wrong with the Congress Party and with public life generally."

On May 3, however, Mr. Nehru announced at another party meeting that he had withdrawn his decision to retire temporarily from office.

Mr. Nehru said that many colleagues and party members had spoken and written to him since he had announced his earlier decision; all this had "brought up before me, more forcibly than I had pictured in my mind before, the possible consequences of the

action I proposed to take." The desire to retire and "take stock" had come to him "with peculiar force in the shock of the circumstances created by Maulana Azad's death," but he was "deeply moved by what has been said today and by what was said two days ago."

It was announced on May 9 that Mr. Nehru would take a brief holiday from May 20 in the Kulu Valley (Punjab), a well-known Himalayan mountain resort. He would return to Delhi on May 31 and would then make a trek to the Lahaul Valley (in the high Himalayas) from June 5 - 23.
(Hindustan Times, Delhi - The Hindu, Madras - The Statesman, Calcutta - Indian High Commissioner's Office, London)
(Prev. rep. Cabinet, 15533 A; L.I.C., 14943 D.)

A. LONDON. — St. Paul's Cathedral. - Consecration of New High Altar.

The new High Altar of St. Paul's Cathedral was consecrated on May 7, in the presence of H.M. the Queen and the Duke of Edinburgh, as a memorial from the people of Britain in memory of the 335,451 men and women of the Commonwealth overseas who gave their lives in the two World Wars. The dedication service marked the restoration of the East end of the Cathedral after 17 years' work by architects and craftsmen, following the heavy damage sustained in the air attacks of the Second World War.

The congregation of 3,000 included the Prime Minister, members of the Government, the High Commissioners of the Commonwealth countries, and many members of the Diplomatic Corps. It also included many former members of St. Paul's Watch, which did outstanding work during the air raids when the Cathedral was hit by high-explosive bombs and showered with incendiaries.

The new High Altar replaces the former altar which was virtually destroyed by enemy action. Designed as an integral part of the reconstructed East end, it is of white marble enriched with gold Sienna marble and covered by a canopy of gilded oak, surmounted by a figure of the Risen Lord; the canopy is supported by eight 20-ft. Corinthian columns. The Goldsmiths' Company have agreed to bear the whole of the cost (£8,800) of the ornaments for the new High Altar, including the candlesticks and the Cross.

The total cost of the restoration of St. Paul's Cathedral is estimated at about £1,000,000, including the rebuilding of the East end, the new High Altar and canopy, the building of the American Memorial Chapel (see below), completion of work on the north transept (to be finished in 1959), the restoration of the Chapter House, and the rebuilding of the choir school, still to be undertaken. Grants from the War Damage Commission have amounted to about £400,000, the balance of £600,000 having already been raised from subscriptions—including £400,000 from a campaign launched in October 1954, £20,000 for the Commonwealth Memorial Fund (in response to an appeal organized by Sir Jocelyn Lucas, M.P.), and between £80,000 and £90,000 for the American Memorial Fund.

The *London Gazette* announced on June 18, 1957 that the Queen had approved that St. Paul's Cathedral should become the Church of the Order of the British Empire—the only important Order of British chivalry hitherto without a spiritual home. A permanent chapel for the Order will be built in the crypt, near the ancient altar of St. Faith; the designer is Lord Mottistone, surveyor of the fabric of St. Paul's.

An American Memorial Chapel will be dedicated in St. Paul's Cathedral in November 1958. (Times - Church Times)

B. UNITED KINGDOM. — Metric System Inquiry.

It was announced on May 28 that a study group under the chairmanship of Sir Hugh Beaver had been set up by the British Association for the Advancement of Science to report on "the practicability, implications, consequences both international and domestic, and cost of a change-over to the metric system or the decimalization of weights, measures, and coinage by the United Kingdom."

The other members of the Beaver Committee will be Dr. A. H. Hughes (deputy chairman and assistant managing director, Arthur Guinness Son and Co.), Dr. R. Beeching (director of Imperial Chemical Industries), Mr. M. G. Bennett (general treasurer, British Association), Professor C. F. Carter (Professor of Applied Economics, Queen's University, Belfast), Mr. Hugh Conway (joint managing director, Short Brothers and Harland, Ltd.), Mr. A. C. Hartley (consulting engineer), Lord Simon of Wythenshawe, Mr. F. S. Walker (chairman of Lever Brothers, Port Sunlight, Ltd.), and Mr. C. P. Jones (Rolls-Royce Ltd.).

It was stated that the committee had been asked to obtain the necessary information "by taking evidence, visiting firms and organizations, or any other means"; that interim reports on the progress of its investigations would be submitted at quarterly intervals to the Council of the Association; and that a full report was expected in about 18 months' time.—(Times)

C. UNITED KINGDOM. — New College to be built at Cambridge University (Churchill College).

It was announced on May 15 that a new college would be built at Cambridge University, called Churchill College, as a permanent memorial to Sir Winston Churchill's services to Britain and the world. In view of Sir Winston's deep interest in the advancement of technological education, and his support for science during the Second World War, the college would have a strong bias towards scientific and technological studies and 70 per cent of its members would study these subjects. A minimum initial size of 200-250 members and 30-40 Fellows was envisaged, with provision for an expansion to 500-600 members and 50-60 Fellows if funds permitted. A feature of Churchill College would be a ratio of 1: 2 of post-graduate to undergraduate members (considerably higher than that of any existing college) and the provision of a number of visiting Fellowships.

Churchill College will be built on a 40-acre site west of the Cam at a cost of about £3,500,000, an appeal for this sum being launched simultaneously with the announcement. Sir Winston himself gave £25,000 from his 80th Birthday Trust (see 13905 A), from which large sums have already been disbursed to a variety of foundations, while the Gulbenkian Foundation in Lisbon (see 15031 A) gave £50,000 as a "tribute to the greatest living Englishman."

The trustees of the project, in addition to Sir Winston Churchill, are Marshal of the R.A.F. Lord Tedder (Chancellor of Cambridge University), Lord Adrian (Vice-Chancellor, and Master of Trinity College), Lord Chandos (chairman of Associated Electrical Industries), Lord Godber (chairman of Shell Transport and Trading Co. Ltd.), Lieutenant-General Lord Weeks (former chairman of Vickers), Sir John Cockcroft (head of the Atomic Energy Authority), Sir Alexander Fleck (chairman of Imperial Chemical Industries), Sir Alexander Todd (Professor of Organic Chemistry at Cambridge, and Scientific Adviser to the Lord President of the Council), Mr. Noel Annan (Provost of King's College), Professor Brian Downs (Master of Christ's College), and Mr. W. J. Carron (president of the Amalgamated Engineering Union).

It was announced on May 31 that firm promises of contributions totalling over £1,400,000, mainly in the form of covenants, had already been received from companies and business enterprises towards the building of Churchill College.
(Times - Daily Telegraph - Manchester Guardian)

D. PAKISTAN. — Assassination of Dr. Khan Sahib.

Dr. Khan Sahib, the leader of the Republican Party and former Chief Minister of West Pakistan, was stabbed to death on May 9 at his son's residence in Lahore. The assailant, Ata Mohammed, was a minor official in the Revenue Department in Bahawalpur but had been dismissed two years ago. He had approached Dr. Khan Sahib a few days before the attack and had sought his help to obtain re-employment, but Dr. Khan Sahib had told him that he was not in a position to help him.

It was announced in Lahore on May 10 that Allama Mashriqi (the *Khaksar* leader), his younger son, and four of his followers had been arrested for interrogation in connexion with Dr. Khan Sahib's assassination.

Dr. Khan Sahib (76), the elder brother of Khan Abdul Ghaffar Khan (the former leader of the Congress "Red Shirt" organization), was born in a North-West Frontier Province village near Peshawar. He studied medicine at St. Thomas's Hospital, London, joined the Indian Medical Service, and entered politics in 1930, becoming a close friend and associate of Mahatma Gandhi and working with the Indian National Congress in the struggle for Indian independence. In 1937 he became Chief Minister of the Congress Government in the North-West Frontier Province. Like the other Congress Ministers in British Indian provinces, he resigned in 1940 and was later placed under detention. In 1945 he resumed his post as Chief Minister, but following the accession of the Frontier Province to Pakistan in 1947 he was dismissed and detained by the Pakistani authorities until 1953. In October 1954 he entered the Pakistan Government of Mr. Mohammed Ali as Minister of Communications, and on the formation of the Province of West Pakistan in October 1955 became its first Chief Minister, remaining in office until March 1957. In April 1955 he became the founder and leader of the Republican Party.

Personal tributes to Dr. Khan Sahib were paid by the Prime Ministers of both Pakistan and India, respectively Mr. Firoz Khan Noon and Mr. Nehru.—(Pakistan High Commissioner's Office, London - The Statesman, Calcutta - Times)
(Prev. rep. 15677 A.)

E. COSTA RICA. — Membership of I.C.A.O.

Costa Rica became the 73rd member of the International Civil Aviation Organization on May 31.—(I.C.A.O., Montreal)
(Prev. rep. 15980 G.)

A. UNITED STATES. — Economic Recession. - Increase in Unemployment. - Anti-Recession Measures. - Extension of Unemployment Benefits.

A recession in the American economy, the first signs of which appeared in the autumn of 1957, led to a steep rise in unemployment during the first few months of 1958, as shown by the following mid-monthly figures :

December 1957	3,374,000
January 1958	4,494,000
February	5,173,000
March	5,198,000
April	5,120,000

The December figure of 3,374,000 unemployed, representing 5.2 per cent of the total labour force, was the highest end-year total since December 1949 ; contrary to the normal seasonal pattern, unemployment rose by 186,000 between mid-November and mid-December. As shown in the table, unemployment figures rose by 1,120,000 in January, by another 600,000 in February, and fractionally in March—the figure of 5,198,000 unemployed in the latter month being the highest recorded in the United States since the middle of 1941, and representing 7.5 per cent of the total labour force. In April, for the first time since November last, the figures showed a slight downward trend.

Unemployment was particularly high in Michigan, and especially in Detroit, as the result of a severe recession in the automobile industry. In Michigan as a whole there were 415,000 unemployed in March (14.3 per cent) and 450,000 in April ; the figures for Detroit were 230,000 in March and 265,000 in April—the latter figure representing 17.4 per cent of the city's labour force, or one worker in six. Owing to poor sales, several of the largest assembly plants in Michigan closed down for a week at the beginning of April, including the General Motors plants at Flint and Pontiac and Chrysler and Ford plants in the Detroit area. By the beginning of May the situation showed a slight improvement, the unemployment figure for Michigan being 350,000 and for Detroit 205,000 ; these figures were nevertheless 236 per cent higher than the comparable 1957 figure for Michigan and 327 per cent higher in the case of Detroit. Elsewhere, there were 242,000 unemployed in New York at the beginning of May (58 per cent higher than the corresponding period of 1957), 120,000 in Chicago, and 137,500 in Los Angeles.

The extent of the recession was reflected in the fact that the U.S. index of industrial production fell for seven successive months between August 1957 and April 1958.

From the peak figure of 147 in December 1956 (the Federal Reserve Board takes average output in the 1947-49 period as 100) the index remained fairly constant for the first eight months of 1957, standing at 145 in August. Thereafter it fell month by month until it stood at 133 in January 1958, 130 in February, and 128 in March—the lowest figure since the recession of 1954, and 12 points lower than the corresponding figure for March 1957. The main decline was in the "durable goods industries," notably in automobile production and household appliances.

Anti-Recession Measures. - Statements by President Eisenhower. - Congressional Legislation.

In a statement issued on Feb. 12, President Eisenhower expressed confidence that the United States was not "facing a prolonged down-swing in activity." He also expressed his conviction that from March onwards there would be a "pick-up in job opportunities" which should "mark the beginning of the end of the down-run in our economy, provided we apply ourselves with confidence to the job ahead."

At the same time the President released a "fact paper setting forth programmes and policies bearing on the current economic situation" in order to "dispel false impressions and make clear the activities of the Administration in these fields." The "fact paper" outlined governmental action taken in recent months to ease credit, to stimulate house-building and road construction, and to place defence procurement contracts with private industry etc., giving detailed figures of expenditure in these and other fields. The President also stated that he had directed the Postmaster General to present to Congress a $2,000,000,000 programme for modernizing post office buildings and equipment throughout the country during the next three to five years.

On March 8 President Eisenhower sent a letter to the Republican leaders in the Senate and House of Representatives (respectively Senator William F. Knowland and Representative Joseph W. Martin) urging the prompt enactment of "a number of Administration recommendations for new legislation which could be of great help in stimulating the economy and which are already pending before Congress."

Among these measures the President mentioned (*a*) the provision of additional funds for the Federal Housing Authority ; (*b*) adjustment of "those statutory interest rates which stifle private investment" ; (*c*) special assistance to areas of high and persistent unemployment ; (*d*) tax relief for small businesses ; (*e*) removal of the statutory limit on the life of the Small Business Administration, and provision of new authority for loans to small businesses ; (*f*) a $2,000,000,000 increase in the lending authority of the Export-Import Bank ; and (*g*) the $2,000,000,000 Post Office modernization plan referred to above.

The President also mentioned the following "additional actions" he had authorized since his statement of Feb. 12 with the aim of providing additional employment :

(1) Acceleration of projects for improving roads, national parks, etc., many of which were already in the planning and engineering stages ; this action would "result in the expenditure of nearly $200,000,000 several months earlier than previously planned."

(2) Increased appropriations of $186,000,000 for water resource and flood prevention projects.

(3) The release of an additional $200,000,000 to the Housing and Home Finance Agency "to stimulate construction of homes for citizens of modest means."

(4) The award of more defence procurement contracts to "labour surplus areas," with first priority to small business concerns in such areas.

The President added that "other programmes and measures are under study and, as circumstances may require, will be administratively set in motion or proposed to Congress."

The following anti-recession legislation was approved by Congress in April and May :

(1) A Bill authorizing additional Federal expenditure of $1,800,000,000 for the 41,000-mile network of inter-State roads [see 15093 C]. Together with previous Federal appropriations and State funds, expenditure on road construction will exceed $5,500,000,000 in each of the fiscal years 1959, 1960 and 1961 (i.e. 1958-59, 1959-60, and 1960-61). It was estimated that over 500,000 jobs would be created under this programme.

The Bill was signed by President Eisenhower on April 16, after unanimous approval by both Houses of Congress on April 3.

(2) A $1,850,000,000 emergency Housing Bill designed to stimulate the construction of 200,000 new housing units and to provide jobs for 500,000 persons during 1958. Signed by the President on April 1 after unanimous approval by both Houses of Congress (Senate, March 12 ; House of Representatives, March 19).

(3) A Bill making $375,000,000 of Federal funds available for urban and rural areas of high unemployment ; it authorized loans for industrial and rural development, including facilities to attract new industries to the areas concerned. Passed by the Senate on May 13 ; early action by the House was expected.

Extension of Unemployment Benefits.

President Eisenhower sent a message to Congress on March 25 requesting the enactment of legislation "to provide for the temporary continuation of unemployment compensation benefits to otherwise eligible individuals who have exhausted their benefits under State and Federal laws." The President stated (1) that such legislation should "not encroach upon the prerogatives which belong to the States" in matters relating to eligibility, disqualification, and the amount of benefits paid ; and (2) that it should, however, "provide for the payment, to individuals who have exhausted their regular unemployment compensation benefits, of temporary benefits for an additional period equal to one-half of the duration of their regular benefits."

Some 43,000,000 workers are covered by unemployment compensation benefits, which are separately administered by the States. In most of the States unemployed workers receive benefits for 26 weeks ; in ten States for only 20 weeks ; and in two for eight months. Under the President's proposals, workers who had used up their benefits in States paying for 26 weeks could collect benefits for an additional 13 weeks, if they remained out of work so long ; similarly, unemployed persons in States paying benefits for 20 weeks could collect benefits for another ten weeks. The White House estimated that some 3,000,000 unemployed workers had exhausted their benefits under the various State schemes.

An Administration Bill embodying the President's proposals was passed by the House of Representatives on May 1 by 370 votes to 17, with a few minor modifications. Senate approval was expected at an early date.

Increase in Employment Figures.

Despite the increase in unemployment, the total number of people employed in the United States continued to rise steadily from 61,988,000 in February to nearly 63,000,000 in April, a further rise being anticipated in May. The greater part of this increase was in agriculture (5,600,000 workers employed in April) and construction (2,700,000 employed) ; the only other categories to show an increase were in Government services (7,600,000 employed in April), finance, insurance and real estate (2,400,000), and miscellaneous services (6,700,000). Employment in mining declined from 862,000 in August 1957 to 766,000 in April, and in transport and other public services from 4,200,000 to 3,900,000. As stated above, however, the durable goods industries—and particularly automobile manufacturing and factory equipment—were by far the most important categories to show a decline in employment.—(New York Times - New York Herald Tribune)

(Prev. rep. 16034 A ; 15032 C.)

A. UNITED KINGDOM. — Steel Industry. - Production Figures. - Cuts in Steel Prices. - Proposed Campaign against Renationalization Threat.

Steel production in the first quarter of 1958 was slightly below production in the corresponding period of 1957, output having been adversely affected in the Midland and Scottish areas by a reduction in the demand for steel tubes and bars, and in South Wales by temporary causes as well as by the withdrawal of older steelworks capacity. The weekly average for March 1958, however, was 1,300 tons higher than the weekly average for March 1957, and the Iron and Steel Board stated on March 12 that steelmaking capacity in 1958 was expected to increase to about 23,200,000 tons, or 1,500,000 tons above the 1957 record of 21,700,000 tons. Detailed figures are given below :

	1958		1957	
	Weekly Average Tons	Annual Rate Tons	Weekly Average Tons	Annual Rate Tons
Steel Ingots and Castings				
January	407,100	21,171,000	415,900	21,627,000
February	427,500	22,228,000	432,100	22,470,000
March	432,300	22,480,000	431,000	22,411,000
First Quarter .	421,100	21,899,000	425,500	22,128,000
Pig-Iron				
January	271,000	14,090,000	256,900	13,361,000
February	272,700	14,182,000	267,600	13,916,000
March	267,600	13,915,000	277,200	14,415,000
First Quarter ..	270,500	14,064,000	266,500	13,856,000

Imports of scrap and pig iron in the first quarter of 1958 totalled 98,000 tons, compared with 422,000 tons in the corresponding quarter of 1957. The Iron and Steel Board forecast that the import rate was likely to decline further as current contracts were worked off.

Recent developments in connexion with the steel industry are summarized below :

Steel Price Cuts. The first cuts in steel prices since 1939 took effect from March 31, when prices of most steel products for the home market were reduced by from 10s. to 30s. a ton (i.e. by one to three per cent). Announcing the reductions on March 27, the Iron and Steel Board explained that they had been made possible by the lower costs of imported materials, which had more than offset increases in domestic costs.

[It was estimated in the Press that the cuts might result in annual savings of £1,500,000 to the automobile industry, £600,000 to the constructional industry, £400,000 to the shipbuilding industry, and £350,000 each to the National Coal Board and British Railways.]

New Steel Plant for South Wales. Richard Thomas & Baldwins Ltd. announced on March 19 that they would shortly begin the installation of a new press and fabricating works at Gorseinon, near Swansea, one of the areas worst hit by the closure of old-type steel and tinplate works. The new plant (to employ 450-500 workers) was expected to be working fully in about 12 months.

Unemployment amongst Welsh Steelworkers. The Government announced on Feb. 3 that it would appoint an emergency team of four to examine measures to assist steelworkers made redundant by the closing of older steel and tinplate works in South-West Wales, where in many towns unemployment was six times above the average. The team would comprise representatives of the Ministry of Welsh Affairs, the Ministry of Labour, the Board of Trade, and the Iron and Steel Board. While primarily considering measures which could be taken by the steel industry itself, it would also review long-term plans.

The announcement followed discussions between a deputation of Welsh Labour M.P.s led by Mr. James Griffiths, and the Minister and Minister of State for Welsh Affairs (respectively Mr. Henry Brooke and Lord Brecon), the Minister of Power (Lord Mills), the Parliamentary Secretary to the Ministry of Labour (Mr. Robert Carr), and Sir Robert Shone and Sir Lincoln Evans, both of the Iron and Steel Board.

Denationalization of Steel Industry. The fourth annual report of the Iron and Steel Realization Agency, covering the year ended Sept. 30, 1957, was published on Feb. 22. It showed that the Agency had disposed during the year of its controlling interest in a further 10 steel companies (including the Steel Company of Wales) but still held control of 16 others, the largest being Richard Thomas and Baldwins and the Staveley Iron and Chemical Company. In the four years since the Agency was set up in 1953 it had reduced the book value of its securities from £252,000,000 to £44,000,000. The report added that, measured in terms of employment, steel production, and sales of products, five-sixths of the industry had been returned to private hands.

New Chairman of Iron and Steel Holding and Realization Agency. It was announced on May 31 that the Chancellor of the Exchequer had appointed Sir Herbert Brittain as chairman of the Iron and Steel Holding and Realization Agency in succession to the late Sir John Morison, at a salary of £2,000 a year. The post will be part-time and the appointment will be for a period of one year in the first instance.

The Labour Party's declared intention of renationalizing the steel industry if it came to power led many steel companies during January and February to consider what steps they should take to put the case for private ownership before the public.

Shareholders of Stewarts and Lloyds Ltd., the steel tube manufacturers, authorized the company's directors on Jan. 28 to "sound an alarm before it is too late" and wage an active campaign against renationalization. Mr. A. G. Stewart, the company's chairman, explained that the company would present its case "in whatever manner seems from time to time to be most effective," but would confine its campaign to the single issue of renationalization and avoid attacking the Labour Party as such. Shareholders of Dorman Long and Co. passed a resolution on Jan. 29 declaring that renationalization would "seriously prejudice the competitive power of the iron and steel industry in home and export markets," and instructing the company's directors to take "all practical steps to oppose it." The South Durham Iron and Steel Co. also announced on Jan. 29 that it had decided to join in the campaign against renationalization. Mr. Harold Peake, chairman of the Steel Company of Wales, declared on the same day, however, that he was "against indulging openly in politics" or "coming out at the present stage in a very bellicose way"; he appealed instead to Labour Party leaders to "come to a decision on what they would do with the steel industry if they got into office." Sir Walter Benton Jones, chairman of the United Steel Companies group, announced that the group would support the proposed anti-nationalization campaign, and on Feb. 5 Mr. R. F. Summers, chairman of John Summers and Sons Ltd., stated that his company was also considering "steps to convince the people that the industry's views on this vital subject are the right ones."

Mr. Alfred Robens, M.P. (a member of the Labour "Shadow Cabinet" and a former Minister of Labour) declared at Glasgow on Feb. 9 that "the first function of a Labour Government in the field of public ownership will be to renationalize the iron and steel industry," as public ownership of the industry was "vital to the economic planning of this nation's affairs." (Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. 15986 E.)

B. KOREA. — South Korean Elections.

The Liberal Party headed by President Syngman Rhee was returned to power in the South Korean general elections on May 2, though with a greatly reduced majority. Final returns for the new House of Assembly (233 seats) were as follows : Liberals 125, Democrats 79, Independents 28, Unification Party 1. The former House of Assembly had 203 seats, an additional 30 seats having been created owing to the increase in South Korea's population. Party strengths at the dissolution were : Liberals 131, Democrats 46, Independents and minor parties 26.

The opposition Democratic Party, led by Dr. John M. Chang (the Vice-President of the Republic), made important gains in the towns and particularly in Seoul, where it won 14 of the 16 seats ; all seven incumbent Liberal members for Seoul were defeated, the remaining two seats in the capital being won by Independent candidates. The Liberal Party maintained its position in the countryside generally ; as shown, its overall majority in the new House is 17, whereas it had a majority of 61 in the former House.

The elections were essentially a straight fight between the two major parties, nearly all other candidates being Independents. Both the Liberals and the Democrats are conservative in outlook and do not differ substantially in politics ; the main issues between them are, firstly, in their attitude to the 83-year-old President Syngman Rhee, and secondly, on the question of how Korea should be unified. Whereas the Liberals maintain that Dr. Rhee's personal prestige and authority make his continuation in the Presidency essential, and constitute a bulwark against Communism, the Democrats claim that the South Korean people desire a change from "personal leadership." On the unification question, the Democrats stand for nation-wide elections under U.N. auspices, whereas the Liberals propose elections only in North Korea to fill seats reserved in the Southern Assembly on a population basis.

The Liberals seek to revise the present constitutional arrangement whereby the Vice-President (i.e. Dr. John Chang) would have the right to assume the Presidency in the event of the death or incapacity of Dr. Syngman Rhee. For such a constitutional amendment, however, a two-thirds majority of the House of Assembly is necessary, and the Liberals failed to obtain such a majority in the general elections.

Unlike the turbulent elections of 1954, those of May 2 passed off quietly and with practically no incidents. About 80 per cent of the voters went to the polls out of a registered electorate of over 10,000,000.—(Times - New York Times)

(Prev. rep. Korean Presidential Election, 14930 A ; General Election, 13829 A.)

A. GREECE. — General Election. - Overall Majority for National Radical Union. - Left-wing Gains. - New Cabinet formed by M. Karamanlis.

The Greek Parliament was dissolved by King Paul on April 2, and general elections proclaimed for May 11, after it had passed the electoral Bill previously submitted by M. Karamanlis before his resignation from the Premiership (see 16054 A). The Bill was adopted by the necessary two-thirds majority on March 29, being supported by the National Radical Union and the Liberals and opposed by the Populists, the left-wing Union of the Democratic Left, and minor groups ; the latter included most of the 15 former N.R.U. deputies whose opposition to the legislation had led to the resignation of M. Karamanlis.

Since the end of the Second World War general elections in Greece have been held under a wide variety of electoral systems, ranging from "straight" proportional representation to the simple majority system. The elections of 1946 and 1950 were held by "straight" proportional representation ; those of 1951 by a system of "reinforced" P.R. whereby only parties polling a certain percentage of the total number of votes were eligible to participate in second and third allocations of seats ; the 1952 elections by the simple majority system ; and the 1953 elections by a complicated system combining both majority voting and proportional representation (see 14732 A).

The new electoral law laid down that the 1958 elections would be fought under a system of "reinforced" proportional representation whereby only parties polling 25 per cent of the total number of votes would be entitled to share in the second allocation of seats. In the case of coalitions of two parties the required percentage would be 35 per cent, while coalitions of three or more parties would require 40 per cent of the total votes to be eligible for second allocations. If only one party or coalition polled the required percentage, the party coming second would also be entitled to share in the second allocation of seats ; coalitions, however, would be barred if they failed to reach the required percentage, unless the percentage of the party coming second was lower than the average percentage of each of the parties included in that coalition (found by dividing the total number of votes polled by the coalition by the number of collaborating parties).

The number of seats remained at 300, divided into 55 constituencies returning varying numbers of deputies. The largest constituency was the City of Athens (excluding suburbs), with 16 seats, followed by Salonika, the Prefecture of Messinia, and the suburban municipalities of Athens (grouped into a separate constituency), each returning 10 members.

The elections were contested by three parties—the National Radical Union, the Liberal Party, and the Union of the Democratic Left (E.D.A.)—and two coalitions : the Populist Party Union and the Progressive Agrarian Democratic Union (PADE). The National Radicals, Liberals, and E.D.A. were all recognized as single parties by the Supreme Court, and therefore needed to poll 25 per cent of the total votes to share in the second allocation of seats under the electoral law. The Populist Party Union and the PADE were recognized as coalitions of more than two parties, and were thus required to poll 40 per cent of the total votes to share in second allocations of seats.

The National Radical Union, led by M. Constantine Karamanlis, won a majority of seats at the last (1956) elections ; it is the successor organization to the Greek Rally, which was founded by the late Field-Marshal Papagos. The Liberal Party is led jointly by M. Sophocles Venizelos and M. Giorgios Papandreou. The E.D.A. is regarded as the successor organization to the outlawed Greek Communist Party ; led by M. Passalides, it represents various shades of Left-wing opinion, some pro-Communist and others not. The Populist Party Union (right-wing) is led jointly by M. Constantine Tsaldaris, M. Panayotis Kanellopoulos, and M. Stephanis Stephanopoulos, while the PADE (left-centre) is led jointly by M. Spyros Markezinis, M. Alexander Baltadzis, M. Savos Papapolitis and M. Stellos Allamanis.

The principal electoral issues were Greece's relations with her NATO allies and the question whether or not U.S. missile bases should be established on Greek territory ; there were no differences on Cyprus, all parties supporting self-determination for the island and the Greek Cypriots' claim to *enosis*. In domestic matters, extensive reforms in various fields were promised by the different parties—notably tax reforms, and measures to deal with the problems of unemployment and under-employment. Party attitudes on the two main issues—NATO and missile bases—are summarized below :

The National Radical Union strongly upheld Greece's ties with the Western democracies, and with NATO in particular. On the question of missile bases, it took the view that the matter had not yet arisen as no relevant proposals had been made by SHAPE ; if and when such proposals were made, they should be considered on the sole ground of whether or not they served the national interest.

The **Liberal Party** similarly took the view that Greece should remain firmly attached to NATO and the West, on terms of full equality with the other member-countries. It believed that Greece should refuse to discuss the question of bases until the Greek Cypriots' demand for self-determination had been met.

The **E.D.A.** maintained that Greece's foreign policy should be that of "an independent and proud nation without traces of subservience," and that friendly relations should be promoted with all countries regardless of their political or social systems It strongly opposed the setting-up of U.S. missile bases on the ground that they would turn Greece into a "target for nuclear extermination."

The **Populist Party Union** supported the NATO alliance, but stressed that Greece should be treated on terms of full equality with her other partners ; it alleged in this connexion that Greece had been treated as a "minor partner" in relation to Turkey, both on the political and the military plane. Missile bases in Greece were considered strategically unnecessary, either for Greece or NATO.

The **P.A.D.E.** attitude to NATO and the Western alliance was broadly similar to that of the Populist Party Union. It opposed the establishment of missile bases on the ground that they would "imperil the existence of the nation."

The registered electorate numbered 5,032,736 (comprising 2,658,476 men and 2,374,260 women), of whom 3,796,050 voted in the general election on May 11. The Ministry of the Interior issued the following official figures giving complete returns from all but a few polling-stations :

	Seats	Votes	Percentage
National Radicals	173	1,559,997	41.2
E.D.A.	78	926,299	24.3
Liberals	36	787,061	20.7
P.A.D.E.	9	404,050	10.6
Populists	4	112,380	3.0

Except in the case of the National Radical Union, no direct comparison was possible with the last (1956) general election, as party alignments were different at that time. In 1956 the principal Opposition group was the Democratic Union, an organization embracing seven parties ranging from the Populists on the Right to the E.D.A. on the Left ; it also included the two Liberal parties then headed by M. Venizelos and M. Papandreou respectively. [The two Liberal groups merged into a single party in February 1957—see 15404 C.] The results in 1956 (revised figures) were as follows :

	Seats	Votes	Percentage
National Radicals	165	1,591,618	47.4
Democratic Union	132	1,619,437	48.1
Progressives	—	74,519	2.2
Independents and minor groups	3	75,793	2.3

As shown above, the elections of May 11 were won by the National Radical Union, which obtained an overall majority of 46 seats in the new Parliament. The biggest surprise of the election, however, was the high vote polled by the pro-Communist E.D.A., which was supported by nearly one-quarter of the electorate and will form the principal Opposition group in the new Parliament.

The E.D.A.'s success was attributed by Greek political commentators to a number of diverse factors, including the economic position ; considerable unemployment in certain areas ; restricted opportunities for employment ; curtailment of U.S. economic aid ; resentment at the alleged favouritism shown by the U.S.A. to Turkey *vis-à-vis* Greece in the Cyprus dispute, and also in NATO policy ; and widespread opposition to the establishment of missile bases in Greece, which was expressed by large sections of non-Communist opinions as well as by pro-Communists. It was also believed that the E.D.A. had attracted many votes from left-wing but non-Communist parties such as the EPEK and the Democratic Party, which collaborated with the (centrist) Progressive Party and the Agrarians to form the P.A.D.E. coalition.

Following the elections, M. Karamanlis formed a Government—recruited exclusively from the National Radical Union—which was sworn in on May 17. Its membership was :

*M. Constantine Karamanlis ..	Prime Minister and Minister of Defence.
*M. Evangelos Averoff	Foreign Affairs.
*M. Demetrios Makris	Interior.
*M. Constantine Papaconstantinou	Finance.
*M. Aristides Protopapadakis ..	Economic Co-ordination.
*M. Leonidas Dertilis	Commerce.
*M. Constantine Martis	Industry.
*M. Constantine Tsatsos ..	Minister in charge of the Prime Minister's Office.
M. Giorgios Voyatzis	Education.
M. Constantine Kallias	Justice.
M. Aristides Demetratos ..	Labour.
M. Solon Ghikas	Public Works and Communications.
M. Constantine Adamopoulos ..	Agriculture.
M. Andreas Stratos	Welfare.
M. Giorgios Adrianopoulos ..	Merchant Marine.
M. Avgoustos Theologitis ..	Northern Greece.

* Members of former Karamanlis Cabinet.

M. Karamanlis thus resumed the Premiership after a 12-week interregnum between his resignation on the electoral law issue and the general elections; among other leading Ministers, M. Averoff returned to the Foreign Ministry and M. Makris to the Ministry of the Interior. M. Demetratos, the new Minister of Labour, is a prominent trade union leader. (Hellenic News Agency, Athens) **(Prev. rep. 16054 A; General Elections, 14732 A.)**

A. EURATOM. — U.K. Representative appointed to Euratom Commission. - Negotiations for Technical Collaboration Agreement. - Co-operation with U.S.A.

Mr. Butler (Lord Privy Seal) announced in the British House of Commons on May 22 that Mr. Macmillan had suggested to the President of the Euratom Commission (M. Armand) that the head of the U.K. delegation to the High Authority of the Coal and Steel Community (Sir William Meiklereid) should also be accredited to the Euratom Commission until Euratom had selected its permanent headquarters. Mr. Macmillan had further proposed that the United Kingdom and Euratom should negotiate a technical collaboration agreement providing "the necessary framework for their collaboration" and enabling "smooth and effective co-operation both between institutions and between individual industrial concerns in Britain and the Euratom countries." The agreement would be complementary to the general co-operation on nuclear affairs within Western Europe as a whole, including Euratom and its six constituent members, which was the task of the newly-established European Nuclear Energy Agency of the O.E.E.C.

It was announced in Brussels on the same day that the Commission of Euratom had accepted the accreditation of Sir William Meiklereid, and had also expressed its willingness to enter into discussions with the U.K. Government for the conclusion of a co-operation agreement.

A joint working party of representatives of the Euratom Commission and the U.S. Government had previously concluded a series of meetings in Luxemburg on April 3.

It was stated that the working party had studied (*a*) the means whereby a joint Euratom-U.S. nuclear power programme might be developed, aimed at bringing into operation by 1963 a number of large-scale nuclear power plants within the European Atomic Energy Community; these plants would be primarily of the pressurized and boiling water type, and would have a total installed capacity of approximately 1,000,000 kilowatts; (*b*) the principal aspects of a joint research and development programme to be centred on these reactors, and designed to encourage maximum participation by the industries of the Community and of the United States.

It was reported from Washington on May 7 that agreement had been reached in principle on the proposed co-operative programme.—(Times - Daily Telegraph - Euratom Commission Press Service - New York Times) **(Prev. rep. Euratom. 15927 A; European Nuclear Energy Agency, 16039 A.)**

B. LIBYA. — British Financial and Military Aid.

The Prime Minister of Libya (Mr. Abdel Majid Kobar) visited London from April 28 - May 4 for talks with the British Government on the amount of financial assistance to be provided to Libya during the next five years under the 20-year Anglo-Libyan treaty of 1953. The first five years of the treaty had expired on April 1, 1958; during the first three years the British contribution to Libya amounted to £3,750,000 annually, and in the fourth and fifth years to £4,250,000 annually.

It was announced in London on May 5 that agreement had been reached on the British financial contribution to Libya for the next five years; that details would be given by Mr. Kobar to the Libyan Parliament; and that Britain had agreed to help in strengthening the Libyan Army, and would also help in establishing the nucleus of a Libyan Navy. The statement said that Mr. Kobar had had discussions on the international situation with Mr. Macmillan and Mr. Selwyn Lloyd, with particular reference to North Africa and the Middle East.

Mr. Kobar informed the Libyan Parliament on May 20 (1) that Britain had agreed to contribute £3,250,000 a year to Libya for the next five years (ending April 1, 1963); (2) that she had also undertaken to provide light arms and equipment for 5,000 Libyan troops and to continue free military training for the next five years; (3) that British assistance would be provided in forming a Libyan Navy. He added that Britain would no longer contribute £1,000,000 a year to the Libyan Development Agency (as she had done since 1953), but that the U.S.A. would instead contribute $5,500,000 to the Agency over the next five years.—(Times) **(Prev. rep. 14988 A; Anglo-Libyan Treaty, 13046 D.)**

C. UNITED STATES. — Keel-laying of World's First Nuclear-powered Merchant Ship.

The keel was laid at Camden (New Jersey) on May 22 of the world's first nuclear-powered merchant ship officially known as Nuclear Ship (n.s.) *Savannah*.

The *Savannah* was planned jointly by the U.S. Commerce Department and the Maritime Administration under a directive from President Eisenhower. A combined passenger-cargo vessel, she will be powered by a pressurized water reactor of advanced type which will operate for over three years on its initial fuel loading; the propulsion equipment will be a steam turbine connected to a single propeller shaft through double reduction gears.

The n.s. *Savannah* will be 595 feet long, have a 78 ft. beam, and will be able to carry over 60 passengers and 9,500 tons of cargo at a speed of 20½ knots. In addition to its nuclear reactor (to be built by Babcock and Wilcox, of Lynchburg, Virginia) the ship will have a small auxiliary diesel plant as a stand-by in case the nuclear plant should fail, or for entering harbour. The ship's entire power plant, both nuclear and conventional, will be remotely controlled from a single console in an air-conditioned room adjoining the machinery space.

The first reactor core (the fuel container) will also be built by Babcock and Wilcox, while a second one is being developed by the General Electric Company's plant at San José, California. From the reactor core the heat produced by fission will be transferred to circulating water under pressure to keep it turning into steam; this water, which is radioactive, will in turn heat up a separate water loop which is not radioactive. The steam generated thereby will rotate three turbines which drive the propeller, as well as the generators for the ship's electricity. The reactor core will be housed in a massive metallic cylinder, 26 feet high, which will absorb most of the reactor's radiation. This cylinder and the twin heat-exchangers will in turn be placed in a 50 ft. by 35 ft. container which will catch any rays not absorbed by the primary shield, and will contain the wastes in the event of a reactor rupture.

The n.s. *Savannah* due to go into service in 1960 is named after the s.s. *Savannah*, the first ship to cross the Atlantic partly under steam in 1819. (U.S. Information Service) **(Prev. rep. Atomic Submarines, 14338 D.)**

D. HIGH COMMISSION TERRITORIES. — Sir John Maud appointed U.K. High Commissioner.

It was announced in London on May 20 that Sir John Maud, Permanent Secretary to the Ministry of Power, had been appointed High Commissioner for Basutoland, the Bechuanaland Protectorate and Swaziland, and concurrently U.K. High Commissioner in South Africa, in succession to Sir Percivale Liesching, retiring in October.

Sir John Maud (52) has had a distinguished academic and Civil Service career, becoming Dean of University College, Oxford, at the age of 26 and subsequently Master of Birkbeck College, London University. During the war he was Deputy Secretary at the Ministry of Food and was generally credited with devising many details of the wartime rationing system. As Permanent Head of the Ministry of Education after the war he was responsible for putting through the educational reforms under the 1944 Education Act. He moved in 1952 to the Ministry of Power. Sir John is an authority on local government and has written several books on the subject.

The appointment takes effect in January 1959.—(Times) **(Prev. rep. 13726 A.)**

E. RELIGIOUS LIFE. — Creation of United Presbyterian Church in the United States.

A new Protestant denomination with a membership of 3,000,000 came into existence in the United States on May 28 - the United Presbyterian Church in the U.S.A., formed by the merger of the Presbyterian Church in the U.S.A. and the United Presbyterian Church of North America. It is the fourth largest Protestant denomination in the country.

The membership of the leading Protestant denominations in the U.S.A. was given as follows in the 1958 Yearbook of American Churches: Methodist 9,422,894, Southern Baptist 8,700,481, National Baptist 4,557,416, United Presbyterian 2,968,664.—(New York Times) **(Prev. rep. 15694 B.)**

F. AVIATION. — New Speed and Altitude Records.

New world records for altitude and speed were set up by American airmen on May 8 and May 16, both using the same machine—a Lockheed *Starfighter* jet. The new altitude record of 91,249 feet (over 17 miles) was set up on May 8 by Major Howard C. Johnson (38) over Mojave, California, while the new speed record of 1,404 m.p.h. was set up on May 16 by Captain Walter W. Irwin (34), flying on a measured 10-mile course over the Edwards Air Base, California.
(New York Times) **(Prev. rep. 15988 D; 15937 B.)**

Note. The absolute altitude record of 19 miles was achieved by Major David G. Simonds in a balloon in August 1957 (see 15768 D); the new record by Major Johnson is for piloted aircraft.

MAY 31—JUNE 7, 1958

A. FRANCE - TUNISIA. — The Sakhiet Incident. - Tunisian Demand for Evacuation of French Forces. - French and Tunisian Complaints to Security Council. - Anglo-U.S. Mediation. - French Government accepts Results of Anglo-U.S. Good Offices Mission. - Government's Policy rejected by French National Assembly. - Resignation of Gaillard Cabinet.

A major crisis in the relations between France and Tunisia arose on Feb. 8 when French aircraft bombed the Tunisian frontier village of Sakhiet-Sidi-Youssef, which, the French authorities alleged, was being used as a base by the National Liberation Front (F.L.N.) for raids into Algeria and attacks on French aircraft. As a protest against the bombing, which caused a large number of civilian casualties, the Tunisian Government recalled its Ambassador in Paris, forbade all movements by French troops stationed in Tunisia, demanded their evacuation, and appealed to the Security Council to condemn the French "aggression." Following the decision of the French and Tunisian Governments on Feb. 17 to accept an offer by the British and U.S. Governments to use their good offices to bring about direct negotiations between them, the Security Council postponed consideration of both the Tunisian complaint and a French counter-complaint alleging Tunisian assistance to the Algerian rebels.

Negotiations conducted through the Anglo-American "good offices" mission continued during the next seven weeks. A number of concessions were made by President Bourguiba, who—in view of the French refusal to discuss Algeria—eventually agreed (i) to exclude the Algerian problem from the scope of the talks; (ii) not to insist on the immediate evacuation of the French naval base at Bizerta; and (iii) to accept neutral supervision of the airfields hitherto occupied by the French forces. The President refused, however, to co-operate with the French authorities in measures for the control of the Algerian frontier, as had been proposed by France. The French Government decided on April 12 to accept these concessions, coupled with the evacuation of French garrisons (except that at Bizerta) from Tunisia, as a basis for the resumption of direct negotiations. On April 15, however, this policy was rejected by the National Assembly, whereupon the Prime Minister, M. Gaillard, tendered his resignation.

Details of these developments are given below under cross-headings.

Franco-Tunisian Relations, December 1957 - February 1958. - French Protest at Border Incident.

After consultations in Paris, the French Ambassador in Tunis (M. Gorse) returned to Tunisia on Dec. 21 for discussions on the questions at issue between the two Governments. On his arrival he handed to President Bourguiba a letter from the French Government emphasizing the necessity of finding a speedy solution to the problem of Tunisian aid for the Algerian insurgents, which, the letter stated, "is at the root of most of our past difficulties." Although President Bourguiba did not reply to this message, he stated in a broadcast on Jan. 9 that if the French forces evacuated all their bases in Tunisia, except Bizerta, Tunisia would enter into an alliance with France without insisting on the termination of the Algerian war as a condition for such an alliance.

Relations again deteriorated, however, when a French patrol was ambushed by Algerian rebels on Jan. 11 near the Algerian-Tunisian border, about four miles west of Sakhiet-Sidi-Youssef; 16 French soldiers were killed and four taken prisoner. M. Gorse immediately lodged a strong protest and demanded the release of the prisoners, who were alleged by the French authorities to have been taken to Tunisian territory. The French protest was rejected on Jan. 14 by the Tunisian Government, which claimed that the Tunisian authorities had taken precautionary measures against any infiltration by the belligerents into Tunisian territory, and denied that the insurgents had withdrawn into Tunisia with their prisoners.

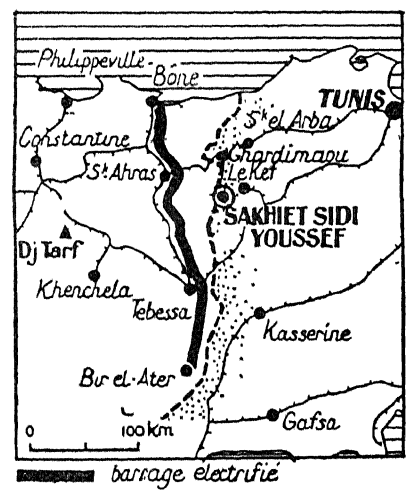
M. Gaillard decided on Jan. 15 to send his military adviser, General Buchalet, to President Bourguiba with a message threatening to break off negotiations if the prisoners were not released. When General Buchalet arrived in Tunis on Jan. 16, however, President Bourguiba refused to receive a military emissary in uniform, on the ground that his presence was an "act of intimidation"; he offered, however, to meet M. Larché (M. Gaillard's *chef de cabinet*), who had accompanied General Buchalet. This offer was rejected by M. Larché, and the two envoys returned to Paris on the following day with M. Gorse. After a representative of the International Red Cross had visited the four prisoners on Jan. 30, by arrangement with the F.L.N., and had confirmed that they were in fact in Algeria, President Bourguiba proposed on Feb. 6 that M. Gorse should return to Tunis and that negotiations should be resumed.

The Bombing of Sakhiet. - Tunisian Reactions.

On the morning of Feb. 8 a force of 25 French bombers, fighter-bombers, and jet-fighters raided Sakhiet-Sidi-Youssef (about half-a-mile from the frontier), dropping bombs and rockets for about an hour and machine-gunning the streets, which were crowded for the fortnightly market. It was subsequently announced that 69 people, including 11 women and 21 children, had been killed; that 130 people, including women and children, had been injured; and that over 100 houses, about 40 shops, and a number of public buildings had been destroyed or severely damaged, including the National Guard post, the police barracks, and the Customs and Post Office buildings, as well as buildings belonging to a mine on the outskirts of the village and a neighbouring school and hospital; most of the child casualties had occurred at and around the school. Two Red Cross lorries bearing supplies for Algerian refugees had also been destroyed.

A statement issued by the military authorities in Algiers on Feb. 8 alleged that French military aircraft had been fired on by anti-aircraft batteries in the Sakhiet area on Jan. 30 and Feb. 7; that the Tunisian authorities had been warned on Feb. 7 that another such incident would lead to reprisals; and that the raid had immediately followed a third incident early on Feb. 8 in which a French aircraft was hit. Military sources stated afterwards that 84 incidents had occurred on the Tunisian frontier since July 1, 1957, of which 26 had taken place in the Sakhiet area, and that 30 French aircraft had been fired on, 11 hit, and two forced down. M. Chaban-Delmas (the French Defence Minister) declared on Feb. 8 that the French aircraft had only exercised their "right of legitimate self-defence against anti-aircraft forces installed on Tunisian territory"; in a speech on the following day he described Sakhiet as "a nest of rebels and murderers."

General Salan, the French C.-in-C. in Algeria, stated in a report to the Ministry of Defence on Feb. 9 that aerial photographs and the reports of pilots taking part in the raid showed that Sakhiet itself had suffered "very little damage" and that "nine-tenths" of it was undamaged. Only military objectives had been attacked, including the *gendarmerie* and Customs posts, the former French barracks now used by the rebels in their attacks on French aircraft, and a rebel camp which was known to be installed at the nearby mine, with its buildings and four gun emplacements. It had become known from prisoners' statements that the school hit was an abandoned building which had served as a command post for the rebel staff. The pilots, he added, had denied seeing any Red Cross vehicles in the village.



The Algerian-Tunisian border, showing electrified barrier on the Algerian side. (*Le Monde*, Paris)

This account, however, was in important respects contradicted by reports given independently by Swedish and Swiss delegates of the League of Red Cross Societies, who entered Sakhiet immediately after the raid; by a party of French journalists (including representatives of *Le Figaro*, *France-Soir*, *L'Express*, *France-Observateur*, *L'Humanité*, and the French National Broadcasting Organization) who visited the village on Feb. 9; and by diplomatic representatives of Western and Arab countries who were taken there by the Tunisian Government on Feb. 10. These reports confirmed the large number of women and children killed and injured, the damage done to houses and shops, in addition to public buildings, and the destruction of Red Cross lorries. Mr. Lewis Jones, the U.S. Ambassador, stated afterwards that Tunisian accounts of the bombing were not at all exaggerated; Mr. Dearden, secretary to the British Embassy, estimated that three-quarters of the buildings in the village had been damaged; and M. Heibling, a Swiss Red Cross representative, expressed the opinion that it was impossible for the pilots not to have seen the red crosses on the lorries.

On being informed of the raid President Bourguiba summoned a Cabinet meeting, which decided to recall the Tunisian Ambassador in Paris, M. Masmoudi; to forbid all French troop movements unless approved by the Tunisian authorities, in order to prevent clashes with the civil population; to

demand the evacuation of all French forces from Tunisian bases, including Bizerta ; and to appeal to the U.N. Security Council. President Bourguiba announced these decisions in a broadcast on the evening of Feb. 8, in which he appealed to the population to remain calm.

"After today's raid," he said, "it seems very difficult for friendly relations to continue between Tunisia and the French Army, and still more difficult to envisage a joint defence plan or any co-operation whatever between the Tunisian and French armies . . . I ask you to remain calm, to keep watch over the security of our territory, and not to forget that we are all responsible for the lives and property of the Frenchmen in Tunisia. Our dispute is with France and the French Army, not with the Frenchmen living in our midst . . . We must continue to stand for peace, to believe in peace, and to defend it, so that the war may not spread, as a large number of military leaders and even civilians in responsible positions would like it to do." After stating that the Government gave the problem of the evacuation of French forces "absolute priority over all others," President Bourguiba continued : "It is no longer possible that an army which mocks at our national dignity after two years of independence should be tolerated any longer in Tunisia. The battle for the evacuation of Tunisian territory is beginning. We mean this evacuation to be complete, including Bizerta. We can no longer have any confidence in an army which has just given us so bloody a demonstration of its mentality."

A memorandum giving details of the raid and of the Tunisian Government's measures was handed to the U.N. Secretary-General, Dr. Hammarskjöld, on Feb. 10 by M. Mongi Slim, the Tunisian representative at the U.N. After describing the raid as "armed aggression by France against Tunisia, in flagrant contradiction of the spirit of the U.N. Charter," the memorandum stated that, "coming after some 50 other violations of the Tunisian frontier committed during the last few months by French troops, resulting in numerous other dead and wounded among Tunisian citizens, this new violation assumes the character of a premeditated action on the part of France and constitutes an act of particular gravity, seriously affecting relations between France and Tunisia and threatening international peace and security."

Before returning to Tunis, M. Masmoudi visited General de Gaulle, whom he afterwards described as "the incarnation of the real conscience of France," and Cardinal Feltin, the Archbishop of Paris. When he left Paris on Feb. 10 a number of prominent public figures visited him to express their sympathy, including M. Mendès-France, M. François Mauriac, and three left-wing Socialists, M. Daniel Mayer, M. Robert Verdier and M. Alain Savary.

In Tunis, the Constituent Assembly passed a resolution on Feb. 10 condemning the attack and proclaiming the will of the Tunisian people to stand behind President Bourguiba in the defence of the country. It also decided to send an inquiry commission to Sakhiet and to suspend examination of the draft Constitution until further notice, so that the deputies could return to their constituencies in view of the national emergency.

In accordance with the Tunisian Cabinet's decisions, the 15,000 French troops in Tunisia were strictly confined to their camps. Road blocks were erected by the Tunisians to prevent French troop movements, telephone communications between the camps and the outside world were cut off, and food supplies and services by local authorities stopped. At Ferryville, near Bizerta, several thousand Tunisian workers employed at the large French arsenal were stopped by Tunisian police from going to work, and on Feb. 10 the Tunisian Government announced that French warships already at Bizerta would be allowed to leave, but that any which tried to enter the harbour would be fired on ; if necessary the canal leading to the base would be blocked. On Feb. 14 the Constituent Assembly passed a law abrogating the extra-territorial status of Bizerta, which had hitherto been a French naval prefecture and as such had been exempted from Tunisian taxation.

The Tunisian Government also requested the French Embassy on Feb. 11 to close five of the seven French consulates in Tunisia. Local governors were empowered to expel from their districts French residents whose presence was considered likely to cause incidents, and by Feb. 25 over 600 French settlers had been removed from the frontier areas.

M. Gaillard's Statement on the Sakhiet Raid. - National Assembly Support for Government.

In a statement to the National Assembly on Feb. 11, M. Gaillard defended the bombing of Sakhiet, which, he alleged, was being used as a military base by the F.L.N. ; he revealed that the decision to carry out the raid had been made by the local commander on his own initiative. M. Gaillard was replying to a number of questions by Radical, Socialist and Communist deputies, all of whom had strongly condemned the attack.

"After the events of Sakhiet" [i.e. the incident on Jan. 11], he stated, "M. Bourguiba persuaded the F.L.N. to withdraw from its positions on the Algerian frontier. But a few days later they returned, notably to Sakhiet, which had been an active centre of the rebellion for some months. An old lead mine and its buildings 1,500 metres from the frontier provided a permanent shelter for several hundred *fellaghas*. In addition, heavy anti-aircraft machine guns installed in small forts systematically fired on French reconnaissance aircraft protecting our convoys. In the village of Sakhiet two watch-towers were occupied by the rebels, and in normal times the F.L.N.'s services and camps were installed side by side with those of the Tunisian troops. All our prisoners, up to the last few days, have confirmed the presence of two units of *fellaghas* at Sakhiet. The events of Jan. 11 had confirmed the importance of the F.L.N. infiltration. On our side our troops were permanently on the alert."

"Our airmen had strict orders not to cross the frontier," he continued, "but on numerous occasions they were fired on in the Sakhiet zone . 18 incidents of this kind occurred between Sept. 18 and Feb. 8, and two aircraft were forced down. Each time we protested to the Tunisian authorities, but without result. Twice, on Oct. 1 and 2, 1957, our aircraft were fired on from Sakhiet. In recent weeks incidents have become more frequent. On Feb. 7 the commander of the French frontier force warned the commander of the Tunisian post that we should be obliged to retaliate if any similar incident occurred. The very next day, on the morning of Feb. 8, an aircraft was fired on from Sakhiet and forced to land. The local command retaliated. B-26 bombers were to destroy the F.L.N. installations at the mine, and Corsair fighters were to destroy the two anti-aircraft machine-gun posts in the village . . .

"For months the present Government and the previous Government have authorized the Army to use its right of legitimate self-defence," M. Gaillard went on. "Hitherto it has done so only with the greatest restraint. The latest events, if they have resulted in the destruction of an important centre of *fellaghas*, have unfortunately caused some civilian casualties, but all the information which has reached me indicates that the majority of the victims belong to *fellagha* units. No-one on our side deliberately intended to attack civilians. We deplore that we have not been entirely successful, but whose is the moral responsibility for this deplorable result? Tunisia has more or less voluntarily adopted an attitude of belligerence towards us. There is no international law which compels a State which is being attacked from its neighbour's territory to put up with it indefinitely. For months our military units have shown a restraint of which few armies would have been capable. At Sakhiet they hit back, with the aim of attacking military objectives which represented a grave and permanent danger. Only the enemies of our country can believe that our retaliation had any other object."

M. Deixonne (Socialist) called for an assurance that no operation on such a scale would take place in future without the Government's consent ; he asked whether compensation would be offered to the civilian victims of the raid, emphasizing that the Socialists' vote on the motion of confidence which the Government had proposed would depend on the Prime Minister's reply. **M. Gaillard** replied that the more dangerous and complex the situation on the frontier became, the more closely would the Government keep watch over it ; the question of compensation was bound up with that of negotiations with the Tunisian Government, but "the hypothesis formulated by M. Deixonne could not be excluded *a priori*."

A resolution which, while regretting the civilian casualties at Sakhiet, expressed confidence in the Government was carried in the early hours of Feb. 12 by 335 votes to 179, with 49 deputies abstaining.

The Government was supported by the Socialists and Social Republicans, the majority of the M.R.P., R.G.R., *Gauche Démocratique* (dissident Radicals), U.D.S.R., and Independent deputies, and 21 of the Radicals. The opposition consisted of 148 Communists and *Progressistes*, 19 *Mendésiste* Radicals, four U.D.S.R. deputies (including M. Mitterrand), three Independents, two *Convention Africaine* deputies, two *non-inscrits*, and one M.R.P. Those abstaining, in addition to 31 Poujadists, included M. Edgar Faure (R.G.R.), M. Robert Schuman (M.R.P.), M. Paul Reynaud (Independent), and M. Arrighi (*Gauche Démocratique*).

The Foreign Minister, M. Pineau, told the Foreign Affairs Commission of the National Assembly on Feb. 14 that although the forces in Algeria had been authorized to retaliate in self-defence, the Government's permission was required for large-scale operations. The decision to bomb Sakhiet had been taken locally, without consulting M. Gaillard, M. Chaban-Delmas, or M. Lacoste (the Resident Minister in Algeria), but the Government considered itself morally obliged to accept responsibility.

M. Pineau added that there were two aspects of the Sakhiet bombing. One was the death of women and children, for which France had expressed her regret and offered compensation. The other was the continued armed conflict along the Algerian-Tunisian frontier. Although this was a matter in which France was accusing Tunisia of repeated violations of the Algerian frontier and interference in French affairs, France was prepared to accept a Franco-Tunisian frontier commission under neutral chairmanship, which, among other matters, might delimit a no-man's land along the frontier. France, however, could not begin conversations with Tunisia while her own troops in that country were being "threatened with suffocation." M. Pineau stated that the number of Algerian rebels operating on Tunisian territory was estimated at between 6,000 and 7,000 (a larger force than the Tunisian Army itself).

M. Pineau's statement on the background of the Sakhiet bombing was severely criticized by **M. Robert Schuman,** who asked how a local commander could launch a fleet of 25 aircraft, and who said that this looked more like a reprisal than like the right to hit back. **M. Jules Moch** (Socialist) and **M. Pleven** (U.D.S.R.) also strongly criticized the action taken by the local commander.

Tunisian and French Appeals to Security Council. - Acceptance of Anglo-American "Good Offices" Offer.

Grave disquiet was aroused by the Sakhiet raid both in Britain and in the United States.

In Washington, Mr. Dulles (the Secretary of State) informed the French Ambassador, M. Alphand, on Feb. 9 of the Government's concern at the incident, and on the following day had talks with M. Mongi Slim. The State Department issued a statement on Feb. 10 saying that the U.S. Government was "profoundly disturbed" by the raid in view of its possible effects on relations between two countries that were both friends of the U.S.A., and expressing the hope that France and Tunisia would find a means of reconciling their differences.

In London, Mr. Noble (Minister of State for Foreign Affairs) told the House of Commons on Feb. 12 that the British Government was actively discussing the situation with the French and Tunisian Governments, on whom it had urged the need for moderation and restraint. It was subsequently revealed on Feb. 17 that the British Government had offered shortly after the raid to use its good offices to bring about a renewal of conversations between France and Tunisia, and that similar offers had been made by Italy, the Lebanon, and the United States.

On Feb. 13 M. Mongi Slim formally requested the president of the Security Council (M. Sobolev, U.S.S.R.) to convene a meeting of the Council in order to condemn the "deliberate act of aggression" at Sakhiet and to take measures "to end a situation which threatens Tunisia's security and endangers international peace."

M. Slim said in an accompanying memorandum that the Tunisian Government had imposed restrictions on the French forces in the country "in exercise of its right of self-defence," and that it would decline to take responsibility for the consequences if the "occupation forces" attempted to violate these arrangements. In a second letter, submitted on Feb. 17, M. Slim explained that the "situation threatening Tunisia's security" was the presence of French troops in Tunisia, whilst the "situation endangering international peace" was the Algerian war and its repercussions on Tunisia's security, particularly the French encroachments on Tunisian territory.

A memorandum handed to M. Sobolev by M. Georges-Picot, the French permanent representative at the U.N. alleged that the F.L.N. general staff had been installed in Tunis since July 1957, with the Tunisian Government's permission; that the F.L.N. had bases and training camps in Tunisia; that the Tunisian authorities permitted and sometimes facilitated the movements of F.L.N. forces, and took an active part in supplying them with arms; and that the Tunisian radio gave "moral assistance" to the rebellion. "The counter-action of the French Air Force on the occasion of the event leading to the Tunisian complaint," the memorandum stated, "originated in the numerous provocations suffered by our troops. Whilst the French Government deplores the casualties suffered by the civil population, it finds it impossible to isolate this event from those which caused it."

In a Note delivered to the Tunisian Government on Feb. 13 by M. Bénard, the French *chargé d'affaires*, the French Government referred to the gravity of the situation caused by the blockade of the French forces in Tunisia, who in some places were suffering from a shortage of supplies; gave warning that it would hold the Tunisian Government responsible for any incident arising from the supply problem; and protested against the expulsion of French citizens from the frontier areas. The Note also referred to the possibility of the resumption of direct negotiations on the whole problem of Franco-Tunisian relations.

Although the Tunisian Government's reply (Feb. 14) rejected this suggestion, a number of developments during the next few days led to a certain relaxation of tension. In a broadcast on Feb. 13 President Bourguiba had already offered to withdraw the Tunisian complaint to the Security Council if France accepted U.S. mediation, and had stated that, in view of Bizerta's importance to Western defence, he would be prepared to discuss with all the NATO Powers except France the possibility of putting the base under NATO control. On Feb. 15 the French Government announced that, while refusing to accept arbitration, it would accept the good offices of a third Power, and that the French Red Cross would be asked to co-operate with the Tunisian Red Crescent in evaluating the damage caused to civilians at Sakhiet, with a view to compensation. On Feb. 16 President Bourguiba accepted a proposal by Dr. Hammarskjöld to allow the French troops to receive supplies, on the understanding that transport facilities would be used solely for this purpose. [Some of the outlying French garrisons had already received supplies by helicopter, with the tacit consent of the Tunisian authorities.] Finally, on Feb. 17 the French and Tunisian Governments formally announced their acceptance of the British and U.S. Governments' offer of their good offices.

In an interview with *Le Monde's* correspondent on Feb. 17, President Bourguiba said that to reach a settlement it would be necessary to deal with the Algerian problem; he commented that "a semi-internationalization between members of the Atlantic family is preferable to total internationalization before the Security Council." Emphasizing that it was impossible for French troops to remain in Tunisia, he continued: "We are convinced that among the French leaders are some who have not accepted the independence of Tunisia and Morocco . . . That is the difference between France and Britain. The British imprisoned Nehru . . . but after the proclamation of independence that was all over. With France, the difficulties begin with independence . . ." The French Army, he added, must leave Tunisia as quickly as possible; the smaller posts must be evacuated on the basis of "a reasonable timetable," whilst the evacuation of Bizerta might take until the end of the year.

When the Security Council met on Feb. 18, it was agreed to adjourn consideration of the French and Tunisian complaints *sine die*, pending the outcome of the Anglo-American offer of good offices.

At the beginning of the meeting, **M. Georges-Picot** said that in agreeing to put the Tunisian complaint on the agenda France did not endorse its wording, as what was involved was not an "act of aggression" but an isolated act for which France had already expressed regret and offered compensation. Confirming the offer of good offices, **Mr. Wadsworth** (U.S.A.) stated that the U.S. and British Governments might have "affirmative suggestions" to make. **Sir Pierson Dixon** (United Kingdom) said that whilst Britain's essential object was to bring the two parties together, she might also "wish to offer some positive suggestions to them." **M. Sobolev** agreed that the offer of good offices was in accordance with the U.N. Charter, and said that the Soviet Union proceeded from the assumption that good offices, whoever tendered them, should not be "utilized to exert pressure on any country for the purpose of imposing conditions running counter to its sovereignty or extracting benefits for the State playing the role of mediator." A proposal by **Mr. Matsudaira** (Japan) that consideration of the Tunisian and French complaints should be adjourned *sine die* was adopted unanimously; **M. Slim,** however, stated that his Government reserved the right to request an emergency meeting if the good offices did not appear to be yielding useful results.

The agreement to accept Anglo-American mediation was, however, followed by a number of incidents which gave rise to a renewal of tension between France and Tunisia.

As the French Embassy refused to comply with the Tunisian demand for the closing of five French Consulates, the Tunisian Government on Feb. 17 withdrew the consular rights of the Consulates at Gabès, Gafsa, and Medjez-el-Bab, and declared their staffs and those of the Consulates at Le Kef and Souk-el Arba *personae non gratae*. When the Consulates still remained open on orders from Paris, they were closed by the Tunisian authorities on Feb. 20, the Consuls being conducted to Tunis under police escort. A strong French protest against this measure was made to the Tunisian Government on Feb. 21, and a complaint lodged with the Security Council on the following day.

On Feb. 19 a French army lorry was blown up by a land mine which had been planted on the military airstrip at Remada (in Southern Tunisia), a French officer and soldier being wounded. The French troops stationed at Remada thereupon arrested the local representative of the Tunisian Government, as well as 11 other Tunisians whom they regarded as suspect, and released them only after several hours on orders from General Gambiez, the French C.-in-C. The situation nevertheless remained tense at Remada, where the French forces were reported to have sealed off the village, and calm was only restored after General Gambiez had personally flown to Remada in order to normalize the situation.

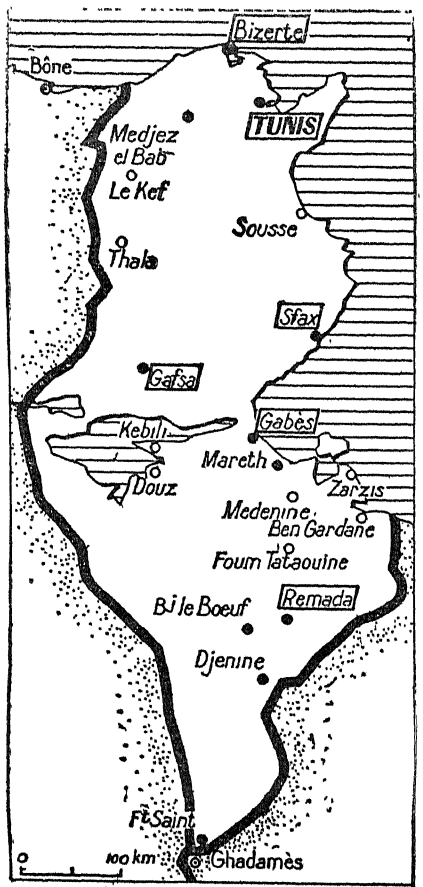
In various parts of Tunisia seven French residents were arrested on Feb. 19, and another nine on Feb. 27, on charges of illegal possession of arms, whilst 12 Frenchmen living in the Bizerta area were arrested and immediately expelled from the country on Feb. 28, no reason being given.

The Murphy-Beeley Mission.

Mr. Robert Murphy, Deputy Under-Secretary of State, was appointed mediator in the Franco-Tunisian dispute by the U.S. Government on Feb. 19, whilst Mr. Harold Beeley, Superintending Under-Secretary in charge of Middle Eastern and North African questions at the Foreign Office, was appointed as the British Government's representative in the negotiations on Feb. 21.

Mr. Murphy (63) acted during the war as U.S. diplomatic representative in North Africa and political adviser to General Eisenhower, then commanding Allied forces in the Mediterranean; he subsequently became political adviser at Supreme Allied Headquarters in Germany, and conducted the final stages of the negotiations for the settlement of the Trieste dispute.

The negotiations were complicated at the outset by disagreements on their scope. The French Cabinet decided on Feb. 22 that the Algerian problem should be excluded, and that they should be confined to three points: (1) the immediate problems of re-establishing freedom of movement for the French troops in Tunisia (which was a pre-condition for their re-grouping in accordance with Tunisian wishes), the question of the consulates, and the security of French settlers in Tunisia; (2) the control of the Algerian frontier through a Franco-Tunisian commission under a neutral chairman or a joint force; (3) the resumption of direct Franco-Tunisian negotiations. In order to prevent further incidents, the French Government had previously decided on Feb. 19 to establish a "no-man's land" along the whole length of the Algerian-Tunisian frontier, in which no-one would be allowed to live or to move about.



The French military posts in Tunisia.
(*Le Monde*, Paris)

The French Government also insisted that Bizerta should remain a French base. M. Gaillard declared in the National Assembly on Feb. 19 that the Government had no intention of foregoing the right to Bizerta which France held "under treaties and agreements," whilst M. Pineau said in the Council of the Republic on Feb. 25 that Bizerta was "a French port placed at the disposal of NATO just as Portsmouth is an English port placed at the disposal of NATO." He added that "if Bizerta were handed over to NATO, France would demand that the same should be done with Malta and Gibraltar."

President Bourguiba, on the other hand, told the *Agence France-Presse* on Feb. 22 (i) that the French troops in Tunisia would be allowed freedom of movement only when France had agreed to their complete evacuation; (ii) that he would never co-operate with France in controlling the frontier, and would continue to allow Algerians to enter Tunisia provided they did not disturb the French settlers there; (iii) that he had lost all faith in direct negotiations or any form of co-operation with France; and (iv) that he hoped "to find a solution for the Algerian problem through the good offices mission."

In a broadcast on Feb. 27 President Bourguiba denounced the French plan for a "no-man's land," asserting that it would involve moving hundreds of thousands of people, and that it was already having repercussions in Tunisia, where more Algerian refugees were beginning to arrive. A protest against the French plan was addressed to Dr. Hammarskjöld on Feb. 28 by M. Slim, who alleged that it would result in "the forcible eviction of approximately 250,000 Algerian inhabitants of the area."

M. Georges-Picot, in a subsequent letter to Dr. Hammarskjöld, described this charge as based on "false and tendentious" statements spread by the Tunisian radio, which had already caused about 450 families to flee to Tunisia; he stated that the only immediate step would be the removal of some 500 families, all of whom would be resettled within a short distance of their present homes.

Mr. Murphy arrived in London on Feb. 22. After talks with Mr. Macmillan and Mr. Selwyn Lloyd he proceeded on Feb. 24 to Paris, where he had a long conversation with M. Gaillard and M. Pineau. On the following day he went on to Tunis for talks with the Tunisian Government, which continued until March 2. He then flew to London *via* Paris, where he again saw M. Gaillard, returning to Paris with Mr. Beeley on March 4.

While they were in Paris, M. Gaillard put forward proposals for Franco-Tunisian co-operation in a Western Mediterranean defence pact and in the joint exploitation of the economic resources of the Sahara, in a speech to the National Assembly on March 7. According to *Le Monde*, these proposals were based on a plan for a "Western Mediterranean commonwealth" comprising France, Algeria, Tunisia, Morocco, and Libya, which Mr. Dulles had suggested to Mr. Selwyn Lloyd about a fortnight before; the French Government was reported to have proposed that Italy and Spain should also be included.

In his speech M. Gaillard said that it was necessary to ensure against violation of the Algerian frontier by means of the creation of a "forbidden zone" and supervision of the frontier on the Tunisian side. The main problem arising in connexion with the French forces in Tunisia was that of preventing the use of the French airfields as rebel bases, and unless a solution were found France could not abandon them. There could be no question of handing over Bizerta to another member of the Atlantic Pact without provoking "a major conflict with France inside NATO"; to hand it over to NATO itself was equally impossible. France, he added, would not resume normal relations with Tunisia until the "arbitrary measures" taken against the consuls and a number of French citizens had been reversed.

"It is on this basis that France hopes that the good offices will facilitate the successful resumption of direct conversations," M. Gaillard continued. "If the Tunisian President is seeking a prestige victory he is making a big mistake, for he would be getting away from the only solution of the problem: the achievement of unity between France and the *Maghreb*, the first manifestations of which must be economic co-operation and joint defence . . . It is time to establish economic co-operation for the purpose of exploiting the resources of the Sahara, in relation to which frontiers of sand seem completely out-of-date. It is time to organize, together with the countries on the shores of the Western Mediterranean, that north-south axis of joint defence which is the natural complement of the Atlantic Pact. Within this framework French Algeria, enjoying that large measure of administrative freedom guaranteed by the *loi-cadre*, will find her natural place."

Mr. Murphy and Mr. Beeley flew to Tunis on March 11 with the French Government's reply to the proposals previously submitted to them by President Bourguiba, taking with them details of M. Gaillard's plan. In a broadcast on March 13 President Bourguiba expressed dissatisfaction with the attitude of the British and U.S. Governments, declaring that if they failed to adopt a definite position "in favour of the victims of aggression and against the aggressor" he would be obliged to admit that he had "made a mistake" in adopting a pro-Western attitude. On the following day, however, a message was sent to President Bourguiba by President Eisenhower, in reply to a letter from the former, which was reported to have contributed greatly to the progress of the discussions. The two mediators subsequently returned to Paris on March 17 with the Tunisian Government's latest proposals, which contained a number of substantial concessions to the French point of view.

In an interview with a representative of the Columbia Broadcasting System, President Bourguiba disclosed on March 23 that he had agreed to accept supervision of the French military airfields in Tunisia by neutral observers after their evacuation by the French forces; to postpone discussions on the evacuation of Bizerta to a later date; and to exclude the Algerian question from the subjects to be discussed within the framework of the good offices mission. He had previously stated in a broadcast on March 13 that after the evacuation of Bizerta he would be prepared to send technicians to help operate the port as a base for the free world.

The French Cabinet considered the new proposals on March 21, and subsequently announced that its attitude was "essentially based on the question of Tunisian non-belligerency."

Enlarging on this point in the National Assembly on March 27, M. Gaillard said: "The Government intends to ensure Tunisia's non-interference in events in Algeria as effectively as possible. This presupposes that Tunisia shall respect the rules of neutrality. We have made certain proposals to ensure that it shall be impossible to cross the frontier, and are ready to examine any other suggestion which would lead to this result. As for the control of the airfields—which is an aspect of the same problem, but a minor aspect—we think that if they can also be neutralized, the presence of French

troops becomes a secondary problem. The essential thing is that they should not be used for hostile purposes. I must remind you that, as against four airfields which we still control, there are 20 which we do not . . ."

Mr. Murphy and Mr. Beeley visited London from March 29 to April 2 for discussions with Dr. Hammarskjöld on the possibility of establishing some form of international control of the Algerian frontier. After reporting on their talks to M. Gaillard and M. Pineau in Paris, they flew to Tunis on April 3 for further discussions with President Bourguiba, who, however, refused to consider any plan for frontier control. "Any such discussion is absolutely useless," he said on April 6 in an interview with the Italian radio," as in any case arms and men will continue to cross the frontier. The real problem, the only essential problem, is the Algerian war." Before returning to Paris on April 6, Mr. Beeley admitted that the mission had met with "a temporary defeat," whilst Mr. Murphy said that the first phase of the mission had ended, although discussions would continue. On April 9 they discussed the situation for six hours with M. Gaillard and M. Pineau, the British and U.S. Ambassadors in Paris (Sir Gladwyn Jebb and Mr. Houghton) also being present.

A meeting of the French Cabinet arranged for April 11 was postponed for 24 hours by M. Gaillard, after Mr. Murphy had handed him a letter from President Eisenhower appealing to him not to wind up the good offices procedure. Sir Gladwyn Jebb informed M. Pineau of the British Government's views on the same day. Five Independent [right-wing] members of the Government—MM. Boscary-Monsservin, Christiaens, Garet, Marcellin, and Ribeyre—also saw M. Gaillard, and at their own request were subsequently received by President Coty. The Independent and *Paysan* members of the Foreign Affairs Commission had adopted on the previous day a resolution opposing any internationalization of the Algerian problem, the continuance of the good offices mission, unilateral French control of the Algerian frontier without Tunisian control of the Tunisian side of the border, or any form of mediation by Dr. Hammarskjöld.

After a meeting lasting the greater part of the day, which was interrupted for five hours for private discussions between President Coty, M. Gaillard, and the right-wing Ministers, the Cabinet decided in the evening of April 12 (*a*) to resume direct negotiations with Tunisia on the basis established by the good offices mission ; (*b*) to reserve the right to raise the question of control of the frontier before the Security Council ; and (*c*) to recall Parliament on April 15 to debate its decisions. The results of the good offices mission which the Government accepted as a basis for negotiations were the following :

(1) All French troops in Tunisia, except those at Bizerta, would be evacuated in accordance with a timetable to be agreed on by the French military command and the Tunisian authorities.

(2) France recognized Tunisian sovereignty over Bizerta. The status of the base would be discussed between the two Governments before the regrouping of the French forces was completed, and would be defined by a special agreement.

(3) Neutral observers would ensure that the military airfields in southern Tunisia were used exclusively for peaceful purposes.

(4) The French consulates closed by the Tunisian authorities would be reopened, and in the interim the jurisdiction of the other French consulates would be extended.

(5) The Tunisian Government would examine individually the cases of the French citizens expelled from the frontier areas, and would decide if security conditions permitted them to return to their homes.

Fall of the Gaillard Government.

When the Government submitted its policy to the National Assembly on April 15, it was violently denounced by the right-wing deputies, who accused it of accepting a policy dictated by the U.S.A. In the ensuing division the Government was defeated by 321 votes to 255—the Communists, *Mendésiste* Radicals, Social Republicans, Poujadists, and the majority of the Independents voting against it.

M. Pineau, who opened the debate, pointed out that the points agreed on as a basis for negotiations did not include one essential element—a plan for the control of the Algerian frontier. In view of President Bourguiba's rejection of its proposals, however, the Government had been faced with only two alternatives : either to accept the positive results of the good offices mission and resume direct negotiations, or to refuse to negotiate. The Government had chosen the former course, for if it had chosen the latter the problem would again have been submitted to the Security Council, and possibly to the U.N. General Assembly. This would have meant a long delay, during which it would have been necessary to restore to the French troops in Tunisia their freedom of action, if necessary by force , such a solution would "inevitably have led to military intervention and practically to the reoccupation of Tunisia, at least in part."

The second reason for the Government's decision, M. Pineau continued, was that if the problem again came before the U.N. France would be in a stronger position than if she had refused to accept the results of the good offices mission. Finally, the Government considered that bilateral Franco-Tunisian discussions would be "less dangerous" than a debate before the U.N. "We can never accept that a solution of the Algerian problem should be imposed upon us from abroad," he declared. "Nothing in Mr. Murphy's and Mr. Beeley's suggestions involves us in the course which some people fear. Is it certain that this would be the same if we ran the risk, when it was not absolutely necessary, of extending the conflict to the whole of North Africa? "

M. Gaillard emphasized that the Government had been influenced in its decision less by the question of relations with Tunisia than by the Algerian problem, which could be settled only if the support which the rebels received from certain Arab States was not extended and transformed into international interference. If the rebels could provoke France into transforming the internal struggle into an international war, the intervention of other Powers, whether sympathetic, indifferent, or hostile to France, would become inevitable. "Firmness does not consist—as some people who claim a monopoly of patriotism maintain—in yielding to the temptation to extend the war and falling into the trap which has been prepared for us with that very purpose," M. Gaillard declared, "but in resisting this temptation."

After announcing that the Government hoped to submit to the Assembly plans for the intensification of the war effort in Algeria, he went on . "Despite the insinuations which are automatically made in such circumstances, the Government has at no time received any sort of ultimatum or been subjected to any sort of pressure from abroad. In this matter the Government has reached its decision freely, acting in what it believes to be the national interest, and you will be able to decide freely whether it has been right or wrong. The President of the U.S.A. has thought it his duty to tell me of his hopes—just as he has told M. Bourguiba—that the good offices mission should lead, not to the settlement of all the problems between ourselves and Tunisia, but, in his own words, at least to the establishment of a *modus vivendi*. It would be strange to consider such a message as anything unusual."

Summing up the results of the good offices mission, M. Gaillard said that it had led President Bourguiba to abandon his demand for the evacuation of Bizerta, had "replaced French occupation of one-sixth of the airfields in Tunisia by neutral control," and had permitted a return to normal relations which would not be a matter of indifference to the 90,000 French citizens living in Tunisia. The Government's failure to secure Tunisian support for its plan for the formation of a joint Franco-Tunisian force, or even for the inclusion of the question of control of the Algerian frontier in the agenda of the good offices mission, was no reason for rejecting what had been achieved. France had reserved her rights on this question, and her first step would be to inform the other NATO Powers of "the permanent aggression to which Algeria, a territory covered by the Atlantic Pact, is subjected from Tunisian territory." The question would be raised at the forthcoming meeting of Ministers of NATO countries, and if France's allies did not clearly demonstrate their solidarity with her on this matter "a crisis of extreme gravity" would arise.

"We have been criticized for not giving our troops in Tunisia orders to march," M. Gaillard continued. "Nothing would have been easier. The Government's orders have been quite the reverse. General Gambiez and his troops deserve our respect all the more because the so-called blockade was theoretical and often contemptible. We gave that order because we wished to make clear our intention to respect the independence of States to which we had agreed, whatever the disappointments which their ingratitude sometimes causes us, and because we did not wish to compromise in any way our chances of finding a French solution to the Algerian problem. Perhaps there is another policy. At the beginning of my speech I described what its results would be, not probably but certainly. In our opinion it would infallibly lead to the loss of Algeria."

M. Duclos (Communist) maintained that the Government, by refusing the Tunisian and Moroccan Governments' earlier offer of their good offices [see 15915 A], had made itself responsible for a state of affairs leading to "American intervention." **M. Le Pen** (*non-inscrit*, and a right-wing extremist), in a virulently anti-American speech, declared that "the most treacherous and the hardest blows against us have come from those who call themselves our allies. The Anglo-American alliance is being transformed into a political protectorate . . . Bourguiba is a puppet in the hands of the American Administration. To tell us that we risk driving him into the arms of the Soviets is a travesty of the truth. Of the two dangers threatening us, the Soviet and the American, the second is the more immediate . . . If we must leave NATO to safeguard our future, let us leave it. If our alliances are an embarrassment to us, let us abandon them."

M. Pierre André (*apparenté* to the Independents) asserted that "after forcing the Netherlands to give up Java and Britain to abandon Egypt, the United States are going to make us give up Bizerta and Oran." He demanded that France should retain not only the airfields but also the military bases in southern Tunisia, and should consent to evacuate them only on condition that Tunisia returned to "genuine neutrality." **M. Soustelle** (Social Republican) also alleged that the U.S. State Department was sacrificing everything in order to win the friendship of the Arab States, although this policy had met with nothing but setbacks. The good offices mission would have been justified only if its object had been to ensure Tunisia's neutrality, but this problem had been completely ignored; after the "failure of the mission" the only fact which could explain the Government's decision was President Eisenhower's letter. M. Soustelle declared that in order to compel Tunisia to respect international law, it was necessary to close the frontier and to reply to acts of aggression by "limited actions," as Israel had done in face of Egyptian aggression.

M. Maurice Schumann (M.R.P.) defended the Government's policy on the ground that its rejection would lead to grave consequences in Algeria. It was necessary to gain a few weeks' respite in order to ensure that France would enjoy U.S. and British support in her negotiations with Tunisia or at the United Nations. Deprecating the "xenophobia" shown by certain deputies, M. Schumann gave a warning that any isolation of France would inevitably result in the internationalization of the Tunisian and Moroccan problems. **M. Dixonne** (Socialist) also expressed the view that acceptance of the results of the good offices mission would guarantee that relations with Tunisia remained an internal problem; he described the Atlantic Pact as "our only shield against the threats of Soviet imperialism."

Replying to the debate, **M. Gaillard** announced that he would only ask for an ordinary vote supporting the Government's policy; anticipating a hostile majority, he stressed the dangers of a fresh Cabinet crisis. He declared: "If the Government assures you that it is in France's interest to accept its decision, it is for good reasons. The majority of you are going to refuse and start a crisis. How long will it last? What majority will a new Government be able to count on? What will be the social, financial, and economic consequences? What will happen in North Africa? And what new policy will the new Government carry out? That is your problem . . . I do not consider that I should put the question of confidence tonight according to the constitutional form. If the majority chooses another policy on Tunisia, even though the Government is not overthrown in the manner laid down by the Constitution, how could it remain in power and enter into negotiations requiring its full authority, an authority which can only come from you? . . . An ordinary vote is therefore preferable. I hope no-one will have the cowardice to abstain from voting."

The 255 votes cast for the Government comprised 95 Socialists and 3 *Mouvement Socialiste Africain* (-M.S.A.), 70 M.R.P. deputies, 29 Radicals (including MM. Bourgès-Maunoury and Daladier), 24 Independents (including M. Paul Reynaud), 14 U.D.S.R. and *Rassemblement Démocratique Africain* (including M. Pleven), six R.G.R. (including M. Edgar Faure), six *Convention Africaine*, five *Gauche Démocratique* (including M. Queuille), two *Paysans d'Action Sociale*, and one Social Republican (M. Chaban-Delmas, the Defence Minister).

The majority of 321 against the Government consisted of 148 Communists and *Progressistes*, 61 Independents, 30 Poujadists, 17 Social Republicans, 14 Radicals (including M. Mendès-France), 10 *Paysans*, nine *Gauche Démocratique* (including MM. Arrighi and Morice), 8 *non-inscrits*, 7 U.D.S.R. (including M. Mitterrand), 7 R.G.R (including General Corniglion-Molinier), 6 *Paysans d'Action Sociale*, 3 M.R.P. (including M. Bidault), and one *Mouvement Socialiste Africain* deputy.

Immediately after the vote, M. Gaillard tendered his Government's resignation to President Coty. Mr. Murphy flew to London with Mr. Beeley on April 17, and returned to Washington on April 20.—(Le Monde - Le Figaro - Times - Manchester Guardian - New York Times - U.N. Information Centre, London) **(Prev. rep. Franco-Tunisian Relations, 15883 A; French Cabinet, 15870 D.)**

A. UNITED STATES. — Civil Aviation. - New System of Transcontinental Air Corridors.

The U.S. Civil Aeronautics Board announced on May 28 that it had established an experimental system of transcontinental air routes on which all flights would be subject to ground control regardless of weather. From June 15 all flights between New York and Washington in the east and Los Angeles and San Francisco in the west would come under this control in three air corridors, which would be at heights between 17,000 and 22,000 feet and would each be 40 miles in width. Both civil and military aircraft would be guided by the new ground control, and all aircraft would be separated by at least 1,000 feet vertically and 10 minutes' flying time horizontally to prevent air collisions.

The introduction of this new safety measure followed two air collisions in the previous five weeks between military jets and commercial airliners, in which 49 lives were lost.

(New York Times - New York Herald Tribune)

B. SOVIET UNION. — Moscow Reconstruction Plan.

Plans for transforming the centre of Moscow into a garden city over the next 20 to 25 years were announced on May 11 by the Tass Agency. The project involves the eventual transfer of Government offices from the Kremlin to the south-western part of the city, and the conversion of the Kremlin itself into a museum.

The centre of Moscow will be turned into an area of parks and historical and architectural monuments, surrounded by a ring of boulevards. Old buildings, warehouses, and factories in the city centre will be pulled down in due course, and the area of greenery round the Kremlin will be extended from the present 74 acres to 370 acres. The Kremlin and St. Basil's Cathedral will eventually be situated in a zone of parks and gardens which will include the Red Square, Sverdlov and Dzerzhinsky Squares, and the Manège (another of Moscow's leading squares), and which will link the city centre with the south-western district and the new Moscow University in the Lenin Hills [see below]. The plan provides for a considerable opening-up of the Moskva River, which will be flanked by the new parks along one bank.

The new University of Moscow opened on Sept. 1, 1952 is situated in the Lenin Hills on the city's outskirts, overlooking the capital. The central 32-storey building (the highest in the Soviet Union) is surrounded by 26 auxiliary blocks and surmounted by a superstructure equivalent in height to another 15 storeys. The buildings house the scientific, technological and mathematical faculties of the University of Moscow, the other faculties remaining in the old buildings in the city centre. There are some 5,700 rooms, 148 lecture halls, and over 1,000 laboratories, together with accommodation for 13,000 students and a large professorial and lecturing staff. The whole is surrounded by parks containing sports grounds, a 100-acre botanical garden, and other amenities.

The Moscow reconstruction plan is in charge of Academician Ivan Zholtovsky, assisted by a team of architects and engineers.

(Soviet Embassy Press Department, London)

C. SOUTH VIETNAM. — M. Pineau's Visit to Saigon. - Discussions with President Diem.

M. Pineau, the French Foreign Minister, paid an official visit to Saigon on March 6-7 while on his way to the recent SEATO conference in Manila.

An official communiqué issued on the latter date announced (1) that M. Pineau had had talks with President Diem and other Vietnamese leaders, including the State Secretary for Foreign Affairs (Vu Van Mau); (2) that there had been agreement in principle on a number of questions such as French assistance in land reform, cultural relations, a trade agreement, and the Vietnamese payments position; and (3) that President Diem had accepted an invitation to visit France. The communiqué said that the talks had taken place in "the most friendly atmosphere" and had shown the desire of both Governments to find, "in a sincere sprit of understanding," solutions to those questions which were still pending between France and Vietnam.

The *Agence France Presse* reported from Saigon that the questions discussed included French economic and technical aid to Vietnam; the preparation of a trade and payments agreement; the status of the French cultural mission; the reduction of the small French military detachment in Vietnam which was liquidating the affairs of the former French Expeditionary Corps and handling the transit of supplies for the French base at Séno, in Laos; and the conditions under which nationals of either country, especially students, could enter the other.

Before leaving Saigon M. Pineau announced that the French Government had agreed to release 1,500,000,000 francs for South Vietnam under the French economic and technical aid programme.—(Vietnam Press Agency, Saigon - Le Monde)

D. SCIENTIFIC RESEARCH. — Discovery of Intense Radiation Belt in Outer Space.

The existence in outer space of a belt of extremely intense radiation, previously unsuspected, was announced on May 1 by the American scientist Dr. James Van Allen, in a report on the data obtained by the two *Explorer* earth satellites. Dr. Van Allen said that the *Explorers* had encountered radiation "1,000 times as intense as could be attributed to cosmic rays" at altitudes of 600 miles and beyond, the intensity being such that it had jammed the Geiger counters with which both satellites were equipped. He expressed the opinion that the belt of potentially dangerous radiation was confined to a spatial zone varying from a few hundred to 1,000 miles in depth.

The source of the radiation belt was unknown but was believed to be ionized gas, probably hydrogen, shot out by the sun. It was pointed out that the existence of this belt posed new obstacles to space flight, as scientists would have to design future space-ships in such a manner as to shield human occupants against the radiation.—(New York Times) **(Prev. rep. 16137 B.)**

A. UNITED KINGDOM. — Railways. - Settlement of Wages Dispute. - Acceleration of Rail Modernization Programme. - Proposed Economy Measures.

A dispute which threatened to cause a complete stoppage on British Railways came to a head on April 10 following the rejection by the Railway Staffs National Tribunal of claims for increases in wages and salaries put forward by the three railway unions. The unions concerned—the National Union of Railwaymen, the Amalgamated Society of Locomotive Engineers and Firemen, and the Transport Salaried Staffs Association—had previously submitted their claims to the British Transport Commission, which had rejected them on the ground that the railways' financial position did not allow them to be considered. The dispute was marked by the intervention of the Government, which agreed to permit further substantial investment in the railways to enable the Commission to hasten forward its modernization plans, and thus make possible economies which would allow some wage increases to be paid.

The claims were (*a*) by the N.U.R. for a "substantial" pay increase; (*b*) by the ASLEF for a 10 per cent pay increase and a reduction in working hours from 88 a fortnight to 40 a week; (*c*) by the T.S.S.A. for an "improvement to maintain the purchasing power of members' pay." At a meeting between the Commission and leaders of the three railway unions on Dec. 12, the Commission rejected the claims in view of the railways' financial position and asked the unions not to press them at present. The unions decided, however, to submit their case to the Railway Staffs National Tribunal, which on April 10, 1958, also rejected the wage claims by a majority of two to one; the ASLEF's demand for shorter working hours was rejected by the Tribunal unanimously.

The Tribunal's majority report (signed by Sir John Forster, the chairman, and Mr. A. J. Epsley, the B.T.C nominee) agreed that railwaymen's basic pay "appeared lower than basic pay in other nationalized industries and in certain private undertakings," but said that the Tribunal felt "unable to recommend any increase in wages at present" because of the B.T.C.'s deficits in 1956 and 1957. It explained that a 10 per cent increase for all the grades covered by the claims would raise the Commission's wage bill by about £30,000,000 a year, without taking into account other applications by the unions (e.g. the ASLEF demand for a shorter working week) which, if granted, would cost a further £17,000,000.

Dealing with the railways' financial position, the report said that the effect of the proposals announced in October 1956 [see 15438 A] had been to freeze for the time being the Commission's accumulated deficit at its end-1955 figure of £70,000,000, and to permit the borrowing of sums as required—but not exceeding £250,000,000—to meet deficits incurred between 1955 and 1962, during which period the Commission's modernization plans would be proceeding. In 1956 the Commission had had a deficit of £57,500,000 on its railway undertaking and a surplus of £3,100,000 on its other activities; to cover the net deficiency, the Commission had borrowed £54,400,000—roughly one-fifth of the maximum sum of £250,000,000 available to it. The year 1957 had been "unsatisfactory" for the railways, with considerably higher expenses, mainly as a result of the wage increases of March 1957 [see page 15736]. Moreover, freight traffic had tended to fall, and even taking into account the "non-recurrent windfall" resulting from the Suez crisis (when extra traffic was diverted to the railways) it was already clear that the Commission's deficit would exceed the 1956 figure. The borrowings against the deficits for 1956 and 1957, therefore, would "inevitably total a sum in excess of £110,000,000" and would "seriously deplete the £250,000,000 which had been calculated as necessary to cover the Commission's deficits for the period 1956-62, of which there would still be five years to run."

In view of the 'fierce" competition which the railways had to meet on both freight and passenger sides, the advisability of again raising freight charges or passenger fares (last increased in August and September 1957 respectively) was "open to serious question." Moreover, even if it were considered "practicable and commercially prudent" to do so, the additional receipts would be needed to keep the 1958 deficit within the maximum originally contemplated at the present level of costs, and would not be available for meeting increased costs, whether for wages or anything else. In this connexion the Commission had stressed that "increases in salaries and wages at the present time could only be met by drastic and damaging curtailment of the Commission's activities and services beyond those contemplated in the review . . . , contrary to the interests of the railways and their staff and of their customers and the country generally."

The majority report concluded: "It is impossible for us to forecast the extent of the annual deficits which may be incurred by the Commission this year and in the years up to 1962. But in the light of the circumstances outlined, and of the fact that to cover deficits incurred up to 1962 the Commission is, by statute, prevented from borrowing a sum in excess of £250,000,000, against which it has already been compelled, or will be compelled, to draw sums which together will exceed £110,000,000 for 1956 and 1957, we feel ourselves unable to recommend any increase of wages at the present time."

The railway unions' nominee on the Tribunal (Mr. Edwin Hall, secretary of the Lancashire branch of the National Union of Mineworkers) dissented from the majority finding and recommended (1) the immediate restoration of the purchasing power of wages and salaries covered by the claims to the level obtaining after the award of March 1957 (i.e. an immediate increase of about 3.2 per cent); (2) a further meeting between the Commission and the unions to discuss the question of the relationship between basic wages on the railways and those in other nationalized industries and public services.

Mr. Hall said in his minority report: "I cannot accept the view that the deficits incurred by the Commission in their attempts to modernize and subsequently reorganize the British railways should be partially recouped through the worsening of the standard of living of the employees. I cannot accept that when, under the Transport (Railway Finances) Act, 1957, the Government undertook to finance the Commission's deficits on its revenue account to the extent of a sum not exceeding £250,000,000, during the seven years from 1956 to 1962 inclusive, it was intended that the Act should be used as an instrument or reason to prevent the employees of the Commission from maintaining their then existing standard of living. Nor can I accept the Act as a reason for refusing to improve basic rates to ensure their reasonable comparability with those payable to employees of similar grades in other nationalized industries or public services.

"It would be impossible to obtain the efficient and willing co-operation of any staff whose basic wages are admittedly low as against similar grades in other nationalized industries or public services, and who could not rely upon an independent tribunal to restore their declining purchasing power." Mr. Hall concluded by stressing his view that the tribunal's terms of reference "did not make it competent to say how the Commission should obtain the necessary finance to meet the claim."

The Tribunal's majority decision aroused indignation among the executives and rank-and-file of the three railway unions. Mr. S. F. Greene, general secretary of the N.U.R., expressed on April 10 his executive's "disgust and concern" at the conclusions in the majority report; declared that the union's "powerful case" for an increase had not been "judged on its merits"; and said that the award implied that however good a case the railwaymen might put forward, they could not have a pay increase until 1961 or 1962, "and perhaps not then if the Commission cannot balance its accounts." Mr. W. J. P. Webber, general secretary of the T.S.S.A., also strongly criticized the Tribunal's refusal to recommend the granting of a wages claim which, he alleged, it had admitted to be justified. He pointed out that the unions had warned the Commission at the time that the £250,000,000 granted in 1956 was "too little," and had also dissented from the Commission's declaration to the Government that the railways did not want a subsidy of any kind. Mr. Albert Hallworth, general secretary of ASLEF, announced on April 11 that his executive also were "disgusted" at the award, and that he would meet leaders of the N.U.R. and T.S.S.A. to plan joint action by the railway unions.

Discussions between Sir Brian Robertson (chairman of the B.T.C.) and leaders of the three railway unions began on April 16, and on the following day Sir Brian undertook to suggest to Mr. Watkinson (Minister of Transport) that it would help if he and other interested Ministers would see the parties to the dispute before discussions were resumed. On April 18 it was announced that Mr. Macmillan had agreed to discuss the position with representatives of the railway unions and the B.T.C. on April 22. After the meeting on that date the following statement was issued from 10, Downing Street:

"There was a full and frank exchange of views on the situation in regard to the railway pay claim in the light of the findings of the Railway Arbitration Tribunal and of subsequent discussions between the Commission and the unions.

"The representatives of the trade unions urged that the Government should provide additional financial facilities to the Commission in order to make possible an immediate increase in salaries and wages.

"The chairman of the B.T.C. outlined the action already being taken by the Commission for effecting substantial improvements in the net revenue position, and said that further steps of a similar nature were being investigated. These included closing down unremunerative services and a thorough survey of their services with a view to further action of this kind.

"The chairman said that the co-operation of the unions would be sought in the measures proposed above. Even taking account of the above, the Commission's financial position would not justify at present an increase in railway wages and salaries. Nevertheless, the purpose of the Commission was to provide sufficient assurance of an improvement in the Commission's position to enable them to agree with the unions on a date by which railway wages and salaries could be reviewed. With that end in view, he had prepared certain proposals in relation to the railway modernization programme and other matters.

"The Prime Minister, in reply, said that the Government had held consistently to the view that arbitration awards should be accepted. They noted that . . . the Tribunal had said that the evidence before them showed that the basic rates of staff covered by the present claims were low in comparison with those . . . applying in other nationalized industries, public services, and certain private undertakings. The way out of the difficulty was not by subsidy but by a concerted effort to increase efficiency and productivity. The surest road to this was the great modernization programme on which the Commission had embarked, and a more intense programme for pruning the railway services by reducing or cutting out uneconomic services.

"He therefore made the following proposal: Provided that the British Transport Commission, together with the three railway unions, were prepared to effect the maximum economy in operation and to join in ensuring the most efficient use of manpower, the Government were prepared to re-examine at once the programme of modernization and to give any necessary support to the reductions in uneconomic services, as well as to consider other points put forward by the chairman of the Commission. The benefits from this should accrue in steadily increased standards of living for all those who worked on the railways, as well as in a better service to the public.

"The representatives of the British Transport Commission and of the railway unions thanked the Prime Minister for his reply, which they would consider together at an early meeting."

The text was published on May 6 of correspondence between Sir Brian Robertson and Mr. Watkinson, in which Sir Brian set out the Commission's economy and modernization proposals and Mr. Watkinson announced that the Government would authorize an additional investment of £25,000,000 over 1958 and 1959 to enable the Commission to carry out certain modernization measures submitted by it. The correspondence is summarized below:

Sir Brian Robertson to Mr. Watkinson.

Since there was at present "no scope for obtaining a large increase in receipts by raising fares and charges," the Commission did not contemplate any general increases in the near future. This did not, however, preclude (*a*) action by the Commission under the Freight Charges Scheme to improve its receipts from selected traffic; (*b*) limited increases in passenger fares on certain services. In connexion with (*b*) the Commission proposed to apply to the Transport Tribunal for an increase in its charging powers, but no increase in fares could in any event be made for four to five months.

No offer to improve wages and salaries would be possible in 1958 without "substantial reductions" in the working expenses of British Railways, whose receipts during the past six months had been "below expectations," mainly owing to the slowing-down in the general rate of economic activity. The Commission therefore proposed the following measures, *inter alia*:

(1) Drastic reduction of train mileage, including adjustments in freight services to correspond to the level of freight traffic, as well as reductions in passenger services, including certain express services and winter services.

(2) The scrapping of 100,000 freight wagons during the year, to reduce the size of the repair bill.

(3) Reduction of maintenance expenditure on buildings, rolling stock, etc., wherever this could be done without detriment to safety and good service.

(4) Elimination of unremunerative services, probably including the withdrawal of services over 30 lines, involving a total net saving of over £500,000 a year.

(5) Reduction of shipping services, including the suspension of the Newhaven-Dieppe passenger service during the winter and reductions in other services.

(6) Substantial further reductions in manpower, already cut by about 6,000 since March 1957.

Sir Brian added that he was sure that the railway unions, which had already given the Prime Minister "explicit assurances of their willingness to support measures for the improvement of efficiency and productivity in British Railways," would be ready to co-operate with the Commission in these proposals.

Mr. Watkinson to Sir Brian Robertson.

The Minister recalled that in connexion with the Government's action, taken in September 1957, to restrain inflation and control the level of public investment [see 15770 A], the Commission's investment programmes for 1958 and 1959 had been limited to £170,000,000 and £175,000,000 respectively. Since then, however, the railways had been able to show that they could accelerate the pace of modernization, particularly in 1960 and 1961; as a result, the phasing of the plan had been under study by the Commission, the Ministry of Transport, and the Treasury for some time. Following the Prime Minister's meeting with representatives of the Commission and the unions on April 22, a further study had been made by the Government and the Commission, and had shown that immediate selective increases in capital investment could make an improvement in the Commission's net revenue which would begin to accrue in 12 months. Mr. Watkinson further recalled that Sir Brian had submitted the following proposals, which were likely to yield a quick return:

(1) Allocation of £7,000,000 to avoid any slowing-down in the programmes of works and new plant in 1958 and 1959.

(2) Allocation of £6,000,000 for diesel locomotives and multiple-unit trains.

(3) Allocation of £12,000,000 for such projects as modernization of goods depots, provision of facilities for diesels, improvement of signalling systems, and expansion of automatic train control.

On the understanding that the unions would play their full part in ensuring the success of these measures, the Government were prepared (*a*) to authorize, within the total public sector programme envisaged in September 1957, an additional investment of £25,000,000 for the railways over the two years 1958 and 1959 to enable the Commission to accelerate the implementation of these measures; (*b*) to consider how far it might be practicable to provide for more rapid completion of the modernization programme in 1960 and subsequent years.

Mr. Watkinson added that the Government would examine on their merits, and as a separate matter, proposals put forward by the Commission for relieving the railways of certain inherited obligations (e.g. in respect of road bridges and level-crossings). It was also prepared to support the proposals for withdrawing or reducing certain unremunerative services.

Further talks between the Commission and leaders of the three railway unions broke down on May 7, following Sir Brian Robertson's refusal to agree to the unions' demand for an immediate rise of four per cent in all wages and salaries. In view of the gravity of the situation, and the railwaymen's threat of strike action, Mr. Macleod, the Minister of Labour (who had not previously taken a direct part in the negotiations) invited the parties to meet him on May 9 at the Ministry of Labour. After hearing arguments from both sides he promised to consult his Cabinet colleagues, and consultations between the Prime Minister, Mr. Watkinson, Mr. Macleod, and Mr. Butler accordingly took place at Downing Street on May 11.

On May 13 Sir Brian Robertson met the union leaders and made them a definite offer of a three per cent increase from the pay-week starting on June 30, 1958, coupled with a promise of an inquiry (either by an independent tribunal or otherwise) into the whole structure of railway wages and salaries at a later date. Sir Brian's offer was accepted by a delegate conference of ASLEF on May 14, by the T.S.S.A. executive on the same day, and by the N.U.R. executive (by 17 votes to six) on May 15.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Wage Increases, 15735 A; Rail Modernization Plans, 15438 A.)**

A. UNITED NATIONS. — Secretariat Changes.

It was announced at U.N. Headquarters on May 16 that the Secretary-General (Dr. Hammarskjöld) would assume personal direction of disarmament questions in the U.N. Secretariat, and that Mr. T. G. Narayanan would serve as his personal assistant in this connexion. Mr. Narayanan (an Indian) had been Director of the Security Council and Committee Services Division of the Department of Political Affairs since 1955. Other staff changes were announced as follows:

(*a*) Dr. Dragoslav Protitch (a Yugoslav, hitherto Under-Secretary for Political and Security Council Affairs) would become Under-Secretary for the Department of Trusteeship and Information from Non-Self-Governing Territories in succession to Señor Benjamin A. Cohen (Chile), retiring.

(*b*) M. Anatoly Dobrynin (a Soviet citizen, hitherto one of the two Under-Secretaries without portfolio) would succeed Dr. Protitch as Under-Secretary for Political and Security Council Affairs.

(*c*) Dr. Ralph J. Bunche (a U.S. citizen, hitherto the other Under-Secretary without portfolio) and Sir Humphrey Trevelyan (a U.K. citizen, hitherto Under-Secretary dealing with political questions specially assigned to him) would become joint Under-Secretaries for Special Political Affairs. Dr. Bunche would be responsible *inter alia* for questions concerning the peaceful uses of atomic energy and the U.N. Emergency Force, while Sir Humphrey would have special assignments in the political field and would also be responsible for the Divisions of Human Rights and of Narcotic Drugs.

(*d*) Mr. Geoffrey S. Murray (a Canadian) would join the Secretariat as director in the Department of Political and Security Council Affairs, serving as deputy to Mr. Dobrynin.

(*e*) Colonel Alfred G. Katzin (a South African, hitherto Deputy Under-Secretary) would become a special assistant to the Secretary-General on special assignments, with responsibilities for Headquarters development projects.

(*f*) Mr. Martin Hill (a U.K. citizen, hitherto Deputy Under-Secretary in the Department of Economic and Social Affairs) would become a deputy to the Under-Secretary in that Department, and Dr. Hammarskjöld's personal representative with the Specialized Agencies.

(*g*) Mr. George Ivan Smith (an Australian, hitherto Director of the U.N. Information Centre in London) would become Director of a new division in the Office of Public Information known as the External Relations Division.

The changes (which take effect on July 1) were made in accordance with recommendations submitted by Dr. Hammarskjöld in November 1957 and subsequently accepted by the 11th session of the United Nations General Assembly.
(U.N. Information Centre, London) **(Prev. rep. 15918 G.)**

A. NEPAL. — Formation of Non-party Government.

King Mahendra of Nepal announced on Feb. 1 his decision to form a Government of "Ministers from political or non-political parties without a Prime Minister." He also stated that, in order to end the country's political instability, he proposed (1) to appoint a commission to draft a new Constitution ; (2) to nominate an Advisory Assembly which would act as a Parliament, pending the holding of general elections ; and (3) to set up a new Electoral Commission. The new Government, which was not completed until May 19, consisted of General Subarna Shumshere (Finance, Planning, and Development) as chairman ; Mr. P. B. Shah (Foreign Affairs and Defence) ; Mr. Randhir Subba (Law, Commerce and Industry, Education, Health, Local Government, and Parliamentary Affairs) ; Mr. C. B. Pande (Transport and Communications) ; Mr. D. R. Regmi (Home Affairs) ; and Mr. B. M. Singh (Forestry, Agriculture, and Canals). Nepal had been without a Cabinet since the resignation of Dr. K. I. Singh on Nov. 14, 1957, the King having been responsible for the administration in the interim period.

The new Government was set up with the support of the three parties comprising the Democratic Front (the Nepali Congress, Nepali National Congress, and *Praja Parishad*) and of the right-wing *Gurkha Parishad*. The Nepalese Congress was represented by General Subarna Shumshere (its leader), the other three parties had one representative each in the Government, and there were two Independents nominated by the King. Dr. Singh's United Democratic Party declined to join the interim Government.

The Democratic Front had launched a civil disobedience campaign on Dec. 7 in support of its demand for the holding of elections within six months, and had broken off discussions with the Electoral Commission because the latter considered this to be impossible. The King announced on Dec. 17 that elections would take place in February 1959, and subsequently accepted the Democratic Front's demand for the dissolution of the Electoral Commission and the formation of a new one.

During the month ending April 12 popular nominations were accepted for the Advisory Assembly. Under this system the population of the 32 districts were required to assemble at their respective district headquarters and to nominate candidates, from whom the King would select the members of the Assembly. It was announced on March 27 that the British Government, at the request of the Nepalese authorities, had commissioned Sir Ivor Jennings (Master of Trinity Hall, Cambridge, and an authority on constitutional matters) to advise on the drafting of a democratic Constitution for Nepal. The Indian and Japanese Governments were also requested to nominate advisers to assist in this task.

Dr. Singh declared at a public meeting on April 26 that he had been compelled to resign by "American intrigues" and "conspiracy by traitors at home." He alleged that a high-ranking Army officer and a member of the King's personal staff had "conspired" with the Americans against him ; that the U.S.A. had "interfered" in the working of the Foreign Ministry ; and that pressure had been brought upon him to accept U.S. aid. These allegations were completely denied by the head of the U.S. Operations Mission in Khatmandu and by the Nepalese Government, which set up a special Tribunal on May 25 to try Dr. Singh on charges of inciting the Army against its commander and of creating bad feeling between Nepal and friendly foreign countries. When Dr. Singh appeared before the tribunal on May 29 he pleaded "not guilty" and denied the charges.

Legislation providing for the preparation of electoral laws on a basis of adult franchise, with secret ballot, was promulgated by King Mahendra on June 3.—(The Statesman, Calcutta - Times - Daily Telegraph) **(Prev. rep. 15905 A.)**

B. EASTERN GERMANY. — Food Rationing ended.

The immediate ending of food rationing in Eastern Germany was announced on May 28 by the Prime Minister, Herr Grotewohl, and approved on the same day by the *Volkskammer*. The commodities affected were fats, meat, and sugar, all of which had been rationed in Eastern Germany since 1939—i.e. for 19 years. [Food rationing was abolished in Western Germany in 1950.] Single prices were fixed for the de-rationed commodities, which were previously sold at two prices in the State shops—a relatively low price aided by State subsidies, and an off-the-ration price which was ten times higher.

Wage increases for some 3,000,000 lower-paid workers were announced to compensate for the higher prices of the de-rationed commodities, which were fixed at levels between the previous "subsidy" rate and the off-ration rate, and which are considerably above those prevailing in Western Germany. (Frankfurter Allgemeine Zeitung)

C. KASHMIR. — Re-arrest of Sheikh Abdullah. - Pakistani Protest to Security Council.

Sheikh Abdullah, the former Chief Minister of Kashmir, was re-arrested at his home at Sowra (a village near Srinagar) during the night of April 29-30, less than four months after his release from a four-year period of detention [see 15980 B]. He was taken to Kud prison, Jammu, where he had been detained previously. Kashapa Bandhu, a close associate of Sheikh Abdullah, and a certain Soofi Mohiuddin were also arrested at the same time.

The Kashmir Inspector-General of Police (Mr. Mehra) stated on April 30 that Sheikh Abdullah had been re-arrested under the Preventive Detention Act as his activities since his release had been considered a danger to the security of the State.

A Kashmir Government spokesman said that Sheikh Abdullah had "in his public utterances tried to arouse the passions of the people so as to create conditions of disorder and lawlessness designed to supplement the efforts of the Pakistan authorities to cause large-scale disorder by means of acts of violence, arson and sabotage . . ." The Sheikh had become "the spearhead of subversive elements" ; had "openly denounced the Constitution and the State's relationship with India in order to undermine the authority of the Government" ; and had "unleashed a campaign of hatred and vilification against other political parties" and "incited his supporters to acts of hooliganism and violence," leading to violent incidents in one of which 30 people had been seriously injured and one man had lost his life. Although he had refrained from making public speeches, he had used religious meetings for "injecting religious frenzy" and was obviously "seeking an opportune time to strike against the lawful authority for the fulfilment of his objectives."

Bakshi Ghulam Mohammed, the Chief Minister of Kashmir, claimed on May 5 that there was ample evidence to prove the Sheikh's "treasonable activities" in a court of law, but said that the Government had no intention of bringing him to trial as this would "provide a platform for propaganda by Pakistan and other anti-Indian forces." He reiterated a charge that the Sheikh had been receiving funds from Pakistan and distributing uniforms to a private force of volunteers.

Pakistan's permanent representative at the U.N. (Prince Aly Khan) sent a letter to the Security Council on May 6 describing the re-arrest of Sheikh Abdullah as "the most recent instance of the reign of terror in Indian-occupied Kashmir," and denying that the Sheikh was "planning large-scale disorders and subversion."

Prince Aly Khan said that the Sheikh had been arrested under a section of the Kashmir Security Act which required no trial, adding that this was "conclusive proof of the fact that the puppet Bakshi Government was unable to substantiate its allegations with any evidence which could be sustained in a court of law." After alleging that a previous visit by Bakshi Ghulam Mohammed to Delhi warranted the inference that the Sheikh had been re-arrested "with the approval of the Government of India," Prince Aly Khan said that the "real reasons" were the Sheikh's "refusal to drop his demand for a fair and impartial plebiscite" ; "his acknowledged popularity with the Kashmir masses" ; "his open denunciation of repressive measures adopted by the Bakshi regime" ; the failure of the Bakshi Government "to find any plausible excuse to bring him to trial under ordinary law" ; and "the danger of exposure by tourists during the tourist season of the real happenings inside Indian-held Kashmir."

A similar protest at the re-arrest of Sheikh Abdullah was made by the Prime Minister of Pakistan (Mr. Firoz Khan Noon) on May 4. Mr. Noon said that the Sheikh's "only sin" was that he had "continued to demand the implementation of the Security Council's resolutions providing for the unfettered exercise [by the Kashmiri people] of their right to self-determination, to which both India and Pakistan are committed."—(The Statesman, Calcutta - The Hindu, Madras - Indian and Pakistani High Commissioners' Offices, London - Times - U.N. Information Centre, London)

(Prev. rep. Sheikh Abdullah, 16133 A ; 15980 B.)

D. CANADA - UNITED KINGDOM. — Creation of Bank of London and Montreal for Caribbean Area.

It was announced on May 7 that the Bank of London and South America and the Bank of Montreal had agreed to establish a new bank—the Bank of London and Montreal—to develop financial and banking operations in the Caribbean area as a joint Anglo-Canadian venture. The new bank will be jointly and equally owned by the Bank of London and South America and the Bank of Montreal—the former contributing its 14 existing branches in the Caribbean, with their staffs and managements, and the latter putting in the dollar capital, which is expected to total Can.$20,000,000.

(Economist - Financial Times) **(Prev. rep. 16112 D.)**

A. UNITED KINGDOM. — Appointment and Report of Bank Rate Tribunal. - Parliamentary Debate.

The report of a Tribunal appointed " to inquire into allegations of improper disclosure of information relating to the raising of the Bank rate " was published on Jan. 21, 1958, as a White Paper (Cmnd. 350). The events preceding the Tribunal's appointment on Nov. 14, 1957, are summarized below.

On Sept. 24, 1957, Mr. Harold Wilson, M.P. (Labour), wrote to Mr. Enoch Powell (Financial Secretary to the Treasury) asking the Government to institute an inquiry into an alleged leakage of its intention to raise the Bank rate on Sept. 19 [see 15770 A]. In support of his request, Mr. Wilson referred to " very disquieting reports in a number of responsible newspapers and City circles " that there had been considerable selling in the gilt-edged market on Sept. 18-19 as a result of advance information. He added : " It is particularly important that the public should be reassured about the allegation that advance information was given to the Press on Wednesday [i.e. September 18]."

Following consultations with the Prime Minister, Mr. Powell stated in his reply to Mr. Wilson (Sept. 26) that the Government saw no ground for an inquiry since " careful investigation " had disclosed no evidence of any leakage. Mr. Powell also stated that the Press had not been informed in advance of the Government's intention to raise the Bank rate, and that " neither the chairman of the Stock Exchange nor the Stock Exchange Council have had any representations from their members suggesting irregularities."

On Oct. 4 Mr. Wilson again wrote to Mr. Powell saying that " both in the Press and the City there is widespread concern and more than a suspicion that an improper leakage took place and that the Government have something to hide." Mr. Wilson also claimed that he had received *prima facie* evidence " suggesting that the leak emanated from a political source," and expressed his willingness to arrange that this evidence should be placed before " any tribunal the Prime Minister may appoint."

Replying to Mr. Wilson on Mr. Powell's behalf on the same date, Mr. Macmillan said that if Mr. Wilson were prepared to make the new evidence available to him he would refer it to the Lord Chancellor, who would report on whether it afforded sufficient ground for further investigation.

Mr. Wilson, accompanied by Mr. James Griffiths (deputy Leader of the Opposition) called at 10, Downing Street on Oct. 7 to discuss the matter with Mr. Macmillan and the Lord Chancellor, Viscount Kilmuir. It was stated in the Press that, contrary to expectation, Mr. Wilson had not submitted any evidence to Mr. Macmillan, but that the discussion had been confined entirely to the question of what procedure should be adopted for the assessment of the evidence. The Labour Party representatives had apparently suggested that " some independent person " should carry out the investigation, while Mr. Macmillan had adhered to his earlier proposal that the Lord Chancellor should do so.

A further meeting took place on Oct. 9 between the Lord Chancellor, Mr. Gaitskell (Leader of the Opposition), and Mr. Wilson. It was announced afterwards that the Labour Party representatives had placed " certain information " before Viscount Kilmuir and that " the Lord Chancellor is considering this information and will report to the Prime Minister in due course."

Mr. Macmillan informed Mr. Gaitskell on Oct. 22 that after investigations involving interviews with 26 persons, Lord Kilmuir had reached the conclusion that there were no grounds for instituting a formal inquiry. As a result, he (Mr. Macmillan) did not propose to proceed further in the matter. In his letter Mr. Macmillan gave some details of the evidence which had been submitted by Mr. Wilson.

" The first two points [the letter stated] concerned reports of conversations which took place after the announcement of the increase in Bank Rate—one between a junior employee aged 18 of the Conservative Central Office and a Government official, and the other between two Government officials. These reports appeared to suggest that the Conservative Central Office employee in the one case, and one of the officials in the other, knew beforehand that Bank Rate was to be increased. After careful inquiry the Lord Chancellor has satisfied himself that neither of the persons concerned in these incidents had or could have had any advance information that Bank Rate was to be increased. He has equally satisfied himself that no such information was available either to the Conservative Central Office or to the Ministry in which the official is employed.

" Mr. Wilson also referred in his memorandum to certain misgivings about the possibility that information on Bank Rate had been given to the Press. In particular, he referred to reports that a certain journalist had been recalled to London by his headquarters at the crucial time. The Lord Chancellor is satisfied that these misgivings are groundless and he found no evidence that the recall of the journalist was in any way connected with any leakage of information."

Mr. Gaitskell, in a statement issued on the same date as the Prime Minister's letter, said that while the Opposition had eventually agreed to an investigation by the Lord Chancellor, it nevertheless maintained that it should have been conducted by an " independent judicial person." The fact that Lord Kilmuir had had no power to send for papers or take evidence on oath " inevitably reduced " the value of his inquiry. Mr. Gaitskell added :

" Moreover, there appears to have been no investigation into the question why certain individuals in the City were led, late on the Wednesday afternoon [Sept. 18], to make heavy sales of gilt-edged stocks. Whether there was or was not any direct leak of information about the Bank Rate itself, we know beyond any shadow of doubt that certain circles in the City as well as certain people in the Press were aware on the Wednesday afternoon that the Chancellor of the Exchequer was going to make a very grave statement on the Thursday morning [Sept. 19] which would ' put the screws on ' and intensify the credit squeeze. It seems to us highly questionable whether such advance information should have been made available to any outside person on a Wednesday, the day before an announcement on Bank Rate. Any worthwhile investigation should begin from the records of the firms concerned and involve disclosure of the nature and sources of information which led to the dealings."

In conclusion, Mr. Gaitskell said that the Opposition still believed that a full inquiry should have been held.

The matter was carried a stage further on Nov. 12 when Sir Leslie Plummer (Lab.) asked the Chancellor of the Exchequer (then Mr. Thorneycroft) to what persons outside Government service he had authorized the communication on Sept. 18 of any measures to be taken by him on Sept. 19 ; and whether he would state the names of members or ex-members of both Houses of Parliament (other than members of the Government) who were seen on any official business connected with the Treasury, or were briefed by him or his representatives on Sept. 18.

Mr. Thorneycroft stated in reply that there was no leakage of the increase in Bank Rate ; that there was no brief about the Bank Rate ; and that it would be quite inappropriate for him to state whom he saw, or for what purpose, on Sept. 18 or any other date.

Sir Leslie Plummer then inquired whether or not prior information of the Chancellor's intentions had been given to Mr. Oliver Poole [deputy chairman of the Conservative Party]. Mr. Thorneycroft replied that " prior information about Bank Rate was given to no-one who was not inside my department or among my own advisers." When Mr. Harold Wilson urged the Chancellor to state specifically whether he or any Treasury representative had seen Mr. Poole, " who has vast City interests," on Sept. 18, Mr. Thorneycroft declined to do so.

Mr. Macmillan announced on Nov. 13 that he had decided that Mr. Thorneycroft and Mr. Poole (who had both made strong representations to him on the matter) should be given an opportunity, before a tribunal of inquiry, " to rebut the attacks made on them " on Nov. 12 ; a resolution for this purpose would be moved in both Houses of Parliament.

In declining to give certain information (Mr. Macmillan stated), Mr. Thorneycroft had taken the view " that it would be contrary to precedent and damaging to the conduct of public business to disclose the confidential discussions which are frequently held in advance of an announcement of Government policy." However, in view of the interpretation which had been placed on his (the Chancellor's) replies, it had now been decided to give this information.

Continuing, Mr. Macmillan said that in a series of separate interviews on Sept. 18 Mr. Thorneycroft, Mr. Macleod (Minister of Labour), and Lord Mills (Minister of Power) had informed a number of " interested persons "—representatives of certain of the nationalized industries, of the T.U.C., of the employers' organizations, and of certain newspapers, as well as Mr. Poole in his capacity as deputy chairman of the Conservative Party—of a number of important economic measures to be publicly announced on the following day. At none of these interviews had there been any disclosure of the intention to raise the Bank Rate.

The request for the appointment of a judicial inquiry in order to clear his name had been made by Mr. Oliver Poole in a letter to the Prime Minister on Nov. 13, 1957.

In this letter Mr. Poole emphasized that he had received no prior information of the increase in Bank Rate and that " I neither made nor caused to be made any sales of Government or other securities " between the time when he saw the Chancellor on Sept. 18 and the time of the public announcement of the change in Bank Rate.

Mr. Macmillan accordingly moved the following motion in the House of Commons on Nov. 14, an identical motion being moved by Lord Home in the House of Lords: "That it is expedient that a tribunal be established for inquiry into a definite matter of urgent public importance, that is to say, whether there is any justification for allegations that information about the raising of the Bank Rate was improperly disclosed to any person and whether, if there was any such disclosure, any use was made of such information for the purpose of private gain."

In the course of his speech the Prime Minister explained that the proposed tribunal would be set up under the Tribunals of Inquiry (Evidence) Act of 1921, and that its powers in the matter of attendance of witnesses and production of documents would be the same as those of the High Court.

After the motion had been agreed to in both Houses, the Home Secretary (Mr. Butler) announced that the tribunal would consist of Lord Justice Parker as chairman, Mr. Edward Milner Holland, Q.C., and Mr. Geoffrey Veale, Q.C. Sir Hubert Parker has been a Lord Justice of Appeal since 1954 and was a member of the Franks Committee on administrative tribunals [see 16009 A, 14536 B]. Mr. Milner Holland, a former chairman of the General Council of the Bar, has been Attorney-General of the Duchy of Lancaster since 1951. Mr. Veale is Recorder of Leeds.

The Tribunal's Hearings.

At a preliminary sitting of the Tribunal on Nov. 21, 1957, Lord Justice Parker announced that the Attorney-General (Sir Reginald Manningham-Buller) and counsel acting with him would appear before the Tribunal and that their duties would be to present all relevant documents and evidence and to call and cross-examine witnesses. Sir Reginald Manningham-Buller stated that it was the "clearly recognized duty" of the Attorney-General to appear before such a tribunal, and that this had been the case in all previous inquiries held under the 1921 Act. He added that he would discharge this task "without any regard to any political considerations of any kind."

The Tribunal held its hearings (in public) at Church House, Westminster, from Dec. 2 to Dec. 20, 1957. In the course of the proceedings the Tribunal heard evidence on oath from 132 witnesses, considered a statutory declaration from one witness resident in Hongkong, and also considered written statements from 236 other persons.

The principal witnesses were: Sir William Haley, editor of the *Times*; Lord Drogheda, managing director of the *Financial Times*; Mr. Richard Fry, financial editor of the *Manchester Guardian*; Mr. Donald McLachlan, deputy editor of the *Daily Telegraph*; Mr. Paul Bareau, deputy city editor of the *News Chronicle*; Mr. Donald Tyerman, editor of the *Economist*; Mr. Frederick Ellis, city editor of the *Daily Express*; Mr. Francis Whitmore, city editor of the *Daily Telegraph*; Mr. Sidney Gampell, of Reuter's; Mr. Nigel Birch, then Economic Secretary to the Treasury; Miss Susan Chataway, a junior employee at the Conservative Central Office; Sir Leslie Plummer, M.P.; Mr. J. C. Pumphrey, a Foreign Office official; Mr. J. McIntosh, principal information officer at the Ministry of Labour; Sir John Braithwaite, chairman of the London Stock Exchange; Mr. William Mullens, the Government broker; Mr. J. H. Keswick, a director of Matheson and Co., the finance and merchanting house; Mr. W. J. Keswick (brother of the above), a director of the Bank of England and also of Matheson and Co.; Mr. Oliver Poole; Lord Bicester, a director of the Bank of England; Lord Kindersley, a director of the Bank of England, chairman of Lazard Bros. (the merchant bankers), and Governor of the Royal Exchange Assurance; Mr. Cameron Cobbold, Governor of the Bank of England; Mr. Humphrey Mynors, Deputy Governor of the Bank of England; Lord Mills, the Minister of Power; Mr. Harold Wilson, M.P.; Mrs. Dorothy Campbell; Mr. Macleod, Minister of Labour; and Mr. Thorneycroft, then Chancellor of the Exchequer.

The Tribunal's Report.

In its report—published on Jan. 21, 1958 as stated above—the Tribunal came to the unanimous conclusion that there was "no justification for allegations that information about the raising of the Bank Rate was improperly disclosed to any person." The detailed findings of the Tribunal are summarized below under the cross-headings used in the report.

Constitution and Procedure.

In a preliminary section on Constitution and Procedure, the report stated that the Tribunal had not thought it right to limit its inquiries strictly to the two questions enunciated in its terms of reference [see above], but had also considered "to what extent there was any prior disclosure [of the other financial measures announced on Sept. 19] and whether any information in regard thereto was used for the purpose of private gain." It added: "The further question whether, and if so, in what circumstances prior disclosure of intended Government measures to persons outside the Government and Civil Service may properly be made is of course a question for Parliament alone."

The report also stated that, at the request of the Treasury Solicitor, the Council of the Stock Exchange had caused to be prepared: (i) lists of sales and purchases of gilt-edged securities (limited to dealings of over £5,000 nominal) on Sept. 18 and the morning of Sept. 19 up to the time of the Bank Rate announcement; and (ii) a document showing the turnover in gilt-edged securities of the leading jobbers on Sept. 18 and the morning of Sept. 19, the turnover on other days between Aug. 22 and Oct. 3, 1957 (inclusive), and the turnover on Feb. 15, 1956 and Feb. 6, 1957—days preceding earlier changes in the Bank Rate.

Introduction.

The introductory section of the report gave a detailed account of the steps leading to the decision to increase the Bank Rate on Sept. 19, 1957. It noted that the other restrictive financial measures announced on that date "had been under consideration by Ministers for some time before any proposal to raise the Bank Rate had been made." It was pointed out in this connexion (*a*) that a statement announcing these measures had been in draft for some days prior to Sept. 19; and (*b*) that a final paragraph relating to the increase in Bank Rate was not added until the night of Sept. 18 or the morning of September 19.

Interviews with Ministers.

On Sept. 18 the then Chancellor of the Exchequer, Mr. Thorneycroft, had decided that it was essential to obtain "maximum support" for the financial measures (other than the Bank Rate increase) to be announced on the following day, and that accordingly "some advance explanation should be given to the Press and to those immediately affected." The Chancellor felt (the report continued) that failure to do this might have imperilled the whole operation and gravely weakened his position at the impending meeting of the International Monetary Fund in Washington. It was decided, however, that the Chancellor should share the duty in question with the Minister of Labour (Mr. Macleod) and the Minister of Power (Lord Mills). As a result:

(*a*) The Chancellor himself had seen Lord Drogheda, Sir William Haley, Mr. Oliver Poole, Mr. H. Fraser (Joint Director of the Research Department of the Conservative Central Office), Mr. D. Dear (Head of the Economic Section of the Research Department of the Conservative Central Office), Mr. Donald Tyerman, Mr. Paul Bareau, Mr. D. McLachlan, Mr. Sidney Gampell, Mr. Richard Fry, and Sir Norman Kipping, chairman of the Federation of British Industries.

(*b*) Mr. Macleod had seen the representatives of the T.U.C. (Sir Vincent Tewson, Sir Tom Williamson and Mr. T. Yates) and those of the British Employers' Confederation (Sir Colin Anderson and Mr. Pollock).

(*c*) Lord Mills had seen Lord Citrine, Sir Henry Jones, and Sir James Bowman, the respective chairmen of the Central Electricity Authority, the Gas Council, and the National Coal Board.

The report then dealt with those persons seen by the Ministers, divided into four groups.

Press Representatives. The Tribunal found (i) that although the Chancellor discussed the restrictive financial measures with the Press representatives in confidence "he did not discuss with, disclose to, or give them, either directly or indirectly, any information whatsoever about the proposed increase in the Bank Rate"; (ii) "that no unauthorized disclosure was made by any of these persons of the information as to the restrictive financial measures"; (iii) that "no use was made of the information for the purpose of private gain."

The report discussed in greater detail the cases of three of the newspapers whose representatives had seen the Chancellor, as follows:

(*a*) On Sept. 18 Mr. F. Whitmore (City Editor of the *Daily Telegraph*), had independently come to the conclusion that a statement of new Government measures was likely, and that these might comprise a higher Bank Rate. He had alluded to the latter possibility in an article appearing on Sept. 19. The report continued: "Subsequently to the increase in the Bank Rate, this statement was widely regarded as an indication of prior knowledge by the *Daily Telegraph*, and for this Mr. Whitmore has only himself to blame, because on the following day he elevated his casual reference to the possibility of a higher Bank Rate into an exclusive forecast. In fact this article was no more than an attempt by him to canvass the possible steps which the Chancellor might take before he left for Washington. Mr. Whitmore had no prior knowledge of any increase in the Bank Rate, and he had no communication direct or indirect with Mr. McLachlan [who also saw the Chancellor] prior to the publication of either of these articles."

(*b*) The later editions of the *Financial Times* for Sept. 19 had carried an article by the editor, Mr. Newton, concerning the possibility of new restrictive financial measures. From the evidence presented, however, the Tribunal found that "although Mr. Newton knew of the interview between the Chancellor and the Earl of Drogheda, the article did not result from this knowledge." Moreover, Mr. Newton had understood, as the result of a conversation between his newspaper's political correspondent and a Treasury official, that there was no official objection to the publication of the article in question.

(*c*) Following his interview with the Chancellor on Sept. 18, Mr. Bareau of the *News Chronicle* left for Southport to attend the Liberal Party Conference. On the following morning, on learning of the Bank Rate increase, he intervened in the conference to give this news. The report stated: "We are satisfied that this was the

first intimation that Mr. Barcau or the Conference had of an increase in the Bank Rate. It follows that there is no justification for the allegation to which attention was called in Mr. Harold Wilson's memorandum to the Lord Chancellor [on Oct. 9] that certain individuals at the Liberal Party Conference at Southport, including a prominent journalist, knew of the Bank Rate decision before the announcement."

Representatives of Conservative Party. At the conclusion of their interview with the Chancellor on Sept. 18, the representatives of the Conservative Central Office—Mr. Poole, Mr. Fraser, and Mr Dear—had asked whether they might have a document setting out the measures which the Chancellor had described. The Chancellor had accordingly instructed his Principal Private Secretary (Mr. Maude) to give them a copy of the statement to be made on the following day, but to remove the final paragraph on the second page relating to the Bank Rate increase. Mr. Maude had "carefully cut off" the paragraph in question and "then handed the document to Mr. Poole, who had passed it on to Mr. Dear." The report went on: "We are . . . satisfied that the shortening of this second page did not cause either Mr. Poole or Mr. Dear to suspect that the Chancellor intended to announce any further measures beyond those set out in the document."

Representatives of Industry. The Tribunal found "that none of those interviewed received either directly or indirectly any information as to the proposed increase in the Bank Rate, and that they treated any prior information as to the restrictive financial measures as confidential and did not use it for the purpose of private gain."

Other Persons. "We think it right to say," the Tribunal declared, "that there is no suggestion and no shred of evidence that Professor Sayers, Professor Robbins, Mr. Robarts, and Sir Oliver Franks [all of whom the Chancellor had consulted in connection with the proposed restrictive measures] disclosed any information they had obtained . . ." [Professors Sayers and Robbins are eminent economists; Mr. Robarts and Sir Oliver Franks are respectively chairman and vice-chairman of the Committee of London Clearing Bankers.]

The City.

This part of the report comprised the following sections:

General. Reviewing the situation in the gilt-edged market in the week beginning Sept. 16, the report noted a number of reasons why a weakening of the market on the afternoon of Sept. 18 was extremely likely. These were: (i) that the Chancellor was generally expected to announce new restrictive measures on the eve of his visit to Washington; (ii) that there had been severe external pressure on the pound for some time; (iii) that the gold and dollar reserves had been very seriously reduced by the end of August, this trend having become even more marked in September; (iv) that an upward revaluation of the [German] Deutschemark was expected in some quarters; and (v) that since there had been a bull market at the beginning of the week, a reaction was to be expected in the ordinary course of events.

The report went on: "During Sept. 18 some £16,500,000 nominal of gilt-edged securities were sold and £14,000,000 bought. We have received figures as to the volume of sales and purchases on other comparable occasions, and there is nothing unusual in the figures for the 18th. If anything, they were somewhat lower than average. The volume of sales on the morning of the 19th was small." The report therefore concluded that "there was no evidence that the fall in prices was due to any general leakage of information about the impending rise in the Bank Rate" and that "indeed, in the light of all the circumstances, we are surprised that selling was not heavier."

Lord Kindersley. The Tribunal reviewed Lord Kindersley's position under four heads, as follows:

(*a*) The report noted that it was the policy of Lazard Bros. (of which Lord Kindersley is chairman) to maintain a liquidity ratio of between 40 and 50 per cent, and when the figure came near to 40 per cent to take steps to increase the call money. When the figure had fallen to 40.72 per cent on Sept. 13, the Managing Directors had decided in principle to sell some gilt-edged securities. Accordingly, some £1,500,000 nominal had been sold on Sept. 17 and 18. On the other hand, of a further £500,000 which it had been intended to sell, only £50,000 had in fact been disposed of, since the best price offered was 96⅛ (as against 96⅜, the price which the director in charge of the operation considered proper).

The Tribunal was satisfied, however, that although he had participated in the decision in principle on Sept. 13, Lord Kindersley had not been consulted as to the amount and nature of the securities to be sold. In this connexion the report said that it had been established that at a time of financial crisis "the Managing Directors try to avoid embarrassing Lord Kindersley by discussing with him matters upon which he might have special knowledge in his capacity as a director of the Bank of England," and that similarly "Lord Kindersley, when he has any such special knowledge, avoids discussing financial questions with his business associates."

The report then noted that on Sept. 23 and 24 Lazards had purchased £750,000 nominal of gilt-edged securities at the lower prices then ruling. It went on: "It has been said that as a result of the repurchase . . . Lazards made a profit of over £30,000. It is true that the difference between the sale and repurchase prices produces a figure of this order. We cannot, however, draw any sinister inference from this fact. Had Lazards any prior knowledge, they would no doubt have sold more gilt-edged securities and thus have reduced the overall loss which they undoubtedly suffered on their gilt-edged portfolio. Not only did they not do this, but they refused to accept a price for £450,000 of the Exchequer 3 per cent Bonds [securities which they had intended to sell on Sept. 17-18] which was only three-eighths of a point below the price which they had set. When the Bank Rate increase was announced, the price of these bonds fell more than three points. This consideration alone seems to us to establish conclusively that the Managing Directors concerned had no prior knowledge of the impending rise in the Bank Rate."

"We are satisfied" (the report concluded) that "the steps [taken by Lazards] arose out of the necessary requirements of the firm's business" and that "the realization of gilt-edged securities was the only course open to them having regard to the serious fall in the liquidity ratio."

(*b*) On Sept. 18 Mr. Cooper, Investment Secretary of the Royal Exchange Assurance (of which Lord Kindersley is Governor), had become concerned about the Corporation's liquidity as the result of a large number of impending liabilities. When he had attempted to discuss the matter with Lord Kindersley, he had been "interrupted . . . in a way which surprised him and seemed to him discourteous." Mr. Cooper had subsequently formed the view that Lord Kindersley "had deliberately avoided discussing financial matters" at that time, and the Tribunal concluded that this was in fact the case.

At a meeting later on Sept. 18, the Committee of Treasury (which controls the Corporation's finances) had approved a proposal by Mr. Cooper for the sale of securities to the value of fully £500,000. The report went on: "Lord Kindersley, although presiding, did not express a view as to the desirability or otherwise of the course suggested . . . but merely asked whether everybody was agreed." The Tribunal was satisfied (i) "that it was necessary for the Royal Exchange Assurance to sell securities"; (ii) "that to sell gilt-edged securities was a reasonable and proper course to take in all the circumstances"; and (iii) "that these sales did not result from Lord Kindersley's knowledge."

(*c*) At a meeting on Sept. 16 of the Executive Committee of the British Match Corporation (of which Lord Kindersley is chairman) it had been agreed to sell about £375,000 nominal of gilt-edged securities in order to meet an impending requirement of some £457,000. The report continued: "Although Lord Kindersley was present we are satisfied that this decision was neither the result of any discussion of the economic or financial situation of the country nor of any recommendation by him."

(*d*) At a meeting with the Governor of the Bank of England (Mr. Cobbold) on Sept. 16, Lord Kindersley had agreed to support a recommendation which the Governor proposed to make for an immediate increase in Bank Rate by 2 per cent. Later that day, however, he had again seen the Governor in order to put forward the view that the timing of the proposed increase in relation to a big new issue by Vickers Ltd., then in preparation, "might cause considerable ill-feeling in the City and might produce 'indigestion' in the underwriting market." The Governor had told Lord Kindersley that it would be impossible to postpone the Bank Rate increase and probably too late to postpone the new Vickers issue. After some inquiries, Lord Kindersley had found that it was in fact too late to postpone that issue. The report commented: "Lord Kindersley's motives were genuinely disinterested; he was concerned only with possible adverse reactions in the City, and was not in any way affected by the fact that in the ordinary way this issue would be sub-underwritten to some extent by both Lazards and the Royal Exchange Assurance."

The Tribunal's general conclusion as regards Lord Kindersley was that "he conducted himself with complete honesty and propriety during a period when he might at any moment have been placed in an embarrassing position."

Mr. W. J. Keswick. The report stated that Matheson and Co. Ltd. (of which Mr. W. J. Keswick is a director) were the London correspondents of Jardine Matheson and Co. Ltd., Far Eastern merchants operating from Hongkong, and that Jardine Matheson and Co. were General Managers of a number of companies operating in the Far East. On Sept. 18, Matheson's in London had received instructions to sell more than £1,000,000 nominal of gilt-edged securities for the account of Jardine Matheson & Co. and some of its subsidiary companies. Reviewing the circumstances in which these sales took place, the report gave the following facts:

In the summer months of 1957, the managing director of Jardine Matheson & Co., (Mr. H. Barton) had become increasingly concerned about the unstable position of sterling and had formed the view that the Jardine Matheson group should seriously consider realizing either the whole or part of its gilt-edged portfolio. In this connexion Mr. Barton had given instructions on Aug. 16 for the disposal, on behalf of two of the subsidiary companies, of sufficient gilt-edged securities to produce £100,000.

On Sept. 4 Mr. W. J. Keswick had received a letter from Mr. Mynors, Deputy Governor of the Bank of England, stating that conversations had been going on concerning possible remedies for the worsening financial situation and that, while nothing had been decided, an increase in Bank Rate was a possibility.

In letters dated Sept. 3 and Sept. 5, Mr. Barton had written respectively to Mr. W. J. Keswick and his brother, Mr. J. H. Keswick (also a director of Matheson & Co.), suggesting that it might be wise to sell the Jardine Matheson group's gilt-edged securities, and asking for their recommendations.

In a letter to Mr. Barton dated Sept. 16, Mr. W. J. Keswick had "reluctantly" recommended the sale of Jardine Matheson's gilt-edged securities In a complementary telegram drafted on the same day, Mr. W. J. Keswick had told Mr. Barton to "anticipate tighter money" and had therefore advised him to sell the majority of Jardine Matheson's gilt-edged holdings. As he expected Mr. J. H. Keswick to return from his holiday that day, Mr. W. J. Keswick had written a brief note on his draft asking for his brother's opinion. Mr. J. H. Keswick, however, had decided to prolong his holiday, and when he had not reached the office by about noon on Sept. 17, Mr. W. J. Keswick had given instructions for the telegram to be despatched.

Lunching at the Bank of England on Sept. 16, Mr. W. J. Keswick had discussed the financial situation with Mr. Mynors; while there had been no specific mention of Bank Rate, Mr. Mynors had said that there might be a "a swingeing rise in interest rates." The report added, however, that Mr. W. J. Keswick "told us that he deliberately drafted the letter and telegram before he went to the Bank, so that he could be in the position of having committed himself to a recommendation . . . before hearing, as he anticipated he might do, anything at the Bank as to official policy."

On Sept. 17, before Mr. W. J. Keswick's telegram had been received, the Board of Directors of Jardine Matheson and Co. had decided to sell the whole of the company's gilt-edged securities, having a nominal value of £539,384, and one of the subsidiary companies had also decided to sell its gilt-edged holdings of a nominal value of £46,500. Mr. Keswick's telegram had been received and considered when another subsidiary company decided, on Sept. 18, to sell its gilt-edged securities with a nominal value of £300,000.

On Sept. 18 Mr. Barton had telegraphed selling instructions to Mathesons in London in the light of the decisions taken on Sept. 17-18, and the sales had accordingly been carried out between 3.30 p.m. and 4.40 p.m. on that date.

At 4.30 p.m. on Sept. 18 Mr. W. J. Keswick had again seen Mr. Mynors, who had told him that it had been decided to recommend to the Court of Directors on the following day that Bank Rate should be raised to 7 per cent. Mr. W. J. Keswick had at once informed Mr. Mynors of the selling instructions received that day, but Mr. Mynors had advised him not to attempt to cancel the sales.

Reviewing the situation, the Tribunal said that "there can be no doubt that a sinister construction could be placed upon Mr. Keswick's actions." It went on to add, however, that despite the fact that Mr. Barton had stated in evidence that he had interpreted the phrase "tighter money" [in the telegram of Sept. 16] as meaning higher interest rates "we do not think that [the letter and telegram of Sept. 16] either disclose or hint at a rise in the Bank rate" and that it referred "only to tightening of money by credit restriction."

The report's general conclusion as regards Mr. W. J. Keswick was as follows: "In a situation of this nature, where conduct and documents are capable of an innocent or a sinister explanation, the only course is to reach a conclusion upon a dispassionate appraisal of the character and truthfulness of the person whose conduct is under inquiry. We had the advantage of observing Mr. W. J. Keswick under searching cross-examination covering every point in his conduct. Having so observed him, we have unhesitatingly reached the conclusion that he was a witness of truth, and that he behaved with complete honesty and propriety in the difficult and embarrassing situation in which he found himself. He was asked by Mr. Barton for advice, and it was his duty to Jardine Matheson to give advice. The advice he gave was given reluctantly. We are satisfied that even if he had not been a Director of the Bank of England, he would, in the circumstances prevailing at that time, have given the same advice."

Dealings at the Time of Previous Changes in Bank Rate. The Tribunal received statements describing any gilt-edged dealings by Lazards, the Royal Exchange Assurance, the British Match Corporation, and Matheson's on eight previous occasions when the Bank Rate had been changed. It found that there was no evidence to suggest that any of these corporations had any prior knowledge of the earlier changes in Bank Rate.

Mr. Oliver Poole. Mr. Poole (the report noted) was a director of Lazards and of a number of other companies forming part of the so-called Pearson Group. The last meeting which he had attended as a director of Lazards prior to Sept. 19 was in July, 1957, and his last visit to Lazards before Sept. 19 was on Sept. 4, when he had lunched with a Belgian banker.

The Tribunal stated in this connexion: "We are satisfied that Mr. Poole had nothing whatever to do with any of the sales made by Lazards on Sept. 17-18. The only sales of gilt-edged securities made by members of the Pearson Group, other than Lazards, between Sept. 16 and 19 were sales of £2 780 nominal, which were made in order to realise monies required by the Cowdray Trust. We are satisfied that Mr. Poole was not in any way concerned with those sales."

The report said that "there is not a shred of evidence that Mr. Poole made any disclosure either in regard to the Bank Rate or the restrictive financial measures to any person connected with the companies with which he is associated, or that he made use of any such information for the purpose of private gain."

Other Dealings in Gilt-Edged Securities. The report also reviewed the more important of the other gilt-edged dealings on Sept. 18 and the morning of Sept. 19. It found that in no case was there any evidence to suggest that they had resulted from prior knowledge of the Bank Rate increase.

Isolated Incidents suggesting Prior Knowledge.

The principal incidents under this category were as follows:

Miss Susan Chataway. In his memorandum to the Lord Chancellor on Oct. 9, Mr. Harold Wilson said that "a man holding an important public position . . . will state that on Sept. 25 he was told by an employee of the Conservative Central Office that they had known 'about this Bank Rate business' before the announcement . . ." The Tribunal found that the man referred to was Mr. J. L. Pumphrey, a Foreign Office official, and the Conservative Central Office employee a Miss Susan Chataway (Mr. Pumphrey's cousin), who had only joined the Office's Press Department on Sept. 16 and was employed on elementary secretarial work.

In their conversation of Sept. 25 Mr. Pumphrey had joked about his cousin's new job and had suggested that she must have access to a great deal of "inside information." Miss Chataway had replied in a similar vein and "went on, jokingly, to say that the office were expecting the police any day about 'this Bank Rate business.'"

The report stated: "We are quite clear that this claim to prior knowledge was made by Miss Chataway in jest, as part of a conversation begun by Mr. Pumphrey in jest. How he came to take her remarks seriously is difficult to understand."

Mr. Jack McIntosh. On Sept. 20 Mr. Loftus, a reporter on the staff of *Reynolds News*, had overheard a conversation between Mr. McIntosh, Principal Information Officer of the Ministry of Labour, and Mr. L. Goodman, a principal in the Ministry of Housing and Local Government. This incident had given rise to the following passage in Mr. Harold Wilson's memorandum to the Lord Chancellor: "It has also been reported to me, admittedly at second-hand, that a person who can be vouched for, but who may not be willing to come forward, overheard a conversation between a Treasury official and the P.R.O. of a Government Department (not the Treasury) during which the latter categorically stated that he was aware of the forthcoming increase in the Bank Rate, which called forth a very critical observation from the Treasury official, who said he had no right to know such a thing."

The Tribunal found that as a result of this conversation "Mr. Goodman received the impression that Mr. McIntosh was telling him that he had prior knowledge of the increase in Bank Rate," but that this impression "arose out of a misunderstanding." The report added: "We think that Mr. McIntosh only intended to convey that he had received prior information of the restrictive financial measures and was using the phrase 'Bank Rate' loosely and inaccurately to describe these measures. We were, however, surprised that Mr. McIntosh, who realized that Mr. Goodman was taken aback by something he had said, did not appreciate that Mr. Goodman thought he was claiming prior knowledge of the increase in Bank Rate and immediately correct that impression."

Mrs. Dorothy Campbell. At a cocktail party on Sept. 18, Mrs. Campbell had stated that she had heard in the City that afternoon that the Bank Rate was to be increased by 1½ per cent on the following day. Moreover, shortly after the Bank Rate increase was announced. Mrs. Campbell had claimed prior knowledge of the increase in a telephone conversation with a Mr. Fitzgibbon.

The Tribunal found that Mrs. Campbell (who was described as a "most unsatisfactory witness") had not been in the City that afternoon; that she had not been told by anyone that a rise in Bank Rate was to take place; but that "she made what she intended to be a sensational remark in order to draw attention to herself."

Other Possible Sources of Disclosure.

The report stated that there was no evidence whatsoever to suggest that the Ministers of the Crown, directors and officials of the Bank of England, and Treasury officials who necessarily had prior knowledge of the Bank Rate increase and restrictive financial measures, had failed to treat this information as confidential or had made any use of it for private gain.

Final Conclusions.

In summing up its findings, the Tribunal said: "We have unhesitatingly reached the unanimous conclusion that there is no justification for allegations that information about the raising of the Bank Rate was improperly disclosed to any person."

The report continued: "It will be observed that our inquiries into the dealings of companies with which Lord Kindersley and Mr. W. J. Keswick were connected have focussed attention on circumstances in which a Director of the Bank of England, who has other business interests, may find himself in a difficult and embarrassing position. This is particularly so in the case of a Director of the Bank who, like Mr. W. J. Keswick, is the one person to whom his business colleagues look for advice, and where he cannot escape his duty to give such advice. This raises a general and very important question of policy with which we are clearly not concerned. Had it been our duty to express an opinion on this matter, we should, before doing so, have required exhaustive evidence as to the advantages and disadvantages of continuing a state of affairs which has so long existed. The criterion, of course, must be the national interest."

In conclusion, the Tribunal said that it wished to endorse the following observations made by the Governor of the Bank of England in the course of his evidence: "I have been profoundly disturbed by the effect which the rumours about these matters have had around the world. They have, I think, caused prejudice to the financial reputation of London, and so to the national credit. Where there are justifiable suspicions they must, of course, be thoroughly investigated, and without regard to any of the personalities involved.

I am quite certain that no member of the Court of Directors of the Bank of England, nor any member of the staff of the Bank of England, would suggest otherwise. But if you should conclude . . . that these rumours are baseless, I earnestly hope that the final result of this Tribunal may be not only to maintain, but actually to enhance, the reputation of London for financial integrity. If those conclusions should be reached, I trust that everybody who has it in his power to remedy the damage which has been done by those rumours will make every effort to do so, not least those persons who may have wittingly or unwittingly contributed to the circulation of those rumours."

Statement by Labour "Shadow Cabinet."

The Parliamentary Committee of the Labour Party (the "Shadow Cabinet") issued the following statement on Jan. 21, 1958:

"The evidence submitted to the Tribunal and its report abundantly justify the holding of the investigation, which confirmed the existence of a flood of disquieting factors, as well as substantial sales of Government bonds in circumstances calling for explanation.

"Some of the conclusions of the report and a number of unresolved questions will have to be examined in the forthcoming parliamentary debate [see below]. We note in particular that the tribunal specifically declines to pass judgment on, and refers to Parliament, the two issues which emerged during the hearing:

(*a*) The propriety of the Chancellor of the Exchequer giving to selected journalists, and even to the vice-chairman of the Conservative Party Organization, secret information on investment cuts and credit restrictions the day before the increase in the Bank Rate;

(*b*) The invidious position of part-time directors of the Bank of England who, being aware of the Bank Rate decision in advance, were expected to advise firms with which they were associated on the prospects for the gilt-edged market."

Parliamentary Debate on Tribunal's Report.

The report of the Bank Rate Tribunal was debated by the House of Commons on Feb. 3, on a Government motion: "That this House welcomes the findings of the tribunal appointed . . . to inquire into allegations of improper disclosure of information relating to the raising of Bank Rate, and accepts its report."

Mr. Harold Wilson, for the Opposition, moved an amendment to make the motion read:

"That this House, whilst not dissenting from the findings of the Report of the Tribunal . . . regrets the prior disclosure on Sept. 18, 1957, by the then Chancellor of the Exchequer of secret information about the Government's financial policies to certain selected journalists and to officials of the Conservative Central Office, and also calls upon H.M. Government to take steps to obviate the present conflict between public duties and private responsibilities of part-time directors of the Bank of England."

The two-day debate was marked by acrimonious exchanges and stormy scenes in the House, during which the Deputy Speaker (Sir Charles MacAndrew) twice threatened to suspend the sittings.

Mr. Butler (Home Secretary and Lord Privy Seal) opened the debate by moving the Government's motion. He continued: "The Tribunal's findings justify the confidence rightly placed in those who, for one good reason or another, received advance information about announcements of financial policy last September. They justify the trust the Government must place in the Press. They justify the integrity of members of the Government and party officials, and the honour of those against whom individual insinuations have been made. They justify Mr. Thorneycroft. They completely vindicate the stand against rumour and calumny taken by the Prime Minister.

"In the circumstances, when issues of private honour and public import are involved, we are astonished that the most the Opposition can do is not to dissent from this vital document . . . Too many people have had details of their private lives laid bare, not only politicians, but bankers, brokers, jobbers, journalists, Government officials, and a variety of others. A heavy burden lies on those who pursue or have pursued a campaign, regardless of the means employed, as bitterly as the Opposition have in this case. There will be further opportunities of describing how certain members of the Opposition have gone to almost any length in innuendo and malice. The Tribunal . . . have given us findings which on all points have been definite and unanimous. There can be no doubt about that."

After emphasizing that the representatives of the Press, officials and employees of the Conservative Party, representatives of industry, part-time Directors of the Bank of England, and Mr. Oliver Poole had all been completely absolved of the allegations and insinuations brought against them, Mr. Butler said that the Prime Minister had been finally moved to appoint a judicial tribunal "publicly to clear Mr. Poole, who has been a victim of base insinuations in this House." He added: "The Tribunal's repeated pronouncements that there is 'no shred of evidence,' 'no validity in the suggestion,' are a solace to those involved; a sure example of the integrity of our public affairs; and a vindication of the Prime Minister's judgment of the whole proceedings."

Continuing, Mr. Butler said that the House had to consider two questions:

(1) Whether there should be prior disclosure of intended Government measures;

(2) The position of part-time Directors of the Bank of England.

As regards the first question, he submitted that it was entirely within the authority of the Chancellor or other Ministers to disclose information in the interests of his policy to anybody he could trust. This could be done deliberately and with discretion. "The findings of the Tribunal have clearly exonerated all those to whom the then Chancellor of the Exchequer gave advance information of the restrictive financial measures other than the Bank Rate."

He would be surprised (Mr. Butler continued) if any member seriously advanced the argument that under no circumstances could it be right to give advance information about a Government's announcement or actions to the Press on a confidential basis. This had been for years a clearly established practice, followed by Ministers of all political parties. Mr. Butler emphasized this point by quoting the actions of former Labour Ministers; e.g. in February 1948, when a Treasury Minister and officials had seen newspaper editors and journalists in advance of the important White Paper on personal incomes, costs and prices; in 1949, before the publication of the Economic Survey; and again in 1951. Thus "it can hardly be said that there was anything unusual or reprehensible in the Chancellor of the Exchequer seeing representatives of the Press last September just before the announcement of the Government's measures on Sept. 19."

Turning to the question of interviews with party officials, Mr. Butler said that the discretion of a Minister was really exactly the same in respect of officials of his party organization as it was to other persons whom he felt it desirable to consult. It had been publicly stated that the Labour Government not only informed but consulted their party organization in advance of announcing economic and financial decisions of the highest importance.

Mr. Harold Wilson, in his evidence before the Tribunal, had made a gratuitous suggestion that Mr. Poole was acting improperly in handing the document he had been given by Mr. Thorneycroft to Mr. Dear, on the ground that this was contrary to the Official Secrets Act. The report was quite authoritative on this point, and he (Mr. Butler) was "surprised that Mr. Wilson felt it right to dredge up every accusation that he could think of when his original evidence was proving so feckless."

In the case of Mr. Thorneycroft, there was no question of his having consulted the Conservative Party or its executive. He had handed to Mr. Poole, and to a member of the Conservative Party Research Organization, a document about restrictive financial measures other than Bank Rate which were to be announced the next day. This was to enable the party to prepare its part in public presentation of policy. "Those who have served in any Government," Mr. Butler declared, "will realize that the right relationship between Whitehall and the party organization is important. The Government in power obviously depends upon the party and its organization. It is, and should be, strengthened by contacts with its own party, whether through the organization or any research department it may have. We are in agreement that the utmost care must be exercised by a Government in giving information to party organizations. But, on the closest examination, my colleagues and I have found that this practice has been carefully watched under our administration. The frank and open explanation of Mr. Thorneycroft illustrated exactly what information he handed to Mr. Poole." The Tribunal had confirmed that there was no prior disclosure about measures to meet the economic crisis.

As regards the position of part-time Directors of the Bank of England, Mr. Butler said that this was "part of the problem of dual loyalty which exists in the whole of our public life; the dilemma is not confined to part-time Directors of the Bank all M.P.s have some experience of it." The present constitution of the Bank derived from the Bank of England Act, 1946, which was drafted and passed by the Labour Government of the day. It was laid down in the Act that, in addition to a Governor and Deputy Governor, the Bank should have a Court of 16 Directors, of whom four should give exclusive service to the Bank. On the second reading of the Bill, the Labour Chancellor of the Exchequer [then Dr. Dalton] had said that the Court should be composed so as to "reflect industrial as well as financial experience."

Mr. Butler went on: "The Labour Government knew and endorsed the way the Bank operates. From 1946 onwards they did nothing to alter its practice. They must have found it satisfactory. The Bank of England must be a commercial centre in the widest sense or it is nothing. That is why we have always attached importance, as the Labour Government did, to a proper mixture [of part-time and full-time Directors]. The Government are not prepared to take any snap decision about whether any change in this practice is or is not desirable. We agree with the Tribunal that this needs careful thought and examination."

After pointing out that this matter was within the terms of reference of the Committee under Lord Radcliffe which was inquiring into the working of the monetary and credit system [see 15513 A], Mr. Butler announced that the Chancellor of the Exchequer had asked Lord Radcliffe to include this question in their report and make recommendations, and that Lord Radcliffe had confirmed that this would be done. "In this way," Mr. Butler added, "it is possible to give the matter the exhaustive study which the Tribunal thought necessary. The Constitution of the Bank can be examined without damage to the international financial interests of the country."

Mr. Butler then turned to what he called "the part of Parliament and of Members in this affair." He recalled in this connexion that Sir Leslie Plummer had first mentioned Mr. Poole's name on Nov. 12, but two days later had stated that he made no imputations against Mr. Poole's honour. "Sir Leslie made a curious remark later on," Mr. Butler added. "He said Mr. Poole was not the first man to have his reputation tarnished or an attempt made to tarnish it in the House of Commons. It was left to Mr. Wilson to enlarge this imputation. He asked the Chancellor 'whether he did or did not see the Vice-Chairman of the Conservative Party, who has vast City interests, the day before Bank Rate went up.'"

Mr. Butler concluded: "These insinuations were made under cover of privilege. The Prime Minister decided they could be publicly cleared only through a judicial tribunal. This left unsolved one serious problem. When a highly defamatory statement is made in this House regarding any individual outside, without any reasonable or probable cause, the machinery of a Tribunal is the only existing path to justice. This realization surely imposes on us infinitely higher standards of responsibility for our privileged utterances than has guided the Opposition. Meanwhile let us be thankful that . . . the Tribunal . . . has broken the political weapon of the smear."

Mr. Harold Wilson, after moving the Opposition amendment, said that the setting-up of the Tribunal had been "thoroughly justified." He continued: "The Opposition accept unhesitatingly the findings of the report in relation to the individuals whose names have been previously mentioned. At no time have any of my friends or myself named any of these part-time directors of the Bank of England. The effect of the Tribunal is to reassure the public, and it is clear from the evidence and the statements made to the Tribunal that there was need for such reassurance. The pity is that the reassurance did not come earlier."

Mr. Wilson recalled that he and Mr. Gaitskell had suggested that the preliminary inquiry should be conducted not by the Lord Chancellor but by an independent High Court judge nominated by the Lord Chancellor. They had undertaken at the time to accept the result of such a preliminary investigation; that was the answer to everything that Mr. Butler had said. "We have not at any time said that there was a leak," Mr. Wilson declared, "only that there was a case for an inquiry. From the first letter we stressed the importance of reassuring the public."

When information had reached them about the Pumphrey-Chataway conversation (Mr. Wilson continued) it was the Opposition's duty to forward it to the Government. It suggested that something was known in the Conservative Central Office. The Opposition were not in a position to check the story at first hand, nor could they have questioned Miss Chataway; that was why they had taken it both to the Prime Minister and the Lord Chancellor. "Our main difficulty in our discussions with these Ministers was to protect all concerned, especially the Conservative Office employee, from possible victimization." [This part of Mr. Wilson's speech caused such prolonged laughter from the Government benches that the Deputy Speaker called on the House to "try to restrain itself."]

Mr. Wilson emphasized that he had never intended to reflect in any way on the integrity of Mr. Poole; that the Opposition "unreservedly accepted" the Tribunal's findings about Lord Kindersley, Mr. Keswick, and Mr. Poole; and that he had never heard any suggestion about Mr. Keswick or Lord Kindersley before the Tribunal was set up. No-one could say, however, that there had been no case for an inquiry. There were 11,000 public companies in the country, and only four of them had sold in advance of the Bank Rate announcement. Amidst uproar from the Government benches, Mr. Wilson said that each of these four companies was closely associated with Directors of the Bank of England, commenting that "the statistical odds against this happening are very high."

On the question of prior disclosure of information, Mr. Wilson said that no-one would wish to fetter the right of Ministers to consult industrial interests on matters of vital concern, such as investment programmes in public and private industry. The question raised here, however, was that of the Chancellor's [i.e. Mr. Thorneycroft's] wisdom in seeing selected representatives of newspapers, Mr. Poole, and other officials of the Conservative Central Office. He assured the House that he had never thought there had been any "leak" through the journalists.

In conclusion, Mr. Wilson suggested that the position of part-time Directors of the Bank of England needed examination, and welcomed Mr. Butler's announcement that this would be done by the Radcliffe Committee. The objectives should be to remove the conflict of duties facing such Directors, and to assert the primacy of the Treasury and the Chancellor in all matters affecting the country's financial and economic well-being. Contact between the Bank and the Treasury should be much more intimate, with a much greater exchange of staffs. He agreed that the problem of part-time Directors was not a simple one, and believed that the answer might lie in an executive board consisting of the Governor and Deputy Governor of the Bank and full-time Directors, reinforced by Treasury nominees. He agreed also that it was necessary for the Governor to get advice, but thought this could be done more satisfactorily by an Advisory Council or Court rather than by part-time Directors.

Mr. Thorneycroft (C.) said that he did not rise to defend his honour in this matter, because he did not think it was in question. Looking back on the whole episode, there were three words which stood out—"Bank Rate leak." This accusation, blazoned across the Press of Britain and the world, had been utterly refuted by the Tribunal.

Speaking of the interviews he had had, Mr. Thorneycroft said that, with the approval of the Prime Minister and the Cabinet, he first saw the clearing bankers. Such an operation as intended would have been impossible without seeing them. "Secondly, we saw the journalists. They have been seen before and I have not the slightest doubt that they will be seen again." In addition he had seen, or arranged to see, the T.U.C., certain industrial organizations, Mr. Poole, and two Conservative Central Office officials. Mr. Thorneycroft added: "This was a vast, complicated, and difficult operation, undertaken at a moment when this country was under great pressure. Every shred of evidence has been examined, every allegation and rumour, and there is not one possible shred of evidence against anybody."

Violent scenes occurred when **Mr. Aneurin Bevan** (Lab.) accused Mr. Thorneycroft of "deliberately misleading the House" by saying that he had seen the T.U.C. After the Deputy Speaker had threatened to suspend the sittings unless order was restored, **Mr. Thorneycroft** explained that the T.U.C. had been seen not by himself but by the Minister of Labour, Mr. Macleod.

Sir Lionel Heald (C.), a former Attorney-General, said that it was Mr. Wilson's duty "as a gentleman and a right honourable gentleman" to make a "frank and honest apology for the serious damage he has done, whether wittingly or unwittingly, to at least one man who has been abominably treated—Mr. Poole" After saying that he had consulted two leading authorities on slander concerning Mr. Wilson's remarks about Mr. Poole, made in the House on Nov. 12, 1957, Sir Lionel said that these statements would have rendered Mr. Wilson liable to an action for slander but for the legal immunity he enjoyed as a Member of Parliament. Sir Lionel added: "It is also my opinion, and this I have confirmed independently from the best advice I can get, that but for his ability to shelter behind parliamentary privilege Mr. Wilson would be facing the prospect of a very heavy award for damages which might well be nearer £10,000 than £5,000."

Mr. Gordon-Walker (Lab.) emphasized that there was no difference in the House with regard to the Tribunal's findings, which had been "unhesitatingly accepted" on both sides. The main difference, he asserted, was in the attempt to impute malice to Mr. Wilson. Mr. Butler had "set the tone" for this in his opening speech, but Sir Lionel Heald had "taken on the main burden" by alleging that Mr. Wilson had abused his position as a Member of the House and by making "unworthy and ineffective" innuendoes of malice on Mr. Wilson's part. After declaring that Mr. Wilson had nothing to apologize for, Mr. Gordon-Walker maintained that the inquiry was fully justified and that there had been a case for investigation.

Mr. Heathcoat Amory (Chancellor of the Exchequer) expressed gratification that "a most searching inquiry has vindicated the unrivalled reputation which the City of London and we as a people enjoy—and, I trust, will always enjoy in the world—for financial rectitude and fair dealing." Turning to the constitution of the Bank of England, and the position of part-time Directors in particular, he said that no sensible person would argue that any existing institution must always be right or should not be re-examined from time to time. The inquiry by Lord Radcliffe's Committee was being made "without casting any aspersion on those who work the existing systems and who have come through a searching test triumphantly with absolute vindication."

The Chancellor continued: "It seems to me a merit of the present system that the Bank should not be a mere executive agent of the Government but be able to give them independent information and advice. There can be little doubt of the tremendous value to the Bank of having available the experience and knowledge of part-time Directors, persons who are actively engaged in finance and industry. It would not meet the same purpose to have the advice of people who had been employed actively but have retired. Their advice might be out of date.

"I have seen references in the Press that the composition of the Court of the Bank is almost the preserve of bankers. That is not true. Of a total of 16 directors, three have their main interests in merchant banks, one in a clearing bank, one in a joint-stock bank with its main business overseas. There are seven part-time directors who have their main interest and experience in industry and commerce, including one director with special experience of organized labour in industry.

"The issue is not so much the value of part-time directors as whether the present arrangements put too great a strain on possible conflicting loyalties . . . These matters fall squarely within the terms of reference of the Radcliffe Committee. On the issue of conflict of loyalties, any doubts anyone may have had a few months ago should be lessened rather than increased by the Tribunal's evidence that, under the test of exceptionally difficult circumstances, all the individual directors concerned were completely exonerated from any fault of character or conduct."

In conclusion, the Chancellor said that the suggestions and insinuations which led to the setting-up of the Tribunal had involved much personal hardship and considerable expense to many individuals whose conduct had been found to be completely blameless. In every case these suggestions and insinuations had been found to be without any substance. He added: "I am bound to say that I simply cannot understand Mr. Wilson's attitude in not expressing any regrets at all for the pain his actions caused to so many innocent people."

Sir Leslie Plummer (Lab.) repeated that he had never made any imputations against the personal honour of Mr. Poole or Mr. Thorneycroft, but had made an imputation against the political wisdom of Mr. Thorneycroft.

Mr. Gaitskell (Leader of the Opposition), who described Mr. Wilson's speech as "massive and brilliant," said that Mr. Wilson had been vigorously attacked because he was alleged to have instituted the whole inquiry by some undesirable means. He was entitled to defend himself, and had done so with great effect. He (Mr. Wilson) had also been attacked on the ground that he was unfair and had allegedly slandered Mr. Poole. "I personally accept the view," said Mr. Gaitskell, "that Mr. Wilson's statements in this House and before the Tribunal make it abundantly clear that he did no such thing."

In putting down their amendment (Mr. Gaitskell continued) the Opposition wanted to make it plain that they were not prepared, for a very good reason, to go as far as to use the world "welcome" in accepting the Tribunal's report. The reason was that in the conclusions of the Tribunal there were remarks about the position of the Chancellor and of the part-time Directors of the Bank of England which they could not wholly accept.

"I am glad," said Mr. Gaitskell, "that the gentlemen who were suspected, or about whom there appeared some allegations regarding their conduct, were fully exculpated. I am glad, for the sake of our country, that the reputation of the City of London has come out clean. Only a report of a Tribunal of this kind could have produced that complete exculpation . . ."

After referring to the "difficult position" of part-time Directors of the Bank of England, caused by the clash between their public duties and private responsibilities, Mr. Gaitskell stressed—with regard to the conduct of Mr. Thorneycroft—that there was no question of honour involved, but a question of wisdom and propriety. "Was it wise of him to have seen selected journalists, most of them the day before Bank Rate was raised? Was it proper of him to have seen officials of the Conservative Central Office? Our views on this are well known. We think he was unwise to see these journalists the day before such a startling change was about to take place . . . It has always been the convention that changes in Bank Rate are in the same order as Budget secrets, and that it is necessary to be extremely careful. It is also a well-known convention that before the Budget the Chancellor becomes inaccessible. And quite right too; he goes into purdah. It would have been wiser on this occasion if the Chancellor had done the same thing . . ."

Mr. Maudling (Paymaster-General) wound up the debate with a speech punctuated by acrimonious exchanges between the Government and the Opposition, leading to frequent appeals by the Speaker for order. At the end of his speech Mr. Maudling accused Mr. Wilson of "the technique of smear" and said that the division would be like a vote of censure—"not a vote of censure on the Government, which was exonerated by the Tribunal, but a vote on Members opposite and particularly Mr. Wilson."

The Opposition amendment was defeated by 320 votes to 256—a Government majority of 64. The Government's motion was then adopted by 322 votes to 253, a majority of 69. (Cmnd. 350 - Times - Daily Telegraph - Manchester Guardian)

A. PERSIA. — Oil Agreement with Pan-American Petroleum Corporation.

The Persian Prime Minister, Dr. Eghbal, presented to the Majlis on April 29 a draft agreement which had been concluded between the National Iranian Oil Company and the Pan-American Petroleum Corporation (a subsidiary of the Standard Oil Company of Indiana), and which covered the exploitation of offshore oil deposits in the Persian Gulf over an area of some 6,200 square miles of the Persian continental shelf. The agreement, which provided still more advantageous terms to Persia than that concluded with the Italian company *AGIP Mineraria* in 1957, contained the following provisions *inter alia*:

(*a*) Pan-American would spend $82,000,000 on exploitation activities within the first 12 years, with no contribution from Persia. If no oil was found within that period, Pan-American would pay the N.I.O.C. half of any unspent proportion of the $82,000,000.

(*b*) Pan-American and the N.I.O.C. would form a joint company registered in Persia, shares being held equally by both parties.

(*c*) Thirty days after ratification of the agreement by the Persian Parliament, Pan-American would pay a "cash bonus" of $25,000,000 to the National Iranian Oil Company.

(*d*) The first well would have to be drilled within 18 months.

(*e*) If oil were found, Persia would contribute 50 per cent to the exploration and development expenses.

(*f*) Any net profits (including the State tax) would be divided in the proportions of 75 per cent for the Persian Government and 25 per cent for Pan-American.

(*g*) Pan-American would have to train Persian personnel to replace Americans as soon as possible.

(*h*) Oil and gas needed for Persian home consumption would be sold at cost price.

The Shah gave his assent to the agreement on June 1. (New York Times) **(Prev. rep. 15837 A.)**

B. UNITED STATES. — Further Reductions in Federal Reserve Bank Rates and Reserve Requirements of Member-Banks. - Anti-Recession Measures.

In fresh anti-recession moves the Federal Reserve Board announced in March and April two further reductions in both the discount rates of Federal Reserve Banks and in reserve requirements of member banks.

Discount Rate. A reduction in the discount rates of the Federal Reserve Banks of New York, Philadelphia, and Chicago from 2½ per cent to 2¼ per cent was approved by the Federal Reserve Board on March 6, the discount rates of the other nine Federal Reserve Banks (St. Louis, Minneapolis, Boston, Cleveland, Dallas, Atlanta, Kansas City, Richmond, and San Francisco) being subsequently reduced to the same level; the San Francisco reduction was from 3 per cent to 2¼ per cent, as that Reserve Bank was the only one which had not previously reduced its rate from 3 per cent to 2¼ per cent.

A further reduction in the discount rate of the Federal Reserve Banks of New York, Philadelphia, Chicago, St Louis, and Minneapolis from 2¼ per cent to 1½ per cent was approved on April 17, and for the Federal Reserve Banks of Boston and Atlanta on April 21. The 1½ per cent rate was the lowest since August 1955, when the rate was raised from 1¼ per cent to 2 per cent.

Reserve Requirements. The Federal Reserve Board announced on March 18 that reserve requirements of member-banks would be reduced by another ½ per cent—viz. from 19½ per cent to 19 per cent of net demand deposits for central reserve city banks (New York and Chicago); from 17½ per cent to 17 per cent for reserve city banks in other large cities; and from 11½ per cent to 11 per cent for country banks. This measure released about $490,000,000 from previously required reserves, and it was estimated that it would mean nearly $3,000,000,000 more in available credit.

The second reduction in reserve requirements was announced on April 17 together with the above-mentioned further cut in the discount rate. It was from 19 to 18½ per cent immediately and to 18 per cent as from April 24 for central reserve city banks, and from 17 to 16½ per cent for reserve city banks; no change was made for country banks. The effect of the measure was a further release of $450,000,000 of reserves, thus permitting the banks to add to their total deposits by making fresh loans and investments up to $2,700,000,000.

A Federal Reserve Board spokesman explained on April 17 that the reduction in reserve requirements was partly for technical reasons, inasmuch as it was designed to offset a withdrawal of gold from the U.S.A. of nearly $600,000,000 in the previous two months—much of it having gone to Britain.

Under the U.S. monetary system each dollar of gold leaving the country reduces the reserves of private banks by a corresponding amount; without the reduction in reserve requirements approved by the Federal Reserve Board, money would have tended to become tighter.—(New York Times) **(Prev. rep. 16034 A; Recession, 16199 A.)**

C. ARGENTINA. — Frondizi Cabinet.

A new Argentine Cabinet was formed by President Frondizi after his inauguration on May 1, portfolios being allocated as follows:

Dr. Alfredo Vitolo	Interior.
Dr. Carlos Alberto Florit ..	Foreign Affairs and Religion.
Dr. Emilio Donato del Carril ..	Finance.
Dr. Luis MacKay	Education and Justice.
Dr. Hector Noblia	Social Assistance and Public Health.
General Hector Solanas Pacheco	War.
Rear-Admiral Adolfo Estevez ..	Navy.
Commodore Roberto Huerta ..	Air.

Dr. Vitolo will also take over the Ministry of Transport and Communications *ad interim*; Dr. Donato del Carril will take over the Ministries of Agriculture and Livestock and of Trade and Industry *ad interim*, in addition to the Finance portfolio; and Dr. Noblia will be interim head of the Ministry of Labour. It was reported that Dr. Frondizi intended to appoint a trade union leader as Minister of Labour.

Dr. Vitolo, for many years a prominent Radical, joined the *Unión Cívica Radical Intransigente* under Dr. Frondizi when the party split in 1954; he was one of the chief Opposition spokesmen in Parliament against the Peronista Constitution of 1949. Dr. Florit (who is 29) belongs to the Catholic nationalists, who support Dr. Frondizi's party. Dr. Donato del Carril is an expert on economic and financial questions. (New York Times - Neue Zürcher Zeitung) **(Prev. rep. 16156 C; 16061 C.)**

D. IRISH REPUBLIC. — Bank Rate reduced.

The Central Bank in Dublin announced on May 29 that its discount rate would be reduced from 5½ per cent to 5 per cent, with immediate effect.—(Irish Times, Dublin) **(16100 D.)**

JUNE 7—14, 1958

A. CYPRUS. — Political Developments. - Eoka "Ultimatum" to Sir Hugh Foot. - Renewal of Eoka Terrorism. - Murders of British Soldiers. - Campaign against Left-wing Cypriots. - Killing of Trade Union Leaders. - Anti-Greek and Anti-British Riots by Turkish Cypriots. - Turkish Campaign for Partition. - British Negotiations with Greece and Turkey.

Developments in the Cyprus situation since the appointment of Sir Hugh Foot as Governor of the island [see 15815 B] are summarized below under cross-headings.

Sir Hugh Foot's Arrival in Cyprus. - Meetings with Greek and Turkish Cypriot Leaders.

Sir Hugh Foot arrived in Nicosia from London on Dec. 3, 1957, and was sworn in on the same day as Governor of Cyprus in succession to Field-Marshal Sir John Harding. In a statement after the ceremony, and at a subsequent press conference, Sir Hugh appealed for a "new start" in Cyprus and expressed his conviction that an "overwhelming majority" of the Cypriot people would "wish to accept the offer of friendship, understanding, and co-operation which I make." He emphasized that he would be "at all times accessible to those of the Cypriot people who want to see me," and announced his intention of making an immediate tour of the island "to see things for myself."

On the day of Sir Hugh Foot's arrival, leaflets signed "Dighenis" (the pseudonym of Colonel Grivas, the Eoka leader) were circulated in Nicosia saying that Eoka would offer a "handshake" to the new Governor if he allowed Archbishop Makarios to return to Cyprus and negotiate with him (Sir Hugh) on the island's future. The leaflets described Cyprus as "a live volcano" and said that Sir Hugh Foot's attitude would "decide whether it will erupt again or remain silent."

In accordance with his promise, Sir Hugh Foot visited all parts of the island between Dec. 4 and Dec. 30, had a number of meetings with representatives of the Greek Cypriot and Turkish Cypriot communities, and also announced certain measures designed to bring about a relaxation of tension.

After a comprehensive tour of the island on Dec. 4-8, Sir Hugh spoke in a broadcast of the "warm, cheerful, and friendly" welcome he had received from all sections of the population. He added that there was "an overwhelming desire, among Greeks and Turks alike, to see the end of the present situation and . . . progress towards a just settlement." On Dec. 12 he was cheered by large crowds when he walked virtually unescorted through the Old City of Nicosia—an area where many terrorist attacks had taken place during the past three years, and where communal disorders had occurred shortly after his arrival in the island.

Between Dec. 9 and Dec. 17 Sir Hugh Foot had two meetings with Dr. Kutchuk and other leaders of the Turkish Cypriot community, including the Grand Mufti; paid a personal call on Dr. Dervis, the Greek Cypriot mayor of Nicosia; had a meeting with Greek newspaper editors; and met the Greek mayors of Nicosia, Famagusta, Larnaka, Limassol, Paphos, and Kyrenia. Particular significance was attached to Sir Hugh's meeting with the mayors of the principal towns and his personal call on Dr. Dervis, since his inauguration as Governor had been boycotted by the Greek Cypriot mayors.

In a broadcast on Dec. 21, Sir Hugh Foot announced (*a*) that 100 political detainees would be immediately released (including all the 11 women in detention); (*b*) that 12 other persons detained in a monastery near Nicosia would also be released; (*c*) that restrictions on the movements of about 600 persons would be relaxed; and (*d*) that the Larnaka Lyceum [closed in November 1956 after serious indiscipline among the students] would shortly be reopened. On Christmas Day he paid a visit to the Pyla detention camp, where he met a committee representing the detainees.

Sir Hugh Foot visited London during the first fortnight of January to report to the U.K. Colonial Secretary, Mr. Lennox-Boyd; he also had consultations with Mr. Macmillan, Mr. Selwyn Lloyd, and the Chiefs of Staff. On returning to Nicosia (Jan. 19) Sir Hugh said that there had been "full agreement" in his discussions with the Government.

Commutation of Death Sentences on Terrorists.

During the last few months of his governorship, Sir John Harding had commuted the death sentences on five convicted Eoka terrorists—in four cases to life imprisonment and in one case to 15 years' imprisonment. The commutations brought the total number of reprieves granted by Sir John to twelve.

(1) Nicos Sofocleous, a mechanic, was sentenced to death on July 6, 1957, after a retrial, for the murder of a Limassol lawyer in the previous November [see page 15653, first column]. Sir John Harding commuted the sentence to life imprisonment on Aug. 15, 1957.

Christos Lambrou, who was re-tried with Sofocleous (see same reference), was acquitted on the charge of discharging a firearm at a British soldier in Limassol.

(2) The journalist Nicos Sampson, who had been sentenced to death on June 2, 1957 [see page 15652, second column], had his sentence commuted to life imprisonment on Sept. 10. He and Sofocleous were subsequently flown to Britain to serve their sentences in a British prison.

(3) Michael Kinighos and Demetrakis Christou were sentenced to death on Aug. 30, 1957, under the emergency regulations, for illegal possession of arms. On Oct. 15 Sir John Harding commuted the sentence on Kinighos to life imprisonment, and that on Christou to 15 years' imprisonment.

(4) Michalakis Rossides, previously sentenced to death for the murder of Private Shilton, of the Royal Leicestershire Regiment [see page 15652, second column], had his sentence commuted to life imprisonment on Oct. 15, 1957. An appeal by Rossides against the death sentence had previously been dismissed by the Judicial Committee of the Privy Council.

Terrorist Activities and Communal Disturbances, September-December 1957. - Eoka "Assassination List."

After several months of quiescence, during which Eoka continued to observe the truce announced on March 14, 1957, terrorist activity broke out again in the autumn of 1957 and continued intermittently to the end of the year. In nearly all cases the attacks were directed against Greek Cypriots who were apparently regarded as "traitors" by the Eoka organization. In addition, serious communal riots broke out in Nicosia in mid-December, shortly after Sir Hugh Foot's arrival, and the security forces were also called out to disperse *enosis* demonstrations timed to coincide with the U.N. General Assembly's debate on Cyprus [see page 16048].

The first victim of violence since the truce of March 14 was a Greek Cypriot villager who was dragged from a sick-bed and beaten up by a band of masked men on Sept. 27; he subsequently died in hospital from his injuries. On Oct. 14 the *mukhtar* (headman) of the village of Dhali—12 miles from Nicosia—was shot dead by an assailant who broke into his office and escaped by car; it later became known that the victim (Loizos Pierou) was on the Eoka "assassination list" which had come into the possession of the authorities on Oct. 9 [see below]. Further incidents occurred on Oct. 30, Nov. 6, Nov. 7, and Dec. 26, in which individual Greek Cypriots were murdered by unidentified assailants in the suburbs of Nicosia and in villages near Paphos; on Nov. 9, when a Turkish Cypriot policeman was shot dead on the Morphou-Nicosia road; and on Nov. 27, when a British Serviceman—the first British subject to be attacked since the truce—was shot at and wounded in Limassol, losing an eye as a result of the attack.

Damage estimated at £10,000 was caused by an explosion at the headquarters of the Cyprus Broadcasting Service on Oct. 17, while electrical transformers were damaged by two explosions on the same day at the R.A.F. base in Nicosia. On Nov. 26 a *Canberra* bomber was completely destroyed, and three other *Canberras* and a *Venom* fighter damaged beyond repair, in a fire which broke out at the R.A.F. base at Akrotiri, in the south-west of the island. There were no casualties in these incidents.

Two leading terrorists surrendered to the security forces in October—Michael Achiotis, a former "area leader" in the Solea valley, and Vanavas Papadopoulos, who had been "wanted" since 1955 and had been mentioned in the captured Grivas diaries [see page 15476].

Achiotis, who had escaped from a detention camp in January 1956, gave himself up on Oct. 9, 1957, declaring that he was disillusioned with the terrorist campaign. He led the security forces to a cave in the Troodos foothills where a number of documents were discovered, together with the bodies of two terrorists (a subsequent inquest returned a verdict of murder by "a person or persons unknown"). The documents contained a list of 200 persons—all of them Greek Cypriots, and including a number of women—who had been marked down by Eoka for assassination; some of those named were themselves prominently connected with Eoka, and others were connected with Cypriot left-wing organizations. Other documents showed that Eoka proposed to resume full-scale terrorist activities if the U.N. debate on Cyprus ended "unsatisfactorily." In giving these details, the authorities announced that they were taking measures to protect the intended victims from the threat of assassination. Papadopoulos gave himself up on Oct. 11, explaining that he had read of Achiotis's surrender and wished to follow his example.

The murders of Greek Cypriots in October and November, referred to above, were widely regarded as an intimidatory warning by Colonel Grivas against the possibility of further defections from the Eoka ranks, such as that of Achiotis and Papadopoulos.

Widespread disturbances occurred on Dec. 9, 1957, during an island-wide general strike, and on Dec. 10, when serious communal rioting broke out in Nicosia.

Over 100 people were injured (including 20 members of the security forces) and 150 arrests made in the general strike, which coincided with the opening of the U.N. debate on Cyprus. On the following day several hundred Turkish demonstrators marched into the Greek quarter of Nicosia after rumours that a Turkish policeman had been injured in riots at the Pan-Cyprian Gymnasium; the demonstrators

caused considerable damage to Greek property before being driven back by the security forces, who sealed off the two quarters. About 80 people were injured in the disturbances (including 41 members of the security forces) and 68 arrests made, a curfew being imposed in Nicosia for the first time in nine months. Another general strike was called on Dec. 16 as a mark of dissatisfaction with the General Assembly's rejection of the Greek resolution on Cyprus, but passed off without any serious incidents.

Turkish Cypriot Demands for Partition. - Criticism of Sir Hugh Foot. - Turkish Riots in Nicosia.

In view of the Turkish Cypriots' insistence that the Cyprus questions could only be solved by partition (*taksim*), in contrast to the Greek Cypriots' demand for *enosis*, tension between the two communities increased still further from the beginning of 1958 onwards. The formation of a Turkish "resistance organization" in Cyprus, known as T.M.T. and replacing the former "Volkan" organization, had been announced in leaflets distributed throughout the island in November 1957.

The leader of the Turkish Cypriots (Dr. Kutchuk), accompanied by the Turkish Consul-General in Nicosia, visited Ankara in January to consult with the Turkish Government on developments in Cyprus since Sir Hugh Foot's arrival. In various statements issued in Turkey, Dr. Kutchuk declared (*a*) that there was no longer "any possibility of co-existence" between the two communities in Cyprus in view of the alleged Greek Cypriot campaign against Turkish lives and property, and (*b*) that the British Government's "soft and indulgent" attitude towards Greek Cypriot terrorism was one of the principal causes for the continuation of terrorist activities. On Jan. 21 Turkish Cypriots demonstrated in Nicosia and Famagusta against what they regarded as the "pro-Greek" policy of Sir Hugh Foot, the demonstrations being dispersed without serious incident.

The first large-scale anti-British demonstrations by the Turkish Cypriots broke out in Nicosia on Jan. 27, when British troops fought pitched battles with thousands of rioters demonstrating for *taksim*. The disorders occurred while Sir Hugh Foot was in Ankara, together with Mr. Selwyn Lloyd, for discussions with the Turkish Government during the meeting of the Baghdad Pact Council [see 16023 A].

The Nicosia riots of Jan. 27 were among the most violent ever known in Cyprus. Thousands of Turkish youths hurled stones and bottles at British troops, overturned and set fire to military vehicles and police cars, and erected barricades in the Turkish quarter of the Old City; Turkish flags were prominently displayed and many of the demonstrators carried placards bearing such slogans as "Out with Governor Foot" and "Long Live Harding." British troops repeatedly broke up demonstrations with baton charges and tear-gas shells, of which over 100 were fired, and a curfew was imposed in the Turkish quarter after nine hours of violent rioting marked by many bitter hand-to-hand struggles between Turkish Cypriots and the security forces. Despite the curfew order, further riots broke out on Jan. 28 and renewed attacks were made on British forces. Order was eventually restored on Jan. 29 after strong appeals by leaders of the Turkish community, the curfew being lifted and British troops withdrawn from the Turkish quarter.

Four Turkish Cypriots were killed in the Nicosia riots—three men shot by the security forces when a car refused to halt at a road-block, and a woman who died of injuries after being accidentally knocked down by a military vehicle. A Turkish Cypriot was also killed in Famagusta when troops opened fire after being repeatedly stoned by Turkish mobs. About 120 people were injured in the disturbances of Jan. 27-28, including 40 members of the British forces.

Dr. Kutchuk was welcomed by large crowds of Turkish Cypriots when he returned to Nicosia from Ankara on Feb. 3. After appealing for order and discipline among the Turkish Cypriot community, he emphasized that the Turkish Government was solidly behind the demand for partition, declared that *enosis* was "buried once and for all," and said that *taksim* was "1,000 per cent certain." He added: "If our own force in Cyprus proves inadequate, our fatherland is ready to come to our aid."

The Turkish Cypriot community in Britain (about 8,000) staged a two-hour parade in London on Feb. 23, ending with speeches in Trafalgar Square demanding the partition of Cyprus. The demonstrators carried placards bearing the slogans "Foot Go Home" and "Partition Foot by Foot."

Sir Hugh Foot's Warning against Renewal of Eoka Violence. - Warning to Terrorists.

In a broadcast on Feb. 2, Sir Hugh Foot said that for the past few weeks "information has been coming in that Eoka has made detailed plans for a renewal of violence and . . . is ready to put those plans into effect at any time . . . After all the dreadful events of the past, we are faced with a new threat of disorder and violence."

Sir Hugh continued: "You all know that for weeks past discussion has been going forward to see if a way could be found to lead us out of our difficulties and to find new hope for the future. I should like to say to you, in the greatest earnestness, that if further violence occurs there can be no possible hope of progress of any kind. The possibility of finding the road for which we have searched would be entirely lost.

"Against the background of what has taken place, I am convinced that anyone who resorts to violence at this time will destroy both himself and his cause. Never was there a time when it was more directly in the interest of everyone in the island to keep the peace and thus make the way open for progress by discussion and argument rather than by riot and terror.

"I feel . . . that if we do return to the miserable state of fear which Cyprus has had to endure in the past, all possibilities of a reasonable settlement would be destroyed. I also feel it my duty to tell you that if there is a renewal of violence it will immediately be essential to take every possible measure to deal with it and finish it. There can be no question of 'business as usual.' Nothing will matter as much as the need to take every possible step to bring violence to a speedy end. We must not hesitate to take those steps, even if it means the dislocation of everyday life, and even if in consequence innocent people have to suffer hardship. It will be in the interests of everyone to restore the situation with all speed so that normal life can be resumed.

"For too long endeavours have been made to force conclusions by violence in Cyprus. They have led to no good whatever indeed, they have merely made it more difficult to see any final and acceptable conclusion. If we sink back into the state of affairs with which you are all too familiar, we shall perpetuate the state of emergency of which we are all sick and tired."

In a further broadcast on March 9, Sir Hugh Foot said that Eoka's threat to launch a "passive resistance" campaign [see below] "is intended to be against the Government but is in fact against the people." He gave an assurance that the Government would take all necessary measures to protect the public if Eoka's threats were put into action.

The ban on parades and processions was relaxed by Sir Hugh Foot to enable the Greek Cypriots to celebrate Greek Independence Day (March 25) for the first time for three years. Some 400,000 Greek Cypriots throughout the island took part in the parades held on that date, about 40,000 in Nicosia alone. The day passed off without a single incident and without any communal disturbances, and was described by Sir Hugh as "a triumph for good sense, good humour, and good will."

The Governor's decision to lift the ban was taken in agreement with the Chief Constable of Cyprus, Mr. J. E. S. Browne, who had succeeded Lieut.-Colonel G. C. White in that post in January. Mr. Brown, the Chief Constable of Nottinghamshire, was seconded to Cyprus for two years, his predecessor returning to his former duties as Chief Constable of Warwickshire after serving for a similar period.

Renewal of Eoka Terrorism. - Murders of British Troops. - Sabotage and "Passive Resistance" Campaigns.

During the first few days of February leaflets were distributed by Peka (the political branch of Eoka) accusing Sir Hugh Foot and the British Government of having "double-crossed" the Greek Cypriots, complaining of "collusion" between Britain and Turkey, and declaring that "the struggle must now continue." On Feb. 23 an Eoka "policy directive" was issued, signed by "Dighenis," calling on the population to prepare for a "passive resistance" campaign against Britain, including a boycott of British goods. The leaflet said that "certain categories" of merchants would be called upon to cease or restrict dealings with British firms; it also ordered Cypriots not to take part in British football pools, "which give the English £50,000 a week unnecessarily." Further Eoka leaflets were widely distributed on March 2 calling on all Greek Cypriots to begin the passive resistance campaign against Britain "as from to-day."

Prior to this development, all 67 Greek *mukhtars* (village headmen) in the Famagusta district had resigned in a body in protest against the emergency and the continued ban on Archbishop Makarios. Similar action was taken towards the end of February by some 500 *mukhtars* of villages in the Paphos area, and in March by many *mukhtars* in the Nicosia and Limassol areas. The resignations were regarded as part of the "passive resistance" campaign, although many of the *mukhtars* were believed to have resigned for fear of Eoka reprisals if they failed to do so.

The "passive resistance" campaign was accompanied by a campaign of "selected sabotage" against such targets as pumping installations serving military camps, Government workshops and storehouses, Naafi stores, etc. Bomb explosions at such establishments were of almost daily occurrence during March and April, causing damage running into tens of thousands of pounds. In none of these incidents, however, were there any casualties. Most of the sabotage took place in the Nicosia and Famagusta areas, although much damage was caused to installations at Kyrenia, Yialoussa, and other localities.

A one-day strike was called by Eoka on April 10 in protest against the continued detention of about 500 Greek Cypriots suspected of taking part in or abetting terrorism, and the banishment of 20 convicted terrorists who were serving their prison sentences in Britain. Clandestine leaflets were distributed alleging "inhuman" methods against detainees, and all shops and workshops were ordered to close down for the day throughout the island. During the one-day strike—which was observed by most of the Greek Cypriot population—detainees in a camp ten miles from Nicosia set fire to about 20 huts, while prisoners in the Nicosia gaol staged demonstrations and in some cases succeeded in climbing on to the roof of the building, where they acted as cheer-leaders for other demonstrators outside the walls.

On the following day (April 11) leaflets were distributed in Nicosia, signed by "Dighenis" and addressed to Sir Hugh Foot personally, warning the Governor that Eoka would resume its attacks on British nationals unless the "maltreatment and torture" of detainees ceased immediately; the Eoka leader said that Sir Hugh bore "the entire responsibility for the medieval methods employed by interrogators." [These allegations, like similar Eoka charges made on past occasions, were strongly repudiated by the Cyprus Government as completely baseless.] On April 14 a member of the British security forces, Mr. William Dear (61), was shot by two terrorists outside a Famagusta cinema in broad daylight, the assailants escaping. Mr. Dear (a member of the Special Branch) was severely wounded and died two days later; he was the first British victim of Eoka terrorism for more than a year. Leaflets were subsequently distributed in which Eoka admitted responsibility for the murder of Mr. Dear, who was alleged to have "tortured" political detainees.

On April 26 Colonel Grivas issued an "ultimatum" to Sir Hugh Foot saying that attacks would be renewed against British Servicemen unless "repressive measures against political detainees" were lifted within 48 hours. As a precautionary measure, the Greek Cypriot quarters of Nicosia, Famagusta, and other towns were put out of bounds to British troops for the period of the "ultimatum." On May 4, however, two British soldiers (both of the Royal Military Police) were shot dead in the Varosha area of Famagusta by terrorists who succeeded in escaping; as in the case of Mr. Dear, Eoka subsequently admitted responsibility for the murders, which were described as "reprisals." As a result of the Varosha killings, Sir Hugh Foot reimposed the death penalty (under the emergency regulations) for attacks on persons with bombs or firearms, or for carrying or possessing bombs or firearms with the intention of causing loss of life.

Two Greek Cypriots were also murdered by Eoka terrorists during April—one in Ledra Street, Nicosia (the notorious "murder mile") and the other in a Paphos hospital. In the latter case a gunman broke into the hospital and killed a patient who had been attacked a fortnight previously and was recovering from his wounds.

Eoka Campaign against Left-wing Cypriots. - Murders of Trade Unionists.

A new development in the Eoka terrorist campaign was the launching of attacks on left-wing Cypriots and trade unionists, and in particular against Communists, of whom a number were murdered during the first five months of 1958.

The first intimation of this campaign was given in leaflets, distributed in September last, in which Eoka gave details of eight separate attacks made within the previous few weeks on individual members of left-wing organizations. The persons concerned were variously accused of spying on Eoka members, speaking insultingly about Eoka, interfering with the distribution of Eoka leaflets, collaborating with the police, and giving away the names of Eoka members. It was specifically alleged that members of the banned Communist Party were collaborating with the British Intelligence Service and the Government-controlled radio, in the latter case by supplying material for "slanderous propaganda" against Eoka.

Other leaflets, signed by Colonel Grivas, said that the attacks were not specifically directed against Communists and the trade unions as such but against "individual traitors," who would be "punished" whether they belonged to the left-wing or the right-wing. Left-wing organizations were nevertheless accused of sheltering "traitors" instead of denouncing them.

The hostility between Eoka and the Cypriot left-wing came to a head in January 1958 as a result of the murder by Eoka terrorists of two leading members of the Pan-Cyprian Federation of Labour (the principal trade union organization in the island) and the wounding of three others. The attacks were made on Jan. 21 at the villages of Koma Yialou, near Famagusta, and Lyssi, halfway between Nicosia and Famagusta. The Pan-Cyprian Federation of Labour called an immediate 48-hour strike of its 35,000 members in protest against the murders; mass demonstrations were also held in many towns, and a telegram was sent to Archbishop Makarios warning him of the "danger of civil war" if Eoka continued its campaign against left-wing trade unionists.

Another island-wide general strike was called on May 26 in protest at the murder of four left-wing trade unionists—three Greek Cypriots and a Turkish Cypriot—during the previous 48 hours. The Greek Cypriots were murdered at Famagusta, Lefkoniko (south-western Cyprus), and Pera (a village near Nicosia), while the Turkish Cypriot was killed in the Turkish quarter of Nicosia. Particular indignation was aroused by the Lefkoniko murder, where the victim was tied to a tree by Eoka terrorists and beaten to death before the eyes of his wife. The Turkish T.M.T. organization admitted responsibility for the killing of the Turkish victim, who was said to have been a Communist.

Clashes between right-wing and left-wing Cypriots occurred during the demonstrations on May 26, several people being injured at Limassol. The general secretary of the Pan-Cyprian Federation of Labour (Mr. Andreas Zhiartides) publicly denounced the terrorism against left-wing trade unionists in a speech at a mass meeting in Nicosia. Eoka leaflets subsequently appeared on the streets calling on the Cypriot workers to "remove" Mr. Zhiartides and threatening him with death if this were not done. The leaflets reiterated the charge that the left-wing was sheltering "traitors," and declared that Eoka would "continue to kill traitors whatever their political party or affiliation."

Renewed Turkish Riots in Nicosia, Larnaka, Limassol and Famagusta. - Drastic Security Measures.

Widespread communal rioting broke out in Nicosia and Larnaka during the night of June 7-8, in which four Greek Cypriots were killed by Turkish mobs. Scores of people were injured in the riots, and many arrests made by the British authorities.

The Nicosia disturbances began at 10.30 p.m. on June 7, when a small bomb was thrown from a passing car at the Turkish Information Office (part of the Turkish Consulate) in Kyrenia Street. Large numbers of Turkish youths armed with sticks, cudgels, iron bars, and other weapons immediately appeared on the streets and attacked Greek premises in the Old City, setting fire to shops and a cigarette factory and smashing windows. Meanwhile crowds of Greek Cypriots had also come on the streets and a battle developed in which firearms, knives, and clubs were used indiscriminately on both sides. Rioting was particularly severe in the alleys round the Famagusta Gate, where a Turkish mob set a timber yard ablaze and burned down a Greek sports club. While the security forces tried to control the rioting mobs, the fire brigade was called out to deal simultaneously with half-a-dozen big fires. Order was only restored after the security forces had imposed a curfew and erected a barricade along the so-called "Mason-Dixon line"—the division between the Greek and Turkish quarters of the Old City. Two Greek Cypriots were killed in the riots, many Greeks and Turks injured, and 80 persons arrested.

Mob violence also broke out in Larnaka after a crowd of Greeks had gathered in one of the main squares armed with clubs. Crowds of Turks invaded the Greek quarter of the town and wrecked a number of premises, two Greek Cypriots being killed in communal fighting. As in Nicosia, a curfew was imposed by the security forces.

[The Nicosia Correspondent of *The Times* commented: "The incident which began the trouble [in Nicosia] is shrouded in mystery . . . Whether the bomb was actually thrown by a Greek, as the Turks allege, is a matter of raging controversy and the authorities have so far committed themselves to no pronouncement. Certainly what immediately followed bore all the signs of a planned and concerted action by gangs of Turkish youths—reminiscent of the tactics adopted in similar circumstances last January . . ."]

After visiting the area of the riots on June 8, Sir Hugh Foot had a meeting with Turkish communal leaders and urged them to do all in their power to stop the situation from deteriorating further. The Mayor of Nicosia (Dr. Dervis) had telephoned Sir Hugh earlier in the day to protest at what he alleged was "the inert attitude and apathy of the security forces in the face of Turkish murder and arson."

Further serious riots broke out on June 10-12 in Nicosia, Limassol, and Famagusta, in which four more Greek Cypriots were killed and large numbers of Greeks and Turks wounded. In Nicosia, bands of Turkish youths engaged in large-scale arson, in which many Greek shops were burned down and the ancient Greek Church of St. Lucas was gutted; in Limassol, at least 20 people were wounded in stick-and-stone battles between Greek and Turkish Cypriots; and in Famagusta some 17 people were injured in similar communal riots. Seven Greek Cypriots were killed in a violent communal clash on June 12 at the village of Guenyeli, a few miles from Nicosia. Daytime curfews were imposed in Nicosia, Famagusta, and Limassol, where the security forces used batons and tear-gas in attempts to bring the riots under control; about 100 persons, both Greeks and Turks, were reported to be under arrest by the latter date.

New and drastic security measures were imposed by Sir Hugh Foot on June 9, with immediate effect. They were (1) a curfew (6.30 p.m. to 4.30 a.m.) in all the main towns of Cyprus, including the suburbs of Nicosia; (2) a ban on processions and assemblies of all kinds; (3) an all-night ban on the use of buses and taxis throughout the island, except with police permission; (4) cancellation of all entertainments and sporting events. Further measures taken on June 12 included a ban on funeral and wedding processions.

It was announced in London on June 14 that the 16th Parachute Brigade Group (three battalions, each consisting of about 500 paratroopers) was being flown out to Cyprus in view of the deteriorating situation, together with a battery of artillery and a squadron of engineers.

Turkish and Greek Reactions to Communal Disturbances in Cyprus.

The Turkish Foreign Ministry issued a statement on June 8 declaring that the Turkish Government had come to "a full and mature decision to bring about the partition of Cyprus" as the only means of ensuring Turkey's own security. On the same day some 200,000 people in Istanbul demonstrated in support of the Turkish Cypriots' demand for *taksim*; speeches were made attacking both Greece and Britain, and an effigy of Archbishop Makarios was burned in public. The speakers included Dr. Kutchuk, who said that there was no possibility of the Greek and Turkish Cypriots living together, and that the question was no longer one for the Turkish Cypriots but "for 26,000,000 Turks." Tanks, troops and police were called out to disperse thousands of demonstrators attempting to march on the Greek and British Consulates. Similar anti-British and anti-Greek demonstrations took place on June 12 in Ankara, where over 100,000 people demonstrated for *taksim* at the Atatürk Mausoleum.

The Turkish Ambassador in London (Mr. Nuri Birgi) was summoned to the Foreign Office on June 9 by Mr. Selwyn Lloyd; it was understood that the Foreign Secretary had asked Mr. Birgi to urge his Government to exercise its influence on the Turkish Cypriot community to ensure calm and restraint. Similar representations were made in Ankara by the British Ambassador, Sir Roger Bowker.

In Athens, a Foreign Ministry spokesman accused Turkey of working to a "premeditated plan" in order to bring pressure on Britain on the eve of an important British policy statement on Cyprus; it was alleged that the "vandalism" in Nicosia and Larnaka formed part of this "plan." It was also announced that Greece had asked for an immediate meeting of the North Atlantic Council as a result of the anti-Greek riots in Cyprus.

Archbishop Makarios (who had just returned from a week's visit to Egypt) said in Athens on June 9 that the Nicosia and Larnaka riots had been organized in a manner which suggested that they were "part of a prepared plan on the pattern of the anti-Greek riots in Istanbul three years ago" [see 14424 A]. After declaring that the Cyprus Government had "once again proved incapable of preventing or quelling disturbances in time," the Archbishop said that the Greek Cypriots were "forced to organize in self-defence against Turkish provocation or attacks in the future." In a statement before leaving Cairo, the Archbishop had claimed that the United Arab Republic fully supported the Greek Cypriots' demand for self-determination.

The Greek Foreign Minister (M. Averoff) announced on June 12 that a protest had been made to London at the "inadequacy" of the Cyprus administration in protecting Greek Cypriots from Turkish mob violence. M. Averoff also disclosed that the Greek Government had asked for the personal intervention of the U.N. Secretary-General (Dr. Hammarskjöld) in view of the gravity of the situation.

Anglo-Turkish and Anglo-Greek Discussions on Cyprus.

As stated above, Mr. Selwyn Lloyd and Sir Hugh Foot discussed the Cyprus question with Turkish Ministers during the Ankara meeting of the Baghdad Pact Council in January last. No statement was issued on these talks (held on Jan. 28-30), in which Turkey was represented by M. Menderes, the Prime Minister, and M. Zorlu, the Foreign Minister.

On Feb. 10-11 Mr. Selwyn Lloyd and Sir Hugh Foot visited Athens for discussions on the Cyprus question with the Greek Prime Minister, M. Karamanlis, and the Foreign Minister, M. Averoff; the British Ambassador in Athens and the Greek Ambassador in London (Sir Roger Allen and M. Seferiades) also took part in the discussions.

A brief statement was issued on Feb. 12 saying (1) that Mr. Selwyn Lloyd had "explained H.M. Government's viewpoint, stressed the risks inherent in the present situation in Cyprus, outlined various ways whereby he thought progress could be made, and emphasized the importance of restraint and moderation on all sides in order that efforts to achieve a settlement should have a chance of success"; and (2) that M. Averoff had "explained the principles on which Greek policy towards Cyprus is based, and the reasons which made it necessary for a solution to take account of these principles."

Sir Hugh Foot had a private meeting with Archbishop Makarios, who was in Athens at the time and who had been kept informed of the Anglo-Greek talks by M. Averoff. On returning to Nicosia, Sir Hugh said that he had had a "frank exchange" of views with the Archbishop and that the question of his (the Archbishop's) return to Cyprus had not been raised.

Mr. Selwyn Lloyd made the following statement to the House of Commons on Feb. 18 on his discussions in Ankara and Athens:

"My purpose in these talks was to emphasize the dangers of the present situation in Cyprus and to seek an area of common ground on which a settlement could be based. I cannot claim yet to have succeeded in this, nor indeed did I expect that it would be possible to do so at this time. But I do believe that the talks have resulted in the clarification of the position of each of the three Governments, and in that sense have contributed to a solution.

"I have certain ideas as to what might form the area of common ground. I propose to discuss these ideas with my colleagues and follow them up with the two Governments in the most appropriate manner."

Although no further statements were issued, it was understood that diplomatic negotiations on the Cyprus problem were continuing between London and Athens and Ankara. Sir Hugh Foot visited London from May 6-10 for discussions with Mr. Macmillan, Mr. Selwyn Lloyd, and Mr. Lennox-Boyd, whilst the British Ambassadors in Ankara and Athens (respectively Sir James Bowker and Sir Roger Allen) were also recalled to take part in the talks. On his return to Nicosia (May 20) Sir Hugh said that there was agreement between the British Government and himself on the Cyprus question, adding that an important statement would be issued within three weeks. It was also stated in London that a statement on Cyprus would be issued when Parliament reassembled after the Whitsun recess.—(Times - Daily Telegraph - Manchester Guardian - Hellenic News Agency, Athens - Turkish Embassy Press Office, London) **(Prev. rep. Cyprus, 15778 A; 15701 A; 15649; Sir Hugh Foot, 15815 B.)**

A. ITALY - UNITED KINGDOM. — President Gronchi's State Visit to Britain.

The President of Italy and Signora Gronchi paid a three-day State visit to Britain on May 13-15 at the invitation of Queen Elizabeth II and the Duke of Edinburgh. It was the first visit to Britain by the Head of the Italian State since 1924, when King Victor Emanuel III and Queen Elena visited London at the time of the British Empire Exhibition.

The President and Signora Gronchi travelled overland to Calais, where they embarked for Dover in the destroyer H.M.S. *Grenville*, escorted by other British warships and aircraft. They were welcomed at Dover by the Duke of Gloucester and at Victoria Station (London) by the Queen, Prince Philip, and other members of the Royal family, with whom they drove to Buckingham Palace along a route lined by the three Services. In the afternoon (May 13) President and Signora Gronchi visited Westminster Abbey to place a wreath on the Tomb of the Unknown Warrior; called on the Queen Mother at Clarence House; and received addresses at St. James's Palace from the chairman of the London County Council and the Mayor and Corporation of Westminster. In the evening the President and Signora Gronchi were the guests of the Queen and Prince Philip at a State banquet at Buckingham Palace, at which speeches were made by her Majesty and the President.

In the morning of May 14 the President received at Buckingham Palace the High Commissioners of the Commonwealth countries, the Ambassador of the Irish Republic, and the *chefs de mission* of the Diplomatic Corps. Later President and Signora Gronchi drove by carriage from the palace to Guildhall, with a Sovereign's escort of the Household Cavalry, to attend a lunch given in their honour by the Lord Mayor of London (Sir Denis Truscott) and the Corporation of the City. In the afternoon President Gronchi received Mr. Macmillan and Mr. Selwyn Lloyd at Buckingham Palace, while in the evening the President and Signora Gronchi gave a dinner for the Queen and Prince Philip at the Italian Embassy.

On May 15 President Gronchi travelled to Cambridge, where he received the honorary degree of LL.D. and lunched with the Chancellor and Vice-Chancellor of the University, respectively Marshal of the R.A.F. Lord Tedder and Lord Adrian (Master of Trinity College). The President returned in the afternoon to London, where, with Signora Gronchi, he heard Mass at the Italian Church of St. Peter in Clerkenwell. Later in the day they attended a reception for the Italian colony in London, held at County Hall; dined with the Queen and Prince Philip at Buckingham Palace; and attended a reception given by H.M. Government at Lancaster House.

President and Signora Gronchi concluded their State visit on May 16, returning to Rome by air the same evening. (Times - Daily Telegraph)

A. MOROCCO. — Resignation of Si Bekkai. - New Cabinet formed by M. Balafrej. - Publication of "Royal Charter." - Attacks by "Liberation Army" on Spanish and French Territory. - Spanish Southern Morocco transferred to Moroccan Jurisdiction. - Moroccan Claim to French Mauritania. - Internal Developments.

A political crisis was caused in Morocco by the presentation to King Mohammed on April 15 of a resolution criticizing the policy of the Istiqlal members of the Government, which had been signed by seven political leaders (including two Ministers) and approved by the Prime Minister, Si Bekkai. The nine Istiqlal Ministers tendered their resignation in the early morning of April 16, as a protest against the Prime Minister's action in approving the resolution without consulting his colleagues, and Si Bekkai's resignation was announced later the same day. He subsequently told the Press that he had resigned "in order to be free and to defend public liberties and democracy better."

The resolution accused the Istiqlal of attacking freedom of the Press, assembly, and political organization, and demanded legislation guaranteeing democratic liberties before elections were held. In support of its allegations, it referred (*a*) to the suspension in February of newspapers published by the Democratic Independence Party (P.D.I.) for disregarding official instructions not to exploit the French raid on Sakhiet-Sidi-Youssef for party purposes, and (*b*) to a Bill empowering the Minister of the Interior to forbid the formation of new political parties, which was said to be in preparation. The resolution was signed by M. Reda Guedira (Minister of Information) and M. Rashid Mouline (Minister for the Civil Service), who are leaders of the Independent Liberal group; M. Ouezzani and M. Boutaleb, leaders of the P.D.I.; M. Mekki Naciri, leader of the small Moroccan Unity Party; Dr. Khatib, the former commander of the "Liberation Army"; and M. Ahardane, the founder of the banned People's Movement [see 15914 A].

It was pointed out in the French Press that the signatories had little in common except their hostility to the Istiqlal. The Liberal Independents and the P.D.I. are "modernist" in outlook and supporters of *laissez-faire* in economic policy; the former, however, are regarded as pro-American, whereas the latter have adopted an increasingly pro-Egyptian policy in recent months. M. Naciri, Dr. Khatib, and M. Ahardane, on the other hand, are regarded as "traditionalists." Although the Istiqlal includes both conservative and radical elements, its leaders are predominantly "modernists"; it draws its following mainly from the towns, the intellectuals, and the trade union movement, and is also supported by the Communist Party, which remains active although nominally banned.

The formation of a new government was delayed by the King's desire to reconcile the Istiqlal's demand for a homogeneous government "responsible both to the King and the people," and for a representative Assembly, with the minor parties' demand for guarantees for the rights of the Opposition. It was therefore announced on May 8 that the King was drawing up a "charter" which would form the programme of the new government, and that a Prime Minister would be appointed when this was completed. On May 8 the King asked M. Balafrej (general secretary of the Istiqlal, and Foreign Minister in the previous Government) to form a Cabinet; later the same day King Mohammed read a broadcast proclamation in which he announced his intention to convene an elected Assembly.

In his proclamation—which, he said, marked the opening of a new phase in the life of the nation—the King stated that he proposed to establish "political institutions allowing our loyal people to participate directly in the conduct of public affairs." The proclamation laid down the following principles:

(*a*) The national sovereignty was "incarnated in the King, who is its trusty depositary and vigilant guardian."

(*b*) The King would continue to exercise the legislative power "together with the bodies which we shall set up for this purpose."

(*c*) The executive power would be exercised by the Cabinet. Ministers would be individually and collectively responsible to the King, and a decree would be issued defining their powers.

(*d*) Freedom of opinion, expression, association, and organization would be guaranteed, subject only to "the respect due to the monarchial régime, the safety of the State, and the demands of the public interest."

(*e*) The commune would become the basis of the modern organization of Morocco, superseding the existing tribal organization.

(*f*) A committee would be appointed to draw up an electoral law and a law on public liberties.

(*g*) Municipal and communal (district) councils would be subsequently elected.

(*h*) The members of these bodies would elect from among themselves a National Assembly which would excercise the functions assigned to it by the King, and which would be empowered to discuss and vote on the Budget.

(*i*) At a later stage a National Assembly would be directly elected by universal suffrage.

The membership of the new Government was announced on May 12 as follows:

M. Ahmed Balafrej	Prime Minister and Foreign Affairs.
M. Abderrahim Bouabid	Vice-Premier, Economy, and Agriculture.
M. Abdelkrim Benjelloun	Justice.
M. Messaoud Chiguer	Interior.
M. Ahmed Lyazidi	Defence.
M. Omar Ben Abdeljalil	Education.
M. M'Hamed Douiri	Public Works.
M. Bashir Ben Abbès	Labour and Social Questions.
Dr. Abdelmalek Farraj	Health.
M. Mohammed Aouad	Posts and Telegraphs.

All the members of the Government were drawn from the Istiqlal with the exception of Dr. Farraj and M. Aouad, who are regarded as Istiqlal sympathizers.

M. Balafrej (50) was born in Rabat, educated at the Sorbonne and in Cairo, and joined the nationalist movement at the age of 18. He helped to found the Istiqlal in 1943, being elected its general secretary. In the following year he presented a manifesto demanding independence for Morocco to the then Sultan, the French Resident-General, and the diplomatic representatives of the Allied countries. In consequence he was arrested and deported to Corsica by the French authorities, and after his release in 1946 spent several years abroad as the nationalist movement's representative at the U.N. and elsewhere. He became Morocco's first Foreign Minister in 1956.

All the Istiqlal Ministers except M. Bouabid were regarded as belonging to the party's conservative wing; M. Bouabid's position, however, was strengthened by his appointment to the Vice-Premiership and the Ministry of Agriculture in addition to his previous post as Minister of National Economy, thereby bringing all branches of production under his control. The new Ministers were M. Chiguer, who as Director of the Royal Cabinet had been closely associated with the King; M. Ben Abbès, previously Governor of Marrakesh; and M. Aouad, previously Ambassador to Spain. Unlike Si Bekkai's two Ministries, the new Cabinet did not include a representative of the Jewish community.

Recent developments affecting Morocco's relations with France and Spain are described below under cross-headings.

Franco-Spanish Operations against "Liberation Army."

The "National Liberation Army"—which had adopted the name of "Liberation Army of the Moroccan Sahara," and operates independently of the Moroccan Government—was active during the later months of 1957 over much of Spanish Southern Morocco and also in parts of the Spanish Sahara (the former colonies of Saguia el-Hamra and Rio de Oro). Their infiltrations were helped by the fact that the local Spanish forces had been withdrawn to three bases on the coast—Villa Bens (Spanish Southern Morocco), El Aiun (Saguia el-Hamra) and Villa Cisneros (Rio de Oro). The "Liberation Army" was supported during this period by a large section of the Reguebat—the most important of the nomadic tribes of the western Sahara, the members of which wander over the three Spanish territories, north-western Mauritania, and the Tindouf area of western Algeria.

Communiqués issued in December and January by the Spanish authorities and the "Liberation Army," though differing widely in their estimates of casualties, confirmed that the "Liberation Army" was operating in the immediate neighbourhood of the Spanish bases on the coast. A large-scale action took place on Jan. 12-13 near El Aiun, in which Spanish forces repelled a heavy attack by Moroccan irregulars after fierce fighting; Spanish casualties were given in Madrid as 51 killed and wounded, while "Liberation Army" casualties were estimated at over 240 in killed alone. In Rio de Oro, fighting took place near Villa Cisneros on Jan. 3 with casualties on both sides, whilst clashes also occurred from time to time in the Ifni *enclave* during the first few months of the year. The French authorities announced on Feb. 10 that several minor engagements had taken place during the previous fortnight between the French forces in Mauritania and bands of irregulars raiding across the frontier from the Spanish Sahara.

On Feb. 10 a joint offensive against the irregulars was launched by 9,000 Spanish and 5,000 French troops, supported by 60 Spanish and 70 French aircraft. Two French columns advancing from Fort Trinquet (Mauritania) and Spanish columns from Villa Bens and El Aiun converged upon the small town of Smara, which had been heavily attacked by Spanish aircraft. In Rio de Oro French forces from Fort Gouraud and Spanish forces from Villa Cisneros co-operated in wiping out the "Liberation Army" bands, while on the Mauritanian frontier mopping-up operations were carried out by French troops from Tindouf and Fort Trinquet. A Spanish communiqué of March 1 announced that the operations had been brought to a successful conclusion and gave the "Liberation Army's" casualties as 214 killed, against five Spanish soldiers killed and 27 wounded.

According to French sources, however, the majority of the "Liberation Army" escaped into Spanish Southern Morocco. It was nevertheless stressed in French reports that a number of vehicles and considerable stores of food, petrol, uniforms, and medical equipment had been captured, the size of which indicated that the "Liberation Army" had intended to use Spanish territory as a base for operations against Mauritania. It was also pointed out that the operation had succeeded in forcing the "Liberation Army" to retreat behind the official Spanish-Moroccan frontier.

As a further result of the Franco-Spanish offensive, large sections of the Regueibat submitted to the French Government, including some which had never previously acknowledged French authority. Other sections of the Regueibat, however, withdrew into Morocco; by the beginning of March about 12,000 refugees had settled in the Agadir area, about half of whom had come from Ifni and the remainder from the Spanish Sahara, Spanish Southern Morocco, Mauritania, and the Tindouf area.

Transfer of Spanish Southern Morocco.

Following secret negotiations at Cintra (Portugal) between M. Balafrej and the Spanish Foreign Minister, Señor Castiella, an agreement was signed on April 1 providing for the restoration of Spanish Southern Morocco to Moroccan jurisdiction on April 10. This area had previously been administered by Spain under the protectorate treaty of 1912, which was abrogated in 1956; the Spanish Government, however, whilst recognizing Moroccan sovereignty over the territory, had emphasized in December last that it would only agree to its retrocession on condition that it was occupied by the Royal Moroccan Army and not by the "Liberation Army." A communiqué issued in Madrid on April 2 said that the recent operations against the "Liberation Army" had ensured that the Royal Moroccan Army would be able to maintain order in the territory.

Spanish Southern Morocco (also known as Tarfaya) is nearly 10,000 square miles in area, being bounded by the River Draa on the north and by parallel 27 deg. 40 min. in the south. It is mostly desert, inhabited by about 6,000 nomad tribesmen; the only considerable settlement is Tarfaya, a village of a few hundred inhabitants adjoining the post of Villa Bens.

The transfer of control was delayed by the refusal of the Spanish authorities to allow the Moroccan troops to use the main road to Tarfaya, which passes through Saguia el-Hamra; in consequence the Moroccan forces reached Tarfaya only on April 18. Offence was caused in Madrid by King Mohammed's appointment of M. Ali Bou Aida (a merchant who had sat in the Moroccan Consultative Assembly as representative of Ifni) as Governor of the new province of Tarfaya. A Spanish Government spokesman denounced M. Bou Aida as a "dishonest person" who had shown himself hostile to Spain during the Ifni disorders.

In a Note presented in Madrid on April 12, the Moroccan Government demanded the evacuation of all Spanish forces still stationed in Morocco, numbering about 35,000 men. The Spanish Ambassador in Rabat informed King Mohammed on May 10 that the garrison of Villa Bens would shortly be withdrawn and the administrative buildings handed over to the Moroccan authorities.

Moroccan Claims to Mauritania.

Open support for the concept of a "Greater Morocco" including Mauritania was expressed for the first time by King Mohammed on Feb. 25, and by his Cabinet on March 17. Addressing representatives of the Regueibat and other desert tribes during a visit to the extreme south of Morocco, the King declared on Feb. 25 that "we shall continue our efforts for the restoration of our Sahara, in accordance with our historic rights and the will of its inhabitants." The Moroccan Government subsequently announced on March 17 that it had protested to the International Bank against a request for a loan submitted by the *Société des mines de fer de Mauritanie* (which exploits the iron mines at Fort Gouraud), in view of the "Moroccan" character of the area.

King Mohammed laid claim to Mauritania in more explicit terms on March 28 when receiving four prominent Mauritanian public figures—including two members of the Executive Council—who pledged him their allegiance. They were M. Dey Ould Sidi Baba (Minister of Commerce), M. Mohammed Ould Bah (Minister of Education), the Emir of Trarza (Mohammed Ould Fall Oumer, a member of the High Commission of the Joint Organization for the Sahara), and Sheikh Hamadou.

In his speech of welcome, the King said: "For long centuries Morocco and Mauritania have formed a single body united by the same religion, speaking the same language, belonging to the same family, and sharing common traditions . . . Your arrival comes at a time when we are particularly concerned with the problem of our country's frontiers, and when we have taken measures to recover the territories of which it has been illegally dispossessed."

The Emir of Trarza formally surrendered his Emirate to the King who restored it to him as his vassal. Trarza, which includes over 10 per cent of Mauritania's population, lies at the mouth of the River Senegal, in south-western Mauritania; according to Moroccan official spokesmen, the Emir's ancestors had recognized the authority of the Sultan of Morocco in the 17th century.

The four Mauritanians (who said that they had resigned their governmental posts in Mauritania and would stay in Morocco for the time being) told a press conference that the problem was whether Mauritania was to be "integrated into a federation with Negro Africa, with which we have nothing in common, or to form part of the Sheriffan kingdom, to which we are united by our past and our religion, language and culture." Their statement referred to France in friendly terms, expressing the desire for close co-operation between France and "Greater Morocco." In a broadcast on April 9, however, the Emir of Trarza appealed to the Mauritanians to "rise up against tyranny, injustice, and slavery and against the massacre of your brothers," and to wage war against the "infidels." His broadcast was followed by a similar appeal by M. Horma Ould Babana, the former deputy for Mauritania in the French National Assembly, who had settled in Morocco in 1956 [see 15110 A].

The action of the four Mauritanian leaders was strongly condemned by the Mauritanian Government in a statement on March 29, as well as by the Territorial Assembly of Mauritania at an extraordinary session on April 2.

Addressing the Assembly, M. Moktar Ould Daddah (the Deputy Premier) accused the four Mauritanian leaders of "treason to the Mauritanian cause" and of having "betrayed the good faith of their own Government and of the Assembly." He added: "At a time when France is generously giving us the right to govern ourselves and to take our own decisions freely, we reply to Morocco 'No.' We Mauritanians will remain within French West Africa and the French Union."

In an earlier statement in March the Mauritanian Government had recalled that Mauritania did not possess any common frontier with Morocco [they are separated by the Spanish Sahara]; that its frontiers in the north and north-east had been laid down by international treaties concluded long ago; and that these treaties had never been contested in the past.

After a formal protest to Rabat (March 31) against the Moroccan Government's attitude on the Mauritanian question, the French Government issued a statement on April 14 declaring that "the cause of Mauritania, which is determined to preserve its national identity and legitimate interests against claims without historical or juridical foundation, will be defended on all occasions, on all levels, and by all methods."

Breakdown of Inquiry into Arrest of Algerian Leaders.

The Moroccan representative, M. Filali, withdrew on Feb. 28 from the international commission appointed to inquire into the arrest of five Algerian nationalist leaders in 1956 while travelling in a Moroccan plane [see 15925 A], as a protest against the commission's refusal to hear evidence from the five Algerians. This decision had been taken by three votes to two, the French, Belgian and Italian representatives voting in its favour and the Moroccan and Lebanese representatives against.

Supreme Court quashes Death Sentences on French Officers.

On March 24 the special court set up in 1957 to try offences against the security of the State condemned to death *in absentia* two French officers, Colonel Hubert and Commandant Vallache, and an Algerian interpreter, on charges of "spreading anarchy in Morocco and plotting the murder of prominent Moroccans," including M. Balafrej. The charges, which were brought under a law promulgated by the French authorities in 1953, referred to the activities of the accused during 1955-56, when Colonel Hubert was in command of the French forces in the Rif. A Moroccan citizen was also condemned to death on similar charges.

The sentences aroused strong feeling in France, in view of the vagueness of the charges and of allegations (subsequently denied by the Moroccan Government) that the two officers had not even been informed of the proceedings against them. M. Tixier-Vignancour, an extreme right-wing deputy, sent a telegram to the King of Morocco on March 25 threatening that if the condemned Moroccan was executed the Moroccan Ambassador in Paris and his staff would "suffer just reprisals." The French Government decided on March 26 (i) to protest strongly against the sentences; (ii) to open legal proceedings against M. Tixier-Vignancour; and (iii) to promote Colonel Hubert to the rank of *général de brigade*. On an appeal lodged by the Moroccan Procurator-General, the Moroccan Supreme Court quashed all the sentences on April 1 on procedural grounds—viz., that the special court, contrary to the terms of the decree establishing it, had opened proceedings without the written approval of the Minister of the Interior.

Monetary Agreements with France and Spain.

A financial agreement between France and Morocco was concluded on Feb. 1, 1958, as a result of discussions between M. Bouabid and M. Pflimlin (then French Finance Minister) which had been in progress since November last.

Following the partial devaluation of the franc by 20 per cent which the French Government had carried out on Aug. 10, 1957, without consulting the other countries of the franc area, and which affected all imports into the area, M. Bouabid warned France in November that it might become necessary to revalue the Moroccan franc at 1.10 to 1.20 French francs in order to avoid price increases. In consequence the French Government decided on Nov. 20 to release 5,000,000,000 fr. which had been voted by Parliament as a contribution to Morocco's equipment budget, but had been blocked for political reasons.

The provisions of the agreement concluded on Feb. 1 were as follows :

(1) The Moroccan franc would remain at par with the French franc, and Morocco would remain in the franc area.

(2) A compensation fund would be established to keep down the prices of imports, and the French Government would contribute 4,000,000,000 fr. as a gift and 2,300,000,000 fr. as a loan. Importers of essential goods (e.g. cereals, tea, sugar, textiles, fuel oils, industrial raw materials, and agricultural and industrial equipment) would receive an average refund of 10 per cent of the cost from the compensation fund.

(3) The Moroccan Bureau of Currency Exchange would be transferred from Paris to Rabat, and would be controlled by the Moroccan Government through the State Bank.

Under an agreement between the Moroccan and Spanish Governments, signed on Jan. 14, the peseta was withdrawn from circulation in the former Spanish zone during February and replaced by the franc.

Establishment of "Purge Commission."

A Royal decree issued on April 17 set up a "purge commission" to decide the penalties to be inflicted on persons who, between Dec. 24, 1950 (when the Pasha of Marrakesh first entered into open opposition to the Sultan) and Nov. 16, 1955 (when the Sultan returned from exile), had "knowingly and deliberately participated in the preparation, execution, or consolidation of the *coup de force* of Aug. 20, 1953 [i.e. the Sultan's deposition], or committed acts of violence against the people or the resistance movement." It was stated that only persons who took a "decisive part" in those events would be affected by the decree.

The commission was empowered to impose penalties of deprivation of civil rights for three to five years, and total or partial confiscation of "property acquired by evil means"; the accused, however, might receive legal assistance and might appeal against their sentences to the King. In anticipation of the appointment of the commission, a list of 193 persons who were forbidden to dispose of their property had been published in September last.

Reconciliation between King Mohammed and Abd El Krim.

After receiving the youngest son of Abd El Krim (leader of the Rif revolt of 1921-26) in audience on March 17, the King announced that he had granted the "fighter and hero Abd El Krim" a pension in recognition of his "inestimable services to the country." An invitation to return to Morocco from his voluntary exile in Cairo, conveyed by M. Bouabid on the King's behalf, was declined, however, by Abd El Krim, who stated that he would not return "until North Africa is completely free." The King's gesture was regarded as marking the end of a long feud between Abd El Krim, who headed a "Rif Republic" from 1921-26, and the ruling Alouite dynasty. (Le Monde - Le Figaro) **(Prev. rep. 15925 A ; 15895 A.)**

A. CANADA. — Cabinet Changes.

The following changes in Mr. Diefenbaker's Cabinet were announced on May 12 : (*a*) Mr. Raymond O'Hurley as Minister of Defence Production, a portfolio previously held by Mr. Howard Green in addition to that of Public Works ; (*b*) Mrs. Ellen Fairclough as Minister of Citizenship and Immigration, a portfolio previously held by the Minister of Justice, Mr. Davie Fulton ; (*c*) Mr. Henri Courtemanche as Secretary of State *vice* Mrs. Fairclough.

Mr. O'Hurley (M.P. for Lotbinière) and Mr. Courtemanche (M.P. for Labelle) both come from Quebec ; Mr. Courtemanche was formerly Deputy Speaker of the Federal House of Commons. Mrs. Fairclough is M.P. for Hamilton.

Mr. Diefenbaker announced on the same day that Senator John T. Haig had resigned as Government Leader in the Senate (in which he would retain his seat) and had been succeeded by Senator Walter M. Aseltine.—(Montreal Star) **(Prev. rep. 15780 B.)**

B. UNITED KINGDOM. — Gold and Dollar Reserves. - Movement of Sterling Balances.

The Treasury announced on June 3 that the sterling area's gold and dollar reserves rose during May by $125,000,000, after taking into account (*a*) the receipt of $4,500,000 from the E.P.U. in respect of the U.K.'s surplus in April, and (*b*) the payment of $2,500,000 to creditor countries in the Union under bilateral settlements. As a result the gold and dollar reserves stood at $3,039,000,000 on May 31.

The increase—the eighth successive monthly rise since the crisis of September 1957—brought the gold and dollar reserves to their highest level since 1951. It included $5,000,000 of U.S. defence aid in consequence of the tobacco-housing deal announced in February (see 16104 C).

Provisional figures for the E.P.U. May settlement showed that Britain had a deficit of £13,000,000, three-quarters of which would be settled during June in gold or dollars and one-quarter by an increase in the U.K.'s debt to the Union.

Sterling, though maintaining generally a strong position during May, eased from 2.81$\frac{13}{16}$ on May 1 and May 2 to 2.81$\frac{1}{4}$ on May 6 and 2.81$\frac{1}{8}$ on May 7 owing to the labour position in connexion with the London bus strike and the threat of a railway strike ; it recovered on subsequent days, however, and for the rest of the month fluctuated between 2.81$\frac{1}{2}$ and 2.81$\frac{3}{4}$, closing on May 31 at 2.81$\frac{15}{16}$. The transferable sterling rate in Zurich showed parallel fluctuations, reaching 2.79225 on May 6 and 7 as its lowest point and 2.79625 on May 19 and 20 as its highest.

The May issue of *Economic Trends*, published by the Treasury, gave the first quarterly figures of sterling balances held by both Commonwealth and foreign countries.

The figures showed that these sterling balances (excluding sterling held by international organizations) amounted to £3,234,000,000 on March 31, 1958, compared with £3,267,000,000 on Dec. 31, 1957, £3,469,000,000 on Sept. 30, 1957, and £3,594,000,000 on June 30, 1957. The sterling balances had thus declined by £125,000,000 during the third quarter of 1957, £102,000,000 during the fourth quarter, and £33,000,000 during the first quarter of 1958.

Detailed movements during the latter quarter showed that the independent Commonwealth countries (especially India, Pakistan, Ceylon, and New Zealand) had run down their balances by £77,000,000. On the other hand, sterling balances held by dependent overseas territories increased by £6,000,000, those of the dollar area by £7,000,000, those of the non-dollar, non-sterling world (i.e. mainly the Soviet bloc, Communist China, and Japan) by £20,000,000, and those of O.E.E.C. countries by £14,000,000.

It was pointed out in the Press that if the fall of £33,000,000 in the sterling liabilities was taken in conjunction with the rise of £172,000,000 in the central gold and dollar reserves during the first quarter of 1958, the strength of the pound during the period became even more striking. If the position as at March 31 was compared with that at Sept. 30, 1957, it was evident that the U.K. had paid off £135,000,000 of its sterling debts during this period, whilst at the same time adding no less than £239,000,000 to the reserves, excluding the Export-Import Bank loan.—(Treasury Press Office - Financial Times) **(Prev. rep. 16188 A.)**

C. ANTARCTICA. — Belgian Expedition.

The 11-nation network of scientific bases for the I.G.Y. programme in Antarctica was completed on Dec. 12, 1957, by the establishment of a Belgian base 14 miles inland from the Princess Ragnhild Coast of Queen Maud Land, in the Norwegian Antarctic. It was named King Baudouin Base in honour of the King of the Belgians.

The Belgian Expedition is led by Commander Gaston de Gerlache de Gomery, with Captain Xavier de Macre d'Aertrycke as deputy leader. Both served in the underground Belgian Resistance during the war. In addition to carrying out meteorological, geomagnetic and other studies, the expedition will explore a high mountain range 200 miles inland which has never been visited before and which was last flown over in 1947, when U.S. Navy pilots reported peaks rising to 13,000 feet.

The expedition is equipped with prefabricated huts, tracked vehicles (U.S. Sno-Cats and a Canadian Muskeg), an Auster plane on skis, a helicopter, and 24 Greenland "huskies"; the pilot of the expedition is Prince Antoine de Ligne, a member of the Belgian Royal House.

The Belgian Expedition travelled out to the Antarctic in two Norwegian sealers, with about 450 tons of supplies on board in addition to the above-mentioned equipment.
(La Nation Belge, Brussels - New York Times)
(Prev. rep. 16179 A ; 16055 A.)

A. AFRICA. — The Accra Conference.

A conference of independent African States—the first of its kind—was held in Accra (Ghana) on April 15-22. The participating countries were Ethiopia, Ghana, Libya, Liberia, Morocco, the Sudan, Tunisia, and the United Arab Republic. Liberia was represented by President Tubman, Ghana by Dr. Kwame Nkrumah (Prime Minister), Ethiopia by Crown Prince Haile Selassie, and the other countries by their Foreign Ministers: Mr. Bouri (Libya), Mr. Balafrej (Morocco), Mr. Mahgoub (Sudan), Mr. Mokaddem (Tunisia), and Dr. Fawzi (United Arab Republic.)

The proceedings were opened with a speech by Dr. Nkrumah, on whose initiative the conference had been called.

After remarking that it was the first time in history that representatives of independent sovereign States in Africa had met together with the aim of "forging closer links of friendship, brotherhood, co-operation, and solidarity," Dr. Nkrumah enumerated the purposes of the conference as follows: (1) to exchange views on matters of common interest; (2) to consolidate and safeguard the independence of the African nations; (3) to strengthen the economic and cultural ties between them; (4) to "find ways of helping those who are still under colonial rule"; (5) to discuss the problem of safeguarding peace; and (6) to appeal to the great Powers to disarm "and thus save the world from destruction."

Dr. Nkrumah said that while he would "prefer to bury the past and build for the future," he had to emphasize that "Africa will not remain silent in the face of injustice or fail to criticize what is wrong; on the contrary, we shall always express our views honestly and fearlessly, and fight with all our strength for freedom and justice for all peoples throughout the world." He went on to mention briefly the two principal factors which had shaped the history of Africa during recent centuries—the slave trade, the abolition of which was "quickly followed by colonialism"; and the "scramble for Africa" in the 19th and 20th centuries by European Powers. The "evil consequences of colonialism and racialism" had led to rivalry between those Powers, culminating in the First World War; even after the Second World War many African territories mandated a quarter of a century earlier continued to be held "in trust."

After denouncing racialism in all its forms, Dr. Nkrumah said that the independent African nations should set an example to the world by establishing tolerant and multi-racial communities, practising goodwill towards minorities and individuals within their own countries, and demonstrating the same attitude towards other nations. He went on to recall that many Asian nations had gained their freedom in recent years, and emphasized the responsibility of the independent African States "to hasten the total liberation of Africa, the last stronghold of colonialism." He paid tribute to Britain in this connexion for helping the former British Togoland to merge with independent Ghana.

Dr. Nkrumah went on to give a warning of attempts by "imperialists of today" to influence the policies of small uncommitted countries in a particular direction, and stressed the need for those countries to remain alert and vigilant. "We must endeavour to seek the friendship of all and the enmity of none . . . and to assert our own African personality" After commending to the conference the five *Panch Sila* principles enunciated at Bandung, he spoke of the need to develop mutual trade, the desirability of closer cultural relations, and the need to develop the resources of the African continent, in which both African and friendly non-African countries should participate.

In the concluding section of his speech Dr. Nkrumah dwelt on the need to abolish colonialism, which he described as "the enemy of lasting peace", to bring about world disarmament and the abolition of destructive weapons; and to develop the under-developed countries of the world. He strongly condemned reports that the Sahara Desert might be used as a testing-ground for nuclear weapons, appealed to the U.N. to halt "this threat to the safety of Africa," and said that though the Sahara might have divided the nations of Africa in the past, it now united them and "an injury to one was an injury to all."

Among the other speakers, Dr. Fawzi asked the conference to support the rights of the "Arab nation of Palestine," while Mr. Balafrej, Mr. Mokaddem, and Mr. Bouri all denounced French policy in Algeria and expressed their support for Algerian independence. All delegates stressed the importance of inter-African co-operation, in which connexion Prince Haile Selassie announced that Ethiopia would award 200 scholarships, tenable in Addis Ababa, to Africans in all parts of the continent.

Mr. Mahgoub called upon France, "the former champion of freedom," to see "the utter folly of the Algerian war . . . and regain the friendship of all freedom-loving people by granting Algeria her independence." He described "the alleged superiority of Europeans over the coloured peoples of the earth" as "a malignant malady that has plagued human relations in Africa since the advent of the white man," adding that "the Sudan has indeed been fortunate in that under British rule we did not suffer from racial discrimination to any marked degree."

In the course of his speech Mr. Mahgoub said that the Sudan's foreign policy was based on five principles: (1) neutrality between the power blocs of East and West, and co-operation with either of them if it served Sudanese interests; (2) non-alignment with any of the Arab blocs; (3) full co-operation with all independent African nations, and encouragement of the "liberation movements" in dependent African territories and elsewhere; (4) avoidance of military pacts except for the defence of the Sudan against overt aggression; (5) acceptance of foreign economic aid provided it involved no derogation from Sudanese sovereignty and independence.

The conference also heard speeches by a representative of the Algerian nationalist movement (the F.L.N.) and by Dr. Felix Moumié, president of the *Union des Populations Camerounaises* in the French Cameroons. [The pro-Communist U.P.C. was banned by the French authorities in 1955 after a series of riots in Duala and other centres see page 15511, second column.] Dr. Moumié and a three-man F.L.N. delegation were present as observers and not as participants in the conference itself.

Dr. Moumié made numerous allegations of "colonialism" and "aggression" against the French authorities in the Cameroons; alleged that French forces were engaged in military operations against the population; and asserted that a "guerrilla war" was in progress. He said that the U.P.C. demanded the unification of the French and British Cameroons as a preliminary to Cameroonian independence; that his movement had offices in Khartoum, Cairo, and Calcutta; and that financial support would be given by Afro-Asian countries.

M. Mohammed Yazin (a member of the National Council of the F.L.N.) appealed to all independent African countries to give material and financial aid to the insurgents so that the Algerian struggle could be "brought to a successful conclusion."

Joint Declaration.

The conference ended with the adoption of a joint declaration and a number of resolutions on different subjects. The declaration was worded as follows:

"We, the African States assembled in Accra . . . proclaim and solemnly reaffirm our unswerving loyalty to the U.N. Charter, the Universal Declaration of Human Rights, and the Declaration of the Afro-Asian Conference held in Bandung.

"We further assert and proclaim the unity among ourselves and our solidarity with the dependent peoples of Africa, as well as our friendship with all nations. We resolve to preserve the unity of purpose and action in international affairs which we have forged among ourselves at this historic conference; to safeguard our hard-won independence, sovereignty, and territorial integrity; and to preserve among ourselves a fundamental unity of outlook on foreign policy so that a distinctive African personality will play its part, in co-operation with other peace-loving nations, to further the cause of peace.

"We pledge ourselves to apply all our endeavours to avoid being committed to any action which might entangle our countries to the detriment of our interests and freedom; to recognize the right of the African people to independence and self-determination, and to take appropriate steps to hasten the realization of this right; to affirm the right of the Algerian people to independence and self-determination; to uproot forever the evil of racial discrimination in all its forms, wherever it may be found; and to persuade the great Powers to discontinue the production and testing of nuclear and thermo-nuclear weapons and to reduce conventional weapons.

"Mindful of the urgent need to raise the living standards of our peoples by developing to the fullest possible advantage the great and varied resources of our lands, we pledge ourselves to co-ordinate our economic planning through joint economic effort; to study the economic potentialities, technical possibilities, and related problems in our respective States; to promote co-ordinated industrial planning either through our individual efforts and/or through co-operation with the U.N. Specialized Agencies; to increase trade and improve communications between our countries; and to encourage the investment of foreign capital and skill provided they do not compromise the independence, sovereignty, and territorial integrity of our States.

"In furtherance of our social and cultural aspirations, we will endeavour to promote and facilitate the exchange of teachers, professors, students, exhibitions, and educational, cultural, and scientific material; to encourage and strengthen studies of African culture, history, and geography in institutions of learning in the African States; and to take all measures in our respective countries to ensure that such studies are correctly orientated.

"We have charged our Permanent Representatives at the U.N. with the task of co-ordinating all matters of common concern to our States, examining and making recommendations on concrete practical steps for implementing our decisions, and preparing the ground for future conferences."

Resolutions.

Many resolutions were adopted, including resolutions which (1) called for close political, economic, and cultural co-operation among the African nations; (2) called on the colonial Powers to set definite dates for granting independence to their African colonies; (3) denounced all forms of racial discrimination; (4) urged that all African nations should celebrate April 15

(the date on which the Accra conference opened) as "African Freedom Day"; (5) condemned what was described as "the use of armed force" in the French Cameroons; (6) recognized "the right of the Algerian people to independence and self-determination"; (7) called for a "just solution" of the Palestine problem; and (8) appealed to the great Powers to cease nuclear and thermo-nuclear weapon tests.

Algeria. The resolution on this subject expressed "deep concern" at the continuance of the Algerian war and at "the denial by France to the Algerian people of the right of independence and self-determination." It (1) deplored "the appalling scale of hostilities and bloodshed" in Algeria and urged the immediate cessation of hostilities; (2) called upon France to enter into negotiations with the Algerian Liberation Front [i.e. the F.L.N.] "with a view to reaching a final and just settlement," and to "end her present military occupation of Algeria"; (3) appealed to "all peace-loving nations" to "exercise moral pressure on France to adopt a policy which is in conformity with the principles of the U.N. Charter"; and (4) appealed to "the friends and allies of France" to "refrain from helping France . . . in her military operations in Algeria."

French Cameroons. The resolution on this subject called upon France to satisfy "the legitimate aspirations" of the Cameroonian people by opening "direct negotiations with their representatives." It condemned what was described as "the use of military force against unarmed peoples in the Trust Territory of the Cameroons under French administration," and appealed to the U.N. to help the Cameroonian people to achieve their independence.

Racial Discrimination. The resolution "noted with abhorrence" the post-election statement by the Prime Minister of South Africa that the policy of *apartheid* would continue to be applied in the Union [see page 16170, first column]. It appealed to the religious and spiritual leaders of the world to "support all efforts directed towards the eradication of racialism and segregation."

Palestine. As stated above, a resolution was adopted calling for a "just solution" to the Palestine problem. Unlike the Bandung resolution on the same subject, it contained no declaration of support for the "rights of the Arab people of Palestine," nor did it specify that a solution should be based on the U.N. partition plan of 1947 and the repatriation of Arab refugees.

[The *New York Times* commented in this connexion that three of the States taking part in the Accra conference—Ghana, Ethiopia, and Liberia—had recognized Israel, and that particularly close relations existed between Israel and Ghana.]

Dr. Nkrumah left Accra on May 30 for visits to all the African countries which participated in the conference; during the first fortnight of June he visited Ethiopia, the Sudan, Libya, and Tunisia and had discussions with the political leaders of those countries on questions of common interest. While he was in Khartoum, it was announced that Ghana and the Sudan would establish diplomatic relations at embassy level and that a Ghanaian economic mission would visit the Sudan.—(Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times - Sudan Government Information Office, Khartoum)

A. ARGENTINA. — Naval Attack on Unidentified Submarine. - Statement by President Frondizi.

At a special press conference in Buenos Aires on May 23, President Frondizi disclosed that warships of the Argentine Navy had attacked and possibly sunk a submarine of unknown nationality which had been detected on May 21 inside Argentine territorial waters.

The President explained that naval manoeuvres were taking place on the latter date in the Golfo Nuevo (off the Patagonian coast) in which seven Argentine warships were engaged—the cruisers *Argentina, Belgrano* and *Nueve de Julio* and the destroyers *Buenos Aires, Entre Rios, Misiones* and *Santa Cruz*. Detector instruments had revealed the presence of a submarine travelling submerged at high speed, and the destroyers had immediately launched four attacks with depth-charges; there was a glimpse of a periscope, followed by oil patches on the sea "such as when a submarine is damaged." Subsequent searches by Argentine warships had failed to locate the submarine, and it was not known whether it had been sunk or had succeeded in escaping to sea. Argentine naval officers were of the opinion that the submarine's high velocity indicated that she belonged to one of the great Powers.

The U.S., British, Soviet, Chilean, and other embassies in Buenos Aires denied that the submarine belonged to their respective countries. The British Admiralty and the U.S. Navy Department confirmed that no British or American submarines were missing and that none had been operating in South American waters.—(New York Times)

B. UNITED KINGDOM. — Gatwick Airport opened.

London's second major airport—at Gatwick, on the Surrey-Sussex border 25 miles south of the capital—was opened on June 9 by the Queen. Built at a cost of £7,000,000, Gatwick is the first airport in the world where trunk road, main railway-line, and air facilities are combined in one unit.—(Times)

(Prev. rep. 13948 A.)

C. NORTH AFRICA. — Tangier Conference of North African Nationalist Parties.

A conference of representatives of the Moroccan Istiqlal Party, the Tunisian Néo-Destour, and the Algerian National Liberation Front (F.L.N.) met in Tangier on April 27-30 to discuss the Algerian war and methods of achieving North African unity. Protests against their exclusion from the conference were received from the Moroccan Democratic Independence Party and the Algerian National Movement (the organization led by M. Messali Hadj), and also from M. Salah Ben Youssef, the former general secretary of the Néo-Destour, now in exile.

The Istiqlal delegation consisted of Si Allal El Fassi (the party leader), M. Balafrej (then Foreign Minister of Morocco, and now Prime Minister), M. Bouabid (Minister for Economic Affairs), M. Ben Barka (president of the Consultative Assembly), M. Ben Seddik (general secretary of the Moroccan Workers' Union), and M. Khadiri. The Néo-Destour was represented by M. Ladgham (State Secretary for Defence), M. Tlili (general secretary of the General Union of Tunisian Workers), and M. Chaker. The F.L.N. representatives were M. Ferhat Abbas, M. Abdelhafid Boussouf, M. Abdelhamid Mehri, M. Ahmed Francis, and M. Boumendjel.

Apart from the opening and closing sessions, the conference held its discussions *in camera*. The final resolution, issued on April 30, pledged the full support of the Moroccan and Tunisian Governments for the Algerian insurgents; recommended the formation of an Algerian Government; supported the Moroccan claim to Mauritania [see page 16224]; and proposed the establishment of a North African Consultative Assembly as a step towards federation. The main sections of the resolution are summarized below.

The Algerian War. "The conference for the unification of the Arab Maghreb . . . solemnly proclaims the Algerian people's unquestionable right to independence as the only condition on which the Franco-Algerian conflict can be solved . . . The political parties [of Morocco and Tunisia] will ensure the complete support of their peoples and Governments for the Algerian people in their struggle for independence. In view of the fact that the rallying of the Algerian people round the F.L.N. makes it the sole representative of fighting Algeria, the conference recommends the formation of an Algerian Government, after consultation with the Tunisian and Moroccan Governments."

Foreign Aid to France. "In view of the fact that France has received financial and military aid from certain Western countries and from NATO for her colonial war in Algeria . . . the peoples of North Africa, through their representatives . . . address a solemn and urgent appeal to them to end all political and material aid intended to support the colonial war in the Arab Maghreb."

Morocco and Tunisia. "The conference denounces the maintenance of foreign troops on Moroccan and Tunisan territory as incompatible with the sovereignty of independent countries; demands the immediate ending of the use of Moroccan and Tunisan territory by the French forces as bases for aggression against the Algerian people . . . and affirms its active solidarity with the Mauritanian people's struggle for liberation."

North African Unity. "The conference . . . resolves to work for the realization of the unity of the Arab Maghreb, and considers that the federal form corresponds to the circumstances of the participating countries. For this purpose, the conference proposes the establishment during the transitional phase of a Consultative Assembly of the Arab Maghreb, formed from the National Assemblies of Tunisia and Morocco and the National Council of the Algerian Revolution. [The latter body—the Consultative Assembly of the F.L.N.—has consisted since September 1957 of 54 members, whose names have never been published.] The Assembly will be empowered to study questions of common interest and to make recommendations to the local executive bodies.

"The conference recommends that the Governments of countries of the Arab Maghreb should not enter into engagements in the field of foreign relations or defence until federal institutions have been established."

Permanent Organization. The conference decided to set up a six-member secretariat (two from each of the movements participating) to ensure the implementation of its decisions, with offices in Rabat and Tunis.

The conference resolutions were formally submitted on May 1 to the King of Morocco, who received the delegations in audience, and on May 7 to President Bourguiba.

(Times - Le Monde, Paris) (Prev. rep. 15915 A.)

D. IRISH REPUBLIC. — Par Value for Irish Pound.

The International Monetary Fund announced on May 14 that the initial par value for the Irish pound had been established by agreement with the Government of the Irish Republic at 0.357143 Irish pounds to the U.S. dollar, the other parities being £ Irish 1 = 2.48828 grams of fine gold or 280 U.S. cents.

(International Monetary Fund - Irish Times, Dublin)

(Prev. rep. 15876 A.)

A. UNITED ARAB REPUBLIC - SOVIET UNION. — President Nasser's Visit to the U.S.S.R.

President Nasser arrived in Moscow on April 29 on an official visit to the Soviet Union. He was accompanied by two of the four U.A.R. Vice-Presidents, M. el-Boghdadi and M. Hourani; M. Kamaleddin Hussein, Minister of Education; Dr. Fawzi, Minister of Foreign Affairs; Wing-Commander Ali Sabry, Minister of State for Presidential Affairs; and Major Karim, Minister of Rural and Municipal Affairs for the Syrian Region. A TU-104 airliner was sent from Moscow to Cairo to fly the President and his party to the Soviet capital.

During their stay in Moscow President Nasser and the other Egyptian delegates had a number of discussions with President Voroshilov, M. Khrushchev (the Soviet Prime Minister), M. Mikoyan and M. Kozlov (First Deputy Premiers), M. Kirichenko (a member of the Presidium of the Supreme Soviet), M. Mukhitdinov (chairman of the Foreign Affairs Commission of the Soviet of Nationalities), and M. Gromyko, the Foreign Minister of the U.S.S.R.

President Nasser and his party also attended the May Day military parade in Red Square, a sports festival at the Lenin Stadium, a Soviet-Arab friendship meeting in the Kremlin, and a State reception. On May 3 the President and his party flew to Tashkent (the capital of Uzbekistan), where they visited a large textile mill and a collective farm. Subsequently they paid visits to Baku, the Black Sea resort of Sochi, Zaporozhye (site of one of the largest Soviet power stations), and Stalingrad, returning to Moscow on May 13.

President Nasser and the other Egyptian visitors left Moscow for Cairo on May 15. A joint statement on the talks between the Soviet and U.A.R. delegations was issued on the same day, its principal sections being given below.

"The two Governments express their profound satisfaction with the development of the close and steadily expanding relations between the two countries. They will strive for the further development and consolidation of these relations, guided by the following principles: (1) mutual respect for the sovereignty and territorial integrity of all States; (2) non-intervention in domestic affairs, (3) solution of international problems exclusively by peaceful means, and renunciation of the use of force against the sovereignty and independence of any State; (4) rejection of the use of political or economic pressure; (5) equality in relations between States.

"Both Governments adhere to the principle of peaceful co-existence among States irrespective of their social systems . . . They believe that an end to the 'cold war' accords with the vital interests of all peoples . . . They denounce colonialism in all its manifestations and support the right of peoples to self-determination and independence. The two Governments denounce the existence of military bases of some countries on the territories of others. Such bases constitute a serious threat to world peace and infringe the independence of the States on whose territories they are situated . . .

"The two Governments examined the question of the Palestinian Arabs and their expulsion from their homes. They also examined the violation of human rights and the threat to peace and security in that area which this entails. They reaffirm their full support for the legitimate rights of the Palestinian Arabs.

"Both Governments denounce the colonial aggression against the Yemen and the attempts to intervene in its internal affairs. They fully support the independence, sovereignty, and territorial integrity of the Yemen.

"Both Governments deplore the savage war France is waging against the Algerian people and the crimes the French armed forces are committing against this heroic Arab country. They call the attention of world public opinion to the actions of the French authorities, who have forcibly expelled hundreds of thousands of Algerians from the Algerian-Tunisian border area . . . Both Governments fully support the right of the Algerian people to self-determination and independence . . .

"Both Governments express their deep anxiety at the acts of interference by certain foreign States in the internal affairs of Indonesia. They regard this as a threat to world peace and security and as a breach of the U.N. Charter [and] declare that the independence and sovereignty of Indonesia must be respected.

"Both Governments believe in the importance of the U.N. and its role in the maintenance of peace and security and in the peaceful settlement of international problems. They consider that efforts should be made to strengthen the organization by every means . . . They equally believe that the Chinese People's Republic must be given its seat in the United Nations . . .

"Both Governments reaffirm their support for the principles enunciated at Bandung . . . which were reasserted by the Afro-Asian Solidarity Conference in Cairo in 1957 . . . They also declare their support for the principles enunciated at the conference of independent African States at Accra [see 16226 A].

"Both Governments express their deep anxiety at the arms race . . . which may lead to a devastating nuclear war. They declare that the testing of atomic and hydrogen weapons must be ended by all States possessing such weapons, pending the necessary agreement on the final and unconditional prohibition of all types of nuclear weapons . . . Atomic and hydrogen energy should be used for peaceful purposes only, and countries should co-operate in this field . . .

"Both Governments consider that efforts must be redoubled for an agreement on a substantial reduction of national armed forces and armaments . . . [and] that the conclusion of non-aggression pacts can help to reduce international tension . . .

"It is the firm conviction of both Governments that the furtherance of economic and cultural relations between States must be encouraged as a way of establishing mutual understanding between the peoples . . . Such relations should not be accompanied by any conditions or motives designed to allow one State to dominate another. The economic and cultural agreements concluded between the Soviet Union and the United Arab Republic are consistent with these requirements and based on sound principles. Both Governments express their complete satisfaction with the development of economic and cultural co-operation between their countries and with the commercial exchanges between them. The Government of the U.A.R. expressed gratitude for the Soviet Union's sizable contribution to the U.A.R.'s industrialization programme. Both Governments reaffirm their determination to seek a further expansion of economic and cultural co-operation between the two countries . . ."

In conclusion, the communiqué expressed "complete satisfaction with the results of the present discussions"; declared "that a summit conference with the participation of the great Powers as well as of certain other States would be of paramount importance and must be expedited"; and stated that both Governments were "deeply satisfied to note the close and developing co-operation between their countries in every field of activity." It added that President Voroshilov, M. Khrushchev, and other Soviet leaders had accepted an invitation to visit the United Arab Republic.

In a broadcast on his return to Cairo, President Nasser said that his talks in the Soviet Union had taken place "between a strong and independent State and a friendly, disinterested State." Though the social systems of the U.A.R. and the Soviet Union were different, neither country had any wish to interfere in the internal affairs of the other.

It was announced in Paris on May 17 that the French Foreign Minister (M. René Pleven) had made a strong protest to the Soviet Ambassador (M. Vinogradov) against the "inadmissible" wording in the joint Soviet-A.U.R. communiqué relating to the Algerian problem and the actions of the French armed forces in Algeria.

Economic Agreements between U.A.R. and U.S.S.R. - Expansion of Soviet-Egyptian Trade Exchanges.

Prior to President Nasser's visit, an Egyptian mission had left for Moscow on April 8 to negotiate on the acquisition of mining and petroleum equipment under the agreement of 1957 providing for the implementation of Egypt's five-year industrialization programme [see 15906 C, 15998 B]. A Russian mission was in Egypt at the same time for the completion of other contracts. The Egyptian Minister of Industry (M. Aziz Sidky) stated on April 9 that the ceiling price for each of the 65 projects for which the Soviet credits were being used was based on comparative world prices, with the exchange rate of the rouble to the Egyptian pound quoted against gold equivalents.

A barter agreement between the U.A.R. and the Soviet Union was signed in Cairo on April 7, providing for the supply of 150,000 tons of Russian wheat against certain Egyptian products. An agreement on Soviet aid for establishing 15 vocational centres throughout Egypt was signed on April 15.

It was also announced on April 7 that the Soviet Union would open information offices in Egypt "similar to those maintained by the United States," and that the Egyptian Government would establish information offices in the U.S.S.R.

Statistics of Egypt's foreign trade in 1957, published in March, indicated the growth of the economic ties between Egypt and the Soviet-bloc countries.

Egyptian exports to the Soviet Union, principally cotton, amounted to £E.31,280,000, and Soviet exports to Egypt (wheat, petroleum, and other goods) to £E.18,590,000. Total trade between the two countries—nearly £E.50,000,000—represented a four-fold increase over 1956, the Soviet Union having become Egypt's main customer and supplier—a position occupied in 1956 by the United States.

The Soviet Union, Communist China, Czechoslovakia, Eastern Germany, Poland and Rumania together accounted for £E121,000,000 of Egypt's total trade turnover of £E.354,000,000. Figures for the current cotton season (which started on Sept. 1, 1957) showed that three-fifths of Egypt's total cotton exports were going to the Communist countries.

By comparison, the U.S.A. sent goods worth £E.16,390,000 to Egypt in 1957, while Egyptian exports to the U.S.A. amounted to £E.7,770,000. Western Germany imported £E.5,560,000 and exported £E.18,070,000. Combined British and French trade with Egypt in 1957 amounted to only about £E.8,000,000.

Egypt's total exports in 1957 were valued at £E.171,600,000 and her imports at £E.182,600,000; the deficit of £E.11,000,000 was the lowest for 17 years, reflecting the restrictions imposed on the import of consumer goods.—(Soviet Embassy Press Department, London - Times - Le Monde, Paris)

(Prev. rep. 15906 D.)

A. YUGOSLAVIA - SOVIET UNION. — Suspension of Soviet Economic Aid to Yugoslavia. - M. Khrushchev's Attack on Yugoslav Leaders.

It was announced in Belgrade on May 28 that the Soviet Union had unilaterally suspended for five years the utilization of the credits to Yugoslavia, totalling $285,000,000 (over £100,000,000), which had been arranged under the Soviet-Yugoslav economic agreements of Jan. 12, 1956, and Aug. 3, 1956. A Note "proposing" the postponement had been handed by M. Gromyko on the previous day to M. Micunovich, the Yugoslav Ambassador in Moscow; it referred to the possibility of some compensatory business on the basis of current trade, and stated that the East German Government concurred in the postponement of the credits.

The credit granted under the agreement of Jan. 12, 1956, amounted to $110,000,000 and referred to Soviet planning and supplies of equipment for the construction of a fertilizer factory, a superphosphate factory, and a power station, and the modernization of three coal mines. The agreement of Aug. 3, 1956, provided for a credit of $175,000,000 to be granted by the Soviet Union and Eastern Germany for the development of the Yugoslav aluminium industry.

The Yugoslav Foreign Office spokesman (M. Petrich) stated on May 30 that so far only a relatively negligible part of the Soviet credits had been drawn, mainly on plans and preparatory work. Stressing that this was the second time the Soviet Government had unilaterally suspended the fulfilment of its commitments, he said that the unilateral cancellation of valid economic agreements was "obviously not in accord with generally normal international relations." The Soviet decision would cause Yugoslavia "certain difficulties" in completing her economic plan, and Yugoslavia would be compelled to claim damages if the Soviet Government did not accept the Yugoslav view.

Asked about details of the Soviet Note, M. Petrich said that the chief reasons given by the Russians for their decision had been the need for additional resources to speed up the construction of their own chemical industry, and "a conviction that postponement corresponded to the principles of economic co-operation useful to both sides." In an oral explanation when the Note was handed over, it had been stated that the Soviet "proposal" was "not aimed at a deterioration of mutual relations but at their improvement."

Commenting on the continued attacks on Yugoslavia in the Soviet and East European Press, the Yugoslav spokesman added that this was clearly an "organized campaign" which, though "unable to convince anyone," could "only harm mutual relations and cause a deterioration in the international atmosphere." The spokesman also said that references to Yugoslavia in a resolution adopted at a recent Congress of the Chinese Communist Party amounted to an "extremely irresponsible and slanderous attack."

The Yugoslav reply to the Soviet Note, delivered on June 3 to the Soviet Ambassador in Belgrade (M. Zamchevski), expressed the Yugoslav Government's view that it was incumbent upon the Soviet Union to fulfil the obligations undertaken under formal agreements; Yugoslavia could not agree to the postponement of the credits, and if her views were not accepted she would be compelled to claim compensation for the losses suffered. A Note to the same effect was delivered to the East German Minister in Belgrade.

The Yugoslav Communist paper *Borba*, commenting on June 1 on the Soviet action, recalled that the Belgrade Declaration [i.e. the Soviet-Yugoslav statement after the visit of Marshal Bulganin and M. Khrushchev in 1955] had been based on "mutual respect and non-interference in the internal affairs of either side for any reasons whatsoever—economic, political, or ideological"; moreover, the agreement had also stipulated the abandonment of "any form of propaganda and misinformation, as well as any other action which creates distrust and . . . hampers the creation of an atmosphere for constructive international co-operation and peaceful co-existence between States."

The *Borba* article continued: "In the light of the present campaign against the 'revisionism' of the Yugoslav League of Communists, in which reprisals are beginning to find expression along inter-State lines, it is becoming clear that . . . public opinion in the Socialist countries has not been given real information about Yugoslavia. In the Chinese, Soviet, and East European Press a campaign of deliberate misinformation has recently been initiated—a campaign of downright untruths about Yugoslavia. In 'theoretical' articles our views are systematically distorted . . . and condemned. In discussing the views of the Yugoslav League of Communists, not the least attempt has been made to refute them by force of argument; they have simply been branded as 'anti-Marxist,' 'anti-Leninist,' 'revisionist,' 'treason to Socialism,' 'help to American imperialists,' and so on . . . Whereas on the one hand the need for 'peaceful co existence between nations irrespective of ideological differences' is recognized in principle, on the other hand, where Yugoslavia is concerned, 'ideological differences' are given as an obstacle to further friendly co-operation . . ."

"The Soviet Union," *Borba* added, "has always stressed that she has no thought of taking advantage of economic assistance to other countries to achieve political objectives, and that for this very reason her assistance differs in essence from the economic assistance of the United States. *Pravda* recently declared that American assistance was aimed at making the recipient countries dependent upon the U.S.A., while the Soviet Union strives to help other Socialist countries and economically under-developed countries to consolidate and develop their economy . . . How do these statements sound in the light of the Soviet Government's decision to suspend the fulfilment of its financial obligations towards Yugoslavia laid down by international agreements? The latest act of the Soviet Union inevitably reminds Yugoslav citizens of the acts of the recent past, when, shortly after the Cominform resolution, . . . mutual relations were broken off, all agreements violated, and an economic blockade organized, followed by open political and military pressure against Yugoslavia. Recent events are an ill-omen for the course which Soviet foreign policy has once more begun to follow."

M. Khrushchev made a bitter attack on Yugoslavia when addressing the congress of the Bulgarian Communist Party on June 3, during a visit to Sofia. In the course of his speech M. Khrushchev described Yugoslavia as "the Trojan horse of imperialism."

After commending the Bulgarian Communists because they had remained "most loyal" to the principle of "proletarian internationalism," M. Khrushchev declared that assertions about so-called "gaps" in the development of Marxist-Leninist theory were "contrary to reality" and showed that the Yugoslav leaders were "ignoring the practical work done in building Socialism in other countries . . ." He continued:

"I do not want to offend anyone, but I cannot help asking a question which is worrying all honest Communists. Why do the imperialist bosses, striving to wipe Socialist States from the face of the earth and to stifle the Communist movement, at the same time finance one of the Socialist countries, giving it advantageous credits and free sops? Surely no-one will believe that there are two kinds of Socialism in the world— one which is furiously hated by world reaction and another which is acceptable to the imperialists and which they help and support? The representatives of that country [Yugoslavia] pretend that it is we who are departing from Marxism-Leninism, while they are adopting the correct position.

"At the same time as the imperialists are uniting their efforts in their attacks on Socialism and against the working class, certain leaders, calling themselves fighters for Socialism, are trying to weaken the will of the working class in its battle against capitalism; to weaken its advance guard, the Communist and workers' parties; and to undermine their vigilance and weaken their unity."

After saying that the Cominform's condemnation of Yugoslavia in 1948 was "basically correct," and after recalling his reconciliation with Marshal Tito in 1955, M. Khrushchev went on: "Experience has shown, however, that the burden of the past has proved too heavy for the Yugoslav leaders to shake off, and that they have been unable to abandon their fallacious positions and move on confidently to those of Marxist-Leninism . . . During the Hungarian events the Yugoslav leaders did the greatest harm to the cause of Socialism by their public statements and actions. By their policies against the Socialist countries and fraternal parties, the Yugoslav leaders have isolated Yugoslavia and the Yugoslav League of Communists from the Socialist countries and the international Communist movement." After describing Yugoslavia as the "Trojan horse of imperialism," M. Khrushchev referred to American aid to Yugoslavia and to the impossibility of "an imperialist country helping a Communist State unless the latter is serving its interests."

It was announced in Belgrade and Warsaw during May that a visit to the Polish capital which a Yugoslav delegation headed by President Tito was to have made at the beginning of June had been temporarily postponed, as the Yugoslav Government considered that "in present circumstances a visit to Poland would not give the desired results."

Borba announced on May 17 that the final draft of the programme of the Yugoslav League of Communists [which inspired the latest Soviet campaign against Yugoslavia] had been approved by the party leadership at a special meeting presided over by President Tito. In its final form the programme was said to include the amendments which had been introduced on the eve of the Yugoslav party congress in an attempt to meet Soviet criticisms.—(Tanjug Agency, Belgrade - Soviet Embassy Press Dept., London) **(Prev. rep. 16171 A; Soviet Economic Aid, 15035 B; 14937 A.)**

B. JAPAN. — Abolition of Legalized Prostitution.

The Japanese Government's legislation outlawing prostitution, enacted in May 1956 after approval by both Houses (see 14929 E), came officially into force on April 1, 1958. Solicitation in public became punishable by six months' imprisonment or a fine equivalent to $28 (£10), whilst procurers and operators became liable to ten years' imprisonment or fines amounting to $840 (£300). The nation-wide closing of brothels particularly affected the notorious Yoshiwara district of Tokio and involved the disbanding of the Yoshiwara Coffee and Tea Parlour Association, a euphemistic name for the brothel-owners' federation in the area.—(New York Times) **(Prev. rep. 14929 E.)**

A. ARAB FEDERATION. — First Union Cabinet. - New Iraqi and Jordanian Cabinets. - Iraqi Elections.

The Arab Federation of Iraq and Jordan came officially into existence on May 13 after the necessary constitutional amendments had been approved by the Parliaments of the two countries. Following a general election in Iraq on May 4, legislation amending the Iraqi Constitution to conform to that of the Federation was adopted unanimously by the new Chamber of Deputies on May 10, and by the Senate on the following day. Parallel legislation amending the Jordanian Constitution had been unanimously approved by the Upper House in Amman on April 26, following similar action by the Lower House a fortnight earlier.

In the Iraqi elections of May 4, all but 27 of the 145 deputies were returned unopposed. As Iraq has had no political parties since 1954, nominations were by petition and candidates stood on their personal records. Supporters of the Prime Minister, General Nuri es-Said, hold 130 of the 145 seats in the new Chamber of Deputies; the other 15 seats are held by Independents who are also regarded as supporters of General Nuri's policy.

The Constitution of the Arab Federation was signed by King Faisal and King Hussein in Baghdad on May 13, and came into force on that date. The Prime Ministers of Iraq and Jordan (General Nuri and Mr. Ibrahim Hashem) subsequently submitted their resignations to their respective Heads of State, and on May 19 the membership was announced of (1) the first Union Cabinet, consisting of four Iraqi and three Jordanian Ministers; (2) the new Iraqi Cabinet; and (3) the new Jordanian Cabinet.

Union Cabinet.

The membership of the first Cabinet of the Arab Federation was as follows:

General Nuri es-Said (Iraq)	..	Prime Minister.
Mr. Ibrahim Hashem (Jordan)	..	Deputy Premier.
Dr. Tewfik Suweidi (Iraq)	..	Foreign Affairs.
Mr. Suleiman Toukan (Jordan)	..	Defence.
Mr. Abdul Karim Uzri (Iraq)	..	Finance.
General Sami Fattah (Iraq)	..	Ministers of State.
Mr. Khaloussi el-Khairy (Jordan)		

The former Prime Ministers of Iraq and Jordan became respectively Prime Minister and Deputy Premier of the Arab Federation, as shown. Of the two Ministers of State, General Sami Fattah has responsibility for military affairs and Mr. el-Khairy for Arab affairs.

Iraqi and Jordanian Cabinets.

Senator Ahmed Mukhtar Baban succeeded General Nuri as Prime Minister of Iraq, while Mr. Samir Rifai succeeded Mr. Ibrahim Hashem as Prime Minister of Jordan. The new Cabinets were as follows:

Iraqi Cabinet. Senator Ahmed Mukhtar Baban—Prime Minister; Mr. Said Qazzaz—Interior; Dr. Nadjim el-Pachachi—Finance; Mr. Burhanuddin Bashayan—National Guidance; Dr. Dhia Jaffar—Development; Mr. Sadiq Kamounah—Social Affairs; Mr. Jamil Abdul Wahab—Justice; Dr. Abdul Hamid Khadim—Education; Dr. Abdul Alawi—Health; General Saleh Jaburi—Communications.

Jordanian Cabinet. Mr. Samir Rifai—Prime Minister; Mr. Falah Madadha—Interior; Mr. Akif el-Faiz—Agriculture and Construction; Dr. Jamil Tutounji—Health and Social Welfare; Mr. Salim Bakhit—Public Works; Mr. Ahmed Tarouneh—Education; Mr. Anastas Hananiah—Finance; Dr. Samir Judeh—Communications; Mr. Mohammed Jabari—Justice.

The Union Cabinet was sworn in by King Faisal, as Head of the Federation. The new Iraqi Cabinet was also sworn in by King Faisal, and the new Jordanian Cabinet by King Hussein. Neither the Iraqi nor the Jordanian Cabinet included Ministers of Foreign Affairs or Defence, as these subjects are Federal responsibilities under the appropriate Union Ministers. The Jordanian Government officially informed all diplomatic representatives in Amman of the formation of the Union Government, thus requiring heads of diplomatic missions in Amman to present their credentials to King Faisal as Head of the Arab Federation.

The Federal Parliament (consisting of 20 Iraqi and 20 Jordanian parliamentarians) held its first session in Baghdad on May 27, when King Faisal was sworn in as Head of the Arab Federation. The ceremony was attended by King Hussein of Jordan, the deputy head of the Federation.

King Faisal issued a decree on June 2 appointing General Mohamed Aref (an Iraqi) as Chief of Staff of the combined forces of Iraq and Jordan—collectively known as the Arab Army. Two Assistant Chiefs of Staff were appointed, one Iraqi and one Jordanian.—(Times - Le Monde, Paris - New York Times - Neue Zürcher Zeitung)

(Prev. rep. Arab Federation, 16132 C.)

B. CANADA - UNITED STATES. — Air Defence. - The North American Air Defence Command.

The joint establishment by Canada and the United States of a North American Air Defence Command (NORAD) was announced in an exchange of Notes published on May 19 in Ottawa and Washington and signed by Mr. Christian Herter, U.S. Acting Secretary of State, and Mr. N. A. Robertson, Canadian Ambassador in Washington.

The agreement implemented the decision of Aug. 1, 1957, on the establishment of a joint air command (see 15691 B) and laid down the following principles governing the future organization and operations of NORAD:

(1) The C.-in-C., North American Air Defence Command (CINCNORAD) would be responsible to the Chiefs of Staff Committee in Canada and the Joint Chiefs of Staff in the United States, who in turn would be responsible to their Governments. He would "operate within a concept of air defence approved by the appropriate authorities of the two Governments, who will bear in mind their objectives in the defence of the Canada-U.S. region of the NATO area."

(2) NORAD would include "such combat units and individuals as are specifically allotted to it by the two Governments." The jurisdiction of CINCNORAD over these units and individuals would be limited to operational control as defined in (3) below.

(3) "Operational control" was defined as "the power to direct, co-ordinate, and control the operational activities of forces assigned, attached, or otherwise made available." No permanent changes of station would be made without the approval of the higher national authorities concerned. Temporary reinforcement from one area to another to meet international requirements, including the crossing of the international boundary, would be within the authority of the commanders exercising operational control.

(4) The appointment of CINCNORAD and his deputy would have to be approved by the Canadian and U.S. Governments. They would not be from the same country, and CINCNORAD's staff would be recruited from both countries.

(5) NATO would be kept informed of the arrangements for the air defence of North America through the Canada-U.S. Regional Planning Group.

(6) Plans and procedures to be followed by NORAD in wartime would be formulated and approved in peacetime by the appropriate national authorities, and would be capable of rapid implementation in an emergency.

(7) Terms of reference for CINCNORAD and his deputy would be consistent with the foregoing principles. Changes in these terms of reference could be made by agreement between the Canadian Chiefs of Staff Committee and the U.S. Joint Chiefs of Staff, with the approval of the higher national authorities.

(8) The question of the financing of NORAD expenditures would be settled by mutual agreement between the two Governments.

(9) NORAD would be maintained in operation for a period of ten years "or such shorter period as shall be agreed by both countries in the light of their mutual defence interests and their objectives under the terms of the North Atlantic Treaty." The agreement could be reviewed at the request of either country at any time.

NORAD had been operating on an interim basis since Aug. 1, 1957, and the agreement of May 19 established it on a permanent basis as stated. General Earl E. Partridge, of the U.S. Air Force, is Commander-in-Chief (CINCNORAD), and Air Marshal C. Roy Slemon, of the Royal Canadian Air Force, is deputy C.-in-C. The Command's operations cover Canada, the continental United States, and Alaska. Its headquarters are at Colorado Springs.—(New York Times - Montreal Star)

(Prev. rep. 15691 B.)

C. INDIA - SOVIET UNION. — Air Agreement.

An agreement between the Indian and Soviet Governments providing for direct air services between Delhi and Moscow was signed in New Delhi on June 2 by Chief Marshal Zhigarev (head of the Soviet civil aviation organization) and Mr. M. M. Philip (Communications Secretary). Under the agreement, Air India International and Aeroflot will operate initially one service a week between the Indian and Soviet capitals in each direction, *via* Amritsar and Tashkent. A commercial agreement between the two airlines, complementary to the main agreement, was signed on the same day relating to tariffs, agency commissions, and pooling of revenues.

(Indian High Commissioner's Office, London)

D. FISHERIES. — Accession of U.S.S.R. and Western Germany to International Fisheries Convention.

It was announced on May 22 that the U.S.S.R. had joined the International Fisheries Convention of 1946, which came into force in 1953, provides for the regulation of fishing-net meshes, and imposes minimum-size limits for certain fish caught in Atlantic and Arctic fishing grounds. The German Federal Republic's accession to the Convention had been announced in 1954.—(Times)

(Prev. rep. 12977 A.)

JUNE 14—21, 1958

A. HUNGARY. — Execution of Imre Nagy and General Pal Maleter. - World Reactions.

It was announced in Budapest on June 17 that M. Imre Nagy, Prime Minister of Hungary at the time of the uprising in October 1956, had been sentenced to death and executed after trial by a "people's court." It was also announced that General Pal Maleter (Defence Minister in M. Nagy's Cabinet), Joszef Szilagyi, and Miklos Gimes had been executed with M. Nagy, and that five other persons had been given prison sentences varying from five years to life imprisonment. The news was broadcast by Budapest radio without comment, and given on the inner pages of all Hungarian newspapers.

The announcement of the trial and execution of Imre Nagy and his leading associates was given in the following statement issued by the Hungarian News Agency :

"Legal authorities have completed the proceedings in the case of the leading group of those persons who, with the active participation of the imperialists, unleashed a counter-revolutionary armed revolt with the aim of overthrowing the legal order of the Hungarian People's Republic on October 23, 1956.

"The Chief Public Prosecutor . . . charged Imre Nagy and his fellow accused—Ferenc Donath, Miklos Gimes, Zoltan Tildy, Pal Maleter, Sandor Kopacsi, Jozsef Szilagyi, Ferenc Janosi, and Miklos Vasarhei—with the crime of forming an organization aimed at overthrowing the Hungarian people's democratic State order. In addition, Imre Nagy was charged with treason and Sandor Kopacsi and Pal Maleter with the crime of military revolt. The Prosecutor's office ended the penal proceedings against the defendant Geza Losonczy because he had died of illness in the meantime.

"The People's Courts Council of the Supreme Court stated, on the ground of the testimony of the accused and of 29 witnesses, and having investigated the wide range of documentary evidence, that Imre Nagy and his most intimate accomplices—Geza Losonczy, Ferenc Donath, Miklos Gimes, and Jozsef Szilagyi—established in December, 1955, a secret anti-State organization with the aim of seizing power by force and overthrowing the Hungarian People's Republic.

"It was established during the trial that Imre Nagy and his accomplices had played a leading role in the preparation and unleashing of the counter-revolutionary rising of October 1956. Zoltan Tildy and Pal Maleter became acquainted with the inimical aims of Imre Nagy and his companions . . . and actively joined the counter-revolutionary revolt . . .

"The members of this group mobilized and included in their ranks all categories of enemies of the people's democratic order. At the same time, by hiding their real objectives and voicing demagogic and false 'Socialist' slogans, they temporarily misled . . . unsuspecting people as well. The group of conspirators . . . worked out in detail the political platform of the movement against the people's democracy -- intermediate tasks, methods, and future objectives. These secret documents, written largely by Imre Nagy himself, were submitted by the Public Prosecutor to the Court.

"Imre Nagy, in his essay *Morals and Ethics*, written by him in December, 1955, called the people's democratic State order a 'degenerate Bonapartist Power' and incited to its overthrow by force. In another essay, *Some Current Questions*, written in January 1956, he outlined the task of forming an alliance with the forces opposing the people's democracy and set as an aim . . . the restoration of the multi-party system. In his pamphlet entitled *The Five Basic Principles of International Relations*, also dated January 1956, he set the nullification of the Warsaw Pact as one of the objectives of the group of adventurers, under the pretext of 'liquidation of bloc policy' . . .

"The conspirators included in their illegal activities Gabor Tanczos and Balazsh Nagy, who later fled to the West, and . . . turned the Petöfi Circle into a meeting-place for hostile elements and a forum for attacks against the party and the State . . . They prepared beforehand many hostile speeches, among others Tibor Dery's appeal in which he urged youth to counter-revolutionary actions. Part of their method was to publish in the Press inciting articles by Tibor Dery, Gyula Hay, Tamas Aczel and similar elements who opposed the People's Republic.

"In September, 1956, Geza Losonczy publicly declared to an Israeli newspaperman who was then in Budapest : 'If it comes to that we will oppose the Government by force.' At an illegal meeting arranged by himself, Jozsef Szilagyi said on Oct. 20, 1956 : 'Imre Nagy and his companions are prepared to take over the Government.'

"The demonstration of Oct. 23 [i.e. the outbreak of the revolt] was initiated by Imre Nagy and his group, availing themselves of the connexions they had built up in the Petöfi Circle and in the Universities . . . It was directed by the Nagy group through Gabor Tanczos and his companions . . . On the initiative of Imre Nagy, Geza Losonczy, Ferenc Donath, Miklos Gimes and other members of the conspiracy began to work out between Oct. 19 and Oct. 22 the programme of the Government that was to be set up.

"On the morning of Oct. 23, 1956, a secret meeting was held in Losonczy's flat at which Miklos Gimes, Miklos Vasarhei, Ferenc Janosi, and Sandor Haraszti were present, led by Imre Nagy. They worked out a Government list which they wished to instal in power by overthrowing the legal Hungarian Government. Imre Nagy designated himself as Prime Minister.

"The members of the conspiracy set up several illegal centres. One of these centres, the members of which were Sandor Kopacsi, Jozsef Szilagyi, Miklos Gimes, Gyorgy Fazekas and Tamas Sczel, was organized in the main Budapest police station. Kopacsi, breaking his pledged oath, abusing his position as police chief, and misleading his subordinates, executed the tasks drawn up by the illegal centre. Close co-operation existed between this group and a sub-centre, brought into being on Oct. 24, 1956, of which Geza Losonczy, Ferenc Donath, and Ferenc Janosi were members. This group directed, among others, the disintegrating activities which were taking place in the ranks of the Army.

"Imre Nagy and his accomplices established secret contacts with the representatives of bourgeois restoration well before the October uprising, and concluded an alliance with them to seize power by force. Geza Losonczy and Sandor Haraszti personally reached agreement with Anna Kethly as early as July, 1956, regarding her participation in a future Nagy Government At the end of 1955 Imre Nagy decided to re-establish the old 'coalition' parties and to form a Government with them.

"When, however, he obtained the post of Prime Minister by force and deception, he went far beyond that point. He made possible, contrary to the Constitution, the unrestricted creation of 70 different parties and organizations in the few days of the counter-revolution—among them such notorious bourgeois-fascist parties, prohibited under the Peace Treaty, as the Party of Hungarian Life, the Christian Democratic party, the Hungarian People's party, the Christian Front, the Catholic People's party, the Christian People's party, and the Hungarian Nazi party in Györ.

"The group also 'rehabilitated' the lawfully and justly sentenced Jozsef Mindszenty, the former Prince Primate, and made him take a stand against the People's Republic. After an agreement had been reached with him through Zoltan Tildy, Mindszenty proclaimed the programme of capitalist restoration over the radio on Nov. 3.

"Imre Nagy . . . set up unlawfully a so-called Cabinet . . . in such a way that the reactionary forces were in the majority, although as an act of deception he also included persons loyal to Socialism. On Nov. 2, however, he expanded this Cabinet by including extremist representatives of bourgeois restoration and leaders of the counter-revolutionary rising. At that time, apart from Imre Nagy, Geza Losonczy and Zoltan Tildy, the members of the Government included Anna Kethly, Istvan Szabo, and Istvan Bibo, as well as Pal Maleter, commander of the armed counter-revolutionary rebels, in the capacity of Minister of National Defence.

"The treacherous and subversive activities of Imre Nagy and his accomplices . . . paralysed the armed forces defending the People's Republic. Simultaneously they organized, supplied with arms, and finally legalized the counter-revolutionary forces in revolt. War criminals and anti-democratic offenders, convicts released from prison, all categories of enemies of the people's democracy, were rallied in the so-called 'National Guard' . . . White terror started to rage in Budapest and throughout the country. According to data uncovered so far, 234 defenceless citizens were murdered. During the same period 3,000 progressive persons, loyal to the people's democracy, were imprisoned and their execution planned in the immediate future. In addition, death lists were compiled of more than 10,000 people and preparations were made for their massacre.

"A member of the group of conspirators was in contact with Cape [apparently meant to refer to the former First Secretary in the British Legation in Budapest, Mr. Cope], a former official of the British Legation, through whom Imre Nagy's political writings were funnelled out to the West. Through Pal Maleter they were in contact with Cowley, the British Military Attaché, who took a direct part in the military direction of the rising. The American Intelligence organization called 'University of Strasbourg' worked out the programme of the counter-revolutionary rising in September 1956, and this programme was spread illegally within the country.

"During the counter-revolution considerable quantities of small arms were smuggled into the country among Red Cross gifts. At the same time the imperialist press and radio started a propaganda campaign in favour of Imre Nagy. They emphasized that . . . it would be more advantageous to the Western Powers if the dismemberment of Hungary from the Socialist camp was carried out by a group that was called 'Communist.'

"To realize their objectives, and also to clear the road for imperialist intervention, Imre Nagy and his group attempted to repudiate the Warsaw Pact illegally and unilaterally. This attempt was crowned by Imre Nagy's radio appeal of Nov. 4, 1956, in which he appealed for the open and armed intervention of the Western imperialists against the Revolutionary Workers' and Peasants' Government [i.e. the Kadar regime which established itself under Soviet protection at Szolnok] and the Soviet troops whose assistance was requested by it.

"After the defeat of the counter-revolutionary uprising, several groups of conspirators sought refuge where support had previously been granted them. Bela Kiraly, Anna Kethly, Jozsef Kovago, and others escaped to the West . . . Jozsef [Cardinal] Mindszenty went into hiding in the American Legation ; Istvan Szabo tried to seek refuge in the British Legation ; the group of Imre Nagy, which had fought under the black flag of 'National Communism,' escaped to the Yugoslav Legation in Budapest.

"It is characteristic of the conspirators' infamy that they continued their counter-revolutionary activities even when . . . the Hungarian people began to restore legal order . . . Anna Kethly,

Bela Kiraly, Jozsef Kovago, and their associates sent instructions from the West, and Imre Nagy, Geza Losonczy and others issued instructions from the Yugoslav Legation to continue armed resistance, organize strikes, and reorganize underground subversion . . .

"At the trial the defendants Ferenc Donath, Miklos Gimes, Zoltan Tildy, Sandor Kpacsi, Ferenc Janosi, and Miklos Vasarhei showed repentance and pleaded guilty. Imre Nagy, Jozsef Szilagyi and Pal Maleter denied their guilt, but were unmasked as a result of incriminating evidence and material proof, and made partial confessions . . .

"The People's Courts Council of the Supreme Court . . . declared the defendants guilty. Imre Nagy was sentenced to death, Ferenc Donath to 12 year's imprisonment, Miklos Gimes to death, Zoltan Tildy to six year's imprisonment, Pal Maleter to death, Sandor Kopacsy to life imprisonment, Jozsef Szilagyi to death, Ferenc Janosi to eight years' imprisonment, and Miklos Vasarhei to five years' imprisonment. The sentences are final. The death sentences have been carried out."

Imre Nagy (62) first became Prime Minister of Hungary in July 1953, after the resignation of Matyas Rakosi. [A biography of M. Nagy up to that time is given on page 13104, second column]. During his Premiership of nearly two years he took a number of important measures to mitigate the severities of the Rakosi regime—e.g. by abandoning the policy of compulsory agricultural collectivization, closing internment camps, releasing political detainees, and permitting a partial return to private trading. In April 1955, however, he was deposed from the Premiership and deprived of party membership after his "new course" economic policy had been violently denounced as "right-wing deviationist" and "anti-Marxist" [see 14208 B, 14107 A]. Imre Nagy was the focus of the Hungarian people's uprising in October 1956, and Prime Minister for ten days until his Government was overthrown by the Soviet military intervention. He left the Yugoslav Legation (where he had taken refuge) under a "guarantee" of safe-conduct by the Kadar regime, but was immediately arrested by the Soviet authorities in violation of the safe-conduct pledge. He and other leaders of the revolt were subsequently deported to Rumania, and nothing more had been heard of them until the Budapest announcement of the trials and executions.

General Pal Maleter (47), Minister of Defence in M. Nagy's Government, was invited by the Soviet authorities to enter into negotiations with them for the withdrawal of Soviet forces from Hungary. He was arrested by the Russians while conducting these negotiations.

Pal Maleter was born in Slovakia, educated in Hungary, and served as a regular officer in the Hungarian National Army. He became a Communist after being captured by the Russians in the Second World War, was subsequently parachuted into Hungary to organize partisan activity against the Germans, and became famous as an anti-Nazi guerrilla leader. In the October revolt he was the first Hungarian general to throw in his lot with the uprising, and became commander of the Free Hungarian forces based on the Killian Barracks in Budapest.

The Hungarian Public Prosecutor (Dr. Szenaszi) stated at a press conference on June 21 that the trials had taken place in Budapest "not long ago" and had lasted 12 days; that they had been held in secret "for reasons of State interest," as the Western Powers might otherwise have "interfered" and "spread lies and calumnies"; that the defendants had been allowed to choose their own defence counsel; and that they had been allowed to present "petitions for clemency," which had been "rejected." The Public Prosecutor made no mention of the date of the trial and executions, nor did he give the names of the judges, prosecutors, or defence counsel taking part in the trials.

Reactions to Execution of Imre Nagy and General Maleter.

Intense indignation was aroused in the Western countries, and also in many of the "uncommitted" countries, at the execution of Imre Nagy and his associates; it was widely commented in British, American, French, and other Western newspapers that the first announcement of the executions had come from Moscow radio and not from Budapest.

President Eisenhower said at a press conference (June 18) that no incident could have more greatly shocked the civilized world than the execution of Imre Nagy and Pal Maleter, men who had sought to free their country from Russian domination. Nor could any incident have "more alerted the free world to the lack of confidence we are compelled to place in the words and actions of the Communist imperialists." The executions constituted a violation of good faith [i.e. of the safe-conduct pledge to M. Nagy when he left the Yugoslav Legation]; placed a "very great obstacle" in the way of further negotiations for a summit conference; and were clear evidence of the Soviet Union's intention of pursuing her "own policies of terror and intimidation" with the aim of ensuring complete subservience to her will.

Mr. Macmillan said in the British House of Commons (June 19) that "the whole House, the whole country, and the whole civilized world has been shocked by this latest development." In the House of Lords, Lord Lansdown said that "H.M. Government consider that the manner in which Mr. Nagy and General Maleter were kidnapped, held in custody, tried in secret, and executed, is repugnant to every principle of justice." After speaking of "the horror and indignation which this shameful act has aroused . . . throughout the country" he added: "This barbaric behaviour must have seriously diminished the confidence of the West in the sincerity of Soviet intentions, either in relation to the preparations for a summit conference or to the settlement of international problems by other means." Viscount Alexander of Hillsborough (leader of the Labour peers) described the executions as "a cruel and shameful perversion" of justice.

The British Labour Party issued a statement denouncing the executions as "judicial murder," while the Socialist International issued an appeal to all its member-parties to "make the strongest possible protest against these barbaric acts." "The Kadar regime," it said, "conducted the trial and carried out the executions, but the Soviet Union gave the orders and the Soviet Union's was the treachery."

In the Communist countries (except in Poland and Yugoslavia), and especially in China, approval of the executions was combined with violent attacks on Yugoslav "revisionism" and renewed denunciations of President Tito. The Peking *People's Daily* (organ of the Chinese Communist Party) described the executions as "glad tidings to us all," and added: "It is impossible not to link the case of Nagy with the role played by the Yugoslav revisionists in the Hungarian riots [i.e. the revolution]. The Hungarian events fully confirm that revisionism is the most dangerous enemy within the international Communist movement."

No official comment was made in Poland, but the Warsaw Correspondent of *The Times* said that the executions had come as "a shock to Poles of all political views, including Communist Party members except, perhaps, for a small minority of unrelenting Stalinists."

The Correspondent added: "Privately, disgust is being expressed in political circles and bewilderment at why it has been found necessary to take this cruel action . . . There are also misgivings about what the development may mean for Poland . . . From the point of view of international politics the executions are seen in the first place to be aimed at Marshal Tito, in Moscow's eyes the arch-revisionist; but there are also warning implications for Mr. Gomulka, who went to prison once because he opposed the Cominform campaign against Yugoslavia."

Deep indignation at the executions was reported from Belgrade, where, however, the Government confined itself to issuing a brief statement refuting the allegations made against Yugoslavia in the Hungarian announcement [i.e. that Mr. Nagy and his associates had received support from the Yugoslav Legation in Budapest before seeking asylum there; and that Mr. Nagy had continued to organize "subversive activities" while sheltering in the Legation.] The Yugoslav statement said that these "false allegations" were "contrary to the truth" and represented "a new, disturbing and premeditated sharpening of the anti-Yugoslav campaign." It was announced in Belgrade on June 21 that the Yugoslav Government was preparing a Note to be presented in Budapest.

The two leading Yugoslav newspapers, *Borba* and *Politika*, published front-page pictures of the executed Hungarian leader, with eulogistic biographies referring to him as "an eminent person in Hungary's political and cultural life." They pointed out that Imre Nagy was the head of a legally-constituted Government, and recalled his kidnapping in Budapest despite the assurances of safe-conduct. *Borba* (official organ of the Yugoslav League of Communists) also published the first hostile caricature of M. Khrushchev ever to appear in a Yugoslav newspaper; it showed him engaged in conversation with Mao Tse-tung (the Chinese Communist leader) and bore the caption: "Well, who is going to be Beria now?"—a sarcastic reference to M. Khrushchev's "reconciliation" visit to Belgrade in 1955, when he blamed Beria for the initial breach between the Soviet Union and Yugoslavia.

It was announced at U.N. headquarters on June 19 that the U.N. Special Committee on Hungary would meet in closed session to consider the execution of Mr. Nagy and his associates, in response to requests from several delegations.

(Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times - Tanjug Agency, Belgrade)

(Prev. rep. Imre Nagy, 15661 A.)

A. UNITED KINGDOM. — By-elections.

Five by-elections took place on June 12 without any change in political representation, three of the seats being held by the Conservatives and two by Labour. The constituencies were Argyll, Ealing South, St. Helens, Wigan, and Weston-super-Mare.

Argyll.

The by-election was caused by the death of Major Sir Duncan McCallum (Conservative). Result :

Noble, Michael (Conservative) ..	12,541
McKean, William (Liberal) ..	7,375
Young, Robert (Labour)	6,884
No change. Conservative majority	5,166

Figures at the general election were : Sir D. McCallum (C.) 19,119, R. Young (Lab.) 9,091—Conservative majority, 10,028.

The Conservative candidate polled 46.8 per cent of the votes, the Liberal candidate 27.5 per cent, and the Labour candidate 25.7 per cent, whereas at the general election the Conservatives received 67.8 per cent of the votes and Labour 32.2 per cent in a straight fight. The Conservative proportion thus fell by 21 per cent and the Labour proportion by 6.5 per cent. The Liberals last contested Argyll in 1945, when they polled 3,228 votes in a three-cornered contest.

67.06 per cent of the electorate voted in the by-election, compared with 56.61 per cent at the general election. The total electorate numbered 39,962, a decrease of 2,220 since the general election.

Sir Duncan McCallum (69), who died on May 10, had a distinguished military record in the First World War, serving in France and West Africa and winning the M.C. and mention in despatches. In 1923, while British liaison officer with the French in Syria, he took part in an adventurous pioneering motor journey across the Syrian desert to Baghdad—the first official reconnaissance of the trans-desert route. Four years later, while Commandant of the British Legation Guard in Peking, he motored overland from China to Britain—a distance of 15,200 miles—as a member of a two-car expedition. He subsequently served at the British Legations in Sofia and Cairo before entering Parliament. Sir Duncan was the son of Charles Whitton McCallum (Charles Coborn, the music-hall comedian and singer), famous for his songs *The Man Who Broke the Bank at Monte Carlo* and *Two Lovely Black Eyes*.

Ealing South.

The by-election was caused by the resignation of Mr. Angus Maude (Independent Conservative) following his appointment as editor of the *Sydney Morning Herald*, one of Australia's leading newspapers. Result :

Batsford, Brian (Conservative) ..	17,417
Garside, Hugh (Labour)	11,258
Skelsey, Philip (Liberal)	5,956
No change. Conservative majority	6,159

Figures at the general election were : A. Maude (C.) 25,992, D. Allen (Lab.) 13,462, D. Evans (L.) 4,182—Conservative majority, 12,530.

The Conservative candidate polled 50.3 per cent of the votes, the Labour candidate 32.5 per cent and the Liberal candidate 17.2 per cent, compared with respective percentages of 59.6, 30.9 and 9.5 at the general election. The Conservative proportion of the total vote thus fell by 9.3 per cent, while the Liberal proportion increased by 7.7 per cent and the Labour share by 1.6 per cent.

64.5 per cent of the electorate voted in the by-election, compared with 77.8 per cent at the general election.

Mr. Angus Maude (45) had represented Ealing South since 1950. An economist and financial journalist, he has been on the staff of *The Times*, the *Daily Mail*, and the *Sunday Express*, and was director of the Conservative Political Centre from 1951-55. He resigned the Conservative Whip in May 1957 at the time of the Suez crisis, and had since sat as an Independent Conservative.

The Independent Conservative group in the House (the "Suez rebels"), originally numbering eight members, was reduced to five as a result of Mr. Maude's resignation—Lord Hinchingbrooke, Mr. Paul Williams, Mr. Anthony Fell, Mr. Laurence Turner and Mr. Biggs-Davison. Of the other two members, Sir Victor Raikes had resigned from Parliament in the autumn of 1957 (see 15903 A), while the Conservative Whip was restored to Mr. Patrick Maitland on Dec. 23.

St. Helens.

The by-election was caused by the resignation of Sir Hartley Shawcross, Q.C. (Labour), who had represented the constituency since 1945. Result :

Spriggs, Leslie (Labour)	26,405
Carlisle, Mark (Conservative) ..	14,411
No change. Labour majority ..	11,994

Figures at the general election were : Sir H. Shawcross (Lab.) 35,737, J. M. Caplin (C.) 19,845—Labour majority, 15,883.

The Labour candidate received 64.7 per cent of the votes and the Conservative candidate 35.3 per cent, compared with respective percentages of 64.3 and 35.7 at the general election. Only 54.2 per cent of the electorate voted in the by-election, compared with 73.5 per cent at the general election.

Sir Hartley Shawcross (56) was Attorney-General and President of the Board of Trade in successive Labour Governments, holding the former post from 1945 to 1951 and the latter from April to October, 1951. One of Britain's leading lawyers, he was chief U.K. prosecutor at the Nuremberg trials of Nazi war criminals. He retired from the Bar in 1957 and is now legal adviser to the Royal Dutch-Shell group of oil companies, and a member of the board of the Ford Motor Company.

In a letter to the St. Helens Labour Party (March 7, 1958) Sir Hartley explained that he was resigning for private and family reasons, and because of his inability to devote sufficient time to his duties as an M.P. He added that it would "be idle to pretend that I have not disagreed with certain proposals which have found some favour in the [Labour] Party while it has been in Opposition, notably those involving further nationalization of industry and certain aspects of foreign, defence, and educational policy, on which I have favoured more bi-partisan consultation."

Wigan.

The by-election was caused by the death of Mr. Ronald Williams (Labour), who had represented the constituency since 1948. Result :

Fitch, E. A. (Labour)	27,415
Hodgson, J. J. (Conservative) ..	10,248
*Weaver, Michael (Communist) ..	972
No change. Labour majority ..	17,167

*Forfeited deposit.

Figures at the general election were : R. W. Williams (Lab.) 29,775, H. D. Lowe (C.) 14,883, T. Rowlandson (Comm.) 1,567—Labour majority, 14,872.

The Labour candidate received 70.9 per cent of the votes, the Conservative candidate 26.6 per cent and the Communist candidate 2.5 per cent, compared with respective percentages of 64.4, 32.2, and 3.4 at the general election. The Labour proportion of the total vote thus rose by 6.5 per cent, while the Conservative and Communist proportions fell by 5.6 and 0.9 per cent respectively.

69.3 per cent of the electorate voted in the by-election, compared with 80.2 per cent at the general election.

Mr. Ronald Williams (50), who died on March 13, was solicitor to the Durham Miners' Association (1936-45) and to the National Union of Mineworkers (1945-48) before entering Parliament.

Weston-super-Mare.

The by-election was caused by the death of Sir Ian Orr-Ewing (Conservative), who had represented the constituency since 1934. Result :

Webster, David (Conservative) ..	21,271
Hampton, Edward (Labour) ..	11,295
Taylor, Edward (Liberal)	10,588
No change. Conservative majority	9,976

Figures at the general election were : Sir Ian Orr-Ewing (C.) 27,357, R. G. Andrews (Lab.) 16,275—Conservative majority, 11,082.

The Conservative candidate received 49.3 per cent of the votes, the Labour candidate 26.2 per cent, and the Liberal candidate 24.5 per cent, whereas at the general election Sir Ian Orr-Ewing received 62.7 per cent and his Labour opponent 37.3 per cent in a straight fight. The Conservative proportion thus fell by 13.4 per cent, and the Labour proportion by 11.1 per cent. The Liberals last contested Weston-super-Mare in 1950, when they obtained 15.6 per cent of the votes in a three-cornered contest (the Conservatives receiving 56.4 per cent and Labour 28 per cent).

72.2 per cent of the electorate voted in the by-election, compared with 73.8 per cent at the general election.

Sir Ian Orr-Ewing (64) was Parliamentary Private Secretary to five Ministers between 1936-40, and a member of the Royal Commission on Rhodesia and Nyasaland in 1938. He served with the Scots Guards and the Royal Scots Fusiliers in the First World War, being wounded in action.

Of the five new Members of Parliament, Mr. Noble (44) is a farmer ; Mr. Batsford (47) is chairman and managing director of the publishing house of B. T. Batsford ; Mr. Spriggs (47) is a railway worker ; Mr. Fitch (43) is a miner ; and Mr. Webster (34) is a stockbroker's clerk and a former parachute instructor.—(Times - Daily Telegraph - Manchester Guardian - Daily Herald) **(Prev. rep. By-elections, 16173 A.)**

B. JAPAN. — Bank Rate reduced.

The Bank of Japan reduced its official rediscount rate on June 17 from 8.395 per cent to 7.665 per cent, with effect from June 18. This was the first change in the Japanese Bank rate since May 1957, when it was raised as part of a disinflationary programme to cope with a balance-of-payments crisis. **(Times)**

A. ANTARCTICA. — President Eisenhower's Proposals for Antarctic Treaty. - 11-Nation Acceptance of International Conference on Antarctica.

The U.S. Government sent Notes on May 3 to all countries participating in the International Geophysical Year programme in Antarctica proposing the conclusion of a treaty which would have the following objects :

"(1) Freedom of scientific investigation throughout Antarctica by citizens, organizations, and Governments of all countries, and a continuation of the international scientific co-operation which is being carried out so successfully during the current International Geophysical Year.

"(2) International agreement to ensure that Antarctica is used for peaceful purposes only.

"(3) Any other peaceful purposes not inconsistent with the Charter of the United Nations."

The Notes were sent to Great Britain, France, Norway, the Soviet Union, Australia, New Zealand, Japan, Belgium, Argentina, and Chile—all of which, in addition to the United States itself, are taking part in the current I.G.Y. programme in Antarctica. All these countries were invited to participate in a conference "to be convened at an early date at such place as may be mutually agreeable."

President Eisenhower issued a statement on the same day in which he declared that the United States was "dedicated to the principle that the vast uninhabited wastes of Antarctica shall be used only for peaceful purposes." He expressed confidence that the American proposal would "win the wholehearted support of the peoples of all the nations directly concerned, and indeed of all other peoples of the world."

The U.S. Notes were identically worded, the text being as follows :

". . . The International Geophysical Year comes to a close at the end of 1958. The need for co-ordinated scientific research in Antarctica, however, will continue for many more years in the future. Accordingly, it would appear desirable for those countries participating in the Antarctic programme of the I.G.Y. to reach agreement among themselves . . . to assure the continuation of fruitful scientific co-operation.

"Such an arrangement could have the additional advantage of preventing unnecessary and undesirable political rivalries in that continent, the uneconomic expenditure of funds to defend individual national interests, and the recurrent possibility of international misunderstanding. If harmonious agreement can be reached among the countries directly concerned in regard to friendly co-operation in Antarctica, there would be advantages not only to these countries but to all other countries as well.

"The present situation in Antarctica is characterized by diverse legal, political, and administrative concepts which render friendly co-operation difficult in the absence of an understanding among the countries involved. Seven countries have asserted claims of sovereignty to portions of Antarctica, some of which overlap and give rise to occasional frictions. Other countries have a direct interest in that continent based on past discovery and exploration, geographic proximity, sea and air transportation routes, and other considerations.

"The United States for many years has had, and continues to have, direct and substantial rights and interests in Antarctica. Throughout a period of many years, commencing in the early 19th century, many areas of the Antarctic region have been discovered, sighted, explored, and claimed on behalf of the U.S.A. by U.S. nationals and by expeditions carrying the U.S. flag. During this period, the U.S. Government and its nationals have engaged in extensive activities in Antarctica. In view of these activities, the U.S. Government reserves all rights of the United States with respect to the Antarctic region, including the right to assert a territorial claim or claims.

"It is the opinion of the U.S. Government, however, that the interests of mankind would best be served, in consonance with the high ideals of the U.N. Charter, if the countries which have a direct interest in Antarctica were to join together in the conclusion of a treaty . . ."

After proposing an international Antarctic treaty with the three objectives mentioned above, the U.S. Government expressed its belief that "such a treaty can be concluded without requiring any participating nation to renounce whatever basic historic rights it may have in Antarctica, or whatever claims of sovereignty it may have asserted." The Notes continued :

"It could be specifically provided that such basic rights and claims would remain unaffected and no new claims be made by any country during the duration of the treaty. In other words, the legal *status quo* in Antarctica would be frozen for the duration of the treaty, permitting co-operation in scientific and administrative matters to be carried out in a constructive manner without being hampered or affected by political considerations. Provisions could likewise be made for such joint administrative arrangements as might be necessary and desirable to ensure the successful accomplishment of the agreed objectives. The proposed treaty would be deposited with the United Nations, and the co-operation of the U.N. Specialized Agencies would be sought.

"Such an arrangement would provide a firm and favourable foundation for a continuation of the productive activities which have thus far distinguished the I.G.Y.; would provide an agreed basis for the maintenance of peaceful and orderly conditions in Antarctica during the years to come ; and would avoid the possibility of that continent becoming the scene of international discord."

In conclusion, the U.S. Government invited the other Governments concerned to an early conference at an agreed place.

The U.S. State Department announced on June 4 that all the countries approached had agreed to take part in a conference on Antarctica. In a joint statement on June 8, however, the Argentine and Chilean Governments said that they had accepted "only in principle and with reservations."

In **Britain**, a Foreign Office spokesman said (May 20) that H.M. Government welcomed the U.S. proposal "to ensure freedom of scientific investigation and the non-militarization of the area." The **Australian** Minister of External Affairs (Mr. Richard Casey) said that there had been close consultation between the Commonwealth countries associated with Antarctic activities, adding that President Eisenhower's proposals "clearly serve the general interest and ought not to give rise to controversy." Mr. Casey emphasized that Australia's title to a major part of Antarctic territory would not be impaired.

The Prime Minister of **New Zealand** (Mr. Walter Nash) welcomed the President's proposal as "a constructive step towards the establishment of a stable regime in Antarctica," and expressed his pleasure that "a formal move has been made to arrange for consideration of the future of the Antarctic continent." Mr. Nash pointed out that he had himself referred on several occasions to "the desirability of perpetuating the essential features of the I.G.Y. Antarctic programme —international co-operation, and free access for all nations for peaceful purposes."

The **Soviet Union** sent a Note to Washington (June 2) accepting the invitation to a conference on Antarctica, and noting the "fruitful co-operation" already achieved by scientists of many nations participating in the I.G.Y. programme. After saying that the U.S.S.R. was ready "to promote the development of this co-operation in every way," the Note went on : "The Soviet Government . . . cannot recognize as legal any separate settlement of State jurisdiction over Antarctica. Although the Soviet Union reserves all rights based on the discoveries and explorations of Russian navigators and scientists, including the right to put forward territorial claims in the Antarctic, it nevertheless considers it possible and desirable to reach an international agreement which will ensure freedom of scientific research in the Antarctic and its use for peaceful purposes only." In conclusion, the U.S.S.R. proposed (1) "that the treaty should avoid inclusion of any propositions concerning the question of territorial claims in the Antarctic which could be regarded as placing some States in an unequal position in relation to others"; and (2) that all States wishing to take part in a conference on Antarctic problems should be invited.

The **Argentine-Chilean** statement (June 8) reserved the territorial claims of the two countries to parts of Antarctica, and opposed Soviet participation in the conference.

As shown in the map on page 16055, five countries have established political claims to sectors of the Antarctic continent: (1) Great Britain in the Falkland Islands Dependencies and Graham Land ; (2) Australia in the Australian Antarctic Territory ; (3) New Zealand in the Ross Dependency ; (4) Norway in Queen Maud Land ; and (5) France in Adélie Land, which separates the two parts of Australian Antarctica. In addition, Argentina and Chile claim large parts of the Falkland Dependencies (the claims overlap each other) and have established stations on various islands. No formal claim has been made to Marie Byrd Land, where American expeditions have been particularly active, nor have territorial claims yet been put forward by the Soviet Union, Japan, or Belgium. As stated above, both the U.S. and Soviet Governments reserved the right to make territorial claims in Antarctica. (New York Times - New York Herald Tribune - Times - Daily Telegraph - Australian News and Information Bureau - New Zealand Government Office - Soviet Embassy Press Department, London) **(Prev. rep. Antarctica, 16225 C ; 16179 B ; I.G.Y. Programme, 16055 A.)**

B. ETHIOPIA. — Cabinet Reorganization.

It was announced in Addis Ababa on April 3 that the Emperor Haile Selassie had ordered the following changes in the Ethiopian Government : (*a*) M. Yilma Deressa (Ambassador in Washington) as Minister of Foreign Affairs *vice* M. Aklilou Habtewold, who had held the portfolio since 1948 and would remain a Deputy Premier ; (*b*) M. Abbye Abebe (a former Ambassador in Paris) as Minister of Justice ; (*c*) M. Makonnen Habtewold (Minister of Finance) as Minister of the Interior *vice* M. Sileshi ; and (*d*) M. Woldemaskal (a former Minister of Agriculture) to succeed M. Makonnen Habtewold at the Finance Ministry.—(Le Monde, Paris)

(Prev. rep. Cabinet, 14380 A.)

A. UNITED KINGDOM. — Rent Act. - Mr. Brooke's Warning to Landlords. - Legislation to protect Tenants against Eviction in Special Cases of Hardship.

The text was published on April 16 of the Government's Landlord and Tenant (Temporary Provisions) Bill, intended to help tenants, especially elderly people, who might otherwise be badly affected under the Rent Act when their homes became decontrolled in October. The Bill—which enabled tenants who fulfilled certain conditions to obtain a stay of eviction—implemented a promise given by Mr. Henry Brooke, the Minister of Housing and Local Government, in the House of Commons on April 2.

Mr. Brooke had previously issued a statement on Feb. 22 warning landlords against abusing the provisions of the Rent Act and using eviction notices as a prelude to negotiations with their tenants, instead of first endeavouring to make reasonable agreements with them.

In his statement of Feb. 22 Mr. Brooke said that the Government had acted in the belief that landlords in general would make new agreements with their tenants on reasonable terms. He continued :

" In the great majority of cases that belief has come true. Many landlords have shown restraint and moderation, and a real understanding of the tenant's point of view . . . Large numbers of agreements have been made all over the country.

" But as always there are exceptions. I am thinking particularly of those landlords who, instead of re-letting, are planning to sell simply for the sake of selling. These are people who are giving their tenants no option but to buy or get out.

" Then there are some landlords who say they want to make new agreements but are asking too high rents. That is the way to lose good tenants, and a good tenant is more use to a landlord than a fancy rent. Then there are some others who so far have made no offer of any kind, but have simply left their tenants wondering what they intend to do.

" These classes of landlords are in a minority, but I say plainly to them that . . . they are failing in their duty as landlords to treat good tenants with the fairness and consideration they are entitled to expect. So I want these landlords to think again, while there is still ample time for negotiation. If they have not yet offered to make a new agreement with their tenants, they ought to do so at once.

" They have no right to leave their tenants in uncertainty and anxiety. If there is an exceptional case where for some reason the landlord cannot offer a new agreement, he should at least explain to his tenants what his difficulty is.

" It is quite understandable that in some cases a landlord will prefer to sell. But if he really does not require to sell, and if his tenants are unable to buy, he ought to reconsider and offer to re-let on a new agreement. He can get a perfectly fair return on his money that way, and the tenant will be saved unnecessary anxiety and upset. Any landlord who is uncertain in his own mind whether to re-let or sell should start by finding out what his tenants wish.

" Landlords intending to offer new tenancy agreements have no justification for using eviction notices as a prelude to negotiations. They should tell their tenants straight away what terms they are prepared to offer, and seek to reach agreement as quickly as anyone reasonably can.

" Over all but a small fraction of the rented houses and flats, taking the country as a whole, the Rent Act is working fairly and smoothly. I believe that in many of the cases where difficulties have arisen, it is because the landlord has not fully realized his responsibility nor thought sufficiently of what is entrusted to him. It is in his interest as well as in the tenant's to reach agreement."

Mr. Brooke concluded : " There is still plenty of time for my words to have effect. Those who do not heed them may regret it. I shall be watching closely to see how things go on."

House of Commons Debate on Rent Act.

A debate on the working of the Rent Act took place in the House of Commons on March 3 on an Opposition motion (moved by Mr. Mitchison, Lab.), deploring " the oppressive agreements and serious hardships imposed on tenants " as a result of the Act, and calling on the Government to " take immediate steps to remedy these grievances."

Mr. Mitchison declared that because of the great difficulty in finding alternative accommodation, tenants faced with the consequences of the Act and wishing to avoid eviction would have no choice but to accept any bargain, however oppressive, that their landlords might offer. In some cases, tenants had been served with notices to quit and informed that no new agreements would be offered to them since it was intended to let the property furnished. In others, they had been told that rents would be increased by 300 or 400 per cent—in some cases by 600 or 800 per cent. Most of these people had been living in their houses or flats for some time ; if they were obliged at comparatively short notice to pay many times what they had been accustomed to pay, they would only be able to find the money by cutting down on food and necessities.

After speaking of " the vast mass of landlords who hold their houses as an investment for the money they can get out of them," Mr. Mitchison denied the Government's claim that the Act would result in better maintenance of the nation's stock of houses. Contending that there was " nothing in the Act to compel a landlord to get a house into better repair before increasing the rent," he declared that the formalities which a tenant had to go through before he could secure repairs were " well and truly weighted in the landlord's favour." As a result, although a few houses were being " patched up," the majority were not being attended to at all.

Mr. Mitchison concluded by referring to Mr. Brooke's warning to " landlords who did not realize their responsibilities " [see above] and asked what steps the Government proposed to take to implement the warning.

Mr. Brooke, who replied, moved the following amendment :

" This House congratulates the Government upon the rapid expansion of house building achieved in the past six years, which has rendered a measure of decontrol possible ; reaffirms its belief that the Rent Act will make a valuable contribution to the nation's housing needs by securing better maintenance of the nation's stock of houses and by bringing into use accommodation which because of rent restriction has remained under-occupied ; and maintains its support for the Government in all measures necessary to achieve these ends in a fair and reasonable manner."

Declaring that the Labour Party's failure to build sufficient houses between 1945 and 1951 had " contributed more hardship than the Rent Act will ever do," the Minister argued that it was impossible to remove the " frustration of rent control," under which many tenancies had been " petrified for 18 years," without causing hardship or inconvenience to anyone. What had to be done was to keep down the hardship as much as possible and go forward with the decontrol policy. Never before had there been so much house-room in the country, since 3,000,000 houses and flats would have been built since the war—two-thirds of them under a Conservative Government.

The Rent Act (Mr. Brooke continued) affected the tenants of only about 5,000,000 of the 15,000,000 dwellings in Britain, and six out of seven tenants still enjoyed security of tenure. The Act had been so successful in stimulating the putting in hand of repairs that up to Dec. 31, 1957, local authorites had issued only 13,000 certificates of disrepair, with another 10,000 under consideration. Even if all these were granted, it would make only a total of 23,000 certificates of disrepair out of over 4,250,000 tenancies. In all other cases where the landlord had claimed a rent increase, he had undertaken to do the necessary repairs. This was entirely due to the Rent Act.

The great majority of decontrolled tenants, the Minister went on, had neither been threatened with eviction nor asked to pay unreasonable rents ; exaggerations helped no-one except the small minority of landlords who wished to frighten tenants into paying too much. Mr. Brooke alleged in this connexion that a good many cases of hardship had been directly caused by the Labour Party's " thoughtless and misleading " pledge to municipalize rented houses, but for which there would not have been " anything like so many landlords wanting to sell." It should also be remembered that there was " another common type of case, in which irresponsible tenants have been trading on landlords' inability to get rid of them and a kind of civil war has been going on for years." In spite of these exceptions, however, the majority of tenants in London and elsewhere had already taken up new leases for three years ; in other cases negotiations were proceeding, and in yet others tenants were buying their houses from their landlords, often at prices below the market value. The bigger property-owners had, in the main, quoted reasonable new rents for sitting tenants.

As regards his warning to landlords, Mr. Brooke said that although he did not propose to elaborate on this until he had seen whether the advice was being taken, the Government would endeavour to overcome " in a fair and reasonable manner " the difficulties which decontrol was causing in London and " a small number of other places." He added : " So far as I can judge it is largely a problem, not of the young and able-bodied, but of the elderly. It is not easy for old people to move. These are the people we want to help . . . The Government has no intention of repealing the Rent Act, or any part of it . . . If we conclude that any further steps are necessary to secure that the objects of the Act are accomplished in a fair and reasonable way, we shall take them."

After debate, the Opposition motion was defeated by 304 votes to 246 and the Government amendment agreed to by 307 votes to 246. Four Conservative M.P.s (Colonel J. K. Cordeaux, Mr. Anthony Marlowe, Mr. Robert Jenkins, and Mr. Henry Price) abstained from voting on the Opposition's motion, but the first three voted on the Government amendment. Mr. Price and the six Liberal M.P.s abstained in both divisions.

A group of 16 Conservative M.P.s had sent a letter to the Prime Minister on Feb. 25 expressing " grave concern " at the working of the Rent Act, and asking him to receive a deputation from them. The letter spoke of the " widespread fear of eviction in October " felt by tenants ; the refusal of many landlords to negotiate new leases ; and the " oppressive contracts " drawn up for new tenancies by other landlords, and accepted by their tenants " at pistol point."

Unsuccessful Amendment Bills by Labour Members.

A series of attempts to introduce Bills to amend the Rent Act was made by Labour back-bench M.P.s under the "10-minute rule" between January and April. In each case leave to introduce the Bills was refused on the motion of Conservative back-benchers. The objects of the Bills are summarized below, with sponsor's names, dates of refusal of leave, and voting figures in parentheses.

(1) To extend by 12 months the date on which notices of eviction would become operative (Mr. Arthur Lewis, Jan. 28. Leave refused by 238 votes to 173).

(2) To enable tenants of decontrolled houses to remain in possession for up to three years at rents to be determined by tribunals (Mr. Gibson, Feb. 5. Leave refused by 234 votes to 195).

(3) To empower the Courts to restrain or delay eviction in cases of aged tenants, long occupation, or grave hardship (Mr. Orbach, Feb. 11. Leave refused by 243 votes to 204).

(4) To authorize local authorities to purchase land compulsorily to prevent evictions from houses decontrolled under the Rent Act (Mr. Julius Silverman, Feb. 25. Leave refused by 259 votes to 211).

(5) To raise the level above which houses in Scotland would be decontrolled from £40 to £60 rateable value (Mrs. Jean Mann, March 5. Leave refused by 250 votes to 203).

(6) To simplify and expedite the procedure for securing repairs to rent-controlled dwellings, and to shorten the time allowed for the performance of landlords' undertakings. (Miss Alice Bacon, March 12. Leave refused by 232 votes to 202).

(7) To provide that the rent of a dwelling-house which was unfit for habitation and included in proposals submitted to the Minister of Housing under the Housing Repairs and Rents Act should not exceed the gross rateable value. (Mr. Sparks, March 19. Leave refused by 261 votes to 189).

(8) To give County Courts power to order exchanges of statutory tenancies where both tenants were willing and the landlord unreasonably withheld his consent. (Mr. Darling, March 26. Leave refused by 233 votes to 191).

(9) To provide that the Minister of Housing should fix a multiplier of the gross rateable value of houses as a price-ceiling, and that if a house was sold above this figure the tenant or former tenant who had been evicted by his landlord in order that the house might be sold should be entitled to the excess amount. (Mr. Paget, April 29. Leave refused by 243 votes to 187).

(10) To enable the widow of a person dying intestate, or other member of his family living with him at the time of his death, to retain possession where that person had become a tenant under the Increase of Rent and Mortgage Interest Act. (Mr. Janner, May 13. Leave refused by 254 votes to 200).

The Landlord and Tenant (Temporary Provisions) Bill.

As stated above, the Government itself introduced legislation with a view to overcoming special hardships arising from the application of the Rent Act. The terms of the Bill (which applies to England, Wales, and Scotland) are summarized below :

(1) A landlord wishing to regain possession of decontrolled property when notice to quit expired would have to apply to the County Court (in Scotland to the Sheriff Court) for an order of possession.

(2) The tenant could stay in possession pending the hearing of the action, but in England and Wales would have to pay a rent equal to twice the gross rateable value of the property, plus rates and a reasonable charge for any services provided by the landlord. In Scotland he would pay the existing rent plus half the 1954 rent. If the rent he had previously been paying was higher than these amounts, he would continue to pay the higher sums.

(3) The court could suspend the possession order for not less than three or more than nine months if the tenant could prove (*a*) that he had made "all reasonable efforts to reach agreement with the landlord for a tenancy of at least three years"; (*b*) that he had taken "all reasonable steps" to find other suitable accommodation, but had failed; (*c*) that he had paid, or offered to pay, all rent due from him up to the date of hearing; (*d*) that an order for immediate possession would cause him greater hardship than the suspension of the order would cause to the landlord. In considering whether conditions (*a*) and (*b*) were satisfied, the court would have regard to the tenant's means and age, as well as to any disability from which he might suffer.

(4) The court might subsequently, and on a fresh application by the tenant, extend the period of suspension for further periods of six months at a time, provided that the appropriate conditions were still satisfied.

(5) If the court suspended the possession order, the rent payable would be the figure asked by the landlord, unless the court was satisfied that this was beyond the tenant's means. In such cases the court might fix a lower rent, but not below the rent which the tenant was paying before the hearing.

[The minimum rent which the court could fix would thus be twice the gross rateable value plus rates and services in England and Wales, and the existing rent plus half the 1954 rent in Scotland—see provision 2 above].

(6) The protection given by the Bill would extend to the tenant's widow or other relative who could have succeeded to a statutory tenancy under the Rent Acts. It would not apply where the tenant voluntarily gave up possession or made an agreement for at least three years. If, however, he made an agreement for a shorter period, the Bill would apply when the new tenancy came to an end.

(7) A landlord who attempted to get possession of his property except by a court order, or who unreasonably withheld services previously provided, would be liable to a fine of up to £100, or up to six months' imprisonment, or both.

(8) The court would not be able to suspend a possession order if the landlord could prove that before April 2, 1958 (the date when the Minister of Housing and Local Government announced his intention to introduce the Bill) he had made an agreement under which he was obliged to give vacant possession on a specified date to a person requiring the accommodation for his own occupation or that of a parent or grown-up child.

(9) The grounds on which the court could grant the landlord possession under the Rent Acts (e.g. non-payment of rent or a breach of the tenancy agreement) would also be grounds on which a Court could refuse to postpone possession under the Bill.

(10) The Bill would remain in force for three years after enactment.

The second reading was moved in the House of Commons on April 24 by the Minister of Housing.

Mr. Henry Brooke claimed that the Rent Act had enabled thousands of houses to be put in proper repair and had succeeded also in its second objective of creating a free market in houses and flats above a certain rateable value. Since the Act had come into effect, however, two developments had occurred to make the transition to decontrol more difficult. These were (1) the increase in Bank Rate and intensification of the credit squeeze in September 1957 [see 15770 A]; (2) the Labour Party's threat to repeal the Rent Act and municipalize rented houses [see page 15892, second column]. "This ill-advised and well-publicized resolution," Mr. Brooke continued, "induced many owners to sell their property with vacant possession as quickly as possible, and led to thousands of tenants receiving notice to quit who would not otherwise have received it." In spite of these developments, most of the 800,000 tenants of decontrolled houses and flats had already made new arrangements, and there was time before October next for many more agreements to be made.

The object of the Bill (the Minister continued) was to aid the small number of decontrolled tenants mostly in London and a few big cities - who by October next had not succeeded in making fresh arrangements, although they had endeavoured to do so. The Government had no intention of bringing back control in any shape or form, and the Bill would only help those who were prepared to help themselves, and protect them against undeserved hardship by giving them more time to find other accommodation. Any tenant who had received notice to quit and wished to stay should tell his landlord that he was willing to pay a reasonable rent, only if no fresh agreement was possible should he start looking for something else. The Bill would make it illegal for the landlord to regain possession without a court order; if the court suspended the order in the tenant's favour, the extra time granted the tenant would in many cases solve the problem.

Mr. Mitchison (Lab.) claimed that by introducing the Bill the Minister really sought to amend the Rent Act—which previously he had consistently refused to do. Complaining that Mr. Brooke's "tardiness" in acting had been "grossly unfair to those tenants who have been driven into harsh and unconscionable bargains with their landlords," he accused the Government of "playing politics" in view of the prospect of an L.C.C. election, and of introducing "in a weak and modified form" the very proposals they had previously refused to accept from the Opposition [see above]. After asserting that a tenant who applied for the suspension of a possession order would "have to prove everything" and be faced with costs of about £25 a day if his application failed, Mr. Mitchison particularly criticized the "hardship clause," asking how a court was to weigh up the "greater hardship" as between a company owning a block of flats and a tenant who, if evicted, would have to find somewhere else to live. Although the Opposition thought that the Bill would not go far to rectify hardships caused by the Rent Act, it would not oppose it because "even this small snack is worth something to somebody."

The Bill was given an unopposed second reading after debate. (Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Rent Act, 15917 A.)

A. UNITED KINGDOM. — Further Bank Rate Cut.

A further cut in the Bank Rate from 5½ per cent to 5 per cent was announced by the Bank of England on June 19, bringing the rate back to the pre-crisis level existing before the 2 per cent emergency increase of last September. The reduction was described in official circles as another technical adjustment to meet the steady fall in short-term interest rates in New York and other international financial centres. It was stressed that it involved no relaxation of the credit squeeze.—(Financial Times) **(Prev. rep. 16188 A.)**

A. HUNGARY - SOVIET UNION. — M. Khrushchev's Visit to Hungary. - Speeches on Hungarian Uprising. - Soviet-Hungarian Economic Agreements.

The Soviet Prime Minister, M. Khrushchev, accompanied by M. Kozlov (First Deputy Premier) and M. Gromyko (Foreign Minister), visited Hungary from April 2-10 for talks with M. Kadar (First Secretary of the Hungarian Socialist Workers' [Communist] Party, Dr. Muennich (Prime Minister), M. Marosan (First Secretary of the central committee of the H.S.W.P.), M. Sik (Foreign Minister) and other party leaders. During their stay in Budapest the Soviet Ministers attended a mass meeting to celebrate the anniversary of Hungary's liberation by the Soviet armies ; they also visited a number of towns in the provinces, as well as industrial enterprises, scientific institutions, and co-operative farms.

A joint statement was issued on April 9 announcing (*a*) that a trade agreement had been signed providing for " a further increase in reciprocal deliveries of goods during 1958-60 "; (*b*) that the Soviet Government had extended to Hungary " additional economic aid for the building and reconstruction of enterprises in the metallurgical, machine-building, electrical engineering, chemical, oil, consumer goods, and other industries, and also transport " ; (*c*) that agreement had been reached for long-term scientific and technical co-operation between Hungary and the U.S.S.R., including co-operation in the production of electrical equipment, precision instruments, and diesel engines ; and (*d*) that a cultural co-operation plan for 1958 and an agreement between the Academies of Sciences of the two countries had been signed for promoting cultural and scientific ties.

The lengthy statement, after reviewing the development of Soviet-Hungarian relations since the Joint Declaration of March 28, 1957 [see page 15665, first column], said that the talks had " revealed complete identity of views on the role and significance of the Warsaw Treaty." It stressed the aim of both countries of " further strengthening and welding together the Socialist camp in the interests of consolidating world peace "—a unity which " no power on earth can disrupt "—and spoke of the importance of an early " summit " meeting as a basis for establishing an effective system of collective security in Europe, notably by a non-aggression treaty between NATO and the Warsaw Treaty countries. The statement urged the ending of nuclear weapon tests ; concrete disarmament measures ; the ending of the " cold war " ; and the abolition of military bases on the territories of other countries. It expressed " grave concern " at the decision to equip the West German Army with nuclear weapons and at the plans for missile bases in Western Germany, and called for the creation of a Central European zone free from nuclear and rocket weapons.

Finally, the statement emphasized that " the question of the State system in the people's democracies " could not form the subject of discussion at a summit conference, as such discussion would be " incompatible with the principles of the U.N. Charter " and would constitute " inadmissible interference in the affairs of sovereign States." It condemned both " revisionism " and " dogmatism and sectarianism " in terms similar to those of the Moscow 12-party declaration [see 15899 A] ; reaffirmed the " unswerving loyalty " of the Soviet Communist Party and the Hungarian Socialist Workers' Party to " the Leninist principles of proletarian internationalism " ; and declared that they would "wage a resolute struggle against the attempts of the enemy to make use of nationalism in order to foment hostility and hatred among the peoples."

During his visit to Hungary M. Khrushchev made a number of public speeches in which he defended the Soviet intervention in Hungary in 1956 and declared that the U.S.S.R. would suppress " counter-revolution " in any Socialist country.

Conflicting reports were given of a short extempore speech made by M. Khrushchev on April 5 to iron and steel workers at Sztalinvaros (a centre of resistance during the 1956 uprising). According to reports by four Western news agencies, M. Khrushchev said : " You should not think that if a counter-revolution comes again you can depend on the Russians coming to your aid once more. You must help yourselves." In a subsequent speech at Tatabanya on April 8, however, he accused " bourgeois journalists " of misquoting him, and continued : " I told our Hungarian friends at Sztalinvaros that they should manage their affairs in such a way that there would be no new counter-revolution and it would not be necessary for us Russians to come to their aid. If provocateurs or enemies of the workers attempt a *putsch* or counter-revolution in any Socialist country, then I tell them here and now that all the Socialist countries and the armed forces of the Soviet Union will be ready at all times to give the provocateurs the answer they deserve."

Addressing a meeting at Csegled on April 7, M. Khrushchev attributed the 1956 uprising to the " serious mistakes " committed by the Hungarian Communist leadership and to " reactionaries " who, supported by " outside imperialist forces," had taken advantage of those mistakes. The decision to intervene had been a hard one to take, as " a section of the workers were also on the side of the counter-revolution," but the Soviet Government had decided that it could not stand aloof " when Fascist elements began to butcher the finest representatives of the working people." In a speech at the Csepel steelworks in Budapest (the scene of heavy fighting during the uprising) M. Khrushchev said that " the overwhelming majority of the Hungarian workers remained loyal to the people's democracy " ; he claimed that the Csepel workers had demanded arms to fight the rebels, but had been refused them by " the traitorous Imre Nagy group."

On returning to Moscow on April 10, M. Khrushchev highly praised M. Kadar and Dr. Muennich as " true revolutionaries " and " faithful friends of ours " [see page 16172, first column]. On the other hand, he denounced M. Rakosi (the former First Secretary) as primarily responsible for the 1956 uprising ; recalled that M. Kadar had spent five years in prison under Rakosi's rule ; and commented that " Rakosi is even now offended that he is not being recognized." M. Khrushchev's remarks were interpreted as an affirmation of Soviet support for the moderate section of the Socialist Workers' Party led by M. Kadar as against the " Stalinist " wing, which had recently been demanding M. Rakosi's return from his exile in the Soviet Union.

An agreement on economic co-operation between the Soviet Union and Hungary during the years 1961-65 was signed in Moscow on June 2. It provided that the U.S.S.R. would supply iron ore, pig iron, non-ferrous metals, coke, oil, timber, and cotton to Hungary in return for machinery, equipment, shipping, medicines, fabrics, and footwear. It also provided for Soviet technical assistance to Hungary in constructing and enlarging a number of industrial establishments.
(Soviet Embassy Press Department, London - Le Monde - Neue Zürcher Zeitung - Times - Manchester Guardian)
(Prev. rep. 15661 A.)

B. IRISH REPUBLIC. — Report of Atomic Energy Committee. - Reactor proposed for Dublin.

The report of an Atomic Energy Committee which was set up in March, 1956, was published in Dublin on May 30, 1958. Its principal recommendations were for the establishment by the Government of an Atomic Energy Board which should have responsibility for an atomic research reactor (to be situated in Dublin), the custody of the fuel, a training and research programme, and other matters relating to atomic energy development in the Irish Republic. Other recommendations included the following :

(1) The reactor should, if possible, be operated under contract by a University institution or college, in the first instance for five years.

(2) Executive responsibility for the safe operation of the reactor should rest with a committee of five persons, of whom two should be the senior officers of the reactor.

(3) An advisory centre should be established to further the application of radioactive isotopes in Irish industry.

(4) Existing work in the application of radioactive isotopes to agriculture should be extended.

(5) Units for therapeutic use of radioactive isotopes should be established in a few general hospitals, and facilities for the use of such isotopes for diagnostic purposes should be extended to a number of centres throughout the country.

(6) A research reactor suitable for Irish needs should be established in Dublin in an area free from continuously occupied buildings over a 500-foot radius. Parts and control gear for the reactor should be bought from a specialist contractor in Britain or the U.S.A., but the design of the reactor pool and buildings should be entrusted to an Irish engineer, and the construction to an Irish contractor.

(7) Post-graduate courses should be established for training Irish engineers in the peaceful uses of atomic energy.

In a minority report, two members of the committee (General M. J. Costello and Professor E. T. S. Walton) suggested that instead of being operated by a university college it would be better if the reactor was operated directly by the Atomic Energy Board. Both these members, as well as Mr. John Conroy (president of the Irish Transport and General Workers' Union) and Professor Cormac O'Ceallaigh, doubted the advisability of expenditure on a research reactor at the present time.

The chairman of the Atomic Energy Committee was Mr. Daniel McAleese, a former Revenue Commissioner.
(Irish Times, Dublin)

C. UNITED STATES. — Interment of Unknown Soldiers of Second World War and Korean War.

The bodies of two unknown American soldiers, one killed in the Second World War and the other in the Korean War, were interred on May 30 in the Arlington National Cemetery, Washington, beside the tomb of the Unknown Soldier of the First World War. The ceremony was attended by President Eisenhower, Vice-President Nixon, Administration and Congressional leaders, representatives of the armed forces, and more than 100,000 civilians.—(New York Times)

A. NORTH ATLANTIC TREATY ORGANIZATION - WESTERN EUROPEAN UNION. — Council and Defence Ministers' Meetings. - Plan for Pooling of Arms Production. - The Support Costs Question.

The North Atlantic Council met at ministerial level in Copenhagen on May 5-7. The meeting took place at Christiansborg Palace (the seat of the Danish Parliament) and was attended by the Foreign Ministers of all 15 member-countries—M. Larock (Belgium), Dr. Sidney Smith (Canada), Hr. Hansen (Denmark), M. Pineau (France), Dr. von Brentano (Western Germany), M. Pesmajoglu (Greece), Hr. Gudmundsson (Iceland), Signor Pella (Italy), M. Bech (Luxemburg), Dr. Luns (Netherlands), Dr. Lange (Norway), Dr. Paulo Cunha (Portugal) M. Zorlu (Turkey), Mr. Selwyn Lloyd (United Kingdom), and Mr. Dulles (United States).

M. Spaak (Secretary-General of NATO), who addressed the Council on May 5, stressed that there must be no weakening of the Alliance. He declared that while the Soviet Union had been held in check in Europe and in the military field, she was now trying to turn the flank of NATO in other parts of the world and in the political, economic, and psychological spheres. He emphasized the progress made in the past 12 months in developing political consultation within the Council, both over the talks on disarmament and on the Western correspondence with Marshal Bulganin, as well as in the preparations for a summit conference. M. Spaak also spoke of the need for greater economic and scientific co-operation among the member-countries.

The talks were held in closed session, but it was reported that the Ministers had dealt *inter alia* with the question of a "summit" conference, disarmament, the Middle East, and the strengthening of NATO in non-military fields, especially in the economic sphere. The following communiqué (cross-headings inserted) was issued at the end of the meeting:

Development of NATO. "The Foreign Ministers . . . have deepened and strengthened their mutual understanding and their unity of purpose. NATO, a defensive organization, is now much more than merely a military alliance. It is becoming a true community of free nations. Within this community, to a degree unprecedented in history, countries are carrying out a policy of close co-operation in peace-time without abandoning their independence. This development is one of the most significant and promising events of our time."

Political Co-operation. - Co-ordination of Defence Production. "The Council reviewed the activities of the alliance and examined the international situation. For the first subject of discussion, the Council had before it a report submitted by the Secretary-General. The Council was in agreement with this analysis of the work of the alliance in the past year. They agreed in particular that the outstanding achievement had been the remarkable progress made in the strengthening of political consultation. This has been successfully applied to an increasing number of problems and has led to co-ordination of policy on major questions of common interest. The Council also expressed its satisfaction with the results of the recent conference of Defence Ministers and with the good start made in the field of scientific co-operation [see below]."

Economic Co-operation. "Ministers recognized that political unity and the efficient organization of defence were not enough. Economic co-operation is also essential between the members of the alliance. Every effort should be made to ensure economic prosperity, notably by expansion of international trade and by aid to under-developed countries. Consultations on methods and machinery for such co-operation will take place within the alliance. Ministers attach special importance to the successful conclusion of the economic negotiations now being undertaken, and to the establishment of close ties between the European countries and the whole free world."

Summit Conference. - Disarmament. "During their consideration of the international situation the Ministers had a discussion on the question of a possible summit conference. The Council believes that summit meetings are desirable if they offer prospects of reaching settlements on important questions. It considers that conferences at the summit are not the only way, or necessarily the best way, of conducting negotiations or reducing international tensions. In any event, such conferences must be properly prepared and take place in a favourable atmosphere.

"Ministers regretted that during the last few weeks the Soviet Union has made the preparations for a possible summit conference more difficult by posing unreasonable conditions. The Soviet Union has recently aggravated international tension by its veto in the Security Council of the U.S. proposals to reduce the risks of surprise attack over the Arctic [see 16166 A]. Despite the disappointment and doubts to which the Soviet attitude gives rise, the NATO Governments will not be discouraged nor give up their attachment to the principle of negotiation.

"Should a summit conference take place at this time it should consider certain important problems, among others the German problem, which were identified by the Heads of Government at Geneva in 1955 and on which unfortunately little or no progress towards a solution has been made. Controlled disarmament . . . should be one of the main questions on the agenda. The proposals made by the Western Powers on Aug. 29, 1957 [see 15941 A], and approved by a large majority in the United Nations, could afford a reasonable basis for this discussion.

"The Council expressed the hope that it might yet prove possible, in spite of repeated Soviet refusal, to inaugurate expert technical discussions between representatives of the Soviet Union and of the Western Powers principally concerned, on detailed measures of control over disarmament. Agreement on measures necessary, for example, to prevent surprise attack or to detect nuclear explosions might go far towards demonstrating the possibility of agreement on disarmament, improving its prospects, and accelerating its application when reached. To prepare the way for such agreement the Council will consider the possibility of carrying out studies and experiments on the technical problems of inspection and control."

Conclusion. "Finally, the Ministers confirmed the full agreement of their Governments on the basic principles of the alliance, its goals, and the methods of obtaining them."

In connexion with the talks on the composition of an eventual Foreign Ministers' or summit conference, the following statement was issued on May 7 by the British, French, and U.S. delegations:

"The three countries conducting the preliminary diplomatic contacts with the Soviet Union indicated that they did not consider that they would necessarily be the only Western nations to take part in a pre-summit Foreign Ministers' conference or in any summit conference. Other countries, for instance Italy, might also be included." [It was understood that Signor Pella had intimated during the Copenhagen meeting Italy's desire to take part in a "summit" or preparatory Foreign Ministers' conference].

Meeting of NATO Defence Ministers.

The North Atlantic Council meeting had been preceded by a conference of the Defence Ministers of NATO countries (except Iceland) which was held in Paris on April 15-17 under the chairmanship of M. Spaak, in accordance with the decision taken by the Heads of Government at the Council's meeting in December 1957. The communiqué stated:

"The Ministers heard full reports by the Military Committee, the Standing Group, and the Supreme Allied Commanders on the present state of the forces of the Alliance; on the progressive introduction of the most modern weapons and equipment; and on the forces needed for NATO defence in the years ahead. They also heard progress reports on projects initiated by the Heads of Government in December. On the basis of these reports a most useful discussion took place between the Ministers and the NATO military authorities.

"In order to meet the continuing efforts of the Soviet leaders to equip their forces with the most modern weapons, the Ministers discussed ways and means of making the best use of the resources of the Alliance and of achieving greater effectiveness for its forces. They confirmed their support of the basic NATO strategy for the preservation of peace and the defence of member-countries. This defensive strategy continues to be founded on the concept of a strong deterrent, comprising the 'shield' with its conventional and nuclear elements, and the nuclear retaliatory forces.

"The Ministers were also in agreement on certain measures to achieve greater co-ordination and to widen co-operation among member-countries, both with respect to defence research, development and production, and the organization of forces.

"The Ministers are confident . . . that the progressive modernization of NATO forces, on the basis of agreed strategic plans, will enable the Alliance to maintain its defensive strength, while efforts continue to be made to re-establish international confidence through effective, controlled disarmament."

In addition to the regular meetings, the French Minister of Defence (then M. Chaban-Delmas) had private meetings with the Defence Ministers of Great Britain, the U.S.A., Western Germany, and Italy (Mr. Duncan Sandys, Mr. McElroy, Herr Strauss, and Signor Taviani) aimed at giving the Western European Union a greater scope of activity within the NATO framework than hitherto. In his conversations with Mr. McElroy, M. Chaban-Delmas was reported to have stressed the important role which France played in Algeria by preventing the outflanking of NATO in the south—i.e. *via* North Africa.

Authoritative press reports stated that the conference had taken two important decisions: (*a*) approval of reports by the Military Committee and General Norstad (the Supreme Allied Commander) on minimum force requirements and the re-equipment of forces with the most modern weapons; and (*b*) formal acceptance of a British plan, presented by Mr. Duncan Sandys, for a West European arms production "pool" between the Governments of Britain, France, Western Germany, Italy, and the three Benelux countries.

Strength and Equipment of NATO Forces. The report of the Military Committee contained a five-year plan outlining the present proportions of the Soviet military threat; assessing the strength of the forces required to meet it; and suggesting a policy of re-equipping the forces of the Alliance with tactical atomic weapons. It also set out the form and size of the contributions which each member-country should make to the common defence effort in the coming years in terms of nuclear arms and strategy.

In connexion with this report the Ministers were addressed by General Oen (Norway), chairman of the Military Committee; General Johnson (U.S.A.), chairman of the Military Standing Group; General Norstad, the Supreme Allied Commander in Europe; Admiral Wright (U.S.A), Supreme Allied Commander, Atlantic; and Admiral Sir Guy Grantham (U.K.), C.-in-C., Channel Command. General Norstad also presented a report on minimum force requirements, which he estimated at 30 divisions equipped with tactical atomic weapons, or one-half the target of 60 divisions set by the North Atlantic Council meeting at Lisbon in 1952. The Defence Ministers were reported to have approved the strategic aspects of General Norstad's report, though reserving their position on the ability of their Governments to provide the necessary funds for equipping 30 divisions with modern weapons. Mr. McElroy was said to have given an assurance that the U.S. Government was willing to provide its Allies with the necessary tactical atomic weapons as soon as possible.

Pooling of Arms Production. The British plan for the joint development of modern weapons by the seven member-countries of W.E.U. provided for the pooling of their resources for the research, development, and production of various types of arms, excluding nuclear weapons. The plan envisaged collaboration by scientists of the seven countries in research, and harmonization of the national arms industries to permit different countries to specialize in different weapons or types of machinery. Mr. Sandys was reported to have put forward a list of some 20 joint projects, including proposals for the joint production of certain submarines; of anti-submarine measures to ensure standardization in the Baltic, North Sea, and Mediterranean; of guided missiles—both surface-to-air and surface-to-surface—and ballistic missiles of several ranges, including inter-continental missiles; of radar equipment; of certain types of tanks and jet engines; and of a new type of machine-gun.

Under the plan (which received the full support of the U.S.A.) Britain would become entirely dependent on European countries for certain weapons, and *vice versa*. While the plan was initially limited to the seven member-countries of the W.E.U., co-operation with other European members of NATO would be invited. Details of the plan—which will supersede most existing bilateral or trilateral arms production agreements [see below]—will be worked out by the W.E.U. Armaments Committee.

Among other proposals discussed at the meeting was one put forward by Canada which offered to build up large stocks of food in Europe for the use of Allied forces, in view of the possible Soviet submarine menace in the Atlantic at the beginning of a war. M. Chaban-Delmas explained a French plan to reorganize the French Army into a group of highly mobile light mechanized divisions.

NATO Estimate of Strength of Soviet Forces.

Following General Norstad's report to the Ministers on the strength of the Soviet armed forces according to latest estimates, the NATO Secretariat published the following figures: (1) The Soviet Army was estimated to have 82 divisions at present under arms (or 3,000,000 men altogether), which could be expanded to 400 divisions within 30 days after the outbreak of a war. (2) There were enough tanks, mortars, and anti-tank guns for at least 300 divisions. (3) Of the 82 divisions at present available, 22 (mostly armoured) were stationed in Eastern Germany, with another 60 in Eastern Europe and Western Russia. (4) The Soviet Air Force had 20,000 aircraft. (5) Within two or three years the Soviet Union would have about 700 submarines (the previous estimate of Soviet submarine strength was 500). (6) The U.S.S.R. would also have intermediate and long-range ballistic missiles within several years.

Anglo-German Agreement on Support Costs.

After protracted negotiations, agreement was reached during April and May between Britain and the German Federal Republic on the question of German payments to the U.K. to help in meeting the costs of maintaining British forces in Germany over the next three years.

It had been announced in Bonn on Dec. 2, 1957, that Britain had again asked the Federal Government to pay support costs totalling £50,000,000 in 1958-59 as a contribution towards the maintenance of British troops in Western Germany—the total comprising the equivalent of £17,000,000 as "support costs" and £33,000,000 as "mutual aid." [The total amount was later reduced to £47,000,000—see page 16031, second column]. The Federal Government, however, rejected this demand, and discussions in London on Dec. 4-5 between Dr. von Brentano, Mr. Macmillan, and Mr. Selwyn Lloyd failed to result in any agreed solution. The British Government therefore submitted the matter to the Permanent Councils of NATO and W.E.U., which considered the dispute on Dec. 9. As a result, the NATO Council appointed a three-man group of independent experts to examine the financial aspect of the matter, consisting of Hr. Brofoss (Governor of the Bank of Norway, and a former Norwegian Finance Minister), M. Frère (Governor of the National Bank of Belgium), and M. Jacques Rueff (Deputy Governor of the Bank of France).

The British request was based on the "escape clause" in the Paris Agreements which authorized Britain, in case of balance-of-payments difficulties, to invite the North Atlantic Council "to review the financial conditions on the basis of which the U.K. formations on the Continent are maintained." The special meeting of the W.E.U. Council was requested to consider the British action taken in NATO.

On returning to Bonn from London, Dr. von Brentano said that Britain did not pretend to have a legal claim to support costs. She had argued, however, that she could not maintain her troops in Germany out of her own resources because of her foreign currency difficulties. Germany had been informed of Britain's approach to the North Atlantic Council and would "await the results of its deliberations."

The Permanent Council of NATO met again on Jan. 8, 1958, to consider the report of the three experts, the following statement being issued:

"Monetary difficulties arising from the stationing of British troops on the Continent have been the subject of discussions in the Council for some time. In conformity with NATO procedure in cases of this kind, the Council appointed experts charged with examining certain technical aspects of the U.K. balance-of-payments in the coming months. The experts had to decide whether the U.K. was justified in asking for the help of her allies to settle this problem.

"The experts have now prepared their report, whose conclusions indicate that the United Kingdom was justified in appealing to her allies. The report has been submitted to member-Governments for their examination."

The German Federal Government, while repeating its readiness to take account of Britain's "currency difficulties" by "appropriate measures," nevertheless refused to resume negotiations with Britain on the question of support costs.

An official statement, issued on Jan. 27 by the Finance Ministry in Bonn, admitted that 3,000,000,000 DM. of the current year's Defence Budget (1957-58) of 9,000,000,000 DM. (about £750,000,000) would remain unspent, but maintained that this credit balance would be "urgently needed to finance expenditure of 10,000,000,000 DM. on the defence forces in the financial year 1958-59." The Finance Ministry added that if support costs were paid in 1958-59 this would considerably delay the expansion of the *Bundeswehr*, thus preventing the Federal Government from fulfilling its NATO commitments. In a press statement on Jan. 31 both Dr. von Brentano and Herr Etzel (the Finance Minister) reaffirmed that the Federal Government had decided not to pay support costs.

M. Spaak visited Bonn on Feb. 2 in an effort to break the deadlock, but his discussions with Dr. von Brentano, Herr Etzel, Herr Strauss (the Defence Minister), and General Heusinger (Inspector-General of the *Bundeswehr*) proved abortive. Although his financial and economic adviser (M. Gregh) stayed behind for further talks, M. Spaak declared on leaving Bonn that he had "found no solution."

On Feb. 5 the German Federal Government announced that, in order to alleviate Britain's foreign exchange position, it would be prepared to deposit with the Bank of England £100,000,000 immediately as an advance payment for arms purchases. The deposit would be paid from the Defence Vote and not by the *Bundesbank*, and would therefore be interest-free. Of the total, £50,000,000 would be spent in the first two years and the remainder in the third and final year, any unexpended balance being returnable to Germany. [In effect, however, the advance would have amounted to only £90,000,000 of new money, since £30,000,000 had been deposited with the Bank of England for the same purpose in 1957, but only £20,000,000 had been spent and the balance of £10,000,000 would have been withdrawn had the new offer been accepted.]

A West German spokesman explained that the proposal had been made to M. Spaak during the latter's visit; had since been approved by the Federal Cabinet; and would amount to a saving in interest for Britain of £10,500,000 because of the interest-free character of the loan. He made it clear that though depositing the amount in London as an advance payment for arms purchases, Western Germany would be under no obligation to place any orders, as purchases would be on the usual competitive basis. [The British Press recalled in this connexion that only a few months earlier the West German Defence Ministry had decided not to carry out its earlier intention of buying *Centurion* tanks or SR-177 aircraft from Britain—see page 16020, second column.]

The new German offer was rejected by Britain as completely unsatisfactory, and the dispute was once more referred to the North Atlantic Council. Subsequent lengthy negotiations within the Council, however, resulted in the broad basis of an agreement being reached, the following statement being issued by NATO on April 14:

"In the course of discussions within the special North Atlantic restricted group, a possible basis has now been found on the problem of the cost of stationing British troops in Germany. This will, however, have to be worked out in detail and submitted shortly to the Council of NATO." [The restricted group referred to in the communiqué included M. Spaak, Sir Frank Roberts (Britain), Herr

Blankenhorn (Western Germany), and Mr. Burgess (U.S.A.)] It was reported in the Press that agreement had been hastened by Dr. Adenauer's anxiety to have the question settled before his official visit to London [see 16242 A].

The terms of the final agreement (which was subsequently approved by the NATO Council) were given in broad outline on April 23, full details being announced in London, Bonn, and Paris on May 29. The arrangements, covering the next three years (April 1, 1958 to March 31, 1961), were as follows :

(1) The British Government would maintain " a substantial force on the Continent until 1960-61 within the limits of what can be afforded in relation to the balance of payments." They had " declared to NATO their intention to maintain the British Army in Germany at the strength of 55,000 until the end of 1958." After that time they intended to maintain a minimum of 45,000 men and the Second Tactical Air Force at its present strength until April 1961.

(2) Western Germany would pay during the next three years, under Article III of the North Atlantic Treaty, £12,000,000 annually towards the cost of maintaining the British troops on Federal territory.

(3) The German Federal Government would also make a new interest-free deposit in London of £50,000,000 against payments for arms orders placed in Britain.

(4) In addition, the Federal Government would make an advance repayment of £22,500,000 (representing the three instalments due between 1962 and 1964) on its post-war debt to Britain. This repayment would be made out of the £75,000,000 deposited by the *Bank Deutscher Länder* with the Bank of England in 1957 to meet the annual instalments of £7,500,000 on the German debt to Britain for post-war economic assistance [see page 15726].

It was stated (*a*) that this advance repayment would require certain waivers by the U.S.A., France and Denmark, which were parties to the London debt agreements of 1953, and that the Federal Government were " initiating the necessary action to obtain these waivers " ; (*b*) that negotiations would also take place for the reduction of the interest rates (undisclosed) at present payable on the balance of the deposit.

(5) Discussions would be held in NATO to see if " further financial arrangements " could be made which would enable the British Army in Germany to be maintained at the strength of 55,000 throughout 1959, though the British Government " do not themselves feel able to make any additional financial contribution " towards this end.

The agreement was regarded in London as a satisfactory compromise. The Foreign Office said on May 29 that the British Government was " sure that its Allies recognize the importance of the contribution which H.M. Government are making in the arrangement which has been reached. One of the major advantages is that it should provide stability over a period of at least three years, removing the necessity for annual discussions and the uncertainties which they create within the Alliance."

It was pointed out in *The Times* that, with the foreign exchange costs of BAOR in 1958-59 equivalent to £47,000,000, the German contribution of £12,000,000 would leave £35,000,000 to be provided by Britain. In 1957-58 Western Germany contributed about £50,000,000 towards the estimated foreign exchange requirements of £54,000,000. In 1959-61, owing to the reduction in the British forces stationed in Germany, the annual cost was estimated at the equivalent of £37,000,000, of which Germany would refund £12,000,000.

These figures, however, made no provision for that part of the men's pay given in marks, amounting to approximately the equivalent of £9,000,000 annually. The total strain on British foreign exchange reserves attributable to the stationing of troops in Western Germany was therefore estimated as follows :

	Marks cost of BAOR	Marks paid to the men	German contribution	Balance to be met by Britain
1957-58	£54,000,000	£9,000,000	£50,000,000	£13,000,000
1958-59	£47,000,000	£9,000,000	£12,000,000	£44,000,000
1959-60	£37,000,000	£9,000,000	£12,000,000	£34,000,000
1960-61	£37,000,000	£9,000,000	£12,000,000	£34,000,000

Mr. Maudling (the Paymaster-General) stated in the House of Commons on Feb. 21 that loans to Western Germany in kind in the early post-war years were valued at £201,800,000. It had been agreed in 1953 that the Federal Republic should pay £150,000,000 over 20 years in full settlement [see 13156 B ; 12920 A ; 11904 C] ; £37,500,000 had so far been repaid, leaving a balance outstanding of £112,500,000, not taking into account the deposit of £75,000,000 made with the Bank of England in 1957 out of which future repayments could be made [see above].

Other Allied Support Cost Claims.

It was announced in Bonn on Dec. 5, 1957, that the U.S. Government had asked Western Germany for a further payment of 325,000,000 DM. (about $77,000,000, or £27,000,000) towards the upkeep of U.S. forces stationed in Federal territory. When accepting the German offer to pay 325,000,000 DM. to the United States for the 1957-58 financial year, the U.S. Government had reserved the right to ask for further support costs [see page 15726, second column]. On May 30, 1958, however, it was announced in Bonn that the American demand had been rejected by the Federal Government, which had nevertheless offered to accelerate repayment of the Federal Republic's post-war debts to the United States.

A spokesman of the French Embassy in Bonn stated on March 7 that France had requested a German contribution of 225,000,000 DM. (nearly 22,500,000,000 francs) towards the cost of maintaining French forces in Western Germany in 1958-59 i.e., the same amount which Germany had agreed to pay for 1957-58.

It was also reported on March 11 that the Belgian Government had put forward a claim for a German contribution of 15,000,000 DM. as support costs for the Belgian forces in Western Germany.

W.E.U. Council Meeting. - Agreements on Joint Arms Production within Western European Union.

The Council of the Western European Union met in Rome on March 5-6 under the chairmanship of Signor Pella. Belgium was represented by M. Larock, France by M. Maurice Faure (then State Secretary for Foreign Affairs), Western Germany by Dr. von Brentano, Luxemburg by M. Bech, the Netherlands by Dr. Luns, and the United Kingdom by Mr. Selwyn Lloyd.

A communiqué said that the Council had " reviewed progress in the field of joint research, development, and production of armaments." It continued : " They considered in particular the problems involved in harmonizing the activities of member-States in bilateral and trilateral groups with their activities in the Standing Armaments Committee of W.E.U. and in NATO. Having regard to the pragmatic approach hitherto adopted in this complex field of co-operation, they made arrangements for informing each other and NATO of the workings of the restricted groups."

The communiqué also announced that after examining " certain aspects of the control of atomic weapons foreseen in the Paris Agreements," the Council had approved " in principle " the establishment of contacts between the Armaments Control Agency of W.E.U. and the Commission of the European Atomic Energy Community, " with a view to a clear delimitation of the spheres of activity of the two organizations in the control of the use of nuclear substances and the avoidance of overlapping in this field." It was also stated that the Council had considered recent developments in East-West relations.

On March 6 the Council held a joint meeting with the W.E.U. Assembly's Committee on Defence Questions and Armaments ; it was subsequently stated by Signor Lucifero (the Italian president of the Committee) that points of disagreement previously existing had been settled, and that it had been agreed to establish closer collaboration between the Council and the Committee.

The Permanent Council of W.E.U. met on April 23 and approved in principle a German request for permission to manufacture short-range anti-tank guided missiles.

Under the Paris Agreements German manufacture of certain weapons was restricted or forbidden, but short-range anti-aircraft missiles (with a range of about 20 miles) were permitted. The anti-tank missiles which were the subject of the German request will have a range of about two miles and will carry only conventional warheads.

The Defence and Armaments Committee of the W.E.U. Assembly met in Paris on April 14 [i.e. the day before the opening of the meeting of NATO Defence Ministers] to consider a report by Mr. Goedhardt (Netherlands) on the military consequences of the " Rapacki plan " and other proposals for disengagement in Central Europe.

The report expressed the view that all formulas for a military " disengagement " in Europe would involve the risk of a weakening of Western security, and that a withdrawal of NATO forces from Western Germany and of Soviet troops from Central Europe would constitute a mortal danger to the West unless it were accompanied (*a*) by a Soviet political withdrawal (*repli politique*) from the East European satellite countries, and (*b*) by a general disarmament agreement with a rigorous control and inspection system.

The Committee approved the report and agreed that the Rapacki plan would deprive NATO of an effective " shield " ; would result in the withdrawal of nearly all the Anglo-American forces from Western Germany ; and would deprive the West of sufficient room for the deployment of its forces.

Franco-German Agreement on Ballistic Research Centre.

A convention making the French Military Research Institute at Saint-Louis (Upper Alsace) a joint Franco-German undertaking was signed on March 31 by the two Defence Ministers, M. Chaban-Delmas and Herr Strauss.

The Institute at Saint Louis, which lies near the French frontiers with Germany and Switzerland, was founded in 1945. In addition to French technicians, it employs a large number of German scientists who formerly worked at the Ballistic Institute of the *Luftwaffe* in Berlin. The Saint-Louis Institute, which works under the direction of Professor Schardin (Germany) and Colonel Castagnou (France), carries out fundamental research in armaments for the French armed forces, notably in the fields of ballistics, aerodynamics, electronics, and physical and chemical problems related to explosives.

An annexe to the convention laid down that the administrative council of the Institute would in future comprise three French and three German directors designated by their Governments, and that the chairmanship would alternate between a Frenchman and a German, thus giving both countries equal rights.

Franco-German-Italian Armaments Production Arrangements. - Mr. Sandys's Talks in Rome, Bonn, and Paris.

The Defence Ministers of France, Western Germany, and Italy met in Rome on April 8 to discuss questions connected with the standardization and pooling of their armaments productions under the tripartite agreement of Jan. 21, 1958 [see 16006 A]. This was their third meeting since the conclusion of the agreement.

Mr. Duncan Sandys visited Rome on March 18-19 and Bonn on March 24-25 for discussions with Signor Taviani and Herr Strauss respectively on the broadening of the basis of co-operation between all members of W.E.U. on research, development, and production of weapons and military equipment.

It was announced after these meetings that the Ministers concerned had reached an understanding on the principles of an agreement on such wider co-operation, and that an Anglo-Italian group of experts would be appointed to prepare further details.

As stated above, Mr. Sandys also had discussions on this matter with M. Chaban-Delmas prior to the meeting of the NATO Defence Ministers in Paris, which approved the broad outlines of Mr. Sandys's plan.

Other NATO Developments.

The following further developments within NATO in recent months are summarized below.

First Session of Science Committee.

The NATO Science Committee, which was created after the meeting of the Heads of Governments last December, held its first session in Paris from March 26-28 under the chairmanship of Dr. Ramsey (U.S.A.), the scientific adviser to the Secretary-General [see 16006 A].

The other members of the Committee are M. Paul Bourgeois (Belgium), Dr. E. W. R. Steacie (Canada), Professor Poul Brandt Rehberg (Denmark), M. A. L. Danjon (France), Professor Rucker (Germany), Dr. Alexopoulos (Greece), Professor F. Giordani (Italy), Professor Sizoo (Netherlands), Professor Rosseland (Norway), Professor Rui Ferro Mayer (Portugal), Dr. Cavit Erginsoy (Turkey), Sir Solly Zuckerman (U.K.) and Dr. Isidor Rabi (U.S.A.).

A communiqué issued on March 28 said that the Council had explored "ways and means of achieving the full development of science and technology by the Atlantic Community"; that among the topics discussed had been "ways and means for increasing the national support of research in member-countries to meet the demands of the times"; that an "interesting French proposal for scientific co-operation" had also been examined; and that a working group had been appointed to study in detail proposals for an increased number of fellowships, summer institutes, and other aids to scientific education, which had been agreed upon in principle by the Committee. [According to the French Press, the French plan envisaged the setting-up of an international "Foundation" to intensify exchanges of information and facilitate talks between research scientists in different countries, as well as to aid the material implementation of a certain number of research projects.]

It was also stated in the communiqué that "broad powers" had been vested in the chairman to arrange studies for the purpose of furthering research in all fields of natural science of interest to member-countries, and that—except in the field of defence—the results of NATO-sponsored research and the facilities provided by NATO would not be confined to NATO countries but would be extended "as a cultural bond" to peoples in other countries. Another working group had been appointed to make recommendations on methods of improving the dissemination and exchange of results of scientific research.

NATO Maintenance Supply Services System.

Following a proposal previously made by the U.S. delegate, the North Atlantic Council decided on April 9 to set up a NATO Maintenance Supply Services System.

The new organization, which will deal with the problem of the regional supply of spare parts in Europe, will consist of a Board of Directors (comprising one representative of each country desiring to participate in the system) and an Agency for executive purposes. The Agency will be principally responsible (i) for analysing the needs of the various countries for spare parts, and their resources; (ii) for studying and adopting measures for the joint repair, maintenance, and renovation of equipment; (iii) for organizing common procurement of spare parts with a view to economy and an equitable distribution of production among the countries concerned, (iv) for exchanging information with a view to facilitating the solution of technical problems and the functioning of national logistical systems.

Further German Divisions transferred to NATO Command.

It was announced on April 2 that the 2nd West German Army Corps had been officially placed under NATO command, bringing the total of West German divisions under NATO to seven.

Reduction of British Base in Belgium.

M. Spinoy, the Belgian Defence Minister, announced on April 15 that three of the depots of the British advanced military base near Antwerp were to be taken over by the Belgian Army because of changes in the British military organization.

NATO Military Appointments.

The following military appointments were announced in recent months.

Northern European Command. Lieut.-General Sir Horatius Murray to succeed Lieut.-General Sir Cecil Sugden as C.-in-C., Allied Forces, Northern Europe (announced on March 26).

Central European Command. Air General Pelissié (France) to join the staff of the C.-in-C., Allied Forces, Central Europe, with responsibility for the co-ordination of air defences, in succession to Air General Chassin, retiring (announced on March 6).

Supreme Command. General Leon Johnson (U.S. Air Force) was appointed as Air Deputy to the Supreme Allied Commander—a post which had been in abeyance since General Norstad succeeded General Gruenther as Supreme Commander (announced March 4). During the Second World War General Johnson led the Ploesti raid by the U.S. Air Force in August 1943.

With General Johnson's appointment the upper structure of the Allied Command is now: Supreme Commander, General Norstad (U.S.A.); Deputy Supreme Commander, Field-Marshal Lord Montgomery (Britain), to be succeeded in September by General Gale; Naval Deputy, Admiral Sala (France); Air Deputy, General Johnson (U.S.A.); Chief of Staff, General Schuyler (U.S.A.).

Following the French bombing of Sakhiet (Tunisia) the matter was discussed at a meeting of the Permanent NATO Council on Feb. 12. The French representative (M. de Crouy-Chanel) made a report on the situation and answered questions by other representatives.—(NATO Information Division, Paris - W.E.U. Press Dept., London - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times - Berlingske Tidende, Copenhagen - Politiken, Copenhagen - Frankfurter Allgemeine Zeitung - Giornale d'Italia, Rome) **(Prev. rep. 16006 A; 15965 A; Support Costs, 15723 A; German Armaments, 16141 A.)**

A. EUROPEAN NUCLEAR ENERGY AGENCY. — Agreement for Joint Operation of Norwegian Reactor.

The O.E.E.C. announced on June 12 that, as a result of studies undertaken by the European Nuclear Energy Agency in the field of experimental reactors, an agreement for the joint operation of the Norwegian experimental boiling water reactor at Halden had been concluded in Oslo by representatives of a number of European countries and of Euratom. The participating organizations were the Danish Atomic Energy Commission, the Euratom Commission (on behalf of the six member-countries of Euratom), *A.B. Atomenergi* of Sweden, and the U.K. Atomic Energy Authority, in addition to representatives of Austria and Switzerland. All these organizations will join with the Norwegian Atomic Energy Institute (the builders and owners of the reactor) in carrying out a joint programme of research and experiments over a three-year period beginning July 1, 1958. The agreement was subject to the necessary funds being made available by the appropriate authorities.

The Halden reactor has an output of 10 megawatts and is situated 75 miles south of Oslo; it is the only boiling water reactor in Europe, and the first heavy water boiling reactor in the world. An International Committee will approve the joint programme (which is estimated to cost $4,000,000), and a Technical Group will supervise its execution by the Norwegian Institute, which will employ a staff recruited from all the participating countries.

Representatives of the U.S. Government, who took part in the discussions, offered U.S. collaboration in the joint programme through the supply of specialists and exchanges of information.—(O.E.E.C. Information Division, Paris) **(Prev. rep. 16039 A; Kjeller Reactor, 11918 E.)**

A. WESTERN GERMANY - UNITED KINGDOM. — Dr Adenauer's Visit to London. - Political and Economic Discussions. - Anglo-German Cultural Convention.

The German Federal Chancellor paid a three-day visit to London on April 16-18, accompanied by Professor Ludwig Erhard, the Federal Vice-Chancellor and Minister for Economic Affairs, and Dr. von Brentano, the Foreign Minister. Dr. Adenauer and Dr. von Brentano had a number of discussions with Mr. Macmillan and Mr. Selwyn Lloyd on the international situation and Anglo-German relations, while Professor Erhard had discussions with Mr. Heathcoat Amory (Chancellor of the Exchequer) and Mr. Maudling (Paymaster-General) on economic matters, particularly with the regard to the proposed European Free Trade Area. The following communiqué (cross-headings inserted) was issued from Downing Street at the conclusion of Dr. Adenauer's visit.

". . . The principal subjects discussed were East-West relations, preparations for a summit conference, and economic problems, including the progress of negotiations for the establishment of a Free Trade Area in Europe.

Summit Conference. "The Chancellor and the Prime Minister agreed on the desirability of holding a summit conference, in order to provide the opportunity for discussing major international problems and to enable agreement to be reached on significant subjects. To this end they believed that the more effective this preparation, the better the prospect of a successful outcome. They therefore looked forward to speedy progress in the diplomatic discussions . . . to pave the way for the holding of a successful summit conference.

Disarmament. "The two Heads of Government considered that one of the most important and urgent subjects to be dealt with at a summit conference would certainly be controlled disarmament. They agreed that, if there could be successful negotiations on this subject leading to balanced reductions of the forces and armaments of both sides, this would do more than anything else to facilitate progress on other subjects of dispute between East and West.

German Reunification. "The two Heads of Government recalled the obligation, recognized by the Soviet Union at Geneva in 1955, to work for the reunification of Germany on the basis of free elections. The Prime Minister shared the Chancellor's view that, in the course of a summit conference, renewed efforts should be made to draw the attention of the Soviet Government to their obligation to put an end to the division of Germany. In this connexion the Chancellor stressed the human side of the problem and the Prime Minister expressed the sympathy of the British people for the population of the Soviet zone. The two Heads of Government agreed that a lasting settlement in Europe was not possible without the ending of the tension which results from the participation of Germany.

The Support Costs Question. "The Chancellor and the Prime Minister expressed their gratification that agreement had been reached between the two Governments on a basis for settlement of the problems of British forces in Germany, and that this agreement had been submitted for the approval of the North Atlantic Council, under whose auspices the negotiations on this subject had taken place [see pages 16239-40].

Economic Problems. "In discussing economic problems the Chancellor and the Prime Minister agreed upon the importance of a high and expanding level of international trade. They affirmed their intention to follow policies designed to achieve this end. They declared that they would work closely together in pursuit of this objective, and would continue to give full support to the international institutions concerned.

European Free Trade Area. "The Chancellor and the Prime Minister agreed upon the cardinal political and economic importance, in the interest of European unity, of complementing the European Economic Community of the six States by the European Free Trade Area. They therefore attached great significance to the negotiations for the establishment of a Free Trade Area which were at present taking place under the chairmanship of Mr. Maudling. The Chancellor expressed his hope that the current negotiations between the six Governments of the European Economic Community would lead to solutions to which all partners in the negotiations for the Free Trade Area could agree. The Ministers agreed that these negotiations ought to be brought as quickly as possible to a successful conclusion.

Anglo-German Cultural Convention. "During the course of the visit the two Foreign Ministers took the occasion to sign an Anglo-German cultural convention [see below], which will make a further important contribution to Anglo-German friendship.

Conclusion. "A full and constructive discussion on all these subjects took place in a frank and friendly spirit and on a basis of mutual confidence. The two Heads of Government agreed upon the value of the close personal contacts which they renewed in their meetings last year, and resolved on the regular maintenance of these contacts."

As stated in the communiqué, an Anglo-German cultural convention was signed by Mr. Selwyn Lloyd and Dr. von Brentano. Similar to other cultural conventions in force between Britain and other countries, its main provisions covered :

(1) The spread of knowledge of the language, life, and institutions of either country in the other.

(2) The mutual establishment of cultural institutes and Anglo-German associations, and the granting of facilities for the import of books, newspapers, films, etc.

(3) Interchange of university teachers, students, youth groups, research workers, etc., and reciprocal provision of scholarships for study, training or research.

(4) Mutual co-operation between cultural organizations and between municipal and local authorities of the two countries.

(5) The creation of an Anglo-German mixed commission (consisting of five British and five German representatives) meeting alternately in each country at least every 18 months. The commission would be presided over by an 11th member appointed by the country in which the meeting took place.

(6) The convention would also apply to West Berlin, provided no declaration to the contrary was made within three months of its entry into force.

During their three-day visit Dr. Adenauer and the other German Ministers were received at Windsor by the Queen, attended a Government reception at Lancaster House and a dinner given in their honour by Mr. Macmillan at 10, Downing Street, and visited Westminster Abbey to lay a wreath on the Tomb of the Unknown Warrior. Dr. Adenauer also addressed a joint meeting of both Houses of Parliament.

Dr. von Brentano had previously visited London in December for discussions on international problems and the support costs question. As stated in the communiqué, this question was subsequently settled after further Anglo-German discussions under NATO auspices - see also pages 16239-40. (Times - Daily Telegraph - Frankfurter Allgemeine Zeitung) **(Prev. rep. 15580 A.)**

B. TUNISIA. — Discovery of Alleged "Youssefist" Conspiracy against President Bourguiba. - Tunisian Protest to United Arab Republic.

President Bourguiba announced on March 6 that the Tunisian Ambassador in Cairo had asked the Government of the United Arab Republic to explain why a Tunisian terrorist had been issued with Egyptian travel documents ; he added that Tunisia would break off diplomatic relations with the U.A.R. if a satisfactory explanation were not forthcoming. M. Mehiri, State Secretary for the Interior, had told a press conference on the previous day that the terrorist was carrying letters from Salah Ben Youssef (the former general secretary of the Néo-Destour, who has lived in Cairo since his expulsion from Libya in January 1957) urging his supporters to assassinate President Bourguiba.

M. Mehiri stated that a young Tunisian had been arrested on Feb. 16 near the Libyan frontier but had succeeded in escaping, leaving his papers in the hands of the Tunisian authorities. These included an Egyptian safe-conduct stamped with a visa from the Libyan Embassy in Cairo, and letters signed by M. Ben Youssef calling for the assassination of President Bourguiba as a "traitor to the Arab cause, an ally of the West, and a creature of the infidels." M. Mehiri said that the discovery of the letters had led to the arrest of 41 people on conspiracy charges. M. Taha Amira, head of the mining department in the Ministry of Commerce and Industry, was subsequently arrested on March 17.

It was reported on April 19 that, following talks between President Nasser and Dr. Mokkadem (the Tunisian State Secretary for Foreign Affairs), the U.A.R. Government had agreed to close the "Bureau of the Arab Maghreb" established by M. Ben Youssef in Cairo, and to ask him to leave Egypt.—(Le Monde, Paris) **(Prev. rep. 15412 D.)**

C. UNITED STATES. — Merger of News Agencies.

The United Press Association and the International News Service announced on May 24 that they had signed an agreement for the merger of the two organizations under the name of United Press International. The U.P. was formed in 1907 by E. W. Scripps and is now operated by the Scripps-Howard newspaper group. The International News Service was formed in 1909 by the William Randolph Hearst newspaper organization.—(New York Times - New York Herald Tribune)

D. JAPAN - BELGIUM. — Payments Agreement.

A new payments agreement between Belgium and Japan, providing for the settlement of any trade balances either in transferable pounds sterling or in Belgian francs, was signed in Brussels on April 30. It came into effect on May 10 and replaced a previous agreement of Aug. 29, 1950, under which any balance was to be settled in U.S. dollars.

(Japanese Embassy Press Office, London)

JUNE 21—28, 1958

A. UNITED KINGDOM - UNITED STATES - CANADA. — Mr. Macmillan's Visits to Washington and Ottawa.

The British Prime Minister, Mr. Harold Macmillan, arrived in Washington on June 7 for informal discussions with President Eisenhower at the latter's invitation. During his three-day visit he had a number of meetings with the President and Mr. Dulles at the White House, addressed the U.S. Senate and the National Press Club, and visited DePauw University (Greencastle, Indiana) and Johns Hopkins University (Baltimore) to speak at graduation ceremonies and receive honorary degrees.

No communiqué was issued on the White House talks, which, Mr. Dulles stated, had dealt with "every subject under the sun." It was understood that the discussions covered *inter alia* all aspects of the international situation, the "summit" negotiations, disarmament and the question of suspending nuclear tests, the expansion of world trade, investment by the free-world countries in the under-developed countries, and the need for close collaboration, both political and economic, between the countries of the free world in general and between Britain and the United States in particular.

The theme of "inter-dependence" was particularly stressed by Mr. Macmillan in his speeches at DePauw University and Johns Hopkins University. His DePauw speech aroused much interest in the United States, where it was extensively reported in the newspapers and televised throughout the country. Mr. Macmillan spoke as follows :

"I have chosen as the theme of my address the word 'inter-dependence.' In my belief this word must be the keynote of the second half of the 20th century if the progress of humanity is to continue . . . It is a trite observation to say that we are 'in a period of transition.' Many people have said this at many times ; Adam may well have made the remark to Eve on leaving the Garden of Eden. But there can never have been a time in our history when it has been so true—when all the material forms of progress have advanced with such breathtaking rapidity.

"Are we sure we have made sufficient adaptations in our outlook on political and economic questions to keep pace ? In a word, are the statesmen running behind the scientists ? Of course, in a sense the statesmen have the more difficult task. For science, whether pure or applied, is, of its nature, international. It has no boundaries and, except to truth, no responsibilities The scientist and the technician devise new methods of locomotion, new sources of power, new methods of destruction on an ever-increasing scale. It is no part of their duty to say what use mankind will make of these novel and often terrifying instruments. . . . Nevertheless, all these processes may revolutionize the whole life of man on earth.

"After the First World War . . . the appalling destruction and misery caused by that conflict made many statesmen and people begin to think in terms outside the old pattern of national States, and to make a move along the path to world unity. But the League of Nations broke down in practice for two reasons. First, it was not comprehensive. Secondly, it was armed with no sufficient cohesion or power. It was a bold and noble effort to produce, in Pascal's words, 'a world in which force is just and justice has force at its disposal.' But, alas, this dream could not be realized, and when the test came the League broke under the strain.

"After the Second World War . . . a new attempt was made. In the first flush of enthusiasm the founders of the United Nations Organization believed that they had found the answer. In the Security Council, mainly dominated by the great Powers, was to be found the germ of a world administration or cabinet, and in the Assembly the beginning of a world congress or parliament. But once again events have proved too strong for us. To make anything like a world community all at once has been too big a step, and this time the attempt has foundered on the deep division in the world between two different concepts of society. . .

"So there has grown between two great blocks of nations the division between what we call the free world and the Communist world. There are some who feel that this struggle is necessarily fated to end either in war or the triumph of revolutionary Communism. I believe that to be too pessimistic a judgment. Of course, the free world must be firm as well as fair. We must not lower our guard. We must not fall victim to propaganda or to mere exhaustion. Nor must we delude ourselves by wishful thinking. We must not conceive of peace as a state of inactivity, something that can be just enjoyed : it is something that has to be won by struggle and effort. Nevertheless, in the long view, I cannot believe that a country like Soviet Russia, developing so rapidly in all the technical, scientific, and material improvements of life, will not in due course be subjected to the normal development of all civilized peoples . . .

"These two great forces do not always face each other directly across an empty arena. On the contrary, the so-called uncommitted countries, neither for us nor against, comprise enormous numbers. Their role may well be vital. In the countries of Asia and Africa new forces are at work. At first these are apt to take crude and dangerous shapes. But nationalism and national pride is in itself a healthy thing. It is only wrong when it is twisted into aggression. We in Britain have considerable experience of these changes and we have not been unresponsive to this new challenge.

"For over 100 years it has been the policy of Great Britain to develop colonies and dependencies into free and independent nations. Since the end of the war this process has been extended to peoples not of British stock. Thus we have transformed Empire into Commonwealth. Of our own will and design we have set up in freedom great countries like India, Pakistan, Ceylon, and recently Ghana and Malaya. Other new nations, like the West Indies, will in time join these ranks I call them ranks, but it is no military discipline which keeps the Commonwealth together. It is not even in all cases the tie of the Crown. It is certainly not unity of creed or race or colour. Nevertheless, it is a real unity based upon old traditions common to our country and yours. It is the sense of government by debate and discussion, the independence of the judiciary, the freedom of the individual, the universality of law. The ultimate success of the free world will perhaps depend on the degree to which we can spread these ideals to the hesitating and uncommitted countries.

"When I last had the privilege of meeting President Eisenhower in Washington we drew up together a Declaration of Common Purpose ; you might call it a blueprint for inter-dependence. This was not a visionary project but a practical advance to bring the reality of our alliance up to date. It was not meant to establish an exclusive club but to set a pattern for a wider group ; to show why it is that the Soviet Union has satellites while in the free world we have allies. . . .

"No-one who has studied the Marxist writers can fail to be impressed by the emphasis placed on destructive criticism of the capitalist system. Our world, which we see as prosperous and free, is represented as a jungle filled with ravening beasts seeking to devour each other, a jungle in which there is bound to be starvation for the many and plenty for the few. Violent trade cycles and war are said to be inevitable products of our system. Of course, we know that this is an utterly false view. Nevertheless, two things are true, which we have not yet all learnt. First, prosperity, like peace, is indivisible. Secondly, there are still too many artificial barriers to the free flow of money and trade in the free world. These barriers have grown up historically when modern civilization and material progress were in their infancy. Indeed, when the political aims of the different countries in the free world were different, when the great alliances had not been forged, it was natural that Governments should pursue separate and conflicting economic policies.

"But now our political aims are the same. We differ, if at all, on tactics and not on strategy. We all face a common danger. Just as the economies of the States of the Union grew together 200 years ago, so, in some measure at least, must the economies of the free world to-day. Since the war the United States has, with unexampled generosity, poured out its treasure all over the world ; first to help its allies who were impoverished by the joint defence of freedom, then to protect the young economies of the newly independent States. All too little credit has been given for this, and often you have found ingratitude. We too in Britain, with our far smaller resources, have played our full part—and we have learnt by now not to expect gratitude. . . .

"What is it then that the United States and Britain stand for ? We stand to defend and spread by all legitimate means what we call the free way of life—or, if you like, the democratic way of life . . . Sometimes we wonder why any countries outside the Soviet control can hesitate. In fact there is, perhaps, less doubt and hesitation than we sometimes think, for many of them are subjected to great pressures externally and internally. All the same, these people want to be sure that our claims are really justified. How are we to convince them ? The free world cannot defend itself or win allies to itself only by rockets and bombers and all the rest. These are necessary, but they are not enough. In the long run the free world will defend itself and win adherence to itself because our way of life gives a better way of living, a fuller life to the individual, security and hope."

Mr. Macmillan left Washington on June 11 for a two-day visit to Ottawa, where he had informal talks with the Canadian Prime Minister, Mr. Diefenbaker, and the Ministers of External Affairs, Finance, and Trade—respectively Dr. Sidney Smith, Mr. Donald Fleming, and Mr. Gordon Churchill. As in Washington, no communiqué was issued on these discussions, which were understood to have dealt *inter alia* with the expansion of Anglo-Canadian trade, the forthcoming conference of Commonwealth Finance Ministers (to be held in Quebec in September), and international questions. In an address to a joint session of the Canadian Senate and House of Commons (June 13) Mr. Macmillan expressed his conviction that the Quebec conference would mark "a great advance in Commonwealth co-operation in trade and commerce."

In a statement to the U.K. House of Commons on June 17, after his return to London, Mr. Macmillan said that he had discussed "most of the major problems of the world" with President Eisenhower and Mr. Dulles and had found the views of the British and U.S. Governments to be "closely in accord." In Ottawa, "matters of mutual concern" had been discussed with Mr. Diefenbaker and his Cabinet colleagues ; in particular, the forthcoming Commonwealth trade and economic conference.—(Times - Daily Telegraph - New York Times - Montreal Star) **(Prev. rep. 15823 A.)**

A. SOUTHERN RHODESIA. — General Elections won by United Federal Party. - New Cabinet formed by Sir Edgar Whitehead.

General elections for the Southern Rhodesian Territorial Assembly were held on June 5. The three parties contesting the elections were the United Federal Party, led by Sir Edgar Whitehead (the Prime Minister); the Dominion Party, led by Mr. R. O. Stockil; and the United Rhodesia Party under Mr. Garfield Todd (the former Prime Minister), who had seceded from the United Federal Party in January last following the repudiation of his African policies by the U.F.P. caucus. Both the United Federal and Dominion parties contested all the 30 seats, while the United Rhodesia Party put up 23 candidates; there were also two Independents. The Confederate Party had previously announced that it would not take part in the Territorial elections.

The elections were fought on the basis of the new electoral law enacted in 1957 (see 15879 A; 15781 A).

On May 18 the Dominion Party petitioned the Governor of Southern Rhodesia (Vice-Admiral Sir Peveril William-Powlett) to suspend the Southern Rhodesian Constitution because of an alleged flaw in the Electoral Amendment Act, which provides for the use of the second preference vote instead of the previous "straight vote" system. The petition asserted that there was "uncertainty" over the preferential voting system, inasmuch as (*a*) it was not known how many votes cast in the election were to be counted; and (*b*) it was therefore not certain how the Returning Officer would decide which candidate should be declared elected in certain cases, or how the question of forfeiture of deposits would be decided. It was argued that in some cases, according to certain interpretations of the law, the only result of the elections might be a "no result" verdict, and that no machinery existed for calling another election in such circumstances.

The Governor rejected the Dominion Party's petition on May 21. Sir Edgar Whitehead, announcing the Governor's decision, said that its acceptance would have meant "the end of responsible government" in the Colony for as long as the Constitution remained suspended. The Dominion Party had set an "extremely dangerous precedent," as it had, in effect, asked for the intervention of the British Government in Southern Rhodesia's internal affairs on a matter of interpretation of an Act passed by the Colony's Parliament.

Regulations governing the operation of the preferential vote were published on May 21.

It was provided that in the case of a straight fight between two candidates, the result would be decided by a simple count of first preference votes. Where there were more than two candidates, voters might if they wished indicate a first, second, or third preference up to the number of candidates standing. In the case of three candidates, if no one candidate succeeded in gaining an outright majority of all first preference votes, then the candidate gaining the lowest number would be eliminated and any second preference votes cast in favour of the other two would be added to their first preference votes to decide the issue of the contest. In the case of four or more candidates, second and even third preference votes might be used if necessary in order to ensure that the winning candidate received an absolute majority.

The elections resulted in a victory for the United Federal Party, which won 17 seats, while the Dominion Party gained 13 seats, thus strongly improving its position. The United Rhodesia Party suffered a complete defeat, failing to win a single seat.

The voting figures showed that the Dominion Party actually polled more votes than the United Federal Party, the final figures being:

Dominion Party	18,314
United Federal Party ..	17,516
United Rhodesia Party ..	3,991
Independents	67

The electorate numbered 55,148, of whom nearly 52,000 were Europeans, about 2,000 were Africans, and some 1,500 were Asians and members of mixed races. About 8,000 Africans would have been eligible for registration under the new electoral legislation, but some 6,000 of them failed to register in time because of the suddenness of the elections.

The total number of first preference votes was 39,712, divided as follows: Dominion Party 18,142; United Federal Party 16,840; United Rhodesia Party 4,663; Independents 67.

In 10 constituencies candidates did not receive an absolute majority on the first count, and second preference votes on the ballot-papers of eliminated candidates had to be counted. These second-preference votes were distributed as follows: United Federal Party 1,224; United Rhodesia Party 199; Dominion Party 172.

Sir Edgar Whitehead had a majority of 403 at Salisbury North, while Mr. Stockil had a majority of 575 at Victoria. Mr. Cyril Hatty, Minister of the Treasury and Native Education, was re-elected for Bulawayo Central; Mr. Reginald Knight, Minister of Justice and Internal Affairs, for Salisbury City; and Mr. A. R. W. Stumbles, a former Minister of Internal Affairs and Education, for Avondale. Among notable political figures defeated—in addition to Mr. Garfield Todd—was Mr. Ellman-Brown, who served under both Mr. Todd and Sir Edgar Whitehead, and who held the portfolios of Roads, Local Government, Housing and Irrigation in Sir Edgar's Cabinet.

Commenting on the election results, Sir Roy Welensky (Federal Prime Minister), said that it proved that Rhodesians could be "trusted to do the sensible thing." He added: "It is true the Dominion Party made progress, and I believe it will be a great benefit for the people to see them in a position where they cannot make excuses that there are not enough of them to put up proper opposition. It is now quite clear that Rhodesians are determined to follow a moderate pace in racial matters, and this should be recognized by all concerned in this country and out of it."

Sir Edgar Whitehead's Cabinet was reconstructed on June 11 as follows:

Sir Edgar Whitehead	Prime Minister and Native Affairs.
Mr. Cyril J. Hatty	Treasury and Mines.
Mr. Reginald Knight, Q.C. ..	Justice and Internal Affairs.
Mr. A. E. Abrahamson	Labour, Social Welfare, and Housing.
Mr. R. M. Cleveland	Local Government and Native Education.
Mr. A. R. W. Stumbles ..	Roads, Irrigation and Lands.

Mr. H. J. Quinton was appointed Parliamentary Secretary to the Minister for Native Affairs, an office he had held for a few months in Mr. Garfield Todd's Cabinet. Both Mr. Stumbles (M.P. for Avondale) and Mr. Abrahamson (M.P. for Bulawayo East) had previously held Cabinet office, the only newcomer being Mr. Cleveland (M.P. for Salisbury Central). Sir George Davenport the outgoing Minister of Mines, Lands, and Surveys—did not seek re-election.

The new Cabinet included three of the five "rebels" whose resignation from Mr. Garfield Todd's Cabinet in January led to Sir Edgar Whitehead's recall from Washington Mr. Hatty, Mr. Stumbles, and Mr. Quinton. (Federal Information Office)

(Prev. rep. 16165 A.)

B. UNITED KINGDOM. — Opposition rejects Joint Talks with Government on Defence.

In a statement to the House of Commons on April 24, Mr. Macmillan announced that no private and confidential talks on defence would take place between the Government and the Opposition, as Mr. Gaitskell was of the opinion that such talks would not be compatible with the fulfilment of the Opposition's constitutional functions. The Prime Minister explained that his statement was made in agreement with Mr. Gaitskell.

After recalling that proposals had been made from time to time that the Government should discuss defence matters with the Opposition, Mr. Macmillan continued: "At my suggestion, the Leader of the Opposition came to see me before the Easter recess to talk over the possibilities of such discussions. We considered a plan put forward by some Members that there should be a committee of this House to which secret information should be given by Ministers. We were agreed that such a committee would not be appropriate to our Parliamentary system and would entail great difficulties."

The Prime Minister explained that Mr. Gaitskell, in rejecting the idea of regular meetings of a confidential nature which would be attended by Privy Councillors from both sides, had pointed out that Sir Winston Churchill, after three meetings of this kind, had decided in 1949 to discontinue them. [Sir—then Mr. Winston Churchill was Leader of the Opposition at the time.] Mr. Macmillan continued: "Doubtless he [Sir Winston] felt that they hampered unduly his freedom of public criticism in the House of Commons. I am sorry that Mr. Gaitskell felt that the same difficulties would necessarily arise to-day, for I think that an experiment of this kind might well be repeated. However, I must accept his decision."

Mr. Macmillan mentioned the custom whereby Ministers occasionally consulted with the Opposition, informally and privately, on specific points. He said in this connexion: "This is a long tradition of Parliament, and such talks have taken place on the initiative sometimes of the Opposition, sometimes of the Government. I fully accept that this system is a good one, but that of course both the Government and the Opposition must hold themselves free to make, accept, or reject invitations of this kind. To be of any value, such meetings must be confidential and private. While, therefore, I am sorry that Mr. Gaitskell has not thought it right to agree to a more formal arrangement for discussion of the many defence problems which confront us, I am glad that the possibility of occasional consultation in the traditional manner remains open."

A suggestion that the Government and the Opposition should consult from time to time on defence matters was made by Mr. Shinwell (the former Labour Minister of Defence) in the defence debate of Feb. 26-27 [see page 16005, second column]. Mr. Bellenger, a former Labour Secretary of State for War, had also proposed the setting-up of a House of Commons committee to which secret defence information could be given by Ministers.—(Times - Daily Telegraph)

A. ALGERIA. — Political Activities of Right-wing Settlers' Organizations. - General Faure's Conspiracy. - Attempted Murder of General Salan. - Anti-Moslem Riots in Algiers. - Terrorist Activities.

Political agitation by extreme right-wing elements among the European population in Algeria was increasingly in evidence from 1956 onwards, continuing intermittently throughout 1957 and into the early months of 1958. Two conspiracies against the Administration were discovered at the end of 1956 and the beginning of 1957, one being led by General Jacques Faure (second-in-command of the Algiers military region), and the other being the work of an extremist organization which made an unsuccessful attempt on the life of General Salan, the French C.-in-C. in Algeria. Violent anti-Moslem riots occurred in Algiers on Dec. 29, 1956, and June 11, 1957, after terrorist acts by Algerian rebels, and a number of assassinations and bomb explosions were carried out during the same period by European counter-terrorist organizations.

The organizations responsible for these activities fell into three main groups :

(1) The mass organizations of ex-servicemen, students, and Poujadists which had been responsible for the riots following M. Mollet's arrival in Algiers on Feb. 6, 1956 [see page 14684].

(2) Political bodies such as the French North African Union, which was dissolved by order of M. Lacoste (the Resident Minister in Algeria) on July 4, 1956, for conducting activities " tending to turn the Army against the civil authorities." The president of the Union, M. Boyer-Banse, had previously been expelled from Algeria in May 1956.

(3) Extremist secret societies such as the *Comité de la renaissance française* or " Committee for the Rebirth of France " (C.R.F.) and the " Resistance Organization of French Africa " (O.R.A.F.), which conducted a violent propaganda against the French Government's policy and carried out terrorist activities against Moslems and liberal elements among the French settlers. Both these organizations were dissolved by M. Lacoste on Dec. 11, 1956.

Details of the activities of these and similar organizations are given below under cross-headings.

General Faure's Conspiracy.

It was disclosed in the French Press on Jan. 7, 1957, that General Faure had been placed under close arrest for 30 days by order of M. Bourgès-Maunoury (then Minister of Defence), and that General Dumesnil de Maricourt (commander of the Air Force in Algeria) had been summoned to Paris and reprimanded. The Resident Minister's office, in a statement issued on Jan. 8, said that General Faure had " contacted certain civilians in Algiers with a view to forming a plan of subversion "; that a declaration had been drawn up, bearing the signature of an officer who knew nothing of the affair ; that the discussions carried on by General Faure had led M. Lacoste to ask for his recall ; and that " the Algerian side of the affair " was now considered at an end. M. Lacoste subsequently told the Council of the Republic on April 5, 1957, that General Faure had " formed mad plans which would have plunged Algeria into grave disorders," and that his conduct had been " contrary to discipline and dangerous to public order and the institutions of the Republic."

According to reports in the French press, General Faure had been in touch with a committee of European extremists, headed by a general on the reserve list, which had planned to kidnap M. Lacoste and set up a military Government in Algeria. In preparation for the proposed coup, General Faure drew up a proclamation to which he added the names of General Salan and General Frandon (commander of the French air forces in North Africa) without consulting either. He also sought to enlist the support of M. Teitgen (secretary-general of the prefecture of Algiers), who, however, informed his superiors, and at a second meeting between them their conversation was secretly recorded by means of a tape-recorder. In consequence General Faure was recalled to Paris on Dec. 28, 1956, and on the following day was sentenced to 30 days' close arrest. General de Maricourt, who was reported to have made statements incompatible with military discipline but not to have been involved in the conspiracy, was summoned to Paris at the beginning of January 1957 and reprimanded ; he subsequently returned to his post.

Attempted Murder of General Salan.

An attempt to murder General Salan was made on Jan. 16, 1957, by firing two anti-tank rockets into his headquarters in Algiers from the roof of a house opposite. General Salan was absent at the time, but an officer of his staff was killed and two soldiers wounded by one of the rockets, which exploded in the general's office. Ange Salicetti (an employee of the arsenal in Algiers who was believed to have fired the rockets), René Kovacs (a well-known swimmer), his wife, and nine other Europeans were arrested and charged on Feb. 6, 1957, with murder, attempted murder, and conspiracy against the security of the State. A Government spokesman said that the accused belonged to an organization to the right of the C.R.F. and the O.R.A.F., which had been engaged in terrorist activities since the previous summer.

The *cour de cassation* ordered on Feb. 20, 1958, that for reasons of public security the case should be transferred from the military tribunal in Algiers to the permanent tribunal of the armed forces in Paris.

Anti-Moslem Riots in Algiers.

Serious disorders, in which six Moslems were murdered, occurred in Algiers on Dec. 29, 1956, during and after the funeral of M. Froger, the mayor of Boufarik, who had been assassinated by Moslem terrorists on the previous day [see page 16187]. Several thousand Europeans accompanied the funeral procession to the church, shouting such slogans as " put the Army in power," " shoot Guy Mollet," and " shoot Lacoste " ; while the service was in progress some of the demonstrators attacked the U.S. Consulate-General, shouting anti-American slogans and tearing down the consular shield. When the procession left the church they assaulted M. Lacoste's representative, tried to overturn his car, and forced him to walk to the cemetery. Bands of youths then began assaulting Moslems, attacking and looting Moslem shops, and overturning and setting fire to cars. The number of casualties was officially given as six Moslems killed and at least 58 injured.

Following an explosion in a dance-hall on June 9, 1957, in which 10 Europeans were killed and about 80 injured by bombs planted by Algerian terrorists, a general strike was called by ex-servicemen's and students' organizations for June 11, when most of the victims were buried. Both before and after the funeral bands of students and schoolboys assaulted individual Moslems, looted and burned down Moslem shops, and attacked and set fire to buses and cars containing Moslems. The rioters, who shouted " put Massu in power " [i.e. General Massu, commander of the parachute troops in Algiers], were cheered by large crowds. About 200 of the rioters were arrested, all but two being subsequently released. An official statement said that five Moslems and a European woman had been killed and eight Europeans injured.

Terrorist Activities.

European organizations retaliated to the outburst of nationalist terrorism in Algiers in the summer of 1956 [see page 16187] by various acts of counter-terrorism. Bomb explosions occurred on June 30, 1956, at the headquarters of the *Union générale des travailleurs algériens* (the nationalist trade union federation), and on July 17, 1956, at the editorial office and the printing works of the Communist daily *Alger Républicain* ; responsibility for the latter attack was subsequently claimed by the O.R.A.F. In the Moslem quarter of Algiers 15 people were killed and about 40 injured on Aug. 10, 1956, by an explosion which was attributed to the group responsible for the attack on General Salan ; the same group was held responsible for a bomb explosion on Nov. 9, 1956, at a printing office owned by the moderate nationalist " Democratic Union of the Algerian Manifesto." During the last week of August, 1956, grenade attacks were made on five Arab cafés in the Algiers area, three Moslems being killed and 16 wounded ; these incidents were believed to be reprisals for the murder by nationalists of two Europeans of extremist views.

It was announced on March 4, 1957, that 22 members of the C.R.F., including Robert Martel, the former general secretary of the French North African Union, had been arrested on charges of distributing subversive pamphlets, kidnapping, and murder. Police inquiries revealed that Martel had discussed plans for seizing power with an organization in Paris led by a Dr. Martin, who before the war was a prominent member of the Fascist *Cagoulard* organization. The police also stated that the accused had kidnapped a Moslem shopkeeper in Algiers and tortured him to death ; that they had been responsible for a number of grenade explosions ; and that arms, ammunition, explosives, and instruments of torture for the " interrogation " of kidnapped Moslems had been found at a villa used as their headquarters. The pamphlets issued by the group were couched in extremely violent terms, calling for an uprising and for the execution of " traitors " such as M. Mollet (then Prime Minister), M. Lacoste, and prominent French and Moslem liberals.

A grenade explosion occurred on April 17, 1958, in the building of the U.S. Consulate-General in Algiers, injuring a Moslem charwoman. Responsibility for the explosion was admitted by an organization calling itself the " Movement for French Independence " (*Mouvement pour l'indépendance française*), which declared that it wished " international and metropolitan opinion to know that a certain number of Frenchmen are not prepared to allow their soil to be sold to anyone." (Le Monde, Paris) (Prev. rep. 14913 A ; 14681 A.)

A. UNITED KINGDOM. — Ending of Fuel Rationing and Price Control. - Report of Robson Committee on Coal Distribution Costs.

Lord Mills, the Minister of Power, announced in the House of Lords on June 10 that the Government had decided that rationing and price control of coal, coke, and manufactured fuel would end about mid-July and be replaced by free competition in the retailing of these fuels. The "gentlemen's agreement" under which the National Coal Board undertook to consult the Government before making any changes in their price structure would remain in effect, and there was at present no question of the Board submitting a new price structure to the Government. Mr. Maudling (the Paymaster-General) made a similar announcement in the House of Commons.

Lord Mills explained (*a*) that the Government considered that "the restoration of free competition and freedom for the householder to buy from any merchant should encourage producers and distributors to offer the public the qualities of coal they need at the most competitive prices"; and (*b*) that in reviewing the question of decontrol it had been "materially helped" by the report of the Robson Committee on Coal Distribution Costs [see below]. He added that the ending of control would save nearly £1,000,000 a year in administrative expenses, and that he proposed to have immediate consultations with the National Coal Board, the merchants, the Domestic Coal Consumers' Council, and local authorities to ensure that the transfer from control to free competition was effected smoothly.

The report of the Robson Committee, referred to by Lord Mills, was published on the same day (June 10). The committee found (1) that the return of price competition in the coal-distributing trade would benefit both the public and the more efficient merchants; (2) that charges for wholesale services in the coal trade were "not open to serious criticism."

The report stated that the coal-distributing trade supplied 660,000 non-domestic consumers and 16,500,000 householders, and employed 135,000 workers, 55,000 road vehicles, and many ships and lighters. The general methods of distribution and structure did not appear to have undergone large changes since the 1930's, but the former multiplicity of prices and names of coals had disappeared and had been replaced by standards, qualities, and zone prices.

At present the maximum retail price for domestic coal was made up of the zone-delivered price to the merchant and his gross margin to cover his own costs and profit. The report explained that although the composition of the national average price could not be stated precisely, a fair approximation per ton for the 30,500,000 tons of coal consumed by domestic consumers in 1957 and retailed at an average price of 153s. 2d. a ton would be: pit receipts, 96s. 3d. (63 per cent); transport charges to merchants, 26s. 4d. (17 per cent); average gross retail margin, 30s. 7d. (20 per cent). Wholesalers' charges, averaging 2s. a ton (of which 5d. represented the wholesalers' profit), were in the main met out of gross retail margins.

For coal used by electricity undertakings (46,800,000 tons at 85s. 2d. a ton) the breakdown would be: pit receipts, 68s. 4d.; transport, 16s. 8d.; distributors (i.e. factors or contractors), 2d. For gas undertakings (using 25,800,000 tons at 95s. 2d. a ton) the breakdown would be: pit receipts, 95s. 2d.; transport, 20s.; distributors, 3d. The report added that the Central Electricity Board and some larger Gas Boards together transported nearly 10,000,000 tons a year in their own ships.

The committee pointed out that the original intention when rationing and price control were introduced was that distributors' margins should include 2s. 9d. a ton for retailers' profits, but that in many cases the margins had fallen short of this by 1s. a ton or more. Pending the ultimate replacement of the national flat-rate profit allowance by a regional allowance, it recommended that merchants should be allowed increases of 6d. a ton where the ration was 50 cwt. of coal a year and 1s. 6d. a ton in other areas. [This recommendation was outdated by the Government's decision to abolish controls.]

The report also recommended (*a*) a reduction in the number of coal depots (at present about 8,500) and their concentration into a smaller number of larger depots; (*b*) the introduction of mechanical handling plant wherever possible.

The Government's decision was welcomed by Sir James Bowman, chairman of the National Coal Board, and by Sir John Charrington, chairman of the Chamber of Coal Traders, which represents about 18,000 coal merchants throughout Britain.

Sir John Charrington said that "some small increase in prices" seemed "inevitable" when rationing ended, in view of the present insufficiency of merchants' profit margins, which yielded an average net profit of two per cent. He added, however: "Even if price control had continued, prices would have gone up a small amount—1s. to 1s. 6d. a ton. My guess is that prices will not rise more than they would have done under control."

When fuel control ends in July, the last of the major economic controls introduced in September 1939 will have been abolished.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 3648 E; Robson Committee, 14882 A.)**

B. UNITED STATES. — Foreign Economic Aid.

The following table, prepared by the International Co-operation Administration, was issued in Washington on May 23 showing economic aid provided to foreign countries by the United States in the financial years ended June 30, 1956 and June 30, 1957, together with estimated aid in the year ending June 30, 1958. An announced but unsigned $75,000,000 development loan for India is included in the 1957-58 figures.

	Year Ended June 30, 1956 (actual)	Year Ended June 30, 1957 (actual)	Year Ending June 30, 1958 (estimated)
Afghanistan	$18,300,000	$14,391,000	$5,800,000
Argentina	84,000	—	350,000
Bolivia	25,400,000	23,300,000	20,100,000
Brazil	3,604,000	4,512,000	4,700,000
Burma	—	—	12,700,000
Cambodia	45,100,000	34,500,000	26,000,000
Ceylon	5,000,000	6,083,000	1,400,000
Chile	2,174,000	2,456,000	2,500,000
Colombia	1,323,000	1,156,000	1,290,000
Costa Rica	907,000	994,000	1,050,000
Cuba	471,000	569,000	570,000
Dominican Republic	265,000	156,000	190,000
Ecuador	1,660,000	1,809,000	1,880,000
Egypt	2,623,000	686,000	—
El Salvador	934,000	1,069,000	1,000,000
Ethiopia	2,923,000	9,600,000	classified*
Ghana	—	360,000	500,000
Greece	26,800,000	25,700,000	15,700,000
Guatemala	18,176,000	17,518,000	12,400,000
Haiti	6,361,000	2,126,000	classified*
Honduras	1,156,000	1,324,000	1,350,000
Iceland	—	8,462,000	5,100,000
India	60,400,000	68,700,000	81,300,000
Indonesia	11,100,000	11,700,000	21,300,000
Iran (Persia)	65,500,000	51,600,000	26,600,000
Iraq	2,277,000	3,640,000	2,200,000
Israel	23,984,000	26,847,000	9,000,000
Japan	900,000	2,300,000	2,500,000
Jordan	7,500,000	21,200,000	31,700,000
Korea (South)	326,900,000	305,700,000	220,600,000
Laos	48,700,000	44,500,000	classified*
Lebanon	7,800,000	12,100,000	2,700,000
Liberia	1,782,000	1,716,000	2,000,000
Libya	7,520,000	19,280,000	12,400,000
Mexico	705,000	888,000	680,000
Morocco	—	20,067,000	classified*
Nepal	1,958,000	4,347,000	4,065,000
Nicaragua	756,000	681,000	900,000
Pakistan	106,700,000	98,700,000	55,800,000
Panama	1,096,000	1,023,000	1,170,000
Paraguay	1,801,000	1,530,000	1,480,000
Peru	2,819,000	2,594,000	2,850,000
Philippines	29,100,000	33,900,000	19,000,000
Saudi Arabia	—	22,000	25,000,000
Somalia	60,000	1,387,000	650,000
Spain	58,426,000	69,999,000	56,150,000
Taiwan (Formosa)	73,300,000	83,700,000	60,000,000
Thailand (Siam)	34,500,000	34,500,000	24,000,000
Tunisia	—	8,489,000	classified*
Turkey	107,800,000	58,800,000	74,500,000
Uruguay	154,000	254,000	200,000
Vietnam (South)	195,700,000	259,400,000	179,200,000
Venezuela	150,000	135,000	170,000
West Berlin	17,278,000	11,406,000	11,170,000
Yugoslavia	29,803,000	14,992,000	11,750,000

*i.e. not disclosed.

Figures of U.S. military and defence-support aid are not included in the table.—(New York Times) **(14742 A; 14442 B.)**

C. ISRAEL. — Nuclear Research Institute.

A Nuclear Research Institute, one of the most modern of its kind in the world, was opened on May 21 at Rehovoth in the presence of European and American scientists. Forming part of the Weizmann Institute, it contains 71 laboratories, lecture halls, an extensive library, workshops, and a proton accelerator, which is housed in a specially-designed tower. There are departments of nuclear physics, isotopes, and electronics, and laboratories for spectroscopy and nuclear magnetic resonance.—(Times - Israel Government Press Office)

D. MALAYA. — Membership of I.C.A.O.

The Federation of Malaya became a member of the International Civil Aviation Organization on May 7, bringing the membership of I.C.A.O. to 73. Costa Rica, which joined on May 31, was therefore the 74th member and not the 73rd as stated in 16198 E.—(I.C.A.O., Montreal) **(Prev. rep. 16198 E.)**

E. NETHERLANDS. — Bank Rate reduced.

The Netherlands Bank reduced its discount rate on June 13 from 4 to 3½ per cent—the third reduction since January. (Netherlands News Agency) **(Prev. rep. 16099 C.)**

A. PAKISTAN. — Central Cabinet Changes. - New Ministry in West Pakistan. - Political Crises in East Pakistan. - Imposition of Governor's Rule. - Party Developments. - The Gurmani Case.

The following changes in the Government of Pakistan were announced in recent months :

(1) Sardar Abdur Rashid (a former Chief Minister of West Pakistan) was appointed Minister of Commerce and Industries, and sworn in on March 29, in succession to Mr. M. A. Qizilbash, following the latter's appointment as Chief Minister of West Pakistan [see below].

(2) Sardar Amir Azam Khan was also sworn in on March 29 as Minister for Parliamentary Affairs and Economic Affairs ; he had been Minister for Refugees and Rehabilitation and for Parliamentary Affairs in the Central Government until his resignation in September 1957, and had been responsible for piloting the West Pakistan One-Unit Bill and the Constitution Bill through the Constituent Assembly.

(3) Mr. M. A. Khuhro (a former Chief Minister of Sind) was sworn in on April 8 as Minister of Defence—a portfolio hitherto held by the Prime Minister, Mr. Firoz Khan Noon. Mr. Khuhro had formerly been one of the leaders of the Moslem League, from which he had recently defected in protest against the executive's decision to defer consideration of his motion that a referendum should be held in West Pakistan on the one-unit scheme and the possible re-division of the province on a linguistic basis.

(4) Mir Ghulam Ali Khan Talpur, who had resigned as Minister of the Interior on March 18 because of internal disagreements, rejoined the Cabinet on April 18 as Minister of Power, Irrigation, and Planning (portfolios which were previously incorporated in the Ministry of Works) as well as Minister of Supply (a new department).

(5) Khan Mohammad Jalaluddin Khan was sworn in on April 7 as Minister of State in the Ministry of the Interior, while Syed Ahmad Nawaz Shah Gardezi became Minister of State in the Ministry of Food and Agriculture.

New Ministry in West Pakistan.

Sardar Abdur Rashid Khan, the Chief Minister of West Pakistan, resigned both the premiership and the leadership of the Republican Party in the Provincial Assembly on March 18, after the National Awami Party had on the previous day withdrawn its support for the Republicans in favour of the Opposition Moslem League, while five Republican members of the Assembly also crossed the floor to join the Moslem League. The reasons for the National Awami Party's move was that it had entered into an agreement with the Moslem League for the joint formation of a coalition government in West Pakistan on the basis of a 16-point programme which, however, was confined to agrarian and administrative problems.

Muzaffar Ali Khan Qizilbash (Minister of Commerce and Industries in the Government of Pakistan) was elected leader of the Republican Assembly Party on March 18 and asked by the Governor of West Pakistan to form a new Ministry. This was completed on March 25 with the following membership :

Nawab Muzaffar Ali Khan Qizilbash—Chief Minister, Services and General Administration, Tribal Affairs, Home Affairs, Industries and Commerce; Khan Iftikhar Husain Khan of Mamdot—Revenue; Mr. Abdus Sattar Pirzada—Law, Finance, and Indus Basin Waters Dispute; Syed Abid Husain—Communications and Works; Qazi Fazlullah—Power Development and Irrigation, and Construction of New Barrages; Sardar Abdul Hamid Khan Dasti—Education; Makhdoomzada Syed Hasan Mahmoud—Social Welfare and Local Government; Mirza Mumtaz Hasan Qizilbash—Food and Agriculture and Civil Supplies ; Mir Ali Ahmad Khan Talpur—Co-operatives; Khan Khudadad Khan—Health ; Sheikh Masood Sadiq—Rehabilitation; Arbab Noor Mohammad Khan—Excise and Taxation; Jam Mir Ghulam Qadir Khan—Prisons; Mr. Ghulam Nabi Dur Mohammad Khan Pathan—Forests and Game; Mir Ali Nawaz Khan Talpur—Information and Fisheries; Col. Nawabzada Mohammad Amir Khan of Hoti—Supplies and Village Aid.

Political Crises in East Pakistan.

A serious crisis occurred in East Pakistan on March 31 when the Governor, Mr. Fazlul Huq, dismissed the Ministry of Mr. Ataur Rahman Khan, leader of the East Pakistan Awami League. Mr. Fazlul Huq took this decision after Mr. A. R. Khan had requested him to prorogue the Provincial Assembly because the Cabinet had obtained a majority of only 15 votes in a debate on the Budget estimates—a request which Mr. Fazlul Huq refused. Following Mr. Khan's dismissal the Governor called on the Leader of the Opposition, Mr. Abu Hussain Sarkar, who was immediately sworn in as Chief Minister. Later in the night of March 31 - April 1, however, Mr. Fazlul Huq himself was dismissed by President Mirza, and the Chief Secretary of West Pakistan (Mr. Hamid Ali) was appointed Acting Governor. Within 12 hours of Mr. Khan's dismissal by Mr. Fazlul Huq, Mr. Sarkar, in turn, was dismissed by Mr. Hamid Ali, who reinstated Mr. Khan and his entire Cabinet. Later on April 1 it was announced that the Pakistani Ambassador to Switzerland, Dr. A. M. Malik, had been recalled from Berne and would be sworn in as Governor of East Pakistan upon his arrival, in succession to Mr. Hamid Ali. On April 26, however, it was announced that Mr. Sultanuddin Ahmed, the Ambassador in Peking, had been appointed Governor of East Pakistan instead of Dr. Malik.

The Provincial Assembly passed a vote of confidence in Mr. Khan's Ministry on April 3 ; 27 members of the Opposition (23 from the National Awami Party and four Independents) supported the Government, other Opposition members refusing to take part in the vote.

An application for a writ of *quo warranto* was filed by Mr. Sarkar in the Dacca High Court on April 3. The application was made against Mr. Ataur Rahman Khan and the members of his Cabinet, who were called upon to give information on the authority under which they were holding office. In making the petition Mr. Sarkar contended that Mr. Hamid Ali's action in dismissing the Sarkar Ministry had been *ultra vires* and illegal. The Dacca High Court dismissed Mr. Sarkar's petition on June 9 but gave both sides leave to appeal to the Supreme Court.

When the Provincial Assembly (which had been adjourned on April 5) reassembled on June 12 a fresh crisis broke out, the National Awami Party ordering its 30 members in the Assembly " not to lend any further support " to the Awami League coalition ministry headed by Mr. Khan unless the League was willing to sign the National Awami Party's five-point programme. Mr. Khan was accordingly defeated in the Assembly on June 19 by 138 votes to 126, the National Awami members abstaining. On the following day Mr. Sarkar (*Krishak Sramik* party) was sworn in as Chief Minister, but shortly before the swearing-in ceremony the Awami League and the National Awami Party announced that they had concluded a coalition agreement, and later the same day both parties decided to move a no-confidence motion against Mr. Sarkar. This motion was adopted by the Assembly on June 23 by 156 votes to 142.

In this situation the Central Government decided on June 24 to ask President Mirza to impose Governor's rule in East Pakistan. On the following day the President accordingly issued a proclamation assuming all the functions of the East Pakistan Government under Section 193 of the Federal Constitution ; it was also laid down that the powers of the Provincial Assembly (which was prorogued) were to be exercised by the National Assembly.

Developments in Political Parties.

The following developments took place within the major political parties in recent months :

Republican Party. Mr. Firoz Khan Noon, the Prime Minister, was elected leader of the Republican Party on May 30 in succession to the late Dr. Khan Sahib, who had been assassinated on May 9 [see 16198 D]. Mr. Noor Mohammad Khan, the Minister of Excise and Taxation in the West Pakistan Government (see above), was elected general secretary in place of Syed Abid Hussain, who had resigned because of internal disagreements.

Moslem League. Khan Abdul Qaiyum Khan, the former Chief Minister of the North-West Frontier Province, was elected President of the Moslem League on March 30 in place of Sardar Abdur Rab Nishtar, who had died on Feb. 14.

The Moslem League Working Committee decided on May 5 to expel for seven years Mr. Khuhro—who, as stated above, had left the League. The Sind Provincial Moslem League (a branch of the Pakistan Moslem League), of which Mr. Khuhro is president, had previously decided on April 27 to leave the parent body and become an independent organization.

Nizam-i-Islam. A new political party was formed in Lahore on Nov. 24, 1957, under the name of *Tehrike Istahaq-i-Pakistan*, sponsored by Chaudhri Mohammad Ali, the former Prime Minister of Pakistan. The party's aims were described as a welfare State based on the fundamentals of Islamic democracy—social justice, equality of opportunity, aid for the under-privileged, and " a fair deal for the common man."

On May 1, however, the *Tehrike Istahaq-i-Pakistan* merged with the *Nizam-i-Islam* party of East Pakistan into a new group known as the *Pakistan Nizam-i-Islam* party. Chaudhri Mohammad Ali, who was elected leader of the new party, said at a meeting in Lahore on May 1 that war with India was " inevitable," adding that " an open clash with India may occur in one, two, or at the most three years, but occur it must." He expressed the view that such a war would start over the Kashmir and Canal Waters disputes.

The Gurmani Defamation Case.

The Chief Editor of the *Times of Karachi*, Mr. Z. A. Suleri, and the paper's Resident Editor, Mr. Omar Qureshi, were sentenced by the West Pakistan High Court on May 17 to two years' imprisonment each, and fines of 6,000 rupees and 1,000 rupees respectively, for criminal libel of Mr. M. A. Gurmani, the former Governor of Punjab and subsequently of West Pakistan. The case arose out of the publication in the *Times of Karachi* on Sept. 3, 1957, of a photostat copy of a letter, alleged to have been written by Mr. Gurmani while he was Prime Minister of the former princely State of Bahawalpur to the late Sardar Patel, Deputy Prime Minister of India, offering the accession of Bahawalpur to India.

During the lengthy hearings Mr. Gurmani strongly denied having written the incriminating letter, and the former Emir of Bahawalpur testified that there had never been any question of his State's accession to India and that Mr. Gurmani had never urged such action on him. Sardar Amanullah (Information Officer to Mr. Firoz Khan Noon, who was Foreign Minister at the time of the letter's publication) testified that he had been directed by Mr. Noon to make a photographic reproduction of the letter and issue it to the Press. This testimony was supported by the deposition of Hakim Saif Ali, who claimed to possess the original of the letter.

The court found it established "beyond all doubt" (1) that the "original" produced by Hakim Said Ali was not the original of the photostat copy published in the *Times of Karachi*; (2) that the photostat copy itself proved that the alleged "original" had been forged for presentation in court; and (3) that Hakim Saif Ali should be tried for perjury and for producing forged documents. The Judge accepted Mr. Gurmani's testimony that the letter was not in his handwriting. He added, however, that although Mr. Gurmani had won the case, it was his duty to take proceedings against Mr. Firoz Khan Noon—either in a criminal court or a civil court – in order (*a*) to establish Mr. Noon's involvement in the matter; or (*b*) if Mr. Noon had taken no part in the publication of the letter, to give him an opportunity to prove publicly that his name had been brought into the case without justification.

On Mr. Firoz Khan Noon's petition, the Supreme Court of Pakistan granted him special leave on May 27 to appeal against the judgment of the West Pakistan High Court and for the expunging of certain references to him in the High Court's judgment. The court also directed that the relevant passages of the judgment should not be published.

The West Pakistan High Court granted bail to the two *Times of Karachi* editors on May 19, and suspended payment of the fines imposed on them pending the filing of an appeal. (Pakistan High Commissioner's Office, London - Times - Manchester Guardian) **(Prev. rep. 16013 A; 15936 A; East Pakistan, 15143 A; West Pakistan, 15688 B; Mr. Gurmani, 15775 A; Mr. Fazlul Huq, 14738 C.)**

A. SOVIET UNION. — Expansion of Chemical Industry. - Abolition of Chemical Industry Ministry.

Plans for a big expansion of the Soviet chemical industry were outlined in a report presented by M. Khrushchev on May 6-7 to the central committee of the Soviet Communist Party. The meeting was convened to consider measures to speed up the expansion of the chemical industry and, in particular, the production of synthetic materials.

M. Khrushchev stated that over 100,000,000 roubles had been allocated for chemical industry development during the next few years, with the aim of doubling the production of staple chemicals and motor-tyres by 1965, and increasing the output of synthetic rubber by over 150 per cent, as compared with 1958. It was also aimed to increase the facilities for producing artificial and synthetic fibre by 360 per cent, and those for producing plastics and synthetic resins by 700 per cent, by the same year. To this end 257 chemical works would be built or reconstructed, 14 chemical industry equipment plants would be put into service, and 42 other plants would be modernized. These establishments would be located in the Russian Soviet Republic, the Ukraine, Azerbaijan, and Uzbekistan.

Though claiming that the U.S.S.R. was the world's second biggest chemical producer after the United States, M. Khrushchev admitted that "we are only sixth in the production of artificial fibres and fifth in plastics, and in the production of synthetic rubber we are lagging behind the United States, although the Soviet Union has far outstripped all other capitalist countries put together." M. Khrushchev mentioned the advisability of placing orders in certain Western countries—notably the U.S.A., Britain, and Western Germany—for some of the plant needed for the Soviet chemical industry's expansion programme.

It was announced in Moscow on June 9 that the presidium of the Supreme Soviet had decided to abolish the Ministry for the Chemical Industry (at present headed by M. Sergei Tikhomirov) and to reorganize it into a State Commission. (Soviet Embassy Press Department, London)

(Prev. rep. 15899 A; 15575 A.)

B. WEST INDIES. — The Federal Capital Dispute.

The British Colonial Office announced on May 14 that H.M. Government had decided that they could not ask the U.S. Government to move their naval base at Chaguaramas (Trinidad) in order that the capital of the West Indies Federation might be established on the site. It was stated that the Government had taken this decision after considering the report of the joint commission, under the chairmanship of Sir Charles Arden-Clarke, which had been considering the question.

The commission's report was published in London on the same day. Its principal findings were: (1) the present base at Chaguaramas fulfilled the strategic and military requirements for a naval base in the eastern Caribbean; (2) the construction of an alternative base on the only other available sites (all on the west coast of Trinidad) would cost between £47,000,000 and £88,000,000 and might take from five to 10 years to complete; (3) there was no significant portion of the usable area at Chaguaramas that was not essential to the base's mission; (4) the release of any portion of the Chaguaramas base as a prelude to its total release was impracticable, nor was the partition of the base a practicable proposition.

The Colonial Office issued the following statement of the British Government's views on the report:

"Although the U.S. Government is legally entitled to retain the use of the base area until 2040, H.M. Government would have been prepared to consider inviting them voluntarily to surrender their rights as an act of generosity if the joint commission had reported that all or part of the base could be given up without adversely affecting defence, or that the necessary facilities could be replaced at any reasonable cost without loss of strategic efficiency. But the commission have found unanimously otherwise.

"In view of their report, and bearing in mind the overriding importance of the base to the defence of the Western hemisphere, which is also of vital concern to the West Indies, H.M. Government could not reasonably ask the U.S. Government either to relinquish part of the base or to meet the very considerable cost of moving the whole of it to a less satisfactory site. Nor could H.M. Government entertain the possibility of themselves contributing towards the cost of such an operation.

"H.M. Government realize that the commission's findings will cause disappointment, but they hope that the Governments of the West Indies and of Trinidad will recognize that they make H.M. Government's decision inevitable."

The West Indies Federal Government issued a statement on June 3 announcing (1) that it could not accept the views of the British and U.S. Governments; (2) that it would request a conference of all the parties concerned; and (3) that the Federal Government had meanwhile "decided to remain in its temporary headquarters provided by the Government of Trinidad and Tobago until the matter has been settled."

The statement said that it had been the understanding of the Federal Government that no final decision would be taken by the commission for the following reasons: (*a*) the views of the United States and the West Indies were "irreconcilable at that stage"; (*b*) each side (the U.S.A. on the one hand and the West Indies representatives on the other) was "trying to persuade the other to change its attitude"; (*c*) there were not enough facts before them to justify either side accepting the view of the other; (*d*) it had been understood that the results of the commission's survey would have been considered by the parties concerned before arriving at any decision.

The statement added: "The Federal Government is well aware of the U.S. contention that military necessity makes its imperative that the base should exist in the eastern Caribbean . . . It cannot, however, agree that at this time a final decision should be taken which accepts the perpetuation of a lease for 99 years, even though during that time present world tensions may disappear."

The Federal Prime Minister (Sir Grantley Adams) indicated on June 16 that the U.S. Government was willing to give an assurance that it would review the whole question of the Chaguaramas site after ten years, in the light of changes in methods of warfare which by then might make the retention of the base unnecessary. A similar statement was made in the British House of Commons on June 17 by the Colonial Secretary, Mr. Lennox-Boyd.—(Times - Daily Telegraph)

(Prev. rep. Chaguaramas, 15995 A.)

C. UNITED KINGDOM. — Territorial Army Jubilee.

The golden jubilee of the Territorial Army was celebrated on June 23 by a march-past of some 8,000 Territorials in Hyde Park, London, at which the salute was taken by the Queen. Her Majesty was accompanied by the Duke of Edinburgh and other members of the Royal family, the Chief of the Imperial General Staff (Field-Marshal Sir Gerald Templer), and the Secretary of State for War, Mr. Soames. Similar ceremonies took place in other parts of the country. The Territorial Army has produced over 100 winners of the Victoria Cross in the fifty years of its existence.—(Times - Daily Telegraph)

A. UNITED KINGDOM. — House of Lords Reform. - Life Peerages Bill passed by House of Commons. - Swinton Committee's Report on Leave of Absence for Peers. - Approval by House of Lords.

The Life Peerages Bill, which had already been passed by the House of Lords, was given a second reading in the House of Commons on Feb. 12-13. The Bill was opposed by the Labour Party, which tabled the following amendment: "That this House declines to give a second reading to a Bill which leaves the House of Lords overwhelmingly hereditary in character and with unimpaired powers to frustrate and obstruct the will of the elected representatives of the people."

Mr. R. A. Butler (Home Secretary), who introduced the Bill, said that the Government were convinced that in a highly complex society there must be a Second Chamber, and that the work of the Commons, however properly done, was better if it could be revised by another complementary chamber. It was not true that the House of Lords was a body of persons all of whom owed their seats to the accident of birth, or that it ever had been such a body. Before the dissolution of the monasteries the bishops and abbots normally outnumbered hereditary peers, and in the past 500 years there had been continual reinforcement of the House by the creation of new peerages. There were now some 170 peers of the first creation, many of whom were prominent in the work of the House. Peerages had been conferred on grounds of public service, and almost all interests in the life of the nation had spokesmen in the Lords. The "somewhat hysterical" terms of the amendment were not justified by the conduct of the Lords under the Labour Government, when they had passed no fewer than six nationalization Bills.

Mr. Butler stressed that many people were reluctant to accept hereditary peerages because they did not want their sons to be peers or because they wished to remain ordinary people. Moreover, the creation of hereditary peerages could not alone provide an adequate field of recruitment to the working of the House of Lords. The Government wanted to enlarge that field by making it possible to offer life peerages to people of distinction who could represent some aspect of the nation's life with authority, and who could take an adequate part in parliamentary life.

Life peers, Mr. Butler explained, would be appointed by the Crown on the recommendation of the Prime Minister. Some would be recommended primarily on political grounds, and before making such recommendations among members of an Opposition party it would be natural for the Prime Minister to consult the Opposition. The Government had taken the view that it was unnecessary to limit the number of life peers, and that the number to be recommended from time to time should be left to the good sense of the Prime Minister of the day.

Mr. Hugh Gaitskell, moving the Opposition amendment, said that the Conservative Party had never had to face any frustration or obstruction from the House of Lords. There was much to commend the two principles of life peerages as against hereditary peerages, and of non-discrimination between men and women for membership of the House of Lords, but the Government's "sudden enthusiasm" for non-discrimination did not extend to hereditary peerages.

It was not easy to take seriously the Government's argument that the Bill would assist the Labour Party. If this was put forward as a serious proposition, it was odd that the Labour Party had not even been consulted on whether they wanted it. If there were difficulties in manning the Opposition benches in the Lords, it was because the Opposition found difficulty in having enough people who could give up their jobs and devote their whole time to the work of the Upper House on the basis of the allowances recently introduced. The major problem was in fact the problem of pay in the House of Lords, about which the Bill proposed to do nothing.

"We have had a good deal of trouble over a long period of time over the House of Lords," Mr. Gaitskell went on. "We know there are proposals for reform being bandied about on the Conservative side, and we know the main motive behind them. It is to preserve the authority and enhance the prestige of the House of Lords . . . The British Constitution is an organic and dynamic thing, and when we have made this change in the composition of the House . . . the Government must consider the effect of the change and whether and when the time has come for further change. Coming from that quarter, it is very difficult for us to draw any other conclusion than that the kind of further change in contemplation is by no means in the direction of reducing the powers of the House of Lords. It is far more likely to be in the direction of increasing their prestige and authority."

In the Opposition's opinion, the present powers of the House of Lords were excessive, and if the Lords' powers and prestige were enhanced they might seek to use their existing powers far more extensively and frequently. It was still possible for them to delay a short Bill by something like nine months and a longer Bill by something like five months. A Labour Government might wish to pass immediately a short Bill of great importance for which it had a mandate, and find itself faced with obstruction of this kind; if this happened towards the end of a period of office, it would prevent the Government from carrying through the Bill at all. He saw no reason why, if the Lords revised any measure, it should not be immediately considered by the Commons. If the revision took the form of a rejection, the Commons should be entitled to pass the Bill on a fourth reading, after which it would become law.

The "hollowness" of the case for the present Bill became even more apparent owing to the Government's refusal to make one small change on which there could have been agreement—to make it possible for the sons of peers to renounce their right to sit in the Lords and retain their right to sit in the Commons. Rejecting such amendments during the Lords' debate, the Lord Chancellor had said that this was a matter for the Commons, and he [Mr. Gaitskell] would like to know if the Government were prepared to put forward an amendment covering this point.

Dealing with the question of what reform the Opposition would like to see, Mr. Gaitskell said that first of all there was the question of whether there should be a Second Chamber at all. In 1909 Sir Winston Churchill had said: "As democracy becomes more numerous, more educated, more authoritative, more complex, and more powerful, it is necessary that the House of Lords should recede and retire . . . should pass peacefully and painlessly away." Assuming, however, that there was to be a Second Chamber, the first condition of any adequate reform was to get rid of the situation in which there was a permanent Tory majority which could obstruct the will of the House of Commons. There were three broad principles on which the House of Lords could be reformed: (1) it should not be separately elected parallel with the Commons; (2) it should not be hereditary in character; (3) it should not have the power to overrule or obstruct the Commons. The Bill, however, while giving the House of Lords "a slightly more respectable appearance," left unchanged both the overwhelming Conservative majority and the present power of the Upper House.

Mr. Clement Davies (Liberal) said that while the Bill pretended to reform the Second Chamber, it merely proposed to add an unknown number of men and women to the 875 hereditary peers already existing there. Its real purpose, he asserted, was to bolster up some kind of case for maintaining the hereditary principle as a qualification for membership, although it was a complete anachronism and existed in no other Parliament in the world. The House of Lords needed a true reform and not a "mere sham."

Mr. Enoch Powell (C.), in his first speech since his resignation from the Government [see 15939 A], opposed the Bill as "a serious interference with a prescriptive institution," representing a substantial and basic alteration in the character of the House of Lords. It was a great mistake to assume that the Lords was a kind of replica of the Commons, for it was not at its most useful or effective when dividing or debating on party lines. Mr. Powell said that the Bill was not desired by the Opposition parties or by many Government supporters, nor, he suspected, was it greatly welcomed by many members of the Government.

Viscount Hinchingbrooke (Ind. C.) criticized the Bill as having been conceived entirely on *a priori* grounds, without any careful examination of the sort of people who would be willing to sit in the Lords. There was no guarantee that when somebody was selected for a life peerage he would sit on the Opposition benches day in and day out and do his duty. The time would come when the horizontal division between parties on class grounds would give way to a vertical division on grounds of political belief, and when the House of Lords would divide naturally on grounds of ideology. He thought the Bill was "futile, inconvenient, and inadequate," and might have to be repealed in 10 years' time.

Mr. Wedgwood Benn (Lab.) said that he did not believe that peers should be allowed to sit in the Commons, even if they renounced the right to a writ of summons, but that arrangements should be made whereby a peer could become a commoner for himself and his descendants and enjoy the rights of a commoner. [Mr. Benn, who is the heir of Lord Stansgate, had made repeated but unsuccessful attempts in former years to introduce legislation to this effect]. Commenting on the powers of patronage which the Bill gave the Government, he pointed out that whereas about one in 20 of the Labour members who entered the Commons in 1945 had received honours, about one in three of the Conservative members who entered it in 1951 had since been given an honour.

Sir Reginald Manningham-Buller (Attorney-General) maintained that the Bill would not of itself tend to increase either the power or the authority of the House of Lords, although it would enhance respect and confidence in that House. After rejecting the proposal that it should be amended to allow the sons of peers to renounce their titles, he said that whether the House of Lords remained hereditary depended on the use that was made of the Bill. He was not suggesting that it would lead to the House being swamped with life peers, but every creation of a life peerage would reduce its hereditary character.

Sir Frank Soskice (Lab.) said that "no amount of wooing" would reconcile the Opposition to the maintenance of the hereditary principle, far less to its enhancement. He doubted whether the Government intended to appoint more than about 20 life peers, in which case the objection that the Bill did nothing to alter the hereditary character of the House must stand unchallenged.

It was common ground that it would be impossible to recruit people to the Lords unless they were guaranteed some adequate salary for full-time membership. If these were to be life salaries or salaries for a term of years, had the Government considered that a vast new field of patronage was being created? The Government were placing on the Prime Minister the disagreeable and invidious necessity of recommending "the dispensation of largesse on an immense scale."

After asserting that the House of Lords was "overwhelmingly, traditionally, and passionately hostile" to the Labour Party's point of view, Sir Frank continued: "A Labour Government which may have a vast majority of public opinion behind it knows that it will

govern in the face of constant and bitter hostility, suppressed for the most part, but exercising unremitting pressure on Ministers and from time to time finding active and indeed virulent expression. A Labour Government in office must, to a substantial extent, govern by sufferance of the House of Lords. The only sanction against interference is the fear of their lordships of what public resentment would do, if interference goes beyond a certain point." The Government were asking them to exchange for a comparatively quiescent Conservative majority in that House, "which was bad enough," an active Conservative majority which would be there when the Labour Party came into office. It was "preposterous" to expect the Opposition to view this proposal without contempt.

Mr. Geoffrey Lloyd (Minister of Education) said that the Government was prepared to enter into informal talks with the Opposition on this subject, provided that they did not call into question the existence of the House of Lords. He went on to point out that two classes of expanding importance had emerged in recent years. Firstly, the professional, scientific, and managerial class, which had been expanding at a tremendous rate and was likely to continue to do so in future. Whereas some of them were in the House of Lords already, there was no doubt that life peerages would make it easier for a wider representation of this class. The second class of expanding importance comprised the highly paid workers in modern industry, people with middle-class incomes and working-class traditions, many of whom would be able to make a real contribution in the Lords as life peers. The Opposition's attitude, that an improved House of Lords might become a rival of the Commons, was "unrealistic," as it was against the public interest to keep one of the Houses of Parliament in a less efficient condition than it could reasonably reach. The problems in dealing with payment of peers were so great that they would be better dealt with when there was agreement over the whole issue.

Vice-Admiral Hughes-Hallett (C.) said that he was opposed to the hereditary principle as applied to the House of Lords. The House of Commons would not do the Upper House a good service by trying to tie it permanently to what was a lost cause. If life peers were chosen wisely for independence of outlook, integrity, experience, and their record of achievement, their advice would not lightly be set aside.

Viscount Lambton (C.) said that the Government could either have left the House of Lords as it was, hoping it would continue to function half-heartedly, or have reformed it radically, cut down its numbers, and tried to make it an effective Second Chamber. Instead they had produced "a sad compromise" and made "the worst of both worlds." They had tampered with the Constitution and divided the Conservative Party to produce a Bill that did no good to anyone, that the Government benches did not like, and that the Opposition did not intend to use.

Mr. Aneurin Bevan (Lab.) said that the functions and powers of the House of Lords had suffered attrition, but its membership had remained virtually unchanged. It still had powers which could be used "in a most dangerous way," and he had seen it in moods in which he would not trust it not to use those powers. It might be necessary in an emergency for legislation to go through quickly in the national interest, and it did not always follow that their lordships' views and the national interest coincided. The present Bill left those powers untouched, and was therefore offensive to the Opposition. He had been a Minister for 6½ years, and had probably had more dealings with the Lords on contentious legislation than any man in the Commons. Any Labour Minister framing legislation always had to take the Lords into account, and to consider what concessions he would have to make to get the Bill through. He had known Civil Servants suggest, in framing legislation, that something should be put in so that it could be taken out in the Lords.

Mr. Bevan continued: "The proposal to make life peers is unimportant. It is a façade. The important thing is that it is now intended, because of the acceptance of this relationship between the two Houses, that there must be remuneration for the peers. Pelf for the peers! It is being said that it is fair and honourable that we should now confer an honorarium on the peers . . . They are now paid three guineas a day expenses. It will go up. The Leader of the House of Lords asked the members there not to press him at this delicate moment for an increase in pay. It is a big step to pay 867 peers. An ingenious method is being devised by which some of them should be given leave of absence by the Crown. That will leave perhaps 200 to 300—we do not know how many—who will attend. Some life peers will be made—we do not know how many—and they will go there and an honorarium will be allowed to all of them." It was now proposed that the House of Commons should confer upon their lordships not only influence, but pensions for life. It was true that not very much interest was taken in this outside; but Milton had warned about it when he said, "Consider liberty, and do not bind her when she sleeps."

Mr. Maclay (Secretary of State for Scotland), replying to the debate, said that if there was a general feeling that some radical alteration in the composition of the Lords was called for, such reform should be undertaken only with a large measure of agreement between the main political parties. The absence of such agreement was no reason for failing to attempt to meet some of the obvious problems with which the Lords were faced. He asked whether they were now dealing with a Labour Party which was completely split on the issue of a Second Chamber, or a Labour Party which believed that a Second Chamber was desirable? If Mr. Bevan was advocating single-chamber government, he was running British democracy into the most appalling dangers.

The Bill was given a second reading after the Opposition amendment had been defeated by 305 votes to 251, the Liberals voting with the Opposition. Two Conservative members (Mr. Powell and Mr. Howard Johnson) abstained from voting. Of the Independent Conservative group, Viscount Hinchingbrooke, Mr. Fell, Mr. Biggs-Davison, Mr. Paul Williams, and Mr. Maude also abstained, while Mr. Laurence Turner voted with the Government.

The Bill was given a third reading in the House of Commons on April 2 by 292 votes to 241.

On the third reading, **Mr. Butler** said that the Government rejected the view that the House of Lords should be abolished, since such a step would not be in the interests of the Constitution, the preservation of British liberties, or the efficiency of the laws produced by the Commons. He did not claim that the present House of Lords was an ideal Second Chamber, but in its influence, its work, and the manner it exercised its power, it added to the dignity and efficiency of public life. The Government did not think there should be any limitation on the number of life peers, or that their selection should be confined to one party. The Bill would enable life peerages to be offered to people of distinction widely representative of the nation's life, and thus enrich the quality of debates in the House of Lords. There was no intention to enlarge the powers of that House, but only to make its revising powers more efficient and more effective.

Sir Frank Soskice reaffirmed the Opposition's objection that the Bill left the hereditary principle in the House of Lords unchanged, and the powers of that House intact.

The Bill received the Royal Assent on April 30.

The Swinton Committee's Report.

The House of Lords debated on Dec. 10, 1957, the report (published in January 1956) of a Select Committee headed by the Earl of Swinton, which had considered the powers of the House in relation to the attendance of members.

The report stated that the House had no power to exclude a member from its sittings; that every peer had the right to receive a writ of summons; that the right to be summoned entailed a duty to attend unless excused by the House; and that a peer who was unable or unwilling to attend was under an obligation to apply for leave of absence. The Committee therefore recommended that a writ of summons should be sent to every peer at the beginning of a Parliament; that those desiring to be relieved of the obligation to attend should apply for leave of absence; that every member who failed to reply should be regarded as having applied for leave of absence, unless he attended and took the oath within a month of the beginning of Parliament; and that members granted leave of absence should not attend unless their leave had been terminated by giving such notice as might be prescribed.

Introducing the report, the **Earl of Swinton** said that some peers were unfamiliar with the mandatory terms of the writ, and many more were unaware of the obligation to apply for leave of absence. Until early in the 19th century writs had been delivered personally to peers, but they now remained in the Crown Office of the Palace of Westminster for peers to collect. The House had the power to compel attendance and grant leave of absence, and could use these powers to meet the present situation in which numbers of peers did not or could not attend. There were peers who could not attend regularly but were most valuable when they could do so. No-one would wish to stop them attending when they could, and the House should be able to make provision for their attendance. The Committee had considered whether Standing Orders should contain a sanction, but had rejected the idea as unnecessary and repugnant to the spirit of the House.

At the end of the debate the House instructed the Select Committee to draw up new Standing Orders implementing its proposals. The provisions of these draft Orders were published on April 11, 1958, as follows:

(1) A committee should be appointed to supervise arrangements for leave of absence.

(2) Peers should either attend the sittings of the House or obtain leave of absence, but a peer who was unable to attend regularly need not apply for leave if he proposed to attend "as often as he reasonably can."

(3) Applications for leave of absence might be made at any time during a Parliament, either for the whole session, the remainder of the current session, or the remainder of the Parliament.

(4) On the issue of writs for a new Parliament, the Lord Chancellor would write to each peer to whom he issued a writ requesting him to say whether he wished to apply for leave. He would do the same at the beginning of each session in respect of every peer who had been granted leave ending with the preceding session, or who had not attended during the session.

(5) Peers should reply to this communication after 28 days' notice. Those who failed to do so within seven days from the expiry of this period would be considered to have applied for leave of absence during the remainder of the Parliament.

(6) A peer granted leave of absence should not attend sittings until the period had expired, but he might give notice in writing to terminate it earlier, in which case the leave would expire three months later, or sooner if the House so directed.

The Committee stated that the definition of "regular attendance" must be a matter for individual interpretation, and that in framing the Order they had "taken account of the position of peers engaged whole-time in the professions and in industry, and of others who have extensive commitments in local government or in other voluntary work." They felt that the House would be reluctant to lose the services of such peers, who had in the past made valuable contributions, based on their own knowledge and experience, to the work of the House, and that peers in this position "need not feel under any obligation, in consequence of inability to attend regularly, to apply for leave of absence."

The report was formally approved by the House of Lords on April 24, the voting being 52 in favour and 20 against.

The **Earl of Home,** moving its acceptance, said that there had been much criticism because a substantial number of peers never or hardly ever attended the House. The possibility that on some particular issue which aroused the dormant political enthusiasm in these peers they might descend upon the House and undo its will, arrived at by reasoned debate, was more theoretical than real, but it was a possibility. It was not intended to discourage any peer from attending if he felt he had any contribution to make to the proceedings. Several members, although unable to attend regularly, spoke with great authority on their subjects when they were able to attend. He could not say whether the suggestion that a peer granted leave of absence should give three months' notice if he wished to return would work or not, as if a sufficient number broke this rule the whole thing would break down. He thought, however, that there was a good chance that a convention would grow up that the rule should be observed, and that they would eventually have a reasonable and workable House.

Lord Silkin thought that if 200 or 300 peers applied for leave of absence it would reflect more discredit on the House than merely leaving things alone. In recent years there had been a number of peers created for past services who had never set foot in the House or even taken the oath. By accepting the principle of leave of absence, the House would be condoning that situation. Leave of absence would make a mockery of the House and be utterly incompatible with the maintenance of the hereditary system.

Lord Teynham pointed out that about 259 peers had not taken the oath, 114 had taken it once only, 188 had attended fewer than 10 times, of whom 142 were first creations, and 253 had attended more than 10 times. Even if 300 peers applied for leave of absence, it would not be more derogatory to the House than those figures.

Viscount Simonds (a Lord of Appeal and a former Lord Chancellor) maintained that the proposed Standing Orders were wholly contrary to the law and custom of the Constitution. The absolute right of a peer to receive a writ of summons had been decided centuries ago by the House in a battle with a Sovereign who sought to withdraw the writ. A peer was not only entitled to receive the writ, but was bound to obey it as the Sovereign's command. For 600 years there had been no suggestion that a peer who had been granted leave of absence should not return to the House before it expired if he found he was able to resume his duties. There was no justification for depriving a member of his right to sit, speak, and vote.

Lord Elton expressed concern at the lack of consideration shown in the report for the position of the peer who would be able to enlighten the House on a subject on which he was an acknowledged authority. Such a man could not be expected to "clock in" regularly for debates in which he had no concern. **Lord Saltoun** pointed out that many peers who never came into the Chamber gave good service, such as the Lords Lieutenant, who sometimes gave advice on matters affecting their counties.

The **Marquess of Salisbury** said that the proposals were not to be regarded as a reform of the House, but as an attempt to remedy an abuse which did not redound greatly to its credit. If the proposals did not add to the prestige of the House, they did add a measure of respectability. What worried him was the constitutional aspect of the proviso allowing a peer to end his leave of absence at three months' notice. Peers who did not normally attend at all would attend only on a matter of strong conscience, and he believed it would be entirely wrong to exclude them.

Earl Attlee said that no reform of the House would be of any use unless it dealt with its excessive membership. He thought the proposals were "a kind of camouflage" put up to pretend that the House had not as many members as it had. People outside would say that if peers did not want to attend, the right should be taken away from them. Any change of this kind should be made by Act of Parliament and not by Standing Orders.

It was said that the "backwoodsmen" had never descended on the House, but they had done so in 1910 (i.e. during the crisis over the Parliament Bill) and they might do so again—not simply about a particular legislative proposal, but on a general objection to a Government of whose colour they disapproved. They remained "a potential menace" and these proposals would not dispel it, because leave of absence could be revoked. The three months' notice to end leave of absence assumed far greater regularity in national affairs than was his experience. Things blew up suddenly, as the abdication crisis had done. "There might be a number of peers who do not attend regularly but who might have been rather stirred if that crisis had gone a particular way," Lord Attlee observed. "Suppose they found themselves debarred by three months. I think they would feel they had bartered away their rights." He concluded by urging the House to reject the report.

In reply to the debate, **Viscount Kilmuir** emphasized that the proposals would not deprive a peer of his right to vote, but would merely lay down the manner in which he should exercise it. Nothing would be done without the consent of the peer concerned, and in the vast majority of cases the action taken would be on his own initiative. The fallacy inherent in Lord Silkin's and Earl Attlee's arguments was that it would be possible to have a Second Chamber that would work without drawing on those members who were willing and able to attend it. The Labour Party opposed the principles of both election and selection in the composition of the Second Chamber, on the grounds that an elected House would compete with the Commons and that a selected House would increase the status and influence of the Lords at the expense of the Commons. It was therefore common sense to draw upon the reservoir of the members in order to obtain a compact and workable House.

The House of Lords adopted the new Standing Orders on June 16 without a division, after a debate marked by sharp differences of opinion on various aspects of the scheme to grant peers leave of absence.

Viscount Stansgate moved three amendments: (1) that the new rules should apply equally to the Bishops as well as to the Lords temporal; (2) that peers applying for leave of absence should be asked to state their reasons; (3) that the terms of the Lord Chancellor's letter to peers, requesting every peer to whom he issued a writ to answer whether or not he wished to apply for leave of absence, should be reported to the House. The first and second amendments were rejected, while the third was accepted by the Lord Chancellor.

Lord Home pointed out, with regard to (1), that the word "lords" included both the Lords spiritual and the Lords temporal, and that the same procedure applied to both. As regards (2), he agreed that this had been done in times past, but pointed out that the Merthyr Committee were of opinion that this procedure was no longer necessary at the present day.

Viscount Simonds strongly criticized the provision that a peer who had been granted leave of absence should not be allowed to attend the House until the period of leave had expired. In moving the deletion of the relevant paragraph, he declared that a peer who had applied for leave of absence, and then found himself able to attend during this period, should not be prevented from doing so. The amendment was rejected by 52 votes to 36.

Viscount Samuel asked what the position would be if some crisis suddenly burst upon the country. There might be 100 peers who had signed a declaration of non-attendance; would the Standing Committee which was to be appointed be empowered to act in such a case? "Are we to leave it to this supervisory committee, consisting of the Whips of the three parties, to decide on releasing or not releasing 100 votes on an imminent party division?"

Lord Home commented: "There are 300 or more peers whom no crisis, external or internal, has ever induced to come near the place." In an emergency, he pointed out, there would inevitably be consultations between the leaders of the three parties in the House; and the House would, he suggested, suspend the Standing Orders in such an eventuality.

The House of Lords also accepted a Government motion to appoint a select committee of the Chief Whips of the three parties for the general supervision of arrangements relating to leave of absence. It was agreed that this committee should report to the House from time to time.—(Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Lords Reform, 15999 A.)

A. CAMBODIA. — General Elections.

King Norodom Suramarit dissolved the Cambodian National Assembly on Jan. 8 on the recommendation of the Cabinet, which had accused the Assembly of attempting to undermine its authority and encroach on its executive powers. In accordance with the Constitution, the Prime Minister (M. Sim Var) resigned in favour of the Speaker of the Assembly, M. Ek Yi Oun, who was called on to head a caretaker Government pending elections; as M. Sim Var's Ministers refused to serve under him, however, M. Penn Outh assumed the Premiership on Jan. 17.

In the elections, held on March 23, all 61 seats in the Assembly were won by the Popular Socialist Community, led by Prince Norodom Sihanouk. The only Opposition candidates were five put forward by the Communist Party, four of whom withdrew at the last minute; the remaining Communist polled 396 votes against 13,542 for the Popular Socialist candidate.

A new Cabinet headed by M. Sim Var was given a vote of confidence on April 24 by 36 votes to two, with 15 abstentions. M. Sim Var resigned on June 22, however, after the National Assembly had adopted a censure motion against his economic policy, by 30 votes to 8 with 5 abstentions.—(Le Monde, Paris)

(Prev. rep. 15706 A.)

Corrigendum. Prince Norodom Sihanouk resigned the Premiership on June 12, 1957, not in July as stated on page 15707. (Ed. K.C.A.)

A. JAPAN. — Government Victory in General Elections. - New Cabinet formed by Mr. Kishi.

General elections were held in Japan on May 22 following the dissolution of the House of Representatives on April 25. The principal contestants were the Liberal Democrats, led by Mr. Kishi (the Prime Minister), and the Socialists, led by Mr. Suzuki Mosaburo. Their programmes are summarized below, based on a compilation published by the Tokio newspaper *Asahi Shimbun*.

Liberal Democratic Programme. The Liberal Democrats advocated (1) general disarmament and the prohibition of atomic and hydrogen weapons, as well as the ending of nuclear tests by the Great Powers; (2) an independent, peaceful foreign policy based on support for the United Nations, close co-operation with the U.S.A. and the other Western democracies, and the maintenance of Japan's position as an Asian country; (3) the building-up of the Defence Force to the minimum level required, but without nuclear weapons; (4) consideration of the future withdrawal of U.S. security forces, and efforts to ensure Japan's national security through a collective security system; (5) the retrocession by the Soviet Union of the islands of Kunashiri and Etorofu [see 15195 A], and the restoration of Japanese sovereignty over Okinawa and the Bonin Islands, which are at present under U.S. administration; (6) a decision by the States concerned on the question of Japan's title to the Northern Kuriles and South Sakhalin; (7) increased trade with Communist China, without, however, recognition of the Communist regime under present circumstances; (8) co-operation in the economic development of South-East Asia, with increased technical and financial assistance and the creation of a development fund and training centres; (9) an increase of Japanese exports to $5,000,000,000 annually by 1962, based on improved technology and productivity, stable export prices, and the development of overseas markets; and (10) a review of the present Constitution on the basis of the freely expressed will of the people.

The Socialist Programme. The Socialists advocated (1) the immediate and unconditional prohibition of nuclear tests by the U.S.A., Britain, and the Soviet Union; (2) efforts to set up a collective security system including Japan, the U.S.A., Communist China, and the U.S.S.R., together with the simultaneous abrogation of the Japanese-U.S. security treaty and the Sino-Soviet treaty of alliance; (3) establishment in Asia of a zone free from nuclear armaments; (4) a reduction in the strength of the Japanese Self-Defence Force, and its conversion into a national land development corps and a police organization for internal security; (5) a "rational" settlement of territorial questions with the Soviet Union through closer friendly relations by means of increased economic, cultural, and personal exchanges; (6) the return of Okinawa and the Bonin Islands to Japanese sovereignty; (7) a peace treaty with Communist China, support for its representation in the United Nations, and the treatment of the question of the Nationalist Government in Formosa as a Chinese domestic question; (8) friendly relations with other Asian and African countries on the basis of the "Five Principles," and co-operation with them in economic development, technology, and cultural exchanges; (9) removal of Japan's present trade dependence on the U.S.A., and the abolition of controls on trade with the Communist-bloc countries; (10) maintenance of the present Japanese Constitution.

The elections resulted in the return to power of the ruling Liberal Democrats, who retained their substantial overall majority in the House, though with a slightly reduced representation. The final distribution of the 467 seats was as follows, comparison being shown with party strengths at the dissolution of the former House of Representatives:

	Seats	
	New House	Old House*
Liberal Democrats ..	287	290
Socialists	166	158
Communists	1	2
Independents	12	4
Minor parties	1	4

*There were nine vacancies at the dissolution.

Voting figures for the principal parties were as follows, showing comparison with the previous (1955) elections:

	Total Votes	Increase or decrease	Percentage of votes
Liberal Democrats	22,976,330	—3,800,000	57.8
Socialists	13,093,984	+2,200,000	32.9
Communists ..	1,012,036	+ 370,000	2.6

The electorate numbered about 52,000,000, of whom 76.9 per cent went to the polls. Nearly 3,000,000 were new voters who exercised the franchise for the first time.

Although women voters outnumbered men by 1,800,000, only 11 women were elected to the new House (three for the Liberal Democrats and eight for the Socialists), compared with 39 elected in 1946.

All the principal Cabinet Ministers sitting in the Lower House were re-elected except Mr. Karasawa, the Minister of Justice. Mr. Yoshida and Mr. Hatoyama—both former Prime Ministers—narrowly escaped defeat.

Although the Liberal Democrats lost only three seats, the Socialists, holding over one-third of the total seats, will be able to prevent any amendment of the Japanese Constitution as had been sought by Mr. Kishi - to permit an open policy of rearmament and change the present clause prohibiting the maintenance of an Army, Navy, or Air Force. The Socialists, though increasing their representation by eight, did not achieve the anticipated increase in representation for which they had hoped through the support of new voters. Of the 114 Communist candidates, all but one forfeited their deposits. The Independents, who gained some ground, mostly belonged to the *Sokay Gakkai* a Right-wing politico-ethical-religious society based on militant Buddhism.

Subsequent to the elections, 11 of the 12 Independents joined the Liberal Democrats and the remaining Independent joined the Socialists, thus making party strengths as follows:

Liberal Democrats ..	298
Socialists	167
Communists	1
Minor parties	1

Mr. Kishi was re-elected Prime Minister on June 12, receiving 290 votes in the House of Representatives against 162 for the Socialist candidate, Mr. Suzuki. He also obtained a large majority in the House of Councillors. Mr. Kishi announced his new Cabinet later the same day, as follows:

Mr. Nobusuke Kishi	Prime Minister.
*Mr. Aiichiro Fujiyama ..	Foreign Affairs.
Mr. Eisaku Sato	Finance.
Mr. Kiichi Aichi	Justice.
Mr. Hirokichi Nadao ..	Education.
Mr. Ryugo Hashimoto ..	Welfare.
Mr. Kunio Miura	Agriculture and Fisheries.
Mr. Tatsunosuke Takasaki ..	International Trade.
Mr. Manoru Nagano ..	Transport.
Mr. Yutaka Terao	Communications.
Mr. Tadao Kuraishi ..	Labour.
Mr. Saburo Endo	Construction.
Mr. Gizen Sato	Defence.
Mr. Takeo Miki	Economic Planning.
Mr. Tadashi Aoki	Local Autonomy.
Mr. Kikuichiro Yamaguchi ..	Hokkaido Development.
Mr. Hayato Ikeda	Minister without portfolio.
*Mr. Muneori Akaji	Chief Cabinet Secretary.

*Member of previous Kishi Cabinet.

Mr. Kishi greatly enhanced his personal position in the new Cabinet, which was virtually a new administration and in which nine of his closest supporters (including his younger brother, Mr. Eisaku Sato) held leading posts. Mr. Kono - a prominent party leader who had been Director of the Economic Planning Board in the previous Cabinet - was excluded from the new administration and appointed chairman of the executive board of the Liberal Democratic Party in succession to Mr. Eisaku Sato. (Japanese Embassy Press Office, London - Asahi Shimbun, Tokio - New York Times)

(Prev. rep. Elections, 14133 A; Cabinet, 15683 B.)

B. UNITED KINGDOM. — Committee on European Free Trade Area.

The formation was announced on June 24 of a committee of leading personalities in industry, the trade unions, banking, and transport to stimulate interest in British participation in the proposed European Free Trade Area. The committee, known as the "Britain in Europe Committee," is under the chairmanship of Sir David Kelly, a former Ambassador to Argentina, Turkey, and the Soviet Union.

The executive committee of the Britain in Europe Committee includes Mr. Lawrence Robson (an industrialist) as chairman; Mr. Ernest Jones (president of the National Union of Mineworkers) as vice-chairman; Lord Cornwallis, chairman of Albert E. Reed & Co.; Sir Harry Jephcott, chairman of Glaxo Laboratories Ltd.; Sir Andrew McCance, chairman of Colvilles Ltd.; Mr. Alex Abel Smith, chairman of Pressed Steel; Mr. Frank Cousins, general secretary of the Transport and General Workers' Union; Sir Tom Williamson, general secretary of the National Union of General and Municipal Workers; Mr. Tom Yates, general secretary of the National Union of Seamen, and chairman of the T.U.C.; Lord Douglas of Kirtleside, chairman of B.E.A.; Sir Ernest Murrant, chairman of Furness, Withy, the shipping group; and Lord Pakenham.

The committee's main function will be "to undertake or sponsor original research on European economic integration," especially with regard to the proposed Free Trade Area, and "to make known the results." It will also undertake "initiatives in the political sphere" which may be necessary to ensure ratification of a treaty embodying the Free Trade Area plan. In particular, it will inform industrial organizations and trade unions on European developments. (Times)

A. INDIA. — Political Developments in Indian States. - New Ministries in Assam and Mysore. - Supreme Court's Ruling on Kerala Education Bill.

Important political developments in the Indian States since the general elections of March 1957 are described below under cross-headings.

Andhra Pradesh. - Formation of Telengana Regional Committee.

The Regional Committee for Telengana of the Andhra Pradesh State Assembly (see 15037 A) was established by Presidential order on Feb. 1, 1958.

Assam. - New Ministry formed by Mr. Chaliha.

The Chief Minister of Assam, Mr. Medhi, resigned for health reasons on Dec. 20, 1957, and was subsequently appointed Governor of Madras (see 15994 C). A new Ministry headed by Mr. B. P. Chaliha took office on Dec. 28, portfolios being allocated as follows :

Mr. Chaliha—Chief Minister, Political Department, Tribal Areas, Community Projects, Local Government, Relief and Rehabilitation, Information, and Transport; Mr. D. Sarma—Finance, Roads and Buildings, and Gaols; Mr. R Brahma—Public Health; Mr. K. P. Tripathu—Planning and Development, Education, Town and Community Planning, Industries and Power, and Trade and Commerce; Mr. H. Das—Revenue, Forests, Excise, and Judicial and Legislative; Mr. M. N. Hazarika—Rural Development and Cottage Industries; Mr. M. H. Chaudhuri—Agriculture, Parliamentary Affairs, Flood Control and Irrigation.

Bombay. - Municipal Elections.

Municipal elections held in Bombay City during May 1957 resulted in a victory for the *Samyukta Maharashtra Samiti* (the alliance of left- and right-wing parties advocating a separate Marathi-speaking State with Bombay as its capital), which won 71 of the 131 seats on the city council. A Communist (Mr. S. S. Mirajkar, president of the All-India Trade Union Congress) was elected Mayor of Bombay for the first time on April 3, 1958, receiving 68 votes against 62 for the Congress candidate.

Kerala. - The Education and Agrarian Relations Bills.

Intense controversy was aroused in Kerala (the only Indian State with a Communist Government) by an Education Bill which was passed by the State Assembly on Sept. 2, 1957, without a division.

The Bill provided (1) that the Government might take over (*a*) any category of aided schools in any specified area, and (*b*) the management of any aided school for up to five years (on payment of compensation) if the managers had neglected to perform their duties; (2) that all teachers in aided schools should be appointed by the management from a State register of persons eligible as teachers, prepared by the Public Service Commission; (3) that teachers in aided schools should be paid directly by the State and should be eligible for retirement pensions; (4) that the Government might regulate the curricula in schools.

Supporters of the Bill maintained that its primary object was to protect teachers in private schools against exploitation by corrupt managers who demanded a proportion of the teachers' salaries in return for granting appointments, or who dismissed teachers before the holidays and re-engaged them immediately afterwards. The Bill encountered strong opposition, however, from the Roman Catholic Church, which alleged that it was aimed at establishing totalitarian State control of education, and also from the Anglo-Indian community. [Of more than 7,000 private schools in Kerala, over 2,100 are managed by Christians, including 1,250 managed by the Roman Catholics. Kerala has the largest Christian population (about 3,000,000) of any Indian State, about 1,000,000 being Roman Catholics].

Because of complaints that certain controversial clauses of the Bill violated guaranteed constitutional rights, President Prasad referred it on Dec. 27 to the Supreme Court for its advice (under Article 143 of the Indian Constitution) before giving his assent to the Bill. This was the first time that the President had taken such action.

Article 143 says : "If at any time it appears to the President that a question of law or fact has arisen, or is likely to arise, which is of such a nature and of such public importance that it is expedient to obtain the opinion of the Supreme Court upon it, he may refer the question to that Court for consideration and the Court may, after such hearing as it thinks fit, report to the President its opinion thereon."

The Supreme Court ruled on May 22, 1958, that certain clauses of the Bill violated Article 30 (i) of the Constitution, which guaranteed to all religious or linguistic minorities "the right to establish and administer educational institutions of their choice." The infringement was seen in the fact that the Bill subjected minority education institutions to the power of the Government to take over their management, or to acquire them, or to direct them not to charge fees for primary classes. The validity of the other clauses of the Bill was upheld by the Supreme Court.

Other measures introduced by the Communist Government of Kerala during its first year of office included the Agrarian Relations Bill (still under consideration by the State Assembly) and the Kerala Forests (Assumption of Management) Bill, which was passed in July 1957. Their provisions were as follows :

Agrarian Relations Bill. (1) On an appointed day every permanent tenant would be deemed to have purchased from his landlord the land held by him. A "permanent tenant" was defined as one who on April 11, 1957 (on which date the State Government promulgated an Ordinance staying all eviction proceedings) had continuously cultivated his holding for five years in the Malabar area or for 10 years in other parts of Kerala.

(2) The Bill fixed a "ceiling" for land holdings at 15 acres of double crop land, plus one acre for each member of the owner's family in excess of five, subject to a maximum of 25 acres. All land in excess of this ceiling would have to be surrendered to the Government for redistribution, in return for compensation, or sold directly to the tenant for a fair price. Compensation would range from 16 times the "maximum fair rent" for the first five acres to five times for over 100 acres.

(3) Maximum and minimum fair rents, estimated as a fraction of the total crop, were laid down. Land tribunals would be appointed to fix the rents payable for individual holdings.

(4) Eviction of tenants would be permitted only in exceptional circumstances, e.g. for personal cultivation of the land by the owner, or for the extension of places of worship.

(5) Religious trusts and plantation companies were exempted from the provisions of the Bill.

Forests Bill The Kerala Forests (Assumption of Management) Bill authorized the State Government to take over the management of private forest lands for a period of five years, as a safeguard against excessive and indiscriminate felling of trees. The income derived from the forests would be paid to the owners, to whom the forests would be returned at the end of the period of management, or earlier if the Government considered it advisable.

Mr. Nambudiripad, on assuming office as Chief Minister, had announced in his first press statement (April 6, 1957) that—in accordance with one of the principal items in its election programme—his Government would take the first available opportunity to initiate discussions with the Government of India on the nationalization of foreign-owned plantations in Kerala. The Law Minister (Mr. Iyer) admitted on Sept. 10, 1957, however, that the proposal had been abandoned, "at least for the time being." It was stated in the Indian Press that the reasons for this change in the State Government's attitude were (i) the Central Government's refusal to agree to such a measure, which would be detrimental to the national economy ; (ii) lack of funds to carry out such a scheme ; and (iii) the fact that the State Government now realized the complexity of running rubber and tea plantations, which made them unsuitable for management by the public sector, at least for many years to come.

Allegations that law and order had greatly deteriorated in Kerala since the Communist Government took power were put forward repeatedly by the Congress and Praja Socialist parties, and also by the United Planters' Association of Southern India.

The president of the U.P.A. alleged on Aug. 27, 1957, that the police had been forbidden to intervene to prevent violence by strikers, and that the managements and staffs of tea and rubber plantations were being terrorized. Congress members of the State Assembly similarly alleged that the Government was rendering the police ineffective by depriving it of its powers. These allegations were denied by the Kerala Government, which stated on Sept. 9, 1957, that whilst it would not allow the police to be used as strike-breakers, managements would be given full protection during strikes. Charges of mob violence on estates were nevertheless renewed by the United Planters' Association in October, and several estates were said to have closed down permanently in January 1958 because of labour unrest. Subsequently, however, the situation was reported to have improved, and it was stated that agitation was now mainly sponsored by non-Communist unions, especially those controlled by the Revolutionary Socialist Party.

The Kerala Government, on the other hand, alleged that the "Christophers"—a uniformed Roman Catholic organization which took a prominent part in demonstrations against the Education Bill—had been causing disorders. Mr. Iyer stated on Dec. 21, 1957, that the Government was carefully watching the activities of the "Christophers," whose members, he alleged, were receiving military training.

At a by-election at Devicolam on May 19, 1958, the Congress candidate, who was supported by the Praja Socialists, the Moslem League, and the Roman Catholics, was defeated by a Communist,

Mrs. Rosamma Punnose, who secured a 7,000 majority. [Mrs. Punnose had been the sitting member in the State Assembly, but her previous election was declared invalid by the Supreme Court on technical grounds.] As Devicolam had been considered a Congress stronghold before the last general elections, the result was regarded as greatly strengthening the State Government's position.

Madras. - Anti-Brahmin Agitation.

A violent anti-Brahmin agitation was launched in Madras State during October 1957 by the *Dravida Kazhagam*, an extremist low-caste organization led by Mr. Ramaswami Naicker, who in a series of public speeches incited his followers to assault and kill Brahmins, set fire to *agraharams* (streets populated by Brahmins), burn the national flag, and destroy busts of Mahatma Gandhi. A party convention decided on Nov. 3 to burn copies of the Indian Constitution in public, beginning on Nov. 26, if the Government did not give a favourable reply to its demand for the abolition of the caste system. As a reply to this agitation, the State Assembly passed on Nov. 11, 1957, the Prevention of Insults to National Honour Bill, which made any attempt to destroy or insult the Constitution, the Indian flag, or any bust or portrait of Mahatma Gandhi an offence punishable by three years' imprisonment, a fine, or both. Over 2,000 members of the *Dravida Kazhagam* were arrested under this Act between Nov. 26 and Dec. 1 for burning copies of the Constitution.

[Note.—The *Dravida Kazhagam* should not be confused with the *Dravida Munnetra Kazhagam* (see page 15536), which is a distinct organization. Both parties, however, advocate the separation of Southern from Northern India, and the formation of an independent "Republic of Dravidastan."]

Mysore. - New Ministry formed by Mr. Jatti.

The Chief Minister of Mysore, Mr. Nijalingappa, resigned on May 8, 1958, after many members of the State Legislature Congress Party had signed a declaration of no-confidence in his Government. Mr. B. D. Jatti, who succeeded him as the party leader, was sworn in as Chief Minister on May 16, his Cabinet being announced a week later as follows :

Mr. Jatti—Chief Minister, Home Affairs, Commerce and Industry, and Planning and Development; Mr. T. Mariappa—Finance; Mr. K. Manjappa—Revenue; Mr. T. Subramanya—Law, Labour, Local Government, Housing, and Rural Water Supply; Mr. A. R. Ganamuk—Education; Mr. H. M. Channabasappa—Public Works and Electricity; Mr. N. Rachiah—Social Welfare, Excise, Prohibition, and Scheduled Castes and Tribes; Dr. K. K. Hedge—Public Health; Mr. M. Mariappa—Co-operation, Marketing, and Rural Industries; Mr. K. F. Patil—Agriculture, Food, and Forests.

Orissa. - Cabinet Crisis.

During April 1958 four Congress members of the Orissa State Assembly joined the Opposition, thereby reducing the Government's supporters to 69 in a House of 135 members (excluding the Speaker and four vacant seats). The Chief Minister, Dr. Mahatab, accordingly resigned on May 9, and the leader of the *Ganatantra Parishad*, Mr. Singh Deo, claimed in a letter to the Governor that he was in a position to form a Ministry. Three by-elections during the first three weeks of May, however, were all won by Congress candidates, thus giving the Government a stable majority. Dr. Mahatab accordingly withdrew his resignation on May 24.

Punjab. - Dissensions inside Congress Party.

Serious internal dissensions developed inside the Punjab State Congress Party during the spring of 1958. Mr. Devilal was elected president of the State party on March 23 by 116 votes to 31, with the support of the Chief Minister, Sardar Pratap Singh Kairon ; as the national leadership had refused to endorse Mr. Devilal as a Congress candidate for either the Central or the State Legislature, his election was regarded as an insult to the leadership, and nearly half the members of the State party executive resigned in protest. Mr. Devilal himself announced his resignation on April 14.

Allegations of corruption, misuse of power, and administrative irregularities had meanwhile been brought against Sardar Kairon by a dissident group in the Legislature Congress Party. After investigating these allegations, the Congress Central Parliamentary Board announced on May 19 that none of the charges of corruption had been substantiated, and that some had been completely disproved ; it considered, however, that some of the charges of misuse of the Chief Minister's powers in the interests of his family or friends had been established, in the sense that Sardar Kairon had committed certain improprieties. The Board stated that Sardar Kairon had offered to resign, and recommended that he should seek a vote of confidence from the Legislature Congress Party. He received this in a secret ballot on June 5, when a resolution expressing confidence in his leadership was adopted by 102 votes against 54.

In a by-election (June 3) at Gurgaon to fill the *Lok Sabha* seat formerly held by the late Dr. Azad, an Independent (Mr. P. V. Shastri), standing with *Jan Sangh* support, defeated the Congress candidate by a majority of nearly 38,000 votes. Dr. Azad had been returned in 1957 with a 95,000 majority over a *Jan Sangh* candidate, the constituency having been regarded as a traditionally safe Congress seat.

Uttar Pradesh. - Socialist Civil Disobedience Campaign.

The Socialist Party launched a civil disobedience campaign in Uttar Pradesh on May 10, 1957 (the centenary of the outbreak of the Indian Mutiny), in support of its political and economic programme. The party leader, Dr. Lohia, had offered to postpone the campaign if English were replaced by Hindi for all official purposes, and if all statues of "British imperialists" were removed from public places ; Dr. Sampurnanand (the Chief Minister) rejected the former demand as impracticable, and stated that the statues would not be removed until a museum was ready for the purpose. During the campaign which went on for some weeks about 2,000 people were arrested, including all the principal leaders of the State Socialist Party.

In a by-election (April 10, 1958) for the Maudaha seat in the State Assembly, previously held by a Congress member, a Praja Socialist candidate defeated Mr. C. B. Gupta (the former Health and Planning Minister) by a 7,000 majority.

West Bengal. - Resignation of Mr. Ray.

Mr. S. S. Ray, the Minister for Law and Tribal Welfare, resigned from the West Bengal Government on March 10, 1958, the Law portfolio being subsequently given to Mr. Jalan (Minister for Local Government) and that of Tribal Welfare to Mr. Mazumdar (Minister of Industry and Commerce). Giving the reasons for his resignation in a three-hour speech in the State Assembly on March 24, Mr. Ray asserted that the West Bengal Congress Party was controlled by "an unscrupulous section of rich industrialists, traders, and businessmen, the privileged class of modern India," and that the party leadership consisted of "mediocrities and reactionaries" who were "not interested in the eradication of corruption from our national life."

Dr. Roy (the Chief Minister), speaking at a press conference on March 28, refuted in detail various allegations made by Mr. Ray against the Government's food policy, and claimed that the measures taken by the Food Minister (Mr. Sen) had effectively averted at least two famines in West Bengal. Referring to the anti-corruption work of the Government, the Chief Minister stated that reports on such matters had been handled by a special sub-committee of the State Government, and that Mr. Ray himself had been fully aware of its activities. (Hindustan Times, Delhi - The Hindu, Madras - The Statesman, Calcutta - Indian High Commissioner's Office, London)

(Prev. rep. 15533 A.)

A. UNITED STATES. — Rear-Admiral Strauss retires from Atomic Energy Commission. - Appointment of Mr. McCone.

It was announced from the White House on June 5 that Rear-Admiral Lewis Strauss would retire from the chairmanship of the U.S. Atomic Energy Commission on June 30, at the expiration of his five-year term on the commission. He would continue, however, to serve as Special Assistant to President Eisenhower in promoting the atoms-for-peace programme.

The appointment of Mr. John A. McCone to the Atomic Energy Commission in place of Rear-Admiral Strauss was announced on the following day. It was not stated whether Mr. McCone would succeed Admiral Strauss in the chairmanship, and it was indicated at the White House that President Eisenhower would not designate the new chairman until the Senate had acted on Mr. McCone's nomination. It was nevertheless assumed in the U.S. Press that Mr. McCone would become the new chairman.

Mr. John Alex McCone (56), an engineer, was born at San Francisco and served as Under-Secretary of the Air Force in 1950-51. He has been an unofficial adviser to the President on missile and earth-satellite policy. During the Second World War he headed the California Shipbuilding Corporation at Los Angeles, and subsequently became head of the Joshua Hendy Corporation, a large ironworks.—(New York Times)

(Prev. rep. 13120 A.)

JUNE 28—JULY 5, 1958

A. FRANCE - ALGERIA. — Formation of Pflimlin Government. - The Algerian and Corsican Insurrections. - Creation of Committees of Public Safety.- State of Emergency in France. - Declarations by General de Gaulle on Readiness to assume Premiership.

The resignation of M. Gaillard as a result of the Franco-Tunisian crisis following the Sakhiet incident (see pages 16027-8) was followed by a sequence of dramatic events, spread over several weeks, of which the principal stages were, in brief :

(1) The formation of a new French Government by M. Pierre Pflimlin.

(2) An insurrectionary movement by military and civilian leaders in Algiers, who set up a Committee of Public Safety exercising powers independently of the Pflimlin Government in Paris.

(3) A similar insurrectionary movement in Corsica, where Committees of Public Safety were also set up.

(4) A declaration by General de Gaulle that he was willing " to assume the powers of the Republic " in view of the serious situation in metropolitan France and Algeria.

(5) A declaration by President Coty to the National Assembly giving a warning that France was in danger of " fratricidal strife," and announcing that he had asked General de Gaulle to form a Government " within the framework of republican legality."

(6) The subsequent resignation of M. Pflimlin, followed by General de Gaulle's investiture as Prime Minister by the National Assembly.

(7) The adoption of a Bill conferring full powers on General de Gaulle to govern by decree for six months.

(8) The simultaneous adoption of a Bill authorizing General de Gaulle's Government to prepare constitutional reforms (in consultation with a committee of parliamentarians) which would be submitted to a national referendum.

(9) The adjournment of the French Parliament until October.

(10) A three-day visit to Algeria by General de Gaulle after his installation as Prime Minister.

Formation of Pflimlin Government.

Following M. Gaillard's resignation, M. Georges Bidault (M.R.P.) accepted an invitation by President Coty to form a government, but abandoned the attempt on April 22 after he had failed to obtain support either from the Socialists or from his own party. The President then called on M. René Pleven (leader of the left-centre U.D.S.R. group), who agreed to form a government on condition that an agreed statement could be obtained from all " national " parties (i.e. excluding the Communists) on the policy to be pursued in Algeria. The National Council of the Socialist Party, however, decided on May 2 (*a*) to support M. Pleven on a *vote d'investiture*, but (*b*) not to participate in a government headed by him.

Despite the Socialist refusal, M. Pleven succeeded in enlisting the support of the M.R.P., the right-wing Independents, the Radical Socialists, and the Dissident (anti-Mendesian) Radicals, and accordingly formed a government drawn from these parties and from the U.D.S.R. On May 8, however, three of the Ministers (M. Billères and Senator Berthoin, both Radical Socialists, and M. Edgar Faure, of the radical R.G.R. group) withdrew from M. Pleven's Cabinet in protest at the appointment of M. André Morice as Minister of National Defence. [M. Morice, a Dissident Radical, is known for his opposition to any policy of " softness " or " surrender " in North Africa ; his appointment as Defence Minister— a post he held in the Bourgès-Maunoury Government—had been strongly urged by the Independents, but was opposed by the Radical Socialists.] The Radical Socialist Party issued a statement explaining that they could " not approve a Government whose composition would exclude the evolution of an African policy along liberal lines." M. Pleven accordingly informed President Coty on the same day (May 8) of his inability to form an administration.

After M. Billères, Senator Berthoin, and M. Edgar Faure had all declined requests by the President to form a Cabinet, M. Pflimlin accepted the task and succeeded in enlisting the support of all the " national " parties with the exception of the Social Republicans (Gaullists). The membership of M. Pflimlin's Cabinet was announced on May 12 as follows :

†M. Pierre Pflimlin (M.R.P.) ..	Prime Minister.
†M. Félix Houphouet-Boigny (UDSR-RDA)	Minister of State.
M. René Pleven (UDSR)	Foreign Affairs.
*M. Robert Lecourt (M.R.P.) ..	Justice.
†M. Maurice Faure (Radical Socialist)	Interior.
M. Edgar Faure (R.G.R.)	Finance and Economic Affairs
M. André Mutter (Independent) .	Algeria.
General Corniglion-Molinier (R.G.R.)	Sahara.
M. Pierre de Chevigné (M.R.P.) ..	National Defence.
Senator Jacques Bordenave (Radical Socialist)	Education.
M. André Colin (M.R.P.)	*France d'outre-mer.*
M. Paul Ribeyre (Independent) ..	Industry and Commerce.
*M. Edouard Bonnefous (UDSR) ..	Public Works.
M. Paul Bacon (M.R.P.) .. .	Labour.
*M. Pierre Garet (Independent) ..	Housing.
*M. Boscary-Monservin (Independent)	Agriculture.
M. André Maroselli (Dissident Radical)	Public Health.
M. Vincent Badie (*Gauche Democratique*)	War Veterans.

*Held same post in Gaillard Cabinet.
†Held different post in Gaillard Cabinet.

M. Pierre Pflimlin, national president of the M.R.P., had served in 15 post-war Cabinets—in eight of them as Minister of Agriculture—and held the portfolio of Finance and Economic Affairs under M. Gaillard. He had never before been Prime Minister, although he had made two unsuccessful attempts to form a government in previous Cabinet crises. Born in Roubaix, he is of Alsatian parentage and sits in the National Assembly as a deputy for Strasbourg. He is a lawyer by profession.

The Algerian Coup of May 13.

On May 12 a manifesto was issued in Algiers by a vigilance committee (*comité de vigilance*), representing 17 patriotic associations, calling for a general strike throughout Algeria on the following day to coincide with the French National Assembly's debate on the investiture of M. Pflimlin as Prime Minister. The manifesto accused M. Pflimlin of wishing to " liquidate French Algeria " ; described his Cabinet as " a government of surrender " (*gouvernement d'abandon*) ; and called on the European population of Algeria to consider themselves " in a state of mobilization in the service of Algeria." At the same time the population of Algiers was asked to demonstrate " at the hour the National Assembly meets, in order to show its opposition to an unacceptable investiture."

The *comité de vigilance* also sent a telegram to President Coty saying that it was " absolutely essential " that the Head of State should " end the quarrels between individuals and parties " by taking steps to form " a government of public safety " (*un gouvernement de salut public*). In addition, a telegram was sent to M. Pflimlin expressing the committee's " astonishment " that " an Alsatian representative " [i.e. M. Pflimlin] should " attempt to solve the Algerian problem by formulas which will inevitably lead to a rupture of relations with the mother-country." After warning M. Pflimlin that " all steps will be taken to prevent the arrival on Algerian soil " of any Minister who might be sent to implement his policy, the committee called upon him to " abandon the idea of forming a government . . . and thus make possible the rapid formation of a *gouvernement de salut public.*"

On May 13, and during the early hours of May 14, the military authorities in Algiers carried out a *coup* involving the occupation of the Ministry of Algeria and other public buildings by parachute troops ; the formation of a Committee of Public Safety for Algeria and the Sahara, under the chairmanship of General Massu ; and a declaration by General Salan that the Army had " provisionally taken over responsibility for the destinies of French Algeria." The dramatic and fast-moving events of these few hours were described by *Le Monde* in the following hour-by-hour account :

5.30 p.m. (May 13)—Large-scale demonstrations against M. Pflimlin, as called for by the *comité de vigilance*, took place at the *Monument des Morts* (War Memorial) in the centre of Algiers. The crowds were addressed by M. Lagaillarde, president of the *Association générale des étudiants d'Alger*, who called on the demonstrators to march to the Forum (the square in which the Ministry for Algeria is situated). M. Lagaillarde, wearing the uniform of a paratrooper, himself led a section of the crowd to the Ministry, and clashes occurred with security forces who used tear-gas to prevent demonstrators from breaking into the building.

6.30 p.m.—Generals Salan, Massu and Jouhaud, Admiral Auboyneau, and M. Baret (the Prefect of Algiers) arrived at the *Monument des Morts*—where demonstrations were still in progress—and laid

wreaths on the memorial. They received an overwhelming ovation from great crowds demanding the resignation of M. Pflimlin and the formation of a "Government of Public Safety" in Paris.

7.15 p.m.—The Ministry for Algeria was occupied by paratroops, tricolour flags were flown from the balcony of the building, and an Army officer appeared with a banner bearing the words *L'armée est la garantie de l'Algérie française* (The Army is the guarantee of French Algeria). General Massu then entered the building to the accompaniment of frenzied cheering from vast crowds in the Forum—estimated at tens of thousands—who broke into the *Marseillaise*.

7.30-8 p.m.—General Salan arrived at the Ministry, followed by detachments of paratroops who surrounded the building and replaced the *gardes mobiles* previously on duty.

9.10 p.m.—General Massu appeared on the balcony and announced that he had sent the following telegram to President Coty: "A Civil and Military Committee of Public Safety (*comité de salut public civil et militaire*) has been formed under my chairmanship in view of the gravity of the situation and the absolute necessity of maintaining order and avoiding bloodshed. We ask for the creation in Paris of a Government of Public Safety capable of maintaining Algeria as an integral part of the metropolitan territory."

The announcement was greeted with tremendous enthusiasm by the crowds in the Forum, who were addressed by General Massu as follows: "The Army is with you heart and soul . . . You can best serve the cause of *Algérie française* by preserving calm and discipline . . . The members of the Committee of Public Safety are meeting at this moment, and they will not abandon their task until a Government of Public Safety has been formed in Paris . . ." He was followed by Colonel Thomazo, a leading paratroop commander, who declared: "People of Algiers, the Army and its chief—General Salan—has given you this victory. General Salan has been under strong pressure from the [French] Government to ban your demonstration. He has told Paris that he will not do so because the Army feels as you feel . . ."

The speeches were greeted with wild cheering, the singing of the *Marseillaise*, and cries of "*L'Armée au pouvoir!*"

11.15 p.m.—General Salan issued a declaration saying that he had "provisionally taken over responsibility for the destinies of French Algeria."

Midnight (May 13-14)—The studios of Radio Algiers were occupied by paratroops in the name of the Committee of Public Safety, and all Algerian newspapers were placed under the surveillance of a *commission de surcté* comprising civil and military representatives.

[Radio Algiers had been broadcasting statements and communiqués on behalf of the Committee of Public Safety for some hours previously; it had already broadcast the declarations of Generals Salan and Massu, and had declared that "the battle is won" and that "Algeria will definitely remain French."]

1.10 a.m. (May 14)—A broadcast from Radio Algiers announced that the Committee of Public Safety had appealed to General de Gaulle to form a Government "free from the regime of parties" and capable of "maintaining Algeria as an integral part of France." It was added that copies of the message had been sent to President Coty, the party leaders, and the president of the Council of the Republic.

3 a.m.—It was announced that military garrisons throughout Algeria and the Sahara—at Fort Polignac, In-Salah, Edjelé, Hassi-Messaoud, Tamanrasset, and many other places—had rallied to the *Comité de salut public* and were solidly behind it.

5 a.m.—The following statement was issued by General Massu on behalf of the Committee of Public Safety, which had been in session throughout the night: "We learn that M. Pflimlin's government of surrender has been approved [by the National Assembly] with the help of Communist votes . . . M. Jacques Soustelle [the former Governor-General of Algeria] has twice been prevented from joining us. A third attempt has been successful, and we await his arrival today. The Committee of Public Safety begs General de Gaulle to break his silence and form a *gouvernement de salut public* which alone can save Algeria from surrender . . . In any event, the Committee which I represent will remain in being, ensure liaison between the people and the Army, and retain power until final victory.

"While awaiting M. Soustelle, I have formed a directing committee (*comité de bureau*) of which M. Delbecque, representing M. Soustelle, M. Madhani, and M. Lagaillarde are members. We have called for the mobilization of all French energies in the service of the *patrie*, and we ask you to respond to this first appeal by the Committee of Public Safety. We are proud that we have shown the whole world a demonstration of total fraternity between the French European and Moslem populations, united under one flag."

11.30 a.m.—General Salan announced that he had provisionally assumed "civil and military powers," and called upon the population to "have confidence in the Army and its chiefs" and to preserve order and discipline.

The Committee of Public Safety was in full control throughout Algeria and the Sahara within a few hours of the *coup*. All shipping and air services to metropolitan France were suspended; all telegraphic and telephonic communications were cut off except for official messages; and all key points in Algiers—airfields, railway stations, public buildings and installations, etc.—were guarded by paratroops or armoured formations.

The Committee of Public Safety.

The Committee of Public Safety formed in Algiers during the night of May 13-14 consisted of four military members, seven French civilian members, and four Moslem members, as follows: (*a*) Military members General Massu and Colonels Ducasse, Trinquier, and Thomazo; (*b*) Civilian members MM. Delbecque, Lagaillarde, Martel, Montigny, Baufier, Moreau, and Paracchini; (*c*) Moslem members Commandant Mahdi (vice-president of the *commission administrative*) and MM. Berkani, Shikh, and Madhani.

All the military members of the Committee, and many of the civilian members, were high-ranking parachute officers or ex-paratroopers who had fought against the Algerian rebels, and also in Indo-China. [The parachute troops enjoy a high reputation both in France and Algeria and are regarded as a *corps d'élite* of the French Army.] Biographies of leading members of the Committee are given below, and also of General Salan, the Commander-in-Chief in Algeria.

General Raoul Salan (59), formerly a commander of Moroccan *tirailleurs*, served for nine years in Indo-China after the Second World War, holding the successive posts of Commandant of French Forces in Tongking, *Commissaire de la République* in North Vietnam, and C.-in-C. of all French land, air, and naval forces in Indo-China. In 1954 he was replaced in the latter post by General Navarre, and returned to France to become Inspector-General of Defence for the metropolitan territory. In the same year he was appointed member of the commission which inquired into the fall of Dien Bien Phu. General Salan succeeded General Lorillot as C.-in-C. in Algeria in November 1956 (see page 16185, first column).

General Massu (50) commands the 10th Parachute Division, one of the crack formations in the French Army. Born at Châlons, he rallied to General de Gaulle in 1940 (at which time he was a lieutenant in the Chad territory), fought in the Fezzan campaign, and served with General Leclerc from North Africa to the Rhine. In September 1945 he went out to Indo-China as a paratroop commander, and played an important role in restoring order in Saigon. On his return from Indo-China he was stationed in North Africa and subsequently commanded many paratroop operations against the Algerian rebels. In 1955 he became Inspector of Airborne Forces in North Africa, and in the following year was placed in command of the 10th Parachute Division, in which capacity he directed the French airborne operations at Port Said in November 1956. One of the most highly decorated officers in the French Army, he holds—among many other honours the *Croix de la Libération* and the rank of *Grand Officier de la Légion d'Honneur*. General Massu is regarded almost as a legendary figure by the French paratroops, to whom he is known as the *père des paras*.

Colonels Thomazo, Trinquier, and Ducasse have all commanded parachute units in Indo-China and North Africa, and are all closely associated with General Massu. Colonel Thomazo is familiarly known as "leathernose" (*nez de cuir*) from a facial wound received in the Italian campaign, during which he fought with great bravery in the Free French forces. He is Chief of Staff to General Allard, commanding the French Army corps in the Algiers region. Colonel Ducasse was a prisoner of the Vietminh for several months after his encircled paratroops had held out for eight weeks at Nam-Dinh against greatly superior forces. Colonel Trinquier, who served in Indo-China for many years, is Chief of Staff to General Massu.

M. Léon Delbecque (38), one of the principal leaders of the *coup*, was described by *The Times* Correspondent in Algiers as "the brain behind the movement." The son of a textile worker, he owns a big textile factory at Tourcoing and has been a fervent Gaullist since the war, when he fought in the underground Resistance movement. He served as an Army reservist in Algeria in 1956-58 and was recently private secretary to M. Chaban-Delmas, the Social Republican (Gaullist) Defence Minister in M. Gaillard's Cabinet. M. Delbecque is understood to favour a reform of the French Constitution on American lines, and an Algerian policy of full political and economic integration between Europeans and Moslems. *The Times* Correspondent wrote: "M. Delbecque has gained a reputation for liberalism in such matters as the release of Moslems detained as terrorist suspects. Like many men of his type, he combines a taste for authoritarianism with progressive ideas on such matters as race relations and economic and social policy."

M. Pierre Lagaillarde (29) is a lawyer practising at Blida, an ex-parachute officer, and, as stated above, president of the *Association générale des étudiants d'Alger*. The Algerian insurgents (the F.L.N.) have put a price on his head.

Committees of Public Safety, similar to that in Algiers, were also formed in Oran, Constantine, Bône, Philippeville, Mostaganem, Tlemçen, Orléansville, and other Algerian cities. In some cases the committees were formed with the support of the local prefects, while in other cases the prefects handed over their functions to two senior officers whom General Salan had designated to exercise civil and military powers in eastern and western Algeria respectively—General Réthoré in western Algeria and General Gilles in eastern Algeria. The Prefect of Oran (M. Pierre Lambert) at first refused to recognize the local committee of public safety, but eventually transferred his powers to General Réthoré after widespread demonstrations against him by the local population.

M. Lambert subsequently fled to France, while the Prefect of Bône (M. Andrieu) resigned because he was "no longer in a position to exercise his powers"; M. Andrieu was replaced by General Vanuxem, who was recognized by the local Committee of Public Safety.

M. Pflimlin receives Investiture Vote. - Speech to National Assembly.

After a day of intense political activity in Paris, caused by the news from Algeria, M. Pflimlin was given a *vote d'investiture* by the National Assembly in the early hours of May 14. The voting was 274 in favour, 129 against, and 137 abstentions, with 54 deputies absent. The vote was taken after the sitting had been suspended three times, and after all-night consultations between M. Pflimlin and the party leaders at the Hôtel Matignon—the official residence of the Prime Minister. As in Algiers, the events of these hours were extremely confused, the following chronology being given by *Le Monde* :

3 p.m. (May 13)—opening of National Assembly's debate; 4.10 p.m.—sitting suspended, followed by inter-party discussions; 6 p.m.—debate resumed; 7.10 p.m.—sitting again suspended; 9 p.m.—debate resumed; 9.45 p.m.—three Independent Ministers (MM. Ribeyre, Garet and Boscary-Monservin) announce their withdrawal from M. Pflimlin's Cabinet [the three Ministers subsequently withdrew their resignations after an urgent appeal by M. Pflimlin]; 10.40 p.m.—sitting suspended for the third time; 10.45 p.m.—M. Pflimlin goes to the Hôtel Matignon, where he is visited by MM. Pinay, Duchet, de Chevigné, and Maurice Faure, and later by General Ely, the Chief of Staff of the Armed Forces; 11.20 p.m.—M. Guy Mollet calls on M. Pflimlin at the Hôtel Matignon after a meeting of the Socialist Party's parliamentary group; 11.30 p.m. to midnight—M. Pflimlin receives a number of leading politicians, including M. Mitterrand, M. Edgar Faure, M. Daladier, M. Garet, M. Boscary-Monservin, M. Bonnefous, M. Teitgen, and M. Robert Schuman; midnight—M. Deixonne arrives at the Matignon to inform M. Pflimlin that the Socialists will support him on the *vote d'investiture*; 1.10 a.m (May 14)—the Independents decide to vote against M Pflimlin on the *vote d'investiture*; 1.15 a.m.—National Assembly resumes its debate; 1.40 a.m.—the Communists announce that they will abstain from voting; 1.45 a.m —MM. Pinay, Bourgès-Maunoury, Lacoste, and Chaban-Delmas leave the Matignon after discussions with M. Pflimlin; 2.35 a.m —MM. Gaillard and Chaban-Delmas re-visit the Matignon; 3 a.m.—M. Pflimlin addresses the National Assembly; 3.20 p.m.—M. Pflimlin receives a *vote d'investiture* and the session ends; 3.30 p.m.—M. Pflimlin's Cabinet holds its first meeting; 3.50 p.m.—M. Pflimlin calls on President Coty at the Elysée, while the Cabinet is still in session. 5.25 a.m.—Cabinet meeting ends; 6.15 a.m.—President Coty sends an appeal to the Army in Algeria.

M. Pflimlin's speech to the National Assembly dealt with four main subjects: (1) the vital need for constitutional reform; (2) financial and economic policy; (3) Algeria, in which connexion he emphasized his Government's determination that Algeria should remain French; and (4) relations with Tunisia and Morocco. M. Pflimlin spoke as follows :

Constitutional Reform. "Three times in less than a year the nation has been paralysed by ministerial crises. In three out of the past 12 months the Republic has been without any direction . . . The degradation of our institutions is threatening the very existence of our country. It is clear that our liberties can only be saved if authority, strength, and prestige can be re-discovered—and also stability, the attribute of strength.

"I am under no illusion that the Government I present to you will be able to escape the precarious existence of its predecessors. In the present state of our institutions, no Government can hope to remain in power for any length of time. This Government, then, does not seek to remain long in power; it seeks to create the conditions of future governmental stability by reforming our institutions.

"A first step has already been taken in this direction. The National Assembly has voted to revise a number of Articles of the Constitution [see 16163 A]. But this reform, important though it is, is not sufficient. The Government will ask for the reform of other constitutional Articles so that the executive power can be reinforced. It will make proposals to this effect and will demand their adoption with the least possible delay . . .

"One of the principal causes of ministerial instability arises from the fact that a Government can be overthrown by a transient coalition of minority groups, opposed to one another and incapable of uniting to form a positive majority. To remedy this state of affairs, the Government will introduce a constitutional amendment whereby the authors of a censure motion will be obliged to submit a constructive governmental programme, and to designate a prospective Prime Minister for a *vote d'investiture*. This reform will permit Parliamentary government to function properly, and will restore true meaning to the idea of majority rule—the basis of all democracy . . . The Government will ask the Assembly to begin debating these reforms in October [i.e. after the summer recess] . . . It will not tolerate dilatory tactics. It will resign if the reforms are not passed by December 1, 1958 . . ."

Economic and Financial Reforms. In that part of his speech dealing with economic matters, M. Pflimlin said that his Government would (1) raise new taxes to cover military requirements in Algeria; (2) promulgate by decree those sections of the 1958 Budget which had not yet been adopted; (3) if necessary, take measures to restrict the consumption of raw materials and foodstuffs; (4) introduce "sweeping administrative reforms"; (5) "strive to reduce the burden on the nation's economy in preparation for the effective participation of France in the European Common Market."

Algeria. "In North Africa," M. Pflimlin continued, "France is fighting single-handed against an aggression which threatens the whole Western world . . . Whatever happens, even if we remain alone in our struggle, it must be made known that France will not abandon Algeria. Nor will she retreat in the face of violence . . . No-one, whether inside or outside Algeria, can base their hopes on any weakening of our will.

"The Government has only one objective in Algeria—to re-establish peace. But that objective can only be attained by effort. For this reason the Government will consider it its duty to demand fresh sacrifices from the nation. The forces at the disposal of the military authorities will be increased by keeping the necessary number of men with the colours . . .

"The rebels would have no hope but for the external aid they are receiving, the sources of which we know very well. We must carry forward and complete the measures, already successfully begun, to prevent the flow of arms across the Algerian-Tunisian frontier; if necessary, we must do the same with regard to the Algerian-Moroccan frontier . . .

"But if the use of force is essential, we know that it is not by itself sufficient. The conflict in Africa, like similar conflicts in other parts of the world, is a psychological one. We shall not succeed unless we also conquer, or re-conquer, hearts and souls. We do not seek a fragile truce, which may be broken in a few months or years, but a real peace freely supported by the men and women living in Algeria.

"For this reason we will apply the [Algerian] *loi-cadre* both widely and liberally. New institutions have already been created which have enabled a certain number of French Moslems to show their desire to work with us in building the new Algeria . . . I hope their example will be followed by many other Moslems, even by some of those who are today our adversaries . . .

"The day it becomes apparent that the rebels, having lost all hope of success, are ready to lay down their arms—on that day the Government will choose the most favourable moment to negotiate for a cease-fire. The principles and objectives of these negotiations have been frequently stated, and have been approved on many occasions by Parliament. They will be subject to no political preconditions whatever. Their sole objective will be to lay down the conditions for a cease-fire, followed by elections. France will invite representatives of the free democracies to observe the elections and verify that they are carried out in complete democratic freedom."

After recalling that F.L.N. spokesmen had declared their opposition to international control of Algerian elections, and saying that it had become obvious that the rebels sought to establish a totalitarian regime in Algeria, M. Pflimlin continued: "It goes without saying that elections can only be held when calm has been sufficiently re-established and the population can vote in freedom and security . . . It would be absurd and dangerous to try and lay down a time-table for this. We shall continue the struggle as long as necessary. But I must stress my conviction that negotiations for a cease-fire are only conceivable under the sign of a French victory . . . I also declare that the Government will not permit the ties between France and Algeria to be broken."

Relations with Morocco and Tunisia. "Despite the legitimate irritation felt by our people and by Parliament at the attitude of Tunisia and of certain Moroccan leaders toward the Algerian rebels, the Government will try to establish with Tunisia and Morocco relations based on mutual respect for sovereignty and the inviolability of frontiers . . . The difficulties of the present time must not lead us to sacrifice the heritage of the past, of which those Frenchmen who live and work in Tunisia and Morocco are living witnesses. Nor must they cause us to renounce the hope of building a union of France and the Maghreb (*une union franco-maghrébine*) ordained by geography and justified by history, one of whose principal objects would be the joint exploitation of the riches of the Sahara . . .

"If we cannot permit any interference in Algeria by our neighbours; if we hold ourselves ready on the frontiers to repel any aggression; if we seek to end the fighting in Algeria—we shall thereby do no injury to Tunisia or Morocco, for whom the continuance of the conflict is a source of trouble and uncertainty. For these reasons we do not reject *a priori* the idea that our neighbours may one day help us to persuade our opponents to enter into cease-fire negotiations . . . If, by mentioning this possibility, I have provoked anger and suspicion, it is because the Government, while firmly determined to carry on the fight until final victory, must not neglect any chance of shortening the period of conflict and suffering."

M. Pflimlin's speech—in which he made no mention of the military *coup* in Algeria—was followed by a brief debate in which several right-wing deputies expressed their support for the Army in Algeria. Demonstrations for *Algérie française* from some of the right-wing benches were met by counter-demonstrations and cries of *le fascisme ne passera pas* from the Communist benches.

Immediately before the *vote d'investiture*, however, M. Pflimlin made a statement in which he said that the military leaders in Algiers had adopted "an insurrectionary attitude towards republican legality," and in which he gave warning that France was "perhaps on the verge of civil war."

"I have made a clear statement of the Government's programme," said M. Pflimlin. "The question is to preserve Algeria . . . Patriots may hold different views on how this is to be done. I respect their opinions, but I beg them to believe that I and my colleagues are incapable of harbouring any intention to abandon Algeria. Frenchmen in Algeria—whose anguish I understand—have let themselves become involved in serious actions, and the military leaders—I regret to say it—have adopted an insurrectionary attitude in defiance of republican legality (*contre la loi républicaine*) . . ." [Tumultuous applause broke out at this point from the Communist, Socialist, and Radical benches, and also from some of the Centre and moderate right-wing benches; on the other hand the Social Republicans, Poujadists, and some right-wing deputies remained silent].

M. Pflimlin added: "It would be tragic if a wedge were driven between Frenchmen in Algeria and Frenchmen in metropolitan France. To preserve Algeria we must preserve national unity—and we can only do that by preserving the Republic . . . We are perhaps on the verge of civil war, of which the only beneficiaries would be those [M. Pflimlin pointed at the Communist benches] with whom nothing would induce us to band together."

As stated above, the Socialists supported M. Pflimlin on the investiture vote and the Communists abstained. Detailed voting figures were:

For M. Pflimlin's Investiture: 89 Socialists, 71 M.R.P., 40 Radicals, 25 Independents (including the four Independent Ministers in M. Pflimlin's Cabinet, i.e. MM. Ribeyre, Garet, Boscary-Monservin, and Mutter), 15 U.D.S.R.-R.D.A., 13 R.G.R., 7 *Gauche Démocratique*, 7 *Regroupement Africain*, 4 *progressistes* (pro-Communists), 3 *paysans d'action sociale*—total 274.

Against M. Pflimlin's Investiture: 58 Independents, 29 Poujadists, 13 Social Republicans, 9 *paysans*, 7 *Gauche Démocratique*, 4 *paysans d'action sociale*, 5 *non-inscrits* (including the extreme right-wing deputies M. Le Pen and M. Tixier-Vignancour), 1 Radical, 1 U.D.S.R., 1 M.R.P. (M. Bidault), 1 R.G.R.—total 129.

Voluntary Abstentions: 135 Communists, 1 *progressiste*, 1 *non-inscrit*—total 137.

Not participating in Vote: 7 Communists, 7 Socialists, 6 *Regroupement Africain*, 4 Independents, 4 U.D.S.R.-R.D.A., 3 Social Republicans, 2 M.R.P., 1 Radical, 1 Poujadist, 1 *progressiste*, 1 *paysan*, 1 *paysan d'action sociale*, 4 *non-inscrits*—total 42. Another 11 deputies were absent on leave.

As shown by the voting figures, 25 of the 91 Independents supported M. Pflimlin's investiture as Prime Minister, despite the party's decision to oppose him on the *vote d'investiture*.

General Salan entrusted with Maintenance of Order in Algeria. - President Coty's Appeal to French Army in Algeria.

After the first meeting of M. Pflimlin's Cabinet, held between 3.30 and 5.30 a.m. on May 14, it was announced that General Salan had been entrusted with the task of maintaining order in Algeria and ensuring the protection of lives and property; it was added that General Salan had "assumed this task as from May 14."

The Cabinet statement said that "the normal functioning of authority" had only been interrupted in Algiers, and that "no other notable incident" had occurred in Algeria. At the time of the Cabinet meeting it was believed in Paris that the *coup* was confined to Algiers; not until some hours later did it become known that the Committee of Public Safety was in control of the whole of Algeria and the Sahara.

[As stated by M. Pflimlin in his speech to the National Assembly on May 16 (see below), General Salan had already been entrusted by M. Gaillard with maintaining order in Algeria. As explained by M. Pflimlin, M. Gaillard took this action in the evening of May 13—i.e. before M. Pflimlin received a *vote d'investiture* from the Assembly, and while M. Gaillard was still nominally Prime Minister. It therefore appeared from the Cabinet communiqué that M. Pflimlin's Government had confirmed M. Gaillard's action.]

M. Pflimlin made the following broadcast immediately after the Cabinet meeting:

"The Government invested by the National Assembly last night is confronted with the situation created by the happenings in Algeria . . . It appears that the Government's intentions have been systematically distorted in the eyes of Frenchmen in Algeria. We are falsely accused of intending to pursue a 'surrender policy.' In fact, the Government's programme—approved by the Assembly—calls for new sacrifices from the nation in order that the efforts of the Army may be crowned by a victorious peace. Once more I solemnly declare that the Government will never permit the links between Algeria and France to be broken. But Algeria can only be preserved by a united and disciplined national effort directed by the legal authority. The Government will not falter in its task. It will ensure respect for the laws of the Republic. It calls on those who represent the Government on Algerian territory to do their duty. It asks for the confidence of Frenchmen both in Algeria and in the metropolitan territory."

President Coty sent the following message to all ranks of the Army in Algeria in the early hours of May 14: "As guardian of the national unity, I appeal to your patriotism and your good sense not to add to France's trials by dividing Frenchmen in the face of the enemy. As Head of the Armies under the Constitution, I call upon you to remain at your posts under the authority of the French Republic." The appeal was broadcast to Algeria many times during the day.

Right-wing Demonstrations in Paris.

While M. Pflimlin was making his investiture speech in the National Assembly, some 6,000 ex-servicemen and right-wing demonstrators marched down the Champs Elysées towards the Palais Bourbon (the National Assembly building) after a ceremony at the Arc de Triomphe in honour of three French soldiers who had been executed by the Algerian rebels.

The demonstrators, led by two extremist right-wing deputies - M. Le Pen and M. Demarquet, both wearing paratroopers' berets - clashed with the police in the Place de la Concorde, a few hundred yards from the Palais Bourbon. Stones and thunder-flashes were thrown at the police cordons, scuffles occurred, and a number of demonstrators were injured when police riot squads went into action. The crowds eventually dispersed after demonstrations in favour of *Algérie française* and a "government of public safety."

Some 50 members of extremist right-wing organizations were arrested in Paris during the night of May 13-14, including 36 members of the *Parti patriote révolutionnaire* headed by M. Jean-Baptiste Biaggi [see 15903 C]. The Ministry of the Interior also announced that six Army officers had been placed under arrest, adding that none of them were parachutists. In the morning of May 14 the Government banned all public demonstrations throughout the country.

General de Gaulle's Declaration.

On May 15 General Charles de Gaulle issued a declaration saying that he was ready "to assume the powers of the Republic," but making no direct reference to the events in Algeria. The declaration was worded as follows:

"The degradation of the State is leading inevitably to the estrangement of the associated peoples [i.e. the oversea territories], to trouble in the Army, to national dislocation, to the loss of independence. For the past 12 years France, at grips with problems too difficult for the regime of parties, has been involved in a disastrous sequence of events. Once before the country, when at its lowest ebb, gave me its confidence to lead it in its entirety towards salvation. To-day, faced with new trials which are once more looming up, it should know that I hold myself in readiness to assume the powers of the Republic."

Socialist, Communist and Trade Union Reactions to General de Gaulle's Declaration.

General de Gaulle's declaration provoked an immediate and uniformly hostile reaction from the left-wing parties and the trade unions.

Communist Party. The Communist Party issued a declaration saying that General de Gaulle had "thrown off the mask," and accusing him of "demanding personal power in order to set up a military dictatorship in defiance of Parliament, the Republican Constitution, and the Chief of State." After alleging that he was supported by "the Algiers dissidents" (*les factieux d'Alger*), the Communists went on to accuse General de Gaulle of wishing "to extend to France the *coup d'état* perpetrated in Algeria" and to "instal fascism in France, aggravate the misery of the workers, destroy democratic liberties, and jeopardize the independence and unity of the nation." All "workers and democrats" were called upon to unite in "barring the road to de Gaulle, fascism, and military dictatorship" by mass demonstrations throughout the country, "multiplying protests to the President of the Republic," and taking action to "prevent any attempt at a *coup d'état*."

[The Communist Party had previously explained its abstention on M. Pflimlin's *vote d'investiture* on the ground that it would not prevent the formation of a Government in the situation caused by "the rioters of Algiers and generals who are in rebellion against the Republic." At the same time it strongly criticized M. Pflimlin for continuing a "war policy" in Algiers.]

Socialist Party. The Socialist declaration ran: "The Republic is threatened. The civil and military insurrection and the manifesto by General de Gaulle show that the assault on the republican regime has begun. General de Gaulle . . . has not rebuked the grave acts of indiscipline committed by certain military chiefs against their constitutional chief, the President of the Republic. In face of this peril, the Socialist Party has decided to participate in the Government of the Republic . . . But the Republic cannot be defended by Parliament and the Government only. All democrats must unite voluntarily in defence of their liberties. The Socialist Party will make

immediate contact with all free trade union organizations [i.e. the non-Communist unions] and with all republican organizations opposed to dictatorship. It calls on all its members to take immediate measures . . . to ensure the greatest measure of unity among the workers and all who wish to prevent our country falling into disorder and dictatorship."

Trade Unions. The Communist-dominated C.G.T. called upon all workers to "oppose personal power and military dictatorship" and to affirm their "indissoluble attachment to republican liberties and institutions." The working-classes were also asked to "give a vigorous rebuff" to any attempt to "seize personal power," if necessary by means of a general strike.

The Socialist *Force Ouvrière* issued a declaration condemning "the seizure of power by certain factious elements in Algeria, supported by part of the Army." It stated that the F.O. unions would "defend democratic liberties by all means against any attempt at personal power," if necessary by a general strike.

The Christian trade union organization (C.F.T.C.) similarly affirmed its "unshakeable attachment to French democratic institutions" and its opposition to "any regime of personal power." It offered "total support" to the Government in any measures necessary to "defend democracy and liberty."

The *Force Ouvrière* and the C.F.T.C. (each of which rejected any form of collaboration with the Communists) also issued a joint appeal to all workers to "defend democratic liberties" and "bar the road to fascism" wherever it might show itself.

On the initiative of the Paris branch of the Socialist Party, a *Comité de liaison pour la défense de la République et des libertés démocratiques* was formed by a number of left-wing and left-centre non-Communist parties and organizations.

In addition to the Socialist Party, the *comité* included the Radical Socialist Party, the R.G.R., the U.D.S.R., the Paris branches of the *Force Ouvrière* and the C.F.T.C., the *Ligue des droits de l'homme*, the *Fédération ouvrière et paysanne des anciens combattants*, and the Anarchist Federation.

The Paris branch of the Communist Party strongly protested at its exclusion from the committee.

Algerian Reactions. - Franco-Moslem Demonstrations for General de Gaulle. - General Salan's Order of the Day.

In Algiers, a spokesman for the Committee of Public Safety issued a statement on May 15 expressing the Committee's "deep pleasure" at General de Gaulle's declaration, and its hope that it would lead to "the success of our efforts." On the following day the Committee sent a message to President Coty worded as follows :

"The patriotic upsurge sweeping Algeria has won enthusiastic support from the Moslem population, expressed through their own committees of public safety created *en masse* at their own request. France will risk losing her best chance unless you respond to this popular fervour, which unites Frenchmen and Moslems, by accepting the arbitration of the liberator of the fatherland, thus enabling a Government of Public Safety to be formed under General de Gaulle. Any other solution can only lead to sorrow, misery and despair. The patriotic upsurge in Algeria is not a factious movement. All Algeria wishes to submit itself to the authority of a strong, central Republican power capable of building French unity . . . You should know that our resolve is unshakable and that all the vital forces of French Algeria will remain firmly united until final victory."

About 100,000 people, of whom at least 50,000 were Moslems, demonstrated in front of Government House in Algiers on the same day (May 16) in favour of General de Gaulle, *Algérie française*, and Franco-Moslem unity. Numerous delegations were present from Moslem and Arab committees of public safety created in all parts of Algeria, including a delegation representing the 60,000 inhabitants of the Casbah (the Arab quarter of Algiers). Many Moslem leaders made speeches praising General de Gaulle, calling for unity between the French, Moslem, and Jewish communities in Algeria, and denouncing the Algerian terrorists—one of the speakers declaring that "the rebels paid by the foreigner must be destroyed at all costs." Foreign press correspondents in Algiers commented on the high regard in which General de Gaulle seemed to be held by the Moslem population, the apparent spontaneity of the demonstrations, and the apparently genuine desire for Franco-Moslem amity expressed by numerous Moslem delegations and individuals.

The demonstrators were addressed from the balcony of Government House by General Massu and M. Delbecque, both of whom received an overwhelming ovation. General Massu stressed the unity between the Army and the European and Moslem populations, while M. Delbecque said that the "three glorious days" in Algeria [since the *coup* of May 13] marked "the starting-point of the renaissance of France and the restoration of her greatness." M. Delbecque also announced that all the committees of public safety in Algeria had been united on an all-Algerian basis under the direction of the Algiers Committee. After strongly denying that the Committee was acting against the Republic, M. Delbecque affirmed that the Algerian movement was in fact "saving the fatherland and delivering it from the disgrace of past years."

General Salan issued the following Order of the Day on May 16 to all French forces in Algeria :

"France is passing through grave hours. In a time of great difficulty the European and Moslem populations of all parts of Algeria have affirmed their unity and their will to remain French . . .

"I have been charged provisionally [by M. Pflimlin's Government] with exercising civil and military powers. I will comply with these instructions by maintaining order and continuing the fight against the rebels.

"I alone am informed of the exact situation, and I alone am qualified to take the necessary decisions arising out of the duties entrusted to me I will keep you on the road of honour, loyalty, and fidelity to the institutions of the fatherland."

On the same day General Salan appointed Colonel Godard (an officer on General Massu's staff) as director of internal security for Algeria ; M. Dumont (a member of the Algiers Committee of Public Safety) as director of security for the city of Algiers ; and M. Regard (a leading member of the European community) as secretary-general of the Ministry for Algeria. It was understood that General Salan had made these appointments without consulting Paris.

It was pointed out by foreign press correspondents that General Salan was in an equivocal position *vis-à-vis* the Committee of Public Safety, since he was in the position of wielding powers delegated to him by a Government which was not recognized in Algiers Although there was apparently no question of any overt friction between General Salan and the Committee, it was regarded as significant that the general had declared (in his Order of the Day) that he alone was "informed of the exact situation" and "qualified to take decisions."

M. Soustelle's Escape to Algeria.

A dramatic turn of events occurred on May 17 with the arrival in Algeria of M. Jacques Soustelle, who had been placed under police surveillance in Paris but succeeded in escaping to Switzerland, whence he flew to Algiers. A leading supporter of General de Gaulle, M. Soustelle was Governor-General of Algeria from January 1956 to January 1957, when he was superseded by M. Lacoste as Resident Minister. M. Soustelle is an ethnologist of international reputation and an authority on the pre-Columbian civilizations of America (for biography of M. Soustelle see 14021 E).

M. Soustelle had been placed under police surveillance in Paris on May 14, his flat being kept under observation. According to an account published in the *Echo d'Alger*, after his arrival in Algeria, he escaped from his Paris residence at 2.30 a.m. by smuggling himself into the boot of a car driven by a friend. After driving across France, with three changes of car *en route*, M. Soustelle crossed the Swiss frontier under an assumed name and arrived at Geneva, where he boarded a Viking airliner of the Swiss *Balair* company. He was met at Geneva by several friends who flew with him to Algiers—among them M. Geoffroy de la Tour du Pin, formerly *directeur du cabinet* to M. Bidault, General Guillain de Benouville, a former deputy and M. Charles Bérandier, deputy mayor of Lyons. The Swiss plane arrived at Algiers airport (Maison-Blanche) in the early afternoon of May 17.

The news of M. Soustelle's arrival was greeted with the wildest enthusiasm in Algiers, flags being flown throughout the city and great crowds—estimated at over 100,000—congregating in the Forum. M. Soustelle was given a tremendous ovation when he appeared on the balcony of Government House shortly after his arrival, accompanied by General Salan, General Massu, and members of the Committee of Public Safety. He said in a brief speech :

"When I left you in 1956 I promised to devote all my strength to the well-being of Algeria. I have done so. Only three days ago I was occupying my seat in Parliament. But I was subjected to an incessant police watch, and a check was kept on all my movements. Thus I could no longer accomplish my duty. I therefore decided to return to Algeria, to be among the people and at the side of the Army. I have chosen both liberty and the Fatherland. I have come to place myself at the service of French Algeria, which has set a magnificent example. Together with our Moslem brothers, I have no other ambition but to restore national unity on both sides of the Mediterranean. *Vive la République! Vive l'Algérie française! Vive la France! Vive de Gaulle!*"

Enthusiastic demonstrations of support for M. Soustelle, in which great numbers of Europeans and Moslems participated, also took place at many other towns throughout Algeria, including Bône, Oran, Constantine, and Sidi-bel-Abbès (headquarters of the Foreign Legion). In Algiers itself, M. Soustelle addressed a great Moslem demonstration which included large numbers of Moslem women.

"Never in the history of Algeria," M. Soustelle declared, "has there been such a great and fraternal gathering of Europeans and Moslems. If, *inshallah* [Arabic : 'By the will of God'], the story of these days comes to be written, the historians will say that the presence—for the first time—of such great numbers of Moslem women showed that there were no longer any barriers, either of race

or religion, between those living in Algeria. Here there are only nine million Frenchmen, sons and daughters of the same mother, our common *patrie*. A great human and French emancipation is in progress . . ." In an earlier speech at the *Monument des Morts*, M. Soustelle declared that "it will one day be written in the history-books that Algeria saved France."

Pflimlin Government receives Emergency Powers from French Parliament. - Socialists join Pflimlin Government. - Dissolution of Extremist Organizations.

Meanwhile, the National Assembly in Paris had met on May 16 to hear a further statement by M. Pflimlin on the developments in Algeria. After a six-hour debate it passed an Emergency Powers Bill (by 462 votes to 112) granting sweeping powers to the Government to deal with what M. Pflimlin described as "a plot against the Republic" in both metropolitan France and Algeria. The Bill was approved by the Council of the Republic during the night of May 16-17 (by 211 votes to 94) and came into immediate effect.

M. Pflimlin spoke as follows: "The National Assembly is aware of the events that have taken place in Algeria in the past three days . . . On May 13 a demonstration in Algiers degenerated into a riot. The *Gouvernement-Général* (Government House) was ransacked. A little later, a body calling itself the Committee of Public Safety was set up by persons who apparently took a leading part in these events. General Massu accepted the chairmanship of this body. One would have thought that he would have tried to prevent further excesses and maintain liaison with the legal authorities. I lack sufficient information about his inner convictions to enable me to read his motives. In the evening of May 13, M. Gaillard, who was still at the head of affairs, entrusted General Salan with the task of maintaining order and protecting lives and property. General Massu was placed under the orders of General Salan."

After describing the events in Algeria during the past three days, M. Pflimlin continued: "Today there is a new development. General Salan has dismissed certain officials from their posts and appointed substitutes without consulting the Government. This seriously raises the problem of the Army's place in the nation. For years the Army has fought valiantly in the service of the nation, and it is a great unifying factor. But it seems that certain Army chiefs have overstepped their duty.

"The Government must do its duty in the situation with which it is confronted. The emotions whipped up among the Frenchmen of Algeria originate in a campaign of calumny by people who aim at creating a state of insurrection on the metropolitan territory parallel to that in Algeria. Some of them are now in metropolitan territory. They have prepared their *coup* in greatest detail for political ends."

After recalling that a number of arrests had already been made during the night of May 13-14 [see above] M. Pflimlin continued: "The Government has decided to dissolve the following associations: the *Parti patriote révolutionnaire*, the *Phalange française*, the *Jeune Nation* movement, and the *Front d'action nationale*. [All are extreme right-wing or pseudo-fascist organizations]. All persons arrested will be brought rapidly to trial. These proceedings should succeed in uncovering all the ramifications of what can well be called a plot against the Republic and the established order.

"In addition, the Government asks the Assembly to approve the Bill establishing a state of emergency [see below] so that order and republican legality can be preserved and defended. By doing so, Parliament will affirm its will to maintain national unity and the republican regime.

"In my ministerial declaration I alluded to the defects in our institutions and the need for constitutional reforms. But this reform must be solely the work of Parliament; it must be carried through freely and not under the pressure of threats or menaces. I call upon all republican and national parties to unite behind the Government in this hour of danger." [M. Pflimlin's declaration was loudly applauded from all benches except those on the extreme Right.]

The ensuing debate was largely dominated by the position of General de Gaulle, to whom M. Pflimlin had made no direct reference. Among numerous speakers, M. Guy Mollet (Socialist) called on the general to clarify his declaration, adding that everyone would be relieved if General de Gaulle, "for whom we cherish the greatest respect," could confirm that he had no intention of overthrowing republican institutions. M. Bidault (M.R.P.), who called for a Government of National Union, dwelt on General de Gaulle's distinguished war record and his great services to France; he declared that it was a contradiction in terms to describe the man who had restored the Republic as an "enemy of the Republic," or to bring allegations of "anti-republicanism" and "fascism" against him. M. Daladier (Radical) denounced any attempt to impose "personal power"; M. Paul Reynaud (Independent) stressed the urgency of consitutional reforms and declared that the legal Government of the Republic must be obeyed; and M. Duclos (Communist) made an impassioned speech calling for the "defence of the Republic" against "military dictatorship and fascism." The only overt support for the Algerian insurrection came from M. Tixier-Vignancour (*non-inscrit*), whose peroration - "Long live the Algiers revolution which will save France and Algeria" evoked angry protests from the left-wing benches.

In a subsequent statement in the lobbies, M. Mollet said that he wished General de Gaulle to make his attitude clear on three questions: (1) Whether he recognized the Government as the only legal Government of the Republic; (2) whether he disavowed the leaders of the Committee of Public Safety in Algiers; (3) whether, if he should eventually be asked to form a Government, he would present it to the National Assembly with a definite programme; (4) whether he would withdraw if he failed to obtain a *vote d'investiture*.

The Emergency Powers Bill presented by M. Pflimlin was worded as follows: "The present serious situation in which the country finds itself demands that the Government of the Republic should have the means to maintain public order and safeguard republican legality. Consequently, the Government ask for the application of the law of April 3, 1955, to enable it to impose a state of emergency for three months in the metropolitan territory." [The 1955 law was that under which a state of emergency had been imposed in Algeria at the time.]

Before the vote was taken, M. Pflimlin announced that he would not count the Communist votes as part of the Government majority, even if they should be cast for the Government. The Communists nevertheless voted for the Emergency Powers Bill, which was adopted by 462 votes to 112 as stated above. Detailed voting figures were:

For: 148 Communists and *progressistes*, 96 Socialists, 73 M.R.P., 41 Radical Socialists, 38 Independents (including the Independent Ministers in M. Pflimlin's Government, and also M. Paul Reynaud), 18 U.D.S.R.-R.D.A., 14 *Gauche Démocratique*, 14 *Regroupement Africain*, 12 R.G.R., 5 *paysans d'action sociale*, 2 *paysans*, 1 *non-inscrit*—total 462. As shown by the voting figures, the Government would have had a large majority for its Emergency Powers Bill even if the Communist votes were excluded.

Against: 48 Independents, 29 Poujadists, 16 Social Republicans, 8 *paysans*, 4 *non-inscrits*, 2 R.G.R., 2 *paysans d'action sociale*, 1 M.R.P. (M. Bidault), 1 Radical Socialist, 1 U.D.S.R.—total 112.

[Seven deputies did not take part in the vote and 12 others were absent on leave.]

Three leading Socialists joined M. Pflimlin's Government on the same day - M. Guy Mollet as a Minister of State; M. Jules Moch as Minister of the Interior; and M. Albert Gazier as Minister of Information. Otherwise the membership of M. Pflimlin's Cabinet remained unchanged, except that M. Maurice Faure (M. Moch's predecessor as Minister of the Interior) became Minister for European Institutions.

Particular significance was attached to the appointment of M. Moch as Minister of the Interior, in which capacity he was responsible for implementing the Emergency Powers Act. Regarded as the "strong man" of the Socialist Party, M. Moch held the same post in 1947-49 and displayed great energy in suppressing the widespread Communist strike movements of 1947 and 1948.

Application of Emergency Powers. - Military Precautions. - Resignation of General Ely.

The first decrees issued under the Emergency Powers Act gave the Minister of the Interior powers to forbid the movement of persons and vehicles; to establish "security zones"; to order persons regarded as subversive to leave any department; to institute house searches by day or night; to impose censorship of the Press, radio, cinema, and theatre; to ban public assemblies; to order the closing of cafés and places of entertainment; to impose a curfew in any area; and to authorize military courts to try cases normally dealt with by the civil courts. In addition, all French nationals leaving the country were required to obtain an exit visa, including diplomatic personnel.

The *Journal Officiel* announced on May 17 that the state of emergency (*état d'urgence*) would remain in force throughout metropolitan France for three months. It enumerated a list of crimes which would be dealt with by military courts under the Emergency Powers Act, including all forms of treason, sedition, or subversion; attempts against the internal security of the State; armed rebellion; incitement to, or participation in, criminal assaults against individuals; the kidnapping of individuals; and acts of arson, looting, etc.

Representatives of the French Press and of journalists' associations were summoned to the Ministry of Information and informed by M. Gazier that the Press would be subject to a "pre-censorship" (*censure préalable*). M. Gazier asked all newspapers, magazines, and periodicals to exercise responsibility and moderation in commenting on events in France and Algeria, and to avoid inflammatory, irresponsible, or incitatory statements which might have the effect of aggravating the situation.

As announced by M. Pflimlin in the National Assembly, the *Parti patriote révolutionnaire*, the *Phalange française*, the *Mouvement Jeune Nation* and the *Front d'action nationale* were all dissolved on May 16 and many of their leaders arrested. On the following day 26 armed men—all members of extreme right-wing organizations—were arrested by the police at Saint-Etienne, and another 31 at Lyons and elsewhere in the Rhône department. In a broadcast on May 18 (see below) M. Pflimlin disclosed that the men apprehended at Saint-Etienne had intended to attack the Prefecture in that city.

Two unexploded plastic bombs, both of considerable power, were discovered on May 16 in two Ministries (those of the Interior and Economic Affairs) and rendered harmless. A third unexploded bomb was also discovered at the Château de La Celle-St. Cloud, which is partly occupied by the Foreign Ministry. On the same day a bomb was thrown at M. Pflimlin's unoccupied villa at Hendaye (near the Spanish frontier) without causing any casualties. In Marseilles, some damage was caused by a bomb explosion at the local Communist Party headquarters.

All leave for the French Army was cancelled on May 16; soldiers already on leave from North Africa were required to report to their nearest military centre; and *gendarmerie* reservists were recalled to the colours and ordered to form mobile units throughout the country. Special precautions were taken in Paris, where large numbers of troops and police were deployed round the Palais Bourbon and the Ministries; in addition, strong forces of *gardes mobiles* were moved into the Paris area from outside, and armoured units patrolled main roads on the outskirts of the city and in the suburbs.

It was announced on May 17 that the Government had accepted the resignation of General Ely as Chief of Staff of the Armed Forces and had appointed General Lorillot as his successor. [General Lorillot was General Salan's predecessor as C.-in-C. in Algeria; for the past two years he had been Chief of Army Staff.] The circumstances of General Ely's resignation were obscure, but it was understood to be connected with the fact that two of his staff officers—Lieut.-General Challe and Brigadier-General Martin—had been placed under house arrest.

In a broadcast on May 18, M. Pflimlin said that France was "passing through difficult times which may have a decisive influence on her destiny."

"The troubles that have broken out in Algiers and other cities," said M. Pflimlin, "can be explained by the uneasiness of our fellow-Frenchmen in Algeria, who have been deceived by tendentious reports. Their reactions were justifiable insofar as they expressed their passionate determination to remain French. But it is necessary to be much more severe against those who led them deliberately into error, and who have sought to transform the demonstrations into an insurrection . . .

"Those who are responsible for the disturbances have accomplices in metropolitan France. Certain misguided Frenchmen want to unleash violence in France. Last night 26 armed men were arrested as they were about to attack the Prefecture at Saint-Etienne. It is because we were informed of the evil designs of these rebels that we asked Parliament to declare a state of emergency . . . We shall use these powers against all who attempt to rise up against the law. I am not thinking only of Right-wing extremists. I do not forget that there is an extreme Left; nor do I forget that on the extreme Left there is also a peril to our liberties.

"But it is Algeria that remains our constant preoccupation. The Government will do everything in its power to safeguard national unity by preventing a breach between Algeria and France . . . We are determined—I repeat it—to make the necessary effort to establish in Algeria a just and humane peace which will be the fruit of the victory and courage of our soldiers. But this national effort presupposes that all Frenchmen—those in Algeria as well as in metropolitan France—should be grouped around the Government of the Republic . . ."

General de Gaulle's Press Conference.

Since his declaration of May 15, General de Gaulle had remained quietly at his home in the village of Colombey-les-Deux Eglises and had issued no further statement during the events described above. [General de Gaulle has lived for many years at Colombey, a village in eastern France about half-way between Paris and Metz.] On May 18, however, widespread expectation was aroused at the news that the general intended to hold an important press conference on the following day at the Palais d'Orsay Hotel, in Paris.

General de Gaulle accordingly motored to Paris on May 19 for his press conference. The security forces took the strictest precautions to prevent possible disturbances, all the approaches to the Palais d'Orsay Hotel being cordoned off and no unauthorized persons being allowed through the police barriers without a permit. At his press conference—one of the largest held in the French capital for many years, and attended by some 1,200 press representatives who packed the hotel to the doors—General de Gaulle replied without notes to a number of questions. His initial statement, and his subsequent replies to questions, were as follows:

"It is three years since I had the pleasure of seeing you. My last meeting with you showed what I foresaw, and my anxiety concerning the probable development of events. I was determined to maintain silence until the moment came when I could serve the country by breaking it.

"Indeed, since then events have become more and more serious. What has been happening in North Africa for the past four years has been a very heavy burden for the country. What is going on at this moment in Algeria in relation to metropolitan France, and in metropolitan France in relation to Algeria, may lead to an extremely grave national crisis. But it also may be the beginning of a kind of resurrection. That is why I think the moment has come when it might be possible for me to be once again directly useful to France.

"Why might I be useful? Because not long ago certain things were accomplished—which the French people well know. They were such that the peoples associated with our people have not forgotten them, and they are remembered abroad. Perhaps this sort of moral capital might be of value in face of the difficulties which assail us, and the misfortunes that threaten us at a moment of dangerous confusion.

"Useful also because it is a fact—of which we must all take note, whoever we may be—that the party régime has not settled, is not settling, and will not settle the enormous problems with which we are at present confronted; notably those of the association of France with the countries of Africa, the common life of the diverse communities living in Algeria, and the question of harmony within each of these communities.

"The fact is there. I repeat that everyone must take account of it. The battles being fought in Algeria, and the fever boiling over there, are only the consequences of this inability to deal with present problems. And if things continue in the way they are going, we all know perfectly well that the régime, as at present constituted, will find no solution . . . I repeat that there will be no solution from this régime, and that in such a case there is a risk that a solution might one day be imposed from outside. That would be, without any doubt, the most disastrous outcome possible.

"Useful, finally, because I am one man alone; because I am not associated with any party or organization; because for six years I have taken no political action; because for three years I have made no statement. In short, because I am a man who belongs to nobody—and belongs to everybody.

"How might I be useful? Well, if the people wish it, as in the preceding national crisis, I am ready to take the leadership of the Government of the French Republic. With that said, I am ready to answer the questions you may wish to put to me."

General de Gaulle then gave the following answers to questions put to him (questions in italics):

"*General, you have told us that you were ready to assume the powers of the Republic. What exactly did you mean by that?*"

"The powers of the Republic, when one assumes them, can only be those which the Republic itself has delegated. That is perfectly clear.

"The Republic? There was a time when it was denied, when it was betrayed by the parties themselves. I restored its arms, its laws, its name. I fought the war to win victory for France. But I did it in such a way that it was also the victory of the Republic. I did it with all those, without a single exception, who willingly came to join me. And at their head I restored the Republic to its rightful place.

"In its name, on its behalf, in conformity with its spirit, my Government accomplished an enormous task of renovation. There was political renovation: the granting of the franchise to women; citizenship given to the Moslems of Algeria; the beginning of an association within the French Union of peoples who formerly depended on us.

"There was economic and social renovation—the nationalization of the mines, gas, electricity, the Bank of France, the principal credit institutions, the State-owned Renault car works; the establishment of works committees; a social insurance organization safeguarding the workers against century-old scourges; the introduction of family allowances; the creation of organizations for the development, modernization, and prosperity of the country; the Oil Research Board to facilitate prospecting in metropolitan France and oversea territories for sources of energy of which we had an absolute need and which, in fact, we discovered; and there was the beginning of the development of atomic energy through the creation of the Commissariat designed for that purpose.

"When all that was done I let the people speak, as I had promised. And when it had elected its representatives, I handed over to them, without reserve and without conditions, the powers which were in my hands. When I saw that the parties had reappeared like the *émigrés* of other days, that they had forgotten nothing and learned nothing, and that, in consequence, it had become impossible for me to govern properly—I withdrew. I did not try to force their hand in any way. Afterwards they made a bad Constitution. I did not seek to violate it in any way whatsoever.

"In an attempt to put an end to confusion and to create a just and strong State, I instituted the Rally of the French People, calling on everyone without distinction of origin, ideas, feelings or even labels, so as to obtain by legal means the institutions which seemed to me to be necessary. It transpired that the régime was able to absorb, little by little, the elected representatives of the Rally, so that within the framework of legality I no longer had any means of action. Then I went home.

"That is how I served—and, it seems, 'threatened'—the Republic. Now I hear the professional saviours of the Republic—who, incidentally, would have been hard put to it to save it at the time—impute to me dark designs of violating public liberties, of destroying Republican institutions, of demolishing trade union rights. It is not the first time they have done so—it has been going on for 18 years. I shall drop the subject. But that does not prevent me, together with many other people, from asking these saviours what they have done with liberated France and the restored Republic."

"How do you judge present events in Algeria, the popular uprising and the attitude of the Army?"

"In Algeria there is a population which for years has been in the midst of war, murders, and violence. That population has seen that the present system established in Paris cannot solve its problems. More than that, it has recently seen that system turn towards [good] offices from abroad. It has heard the man, who is incidentally my friend and who at that time was Minister for Algeria [M. Lacoste], declare publicly 'We are heading for a diplomatic Dien Bien Phu.' In Paris it sees crisis follow crisis, powerlessness follow powerlessness, the same representatives of the same parties follow each other indefinitely in the same Ministerial posts without anything clear, precise, and effective ever coming out of it.

"How can you expect this population not to rise up at last? How could it not seek a recourse for its misfortunes elsewhere than in Parliamentary procedure? This is inevitably what has happened.

"And then the Algerians cry *Vive de Gaulle*, as Frenchmen do instinctively when they are in the depths of anguish or on the heights of hope. They present then the magnificent spectacle of an immense fraternization, which affords a psychological basis for the agreements and arrangements of to-morrow, a basis infinitely better than fighting and ambushes. Finally, they give the best proof that the French of Algeria do not want at any price to break away from metropolitan France. For one does not shout *Vive de Gaulle* if one is not on the side of the nation.

"In these conditions the Army, seeing this immense popular emotion, judged it its duty to prevent disorder. This it did, and it was right to do so. Moreover, the Army itself is deeply affected by the dramatic situation created in the country which it serves with much merit and many sacrifices; by the disability of the public authorities, which I have just stressed. Add to this that the Army is in close contact with the population, and shares its feeling about the immense desire to see Paris capable of assuming and carrying out its responsibilities. I well understand, therefore, the attitude and action of the military command in Algeria. And it is my wish in the national interest that the Army should remain coherent and united, and an exemplary factor at a time when such things are rare.

"It would be absurd and lamentable to destroy the bonds between France and Algeria now. This would be directly detrimental to the Frenchmen who are there, whether they are French by origin or Moslems, civilians or soldiers, and also detrimental to many Frenchmen on this side of the Mediterranean. It would mean gravely compromising, perhaps for ever, the position of France. It would mean the creation of a state of affairs the nature of which I cannot know, but which would certainly end in violence.

"The best—in fact, the only—thing to be done is that which will prevent Algeria from moving away from France; a development she herself certainly does not want, and which France does not want either. As for the Army, which is normally the instrument of the State, it is proper that it should remain so. But for that, it is first necessary that there should be a State."

"M. Guy Mollet, after his recent speech in the National Assembly, set out questions concerning the procedure of your possible return to power. Would you say what you think of them?"

"I have much esteem for Guy Mollet. During the war he risked everything to fight for France and for freedom. He was therefore my companion. I remember that after the liberation I went to Arras on my way back from a visit to the mines . . . From a balcony of the Arras Town Hall I spoke to the people gathered in the Grand-Place. Guy Mollet was at my side. These are things which one never forgets. Afterwards I did not see him again. Why? I have no idea. But I have followed his political career from afar.

"I will not say that I have always been in agreement with all he has said and done or tried to do. Besides, in the régime in its present form, no man of value can succeed. But what he has said or done has not diminished my esteem for him.

"Now there are the questions which Guy Mollet asked—firstly, secondly, thirdly, fourthly. I reply that if de Gaulle should find himself delegated with exceptional powers for an exceptional task at an exceptional time, that could obviously not be done according to the usual procedure and with the customary rites of which everyone is now so tired. It would be necessary to adopt a procedure which would also be exceptional; for the investiture by the National Assembly for example. But, as you know, when events speak loudly and there is agreement on substance, procedures can have considerable flexibility. All my public actions are there to prove this. If the need arose, I would tell the competent authorities what procedures would in my opinion be the best."

"Do you not believe that at the precise moment when you launched your appeal, the rebellion in Algeria was crumbling away? You have given new courage to the sedition-mongers. Your Press conference will strengthen them."

"I wish to give courage and vigour to those Frenchmen who wish for national unity, whether they are on one side or the other of the Mediterranean. That is the question. All the rest are the affairs of a universe which is not mine.

"Responsibilities will be studied later. To-day there is a fact. Some people call 'sedition-mongers' those leaders who have not been the object of any sanction on the part of the public authorities—to whom the public authorities have even delegated full powers. And I, who am not at present the public authority, why would you have me call them sedition-mongers?"

"Particularly concerning Algeria, what do you propose other than an exceptional procedure and your own return to public life?"

"I envisage a case in which the French people would ask me to carry out arbitration. This is sufficient reason for me not to indicate at present what the conclusions of my arbitration would be, because before giving it, it would be necessary to hear the parties involved. When the judgment was given, it would be necessary to have the means of imposing it. These are all conditions which, as far as I am concerned, are obviously not fulfilled. What would a judge be who gave his judgment before the hearing, and who would be certain, besides, that this judgment would remain a dead letter?"

"Some people fear that if you return to power you would attack public liberties?"

"Have I ever done so? On the contrary, I restored them when they had disappeared. Is it credible that I am going to begin a career as a dictator at the age of 67?

"We are weakened, struggling in a terrible world with extreme difficulties and great threats. But in France's hand there are good cards for the future—the birth-rate; the economy which has gone beyond the stage of routine; French technique which is continually developing; the oil which has been discovered in the Sahara. These things in our hand can permit to-morrow a genuine French resurgence and great prosperity for France. It will be necessary for all Frenchmen to have their share of it, and to associate with it the peoples who need it and who ask for our assistance. But it is true that for the moment the position is bad. If the task should fall on me to lead the State and the nation out of crisis, I would approach it without presumptuousness, for it would be hard and fearsome.

"I have said what I had to say. Now I shall return to my village, and I shall remain there at the disposal of the country."

Renewal of Government's Special Powers in Algeria.

A request by M. Pflimlin for the renewal of the special powers exercised in Algeria by the previous Government (i.e. that of M. Gaillard) was approved by the National Assembly on May 20 by 420 votes to 100, and also by the Council of the Republic. As in the debate on the Emergency Powers Bill, the Communists voted for the Government despite M. Pflimlin's declaration that he would not count Communist votes as part of the Government majority.

As the Pflimlin Government exercised no *de facto* control in Algeria, and as the Minister for Algeria (M. André Mutter) was unable to visit the territory, the special powers voted by Parliament could, in effect, only be exercised by General Salan as the Government's official representative in Algeria. During the debate, the Independent deputies made it plain that they would support the Government in its demand for special powers only if those powers were delegated to General Salan; the Socialists, on the other hand, insisted that these powers appertained solely to the Government.

On the previous day (May 19) the *Journal Officiel de l'Algérie* had published the names of a number of officials appointed by General Salan to advise him on civilian and military matters in a consultative capacity. The officials concerned (all members of the Algerian administration) were described as *conseillers techniques* for such matters as economic affairs, labour questions, security, etc.

Formation of Single Committee of Public Safety for Algeria and the Sahara.

A single Committee of Public Safety for the whole of Algeria and the Sahara was formed in Algiers on May 23, consisting of some 70 European and Moslem members. Its membership was as follows:

(1) General Massu and Dr. Sid Cara—joint presidents. Dr. Sid Cara, one of the leading personalities among the Algerian Moslems, was a Secretary of State in M. Gaillard's Government.

(2) General Jouhaud, M. Delbecque, and M. Azem Ouali (*president des maires de Grande-Kabylie*)—vice-presidents.

(3) M. Réne Denis, Captain Renault and Dr. Lefèbvre—secretaries.

(4) Six *attachés de liaison*, including M. Abdessalam, private secretary to Dr. Sid Cara when the latter was a Secretary of State.

(5) Colonel Ducasse as *directeur du secretariat*; Colonel Trinquier as *directeur des liaisons*; Lieutenant Lucien Neuwirth (official spokesman of the Committee) in charge of Information; Mlle. Antona in charge of Social Affairs.

[All the above formed the *bureau* (executive committee) of the Committee of Public Safety for Algeria and the Sahara.]

(6) Some 55 other members, comprising (*a*) all the original members of the Committee of Public Safety formed in Algiers on May 13, including Colonel Thomazo, M. Lagaillarde, and Commandant Mahdi; (*b*) six representatives of the Oran region, including four Army colonels; (*c*) nine representatives of the Constantine region, of whom several were Moslems; and (*d*) five representatives of the Saharan territories—General Mirambeau, and four Moslem notabilities from Ouargla, Touggourt, Ghardaïa, and the Oases department.

A "statutory declaration" (*décision statutaire*) defining the objectives of the new Committee—which included the formation in Paris of a "Government of Public Safety headed by General de Gaulle"—was issued on the same day by General Salan after a meeting with General Massu, Dr. Sid Cara, M. Delbecque, and other leading members of the Committee, in addition to M. Soustelle.

This declaration was regarded in Paris as indicating General Salan's definite decision to co-operate fully with the Committee and to give public support to its demands for a Government headed by General de Gaulle; hitherto General Salan, as the repository of the powers delegated to him by the Pflimlin Government, had refrained from expressing open support for the Committee of Public Safety, though co-operating with it and ending some of his public speeches with the cry *Vive de Gaulle*!

The *décision statutaire* issued under General Salan's signature was worded as follows:

"The *mouvement de salut public* launched in Algeria by the will of the people on May 13, 1958, is an expression of the indestructible union between the Army and the nation. The Committee of Public Safety formed on the same date is an expression of that union. This movement has spread to the whole of Algeria and the Sahara and has led to the formation of local Committees of Public Safety . . . These Committees are an expression of the will of the people, who are firmly determined to remain French. They are thus based on the people's sovereignty . . .

"The *comité de salut public de l'Algérie et du Sahara* directs the movement throughout the whole of Algeria and the Sahara. Its aims are: the restoration of the nation's greatness and independence; the preservation of the national patrimony intact; the creation [in Paris] of a Government of Public Safety, presided over by General de Gaulle, to carry out far-reaching changes in the institutions of the Republic; and the maintenance of the existing unity between the peoples of the French Republic and the French union, without distinction of race or religion.

"The tasks of the Committees of Public Safety are: to ensure liaison between the local population and the Military Command, which is the depository of civil and military powers; to participate actively in decisions affecting the national life, by making known the will of the people; to help the Army in its fight to defend the supreme interests of France and the French Union; and to help it in combating all subversive activities . . ."

The new Committee of Public Safety issued the following declaration addressed "to Frenchmen in the metropolitan territory, the French Union, and throughout the whole world":

"The *mouvement de salut public* unleashed by the people's will in Algiers on May 13 has accomplished in three days what no Government has been able to do in three years. The 10,000,000 Frenchmen of Algeria and the Sahara have achieved complete union. They have sworn that this province [Algeria] shall remain indissolubly linked with the mother country. They are firmly resolved to bring to power a Government of Public Safety, headed by General de Gaulle, which will promote and defend a far-reaching reform of Republican institutions."

Although M. Soustelle was not officially a member of the Committee, it was understood that he was acting in the capacity of political adviser both to the joint presidents (General Massu and Dr. Sid Cara) and to General Salan. During the last week of May M. Soustelle made a "whistle-stop" tour of a number of Algerian towns—including Bône, Oran, Constantine, Biskra, and Tizi-Ouzou—where he addressed large and enthusiastic gatherings which included many Moslems. He was accompanied by Generals Salan and Massu on some of his visits to these centres.

The Corsican Insurrection.

The Algerian insurrection spread on May 24 to Corsica, where, with the help of parachute troops stationed in the island, a 12-member Committee of Public Safety was set up in Ajaccio (the capital) under the chairmanship of M. Henri Maillot. Similar committees were also set up in Corte and Calvi, and subsequently in Bastia (the principal port) and Bonifacio. As in Algeria, the *coup* encountered no resistance and was carried out in a few hours without bloodshed.

The Corsican *coup*, like that in Algeria, was obviously carried out to a pre-arranged plan worked out in careful detail. It began when M. Pascal Arrighi (a Radical deputy for Corsica with a distinguished war record in the Resistance) arrived at Calvi at 5 a.m. in a plane from Algiers, accompanied by a parachute officer. Contact was immediately made with a paratroop unit garrisoned in the town, and within a short time some 250 lorry-borne troops were on their way to Ajaccio, where a crowd of 10,000 was already demonstrating in front of the Préfecture and singing the *Marseillaise*. By 7.30 a.m. the Préfecture had been taken over by paratroops and demonstrators without resistance, the Prefect (M. Savreux) had resigned, and a Committee of Public Safety was set up on the Algerian model under the presidency of M. Henri Maillot, a member of the Ajaccio Municipal Council and, like M. Arrighi, the possessor of a distinguished record in the wartime Resistance movement. M. Maillot, M. Serafini (a member of the committee) and M. Arrighi subsequently appeared on the balcony of the Préfecture and addressed cheering crowds demonstrating in favour of General de Gaulle and General Massu; M. Maillot said that the Ajaccio Committee of Public Safety had been "planned and prepared for a long time" in Algiers, and that all its members had been "approved there."

Enthusiastic demonstrations of support for General de Gaulle and for the Algiers Committee took place in Ajaccio and other Corsican towns on May 24-25; many thousands of people attended ceremonies at the War Memorials at Ajaccio and elsewhere, and the Cross of Lorraine (the wartime symbol of Free France under General de Gaulle's leadership) was prominently displayed. Colonel Thomazo and M. Delbecque flew from Algiers to Ajaccio on May 26 and were given a great welcome when they addressed large crowds.

All sea, air, telephone and telegraphic communications between Corsica and metropolitan France were cut off as a result of the *coup*, the news of which aroused consternation in Paris—particularly when it became known that a detachment of 160 security police, flown to the island from Nice to maintain order, had joined the revolt immediately on their arrival. On the other hand the news from Corsica was acclaimed by great crowds in Algiers.—(Le Monde - Le Figaro - Le Populaire - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 16245 A; 16183 A.)**

Note. Subsequent developments in the French crisis will be described in a later issue. (Ed. K.C.A.)

A. UNITED KINGDOM. — Junior Ministerial Appointments.

The following Government appointments were announced from 10, Downing Street on June 27: (*a*) Earl St. Aldwyn (45) as Captain of the Gentlemen-at-Arms and Government Chief Whip in the House of Lords in succession to the late Earl Fortescue, who died on June 14; (*b*) Earl Waldegrave (52) as Joint Parliamentary Secretary to the Ministry of Agriculture in place of Lord St. Aldwyn.

Lord St. Aldwyn is a member of a Gloucestershire family which has been prominent in politics since the 16th century, when his ancestor, Sir Michael Hicks, was secretary to Queen Elizabeth I's minister, Lord Burghley; his grandfather (the first earl, formerly Sir Michael Hicks Beach), was twice Chancellor of the Exchequer. Lord Waldegrave is Vice-Lieutenant of Somerset, and a well-known farmer and landowner in that county.—(Times) **(Prev. rep. 16127 C.)**

B. POLAND. — First Atomic Reactor.

The first Polish atomic reactor, built at Swierk (near Warsaw), was inaugurated on June 14. The reactor, known as *Ewa*, was supplied by the Soviet Union but was largely assembled by Polish engineers and scientists. With a capacity of 2,000 kilowatts, it was said to be similar to the Soviet-built reactors in Eastern Germany, Czechoslovakia, and Rumania.

Polish plans in the field of atomic energy include the operation of a cyclotron at Swierk (also to be supplied by the Soviet Union), as well as an institute for atomic physics, laboratories for reactor engineering, a central electronics workshop, and a radio-chemistry centre. It is also planned to construct a power-generating reactor within the next three or four years. (Polish Embassy Press Office, London) **(16106 D; 14220 B.)**

C. NEPAL. — Renewal of Agreement with Britain on Gurkha Recruiting Depot.

It was announced in Khatmandu on April 17 that the Anglo-Nepalese agreement of 1953, under which Britain maintains a Gurkha recruiting depot in Nepal, had been renewed for a further 10 years from July 1958, when it was due to expire. Under the agreement, Britain has built a depot at Dharan Bagar (south-east Nepal), at a cost of £1,000,000, at which some 500 Gurkha recruits are enlisted for the British Army every year. The 1947 tripartite agreement between Nepal, India, and Britain, governing the recruitment of Gurkha soldiers to the British and Indian armies for an unstipulated period, is still in force.—(Times - Daily Telegraph) **(Prev. rep. 13102 C; 8778 A.)**

A. UNITED KINGDOM.—New Zealand Complaint of Butter-dumping by Foreign Countries in U.K. Market. - Request for Imposition of Anti-dumping Duties. - British-N.Z. Discussions. - U.K. Restrictions on Belgian, Finnish, Irish, Polish, and Swedish Butter Imports.

The New Zealand Deputy Premier and Minister of Agriculture, Mr. Skinner, announced on Feb. 17 that the New Zealand Government was making an application to the Board of Trade in London for the imposition of anti-dumping or countervailing duties on butter imports into the United Kingdom from certain countries.

Mr. Skinner said that for some time past the N.Z. Government had been "very disturbed" at the effects on the butter market of supplies from a number of countries which were not regular suppliers of butter to the U.K., and in some of which the dairy industry was heavily subsidized. Finland, for example, had exported 20,218 tons of butter to the U.K. in 1957, compared with 9,389 tons in 1956 and practically nothing in 1955; the Irish Republic had supplied 14,473 tons in 1957, against 283 tons in 1956 and 1,035 tons in 1955; Swedish supplies of 14,082 tons in 1957 compared with 1,417 tons in 1956 and none in 1955; while Argentina had supplied 12,344 tons in the first 11 months of 1957, compared with 10,316 tons in 1956 and 7,306 tons in 1955. Supplies of butter from these four countries in 1957 had aggregated over 60,000 tons; with total U.K. butter imports at just over 300,000 tons, and British home production at about 30,000 tons, the quantities in question "must be one of the principal causes of the serious fall in prices" which had occurred in recent months.

"We feel that we have a strong case," Mr. Skinner declared, "as the level of wholesale prices in these European countries is far above the prices they receive on the U.K. market—e.g. the wholesale price of butter in the Irish Republic is approximately 430s. a cwt., in Finland 600s., and in Sweden 515s. This produce is placed on the U.K. market at 240s."

The Minister went on to explain that under the U.K. Customs Duties (Dumping and Subsidies) Act of 1957 [see 16189 A] special Customs duties might be imposed if goods were being dumped in the U.K. market, i.e. sold at less than domestic prices in the country of origin, or if they were being subsidized by the exporting country. In the former case an anti-dumping duty could be imposed, and in the latter a countervailing duty equivalent to the extent of the subsidy. The Act also allowed a third country, e.g. New Zealand, to apply for relief. In such a case the approval of the contracting parties to the General Agreement on Tariffs and Trade was necessary, where the countries concerned were GATT members, before anti-dumping or countervailing duties could be imposed; but there was provision for the immediate imposition of countervailing duties in an emergency, in anticipation of subsequent GATT approval.

Mr. Skinner pointed out that under the U.K. legislation the Board of Trade had to consider whether the imposition of anti-dumping or countervailing duties was "in the national interest of the United Kingdom." While there was little doubt that the greater part of the 60,000 tons of butter from marginal suppliers in 1957 had been dumped in terms of the Act, it remained necessary to convince the U.K. authorities that it was "in their national interest to invoke this legislation."

In conclusion, Mr. Skinner expressed the view (i) that "the catastrophic fall in butter and cheese prices over the past six to nine months" was one of the main causes of the present serious position of New Zealand's balance of payments; (ii) that there was "not much doubt that our ability to buy from the U.K. was gravely impaired" by this fall; and (iii) that "a contraction of our mutual trade is certainly contrary to the national interests of both countries."

[In a subsequent statement after his arrival in London—see below—Mr. Skinner said that the London price for New Zealand butter "ex store" had fallen from 350s. per cwt. to 206s. per cwt. in 18 months.]

It was announced in Wellington on March 27 that New Zealand had asked Britain to agree to immediate emergency talks on her complaint that foreign butter was being dumped in the U.K.; it was stated in London on the same day that the British Government would accept this request. [The agreement signed between Britain and New Zealand in May 1957—see 15994 A—provides for regular annual meetings in November of each year to discuss questions in connexion with their mutual trade, and also for additional meetings at any time at either Government's request.]

Meanwhile, a strong appeal to British trade unionists to stand by New Zealand in her present economic crisis by supporting her case against the dumping of low-priced dairy produce in the British market had been made on March 19 by the president of the New Zealand Federation of Labour, Mr. F. P. Walsh.

In a letter to Sir Vincent Tewson (secretary of the British T.U.C.) Mr. Walsh recalled New Zealand's help when Britain herself had encountered a balance-of-payments crisis immediately after the war. At that time New Zealand had introduced home rationing of meat and dairy produce to make possible larger exports of these products to Britain; a great popular movement had been inaugurated under the Aid-to-Britain campaign involving the voluntary despatch of millions of food parcels; New Zealand had made a gift to the U.K. of £12,500,000 in cash, together with £1,000,000 worth of food; and she had declined to sell her dairy produce at much higher prices to other European countries.

"We ask you," the letter went on, "to remember our response and to understand that Commonwealth ties have not been regarded by our people as hollow slogans . . . New Zealand is facing at present an economic crisis of which the improvement or otherwise will be closely affected by attitudes in the U.K. attitudes not only of Government leaders and of city businessmen, but of the people generally and of trade unionists in particular. As president of the N.Z. Federation of Labour . . . I am seeking the sympathetic understanding and help of the working people of Britain, trade union members, farmers, manufacturers, and other friends of New Zealand."

After pointing out that New Zealand's sterling reserves had fallen to £45,500,000 "well below the safety margin of £135,000,000 which was specified by a Royal Commission two years ago"—the letter went on to say that the rapid decline was due to the high level of imports and a continuing fall in the prices of dairy, meat, and wool exports. This was "the most menacing economic crisis in New Zealand since the depression of the early 'thirties," and it threatened "the welfare and living standards of our people." The British people could help "by understanding that one of the largest contributory factors of our difficulties is the dumping of dairy produce in the United Kingdom by such countries as Finland, Hungary, Sweden, Poland and Argentina"—countries which were "deliberately selling large quantities of butter and cheese at prices far below domestic selling prices."

"New Zealand can face fair competition," the letter said, "but this unfair trading is substantial enough to be a real threat to our welfare—and not only our welfare but that of British farmers who, like ourselves, have applied to the Board of Trade for the imposition of anti-dumping duties. Moreover, our reduced ability to buy British goods affects many workers in British industry. To N.Z. trade unionists this dumping, this deliberate under-selling, looks like 'scabbing' . . . We feel that we are not asking too much. We want your active interest and support in protecting New Zealand from a form of economic warfare being directed against us by countries to whom Britain has not the same obligations as she has to New Zealand. If unrestricted dumping is allowed to continue and we cannot obtain a reasonable price in the U.K., we have only one remedy. We will be driven into the position of having to make bilateral agreements with countries that will be prepared to pay us a reasonable price for our products . . ."

The Economic Committee of the T.U.C. decided on April 9 to recommend the General Council to support the N.Z. Government's case for measures to prevent the dumping of dairy produce in the United Kingdom.

A month earlier (March 11) the Danish Ambassador in Stockholm had informed the Swedish Government that Denmark officially supported New Zealand's protest against the dumping of Swedish butter in the British market. During April, leaders of the Australian dairy industry expressed grave concern over the collapse of Australian butter prices in the U.K. market as a result of dumping by other European countries; it was stated that Australian butter had recently been sold in British shops at 2s. 2d. a lb. and even at 1s. 11d. a lb., and that the Australian producers fully supported the New Zealand protest.

Meanwhile Mr. Skinner had arrived in London and opened discussions on April 14 with U.K. Ministers the British side being represented by Sir David Eccles (President of the Board of Trade), Mr. John Hare (Minister of Agriculture, Food, and Fisheries) and Mr. Alport (Parliamentary Under-Secretary of State for Commonwealth Relations). Further talks took place on May 5 and 13 between Mr. Skinner, Lord Home (Secretary of State for Commonwealth Relations), Sir David Eccles, and Mr. Vaughan-Morgan, Minister of State at the Board of Trade.

As a result of these discussions, Sir David Eccles informed the House of Commons on May 20 that the British Government had agreed to take action on the New Zealand complaint against butter-dumping in the United Kingdom.

Sir David said that the Government had considered the applications made by the N.Z. Government and the English Milk Marketing Board under the Customs Duties (Dumping and Subsidies) Act so far as they related to Finland, Sweden, and the Irish Republic, and that they were satisfied that the exports from these countries had been promoted by subsidies. The Government were still considering the application relating to Argentina. He continued:

"Subsidized imports have caused material injury to the New Zealand dairy industry. We have not found any such material injury to the dairy industry in this country. It is in the national interest to take action on the N.Z. application. Sweden and Finland, which are traditional suppliers of butter, have been asked either to eliminate the practices complained of or to keep their exports within agreed limits, which would begin to operate as from to-day.

"If they are unwilling to take either course, the Government will impose countervailing duties. As regards the Republic of Ireland, also a traditional supplier, we have requested the Government . . . to enter into consultations on a similar basis. I will make a further statement to the House as soon as we know what the three Governments concerned propose to do."

"Since the N.Z. application was made, imports of butter from Poland have increased sharply. It has therefore been decided that imports of Polish butter should also be limited. In addition, the open licence for imports of butter from Eastern Europe generally is being withdrawn.

"We estimate that, over a year, supplies of butter from the countries mentioned will be reduced by some 10 per cent on 1957, or about 40,000 tons. A reduction of this order will strengthen the market and be of substantial assistance to New Zealand."

Negotiations accordingly took place with the Governments of Sweden, Finland, and the Irish Republic—the last-named culminating in a ministerial meeting in London on June 13 in which Mr. Lemass (*Tanaiste* and Minister for Industry and Commerce), and Mr. Smith (Minister for Agriculture) took part on the Irish side and Lord Home and Sir David Eccles on the British side. Agreement was reached in all these talks, resulting in a voluntary limitation by the three countries of their butter exports to Britain. In consequence, Sir David Eccles announced on June 19 that the British Government had decided that in the circumstances it was not necessary to impose countervailing duties. His statement was as follows :

"The Governments of Finland and Sweden have agreed to limit their exports of butter to the U.K. in the 12 months commencing May 20 to 75 per cent of their average exports in 1936-1938 or 1955-1957, whichever is the higher.

"The Government of the Irish Republic estimated that the export of butter to the U.K. will be less than it has been recently. We agreed that the two Governments will consult together if it appears likely that actual exports in the 12 months from May 20 may exceed the total exported in 1957.

"I have also considered the application by the New Zealand Government relating to Argentine butter, and decided that a case of subsidization has been made. As, however, the quantity of butter imports from Argentina this year is expected to be substantially less than 75 per cent of shipments in 1955-1957, there is no need at present for any further action. Should the position change, the matter would have to be reconsidered.

"In these circumstances the Government have decided that it is not necessary to impose countervailing duties."

Sir David added that the Government had gone a good way to meet the New Zealand case, and he thought that the N.Z. Government on the whole appreciated what had been done. None of the exporting Governments concerned appeared willing to give up its subsidy practices but had preferred, as they were given the alternative, to restrict the amount of exports. H.M. Government would watch the butter market and, if necessary, would take further action.

It was stated in Dublin, Helsinki, and Stockholm respectively that under the new arrangements butter exports to the U.K. in the year ending May 20, 1959, would amount to 14,000 tons from the Irish Republic, 7,620 tons from Finland, and 8,000 tons from Sweden.

Mr. Skinner, in a statement on June 20, said that it was expected (i) that the countries concerned in New Zealand's complaint would under the new arrangements export 65,000 tons of butter to the U.K. during the year ending May 20, 1959 ; (ii) that the total of individual import quotas would be 34,500 tons, reducing by 30,500 tons the amount that would have been shipped otherwise ; and (iii) that an estimated drop in Argentine butter exports of 8,000 tons, and a fall in Belgian exports, would bring the total reduction to about 40,000 tons—the figure mentioned by Sir David Eccles.

Prior to these developments, the Board of Trade had announced on May 16 that the open general licence for butter imports from other O.E.E.C. countries had been temporarily withdrawn so far as Belgium was concerned, pending discussions with the Belgian Government.

The statement said that H.M. Government had received reports that 1,000 tons of butter from Belgian surplus stocks was being offered on the U.K. market, although Belgium was not a normal supplier of butter to the United Kingdom. The Government's action was based on information received by the National Farmers' Union. The Belgian butter was to be sent to Britain at 1s. 3d. to 1s. 4½d. a lb.—a price far lower than the current market rate, and also far below the domestic price in Belgium itself.

Although both Mr. Skinner and Mr. Nash (the N.Z. Prime Minister) had initially expressed "disappointment" at the U.K. Government's decision not to impose countervailing or anti-dumping duties immediately on imports of dumped butter, as requested by New Zealand, the arrangements eventually made with Finland, Sweden, and the Irish Republic, as well as the measures taken in the case of Belgium and Poland, were received with satisfaction in Wellington.

On returning to Wellington from London, Mr. Skinner said in a broadcast on June 11 that New Zealand could "not under-estimate the value of what the British Government proposes to do." In his opinion, "four very important principles" had been established which would "in the long term be a very considerable advantage to New Zealand." First, there was the application of quotas to butter-dumping countries and the U.K.'s willingness to use its anti-dumping legislation to force those countries to accept such quotas. Secondly, there was the withdrawal of open general licences covering Belgium and all the Eastern European countries—"again a very great advantage to us." The third principle was the U.K. Government's agreement that, by their action, the price of butter on the U.K. market should rise to 2s. 9d. or 3s. 0d. a lb. by November 1958, "thus implying that such a price would be a reasonable one to accept under the circumstances." The fourth point was the right to review the position in November, "or indeed at any time that we wish."

Mr. Skinner added : "Though it is not all we expected to achieve, I nevertheless feel that when the effects of the British Government's proposals can be fully experienced it will result in a far greater advantage to us than we first thought. I believe we have gone a long way in establishing principles which will be a guide in future years to the marketing of our dairy products in the United Kingdom."

British Butter Imports.

The following table, published by *The Times* on May 21 and based on figures supplied by the Ministry of Agriculture, shows the changing pattern of U.K. butter supplies :

From :	Jan.-March 1958 '000 tons	Jan.-March 1958 per cent	Jan.-March 1957 '000 tons	Jan.-March 1957 per cent	1956 per cent	1934-38 per cent
New Zealand .	50	40	54	44½	41	28
Australia . .	17	14	27	22	20	18
Eire . .	5	4	2	1½	—	4
Argentina . .	3	2½	7	6	3	1
Denmark . .	20	16	19	16	23	23
Finland . .	4	3	4	3	3	1½
Netherlands . .	5	4	3	2½	2	6
Sweden . .	3	2½	2	1½	—	2
Poland . .	6	5	—	—	—	1
Home output, etc.	11	9	4	3	8	15½
Total . .	124	100	122	100	100	100

New Zealand now has a larger share of the U.K. butter market than in 1934-38, though its share declined between 1956 and 1957. Finland, Sweden, and the Irish Republic together have a larger share of U.K. supplies than in 1934-38, but the effect of the new proposals will be to reduce their share to below the pre-war level. Home production of butter has been rising steadily, reaching 34,000 tons (9 per cent of total supplies) in 1957 against 20,000 tons (4 per cent of total supplies) in 1934-38.

Trends of World Butter Production and Consumption.

Following a meeting of the European regional committee of the International Federation of Agricultural Producers, which ended in London on April 12, a resolution was published which had been unanimously adopted by the representatives of the following butter-producing countries : Australia, New Zealand, Denmark, Finland, France, Luxemburg, the Netherlands, Norway, Sweden, and the United Kingdom.

The resolution said that after an examination of recent trends, it had been agreed that present difficulties experienced by producers arising from falling butter prices and heavy stocks were attributable to (*a*) the increase in world butter production, due partly to higher milk yields per cow, partly to a higher natural butter-fat content, and partly to the fact that certain countries had standardized the butter-fat content of milk for liquid consumption at a low level, resulting in an increased quantity of butter-fat available for manufacture ; (*b*) the reduction in domestic butter consumption in certain countries, which caused some exporting countries to seek expanded sales abroad and some importing countries to reduce or restrict imports ; (*c*) the rise in butter output in some traditionally importing countries ; (*d*) the fact that the U.K. was virtually the only country to allow butter to enter without restriction of quantity and with a low import duty ; (*e*) an increase in margarine consumption in most countries in relation to that of butter.

The meeting agreed to recommend to Governments and marketing associations that immediate steps should be taken to :

"(1) Secure a significant increase in butter consumption in all producing countries by effectively narrowing the gap between prices of butter and margarine in countries where this is excessive, and to extend publicity campaigns and other effective means ;

"(2) Raise the fat content of milk sold for liquid consumption in countries where standardization, especially at a low level, is now practised to as near the natural level as possible, and to take all possible steps to increase the consumption of liquid milk ; and

"(3) Promote the use of milk and milk products for welfare purposes, e.g. for school programmes."

As a result of the measures taken by the U.K. Government, Finland and Sweden approached the Soviet Union with a view to diverting some of their butter exports to that country. (Times - Daily Telegraph - Financial Times - Directorate of Information, Wellington - N.Z. Department of External Affairs - Irish Times, Dublin - Svenska Dagbladet, Stockholm - Australian News and Information Bureau) **(Prev. rep. U.K.-N.Z. Trade Agreement, 15594 A ; New Zealand Import Restrictions, 15985 A ; U.K. Customs Duties (Dumping and Subsidies) Act, 16189 A.)**

A. JAPAN. — Atomic Energy Agreements with Britain and United States. - Purchase of Atomic Reactor from Britain.

Agreements on co-operation in the peaceful uses of atomic energy were signed by the Japanese Government on June 16 with Great Britain and the United States.

Anglo-Japanese Agreement. This agreement, which will enable Japan to buy a British atomic reactor and the nuclear fuel to operate it, covers the exchange of unclassified technical information, the possibility of British assistance in building Japanese plants for manufacturing fuel elements and processing used fuel, and the provision of training facilities in the United Kingdom for Japanese scientists and technicians. Safeguards are provided to ensure that material and equipment are not used for military purposes. Fissionable materials recovered from or produced through the use of material or equipment supplied will be at the disposal of the Japanese Government. When not immediately required by Japan they will be held in stores designated by the U.K. Atomic Energy Authority, either in Japan or the United Kingdom.

The Authority will have the first option on any such material which the Japanese Government does not need for its own peaceful programme, but any material not taken up by the Authority may be transferred to a third country or to an international organization by agreement between the two Governments.

In case of accidents the Japanese Government will indemnify the Atomic Energy Authority against liability to any third party for damage attributable to the production and manufacture of nuclear fuel which might occur after delivery to the Japanese Government. The agreement will remain in force for 10 years.

U.S.-Japanese Agreement. Under this agreement the U.S. Government undertook to make available to Japan, as needed over a 10-year period, a net amount of 2,700 kilograms of Uranium-235 for use in research, experimental power, and power reactors. The uranium will be either sold or leased to Japan.

Prior to the signing of the Anglo-Japanese agreement, the head of a mission sent to Britain by the Japanese Atomic Power Generation Company (Mr. D. Yasukawa) had announced in London on Feb. 19 that his mission had issued official specifications for the purchase of a British-type nuclear power plant with an output of 150 megawatts. He stated that tenders would be invited from the General Electric—Simon-Carves Atomic Energy Group, the A.E.I.—John Thompson Nuclear Energy Company, and the English Electric, Babcock and Wilcox, and Taylor Woodrow consortium. It was expected that the construction of Japan's first nuclear power station, to be sited at Tokai (68 miles north-east of Tokio), would begin in October next and be completed in 1963.

The Japanese decision to buy a reactor of the British "Calder Hall" type was based on a recommendation by a mission which visited Britain in the autumn of 1957; this recommendation ended a prolonged controversy in Tokio as to whether Japan should buy its first reactor for a power station from Britain or the United States. An important Japanese requirement was that the reactor should be "earthquake-resistant."

Creation of Japanese Atomic Power Company. - Opening of First Experimental Reactor.

The Japanese Government decided on Sept. 3, 1957, to establish a new company, in which both the Government and private enterprise would participate, for the import and operation of nuclear power reactors. The company—known as the Atomic Power Generation Company—would have an initial capital of 1,000,000,000 yen (£1,000,000), of which 20 per cent would be contributed by the Government-owned Electric Power Resources Development Corporation, 40 per cent by the nine major power companies in Japan, and the remaining 40 per cent by the principal manufacturers of electric appliances and by private subscribers. Despite its relatively small capital investment, the Government reserved the right of final control over the company's policies, including the right to approve appointments to executive positions.

Japan's first experimental atomic reactor, supplied by the U.S.A., was opened at Tokai in September 1957.—(Times - Manchester Guardian - Financial Times - New York Times)

B. NETHERLANDS - SOVIET UNION. — Direct Air Service between Amsterdam and Moscow.

A civil aviation agreement between the Netherlands and the Soviet Union was signed in The Hague on June 17, providing for the opening of a weekly air service between Amsterdam and Moscow. The service will be operated by Royal Dutch Airlines (K.L.M.) using Douglas DC-6B aircraft and by the Soviet *Aeroflot* line using TU-104 planes.—(Netherlands News Agency - Soviet Embassy Press Department, London)

(Prev. rep. 16230 C; 16068 B.)

C. AUSTRALIA - NEW ZEALAND. — Prime Ministers' Meeting. - Australian Aid for New Zealand. - £10,000,000 Credit for N.Z. Imports. - Agreement on Standardization of Defence Equipment.

The Prime Minister of New Zealand, Mr. Nash, visited Sydney on June 14-15 for discussions with the Australian Federal Prime Minister, Mr. Menzies. Mr. Nash was accompanied by the N.Z. Minister for Industries and Commerce, Mr. McIntosh. A communiqué issued on June 15 announced:

(1) The two Prime Ministers had agreed "in principle on certain proposals" whereby Australia would be able to give immediate financial aid to New Zealand to help her in her economic difficulties; these proposals would be worked out "in more detail" and a further statement issued as soon as possible.

(2) It had also been agreed "to modify some of New Zealand's financial commitments in relation to forces stationed with the Commonwealth Strategic Reserve in Malaya.

(3) Officials of both countries would meet in Wellington early in July to consider the renewal of the present trade agreement with a view to increasing their mutual trade, and to discuss means of easing the pressure on New Zealand's balance of payments.

In a press statement on his arrival in Sydney Mr. Nash had said that New Zealand would have to borrow more money than ever before from oversea countries to counter the problems of falling export income and rising import costs. He advocated a joint approach by Australia and New Zealand to open new markets in South-East Asia, and pleaded for Australian assistance in backing New Zealand's moves to bring about a modification of the list of strategic goods embargoed for trade with China.

After the meeting Mr. Nash pointed out that New Zealand purchases from Australia in 1957 had totalled £A44,000,000, whilst her exports to Australia had been only £A12,000,000; there was thus an adverse trade balance of £A32,000,000, compared with one of £A21,000,000 in 1954.

Mr. Menzies announced on July 1 that as a result of his discussions with Mr. Nash the Commonwealth Bank, at the request of the Australian Government, would grant the Reserve Bank of New Zealand a credit of £A10,000,000. The credit would be used during the year 1958-59 to finance N.Z. payments in Australia, and would be repayable in instalments over a number of years.

In a statement on June 17 Mr. Nash announced that an agreement to standardize defence equipment had been informally reached during his talks with Mr. Menzies. Mr. Nash pointed out that such a standardization would be "good economy for both countries"; it would not mean, however, that New Zealand must buy all her equipment from Australia, and she could still buy "where the market is most favourable." He added that Australia would make most of the equipment, but New Zealand would also manufacture some items for Australia, including radio equipment and heavy vehicles. (Australian News and Information Bureau - Directorate of Information, Wellington) **(Prev. rep. New Zealand Exchange Position, 15985 A; Defence Talks, 15815 A.)**

D. INDIA. — Gradual Introduction of Metric System.

The Indian Minister of Commerce (Mr. Kanungo) announced on June 26 that the metric system of weights would be introduced on July 1 in the jute industry and from Oct. 1 in trade generally in certain selected areas, and also for certain limited purposes in Government departments and in the major industries. During a transitional period of two years, however, the use of existing weights would be allowed in these sectors: for the jute industry until July 1, 1960, and for other industries until Sept. 30, 1960. Mr. Kanungo added that the second stage of the change-over would be the introduction of metric linear and capacity measures, which was likely to take place during 1959.

The Government's decision to introduce the metric system of weights in certain industries was based on the Weights and Measures Act, which had been passed by the Indian Parliament in 1956 after it had been considered by a joint committee of both Houses. The Act provides for the completion of the change-over within 10 years of its adoption by Parliament, and for the use of international terms for the new metric units.

Prior to Mr. Kanungo's statement it had been announced in Delhi on Nov. 21, 1957, that the metric system of weights and measures would be adopted in marketing chemical products as from April 1, 1958.—(The Statesman, Calcutta - Indian High Commissioner's Office, London)

(Prev. rep. 15588 B.)

JULY 5—12, 1958

A. ITALY.—General Election. - Signor Fanfani forms New Coalition Government.

General elections for a new Chamber of Deputies and a new Senate were held in Italy on May 25-26, following the dissolution of both Houses of the Italian Parliament in March (see 16091 E).

Voting took place under the electoral reform legislation of 1956 (see 14879 A) which restored the system of "straight" proportional representation in the Chamber of Deputies, without the possibility of presenting joint party lists or of special allocations of seats to parties or coalitions polling more than one-half of the total vote.

All men and women over 21 were entitled to vote in the elections for the Chamber, each elector choosing a party list as a whole but being entitled to show preferences for candidates within the local list. There were 32 electoral districts, each returning one deputy for every 80,000 inhabitants. Whereas the former Chamber had 590 deputies, the membership of the new Chamber was increased to 596 because of the rise in population. The electorate totalled 32,506,417, including 16,897,158 women (52.1 per cent). There were 5,980 candidates presented by 86 parties, of whom, however, only 10 parties were on a national level.

In the elections for the Senate all men and women over 25 were entitled to vote, electors casting their vote for a candidate in the first instance and not for a party list. There were 19 electoral districts, each returning one senator for every 200,000 inhabitants. Because of the larger population, the membership of the new Senate was 246, compared with 237 in the former Senate. The electorate for the Senate numbered 29,224,134, including 15,253,015 women (52.3 per cent). There were 1,945 candidates.

Party strengths in the former Chamber were as follows at the dissolution: *Centre parties*—Christian Democrats 263; Social Democrats 19; Liberals 13; Republicans 5; South Tirol People's Party 3. *Left-wing parties*—Communists 143; Left-wing Socialists 75. *Right-wing parties*—Monarchists 40; Italian Social Movement (neo-Fascists) 29.

The Christian Democrats fought the elections for the first time without being in coalition with the other Centre parties—the Social Democrats, Liberals, and Republicans—although they stressed that they were aiming at a "new solidarity" with all "homogeneous" parties after the elections. The Communists and Nenni (Left-wing) Socialists likewise fought the elections independently, the Socialists having previously rejected an appeal by the Communists for the restoration of their former alliance. The Republicans contested the elections jointly with the new Radical Party, which had been formed in December 1955 after the secession of certain left-wing members from the Liberal Party. The Monarchists were divided between the Popular Monarchists (led by Signor Lauro, the ex-Mayor of Naples) and the National Monarchists (led by Signor Covelli), from whom the Popular Monarchists seceded in 1954—see 13633 B.

The *Communità* Movement, founded and led by Signor Adriano Olivetti (head of the typewriter concern at Ivrea, near Turin), contested the elections for the first time. The Movement—officially the "Community of Culture of the Workers and the Peasants"—is a left-centre group advocating a "non-Marxist Christian Socialism" and an intensified campaign against unemployment and poverty in Southern Italy on a largely co-operative basis. Another small group, the Independent Left (*Sinistra Independente*)—an offshoot of the Nenni Socialists—also participated in general elections for the first time.

The Christian Democrats were strongly supported by the Roman Catholic Church, which exhorted its members to give their votes solely to Christian Democratic candidates. The Communists, on the other hand, waged their campaign on opposition to "clerical totalitarianism."

The new deputies were elected for a five-year term and the Senators for six years. In addition to the 246 elected Senators there were another six Senators appointed for life, making the total membership of the Senate 252.

Voting was extremely heavy throughout the country, the number of voters going to the polls being given as over 93 per cent. The final election results were announced on May 27 as follows, comparison being given with the results of the last (1953) general elections:

Chamber of Deputies.

Parties	1958 Votes	1958 Per-centage	1958 Seats	1953 Votes	1953 Per-centage	1953 Seats
Christian Democrats	12,508,674	42.2	273	10,836,675	40.0	262
Communists	6,700,812	22.7	140	6,121,922	22.6	143
Socialists	4,198,522	14.2	84	3,441,305	12.7	75
Social Democrats	1,352,029	4.6	23	1,223,251	4.5	19
Liberals	1,046,132	3.5	16	816,267	3.0	13
National Monarchists	656,714	2.2	10	1,855,842	6.9	40†
Popular Monarchists	775,801	2.6	13			
Italian Social Movement (M.S.I.)	1,410,770	4.7	25	1,580,293	5.8	29
Republicans and Radicals	405,072	1.4	7	437,988	1.6	5
Others	483,750	1.7	5*	779,200	2.9	4

*South Tirol People's Party (representing the German-speaking minority in Alto Adige) 3; Val d'Aosta joint list 1; *Communità* 1.
†The Monarchist Party split into the National Monarchists and the Popular Monarchists in 1954.

Senate.

Parties	1958 Votes	1958 Per-centage	1958 Seats	1953 Votes	1953 Per-centage	1953 Seats
Christian Democrats	10,757,656	41.3	122	9,894,754	40.7	116
Communists	5,694,810	21.8	60	5,080,143	20.9	54
Socialists	3,683,346	14.1	35	2,929,906	12.1	28
Social Democrats	1,135,151	4.4	5	988,778	4.1	4
Liberals	1,024,309	3.9	4	720,698	3.0	3
National Monarchists	566,265	2.2	2	1,734,275	7.1	16†
Popular Monarchists	738,936	2.8	5			
Italian Social Movement (M.S.I.)	1,119,712	4.3	8	1,482,101	6.1	9
Republicans and Radicals	369,192	1.4	—	225,611	0.9	—
Others	979,727	3.8	5*	1,775,672	7.8	—

*Independent Left 3; South Tirol People's Party 2.
†See footnote to Chamber of Deputies results above.

Voting results for the Chamber of Deputies election in the six principal cities were as follows:

Rome—C.D. 377,546; Com. 256,459; Soc. 145,200; S.D. 37,391; Lib. 51,709; Nat. Mon. 47,589; Pop. Mon. 54,352; Rad. 28,619; M.S.I. 146,959.

Milan—C.D. 284,456; Com. 191,177; Soc. 169,056; S.D. 86,116; Lib. 88,839; Nat. Mon. 20,447; Pop. Mon. 26,010; Rad. 16,254; M.S.I. 48,446.

Naples—C.D. 192,103; Com. 147,092; Soc. 40,713; S.D. 8,129; Lib. 11,912; Nat. Mon. 7,140; Pop. Mon. 156,728; Rad. 3,070; M.S.I. 20,336.

Turin—C.D. 201,394; Com. 189,236; Soc. 84,252; S.D. 56,666; Lib. 39,276; Nat. Mon. 18,811; Pop. Mon. 8,401; Rad. 9,467; M.S.I. 19,531.

Genoa—C.D. 169,622; Com. 124,539; Soc. 105,076; S.D. 32,867; Lib. 24,546; Nat. Mon. 6,252; Pop. Mon. 2,986; Rad. 9,214; M.S.I. 24,708.

Bologna—C.D. 82,135; Com. 107,757; Soc. 37,423; S.D. 27,643; Lib. 16,880; Nat. Mon. 2,012; Pop. Mon. 1,971; Rad. 4,680; M.S.I. 11,023.

The results were interpreted in the Italian Press as a slight overall movement from the Right to the Centre and from the Centre to the Left, with the Christian Democrats appreciably strengthening and the two left-wing parties fully maintaining their positions.

On the Right, the neo-Fascist vote fell by 1.1 per cent of the total vote as compared with the 1953 elections, the regression being particularly notable in the South. Both Monarchist parties suffered a serious setback, which was all the more unexpected in view of the success of Signor Lauro's Popular Monarchists in the Sardinian regional elections of 1957 [see below].

The lost Monarchist and neo-Fascist votes were believed to have gone either to the Christian Democrats or to the Liberals. The latter increased their poll by 0.5 per cent of the total vote, or one-seventh of their total voting strength in 1953—thereby halting the steady regression which they had suffered in previous elections. Liberal gains were particularly notable in Milan.

The Christian Democrats secured an absolute majority in the Senate, though failing to do so in the Chamber. In spite of having been in office uninterruptedly since the war, they nevertheless increased their percentage of the overall vote for the Chamber from 40 to 42.2—the largest percentage increase of any party.

Of the other Centre parties, the Social Democrats showed a very slight advance, but the Republicans, despite their alliance with the Radicals, suffered a reverse, especially in south-central Italy. It was believed that a number of their former followers had voted for the Nenni Socialists.

Of the Left-wing parties, the Nenni Socialists, though losing votes to the Communists, were believed to have gained votes from the Republicans. Their voting percentage in the Chamber elections rose from 12.7 to 14.2, but it was pointed out that they had been supported by two small left-wing groups—the *Unione Socialisti Indipendenti* and *Unità Popolare*—which in 1953 had put up candidates of their own and together polled 1.4 per cent of the total vote; making allowance for this, the actual percentage increase of the Nenni Socialists was only 0.1.

The Communists fully maintained their position in spite of the serious loss of members since the 20th Congress of the Soviet Communist Party and M. Khrushchev's attacks on Stalinist policy. [At a congress of the Italian Communist Party in April, it was stated that the party's membership in 1957 had declined by 200,000 to 1,820,000, compared with a membership of over 2,000,000 in 1956.] The Communists were nevertheless believed to have gained considerable additional support from left-wing Socialists who were dissatisfied with Signor Nenni's policy.

Chamber of Deputies.

Leading political personalities re-elected to the Chamber of Deputies and the Senate included the following.

Prominent Christian Democrats re-elected included Signor Fanfani, the party's secretary-general; Signor Pella, Deputy Premier and Foreign Minister in the Zoli Government, and a former Prime Minister; Signori Scelba and Segni, both former Prime Ministers; Signor Leone, president of the former Chamber; Signor Tambroni, the Minister of the Interior; Signori Andreotti, the Finance Minister; Signor Taviani, the Defence Minister; Signor Gonella, the Minister of Justice; Signor Togni, the Minister of Public Works; Signor Rinaldo, Minister without portfolio; and Signor La Pira, the mayor of Florence.

Signor Palmiro Togliatti and Signor Pietro Nenni, the respective secretaries-general of the Communist and Socialist parties, were both re-elected. Among the re-elected Social Democrats were Signori Saragat and Romita, as well as Signori Simonini and Tremelloni, both former Ministers.

Among prominent Liberals re-elected to the Chamber were Signor Malagodi, the party's secretary-general; Dr. Gaetano Martino, the former Foreign Minister; and Signor De Caro, also a former Minister. Signor Achille Lauro (formerly a senator) was elected to the Chamber for the Popular Monarchists, while Signor Covelli (secretary-general) was re-elected for the National Monarchists. The most prominent Radicals re-elected were Signori Pacciardi and Ugo La Malfa, both former Ministers. The neo-Fascist deputies re-elected included Signor De Marsanich, the party's secretary-general. Signor Olivetti was the only candidate of the *Communità* movement elected to the Chamber of Deputies.

Senate.

Prominent Christian Democrats re-elected included Signor Merzagora, president of the former Senate, who obtained the highest number of votes in the Senate elections; Signor Zoli, the outgoing Prime Minister; Signor Attilio Piccioni, a former Foreign Minister; Signor Medici, the Treasury Minister; and Signor Crespellani, president of the Sardinian Region, who entered the Senate for the first time. Among prominent Communists elected to the Senate was Signor Pietro Secchia, and among Socialists Signor Ferruccio Parri, a member of several post-war Cabinets and a former member of the Republican Party.

The new Senate will only have three women members. Signora Angelina Merlin (Socialist), sponsor of the anti-brothel legislation [see 16061 E], was not re-elected.

Following the resignation of Signor Zoli's Cabinet on June 19, Signor Fanfani (the secretary-general of the Christian Democratic Party) was asked by President Gronchi on June 25 to form a new Government. After discussions with the leaders of all "democratic centre" parties he obtained the support of the Social Democrats, and on July 1 submitted the following Cabinet list to the President (abbreviations: C.D.—Christian Democrat; S.D.—Social Democrat):

Signor Amintore Fanfani (C.D.) ..	Prime Minister and Foreign Affairs.
Signor Antonio Segni (C.D.)	Deputy Premier and Defence.
Signor Giulio Pastore (C.D.)	Minister without portfolio for the Economic Development of Southern Italy and Depressed Areas.
Signor Camillo Giardina (C.D.) ..	Minister without portfolio for Administrative Reform.
*Signor Rinaldo Del Bo (C.D.) ..	Minister without portfolio for Relations with Parliament.
*Signor Fernando Tambroni (C.D.) ..	Interior.
*Signor Guido Gonella (C.D.)	Justice.
†Senator Giuseppe Medici (C.D.) ..	Budget.
Signor Luigi Preti (S.D.)	Finance.
†Signor Giulio Andreotti (C.D.) ..	Treasury.
*Signor Aldo Moro (C.D.)	Education.
*Signor Giuseppe Togni (C.D.) ..	Public Works.
Signor Mario Ferrari Aggradi (C.D.) ..	Agriculture and Forests.
*Senator Armando Angelini (C.D.) ..	Transport.
Signor Alberto Simonini (S.D.) ..	Posts and Telecommunications.
†Senator Giorgio Bo (C.D.)	Industry and Commerce.
Signor Ezio Vigorelli (S.D.)	Labour and Social Welfare.
†Signor Emilio Colombo (C.D.) ..	Foreign Trade.
Signor Giuseppe Spataro (C.D.) ..	Merchant Marine.
Senator Edgardo Lami Starnuti (S.D.)	State Investments in Industry.

*No change.
†Held different portfolio in Zoli Cabinet.

The new Government, which was sworn in on July 2, thus consists of 16 Christian Democrats and four Social Democrats. It was stated that Signor Fanfani also intended to appoint a Minister of Health. Five of the Cabinet members held ministerial office for the first time.

Signor Fanfani, leader of the left wing of the Christian Democrats (the *Iniziativa Democratica*), has been secretary-general of the party since July 1954, when he succeeded the late Signor De Gasperi [see 13687 B]. The electoral success of the Christian Democrats in the present elections was largely attributed to his leadership of the party organization. [For biographical details of Signor Fanfani, including his 11-day premiership in 1954, see 13421 A.]

Signor Segni was Prime Minister of the Christian Democratic-Liberal-Social Democratic coalition government which held office from July 1955 to May 1957; a Sardinian, he is regarded as one of the "elder statesmen" of the Christian Democratic Party. [For biographical details see 14320 A].

Signor Pastore is secretary-general of the *Confederazione Italiana dei Sindicati dei Lavoratori* (CISL), the largest non-Communist trade union federation [see 10706 B]. A former textile worker, he is the first prominent trade unionist to enter the Government in Republican Italy, and his inclusion in Signor Fanfani's Cabinet was therefore regarded as an important development.

Signor Andreotti, one of the younger Christian Democratic leaders, was Minister of Finance in the Zoli Cabinet, while **Senator Medici** was in charge of the Treasury.

Prior to the general elections, regional elections had been held in Sardinia in June 1957 and in the Trentino-Upper Adige region in 1956.

Sardinia. In the Sardinian elections, which took place on June 17, 1957, the Christian Democrats obtained 31 seats, the Communists 13, the Nenni Socialists 6, the Popular Monarchists 6, the Sardinian Action Party (affiliated to the Nenni Socialists) 5, the National Monarchists 4, the M.S.I. 3, the Liberals 1, and the Social Democrats 1.

In the previous regional Parliament (which had 65 seats against 70 in the new one) the distribution of seats was: Christian Democrats 30, Communists 15, Nenni Socialists 5, Monarchists 5, M.S.I. 4, Sardinian Action Party 4, Liberals 1, and Social Democrats 1.

The Communist vote dropped from 22.3 to 17.5 per cent of the total, while the Nenni Socialist vote increased from 8.8. to 9.5 per cent. The Christian Democrats' percentage was 41.7, against 41 in 1953. The biggest gains were registered by the Monarchists - especially the Popular Monarchists headed by Signor Lauro, who secured over 60,000 votes, or about 9 per cent of the total.

Trentino-Upper Adige. These elections, held on Nov. 11, 1956, resulted in the following distribution of seats (former party strengths in parantheses): *Trentino Province*—Christian Democrats 18 (17); Nenni Socialists and Social Democrats 4 (4); Tirol People's Party 1 (2); Communists 1 (1); Liberals 1 (0); M.S.I. 1 (1). *Bolzano Province*—South Tirol People's Party 15 (15); Christian Democrats 3 (3); Nenni Socialists 1 (1); Social Democrats 1 (1); Communists 1 (1); M.S.I. 1 (1).

The Regional Council for the whole region—consisting of the deputies of both provincial Diets—therefore consists of 21 Christian Democrats, 15 South Tirol People's Party, 6 Nenni Socialists and Social Democrats, 2 Communists, 2 M.S.I., and one member each from the Tirol People's Party and the Liberals.

Under the post-war Republican Constitution, four regions were created enjoying autonomy in certain internal matters and possessing their own regional parliaments—Sardinia, Sicily, Trentino and Upper Adige (South Tirol), and the Val d'Aosta.—(Giornale d'Italia, Rome - Corriere della Sera and Corriere d'Informazione, Milan) **(Prev. rep. General Elections, 13017 A; Electoral Reform, 14879 A; Regional Elections, 14251 A; Cabinet, 15671 A.)**

A. UNITED KINGDOM. — Relaxation of "Credit Squeeze." - Control of Bank Advances ended. - Introduction of "Special Deposit" System when Necessary. - Changes in Capital Issues Control. - Increase in Initial Allowances for Industry.

The Chancellor of the Exchequer, Mr. Heathcoat Amory, announced in the House of Commons on July 3 important relaxations of the existing credit restrictions, notably :

(1) The ending as from July 31 of the obligation by banks to restrict the total level of their advances to any given figure. Control over total advances by the banks will in future be retained by normal monetary measures, reinforced by a new arrangement whereby the Bank of England will, if necessary, restrict the liquidity ratio of the banking system by calling for "special deposits."

(2) Modification of capital issues control by the Capital Issues Committee, including (i) the restoration of the exemption limit from the present level of £10,000 to the former level of £50,000 ; (ii) the removal from the purview of the Capital Issues Committee of the appropriateness of bank finance for capital purposes ; (iii) the exemption from the Committee's control of bonus issues for the capitalization of reserves, although—to avoid tax evasion—Treasury consent will still be needed where the issue of redeemable securities is involved ; (iv) the application of a broader view by the Committee in examining capital issue proposals still needing its consent.

Mr. Heathcoat Amory began by recalling a statement he had made during the Committee stage of the Finance Bill [see below] that the Government's economic objectives—"to put the strength of sterling, the soundness of our international position, and price stability first"—were "fundamental and unchanging."

He went on : "I said at the time that we would keep the policies by which we intend to reach those objectives flexible. We must in particular make sure that we go ahead as fast as conditions allow in those activities which concern our export trade and in industrial investment. That was in relation to initial allowances. I consider that the time has come when, with the same objectives and without modifying these basic aims of policy, we can safely make some limited relaxations in the control of borrowing.

"As regards bank credit, I have decided that I need not ask the banks to restrict the total level of their advances to any given figure after the end of July. For the future I hope to dispense with official requests to restrict total advances and to retain control over bank credit by normal monetary measures, reinforced by a new arrangement under which the Bank of England will, if need be, restrict the liquidity of the banking system by calling for special deposits.

"This will be a temporary arrangement pending the recommendations of the Radcliffe Committee, to which we look for advice about any permanent changes. But it will be available in the meantime if existing monetary instruments are not sufficient to secure the necessary control over the credit system. These arrangements are recorded in more detail in correspondence between the Governor of the Bank of England and myself [see below].

"In the second place I have decided to make adjustments in the scope of the capital issues control, they are set out in a letter to the chairman of the Capital Issues Committee. At the same time the Treasury has made an Order, operating tomorrow, amending the Control of Borrowing Order. Briefly summarized, the new provisions are :

(1) The Committee may take a longer view in examining proposals which come before them. Instead of limiting their contents to proposals which are currently urgent, they may assent to applications which anticipate future needs.

(2) In view of the new arrangements for securing the necessary control of bank credit, the Credit Issues Committee will no longer be concerned with the appropriateness of bank finance for capital purposes.

(3) The exemption limit will be restored from the present level of £10,000 to the former level of £50,000.

(4) Bonus issues or capitalization of reserves will no longer come before the Capital Issues Committee. But where the issue of redeemable securities is involved, the consent of the Treasury will be needed.

(5) The amending Order contains provisions to prevent the raising of new money outside the control.

"I need only add that we are determined not to return to inflationary conditions," the Chancellor concluded. "But it is clearly right to encourage such sound development as we judge to be within our capacity. That is the main purpose of these measures."

The documents detailing the new arrangements to which the Chancellor referred were published on the same day, as follows :

Chancellor's Letter to Governor of Bank of England (July 1).

"On Sept. 19 last my predecessor stated that the situation required that the average level of bank advances during the coming 12 months should be held at the average level for the preceding 12 months. He informed the clearing bankers of this requirement, and they gave their assurance that, in spite of the difficulties, they would intensify the restriction of credit and do their best to achieve this result. Similar support was given by the British Bankers' Association and other banking associations and committees concerned.

"In my Budget statement on April 15 I thanked the banks for the co-operation which they have shown in keeping down the level of advances fully in accordance with the undertakings which they gave to my predecessor : and I asked them to continue that policy.

"After reviewing the developments of the past few months, I have now concluded that the situation does not require that I should renew Mr. Thorneycroft's request in September and that some gradual relaxation between now and then is justified. I have therefore decided that I need not ask the banks to restrict the total level of bank advances to any given figure after the end of July.

"At the same time, I trust that the banks, in framing their advances policy, will have regard to the revised guidance that I have given to the Capital Issues Committee in my letter of to-day . . . regarding the treatment of applications for which the consent of the Treasury is required.

"I should like to stress the importance which I attach in present circumstances to the provision of credit for export business, whether in the ordinary course of business or through medium-term financing under E.C.G.D. guarantee.

"I also wish to re-emphasize the hope which I expressed in my Budget statement that projects for sound development in areas where unemployment is substantially above the average should not be held back by lack of credit or finance.

"As to the future, it would be clearly wise to await the recommendations of the Radcliffe Committee before considering any permanent changes in the methods of influencing the volume of bank lending. I regard it as essential, however, that in the interim period some provisional method should be at hand to reinforce the existing machinery of interest rates, and open market operations if it should again prove necessary to restrain an increase of total bank advances.

"Both the Bank of England and the banking organizations have repeatedly impressed upon H.M. Government that the method of 'official request' made to the banks several times in recent years to restrict total advances, although it had proved efficacious for short periods, hampers the efficient working of the banking system and is thus damaging both to the banks and to the public interest if carried on for too long or too frequently renewed.

"I accept this view and I should therefore be grateful if the Bank of England would between how and the end of July prepare an alternative scheme which could if necessary be introduced as a temporary measure pending the Radcliffe Committee's report . . ."

Governor's Reply to the Chancellor (July 3).

"I have informed the banking associations and committees concerned of the terms of your letter of July 1.

"You ask that an alternative scheme should be prepared for use to reinforce the existing machinery of interest rates and open market operations if it should again prove necessary to restrain an increase of total bank advances. The Bank of England have now drawn up the heads of a scheme for 'special deposits' which could be available for introduction as a temporary measure pending any recommendations which may be made by the Radcliffe Committee. I have already discussed this scheme in general terms with representatives of the principal banking organizations concerned, and details are now being settled.

"The broad outline of the scheme is as follows :

"When it appeared necessary, in support of other monetary measures, to restrict the liquidity of the banking system and thus the ability of the banks to extend credit, the Bank of England would call for special deposits to be made with them by the banks. Such deposits would carry interest based on the current Treasury Bill rate. They would not qualify for inclusion in the banks' liquid assets. There would be provision for partial release by agreement with the Bank of England when justified by special considerations.

"The banks would continue to maintain their usual minimum ratios between liquid assets and total deposits.

"Calls would be made on each group of banks separately, the amount being related to the total gross deposits of each group at a specified date, with monthly adjustments to take account of variations in the deposits of each bank. The ratio of a call to total deposits would not necessarily be the same for each group.

"Initially the scheme is being discussed with the clearing and Scottish banks, but it might later be more widely applied in the light of experience.

"The scheme would serve to reinforce the existing monetary instruments and would be employed as a general control of credit in the same way and after the same sort of consideration as Bank rate.

"I understand that this scheme meets with your approval in principle . . ."

Chancellor's Letter to Lord Kennet, Chairman of Capital Issues Committee (July 1).

"I have now completed my review of credit policy, and the results as they affect the control of borrowing are set out in this letter for the guidance of yourself and your colleagues on the Capital Issues Committee. This letter is intended to supersede the memoranda and letters previously sent to the committee.

PURPOSES.

"First, as to the purposes for which consent should be given or withheld. Hitherto the basic guidance to the Committee has been the statement of principles in the letter written to you by Mr. Butler as Chancellor on Dec. 4, 1951 That guidance has since been modified from time to time by statements and requests which successive Chancellors have sent you on specific points reflecting developments in economic and financial policy.

"The practical effect of these successive statements and requests may be summarized as follows ·

(i) The Committee are asked to recommend consent only when they are satisfied that the purpose of an application has definite urgency under current requirements

(ii) In exercising their judgment on the merits of individual applications the Committee are asked :

(*a*) To recommend in favour of investment designed to maintain or increase the production of goods or services for essential purposes, with particular regard to the production of exports, the saving of imports, and the earning of foreign exchange ; and

(*b*) To recommend against investment for production or distribution or provision of services in the home market which in the judgment of the Committee can be postponed.

"I have decided that this statement of principles . . . should stand with one modification as regards the criterion of urgency. I now consider that the Committee can justifiably take a longer view and regard as eligible for consent an application for a purpose which may not be immediately urgent but which anticipates the future growth of requirements, bearing in mind that a primary objective is to stimulate production of exports, saving of imports, and earning of foreign exchange. For the time being I do not consider that the criterion of immediate urgency should be relaxed where one of those elements is not present.

"The Committee are asked to continue the practice of referring applications to the Government departments concerned with the purposes for which the finance is required. The Committee will no doubt take full account of any advice, favourable or unfavourable, that may be offered by departments. But I emphasize that the Committee are not bound by such advice and that I shall continue to rely on their personal judgment of the merits of each case that is referred to them.

"The Committee should also continue the practice—where they think it appropriate—of discriminating between the several parts of an application and, where they think fit, recommending consent to the raising of finance only for part of a project.

SPECIAL OBJECTS.

"I do not suggest any general change in the list of special purposes which the Committee have hitherto been asked either to discourage or to encourage. But some modification of emphasis is required, and I think it will be useful to restate these items as follows :

Speculation. Recommendations for consent for borrowing intended to finance the speculative buying or holding of shares, materials or real property (including the development of land) should continue to be withheld.

Investment Trusts. The Committee may feel free to recommend consent to applications from investment trusts and unit trusts ; but when considering cases in which the finance is proposed to be applied in making significant purchases of foreign securities, the Committee are asked to bear in mind that the principal benefit which these trusts bring to the economy is that they encourage savings and supply risk-bearing capital for British industry.

Hire-purchase Finance. Such applications should be critically scrutinized, but the Treasury will be prepared to act on a recommendation in favour of an issue where the Committee consider that the raising of finance is desirable as a means of improving the stability of the hire-purchase financial system.

Commonwealth Projects. The Committee are asked to continue to give sympathetic consideration to projects which appear to them to be likely to contribute materially to strengthening the sterling area's balance of payments with the non-sterling world.

Investment in Areas of Persistent Unemployment. Consent may be recommended to any proposal for sound development which is likely to reduce unemployment in an area of Great Britain where there is a high rate of unemployment which would otherwise be likely to persist, or to any proposal for financing investment in Northern Ireland which, though desirable, might not qualify for consent if the investment were made elsewhere in the United Kingdom.

BANK ADVANCES FOR CAPITAL PURPOSES.

"The time has come for the banks to resume full responsibility for the terms of bank advances.

"Applications for bank finance for capital purposes, being outside the normal course of the applicant's business, require Treasury consent under the Control of Borrowing Order and therefore will continue to be referred to the Capital Issues Committee for their advice. The Committee, in dealing with such cases, should consider the purpose of the proposals on the same principles as they apply to proposals financed from non-bank sources, but they should leave the appropriateness of bank finance and the terms as to period and repayment of advances to the discretion of the banks themselves."

CONTROL OF BORROWING ORDER.

The letter then set out the proposed amendments to the Control of Borrowing Order as described below. With regard to the imposition of control for the purpose of preventing new money from being raised outside the control by artificial devices, the Chancellor wrote :

"In April, 1955, the Treasury amended the Order to exempt from control certain classes of capital operations which for the most part did not involve raising new money in order to free normal commercial transactions from restrictions Unfortunately, this relaxation has been abused and the exempt operations have been adapted to raise large sums of new money for undertakings which have been refused, or would have been refused, permission to borrow. As long as the control of borrowing is retained it must be made effective, and I see no alternative but to restore statutory control over the classes of transactions that were exempted three years ago. I regret the inconvenience to legitimate business transactions. But I know I can rely on the Capital Issues Committee to recommend consent to such transactions with the minimum of inquiry and delay, and to concentrate their critical attention on the transactions that are really devices for raising new money . . ."

The Control of Borrowing (Amendment) Order, 1958, which came into force on July 4, implemented the changes announced in the control of capital issues, viz. :

(1) The restoration of the exemption limit of £50,000, which had been in force under the original Order of 1947 until it was reduced to £10,000 in March 1956.

(2) The exemption of bonus issues made to capitalize profits or reserves, unless they take the form of issues of redeemable securities ; in this case it will still be necessary to apply for Treasury consent to enable the Treasury to prevent operations designed to reduce tax liabilities, but there will no longer be any reference to the Capital Issues Committee.

(3) The imposition of capital issues control for certain transactions which had previously been exempted by the amending Order of April 1955.

The purpose of the 1955 Order was to free those transactions which did not involve the raising of new money. By the combination of transactions each exempt from control, however, companies have been able to raise capital in three main ways : - (*a*) by carrying out operations which have the same effect as if property were charged by way of mortgage ; (*b*) by acquiring, through the issue of shares, the shares, undertaking, or assets of another company whose assets consist largely of cash or of securities that can be easily realized ; (*c*) by borrowing money temporarily without security and then converting those borrowings into permanent capital by the issue of shares or other securities as consideration for the existing indebtedness.

The classes of transactions that will now be restricted are :— (*a*) transactions between associated companies ; (*b*) transactions by which the price of property or of an undertaking is left unpaid ; (*c*) issues of shares as consideration for shares, undertakings or assets ; (*d*) issues of shares in settlement of existing indebtedness ; (*e*) issues of securities except for securing a bank overdraft or for re-financing a maturing loan.

In order not to delay legitimate commercial operations, the Order still leaves a wide range of normal transactions exempt from control, of which some of the more important are : borrowing from a bank in the ordinary course of the borrower's business ; borrowing temporarily without a security ; issues of shares as consideration for the acquisition of property on the incorporation of a private company ; issues of securities for conversion or redemption of existing issues.

Increase in Initial Allowances.

The relaxation of the "credit squeeze" had been preceded by the Chancellor's announcement on June 17 (during the Committee stage of the Finance Bill) that he intended to move an amendment to increase the scale of initial allowances for plant and machinery by one-half, instead of by one-quarter as originally proposed in his Budget. The initial allowances would therefore be, with retrospective effect from Budget Day (April 15) : (*a*) 30 per cent for plant and machinery, instead of 25 per cent as originally proposed ; (*b*) 15 per cent for industrial buildings, instead of 25 per cent as originally proposed. The special rate of 40 per cent for mining works would remain unchanged.

The Chancellor explained that, weighing the various factors since his Budget speech, he had come to the conclusion that "it would be well to give some practical encouragement to industrial investment by an improvement in initial allowances." While one could not suppose that such allowances by themselves were likely to be a determining factor in investment plans, he believed that they nevertheless exerted a positive influence. He stressed that the main aim of the Government's economic policy remained the strengthening of sterling, and that price stability remained its first objective.—(Times - Daily Telegraph - Manchester Guardian - Financial Times)

(Prev. rep. Credit Restrictions, 16113 A ; 15770 A ; 15790 D ; Bank Rate, 16236 A ; Initial Allowances, 16113 A.)

A. IRISH REPUBLIC. — By-elections. - Creation of National Progressive Democratic Party.

Two by-elections to the *Dail Eireann* took place in the Irish Republic in recent weeks, the first in South Galway on May 31 and the second in Dublin South-Central on June 25. Results were as follows :

South Galway.

Millar, Anthony (Fianna Fail) ..	11,552
Clarke, F. (Fine Gael)	6,268
McWalter, M. (Sinn Fein)	3,758
No change. Fianna Fail majority	5,284

Mr. Millar, a 23-year-old farmer, was elected on the first count ; he will be the youngest member of the Dail. Polling was 75 per cent of the electorate. The by-election was caused by the death of Mr. Beegan, the former Fianna Fail member.

Dublin South-Central.

This by-election resulted in a Fianna Fail gain from an Independent, the seat being won by Mr. Patrick J. Cummins.

The other candidates were Mr. Sean MacBride (*Clann na Poblachta*), the former Minister of Foreign Affairs ; Mr. Frank Cluskey (Labour) ; Mr. John Hegarty (Fine Gael), and Mr. Noel Hartnett, candidate of the new National Progressive Democratic Party [see below], which was contesting a by-election for the first time.

The first count resulted as follows . Cummins, 6,014 ; Hegarty, 3,089 ; MacBride, 3,030 ; Cluskey, 2,762 ; Hartnett, 2,600. After the successive elimination of Mr. Hartnett (who forfeited his deposit), Mr. Cluskey, and Mr. Hegarty, and transferring second preference votes, Mr. Cummins was declared elected on the fourth count by 7,988 votes against 7,083 for Mr. McBride. Polling was 35 per cent of the electorate.

The by-election was caused by the resignation of Mr. John Murphy, who was returned at the 1957 general election as an Independent representing the unemployed. Mr Murphy (who was himself unemployed at the time of his election) resigned his seat on May 10 as a protest against what he described as the Government's failure to deal with the unemployment situation.

The Dublin South-Central by-election brought the strength of Fianna Fail in the Dail to 78.

Formation of National Progressive Democratic Party.

The formation of a new political party, known as the National Progressive Democrats, was announced on May 16 by two Independent members of the Dail, Dr. Noel Browne and Mr. Jack McQuillan.

A statement on the new party's policy said that 30 years of Irish independence had resulted "not in economic advancement and political maturity but in the growth and spread of despair and disillusionment among the vast majority of our people." There was no possibility of "any fundamental or realistic assessment of our economic potentialities, nor of any alteration in the unjust and ramshackle social and educational system," until the Civil War leaders "left the political arena to younger men, free of their hatreds and obsessions." With emigration at a high level and a "constant high rate of unemployment," it had been "nothing short of political insanity to try to force our youth to learn a language [i.e. Irish] which gave them no advantage in the lands where so many of them were destined to live and work." Many of these young persons, "in order to find an outlet for their latent idealism," were now turning to organizations "which advocate a resort to physical force to achieve the abolition of our territorial partition." It was "ironic to hear them condemned by those who were themselves the fathers of undemocratic force in this country in 1922."

The statement went on to say that the sums at present spent on the presidential establishment, on costly embassies abroad, and on the Army—"a museum-piece in the present epoch of atomic terror"—could be used to create a fund for implementing a national development policy. Considering the achievements already made in harnessing rivers, developing bogs, and establishing a sugar industry, developments "along similar lines" would "show a like success." In this connexion the statement advocated the development of fisheries, afforestation, and land reclamation, rather than the fostering of "petty artificial industries which create little employment but enrich an already wealthy minority."

Dr. Noel Browne was originally a member of the *Clann na Poblachta* and became Minister for Health at the age of 33. In 1951 he resigned after a conflict with the Roman Catholic Church over his "mother and child" scheme for a limited national health service, his resignation being followed by the fall of Mr. Costello's coalition government. In the subsequent general election he was returned as an Independent, but later joined Fianna Fail. He lost his seat at the following general election (1954), left Fianna Fail in 1957, and was returned at the general election later that year as an Independent for Dublin South-East.

Mr. McQuillan, member for Roscommon, has shown marked sympathy for the I.R.A. and has criticized the Government for using the army and police against it.—(Irish Times, Dublin)

(By-elections, 15857 A ; Dr. Noel Browne, 15429 A.)

B. LITERATURE.—Book Selections, May - June 1958.

Selected books published in Great Britain and the United States are given below :

Great Britain. Barkeley, Richard—"The Road to Mayerling : Life and Death of Crown Prince Rudolph of Austria." Volume I. (Macmillan, 25s.)

Birkenhead, Sheila—"Peace in Piccadilly : The Story of Albany." (Hamish Hamilton, 25s.)

Clark, Colin—"Australian Hopes and Fears" (Hollis & Carter, 30s.)

Cowles, Virginia—"The Phantom Major : The Story of David Stirling and the S.A.S. Regiment." (Collins, 16s)

Grinnell-Milne, Duncan—"The Silent Victory : September 1940." (Bodley Head, 21s.)

Henderson, Ian (with Philip Goodhart)—"The Hunt for Kimathi." (Hamish Hamilton, 21s)

Henrey, Mrs. Robert—"The Virgin of Aldermanbury . Rebirth of the City of London" (Dent, 20s.)

Huizinga, J. H.—"Confessions of a European in England." Translated from the Dutch. (Heinemann, 25s.)

Jungk, Robert—"Brighter than a Thousand Suns . The Moral and Political History of the Atomic Scientists" Translated from the German. (Victor Gollancz and Rupert Hart-Davis, 21s.)

Lapp, Ralph E.—"The Voyage of the Lucky Dragon." The Story of the *Fukuryu Maru* and the Nuclear Test at Bikini, March 1954. (Frederick Muller, 18s.)

Rowse, A. L.—"The Later Churchills." An English Family, Volume II. (Macmillan, 35s.)

Swarthout, Glendon—"They Came to Cordura." A Novel of the American Military Expedition in Mexico, 1916. (Heinemann, 15s)

"The Diaries of Theodor Herzl." Edited and translated by Marvin Lowenthal. (Victor Gollancz, 42s.)

"The Mist Procession : The Autobiography of Lord Vansittart." Published posthumously. (Hutchinson, 35s)

Urquhart, Major-General R E.—"Arnhem." The Story of the Battle of Arnhem. (Cassell, 21s.)

Warner, Rex—"The Young Caesar." An Historical Novel. (Collins, 16s.)

Wheatley, Ronald—"Operation Sea Lion : German Plans for the Invasion of England, 1939-1942." (Oxford University Press, 30s.)

United States. Agee, James—"A Death in the Family." (McDowell, Obolensky Inc., New York, $3.95). Pulitzer Prize Novel.

Hoover, Herbert—"The Ordeal of Woodrow Wilson." (McGraw-Hill, New York, $6.00)

(Ed. K.C.A.) **(Prev. rep. Book Selections, 16152 A.)**

C. GREECE - SPAIN. — Ministerial Discussions.

The Spanish Foreign Minister, Dr. Mario Castiella, paid a three-day visit to Athens on June 21-23 for discussions with the Greek Prime Minister (M. Karamanlis) and the Foreign Minister (M. Averoff). A joint communiqué said that the two countries would co-ordinate their efforts for the consolidation of world peace, adding that "the traditional friendship which links both Greece and Spain with the Arab countries constitutes an important factor of equilibrium which it would be desirable to reinforce." It was also stated that trade exchanges between Greece and Spain would be increased. The communiqué made no reference to Cyprus, though it was understood that this question had been discussed.

(Hellenic News Agency, Athens)

D. CHANNEL ISLANDS. — New Lieutenant-Governors of Jersey and Guernsey.

It was announced on June 18 that the Queen had approved the appointment of General Sir George Erskine as Lieutenant-Governor of Jersey in succession to Admiral Sir Randolph Nicholson, whose term of office expires in the autumn. General Erskine (59) commanded the Seventh Armoured Division (the "Desert Rats") in Tunisia, Italy and Normandy during the war.

The appointment of Vice-Admiral Sir William Robson as Lieutenant-Governor of Guernsey *vice* Air Marshal Sir Thomas Elmhurst (term of office expiring in the autumn) was announced on July 11. Vice-Admiral Robson (56) was lately C.-in-C., South Atlantic.—(Times - Manchester Guardian)

(Prev. rep. 12992 G ; 12950 B.)

E. UNITED KINGDOM. — Independent Conservative M.P.s rejoin Conservative Party.

The five remaining Independent Conservative M.P.s (Lord Hinchingbrooke, Mr. Biggs-Davison, Mr. Anthony Fell, Mr. Laurence Turner and Mr. Paul Williams) were readmitted to the Conservative Parliamentary party on July 11. They had previously applied for the restoration of the party Whip on June 24, explaining that they were now in full agreement with the Government's foreign policy.—(Daily Telegraph)

(Prev. rep. 16233 A.)

Note. In the previous report cited, reference should be made to the last paragraph of the section dealing with the recent by-election at Ealing South.

A. UNITED KINGDOM. — The London Bus Strike.

A strike which resulted in the temporary withdrawal of all bus and trolley-bus services, both country and metropolitan, within the London Transport area, as well as of the Green Line coach services operated by the London Transport Executive, began on May 5 and only ended on June 21 after protracted negotiations. An account of the seven-week strike, and of the wage dispute which occasioned it, is given below under cross headings.

The History of the Dispute.

The dispute dated back to November 1957, when the London Transport Executive rejected a claim by the Transport and General Workers' Union (to which most busmen belong) for an overall increase of 25s. a week for all LTE bus and trolley-bus staff, including the crews of "country" buses and Green Line coaches and garage and maintenance men. A busmen's delegate conference thereupon decided on Dec. 9, by 105 votes to 25: (*a*) to ask the LTE to renew negotiations; (*b*) if it refused, to seek from the TGWU "plenary powers" including the right to strike if necessary—to enforce their demand. The conference rejected the TGWU's advice to submit the claim to arbitration.

The LTE, however, again turned down the claim on Dec. 23, saying that it would cost £4,000,000 a year and mean a further increase in fares. The Executive suggested the submission of the claim to an independent Court of Inquiry, and intimated that it might consider an increase for Central Area staff but not for other employees, who had already improved on their pre-war position more than busmen in the Central Area. At a meeting between LTE and TGWU representatives at the Ministry of Labour on Jan. 10, 1958, the Executive informed Sir Wilfrid Neden (the Minister's Chief Industrial Commissioner) that it could not make a counter-offer. The meeting then discussed the possibility of referring the dispute to a conciliation committee, Sir Wilfrid pointing out that such a committee could only be set up if the Minister of Labour (Mr. Macleod) approved.

The Proposed Conciliation Committee.

On Jan. 14 the busmen's negotiating committee recommended that discussions with the LTE should be continued with the assistance of a conciliation committee appointed by the Minister of Labour. This recommendation was approved on Jan. 17 by a busmen's delegate conference by 110 votes to 20, the conference voting decisively against strike action. On Jan. 25, however, Mr. Macleod refused to set up a conciliation committee, though intimating that he would consider a general inquiry into wages throughout the whole road passenger transport industry.

Mr. Macleod repeated his refusal to appoint a conciliation committee at a meeting on Jan. 28 with Mr. Frank Cousins and Mr. Nicholas, respectively general secretary and assistant general secretary of the TGWU. He emphasized that the claim could still be submitted to arbitration, and again suggested a thorough inquiry into the whole wages structure of the road transport industry throughout the country, so as to eliminate "leap-frog" demands from London and provincial busmen respectively. Mr. Cousins and Mr. Nicholas, however, asked Mr. Macleod to reconsider his decision and stressed (*a*) that he had given no indication of his unwillingness to appoint a conciliation committee until Jan. 25; (*b*) that the TGWU had meanwhile with great difficulty persuaded the busmen to agree to submit the claim to such a committee; (*c*) that the TGWU did not consider that a wider inquiry, as suggested by the Minister, would solve the immediate problem of the London busmen's claim; (*d*) that busmen had already refused to submit the claim to arbitration. Mr. Macleod nevertheless reiterated his position in the House of Commons on Jan. 29.

The Industrial Court's Award.

The *impasse* appeared to have been broken on Feb. 3, when, after a 12-hour discussion, a busmen's delegate conference approved (by 92 votes to 40) a proposal by Mr. Cousins that the claim should be referred to the Industrial Court for arbitration, on the understanding that the court's decision should not bind the busmen unless they considered it "fair." The conference rejected proposals for (*a*) a national conference to review busmen's wages throughout Britain; (*b*) a strike by all LTE road transport employees.

The Industrial Court (whose chairman is Sir John Forster) announced its award on March 18, as follows: (1) an immediate increase of 8s. 6d. a week to bus and trolley-bus crews in the Central Area (numbering about 36,000 persons); (2) no increase for "country" busmen, Green Line crews, or maintenance and garage men. The award, which represented increases of 4.4 per cent and 4.5 per cent in the basic minima of drivers and conductors (then £9 13s. 6d. and £9 9s. 6d. respectively), was expected to cost London Transport about £1,000,000 a year.

The Busmen's Decision to Strike.

The Industrial Court's award was immediately accepted by the LTE, but at a meeting on March 17 between LTE and TGWU representatives the latter demanded that it should be "substantially increased" and applied to all LTE road transport employees, numbering nearly 50,000. The LTE, however, replied that it could not agree to this, whereupon the busmen's negotiating committee recommended on March 24 that the TGWU should be asked to sanction "industrial action" in support of an overall increase of "at least 10s. 6d. weekly."

After the TGWU had considered the position, Mr. Cousins gave formal notice on April 2 that all London bus, trolley-bus, and Green Line coach staff would cease work on May 5 unless a settlement had been reached in the meantime. [The union's agreement with London Transport stipulated three month's notice of an intended strike, but only one month's notice was given at the time of the last London bus strike in 1937.]

To prevent as far as possible the diversion of traffic to the London Underground and British suburban lines, the TGWU on April 15 concluded a "mutual aid pact" with the railway unions, under which the latter agreed not to allow additional trains to be run should the bus strike take place; the TGWU, for its part, undertook to prevent the manning of extra buses should the current railway wages dispute (see 16209 A) meanwhile culminate in a rail stoppage.

At Sir John Elliot's initiative a meeting between LTE and TGWU representatives led by Mr. Cousins took place on April 28. At this meeting Mr. Cousins made the unexpected proposal that the £1,000,000 which the 8s. 6d. increase to Central Area busmen was estimated to cost should be spread evenly over the whole of the workers covered by the original demand i.e. over "country" and Green Line crews, garage and maintenance staff, etc. This suggestion, which would have reduced the increase to Central Area staff to 6s. 6d. a week in order to benefit other staff, was rejected by Sir John Elliot on the ground that it would not be in line with the award, which expressly limited the increase to Central Area staff. Instead he undertook, provided that the award was accepted as it stood and the strike notices were withdrawn, that London Transport would examine with the union in the autumn the wage-rates of men covered by the original application but excluded from the award, "such review to include a joint examination of means of securing the most economical operation and maintenance of London Transport services." This offer was rejected by the TGWU and the talks again broke down. On April 30 Mr. Cousins appealed to Mr. Macleod to induce London Transport to agree to the TGWU proposals, but Mr. Macleod refused to do so, saying that "the effect of the union's suggestion would be to alter completely the basis of the Industrial Court's award."

Sir John Elliot's Warning to Busmen.

On May 1 Sir John Elliot wrote to Mr. Cousins repeating his offer (*a*) to carry out the Industrial Court's award and back-date the 8s. 6d. increase to Central Area staff to March 12, 1958; (*b*) to review the wages of country-bus crews and maintenance and garage men in the autumn, with an earlier review in the case of Green Line coach crews. Mr. Cousins, however, did not reply to Sir John, but instead urged the busmen to "stand firm whether the strike is long or short." Sir John thereupon sent a "personal message" to all LTE road passenger staff, warning them that a strike would only result in a further serious decline in the number of passengers carried by London Transport road services, which in 1957 had averaged 2,000,000 fewer each day than in 1950. Sir John's message was worded as follows:

"A strike does not, and cannot, alter facts. Here are some inescapable facts . . . The bus business is declining, not only in London and in Britain but all over the world, and it will continue to do so. Why?

"Firstly, because of the enormous increase in the number of motor-cars, 'bubble' cars, motor-bicycles, scooters, etc. Once a man has bought one of these, he uses public transport as little as possible. Another striking change in people's lives is the rapid spread of television, particularly in the Greater London area. This keeps whole families at home in the evenings and at week-ends; formerly they came out and used our buses freely.

"Lastly, there is the day-long congestion in the London streets caused by parked motor-cars and vans, which I am always complaining about on behalf of our nine million bus passengers, because it makes the bus services irregular and unreliable.

"Here is the biggest fact of the lot. As a result of all this, London Transport road services are to-day carrying just under two million fewer passengers every day than they were in 1950, and the numbers are still falling . . .

"That is why I wish to tell you straight that, in my belief, the disappearance of the buses, trolleybuses, and coaches from the streets and roads of Greater London at this time, quite apart from its tremendous hardship to the public who rely on them to get to and from their work, will be disastrous to us.

"It can only result in turning away from our road services tens of thousands of passengers more, and all experience shows that many of these will leave us permanently. Thus the inevitable result of a strike will be that when the buses do come back on to the streets there will be less work for fewer busmen, and eventually less money with which to pay wages.

"I am convinced that with a substantial wage increase awarded to the majority of London busmen, it is the height of folly to go on strike at a time when the public are in any case using our services less and less. Indeed, I can think of nothing that could deal a worse blow at your real interests than this.

"Our only job is to serve the public, and it is the public in the end who settle everything, by their willingness or refusal to use our services."

Mr. Macleod's Non-Intervention. - Beginning of Bus Strike.

In the House of Commons, Mr. Gaitskell (Leader of the Opposition) called on the Minister of Labour on May 2 to "show initiative" and summon the two sides to an immediate meeting under his chairmanship. Mr. Macleod, however, declined to intervene at this stage, saying that it would be "improper" for him to agree to vary an Industrial Court's award. Despite a declaration by Mr. Cousins that "London busmen will be very pleased if we can get out of this situation with honour and dignity," a mass meeting of busmen at Earl's Court on the same day confirmed the decision to proceed with the strike.

The stoppage accordingly began at midnight of May 4-5, when all buses, trolley-buses, and Green Line coaches in the London Transport area—a total of 8,320 vehicles—went off the roads. The 605 routes affected covered a total mileage of about 2,000, and served an area of approximately 3,000 square miles within a radius of about 30 miles from Charing Cross, stretching from Baldock (Herts.) in the north to Horsham (Sussex) in the south, and from Wendover and West Wycombe (Bucks.) in the west to Gravesend (Kent) in the east. About 10,000,000 people live in the area.

The strike caused less disturbance to business activity than had been expected, both London Underground and British Railways suburban lines dealing without much difficulty with the abnormal number of passengers using them. Although an estimated 10,000 more private cars than usual—many bearing "free lift" signs issued by the motoring associations—were brought into the City and the West End, there was little abnormal congestion except at certain "black spots"—e.g. the Thames bridges, Ludgate Circus, and Victoria. On the other hand many motorists found that the absence of the slow-moving buses greatly relieved congestion and enabled cars to move with unwonted freedom. Although on May 5 and subsequent days thousands of City workers were forced to travel from their homes by unaccustomed and circuitous routes, most reached their destinations on time; a census of leading firms on May 5 showed that 90 per cent or more of their employees had reported at the usual hour. Some large employers provided coaches to bring in their staffs from special "picking-up" points and return them to these points after work. On subsequent days the congestion and delay grew gradually less as the public became more accustomed to the situation.

Opposition Motion of Censure on Minister of Labour.

In the House of Commons on May 5, Mr. Robens (Lab.) urged the Minister of Labour, now that the strike had actually begun, to reverse his decision and call the two sides together in an attempt to bring about a settlement. Mr. Macleod, however, again declined to do this, saying that he did not consider the time ripe.

Mr. Robens thereupon moved the adjournment of the House to permit an immediate debate on the matter, but this motion was disallowed by the Speaker on the ground that the matter did not come within the appropriate Standing Order. Mr. Gaitskell then gave notice that the Opposition would table a motion of censure. This motion, which "deplored the Minister of Labour's refusal, in pursuance of the economic and industrial policy of the Government, to attempt to bring about a settlement of the bus dispute," was debated in the House on May 8. It was defeated by 320 votes to 253 after Mr. Macleod had stressed the need to choose the right time for ministerial intervention, and had pointed out that neither side had as yet given any sign of departing from its original position.

Further Abortive Negotiations. - TGWU Appeals to Railway Unions.

Following a promise by Mr. Macleod on May 16 that he would intervene in the dispute as soon as he "saw a single chink of light," Mr. Cousins on May 21 outlined to Sir Wilfrid Neden a suggested basis for discussions. Sir John Elliot thereupon suggested to Mr. Cousins a meeting for an "exchange of views," but Mr. Cousins declined to meet him without his negotiating committee. After consulting his colleagues, Sir John Elliot replied that such a meeting was "not appropriate at this stage."

Mr. Cousins announced on May 25 that the TGWU executive would notify the NUR and ASLEF that the "continued excess use" of the London Underground by habitual bus passengers was "minimizing the consequences of the strike," and would ask them for their "considered opinions as to whether they could help the busmen further." On May 27 he announced that the TGWU would ask its members employed in petrol distribution in London and South-East England to be prepared to strike in sympathy, and might also ask TGWU members at London Transport power stations to "take sympathetic action." On May 28 the NUR and ASLEF leaders replied that their unions could not help the busmen further than they were already doing under the "mutual aid pact" (see above).

T.U.C. Intervention. - Government Statement on Oil Supplies.

The General Council of the T.U.C. met on May 28 to "review the general position in regard to the bus strike"; it received an assurance from Mr. Cousins that the TGWU had not yet asked oil distribution or power station workers to stop work, but had merely asked them to consider what help they would give, if required. The General Council thereupon appealed to Mr. Macleod to bring both sides together for negotiations. The Minister, however, replied that he "could see no way in which he could usefully intervene."

A T.U.C. delegation led by Mr. Tom Yates (chairman of the General Council) saw the Prime Minister and the Minister of Transport and Civil Aviation (Mr. Harold Watkinson) later on May 28, but were informed by Mr. Macmillan that he could "hold out no hope of Government intervention to improve the pay offer."

On the same day the Minister of Power (Lord Mills) issued a statement to the effect that if labour were withdrawn from oil distribution in London and the Home Counties, the Government would "take immediate steps to ensure supplies of petrol and oil." Simultaneously the War Office announced that week-end leave had been stopped for "certain categories of soldiers," numbering about 6,000.

T.U.C.'s Advice against Extension of Strike.

Talks between the two sides were resumed at Mr. Cousins' request (and on the T.U.C.'s advice) on May 31.

Sir John Elliot, while stressing that London Transport could not depart from the Industrial Court's award, offered either (*a*) to begin a review of the pay of employees outside the award as soon as work was resumed, and to complete it within a month; or (*b*) to refer the whole issue back to the Industrial Court. Both alternatives were declined by Mr. Cousins, who proposed instead that London Transport should grant employees outside the award a "token increase" of 4s. a week pending the completion of the review. Sir John refused to agree to this, and the meeting broke down.

Sir John subsequently announced that the Executive were planning a further reduction of 10 per cent in bus services (in addition to a 4 per cent cut made in 1957). He added that it was hoped that some of the traffic now being carried on the Underground would "stay there and help to cure street congestion," and that at least 500 buses would be taken off in October, thus saving 2,500 staff and about £2,000,000 in costs.

Mr. Cousins' rejection of Sir John's offer was unanimously approved by a busmen's delegate conference on June 2, on which day the T.U.C. General Council asked the Prime Minister for a second interview. This meeting took place on June 4, when Mr. Macmillan explained, however, that he could only advise the resumption of negotiations on the basis of Sir John Elliot's latest offer.

After the T.U.C. General Council had heard a report on the position from Mr. Cousins later on June 4, it advised him "not to attempt to extend the strike to workers in other industries," but promised to try to arrange a new meeting with Sir John Elliot. At this meeting (June 5) Sir John proposed that a joint review of "country" busmen's pay should begin as soon as work was resumed, and should be concluded by July 1, any agreed increase to date from July 2. Mr. Cousins, however, rejected this new offer and demanded (1) that the 8s. 6d. increase to Central Area busmen should be back-dated to March 12, the date of the award; (2) that Green Line coach drivers should also receive 8s. 6d., back-dated to March 12; (3) that "country" bus workers should be assured of some increase, which should be back-dated to the start of the review. As these demands were unacceptable to London Transport, this meeting also ended in failure.

The rejection of Sir John's new offer was unanimously approved by a busmen's delegate conference on June 6, but the conference decided (by 71 votes to 60) against seeking to extend the strike to other workers.

Following criticisms by Mr. Cousins of the T.U.C.'s attitude towards extending the strike, a group of NUR men employed on the London Underground decided to call one-day "token" strikes in support of the busmen each week until the bus dispute was settled. This decision was strongly opposed by the NUR executive, and when the first stoppage was called on June 9 only about 230 employees (mostly motormen) of the 18,000 on the Underground system stopped work. About 50 of the 500 trains normally operated at the peak rush-hours had to be cancelled.

On June 11 Mr. Cousins asked Mr. Macleod whether he thought he could now "usefully intervene," whereupon the Minister and Sir Wilfrid Neden saw Sir John Elliot later the same day. A Ministry

spokesman subsequently stated, however, that it had been made clear that the LTE was "not able to depart from the position reached on May 31." As the strike seemed likely to continue, Mr. Cousins asked the T.U.C. on June 12 to assist the TGWU financially so as to relieve it from any necessity of placing its securities (totalling about £10,000,000) on the market. The T.U.C. General Council agreed to assist the TGWU and to ask all affiliated unions to lend it money. The Boilermakers' Society subsequently agreed to lend £50,000 to the TGWU at 2 per cent interest per annum.

Ending of the Strike.

On June 13, however, the busmen's negotiating committee decided by eight votes to four to recommend a resumption of talks with the LTE on the basis of Sir John Elliot's offer of May 31; a proposal to try to extend the strike had been previously defeated by seven votes to six—a bare majority of one. Later the same day a busmen's delegate conference decided by 94 votes to 32 that meetings should be held at all London Transport garages to decide on further action, an amendment to extend the strike being defeated by a large majority. After a meeting on June 18 between Mr. Cousins and his negotiating committee on the one side, and Sir John Elliot and other LTE members on the other, it was announced that a new formula for ending the strike had been agreed upon and would be submitted to a busmen's delegate conference on June 19. This conference recommended (by 113 votes to 15) that work should be resumed on the basis of the new formula—a recommendation approved on June 20 by 94 of the 118 London Transport garages. The first buses to return to service began running the same night, and there was a complete resumption of work throughout the London Transport area on June 21.

The formula agreed between the two sides on June 18, provided (1) that Central Area drivers and conductors should receive a weekly increase of 8s. 6d. with effect from the resumption of work; (2) that Green Line coach workers should receive an agreed increase from the same date; (3) that a joint review of the wages of staff excluded from the Industrial Court's award should be carried out "on the merits of the case," and be concluded by July 1, any agreed increase being payable from July 2; (4) that the intention of the review should be to "provide an upward trend of wage levels"; (5) that it was not intended that any decision resulting from the review should "leave the wages of country services staff in an unfavourable position compared with other LTE road service staffs of comparable grade"; (6) that increases to maintenance staff resulting from the review should not be less than increases to LTE and railway workshops staff which might result from negotiations then in progress.

The strike, which lasted nearly seven weeks, was estimated to have cost the LTE over £2,000,000 and the union more than £1,500,000 in strike pay. Mr. Watkinson, speaking on June 20 of the consequences of the strike, said: "The fact is that nobody has gained anything at all. The London travelling public have been put to great inconvenience; the finances of London Transport and of the trade union have suffered a heavy blow. The only concrete result of the strike is that there will probably never again be the same number of buses on the London streets."—(Times - Daily Telegraph)

(Prev. rep. Provincial Bus Strike, 16004 A.)

A. INDIA. — Re-finance Corporation for Industry.

A company to advance loans through the agency of banks to medium-sized industrial units in the private sector was set up in Bombay on June 5 with official support, under the name of Re-finance Corporation for Industry (Private) Ltd. The new corporation has an authorized capital of 250,000,000 rupees and an initial issued capital of half that amount contributed jointly by the Reserve Bank of India, the Life Insurance Corporation, and 15 of the larger scheduled banks, both Indian and foreign. As its name implies, the corporation will not itself lend to industry but will assist the banks to do so. In addition to its own capital, funds will be made available to the corporation by the Government of India from a sum of about 260,000,000 rupees which had been reserved from U.S. aid counterpart funds under the agricultural commodities agreement signed by India and the U.S.A. in August 1956.

The corporation's board of directors will comprise the Governor of the Reserve Bank of India (as chairman), a Deputy Governor of the Reserve Bank, the chairmen of the State Bank of India and the Life Insurance Corporation, and three representatives of the participating banks.—(The Statesman, Calcutta - Indian High Commissioner's Office, London)

B. LONDON. — Coffee Futures Market.

Dealings on London's new coffee futures market opened on July 1 at the Commodity Exchange, Plantation House, E.C.3. (Times - Daily Telegraph)

C. UNITED NATIONS. — Special Report on World Population Trends.

A special U.N. report, published on June 29, pointed out that the world's population had increased since the beginning of the 20th century at a rate unprecedented in human history, and that this trend, if continued at its present pace, would cause serious problems for the future of mankind. "While it took 200,000 years for the world's population to reach 2,500 million," said the report, "it will now take a mere 30 years to add another 2,000 million . . . Never in the history of mankind have members of the human species multiplied so rapidly as in the present century, nor can it be easily conceived that the peopling of the earth will continue at a similar pace in the century to follow."

After pointing out that the world's population might have risen to 6,000 or 7,000 million by the turn of the century, the report stated: "The year 2000 is no farther in the future than the year 1914 is in the past. Not only technical achievement, but progress in international co-operation and organization, will have to be more effective than during the past 43 years if the expected numbers of mankind are to be organizationally and technologically accommodated to the minimum conditions required for human dignity . . . Forecasts for a still more distant future are hazardous. Yet given a continuation of the present rate of increase . . . and looking further ahead to an age some 600 years from now, the population on this globe might have expanded so much that in a world crowded with human beings, only about one square metre of soil might be left for each of them to live on. It goes without saying that this can never take place. Something will happen to prevent it."

Apart from the total increase in world population, the ensuing changes in distribution over the globe also received close attention in the report. It was anticipated that a continuous decline in the relative importance (from the point of view of population) of Europe, including the Soviet Union, would be paralleled by a great corresponding increase in the population of Asia; thus, whereas there was one European for every two Asians at the beginning of the 20th century, the ratio might have become one to four at the end of the century. For Latin America, a tenfold population increase was forecast between 1900 and 2000; by contrast, Europe would have slightly more than doubled its population over the century, while for the remaining continents a fourfold increase was forecast for the century as a whole.

"Fully one-half of the world's people live in monsoon Asia," the report pointed out. "Within this general region the concentration in particular areas is already outstandingly great. Current economic and social conditions even now present the greatest challenge to human ingenuity in seeking effective remedies to existing poverty. The problem is all the more baffling because of the large increase in population which must be expected." After recommending close attention in the rest of the world to the policies designed to slow down population increase in India and China, the report gave the warning: "Where population threatens to outstrip resources, the only alternative to fertility decline would seem to be an eventual return to permanent high mortality; emigration, at the most, can be only a temporary relief."

The growth of world population in the past century was indicated by the following figures: (*a*) in 1850 it was estimated at 1,094 million, and in 1900 at 1,550 million—an increase of 42 per cent in 50 years; (*b*) by 1925 it had risen to 1,907 million, an increase of 23 per cent in 25 years; (*c*) by 1950 the figure stood at 2,500 million, an increase of 31 per cent in 25 years; (*d*) a further 1,250 million would "almost certainly" be added by 1975; (*e*) between 1975 and 2000 the world's population would increase by another 1,250 million at a "very improbable low assumption," by 2,500 million at a "more plausible" assumption, and by 3,000 million at a "high assumption." Thus the growth of world population over the next 25 years "has an importance which transcends economic and social considerations" and "is at the very heart of the problem of our existence."

The report was prepared as part of a wider U.N. programme devoted to the study and analytical appraisal of world population trends. Entitled *The Future Growth of World Population*, it was compiled by the U.N. Department of Economic and Social Affairs and is available in London from H.M. Stationery Office.—(U.N. Information Centre, London)

D. CHILE. — New U.S. Credits.

The Chilean Finance Minister announced in June that the Chilean Government had obtained further loans in the U.S.A. in addition to the various "stand-by" loans renewed in April last [see 16150 B]. Of the new loans, $15,000,000 had been granted by the Import-Export Bank and $10,000,000 by the Economic Development Fund. The Minister explained that after effecting economies in expenditure, it was estimated that Chile would need only $40,000,000 to meet her foreign exchange requirements, and that this sum could be met by drawing on the new loans and utilizing only $15,000,000 of the "stand-by" loans.—(Bank of London and South America) **(16150 B.)**

A. UNITED KINGDOM. — The Lewisham and Dagenham Rail Disasters.

The third worst disaster in British railway history, exceeded in the number of casualties only by the Gretna troop-train disaster of 1915 and the Harrow and Wealdstone collision of 1952 (see 12626 A), occurred during the evening "rush hour" on Dec. 4, 1957, near St. John's Station, Lewisham, on the mid-Kent line of the Southern Region. At about 6.20 p.m. on that date a fast steam train from London to Ramsgate crashed in thick fog into the rear of a stationary electric train from Charing Cross to Hayes, which had been halted by a signal near St. John's Station, close to a fly-over railway bridge carrying the line from Charing Cross to Dartford and Gravesend. Under the force of the impact the middle coaches of the steam train reared almost vertically into the air and tore into the steel structure of the fly-over bridge, which fell on the rear coach of the steam train, causing very heavy casualties. Both trains were crowded with West End and City workers and Christmas shoppers. A third train, from Holborn Viaduct to Dartford, was slowly approaching the fly-over bridge at the time, but the driver was able to stop it on the edge of the gap left by the collapsed bridge; although the train was derailed, there were no casualties.

Rescue work was hampered by dense fog, but doctors and nurses were rushed to the scene as quickly as possible from hospitals in the area; together with firemen, police, and people from neighbouring houses, they worked under the light of floodlamps throughout the night.

Owing to the mutilation of the bodies recovered, the number of dead was not definitely known until Dec. 7, when it was stated by Scotland Yard to be 88. Previously (on Dec. 5) a Southern Region spokesman had given the number of casualties as: dead, 92; seriously injured, 110; slightly injured, 67. An appeal for persons in need of assistance as a result of the disaster was launched by the Mayor of Lewisham.

Mr. Harold Watkinson (Minister of Transport and Civil Aviation) announced in the House of Commons on Dec. 5 that he had appointed the Chief Inspector of Railways (then Lieut.-Col. G. R. Wilson) to hold an inquiry into the Lewisham disaster. On the same day British Railways (Southern Region) issued the following statement explaining why no fog service was in operation in the area of the disaster and why there were no fog-men on the lines:

"Fog signalmen are not provided in the area of the accident because the colour-light system of signalling is in operation. Multiple-aspect colour light signals are situated as near as possible to a driver's eye level and, in view of the intensity of light and focusing of such signals, it is not the practice to provide fog signalmen at such signals.

"The colour light signalling system, with its powerful multiple-aspect lights, not only clearly tells the driver the indication of the signal which is his immediate concern, but also tells him what indication he may expect to find at the next signal ahead. In areas where colour light signalling is not provided, fog signalmen are provided whenever possible, or block sections lengthened by the introduction of what is known technically as 'double block' working."

A Southern Region spokesman stated that the signalling system in use in the area had been installed in 1929, since when well over 1,000 trains a day had "gone through in perfect safety." He added that if the system was working satisfactorily, the driver of the steam train must have passed three signals giving warning of danger.

The trial of William John Trew, the driver of the steam train, charged with the manslaughter of the guard of the electric train into which the steam train crashed, opened at the Central Criminal Court in London on April 21, 1958. Trew pleaded "not guilty." After hearing evidence from the fireman of the steam train, the driver of the electric train, and other railway employees and officials, the jury announced that they were unable to agree, whereupon the judge discharged them and ordered a new trial. When this opened on May 7, however, no evidence was offered by the Crown against Trew, who was accordingly discharged after the jury had returned a formal verdict of "not guilty." The prosecuting counsel (Mr. Christmas Humphreys) pointed out that the proceedings had had a grave effect upon Driver Trew's mind and to some extent on his physical health; in these circumstances it was felt that further proceedings might prove a serious danger to his mental condition.

The Dagenham Disaster.

A further collision in dense fog, in which 10 people were killed and 87 injured, occurred at about 7.30 p.m. on Jan. 30, 1958, at Dagenham (Essex) on the London, Tilbury, and Southend line, when a steam train from Fenchurch Street to Shoeburyness ran into a Fenchurch Street-Southend steam train which was halted at a stop signal near Dagenham East station. Both trains were crowded at the time.

As in the Lewisham disaster, dense fog made rescue work extremely difficult, but doctors and nurses from neighbouring hospitals were brought to the spot in police cars, and together with firemen, police, and ambulance drivers worked under acetylene flares and arc-lamps to free the dead and injured. Help was also given by uninjured passengers in the two trains and by local residents.

Whereas there is no system of automatic train control on the mid-Kent line of the Southern Region, on which the Lewisham accident occurred, the London, Tilbury and Southend line has for 20 years used its own a system of A.T.C., which warns the driver when he is approaching a "distant" signal and automatically applies the brakes if the signal is at danger. The Tilbury system differs from that in use for about 50 years on the Western Region in that it is electro-magnetic, whereas the W.R. system is purely mechanical, operated by means of physical contact between a ramp between the rails and a trip-lever on the engine.

Mr. Watkinson announced on Jan. 31 that he had appointed Brigadier C. A. Langley, an inspecting officer of railways, to inquire into the Dagenham accident. He added: "The previous serious accident at Lewisham undoubtedly had a grave element of human error in it, and I have taken steps to see that Sir Brian Robertson [chairman of the British Transport Commission] reminds all concerned of the very heavy burden which falls upon them in conditions of acute fog." In reply to Mr. John Parker (Labour M.P. for Dagenham) Mr. Watkinson stated that the signalling system at Dagenham was "perfectly in order and adequate," and that preparatory work in connexion with the electrification of the line had had no effect on the accident.

Mr. J. W. Watkins, a member of the British Transport Commission and chairman of the railways sub-commission, stated on Jan. 31 that the British railway system, with over 23,000 passenger trains and 17,000 freight trains a day, was "the most intensively used in the world." The railways carried over 1,000,000,000 passengers a year—more than double the number carried on the "class one" railroads of the U.S.A.—and the risk of death to a passenger in the past 10 years had been "about one in 24,000,000 journeys—or, in terms of deaths to miles travelled from 1943 to 1955, 734,000,000 miles travelled to each fatality." Under the railway modernization plan about £150,000,000 would be spent on signalling and communications, including the extension of track circuiting, and the new type of automatic train control adopted as a standard for British Railways would be extended to all main-line routes. Contracts for initial supplies of the equipment to the value of £500,000 had already been placed, and most of this—enough for 2,000 sets of track gear and for 2,000 locomotives—was expected to be delivered during 1958.—(Times - Daily Telegraph)

(Prev. rep. Harrow Disaster, 12626 A.)

B. MALAYA. — British Aid for Expansion of Royal Malayan Navy. - Naval Base at Port Swettenham.

The U.K. Commonwealth Relations Office announced on July 1 that, under the financial agreement of 1957, Britain would (*a*) make a cash grant of £145,000 for the purchase of naval stores and equipment for the Royal Malayan Navy; (*b*) contribute £787,000 towards the cost of constructing a naval base at Port Swettenham; (*c*) transfer ships from the Royal Navy to the Royal Malayan Navy of an estimated value of £2,300,000.

The announcement recalled that the U.K. Government had agreed in January 1957 to contribute some £13,300,000 towards the expansion of Malaya's naval, military, and air forces. As part of that expansion it had now been agreed that the Royal Malayan Navy—hitherto based on Singapore, and administered and paid for by the Singapore Government since its creation in 1952—should be transferred to the Federation of Malaya. Officers and ratings from the Royal Navy at present on loan to the Royal Malayan Navy would continue to serve after its transfer to the Federation. (Times)

(Prev. rep. 15793 A; 15454 A.)

C. SWITZERLAND. — National Defence Council.

The Swiss Government decided on June 16 to set up a National Defence Council to advise the Government on all questions of national defence which were not of a purely military nature, and to co-ordinate civil and military defence measures. The Council will be under the chairmanship of the head of the Federal Military Department (i.e. the member of the Federal Council in charge of defence) and will have 21 other members, of whom 12 will represent industry, trade, and science. It was stated that the work of the Council would not affect the tasks of the existing Military Defence Commission. (Neue Zürcher Zeitung)

A. VIETNAM. — Implementation of Geneva Agreements on Regrouping of Armed Forces, Exchange of Prisoners-of-War, and Evacuation of Civilian Refugees. - South Vietnam rejects North Vietnamese Proposals for Discussions on Elections and Reunification.

In accordance with the terms of the Geneva Agreements on Vietnam, the regrouping of the French Union and Vietminh forces and the exchange of prisoners-of-war were completed by May 1955, whilst the period for the evacuation of civilian refugees, which was to have ended at the same time, was extended by agreement until July 20, 1955. The clauses providing for the holding of general elections in July 1956, with a view to the reunification of the two zones, could not be implemented, however, as the South Vietnamese Government consistently refused to regard itself as bound by the Agreements and rejected a series of proposals put forward by the North Vietnamese Government during 1955-58 for discussions on the organization of elections.

The last Vietminh forces in South Vietnam were withdrawn on May 3, 1955, whilst the evacuation of French Union forces from North Vietnam was completed 10 days later, when the French garrison left Haiphong. The completion of the exchange of prisoners-of-war had previously been announced by the International Control Commission on March 29, 1955.

During the period of 300 days from the cease-fire laid down in the Geneva Agreements for the evacuation of civilian refugees (i.e. up to May 18, 1955), about 700,000 people, 95 per cent of whom were Roman Catholics, left North for South Vietnam; about three-quarters were civilians, the remainder being military personnel and their dependants. Following a series of clashes between Vietminh troops and Roman Catholics in northern Annam during January 1955, in which people intending to leave for South Vietnam were prevented by force from doing so, demands for the extension of the 300-day period were put forward by the South Vietnamese Government and were supported by the British Government in a Note to the Soviet Government on May 7, 1955. [This procedure was adopted because the British and Soviet Foreign Ministers had acted as joint chairmen of the Geneva Conference.] The International Commission announced on May 31, 1955, that the North Vietnamese Government had agreed to extend the period until July 20, 1955, and that 3,000 more refugees had left North Vietnam since May 18.

No statistics were published of the total number of refugees leaving South for North Vietnam. The South Vietnamese Government stated on May 20, 1955, however, that about 3,500 refugees from the North had asked to be repatriated in the previous fortnight, whilst the International Commission reported on May 31 that 1,700 refugees had moved to North Vietnam since May 18. In a report published on Dec. 19, 1955, the Commission stated that about 2,500 people who had been granted permits to leave South Vietnam had not yet been able to do so.

The Foreign Minister of North Vietnam (M. Pham Van-Dong) stated on June 6, 1955, that his Government was prepared to open consultations with South Vietnam in preparation for the holding of elections in July 1956; at the same time he gave an assurance that North Vietnam desired free elections in which "all political parties, organizations, and individuals" would be able to take part. He recalled that the final declaration of the Geneva Conference (see 13689 A) provided for such consultations, and for the supervision of elections by an international body comprising representatives of the member States of the International Commission (India, Canada, and Poland). M. Ngo Dinh-Diem (then Prime Minister of South Vietnam) declared in a broadcast on July 6, 1955, however, that as South Vietnam had not signed the Geneva Agreements it was in no way bound by them; although it did not reject "the principle of elections" as a means of unifying the country, there could be no question of considering any proposals from the Vietminh "if proof is not given us that they put the higher interests of the national community above those of Communism."

Serious rioting occurred in Saigon on July 20, 1955—the anniversary of the conclusion of the Geneva Agreements, which by the Government's orders was observed as a "day of national shame." Disorders had already taken place for some days beforehand, and on July 13 the International Commission had drawn the attention of the South Vietnam authorities to the need for maintaining order. On July 19, however, members of the Government handed to M. Ngo Dinh-Diem a resolution demanding the "elimination of Polish and Indian pro-Communist elements from the International Commission," and loudspeaker vans toured the city inciting the population against the Commission. On July 20 armed mobs attacked hotels where members of the Commission were staying, assaulted members of the Commission and foreign tourists, ransacked their rooms, and set fire to furniture and cars, the total damage being estimated at £150,000. The police made no attempt to intervene until the looting and arson had been in progress for over an hour. M. Ngo Dinh-Diem described the riots as "striking proof of the determination of the Vietnamese people to fight Communism," but gave an assurance that compensation would be paid for all damage done after strong protests had been lodged by the British and U.S. Ambassadors.

In a Note of July 19, 1955, M. Pham Van-Dong had asked M. Ngo Dinh-Diem to nominate delegates to a pre-elections conference. The British, French, and U.S. diplomatic representatives in Saigon subsequently handed identical Notes to M. Ngo Dinh-Diem on July 26 emphasizing their interest in seeing the Geneva Agreements respected, and urging him to open discussions with North Vietnam. M. Ngo Dinh-Diem, however, rejected any such talks, declaring on Aug. 10 that South Vietnam was "the only legal State," and reaffirming the policy laid down in his broadcast of July 6. On Sept. 21, 1955, he issued a second statement declaring that "there can be no question of a conference, even less of negotiations."

The situation thereafter remained deadlocked until Jan. 30, 1956, when the Premier of the Chinese People's Republic, Mr. Chou En-lai, proposed in a public speech that the Geneva Conference should be reconvened to ensure the implementation of its agreements on Vietnam, and that the countries represented on the International Commission should be invited to take part. The British Foreign Office confirmed on the same day that it had already received such a proposal from China, support for which was subsequently announced by Poland, North Vietnam, and the Soviet Union. The British Government, however, suggested in a Note to the Soviet Government on March 9 that discussions on the Vietnamese situation should first take place between them as co-chairmen of the Geneva Conference.

Discussions were accordingly held in London from April 10 to May 8, 1956, between Lord Reading (then Minister of State at the Foreign Office) and M. Gromyko (then Soviet Deputy Foreign Minister). At the conclusion of the talks, the two Governments which had agreed not to convene a second conference for the present - communicated their decisions to the North and South Vietnamese Governments, to the French Government, and to the International Commission.

The letter to the two Vietnamese Governments expressed concern that the provision of the Geneva Agreements for discussions between them had not been carried out, and appealed to them to agree on a date for such discussions. It also stated that the co-chairmen would continue to consult together, and if necessary would discuss the measures which should be taken to ensure the fulfilment of the Agreements, including the proposal to convene a new conference.

The South Vietnamese Government, in its reply on May 25, 1956, reiterated its refusal to recognize the Geneva Agreements but promised not to "have recourse to solutions of violence," and to respect the demarcation line and the demilitarized zone. It declared that South Vietnam was in favour of free elections, but stated that "the absence of all liberties in North Vietnam makes impracticable at the moment any approach to the problem of electoral and pre-electoral operations." The North Vietnamese Government, on the other hand, offered on June 4 to open discussions with South Vietnam, and stated that it would ask for a new Geneva Conference if South Vietnam maintained its "negative attitude."

M. Pham Van-Dong had previously suggested to the South Vietnamese Government (on May 11, 1956) that a consultative conference should meet to make arrangements for elections to a single National Assembly, which would appoint a coalition Government for the whole of Vietnam. He subsequently addressed Notes to the British and Soviet Foreign Ministers on July 13, and again on Aug. 10, 1956, complaining that the South Vietnamese Government had failed to respond to North Vietnam's overtures; asking them to urge South Vietnam to agree on a date for a consultative conference; and suggesting that if the South persisted in its attitude, the co-chairmen should convene a new Geneva Conference.

After an interval of nearly a year, the North Vietnamese Government renewed its demand for the implementation of the Geneva Agreements in the summer of 1957. In a letter to President Diem (July 18) M. Pham Van-Dong suggested that discussions should take place on the organization of elections, and that postal services between the two zones should be restored as a step towards reunification. The South Vietnamese Government replied (in a communiqué issued on July 26) that it could "examine no proposal of the Vietminh Communists without proof and guarantee that they place the supreme interests of the nation above the interests of Communist imperialism," and that the subjection of the North to the Communist system was a fundamental obstacle to reunification. The Northern Government nevertheless proposed on Sept. 25, 1957, the holding of a conference to consider the re-establishment and development of economic relations between the two zones—a proposal which met with no response.

In a letter to President Diem on March 7, 1958, M. Pham Van-Dong repeated his proposal for a conference, which, he suggested, should meet at an early date to discuss a reduction in the number of troops on both sides and the establishment of trade relations with a view to promoting reunification; the letter strongly criticized "American interference in the internal affairs of South-East Asian countries," particularly Vietnam. In Saigon, the Northern offer was officially described as "phoney" and "a propaganda trick," and on April 26 the South Vietnamese Government issued a declaration rejecting it.

After stressing the "contradictions between the declarations and actions of the authorities in Hanoi," the statement said that the South Vietnamese Government also aimed at the country's reunification, general elections, free circulation between North and South, reduction of military forces, commercial exchanges, and loyal relations. Before any negotiations could be considered, however, "authorities in Hanoi must prove their good faith" by meeting the following six conditions: (1) they should allow the 92,319 people who, it was claimed, wished to leave the Northern territory for South Vietnam to do so; (2) they should reduce their military forces to the level of those in the South; (3) they should renounce the use of "methods of terrorism and sabotage"; (4) they should allow the population of the North to "work in freedom and raise their living standards"; (5) they should cease "to force the population to conduct propaganda in their favour in letters sent to the South"; and (6) they should "establish democratic liberties similar to those existing in the South."

Charges of increasing their armed forces were brought against each other by the two Vietnamese Governments on numerous occasions.

The Northern Government claimed on May 15, 1957, to have demobilized 80,000 men, and alleged that over 2,000 U.S. military personnel were in South Vietnam contrary to the terms of the Geneva Agreements, which limited the strength of the U.S. Military Advisory Group to 300 men; this was denied by the U.S. Defence Department, which, however, admitted that the strength of the Group was 692 officers and men. The Southern Government claimed in March 1958 to have reduced its own military manpower, despite the withdrawal of 200,000 troops of the French Expeditionary Corps, but alleged that the size of the Northern Army had been increased to 350,000 regulars and 250,000 militiamen.

The International Control Commission transferred its headquarters from Hanoi to Saigon in March 1958. Announcing its consent to the move, the South Vietnamese Government reaffirmed that it did not consider itself bound by the Geneva Agreements, but said that it would continue to regard the Commission as "an organization working for peace" and would extend to it "*de facto* co-operation."

A North Vietnamese liaison mission with the International Control Commission, which had been established in Saigon for several years, left for Hanoi on May 17, 1958. The South Vietnamese Government had previously announced that it had ordered the Communist mission to close down by May 15 and that "adequate measures" would be taken "to make the Government's decision effective." The statement said that the presence of the mission in Saigon had resulted from an agreement concluded between the Vietminh and the former French High Command in Indo-China, against the wishes of the South Vietnamese Government, and that this agreement had lost its meaning after the withdrawal of the French forces from Vietnam since 1956. It was alleged that the Northern liaison mission had committed "a number of espionage and subversive propaganda activities" during its stay in South Vietnam.

[Although the International Control Commission had its headquarters in Hanoi before March 1958, it also maintained a branch office in Saigon; the North Vietnamese liaison mission was accredited to this branch before its expulsion from South Vietnam.]

Mr. Triloki Nath Kaul, a joint secretary in the Indian Ministry of External Affairs, assumed the chairmanship of the International Control Commission in Vietnam in February 1957, in succession to Mr. Gopalaswami Parthasarathi, who had been appointed Indian Ambassador to Indonesia. (Le Monde, Paris - Times - New York Times - Vietnam Press Agency, Saigon - Indian High Commissioner's Office, London) **(Prev. rep. 13816 A; 14253 A.)**

A. SOUTH AFRICA. — United Party Leaders elected to Parliament. - Rondebosch and Yeoville By-elections.

Sir de Villiers Graaff (the leader of the United Party), who was defeated at Hottentots-Holland in the recent general elections, was returned unopposed for Rondebosch on June 3 after Colonel Pilkington Jordan had resigned the seat in his favour. Colonel Jordan had previously been nominated for one of the Senate seats held by the United Party.

Mr. S. J. Marais Steyn (chairman of the U.P. in the Transvaal), who had been defeated at Vereeniging at the general election, was returned unopposed on the same date for the Yeoville constituency, where Mr. A. L. Kowarsky had resigned the seat in his favour.—(Cape Times) **(Prev. rep. 16169 A.)**

B. CEYLON. — Nationalization of Cargo Handling at Port of Colombo. - Bus Services nationalized.

In view of repeated and lengthy strikes in the port of Colombo, which had disrupted Ceylon's import and export trade and made ships increasingly reluctant to use the port, the Ceylonese Government appointed a commission on Aug. 23, 1956, under the chairmanship of Mr. E. F. N. Gratiaen (the Attorney-General), to inquire into the working of the port. The commission's report, published in January 1957, recommended that the Port authority should be reorganized to enable it to control the working of private contractors more effectively, and that the number of contractors operating in the port should be reduced. After considering the report the Government decided, however, to nationalize cargo handling at the port of Colombo, and a Bill for that purpose was subsequently introduced in the House of Representatives and received its third reading on April 11, 1958.

Moving the second reading on April 10, Mr. M. Senanayake (Minister of Transport and Works) said that since the war imports of general cargo into Colombo had increased by 50 per cent, food cargo had increased by over 2,000,000 tons, and passenger traffic had also increased, with the result that Colombo harbour had become busier than any other Eastern port. Haphazard and unco-ordinated measures adopted in the handling of cargo had had "disastrous" effects, however, worsened by labour unrest and lack of discipline among the port workers. The limitations of the available mechanical equipment, and the current labour potential, made it essential that the number of private operators should be reduced and all cargo operations controlled by a single authority, and nationalization was considered the only possible measure to meet the situation adequately. A single agency, the Port (Cargo) Corporation, would therefore be set up to direct, control, co-ordinate and supervise all cargo-handling operations, and to take full responsibility for the conditions of labour and welfare of the port workers.

The Port (Cargo) Corporation, which was established under a second Bill passed on May 2, became solely responsible for the stevedoring, landing, and warehousing of cargo from June 30, 1958, when all licences issued to private operators expired.

The Motor Transport Bill, providing for the nationalization of all bus services in Ceylon, was given a unanimous third reading on Oct. 17, 1957 and came into operation on Jan. 2, 1958. It transferred the property and equipment of all private bus companies, in return for compensation, to a Transport Board, which received the exclusive right to operate bus services in Ceylon.—(Ceylon Government Information Dept.)

C. NEW ZEALAND.—Ending of Compulsory Military Training. - Creation of Ministry of Civil Defence.

It was announced in Wellington on June 27 that the N.Z. Government had decided to end compulsory military training for all men over 18 as from March 31, 1959. It would, however, remain obligatory for all males to register and to have a medical examination on reaching the age of 18.

A White Paper on Defence, issued on the same date, said that an operational army would be established to meet New Zealand's defence commitments, because the Labour Government considered that the present organization of the Army did not provide sufficient flexibility or mobility. The new Army would have an establishment force of 2,510; an operational regular brigade group (including an armoured regiment) with a strength of approximately 5,600; and a volunteer territorial force with an estimated strength of 7,000.

The White Paper pointed out that as regards compulsory military training the N.Z. Government had come to the same conclusions as those expressed in the British White Paper on Defence of 1957, in which emphasis was laid on highly trained mobile forces and the concentration of military effort on a fully equipped regular force capable of meeting the requirements of modern warfare speedily and effectively in an emergency.

It was also stated that the plans for the Royal New Zealand Navy and Air Force [which are already on a regular basis and in process of re-equipment] would remain unchanged, and that a Ministry of Civil Defence would be established to prepare for the possibility of nuclear attack against New Zealand. Referring to the country's Commonwealth obligations, the White Paper stated that New Zealand would continue to contribute to the Commonwealth Strategic Reserve in the Far East an infantry battalion, a cruiser or frigate, a squadron of *Canberra* aircraft, and transport and naval aircraft.

The re-equipment of the new force with modern weapons and transport was estimated to cost NZ.£8,000,000, while the total cost of the N.Z. Defence Budget (now standing at NZ.£9,000,000) would be increased to NZ.£12,000,000. (Directorate of Information, Wellington) **(Prev. rep. 15612 B.)**

A. ARGENTINA. — Law on Governmental Organization. - New Ministerial Appointments. - Amnesty Law.

A Bill regulating the organization of the Argentine Government was passed by the Chamber of Deputies at the end of May and by the Senate during the first fortnight of June. It provided that the Government would consist of eight Cabinet Ministers and 12 State Secretaries. The latter would be in charge of self-contained departments, would have ministerial status, and would take part at Cabinet meetings, but might not constitutionally speak for the Administration in Congress. Decrees referring to their departments would not be signed by the State Secretary but by the Minister to whom they were subordinated.

The restriction of the principal Ministries to eight was necessitated by a provision of the 1853 Constitution; the formation of State Secretariats, to deal with the vastly increased functions of government, represented a compromise between the constitutional position and practical necessities pending a reform of the Constitution. The eight Ministries are (1) Interior; (2) Foreign Affairs and Religious Affairs; (3) Economic Affairs; (4) Public Works and Services; (5) Education and Justice; (6) Social Assistance and Public Health; (7) Labour and Social Security; (8) National Defence.

The Bill was opposed by the Moderate Radicals, who criticized it on the ground that it practically restored the governmental set-up which was in force under the Perón regime. In reply to these criticisms, Dr. Vitolo (the Minister of the Interior) gave an assurance that the Government had no "totalitarian intentions" whatever in proposing the new organization.

[The fact that the three State Secretaries for the armed forces will be under a civilian Minister of Defence constituted an important innovation, since it was expected to lead to a restriction of the influence of the armed forces on political matters.]

On the basis of the new law the eight Cabinet Ministers and 12 State Secretaries were sworn in on June 18 as follows:

Interior:
Minister .. Dr. Alfredo Roque Vitolo.
Foreign Affairs and Religion:
Minister .. Dr. Carlos Alberto Florit.
Economic Affairs:
Minister .. Dr. Emilio Donato del Carril.
Secretaries Dr. Bernardino C. Horne (Agriculture).
Dr. Ricardo Lumi (Treasury).
Dr. Antonio López (Finance).
Dr. José Carlos Orfila (Trade).
Dr. Alberto V. Tedin (Industry and Mines).
Dr. Gregorio Meira (Energy and Fuels).
Public Works and Services:
Minister .. Señor Justo Villar.
Secretaries Señor Alberto R. Constantini (Works).
Sr. Adolfo T. Cosentino (Communications).
Dr. Alberto López Abuin (Transport).
Education and Justice:
Minister .. Dr. Luis Rafael MacKay.
Social Assistance and Public Health:
Minister .. Dr. Héctor Virgilio Noblia.
Labour and Social Security:
Minister .. Señor Alfredo Allende.
National Defence:
Minister .. Señor Gabriel del Mazo.
Secretaries Brig. Gen. Héctor Solanas Pacheco (War).
Rear-Admiral Adolfo Estévez (Navy).
Commodore Roberto Huerta (Air).

Drs. Vitolo, Florit, del Carril, MacKay, and Noblia were members of the Frondizi Cabinet as originally constituted, while Señores Villar, Allende, and del Mazo were new appointments. Of the State Secretaries, all were new appointments except General Solanas Pacheco, Admiral Estévez, and Commodore Huerta, who had had full ministerial status before the enactment of the organizational law.

Amnesty for Political Offences.

President Frondizi had previously (May 22) signed an amnesty Bill which had been passed by the Chamber of Deputies on the same day after prior adoption by the Senate.

The Bill, which was adopted by an overwhelming majority, provided (1) that "ample and general amnesty" would be granted "for all political offences, including common or military crimes committed for political or trade union ends"; (2) that no-one could be "questioned, investigated, summoned to appear, or interfered with in any way" on suspicion of having committed political offences; (3) that all Orders imposing disqualifications on political or trade union offenders would be revoked. [Dr. Vitolo explained that previous legislation had disqualified 6,000 people, while 6,400 others had been accused of political or trade union offences]; (4) the decision whether a crime had been committed on purely political or on trade union grounds would be left to the Federal Courts.

The Bill, which implemented a pledge given by President Frondizi during his election campaign, was supported by 130 of the 131 Intransigent Radical deputies (the Government party); parts of it, however, were opposed by the Opposition on the ground that it might open the way to General Perón's return to Argentina.

As a result of the amnesty law, Rear-Admiral Teisaire (Vice-President under the Perón regime), was released from prison on May 30, a Federal judge ruling that his offences had been committed for political ends. Three other leading *Peronistas* – Señor Angel Borlenghi (Minister of the Interior under Perón), Señor Eduardo Vuletich, and Señor José Espejo - were similarly cleared of non-political charges. The judge, however, upheld charges of a "non-political character" against ex-President Perón himself, who was accused of treason, "illegal association," and offences connected with the burning of an Argentine flag in June 1955, when he was alleged to have ordered the flag to be burned in such a way as to make it appear that Roman Catholic demonstrators were responsible – see 14277 A. (Bank of London and South America, Fortnightly Review - New York Times - Neue Zürcher Zeitung)

(Prev. rep. 16218 C.)

B. UNITED KINGDOM - UNITED STATES. — American Investments in Britain.

A recent book by Dr. J. H. Dunning, *American Investment in British Manufacturing Industry* (published by Allen & Unwin, London), gave the first comprehensive survey of American investment in the United Kingdom, especially since the end of the Second World War. Dr. Dunning stated that American firms had invested some £250,000,000 of new capital in British manufacturing industry between 1950 and 1955, and that there were now probably about 250 U.S. industrial concerns in Britain with an annual sales turnover of around £900,000,000, and employing about 350,000 people.

The following table, based on Dr. Dunning's book, was published by *The Times* showing the distribution of American investment in the United Kingdom:

	1955	1950	1943	1936	1929
	(million dollars)				
Mining and smelting ..	3.0	3.2	14.2	....	....
Petroleum	216.0	123.0	74.5	61.0	21.0
Manufacturing	941.0	541.8	306.6	271.0	268.0
Public Utilities . ..	16.0	10.6	-13.2*	....	....
Trade	141.0	102.2	84.9	81.0	68.0
Miscellaneous	103.0	66.2	53.2	61.0	128.0
Total	1,420.0	847.0	518.8	474.0	485.0

*Net amount owing by United States to British interests.

Dr. Dunning pointed out that one reason for this large rise in U.S. investment was the world shortage of dollars. A second one was the general demand for American-type goods in Britain, both among consumers and in industry, U.S.-controlled firms having played a major part in the development of the office equipment, earth-moving, and industrial instrument industries. A third reason was the development by Britain of certain specific industries, such as petroleum refining, which necessarily involved U.S. participation.

The principal advantages of the growing U.S. investment in the British economy had been in balance-of-payments savings and in a general acceleration of industrial development. On the former there had been a two-fold effect: (i) American investments had reduced Britain's import bill, especially the dollar import bill - the Fawley refinery of the Esso Petroleum Company alone being estimated to have saved $300,000,000 between 1952 and 1955; (ii) U.S.-controlled companies had played a major part in developing exports to the U.S.A. itself (notably motor cars) and to other markets. As regards the general acceleration of industrial development, this had been due to the fact that British firms had seen American management, research, and marketing techniques in action, thus making them more receptive to new ideas and more readily adaptable to a changing economic climate.

It was stated by Dr. Dunning that among "new" industrial products (i.e. those produced commercially since the 1930's) U.S.-financed firms now accounted for about one-third of all British exports; or, if motor cars were included, for about two-fifths. ("American Investment in British Manufacturing Industry" - Times)

C. PAKISTAN. — Destroyers acquired from Britain.

The former British destroyers H.M.S. *Crispin* and H.M.S. *Creole*, which had been bought by Pakistan, were formally handed over to the Pakistani Government on March 18 and June 20 respectively after extensive refitting and modernization. Both ships were completed in 1944-46, and have a displacement of 2,500 tons and a speed of 36 knots. The *Crispin* was renamed *Jehangir* and the *Creole* became the *Alamgir*.

(Pakistan High Commissioner's Office, London) **(15638 B.)**

JULY 12—19, 1958

A. FRANCE. — Resignation of M. Pflimlin. - General de Gaulle forms National Coalition Government. - Investiture by National Assembly. - Adoption of Special Powers Bill and Constitutional Reform Bill. - Adjournment of National Assembly. - General de Gaulle's Cabinet.

The Corsican revolt of May 24, following the Algerian insurrection of May 13, resulted within three days in the resignation of M. Pflimlin and in the subsequent formation of a Government by General de Gaulle. The further stages in the French crisis are described below, in continuation of 16255 A :

Pflimlin Government's Reactions to Corsican Revolt. - Press Censorship. - Jamming of Algiers Broadcasts.

After a three-hour meeting of M. Pflimlin's Cabinet, held at the Elysée under the chairmanship of President Coty, it was announced in the early hours of May 25 (*a*) that " disciplinary and penal action " would be taken against all servants of the State, whether civil or military, who had committed acts of subversion in Corsica ; (*b*) that the Government would introduce a Bill for the unseating of any deputy who sought to remove any part of the national territory from the sovereignty of the Republic ; (*c*) that sea and air communications between the metropolitan territory and Corsica had been suspended for reasons of security ; and (*d*) that full censorship would be imposed on all newspapers, periodicals, press agencies, and broadcasting stations in metropolitan France.

The threat to take " disciplinary and penal action " against officials in Corsica was, in fact, a dead letter because the Pflimlin Government exercised no control in Corsica. The action under (*b*) was aimed specifically at M. Pascal Arrighi, the Corsican deputy whose arrival in the island from Algiers precipitated the revolt.

In a broadcast at 2 a.m. (May 25), immediately after the Cabinet meeting, M. Pflimlin said that legal proceedings would be taken against all members of the Corsican committees of public safety and those who had " taken part in the *coup de force*." He repeated his earlier warning that certain " factious persons " (*factieux*) in the metropolitan territory were threatening to drag France " down the slope that leads to civil war."

M. Pflimlin said that while the Algerian uprising could be largely explained by the public sentiment which wished to ensure that Algeria remained French, there was no such justification for the action carried out in Corsica by " a handful of *factieux*." He again appealed to all Frenchmen to rally in support of the Government, which was determined " to defend public order, civil peace, and national unity against all extremists and enemies of liberty."

In addition to imposing a press censorship, the Government ordered the jamming of all broadcasts from Radio Algiers on the ground that some of these broadcasts had taken the form of seditious exhortations to the population of metropolitan France. Among other security measures, the Minister of the Interior (M. Moch) sent five companies of Republican security guards to Marseilles as a precaution against possible disorders in that city.

On May 25, and for several days thereafter, many French newspapers appeared with blank spaces where certain offending articles, passages or photographs had been struck out by the censors ; e.g. *Le Parisien* appeared on May 27 with a large white square on the front page with the words " censored photo from Algeria " printed across it. On May 26 the Paris police seized all available copies of several British and U.S. papers—*The Times, Daily Telegraph, Daily Mail*, and *New York Herald Tribune*—on the ground (as explained at the Ministry of Information) that the Government had taken exception to certain headlines implying that France was on the brink of civil war. [*The Times* Paris Correspondent nevertheless cabled that " through some inexplicable oversight, a large number of these newspapers found their way to the Paris kiosks, where . . . they were soon sold out."] All copies of the *Manchester Guardian, Daily Telegraph, Daily Express*, and *Daily Mirror* were similarly impounded by the police on May 27.

For some days previously Radio Algiers had been broadcasting a number of messages in code—many of which, it was believed, contained instructions to clandestine " committees of public safety " in various parts of France. Certain code messages—e.g. " the chapel will be lit up tonight " and " the bottle of Muscadet has arrived "—were broadcast at frequent intervals. [It subsequently became known that the " bottle of Muscadet " was M. Soustelle, and that the code message referred to his arrival in Algiers after escaping from police supervision in Paris.] Other broadcasts from Algiers described M. Pflimlin as a " French Kerensky " and called upon him to " choose between the Star of Moscow and the Cross of Lorraine."

Political Negotiations in Paris. - M. Pflimlin's Meeting with General de Gaulle.

The Algerian and Corsican revolts, the possibility of disorders spreading to the metropolitan territory, and the ambiguous position of the armed forces *vis-à-vis* the Government, all combined to produce a situation in which the leaders of the major " national " (i.e. non-Communist) parties became increasingly convinced that the only way out of the *impasse* was the formation of a Government headed by General de Gaulle.

The " appeal to General de Gaulle " had already begun on May 22, when M. Pinay (leader of the Independents) visited Colombey for a long discussion with the general ; no statement was issued on these talks, but it was understood that M. Pinay had subsequently urged M. Pflimlin to open direct negotiations with General de Gaulle. On May 26, a day of rapid and complicated political developments in Paris, the Independent group in the National Assembly asked M. Pinay to suggest that General de Gaulle should call a conference of all " national " political parties ; the Socialist leader (M. Guy Mollet) sent a six-page letter to the general, the contents of which were not published ; a telegram was also sent to General de Gaulle by M. Lacoste, a prominent Socialist and formerly Resident Minister in Algeria ; M. Pflimlin made a statement on the Corsican situation to the National Assembly ; and the Assembly subsequently passed a Bill to lift parliamentary immunity from M. Arrighi. Finally, during the night of May 26-27, M. Pflimlin and General de Gaulle had a secret meeting at St.-Cloud, on the outskirts of Paris.

In his telegram to General de Gaulle, M. Lacoste appealed to the general " to use your high authority to dispel public uncertainty by speaking out against irresponsible elements." He said that General Salan and the " non-political patriots of Algeria " had been " outflanked by adventurers and certain hot-headed officers," adding that the " Corsican affair " was a direct consequence of " the anterior action in Algeria."

When the National Assembly met in the morning of May 26, M. Pflimlin made a short statement in which he stressed the difference between the Algerian and Corsican *coups de force*, declaring that " no justification or excuse " could be invoked for the happenings in Corsica. He repeated his warnings that similar events could happen in the metropolitan territory ; declared that the danger now facing France was " that of civil war " ; and once more called on all Republicans to unite against " factious elements."

Under Standing Orders, only one speaker was allowed to reply to this speech ; M. Deixonne (Socialist), like M. Pflimlin, dwelt on the distinction between the Algerian and Corsican uprisings, and asked for energetic action against the leaders of the Corsican revolt. The Assembly then spent the day discussing various constitutional reforms, before proceeding to adopt a Bill depriving M. Arrighi of his parliamentary immunity.

The Bill lifting parliamentary immunity from M. Arrighi was adopted in the late evening of May 26 by 393 votes to 169, with 6 voluntary abstentions, 13 deputies not participating in the vote, and another 10 absent on leave.

The 393 majority votes comprised 148 Communists and *progressistes*, 96 Socialists, 70 M.R.P., 39 Radicals, 14 *Regroupement Africain*, 13 U.D.S.R., 5 Independents, 4 R.G.R., 2 *paysans d'action sociale*, 1 *Gauche Démocratique*, and 1 *non-inscrit*.

The 169 opposing votes were cast by 79 Independents, 29 Poujadists, 17 Social Republicans, 12 *Gauche Démocratique*, 10 *paysans*, 7 R.G.R., 5 *non-inscrits*, 3 Radicals, 3 *paysans d'action sociale*, 2 U.D.S.R., and 2 M.R.P. deputies, including M. Bidault.

Meanwhile, correspondence had passed during the day between General de Gaulle and M. Pflimlin through the intermediary of M. Diebold, an official on the Prime Minister's staff. Late at night on May 26 the general motored from Colombey for a secret meeting with M. Pflimlin at St.-Cloud, of which nothing was known at the time ; the talks went on for the greater part of the night and General de Gaulle did not return to Colombey until 5 a.m. on May 27.

General de Gaulle announces Preparations to form Government. - Independents leave Pflimlin Cabinet. - M. Pflimlin tenders Resignation to President Coty.

At 12.30 p.m. on May 27, General de Gaulle issued a statement announcing that he had " begun yesterday the normal process needed to establish a Republican Government capable of restoring the unity and independence of the country." The statement went on :

" I am convinced that the process will continue and that the nation will show by its calm and dignity that it hopes to see it end successfully.

" In these conditions any action endangering public order, from whatever side it originates, may have grave consequences. Even though I understand the circumstances, I could not approve.

" I expect the land, sea and air forces in Algeria to maintain exemplary behaviour under the orders of their commanders, General Salan, Admiral Auboyneau, and General Jouhaud. To these leaders I express my confidence and my intention to make contact with them soon."

General de Gaulle's statement led to a series of hurried and confused ministerial and party meetings at the Palais Bourbon, where the National Assembly was continuing its debate on M. Pflimlin's proposed constitutional reforms. The Socialist Party's parliamentary group, meeting in the afternoon of May 27, passed by an overwhelming majority (112 votes to 3) a resolution declaring (1) that it was "the duty of the legal Government to remain at its post as long as it possesses the confidence of the Assembly"; and (2) that the Socialist Party would "under no circumstances rally to the candidature of General de Gaulle, which, in the form in which it is presented, and the conditions accompanying it, is . . . a challenge to republican legality."

It was understood that the Independents were of opinion that the Government should resign immediately, and that they had threatened to withdraw the Independent Ministers from M. Pflimlin's Cabinet unless it did so. The M.R.P., on the other hand, were believed to share the Socialist view that the Government should remain in office unless deprived of its mandate by the Assembly.

The National Assembly twice suspended its sittings during the day—at 11.45 a.m. and 3 p.m.—to enable M. Pflimlin to make a statement on the situation. M. Duclos (the Communist leader) attempted to raise the matter in advance of the Prime Minister's statement, denouncing General de Gaulle as a "dictator-usurper" and declaring that "a new Vichy" was being prepared. At 7.30 p.m. the same evening the Assembly met for the third time during the day to hear the following statement by M. Pflimlin:

"Yesterday I received a message from General de Gaulle proposing an interview, and suggesting that such a meeting was necessary in view of the very serious situation confronting the country. I accepted this invitation, and we had a meeting last night. If I did so, it was because I considered it my duty to neglect no effort to spare the country from the possibility of civil war. I asked General de Gaulle to use his moral authority to recall to a sense of duty those who have taken the road of insurrection against the republican order, or who think of doing so. I obtained no assurance from the general that he would take an immediate stand for the maintenance of public order. I knew nothing of his declaration until it was published.

"I am bound to say, however, that General de Gaulle has now formally declared that he would in no circumstances approve of any action which might threaten public order, from whatever source it might come. I am grateful to him for making this clear.

"Our interview last night dealt with different aspects of the national crisis. Confirming his recent public declarations, General de Gaulle told me that he could not envisage taking over responsibility except by legal means. He said that he was ready to enter into discussions with the political leaders to examine the conditions in which a government could be formed under his leadership."

Referring to himself in the third person, M. Pflimlin continued: "The Prime Minister has not for a moment forgotten that he has been invested by the National Assembly. The mandate you gave him can only be returned into your own hands. The moment has come for each one of us to face our responsibilities . . . As for the Government, its path of duty is clear—we will not create a power vacuum . . ."

In conclusion, M. Pflimlin said that the Assembly would be asked later in the evening to vote on his Government's proposals for constitutional reform; that he would regard the vote as one of confidence; and that he would ask for a "republican and national majority" (i.e. excluding any Communist votes which might be cast for the Government).

M. Pflimlin's statement was followed by a confused debate marked by violent altercations between the extreme left- and right-wing benches.

Among the various speakers, **M. Duclos** asked if the Republic was "already dead" and accused General de Gaulle of "talking as if he were already the Head of State and the Head of Government", **M. Mitterrand** (U.D.S.R.) called on the Government to stand firm against any *fait accompli* and accused it of "shaking at the first puff of wind from Colombey-les-Deux-Eglises"; and **M. Ramadier** (the veteran Socialist) appealed to all democratic parties to unite "for the safety of the Republic."

M. Lecoeur (a young Radical deputy) expressed his "disgust" and disillusionment with the working of the National Assembly, which he compared to "acrobatics on the flying trapeze"; after saying that "the whole of France wants a change," he declared: "This irresistible demand will take place without us unless we channel it. If we do not introduce something new, if we continue our ridiculous struggles, I will not remain in this House, which is stagnant and rotting."

At 1.15 a.m. on May 28 the National Assembly voted on the proposed amendment of 13 Articles of the Constitution, the various amendments having previously been approved by the Assembly's Universal Suffrage Commission. [The Articles in question were 9, 12, 13, 16, 17, 45, 48, 49, 50, 51, 52, 90 and 92]. There were 408 votes in favour of the constitutional reform proposals and 165 against, with 4 voluntary abstentions, 6 deputies not taking part in the vote, and 8 absent on leave.

The 408 votes cast for the Government comprised 148 Communists and *progressistes*, 96 Socialists, 73 M.R.P., 39 Radicals, 17 U.D.S.R., 15 *Regroupement Africain*, 7 Independents, 6 R.G.R., 6 *Gauche Démocratique*, and 1 *non-inscrit*.

The 165 opposing votes were cast by 76 Independents, 29 Poujadists, 17 Social Republicans, 17 *paysans* and *paysans d'action sociale*, 8 R.G.R., 7 *Gauche Démocratique*, 5 *non-inscrits*, 3 Radicals, 2 U.D.S.R. and 1 *Regroupement Africain*.

Although M. Pflimlin received a large "national" majority (i.e. excluding the 148 Communist votes) he was nevertheless faced by two immediate complications: (1) the resignation of the four Independent Ministers from his Government, which had been announced in the evening of May 27 prior to the Assembly's debate; and (2) the fact that the Government had failed to obtain the required absolute majority for its constitutional reform proposals, without counting the Communist votes.

Under the Constitution, an absolute majority of the Assembly's membership is necessary for the adoption of a constitutional amendment, and M. Pflimlin would have had to obtain 296 votes to secure such a majority. As he had previously declared that he would take no account of Communist votes cast for the Government, his majority—excluding the 148 Communist votes - was in fact 266, or 30 fewer than the number required for an absolute majority.

The vote in the Assembly was followed by a prolonged Cabinet meeting at which the major issue was whether the Government should resign because of the withdrawal of the Independent Ministers, or because it had failed to get an absolute majority after discounting Communist votes. The former course was eventually decided on, and M. Pflimlin accordingly visited the Elysée shortly before dawn on May 28 to tender his resignation to President Coty.

The President refused to accept M. Pflimlin's resignation until a new Government had been formed, and requested him to remain in office in a "caretaker" capacity until this had been done. M. Pflimlin, who agreed to this course, issued the following statement on leaving the Elysée:

"I gave an account to the President of the Republic of the situation as it appeared after the debate in the National Assembly. The Government obtained a majority after deducting the Communist votes, but an important group [the Independents] left the coalition.

"Thus the Government found itself weakened at a moment when it had to face more and more formidable tasks. Consequently I handed my resignation to the President of the Republic. He told me that he could not accept it until it was possible to form a new Government. In the meantime, to avert a power vacuum, I have resolved to keep my full governmental responsibilities."

President Coty's Consultations with Political Leaders. - Message to French Parliament. - General de Gaulle accepts Invitation to form Government.

On May 28 President Coty had discussions at the Elysée with MM. Le Troquer and Gaston Monnerville, the respective presidents of the National Assembly and the Council of the Republic; with MM. Mollet, Pinay and Teitgen (respective leaders of the Socialist Party, the Independents, and the M.R.P.), who had a joint meeting with the President; and with M. Vincent Auriol, the Socialist "elder statesman" and M. Coty's predecessor as President of the Republic. At the President's request, MM. Le Troquer and Monnerville saw General de Gaulle the same night (i.e. May 28-29).

It was understood that President Coty had informed MM. Mollet, Pinay and Teitgen of his intention to ask General de Gaulle to form a Government. The general, meanwhile, had been visited at Colombey by Marshal Juin (the retired Inspector-General of the Forces) and by a "high personage" who was believed to be General Catroux.

After receiving a report from MM. Le Troquer and Monnerville on their meeting with General de Gaulle, President Coty announced in the early hours of May 29 that he intended to send a message to both Houses of Parliament later in the day. The announcement added: "In the grave hours to come, the Head of State relies on the patriotism of all who live under the protection of the Tricolor to await with calm, and without disturbing public order, the decisions which are shortly to be taken."

President Coty's message was read to the National Assembly the same afternoon by M. Le Troquer, and to the Council of the Republic by M. Monnerville. In it, President Coty gave a warning that France was "on the brink of civil war"; announced that he had asked "the most illustrious of Frenchmen" to form a "government of national safety"; and said that he (the President) would have no other course but to resign if General de Gaulle were unable to form an administration. The presidential message was worded as follows:

"On the day when Parliament called me to be the Chief Magistrate of the Republic, I gave an undertaking—which I shall keep to the end—scrupulously to obey the Constitution. But I also felt bound to add that we should not be able to defend our free institutions unless we were capable of reforming them.

"I repeated this to you in my inaugural message. Since then, in most of my public speeches, I have reiterated that among all true democracies, the French Republic is the one which is not only faced with the most difficult problems but which has the most fragile Governments, and consequently the weakest. If I thus exceeded the limits that my predecessors set themselves, I believed myself authorized to do so, not only by the assent of successive Heads of Government, but also by the great majority among you.

"Four years and a half will soon have passed, but my increasingly urgent appeals have had no effect. Whatever may have been the courage and patriotism of the men who have followed one another in power, the State has not ceased to disintegrate. Now we are on the brink of civil war.

"After having for 40 years fought so hard against the enemy, are Frenchmen tomorrow going to fight against Frenchmen? On both sides men are deeply convinced that they are serving the country; on both sides many of them have defended it at the cost of great sacrifices. On both sides they now seem to be approaching a fratricidal conflict. Whoever might be the temporary victors, what would remain after such an unforgivable conflict? What would remain of our France?

"Right through our history, after the most violent internal conflicts, great days of French reconciliation and of renewals of national unity have occurred. This national unity cannot be achieved in anarchy, but only by respect for the law.

"When it comes to forming a Government under our present Constitution, the President of the Republic proposes but the National Assembly disposes. Obviously there can be no question this time of my multiplying my nominations [i.e. of sending successively for party leaders and asking them to undertake the task of forming a Cabinet]. The choice that falls on me is therefore heavy with consequences. It imposes on me an exceptional responsibility.

"That is why I must explain things frankly to you. In the peril in which the nation and the Republic find themselves, I have turned to the most illustrious of Frenchmen—to him who, in the darkest years of our history, was our leader for the re-conquest of liberty and who, having achieved national unity around himself, nevertheless rejected dictatorship and re-established the Republic.

"In what conditions would he now agree to assume the crushing burden of power? Would the necessary majority be forthcoming for his investiture under these conditions? I asked the President of the National Assembly and the President of the Senate, whom I thank for their valuable assistance, to be good enough to meet General de Gaulle urgently. This meeting showed me that at present there are still considerable difficulties to be overcome.

"Should I then abandon my appeal to him whose incomparable moral authority would assure the safety of the country and the Republic? On such a day, sacred union (*l'union sacrée*) is the supreme duty. It demands that we should all sacrifice, if necessary, some part of our preferences, and even of our convictions. To you, the representatives of the nation, I say there can be no more question of deciding the nation's destiny at party meetings behind closed doors. It is only when the President of the Republic has taken the initiative reserved to him by the Constitution [i.e. of addressing Parliament directly] that your sovereign and free vote will decide.

"I ask General de Gaulle to be good enough to confer with the Head of the State and examine with him what, in the context of Republican legality, is immediately necessary for a Government of National Safety, and what could then be quickly done to bring about a radical reform of our institutions.

"I shall therefore take, in my soul and conscience, the decision that devolves upon me. If the failure of my attempt should show that I have been wrong at such a critical moment, I should not fail to draw the ineluctable consequences. Being unable to maintain the moral authority that would more than ever be necessary to him who is generally regarded as the supreme arbiter, I could only transmit immediately my full powers to the President of the National Assembly in accordance with Article 41 of the Constitution . . ."

The reading of the presidential message was followed by uproar in the National Assembly, where the Communist deputies shouted *le fascisme ne passera pas* and started to sing the *Marseillaise*—in which they were joined by the Socialists and some of the Radicals. The Poujadists and a number of right-wing deputies also broke into the *Marseillaise*, whereupon the Communists began to sing the *Chant du départ*—a famous revolutionary song commemorating the fall of the Bastille. The sitting broke up in disorder amidst angry recriminations and much banging of desks.

Thereafter, events moved very rapidly during the afternoon and evening of May 29, as follows: 4 p.m.—General de Gaulle left Colombey for Paris; 5 p.m.—the text was published of correspondence exchanged between M. Vincent Auriol and General de Gaulle; 6 p.m.—the Socialist Party's parliamentary group decided by 62 votes to 29 to approve M. Auriol's letter to the general (thus, by inference, rescinding its previous decision not to recognize General de Gaulle's candidature for the Premiership); 7.30 p.m.—General de Gaulle arrived at the Elysée; 8.45 p.m.—General de Gaulle left Paris for Colombey; 9.30 p.m.—President Coty announced that General de Gaulle had accepted the task of forming a government, and the general issued a confirmatory statement setting out the "indispensable conditions" in which he would be prepared to "undertake the task of leading the State and the nation."

The text of M. Vincent Auriol's letter to General de Gaulle, and of the general's reply, is given below:

M. Vincent Auriol to General de Gaulle.

"It is your Minister of State of 1945 who makes this approach to you. There was a time when we clashed, when my constitutional duty made me oppose your revisionist activity But I am confident that you have retained your esteem for me in the same way as I have remained faithful to our friendship. Moreover, what do such personal differences matter in the drama which is now tearing the mother-country asunder?

"I know you are anxious to maintain national unity, without which France would be no more. I know you are determined to re-establish without delay in Algeria, with respect for equality and human dignity, the necessary Franco-Moslem friendship without which a free Algeria would be no more.

"But your direct reply to the men in revolt in Algiers against the national sovereignty has aggravated the sickness already weighing upon the nation The events in Ajaccio, and the creation of committees of public safety throughout France, have thrown a full light on the aims and actions of some of those who have set themselves against the national sovereignty, pushed the military chiefs to a point beyond their duty, thwarted the authority of the Head of State, and gathered larger and larger crowds in order to promote violently and directly your claim to power.

"It is no longer a question of a national agitation or of a surge of brotherhood such as once moved you. It is a rebellion against the institutions and the laws which France has freely given to herself.

"Surely you will not permit the Republic to capitulate before the violence of a faction, or hold by force an authority which would be illegal. Surely you will not agree to be the representative of your former enemies, of those who insulted you after your speeches in Constantine and Brazzaville and refused to abandon their privileges, thus provoking the Moslem rebellion. Surely you will not oppose your former comrades, who, with you, want to create in national unity a great Franco-African friendship.

"It is not in an atmosphere of lies or of civil war—for civil war is at our gates—that one can achieve so great a work which demands above all the union of all Frenchmen It is not against the working class, whose courage and patriotic loyalty supported you in the long night of oppression and in the effort for national liberation, that you will restore the Republican State and exercise power usefully.

"It is thus urgently necessary to restore the unity that has been compromised—and that depends now on you. I am convinced that . . . you will do your utmost to recall to their sense of duty those generals or senior officers who have disobeyed their Supreme Chief, and that you will call on all citizens to respect the common law. If you break all solidarity with those who have created a seditious movement, you will regain the confidence of the entire nation. With confidence thus restored between the Republican people and yourself, you could obtain from the responsible men of the Republic a swift agreement and loyal co-operation in achieving, with full powers, a limited programme within a limited time. The nation could then be asked to give its decision in a free and sovereign manner on the constitutional reform which is required in the supreme interests of democracy.

"I do not believe that you will be indifferent to this message. It has been motivated solely by my friendship and my respect for the great Frenchman whose collaborator I had the honour to be, and by my duty, as an ordinary citizen, to serve the Republic and France."

General de Gaulle to M. Vincent Auriol.

"The events in Algeria, as you well know, have been provoked by the chronic impotence of the authorities, which in the past I did everything possible to remedy. They broke out and developed with the use of my name, without my being involved in any way.

"Things being as they are, I proposed the formation, by legal means, of a Government which I think would be able to rebuild unity, re-establish discipline in the State, particularly on the military side, and promote the adoption by the country of a reformed Constitution.

"However, I have run into determined opposition from the national representatives. Furthermore, I know that in Algeria and in the Army, whatever I have said and whatever I can say today, the state of mind is such that this setback to my proposal threatens to break through the barriers and even to submerge the commanders themselves.

"Since I could not consent to receive power from any other source than the people, or at least its representatives (as I did in 1944 and 1945), I am afraid we are going towards anarchy and civil war. In that case those who, through party considerations which are incomprehensible to me, prevent me from once again saving the Republic while there is still time, will bear a heavy responsibility. As for myself, there would be nothing left for me but to live in sorrow until my death.

"Please believe that the sentiments which I feel for you have remained, throughout the years and throughout all difficulties, most cordial."

As stated above, the Socialist Party's parliamentary group approved M. Vincent Auriol's letter to General de Gaulle by a large majority. The same afternoon, M. Pflimlin told his party (the M.R.P.) that he was "convinced that in the present circumstances, of which I know all the facts, civil peace can only be preserved by the formation of a Government under General de Gaulle."

Statements by President Coty and General de Gaulle.

After his meeting with General de Gaulle, President Coty issued a brief statement saying (1) that he had asked General de Gaulle to form a Government; (2) that the general had accepted the task; and (3) that he (the President) would consult the parliamentary leaders on the following day.

The following press statement was issued by General de Gaulle after his meeting with the President:

"I have had the honour of conferring with M. René Coty. At the request of the President of the Republic, I indicated to him the conditions in which I could take charge of the Government in this decisive moment for the destiny of the country.

"Once the Government has been invested by the National Assembly, it would receive, for a period of time to be determined, the full powers necessary to act in the present very grave situation.

"Furthermore, a mandate would be given to the Government, following a procedure provided for under the present Constitution, to prepare and submit to the country, by means of a referendum, the changes which must be made [in the Constitution], particularly as regards the separation and the balance of powers, as well as the relations between the French Republic and the peoples associated with it.

"I cannot undertake the task of leading the State and the nation unless these indispensable conditions are agreed to with the great and wide confidence that the salvation of France, of the State, and of the Republic demands. To accomplish such a national mission I shall be able to count, I am sure, on the ardent and resolute support of the whole French people.

"The events which press upon us can, from one day to the next, become tragic. It is extremely urgent to restore national unity, to re-establish order in the State, and to make the public powers equal to their duty."

Anti-Gaullist and Pro-Gaullist Demonstrations. - Negligible Response to C.G.T. Call for General Strike.

Prior to the events described above, and before General de Gaulle had made it clear that he would only assume power by legal means, the left-wing and left-centre parties had organized large demonstrations in Paris for the "defence of the Republic," and as a protest against the possibility of a *coup d'état* by the general or his supporters. In addition, the Communist trade union federation (the C.G.T.) issued a call for a general strike, which, however, met with a negligible response in Paris and in the provinces, except in the northern mining areas.

The C.G.T. called on May 26 for a general strike on the following day "as a powerful demonstration of the union of working-class forces for anti-fascist action and the defence of the Republic." On the other hand, the Socialist *Force Ouvrière* and the Christian T.U. federation (C.F.T.C.) issued a joint statement saying that a general strike was "not at present the best way to defend the Republic, especially if the public services are affected"; instead, they called on their members to observe May 28 as a "day of demonstration" in the factories "for the defence of republican liberties," adding that such demonstrations should "stop just short of strike action."

In the Paris area the effects of the general strike were negligible, though electricity was cut off in some districts for several hours and suburban train services were affected. Of the 33,000 workers at the Renault works, only 2,000 came out on strike, and there was virtually no response to the strike call at such large metallurgical and automobile factories as Citroën, Hotchkiss, and Hispano-Suiza. In Marseilles, on the other hand, over 50 per cent of the metallurgical workers came out, while between 20 and 40 per cent of factory workers stopped work at Bordeaux, Lyons, Rouen, Le Havre and Clermont-Ferrand. The biggest response to the C.G.T.'s strike call was in the industrial areas of the Nord and Pas-de-Calais departments, where over 70 per cent of the miners came out, in addition to 2,000 dockers at Dunkirk.

All parties represented in M. Pflimlin's Government, with the exception of the Independents, took part in a mass procession in Paris on May 28 to "demonstrate their indestructible attachment to the Republic"; the march was organized by the "Committee for the Defence of the Republic and Democratic Liberties" (see page 16259, first column) and was fully supported by the Communist Party, although it had been excluded from the committee. Over 200,000 demonstrators marched in orderly procession from the Cours de Vincennes (on the eastern outskirts of Paris) to the Place de la Nation and thence to the Place de la République, a total distance of nearly four miles; among those walking at the head of the procession were M. Daladier, M. Pineau (the former Foreign Minister), M. Mendès-France, M. Ramadier, M. Mitterrand, M. Duclos, and Professor Perrin, head of the French Atomic Energy Commission. As requested by the organizers of the march, no political banners or slogans were carried, but only placards bearing the words *Vive la République!*

On May 30, after the announcement that General de Gaulle had been asked to form a Government, the Communist Party urged the workers to "strengthen their united action by stopping up strikes, stoppages, and demonstrations." Neither the party nor the C.G.T., however, called for a general strike or for any form of mass action; largely, it was believed, because of the failure of the general strike called for May 27. Apart from a small number of workers who struck for a few hours at Bordeaux, Grenoble, and a few other centres, the only "direct action" was taken by the teachers' unions, who staged a one-day strike on May 30 as a demonstration of their will to "defend democratic liberties"; this strike was observed by 200,000 teachers throughout the country, with the result that many schools closed for the day.

On the other hand, enthusiastic demonstrations of support for General de Gaulle took place in Paris on May 30, when great crowds—largely of young men and women—surged up and down the *grands boulevards* until daybreak. Parties of demonstrators, each several thousand strong, marched to and fro between the Palais Bourbon, the Madeleine, the Elysée palace, and the Etoile bearing Tricolors superimposed with the Cross of Lorraine and chanting *De Gaulle au pouvoir!* The most remarkable feature of the demonstrations was the long line of cars that formed behind the marching crowds, sounding their horns for hours on end—to the rhythm of *De Gaulle au pouvoir* or *Algérie française*—in defiance of police regulations. [A ban on the use of motor-horns in the Paris area has been in force since 1954—see 13948 D.]

Clashes between Gaullist and left-wing demonstrators occurred in Paris during the night of May 30-31—notably at the Rond-Point des Champs-Elysées, where several people were injured and 66 arrests made. Strong police reinforcements were called out on June 1 to prevent disturbances while General de Gaulle was addressing the National Assembly (see below); there were several clashes on the outer boulevards, where police prevented groups of Communists from converging on the centre of the city. Similar Communist demonstrations took place on May 31 at Bordeaux, Marseilles, Rouen, Saint-Etienne, Grenoble, and Limoges, involving several clashes with the police.

Among the security measures taken by the Pflimlin Government on May 27-28 were (*a*) a decree establishing the "right of requisition" throughout the country—i.e. giving the Government powers to mobilize strikers under military control and to compel them to remain at work; and (*b*) the closing of all private and secondary airfields in the Paris region. In addition, the Prefect of the Hautes-Pyrénées department imposed a curfew at Tarbes, the principal training-centre for parachute troops in France.

The closing of airfields in the Paris region—which were guarded by strong forces of police, and at some of which barriers were set up across the landing-strips—was believed to be a precaution against a possible military *coup* in the Paris area supported by paratroops. The curfew at Tarbes was also thought to be a preventive measure against a possible *coup* in south-western France.

Owing to the press censorship, it was impossible to confirm or deny reports of the widespread formation of "committees of public safety" in different parts of France during the last fortnight of May; reports in foreign newspapers spoke of the formation of such committees at Pau and other places in south-western France, but there was no official confirmation.

On May 30 the French Government expelled Mr. Michael Foot (the former British Labour M.P., and special correspondent of the *Daily Herald*) for having insulted the President of the Republic—a penal offence under a law of 1881. At the same time the police seized all copies of the *Daily Herald* containing a despatch in which Mr. Foot had described President Coty as "the great nothing of the Fourth Republic."

General de Gaulle becomes Prime Minister. - Investiture Vote by National Assembly.

President Coty had a number of meetings with party leaders on May 30, including MM. Mollet and Deixonne (Socialists), Teitgen and Moisan (M.R.P.), Pinay and Duchet (Independents), and Thorez and Duclos (Communists); in addition he saw M. Vincent Auriol, M. Daladier, and MM. Le Troquer and Monnerville. MM. Mollet and Deixonne visited Colombey on the same day for discussions with General de Gaulle, who also received a separate visit from M. Auriol.

On May 31 General de Gaulle had a round-table meeting in Paris with 26 political leaders, representing all parties in the National Assembly except the Communists. He replied to a number of questions, outlined the policies which he would pursue if invested by the National Assembly, and announced his intention of forming a National Coalition Government drawn from all parties except the Communists on the extreme left and the Poujadists on the extreme right. It was understood that the general had emphasized that he was not com-

mitted to any party or faction, and that he would not allow himself to be influenced in any way by the Committee of Public Safety in Algeria. Later in the day General de Gaulle saw President Coty, who a few hours earlier had accepted M. Pflimlin's formal resignation from the Premiership.

At a joint meeting of Socialist deputies and senators on May 31, it was decided that each Socialist member would be free to vote for or against General de Gaulle's investiture as Prime Minister, according to his own conscience. A joint vote of all Socialist parliamentarians showed 77 votes in favour of General de Gaulle and 74 against; a vote of Socialist deputies alone, however, showed a majority of 51 to 44 against General de Gaulle. M. Mollet, the party's secretary-general, strongly urged support for General de Gaulle as the only way to avoid a possible civil war. [It was understood that both M. Mollet and M. Vincent Auriol had been greatly impressed by their meetings with General de Gaulle, and with the general's policy statement at the round-table meeting with political leaders.]

The other parliamentary groups (except the Communists) also met on the same day to define their attitude towards General de Gaulle's investiture. The general was supported by all the Social Republican (Gaullist) deputies; by all but one of the Independents; by a large majority of the M.R.P. deputies (79 in favour, 7 against, 11 abstentions); by almost all the Poujadists; and by about two-thirds of the Radicals.

In the evening of June 1 General de Gaulle appeared before a crowded National Assembly to make his investiture speech; according to custom, the president of the Assembly read the names of the new Ministers (see below) before General de Gaulle addressed the Chamber. In a short declaration, the general announced his intention—if invested as Prime Minister—to ask for full powers for a period of six months, at the end of which time it was hoped that "the public powers would be able to resume the normal course of their functioning." He then left the Chamber, applauded by all the deputies except the Communists and some of the Socialists and Radicals. After debate, General de Gaulle was given a *vote d'investiture* by 329 votes to 224, with 32 deputies not participating in the vote and four absent on leave.

The fact that General de Gaulle was not a member of Parliament did not preclude him from investiture as Prime Minister, since the French Constitution does not stipulate that the Premier must necessarily be a parliamentarian. [Article 45 states that the President of the Republic, after the customary consultations, "designates the Prime Minister."] Moreover, the Constitution states that the Prime Minister "chooses the members of his Cabinet and makes known the list to the National Assembly" before the *vote d'investiture*—implying that a Prime Minister could, if he wished, choose his Ministers from outside the Assembly.

General de Gaulle addressed the National Assembly as follows:

"The State going downhill at an increasing rate; French unity directly threatened; Algeria plunged into a storm of trials and emotions; Corsica suffering from a contagious fever; conflicting movements on the mainland growing in passion and intensity every hour; an Army long proved by bloody and meritorious tasks, but shocked by the bankruptcy of power; our international position breached in the very heart of our alliances. Such is the situation of our country. At this moment, when so many possibilities and opportunities are offered to France, she finds herself threatened with dismemberment and perhaps with civil war.

"It is in these conditions that I propose to try once more, for the salvation of the country, to lead the State and the Republic. Called by the Head of the State, I find myself led to ask the National Assembly to invest me with a heavy duty.

"It is necessary to have the means for fulfilling this duty. The Government, if you desire to invest it, will ask you to grant these means at once. It will ask you for full powers in order to be able to act with the efficacy, rapidity, and responsibility which the circumstances demand. It will ask you for these powers for a duration of six months in the hope that, at the end of this period, order will have been re-established in the State, hope found again in Algeria, and union restored in the nation, thus permitting the public powers to resume their normal functioning.

"But there would be no use in applying a provisional and shiftless remedy to a disastrous state of affairs unless we decided to end once and for all the basic cause of our ordeals. This cause—the Assembly knows it, and the nation is convinced of it—is the confusion and, by the same token, the impotence of authority.

"The Government that I am going to form, provided I have your confidence, will put before you without delay a plan for reforming Article 90 of the Constitution [i.e. the procedure for constitutional revision] so that the Assembly may authorize the Government to work out, and then to submit to the country in a referendum, the changes that are indispensable.

"In the statement of the Government's motives, which will be submitted to you together with the text of the Bill, the Government will specify the three principles which must form the basis of the Republican régime and to which it undertakes to make its plan conform:

(1) Universal suffrage is the source of all authority.

(2) The executive power and the legislative power must be effectively separated so that both Government and Parliament can assume, each on their own account and under their own responsibility, the fullness of their powers.

(3) The Government must be responsible to Parliament.

"The solemn opportunity of putting in order the relations of the French Republic with the peoples who are associated with it will be offered to the country in the same project for constitutional reform. The Government will undertake to include these new arrangements in the plan to be submitted to the vote of the French people.

"Starting with this double mandate conferred on it by the National Assembly, the Government will be able to undertake the immense task defined for it. As for myself, I shall need your confidence in full measure.

"It will be necessary for Parliament without delay—for events will brook none—to pass the Bills laid before it. As soon as this is done, Parliament will go into recess until the date fixed for the normal opening of its next session. Thus the Government of the Republic, invested by the representatives of the nation and granted in extreme urgency the necessary means for action, will be enabled to assume responsibility for the unity, integrity, and independence of France."

In the ensuing debate, the principal opposition to General de Gaulle's investiture as Prime Minister was expressed by M. Mendès-France (Radical), M. Mitterrand (U.D.S.R.), and M. Duclos (Communist). Among deputies who spoke in support of General de Gaulle were M. Deixonne (Socialist) and M. Pierre Clostermann (Radical), the famous Free French air "ace" of World War II, and holder of many French and British decorations.

M. Mendès-France spoke as follows: "We think of the past because we have come to the end of a period in our history. We think of the future because an illustrious man is taking over the leadership of France . . . The Fourth Republic is perishing because of its faults, it has squandered its moral capital in a very few years But it is not democracy and the party system that has failed; it is the bad use which we have made of the parliamentary regime. We have not been sufficiently faithful to the will of the nation. We have seen feeble Government after feeble Government follow each other, each at the mercy of intriguing groups . . .

"Whatever my sentiments for General de Gaulle, I cannot vote for his investiture. I cannot agree to give my vote under the threat of insurrection and a military *coup de force*. To-day's vote is not free; it is dictated . . . Among those who will vote 'for' [General de Gaulle] are sincere men whose convictions I respect. Others will vote 'for' to avoid civil war . . . In invoking the name of General de Gaulle, the enemies of the Republic have seriously altered the character of his arbitration . . . For the sake of France, and for the glory of General de Gaulle, I hope his Government will lead the nation towards liberty and association. But will those who brought it to power allow it to do so? . . ."

M. Duclos, whose speech was moderately worded compared with his earlier attacks on General de Gaulle, commented ironically on the fact that—for the first time—a Prime Minister-designate was not present during the Assembly's debate on a *vote d'investiture*. He asserted that Parliament was being subjected to "blackmail" and that a "dictatorship" was being brought into being by the *factieux* of Algeria.

M. Mitterrand, like M. Mendès-France, expressed his personal esteem for General de Gaulle, but declared that the Assembly had been faced with an "ultimatum." After a bitter attack on the "insurrectionists" in Algeria, he added: "Although the most illustrious of Frenchmen is asking for our support, I cannot forget that he has been put forward and supported by an undisciplined Army." M. Mitterrand added that while General de Gaulle had two companions in 1944, *honneur et patrie*, he had today two other companions, *coup de force et sédition*.

M. Deixonne paid tribute to General de Gaulle for putting his "immense prestige" at the service of the Republic "to prevent the secession of Algeria and to proceed, with full respect for democracy, to the indispensable reform of our institutions." **M. Clostermann** said that he had "waited 12 years for the return to power, in full legality, of the man whose great voice we have just heard."

Detailed voting figures on the *vote d'investiture* were as follows:

For General de Gaulle—86 Independents, 70 M.R.P., 44 Socialists (including MM. Mollet, Moch, Lacoste, Ramadier, Lejeune, and Deixonne), 30 Poujadists, 24 Radicals (including MM. Gaillard, Maurice Faure, Billères, and Clostermann), 17 *paysans* and *paysans d'action sociale*, 15 Social Republicans, 14 R.G.R., 12 *Gauche Démocratique*, 10 U.D.S.R.-R.D.A. (including MM. Pleven, Bonnefous and Houphouet-Boigny), 4 *Regroupement Africain*, and 3 *non-inscrits*—total 329.

Against General de Gaulle—147 Communists and *progressistes*, 49 Socialists (including MM. Gazier, Montel, Pineau, and Tanguy-Prigent), 18 Radicals (including MM. Bourgès-Maunoury, Daladier, and Mendès-France), 4 U.D.S.R. (including M. Mitterrand), 3 M.R.P. (including M. de Menthon), 1 *Gauche Démocratique*, 1 Independent (Maître Isorni, defence counsel for Marshal Pétain at the latter's trial), and 1 *non-inscrit*—total 224.

Not participating in Vote—Of the 32 non-participants in the vote, about three-quarters were African deputies of various parties, mainly of the *Regroupement Africain* and the U.D.S.R.-R.D.A., the remainder included three Socialists and one Communist.

The debate and the voting took place in an orderly atmosphere except for an attempt by a Communist woman deputy (Mme. Vaillant-Couturier) to make a personal assault on M. Dronne, a Social Republican deputy who had just returned from Algiers; she was prevented from doing so by ushers.

De Gaulle Government given Full Powers for Six Months. - Constitutional Reforms to be submitted to National Referendum. - Adjournment of French Parliament.

Both Houses of the French Parliament adjourned on June 3 to an unspecified date after passing three Bills which had been submitted by General de Gaulle's Government immediately after the general's investiture as Prime Minister. These measures were :

(1) A Bill for the renewal of the Government's special powers in Algeria, as required whenever a new Government takes office.

(2) A Bill conferring special powers on the Government for a period of six months, except in certain specified fields.

(3) A Bill (*projet de loi constitutionelle*) empowering the Government to make constitutional reforms by revising Article 90 of the Constitution, and thereafter to submit the revised draft to a national referendum. In the form finally adopted, the Bill provided that the Government, in working out the reforms, would be assisted by a consultative committee of whom two-thirds of the members would be parliamentarians.

The Algerian Special Powers Bill (1) was adopted on June 2 with little debate, the voting being 337 to 197 in the National Assembly and 269 to 28 in the Council of the Republic. Bills (2) and (3), however, were amended in a number of respects by the Assembly's Universal Suffrage Commission. The Commission's amendments in connexion with Bill (2) were largely accepted by the Government as a clarification of its own proposals, the Bill being subsequently passed by the Assembly. The Government also conceded an important amendment to the third Bill, but refused to accept the more far-reaching amendments put forward by the Commission. In consequence, General de Gaulle appeared before the National Assembly in the evening of June 2 and, in a five-minute speech, gave a solemn warning that his Government would "not continue in existence beyond tonight" unless the Assembly provided it with "the mandate and the means for reforming the country's institutions" so as to enable the Government to fulfil the task for which it had been formed in the "very grave situation" confronting the country. After rejecting several amendments, the Assembly finally passed the Bill in the form accepted by the Government, with the necessary two-thirds majority.

As originally tabled in the Assembly, Bill (2) conferred special powers on the Government for six months to carry out by decree "the necessary legislative measures for the rehabilitation of the nation," while respecting fundamental public liberties. The Universal Suffrage Commission, through its *rapporteur* (M. Teitgen, M.R.P.), asked for certain assurances, notably (*a*) that the full powers would be granted only to General de Gaulle's Government and to no other, (*b*) that their field of action should be precisely defined [in this connexion the Commission had criticized the original draft as too vague]. To meet these objections, the Government produced an amended version which was adopted by the Universal Suffrage Commission by 27 votes to 15.

As regards the third Bill, the Universal Suffrage Commission at first introduced sweeping amendments which would have had the effect of (*a*) requiring that any constitutional reform proposals should be submitted to Parliament within three months; (*b*) stipulating that such proposals would need an absolute majority in each House for their adoption; and (*c*) authorizing a national referendum only if the proposals were rejected by Parliament. All these amendments were rejected outright by General de Gaulle. To enable Parliament to be associated with the constitutional reform, however, the Government introduced an amended Bill providing for the setting-up of a consultative committee, two-thirds of whose members would be drawn from both Houses of Parliament, and stating that the Government would "seek the advice" of this committee in preparing its constitutional reform proposals. In this form the Bill was accepted by the Universal Suffrage Commission by 21 votes to 11, with 9 abstentions.

The texts of the two Bills in their final form (i.e. as passed by the National Assembly and the Council of the Republic) were as set out below :

Special Powers Bill.

This consisted of a single Article worded as follows :

"For a period of six months from the promulgation of this law, the Government of the Republic will take, by decrees, the necessary legislative measures for the rehabilitation of the nation."

"These decrees must not include in their scope the following matters reserved to the courts by law and by Republican constitutional tradition, deriving particularly from the preamble to the Constitution of 1946 and from the Declaration of the Rights of Man of 1789 :

(1) The exercise of public and trade union liberties.

(2) The definition of crimes and offences and the imposition of penalties applicable thereto.

(3) Criminal procedure.

(4) Fundamental guarantees of the rights of citizens.

(5) Electoral legislation.

"Except in cases of special urgency, decrees will be issued by the Cabinet after consulting the Council of State (*Conseil d'Etat*). They will come into force on publication in the *Journal Officiel*.

"At the expiration of the period envisaged [i.e. at the end of six months] they will be presented to the National Assembly for ratification."

The Bill was accompanied by an *exposé des motifs* worded as follows :

"The crisis affecting France threatens the unity of the nation, the authority of the State, the life of the Republic, the liberties of the citizens. It threatens to lead to civil war. Normal powers are insufficient to meet this threat, and the Government must therefore have recourse to special powers.

"In the past, Parliament has authorized the Government to take by decree important measures that are normally passed by law. To-day, at the beginning of a period of special emergency and danger, it is indispensable to confer on the Government the means of carrying out all necessary legislative measures for the rehabilitation of the national life.

"Nevertheless, such an extension of the Government's powers should not exceed a time-limit which must be restricted by the determination to re-establish with all speed the normal functioning of the country's institutions. This limit should be fixed at six months.

"With a view to clarity, and to emphasizing the exceptional and transitory character of the legislative acts the Government will take, these [decrees] will be known as ordinances (*ordonnances*). They will have the force of law and take effect on publication. They will be tabled in the National Assembly within six months of the publication of the present law."

The Special Powers Bill was passed in the National Assembly by 322 votes to 232, and in the Council of the Republic by 260 votes to 48; both votes were taken on June 2. During the final debate in the Assembly, M. Pflimlin - who, as stated below, became a Minister of State in General de Gaulle's Cabinet—gave an assurance that the Government had neither the intention to set up special courts under the special powers legislation, nor to modify the principles of social legislation or those relating to collective labour conventions, social security, or family allowances.

Constitutional Reform Bill.

The text and provisions of this Bill were as follows :

"By virtue of the provisions of Article 90 [of the 1946 Constitution], the Constitution will be revised in the following manner.

"The Government of the Republic will present a *projet de loi constitutionelle* incorporating the following principles :

(1) Universal suffrage is the only source of power. It is from universal suffrage, or from the bodies elected by it, that the legislative and executive powers are derived.

(2) The legislative and executive powers must be effectively separated in such a manner that the Government and Parliament can assume their full authority, each on their own account and under their own responsibility.

(3) The Government must be responsible to Parliament.

(4) The judiciary must remain independent in order to ensure respect for basic liberties as defined in the Constitution of 1946 and in the Declaration of the Rights of Man.

(5) The Constitution must allow the relationship of the Republic with the associated peoples to be placed on a proper footing.

"In carrying out these reforms, the Government will seek the advice of a consultative committee which will include members of Parliament designated by the competent commissions of the National Assembly and the Council of the Republic. The number of members of the consultative committee nominated by each of these commissions shall be equal to at least one-third of the number of members of these commissions. The total number of members of the consultative committee nominated by the parliamentary commissions will be equal to two-thirds of the membership of the committee.

"The *projet de loi* drawn up by the Cabinet, after consultation with the Council of State, will be submitted to a referendum. It will be promulgated by the President of the Republic within eight days of its adoption."

The Bill was passed in the National Assembly by 350 votes to 161 (with 3 voluntary abstentions, 70 deputies not participating in the vote, and 5 absent on leave) and in the Council of the Republic by 265 votes to 30. It thus received the two-thirds

majority required for the adoption of constitutional reform legislation without the need to submit it to a referendum. The National Assembly passed the Bill at midnight on June 2-3, and the Council of the Republic later on June 3. Both Houses then adjourned *sine die*.

Detailed voting figures in the National Assembly were as follows :

For the Constitutional Reform Bill : 87 Independents, 69 M.R.P., 48 Socialists (including MM. Mollet, Moch, Lacoste, Lejeune, Ramadier, and Deixonne), 30 Poujadists, 23 Radicals (including MM. Billères, Clostermann, and Maurice Faure), 18 Social Republicans, 17 *paysans* and *paysans d'action sociale*, 15 U.D.S.R.-R.D.A., 15 *Regroupement Africain*, 13 R.G.R., 12 *Gauche Démocratique*, 3 *non-inscrits*—total 350.

Against the Constitutional Reform Bill : 148 Communists and *progressistes*, 4 U.S.D.R. (including M. Mitterrand), 3 Socialists, 2 M.R.P., 2 *non-inscrits*, 1 Independent (Maître Isorni) and 1 *paysan d'action sociale*—total 161.

Voluntary Abstentions. The three deputies voluntarily abstaining from the vote were all from the M.R.P.—MM. de Menthon, Coste-Floret, and Lacaze.

Not participating in the Vote : 45 Socialists (including MM. Defferre, Depreux, Gazier, Lussy, Métayer, Pineau, and Tanguy-Prigent), 19 Radicals (including MM. Bourgès-Maunoury, Daladier, Gaillard, Galy-Gasparrou, Maroselli, and Mendès-France), 1 U.D.S.R. (M. Bonnefous), 1 *Gauche Démocratique* (M. Vincent Badie), 1 *Regroupement Africain*, and 3 *non-inscrits*—total 70.

General de Gaulle's Cabinet.

As stated above, the members of General de Gaulle's Cabinet were announced on June 2, immediately before his investiture speech to the National Assembly. Further Cabinet appointments were made by General de Gaulle on June 5, June 9 and July 7, the membership of the Government on the latter date being as follows :

*General Charles de Gaulle ..	Prime Minister and Minister of National Defence.
M. Guy Mollet (Socialist) ..	Ministers of State.
M. Pierre Pflimlin (M.R.P.) ..	
M. Félix Houphouet-Boigny (UDSR-RDA)	
M. Louis Jacquinot (Independent)	
Senator Michel Debré (Social Republican) . .	Justice.
*M. Maurice Couve de Murville	Foreign Affairs.
*M. Emile Pelletier	Interior.
*M. Pierre Guillaumat	Armed Forces.
M. Antoine Pinay (Independent)	Finance.
Senator Jean Berthoin (Radical)	Education.
M. Paul Bacon (M.R.P.) ..	Labour.
*M. Bernard Cornut-Gentille ..	*France d'outre-mer.*
M. Max Lejeune (Socialist) ..	Sahara.
M. Robert Buron (M.R.P.) ..	Public Works, Transport and Tourism.
M. Edouard Ramonet (Dissident Radical)	Industry and Commerce.
Senator Roger Houdet (Independent)	Agriculture.
*M. Pierre Sudreau	Construction.
Senator Edmond Michelet (Social Republican)	Ex-Servicemen and War Victims.
M. Eugène Thomas (Socialist)	Posts and Telegraphs.
M. Jacques Soustelle (Social Republican)	Information.
*M. Bernard Chenot	Public Health.
*M. André Malraux	Ministers-delegate to the *Présidence du Conseil.*
*M. André Boulloche	

*Non-parliamentarians.

General de Gaulle's Cabinet was thus a national coalition embracing all parties with the exception of the Communists on the extreme left and the Poujadists on the extreme right ; as shown, it included the leaders of the Socialist Party (M. Mollet), the M.R.P. (M. Pflimlin), and the Independents (M. Pinay). Nine of the 24 Ministers were non-parliamentarians, including General de Gaulle himself.

General Charles de Gaulle (67) was born at Lille in 1890 and was educated at a Roman Catholic college in Paris and the *Ecole Militaire* at St-Cyr. He served with distinction as a junior officer in the First World War, being wounded several times and mentioned in despatches ; captured at Verdun, he was a prisoner of war in Germany from 1916-18. After holding the post of Professor of Military History at St.-Cyr (1921-22) he served successively in the Middle East, as commander of a *chasseurs-à-pied* battalion, and on the secretariat-general of the Council of National Defence in Paris. At the outbreak of the Second World War he was in command of a tank regiment at Metz.

During the 'twenties and 'thirties General de Gaulle wrote several books (among them *The Army of the Future*) in which he propounded military theories which have today gained universal acceptance, but which at the time were considered unorthodox. A strong opponent of the "Maginot" mentality, he advocated *inter alia* a mechanized and professional army to replace conscripts, fast-moving tank warfare, emphasis on mobility and flexibility of operations, and close liaison between ground and air forces. He attempted, but with little success, to persuade French army chiefs and politicians to accept his views, which—as late as January 1940—were embodied in a memorandum to military and political leaders. In the German *blitzkrieg* of May 1940, General de Gaulle—then commander of an armoured division—personally fought one of the few successful French counter-offensives, being promoted general on the battlefield after a victory over the Germans at Laon.

Leaving France at the time of the Bordeaux armistice, he came to London and set up the French Committee of National Liberation after issuing his famous rallying-cry *La France a perdu une bataille ; elle n'a pas perdu la guerre*. Throughout the Second World War he was the undisputed leader of Free France, head of the Free French forces, and the rallying-point for French resistance overseas and in occupied France itself. Joined by political leaders of all parties who succeeded in escaping from France, he set up the Committee of National Liberation at Algiers in 1943 (at first jointly with General Giraud), and made a triumphal entry into Paris in August 1944.

General de Gaulle was Head of the French Provisional Government and Chief of Armed Forces in 1944-45, and Prime Minister, Minister of National Defence, and Commander-in-Chief in 1945-46. He resigned suddenly in January 1946 after difficulties with the political parties, campaigned vigorously for a Constitution characterized by a strong executive, and in 1947 founded his own political movement, the Rally of the French People (R.P.F.). After dissensions and defections, however, he resigned in 1953 from the leadership of the R.P.F., and since that year had remained aloof from politics, apart from occasional pronouncements at rare intervals.

Biographies of the members of General de Gaulle's Cabinet are given below, other than those for whom biographical details are given in earlier articles :

M. Guy Mollet (52) has been secretary-general of the Socialist Party for many years. He was Prime Minister for 16 months in 1956-57, his tenure of office being the longest of any Premier of the Fourth Republic. For biography see page 14682, second column.

M. Pierre Pflimlin (51) is national president of the M.R.P. and was General de Gaulle's predecessor in the Premiership ; for biography see page 16255, second column.

M. Houphouet-Boigny (53), an African, was born in the Ivory Coast and was formerly Governor of that territory. He is leader of the African Democratic Rally (R.D.A.), which is affiliated to the U.D.S.R., and has held ministerial office in the last four Governments. For biography see page 14683, first column.

M. Louis Jacquinot (59), a lawyer with a distinguished war record, escaped from occupied France during the war and joined General de Gaulle ; he played an important part in organizing the Free French Navy, and was *Commissaire à la marine* in the Committee of National Liberation. He has held ministerial posts in several post-war Governments.

Senator Michel Debré (46) is a long-standing supporter of General de Gaulle, to whom he was legal adviser when the general was head of the post-liberation Provisional Government. He had a distinguished record in the Resistance movement, became *Commissaire de la République* for the Angers region in 1944, and was subsequently head of the *Commissariat général des affaires allemandes et autrichiennes*. A leading member of the R.P.F., and subsequently of the Social Republican party, he has been a senator for Indre-et-Loire since 1948. He is a well-known lawyer, and author of several books on political questions.

M. Couve de Murville (51) was a senior Civil servant at the outbreak of war in 1939, holding the post of *Inspecteur des finances* at the Finance Ministry. He escaped to North Africa in 1942, was deprived of his nationality by the Vichy Government, and subsequently became Finance Commissioner in General de Gaulle's Committee of National Liberation. Joining the Foreign Ministry after the war, he became *Directeur général des affaires politiques* at the Quai d'Orsay and took part in several important post-war conferences. Since 1950 he has served as Ambassador in Cairo, Washington, and Bonn, and also as French representative on the U.N. Security Council and the North Atlantic Council. He was Ambassador to Western Germany at the time of joining General de Gaulle's Cabinet.

M. Emile Pelletier (60), the senior member of the Prefectoral corps, has had a distinguished Civil service career and has served as Prefect of the Somme, Aisne, Seine-et-Marne, and Seine departments, holding the latter post at the time of joining the Cabinet. He escaped from occupied France during the war, joined General de Gaulle in North Africa, and after the liberation was appointed "super-prefect" for the whole of south-western France, with responsibility for public order and economic development. Of strong pro-British sympathies, he has given much encouragement to the expansion of British cultural activities in south-western France.

M. Pierre Guillaumat (50), a well-known mining engineer, has held the post of *Chef de service des mines* in Indo-China and Tunisia. He is head of the Petroleum Research Board (*Bureau de recherches du pétrole*) and a member of the French Atomic Energy Commission, the High Commission of the Joint Organization for the Sahara (O.C.R.S.), and the *conseil d'administration* of the nationalized electricity industry (*Electricité de France*). The son of a famous general of World War I, M. Guillaumat will have responsibility for the Army, Navy, and Air Force as Minister for the Armed Forces, as shown in the Cabinet list, General de Gaulle himself has overall responsibility in these fields as Minister of National Defence.

M. Antoine Pinay (67) is leader of the Independent (conservative) party and has been a member of many post-war Cabinets. He was Prime Minister for ten months in 1952, and took important measures to stabilize the franc in the economic crisis of that year. For biography see page 12155, second column.

Senator Jean Berthoin (63) was head of the national security police (the *sûreté nationale*) in the 'thirties, and subsequently inspector-general of administrative services in Algeria. He has been a senator for Isère since 1948, and held the portfolio of Education in Cabinets headed by M. Mendès-France and M. Edgar Faure. Like nearly all other members of General de Gaulle's Government, he had a distinguished record in the Resistance.

M. Paul Bacon (50) is a trade unionist of long standing and a former Resistance fighter. A prominent member of the M.R.P., he is the author of a book on working-class problems and has held the portfolio of Labour and Social Security in several Cabinets.

M. Cornut-Gentille (50) was formerly a prominent member of the Prefectoral corps, having served as Prefect of the Ille-et-Vilaine, Somme, and Bhas-Rhin departments. He joined the Resistance movement, became *Commissaire de la République* at Rennes after the liberation, and was subsequently appointed High Commissioner for French Equatorial Africa (1948) and for French West Africa (1951). After serving as French permanent representative at the United Nations in 1956-57, he became Ambassador to Argentina in the latter year and held that post at the time of joining General de Gaulle's Cabinet.

M. Max Lejeune (51) is a prominent member of the Socialist Party and has held many Government posts since 1947, including that of Army Minister in the Mollet Cabinet. An advocate of a "firm" policy in Algeria, he was reappointed to the post (that of Minister for the Sahara) which he held in the Gaillard Cabinet. He is mayor of Abbeville.

M. Robert Buron (48) edited clandestine newspapers during the occupation, helped to found the journal *Carrefour* after the liberation, and was for a time administrator-general of *Radiodiffusion Française*. A lawyer by profession, he has held various portfolios in post-war Governments. In 1954 he became chairman of the National Productivity Committee.

M. Edouard Ramonet (50), a former university professor, was head of the *Institut Français* at Oporto (Portugal) at the outbreak of World War II, and was active in the Free French movement during the war years. First elected to the Constituent Assembly in 1945, he has been chairman of the National Assembly's Economic Affairs Commission. He is mayor of Châteauroux.

Senator Roger Houdet (59), an agricultural engineer, held the portfolio of Agriculture in the Laniel and Mendès-France Governments. He is a senator for the Seine-Maritime department.

M. Pierre Sudreau (39), who played an outstanding role in the Resistance during the war, was arrested by the Gestapo in 1944 and deported to the Buchenwald concentration camp. After the liberation he became head of counter-espionage in the *sûreté nationale*, and subsequently Prefect of the Loir-et-Cher department. Since 1955 he has been Commissioner of Housing for the Paris region, in which capacity he has been responsible for large-scale housing and construction projects. He is a lawyer by profession.

Senator Edmond Michelet (58) also distinguished himself in the Resistance movement as a founder of the *Combat* organization; he was arrested by the Gestapo and deported to the Dachau concentration camp, where he became leader of the French deportees. He was Minister for the Armed Forces under General de Gaulle in 1945-46, and held the same post in the Gouin and Bidault Cabinets. Since 1952 he has been a senator for the Seine department.

M. Eugène Thomas (54) has been Minister of Posts and Telegraphs in several previous Cabinets. Like the other Socialist Ministers in General de Gaulle's Cabinet, he supported the general on the *vote d'investiture* and also on the special powers and constitutional reform Bills.

M. Jacques Soustelle (46) was M. Lacoste's predecessor as Governor-General of Algeria; his dramatic escape to Algiers after the insurrection of May 13 is described on page 16259. He had been political adviser to the Committee of Public Safety and the Army authorities until summoned to Paris by General de Gaulle on June 14 to report on the Algerian situation. For biography of M. Soustelle see 14021 E.

M. Bernard Chenot (49) has been secretary-general of the Economic Council (*Conseil économique*) since 1951, and was previously secretary-general of the *Houillères nationales du Nord et du Pas-de-Calais*. A former professor at the *Institut d'études politiques* in Paris, he is the author of many books on economic organization and the nationalized industries.

M. André Boulloche (43) was Chief Engineer for Roads and Bridges at the time of his appointment to General de Gaulle's Cabinet. He has held State Secretaryships in several Cabinets and has also been Director of Public Works in Morocco. A prominent member of the Resistance movement, he was deported to Germany during the war.

M. André Malraux (56), famous as novelist, art critic, and Orientalist, travelled widely in Asia and Africa during the 'twenties and 'thirties and took part in archaeological expeditions in Indo-China and elsewhere. For several years before the war he evinced strong pro-Communist sympathies, and fought on the Republican side in the Spanish Civil War. Joining the French Army on the outbreak of World War II, he was captured by the Germans in 1940, escaped from a prison camp, and became a leading *Maquis* commander under the pseudonym of "Colonel Berger." After the Allied landings in the South of France he organized and commanded the Free French "Alsace-Lorraine" Brigade which advanced to the Rhine. An outstanding orator and propagandist, he gave full support to General de Gaulle and was Minister of Information in the general's Government from November 1945 to January 1946. He helped General de Gaulle to found the R.P.F., but subsequently retired from political life to devote himself to his literary work and art studies. Among his best-known works are his novel *La condition humaine* (awarded the *Prix Goncourt* in 1931) and his monumental three-volume history of art published under the title *Les voix du silence*.

Of the two Ministers-delegate to the *Présidence du Conseil*, M. Malraux was placed in charge of matters relating to youth, cultural questions, and scientific research, while M. Boulloche was given responsibility for technical matters. M. Malraux was originally appointed Minister of Information in General de Gaulle's Cabinet, but became a Minister-delegate when the Information portfolio was subsequently allotted to M. Soustelle on July 7.

Post-crisis Developments in France.

Among the first measures taken by General de Gaulle's Government were the abolition of the press censorship (June 1); the restoration of normal sea and air communications with Algeria and Corsica; and the reappointment of General Ely as Chief of Staff of the Armed Forces *vice* General Lorillot, who reverted to his former post of Chief of Army Staff. [On June 28, however, it was announced that the Government had accepted the resignation of General Lorillot and had appointed General Zeller as Chief of Army Staff, a post he had held two years earlier.] After a Cabinet meeting on June 8 it was announced:

(1) That the referendum on the new Constitution would be held on Oct. 5, 1958, or within a few days of that date.

(2) That General Salan had been appointed "Delegate-General of the Government" in Algeria, but that General de Gaulle himself would retain overall responsibility for Algerian affairs.

(3) That municipal elections would be held in Algeria in about a month.

After a further Cabinet meeting on June 17, it was announced that the four Ministers of State would visit a number of countries in the coming weeks to "explain the general policy" of the new Government. Thus, M. Guy Mollet would go to the English-speaking countries, including the United States; M. Jacquinot to Latin America, South Africa, Ethiopia, and Liberia; and MM. Pflimlin and Houphouet-Bougny would visit the French overseas territories.

In his first radio and television broadcast as Prime Minister, made on June 13, General de Gaulle outlined his Government's tasks as: to pacify Algeria and "make her one with France for ever"; to "organize on a federal basis" the relations between France and the associated peoples in Africa and Madagascar; to "establish on a co-operative basis" France's relations with Tunisia, Morocco, and the States of Indo-China; "to take our proper place in the Western world to which we belong, without confining ourselves to it"; to draw up, and submit to the people, proposals for constitutional reform which would give the Republic political institutions "strong, stable, and effective enough to enable us to realize our destiny"; and to restore equilibrium in the French economy. He ended: "The road ahead is hard but splendid; the goal is difficult but noble. *Allons!*"

In the course of his speech General de Gaulle appealed to the nation to support a 3½ per cent national loan which would be issued at par, based on gold, and redeemable in 54 years. This loan, issued on June 17, took the form of tax-free bonds pegged to the price of the gold *napoléon*, fixed at 3,600 francs. Investors were guaranteed against any depreciation of the franc in terms of gold; and those who repatriated and surrendered foreign exchange, foreign securities or gold held illegally abroad, and used the proceeds for subscriptions to the loan, were guaranteed complete freedom from prosecution and penalties.

The loan remained open for 3½ weeks (until July 12) and was outstandingly successful. The Finance Ministry announced on July 10 that it had so far brought in 230 milliards of francs in cash and 131 tons of gold (equivalent to about $150,000,000), thereby

greatly exceeding the results of the "Pinay loan" issued in 1952 for a similar 3½-week period. [As compared with the results of the "de Gaulle loan" of 1958, the "Pinay loan" of 1952 produced 180 milliards of francs in cash and 35 tons of gold.]

Post-crisis Developments in Algeria and Corsica.

The formation of General de Gaulle's Government was enthusiastically welcomed in Algeria and Corsica, although some of the more extreme right-wing settlers in Algeria were reported to be angered at the inclusion of MM. Pflimlin and Mollet in the Government, and particularly at the exclusion of M. Soustelle. [As stated above, M. Soustelle was not appointed Minister of Information until July 7, or more than a month after the new Government had taken office.]

General Salan, General Dulac (one of his principal assistants) and General Jouhaud (Air Force Commander in Algeria, and a vice-chairman of the Committee of Public Safety) visited Paris on June 3 for consultations with General de Gaulle; the Prime Minister also had a meeting on the same day with M. Léon Delbecque [see page 16256], who had flown to Paris from Algiers and returned there on the following day. On June 9 it was announced (*a*) that M. René Brouillet had been appointed Secretary-General for Algerian Affairs at the *Présidence du Conseil*, in which capacity he would work closely with General de Gaulle (who, as stated above, retained responsibility for Algeria); (*b*) that M. Lamassoure had been appointed Prefect of Corsica in succession to M. Savreux, who had been forced to give up his post after the insurrection in the island. Prior to the appointment of M. Lamassoure, Colonel Thomazo had acted as civil and military Governor of Corsica—a post to which he had been appointed by General Salan; he left Ajaccio for Algiers on July 10.

On June 16 General Salan formally assumed the duties of Delegate-General of the Government in Algeria, his powers being broadly similar to those previously exercised by M. Lacoste as Resident-Minister. Immediately after taking office General Salan announced the following appointments: (1) General Jouhaud as his military deputy, with operational command of all land, sea and air forces in Algeria [this appointment was necessitated by the fact that much of General Salan's time would be taken up with political and civil problems]; (2) M. Serge Baret as secretary-general to General Salan [M. Baret was Super-Prefect of the Algiers region at the outbreak of the insurrection, to which he gave full support]; (3) General Allard as Super-Prefect for the Algiers region in succession to M. Baret; (4) General Jacques Massu (co-chairman with Dr. Sid Cara of the Committee of Public Safety) as Prefect of Algiers

Three decrees were published on June 29 in the *Journal Officiel* (Paris) defining in detail (1) the powers and functions of the *Secretariat générale pour les affaires Algériennes* (i.e. the department headed by M. Brouillet in Paris); (2) the powers and functions of the *Organisation de la Délégation générale du Gouvernement en Algérie* (i.e. the organization headed by General Salan in Algiers in his capacity of Delegate-General), including such matters as defence and security, information, finance and economics, transport, industry and agriculture, communications, postal and telegraphic services, public works, education, reconstruction, and administrative affairs; and (3) the conditions in which the military authorities in Algeria could provisionally exercise powers normally appertaining to the civil authorities.

A number of military appointments and promotions in the Algerian Command were approved by the French Cabinet on July 11, including the following:

(*a*) The promotion of Generals Jouhaud and Challe to the rank of *généraux d'armée aérienne* (both generals gave full support to the insurrection of May 13, General Jouhaud being one of the three vice-chairmen of the Committee of Public Safety); (*b*) the promotion of General Massu to the rank of *général de division*; (*c*) the appointment of General Dulac as *adjoint* (chief assistant) to General Salan; (*d*) the appointment of General Faure as Commander of the 27th Infantry Division stationed at Tizi-Ouzou. [General Faure was placed under arrest for a short time at the end of 1956 in connexion with an alleged conspiracy to set up a military government in Algiers—see 16245 A; more recently he had held a command with the French forces stationed in Western Germany.]

It was also announced that the *Médaille militaire*—one of the highest French decorations—had been conferred on General Salan by the French Government.

General de Gaulle paid a three-day visit to Algeria on June 4-6, shortly after taking office as Prime Minister, and a further visit on July 1-3. They will be described in later issues. (Le Monde - Le Figaro - Le Populaire - Times - Daily Telegraph - Manchester Guardian - New York Herald Tribune)

(Prev. rep. 16255 A.)

Post-war French Cabinets. The Cabinet formed by General de Gaulle was the 26th since the liberation of Paris in 1944. The French post-war administrations have been as follows:

General de Gaulle	Sept. 26, 1944	Oct. 21, 1945
General de Gaulle	Nov. 13, 1945	Jan. 20, 1946
Félix Gouin	Jan. 26, 1946	June 12, 1946
Georges Bidault	June 23, 1946	Nov. 28, 1946
Léon Blum	Dec. 12, 1946	Jan. 20, 1947
Paul Ramadier	Jan. 21, 1947	Nov. 19, 1947
Robert Schuman	Nov. 22, 1947	July 19, 1948
André Marie	July 24, 1948	Aug. 27, 1948
Robert Schuman	Aug. 31, 1948	Sept. 7, 1948
Henri Queuille	Sept. 10, 1948	Oct. 6, 1949
Georges Bidault	Oct. 28, 1949	June 24, 1950
Henri Queuille	July 1, 1950	July 4, 1950
René Pleven	July 11, 1950	Feb. 28, 1951
Henri Queuille	March 9, 1951	July 10, 1951
René Pleven	Aug. 11, 1951	Jan. 7, 1952
Edgar Faure	Jan. 17, 1952	Feb. 29, 1952
Antoine Pinay	March 6, 1952	Dec. 23, 1952
René Mayer	Jan. 7, 1953	May 21, 1953
Joseph Laniel	June 26, 1953	June 12, 1954
Pierre Mendès-France	June 18, 1954	Feb. 5, 1955
Edgar Faure	Feb. 23, 1955	Jan. 24, 1956
Guy Mollet	Feb. 1, 1956	May 21, 1957
Maurice Bourgès-Maunoury	June 13, 1957	Sept. 30, 1957
Félix Gaillard	Nov. 6, 1957	April 16, 1958
Pierre Pflimlin	May 13, 1958	May 28, 1958
General de Gaulle	June 1, 1958	

The longest-lived post-war Government was that of M. Mollet, which remained in office for 16 months in 1956-57; the shortest-lived was the three-day Government of M. Queuille in 1950. The average life of French Governments since the war has been about five and a half months.

A. SOUTH AFRICA. — Reorganization of Defence Services. - Defence Appointments.

A reorganization of the Union's armed forces was announced on June 9 by the Minister of Defence, Mr. F. C. Erasmus.

Mr. Erasmus said that the changes—intended to bring South Africa into line with "the new policy of a number of Western countries"—would result in a reduction of manpower but would involve more intensive training and produce greater striking power. In the Army, there would be reductions in the number of recruits joining the Active Citizens Force, the Commandos, and the School Cadet Corps. In the S.A.A.F., the Air Force and Active Citizens Force squadrons would be combined and distributed according to tactical and strategic requirements. Active Citizens Force appointments to the Navy had already been suspended, though the training bases would be retained.

With the abolition of supplementary units, more attention would be concentrated on the training and building up of fighting units: servicing and administrative units would be reduced because technical and administrative manpower would be immediately available from civilian sources in an emergency. The Air Force would in future have three groups—the Inland Group, the Maritime Group, and the Maintenance Group

Defence Appointments.

It was announced in Pretoria on Dec. 23, 1957, that Brigadier J. N. Bierman would succeed Major-General P. H. Grobbellar as Army Chief of Staff in September 1958. It had previously been announced that Major-General S. A. Melville would become Commandant-General of the Union Defence Forces on the retirement in September of Commandant-General H. B. Klopper, and that Major-General Grobbellar would succeed Major-General Melville as Inspector-General.

Defence Planning Facilities in High Commission Territories.

Details were announced in London and Pretoria on July 17 of the defence planning facilities to be granted to the South African Government in Basutoland, the Bechuanaland Protectorate, and Swaziland, following discussions between Mr. Erasmus and Sir Percivale Liesching, the High Commissioner for the three territories.

The facilities were for (*a*) overflying rights on a reciprocal basis; (*b*) arrangements for search and rescue operations; (*c*) inspection of airstrips in Bechuanaland for use by South African aircraft in case of emergency landings; (*d*) a short access route through Basutoland to a proposed radar site in the Drakensberg Mountains on Union territory; (*e*) permission for a South African Defence Force party to carry out a reconnaissance of an emergency route to South-West Africa across south-western Bechuanaland.

The discussions in Pretoria followed talks in London between Mr. Erasmus and Lord Mancroft (British Minister without portfolio), in which certain overflying rights in the High Commission Territories had been accepted in principle by the British Government The U.K. also undertook to give consideration to further South African proposals for facilities in the Territories in connexion with South African defence planning. (State Information Dept., Pretoria - Cape Times - Times)

(Prev. rep. 15112 C; 14144 C.)

A. AVIATION. — The Munich Disaster. - Report of West German Commission of Inquiry.

Twenty-one people were killed, including seven players of Manchester United Football Club and eight British sports journalists, when an *Elizabethan* airliner of British European Airways crashed at Munich Airport on Feb. 6 when taking off for England. Two others on board - an eighth Manchester United player and the first officer of the plane, Captain K. G. Rayment—died in hospital a fortnight later, bringing the number of victims to 23 out of a total of 38 passengers and six aircrew.

The plane was flying from Belgrade - where Manchester United had been playing Red Star F.C. (the Yugoslav champions) in the European Cup—to England, and had landed at Munich for a stop of an hour and 45 minutes. It took off from Munich in a snowstorm after two unsuccessful attempts ; on the third attempt it crashed into a building on the edge of the airfield and burst into flames within a few seconds of the take-off.

The eight Manchester United players who lost their lives included a number of well-known international footballers, among them R. Byrne (the captain), D. Edwards, T. Taylor, and D. Pegg (all English internationals) and W. Whelan, an Irish international. Among the journalists killed in the disaster was Mr. Frank Swift (of the *News of the World*), the former England and Manchester City goalkeeper. Other victims included the trainer, coach, and team secretary of Manchester United F.C., as well as a director of the club.

The injured were cared for in the Rechts der Isar hospital in Munich, where some of them remained for many weeks before they were sufficiently recovered to make the journey to England. One of the most severely injured was Mr. Matthew Busby - manager of Manchester United, and one of the leading personalities in British football—who was not able to leave hospital until mid-April. Professor Georg Maurer (chief surgeon of the hospital), together with some of his doctors and nurses, visited Manchester in March and was warmly thanked for the care and devotion extended to the survivors of the crash ; he was given a great ovation at Old Trafford (the Manchester United ground), where a crowd of 60,000 heard a recorded message from Mr. Busby—who was still in hospital at Munich—paying tribute to the "wonderful treatment" that he and other survivors had received from Professor Maurer and his staff. The Lord Mayor of Manchester (Alderman Leslie Lever, M.P.) subsequently visited Munich to thank the Chief Burgomaster of the city and the staff of the Rechts der Isar hospital.

It was announced on April 11 that the Queen had appointed Professor Maurer as a Commander of the Order of the British Empire in recognition of his efficiency and devotion in caring for the survivors of the disaster. The citation said that "no praise could be too high for the skill and selflessness" with which Professor Maurer and the hospital staff had looked after their patients. Professor Maurer subsequently visited London to receive the C.B.E. from H.M. the Queen at Buckingham Palace.

The disaster was the worst of its kind in the history of British sport and was comparable only to the Turin disaster of May 4, 1949, when 18 players of the Torino F.C. (Italy) were killed in an air crash on returning from a match in Portugal—see 9992 E. On the Saturday after the Munich disaster a two-minutes' silence was observed at all football grounds in Britain, flags were flown at half-mast, and all players wore black arm-bands. Similar ceremonies were observed at grounds in Yugoslavia, Western Germany, and many other European countries.

Manchester United, under Mr. Busby's leadership, were the best-known and most successful club in English post-war football, having won the League championship three times (for the past two years in succession—see 16107 A) in addition to the F.A. Cup. Despite the loss of so many of their best players, the club succeeded in reaching the Cup Final of 1958 with a side consisting largely of reserves ; they were beaten 2-0 by Bolton Wanderers in the final at Wembley on May 3.

An inquiry into the causes of the disaster was instituted by the German Federal Government, which appointed a commission of aviation experts headed by Judge Walter Stimpel, a former regular *Luftwaffe* officer. [Under international air regulations, such inquiries are carried out in the country where the disaster occurs.] Hearings opened in Munich on April 29, the proceedings being *in camera*. The British Ministry of Civil Aviation, B.E.A., and the Guild of Air Pilots were represented by observers.

The commission's findings, published on June 26, stated that a layer of ice on the airliner's wings had "contributed at least in a large degree towards the accident" by impairing the plane's "aerodynamic qualities." It was impossible to ascertain all the facts, and it was not excluded that other circumstances, the details of which could not be established, might have contributed to the crash. When the plane landed at Munich from Belgrade, however, its external surface was already strongly "refrigerated" from flying at great heights ; wet snow had continued to fall while the plane was on the airfield and this precipitation, in the commission's opinion, had turned into a firm layer of ice which was not removed from the plane's wings before the third take-off. (Times - Daily Telegraph - Manchester Guardian - Die Welt, Hamburg)

B. UNITED KINGDOM. — Social Security Agreements with France, Belgium, and Yugoslavia.

Reciprocal U.K. social security agreements with France and Belgium came into operation as from May 1 and June 1 respectively, whilst a social security convention with Yugoslavia was signed on May 24, to come into effect upon ratification.

Anglo-French Convention. This agreement (which consolidated and revised the previous Anglo-French convention of June 11, 1948 [see 10312 D], an agreement of 1950 relating to Northern Ireland, and various supplementary agreements) covered benefits for sickness, maternity, industrial injury, old age, widowhood, and death. It also extended French old-age allowances (broadly comparable to non-contributory old-age pensions in Britain) to all U.K. nationals with at least five years' continuous residence in France, instead of their being confined as hitherto to those U.K. nationals employed in France. Medical benefits under the French insurance scheme, hitherto available only to families of U.K. nationals insured under that scheme, were extended to British retirement and industrial injury pensioners, and also to persons receiving long-term sickness benefit.

Anglo-Belgian Convention. This agreement, concluded on May 20, covered cash benefits provided in either country for unemployment, sickness, maternity, old age, widowhood, orphanhood, industrial accidents and diseases, and death, and also family allowances. In addition, it enabled nationals of either country to add together insurance contributions paid in both countries to determine the right to receive benefit, and made medical benefits under the Belgian health insurance scheme available to U.K. citizens employed in Belgium or normally resident in Belgium.

Anglo-Yugoslav Convention. Reciprocal arrangements under this agreement covered the benefits under the National Insurance, Industrial Injuries Insurance, and Family Allowances schemes in the U.K. and the corresponding benefits in Yugoslavia. Nationals of either country will be able to add together contributions paid in both countries to determine the right to receive benefit. Medical treatment provided under the Yugoslav scheme of health insurance will be available in Yugoslavia in people covered by the U.K. National Insurance scheme and to their dependants, whether working in the country or on holiday.

Reciprocal social security agreements have also been concluded with a number of other countries (see references), including Australia, the German Federal Republic, Israel, the Netherlands, Norway and Sweden. (Ministry of Labour Gazette) **(Prev. rep. 16062 B ; 15715 D ; 15560 C ; 15510 C ; 15398 C ; 13815 A.)**

C. CANADA. — Manitoba Provincial Elections.

Elections for the Manitoba Provincial Legislature were held in Manitoba on June 16 with the following results (party strengths in the former Legislature shown for comparison) :

	1958	1953
Progressive Conservatives ..	26	12
Liberal Progressives ..	19	32
C.C.F. (Labour)	11	5
Social Credit	—	2
Independents	1	4
Independent Conservative	—	1
Labour Progressive ..	—	1

The Progressive Conservatives thus became the strongest party, both they and the C.C.F. more than doubling their representation. The Liberals lost the majority which they had held in the province for 43 years (since 1915), when the last Conservative Government was superseded by a Liberal administration.

Neither the Social Credit Party nor the Labour Progressives (Communists) will be represented in the new Assembly—the Labour Progressives thus losing their last seat in any Canadian legislature.

The Manitoba elections left only two Canadian provinces with a Liberal Government—Prince Edward Island and Newfoundland. The Conservatives are in power in Nova Scotia, New Brunswick, Ontario, and Manitoba ; the Social Credit party in Alberta and British Columbia ; the *Union Nationale* in Quebec ; and the C.C.F. in Saskatchewan. (Department of External Affairs, Ottawa - Montreal Star) **(Prev. rep. 13489 A ; Provincial Elections, 15263 D.)**

D. UNITED KINGDOM. — Stonehenge Restoration.

The restoration work at Stonehenge was completed on July 9 with the re-erection of the 30-ft. trilithon and the replacement of its 18-ton lintel-stone.—(Daily Telegraph) **(Prev. rep. 16066 C.)**

A. UNITED KINGDOM. — The Birthday Honours.

The Birthday Honours List was published on June 12, the principal awards being set out below :

Order of Merit. Sir Frank Macfarlane Burnet, F.R.S., the eminent Australian virologist.

[Sir Macfarlane Burnet (58) is internationally known for his researches into virus diseases such as influenza, poliomyelitis and cholera, and has written many important works on these subjects—notably his *Virus and Man* and his *Natural History of Infectious Diseases*. He is Professor of Experimental Medicine at Melbourne University.]

Barons. Mr. Oliver Poole, deputy chairman of the Conservative Party Organization, for political and public services ; Sir Thomas Ellis Robins, for public services in Rhodesia.

[Mr. Poole was chairman of the Conservative Party Organization from 1955 to 1957, when he was succeeded by Lord Hailsham ; he was M.P. for Oswestry from 1945-50. Sir Ellis Robins, an American by birth, is a prominent figure in Rhodesian public life, and president of the British South Africa Company.]

Baronets. Mr. Henry Benyon, Lord-Lieutenant of Berkshire ; Mr. D. M. Evans Bevan, the South Wales industrialist and philanthropist ; Sir John Dunnington-Jefferson, chairman of East Riding County Council.

Privy Councillors. Mr. William Grant, Q.C., M.P. (Glasgow, Woodside), Solicitor-General for Scotland ; Sir Godfrey Thomas, lately Private Secretary to the Duke of Gloucester.

Companion of Honour. Sir Osbert Sitwell, the writer and poet.

Knights Bachelor. Dr. Thomas Armstrong, Principal of the Royal Academy of Music ; Mr. J. C. Baker, lately president, British Trawlers Federation ; Mr. A. E. Baldwin, M.P. (C., Leominster), for political and public services ; Lieut.-Colonel R. L. Benson, hon. treasurer, English-Speaking Union ; Mr. W. R. Black, chairman, National Research and Development Corporation ; Brigadier J. S. K. Boyd, president of the Royal Society of Tropical Medicine and Hygiene ; Mr. W. S. Carrington, member of Council, Institute of Chartered Accountants of England and Wales ; Mr. William Cash, chairman, Girls' Public Day School Trust ; Mr. W. A. Edmenson, for public services in Northern Ireland ; Alderman J. W. Emberton, for political and public services in Cheshire ; Mr. D. L. Evans, Deputy Keeper of the Records, Public Record Office ; Professor Keith Feiling, the historian ; Mr. W. H. Garrett, for services to industrial relations ; Alderman R. S. Harper, for political and public services in Manchester ; Mr. J. W. F. Hall, for services to the Association of Municipal Corporations ; Mr. F. C. How, secretary, Atomic Energy Office ; Mr. Willis Jackson, Director of Research and Education, Metropolitan-Vickers Electrical Co. Ltd. ; Mr. K. I. Julian, chairman, South-East Metropolitan Regional Hospital Board ; Alderman R. B. Keefe, for political and public services in Norfolk ; Colonel J. B. Mills, for political and public services in Hampshire ; Colonel F. A. Neill, for public services in the West Riding ; Mr. A. H. K. W. Northey, for political and public services in Wiltshire ; Mr. J. S. Pickles, chairman, South of Scotland Electricity Board ; Mr. Robert Rae, director, National Agricultural Advisory Service ; Mr. Eric Riches, Surgeon and Urologist to Middlesex Hospital ; Mr. J. E. Robinson, for political and public services in Cheshire ; Mr. W. C. Russon, president of the Festival of Wales ; Mr. J. W. Senter, for political services ; Mr. C. A. P. Southwell, managing director, Kuwait Oil Company ; Mr. John Summerson, Curator of Sir John Soane's Museum, for services to the history of architecture ; Professor T. H. Parry-Williams, sometime Professor of Welsh Language and Literature at Aberystwyth, for services to learning and literature in Wales ; Mr. Gerald Wills, M.P. (C., Bridgwater), Comptroller of H.M. Household ; Mr. Ian David Yeaman, president of the Law Society.

Other recipients of knighthoods and of other awards included the following :

Prime Minister's List. Mr. R. J. Ayres, Deputy Secretary, Ministry of Power ; Colonel P. J. Blair, for political services in Scotland ; Colonel R. J. Cash, lately chairman, Territorial and Auxiliary Forces Association in Warwickshire ; Mr. J. Beresford Clark, Director of External Broadcasting, B.B.C. ; Mr. J. H. Evans, deputy chairman, Board of Inland Revenue.

Foreign Office List. Mr. W. F. Crawford, Head of Middle East Development Division, Lebanon ; Mr. E. T. Lambert, H.M. Consul-General in Paris ; Mr. Richard Whittington, H.M. Ambassador in Bangkok.

Commonwealth Relations Office List. Mr. C. R. Cudmore, member of the Legislative Council, South Australia ; Brigadier K. B. Fraser, a leading Brisbane surgeon ; Mr. W. J. F. McDonald, Speaker of the Legislative Assembly, Victoria, Australia ; Mr. W. H. S. Micholmore, a member of the U.K. business community in India ; the Hon. John Murray, Chief Justice of Southern Rhodesia ; Mr. Justice Norman O'Bryan, of the Supreme Court of Victoria ; Mr. Norman de Winton Robinson, chairman of the Amateur Turf Club, Victoria.

Colonial Office List. Mr. R. S. Bacon, lately Justice of Appeal, East African Court of Appeal ; Mr. C. H. Bird, Minister of Commerce and Works, Uganda ; Colonel A. G. Curphey, for public services in Jamaica ; Mr. E. J. Davies, Q.C., Chief Justice of Tanganyika ; the Hon. Olumuyiwa Jibowu, Chief Justice of the High Courts of Lagos and Southern Cameroons, Nigeria ; Mr. Kenneth Maddocks, Governor-designate of Fiji ; Mr. Arthur Mooring, Deputy-Governor, Western Region, Nigeria ; Mr. George Oehlers, for public services in Singapore ; Mr. R. O. Ramage, chairman, Public Service Commission, Uganda ; Mr. R. W. Taylor, Engineer-in-Chief, Office of the Crown Agents for Oversea Governments and Administrations ; Mr. E. H. Windley, Governor-designate of the Gambia.

The Armed Forces. Recipients of knighthoods in the Services included Vice-Admirals H. W. Biggs, W. T. Couchman, and M. L. Power, Rear-Admiral K. H. T. Peard, Lieutenant-Generals J. C. Cowley and R. W. McLeod, and Major-General L. E. Cutforth.

Commonwealth of Australia List. Professor K. H. Bailey, the Federal Solicitor-General ; Dr. J. C. Eccles, Professor of Physiology in the Australian National University (Canberra) ; Mr. B. T. Edye, a prominent Sydney surgeon ; Mr. A. J. Reid, Chancellor of the University of Western Australia ; Air Marshal F. R. W. Scherger, Chief of Air Staff, R.A.A.F.

New Zealand List. Dr. C. R. Burns, of Wellington, for services to medicine ; Dr. F. H. Smirk, Professor of Medicine, Otago University ; Major-General W. G. Gentry (retd.), N.Z. Army ; Major-General K. I. Stewart (retd.), N.Z. Army.

Rhodesia and Nyasaland List. Judge H. J. Clayden, of the Federal Supreme Court.

D.B.E. Awards. The D.B.E. was conferred on Air Commandant Mary Henrietta Barnett, Women's Royal Air Force ; Mrs. Katharine Elliot (widow of the late Colonel Walter Elliot, M.P.), for political and public services ; Ivy, Duchess of Portland, chairman of the council of the National Association for the Prevention of Tuberculosis ; Miss Maggie Teyte (Mrs. Margaret Cottingham), the operatic singer, for services to music ; and Air Commandant Alice Mary Williamson, Princess Mary's R.A.F. Nursing Service.

C.B.E. Awards. Recipients of the C.B.E. included Mr. Norman Allin, the operatic bass, Professor of Singing at the Royal Academy of Music ; Mr. Matt Busby, manager of Manchester United F.C., for services to association football (Mr. Busby was badly injured in the Munich air disaster—see 16288 A) ; Mr. Val Gielgud, Head of Drama (Sound) at the B.B.C. ; Mr. Jack Hawkins, the actor ; Mr. Ivon Hichens, the artist ; Miss Celia Johnson (Mrs. C. E. Fleming), the actress ; Dr. Rudolph Lessing, president of the National Society for Clean Air ; Mr. Nugent Monck, lately director of the Maddermarket Theatre, Norwich ; Mr. George Murray, chief leader writer of the *Daily Mail* ; Mr. Terence Rattigan, the playwright ; Colonel Robin Smart, who led the Royal Society's expedition at Halley Bay (Antarctica) during the International Geophysical Year ; and Mr. Alexander Trotter, editor of the *Scottish Daily Express*.

Of the two recipients of peerages in the New Year Honours (see 15937 A), Sir Norman Birkett took the title of Baron Birkett of Ulverston, in the County Palatine of Lancaster ; and Field-Marshal Sir John Harding took the title of Baron Harding of Petherton, of Nether Compton in the County of Dorset.—(Times - Daily Telegraph - Manchester Guardian - Australian News and Information Bureau)

(Prev. rep. 15937 A.)

B. IRISH REPUBLIC. — Civil Aviation. - New Transatlantic Service by Aerlinte Eireann. - American Capital Participation in Aerlinte Company.

A new Dublin - New York service *via* Shannon was opened on April 28 by *Aerlinte Eireann*, using Super-Constellations leased from Seaboard and Western Airlines—a U.S. charter and cargo carrier. It is also planned to operate a service to Boston from the autumn.

Aerlinte Eireann was set up in 1947 by *Aer Rianta*, the Irish Government-owned parent company of *Aer Lingus*. A fleet of Lockheed Constellations was bought, but on the eve of the commencement of the service to the U.S.A. in 1948 Mr. de Valera's Government, which had sponsored the undertaking, lost the general elections and the Coalition Government which succeeded it abandoned the scheme for financial reasons. With the return of Mr. de Valera to power in 1953 the *Aerlinte* project was revived, the company signing an agreement with Seaboard and Western for the charter of aircraft and crews. The matter was again dropped, however, when the U.S. Civil Aeronautics Board decided to limit this charter agreement to two years, which was not considered long enough by *Aerlinte* ; moreover, Mr. de Valera was again defeated at the general elections held in that year. After Mr. de Valera's return to power in 1957, Mr. Sean Lemass (*Tanaiste*), who from the start had been chiefly responsible for the project, revived it again, with the result that the new service was inaugurated in April as stated above.

It was announced in Dublin on May 14 that Seaboard and Western Airlines would purchase 500,000 shares of £1 in *Aerlinte* at par on the basis of $2.80 per £1, and would thus acquire a 26 per cent interest in the company. It would also be represented on *Aerlinte's* board of directors.
(Irish Times, Dublin) **(Prev. rep. 9248 B ; 8497 B.)**

C. UNITED KINGDOM. — Reduction in Interest Rates on Local Authority Loans.

Interest rates on new loans to local authorities from the Local Loans Fund were reduced from July 12 as follows (existing rates in parentheses) : up to five years, 5¾ per cent (6½ p.c.) ; five to 15 years, 6¼ per cent (6½ p.c.) ; over 15 years, 6¼ per cent (6¼ p.c.).—(Treasury Press Office, London)

(Prev. rep. 16032 B.)

A. POLAND. — Gomulka - Cyrankiewicz Visit to Bulgaria, Hungary, and Rumania. - M. Cyrankiewicz's Asian Tour. - Polish-Czechoslovak Agreement on Economic Co-operation.

A Polish delegation led by M. Gomulka (first secretary of the United Workers' Party) and M. Cyrankiewicz (the Prime Minister) visited Sofia from May 5-9, Budapest from May 9-12, and Bucharest from May 12-15, 1958, for talks with the leaders of the Governments and Communist parties of Bulgaria, Hungary, and Rumania. While in Budapest, M. Gomulka for the first time publicly expressed approval of the suppression of the Hungarian uprising of 1956 by the Soviet Army.

Addressing members of the Hungarian Socialist Workers' Party on May 10, M. Gomulka said that the Polish Communists had been aware of the danger which the "counter-revolution" in Hungary represented to Poland and to peace in Europe. "We could clearly see that suppression of the counter-revolution, irrespective of its causes, was necessary," he continued. "Therefore we recognized the Soviet Union's decision to come to the rescue of the Socialist forces in Hungary as justified and necessary. In the actual conditions then created in your country, that was the carrying-out by the Soviet Union of its internationalist duty in the interests of the Hungarian people, of peace, and of all Socialist countries. For the same reason we have given our support to the forces in Hungary which resolutely defended Socialism. The leadership of these forces has been taken up by your reborn party, the Hungarian Socialist Workers' Party, and by experienced activists led by Janos Kadar."

A communiqué issued in Bucharest on May 15 stated that the Polish and Rumanian Governments had decided to appoint a joint commission to draw up a trade agreement for 1959-60 and long-term plans for exchanges of goods during the five-year period 1961-65.

M. Cyrankiewicz's Asian Tour.

M. Cyrankiewicz had previously headed a Polish delegation which made a tour of seven Asian countries in March and April 1957. The delegation arrived in Delhi on March 17, and flew to Rangoon on the following day. A joint statement issued on March 21 by M. Cyrankiewicz and U Nu (the Burmese Premier) reaffirmed their support for the "five principles" of peaceful co-existence, and called for the replacement of military blocs by a collective security system, the admission of the Chinese People's Republic to the U.N., prohibition of the production, testing and use of nuclear weapons, and reduction of conventional armaments.

M. Cyrankiewicz visited Pnom-Penh from March 21-23 for talks with M. San Yun, then Prime Minister of Cambodia. A communiqué expressed the view that "the policy of neutrality conducted by an ever-increasing number of Asian States represents an essential element of world peace"; it also paid tribute to the "constructive role" in the consolidation of peace played by the International Control Commission in Cambodia, on which Poland is represented.

After returning to Delhi on March 24 for a 10-day visit to India, M. Cyrankiewicz signed on March 27 an Indo-Polish cultural co-operation agreement providing *inter alia* for the exchange of scientists, lecturers, and artists and the training of experts of either country in scientific and industrial centres in the other. At a press conference on the same day M. Cyrankiewicz expressed full support for India's claims to Kashmir and Goa. Before leaving India on April 3 he paid visits to Chandigarh, Agra, Bangalore, Bombay, and Calcutta.

The Polish delegation visited Hanoi from April 3-6 for talks with President Ho Chi-Minh and M. Pham Van-Dong, (the North Vietnamese Premier), and proceeded on April 7 to Peking. After discussions between M. Cyrankiewicz and Mr. Chou En-lai, a joint statement on international problems was issued on April 11.

The Polish-Chinese statement called for "the replacement of antagonistic military blocs by collective security systems"; emphasized the need for "continuous efforts . . . to facilitate a *rapprochement* between nations regardless of differences in political, economic, and social systems"; and condemned "all attempts of the colonialists to obstruct the national liberation movements." Emphasizing the importance of strict implementation of the Geneva Agreements on Indo-China, the statement welcomed "the faithful execution of the agreements by the Cambodian Government" but expressed "regret" at "the obstruction of the implementation of the agreements by the Government of South Vietnam, supported by external forces." As regards Hungary, the statement reaffirmed the support of the Polish and Chinese Communist parties for the Kadar Government "in its struggle to consolidate the Socialist system and eliminate the consequences of past mistakes."

M. Cyrankiewicz concluded his Asian tour by visiting North Korea and Mongolia, and returned to Poland *via* Moscow. In a speech to the Polish Seym on April 27, in which he summed up the results of the tour, he spoke of the "vast field" in the various countries of Asia in which the Polish economy could develop trading activities, particularly through "technical co-operation in its broadest aspects, such as the export of machinery, the construction and expansion of industrial establishments, co-operation in the expansion of shipping, construction of seaports, geological research, and the construction of mines." These possibilities had so far only been utilized to a a very small extent, and the future development of economic relations with Asian countries would depend on "organizational efficiency, energy, and diligence."

Polish-Czechoslovak Economic Agreement.

M. Cyrankiewicz also headed a Government delegation which visited Czechoslovakia from May 2-7, 1957. An agreement was signed in Prague for the establishment of a Polish-Czechoslovak Economic Co-operation Committee, which would be responsible for co-ordinating the development of the two countries' economies, expanding mutual exchanges of goods and services, and strengthening scientific and technical co-operation. (Polish Embassy Press Office, London - Indian High Commissioner's Office, London - Times)

B. PAKISTAN. — Construction of Steel Plant and Natural Gas Power Station at Multan.

The Government of Pakistan approved on June 23 a plan for the building of a steel plant at Multan, with an annual production capacity of 60,000 tons. The project is based on the use of the iron-ore deposits at Kalabagh and of coal from the Makerwal collieries, as well as on natural gas from the Sui field; it was estimated to cost 170,000,000 rupees (£12,750,000), including the equivalent of 120,000,000 rupees in foreign exchange. The Government agreed that the Krupp-Renn process should be used for the steel mill unless a better and cheaper process could be determined after tests with Pakistan ore at present being conducted in the U.S.A.; the Krupp-Renn process had been recommended by the Pakistan Industrial Development Corporation.

The plan for a steel-works in the Punjab had been submitted by the Pakistan Industrial Development Corporation as long ago as 1955, after the Corporation had signed an agreement with Krupps of Essen for the construction of the plant; the agreement was for a period of 10 years and gave Krupps a 10 per cent share both in investment and profits.

Pakistan at present imports 100,000,000 rupees worth of steel products annually on private account, in addition to imports for defence requirements; the establishment of a steel plant will therefore considerably help in conserving foreign exchange. It was stated that the plant was expected to go into production within 2½ years, and that 40 per cent of the share capital would be open to public subscription.

The foundation-stone of a natural gas power station at Multan—a project likewise sponsored by the Pakistan Industrial Development Corporation - was laid on April 24 by the Prime Minister, Mr. Firoz Khan Noon. When completed, the station will have a capacity of over 140,000 kilowatts and will be the largest thermal electric station in Pakistan.
(Pakistan High Commissioner's Office, London)
(Prev. rep. Sui Gas Project, 13442 A.)

C. NORWAY. — Church Blessing for King Olav V.

King Olav V of Norway received the Blessing of the Church equivalent to a coronation ceremony, which was abolished in 1908—at the ancient Cathedral of Nidaros (Trondheim) on June 22. The ceremony was conducted by Bishop Fjellbu of Trondheim and Bishop Smemo of Oslo, and took place in the presence of Crown Prince Harald, Princess Astrid, Princess Ragnhild, the Norwegian Prime Minister and Foreign Minister, members of the *Storting*, military and civic leaders, and the Diplomatic Corps.

Nidaros Cathedral is the principal sanctuary of the Norwegian people, being dedicated to St. Olav—the king who brought Christianity to Norway from England nearly 1,000 years ago, and who is buried in the Cathedral. (Aftenposten, Oslo)
(Prev. rep. 15769 A.)

D. GUATEMALA - HONDURAS. — Agreements on Closer Economic Integration.

The Presidents of Guatemala and Honduras, respectively General Ydigoras Fuentes and Dr. Ramón Villeda Morales, met on April 28 at San Pedro Sula (Honduras) and signed an agreement between the two countries, known as the Charter of San Pedro Sula. It provided for the integration of the Guatemalan and Honduran transport systems, the exchange of raw materials, the abolition of double taxation, and guarantees for the investment of Guatemalan capital in Honduras and of Honduran capital in Guatemala.
(Bank of London and South America) **(Prev. rep. 15468 A.)**

A. BRITISH COLONIAL TERRITORIES.—Colonial Development Corporation. - Report for 1957. - The Overseas Resources Development Act.

The report of the Colonial Development Corporation for 1957, published on April 29, 1958, showed a net profit of £732,868 (after payment of interest amounting to £553,920), as compared with a net profit of £572,809 in 1956; it included a net operating profit of £227,908 on direct projects and subsidiary undertakings. The Corporation's activities in 1957 are summarized below.

Projects in Operation. During 1957 ten new projects were started, whilst all the 66 schemes in operation at Dec. 31, 1956 were continued. The capital approved for the 76 schemes in operation at Dec. 31, 1957, amounted to £80,468,000, of which £51,877,000 had actually been spent. A further 42 projects were under investigation.

Location of Projects. The projects in operation at Dec. 31, 1957 were located as follows (capital approved for each area shown in parentheses): *Caribbean Region*, 17 (£8,667,000); *Far East*, 13 (£18,109,000, including £12,763,000 for eight projects in the Federation of Malaya); *East Africa*, 16 (£15,644,000); *Central Africa*, seven (£22,108,000); *High Commission Territories*, 13 (£12,338,000); *West Africa*, 10 (£3,601,000, including £350,000 for a project in Ghana).

Functional Distribution of Capital. Of the total approved capital expenditure up to the end of 1957, public utilities (including power, transport, and housing) accounted for 51.5 per cent, compared with 53.6 per cent at the end of 1956; primary production, including agriculture, minerals, and forestry, for 38 per cent (35.9 per cent at the end of 1956); and processing and manufacture for 10.5 per cent (unchanged). The report explained that the 1954-56 trend towards basic development of public utilities and away from agriculture had been reversed in 1957, partly because Government policy had restricted C.D.C. lending to public corporations, and partly because of rising expenditure in the normal course of the Corporation's own primary projects.

Losses on Projects. Although 1957 was a successful year on the whole, the fall in commodity prices, adverse weather conditions in many areas, and a serious outbreak of foot and mouth disease in Bechuanaland (where the Corporation has large cattle ranches—see 11015 B) resulted in serious losses being incurred on several projects. In particular, the fall in the price of copper involved the Corporation's subsidiary, Macalder-Nyanza Mines Ltd., in a loss of £207,505; £400,000 had been set aside from 1957 profits to cover this and to take care of investments in other mining projects. Four other projects just coming into production or operation—British Honduras Fruit Co., Kasungi Tobacco Estates, Vipya Tung Estates, and Nigeria Housing Development Society Ltd—had also shown losses, but were expected to do better on full-scale working.

Suggested Capital Reorganization. The report pointed out that under the Overseas Resources and Development Act of 1958 (see below) the Corporation's borrowing powers had been increased from £100,000,000 to £150,000,000, but that the amount which might be borrowed from the U.K. Exchequer was limited to £130,000,000. The Corporation was thus authorized to borrow £20,000,000 from non-Government sources, but before this could be done it would have to show that it was "credit-worthy by ordinary commercial standards." The report made proposals for capital reorganization, including (*a*) the writing-off of about £8,000,000 for special losses incurred on unsuccessful projects started before 1951; (*b*) the provision of quasi-equity capital with no pre-determined interest or amortization but with "an obligation on the Corporation to pay a share of annual revenue surpluses as dividends."

Co-operation in Promoting Development. In many projects the C.D.C. was associated with other organizations and companies providing development finance, including the Commonwealth Finance Company, Barclays Overseas Development Corporation, the International Bank for Reconstruction and Development, and Canadian, Danish, Dutch, and Italian capital, as well as with local capital in the areas concerned. The Corporation proposed to "bring in more capital from sources other than the United Kingdom" to share in development opportunities in Commonwealth territories, and to encourage local association in its own projects "wherever this can be done without disproportionate commercial and efficiency risk." Producer co-operatives and smallholder schemes were being established in connexion with estate projects and central processing plants, and qualified local people were being appointed as directors of subsidiary and associated companies. The C.D.C. welcomed the establishment of territorial development corporations, and already worked in partnership with the Industrial Development Corporation in Kenya, the Uganda Development Corporation, the Singapore Improvement Trust, and regional development boards in Nigeria.

The Overseas Resources and Development Bill, referred to in the report, had been given an unopposed second reading in the House of Commons on Jan. 28 1958, and was enacted on March 13. In addition to raising the Corporation's borrowing ceiling (excluding temporary finance) as stated above, it extended its possible scope of activities (hitherto restricted to Colonial territories) to former dependent territories which had meanwhile achieved independence. Thus the Corporation was authorized (*a*) to continue existing projects and provide additional capital for them in newly independent countries (e.g. Ghana and Malaya) if the Colonial Secretary thought fit; (*b*) to act in these countries (subject to Government agreement) as managing agents or to perform advisory functions, but without committing C.D.C. funds.

Grants made to British colonies under the Colonial Development and Welfare Acts during the year ended March 31, 1958, totalled £18,604,413, or about £7,000,000 less than in the year ended March 31, 1957. Expenditure during 1957-58 reached the record figure of over £19,000,000, the main items being: over £5,000,000 for communications, mainly on roads and civil aviation; £4,000,000 for education, including £451,000 for the University College of East Africa, £305,093 for Eastern Nigeria, and £200,000 for the University of Hongkong; and over £3,000,000 for agricultural and veterinary schemes, including £1,000,000 for intensification of African agriculture in Kenya and £750,000 for farm development in Jamaica. Grants made since the Acts were passed in 1946 have totalled over £194,000,000, of which over £156,000,000 has already been spent.—(Times - Daily Telegraph - Manchester Guardian - Commonwealth Survey) **(Prev. rep. 15583 C; 13623 C.)**

B. UNITED STATES. — Pulitzer Prize Awards.

The recipients of the annual Pulitzer Prizes were announced on May 5 by the trustees of Columbia University, the awards being for the year 1957:

Drama. Awarded to Ketti Frings, the Hollywood scenario writer, for her dramatization of Thomas Wolfe's novel *Look Homeward, Angel*. Mrs. Frings is the author of a novel and of a number of screen stories.

Literature. Awarded posthumously to the late James Agee for his novel *A Death in the Family*, which appeared in 1955 shortly after his death. Mr. Agee (45) did much writing for motion pictures and television and was the author of a considerable amount of poetry and art criticism.

Biography. Awarded posthumously to the late Dr. Douglas Southall Freeman for his multi-volume *George Washington*, the seventh volume of which was completed after his death in 1953 by Professor J. A. Carroll and Mary Wells Ashworth. Dr. Freeman was one of America's leading historians and was formerly Rector of the University of Richmond, Virginia.

History. Awarded to Bray Hammond for his *Banks and Politics in America: From the Revolution to the Civil War*. Mr. Hammond (71), an authority on banking, retired in 1950 from the Federal Reserve Board in Washington, of which he was assistant secretary.

Poetry. Awarded to Robert Penn Warren for his volume of lyric poems entitled *Promises: Poems 1954-1956*. Mr. Penn Warren (53) is one of America's leading poets and novelists.

Music. Awarded to Samuel Barber for his score for the new American opera *Vanessa*, which had its première in January last. Mr. Barber (48) is one of the best-known of American contemporary composers, *Vanessa* being his first opera.

National Reporting. Two awards were made—to Mr. Relman Morin, an Associated Press reporter, for his "dramatic and incisive" eye-witness report of mob violence on Sept. 23, 1957, during the integration crisis in Little Rock; and to Mr. Clark Mollenhoff, of the *Des Moines Register and Tribune*, for a lengthy inquiry into labour union racketeering which was credited with assisting Congressional investigations.

International Reporting. Awarded to the *New York Times* for "its distinguished coverage of foreign news, which was characterized by admirable initiative, continuity, and high quality during the year." This was the first time that the award had been given to a newspaper staff collectively.

Special Citation. A special citation was given to Mr. Walter Lippmann, of the *New York Herald Tribune*, for "the wisdom, perception, and high sense of responsibility with which he has commented for many years on national and international affairs."

The prize for disinterested and meritorious service by a newspaper was awarded to the *Arkansas Gazette*, of Little Rock, for "demonstrating the highest qualities of civic leadership, journalistic responsibility, and moral courage" during the Little Rock integration crisis; the citation said that the newspaper's "fearless and completely objective news coverage, plus its reasoned and moderate policy, did much to restore calmness and order to an overwrought community."

The award for editorial writing went to Mr. Harry S. Ashmore, executive editor of the *Arkansas Gazette*, for "the forcefulness, dispassionate analysis, and clarity of his editorials" during the Little Rock crisis.—(New York Times - New York Herald Tribune) **(Prev. rep. Pultizer Awards, 15579 A.)**

C. UNITED KINGDOM. — Capital Issues.

New capital issues during the first half of 1958 totalled £205,557,000, compared with £211,527,000 for the first six months of 1957 and £383,857,000 for the whole of that year. Of the six-monthly total, £169,896,000 were issues for the U.K., £35,661,000 for British overseas countries, and nil for foreign countries.—(Midland Bank Ltd.) **(16032 C.)**

A. UNITED STATES. — Alaska becomes the 49th State of the Union.

An Administration Bill making Alaska the 49th State of the Union was signed by President Eisenhower on July 7 after it had been passed by the House of Representatives on May 28 by 208 votes to 166, and by the Senate on June 30 by 64 votes to 20. In signing the Bill, the President expressed his pleasure at the Congressional action but also his regret that no similar action had been taken to admit Hawaii to the Union.

The 208 affirmative votes in the House of Representatives comprised 117 Democrats and 91 Republicans, while the 166 opposing votes comprised 81 Democrats and 85 Republicans—among them Mr. Joseph W. Martin, jr., the minority leader in the House.

In the Senate, the 64 affirmative votes were cast by 33 Republicans and 31 Democrats, and the 20 opposing votes by 13 Democrats and 7 Republicans. Supporters of Alaskan statehood included, on the Democratic side, Senators Anderson, Chavez, Clark, Douglas, Green, Humphrey, Jackson, Kefauver, Kennedy, Long, Magnuson, Mansfield, Sparkman, and Symington; and on the Republican side, Senators Bricker, Capehart, Carlson, Dirksen, Hickenlooper, Javits, Knowland, Langer, Mundt, and Wiley. Democratic senators opposing statehood for Alaska included Senators Byrd, Ellender, Fulbright, McClellan, Russell, and Thurmond; the Republican opponents of statehood included Senators Bridges and Saltonstall.

The Alaskan Statehood Bill contained the following principal provisions :

(1) An affirmation that the Constitution of the State of Alaska, approved by the territorial Legislature and adopted by public vote on April 24, 1956, was republican in form and in conformity with the Constitution of the United States and the principles set out in the Declaration of Independence.

(2) A definition of the boundaries of the State, together with the following provisions (*a*) the new State would be permitted to select 103,550,000 acres of vacant and unappropriated public lands so as to establish a "tax base"; (*b*) it could open these lands to prospectors for minerals; (*c*) the State would derive the principal advantage in all gains resulting from the discovery of minerals; (*d*) certain Federally-administered areas at present reserved for conservation of fisheries and wild-life would be transferred to the State; (*e*) Alaska would receive from the Federal Government 70 per cent of the proceeds derived from the sale of fur seal-skins and sea-otter skins.

(3) The Governor of Alaska [Mr. Michael Stepovich] would issue, not later than Aug. 1, 1958, a proclamation fixing dates for the holding of elections in Alaska, including the election of two Senators for the State and one member of the House of Representatives. These elections would be held not later than Dec. 1, 1958.

(4) Before Dec. 1, 1958, the people of Alaska would be asked, by referendum, whether they desired immediate Statehood under the conditions specified in the Congressional legislation. If negative votes were in a majority, the Statehood Act would be non-effective.

(5) The State of Alaska would have two Senators and one member of the House of Representatives.

[Each State of the Union has two senators, irrespective of population. The House of Representatives is recruited on a population basis by Congressional districts, each of which comprises at present about 600,000 people. As the population of Alaska (excluding military personnel) is only about 160,000, it would be eligible for only one member.]

(6) Special provision would be made for Federal control of land for defence needs in areas of high strategic importance.

Alaska—the first new State of the Union since the admission of New Mexico and Arizona in 1912—has an area of 586,400 square miles, making it by far the biggest of the 49 States. It is more than twice the size of Texas (which, with 267,000 square miles, had been the biggest State since 1845) and one-fifth the size of the United States—i.e. of the U.S.A. prior to Alaska's entry into the Union.

In addition to being the biggest State of the U.S.A., Alaska is the only State extending into the Eastern Hemisphere; the Aleutian Islands, which are part of Alaska, extend beyond the 180th meridian (the International Date Line) to 172 degrees E. longitude, thus bringing the continental United States to within three miles of the Soviet Union. Moreover, the continental United States now extends well beyond the Arctic Circle, the northernmost point of Alaska (Point Barrow) lying in 71 degrees N. latitude. With the admission of Alaska to the Union, the United States now has a total area of 3,608,787 square miles.

Although the biggest State of the Union in point of view of area, Alaska has a smaller population than any other State except Nevada. The Census of 1956 showed a population of about 161,000, of whom 35,000 were Eskimos, Aleuts, and Indians of the Tlingit, Haida, and Athabascan tribes. Including military personnel, the new State has a total population of about 215,000—approximately 2.8 square miles to every Alaskan.

The great natural resources of Alaska—still largely unexploited—include timber and other forest products, fisheries (particularly salmon-fishing), minerals (including gold, silver, copper, lead, coal, iron, nickel, molybdenum, chrome, tin, platinum, and mercury), oil (considerable deposits were discovered in 1957 on the Kenai peninsula, south of Anchorage), agriculture, and furs. Production figures for Alaska's leading natural resources in 1957 were: fisheries $79,000,000, timber $39,000,000, mining $25,000,000, furs $6,800,000, agriculture $4,500,000. The Eskimo, Aleut and Indian populations are mostly engaged in hunting and fishing.

Alaska was discovered in 1741 by a Russian expedition organized by Peter the Great and led by the Danish navigator Vitus Bering, who gave his name to the Bering Straits. Formerly known as Russian America, it was purchased by the United States from Russia in 1867 for the sum of $7,200,000, during the presidency of Andrew Johnson. In 1912 Alaska was given the status of a territory of the United States, with its own territorial legislature at Juneau. The first attempt to achieve Statehood for Alaska was made in 1916, but without success. During the 42 years since that time many further attempts had been made, but no legislation had succeeded in passing through both Houses of Congress until the Bill signed by President Eisenhower on July 7.

The capital of Alaska is Juneau (6,000), while the largest town is Anchorage (12,000); other centres of population are Fairbanks (6,000) and Sitka, the former capital.

The entry of Alaska into the Union gave rise to great rejoicings in the new State, where there were torchlight processions and other ceremonies in Juneau, Anchorage, and elsewhere. (New York Times - New York Herald Tribune)

The States of the Union. The original 13 States of the Union—symbolized by the 13 red and white stripes on the American flag—were Connecticut, Delaware, Georgia, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, and Virginia. Subsequent admissions were as follows :

Vermont	1791	Minnesota	1858
Kentucky	1792	Oregon	1859
Tennessee	1796	Kansas	1861
Ohio	1803	West Virginia	1863
Louisiana	1812	Nevada	1864
Indiana	1816	Nebraska	1867
Mississippi	1817	Colorado	1876
Illinois	1818	North Dakota	1889
Alabama	1819	South Dakota	1889
Maine	1820	Montana	1889
Missouri	1821	Washington	1889
Arkansas	1836	Idaho	1890
Michigan	1837	Wyoming	1890
Florida	1845	Utah	1896
Texas	1845	Oklahoma	1907
Iowa	1846	New Mexico	1912
Wisconsin	1848	Arizona	1912
California	1850	Alaska	1958

The admission of Alaska as the 49th State will involve a change in the design of the American flag, in which each State is symbolized by a white star—of which there were hitherto 48. Corresponding changes will be necessary if Hawaii becomes the 50th State of the Union.—(New York Times)

B. FRANCE. — Liberation Cross conferred on Sir Winston Churchill.

General de Gaulle announced on June 17 that the French Government had decided to confer the Liberation Cross (*Croix de la Libération*) on Sir Winston Churchill to mark the 18th anniversary of June 18, 1940—the date on which General de Gaulle issued his call to Frenchmen to continue the struggle against Nazi Germany.

The *Croix de la Libération* is awarded for "distinguished service in the liberation of France and her empire"; no award had been made since General de Gaulle relinquished the post of Head of Government in 1946. The decoration has been conferred on 780 French nationals, of whom about 460 are living. Prior to its conferment on Sir Winston Churchill, there were only two foreign holders of the Liberation Cross—President Eisenhower and King Mohammed V of Morocco.

(Le Monde, Paris)

C. CANADA. — Approval of "Norad" Agreement.

The air defence agreement between Canada and the United States, signed in Washington on May 19 and setting out the principles governing the operation of the North American Air Defence Command (NORAD), was approved on June 19 by the Canadian House of Commons and on June 26 by the Senate. It was announced in Ottawa on July 3 that the nine R.C.A.F. jet interceptor squadrons had been placed under the operational control of NORAD, together with the radar stations comprised in the Pinetree Line and the Mid-Canada Chain.

(Montreal Star) **(Prev. rep. NORAD, 16230 B.)**

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JULY 19—26, 1958

A. LEBANON. — Complaint to Security Council against alleged Interference by United Arab Republic. - Creation of U.N. Observation Group in the Lebanon. - Lebanese Criticisms of Observation Group's Report.

The insurrection which broke out in the Lebanon in May (see 16181 A) continued throughout June and July, the country being in a state of virtual civil war by the latter month. The anti-Government forces, led by prominent Opposition leaders, remained throughout this period in control of parts of Beirut, Tripoli, and Sidon, entrenched behind barricades and from time to time fighting back against attempts by Government forces to dislodge them. Outside the principal towns, the insurgents were also in control of much of the Bekaa Valley, of large areas of mountainous country in the northern and southern Lebanon, and of almost all areas adjoining the Syrian frontier.

The Lebanese revolt was led by three prominent Opposition leaders : (1) M. Saeb Salam, commanding the rebel forces holding out in the predominantly Moslem quarter of Beirut under insurgent control ; (2) M. Rashid Karame, commanding the insurgent forces holding the Moslem quarter of Tripoli ; and (3) M. Kemal Jumblatt, a Druse leader operating in the hills south-east of Beirut. M. Salam and M. Karame are both former Prime Ministers, while M. Jumblatt is leader of the Progressive Socialist party.

Internal and international developments in the Lebanese crisis (in continuation of 16181 A) are described below under cross-headings :

Military Operations. - Bomb Explosions.

Owing to the press censorship, little factual information was available of the military operations carried out by the Lebanese Army. It appeared, however, that these operations were largely sporadic in character, occasional sharp outbreaks of fighting alternating with long periods of relative quiescence. From time to time attempts were made to " mop up " the rebel-held areas of Beirut, Tripoli, and Sidon, but with little success. Outside the cities, Government forces claimed some successes in south-eastern Lebanon against Kamil Jumblatt's Druse tribesmen, and claims were also made to have recaptured Baalbek and the northern border town of Halba. On the frontiers, occasional skirmishes were reported from time to time with rebel units who, according to the Government's communiqués, were assisted by large numbers of infiltrators from Syria.

Some of the heaviest fighting in this period occurred in Beirut on June 14-16 and in Tripoli on June 26-27. In the capital, rebel units holding out in the Basta quarter attacked a police post and the central prison, while a mob broke into the official residence of the Prime Minister (M. Sami Solh) and pillaged rugs and tapestries ; street fighting and rooftop sniping went on for many hours in the vicinity of the Presidential palace and elsewhere in the city. After two days, however, conditions reverted to the previous position of stalemate. Total casualties in the street fighting and sniping were about eight killed and some 20 wounded, several of the victims being civilians. On the rebel side, operations were directed by M. Salam from his house in the Basta quarter, which had been spasmodically shelled and fired on by Government forces, its upper stories being in ruins. According to foreign press correspondents, however, M. Salam's residence continued to be supplied with water and electric power under an " agreement " with the besieging Government forces, and also remained in continuous telephonic communication with other parts of the city.

In Tripoli, rebel units under M. Karame attacked Government forces on June 26-27 with machine-guns and grenades, the Army retaliating with artillery fire. Rebel sources put their own losses at about 140 killed ; they also stated that about 100 houses in the *Medina* (the Moslem walled city in which the insurgents were barricaded) had been demolished by the Government's artillery. Fighting on a minor scale occurred in Sidon from time to time.

Druse forces under M. Jumblatt attacked the village of Shemlan (about 15 miles from Beirut) during June 30, apparently with the intention of opening the road to the capital and capturing Beirut airport, which lies in a direct line 10 miles from the village. They were halted by Government ground and air forces on July 2 three miles beyond Shemlan, and ultimately driven back into the hills after suffering a number of casualties. The British Middle East Centre for Arabic Studies (situated at Shemlan) was evacuated during the fighting. Although the Druse forces were unsuccessful in their attempt to advance on Beirut, they remained in control of the hilly country (the Chouf) south-east of the capital.

Apart from the intermittent fighting in Beirut, Tripoli, and the countryside, a number of bomb explosions occurred in the Government-held areas of Beirut, involving heavy civilian casualties. The most serious incidents were on May 25, when three people were killed and 26 badly injured when a bomb exploded in a crowded tram ; on June 23, when four people were killed and many injured by an explosion in the vegetable market of Beirut ; and on July 8, when six people were killed and at least 45 injured by a bomb explosion in one of Beirut's largest department stores. The five-storey building was destroyed by fire, the damage being estimated at £250,000. The Opposition leaders disclaimed any responsibility for these outrages.

The Lebanese Political Situation.

Various attempts to bring about a *modus vivendi* between the Government and the Opposition were made during the period under review, but without success. In a broadcast on May 27, the Prime Minister (M. Sami Solh) gave an assurance—the first of its kind—that President Chamoun had no intention of submitting a constitutional amendment Bill to enable him (the President) to seek re-election for a second term in September. In a statement on the same day, however, M. Saeb Salam declared that the Opposition would insist on the immediate resignation of President Chamoun, adding that this was " the only issue " between the Government and the Opposition.

A suggestion that the crisis could best be resolved by the resignation of President Chamoun was also made on May 30 by the Maronite Christian Patriarch of the Lebanon (Mgr. Paul Meouchi), who had been regarded as a possible mediator between the Government and the Opposition.

In a press statement, the Patriarch strongly criticized the Government for having allegedly " falsified " the elections of 1957 ; suggested that the President should be asked to take " a little trip abroad " ; and gave it as his personal opinion that the only solution to the crisis was the assumption of power by General Chehab, the Commander-in-Chief of the Lebanese Army.

After pointing out that the Lebanon was a " melting-pot " [of Christians and Moslems], and saying that the country was " in real danger of a civil and religious war," the Patriarch expressed the view that the Lebanon's troubles were fundamentally due to internal and not to external causes. He recalled that President Nasser had more than once made " solemn declarations " that he had no wish to annex Lebanon to the United Arab Republic, adding that " it is not in the interests of the [Lebanese] Opposition, who are intelligent men, to join the U.A.R." Whilst regretting that the Government had brought complaints against the U.A.R. before the Security Council and the Arab League (see below), the Patriarch also emphasized that the Lebanon had many natural affinities with the West. He added that the Government's acceptance of the " Eisenhower doctrine " for the Middle East was not, in his view, a valid reason for the present political crisis.

In an interview on July 8, President Chamoun gave an assurance that he definitely intended to relinquish the Presidency when his term of office ended in September. At a previous news conference (June 25) he had declared his intention of completing his presidential term " unless I am dead " ; in addition, he had reiterated the charges of " massive interference " by the United Arab Republic in Lebanese affairs, asserting that it had taken the following forms :

(1) " Venomous press and radio campaigns of hatred and incitation " by the Government-controlled newspapers and radio stations in Egypt and Syria.

(2) " Massive smuggling " of military equipment into the Lebanon, accompanied by infiltrations of " volunteers " trained in Syria.

(3) Financial assistance to the Lebanese rebels.

(4) The issue of Egyptian passports by the U.A.R. Embassy in Beirut to Lebanese citizens belonging to the Opposition, so as to help them or their families to escape from the Lebanon.

" The situation now developing in the Lebanon," said President Chamoun, " is far from being a domestic issue. It involves the stability and peace of the Middle East. Interference by the U.A.R. is but one mile-stone of its desire to dominate the Arab world. An earlier mile-stone was in April 1957, when an attempt was made to overthrow the legal authority in Jordan. We knew then that the Lebanon would be the next victim of a similar attempt. As a matter of fact, the smuggling of military equipment on a large scale and the infiltration of ' volunteers ' and terrorists—Syrians, Egyptians, Palestinians—began at that time. Three or four months ago the smuggling of arms and men began to accelerate to the extent that the present armed rebellion became possible. . . . "

M. Saeb Salam gave an interview on July 10 to the Beirut Correspondent of *The Times* in which he emphasized that the Opposition was " not prepared to live with M. Chamoun as President for another day." If the President " resigned tomorrow " a compromise would be possible ; otherwise the Opposition would " resist to the end." The interview was given in M. Salam's house in the besieged Basta quarter, which the Correspondent was allowed to enter by arrangement.

Meanwhile, the Speaker of the Lebanese Parliament (M. Osseiran) had asked all deputies to attend a special parliamentary session on July 24 in order to elect a new President. [Under the Lebanese Constitution, a new President must be elected two full months before the expiry of the incumbent's term of office—in the case of President Chamoun, on Sept. 23.]

M. Salam, in his interview to *The Times* mentioned above, said that the Opposition would not attend the parliamentary session called for July 24, although it would not try to prevent it. On July 22, however, M. Osseiran stated that the proposed session had been suspended indefinitely, no reason being given.

The possible consequences of the political deadlock were described in the following despatch from *The Times* Beirut Correspondent dated July 6 (i.e. after the arrival of a U.N. Observation Group in the Lebanon– see below) :

". . . Two possibilities remain compromise or a fight to the death. At present the former simply does not appear to be on the cards. The Opposition insists that the President must resign ; the President insists that he will not ; and there in obdurate deadlock the argument begins and ends. . . . In a fight to the death [the Government's] only weapon now is the Army, and that has never shown much inclination for the battle. Although it has sometimes been vigorous in its reprisals, notably against the rebels in Tripoli, it has never yet undertaken offensive action and there is little expectation that it will ever do so. Without the Army's support there may be nothing for it but to strike a bargain. . . .

" Even if the Army will not attack, it is evidently still capable of adequate defence against such unco-ordinated and relatively ill-equipped forces as the rebels can muster. For the Opposition, therefore, a fight to the death offers the prospect of a war of attrition in which, now that the [U.N.] observers are in operation, their supplies of arms and ammunition may be curtailed. Moreover, recent reports of outbreaks of typhoid and dysentery in Beirut and Tripoli suggest a new threat to their enclaves, which must grow more dangerous as the summer advances and the garbage is piled higher in the streets. . . . "

Lebanese Complaint to Security Council against U.A.R. – Creation of U.N. Observation Group for the Lebanon.

On May 22 the Lebanese Government asked for an urgent meeting of the U.N. Security Council to consider its charges of intervention by the United Arab Republic in Lebanese internal affairs. These charges were specified as " infiltration of armed bands from Syria ; the destruction of Lebanese life and property by such bands ; participation by U.A.R. nationals in acts of terrorism and rebellion against the established authorities in the Lebanon ; and the waging of a violent press and radio campaign in the U.A.R. calling for . . . the overthrow of the established authorities in the Lebanon."

The Security Council agreed on May 27 to put the Lebanese complaint on its agenda ; however, at the request of the Lebanese Foreign Minister (Dr. Malik) it agreed to postpone its debate pending attempts to settle the dispute within the framework of the Arab League. After the breakdown of these attempts, the Security Council began its debate on the Lebanese complaint on June 6.

The Council of the Arab League had met in Benghazi (Libya) on June 1 to consider the Lebanon's complaint against the United Arab Republic. Six days of discussions failed to produce any agreed resolution, and the Benghazi meeting ended on June 6 without result. Few details were made known of the proceedings, but it was understood that Libya and the Sudan had unsuccessfully tried to mediate between the U.A.R. and the Lebanon.

After debating the Lebanese complaint on June 6, 10, and 11, the Security Council approved a Swedish resolution which (1) called for the urgent despatch to the Lebanon of a U.N. Observation Group " so as to ensure that there is no illegal infiltration of personnel, or supply of arms or other *matériel*, across the Lebanese border " ; (2) authorized the U.N. Secretary-General (Dr. Hammarskjold) to " take the necessary steps to that end " ; and (3) requested the Observation Group to keep the Security Council " currently informed through the Secretary-General."

Dr. Malik, presenting his country's complaint, declared that the Lebanon's security was menaced by the " unprovoked massive intervention " of the U.A.R., which constituted " a threat to international peace and security." He introduced extensive evidence in support of his charges that the U.A R. had encouraged and participated in " subversive and terrorist activities " in Lebanon ; had supplied arms on a large scale to subversive elements ; and had conducted " violent and unprecedented " press and radio campaigns aimed at overthrowing the Government of President Chamoun.

" The unmistakable aim," Dr. Malik declared, " is to overthrow the present regime in the Lebanon and to replace it with one that would be more subservient to the will of the United Arab Republic. . . . The only sin of the Lebanon, in the eyes of the U.A.R., is that it is independent and follows a policy of friendship towards and co-operation with the Western world. We plead guilty on both these counts." Dr. Malik emphasized that the Lebanese crisis confronted the United Nations with two tests : (1) " can the U.N save the small States ? " ; (2) " can the machinery of the U.N. deal with subversion and indirect aggression ? "

Mr. Omar Loutfi (U.A.R.) completely rejected Dr. Malik's charges as containing " inaccuracies, allegations, and accusations which cannot be proved." Maintaining that the Lebanon was seeking to create an " international diversion," Mr. Loutfi asserted that the disturbances in the country were " mainly due to the fact that President Chamoun wishes to renew his candidacy for the presidency, in contradiction to the provisions of the Constitution." Mr. Loutfi added that the U.A.R. could have presented a case against the Lebanon had it wished to do so. For some time past, the Lebanon had conducted large-scale and " arbitrary " expulsions of U.A.R. citizens ; it had also been the scene of " plots hatched against the United Arab Republic," principally by " members of a terrorist group known as Syrian nationalists." However, the U.A.R. felt that disputes " between two sister peoples " should be settled by other methods than bringing them to the Security Council. Mr. Loutfi also emphasized that his Government hoped that the Lebanon would " continue to be independent," and that it desired " the prosperity, well-being, and peace of the Lebanese people."

In the course of his speech Mr. Loutfi said that the U.A.R. had attempted to solve the problem within the framework of the Arab League but had encountered " systematic opposition " from the Lebanese Government at the Benghazi conference. The Lebanon, he alleged, was " intent on getting this problem discussed in the Security Council for purposes of submitting tendentious propaganda against the U.A.R." and had not taken the presentation of its complaint to the Arab League " seriously." Mr. Loutfi read to the Council the text of a draft resolution which, he said, had been submitted at Benghazi by six Arab States but had been rejected by the Lebanon. [Under the text read by Mr. Loutfi, the Lebanon would have withdrawn its complaint to the Security Council, and the Arab League would have used all means at its disposal " to put an end to everything that might disturb the atmosphere of serenity " among its member-States.]

Dr. Malik strongly denied Mr. Loutfi's allegations, declaring that the Lebanon had submitted its complaint " in both places in absolutely good faith." The draft resolution read by Mr. Loutfi had been " simply a trail to find out whether the Lebanon would accept that kind of wording," and at least three of its sponsors had withdrawn their support as soon as the Lebanese Government had expressed its opposition.

Mr. Cabot Lodge (U.S.A.) said that " the conclusion is clear that there has been outside interference in the affairs of the Lebanon, that this interference has been designed to promote civil strife and to impede the efforts of the constituted authorities to restore order and tranquillity, and that the interference has occurred from the territory and *via* the facilities of the United Arab Republic." He added : " If the idea is ever sanctioned that large States, simply because they are large, can interfere with impunity in the affairs of small States, simply because they are small, we shall have to give our blessing to the doctrine that might makes right, and the U.N. will have ceased to be a respectable organization."

Sir Pierson Dixon (U.K.) **and M. de Vaucelles** (France) both maintained that Dr. Malik had given convincing proofs of external interference in the Lebanon, while **Mr. Ritchie** (Canada) said that it was " axiomatic " that the U.N.'s response should be " particularly sympathetic towards appeals from the smaller countries."

M. Sobolev (U.S.S.R.) said that the threat to the Lebanon came not from the U.A.R. but from " certain Western Powers which are engaged in overt preparations for armed intervention in the Lebanon." Describing the Lebanese charges as " fabricated," he declared that the events in the Lebanon represented " the organized struggle of the Lebanese people for their constitutional rights." After asserting that Dr. Malik's charges were not borne out by the statements of Lebanese Opposition leaders or of the Maronite Patriarch, M. Sobolev alleged that Dr. Malik did not have the support of " responsible Lebanese political leaders " but was speaking with " the voice of the ruling circles of the United Kingdom and the United States." He called on the Security Council to reject the Lebanese complaint as " unfounded and unjustified."

Hr. Jarring (Sweden), in announcing his intention to submit a resolution, said that the Lebanon had presented " strong and precise allegations tending to show that foreign interference has in fact taken place." Noting, however, that the Lebanese charges had been " categorically repudiated " by the United Arab Republic, he declared that the Security Council should " keep a close watch on the situation and its further development."

Dr. Jamali (Iraq) strongly supported the Lebanese complaint, declaring that the matter affected not only the Lebanon but also the whole of the Middle East. He added : " Other Arab countries – Libya, the Sudan, Saudi Arabia, Tunisia, and Morocco—have all had a taste of Nasserism to a greater or lesser degree. The Lebanon is the victim today. . . . The trouble in the Lebanon is essentially an international problem. It reflects the influence of the Soviet Union and its attempts, through the United Arab Republic, to gain a foothold in the Middle East. It is the Soviet Union that is inspiring President Nasser's domination over the Arab world."

Mr. Loutfi said that he did not intend to reply to Dr. Jamali's " insults, flagrant inaccuracies, and lying allegations." **Dr. Jamali** retorted that he had " material proofs " to support his assertions.

The above-mentioned Swedish resolution was adopted on June 11 by ten votes to nil, with the U.S.S.R. abstaining. M. Sobolev explained that although his Government considered the Lebanese charges " unfounded," he had abstained from voting because neither the Lebanon nor the United Arab Republic had opposed Hr. Jarring's resolution.

The U.N. Observation Group in the Lebanon. - Dr. Hammarskjold's Visit to Middle East.

Immediately after the Security Council's vote, Dr. Hammarskjold said that he envisaged an operation " on two levels " : (1) an " observation group proper . . . composed of highly qualified and experienced men who have to be collected from various corners of the globe " ; (2) a " servicing group " which would be recruited from the staff of the U.N. Truce Supervision Organization in Palestine. At a subsequent press conference, the Secretary-General emphasized that the Observation Group in the Lebanon would be in no way a " police force " such as the U.N. Emergency Force stationed at Gaza.

Dr. Hammarskjold announced on June 14 that he had appointed the following three persons to serve as members of the Observation Group, all of whom had accepted invitations to serve in that capacity : Señor Galo Plaza (a former President of Ecuador), as chairman ; Major-General Odd Bull (Commander of the Royal Norwegian Air Force) as executive member in charge of the military observers ; and Mr. Rajeshwar Dayal, an Indian diplomat.

It was also announced at the U.N. that Dr. Hammarskjold had appointed Mr. David Blickenstaff (Director of the U.N. Information Centre in Paris) as secretary of the Observation Group, and Mr. S. K. Shastri (India), of the U.N. Secretariat, as assistant secretary. Mr. Blickenstaff, a U.S. national, served with Quaker relief units in the Spanish Civil War.

An advance echelon from the U.N. Truce Supervision Organization in Palestine arrived in the Lebanon on June 12, consisting of Lieut.-Colonel Maurice Brown (the New Zealand chairman of the Egypt-Israel mixed armistice commission) and four other officers, two Italian and two Swedish. During the next three weeks a number of Governments seconded officers to serve as military observers in the Lebanon, in response to appeals from the U.N. Secretary-General. By July 12 there were 135 observers in the Lebanon, drawn from 14 countries—Burma, Canada, Chile, Denmark, Finland, India, the Irish Republic, Italy, the Netherlands, New Zealand, Nepal, Norway, Peru, and Sweden ; the biggest contingents were from Canada (10), Denmark (14), Italy (15), the Netherlands (10) and Norway (14), followed by nine from India and eight each from Sweden and Finland.

The observers were stationed at various points throughout the Lebanon, mainly in the border areas and in the mountains. Apart from ground observation, aerial reconnaissance was carried out by day and (as from July 6) by night with eight light reconnaissance planes—four provided by the U.S. authorities in Europe and manned by U.N. personnel, and four by the Swedish Government and manned by Swedish crews. There were also two American helicopters, manned by Norwegian and Swedish airmen.

Dr. Hammarskjold left New York for the Middle East on June 18, breaking his outward journey in London for a short meeting with the British Foreign Secretary, Mr. Selwyn Lloyd. During a two-day visit to Beirut (June 19-20) he had discussions with Señor Galo Plaza and the other members of the U.N. Observation Group, and also with President Chamoun and M. Sami Solh. On June 21-22 he had discussions in Amman with Jordanian Government leaders ; in Jerusalem with the Israeli Government ; in Gaza with General Burns, Commander of the U.N. Emergency Force, and General von Horn, Chief of Staff of the U.N. Truce Supervision Organization ; and in Cairo with President Nasser and the U.A.R. Foreign Minister, Dr. Fawzi. The Secretary-General returned to Beirut on June 24 and left two days later for New York, where he stated that the work of the U.N. Observation Group had " got off to a very good start indeed."

Report of U.N. Observation Group.

The U.N. Observation Group in the Lebanon (Unogil) issued its first report to the Security Council on July 4. It is summarized below (cross-headings inserted) :

Preliminary Observations. " The Group had necessarily to take into account the particular circumstances under which its task was to be carried out, and careful study was given to a variety of factors relating to the situation. It was learned that, of a total land frontier with Syria of some 278 kilometres [172 miles], only 18 kilometres, lying on either side of the main Beirut-Damascus road, remained under the control of Government forces. The Observation Group has been assured by the Lebanese Government that it would be accorded free access to the areas under Government control. No formal assurances from any quarter were offered to the Group with regard to access to territory not under Government control, nor were such assurances sought."

After pointing out that physical accessibility to the border was restricted in certain areas by the nature of the terrain and the lack of roads—for example, the northern border could only be reached " through an area north of Tripoli, now under the control of the Opposition forces "—the report continued : " The remaining frontier of concern to the Observation Group is the sea-coast of some 220 kilometres [137 miles], along the full length of which runs a main highway. It will be seen, therefore, that the areas of primary concern to the Observation Group are those where the problems of accessibility are the greatest, both from the standpoint of topography and of obtaining freedom and security of movement. . . "

The report continued : " It would be relevant briefly to outline the situation in regard to the present state of the conflict, in so far as it concerns the functions of observation with which the Group is charged. In Beirut, Tripoli, and Sidon, sections of the city lie behind barricades and are normally inaccessible to observation, except under previously negotiated arrangements. In all these towns, intermittent clashes have been occurring. The area to the north of Tripoli, stretching to the border, has been the scene of some hostilities, and a similar situation prevails in the region north of Baalbek. In the south and south-east, armed clashes are taking place, while the Chouf area, to the south-east of Beirut, is under the complete control of Opposition elements."

Methods employed by Observation Group. The methods employed by the Observation Group in carrying out the duties for which it had been formed were summarized as follows .

" (*a*) Regular and frequent patrols of all accessible roads are carried out from dawn to dusk, primarily in the border districts and in the areas adjacent to the zones held by Opposition forces. The patrolling is done by observers travelling in white jeeps with U.N. markings, equipped with two-way radio sets.

" (*b*) A system of permanent observation posts has been set up where groups of military observers are stationed. These posts are in radio communication with headquarters in Beirut, with each other, and with the patrolling jeeps. There are now 10 such observation posts placed at strategic positions all over the country. Their location has been determined by the need for stations to be as close as possible to the dividing line between the opposing forces, as near the frontier as possible, or at points commanding supposed infiltration routes or distribution centres. The observers manning these stations attempt to check all reported infiltration in their areas, and to keep track of any suspicious development.

" (*c*) An emergency reserve of experienced military observers has been formed at headquarters and at the main observation posts , they are available at short notice for the purpose of making inquiries, or they may be detailed to places where particular instances of arms smuggling may be reported.

" (*d*) An evaluation team has been set up at headquarters, whose task is to analyse, evaluate and co-ordinate all information received from observers and other sources.

" (*e*) Recently a new form of observation has been added—namely, aerial reconnaissance.

" (*f*) A special procedure has been established in order to utilize the information which the Lebanese Government possesses about suspected infiltration. The Government sends frequent reports about such alleged infiltration to the Group, which immediately deals with each case as conditions require. The majority of these communications contain statements regarding alleged infiltration incidents, routes and methods. Instructions have, wherever appropriate, been issued to the observers for the maintenance of special vigilance within the areas in question. In other cases the Group has requested, through its Executive Member [General Odd Bull], that the military observers inquire into the matter. . . . In some cases the Observation Group has requested further clarification by the Government in order to determine whether useful action may be taken. . . . "

Access to Opposition-held Areas. " Where the frontier is controlled by Opposition forces, the obtaining of free passage and safe conduct throughout the area in question is a pre-requisite for effective observation in that area. Such passage can only be granted by the particular Opposition leader in that district, and has so far not been forthcoming. Steps have been taken to assure regular access to such areas, and it is to be hoped that the Opposition leaders will grant the necessary safe-conducts for the observer patrols.

" In spite of the attitude of Opposition leaders, the military observers have repeatedly entered Opposition zones without these assurances and in some cases penetrated right up to the eastern border. . . . But their successes have been sporadic and the dangers involved in these expeditions are considerable. Efforts have been made by the Opposition leaders to ward them off, and observers have repeatedly been stopped altogether. However, in the Chouf area limited free passage has been obtained, and as of July 2 full freedom of access to the area north of Tripoli has been offered to the military observers by the local Opposition leader."

Present and Future Observation Plans. " The immediate plans of the Observation Group include the following :

" (*a*) The network of observation posts will be considerably strengthened by the addition of several new stations. These will be placed as close as possible to the border-line between the Government-held area and the Opposition zones in the north and east, and hence as close as possible to the frontier.

" (*b*) Further efforts will be made to gain assured access to the Opposition zones ; wherever such access is granted, the outposts in that area will immediately be pushed toward the frontier.

" (*c*) Aerial photographic reconnaissance will be employed in an increasing measure, and the border areas will be patrolled by aircraft.

" (*d*) Steps to increase observation at night are under study."

Contacts with Opposition Leaders. "The Group has received a large number of daily reports from its observer patrols, which it has examined most carefully. Its patrols have reported substantial movements of armed men within the country, and concentrations at various places. For example, they have penetrated deep into the headquarters of one of the Opposition leaders right up to the village of Deir el-Aachayar, close to the eastern border. They were escorted by armed men, established contact with the Opposition leader, and met his followers.

"In the area of Rachaya, its patrols have frequently come across armed groups. In Baalbek and to the north, groups of armed men have been seen. South of Baalbek, land-mines have been found in territory not held by the Opposition.

"North of Baalbek, observers have established contact with the local Opposition leader and seen some 200 of his men. Still further north, at Zghorta, observers have been on the fringe of Opposition-held territory and seen some arms and other material in use. In the Chouf region, one observation group has visited the headquarters of the Opposition leader and established contact with him. In this region, again, large groupings amounting to several hundred armed men were seen.

"The arms seen consisted mostly of a varied assortment of rifles of British, French, and Italian makes. Some hand-grenades were also seen. Occasionally, Opposition elements have been found armed with machine-guns. Mines seen near the Baalbek area were of British and French makes. It has not been possible to establish from where these arms were acquired. Nor was it possible to establish if any of the armed men observed has infiltrated from outside; there is little doubt, however, that the vast majority was in any case composed of Lebanese.

"There has been considerable mortar firing in the Marjayoun area. From observations, the firing came from the vicinity of Halba, 2½ kilometres inside the Lebanese border near the border of Syria. The mortars are of a French type used by the Lebanese Army."

Difficulties in penetrating Opposition-held Territory. "Observer teams have on occasion experienced difficulty in penetrating Opposition-held territory, and there are cases where the local inhabitants have made it obvious that they do not welcome observers in the area. The teams have by perseverance managed to allay fears and to gain the confidence of the local population by a strictly independent display of impartiality. However, two leaders, Mr. Jumblatt of the Chouf and Mr. Haidar of the Central Bekaa, have so far both politely indicated that they do not want observers acting in their official capacity. Both men stated that this was a matter of principle, since they were involved in an internal conflict with which the United Nations had no concern.

"The observer teams have experienced difficulty in the following areas:

(*a*) North of Tripoli and south-west of Tripoli adjacent to Zghorta.

(*b*) The Bekaa Valley.

(*c*) Baalbek and areas to the east.

(*d*) The Rachaya and Saghbine areas in the south Bekaa.

"In all these instances the observer teams appear to have touched upon sensitive spots which are in areas claimed by Government sources to be supply and infiltration routes."

Obstructive Tactics. "Obstructive tactics have taken the following forms:

Firing. Firing in the vicinity of patrols of military observers has occurred in several instances at Zghorta, Rachaya, and Saghbine. There have been several instances of armed persuasive methods being used in a mild way.

Mining of roads. The mining of roads is a recent innovation and has occurred primarily in the Bekaa Valley, where observers could be astride of routes which could lend themselves to infiltration. On June 25 many mines of old British types were found by the Lebanese Army and were seen *in situ* by observers on the roadside between Rayak and Baalbek. The most serious incident took place on June 26, when a U.N. jeep struck a mine and an observer was injured [an Indian officer].

Destroyed bridges. There are many destroyed bridges and culverts in the Bekaa area. . . . Bridges to the north and south of Saghbine have been blown up, thus precluding the possibility of effective patrol."

Interrogation of alleged Syrian Infiltrators. "In a letter dated June 18, the Lebanese Government communicated to the Group 'a preliminary report about the arrest of two Syrian subjects belonging to the Syrian armed forces.' They were accused of having participated in terrorist activities in Beirut. They were further alleged to have acted on behalf of a supposed terrorist organization, to have thrown bombs, and to have participated in an attack on a prison.

"The Group immediately made a verbal request for the production of the prisoners. They were produced on June 23 and interrogation took place on that day and the following day. The first prisoner, a 21-year-old illiterate, described himself as a deserter from the Syrian Army who had come to the Lebanon to earn his living as a fisherman. He added that he had been coming to the Lebanon since 1952 for the same purpose. He denied having visited Beirut after the troubles started in May 1958, and claimed that while he was returning to Syria on June 16 he was apprehended by the gendarmerie near Tripoli and forced under pressure to make a statement admitting his participation in terrorist activities in Beirut.

"The second youth, aged 17, admitted that he was a Syrian and a friend of the first prisoner. He stated that he had accompanied his friend to the Lebanon about three months ago and was earning his living as a fisherman about 20 miles from Beirut. When the trouble started, he alleged, he was brought under pressure to Beirut and kept under surveillance at the house of a local Opposition leader. He said that he was given two bombs which he placed as directed by a Lebanese organizer, but he denied operating the firing mechanism out of fear. He admitted to collaborating with his friend in the attack on the prison, when he had to carry a box of ammunition. He complained of having been beaten by the gendarmerie after his apprehension.

"The Group has carefully considered the testimony of the two youths which, it is evident, is contradictory in material particulars. . . . In the circumstances, the Group must conclude that the complicity of these two persons in terrorist activities, or their participation in acts of rebellion as members of an organized foreign terrorist group, has not been established beyond reasonable doubt."

In a press statement on July 3, Dr. Hammarskjöld said that there was no evidence to warrant the charge of "mass infiltration" of U.A.R. nationals or arms into the Lebanon, adding that "to my knowledge we have no foundation for such a judgment now."

Lebanese Criticisms of U.N. Report.

The report of the U.N. Observation Group, and the above-mentioned comment by Dr. Hammarskjöld, were strongly criticized by the Lebanese Government, although Opposition spokesmen welcomed the report as a vindication of their claim that the crisis was essentially an internal one.

In an official statement on July 4, the Lebanese Minister of Information claimed categorically that "3,000 armed Egyptians, Syrians and Palestinians are fighting in the ranks of the rebels at this moment" and that the U.A.R. had supplied the rebel forces with 36,000 guns, including light and heavy artillery and mortars. M. Sami Solh, in a statement on the same day, attacked Dr. Hammarskjöld for his assertion that there was no mass infiltration of arms or men into the Lebanon, and demanded that the U.N. should set up a police force to seal off the border with Syria. "Even we Lebanese," he added, "can only tell a Syrian from a Lebanese by his dialect; how then can a Norwegian or Swede or Italian tell an infiltrator from a Lebanese?"

At the U.N., Dr. Malik said that his Government took "strong exception" to the U.N. report, and reiterated that the U.A.R. was continuing its "massive, illegal, and unprovoked aggression in the affairs of the Lebanon." On the other hand, a spokesman of the United Arab Republic said that his Government considered that the "objective" U.N. report had "absolved" the U.A.R. from the allegation of interference in Lebanese affairs, and had borne out its view that the Lebanon was embroiled in a civil war caused by popular dissatisfaction with the Government of President Chamoun.

The Lebanese Government's official reply to the U.N. report was published at the United Nations on July 8 and circulated to all member-States. It asserted that the report "in no way impaired or invalidated" the Lebanese Government's claim at the Security Council concerning "the massive intervention in the internal affairs of the Lebanon by the United Arab Republic," adding that this intervention "aims at undermining and in fact threatens the independence of the Lebanon."

After criticizing the "inconclusive, misleading, and unwarranted" conclusions in the U.N. report, the Lebanese statement claimed *inter alia* that illegal smuggling of arms had not ceased; that the rebels had over 30,000 pieces of arms of all types, including "heavy types that can only be supplied by Governments"; and that training and assembly camps had been set up at Damascus, Homs, and elsewhere in Syria for the training of "volunteers."

Particular exception was taken to two "misleading" conclusions in the U.N. report: (1) that it had not been possible to establish the sources of arms supplies reaching the rebels; and (2) that it was not possible to establish whether any of the armed men seen by the U.N. observers had infiltrated from outside. As regards (1), the Lebanese Government alleged that the U.N. Observation Group had made no attempt to determine the origin of the arms. With regard to (2), it was suggested that the rebel leaders had either moved the infiltrators back into Syria, or moved them away from the areas to which U.N. observers were admitted. In addition, strong exception was taken to the U.N. statement that the "vast majority" of the armed rebels observed "was in any case composed of Lebanese"; it was asked in this connexion whether the U.N. observers had investigated each rebel seen, and it was also pointed out that the rebel leaders would only have shown Lebanese nationals to the observers.

In a separate statement at the U.N., the Lebanese permanent representative (Dr. Azkoul) estimated the total number of rebels in the Lebanon at 10,000 to 12,000, of whom at least 25 to 30 per cent were infiltrators from outside. By contrast, the Lebanese Army numbered 9,000 to 10,000 men, plus a gendarmerie of 2,000 to 3,000. The U.N., he declared, had a mandate not only to "observe" but to "ensure against illegal infiltration," and the second part of this mandate was not being carried out.

Six members of the U.A.R. Embassy staff in Beirut, together with an Egyptian teacher, were expelled from the Lebanon on July 4 on charges of having contacts with the rebels, inciting Lebanese citizens to revolt, and activities " prejudicial to the Lebanon." The allegations were denied by the U.A.R. Ambassador, Brigadier-General Ghaleb.—(Times - Daily Telegraph - Manchester Guardian - New York Times - Le Monde, Paris - U.N. Information Centre, London)

(Prev. rep. Lebanon, 16181 A.)

Historical and Demographic Note. Formerly part of the Ottoman Empire, the Lebanon was mandated to France by the League of Nations after the First World War, together with Syria. It achieved its independence in 1941 and became a member of the United Nations in 1946. About 4,000 square miles in area, and at no point more than 35 miles wide, it is bordered entirely by Syria except in the extreme south, where there is a short frontier with Israel. The last (1946) census showed a population of just over 1,000,000, of whom 613,000 were Christians and 461,000 Moselm ; the latest population estimate is 1,450,000, of whom 400,000 live in Beirut and 80,000 in Tripoli. As the Moslems have increased more rapidly than the Christians during the past decade, it is believed that a new census might show the former to be in a majority.

The largest Christian community is the Maronite (338,000), which is in communion with Rome, followed by the Greek Orthodox (113,000) and the Armenian Orthodox (62,000). The Moslems are almost equally divided between the Sunni and Shia (244,000 and 218,000), while there is a strong Druse community of 77,000. Under the Constitution, the President is a Maronite Christian and the Prime Minister a Sunni Moslem, and there is a corresponding balance of faiths in the Cabinet and in Parliament—see 16108 A, 15696 A.

A. UNITED KINGDOM. — Gold and Dollar Reserves.

The Treasury announced on July 2 that the sterling area's gold and dollar reserves had risen during June by $37,000,000 after taking into account (*a*) the payment of $26,000,000 to the E.P.U. in respect of the U.K.'s deficit in May, and (*b*) the payment of $2,500,000 to creditor countries in the Union under bilateral settlements. As a result, the gold and dollar reserves stood at $3,076,000,000 on June 30.

The increase in the reserves was the ninth successive monthly rise since the crisis of September 1957. Compared with the larger rate of increase in previous months, the slowing-down in the expansion of the reserves was regarded in official quarters as the start of the seasonal trend which normally operates during the third quarter, when dollar payments for tobacco, grain, sugar and other commodities begin to rise, while earnings from sales of sterling area materials such as wool and cocoa tend to decline ; in addition, a certain number of oil payments also fell due towards the end of June. Dollar outgoings during the month included the half-yearly loan payments of $13,500,000 to the U.S.A. and Canada and an interest payment of $1,000,000 on the I.M.F. loan.

Provisional figures for the E.P.U. June settlement showed that Britain had a deficit of £25,000,000, three-quarters of which would be settled during July in gold or dollars and one-quarter by an increase in the U.K.'s debt to the Union.

The higher E.P.U. deficit was attributed (i) to spending by British tourists on the Continent and elsewhere during the holiday season ; (ii) to certain special currency movements in connexion with the outflow of dollars from the U.S.A., the purchase of transferable sterling against such dollars, and the re-sale of transferable sterling against European currencies, especially Deutschemarks.

The sterling-dollar rate weakened from 2.81¾ on June 2 to 2.81 on June 18-19 ; after a brief rise above the 2.81 mark it declined further from 2.80 11/16 to 2.80 ⅛ between June 24 and June 30. The chief factors in the decline were the labour situation (bus and dock strikes), and the normal seasonal demand for dollars to pay for the purchase of oil and dollar commodities. Transferable sterling in Zürich similarly declined from 2.79425 at the beginning of June to 2.7830 at the end of the month. (Treasury Press Office - Financial Times) **(Prev. rep. 16225 B.)**

B. NETHERLANDS. — Civil Defence Conscription.

The introduction of conscription for certain civil defence services was announced by the Netherlands Government on July 9. It was stated that the 160,000 volunteers at present constituting the Civil Defence Corps were insufficient ; that 60,000 men between the ages of 24 and 60 would be called up at the beginning of 1959 for training in rescue, ambulance, and fire-fighting duties ; and that the initial training would be spread over 60 days. (Algemeen Handelsblad, Amsterdam)

C. UNITED STATES. — Mr. McCone appointed Chairman of Atomic Energy Commission.

Mr. John J. McCone was sworn in on July 14 as chairman of the Atomic Energy Commission in succession to Rear-Admiral Lewis Strauss. His appointment to the Commission had been confirmed by the Senate on July 9.
(New York Times) **(Prev. rep. 16254 A.)**

D. YUGOSLAVIA - GREECE - UNITED ARAB REPUBLIC. — Tito-Nasser Discussions at Brioni. - Joint Communiqué. - Meetings between Yugoslav, Greek, and U.A.R. Foreign Ministers.

President Nasser arrived at Dubrovnik on July 2 for a ten-day visit to Yugoslavia—his third visit to that country in three years. During his stay in Yugoslavia he had discussions with President Tito, both on Brioni Island and during a yachting cruise off the Istrian coast, and also visited a number of places in Croatia and Slovenia. Participants in the Brioni talks included the Yugoslav and U.A.R. Foreign Ministers (M. Koca Popovich and Dr. Fawzi) and M. Kardelj, vice-president of the Yugoslav Federal Executive Council.

A joint communiqué was issued by Presidents Tito and Nasser on July 10 stating that they were agreed on :

(1) The importance of " taking necessary measures to terminate the cold war, the armaments race, the division of a great part of the world into two antagonistic blocs, foreign domination, interference in the affairs of certain countries by other countries, and the use of pressure, force and threats against one country by others."

(2) The " urgent necessity " of ending the manufacture of nuclear and thermo-nuclear weapons and of halting all tests of such weapons, " whether in the ocean, the African Sahara, or elsewhere."

(3) The need to hold a summit conference.

(4) The importance of the United Nations " in serving the objectives of peace, security, and prosperity in the whole world " ; of observing the U.N. Charter " in letter and spirit " ; and of basing relations between all nations, great and small, " on the principles of the Charter and of peaceful co-operation and co-existence based on independence and equality."

(5) The " imperative need of peace for the survival and prosperity of the human race."

In addition, the communiqué stated (*a*) that the two Presidents had examined " with great pleasure " the results of co-operation between their two countries since their last meeting at Brioni in 1956 ; (*b*) that the progress already made would " serve as a firm foundation for further progress and consolidation of their mutual relations and friendship " ; (*c*) that the further strengthening of political, economic, and cultural co-operation between Yugoslavia and the United Arab Republic would be discussed at ministerial level during the coming months ; (*d*) that both countries would hold periodical consultations " on matters of common interest which are of significance for the consolidation of world peace and the development of international co-operation " ; and (*e*) that President Tito had accepted an invitation to visit the United Arab Republic.

The preamble to the communiqué stated : " In evaluating international developments [since the last meeting between the two Presidents] it was noted that after a certain period of favourable development toward a relaxation of international tension, there has reappeared a tendency in the opposite direction, chiefly as the effect of the continued arms race and of a tendency to exert pressure on other countries by interfering in their internal affairs. Such negative manifestations have taken place of late in various parts of the world, including Indonesia and the Lebanon."

Apart from the meetings between Presidents Tito and Nasser, separate discussions were held at Brioni between M. Popovich and Dr. Fawzi ; at the former's invitation, the Greek Foreign Minister (M. Averoff) arrived at Brioni on July 8 to join in the talks. The three Foreign Ministers issued a joint statement on July 9 saying that they had had " a detailed exchange of views " on the international situation, with " mutual regard to the particular international position of each of their countries and taking account of their positions." The statement acknowledged the " stabilizing effect " resulting from the friendly relations between Yugoslavia, Greece, and the U.A.R., and its beneficial results both for their respective regions and for the cause of peace in general. No mention was made of the specific subjects discussed, but it was understood that they included Cyprus and the Lebanon.

Before leaving Athens for Brioni, M. Averoff had emphasized that Greece remained firmly on the side of the West and would continue her full co-operation with NATO ; he pointed out, however, that this did not prevent Greece from enjoying friendly relations with other countries which did not belong to any bloc. (Tanjug Agency, Belgrade - Hellenic News Agency, Athens - Times - Le Monde, Paris - New York Times) **(Prev. rep. 15008 A.)**

E. UNITED KINGDOM.—Lynmouth Reconstruction.

The reconstruction of Lynmouth was completed on July 12 with the opening of a Flood Memorial Hall, built as a memorial to the victims of the North Devon flood disaster of 1952.
(Daily Telegraph) **(Prev. rep. 15088 A.)**

F. SOUTH AFRICA. — Corrigendum.

The new Inspector-General of the Union Defence Forces mentioned in 16287 A is Major-General Grobbelaar, not Grobbellar as inadvertently mis-spelt in that article. **(Ed. K.C.A.)**

A. UNITED STATES. — Amending Legislation to Atomic Energy Act. - Exchanges of Military Information with Britain and other Allies. - Anglo-American Agreement for Co-operation in Uses of Atomic Energy for Mutual Defence Purposes. - Supply of Submarine Reactors to Britain.

In accordance with the "declaration of interdependence" issued by President Eisenhower and Mr. Macmillan on Oct. 25, 1957, after their meeting in Washington (see 15823 A), the President submitted to Congress proposals for amending the Atomic Energy Act (the so-called McMahon Act) to permit of greater nuclear co-operation in the military field with America's allies. The Atomic Energy Commission supported the Administration's request when hearings on the proposals opened on March 26, 1958, before the Congressional Joint Atomic Energy Committee.

Mr. Harold S. Vance (then acting chairman of the Atomic Energy Commission) testified that the time had arrived for a substantially greater degree of co-operation in the military atomic energy field; "to assure proper training and planning for nuclear weapon use and for defence against nuclear war," he declared, "added information must flow to many of our allies." In addition to a broad interchange of atomic information with the allies, it was also necessary to furnish under certain conditions, and to specific allies—certain nuclear materials, non-nuclear parts of atomic weapons, and utilization facilities. Mr. Vance declared that greater nuclear co-operation with America's allies had become necessary "in view of the degree of advancement achieved by the Soviets."

The House of Representatives approved on June 19, by 345 votes to 12, an amending Bill to the McMahon Act which in general followed the Administration's proposals. Its principal provisions were:

(1) The U.S. Administration could supply the designs for nuclear weapons, and the fissionable material to make them, to an allied country which had already made "substantial progress" in the development of such weapons. It was made clear in the debates that only Britain at present fulfilled this condition. [The provision limiting the supply of nuclear-weapon designs and materials to countries already advanced in atomic-weapons technology had been inserted in the Administration's proposals by the Congressional Joint Atomic Energy Committee; this was done to meet widespread objections that the Administration's original proposals might have the effect of creating new "atomic Powers."]

(2) To other allied countries, the Administration would be permitted (i) to supply detailed information on the size and effects of atomic weapons and "other military applications of atomic energy"; (ii) to transfer non-nuclear parts of atomic weapons, while retaining nuclear warheads in American custody; and (iii) to furnish nuclear material for purposes of research, development, and production of facilities for "military applications." [Items (ii) and (iii) were described as "do-it-yourself-kits" for nuclear warfare.]

(3) In addition, the Administration was authorized to supply allied countries with reactor designs and atomic fuels for nuclear-powered submarines and other types of military power plants.

(4) Congress was given a veto power over any exchange agreement entered into by the Administration. Such a veto would have to be declared in the form of a concurrent resolution, passed by a simple majority of both Houses, within 60 sitting days after the proposed agreement had been laid before Congress; as an exception, only a 30-day period would be required for any agreement between the U.S.A. and Britain concluded during the current year (1958) [This provision had likewise been inserted in the Administration's proposals by the Congressional Joint Atomic Energy Committee.]

The Senate approved the Bill in a somewhat different form on June 23, by voice vote.

On the suggestion of Senator Clinton Anderson (Dem.), chairman of the Joint Congressional Atomic Energy Committee, the Senate made two amendments to the version adopted by the House of Representatives: (i) it specified that even non-nuclear parts of atomic weapons could only be supplied to countries which had themselves made "substantial progress" in the development of atomic weapons, thus preventing non-nuclear Powers from receiving "do-it-yourself-kits"; (ii) it deleted the provision permitting the Administration to give friendly countries information on "other military applications of atomic energy."

With the agreement of the Joint Congressional Atomic Energy Committee, the House-Senate Conference Committee reached a compromise over the two versions on June 26.

The compromise clause made a distinction between non-nuclear parts of atomic weapons which would disclose "significant knowledge" about the design of the warhead, and parts which would not convey such "significant" information; the former could only be supplied to an allied country which had itself achieved "substantial progress" in atomic-weapons technology, whilst the latter could also be supplied to other allies. [Therefore, while such allies cannot receive all the complex parts of a nuclear warhead, such as the fusing mechanism, they may nevertheless be supplied with less vital parts such as are used to attach a nuclear warhead to a missile or aircraft.]

The Bill in its compromise version was passed by the House of Representatives without debate on June 27 and by the Senate on June 30, and was signed by President Eisenhower on July 2.

On July 3 the President sent to Congress a new atomic energy agreement which had been concluded with Britain earlier the same day on the basis of the new U.S. legislation. The agreement, which was published in London and Washington on July 8, covered (*a*) the transfer of nuclear materials and equipment by the U.S.A. to Britain, including a submarine nuclear propulsion plant and the communication of classified information necessary for its design, manufacture, and operation, as well as the sale of enriched uranium for the plant; (*b*) the exchange or communication of classified information necessary for (i) the development of defence plans; (ii) the training of personnel in the use of and defence against atomic weapons, (iii) the evaluation of the capabilities of potential enemies in the atomic field, (iv) the development of delivery systems for atomic weapons, and (v) research, development, and design of military reactors.

The agreement was signed in Washington by Mr. Dulles and Viscount Hood, the British Chargé d'Affaires. Its text is summarized below.

Article 1. Each party would communicate to and exchange information with the other party, and would also transfer materials and equipment, "provided that the communicating party determines that this co-operation will promote and not constitute an unreasonable risk to its defence and security."

"Equipment" was defined as any instrument, apparatus, or facility (except an atomic weapon) capable of making use of, or producing, special nuclear material and component parts. It included submarine nuclear propulsion plant, reactors, and military reactors.

Art. 2. Each party would communicate to or exchange with the other party such classified [confidential] information as was jointly determined as necessary to:

(1) Develop defence plans;

(2) Train personnel in the use of atomic weapons and military applications;

(3) Evaluate capabilities of potential enemies in the atomic field;

(4) Develop delivery systems compatible with the atomic weapons carried; and

(5) Develop and design military reactors as agreed.

Each party would also exchange other classified information concerning atomic weapons when the communicating party considered that this was necessary to improve the recipient's design, development and manufacturing capability.

Art. 3. The United States would authorize (subject to acceptable terms) the sale to Britain of a complete submarine nuclear propulsion plant and agreed spare parts. Classified safety information, and information necessary for design, manufacture and operation, would also be communicated.

For 10 years after the agreement came into force, replacement cores or fuel elements for the plant would be transferred, subject to acceptable terms. In the same period the U.S.A. would sell agreed amounts of U-235 for use in the plant. If Britain desired, the U.S.A. would reprocess this, and the enriched uranium recovered might be bought by the U.S.A. on terms to be agreed. Special nuclear material recovered in reprocessing, and not bought by the U.S.A., could be returned to or kept by Britain, and U-235 not bought by the U.S.A. would be credited to the amounts originally sold by the United States. The U.S. Government would be compensated for the enriched uranium originally sold, and any purchase would be at the U.S. Atomic Energy Commission's applicable prices.

The parties would exchange classified information on methods of reprocessing fuel elements of the type utilized in the propulsion plant. Britain would indemnify the U.S.A. against all liabilities for damage or injury after the plant and parts had left the United States.

Art. 4. The use of information exchanged or transferred under the agreement would be the responsibility of the recipient, and the other party would not provide any indemnity or warranty of accuracy, completeness, or suitability.

Art. 5. Under the agreement there would be no transfer by either party of atomic weapons. Information would be used exclusively for mutual defence interests, but nothing in the agreement would preclude the communication of information transmissible under other agreements.

Art. 6. Classified information, materials and equipment would be accorded full security protection and could not be communicated to unauthorized persons. Each party might stipulate the degree to which any of the information, materials, or equipment might be disseminated, and impose any restrictions deemed necessary.

Art. 7. There would be no bar to defence co-operation with other nations, but neither party could make accessible to others material which had become available under the agreement, unless authorized by the other party.

Art. 8. Agreed classification policies would be maintained.

Art. 9. If any invention or discovery was made following the transfer of information, the recipient party would have to transfer and assign to the other party all rights in the country of the other party, subject to the retention of a royalty-free licence for Governmental and mutual defence purposes. The other party would also be granted free licence for Governmental and mutual defence purposes in the recipient and third countries

In the case of discoveries with civil uses, the recipient party would be obliged to assign all rights in the country of the other party, subject to the retention of a royalty-free licence with the right to grant sub-licences for all purposes.

Art. 10. Previous agreements would be carried out in accordance with the provisions of the new agreement.

Art. 11. The agreement would remain in force until terminated by mutual consent. Article 2, however, might be ended at one year's notice after a period of 10 years, or at one year's notice after a further five years.

In a statement to the House of Commons on July 3, Mr. Macmillan pointed out that, in accordance with U.S. procedure, the agreement had been laid before the U.S. Congress but could not be effective until it had lain before Congress for 30 sitting days. He added : " In these circumstances I would prefer not to say anything at the moment about the practical results which may be expected after the agreement comes into effect."

It was pointed out in the Press that if Congress remained in session until mid-August, it was expected that the agreement would then come into force ; but that if Congress rose before the 30 sitting days were completed, the agreement would not become effective until it had lain for 60 sitting days in the next (1959) session.

It was pointed out in London that no formal ratification by the U.K. Parliament was necessary, the Government having made it clear that the " Ponsonby rule " did not apply. [This rule applies to certain treaties or agreements which require ratification and must " lie on the table " for 21 parliamentary days so as to give Parliament an opportunity for debate if it wishes. Treaties and agreements coming within this rule include those involving the cession of territory or the voting of money from public funds.]

The texts of a joint letter to President Eisenhower by Mr. McElroy (U.S. Secretary of Defence) and Dr. Libby (acting chairman of the Atomic Energy Commission), together with a Presidential memorandum sent in reply, were published in Washington on the same date (July 3).

Mr. McElroy's and Dr. Libby's letter emphasized that Britain had suspended her own atomic energy programme in 1943 in the interests of mutual defence and had sent to the U.S.A. and Canada leading scientists who had participated in the development of the atomic bomb. In the decade after the Second World War Britain had developed her own atomic weapons, and the new agreement renewed the existing Anglo-U.S. collaboration and fulfilled the President's and Mr. Macmillan's joint declaration of Oct. 25, 1957. As regards the supply of a submarine reactor to Britain, the joint letter said that it was " intended to develop a nuclear submarine capability in the British fleet at the earliest possible time with no interference to the U.S. naval reactors programme," and that it would " promote the acquisition by the U.K. of the technological know-how essential to the maintenance and growth of this capability."

The President replied in his memorandum : " I note from your joint recommendation that the U.K. is participating with the U.S.A. in international arrangements pursuant to which it is making substantial and material contributions to mutual defence and security, and that the U.K. has made substantial progress in the development of atomic weapons. I note also that the proposed agreement will permit co-operation necessary to improve capabilities of the United States and the United Kingdom in the application of atomic energy for mutual defence purposes, subject to provisions, conditions, guarantees, terms, and special determinations which are most appropriate in this important area of mutual assistance."

In consequence, the President declared that he had :

(*a*) approved " the programme for the transfer of one submarine nuclear propulsion plant, and special nuclear material required for operation of this plant during the 10-year period following the date upon which the agreement enters into force " ;

(*b*) determined " that the performance of this agreement will promote, and will not constitute an unreasonable risk to, the common defence and security of the United States " ;

(*c*) approved " the proposed agreement for co-operation " ;

(*d*) authorized " the execution of the agreement for the U.S. Government by the Secretary of State."

It was pointed out that the agreement was somewhat less liberal than would have been permitted under the amended U.S. Atomic Energy Act, as it explicitly precluded the transfer by either party of atomic weapons. It was also explained that neither the new agreement nor previous ones allowed the transfer of fissile material of weapons grade (e.g. plutonium) from one country to another.—(New York Times - New York Herald Tribune - Times - Daily Telegraph) **(Prev. rep. Atomic Energy, Anglo-U.S. Co-operation, 15906 A ; 15596 A ; 15133 A ; 14360 A ; McMahon Act, 13756 A.)**

A. SOUTH AFRICA. — Resumption of Full U.N. Membership. - U.N. Good Offices Committee visits South Africa. - Discussions with Union Government.

The Union Minister of External Affairs (Mr. Louw) announced on July 15 that South Africa would resume full participation in the United Nations, in which she had maintained only token membership since November 1956. In a statement to the Union Parliament, Mr. Louw said that he intended to take part in the next session of the U.N. General Assembly, and that a permanent South African representative would be appointed to the U.N. with the status of Minister-plenipotentiary.

Mr. Louw recalled that South Africa had withdrawn from the U.N. in 1956, except for token representation, in protest at the continued discussion by the General Assembly of South African internal affairs [i.e. the *apartheid* policy and the status of South-West Africa.] Recently, however, there had been a more friendly attitude at the U.N. towards South Africa, culminating in the appointment of a Good Offices Committee charged with improving relations between the Union and the United Nations At the Union Government's invitation, this Committee had recently visited South Africa (see below) and would present a report to the General Assembly ; pending the publication of that report, he would say no more than that the talks had been conducted in a friendly spirit. Mr. Louw emphasized that although South Africa was returning to the U.N., she would continue to withdraw from all discussions of her domestic policies, basing her stand on Article II (7) of the Charter. [This Article precludes U N. interference in the domestic affairs of member-States.]

The three-man Good Offices Committee referred to by Mr. Louw was set up at the 12th session of the General Assembly in September 1957 (see page 16052, second column). It was asked to discuss the question of South-West Africa with the Union Government ; to find, if possible, " a basis for an agreement which would continue to accord to the territory an international status " ; and to report to the 1958 Assembly session. The members of the Committee were Sir Charles Arden-Clarke, the first Governor-General of Ghana and formerly Governor of the Gold Coast ; Mr. Walter N. Walmsley, of the U.S. State Department ; and Senhor V. T. Leitao da Cunha, the Brazilian Ambassador to Cuba.

The status of South-West Africa has been an issue between the Union and the U.N. since the dissolution of the League of Nations in 1946. The General Assembly has consistently refused to recognize the territory's incorporation in the Union of South Africa, on the grounds (*a*) that South-West Africa had been mandated to the Union by the League of Nations after the First World War ; and (*b*) that the U.N., as the successor of the League, had similar jurisdiction in respect of the territory.

In November, 1953, a nine-man body was set up by the U.N. Trusteeship Committee to investigate and report on South-West Africa ; in the following year South Africa told the U.N. that she would take no part in debates on the report of the South-West Africa Committee. After continued arguments, charges and counter-charges, and after a second ruling had been sought from the International Court of Justice, South Africa withdrew from the General Assembly session for 1955—this withdrawal being on the *apartheid* issue and not on South-West Africa [see page 14669]. In 1956 the dispute led to the final withdrawal of South Africa from all but token representation at the United Nations [see page 15507.]

At the invitation of the Union Government, the Good Offices Committee visited Pretoria from June 12-22 for private discussions with Mr. Louw and Mr. Joost, the Secretary for External Affairs. A joint communiqué said that the discussions had " covered a wide field " ; that consideration had been given " to possible ways and means for arriving at a satisfactory arrangement in regard to the South-West Africa issue " ; and that " certain aspects " of the matter would require further study. It was agreed that the exchange of views should remain confidential pending the presentation of the Committee's report to the General Assembly.—(Cape Times - State Information Department, Pretoria - U.N. Information Centre, London) **(Prev. rep. 16047 A ; 15505 A.)**

B. BELGIUM - WESTERN GERMANY. — German Ratification of Agreement on Frontier Changes.

The Belgo-German frontier treaty signed on Sept. 24, 1956 [see 15168 A] was ratified by the *Bundestag* on July 1, 1958, and by the *Bundesrat* on July 4. In addition to its territorial and financial provisions, the treaty also provides (1) for investigations into the fate of missing Belgians deported to Germany during the war ; (2) for facilities for the location and return to Belgium of the bodies of Belgian deportees who had died during their deportation. It was also laid down that Belgium and the German Federal Republic would conclude double taxation conventions and social security agreements.
(Frankfurter Allgemeine Zeitung) **(Prev. rep. 15168 A.)**

A. UNITED KINGDOM. — Changes in Central Defence Organization. - White Paper.

Important changes in the central defence organization were announced by the Prime Minister in the House of Commons on July 15: (1) an adjustment in the composition and operation of the Cabinet's Defence Committee; (2) the creation of a Defence Board to assist the Minister of Defence; (3) greater powers for the chairman of the Chiefs of Staff Committee, who would in future have the title of Chief of the Defence Staff. The increased powers which had been conferred on the Minister of Defence in connexion with the reorganization of the armed forces would essentially continue.

Mr. Macmillan's statement was as follows:

"When the present Government was formed, the Minister of Defence was entrusted with the task of reshaping and reorganizing the armed forces in accordance with current strategic needs and in the light of the economic capacity of the country. For this purpose I redefined the Minister's functions in relation to the Service Departments and the Ministry of Supply, and gave him increased authority to take decisions on matters of general defence policy affecting the size, shape, organization, and equipment of the armed forces. I announced this in this House on Jan. 24, 1957 [see 15344 A].

"These arrangements have now been in operation for 18 months. As a result of a recent careful review the Government has concluded that they have been justified by practical experience, and that, subject to certain minor alterations, they should now be formally confirmed.

"In addition, three new features are being introduced. First, the composition and operation of the Defence Committee of the Cabinet is being adjusted in order to secure greater flexibility and efficiency. Secondly, a Defence Board is being set up to assist the Minister of Defence in formulating defence policy and for dealing with inter-Service problems. Thirdly, certain adjustments are being made in the staff organization, including the assumption by the chairman of the Chiefs of Staff Committee of the title of Chief of the Defence Staff. The Queen has been graciously pleased to approve that Marshal of the R.A.F. Sir William Dickson be appointed to this new office."

When Mr. Shinwell (Lab.) asked whether the status of the three Service Ministers was in any way affected, Mr. Macmillan replied: "The responsibility to Parliament of the Service Ministers and the Minister of Supply for the efficient administration of the armed forces and their supply remains unchanged."

A White Paper issued on the same day (Cmnd. 476) gave the following details of the three principal changes:

Cabinet Defence Committee. "The supreme responsibility for national defence rests with the Prime Minister and the Cabinet. Subject to this, defence problems which engage the collective responsibility of the Government—especially those which are related to the Commonwealth and to foreign and Colonial policy—are normally handled on the Cabinet's behalf by the Defence Committee, which meets under the chairmanship of the Prime Minister. Experience has shown that, in view of their wide range and variety, these problems cannot conveniently be handled by a Committee of fixed membership. Therefore, in order to gain greater flexibility, the Committee is now being so constituted as to allow the various types of problem which arise to be considered by the Ministers most directly concerned with them. The following Ministers will be members of the Committee: the Prime Minister (chairman), Home Secretary, Foreign Secretary, Chancellor of the Exchequer, Commonwealth Relations Secretary, Colonial Secretary, Minister of Defence, Minister of Labour and National Service, First Lord of the Admiralty Secretary of State for War, Secretary of State for Air, and Minister of Supply.

"The Prime Minister will determine which of these members should attend particular meetings of the Committee, according to the subjects to be discussed and with full regard to the ministerial responsibilities involved. In addition, other Ministers will on occasion be invited to attend meetings at which matters affecting the special interests of their Departments are discussed.

"The Chiefs of Staff will be in attendance ... [They] may [also] be invited to attend meetings of the full Cabinet. The Chiefs of Staff are thus in a position to fulfil their traditional duty to tender to the Government professional military advice."

[It was pointed out that this new elasticity of invitation to attend meetings of the Defence Committee existed in the Committee of Imperial Defence created in 1923.]

Defence Board. After recalling that under the Ministry of Defence Act, 1946, the Minister of Defence was "in charge of the formulation and general application of a unified policy relating to the Armed Forces of the Crown as a whole and their requirements," the White Paper pointed out (*a*) that in discharge of that responsibility the Minister had authority to decide all major matters of defence policy; and (*b*) that within the limits of the policy determined by him, and in conformity with it, the Service Ministers were responsible for the efficiency and administration of the three Services, and the Minister of Supply for the efficient execution of approved programmes of defence research, development, and production. The White Paper continued:

"In deciding major matters of policy ... the Minister of Defence consults with the Service Ministers and the Minister of Supply. For the purposes of such consultation, and for the discussion of inter-Service problems, a Defence Board is being established with the following membership: Minister of Defence (chairman); First Lord of the Admiralty; Secretary of State for War; Secretary of State for Air; Minister of Supply; Chief of the Defence Staff; Chief of the Naval Staff; Chief of the Imperial General Staff; Chief of the Air Staff; Permanent Secretary, Ministry of Defence; Chief Scientist, Ministry of Defence. Other officers and officials of the Departments concerned will be invited to attend meetings of the Board as required.

"The Minister of Defence is ministerially responsible to the Prime Minister for the execution of military operations approved by the Cabinet or the Defence Committee.

"When the Service Ministers or the Minister of Supply wish to make proposals on any matter affecting defence policy, they will normally submit them to the Minister of Defence. This arrangement does not, however, prejudice their constitutional right to make submissions to the Cabinet and its Committees. Recommendations for the more important Service appointments are submitted by the Service Ministers and the Minister of Supply for the approval of the Minister of Defence, who in appropriate cases seeks the covering approval of the Prime Minister.

"The Minister of Defence has the duty to take, after consultation with the Service Ministers concerned, all practicable steps to secure the most efficient and economical performance of functions common to two or more of the Services e.g. by arranging for one Service to act on behalf of the others on the principle of 'most efficient user,' or by transferring responsibility to the Minister of Defence."

Chiefs of Staff Organization. "A new post of 'Chief of the Defence Staff' has been created. The holder of this post will be responsible to the Minister of Defence and will be his principal military adviser. The existing combined posts of Chairman of the Chiefs of Staff Committee and Chief of Staff to the Minister of Defence have been abolished.

"The Chief of the Defence Staff, together with the Chief of Naval Staff, the Chief of the Imperial General Staff, and the Chief of the Air Staff, form the Chiefs of Staff Committee. The Chief of the Defence Staff acts as chairman of this Committee. The Chiefs of Staff Committee are collectively responsible to the Government for professional advice on strategy and military operations, and on the military implications of defence policy generally. The agreed collective advice of the Chiefs of Staff Committee will be tendered to the Minister of Defence by the Chief of the Defence Staff. Where it is not possible for him to tender agreed collective advice, he will report to the Minister the views of the other members of the Chiefs of Staff Committee and will be responsible, as the principal military adviser of the Minister, for tendering his own advice to the Minister in the light of those views. The Chiefs of Staff meet under the chairmanship of the Minister of Defence whenever he or they may so desire.

"The Chiefs of Staff are responsible through the Chief of the Defence Staff to the Minister of Defence for the conduct of military operations. Operational orders hitherto issued jointly in the name of the Chiefs of Staff Committee will now be issued by the Chief of the Defence Staff as Chairman of the Chiefs of Staff Committee. The Chiefs of Staff of the three Services have at all times a right of access to the Minister of Defence, and when necessary to the Prime Minister, whether on operational or other military matters.

"In addition to the responsibilities stated above, the Chief of the Defence Staff: (*a*) is responsible for ensuring that military matters affecting the responsibilities of the Chiefs of Staff are referred to them for consideration; (*b*) is responsible for keeping the Chiefs of Staff informed of the views of the Minister of Defence and for keeping the Minister informed of the views of the Chiefs of Staff; (*c*) is responsible for seeking from the Minister such decisions as are required; (*d*) represents H.M. Government, where appropriate, at international conferences.

"The Joint Planning Staff, in their collective capacity, are directly responsible to the Chief of the Defence Staff as Chairman of the Chiefs of Staff Committee. He is entitled to call on the respective Chiefs of Staff to make available ... the services of the Naval, General, and Air Staffs, who are together regarded as forming a Joint Defence Staff. For the study of inter-Service problems these Staffs are responsible, through the Chiefs of Staff of their respective Services, to the Chiefs of Staff Committee and through its Chairman to the Minister of Defence."

The Minister of Defence was given one additional power by making him responsible to the Prime Minister for the execution of military operations approved by the Cabinet or the Defence Committee; on the other hand, his former authority to give decisions on Service pay and conditions was transferred to the Service Ministers.

It was pointed out in the Press that one of the most significant changes was the arrangement whereby, in the event of differences between the Chiefs of Staff, the Chief of the Defence Staff would not merely report the differences but would tender his own advice. This change was intended to prevent what had been described as the "glossing over" of differences and the "watering down" of advice to the least common denominator. (Cmnd. 476 - Times - Daily Telegraph) **(Prev. rep. 15344 A.)**

A. EASTERN EUROPE. — Meetings of Warsaw Treaty Organization and East European Council of Mutual Economic Assistance. - Cuts in Armed Forces of East European Communist Countries. - Soviet Troops to be withdrawn from Rumania.

Government and Communist party leaders from the Soviet Union, all the Soviet-bloc countries, and China met in Moscow from May 20-24 within the framework of the East European Council of Mutual Economic Assistance and the Political Consultative Committee of the Warsaw Treaty Organization. The most important decisions were :

(1) A reduction in the armed forces of Albania, Bulgaria, Czechoslovakia, Poland, and Rumania of 119,000 men in all, additional to the cut of 300,000 in the Soviet armed forces previously announced.

(2) The withdrawal "in the near future" of all Soviet forces stationed in Rumania.

(3) The reduction during the current year of the Soviet troops stationed in Hungary.

(4) A proposal for the conclusion of a non-aggression pact between the Warsaw Treaty Organization and NATO.

It was also announced that China, North Korea, North Vietnam, and Mongolia had decided to co-ordinate their economic planning and to strengthen their mutual economic co-operation with the Soviet bloc.

Communiqués and a special declaration were issued at the end of the talks, as summarized below :

Meeting of Council of Mutual Economic Assistance.

The communiqué said that this conference, held from May 20-23, had been attended by representatives of the Communist and Workers' parties of the member-countries represented on the Council—the Albanian Party of Labour, the Bulgarian Communist Party, the Hungarian Socialist Workers' Party, the East German Socialist Unity Party, the Polish United Workers' Party, the Rumanian Workers' Party, the Soviet Communist Party, and the Czechoslovak Communist Party. Representatives of the North Vietnamese Party of Labour, the Chinese Communist Party, the Korean Party of Labour, and the Mongolian People's Revolutionary Party had also taken part.

It was stated that the conference had considered "the further promotion of economic co-operation between the socialist countries on the basis of the principle of international socialist division of labour and rational industrial specialization and co-ordination." It had "heard reports on the work of the government planning agencies of the socialist countries in drawing up long-term plans for the basic sections of their national economy," and had noted that "economic contacts between them were steadily being consolidated and were acquiring an increasingly many-sided character." Considerable progress had been made in recent years in the specialization and co-ordination of production, notably in machine-building.

The conference had stressed "the need for further specialization and co-ordination of production in the inter-related branches of the national economies of the member-countries"; for "the utmost development of their raw material resources and power industries"; and for the "introduction of new machinery and techniques." Particular attention had been given to the need for further co-ordination and specialization in machine-building to bring about mass and serial production. Emphasis had also been placed on "an expansion of mutually advantageous forms of co-operation with a view to raising the level of industrialization in the less-developed countries."

It had also been decided to enhance the role of the Economic Mutual Assistance Council and its agencies in organizing economic co-operation; recommendations had been approved on the co-ordination and specialization of production and the preparation of long-term national economic development plans. Representatives of those countries which were not members of the Economic Mutual Assistance Council had expressed willingness "to take an active part in the economic co-operation of the Socialist countries and to take measures accordingly, conforming to the specific conditions in their countries."

No further details were given of the decisions taken.

Political Consultative Committee of Warsaw Treaty Organization.

The meeting of this committee, which was held on May 24 under the chairmanship of the Bulgarian Prime Minister (M. Yugov), was attended by the following governmental and party leaders of the participating countries :

Albania—Lieut.-General Mehmet Shehu, Prime Minister, M. Enver Hodja, First Secretary of the Albanian Party of Labour; M. Shtylla, Foreign Minister; General Hasko, Chief of the General Staff.

Bulgaria—M. Yugov, chairman of the Council of Ministers; M. Zhivkov, First Secretary of the Bulgarian Communist Party; M. Lukanov, Foreign Minister; and General Panchewski, Minister of National Defence.

Hungary—M. Kadar, Minister of State and First Secretary of the Hungarian Socialist Workers' Party; M. Sik, Foreign Minister; Colonel-General Revesz, Minister of Defence.

German Democratic Republic—Herr Otto Grotewohl, Prime Minister; Herr Walter Ulbricht, First Secretary of the Socialist Unity Party; Colonel-General Willi Stoph, Minister of National Defence; Herr Leuschner, Deputy Premier.

Poland—M. Cyrankiewicz, Prime Minister; M. Gomulka, First Secretary of the Polish United Workers' Party; M. Rapacki, Foreign Minister; General Spychalski, Minister of National Defence.

Rumania—M. Stoica, Prime Minister; M. Ghcorghiu-Dej, First Secretary of the Rumanian Workers' Party; M. Emil Bodnaras, Deputy Premier; M. Bunaciu, Foreign Minister; Colonel-General Salajan, Minister of the Armed Forces.

Soviet Union—M. Khrushchev, Prime Minister and First Secretary of the Soviet Communist Party; M. Gromyko, Foreign Minister; Marshal Malinovsky, Minister of Defence.

Czechoslovakia—M. Siroky, Prime Minister; M. Vaclav David, Foreign Minister; Colonel-General Lomsky, Minister of National Defence.

China (as observers)—Chen Yun and Li Fu-chun, both Deputy Premiers.

The communiqué was worded as follows :

"In conformity with Article 3 of the Warsaw Treaty, envisaging consultations between the member-States on major international questions affecting their interests, an exchange of views on the present international situation took place at the meeting of the Political Consultative Committee. The Committee noted with satisfaction the complete unanimity of the participating countries, both in assessing the international situation and in their common tasks in the struggle for peace and the security of the peoples. The Committee unanimously adopted a declaration, which is published herewith [see below].

"The Committee heard a report by Marshal Koniev, C.-in-C. of the Joint Armed Forces of the member-States of the Warsaw Treaty, on a further reduction in the armed forces of the Warsaw Treaty countries and on the withdrawal of Soviet forces from the Rumanian People's Republic.

"Besides the further cut in the armed forces of the Soviet Union in 1958 by 300,000 men, previously announced, the member-countries resolved to carry out in 1958, in addition to the earlier substantial reduction in their armed forces, further cuts of a total of 119,000 men, viz.—the Rumanian People's Republic by 55,000 men, the Bulgarian People's Republic by 23,000 men, the Polish People's Republic by 20,000 men, the Czechoslovak Republic by 20,000 men, and the Albanian People's Republic by 1,000 men. Thus the member-countries will have reduced their armed forces in 1958 by 419,000 men in all.

"The Committee approved a proposal by the Soviet Government, agreed to by the Rumanian Government, on the withdrawal in the near future of the Soviet troops stationed in Rumania in conformity with the Warsaw Treaty.

"The Soviet Government, in agreement with the Hungarian Government, decided to reduce the Soviet troops stationed in Hungary during 1958 by one division. The Committee approved this decision.

"Decisions were also taken on certain organizational matters relating to the activities of the Joint Armed Forces of the member-States.

"The Committee resolved to address to the member-States of NATO a proposal for a non-aggression pact between the Warsaw Treaty Organization and NATO. The draft text of this pact is published separately."

Declaration of Warsaw Treaty Countries.

The declaration, which was signed by Lieut.-General Shehu, M. Yugov, M. Kadar, Herr Grotewohl, M. Cyriankiewicz, M. Stoica, M. Khrushchev, and M. Siroky, said that the Political Consultative Committee of the Warsaw Treaty countries had been convened "to examine the existing international situation and work out new joint measures to ease international tension." After speaking of the "unanimity of the Governments represented," it continued :

"The state of affairs in the world is being influenced to an ever greater extent by the unceasing struggle of the countries of the socialist camp for the development of international co-operation on the basis of the peaceful co-existence of States with different social structures; for the settlement of disputed questions by negotiations between States; for the ending of the arms race, and for the removal of the threat of atomic war. The participants in the conference note with satisfaction that it is not only the socialist countries that are directing their efforts towards strengthening peace, but also most of the countries of Asia and Africa that have freed themselves from colonial dependence. Peace is also supported by ... people of different political outlooks in the countries of Western Europe, America, and other continents. States pursuing a policy of neutrality are also making a positive contribution to the struggle for peace."

After describing the Warsaw Pact as "a mighty deterrent to the activities of the military groupings of the Western Powers, and first and foremost of the North Atlantic bloc, which are hostile to the cause of peace," the statement went on to accuse the Western Powers,

"and in the first place the United States," of seeking to pursue a "positions-of-strength policy." It continued: "They bear the responsibility for the arms race, which is acquiring an especially dangerous nature in connexion with the expanding production and stockpiling of nuclear means of mass destruction. . . . NATO military bodies are working out now plans to increase the armed forces and military expenditure of those countries, while the NATO War Ministers' conference in April this year discussed the question of doubling the size of the armed forces placed at the disposal of the American Supreme Commander of NATO. On May 1 the Permanent Council of NATO took a decision providing for the atomic arming of those participants in the North Atlantic bloc who do not at present possess such weapons. The Governments of a number of NATO countries—Britain, France, Italy, Turkey, and others—have submitted their territories for use as American launching sites for rockets bearing nuclear warheads, and as storehouses for atomic weapons.

"The war preparations in the German Federal Republic, whose *Bundestag* has decided to arm the West German forces with nuclear and rocket weapons, are assuming a particularly dangerous character. The most dangerous types of weapons are falling into the hands of militarist and revenge-seeking circles who raise territorial claims against other States. The U.S. Government, in lending its support to the policy of arming the German Federal Republic, and taking upon itself the task of supplying Western Germany with nuclear and rocket weapons, . . . is encouraging these circles to pursue a policy fraught with danger to peace.

"The situation is dangerously worsened by . . . the flights of U.S. planes with atomic and hydrogen bombs over the Arctic areas towards the Soviet Union. Flights by American bombers with atomic and hydrogen bombs are also carried out over many West European countries . . . These actions by the U.S. Government border on direct provocation. . . .

"One cannot but note with satisfaction that certain NATO member-States . . . are adopting a saner attitude—a circumstance which cannot fail to make a positive contribution to the relaxation of international tension, particularly in Europe. . . ."

After condemning the recent nuclear test explosions carried out by the U.S.A. and Britain in the Pacific, the declaration expressed "serious concern" at what it described as "the unceasing attempts of the United States, Britain, France, and other colonial powers to interfere in the internal affairs of Asian and African countries" and to "impose upon them regimes and governments that are alien to the peoples." It went on to denounce the NATO, SEATO, and Baghdad Pact Organizations, and, in particular, the "Eisenhower doctrine" in the Middle East. In the latter connexion it stated:

"Just as last summer the clouds gathered over Syria, so today dangerous schemes are being carried out against the Lebanon. The United States, falling back on the notorious 'Dulles-Eisenhower doctrine' which has been rejected by the Arab peoples, is making ready to set its armed forces in action against a State which wants nothing more than to be master in its own house and to be free from foreign dictation. . . . All this is taking place before the eyes of the United Nations, which, . . . owing to the position of certain Western Powers, remains paralysed and is taking no steps to safeguard the independence of Lebanon or other States which are being subjected to the schemes of imperialist circles. . . . The Warsaw Treaty countries . . . will continue to direct their actions towards enabling the U.N. to accomplish successfully the tasks entrusted to it by the Charter."

The declaration reiterated the demand for the admission of Communist China to the United Nations; condemned what it described as "the bloody war which France has been waging for years against the people of Algeria"; and continued: "The sponsors of NATO and the other blocs associated with it are striving to conceal their war preparations and their interference in the internal affairs of other countries by false references to the 'danger of international Communism.' . . . Can anyone have forgotten that the preparations of Hitler Germany for the Second World War were also carried out under the banner of the struggle against the 'danger of Communism'? . . . The States united by the Warsaw Treaty, and also the Socialist States of Asia, do not have and cannot have any motives for attacking other countries. The Soviet Union, the Chinese People's Republic, and the socialist camp as a whole possess immense expanses of land and untold natural resources. . . . Their peoples are devoting all their efforts to the creation of a new social system which will guarantee general prosperity. . . . For this they need, first and foremost, firm and lasting peace. That is why nothing can be more remote from the truth than the allegation that the socialist countries threaten anyone or want to force their way of life on others. . . ."

After referring to the fact that the armed forces of the Warsaw Treaty countries had been reduced by 2,477,000 men since 1955, whereas the NATO countries were "increasing the number of their troops, augmenting their military budgets, and building up their armaments," the declaration referred to the suspension of Soviet nuclear tests, which it described as a "noble step of historic significance"; to the decision of the Chinese People's Republic to withdraw its "volunteers" from Korea; to the Polish "Rapacki plan" for an atom-free zone in Central Europe, which it called "a valuable initiative aimed at removing the danger of an atomic war in Europe"; and to the East German proposal for a Confederation of the two German States, for which "whole-hearted support" was expressed.

The declaration then went on to recapitulate, at great length, the proposals for a summit conference made by Marshal Bulganin and M. Khrushchev in their correspondence with Western Heads of Government during the past few years. It stated that the objectives of such a conference should be "the immediate ending of tests of atomic and hydrogen weapons; renunciation by the U.S.S.R., the U.S.A. and Great Britain of the use of nuclear weapons; the establishment in Central Europe of a zone free from atomic, hydrogen and rocket weapons; the conclusion of a non aggression treaty between NATO and the Warsaw Treaty Organization; the reduction of the number of foreign troops on the territory of Germany and in other European States; an agreement on questions connected with the prevention of a surprise attack; measures to extend international trade; the ending of war propaganda; ways of easing tension in the Middle East area; prohibition of the use of outer space for military purposes; liquidation of foreign military bases on the territories of other States, and international co-operation in exploring outer space; the conclusion of a German peace treaty; and the development of contacts between countries."

After stressing that the ending of atomic and hydrogen weapon tests should be given first priority at a summit conference, and saying that the "refusal of the U.S.A. and Britain to follow the example set by the Soviet Union" could only have the effect of "throwing mankind back to the starting-point on this question," the declaration went on to express full support for the Polish proposal for an atom-free zone in Central Europe comprising the two German States, Poland, and Czechoslovakia. It said in this connexion:

"A comparison between the States to be included in an atom-free zone shows that the territory of the German Democratic Republic, Czechoslovakia, and Poland is more than double that of the fourth state in this zone—Western Germany. Furthermore, the population of the Warsaw Treaty States in this zone exceeds the population of the member of the North Atlantic Alliance [i.e. Western Germany] in this zone. Neither the German Democratic Republic, Czechoslovakia, Poland, nor the German Federal Republic manufactures nuclear weapons. Moreover, the German Federal Government at one time assumed an international obligation not to manufacture such weapons in the future. All this is evidence of the absence of any grounds for supposing that the establishment of an atom-free zone will offer any one-sided military advantage to the Warsaw Treaty countries to the detriment of the interests of NATO States. . . ."

As regards German reunification, the declaration said that "attempts to bring the question of German unity before a summit conference can only serve the purposes of those who want to prevent the convening of a summit conference and do not want to see it brought to a successful conclusion." It continued: "The member-States of the Warsaw Treaty fully understand the desire of the German people to eliminate the division of their country, and are in favour of the restoration of German unity and the establishment of a peaceful, democratic German State. But they believe that this problem can only be solved by the German people themselves as represented by the two German States now in existence, and only through agreement between them. There is no other way of solving the German question. . . ."

In view of the fact that "the Western Governments are not inclined to hold a [summit] conference with broad representation," it was suggested that the North Atlantic Alliance and the Warsaw Treaty Organization should each be represented by three or four countries; in this connexion "full powers" were given to the Soviet Union, Poland, and Czechoslovakia (or alternatively, Rumania) to take part in a summit conference "on behalf of the countries that are signatories to the Warsaw Treaty." In addition, "great importance" was attached to the participation in a summit conference of "neutral States which are not bound to either of the opposing military groupings and have proved their adherence to the cause of peace and international co-operation."

On the question of disarmament, the Western Powers were accused of having put forward [in the London sub-committee of the U.N. Disarmament Commission] proposals which "not only failed to provide for the prohibition of atomic and hydrogen weapons and the reduction of armed forces, but also flung the door wide open for a further arms race." By "imposing" these proposals on the U.N. General Assembly, and "taking steps to maintain in the U.N. Disarmament Commission the predominance of members of the military blocs organized by them," the Western Powers had "created in the Disarmament Commission a situation that precludes all hope of a positive solution to the question of disarmament within that body." In these conditions "the best prospects for a solution to urgent questions of disarmament, on which there already exists the possibility of coming to mutually acceptable agreements, are opened up by a summit conference with the participation of Heads of Governments."

In conclusion, the declaration proposed that NATO and the Warsaw Treaty Organization should conclude a non-aggression pact, the draft of which was published separately.

Proposed Non-Aggression Pact between Warsaw Treaty and NATO.

The proposed draft treaty consisted of five Articles worded as follows:

"**Article 1.** Noting that the use or threat of force in international relations is prohibited by international law, and in particular by the U.N. Charter, the States parties to the Warsaw Treaty and the States parties to the North Atlantic Treaty solemnly undertake to observe strictly this prohibition and not to resort to the use or threat of force against one another, jointly or separately.

"**Article 2.** All disputes that may arise between one or more parties to the Warsaw Treaty, on the one hand, and one or more parties to the North Atlantic Treaty, on the other hand, shall be resolved by peaceful means only, on the basis of the invariable observance of the principle of non-interference in the internal affairs of States; in a spirit of mutual understanding; and through negotiations between the parties concerned, or by using other means of peaceful settlement of international disputes as provided for by the U.N. Charter.

"**Article 3.** Should a situation arise which might endanger the preservation of peace or security in Europe, the States parties to the present pact shall consult together with a view to taking and implementing such joint measures as, in conformity with the U.N. Charter, may be considered appropriate for a peaceful settlement.

"**Article 4.** The pact shall be concluded for a period of 25 years and shall come into force on the day of its signature. In the event of the North Atlantic Treaty of April 4, 1949, and the Warsaw Treaty of May 14, 1955, being terminated, the pact will become invalid.

"**Article 5.** The pact, of which the Russian, English, and French texts will be regarded as authentic, shall be deposited for safe-keeping with the U.N. Secretary-General. Copies shall be transmitted by the Secretary-General to the Governments of States which are parties to the Pact."

Bucharest Radio announced on July 4 that the withdrawal of Soviet garrisons from the Constanza and Dobrudja areas had been completed on the previous day.—(Press Departments, Soviet and Polish Embassies and Bulgarian Legation, London) **(Prev. rep. Warsaw Treaty, 14704 A; Council of Mutual Economic Assistance, 14900 A.)**

A. UNITED KINGDOM. — Illegal Landing of Russian Fishermen in Shetlands. - Political Asylum for Estonian Refugee. - British Protest to Soviet Government.

Some 30 Russian fishermen, members of a Soviet herring fleet operating in Shetland waters, landed illegally in the Shetland Islands on June 25 in search of one of their number, a 32-year-old Estonian named Erich Teayn, who had fled ashore near the village of Walls (25 miles north-west of Lerwick). The Russians combed the moorland for several hours in search of Teayn, who had meanwhile been given refuge in the cottage of a crofter. Three of the Russian skippers subsequently called at Lerwick police-station and sought access to Teayn, which was refused; the Russian fishing fleet thereupon sailed off, while Teayn was taken to Edinburgh for interrogation by immigration officers. It was announced on July 17 that Teayn had been released and would be allowed to remain in the United Kingdom as a political refugee.

A strong British protest was sent to the Soviet Government on June 28 stating that H.M. Government "take a grave view of the action of these seamen in landing on British territory and of their subsequent conduct there." After pointing out that a flagrant violation of the law would have occurred if the seamen had apprehended Teayn by force, the Soviet Government were asked "to issue strict instructions to the captains of all Soviet vessels which may have occasion to enter British waters, in order to ensure that there is no recurrence of any incident of this kind." —(Times - Daily Telegraph)

B. SWITZERLAND. — Nuclear Weapons for Army.

The Swiss Federal Council announced on July 11 that it had come to the conclusion that the Swiss Army "must receive the most effective weapons to maintain our independence and protect our neutrality," and that this included nuclear weapons. The Federal Military Department had therefore been asked to study all questions connected with the introduction of such weapons, and to submit its report and recommendations in due course.

The statement pointed out that the use of nuclear weapons in future wars could "unfortunately not be excluded," and that developments showed that such weapons would become standard weapons of tactical forces without losing their importance as strategic weapons. Nuclear weapons would not only serve an aggressor but would also strengthen the defensive power of the defender to a high degree, and it was obvious than an army equipped with nuclear weapons could fulfil its defensive functions much better than forces not possessing such weapons. To renounce the equipment of her forces with such weapons would therefore place Switzerland in a state of relative weakness and expose her to the danger of becoming involved in a future conflict.

In conclusion, the statement declared that while this decision had been taken to give Switzerland the most effective means of defence against any attack, the Federal Council would welcome all efforts aimed at bringing about a general reduction of armaments, including nuclear weapons.
(Neue Zürcher Zeitung) **(Prev. rep. Defence, 16275 C.)**

C. FRANCE. — General de Gaulle's Meetings with Mr. Macmillan and Mr. Dulles.

The British Prime Minister, accompanied by the Foreign Secretary (Mr. Selwyn Lloyd), visited Paris on June 29 for discussions with General de Gaulle and M. Couve de Murville, the French Foreign Minister. A joint communiqué stated (1) that General de Gaulle and Mr. Macmillan had "renewed the bonds of friendship and esteem forged 15 years ago"; (2) that they had "reviewed the great problems confronting the Western world"; (3) that they were "in complete agreement on the paramount necessity of the defence of the free world"; and (4) that they had had "a frank exchange of views on the whole range of problems facing them" and had established "a common attitude for that close co-operation which the two Governments are determined to maintain." No mention was made of the specific subjects discussed, but they were understood to have included East-West relations, the prospects of a "summit" conference, NATO problems, and the Middle East.

Mr. Macmillan had previously sent a message to General de Gaulle (June 2) congratulating him on his investiture as Prime Minister and saying that it would be "a great happiness to me to be able to renew our wartime friendship founded in the days when, as President of the Committee of National Liberation, you were leading France to victory." [Mr. Macmillan was Minister-Resident at Allied H.Q., North Africa, when General de Gaulle set up the Committee of National Liberation in Algiers.]

Mr. Dulles had informal discussions with General de Gaulle and M. Couve de Murville on July 5, during a visit to the French capital in which he also saw General Norstad (Supreme Allied Commander, Europe). A brief communiqué stated (1) that there had been "an examination of important international problems in the spirit of mutual understanding and friendship which characterizes the relations between the two countries," and (2) that General de Gaulle and Mr. Dulles had stressed the importance of still closer Franco-American co-operation "in the interests not only of France and the United States but of the whole free world." According to *Le Monde*, the subjects discussed included "atomic questions," East-West relations, the situation in the Middle East, North Africa, and South-East Asia, and "global strategy."

A French spokesman said that General de Gaulle, in his talks with Mr. Dulles, had "let no doubts remain as to the intention of his Government to raise France to the rank of the nuclear Powers," adding that General de Gaulle had "underlined the primary importance of this question." The Paris Correspondent of the *New York Times* said that Mr. Dulles "was reported to have told General de Gaulle in reply that the present form of the Atomic Energy Act did not give the Administration the right to aid France directly in this objective. According to French sources, the Secretary informed the Premier of the U.S. position on 'nuclear collaboration' and offered help and know-how in the construction of a French nuclear-powered submarine, but no information on weapons."

In a statement on July 9 to the Foreign Affairs Commission of the National Assembly, M. Maurice Schumann (the Commission's president) stated that two forms of U.S. aid were possible to enable France to enter the "atomic club": the sharing of secret information, and deliveries of fissile material and atomic arms. The talks between General de Gaulle and Mr. Dulles had shown the U.S. Government's desire to help France in any way compatible with existing U.S. legislation, and the offer relating to atomic submarines was an "important sign of the [U.S.] Administration's goodwill."

President Eisenhower, like Mr. Macmillan, had previously sent a message to General de Gaulle recalling their war-time comradeship, and saying that the American people would be glad to welcome General de Gaulle in Washington.
(Le Monde - Times - New York Times)
(Prev. rep. General de Gaulle, 16279 A.)

D. AUSTRIA. — Recovery of Nazi-pillaged Gold.

It was announced in Vienna on July 8 that Austria had received a further 6,150 kilograms of gold from the Inter-Allied Reparations Agency, which administers all the monetary gold pillaged by the Nazis in foreign countries and recovered by the Allied Forces in Germany or from third countries after the Second World War (see 7776 A). Austria had previously been allotted over 44,000 kilograms by the I.A.R.A., and with the latest allocation she recovered roughly two-thirds of her gold reserves as existing before the *Anschluss* of 1938.
(Wiener Zeitung) **(Prev. rep. 8910 D; 8887 B; 7766 A.)**

E. BELGIUM. — Bank Rate Movements.

The Belgian Bank Rate was reduced from 4½ per cent to 4¼ per cent from March 27, from 4¼ to 4 per cent from June 7, and from 4 to 3¾ per cent from July 3, 1958. It had previously been raised from 3 per cent to 3½ per cent on Dec. 6, 1956, and from 3½ per cent to 4½ per cent on July 24, 1957.
(La Nation Belge, Brussels) **(Prev. rep. 14368 A.)**

A. SWEDEN. — Defeat of Government's Compulsory Superannuation Scheme. - Dissolution of Lower House. - General Elections.

The Swedish Parliament was dissolved on April 28 (after the lapse of only half its normal four-year term) following the defeat in the Lower House on April 25 of the Government's Bill for a compulsory State superannuation scheme to supplement the existing old-age pensions. The adverse vote was 117 to 111, the scheme being supported by all 106 Social Democrats and the five Communists, while the opposition consisted of the Liberals, the Conservatives, and the Agrarians. The Bill had been passed on April 24 by the Upper House (where the Social Democrats have an absolute majority) by 82 votes to 68.

The Bill was based on the proposals sponsored by the Social Democrats, which had received 46.4 per cent of the votes in the referendum held on Oct. 13, 1957, when three separate schemes were submitted by the Social Democrats, the Agrarians, and the Liberals and Conservatives respectively [see 15961 A.] It provided that there should be, in addition to the present old-age pensions, a compulsory "people's pension" payable to everyone of 67 or over, and amounting to 65 per cent of a person's average annual wage or salary during the best 15 working years prior to retirement. These pensions would have been tied to the cost-of-living index, rising automatically if prices rose; they would have been financed by compulsory levies on salaries and wages, payable by the employers.

The Opposition parties, whilst agreeing to an increase of the present old-age pensions in stages, objected to the compulsory character of the Government's supplementary pensions scheme and advocated voluntary arrangements. Although the Government had tried after the referendum to reach agreement with the Opposition on a mutually satisfactory scheme, no common solution was found; the Government therefore decided to put the Social Democratic scheme before Parliament.

Elections for the Lower House of Parliament were accordingly held on June 1. The final results (after the counting of postal votes) were announced on June 10-11 as follows, comparison being given with the last (1956) elections:

	Seats		Votes		Percentage	
	1958	1956	1958*	1956†	1958*	1956†
Social Democrats	112	106	1,738,765	1,729,463	46.9	44.6
Conservatives	45	42	693,747	663,693	18.7	17.1
Liberals	38	58	669,763	923,564	18.0	23.8
Agrarians	32	19	480,892	366,612	13.0	9.5
Communists	4	6	127,675	194,016	3.4	5.0

* Excluding postal votes. † Including postal votes.

The final results for Stockholm, including postal votes, were as follows:

	Seats		Votes	
	1958	1956	1958	1956
Social Democrats	11	9	180,656	160,496
Conservatives	7	5	113,868	92,001
Liberals	6	9	101,063	156,694
Agrarians	—	—	7,517	342
Communists	1	2	25,735	30,575

Before the counting of postal votes the Conservatives had been credited with 44 seats and the Communists with five, but when the postal votes were added the Communists lost to the Conservatives one of the two seats they were originally believed to have gained in Stockholm—thus increasing Conservative representation to 45. This had a far-reaching effect on the general party set-up, since the Social Democrats (led by the Prime Minister, Hr. Tage Erlander) thereby failed to get an overall majority with the support of the Communists, which they were at first believed to have obtained. As the Speaker will be drawn from the Social Democrats, they will, even if supported by the Communists, only command 115 votes at most; since the three non-socialist parties also have 115 seats in all, the socialist and anti-socialist parties are thus of exactly equal strength in the new House.

Among the non-Socialist parties, the outstanding feature of the elections was the severe defeat of the Liberals (led by Professor Bertil Ohlin), who lost 20 seats, or about one-third of their total poll in 1956. On the other hand, the Agrarians (led by Hr. Gunnar Hedlund) gained 13 seats and the Conservatives (led by Hr. Jarl Hjalmarson) gained three, making the lattter the largest Opposition party instead of the Liberals.

The Agrarians were thought to have benefited from the determined opposition which they put up from the first to the Social Democrats' compulsory superannuation scheme; from the break-up of the Social Democrat-Agrarian coalition in October 1957; and from the present difficulties of Swedish agriculture—especially the butter crisis, which had recently been worsened by Britain's decision to prevent the dumping of Swedish butter in the U.K. (see 16264 A). The Conservatives continued the upward trend shown in the 1956 elections.

The Communists (led by Hr. Hilding Hagberg) decided not to put up candidates in 11 of the 28 multi-member constituencies, where they instructed their followers to vote for the Social Democrats; their poll was accordingly reduced by about one-sixth.

After the initial election results were announced on June 2, Hr. Erlander stated that he intended to press on with the Government's pensions Bill in the new Parliament as soon as possible. On June 10, however, after the postal voting had become known, he announced that he would not present the Bill formally until the spring session of the *Riksdag*.

Although the First (Upper) Chamber was not affected by the dissolution, local elections in the autumn will influence its composition, as some of its members are elected by the local councils.—(Svenska Dagbladet - Stockholms-Tidningen) **(Prev. rep. 15961 A.)**

B. BRAZIL. — Cabinet Reorganization.

The Brazilian Finance Minister, Senhor Alkmim, resigned at the end of June to stand as a candidate for the Chamber of Deputies at the forthcoming general elections. His resignation was followed by that of four other Ministers—those of Justice and the Interior (Dr. de Aguiar Salles), Foreign Affairs (Sr. de Macedo Soares), Labour (Sr Barroso), and Health (Professor Medeiros)—so as to give President Kubitschek a free hand to reorganize the Cabinet. The Ministers of Agriculture (Senhor Dornelles) and Air (Brigadier Alves Seeco) had tendered their resignations previously.

With the new appointments made by President Kubitschek at the end of June and during the first week of July, the membership of the Brazilian Cabinet became:

Dr. Lucas Lopes	Finance.
Senhor Francisco Negrão de Lima	Foreign Affairs.
Senhor Carlos Cirilo	Justice and Interior.
Dr. Mario Pinotti	Public Health.
Dr. Romulo de Almeida	Labour.
Commander Lucio Meira	Transport and Public Works.
Senhor Mario Meneghetti	Agriculture.
Dr. Clovis Salgado	Education.
Lieut.-General Henrique Teixeira Lott	War.
Vice-Admiral Antonio Alves Câmara	Navy.
Brigadier Francisco Corrêa de Mello	Air.

Among the new Ministers, Senhor Negrao de Lima (55) is a former ambassador to Venezuela and Paraguay; Dr. Pinotti is a well-known medical expert who has organized a successful anti-malaria campaign; Senhor Lucas Lopes has been president of the *Banco Nacional do Desenvolvimento Economico* and is an economic adviser to President Kubitschek; and Senhor Cirilo is a former president of the Chamber of Deputies.—(Brazilian Government Bulletin - Bank of London and South America, Fortnightly Review - New York Times) **(Prev. rep. 14704 B.)**

C. FRANCE - NORTH AFRICA.—General de Gaulle's Messages to King of Morocco and President of Tunisia.

Two personal messages—one to President Bourguiba of Tunisia and the other to King Mohammed V of Morocco—were sent by General de Gaulle on June 2, both in very cordial terms.

In his message to President Bourguiba, General de Gaulle announced his intention of "settling with you, if you agree, the present difficulties between our two countries and the conditions of their good relations in the future." While awaiting the moment until this could be done (the message continued), "I consider that our two Governments should avoid anything that might involve the risk of aggravating the situation." General de Gaulle added that corresponding instructions had been issued to all French authorities.

General de Gaulle's message to King Mohammed expressed the "firm intention" to maintain and develop with Morocco "such relationships as may correspond to the friendship between our peoples." In sending his personal good wishes to the King, General de Gaulle spoke of the "most friendly feelings which I have borne towards you since the time when Moroccans and Frenchmen fought side by side for their freedom and for the freedom of the world."

In a cordially-worded reply to General de Gaulle, President Bourguiba wished him "every success in the heavy task" he had undertaken, and said that he fully shared the general's anxiety "to avoid anything that could aggravate the situation." M. Bourguiba added:

"The Tunisian authorities are observing in this respect the instructions consistently laid down by my Government. I should add, however, that to create the necessary conditions for a settlement of the present difficulties between our two countries, and for the restoration of good relations between them, it will be necessary to define clearly our respective intentions. For my part, I am always animated by the desire to remove the major obstacles which have hitherto impaired our relations. I should be happy if my anxieties on this fundamental matter were to be shared by your Government."

It was stated in Rabat that the "great cordiality" of General de Gaulle's message had been highly appreciated, and that King Mohammed was sending a personal reply.—(Le Monde, Paris)

JULY 26—AUGUST 2, 1958

A. MIDDLE EAST. — Army Revolt in Iraq. - Assassination of King Faisal, Prince Abdul Ilah, and General Nuri es-Said. - Iraqi Republican Government formed by Brigadier Kassem. - Lebanese and Jordanian Appeals to U.S.A. and Britain. - U.S. Marines land in the Lebanon. - British Paratroops despatched to Jordan.

A major international crisis broke out in the Middle East in the week beginning July 14 as a result of the following developments :

(1) An Army revolt in Iraq in which King Faisal, the Crown Prince Abdul Ilah, and General Nuri es-Said (Prime Minister of the Arab Federation of Iraq and Jordan) were assassinated and a Republican regime was proclaimed.

(2) The landing of American marines in the Lebanon in response to an appeal by President Chamoun.

(3) The despatch of British paratroops to Jordan in response to a similar appeal by King Hussein.

The Iraqi Revolution.

The first news of the Iraqi revolution was given in a broadcast from Baghdad Radio in the early morning of July 14. This declared that, "with the aid of God Almighty and the support of the people and the armed forces," Iraq had been "liberated from the domination of a corrupt group installed by imperialism." After saying that there was complete unity between the Army and the people, and calling upon the population to maintain order and discipline, the broadcast announced the creation of an "Iraqi Republic which will preserve the nation's unity, maintain brotherly ties with other Arab countries, and fulfil all treaties and obligations which are in the interests of Iraq and which comply with the principles of the Bandung Conference and the U.N. Charter." It was also announced that a three-man Council of Sovereignty would carry out presidential duties pending the holding of general elections in Iraq.

As the new Republican Government (see below) imposed martial law throughout the country and closed the frontiers, and as all aerial, telephonic, and telegraphic communications with Iraq were temporarily suspended, it was not until some days later that fuller details of the *coup d'état* became available. For about 48 hours the only source of information was Baghdad Radio, which broadcast a succession of statements, communiqués, and declarations announcing that the monarchy had been overthrown ; that King Faisal, Crown Prince Abdul Ilah, and General Nuri es-Said had been killed ; that a Republican Cabinet had been formed under the Premiership of Brigadier Abdul Karim Kassem ; that the new Government was in complete control of the country ; and that all Iraqi troops in Jordan (said to number 12,000) had been withdrawn. Frequent assurances were given that foreign nationals would be protected, that the new Government would honour Iraq's obligations towards foreign oil interests, and that oil installations and pipelines would be safeguarded.

Declarations of friendship for President Nasser and the United Arab Republic were interspersed with bitter radio attacks on the former Iraqi regime, and on Crown Prince Abdul Ilah and General Nuri in particular. In a broadcast on July 16, Baghdad Radio called on the Jordanian people to revolt against King Hussein and his Prime Minister (Mr. Samir Rifai), who were described as "traitors and agents of imperialism."

Assassination of King Faisal, Prince Abdul Ilah and General Nuri.

The exact circumstances of the murder of King Faisal, Prince Abdul Ilah, and other members of the Royal household were not definitely known. According to an official statement, broadcast on July 16 by Baghdad Radio, the King and the Crown Prince were killed when their bodyguard tried to resist Army units which had gone to the Royal palace to place them under arrest. As regards General Nuri, it was announced on July 15 that he had been killed after trying to escape disguised as a woman.

During the first few hours of the revolution Baghdad Radio announced that Prince Abdul Ilah had been killed and that his body was hanging outside the Ministry of Defence after having been dragged through the streets of Baghdad ; the population of the capital were invited to see it "being spat upon by the people and kicked by their feet." General Nuri, after first being reported killed, was later said to have escaped from custody, a reward of £10,000 being offered for his apprehension ; on July 15, however, it was announced that he had been discovered in disguise and shot while trying to resist arrest. Finally, the above-mentioned official statement was issued on July 16 describing the purported circumstances in which King Faisal and Prince Abdul Ilah had met their deaths.

Differing versions of the assassinations were given by foreign nationals who were in Baghdad at the time and who subsequently left the country, but nearly all accounts agreed on two points : firstly, that 19 members of the Royal household were massacred, including several ladies of the Iraqi Court ; and secondly, that Prince Abdul Ilah's mutilated body had been dragged through the streets and hung outside the Ministry of Defence. According to some accounts, the entire Royal household were mown down by machine-guns and their bodies burned in the gardens of the palace ; other accounts said that the members of the Royal household had been taken to the cells below the palace and shot one by one.

King Faisal II (23) belonged to the 41st generation of the Hashemite family, which claims direct descent from the Prophet Mohammed. The only son of King Ghazi and Queen Aliyah, he was the great-grandson of Hussein ibn-Ali (the Sherif of Mecca, who became King of the Hedjaz after the First World War), grandson of King Faisal I (the first ruler of modern Iraq), and cousin of King Hussein of Jordan. Faisal II became King of Iraq in 1939, when only three years of age, after King Ghazi's death in a motor accident. During his long minority he was educated in England (at a preparatory school and at Harrow) while his uncle, Prince Abdul Ilah, acted as Regent of Iraq. He ascended the Iraqi throne in 1953 on reaching the age of 18, and in February last became Head of State of the Arab Federation of Iraq and Jordan, with King Hussein as Deputy Head of State. In September 1957 he became engaged to Princess Fazilet, the daughter of an Egyptian prince and an Ottoman princess, and grand-daughter of Mohammed Ali the Great, Khedive of Egypt under the Ottoman Empire.

Crown Prince Abdul Ilah (44) was the maternal uncle of King Faisal and, as stated above, Regent of Iraq for 14 years during the King's minority. A friend of Britain, he supported the Allied cause during the Second World War and narrowly escaped death at the time of Rashid Ali's pro-Nazi coup in 1941. He became the recognized head of the Hashemite family after the assassination of King Abdullah of Jordan, and was the legal heir to the Iraqi throne in the event of King Faisal dying without male issue. He was a close advisor of King Faisal during the latter's reign, and a strong supporter of Iraqi friendship with the West.

General Nuri es-Said (70) was the leading personality in Iraqi political life since the foundation of the modern Kingdom of Iraq in 1921. Born at Kirkuk, he became an officer in the Turkish Army, played a prominent role in the early days of the Pan-Arab nationalist movement, and joined the Arab revolt under the Sherif of Mecca during the First World War. The first C.-in-C. of the Iraqi Army, he was Minister of Defence in three Cabinets before becoming Prime Minister in 1930. During the next 28 years he held the Premiership for seven terms of office, relinquishing it in March 1958 to become the first Prime Minister of the Arab Federation of Iraq and Jordan. A lifelong friend of Britain and the West, he played a leading part in founding the Baghdad Pact and frequently criticized the Middle East policy of the U.S.S.R., with which he broke off relations in 1955. General Nuri was responsible *inter alia* for negotiating the 25-year Anglo-Iraqi Treaty of Alliance signed in 1930 ; for bringing Iraq into the Second World War on the side of the Allies, in face of considerable nationalist opposition ; and for helping to create the Arab League after the war. Despite his strong opposition to President Nasser, he supported Egypt at the time of the Suez crisis. For the last ten years of his life he wielded virtually unchallenged authority in Iraq as head of the Constitutional Union Party, which he founded in 1949 and which became the only legal party in 1953 after the banning of all Opposition groups. His rule was of a personal and "paternalistic" character, and was marked by the inauguration of large irrigation and hydro-electric schemes financed out of the country's oil royalties.

Sacking of British Embassy. - Murder of Foreign Nationals.

The *coup d'état* was carefully planned by Army units stationed near Baghdad, and achieved success within a few hours ; no opposition was encountered from any section of the population nor from Army units stationed in the provinces. Essential services were maintained throughout, all railway and telecommunications services were operating normally on the day after the coup, and there was no disruption of normal commercial life.

In the first hours of the coup, however, the British Embassy in Baghdad was ransacked and burned down by rioting mobs and the Ambassador (Sir Michael Wright) and his staff were forced to take refuge in an hotel, together with their families—some 50 persons in all. One member of the embassy staff—Lieut.-Colonel Patrick Wright, master of the household—was killed by a stray bullet during the attack on the embassy, but there were otherwise no British casualties. The mobs were dispersed by armoured cars and the new Republican Premier (Brigadier Kassem) subsequently assured Sir Michael Wright that all steps would be taken to protect British nationals ; Brigadier Kassem also expressed deep regret at the attack on the embassy and promised that compensation would be paid for the damage done. Anxiety had also been felt in London about the fate of the 800 British airmen and 800

members of their families stationed at the R.A.F. base at Habbaniyah, but on July 20 it was announced that all were safe and well and that there had been no incidents with Iraqi forces in the vicinity.

Apart from the attack on the British Embassy, several foreign nationals were brutally murdered in Baghdad by the mob before the military authorities had re-established order. A Jordanian general who was in Baghdad at the time (Major-General Sadek Sharch), and who subsequently escaped to Amman, described on July 25 how an Army lorry with a military escort had called at his hotel on the morning of the coup to take 23 foreign nationals to the Ministry of Defence—members of the Jordanian military mission, two Jordanian Ministers, an American, a German, a Swiss, two Egyptians and a Syrian. Outside the Ministry a mob had attacked the lorry, overpowered the small military escort, and pulled down everyone they could lay their hands on. General Sharch—who was himself badly manhandled and narrowly escaped with his life—described how he had seen the American and the Swiss (both believed to be businessmen) beaten, trampled upon and torn to pieces by the mob; the two Jordanian Ministers were also killed [it subsequently became known that they were Mr. Ibrahim Hashem and Mr. Sulaiman Toukan], and the two Egyptians and the Syrian were seriously injured and taken to hospital.

General Sharch was Deputy Chief of Staff of the Arab Army (the joint Iraqi-Jordanian forces) and in that capacity was stationed in Baghdad at the time of the revolution.

By arrangement with the Republican Government, British and U.S. airliners evacuated nationals of the two countries from Baghdad on July 21-23; the first party of British nationals, consisting of 41 adults and 69 children, were flown to Nicosia and thence to England, while 39 American adults and 54 children were flown to Italy.

The Republican Government.

As stated above, the monarchical government was succeeded by a three-man Council of Sovereignty exercising presidential powers, and a Cabinet headed by Brigadier Kassem. Both the right and left wings of the nationalist movement were represented in the Republican Government, which included military and civilian personalities known for their past opposition to General Nuri's policies.

The Council of Sovereignty consisted of General Najim Rubai (chairman), Mohammed Mahdi Kubba, and Khalid Nakhshabandi.

General Rubai (60) was Ambassador to Saudi Arabia before the coup, and is believed to hold right-wing views. A member of one of Baghdad's oldest families, he is known as an Arabic scholar, a soldier of "academic" type, and a devout Moslem. He received part of his military training in England.

Mohammed Mahdi Kubba (52) was president of the Istiqlal (left-wing nationalist) party, which was dissolved by General Nuri in 1954; he is a Shia Moslem, and a member of a well-known Baghdad family.

Khalid Nakhshabandi, a Kurd, is one of the younger generation of Army officers, and Military Commandant of Baghdad; he was lately Governor of Erbil Province, in Kurdistan.

The membership of the Iraqi Republican Cabinet was as follows:

Brigadier Abdul Karim Kassem	Prime Minister, Minister of the Interior, and Minister of Defence.
Colonel Abdul Salam Aref ..	Deputy Premier.
Dr. Abdel Jumar	Foreign Affairs.
Mohammed Hadid	Finance.
Dr. Mustafa Ali	Justice.
Dr. Ibrahim Kubba	Economics.
Dr. Jabir Omar	Education.
Baba Ali	Works and Communications.
Brigadier Naguib Taleb ..	Social Affairs.
Rashid Mahmoud	Agriculture and Health.
Fuad Rikabi	Development.
Siddiq Shanshal	Information and Press.

Brigadier Kassem (44) was born in Baghdad, the son of a small landowner. A career officer, he graduated from the Iraq Military Academy in 1934, fought in the Palestine War as a battalion commander, and had been in command of an infantry brigade since 1955. A devout Sunni Moslem, he is regarded as one of the most competent of the younger Iraqi officers.

Colonel Aref has held administrative and training appointments at the Defence Ministry, **Brigadier Taleb** was military attaché in London in 1954-55, and **Dr. Jumar** (a lawyer educated in France) was formerly a leader of the Opposition Nationalist Front. **Mr. Hadid**—a Socialist, and a graduate of the London School of Economics—is a wealthy business man; he was Minister of Supply in 1946. **Mr. Shanshal,** a lawyer, is known as a strong supporter of President Nasser and the United Arab Republic; in recent years he had been imprisoned and banished to northern Iraq, but was subsequently allowed to return to Baghdad. **Mr. Baba Ali** is a graduate of Columbia University (New York) and a former Minister of Agriculture.

Many senior officers were placed on the retired list after the revolution; they included General Aref, the Chief of Staff, and General Abbadi, Chief of the Iraqi Air Force. General Aref (not to be confused with Colonel Aref, Deputy Premier in the new Government) had been appointed Chief of Staff of the combined Iraqi and Jordanian forces by King Faisal.

Brigadier Kassem's Statement on Causes of the Revolution. - Policy of the Republican Government.

In an interview on July 22 to the Baghdad Correspondent of *The Times*, Brigadier Kassem emphasized that the Iraqi national movement was not directed against the West; that Iraq desired friendship with all countries on the basis of equality; and that oil production would be not only fully maintained but expanded. He also spoke of the causes and nature of the Iraqi revolution, his statement being as follows:

"Our revolution did not happen as a spontaneous event or fortuitous accident, but was the outcome of detailed planning by the responsible people in the revolutionary movement. This planning took carefully into account Iraq's position in the Middle East specifically and in the world pattern politically generally, and also the situation in Iraq itself.

"It was fundamental to the thought of the architects of the revolution that Iraq would not oppose the Western Powers out of a feeling of resentment, but, on the contrary, would co-operate with them, particularly in the oil question. We believe that oil production and distribution should be fully maintained, and we shall do our best to expand both.

"One of the charges falsely made by the old régime was that the Opposition and the Iraq national movement generally was directed against the West, and that they would do everything possible to harm the West for the sheer pleasure of harming those countries. The truth is the very opposite. As long as the interests of the West are good for both parties, Iraq will not only endeavour to maintain things that are good for both but will increase the extent of her co-operation, especially in oil production. Oil is as important to us as it is to the West and to the world economy.

"The revolution has taken place to free the people of Iraq from tyranny and corruption in its domestic affairs. The form of corruption practised by the late régime in Iraq was not unknown to political circles in the West. At least one prominent British visitor to Iraq perceived it and uttered powerful private warnings against it. The revolution sprang from internal causes. Responsible people in the West know what sort of régime Iraq had. Now we are free from that clique we will do our best to improve the lot of the Iraqi people and to raise their living standards and human dignity. Above all, we intend to establish the rule of law.

"Under the old régime there was no law or justice in Iraq. Only the interests of the governing classes were served by the administration of the law under that régime. Those who have now come to power will place the interests of the people first and last, and will never seek to place themselves above the law nor to corrupt justice in any way.

"Iraq has many sources of wealth besides oil and other minerals. She has five rivers—not two, as is commonly thought—near all of which lies fertile land. The Government will do its utmost to develop all these natural resources and to increase the productivity of agriculture and industry for the good of the nation.

"Iraq does not want to cause strife in the Middle East or in the world generally. On the contrary, this country desires to be a positive factor in maintaining peace and furthering progress and prosperity in the world. Friendship between Iraq and any State anywhere must be based on mutual interest and mutual esteem, not on any form of dependence. Our friendship with the West, therefore, must enjoy this character.

"Unfortunately, in the past a limited few claimed Iraq's friendships with foreign countries for themselves and [their own] benefit, considering that it gave them the power and privilege of ignoring the Iraqi people's wishes. But since our Government expresses the will of the people, who have full confidence in it, the path is now open to genuine friendship with any Government which has good will towards Iraq. It is for the West to make up their minds to accept friendship based on mutual interest and felt by both sides, for on this basis it will endure."

Brigadier Kassem spoke of his own part in the *coup* at a press conference given to foreign correspondents in Baghdad on July 24.

The Prime Minister said that he had been convinced of the need for a revolution in Iraq ever since he graduated from the Military College, although he was only a subaltern at the time and had little influence. He had never had any political affiliations and had never taken part in any revolutionary movement until three years ago, when he and his friend Colonel Abdul Salam Aref [the new Deputy Premier] had decided that the only hope of drastic change in Iraq lay in military action. With other like-minded officers, and with popular support, the revolution had been prepared in careful detail and contained an important element of surprise. "The first stage of the revolution was planned to be completed at 6 a.m. on July 14, and in fact by that time we were in command of the situation . . . Perhaps we should thank the foolishness of those who decided to send part of the Army to Jordan, for they facilitated the revolution and destroyed themselves."

Brigadier Kassem expressed his gratitude to " my brother President Nasser " for the fact that the United Arab Republic was the first State to recognize the Iraqi Republic. After thanking other States which had taken similar action, he said that there could be no excuse for non-recognition on the part of any State once the situation in Iraq had become clarified. The Iraqi Republic was " a solid reality " and it desired " the friendship of all who desire friendship with it " In the course of his statement Brigadier Kassem recalled that he had taken a service course at Aldershot in 1950 ; " I have many friends in England," he said, " and really like the English very much." He also insisted that he was a "peace-loving man " and that he and his associates had resorted to revolution because it was the only way in which essential reforms could be brought about. " If there had been any other way," he said, " we would have taken it ; I do not like violence. But we had no choice . . . It had to happen to free the country of tyranny and corruption."

The new Foreign Minister (Dr. Jubar) and the Minister of Information (Mr. Shanshal) also gave assurances that there would be no nationalization of foreign property ; that the Iraqi Republic would honour all agreements and treaties concluded before the revolution ; and that the new Government intended not only to maintain the flow of oil but to increase it. Dr. Jubar said that the resumption of diplomatic relations with the Soviet Union (see below) did not imply any bias towards the Soviet bloc, but only the desire to establish normal relations with the East such as those already existing with the West.

Provisional Constitution.

The Republican Government proclaimed a provisional Constitution on July 27, pending the drawing-up of a permament Constitution which would be submitted for popular approval in a referendum.

The provisional Constitution declared Iraq to be part of the " Arab nation " ; proclaimed Islam as the State religion , and said that the Council of Ministers would be the supreme legislative and executive body pending general elections to be held in the near future. Guarantees were given of freedom of thought and expression; no discrimination was permitted against any citizen on grounds of race, religion, or language ; the independence of the judiciary was recognized ; and private military and para-military groups were banned. Other Articles stated that ownership of land would be restricted as a first step towards social and agrarian reform ; that ownership of property would be respected ; and that there would be no confiscation " except in the general interest " and against payment of equitable compensation.

Brigadier Kassem announced on the same day that the first elections for the Republican Parliament and a freely-chosen Government " would not be a long way off " ; he added that the " revolutionary phase " of the Republic had been succeeded by " a new phase of law and order."

Recognition of Republican Government.

The first country to extend diplomatic recognition to the Iraqi Republic was the United Arab Republic, which did so immediately after the revolution. By the end of July the Iraqi Republic had also been recognized by all the Communist countries, including the Soviet Union, the Soviet-bloc countries of Eastern Europe, Yugoslavia, and the Chinese People's Republic ; by a number of " uncommitted " countries, including India, Burma, Ceylon, Indonesia, Malaya, and the Sudan ; by the three Moslem members of the Baghdad Pact (Turkey, Pakistan and Persia) ; by four NATO countries (Belgium, Greece, the German Federal Republic, and Italy) ; and by Japan.

The Republican Government announced that diplomatic relations would be established with the Soviet Union and the Chinese People's Republic.

President Chamoun's Appeal to President Eisenhower for U.S. Reinforcements. - U.S. Troops land in the Lebanon. - President Eisenhower's Congress Message.

The following statement was issued by President Eisenhower on July 15 announcing that U.S. marines were being landed in the Lebanon in response to an urgent appeal from President Chamoun :

" Yesterday morning [i.e. July 14] I received from President Chamoun an urgent plea that some U.S. forces be stationed in Lebanon to help maintain security and to evidence the concern of the United States for the integrity and independence of Lebanon. President Chamoun's appeal was made with the concurrence of all the members of the Lebanese Cabinet.

" President Chamoun made clear that he considered an immediate U.S. response imperative if Lebanon's independence, already menaced from without, were to be preserved in the face of the grave developments which occurred yesterday in Baghdad, whereby the lawful Government was violently overthrown and many of its members martyred.

" In response to this appeal from the Government of Lebanon, the United States has dispatched a contingent of U.S. forces to Lebanon to protect American lives and by their presence there to encourage the Lebanese Government in defence of Lebanese sovereignty and integrity. These forces have not been sent as any act of war. They will demonstrate the concern of the United States for the independence and integrity of Lebanon, which we deem vital to the national interest and world peace. Our concern will also be shown by economic assistance. We shall act in accordance with these legitimate concerns

" The United States, this morning, will report its action to an emergency meeting of the U.N. Security Council. As the U.N. Charter recognizes, there is an inherent right of collective self-defence. In conformity with the spirit of the Charter, the United States is reporting the measures taken by it to the Security Council, making clear that these measures will be terminated as soon as the Security Council has itself taken the measures necessary to maintain international peace and security.

" The United States believes that the U.N. can and should take measures which are adequate to preserve the independence and integrity of Lebanon. It is apparent, however, that in the face of the tragic and shocking events that are occurring nearby, more will be required than the team of U.N. observers now in Lebanon. Therefore the United States will support in the U.N measures which seem to be adequate to meet the new situation and which will enable the U.S. forces promptly to be withdrawn.

" Lebanon is a small peace-loving State with which the United States has traditionally had the most friendly relations. There are in Lebanon about 2,500 Americans and we cannot, consistently with our historic relations and with the principles of the United Nations, stand idly by when Lebanon appeals for evidence of our concern, and when Lebanon may not be able to preserve internal order and defend itself against indirect aggression."

In addition, President Eisenhower sent a special message to the U.S. Congress on the same day, worded as follows :

" On July 14 I received an urgent request from the President of the Lebanon that some U.S. forces be stationed in Lebanon President Chamoun stated that without an immediate showing of U.S. support, the Government of Lebanon would be unable to survive. This request was made with the concurrence of all the members of the Lebanese Cabinet. I have replied that we would do this, and a contingent of U.S. Marines has now arrived in Lebanon. This initial dispatch of troops will be augmented as required. United States forces will be withdrawn as rapidly as circumstances permit.

" Simultaneously, I requested that an urgent meeting of the U.N. Security Council be held on July 15. At that meeting, the permanent representative of the United States reported to the Council the action which this Government has taken. He also expressed the hope that the United Nations could soon take further effective measures to meet more fully the situation in Lebanon. We will continue to support the United Nations to this end.

" U.S. forces are being sent to the Lebanon to protect American lives and by their presence to assist the Government of Lebanon in the preservation of Lebanon's territorial integrity and independence, which have been deemed vital to U.S. national interests and world peace.

"About two months ago a violent insurrection broke out in Lebanon, particularly along the border with Syria, which, with Egypt, forms the United Arab Republic. This revolt was encouraged and strongly backed by the official Cairo, Damascus, and Soviet radios, which broadcast to Lebanon in the Arabic language. The insurrection was further supported by sizeable amounts of arms, ammunition, and money and by personnel infiltrated from Syria to fight against the lawful authorities. The avowed purpose of these activities was to overthrow the legally constituted Government of Lebanon and to instal by violence a government which would subordinate the independence of Lebanon to the policies of the United Arab Republic.

" Lebanon referred this situation to the Security Council. In view of the international implications of what was occurring in Lebanon, the Security Council . . . decided to send observers into Lebanon for the purpose of ensuring that further outside assistance to the insurrection would cease. The U.N. Secretary-General subsequently undertook a mission to the area to reinforce the work of the observers.

" It was our belief that the efforts of the Secretary-General and of the U.N. observers were helpful in reducing further aid in terms of personnel and military equipment from across the frontiers of Lebanon. There was a basis for hope that the situation might be moving towards a peaceful solution, consonant with the continuing integrity of Lebanon, and that the aspect of indirect aggression from without was being brought under control.

" The situation was radically changed, however, on July 14, when there was a violent outbreak in Baghdad, in nearby Iraq. Elements of Iraq strongly sympathetic to the United Arab Republic seem to have murdered or driven from office individuals comprising the lawful Government of that country . . . We have reliable information that important Iraqi leaders have been murdered.

" We share with the Government of Lebanon the view that these events in Iraq demonstrate a ruthlessness of aggressive purpose which tiny Lebanon cannot combat without further evidence of support from other friendly nations.

"After the most detailed consideration, I have concluded that, given the developments in Iraq, the measures thus far taken by the Security Council are not sufficient to preserve the independence and integrity of Lebanon. I have considered, furthermore, the question of our responsibility to protect and safeguard American citizens in Lebanon, of whom there are about 2,500. Pending the taking of adequate measures by the United Nations, the United States will be acting pursuant to what the U.N. Charter recognizes as an inherent right—the right of all nations to work together and to seek help where necessary to preserve their independence. I repeat that we wish to withdraw our forces as soon as the U.N. has taken further effective steps designed to safeguard Lebanese independence.

"It is clear that the events which have been occurring in Lebanon represent indirect aggression from without, and that such aggression endangers the independence and integrity of Lebanon.

"It is recognized that the step now being taken may have serious consequences. I have, however, come to the considered and sober conclusion that, despite the risks involved, this action is required to support the principles of justice and international law upon which peace and a stable international order depend.

"Our Government has acted in response to an appeal for help from a small and peaceful nation which has long had ties of closest friendship with the United States. Readiness to help a friend in need is an admirable characteristic of the American people, and I am, in this message, informing Congress of the reasons why I believe that the United States could not in honour stand idly by in this hour of Lebanon's grave peril. As we act at the request of a friendly Government to help it to preserve its independence, and to preserve law and order which will protect American lives, we are acting to reaffirm and strengthen principles upon which the safety and security of the United States depend."

Landings of U.S. Marines.

In response to President Chamoun's appeal, 1,500 marines went ashore at Beirut on July 15 from warships and amphibious craft of the U.S. Sixth Fleet. Strong reinforcements followed during the next few days, and by July 20 over 10,000 American troops were stationed in the Lebanese capital and its environs. In co-operation with the Lebanese Army, detachments of U.S. marines were detailed to guard the port area of Beirut, the airfield, and other strategic points, while other units took over guard and patrol duties at the American Embassy and the residence of President Chamoun.

The landings were supported by the entire U.S. Sixth Fleet, most of whose 70 ships were concentrated in the Eastern Mediterranean; they included the 60,000-ton super-carrier *Saratoga*, the 27,000-ton carrier *Wasp*, the heavy cruiser *Des Moines* (17,000 tons), the guided-missile ship *Boston*, and 28 destroyers. About 50 of the warships were concentrated off the Lebanese coast under the overall command of Vice-Admiral James L. Holloway, who was in charge of operations.

Apart from the seaborne landings, troops and equipment were flown to the Lebanon from North Carolina, Fürstenfeldbrück (Bavaria) and Capodichino (Italy); *Lockheed, Globemaster*, and other large transport planes were used in these operations. In addition, some 5,000 American troops—including part of a "pentomic" division from Western Germany—were flown to the NATO base at Adana (southern Turkey) and placed under the command of Vice-Admiral Holloway for use in an emergency.

The U.S. landings were carried out without incident and the troops received a generally friendly reception from the population; large crowds of holiday-makers and others thronged the beaches to witness the disembarkations and there was no disturbance to the normal life of the capital. Strong protests at the landings, however, were made by the Speaker of the Lebanese Parliament (M. Adel Osseiran), by several deputies, and by M. Saeb Salam, the Opposition leader holding out in the besieged Basta quarter of Beirut (see 16293 A). M. Osseiran announced his intention of sending telegrams to President Eisenhower and Dr. Hammarskjold appealing for the immediate withdrawal of U.S. forces from the Lebanon, while M. Salam described the landings as a "crying violation" of Lebanese sovereignty and said that the Opposition would do all in its power to "repulse this aggression."

Copies of a leaflet signed by President Eisenhower were dropped in all parts of the Lebanon on July 21 by U.S. planes. The leaflet pointed out that U.S. troops had been sent to the Lebanon at the request of the established Government and to maintain the country's independence, and would be withdrawn as soon as the United Nations had taken measures to assure the independence of the Lebanon.

Mr. Murphy's Mission to the Lebanon.

It was announced in Washington on July 16 that Mr. Robert Murphy (the State Department's expert on Middle East questions) had left for the Lebanon as President Eisenhower's representative, with the task of doing everything possible "to restore peace and tranquillity to the Lebanese Government and assist President Chamoun in so doing." Mr. Murphy arrived in Beirut on July 17 and had conversations during the next few days with President Chamoun, M. Sami Solh (the Prime Minister), General Chehab (the Lebanese C.-in-C.), M. Osseiran, and Opposition leaders.

Attitude of U.N. Observation Group.

The U.N. Observation Group in the Lebanon issued a communiqué on July 16 drawing a distinction between its own functions and authority and those of the American forces which had been landed at the request of President Chamoun. It stated that as "the Observation Group alone is in the Lebanon in pursuance of the mandate contained in the Security Council's resolution of June 11, there is therefore no basis for establishing any contact or working relationship, formal or informal, between the Group and any non-Lebanese forces in the Lebanon..." It was added that the Observation Group's mandate "cannot be altered without further action by the Security Council."

King Hussein's Denunciation of Iraqi Revolt. - Appeal for Military Aid. - British Paratroops despatched to Jordan. - Jordan breaks off Relations with United Arab Republic.

In a broadcast from Amman on July 14, King Hussein of Jordan expressed deep sorrow at the "insurrection" in Baghdad, which he described as being the work of "hired elements" who were "scheming to injure the interests of the Arab nation, expose its independence and safety to danger, and spread blasphemy throughout the country"; he added that Jordan would "face this insurrection with all the means in our power."

Several meetings were held at the Royal palace during the morning, under the presidency of King Hussein; they were attended by the Prime Minister (Mr. Samir Rifai), the president of the Legislative Council of the Arab Federation (Mr. Said el-Mufti), two former Prime Ministers (Mr. Majjali and Mr. Fawzi el-Mulki), and the Jordanian Chief of Staff. It was announced after these meetings (1) that King Hussein had assumed the powers of Head of the Arab Federation in the "absence" of King Faisal, in accordance with the provisions of the Federal Constitution; and (2) that he had also assumed the duties of Commander-in-Chief of the Arab Army (i.e. the joint forces of Jordan and Iraq). On the following day it was announced that King Hussein had appointed Mr. Samir Rifai as Foreign and Defence Minister in the Jordanian Cabinet, in addition to his duties as Prime Minister.

At the time King Hussein assumed the leadership of the Arab Federation there was no definite confirmation of the assassination of King Faisal, nor was it known that the Iraqi revolution had been completely successful. The appointment of Mr. Samir Rifai as Foreign and Defence Minister was necessitated by the fact that Foreign Relations and Defence were in charge of Federal Ministers before the revolution in Iraq (see 16230 A).

In a further broadcast in the morning of July 17, King Hussein announced that he had decided to ask friendly States to send "effective military aid" to Jordan "as a temporary measure to protect our borders from surrounding enemies"; he emphasized that his decision had been taken in accordance with Article 51 of the U.N. Charter and with the unanimous approval of the Jordanian Cabinet, members of the Arab Federation in Amman, leading political personalities, and members of the Jordanian Parliament. King Hussein said that such aid would enable "this small and poor country" to strengthen its economy and permit the Jordanian Army to safeguard internal security; when this had been done, Jordan would be able to "discharge her responsibilities towards our nation and countries [an apparent reference to the Arab Federation] and, God willing, to save the Middle East from the talons of international Communism, nihilism and atheism."

An Iraqi radio station directed several broadcasts to Jordan during the day (July 17) calling on the Jordanian people to "rise in a great revolution and break their chains" as the Iraqi people had done and to "wipe out the rotten monarchy as it was wiped out in Iraq." After denouncing King Hussein for "calling in the imperialists in agreement with criminal Israel," the broadcasts said that "a revolution has started in Iraq and the Lebanon and another will start tomorrow in Jordan."

The Jordanian request for military aid had been made on the previous evening (July 16) to the British and U.S. Chargés d'Affaires in Amman, who were summoned to the Royal palace by King Hussein. In response to King Hussein's appeal, a detachment of 300 British paratroops landed at Amman in the morning of July 17, having flown from Cyprus in aircraft of R.A.F. Transport Command. The airlift was completed without incident in the afternoon of July 18, by which time 2,000 men of the 16th Independent Parachute Brigade had arrived in the Jordanian capital from Cyprus. The British troops were cordially welcomed by the population of Amman and received full co-operation from the Jordanian Army authorities.

The British airlift from Cyprus took a direct course over Israel to avoid flying over Syria or taking the lengthy route *via* Turkey and Iraq. The first phase of the airlift took nearly 18 hours longer than was planned, owing to a seven-hour gap in operations caused by an Israeli protest to Britain at the arbitrary decision to fly over Israeli territory, subsequently, however, the Government of Israel gave permission for overflying by British planes, and the airlift was completed on July 18 as stated. It was reported in British newspapers on July 31—though not officially confirmed—that the British forces in Jordan were being supplied through the port of Akaba to avoid flying over Israeli territory.

More than 50 U.S. jet fighters flew over Jordan on July 17 as a gesture of support for the British action and to cover the landings of British paratroops. On the following day U.S. *Globemasters* began a "massive airlift" of petroleum products from Bahrain to Jordan, whose oil shipments had been cut off owing to the closing of the Iraqi and Lebanese frontiers. A U.S. gift of $7,500,000 (about £2,600,000) to Jordan was announced on July 20, additional to the considerable sums previously made available by the U.S. Government for economic aid.

In a statement on July 17 to the British House of Commons, Mr. Macmillan emphasized that the Jordanian request for British military aid was made under Article 51 of the U.N. Charter, covering the right of collective self-defence, and had been approved by King Hussein and the Jordanian Government. Both the King and his Prime Minister (Mr. Rifai) had stated that Jordan's territorial integrity was threatened by the movement of Syrian forces across her northern frontier and by infiltration of arms, and the British action was intended to help Jordan to maintain her independence. [The debates in the House of Commons on the despatch of British troops to Jordan and the Middle East crisis generally will be reported in later issues—Ed. *K.C.A.*].

The U.S. State Department expressed full support for Britain's action in Jordan, emphasizing that it had been taken under Article 51 of the U.N. Charter and in response to an appeal by King Hussein and his Government.

Jordanian Complaint to Security Council against United Arab Republic. - Relations broken with U.A.R.

The Jordanian Government complained to the Security Council on July 17 of interference by the United Arab Republic in Jordan's internal affairs, and asked that the complaint should be dealt with as a matter of urgency. On July 20 Jordan severed diplomatic relations with the U.A.R. in protest at the latter's recognition of the Republican Government in Iraq.

At a press conference on the same day (July 20) King Hussein said that it was now known that the entire Hashemite Royal family in Iraq had been murdered, including his cousin King Faisal and the Crown Prince Abdul Ilah. Speaking with emotion, he expressed his determination to do all in his power to "restore order, peace, and lawful conditions in the Iraqi part of the [Arab] Union" and to continue the task of "liberating Arab nationalism from foreign domination." He expressed his conviction that the events in Iraq had been instigated and engineered by "subversive elements of certain Arab States which are dominated by international Communism"; these elements had also threatened the independence and integrity of Jordan during the past few days, and to defeat them he had appealed for aid from friendly countries. The despatch of British forces in response to his appeal had added greatly to Jordan's self-confidence and would help her to maintain her independence against external subversion.

Murder of Jordanian Ministers in Baghdad.

It was announced in Amman on July 23 that two of the three Jordanian Ministers in the Cabinet of the Arab Union—Mr. Ibrahim Hashem and Mr. Suleiman Toukan—had been murdered by the Baghdad mob on July 14; the third Jordanian Minister (Mr. Khaloussi el-Khairy) had received serious injuries and was in a Baghdad hospital.

Mr. Ibrahim Hashem (80) was a leading political figure in Jordan for many years, and Prime Minister on several occasions; he was a signatory of the 1946 treaty between Britain and Transjordan which created the independent Kingdom of Jordan. On the creation of the Arab Federation he became Deputy Premier of the Union Cabinet headed by General Nuri es-Said.

Mr. Suleiman Toukan (a former mayor of Nablus) was also a prominent personality in Jordanian political life, and became Military Governor of Jordan in April, 1957, when King Hussein imposed martial law after the Zerqa incident (see 15561 A). He was Defence Minister in the Union Cabinet.

[As stated above, the killing of Mr. Hashem and Mr. Toukan had been witnessed by General Shareh, who himself narrowly escaped death at the hands of the mob.]

Infiltrations into Jordan from Syria.

Some 15 persons, alleged to be infiltrators from Syria, were arrested on the Jordanian-Syrian border during the last few days of July and held for interrogation; the Jordanian authorities seized a number of rifles, automatic weapons, and explosives in the possession of the persons apprehended. A military spokesman in Amman said that preliminary investigations had disclosed "clear intervention by the authorities of the Syrian Army . . . with the intention of creating disorders in the Hashemite Kingdom of Jordan."—(Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - U.S. Information Service)

(Prev. rep. Lebanese Crisis, 16239 A.)

Note. Further developments in the Middle East crisis will be given in later issues. They will include international reactions to the despatch of American troops to the Lebanon and of British troops to Jordan; the debates in the U.N. Security Council on the Middle East situation; the proposals for a "summit" conference on the Middle East between President Eisenhower, Mr. Macmillan, M. Khrushchev, General de Gaulle, and Mr. Nehru; and the debates in the British House of Commons on the Middle East crisis.

(Ed. *K.C.A.*).

A. CEYLON. — Policy on Private Foreign Investment. - No Nationalization for next Ten Years.

The Government of Ceylon issued a statement on May 21 announcing that, in order to encourage new foreign private investment in the country, it had been decided to give an assurance (i) that any such investment would not be nationalized for the next 10 years; (ii) that the eventual repatriation of capital (including appreciation) and the remittance of dividends would be permitted.

The statement said that it was the Government's policy to welcome private foreign investment in fields which would strengthen the country's economy, and that it would approve such investment where: (1) local capital had not already effectively established itself or was not likely to do so in the near future; (2) there was collaboration with local private enterprise, although such collaboration could be dispensed with if local enterprise was not forthcoming or if a foreign private enterprise undertook the manufacture of products for export under a trade-name of wide range, (3) there would be progressive domestic manufacture designed ultimately to eliminate all imports to the utmost practicable extent.

It was the Government's policy (the statement added) to provide incentives and concessions for new industries and expansion of existing ones, such as "tax holidays," tariff protection, and depreciation allowances. In addition, any approved foreign investment would be accorded the same treatment with regard to concessions and protection as was given to domestic private enterprise by the Customs tariffs and under the Industrial Products Act, which protects indigenous industries. (Ceylon Government Information Department)

B. PAKISTAN. — Election Date fixed for 1959.

At a conference in Karachi on July 19, called by the Prime Minister (Mr. Firoz Khan Noon) and attended by leaders of all political parties except the Moslem League, it was decided that November 1958, which had previously been envisaged as the date for the first general elections in Pakistan, would be an inconvenient month for the people of East Pakistan to go to the polls because it was harvesting-time. It was accordingly decided that the elections should be completed by Feb. 15, 1959. The Moslem League, after first accepting the Prime Minister's invitation, withdrew at the last moment and boycotted the conference on the ground that it would not be party to a meeting which had accepted the system of joint electorates.

It was announced in May that nearly 40,000,000 voters—approximately 50 per cent of the total population—had been registered on the draft electoral rolls for the general elections to the National and Provincial Assemblies; about 20,000,000 of the voters were in East Pakistan, 700,000 in Karachi, and the remainder in West Pakistan.

Mr. Noon had previously informed the National Assembly on Jan. 5 that all steps had been taken to hold the elections throughout the country under the joint electorate system. Replying to a question, he said that the electoral registers would not show the religion of individual electors.
(Pakistan High Commissioner's Office, London - Times)

(Prev. rep. 15936 A; 15819 A.)

C. MOROCCO. — Creation of Motor Industry.

It was announced in Rabat on July 3 that the Moroccan Government had concluded an agreement with the Simca (French) and Fiat (Italian) companies for the setting-up of a motor industry in Morocco. Under the agreement, the building of a factory will start before Oct. 1, 1958, and the undertaking will be run by a company in which the Moroccan Government will take up 40 per cent of the shares and Simca and Fiat another 40 per cent; the remaining 20 per cent will be open to subscription by private Moroccan interests.
(Le Monde, Paris)

A. AUSTRIA - SOVIET UNION. — Dr. Raab's Visit to Moscow. - Soviet Government concedes Halving of Austrian Oil Supplies to U.S.S.R.

The Austrian Federal Chancellor (Dr. Raab), accompanied by the Vice-Chancellor (Herr Bruno Pittermann) and the Minister of Foreign Affairs (Dr. Figl), arrived in Moscow on an official visit to the Soviet Union on July 21. During their visit the Austrian delegation had a series of discussions with M. Khrushchev, M. Mikoyan (First Deputy Premier), and M. Kosygin (Deputy Premier); they also visited industrial undertakings and scientific and cultural establishments, inspected the Soviet Nuclear Research Institute at Dubna, and attended a reception at the Kremlin. They also paid a visit to Leningrad before leaving Moscow for Vienna on July 28.

A joint communiqué issued on July 24 stated that the talks had been held in "a spirit of friendship and cordiality" and that the leaders of both countries had noted "with satisfaction" that "good relations" had developed between the U.S.S.R. and Austria since the conclusion of the Austrian State Treaty in 1955. The communiqué went on to announce the following results of the talks:

Austrian Oil Deliveries to U.S.S.R. At the request of the Austrian delegation and "in view of the existing amicable relations between the two countries," the Soviet Government had agreed to a 50 per cent reduction of the Austrian oil deliveries of 7,000,000 tons still outstanding under the State Treaty of 1955. [The Treaty provided for the delivery of 10,000,000 tons of Austrian oil to the U.S.S.R., at the rate of 1,000,000 tons a year, in compensation for the handing back to Austria of the Austrian oilfields and refineries seized by the Soviet Union after the liberation of Austria.] "Bearing in mind, however, the long-term commitments of the Soviet Union regarding deliveries of Austrian oil to third countries," both sides had agreed that the U.S.S.R. would deliver 3,500,000 tons of Soviet oil to Austria from Jan. 1, 1959, at a rate of 500,000 tons a year, to compensate for half the annual delivery of 1,000,000 tons of oil by Austria to the Soviet Union. The communiqué added that the oil to be delivered by the Soviet Union would be of standard specifications, that deliveries would be either free to the Austrian frontier or c.i.f. to Austrian Danube ports, and that they would be distributed uniformly over the year. The appropriate agencies in both countries had been instructed to reach an agreement not later than Oct. 1 on the practical implementation of this arrangement.

Austrian Compensatory Deliveries to U.S.S.R. After stating that the agreement on Austrian deliveries of goods to the U.S.S.R. in compensation for the former German industrial property handed over to Austria had been "scrupulously carried out by both sides," the communiqué said that, "in accordance with the Austrian delegation's wishes," the Soviet Government had expressed its readiness to accept other commodities instead of the annual 200,000 tons of oil provided for in that agreement for delivery in the fifth and sixth years. Detailed arrangements on the items to be substituted would be concluded between the two countries.

Trade Relations. Both sides agreed that Austrian-Soviet economic relations could be regarded as "satisfactory," but that "efforts to expand the volume of goods within the framework of the existing agreement should be extended." The Soviet Union had expressed its willingness to increase its imports from Austria of semi-finished and finished industrial goods, while Austria would make efforts to increase her imports of raw materials and other goods from the U.S.S.R. Furthermore, Austria would take "the necessary organizational and technical measures within the framework of her existing legislation to facilitate higher sales of finished and semi-finished products imported from the Soviet Union."

Danube Regime. The Austrian delegation had stated that Austria intended to join the Danube Convention concluded in Belgrade in 1948.

Consular Convention. - Property and Financial Claims. A consular convention between the U.S.S.R. and Austria would be signed later in the year. It had also been agreed that final negotiations should be held in Moscow in November on the question of property and financial claims.

Austrian Prisoners in the U.S.S.R. In reply to Austrian inquiries about the repatriation from the U.S.S.R. of Austrian or former Austrian subjects, the Soviet Ministers had declared that "the repatriation of Austrian nationals from the U.S.S.R. had been concluded." As regards former Austrian subjects and members of their families living in the U.S.S.R., as well as individual Austrians on whom additional information might be supplied by the Austrian authorities, the Soviet Government would "favourably consider" any voluntary request for the repatriation of these persons. Conversely, the Austrian authorities would facilitate the voluntary return to the U.S.S.R. of Soviet citizens (or former Soviet citizens) and members of their families now living in Austria.

International Relations. (1) The Austrian Ministers had stated "that the Austrian Government would, as hitherto, develop friendly relations with all countries and would co-operate to the best of its ability in efforts to consolidate peace." (2) The Soviet Ministers had expressed "the Soviet Union's determination to promote the relaxation of tension in the Middle East," whilst the Austrian delegation, in turn, had expressed its "deep interest" in such a relaxation of tension. (3) Both sides had "expressed confidence that the principles of peaceful co-existence among States" accepted by the 12th Session of the U.N. General Assembly represented "a solid foundation for the development of friendly relations between States and the consolidation of international peace and security." (4) The Austrian Ministers had "expressed concern for the maintenance of good relations with Austria's neighbours." (5) The Soviet leaders had informed the Austrian Ministers about Soviet steps to ease international tension and to eliminate the danger of a nuclear war, and the Austrian Ministers had welcomed such steps.

In conclusion, it was announced that President Voroshilov would invite President Schärf to pay an official visit to the Soviet Union, and that M. Khrushchev had accepted an invitation to visit Austria.

It had previously been announced in Vienna that the whole quota for the third year of the compensation agreement, to a value of $25,000,000, would be fulfilled in the form of deliveries of goods by July 26 - thus completing one-half of the total amount of $150,000,000 which Austria had undertaken to supply to the Soviet Union under this agreement. The third annual quota of oil deliveries (1,000,000 tons) would also be completed in time.

In a press statement before leaving Vienna, Dr. Raab explained that the annual deliveries of goods and oil to the Soviet Union, totalling some 1,100,000,000 schillings, were "obviously a burden on the Austrian budget." He announced that the Soviet Government would be asked whether, "in view of the punctuality with which the deliveries have been made during the past three years, it might not be possible to alter the reparations agreement in the sense of substantially reducing it." Dr. Raab also pointed out that crude oil production in Austria had shown a tendency to fall, and recalled that it had been agreed in 1955 that in such a case the question of oil deliveries could be reviewed. Whereas Austrian crude oil production was 3,660,000 tons in 1955, it had fallen to 3,186,000 tons in 1957 and was expected to fall below the 3,000,000-ton mark in 1958. (Soviet Embassy Press Department, London - Wiener Zeitung - Times) **(Prev. rep. Compensation and Oil Agreements, 14532 A; M. Mikoyan's Visit to Austria, 15552 A; Austro-Soviet Trade Agreement, 15963 A.)**

B. BRAZIL - COLOMBIA. — "Coffee Declaration." - Economic, Cultural, and Air Agreements.

The Brazilian Minister of Foreign Affairs, Dr. de Macedo Soares, visited Bogotá on May 25-28 for discussions with the Colombian Foreign Minister, Dr. de Santamaria. The two Ministers signed a joint declaration on coffee policy the *Declaración de Bogotá* - as well as an economic and technical agreement, a cultural agreement, an air traffic convention, and an agreement covering an aerial photographic survey of large inaccessible areas on the Brazilian-Colombian frontier.

The *Declaración de Bogotá* stated that Brazil and Colombia had ratified all their international obligations in connexion with the policy of maintaining stable coffee prices and controlling coffee exports; that both countries had agreed on mutual assistance in matters relating to coffee; and that, following an international coffee conference held in Rio de Janeiro in January 1958, the two countries would fully support the International Coffee Organization set up at that conference.

The economic and technical agreement provided for a joint commission to develop commercial relations between the two countries and to study development possibilities for their frontier regions, taking into account their joint interest in the Amazon Basin and the possibility of developing river transport in that area.

Under the cultural agreement Brazil and Colombia undertook to promote the study of each other's language, literature, history, and geography in their schools. The air agreement authorized the establishment of air services between the two countries.—(Bank of London and South America)

(Prev. rep. Coffee Prices and Exports, 15881 C.)

C. YEMEN. — Soviet Arms Supplies.

The Crown Prince of the Yemen (Prince Seif el-Islam el-Badr), in a speech to the armed forces on July 2, announced that the Yemen had received and was still receiving arms from the Soviet Union. This was the first time that the purchase of Soviet arms had been officially announced in the Yemen; no details of the arms supplies were given.

It had previously been reported from Aden on April 16 that Soviet engineers would shortly begin the construction of a commercial port for the Yemen at Mina el-Hamadani, and that new installations were planned at Hodeida to make that port suitable as a naval and submarine base. (Le Monde - Times)

A. CANADA - UNITED STATES. — St. Lawrence Seaway and Power Project. - Inauguration of Barnhart Island Power Station and Wiley-Dondero Ship Channel.

A major stage in the construction of the St. Lawrence Seaway and Power Project was reached on July 1 with the blowing-up of a temporary coffer dam which had been erected to divert the northern channel of the river during the building of a hydro-electric station on Barnhart Island, in the International Rapids section of the St. Lawrence River. The demolition of the coffer dam allowed the river to resume its former course down to a new permanent control dam at the power station ; by means of this control dam an area about 35 miles long and from one to four miles wide was inundated to form an artificial lake to serve as a headpool for the hydro-electric plant.

The new power station on Barnhart Island (through which the International Boundary line runs) will ultimately have a capacity of 1,640,000 kilowatts, or 2,100,000 horse-power, and will be exceeded in output only by the power station at Grand Coulee, U.S.A. It will be equipped with 32 generators, 16 owned by the Hydro-Electric Power Commission of Ontario and 16 by the New York State Power Authority. Power generated by the station will be distributed throughout the Province of Ontario and the State of New York ; it was expected that four generators—two Canadian and two U.S.—would be operating before the end of July, and full generating capacity reached by late 1960.

The creation of an artificial lake—by allowing the St. Lawrence to inundate about 28,000 acres on the Canadian side of the International Boundary line and 10,000 on the U.S. side—involved the re-location of seven small towns and villages, the diversion of a short section of the Canadian National Railway main line from Montreal to Toronto, and the construction of a new length of highway. The total cost of the Barnhart Island power scheme, including the hydro-electric plant itself, the coffer and permanent control dams, and the re-location of townships, railway, and roads, was expected to reach $660,000,000 (£230,000,000) by the time full output was achieved. Half of this amount will be borne by the Hydro-Electric Power Commission of Ontario and half by the New York State Power Authority.

A few hours after the demolition of the coffer dam on July 1 the first water was admitted to the newly-built Eisenhower and Snell locks, standing respectively at the eastern and western ends of the new Wiley-Dondero Ship Channel. This channel—on the American side of the International Boundary line, and dredged in the river to the south of Barnhart Island—will allow ships to by-pass the power station and its dam and to navigate in smooth water from one part of the International Rapids section to the other. Previously, a large lock had also been constructed on the Canadian side at Iroquois, at the eastern end of the International Rapids section ; four other locks are at present under construction by the Canadian Seaway Authority. These seven locks will replace a series of 21 smaller locks between Montreal and Lake Ontario, and will be able to handle ships 730 ft. in length, 75 ft. in breadth, and drawing up to 27 ft.

Other major works already carried out in connexion with the Seaway project include (*a*) the raising of the central span of the Jacques Cartier Bridge, Montreal—a major highway between the city and the South Shore—so as to give a clearance of 120 ft. for ships using the Seaway ; (*b*) the construction of a highway tunnel under the Seaway at Melocheville, Quebec.

All the seven new locks are expected to be in operation and the river channel deepened before the opening of navigation for the 1959 season, thus providing access to the heart of the North American continent for ocean-going and other ships with a draught of up to 27 ft. It is intended that the Seaway shall be formally opened by H.M. the Queen in April 1959.
(Montreal Star - New York Times - Department of External Affairs, Ottawa - Lloyd's List and Shipping Gazette)
(Prev. rep. 13740 B.)

Note. Navigation from Lake Ontario to Montreal has for many years been possible for smaller ships (the so-called "canallers," of 250 ft. maximum length), into which large "lakers" trans-ship grain and other bulk cargoes at Prescott (Ontario) for re-trans-shipment into ocean-going ships at Montreal. In addition, a considerable trade between Europe and Great Lakes ports is carried in small ocean-going ships without trans-shipment ; this trade, pioneered by the Norwegian *Fjell* line in 1933, and shared by Dutch, Swedish, French, German, and other interests since 1945, exceeded 800,000 tons in 1957. (Ed. K.C.A.).

B. BELGIUM - SOVIET UNION. — Direct Air Service between Brussels and Moscow.

A civil aviation agreement between Belgium and the Soviet Union was signed in Moscow on June 5, providing for the immediate opening of a direct air service between Moscow and Brussels. (Soviet Embassy Press Department, London)
(Prev. rep. 16266 B.)

C. SOVIET UNION - UNITED STATES. — U.S. Transport Plane shot down over Armenia. - Release of American Airmen.

The Soviet Government presented a Note to the U.S. Ambassador in Moscow on June 28 protesting at what was described as "a premeditated violation of the State frontiers of the U.S.S.R. by an American military plane" on the previous day, and stating that the crew of nine had been taken into custody.

It was stated that a U.S. aircraft had penetrated Soviet airspace south of Erevan (Armenia) to a depth of 105 miles ; that it had disregarded signals by two Soviet fighters to land ; and that the machine had accordingly been "compelled to land" about 150 miles inside Soviet territory, where it had "burned up."

The U.S. Government sent a Note to the Soviet Government on the following day demanding the immediate return of the U.S. airmen, and pointing out that the aircraft had lost its way on a routine flight from Turkey to Persia.

The U.S. Defence Department explained that the machine, an unarmed transport plane, was on a regular bi-monthly flight carrying cargo destined for U.S. diplomatic and military missions in Persia and Pakistan. Owing to bad weather and the high mountains along the route, the plane had presumably gone off course and there was thus "no basis whatsoever for the Soviet charge of deliberate violation of airspace."

The nine airmen were released by the Soviet authorities on July 7, when they were handed over to U.S. Army representatives at Astara, on the Soviet-Persian border. They were flown to Wiesbaden (Germany), where U.S. Air Force H.Q. announced that the plane had been shot down by Soviet fighters after inadvertently crossing the Soviet frontier owing to "a combination of extensive thunderstorms, instrument-flying conditions, and high winds."

In a press statement at Wiesbaden, two of the repatriated airmen stated that their machine had been attacked and set on fire by two Soviet Mig fighters while flying at 15,000 feet. Five of the crew had baled out and landed without serious injury, while the others had crash-landed on an airstrip ; the burning plane had exploded on the ground shortly after its crew reached safety. The airmen had been manhandled and beaten by Armenian peasants, and one of them had actually been threatened with hanging. Once in the hands of Soviet troops, however, they had been well treated.

A U.S. demand for the punishment of the Russian airmen responsible for shooting down the transport plane was rejected by the Soviet Government on July 21 as "groundless and irrelevant" ; the allegation that the airmen had been ill-treated by the local population was described as "devoid of all foundation."—(New York Times - New York Herald Tribune - Soviet Embassy Press Department, London)

D. AUSTRALIA. — Increase in Basic Wage.

After hearings which had opened on Feb. 17, the Australian Arbitration Commission decided on May 12, by a two-to-one majority, to increase the weekly basic wage for male workers (at present averaging £A12. 16s.) by 5s., and for female workers by 3s. 9d.

The trade unions had applied for (*a*) an overall wage increase of 10s. a week for male workers, and (*b*) a restoration of the automatic cost-of-living increases, which would have meant roughly another 10s. The Commission rejected the latter claim, but found that a general increase in the basic wage was justified by the state of the Australian economy. The two judges who delivered the majority decision considered that the wage increase should be limited to 5s. because of serious losses through drought, the fall in the price of wool and other exports, and the need to give rural industries a respite from significant rises in costs. The third member believed that a substantially higher increase might have been safely granted.

The decision brought the Federal weekly basic wage for each capital city to £A13. 8s. in Sydney ; £A13 in Melbourne ; £A12. 3s. in Brisbane ; £A12. 16s. in Adelaide ; £A13. 1s. in Perth ; and £A13. 7s. in Hobart.

About 1,350,000 workers will benefit from the award. (Australian News and Information Bureau) **(14891 B.)**

E. NORTH KOREA. — Trade and Economic Aid Agreements with Soviet Union.

An agreement on trade exchanges and economic co-operation during the years 1959-65 was concluded on May 15 between the Soviet Union and the Korean Democratic People's Republic, following talks in Moscow between Soviet and North Korean delegations. It was agreed (1) that the Soviet Union would supply North Korea with ferrous and non-ferrous metals, machinery, cables, oil products, cotton, and various manufactured goods ; (2) that North Korea would export to the Soviet Union non-ferrous metals, graded steel, pig iron, silks, etc. ; and (3) that the U.S.S.R. would extend technical aid to North Korea for the construction and enlargement of industrial enterprises. (Soviet Embassy Press Dept., London)

A. FINLAND - SOVIET UNION. — President Kekkonen's Visit to the U.S.S.R. - Preliminary Agreement on Soviet Loan to Finland. - Negotiations on Finnish Use of Saimaa Canal. - Proposal for Joint Industrial Projects.

President Kekkonen of Finland arrived in Moscow on May 22 on an official visit to the Soviet Union. He was accompanied by M. Hynninen (the Finnish Foreign Minister), M. Kivekäs (Minister of Commerce and Industry), M. Antikainen (Minister of Communications and Public Works), and several members of the Finnish Parliament representing the principal political parties except the Conservatives.

During their stay in Moscow (May 22-23 and May 29-30) President Kekkonen and his Ministers had a series of discussions with President Voroshilov, M. Khrushchev, M. Mikoyan and M. Kozlov (First Deputy Premiers), M. Gromyko (Foreign Minister), M. Kabanov (Minister of Foreign Trade), and M. Kirichenko, a member of the Presidium of the Supreme Soviet. They also attended a State banquet given by President Voroshilov and a Soviet-Finnish friendship meeting in the Kremlin, while President Kekkonen received the honorary degree of doctor of laws at Moscow University. From May 24-28 the Finnish President and Ministers visited Leningrad, Sverdlovsk, and Tashkent (Uzbekistan), returning to Moscow on May 29 for the final discussions.

A joint communiqué was issued in Moscow on May 30 stating that the talks had been held in "an atmosphere of friendship and sincerity," and that "the heads of the two States had recorded to their mutual satisfaction that exceptionally good and genuine neighbourly relations exist between the Soviet Union and Finland." The communiqué added :

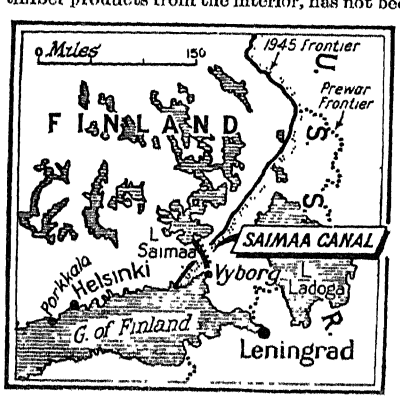
"From the favourable experience they have acquired, the two countries have reached the conclusion that the Soviet Union and Finland, in spite of differing political, economic, and social systems, can live very well side by side in conditions of businesslike and mutually beneficial co-operation and good understanding, based on mutual respect" Recalling the Soviet-Finnish friendship treaty of 1948 and its extension for a further 20 years in 1955, it said : "This treaty is of considerable importance for strengthening peace in Northern Europe, and is an important factor ensuring Finland's security and the inviolability of the Soviet Union's north-western frontiers."

After referring to the Soviet-Finnish communiqués of Feb. 2 and June 12, 1957, as the continued basis of Soviet-Finnish relations, the communiqué dealt with the following questions :

Economic Relations. In view of the "positive experience" resulting from the Soviet-Finnish trade agreements for 1951-55 and 1956-60, both sides had agreed to conclude a new agreement for the years 1961-65 and to start preliminary talks on this matter.

The Finnish representatives had asked for a long-term loan of 400,000,000 to 500,000,000 roubles, to be used "for the further increase of the productivity of the Finnish economy and for ensuring employment," and to be given in the form of goods necessary for achieving this aim. The Soviet representatives had agreed to this in principle, and talks on the subject would be started after the Finnish Government had drawn up concrete proposals. [There had been a growing imbalance in Soviet-Finnish trade in the U.S.S.R.'s favour, resulting in the accumulation of large rouble balances by Finland.]

The Saimaa Canal. Finland had raised the question of her use of the Saimaa Canal, which links Lake Saimaa with the Gulf of Finland. [This canal, formerly an outlet for Finnish timber and timber products from the interior, has not been used since the U.S.S.R. annexed the Vyborg area, including half the length of the canal, after the Finnish-Soviet War.] The communiqué declared that "taking into consideration the friendly and good-neighbourly relations between the two countries, and also the economic importance of this canal to Finland," the U.S.S.R. had expressed its readiness to conclude a 50-year agreement on the Finnish use of the canal for transit shipping, "on advantageous terms for Finland." Each side would put into good repair at its own expense, and keep in proper order, that part of the canal running through its territory. Talks would begin as soon as possible on (1) an agreement granting Finland the right of free transit through the Saimaa Canal; (2) another agreement between a Soviet economic organization and the appropriate Finnish body on the leasing to the Finnish agency of land for the trans-shipment and storage of cargoes in the port of Vysotsk (Uuras).



(*Economist*)

International Relations. Soviet-Finnish relations, "based on mutual respect, confidence, and understanding," were implementing the principles of peaceful and good neighbourly relations among States laid down in the resolution approved by the 12th Session of the U.N. General Assembly. Both countries were convinced that the peaceful co-existence of States, irrespective of their social systems, constituted a sound foundation for the general development of friendly international relations in the interests of international peace and security. Both sides, moreover, were agreed that Finland had made a "valuable contribution to the improvement of international mutual understanding" by its policy of neutrality.

Disarmament. It was recalled that Finland had given "positive support" to the Soviet Union's suspension of nuclear tests, both sides being agreed on the need for the immediate and universal ending of such tests. They had also recorded their support for the creation in Central Europe of a zone free from nuclear and rocket weapons.

United Nations. The communiqué called for the admission of the Chinese People's Republic to the U.N. "in implementation of the principle of universality of this organization."

Northern Europe. In accordance with her policy of neutrality, Finland was "consistently seeking to help in eliminating antagonisms in international life, and supported everything conducive to concord and *rapprochement*." She was observing these principles in her co-operation with other Nordic countries.

"The Soviet side" [the communiqué added] "declared that it, too, was seeking to promote friendly relations and mutual understanding with the other Nordic countries, and . . . expressed its readiness to consider in a most favourable spirit any proposals aimed at strengthening peace in Northern Europe." The Finnish side had expressed appreciation of this statement.

Cultural and Sports Relations. Both sides had expressed satisfaction at the "positive results" achieved in these spheres.

A number of other matters of mutual interest were discussed between the two countries, both during President Kekkonen's visit and after his return to Helsinki.

Employment of Finnish Workers on Soviet Building Schemes.

During the Moscow discussions President Kekkonen had suggested the employment of Finnish workers on building schemes in the Soviet Union in order to help relieve the growing unemployment problem in Finland. It was announced in Helsinki on July 3 that the Soviet Ambassador had informed President Kekkonen of the Soviet Government's willingness to entrust to Finnish firms the building, under contract, of a new electric power station in the Murmansk area near the Soviet-Finnish frontier. The project would employ about 2,200 Finnish workers and a corresponding technical staff.

Soviet Proposal for Construction of Finnish Metallurgical Plant with Soviet Equipment.

At a luncheon given by M. Khrushchev to President Kekkonen on May 23, the Soviet Prime Minister suggested that the U.S.S.R. could supply Finland with equipment to build an iron and steel plant and to develop other industries as a contribution towards easing Finnish unemployment. M. Khrushchev added : "We are prepared to examine concrete proposals in order to do everything possible in this respect, in conformity with your conditions. . . . In order to solve the Finnish unemployment problem an agreement could be concluded, for example, on the construction in Finland of a metallurgical plant by Finnish labour, according to Soviet blueprints and with our equipment."

Finnish Prisoners of War in the U.S.S.R.

The Finnish Foreign Ministry announced on June 6 that during the visit of President Kekkonen and the Finnish Ministers to the U.S.S.R., M. Hynninen had informed M. Gromyko that many people in Finland hoped that the Soviet authorities would carry out further investigations into the fate of Finnish citizens who had disappeared during the war. The Soviet representatives had stated, however, that all Finnish prisoners-of-war had already been repatriated, and that the Soviet Government therefore considered the question as closed. Nevertheless, the Soviet authorities would be willing to repatriate any Finnish nationals who, on the basis of information supplied by the Finnish Government, were found to be still in Soviet territory.

Soviet Purchases of Finnish Butter.

Following the restrictions applied by Britain to Finnish butter exports (see 16264 A), the Soviet Government announced during the Moscow talks that it was willing in principle to buy 12,000 tons of Finnish butter, subject to further negotiations on price. As a result of subsequent talks, agreement was reached on June 27 under which Finland would supply to the Soviet Union 6,000 metric tons of butter in 1958 and another 6,000 tons in 1959, and would receive in exchange some 100,000 tons of wheat, equivalent to about one-quarter of all foreign grain imported into Finland annually. The rate of exchange was fixed at one kilogram of butter for eight kilograms of wheat, making the butter price about 160 Finmarks per kilogram

—roughly the same as Britain is paying for Finnish butter. The Soviet Union agreed that Finland might re-sell part of the wheat supplies to third countries.

Trade Agreements between Finnish and Soviet Industries.

It was announced in Helsinki on June 25 that negotiations in Leningrad between Finnish industrialists and representatives of Leningrad enterprises had resulted in an agreement whereby the Finnish firms would export sewing machines, furniture, textiles, and plastic goods to Leningrad, whilst the Soviet enterprises would send motor bicycles, skates, cameras, microscopes, and medical instruments to the Finnish firms concerned. The total value of these exchanges would be about 20,000,000 Finnish marks.—(Ministry of External Affairs, Helsinki - Soviet Embassy Press Department, London)

(Prev. rep. 15116 A ; 15385 A.)

A. UNITED KINGDOM. — Life Peerages.

The first list of life peers created under the Life Peerages Act was issued in the *London Gazette* on July 24, comprising four baronesses—the first women members of the House of Lords—and ten barons, as follows :

Baronesses.

Dame Katharine Elliot (54). Widow of Mr. Walter Elliot, lately Conservative M.P. for Kelvingrove (Glasgow) and a former Minister of Health, Minister of Agriculture, and Secretary of State for Scotland. Dame Katharine is a leading figure in the Conservative Party and was chairman of the National Union of Conservative Associations in 1957. She unsuccessfully fought Kelvingrove after her husband's death (see 16068 E)

Mary Irene, Baroness Ravensdale (62). Elder daughter of the late Lord Curzon and a baroness in her own right. Vice-president of the National Association of Girls' Clubs and Mixed Clubs, and chairman of the Highway Clubs of East London.

Stella, Marchioness of Reading. Chairman and founder of the Women's Voluntary Services for Civil Defence. Widow of the first Lord Reading.

Mrs. Barbara Wootton (60) Lately Professor of Social Studies, University of London, and Nuffield Research Fellow, Bedford College. A former Governor of the B.B.C. Author of works on economics, and a well-known broadcaster.

Barons.

Sir Robert Boothby (57). Conservative M.P. for East Aberdeenshire since 1924. P.P.S. to Sir Winston Churchill, 1926-29, and Parliamentary Secretary, Ministry of Food, 1940-41. Lately delegate to the Consultative Assembly of the Council of Europe. One of the best-known Conservative broadcasters.

Mr. Victor Collins (55). Labour M.P. for Taunton, 1945-50, and for Shoreditch and Finsbury since 1954. President of the Employers' Federation of Cane and Willow-Workers' Associations since 1932.

Sir Ian Fraser (60). Conservative M.P. for Morecambe and Lonsdale since 1950, and for Lonsdale from 1940-50. President of the British Legion for 11 years, and chairman of St. Dunstan's since 1921. He was blinded in the First World War, and was called to the Bar in 1932

Sir Charles Geddes (61). Lately general secretary, Union of Post Office Workers, now part-time member of the London Transport Executive and the Electricity Generating Board. Member of the General Council of the T.U.C., and former president. Began life as a messenger-boy in the Post Office.

Mr. Victor Ferrier Noel-Paton (58). A prominent member of the Church of Scotland, a member of committees of the General Assembly of the Church of Scotland, and chairman of the Layman's Appeal to Industry for Church Extension.

Mr. Edward Shackleton (47). Son of the famous Antarctic explorer. Formerly Labour M.P. for Preston (1946-50) and for Preston South (1950-55) Has been a member of Oxford University expeditions to Sarawak and Ellesmere Land.

Sir John Stopford (70) Lately Vice-Chancellor of Manchester University, and Emeritus Professor of Experimental Neurology.

Dr. Stephen Taylor (47). Labour M.P. for Barnet, 1945-50. Member of Harlow New Town Corporation, and medical director of the Harlow Industrial Health Service.

Sir Edward Twining (58). Lately Governor of Tanganyika.

Mr. Daniel Granville West (54). Labour M.P. for Pontypool since 1946. A solicitor.

The conferment of life peerages on Mrs. Barbara Wootton, Mr. Victor Collins, Sir Charles Geddes, Mr. Edward Shackleton, Dr. Stephen Taylor, and Mr. Granville West (all members of the Labour Party) was recommended by the Prime Minister after consultation with the Leader of the Opposition, Mr Gaitskell. The new life peers will not take their seats until the opening of the new session of Parliament in November.

Four by-elections will be caused by the elevation to the peerage of Sir Robert Boothby, Mr. Collins, Sir Ian Fraser, and Mr. West at East Aberdeenshire, Morecambe and Lonsdale, Shoreditch and Finsbury, and Pontypool respectively.
(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Life Peerages Act, 16249 A ; 15999 A.)**

B. SOVIET UNION. — Agricultural Reforms. - Compulsory Deliveries replaced by State Purchases.

Important agricultural reforms were approved at a plenary session of the central committee of the Soviet Communist Party held on June 17-18, after an extensive speech by M. Khrushchev on the present position and future prospects of Soviet agriculture. The reforms in question were recommended by M. Khrushchev, the most important being summarized below :

(1) Beginning in 1958, compulsory deliveries of agricultural produce to the State from the collective farms would be abolished. Instead, the State would purchase agricultural produce and raw materials from the collective farms as described in (3) below.

(2) From July 1, 1958, payment in kind for work carried out on the collective farms by machine and tractor stations would be abolished, and all such work would be paid for in cash. Work already carried out between Jan. 1 and July 1, 1958, would be paid for in cash or kind at the discretion of the collective farm concerned.

(3) Plans would be laid down for State purchases of grain, potatoes, meat, milk, eggs, wool, and other agricultural and livestock produce from the collective and State farms, spread over periods of five to seven years and divided into annual procurements. If necessary, these procurements could be adjusted in view of the conditions in particular areas and the yields of different crops. It was stated that this system would enable State and collective farms to improve their productive organization; guarantee that the State would receive the necessary quantity of agricultural products; and enable collective and State farms to provide for their own needs more fully.

(4) Purchasing prices, differentiated between the various Union Republics, would be laid down for agricultural and livestock products sold to the State by the collective farms, based on average prices for the U.S.S.R. as a whole. [Such prices were laid down for grain crops, sunflower seeds, potatoes, sugar beet, raw cotton, flax fibres, hemp, livestock (cattle, sheep, pigs), poultry (chickens, ducks, geese), eggs, and wool.].

The Governments of the Union Republics were given power to revise prices of crop and livestock products from year to year, in accordance with the anticipated harvest and production estimates.—(Soviet Embassy Press Department, London)

(Prev. rep. 16038 A.)

C. PHILIPPINES. — American Economic Aid.

A joint communiqué was issued in Washington on June 20 at the conclusion of talks between President Eisenhower and President Garcia of the Philippines, who was on a visit to the United States. It stated (1) that the two Presidents had examined "the current economic problems with which the Philippine Republic is faced" ; (2) that Philippine officials had outlined a long-term programme for economic development ; and (3) that the U.S. Government would make $125,000,000 available to the Philippines to meet "the initial requirements of the Philippine programme" during the next 12 months. Of this sum, $75,000,000 would be extended by the Export-Import Bank as "a new line of credit for financing private and public development projects in the Philippines," while the Development Loan Fund would examine specific projects "to determine whether they would merit financing to the extent of an amount not exceeding $50,000,000."

The communiqué also expressed the full support of both countries for the U.N. Charter, the SEATO pact, and the U.S.-Philippine mutual defence pact. It said *inter alia* that President Eisenhower had "made it clear that . . . any armed attack against the Philippines would involve an attack . . . against the United States and would be instantly repelled."
(New York Times) **(Prev. rep. 15935 B ; 14987 A.)**

D. UNITED ARAB REPUBLIC. — Nationality Law.

A nationality law promulgated by President Nasser was issued in Cairo on July 8, with the following principal provisions : (1) all persons possessing Egyptian or Syrian nationality on Feb. 22, 1958, would be regarded as possessing Arab nationality (i.e. as nationals of the United Arab Republic) ; (2) foreign-born wives of Arab nationals would not automatically acquire Arab nationality but would have to make application for naturalization ; (3) the President of the Republic could confer Arab nationality on any foreigner who had rendered service to the cause of Arab nationalism.—(Le Monde, Paris)

E. ITALY - UNITED KINGDOM. — Atomic Co-operation Agreement in Force.

President Gronchi signed a decree on March 29 bringing into full and immediate effect the bilateral 10-year agreement with Britain for co-operation in the peaceful uses of atomic energy. The agreement could not be formally approved by the Italian Parliament because of the latter's dissolution prior to the recent general elections.—(Times) **(15950 A ; 16162 A.)**

A. CANADA - UNITED STATES. — President Eisenhower's Visit to Ottawa. - U.S.-Canadian Discussions. - President's Speech to Canadian Parliament on U.S.-Canadian Differences on Economic Policy. - Creation of Joint Defence Committee.

President Eisenhower, accompanied by Mr. Dulles, visited Ottawa on July 8-11 for discussions with the Canadian Government. The talks, in which Mr. Diefenbaker (Prime Minister) and Dr. Sidney Smith (Secretary of External Affairs) took part on the Canadian side, covered a wide range of problems, including the international situation, with particular reference to Soviet policy, the Middle East, and disarmament; defence questions; and trade and economic problems. The joint statements, issued on July 9-10, covered only some of the subjects discussed, including the following:

Creation of U.S.-Canadian Defence Committee. President Eisenhower and Mr. Diefenbaker announced on July 10 that, having "taken note of the intimate co-operation which exists between their two Governments in matters relating to Continental defence," and "in furtherance of the policies of both Governments that such matters shall be subject to civil decision and guidance," they had agreed to establish a Cabinet committee to be known as the Canadian-United States Committee on Joint Defence. This committee would consist of the Canadian Secretary of State for External Affairs (Dr. Smith), the Minister of Defence (Mr. Pearkes), and the Minister of Finance (Mr. Donald Fleming), and the U.S. Secretary of State (Mr. Dulles), the Secretary of Defence (Mr. Neil McElroy), and the Secretary of the Treasury (Mr. Robert B. Anderson). Other Ministers might participate on an *ad hoc* basis as requested.

The Committee would "consult on matters bearing upon the common defence of the North American Continent which lies within the NATO area"; would "in a supervisory capacity supplement, but not supplant, existing joint boards and committees" [i.e. (i) the Joint Defence Committee established in the early days of the last war, and (ii) a military study group and a military co-operation committee within the Defence departments of the two countries]; and would meet alternately in Washington and Ottawa. Each meeting would be presided over by the Secretary of State of the country in whose capital the meeting took place.

Safeguards against Surprise Attack. A statement issued on July 10 read as follows: "The President and the Prime Minister discussed questions concerning disarmament and, in particular, proposals for safeguards against surprise attack. This discussion reaffirmed the closeness of the views of the two Governments on a suitable approach to these questions. In particular they emphasized the great importance which both countries attach to a system of control which would cover the Arctic and related areas.

"The President and the Prime Minister exchanged views on the recent letter from Mr. Khrushchev to President Eisenhower with reference to expert examination of possible systems of supervision of control to prevent surprise attack. Although they recognized that certain aspects of Mr. Khrushchev's letter were unacceptable, they were nevertheless encouraged by certain elements of responsiveness to the earlier Western proposals on these matters.

"Mr. Diefenbaker indicated Canadian willingness to make a constructive contribution to the study of control methods, and it was agreed that experts of both countries would work together... in studying this problem."

Canadian Subsidiaries of U.S. Companies. With regard to widespread Canadian complaints that U.S. parent companies were dictating to their subsidiaries in Canada as to where to buy raw materials and to sell in foreign markets, a joint statement (July 9) said that the President and Mr. Diefenbaker had agreed that where "the laws of the two countries are not in complete harmony," final decisions on the actions of subsidiaries in Canada would in future be settled after consultation by the two Governments, rather than by the parent company alone. [Particular exception had been taken in Canada to the case of the Ford Motor Company, which was said to have refused to allow its Canadian subsidiary to consider the sale of 1,000 motor-cars to Communist China on the ground that this would not be in accordance with U.S. policies, although the sale would have been perfectly legal under Canadian regulations.]

Mr. Fleming said afterwards that it was Canada's intention that "Canadian law and Canadian law alone is to prevail over persons or corporations carrying on business in Canada."

In a speech on July 9 to a joint session of both Houses of the Canadian Parliament, President Eisenhower made an important statement on the U.S. viewpoint concerning trade and economic questions affecting the two countries.

The President started by saying in French: "Here in Canada you have demonstrated that differences in speech and manners of expression need not impair communications among a free people. So it must be among all nations of the free world. Though we may speak in different tongues and accents, that fact does not weaken our determination to work for a just and lasting peace..." After referring to Canadian-U.S. co-operation in the St. Lawrence Seaway project, to the establisment of a combined Air Defence Command for the North American Continent, and to the joint support of both countries for an inspection system to safeguard against surprise attack across the Arctic, the President continued:

"Both these developments, the Seaway and the strengthening of our common defence of the Continent, strikingly illustrate two things. The first is that change is the law of life and of relations between nations. When two great peoples such as ours, energetic and optimistic, live side by side in all the diversity that freedom offers, change is rapid and brings in its wake problems, sometimes frictions. The second lesson that I see in these common achievements in diverse fields is that by mutual respect, understanding, and good will we can find acceptable solutions to any problems which exist or may arise between us. It is important that we should remember this. Such differences as are from time to time expressed never affect the similarity of purpose which binds our two countries together...

"We share the basic belief that only under free institutions, with Government the servant and not the master, can the individual secure life, liberty, and the pursuit of happiness. We are both determined to frame and follow policies which safeguard the lives and homes of our people, their peace of mind, their material well-being, and above all their ideals. True to these ideals, both our countries are determined that the great decisions of peace and war will remain always under civilian control.

"Moreover, we both recognize a design of aggressive Communist imperialism which threatens every free nation. Both of us face a military threat and political attacks. Our system of free enterprise is challenged throughout the world by a State-directed, State-controlled economic system. Indeed, this could well be the area in which the competition will be most bitter and decisive between the free world and Communist imperialism. We must never allow ourselves to become so preoccupied with the differences between our two nations that we lose sight of the transcendant importance of free world co-operation in the winning of the global struggle."

President Eisenhower referred in this connexion to the collective security arrangements, notably in NATO, in which both countries were taking part on a basis of equality; to their determination "to maintain our institutions in good repair and to ensure that our economies function well"; to their desire "to set an example of free men's accomplishments which will encourage and attract those less fortunate"; and to their agreement never to cease "striving for a just and lasting peace, to be achieved by negotiation with those who challenge us." He went on:

"Against this background of similarity in basic factors, let me now point to some of the matters which it seems to me are troublesome between us. Among these are the surplus wheat disposal policies of the U.S.A., the imbalance in our mutual trade, certain aspects of U.S. private investment in Canada, and Canadian fears of a trend in the United States away from forward-looking policies in the field of trade. I am sure you will agree that we should talk frankly to each other. Frankness, in good spirit, is a measure of friendship... In mentioning specific problems on which we do not see eye to eye, I am doing so as an American, expressing an American viewpoint. I can assure you that your Prime Minister, in discussing these problems with my associates and me, most loyally and eloquently expresses the viewpoint of Canada. It is my conviction that for all our present problems and all our future ones, we will find acceptable solutions. It will take understanding, common sense, and a willingness to give and take on both our parts...

"First, then, I would like to comment on our surplus wheat disposal policies. I do not think anyone can quarrel with our purpose, though some of our methods may seem unorthodox by traditional standards. Simply stated, our wheat disposal programme has three aspects. In times of local famine or disaster we give wheat away. We have also bartered it for strategic materials. Finally, we sell wheat for local currency to countries which cannot afford to purchase it commercially. In these cases our policy is to lend back to the Government in question most of the proceeds for local economic development. Our intent is not to damage normal commercial markets, and in this I think we have been generally successful.

"I know that in the past there was criticism of certain aspects of these programmes, and particularly of our barter arrangements. I believe that the basis for these objections has been largely removed. Increasingly close consultation between our two Governments has ironed out many misunderstandings... Your Government knows in detail what we are planning. I assure you that it is our desire and intention to keep the doors of consultation fully open...

"In several respects, despite inconvenience and even occasional damage in the past, Canada stands to benefit from our moving some surplus agricultural commodities into consumption overseas. First and most evident of all, many hungry people around the world have had food which they otherwise would not have had. Secondly, had these products remained in storage they would have had a depressing influence on the world market and world prices. Finally, the funds which we have been enabled to make available to recipient countries should in the long run help to raise standards of living and create enlarged markets for all of us.

"I come now to the question of the imbalance of trade between our two countries. You buy more from the United States than you sell to us, and this fact is of concern to many thoughtful Canadians. There are a few basic points which should be noted in this connexion. First of all, the U.S.A. and Canada are not State traders. All the products of industry manufactured in the United States and sold to customers abroad are sold through the enterprise of the private seller. These articles come to you here in Canada only because of the desire of the individual Canadian consumer to buy a particular

piece of merchandise. The U.S. Government does not place goods in Canada as part of a State-directed programme. This aspect of our trade is the natural consequence of two private-enterprise economies working side by side and trading with each other.

"Then, we should also remember that the free world represents a multilateral trading community. To try to balance our books once a month or once a year with every nation with which we trade would stifle rather than expand trade. I assume that Canada is as interested as we are in the expansion of world trade rather than in its artificial re-direction. [This remark was generally regarded as indicating U.S. criticism of Mr. Diefenbaker's plan to divert 15 per cent of Canada's imports to the British market.] Both our peoples want to buy and sell in a climate of economic vigour and expansion. An imbalance in trade with one country, in such a climate, is usually balanced or largely offset by the state of the accounts with other trading nations. This is the case with Canadian trade. Your export deficit to the U.S.A. is offset by export surpluses to other countries and by the flow of investments to Canada. The promotion of healthy multilateral trade, as opposed to artificial bilateral balancing, is an important objective of the I.M.F. and GATT, to which both Canada and the U.S.A. belong.

"I want to address myself as well to the other side of the trade equation—namely, your exports to the United States. Here you can rightly say that, through quotas and tariffs, our governmental policies can either expand or restrict your opportunities to sell to us. The same is, of course, true of actions taken by your Government which can affect the volume of our exports to Canada.

"Neither of our countries is a 'free trader' in the classical economic sense. Each of us feels a responsibility to provide some protection to particular sectors of our economies which may be in distress or are for other reasons deserving of governmental assistance. We have taken some actions of this sort. So has Canada.

"Oil imports into our country contribute a case in point. We believe that to ensure adequate supplies of oil in an emergency, it is necessary that exploration to develop oil reserves be carried forward with vigour. A healthy domestic oil production industry is vital to our national security. We recognize that our security and yours are inseparable. We have been keenly sensitive to that fact in considering the nature of the voluntary restrictions on oil imports that have been put into effect by U.S. oil companies, and have minimized their impact on your economy.

"Our restrictive action with respect to oil is not in any sense reflective of a change in the fundamental trade policy of the United States. Such actions must be viewed in perspective. For example, since the so-called 'escape clause' was incorporated in our trade agreements legislation in 1951, there have come from U.S. industry a number of requests for the imposition of quotas or higher tariffs. In about a dozen cases Presidential approval for some relief has been granted. In only one of these cases was Canada directly affected by an exporter. We have always conscientiously sought to take account of your interests as well as our own in seeking the best remedy to these problems. I am sure that a study of the record will bear this out.

"The flow of investment funds from the United States into Canada has led to expressions of concern on your part. These funds have been attracted to your country by the business opportunities which Canada offers. Though they may raise questions in specific cases respecting control of an industry by American citizens, these industries are of course subject to Canadian law. Moreover, these investments have helped you to develop your resources and to expand your industrial plant at a far faster rate than would have been possible had you relied wholly on your own savings. They have thereby helped to provide employment, tax revenues, and other direct benefits. These funds have also helped Canada to finance with ease its recent surplus of imports from the U.S.A., a fact that is testified to by the premium of the Canadian dollar over the U.S. dollar. I am confident that if there are some defects in this investment process, ways will be found to correct them. That is in the interests of both our countries.

"One final word on the foreign trade policy of the United States. In 1934 the U.S.A. took an historic decision to embark on a positive policy of fostering trade with the launching of the Reciprocal Trade Agreements Programme. This policy we continue to support and practise. The U.S. Government, after a public searching of soul at times of renewal of the Trade Agreements Act, has consistently reaffirmed this policy. Have no fear that the United States will abandon so well-established a policy . . .

"Our Governments have a responsibility to compose difficulties, but we must not forget that thousands of individual citizens of Canada and the United States must themselves find in their diversified activities the answers to many of these problems. Finally, there is no cause to be surprised or disturbed to discover that occasionally differences arise between us. The distinguishing character of the peoples of the free world lies in the fact that differences between them can develop, be expressed, and be amicably resolved. We in the United States have no more desire than you to seek in our relations with others the silent, sullen unity that elsewhere has been purchased or imposed. The hallmark of freedom is the right to differ as well as the right to agree . . ."

A brief resumé of his talks with President Eisenhower was given to the Canadian House of Commons on July 11 by Mr. Diefenbaker.

He said that there had been "full and frank" discussions ranging over the following matters: (1) progress towards disarmament; (2) the changing nature of Soviet policy, particularly as regards the economic challenge in the Middle East and in other under-developed areas; (3) mutual defence problems; (4) trade and economic questions; (5) the question of boundary waters affecting both countries. On trade questions, he (Mr. Diefenbaker) had raised the question of Canadian subsidiaries which might have been prevented from accepting orders from Communist China because of U.S. regulations, even if the acceptance of such orders would have been permitted by the Canadian Government. The President, in reply, had expressed the view that the U.S. Foreign Assets Control Regulations" should not in any way work to the disadvantage of the Canadian economy," and had stated that he would "consider favourably" exempting U.S. parent companies of subsidiaries in Canada from the application of these regulations as far as exports of the subsidiaries were concerned. Canada (Mr. Diefenbaker added) had also stressed the need of revising the list of strategic materials exportable to Communist countries—a question which would be considered at a conference in Paris of all the countries concerned.

President Eisenhower and Mr. Dulles inspected the newly completed section of the St. Lawrence Seaway at Massena (New York State) before returning to Washington on July 11. (Montreal Star - Department of External Affairs, Ottawa - New York Times - New York Herald Tribune) **(Prev. rep. Defence, 16230 B; Canadian Economic Complaints, 15987 B; 15825 A; St. Lawrence Seaway, 16311 A.)**

A. UNITED KINGDOM. — Steel Industry. - Quarterly Production Figures. - New Steel Mill for Lanarkshire.

Production of steel in Britain in the second quarter of 1958 was more than eight per cent less than in the first quarter and over 10 per cent less than in the second quarter of 1957. The Iron and Steel Board attributed the fall in output mainly to reduced export demand and to a fall in the quantity required for the home market, particularly for the building and allied trades. Production of pig-iron also showed substantial reductions on the first quarter of 1958 and the second quarter of 1957. Detailed figures are given below:

	1958		1957	
	Weekly Average Tons	Annual Rate Tons	Weekly Average Tons	Annual Rate Tons
Steel Ingots and Castings.				
April	407,800	22,228,000	432,100	22,470,000
May	379,000	22,480,000	431,000	22,411,000
June	373,600	19,427,000	418,700	21,772,000
First Quarter	386,800	21,378,000	427,300	22,218,000
Pig-Iron.				
April	246,900	13,358,000	277,400	14,425,000
May	249,600	12,978,000	283,500	14,472,000
June	243,200	12,646,400	274,600	14,282,000
First Quarter	249,900	12,994,000	278,500	14,483,000

Colville's Ltd. (the Scottish steel group) announced on July 6 that an immediate start would be made on the construction of a £7,000,000 slabbing mill at their Ravenscraig steel mills at Motherwell (Lanarkshire), as part of the £32,000,000 development plan announced in June 1957 (see 15820 A). The mill would eventually have a capacity of 1,500,000 tons a year, and would be completed within three years.—(Times - Daily Telegraph) **(16200 A; 15820 A.)**

B. TURKEY. — Cabinet Changes.

The following changes in the Turkish Cabinet were announced on July 9: (*a*) a new Ministry of Co-ordination was established under M. Sebati Ataman; (*b*) M. Sidki Yircali (Minister for Press, Broadcasting and Tourism) became Minister of Industry *vice* M. Abdullah Aker (the Minister of Commerce), who had taken over the Industry portfolio *ad interim* after its former holder, M. Samet Agaoglu, had been appointed a Minister of State last February; (*c*) M. Server Somunjoglu succeeded M. Yircali as Minister of the Press, Broadcasting and Tourism. (Turkish Embassy Press Department, London)

(Prev. rep. 15983 A.)

C. NEW ZEALAND.—Terms of Loan from Australia.

The N.Z. Prime Minister (Mr. Nash) announced on July 11 that New Zealand would pay 4⅝ per cent interest on the £A10,000,000 loan from Australia, and that the credit would be repaid in eight equal quarterly instalments between Sept. 30, 1960, and Sept. 30, 1962; the N.Z. Reserve Bank had the right, however, to pay any instalment in advance. Mr. Nash said that there were no "strings" attached to the loan agreement, and that the credit could be used by New Zealand in any way she considered most useful.
(Directorate of Information, Wellington) **(Prev. rep. 16266 C.)**

A. BELGIUM. — General Elections. - Resignation of M. Van Acker. - Formation of Eyskens Government.

General elections were held in Belgium on June 1 following the dissolution of the previous Parliament on completing its four-year term of office. The elections were for the 212 seats in the Chamber of Representatives and for 106 seats in the Senate filled by direct voting; an additional 46 senators are elected by the Provincial Councils and another 23 are co-opted by the directly-elected and provincially-elected senators, making a total Senate membership of 175.

The elections for both Chambers were conducted by proportional representation with party lists, voters being permitted to cast their vote either for a list or for the particular candidate they preferred.

The election campaign revolved chiefly around two questions — the period of military service, and education. As regards the former, the Christian Social (Catholic) party declared themselves in favour of reducing the present 15-month conscription period to 12 months, with a corresponding extension of voluntary recruitment. The Socialists, on the other hand, declined to commit themselves to a further reduction of the present period of military service [which had already been reduced from 18 to 15 months.] The Socialists also opposed the construction of any NATO rocket-launching sites on Belgian territory.

As regards education, the Socialists and Liberals advocated priority for the official "free" schools accessible to pupils of any denomination, whereas the Christian Socials demanded increased subsidies for the Roman Catholic schools to ensure equal treatment of both categories. All parties promised higher old-age pensions and increased subsidies to farmers.

The final results of the elections were announced on June 3 as follows, comparative figures for the last (1954) elections being also shown:

	Chamber of Representatives		Senate	
	1958	1954	1958	1954
Christian Socials	104	96	54	49
Socialists	84	86	39	42
Liberals	21	25	12*	13*
Communists	2	4	1	2
Flemish People's Party ..	1	1	-	—

* Including two senators elected on a joint Socialist-Liberal list.

The Senate was subsequently brought up to its full strength of 175 members as described above, its final composition being:

Christian Socials	91
Socialists	65
Liberals	18*
Communists	1

* Including two senators elected on a joint Socialist-Liberal list.

Party strengths at the dissolution of the former Chamber were: Christian Socials 96, Socialists 86, Liberals 25, Communists 4, Flemish People's Party 1. In the former Senate the membership at the dissolution was: Christian Socials 79, Socialists 72, Liberals 22, Communists 2.

The elections thus gave the Christian Socials a majority in the Senate, though they narrowly failed to obtain an overall majority in the Chamber.

M. Van Acker, head of the Socialist-Liberal coalition government which had been in office since 1954, resigned on June 2 in view of the electoral victory of the Christian Social Party. On June 9, on the advice of M. de Schrijver (a Christian Social Minister of State and a former Deputy Premier), King Baudouin asked M. Eyskens (the leader of the Christian Social Party) to form a new Government. M. Eyskens' attempts to obtain the support of the Socialists or the Liberals failed, however, and on June 25 he announced the formation of a Government drawn solely from the Christian Social Party. The new Cabinet's membership was announced on the same day as follows:

M. Gaston Eyskens	Prime Minister.
M. Pierre Wigny	Foreign Affairs.
M. Jean Van Houtte	Finance.
M. André de Quae	Foreign Trade.
M. Pierre Harmel	Justice.
M. Léon Servais	Labour.
M. Arthur Gilson	Defence.
M. Charles Heger	Interior.
M. Maurice Van Hemelryck	Education.
M. Paul Segers	Communications.
M. Raymond Scheyven	Economic Affairs.
M. Paul Meyers	Public Works.
Baron Albert de Vleeschauwer	Agriculture.
M. Robert Houben	Public Health.
M. Paul van den Boeynants	Middle Classes.
*M. Louis Pétillon	Colonies.

* M. Pétillon's appointment was announced on July 13; prior to joining the Cabinet he was Governor-General of the Belgian Congo, a post in which he was succeeded by M. Cornelis, the former Deputy Governor-General.

M. Eyskens (53) was the leader of the Christian Social Opposition in the former Chamber. A Fleming, he is Professor of Political Economy at Louvain University and has been a deputy for Louvain since 1939. He was Finance Minister in the post-war coalition governments of M. Van Acker and M. Spaak, and headed a Christian Social-Liberal coalition government in 1949-50.

M. Eyskens made a policy statement in the new Chamber of Representatives on July 1.

He announced that his Government would take measures to restore a sound financial position, and would guarantee the stability of the Belgian franc. Other measures would include free education until the age of 18, and an increase in scholarships; steps to bring about a 40 per cent increase in the national income within the next 10 years; the building of 100,000 new houses; increases in workers' pensions, reorganization of pensions schemes for employees and the self-employed; tax reliefs; complete tax exemption for exports; reorganization of the Army by increasing voluntary recruitment, with the aim of reducing the compulsory service period to 12 months; and an adaptation of parliamentary seats to the latest population figures. M. Eyskens repeated his willingness to co-operate with the Socialists or the Liberals.

In the ensuing debate two Liberals announced that they would vote for the Government to give it a chance of survival; they were M. Van Glabbeke, the mayor of Ostend, and M. Lahaye, deputy for Ypres. Both criticized the Liberal leadership for having declined to negotiate with M. Eyskens on the formation of a coalition government.

When the vote was taken on a Christian Social resolution expressing confidence in the Government, 106 votes were cast for it and 104 against. The Government was supported by all the Christian Social members present, by MM. Van Glabbeke and Lahaye, and by the one deputy of the Flemish People's Party; the other Liberals, the Socialists, and the Communists voted against. In view of his precarious majority, M. Eyskens informed King Baudouin on July 4 that he would make a decision on the future of his Cabinet dependent on the debate in the Senate. In the latter Chamber he received a vote of confidence on July 9 by 90 votes to 83, all the Liberals and Socialists and the one Communist senator voting against.
(La Nation Belge, Brussels - Le Monde, Paris) **(13574 A.)**

B. VATICAN. — Death of Cardinal Stritch. - Cardinal Agagianian becomes Pro-Prefect of Propaganda Fide.

Cardinal Stritch (70), Roman Catholic Archbishop of Chicago, died in Rome on May 27 only two months after his appointment to the new post of Pro-Prefect of the *Propaganda Fide* organization.

Samuel Alphonsus Stritch was born at Nashville (Tennessee) of Irish parents, and studied at the American College in Rome. He was Bishop of Toledo (1921) and Archbishop of Milwaukee (1930) before succeeding the late Cardinal Mundelein in 1939 as Archbishop of Chicago. Elevated to the Sacred College in 1946, Cardinal Stritch was well known in the U.S.A. for his interest in educational and social questions, and for his outspoken denunciations of Nazism during the Hitler regime in Germany.

Cardinal Gregory Peter Agagianian (62), Patriarch of Cilicia of the Armenians, was nominated by Pope Pius XII on June 18 as Pro-Prefect of *Propaganda Fide* in succession to the late Cardinal Stritch. Born in what is now Soviet Georgia, he is one of the Church's foremost experts on the Soviet Union and on Communism generally. He was raised to the Sacred College in 1946.

Cardinal Agagianian was a parish priest in Tiflis during the Russian Revolution and for some years thereafter. Called to Rome in 1921, he served as Vice-Rector of the Pontifical Armenian College, and subsequently as Rector, until his consecration in 1937 as Patriarch of the Uniate Armenians (the official designation is Patriarch of Cilicia of the Armenians), with the title of Gregory Peter XV. Since that time he has exercised jurisdiction over more than 50,000 Armenian Catholics in the Lebanon and other parts of the Middle East, as well as in France, the U.S.A., and South America. His headquarters were in Beirut.

The Uniate Armenians are Catholics of the Armenian Rite, holding the same doctrines as those of the Roman Catholic Church and hence united with Rome. As Pro-Prefect of *Propaganda Fide*, Cardinal Agagianian will be a member of the Roman Curia and will exercise virtual control of all Roman Catholic missions throughout the world. As explained in 16090 B, the nominal head of *Propaganda Fide* (Cardinal Fumasoni-Biondi) is incapacitated by age and ill-health.
(The Universe - New York Times) **(Prev. rep. 16090 B.)**

C. FINLAND. — American Loan.

An agreement was signed in Washington on Feb. 17 under which the U.S. Export-Import Bank extended to Finland a 40-year loan of $14,000,000, with interest payments at 3 per cent per annum starting in 1961. The major part of the loan will be used for the construction of a new power plant.
(Ministry of External Affairs, Helsinki)

AUGUST 2—9, 1958

A. UNITED NATIONS. — Security Council Meetings on Middle East Crisis. - Soviet Veto of American and Japanese Resolutions.

The U.N. Security Council met in emergency session during the week July 15 - 22 to consider the situation in the Middle East arising out of the revolution in Iraq, the despatch of American troops to the Lebanon at the request of President Chamoun, and the despatch of British troops to Jordan at the request of King Hussein. The principal developments at the U.N. during this period were, in brief :

(1) A U.S. resolution asking the U.N. Secretary-General to make appropriate arrangements, " including the contribution and use of contingents," to protect the independence and territorial integrity of Lebanon and to ensure that there was no illegal infiltration of men or *matériel* across her borders.

(2) A Soviet resolution calling for the immediate withdrawal of American forces from Lebanon and of British forces from Jordan.

(3) A Swedish resolution calling for the suspension " until further notice " of the U.N. Observation Group in Lebanon.

(4) The defeat of the U.S., Soviet, and Swedish resolutions, the American resolution failing to secure adoption because of the Soviet veto.

(5) A Japanese compromise resolution calling on the U.N. Secretary-General to expand U.N. activities in Lebanon in such a way as to make possible the withdrawal of American forces.

(6) The defeat of the Japanese resolution by the Soviet veto.

(7) The adjournment of the Security Council *sine die* after all the above-mentioned resolutions had been defeated.

The U.S. Resolution. - Mr. Cabot Lodge's Statement.

As stated by President Eisenhower on July 15 (see page 16307), the Security Council was officially informed of the despatch of American troops to the Lebanon by Mr. Cabot Lodge, the U.S. permanent representative. The above-mentioned U.S. resolution was presented by Mr. Lodge on that date, containing the following principal provisions :

(1) A call for " the immediate cessation of all illegal infiltration of personnel or supply of arms or other *matériel* across the Lebanese borders, as well as attacks upon the Government of Lebanon by government-controlled radio and other information media calculated to stimulate disorders."

(2) An invitation to the U.N. Observation Group in Lebanon " to continue and develop its activities pursuant to the Security Council's resolution of June 11, 1958 " (see page 16294, first column).

(3) A request to the U.N. Secretary-General (Dr. Hammarskjold) " immediately to consult the Government of Lebanon and other member-States as appropriate with a view to making such additional arrangements, including the contribution and use of contingents, as may be necessary to protect the territorial integrity and independence of Lebanon and to ensure that there is no illegal infiltration of personnel or supply of arms . . across the Lebanese borders."

Mr. Cabot Lodge made the following statement to the Security Council before presenting this resolution :

" The Council meets today to confront difficulties as serious as any in its history. The territorial integrity of Lebanon is increasingly threatened by insurrection, stimulated and assisted from outside. Plots against the Kingdom of Jordan, which have become evident over the past few months, are another sign of serious instability in the relations between nations in the Middle East. And now comes the overthrow—in an exceptionally brutal and revolting manner—of the legally-established Government of Iraq. I have just heard this morning, before coming here, of the murder of our colleague in the United Nations from Iraq—Mr. Fadil Jamali. Only a few weeks ago he was here with us . . . Now we learn that he was not only murdered, but that his body was dragged through the streets of Baghdad. [On July 17, however, Baghdad Radio denied that Mr. Jamali had been killed and stated that he was being held in custody and would shortly be brought to trial.]

" In all these circumstances, the President of Lebanon has asked, with the unanimous authorization of the Lebanese Government, for the help of friendly governments so as to preserve Lebanon's integrity and independence. The United States has responded positively and affirmatively to this request . . . We wish the Security Council to be hereby officially advised of this fact. In addition, the U.S. Government has under active consideration economic assistance to help Lebanon revive its economy.

" Our purpose in coming to the assistance of Lebanon is perfectly clear. As President Eisenhower explained, our forces are not there to engage in hostilities of any kind—much less to fight a war. Their presence is designed for the sole purpose of helping the Government of Lebanon in its efforts to stabilize the situation, brought on by the threats from outside, until such time as the U.N. can take the steps necessary to protect the independence and political integrity of Lebanon. They will also afford security to the several thousand Americans who reside in that country. That is the total scope and objective of the U.S. assistance.

" I need scarcely say that we are the first to admit that the despatch of U.S. forces to Lebanon is not an ideal way to solve present problems, and they will be withdrawn as soon as the United Nations can take over. The U.S. Government hopes that the U.N. will soon be able to assume these responsibilities . . . Until then, the presence of U.S. troops in Lebanon will be a constructive contribution to the objectives the Security Council had in mind when it passed the June 11 resolution dealing with this problem.

" A little over a month ago the Government of Lebanon presented a complaint to the Security Council involving ' a situation arising from the intervention of the United Arab Republic in the internal affairs of Lebanon, the continuance of which was likely to endanger international peace and security.' At that time various members of the Council drew special attention to Article 2 (4) of the Charter, which enjoins all members ' to refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any State.' This was one of the fundamental considerations behind the resolution which was adopted on June 11 . . .

" The U.N. Observation Group has thus far been able to achieve limited success. We hope that it will pursue its work in the most effective and energetic way possible Our forces are being instructed to co-operate with it and to establish liaison immediately upon arrival. This U.N. Group has helped to reduce interference from across the border.

" We learn now, however, that with the outbreak of the revolt in Iraq, the infiltration of arms and personnel into Lebanon from the United Arab Republic in an effort to subvert the legally constituted Government have suddenly become much more alarming. This development, coupled with persistent efforts over the past months to subvert the Government of Jordan, must be a cause of grave concern to us all. They place in jeopardy both the independence of Lebanon and that of any Middle Eastern State which seeks to maintain its national integrity free from outside influence and pressures. It is too early to tell what the outcome of the revolt in Iraq may be. But one thing is clear : the events in both Lebanon and Iraq present grave threats to the integrity of free and independent countries. They demonstrate ruthlessness of aggressive purpose which tiny Lebanon cannot combat without support from friendly nations.

" Observing the course of events in Lebanon and Iraq, one is constrained to conclude that there are powers at work in the Middle East seeking, in total disregard for national sovereignty and independence, to substitute force or the threat of force for law. If these powers are left unchecked, free to pursue their lawless course, the people of the Middle East will have been denied the solemn guarantees written into the U.N. Charter. . .

" Now we confront a situation involving outside involvement in an internal revolt against the legitimate Government of Lebanon. Under these conditions a request from the Government of Lebanon to another member of the United Nations to come to its assistance is entirely consistent with the provisions and purposes of the U.N. Charter. In this situation, therefore, we are proceeding in accordance with the traditional rules of international law, none of which in any way inhibit action of the character which the U.S.A. is undertaking in Lebanon. The United States is acting pursuant to what the Charter regards as an inherent right—the right of all nations to work together to preserve their independence. The Council should take note that U.S. forces went to Lebanon at the specific request of the duly constituted Government of Lebanon. Let me emphasize again . . . that these forces will remain there only until the United Nations itself is able to assume the necessary responsibilities to ensure the continued independence of Lebanon.

" There is one further fact which must be recognized. If the United Nations is to succeed in its efforts to maintain international peace and security, it should support the efforts of a legitimate and democratically elected government to protect itself from aggression from without, even if that aggression is indirect. The U.N. must be particularly alert in protecting the security of small States from interference by those whose resources and power are larger This is a principle which has been supported here in the past and which should be supported today, regardless of who the offender may be . . .

" There can be no hope for peace in the world unless the United Nations shows this dedication to the Charter's basic principles. All nations, large and small alike, are entitled to have their political independence and territorial integrity respected and maintained. If we vacillate with regard to this proposition, we will open the flood-gates to direct and indirect aggression all over the world.

" The overthrow of another State by subversion and the fomenting of internal strife is more difficult for the world to combat than is direct military aggression, because the fomenting of internal strife is harder to see with your eyes. But this is not the first time that the United Nations has faced such a problem. The U.N. faced such a problem successfully in Greece in 1946, when Soviet-sponsored insurrection threatened to overwhelm the Greek Government. It did so unsuccessfully in 1948 when the Communist coup was perpetrated in Czechoslovakia. The U.N. sought to provide means for dealing with such aggressive developments in the future when in 1949 and 1950 it adopted the ' Essentials of Peace ' and the ' Peace through Deeds ' resolutions of the General Assembly . . ." After

quoting the provisions of these resolutions, Mr. Cabot Lodge added: "In solemnly affirming that any aggression which foments civil strife in the interest of a foreign power was one of the gravest of all crimes against peace and security, the General Assembly had clearly in mind just such a situation as that which we face. The integrity and independence of a nation is as precious when it is attacked from outside by subversion and erosion as when it is attacked in the field of military action."

Mr. Lodge said in conclusion: "The League of Nations tolerated direct and indirect aggression in Europe, Asia, and Africa during the 1930's. The tragic result was to strengthen and stimulate aggressive force in such a way that World War II became inevitable. The United States is determined that history shall not be repeated. We hope and believe that the action which we are taking will bring stability, and that the U.S. forces now being sent into Lebanon at the request of its Government can be promptly withdrawn. We must, however, be prepared to meet the situation whatever the consequences may be. We strive for a world in which nations, great and small, can preserve their independence . . . We believe that the action which the United States is taking is consistent with the principles and purposes of the United Nations and will promote the cause of world peace."

The Soviet Resolution. - M. Sobolev's Statement.

On the same day (July 15) M. Arkady Sobolev presented a Soviet resolution in the Security Council calling upon the United States to "cease armed intervention in the domestic affairs of the Arab States" and to withdraw its forces immediately from the Lebanon. On July 17, after Sir Pierson Dixon (U.K.) had informed the Council of the despatch of British troops to Jordan at King Hussein's request, the Soviet resolution was expanded to include a demand for an immediate British withdrawal from Jordan as well as an American withdrawal from Lebanon.

M. Sobolev addressed the Security Council as follows on July 15:

"The facts show that a civil war is taking place in Lebanon. Indignant at the reactionary and anti-popular policy of the Chamoun Government, the people of Lebanon have risen in defence of their constitutional rights and the independence of their country.

"It is common knowledge that certain Western Powers have long been trying to use the events in Lebanon for armed intervention against the Lebanese people. U.S. and British leaders have openly spoken of the readiness of their Governments to send their armed forces to Lebanon under any pretext . . . Thus the facts irrefutably show that Lebanon is being threatened not by the United Arab Republic's non-existent interference in its affairs, but by the direct military intervention of the United States and its Western partners, who are trying by force of arms to retain a government in power in Lebanon whose policy is rejected by the entire people there."

After saying that the U.N. Observation Group in Lebanon had "taken an objective stand" and had" justly assessed the events taking place in Lebanon as a purely internal affair of the Lebanese people," M. Sobolev continued: "Yesterday the events in Iraq, where the power of King Faisal has been overthrown and the Iraqi Republic proclaimed, were added to the events in Lebanon. The Iraqi events are a purely internal affair of the Iraqi people, who have risen against foreign oppression and have liberated their country from King Feisal's reactionary power . . . All these facts show that the peoples of the Arab world, who have taken the road of national liberation . . . are pursuing a policy conforming to their national interests, without looking either to London or Washington . . . But this is exactly what is not reckoned with by the colonialists, who would like to tie the peoples of the Arab East hand and foot, politically and economically . . .

"The United States has decided to intervene openly with its armed forces in the internal affairs of the Arab countries and bring to their knees the peoples not only of Lebanon but also of the other Arab States who have risen in defence of their freedom and independence. In justification of these aggressive actions, the U.S. delegate refers to a 'request' of the present rulers of Lebanon, but it is perfectly clear to all that these rulers are merely political puppets of the United States, and that these requests, moreover, are inspired by the U.S. State Department.

"In these conditions the despatch of U.S. troops to Lebanon is an act of aggression against the peoples of the Arab world; a gross intervention in the domestic affairs of the States of this area; and a flagrant violation of the U.N. Charter, which prohibits the use of force as an instrument of foreign policy . . . No references to requests from Chamoun can justify this act of armed aggression, for those requests were inspired precisely to cover up U.S. intervention in the domestic affairs of the States of the Arab world.

"In 'substantiation' of its intervention, the U.S.A. refers to the U.N. Charter. The Charter provides for the right of individual or collective defence if an armed attack occurs against a member of the U.N., until the Security Council has taken measures necessary to maintain international peace and security. But this has no bearing on the matter, and is merely a manoeuvre to cover up the aggressive nature of armed intervention against the Arab peoples. Lebanon is threatened by no-one except those who carry out military intervention designed to crush the peoples who have risen up. The Soviet Union holds that the U.S. attempt to cover up armed intervention against the peoples of the Middle East by reference to 'self-defence' is a mockery of the U.N. Charter and of the noble principles and purposes which underlie our Organization.

"The settlement of questions pertaining to the Lebanese State, just as to the Iraqi State, is the inalienable right of the peoples of those countries. Some domestic event or other in these countries cannot serve as a pretext for outside intervention in their domestic affairs, and any armed intervention by the Western Powers is fraught with the gravest consequences, as it sharply exacerbates the international situation and is capable of plunging the world into the abyss of another war. Full responsibility for these consequences rests with the organizers and participants of the armed intervention against the peoples of the Arab East, and with the United States first and foremost.

"The Soviet Union, as has been repeatedly stated, wants peace to prevail in the Middle East area, situated as it is near the frontiers of the U.S.S.R. That is why the Soviet Union cannot regard with indifference foreign intervention in the countries of this area, no matter how this intervention is disguised.

"It is the duty of every Government really concerned over the preservation of peace to do everything possible to cut short the aggression against the peoples of this area. The Security Council . . . must take resolute measures to stop the aggression against the Arab countries and to ensure peace and tranquillity in this area of the world."

Security Council Debate.

In addition to Mr. Cabot Lodge and M. Sobolev, speakers in the Security Council's debate on July 15-16 included Sir Pierson Dixon (Great Britain), M. Pierre de Vaucelles (France), Mr. John C. Holmes (Canada), Dr. Karim Azkoul (Lebanon), M. Omar Loutfi (United Arab Republic), Hr. Gunnar Jarring (Sweden), and Dr. Hammarskjöld, the U.N. Secretary-General.

Sir Pierson Dixon said that the U.S. Government's action in responding to the Lebanese appeal was "fully consistent with the provisions and purposes of the U.N. Charter and the established rules of international law," and had the full support of H.M. Government. He continued:

"It has been the consistent view of H.M. Government that there has been interference from the United Arab Republic in the affairs of Lebanon, and our information is that this interference is continuing despite the efforts of the [U.N.] Observation Group . . . It has long been our view . . . that States must eradicate from their national policies the methods of subversion and indirect aggression that have been so distressingly current in recent years. We believe profoundly that it is for the U.N. to identify, to condemn, and, so far as it can, to arrest these highly dangerous tendencies which have so gravely complicated international relations . . ."

M. de Vaucelles reserved the French Government's right to take any necessary measures, consistent with the U.N. Charter, to protect the interests and security of the numerous French nationals living in Lebanon. In a brief statement, he said that the Lebanese Government was fighting a rebellion "which would doubtless have come to an end if it had not enjoyed support from outside."

Mr. Holmes said: "The principles of international law to which the Soviet representative somewhat inconsistently appealed must be applied to actual situations, not appealed to in abstraction. It is clear to all that the rights of States are threatened by the violent disturbances which are shaking the area. We do not presume to judge the causes of this violence. But we cannot allow violence to spread dangerously. If the intervention of the United States at the request of the established Government of Lebanon can hold the rein, check the violent disorders, and enable us to help the Lebanese people to find political rather than military solutions to their troubles, I believe that it will serve our purposes."

Mr. Cabot Lodge, speaking on July 16, emphasized that the U.S. resolution was "an attempt in good faith to give effect to President Eisenhower's statement that 'the United States will support in the United Nations measures which seem to be adequate to meet the new situation and which will enable the U.S. forces promptly to be withdrawn.'"

M. Sobolev commented that the U.S. resolution made no mention of the fact that the Observation Group [in its report to the Security Council] had failed to discover any infiltration of men or arms into the Lebanon from outside. After accusing the U.S.A. of resorting to the "big lie" to attain its objectives, "just as Hitler did for his aggressive purposes," M. Sobolev alleged that U.S. forces had been sent to Lebanon not to uphold the "Government of Chamoun" but "to prevent the further spread of the disease that is coming from Iraq." He added: "That disease has a name—in Russian we call it 'Arab nationalism.' It is indeed a disease from the point of view of influential circles in the United States . . ."

Mr. Cabot Lodge, in reply, said that M. Sobolev's statement had interested him very much, coming as it did "from a representative of a Government which has been condemned by the United Nations three times in the past year for its actions in Hungary, which has violated the expressed wishes of the U.N. more than 30 times in the past eight years, and which has abused the veto power 82 times." Mr. Lodge continued: "I must defer to Mr. Sobolev in the knowledge of Hitler, because his Government was once an ally of Adolf Hitler when Mr. Molotov made a pact with Ribbentrop of unfragrant memory. The United States has never been an ally of Adolf Hitler;

so he knows more about it than I do. It is interesting, seeing that we are considering the Middle East, to remember that . . . in 1940 the Soviet Union . . . proposed to Ribbentrop that this area 'be recognized as the centre of the aspirations of the Soviet Union.' These ambitions came to nothing, but the Soviet Union nevertheless pressed forward toward the same goals after World War II."

Mr. Cabot Lodge added: "Let me just say that no country on earth is more friendly to Arab nationalism than is the United States . . . But we think there is a difference between normal aspirations of nationalism, which are proper, healthy, and can even be idealistic and forward-looking, and the subversion of the independence of small countries. Mr. Sobolev creates the impression that Arab nationalism and the subversion of independence are all one thing. They are not one thing, they are two entirely different things. We are in favour of nationalism and we are against the subversion of the independence of small countries."

Dr. Azkoul reiterated his Government's allegations of large-scale intervention in its internal affairs by the United Arab Republic, asserting that this had become more pronounced since the *coup d'état* in Iraq. Calling upon the Security Council to take "more effective measures" to safeguard Lebanon's independence, he emphasized that the request for U.S. forces had been taken under Article 51 of the U.N. Charter, which recognized the right of both individual and collective self-defence. He stressed also that this assistance would be temporary, and would continue only "until the entry into force of the action which we request the Council to take."

Mr. Loutfi maintained that Lebanon was in a state of civil war; that Article 51 of the Charter was not applicable to the situation, and that there had been no armed aggression against Lebanon, as borne out by the report of the U.N. observers. After saying that the events in Iraq were also "strictly internal in nature and cannot justify intervention," Mr. Loutfi expressed his regret at the U.S. Government's unilateral decision to send troops to Lebanon. He added: "This type of intervention in our part of the world recalls very painful memories. It will hamper the position and reputation of the United States in the Middle East, and have very grave repercussions."

Mr. Jarring stated: "One of the conditions for Article 51 to be applicable is that an armed attack has occurred against a member-State. The Swedish Government does not consider that this condition has been fulfilled in the present case, nor does it consider that there is an international conflict in the terms of Article 51. The action now taken by the United States has substantially altered the conditions of the activities of the [U.N.] observers in Lebanon, and the question is whether in practice they are able to fulfill their task as set forth in the Council's resolution of June 11. In the opinion of the Swedish Government, the proper course to take might be to suspend until further notice the activities carried on by the observers. I reserve the right to table a draft resolution on these lines."

Dr. Hammarskjöld (who spoke on July 15) emphasized that all his actions in the Lebanese situation had been carried out under the mandate conferred on him by the Council's resolution of June 11—namely, "to ensure that there is no illegal infiltration of personnel or supply of arms or other material across the Lebanese borders." In the present situation he was "neither an arbiter nor a mediator"; hence his actions had no relation to developments which must be considered as the internal affairs of Lebanon, nor to the wider international aspects of the problem. All his efforts had been devoted to getting the "necessary support for the observation operation, so as to make it possible for it to succeed and to give it the highest possible efficiency."

In a further statement on July 16, Dr. Hammarskjöld informed the Security Council that he had just received a second report from the U.N. Observation Group stating that it had now received full freedom of access to all parts of the Lebanese border areas. After stressing that the U.N. Group had thus achieved "complete success" in the arrangements for inspection, the Secretary-General added: "It is my feeling that, with the result thus achieved, the Observation Group is fully equipped to play the part envisaged for it in the total U.N. effort, with its general purpose of ensuring against infiltration and smuggling of arms. I hope that no later developments will cause a setback and that the Observation Group—although neither in the past nor probably in the future being the only tool used by the U.N. for the general purpose just mentioned—will retain its key position."

Sir Pierson Dixon's Statement on Despatch of British Troops to Jordan.

When the Security Council met on July 17 it had before it the Jordanian complaint charging the United Arab Republic with planning to overthrow King Hussein's Government (see page 16309, first column). Before the Council discussed this matter, however, it was officially informed by Sir Pierson Dixon that British paratroops had arrived in Jordan at the request of King Hussein.

Sir Pierson Dixon emphasized that British troops had been sent to Jordan in order to help the lawful Government of that country to maintain its integrity and independence, and under the provisions of Article 51 of the Charter. He added: "They are not there for any military purpose and do not constitute a threat to any other country . . . No doubt we shall hear from one member that this is all part of some 'colonialist and imperialist plot.' Not for the first time in our long history we are activated in what we have done by a sense of responsibility and a desire to see truly peaceful and stable conditions in the world."

Later in the debate, Sir Pierson said that H.M Government proposed "to explore urgently with the Secretary-General the possibility of devising some form of effective action by the United Nations" in Jordan; this would be done in consultation with the Jordanian Government and other Governments concerned. The object of these discussions would be "to work out proposals under which assistance can be given by the U.N. to the Government of Jordan to ensure the preservation of its territorial integrity and political independence." Should the lawful Jordanian Government request the withdrawal of British forces, this would of course be done.

Mr. Bahauddin Toukan (the Jordanian delegate) said that the United Arab Republic had "openly manifested hostility" towards Jordan and was threatening its independence. The problem had become too great for Jordan alone, and his Government, with the approval of the King and the unanimous support of the Jordanian Parliament, had therefore requested British and American aid under Article 51 of the Charter.

Defeat of U.S., Soviet, and Swedish Resolutions.

On July 18 the Security Council voted on the above-mentioned American and Soviet resolutions, and also on the Swedish resolution which Mr. Jarring had announced his intention of presenting during the debate on July 16.

The Swedish resolution (1) noted that U.S. troops had been sent to Lebanon at the request of the Lebanese Government, (2) recognized that the United Nations, according to the Charter, was "not authorized to intervene in matters which are essentially within the domestic jurisdiction of any State"; (3) stated that the action taken by the U.S. Government had "substantially altered the conditions under which the Security Council decided on June 11 to send observers to Lebanon"; and (4) requested the Secretary-General "to suspend the activities of the observers in Lebanon until further notice."

In presenting his resolution, Mr. Jarring said that the presence of U.S. troops in Lebanon had "completely altered" the conditions for the activities of the U.N. Group, which had become "superfluous" from a practical point of view and "unsuitable" from a political point of view.

All three resolutions were defeated, the votes being as follows:

(1) The American resolution for U.N. contingents to be sent to Lebanon received nine votes in favour and one against (U.S.S.R.), with Sweden abstaining; it was thus defeated by the Soviet veto.

(2) The Soviet resolution calling for the immediate withdrawal of U.S. troops from Lebanon and of British troops from Jordan was supported only by M. Sobolev; eight votes were cast against it, with Japan and Sweden abstaining.

(3) The Swedish resolution calling for the suspension of the U.N. Observation Group's activities in Lebanon received only two votes in favour (Sweden and the U.S.S.R.); the other nine votes were cast against.

Following these votes, Mr. Cabot Lodge presented a resolution which (1) noted that "the lack of unanimity of its permanent members" [i.e. the Soviet veto] had prevented the Security Council "from exercising its primary responsibility for the maintenance of international peace and security," and (2) asked for an emergency session of the U.N. General Assembly "in order to make appropriate recommendations concerning the Lebanese complaint."

M. Sobolev also presented a resolution which (1) described the despatch of U.S. and British forces to Lebanon and Jordan as "a serious threat to international peace and security," and (2) asked for an emergency session of the General Assembly "to consider the question of the intervention of the United States and Great Britain in Lebanon and Jordan."

Defeat of Japanese Compromise Resolution. - Adjournment of Security Council's Debate.

After the rejection of the U.S., Swedish, and Soviet resolutions, the Japanese delegate (Mr. Matsudaira) introduced a compromise resolution which requested the Secretary-General "to make arrangements forthwith for such measures, in addition to those envisaged by the resolution of June 11, 1958, as he may consider necessary in the light of the present circumstances, with a view to enabling the U.N. to fulfil the general purposes established in that resolution, and which will . . . serve to ensure the territorial integrity and political independence of Lebanon so as to make possible the withdrawal of U.S. forces." In moving this resolution, Mr. Matsudaira stressed that it was not intended "to create a police force of any kind" but only to provide for "a strengthened U.N. Observation Group in Lebanon."

When the Japanese resolution was presented on July 21 it was supported by Mr. Cabot Lodge, Sir Pierson Dixon, M. de Vaucelles, Mr. Jarring, and Dr. Sidney Smith, the Canadian Minister for External Affairs. It was opposed by M. Sobolev, however, and was ultimately defeated by the Soviet veto—the 85th in the Security Council to date.

Mr. Cabot Lodge described the resolution as "the indispensable minimum action which the U.N. should take in Lebanon at this time," adding that it "could lead to conditions which would make possible the withdrawal of U.S. forces from Lebanon." **Sir Pierson Dixon** said that the resolution was "a praiseworthy attempt to salvage something from the state of prostration to which the Council has been reduced by the Soviet veto," while **Dr. Smith** said that it offered the Council "a way of advance from the dead-end in which it finds itself following the rejection of the proposals previously before it."

M. Sobolev opposed the Japanese resolution on the ground that it amounted to "tacit moral sanction" for the continued presence of U.S. and British forces in Lebanon and Jordan. Whilst he did not question its motives, he had "a host of misgivings" about its substance; for example, it did not specify the measures which the Secretary-General was to take, and in voting for it the Security Council would be "buying a pig in a poke."

On a vote, the Japanese resolution received ten votes in favour and one against (U.S.S.R.) and was thus defeated by the Soviet veto.

Prior to the vote, M. Sobolev had submitted amendments which he described as designed to make the Japanese resolution "more palatable and more in accord with the principles and purposes of the United Nations"; these amendments authorized the enlargement of the U.N. Observation Group in Lebanon, but described the landing of U.S. troops as "intervention in Lebanese internal affairs" and called for their withdrawal. The resolution as amended by M Sobolev was defeated by eight votes to one (U.S.S.R.), with Japan and Sweden abstaining.

On the proposal of the president of the Security Council (Dr. Araujo, of Colombia) it was agreed on July 22 to adjourn the debate *sine die*. No vote was taken on the U.S. and Soviet resolutions calling for an emergency session of the General Assembly.

Dr. Araujo moved an adjournment *sine die* in view (*a*) of the current exchanges between Heads of Governments for a "summit" conference on Middle East problems, and (*b*) of the impending Presidential elections in Lebanon. The motion was agreed to by all members of the Security Council except M. Sobolev, who urged the Council to consider the resolutions calling for an emergency session of the General Assembly.

Statement by Dr. Hammarskjöld. - Formation of U.N. Consultative Group on Lebanon.

After the Japanese resolution had been defeated by the Soviet veto, Dr. Hammarskjöld informed the Security Council that he intended to proceed on his own, using "all opportunities offered to the Secretary-General within the limits set by the Charter," in order to "help prevent a further deterioration of the situation in the Middle East and to assist in finding a road away from the dangerous point at which we now find ourselves."

After recalling his statement at the time of the Suez crisis that the Secretary-General's task should not be allowed "to degenerate into a policy of expediency," Dr. Hammarskjöld emphasized that the United Nations' responsibility in Lebanon remained, despite the Security Council's failure to take action. He believed it to be in keeping with the spirit of the Charter that the Secretary-General "should be expected to act without guidance from the Assembly or the Security Council should this appear to him necessary towards helping to fill any vacuum that may appear in the systems which the Charter and traditional diplomacy provide for the safeguarding of peace and security." Immediate "practical steps" were now needed, and he therefore proposed to arrange for "the further development of the U.N. Observation Group in Lebanon so as to give it all the significance it can have consistent with the terms of the resolution under which it was established."

Dr. Hammarskjöld also indicated that he had plans in Lebanon which went beyond this, but asked to be excused for not revealing them at the moment. "However," he added, "I am certain that what I may find it possible to do, acting under the provisions of the Charter and solely for the purposes of the Charter, and guided by the views expressed around this table, will be recognized by you as being in the best interest of the Organization, and therefore of the cause of peace . . . Were you to disapprove of the way in which these intentions are translated by me into practical steps, I would, of course, accept the consequences of your judgment."

In conformity with his statement, Dr. Hammarskjöld announced on July 24 that he had set up a seven-man consultative group "in view of the growth in size and significance of the U.N. operation in Lebanon." Its members—all of whom were appointed in an "exclusively personal capacity"—were Senhor de Freitas-Valle (Brazil), Mr. Charles Ritchie (Canada), Sir Claude Corea (Ceylon), Dr. Alfonso Araujo (Colombia), Mr. Arthur Lall (India), Mr. Hans Engen (Norway), and Prince Aly Khan (Pakistan). The seven countries were the same as those represented on the Secretary-General's advisory committee on the U.N. Emergency Force stationed at Gaza.

Iraqi Representation on Security Council.

Throughout the Security Council's debate Iraq was represented by Dr. Abbas, who had been appointed by the Government of General Nuri es-Said. The legality of Dr. Abbas's participation was challenged by M. Sobolev, on the ground that he had not been accredited by the new Republican Government in Iraq; Dr. Araujo, however, ruled that Dr. Abbas should keep his seat for the time being, and M. Sobolev did not press the point further. On July 22 Mr. Hashim Jawad arrived in New York as the accredited representative of the Iraqi Republican Government in place of Dr. Abbas, who had meanwhile been recalled to Baghdad. (Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - U.S. Information Service - Soviet Embassy Press Department, London - U.N. Information Centre, London) **(Prev. rep. Middle East Crisis, 16305 A; Lebanon, U.N. Observation Group, 16293 A.)**

A. WESTERN GERMANY. — North Rhine-Westphalia Elections. - New Land Government.

Elections for the *Landtag* of North Rhine-Westphalia were held on July 6, the results being as follows (comparison given with the previous *Landtag* elections):

	1958			1954
	Seats	Votes	Percentage	Seats
Christian Democrats ..	104	4,011,122	50.5	90
Social Democrats ..	81	3,115,934	39.2	76
Free Democrats ..	15	566,274	7.1	25
Centre Party		83,733	1.0	9
German Party ..		125,044	1.6	
Others		45,936*	0.6	

*Including 43,890 votes (0.6 p.c.) for the German Reich Party.

In the 1954 elections the Christian Democrats polled 2,855,672 votes (41.3 p.c.); the Social Democrats 2,387,069 (34.5 p.c.); the Free Democrats 793,569 (8.5 p.c.); the Centre Party 278,925 (4 p.c.); the Communists (now banned) 264,067 (3.8 p.c.); the Refugee Party 319,811 (4.6 p.c.); and "Others" 22,180 (0.3 p.c.).

76.6 per cent of the electorate of 10,501,527 went to the polls, compared with 72.7 per cent in 1954.

The Christian Democrats thus gained an absolute majority over all other parties, and a new *Land* Government consisting entirely of Christian Democrats was accordingly formed on July 25, following the election on July 21 of Dr. Franz Meyers (Christian Democrat) as *Land* Prime Minister. Dr. Meyers obtained 103 votes in the new *Land* Parliament, the 94 Social Democrats and Free Democrats abstaining and three deputies being absent.

The new *Land* Government was as follows: Dr. Franz Meyers, Prime Minister; Herr Josef Hermann Dufhues, Interior; Dr. Artur Sträter, Deputy Premier and Finance; Herr Werner Schütz, Education; Dr. Otto Flehinghaus, Justice; Dr. Hans Lauscher, Economics and Transport; Herr Johann Ernst, Labour and Social Welfare; Herr Gustav Niermann, Agriculture and Forestry; Herr Peter Erkens, Reconstruction. No appointment was made to the Ministry for Federal Affairs, which will be administered by Dr. Meyers *ad interim*.

Herr Karl Arnold, *Land* Prime Minister of North Rhine-Westphalia from 1947 to 1956, died in Düsseldorf on June 29, aged 57. A deputy chairman of the Christian Democratic Party, he was the leading candidate of that party in the *Landtag* elections, and had hoped to regain the office of Prime Minister.

Karl Arnold, who started life as a leather-worker, was a leading member of the Christian Workers' movement (the Roman Catholic counterpart of the Socialist and Democratic trade unions) during the Weimar Republic. On the abolition of the trade union movement by the Nazis in 1933 he lost his posts, and in 1944 he was arrested by the Gestapo on suspicion of complicity in the attempt on Hitler's life. After the war he reconstructed the Catholic trade unions in the Rhineland, and was one of the founders of the Christian Democratic Union. He was Chief Burgomaster of Düsseldorf from January 1946 until his election as *Land* Prime Minister.

As North Rhine-Westphalia is the most populous *Land* of the Federal Republic, as well as the most heavily industrialized, the election results were regarded as an indication that the Christian Democrats were not only maintaining but also strengthening their position in the country. Particular significance was attached to the Christian Democratic victory in view of the extensive campaign of the Social Democratic and Free Democratic parties against the arming of the *Bundeswehr* with nuclear weapons, which had played an important part in the election campaign.—(Frankfurter Allgemeine Zeitung - Die Welt, Hamburg) **(Prev. rep. 15757 A; 13804 A.)**

A. UNITED KINGDOM. — Hire-purchase Finance. - Acquisition of Hire-purchase Interests by Clearing and Merchant Banks.

Following the relaxation of the "credit squeeze," which once again made it possible to provide fresh capital for the purpose of "improving the stability of the hire-purchase financial system," and also gave the banks greater latitude in the matter of advances (see 16269 A), a number of the leading banks, including four of the "Big Five" clearing banks, announced that they would take an interest in hire-purchase finance companies.

Barclays Bank announced on July 24 that it had entered into an agreement with United Dominions Trust (the largest hire-purchase company in Britain) which would give the bank a 25 per cent interest in the Trust's equity capital. Barclays Bank would be given a seat on the Board of the U.D.T. but, it was stated, would not participate in any way in the conduct of the Trust's business, which would remain entirely separate and independent.

The United Dominions Trust, in a statement issued the same day, said that Barclays (which has acted as clearing bank for the company since its inception) had agreed to subscribe for 1,000,000 new Ordinary shares of £1 each at £4 per share; the consent of the Capital Issues Committee had been obtained. The bank's subscription of £4,000,000 would result in a share premium reserve of £3,000,000, it was proposed to capitalize £1,000,000 of this and use it to pay up in full 1,000,000 4½ per cent Third Cumulative Preference shares of £1 each, to be issued as fully paid to the holders of the company's Ordinary capital in the proportion of one new share for every £4 of Ordinary stock held. Barclays Bank announced that it was arranging for its Scottish affiliate, the British Linen Bank, to participate in the investment.

Westminster Bank and **Martins Bank** announced on July 30 that, subject to the consent of the Capital Issues Committee, they had provisionally agreed to take each a 20 per cent equity interest in the Mercantile Credit Company, another major hire-purchase finance company.

It was stated that the two banks were each taking up 2,476,679 Ordinary 5s. shares at 16s per share, payable in four half-yearly instalments, and that the directors of the Mercantile Credit Company proposed a capitalization issue of Ordinary shares to their existing shareholders (i.e. excluding the two banks) in the ratio of one new share for every 20 already held. The present capital of Mercantile Credit, excluding the new free issue, is £1,725,391 in 6,901,564 shares of 5s.

The National Provincial Bank announced on July 31 that it had made an offer for the whole of the issued share capital of the North Central Wagon and Finance Company, and that the Board of the latter company had recommended acceptance of the offer.

It was stated that the price offered was £4. 10s. a share for the £1 Ordinary shares, and that the offer was conditional on its acceptance by 90 per cent of the Ordinary capital of Central Wagon and Finance, or such smaller percentage as the bank might agree to accept. It was also announced that the Prudential Assurance Company, which owns 54.79 per cent of the share capital of North Central Wagon and Finance (totalling 2,105,333 Ordinary shares of £1 each), had agreed to accept the offer.

Samuel Montagu and Company and **Guinness, Mahon and Company** announced on Aug. 5 that they were each taking a 25 per cent interest in the Industrial Banking Corporation, and that the other 50 per cent of that company's share capital would be held by the Olds Discount Company, the Nottingham-based credit financiers.

It was stated that the Industrial Banking Corporation (which was registered nearly 50 years ago and had been an investment trading subsidiary of Guinness, Mahon and Co.) had been re-formed with a capital of £200,000, and with its headquarters at Olds Discount in Nottingham, for the purpose of carrying on hire-purchase finance for the three interests concerned.

Olds Discount is a public company with a capital of £950,000 in 5 per cent Cumulative Preference and £1,329,000 5s. Ordinary units Samuel Montagu and Co. and Guinness, Mahon and Co. are leading private banking houses in the City of London.

The **Midland Bank** and the **Clydesdale and North of Scotland Bank** (its Scottish affiliate) announced on Aug. 9 that they had made a joint offer to purchase the whole of the share capital of Forward Trust Ltd., another hire-purchase finance house, and that provisional agreement had been reached with the directors of Forward Trust.

It was stated that the price offered was £3. 10s. for each of the Trust's £375,000 Ordinary shares of 10s., and £1 for each of the £100,000 6 per cent Cumulative Preference shares of £1—a total of £2,725,000. The agreement was conditional upon acceptance by all the Ordinary shareholders or such lesser number as the banks might consider sufficient. The directors of Forward Trust had agreed to accept the offer in respect of their own holdings, and the Britannic Assurance Company (which holds about 30 per cent of the Ordinary shares) had also accepted. Forward Trust has its head office in Birmingham, with branches in London, Nottingham, and Glasgow.

The following table, published by *The Times* on July 31, shows the leading hire-purchase finance houses in the U.K., their outstanding debts, and their issued Ordinary capital. The 12 houses account for about nine-tenths of all hire-purchase finance-house business.

Finance House	Outstanding debt	Ordinary capital
United Dominions Trust	£56,700,000	£4,000,000*
Mercantile Credit	19,200,000	3,050,000*
North Central Wagon and Finance	15,000,000	2,105,333
Scottish Midland Guarantee Trust	13,300,000	—
Olds Discount	12,700,000	1,329,000
Bowmaker	11,700,000	1,517,000
Lombank	8,900,000	1,498,148†
British Wagon	8,300,000	1,520,000
Forward Trust	4,400,000	475,000
Wagon Finance	3,200,000	1,250,000
Astley Industrial Trust	3,200,000	305,000
Mutual Finance	2,800,000	275,000

* Allowing for proposed issues. † Issued capital of Lombard Banking, of which Lombank is a subsidiary company.

Scottish Midland Guarantee Trust is wholly owned by the Commercial Bank of Scotland (the only interest by a U.K. bank in hire-purchase finance prior to the latest developments); a large interest in Lombank is held by Cable and Wireless; and Mutual Finance is controlled by Thomas Tilling Ltd.

Thus eight of the twelve hire-purchase finance houses have now formed associations with large investment institutions. (Times - Daily Telegraph - Financial Times)

(Prev. rep. 16269 A.)

B. ISRAEL. — Tenth Anniversary Celebrations. - Opening of Supreme Religious Centre.

The tenth anniversary of the foundation of the State of Israel was celebrated during the last week of April by a number of ceremonies, including a special commemorative session of the *Knesset* on April 22; ceremonies in synagogues and public places in memory of those who fell in the War of Independence; and a big military parade in Jerusalem on April 24. Messages of congratulation were received from President Eisenhower and many other Heads of State, while Sir Winston Churchill sent a message expressing the hope that Israel would "prosper and live in peace and friendship with her neighbours."

A feature of the 10th anniversary celebrations was the opening in Jerusalem on May 8 of a Supreme Religious Centre, a seven-storey building which will be the seat of the Chief Rabbinate of Israel. Situated in King George V Avenue, on the highest hill of the New City, it houses an extensive rabbinical library, a convocation hall seating 1,000 people, a motion-picture projection room, a museum, suites of offices, and a synagogue containing an Ark for the Scrolls of the Law specially brought from the historic synagogue at Padua, Italy.

The Supreme Religious Centre took six years to build at a cost of £600,000, of which £500,000 was given by Mr Isaac Wolfson, the British industrialist and chairman of Great Universal Stores. The building is in Judean stone and the interior largely of marble from Galilee; many of the rooms and halls are finely panelled in English oak.

The dedication ceremony was attended by President Ben-Zvi, Mr. Ben-Gurion and other members of the Cabinet, the Chief Rabbis of Israel and of many countries of Europe and the British Commonwealth, dignitaries of the Christian and Moslem countries in Israel, and the Diplomatic Corps. (Israel Government Press Office - Times - Daily Telegraph)

C. NATIONALIST CHINA. — New Cabinet.

It was announced from Taipeh (Formosa) on June 30 that President Chiang Kai-shek had accepted the resignation of Mr. O. K. Yui as Prime Minister and had appointed Vice-President Chen Cheng as his successor.

Mr. Yui, a banker, had submitted his resignation five times during the preceding 12 months, but on each occasion President Chiang refused to accept it. He first tried to resign after a mob sacked the U.S. Embassy in Taipeh during the anti-American riots of May 1957 (see 15595 C); subsequently he offered his resignation on four occasions after the Control Yuan (the highest supervisory body of the Nationalist Government) had impeached him late in 1957 on charges of neglect of duty, abuse of power, and personal corruption. Following the impeachment action the Government reprimanded by Mr. Yui, but ordered no other punishment.

Mr. Chen Cheng formed a 19-member Cabinet on July 14 in which Mr. Wang Yun-wu became Deputy Premier, Mr. Huang Shoa-ku Minister of Foreign Affairs, Mr. Tien Chun-chin Minister of the Interior, and Mr. Yu Ta-wei Defence Minister. Mr. Huang took over the Foreign Affairs portfolio from Dr. George Yeh, who, it was understood, would replace Dr. Hollington Tong as Ambassador in Washington. The new Foreign Minister is a graduate of the London School of Economics and was formerly publisher of *Ho Ping Jih Pao* (The Peace Daily) from 1942 to 1948.—(New York Times)

(Prev. rep. 13627 D.)

A. UNITED KINGDOM. — R.A.F. Estimates, 1958-59. - Mr. Ward's Review. - Recent R.A.F. Developments.

The Royal Air Force Estimates for 1958-59, and an accompanying memorandum by the Secretary of State for Air (Mr. George Ward), were published as White Papers on Feb. 21, 1958. The memorandum is summarized below under cross-headings.

Finance.

The net total of £467,050,000 shown for the R.A.F. in the Defence Estimates (£20,600,000 less than for 1957-58) was arrived at after deducting from the gross Estimates an amount of £7,500,000 representing the Deutschemark costs of the Second Tactical Air Force in Germany.

Although the Estimates included about £11,000,000 for improvements in pay, allowances, and conditions of service of R.A.F. personnel, reductions in the strength of the force had kept down the actual increase for pay and allowances to only about £2,500,000. A reduction in the number of civilians employed was also provided for, but because of higher salaries and wages the total for civilians was about the same as in 1957-58. There were reductions in the provision for aircraft and equipment (£17,300,000 less), petrol and oil (£2,500,000 less), and works (£14,550,000 less), whilst food, fuel, light, movement of personnel and stores, etc., would also cost less. On the other hand, the Vote for non-effective services was £5,940,000 more than in 1957-57, mainly because of special capital and other compensation payments to personnel prematurely retired or discharged (see 15795 A).

Manpower.

The Air Ministry aimed at having by the end of 1962 an all-Regular force of 135,000 officers and men and 13,000 women and boys, able to meet all requirements. The reduction from 228,000 on April 1, 1957 to 192,000 on April 1, 1958 and an estimated 174,000 on April 1, 1959 reflected reductions already made or planned in the front line and its backing. Ten operational stations in the U.K. and Germany had been closed in 1957-58, as well as 10 Maintenance Command units, recruit and cookery schools, and an R.A.F. hospital. In 1958-59 it was planned to close four more operational stations and to prune supporting organizations (e.g. the movements and marine craft units), and possibly to place more work, including catering, with civilian contractors.

Recruiting.

A total of 14,479 Regular airmen were recruited during 1957 (22,254 in 1956), a decline of 5,975 on short engagements (up to eight years) having been partly offset by an increase of 1,200 in engagements of over eight years. Describing the position as "encouraging on the whole," the memorandum pointed out (*a*) that the reduced number joining on shorter engagements reflected the smaller National Service intake; (*b*) that the average recruiting rate over the past nine months would be more than sufficient to maintain the 1962 target (see above); but (*c*) that it would not build up quickly enough. It was hoped, however, that improved conditions of service would enable the gap to be filled.

Meanwhile the cadet entry to Cranwell and the entry of technical branch cadets to Henlow (to which the scholarship scheme had been extended in 1956) had been satisfactory, but there had been a decline in aircrew recruiting, particularly in navigators and air electronics officers.

Women's Royal Air Force. It was hoped that the higher pay rates (see 16029 A) would reverse the present downward trend of recruiting.

Reserve Organization. This was being further streamlined; three more R.A.F. Figher Control units had been disbanded, while Class E Reserve had been cut heavily.

Incentives. Besides the pay increases announced in the Defence White Paper (see 16029 A), other incentives would include: (*a*) increased allowances for men not provided with married quarters; (*b*) more barrack blocks, single quarters, and messes, replacing hutted accommodation; (*d*) modernization of pre-war permanent accommodation, including married quarters; (*d*) more married quarters, of which the R.A.F. would have 32,000 by the end of 1958.

The Deterrent.

After mentioning the successful dropping of megaton weapons from *Valiant* bombers in the 1957 tests in the Pacific, and the R.A.F.'s part in the Maralinga tests (see 16012 A), the White Paper stressed that the continued effectiveness of the deterrent would be assured by Mark II *Victors* and *Vulcans* now on order, whilst power bombs of considerable range and a British ballistic missile were being developed on high priority. Plans had been prepared for a high proportion of R.A.F. bombers to be ready to take off at once in the event of an emergency.

Air Defence.

Any future threat to Britain (the memorandum pointed out) would come from both manned aircraft and ballistic missiles. Although the planned rundown of fighter strength would be completed during 1958-59, a smaller fighter force would still be needed to deal with manned aircraft and "stand-off" bombers and jammers as well as to investigate unidentified movements and prevent reconnaissance; the P.1 and its associated air-to-air guided weapons were being developed for this purpose. Meanwhile firing trials of the *Bloodhound* ground-to-air guided missile were proceeding at Woomera, and trials of a complete guided weapons system would begin shortly at the North Coates guided-weapons station (see below). The *Thunderbird* would also be tried during 1958, and ultimately the R.A.F. would look to surface-to-air guided missile systems for anti-ballistic missile defence.

The Control and Reporting System. Streamlining had made good progress, and new equipment and techniques would enable Fighter Command to meet bomber attacks further away from British shores. Electric computing equipment was being developed to make possible further improvements in the ground equipment needed for co-ordinated control of the P.1 supersonic fighter and surface-to-air guided weapons.

NATO.

R.A.F units in the Second Tactical Air Force, in Coastal and Bomber Commands, and at Malta provided an effective contribution to NATO, whilst R.A.F. radar stations were a major element in the European radar chain. *Canberras* in the 2nd T.A.F. and Bomber Command were being given a nuclear capacity, which would offset the reduction forecast in the 1957-58 Estimates and now completed. Re-equipment with later aircraft types was also proceeding.

The Middle East.

The reorganization of Middle East Command (see page 16089) was expected to produce "substantial" staff economies. In this connexion Air H.Q. Levant (situated in Cyprus) would be abolished from April 1, 1958, and its duties would be taken over by H.Q. Middle East Air Force.

During 1957 R.A.F. aircraft had assisted in dealing with encroachments on the Aden Protectorate and in suppressing the rising in Oman (see 15709 A), whilst R.A.F. helicopters had been successfully employed on internal security operations in Cyprus.

The Far East.

R.A.F. transport of passenger and freight had still been necessary in 1957 in operations against the Malayan terrorists. Under the terms of the defence agreement between the U.K. and the Federation of Malaya (see 15793 A) the R.A.F. was now assisting in the development of a Malayan Air Force.

The memorandum stated (*a*) that units of the Royal Australian and Royal New Zealand Air Forces were serving with the R.A.F. in the Middle East; (*b*) that the Gan staging post in the Maldive Islands (see 15762 A; 15295 A) was under construction; (*c*) that the R.A.F. station at Katunayake had been handed over to the Ceylon Government on Nov. 1, 1957 (see 15833 D) but was still used for staging R.A.F. aircraft, which had flown in food and supplies during the severe floods of December (see 16046 A). Both in the Far East and in the Middle East garrison squadrons could be rapidly reinforced by aircraft of Bomber Command.

Air Transport.

R.A.F. *Comets* were being used on the aero-medical service from the Far East, and also on a regular service to and from Christmas Island. *Beverley* freighters had proved valuable for moving heavy equipment to small airstrips up-country in the Aden Protectorate, and all Army airborne forces had been converted to *Beverleys*. As the 20 *Britannias* now on order (see 16019 A) were introduced, *Beverleys* would be supplemented by *Hastings* for heavy freight traffic, whilst the *Valettas* would be withdrawn.

Training.

The major accident rate had shown a "marked improvement" in 1957, especially as regards accidents to jet aircraft. The fatal accident rate had been virtually the same as in 1956, which, however, was the lowest for over 20 years.

The use of "synthetic" trainers was increasing - for surface-to-air guided weapons as well as for aircraft. Guided-weapon training was expanding, and a guided weapons school was being set up for training airmen in servicing and maintenance techniques.

Works.

A surface-to-air guided weapon station at North Coates (Lincs.) was nearly finished, and work on other stations would soon begin. About 9,000 acres of land at surplus airports had been sold in 1957, and holdings of requisitioned land had been reduced from 250,000 acres in 1945 to 7,000 acres.

Miscellaneous.

After speaking of the R.A.F.'s part in the work of the Trans-Antarctic Expedition (see 16055 A) and its contribution to the International Geophysical Year, the memorandum stated that the Meteorological Office's H.Q. had been reorganized as recommended by a committee under Lord Brabazon. The Meteorological Committee, which would keep the efficiency and policy of the Meteorological Office under constant review, had been reconstructed under Lord Hurcomb and would have its headquarters at Bracknell.

Statement by Secretary of State for Air.

Mr. George Ward presented the Air Estimates in the House of Commons on March 10.

Mr. Ward first pointed out that although the net total of the Estimates was about £20,000,000 less than last year, the true saving was considerably greater when allowance was made for the effect of increased pay and allowances, compensation for premature retirement, etc. Less was being spent on aircraft, but this would partly be offset by increases on armament, ammunition, missiles, and

guided weapons. Staffs, civilian as well as Service, had been considerably reduced, and on April 1, 1958 the R.A.F. would be employing about 107,000 civilians, compared with nearly 115,000 on April 1, 1957. The number of R.A.F. headquarters was still being reduced; those for Fighter Command and the 2nd T.A.F. group, as well as the Ceylon, Levant, and Singapore headquarters, had recently been closed or were about to be closed.

An internal review of Air Ministry organization had been undertaken to consider what staff changes and reductions would be possible in the next few years; although no large reduction would be possible because of the re-equipment programme, it was hoped to reduce headquarters staff by about 500 by Dec. 31, 1958. Outside the Air Ministry it was hoped to save about 2,000 civilians in 1958-59, although many essential tasks would have to be transferred to civilians. In the past two years about 3,000 posts had been "civilianized," and at present one-third of R.A.F. requirements were being met by civilians The search for operational economies included the introduction of an "electronic brain" for the supply and pay systems

As regards the chances of building up an all-Regular R.A.F. by 1962, recruiting of officers was "satisfactory on the whole" and it was unlikely that there would be any difficulty about filling aircrew requirements, except for navigators, where the position was "worrying." The number of Regular airmen on long-term engagements of nine years or more had risen from about 35,000 in 1950 to 65,000 at the end of 1957, whilst entry of apprentices and boys in 1957 was 25 per cent up on 1956. At the present rate of recruiting, however, there would only be 120,000 Regular officers and airmen by 1962, and the target of 135,000 would not be reached before 1965. The annual intake must therefore be increased and, in addition to the inducements already announced, the Air Ministry must concentrate on increasing the attractions and reducing the drawbacks of Service life. Steps already taken included: (*a*) the introduction of the "key personnel" scheme, allowing a percentage of n.c.o.'s and airmen to remain at the same station for up to five years and thus reducing the deterrent to recruiting caused by frequent postings; (*b*) a smarter walking-out dress for men on long-service engagements, which—together with blue gabardine raincoats in addition to the Service greatcoats—would be issued to all Regular airmen as from April 1958; (*c*) up-to-date holdalls which would eventually replace kitbags for carrying airmen's home kit. Improvements to encourage cadet forces would include the opening in 1958 of six new gliding schools and one full-time gliding centre, and the replacement of the present A.T.C. uniform by battledress over the next four years.

Mr. Ward then dealt with the striking and defensive power of the R.A.F., emphasizing that for the present the main threat to Britain would continue to come from the manned bomber, and that Fighter Command would still play a major part in air defence. In this connexion he announced (*a*) that a new *Javelin* fighter, equipped with a *Firestreak* missile, would come into service during 1958, and (*b*) that a long-range version of the powered bomb was being developed (see below). The Minister said:

"Having examined most critically the length of time which the V-bomber force is likely to remain an effective deterrent, bearing in mind the increasing power of the enemy defensive system, I am quite certain that we can rely on the V-bomber force to remain highly effective, certainly until it is supplemented by the British intermediate-range ballistic missile. Even then it will still have great value, and the two threats—manned bomber and ballistic missile—will set the enemy a much greater problem than either one of them would in isolation.

"... We must remember the enormous problem which the Russians face in defending their frontiers, besides the flexibility of the manned bomber and the various methods of attack we can employ to keep the enemy guessing. The later marks of V-bomber will have considerable advantages over the earlier versions because of their greater range and their equipment with the powered bomb, which will give them a wide choice of approaches to a given target. Furthermore, their increased operating height will make them less vulnerable to enemy defences.

"We are improving the performance of our fighters and their weapons system, as well as introducing the *Bloodhound* surface-to-air missile. So long as the main threat to these islands is from manned bombers—and there is no evidence yet to suggest that this is not so—the manned fighter with its guided weapons, range and inherent flexibility, supplemented by the surface-to-air guided missile, should be well able to meet the newest types of Russian bomber and discharge its primary task of defending the retaliatory force from destruction on the ground. This year will see the introduction of the Mark VII *Javelin* and the *Firestreak* missile which goes with it. Later on the *Javelin* Mark VII and Mark VIII will be given reheat to extend their effective lives, and the P.1 will come into Fighter Command."

In answer to a question by Mr. Shinwell (Lab.), Mr. Ward replied: "What I meant was that at the present time the main threat is from the bomber and not from the ballistic missile. But of course the position may change later on." He added that the P.1 would have its performance improved by installing electric computing equipment which would tell the automatic pilot the place in which to intercept the bomber, thus enabling the human pilot to act as a directing brain mounted in, and in charge of, a highly developed guided weapon (see below).

After saying that whilst the control systems of the *Bloodhound* would be tested at North Coates the actual firing would take place from the Aberporth (North Wales) range, Mr Ward explained that the North Coates trials would make it possible to draw up a "Service doctrine" for the handling and maintenance of the missile and its co-ordination with manned fighter defence. He concluded by stating that the long-term base of the R.A.F. in the Far East would be Singapore, and that the policy of equipping overseas theatres with aircraft designed for home stations would continue and would probably be extended to guided missiles. These aircraft would eventually have to be replaced, however, and although the *Canberra* had several years of useful life before it, there was need of a new strike and reconnaissance aircraft for overseas theatres. The Government were therefore reviewing the expected performances of types already being developed and those of designs put forward by aircraft firms in reply to a general operational requirement issued in October, 1957. They were also consulting the War Office about a successor to the *Beverley* transport.

An amendment by Mr. Emrys Hughes (Lab.) to reduce the Estimates by 1,000 men was rejected, and the Estimates were then passed.

Recent R.A.F. Developments.

Other recent developments in connexion with the R.A.F. are summarized below:

Re-forming of "Dam Buster" Squadron. The Under-Secretary for Air (Mr. C. I. Orr-Ewing) announced on Sept 19, 1957 that the famous "Dam Buster" squadron—which during the Second World War breached the Möhne dam and sank the *Tirpitz* in Altenfjord, but was disbanded in 1956—would be re-formed and equipped with *Vulcan* delta-wing bombers.

Closing of Biggin Hill Station. The R.A.F. station at Biggin Hill, on which fighters taking part in the Battle of Britain were based, ceased to be used by Fighter Command from March 1, 1958, but remained under R.A.F. control.

New British Power-Guided Bomb. The Ministry of Supply announced on April 21, 1958, that flight trials had begun of the new British "power-guided" bomb mentioned in the Defence White Paper (see page 16030). It was explained that the bomb—being developed by A. V. Roe and Co. for use with V-class bombers—was fired a long way from its target, to which it would then travel; aircraft would thus be able to escape ground-to-air missiles.

New Radar System for Fighters. Details were published on June 26, 1958 of a new airborne radar and fire-control system—known as "Airpass"—for use in the P.1 supersonic all-weather fighter, to enable pilots to locate hostile aircraft and attack them with guided weapons, rockets, and guns. Described as "one of the most versatile airborne radar systems in the world, "Airpass" (airborne interception radar and pilots' attack sight system) consists of a radar unit and a sighting system. The former enables the pilot to find a hostile aircraft by day or night and to "lock" the radar beam on to it Thereafter the radar automatically tracks the target and feeds information to the sighting system, enabling the pilot to manoeuvre into a suitable position from which to attack. It was claimed that the sighting system would ensure that weapons were aimed correctly even when the target was invisible to the pilot and travelling at supersonic speed.

The Air Ministry announced on Aug. 8 that it had been decided to name the English Electric P.1 fighter the *Lightning*. Powered by two Rolls-Royce *Avon* jet engines, it will be the R.A.F.'s first supersonic piloted jet fighter.—(Cmnd. 373 - Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. 1958-59 Defence Estimates, 16029 A; 1957-58 Air Estimates, 15762 A.)

A. ATHLETICS. — New Mile and Two-Mile Records.

Herbert Elliott (20), of Australia, set up a new world record for the mile in Dublin on Aug. 6 with a time of 3 minutes 54.5 seconds—2.7 seconds faster than the previous world record of 3 min. 57.2 sec. set up in July 1957 by Derek Ibbotson, of Great Britain. Four other runners—M. Lincoln (Australia), R. Delaney (Eire), M. Halberg (New Zealand) and A. Thomas (Australia)—also ran the mile in under four minutes in the same race in which Elliott set up the new record; their respective times were 3 min. 55.9 sec., 3 min. 57.5 sec., 3 min. 57.5 sec., and 3 min. 58.6 sec.

Another world record was broken in Dublin on Aug. 7 by Albert Thomas (Australia), who ran two miles in 8 min. 32 sec.; the previous world record for the two miles (8 min. 33.4 sec.) was set up in June 1955 by S. Iharos, of Hungary. Thomas was one of the five athletes who had run the mile in under four minutes on the previous day.—(Irish Times, Dublin)

(Prev. rep. 15678 B.)

B. JORDAN. — Dissolution of Arab Federal Union.

King Hussein of Jordan issued a decree on Aug. 2 stating that the Arab Federal Union of Jordan and Iraq had ceased to exist and that the Federal Constitution was "in suspense and inapplicable in practice."—(Times - Observer)

(Prev. rep. 16305 A; 16230 A.)

A. FINLAND. — General Elections.

Following the dissolution of the Finnish Diet, which had completed its four-year term, general elections were held in Finland on July 6-7 ; some 1,050 candidates contested the 200 seats in the Diet, which were filled by proportional representation. The results were announced on July 11 as follows :

	Seats		Votes	Percentage	
	1958	1954	1958	1958	1954
Popular Democrats	50	43	445,832	23.17	21.59
Social Democrats	48	54	445,591	23.11	26.25
Independent Social Democrats ..	3	—	33,555	1.74	—
Agrarians	48	53	445,536	23.06	24.10
Conservatives ..	29	24	288,327	15.61	12.80
Swedish People's Party	14	13	131,404	6.76	6.98
Finnish People's Party	8	13	113,691	5.90	7.88

Another 15,252 votes (0.65 p.c.) were cast for Independent candidates, against 0.4 p c. for such candidates in 1954

73.8 per cent of the electorate of 2,630,000 went to the polls, against 79.9 per cent in 1954.

The outstanding features of the elections were (1) that the Popular Democratic Union (Communists) became the strongest party ; and (2) that, for the first time since 1916, the left-wing parties (Popular Democrats, Social Democrats, and Independent Social Democrats) commanded an overall parliamentary majority—viz. 101 seats, against 99 held by the right-wing parties.

The Social Democrats lost six seats but the Independent Social Democrats, which had split from the main party in March 1958 [see 16174 A], gained three—an overall Social Democratic loss of three seats compared with their strength in the previous Diet. The heaviest losses were suffered by the Agrarians and the Finnish People's Party, each losing five seats , the Conservatives gained five seats and the Swedish People's Party one

The reason for the Agrarian set-back was seen in the unpopularity of their economic policy of advocating higher prices for farm products at the expense of the urban population. The Finnish People's Party, whose leader (Professor Eino Saari) lost his seat, had at one time supported this policy. The Social Democratic losses were generally attributed to the split in the party's ranks, while the success of the Communists was ascribed to the country's economic difficulties, especially the increase in unemployment.

Immediately the election results became known, the Popular Democrats suggested to the Social Democrats that the two parties should form a coalition government ; this offer was rejected by the Social Democrats.

The new Diet met for the first time on July 29, when it elected Mr. V. J. Sukselainen—the leader of the Agrarians, and a former Prime Minister—as its Speaker.

The new parliamentary session was formally opened on July 30 by President Kekkonen, who appealed for co-operation between the parties to solve the country's grave social and economic problems, which required immediate attention. Later the same day it was announced that, following discussions between President Kekkonen, the Speaker, and the leaders of the political parties, it had been decided that there was no need for Dr. Kuuskoski's non-party government to tender its resignation immediately, as it had been formed on the express understanding that it would only remain in power until a parliamentary government was set up after the elections.

Further Split in Social Democratic Party.

Prior to the meeting of the new Diet, 10 members of the opposition group within the Social Democratic Party had written to the party executive proposing negotiations for the restoration of party unity, laying down certain conditions, and stating that they would refuse to take any further part in the party's parliamentary activities unless they received a reply by July 25. As the party executive refused to enter into such negotiations, and insisted on all matters in dispute being settled under the terms of the party's statute, the 10 M.P.s decided on July 28 to leave the party and to join the Independent Social Democrats. This decision increased the strength of the Independent Social Democrats to 13, while reducing that of the Social Democrats to 38. The Independent Social Democrats subsequently elected Mr. Simonen as their leader.—(Ministry of External Affairs, Helsinki)

(Prev. rep. 16174 A ; Elections, 14073 A.)

B. FRANCE - SOVIET UNION. — Opening of Direct Air Services between Paris and Moscow.

Direct air services between Paris and Moscow were opened on Aug. 1 by *Air France* and the Soviet *Aeroflot* line, the former using Super-Constellations and the latter TU-104 jet airliners. There will be two services a week in each direction by the two airlines.—(Le Monde, Paris)

(Prev. rep. 16311 B; 16266 B.)

C. UNITED STATES. — Launching of Explorer IV.

The largest American earth satellite launched to date, *Explorer IV*, was successfully fired into orbit at Cape Canaveral on July 26. Constructed and fired by the U.S. Army, it was the first satellite to be launched by the new Advanced Research Projects Agency (see page 16160).

Explorer IV weighs 38.43 pounds over seven pounds more than the two previous *Explorers* (*I* and *III*) that achieved orbit. A bullet-shaped missile, its overall weight is made up of 25.76 lb. for the satellite proper, 18.26 lb. of instruments carried, 7.50 lb. casing, and 12.67 lb. for the fourth-stage *Jupiter-C* rocket. It is 80 inches long 34 in. for the satellite itself and 46 in. for the final-stage rocket.

Whereas *Explorer I* and *Explorer III* were primarily designed for investigations into outer space temperatures, micro-meteorites, etc., and *Vanguard I* for temperature investigations only, *Explorer III* was specially designed to investigate the unidentified radiation whose intensity was such as to overwhelm the cosmic-ray counters carried in *Explorers I* and *III*. [As stated by Dr. Van Allen on May 1, the two latter satellites had encountered a hitherto unknown radiation belt of exceptional intensity at altitudes of 600 miles and beyond—see 16208 D.] For this purpose *Explorer IV* carries four radiation counters, two of the Geiger type and two of the scintillation type, and two radio beacons designed to transmit continuous information. The Geiger counter works by ionization of gas, and the scintillation type by converting radiation into pinpoints of light and counting them. Of the two radio beacons, one (of 30 milli-watts) transmits on 108.03 megacycles and the other (of 10 milli-watts) on 108 megacycles.

Explorer IV was fired at an angle of 51 degrees to the plane of the Equator, and will thus traverse an area of the earth's surface between 51 deg. N. latitude and 51 deg. S. latitude ; all previous satellites launched from Cape Canaveral had orbits ranging between 35 deg. N. and S. latitudes. The orbit of *Explorer IV* will carry it over a large part of the Soviet Union (the first U.S. satellite to do so) as well as over the whole United States, most of South America, and parts of Canada, Australia, and Africa ; its northernmost range in Europe will bring it over the south of the British Isles and to points north of Paris and Prague. First reports placed its apogee at 1,386 miles, its perigee at 178 miles, and its orbital time at 110 minutes.

Explorer III, launched into an erratic orbit on March 26, was believed to have come to an end on June 27, according to the Smithsonian Observatory at Cambridge (Mass.) and the Naval Research Laboratory in Washington ; one of its radio transmitters went "dead" on June 5, and no signals were received from the second after June 16.

The earth satellites at present encircling the globe are the American *Explorer I*, *Explorer IV*, and *Vanguard I* and the Russian *Sputnik III*. The *Explorer I* is expected to orbit the earth for three to five years, *Explorer IV* for a few years, and *Sputnik III* for about six months, while *Vanguard I* is expected to remain in orbit for at least two centuries. (New York Times)

(Prev. rep. Explorer III, 16147 B ; Sputnik III, 16182 A ; Cosmic Radiation Belt, 16208 D.)

D. IRAQ. — Republican Regime recognized by Great Britain and United States.

During the first week of August the new Republican Government of Iraq was officially recognized by the United Kingdom, the United States, Canada, Australia, New Zealand, Denmark, Norway, Sweden, Finland, and Lebanon.

British recognition of the Iraqi Republic was conveyed to Brigadier Kassem by Sir Michael Wright (H.M. Ambassador in Baghdad), who called on the Iraqi Prime Minister on Aug. 1. Sir Michael bore a letter from the British Government which (*a*) noted the assurances of the Iraqi Government with regard to the continuation of friendly relations between Iraq and the U.K., and the maintenance by Iraq of her existing international obligations ; (*b*) recognized that Iraq was an independent sovereign State ; and (*c*) recognized the Government formed by Brigadier Kassem as the Government of the Republic of Iraq. It was stated in Baghdad that Brigadier Kassem had told Sir Michael Wright that Iraq would base her relationship with Britain on "mutual interest and equality."

A Foreign Office spokesman in London said that Britain had reserved the right to claim compensation for the damage to the British Embassy and the death of Lieut.-Colonel Graham, who was shot during the revolt.

In addition to the countries mentioned on page 16307 (first column), the Iraqi Republic was also recognized by Saudi Arabia and Morocco during the last week of July. (Times - Daily Telegraph - Le Monde - New York Times) **(16305 A)**

Corrigenda. (1) The member of the British Embassy staff in Baghdad who was killed on July 14 was Lieut.-Colonel Patrick Graham—not Lieut.-Colonel "Wright" as incorrectly stated on page 16305.

(2) The correct name of the new Foreign Minister of Iraq is Dr. Abdul Jabbar Jomard. (Ed. *K.C.A.*).

A. SHIPPING. — World Construction Figures.

Lloyd's Register returns of merchant shipbuilding for the second quarter of 1958, published on July 23, gave the gross tonnage of vessels under construction throughout the world (excluding the U.S.S.R. and China, as well as all vessels under 100 tons, barges, etc.) as 10,133,497, of which 22.65 per cent was building in the United Kingdom and 77.35 per cent elsewhere.

Ships building in Great Britain and Northern Ireland numbered 336 of 2,295,371 tons (steamers 1,102,860 tons, motorships 1,192,511 tons), including 2 steamers of over 40,000 tons, 5 of 30,000-40,000 tons, 8 of 25,000-30,000 tons, and 13 steamers and 3 motorships of 20,000-25,000 tons. Of the total, 283 ships (1,950,674 tons) were building for the U.K., 17 (34,923 tons) for other British Commonwealth countries, 9 (98,300 tons) for Norway, 2 (42,000 tons) for Denmark, 4 (34,350 tons) for Liberia, 3 (25,800 tons) for Belgium, 2 (19,300 tons) for Greece, 1 (18,750 tons) for Panama, 1 (12,000 tons) for the Irish Republic, 2 (2,700 tons) for Poland, 1 small vessel each for the U.S.S.R. and Kuwait, and 6 ships (44,150 tons) for unspecified countries. The principal shipbuilding centres were: the Clyde (99 ships of 677,112 tons), the Tyne (38 ships of 382,352 tons), Belfast (19 ships of 337,800 tons), Sunderland (31 ships of 268,380 tons), the Tees (23 ships of 254,781 tons), Liverpool (12 ships of 106,202 tons), and Barrow (3 ships of 94,000 tons).

Ships building in other countries numbered 1,315 of 7,838,126 tons (steamers 3,546,094 tons, motorships 4,292,032 tons), divided as follows: Japan 147 (1,255,563 tons); Western Germany 228 (1,100,064 tons); Italy 98 (901,655 tons); the U.S.A. 47 (840,688 tons); the Netherlands 166 (724,864 tons); Sweden 67 (623,040 tons); France 63 (561,342 tons); Norway 62 (305,810 tons); Spain 107 (262,696 tons); British Commonwealth countries 70 (242,254 tons); Denmark 36 (234,149 tons); Poland 69 (196,000 tons); Yugoslavia 33 (192,415 tons); Finland 65 (182,773 tons); Belgium 16 (152,089 tons); Portugal 24 (43,040 tons); Turkey 8 (8,453 tons); Peru 1 (4,297 tons); Argentina 1 (3,000 tons); the Irish Republic 3 (2,397 tons); and 1 small vessel each in Mexico, Brazil, Greece, and Indonesia. The total included 2 steamers of over 40,000 tons in Japan, and 1 each in France, Sweden, and the U.S.A.; 6 steamers of 30,000-40,000 tons in the U.S.A., 2 each in Germany and Italy, 1 in the Netherlands and 2 motorships of this size in France; and 11 steamers of 25,000-30,000 tons in Japan, 4 in the U.S.A., 3 each in Sweden and Germany, 2 in France, and 1 motorship of this size in Sweden.

Tankers building throughout the world numbered 359 of 5,257,975 tons, including 74 (1,109,990 tons) in the U.K., 46 (757,493 tons) in Japan, 30 (710,450 tons) in the U.S.A., 32 (590,618 tons) in Italy, 59 (381,695 tons) in Western Germany, 20 (380,490 tons) in Sweden, 26 (351,218 tons) in the Netherlands, 14 (298,140 tons) in France, 15 (198,530 tons) in Norway, and 10 (155,000 tons) in Denmark.

Recent developments in connexion with shipping and shipbuilding are summarized below.

Proposed U.S. "Super-Liners." The U.S. Senate passed a Bill on June 9 authorizing the Government to build two new "super-liners," for operation respectively on Atlantic and Pacific routes, and to sell them to commercial operators at less than half their cost. The new Atlantic liner, intended as a sister ship to the *United States* (53,329 gross tons—see 12332 A), was estimated to cost $130,000,000 (about £46,500,000) and will be sold for $47,000,000 (£16,750,000); the smaller Pacific liner was expected to cost $75,000,000 (£27,000,000) and will be sold for $33,000,000 (£12,000,000).

New North Atlantic Passenger Line. A new U.S. passenger line—the American Banner Line, connecting New York with Zeebrugge (Belgium) and Amsterdam (Holland)—was inaugurated on June 19, when the tourist class liner *Atlantic* (18,100 gross tons) arrived at Zeebrugge on her maiden voyage from New York. Formed with the aid of a U.S. Government subsidy by Mr. Arnold Bernstein (who controlled the Red Star Line before World War II), the new line will principally carry tourist-class passengers. It is intended later to put two similar ships into service.

New Italian and West German Liners. The new Italian liner *Federico C* (22,000 gross tons—see 16168 A), of the Costa line, sailed from Genoa on March 23 on her maiden voyage to South America.

The liner *Hanseatic* (26,313 gross tons), formerly the Canadian Pacific *Empress of Scotland* and now owned by the Hamburg-Atlantic line (see 15989 A), left Cuxhaven on July 22 on her first voyage for New York under the West German flag. Reconditioned at a cost of £1,500,000, the ship accommodates 1,200 passengers, mainly in the tourist class.

New Greek Shipyard. The keel of a 25,000-ton tanker for the Niarchos group was laid on July 15 at Mr. Niarchos' new Hellenic Shipyard at Scaramanga, Greece (see 15704 A)—the first vessel to be built at this yard. It was stated that the Hellenic yard would in due course build tankers up to 65,000 tons, and that a floating dock able to take vessels of this size was being built for the yard in Germany.

New Tanker Finance Plan. It was stated on June 19 that a new company—Tankship Finance (U.K.) Ltd.—was being formed by a consortium of investment bankers, headed by M. Samuel & Co., to raise £10,600,000 on the British market to finance the tanker-building programme of the Caltex group of companies. Ships already on order in British, Continental, and Japanese yards will be taken over by the new company and chartered until 1983 to the Overseas Tankship (U.K.) Co. Ltd—the British tanker-operating subsidiary of the Caltex group, which will subscribe for £3,000,000 of the new company's loan capital.

Falling-Off in Orders for British Shipbuilders.

Figures published on July 22 by the Shipbuilding Conference showed that 28 ships aggregating 63,000 gross tons were ordered from British shipbuilders in the second quarter of 1958, bringing the total number ordered since June 30, 1957 to 164, aggregating 593,000 tons—the lowest figures since 1954. The number of ships on shipbuilders' order books at June 30, 1958, was 695, aggregating 5,970,000 gross tons and of an estimated value of about £860,000,000; by comparison, 812 ships aggregating 6,828,000 gross tons, and worth about £1,000,000,000, were on the order books at Dec. 31, 1957.

During the second quarter of 1958 orders were cancelled for nine ships, aggregating about 100,000 gross tons, bringing the number of cancellations from British shipyards in the year ended June 30 to 37.

Nuclear Propulsion.

It was announced on May 6 that Swan, Hunter, and Wigham Richardson Ltd. (Wallsend-on-Tyne), one of the leading British shipbuilding and marine engineering concerns, would collaborate with the Nuclear Power Plant Company (see 14360 A) in building nuclear-powered merchant ships. Messrs. Swan, Hunter, thus became the fourth British shipbuilding firm to make co-operative arrangements for exploring marine nuclear power, the others being John Brown and Co., Cammell, Laird and Co. (see 15704 A) and the Vickers group. In addition, Richardsons Westgarth and Co (the marine engineers) have formed a subsidiary for this project (Richardsons Westgarth, Atomic, Ltd), and the Mitchell Engineering Co. are also carrying out researches in this field. (Lloyd's Register of Shipping - Times - Daily Telegraph - New York Times) **(Prev. rep. 16168 A.)**

B. NEW ZEALAND. — Institute of Nuclear Science. - Creation of Atomic Energy Committee.

The N.Z. Minister of Scientific and Industrial Research, Mr. Holloway, announced on June 11 that the Government had decided to set up an Institute of Nuclear Science and to proceed with plans to purchase an atomic particle accelerator.

Mr. Holloway explained (1) that the new Institute would be a branch of the Department of Scientific and Industrial Research; (2) that the University of New Zealand would be fully represented on the Institute's advisory committee and would be given research facilities; (3) that the Institute would also provide laboratories and other facilities for the use of other universities, who would, however, be encouraged to develop research and training in the nuclear sciences within their own organizations. The decision to establish the Institute had been taken on the basis of recommendations by Australian and U.S. nuclear research experts who had visited New Zealand earlier in the year.

In a further statement on July 9 Mr. Holloway announced the appointment of a New Zealand Atomic Energy Committee, with the following responsibilities:

"To advise on the organization and administration of the Institute of Nuclear Sciences; make recommendations regarding the programme of research work at the institute and the funds required; advise on the co-ordination of New Zealand's activities in atomic affairs, including those of an international nature; encourage the publication and dissemination of the results of nuclear research; and advise on such other matters relating to nuclear science as might be referred to it."

The Committee will be under the chairmanship of Dr. R. W. Harman and will consist of two members of the Council of Scientific and Industrial Research, two scientists of the University of New Zealand, the University's Vice-Chancellor, and the Secretary of the Department of Scientific and Industrial Research—the two latter as *ex officio* members.

Dr. Harman (60), a New Zealander, had a distinguished career as scientist and administrator in Australia, where he was general manager and director of the Colonial Sugar Refining Company and a member of the Australian Atomic Energy Commission's advisory committee; he also served as Deputy-Chancellor of the Council of the New South Wales University of Technology.—(Directorate of Information, Wellington - N.Z. Department of External Affairs)

C. OMAN. — British Military and Economic Aid.

The U.K. Foreign Secretary (Mr. Selwyn Lloyd) announced in a written reply on July 31 that Britain had agreed to help the Sultan of Muscat and Oman to strengthen his military forces, and also to provide economic aid for the development of the Sultanate. The arrangements would include (1) the secondment of British military personnel where necessary; (2) the establishment of a small air force as an integral part of the Sultan's armed forces; and (3) British assistance in a civil development programme which would include road construction, medical and educational facilities, and agricultural research.—(Manchester Guardian) **(Prev. rep. 15709 A.)**

A. UNITED KINGDOM.—Report of British Transport Commission for 1957. - Deficit of £27,000,000 on British Railways.

The report and accounts of the British Transport Commission for the year ended Dec. 31, 1957, were published on June 27, 1958. They showed that the Commission had incurred the heaviset loss since its formation in 1948—this result being entirely due to losses on British Railways, whereas other sections of the Corporation's activities improved their position.

The operational deficit on British Railways amounted to £27,140,186, compared with a deficit of £16,496,624 in 1956. The Commission's other activities, including British Road Services, buses, London Transport, ships, docks, etc., earned a working surplus of £23,458,293. In view of the "intensified competition in all branches of public transport," the Commission considered the results of the year's working "as good as could reasonably be expected." They recognized, however, that "the prospects for increasing revenue at this time are not bright" and that the major objective in 1958 must be the reduction of working expenses. They also intended to "press urgently ahead" with the railways' modernization plan.

The report explained that at the beginning of the year receipts of British Railways, London Transport, and the Tilling and Scottish bus groups were "running well above expectations" as a consequence of oil and petrol rationing. For a short time the Commission were "within measurable distance of balancing their accounts," but this additional traffic fell off when petrol rationing was abolished. Moreover, the 5 per cent wage increase in January 1957 (see page 15434) and the rise in coal prices in July 1957 (see 15767 A) had cost the Commission £20,000,000 and £5,000,000 a year respectively The main increases in fares and charges to meet these additional costs were deferred until August-September, which meant that the receipts from extra traffic during petrol rationing were broadly absorbed by the higher costs incurred up to those dates.

Railway re-equipment and re-organization had made "encouraging progress" during the year, and in some important respects the modernization plan was "well ahead" of schedule. In many directions freight and passenger services had reached higher standards of speed, reliability, and convenience in 1957. The decline in railway freight traffic, in spite of the moderate level of rail charges in relation to prices generally, was attributed to (*a*) the general economic conditions; (*b*) increasing diversion of traffic to "C"-licensed road vehicles. In this connexion the report stated that the number of these vehicles in service passed the 1,000,000 mark for the first time towards the end of the year—a threefold increase since pre-war. Passenger traffic, on the other hand, continued to improve, and in spite of the growth of private transport British Railways were carrying more passengers than at any time since nationalization.

Analysis of Financial Results.

The financial results of the Commission's various activities were shown as follows:

Principal Carrying Activities—gross receipts, £712,310,646; working expenses, £724,262,212; deficit, £11,951,566.

Other Principal Activities—(docks and harbours, inland waterways, hotels and catering, letting of land and buildings)—gross receipts, £52,495,016; working expenses, £47,037,183; surplus, £5,457,833.

Income from Subsidiary and Associated Companies (i.e. bus and shipping companies, travel agencies, etc.)—surplus, £2,811,840.

The year's operations thus resulted in a working deficit of £3,651,893; but after taking into account interest and central administrative charges (together amounting to £59,847,429), the total deficit for the year amounted to £63,499,142. Under the Transport (Railway Finances) Act the Commission is authorized to borrow this amount from the Treasury.

Carrying Activities. Of the total receipts from this source, passenger traffic accounted for £286,162,524 (against £269,041,459 in 1956), freight traffic for £411,590,909 (£400,783,953 in 1956), and miscellaneous activities for £14,557,213 (£12,974,340). Details are shown below (all figures in £ million):

	Gross Receipts	Working Expenses	Surplus (+) or Deficit (−)	Better (+) or Worse (−) than 1956
British Railways: Passenger .. 138.9; Freight, Parcels and Mails .. 288.5; Parcels, etc. by Passenger Train 51.4; Collection and Delivery .. 13.3; Miscellaneous .. 9.3	501.4	528.5	−27.1	−10.6
British Road Services (Road Haulage)	50.3	47.5	+2.8	+1.0
Road Passenger Services (Provincial and Scottish Buses)	58.5	53.5	+5.0	−0.3
London Transport Services: Road Services	60.0	56.2	+3.8	+1.3
Railways ..	24.4	22.5	+1.9	−0.1
Ships (Passenger and Cargo Services)	16.6	14.7	+1.9	+0.1
Inland Waterways (Carrying Operations)	16.6	1.2	−0.2	−0.1

The percentages of working expenses to gross receipts were as follows: British Railways freight and passenger services, 105; road haulage services, 94; road passenger services (Provincial and Scottish), 91; London Transport road services, 94; London Transport railways, 92; ships, 89; inland waterways (carrying operations), 123.

Non-carrying Activities: The net profit of £5,457,833 was arrived at as follows:

Docks, Harbours and Wharves gross receipts £21,657,601; working expenses £19,224,927; net receipts £2,432,677.

Inland Waterways (non-carrying activities)—gross receipts, £2,668,139; working expenses, £3,024,995; deficit, £356,856.

Hotels and Catering—gross receipts, £21,906,887; working expenses, £21,760,372, net receipts, £146,515. Profits of £184,540 and £470,770 on hotels and refreshment rooms respectively were partially offset by a loss of £508,795 on restaurant cars.

Letting of Land and Buildings—Gross receipts, £6,262,386; working expenses, £3,026,889; net receipts, £3,235,497.

Detailed information given in the report regarding the principal activities of the British Transport Commission is summarized below:

British Railways. Passenger journeys and passenger-miles were each about seven per cent above 1956, but freight-tons and ton-miles were down by one per cent and three per cent respectively. Working expenses were £31,000,000 more than in 1956, including £26,000,000 for higher wages and general costs; most of the balance was for higher maintenance costs. Total train mileage increased by 1.6 per cent, largely as a result of further conversions from steam to diesel or electric multiple units.

During 1957 multiple-unit diesel trains were introduced on about 21 new routes, including Edinburgh-Glasgow (traffic up by 26 per cent); London-Hastings (diesel traffic 10 per cent more than corresponding steam services); Birmingham-Swansea (20 per cent traffic increase); Newcastle-Carlisle (34 per cent traffic increase). In the Birmingham and Hull areas diesel traffic was respectively 18 and 58 per cent higher than traffic under steam; in the Darlington area 30 per cent; in the Leeds-Bradford area 27 per cent; and in the Manchester-Macclesfield and Crewe-Stoke-Derby areas 29 per cent and 48 per cent respectively. By Dec. 31, 1957, a total of 1,316 new diesel train vehicles had been completed, out of 2,776 on order.

Progress in introducing better facilities for goods traffic had been slower, but total train-miles run by freight trains fully or partially fitted with vacuum brakes had risen by 20 per cent, with marked improvement in speed and reliability.

During the year further branch line services had been withdrawn and a number of wayside stations closed.

British Road Services. Despite some loss of traffic early in 1957 owing to fuel rationing, gross receipts were only about £100,000 less than in 1956, whilst expenses fell by about £1,100,000. Reasonable profits were earned by the Pickfords, Parcels, and Contracts companies, but the Meat Haulage company had incurred a loss on its operations.

Provincial and Scottish Buses. Results in 1957 were affected by fuel rationing in the early months and the national bus strike in July. The report added: "Public road passenger transport, without such abnormal influences, had been suffering a downward trend in traffic . . . The additional 444,000 private motor vehicles (including scooters and mopeds) which came on to the roads in 1957 could not fail to affect bus carryings. For this reason the maintenance of marginal services, such as those in rural areas, became more onerous. After careful examination and with the approval of the Traffic Commissioners it was possible to make a small reduction in service-miles on these routes, but the proportion of unremunerative services operated in England, Wales, and Scotland still remains uncomfortably high."

London Transport. Mainly owing to higher fares, receipts were the best since 1948. Although petrol rationing in the early months of 1957 led to additional traffic on L.T. road and rail services, traffic fell away rapidly as soon as rationing ended and the downward trend of recent years was resumed. The number of passengers on L.T. services fell by 2.3 per cent, but Green Line coach passengers increased by 9.5 per cent.

Ships. As in previous years, the main Continental services, apart from Southampton-Le Havre and Newhaven-Dieppe (see below) had produced satisfactory results, but the Clyde and Channel Islands services continued to show heavy losses. Passengers between Britain and the Continent rose by 68,000 but those to and from the Channel Islands fell by 63,000. About 26,000 more passengers were carried to and from Northern Ireland and 22,000 fewer to and from the Irish Republic.

Cargo declined by 90,000 tons, but 32,000 more motor vehicles were carried.

Docks, Harbours and Wharves. Total inward traffic rose by 2 per cent to 28,584,000 tons, but outward traffic declined by 3 per cent to 35,358,000 tons.

Staff. The Commission's staff increased by 307 during the year to 806,277 at Dec. 31, 1957, of whom 573,499 were employed by British Railways.

Other developments in connexion with nationalized public transport in recent months are described below.

Closing of Uneconomic Railways. The B.T.C. announced on June 11, 1958 that British Railways (Eastern Region), intended to close the greater part of the former Midland and Great Northern Joint Line, thus effecting an estimated saving of £500,000 a year and avoiding heavy expenditure on engineering works otherwise required. The first stages of the closure would take effect by the end of 1958.

The M. and G.N. line, with a length of 180 route miles, runs from Edmondthorpe (Leics.) and Peterborough (Northants.) to Sutton Bridge (Lincs.) and thence to Kings Lynn and Melton Constable (Norfolk), where three branches radiate to Cromer, Norwich, and Yarmouth. Only the Melton Constable-Cromer section will be retained pending further examination. The B.T.C. pointed out that the railway "is not a branch line, but a secondary or duplicate trunk route which was a product of the extravagant and over-optimistic period of railway development"; it had never paid its way and was largely duplicated by alternative facilities.

It had previously been announced (Feb. 12, 1958) that the Central Transport Consultative Committee had recommended that the Commission's decision to close the "Bluebell Line" between East Grinstead and Lewes (Sussex) should be upheld. The line was said to be losing £33,000 annually, and the Committee found that the introduction of light diesel services would not "show an adequate return."

Railway Economies and Train Cuts. Mr. Watkinson (Minister of Transport and Civil Aviation) announced on June 18 that economies to be made in railway services would include (1) a reduction of train mileage, including a cut of about nine per cent in the Western Region, followed by cuts in other Regions; (2) a reduction of overtime and week-end working; (3) reductions in repair and maintenance expenditure, and the scrapping of 100,000 older freight wagons by the end of 1958; (4) restriction of recruitment; (5) elimination of unremunerative services. He added that over 30 branch line services had been earmarked for withdrawal.

The chairman of the Scottish Area Board of the B.T.C. (Sir Ian Bolton) announced on June 30 that (1) some lightly loaded steam trains would be replaced by diesel units, saving about five per cent of the 20,000,000 miles a year run by Scottish trains; (2) that another five per cent of trains would be withdrawn altogether; (3) that the Glasgow suburban services would be reduced by closing several lines after 7.0 p.m. on weekdays and 2.0 p.m. on Saturdays. The changes would take effect in the first half of July.

Winter Suspension of Newhaven-Dieppe Service. The B.T.C. announced on June 4 that, subject to the agreement of the Transport Users' Consultative Committee, it was intended to suspend the Newhaven-Dieppe passenger service between Nov. 4, 1958 and March 19, 1959; the cargo service between the two ports would not be affected. It was explained that the great majority of the 356,640 passengers using the Newhaven-Dieppe route in 1957 travelled in the holiday season, and that in February 1958 the daily average of passengers was only 50.

On June 28 it was announced that the Southampton-Le Havre passenger and cargo service would be cut down for about 4½ months in the coming winter to two sailings weekly in each direction, instead of three as at present. Winter cuts in the Channel Islands services to two sailings a week from Southampton and two from Weymouth were announced on August 6.

Single Manning of Diesel and Electric Trains. An agreement between the B.T.C. and the Associated Society of Locomotive Engineers and Firemen, announced on Dec. 23, 1957 and effective from Jan. 1, 1958, provided for the manning of diesel and electric trains, both passenger and freight, by a single driver or motorman, except in certain circumstances. The exceptions to the manning rule were: (1) two men would man passenger trains between any two points where they were scheduled to run non-stop for over 100 miles or for more than two hours; (2) no man would be scheduled to drive passenger trains alone for over 200 miles or for more than six hours per duty turn; (3) the limits for non-stop running of freight trains single-manned would be 75 miles or two hours; (4) freight train drivers would not be scheduled to drive alone for more than 150 miles or six hours per duty turn; (5) between midnight and 6 a.m. both passenger and freight trains would be manned by two men except for those scheduled to finish between midnight and 1.0 a.m. or to start between 5 and 6 a.m.; (6) locomotives running light would be double-manned.

New Chief Inspecting Officer of Railways. It was announced on April 8, 1958 that Brigadier C. A. Langley had been appointed Chief Inspecting Officer of Railways in succession to the late Lieut.-Colonel G. R. S. Wilson.

Transport Commission Membership.

Mr. J. Ratter, a technical adviser to the B.T.C., was appointed on July 1 as a full-time member of the Commission in succession to Sir Lansdale Train, retiring. The appointments of Sir John Benstead (the deputy chairman), Lord Rusholme, and Sir Reginald Wilson as full-time members were confirmed for a further term.—(British Transport Commission - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 15735 A; 15930 A; 16018 C; 16209 A.)**

A. UNITED KINGDOM. — Prince Charles created Prince of Wales.

In a recorded message on July 26 at the concluding ceremony of the sixth Empire and Commonwealth Games, held at Cardiff, H.M. the Queen announced her intention of creating Prince Charles as Prince of Wales. The announcement was greeted with great enthusiasm by the large crowd and was warmly welcomed throughout the Principality.

Her Majesty's message was introduced by the Duke of Edinburgh, who was attending the Games. It ran as follows: "The British Empire and Commonwealth Games in the capital, together with all the activities of the Festival of Wales, have made this a memorable year for the Principality. I have therefore decided to mark it further by an act which will, I hope, give as much pleasure to all Welshmen as it does to me. I intend to create my son Charles Prince of Wales to-day. When he is grown up I will present him to you at Caernarvon."

[The Festival of Wales, referred to in the Queen's message, opened in May and will last for five months. Apart from pageants, displays, and exhibitions depicting all aspects of Welsh life and tradition, it was marked by the Commonwealth and Empire Games, held in Wales for the first time; other events will include a historical pageant at Pembroke Castle and the Royal National Eisteddfod of Wales at Ebbw Vale. The Festival was opened on May 3 with impressive ceremonies and processions in Cardiff, the capital of the Principality.]

Prince Charles, who is nine, became the 21st Prince of Wales, and the first holder of the title for 22 years; the last holder (the present Duke of Windsor) was created Prince of Wales in 1910, on his 16th birthday, and held the title until his accession in 1936 as Edward VIII. In addition to becoming Prince of Wales, Prince Charles automatically assumed the title of Earl of Chester—the two dignities having been linked for more than six hundred years. Prince Charles has just completed his first year at Cheam School, in Berkshire. (Times - Daily Telegraph - Western Mail, Cardiff)

(Prev. rep. Prince Charles, 9679 F; 9625 A.)

Historical Note. The English Princes of Wales are regarded as successors in title to the native-born Welsh princes of the Middle Ages and can claim descent from some of the ancient Welsh dynasties through Meredydd ap Tudor, great-grandfather of Henry VII. In the settlement that followed the Barons' Wars of the 13th century, the Welsh prince Llewellyn ap Gruffydd—who was allied with Simon de Montfort—received the title of Prince of Wales under the Peace of Montgomery (1267). Prince Llewellyn, the grandson of Llewellyn the Great, was killed in a skirmish in 1283 near Builth, on the Wye. On April 24, 1284, an infant prince (later Edward II) was born at Caernarvon Castle to King Edward I and Queen Eleanor and, according to legend, was presented to the Welsh barons as their prince. At the Parliament of Lincoln (1301) Edward I formally created his son Prince of Wales and also conferred on him the earldom of Chester. Prince Edward, however, allowed the principality of Wales to lapse on his accession as Edward II; the continuous succession of English Princes of Wales therefore begins with his grandson, Edward the Black Prince, who was invested as Prince of Wales in 1343 and who also held the title of Earl of Chester. Since the days of the Black Prince the two dignities have always been concentrated in the same hands.—(Times).

B. UNITED KINGDOM - UNITED STATES. — Entry into Force of Anglo-American Atomic Agreement.

The Anglo-American agreement of July 3 for extended co-operation in the development of nuclear weapons came officially into force on Aug. 4 under an exchange of Notes between Mr. Herter, acting U.S. Secretary of State, and Lord Hood, British Chargé d'Affaires in Washington. As required under the amended "McMahon Act," the agreement had lain before Congress for the statutory period of 30 days before coming into effect.

A five-year agreement was concluded on Aug. 8 between the U.K. Atomic Energy Authority and the Power Reactor Company of Detroit for exchanges of information on fast reactors.—(Times - New York Times) **(Prev. rep. 16298 A.)**

C. FRANCE. — M. Arrighi regains Parliamentary Privileges.

It was announced in the *Journal Officiel* on July 2 that parliamentary privileges had been restored to M. Pascal Arrighi, the Radical Socialist deputy for Corsica whose arrival in the island precipitated the revolt of May 24. As stated on page 16279 (second column), M. Arrighi's parliamentary immunity had been lifted by the National Assembly on May 26, during the Premiership of M. Pflimlin; the investigating magistrate decided on July 1, however, that there were no grounds for a criminal prosecution.—(Le Monde, Paris)

(Prev. rep. 16279 A.)

A. FRANCE - TUNISIA. — Clashes between Tunisian and French Forces in Remada Area. - Tunisian and French Complaints to Security Council. - Agreement on Evacuation of French Forces outside Bizerta.

After a period of relative quiescence since the Sakhiet incident, a new series of clashes between Tunisian forces and the French forces stationed in Tunisia took place during the second half of May, following the military *coup* in Algiers. All the incidents occurred in the Remada area in southern Tunisia, where the French garrison had been restricted to its base since the Tunisian Government's ban on French troop movements following the raid on Sakhiet.

On May 18 French troops from Remada forcibly occupied a road-block newly erected by the Tunisians in the desert some 25 miles to the north of Remada, and set up another one in the same area. The Tunisians, in turn, sent a strong force of troops and armed civilians to protect the area, but no clash occurred until May 24-25 when there was prolonged heavy firing after the French forces had refused a Tunisian demand to evacuate the airfield outside Remada. Five French soldiers were killed and four injured by heavy Tunisian mortar-fire, and at the request of the French garrison, French aircraft—alleged by the Tunisian Government to have come from Algeria—intervened in the fighting and attacked Tunisian positions.

In consequence of the clash of May 24-25, the state of emergency—hitherto confined to the frontier areas—was extended by the Tunisian Government to cover the whole country. President Bourguiba announced on May 26 that Tunisia would renew her complaint against France in the Security Council, adding that Tunisia had asked the United States for arms ; the Foreign Office in London stated on May 27 that the British Government had received a similar request from the Tunisian Government.

M. Mongi Slim (Tunisian Ambassador in Washington and permanent representative at the U.N.) submitted on May 29 a formal complaint of " acts of armed aggression committed by the French forces stationed in Tunisian territory and in Algeria," together with a request for a speedy meeting of the Security Council. The French Government immediately lodged a counter-complaint reiterating its former allegation that Tunisia was assisting the Algerian insurgents, and accusing Tunisia of violating " the *modus vivendi* established since February with regard to the stationing of French troops at certain points in Tunisian territory."

Both complaints were heard by the Security Council on June 2, when M. Mongi Slim and M. Georges-Picot (France) made statements on behalf of their respective Governments—the former alleging that the French forces in Tunisia had been guilty of almost daily acts of an " aggressive character " since mid-May, and the latter maintaining that Tunisia was guilty of " aggression " through her continued support for the Algerian insurgents.

Following the cordial messages exchanged between General de Gaulle and President Bourguiba on June 2, however (see 16304 C), M. Georges-Picot proposed on June 4 that the Security Council should adjourn its discussions for about a fortnight to permit of direct negotiations between France and Tunisia. On the proposal of M. Slim, the Security Council accordingly adjourned to June 18.

As a result of discussions between M. Bénard (the French Chargé d'Affairs in Tunis) and Tunisian Ministers, an agreement on the evacuation of the French forces was concluded on June 17. It provided that the 7,000 troops stationed outside Bizerta would be withdrawn within the next four months, and that negotiations for a provisional agreement on the status of the Bizerta base, over which Tunisian sovereignty would be recognized, should begin not later than Oct. 1. The Tunisian Government undertook to remove all restrictions on the movements of the French troops. When the Security Council met on June 18, M. de Vaucelles (France) reported that full diplomatic relations would be resumed as a result of the agreement, and that France and Tunisia would have an opportunity to reach agreement on all outstanding problems.

In accordance with the agreement of June 17 the first French troops left Remada on July 5 for Sfax, where they embarked for Algiers. The remainder of the Remada garrison left on July 10.

Following the agreement of June 17, M. Gorse (the French Ambassador) returned to Tunis on June 22 after an absence of over five months ; it was stated in Paris that he would immediately resume negotiations with the Tunisian Government on all questions outstanding between the two countries. (Le Monde - U.N. Information Centre, London) **(16203 A.)**

Note. The number of fatal casualties in the Sakhiet raid, at first variously reported as 69 and 75, was given by M. Mongi Slim in his memorandum to the Security Council as 79.

B. GREECE - SOVIET UNION. — Trade Agreement.

A three-year trade agreement between Greece and the Soviet Union, covering the period 1958-60, was signed in Athens on July 21.

The agreement provided for total exchanges of goods worth $62,500,000 (approximately £22,300,000) each way on an annually rising scale : viz. $17,500,000 in 1958, $21,000,000 in 1959, and $24,000,000 in 1960. The most important Greek exports will be tobacco, citrus fruits, and dried fruits, as well as bauxite, hides and skins, and olive oil, while the principal Soviet exports will be machinery, oil and oil products, coal and anthracite, timber, paper and pulp, rolled steel, and chemical goods. [A previous Greco-Soviet trade agreement for 1957 had envisaged exchanges of goods worth $17,500,000 in each direction, but these totals were not reached Greek imports from the U.S.S.R. being only $13,600,000, against exports to the U.S.S.R. of $10,700,000.]

It was pointed out in Athens that the new trade agreement constituted a deliberate step towards the further development of commercial exchanges between Greece and the countries of the Soviet bloc, because of dissatisfaction at the lack of sufficient openings for Greek exports to Western countries. Moreover, in the recent elections the Government had been accused by the left-wing parties of shunning economic co-operation with the Communist countries for purely political reasons.

Prior to the signing of the new agreement the Greek Cabinet had approved legislation granting the Government the right to import foreign goods for the use of the State and of public corporations without previous international tendering, so as to enable Greece to fulfil her obligations *vis-à-vis* the Soviet Union.—(Hellenic News Agency, Athens - Soviet Embassy Press Department, London)

C. OCEANOGRAPHY. — Discovery of New Ocean Current in the Pacific.

The discovery of a hitherto unknown ocean current in the Pacific, 250 miles wide and up to 1,000 feet in depth, was announced on June 28 by the University of California Scripps Institution of Oceanography. It was stated that the current had been traced from a point north of the Marquesas to the Galapagos Islands—i.e. over about half the Pacific Ocean.

The new current (still unnamed) was discovered as a result of extensive investigations carried out in April and May by two research vessels taking part in the International Geophysical Year programme—the *Horizon*, of the Scripps Institution, and the *Hugh M. Smith*, of the Pacific Ocean branch of the U.S. Fish and Wildlife Service. The new current, which travels in an east-to-west direction at three knots an hour, was described as " as strong as a thousand Mississippi Rivers and as swift as the Gulf Stream." It moves to the south of the South Equatorial Current, and in the reverse direction.

Dr. Roger Revelle, director of the Scripps Institution, described the finding of the new current as " one of the great oceanographic discoveries of all time " and as " comparable with the wartime discovery of the jet stream in the atmosphere."—(New York Times) **(Prev. rep. 15501 A.)**

D. UNITED STATES. — Mr. Gordon Gray appointed Special Assistant for National Security Affairs. - Creation of Office of Defence and Civilian Mobilization.

Mr. Gordon Gray (48), who resigned on June 24 as Director of the Office of Defence Mobilization, was sworn in on July 23 as Special Assistant to President Eisenhower for National Security Affairs *vice* Mr. Robert Cutler, who relinquished the post to return to business life. A former president of the University of North Carolina, Mr. Gray held several posts in the Truman Administration, including that of Secretary of the Army.

The Office of Defence Mobilization and the Federal Civil Defence Administration were merged on July 1 as the Office of Defence and Civilian Mobilization. Mr. Leo Hoegh, formerly head of the Federal Civil Defence Administration, was appointed Director of the O.D.C.M.—(New York Times)
(Prev. rep. 15636 B ; 15385 C.)

E. UNITED KINGDOM. — Retirement of Sir Wilfred Neden. - Mr. St. John Wilson appointed Chief Industrial Commissioner at Ministry of Labour.

It was announced on July 30 that Sir Wilfred Neden, Chief Industrial Commissioner at the Ministry of Labour, would be retiring in August and would be succeeded in that post by Mr. P. H. St. John Wilson, Under-Secretary of the Industrial Relations Department of the Ministry of Labour. Sir Wilfred Neden (64) became Chief Industrial Commissioner in February 1954, and has been concerned with the settlement of many of the major strikes and disputes of the past four years. Mr. St. John Wilson (50) is the son of Dr. H. A. Wilson, formerly Bishop of Chelmsford.—(Times - Manchester Guardian)

AUGUST 9—16, 1958

A. UNITED STATES.—The Voyage of the "Nautilus" under the North Pole. - U.S.S. "Skate" reaches the Pole.

It was announced from the White House on Aug. 8 that the U.S. atomic submarine *Nautilus* (3,000 tons) had completed the first voyage in history under the North Pole, thereby pioneering a new and shorter route from the Pacific to the Atlantic and Europe. The *Nautilus* began her voyage at Pearl Harbour on July 23, passed through the Bering Straits on July 29, went under the Arctic icecap off Point Barrow (Alaska) on Aug. 1, and emerged four days later in the Greenland Sea in latitude 79 degrees North. Her log was as follows (all times G.M.T.):

Departed Honolulu 06.00 hours July 23.
Transited Bering Straits July 29.
Dived under pack ice off Point Barrow 12.37 hours August 1.
Passed under North Pole 03.15 hours August 4.
Emerged in 79 deg. N. 13.54 hours August 5.

The *Nautilus* was commanded by Commander William R. Anderson (37) and carried a crew of 116, including scientific observers. On her emergence in the Greenland Sea, Commander Anderson was transferred from the submarine to a U.S. helicopter, taken to Keflavik (Iceland), and flown thence to Washington, where he was decorated with the Legion of Merit by President Eisenhower. Presidential citations—the first of their kind in peacetime—were conferred on Commander Anderson and the crew of the *Nautilus*.

The Presidential citation to Commander Anderson was "for exceptionally meritorious conduct in the performance of outstanding service while serving as Commander of U.S.S. *Nautilus* during the period June 8, 1958 to Aug. 5, 1958." It continued: "Commander Anderson, by far-sighted planning, skilled seamanship, and thorough study of the Arctic area, succeeded in cruising *Nautilus* across the top of the world from the Bering Sea to the Greenland Sea, passing submerged below the North Pole. Under his intrepid leadership, *Nautilus* pioneered a submerged sea lane between the Eastern and Western Hemispheres. This points the way for further exploration and possible use of this route by nuclear-powered submarines as a new commercial seaway between the major oceans of the world."

The citation to the crew of the *Nautilus* was for "outstanding achievement in completing the first voyage in history under the Arctic icecap from the Bering Straits to the Greenland Sea . . . passing below the North Pole."

As stated below, the *Nautilus* completed her transpolar voyage by arriving at Portland (England) on Aug. 12; in the 19 days since leaving Pearl Harbour she had covered 8,146 miles at an average speed of over 17 knots. The submerged voyage of 1,830 miles under the Arctic icecap—from Point Barrow to the submarine's emergence in the Greenland Sea—was made in 96 hours.

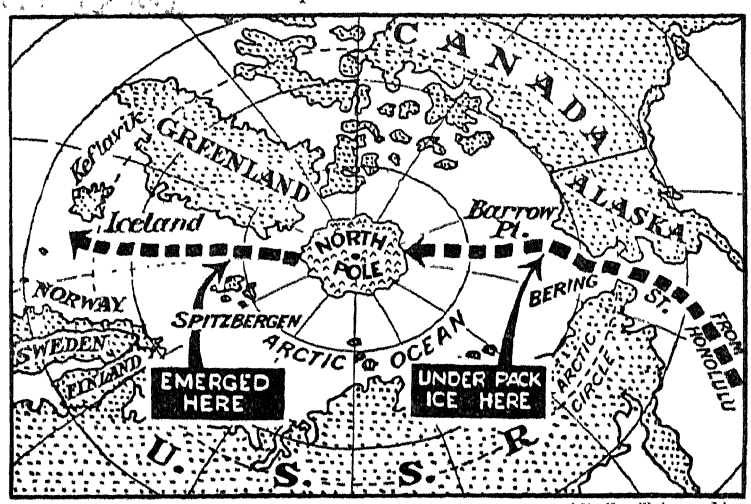
In a "fact sheet" issued by the U.S. Navy on Aug. 8, details were given about some of the equipment carried in the *Nautilus*, and also of the results of scientific investigations carried out during the transpolar voyage.

It was disclosed that the equipment included (1) a closed television network "with the camera pointing up for observing ice"; (2) ten separate sound instruments for detecting ice above the submarine, and three others for measuring the distance to the ocean floor below; (3) four compasses of various types; (4) automatic control gear for holding the submarine exactly on course and depth; and (5) an "inertial navigation system" (see below).

Results of scientific observations were summarized as follows: (1) the polar ice was found to be 12 feet thick on an average, though some ridges extended down to 50 ft. and even further; (2) measurements with a precision fathometer showed the water at the North Pole to be 13,410 ft. deep (nearly 2,000 ft. deeper than the maximum measurement previously recorded); (3) water temperatures in the Arctic Ocean were found to be about 32 deg. F., although north of Spitzbergen a branch of the Gulf Stream brought it up to 40 deg. F.; (4) the *Nautilus* had obtained a continuous record of water depth and ice thickness all the way across the Arctic Ocean, thus providing scientists and hydrographers with much important information previously unknown; (5) over 11,000 individual soundings were obtained in the relatively uncharted Arctic Basin; (6) the Arctic Ocean was found to be bisected by a 9,000-ft. submerged mountain range (the Lomonosov Ridge) running from Canada to Russia, and coming to within 2,500 ft. of the surface; (7) the ice in the Arctic Ocean was found to be in constant motion owing to the ocean currents and the winds; (8) "water openings are always present even in the dead of winter, although unbroken ice sometimes stretches for ten miles or more."

It was also stated that the submarine's nuclear power plant had performed perfectly throughout; that there were no casualties on the transpolar voyage; that the temperature inside the *Nautilus* during the entire voyage was 72 deg.; and that 93 per cent of the trip from Pearl Harbour to Iceland was made submerged, "the small time on the surface being used to survey the ice-pack edge." The *Nautilus* was entirely submerged on the 3,000-mile voyage from Honolulu to the Bering Straits, made at an average speed of 20 knots—a record for a long submerged voyage.

The U.S. Navy's "fact paper" said that the *Nautilus* was "the first combatant ship with an inertial navigation system," adding that "such a system works as well at the North Pole as anywhere else, unlike an ordinary gyro compass." The *New York Times* described the inertial navigation system as "a complex of gyroscopes, accelerometers, integrators, star trackers, depth finders, and other instruments which automatically enables an accurate determination of the ship's position even on long submerged cruises . . . [It is] essentially a computer of great accuracy that provides precise ship's position in latitude and longitude, true heading or course, ground speed, and pitch-and-roll information. An occasional star sight through the submarine periscope monitors and corrects the computer."



(*Daily Telegraph*)

In a press statement in Washington on Aug. 8, Commander Anderson disclosed that the *Nautilus*, when submerging under the pack ice north of Point Barrow, had navigated a "deep sea valley" ranging in depth from 300 ft. to an estimated 1,200 ft. Varying in width from four to 12 miles, it ran parallel to the north coast of Alaska and thence into deep water below the polar icecap. He declined to comment on the speed and depth of the *Nautilus* when cruising under the Arctic Basin, saying only that "we were cruising below 400 ft. at a speed of over 20 knots."

Commander Anderson arrived in London by air from Washington on Aug. 11 and was flown by helicopter to rejoin the *Nautilus* off the British coast. The submarine arrived at Portland on Aug. 12 as stated above, and was enthusiastically welcomed by hundreds of dockyard workers and thousands of holiday-makers. She was met by Lord Selkirk (First Lord of the British Admiralty), senior British naval officers, and the U.S. Ambassador (Mr. John Hay Whitney), who presented the presidential citation to the crew of the *Nautilus* on behalf of President Eisenhower.

The historic voyage of the *Nautilus* aroused world-wide interest, particularly as regards the eventual possibility of using the transpolar route for commercial purposes by nuclear-powered cargo submarines, as mentioned in President Eisenhower's citation to Commander Anderson. In this connexion, President Eisenhower's Press Secretary (Mr. Hagerty) pointed out that the present distance from London to Tokio *via* the Panama Canal was about 11,200 nautical miles; by traversing the Arctic under the icecap the distance would be reduced to 6,300 miles—a saving of nearly 5,000 miles.

The *Nautilus*, the world's first atomic submarine, was designed by Rear-Admiral Rickover and commissioned in September 1954 (see 13828 C). Prior to her transpolar feat she had made a number of long-distance submerged voyages, of which the most spectacular was a 3,000-miles journey from Connecticut to San Diego (California) *via* the Panama Canal, taking seven days and completed on May 30, 1957; she was submerged throughout the whole voyage except when traversing the Panama Canal. In the following month she remained submerged for 14 days while taking part in NATO exercises in the Atlantic. Her sister-ship, the *Seawolf*, was launched in July 1955 (see 14338 D) and commissioned at Groton (Connecticut) on March 30, 1957.

An interesting parallelism between the voyage of the *Nautilus* and the fictional *Nautilus* of Jules Verne's romance *Twenty Thousand Leagues under the Sea* (after which the atomic submarine is named)

was commented upon in the *New York Times*. Whereas the actual *Nautilus* sailed under the Arctic icepack and the North Pole, passing through a "deep sea valley," Captain Nemo's vessel cruised under the Antarctic ice through a similar submarine tunnel to reach the South Pole. In Jules Verne's story (published in 1869) the fictional *Nautilus* was described as 232 feet long, while the contemporary *Nautilus* has a length of 300 feet. As an additional point of similarity, Captain Nemo's *Nautilus* was powered by electricity generated from the sodium chloride in sea water; the U.S. atomic submarine fleet, and in particular the *Seawolf*, uses liquid sodium as a coolant or heat transferent.

U.S.S. "Skate" at the North Pole.

The U.S. Navy announced on Aug. 12 that a second atomic submarine, U.S.S. *Skate*, had repeated the feat of the *Nautilus* by crossing the North Pole under the Arctic icecap—this time in an east-to-west direction. The announcement said: (1) the *Skate* had sailed from New London (Connecticut) on July 30 "to conduct under-ice exploration in the Arctic"; (2) she had reached the Pole at 0147 G.M.T. on Aug. 12; (3) she had "subsequently surfaced in an icefield about 40 miles from the Pole, reported the fact of her polar transit, and is continuing her under-ice exploration." The *Skate*, which is rather smaller than the *Nautilus*, went under the icepack at a point between Iceland and Greenland; she carried a crew of 97 and was under the command of Commander James F. Calvert. The U.S. Defence Department stated that she would remain in the polar region for most of the month of August.

The *Skate*, described as "the first of the assembly-line submarines," was commissioned at Groton on Dec. 23, 1957. Though displacing just over 2,000 tons, compared with the 3,000-tons displacement of the *Nautilus* and *Seawolf*, she is said to be able to cruise around the world without surfacing and to travel 60,000 miles without refuelling—equal to three times around the earth at the Equator. In March 1958 she gained the distinction of being the first submarine to cross the Atlantic in both directions submerged. On the first (east-to-west) trip she remained submerged for 8 days 11 hours between leaving New London and emerging off the Lizard, at the entrance to the English Channel; the return journey from the Lizard to Nantucket was made submerged in 7 days 5 hours—20 hours better than the previous record set up by the *Nautilus*.

The American Nuclear Submarine Fleet.

Three nuclear-powered submarines have so far been commissioned in the U.S. Navy—the *Nautilus*, *Seawolf*, and *Skate*. Two others, the *Swordfish* and *Sargo*, were launched in 1957 and are nearing completion; two more, the *Seadragon* and *Triton*, are scheduled for launching in the present month (August 1958); another 13 are under construction; and contracts have been placed for a further nine—giving a total of 29 atomic submarines when the programme has been completed.—(New York Times - New York Herald Tribune)
(Prev. rep. "Nautilus," 13828 C; "Seawolf," 14338 D.)

A. UNITED KINGDOM. — Government Assistance to reduce Local Unemployment. - Special Areas for New Work Projects.

In a parliamentary written answer on July 30, the President of the Board of Trade (Sir David Eccles) announced (1) that the Government had decided to encourage industrial development in areas where the level of unemployment was above the national average; (2) that the Board of Trade would be more critical and discouraging when firms wished to expand or extend in the more congested parts of Britain; and (3) that the Development Areas Treasury Advisory Committee (D.A.T.A.C.) had been reconstituted so as to advise the Government in carrying out its policy in reducing the incidence of local unemployment.

Sir David Eccles issued a list of places in which industrial development would be encouraged under the provisions of the Distribution of Industry (Industrial Finance) Act, either by assisting new projects to establish themselves in those areas or by helping established firms. The areas in question have a persistent level of unemployment of at least 4 per cent of their working population, i.e. double the national average; though covering only 7 per cent of the total of insured workers in Britain, they account for 17 per cent of the total unemployed in the country. The areas were:

England.

Cornwall—The whole of Cornwall except Truro, St. Austell, St. Blazey, Lostwithiel, Launceston, and Bude.
Devon—Brixham, Ilfracombe, and Plymouth.
Kent—Herne Bay, the Isle of Thanet, and Whitstable.
Lancashire and Cheshire—Barrow-in-Furness, Dalton-in-Furness, and Merseyside.
Lincolnshire—Alford, Mablethorpe, and Skegness.
Norfolk—The coast belt from Blakeney to Great Yarmouth.
Suffolk—North-east Suffolk, excluding Lowestoft and Beccles.
Yorkshire—Bridlington, Filey, Scarborough, and Whitby.

Scotland.

North Lanarkshire; western Clydeside, with Bute; the Highlands and Islands; the Buckie-Peterhead area; Aberdeen; and the Dundee area.

Wales.

South-east Carmarthenshire and the adjoining part of Glamorgan; Milford Haven, Pembroke and Pembroke Dock; Anglesey; Blaenau Festiniog; and Caernarvonshire.

The provisions of the Distribution of Industry (Industrial Finance) Act are given on page 16162, second column; the legislation was enacted on July 24 after passing through all its stages in both Houses.

The Board of Trade explained on July 30 that grants and loans under the Act would be adapted to suit the particular needs of the applicant in meeting the uneconomic costs that he might incur by going to a nominated place [i.e. to one of the areas listed above]; for example, movement of machinery and plant, building houses for workers, levelling of sites, and construction of railway sidings, as well as additional transport costs. Government assistance might also be available for non-industrial firms wishing to site their offices outside congested areas, e.g. branch offices of banks, and departments of hire-purchase and insurance companies. In all cases the test would be whether the development created new jobs.

Sir David Eccles explained (in his written answer) that it was not the Board of Trade's present practice, save in the most exceptional circumstances, to issue industrial development certificates to firms wishing to set up factories in the more congested parts of Britain. He said in this connexion:

"I propose in future to examine all such applications, both for new buildings and for extensions, even more critically than in the past, and to extend the practice at present applied in the Greater London and Greater Birmingham areas to other parts of the country where employment is low." [The present practice is that all industrial building projects which are more than 5,000 sq. ft. must be backed by a certificate from the Board of Trade; in the more congested areas these are only granted in exceptional circumstances.] "I recognize that this may mean refusal to allow a project to go forward in some particular place, even though the labour could be found. But there are other places where the need for new industry is much greater, and it is these, in particular, that I should hope to benefit from this decision."

Finally, Sir David Eccles announced that the D.A.T.A.C. had been reconstituted with the following membership:

Mr. W. K. M. Slimmings (of Thomson McLintock & Co., accountants) as chairman; Mr. P. O. Williams, company director and secretary of the Tinplate Manufacturers' Association; Mr. Malcolm McDougall, managing director of J. and P. Coats Ltd.; Mr. S. A. H. Whetmore, a former director of I.C.I.; Brigadier L. H. McRobert, company director; and Mr. Lewis T. Wright, of the Amalgamated Weavers' Association and chairman of the British Productivity Council.

[Applications for Treasury help must be submitted to the D.A.T.A.C., which was set up under the 1945 Distribution of Industry Act. The committee is an independent group whose recommendations must either be accepted in their entirety by the Treasury or rejected; the Government may not vary them. Each application will be treated individually, and in each case the committee will decide whether or not to recommend a grant, annual grants, or a loan, and what rate of interest should be paid.]

It was stated by the Board of Trade that if conditions deteriorated in other areas, the Government would add them to the list, which would be revised and published at intervals of about six months.—(Times - Daily Telegraph - Manchester Guardian - Financial Times) **(Prev. rep. 16161 A.)**

B. SOVIET UNION. — Restoration of Kalmuck Autonomous Republic.

A decree reconstituting the Kalmuck Autonomous Soviet Socialist Republic was issued on July 29 by the Presidium of the Supreme Soviet of the U.S.S.R., in fulfilment of the decision taken by the Supreme Soviet in February 1957.

The Kalmucks, who have racial and religious affinities with the Mongols and Lamaist Buddhism, have been subject to dispersion and deportations for nearly 200 years. In 1771 their difficulties had become so hard to bear that those who were settled in Russian territory (mainly in Siberia and Central Asia) returned to China at the instigation of the Emperor Ch'ien Lung; thousands died during the arduous migration before reaching what is now Sinkiang. During the Second World War the Kalmuck communities at the mouth of the Volga were deported *en masse* to Siberia, while large numbers of others were captured by the Germans or dispersed as refugees. It is not known how many were lost in the mass deportations of 1943, but the number was believed to be very large. In his speech at the 20th Soviet Party Congress (February 1956) M. Khrushchev denounced the Stalinist deportations of the Kalmucks and allied peoples as cruel, unjustified and "monstrous."

The Kalmuck A.S.S.R. is situated to the south of Astrakhan and inland from the Caspian Sea.—(Times - Soviet Embassy Press Department, London) **(Prev. rep. 15440 B.)**

A. UNITED KINGDOM. — Independent Television. - Developments, 1956-1958.

Developments in connexion with Independent Television during the past two years are summarized below under cross-headings.

New Transmitting Stations.

Four new transmitting stations, in addition to the stations at Croydon and Lichfield (see 14772 A ; 14980 B), were opened by the Independent Television Authority in 1956 and 1957, as follows :

Winter Hill, Lancashire. This station, covering Lancashire, Cheshire, and parts of Denbighshire, Flintshire, Staffordshire, Derbyshire, and Cumberland, was opened on May 3, 1956. It covers a larger population (7,440,000, including Liverpool and Manchester) than any other I.T.A. station except Croydon.

Emley Moor, West Riding of Yorkshire. This station, opened on Nov. 3, 1956, serves the greater part of Yorkshire, northern Lincolnshire, and part of Nottinghamshire. About 4,710,000 persons live within its range.

Black Hill, Lanarkshire. This station which started broadcasting on Aug. 31, 1957, serves a population of about 3,280,000 in the Scottish central lowlands, covering the area between Greenock-Ayr on the west coast and Arbroath-Dunbar on the east, including Glasgow, Edinburgh, Dundee, and Perth.

St. Hilary, Glamorgan. This station, opened on Dec. 17, 1957, serves about 3,280,000 people in South Wales and the West of England, it covers the counties of Glamorgan, Monmouthshire, and parts of Carmarthenshire and Pembrokeshire in Wales, as well as Somerset and parts of Gloucestershire, Wiltshire, Dorset, and Devon in England.

In its third report, covering the year ended March 31, 1957 and published on Nov. 12, 1957, the I.T.A. stated that two further stations would shortly be opened—at Chillerton Down, Isle of Wight, to serve the south of England, and at Burnhope (Co. Durham) to cover North-East England. Details were given as follows :

Chillerton Down. This station, intended to serve a population of about 2,760,000 in Hampshire and parts of Sussex, Surrey, Berkshire, and Wiltshire, was expected to be opened in the late summer of 1958. The area covered stretches from Bridport in the west to Brighton in the east and Guildford and Newbury in the north.

Burnhope. This station would serve about 2,500,000 people in an area stretching from Alnwick in the north to Whitby in the south, including the highly populated industrial areas of the Tyne, Wear, and Tees.

The Authority added that it " did not exclude the possibility that it could improve on the original programme of station-building so as to provide by 1960 a service for perhaps 95 per cent of the population from 15 or more stations."

Programme Contractors.

The I.T.A. report for 1956-57 (see above) recalled that at April 1, 1956, four programme companies were operating or were due to begin operating, viz :

Associated-Rediffusion Ltd.	London, Monday-Friday.
Associated TeleVision Ltd. . .	London, Saturday and Sunday. Midlands, Monday-Friday.
A.B.C. Television Ltd. . .	Midlands and North, Saturday and Sunday.
Granada TV Network Ltd. . .	North, Monday-Friday.

The first two companies have been operating since September 1955 ; the third since February 1956 ; and the fourth since May 1956.

It was announced on Feb. 3, 1958, that, with the approval of the I.T.A., the Associated British Picture Corporation had acquired the minority shareholdings in A.B.C. Television Ltd., hitherto held by the Birmingham Post and Mail Ltd., Birmingham Despatch and Mercury Ltd., and the Bradford and District Newspaper Co. Ltd., thus becoming the sole shareholders in A.B.C. Television. Both the Birmingham Post and Mail Ltd. and the Westminster Press Provincial Newspapers Ltd. (the parent company of the Bradford and District Newspaper Co.) retained their interests in Associated Television Ltd.

Contracts for Additional Stations. *Black Hill.* The report explained that the contract subsequently made for this station with Scottish Television Ltd. (see 14980 A) differed from those made with the first four companies in providing for Scottish Television to supply programmes for the whole week. The I.T.A. considered that, for some years at least, the potential audience in Central Scotland would not be large enough to support more than one programme company. Scottish Television would, however, be able to select network programmes offered by other companies ; moreover, the I.T.A. already had plans for further transmitter stations elsewhere in Scotland, which might provide an opportunity for another independent company.

St. Hilary. The acceptance of an offer for the supply of programmes for this station throughout the week was announced by the I.T.A. on Oct. 26, 1956. The contracting company was a group known as T.W.W. Ltd. (Independent Television for South Wales and the West of England), with Lord Derby as president and Lord Glenamin as chairman. Other directors include Mr. Herbert Agar (the American historian and author), Sir William Emsley Carr (chairman of News of the World Ltd.), Sir Ifan ap Owen Edwards (founder of the Welsh League of Youth), Mr. Alfred Francis (administrator general of the London Old Vic), Mr. Sidney Gilliat (the film producer), and Sir Grismond Philips (chairman of the Historic Buildings Council for Wales). Mr M. Chapman-Walker (manager of the *News of the World*) was appointed managing director.

Burnhope. The I.T.A. announced on Dec. 3, 1957 that it had accepted the offer of a company headed by Sir Richard Pease (chairman of Transparent Paper Ltd., and a director of the Cleveland Bridge and Engineering Co.) to supply programmes for this station. The company's board would include Lord Layton (chairman, Daily News Ltd.), Mr George Black and Mr. Alfred Black (the theatrical impresarios), and Mr. Sidney Box (the film producer).

I.T.A. Accounts for 1956-57.

The accounts of the I.T.A. for the year ended March 31, 1957, were published on Nov. 12, 1957.

Operating income was shown at £1,702,152 (against £423,499 in the previous year) and expenditure on revenue account at £415,901 (£182,213) ; provision for taxation, depreciation, etc., left a balance of £686,837. After adding £2,238 brought forward from the 1955-56 accounts and transferring £680,067 to reserves (including £580,000 for capital expenditure), a balance of £9,008 was left to be carried forward to 1957-58.

The accounts showed that £550,000 had been advanced to the Authority by the Postmaster-General under the Television Act (which sanctions advances of up to £2,000,000 over five years), of which £45,067 had been repaid.

Financial Results of Programme Companies.

The financial results for 1955-56 and 1956-57 of Associated-Rediffusion Ltd. and Associated TeleVision Ltd.—the first programme companies to begin operations—are summarized below.

Associated-Rediffusion Ltd. This company's first report (published Dec. 18, 1956), covering the 17 months from its incorporation to April 30, 1956, showed a loss of about £2,000,000. The second report, covering the year ended April 30, 1957 (published Nov. 14, 1957), showed a further loss of about £1,000,000, making a total loss of about £3,000,000 in the first 29 months of the company's existence.

Mr. John S. Wills (the company's chairman), commenting on the second report, attributed the losses mainly to the heavy cost of providing programmes in the initial stages, Associated-Rediffusion having been " the first in the field." He added that the company was " now operating at a profit."

Associated-TeleVision Ltd. In the 15 months from its incorporation to April 30, 1956, this company incurred a loss of £602,715. The report for the year ended April 30, 1957 (published on July 24, 1957), showed, however, that a net profit of £201,716 had been earned on the year's operations, after deducting for taxation. The report for 1957-58, published on July 8, 1958, gave the net profit for the year as £1,998,000, after providing for taxation.

Reduced Government Grant towards Cost of Programmes.

Dr. Charles Hill (then Postmaster-General) announced in a written parliamentary reply on Aug. 1, 1956, that he had informed the I.T.A. that, " because of the general economic situation and the need for economy in Government expenditure," no grant could be made under Section 11 of the Television Act in the then current financial year (1956-57).

The I.T.A. issued a statement on the same day expressing " dismay " at the Government's decision, which, the Authority maintained, would adversely affect the programme companies' ability to provide " properly balanced " programmes (i.e. containing enough items of serious interest). The statement read as follows :

" The Authority is conscious, and its view is shared by the programme companies, that the present programmes, although extremely popular, do not contain a sufficient number of programmes of information and discussion or of plays and performances of lasting value. For this the explanation is the very simple one that such programmes, whether transmitted by the Authority or the B.B.C., do not attract relatively large audiences, in spite of their national value. The possibility that this situation would arise was clearly foreseen during the debates on the Television Bill, and it was precisely in order to make such programmes possible that the £750,000 provision was included in Section 11 of the Act.

" The B.B.C. does not find itself in this difficulty, as its rising income is guaranteed whatever the size of its audience. The Authority and the programme companies are, however, very much in this difficulty and are apparently to be left unable to respond, as they would wish, to the preferences of large and important minorities.

" This is not a situation which the Authority can accept without feeling that it is failing in one of its main duties, whatever degree of success it may have achieved in the discharge of others. It is, of course, aware that the provision of the £750,000 is not automatic under the terms of the Act but depends upon the agreement of the Treasury and the Postmaster-General. It did not at any time enter into its calculations that this agreement would be withheld."

The statement added that the Authority appreciated that the Government might reasonably take the view that payment of the full sum should be deferred during the country's financial difficulties, and would have been content with the payment of a small part of the sum so that at least a start could be made in the provision of balancing programmes, but even "this modest proposal" had been rejected.

Following representations by the I.T.A. and the programme companies, Dr. Hill announced on Nov. 29, 1956, that the Government had decided that a temporary grant-in-aid of £100,000 should be provided for in the Broadcasting Estimates for 1957-58 to enable the I.T.A. to ensure a proper balance in the programmes transmitted over its network. He added: "This decision carries with it no implication of continuing Exchequer assistance. It is a temporary measure to assist the I.T.A. in procuring the inclusion of items which in its opinion are necessary for improving the balance of the subject matter of the programmes."

In a joint statement on the same day, the four original programme companies—A.B.C. Television Ltd., Associated-Rediffusion Ltd., Associated TeleVision Ltd., and Granada Television Network Ltd.—described the £100,000 grant as "unrealistic" and stressed that they did not wish to avail themselves of the offer. They pointed out that whilst the programme companies were "directly responsible for a large proportion of the increase in television revenue," they received "no part of this licence revenue" The I.T.A., however, explained in a later statement that while it "appreciated the disappointment of the four companies that a more substantial grant from the licensees will not be available for independent television," it would have to decide, after consultation with them, how best to make use of the grant.

In its 1956-57 report (see above) the I.T.A. explained that "the atmosphere in which it had found it necessary to press for a grant" had meanwhile been "greatly changed by the marked improvement in the companies' advertising revenues." The increased volume of advertising business, together with "some promising trends in the programmes themselves," had led the Authority to "withhold any immediate proposals for drawing on the grant at the outset of the new financial year."

Schools Television Service.

The first regular television broadcasts to British schools—preceding the B.B.C.'s schools service (see 15912 A) by over four months—began on May 13, 1957, when Associated-Rediffusion broadcast the first programme of an experimental bi-weekly series intended for children aged 14-15.

On July 10, 1957, Associated-Rediffusion announced that in view of the success of the experiment, more varied programmes—envisaged for age-groups between 11 and 16 and dealing with subjects ranging from science to play-producing—would be broadcast for 30 minutes daily during school terms in the coming year. Mr. Boris Ford, a lecturer and editor of educational journals, had been appointed head of school broadcasting, assisted by an educational advisory committee under Sir John Wolfenden.

Independent Television Programmes and Children.

The Children's Advisory Committee of the I.T.A. announced on June 6, 1958, that it would conduct an inquiry into "the effects of violence in children's television programmes on their habits and behaviour." The Committee gave it as its opinion, however, that for some time there had been "little or no cause for anxiety about the material shown." The statement followed widespread complaints by educators and parents about the contents of children's programmes.

Size of I.T.A. Audiences.

It was estimated by Television Audience Measurement Ltd. on Nov. 29, 1957 that about 4,185,000 homes—over one-third of those in areas covered by Independent Television—were receiving I.T.A. programmes, and that the number would increase to over 6,000,000 within 12 months.

Sir Ivone Kirkpatrick appointed Chairman of I.T.A.

Sir Ivone Kirkpatrick (60), formerly Permanent Under-Secretary of State at the Foreign Office, was appointed chairman of the I.T.A. by the Postmaster General (Mr. Marples) on Nov. 8, 1957, in succession to Sir Kenneth Clark, whose five-year term had expired on Aug. 31, 1957. Sir Ivone's appointment will be for five years.

Miss Diana Reader Harris (Headmistress of Sherborne School for Girls) and Mr. J. Alban Davies (a member of the Council of Aberystwyth University College) were appointed members of the I.T.A. on Aug. 3, 1956, and Mr. T. H. Summerson (a member of the British Transport Commission) on Feb. 2, 1957, in succession to Lord Aberdare, Lord Layton, and Miss E. Popham. Dame Francis Farrar (general secretary of the National Federation of Women's Institutes) was appointed a member from Sept. 6, 1957 *vice* Miss Dilys Powell, and Mr. W. B. Beard (a former chairman of the T.U.C.) and Professor David Talbot Rice (Professor of Fine Art, Edinburgh University) on July 25, 1958 *vice* Mr. G. B. Thorneycroft and Dr T. J. Honeyman. At the same time the term of office of Lieut.-Colonel Arthur Chichester (chairman, Moygashel Ltd.) was extended for a further year until Aug. 3, 1959. The new appointments were for periods ranging from 3½ to 5 years. Mr. Davies, Professor Talbot Rice, and Lieut.-Colonel Chichester will make the interests of Wales, Scotland, and Northern Ireland respectively their special care.

Contributions on Patronage of the Arts.

Sir Ivone Kirkpatrick announced on June 30, 1958, that the four original programme companies (see above) had decided to contribute "at least £100,000 a year" on patronage of the arts. A co-ordinating committee would be set up to see that the donations of individual companies did not overlap. (I.T.A., Report for 1956-57 - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 15912 A; 14980 B; 14658 A.)**

A. CAMBODIA. — New Cabinet. - Diplomatic Relations with Communist China.

Following the resignation of M. Sim Var from the Premiership, the Cambodian National Assembly unanimously invested a new Government formed by Prince Norodom Sihanouk on July 14. The new Government included M. Son San as Deputy Premier and Minister of Foreign Affairs, M. Mau Say as Minister of Information and Planning, M. Tim Ngoun as Minister of Defence, and M. Nhiem Sokphal as Minister of Commerce and Industry.

A joint Sino-Cambodian declaration issued in Pnom-Penh on July 24 announced that Cambodia had agreed to establish diplomatic relations with the Chinese People's Republic, and that the two countries would exchange diplomatic missions at ambassadorial level. In a press statement on the same day Prince Norodom Sihanouk said that Cambodia could "no longer ignore the existence of China and the essential part played by her in Asia and the world"; he stressed, however, that Cambodian *de jure* recognition of Communist China would not effect Cambodia's policy of strict neutrality.

M. Penn Outh, the former Prime Minister, left Pnom-Penh for Paris at the beginning of July to take up the post of Ambassador to France.—(Le Monde, Paris - New York Times) **(Prev. rep. 16251 A.)**

B. CANADA. — Conservative Ministry in Manitoba.

Following the victory of the Progressive Conservatives in the Manitoba provincial elections, Mr. D. L. Campbell (the Liberal Progressive Premier) tendered his resignation on June 24. Mr. Duff Roblin, the Progressive Conservative leader in Manitoba, formed a new Ministry on June 30 with the following membership:

Mr. Duff Roblin, Premier and acting Treasurer; Mr. Errick F. Willis, Deputy Premier and acting Minister of Public Works; Mr. Gurney Evans, Minister of Mines and Resources and acting Minister of Industry and Commerce; Mr. Stewart McLean, Education; Mr. Sterling Lyon, Attorney-General; Dr. George Johnson, Health and Public Welfare.

This was the first Progressive Conservative Government in Manitoba for 43 years, since the defeat in 1915 of the then Conservative Government headed by Sir Rodmond Roblin, grandfather of Mr. Duff Roblin. Mr. Roblin (41) is the youngest Provincial Premier in Canada.- (Montreal Star) **(Prev. rep. 16288 C.)**

C. WESTERN GERMANY. — Release of Dr. John.

It was announced in Bonn on July 26 that President Heuss had granted a reprieve to Dr. Otto John, who had been sentenced on Dec. 28, 1956, to four years' hard labour for treasonable falsification and conspiracy. It was officially explained that Dr. John had been granted the customary remission of the last third of his term of imprisonment because of good conduct, and that the President's decision meant that he would be put on probation for the remainder of his sentence. Dr. John was released from prison on July 27.

Dr. Wohlgemuth, who was alleged by Dr. John to have drugged and then abducted him to East Berlin, was arrested in West Berlin on Feb. 11, 1958, when he returned from the eastern sector of the city. He was charged with entering into treasonable relations with the Soviet-zone authorities, but was released on bail.—(Frankfurter Allgemeine Zeitung - Der Tagesspiegel, Berlin) **(Prev. rep. 15332 A.)**

D. IRISH REPUBLIC. — State Fertiliser Factory. - Production of Nitrates from Peat.

It was announced in Dublin on Aug. 8 that the Irish Government had approved the establishment of a State company to operate a factory for producing ammonium nitrate fertilisers from peat. The State Chemical Company (*Ceimici Teoranta*) had been instructed by the Minister of Industry and Commerce (Mr. Lemass) to prepare a scheme for building the factory at the Blackwater Bog, in County Offaly. The new company would have a capital of between £6,000,000 and £8,000,000, and the new factory would be planned to produce about 100,000 tons of nitrates annually.—(Irish Times, Dublin)

A. MIDDLE EAST. — International Reactions to the Middle East Crisis.

International reactions to the crisis in the Middle East are summarized below under cross-headings, in continuation of 16317 A and 16305 A.

United Arab Republic. - President Nasser's Visit to Moscow. - Discussions with M. Khrushchev. - Defence Agreement between U.A.R. and Iraqi Republic.

On July 15, the date on which U.S. troops landed in the Lebanon, President Nasser was on board his yacht in the Adriatic after his talks with President Tito at Brioni (see 16297 D). On learning of the Lebanese landings he returned to Pula, discussed the situation with President Tito on July 16, and flew the same evening to Moscow. After two long meetings with M. Khrushchev on July 17, lasting eight hours in all, President Nasser left Moscow at dawn on July 18 and arrived a few hours later in Damascus.

A brief statement was issued in Moscow on July 18 saying that the talks between M. Khrushchev and President Nasser had taken place in a friendly atmosphere, and that they had dealt with "the question of stopping the aggression of the United States and other colonial Powers in the Middle East and of ensuring the preservation of peace and the independence of the Arab countries."

In Damascus President Nasser was met by a delegation from the Iraqi Republican Government consisting of Colonel Abdul Salam Aref, the Deputy Premier, Mr. Mohammed Hadid, the Minister of Finance, and Mr. Shanshal, the Minister of Information; the Iraqi delegation also included General Rubai, chairman of the Council of Sovereignty. On the following day (July 19) an agreement was signed between the United Arab Republic and the Iraqi Republic containing the following provisions:

(1) Both countries reaffirmed their full support for the Charter of the Arab League and the Collective Security Pact between the Arab States.

(2) The U.A.R. and Iraq, "co-operating as one bloc," would take all measures to repulse any attack directed against either country.

(3) Both countries would "co-operate fully in the international field to safeguard the rights of the two countries, in supporting the U.N. Charter, and in strengthening peace in the Middle East and the world."

(4) "Urgent and effective steps" would be taken to promote economic and cultural co-operation between the U.A.R. and Iraq.

(5) "Continuous contact and consultations" would be maintained between the two countries in all matters concerning them.

In a speech in Damascus on July 18, President Nasser warmly welcomed the revolution in Iraq; declared that "our brothers in Amman and Beirut are also fighting for freedom"; and attacked what he described as the "occupation" of Lebanon by American forces and of Jordan by British forces. "Today," he declared, "we feel that the flag of freedom is flying higher, the flag of freedom which defeated the occupation and tyranny, which defeated imperialism and the great powers." In a further speech in Cairo, delivered on July 22 before a crowd of 500,000 and in the presence of an Iraqi delegation, President Nasser spoke of his talks with M. Khrushchev and declared that "the banners of victory will fly over every Arab city and also in Algeria."

After welcoming the Iraqi delegation from "dear and beloved Baghdad," and saying that Iraq had "won a victory over imperialism and exploitation," President Nasser attacked King Hussein of Jordan for having "opened his country to the British *via* Israel." He went on to say that the U.S. and British "aggression" in Lebanon and Jordan would be defeated; that "a free Lebanese people and a free Jordanian people" would emerge; and that the entire Arab people "from the [Atlantic] Ocean to the [Persian] Gulf" were engaged in a single battle "through which we shall attain the supreme aim for which free men have been dying." He continued:

"The excuses which the imperialists made at the time of Suez are the same as the excuses made today . . . by those who want to place us within their spheres of influence . . . [The Americans] forget their own history and their own past; they forget that another revolution also took place in the month of July—a revolution in the United States to get rid of British imperialism and achieve freedom. That revolution was victorious. It proclaimed the same principles that our brethren, the free people of Iraq, proclaim today . . ."

After emphasizing that the Arab peoples throughout the Middle East were determined to pursue a policy of "positive neutrality" and of non-alignment with power blocs, President Nasser continued: "When the Iraqi revolution occurred I was in Yugoslavia . . . I sent a message to M. Khrushchev advising him of my desire to meet him in order to discuss the international situation and the dangers which threaten us on the part of the imperialist powers. M. Khrushchev welcomed the meeting and I went to Moscow . . . I found in these discussions goodwill, fraternity, and determination. Naturally, I cannot tell you all the details of the discussions . . .

"The Prime Minister of the Soviet Union has issued a statement calling for a summit meeting in order to discuss the developments in the international situation, to ease international tension and remove the shadow of war . . . We support this proposal . . ."

Soviet Union. - Denunciation of U.S. and British Action in Lebanon and Jordan. - Protests to Western Germany, Italy, and Israel. - Demonstrations against U.S. and British Embassies in Moscow.

In a strongly-worded statement on July 16, the Soviet Government urged the United States to "cease its armed intervention in the internal affairs of Arab countries and withdraw its troops from the Lebanon immediately." It added that the Soviet Union "cannot remain indifferent to events creating a grave menace in an area abutting on its frontiers, and reserves the right to take the necessary measures dictated by the interests of peace and security."

After describing President Eisenhower's statement (see page 16307) as an attempt to justify "flagrant military intervention in Lebanon's internal affairs," the Soviet Government alleged that "the real reason for U.S. armed intervention is the desire of the oil monopolies of the United States and other Western Powers to retain their colonial hold on countries of the Middle East, and also the obvious bankruptcy of their policy in the Arab East and the collapse of the Baghdad Pact and the notorious Dulles-Eisenhower doctrine."

As regards the Iraqi revolution, the statement said that the policy statements of the new Iraqi Government were "in accord with the desires of all the Arab peoples and should meet with unanimous support, both in Arab countries and in all peace-loving countries which regard the establishment of a republic as an entirely internal affair of the Iraqi people." It added: "This turn of events in the Middle East obviously does not suit the colonial Powers, which received the news of the establishment of the Republic of Iraq with undisguised hostility . . ."

Reverting to the Lebanese situation, the statement said that the landing of U.S. troops constituted "armed intervention" not only against Lebanon "but also against all the freedom-loving Arab countries", it also showed that "the imperialists have cast off their disguise and have begun open aggression against the peace-loving Arab peoples." In conclusion, the Soviet Government accused the United States of "flagrant violation of the U.N. Charter," of "attempting to confront the Security Council and the United Nations with a *fait accompli*," and of "bringing pressure to bear on the U.N. to make it approve the unilateral aggressive actions of the United States."

A statement in equally strong terms was issued by the Soviet Government on the following day (July 17) with reference to the despatch of British troops to Jordan.

Allegations that Britain had committed "armed aggression" against Jordan, which was "threatened by no-one," were followed by charges that Britain and America had "a broadly conceived plan of aggressive actions to suppress the national liberation movement in the Arab East." Britain and the U.S.A. were also accused of desiring "to reimpose the yoke of colonialism" on the peoples of the Middle East, so that "American and British monopolies can continue plundering the natural resources and manpower of these countries."

After alleging further that "the purpose of Britain's armed intervention in Jordan is not only to oppose the movement of the Jordanian people for their independence, but to use that country, along with American-occupied Lebanon, as a military base for suppressing the popular revolution in Iraq," the statement continued: "This path of military adventures is fraught with the gravest consequences for peace . . . Who better than the British Government should realize, particularly after the shameful failure of the military venture against Egypt, that the time has gone forever when the fire of colonialist gunboats and the landing of armed detachments can crush the uprisings of oppressed peoples and save colonialist regimes."

The statement went on to say that Britain and the U.S.A. had "broken their commitments to the U.N. and come out as violators of peace"; that the "aggressors" should "bear in mind that . . . the peoples of the Arab East are not alone in their struggle for freedom against the criminal actions of the American and British colonialists"; and that "a wave of protest against this bloody venture of the U.S. and British ruling circles has surged throughout the world." After calling on Britain and the U.S.A. to "end their armed intervention in the internal affairs of Arab States and withdraw their troops at once from Lebanon and Jordan," the statement reiterated that the Soviet Union could "not remain indifferent" to the events in the Middle East and might be "compelled to take the necessary steps dictated by the security interests of the U.S.S.R. and the safeguarding of world peace."

Protests were also made to the German Federal Republic (July 24) and to Italy and Israel (Aug. 1) in connexion with the U.S. and British action in the Middle East. In its Note to Western Germany, the Soviet Government protested at the fact that U.S. reinforcements had been flown to the Middle East from the Fürstenfeldbruck (Bavaria) and Frankfurt airports; in the case of Italy, exception was taken to the use of the Capodichino airport for similar purposes, and also at the

transfer of U.S. troops by sea from Naples, Genoa and Taranto; whilst Israel was criticized for allowing British and U.S. planes to fly over her territory to Jordan.

The West German and Italian Governments were urged to take "effective measures" to ensure that their territories were not used "for purposes of aggression against Arab States which are defending their freedom and national independence." The German Federal Government was accused of having taken an attitude "in contradiction of its previous claims that American troops stationed in Western Germany were serving the interests of defence and would never become instruments of aggression," while the Italian Government was reminded that Signor Zoli (the former Prime Minister) had given an assurance that "Italy will not only never commit aggression but will never participate in, or support, such actions on the part of anyone or against anyone."

The Israeli Government was accused of having "become a direct accomplice in the aggressive actions of the United States and Britain" by giving permission for overflying by British and U.S. planes. After a warning of "the possible consequences of such an attitude at a time when the threat to peace in the Middle East has increased," the Soviet Note said that "the Government of Israel, by placing its airspace at the disposal of Britain and the U.S.A., bears responsibility for the heightened tension in the Middle East, which can develop into a conflict with extremely serious consequences for the national interests of Israel herself."

Large-scale anti-American and anti-British demonstrations took place in Moscow on July 18, when some 75,000 people demonstrated outside the U.S. and British Embassies. Many of the demonstrators carried placards bearing such slogans as "Hands off the Arab lands," "Down with the aggressors," and "Get out of Lebanon and Jordan."

Tens of thousands of people gathered outside the U.S. Embassy, where many windows were smashed by stone-throwing and the walls were smeared by bottles of coloured ink flung by the crowd. Smaller demonstrations took place outside the British Embassy, where about 100 people climbed into the grounds in an attempt to present "protest resolutions" to the Ambassador (Sir Patrick Reilly); they were prevented from breaking into the building by security police. The demonstrations were apparently organized, as great columns of marchers converged on the embassies from different directions; the police made no attempt to disperse the crowds until nearly two hours later. Strong protests were made to the Soviet Foreign Ministry by Sir Patrick Reilly and the U.S. Ambassador, Mr. Llewellyn Thompson.

Some 2,000 people had also demonstrated outside the U.S. Embassy on the previous day (July 17), when unsuccessful attempts were made to present resolutions to the Ambassador. There was a good deal of shouting, whistling, and booing, but no acts of violence.

From July 7 to the first week of August the Soviet Army carried out large-scale manoeuvres in the Transcaucasian and Turkmenistan military districts (i.e. the areas adjacent to the Turkish and Persian frontiers), while the Soviet Navy carried out manoeuvres in the Black Sea; the Caucasian manoeuvres were under the command of Marshal Gretchko (formerly C.-in-C. in Eastern Germany), while those on the Persian border were commanded by Marshal Meretzkov, who led the Soviet forces in the Far East at the end of World War II. The Soviet Defence Ministry announced on Aug. 7 that the manoeuvres had ended.

China. - Anti-Western Demonstrations.

A statement demanding the "immediate withdrawal" of U.S. troops from Lebanon was issued by the Chinese Communist Government on July 16; its wording was similar to that of the Soviet statement, and contained the same accusations against the United States. On July 18 a Note was presented to the British Chargé d'Affaires in Peking protesting against Britain's "armed intervention" in Jordan, demanding the withdrawal of British troops from that country, and warning Britain that she faced "grave consequences" if she failed to do so.

Over half a million people demonstrated in Peking on July 17 before the *Tien An Men* (The Gate of Heavenly Peace) to proclaim Communist China's support for the Iraqi Republic and to denounce the U.S. "intervention" in Lebanon; diplomats from the U.S.S.R. and the Communist countries of Eastern Europe and Asia attended the rally, in addition to the U.A.R. Chargé d'Affaires. The speeches included one by the Mayor of Peking (Mr. Peng Chen) in which he described the United States as a "paper tiger."

On July 19 vast numbers of demonstrators—stated by Peking radio to number 2,000,000—marched in procession outside the British Embassy in Peking, chanting anti-British slogans and beating gongs and tom-toms; the walls of the embassy were plastered with slogans and placards, but there were no acts of mob violence as in Moscow. The Chinese Government refused to post extra guards at the embassy on the grounds that the demonstrations were "righteous." Similar large-scale demonstrations took place outside the British Consulate-General in Shanghai.

British Commonwealth Reactions.

The action taken by Britain and America in the Middle East was supported by the Australian and New Zealand Governments, whilst the Canadian Prime Minister said that Canada would give "every encouragement and support" to the Anglo-American efforts for a U.N. force to be sent to the Middle East. On the other hand, the Government of India opposed the British and American action and urged that both countries should withdraw their troops from Lebanon and Jordan. [For Pakistani reactions see 16340 A].

Australia.

The Prime Minister and the Minister of External Affairs (Mr. Menzies and Mr. Casey) issued a joint statement on July 18 saying that the British Government had no other course than to go to the aid of Jordan. "Far from by-passing the United Nations," it declared, "the United States and the United Kingdom have each gone to the U.N. and asked that it assume the responsibility which they have temporarily and lawfully assumed."

The joint statement said: "We are sometimes told that when small countries are menaced by the ambitions of others, they should do nothing and their friends should do nothing except to turn to the U.N. for protection . . . We are told that it is wrong for the United States to land forces in Lebanon because the U.N. Charter forbids the use of force or threat of force.

"The fact is that the U.S. troops in Lebanon are not employing force against anyone. The need to use force there or in Jordan would depend on the actions of those threatening those States. The rights of collective self-defence are quite clear under the U.N. Charter. If small independent countries are to be given confidence that their independent policies will not lead to their downfall, they have to be given the prospect of protection from persistent external interference. The U.K. and the U.S.A. have an established history of encouraging true nationalism and independence. It was natural that Jordan should turn under the present conditions to the United Kingdom."

In a statement on Aug. 6 to the House of Representatives, Mr. Casey suggested that the United Nations should create a commission on the Middle East "to investigate, verify, and publicly report to the U.N. on all external acts or threats of interference or subversion, whether direct or indirect"; this commission should be backed by a U.N. police force which could act effectively in controlling threatened borders.

Mr. Casey said a U.N. commission would create an environment in which Governments could work out policies free from external pressures. It should be located in the Middle East and should remain in existence until the Middle East showed signs of permanent stability. United Nations jurisdiction and action on these lines would create an atmosphere more favourable to a solution of one of the root causes of the explosive conditions in the area—the Arab-Israel problem, and the absence of a settlement on borders. With progress on the Israel question it would be possible to examine whether the flow of arms could be checked and a more effective guarantee of nationhood provided than at present existed. The basic political disputes would remain to be solved by negotiation, and the aspirations of the peoples of the Middle East for economic advancement must be recognized.

An international organization should be created to assist the countries of the Middle East to develop their resources and a mutually beneficial trade with the rest of the world. It would then be easier to resettle nearly a million Palestinian Arab refugees, with Israel making its due contribution. In this way genuine Arab nationalism could fulfil its aspirations in harmony with the interests of the Western Powers and to their mutual advantage.

Speaking of the radio campaign of propaganda and subversion emanating from Cairo and Damascus, and directed against Middle East Governments desiring to maintain normal relations with the West, Mr. Casey said that the recent "Kill King Hussein" campaign was a "typical Egyptian answer to the U.N. resolutions condemning this use of the radio as a threat to peace." A more serious recent development had been the introduction of arms and infiltrators on a large scale for dissident elements in the threatened States.

It was this kind of infiltration that had caused President Chamoun to appeal to the Western Powers for aid—his appeal having been made because the work of the U.N. Observation Group in Lebanon had proved futile in the face of the obstacles encountered. In Jordan, two coups against the Government had been planned during July; British troops had been sent there only after King Hussein and his Prime Minister had stated that Jordan was faced with an imminent attempt by the U.A.R. to create internal disorder and overthrow the Government. The Australian Government was therefore quite convinced of the legality of Britain's action in Jordan and of America's action in Lebanon.

The Leader of the Opposition (Dr. Evatt) said that the Australian Labour Party would support the Government's proposals, and urged the need to "neutralize" the whole area of the Middle East. He believed the U.S. and British intervention in Lebanon and Jordan to be unjustified under the U.N. Charter, adding that the "shocking" case of Soviet intervention in Hungary did not justify others taking the law into their own hands.

New Zealand.

The Prime Minister of New Zealand (Mr. Walter Nash) issued the following statement on July 17 on the U.S. landings in Lebanon :

" No Government can fail to be concerned over the grave deterioration of conditions in the Middle East and the degree to which constitutional processes and orderly relations between States are being abandoned in favour of rioting, assassination, and incitement to violence. The help made available is in response to a specific request by the Lebanese Government. The United States has immediately reported its action to the Security Council, called for the creation of a U.N. Force, and indicated its willingness to withdraw when the United Nations itself is in a position to assume responsibility. The U.N. is thus faced with decisions which I trust it will not shirk.

" In situations of this nature the position of the New Zealand Government has always been clear. We are prepared to support action by the U.N designed to protect the independence and territorial integrity of its members. Lebanon is a small country whose actions have threatened no-one. We would consider it a sad day if such a country, considering itself menaced from without, were unable to receive effective assistance from an organization recognizing as one of its basic principles the sovereign equality of its members."

In a statement on July 24 to the N.Z. House of Representatives, Mr. Nash said that Great Britain was fully justified morally and legally in accepting Jordan's request for aid. He urged a comprehensive United Nations programme to ensure political stability and economic and social betterment in the Middle East.

Canada.

In a statement on July 17 to the Canadian House of Commons, Mr. Diefenbaker said that Canada would give " every encouragement and support " to the Anglo-American proposal for a U.N. Emergency Force to be sent to the Middle East. Both Britain and the U.S.A. had acted " with due regard to the ultimate authority and responsibility of the United Nations."

India.

The Indian Ministry of External Affairs issued the following statement on July 18 :

" The Government of India are against intervention by foreign forces in any country, and think they should be withdrawn. In Lebanon, in particular, the U.N. Observation Group have reported that they have access to all parts of the frontier, and the Indian Government feel that the Group should be allowed to continue their function This would be a safeguard against any infiltration of foreign elements, and the presence of U.S. forces against any threat to the Lebanese Government from outside is therefore not necessary. If necessary the Observation Group might be strengthened."

[Although the statement made no reference to Jordan, an official spokesman said that it was also applicable to British forces.]

In a short press statement on July 16, Mr. Nehru said that " foreign intervention is always dangerous " and that India therefore viewed the latest developments in the Middle East with " grave concern." It was stated in New Delhi that Mr. Nehru had received personal messages from Mr. Macmillan, Mr. Diefenbaker and President Tito ; their contents were not disclosed.

[The British Government's decision to send troops to Jordan in response to King Hussein's appeal had been conveyed by Mr. Macmillan beforehand to the Prime Ministers of all the Commonwealth countries.]

Turkey. - Reply to Soviet Warnings. - Turkish Attitude to Middle East Crisis.

The Soviet Chargé d'Affaires in Ankara called at the Foreign Ministry on July 18 to deliver a copy of the Soviet Government's statement of July 16 on the Middle East (see above). At the same time he made a verbal statement which (*a*) noted that M. Menderes (the Turkish Prime Minister) had on several previous occasions emphasized Turkey's attachment to the maintenance of peace ; (*b*) expressed the Soviet Government's concern at the developments in the Middle East; and (*c*) expressed the hope that Turkey would " refrain from any steps which might lead to a worsening of the situation."

The Turkish Foreign Minister (M. Zorlu), in an oral reply on July 22, noted " with great pleasure " the Soviet references to the " peace-loving character of the various statements by our Prime Minister." He added : " The Turkish Government always studies events from the angle of whether its security and that of its allies are endangered or not, and adjusts its policy to the inspiration it draws from the legitimate principles of protecting the joint defence pacts of which it is a member. You can therefore rest assured that Turkey will in no circumstances cause an increase of tension in the Middle East, and that every measure that Turkey adopts will be a measure of defence."

On July 24, however, a Soviet *aide-mémoire* was presented in Ankara saying that M. Zorlu's declaration was " not in keeping with the facts regarding Turkey's actual policy with respect to recent events in the Middle East," and alleging *inter alia* that Turkey was " preparing to begin military operations against Iraq."

In support of these allegations, the Soviet Government referred to an interview given by M. Zorlu to the *Daily Mail* in which he was alleged to have said that Turkey fully supported the British action in Jordan and hoped that it would be " extended to Iraq." " This statement by M. Zorlu," said the *aide-mémoire*, " . . . directly contradicts the Turkish Government's statement of July 22 It is likewise contradicted by the permission which Turkey has given the United States to use the Adana military base for the concentration of American troops engaged in aggression against Lebanon."

The *aide-mémoire* went on to say that " reports coming in from everywhere " indicated that the Turkish Government had " recently been preparing to begin military operations against Iraq " and that " a corresponding appeal from King Hussein could be used as a formal pretext for the invasion of Iraq by Turkish troops." It added : " It seems that only an absence of complete agreement with the United States on this venture, and the resolute protests and stern warnings served on the aggressors by the Soviet Union and other peace-loving States against the intervention in Lebanon and Jordan . . . have so far prevented the implementation of plans to move Turkish troops into Iraq."

After alleging that Turkish troops were concentrating on the Syrian and Iraqi frontiers, the Soviet Government said that it " considered itself in duty bound to warn the Turkish Government of the grave responsibility of the possible consequences of unleashing an armed conflict in this area. It would like to believe that Turkey will not side with the aggressors and will refrain, not only in words but also in deeds, from steps leading to a worsening of the situation in the Middle East."

A statement on Turkey's attitude to the events in the Middle East was made at an extraordinary session of the Grand National Assembly on July 26 by Dr. Namik Gedik (Minister of the Interior), in the absence of M. Zorlu.

After pointing out that Turkey had common cultural and economic ties with the Middle East countries, and that it was " her sincerest wish that each one of them should enjoy national independence, integrity, and progress on the road to prosperity," Dr. Gedik stressed that Turkey's own national interests were bound up with a " trustworthy, stable, and prosperous" Middle East. She would therefore continue a policy of reconciling the interests of those countries with her own interests.

Turning to the developments in Lebanon, Dr. Gedik pointed out that the rebels had widened the scope of their efforts following the *coup d'état* in Iraq, and said that the legitimate Government of Lebanon had had to ask for U.S. assistance. He continued : " The United States has given assistance under Article 51 of the U.N. Charter. This Article gives to member-nations the right of defence, singly or together, against armed attack, and requires that the Security Council should be notified at once. The U.S.A. duly notified the Council and declared that she will withdraw her forces immediately if the U.N. takes the necessary measures to secure Lebanon's independence. In addition, the U.S.A. submitted a resolution to the Council asking the U.N. to take action to prevent infiltration of arms and personnel into the country. However, this resolution was vetoed . . . "

Dealing with the events in Iraq, Dr. Gedik spoke as follows : " On July 14 there was a sudden *coup d'état* ; as a result, not only was the Government overthrown but the King, some members of the Royal Family, some Government leaders, and high-ranking officers were killed or arrested . . . At the time of the outbreak in Iraq, a decision had already been taken to hold a conference in Istanbul between the Heads of States of the four Moslem members of the Baghdad Pact. Following the *coup d'état* in Iraq, the conference was held with the participation of the three remaining States—Turkey, Persia, and Pakistan [see 16340 A]. As was expected, collective problems concerning our area, the changes in the position of the Lebanon, and the regrettable developments in Iraq were discussed in detail and in an atmosphere of complete solidarity. And as was emphasized in the communiqué, full identity of views was achieved during the discussions. The most important result achieved during the tripartite conference was the reaffirmation by Turkey, Persia, and Pakistan of their determination to act in unison and in a spirit of solidarity, and also their decision to achieve full co-operation in respect of measures to preserve their security.

" Simultaneously with the events in Iraq and the Lebanon," Dr. Gedik continued, " a plot against the legitimate Government of Jordan was discovered. The Government of Jordan, seeing that its independence and unity were in danger, appealed to Britain for help. In reply, Britain mobilized some of her parachute units based in Cyprus and sent them to Jordan at full speed. The help given by Britain to Jordan is also in complete conformity with Article 51 of the Charter. Britain, acting within the framework of this clause, informed the Security Council immediately of the action taken and announced that she would withdraw her forces as soon as the Security Council was in a position to take appropriate measures to protect the independence of Jordan. In view of the fact that we have very close and friendly relations with Jordan, we attach the greatest importance to the protection of that country's independence and

integrity. For this reason we consider that the measures taken by Britain following the appeal by Jordan were justified. It is impossible to deny the legality of actions aimed at meeting appeals from legitimate States in accordance with the U.N. Charter . . . In point of fact, such actions are entirely in keeping with the principles of international law

"I should like to turn briefly to our relations with Iraq. First of all I should like to emphasize the fact that our deepest wish is to maintain harmonious relations with our Iraqi brethren. This consideration is one of the underlying necessities of the policy of close friendship we are following towards all Arab States. In truth, our mutual interests with Iraq make it a necessity for our relations to develop in this direction . . . As you know, a meeting will be held in London on July 28 between the Prime Ministers of the Baghdad Pact countries [see 16340 A]. In view of the latest developments in the Middle East, this conference will be of the utmost importance. The U.S. Secretary of State will also take part in the conference . . . Problems concerning the Middle East as a whole, the position of the Pact in the face of recent developments, and the strengthening of the Pact organization to reinforce collective defence, will be among the questions to be examined The position of Iraq and the problem of her relationship with the Pact will no doubt also be reviewed. These developments have not yet been completely clarified. There is no doubt that as a result of the discussions, the position will become clearer and it will be possible to define our line of action more precisely.

"I should like to confirm that the traditional aim of our foreign policy is based on the desire to preserve world peace and the peace of the region in which we are situated, and on the necessity of reinforcing the security of Turkey. Turkey will never falter in her desire to co-operate closely with countries which, like herself, are dedicated to the preservation of peace and collective security."

Israel. - Mr. Ben-Gurion's Statement. - Cessation of British and U.S. Flights over Israel. - Mrs. Meir's Visits to Paris and London.

In a statement to the *Knesset* on July 21, Mr. David Ben-Gurion said that the recent events in the Middle East had increased "the danger of Israel's encirclement by President Nasser." He added: "The grave events surrounding us require careful and calm consideration. Two courses are open to us: (1) To remove the Nasser threat so far as it is within our power; this does not depend entirely on us. (2) To strengthen ourselves; this the Government has decided to do in the face of the present crisis . . . The events in Iraq are undoubtedly the gravest in our area since our War of Independence in 1948.

By 73 votes to 11, the Israel Parliament agreed to Mr. Ben-Gurion's motion that the Middle East developments should be considered by its Foreign Affairs and Security Committees, and should not be debated in the *Knesset*.

As stated below (see section "Jordan") the Anglo-American airlift over Israel was ended during the first week of August, after which all supplies for the British forces in Jordan were delivered through the port of Akaba.

The Anglo-American airlift over Israel ceased on Aug. 4, apparently as a result of Israeli representations in London and Washington. It was resumed for a limited period on Aug 6, at the request of the United States, to allow overflying by American *Globemasters* carrying supplies for Jordan; no further request for overflying rights was made by Britain, and on Aug. 10 it was confirmed that all such flights had ended, both by U.S. and British planes.

It was stated in Jerusalem that the ban on British and American overflying had no connexion with the Soviet protest to Israel (see above), nor did it necessarily mean that British and U.S. planes would be forbidden to fly over Israel "if an emergency should arise"

The Foreign Minister of Israel (Mrs. Golda Meir) had discussions in Paris on Aug. 5 with General de Gaulle and the French Foreign Minister, M. Couve de Murville. She also visited London on Aug. 11 for talks with the British Foreign Secretary, Mr. Selwyn Lloyd, before leaving for New York.

A brief statement was issued in Paris (Aug. 6) emphasizing the reciprocal desire of France and Israel to see peace and stability established in the Middle East; it was stated that the talks between Mrs. Meir and General de Gaulle had taken place in an atmosphere of "reciprocal understanding and cordiality" and "within the framework of the traditional Franco-Israeli friendship."

At a press conference before leaving Paris, Mrs. Meir confirmed reports that Israel was seeking arms from France, Britain, and the U.S.A. in view of the "massive quantities of armaments received by certain Arab States during the past three years, both from the East and the West." She intimated that Israel was particularly interested in expanding her naval forces.

A British Foreign Office statement on the talks between Mrs. Meir and Mr. Selwyn Lloyd said that there had been "a most useful exchange of views on problems of interest to the two countries, particularly those of the Middle East"; it was explained that Mrs. Meir had visited London at the invitation of H.M. Government.

Mrs. Meir stated at a press conference that the airlift to Jordan had not been discussed, saying in this connexion: "We were asked for a certain specific operation; we agreed to it. When we thought the operation was taking too long we asked for it to be suspended." On the future of Jordan, she said that her Government would be very happy to see the situation in that country stabilized, and to see Jordan assured of the possibility of free and independent existence and free of the threat of direct or indirect attack from her Arab neighbours. After saying that King Hussein had "not often made declarations of peaceful design" so far as Israel was concerned, she added: "Sometimes we are not in a position where we have to choose between friends and enemies, but between lesser and greater enemies. That is the situation so far as Jordan and the United Arab Republic is concerned. We cannot visualize Jordan joining the United Arab Republic voluntarily if left to itself If it joins the Republic it will mean that it has been attacked by the Republic or weakened by arms or infiltrators from outside."

Jordan. - King Hussein's Attack on "Nasserism" and Communism. - Death Sentences for Conspiracy Plot. - British Troops supplied through Akaba.

In a broadcast on Aug. 10 (the sixth anniversary of his accession), King Hussein made a strongly-worded attack on "Nasserism" and Communism, declaring that "Nasser, the Communist agent, went to Moscow as a pilgrim to pledge loyalty to his masters and submit a report on deeds in sister Arab countries." He described President Nasser as an "adventurer" and his regime as "sons of blasphemy," and said that not a single Arab country had been spared from the "conspiracies of the Egyptian dictator" and the "subversive activities of his embassies and military attachés." Syria had been "the first victim of Communism" in the Middle East, and now "evil hands" had fallen on Lebanon; Jordan, however, had stood firm, and he was confident that she would be able to repulse the threat to her existence.

Bedouin tribesmen from all parts of Jordan pledged their loyalty to King Hussein at a big military parade in Amman on Aug. 11. The desert tribesmen, who form about half the Jordanian Army, have a tradition of loyalty to the Crown and the Hashemite dynasty.

Thirteen people—12 Jordanian nationals and a Syrian—were condemned to death by a military court in Amman on Aug. 12 for smuggling arms and explosives into Jordan from Syria with the aim of stirring up armed rebellion against King Hussein and the Jordanian Government. Two others were sentenced to life imprisonment; eight (all between the ages of 17 and 19) to 15 years' hard labour; two to five years' imprisonment; and the remaining two were acquitted. The sentences were passed after a trial lasting eight days.

All the 27 persons concerned were seized in a series of Arab Legion operations along the Syrian border during the last few days of July; rifles, sub-machine-guns, anti-tank weapons, and explosives were impounded in those operations. It was alleged at the trial that all the accused had been trained and supplied with arms by the Syrian *Deuxième Bureau*.

It was also announced on Aug. 12 that five more Jordanians would be brought to trial on charges of plotting against the security of Jordan. The persons concerned were arrested after bomb explosions on Aug. 2 in Government buildings and the British Council library in Amman; little damage was done and there were no casualties. The arrested persons included two graduates of the American University in Beirut (one of them a woman) and an employee of the U.N. Relief and Works Agency in Amman, who was charged with smuggling explosives on UNWRA aircraft flying to Jordan from Beirut and Damascus.

The British forces in Jordan (about 2,500 men of the Parachute Brigade) were reinforced on Aug. 7 by the 1st Battalion, The Cameronians, who arrived at Akaba from Aden in the aircraft carrier H.M.S. *Bulwark*. It was explained in London that the infantry battalion about 500 men would be used for lines-of-communication duties between Akaba and Amman, and that all British forces in Jordan would henceforth be supplied by sea through Akaba instead of by air from Cyprus. As stated above, flights by British and American planes *via* Israel were terminated during the first week of August.

Kuwait and Persian Gulf Sheikhdoms.

The Ruler of Kuwait (Sheikh Abdullah as-Salim as-Sabah) had a meeting with President Nasser in Damascus on July 20 and also with M. Kuwatly, the former President of Syria; no statement was issued on these discussions. In a statement in Cairo on July 21, the chairman of the Ruler of Kuwait's Advisory Council (Mohamed Suleiman el-Oncibi) said that the Sheikhdom would "object to foreign troop concentrations on its soil"; that the Kuwaiti Army was "able alone to safeguard the oil"; and that Kuwait had no plans to join the Iraqi Republic, with which it had "brotherly relations."

The Sheikhdom of Kuwait produces about half of all the crude oil imported into Britain; situated at the head of the Persian Gulf, and adjoining Iraq, it is 5,800 square miles in area and has a population of about 200,000. Kuwait is in special treaty relations with Britain, which has responsibility for the Sheikhdom's foreign

relations and a major interest in its oil production. No British forces are stationed in the Sheikhdom - the nearest are at Bahrein, 300 miles to the south.

The Special Correspondent of the *Daily Telegraph* in Bahrein cabled (July 20): "Despite the superficial appearance of calm in Kuwait it has been apparent for some time that there has been considerable misgiving about the activities of the pro-Egyptian elements there, especially the teachers, who are mostly Egyptians. The Ruler normally spends a summer holiday each year in Lebanon, but this year, owing to the crisis there, he went to Damascus and Teheran instead."

The Ruler of Kuwait is reputed to have an income of over £100,000,000 a year from oil royalties; much of the proceeds have been used for building schools, hospitals, housing estates, and other amenities, whereby Kuwait has been transformed into one of the most modern places in the Middle East.

The Ruler of Qatar, a rich oil-bearing sheikhdom on the Persian Gulf in treaty relations with Britain, arrived in London on Aug. 13 for a four-day visit as the guest of the British Government. He travelled from Switzerland, where he had been on a private visit for about two months.

Qatar, though having a population of only 35,000, is one of the richest States in the world on a *per capita* basis, with estimated oil revenues approaching £20,000,000. Covering 8,000 square miles of arid desert, it adjoins Saudi Arabia and Trucial Oman. Oil was discovered just before the Second World War, and production has risen spectacularly from 4,500,000 tons in 1954 to 8,000,000 tons in the present year; the concession is operated by Qatar Petroleum Products, and profits are shared between the State and the company on a 50-50 basis. As in Kuwait, the vast oil royalties accruing to the Ruler (Sheikh Ali bin-Abdullah al-Thani) have been largely devoted to developmental and social service projects, including one of the most modern hospitals in the Middle East, built at a cost of £3,000,000. Many new schools have also been provided, but as in many parts of the Middle East - they have had to be staffed by Egyptian and Syrian teachers because few candidates of other nationalities are available.

Relations between Britain and Qatar are governed by a series of treaties and agreements concluded since 1820; one of the most important is a treaty of 1916, whereby Britian undertook to defend Qatar against any unprovoked attack. As in Kuwait, the Sheikhdom's foreign relations are a British responsibility. There is a British Political Agent in Qatar, as in the other protected sheikhdoms of the Persian Gulf, and a small number of British officers in the local police force. The Ruler's political adviser is a British national.

United States. - Warning to United Arab Republic. - Mr. Murphy's Mission to Middle East.

The State Department announced on July 18 that the U.S. Ambassador in Cairo (Mr. Raymond Hare) had called the previous day on Mr. Ali Sabry (U.A.R. Minister of State for Presidential Affairs, and acting Foreign Minister in Dr. Fawzi's absence) to ensure that the United Arab Republic "fully understood why the United States had acted as it did in Lebanon." In an oral communication, Mr. Hare had pointed out that "any attack on U.S. forces by military units of the United Arab Republic or under U.A.R. control could involve grave consequences seriously impairing" the relations of the two countries.

Mr. Robert Murphy, who had gone to Lebanon as President Eisenhower's special representative (see page 16308, first column), visited Amman on July 30, Baghdad on Aug. 2, and Cairo on Aug. 5-6 for discussions with the leaders of the respective countries. During his visit to Jordan he had talks with King Hussein and the Prime Minister, Mr. Samir Rifai; in Iraq he met Brigadier Kassem and other members of the Republican Government; and in Cairo he had a conversation with President Nasser. No statements were issued.

In a press statement in Baghdad, Mr. Murphy said that he had had an "extremely friendly and cordial reception" from Brigadier Kassem and the members of his Government. The Iraqi leaders were "actively studying" the question of the Baghdad Pact but had shown no hostility towards it; they had also listened "very earnestly" to his (Mr. Murphy's) explanations of the pact as part of a world-wide collective security system.

After commenting that the Iraqi leaders seemed more preoccupied with internal problems than external ones, Mr. Murphy added: "They told me about the corruption and mismanagement . . . and past sins of the former regime, and their efforts to increase the standards of living of the people and to continue marketing oil. They categorically denied that the revolution was inspired from outside and said it was a purely internal affair. I was impressed by the earnestness and alertness of the new leaders, who seem full of determination to maintain their independence of world blocs . . . They made no references to alliances with the U.A.R. or other countries, although they expressed the friendliest feelings for President Nasser and suggested that the United States failed to appreciate the significance of the Arab attitude towards him."

After visiting Athens for discussions with the Greek Prime Minister and Foreign Minister (M. Karamanlis and M. Averoff), Mr. Murphy arrived in London on Aug. 10 for talks with Mr. Macmillan; in a statement at London Airport he said that he was "not pessimistic" about the situation in the Middle East, and expressed his belief that "a great deal of progress has been made in the area" during the past few days. After talks with Mr. Macmillan at Chequers, Mr. Murphy visited Paris on Aug. 11 for a discussion with M. Couve de Murville before returning to Washington.

French Reactions to Lebanese Crisis.

A French naval squadron consisting of the cruiser *De Grasse* and three destroyers arrived off Beirut on July 18, but left Lebanese waters the same evening after the French Ambassador (M. Roche) had had discussions with Admiral Jozan, who was in command of the French warships. The discussions were held on board the *De Grasse* and, it was understood, dealt with developments in Lebanon and in the Middle East generally, with special reference to the protection of French interests. M. Roche and Admiral Jozan were visited on board the *De Grasse* by the U.S. Ambassador and the British Chargé d'Affaires in Beirut.

It was authoritatively stated in the French Press that the despatch of the French warships had been ordered for three reasons: (i) In view of France's century-old links with Lebanon, the French Government had felt that it should be represented at any development affecting the fate of that country; (ii) concern for the security of French residents and property in Lebanon a country whose currency was guaranteed by France; (iii) the fact that President Chamoun, in addition to his appeal to the U.S.A., had also formally asked for French support to protect Lebanese basic interests.

On the other hand, resentment was expressed in Paris at the fact that France had not been consulted in the Anglo-American discussions preceding the U.S. action in Lebanon, despite France's close ties with that country, and had only been informed of the British and U.S. decisions concerning the despatch of forces to Lebanon and Jordan as a *fait accompli*. In this connexion it was pointed out (*a*) that General de Gaulle's Government, since the beginning of the Lebanese crisis, had maintained the view that any military intervention from outside was undesirable; and (*b*) that in the light of subsequent developments in Lebanon it was felt that the Lebanese Government and Opposition would be able to reach a settlement without such intervention.

Yugoslav Statements on Middle East Crisis.

The Yugoslav Government issued a statement on July 15 expressing concern at the situation created by the despatch of the U.S. troops to Lebanon, which was described as an "arbitrary act" causing grave tension and theatening an international conflict; it was stated that the U.N. alone should have responsibility in Lebanese matters, and that intervention by armed forces was all the more dangerous as the U.N. was already dealing with the problem. A supplementary statement condemned the despatch of British troops to Jordan as a "further aggravation of an already explosive situation."

On July 18 the Yugoslav Government issued two statements: one calling for an urgent session of the U.N. General Assembly on the Middle East, and the other demanding effective measures by the United Nations to prevent "armed intervention in the internal affairs of two countries" being extended into "aggression against Iraq."

Letters advocating U.N action in the Middle East were sent by President Tito to the Emperor Haile Selassie of Ethiopia, President Sukarno of Indonesia, and the Prime Ministers of India, Burma, Greece, and Sweden.

British Reinforcements for Middle East.

The U.K. Ministry of Defence announced on July 15 that certain precautionary measures would be taken "in view of the generally unsettled situation in the Middle East," including the alerting of an infantry brigade in Britain and of the Parachute Brigade and the 1st Guards Brigade in Cyprus; the despatch of reinforcements from Kenya to Aden and from Aden to the Persian Gulf; and "certain precautionary moves" by naval units in the Mediterranean and the Persian Gulf.

All these movements were carried out within the following week, including the transfer of the H.Q. staff of the 24th Independent Brigade from Kenya to Bahrein and the movement of the 19th Brigade from the U.K. to Cyprus, both carried out by air. The latter operation involved the movement of some 2,000 men.

The Prime Minister of the Rhodesian Federation (Sir Roy Welensky) announced on Aug. 4 that a jet *Vampire* squadron of the Royal Rhodesian Air Force and a half-squadron of transport planes had been moved to Aden and would be attached to the Royal Air Force. -(Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Le Monde, Paris - Soviet Embassy Press Department, London - Turkish Embassy Press Department, London - Australian News and Information Bureau - N.Z. Directorate of Information, Wellington - Indian High Commissioner's Office, London - Tanjug Agency, Belgrade)

(Prev. rep. Middle East Crisis, 16317 A; 16305 A.)

A. NIGERIA. — Request for Independence in 1960. - Constitutional Developments. - Self-Government for Northern Region in 1959. - Ministerial System in Southern Cameroons.

The Nigerian Federal House of Representatives passed a private member's Bill on Aug. 5, 1958, without a division, which proposed to seek independence from Britain on April 2, 1960. The motion was introduced by Mr. Fani Kayode and seconded by Chief T. T. Solaru (Action Group). The Federal Prime Minister (Mr. Balewa) accepted the Bill on behalf of the Government and announced that he was considering, in conjunction with the Governor-General, methods by which outstanding difficulties could be overcome in time; he appealed to all members to treat independence as a national and not as a political issue.

The proposal was linked with the statement on Nigerian independence made by Mr. Lennox-Boyd on June 23, 1957, during the London Constitutional Conference (see 15747 A). As a result of that conference, three Commissions were set up in the autumn of 1957 to deal with a number of questions requiring further investigation. They were:

The Constituency Delimitation Commission. Lord Merthyr (chairman of the Federation of Malaya Constituency Commission in 1954) was appointed chairman of this Commission on Sept 23, 1957, the other two members being Mr. T. Farley Smith (formerly Administrative Secretary, Nigeria), and Mr. J. F. A. Lees (Principal Surveyor in the Nigerian Federal Survey Department). Their report, published on May 16, 1958, recommended that there should be 320 single-member constituencies (on the basis of one such constituency for a federal average of each 98,622 of the population according to the 1953 census), and that these constituencies should be allocated as follows:

	Existing Distribution	Proposed Allocation
Northern Region .	83	174
Eastern Region ..	42	73
Western Region ..	42	62
Southern Cameroons	6	8
Lagos	2	3
	175	320

The Minorities Commission. The composition and terms of reference of this Commission were announced on Sept. 25, 1957 (see 15769 B), and its public hearings, under the chairmanship of Sir Henry Willink, began on Nov. 29 at Ibadan, capital of the Western Region. The Western Nigerian Regional Government, however, withdrew from the proceedings on Dec. 10 because of a procedural dispute. The Commission subsequently visited other parts of Nigeria, but has not as yet published its report.

The Fiscal Commission. This was appointed on Oct. 10, 1957, its members being Sir Jeremy Raisman (deputy chairman of Lloyds Bank) as chairman, and Professor R. C. Trees, of Bristol University. Its terms of reference were to review the present division of powers to levy taxation within the Federation, and also the system of allocating revenues between the Federal Government and the three Regions and the Southern Cameroons.

A preliminary report of the Commission, published in December 1957, proposed that, as from April 1, 1958, the Southern Cameroons should be treated in exactly the same way for revenue allocation purposes as the three Regions. This recommendation was subsequently accepted by the Colonial Secretary, and also by the Federal and Regional Governments.

A further report was published on July 28, 1958, with the following recommendations:

Northern Region. An additional payment of £500,000 should be made from Federal reserves during 1958-59, in consideration of this Region "having had less than its due share of allocated revenues"; a similar sum should be paid annually thereafter, until such time as the recommended new system of revenue allocation for Nigeria as a whole was put into effect.

Federal Revenue. Customs and Excise duties, and taxes on company profits, should remain federal—together with the basic jurisdiction to impose sales taxes. Federal jurisdiction over mining royalties and rents should be maintained, but 50 p.c. of the proceeds should go to the Region of origin, 20 p.c. to the Federal Government, and 30 p.c. to a distributable pool on which all Regions would draw. To this pool should be added 30 per cent of general import revenue, and it was proposed that its total resources should be distributed annually as from April 1, 1959, in the following proportions: North, 40 per cent; East, 31 per cent; West, 24 per cent; Southern Cameroons, 5 per cent.

Conference on Electoral Procedure.

Two special committees were set up at the London Constitutional Conference—one to consider proposals for an electoral law for the Federation, and another to investigate the functions of the Central Marketing Board. It was announced on Jan. 8, 1958, that—as agreed at the London Conference—an *ad hoc* constitutional conference to discuss the findings of the committees would open in Lagos during February.

Draft electoral regulations for the next Federal election, which had been approved by this conference, were published on May 13. They laid down:

(i) That the election should be held on one day throughout Nigeria, under the supervision of an electoral commission to be appointed by the Governor-General; (ii) that any person over 21 who was resident in Nigeria and a British subject, or protected person, would be eligible to vote; (iii) that in the Northern Region the franchise would be limited to male adults, and that women would neither vote nor be eligible as candidates.

Constitutional Developments.

The following recommendations of the London Constitutional Conference were made effective by an Order-in-Council on April 1, 1958:

Northern Region. Membership of the Northern House of Chiefs would be increased from 50 to 62; a Northern Council of Chiefs would be established, consisting of the Governor (as President), the Premier, from 2 to 4 Chiefs who were members of the Executive Council, and 4 other Chiefs from the House of Chiefs.

Southern Cameroons. For details see section "Regional Developments" below.

Eastern and Western Regions. In each of these self-governing Regions there would be set up, as from April 1, 1958, a Public Service Commission and a Judicial Service Commission; the office of Attorney-General would be filled on the recommendation of the Premier; and the post of Director of Public Prosecutions created. The tenure of office of members of Public Service Commissions, and those of judges, the Director of Public Prosecutions, and the Director of Audit, would be safeguarded.

The Federation. Provision was made for the creation of a Federal Police Commission.

Finance. Basic financial principles would apply to all Nigerian Governments, and an increase in the allocation of revenue derived from specific import duties to the Southern Cameroons would be provided at the expense of the Federation.

Regional Developments.

Various recent developments in the Regions of Nigeria are summarized below.

Eastern Region.

Dissensions within the N.C.N.C. Thirty-one leading members of the National Council of Nigeria and the Cameroons (the ruling party in the Eastern Region) presented a petition on June 14, 1958 to Dr. Azikiwe, the Regional Premier and party president, demanding his resignation from both the Government and the party. The signatories (in the main Federal or Lagos politicians) accused Dr. Azikiwe of "splitting the party asunder" and of "losing interest in it"; referred to the findings of the Foster-Sutton tribunal against Dr. Azikiwe (see 15489 A); and blamed him for the failure of the universal free primary education scheme (see below).

The five leading signatories were: Dr. Mbadiwe (Federal Minister of Commerce and Industry); Chief Kolawole Balogun (Federal Minister of Information); Chief H. O. Davies (Chairman of the party's Western Region working committee); Mr. U. O. Ndem (Parliamentary Secretary to Dr. Mbadiwe), and Mr. O. Bademosi (Parliamentary Secretary to Chief Balogun). All five were expelled from the party by its National Executive, but immediately formed a new organization designated the "N.C.N.C. Reform Committee." Subsequently, Dr. Mbadiwe announced on Aug. 4, 1958 the formation of a new party, under the name of the "Democratic Party of Nigeria and the Cameroons," advocating a federal form of government based on Socialist ideology.

Earlier, on Oct. 30, 1957, the N.C.N.C. had, at Dr. Azikiwe's request, granted him considerably increased powers for "drastic control of the party, even in a totalitarian manner." In a resulting reshuffle of the party's National Committee four of its officials were replaced, including Dr. Mbadiwe, Chief Balogun, and Chief Davies — all of whom signed the petition of June 14, 1958.

By-Elections. In a Regional Assembly by-election in the Eket division, held on May 11, 1958, all three seats were won by Action Group (Opposition) candidates on the issue of setting up a separate State comprising the provinces of Calabar, Ogoja, and Rivers.

The School Fees Dispute. As a result of demonstrations and violence arising out of the reintroduction of school fees on Jan. 27, 1958 (after the introduction of universal free primary education by Dr. Azikiwe a year earlier) the Governor-General assumed emergency powers in the provinces of Rivers and Owerri by proclamations of Feb. 5 and 12. The Regional Government had claimed that limited financial resources compelled it to abandon the free education scheme, and had imposed a registration fee of 10s.-20s. for each child, and a teaching fee of £6-£8 for older children of standards V and VI.

The demonstrations originated in the Port Harcourt and Okigwi areas, the majority of the demonstrators throughout being women, since according to family custom the women are responsible for the cost of educating their children from their share of agricultural earnings; men, however, joined in the later and more serious attacks. No violence was committed against Europeans.

At a special session of the House of Assembly at Enugu on Feb. 13, the Government announced that the existing system of school fees would be abolished. Mr. B. C. Okwu (acting Minister of Education)

told the House that instead of enrolment fees, fees would be charged for certain standards on a "voluntary" basis; a Government motion to this effect was carried by 62 votes to 11 on Feb. 16. During the debate Dr. Azikiwe drew attention to the facts that attendance at primary schools had increased from 900,000 to 1,500,000 between 1956 and 1957, and that the Education Budget—already more than £6,000,000 out of a total budget of £14,000,000—would increase by £1,300,000 annually.

The state of emergency was lifted on March 7.

Western Region.

Chief Awolowo, the Regional Premier and leader of the Action Group, announced a reorganization of his Ministry on Oct. 21, 1957. All former Ministers were retained, though some were given different portfolios, the only new appointment was that of Mr. A. Adigun, who became Minister of Health and Social Services.

Alhaji Adegoke Adelabu, leader of the Opposition in the Western Nigerian House of Assembly, was killed in a motor accident on March 25, 1958. This gave rise to prolonged and serious disturbances involving the deaths of 14 people in the first week alone, and necessitating the declaration of a state of emergency in several areas of Western Nigeria. A police statement expressed the opinion that the emotional reaction to Adelabu's death had been inflamed and exploited by persons "interested in anti-tax agitation," and by hooligans generally. Several hundred people were arrested, 77 being committed for trial at Lagos on May 27 on charges of murder.

Northern Region.

A resolution by the Regional Premier (the Sardauna of Sokoto) proposing that regional self-government should be granted on March 15, 1959, was unanimously adopted by the House of Assembly on Aug. 6, 1958. Detailed proposals will be submitted to the Colonial Secretary, including the following:

(i) The Governor (at present appointed by the Queen on the advice of the Colonial Secretary) should be named "after unofficial consultation with the Regional Premier"; (ii) the Governor would retain his powers to administer the Region in "war, insurrection, physical disaster, or political deadlock"; (iii) he would also retain reserved constitutional powers in relation to (*a*) the Federal Government (until the Federation itself became independent), and (*b*) the trusteeship of the Northern Cameroons; (iv) the Public Service Commission and the judiciary should be independent and free from political or other influences.

Southern Cameroons.

Although the Order-in-Council embodying the constitutional changes necessary to establish a ministerial system had come into effect on April 1, 1958, they were not implemented until May 15, after further discussions between Sir James Robertson (the Governor-General) and Dr. E. M. L. Endeley (the Leader of Government Business in the Southern Cameroons' House of Assembly). The changes were as follows:

(i) The Governor-General assumed the title of High Commissioner for the Southern Cameroons; (ii) a Ministry was created consisting of a Prime Minister, three Ministers holding portfolios, and one without portfolio; (iii) a House of Chiefs was established as a deliberative body; (iv) the elected membership of the House of Assembly was increased; (v) an unofficial elected majority was created in the Executive Council; (vi) provision was made for an increase of revenue, as outlined above.

[Under the existing trusteeship agreement the U.K. Government is obliged to administer the territory as an integral part of Nigeria, which will no longer be possible when Nigeria becomes independent. The peoples of both North and South Cameroons will be enabled to express their wishes freely on their future status, and no pressure will be exerted upon them to become part of an independent Nigeria against their will.]

Changes in Federal Government.

Dr. K. O. Mbadiwe and Chief Kolawole Balogun, together with their Parliamentary Secretaries, resigned from the Federal Government on July 26, 1958; all four were among the signatories of the petition of June 14 demanding the resignation of Dr. Azikiwe, the Premier of the Eastern Region (see above). It was announced on July 27 that Mr. Z. B. M. Dipcherima would become Minister of Commerce and Industry in succession to Dr. Mbadiwe, and that Mr. Victor Mukete would replace Chief Balogun as Minister of Research and Information; Mr. Dipcherima and Mr. Mukete had hitherto been Ministers of State.

In an earlier Cabinet change (Sept. 17, 1957) Chief Festus Okotie-Eboh (Minister of Labour and Welfare) had been appointed Finance Minister—an office previously held by the Prime Minister (Dr. Balewa); the Labour and Welfare portfolio was assumed by Mr. J. M. Johnson, who remained Minister of Internal Affairs.

Position of British Civil Servants.

In a White Paper of Aug. 1, 1958, the British Colonial Office announced new financial inducements to encourage British civil servants to remain at their posts in the service of the Nigerian Government in Northern Nigeria, when that Region became self-governing in March 1959.

[Previous schemes to ensure a similar stability in the Eastern and Western Regions, which attained self-government in 1957, appeared to have accelerated resignations rather than retarded them—primarily because the "lump-sum" payments offered dwindled with each further year of service, and were therefore more attractive if accepted intact upon immediate resignation.]

The new proposals were as follows:

(1) Officials who remained would be entitled, right up to the time of their retirement or prior resignation, to their maximum "lump-sum" compensation, of which 90 per cent would be advanced immediately. (2) All pensions, gratuities, and other payments would be made by the British Government (i.e. not by a possibly financially unstable local government), which would exact repayment from the local government concerned. (3) Officials might join a Colonial Office special list, offering possibilities of transfer to other territories. (4) There would be a right of appeal to the British Government in cases of dispute over payments or terms of service.

The British Government would meet a large proportion of the expense involved - the proportion being expected to be in the region of £1,000,000 in 1958, £1,500,000 in 1959, and thereafter at a decreasing rate.

The proposals—apart from minor details—were accepted by the Governments of Northern Nigeria and of the Federation.

The Federal Government, on the other hand, rejected on Aug. 4, 1958 the main proposals of a committee set up by the Prime Minister (Mr. Balewa) to suggest ways of speeding the "Nigerianization" of the public services. While endorsing the aim of an entirely Nigerian Civil Service, the Government considered it had insufficient experienced Nigerian officers to replace the present senior administrative officers who would be retired—particularly if, as was feared, professional, technical, and junior officers should also decide to leave.

Extension of Governor-General's Term.

It was announced in Lagos on Jan. 27, 1958, that the Queen had approved an extension for an unspecified period of the three-year term of the Governor-General, Sir James Robertson, which was due to end in June.—(Times - Daily Telegraph - Manchester Guardian - Commonwealth Survey)

(Prev. rep. 15747 A.)

A. MOROCCO - ITALY. — Agreement on Italian Oil Concession. - Prospecting in Tarfaya Area.

An agreement granting a concession for prospecting and developing oil in the Tarfaya region of southern Morocco was signed in Rabat on July 25 by the Moroccan Government and Signor Enrico Mattei, president of ENI (the Italian State oil concern). The agreement was based on new Moroccan oil legislation announced on the same day, and contained the following provisions:

(1) A mixed Italo-Moroccan company would be formed to hold exclusive oil rights over an area of 30,000 square miles. The capital of this company would be provided in equal shares by ENI and the Moroccan Government.

(2) *AGIP Mineraria* (a subsidiary of ENI) would invest at least U.S.$1,000,000 annually for four years in oil exploration, without any contributions from the mixed company.

(3) When the oil production stage had been reached, profits would be divided on the basis of 50 per cent for the Moroccan Government and the other 50 per cent for distribution to the shareholders—thus giving Morocco an additional 25 per cent and bringing total Moroccan receipts to 75 per cent, as against 25 per cent for ENI.

It was stated that ENI and the Moroccan Government would also sign another agreement providing for the formation of a mixed Italo-Moroccan company to build and operate an oil refinery with an annual capacity of 1,000,000 tons of crude oil.

Tarfaya had only recently been transferred by Spain to Moroccan sovereignty (see 16223 A). According to experts' reports, the area covered by the concession shows "the same characteristics as the oil-bearing area at Hassi-Messaoud" in the Sahara—(Giornale d'Italia, Rome - Le Monde, Paris)

(Prev. rep. Italo-Persian Agreement, 15837 A.)

B. UNITED KINGDOM. — Duke of Edinburgh's Youth Award Scheme extended to Girls.

The extension of the Duke of Edinburgh's Youth Award Scheme to girls was announced on June 19 by Brigadier Sir John Hunt, secretary of the scheme.

Sir John Hunt explained that girls between 14 and 20 could enter for the award in three separate stages—preliminary, intermediate, and final. The syllabuses would be in four sections: (*a*) design for living, including grooming, poise, and running a home; (*b*) getting new interests; (*c*) adventure; (*d*) giving service. For the final award each girl would have to spend a week at a residential centre, complete a course in everyday nursing, and undertake some practical service to the community. Each successful girl would receive an attractive piece of costume jewellery embodying the Duke of Edinburgh's personal cipher.

About 1,000 awards have been made to date under the boys' scheme.—(Times) **(Prev. rep. 15411 A.)**

A. BAGHDAD PACT. — Istanbul Meeting of Heads of State of Turkey, Persia, and Pakistan. - London Meeting of Ministerial Council. - U.S. Undertaking to co-operate in Defence of Baghdad Pact Members against Direct or Indirect Aggression.

A meeting of the Heads of State of the Moslem members of the Baghdad Pact (i e. Turkey, Iraq, Persia and Pakistan) was scheduled to begin in Istanbul on July 14, the day on which the Iraqi revolution broke out. King Faisal II, who was to have attended the meeting, was killed in the early hours of that date (see 16305 A), and his Prime Minister (General Nuri es-Said) was killed on the following day. The Heads of State of Turkey, Persia, and Pakistan had assembled at the airport to welcome King Faisal and General Nuri, unaware at the time that the King had been killed and that a revolution was in progress in Iraq.

Despite the developments in Iraq, President Bayar of Turkey, the Shah of Persia, and President Iskander Mirza of Pakistan decided to continue with the meeting of Heads of State. They accordingly had a four-day conference (July 14-17) at the conclusion of which the following communiqué was issued :

" The Heads of State discussed the situation prevailing in the Middle East, with particular reference to the events in Lebanon and Iraq. They viewed with the greatest concern the latest manifestation of inspired subversion in an allied country, resulting in the brutal assassination of leading personalities whose valuable contribution to the deliberations of the allied members will always be remembered with gratitude.

" The Heads of State place on record their sense of profound grief at the loss of loyal and respected friends, and extend their heartfelt sympathies and condolences to the bereaved families and to the country at large. The Heads of State deplore wholeheartedly this relapse into barbarism, and are determined to support in every way possible such measures as should be taken to arrest international gangsterism in the region. In this connexion, they welcome the initiative taken by the United States to uphold the integrity and independence of free and peace-loving countries and, in particular, the practical support given to the lawfully constituted Government of Lebanon. The Heads of State look forward with confidence to the extension of this initiative in countries similarly threatened.

" The Heads of State believe that recent events in the Middle East emphasize more than ever the need for collective security arrangements of the most practical type, and propose to strengthen such collaboration between themselves They trust that they will receive the full co-operation of countries which are also concerned with the peace, security, and stability of the Middle East."

President Bayar, the Shah of Persia, and President Mirza also sent a message to President Eisenhower expressing " deep satisfaction and relief " at his " bold and appropriate decision " to send U.S. forces to Lebanon. The message said that this action would strengthen the faith of the free world in American leadership and would not only ensure the protection of Lebanon but strengthen the position of Persia, Pakistan and Turkey.

London Meeting of Ministerial Council.

The Ministerial Council of the Baghdad Pact (excluding Iraq) met in London on July 28-29, the delegations being led by the respective Prime Ministers—Mr. Harold Macmillan (Great Britain), Dr. Eghbal (Persia), Mr. Firoz Khan Noon (Pakistan), and Mr. Adnan Menderes (Turkey). An American delegation also participated in the talks, led by Mr. Dulles, the Secretary of State.

A joint declaration was issued on July 28 and a communiqué at the conclusion of the meeting on July 29, the most important feature being an undertaking on the part of the U.S.A. to co-operate in the defence and security of the other members of the Pact, excluding Iraq. The texts of these statements were as follows :

Joint Declaration.

" (1) The members of the Baghdad Pact attending the Ministerial meeting in London have re-examined their position in the light of recent events and conclude that the need which called the Pact into being is greater than ever. These members declare their determination to maintain their collective security and to resist aggression, direct or indirect.

" (2) Under the Pact collective security arrangements have been instituted. Joint military planning has been advanced and area economic projects have been promoted. Relationships are being established with other free-world nations associated for collective security.

" (3) The question of whether substantive alterations should be made in the Pact and its organization, or whether the Pact will be continued in its present form, is under consideration by the Governments concerned. However, the nations represented at the meeting in London reaffirmed their determination to strengthen further their united defence posture in the area.

" (4) Article 1 of the Pact of Mutual Co-operation signed at Baghdad on Feb. 24, 1955, provides that the parties will co-operate for their security and defence and that such measures as they agree to take to give effect to this co-operation may form the subject of special agreements. Similarly, the United States, in the interests of world peace, and pursuant to existing Congressional authorization, agrees to co-operate with the nations making this declaration for their security and defence, and will promptly enter into agreements designed to give effect to this co-operation."

Communiqué.

" The Baghdad Pact Council met, as previously scheduled, in London on July 28 and 29 . . . A significant declaration was signed on July 28. The member-Governments represented welcomed the new initiative of the United States as set out in Paragraph 4 of that declaration, whereby the United States agreed to co-operate with the other nations making the declaration for their security and defence.

" The Ministers exchanged views on the world situation, with particular reference to the Middle East. They expressed their concern at the recent examples of aggression by indirect means. This represents a spreading and dangerous threat to the independence and territorial integrity of sovereign States and should be combated by all possible legitimate means, including action by the United Nations.

" In this connexion the Ministers appreciated the recent prompt action, taken in accordance with the principles of international law and in conformity with the U.N. Charter, by the United Kingdom and the United States in responding to the call for help of the lawful Governments of Jordan and Lebanon.

" The Ministers agreed to maintain the close contact existing between their Governments in order to achieve the aims and purposes of their association for mutual co-operation, and to strengthen their ability to resist direct or indirect aggression."

The Diplomatic Correspondent of *The Times* commented as follows on the American decision to co-operate with the Baghdad Pact members in ensuring their defence and security against direct or indirect aggression :

" This declaration means that the United States, which has never been a full member of the Baghdad Pact, has undertaken exactly the same obligations to the member countries of the Middle East area, except Iraq, which the full members already have agreed among themselves . . There are two important considerations in the procedure adopted by the United States—that of agreeing to obligations to members of the pact instead of becoming a full member. One is that the special military and economic agreements which are to be made can be made immediately, under the joint resolution on the Middle East passed by both Houses of Congress in March, 1957 [i.e. the " Eisenhower doctrine "] . . . If the United States had, instead, decided to join the pact as a full member, this would have entailed a new treaty, which would have required ratification by a two-thirds majority of the Senate. This procedure could not have been completed before 1959. The second point is that the United States is not committed to make such special agreements with Iraq, since Iraq has not signed the present declaration."

It was understood that the Ministerial Council had also discussed their attitude to the new regime in Iraq as indicated in the third paragraph of the joint declaration stating that the organization of the Baghdad Pact was " under consideration by the Governments concerned." No definite statement of the Iraqi Republic's attitude to the Pact has so far been issued in Baghdad.—(Times - Pakistan High Commissioner's Office, London - Turkish Embassy Press Department, London - New York Times) **(Prev. rep. Middle East Crisis, 16333 A ; 16317 A ; 16307 A ; Baghdad Pact, 16023 A.)**

B. ALBANIA - GREECE. — Joint Mine Clearance Operation in Corfu Straits.

Under an agreement between Albania and Greece, concluded on Feb. 8, minesweepers of both countries co-operated in sweeping the straits between Corfu and the Albanian mainland to clear them of mines laid during and after the war. After several months' activities, during which Greek vessels swept the Greek side of the straits and Albanian vessels the Albanian side, it was announced in mid-July that the operation had been completed but that no mines had been discovered.

A Greco-Albanian declaration was signed at Santi Qaranta on July 30 testifying that navigation through the Corfu Straits was now safe by all international standards. It was stated that the straits would be open to navigation early in August, for the first time since 1946.

(Hellenic News Agency, Athens - Le Monde, Paris)

Note. In 1946 two British destroyers struck Albanian-laid mines in the Corfu Straits and were seriously damaged, with heavy loss of life (see 8240 A). The case was subsequently brought by Britain before the International Court of Justice in The Hague, which awarded the U.K. compensation against Albania (see 9939 A ; 10246 C). The Albanian Government refused, however, to make any payment (see 11294 B).

AUGUST 16—23, 1958

A. MIDDLE EAST CRISIS. — Correspondence between M. Khrushchev and President Eisenhower, Mr. Macmillan, General de Gaulle, and Mr. Nehru. - Abandonment of proposed "Summit" Meeting at Security Council. - Emergency Session of General Assembly on Middle East Situation.

The outbreak of the crisis in the Middle East led to a voluminous exchange of correspondence between M. Khrushchev on the one hand and President Eisenhower, Mr. Macmillan, and General de Gaulle on the other, in addition to an exchange of letters between the Soviet Prime Minister and Mr. Nehru. This correspondence, initiated by M. Khrushchev on July 19, went on until Aug. 10 and involved the exchange of some 25 letters, many of them running into thousands of words.

The principal stages of the correspondence were : (1) An initial proposal by M. Khrushchev for a meeting between himself, President Eisenhower, Mr. Macmillan, General de Gaulle and Mr. Nehru, to open at Geneva on July 22 with the participation of Dr. Hammarskjöld, the U.N. Secretary-General. (2) A subsequent proposal by Mr. Macmillan—accepted by M. Khrushchev, and supported by President Eisenhower—that the Heads of Government should participate at a special meeting of the Security Council on Middle East problems, to be held at U.N. headquarters. (3) M. Khrushchev's retraction of his previous agreement to a "summit" conference within the Security Council, and his proposal that Middle East problems should be debated instead at a special emergency session of the General Assembly.

Summaries of the correspondence exchanged between July 19 and Aug. 10 are given below under cross-headings :

July 19. - M. Khrushchev's Letters to President Eisenhower, Mr. Macmillan, General de Gaulle, and Mr. Nehru. - Proposal for Summit Conference at Geneva.

In letters sent on this date to President Eisenhower and the Prime Ministers of Great Britain, France, and India, M. Khrushchev urged that a summit meeting should open at Geneva on July 22 (i.e. within three days) "to take urgent measures to end the military conflict which has begun in the Middle East."

Letter to President Eisenhower.

M. Khrushchev's letter to the U.S. President began with the assertion that American and British "armed intervention" in Lebanon and Jordan had brought the world "to the brink of catastrophe" and could involve "extremely dangerous and unpredictable consequences and set off a chain reaction which it would be impossible to halt." He continued : "We are addressing you not from positions of intimidation but from positions of reason . . . We know that the U.S.A. has atom and hydrogen bombs, and we know that you have an Air Force and Navy. You are, however, well aware that the Soviet Union also possesses atom and hydrogen bombs and an Air Force and Navy, plus ballistic missiles of all types, including inter-continental ones. However, we believe that at this momentous hour it would be more reasonable not to bring the heated atmosphere to flash-point—it is sufficiently inflammable as it is. The statesmen must seek for solutions not by means of fomenting war hysteria, but in a calm and reasonable manner, so as to rule out war and ensure world peace . . .

"You explain the armed intervention in Lebanon by President Chamoun's request for help in combating aggression. But an internal struggle is going on in Lebanon, and the events in that country prior to the landing of American troops could in no way be classed as direct or indirect aggression by other States, a fact that is confirmed by the U.N. observers and the U.N. Secretary-General . . . Consequently, the 'invitation' sent by Chamoun has no constitutional validity. The same situation prevails in Jordan, where British troops have been sent, not to uphold the interests of the people and the country, but to save the monarchy . . . The military intervention of the U.S.A. and Britain in Lebanon and Jordan has been undertaken at the request of irresponsible rulers who do not enjoy the support of their peoples and are acting against their wishes . . ."

After calling for the immediate withdrawal of all "occupation forces" from the Middle East so as to give the peoples of that area "an opportunity to decide their destiny for themselves," M. Khrushchev continued : "In this grim moment of history . . . the Soviet Union . . . cannot remain indifferent to what is happening in the Middle East, near to its frontiers. It cannot keep aloof at a time when the question of war or peace is being decided. That is why the Soviet Government proposes an immediate conference of the Heads of Government of the U.S.S.R., the U.S.A., Great Britain, France, and India, with the participation of the U.N. Secretary-General, in order to take urgent measures to end the military conflict that has begun . . . History has left us a small margin in which to avert war, to prevent the annihilation of many millions of people and the destruction of great material and cultural values . . .

"The Soviet Union believes that a solution can and must be found which would meet the vital interests of the peoples of the Middle East and ensure their sovereign rights, with due regard for the interests of all States associated with the countries of that area. The Western Powers say that they are interested in using the oil and other raw material resources of that part of the world. But the peoples of that area are not denying the Western Powers this opportunity. They demand only one thing : that this problem be solved on an equitable and mutually beneficial commercial basis—which is the most reasonable basis.

"The Soviet Government believes that a conference of the Heads of Government of the U.S.S.R., the U.S.A., Britain, France, and India could also consider the question of ending deliveries of arms to the Middle East, as was earlier proposed by the U.S.S.R. We consider it necessary that this summit conference should work out definite recommendations to end the military conflict in the Middle East and submit them to the Security Council, so that this U.N. body may study them with the participation of representatives from the Arab States."

Finally, M. Khrushchev proposed that the five Heads of Government should meet at Geneva on July 22 so as "not to waste any precious time, as the guns are already beginning to speak." Should Geneva or some other neutral centre be unacceptable to the Western Powers, the U.S.S.R. was prepared "to agree to any place, including Washington," for a summit meeting." In conclusion," said M. Khrushchev, "I wish to lay special emphasis on the fact that the question of whether the conflict in the Middle East is settled through war or by peaceful means depends on your Government and on you personally, Mr. President."

Letter to Mr. Macmillan.

M. Khrushchev's letter to Mr. Macmillan was virtually identical with that sent to President Eisenhower, and for the greater part was phrased in the same terms. Containing the same allegations of Anglo-American "armed intervention," it stated *inter alia* that Jordan was threatened neither with direct nor indirect aggression and that "the military invasion of Jordan by Britain has been launched at the request of an irresponsible monarch who does not enjoy the support of the people." M. Khrushchev added in this connexion : "You should be well aware that it is not yet two years since . . . British troops were turned out of Jordan by the same reigning king. Now he is asking for British troops to be moved in again . . ."

Addressing Mr. Macmillan as "a man with vast knowledge of life and experience of statesmanship," M. Khrushchev said in the course of his letter : "I think, Mr. Prime Minister, that the bitter experience which Britain had as a result of her unprovoked attack on Egypt has left a mark on the heart of every Briton deep enough to make it clear what grave consequences Britain's participation in the new military adventure can entail for the people of Britain . . ." As in his letter to President Eisenhower, M. Khrushchev urged a meeting of the five Heads of Government in Geneva on July 22, "as the guns are already beginning to fire."

Letter to General de Gaulle.

In his letter to General de Gaulle, whom M. Khrushchev addressed as "a man with a wealth of military experience," the Soviet Prime Minister said that "American and British warships, planes and tanks have already invaded Lebanon and Jordan," and that "the danger of intervention is looming large over Iraq and all the States of the Arab East." After declaring that the "organizers of intervention" were "trying to lull world opinion" by "alleging that they plan to restrict their actions to Jordan and Lebanon," M. Khrushchev continued : "When attacking Poland, Hitler also alleged that he intended to limit himself to military operations of a local nature. He first made short work of Poland, then of Denmark, Norway, Holland, and Belgium, and then of France, after which he attacked the Soviet Union and the war turned into a world conflict . . ."

The rest of M. Khrushchev's letter was a recapitulation of the allegations and arguments in his letters to President Eisenhower and Mr. Macmillan. It contained, however, two direct references to France. Firstly, M. Khrushchev expressed his "surprise" at what he described as "the haste with which the official representatives of France have expressed solidarity with the aggressors and even tried to stage a military demonstration off the shores of Lebanon." [An apparent reference to the brief visit paid by a French naval squadron to Beirut on July 18—see page 16337, second column.] Secondly, he expressed the opinion that "France's sad and unpleasant experience in Algeria and during the unprovoked British, French, and Israeli attack on Egypt has left a sufficiently deep imprint in the heart of every Frenchman to make him understand what grave consequences may arise for the French people from participation in this new military adventure."

Letter to Mr. Nehru.

The Soviet Prime Minister's letter to Mr. Nehru said that "American aggression in Lebanon and British aggression in Jordan have . . . brought us to a brink where any imprudent step may touch off the greatest catastrophe the world has ever seen." After describing the Anglo-American action as "a continuation of the old colonialist policy to which your country fell victim at one time," M. Khrushchev added :

"We in the Soviet Union know that India's voice is heeded, not only in Asia, but throughout the rest of the world as well . . . We do not doubt that India will say her weighty word in defence of the cause for which her courageous people have always fought tirelessly. By supporting the proposal for an immediate [summit] conference, and by her own active participation in it, India would be making an inestimable contribution to the cause of preserving peace."

July 20-22. - Replies to M. Khrushchev. - Mr. Macmillan's Proposal for Summit Meeting at Security Council.

Mr. Nehru replied to M. Khrushchev on July 20, whilst President Eisenhower, Mr. Macmillan, and General de Gaulle replied on July 22.

Mr. Nehru to M. Khrushchev.

Mr. Nehru said that he was "grateful" for M. Khrushchev's letter, and recognized the "urgency and vital importance" of its contents. He continued:

"I entirely agree with you that we are living through one of the most serious crises in the history of mankind [and that] . . . reason and even self-interest drive us to the conclusion that the maintenance of peace is essential for all of us, and that war must be avoided. This means that the approach to this and similar questions must not be through military strength and pressures, but by calm negotiation and the firm determination that peace must be maintained.

"You are aware of our firm conviction that armed intervention by a foreign Power in any country is most undesirable, and that foreign troops should be withdrawn from the countries concerned . . . Therefore we have urged the United States and Great Britain to withdraw their forces from Lebanon and Jordan.

"We would welcome a peaceful approach by negotiation through the U.N. or its Security Council, or otherwise, with a view to helping the U.N. to take steps to end the conflict in the Middle Eastern region. We are always prepared to offer our services for this purpose . . . I am grateful to you for your kind invitation to India to join in the conference of Heads of Government suggested by you . . . We shall gladly offer our services in the cause of peace if they are needed . . ."

President Eisenhower to M. Khrushchev.

The U.S. President replied to M. Khrushchev's letter of July 19 as follows:

". . . The manner in which you have chosen to express yourself is hardly calculated to promote the atmosphere of calm reasonableness which, you correctly say, should replace the present overheated atmosphere. I am not aware of any factual basis for your extravagantly expressed fear of the danger of general war.

"What has happened in regard to Lebanon is this: On July 14 the lawful Government of Iraq was violently overthrown. On the same day a comparable plot against the Kingdom of Jordan was discovered and barely thwarted. The Government of Lebanon, which had already for some months been subjected to indirect aggression from without, appealed to the U.S.A. for instant assistance.

"In the light of the developments in neighbouring Iraq and Jordan, it felt that nothing less than immediate help would make it possible to preserve the independence and integrity of Lebanon. The U.S.A. responded to this appeal . . . Surely it is not 'aggression' thus to help a small nation to maintain its independence.

"You speak of 'armed conflict' in the Middle East. There has been the bloody coup in Iraq, the plot to assassinate those who compose the Government of Jordan, and the civil strife in Lebanon fomented from without. Otherwise, I know of no 'armed conflict.' Unless those of aggressive disposition are far gone in folly, they would not start war because Lebanon, with a population of 1,500,000, is helped to maintain its integrity and independence. The real danger of war would come if one small nation after another were to be engulfed by expansionist and aggressive forces supported by the Soviet Union.

"We do not want to see a repetition of the progressive destruction of the independence of small nations which occurred during the 1930's and which led to the Second World War. To be acquiescent in aggression, be it direct or indirect, is not the road to peace. This does not mean that the United States is dedicated to a perpetuation of the *status quo* in the Arab world. The U.S.A. recognizes and sympathizes with the yearning of the Arab peoples for a greater nationalistic unity. For example, the U.S.A. promptly recognized the United Arab Republic as soon as it was apparent that the change was accepted by the peoples concerned . . .

"But it is one thing to change the international *status quo* by orderly and peaceful processes, and another thing to change it by indirect aggression. Such processes cannot be reconciled with a peaceful world or with the ideals of the United Nations, which recognizes the equal rights of nations, large and small, and the dignity and worth of the human person . . .

"The action of the United States in relation to Lebanon was fully in accord with the accepted principles of international law and with the U.N. Charter . . . When last week the Soviet Union introduced in the U.N. Security Council a resolution condemning our action in Lebanon, that resolution received only one vote—that of the Soviet Union itself [see 16317 A]. Efforts were made within the Security Council to provide Lebanon with increased protection from the United Nations so as to preserve its integrity and independence, thus permitting U.S. forces promptly to be withdrawn. There were two such proposals [i.e. the U.S. and Japanese resolutions], each defeated by the one vetoing vote of the Soviet Union.

"How does the Soviet Union reconcile its allegation that U.S. forces in Lebanon endanger world peace with the veto of these two proposals? Am I to conclude that the Soviet Union seeks, by imputing to others 'war motives' and itself boasting of its nuclear and ballistic-missile power, to divert attention from the steady erosion of the independence of small nations? Are we, as civilized peoples, to accept the increasing use of violence, murder, and terrorism as instruments of international policy? If so, this constitutes the real danger to peace. The U.S.A. will steadfastly oppose that danger and seek to strengthen the established processes of international law and order . . ."

After referring to the Soviet Union's "constant abuse of its veto power in the Security Council," and pointing out that its latest veto on the Lebanese question was the 85th to date, President Eisenhower commented as follows on M. Khrushchev's proposal for a five-Power summit meeting on the Middle East:

"Your proposal seems calculated to derogate from the authority and prestige of the United Nations. What you propose amounts in effect to five nations, without sanction of the U.N. and without conformity with its Charter, reaching what you call 'recommendations' regarding the Middle East, which would then be submitted to the Security Council. But in reality such so-called 'recommendations' would be decisions, and the process would in effect make the U.N. into a 'rubber stamp' for a few great Powers.

"Furthermore, when procedures are sought to be improvised to meet what is alleged to be a situation of great urgency, this can scarcely be expected to save time. It raises a whole series of new problems which must be considered by the various nations that might consult together, and by others which might feel that they were improperly omitted and which are deeply concerned with the Middle East.

"If, indeed, the Soviet Union seriously believes that there is an imminent threat to world peace, it is bound by the U.N. Charter to take the matter to the Security Council. By Article 24 of the Charter, the Soviet Union, with other members of the U.N., has conferred on the Security Council 'primary responsibility for the maintenance of international peace and security,' and all the members have agreed that, in these matters, it 'acts on their behalf.' It is also agreed that the Council has the responsibility to 'determine the existence of any threat to peace' and to 'decide what measures shall be taken . . . to maintain or restore international peace and security.'

"The Security Council is already dealing with certain phases of the problem alluded to by you. If you or we believe that other aspects of this problem or other problems should be urgently dealt with in the interest of peace, then it lies open to any of us to enlarge the scope of the Security Council's consideration.

"Furthermore, under the Charter, members of Governments, including Heads of Government and Foreign Ministers, may represent a member-nation at the Security Council. If such a meeting were generally desired, the United States would join in following that orderly procedure.

"I do not, of course, exclude the discussion, outside the U.N., of world or regional problems not posing alleged imminent threats to peace. I cannot but deplore the persistent refusal of your Government for so many months to agree to the adequate preparation of a 'summit' meeting at which we could exchange considered views on the great problems which confront the world . . ."

Mr. Macmillan to M. Khrushchev.

Before giving a detailed reply to the Soviet Prime Minister's letter, Mr. Macmillan sent an interim reply (dated July 20) worded as follows:

"Your message contained many allegations and statements which I cannot accept. Nevertheless, as I have frequently stated before, I am anxious to find a suitable means of trying to resolve, through a meeting of Heads of Government, the grave problems which confront us. H.M. Government are urgently considering, in consultation with our allies, the best means by which to arrange for a meeting which Heads of Government could attend. I shall send you a further communication as soon as these consultations have been concluded."

In what he described as a "considered reply" to M. Khrushchev's letter, Mr. Macmillan proposed on July 22 that the "summit" conference of the U.S.A., the U.S.S.R., Great Britain, France, and India should be held at a special meeting of the Security Council in New York. Mr. Macmillan wrote:

"As I explained in my interim reply, this is a matter which H.M. Government have considered in consultation with our allies. I shall come quickly to the point of your letter. First, however, I wish to make it plain that I do not share your judgment that the world is on the verge of a military catastrophe. I say this in full and certain knowledge of the pacific intentions of the Western Powers, and in the belief that the Soviet Government would not themselves take a step which would lead to world war.

"I also wish to forestall any misunderstanding by saying at once that I cannot accept in particular your description of the action which we have taken in sending troops to Jordan, of our motives, or of the situation in Jordan itself. As has been made abundantly clear, the sole reason for our action in Jordan was to protect a small and independent country which had appealed for help against the threat of aggression and subversion stimulated from without.

"However, although I reject your premises, it by no means follows that I reject your conclusion. Indeed, I agree with you that it would be useful if Heads of Government could find an early opportunity to meet and discuss the Middle East. I should certainly be glad to explain to you face to face how H.M. Government view the problems which beset the area.

"I was glad to see that in your message you referred, with marked disapproval, to the idea of 'circumventing the United Nations' As you know, the Security Council already has under consideration certain questions concerning the Middle East. I hope you will agree that the proceedings in the Security Council should not be circumvented, but that the discussions for which you have asked should take place in that forum, thus providing continuity.

"Article 28 of the U.N. Charter enables the Security Council to hold meetings at which each of its members may, if it so desires, be represented by a member of the Government or by some other specially designated representative. I would certainly be ready to go to New York for such a meeting if you would also go, and I take it from the terms of your message that you would.

"It would not be the intention of H.M. Government that any resolutions should be put forward at this special meeting of the Security Council unless they arose out of previous agreement. In other words, the object would be to reach fruitful agreements rather than to register differences by votes. I hope that this spirit will prevail.

"You had hoped that we might meet in Geneva today. I hope that we may meet soon in New York in accordance with the plan I have suggested."

General de Gaulle to M. Khrushchev.

In his reply to the Soviet Prime Minister, General de Gaulle expressed his willingness to take part in a "summit" conference on the Middle East "as soon as this contact could be organized in reason and calm, as you yourself write."

After pointing out that the problem of the Middle East was already before the United Nations, General de Gaulle wrote: "I think that the best [procedure] at the moment is to let the U.N. continue its debates. If these do not produce any result, the project of a conference at the summit should, in my opinion, be then pursued. In that case the French Government would be ready to discuss immediately the composition, date, and place that would be most appropriate for the meeting envisaged."

General de Gaulle prefaced this statement by observing that certain of the terms and arguments in M. Khrushchev's letter seemed unlikely to contribute to the success of a meeting of Heads of Government. In this connexion he rejected M. Khrushchev's comparison of British and U.S. actions in the Middle East with Hitler's actions in 1939-40 (observing, in a parenthetic allusion to Soviet participation in the partition of Poland, that "Hitler, alas, was not alone"); he also emphasized that Algeria was a purely French problem. In an implicit retort to M. Khrushchev's reference to the "deep imprint on the heart of every Frenchmen" caused by the Suez crisis, General de Gaulle said: "I will abstain from insisting reciprocally on the traces that certain enterprises have left on the soul of the Russian people."

Consultations between Western Powers. - Mr. Selwyn Lloyd's Visit to Washington.

As stated in Mr. Macmillan's letter, consultations were held between the three Western Governments in connexion with the replies to be sent to M. Khrushchev. It was understood—though not officially stated—that there were certain divergencies of view on this matter, notably between Britain and the United States. After 24 hours of intensive consultations, however, it was announced at the White House on July 22 that the U.S. Government were willing to accept Mr. Macmillan's proposal for a "summit" meeting at the Security Council "if such a meeting were generally desired" the phrase used in President Eisenhower's reply to M. Khrushchev.

In a statement on the previous day (July 21) the French Government had declared itself "favourably disposed in principle" to the Soviet Government's proposal for a summit conference on the Middle East. The Minister of Information (M. Soustelle) commented, however, that while the replies of the Western Powers would express similar views and affirm Western solidarity, "it is possible that within this solidarity there are shades of opinion on the part of the different members."

At the invitation of Mr. Dulles, the British Foreign Secretary (Mr. Selwyn Lloyd) had previously flown to Washington on July 16 for consultations on the Middle East situation. After a series of lengthy meetings at the White House and the State Department (July 17-18) a joint statement was issued saying (*a*) that there had been "a general review of the situation in the Middle East, particularly in reference to Lebanon and Jordan"; (*b*) that President Eisenhower, Mr. Selwyn Lloyd, and Mr. Dulles had discussed "the joint efforts of the United States and the United Kingdom to assure the independence and integrity of these two small countries by giving the assistance requested by their lawful Governments"; and (*c*) that there had been "a close identity of views." Mr. Selwyn Lloyd returned to London on July 20.

July 23. - M. Khrushchev's Acceptance of Summit Meeting at Security Council. - Further Letters to Western Leaders and Mr. Nehru.

M. Khrushchev sent a further letter to Mr. Macmillan on July 23 welcoming the British Prime Minister's suggestion for a "summit" conference at the Security Council, and proposing that this meeting should begin in New York on July 28. Identically-worded letters were also sent to President Eisenhower and General de Gaulle noting that they had agreed to the British suggestion for a "summit" meeting at the United Nations. In addition, M. Khrushchev sent a letter to Mr. Nehru noting "with satisfaction" the identity of views between India and the U.S.S.R. on the Middle East question, and expressing the hope that Mr. Nehru would personally attend the proposed "summit" meeting in New York.

In his letter to Mr. Macmillan, the Soviet Prime Minister expressed gratification that the Soviet Government's proposal for a summit meeting on the Middle East "has been favourably received by you." He continued:

"Taking into consideration the need for urgent decisions in the interests of preserving peace, we believe that the form in which the meeting of Heads of Government takes place cannot be of decisive significance in this case. The important thing is that this meeting should be held as soon as possible . . .

"We agree with your considerations with regard to the approach to the discussion of this question at a special session of the Security Council . . . We agree that no resolutions whatsoever should be introduced unless they arise from previous agreement, and that the aim of our joint work should be to achieve fruitful agreement and not to record disagreement by means of a vote. The Soviet Government assumes that the Heads of Government will . . . also have the opportunity for joint consultations which are not only of a formal nature.

"Since what is involved is a discussion in the Security Council, not of ordinary current questions, but of problems of special importance from the point of view of preserving peace and ensuring security, we consider that it would be useful to invite India one of the biggest Asian countries, and universally recognized as a State standing for the preservation of peace to take part in the work of the Security Council. [India is at present not a Council member.] Her participation would really be beneficial, in contrast to the participation of one of the so-called permanent members who does not in fact represent anyone [i.e. Nationalist China] . . .

"Naturally, representatives of the interested Arab States should be invited to take part in the discussion in the Security Council with the participation of the Heads of Government of the five Powers" [i.e. the U.S.A., the U.S.S.R., Great Britain, France and India].

In the course of his letters to President Eisenhower and Mr. Macmillan, the Soviet Prime Minister reiterated the allegations of Anglo-American "aggression" in Lebanon and Jordan, though saying that he had "no wish to enter into polemics about the reasons for the tension and the threat to peace in the Middle East area."

July 25. - Replies by President Eisenhower, Mr. Macmillan and General de Gaulle. - French Proposal for Summit Meeting in Europe.

In his reply to M. Khrushchev (dated July 25) President Eisenhower said that the proposed date for a summit meeting at the Security Council (i.e. July 28) would be "too early for us." He suggested that Dr. Hammarskjöld should discuss with the permanent representatives on the Security Council both a "generally satisfactory" date for such a meeting and the "generally acceptable" conditions under which it should take place. Moreover, the President stressed that a summit meeting at the Security Council should not be "improvised" but should take place under the established U.N. rules of procedure, particularly with regard to "the conditions under which nations which are not members of the Council may participate in the discussions of the Council."

After commenting that M. Khrushchev's letter of July 23 contained "apparent misunderstandings," and requesting the Soviet Prime Minister to read his (President Eisenhower's) letter of July 22 "more carefully," the U.S. President continued:

"I then said that if, in spite of the facts established in the recent meetings of the Security Council, your Government still desires to allege that the situation in Lebanon constitutes an imminent danger to peace in the Middle East, the proper forum for an appropriate discussion is the Security Council. I am glad that you now recognize the responsibility of the U.N. and have withdrawn your original proposal, which would have gravely undermined the prestige and authority of the United Nations.

"My letter pointed out that the U.N. Charter authorizes members of Governments—and that of course includes Heads of Government and Foreign Ministers—to represent a member-nation at the Security Council and that, if such a meeting were generally desired, the U.S.A. would join in following that orderly procedure. It is, of course, not yet certain that such a meeting is in fact 'generally desired,' although that may prove to be the case.

"You now make specific suggestions dealing with the composition of the Security Council and the conditions under which nations other than members of the Council may participate in its discussions. My letter of July 22 urged that one of the advantages of proceedings in the Security Council is that there are established rules on these matters, and it is accordingly not necessary to rely on improvising.

"I pointed out that, when rules of this kind are sought to be improvised, there is raised a whole series of new problems—notably as to the participation and non-participation of various States. The U.S.A. will adhere in these respects to the Charter, which lays down the conditions under which nations which are not members of the Council may participate in the discussions of the Council.

"As to the agenda, we agree that it should be limited to a discussion of the problems of the Middle East, including the causes of those problems. I would, however, be lacking in candour if I did not make it clear that to put peace and security on a more stable basis in the Middle East requires far more than merely a consideration of Lebanon and Jordan. These situations are but isolated manifestations of far broader problems.

"In my opinion the instability of peace and security is in large measure due to the jeopardy in which small nations are placed. It would be the purpose of the U.S.A. to deal with the specific incidents you raise within that broad context. To do otherwise would be to be blind to the teaching of history.

"You will recall that World War II was brought about by a series of acts of direct and indirect aggression against small nations. In March, 1939, the then head of the Soviet Communist Party [i.e. Marshal Stalin] pointed out that the failure of non-aggressive nations, among which he named Britain and France, to check direct or indirect aggression against small countries meant 'giving free rein to war and consequently transforming the war into a world war.' That forecast unhappily proved true . . .

"In conclusion, I suggest that the permanent members of the Security Council should exchange views, under arrangements made by the Secretary-General, to ascertain that a meeting of the kind and under the conditions I suggest is generally acceptable If so, they should also agree upon a date which would be generally satisfactory. The date of July 28 would be too early for us I am authorizing our permanent representative to act in this sense."

Mr. Macmillan's reply to M. Khrushchev was worded as follows :

"I am sorry that in spite of your statement that you do not want to enter into polemics, you should still have felt it necessary to repeat accusations of Western aggression which have no foundation. Nevertheless, I have noted with satisfaction the main point of your letter, which is that you have accepted my view that certain Middle East problems should be discussed at a Security Council meeting in New York under the provisions of Article 28 of the U.N. Charter, which permits Heads of Governments to be present. I repeat that I would certainly be ready to go to New York for such a meeting if you would also go.

"I suggest that the necessary arrangements should be made through the permanent members of the Security Council, and that they should be requested to reach agreement about the date of the Council's first meeting under Article 28 and to decide what other States should be invited to be represented. The work could begin without delay in close consultation with the Secretary-General."

General de Gaulle, in his reply to M. Khrushchev, insisted that other Middle Eastern countries—notably Turkey, Persia, and Israel—should participate in a summit meeting at the Security Council, in addition to "interested Arab States" and India, as proposed by the Soviet Prime Minister. While expressing France's willingness to take part in a special session of the Security Council, he pointed out that such a meeting had no relation to a five-Power "conference at the summit" as originally proposed by M. Khrushchev. He urged, therefore, that preparations be made for a summit meeting of Heads of Government—preferably in Europe—in addition to the contemplated special session of the Security Council. General de Gaulle's letter ran as follows :

"In your letter of July 19 . . . you suggested Geneva as the place for our [summit] meeting. I replied on July 22 . . . that the French Government willingly agreed to examine at once, with the interested States, the composition, date and place [of such a meeting] as soon as the U.N. Security Council had finished its current debate . . . the Council has in fact ended the study of the Lebanon question without arriving at any positive result. I am therefore quite ready to proceed without delay to the preparation of a 'conference at the summit' and to take part therein.

"But your letter of July 22 brings me a proposition quite different from that which you formulated on the 19th. Considering, apparently, that the urgency of the questions relating to the Middle East has diminished, you no longer recommend a 'conference at the summit' but a special session of the U.N. Security Council. The Heads of Government could certainly participate in this session. But, in any case, the representatives of the 11 member-States of the Council, as well as those of India and the interested Arab States, would also be called on to take part.

"In this case, it would in my opinion be indispensable also to invite other States of the Middle East—at least Turkey, Persia, and Israel—who are also directly concerned. Without any doubt, debates started under such conditions would soon make the Council determined to extend the number of participants and the field of discussion even more.

"This 'special' session of the Security Council would not, therefore, have any relation to the 'conference at the summit' that we envisage, and which I have in principle agreed to attend. For my part, I think it preferable that we should keep to our initial project—that is to say, a conference of the Heads of Government of the principal powers interested. It seems to me also that it would be better that this meeting should take place in Europe. I willingly accept Geneva, or in default, any other city on our continent . . ."

After expressing his conviction that a "summit" conference would be held sooner or later, irrespective of the proposed special session of the Security Council, General de Gaulle concluded : "The French Government believes that it must . . . prepare for such a conference with care. With this aim it is discussing the question of the Middle East with other States– notably European ones which are interested in it, and whose points of view will not fail to be considered . . . You will certainly understand the significance of the consultations upon which the French Government are going to embark. For Russia, like France, knows that the destiny of the Middle East directly affects that of the whole of Europe."

As stated by General de Gaulle, the French Government was discussing the Middle East question with other European governments through diplomatic channels ; the Foreign Minister (M. Couve de Murville) had already visited Bonn and Rome in this connexion to obtain the views of the German Federal Government and the Italian Government. It was understood that similar consultations would be held through diplomatic channels with the Benelux countries, Greece, and certain Middle Eastern and North African countries, including Morocco, Tunisia, Turkey, and Israel.

M. Khrushchev's Accusations of "Delaying Tactics" against President Eisenhower and Mr. Macmillan. – Support for French Proposal for European Meeting.

In reply to President Eisenhower's letter of July 25, M. Khrushchev sent another letter to Washington on July 28 in which he accused the U.S. President of delaying a summit conference by "seeking to steer the pre-summit talks into a maze of endless discussion on the form and procedure of this meeting." He also sent a letter to Mr. Macmillan worded in identical terms and containing the same allegations. In both these letters he supported General de Gaulle's proposal for a meeting of Heads of Government in Europe, urging that it should be held at an early date "in Geneva, Vienna, Paris or any other place acceptable to the parties concerned."

In his letter to President Eisenhower, M. Khrushchev said that it was "now clear that the U.S. Government is delaying the calling of a Heads of Government conference and does not want this conference to take urgent steps towards a peaceful solution of the armed conflict that has broken out in the Middle East." After pointing out that the Soviet Government had accepted Mr. Macmillan's proposal for a summit conference within the framework of the Security Council, M. Khrushchev continued :

"Your reply is a step backward from the agreement reached, and naturally cannot fail to cause serious concern among the peoples. The U.S. Government proposes that, instead of a five-Power meeting of Heads of Government . . . the matter should again be referred to a regular session of the Security Council. This proposal is now supported by Mr. Macmillan as well. But what good can this do ? You know very well that the Security Council has been considering the situation in Lebanon and Jordan for a long time but has not arrived at any decision. The question of cutting short the armed aggression in the Middle East is so urgent that the Security Council, as the experience of its latest deliberations has shown, is not in a position to take prompt and effective decisions on this question at its regular sessions. This area . . . is increasingly becoming a powder barrel which can be blown up by the slightest spark and can touch off a world catastrophe.

"In these conditions, it is precisely the Heads of Government of the five Powers—the U.S.S.R., the U.S.A., the United Kingdom, France and India—who should meet, together with the U.N. Secretary-General, with the greatest possible urgency ; and who, vested as they are with extensive powers, could agree on an immediate ending of the armed conflict in the Middle East and on steps to be taken to preserve and consolidate world peace . . . Mr. Macmillan's proposal for holding the Heads of Government conference within the framework of the Security Council meant precisely this kind of meeting. But you and the Prime Minister of the United Kingdom are now going back on this proposal . . ."

After supporting General de Gaulle's proposal for a five-Power summit conference, "which does not differ from the Soviet Government's proposal on this subject," M. Khrushchev continued : "To put off the conference still further, you make reference to an alleged misunderstanding of the wording of the U.S. statement concerning the Heads of Government meeting. One cannot help wondering whether this statement had not been expressly worded in such a way as to give rise to different interpretations and entail a waste of time on correspondence to clarify its meaning. Since in your message of July 22 you announced your agreement to take part in a special meeting of the Security Council with the participation of Heads of Government, we could not fail to take it as your consent to such a meeting to be called as early as possible. Now . . . you recommend that we should re-read your letter of July 22. Can one take your words to mean anything but the U.S. Government's obvious unwillingness to see most urgent steps taken to cut short the armed intervention in Lebanon and Jordan ? "

M. Khrushchev went on to allege that "more and more American troops are being landed in Lebanon, where the State Department's special envoy, Mr. Murphy, has engaged in dubious activity"; that the U.S. Sixth Fleet in the Mediterranean was being reinforced; that "extensive preparations for armed intervention in the affairs of the Arab countries" were in progress in Turkey; and that King Hussein of Jordan was "threatening a march on Iraq." After describing King Hussein as "a pliant tool in the hands of certain Western Powers which are harbouring a conspiracy against the peoples of the Arab East," and saying that "a danger of an armed attack is overshadowing the Republic of Iraq," M. Khrushchev added. "Thus the stalling of the pre-summit talks, coupled with the progressive massing of armed forces in the Middle East, tends to aggravate the situation still further and may well bring mankind to catastrophe. Prompt and vigorous action is needed more than ever before to ensure the immediate withdrawal of foreign forces from Lebanon and Jordan and to prevent an extension of the armed conflict in the Middle East. There is no time to waste."

After accusing President Eisenhower of "seeking to steer the pre-summit talks into a maze of endless discussion on the form and procedure of this meeting," M. Khrushchev said that the London meeting of the Baghdad Pact Ministerial Council (see 16340 A) "looks like a conspiracy against the Arab countries." He added that "the withdrawal of Iraq, its only Arab member, from this Pact is yet another indication of the failure of the Western Powers' 'policy of strength' and of their policy of whipping up aggressive blocs . . ."

M. Khrushchev continued: "The U.S. Government is doing all it can to wreck the possibility of a five-Power Heads of Government meeting for putting an end to the armed intervention in Lebanon and Jordan . . . It is you, above all, who are thereby assuming a grave responsibility before mankind and before history for the consequences that such a policy may entail. A heavy responsibility devolves also on the Prime Minister of the United Kingdom, who, although he is trying to manoeuvre, is in fact pursuing the same policy of preventing any steps from being taken to end the armed conflict in Jordan and Lebanon.

"The Soviet Government . . . still considers that an immediate Heads of Government conference of the U.S.S.R., the U.S.A., the U.K., France and India, with the participation of the U.N. Secretary-General, is necessary. We have taken note of the statement by General de Gaulle that he prefers the meeting to take place in Europe. The Soviet Government . . . supports General de Gaulle's proposal.

"The question of holding a Heads of Government conference in one of the European cities is all the more worthy of consideration since there is a feeling among U.S. diplomats and in the American press that the American authorities will find it difficult to guarantee the safety of the Heads of Government should the conference be held in the United States. We should not like to put the U.S. Government in an embarrassing position in this matter. Therefore, while not objecting to a meeting in New York, the Soviet Government agrees to it being held in Geneva, Vienna, Paris, or any other place acceptable to all the parties concerned. We would likewise welcome an agreement to hold the meeting in Moscow, where the Soviet Government guarantees the complete safety of the delegations . . .

"In your message you avoid answering the question of the participation of the Prime Minister of India at a conference of Heads of Government. I consider it necessary to re-emphasize that India's participation will go far towards helping to achieve constructive solutions in the Middle East.

"As for the date of the conference, our suggestion was July 28. However, since you declare that this is too early for the U.S. Government, we are prepared to accept any other early date . . ."

As stated above, M. Khrushchev's letter to Mr. Macmillan was worded in virtually identical terms, containing the same allegations of Anglo-American "aggression" in Lebanon and Jordan. In its concluding section it urged the Governments of both Britain and the U.S.A. "to revert to the agreement concerning a conference of Heads of Government on the basis of the proposal you made on July 22."

M. Khrushchev's letter to General de Gaulle expressed the Soviet Government's full support for his (the General's) proposal that a five-Power summit conference should be held in Europe; it also reiterated the above-mentioned allegations against the United States and Britain.

July 31. - Anglo-American Proposal for Summit Meeting at Security Council on August 12. - French Proposal for Summit Meeting at Geneva on August 18.

In letters to M. Khrushchev dated July 31, President Eisenhower and Mr. Macmillan proposed that a summit meeting should be held at a special session of the Security Council to open on Aug. 12. President Eisenhower also replied to the allegations of U.S. "stalling" contained in the Soviet Prime Minister's letter of July 28.

President Eisenhower to M. Khrushchev.

"For several centuries," wrote President Eisenhower, "personal correspondence between Heads of Government and Heads of State has been an extremely valuable channel of communication when the normal diplomatic channels seemed unable to carry the full burden. However, it has always been recognized . . . that the essential ingredient in such correspondence . . . was a tone of serious purpose and an absence of invective. It is in this tradition that I reply to your letter of July 28.

"I consider it quite inaccurate for you, both implicitly and explicitly, to convey the impression that the U.S. Government has embarked on a policy of delay based on niggling procedural argument. The fact is that the differences between us are not procedural but basic. Very simply, the two basic points which the U.S.A. has stated many times in the past, and which I repeat now, are: (*a*) Do all of us, the Charter members of the United Nations, agree that the Security Council has the principal responsibility for the maintenance of international peace and security?; (*b*) Shall small nations as well as a few so-called 'Great Powers' have a part in the making of decisions which inevitably involve them?

"As to my first point—what of the United Nations? It was created out of the travail of World War II to establish a world of order and justice. It embodies the hopes of mankind. At this juncture, when you claim peace is endangered, you would push it aside. We would invoke its processes.

"This leads to my second point—what of the smaller Powers? Shall they be ignored or shall they be represented in the making of decisions which inevitably involve them? History has given us ample proof that a nation's capacity to contribute to the advancement of mankind is not to be measured by the number of divisions it can put into the field. You must be aware, as I am, of the many very specific proposals made these last years by the so-called smaller Powers which have been of great value to all of us.

"The assumption in your letter that the decisions of five Great Powers will be happily accepted by all other interested Powers seems to indicate an attitude on your part which could have dangerous consequences in the future for the smaller Powers of this world. Your position—which means that the desires, the dignity, in fact the security of the smaller nations should be disregarded—is one which the U.S.A. has consistently opposed and continues to oppose. Essentially you are proposing that we should join you in a policy reminiscent of the system of political domination you imposed in Eastern Europe. The United States cannot accept that point of view.

"The problem of the Middle East is not one of a threat of aggression by the United States, but rather the threat, by others, of further indirect aggression against independent States. This problem is clearly the responsibility of the Security Council.

"I am therefore instructing the U.S. permanent representative on the Security Council to seek a special meeting of the Council on or about Aug. 12, under Article 28 [of the Charter], which would permit direct discussions among Heads of Governments and Foreign Ministers. I would hope that you would similarly instruct your permanent representative. Such a meeting will make it possible for the Council to discharge its responsibilities in the manner contemplated by the Charter.

"As for the place of the meeting, the U.S.A. agrees that it might be held elsewhere than New York, but we could not agree to the meeting being held in Moscow. The memory of the well-organized mass demonstration and serious damage to the U.S. Embassy in Moscow [see page 16334, first column] is too fresh in the minds of the American people. If such a meeting is arranged I expect to attend and participate, and I hope that you would do likewise."

Mr. Macmillan to M. Khrushchev.

After saying that he did not propose to reply to M. Khrushchev's "many accusations against allied policy in the Middle East," none of which had "any foundation in fact," Mr. Macmillan wrote:

"In my letter of July 22 I proposed a special meeting of the Security Council to be attended by Heads of Governments. On July 26 I elaborated this proposal. I said that I was glad that it was acceptable to you, and I suggested that the necessary arrangements should at once be made through the permanent representatives of members of the Security Council.

"I hope that on reflection you will agree that this is the best course; I am encouraged in this hope by the passage in your last letter where you call for a return to my original proposal. From this proposal I have never departed.

"In addition to meetings of the whole Council under Article 28, it would of course be possible to arrange less formal meetings of Heads of Government on the questions which the Security Council is considering. The procedure would thus be flexible, and should promote the chances of making progress.

"As I said in my message of July 22, it would not be our intention that any resolutions should be put forward at this special meeting of the Security Council, unless they arose out of previous agreement. Of course this meeting would not preclude the holding of the summit meeting for which we have been working for some time.

"I am instructing the U.K. permanent representative at the U.N. to propose to the president of the Security Council a special meeting to take place under Article 28 on Aug. 12. Meanwhile the permanent representatives should discuss arrangements for the special meeting and decide where it will take place.

"If this meeting is agreed, I shall be there on Aug. 12; I hope you will be there too. So far as I am concerned, New York, Geneva, or any other place generally agreeable will do."

As stated by President Eisenhower and Mr. Macmillan, the U.S. and U.K. permanent representatives on the Security Council (Mr. Cabot Lodge and Sir Pierson Dixon) requested the president of the Council for the month (M. Georges-Picot, of France) to convene a special session on the Middle East for

Aug. 12, at which members might be "represented by Heads of Government or other specially designated representatives." Private consultations were also held between the U.N. Secretary-General and members of the Security Council in preparation for such a meeting.

General de Gaulle to M. Khrushchev.

In contrast to the proposal of President Eisenhower and Mr. Macmillan, General de Gaulle proposed in his letter to M. Khrushchev (dated July 31) that the Heads of Government of the U.S.S.R., the U.S.A., Great Britain, France and India should meet in Geneva on Aug. 18. Though raising no objection to the Anglo-American proposal for a summit meeting at the Security Council, General de Gaulle stressed that "because of the composition of the Council, the number of States that would be invited to participate, the nature of its agenda, and the character of its debates, such a meeting should not be confused with a conference of Heads of Government."

August 5. - M. Khrushchev withdraws Support for Summit Meeting at Security Council. - Call for Special Session of U.N. General Assembly.

In further letters to the Western Heads of Government, sent on Aug. 5, M. Khrushchev withdrew his previously expressed support for a summit meeting at the Security Council, and proposed instead that the Middle East situation should be discussed at a special session of the U.N General Assembly. In the course of his letters to President Eisenhower and Mr. Macmillan, the Soviet Prime Minister described the Security Council as "a kind of committee dominated by member-countries of NATO, the Baghdad Pact, and SEATO" He also called for the admission to the U.N. of the Chinese People's Republic, saying that its lawful seat on the Security Council was being held "by a representative of a political corpse—Chiang Kai-shek."

It was widely commented in the Western Press that M Khrushchev's apparent *volte-face* followed closely upon his recent discussions with Mao Tse-tung and other Chinese Communist leaders in Peking (see 16352 A). In particular, his derogatory references to the present composition of the Security Council, and his insistence on the admission of Communist China to the United Nations, were regarded as a direct result of his discussions in Peking.

M. Khrushchev to President Eisenhower.

The Soviet Prime Minister's letter to President Eisenhower was worded as follows:

"I fully agree with your remarks about the significance of personal correspondence between Heads of Government. In the present conditions personal correspondence must serve the basic aim of safeguarding peace and peaceful co-existence among States, regardless of their social systems. I also agree with you that an unusual correspondence is now taking place between us. This unusual correspondence has been a result of the unusual steps taken by the United States and Britain in the Middle East . . .

"You correctly point out that the United Nations was created out of the travail of World War II. It is common knowledge that mankind has linked its hopes for the preservation of peace with the work of the U N. and its Security Council . . . The Soviet Government, at the very beginning of the American and British aggression against the Arab States, submitted in the Security Council a proposal that the interventionist troops be withdrawn from Lebanon and Jordan and that an emergency session of the General Assembly be called on this question. However, the U S.A., Britain, and certain other States now on the Security Council prevented it from taking a decision normalizing the situation in the Middle East. It is precisely the policy that is being pursued by the United States, supported by Britain and, unfortunately, by certain other States, that deprives the Security Council of the possibility of carrying out its functions . . .

"If we glance at the composition of the Security Council as it now stands, we are bound to draw the conclusion that . . . this body has become a kind of committee dominated by member-countries of NATO, the Baghdad Pact, and SEATO, a committee in which the lawful seat of the great Chinese People's Republic is held by a representative of a political corpse—Chiang Kai-shek.

"The policy of ignoring People's China is sheer madness. This great Power exists and is growing stronger, regardless of whether or not it is recognized by certain Governments . . . Without the Chinese People's Republic, the Security Council and the U.N. cannot be completely effective bodies in safeguarding peace and ensuring security . . . A situation has thus arisen in which the Security Council has in fact been paralysed and is unable to take, against the will of the United States, any decision which would effectively promote the safeguarding of world peace . .

"You assert that the Middle East problem is not a problem of U.S. aggression but rather a problem of indirect aggression. In speaking of indirect aggression, you obviously regard—as we and the majority of other countries do—the despatch of foreign troops to the territories of other countries as being an act of direct aggression. There can be no objection to this. That is why the landing of U.S. troops in Lebanon and the despatch of British troops to Jordan is rightly regarded throughout the world as direct aggression. As for the hints in your message regarding some kind of indirect aggression, reference to this alleged danger cannot be regarded as other than an attempt to cover up the direct aggression committed by the United States. Incidentally, assertions about the indirect aggression allegedly threatening Lebanon have been refuted by the reports of the U.N. observers sent by the Security Council to Lebanon . . .

"The whole world knows that the internal events in Lebanon, Iraq, and Jordan are an expression of the anger of their peoples, who rose up against the system imposed upon them by the imperialist colonialists. People who could no longer endure the oppression and outrages of the lackeys of foreign States rebelled in Iraq. Now the U.S.A. and other Western Powers have recognized the Republican Government of Iraq. Consequently you and your allies have recognized that the people of Iraq had the right to change their former way of life. Your assertions about indirect aggression are thus absolutely without foundation . . .

"We regret that you do not agree to a summit conference in Moscow, ostensibly because there has been an angry demonstration by Muscovites outside the U.S. Embassy in protest against American armed intervention in Lebanon. That demonstration was an entirely natural manifestation of the Soviet people's sympathy for a victim of aggression. Your reference to this circumstance is even more unconvincing, because the U.S. Government itself still refuses to take measures to ensure normal conditions for the work of the Soviet representation at the United Nations, and has not put a stop to the provocative actions of certain elements in New York against the U.S.S.R. representation. [This was a reference to anti-Soviet demonstrations in New York by Hungarian refugees following the execution of Imre Nagy and General Pal Maleter; the protest demonstrations took place outside the offices of the Soviet representation at the U.N.].

"I return to the main subject of our correspondence the question of how to take speedy and effective steps to end the military intervention of the U.S.A. and Britain in the Middle East. You believe that this question should be entrusted to the Security Council. Unfortunately, as I have pointed out above, the situation in which the Security Council is now placed a situation in which it is practically subjected to U.S. foreign policy, and in which the majority of the countries sitting on it are unable to do anything that is in contradiction with the U.S. attitude does not allow us to regard your proposal as correct . . . The United States is striving to reduce the Security Council to the status of an auxiliary organ of the State Department . . ."

After alleging that the Security Council, as at present composed, was "unable to draw unbiassed conclusions on the situation in the Middle East," M. Khrushchev expressed his regret that President Eisenhower and Mr. Macmillan had not accepted the Soviet proposal for a five-Power summit conference with the participation of the U.N. Secretary-General. He continued:

"Although the U.S.A. and Britain have made the five-Power meeting impossible, it can be pointed out quite definitely that the demands of the peoples for such a meeting to end the armed intervention in Lebanon and Jordan, and the determination of the peace-loving States to put an end to aggression in the Middle East, have compelled the initiators of this armed intervention to refrain from extending the aggression to other countries, above all to Iraq and the United Arab Republic. . . This does not mean, however, that the danger of an extension of the conflict has been removed, or that the security of Iraq and other Arab States has been ensured. The interventionist troops have not yet been withdrawn from Lebanon and Jordan . . .

"Since the U.S.A. and Britain have declined a five-Power summit conference, and the Security Council has proved to be unable to reach a solution to the problem of the Middle East, the Soviet Government has instructed its representative at the U.N. to demand an emergency session of the General Assembly to discuss the withdrawal of U.S. troops from Lebanon and of British forces from Jordan. The Soviet Government hopes that the discussion of this question in the General Assembly, in which both large and small States are represented, will make it possible to find ways to eliminate the war danger that has been created in the Middle East, and to bring tranquillity to that area . . ."

M. Khrushchev to Mr. Macmillan and General de Gaulle.

M. Khrushchev's letter to Mr. Macmillan was virtually identical with that sent to President Eisenhower, containing the same arguments and allegations. Like the latter, it alleged that the Security Council could not take "impartial decisions" on the Middle East "when most of its members are States which belong to aggressive blocs and when the Chinese People's Republic is not represented in it." After accusing Britain and the U.S.A. of desiring to turn the examination of Middle East questions into a "channel of barren discussion . . . at an ordinary meeting of the Security Council," M. Khrushchev asked Mr. Macmillan to support the Soviet Government's proposal for an emergency session of the General Assembly.

In his letter to General de Gaulle, M. Khrushchev said that the proposal for a five-Power summit meeting had become impracticable because "neither President Eisenhower nor Mr. Macmillan agreed to a five-Power meeting of Heads of Government and suggest instead that a meeting of the Security Council be held."

M. Khrushchev stressed in all three letters that the Soviet Government were ready to participate in a summit meeting at any time, adding that "the speediest convocation of a summit conference is in the interests of all States both large and small."

August 7-10. - Further Correspondence between Mr. Macmillan and M. Khrushchev.

In a letter to M. Khrushchev on Aug. 7, Mr. Macmillan expressed his regret that the Soviet Prime Minister had withdrawn his (M. Khrushchev's) previous agreement to a special session of the Security Council attended by Heads of Government. Mr. Macmillan wrote :

"On July 31 I proposed that we should meet on Aug. 12 in New York, Geneva, or any other place that might be generally agreeable. I said that I would be there on that date and hoped that you would be there too. I therefore regret that in your letter of Aug. 5 you have withdrawn your agreement, very clearly set out in your letter of July 23, to a special session of the Security Council to be attended by Heads of Government . . .

"You now propose instead that there should be a special meeting of the General Assembly . . . A special session of the Assembly would be acceptable to H.M. Government. I do, however, still think that more progress could have been made on Middle East questions by a meeting of the Security Council, especially one where the Heads of Government could negotiate as well as debate.

"As to the 'summit' meeting of the larger character about which we have corresponded since last January, I fail to understand the suggestion in the last paragraph of your letter that you are awaiting a further move from me . . . I have always made it abundantly clear that I am anxious for such a meeting under conditions which are acceptable to all of us."

In his reply to Mr. Macmillan (Aug. 10) M. Khrushchev justified his change of attitude on two grounds : (1) that his original proposal for a five-Power meeting of Heads of Government, though accepted by France and India, had been rejected by the U.S.A. and Britain ; and (2) that Mr. Macmillan's proposal for a summit meeting at the Security Council, to which the U.S.S.R. had agreed in default of a five-Power conference, had been transformed by President Eisenhower into "an ordinary meeting of the Security Council" designed—M. Khrushchev alleged—"to lure us into a labyrinth of futile discussions." For these reasons he considered it necessary that an emergency session of the General Assembly be held instead of a summit meeting at the Security Council. The Soviet Prime Minister's letter was worded as follows :

"You write that in my letter of July 23 I said that the Soviet Government was ready to hold a special session of the Security Council to be attended by Heads of Government. Yes, true, we announced our readiness to take part in such a meeting. At the same time . . . you will recall that my original letter of July 19 . . . proposed a meeting of the Heads of Government of the U.S.S.R., the U.K., the U.S.A., France, and India, with the participation of the U.N. Secretary-General . . . If the Heads of Government of all the Powers approached had consented to such a meeting, that would have been evidence of a businesslike approach to the solution of most important international problems. We had great hopes that all of them would show such an approach . . . We expected that the leaders of all the countries concerned would display wisdom in their understanding of the present events, of the direction in which they were developing, and of the consequences of a war if it were unleashed and the incalculable sufferings it would bring to mankind.

"Unfortunately our expectations were not fulfilled. While Mr. Nehru and M. de Gaulle accepted our proposal for a five-Power meeting of Heads of Government, the U.S. President rejected such a meeting and you actually supported him in that. As a five-Power meeting of Heads of Government proved—through no fault of ours—to be impossible, the Soviet Government took a positive view of your proposal for a meeting of Heads of Government within the Security Council to discuss the situation in the Middle East, our idea being that this would be nothing else but a five-Power meeting of Heads of Government within the framework of the Security Council.

"However . . . it has finally become clear from the messages and explanations of the U.S. Government, and in particular from Mr. Eisenhower's letter of July 25, that it was intended to call an ordinary meeting of the Security Council, with all the negative aspects and shortcomings arising from its present composition—shortcomings of which I have spoken in my letter of Aug. 5 and which I do not wish to reiterate. And you have agreed to these proposals of the U.S. President . . .

"At the Security Council meeting proposed by the U.S. and U.K. Governments there would have been no serious discussion by the Heads of Government on the situation in the Middle East ; it would have amounted to a useless waste of time, as there are no grounds for supposing that, in its present composition, this body can ensure a correct solution to the question in the interests of peace. Thus, in pressing for the acceptance of this proposal, the U.S.A., with the backing of the United Kingdom, unquestionably wanted to lure us into a labyrinth of futile discussions.

"In these circumstances we have come to the conclusion that . . . it is necessary to convene, not the Security Council, but an emergency session of the General Assembly . . . which . . . will enable all States, both large and small, to give their views in the search for decisions which will help to restore peace and ensure security in the Middle East . . ."

President Eisenhower issued a statement on Aug. 5 saying that a special session of the General Assembly on the Middle East was "completely acceptable" to the United States. (Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Soviet Embassy Press Department, London - Le Monde, Paris - The Statesman, Calcutta) **(Prev. rep. Middle East Crisis, 16333 A ; 16317 A ; 16305 A.)**

Note. American and Soviet resolutions for an emergency session of the General Assembly were presented in the Security Council on July 18 following the defeat of the U.S., Soviet and Swedish resolutions on the Middle East (see page 16319, second column). No vote was taken on either resolution.

A. UNITED KINGDOM. — Oxford University. - Success of Appeal for Restoration of Historic Buildings.

It was announced on Aug. 7 that the target of £1,750,000 for the repair and restoration of the historic buildings of Oxford University had been reached within 13 months of the launching of the Oxford Historic Buildings Appeal.

The announcement was made by Lord Bridges (chairman of the Oxford Historic Buildings Trustees), who stated that 250 industrial and commercial firms had together donated £400,000 ; that $1,000,000 (about £360,000) had been donated by the Ford Foundation , and that contributions aggregating £380,000 had come from 12,200 graduates of the University, including £20,000 from overseas. In addition, the Government had contributed £125,000, mainly for repairs to specific buildings ; another £125,000 had been given by various charitable trusts, including the Rhodes Trustees, the Pilgrim Trust, and the Gulbenkian Foundation ; the general public had contributed £25,000 ; the City of Oxford had raised £16,000 by public appeal ; and Oxford colleges not in need of repairs had given £11,000. The Pakistan Government had donated £1,000.

Lord Bridges added that the appeal would remain open ; that repair work was already being carried out on the fabric of 12 colleges ; and that an immediate start would be made on the biggest task of all the renovation of the dilapidated Sheldonian Theatre.

The above-mentioned grant by the Ford Foundation (announced on Dec. 29, 1957) amounted to one-fifth of the total set by the Appeal ; it was one of the largest benefactions ever made by that organization. —(Times) **(Prev. rep. 15687 B.)**

B. CANADA. — Population Figures.

The Dominion Bureau of Statistics announced on July 8 that the population of Canada had passed the 17,000,000 mark, standing at 17,048,000 on June 1, 1958 an increase of 459,000 (2.8 per cent) during the preceding 12 months. The increase was smaller than the record gain of 508,000 (3.2 p.c.) for the 12 months June 1, 1956-June 1, 1957, but was well above the average increase of 414,000 for the five previous years.

Population estimates for the provinces as at June 1, 1958, were as follows (figures for June 1957 in parentheses) : Ontario 5,803,000 (5,622,000) ; Quebec 4,884,000 (4,758,000) ; British Columbia 1,544,000 (1,487,000) ; Alberta 1,201,000 (1,160,000); Saskatchewan 888,000 (879,000) ; Newfoundland 438,000 (426,000) ; Prince Edward Island 100,000 (99,000) ; Nova Scotia 710,000 (702,000) ; New Brunswick 577,000 (565,000) ; Manitoba 870,000 (860,000). The population of the Yukon was estimated at 13,000, and that of the North-West Territories at 20,000.—(Department of External Affairs, Ottawa) **(Prev. rep. 15100 C ; 14119 G.)**

C. SOVIET UNION. — Marshal Bulganin appointed Chairman of Stavropol Economic Council. - New Chairmen of State Bank and Chemical Industry Committee.

The Tass Agency announced on Aug. 15 that (*a*) Marshal Bulganin had been appointed chairman of the Economic Council for the Stavropol region (in the northern Caucasus, about 800 miles south of Moscow), and (*b*) that M. Korovushkin had succeeded Marshal Bulganin as chairman of the State Bank of the U.S.S.R. The Stavropol Economic Council is one of the 105 regional councils set up under M. Khrushchev's plan for the reorganization of Soviet industry. Marshal Bulganin became chairman of the State Bank in March last, when M. Khrushchev succeeded him as Prime Minister.

M. Fedorov, formerly deputy Minister for the Oil Industry, succeeded M. Tikhomirov on Aug. 21 as chairman of the State Committee for the Chemical Industry. M. Tikhomirov became deputy chairman of the Committee.—(Soviet Embassy Press Department, London) **(Prev. rep. 16101 A.)**

A. TANGANYIKA. — Joint Purchase of Williamson Diamond Mines by Tanganyika Government and De Beers Consolidated Mines.

An agreement for the joint purchase of the Williamson Diamond Mines in Tanganyika by the Government of Tanganyika and De Beers Consolidated Mines was signed on Aug. 13 in Dar-es-Salaam, after lengthy negotiations in Tanganyika and London. The Governor of Tanganyika (Sir Richard Turnbull), who announced the sale on the previous day, said that the purchase price was £4,140,000 plus death duties; that the agreement was subject to ratification by the Tanganyika Legislative Council; and that the Tanganyika Government and De Beers would hold an equal number of shares and have four directors each on the board of Williamson Diamond Mines.

Williamson Diamonds Ltd. was founded by the late Dr. John T. Williamson, a Canadian-born geologist who discovered in 1940 extremely rich diamond deposits at Mwadui, in a semi-desert area of north-west Tanganyika, and who died on Jan. 7, 1958, at the age of 50. He was the only man in the world to own his own diamond mine, his fortune being estimated at many million pounds. The share capital of Williamson Diamonds is £600,000 in 1,200 Ordinary shares of £500 each; 800 shares are held by the executors of the estate of the late Dr. Williamson, who bequeathed his holding to his brother, Mr. Percy Williamson, and his sister; 300 by Mr. Percy Williamson; and 100 by Dr. I. C. Chopra. [Dr. Chopra, an Indian, is one of Tanganyika's leading lawyers and a Q.C.; he was legal adviser to the late Dr. Williamson].

The chairman of De Beers (Mr Harry Oppenheimer) had previously issued a statement in Johannesburg on July 10 announcing (*a*) that De Beers had concluded an agreement with Mr. Percy Williamson and Mr. Chopra "for the purchase of a major interest in the Williamson Company of Tanganyika"; (*b*) that the agreement was subject to the approval of the Tanganyika Government; and (*c*) that proposals were under discussion whereby the control of the mine would be exercised jointly by the Tanganyika Government and De Beers. Dr. Chopra confirmed on July 11 that an agreement had been signed between Mr. Percy Williamson, himself, and De Beers concerning the disposal of the mine, subject to the approval of the Tanganyika Government, which was "interested in the question of death duties."

It was also announced on Aug. 12 that the Tanganyika Government would present a Bill in the Legislative Council to enable it to accept 320 shares of Williamson Diamonds Ltd. for estate duty; in addition, it would purchase another 280 shares from De Beers for £1,317,000, making its holding 600 out of the company's 1,200 shares. The purchase money would be paid over 20 years out of dividends from the shares. After interest had been paid on the capital, some two-thirds would be used towards paying off the capital sum and one-third would be allocated to Government revenue.

A second agreement was signed on Aug. 13 between the Tanganyika Government and De Beers concerning the technical aspects of running the mine.

Both parties agreed to run the mine to full capacity, while De Beers gave an undertaking that if any general curtailment of diamond production became necessary, the cut in Williamson's production would be no greater than the lowest curtailment in any of De Beers' own group of diamond mines. Furthermore, it was provided that Tanganyikan professional, business, and trade facilities should be used wherever possible; that De Beers would not part with their shares; and that the Tanganyika Government would not dispose of its shares to any other mining concern within the territory or to anyone resident outside.

Mr. Harry Oppenheimer, who was elected chairman of Williamson Diamonds Ltd. on Aug. 17, disclosed that the amount of death duties paid by De Beers on Dr. Williamson's estate (in addition to the purchase price of £4,140,000) had amounted to £1,500,000. He also stated that the Mwadui mine produced only about 4 per cent of world diamond sales, although 10 per cent of such sales had been allotted to it by the Diamond Corporation; he added, however, that Mwadui was "still an important mine" and that its annual production figure (see below) should be maintained "for many years."

The Mwadui mine employs 300 Europeans, 2,250 Africans, and 67 Asians; its total diamond production (gems and industrial) amounted to £3,025,000 in 1957. The present plant, of the most modern type, was completed as recently as 1957 at a cost of £6,000,000, and the employees are housed in a model township.—(Times - Financial Times - Cape Times)

(Prev. rep. De Beers, 16130 E.)

Note. John Thoborn Williamson was born in Quebec Province in 1907, the son of a Canadian lumberman of Irish descent. He graduated in geology and mineralogy at McGill University (Montreal), took a doctorate in those subjects, and went out to South Africa as a geologist at the age of 21. While working on the Rand he formulated the theory that somewhere in East Africa there was the original "pipe" through which, during the formation of the earth's crust, diamonds were thrown up from the subterranean cauldrons where they were formed. He was of the opinion that this "pipe" could be located by a scientific study of land formations, and with this aim he carried out a detailed study of rock formation over a large area of north-west Tanganyika, staking claims within a radius of 100 miles of Shinyanga. Though his theories were discounted by other geologists, Dr. Williamson succeeded in locating the "pipe" in 1940, six years after starting the search. The site of Williamson's Diamond Mines is located on the spot where he "struck" diamonds at a depth of only eight feet; even today, after the mine has been worked for 17 years, the mine's greatest depth is not more than 30 ft. Dr. Chopra staked Dr. Williamson in the final safari that resulted in the discovery of the mine.

Dr. Williamson, a bachelor, lived largely as a recluse and devoted much of the mine's profits to the welfare of his employees and to charitable purposes generally; he gave £50,000 to Makerere College (Uganda) for the benefit of higher education for Africans, and was specially interested in the promotion of harmonious race relations. In 1952 he gave the world's largest pink diamond to Princess (now Queen) Elizabeth as a wedding present on the occasion of her marriage. (Times - Daily Telegraph - Manchester Guardian)

B. AVIATION. — Transatlantic Record Flights.

A British *Comet IV* jet airliner set up a new record for a transatlantic flight from New York to Britain by a passenger-carrying civil aircraft when it made a non-stop crossing in 6 hours 28 minutes on Aug. 12. The *Comet*, commanded by Mr. John Cunningham (chief test pilot of the de Havilland Company), had 22 people on board but carried a load equivalent to 76 passengers and full reserves of fuel. The previous fastest crossing (7 hours 44 min.) was on Jan. 8 by a Bristol *Britannia* turbo-jet airliner of Israel Airlines.

On June 27 two U.S. Air Force KC-135 jet tanker aircraft had broken the New York to London speed record for any aircraft. Both machines were on a flight from the Westover Air Force Base in Massachusetts to Brize Norton (Oxfordshire); the first one, commanded by Major B. B. Davenport, passed over London after a flight of 5 hours 27 min. 42.8 sec. nearly 50 minutes better than the previous record of 6 hours 16 min. 59.2 sec. set up by an R.A.F. *Canberra* bomber on Aug. 23, 1955. The second aircraft, commanded by Major Q. W. Raaz, also broke the record in almost the same time, the two planes achieving average speeds of 630.2 m.p.h. and 626.6 m.p.h. respectively. A third KC-135 tanker which was scheduled to make the same flight crashed just after taking-off at Westover, the crew of 15 being killed.

On its return flight from Brize Norton to Westover the first aircraft set up a new east-west speed record between London and New York, covering the 3,460 miles in 5 hours 51 min. 24.8 sec.; the second aircraft took only 5.2 seconds longer. Both machines averaged about 588 m.p.h. The previous westbound record (7 hours 29 min.) was set up on Aug. 23, 1955, by the same *Canberra* which established the east-west record.—(Times - Daily Telegraph - New York Times - New York Herald Tribune) **(Prev. rep. 15959 B; 14406 B.)**

C. BASUTOLAND. — Constitutional Reforms. - Proposals for Representative Government.

It was announced on Aug. 15, 1957, that the U.K. Secretary for Commonwealth Relations (Lord Home) had invited the Basutoland National Council to submit recommendations for granting to the Council legislative powers for internal laws affecting only the Basuto people as a step towards representative government. In response to this invitation, committees were set up under the general guidance of Professor D. V. Cowen (Professor of Comparative Law at Cape Town University), and their eventual joint report was accepted in its entirety by the Basutoland National Council on July 27, 1958. The report proposed:

(i) The conversion of the National Council (at present a merely advisory body of 99 members) into a Legislative Council of which half the members would be elected by the Basuto, and which would have powers to legislate on all matters except external affairs, defence, internal security, and some other matters reserved to the High Commissioner; (ii) the establishment of an Executive Council for the formation of policy under the Resident Commissioner as president, with 3 other official members and 4 non-official members; (iii) the strengthening of local government; (iv) the creation of a House of Chiefs.

The National Council also agreed to send a deputation, including Professor Cowen, to London in order to submit the proposals to the Secretary for Commonwealth Relations. (Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Economic Development, 14492 A.)

A. UNITED KINGDOM. — The Landlord and Tenant (Temporary Provisions) Act.

The committee and report stages of the Landlord and Tenant (Temporary Provisions) Bill took place in the House of Commons on June 23. In the report stage important Government amendments were adopted designed to clarify the wording of the Bill and to safeguard the position of tenants and occupiers, as follows :

(1) To make it clear that the onus of proposing a new tenancy agreement was placed on the landlord and not on the tenant ; and to ensure that in applications by the tenant to the court for the suspension of a possession order, the tenant should not be disqualified unless it were shown that he had refused an offer by the landlord of a new tenancy which he could " reasonably have been expected to accept."

(2) To make it clear that a tenant or occupier might obtain suspension of the execution of a possession order if he had made " such efforts as were reasonable in the circumstances " to obtain other appropriate accommodation.

Mr. Brooke (Minister of Housing and Local Government) explained with regard to amendment (1) that, as the Bill stood, the tenant or occupier would have to satisfy the court that he had made " reasonable efforts " to secure a tenancy for a period of three years or more ; if there was " one reasonable step that he could have taken but did not take," the landlord would succeed. The Government, however, did not want to give the landlord a chance of winning merely by proving that there was some possible step which could have been taken, but which the tenant had not thought of.

The second point which the Government were trying to cover by amendment (1) was that the occupier should not be required to justify to the court his action in refusing or failing to accept a proposal for a tenancy which would involve him in paying a premium. The right object of the test was to show that he was willing to take the tenancy on reasonable terms for at least three years. It was also not intended to disqualify him if he was unwilling to purchase the house. Moreover, in a number of cases tenants of decontrolled property, particularly flats, had been offered long leases of more than 21 years, for which premiums might legally be charged. A long lease at a low rent, together with a substantial capital payment, was, however, tantamount to a sale in this context ; in other words, the amendment would put the sale of a lease on the same footing as the sale of a freehold.

The third point sought to be covered by amendment (1) was a possible demand by the landlord for an increased rent to come into effect retrospectively, i.e. from a date preceding that on which the new tenancy was offered. Legally, a rent increase was not recoverable for the " standstill " period [i.e. the period between the coming into effect of the Rent Act (July 6, 1957) and the expiry of the protection for the tenant (Oct. 6, 1958)] unless a new tenancy agreement had been concluded. Thus, a demand for " retrospective " rent was an attempt on the part of the landlord to obtain a payment which was not recoverable. It was therefore logical to provide that a tenant had acted " reasonably " in refusing an offer of a new agreement with such a condition attached.

Mrs. Lena Jeger (Lab.) said that owing to the delay in introducing the Bill, many people had already signed agreements involving them in paying back rent ; she suggested that there was a case for a refund paid before the clarification. In reply, **Mr. Brooke** emphasized that he had repeatedly said that tenants and landlords, before entering into new agreements, should take professional advice. If they had not done so and had signed agreements which were unreasonable in some respect or other, this had happened through their disregard of " the dictates of common sense."

Mr. Marlowe (C.), seconded by **Mr. Robert Jenkins** (C.), moved an amendment intended to protect tenants from finding themselves involved in heavy legal costs as a result of exercising their rights under the Bill ; it was defeated by 175 votes to 157 after **Mr. Brooke** had announced that the Lord Chancellor, when he came to make rules under Clause 4 of the Bill, intended to consider sympathetically a provision to limit costs. This provision, whilst preserving the court's discretion in exceptional cases, would normally limit the costs payable by either party to an amount ranging from £4 to £7 - £8. An occupier would thus be able to go to court and state his case, or be legally represented, without running the risk of having to pay inordinate costs.

After being given a third reading on June 23 and passing through the House of Lords, the Bill was enacted on Aug. 1. (Times - Daily Telegraph - Manchester Guardian) **(16235 A.)**

B. ICELAND. — Soviet Credits for Fishing Industry.

It was announced by the Tass Agency on Aug. 19 that the Soviet Union had granted Iceland a 12-year credit of 50,000,000 Icelandic crowns (about £1,100,000) to finance the purchase of fishing vessels in Eastern Germany ; the credit would bear interest at 2½ per cent, and repayment would be made in Icelandic goods. The agreement followed discussions between M. Skachkov, chairman of the Soviet Government's Committee for Economic Relations with Foreign Countries, and Hr. Thorsteinsson, the Icelandic Ambassador in Moscow. (Soviet Embassy Press Department, London)

C. UNITED STATES. — The National Aeronautics and Space Act. - Creation of Outer Space Agency.

Legislation establishing a Federal " space agency "—the National Aeronautics and Space Administration (N.A S.A.)—was signed by President Eisenhower on July 29 after approval by both Houses of Congress. Based on the recommendations contained in the President's Congressional message of April 2 (see page 16160), it represented a compromise version of two separate Bills previously passed by the House of Representatives and the Senate.

The legislation (the National Aeronautics and Space Act) contained the following principal provisions :

(1) The N.A.S.A. would be built around the 38-year-old National Advisory Committee for Aeronautics and would be headed by a civilian Administrator. It would plan, direct, and conduct all aeronautical and space research in the United States for peaceful purposes. The Defence Department would retain jurisdiction over space activities primarily involving weapons and defence.

(2) A joint civilian-military committee would be established to ensure liaison between the N.A.S.A. and the Defence Department on matters relating to space activities. The President would have ultimate authority to co-ordinate the work of both bodies.

(3) A National Aeronautics and Space Council would be set up to advise the President on space matters, similar to the National Security Council which advises him on defence and security matters. The President would preside over the new Council, whose other members would be the Secretary of State, the Secretary of Defence, the Administrator of the N.A.S.A., the chairman of the Atomic Energy Commission, and three Presidential appointees chosen from persons prominent in science, education, and engineering.

The National Aeronautics and Space Act declared that it was the policy of the United States to undertake space activities " devoted to peaceful purposes for the benefit of all mankind " ; it authorized " co-operation with other nations and groups of nations . . . in the peaceful application of the results of such work, pursuant to international agreements entered into by the President with the advice and consent of the Senate." In signing the legislation, President Eisenhower described its enactment as " an historic step " which would equip the United States " for leadership in the space age."

A new 15-member Senate Committee on Aeronautical and Space Sciences was set up by the U.S. Senate on July 24 ; it will have jurisdiction over the activities of the N.A.S.A. and will deal with all outer-space developments except those having military implications. A similar committee was set up by the House of Representatives on July 21.

Mr. T. Keith Glennan (52), president of the Case Institute of Technology (Cleveland) and a former member of the Atomic Energy Commission, was nominated by President Eisenhower on Aug. 8 as Director of the National Aeronautics and Space Administration. Dr. Hugh L. Dryden (60), director of the National Advisory Committee for Aeronautics, was nominated deputy director of the N.A.S.A. (New York Times) **(16157 A.)**

D. BAHAMAS. — Electoral Reforms.

The U.K. Colonial Secretary (Mr. Lennox-Boyd) arrived in Nassau on April 16 to discuss the possibilities of political and social reforms with the Governor of the Bahamas (Sir Raynor Arthur), the local authorities, political leaders, and other leading representatives of the population. His visit was the outcome of the general strike of January 1958 (see 16032 A), which, although originating in a transport dispute, was interpreted as an expression of resentment on the part of the coloured population (85 per cent of a total of 100,000) against white " domination " in the Administration.

On April 13 Mr. Lennox-Boyd announced the following electoral reforms, which were subsequently unanimously adopted in principle by the Bahamas House of Assembly on May 6 :

(1) The introduction of universal adult male suffrage (though it was not proposed to extend the franchise to women).

(2) The limitation of the number of votes permitted to any one person to two—the qualifications being residence and place of business.

(3) An increase in representation in the House of Assembly for New Providence Island (on which Nassau is situated) to 12 seats instead of 8, out of a total of 29.

Mr. Lennox-Boyd stated that legislation necessary for these changes would be brought into effect by the end of the year ; he added that, as a result of his investigations, he and the Governor would authorize immediate steps to " enact labour legislation consistent with the needs of the Bahamas, in a form which commends itself to modern opinion."
(Times - Daily Telegraph - Observer) **(Prev. rep. 16032 A.)**

A. SOUTH AFRICA. — Opening of Treason Trial. - The Special Criminal Courts Amendment Act.

It was announced in Pretoria on July 1 that a special criminal court would be set up to try without a jury 92 South Africans of all races who had been charged with treason or, alternatively, with certain offences under the Suppression of Communism Act. The court would consist of Justice F. L. H. Rumpff (a member of the Transvaal Division of the Supreme Court, and chairman of the Constituency Delimitation Commission in 1957), Mr. Justice A. Kennedy (a member of the Natal Division of the Supreme Court), and Mr Justice J. F. Ludorf (also of the Transvaal Division of the Supreme Court), and the trial would begin in Pretoria on Aug. 1.

On July 9 the Government published legislation—the Special Criminal Courts Amendment Bill—empowering the Minister of Justice to order trials on charges of treason or offences against the Suppression of Communism Act to be held by special court, whenever he considered this to be "in the interests of the administration of justice," and to appoint two or three judges constituting a special court. The Bill specifically validated the special court announced on July 1 for the present treason trial.

The Bill amended a statute of 1917 which empowered a Provincial Attorney-General to recommend to the Minister of Justice the trial of certain scheduled offences (treason, sedition, and public violence) by a special court when he was of the opinion that "if the accused were tried by a jury the ends of justice are likely to be defeated" In 1955 consolidating legislation was passed embodying the above-mentioned provision of the 1917 Act, and also enabling the Minister to direct that certain offences should be tried by a judge and assessors—thereby disallowing trial by judge and jury. In 1956 grave charges under the Suppression of Communism Act were added to those for which a special court could be constituted.

The Bill was given a second reading in the House of Assembly on July 14 by 84 votes to 46, the United Party and the Natives' Representatives opposing.

Mr. Swart (Minister of Justice) explained that under South African legislation four types of superior court trial were provided: (i) by a judge and two assessors; (ii) by a judge and jury, if so elected by the accused; (iii) by a judge and two assessors, at the direction of the Minister of Justice; and (iv) by special court, at the direction of the Minister and on the advice of the Attorney-General. Before the decision was made to bring the present case before a special court of three judges, he (the Minister) had consulted the Judge-President of the Transvaal as to what judge should be appointed if the case were to be heard before a judge and two assessors, and the Judge-President had nominated Mr. Justice Rumpff.

In the meantime the accused had elected to be tried by a judge and jury, but the Attorney-General had informed him (the Minister) that it was in the interests of justice that a special court should be constituted. After taking legal opinion, and receiving assurances that he (the Minister) had power to establish such a court, the special court announced on July 1 had been set up; the other two judges appointed to the court had been recommended by Mr. Justice Rumpff.

The accused, however, had meanwhile changed their minds and had elected to be tried by a judge and assessors The question had then arisen whether a special court was still allowed, and, according to legal opinion, this was the case. However, in order to clarify the intention of existing legislation and to avoid proceedings which would needlessly protract the trial, he (the Minister) had decided to bring in the new Bill.

Mr. Swart said that the Attorney-General had expressed the opinion that the complicated nature of the case, the legal questions which were expected to be raised, and the vast volume of evidence that would be produced, made it desirable in the interests of justice that three judges with experience of criminal courts should be appointed to hear the case. Where a judge sat with two assessors he had to take responsibility for the court's decision even if the assessors disagreed with him; thus "the decision in a trial perhaps lasting for months and months would be the responsibility of one judge" In a special court, however, there would be three experienced judges able to give a decision both on the facts and the legal aspects, and their decision would have to be unanimous. To create a special court was therefore not only in the interests of the State but "just as much in the interests of the accused."

After pointing out that it was traditional in South Africa for all treason trials to be referred to a special court, Mr. Swart deprecated what he called the "shocking misrepresentation in the Press" which had created the "totally incorrect impression" that the Bill empowered the Minister to create special courts whenever he wished. In actual fact, the Bill referred to only one Article in the Criminal Procedure Act which empowered the Minister of Justice to create a special court in certain specific instances—namely, in cases of treason, public violence, and Communistic activities.

Mr. H. G. Lawrence (U.P.) emphasized that a "fundamental change" would be brought about by the Bill. Under the legislation in force, a special court could be appointed if "the ends of justice were likely to be defeated by a trial by jury," whereas now such a court could be set up if it was "in the interests of the administration of justice," which was quite a different condition. The Minister should show that such an amendment of the law was reasonable and necessary. Mr. Lawrence also expressed the view that under existing legislation a special court could be set up only as an alternative to trial by jury. Mr Swart's instruction to the Governor-General to issue a proclamation to constitute a special court in connexion with the present treason trial was therefore "completely illegal" as the accused had chosen to be tried by a judge and two assessors, in which case there was no provision for the creation of a special court. If Mr. Swart now introduced *ad hoc* legislation "at the eleventh hour" to validate his earlier decision, this was nothing else but treating Parliament as a "rubber stamp." Mr. Lawrence accepted that Mr Swart's motives in introducing the measure were "impeccable," but said that he was creating "a most dangerous precedent" and that the new Bill was "repugnant to the rule of law."

The Bill was also strongly criticized by **Mr. Lee-Warden** and **Mr. W. P. Stanford** (Natives' Representatives).

Replying to the debate, **Mr. Swart** stressed that if cases were heard before a judge and two assessors the law did not require that the assessors should have legal knowledge, and it was, in fact, possible for persons to be appointed as assessors who had no legal knowledge or experience whatever. He repeated that he had "consulted Mr. Justice Rumpff about the appointment of the two other judges," and that those judges had been "recommended" by Mr. Justice Rumpff.

The Bill was given a third reading on July 16 by 91 votes to 52, after Mr. Swart had declared that observers who would be attending the treason trial from Britain, the U.S.A., and Norway would be "welcome to come to the hearing"; though South Africa had never sent observers to other countries to hold watching briefs, she was "not ashamed of her judicial system" and "had nothing to conceal."

The Bill was given a third reading in the Senate on July 21, and received the Governor-General's assent on July 22.

Opening of Treason Trial.

When the trial opened in Pretoria on Aug. 1, the leading defence counsel (Mr. I. Maisels) asked that Mr. Justice Ludorf, as well as Mr. Justice Rumpff, should recuse themselves on the grounds that "certain facts created reasonable fear in the minds of the accused that they would not have a fair trial." Mr. Justice Ludorf announced on Aug. 4 that he would accede to this request, but Mr. Justice Rumpff declined to recuse himself.

Mr. Justice Ludorf said that the defence request was based on the fact that he (the judge) had acted as counsel on behalf of the police in a matter in which the facts to some extent overlapped with those of the present trial. Until the matter had been raised by Mr. Maisels it had not occurred to him that there was any connexion between the two cases, and he had actually forgotten the facts of the previous case. Nevertheless, he could not say that it would be unreasonable for the accused to gain the impression that they would not have a fair trial.

Mr. Justice Rumpff explained that, "contrary to Mr. Swart's statement in Parliament" (of which he had not known beforehand), he had never "recommended" his two fellow-judges to serve with him, and he denied that he was responsible for their appointment (as had been contended by the defence). The appointments had been solely the responsibility of the Minister and had been a matter of indifference to himself (Mr. Justice Rumpff) personally.

Mr. Swart announced on Aug. 6 that Mr. Justice Bekker (of the Transvaal Division of the Supreme Court) had been appointed the third judge to fill the vacancy caused by the withdrawal of Mr. Justice Ludorf.

Of the 92 defendants accused in the indictment, 58 were Africans, 16 Europeans, 16 Indians, and two Coloured. When the trial opened, however, it was announced that the Crown had withdrawn the indictment against one of the accused, who would be unable to attend for six months on medical grounds.—(State Information Office, Pretoria - Cape Times - Times - Manchester Guardian) **(Prev. rep. 16138 A.)**

B. SOVIET UNION. — Construction of World's Largest Hydro-Electric Station.

The Kuibyshev hydro-electric station at Zhiguli, on the Volga, was officially opened by M. Khrushchev on Aug. 10. The largest of its kind in the world, it has a planned capacity of 2,100,000 kilowatts, with an annual output of 10,800,000 k.w.h. The first generating set was put into operation in December 1955; since then 19 more sets, each of 105,000 k.w. capacity, had been installed in the power house. The station took seven years to construct.

Mr. Khrushchev announced at the opening ceremony that the station would be named after Lenin and would henceforth be known as the Lenin Volga Hydro-Electric Station.
(Soviet Embassy Press Department, London) **(14717 A.)**

C. RUMANIA. — Withdrawal of Soviet Forces.

Bucharest Radio announced on July 25 that all Soviet armed forces had been withdrawn from Rumanian territory.
(Le Monde, Paris) **(Prev. rep. 16301 A.)**

A. UNITED KINGDOM. — The Isaac Wolfson Foundation. - Wolfson and Gulbenkian Benefactions.

The creation of a new charitable foundation with a capital of £6,000,000, almost entirely in ordinary shares of Great Universal Stores, was announced on July 30 on behalf of Mr. Isaac Wolfson, chairman and managing director of Great Universal Stores. The trust—known as the Isaac Wolfson Foundation—is the largest since the establishment of the Nuffield Foundation with a capital of £10,000,000 in 1943.

The Isaac Wolfson Foundation will have an income of approximately £400,000 a year, which will be free of income-tax as is the case with all charitable trusts. The policy of the Foundation is: "The advancement of education and health in the United Kingdom and Commonwealth, with particular reference to scientific and technological education; facilities for higher education; youth activities; general medical research; cancer research; and medical, surgical, and nursing services." The Foundation is also empowered to act in the United States and Israel in promoting these aims.

It was announced at the same time that the Wolfson Foundation had made the following benefactions: £250,000 to the Westminster School of Nursing to provide training facilities for 160-170 nurses; £250,000 to London University for a new Hall of Residence for Commonwealth students; £25,000 to the British Council of Spastics to build a new wing for a further 20 spastics and 10 staff at Beaconsfield, Bucks.; and £20,000 for the Duke of Edinburgh's Award for young people (see 16339 B, 15411 A).

The new Foundation replaced a smaller charitable trust which had been created by Mr. Wolfson in 1955 and which had itself made a number of important benefactions—including £150,000 for the British Empire Cancer Campaign, £125,000 for a post-graduate school of medicine attached to Hammersmith Hospital, £120,000 to the National Playing Fields Association, and £65,000 to Oxford University for a Chair of Metallurgy. The new Foundation and its parent body has given £1,114,000 for a variety of causes since the original trust was founded by Mr. Wolfson in 1955.

The Board of Trustees of the Isaac Wolfson Foundation consists of Lord Nathan, as chairman; Lord Evans, physician to H.M. the Queen; Lord Birkett, a former Lord Justice of Appeal; Professor A. L. Goodhart, Q.C., Master of University College, Oxford; Sir Stanford Coe, consulting surgeon and member of the Cancer and Radiotherapy Committee; Mr. Isaac Wolfson; Mrs. Isaac Wolfson; and Mr. Leonard Wolfson. Lieutenant-General Sir Harold Redman, lately Vice-Chief of the Imperial General Staff, accepted the post of Director and Secretary of the Foundation.

Gulbenkian Foundation Benefactions.

The first list of benefactions under the Gulbenkian Foundation (see 15031 A), announced on April 27, 1957, totalled over £500,000 for artistic, scientific, educational, and charitable causes in Britain, the Commonwealth, Portugal, and Armenian communities in the Middle East. Further grants totalling over £1,000,000 were announced on Nov. 8, 1957, for similar purposes, of which over £150,000 was allocated to Britain.

Benefactions to British institutions included £75,000 for the Royal College of Art for building a new wing on a site adjoining the Albert Hall; £60,000 for Durham University for building a Museum of Oriental Art and Archaeology, to be named the Gulbenkian Museum; £22,000 to Oxford University for building a Gulbenkian lecture-room adjoining the new Law Library; £20,000 to the London Police Court Mission for establishing a probation hostel for girls from rural areas; £15,000 for Gulbenkian Fellowships in mathematics, science, and technology at selected universities; and £10,000 to King's College, London, where the late Mr. Calouste Sarkis Gulbenkian took a science degree. Among many smaller benefactions was £3,000 to help expand the work of the Telephone Samaritans of the Church of St. Stephen's Walbrook, in the City of London. [The Telephone Samaritans of St. Stephen's Walbrook was founded in 1953 by the Rev. Chad Varah to help reduce the suicide-rate by encouraging persons in despair to telephone Mansion House 9000; assisted by voluntary helpers, trained and untrained, Mr. Varah has dealt with some 900 cases, of which 400 were potential suicides and the rest in great distress. The service has been imitated in Berlin and Stockholm.]

In addition to the benefactions mentioned above, the Gulbenkian Foundation has given £50,000 towards the building of the new Churchill College at Cambridge (see 16198 C).

It was announced on Jan. 20, 1958, that the needs of the arts in Great Britain would be reviewed over the next 18 months by a committee appointed by the Gulbenkian Foundation and headed by Lord Bridges, chairman of the Royal Fine Art Commission and former Head of the Civil Service. On May 14 it was announced that the other members of the Committee would be Lady Albemarle, Sir George Barnes, Principal of the University College of North Staffordshire, and Mr. Noel Annan, Provost of King's College, Cambridge. (Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. 15031 A.)

B. TURKEY. — Economic Stabilization Programme. - Financial Assistance by O.E.E.C. Members, E.P.U., and I.M.F. - New Exchange Rate System.

It was announced in Ankara, Paris, and Washington on Aug. 4 that a large-scale programme of financial aid to Turkey had been approved by the Ministerial Council of the O.E.E.C., the International Monetary Fund, and the U.S. Government, following the adoption by the Turkish Government of a comprehensive stabilization programme designed to arrest inflationary pressures, to enable Turkey to overcome her present economic difficulties, and to assist her in obtaining fresh resources for her economic development programme. Details of the financial facilities, covering a total of $359,000,000 in foreign aid, were as follows:

(1) The O.E.E.C. would make available to the Turkish Government about $100,000,000 of credit; $25,000,000 of this would be made available through the European Payments Union, the Ministerial Council of the O.E.E.C. having decided to provide Turkey with a *rallonge* which would extend her settlement facilities in the Union on a 75 per cent gold and 25 per cent credit basis by $100,000,000. The equivalent of the remaining $75,000,000 would be provided by member-countries of the O.E.E.C., including the equivalent of $50,000,000 in Deutschemarks by Western Germany and the equivalent of $10,000,000 in sterling by Britain.

(2) The I.M.F. had approved a drawing by Turkey on the Fund of the equivalent of $25,000,000, half in U.S. dollars and half in Deutschemarks.

(3) The U.S. Government would extend to Turkey an additional $234,000,000, made up of (i) $25,000,000 of immediate aid; (ii) $75,000,000 of defence support assistance grants from Mutual Security Aid Funds; (iii) $75,000,000 in the form of a development assistance loan, about half of which would be granted by the Export-Import Bank; (iv) $15,000,000 by the supply of U.S. surplus agricultural commodities; and (v) $44,000,000 by the postponement of repayment of the loans granted to Turkey in 1948, 1949, and 1952 by the former International Co-operation Administration and the Mutual Security Agency.

(4) With regard to Turkish debts due or falling due within the next few years, it had been agreed that a conference should be convened at an early date, under the aegis of the O.E.E.C., to decide upon the arrangements for spreading the repayment over a certain period.

There would be a six-months' standstill in respect of the bilateral arrears agreements between Turkey and various O.E.E.C. countries; during this period negotiations would take place on new schedules of payment.

Turkish Economic Stabilization Programme.

The principal part of this programme (which became effective on Aug. 4) was the introduction of a new exchange system.

A single effective selling rate of £T9.00 to the U.S. dollar was introduced for imports, and three buying rates for exports: (i) £T4.90 to the dollar for a first list of commodities; (ii) £T5.60 for a second list of commodities; and (iii) £T9.00 for all other commodities, as well as for "invisible" transactions and capital transfers. These new rates, while leaving unchanged the official par value of the Turkish pound at £T2.80 per U.S. dollar, were brought about by granting premia for exports and making surcharges for imports, thereby readjusting export and import values to world prices and removing the previously existing disparity between internal and external prices. All other existing multiple currency practices were abolished.

In addition, the Turkish Government's programme included measures designed to balance the budget, to eliminate deficits of the State economic enterprises, and to restrict credit expansion; the Government is also adjusting its own investment policy with a view to giving priority to projects which can most effectively stimulate exports or reduce imports.

The O.E.E.C. stated that the Turkish Government had "declared its intention to put this programme into operation without delay, to pursue it with determination, and, by all available means, to ensure its complete success." Moreover, the Turkish Government was prepared, "when required and in consultation with the O.E.E.C., to strengthen and supplement the measures for which the programme provides." The I.M.F. stated that it would "remain in consultation with Turkey."—(O.E.E.C. Information Division, Paris - I.M.F., Washington - Turkish Embassy Press Department, London - New York Times) **(Prev. rep. 14015 A; Anglo-Turkish Debt Agreement, 15578 A; 14180 A.)**

C. NETHERLANDS - YUGOSLAVIA. — Agreement on Compensation for Expropriated Dutch Property.

An agreement was signed at The Hague on July 22 providing for the payment by Yugoslavia to the Netherlands of 2,500,000 guilders in compensation for nationalized or confiscated Dutch property in Yugoslavia, payment to be spread over five years. Negotiations for the agreement began in 1949, and it was stated that talks on the subject of Yugoslav State debts to the Netherlands were still continuing.—(Netherlands News Agency)

A. CHINA - SOVIET UNION. — Peking Meeting between M. Khrushchev and President Mao Tse-tung. - Joint Statement on International Situation.

The Soviet Prime Minister, M. Khrushchev, visited Peking from July 31 to Aug. 3 for talks with President Mao Tse-tung. Others taking part in the discussions were, on the Soviet side, Marshal Malinovsky (Defence Minister), M. Kuznetsov (acting Foreign Minister), and M. Ponomarev (a member of the Communist Party's central committee); and on the Chinese side, Mr. Chou En-lai (Prime Minister), Marshal Peng Teh-hai (Defence Minister), Marshal Chen Yi (Foreign Minister), and Mr. Wang Cha-hsiang (a member of the Communist Party's secretariat). The meeting took place under conditions of great secrecy, no intimation of the Soviet leaders' presence in Peking being given until August 3.

The communiqué issued at the conclusion of the talks (the main sections of which are given below) called for the immediate holding of a summit conference, the withdrawal of the U.S. and British forces from Lebanon and Jordan, the ending of nuclear tests, and the abolition of military blocs and military bases on foreign soil. It accused the Western Powers of "refusing to take any genuine measures to preserve peace"; declared that another world war would "put an end to the imperialist aggressors"; and reaffirmed the ideological unity of the Soviet and Chinese Communist parties.

After speaking of the "exceedingly warm and cordial atmosphere" of the discussions and the "complete identity of views" which had been recorded, the communiqué went on:

"The two parties agreed that the U.S.S.R. and the Chinese People's Republic, together with the other countries of the Socialist camp and all peace-loving countries and peoples, have achieved great successes in the struggle to ease international tension and defend peace. The peaceful policy of the U.S.S.R. and the Chinese People's Republic is receiving growing support and sympathy from the peoples of all countries. India, Indonesia, the United Arab Republic, and other countries and peoples of Asia, Africa, America and Europe are playing an ever-increasing role in strengthening peace . . .

"In contrast . . . aggressive imperialist circles, headed by monopolist groups in the United States, continue to reject peaceful co-existence and co-operation, stubbornly oppose the easing of international tension, obstruct the holding of a conference of Heads of Government of the great Powers, and intensify their preparations for a new war . . . They are forging aggressive military and political blocs, enmeshing the world in their network of military bases, and interfering more often and more brazenly in the domestic affairs of other countries.

"The armed aggression recently undertaken against Lebanon and Jordan by the United States and Britain, and the threats of force against the Republic of Iraq and the United Arab Republic, have sharply increased the tension in the Middle East and have made the war danger still more serious . . . The U.S.S.R. and the Chinese People's Republic strongly condemn the flagrant aggression by the U.S.A. and Britain in the Middle East; demand the immediate summoning of a conference of Heads of Government of the great Powers to discuss the Middle East situation; and insist on the immediate withdrawal of U.S. troops from Lebanon and of British forces from Jordan."

After expressing "full support" for the "struggle of the United Arab Republic, the Republic of Iraq, and the national liberation movements of the peoples of Asia, Africa, and Latin America," and saying that "the age of colonialism is gone, never to return," the communiqué continued:

"The two parties exchanged views on a number of important questions . . . and reached complete agreement on measures to be taken to combat aggression and preserve peace. The Soviet Union and the Chinese People's Republic will do everything possible to ease international tension and prevent the horrors of a new war. Both parties declare once again that the right of the peoples of all countries to choose their own social and political systems must be respected; that countries with different social systems must co-exist peacefully, in accordance with the well-known 'Five Principles' which have received wide international recognition; that all controversial international issues must be settled peacefully by negotiation; and that the development of economic and cultural relations between countries on the basis of mutual benefit and peaceful competition . . . must be encouraged.

"The major task in preserving and consolidating peace is the reaching of agreement among States to reduce armaments, to end [nuclear] tests and ban atomic and hydrogen weapons, to abolish all military groupings and bases on foreign territories, and to conclude a pact of peace and collective security. Whether war can be averted does not, however, depend solely on the good intentions of the peace-loving peoples and their unilateral efforts. Right up to the present moment, aggressive circles of the Western Powers are refusing to take any genuine measures to preserve peace; on the contrary, they are senselessly aggravating the international tension and putting mankind on the brink of catastrophe. If the sabre-rattling imperialist maniacs dare to force war on the peoples, they should realize that all the peace-loving and freedom-loving countries, closely united in a single unit, will put an end to the imperialist aggressors once and for all and establish everlasting peace the world over."

In conclusion, it was stated that both parties "noted with great satisfaction" that the "fraternal relations of friendship, co-operation and mutual assistance between the Communist parties and Governments of the Soviet Union and China . . . are being developed successfully and becoming more firmly established"; that the economic development of both countries was "proceeding at a rapid pace" and "increasing daily in strength"; and that they were in complete accord in assessing the tasks facing the Communist parties of China and the Soviet Union."

After saying that "the unshakable unity of our two Marxist-Leninist parties will always provide a firm guarantee of the triumph of our common cause," the communiqué ended: "The Soviet Communist Party and the Chinese Communist Party will . . . wage an uncompromising struggle against revisionism - the principal danger in the Communist movement. This revisionism has found its clearest manifestation in the programme of the League of Communists in Yugoslavia . . ."

An agreement on Soviet technical assistance to China for the construction or expansion of 47 metallurgical, chemical, coal-mining, machine-building, wood-working, and building materials enterprises and power stations was signed in Moscow on August 8.

It provided that the U.S.S.R. would carry out surveying, research work, and designing for a number of these enterprises; supply technological equipment, instruments, cables, and special materials for the manufacture of other equipment in China; send specialists to help in the installation and launching of the enterprises; and help in training Chinese personnel. The U.S.S.R. would also grant to China, free of charge, licences for the manufacture of certain goods, technical data and blueprints, for which China would only have to pay the cost of preparation and delivery. All other Soviet assistance would be paid for through the delivery of goods under the current Sino-Soviet trade agreement.

The communiqué added that the designing, surveying and research work for most of the enterprises covered by the agreement would be carried out by the Chinese themselves, who would also supply the necessary equipment for these enterprises.

M. Khrushchev and the Soviet delegation left Peking for Moscow on Aug. 3.—(Soviet Embassy Press Department, London - New York Times) **(Prev. rep. 16301 A; 15899 A.)**

B. ISRAEL. — Completion of Eilat-Haifa Pipeline.

The oil pipeline from Eilat to Ashdod Yam was extended to Haifa in July by a new section running for 84 miles along the Mediterranean coast; the first oil to reach the Haifa refineries overland since 1948 was pumped through the new pipeline on August 2.

Work on the pipeline—which runs practically the whole length of Israel—began early in 1957. It was completed in three stages: (1) an 8-in. section from Eilat to Beersheba, in the northern Negev; (2) a 16-in. section from Beersheba to Ashdod Yam, on the Mediterranean coast near Askalon; and (3) the new 16-in. section from Ashdod Yam to Haifa. Before the completion of the third link, oil from Eilat and Beersheba had to be transported by tanker from Ashdod Yam to Haifa, which will no longer be necessary. The section from Ashdod Yam to Beersheba was enlarged to 16 inches to carry production from the small Israeli oilfield at Heletz, near Beersheba.

The completed Eilat-Haifa pipeline is capable of transporting 90 per cent of Israel's domestic oil needs; in addition, it gives Israel a second oil outlet at Haifa in addition to that already existing at Eilat.—(Israel Government Press Office, Jerusalem - New York Times - Le Monde, Paris)
(Prev. rep. 15862 C; 15528 A.)

C. ASTRONOMY. — Australian Radio Telescope.

The Minister in charge of the Commonwealth Scientific and Industrial Research Organization (Mr. Casey) announced on Aug. 13 that a giant radio telescope, the most powerful of its kind in the world, would be built near Parkes (a small town in the interior of New South Wales, 200 miles west of Sydney) at a cost of £A500,000. When completed in 1961, it would have a steerable dish-cover reflector 210 ft. in diameter and would be capable of picking up signals from "radio stars" millions of light-years distant. The Australian telescope will be complementary to the 250-ft. instrument at Jodrell Bank, inasmuch as it will be in a position to observe "radio stars" which are only visible in the Southern Hemisphere. It will be housed on a concrete tower and steerable with very high precision, but will not be able to turn on objects less than 30 degrees above the horizon.—(New Scientist - Australian News Bureau)
(Prev. rep. Jodrell Bank, 15838 B.)

D. BRAZIL. — New Navy Minister.

Admiral Jorge do Paco Matoso was appointed Minister of the Navy on Aug. 15 in succession to Vice-Admiral Alves Câmara, who had died the previous day.—(New York Times)
(Prev. rep. 16304 B.)

AUGUST 23—30, 1958

A. ATOMIC ENERGY. — Geneva Conference of Experts on Detection of Nuclear Explosions. - East-West Agreement on Methods of Detection. - Anglo-American Offer of Conditional Suspension of Nuclear Tests.

In the course of the protracted "summit" correspondence between the Soviet and Western Heads of Government, President Eisenhower suggested to M. Khrushchev on April 28 that technical experts of both sides should start work immediately on the "practical problems of supervision and control" which were indispensable to any dependable agreement on disarmament. In his reply (May 9) M. Khrushchev agreed that both sides should appoint experts who would "start work immediately on studying the methods of possible violations of an agreement to end nuclear tests, with the proviso that the work should be completed in the shortest time possible." He emphasized, however, that the Soviet Government's acceptance related only to the single issue of suspending nuclear tests and not to the disarmament problem as a whole, on which agreement had not yet been reached between the U.S.S.R. and the Western Powers.

A White House statement (May 11) said that "Premier Khrushchev's letter seems to constitute recognition of the validity of the position, long held by the U.S.A., the other Western members of the U.N. Disarmament Sub-committee, and the overwhelming majority of the General Assembly, that examination of the technical aspects of disarmament measures should begin as soon as possible and might serve as the basis for progress toward agreement on disarmament." After expressing the hope that "this acceptance presages agreement to begin similar studies on other measures of disarmament," the statement said that M. Khrushchev's letter would be "carefully studied" and would be "the subject of early consultation with our allies."

In a letter to M. Khrushchev on May 24, President Eisenhower expressed gratification at the Soviet Prime Minister's agreement to an early start on technical talks between experts of both sides. He proposed that the talks should begin at Geneva within three weeks, and that the experts should be designated not only by the U.S.A. and the U.S.S.R. but also by the United Kingdom, France, "and possibly other countries having specialists with a thorough knowledge in the field of detecting nuclear tests." He assumed that the Soviet delegates, "like those from our side," would be chosen "on the basis of special competence so as to assure that we get scientific and not political conclusions."

In his reply (May 31) M. Khrushchev agreed that the talks should begin within three weeks at Geneva, though the Soviet Government would "prefer the conference to be held in Moscow." He added that the U.S.S.R. had no objection to the inclusion of experts from Britain, France, and other countries, and proposed that Polish and Czechoslovak experts should also take part. M. Khrushchev also proposed that the experts should complete their work in three or four weeks and draw up a final report within that period.

In a further letter to M. Khrushchev (June 10) President Eisenhower suggested that the talks should begin in Geneva "on or about July 1." While appreciating the Soviet Government's offer to hold the talks in Moscow, the Western side would prefer to hold them in Geneva—particularly as that venue was acceptable to the Soviet Government, and as the Swiss Government had "agreed to this location." As indicated in his (the President's) letter of May 24, the Western side would include experts from the U.S.A., Britain, France, and possibly other countries, and there was no objection to the participation of Polish and Czechoslovak experts as proposed by M. Khrushchev. He agreed with M. Khrushchev's suggestion that it might be possible for the experts to produce a final report in three or four weeks, but believed that there should be "enough flexibility in our arrangements to allow a little longer time if it is needed to resolve the complex technical issues involved." President Eisenhower added: "These talks would be undertaken without commitment as to the final decision on the relationship of nuclear test suspension to other more important disarmament measures." Finally, he suggested that further arrangements for the Geneva meeting should be handled through normal diplomatic channels.

Correspondence between the U.S. and Soviet Governments on the question of the Geneva conference of experts was continued during the latter half of June, involving the exchange of seven *aides-mémoire* between the two Governments.

A Soviet *aide-mémoire* of June 13 agreed that the talks should begin in Geneva on July 1, and gave the names of the Soviet experts who would be taking part. It also stated that the Soviet Government had no objection to enlisting the help of the U.N. Secretariat on the organizational side of the conference, as proposed by the U.S. Ambassador in Moscow (Mr Llewellyn Thompson) in a conversation with M. Gromyko. In reply, a U.S. *aide-mémoire* of June 20 stated that Britain would be represented at the Geneva talks by Sir William Cockcroft and Sir William Penney, and that France and Canada would each be represented by one delegate—this being the first intimation of Canadian participation in the conference.

A further Soviet *aide-mémoire* (June 24) stated that there was no objection to the participation of Canada; it gave the names of the Polish and Czechoslovak experts who would be attending, and also announced that a Rumanian technical expert would take part in the conference. It added that the Soviet Government "continues to proceed on the basis . . . that the work of the conference of experts should promote the ending of tests of atomic and hydrogen weapons, at the earliest possible date, by all States possessing such weapons."

On the following day, however, another Soviet *aide-mémoire* was presented in Washington taking exception to a statement made by Mr. Dulles at a press conference on June 17. After quoting Mr. Dulles as saying that the work of the experts must be carried out without prejudice to the question of whether or not nuclear tests should be suspended, the Soviet Government said that it was "impossible to agree to such an attitude" and that "the conference can be fruitful only if it leads to positive results." It went on to allege that "attempts are being made to seal the doom of the conference in advance," and added: "One cannot but draw the conclusion that the gist of the position expounded by Mr. Dulles is to make the meeting of experts pointless and thus to discredit it . . Under such conditions the Soviet Government cannot send its experts, as it does not want to be an accomplice in deceiving the peoples." In conclusion, the Soviet Government said that it would "like to receive confirmation from the U.S. Government that the meeting of experts should be convened with the aim of solving the problem of the universal and immediate ending of nuclear weapon tests, and consequently that the purpose of the conference remains the same as was determined in the correspondence between the Soviet and U.S. Governments."

In reply, a U.S. *aide-mémoire* was presented in Moscow on June 26 saying that "the United States considers that the aims of the conference of experts remain as determined in the exchange of correspondence between the U.S. and Soviet Governments, as confirmed by the Soviet agreement of June 24." It was added that the U.S. experts were already *en route* for Geneva, and that "so far as we are concerned the conference will be proceeded with."

The Soviet reply (June 28) reiterated that the conference would be "a waste of time" unless it devoted itself to "the accomplishment of the task of the universal ending of nuclear weapon tests." It added: "It goes without saying that the decision on the ending of nuclear tests should be taken by the Governments themselves and not by the experts, whose task is to prepare the necessary conditions for control over compliance with an agreement on the ending of tests. However, with the conference of experts beginning its work, a full and clear-cut understanding should be reached among the Governments concerning the purposes of this meeting." The Soviet Government hoped that the United States would make "an unequivocal statement on this matter."

In reply (June 30), the U.S. Government noted "with satisfaction" the position of the Soviet Government, as set out in its *aide-mémoire* of June 28, "that a decision on cessation of tests must be taken by Governments themselves and not by experts." It went on: "The task of the experts . . . has been clearly defined in the preceding correspondence between our Governments; it is to study methods of detection or possible violations of an agreement on the cessation of nuclear tests. The position of the U.S. Government has been clearly and unequivocally expressed from the time of its initial proposal. In his letter of April 28, President Eisenhower proposed to Chairman Khrushchev that technical people should start work immediately upon the practical problems of supervision and control which are indispensable to dependable disarmament agreements, and stated that . . . 'these studies are without prejudice to our respective positions on the timing and interdependence of various aspects of disarmament.' It was in reply to this letter that Chairman Khrushchev stated on May 9 that the Soviet Government agreed that both sides should designate experts for the study which is now about to begin."

The Conference of Experts to Study the Possibility of Detecting Violations of Possible Agreements on a Suspension of Nuclear Tests opened at the *Palais des Nations* in Geneva on July 1. The principal delegates were:

On the Western Side—Dr. James B. Fisk, Dr. Robert Bacher, and Dr. Ernest O. Lawrence (U.S.A.); Sir John Cockcroft and Sir William Penney (Britain); Professor Yves Rocard (France); Dr. Omond Solandt (Canada). Dr. Fisk was chairman of the Western delegation.

On the Eastern Side—Professor Y. K. Fyodorov, Dr. I. Y. Tamm, Professor N. A. Semyonov, and M. Semyon Tsarapkin (Soviet Union); Professor Leopold Jurkiewicz and Dr. Marian Meisowicz (Poland); Dr. C. Simane and Professor Frantisek Behounek (Czechoslovakia); Dr. Horia Hulubei (Rumania). Professor Fyodorov was chairman of the Eastern delegation.

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All the representatives on both sides were eminent scientists with the exception of three diplomats appointed to the Soviet, Polish and Czechoslovak delegations—respectively M. Semyon Tsarapkin, formerly Soviet representative at the U.N. and now a senior official in the Soviet Foreign Ministry; Dr. Mieczyslaw Blusztajn, of the Polish Foreign Ministry; and M. Zdenek Trhlik, of the Czechoslovak Foreign Ministry. No diplomatic representatives were nominated on the Western side.

Of the Western scientific delegates, Dr. Fisk is vice-president of the Bell Telephone Laboratories, Dr. Bacher is a professor at California Institute of Technology; Dr. Lawrence (inventor of the cyclotron) is Director of the University of California Radiation Laboratory; Sir John Cockcroft is Director of the U.K. Atomic Energy Establishment at Harwell; Sir William Penney is Director of the U.K. Atomic Weapons Research Establishment at Aldermaston; Professor Rocard, a member of the French Atomic Energy Authority, is Director of the Physics Laboratory at the *Ecole Normale Supérieure*; and Dr. Solandt, formerly chairman of the Canadian Defence Research Board, is director of research and development for the Canadian National Railways. Dr. Bacher and Dr. Lawrence are members of President Eisenhower's Science Advisory Committee.

The Eastern scientific delegates were all leading scientists from their respective countries. Apart from those enumerated above, the Soviet delegation also included Dr. Mikhail Sadovsky, Professor Osvei Leipunsky, Dr. Ivan Pasechnik, and Dr. K. Gubkin, and the Czechoslovak delegation included Professor Alois Zatopek.

The opening session was held under the chairmanship of Signor Pier Spinelli (Director of the European Office of the U.N.) and was also attended by Mr. Palthey (Deputy-Director) and Mr. T. G. Narayanan (U.N. Assistant Secretary-General for Disarmament), the last-named acting as "personal representative" for the U.N. Secretary-General, Dr. Hammarskjöld.

Signor Spinelli, in opening the conference, conveyed Dr. Hammarskjold's "deep concern" with the subject in view of its implications for the disarmament problem—a field in which the United Nations had special responsibilities.

Dr. Fisk said in reply: "We are meeting pursuant to an agreement reached between Chairman Khrushchev and President Eisenhower to study the technical problems involved in the detection and identification of nuclear exlosions. It is most important to have a common understanding of the technical problems which are involved in this question as a basis for further consideration by our Governments of the important issues on which future decisions will be required.

"Each of us brings to our task the tradition of science, a tradition that places the highest premium on objectivity. Thus we embark, with every hope, on what can well be an historic mission; to lay the essential technical basis for the important decisions which lie ahead."

Professor Fyodorov said: "... Certainly, we are not supposed to take up the solution of the problem of cessation of tests. This is a matter to be solved by Governments. The Soviet Government has already set a noble example in this respect. Meeting the desire of the Western Powers, the experts of the Soviet side participate [in the Geneva conference] in the belief that this discussion must facilitate the cessation of test explosions on the part of the Western Powers as well...

"Formerly it was characteristic of scientists to be somewhat reserved and to keep aloof from problems of vital interest to society. But nowadays scientists of all countries grow ever more anxious, and are imbued with a sense of responsibility, for the way the results of their scientific achievements are applied in practice—that is, whether scientific and technical achievements will be used for the benefit or to the detriment of the people. We are sure that ... our colleagues from the U.S.A., Great Britain, France, and Canada will help us to find a common language to attain the object facing us"

The conference—which held most of its business meetings under the alternate chairmanship of Professor Fyodorov and Dr. Fisk, with Sir William Penney and Dr. Bacher presiding occasionally—decided that strict secrecy should be observed in its discussions and that nothing should be revealed except what was stated in the official communiqué issued after each day's session. Many scientific papers were read by delegates on both sides as well as by other U.S. and Soviet scientists. As a result of the discussions, communiqués were issued on various dates announcing that agreement had been reacched on the following questions:

(*a*) "The applicability of acoustic methods for the detection of nuclear explosions at a considerable distance, with a view to safeguarding the observation of an eventual agreement on the cessation of nuclear tests." The experts had accordingly agreed "to include the method of registration of acoustic (air and hydro acoustic) waves in the list of basic methods for the detection of nuclear explosions with the aid of a network of control posts." (July 10)

(*b*) "The applicability of the method of collecting radioactive products as a means of detecting and identifying nuclear explosions." The experts had accordingly recommended "the inclusion of the method of collecting samples of radioactive products in the list of basic methods for detecting and identifying nuclear tests." (July 23)

(*c*) "The applicability of the method of registration of seismic waves as a means of detecting nuclear explosions." It had accordingly been recommended to include "the method of registration of seismic waves in the list of basic methods for detecting and identifying nuclear tests." (July 24)

(*d*) "The applicability of the method of electromagnetic radiation given off by above-surface nuclear explosions in the form of radio waves and visible light" as a means of detecting such explosions, and the inclusion of this method among the basic methods for detecting and identifying nuclear tests. (July 25)

(*e*) "The problem of detecting nuclear explosions carried out at high altitudes," and the possibility of using for this purpose "the registration (i) of gamma radiation and neutrons, with properly instrumented earth satellites; (ii) of ionospheric phenomena, using appropriate radio techniques, and (iii) of light." (July 28).

(*f*) A control system combining the various methods of detecting violations of a possible agreement on the suspension of nuclear tests. (Aug. 19).

The conference ended on Aug. 21, when the following communiqué was issued stating that it was technically feasible to set up "a workable and effective control system for the detection of violations of a possible agreement on the world-wide cessation of nuclear weapons tests."

"... The conference came to the conclusion that the methods of detecting nuclear explosions available at the present time namely, the method of collecting samples of radio-active debris, the method of recording seismic, acoustic, and hydro-acoustic waves, and the radio-signal method, together with the use of on-site inspection of unidentified events which might be suspected of being nuclear explosions—make it possible, within certain specific limits, to detect and identify nuclear explosions, and it recommends the use of these methods in a control system.

"The conference noted that the combined use of the various methods considerably facilitates detection and identification of nuclear explosions. The conference noted that the effectiveness of the methods considered will increase in course of time with improvement of measuring techniques and with study of the characteristics of natural phenomena which cause interference when explosions are detected.

"The conference has adopted an agreed conclusion regarding the technical equipment of the control system necessary for the detection and identification of nuclear explosions. The conference reached the conclusion that it is technically feasible to set up ... a workable and effective control system for the detection of violations of a possible agreement on the world-wide cessation of nuclear weapons tests.

"It was established in this connexion that a network of control posts which were equipped with all the necessary apparatus appropriate to the various methods of detection of nuclear explosions should be disposed on continents and islands, as well as on a few ships in the oceans.

"The experts came to the conclusion that the control system should be under the direction of an international control organ which would ensure the co-ordination of the activities of the control system and the functioning of the system in such a way that it would satisfy the necessary technical requirements.

"On Aug. 21 the conference of experts adopted a final report for consideration by Governments. The report will be made public at a time to be determined by Governments."

In his final speech Dr. Fisk confirmed that the conference had reached a "common understanding" of the technical problems and a "significant measure of agreement"; he praised the "friendly and co-operative working relationships we have enjoyed with our colleagues on the other side of the table." Professor Fyodorov, in turn, declared that after lengthy arguments they had "always arrived at agreed conclusions," and that the basic conclusion to be drawn from the conference was "very simple and very clear" inasmuch as nuclear explosions, even of small magnitude, could be detected. He added: "No matter where a possible violator attempted to conceal his atomic explosion—under the water, under the earth, or in cosmic space 100,000 kilometres from our planet—he would nowhere be guaranteed against exposure."

The result of the conference, therefore, was that the experts had reached agreement (*a*) that it would be possible to detect nuclear explosions by registration of acoustic and seismic waves, collection of radioactive samples, and registration of high-altitude phenomena; and (*b*) that all these methods should be included in a control system. The success of the conference was warmly welcomed in London, Washington, and Moscow.

Anglo-American Offer of Conditional Suspension of Nuclear Tests. - British and American Statements.

The British and U.S. Governments announced on Aug. 22 that, in view of the results of the Geneva conference, they were prepared to suspend nuclear weapon tests for an initial period of one year, on condition (*a*) that the Soviet Union would not resume such tests in this period, and (*b*) that all Governments which had tested nuclear weapons would be prepared to open negotiations on an agreement for the complete suspension of tests under effective international control. Both Governments

would be ready to begin these negotiations on Oct. 31, 1958, and would be prepared to extend the suspension period from year to year provided the Soviet Union did the same, and provided that satisfactory progress had been made towards an effective international control system and the adoption and execution of real disarmament measures.

Statement by British Government.

The following statement was issued from Downing Street:

"H.M. Government have learnt that the conference of scientific experts at Geneva on the detection of nuclear weapon tests has reached a successful conclusion. This represents a new and hopeful development, and H.M. Government regard the outcome as a clear justification of the technical approach to problems of control and inspection in the field of disarmament which they themselves first proposed over a year ago. It is now established that effective international control over a suspension of nuclear weapons tests is technically possible. The report of the Geneva conference provides the essential technical basis on which to build further progress. The next task is to find solutions to the important practical and political problems relating to the organization, installation, and functioning of a control organization.

"H.M. Government are prepared to enter into negotiations with other Governments which have tested nuclear weapons with a view to solving these problems and concluding an agreement for the suspension of nuclear weapons tests under effective international control. H.M. Government, for their part, will be ready to begin negotiations for this purpose by Oct. 31, 1958.

"H.M. Government hope that such negotiations will not only lead to successful results in themselves but will also facilitate early negotiation on measures of disarmament. H.M. Government have always made it clear that they do not regard the suspension of nuclear tests as itself constituting a measure of disarmament. If peace and security are to be placed upon a firmer and more lasting foundation, early progress must be made towards real disarmament, both nuclear and conventional, by measures such as H.M. Government have themselves proposed. Any real disarmament must also be subject to effective international control, and H.M. Government hope that the precedent of expert discussion established by the Geneva conference may be followed in other fields.

"As is known, H.M Government are now beginning a short series of tests. This will be completed as soon as possible. In view of the opportunities for agreement now opened up, both on the controlled suspension of nuclear tests and on measures of real disarmament, H.M. Government will, from the date when negotiations are begun for the suspension of nuclear tests under effective international control, refrain from further testing of nuclear weapons for a period of one year. They will do so on the understanding that the object of the negotiations has been accepted in principle by all the Governments which have tested nuclear weapons, and so long as the Soviet Government does not resume testing in this period.

"H.M. Government will be prepared to refrain from nuclear tests thereafter for further successive periods of one year, provided that the Soviet Union will do the same and that satisfactory progress has been made towards . . . an effective system of international control over the suspension of nuclear tests, and towards the adoption and execution of measures of real disarmament."

Statement by President Eisenhower.

President Eisenhower's statement was worded as follows:

"The United States welcomes the successful conclusion of the Geneva meeting of experts who have been considering whether and how nuclear weapons tests could be detected. Their conclusions indicate that, if there were an agreement to eliminate such tests, its effective supervision and enforcement would be technically possible. This is a most important conclusion, the more so because it is concurred in by the experts of the Soviet Union.

"Progress in the field of disarmament depends upon the ability to establish effective international controls, and the willingness of the countries concerned to accept those controls. The fact, therefore, of an agreement on technical possibilities of inspection and control opens up a prospect of progress in the vitally important field of disarmament. The United States, taking account of the Geneva conclusions, is prepared to proceed promptly to negotiate an agreement with other nations which have tested nuclear weapons for the suspension of nuclear weapons tests, and the actual establishment of an international control system on the basis of the experts' report.

"If this is accepted in principle by the other nations which have tested nuclear weapons, then, in order to facilitate the detailed negotiations, the United States is prepared, unless testing is resumed by the Soviet Union, to withhold further testing on its part of atomic and hydrogen weapons for a period of one year from the beginning of the negotiations.

"As part of the agreement to be negotiated, and on a basis of reciprocity, the United States would be further prepared to suspend the testing of nuclear weapons on a year-by-year basis, subject to a determination at the beginning of each year (*a*) that the agreed inspection system is installed and working effectively; and (*b*) that satisfactory progress is being made in reaching agreement on and implementing major and substantial arms control measures such as the United States has long sought. The agreement should also deal with the problem of detonations for peaceful purposes, as distinct from weapons tests.

"Our negotiators will be instructed and ready by Oct. 31 this year to open negotiations with other similarly instructed negotiators. As the United States has frequently made clear, the suspension of testing of atomic and hydrogen weapons is not, in itself, a measure of disarmament or a limitation of armament. An agreement in this respect is significant if it leads to other and more substantial agreements relating to limitation and reduction of fissionable material for weapons and to other essential phases of disarmament. It is in this hope that the United States makes this proposal."

It was authoritatively stated that the French Government had previously been informed of the Anglo-American offer. At present Britain, the U.S.A., and the Soviet Union are the only countries which have tested nuclear weapons, but it is known that the French Government plans to explode its first nuclear bomb somewhere in the Sahara in the not far distant future.—(Times - Daily Telegraph - Manchester Guardian - New York Times - Le Monde, Paris - Soviet Embassy Press Department, London - Polish Embassy Press Office, London - U.N. Information Centre, London) **(Prev. rep. 16140 B; 16125 A; Disarmament Negotiations, 15941 A.)**

A. UNITED KINGDOM. — Further Cut in Bank Rate. - Gold and Dollar Reserves in July.

The Bank Rate was reduced from 5 per cent to 4½ per cent on Aug. 14—the fourth reduction since it was raised to 7 per cent on Sept. 19, 1957. A Bank of England spokesman said that the reduction was "in step with recent credit relaxations" and was "justified by the internal trends and continued strength of sterling despite seasonal pressures." It would give "greater freedom of movement in either direction as circumstances may require."

It was pointed out in the Press that if the Middle East crisis had not intervened it was likely that Bank Rate would have been cut to 4½ per cent at an earlier date. With the atmosphere in the Middle East somewhat calmer, however, and with the pound maintaining a firm stand in the foreign exchange markets, the conditions for a reduction in Bank Rate had again been established.

The Treasury announced on Aug. 1 that the sterling area's gold and dollar reserves had risen during July by $8,000,000, after taking into account (*a*) the payment of $52,500,000 to the E.P.U. in respect of the U.K.'s deficit in June, and (*b*) the payment of $2,500,000 to creditor countries in the Union under bilateral settlements. As a result, the gold and dollar reserves stood at $3,084,000,000 on July 31.

The July figures were officially regarded as very satisfactory, in view of the fact that the current payment surplus had been more than sufficient to overcome not only the normal seasonal strain but the abnormal factors superimposed by the Iraqi revolt. Thus the reserves had risen for the tenth consecutive month, in spite of (i) the early onset of seasonal pressure in the exchange market (caused by the customary fall in sterling area exports on the one hand and British tourist expenditure on the Continent on the other); (ii) the need to support the pound during the first few days of the Middle East crisis; and (iii) the payment to the E.P.U. arising from the June deficit.

Provisional figures for the E.P.U. July settlement showed that Britain had a deficit of £18,500,000, three-quarters of which would be settled in August in gold or dollars and one-quarter by an increase in the U.K.'s debt to the Union.

July opened with the sterling-dollar rate at 2.80\frac{7}{16}$; it reached its highest point on July 4-5 at 2.80\frac{3}{4}$, thereafter fluctuating around 2.80\frac{1}{2}$ owing to commercial buying of dollars. The revolt in Iraq and nervousness about the developments in Lebanon and Jordan, however, led to a fall, and on July 17 (after the despatch of British troops to Jordan) the rate dropped to $2.80. From July 18 onwards it steadily recovered, moving around 2.80$\frac{1}{2}$ for the rest of the month.

Transferable sterling in Zürich stood at 2.78325 on July 1, fell to 2.7790 on July 15, and reached its lowest point on July 17 at 2.76875 (the lowest since Sept. 26, 1957). Sharply recovering to 2.7780 on July 18, it fluctuated between 2.7760 and 2.78125 for the rest of the month. It was remarked in the Press that although the authorities in London had to intervene from time to time during the critical week in the Middle East, and although for a period the pound was at its support level against five Continental currencies, sterling had nevertheless stood up well to the trying conditions.

(Treasury Press Office - Financial Times) **(Prev. rep. Bank Rate, 16236 A; Gold and Dollar Reserves, 16297 A.)**

B. RELIGIOUS LIFE. — Church of England. - New Bishop of Bristol.

It was announced on Aug. 6 that the Queen had approved the appointment of Dr. Oliver Tomkins (50), Warden of Lincoln Theological College, as Bishop of Bristol in succession to Dr. F. A. Cockin, retiring.—(Church Times) **(16084 D.)**

C. BELGIUM. — Renaming of Colonial Ministry.

Under a decree signed by King Baudouin on Aug. 18, the Belgian Colonial Ministry was renamed the Ministry of the Belgian Congo and Ruanda-Urundi.—(La Nation Belge)

A. UNITED KINGDOM. — Parliamentary Debates on Middle East Crisis. - Government's Support for U.S. Action in Lebanon. - Labour Party opposes Despatch of British Troops to Jordan. - Speeches by Mr. Macmillan, Mr. Gaitskell, Mr. Selwyn Lloyd and Mr. Bevan.

The House of Commons held three debates on the Middle East crisis during the latter part of July—the first on July 16, in connexion with the U.S. landings in Lebanon ; the second on July 17, in connexion with the despatch of British forces to Jordan ; and the third on July 22, when a debate on foreign affairs was devoted entirely to the Middle East situation.

The news of the U.S. landings in Lebanon had been given to the House on July 15 by **Mr. Selwyn Lloyd.** In a brief statement, punctuated by Opposition cries of "shame" and "Suez," the Foreign Secretary said that H.M. Government had been informed in advance of the U.S. action ; that they believed that action to be necessary to preserve the independence and integrity of Lebanon ; and that the U S. action "has H.M. Government's full support." After **Mr. Aneurin Bevan** (the Labour spokesman on foreign affairs) had described the U.S. action as "very grave news indeed" and had asked a number of questions, **Mr. Hugh Gaitskell** (Leader of the Opposition) asked that the House should have an opportunity to debate the matter at the earliest possible moment. This was agreed to by **Mr. R. A. Butler** (Home Secretary and Lord Privy Seal), and the debate was accordingly held on the following day.

Debate on U.S. Landings in Lebanon.

The principal speakers in this debate were Mr. Selwyn Lloyd, Mr. Gaitskell, Mr. Bevan, and the Prime Minister. The Opposition, though strongly critical of the Government's support for the U.S. action in Lebanon, did not force a division—Mr. Gaitskell explaining that "although there are strong feelings on these benches, we have tried to exercise the greatest possible restraint and do not want disunity in the nation."

Mr. Selwyn Lloyd spoke as follows : ..." The situation which has given rise to the debate is the action by the U.S.A. in Lebanon, where there has been mounting tension for months, with subversive activity inspired from foreign sources. That tension increased as President Chamoun's term of office drew to an end, and the rebellion was sparked off by the murder of a newspaper editor early in May. The [British] Government are satisfied that, apart from the major foreign propaganda effort, there is substantial physical interference from outside, and that the rebellion is being supported, supplied, and directed from outside Lebanon. In those circumstances H.M. Government encouraged the Government of Lebanon to go to the Security Council as quickly as possible. That it did, and the Council passed its resolution.

"The U.N. operation could have been successful had it been possible for the observers to have adequate means of transport and communication to enable them to carry out the task. They were only in a position to observe a small fraction of the frontiers—about 18 km. out of 270 km.—and their report indicated the limitation on their capacity to inspect, particularly in the areas where infiltration was taking place ...

"The [Iraqi] events of July 14 completely changed the situation. It was absolutely clear, in the atmosphere after the *coup d'état* in Baghdad and the plots against Jordan, that a group of observers, operating in the manner I have described, could not guarantee the integrity and independence of Lebanon. President Chamoun made an urgent appeal for help and the United States took its decision, with which the Government entirely agrees. The reasoning behind the U.S. action appears clearly in President Eisenhower's statement [see page 16307] ...

"We have to face the fact that ... speed is of the essence in these matters. I do not believe that, had this appeal from the Lebanese Government been rejected, any small country would ever have felt again that their independence and integrity could be effectively protected ..."

After pointing out that much thought had been given to the question of oil supplies during the past 18 months, that the U.S. Government was "fully aware of the implications of the existing situation," and that the position of stocks and tanker tonnage available was "much better than two years ago," the Foreign Secretary continued :

"We have no quarrel with nationalism in the Middle East. We have done much to meet the aspirations of nationalism in many parts of the world ... It is suggested that in this area we only support reactionary régimes, whatever that may mean. So far as material developments are concerned, the achievements of the régime in Iraq were outstanding. It was the place where oil revenues were spent most wisely, and the statesmanship of the Iraqi leaders proved of great benefit to their people. Perhaps they failed in not making clearer to the people how much had been done for them. There were certain weaknesses perhaps in the way of urbanization, but the achievements of the Iraq Development Board were better than anything done in any other part of that area.

"So this is not a question of nationalism ; it is part of the hostile propaganda to say that this is all a question of the West against Arab nationalism. The question is one of perverting nationalist feelings and perverting those who wish to overthrow the established order of society so that they serve to further indirect aggression. The House has to face up to the problems involved in this indirect aggression. It has been discussed more than once at the United Nations ... Unless the answer is found, the independence and integrity of one small State after another is bound to be undermined and finally destroyed ..."

Mr. Selwyn Lloyd then announced his intention of flying to Washington on the same day for discussions with the U.S. Government on "the whole range of problems thrown up by this extremely grave situation" [see page 16343]. He concluded :

"I believe a country has the right to ask for help from other countries when it feels itself to be in danger. I believe a country has the right to ask for help against aggression, whether direct or indirect. I believe another Government has a right to respond to such a request, and that such a response is in accordance with the spirit of the Charter. I believe it is also in accordance with the established rules of international law. Unless countries are prepared to respond to such appeals for help, we shall see one country after another go down to this form of aggression ... The Government of Lebanon appealed to the U.S. Government for help. The U.S. Government decided to respond to that appeal. We have indicated our support for that action. I believe that decision will have the overwhelming approval of the people of this country."

Mr. Gaitskell said : "A new chapter in the stormy history of the Middle East has been opened. It is being written almost literally as we debate the problem this afternoon. We regard this debate not as the final debate to be held on this matter, but the first of what may have to be a series ... This afternoon we are concerned solely with the situation up to now, as it stands to-day.

"Even so, there is much uncertainty about what has happened and what is happening. The Security Council has not yet concluded its debate on the subject, and I freely admit that the precise significance of the American intervention in Lebanon is not yet quite clear. So for this reason, and despite the very grave interests and apprehension which exists on this side of the House about the action of the U.S. Government, and while I shall have some questions to ask and some criticisms to put forward, we do not intend to divide the House unless some new development occurs ... which causes us to reconsider the matter ...

"I would like to explain why in all sincerity we on these benches are very apprehensive about what has been done. I would like to consider the American decision and to examine the arguments adduced in support of it. The first argument is that it was done to protect American lives. I do not think any of us wish to challenge the right of a Government to protect its nationals ... but I am bound to point out that what is implied by that right is intervention to remove nationals from danger—a small-scale operation, an airlift maybe. I do not see how the landing of 5,000 marines can be justified on the grounds alone of being necessary to protect the lives of 2,500 Americans ...

"The second reason was to assist the Government of Lebanon to preserve its territorial integrity and political independence. The Foreign Secretary made some reference to the legal situation- to the right, or absence of right, of one nation to intervene with another at the invitation of a Government. In the short time available, I have done my best to study the international law on this subject, and it is not entirely clear.

"I would just say this in general terms. I would have thought that it was extremely important to be careful about what we say in this matter. There are Communist Governments in Eastern Europe. Any one of them may be faced with an internal revolution. I am not just speaking of Hungary. There might be in Poland such a revolution, and there might be a request from the constitutional Government—if that is the right word —of Poland asking for assistance from the Soviet Union. We must be very careful what we say in this matter, so as not to put ourselves in a position where we could not morally oppose intervention of that kind.

"One can scarcely ignore the past history of the Lebanon affair. The situation was already being handled by the Security Council, and I feel that some very special circumstances would have to justify immediate action, in advance of further consideration of this matter by the Security Council. It is common ground that after the observers' report there was considerable hope ... that the Lebanese would settle this quarrel themselves. The excuse put forward by the Foreign Secretary was the events in Iraq. I can only say that, disturbing as these events are, they have not, so far as I am aware, been accompanied or followed by any threat of armed aggression across the Lebanese frontier.

"It is not unreasonable to say that the intervention of the U.S. Government in advance of further consideration of the matter by the Security Council ... was certainly contrary to the kind of procedure the United States usually recommends in such cases. In Korea there was without question armed attack across the frontier. Immediate action, in my view and that of the then Government, was justified. The situation on the Lebanese-Syrian frontier is not the same as that.

"I would put our feelings far more on the basis of whether this action in the long run was really wise from the point of view of Western interests in the Middle East. I do not deny that in the short run the arrival of a powerful force of American marines in Lebanon will have a stabilizing effect ... But we would be deluding ourselves if we thought we could applaud, as it were, and say there is nothing further to worry about.

"In what circumstances is it contemplated that the Americans will withdraw ? When they withdraw, is it likely that they will be able to leave in power a secure, democratically elected, and pro-Western Government ? I am bound to say that I would have thought the prospect was a very dim one indeed.

"There is no use in ignoring the internal situation in Lebanon. I agree with the Foreign Secretary that there was no doubt infiltration of arms, and even armed bands – although there was no clear evidence on that subject. But even he would agree that, if we were to judge from most of the Press reports from Beirut, there was a considerable internal struggle quite apart from any external assistance or infiltration.

"Is not the intervention of American forces in Lebanon likely to strengthen still further the very powerful anti-Western feeling which exists in that part of the world? I do not see how out of this intervention we can reasonably hope for a more friendly and stable Lebanon to emerge.

"The anxieties of the Opposition go rather further than Lebanon. We are seriously worried about the possibility of American and even British intervention in Iraq and Jordan. If the Americans contemplate, with or without British assistance, putting troops into Jordan or Iraq, I cannot help feeling that the only way of making sense of such actions is that they were attempting to set up by force Governments friendly to the West. We should hesitate before committing ourselves to any such dangerous course of action.

"In the present circumstances, and for some time past now, we have acquired a reputation among the Arab peoples for being opponents of what is called Arab nationalism, and also for being opponents of social revolution. I think this reputation is one of the gravest disadvantages to us in contending with the threat of Communist propaganda in that part of the world.

"With respect to the Foreign Secretary, I cannot feel that his description of the matter was really completely accurate. I do not think we can ignore the fact . . . that when the Arabs speak of nationalism today, they do not mean so much the independence of individual countries; what they mean is being able to come together in Arab unity. That is a fact of which we are bound to take very serious note this great explosive force of Pan-Arabism.

"I say categorically that I do not see that we can reach any ultimate solution in the Middle East unless we are prepared to come to terms with the Pan-Arab movement. That is easy to say. It is much more difficult to see exactly how we can do it. We have certain obligations in the Middle East. We have the obligation, that any Government has, to protect British lives if they are in danger; the protection of British lives might require some intervention, but that is of a very different kind from the large-scale intervention we are discussing this afternoon. We have certain treaty obligations against external aggression. Whether that is still true of Iraq it is difficult to say, but it is no longer true of Jordan because they denounced the treaty with us themselves. What I do say, with all the emphasis I can command, is that these treaty obligations cannot be extended so as to protect a particular Government from internal revolution. I do not see that you can justify the use of a treaty for that purpose.

"Whatever might be the evidence for external aggression in Lebanon, I have not heard so far, apart from propaganda, anything to justify intervention. I have not heard either that in Iraq or Jordan there is any evidence of external aggression or intervention with armed forces. I must say, on this question of whether or not we are to intervene, that the Government must not assume that the Opposition could support or acquiesce in the use of British forces to aid the Government of Jordan to suppress a revolution in Iraq . . .

"I do not want to raise it as a threat or a bogey, but there is the possibility of Soviet intervention. We can only hope that that will not eventuate. Even at this stage, if the United Nations would take over police functions in the Lebanon, and the U.S. forces were withdrawn, we might yet be able to do what I believe to be eventually essential—to come to terms with Arab nationalism. But if we attempt by force to impose our will on the Middle East to re-establish a system of government which might have been possible, even justifiable, in the 19th century, but which in modern conditions seems to us utterly inappropriate and profoundly dangerous, I can only say, God help us all!

"I hope the Government will respond to the spirit in which I have tried to express our fears. Although there are strong feelings on these benches, we have tried to exercise the greatest possible restraint. We do not want disunity in the nation on this great issue. I hope it will be possible to preserve unity."

Among the many speakers in the ensuing debate were Viscount Hinchingbrooke (C.), Mr. Desmond Donnelly (Lab.), Sir Robert Boothby (C.), Mr. Antony Head (C.), Mr. Grimond (the Liberal leader), Colonel Banks (Ind.), Mr. Richard Crossman (Lab.), Mr. Francis Noel-Baker (Lab.) and Mr. Hugh Fraser (C.).

Viscount Hinchingbrooke said that the Middle East had become the scene of three conflicting forces—international Communism, aggressive nationalism, and "dollar doctrine and diplomacy." Britain, which belonged to none of these forces, could play the part of an intermediary in the Middle East between the United States and the Soviet Union. At the same time she should point out to the Americans the dangers of further intervention, and try to dissuade them from "further enterprises across the Arabian peninsula."

Mr. Donnelly agreed that there was no parallel between the U.S. action in Lebanon and the action taken in the Suez crisis; he maintained, however, that it was no defence to take the law into one's own hands, however laudable the intention. If Britain became involved militarily in Jordan or Iraq, the country would be bitterly divided and political feeling would be aroused comparable to that at the time of Suez.

Sir Robert Boothby said that while U.S. intervention in Lebanon was inevitable and necessary, Britain should think "long and seriously" before attempting military intervention in either Jordan or Iraq. Unless the Western democracies could work better together than in the last five years, they would lose the struggle against Communism through their own disruption. "We go on squalling and fighting among ourselves," Sir Robert declared, "and agreeing about nothing. How can we survive in this struggle unless we can devise not only a common policy but an instrument to carry it out?"

Mr. Head (a former Secretary of State for War) said that various young countries aspiring to independence and nationhood had disappeared one by one into the Communist fold during the past 12 years. Historians of the future, looking back at these years, would find inexplicable the failure of the West to realize some form of collective defence outside Europe. He believed that, given "four more days at the end of Suez," the present situation would never have arisen.

Mr. Grimond believed that good might come out of the intervention in Lebanon if the West was prepared to couple with it a declaration of policy in the Middle East. It should be made clear that the West was not in Lebanon because it opposed Arab unity. Furthermore, it would be "most unwise" to send troops to Jordan or Iraq unless to defend the frontiers of those countries or to protect British nationals.

Colonel Banks, who had just returned from a visit to Lebanon, expressed the view that 35 per cent of the population of Beirut were behind the rebel cause and two-thirds of the population in the countryside were "behind the people who wanted to change the Government."

Mr. Noel-Baker felt that U.S. intervention in Lebanon, and possible British intervention in Jordan or Iraq, would deal a "shattering blow" to the prestige and effectiveness of the United Nations." He asked the Government for an assurance that British troops would not be used in any part of the Middle East except as part of a U.N. contingent acting under the authority of the United Nations.

Mr. Crossman believed that 95 per cent of the population in countries outside the North Atlantic area would regard the landing of troops in Lebanon as an example of "brutal Western imperialism." After warning the Government that the only justification for sending British troops to Jordan would be the protection of the lives of British nationals, he added: "Our one chance in the Middle East is to offer to the Arab world the one thing every Arab wants—that is, not to be on either side. Their basic desire is to see us at home and to sell us their oil at the highest price. But we have one moral responsibility, and that is to Israel. We must make it clear that if we withdraw militarily from the Middle East we are committed to the defence of Israel."

Mr. Fraser said that Opposition speeches seemed to be based on the illusion that there were democratic organizations in the Middle East willing to assume democratic power as it was known in the West. The fact, however, was that "Arab unity" was a dictatorship based on Cairo; the action taken by the United States was absolutely right, and the British Government should be prepared to go to the help of Jordan if such help were requested.

The debate was wound up for the Opposition by Mr. Aneurin Bevan.

Mr. Bevan said that the post-war Labour Government's decision to grant independence to India, Pakistan and Ceylon had had the result of building up a strong bulwark against Communism in Southern Asia. Similar experiments in Ghana and Nigeria showed that Britain had the sagacity to accommodate herself to the rise of nationalism in Africa. After commenting that no such sagacity had been shown with respect to the Middle East, Mr. Bevan added: "The Soviet Union is not responsible for stimulating the national ambitions of the Arab peoples. It may be seeking to benefit by them, but it is not the author of them. They are, in fact, spontaneous products of the peculiar historical situation now existing there, and we have to accommodate ourselves to that."

Mr. Bevan suggested that one of the reasons for the difficulties in the Middle East was that large sums of money, coming from the West in the form of oil royalties, were calling into existence a bourgeoisie with which the rulers would not share their power. The merchants and educated classes of the Sheikhdoms, Iraq, and other places were not permitted to form normal constitutional governments and were therefore driven to revolution. After declaring that "the existence of opulent luxury in the midst of unendurable poverty cannot provide stability for the Middle East," he continued:

"We have never tried at all to solve these problems by diplomacy. My main charge against the Government is that they have always sat back until trouble has arrived and then tried to deal with it empirically. They have never realized that there cannot be peace in the Middle East while there are poor non-oil States and opulent oil States . . . Our main interest is to get oil from the Middle East at a reasonable price. But it was the lesson of Suez that oil cannot be obtained peacefully, in sufficient quantity, and smoothly, from the Middle East without the ready co-operation, not only of Middle Eastern Governments, but of Middle Eastern peoples. You can have a friendly Government in Baghdad, Persia, Kuwait, or Saudi Arabia, but unless that Government is not only friendly but also rests on the loyal support of its own people, we cannot be sure of the oil, because the capacities for sabotage are infinite. Therefore we must not only have governments which are in friendly relationships, but we must have people who are prepared to be friends; and that means we must work out policies that the Middle East peoples can subscribe to."

As regards the Lebanese situation, Mr. Bevan maintained that there had been no serious attempt to overthrow President Chamoun from outside, and that there was no connexion or link between the Lebanese rebellion and the Iraqi insurrection. President Chamoun, with "60 per cent of the population against him and the Army not with him," had nevertheless been able to withstand infiltration from outside. The only conclusion to be reached was that the presence of U.S. marines was not due to any developments in Lebanon but to deal with the situation in Iraq.

"I hope," Mr. Bevan concluded, "that the Prime Minister has sent the Foreign Secretary to Washington with a message to the President of the United States that we cannot go it with the Americans in military adventure in the Middle East. I hope he will prevail on them not to be too repentant of their virtue in 1956. I am convinced that what they did then in the Middle East gave the United Nations an important reinforcement of strength. I believe it is our duty to try to use that organization to the utmost; I am certain it is in the best interests of Britain to restore our relations with the Arab nations on a permanent and friendly footing."

The debate was wound up by the Prime Minister, who emphasized that the Government had kept the Commonwealth Prime Ministers fully informed of all major developments in the Middle East during recent weeks.

Mr. Macmillan said: "I must express my gratitude to Mr. Gaitskell for the tone and temper of his speech. I feel sure his decision not to divide the House is a wise one . . . I do not quite see the relevance of Mr. Bevan's observations. He spoke as if we were governing these countries and as if we had refused them their independence . . .

"The decision of the American Government can be examined from two main points of view—whether it was legally and morally justified, and whether on the whole balance of considerations it was wise and prudent. I do not think there is anything legally improper for a nation either faced with actual aggression from outside, or with internal disturbances supported from outside, to ask for help. There seems to be nothing in the U.N. Charter which forbids such action. It seems to me that the legitimate Government of a friendly State has the right to ask for help. There is no doubt from the legal point of view that neither the American assistance nor any other assistance that might be given can be regarded as illegal. Still less, in my view at any rate, can it be regarded as immoral. There has been—it cannot be seriously disputed—subversion, foreign intervention, and a whole campaign organized from outside on a large scale. This is supported by evidence in our possession, for which I must ask the House to take my assurance. I am stating what I believe to be true . . ."

As regards the spread of Pan-Arabism, on which Mr. Gaitskell had laid emphasis, Mr. Macmillan asked what would happen if Iraq, Jordan, Lebanon, and ultimately the Persian Gulf Sheikhdoms were brought voluntarily or involuntarily within the ambit of Pan-Arab imperialism. What would be the future of the Sudan, Libya, and other parts of Africa, and what would be the effect on Persia, Turkey, and Pakistan? Such nationalist movements had their good side and might be the instruments of legitimate ambition; but they could also be used for subversion, and ultimately fall into Communist hands.

"To sum up," Mr. Macmillan concluded, "I think . . . there is a general understanding of the difficulties ahead of us, and a general wish that . . . we should not add to the problems of the nation by a divided Parliament. I say that we can make two claims: that we have the sympathy and understanding even of members who do not altogether approve our decisions, and that both the motives of the United States in taking the action which they have done, and the decision of H.M. Government in giving it full support, are understood and will be supported by the whole nation."

Debate on Despatch of British Troops to Jordan. - Labour Party opposes Government's Decision.

A hastily-arranged debate was held on July 17 as a result of the Government's decision to despatch British forces to Jordan in response to the appeal by King Hussein. In a preliminary statement to the House, Mr. Macmillan explained that "within a matter of minutes" after the ending of the previous day's debate he had received a telegram from the British Chargé d'Affaires in Amman containing a request from King Hussein and the Jordanian Prime Minister for the immediate despatch of British forces. Mr. Macmillan continued:

"In making this request, the King and the Prime Minister said that Jordan was faced with an imminent attempt by the United Arab Republic to create internal disorder and to overthrow the present régime, on the pattern of recent events in Iraq. They went on to say that Jordan's territorial integrity was threatened by the movement of Syrian forces towards her northern frontier and by infiltration of arms across it. They had information that a coup organized by the U.A.R. would be attempted today. I asked the Cabinet to meet late last night to consider this request.

"From our own sources we had received up-to-date intelligence which clearly showed that the apprehensions of the Jordan Government were well founded, and that an attempt was indeed being organized for today. The Government accordingly decided to accede to the request, and British forces are being sent by air to Jordan from Cyprus. The purpose of this military assistance is to stabilize the situation in Jordan by helping the Jordanian Government to resist aggression and threats to the integrity and independence of their country . . . The Jordan Government have made a similar request for help to the U.S. Government, who are considering it urgently in the light of their other commitments in the area.

"H.M. Government's decision was taken after full consultation with the U.S. Government, and our action has the full support and approval of the U.S. Government. The decision of H.M. Government is being reported to the United Nations. We are making it clear to the U.N. that if arrangements can be made by the Security Council to protect the lawful Government of Jordan from the external threat and so maintain international peace and security, the action which we have taken will be brought to an end. We have informed the other Commonwealth countries, and also the North Atlantic Council, of the action we have taken and the reasons which have led to the Government's decision."

In opening the debate, the Prime Minister said that he had hoped on the previous evening that the situation in Jordan, critical and threatening though it appeared, could be held stable for a further period which would have at least allowed the Foreign Secretary to complete his consultations in Washington; events, however, had moved too fast.

Mr. Macmillan continued: "I will tell the House exactly what happened. It was only five minutes before I ended my speech in the debate last night that my private secretary was told that an urgent telegram had arrived from Amman. A copy of it, decoded and in manuscript, was given to me as I was about to go home. This was the first I heard of the appeal for help.

"I immediately summoned a Cabinet meeting . . . The Chiefs of Staff and the Service Ministers were present, and our final conclusions were reached after a discussion of nearly three hours, during which there were some adjournments and I had to make two communications by telephone to Washington."

After announcing that some 2,000 men of the Parachute Brigade were being flown to Jordan, the Prime Minister went on: "Legally there could be no doubt that the Government were absolutely justified in acceding to the Jordanian request. Morally they were bound in honour to go to the help of a small friendly country which they had helped so much in the past. The situations in Lebanon and in Jordan were similar, although not identical. In both cases legitimate friendly Governments requested military assistance from their friends to enable them to preserve their independence and integrity. In each case these small countries were threatened with an aggression organized from outside and from the same source . . .

"What was different in Lebanon was that subversive forces had brought about a situation approaching civil war, whereas in Jordan the atmosphere was outwardly calm. In Lebanon the situation had already been brought to the notice of the U.N., whose observer groups were in position; but in Jordan no such appeal had been made. The threat to the Lebanon was imminent and growing, but perhaps somewhat of a general character. In Jordan there was precise information of a definite plot whose foreign authors had ordered it into operation today. This was the information which the Jordanian Government communicated to Britain last night, and of which the Government had independent corroboration from various sources.

"When I told the House yesterday that we had evidence of subversion and foreign intervention in Lebanon, I asked the House to accept my word. The information we had has been largely confirmed by a broadcast from Baghdad Radio announcing the revolution in Jordan. This is what it said: 'A revolution has started in Iraq and one in Lebanon, and tomorrow another revolution will start in Jordan.' It was in the light of this that we had to make our decision last night. What were we to do? Appeal to the United Nations? That would not have stopped a plot so confidently predicted by Baghdad Radio. Shrugged our shoulders and passed by, saying 'It is not our affair'?

"An appeal is being made to the United Nations by the Jordan Government asking the [Security] Council immediately to consider a complaint by . . . Jordan of interference in its domestic affairs by the United Arab Republic. We, in a similar manner to that adopted by our American allies after taking emergency action, are reporting our action to the U.N., suggesting proposals for the future. On moral grounds it seems to me that the position is absolutely clear, and I hope it will be accepted by the House. Whatever criticism may be made against our action, I do not believe that it could be held to be either illegal or dishonourable.

"The difficulties are very great in these decisions. The difficulty is not a moral or a legal one; it is a practical one. The House will understand the military difficulties of sending troops to the aid of a country which has no port immediately accessible and then supplying them when they are there. There was also the obvious doubt, to which Members drew attention yesterday, about what the future would hold. The arguments of convenience in favour of doing nothing were certainly very strong. Some Members took the view that military action may produce a temporary advantage but would in the long run be sterile or even positively harmful. But the immediate result of refusing this request may well have been the overthrow of another small independent country, in addition to the melancholy list of such States which have suffered this fate in our lifetime.

"With the end of Jordanian independence, what other countries in the Arab world could have maintained their freedom? I don't believe that Members on either side of the House really wish to see a

dictatorship in the name of Arab nationalism stretching across the broad lands of the Middle East. To preserve Jordanian independence is perhaps a limited objective, but there is reason to hope that by achieving this aim we may at least reassure other independent Arab countries.

"In making this decision, the Government were heartened by the assurances I received last night from the U.S. Secretary of State, who assured us that the action we were contemplating would have the full moral support of the United States. Furthermore, the U.S.A. undertook, as an earnest of their good will and to assist the Jordanian Government to combat aggression, to send today a reconnaissance flight over Jordan to precede the landing of our troops . . .

"It may be asked—and of course it is a question which I and my colleagues had to ask ourselves in whose interests we were intervening. It may be said that this revolutionary movement should be allowed to take over Jordan, as well as Iraq and perhaps other States, one after the other, and then make terms with it. That is the question which we examined fully yesterday. It is a question of which is the prudent course, and the wise one.

"The arguments for standing aside and doing nothing would be different if this movement were for genuine, popular, and constitutional change. But this is not a genuine evolutionary change. It is part of the pattern of conspiracy and subversion of which we have not only evidence but, in territories in which we are responsible, actual experience. What the future will be I cannot tell, but I think it could not be worse than if we had just stood aside and hoped for the best. We must face the problem as a practical one and as a moral one. It is not right to abandon one's friends in time of trouble. It is not right to turn a blind eye to the fate of independent nations, however small they may be.

"Of course, we would have been far better pleased if all this could be left as perhaps it may ultimately end, we trust -to the protecting hand of the United Nations. That indeed was the original concept of the Security Council, with its Military Committee and forces at its command, when it was planned to be the instrument for preserving the peace of the world and preventing this kind of thing from happening. But, alas, as things now are, this is the problem which presents itself and which we have to face. If we or other countries do not immediately act, then it may well be that the U.N. can only act too late . . ."

Turning to the position of the Arab Union between Iraq and Jordan, Mr. Macmillan said: "I should make it clear that it is to the Kingdom of Jordan that we are sending our help in this time of need. The Leader of the Opposition warned me very fairly yesterday that I could not assume that the Opposition would support the despatch of British forces to Jordan to suppress a revolt in Iraq. This is certainly not the purpose of the small force we have sent. It may be argued that by helping at the centre, Jordanian forces may be released for operations further afield. I can only reply that, whatever the future may bring, I think Members should have regard to the logistical and practical implications involved.

"Our purpose is a simple one and a clear one; to prevent this system of conspiracy and aggression from involving Jordanian territory, and to stop it from such successes. In making their request, the Jordanian King and Government said they had no intention that British troops should be used to release Jordanian forces to attack Iraq. That obligation remains with them, and it is upon that basis that we have decided to send our help.

"I have tried to give the House a clear picture of why we acted as we did when we took this decision in the early hours of this morning. It is the most difficult decision I, personally, ever remember having to take or be associated with. I do not know whether we shall succeed in our limited objective. I cannot predict the future course of events. All the same, I believe we had no option in what we have done, and I am confident in the moral justification of our action. I believe the House and the country will endorse it."

The Leader of the Opposition, who followed, said that the House was confronted with a much graver situation than existed on the previous day, for three reasons: (1) intervention by Western forces had been extended to Jordan; (2) British troops had become involved; and (3) there had been a reaction from the Soviet Union.

Mr. Gaitskell said that a good case could no doubt be made for the right of a Government to go to the assistance of another Government which believed itself threatened with internal subversion or external aggression. There might also be circumstances in which, in the event of an armed attack, it was right for allies of the country attacked to go to its aid before the matter reached the Security Council. He had serious doubts, however, whether Article 51 of the U.N. Charter [providing for the right of self-defence or collective defence against armed attack] could legitimately be invoked in the present case. Mr. Gaitskell continued:

"If other Governments in other circumstances are to treat the obligation of prior reference to the Security Council, except in the case of armed attack, as a matter of no importance, it seriously undermines the whole basis of the Charter and the idea of international law and order. Was it necessary that before the complaint by Jordan had been considered by the Security Council, the Government felt so compelled to take action? . . .

"The Prime Minister referred to the aim of preventing something from happening in Jordan which had happened in Iraq. What happened in Iraq was that the army took control and made a revolution. The basic fact was the inability of the Iraqi Government to rely on its army. Are we to understand that it was the belief of the British Government that King Hussein could not rely on his army? If he could rely on it, was the danger of a coup so urgent that we had, in advance of the Security Council discussion, to send our forces in? If it was so urgent because the King could not rely on his army, are we not involving ourselves in a dangerous position? . . .

"The Government of Jordan is not a democratic Government. It is a form of dictatorship. At the moment it is friendly to us because it feels threatened. Not long ago it was not so friendly. It bundled us out and denounced the [Anglo-Jordanian] Treaty. On available evidence, it is hard to believe it was necessary to send troops in before there was any visible sign of attack across the frontier. It is not so much the legality of the decision we question as the wisdom . . . We are sending our forces to an area with which there is no clear line of communication. The only direct contact is by air . . ."

After raising the question of overflying by British planes across Israel, and asking what the position was in this matter, Mr. Gaitskell continued: "Is it contemplated that our forces will stay indefinitely in this bridgehead where they have been sent to preserve the existing Government of Jordan? Is it contemplated that we should have so stabilized the position that it would be possible to withdraw them? Does the Government imagine that we shall be able to withdraw, leaving behind a stable, democratic, pro-Western Government in Jordan? I find it hard to imagine that such a prospect is in any way real if we confine our activities to Jordan alone . . . Suppose King Hussein decides to advance into Iraq; is it suggested that we could then withdraw our troops? . . ."

Referring to the Pan-Arab movement, Mr. Gaitskell said: "Whatever may be said against the methods adopted by the revolutionaries, none of us can deny that no other movement in the Arab countries commands any popular support whatever. I wish it were not so, but I do not think one can dismiss the activities of the revolutionaries as a kind of artificial intervention in the affairs of the Arab States. We have to recognize the strong desire of these Arab peoples for unity. I do not believe this necessarily involves the domination of a dictator. That remains to be seen; but that this tremendous desire and force exists, and is a real factor in the situation, cannot be denied."

Mr. Gaitskell continued: "The attitude of the Soviet Union cannot be ignored. They have made a declaration in fairly general terms that they cannot be indifferent to what is taking place. Soviet manoeuvres on the Persian frontier have been announced . . . The Prime Minister may be right in saying that it is a temptation to do nothing, but it can be a temptation to act too soon and too precipitously. As the days go by and the danger of a clash between Jordanian and Iraqi forces, and beyond them Western and Russian forces, advances, I beg the Government to pause and consider seriously even now whether it would not be better to try to talk to the Soviet Union about this situation. I know it may be said we will get nothing out of it; but if I am in any way right, if the danger exists, it is so colossal that we dare not avoid any possibility of averting it.

"I know these matters are being considered by the Security Council, but I do not believe these discussions are enough. More than ever now some kind of summit conference is needed. I ask the Government to consider this and bear it in mind in the coming days.

"I have tried, as yesterday, to put our apprehensions soberly and calmly. Believe me, they are very real and what has happened in the last 24 hours has caused us very grave concern. We gave our warnings yesterday. We expressed our fears, and it seems to us that those fears to some extent are already justified. For those reasons we regard this latest move of the Government, however sincerely taken, as fraught with the gravest risks both to our own interests and the peace of the world."

Speakers in the brief ensuing debate included Sir Charles Mott-Radclyffe (C.), Mr. Sydney Silverman (Lab.), Mr. Anthony Wedgwood Benn (Lab.) and Major Legge-Bourke (C.).

Sir Charles Mott-Radclyffe pointed out that Israel would have been completely isolated if the revolt in Jordan had succeeded; he added that he could not see the logic of the Opposition's argument that Pan-Arabism was "all right provided it is led by Nasser but all wrong if it is led by King Hussein." **Mr. Silverman** described the Anglo-American actions in Lebanon and Jordan as "almost lunatic in their irresponsibility," while **Mr. Wedgwood Benn** said that the long-term effect of sending British troops to Amman would be the exacerbation of Arab feelings against the West, the strengthening of the Arab nationalist movement, and the strengthening of the Communist position in that part of the world. **Major Legge-Bourke** said that what Britain, the U.S.A., and the free world were doing was to ensure that both the Arab States and Israel would live at peace in the future; they would not do so for long unless those who were friendly to the West were given some encouragement.

Mr. Aneurin Bevan, who followed, strongly criticized the despatch of British troops to Amman, describing Jordan as a "kept country" and King Hussein as a "kept king."

Mr. Bevan said: "... Here is a revolution started from outside surreptitiously, organized clandestinely, and then announced over the radio. Having been given notice that it was going to happen, King Hussein is such a popular monarch that he cannot deal with it. It is a grotesque situation. Are we to conclude that the King of Jordan is in such a weak position that, although he is told beforehand that there is going to be an uprising in his country, his own forces are inadequate to deal with it. There is no evidence here of outside intervention, unless by 'outside' is meant Baghdad . . .

"Why should the lives of British soldiers be risked in Jordan to maintain King Hussein on his throne against the wishes of his own people? We cannot have it said that we are putting people into the Army, Navy and Air Force to intervene gratuitously in various parts of the world where we are asked to send our boys to support some tottering government or some ancient throne. It was only two years ago that Hussein asked us to leave because our absence would strengthen him. The fact of the matter is that Jordan is a kept country and King Hussein is a kept king, and has been kept for many years. Now that a revolution has occurred in Baghdad, his resources have been cut off, and therefore no-one would be surprised if he found there was a reason for us to go back again . . .

"We consider our troops have been placed in unnecessary jeopardy, that the interests of the people of Britain will not be served by what the Government have done, and that they may have taken a long step towards plunging this country into war. In circumstances of that sort, it is impossible for the Opposition to do any other than its duty and ask the House to divide."

The final speech was made by the Prime Minister, who replied to the debate.

Mr. Macmillan replied as follows to Mr. Gaitskell's question about British overflying over Israel: "In view of the urgency, a small advance party was dispatched from Cyprus as soon as possible after the Government's decision was taken. It was landed in Jordan after obtaining clearance to fly over Israel territory from the local air-control authority. For the main body of the force, permission to fly over the territory was obtained at governmental level. It is true that the Israeli Government thought it right to register a complaint about the clearance of the small party without complete governmental authority, but the same letter conveyed its permission without any qualification."

The Prime Minister continued: "At the end of his speech Mr. Gaitskell made some suggestions in a very helpful spirit, to which I will try to make some provisional reply. I do not myself believe that anything that has happened has reduced the possibilities of trying to get some kind of agreement with the Soviet authorities. It certainly has not reduced my wish to have a summit meeting on the lines I have so often explained—reasonably prepared, and likely to be effective in at least some measure; and I must candidly add that I do not think that anything that has happened will make it less likely that we shall be able to achieve this purpose.

"In all the speeches, especially by the Leader of the Opposition, stress has been laid on the dangers of the action taken by the Government. Of course there are dangers in this action. If there were not, it would not have been so difficult to make this decision. But I would deny that this is in itself a reason why we should not have taken it, because in all these matters we have to weigh one set of dangers against another. I am bound to say that I thought Mr. Gaitskell and some others addressed themselves to the dangers that would result from our action, and not sufficiently to the dangers which would result from doing nothing. There would be dangers—and this impresses me most—in letting things slide; and, many think—for we cannot altogether disregard it—the danger of dishonour in not acceding to this request.

"Mr. Gaitskell does not wish to divide the nation, and the debates have been so conducted as to achieve that purpose in the main. But if we do not wish to divide the nation, why is it necessary to divide the House? Yesterday the Opposition did not divide the House when the United States took action in parallel, though not identical, circumstances in Lebanon, with the full support of Britain. Today it is thought necessary to divide the House when it is our own country which has acted with the full support of the United States. May I ask this question: if it is not right to vote against America, why is it right to vote against Britain?"

The Opposition forced a division on the motion for the adjournment (on which the debate was held) to signify their disapproval of the Government's action in sending forces to Jordan; the Government's policy was upheld by 314 votes to 251, five Liberals voting with the Opposition. Mr. George Brown, the Opposition front-bench spokesman on defence matters, abstained from voting, while two other Labour members—Mr. Christopher Boyd and Mr. Leslie Lever—also abstained under the party's "conscience" clause. Unlike Mr. Boyd and Mr. Lever, Mr. Brown had not previously informed the party Whips of his intention to abstain.

At a meeting of the Parliamentary Committee of the Labour Party, held on July 21, Mr. Brown made a personal statement on the reasons which had led him to abstain from voting after the debate of July 17; it was understood that he had offered to resign from the "Shadow Cabinet" but that his colleagues had unanimously declined to accept this offer. A statement was issued saying that note had been taken of the circumstances in which Mr. Brown had felt it necessary to abstain, and of "the fact that this action had been influenced by Mr. Brown's personal knowledge of many of the personalities who had been killed in the recent happenings in Iraq." [Mr. Brown had lately visited Iraq and was personally acquainted with General Nuri es-Said and other members of the former régime assassinated during the uprising.]

It was also believed that Mr. Brown had abstained from voting in view of his position as prospective Defence Minister in a Labour Government. The Political Correspondent of *The Times* commented in this connexion: "Any study of his views on defence and foreign affairs shows that he would be among the first to recognize the dangers of creating the impression that Britain is reluctant to go to the aid of friendly Powers who ask for help in emergency; and he would clearly be anxious that the party, or he himself, should be careful not to spread doubts about the firmness with which any Labour Government would act in support of Britain's allies and friends."

Debate of July 22. - Mr. Bevan's Four Points for Middle East Settlement. - Labour Agreement with Government's Approach to Middle East Situation.

The foreign affairs debate of July 22 was opened by the Foreign Secretary, who gave an *exposé* of the latest developments in the Middle East since the two previous debates of July 16-17.

Mr. Selwyn Lloyd said that he had discussed the Middle East situation during the past few days with Mr. Dulles, Dr. Sidney Smith (the Canadian Minister of External Affairs), and the U.N. Secretary-General during his recent visit to the United States. As regards Lebanon, he believed that that country's future position could be safeguarded by some special international status under U.N. auspices, with the consent of the Lebanese people. In Jordan, where the position was "quiet but tense," the first purpose of the British intervention—that of foiling a *coup d'état* organized from outside—had been successful. Britain's representative on the Security Council had made it clear that British forces would be withdrawn from Jordan if and when effective arrangements could be made by the U.N. to protect that country from any external threat and to preserve its territorial integrity and independence.

Referring to the Iraqi revolution, Mr. Selwyn Lloyd explained that he had not previously made reference to the deaths of King Faisal, Crown Prince Abdul Ilah, and General Nuri es-Said because there was not sufficient certainty about the fate that had befallen them; he now did so with great regret. "King Faisal," said the Foreign Secretary, "was educated here and had shown, in addition to a singular charm in manner, great capacity. He was devoted to the welfare of his people, and would have been a great ruler had he lived. King Faisal's uncle [Prince Abdul Ilah] was always a staunch friend of this country. He cared above all that his nephew should be a worthy king, and that was his abiding interest. Nuri es-Said was a great Arab patriot and nationalist. His part in the Arab revolt in the First World War is well known. It was falsely said of him that he was a servant of the British. That was absolute nonsense, because anyone who knew him was aware of his robust independence and his determination to get what he thought was best for Iraq. This country has lost three trusted friends, and I wish to put on record our profound sense of loss and deep regret for the manner in which they appear to have met their deaths."

Speaking of the correspondence between M. Khrushchev and the Western Heads of Government (see 16341 A), Mr. Selwyn Lloyd said that there were great advantages in the procedure whereby the projected summit conference on the Middle East would be held at the Security Council. [The Foreign Secretary's statement was made before M. Khrushchev's retraction of his previous agreement that such a meeting should take place within the Security Council.] Whatever might be said about a four-Power or five-Power approach, it was "quite unrealistic" to think that a Middle East settlement could be secured outside the United Nations; this was particularly the case since the U.N. already had a significant role in the area with regard to the Arab-Israel armistice agreements, the U.N. Relief and Works Agency, the U.N. Emergency Force at Gaza, and the U.N. Observation Group in Lebanon.

Mr. Aneurin Bevan said that the policy now decided upon by the Government would be supported in all parts of the House.

Mr. Bevan said that the Opposition entirely agreed with Mr. Selwyn Lloyd that the U.N. provided excellent machinery for both formal and informal "summit" discussions, and it sincerely hoped that M. Khrushchev would accept the invitation to a meeting of Heads of Government at the Security Council. It was "rather unfortunate that M. Khrushchev surrounded his [own] invitation with a little too much invective," but that was "a Russian habit, sometimes imitated elsewhere." The Opposition earnestly hoped that Russia would not veto the proposal to strengthen the U.N. Observation Group on Lebanon. With regard to Jordan, it was "an impeccable decision to invite the U.N. in to enable us to get out."

Mr. Bevan went on to enunciate four principles which, in the Opposition's opinion, could form a basis for a settlement of all the problems of the Middle East:

(1) Agreement between the great Powers that the Arab States should form an area in which they would not seek military allies or foster the formation of military blocs.

(2) A guarantee that the existing frontiers of States in the area, including Israel, should not be altered except by mutual consent, including an undertaking to go immediately to the defence of any State faced with armed aggression.

(3) A willingness to facilitate the coming together, by peaceful negotiation, of any Arab States wishing to do so.

(4) The setting-up of an economic commission, preferably under the United Nations, with sufficient finance to assist any scheme for the economic advancement of the area as a whole, or any part of it.

After debate, Commander Noble (Minister of State, Foreign Office) wound up with a speech in which he pointed out that Mr. Bevan's "four principles" could all usefully be discussed at the projected summit meeting at the Security Council. (Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. 16341 A; 16333 A; 16317 A; 16305 A.)

A. NORTH ATLANTIC TREATY ORGANIZATION - JAPAN. — Relaxation of Embargo on Trade with Soviet-bloc Countries and Communist China. - Maintenance of U.S. Ban on China Trade.

Major relaxations in the embargo on exports to Soviet-bloc countries and Communist China were announced in Paris, London, and the other capitals concerned on Aug. 14, with effect from Aug. 15. The announcement followed five months of negotiations in Paris by "Cocom"—the co-ordinating committee of the Consultative Group in Paris dealing with exports by its member-States to countries of the Soviet bloc and Communist China, and comprising all the member-countries of NATO except Iceland, as well as Japan. The recommendations of "Cocom" were considered at a meeting of the Consultative Group in Paris on July 18-19, and the Group's conclusions were subsequently reported to member-Governments, who agreed to the proposed relaxations.

The agreement involved the following changes: (i) the first list on which the embargo was based, consisting of "strategic items" whose export was absolutely forbidden, was reduced from 181 items to 118—a large number of goods being freed but a small number added, while the remaining items were more closely re-defined; (ii) the second list, which laid down quantitative restrictions for the export of 25 items, was abolished; (iii) the "watching" list, details of which are not published, was retained.

The categories of goods freed for export to the Soviet bloc and China under the revised strategic embargo list were:

Aircraft and aero-engines in normal civil use; vertical boring and turning mills; horizontal boring, drilling, and milling machines; jig-boring and jig-grinding machines with no traverse exceeding 44 inches; contour profile grinders; lap radio grinders; roll-grinding machines; thread-grinding machines.

Most lathes (except certain lathes for making gas-turbine blades, and spinning lathes); thread-milling machines; planing machines and planing millers; forging hammers up to 10 tons (except certain counterblow hammers and horizontal impact hammers); forging machines; presses (mechanical or hydraulic) up to 5,000 tons; most gear-making machinery; most vacuum pumps.

Oil-well drilling and exploration equipment (except rotary rock drills); all equipment for the production of lubricants; all petroleum refinery equipment and petro-chemical plant; all electrical generating machinery (except mobile generators of more than 5,000 kw.); all electrical motors except those specially designed for submarines; all turbines.

Carbon-black furnaces; the smaller types of rolling-mill; radio valve-making machinery (except certain advanced types); most types of compressors and blowers.

Industrial diamonds and diamond tools; floating docks; tankers designed for speeds of up to 18 knots; fishing vessels up to 17 knots; other vessels up to 20 knots; all vehicles except those built to military specifications.

Spectrographs and spectrometers (except mass spectrographs and mass spectrometers); X-ray diffraction and electron diffraction equipment; electron microscopes; almost all industrial types of ball- and roller-bearings.

Aluminium, all forms; copper, all forms; gasolene and kerosene (except jet-engine fuel); lubricating oils and greases (petroleum-based); glycols and their derivatives; methyl methacrylate ("perspex"); and all tyres for civilian use.

Goods newly added to the embargo list were:

Machines incorporating electronic closed loop feed-back controls.

Chemicals and plant: Containers including mobile units of 500 gallons capacity or over for storage or transport of the liquified gases argon, helium, hydrogen, nitrogen, oxygen, and ozone; equipment specially designed for purification and processing of germanium and silicon; electric furnaces specially designed for recovery of titanium or zirconium from scrap; plant for production of zirconium metal and parts.

Electronics: Capacitors, tantalum electrolytic; communication equipment employing tropospheric or meteoric scatter phenomena and parts.

Components electronic not specified capable of reliable performance in relation to electrical and mechanical characteristics; equipment designed to provide secrecy facilities on voice or telegraph line or radio-communication circuits, except frequency inversions or band-scrambling techniques; materials designed and manufactured as absorbers of electro-magnetic waves with specified frequencies.

Sir David Eccles (President of the U.K. Board of Trade) explained at a press conference in London that the new embargo list consisted entirely of strictly strategic items. Although it was not possible to estimate how much the trade between Britain and the Soviet bloc and China would increase as a result of the changes, the revision of the embargo list represented a real chance for British exporters.

Sir David pointed out that among the items taken off were many of great interest to industry, such as civil aircraft and aero-engines; as a result, the aircraft industry was now free to offer such planes as *Viscounts* to any Eastern country. Moreover, almost all vehicles were also freed from restriction, and there had been very large changes in machine-tools, electrical machinery, diesel engines, and ships. He added that there had been "sharp arguments" between the "Cocom" experts on definitions, but stressed that "we and America and the others moved to this conclusion in complete agreement."

Replying to questions, Sir David said that although there had been allegations about previous infringements of the embargo, there had never been any evidence. Asked whether the embargo list had achieved anything in the past 10 years, he replied in the affirmative; he added, however, that the British Government had been "in the forefront of those who felt for some time that there were nonsenses on the list which ought to come off," and that "palpably out-of-date items made it difficult to get respect for sensible items."

The British Admiralty issued a statement on the same day outlining the position as regards ships.

It said that the new rules provided that ships which could in general now be built for, or sold second-hand to, the Soviet bloc were passenger and cargo ships of up to 20 knots, tankers up to and including 18 knots, and fishing vessels up to 17 knots. The statement added:

"There are, however, certain exceptions covering the installation or retention in ships of equipment which is banned in its own right, and of arrangements for demagnetization. Warships, whether or not converted to non-military use, certain large ice-breakers, and non-magnetic ships continue to be banned completely. The building of ships will continue to need a licence from the Admiralty and the sale of second-hand ships to the [Soviet] bloc will continue to need the sanction of the Minister of Transport and Civil Aviation."

The new list applies to the Soviet Union, Albania, Bulgaria, Communist China, Czechoslovakia, Hungary, North Korea, North Vietnam, Poland, Rumania, the Soviet zone of Germany, and Tibet.

It was announced in Washington, however, that while agreeing to the revision of the embargo in respect of trade with the U.S.S.R. and other Soviet-bloc countries, the United States would maintain the complete embargo on all U.S. trade with Communist China, North Korea, and North Vietnam.—(Times - Daily Telegraph - Manchester Guardian - Board of Trade Journal - New York Times - N.Y. Herald Tribune - Le Monde, Paris) **(Prev. rep. 15948 B.)**

Note. A survey of U.K. trade with Eastern Europe and China, published in the *Board of Trade Journal* of Aug. 15, showed that Western Europe's trade with Eastern markets had more than doubled since 1950, and that the U.K. had shared in this expansion. Britain's share in East-West trade reached £214,000,000 in 1957—£124,000,000 worth of imports and £90,000,000 in exports, including re-exports; these figures compared with imports of £73,000,000 and exports of £35,000,000 in 1950. Nevertheless, the 1957 figures accounted for less than 3 per cent of Britain's total foreign trade, compared with about 7 per cent in the immediate pre-war years.

Over one-half of Britain's East-West trade in 1957 was conducted with the Soviet Union (£122,000,000, against £48,000,000 in 1950). Nevertheless, the possibilities indicated by the Soviet purchasing programme announced in 1956 [see 14833 A], when Soviet leaders had spoken of the possibility of an increase of up to 400 per cent in their purchases from Britain by 1960, had not so far been realized.

British trade with China in 1957 amounted to £26,400,000, compared with £23,000,000 in 1956 and £20,200,000 in 1955; during the first six months of 1958 U.K. exports to China reached £7,000,000, compared with £4,300,000 during the first half of 1957.

(Board of Trade Journal)

B. GHANA. — Establishment of Ghana Airways.

An agreement between the Government of Ghana and the British Overseas Airways Corporation was signed in Accra on July 4 for the establishment of Ghana Airways, a new airline to operate domestic, regional, and international services. By arrangement between B.O.A.C. and Ghana Airways, aircraft chartered from the corporation will be employed on international routes.

Of Ghana Airways' nominal capital of £400,000, the Government of Ghana have subscribed £240,000 (60 per cent) and BOAC the remaining 40 per cent (£160,000). The airline will be controlled by a board consisting of a chairman and two directors appointed by the Ghana Government, and two directors appointed by BOAC (Lord Rennell and Mr. Basil Bampfylde). Training of Ghanaian nationals to take over the management, administrative, flying, and engineering sides of the airline will be undertaken initially by BOAC; however, a number of Europeans employed by BOAC will be seconded to the new airline.

Ghana Airways opened its international services on July 16 with a once-weekly Stratocruiser service to London.—(Times)

C. IRAQ. — Dutch Recognition of Iraqi Republic.

It was announced in The Hague on Aug. 12 that the Netherlands Government had recognized the Iraq Republic. (Algemeen Handelsblad, Amsterdam) **(Prev. rep. 16324 D.)**

A. MALTA. — Resignation of Mintoff Government. - Dr. Olivier declines to form Nationalist Cabinet. - Governor's Assumption of Governmental Responsibility. - Proclamation of State of Emergency. - Proposed Transfer of Dockyard to Civilian Management.

The Prime Minister of Malta, Mr. Mintoff, and his Cabinet tendered their resignations on April 21 to the Governor, Sir Robert Laycock. The resignations were accompanied by a declaration signed by the 23 Labour members of the Legislative Assembly which stated that they would support only a Labour Government.

Mr. Mintoff's action marked the climax of the lengthy negotiations between the Maltese and British Governments on Malta's future constitutional status and the amount of British financial aid to the island.

Mr. Mintoff, in a broadcast on April 21, described the crisis as "the hour of trial" and said that he and his colleagues were faced "not only with a financial problem but also with another, more serious matter—whether we are so cowardly as to allow the British Government to ride roughshod over us and, without consulting us, decide on the treatment to be meted out." Accusing the British Government of "broken promises," he said that of the £5,000,000 promised as financial aid (see 16121 A) Britain was "not prepared to let us have more than £1,000,000 for the first three months," and had insisted on approving each item of expenditure involved. On the issue of constitutional development, he declared that "the U.K. Government are in fact telling us that they will remain in Malta as long as they please, and that they will make use of Malta in any way they deem fit . . . In these circumstances my colleagues and I no longer want to remain responsible for public peace and order."

Mr. Lennox-Boyd, the U.K. Colonial Secretary, told the House of Commons on April 22 that although Mr. Mintoff and his colleagues had tendered their resignations, they would continue in office pending consultations about forming an alternative government. Mr. James Griffiths (Labour) advocated an all-party effort to reach a solution in Malta rather than allow events to lead on to an "embittered" election; but Mr. Lennox-Boyd, who denied that the issue of financial aid was the true cause of Mr. Mintoff's resignation, expressed the view that "the constitutional processes should work themselves out."

Dr. Borg Olivier, leader of the Nationalist Party and former Prime Minister of Malta, declined a request by the Governor to form a new Government, on the grounds that he could not do so without a popular mandate; on April 24, therefore, the Governor accepted the resignation of the Mintoff Cabinet and assumed direct responsibility for the administration of the island, including control of the Civil Service (see below).

Disturbances in Valletta. - Dispute between Mr. Mintoff and Sir Robert Laycock. - Ban on Demonstrations and Public Meetings. - Proclamation of State of Emergency.

Mr. Mintoff's decision to submit his Government's resignation was followed by some minor incidents outside the Governor's palace; as a precaution, Valletta was placed out of bounds for all British servicemen and their families on April 22. Barriers were erected by the police for the protection of various buildings, and warning notices, signed by the Commissioner of Police (Mr. Vivian De Gray), were posted saying that any demonstration crossing the barriers would constitute "an unlawful assembly." Disorderly demonstrations by crowds of dockyard workers and young people nevertheless took place during the evening of April 23, first outside the offices of the *Times of Malta* (the organ of the Progressive Constitutional Party led by Miss Mabel Strickland, who is editress of the newspaper) and later near the Government buildings, leading to police action with a view to dispersing demonstrators who had tried to break through the barriers.

At the height of the demonstrations Mr. Mintoff—in his capacity as Minister in charge of police—ordered the Police Commissioner to withdraw all mounted police within three minutes and to prevent any further baton charges. When Mr. De Gray reported these instructions by telephone to the Governor, the latter countermanded Mr. Mintoff's orders, insisting that this was a matter of public safety for which he (the Governor) was constitutionally responsible.

On the following day (April 24) Mr. Mintoff issued an order for Mr. De Gray's dismissal, but the Governor refused to sign it. At a subsequent two-hour meeting between the Governor and the Cabinet, Mr. Mintoff declined to give assurances that law and order would be maintained. As the Governor would not accede to the financial conditions put forward by the Ministers as a condition of their remaining in office, he accepted their resignations. By this time the Governor had received the Queen's assent to his request for the suspension of Section II of the Royal instructions requiring him to act on the advice of the Maltese Ministers except in "reserved fields." The same evening Sir Robert Laycock issued two proclamations under the Public Meetings Ordinance prohibiting all demonstrations and public meetings in Valletta and Floriana until May 8. [The General Workers' Union had planned to hold a mass meeting at Floriana on April 25.]

On April 25 the Governor received the general secretary of the G.W.U. (Mr. R. G. Miller) and two other trade union leaders; after consultation with the Police Commissioner, he agreed that the rally organized for Floriana might take place at Hamrun provided there was no demonstration or incitement to disorder. The mass meeting was duly held without incident, and a resolution was passed calling for a one-day general strike on April 28. On April 27, however, there were hostile demonstrations against the police by spectators at a football match in Valletta's Empire Stadium, where several people were injured.

The general strike, which was fully observed on April 28, was marked by several acts of violence, despite a previous warning by the Governor that any disorders would be "firmly dealt with."

Incidents included the setting on fire of a small Royal Navy tug, stoning of police officers and soldiers, damage to four police stations and two Army vehicles, and the cutting of Rediffusion (broadcast relay) cables and telephone wires. The Police Commissioner later announced that charges would be preferred against 25 youths and men who had been arrested in connexion with the disorders, and that 20 members of the police force had been injured making a total of 45 police officers injured since April 21.

As a result of the disturbances, the Governor issued two further proclamations in the evening of April 28 extending the ban on meetings and demonstrations to the whole of Malta and Gozo for a period of three months. On the following day (April 29) he proclaimed a state of emergency as "a purely precautionary measure" designed to give him and the police additional powers in case of need.

Addressing a joint rally of the Labour Party and the G.W.U. in Valletta on May 1, Mr. Mintoff called for "calm and order" to test the Governor's "promise" to consider withdrawal of the recent proclamations and to hold elections. Mr. Mintoff made it clear, however, that any such elections would only be acceptable to the Malta Labour Party if held under a new draft constitution whereby there would be no "Imperial Government side" in Malta; he also emphasized that "either we get integration with all the rights enjoyed by the British, or we will seek independence." Referring to the disturbances of April 28, Mr. Mintoff accused the Governor of acting wrongly in assuming responsibility for law and order when Ministers of the Maltese Government were still in office; he also strongly attacked Mr. De Gray for approaching the Governor without his (Mr. Mintoff's) knowledge.

Two Ministers of Mr. Mintoff's former Cabinet, Miss Agatha Barbara (Education) and Dr. Albert Hyzler (Health) were arrested on May 19 on charges of intimidation arising out of incidents during the general strike. They were both found guilty and sentenced to 32 days' imprisonment on June 13.

It was announced on Aug. 7 that the ban on public meetings (which had been extended for a further month on July 27) would be lifted on Aug. 18, except in Valletta and Floriana.

Further Political Developments.

Mr. Lennox-Boyd assured the House of Commons on April 29 that a Maltese general election would take place in the normal course of affairs, but said that "there were bound to be delays" as long as the present disturbances continued. Mr. Callaghan (Lab.) had expressed fears that the banning of public meetings in Malta might delay election preparations.

On May 5 Dr. Borg Olivier discussed with the Governor the existing state of emergency, his party's proposals for constitutional change, and the possibility of an early general election, which he was confident his party would win. He stated afterwards that it would be sufficient if the Nationalists increased their present number of seats from 17 (out of a total of 40) to 21, and added: "Mr. Mintoff has failed in his integration proposals and resorted to tactics which the Maltese people cannot understand or approve . . . With the [election] result in our favour, I am sure the British Government will be ready to think very seriously about our proposals for Dominion status within the Commonwealth." On June 9 the Nationalist Party issued a memorandum for transmission to Mr. Lennox-Boyd asserting that Malta was "racing towards a chasm of hunger and despair" and urging immediate and adequate financial aid from Britain, without which "generosity" it would be "impossible to save Anglo-Maltese relations from disruption."

Sir Paul Boffa—a former Prime Minister and Labour leader, who retired from public life in 1955—announced on June 9 that his Workers' Party intended to contest the next general election.

Sir Robert Laycock arrived in London on May 29 for talks with Mr. Lennox-Boyd on Malta's constitutional and economic problems. On July 31 the Colonial Secretary announced that, because of the conflicting attitudes adopted by the Maltese political parties on the issue of whether new elections should be held under the 1947 Constitution, he and the Governor were

agreed in proposing to invite the parties to talks on future constitutional arrangements next November. He also announced that the Queen had approved an extension of Sir Robert Laycock's term of office as Governor of Malta (due to end on Sept. 19, 1958) until the spring of 1959.

New Maltese Commissioner-General in London.

Colonel Victor G. Vella (Secretary to the Maltese Imperial Government) left Valletta for London on June 22 to take over the post of Commissioner-General for Malta in the U.K. in succession to Mr. Edward Ellul, who had resigned on June 9.

Mr. Ellul had been appointed by Mr. Mintoff, and his functions had included certain propaganda activities. After assuming full Governmental responsibility, Sir Robert Laycock had told Mr. Ellul that the new situation required that the post of Commissioner-General should be non-political, though he was quite willing for Mr. Ellul to continue in office on that understanding; this, however, Mr. Ellul was not prepared to do.

Relations between Government and Roman Catholic Church.

Mr. Mintoff had issued a statement on April 21 (before delivering his broadcast of the same date - see above) in which he announced the restoration of good relations between the Government of Malta and the Roman Catholic Church.

The statement added: "The Government firmly believes that . . . mutual understanding between the Government and the ecclesiastical authorities, for whom the Government has every respect, is indispensable for the welfare of the Maltese people." In acknowledgment, the Archbishop of Malta (Mgr. Gonzi) stated on behalf of himself and the Bishop of Gozo that "as a result of the negotiations that have taken place, and after the declaration made by the Prime Minister, good relations between the Government and the Church have been restored."

These statements followed the return by the Government to St. John's Cathedral of two Caravaggio paintings which, after being cleaned and restored in Italy, had been retained by the Government for exhibition in the local museum, against the Archbishop's wishes.

Proposed Conversion of Dockyard to Civilian Use.

Mr. Lennox-Boyd announced in the House of Commons on July 31, 1958, that the Royal Naval Dockyard at Malta would be converted to commercial use. This would be the basis of H.M. Government's plan for the restoration of the island's economy, which, together with the political issue, had been the main subject of prolonged discussion with Sir Robert Laycock during the latter's visit to London. Details of the scheme were as follows:

(1) Messrs. C. H. Bailey Ltd. (a South Wales ship-repairing firm) would form a company registered in Malta to take over the dockyard on a long lease. They would begin preparations at once, and should assume full responsibility "some time in 1959." The transfer would be accomplished in two "phases": during the first, the Admiralty would retain control of the dockyard while representatives of the firm became acquainted with the processes of management; in the second (i.e. during 1959) Messrs. Bailey would assume full control.

(2) The capital cost of converting and re-equipping the dockyard had been estimated in the region of £5,500,000, of which the British Government was prepared to provide £4,750,000 - partly in the form of a debenture and partly as a special grant. The balance of £750,000 would be put up by Messrs. Bailey in association with the Colonial Development Corporation and Maltese interests.

(3) The Admiralty had agreed to release Vice-Admiral Sir Gordon Hubback (Fourth Sea Lord and formerly Commodore Superintendent at Malta) to become managing director of the new undertaking.

(4) While Naval repair work was expected to decline to about 30 per cent of its present level after 1960, owing to changes in the structure of defence, the British Government undertook to ensure that the number of persons employed in the Malta Dockyard and Naval Base (at present 13,000-13,500) did not fall below 12,000. It was planned that those who unavoidably became unemployed should be absorbed in the commercial ship-repair work and secondary industries which would be provided by the new company.

(5) The British Naval Base (as distinct from the Dockyard) would remain in being, and even after 1960 the Dockyard itself would be available to the Royal Navy in an emergency.

Asked by Mr. Dugdale (Lab.) to what extent the Colonial Development Corporation would be in partnership with private firms, Mr. Lennox-Boyd said that "it looked as though there would be Maltese participation as well," since the banking family of Tarragani (of the National Bank of Malta) and the Maltese bank agents, Messrs. Pace, had undertaken to be associated with the new company (in which they would be able to buy shares) subject to the conclusion of a satisfactory agreement.

The Lieutenant-Governor of Malta (Mr. Trafford Smith) announced on Aug. 4 that discussions on the transfer of the Dockyard on lease to Messrs. Bailey had reached "agreement in principle." The Admiral Superintendent of the Dockyard (Admiral Lee Barber) stated on the same day that Messrs. Bailey aimed to absorb 6,800 men working in the Dockyard itself, while the Admiralty would employ 5,200—"with gradual reductions."

The British plan for the commercialization of the Dockyard was criticized both by the Malta Labour Party and the Nationalist Party, though for different reasons, but was welcomed by the Progressive Constitutional Party.

Mr. Mintoff announced at a public meeting on Aug. 23 that the Malta Labour Party would ask "both workers and capitalists" not to co-operate with Messrs. Bailey. He contended that 6,300 workers would find themselves discharged as a result of the proposed transfer, adding that if Messrs. Bailey would not work with the M.L.P. to provide alternative employment, "they would soon find themselves out of Malta." He also threatened that if the British Government did not guarantee alternative employment, his party "would go to anyone, even President Nasser."

Before accepting the British transfer proposals, Mr. Mintoff continued, his party wished to contact all nations seeking dock facilities (including Italy, Belgium, and Norway, who had already shown interest) and discuss what they were prepared to offer; he would also correspond with the U.N. on the matter, since he had been assured by the Colonial Secretary that foreign firms would not be excluded from negotiations provided they belonged to NATO. Finally, he protested against an alleged statement by the Governor that Maltese political parties would be consulted on the constitutional but not the economic issues of the island's future, claiming that he (Mr. Mintoff) had been assured by the Admiralty in 1957 that the Maltese Government would be consulted before the future of the Dockyard was determined.

Nationalist Party criticism of the Colonial Office for not consulting the people of Malta before embarking on the new project was expressed by their official organ, *Il Popolo*, which declared on Aug. 10 that it was "not just or democratic for the British Government to carry out plans and decide on their own."

Miss Mabel Strickland (leader of the Progressive Constitutional Party) welcomed the plan as an indication that "Britain was fulfilling her moral obligations towards Malta by remaining in the Mediterranean and helping the Maltese to overcome the economic consequences of her new defence policy." In a subsequent statement she accused Mr. Mintoff of "shouting to destroy Bailey's before Bailey's was born."

The secretary of Messrs. Bailey (Mr. J. W. Dalgliesh) arrived at Valletta on Aug. 10 with a number of engineering experts for a preliminary survey; he explained that one of the main objects of their visit concerned the setting-up of ancillary dockyard industries, and that the company aimed at making Malta "the workshop of the Mediterranean."—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 16121 A.)**

A. SOUTH AFRICA. — Death of Mr. Strydom. - Mr. Swart becomes Acting Prime Minister.

Mr. Johannes Gerhardus Strydom, Prime Minister of South Africa and leader of the Nationalist Party, died in a Cape Town hospital on Aug. 24 after a prolonged illness, aged 65. The fifth Prime Minister of the Union, he had held the Premiership since the retirement of Dr. Malan in November 1954, and was returned to power with an increased majority at the recent general elections (see 16169 A). Biographical details of Mr. Strydom's life and career are given on page 13941, second column.

Mr. Strydom, who had been in ill-health for the past two years, entered hospital at the end of July suffering from a heart disease which had necessitated a prolonged period of rest earlier in the year. His condition became aggravated in mid-August, when embolism of the lung developed.

Only three days before Mr. Strydom's death, the Minister of Justice (Mr. C. R. Swart) announced that he had been appointed acting Prime Minister by the Governor-General in view of the serious condition of Mr. Strydom. Following the death of Mr. Strydom, the Union Parliament adjourned on Aug. 25 until Sept. 3, after tributes to the late Prime Minister had been paid by Government and Opposition leaders. It was understood that before that date the Nationalist Party caucus would elect a successor to Mr. Strydom as Prime Minister and party leader. (Cape Times - State Information Office, Pretoria)

(Prev. rep. Mr. Strydom, 16169 A; 13941 A.)

B. UNITED STATES. — Mr. Arthur Miller acquitted of Contempt of Congress. - Court Ruling.

Mr. Arthur Miller's conviction for contempt of Congress was quashed on Aug. 7 by unanimous decision of the U.S. Court of Appeals for the District of Columbia, which ordered Mr. Miller's acquittal. The Court found that the House Committee on Un-American Activities had not sufficiently warned Mr. Miller of the risk of contempt if he refused to answer its questions; in this connexion it cited a Supreme Court ruling of 1955 that a contempt conviction could not stand if the witness had not been clearly warned of the possible penalty for refusing to answer questions put to him by a Congressional committee.—(New York Times) **(15938 B.)**

A. UNITED KINGDOM. — Royal Navy. - Aircraft Carrier "Warrior" sold to Argentina. - Disposal of 85 Further Warships. - Select Committee's Criticism of Ship-disposal Methods.

The Earl of Selkirk (First Lord of the Admiralty) announced in the House of Lords on June 25 that, following its earlier decision to dispose of the aircraft carriers *Ocean*, *Theseus*, *Glory*, *Perseus*, and *Unicorn* (sec 16077 A), the Admiralty had also decided to place the carrier *Warrior* (14,000 tons) on the sale list.

In reply to Earl Howe, who asked whether the six ships could not be treated as emergency transports, Lord Selkirk explained that they had all been laid down before or during the war and had not subsequently been brought up to date to meet modern requirements. The *Warrior* had been partially modernized, but the Admiralty were willing to sell her as she was surplus to immediate requirements; the other ships, unless they could otherwise be disposed of, would be scrapped. He added: "These ships and their equipment would be expensive to modernize, and the large sums needed to maintain ships in reserve in a reasonable degree of readiness would be better spent in keeping ships in the Active Fleet. This particularly applies to aircraft carriers, which are useless if they cannot keep pace with the development in aircraft."

The Admiralty announced on July 7 that the *Warrior* had been sold to Argentina; the purchase price was stated in the Press to be "between £1,000,000 and £2,000,000."

The Parliamentary Secretary to the Admiralty (Mr. R. A. Allan) informed the House of Commons on July 9 that it had been decided to dispose of a further 85 ships of various sizes during 1958. The list comprised five cruisers, seven destroyers, 33 frigates, nine ocean minesweepers, and 31 fast patrol boats and motor-, gun-, or torpedo-boats. All were of pre-war or wartime construction except for 18 patrol boats.

Mr. Allan added that during 1958 and 1959 two aircraft carriers, 13 destroyers or frigates, 16 minesweepers, 17 miscellaneous craft, and a number of submarines would come into service, either as new ships or after complete modernization.

A debate on naval policy had previously taken place in the House of Lords on June 11.

Viscount Alexander of Hillsborough (Leader of the Opposition and a former First Lord of the Admiralty) complained that the Government were placing "far too much reliance on the hydrogen bomb" and that, under Treasury pressure, the Royal Navy was being cut to an extent which made it impossible for it to carry out its proper duties. On the other hand the U.S.S.R. was steadily building up its navy, and was stated to have 37 modern cruisers against Britain's 18, 155 destroyers against 26 British destroyers in commission and 30 in reserve, and 300-400 submarines compared with Britain's 50-60. He asked what had become of the *Dreadnought*, the projected British nuclear-powered submarine.

Lord Selkirk, in reply, said that the Government's policy was to see that the Royal Navy maintained close association with the Commonwealth, U.S., and NATO navies, and with other nations through the Baghdad Pact and SEATO. Admittedly the reduced size of the Royal Navy was causing some anxiety, but it should be remembered that the U.S.A.—the strongest of Britain's allies—had the largest navy the world had ever seen. Moreover, the combined operational fleets of Britain and the Commonwealth possessed six aircraft carriers, 11 cruisers, and 120 destroyers and frigates—a force roughly comparable with the pre-war strength of the Royal Navy. The Admiralty believed that aircraft carriers, destroyers, frigates and submarines were of better value in modern war than the old cruisers, and that in a global war there would not be time to bring out the reserve ships which were not in the highest state of readiness.

Nuclear submarines (the First Lord continued) would present an entirely new problem to anti-submarine forces, as they would certainly have an underwater speed of 25-30 knots, making them extremely difficult to destroy from ordinary surface vessels; for the first time destroyers would no longer have the wide margin of speed which had been an essential part of submarine-hunting. Considerable progress had been made with the British nuclear submarine, but it was clear that the numerous difficulties still confronting the designers would be rapidly overcome if it were possible to obtain a set of machinery from the U.S.A., which already had several nuclear submarines in commission. The Government had therefore applied to the U.S.A. for approval of the purchase of one nuclear propulsion unit from an American firm.

In the ensuing debate **Lord Howe** suggested that instead of scrapping good ships, Britain should arrange for Commonwealth countries to take them into reserve on a care and maintenance basis. **Lord Winster** (a First Lord of the Admiralty in the Labour Government) urged the Government to press ahead with nuclear submarines able to launch rockets and guided missiles, whilst **Lord Cilcennin** (First Lord of the Admiralty under Sir Winston Churchill) stressed that in a future war the submarine threat to merchant shipping would not be confined to the Atlantic alone, but would be spread over the entire globe. **Admiral of the Fleet Viscount Cunningham** expressed the view that the naval forces of the Western Powers would be "quite inadequate" to meet the danger from the "enormous" Russian submarine fleet.

Strong criticism of the management of the Reserve Fleet and of the methods used for the sale and scrapping of Royal Navy ships was made by the Select Committee on Estimates in a report published on Aug. 8.

The report explained that the Reserve Fleet consisted of (*a*) the operational reserve—high priority ships maintained ready for active service; (*b*) the supplementary reserve, consisting of lower-priority ships; (*c*) the extended reserve—low-priority ships, de-stored and partially de-equipped, including vessels for sale or scrapping. The Select Committee considered that while class (*a*) ships should receive "the highest consideration in manpower and money," class (*b*) should be reduced and class (*c*) be confined to ships definitely intended to be sold or scrapped. In this connexion, it recommended that the battleship H.M.S. *Vanguard* [completed in 1946 at a cost of £9,000,000 excluding her heavy guns, and now used as Reserve Fleet H.Q. and for training] should be disposed of unless a "positive function" could be found for her.

The Select Committee also recommended:

(1) The concentration of the Reserve Fleet in fewer ports (having due regard to security needs), thus saving maintenance costs.

(2) A joint inquiry by the Admiralty, the Treasury, and the Foreign Office into the procedure for disposing of surplus vessels, including the work of naval attachés overseas in promoting sales. The Select Committee thought that the prices fixed by the Naval Arms Disposal Committee for obsolete vessels were not flexible enough and that more "export salesmanship" was needed.

(3) Direct dealings between the Admiralty and the agents of the British Iron and Steel Corporation in the disposal of ships for scrap, instead of dealings through the Ministry of Power as at present. The Select Committee believed that this would make the Admiralty "more conscious of the value of the decaying vessels on its hands" and lead to quicker decisions. The "profits" on scrapping should be received by the Admiralty as Appropriations in Aid.

(4) Scrapping of the "unsaleable residuum" of ships in the extended reserve as "so much dead wood," thus producing an immediate income instead of "the present continuing cost for maintenance and supervision."

The decision to sell the *Warrior* left the Royal Navy with eight aircraft carriers, including the 22,000-ton *Hermes* (to be commissioned shortly) and the 14,000-ton *Magnificent*, at present in the extended reserve. In addition, the uncompleted *Leviathan* (on which work was stopped in 1946) is in reserve at Portsmouth.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 16077 A.)**

B. SHIPPING. — International Convention for the Prevention of Sea Pollution by Oil in Force.

The International Convention for the Prevention of Pollution of the Sea by Oil (see 13598 C) came into force on July 26, 1958, twelve months after it had been ratified by France, the tenth nation to do so. Two days earlier the Netherlands ratification of the Convention had been announced, bringing the number of ratifying countries to 11 (in chronological order of ratification): Britain, Mexico, Sweden, Western Germany, Denmark, Canada, Norway, Irish Republic, Belgium, France, and the Netherlands.

Mr. James Callaghan, M.P., chairman of the British Co-ordinating Advisory Committee on Oil Pollution, stated on July 24 that about one-half of the world's tanker tonnage was now covered by the Convention; the most important of the countries which had not yet ratified was the United States. (Lloyd's List and Shipping Gazette) **(Prev. rep. 13598 C.)**

C. SPAIN. — Associated Membership of O.E.E.C.

An agreement admitting Spain to associate membership of the Organization for European Economic Co-operation was signed in Paris on Jan. 10 and ratified by the Spanish Cabinet on Feb. 7, 1958. Previously Spain had only been a member of the Ministerial Committee for Agriculture and Food, but her associate membership of the Organization had been recommended by the O.E.E.C. Council in September 1957. As an associate member Spain will be able to take part in the work of all committees, but will have no voting rights in the O.E.E.C. Council. A decree ratifying Spain's associate membership of the O.E.E.C. was published in the *Boletín Oficial* on July 12. (O.E.E.C. Information Division, Paris - Bank of London and South America, Fortnightly Review) **(Prev. rep. 14086 A.)**

D. AUSTRALIA. — Forthcoming General Election.

The Federal Prime Minister, Mr. Menzies, announced in the House of Representatives on Aug. 20 that general elections would be held on Nov. 22. Parliament would be dissolved on Oct. 14 and writs for the election would be issued on Oct. 22.

The Liberal-Country Party coalition government holds 75 full voting seats in the present House of Representatives, and the Labour Opposition 47. The Opposition also holds the Australian Capital Territory and Northern Territory seats, but the members for these constituencies can only vote on matters affecting their respective territories.
(Australian News and Information Bureau) **(14649 A.)**

AUGUST 30—SEPTEMBER 6, 1958

A. UNITED NATIONS. — Emergency Session of General Assembly on Middle East. - President Eisenhower's Peace Plan. - Unanimous Adoption of Arab Resolution. - Dr. Hammarskjöld's Mission to Middle East. - Visit to Jordan.

The Security Council, meeting on Aug. 7, decided by unanimous vote to convene an emergency session of the U.N. General Assembly on the Middle East situation, to open on the following day. The relevant resolution was an amended version of the U.S. resolution of July 18 which called for an emergency session of the General Assembly after the U.S., Soviet and Swedish resolutions on the Middle East had all failed to secure adoption in the Security Council (see page 16319, second column).

When the Security Council met on Aug. 7, it had before it: (1) the above-mentioned U.S. resolution of July 18, calling for a special session of the Assembly in view of the lack of unanimity among the permanent members of the Security Council; and (2) the Soviet resolution of the same date, which also asked for an emergency session of the Assembly and, in addition, called on the Assembly to bring about the "immediate withdrawal" of American and British forces from Lebanon and Jordan.

In its original wording, the U.S. resolution not only asked for an emergency session of the Assembly but also made direct reference to the Lebanese and Jordanian complaints to the Security Council alleging interference by the United Arab Republic in the internal affairs of those countries. As the Soviet delegate (M. Sobolev) objected to any direct mention of Lebanon or Jordan, the Panamanian delegate (Señor Jorge Illueca) proposed that the resolution should be re-worded to read that the Security Council had "considered items 2 and 3" on its agenda [those items referred to the respective complaints by Lebanon and Jordan.] This textual amendment was accepted by Mr. Cabot Lodge (U.S.A.), M. Sobolev, and all other members of the Council, and the U.S. resolution, as amended by Panama, was reintroduced by Mr. Lodge and approved unanimously. In its final form, it stated that the Security Council, "having considered items 2 and 3" on its agenda, had decided to call a special emergency session of the General Assembly as "the lack of unanimity of the permanent members . . . has prevented it from exercising its primary responsibility for the maintenance of international peace and security."

Mr. Hashim Jawad took part in the Council's meeting as representative of the Iraqi Republican Government, after his credentials had been approved by the U.N. Secretary-General. [Iraq is at present a non-permanent member of the Council.] Mr. Jawad had represented Iraq at the U.N. in former years as delegate of the Royal Iraqi Government.

The General Assembly accordingly met in emergency session on Aug. 8 under its president, Sir Leslie Munro (New Zealand). After a speech by Sir Leslie and a brief statement by Dr. Hammarskjöld, it was agreed to adjourn until Aug. 13 to enable the Foreign Ministers of a number of countries to attend. When the Assembly began its debate on the latter date, some 20 Foreign Ministers were present, including Mr. Dulles (U.S.A.), Mr. Selwyn Lloyd (U.K.), M. Gromyko (U.S.S.R.) and Dr. Fawzi (U.A.R.); the French Foreign Minister (M. Couve de Murville) arrived some days later.

President Eisenhower's Speech to General Assembly. - Six-Point Peace Plan for Middle East.

The special session was opened by President Eisenhower, who had travelled to New York from Washington to address the General Assembly in person. In the course of a speech covering all aspects of the Middle East situation, the President put forward a comprehensive programme for peace in the area based on the following six points:

"(1) U.N. concern over Lebanon.

"(2) U.N. measures to preserve peace in Jordan.

"(3) An end to the fomenting from without of civil strife.

"(4) A U.N. peace force.

"(5) A regional economic development plan to assist and accelerate improvement in the living standards of the people in these Arab nations.

"(6) Steps to avoid a new arms race spiral in the area."

President Eisenhower addressed the General Assembly as follows (cross-headings inserted):

"It is almost five years since I had the honour of addressing this Assembly. I then spoke of atomic power and urged that we should find a way by which the miraculous inventiveness of man should not be dedicated to his death but consecrated to his life. Since then great strides have been taken in the use of atomic energy for peaceful purposes. Tragically little has been done to eliminate the use of atomic and nuclear power for weapons purposes.

"That is a danger. That danger in turn gives rise to another danger—the danger that nations under aggressive leadership will seek to exploit man's horror of war by confronting the nations, particularly small nations, with an apparent choice between supine surrender or war. This tactic reappeared during the recent Near East crisis. Some might call it ballistic blackmail. In most communities it is illegal to cry 'fire' in a crowded assembly. Should it not be considered serious international misconduct to manufacture a general war scare in an effort to achieve local political aims?

"Pressures such as these will never be successfully practised against America, but they do create dangers which could affect each and every one of us. That is why I have asked for the privilege of again addressing you. The immediate reason is two small countries—Lebanon and Jordan. The cause is one of universal concern.

U.N. Responsibility for Independence of Small Nations. "The lawful and freely elected Government of Lebanon, feeling itself endangered by civil strife fomented from without, sent the United States a desperate call for instant help. We responded to that call. On the basis of that response, an effort has been made to create a war hysteria. The impression is sought to be created that if small nations are assisted in their desire to survive, that endangers the peace. This is truly an upside-down portrayal. If it is made an international crime to help a small nation maintain its independence, then indeed the possibilities of conquest are unlimited. We will have nullified the provision of our Charter which recognizes the inherent right of collective self-defence. We will have let loose forces that could generate great disaster.

"The United Nations has, of course, a primary responsibility to maintain not only international peace but also security. That is an important fact. But we must not evade a second fact—namely, that in the circumstances of the world since 1945, the U.N. has sometimes been blocked in its attempt to fulfil that function.

The Checking of Aggression. "Respect for the liberty and freedom of all nations has always been a guiding principle of the United States. This respect has been consistently demonstrated by our unswerving adherence to the principles of the Charter, particularly in its opposition to aggression, direct or indirect. Sometimes we have made that demonstration in terms of collective measures called for by the United Nations. Sometimes we have done so pursuant to what the Charter calls the inherent right of collective self-defence.

"I recall the moments of clear danger we have faced since the end of the Second World War—Persia, Greece and Turkey, the Berlin blockade, Korea, the Straits of Taiwan [Formosa]. A common principle guided the position of the U.S.A. on all these occasions. That principle was that aggression, direct or indirect, must be checked before it gathered sufficient momentum to destroy us all—aggressor and defender alike. It was this principle that was applied once again when the urgent appeals of the Governments of Lebanon and Jordan were answered.

"I would be less than candid if I did not tell you that the U.S.A. reserves, within the spirit of the Charter, the right to answer any legitimate appeal of any nation, particularly small nations. I doubt that a single free Government in the world would willingly forgo the right to ask for help if its sovereignty were imperilled. But I must again emphasize that the U.S.A. seeks always to keep within the spirit of the Charter. Thus, when President Truman responded in 1947 to the urgent plea of Greece, the United States stipulated that our assistance would be withdrawn whenever the United Nations felt that its action could take the place of ours.

"Similarly, when the U.S.A. responded to the urgent plea of Lebanon, we went at once to the Security Council and sought U.N. assistance for Lebanon so as to permit the withdrawal of U.S. forces. United Nations action would have been taken, the U.S. forces already withdrawn, had it not been that two resolutions—one proposed by the United States, the other by Japan—failed to pass because of one negative vote—a veto.

"But nothing I have said is to be construed as indicating that I regard the *status quo* as sacrosanct. Change is the law of life and progress. But when change reflects the will of the people, that change can and should be brought about in peaceful ways. In this context the United States respects the right of every Arab nation of the Near East to live in freedom without domination from any source, far or near. In the same context, we believe that the U.N. Charter places on all of us certain solemn obligations. Without respect for each other's sovereignty, and the exercise of great care in the means by which new patterns of international life are achieved, the projection of the peaceful vision of the Charter would become a mockery.

The Lebanese Problem. "Let me turn now specifically to the problem of Lebanon. When U.S. military assistance began moving into Lebanon, I reported to the American people that we had immediately reacted to the plea of Lebanon because the situation was such that only prompt action would suffice. I repeat to you the solemn pledge I then made: our assistance to Lebanon has one single purpose—the purpose of the Charter and of such historic U.N. resolutions as the 'essentials of peace' resolution of 1949 and the 'peace through deeds' resolution of 1950. These denounce, as a form of aggression and as an international crime, the fomenting of civil strife in the interest of a foreign Power. We want to prevent that crime—or at least prevent its having fatal consequences. We have no other purpose whatsoever.

"The U.S. troops will be totally withdrawn whenever this is requested by the duly constituted Government of Lebanon or whenever, through action by the U.N. or otherwise, Lebanon is no longer exposed to the original danger. It is my earnest hope that

this Assembly, free of the veto, will consider how it can assure the continued independence and integrity of Lebanon, so that the political destiny of the Lebanese people will continue to lie in their own hands. The U.S. delegation will support measures to this end."

The Jordanian Problem. "Another urgent problem is Jordan. If we do not act promptly in Jordan a further dangerous crisis may result, for the method of indirect aggression discernible in Jordan may lead to conflict endangering the peace. We must recognize that peace in this area is fragile, and we must also recognize that the end of peace in Jordan could have consequences of a far-reaching nature. The U.N. has a particular responsibility in this matter, since it sponsored the Palestine armistice agreements upon which peace in the area rests, and since it also sponsors the care of the Palestine refugees. I hope this Assembly will be able to give expression to the interest of the United Nations in preserving the peace in Jordan."

Proposals for checking Inflammatory Broadcasts and Armed Infiltration. "There is another matter which this Assembly should face in seeking to promote stability in the Near East. That is the question of inflammatory propaganda. The U.N. Assembly has on three occasions—in 1947, 1949, 1950—passed resolutions designed to stop irresponsible broadcasts from one nation into the homes of citizens of other nations, thereby 'fomenting civil strife and subverting the will of the people in any State.' We all know that these resolutions have recently been violated in many directions in the Near East . . .

"I believe that this Assembly should reaffirm its enunciated policy and should consider means for monitoring radio broadcasts directed across national frontiers in the troubled Near East area, and for examining complaints from those nations which consider their national security jeopardized by external propaganda.

"The countries of this area should also be freed from armed pressure and infiltration coming across their borders. When such interference threatens, they should be able to get from the U.N. prompt and effective action to help safeguard their independence. This requires that adequate machinery be available to make the U.N. presence manifest in the area of trouble.

Proposal for U.N. Peace Force for Middle East. "Therefore I believe this Assembly should take action looking toward the creation of a standby U.N. Peace Force. The need for such a force is clearly demonstrated by recent events involving imminent danger to the integrity of two of our members. I understand that this subject is to be discussed at the 13th General Assembly and that our distinguished Secretary-General has taken an initiative in this matter. Recent events clearly demonstrate that this is a matter for urgent and positive action.

Proposal for Arab Development Institution. "I have proposed four areas of action for the consideration of the Assembly in respect of Lebanon, Jordan, subversive propaganda, and a standby U.N. force. These measures, basically, are designed to do one thing: to preserve the right of a nation and its people to determine their own destiny, consistent with the obligation to respect the rights of others. This clearly applies to the great surge of Arab nationalism.

"Let me state the position of my country unmistakably. The people of the Arab nations of the Near East clearly possess the right of determining and expressing their own destiny. Other nations should not interfere so long as this expression is found in ways compatible with international peace and security. However, here as in other areas, we have an opportunity to share in a great international task—the task of assisting the people of that area, under programmes which they may desire, to make further progress towards the goals of human welfare they have set. Only on the basis of progressing economies can truly independent Governments sustain themselves. This is a real challenge to the Arab people and to all of us. To help the Arab countries fulfil these aspirations, here is what I propose:

(1) That consultations be immediately undertaken by the Secretary-General with the Arab nations of the Near East to ascertain whether an agreement can be reached to establish an Arab Development Institution on a regional basis.

(2) That these consultations consider the composition and possible functions of a regional Arab Development Institution, whose task would be to accelerate progress in such fields as industry, agriculture, water supply, health and education.

(3) Other nations and private organizations which might be prepared to support this institution should also be consulted at an appropriate time.

"Should the Arab States agree on the usefulness of such a soundly organized regional institution, and should they be prepared to support it with their own resources, the United States would also be prepared to support it.

"The institution would be set up to provide loans to the Arab States, as well as the technical assistance required in development projects. This proposal for a regional Arab Development Institution can, I believe, be realized on a basis which would attract international capital, both public and private.

"I believe that the best and quickest way to achieve the most desirable result would be for the Secretary-General to make two parallel approaches. First, to consult with the Arab States of the Near East to determine an area of agreement. Then to invite the International Bank, which has vast experience in this field, to make available its facilities for the planning of the organizational and operating techniques needed to establish the institution on a progressive course.

"I hope it is clear that I am not suggesting a position of leadership for my own country in the work of creating such an institution. If this institution is to be a success, the function of leadership must belong to the Arab States themselves.

"I would hope that high on the agenda of this institution would be action to meet one of the major challenges of the Near East, the great common shortage—water. Much scientific and engineering work is already under way in the field of water development. For instance, atomic isotopes now permit us to chart the course of the great underground rivers, and new horizons are opening in the de-salting of water. The ancient problem of water is on the threshold of solution. Energy, determination, and science will carry it over that threshold.

"Another great challenge facing the area is disease. Already there is substantial effort among the peoples and Governments of the Near East to conquer disease and disability. But much remains to be done. The U.S.A. is prepared to join with other Governments and the World Health Organization in an all-out, joint attack on preventable disease in the Near East.

The Arab Renaissance. "But to see the desert blossom again and preventable disease conquered is only a first step. As I look into the future I see the emergence of modern Arab States that would bring to this century contributions surpassing those we cannot forget from the past. We remember that Western arithmetic and algebra owe much to the Arab mathematicians, and that much of the foundation of the world's medical science and astronomy was laid by Arab scholars. Above all, we remember that three of the world's greatest religions were born in the Near East.

"But a true Arab renaissance can only develop in a healthy human setting. Material progress should not be an over-riding objective in itself: but it is an important condition for achieving higher human, cultural, and spiritual objectives. But I repeat, if this vision of the modern Arab community is to come to life, the goals must be Arab goals.

"With the assistance of the U.N., the countries of the Near East now have a unique opportunity to advance, in freedom, their security and their political and economic interest. If a plan for peace of the kind I am proposing can be carried forward, in a few short years we may be able to look back on the Lebanon and Jordan crises as the beginning of a great new era of Arab history.

Ending of Middle East "Arms Race." "But there is an important consideration which must remain in mind today and in the future. If there is an end to external interference in the internal affairs of the Arab States of the Near East—if an adequate U.N. Peace Force is in existence ready for call by countries fearful for their security—then with this good prospect, and indeed as a necessary condition for its fulfilment, I hope and believe that the nations of the area . . . will no longer feel the need to seek national security through spiralling military build-ups. These will lead not only to economic impotence but to war.

"Perhaps the nations involved in the 1958 hostilities may, as a first step, wish to call for a U.N. study of the flow of heavy armaments to those nations. My country would be glad to support the establishment of an appropriate U.N. body to examine this problem. That body would discuss it individually with these countries and see what arms-control arrangements could be worked out under which the security of all these nations could be maintained more effectively than under a continued wasteful, dangerous competition in armaments. I recognize that any such arrangements must reflect these countries' own views.

"I have tried to present the framework of a plan for peace in the Near East. It would provide a setting of a political order responsive to the rights of people in each nation; which would avoid the dangers of a regional arms race; which would permit the peoples of the Near East to devote their energies wholeheartedly to the task for development and human progress in the widest sense.

Conclusion. After enunciating the six points mentioned above, President Eisenhower continued: "To have solidity, the different elements of this plan for peace and progress should be considered and acted on together, as integral elements of a single concerted effort. Therefore I hope that this Assembly will seek simultaneously to set in motion measures that would create a climate of security in the Near East consonant with the principles of the Charter, and at the same time create the framework for a common effort to raise the standard of living of the Arab peoples . . .

"The things I have talked about today are real and await our grasp. Within the Near East and within this Assembly are the forces of good, peace, restraint, and wisdom to make, with time and patience, a framework of political order and peace in that region. But we also know that all these possibilities are shadowed, all our hopes are dimmed, by the fact of the arms race in nuclear weapons—a contest which drains off our best talents and vast resources, straining the nerves of all our peoples.

"As I look out on this Assembly, with so many of you representing new nations, one thought above all impresses me. The world that is being remade on our planet is going to be a world of many mature nations. As one after another of these new nations moves through the difficult transition to modernization and learns the methods of growth, from this travail new levels of prosperity and productivity will emerge.

"This world of individual nations is not going to be controlled by any one Power or group of Powers. It is not going to be committed to any one ideology. Please believe me when I say that the dream

of world domination by one Power, or of world conformity, is an impossible dream. The nature of today's weapons, the nature of modern communications, and the widening circle of new nations, make it plain that we must, in the end, be a world community of open societies. And the concept of the open society is the ultimate key to a system of arms control we can all trust.

"We must, then, seek with new vigour, new initiative, the path to a peace based on the effective control of armaments, on economic advancement, and on the freedom of all peoples to be ruled by Governments of their choice. Only thus can we exercise the full capacity God has given us to enrich the lives of the individual human beings who are our ultimate concern, our responsibility, and our strength. In this memorable task there lies enough work and enough reward to satisfy the energies and ambitions of all leaders everywhere."

President Eisenhower was given a standing ovation by all delegations both before and after his speech.

The Assembly's Debate. - Dr. Hammarskjöld's Proposals for Settlement of Middle East Problems.

Representatives of over 50 countries took part in the General Assembly's debate, which lasted for a week (Aug. 13-20); the Assembly was also addressed by Dr. Hammarskjold, who outlined some of the "basic needs for action" in the Middle East area. The speeches of the various delegates were for the greater part a recapitulation of their Governments' views on the Middle East crisis (see 16356 A, 16341 A, 16333 A, 16317 A, 16305 A).

M. Gromyko (U.S.S.R.) said that President Eisenhower's plan for economic assistance to the Middle East merited "careful consideration," but insisted that the Assembly should not be "diverted" from its primary responsibility to secure the "immediate withdrawal" of U.S. and British troops from Lebanon and Jordan. He reiterated the Soviet Government's allegations of "aggression" by the United States and Britain, and maintained that there were no grounds for the allegations of interference by the United Arab Republic in the internal affairs of other Arab countries.

Mr. Selwyn Lloyd (U.K.) emphasized that Britain had gone to the assistance of Jordan at the request of King Hussein and the legal Government of that country; he reiterated that British troops would be immediately withdrawn when the U.N. had taken action to safeguard Jordan's independence and territorial integrity, or if the Jordanian Government so requested. Mr. Lloyd expressed Britain's full support for the programme outlined by President Eisenhower.

Mr. Abdul Rifai (Jordan) and **Dr. Malik** (Lebanon) both repeated their Government's charges against the United Arab Republic, the former declaring that President Eisenhower's speech had "given hope to all small nations." **Dr. Fawzi** (U.A.R.) denied that his Government had interfered in the internal affairs of Jordan or Lebanon, and supported M. Gromyko's call for the immediate withdrawal of Anglo-American forces from the Middle East.

M. Zorlu (Turkey) and **M. Abdoh** (Persia) both supported the action taken by the United States and Britain, while **Dr. Ronald Walker** (Australia) drew attention to the proposals for the Middle East made by Mr. Casey to the Australian Parliament (see page 16334, second column). **Mr. Arthur Lall** (India) maintained that there could be no Middle East settlement until the U.S. and British forces had been withdrawn; he opposed the suggestion for a U.N. Peace Force in the area on the grounds that it would constitute an infringement of the Charter and be incompatible with the internal sovereignty of the Arab States. On the other hand, **Prince Aly Khan** (Pakistan) strongly urged the creation of a U.N. Peace Force for the Middle East as proposed by President Eisenhower.

Dr. Hammarskjöld expressed the view that a general settlement in the Middle East should be based on the following principles:

(1) A declaration by the Arab States reaffirming their adherence to the principles of mutual respect for each other's territories, integrity, and sovereignty; non-aggression; and non-interference in each other's internal affairs.

(2) "Recognition by the world community of the particular problems and possibilities of the region," and an assurance to the peoples of the Middle East that they would be able to shape their own destinies "in the best interests of each nation within the region and of the region itself."

(3) "Some form of U.N. representation" in Lebanon might be "a desirable expression of the continued concern of the Organization for the independence and integrity" of that country. In this connexion Dr. Hammarskjöld said that the U.N. Observation Group had "rendered very useful services" and that its further development would be "fully justified." Nevertheless, the U.N. operation was related to conditions which might be temporary, "and the time may not be distant when a change of those conditions would call for a change of approach."

(4) The U.N. should give special attention to "the essential role of Jordan in efforts to ensure the peaceful and constructive development of the region." Consideration might also be given to "some strengthening of the U.N. Truce Supervision Organization in Palestine."

(5) U.N. technical assistance to the Arab nations, together with arrangements for economic co-operation "between oil-producing and oil-transiting countries" or "with a view to the joint utilization of water resources."

The U.N. Secretary-General added that action on these various points would provide a basis for dealing with other serious and long-outstanding problems of the area, primarily the problem of the 900,000 Palestine refugees.

The Soviet, Norwegian, and Arab Resolutions.

Three resolutions were presented to the General Assembly: (1) by the Soviet Union; (2) by Norway, co-sponsored by Canada, Colombia, Denmark, Liberia, Panama, and Paraguay; and (3) collectively by the ten Arab member-nations.

The Soviet Resolution.

This resolution was introduced by M. Gromyko on Aug. 13, at the opening of the Assembly's debate. Worded in moderate terms, it (1) "recommended" the U.S. and British Governments to withdraw their troops from Lebanon and Jordan "without delay"; and (2) instructed the U.N. Secretary-General "to reinforce the U.N. Observation Group in Lebanon . . . and also to send a group of observers to Jordan, in order to observe the withdrawal of American and British troops from Lebanon and Jordan and the situation on the frontiers of those countries."

In presenting this resolution, M. Gromyko said that it seemed to his Government to contain a "suitable formula" for easing the tension in the Middle East. He added, however: "This does not mean that we refuse to help in the search for a mutually acceptable formula, worked out with the consideration of the views of other delegations, if it meets the main purpose—the withdrawal of foreign troops from Lebanon and Jordan. We are prepared to enter into official or unofficial consultations- any sort of consultations—with any delegations, including those of the United States and the United Kingdom, in preparing a constructive decision which could be adopted by the General Assembly in the interests of peace."

The Norwegian Resolution.

The Norwegian delegate (Hr. Hans Engen) introduced this resolution on Aug. 18 after the British and U.S. Governments had submitted written declarations stating that they would withdraw their troops from Jordan and Lebanon if the United Nations took steps to ensure the "peace and security" of those countries (see below). As stated above, the Norwegian resolution was co-sponsored by six other countries.

After taking note of the British and U.S. declarations, and noting also that the U.N. Charter laid down that States should "practise tolerance and live together in peace as good neighbours," the resolution:

(1) Reaffirmed that all member-States should "refrain from any threats or acts, direct or indirect, aimed at impairing the freedom, independence or integrity of any State, or at fomenting civil strife and subverting the will of the people of any State." Member-States were asked "strictly to observe these obligations and to ensure that their conduct, by word and deed, in relation to the general area of the Middle East conforms to the above-mentioned policy."

(2) Requested the U.N. Secretary-General "to make forthwith such practical arrangements as he, in consultation with the Governments concerned, may find would adequately serve to help in upholding the purposes and principles of the Charter in relation to Lebanon and Jordan in present circumstances, having in mind paragraph (1) of the resolution."

(3) Noted that the Secretary-General was already studying "the feasibility of establishing a stand-by U.N. Peace Force," and invited him "to continue his studies now under way and, in this context, to consult with the Arab countries of the Near East with a view to possible assistance regarding an Arab Development Institution designed to further economic growth in these countries."

(4) Requested all member-States "to co-operate fully in carrying out this resolution," and asked the Secretary-General "to report as appropriate, the first report to be made not later than Sept. 30, 1958."

In presenting this resolution, Hr. Engen admitted that it was not "perfect" but maintained that it embodied "very fundamental elements representing some of the positions of all the parties directly concerned." Norway and the other co-sponsors believed that it provided a "middle-of-the-road" basis on which the U.N. could act in the present situation.

The Arab Resolution.

This resolution was presented collectively on Aug. 21 by the ten Arab member-nations of the U.N., after the Afro-Asian group had failed to reach agreement on whether or not to support the Norwegian resolution. [As stated below, intensive efforts were made to win general Afro-Asian support for the Norwegian resolution in order to secure the two-thirds majority required for its adoption by the Assembly.] The Arab resolution, like the Norwegian, recalled that the U.N. Charter enjoined all States to "practise tolerance and live together in peace as good neighbours." In addition, it noted that the Arab States had agreed, in the Pact of the Arab League, to strengthen the "close relations and numerous ties" linking the Arab countries; to "support and stabilize" those ties on a basis of "respect for the independence and sovereignty" of

the Arab States; and to direct their efforts towards "the common good of all the Arab countries, the improvement of their status, and the realization of their hopes and aspirations."

After expressing the desire of the Arab States "to relieve international tension," the resolution:

(1) Welcomed "the renewed assurances given by the Arab States to observe the provisions of Article 8 of the Pact of the Arab League," in which each member-State had pledged itself to "respect the systems of government in the other member-States," to regard them as the exclusive concern of the individual States, and to "abstain from any action calculated to change established systems of government." In addition, all U.N. member-nations were asked to "act strictly in accordance with the principles of mutual respect for each other's territorial integrity and sovereignty, of non-aggression, of strict non-interference in each other's internal affairs, and . . . to ensure that their conduct by word and deed conforms to these principles."

(2) Requested the U.N Secretary-General "to make forthwith, in consultation with the Governments concerned, . . . such practical arrangements as would adequately help in upholding the purposes and principles of the Charter in relation to Lebanon and Jordan in the present circumstances, and thereby facilitating the early withdrawal of foreign troops from the two countries."

(3) Invited the Secretary-General to "continue his studies now under way, and in this context to consult . . . with the Arab countries of the Near East with a view to possible assistance regarding an Arab Development Institution designed to further economic growth in these countries."

(4) Requested all member-States to co-operate fully in carrying out the resolution, and invited the Secretary-General "to report as appropriate, the first report to be not later than Sept. 30, 1958."

The Arab resolution, as shown, incorporated much of the wording of the Norwegian resolution, but differed from the latter (*a*) in invoking the principles of the Arab League Pact, in addition to those of the U.N. Charter; (*b*) in making a direct reference to the withdrawal of foreign troops from Jordan and Lebanon; and (*c*) in omitting mention of the possibility of a U.N. Peace Force for the Middle East.

Private Consultations between Western, Soviet and Afro-Asian Statesmen. - British and U.S. Declarations to General Assembly. - Unanimous Acceptance of Arab Resolution. - Ending of Emergency Session.

While the Assembly's debate was in progress, intensive consultations took place at U.N. Headquarters in an effort to reach agreement, by private diplomacy, on a resolution which would be generally acceptable to all interested parties in the Middle East crisis. These consultations, extending over several days, included private meetings between Mr. Dulles and M. Gromyko, who were reported to have reached a large measure of agreement; between Mr. Dulles and Mr. Selwyn Lloyd; between Mr. Selwyn Lloyd and M. Gromyko; between the British, U.S., Soviet, and U.A.R. Foreign Ministers and Dr. Hammarskjold; and between Mr. Selwyn Lloyd and Dr. Fawzi. [This latter meeting, at which Dr. Hammarskjöld was present, was the first to be held between the British and U.A.R. Foreign Ministers since the Suez crisis.] Throughout the special session the U.N. Secretary-General was active in promoting informal talks between the Foreign Ministers of the U.S.A., the Soviet Union, Great Britain, France, the United Arab Republic, and other interested countries.

On Aug. 18 Mr. Dulles and Mr. Selwyn Lloyd submitted written declarations (in the form of letters to the President of the General Assembly, Sir Leslie Munro) giving an undertaking that the U.S. and British Governments would withdraw their forces from Lebanon and Jordan respectively at the request of the Lebanese and Jordanian Governments, or if appropriate measures were taken by the U.N. to maintain peace and security in those countries. The two letters were in almost identical terms, except that Mr. Dulles's letter referred to Lebanon and Mr. Selwyn Lloyd's to Jordan. The British Foreign Secretary's letter was as follows:

"United Kingdom forces are now in Jordan in response to an appeal of the duly-constituted Government of Jordan for assistance in maintaining Jordan's territorial integrity and political independence against danger from without. They will be withdrawn from Jordan whenever this is requested by the duly-constituted Government of Jordan, or whenever as a result of the further action of the United Nations, or otherwise, their presence is no longer required.

"The United Kingdom will, in any event, abide by a determination of the General Assembly that action taken or assistance furnished by the United Nations makes the continued presence of U.K. forces in Jordan unnecessary for the maintenance of international peace and security."

As stated above, Norway and six other countries introduced a resolution on the same day which took note of the Anglo-American declarations but made no specific recommendations for troop withdrawals from Lebanon and Jordan. This resolution was intended as a compromise in the hope that it would be generally acceptable to the interested countries, and intensive lobbying took place in an effort to enlist the support of the 28-nation Afro-Asian group and thus obtain the necessary two-thirds majority in the Assembly. The Afro-Asian group, meeting under the chairmanship of Sir Claude Corea (Ceylon), discussed the matter for three days (Aug. 18-20) but failed to reach agreement.

No details of these discussions were made public, but it was understood that certain Afro-Asian countries (including India, Indonesia and the U.A.R.) felt that the Norwegian resolution was not strong enough and that it should have included a reference to the withdrawal of foreign forces from Jordan and Lebanon, on the other hand, Pakistan, Japan and other Afro-Asian nations were believed to have dissented from this view and to have urged acceptance of the Norwegian resolution as it stood.

At the final meeting of the Afro-Asian group (Aug. 20) Dr. Fawzi suggested that, in view of the prevailing differences, the representatives of all the Arab States should meet separately to see if they could evolve a formula satisfactory to all of them. Dr. Fawzi's suggestion was accepted, and the representatives of all ten Arab member-nations (Iraq, Jordan, Lebanon, Libya, Morocco, Saudi Arabia, the Sudan, Tunisia, the United Arab Republic, and Yemen) accordingly met later in the day and also on Aug. 21. Among the Arab Foreign Ministers taking part in these talks –in addition to Dr. Fawzi - were Dr. Malik (Lebanon), Dr. Jomard (Iraqi Republic) and Mr. Mahgoub (Sudan).

As a result of these discussions, unanimous agreement was reached on the text of the above-mentioned Arab resolution, which was presented to the Assembly by Mr. Mahgoub on Aug. 21 on behalf of all ten Arab member-countries of the United Nations. The resolution was supported by the British, U.S., Soviet, and many other delegates, and was unanimously approved by the Assembly, which ended its emergency session the same evening. No vote was taken on the Norwegian and Soviet resolutions.

Mr. Dulles welcomed the fact that the resolution had been supported by all the Arab States, adding that an opportunity now presented itself which, if seized, "will not only mark a great new triumph for the United Nations but will also promote the political, economic, and social welfare of the Near East. That, however . . . depends primarily not upon our words but our deeds. Words that we utter here are helpful, but the final answer is to be sought elsewhere." **Mr. Selwyn Lloyd** similarly described the resolution as a "constructive first step" which recognized "the need for a *détente* between the Arab States concerned"; this, in turn, would provide "the essential basis for successful U.N. operation, and also for the withdrawal of our troops." **M. Gromyko** said that the resolution contained "some inadequacies" since it did not speak of the "immediate withdrawal" of Anglo-American forces; nevertheless, he commended it as "very good work . . . serving well the cause of peace."

Mr. Mahgoub described the resolution as "the beginning of a glorious future" for the Arab nations, based on the strengthening of the ties between them, on mutual co-operation, and on mutual tolerance; thereby the Arab countries would "be able to contribute also to the well-being of the international family." **Sir Claude Corea** emphasized that the Arab States themselves had "shouldered this great responsibility so successfully that within a very brief period, not more than 24 hours, they were able to reach an agreement acceptable to all assembled here." Describing the occasion as "momentous and historic," Sir Claude declared that it would go down in the annals of the U.N. as "an occasion when people met together in a spirit of conciliation and goodwill to resolve differences . . . which primarily concerned themselves. It is an instance of fraternal goodwill such as we have seldom seen."

Among other delegates, **Mr. Lall** (India) said that the resolution could mark "the beginning of a new era of co-operation, prosperity, and peace in the Middle East"; he added that India had "no doubt whatsoever that there will be an early withdrawal of the troops now in Lebanon and Jordan. **Mr. Eban** (Israel) said that he would vote for the resolution despite "certain profound and serious reservations." The Government of Israel, he added, had "serious cause to doubt whether in fact all member-States, without exception, understand the applicability of these fundamental provisions to their relations with all their neighbours without exception." Nevertheless, Israel felt that the "overwhelming majority" of the U.N. members understood the applicability of these principles, and she also fully comprehended "the importance of unanimity in international issues of such grave moment and scope." An implied reference to Israel was also made by **Dr. Ronald Walker** (Australia), who pointed out that the resolution, while referring to the mutual pledges of the Arab League members, was "silent on the attitude of Arab States towards other States in the Middle East."

In closing the Assembly's emergency session, Sir Leslie Munro said that it would "be a matter throughout the world of general and genuine relief and gratification that by patience and goodwill, and in full awareness of the difficulties still to be

resolved, the Assembly has been able to make such substantial progress in reconciling differences among its members and adopting recommendations capable of attracting unanimous support." Sir Leslie expressed the hope that the resolution would lead to "deeds" which would help to make the principles of the U.N. Charter "more effective in the Middle East."

Dr. Hammarskjöld's Mission to Middle East.

At a press conference at U.N. Headquarters on Aug. 22, the U.N. Secretary-General announced his intention of leaving immediately for the Middle East as a first step towards carrying out the mandate entrusted to him by the Assembly's resolution. He said that the unanimous adoption of that resolution constituted an "invaluable contribution to present politics and diplomacy in the international field," and would be hailed by all who had the cause of peace at heart. Dr. Hammarskjöld stated that he would go first to Amman, then fly to Geneva for the opening of the second U.N. "atoms-for-peace" conference, and then return to the Middle East for visits to Cairo, Beirut and probably Baghdad.

Dr. Hammarskjöld accordingly paid a three-day visit to Amman on Aug. 27-29, during which he had discussions with King Hussein and the Jordanian Prime Minister, Mr. Samir Rifai. A joint communiqué was issued on Aug. 29 stating (1) that the U.N. Secretary-General shared the Jordanian Government's view that "neither a U.N. Force nor a border observation group would adequately serve the purposes which the General Assembly had in mind" when it approved the resolution authorizing Dr. Hammarskjöld's mission; (2) that the consultations had dealt with "other forms of U.N. presence [in Jordan], both sides having been guided by the wish to see such a presence developed in a form which would support the policies of co-operation and mutual respect to which all the Arab States co-sponsoring the resolution pledged themselves"; and (3) that the discussions would be "resumed and concluded at a renewed visit which the Secretary-General intends to make to Amman after having consulted with other Governments in the area."—(U.N. Information Centre, London - Times - Daily Telegraph - Manchester Guardian - U.S. Information Service - New York Times) **(Prev. rep. Middle East Crisis, 16356 A; 16341A; 16333; A; 16317 A; 16305 A.)**

A. CAMBODIA - SOUTH VIETNAM. — Cambodian Allegations of Frontier Violations by South Vietnamese Forces. - Vietnamese Counter-charges against Cambodia.

The Cambodian Premier, M. Sim Var, alleged in a broadcast on June 25 that several regiments of the South Vietnamese Army, totalling about 3,000 men, had crossed the Cambodian frontier in the north-eastern province of Stung-Treng and that their advance units had penetrated about nine miles. A royal proclamation was issued on the same day in Pnom-Penh alleging that 19 cases of violation of Cambodian territory by South Vietnamese troops had occurred since the beginning of 1957. King Norodom Suramarit appealed to the U.S. Government on June 26 to intervene in Saigon with a view to ending "numerous Vietnamese provocations," and on the following day the Cambodian Government invited the International Control Commission to make an investigation.

In a communiqué issued on June 26, the South Vietnamese Foreign Ministry claimed that the incidents referred to had occurred on Vietnamese territory. It was alleged that Cambodian troops had entered Vietnam on June 7 to cover the escape of a number of political prisoners who had broken out of an internment camp; that on June 15 they had twice attacked Vietnamese civil guards who were searching for the prisoners; and that they had moved a frontier-post about two miles into Vietnamese territory. The communiqué also accused the Cambodian Government of giving refuge to "remnants of the armed sects" from South Vietnam who had been "reinforced by Communist elements and cadres," and of allowing these armed bands to make periodic raids across the border, in which connexion it enumerated 39 frontier incidents alleged to have taken place between Oct. 20, 1957, and June 15, 1958. The Cambodian Government denied that it had given refuge to Vietnamese rebels, and alleged in turn that the internal situation in South Vietnam had "given rise to frequent frontier violations by Vietnamese insurgents and their pursuers."

The Cambodian Chief of Staff (Major-General Onnor) said at a press conference on June 29 that the Vietnamese forces appeared to have withdrawn. It had previously been denied in Saigon that any South Vietnamese armed forces had been in the frontier area, and it was claimed that the frontier posts were manned by civil guards only.—(Le Monde, Paris - Vietnam Press Agency, Saigon) **(Prev. rep. 15706 A.)**

B. SOUTH AFRICA. — Dr. Verwoerd becomes Prime Minister and Leader of Nationalist Party.

Dr. H. F. Verwoerd (57), Minister of Native Affairs since 1950, was elected leader of the Nationalist Party on Sept. 2 in succession to the late Mr. Strydom, and thus automatically became the sixth Prime Minister of South Africa.

The election was made by the parliamentary caucus of the Nationalist Party, meeting at Cape Town. Three candidates were nominated for the party leadership—Dr. Verwoerd; Mr. C. R. Swart, Minister of Justice and acting Prime Minister during Mr. Strydom's illness; and Dr. T. E. Donges, Minister of the Interior and Nationalist leader in the Cape. On a first ballot Dr. Verwoerd received 80 votes, Dr. Donges 52, and Mr. Swart 41; the last-named then withdrew, and on a second ballot Dr. Verwoerd received 98 votes and Dr. Donges 75.

Dr. Hendrik Frensch Verwoerd was born in 1901 in Holland and was brought by his parents to South Africa as an infant. After a brilliant academic career at Stellenbosch University, where he graduated in psychology, he studied at German universities and returned to Stellenbosch as Professor of Applied Psychology, subsequently becoming head of the Department of Sociology. Though possessing no previous journalistic experience, he became editor in 1937 of *Die Transvaler* (Johannesburg), which he built up as one of the most powerful organs of Nationalist opinion in South Africa. He was strongly opposed to South Africa's entry into the Second World War, advocated a policy of neutrality, and was extremely critical of the policies of General Smuts. In 1948 he was elected to the Senate, in which he became Nationalist Chief Whip, and two years later became Minister of Native Affairs, a portfolio he has held ever since. A lifelong exponent of *apartheid* and republicanism, he was the principal architect of the Nationalist Government's racial legislation of recent years. He is M.P. for Heidelberg.

In a broadcast on Sept. 3, Dr. Verwoerd said that he would devote all his energies to the establishment of a republic in South Africa "in such a way and at such a time that it will be lasting."

After expressing the view that a republic was the only way to bring about complete unity between the English-speaking and Afrikaans-speaking sections of the White population, Dr. Verwoerd stressed that the Government's *apartheid* policy did not mean oppression of any section of the population but was designed to ensure "happiness, security and stability for both the Bantu and the Whites by having their own home, language and administration." He emphasized that the Government intended to uphold democratic institutions and desired friendly relations with all countries, declaring in conclusion: "In South Africa we are being carried forward as never before by an overwhelming current of inspired nationalism."

Dr. Verwoerd was sworn in as Prime Minister on the same day, no changes being made in the Cabinet. It was announced that he would retain the portfolio of Native Affairs until the end of the present session of Parliament.—(Times - State Information Office, Pretoria) **(Prev. rep. 16363 A.)**

C. TONGA. — New Treaty of Friendship with Britain.

A new treaty of friendship between Great Britain and Tonga was signed on Aug. 25 in Nukualofa (the capital of Tonga), replacing the treaty of 1900 whereby Tonga became a British-protected State while remaining self-governing.

In a statement issued on Aug. 21 in London and Nukualofa, it was explained that Queen Elizabeth II and Queen Salote, with the approval of the British and Tongan Governments, had decided to conclude a new treaty because they desired to "confirm and strengthen the friendly relations which exist between them and their respective States." After pointing out that existing agreements (the first of which was concluded in 1879) did not provide a wholly satisfactory basis for Anglo-Tongan relations, the announcement added:

"The new treaty will reflect changes which have occurred since the previous agreements were concluded and will be designed to enable the existing friendly relations to develop. Tonga will continue to be a State under British protection, but will have increased local autonomy. Agreement has also been reached on the conduct of the external relations of Tonga, which, in general, will remain the responsibility of the United Kingdom, but arrangements will be made for certain aspects of external relations to be conducted by the Government of Tonga."

The new treaty was signed by Sir Ronald Garvey (Governor of Fiji) on behalf of Queen Elizabeth II, and by Prince Tungi (Prime Minister of Tonga) on behalf of Queen Salote.

(Times - Daily Telegraph)

D. SOVIET UNION. — Ministerial Change.

The Tass Agency announced on Aug. 26 that M. Nikolai Patolichev (a First Deputy Minister of Foreign Affairs) had been appointed Minister of Foreign Trade in succession to M. Ivan Kabanov. It was stated that M. Kabanov had been transferred to "another leading position," of which no details were given.—(Soviet Embassy Press Department, London) **(Prev. rep. 16347 C.)**

A. SCIENTIFIC RESEARCH. — Report of U.N. Scientific Committee on Effects of Atomic Radiation.

The report was published on Aug. 10 of the U.N. Scientific Committee on the Effects of Atomic Radiation, set up under the resolution adopted by the General Assembly on Dec. 3, 1955 (see page 14668). The committee consisted of scientists from 15 countries—Argentina, Australia, Belgium, Brazil, Canada, Czechoslovakia, Egypt, France, India, Japan, Mexico, Sweden, the Soviet Union, the United Kingdom, and the United States.

The report—which was unanimous—was issued after 2½ years of detailed studies on a world-wide scale, carried out by a network of monitoring stations in all continents and in a large number of countries, including all the major Powers except China. Among a great mass of information contained in the report were the following major conclusions :

(1) The level of radiation was increasing throughout the world, and in certain areas was already above the safety limit ; nevertheless, radiation hazards from nuclear weapons tests (even if continued) would not be substantially greater than those from natural causes.

(2) Even the smallest amounts of radiation, however, were " liable to cause deleterious genetic and perhaps also somatic effects." [Somatic effects are injuries to the body as a whole, including cancer, leukemia, pre-natal damage, and shortening of life.] Moreover, " even the smallest doses " could cause mutations affecting future generations. Thus, the fact that man's actions could damage his genetic inheritance " clearly emphasizes the responsibility of the present generation, particularly in view of the social consequences laid on human populations by unfavourable genes." It was stressed in this connexion that " mutational damage, once established, is not repaired."

(3) The most dangerous forms of radiation to man were Strontium-90 and Caesium-137 (see below). It had been established, for the first time, that the dangers of strontium contamination were five to six times as great among populations deriving most of their dietary calcium from rice than among those obtaining their calcium from milk [i.e. the danger was greater, for example, in Japan and other Far Eastern countries than in the West]. There was more strontium in brown rice than in white, in most vegetables than in milk products, in rainwater than in river water, and in fresh-water fish than in sea-fish.

(4) Caesium-137 was responsible for gonad radiation from fall-out, and hence transmissible to the next and future generations. It could be found particularly in milk, less so in cereals and rice, and very little in vegetables and fruit.

Extracts from the report of the U.N. Committee are given below (cross-headings inserted) :

Radioactive Fall-out from Nuclear Explosions. " The fall-out of radioactive materials near the sites of nuclear explosions . . . may cause high radiation exposure to individuals within these areas. The amount of such radiation exposure varies very greatly with the weapon tested, the height of firing, the distance from the point of explosion, the direction of winds at various altitudes, and the chance occurrence of rainfall through radioactive material in the early hours after the test. Therefore, at present, these doses cannot in general be calculated. Under very special conditions high radiation exposure and deleterious effects have been reported, as in the cases of the Marshall Islanders [see 13699 A] and the crew of a Japanese fishing vessel [i.e. the *Fukuryu Maru*—see 14390 A ; 13932 C ; 13485 A]. Not enough information is available as to the general circumstances in which such local deposition may occur, and the extent and duration of the exposures liable to be involved.

" Radioactive materials injected into the atmosphere below the tropopause [about 14 kilometres above the earth's surface] are brought down to the earth's surface by rainfall and sedimentation. This process takes a few months, during which they are carried several times around the world. This tropospheric fall-out consists of a mixture of radioactive materials, most of which are short-lived isotopes . . . The radio-isotopes of tropospheric fall-out may be taken into the body by inhalation and ingestion. Since the radio-isotopes of principal concern are short-lived, storage of contaminated food products reduces the dose which they contribute. The gonad dose over the whole population from inhaled and ingested tropospheric material is negligible as compared with the contribution from this material as an external source The average bone-marrow dose from internal sources is about 0.2 mrem per year. [A "rem" is an arbitrary unit of radiation exposure, standing for " roentgen equivalent mammal" ; a " mrem " is a one-thousandth part of a rem.]

" Increases in radio-activity of the thyroid gland have been found during periods of several weeks or a few months following weapon tests. In human thyroids a dose from iodine-131 of about 5 mrem per year has been estimated for 1955-56 in the United States, excluding areas immediately adjacent to weapon-test sites. Doses of this order are unlikely to cause detectable damage or functional change in the glands.

" Irradiation of bone may result from the incorporation of intermediate and short-lived fission products. Although these materials do not cause prolonged irradiation, they may become selectively concentrated into those areas of bone in which active growth is taking place at the time, and so cause more intense radiation locally than if the same amounts of these materials were distributed throughout the whole skeleton.

" The Committee has insufficient information on local variations and temporary increases of tropospheric fall-out in populated areas at different distances from weapon-tested sites, and emphasizes the lack of further data which would permit evaluation of the biological significance of this source of environmental contamination.

" Radioactive materials injected into the stratosphere, especially by high-yield nuclear explosions, constitute a reservoir from which they fall on to the whole of the earth's surface for many years. The rate of fall-out varies with latitude and is greater in the Northern Hemisphere, where most of the tests are carried out. Within any given area, fall-out rate may also vary with local meteorological conditions. The radiation due to stratospheric fall-out from weapons exploded so far will contribute a 30-year gonad dose of 10 mrem, and a 70-year *per capita* marrow-dose of 160 mrem and 960 mrem for two populations deriving most of their dietary calcium from milk and rice respectively."

Effects of Strontium-90 and Caesium-137. - Dietary Considerations.

" Owing to the relatively gradual fall out from the stratosphere, most of the subsequent radiation is due to two radioactive isotopes of slow decay, other fission products already having largely undergone decay. These two radioactive isotopes are Caesium-137 and Strontium-90. The physical properties and chemical behaviour of the two differ. Caesium-137 is responsible for gonad radiation from fall-out. When it is taken into the body it becomes distributed more or less evenly throughout the tissues, causing uniform irradiation of the whole body ; and when present in the surroundings, its penetrating gamma radiations cause a similarly uniform irradiation of tissues. Strontium-90, on the other hand, is not a gamma-emitter and does not contribute significantly to the irradiation of any part of the body from without. However, on being taken into the body it becomes incorporated in bone because of its chemical similarity to the normal bone-forming element calcium . . .

" The average concentration of Strontium-90 in the bones of children, in whom new bone is continuously being formed, is higher than in adults whose bones were largely formed before the environment, and consequently the food supply, became contaminated with Strontium-90. The highest concentrations of Strontium-90 in bone have in fact been observed in children from a few months to five years old . . .

" The radio-strontium concentration in bone is also affected by dietary habit and by the ratio of the amounts of Strontium-90 to calcium in the diet. At present this ratio differs in various dietary constituents ; it is higher in brown rice than in white, somewhat higher in many vegetables than in milk products, higher in rain water than in river water, and lower in sea fish than in fresh-water fish.

" Agricultural conditions may also affect the content of Strontium-90 in the diet, since the available calcium of the soil will, within certain limits, influence the ratio of Strontium-90 to calcium in crops derived from the soil. The distribution of soils which are highly deficient in calcium and their utilization require further study. More work is also needed to understand the distribution of Strontium-90 in the soil, its chemical availability to plants and uptake through their roots, and its behaviour under ploughing . . .

" It is evident that the radiation exposures from fall-out which are most likely to be of significance are :

(*a*) Those from short-lived fission products and radioactive material due to local or tropospheric fall-out ;

(*b*) Those of the gonads and other organs from Caesium-137 due to stratospheric fall-out ;

(*c*) Those of bone and adjacent tissue from Strontium-90, which also comes largely from the stratosphere. The relative importance of these contributions varies from region to region."

Biological Effects of Radiation. " The biological effects of radiation are exhibited in different ways according to whether isolated cells, tissues, organs or organisms are examined . . . The following paragraphs deal first with the cellular effects of radiation ; then with the somatic effects on the irradiated individual, and with the genetic effects on his progeny . . .

" Embryonic cells are especially sensitive to radiation, and some evidence suggests that exposure of the foetus to small doses of radiation may result in leukemia during childhood. Irradiation of pregnant mammals has shown that doses exceeding 25 rem to the foetus during certain stages of its development can cause abnormalities in some organs . . . If these results should be applicable to man, and since they relate to the development of the brain, the opinion seems justified that even a very small dose to the human foetus may involve some risk of injurious effects if received during a critical period of pregnancy. Radio-strontium must be expected to enter foetal bone when calcification starts in the second trimester of pregnancy, and so cause irradiation of the adjacent developing nervous system . . . The uptake of radio-strontium in foetal bone tissue is, however, at present very small, contributing less radiation than 1 per cent of that due to natural sources ; but if the present rate of test explosions is continued, it will rise ultimately to some 10 per cent of that due to natural sources.

"Children are regarded as being more sensitive to radiation than adults, although there is little direct evidence on this subject, except for an indication that cancer of the thyroid may result from doses of a few hundred rad which do not induce this change in adults. In adults it is difficult to detect the effect of a single exposure to less than 25 to 50 rem, or of continuing exposure to levels below 100 times the natural levels . . .

"Processes of repair play an important role in the final outcome of radiation damage. They are one cause of the existence of a threshold dose (or dose-rate) characterized by the fact that this dose or greater ones produce a particular biological effect which does not appear when the dose is less than the threshold . . . Threshold doses are found for some somatic effects, such as erythema of the skin. Other forms of radiation damage to cells, tissues or organisms, however, appear to be cumulative; for instance, mutational damage, once established, is not repaired.

"Damaged cells or tissues may be eliminated and replaced by regenerated normal cells, this process being most active in embryos and young animals and in certain tissues of the adult. The affected cells may also re-establish apparently normal biochemical functions. During the process of regeneration of tissues damaged by radiation, malignant tumours may be induced.

"The power of repair differs considerably in different organisms and types of cells, and varies to a high degree with the physiological conditions. No chemical treatment has yet been discovered which will induce or accelerate recovery from radiation damage in man. The grafting of blood-forming tissue has so far been successful only in small mammals irradiated with a lethal dose to the whole body, and no attempt to apply this treatment to irradiated man has yet been reported.

"Prevention of the effects of radiation is rendered more difficult, and complete protection against it impossible, because changes which already occur during the irradiation lead to later damage. The discovery of chemical protectors, although important theoretically, has not yet yielded methods which appreciably reduce radiation damage in man. At present, effective protection from external radiation sources can only be achieved by adequate shielding or by keeping at a safe distance from the source . . .

"Morphologically recognizable damage may be induced by total or partial, continuous or intermittent, irradiations much in excess of the currently accepted 'maximum permissible' levels of occupational exposure. Such damage includes anaemia and leukemia. Other pathological conditions such as cataract, carcinoma of the thyroid, and bone sarcoma are known to have resulted from partial body irradiations, but with rather high dosages involving hundreds or even thousands of rem given to these organs.

"The shortening of the life-span in small rodents exposed to large doses has suggested the possibility that certain degenerative processes may be aggravated by continued exposure to low radiation levels. Such a shortening has also been inferred from an analysis of the published death-rates of U.S. radiologists compared with those of certain other groups of medical men. However, studies in the United Kingdom have failed to demonstrate such an effect.

"Present uncertainty about the effects of low dose-levels makes it imperative that as much relevant information as possible be collected about groups of persons chronically exposed at these levels and for whom adequate control groups exist; for instance, certain populations in areas of high natural radiation, and workers in uranium mines."

Mutational Effects. - Genetic Considerations. "Exposure of the gonads to even the smallest doses of ionizing radiations can give rise to mutant genes which accumulate, are transmissible to the progeny, and are considered to be, in general, harmful to the human race. As the persons who will be affected will belong to future generations, it is important to minimize undue exposures of populations to such radiation, and so to safeguard the well-being of those who are still unborn . . . The knowledge that man's actions can impair his genetic inheritance . . . clearly emphasizes the responsibilities of the present generation, particularly in view of the social consequences laid on human populations by unfavourable genes.

"Besides increasing the incidence of easily discernible disorders, many of them serious but each comparatively rare, increased mutation may affect certain universal and important 'biometrical' characters such as intelligence or life-span. In this way, it is possible that continued small genetically-significant exposures of a population may affect, not only a corresponding small number of individuals seriously, but also most of its members to a correspondingly small extent. While less easy to detect, this second kind of effect on a population could also be serious.

"Unfortunately, the great majority of the genes affecting the 'biometrical' characters are not individually detectable and so can only be studied collectively and with difficulty. In consequence, far less is known about them than about genes responsible for individually detectable changes, and very little indeed about their response to irradiation, even in the best-studied experimental organisms. Hence it is impossible, at the present time, to estimate with any assurance the effect upon biometrical characters of any given level of irradiation of human populations. Much further research throughout this field is therefore needed.

"The Committee emphasizes the urgent necessity for well-planned investigations which may lead to a better understanding of the mechanism of mutation and the eventual possibility of controlling this process. More information is needed on the effect of radiation in inducing mutations in man. Indeed, even the dose required to double the normal mutation rate in man is not known with any accuracy . . .

General Conclusions. "The exposure of mankind to radiation at present arises mainly from natural sources, from medical and industrial procedures, and from environmental contamination due to nuclear explosions. The industrial, research, and medical applications expose only part of the population, while natural sources and environmental sources expose the whole population. The artificial sources to which man is exposed during his work in industry and in scientific research are of value in science and technology. Their use is controllable, and exposures can be reduced by perfecting protection and safety techniques. All applications of X-rays and radioactive isotopes used in medicine for diagnostic purposes and radiation therapy are for the benefit of mankind and can be controlled.

"Radioactive contamination of the environment resulting from explosions of nuclear weapons constitute a growing increment to world-wide radiation levels. This involves new and largely unknown hazards to present and future populations; these hazards, by their very nature, are beyond the control of the exposed persons.

"The Committee concludes that all steps designed to minimize irradiation of human populations will act to the benefit of human health. Such steps include the avoidance of unnecessary exposure resulting from medical, industrial, and other procedures for peaceful uses on the one hand, and the cessation of contamination of the environment by explosions of nuclear weapons on the other. The Committee is aware that considerations involving effective control of all these sources of radiation involve national and international decisions which lie outside the scope of its work.

"Certain general conclusions emerge clearly:

(*a*) Even the smallest amounts of radiation are liable to cause deleterious genetic, and perhaps also somatic, effects.

(*b*) Both natural radiation and radiation from fall-out involve the whole world population to a greater or lesser extent, whereas only a fraction of the population receive medical or occupational exposure. However, the irradiation of any groups of people, before and during the reproductive age, will contribute genetic effects to whole populations insofar as the gonads are exposed.

(*c*) Because of the delay with which the somatic effects of radiation may appear, and with which its genetic effects may be manifested, the full extent of the damage is not immediately apparent. It is therefore important to consider the speed with which levels of exposure could be altered by human action.

"It is clear that medical and occupational exposure, and the testing of nuclear weapons, can be influenced by human action; and that natural radiation and the fall-out of radioactive material already injected into the stratosphere, cannot."

The only point of disagreement in the 15-nation committee was whether or not to call for an "immediate cessation" of nuclear weapon tests, as proposed by the Soviet representative. This recommendation was opposed by the majority on the ground that it was beyond the jurisdiction of the committee and involved "national and international decisions which lie outside the scope of its work." The Soviet recommendation was supported only by Czechoslovakia and the United Arab Republic (Egypt), with Belgium and India abstaining. (New York Times - Manchester Guardian - Times - Daily Telegraph) **(Prev. rep. U.N. Committee, 14667 A; W.H.O. Report, 15588 A; B.M.A. and U.S. Reports, 15009 A.)**

A. SOUTH AFRICA. — Foreign Liabilities and Assets.

The results of a preliminary census of the Union's foreign liabilities and assets, made by the Reserve Bank of South Africa in 1957, were published on July 9, 1958.

Foreign Assets. These amounted to £405,000,000, consisting of (*a*) gold holdings—£79,400,000; (*b*) official sector assets (Government, Reserve Bank, and commercial banks)—£121,600,000; (*c*) private assets—£204,000,000, or 50.4 per cent of the total. Of the latter amount, £107,700,000 represented private sector investment (direct and indirect) in the Rhodesian Federation, whilst £55,000,000 of private money was invested in the United Kingdom.

Foreign Liabilities. These totalled £1,394,100,000 and included British holdings of South African investments at £864,000,000 (61.97 p.c. of the total); U.S. investments at £170,600,000 (12.24 p.c.); French investments at £73,700,000 (5.28 per cent); Swiss investments at £57,200,000 (4.10 p.c.); Rhodesian investments at £31,800,000 (2.28 p.c.); investments by other sterling area countries at £38,100,000 ((2.74 p.c.); and investments by other countries at £91,500,000 (6.56 p.c.). In addition there was a liability of £67,200,000 (4.83 p.c.) to the International Monetary Fund and the International Bank.

Of the total investments by foreign countries in the Union, £181,100,000 were official investments; £760,500,000 direct private investments; and £452,500,000 indirect private investments. An analysis of British investments in the Union showed that £68,100,000 were official investments, £522,700,000 direct private investments, and £273,200,000 indirect private investments; of the U.S. investments £10,900,000 were official, £125,400,000 direct private investments, and £34,300,000 indirect private investments.

All estimates referred to December 31, 1956.—(Cape Times)

A. UNITED STATES. — Failure of First Attempt to launch Moon Rocket.

The first attempt to launch a "lunar probe" rocket to the moon, made by the U.S. Air Force on Aug. 17 at Cape Canaveral, ended in failure when the rocket exploded at a height of 50,000 feet only 77 seconds after launching. The fragments fell into the Atlantic about ten miles off the Florida coast.

The "lunar probe" was a four-stage vehicle (known as *Thor-Able I*) standing 100 ft. high and consisting of the following parts:

(1) First (bottom) stage—a *Thor* intermediate-range ballistic missile standing 62 ft. high, weighing more than 50 tons, and generating a thrust of about 150,000 lb.

(2) Second stage—a 12 ft *Aerojet-General* rocket designed as the second stage of the U.S. Navy's *Vanguard*. It weighed over two tons and generated a thrust of about 7,500 lb.

(3) Third stage—a new solid-fuel rocket with a thrust of 2,500 lb.; it was also designed for the *Vanguard* and had never been tested previously.

(4) Fourth (top) stage—a solid propellant rocket, with a thrust of 3,000 lb., embedded upside-down in an instrument package. This unusual mounting was necessary because of the curved trajectory to the moon, and the need for the rocket to veer in a certain direction when fired.

The vehicle was thus designed to provide the necessary thrust to enable the small instrument package to escape from terrestrial gravity, send it on its 240,000-mile journey to the moon (which would have taken two to three days), and place it in a lunar orbit. Had the experiment succeeded, the first three stages would have been jettisoned one after the other and the fourth and final rocket would have been fired by remote control from Hawaii after it had entered the moon's orbital path. The vehicle as a whole was described by the *New York Times* as resembling "a cylindrical penknife with the chunky *Thor* first-stage the handle and the slim upper three stages the blade."

The instrument package was an apparatus 30 inches in diameter and shaped like a child's spinning-top. It contained (1) an electronic scanning device for taking close-up lunar photographs (including pictures of the far side of the moon, which is never seen from earth) and transmitting them by radio to receiving stations around the world; (2) a magnetometer to measure the magnetic field in space between the earth and the moon, and to ascertain whether the moon possesses a magnetic field; (3) a device for measuring the impact of micro-meteorites; (4) a thermometer to measure temperatures inside the instrument package; and (5) two power batteries. The total weight of the package was 85 lb., of which the instruments accounted for 40 lb.

The experiment involved a number of extremely complex problems relating to the power of the rockets, their trajectory, and the relative motions of the earth and the moon. As the *Thor-Able* vehicle had some 300,000 component parts, and as a fault in any of these parts could cause the rocket to go off course or destroy itself, the long "count down" began on the day before the actual launching, involving a check of all 300,000 components; nevertheless, any final rectifications before the actual launching would have had to be made in less than 20 minutes before firing-time, which was at 8.14 a.m. local time.

The *New York Times* gave the following description of how the fourth-stage rocket would have travelled to the moon if the experiment had succeeded:

"Just before the firing of the third stage, the third and fourth stages were set to be spun around their long axis. The idea was to keep the last stage stabilized in space. Thus the instrument package, when finally on its own, was to sideslip through space with the nose end of its spinal rocket pointed about 130 degrees counter-clockwise from the direction it would be travelling when crossing the moon's orbit. When the rocket was fired, it would exert thrust in direction 130 degrees from the line of travel. The result would be a compromise that would veer the rocket generally in the direction of the moon. But its final speed would be 1,000 miles an hour slower than the moon's 2,287 miles an hour. This would give the moon a chance to catch up and gradually pull back the package into an erratic orbit. . . Only by curving the trajectory from earth to moon was it feasible to manoeuvre the last rocket so that it could perform such spatial acrobatics."

The explosion occurred in the first stage of the rocket assembly (i.e. the *Thor* missile), which should have burned for 157 seconds before falling away; instead, it functioned for only half that period. The tiny radio transmitters in the instrument-container continued to send back information for two minutes after the explosion, indicating that there had been no fault in the guidance system. The U.S. Defence Department said that "the cause of the malfunction will not be known until telemetric data have been processed," adding that "the United States will schedule another space flight experiment at a later date."

Major-General Bernard A. Schriever (head of the Air Force ballistic missile programme) expressed the opinion that there had been a leak or rupture in the Rocketdyne engine of the *Thor*; he added, however, that it was not a "fundamental failure," that the rocket had functioned perfectly in all other respects, and that there would be another lunar probe test "on or about Sept. 14." General Schriever pointed out that the *Thor* missile had been successfully fired on six out of seven previous occasions.—(New York Times - N.Y. Herald Tribune)

(Prev. rep. Moon Rocket Project, 16157 A.)

B. AVIATION. — Dutch Airliner Disaster.

One of the worst disasters in the history of civil aviation occurred on Aug. 14 about 130 miles off the west coast of Ireland, when a Super-Constellation airliner of Royal Dutch Airlines (K.L.M.) crashed into the Atlantic with the loss of all 99 persons on board—the Dutch crew of eight, and 91 passengers of several nationalities (85 adults, five children, and three babies). The airliner—the *Hugo de Groot*—was on a flight from Schiphol (Amsterdam) to New York *via* Shannon Airport and Gander, Newfoundland.

Intensive searches were carried out over a wide area by vessels in the vicinity—including four French trawlers, the Canadian destroyer *Crusader*, and the Irish corvette *Macha*—and also by aircraft of the Irish Army and R.A.F. Coastal Command. Bodies, wreckage, and empty semi-inflated dinghies were found, but no survivors, and the search was called off after about 36 hours. Thirty-four bodies in all were recovered and landed at Galway, whilst parts of the airliner's wreckage were picked up and flown to Holland for detailed examination. Officials and doctors of the K.L.M. flew to Ireland to assist in the investigations and to draw up a report for submission to an official inquiry to be held in The Hague; a K.L.M. spokesman said that a "most microscopic" investigation would be carried out to ascertain the causes of the disaster, possibly involving the use of underwater television and deep trawls to recover the airliner's engines from the ocean bed.

An inquest on the 34 persons whose bodies were recovered was held in Galway on Aug. 18; the jury found that they had died from "multiple injuries due to a violent impact sustained in an aircraft over the Atlantic, there being no evidence to show the cause of the impact." Post-mortem examinations were carried out by Dr. J. D. Kennedy (Professor of Pathology at University College, Galway), who stated that the pattern of injury in the bodies of all the victims was essentially the same—the cause of death in every case being multiple injuries, fractures, and haemorrhages due to violent impact. He could find nothing to indicate that the injuries were caused by an explosion, nor was there any internal or external evidence of death being due to drowning; the evidence pointed to a pressurisation failure as the most likely cause of the disaster, though this could only be established after extensive and detailed investigation.

Of the 34 bodies recovered, 12 were identified and flown to their home countries for burial. The bodies of the 22 unidentified victims were buried on Aug. 19 in a common grave at St. Mary's Cemetery, Galway, after an inter-denominational funeral service.

The death-roll in the K.L.M. disaster has been exceeded on only two occasions in civil aviation history—on July 1, 1956, when 128 people lost their lives when two U.S. airliners collided over the Grand Canyon, Arizona (see 15031 C); and on June 18, 1953, when 129 U.S. Servicemen were killed in a *Globemaster* crash near Tokio (see 13137 C). The worst air crash in the British Isles was that of March 12, 1950, when 90 people were killed in the Glamorgan disaster—see 10604 B.

(Netherlands News Agency - Algemeen Handelsblad, Amsterdam - Irish Times, Dublin) **(Prev. rep. 16288 A.)**

C. LITERATURE. — Book Selections, July-August.

Selected books published in Great Britain, the United States and France are given below:

Great Britain. Baillie, Eileen—"The Shabby Paradise: The Autobiography of a Decade." Life in London's East End in the Early Nineteen-hundreds. (Hutchinson, 16s.)

Bassett, R.—"1931: Political Crisis." (Macmillan, 42s.)

Dumaine, Jacques—"Quai d'Orsay, 1945-51." Translated from the French and published posthumously. (Chapman & Hall, 30s.)

Kennan, George F.—"The Decision to Intervene." Soviet-American Relations, 1917-1920, Volume II. (Faber & Faber, 50s.)

McElwee, William—"The Wisest Fool in Christendom: The Reign of James I and VI." (Faber & Faber. 25s.)

Perowne, Stewart—"The Later Herods: The Political Background of the New Testament." (Hodder & Stoughton, 25s.)

Tremayne, Penelope—"Below the Tide: War and Peace in Cyprus." (Hutchinson, 16s.)

Vailland, Roger—"The Law." Prix Goncourt Novel, translated from the French (*La loi*). (Jonathan Cape, 15s.)

United States. Colum, Mary and Padraic—"Our Friend James Joyce." (Doubleday, New York, $4.00)

France. Chevallier, Gabriel—"Lyon 2000." The Story of a City. (Presses Universitaires de France, Paris)

(Ed. K.C.A.) **(Prev. rep. Book Selections, 16271 B.)**

D. IRAQ. — Return of Rashid Ali.

The Baghdad newspaper *Jumhuriyeh*, which is closely associated with the Republican Government, announced in August that Rashid Ali al-Gailani—Prime Minister during the anti-British revolt of 1941—was returning to Iraq after 17 years' exile in Saudi Arabia and latterly in Egypt. (Times)

(Prev. rep. Rashid Ali, 7700 A.)

A. CEYLON. — Communal Riots in Sinhalese and Tamil Areas. - Proclamation of State of Emergency. - Ban on Federal Party. - Exchange of Refugees between Colombo and Jaffna. - Relaxation of Emergency Regulations. - Adoption of Tamil Language (Special Provisions) Bill. - Release of Federal Party Leaders.

The most violent communal disturbances for over 40 years occurred throughout Ceylon during the last 10 days of May and at the beginning of June, and were not suppressed until the Government had proclaimed a state of emergency. The Prime Minister, Mr. Bandaranaike, stated on July 4 that 159 people had been killed between May 26 and June 26, including those killed by the armed forces and the police; unofficial estimates, however, ranged from 300 to 500.

The Prime Minister's statements on the riots, and foreign correspondents' despatches, suggested that the disturbances had been carefully planned beforehand by Sinhalese extremist organizations with considerable funds at their disposal. For some weeks before the riots a boycott campaign had been organized in Sinhalese areas against Tamil shopkeepers and small businessmen, many of whom were forced to close down, and threatening messages were sent to Tamils in Colombo and elsewhere by telephone, duplicated letters, or printed leaflets. The boycott was organized by a section of the Buddhist priesthood, which produced the most influential propagandists for Sinhalese communalism; they had been largely responsible for Mr. Bandaranaike's victory in the 1956 elections, and for his abandonment in April last of his agreement with the Federal Party on the linguistic question (see 16177 A).

The disorders began on May 22, when a Sinhalese mob stopped a train taking delegates to the Federal Party's annual convention at Vavuniya (160 miles N. of Colombo), murdered four of them, and assaulted and robbed the rest. Another train carrying delegates was derailed on the following day outside Batticaloa (Eastern Province) as a result of sabotage, two policemen and a railway worker being killed and 15 passengers seriously injured. The Tamils retaliated by assaulting Sinhalese motorists passing through their areas.

During the next few days riots broke out in many parts of the North-Central and Eastern Provinces, and on May 25 the police admitted that in some places the situation was "completely out of hand." Bands of Sinhalese colonists from irrigation and land development schemes, armed with guns and swords, attacked Tamil villages and set fire to houses; a crowd of about 1,000 strong was turned back by the police on May 26 when marching on Batticaloa, and in the same area police and Army patrols were ambushed on several occasions. Some of the worst excesses occurred in and around the Buddhist holy city of Polonnaruwa (North-Central Province), where houses were burnt down and seven Tamils killed when they jumped down a well to escape from the rioters. By May 27 the riots had spread to all parts of the island; at this stage they were of such violence that in many places Tamils were indiscriminately murdered in the streets by hooligan elements.

In Colombo the rioting began on May 26, when 44 cases of arson were reported, and continued for three days. Tamils were beaten, robbed, and sometimes stripped naked in the streets, while Tamil-owned shops and houses were looted and set on fire. The evidence of planned organization of the riots was particularly strong in Colombo; the rioting in each area was carried on by hooligans from other parts of the city, who were carried to and from the scene in lorries and private cars, and Tamil-owned buildings had been carefully marked beforehand for destruction. The Army and police, which had received strict instructions not to fire on the rioters, were powerless to restore order.

After deputations of leading citizens and foreign embassies had appealed to the Government to take action, and the Opposition *Nava Lanka Sama Samaja* party (N.L.S.S.P.) had threatened to call on the people to defend themselves, the Government declared a state of emergency throughout Ceylon on May 27 and called on the armed forces to maintain law and order. A curfew from 6 p.m. to 6 a.m. was introduced; meetings and processions were banned; officers of the police and the armed forces were empowered to search houses, seize goods, and arrest people without warrant; and a strict censorship was imposed on the Press, which was forbidden to publish any information on the emergency other than that released by the Government. The Federal Party, whose convention at Vavunya had decided on May 25 to launch a civil disobedience campaign from Aug. 20 as a protest against the abrogation of the language agreement, was declared illegal, and the *Jatika Vimukti Peramuna* (National Liberation Front), a Sinhalese communal organization, was likewise prohibited.

Security forces on the same day opened fire on unruly mobs in the Southern, Western, Central, and North-Western Provinces. In Colombo, Army and Navy patrols fired three times on May 28 to disperse disorderly crowds, and shot dead three men caught in the act of looting or arson. Known criminals were arrested under the emergency regulations, and warning was given that arson, looting, unlawful assembly, and sabotage of essential services would be punishable by the death penalty.

As a result of these measures, order was re-established throughout the island by June 1, except in the Batticaloa district and in the Jaffna Peninsula (a predominantly Tamil district in the extreme north of Ceylon), where disturbances continued for some days longer. Several attacks were made on Government property; the living quarters at Jaffna airport were burnt down during the night of May 29-30, and on the following night every Customs post in the Kayts area was raided and weapons and ammunition stolen. All residents of the Batticaloa district possessing firearms were ordered on May 29 to surrender them to the police, a similar order being issued in the Jaffna Peninsula on June 2. In view of the dangerous situation in these areas, all inland commercial flights were suspended on June 6, and the aircraft which thereby became available were used to take troops to Jaffna and Batticaloa. Parts of the Regular and Volunteer Reserves of the Army (about 400 officers and men) were called up for active service on June 9, and on the same day Mr. Bandaranaike ordered the early formation of two battalions of volunteers from amongst ex-servicemen, consisting of 800 officers and men.

At an emergency session of the House of Representatives on June 4, **Mr. Bandaranaike** said that the Federal Party's campaign against the use of the "Sri" symbol on buses had given Sinhalese extremists an opportunity to start a counter-campaign, and that the latter movement "disclosed a certain organization and pattern which certainly leads to the conclusion that it was not merely a spontaneous outburst of resentment." Both these campaigns, however, had been dying down when certain incidents (e.g. the murder of a Sinhalese in the Batticaloa area on May 15), together with the unfortunate coincidence that the Federal Party convention had been fixed for May 23-25, had caused the situation to take a turn for the worse. After reviewing the course of the riots, Mr. Bandaranaike said that in parts of the Northern and Eastern Provinces there appeared to be "a movement against the State and against the Government." Police and troops had been fired on; Government buildings had been destroyed or damaged; and telephone and telegraph lines had been repeatedly cut, with the result that the Government had had difficulty in communicating with those areas. "Indeed," the Prime Minister added, "a situation had arisen which presumably may have been inherent in the policies and programmes of certain persons to bring the Government completely to a standstill."

Under the emergency regulations 58 members of the Federal Party were placed under house detention between June 5-9, including the eight Federal M.P.s and a Senator; only one Sinhalese was detained—Mr. K. M. P. Rajaratna, leader of the *Jatika Vimukti Peramuna*. [Mr. Rajaratna was elected to the House of Representatives as a Government supporter in 1956; he became Junior Minister of Posts, but resigned a few months later and was subsequently unseated on technical grounds. His wife was elected to represent his former constituency in September 1957—see 16177 A.]

A serious problem was created by the thousands of members of minority communities who took refuge in police stations and other Government buildings. Five British ships and a French ship were requisitioned by the Government on June 2 to take 9,426 Tamil refugees from Colombo to Jaffna; the operation—directed by the Ceylon Navy—was carried out in two stages during the nights of June 2-3 and 5-6, under conditions of complete secrecy. About 2,100 Sinhalese refugees were similarly transferred by sea from Jaffna to Colombo on June 3 in a requisitioned Japanese ship.

An organized campaign of threats against all minority communities, similar to that against the Tamils which had preceded the riots, was launched during June. Leaflets and anonymous letters were sent to British and other European residents, and also to native Christians, Moslems, and Hindus, warning them that "Ceylon is only for the Buddhists" and that if they did not leave the country by Dec 31 they would be "liquidated just as the Tamils were." In a broadcast on June 18 Mr. Bandaranaike referred to this campaign and to threatening letters which had been sent to Sinhalese residents at Trincomalee, and declared that the Government would deal "most drastically with all those responsible."

As confidence was re-established during June and July the emergency regulations were progressively relaxed.

Normal train services and long-distance bus services were gradually restored from June 9, and schools in many provinces were reopened on June 11. Two days later Mr. Bandaranaike directed that "Peace

Committees" should function as advisory and consultative bodies to co-operate with the authorities in maintaining peace, to associate the population as a whole with the Government's activities and the maintenance of law and order, and to "mobilize" all the forces of "sanity and stability" in their areas. The Peace Committees would consist of the existing District Co-ordinating Committees, chairmen of urban councils and village committees, local M.P.s and Senators, and co-opted members.

The curfew, the length of which had been gradually reduced, was finally lifted on July 12. The Government withdrew on July 5 the power of search, seizure, and arrest without warrant conferred on police and service officers under the emergency regulations, but restored it on the following day, no explanation being given. An official spokesman said that persons with bad police records arrested as a preventive measure during the emergency would be released, with the exception of known "rabble-rousers" and those previously convicted of grave crimes.

Censorship regulations were tightened on June 18, however, to forbid the Press to publish any information about Cabinet business without permission.

The Commonwealth Press Union, in a telegram to Mr. Bandaranaike, strongly protested on June 24 against the stringency of the censorship, which, it said, prevented the objective reporting of the situation; it commented that such "Draconian measures" were almost without precedent in Commonwealth countries in time of peace, and asked that the censorship imposed on Press messages leaving the country and reports from abroad relating to Ceylon should be lifted. Following this protest, the censorship was relaxed. As from June 26 the Press, which had been excluded from Parliament since the proclamation of the state of emergency, was permitted to report parliamentary proceedings subject to the right of the authorities to forbid publication of matter relating to the emergency, whilst editorial comment and articles on the internal situation were permitted from June 30. During the next few days the Senate and the House of Representatives set up censorship committees for the release of press reports of their proceedings.

The Governor-General (Sir Oliver Goonetilleke), in the Speech from the Throne to a joint session of Parliament, said on June 24 that the Government would "take the measures required to restore peace, goodwill, and confidence among the various sections of the people" and would "introduce early legislation for a reasonable use of the Tamil language." The speech was delivered first in Sinhalese and then in English, a Tamil translation being circulated to the members with the other two versions.

During the debate the N.L.S.S.P. moved an amendment regretting that the Speech from the Throne offered no hope of an early end to the emergency, and accusing the Government of being responsible for the situation through its "communalist policy." Another amendment calling for the formation of a Tamil State as a separate Dominion within the British Commonwealth was moved by Mr. Suntharalingam (Tamil Resistance Front) but was ruled out of order.

In moving the Opposition amendment on July 1, **Mr. Soysa** (N.L.S.S.P.) said that they were "living in conditions where rule by order and regulation has well-nigh nullified the rule of Parliament and a state of military rule prevails." **Mr. Suntharalingam** asserted that "the *de facto* separation of Ceylon has now taken place and should be given *de jure* recognition," adding that partition was the only logical, historical, cultural, and economic way out of the problem of Tamil-Sinhalese conflict. **Mr. Kandiah** (Communist) accused the Government of violating the freedom of M.P s and the sovereignty of the Legislature by preventing the Federal Party members from attending Parliament; he alleged that the Prime Minister had made the Tamils—the injured people—feel that they were the guilty party.

Mrs. Rajaratna, on the other hand, denounced the Government's proposed Bill for the "reasonable use" of Tamil. If correspondence with the Government in Tamil were allowed, she asserted, Tamil would automatically become the national language, whilst if Government examinations were conducted in Tamil, Tamils would swamp the Government service. **Mr. de Zoysa** (Parliamentary Secretary, Minister of Labour, Housing, and Social Services) maintained that Tamils held a disproportionate number of posts in the public service, and that "undue emphasis" had been placed on the allocation of money to Tamil areas for social services, at the expense of Sinhalese areas. **Mr. Tennekoon** (People's United Front) declared that the only way to achieve national unity was to accept one language as the official language of the country; that language could only be Sinhalese, which was the language of the majority. The debate gave rise to angry scenes at one stage when, in reply to an appeal by **Mr. Kotelawala** (N.L.S.S.P.) for parity between Sinhalese and Tamil, **Mr. Gunawardena** (Minister of Agriculture and Food) interjected: "Parity will never come in this country."

Replying to the debate on July 4, **Mr. Bandaranaike** said that the emergency powers could now be eased, but not completely lifted. "Should I remove the emergency today and release the Federal Party leaders," he continued, "there might still be another holocaust in this country by their starting *satyagraha*. There shall not be an opportunity for any *satyagraha* in this country, with all its implications. Nor, indeed, is there going to be a place for extremism for the other section" (i.e. the Sinhalese).

The Tamil Language (Special Provisions) Bill.

Mr. Bandaranaike introduced this Bill in the House of Representatives on July 17, after he had submitted it to a conference of Buddhist priests for approval. Its provisions were as follows:

(1) Tamil pupils in Government or assisted (*Swabasha*) schools would be entitled to receive instruction through the medium of the Tamil language.

(2) When Sinhalese had been made a medium of instruction in the University of Ceylon, the Tamil language would also become a medium of instruction for those students who, prior to their admission to the University, had been educated in Tamil.

(3) Persons educated in Tamil would be entitled to be examined in that language for admission to the Public Service, subject, however, to the condition that according to regulations to be made they should either have a sufficient knowledge of Sinhalese or acquire such knowledge within a specified time after admission to the Public Service. The latter concession (i.e. admission to the Public Service subject to the acquisition of a knowledge of Sinhalese within a specified period thereafter) would nevertheless come to an end once the Government was satisfied (i) that there were sufficient facilities for the teaching of Sinhalese in those schools in which Tamil was a medium of instruction; and (ii) that the abolition of the above-mentioned concession would not cause undue hardship.

(4) Correspondence between persons educated in Tamil and any official, or between any local authority in the Northern or Eastern Provinces (i.e. the predominantly Tamil-speaking areas) and any official, might be conducted in the Tamil language.

(5) In the Northern and Eastern Provinces, Tamil might also be used for prescribed administrative purposes without prejudice to the use of Sinhalese for such purposes.

Before the Bill came up for its second reading, it became known on Aug. 1 that Mr. Bandaranaike had rejected a request by Dr. Perera (the Leader of the Opposition) that all M.P.s then under house arrest under the emergency regulations—i.e. the eight members of the Federal Party and Mr. Rajaratna—should be released immediately. Mr. Bandaranaike had, however, offered to allow the Federal Party M.P.s to attend the debate under police escort, but had been informed by Mr. Chelvanayakam (the Federal Party leader) that they could not accept this suggestion, which they regarded as an affront to the dignity of the House.

When the second reading debate was due to start on Aug. 5, almost all the remaining members of the Opposition left the Chamber after explaining their objections to the debate.

Dr. Perera, speaking on behalf of the N.L.S.S.P., maintained that the Bill did not give the Tamil language a proper official status, and that until this was done the unity of the people of Ceylon could not be achieved. Furthermore, he objected to the debate taking place while the state of emergency was still in force, declaring that under these conditions both the Sinhalese and Tamil masses had been deprived of the democratic right to discuss the Bill freely. He also objected to the debate because of the continued detention of the Federal Party M.P.s and their inability to take part in the parliamentary proceedings.

Similar statements were made on behalf of the United National Party, the Tamil Congress and the Communist Party. When the debate began, only two members of the Opposition remained in the Chamber—Mr. S. D. Bandaranaike, who had recently been expelled from the Prime Minister's *Sri Lanka* Freedom Party, and Mrs. Rajaratna, the wife of Mr. K. M. P. Rajaratna.

Mr. Bandaranaike, who moved the Bill's second reading, stressed that the language question could be solved neither by Sinhalese extremism nor Tamil extremism. They had to find "some middle way where the Sinhalese interests are reasonably and fairly safeguarded and where justice is also done to the Tamil section of our fellow-citizens." After denouncing both those Sinhalese who demanded "that only Sinhalese should have the right to live in the country" and those Tamil extremists who wanted "a Tamil empire embracing Tamils in South India, East Africa, and Malaya," Mr. Bandaranaike declared: "We have differences . . . of race, religion, language, and customs. But above those we have one common factor—that we are all human beings faced with common problems." In this situation the only reasonable solution was that while Sinhalese, spoken by 70 per cent of the citizens, should be made a link between the various communities—just as English had been previously—the religious, linguistic and other requirements of their other fellow-citizens must be recognized, so that all sections of the people could live "as friends and brothers and not as slaves or inferiors."

The Prime Minister castigated the Opposition parties for their decision not to take part in the debate and for leaving the Chamber "without having the courage to express their views on this Bill"; in particular he derided the Communists, "who have now begun to talk of democracy." As regards the Federal Party M.P.s, he disclosed that he had offered them his own car to take them to Parliament for the debate, but they had refused. He defended the Government's decision not to release them from house detention at the present stage, alleging that there was a danger of their starting a *satyagraha* or civil disobedience movement in the North.

Refuting the argument that Parliament should not deal with the Bill as long as there was a state of emergency, Mr. Bandaranaike said that "everybody has considered and discussed the language issue threadbare during the last two years" and that Opposition members "know exactly where they stand." The Government was "not going to be bluffed" by such arguments and felt that it was its duty to carry on with the Bill, which had already been postponed too long and should have been introduced simultaneously with the Official Language Bill—an omission which he now regretted.

Dealing with the provisions of the Bill, Mr. Bandaranaike emphasized that the only meaning of an "official language" was that that language was "recognized for necessary official acts"—i.e. in due course official records and similar documents would be kept in the official language and documents recognized by a court would also have to be in that language, though there might be a translation for purposes of convenience. As regards the regulations to be made under the Bill concerning correspondence, he pointed out that under the Official Language Act the *status quo* would be preserved until Dec. 31, 1960; after that date any Tamil would have the right to correspond in the Tamil language, although the position of Sinhalese as the official language would be preserved. Thus a Tamil could be sent a reply in Sinhalese, but for his convenience a Tamil translation or a Tamil version of the substance of the reply would be attached. With regard to the use of Tamil for certain administrative purposes in the Northern and Eastern Provinces, Mr. Bandaranaike defended this concession on the ground that there were a very large number of Tamil citizens living in those areas.

In the ensuing debate the Bill was supported by all M.P.s representing the Moslems and other minorities. **Mr. C. R. Beligammana** (Parliamentary Secretary to the Minister of Local Government and Cultural Affairs) announced, however, that he would defy the party Whip and vote against the Bill, having been instructed to do so by the *Sri Lanka* Freedom Party branch in his constituency.

The Bill was finally passed later the same day by 46 votes to three (Mr. S. D. Bandaranaike, Mrs. Rajaratna, and Mr. Beligammana). On the following day Mr. Beligammana was expelled from the *Sri Lanka* Freedom Parliamentary Party for voting against the Government.

The state of emergency, which had been extended for one month from June 27, was extended for further monthly periods from July 27 and Aug. 27 "in the interests of public security and the preservation of public order, and for the maintenance of supplies and services essential to the life of the community." Mr. Bandaranaike announced on July 31 that 6,302 people had been arrested for offences under the emergency regulations; that cases had been filed against 3,630; and that the total number of persons detained for security reasons since the state of emergency had been 2,254, of whom 524 were still under detention.

On the instructions of Mr. Bandaranaike, the 58 Federal Party leaders who had been under house detention since the beginning of June were released on Sept. 5. Mr. Rajaratna, the leader of the *Jatika Vimukti Peramuna*, was also released from house detention at the same time.—(Ceylon Government Information Department, Colombo - Times - Daily Telegraph - Manchester Guardian - The Hindu, Madras) **(16177 A.)**

A. AUSTRALIA - MALAYA. — Trade Agreement.

A trade agreement between Australia and the Federation of Malaya—the first such treaty made by Malaya as an independent country—was signed in Kuala Lumpur on Aug. 26.

According to a joint statement issued by the two Governments, Australia agreed to abolish with immediate effect the import duty on Malayan rubber (subject only to the satisfactory disposal of rubber grown in Papua and Australian New Guinea); not to treat synthetic rubber more favourably in tariffs than natural rubber; to continue to allow Malayan tin imports to enter free of duty; and not to reduce her present preference margin for Malayan timber, which is one of the principal Malayan exports to Australia.

In return, Malaya agreed to import at least 80,000 tons of Australian flour annually; to investigate why less Australian flour was being bought at present in the Federation; and, if necessary, to act "to protect Australia against unfair trading practices of European and other flour exporters." Malaya also undertook to admit Australian wheat and tallow free of duty; to cut the duty on Australian cheese; and to maintain existing preferences on Australian processed milk, butter, canned fruits, undressed leather, and accumulator parts.

The joint statement expressed the belief of both countries in fair trading, and their determination to try to restore stability in prices of primary products.

The Australian Trade Minister (Mr. McEwen), stated that the two countries had sought no special trading rights from each other, and that the guiding principle in the new agreement had been the protection of a trading partner from unfair practices such as subsidized exports. In this spirit Australia had declined an offer of cheap Russian tin, and had warned Australian tin consumers not to buy it.

(Australian News and Information Bureau - Times)

B. INDONESIA. — Cabinet Reorganization. - Sentences for Attempted Assassination of President Sukarno. - Scheme for Allocation of Export Proceeds.

President Sukarno announced a reshuffle of the Indonesian Cabinet on June 25, involving the following changes: (*a*) Mr. R. Muljomiseno became Minister of Trade *vice* Mr. Sunardjo, who left the Cabinet; (*b*) Colonel Suprajogi became Minister of State for Economic Stabilization, a new post; (*c*) Mr. Wahib Wahab was appointed Minister of State for Civil and Military Co-operation, also a new post; (*d*) Professor Mohammad Yamin became Minister of State without portfolio; (*e*) the Ministries of Manpower Mobilization and Inter-regional Affairs were dissolved. Mr. A. M. Hanafi (who hitherto held the Manpower Mobilization portfolio) became a Minister of State, while Dr. Ferdinand Tobing (the former Minister of Inter-regional Affairs) became Minister of State for inter-island migration.

Mr. Rachmat Muljomiseno, a banker, and Mr. Wahab are both members of the *Nahdlatul-'Ulama*; Colonel Suprajogi had been Acting Commander in West Java and is closely associated with General Nasution, the Army Chief of Staff; and Professor Yamin, Minister of Justice and of Education in former Cabinets, is a leading protagonist of the Indonesian territorial claim to Dutch New Guinea.

Dr. Djuanda (the Prime Minister) stated on the same day that there would be no change in policy and that the Government would "remain faithful to our independent and active foreign policy." In internal matters it would concentrate on economic stabilization and increased production, and would follow the decisions of the national conferences of 1957 concerning the granting of an extensive autonomy to the provinces and a "just and rational" division of export revenues between the provinces and the Central Government.

The Minister of Finance (Dr. Slamet) announced on July 28 a scheme for the allocation of export proceeds to the exporting regions. Under this scheme (retrospective from July 1) 10 per cent of the foreign exchange proceeds of its exports would go to the region concerned and another 10 per cent to the Central Government, whereas in the past the whole 20 per cent was taken up by the Government. In addition, exporting regions would receive 30 per cent of all foreign currency generally received through exports, for the implementation of their development projects. Non-exporting regions would receive direct aid from the Government.

The trial opened before a military court in Jakarta on April 28 of three young men (Jusuf Ismail, Saadon bin Mohammed, and Tasrif bin Hussein) charged with the attempted assassination of President Sukarno on Nov. 30, 1957; with causing the deaths of a number of people, including children; and with participation in a conspiracy to overthrow the Government and change the régime by unconstitutional means. A fourth defendant (Tasim bin Abubakar) was indicted for possessing firearms without a licence, and for having been a member of an organization engaged in criminal activities. All four accused pleaded guilty, the first three being sentenced to death on Aug. 13 and the fourth to 20 years' imprisonment. Another 71 persons, including some Army officers, are in custody on charges of being involved in the assassination plot, but have not yet been brought to trial.—(Indonesian Embassy Press Department, London) **(Prev. rep. Cabinet, 15514 A; Assassination Attempt, 15903 E; Division of Export Proceeds, 15421 A.)**

C. WHALING. — International Whaling Commission. - Restriction of Whale Catches.

The tenth annual meeting of the International Whaling Commission took place at The Hague on June 24-28 under the chairmanship of Dr. S. J. Lienesch (Netherlands).

In view of the concern expressed by the Commission's Scientific Sub-Committee regarding the state of whale stocks, the Commission decided to recommend to member-countries (1) that the catch limit for the 1958-59 season should remain at the equivalent of 14,500 blue whales [one blue whale is considered the equivalent of two fin whales or 2½ humpback whales]; (2) that the former whale sanctuary in the Antarctic should be re-established as from the 1959-60 season, subject to a further review in June 1959; (3) that there should be no change in the opening date of the Antarctic whaling season. It was also resolved to continue for further periods of five years (*a*) the existing prohibition of the killing of blue whales in the Northern Hemisphere, due to expire in 1960; (*b*) the agreement for the protection of humpback whales in the North Atlantic and in one sector of the Antarctic, due to expire in 1959.

The meeting was attended by representatives of Australia, Canada, Denmark, France, Great Britain, Iceland, Japan, Netherlands, New Zealand, Norway, South Africa, Sweden, the U.S.S.R., and the U.S.A., and by observers from Italy and Portugal.—(Lloyd's List and Shipping Gazette)

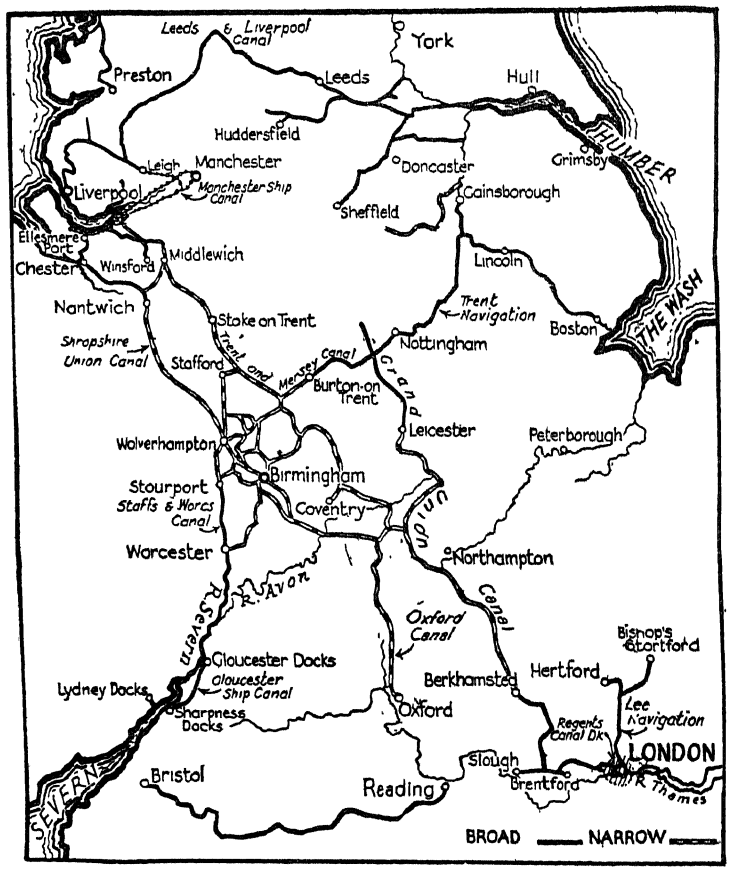
(Prev. rep. 15722 B.)

A. UNITED KINGDOM. — Report of Committee of Inquiry into Inland Waterways. - Recommendations on Future of Canals.

The Committee of Inquiry into Inland Waterways, appointed in February 1956 (see 14725 A), published its report on July 28, 1958, as summarized below.

Proposals for Class A and Class B Waterways.

The committee recommended that about 1,315 miles of waterways in England, now vested in the British Transport Commission, should be made into "an integrated and efficient transport system" and be grouped into two classes—"A" and "B," of about 380 and 935 miles respectively. It stated that Class A waterways, which had benefited under the B.T.C.'s £5,500,000 improvement programme, at present earned an operating surplus of about £300,000 a year and would probably continue to show a profit. Waterways in Class B—mainly "narrow" canals with many locks and often with circuitous routes—operated at an annual loss of about the same figure, but provided important navigational links and had other economic uses.



The map shows the principal canals of England. (*Financial Times*)

The Committee stressed that waterways in Class A should no longer be expected to subsidize the remainder, and that operating surpluses should be devoted to their maintenance and improvement. It felt, however, that doubt and insecurity about the future of Class B waterways should be removed by a commitment to maintain the navigable system to a prescribed standard for at least 25 years.

The report listed Class A and Class B waterways as follows:

Class A. Aire and Calder Navigation; Fossdyke Canal; Gloucester and Sharpness Canal and the River Severn (including Sharpness Docks), Grand Union Canal (Regent's Canal Dock and Brentford to Berkhamsted); Kennet and Avon (Avon section); River Lee below Enfield Lock; Sheffield and South Yorkshire Navigation; River Trent; River Weaver (including Weston Point Dock); and River Witham.

Class B. Ashby Canal (used section); Birmingham Canal Navigations; Calder and Hebble Navigation; Coventry Canal; Grand Union Canal above Berkhamsted, Kensington Canal; River Lee (above Enfield Lock) and River Stort; Leeds and Liverpool Canal; Oxford Canal (northern and southern sections); St. Helens Canal; Shropshire Union Canal (main line); Stourbridge and Stourbridge Extension Canals; Stratford-on-Avon Canal (northern section); Trent and Mersey Canal; and Worcester and Birmingham Canal.

Class B Waterways.

The committee felt that the main economic obstacle to the commercial use of Class B waterways was the number of "deterrents to enterprise" which they presented to potential users. It recommended:

(1) Their restoration within five years to widths and depths which would allow the largest craft built for use on them to navigate safely with full payloads (cost estimated as "at least £3,500,000").

(2) Abolition of the existing system of tolls levied on the amount of goods carried, and the substitution of an annual licence fee per vessel amounting to £1 per ton capacity (equivalent to about £25 a year for a "narrow boat") and covering all craft carrying up to 60 tons. Licensed vessels should be entitled to carry goods on any Class B waterway without further charge.

As regards finance, the committee recommended that funds for the restoration work and to meet the expected annual deficit on Class B waterways should be provided by direct Exchequer payments.

Waterways outside Classes A and B.

It was recommended that individual redevelopment schemes should be prepared for each waterway and that, although every length of waterway should be considered as a whole, this should not prevent the application of different treatments to different sections e.g. one section might be eliminated, another transferred to some body willing to take it over, and a third retained. The report stressed that those waterways were "not necessarily doomed" since they might be of use for other purposes than navigation (e.g. for drainage). An impartial tribunal on the lines of the War Works Commission should be set up to deal with cases in which the proposed treatment was disputed.

Proposals for Individual Waterways.

The committee recommended consideration of the following proposals:

(*a*) Improvement of the Grand Union Canal to allow 90-ton craft to load or unload in the Port of London and carry cargo without trans-shipment between London and Birmingham.

(*b*) The building of a new waterway usable by large craft to link the Mersey with Wolverhampton, *via* the Weaver.

The committee also reviewed the case of the Kennet and Avon Canal but found no justification for restoring the Bath-Reading section for through navigation; it recommended, however, that due weight should be given to its amenity and recreational values.

Recreational Uses of Inland Waterways.

The committee considered that more use should be made of waterways by anglers and by pleasure boats (which at present provided a revenue in fees and dues of about £28,000 a year), provided that such uses were not allowed to interfere with navigational needs. It suggested that a system of registering and licensing pleasure craft should be introduced.

Administration.

The committee was divided on the question of the administration of the proposed new waterways system. The chairman and three other members recommended that all nationalized waterways should continue to be vested in and administered by the British Transport Commission, which, however, should delegate substantial powers to a separate body, including three members of the Commission and four drawn from general industry. The other four members of the committee, however, recommended the setting-up of an independent Inland Waterways Corporation consisting of nine Government-appointed directors, including three part-time members chosen for their experience in local government, water supply, land drainage, etc.

The committee did not consider that any inland waterways at present outside B.T.C. jurisdiction should be nationalized, but recommended that the B.T.C. should have power to acquire any independent waterway if it was expedient to incorporate it in the national system. It was also recommended that the mass of special Acts under which the nationalized canals were at present administered should be swept away and replaced by a modern code of rights and duties.

With regard to waterways in Scotland, the committee recommended (i) that the Caledonian and Crinan canals should continue as navigational waterways; (ii) that the Crinan Canal should be improved, both working deficits and improvement costs being borne by the State; (iii) that the future of the Edinburgh and Glasgow Union, Forth and Clyde, and Monkland canals should be reviewed and development schemes prepared for them.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 14725 A.)**

B. CANADA - BURMA. — Diplomatic Relations.

The Canadian Secretary of State for External Affairs (Dr. Smith) announced on Aug. 8 that the Governments of Canada and Burma had agreed to enter into diplomatic relations at embassy level. The Canadian High Commissioner in the Malayan Federation (Mr. A. R. Menzies) had accordingly been appointed concurrently as Ambassador to Burma, while the Burmese Ambassador in Washington (Thado Maha Thray Sithu U Win) had been concurrently appointed Ambassador to Canada.—(Department of External Affairs, Ottawa)

SEPTEMBER 6—13, 1958

A. LATIN AMERICA - UNITED STATES. — Vice-President Nixon's Goodwill Tour of Latin America. - Hostile Demonstrations in Peru and Venezuela. - Brazilian Proposals for Strengthening of Inter-American Relations and Economic Development of Latin America. - Correspondence between Brazilian and U.S. Presidents. - Dr. Milton Eisenhower's Visit to Central America.

Vice-President Richard M. Nixon, accompanied by Mrs. Nixon, paid a goodwill visit to eight Latin American countries —Uruguay, Argentina, Paraguay, Bolivia, Peru, Ecuador, Colombia, and Venezuela, in that order—between April 28 and May 14. In the course of his tour he had discussions with the Presidents and leading Ministers of the countries visited, the talks dealing with inter-American relations in general and the problems of the various countries in particular, with special reference to U.S. policy *vis à-vis* Latin America.

In two of the countries visited—Peru and Venezuela—Mr. Nixon had an extremely hostile reception from large crowds which staged violent anti-American demonstrations and subjected him to personal abuse and attempted personal assault. The demonstrations were for the most part organized and led by Communist or pro-Communist elements, and consisted predominantly of students and young people.

Mr. Nixon had a cordial reception in Uruguay, Argentina (where he attended President Frondizi's inauguration), Paraguay, Bolivia, Ecuador, and Colombia, though sporadic anti-American demonstrations were staged in Montevideo and Bogotá by a few hundred persons, mostly youths. On his arrival in Lima on May 7, however, over 1,000 Communist-led demonstrators assembled in the main square of the Peruvian capital chanting anti-American slogans and carrying placards denouncing Mr. Nixon, the United States, and "Yankee imperialism." On the following day Mr. Nixon had to abandon a projected visit to San Marcos University (Lima) when he and his entourage were surrounded at the entrance to the building by a crowd of 2,000 jeering students and adults; the Vice-President and those with him were showered with bottles, eggs, oranges, and stones and subjected to abuse—Mr. Nixon himself being spat upon and his neck grazed by a stone flung at him. Many of the demonstrators carried placards bearing the words "Nixon Go Home" and "Nixon is a viper." Earlier in the day Communist demonstrators had desecrated an American flag forming part of a wreath laid by Mr. Nixon at the monument of José San Martin, one of the heroes of the Spanish American war of independence.

Still more violent scenes occurred in Caracas on May 13, when Vice-President Nixon arrived in the Venezuelan capital on the last stage of his Latin American tour. The motor cavalcade in which he and Mrs. Nixon were travelling from the airport in separate cars was attacked on the outskirts of the city by a mob armed with clubs and stones; before the rioters were dispersed by tear-gas they had broken through the motor-cycle escort, flung stones and rotten vegetables at the cars containing Mr. and Mrs. Nixon, smashed the windows of both vehicles, ripped U.S. flags from them, and spat on the Vice-President and his wife. Both Mr. and Mrs. Nixon were covered with broken glass but escaped injury.

Mr. Nixon's first engagement was to have been a visit to the National Pantheon to lay a wreath on the tomb of Simon Bolivar; as a violently hostile crowd—estimated at 30,000, and described by the *New York Times* correspondent as "in lynching mood"—was gathered outside the building, Mr. Nixon drove instead to the U.S. Embassy and announced his intention of remaining there until the Venezuelan Government could guarantee the personal safety of Mrs. Nixon and himself. Meanwhile, the mob tried to attack the U.S. military and naval attachés, who were both at the National Pantheon in anticipation of Mr. Nixon's arrival; the two officers were escorted to safety by steel-helmeted Venezuelan infantry with fixed bayonets.

Before leaving Caracas, Vice-President Nixon held a press conference at the U.S Embassy at which he said: "It is not easy to endure the kind of activity we went through today. It certainly is not pleasant to be covered from head to foot with spit and to have a man spit directly in the face of my wife. We have a situation where the Communists were able to gain great support from students in this country because of what has happened here over the last ten years. What we are seeing is a terrible legacy of the dictatorship of Pérez Jimenez." Mr. Nixon expressed the opinion that much of the hostility he had encountered was caused by the fact that the former Venezuelan dictator and his police chief (Pedro Estrada) were living in the United States.

The discourtesy, hooliganism, and mob violence to which Mr. Nixon had been subjected on his visits to Peru and Venezuela were strongly denounced by political leaders in both countries, and by the entire Peruvian and Venezuelan press; in both countries it was emphasized that the riots had been directed by Communist and anti-national elements and were deplored by all decent citizens. The Peruvian Embassy in Washington expressed its "profound regret" at the "deplorable" incidents in Lima, while the Venezuelan Government tendered an apology for the indignities and danger to which Mr. Nixon had been subjected in Caracas.

After the incidents in Lima, President Eisenhower sent a personal telephone message to Mr. Nixon paying tribute to his "courage, patience, and calmness" in the face of "radical agitators," and expressing his conviction that the vast majority of Peruvian citizens deplored the incidents. On May 13, after the hooliganism in Caracas, President Eisenhower ordered four companies of marines and paratroops to Caribbean bases as a precautionary measure; the President's Press Secretary (Mr. Hagerty) said that Mr. Eisenhower was greatly concerned at the assaults on Mr. Nixon, while the Defence Department stated that troops had been flown to Puerto Rico and Guantanamo (Cuba) so that they could "be in a position to co-operate with the Venezuelan Government if assistance is requested." A sharply-worded Note was sent to Caracas reminding the Venezuelan Government that it was expected to guarantee Vice-President Nixon's personal safety.

Mr. and Mrs. Nixon received an enthusiastic welcome from great crowds on their return to Washington on May 15; they were greeted at the airport by President Eisenhower, all members of the Administration, Congressional leaders, and the entire corps of Latin American ambassadors. High tributes were paid to the dignity and personal courage displayed by Mr. Nixon during his visits to Peru and Venezuela.

The U.S. Senate Foreign Relations Committee decided on May 16 to launch an investigation into the background of the wave of anti-Americanism displayed in certain Latin American countries during Mr. Nixon's tour. The committee's chairman (Senator Theodore Green) stated that testimony would be taken from officials of the State Department and the Central Intelligence Agency, after which the committee would "decide on a course of action to be taken with respect to further studies of U.S. policy in relation to Latin America."

President Kubitschek's Proposals for Strengthening of Inter-American Relations. - Correspondence with President Eisenhower. - Mr. Dulles's Visit to Rio de Janeiro.

The President of Brazil, Senhor Juscelino Kubitschek, sent a letter to President Eisenhower on June 6 expressing his conviction that "the aggressions and vexations undergone by Vice-President Nixon" during his visit to Latin American countries had made it imperative to take steps to place inter-American solidarity on a firmer basis. President Kubitschek wrote:

". . . The widespread reaction of aversion on the part of the Governments and public opinion in the very nations in which occurred those reprehensible acts against the courageous person of the Vice-President, constitutes proof that such demonstrations proceeded from a factious minority. Nonetheless, it would be hardly feasible to conceal the fact that, before world public opinion, the ideal of Pan-American unity has suffered serious impairment. These disagreeable events . . . have imparted an inescapable impression that we misunderstand each other on this Continent. The propaganda disseminated by the tools of anti-Americanism is apparently now directed toward presenting such supposed misunderstandings as actual incompatibility and even enmity between the free countries of the American community. Fortunately, this is far from being the truth. . . .

"In addressing these words to your Excellency, my sole purpose is to acquaint you with my deep-seated conviction that something must be done to restore composure to the continental unity. I have no definite and detailed plans to that effect, but rather ideas and thoughts which I could confide to your Excellency should an early opportunity to do so arise. I might venture to state at this juncture, however, that the hour has come for us to undertake jointly a thorough revision of the policy of mutual understanding in this Hemisphere and to conduct a comprehensive reappraisal of the proceedings already in motion for the furtherance of Pan-American ideals in all their aspects and implications. The time has come for us to ask ourselves the pertinent question whether or not all of us are doing our utmost to weld the indestructible union of sentiments, aspirations, and interests called for by the gravity of the international situation.

"As a soldier who led democracy to victory, as an experienced statesman, and, above all, as a man sensitive to the ways of truth, your Excellency is in an unique position to evaluate the seriousness of the question which I postulate with the exclusive purpose of defining and subsequently eliminating an entire range of misunderstandings that are easily capable of being removed at this moment, but which may perhaps become a malignant growth should we fail to give it proper and timely attention.

"It is hoped that the unpleasant memory of the ordeal undergone by Vice-President Nixon will be effaced by the results of earnest efforts towards creating something deeper and more durable for the defence and preservation of our common destiny. As I have already said, it is advisable that we correct the false impression that we are not behaving in a fraternal way in the Americas; but besides this corrective effort, and in order that it may be durable and perfect, we must search our consciences to find out if we are following the right path in regard to Pan-Americanism. . . ."

President Eisenhower's reply was personally conveyed to President Kubitschek on June 9 by Mr. Roy R. Rubottom jr. (Assistant Secretary of State for Inter-American Affairs), who visited Rio de Janeiro for the purpose. After saying that President Kubitschek had "described accurately both the

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existing situation and the desirability of corrective action," and expressing his pleasure that the Brazilian President had " taken the initiative in this matter," President Eisenhower wrote :

" While your Excellency did not suggest any specific programme to improve Pan-American understanding, it seems to me that our two Governments should consult together as soon as possible with a view to approaching other members of the Pan-American community and starting promptly on measures that would produce throughout the continent a reaffirmation of devotion to Pan-Americanism, and better planning in promoting the common interests and welfare of our several countries. There is a wide range of subjects to be discussed and explored, including, for example, the problem of implementing more fully the Declaration of Solidarity of the Tenth Inter-American Conference held at Caracas in 1954 [see 13669 A].

" Because I deem this matter so important, I am instructing Mr. Rubottom to deliver my letter to you personally in Rio de Janeiro, and to explore with you further your thinking on these matters. Your thoughts and ideas thus obtained at first hand can be the subject of further consultation through normal diplomatic channels, preparatory to a later visit to Brazil by the Secretary of State."

As stated in President Eisenhower's letter, Mr. Dulles visited Rio de Janeiro on Aug. 4-5 for discussions with President Kubitschek and Brazilian Ministers. It was stated at the conclusion of the talks (*a*) that Brazil and the United States were agreed on the desirability of convening a meeting of the Presidents of all countries of the American continent, with the aim of drawing up programmes for the economic development of Latin America ; and (*b*) that the Washington ambassadors of all Latin American countries, together with Mr. Dulles, should act as a special committee for preparing such a Presidential conference.

Brazilian Proposals for Economic Development of Latin America.

On Aug. 16 the Brazilian Government presented identical Notes to all the Latin American countries, and also to the United States, proposing that the above-mentioned special committee should work out a detailed programme for the economic development of Latin America. The specific proposals were not released, but it was authoritatively stated in Rio that they were based on the following points :

(1) The application of private capital in the under-developed areas of Latin America.

(2) An increase in the volume of loans and other forms of direct assistance to Latin America, including the possible establishment of an Inter-American Development Bank

(3) Strengthening of the internal economies of the Latin American countries, particularly with a view to combating inflation.

(4) Stabilization of prices of basic raw materials produced in Latin America.

(5) Consideration of the impact of the European Common Market on Latin America.

(6) The possibility of the eventual creation of a Latin American Common Market.

(7) Technical assistance to Latin American countries

Dr. Milton Eisenhower's Visit to Central America.

Dr. Milton Eisenhower, president of Johns Hopkins University (Baltimore) and brother of President Eisenhower, paid a three-weeks' visit in July to the six Central American countries —Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, and Panama—at the request of the U.S. President. He was accompanied by representatives of the State and Treasury Departments, the Export-Import Bank, and the Development Loan Fund. Dr. Eisenhower was cordially welcomed in all the countries visited, and there were no untoward incidents. On returning to Washington (Aug. 1) he presented a report to his brother urging (1) " the imperative need for loans—not grants—in every country visited " ; (2) the need for an adequate U.S. response " to the appeal of Latin American nations for more stable relationships between raw commodity prices and the prices of manufactured products " ; and (3) " the urgent and immediate need to bring about throughout the hemisphere a clear, accurate understanding of U.S. policies, purposes, programmes and capabilities."

(New York Times - Brazilian Government Bulletin)

A. OMAN. — Gwadur ceded to Pakistan.

The British Foreign Office announced on Sept. 6 that the Sultan of Muscat and Oman had agreed " as a gesture of good will " to cede to Pakistan the small enclave of Gwadur, on the coast of Baluchistan. The transfer took formal effect from Sept. 8, when the Prime Minister of Pakistan (Mr. Firoz Khan Noon) thanked Britain for her help in bringing the negotiations with the Sultan to a successful conclusion.

Gwadur is a small port with a population of 5,000, the surrounding enclave covering an area of about 300 square miles ; it is 250 miles from Muscat across the Gulf of Oman, and 300 miles west of Karachi. The enclave had been under the control of the Sultanate of Muscat and Oman since the end of the 18th century. (Daily Telegraph - Manchester Guardian)

B. CZECHOSLOVAKIA. — Expulsion of British Embassy Official. - British Repudiation of Czech Allegations against Mr. Bedford.

The Czechoslovak Embassy in London announced on June 27 that Mr. E. P. Bedford, described as Second Secretary of the British Embassy in Prague, had been declared *persona non grata* and expelled from Czechoslovakia in connexion with an incident on April 3, when he was alleged to have tried to help a Czechoslovak national to escape to Western Germany by hiding him in the boot of his car.

The Embassy's statement said that the Czechoslovak national in question – Ladislav Machácek had been apprehended on April 3 " in most unusual circumstances " when, with the alleged help of Mr. Bedford, he had attempted to escape to Western Germany. It was stated that frontier guards, attracted by " unusual movements and noise in the rear of the car," had made investigations and found Machácek hidden in the boot. In the subsequent interrogation Machácek was alleged to have told the frontier guards that he had agreed to pay Mr. Bedford 40,000 crowns (£2,000) to help him escape from Czechoslovakia, of which 10,000 crowns had been paid as an advance payment and the balance of 30,000 was to have been paid to Mr. Bedford on reaching Western Germany.

After stating that Machácek had been arrested and that Mr. Bedford had returned to Prague, the Embassy statement continued : " Further investigation brought to light the fact that Machácek had maintained contacts with Bedford for a longer period of time, and transmitted to him information of military character important from the viewpoint of the country's defence. Bedford assured Machácek that should he find himself in direct danger because of his espionage activities, he would take him illegally to Western Germany. This situation did occur, and Bedford did in fact attempt to take Machácek illegally in his car to Western Germany . . ."

The British Foreign Office issued a statement on the same day saying that it was clear that Mr. Bedford had been the object of " a deliberate frame-up on the part of the Czech authorities." It was worded as follows :

" While Mr. Bedford's papers were being examined at the frontier post, the guards discovered a man hidden in the boot of his car. Mr. and Mrs. Bedford were detained for a few hours, and subsequently allowed to return to Prague It was there established by H.M. Chargé d'Affaires that Mr. Bedford, without the knowledge of his superiors, had in fact agreed to smuggle a Czech national (Machácek) out of the country.

" On April 4 the Czech authorities delivered a Note of protest, and declared Mr. Bedford *persona non grata* on the ground that he had abused his position as a diplomatist and violated Czechoslovak law. The Czech authorities did not at the time allege that Mr. Bedford had engaged in any intelligence activities, nor have they so alleged until the present statement.

" It is clear that this was a deliberate frame-up on the part of the Czech authorities. There can otherwise be no explanation of the fact that when Mr. Bedford's car was stopped at the frontier post, Machácek, who was concealed in the boot, immediately made loud noises designed to attract attention. When he was discovered by the Czech frontier guards, he showed no sign of fright or distress. Mr. Bedford has throughout denied that he undertook this operation for money, as the Czech authorities allege."

In a statement to the House of Commons on July 2, Mr. Selwyn Lloyd said that the " circumstances surrounding the discovery of Mr. Machácek in the boot of Mr. Bedford's car make it clear that the whole affair was a prepared trap " ; that the subsequent charges of espionage made against Mr. Bedford were unfounded ; and that there was no evidence whatever that Mr. Bedford had received money, as alleged by the Czechoslovak authorities.

It was conjectured in London that Machácek might possibly have played the role of an *agent provocateur*. Moreover, it was regarded as significant that the allegations against Mr. Bedford had been made within 48 hours of a case in which an electronics engineer living at Worthing had been committed for trial on five charges under the Official Secrets Act ; the engineer in question, Bryan Frederick Linney, was charged with having communicated to the Czechoslovak Military Attaché in London (Colonel Oldrich Pribyl), on various dates between June 1, 1957, and Jan. 31, 1958, information likely to be of great or potential assistance to an enemy. Linney pleaded " guilty " to all five charges and admitted having received £500 from Colonel Pribyl (who had previously left Britain) for disclosing vital secrets. He was sentenced to 14 years' imprisonment at Lewes Assizes on July 18. (Times - Daily Telegraph)

C. CEYLON. — Cargo Handling at Port of Colombo.

The transfer of cargo handling operations at Colombo from private firms to the new Government-owned Port (Cargo) Corporation took place on Aug. 1. The transfer was originally planned for June 30, but had to be postponed owing to the proclamation of a state of emergency following the communal riots.—(Ceylon Government Information Department)

(Prev. rep. 16277 B.)

A. CHINA - UNITED STATES. — U.S. Reasons for Non-Recognition of Communist China. - Declaration by State Department. - Suspension of Sino-American Ambassadorial Talks at Geneva.

The U.S. State Department issued a statement on Aug. 9 setting out in detail the reasons why the United States refused to recognize Communist China. The document, entitled "U.S. Policy regarding Non-recognition of the Chinese Communist Regime," was worded as follows :

"Policy toward Communist China has been an important issue since the Communists came to power there, and it is of critical significance to the United States and the free world today. In the U.S.A. the issue is a very real one to the vast majority of the people.

"As a result of Korean and Chinese Communist aggression in Korea, the United States suffered 142,000 casualties . . . Nevertheless, despite the emotions thus engendered and the abhorrence of the American people for the brutality and utter lack of morality of Communist systems, the policy of the U.S. Government toward China has necessarily been based on objective considerations of national interest. It also reflects a continuing appraisal of all available facts.

"Basically the U.S. policy of not extending diplomatic recognition to the Communist regime in China proceeds from the conviction that such recognition would produce no tangible benefits to the United States or to the free world as a whole, and would be of material assistance to Chinese Communist attempts to extend Communist dominion throughout Asia.

"It is not an 'inflexible' policy that cannot be altered to meet changed conditions. If the situation in the Far East were so to change in its basic elements as to call for a radically different evaluation of the threat Chinese Communist policies pose to U.S and free world security interests, the United States would of course readjust its present policies However, the course of events in the Far East since the establishment of the Chinese Communist regime in 1949 has thus far confirmed the U.S. view that its interests and those of the free world are best served by withholding diplomatic recognition from the regime in Peking.

"The basic considerations on which U.S. policy toward China rests are twofold. First, the Soviet bloc, of which Communist China is an important part, is engaged in a long-range struggle to destroy the way of life of the free countries of the world and bring about the global dominion of Communism. The Chinese Communists have made no secret of their fundamental hostility to the United States and the free world as a whole, nor of their avowed intention to effect their downfall. Today their defiance of, and attacks on, the non-Communist world have reached a level of intensity that has not been witnessed since the Korean War.

"The second basic factor is that East Asia is peculiarly vulnerable to the Communist offensive because of the proximity of the free countries of that area to Communist China, the inexperience in self-government of those which have recently won their independence, their suspicions of the West inherited from their colonial past, and the social, political and economic changes which inevitably accompany their drive toward modernization.

"The Chinese Communists see the victory of Communism in Asia as inevitable; and now that they control the vast population and territory of mainland China, they are utilizing the advantages these give to encompass their ends. The Chinese Communist leaders have shown by their words and acts that they are not primarily interested in promoting the welfare of their people while living at peace with their neighbours. Their primary purpose is to extend the Communist revolution beyond their borders to the rest of Asia and thence to the rest of the world. Liu Shao-chi, the second-ranking member of the Chinese Communist party, has said: 'The most fundamental and common duty of Communist party members is to establish Communism and transform the world into a Communist world.' Mao Tse-tung himself has said that his regime's policy is 'to give active support to the national independence and liberation movements in countries in Asia, Africa, and Latin America.' That these are not empty words was shown by Chinese Communist aggression in Korea and the provision of arms and other assistance to the Communist rebels in Indo-China.

"U.S. policy in Asia, as elsewhere in the world, is to promote the domestic welfare and to strengthen the independence of free nations. Because of the proximity of many Asian nations to mainland China, and the disparity in size and power between them and Communist China, this can be done only if the Communist threat is neutralized. . . . The United States has sought to accomplish this by military assistance to the nations directly in the path of Chinese Communist expansion—Korea, Taiwan [Formosa], and Vietnam—and by a system of mutual defence arrangements with other nations of the area. We have been successful in this effort, and since 1954 the Chinese Communists have not been able to make further gains through the open use of military force.

"Efforts to halt Communist expansion cannot be confined to military deterrence alone. Counter-measures against Chinese Communist subversion and political infiltration are equally necessary. This is especially so as, since 1955, Peking has increasingly resorted to propaganda, subversion, 'people's diplomacy', and political manoeuvring in its dealings with Asian neighbours. Peking seeks to win by this means what it apparently does not dare attempt through military conquest. The United States therefore considers that in preserving the peace and security of Asia, it is as important to be alert to the threat of subversion as to that of open military attack.

"In the effort to block Peking's attempts to extend Communist rule in Asia, the withholding of diplomatic recognition is an important factor. The extension of diplomatic recognition by a great Power normally carries with it not only increased access to international councils but enhances international standing and prestige as well Denial of recognition, on the other hand, is a positive handicap to the regime affected, and one which makes it that much the more difficult for it to pursue its foreign policies with success One basic purpose of U S. non-recognition of Communist China is to deny it these advantages and, to that extent, limit its ability to threaten the security of the area.

"In the case of China there are special considerations which influence U.S. policy with regard to recognition. For one thing, although the Chinese Communists have seized the preponderant bulk of China, they have not completed their conquest of the country. The legitimate government of China continues to exist and in Taiwan is steadily developing its political, economic, and military strength. The Government of the Republic of China [i.e. the Nationalist Government in Formosa] controls the strategic island of Taiwan, and through its possession of a sizable military force—one of the largest on the side of the free world in Asia—presents a significant deterrent to renewed Chinese Communist aggression.

"Recognition of Communist China by the United States would seriously cripple, if not destroy altogether, that government. On the other hand, continued U.S. recognition and support of the Republic of China enables it to challenge the claim of the Chinese Communists to represent the Chinese people, and keeps alive the hopes of those Chinese who are determined eventually to free their country of Communist rule.

"Recognition of Communist China by the United States would have an adverse effect on the other free Governments of Asia which could be disastrous to the cause of the free world in that part of the world. Those nations which are closely allied to the U.S.A. and are striving to maintain their independence on the perimeter of Chinese Communist power, especially Korea and Vietnam, would be profoundly confused and demoralized. They would interpret such action as abandonment of their cause by the United States. They might reason that their only hope for survival lay in desperate measures, not caring whether these threatened the peace of the area and the world.

"Many Governments further removed from the borders of China would see in American recognition of Communist China the first step in the withdrawal of the United States from the Far East. Without the support of the U.S.A. they would be unable long to defy the will of Peking; and some would probably conclude that their wisest course would be speedily to seek the best terms obtainable from Peking. Needless to say, these developments would place the entire free world position in Asia, and particularly that of Japan, in the greatest peril.

"Another special consideration is that large and influential 'overseas' Chinese communities exist in most of the countries of South-East Asia. The efforts of these countries to build healthy free societies and to develop their economies would be seriously retarded if these communities were to fall under the sway of the Chinese Communists; and a grave threat of Communist subversion through these overseas communities would arise Recognition of Communist China by the U.S.A., and the decline in the fortunes of the Republic of China which would inevitably result, would have such a profound psychological effect on the 'overseas' Chinese that it would make inevitable the transfer of the loyalties of large numbers to the Communist side This in turn would undermine the ability of the host countries to resist the pressures tending to promote the expansion of Chinese Communist influence and power.

"Still another factor which must be considered is the effect which recognition of the Communist regime would have on the United Nations. Recognition of Peking by the United States would inevitably lead to the seating of Peking in that body. In the view of the United States this would vitiate, if not destroy, the United Nations as an instrument for the maintenance of international peace.

"The Korean conflict was the first and most important effort to halt aggression through collective action in the United Nations. For Communist China, one of the parties against which the effort of the U.N. was directed, to be seated in the United Nations while still unpurged of its aggression and defying the will of the United Nations in Korea, would amount to a confession of failure on the part of the U.N. and would greatly reduce the prospects for future successful action by the United Nations against aggression.

"Moreover, the Republic of China is a Charter member of the United Nations and its representatives have contributed importantly to the constructive work of that organization. If representatives of the Chinese Communist regime were to be seated in their place and given China's veto in the Security Council, the ability of that body in the future to discharge the responsibility it has under the Charter for the maintaining of international peace and security would be seriously impaired.

"Those who advocate recognition of the Chinese Communists often assume that, by the standards of international law applied to such cases, the Peking regime is 'entitled' to diplomatic recognition. In the view of the United States, diplomatic recognition is a privilege and not a right. Moreover, this Government considers that diplomatic recognition is an instrument of national policy which it is both its right and its duty to use in the enlightened self-interest of the nation. However, there is reason to doubt that, even by the tests often cited

in international law, the Chinese Communist regime qualifies for diplomatic recognition. It does not rule all China, and there is a substantial force in being which contests its claim to do so.

"The Chinese Communist party which holds mainland China in its grip is a tiny minority comprising less than 2 per cent of the Chinese people, and the regimentation, brutal repression, and forced sacrifices that have characterized its rule have resulted in extensive popular unrest. To paraphrase Jefferson's dictum, this regime certainly does not represent 'the will of the populace, substantially declared.'

"Finally, it has shown no intention to honour its international obligations. One of its first acts was to abrogate the treaties of the Republic of China except those it chose to continue. On assuming power it carried out a virtual confiscation without compensation of the properties of foreign nationals, including immense British investments notwithstanding the United Kingdom's prompt recognition of it. It has failed to honour commitments entered into since, including various provisions of the Korean Armistice and the Geneva accord on Vietnam and Laos, as well as the announcement of September, 1955, by which it pledged itself to permit all Americans in China to return home 'expeditiously.'

"The U.S. policy toward recognition of Communist China is thus based on a carefully considered judgment of the national interest. Non-recognition of Peking, coupled with continued recognition and support of the Republic of China, facilitates the accomplishment of U.S. policy objectives in the Far East. Recognition of Peking would perilously hinder the accomplishment of these objectives and would facilitate the advance of Communist power in Asia.

"In the process of determining its policy toward China, the United States has taken into account the various statements and arguments advanced by proponents of extending diplomatic recognition to Peking. One of the most commonly advanced reasons for recognition is that 'reality' must be recognized and 600,000,000 people cannot be 'ignored.' While superficially appealing, both statements themselves overlook the realities of the situation U S. policy is, of course, based on full appreciation of the fact that the Chinese Communist regime is currently in control of mainland China. Indeed, the threat which the Chinese Communist regime poses to free-world security in Asia is, as set forth above, a fundamental consideration in the determination of U.S. policies in the Far East. Our recognition of this was clearly demonstrated by our costly participation in the United Nations action to repel Peking's aggression in Korea

"Similarly, U S policy in no sense 'ignores' the existence and the aspirations of the Chinese people. Its attitude toward the people of China remains what it historically has been—one of friendship and sympathetic understanding It is nonetheless clear that our friendship for the Chinese people must not be permitted to blind us to the threat to our security which the Communist regime in China presents. Moreover, the United States is convinced that the Chinese Communist regime does not represent the true will or aspirations of the Chinese people, and that our policy of withholding recognition from it is in their ultimate interests.

"It is sometimes contended that by recognition of Communist China it would be possible to exert leverage on the Peking regime which might ultimately be successful in weakening or even breaking the bond with Moscow. Unfortunately, there is no evidence to support this belief, and there are important reasons why it is unlikely.

"The alliance between Moscow and Peking is one of long standing; it traces its origin to the very founding of the Chinese Communist party in 1921, in which representatives of the Comintern played an important role It is based on a common ideology and on mutually-held objectives with respect to the non-Communist world. All recent evidence points to the closeness of the tie between the Chinese Communists and the U S.S.R. The Chinese Communists were outspoken in championing the armed intervention of the Soviets in Hungary, and have given unqualified endorsement to the execution of Nagy and the other leaders of the Hungarian revolt. They were also leaders in the recent Communist-bloc attack on Yugoslavia for its attempts to pursue national policies independent of Kremlin control These and other facts make it apparent that the two partners in the Sino-Soviet alliance clearly realize their mutual dependence and attach great importance to bloc unity *vis-à-vis* the free world.

"Furthermore, the alliance with the U.S.S.R. has special importance for the Chinese Communists, since it provides them with a dependable source of arms and military supplies. The Chinese Communist leaders, including Mao Tse-tung himself, came to power through their command of military force. They are, therefore, keenly conscious of the importance of military force to keep themselves in power against domestic and external opposition and to achieve the goals of their foreign policy. It is scarcely credible that they would risk any course of action which could lead to loss of their source of military supplies. For this reason alone, it would seem unrealistic to believe that recognition of Peking by the United States or any other leading nation would have the effect of tempting the Chinese Communists to play a 'Titoist' role. In fact the opposite is quite likely to be the result. Were the United States to grant diplomatic recognition to Peking—with all that this would entail by way of enhanced international prestige—its leaders would most likely feel confirmed in the correctness of their policies and the advantages of continued close co-operation with Moscow.

"It is often alleged that recognition of Communist China is a necessary step to expanding trade relations with that country. However, the facts do not support the contention that trade is dependent on recognition. Great Britain, which recognized Communist China in 1950, has found that she buys more goods from Communist China than Communist China buys from her. Western Germany, on the other hand, does not recognize Peking and enjoys a favourable trade balance with mainland China. In any case, trade opportunities with Communist China are severely limited by a shortage of foreign exchange, which is likely to persist for many years to come. . . . It would therefore seem that over the long run the advantages of trade with Peking would prove more ephemeral than real.

"An argument often heard is that the Chinese Communists are here 'to stay', that they will have to be recognized sooner or later, and that it would be the course of wisdom to bow to the inevitable now rather than be forced to do so ungracefully at a later date. It is true that there is no reason to believe that the Chinese Communist regime is on the verge of collapse; but there is equally no reason to accept its present rule on mainland China as permanent. In fact unmistakable signs of dissatisfaction and unrest in Communist China have appeared in the 'ideological remoulding' and the mass campaign against 'rightists' which have been in progress during the last year. Dictatorships often create an illusion of permanence from the very fact that they suppress and still all opposition. That of the Chinese Communists is no exception to this rule. The United States holds the view that Communism's rule in China is not permanent and that it will one day pass. By withholding diplomatic recognition from Peking it seeks to hasten that passing.

"In public discussions of China policy one of the proposals that has attracted widest attention is that known as the 'two Chinas' solution. Advocates of this arrangement propose that the Chinese Communist regime be recognized as the Government of mainland China while the Government at Taipeh remains the legal Government of Taiwan. They argue that this approach to the Chinese problem has the merit of granting the Communists only what they already control, while retaining for the free world the military strategic bastion of Taiwan. However, it ignores certain facts of basic importance The Republic of China would not accept any diminution of its sovereignty over China and could be expected to resist such an arrangement with all the means at its disposal. If a 'two Chinas' solution were to be forcefully imposed against its will, that Government's effectiveness as an ally and its loyalty to the free-world cause would be destroyed.

"Peking, too, would reject such an arrangement. In fact over the last year Chinese Communist propaganda has repeatedly and stridently denounced the 'two Chinas' concept and, ironically, has been accusing the U.S. Government of attempting to put it into effect. Peking attaches great importance to the eventual acquisition of Taiwan and has consistently reserved what it calls its 'right' to seize Taiwan by force, if need be. There is no prospect that it would ever acquiesce in any arrangement which would lead to the permanent detachment of Taiwan from China.

"The 'two Chinas' concept is not only opposed by Peking and Taipeh; it would be bitterly resented by the Chinese people as an attempt to split their country. Hence, even if such a solution could be imposed by outside authority, it would not be a stable one. Constant policing would be required to avert its violent overthrow by one side or the other.

"It is sometimes said that non-recognition of Peking tends to martyrize the Chinese Communists, thereby enabling them to pose, especially before neutralist opinion, as an innocent and injured party. It would be impossible to deny that there is some truth in this, but this disadvantage is far outweighed by the disadvantage that would result from following the opposite course. It is surely better that some neutralists, who are either unable or unwilling to comprehend the threat inherent in Chinese Communist policies, mistakenly consider Peking unjustly treated than that the allies of the United States in Asia, who are the first line of defence against Chinese Communist expansion, should be confused and demoralized by what to them could only appear a betrayal of the common cause."

The talks at ambassadorial level between the United States and Communist China, which began at Geneva on Aug. 1, 1955, and had continued at intervals for over three years, were temporarily suspended on Dec. 12, 1957, because of the impending transfer of the U.S. negotiator—Mr. Alexis Johnson, the Ambassador in Prague—to the Bangkok Embassy. The meeting on Dec. 12 was the 73rd to be held between Mr. Johnson and the Chinese negotiator—Mr. Wang Ping-nan, the Ambassador in Warsaw.

The U.S. Government subsequently appointed Mr. Edwin W. Martin (First Secretary at the London Embassy) as its representative in the Geneva talks, but the Chinese Communist Government refused to agree to discussions between Mr. Wang and Mr. Martin on the ground that the latter did not possess ambassadorial status; in a statement on April 12, 1958, the Chinese Foreign Ministry insisted that the two countries had agreed in 1955 to hold talks at ambassadorial level, and stated that China could not agree to any "unilateral alteration" of this arrangement by the United States.

On June 30 the Chinese Communist Government demanded that the United States should designate a representative of ambassadorial rank so that the Geneva talks could be resumed "within 15 days"; if this were not done, China would

" consider that the United States had decided to break up the Sino-American ambassadorial talks."

The Chinese statement was accompanied by allegations that the U.S. Government had " attempted to create the false impression of the continuance of ambassadorial talks so as to cover up its activities designed to maintain its occupation of China's territory of Taiwan and to increase international tension." After denouncing what it described as the " U.S. occupation of Taiwan," and saying that it constituted " an act of naked aggression against China," the statement declared that the Chinese people were " not afraid of U.S. aggression . . . and are perfectly strong enough to liberate their territory of Taiwan."

The U.S. State Department issued a statement on the same day rejecting China's 15-day " ultimatum " for the continuation of the ambassadorial talks ; at the same time it was made clear that the United States had neither " downgraded " the Geneva talks nor broken them off. The State Department spokesman (Mr. Lincoln White) explained that since December 1957, when the talks were suspended, the U.S. Government had been considering not only the selection of an ambassador to continue the discussions but also a change in the locale of the meetings. As the frequent visits to Geneva for meetings that proved sterile had been burdensome to U.S. diplomats, the State Department were considering a venue where a U.S. Ambassador could conduct such meetings without leaving his post.

It was announced in Washington on Aug. 3 that the U.S. Ambassador in Warsaw (Mr. Jacob Beam) had been asked to resume ambassadorial talks with Mr. Wang Ping-nan in the Polish capital.—(New York Times) **(Prev. rep. 15667 A.)**

A. NIGERIA. — Minorities Commission Report.

The Willink Commission, appointed " to inquire into the fears of minorities and the means of allaying them " (see 16338 A), completed its investigations in April 1958 and published its report on Aug. 18. The recommendations included the following :

Police Force. There should be only one Nigerian Police Force, as at present, acknowledging dual responsibility to the Federal Government and the Regional Governments but under the direct control of the Federal Government only (see 15747 A). It had been considered that, when Nigeria attained her proposed independence in 1960, regional police forces should be established ; but the Commission held that " no better means of allaying the fears of minorities can be found than the retention of a single strong police force not subject to purely Regional control."

Special Areas. There should be provision in the Constitution for the creation of Special Areas where there were special problems. The Federal Government and the Regional Government concerned would share financial and other responsibilities for development in these Areas, but there should be a Board to initiate supplementary development schemes. It was proposed that part of the Niger Delta should be declared a Special Area in the near future.

Minority Areas. In each of these proposed areas a council would be set up, with a chairman nominated by the Regional Government concerned, for the purpose of (i) bringing to the notice of the Regional Government matters relating to physical and cultural advancement and to economic and social development, and (ii) reporting any discrimination. It was suggested that two such Areas should be created from part of Benin province and the whole of Calabar province.

Annual reports from both Special and Minority Areas would be submitted to the Federal House of Representatives and the appropriate Regional House of Assembly.

Fundamental Rights. Specific fundamental human rights should be embodied in the Constitution. The report defined 16 such rights, based mainly on the U.N. Convention of Human Rights of 1950 and including the following : (i) right to life and liberty ; (ii) right to protection against slavery ; (iii) right to freedom of movement and peaceful assembly ; (iv) right to protection against discrimination ; (v) right to protection against retrospective legislation.

Western Region Territorial Claim. With reference to the Western Region's claim to the Ilorin and Kabba Divisions, at present included in the Northern Region, the Commission recommended (*a*) that there should be no change in the existing boundary except as a result of a plebiscite ; (*b*) that such a plebiscite should be held only if agreed at the forthcoming London Conference in September ; (*c*) that, if held, it should be binding ; and (*d*) that should any area be transferred as a result, at least 60 per cent of the votes cast must have been in favour of transfer.

Rights of non-Moslems in Northern Region. Non-Moslems in the predominantly Moslem Northern Region, who had expressed fears of the application of Moslem law, should be granted the option of being dealt with by non-Moslem courts of justice.

General Conclusions. The Commission had been satisfied that " a real body of fear " existed among the minorities, and that it was inspired by two main causes : (*a*) the use of physical force " by strong-arm groups," which " constitutes perhaps the most serious threat to democracy of which we were told," and (*b*) the fear that—" rightly or wrongly "—no Regional Government, secure in its majority, would respond to the criticism or meet the wishes of its minorities. With regard to (*a*) the Commission was convinced that a Federal Police Force was " the only protection against these party gangs," and that the proper functioning of the magistrates and judiciary depended upon it. As regards (*b*), it believed that subdivision into smaller provinces would " create problems as great as those it sought to cure." Emphasizing its general view that the interests of the minorities would be best protected " at Federal level," the Commission declared : " As the Federal Government grows . . . it will become increasingly important for each party to win every vote it can. Thus, in the working of the democratic machinery the true safeguards of the minorities will be found."

The report was received with satisfaction by the ruling party of the Northern Region (the Northern People's Congress) but was described as " disappointing " by the United Middle Belt Congress, a small political party in the Northern Region which had campaigned for the secession of the Ilorin and Kabba Divisions (see above). The Prime Minister of the Western Region, Chief Awolowo, strongly attacked the report as " a bad and astonishing document," while the Prime Minister of the Eastern Region, Dr. Azikiwe, paid tribute to it as " a studied effort to preserve the corporate existence of Nigeria as a great African nation." The Nigerian Federal Minister of Finance, Chief Okotie-Eboh, welcomed the proposals for the creation of Special and Minority Areas as recognition of the fact that " the minorities' fears are real."
(Times - Daily Telegraph - Manchester Guardian)
(Prev. rep. Nigeria, 16338 A.)

B. UNITED KINGDOM. — Lord Parker succeeds Lord Goddard as Lord Chief Justice of England.

It was announced from 10, Downing-street on Aug. 20 that Lord Goddard would be retiring on Sept. 29 and that the Queen had accepted his resignation as Lord Chief Justice of England. Lord Goddard (81) had been Lord Chief Justice since January 1946, when he succeeded Lord Caldecote.

The son of a solicitor, Lord Goddard was successively Recorder of Poole, Bath and Plymouth from 1917 to 1932. He was subsequently a Judge of the King's Bench Division (1932-38), a Lord Justice of Appeal (1938-44) and a Lord of Appeal in Ordinary (1944-46) prior to his appointment as Lord Chief Justice of England. In the course of a long and distinguished career he had presided over many famous trials, including that of Klaus Fuchs, whom he sentenced to 14 years' imprisonment for conveying atomic secrets to Russia (see 10593 A). He was outspoken in the House of Lords on the questions of capital and corporal punishment, and took a prominent part in the debates on the Death Penalty (Abolition) Bill and the Homicide Bill —see pages 15602, 15605.

The appointment of Lord Chief Justice Parker (58) as Lord Chief Justice of England in succession to Lord Goddard was announced on Sept. 5.

Lord Chief Justice Parker was educated at Rugby and Trinity College, Cambridge, where he took a double first in Natural Sciences. Called to the Bar in 1924, he was subsequently appointed Junior Counsel to the Admiralty (1934) and Junior Counsel to the Treasury (1945) before his appointment in 1950 as a Judge of the King's Bench Division. He became a Lord Justice of Appeal in 1954. Lord Justice Parker was chairman of the tribunal set up in November last to inquire into the alleged Bank Rate " leak " (see 16212 A), and was also a member of the Franks Committee on administrative tribunals (see 16009 A). He is the third son of the late Lord Parker of Waddington, who was a Judge of the Chancery Division and later a Lord of Appeal in Ordinary.

It was also announced on Sept. 5 that the Queen had approved the conferment of a life barony on Lord Justice Parker.
(Times - Daily Telegraph - Manchester Guardian)
(Prev. rep. Lord Goddard, 7718 B.)

C. SAUDI ARABIA - UNITED ARAB REPUBLIC. — Cairo Talks between President Nasser and Emir Faisal.

The Emir Faisal, Prime Minister of Saudi Arabia, concluded three days of discussions with President Nasser in Cairo on Aug. 17. A brief communiqué stated that the exchange of views had " resulted in complete agreement as well as in the reaffirmation of brotherhood and friendship between the two countries " ; it added that the U.A.R. and Saudi Arabia were both opposed to " the presence of foreign forces on the territory of any Arab State " and condemned " any interference in the affairs of others on the part of any foreign State or States which puts the peace and security of the world in danger." Before leaving Cairo, the Emir Faisal said that all misunderstandings between the two countries had been removed and all previous differences " ironed out."—(Times - Le Monde)
(Prev. rep. 16102 A.)

A. GHANA. — Political and Economic Developments. - Dr. Nkrumah's Visits to Cairo, Ottawa and Washington.- Abolition of Ministry of Justice. - The Preventive Detention Bill. - Report of Kumasi and Asanteman Inquiry Commission. - Industrial Development Plans. - Revision of Volta River Project.

Dr. Nkrumah returned to Accra on June 29 on completion of his tour of the seven independent African countries represented at the Accra Conference of April 1958—Ethiopia, Sudan, Libya, Morocco, Tunisia, the United Arab Republic and Liberia.

During his visit to Cairo, where he had discussions with President Nasser, Dr. Nkrumah said in a Press statement (June 23): "I want to declare Ghana a republic, and this will be done in not more than two years. I think it is proper than Ghana should remain in the Commonwealth just like the Indian type" [of republic]. He confirmed this declaration when questioned at a press conference at Accra on June 30, adding that such a republic would be declared by "constitutional means" and that, whatever form it might take, "ties with the Commonwealth should be preserved."

During a visit to Canada (July 22-23) Dr. Nkrumah had informal talks with Mr. Diefenbaker, the Prime Minister, and addressed a joint session of the Canadian Parliament. He arrived in Washington on July 23 as the guest of the U.S. Government, had discussions with President Eisenhower, Mr. Dulles, and Administration officials, and addressed Congress on July 25.

A joint statement was issued by President Eisenhower and Dr. Nkrumah on July 26 saying (i) that the U.S. Government "would continue to explore," in conjunction with private American interests, means of financial assistance to the Volta River project [see below]; (ii) that the U.S. Government was willing "to consider particular fields" of Ghanaian development "in which it might be able to co-operate through development loans"; (iii) that the U.S. and Ghanaian Governments were agreed that the solution of the present Middle East problems should be found within the framework of the United Nations; (iv) that the two Governments had exchanged views "on the emergence of new African States and the growing importance of the African Continent in the realm of international affairs."

On his return journey Dr. Nkrumah visited Britain on Aug. 3-7 for talks with Mr. Macmillan.

At a press conference in London Dr. Nkrumah expressed his belief that "the U.N. should consider the possibility of quarantining or neutralizing the whole area of the Middle East, with the preservation of sovereignty being guaranteed," and that "the oil resources should be brought under some international arrangement." He also claimed "the right of self-determination and self-government" for all non-independent African territories, "even in the French-speaking parts of Africa."

Recent political and economic developments in Ghana are summarized below under cross-headings.

Ministerial Changes. - Abolition of Ministry of Justice.

It was announced in Accra on July 15 that the Ministry of Justice had been abolished and its functions transferred to other Ministries; the Law Officers' Department would continue as an independent administration under the direct control of the Prime Minister. As a result of this decision, Mr. Ako Adjei (formerly Minister of Justice) was appointed Minister of Labour and Co-operatives *vice* Mr. N. A. Welbeck, who became Minister without portfolio. In addition, the Ministry of Defence and External Affairs was divided into two separate Ministries which remained the responsibility of the Prime Minister, as had been the case with the former single Ministry.

At the opening of the sixth session of the Ghana Parliament on June 17, three leading members of the Opposition (United Party) had crossed the floor of the House to join the Government party. Explaining their action, one of these members (Mr. Mumuni Bawumia) asserted that the Opposition as at present constituted was "neither progressive nor serving the purpose for which it was intended." As a result, the Government now holds 76 seats in the Assembly and the Opposition 28.

The Preventive Detention Bill.

This Bill, under which the Ghana Government sought powers to detain Ghanaians for actions considered "prejudicial to the security of the country and its relations with other countries" (see 16155 A), was first published on July 5. The Minister of Information and Broadcasting (Mr. Baako) explained that although there were already laws to deal with persons engaged in subversive activities, the Bill aimed at forestalling such activities and preventing their taking effect.

The Bill also laid down that any detained person should be informed of the grounds on which he was held within five days, and be given an opportunity to make written representation to the Governor-General, who might suspend the detention order under certain conditions binding on the petitioner. Should these conditions not be observed, the person concerned would become liable to further detention for a period not exceeding five years, within which limit the Governor-General would be empowered to specify the precise length of any detention order. It was proposed that the measure should remain in force for five years, unless the National Assembly decided to extend it.

The Bill was formally introduced on July 14 by Dr. Nkrumah, who said that, in the present unsettled state of Africa, Ghana must always be on its guard against a *coup d'état*. Opposition members opposed the Bill as unnecessary, asserting that its adoption would enable the Government to silence demands for better living conditions.

A Government statement of July 17 announced the immediate deportation of seven non-Ghanaians who were alleged to have ignored a warning to be of good behaviour given by the Minister of the Interior (Mr. Krobo Edusei) a month previously, and to have been "openly abusing the Government and attempting to bring it into disrepute." A cocoa farmer was similarly ordered to be deported on Aug. 27, and a further five "African aliens" on Aug. 31, bringing the total of persons deported for political reasons since August 1957 to 39.

Kumasi and Asanteman Inquiry Commission.

Mr. Justice Sardokee-Addo, who had been appointed by the Government in February as sole commissioner to inquire into the affairs of the Asanteman and Kumasi State Councils (see page 16156), concluded his hearings on June 28.

His findings, published in Accra on Sept. 3 as a White Paper, stated that of £40,000 allocated to building a new palace for the Asantehene, £19,000 had been appropriated by the Kumasi State Council for political purposes and diverted to the funds of the National Liberation (opposition) Party. The report also found that the Lands Department of the Asantehene had been guilty of general maladministration, and that in its dealings with Kumasi lands it had deliberately failed to comply with the provisions of the Kumasi Lands Ordinance of 1943, which had transferred the trusteeship of these lands from the Crown to the Asantehene.

The Government announced on Sept. 3 that it had decided to take over control of the administration of Kumasi lands as soon as possible, and to present to the House of Assembly, as a matter of urgency, the Ashanti Stool Lands Bill, which would transfer to the Governor-General the property rights and interests vested in the Asantehene by the Kumasi Lands Ordinance.

New Currency. - Dr. Nkrumah's Effigy on Coinage.

It was announced in Accra on May 21 that the new issue of coins and currency notes to be put into circulation throughout Ghana in July 1958 would carry the likeness of Dr. Nkrumah. The Government party had first pressed for this change early in 1957, but in the ensuing controversy Opposition leaders had favoured the retention of the Queen's head on the coinage.

Industrial Development Plans.

Dr. Nkrumah issued a statement on Sept. 3 setting forth the Government's policy for industrial expansion. He explained that the plan had been under formulation for some time; that it had been outlined to President Eisenhower during his visit to the U.S.A. in July (see above); and that it was aimed at attracting "private capital and technical know-how" from any source.

Under the plan Ghanaian industries would be divided into three categories: (*a*) those reserved entirely to the Government, viz. railways, electricity, broadcasting, atomic energy, armament manufacture, waterworks, telecommunications, and cocoa exports; (*b*) those in which Government participation was compulsory, viz. narcotics, alcohol, and alcoholic beverages; (*c*) those "freely open to private enterprise," i.e. all industries not included in "the very limited schedules" of (*a*) and (*b*). All new industries would be required to observe three main rules: (i) to recognize trade unions; (ii) to train Ghanaians for "superior posts" and appoint them to such posts "where feasible"; (iii) to develop the use of local raw materials wherever possible.

It was announced on Aug. 12 that the German Federal Government would establish a technical institute in Ghana to train Ghanaians as engineers and craftsmen, as part of a 50,000,000 DM. programme of technical and capital assistance to under-developed countries.

The Volta River Project.

The report was published on July 27, 1956, of the Preparatory Commission appointed by the British and Gold Coast Governments in 1953 to study the Volta River project for the development of hydro-electric power and aluminium production (see 12645 A).

Whereas the White Paper of 1952 had envisaged a cost of about £100,000,000 at the initial stage (producing 80,000 tons of aluminium a year) and £144,000,000 at the final stage (producing 210,000 tons), the Commission's report estimated that the cost would be about £160,000,000 at the initial and £231,300,000 at the final stage based on prices ruling at Sept. 30, 1955. Allowing eight years for completion of the project, and allowing for a further increase of 45 per cent to cover contingencies over that period, the total cost was estimated at £309,000,000.

Although the U.K. Colonial Secretary (Mr. Lennox-Boyd) had told the House of Commons in July 1956 that the British and Gold Coast Governments and the aluminium companies concerned (the British Aluminium Company and Aluminium Ltd. of Canada) had reaffirmed their interest, no firm decisions or commitments were made. Dr. Nkrumah's efforts to secure some alternative support for the scheme remained unsuccessful, but on Feb. 20, 1958, he informed the Ghana House of Assembly that he had made a direct appeal for aid to President Eisenhower.

Explaining the deadlock of the previous 18 months, Dr. Nkrumah said that the Governments which might be interested had taken the view that Ghana should first come to a satisfactory arrangement with the aluminium companies, whilst the companies themselves had required certain assurances in advance. Other difficulties had been the recession in the dollar and sterling areas and the "crippling" increase in the British Bank Rate to 7 per cent.

The project was further discussed during Dr. Nkrumah's visit to Canada and the U.S.A. in July, 1958 (see above), and on Aug. 12 he announced a major change from the original plan which had envisaged the production of electric power and the use of that power to produce aluminium from bauxite as a single entity. Dr. Nkrumah said that it was now proposed to concentrate only on building the Volta dam and producing the power, but to put aside the question of aluminium production until some future date. Claiming that this "change of emphasis" had rekindled interest in the project, he stated that the Kaiser Company of America would arrange a survey to bring the plan for the dam and power production up-to-date, and that President Eisenhower had agreed that the cost of this revision would be shared between the U.S. and Ghana Governments.—(Times - Daily Telegraph - Manchester Guardian - New York Times - Montreal Star) **(Prev. rep. Ghana, 16155 A.)**

A. SIERRA LEONE. — Full Ministerial System. - First Sierra Leone Cabinet.

A Ministerial delegation from Sierra Leone headed by Dr. J. Karefa-Smart (Minister of Lands, Mines, and Labour) had exploratory talks at the Colonial Office in London from Dec. 6-19, 1957, with a view to effecting further development of the 1956 constitutional reforms towards eventual self-government. This was in accordance with the programme of the Sierra Leone People's Party which had won the 1957 elections (see 15708 E and 15160 B).

The talks were presided over by the Colonial Secretary, Mr. Lennox-Boyd, and it was announced at their conclusion that satisfactory agreement had been reached. The resulting proposals for the introduction of a full Ministerial system were published as a White Paper by the Sierra Leone Government on Jan. 14, 1958, and, after being passed in principle by the House of Representatives, were submitted to the Colonial Secretary in March. They were as follows :

(1) The leading Minister would henceforth be known as Prime Minister instead of Chief Minister.

(2) The Governor would consult the Executive Council and act upon its advice, subject to safeguarding his ultimate responsibility for the preservation of "peace and good government." His reserved powers would have to be re-defined, but he would retain responsibility for external affairs, defence, internal security, police, and the Public Service.

(3) The appointments of Chief Secretary and Chief Commissioner would be abolished ; the functions of the former would be allocated to the appropriate Ministries, and those of the latter would be absorbed by alternative administrative arrangements.

(4) The Attorney-General would continue to act as legal adviser to the Government, with a seat in the House of Representatives but without voting rights.

(5) The Financial Secretary would continue to be the principal financial adviser of the Government, but his executive functions would be transferred to a newly-formed Ministry of Finance.

(6) The four *ex-officio* members of the House of Representatives under the 1956 Constitution [i.e. the holders of the appointments mentioned in (3) (4) and (5) above] would no longer be members of the Executive Council, which would in future consist of the Governor (as President), the Prime Minister, and 7 other Ministers chosen from the elected members of the House of Representatives and appointed by the Governor on the recommendation of the Prime Minister.

The changes were approved by the Colonial Secretary at the end of July, and Orders in Council were issued by H.M. the Queen accordingly. The new Constitution came into effect on Aug. 14, with Dr. M. A. S. Margai (the present Chief Minister) became the first Prime Minister of Sierra Leone. The following ministerial appointments were announced :

Dr. M. A. S. Margai	..	Prime Minister, Internal Affairs and Development.
Mr. M. S. Mustapha	..	Finance.
Dr. J. Karefa-Smart	..	Mines, Lands, and Labour.
Mr. D. L. Sumner	..	Communications.
Mr. Kande Bureh ..	.	Works and Housing.
Mr. I. B. Taylor-Kamara		Trade and Industry.
Mr. H. I. B. John	..	Education and Welfare.
Mr. Ngobeh ..	..	Health.
Mr. A. J. Demby ..	..	Natural Resources.
Mr. Y. D. Sesay	.	Information.
Chief R. B. S. Coker	.	Minister without portfolio.

The first session of the House of Representatives under the new Constitution was opened in Freetown on Aug. 21.

The Governor (Sir Maurice Dorman), after reading a congratulatory message from the Colonial Secretary, drew attention to the added responsibilities which the new Constitution had not only on the Ministers but on the House of Representatives as a whole. He pointed out that henceforth the Prime Minister was alone responsible for the choice of his Ministers ; that, for the first time, control of taxation and the Treasury would be in the hands of a Minister and a Sierra Leonean ; and that Treasury officials would no longer be members of the Executive Council or of the House of Representatives.

Disturbances in Diamond Areas.

Disturbances occurred during August 1957 in the Yengema area of the Kono district leased by the Consolidated African Selection Trust Ltd., where the company estimated that 12,000 illicit diamond miners were working. The acting Governor (Mr. Alexander Waddell) gave details of the disturbances in a statement on Sept. 2, 1957.

Mr. Waddell said that on Aug. 23 two security posts on the Trust's property had been destroyed by fire and a further post on the following day, when a small security force attempted to arrest some 50 people before being overwhelmed. The same evening (Aug. 24) the Koidu mining plant had been attacked by a force of "300 trouble-makers" who had done "wanton damage" and stolen diamonds valued at approximately £7,000. In order to release police units from static duties the 1st Bn. Sierra Leone Regiment had been called in on Aug. 29, and a Security Committee for the Kono district formed on Sept. 2.

On Sept. 3 a police force of over 200 men, with military support, made a planned attack on a large encampment of some 3,000 illicit miners, arresting 36 people ; over a hundred more persons were arrested in smaller-scale operations near Musundu, Tefeya and Koidu between Sept. 4-11. Those detained included Africans from neighbouring territories, against whom the operations were mainly directed.

In a statement to the U.K. House of Commons on July 29, 1958, Mr. Profumo (Parliamentary Under-Secretary, Colonial Office) estimated the revenue losses to the Sierra Leone Government through illicit diamond trading as £7,000,000 in 1955 and £10,000,000 in both 1956 and 1957.—(Times - Daily Telegraph - Manchester Guardian - Commonwealth Survey) **(Prev. rep. 15708 E.)**

B. NEW ZEALAND. — Bank Loan in London.

The N.Z. Finance Minister (Mr. Nordmeyer) announced on Sept. 2 that an agreement had been concluded with the Midland Bank in London for a loan to New Zealand of up to £10,000,000 ; the loan would be for a period of two years, would be drawn upon as needed to help New Zealand over her balance-of-payments problems during the next two months, and would bear interest at 1 per cent above the London Bank Rate (i.e. at 5½ per cent at present). Mr. Nordmeyer explained that "because of seasonal factors in the production of our main exports, our overseas funds normally build up in the first half of the year and decline in the second half."

(Directorate of Information, Wellington - Financial Times)

C. EASTERN GERMANY. — Dissolution of Eight Industrial Ministries. - Ministerial Change.

The East German Government decreed on Aug. 1 the final dissolution of the eight industrial Ministries whose abolition had been authorized under the legislation for the decentralization of industry passed in February last.

On the same day it was announced that Herr Ernst Scholz had been appointed Minister of Building in succession to Herr Heinz Winkler, who had died in June as a result of a bathing accident in the Black Sea.—(Der Tagesspiegel, Berlin) **(Prev. rep. 16076 A.)**

D. MOROCCO. — Diplomatic Relations with U.S.S.R.

It was announced in Rabat on Aug. 27 that Morocco and the Soviet Union had decided to establish diplomatic relations at ambassadorial level.—(Le Monde, Paris) **(Prev. rep. 16165 C.)**

A. UNITED KINGDOM. — Coal Industry. - N.C.B. Report for 1957. - Deficit of £5,300,000.

The 12th annual report of the National Coal Board, covering the year ended Dec. 31, 1957, was published on May 14. It showed that the profit on the Board's activities, before charging interest, amounted to £19,800,000, compared with £39,700,000 in 1956. After providing for interest, however, the year's working resulted in a deficit of £5,300,000, compared with a surplus of £12,800,000 in 1956. The 1957 deficit increased the Board's accumulated deficiency to £29,100,000.

The 1957 operational profits included £6,100,000 from collieries, £9,000,000 from opencast working, and £4,300,000 from coke ovens; the corresponding figures for 1956 were £26,500,000, £8,600,000, and £4,400,000. Of the nine divisions, the Northern, North-Eastern, and East Midlands earned profits in 1957, before charging interest, but the Scottish, Durham, North-Western, West Midlands, South-Western, and South-Eastern all incurred losses The highest profit (7s. 6.2d. a ton) was earned by the East Midlands division, whilst the heaviest loss (11s. 6.6d. a ton) was incurred by the Scottish division.

The following information was given in the report:

Output. Saleable output of coal in 1957 totalled 223,600,000 tons, compared with 222,200,000 tons in 1956. Output from N.C.B. collieries at 207,400,000 tons, and from licensed mines at 2,600,000 tons, was virtually the same as in 1956, but opencast production rose by 1,500,000 tons to 13,600,000 tons. Output from Saturday working declined by 300,000 tons to 10,900,000 tons.

Costs, Prices, and Profits. Cost of production of mined coal totalled 81s. 6d. a ton, against 75s 2d. a ton in 1956, the chief increases being in wages (3s. a ton) and materials (1s 6d. a ton). Proceeds per ton from the sale of coal averaged 82s. 1d. (74s. 5d. in 1956), resulting in a profit on colliery operations of 7d a ton (2s. 7d. in 1956). Proceeds per ton from opencast mining averaged 72s. 2d. and costs 58s. 5d., resulting in a profit of 13s. 9d.

The report stated that the increases in coal prices which came into effect on July 1, 1957 (see 15767 A) were expected to yield £32,000,000 in 1957 and £66,000,000 in a full year.

Productivity. Overall productivity remained about the same as in 1956—812 shifts worked per 1,000 tons of saleable coal. Productivity at the coal face, however, showed a slight decline, with 327 shifts worked per 1,000 tons.

Manpower and Shift-working. Total manpower averaged 710,100 and manpower at the coal face 284,800—increases of 6,600 and 1,200 respectively on 1956. The number of shifts worked fell, however, by 0.04 to 4.21 overall and to 4.61 at the coal-face.

Absenteeism. This increased during 1957, averaging 13.8 per cent overall (12.9 per cent in 1956) and 16.2 per cent at the coal-face (15.2 per cent in 1956). The report attributed the increased absenteeism largely to the effects of the influenza epidemic, which cost the industry an estimated 1,700,000 tons of coal in September and October alone.

Accidents. There were 391 fatal and 1,900 reportable non-fatal accidents in 1957, compared with 318 and 1,731 respectively in 1956.

Strikes. Unofficial stoppages and restrictions of work in 1957 numbered 3,771 (the same as in 1956), a rise of 240 in the number of stoppages being balanced by fewer restrictions of work. Coal lost through stoppages and restrictions totalled 1,828,600 tons, against 2,146,500 tons in 1956. As in previous years, stoppages and coal lost in the Scottish, North-Eastern, and South-Western divisions exceeded the figures for all other regions combined.

Mechanization. The drive to increase power-loading at the coal face continued to make rapid progress. In 1957 nearly 54,860,000 tons (23.1 per cent of total deep-mined output) were cut and loaded by machines, compared with 36,420,000 tons (15.5 per cent) mechanically cut and loaded in 1956.

Shortage of Large Coal. The proportion of large coal (over 2 in. in size) in deep-mined output continued to fall, and in 1957 was only 24 per cent of total output—the tonnage having dropped by 13,500,000 in 10 years. The report attributed this to (i) the increased use of explosives at the coal-face; (ii) more widespread mechanization. Alternatives to explosives (e.g. the Armstrong Airbreaker, which breaks up the coal face by compressed air) were being introduced, and the N.C.B. was also trying to accelerate the development of improved power-loading machines able to produce more large coal.

Steps were also being taken to increase the quantity of good class "doubles" (size about 2 in. by 1 in., and particularly suitable for modern grates and stoves) supplied to the domestic market, and to encourage industrial users to take smaller coal (see 16137 A).

Inland Coal Consumption. This totalled 218,400,000 tons, or 5,200,000 tons (2.4 per cent) less than in 1956. The biggest decreases were in industry as a whole (2,000,000 tons less, mainly owing to the greater use of oil by the steel and engineering industries); household deliveries (1,900,000 tons less); gas works (1,400,000 tons less); and railways (700,000 tons less, largely as a result of increased electrification and the use of diesel locomotives). Increases were shown by coke ovens (1,400,000 tons more) and electricity power stations (900,000 tons more).

Exports and Imports. The policy of reducing exports in order to keep down the need for costly imports was continued in 1957; as a result exports totalled only 6,600,000 tons, against 8,100,000 tons in 1956. In addition, 1,200,000 tons were shipped as bunkers. The report explained that when coal stocks rose during 1957 (see below) it was difficult for the N.C.B. to increase its export sales because demand had also fallen on the Continent, and many prospective customers had made long-term contracts with other suppliers.

Imports in 1957 (mainly of large coal) totalled 2,900,000 tons, compared with 5,200,000 tons in 1956.

Stocks. Coal stocks held by merchants and consumers at Dec. 31, 1957, amounted to 18,800,000 tons, or 700,000 tons more than at Dec. 31, 1956. Undistributed stocks at collieries and opencast sites totalled 8,600,000 tons, or 5,600,000 tons more than at Dec. 31, 1956.

Miners' Earnings. The average wage of pieceworkers in the industry increased from 67s. 4d. per manshift in 1956 to 72s. 7d. in 1957 (about 7 8 per cent). Day-wage men received a 5 per cent increase in May, 1957 (see 15530 A).

New Collieries and Colliery Reconstruction. Seven new colliery shafts were completed during 1957 (more than in any other year since nationalization), bringing the total to 26, including 12 at new collieries. A seam survey of colliery output (the first such survey ever made in Britain) had been initiated and was expected to last 12 years.

By Dec. 31, 1957, 228 major colliery reconstruction schemes had been approved since Vesting Day at a cost of £560,000,000, and 62 major schemes had been virtually completed.

Capital Expenditure. This amounted to £103,000,000 in 1957 (against £96,000,000 in 1956), bringing total investment in the industry since Vesting Day to £661,000,000. Of this sum, £289,000,000 had been spent on "work necessary to replace the decline in productivity inherent in an extractive industry"; £218,000,000 on colliery reconstruction schemes and new sinkings; £117,000,000 on ancillary undertakings; and £37,000,000 on new homes for workers.

Sir James Bowman, chairman of the N.C.B. commented on the report in a statement on May 14.

Sir James stressed that the "deterioration in operating results" which had marked the last seven months of 1957 followed the ending of the "bonus shift" system in May (see 15330 A), and had been accentuated by the influenza epidemic of the autumn (see above). In 1958, absenteeism had unfortunately remained "at an exceptionally high level"—the average rate for the first five months being 14.7 per cent, compared with 13 p.c. in the first five months of 1957. At the same time productivity had continued low during the first quarter of 1958; although there had since been some improvement, the industry now faced "very serious losses indeed." Special steps taken by the N.C.B. to safeguard the long-term position and the stability of employment included (1) the restriction of adult recruitment, thereby allowing natural wastage to bring about a reduction in manpower without hardship; (2) the ending of the voluntary Saturday shift system (see 16137 A); (3) the closure of uneconomic collieries; (4) the speeding-up of mechanization, from which "great benefits" had been derived during 1957. Sir James attributed the fall of 5,200,000 tons in home consumption in 1957, compared with 1956, to lower demand from important industries and to the unusually warm weather. He added that the export position had become much worse since Poland re-entered the market at "fiercely competitive prices," ranging from 15s. to 30s. less than British prices.

The following table shows the average weekly rate of coal production and consumption, and of manpower, output, and absenteeism in the second quarter of 1958:

	Saleable Mined Coal Produced Tons	Plus Opencast Tons	Total Production Tons	Inland Consumption Tons	Exports and Bunkers† Tons
April ..	3,960,100	269,825	4,229,925	4,161,750	80,750
May* ..	3,887,080	285,580	4,172,660	3,684,400	96,400
June ..	3,940,500	300,675	4,241,175	3,502,500	99,250
2nd Quarter	3,929,227	285,360	4,214,587	3,782,883	92,133

	Wage-earners on colliery books	at coal-face	No. of shifts worked per wage-earner	Output per manshift at coal-face Tons	Output per manshift over all Tons	Percentage of absenteeism
April	705,275	276,275	4.45	3.516	1.254	14.27
May*	701,860	275,080	4.34	3.527	1.268	13.29
June	697,775	274,050	4.42	3.529	1.281	12.99
2nd Qtr.	701,637	275,135	4.40	3.524	1.268	13.28

*Average of five weeks.

†Including fishing vessels but excluding coastwise bunkers.

Other recent developments in connexion with the coalmining industry are summarized below:

Miners' Wages. The Coal Industries Arbitration Tribunal rejected on May 29 a demand by the National Union of Mineworkers for a 10s. increase in the wages of day-wage men, whereupon the union decided to make a new application for weekly increases of 15s. for day-wage men (numbering about 380,000) and 21s. for colliery craftsmen. This new claim was approved by a miners' delegate conference at Porthcawl on July 8.

Closure of Lanarkshire Pit. The N.C.B. announced on Aug. 4 that the Calderhead pit, one of three pits still working in the Shotts district of Lanarkshire (where the Board was losing about 5s. 3d. a ton on all saleable coal mined), would be closed from Aug. 15. The closure would reduce the colliery labour force employed in the area to about 850.

The Opencast Coal Act. The Opencast Coal Bill (see 15960 A) was given an unopposed second reading in the House of Commons on Jan. 22, 1958, and after being considered in Standing Committee passed its remaining stages on June 16. The following Government amendments were approved in the Report stage.

(1) To provide for payment of compensation for depreciation of adjoining land in the same ownership as land compulsorily acquired by the N.C.B. for opencast mining.

(2) To ensure that when proposals for opencast working were being formulated by the N.C.B. or considered by the Minister of Power, account should be taken of their effect on flora, fauna, geological or physiographical features, buildings of historic or architectural interest, or the natural beauty of the countryside.

(3) To increase from 28 days to 56 the notice to be given by the N.C.B. before entering on a site.

(4) To prevent opencast mining being carried on within 50 yards of any dwelling house.

The Bill was enacted on August 1st.

Following the ending of domestic coal rationing on June 10, the Parliamentary Secretary to the Ministry of Power (Sir Ian Horobin) announced on July 14 that the Government had decided, in view of the stock position, to "take a further slight step in decontrol" and abolish the long-standing system of coal allocations to industry. When the present industrial allocations expired in May 1959, therefore, no further ones would be made and the N.C.B. would negotiate ordinary contracts on a commercial basis. Sir Ian added that there would be incentives to induce users to assist the Board by stocking up during the summer months.—(N.C.B. Report for 1957 - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 1956 Report, 15767 A ; Quarterly Statistics, 16137 A ; 15960 A ; End of Domestic Coal Rationing, 16246 A.)**

A. UNITED KINGDOM. — A.I.D. Inquiry.

It was announced on Aug. 1 that Lord Feversham (Parliamentary Secretary to the Ministry of Agriculture from 1936 to 1939, and a son-in-law of the Earl of Halifax) had accepted the chairmanship of the inter-departmental committee which was being appointed by the Lord Chancellor and the Home Secretary to inquire into the practice of human artificial insemination (A.I.D.). The terms of reference of the committee were announced at the same time, as follows : "To inquire into the existing practice of human artificial insemination and its legal consequences, and to consider whether, taking account of the interests of individuals involved and of society as a whole, any change in the law is necessary or desirable."

The members of the committee—including three women—were announced on Sept. 6. They were :

Dr. Priscilla FitzGibbon, an anaesthetist at Gloucestershire hospitals and a juvenile court magistrate ; Mrs. Peggy Jay, a member of the L.C.C. and wife of Mr. Douglas Jay, Labour M.P. for Battersea North ; Mrs. Elizabeth Whitley, wife of Dr. H. C. Whitley, minister at St. Giles's Cathedral, Edinburgh ; Mr. Justice Stevenson, a Judge of the Probate, Divorce and Admiralty Division ; Dr. David McDonald, a Northumberland general practitioner and former president of the North of England branch of the B.M.A. ; Mr. Ralph Risk, a Glasgow solicitor, formerly president of the Law Society of Scotland ; Professor Ronald Tunbridge, Professor of Medicine at Leeds University ; and Mr. John Ross, lately head of the Children's Department at the Home Office and chairman of the Marriage Guidance Training Board.

The Government's decision to set up the committee was announced in February last during the House of Lords debate on the question of A.I.D.—(Times - Daily Telegraph) **(Prev. rep. 16109 A.)**

B. UNITED STATES. — Launching of World's Biggest Submarine (U.S.S. "Triton").

The largest submarine ever built—the nuclear-powered U.S.S. *Triton*—was launched on Aug. 19 at Groton, Connecticut. The eighth atomic submarine in the U.S. Navy, she has a displacement of nearly 6,000 tons (equivalent to that of a cruiser) and is the first atomic submarine with two nuclear reactors in her power-plant ; she is also the first submarine in the world to have three decks inside her hull. Almost twice the size of the *Nautilus*, she has a length of 447 feet and a complement of 148 officers and men. Her speed and many other details remain secret, but it was disclosed that she was equipped with the most modern radar and electronic "hearing" and "seeing" devices for communication, control and direction of aircraft and guided missiles.

Of the seven other U.S. atomic submarines launched or in commission, the *Seawolf* has a displacement of 3,400 tons, the *Nautilus* of 3,200 tons, the *Skipjack* of 2,830 tons, and the *Skate, Sargo, Swordfish* and *Seadragon* of 2,360 tons. The *Seadragon* was launched at Portsmouth (N.H.) on Aug. 16. (New York Times) **(Prev. rep. 16329 A.)**

C. SOVIET UNION - UNITED STATES. — Soviet Proposals for Expansion of U.S.-Soviet Trade and Long-term Credits to U.S.S.R.

In a letter to President Eisenhower on June 5, M. Khrushchev expressed the Soviet Government's willingness to conclude a large-scale trade agreement with the United States, and suggested that the U.S.S.R. could make big purchases of U.S. equipment and materials "with a view to speeding up the Soviet Government's new large-scale programme of expansion in the production of consumer goods." The Soviet Prime Minister also suggested that long-term U.S. credits could be granted to the U.S.S.R. to finance Soviet purchases in the United States.

After stating that Soviet purchases of U.S. materials and equipment could amount to "several thousand million dollars" over the next few years if an appropriate agreement were negotiated, M. Khrushchev suggested that the Soviet Union could supply the U.S.A. in return with "goods and equipment of particular interest to the United States," including manganese and chromium ore, ferrous metals, platinum, etc. He also proposed that the two countries should co-operate in the production of synthetic materials, and that American specialists should work in Soviet factories as consultants on the manufacture of certain types of such materials ; he added that the U.S.S.R. was "prepared to make available to U.S. specialists the possibility of studying Soviet achievements in this field."

In his reply (July 14) President Eisenhower pointed out that U.S.-Soviet trade could be expanded "right now" without any need for special action by the U.S. Government, and that Soviet trade organizations were free to develop a larger volume of trade with American firms. As the extension of long-term credits to the U.S.S.R. would raise "complex legal and political questions," he urged that the Soviet trade organizations should "take advantage of the normal commercial credit terms presently available."

President Eisenhower agreed that expanded Soviet-American trade "could under certain conditions be of mutual benefit and serve to improve our relations in general," especially if it were accompanied by "broad contacts between our peoples and a fuller exchange of information and ideas aimed at promoting mutual understanding as a basis for lasting peace." The President continued :

"As you know, U.S. export and import trade is carried on by individual firms and not under governmental auspices. There is no need, therefore, to formalize relations between U.S. firms and Soviet trade organizations. Soviet trade organizations are free right now, without any need for special action by the U.S. Government, to develop a larger volume of trade with firms in this country. They may not be taking advantage of all available possibilities.

"In recent years firms have bought far more from Soviet trade organizations than the latter have purchased from the United States. Furthermore, many of the more important Soviet trade items mentioned in your letter are accorded duty-free entry into the United States. Thus the situation favours the expansion of Soviet purchases in this country.

"While the extension of long-term credits for Soviet purchases in the United States would raise complex legal and political questions, the normal commercial credit terms presently available to Soviet trade organizations permit the further expansion of trade between our two countries.

In his recent report on the expansion of the Soviet chemical industry (see 16248 A) M. Khrushchev had referred to the possibility of placing large Soviet orders in the U.S.A., Great Britain and Western Germany for the necessary plant and equipment.—(New York Times - Soviet Embassy Press Department, London)

D. UNITED KINGDOM. — Royal Navy. - Ending of East Indies Naval Command.

The East Indies Station of the Royal Navy ceased to exist on Sept. 7, when its responsibilities were divided between the Commanders-in-Chief of the Far East and the South Atlantic and South America Stations and the Commander of the new Arabian Seas and Persian Gulf Station. The latter station includes the Red Sea, the Persian Gulf, the Arabian Sea, and a small area of the north-western part of the Indian Ocean.

The East Indies Station was founded in 1744 and had thus had a lifetime of over 200 years ; its forthcoming abolition had been announced by the Admiralty in February last (see 16077 A). The last C.-in-C., East Indies (Vice-Admiral H. W. Biggs) was the 100th holder of the post.
(Times - Daily Telegraph) **(Prev. rep. 16077 A.)**

E. AFRICA. — New President of Capricorn Africa Society. - Retirement of Colonel Sterling.

Mr. Michael Wood, a Nairobi surgeon and farmer, became president of the Capricorn Africa Society on Sept. 11 in succession to its founder, Colonel David Sterling, who had resigned the presidency earlier in the month after holding it for ten years.
(Times) **(Prev. rep. 14971 A.)**

A. PORTUGAL. — Presidential Election. - Rear-Admiral Tomaz becomes President of Portugal. - New Cabinet formed by Dr. Salazar.

Portugal's first contested presidential election since 1926 was held on June 8, resulting in the election of Rear-Admiral Américo Tomaz as President of the Republic in succession to President Craveiro Lopes, whose seven-year term of office had expired. The unsuccessful Opposition candidate was General Humberto Delgado, the Director-General of Civil Aviation. The Ministry of the Interior announced that 1,001,138 votes had been cast in metropolitan Portugal and the overseas territories, of which Rear-Admiral Tomaz had obtained 765,081 (76.4 per cent) and General Delgado 236,057 (22.5 per cent).

Rear-Admiral Tomaz (63) stood as candidate of the Government party—Dr. Salazar's National Union (*Umão Nacional*), which has ruled Portugal since 1926. He resigned the post of Navy Minister—which he had held for many years—to contest the presidential election. General Delgado (52), a senior Air Force officer, was military attaché in Washington and Portuguese representative at NATO before his appointment as Director-General of Civil Aviation. Although there had been Opposition candidates at the two previous presidential elections, they withdrew their nominations before polling day after alleging that they had not received adequate guarantees for the free conduct of the election. Presidential elections are held at seven-yearly intervals, and on a basis of universal adult suffrage, throughout metropolitan Portugal (including the Azores and Madeira) and the African and Far Eastern colonies.

A second Opposition candidature—that of Dr. Arlindo Vincente, a Lisbon lawyer—had originally been presented, but was withdrawn on May 30 after Dr. Vincente and his supporters had agreed to support General Delgado. A joint policy statement was issued by General Delgado and Dr Vincente saying that the latter had withdrawn his candidature in view of the need for "unity of action at the polls against the dictatorship Government." The statement called for freedom of expression, association, and religious belief; freedom from arbitrary arrest; free general elections under a new electoral law; the release of political detainees, and immediate measures for the "democratization" of Portugal In subsequent press conferences General Delgado announced his intention of dismissing Dr. Salazar if he were elected to the Presidency, of ending the latter's personal and "totalitarian" rule, and of introducing a democratic two-party system in place of the single-party regime of the past 32 years.

Although the elections themselves took place in a calm atmosphere, serious rioting occurred in Lisbon, Oporto, and Braga during the electoral campaign, in spite of the Government's ban on political demonstrations. During the third week of May supporters of General Delgado clashed with the police in Oporto, where some 25 people were injured, and in Lisbon, where over 100 people were injured and the police opened fire after being stoned by the crowds. A number of arrests were made, the Ministry of the Interior alleging that the Lisbon riots had been planned "with the evident intention of creating an insurgent atmosphere." Further disturbances occurred on June 1 at Braga, where a number of people were injured in clashes with the police during demonstrations in favour of General Delgado.

In a statement on the latter date (June 1) General Delgado alleged that the Government were putting numerous difficulties in the way of his election campaign, his allegations included charges that members of Opposition committees had been arrested on charges of fomenting riots, that the police had made three raids on his Lisbon headquarters, that at least two-thirds of his election propaganda was not allowed to be published in the Press, that he was not allowed to use the radio, and that his movements had been shadowed by police during the election campaign. After the poll General Delgado sent a letter to President Craveiro Lopes containing a list of alleged electoral irregularities during the voting, and stating that he might contest the validity of the elections in the courts.

It was officially announced on June 11 that General Delgado had ceased to hold the post of Director-General of Civil Aviation and had been ordered to return to the Portuguese Air Force.

Rear-Admiral Tomaz was formally sworn in as President of Portugal on Aug. 9 in succession to President Craveiro Lopes. At the same time Dr. Salazar tendered his Cabinet's resignation to President Tomaz, who asked him to form a new administration. The new Government, announced on Aug. 13, contained ten new Ministers, its membership being as follows :

*Dr. Antonio de Oliveira Salazar ..	.. Prime Minister.
†Dr. Pedro Teotonio Pereira ..	.. Minister of the Presidency.
Dr. Marcelo Matias	.. Foreign Affairs.
General Julio Botelho Moniz ..	.. Defence.
Colonel Almeida Fernandes ..	.. Army.
Commodore de Mendonça Dias	.. Navy.
*Dr. Pinto Barbosa	. Finance.
Dr. José Pires Cardoso	.. Interior.
*Sr. Francisco Leite Pinto ..	.. Education.
Sr. Ferreira Dias	.. Economy.
*Dr. Antunes Varela	.. Justice.
Sr. Carlos Ribeiro	.. Communications.
Sr. Henrique Martins de Carvalho	.. Health.
Commodore Vasco Lopes Alves ..	. Overseas Territories.
*Sr. Arantes Oliveira	.. Public Works.
*Dr. Veiga de Macedo	.. Corporations.

* No change.

†Dr. Teotonio Pereira is also Deputy Prime Minister in his capacity as Minister of the Presidency.

The governmental reorganization involved the following changes : (i) Dr. Teotonio Pereira (Ambassador in London) succeeded Dr. Marcelo Caetano as Minister of the Presidency and Deputy Prime Minister ; (ii) Dr. Matias (Ambassador in Paris) succeeded Dr. Paulo Cunha at the Foreign Ministry ; (iii) General Botelho Moniz (Chief of General Staff) became Defence Minister *vice* Colonel Santos Costa ; (iv) Commodore de Mendonça Dias filled the vacancy at the Navy Ministry caused by Rear-Admiral Tomaz's election as President of the Republic ; (v) Commodore Lopes Alves took over the portfolio of Overseas Territories from Dr. Raul Ventura ; (vi) Senhor Ferreira Dias succeeded Dr. Ulisses Cortez as Minister of Economy ; (vii) Senhor Ribeiro replaced General de Araujo at the Ministry of Communications ; (viii) Dr. Cardoso succeeded Dr. Trigo de Negreiros as Minister of the Interior ; (ix) Colonel Almeida Fernandes took over the Army portfolio, which was vacant before the Cabinet reorganization ; (x) Senhor Martins de Carvalho joined the Cabinet as Minister of Health, a new portfolio.

Dr. Salazar has held the office of Prime Minister without interruption for 26 years.—(Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times)

(Prev. rep. 11639 D ; Cabinet, 14321 A.)

B. MALAYA.—Progressive Elimination of Terrorism. - Southern Malaya cleared of Terrorists.

The Prime Minister of the Malayan Federation, Tengku Abdul Rahman, disclosed on Aug. 26 that Hor Lung, one of the 10 members of the Malayan Communist Party's central committee and head of the terrorist organization in Southern Malaya, had surrendered in April. Since then the Federation Government had sought to "use" Hor Lung and, with his co-operation, the surrender of a further 160 terrorists had been brought about, including 33 "ranking terrorists," leading to the end of organized terrorism in the south. The number of terrorists eliminated in Northern Johore since the beginning of 1958 was 183, but the Tengku estimated that 73 still remained in Southern Johore and 600-700 in Northern Malaya. Of the total number of terrorists remaining throughout the whole country (1,078), the great majority were Chinese and not more than 100 were thought to be Malayans. Northern and Central Johore were declared "white" (i.e. terrorist-free) areas on Aug. 27.

The position in Perak, where the military offensive launched in May 1957 (see page 16105, second column) had been maintained for over a year, was outlined on July 9, 1958, by Dato Abdul Razak, Deputy Prime Minister and Minister of Defence. He said that 118 Communists, belonging to 14 or 15 "jungle gangs," had surrendered between November 1957 and July 1958, making a total of 304 surrenders since the amnesty regulations of Aug. 16, 1957 (see 16105 A) and reducing the number of terrorists in Perak to 263.

To achieve these results 260,000 Malayan dollars (about £30,000) had been paid out in rewards in Perak and 496,000 Malayan dollars (about £55,000) in Northern Johore the bulk of the latter payment having been made to Hor Lung. Defending these payments, the Tengku said : "We cannot stick strongly to principles. If money can buy the end, we must use it."

Following the intensive military operations in Perak during March 1958 (see 16105 A), similar military pressure, combined with measures to cut off terrorist food supplies, was concentrated in the south-west corner of the Malayan peninsula in a new offensive which began on April 15. Thirteen terrorists were killed by security forces in Perak between May and August, and a number of terrorists were killed or captured from time to time in other areas.

The 3rd Battn. Royal Australian Regiment joined the Commonwealth Forces in Malaya towards the end of June, while the R.A.A.F. took over the air base at Butterworth (Kedah) in July 1958 and increased its strength with a squadron of *Canberra* jet bombers.

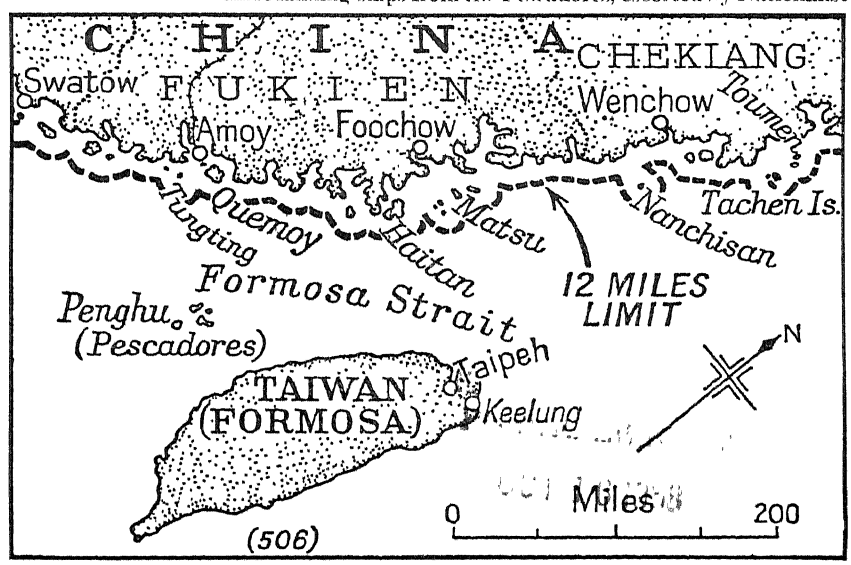
It was announced in the British House of Commons on April 16, 1958, that casualties to U.K. armed forces in Malaya since the beginning of the emergency in 1948 totalled 362 killed and 348 wounded.—(Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. 16105 A.)

SEPTEMBER 13—20, 1958

A. FAR EAST. — The Quemoy Crisis.

After a long period of quiescence, the situation in the Formosa Straits again became acute towards the end of August as a result of the intensive shelling of the Nationalist-held islands of Quemoy and Little Quemoy by Communist batteries on the Chinese mainland. The two islands had already been subjected to sporadic shellfire during the first week of August, and the Nationalist Government in Formosa had reported a strong build-up of Communist jet fighters in the coastal areas of Fukien province, bordering the Formosa Straits. As a precaution against possible Communist attack, the Nationalist Government had declared a state of emergency on Aug. 6 in the Pescadores (the island group half-way between Formosa and the mainland) and the offshore islands under Nationalist control—i.e. the Quemoys and Matsu, off the Fukien coast [see accompanying map].



(By permission of *The Times*)

The Quemoy group lies 15 miles east of the mainland port of Amoy, while Matsu (200 miles to the north) lies in the estuary of the Min River off Foochow. According to the U.S. Press, about 200,000 Nationalist troops (almost one-third of the total Nationalist forces) were believed to be garrisoning these offshore islands. The Tachen Islands (200 to 250 miles north of Matsu), together with the island of Nanchisan, were evacuated by the Nationalists in February 1955 (see 14117 A).

The Quemoy Bombardments.

From Aug. 23 onwards Quemoy and Little Quemoy were subjected to almost daily bombardments—many of great violence and intensity—from Communist shore batteries on the mainland; heavy shellfire was also directed against two small Nationalist-held islets (Tatan and Ehrtan, only 130 acres in extent) lying less than three miles off Amoy. Over 50,000 shells were fired within two hours on Aug. 23, while on subsequent days the Quemoys were hit by up to 60,000 shells in 24 hours. The bombardments were particularly intense between Aug. 23-28, slackened for some days thereafter, and were resumed at intervals during the first fortnight of September, being sporadic on some occasions and exceptionally violent on others. Apart from intensive bombardments of Nationalist batteries and fixed positions, heavy barrages were maintained with the object of preventing convoys from Formosa reaching the Quemoys. Up to the end of August the Nationalist authorities had reported over 1,000 casualties in the Quemoy bombardments, including many civilians.

The Fukien Command of the Chinese Communist Army broadcast a message on Aug. 28 to the Nationalist commander in the Quemoys (General Wu Lien) calling upon him to surrender and declaring that his position had become "hopeless," that he could expect no reinforcement from Formosa, and that continued resistance was useless.

After saying that a landing on Quemoy was "imminent," and expressing the determination of the Chinese People's Army to "liberate Taiwan [Formosa] as well as the offshore islands," the broadcast called on General Wu Lien and his officers to surrender or to lead their soldiers in a revolt against Chiang Kai-shek. It added: "If in this way you do something beneficial for the fatherland, the people will forgive you in accordance with our fixed policy. If you persist in making yourselves cannon-fodder for the American imperialists, in fighting for the Chiang Kai-shek clique, and in remaining the enemy of our 600,000,000 people, your end will be very sad . . ."

During the first fortnight of September a number of attempts were made to supply the Quemoy garrison and civilian population from Formosa. Owing to the intensity of the bombardments from the mainland, and frequent sorties by Communist gunboats, very few vessels were able to reach the island and those that did so had in most cases to put to sea again after discharging only part of their cargo. In the first three days of September three successive convoys from Formosa—consisting of landing-craft and other small vessels—had to abandon the attempt to reach Quemoy in face of artillery fire described by eye-witnesses as more intense than anything known in the Korean War. Further attempts were made on subsequent days, but mostly with little or no success; although a news black-out was maintained, it was understood that a number of Nationalist ships had been sunk or beached in the attempt to run the blockade. It was admitted in Formosa that the situation in Quemoy was causing great concern as the garrison and civilian population were running increasingly short of ammunition, supplies and food.

As from Sept. 7 units of the U.S. Seventh Fleet helped Nationalist warships to escort supply convoys to Quemoy, at the request of the Nationalist Government; a convoy successfully reached the island on that date, while on Sept. 17 three landing-ships from the Pescadores, escorted by Nationalist and U.S. warships, put supplies ashore in the most successful blockade-running operation since the beginning of the month. Other supplies were dropped in Quemoy by Nationalist cargo planes from Formosa, an airlift for this purpose being started on Sept. 14. In escorting the seaborne convoys, U.S. naval vessels ignored the 12-mile limit proclaimed by the Communist Government (see below) but did not approach Quemoy closer than three miles; they were not involved in any exchanges of fire with Communist batteries on the mainland.

Several small-scale air and naval clashes between Nationalist and Communist forces occurred in the Formosa Straits during this period. The Nationalist Defence Ministry claimed on Sept. 2 that 11 Communist torpedo-boats had been destroyed during an attack on a convoy bound for Quemoy, for the loss of only one Nationalist vessel. It was stated that 12 torpedo-boats had attacked in four waves and that all but one had been sunk.

American Reactions to Quemoy Crisis. - Declarations by President Eisenhower and Mr. Dulles.

The massive bombardments of Quemoy aroused serious concern in the United States, where fears were expressed that they might be a preliminary to a Communist assault on the offshore islands. On Sept. 4 the Secretary of State discussed the situation with President Eisenhower, who was then on holiday at Newport, Rhode Island, after which the following statement on the U.S. attitude was issued by Mr. Dulles with the authorization of the President:

"(1) Neither Taiwan nor the islands of Quemoy and Matsu have ever been under the authority of the Chinese Communists. Since the end of the Second World War they have been continuously under the authority of Free China—that is, the Republic of China.

"(2) The United States is bound by treaty to help to defend Taiwan from armed attack, and the President is authorized by joint resolution of Congress to employ the armed forces of the United States for the securing and protecting of related positions such as Quemoy and Matsu.

"(3) Any attempt on the part of the Chinese Communists to seize these positions or any of them would be a crude violation of the principles upon which world order is based, namely, that no country should use armed force to seize new territory.

"(4) The Chinese Communists have for about two weeks been subjecting Quemoy to heavy artillery bombardment and, by artillery fire and the use of small naval craft, they have been harassing the regular supply of the civilian and military population of the Quemoys, which totals some 125,000 persons. Peking Radio repeatedly announces the purpose of these military operations to be to take by armed force Taiwan, as well as Quemoy and Matsu. In virtually every Peking broadcast Taiwan and the off-shore islands are linked as the objective of what is called the 'Chinese people's liberation Army.'

" (5) Despite, however, what the Chinese Communists say, and so far have done, it is not yet certain that their purpose is in fact to make an all-out effort to conquer by force Taiwan and the off-shore islands. Neither is it apparent that such efforts as are being made, or may be made, cannot be contained by the forces of the Republic of China, with such substantial logistical support as the United States is providing.

" (6) The joint resolution of Congress, referred to above, includes a finding to the effect that ' the secure possession by friendly Governments of the Western Pacific island chain, of which Formosa is a part, is essential to the vital interests of the United States and all friendly nations in and bordering upon the Pacific Ocean.' It further authorizes the President to employ the armed forces of the United States for the protection not only of Formosa but for ' the securing and protection of such related positions and territories of that area now in friendly hands and the taking of such other measures as he judges to be required or appropriate in ensuring the defence of Formosa.'

" In view of the situation outlined in the preceding paragraph, the President has not yet made any finding under that resolution that the employment of U.S. armed forces is required or appropriate in ensuring the defence of Formosa. The President would not, however, hesitate to make such a finding if he judges that the circumstances made this necessary to accomplish the purposes of the joint resolution.

" In this connexion we have recognized that the securing and protecting of Quemoy and Matsu have increasingly become related to the defence of Taiwan. This is, indeed, also recognized by the Chinese Communists. Military dispositions have been made by the United States so that a Presidential determination, if made, would be followed by action both timely and effective.

" (7) The President and I [Mr. Dulles] earnestly hope that the Chinese Communist régime will not again, as in the case of Korea, defy the basic principle upon which world order depends, namely, that armed force should not be used to achieve territorial ambitions. Any such use of naked force would pose an issue far transcending the offshore islands and even the security of Taiwan. It would forecast a widespread use of force in the Far East which would endanger vital free-world positions and the security of the United States.

" (8) The United States has not, however, abandoned hope that Peking will stop short of defying the will of mankind for peace. This would not require it to abandon its claims, however ill-founded we may deem them to be.

" In the extended negotiations which the representatives of the U.S.A. and the Chinese Communist régime conducted at Geneva between 1955 and 1958 a sustained effort was made by the United States to secure, with particular reference to the Taiwan area, a declaration of mutual and reciprocal renunciation of force, except in self-defence, which, however, would be without prejudice to the pursuit of policies by peaceful means The Chinese Communists rejected any such declaration. We believe, however, that such a course of conduct constitutes the only civilized and acceptable procedure. The United States intends to follow that course, so far as it is concerned, unless and until the Chinese Communists, by their acts, leave us no choice but to react in defence of the principles to which all peace-loving Governments are dedicated "

On Sept. 11 President Eisenhower made a nation-wide broadcast about " the situation, dangerous to peace, which has developed in the Formosa Straits," with the aim of giving American people the " basic facts and my conclusions as to our nation's proper course of action." The President spoke as follows :

" . . . On the morning of Aug. 23 the Chinese Communists opened a severe bombardment of Quemoy, an island off the China coast. Another island in the same area, Matsu, was also attacked. These two islands have always been a part of Free China—never under Communist control. This bombardment of Quemoy has been going on almost continuously ever since. Also, the Chinese Communists have been using their naval craft to try to break up the supplying of Quemoy, with its 125,000 people. Their normal source of supply is by sea from Formosa, where the Government of Free China is now located. The Chinese Communists say that they will capture Quemoy. So far they have not actually attempted a landing, but their bombardment has caused great damage. Over 1,000 people have been killed or wounded. In large part these are civilians.

" This is a tragic affair. It is shocking that in this day and age naked force should be used for such aggressive purposes. But this is not the first time that the Chinese Communists have acted in this way. In 1950 they attacked and tried to conquer the Republic of Korea. At that time President Truman announced the intention of protecting Formosa, the principal area still held by Free China, because of the belief that Formosa's safety was vital to the security of the United States and the free world. Our Government has adhered firmly ever since 1950 to that policy.

" In 1953 and 1954 the Chinese Communists took an active part in the war in Indo-China against Vietnam. In the fall [autumn] of 1954 they attacked Quemoy and Matsu, the same two islands they are attacking now. They broke off that attack when, in January 1955, Congress and I agreed that we should firmly support Free China.

" Since then, for about four years, the Chinese Communists have not used force for aggressive purposes We have achieved an armistice in Korea which stopped the fighting there in 1953. There is a 1954 armistice in Vietnam; and since 1955 there has been quiet in the Formosa Straits. We had hoped that the Chinese Communists were becoming peaceful—but it seems not. So the world is again faced with the problem of armed aggression . . .

" What should we do ? Shall we take the position that, submitting to threat, it is better to surrender pieces of free territory in the hope that this will satisfy the appetite of the aggressor and we shall have peace ? Do we not remember that the name ' Munich ' symbolizes a vain hope of appeasing dictators ? At that time the policy of appeasement was tried, and it failed. Prior to the Second World War, Mussolini seized Ethiopia. In the Far East, Japanese warlords were grabbing Manchuria. Hitler sent his armed forces into the Rhineland in violation of the Versailles Treaty. Then he annexed Austria. When he got away with that, he turned to Czechoslovakia and began taking it bit by bit.

" In the face of all these attacks on freedom by the dictators, the powerful democracies stood aside. It seemed that Ethiopia and Manchuria were too far away and too unimportant to fight about. In Europe, appeasement was looked on as the way to peace. The democracies felt that if they tried to stop what was going on, that would mean war. But because of these repeated threats, war came just the same.

" If the democracies had stood firm at the beginning, almost surely there would have been no world war. Instead, they gave such an appearance of weakness and timidity that aggressive rulers were encouraged to overrun one country after another. In the end the democracies saw that their very survival was at stake. They had no alternative but to turn and fight in what proved to be the most terrible war the world has ever known. I know something about the war, and I never want to see that history repeated. But, my fellow-Americans, it certainly can be repeated if the peace-loving democratic nations again fearfully practise a policy of standing idly by while aggressors use armed force to conquer the small and weak.

" Let us suppose that the Chinese Communists conquer Quemoy. Would that be the end of the story ? We know that it would not be. History teaches that when powerful despots gain something through aggression, they try, by the same methods, to gain more and more and more. Also, we have more to guide us than the teachings of history. We have the boastings of the Chinese themselves. They frankly say that their present military effort is part of a programme to conquer Formosa.

" It is certain as can be that the shooting which the Chinese Communists started on Aug. 23 had as its purpose not just the taking of Quemoy. It is part of what is an ambitious plan of armed conquest. This plan would liquidate all the free-world positions in the Western Pacific area and bring them under captive Governments which would be hostile to the United States and the free world. Thus the Chinese and Russian Communists would come to dominate the western half of the now friendly Pacific Ocean. So aggression by ruthless despots again imposes a clear danger to the United States and to the free world.

" In this effort the Chinese Communists and the Soviet Union appear to be working hand-in-hand. On Sept. 1 I received a long letter on this subject from Prime Minister Khrushchev [see below]. He warned the United States against helping its allies in the Western Pacific. He said that we should not support the Republic of China and the Republic of Korea. He contended that we should desert them, return all our naval forces to our home bases, and leave our friends in the Far East to face, alone, the combined military power of the Soviet Union and Communist China.

" Does Mr. Khrushchev think that we have so soon forgotten Korea ? I must say to you, very frankly and soberly, that the United States cannot accept the result that the Communists seek. Neither can we now show a weakness of purpose- a timidity- which would surely lead them to move more aggressively against us and our friends in the Western Pacific area.

" If the Chinese Communists have decided to risk a war, it is not because Quemoy itself is so valuable to them. They have been getting along without Quemoy ever since they seized the China mainland nine years ago. If they have decided to risk a war, it can only be because they, and their Soviet allies, have decided to find out whether threatening war is a policy from which they can make big gains. If that is their decision, then a Western Pacific Munich would not buy us peace or security. It would encourage the aggressors and dismay our friends and allies there. If history teaches anything, appeasement would make it more likely that we would have to fight a major war.

" Congress has made clear its recognition that the security of the Western Pacific is vital to the security of the United States. The Senate has ratified, by overwhelming vote, security treaties with the Republic of China covering Formosa and the Pescadores, and also the Republic of Korea. We have a mutual security treaty with the Republic of the Philippines, which could be next in line for conquest if Formosa fell into hostile hands. These treaties commit the United States to the defence of the treaty areas. In addition, there is a joint resolution which Congress passed in January 1955, dealing specifically with Formosa and the off-shore islands of Free China in the Formosa Straits. At that time the situation was similar to what it is to-day. Congress then voted the President authority to employ the armed forces of the United States for the defence, not only of Formosa, but of related positions such as Quemoy and Matsu.

"To-day the Chinese Communists announce, repeatedly and officially, that their military operations against Quemoy are preliminary to attack on Formosa. So it is clear that the Formosa Straits resolution of 1955 applies to the present situation If the present bombardment and harassment of Quemoy should be converted into a major assault with which the local defenders could not cope, then we would be compelled to face precisely the situation that Congress visualized in 1955.

"I have repeatedly sought to make clear our position in this matter so that there would not be danger of Communist miscalculation. The Secretary of State, on Sept. 4, made a statement to the same end [see above]. This statement could not, of course, cover every contingency. Indeed, I interpret the joint resolution as requiring me not to make absolute advance commitments but to use my judgment according to the circumstances of the time. But the statement did carry a clear meaning to the Chinese Communists and to the Soviet Union There will be no retreat in the face of armed aggression . . .

"I do not believe that the United States can either be lured or frightened into appeasement. I believe that in taking the position of opposing aggression by force, I am taking the only position which is consistent with the vital interests of the U.S.A. and, indeed, with the peace of the world.

"I assure you that no American boy will be asked by me to fight just for Quemoy. But those who make up our armed forces– and I believe the American people as a whole—do stand ready to defend the principle that armed force shall not be used for aggressive purposes. Upon observance of that principle depends a lasting and just peace. It is that same principle that protects the Western Pacific free-world positions as well as the security of our homeland. If we are not ready to defend this principle, then tragedy after tragedy would befall us.

"But there is a far better way than resort to force to settle these differences, and there is some hope that such a better way may be followed. That is the way of negotiation. That way is open and prepared, because in 1955 arrangements were made between the U.S A. and the Chinese Communists that an ambassador on each side would be authorized to discuss at Geneva certain problems of common concern. These included the matter of release of American civilians imprisoned in Communist China, and such questions as the renunciation of force in the Formosa area. There have been 73 meetings since August 1955.

"When our Ambassador who was conducting these negotiations [i.e. Mr. Alexis Johnson] was recently transferred to another post, we named as successor Mr. Beam, our Ambassador to Poland [see 16379 A]. The Secretary of State, in his Sept. 4 statement, referred to these Geneva negotiations. Two days later Mr. Chou En-lai, the Premier of the People's Republic of China, proposed that these talks should be resumed 'in the interests of peace' [see below]. This was followed up on Sept. 8 by Mr. Mao Tse-tung, the Chairman of the People's Republic of China. We promptly welcomed this prospect and instructed our Ambassador at Warsaw to be ready immediately to resume these talks. Naturally, the United States will adhere to the position it first took in 1955 – that we will not in these talks be a party to any arrangements which would prejudice the rights of our ally, the Republic of China.

"We know by hard experience that the Chinese Communist leaders are indeed militant and aggressive. But we cannot believe that they would now persist in a course of military aggression which would threaten world peace, with all that would be involved. We believe that diplomacy can and should find a way out. There are measures that can be taken to assure that these offshore islands will not be a thorn in the side of peace. If the bilateral talks between Ambassadors do not fully succeed, there is still the hope that the United Nations could exert a peaceful influence on the situation.

"In 1955 the hostilities of the Chinese Communists in the Formosa area were brought before the Security Council. But the Chinese Communists rejected its jurisdiction. They said that they were entitled to Formosa and the offshore islands, that if they used armed force to get them that was purely a 'civil war,' and that the United Nations had no right to concern itself. They claimed also that the attack by the Communist North Koreans on South Korea was 'civil war,' and that the United Nations and the United States were 'aggressors' because they helped South Korea. They said the same about their attack on Vietnam.

"I feel sure that these pretexts will never deceive or control world opinion. The fact is that Communist Chinese hostilities in the Formosa Straits area endanger world peace. I do not believe that any rulers, however aggressive they may be, will flout efforts to find a peaceful and honourable solution, whether it be by direct negotiations or through the United Nations.

"We are confronted with a serious situation. But it is typical of the security problems of the world today. Powerful and aggressive forces are constantly probing, now here, now there, to see whether the free world is weakening. In the face of this, there are no easy choices available. It is misleading for anyone to imply that there are.

"However, the present situation, though serious, is by no means desperate or hopeless. There is not going to be any appeasement. I believe that there is not going to be any war. But there must be sober realization by the American people that our legitimate purposes are again being tested by those who threaten peace and freedom everywhere."

U.S. Reinforcements for Formosa.

The U.S. Seventh Fleet in the Formosa Straits, comprising some 60 warships, was reinforced during the first fortnight of September by the aircraft carrier *Essex* (33,000 tons) and four destroyers from the Mediterranean, the 45,000-ton carrier *Midway* from Hawaii, and the guided-missile cruiser *Los Angeles* (17,000 tons) from California ; the *Essex* and *Midway* joined four other large carriers already forming part of the Seventh Fleet—the *Hancock*, *Lexington*, *Princeton*, and *Shangri-La*. The American naval forces in the Formosa Straits are under the command of Vice-Admiral Roland N. Smoot, head of the U.S.Taiwan Defence Command.

It was also disclosed in Washington that the U.S. air forces in Formosa had been reinforced during the same period by a undisclosed number of *Sabre* and *Starfighter* jets from Hawaii and the United States ; the *Starfighter*, with a speed of 1,400 m.p.h., is claimed to be the fastest jet fighter in the world. In addition, the Pentagon confirmed on Sept. 15 that a battalion of *Nike-Hercules* anti-aircraft missiles, capable of firing atomic or conventional warheads, had been assigned "for service in the Pacific area." A squadron of *Matador* guided missiles (pilotless aircraft) had been stationed in Formosa for some time previously.

Chou En-lai on "Liberation" of Formosa. - Offer to resume Sino-American Ambassadorial Talks.

In a statement broadcast by Peking Radio on Sept. 6, Mr. Chou En-lai reiterated the Chinese Communist Government's claim to "liberate" Formosa and the Pescadores, and denounced what he described as the U.S.A.'s "aggression" in those areas and its support for the "Chiang Kai-shek clique." At the same time he called for a resumption of the Sino-American ambassadorial talks "to make another effort for the defence of peace."

In the course of his statement Mr. Chou claimed that Formosa and the Pescadores had been part of China from ancient times ; expressed the "sacred right" and "unshakable determination" of the Chinese people to "liberate" those areas ; and maintained that the question was solely of Chinese internal concern. He declared that "all so-called treaties concluded between the United States and the Chiang Kai-shek regime are null and void as far as the Chinese people are concerned and can never legalize U.S. aggression." After saying that the Chinese people could "not tolerate the immediate threat posed by such coastal islands as Quemoy and Matsu," and were "not to be cowed by war provocations of the United States," Mr. Chou expressed his Government's willingness to resume the Sino-U.S. ambassadorial talks in view of the fact that the United States had appointed a representative of ambassadorial rank [i.e. Mr. Beam] to continue them at the point where they had been broken off at Geneva in December last.

Mr. Chou's expressed willingness to resume the Sino-American ambassadorial talks was considered by President Eisenhower at a meeting of the National Security Council, held on Sept. 7 at the White House. An official U.S. statement said in part :

"We hope that the reported statement of Mr. Chou En-lai is responsive to the urging, contained in our Sept. 4 policy statement, that 'armed force should not be used to achieve territorial ambitions,' although such renunciations of force need not involve renouncing claims or the pursuit of policy by peaceful means . . . If the Chinese Communists are now prepared to respond, the United States welcomes that decision. The U.S. Ambassador at Warsaw stands ready promptly to meet with the Chinese Communist Ambassador there, who has previously acted in this matter."

The White House statement concluded with a reaffirmation of the negotiating position which the U.S.A. originally took in 1955, "namely, that we will not in these talks be a party to any arrangement which would prejudice the rights of our ally, the Republic of China."

Mr. Mao Tse-tung (chairman of the Chinese People's Republic), made a speech on Sept. 8 to the Supreme State Conference in Peking in which, although criticizing what he described as "U.S. imperialism," he said that he was hopeful about the ambassadorial talks to be resumed between China and the United States.

Communist China proclaims 12-mile Sea Limit. - Non-acceptance by United States and Great Britain.

The Chinese Communist Government issued a declaration on Sept. 4 extending the limit of China's territorial waters from three to 12 nautical miles. The new sea-limit was said to be applicable to "the Chinese mainland and its coastal islands, as well as Taiwan [Formosa], the Penghu Islands [the Pescadores], and all other islands belonging to China which are separated from the mainland and its coastal islands by the high seas." It was stated that no foreign warships or aircraft could enter China's "territorial sea" and the airspace above it without permission from Peking, and that all foreign

vessels navigating such areas "must observe the relevant laws and regulations laid down by the Government of the People's Republic of China." After commenting that "the Taiwan and Penghu areas are still unlawfully occupied by the United States," the declaration added that "the People's Republic of China has the right to recover these areas by all suitable means at a suitable time."

With regard to mainland China and the coastal islands, the declaration said that China's "territorial sea" comprised all water areas within straight 12-mile "base lines" drawn from the coast and from the offshore islands. As shown on the map on page 16387, the effect was to bring the offshore islands under Nationalist control—i.e. the Quemoys and Matsu—within the new 12-mile sea limit.

As stated above, the U.S. warships escorting Chinese Nationalist convoys to Quemoy ignored the new 12-mile limit claimed by Communist China, but observed the three-mile limit observed by the United States and the great majority of other maritime countries. In the week Sept. 4-11 Peking issued four statements accusing the United States of infringing China's "sovereignty" by permitting American vessels to enter the 12-mile limit, and describing such actions as "war provocations."

The U.S. State Department rejected the Peking Government's claim to a 12-mile sea limit as "an obvious attempt to cloak their aggressive purposes," while the British Government informed Peking on Sept. 13 that it could not recognize the legal validity of the 12-mile limit On the other hand, the Soviet Government announced on Sept. 9 that it would "fully respect" the extension of China's territorial waters

M. Khrushchev's Letter to President Eisenhower. - Soviet Support for Communist China. - President Eisenhower's Reply.

The Soviet Prime Minister sent a letter to President Eisenhower on Sept. 8 expressing the Soviet Union's concern at the situation in the Formosa Straits, and declaring *inter alia* that "an attack on the Chinese People's Republic would be an attack on the Soviet Union." M. Khrushchev expressed full support for the Chinese Communist Government in the Formosa dispute, denounced the attitude of the United States and of "Chiang Kai-shek," but urged that all parties should try to "find a common language" with the aim of "removing the tension which has arisen in the Far East."

After saying that a "dangerous situation" had arisen in the Far East and that "mankind is again confronted with a direct threat of war," M. Khrushchev called on the U.S.A. to "show reasonableness" and to "refrain from steps which could have irreparable consequences." He accused the U.S.A. of "seizing by force of arms the ancient Chinese territory of Taiwan and the Penghu Islands" and of "trying to extend its aggression to the Chinese offshore islands, covering it up by references to its support of the traitor to the Chinese people, Chiang Kai-shek." After referring to the "impermissible" exclusion of the Chinese People's Republic from the United Nations, M. Khrushchev went on to accuse the U.S. Government of "staging military demonstrations to prevent the liberation of Taiwan" and of taking "hasty steps" to reinforce the Seventh Fleet in the Formosa Straits by "rushing warships and aircraft from the United States, the Mediterranean, and other parts of the world."

"It should be pointed out," M. Khrushchev continued, "that the practice of rushing U.S. warships from one place to another has become frequent of late . . . Quite recently the world has witnessed such demonstrations by the American Navy in the Mediterranean, when the United States carried out its military intervention in Lebanon . . . Today, when attempts are being made at sabre-rattling and threatening China, we think it appropriate to recall that China is not Lebanon . . . China's 600 million people are strong and invincible, not only by virtue of their inexhaustible resources, but also by virtue of their unity behind their government . . I should like to emphasize not only this aspect of the matter, but also the fact that China is not alone and that she has true friends who are ready to come to her aid at any moment in the event of an act of aggression, because the security interests of People's China are inseparable from those of the Soviet Union."

M. Khrushchev continued: "The practice of despatching naval fleets and air wings from one part of the world to another—to the Middle East, the Far East, Latin America, and other areas—to bring pressure to bear now on some nations, now on others, and to try to impose a foreign will on them, raises the question whether it is not time to put an end to such actions, which cannot be recognized as normal methods in international relations. It is legitimate to ask whether the U.N. should not consider this and take a decision forbidding Powers to undertake such movements of their naval and air forces for the purposes of blackmail and intimidation, and obliging them to keep these forces within their national frontiers . . . Does it not seem to you, Mr. President, that such despatching of warships now in one direction, now in another, today loses much of its sense, at least with respect to countries possessing modern weapons? I do not know what your military advisers tell you, but they cannot but know that the heyday of surface-navy Powers is over. In this age of nuclear and rocket weapons, these once formidable warships are in fact fit for nothing but courtesy visits and gun salutes, and can serve as targets for the right types of rockets. This may hurt the pride of people closely connected with the Navy, but they are incontestable facts which one cannot ignore . . ."

Continuing, M. Khrushchev said that Mr. Dulles's statement of Sept. 4 [see above] represented "an undisguised attempt at gross and unceremonious infringement of the sovereign rights of other nations" and "cannot but be strongly condemned." After alleging that U.S. military leaders were "trying, with the tacit consent of the American Government, to resort to atomic blackmail against China," the Soviet Prime Minister added. "It can be said with full confidence that no threats or blackmail can scare the Chinese people . . . The Chinese people want peace but they do not fear war. Should a war be forced on China, we have not the least doubt that the Chinese people will strike back at the aggressor in a fitting manner."

After asserting that U.S. "aggressive preparations" in the Far East were "not confined to the Formosa Straits," M. Khrushchev referred to "reports that Syngman Rhee, encouraged and egged on by the United States, is again preparing for war provocations and airing his intention to 'march north.'" He alleged that "some people in the United States seem to have plans for turning Korea into a field of bloody struggle once again"; asked in this connexion why the U.S. Government was "so adamant in its refusal to withdraw its troops from South Korea"; and added that "the responsibility for Syngman Rhee's provocations lies entirely with the U.S. Government."

M. Khrushchev concluded his letter as follows: "You will, perhaps, consider what I have said as too sharp. I beg to differ. The only thing I want to do in this letter, just as on other occasions, is to speak my mind and emphasize the full gravity of the situation which has developed in the area of Taiwan and China's offshore islands as a result of U.S. actions . . . It would be a serious miscalculation for the United States to believe that one can make short work of China, as some Powers used to do in the past. Such a miscalculation would have grave consequences for the cause of world peace . . . An attack on the Chinese People's Republic, which is a great friend, ally and neighbour of our country, is an attack on the Soviet Union. Loyal to its duty, our country would do everything to defend jointly with People's China, the security of both countries and the interests of peace in the Far East and throughout the world.

"Nothing could be more erroneous than to try to read in this message of mine any intention of laying the colour on too thickly, let alone any threats. All we want to do is to draw your attention to the situation which no-one would be able to get out of neither you nor we—should a war break out in the Far East. We want to find a common language with you so that the U.S.S.R., the United States, the Chinese People's Republic, and other countries may join their efforts in removing the tension which has arisen in the Far East."

President Eisenhower replied to M. Khrushchev as follows on Sept. 13:

"I agree with you that a dangerous situation exists in the Taiwan area. I do not agree with you as to the source of danger in this situation. The present state of tension in the Taiwan area was created directly by Chinese Communist action, not by that of the Republic of China or by the United States. The fact is that following a long period of relative calm in that area, the Chinese Communists, without provocation, suddenly initiated a heavy artillery bombardment of Quemoy and began harassing the regular supply of the civilian and military population of the Quemoys.

"This intense military activity was begun on Aug. 23 some three weeks after your visit to Peking [see 16352 A]. Peking Radio has repeatedly been announcing that the purpose of these military operations is to take Taiwan, as well as Quemoy and Matsu, by armed force. In virtually every Peking broadcast, Taiwan and the offshore islands are linked as the objective of what is called the 'Chinese people's liberation army.'

"The issue, then, is whether the Chinese Communists will seek to achieve their ambitions through the application of force, as they did in Korea, or whether they will accept the vital requisite of world peace and order in a nuclear age and renounce the use of force as a means for satisfying their territorial claims.

"The territory concerned has never been under the control of Communist China. On the contrary, the Republic of China despite the characterizations you apply to it for ideological reasons is recognized by the majority of the sovereign nations of the world, and its Government has been and is exercising jurisdiction over the territory concerned. U.S. military forces operate in the Taiwan area in fulfilment of treaty commitments to the Republic of China to assist it in the defence of Taiwan and the Pescadores. They are there to help resist aggression—not to commit aggression. No upside-down presentation such as is contained in your letter can change this fact.

"The U.S. Government has welcomed the willingness of the Chinese Communists to resume the ambassadorial talks, which were begun three years ago in Geneva, for the purpose of finding a means of easing tensions in the Taiwan area. In the past, the U.S. representative at these talks has tried by every reasonable means to persuade the Chinese Communist representative to reach agreement on mutual renunciation of force in the Taiwan area, but the latter insistently refused to reach such agreement. The United States hopes that an understanding can be achieved through the renewed talks which will assure that there will be no resort to the use of force in the endeavour to bring about a solution of the issues there.

"I regret to say I do not see in your letter any effort to find that common language which could indeed facilitate the removal of the danger existing in the current situation in the Taiwan area. On the contrary, the description of this situation contained in your letter seems designed to serve the ambitions of international Communism rather than to present the facts. I also note that you have addressed no letter to the Chinese Communist leaders urging moderation upon them. If your letter to me is not merely a vehicle for one-sided denunciation of U.S. actions, but is indeed intended to reflect a desire to find a common language for peace, I suggest you urge these leaders to discontinue their military operations and to turn to a policy of peaceful settlement of the Taiwan dispute. If indeed . . . the Chinese Communist leaders can be persuaded to place their trust in negotiation and a readiness to practise conciliation, then I assure you the United States will, on its part, strive in that spirit earnestly to the same end."

British and Commonwealth Reactions.

The following statement on the British attitude to the Far East crisis was issued on Sept. 12 by the Foreign Office in London :

"We have no obligation or commitment of any kind to take military action for the defence of Quemoy, Matsu or Formosa. Our only obligations are those in accordance with the U.N. Charter. The U.S. Government have neither sought nor received promises of British support in the event of war over the Chinese offshore islands.

"With regard to the present situation, we regret the current indications that the Chinese Government wishes to settle the problem of the offshore islands by force. We hope that further attempts will be made to solve the problem of the status of the offshore islands by peaceful methods.

"The diplomatic discussions in Geneva since 1955, although they did not result in a solution, did seem to reduce the tension in the area. We regret that the Chinese Government should appear to be reverting to military methods. We strongly approve President Eisenhower's statement yesterday that he wishes these differences to be settled by way of negotiation. We hope that talks . . . between representatives of the two Governments will begin speedily. We also welcome the President's statement of his hope that the U.N. could exert a peaceful influence on the situation if bilateral talks do not fully succeed.

"It is important that the real issue should be appreciated. The immediate question is not the present or future status of the offshore islands ; it is whether a dispute of this nature should be settled by force ; and upon that point we strongly support the American position."

Following a meeting of the Labour Party Parliamentary Committee, at which the crisis in the Far East was discussed, Mr. Gaitskell wrote on Sept. 15 to the Prime Minister (then on holiday in Scotland) expressing the Labour Party's "deep concern at the dangerous situation which has developed" and setting forth its views on the question. Mr. Gaitskell wrote as follows :

"Like your predecessor [Sir Anthony Eden], we regard Quemoy and the other offshore islands as part of the mainland of China. We therefore consider that the claim of the Peking Government to them is legitimate, and that they should long since have been evacuated by the Chinese Nationalists instead of reinforced. We do not accept that from a military angle they are of any importance to the defence of Formosa, which raises different issues. Such military consequence as they have seems to be more as a possible aid to an attempt to reconquer the Chinese mainland, an attempt which, in our opinion, would be sheer lunacy.

"In our view, therefore, Great Britain should not support, much less participate in, any war to defend these islands against attack from China. We have read the official statements that no commitments have been entered into by H.M. Government, but we do not consider that these are clear enough. In view of various reports which have appeared in the Press, we ask you to make plain that, even if the United States becomes involved in a war to defend Quemoy, Britain would not join in.

"Moreover, we believe that it is the duty of H.M. Government to do everything in their power to dissuade the U.S. Government from engaging in such a war. It is clear that American intervention might very well have the gravest consequences. We have been particularly disturbed by reports that the use of nuclear weapons by the United States in defence of Quemoy against the mainland of China is being seriously contemplated. We hope you will make it clear that there is the strongest possible objection here to any such step.

"While we understand that normally there is a reluctance to publicize differences of opinion between ourselves and our allies, we regard the situation as far too serious for this consideration to be decisive. The fact is that public opinion, not only in Britain, but, we believe, in the whole of Western Europe, is completely opposed to a war over Quemoy and is unable to accept the arguments with which President Eisenhower sought to justify its possibility.

"We believe the British Government should make this abundantly clear to our American allies, and urge the greatest restraint upon them. If, as I trust, you share our views on these matters, I hope you will be prepared yourself, if need be, to go to Washington and represent them to the President.

"I am sorry to have to disturb you with this letter while you are on holiday. I should not have done so had I not felt the matter to be one of exceptional urgency."

Mr. Macmillan replied to Mr. Gaitskell on the same day as follows :

"H.M. Government's position has already been made clear. I said in a speech at Bromley on Sept. 12 : 'Our American allies have neither sought nor received promises of military support from us in the Formosa area. The fact that we are not militarily involved puts all the greater obligation upon us to help in any way we can, by private consultation and public action, to secure a peaceful solution of these problems. The immediate question is not the present or future status of the offshore islands ; it is whether a dispute of this nature should be settled by force On that point we strongly support our American friends.'

"I hope that you and I would both agree that territorial adjustments should be negotiated and not brought about by force. While there must, of course, be unfettered consultations and honest advice between partners in private on the best way of handling any particular problem, I think that we would be playing into the hands of the Communists if we allowed ourselves to take public attitudes on difficulties which we hope jointly to overcome

"While I am, as you know, always prepared to go anywhere and do anything in the cause of peace, I must point out that the Foreign Secretary is already on his way to the United States [for the 13th session of the U.N. General Assembly], where he will be in close touch with the situation and will discuss matters direct with the U.S. Government and representatives of other countries. Meanwhile I feel that we must treat this crisis calmly and constructively."

Addressing the Foreign Press Association in London on Sept. 16, Mr. Gaitskell summarized the Labour Party's attitude as follows : (1) the Peking Government should be recognized as the Government of China and take its place in the United Nations ; (2) Formosa and the Pescadores should be placed under U.N. administration for a period ; (3) General Chiang Kai-shek's Government should be withdrawn from Formosa ; (4) after a certain period, the people of Formosa should be free to make their own decision, without any intimidation, whether they wished to be independent or to join with China.

Statements by Commonwealth Prime Ministers.

The Prime Minister of Canada (Mr. Diefenbaker) suggested on Sept. 6 that the United Nations should intervene in the Formosa crisis, since the dispute between the Communists and the Nationalists had assumed "threatening proportions" ; he believed that it was "not beyond our capacity to find some means of settlement," and stressed that nothing should be left undone to prevent action which might result in "the world sliding into disastrous consequences."

Mr. Menzies (Prime Minister of Australia) told a press conference on Sept. 10 that the present tension in the Formosa Straits appeared to follow a "pattern," and pointed out that it followed closely upon the recent Peking talks between Mao Tse-tung and M. Khrushchev. "In 1955," he said, "Quemoy and Matsu were in the news ; next year it was Suez ; early this year it was Jordan, Iraq, and Lebanon ; now we are back to Quemoy and Matsu." In reply to questions, Mr. Menzies said that Australia had no automatic obligations if hostilities broke out in the Formosa Straits ; he also pointed out that the Anzus Pact between Australia, New Zealand and the U.S.A. did not extend to Formosa.

The Labour Prime Minister of New Zealand (Mr. Walter Nash) urged on Sept. 11 that Formosa should be made completely independent under U.N. guarantee, and demilitarized or neutralized ; he did not see that the present crisis could be solved by handing the island over to the Peking Government or, for that matter, allowing it to remain under the control of Chiang Kai-shek. Formosa had a history and culture of its own, and there was no reason why the Formosans should not manage their own affairs. The position of the offshore islands was different, as they belonged to China.

Mr. Nehru said on Sept. 7 that India supported Peking's claim to the offshore islands, adding that "no country can tolerate an island 12 miles offshore being used as a base for attack." After recalling that India recognized the Chinese People's Republic as the legitimate government of China, Mr. Nehru said he had no doubt that the offshore islands and eventually Formosa would have to go to that government. India, however, had always urged that this question should be settled peacefully, and it was unfortunate that "rather rigid attitudes" had been taken up on either side.

Reopening of Sino-U.S. Ambassadorial Talks.

The ambassadorial talks between the United States and the Chinese People's Republic were reopened in Warsaw on Sept 14, each country being represented by its ambassador in the Polish capital—respectively Mr. Jacob Beam and Mr. Wang

Ping-nan. The talks were held at the Mysliwiecki Palace, which was placed at the disposal of the ambassadors by the Polish Government. No statement was issued on the two-hour meeting between Mr. Beam and Mr. Wang—the 74th ambassadorial meeting since the opening of the Sino-American talks at Geneva in 1955.—(New York Times - New York Herald Tribune - Times - Daily Telegraph - Manchester Guardian - Observer - Sunday Times - Australian News and Information Bureau - New Zealand Government Office, London - Indian High Commissioner's Office, London) **(Prev. rep. Evacuation of Tachen Islands, 14117 A; Sino-American Relations, Ambassadorial Talks, 16379 A.)**

A. UNITED STATES. — Federal Aid for Scientific Education and Teaching of Modern Languages.

Legislation was signed by President Eisenhower during the first week of September authorizing a four-year programme of Federal aid to scientific education at a cost of $900,000,000. It was fundamentally based on President Eisenhower's Oklahoma City speech of October 1957 (see page 15861), wherein the President stressed America's need for a great increase in the number of scientists, engineers, and teachers of modern languages in view of the great educational advances made in the Soviet Union. The appropriate legislation was passed by Congress in August, largely with bi-partisan support.

Under the Bill, loans of up to $1,000 a year for five college years will be made available to talented but needy students, with priority for (1) those intending to teach in schools, and (2) those whose high-school records show particularly ability in science, engineering, mathematics, or modern foreign languages. Interest at 3 per cent will start one year after graduation, repayments being on a periodic graduated basis over the next ten years. Half of the loan will be cancelled over a period of five years for college graduates who enter the teaching profession. It was estimated that about 100,000 students of outstanding ability would be able to go through college with the aid of the long-term loans to be provided.

In addition, 5,500 college graduates with special ability in science will be financed to enable them to take Doctor of Philosophy degrees; 1,500 "national defence" Fellowships for gifted college graduates will be offered for three years of post-graduate study; and the 27,000 high schools in the United States will be helped to bring their science laboratory equipment up to date.

Federal money for college loans (apportioned to the States on the basis of college enrolment figures) will be made available to both public and private colleges and universities. The Federal Government will provide 90 per cent of the loan fund and the college or university the other 10 per cent.

The programme will be administered by the Secretary of Health, Education and Welfare, Dr. Arthur S. Flemming.
(New York Times) **(Prev. rep. 16014 A.)**

B. WALES. — Development Corporation.

The establishment of a Development Corporation for Wales was announced at a press conference in Cardiff on Sept. 17 by Sir Miles Thomas, chairman of Monsanto Chemicals Ltd., and former chairman of B.O.A.C. Sir Miles explained that the corporation would have its headquarters in Cardiff and would have two primary objectives—to attract new industries to Wales and Monmouthshire, both from home and abroad; and to ensure a balanced economic development throughout the Principality

Sir Miles said that the corporation was envisaged as "a permanent feature of the Welsh economic scene" and described it as "one of the most important developments of the 20th century in the economic life of Wales" He explained that the Minister for Welsh Affairs (Lord Brecon) and himself were responsible for making the initial moves and securing support for the idea from leading Welsh industrialists. It would be comparable to the similar Development Corporations for Scotland and Northern Ireland and was expected to have an income of between £25,000 and £40,000 a year from industrial concerns supporting the scheme. Although it would be independent of Government control or finance, it would seek to co-operate closely with the Government, with existing organizations having the same aims as the corporation (e.g. the Industrial Association of Wales and the Welsh Economic Development Council) and with the trade unions. A director-general would be appointed to act as a Welsh industrial "ambassador-at-large," for which purpose he would visit the Continent and the United States to interest firms in establishing industries in Wales.

The board of the Development Corporation for Wales includes representatives of some of the largest industrial firms in the Principality, including Guest, Keen & Nettlefolds; South Wales Switchgear Ltd.; the B.P. Refinery (Llandarcy) Ltd.; Richard Thomas & Baldwins Ltd.; and John Summers & Sons Ltd.

Sir Miles Thomas is chairman of the Development Corporation for Wales, with Mr. Julian Pode (of the Steel Company of Wales) as vice-chairman.—(Western Mail, Cardiff)

C. ISRAEL - GHANA. — Economic and Technical Collaboration. - Trade Agreement.

A trade agreement between Israel and Ghana was signed in Jerusalem on Aug. 19 by Mr. Botsio, the Ghanaian Minister of Commerce and Industry, and Mr. Avriel, the Israeli Ambassador in Accra. Mr. Botsio had arrived in Israel earlier in the month as head of an official trade mission—the first mission of its kind to leave Ghana since the achievement of the country's independence.

Under the agreement, Ghana will pay for part of her purchases with funds accruing from goods sold to Israel, each party extending the other credit of up to £200,000. The remainder will come from a special credit fund provided by Israel of up to £7,500,000 for between five and 6½ years. The agreement will remain in force for four years and will be automatically renewed for a further year unless one of the parties gives three months' advance notice of its desire to terminate it.

Ghana will purchase chemicals, light industry products, cement and building materials, vehicles, machinery and other equipment, and food products; while Israel will buy such items as cocoa, oil seeds, copra, hides and wood.

Earlier in the year Mr. Barkai (general manager of a Tel-Aviv bank) and Captain Enrico Levy (head of the Israel Nautical School) had spent several months in Accra to advise the Ghanaian Government on the establishment of an agricultural co-operative bank and to assist in the establishment of a nautical training school. A delegation from the Ghana T.U.C. had visited Israel to study problems of trade union organization with the *Histadruth* -the Israeli trade union federation.

The Foreign Minister of Israel (Mrs. Meir) visited Ghana in February and March 1958 during a goodwill tour of eight Western African countries and territories.
(Israel Government Press Office, Jerusalem)
(Prev. rep. 15797 B; 15590 E.)

D. FRANCE - WESTERN GERMANY. — Meeting between General de Gaulle and Dr. Adenauer. - Joint Declaration of Common Aims.

At the invitation of General de Gaulle, the German Federal Chancellor paid a visit on Sept. 14 to Colombey-les-Deux-Eglises (the French Premier's village home in eastern France) for discussions on questions of common interest to the two countries. The talks, lasting several hours, ranged over the whole field of European co-operation and international affairs, and were attended in part by the French and West German Foreign Ministers, M. Couve de Murville and Dr. von Brentano. The following joint declaration was issued by General de Gaulle and Dr. Adenauer at their conclusion:

"We have had a long, free and friendly discussion on many subjects, and are both deeply conscious of the importance and significance of our meeting. We believe that the hostility of former days is finished once and for all and that Frenchmen and Germans are called on to live in harmony and to work side by side. We are convinced that close co-operation between the German Federal Republic and the French Republic is the basis of all constructive work in Europe. It contributes to the strengthening of the Atlantic alliance and is indispensable to the world. We believe that this co-operation must be organized and that it must include the other nations of Western Europe with which our countries have close ties. We desire that this co-operation should be exercised to the advantage of all peoples in the field of the great problems of the world. We hope that it can be extended to the greatest possible number of European States."

General de Gaulle and Dr. Adenauer had never previously met each other before their meeting at Colombey.
(Le Monde, Paris - Frankfurter Allgemeine Zeitung)

E. UNITED KINGDOM. — Increase in Minimum Wage of Agricultural Workers.

The Agricultural Wages Board decided on Sept. 1, by a majority vote, to increase the minimum wage of adult farm workers in England and Wales by 6s. a week, bringing it up to £7 16s. for a 47-hour week. It was also agreed to make adjustments in the minima for juvenile workers so as to smooth out differences between the increases granted at various ages -e.g. the Board thought that there was at present too large a gap between the 120s. payable at 19 years of age and the 150s. payable at the age of 20. A claim by the National Union of Agricultural Workers for a reduction in working hours from 47 to 40 a week was rejected.

The increases were applicable to about 550,000 workers and were estimated to cost £9,000,000-£9,500,000 in a full year. They come into effect at the end of October.—(Times)
(Prev. rep. 15692 B.)

A. BURMA. — Split in Government and Anti-Fascist People's Freedom League. - New Cabinet formed by U Nu. - Government's Amnesty Offer to Rebels. - Proposed Legalization of Rebel Organizations. - Surrender of People's Volunteer Organization and Arakanese and Mon Rebel Leaders.

A serious split developed during the first six months of 1958 inside the Anti-Fascist People's Freedom League (AFPFL), the multi-party alliance which has ruled Burma since the attainment of independence in 1948. In consequence of internal disagreements, two of the four Deputy Premiers (U Ba Swe and U Kyaw Nyein) and 13 other Ministers resigned on June 4, whereupon the Prime Minister, U Nu, formed a new Cabinet in which the national minorities were represented. The new administration received a vote of confidence in the Chamber of Deputies on June 9 by a majority of eight, the Government being supported by the left-wing National United Front (N.U.F.) —the strongest Opposition group, a representative of which subsequently entered the Cabinet.

The most important organizations remaining inside the AFPFL at the beginning of 1958 were the Socialist Party, led by U Ba Swe and U Kyaw Nyein; the All-Burma Peasants' Organization, led by Thakin Tin (Deputy Premier and Minister for Social Services), and the Federation of Trade Organizations, the two latter organizations being Marxist in outlook. At the third congress of the AFPFL, held in January and February, there was a bitterly contested struggle for the secretaryship between Thakin Kyaw Tun (the Minister of Agriculture) and Thakin Tha Khin (the Home Minister); the rival candidates were supported by Thakin Tin and U Kyaw Nyein respectively, and when Thakin Kyaw Tun was elected an open breach was only averted through U Ba Swe's intervention. A new crisis developed in April as a result of the misconduct of sections of the *Pyusawhti* (village home guards), which had been organized in 1955 to protect the peasantry against rebels and bandits. When certain units were accused of ill-treating villagers in the Rangoon area, U Nu ordered the arrest of over 400 of them, including supporters of both the factions inside the AFPFL. On April 26 U Nu himself took over the Home Ministry from Thakin Tha Khin; he explained that he had done so because the police, who took their orders from the Home Minister, were "not so stable as the Army," which could be relied upon to remain neutral in political conflicts.

At a meeting of the AFPFL executive on May 3, U Nu stated that he would side with the faction led by Thakin Tin and Thakin Kyaw Tun and supported by the All-Burma Peasants' Organization and the Federation of Trade Organizations. U Ba Swe thereupon announced his support for the opposing group. The executive agreed on May 5 that a special session of Parliament should meet on June 5 to decide which faction should form the Government; that the defeated group should become a loyal Opposition; and that the League's funds should be equally divided between the two groups. U Nu announced at the same time that he would not dismiss his opponents from the Government, so that they might "work against him from positions of power." During the following month both factions attempted to gain the support of the Opposition groups and especially of the N.U.F., which finally sided with U Nu.

On June 4 U Ba Swe, U Kyaw Nyein, Thakin Tha Khin, Bo Khin Maung Gale (Finance Minister), and 11 other Ministers resigned from the Government, together with 22 Parliamentary Secretaries; U Nu nevertheless retained the support of two Deputy Premiers (Thakin Tin and Sao Hkun Hkio, the Foreign Minister) and 12 other Ministers. On the same day he formed a new Cabinet of 20 members, the five new Ministers being Saw Lulu (Minister for the Karen State), Duwa Zaw Rip (Minister for the Kachin State), Kyaw Min (Finance), U Maung Kyaw Zan (Judicial Affairs), and U Shwe Kyaing (Rehabilitation). Three of the new Ministers belonged to the Arakanese minority group in the Chamber, which had promised its support to U Nu.

A motion of no-confidence in the Government was presented on June 9 by U Ba Swe, who declared that U Nu had split the AFPFL and led the country into danger by aligning himself with the N.U.F., which, he alleged, was pro-Communist and had deviated from strict neutrality in foreign policy. In reply, U Nu denied that any alignment existed between himself and the N.U.F.; he declared that he would see to it that the Communists would never take power in Burma, and emphasized that his foreign policy was based on neutrality and would never change while he was in office. The motion of no-confidence was defeated by 127 votes to 119, the Government being supported by the 45 N.U.F. members and by the representatives of the national minorities. After the vote U Ba Swe and U Kyaw Nyein crossed the floor to congratulate U Nu, while the Government leaders shook hands with members of the Opposition group.

The Speaker of the Chamber of Deputies, Bo Hmu Aung, resigned on July 16 and was sworn in as Deputy Premier and Defence Minister—the post formerly held by U Ba Swe. Dr. E. Maung, president of the Justice Party and one of the chairmen of the N.U.F., was appointed Minister for Judicial Affairs on July 19 in place of U Maung Kyaw Zan, who had been transferred to the Ministry of Education.

In a broadcast on June 24 U Nu accused the Opposition faction of responsibility for corruption inside the AFPFL, and compared them to General Chiang Kai-shek, who, he alleged had paved the way for the victory of Communism in China by permitting corruption in his Government. He urged that more strenuous steps were needed to educate the nation's youth in the true meaning of democracy, and accordingly proposed that a national convention should be held under the combined auspices of the Government, the Opposition, and other suitable organizations. The main purpose of such a convention would be to draft a "national charter of democracy" clearly defining the rights and duties of the Government, the Opposition, the Press, etc., which would be signed and accepted by all parties.

On U Nu's advice, President U Win Maung cancelled on Aug. 19 his previous order summoning the Chamber of Deputies to meet on Aug. 28 for its budgetary session. U Nu stated that the Government had intended to dissolve Parliament during the session and to order elections, but district officers' reports had shown that, because of incomplete electoral rolls and the mounting tension between the two factions of the AFPFL, conditions did not warrant the holding of elections at the present moment. The President's action was regarded as equivalent to an indefinite prorogation of Parliament, in preparation for the holding of elections as soon as conditions were favourable.

The Civil War. - Amnesty Offer to Rebels.

After the split in the AFPFL U Nu adopted a more lenient attitude towards the Communist and other rebels, offering them a complete amnesty and the legalization of rebel organizations which renounced the use of violence. This policy led to the surrender during July and August of two sections of the rebels, the People's Volunteer Organization and the Mon United Front, although informal negotiations with the Communists failed to produce any immediate result. Details of the rebels' activities and of the Government's various amnesty offers are given below.

The main insurgent forces and their estimated strength in June 1958 were as follows. (1) The Burma Communist Party ("White Flag" Communists) led by Thakin Than Tun; these numbered 2,000 to 3,000 armed men, operating mainly in the mountains of the Upper Chindwin district. (2) The Communist Party of Burma ("Red Flag" Communists), a Trotskyist organization led by Thakin Soe, with about 1,000 men operating in the forest areas of the Pakokku district, on the Upper Irrawaddy. (3) The People's Volunteer Organization (P.V.O.), a left-wing group of 2,000 to 3,000 men which normally co-operated with the "White Flag" Communists; these were widely scattered, being found on the Upper Irrawaddy, on the Arakan coast, in the Irrawaddy delta, and in the Moulmein area. (4) The Karen National Defence Organization, which with 3,000 to 5,000 men was the strongest single rebel group; its main fields of activity were the Tenasserim area of southern Burma and the Irrawaddy delta. (5) The Moslem National Defence Organization, or *Mujahids*, with 2,000 to 3,000 men on the Arakan coast. (6) Various national minorities who had rebelled in support of their demands for autonomy or independence, including the Toungoos, with 500 to 1,000 armed men, and the Mons of Lower Burma; the Arakanese had already surrendered in January 1958 (see below). (7) The remnants of the Chinese Kuomintang troops who entered Burma after the Communist revolution in China and had refused evacuation to Formosa; numbering 2,000 to 3,000 men, they operated in the Kengtung area of the Shan States and supported themselves mainly by banditry.

The rebels concentrated on acts of terrorism and attacks on communications, though on occasion several hundred men—often drawn from different sections of the insurgents—would unite to attack a town. Thus Lamaing (50 miles S. of Moulmein) was sacked by about 1,000 Karen and Kuomintang guerrillas on Jan. 29, 1956; Thandaung (180 miles N. of Rangoon) was attacked by 200 Karens on Nov. 9, 1957; Thaton was unsuccessfully attacked by Karens on Dec. 19, 1957; and Minbu (270 miles N.W. of Rangoon) was raided on March 15, 1958, by about 200 well-armed Communists, who destroyed public buildings and kidnapped the local M.P. Among the rebels' more spectacular feats of sabotage were the destruction of seven railway bridges near Pegu on March 31, 1956; the derailment of a train 50 miles north of Rangoon on July 20, 1956 by a combined force of Karens and Communists, who attacked the wrecked train and kidnapped over 30 of the passengers; and the blowing-up on Feb. 23, 1958 of the main pipeline supplying water to Rangoon.

In September 1955 the Government had offered an amnesty to all rebels who surrendered by March 31, 1956. U Nu stated on Jan. 10, 1956, that individual members of the Government had received "peace feelers" from Communist leaders but that these were being ignored, as the Government was not prepared to legalize the Communist Party. According to reports published in the Rangoon press in January 1956, Thakin Than Tun had held frequent meetings with other rebel leaders at which he had pressed them to surrender and to take part in the general elections due to be held in April of that year, but had been opposed by Thakin Soe and leaders of the P.V.O. A proposal made to the Government by Thakin Than Tun for unofficial discussions as a preliminary to surrender was reported on April 3, 1956, to have been rejected by Bo Khin Maung Gale (then Home Minister), who insisted on unconditional surrender. The total number of rebels who had surrendered hitherto was given on the same date as 27,955, including 5,834 "White Flag" Communists.

In August 1957 the Army carried out an offensive against the Communists in the jungle area south of Mandalay, during which they captured large supplies of arms and equipment, numerous documents, a radio station, and the printing-press for the Communists' underground journal. The Communist Party chairman for the Pyinmana district (230 miles N. of Rangoon), Maung Maung, surrendered during these operations and helped to bring about the surrenders of 63 more insurgents in October. Bo Tin Yu, the Communist commander in this district, surrendered on Nov. 11 with 104 of his followers, including the entire district committee.

In a broadcast appeal to the rebels to surrender, made on Nov 18, 1957, U Nu announced that a special board would be set up to deal with problems of rehabilitation and resettlement; in implementation of his promises this board was subsequently set up and was empowered to make grants of money to former rebels to enable them to settle on the land or set up in business. During the next six months large numbers of rebels took advantage of the Government's offer. A Karen leader, Bo Myo Aung, surrendered with 146 followers on Nov 27 at Thaton; U Sein Da (a Buddhist monk), the leader of the Arakanese guerrillas who had been in arms since 1946, surrendered with 1,000 followers at Minbya on Jan. 25, 1958; 160 Communists surrendered at Monywa on March 16; and U Hla Pe (a pre-war deputy Speaker of the House of Representatives) surrendered with 1,334 other Karens at Taunggyi on May 5. Whenever a large group of rebels surrendered, a ceremony was held at which a member of the Government formally welcomed them back into "the legal fold."

The main obstacle to the ending of the civil war was the problem of legalization of political organizations which were in rebellion. U Nu disclosed on March 11 that Thakin Than Tun had approached the Government with a suggestion that the rebels should lay down their arms after the Communist Party and other rebel organizations had been legalized. U Nu stressed, however, that he was not prepared to enter into discussions with rebels unless they surrendered first; if the rebels handed over their arms, renounced the use of violence, and disowned those who refused to surrender, he (the Prime Minister) would see that "the right to organize their political parties democratically" was restored to them.

U Nu's broadcast of June 24 (quoted above), made after the split in the AFPFL, contained further concessions to the rebels. He promised them an amnesty for past offences, the legalization of their political organizations, and the right to take part in the proposed national convention, in addition to satisfaction for their other demands, such as the release of political prisoners and the holding of free and fair general elections, provided that they complied with the three conditions laid down in his speech of March 11. A decree granting an amnesty to rebels who surrendered, and legalizing rebel organizations which abandoned the use of violence, was issued by the President of Burma at the end of July.

The N.F.U. issued a statement on June 29 appealing to the Communists to take advantage of the Government's offer of an amnesty and legalization, which would enable them to contest the forthcoming elections. Although no formal negotiations took place between the Government and the rebels, the "internal peace committee," an unofficial body formed in 1957 by Thakin Kodaw Hmaing (one of Burma's leading men of letters), acted as an intermediary between the two sides during July and August.

Two rebel groups, the People's Volunteer Organization and the Mon United Front, took advantage of the Government's offer. On June 25 the P.V.O. allowed the Army to reoccupy Gwa (on the Arakan coast), the last rebel-held town in the country, which had been in their possession for the past ten years; 564 P.V.O. members and Mons "came into the legal fold" at Moulmein on July 19, and over 1,000 more on July 23. [The expression "come into the legal fold" was normally used by the Government in preference to "surrender," at the rebels' request.] The P.V.O. leader, Bo Po Kun (a former Education Minister), surrendered at Mandalay on Aug. 11 with 29 members of his central committee, and on Aug. 18 the People's Comrade Party (the political wing of the P.V.O.) was formally declared a legal party.—(Times - Daily Telegraph - Manchester Guardian - New York Times) **(Prev. rep. Burmese Cabinet, 15492 A; Civil War, 12837 A.)**

A. UNITED STATES. — Presidential Pensions.

Legislation was signed by President Eisenhower on Aug. 25 granting a pension of $25,000 a year (about £9,000) to former Presidents of the United States and all future ex-Presidents, and also granting a pension of $10,000 a year to the widows of former Presidents. In addition, it was provided that ex-Presidents should have adequate office space at their disposal in a Government building, the services of the necessary administrative, secretarial and clerical staff, and free mailing privileges. There are two living ex-Presidents—Mr. Harry S. Truman and Mr. Herbert C. Hoover—and two surviving widows of ex-Presidents: Mrs. Woodrow Wilson and Mrs. Franklin D. Roosevelt.—(New York Times)

B. FINLAND. — New Coalition Government formed by Dr. Fagerholm.

A new Finnish Cabinet comprising representatives of the Social Democratic, Agrarian, Conservative, Swedish People's, and Finnish People's parties was formed on Aug. 29 by Dr. Fagerholm, after prolonged inter-party negotiations which had been in progress since the general elections of July last.

President Kekkonen had first asked Mr. Kilpi, the leader of the Popular Democratic Union (the Communists and their supporters, constituing the largest Parliamentary group) to form a Government on July 30. Mr. Kilpi's proposals for a left-wing coalition which would command the support of 101 of the 200 members of the Diet were rejected by both the Social Democrats and the Independent Social Democrats; he abandoned his attempt in consequence, and on Aug. 2 the President invited Mr. Hiltunen (a Social Democrat) to form a Cabinet. Mr. Hiltunen approached all the parliamentary groups except the Popular Democrats with a view to the formation of a broadly-based coalition; his invitation was accepted by the Conservatives and the Swedish and Finnish People's parties but was rejected by the Agrarians, whilst the Independent Social Democrats made their participation conditional on the restoration of unity within the Social Democratic Party. As the formation of a majority Government was impossible without Agrarian support, Mr. Hiltunen resigned his mandate on Aug. 6, Mr. Hetemäki (Conservative), whom President Kekkonen next invited to form a Cabinet, withdrew on the same day for the same reason.

Negotiations between the Social Democrats, Independent Social Democrats, and Agrarians for the formation of a three-party Government were begun on Aug 8, but produced no result. After prolonged but abortive inter-party negotiations, Dr. Fagerholm (the Social Democratic leader, who had previously been Premier in 1956-57) was asked by President Kekkonen on Aug. 26 to form a Government in which all parliamentary groups would be represented. This proved impossible owing to the other parties' refusal to co-operate with the Popular Democrats, whereupon the President asked Dr. Fagerholm to form a majority Government. Although the four right-wing parties agreed to enter a Cabinet led by Dr. Fagerholm, the Independent Social Democrats and the leaders of the Trade Union Federation (whom Dr. Fagerholm had consulted with a view to the inclusion of trade union representatives) refused to do so on the ground that the proposed Government would have a right-wing majority, whereas there was a left-wing majority in the Diet.

The membership of the new Government was announced on Aug. 29 as follows (abbreviations: S.D.—Social Democrat; Agr.—Agrarian; Cons.—Conservative; F.P.P.—Finnish People's Party; S.P.P.—Swedish People's Party):

Karl-August Fagerholm (S.D.) ..	Prime Minister.
Johannes Virolainen (Agr.) ..	Deputy Premier and Foreign Affairs.
Sven Högström (S.P.P.) ..	Justice.
Atte Pakkanena (Agr.)	Interior.
Toivo Wiherheimo (Cons.) ..	Defence.
O. P. Hetemäki (Cons.)	Finance.
Kaarlo Kajatsalo (F.P.P) ..	Education.
Martti Miettunen (Agr.) ..	Agriculture.
Kuusta Eskola (Agr.)	Communications and Public Works.
Onni Hiltunen (S.D.)	Commerce and Industry.
Vainö Leskinen (S.D.)	Social Affairs.
Mauno Jussila (Cons.)	Deputy Minister (Finance).
Niilo Kosola (Cons.)	Deputy Minister (Agriculture.
Olavi Lindblom (S.D.)	Deputy Minister (Communications and Works).
Kustaa Paasio (S.D.)	Deputy Minister (Social Affairs).

Dr. Fagerholm (57) is one of the most prominent figures in Finnish political life; he has been Prime Minister on two former occasions (1948-50 and 1956-57) and has held portfolios in many other governments. His new five-party Cabinet succeeded the non-party "caretaker" government formed in April last by Dr. Reino Kuuskoski. With the exception of Mr. Kajatsalo, Mr. Kosola and Mr. Lindblom, all members of the new Government have previously held ministerial office.

The new Government is supported by 137 of the 200 members of the Diet, the Opposition consisting of the 50 Popular Democrats and the 13 Independent Social Democrats. (Ministry of External Affairs, Helsinki) **(Prev. rep. 16324 A.)**

C. SUDAN. — Par Value for Sudanese Pound.

The International Monetary Fund announced on July 24 that the initial par value for the Sudanese pound had been established at £Sud.1 = U.S.$2.87156. The other parities were: £Sud.1 = 2.55187 grammes of fine gold, or £Sud.0.348242 = U.S.$1.—(International Monetary Fund) **(16227 D; 15689 B.)**

A. YUGOSLAVIA - SOVIET UNION.—Soviet-Yugoslav Note Exchanges on Suspension of Soviet Economic Aid. - President Tito's Reply to Soviet and Chinese Attacks on Yugoslavia. - M. Gomulka's Statement on Soviet-Yugoslav Controversy and Execution of M. Nagy. - Albanian Attacks on Yugoslav Leaders. - Flight of Yugoslav "Cominformists" to Albania.

The Soviet Government, in a Note on June 28, proposed that representatives of the Soviet and Yugoslav Governments should meet to discuss changes in the economic agreements between the two countries concluded in 1956. The text of the Note was subsequently published, together with those of the Soviet Note of May 27 and the Yugoslav Note of June 3 (see 16229 A).

The Note of May 27 stated that it was necessary to revise the agreements in view of the recent decision to speed up the development of the Soviet chemical industry (see 16248 A), in which large new capital investments would be necessary in the next few years. The Soviet Government therefore proposed that the credits granted under the agreements of Jan. 12 and Aug. 1, 1956 (see 14937 A, 15035 B), should be used in the periods 1962-69 and 1963-69 respectively, and that the delivery of equipment and the fulfilment of designing work under the agreements should be postponed for a similar period. If the Yugoslav Government so desired, however, equipment could be delivered and designing work carried out within the period originally envisaged, and could be paid for, not on credit, but through current exchanges of goods. These proposals, the Note concluded, had been approved by the East German Government, which was a partner to the agreement of Aug. 1, 1956

The Yugoslav reply (June 3) refused to accept the Soviet proposals, and pointed out that both the agreements clearly defined the obligations of the two countries. As the construction of certain enterprises envisaged under the agreements had already begun, and considerable manpower and resources were involved, any postponement would directly injure Yugoslavia's economy. The Note continued: "Such acts on the part of the Soviet Government introduce a lack of confidence in the economic relations between Yugoslavia and the U.S.S.R., and this can only do harm to the general normal relations between our countries. The Yugoslav Government also wishes to draw the Soviet Government's attention to the responsibility which it will assume for damage caused to Yugoslavia's economy if it maintains its present position, and reserves the right to demand fair compensation."

The Soviet Note of June 28 expressed surprise at the tone of the Yugoslav Note, which, it said, suggested "an attempt to present the U.S.S.R.'s position on Soviet-Yugoslav economic relations in a wrong light and to cast doubt on the fulfilment by the U.S.S.R. of its commitments under international agreements." After declaring that "the U.S.S.R. strictly abides by its international commitments," the Note maintained that "it is common knowledge that a change in certain terms of agreements as a result of negotiations between the parties does not go beyond the bounds of the normal, generally recognized practices of States in relation to international treaties, and that agreements as such do not deprive the parties of the right to raise the question of changing particular terms of the agreements." It therefore proposed that representatives of the two Governments should meet in the near future to discuss changes in the agreements "in a businesslike way."

The Yugoslav Government replied in a Note of Aug. 5, the contents of which were not disclosed. The Yugoslav Communist organ *Borba* reported on Aug. 25 that the Soviet Union had refused to complete the delivery of 200,000 tons of wheat due under the trade agreement between the two countries; the same issue of *Borba* quoted a Moscow despatch stating that the U.S.S.R. was expecting a record wheat harvest.

Addressing the Yugoslav National Assembly on June 26, M. Todorovich (the Vice-President in charge of economic affairs) said that Yugoslavia would go ahead with the projects affected by the cancellation of the Soviet credits and would seek credit elsewhere. He added that Soviet pressure was intended to "force Yugoslavia to abandon her independent position," and contained within itself the elements of a policy which relied on force in the settlement of international problems.

The Anti-Yugoslav Propaganda Campaign.

The Soviet and Chinese Governments and the Soviet "satellites" continued their propaganda campaign against Yugoslavia throughout the summer. M. Khruschev sent a message of greetings to President Tito on May 25 (the Yugoslav President's 66th birthday) in which he expressed the hope that the "misunderstandings" between the Soviet Union and Yugoslavia would be overcome; in his reply (June 2) President Tito said that the two countries had much in common, and that they should emphasize the bonds which drew them together. Soviet-Yugoslav relations nevertheless deteriorated further during June, following the Soviet Note of May 28 and M. Khrushchev's Sofia speech of June 3 (see 16229 A). President Tito replied to this speech, and also to recent Chinese attacks on Yugoslavia, in an address to 50,000 miners at Labin (Istria) on June 15.

Marshal Tito said that the main reason for the campaign against Yugoslavia was that "we refused to sign the 12-nation declaration in Moscow in November 1957 and refused to enter the so-called Socialist camp for reasons which have already been familiar to everybody for a long time, and which boil down to the fact that we are opposed to the division of the world into camps." After protesting against the attacks being made on Yugoslavia, particularly in the Chinese press and in the speeches of some Chinese leaders, he continued: "Marx, Engels and Lenin would turn in their graves if they knew who is explaining their theoretical premises and in what way. Marxist science appears to have undergone such a metamorphosis before it reached the Chinese leaders that today its founders would be unable to recognize it, and would especially be horrified by the ethics which certain Chinese leaders are palming off as Marxism . . . If the Chinese leaders have their own internal difficulties, as no doubt they have, let them solve them in some other way and not by attacks on Yugoslavia . . . The Chinese leaders have raised a hue and cry against us because of our foreign policy—the policy of co-existence between States and nations with different social systems. This means that they are against the relaxation of tension in the world, and that they are in the same position as the most reactionary warmongering elements in the West. There lies the crux of the matter—they are worried by our policy of peace and co-existence. But war does not solve internal difficulties in building Socialism, even though a country may have 600,000,000 inhabitants and even though some of their leaders may like to emphasize that in the event of war there would still be 300,000,000 Chinese left . . .

"In quantity and offensiveness of abuse," President Tito continued, "the Bulgarian Press vies with the Chinese, to say nothing of the Albanian leaders. They are always among the first when it is a question of slandering Yugoslavia . . . Other Communist parties are also endeavouring not to lag too far behind . . . It would appear that this campaign has been organized for a course of long duration, and that certain palliative statements made by some leaders in those countries from time to time have a definite purpose—to delude world opinion so as to isolate and discredit us as much as possible . . ."

Replying to M. Khrushchev's allegation that Yugoslavia was receiving U.S. aid in return for serving U.S. interests, President Tito said: "I fully agree that the Americans are not giving us aid so that Socialism may triumph in Yugoslavia, just as in 1921 and 1922 they gave assistance to the Soviet Union—not in order to strengthen the Soviet Government, but because there was famine there. The Americans gave us aid after 1949, not so that Socialism might triumph in our country—they have no liking for Socialism and do not hide the fact—but because there was a threat of hunger here, and also to help Yugoslavia resist Stalin's pressure and preserve her independence. If some quarters in America fostered other hopes in this connection, that was no concern of ours. Stalin's policy of economic blockade and threats caused Yugoslavia immense damage, which according to expert estimates amounted to about 600,000,000 dinars (£720,000,000), whereas the assistance of America, Britain, and France greatly helped Yugoslavia, which was in dire straits because of the blockade and Cominform pressure.

"Comrade Khrushchev often repeats that Socialism cannot be built with American wheat," President Tito continued. "I think it can be done by him who knows how, whilst he who does not cannot build Socialism even with his own wheat. Khrushchev says that we live on the charity we receive from the imperialist countries in the form of goods of poor quality which could not be placed elsewhere . . . But the American wheat, cotton, and fats are of very high quality and could be placed anywhere. American wheat is no worse than Soviet wheat, which we do not receive anyway . . . What moral right have those who attack us to rebuke us about American aid or credits, when recently Khrushchev himself sought to conclude an agreement with America on credits and long-term economic co-operation? Not only is there no logic here, but it is the height of cynicism . . ." [President Tito here referred to the recent letter from M. Khrushchev to President Eisenhower proposing increased trade between the Soviet Union and the U.S.A. and the granting of long-term American credits to Russia—see 16385 C.]

The anti-Yugoslav campaign was intensified after the Hungarian announcement on June 17 of Imre Nagy's execution (see 16231 A). Official Yugoslav comment on the execution emphasized the resemblance between the charges against Nagy and those brought against Laszlo Rajk (the former Hungarian Foreign Minister, who was hanged in 1949 on a charge of plotting to overthrow the Government with Yugoslav assistance—see 10265 A). M. Vlahovich, a leading member of the Yugoslav League of Communists, accused the Soviet Government on June 24 of reviving the methods used against Yugoslavia by the Cominform after the adoption of its anti-Yugoslav resolution in 1948; "the logic of 1948," he observed, had led to a series of political trials beginning with that of M. Rajk, and the execution of M. Nagy and the fresh accusations brought against Yugoslavia indicated that ideological discussion was again being replaced by "fabrication of court documents."

The Peking *People's Daily* asserted on June 26 that the Yugoslav leaders, by protesting against M. Nagy's execution, had "acted as the anti-Soviet and anti-Communist vanguard for the imperialist reactionaries"; it compared President Tito's references to China in his Labin speech to "a dwarf

kneeling in the mud and trying to spit at a giant standing on a lofty mountain." When the Yugoslav Ambassador to China left Peking on June 25, on his appointment to the Federal Executive Council, his departure was ignored by the Chinese Government, the members of which had previously boycotted both an official dinner given in his honour by the diplomatic corps and a farewell reception at the Yugoslav Embassy.

In a speech on June 19 to the Czechoslovak Communist Party congress, M. Kirichenko (a member of the Presidium of the Soviet Communist Party) repeated the allegation that the Yugoslav "revisionists" were very useful to the "imperialists"; he also denounced the theory that the transition to Socialism might take a number of forms, which had been put forward by M. Khrushchev at the 20th congress of the Soviet Communist Party (see 14745 A).

M. Kirichenko said in this connection : "The successes in building Socialist society in Czechoslovakia decisively refute all kinds of preaching about 'special' and 'specific' ways to Socialism . . Experience has shown that all attempts to stray from the broad highway to Socialism laid by the great October Socialist revolution [i.e. the Russian Revolution] undermine the forces of the international Communist movement and lead to division and disintegration, and that those who want to reach Socialism along some twisted path only land in a blind alley and in the quagmire of revisionism."

M. Gomulka's Statement on Yugoslavia.

M. Gomulka, the first secretary of the Polish United Workers' Party, criticized the attitude of the Yugoslav leaders and referred to the execution of Imre Nagy in a speech at Gdansk (Danzig) on June 28. [The P.U.W.P. had hitherto maintained a neutral attitude towards the controversy between the Yugoslav and Soviet Communist parties and had made no official comment on M. Nagy's execution.] M. Gomulka's references to Yugoslavia, though critical, were phrased in moderate terms, and he expressed no opinion on the trial and execution of Imre Nagy.

Despite the Yugoslav leaders' "undeniably sincere efforts" to bring about a relaxation of tension in international affairs," said M. Gomulka, their "negative attitude to the Socialist camp," seen objectively, had weakened the forces of peace and played into the hands of the "aggressive forces of the imperialists." which were doing their utmost to undermine the unity of the Socialist countries These elements supported Yugoslavia, not out of a liking for Socialism, but because they wished to encourage other Socialist countries to follow in Yugoslavia's footsteps. In contrast to the conflict of 1948-54 with the Cominform, nothing justified the present Yugoslav attitude, and he was criticizing it in the hope that they would come to understand its harmful effects. The execution of Imre Nagy, he added, was an internal Hungarian affair, and "it is not for us to judge whose fault it is or the justice of the penalty." M. Gomulka described M. Nagy as a "revisionist" who had capitulated to "forces hostile to the people's power," allowed the Socialist system in Hungary to collapse, proclaimed Hungary's withdrawal from the Warsaw Pact, and turned to the "imperialist" States for help.

Albanian Attacks on Yugoslavia.

The most violent attacks on Yugoslavia (apart from those in the Chinese press) were made by the Albanian leaders, notably during an official visit to Tirana by a Czechoslovak Government delegation at the end of June.

At a reception in Tirana on June 29, M. Enver Hoxha (first secretary of the Albanian Party of Labour) described the Yugoslav leaders as "traitors, incorrigible revisionists, enemies of the Soviet Union and Marxism, and hardened agents of American imperialism"; he declared that "we will do all we can to help these renegades from Marxism-Leninism to drown in muck," and asserted that "despite the Marxist varnish which the Yugoslav leaders have given it, revisionism is only a rusty weapon of the bourgeoisie which will end in the dustbin of history." M. Mehmet Shehu (the Albanian Premier) also described the Yugoslav leaders as "a band of traitors and enemies of Socialism" and "a group of agents of imperialism," adding that the struggle against them would be "fought to a finish and without any compromise."

Relations between Albania and Yugoslavia have been extremely strained since 1948, except for two brief periods in 1956 and 1957-58, when they underwent a superficial but short-lived improvement. The Albanian Party of Labour was the last Communist party in Eastern Europe to express support for the "de-Stalinization" policy adopted at the 1956 Soviet party congress, or to admit that it had made a mistake in breaking off relations with Yugoslavia ; it had also refused to rehabilitate Lieut.-General Kochi Dodze, who was executed in 1949 for "Titoism" (see 10057 C).

Yugoslav-Albanian relations deteriorated markedly in November 1956, when President Tito denounced M. Hoxha in his Pula speech as a Stalinist and an opponent of democratization (see 15258 A), and were further exacerbated by the execution of three former associates of Lieut.-General Dodze, one of them a Yugoslav. These were M. Andreu Dali (a wartime partisan leader and a former leading member of the Albanian Party of Labour), Mme. Liri Gega (his wife), and M. Petar Bulatovich (a Yugoslav citizen who commanded an Albanian partisan brigade during the war); all three were shot in Tirana on Nov. 23, 1956, on charges of espionage for an un-named foreign Power. A temporary "reconciliation," took place in July 1957, when Yugoslav and Albanian Communist leaders met in Moscow (see 15731 A), but this also proved short-lived ; on March 4, 1958, the Yugoslav Government recalled its Minister in Tirana as a protest against the ill-treatment of Yugoslav representatives by the Albanian authorities—notably the recent arrest of the Minister for moving two miles outside the zone which he was permitted to visit.

A Yugoslav Government spokesman confirmed on June 13 that ten Yugoslav citizens (all of whom had served prison sentences for pro-Cominform activity, but had been released before the completion of their terms) had fled to Albania on May 31 in order to join in the propaganda campaign against Yugoslavia from abroad. They included ex-Colonel Vlado Dapcevich (a half-brother of General Peko Dapcevich, the Minister of Communications), who was sentenced to 20 years' imprisonment after trying to flee the country in 1948 (see 9491 C) and was released in 1957. The spokesman added that a number of persons suspected of having aided their escape or engaged in other forms of "harmful activity" had been arrested, but denied reports of large-scale arrests which had appeared in the foreign press. (Tanjug Agency, Belgrade - Soviet Embassy Press Department, London - Times - Manchester Guardian - Le Monde, Paris)

(Prev. rep. Yugoslav-Soviet Dispute, 16229 A.)

A. NEW ZEALAND - JAPAN. — Three-year Trade Agreement on Most-favoured-nation Basis.

A three-year trade agreement between New Zealand and Japan was signed in Wellington on Sept. 9, whereby the two countries agreed to extend most-favoured-nation treatment to each other. The provisions of the agreement were announced to the N.Z. House of Representatives by the Prime Minister, Mr. Walter Nash.

Mr. Nash explained that both countries had agreed to extend to each other full "most-favoured-nation" treatment in respect of Customs duties, import licensing, and the control and allocation of foreign exchange As a result, New Zealand could expect to sell about 10,000 tons of meat to Japan a year under the agreement; to secure about 50 per cent of the Japanese casein (milk protein) market for the next three years; to compete in the Japanese market on a commercial and non-discriminatory basis in respect of N.Z. butter, cheese, dried skim milk powder, and other dairy produce; and to compete for 90 per cent of Japanese foreign exchange allocation for wool.

After pointing out that the agreement was similar to that concluded in 1957 between Australia and Japan (see 15666 C), Mr. Nash emphasized that it gave New Zealand manufacturers ample protection, would form a sound basis for the expansion of trade between the two countries, and would be advantageous to the New Zealand economy.

(Times - New Zealand Government Office, London)

(Prev. rep. 15666 C.)

B. AUSTRIA. — Soviet Protest at U.S. Overflying during Middle East Crisis.

The Soviet Government protested to the United States on July 21 against flights by U.S. military aircraft over Austrian territory during the Middle East crisis. The Soviet Note said that U.S. planes from Western Germany had flown across Austria *en route* for the Middle East "on July 16 and following days," thereby violating Austria's neutrality in spite of protests by the Austrian Government; these "unlawful actions" constituted a "gross violation of the Austrian State Treaty" and were "resolutely condemned" by the Soviet Union. Copies of the Soviet Note were sent to the British, French and Austrian Embassies in Moscow.

It was explained in Washington on July 22 that some unarmed U.S. transport planes had flown over Austria "during the pressure of Middle East events" without obtaining prior authorization from the Austrian authorities ; the U.S. Government had expressed its regret to the Austrian Government, and all such flights had now ceased.—(Wiener Zeitung - New York Times - Soviet Embassy Press Department, London)

(Prev. rep. 16305 A.)

C. JORDAN. — British Financial Assistance.

The British Foreign Office announced on Sept. 14 that H.M. Government had decided to make a grant-in-aid to Jordan of £1,000,000 during the fiscal year ended March 31, 1959, additional to earlier British loans made to the Jordanian Government.—(Times) **(Prev. rep. 15707 B.)**

A. UNITED KINGDOM. — Local Elections.

Results of local elections held in the spring of 1958 are summarized below, covering (i) the county council elections in England and Wales ; (ii) the elections to the London County Council, which are described separately ; (iii) the municipal borough elections in England and Wales ; and (iv) the Scottish city and burgh elections.

English and Welsh County Councils.

Elections in the 62 English and Welsh administrative counties, held during the week April 10-16, resulted in the Labour Party gaining control of four county councils—Essex, Lancashire and Middlesex being won from the Conservatives, and Carmarthenshire from the Independents. The only other change was in Worcestershire, where the Independents won control from the Conservatives.

The overall result of the county council elections was that anti-Labour parties retained control in 49 of the 62 counties, while the Labour Party controlled 11—the above-mentioned four counties, and seven where Labour was already in control (London, Derbyshire, Durham, Glamorgan, Monmouthshire, Northumberland, and Nottinghamshire). The Labour and anti-Labour groups are in equal strength in Staffordshire and the West Riding of Yorkshire.

Apart from London (see below), the Labour Party's biggest gains were in Lancashire and the Home Counties. In Lancashire the party won 21 seats from the Conservatives and lost three to Conservatives and Independents (a net gain of 18), while in Essex and Middlesex they gained 12 and 10 seats respectively. In Kent and Surrey (both of which were held by the Conservatives) Labour gained 17 and 12 seats respectively.

London County Council.

In the L.C.C. elections, held on April 16, the Labour Party gained 27 seats from the Conservatives and thereby increased their majority to 76—the biggest majority the party has had in its 24 years' control of the London County Council. Results were as follows :

	Seats	Votes	Percentage
Labour	101	1,248,125	59.0
Conservatives	25	796,581	37.8
Others*	—	66,783	3.2

*Liberals 57,424 votes ; Communists 4,772 ; others (Independents, Independent Labour Party, and S.P.G.B.) 4,587.

The total number of votes (2,106,489) represented only 30.3 per cent of the electorate—a decrease of about 2 per cent on the figures for the last (1955) L.C.C. elections. The highest poll was in North Lewisham (50.4 per cent) and the lowest in Stepney (15.7 per cent). As compared with 1955, the Labour vote increased by 8.7 per cent and the Conservative vote dropped by 26 per cent.

The L.C.C. constituencies (each returning three members) are identical with the London Parliamentary constituencies. The Labour and Conservative parties contested every seat, while the Liberals put up 31 candidates, the I.L.P. 7, the Communists 4, and the Socialist Party of Great Britain 3. There were also 7 Independent candidates.

Labour gained all three seats from the Conservatives in the following constituencies—Battersea South, Camberwell (Dulwich), Clapham, Holborn and St. Pancras South, Lambeth (Norwood), Wandsworth Central, and Wandsworth (Putney). In three other constituencies—Barons Court, Lewisham North, and Lewisham West—Labour gained one seat from the Conservatives. Among newly-elected members of the L.C.C. was Mr. Christopher Chataway (the British athletics champion, who has run the mile in under four minutes); he headed the poll for the Conservatives in Lewisham North.

English and Welsh Municipal Boroughs.

Elections were held on May 8 in 373 of the 401 municipal boroughs of England and Wales, the seats on the remaining 28 borough councils being filled by unopposed returns. In all cases the elections were for one-third of the councils' membership except at Banbury, Eastbourne, Reading, and Rotherham, where the whole council was elected. Final gains and losses for the 401 borough councils were as follows :

	Gains	Losses	Net change
Labour	343	48	+ 295
Conservatives	28	320	- 292
Liberals	54	5	+ 49
Independents	33	84	- 51
Communist	—	1	- 1

These figures do not include new seats created by rearrangement of ward boundaries ; Labour won 74 of these new seats, Conservatives 53, Liberals 1, and Independents 1.

The results of the municipal elections could be summarized as follows : (*a*) Labour's net gain of 295 seats virtually restored the party's position as it existed before the last (1955) borough council elections, when Labour lost 297 seats ; (*b*) the Conservatives' net loss of 292 seats was 28 more than the net gain of 264 which they achieved in 1955 ; (*c*) the Liberals, with a net gain of 49 seats, made their best showing since the war ; (*d*) the Independents, with a net loss of 51 seats, again declined in representation as in all post-war municipal elections.

Labour gained control of 12 boroughs—Bolton (Lancs.), Brentford and Chiswick (Middlesex), Darwen (Lancs.), Daventry (Northants.), Dudley (Worcs.), Gillingham (Kent), Heston and Isleworth (Middlesex), Luton (Beds.), Spenborough (Yorks.), Stourbridge (Worcs.), Uxbridge (Middlesex), and Walsall (Staffs.). The Conservatives gained control at Banbury and West Hartlepool, while the Liberals became the strongest party at Blackpool and Tewkesbury. Labour lost their former overall control at Brighouse, Bridgwater, Goole, High Wycombe, and Kidwelly, while the Conservatives lost overall control at Oxford, Ealing, and Bexley. Independents gained full control at Andover (Hants.), where they had previously had to rely on Conservative support. The sole Communist on an English borough council failed to secure re-election at Rowley Regis, Staffs.

As a result of subsequent aldermanic elections, Labour took control of Cardiff City Council (for the first time) and the Liberals took control at Blackpool. In Cardiff, the election of six Labour councillors to the aldermanic bench, in place of five Conservative aldermen and a Ratepayers' representative, gave the Labour Party an overall majority of two on the council, including the new Lord Mayor. In Blackpool, the replacement of five Conservative by five Liberal aldermen gave the Liberal Party an overall majority over the Conservative and Labour parties combined. Similar aldermanic elections at Oxford (in which Labour gained six out of seven seats) gave the Labour Party a majority over the Conservatives of 28 to 24—increased to 32-24 on June 26, when Labour won all four seats in a municipal by-election. Labour is not in full control of Oxford City Council, however, as there are also 12 University representatives on the council.

Scottish Cities and Burghs.

Polling took place on May 6 in some 150 Scottish cities and burghs. In the four leading cities, Labour retained control of Glasgow, Dundee, and Aberdeen, and the Progressives of Edinburgh.

There was only one change in the 38 Glasgow contests—a Labour gain from the Progressives, thereby increasing Labour's representation on the council to 69, against 44 for the Progressives and others. In Edinburgh, the Progressives lost two seats to Labour but remained in control of the council, whose new membership became 38 Progressives, 27 Labour, 1 Liberal, 1 Independent, 1 Protestant Action. Labour lost two seats to the Progressives at Dundee but retained a large overall majority on the council (24 Labour, 12 Progressives, 1 Independent). At Aberdeen the Labour majority was reduced to two as a result of two gains by the Moderates.

Elsewhere in Scotland, Labour won three burghs from the Progressives (Coatbridge, Motherwell and Wishaw, and Denny and Dunipace) and achieved parity at Kirkcaldy ; they were ousted only at Campbeltown (Argyll), where they lost control to the Independents. Two Scottish Nationalists hold the balance of power at Stirling, where the Progressives obtained 10 seats and Labour nine. The Communists gained a seat from Labour at Greenock.

In the Scottish burgh elections as a whole Labour gained 36 seats and lost 16—a net gain of 20 seats.

Polling in Scotland was somewhat higher than in recent years, though seldom above 50 per cent and sometimes as low as 20 per cent.—(Times - Daily Telegraph - Daily Herald - Manchester Guardian - The Scotsman, Edinburgh) **(Prev. rep. Local Elections, 15554 A ; 14877 A ; 14215 C ; 14208 A.)**

B. TURKEY. — Cabinet Changes.

The following changes in the Turkish Cabinet were announced on Sept. 5 consequent on the resignation of M. Sidki Yircali, the Minister of Industry, and M. Emin Kalafat, Minister of State : (1) M. Hafuk Saman (chairman of the Democratic Party's parliamentary group) as a Minister of State and acting Minister of Labour ; (2) M. Abdullah Aker (formerly Minister of Commerce) as a Minister of State ; (3) M. Hayrettin Erkmen (formerly Minister of Labour) as Minister of Commerce *vice* M. Aker ; (4) M. Hasan Polatkan (Minister of Finance) as acting Minister of Industry *vice* M. Yircali. M. Polatkan continued to hold the Finance portfolio.

M. Yircali resigned following a divergence of views with the Minister of Co-ordination (M. Ataman) on the price of imported newsprint, which had to be fixed on a new basis after the recent realignment of the Turkish currency (see 16351 B). It was understood that M. Kalafat had also disagreed with the application of the new economic regulations governing exports and imports.—(Times - Turkish Embassy Press Office, London) **(Prev. rep. Turkish Cabinet, 16315 B)**

A. LAOS. — Partial Elections to National Assembly. - Pathet Lao Gains. - Resignation of Prince Souvanna Phouma. - New Cabinet formed by M. Sananikone. - Laos Armistice Commission adjourned "sine die."

Elections were held on May 4 to fill 20 new seats in the Laotian National Assembly (the membership of which had been increased from 39 to 59 to make the Assembly more representative) and to replace a member who had recently died. Of the 21 seats, nine were won by the *Neo Lao Haksat* ("Patriotic Front of Laos"), consisting of *Pathet Lao* supporters; eight by the "National Liberty Front," a loose grouping of the right-wing and centre parties supporting Prince Souvanna Phouma's Government; and four by the *Santiphab* party, a neutralist left-centre group led by M. Bong Souvannouvong, which already held eight seats in the Assembly and had previously co-operated with the *Neo Lao Haksat*. The parties comprising the National Liberty Front were the Nationalists, sponsored by Prince Souvanna Phouma; the Independents (right-wing) led by M. Phoui Sananikone (the Foreign Minister); and the Democrats led by Mr. Katay Don Sasorith, a former Prime Minister and a strong opponent of the *Neo Lao Haksat*.

Prince Souvanna Phouma pointed out in a post-election statement that 680,000 votes in all had been cast for candidates of the centre and right-wing parties, against only 256,000 for the left-wing candidates. He attributed the success of the left-wing parties to the fact that the centre and right-wing parties had in many cases put up candidates against each other instead of supporting a single candidate in each constituency. To avoid any repetition of this, the centre and right-wing groups would shortly unite in a single party.

On July 22 Prince Souvanna Phouma tendered his Cabinet's resignation, but was asked by Crown Prince Savang Vatthana to form a new Government without support from the *Neo Lao Haksat* [the latter party had been represented by two Ministers in the outgoing Government since the agreement of Nov. 18, 1957 between the Government and the *Pathet Lao*—see 15881 B.] On Aug. 6, however, it was announced that Prince Souvanna Phouma had been unsuccessful owing to the demands of a newly formed *Comité pour la Défense des Intérêts Nationaux*, a group of "young men"—mainly senior Civil Servants—who had never before served in the Government, and who demanded that they should be allocated eight of the 12 Cabinet posts. This group contended that the people were dissatisfied with the "old guard" which had governed the country since the French withdrawal; it urged that the only way to check the increasing influence of the *Neo Lao Haksat* was to eliminate not only the representatives of the latter in the Cabinet, but also some of the old right-wing Ministers.

M. Phoui Sananikone, Foreign Minister in Prince Souvanna Phouma's Government, was thereupon asked to form a new government. He presented his Cabinet to the National Assembly on Aug. 15 and received a vote of confidence three days later by 27 votes to 21. In addition to the Premiership, M. Sananikone also took over the portfolios of Economic Affairs and of Posts and Telegraphs. M. Katay Don Sasorith (Deputy Premier in Prince Souvanna Phouma's Cabinet) retained the post of Deputy Premier and also became Minister of Defence and the Interior, whilst M. Souvannavong [see above] became Minister of Education and Culture. Apart from MM. Sananikone and Sasorith, all the Ministers were newcomers.

Prior to his resignation, Prince Souvanna Phouma had informed the chairman of the International Control Commission for Laos on May 24 that he considered the Commission's work as completed, since the Laotian Government had now carried out all its obligations under the Geneva Armistice Agreements; in these circumstances, he asked when the Commission intended to leave the country. An earlier Canadian proposal that the Commission should terminate its work after the elections had been opposed by the Indian and Polish members of the Commission—the Indian member (who is chairman of the Commission) taking the view that the Commission had no power to wind itself up and would have to await instructions from the co-chairmen of the Geneva Conference, i.e. the Foreign Ministers of Great Britain and the Soviet Union. On July 19 the Commission nevertheless decided by a majority vote of the Indian and Canadian members that it should adjourn *sine die*, though it might be re-convened in accordance with normal procedures; the Polish member formally protested against this decision, which, he claimed, would lead to the Commission's virtual liquidation.

In accordance with the majority decision, the Commission's Secretariat was suspended and the members of the Commission and their staff left Vientiane towards the end of July. At the same time the Indian Government announced that Major General Tara Singh Bal (India's alternate delegate to the International Control Commission for Vietnam) had been concurrently nominated as Indian delegate on the Laos Commission.

The Indian Deputy Minister for External Affairs (Mrs. Lakshmi Menon) told the *Lok Sabha* on Aug. 12 that the Government of India had always held the view that the Commission could not be finally dissolved independently of the progress of political settlement in the other two Indo-Chinese States, particularly in Vietnam, without adversely affecting peace in the whole of Indo-China. In reply to a question, Mr. Nehru said that the matter had been referred to the two co-chairmen—Britain and the Soviet Union—who had "recorded rather different reactions" to the proposal for winding up the Laos Commission.

Anglo-Soviet discussions on the matter were resumed at the Foreign Office in London at the beginning of July; a further meeting between Commander Allan Noble (Minister of State at the Foreign Office) and M. Malik (the Soviet Ambassador) took place on Aug. 26.—(Le Monde, Paris - Times - Montreal Star - Indian High Commissioner's Office, London - Polish Embassy Press Office, London) **(Prev. rep. 15881 B.)**

B. SOVIET UNION. — Successful Launching of Dogs to Height of 280 Miles. - Safe Return to Earth.

The Tass Agency announced on Aug. 29 that two dogs—"Byelanka" (Whitey) and "Pyestraya" (Brindle)—had been sent up to a height of 280 miles in a one-stage rocket and had been brought back to earth safely. It was stated that the experiment had taken place in the central part of European Russia on Aug. 27 under the International Geophysical Year programme. The following description was given by Tass:

"The rocket was launched at an angle close to vertical. Special stabilizers prevented the rocket's rotation around its vertical or horizontal axis throughout the whole flight, including the coasting. After reaching the planned height the rocket landed accurately in a prearranged area. The rocket was fitted with instruments for investigating the upper layers of the atmosphere.

"The two animals . . . were placed in a special hermetically-sealed pressurized cabin equipped with an air-purifying system, instruments for registering the animals' biological functions, and a film camera for recording their behaviour in flight.

"The total weight of scientific equipment, telemetering devices, batteries, and other instruments installed in the rocket, together with the shell of the instrument-carrying section, was 1,690 kilograms [more than 1¾ tons] . . . All the equipment functioned normally during the flight and supplied scientific data which are now being analysed.

"Special aerodynamic brakes and a giant parachute were used to bring down the instruments and pressurized cabin containing the dogs. The parachute, which was opened at an altitude of four to five kilometres [2½ to 3 miles], made the nose of the rocket containing the instruments and animals descend smoothly to earth.

"The dogs, which returned to earth fit and well, underwent several months' training before their record flight. The biologists in charge of them said that the animals had become so accustomed to their pressurized cabin, the instruments, and other features of the flight that they had entered the cabin themselves. For this reason, the information obtained by biologists is free of unrelated elements and truthfully reflects the behaviour of a living organism and its functions in conditions of flight at a great height."

The Tass Agency added that "Byelanka" and "Pyestraya" were "the first animals in the world to reach a height of 450 kilometres (280 miles) and to return safely to earth"; hitherto the maximum height attained on rocket flights by test dogs had been 212 kilometres.—(Soviet Embassy Press Department, London) **(Prev. rep. "Laika," 15950 C; 15835 A.)**

C. PERSIA. — Canadian Oil Concession.

The Prime Minister of Persia (Dr. Eghbal) informed the Majlis on June 22 that an agreement had been concluded between the National Iranian Oil Company (N.I.O.C.) and a Canadian oil company (Saphire Petroleum Ltd.) for exploration and exploitation of oil in two concessional areas in Persian Baluchistan, covering 1,000 square kilometres and including offshore rights in the Gulf of Oman. The agreement provided (1) for the formation of a joint organization (the Iran-Canada Oil Company) to carry out the work of exploration and exploitation; (2) for the division of profits in the proportion of 75 per cent to Persia and 25 per cent to Saphire Petroleum Ltd.; (3) for Canadian expenditure of $18,000,000 (about £6,500,000) in oil exploration over the next 12 years, with the proviso that Saphire Petroleum would pay the N.I.O.C. an indemnity of $350,000 (about £125,000) in the event of failure to drill the first oil-well within two years. The agreement was ratified by the Majlis on June 29.—(Times - Manchester Guardian - Montreal Star)

(Prev. rep. 16218 A; 15837 A.)

SEPTEMBER 20—27, 1958.

A. INDONESIA. — Suppression of Rebellion in Central Sumatra and North Celebes. - Raids on Shipping by Rebel Aircraft. - Government Allegations of Foreign Assistance to Rebels. - Arms Purchases in U.S.A. and Communist Countries.

The Indonesian Government forces operating against the rebels in Central Sumatra occupied Padang on April 17 virtually unopposed, and entered Bukittingi, the former seat of the rebel Government, on May 5. With the fall of Pajakumbu on May 22 organized resistance came to an end, although terrorist activities by scattered rebel bands continued. The rebels in North Celebes meanwhile seized a number of bases in the North Moluccas and carried on a systematic campaign of bombing raids on shipping in East Indonesian waters, with the object of weakening the Government by bringing economic life to a standstill. As their equipment was partly of U.S. origin, and some of their pilots were believed to be American and Nationalist Chinese "soldiers of fortune," this campaign led to a period of strained relations between Indonesia and the U.S.A. during April and the first half of May. The Government forces gradually re-established control over North Celebes and the North Moluccas during May and June, and occupied the new rebel "capital" at Menado on June 26.

Details of these and related developments are given below under cross-headings.

Suppression of Rebellion in Central and North Sumatra.

During the last week of March and the first half of April, Government troops advanced on the rebel territories in the west of Central Sumatra from three directions: from Pakanbaru to the north-east, from Rengat and Taluk to the east, and from Medan to the north. On April 1 troops from Pakanbaru occupied the town of Bangkinang (85 miles E. of Bukittingi) without resistance, but were then held up for three weeks by blown bridges and by guerrilla attacks. The forces advancing by the southern route crossed the Indragiri River on April 4, occupied the town of Lubuk Djambi on April 6, and captured Kilirandjau and Sungailangsat on April 16, after a skirmish in which the rebels lost 13 killed. [Kilirandjau stands at the junction of the Taluk road with the main road from Padang to Jambi and Palembang, by which the rebels obtained their food and petrol supplies.]

The rebel forces in North Sumatra broke up after their expulsion from Medan on March 17, the main body—led by Major Nainggolan—retreating southward into the province of Tapanuli, on the west coast south of Lake Toba. The pursuing Government troops, which had reached the borders of Tapanuli by March 28, refrained at first from entering the province, but the advance was resumed on April 11 and the occupation of the main towns completed on April 27, when Tarutung (the provincial capital) was recaptured.

The rebel Government was meanwhile meeting with increasing resistance within its own territory. Colonel Djambek, the insurgent Minister of the Interior, announced on April 2 that a plot to overthrow the rebel Government, led by prominent Socialists and by officers of the defence forces and the police, had been suppressed in Bukittingi; heavy fighting occurred near the town on the following day between troops and police who had rallied to the Jakarta Government and insurgent forces. Hand-grenades were thrown into the offices of Dr. Sjafruddin and Dr. Harahap (Premier and Defence Minister respectively in the rebel Government) on April 7, several police guards being wounded.

Lieut.-Colonel Kawilarang (the former Military Attaché in Washington, who had joined the rebels in March) arrived at Padang by air from North Celebes on April 15 to take command of the rebel forces in Central Sumatra. No explanation was given by the rebel leaders why the former commander, Lieut.-Colonel Hussein, had been superseded; according to later Government statements, however, letters seized after the fall of Padang showed that a split had occurred between the political leaders of the rebellion and Colonel Hussein and his officers.

A naval task force of 20 warships which had been blockading Padang shelled rebel defences around the port on April 16. At 6.30 a.m. on the following day marine commandos landed at Merah Enam (just north of Padang) and established a bridgehead, while at the same time parachute troops were dropped on the airfield, six miles north of the town. Two hours later infantry units began landing in waves, supported by warships and aircraft which shelled and bombed rebel fortifications. Before 5.30 p.m. the whole of Padang was in the hands of the Government forces, and the rebels, many of whom abandoned their equipment, were retreating in disorder, harassed by Government fighters and bombers. Loyalist casualties were given as one man accidentally killed, and two wounded. The most striking feature of the capture of Padang—the largest amphibious operation ever carried out by the Indonesian armed forces—was the almost complete absence of any opposition from the rebels.

After the fall of Padang the rebels' resistance rapidly collapsed, as the loyalist forces closed in on them from all sides. Government troops advancing from Lubuk Djambi captured Sungei Dareh on April 17, cutting the last road connecting Bukittingi with South Sumatra. The forces based on Pakanbaru resumed their advance, and occupied Muara Mahat on April 20. Solok (the rebels' military headquarters, 25 miles E. of Padang) fell on April 27 after a feeble resistance in which two rebels were killed, while Padangpandjang (at the junction of the roads from Padang and Solok to Bukittingi) was captured on May 4. Bukittingi, which had been abandoned by the rebel Government a fortnight before, was occupied on May 5; Batusangkar (the new rebel capital, 28 miles S.E. of Bukittingi) fell without resistance on May 9; and Pajakumbu, the last town held by the rebels, on May 22. The Government lifted the blockade of Sumatra on May 13 and authorized the resumption of air services to Padang.

The fate of the rebel leaders remained obscure. A report in the *Straits Times* (April 26) that Dr. Sjafruddin and his colleagues had escaped to Singapore in a speedboat was officially denied by the Singapore Government, and later reports suggested that they had fled to the jungle. Insurgent sources indicated during the first week of May, however, that Colonel Kawilarang and some of the rebel Ministers, including Dr. Sumitro (Minister of Commerce), had escaped to North Celebes.

Remnants of the rebel forces continued to carry on a guerrilla struggle in Central and North Sumatra. A force of about 2,000 attacked Bukittingi during the night of July 23 and were only driven out after several hours' heavy fighting, in which they lost 183 killed. Other rebel bands resorted to terrorism, attacking rubber estates and farms.

It was officially announced on July 30 that 480 rebels had been killed and 238 captured in Central Sumatra, whilst 2,110 (1,610 regular soldiers and 500 volunteers) had gone over to the Government forces; 2,875 heavy and light arms, 185 tons of ammunition, and 260 vehicles had been captured since April 17.

Developments in North and South Sumatra.

After the occupation of Tapanuli by the Government forces, Major Nainggolan and his followers returned to the Medan area, where they were reported in June to be raiding estates. Another section of his supporters, who withdrew to the Atjeh district (north-eastern Sumatra) after their expulsion from Medan, were officially stated on April 8 to have surrendered and been disarmed. The military commander of Atjeh announced on April 28 that an attempt by Army officers to seize control at Kutaradja (the capital of the district) and to bring it over to the side of the rebels had been suppressed and the ringleaders arrested.

Colonel Barlian, the military commander of South Sumatra, who had controlled the administration of the province since March 1957 (see 15421 A) and had adopted a neutral attitude towards the rebellion in Central Sumatra, was removed from his command on May 1 as the result of action by some of his own officers. All trade regulations issued by him were cancelled on May 16.

Operations in East Indonesia. - Rebel Attacks on Shipping.

The Indonesian Government started operations against the rebels in North Celebes on April 2, when forces from Borneo and Java landed on the west coast of Central Celebes and occupied the towns of Donggala and Palu, with the assistance of loyalist guerrillas. The towns of Kulawi (35 miles S. of Palu) and Parigi (on the east coast of Central Celebes) were both occupied on April 18. Loyalist guerrillas had previously seized control of the Sangihe and Taluad Islands (N.E. of Celebes) from the rebels on April 5.

The port of Gorontalo (on the south coast of North Celebes), which was held by the insurgents at the outbreak of the rebellion and had subsequently been seized by Government forces, was recaptured by the rebels during March. Rebel troops from North Celebes occupied the island of Morotai (the northernmost of the Moluccas) on April 28, and on May 7 landed on Halmahera (the largest island of the North Moluccas), where they seized the airfield at Djailolo. Both operations were preceded by heavy bombing by the rebel air force.

During April rebel aircraft operating from Menado carried out a number of raids on ports and airfields, causing considerable damage to foreign shipping. The raids were at first believed to be the work of a single bomber; on April 28, however, rebel aircraft bombed four widely separated ports and also

supported the landing on Morotai, suggesting that the rebels had recently obtained new supplies of aircraft from foreign sources. As thus augmented, the rebel air force consisted of at least 12 planes, including American-built *B-25* and *B-26* bombers, *Mustang* fighters, *Dakotas*, and a *Catalina* flying boat. Allegations by the Indonesian Government that these machines were being flown by American and Chinese Nationalist "adventurers" were partly confirmed by the capture of an American pilot on May 18 (see below).

During the fortnight April 13-27 rebel aircraft carried out raids on Macassar (South Celebes), Balikpapan (Borneo), and the island of Ternate (North Moluccas). On April 28 a single bomber raided Balikpapan harbour and sank an Indonesian Navy corvette, the *Hang Tuah*, which had been taken over from the Royal Netherlands Navy in 1949; official sources stated that 14 of the crew were missing and four had been seriously injured. The British tanker *San Flaviano* (12,278 tons), owned by the Eagle Oil and Shipping Co., was set on fire by a bomb and afterwards sank, the crew escaping with minor injuries; another British tanker, the Shell Oil Co.'s *Daroma* (8,139 tons), suffered only slight damage from a bomb which dropped alongside it. The Shell Company subsequently closed its refinery at Balikpapan and suspended production at the Tarakan and Bunju oilfields in Borneo, in order to protect the staff and installations.

During a raid on Amboina on April 28 the Italian freighter *Aquila* (5,330 tons) was bombed and sunk, 10 of the crew being killed, and the Greek ship *Armonia* (2,740 tons) was machine-gunned. The freighter *Moro* (549 tons), with a British master and a Chinese crew, was sunk in Donggala harbour on the same day. On April 29 the *Intata* (282 tons), an Indonesian pilgrim ship bound for Mecca, was bombed and damaged in the port of Kendari (South Celebes), five people being killed and 23 seriously injured. On April 30 the Panamanian freighter *Flying Lark* (1,253 tons) was bombed near Amboina, and 12 of her crew of 26 Hongkong Chinese killed. The rebel Government gave warning on May 5 that it would not be responsible for foreign ships sunk or damaged in raids on ports in Java and East Indonesia, whilst Dr. Sumitro stated on May 7 that compensation for loss or damage would not be payable unless ships carried clearances issued by the rebel Government. The Dutch shipping companies *Stoomvaart Maatschappij Nederland* and *Koninklijke Java-China Paketvaart Maatschappij* announced on the same day that they had ordered their ships to leave Indonesian waters pending the cessation of rebel raids on shipping.

A rebel bomber was shot down and another damaged during a raid on Amboina on May 1; two days later it was announced in Jakarta that a *B-26* bomber, with two American pilots and a Chinese Nationalist crew on board, had exploded in the air while approaching Makassar, it being claimed that this was due to sabotage. In consequence of these setbacks and the increasing military pressure on the rebels, the campaign against shipping was virtually brought to an end.

Suppression of Rebellion in North Celebes.

Following the collapse of the rebellion in Sumatra, the rebel leaders in North Celebes attempted to open peace negotiations with the Central Government. Jakarta Radio reported on May 5 that a letter requesting negotiations had been received from Colonel Warouw (the former military attaché in Peking), who declared that he was not personally on either side, but that he would join the rebel Government if the negotiations failed. [Colonel Warouw was nominated as a member of the rebel Government on its formation in February, and subsequently left Peking for Menado; it was not clear, however, whether he had ever taken up his post.]

An Army spokesman in Jakarta stated on the same day that Lieut.-General Nasution had given his officers permission to negotiate with Colonel Kawilarang in order to find out the latter's "intentions" and his "personal standing in the present situation." On May 6, however, Dr. Djuanda (the Prime Minister) said that his Administration would not deal with "adventurers" who invited foreign help, and that there would be no negotiations as long as the rebels continued to fight, although the Government would be willing to listen to "reasonable proposals." A second Army statement (May 7) said that the delegation of officers sent to meet Colonel Kawilarang had not been empowered to negotiate with him, but only "to remind him of his duty as an officer."

The Government opened its counter-offensive against the rebels in East Indonesia on May 9, when troops were landed on Halmahera, followed by landings of Government forces in the Gorontalo area of North Celebes on May 13.

The forces landed on Halmahera marched on Djailolo, which the rebels had seized two days beforehand; the recapture of that town was not announced until June 3, a force of 500 rebels having held out for three weeks.

The Government forces landed in the Gorontalo area occupied the town on May 20, meeting little resistance; Morotai was reoccupied by an amphibious force on the same day. In Central Celebes the town of Pendolo was captured by loyalist guerrillas on May 23, and Toboli was occupied by Government troops without resistance on May 30.

In a raid on Menado on May 15 the Indonesian Air Force destroyed six rebel aircraft, including a *Catalina* flying-boat, and also sank two ships in the harbour, while in a further raid on May 23 on Menado and rebel air bases it claimed to have destroyed or damaged three aircraft and several ships.

A rebel aircraft bombed and machine-gunned Amboina on May 17, causing many casualties. During a second raid on the following day, however, a rebel B-*26* bomber was shot down, its American pilot, Allan Lawrence Pope, and a former Indonesian Air Force sergeant (his navigator) being picked up by an Indonesian naval vessel off Amboina.

Lieut.-Colonel Pieters (Military Commander in the Moluccas) stated on May 27 that Pope, a former lieutenant in the U.S. Air Force, had been employed by the Civil Air Transport Company in Taiwan (Formosa), had admitted that he was paid $10,000 a month by the rebels for bombing missions, and had said that he had flown to Menado from the U.S. Air Force base at Clarke Field, in the Philippines. It was announced on the following day that Pope and the sergeant would be tried by a military court for aiding the rebels.

In view of the advance of the Government troops in North Celebes, Lieut.-Colonel Sumual (the rebel commander in North Celebes) made a second appeal for a negotiated settlement in a broadcast from Menado on May 21. This was rejected by the Government on the following day, whereupon Menado radio announced on May 24 that the rebels had formed a new "caretaker Cabinet" headed by Colonel Warouw. At the beginning of June the Government forces prepared for the final assault on Menado by occupying the islands of Talise (off the northern tip of Celebes) and Lembeh (at the mouth of Bitung harbour).

Troops were landed on June 9 on the east coast of North Celebes near Bitung (25 miles E. of Menado); paratroops were dropped on June 13 on the west coast north of Menado; and infantry and marines landed in force on June 16 at Kema (10 miles S. of Bitung). Both the port of Bitung and Menado airfield were occupied on June 19. Menado itself, which was defended by 10,000 rebel troops and a triple defence line of artillery, put up the strongest resistance offered to the Government forces throughout the entire rebellion; although the loyalists entered the town on June 21, it was not completely occupied until the afternoon of June 26.

After the fall of Menado the rebel forces retreated southward to Tomohon, the only town in North Celebes still in their hands, with the exception of Tondano (20 miles S.E. of Menado); Tondano, however, was occupied by Government troops on July 17, and Tomohon on Aug. 16. In Central Celebes, Government forces captured the town of Poso on July 15, and minor operations against rebel guerrillas in both North and Central Celebes continued to be reported during August. It was announced on Aug. 20 that three rebel battalions (about 3,000 men) had gone over to the Government in North Celebes, while the surrender of more than 3,000 rebels in the area was announced on September 3.

The Government announced on June 20 that there was no further danger of rebel air raids, as with the capture of Menado airfield all Indonesian airfields were under Government control; shipping could therefore again use East Indonesian waters. The Shell Oil Company resumed operations in Borneo on June 26, whilst the Dutch shipping companies resumed normal services on the following day.

At a conference of regional military commanders ending on Aug. 6, it was decided to ban illegal barter trade; to forbid military officials to take payment for issuing permits to traders; to take action against abuse of the military authorities' power to commandeer private property for war purposes; and to dismiss military personnel and civil servants who had taken part in the rebellion. A decree was also issued by Lieut.-General Nasution ordering all high-ranking officials to give details of their relations with political parties before Nov. 30.

Indonesian Diplomats' Support for Rebellion.

Fourteen members of Indonesian diplomatic missions to foreign countries resigned their posts between February and May, as a gesture of support for the rebels or of disapproval of the Government's policies.

The most prominent of these, apart from Colonel Warouw and Lieut.-Colonel Kawilarang, was Mr. Sutan Mohamad Rasjid, the Indonesian Ambassador to Italy, who resigned on April 19 and was appointed as the rebel Government's "co-ordinator for Europe and the United Kingdom"; he was succeeded as Ambassador in Rome by Dr. Abu Hanifah. Other diplomatic representatives who resigned included Mr. Makatita, Commercial Counsellor at the London Embassy; Mr. Bachtiar Effendi, Press Attaché in Rome; Mr. Wilhelm Pesik, Consul-General in Saigon; Major Tengku Nurdin, Military Attaché in Singapore; and the Second Secretary and Press Attaché in Brussels. Major Nurdin was subsequently reported to have been captured in North Sumatra.

Indonesian Arms Purchases from Abroad. - Tension with U.S.A. - Subsequent Détente in U.S.-Indonesian Relations.

Relations between Indonesia and the U.S.A. deteriorated seriously during April and the first half of May, as a result on the one hand of the U.S. Government's refusal to supply arms to the Indonesian Government; and on the other of the supplies of arms of U.S. origin received by the rebels from

outside sources (though there was no indication of any U.S. responsibility for these supplies), the assistance given to them by some American "soldiers of fortune," and a statement by the U.S. State Department which was interpreted in Jakarta as implying moral support for the rebellion.

The Indonesian Government had approached the U.S.A. in July 1957 with a view to purchasing large quantities of arms, but no action had been taken on this, despite repeated Indonesian requests for a response. An Indonesian Army spokesman stated on Jan. 2, 1958 that, in addition to the U.S.A., Indonesia had approached Britain, France, Italy, Australia, Yugoslavia, Czechoslovakia, Poland, and Sweden for arms, but the only reply had been a negative one from Sweden.

The Indonesian Foreign Minister, Dr. Subandrio, stated on April 3 in an interview with the Jakarta correspondent of *The Times* that Indonesia would buy arms or military aircraft from Czechoslovakia or Yugoslavia under newly concluded contracts, though he did not know any details. He added that she would renew her request for the purchase of arms from the U.S.A., and that inquiries were being made about the purchase of small arms and ammunition from India, Japan, and Egypt.

Dr. Subandrio's statement on Indonesian purchases of military aircraft from European Communist countries was contradicted by a spokesman of the Indonesian Foreign Ministry, who denied on April 6 that Indonesia would buy Soviet military aircraft from Czechoslovakia and train pilots in Egypt, describing such reports in the foreign Press, as well as other reports that she would train pilots in Egypt, as "invented stories." On May 16, however, Air Vice-Marshal Surydharma (C.-in-C. of the Air Force) said in a press interview that "a variety of aircraft ranging from gliders to jet and conventional trainers and jet fighters and bombers" had been ordered "from Yugoslavia, Czechoslovakia, and Poland."

Meanwhile an Associated Press report from Jakarta (April 6) quoted a Government spokesman as saying that Indonesia had completed negotiations with Poland, Czechoslovakia, and Yugoslavia for the purchase of military equipment, including *Mig* fighters and *Ilyushin* bombers. This report led to a statement by the Press Officer of the U.S. State Department (Mr. Lincoln White) on the following day which aroused strong feeling in Indonesia.

Mr. White said that the U.S.A. had known for some time that Indonesia had sent arms-purchasing missions to both Western and Eastern Europe in the past three months and had placed orders for aircraft and other equipment, none of which had been supplied by Western countries. He expressed regret that "Indonesia turns to the Communist bloc to buy arms for possible use in killing Indonesians who openly oppose the growing influence of Communism in Indonesia," and said that there was no doubt that the arms were being made available by the Communist countries "as a means of strengthening Communist influence in South-East Asia."

As Mr. White's statement was interpreted in Jakarta as an expression of support for the rebels, Dr. Subandrio demanded an explanation on April 8 from the U.S. Ambassador, Mr. Howard Jones, who gave an assurance that the U.S.A. had no intention of interfering in Indonesia's internal affairs. Dr. Subandrio afterwards told the press that Indonesia had not withdrawn her request for the purchase of U.S. arms, but that she could not wait until the U.S. Government had reached a favourable decision, as the matter was of the greatest urgency.

Mr. Dulles outlined the U.S. Government's position in a press statement on April 8.

After confirming reports that the Indonesian Government had made a new request to the U.S.A. for arms purchases, and saying that no request for arms had been received from the rebel forces in Sumatra, Mr. Dulles stated that the U.S.A. would not supply arms "to either side" in the Indonesian fighting. Referring to the Indonesian announcement of Aug. 6 that agreements for the purchase of arms and aircraft had been concluded with Poland, Czechoslovakia, and Yugoslavia, Mr. Dulles said that the U.S. Government "does not believe that the promiscuous spreading of large amounts of major armaments around the world is a sound or healthy practice." It was U.S. policy, Mr. Dulles added, to supply defensive arms to a friendly nation threatened with aggression, and small arms for normal police duties and the maintenance of internal order against subversion. The "very large amount of arms" requested by the Indonesian Government, however, could not be justified on either of these two grounds. At the time of the first Indonesian requests, the U.S. Administration had felt that Indonesia wanted the arms to force the Netherlands to agree to talks on the disposition of Dutch New Guinea. When, later on, the revolt had broken out in Sumatra, "it did not seem wise to the United States to be in the position of supplying arms to either side of that civil revolution."

In reply to questions, Mr. Dulles declared that it was still the American view that the situation in Indonesia was "primarily an internal one," and that the U.S.A. intended "to conform scrupulously to the principles of international law that apply to such a situation."

On the question of arms supplies to the rebels, Mr. Subandrio said in a statement in mid-April that it had been proved by photographs that the rebels were buying arms from Singapore, and that weapons dropped for the rebels in Central Sumatra and captured there by the Government forces had been marked for use by the Chinese Nationalist forces. During May it was reported in Jakarta that military equipment marked "made in the United States" or bearing Chinese Nationalist markings had been captured from the rebels in North Celebes and Halmahera. The intensification towards the end of April of rebel raids from North Celebes by aircraft believed in Jakarta to have been piloted by Americans and Nationalist Chinese led to strong protests by the Indonesian Government, which gave warning that such "foreign aid" might "lead to a third world war" and that Indonesia would appeal to the United Nations if it continued.

Dr. Djuanda, the Indonesian Prime Minister, claimed on April 30 that the rebels had only two Indonesian pilots, and that for a long time no petrol had been available for aviation at Menado, where the petrol dump had been destroyed. The conclusion could therefore be drawn that the pilots employed by the rebels were foreigners, and reports received from Menado indicated that they were Americans and Nationalist Chinese. The Government had "proof" that automatic weapons and fighter planes had been smuggled from Formosa, and it could also be inferred that petrol had been illegally imported from abroad. If this situation were allowed to develop it would have a disastrous effect on relations between Indonesia and the U.S.A. and would invite other groups to interfere in Indonesia's domestic conflicts, thereby reducing the country to a battlefield for conflicting foreign interests. The Government therefore called for an undertaking from the U.S.A. that U.S. nationals would not provide aid to the rebels in any form whatever, whether arms, aircraft, ships, technicians, or air base facilities. As Nationalist Chinese living in Indonesia were treated fairly (Dr. Djuanda continued), the Government in Formosa should adopt a similar attitude towards Indonesia. In conclusion, he condemned all foreign intervention in Indonesian affairs as a threat to the peace of Asia and the world.

In a speech on May 2 President Sukarno said: "We could easily have asked for volunteers from outside . . . We could have thousands of volunteers, but we will meet the rebels with our own strength. I want to tell the whole world don't play with fire in Indonesia. If some circles assist the rebels, others would assist us, and the result would be a world war. Indonesia is not going to become another Vietnam or Korea. Any attempt to divide us would result in a third world war." After stating that he had received letters from foreigners offering to fight against the rebels, he continued: "If they (the rebels) have one bomber from one side, we can get three from the other. But I don't want this . . ."

Mr. Dulles said on May 1 that the U.S. Government would give serious consideration to any proposals which the Indonesian Government might make, although it could not be held responsible for the activities of American "soldiers of fortune." The Chinese Nationalist Government denied on May 3 that it had helped the rebels with either men or weapons. In a broadcast from Menado on May 1, Colonel Warouw denied that the rebel aircraft were being flown by foreigners and named seven Indonesian pilots who were flying them.

After a two-hour interview with Mr. Howard Jones on May 3, Dr. Subandrio told the Press that if intervention by U.S. and Chinese Nationalist "soldiers of fortune" continued, Indonesia would regard their activities as "foreign aggression leading to a war situation" and would have no alternative but to take the matter to the United Nations. In a further statement on May 8 he said that, as the result of an agreement reached at a meeting between Dr. Djuanda and Mr. Jones, the Government hoped that "efforts will be made to prevent continuing foreign intervention"; if it did not end, the Government might take "other steps" to prevent it.

During the next few days, however, three developments led to a great improvement in U.S.-Indonesian relations. Mr. Dulles reiterated at a press conference on May 20 that the rebellion was a matter for the Indonesians to settle without outside interference, and said that the U.S.A. hoped for the quick restoration of peace and stability. The State Department announced on May 21 that licences had been granted for the export to Indonesia of small arms and ammunition for the police, aircraft spare parts, and radio equipment, to the total value of about $500,000; the licences, it was stated, covered purchases from private companies and were not connected with the Indonesian Government's request to buy arms directly from the U.S. Government. An agreement for the sale of 35,000 tons of rice to Indonesia by the U.S.A. was concluded on the same day under the legislation authorizing disposals of U.S. surplus farm products.

As a gesture of reconciliation, President Sukarno broke with tradition on May 22 to visit the U.S. Ambassador's home in Jakarta, accompanied by Dr. Djuanda and Dr. Subandrio. The Indonesian

Ambassador in Washington (Dr. Notowidigdo), visited Mr. Dulles on May 23; he afterwards expressed confidence that relations between the two countries would continue to improve, and stated that he had assured Mr. Dulles that "democratic forces in Indonesia are the strongest forces there, and we are firmly determined to establish a democratic country."

It was announced in Jakarta and Washington on Aug. 19 that, under an agreement signed on Aug. 13, the U.S. Government had sold Indonesia light military equipment for the Indonesian Army, the first consignments having already been flown to Jakarta. A State Department spokesman said that the agreement had initially been kept secret at the request of the Indonesian Government, and that the shipments included rifles, machine-guns, small vehicles, and communications equipment, but no heavy material. It was stated in Jakarta that the transaction was on a purely commercial basis.

Mr. Casey said on Aug. 20 that the Australian Government had been notified in advance that American arms would be sent to Indonesia, and approved the U.S. decision. He added that Indonesia had given an undertaking that the arms would be used solely for internal security, in view of this undertaking, and of the fact that the arms had only a limited use, he could see no danger of their being put to aggressive use, such as an attack on Dutch New Guinea.

The Indonesian Army spokesman (Lieut.-Colonel Pirngadie) disclosed on Aug. 24 that Indonesia had bought military equipment on a commercial basis from Yugoslavia, Czechoslovakia, Egypt, India, the Soviet Union, and Western Germany, as well as from the U.S.A., and was also approaching several other countries for arms supplies. He added that the purchases had been made "without any political obligations attached," that no heavy arms had been bought, and that the equipment obtained had been "mostly small arms and ammunition, engineering equipment, optical goods, and vehicles."

Soviet and Chinese Allegations on "Foreign Interference" in Indonesia.

Statements condemning "foreign interference" in Indonesian affairs, and accusing the U.S.A. of assisting the rebels, were issued by the Soviet Government on May 14 and by the Chinese Communist Government on the following day.

The Soviet statement referred to press reports alleging that the rebels were being supplied by sea and air from Singapore, the Philippines, and Formosa, that in some cases weapons were being delivered to the rebels directly from the U.S.A.; that U.S. instructors were training the rebels in their use; and that foreign aircraft, based on Formosa and the Philippines and piloted by U.S. and Chinese Nationalist airmen, were bombing Indonesian towns and Indonesian and foreign shipping. This "intervention," it alleged, was the result of the Western Powers' desire "to overthrow the Indonesian Government and alter its independent foreign policy," which had become "a great obstacle to the realization of the designs of certain Western Powers to keep up the colonial exploitation of the Afro-Asian peoples and inveigle the countries of this part of the world into aggressive military blocs." After describing the situation in Indonesia as "a serious menace to peace," the statement concluded: "The Government of the U.S.S.R. hopes that the Powers which are responsible for the situation that has developed in the area of Indonesia, and the United States first and foremost, will heed the voice of reason and will cease interfering in the internal affairs of the Indonesian Republic."

The Chinese statement alleged that the U.S.A. was sending "a continuous stream of light and heavy weapons, fighter planes, and petrol" to the rebels by way of Formosa, and declared that the "unscrupulous and vicious gangsterism" of the U.S.A. contained "an element of danger to peace in Asia and the whole world." It added that "should the United States fail to stop at once its interference in the internal affairs of Indonesia, it will certainly eat the bitter fruit of its aggression and provocation", if Washington continued to aid the rebels, the Chinese Communist Government was "prepared to give further assistance within its ability, as may be requested by the Indonesian Government." [Although China had previously supplied only economic aid to Indonesia, the above Chinese statement was widely interpreted as a hint that, as in Korea, China might send "volunteers" to Indonesia, in addition to supplying aircraft and ships. A Sino-Indonesian economic agreement had been announced on April 8 whereby Indonesia was granted credits for purchases of both capital and consumer goods, including 72,000,000 yards of cotton goods and 20,000 tons of rice.]

Postponement of Elections. - Internal Security Measures.

Dr. Djuanda announced in the Indonesian Parliament on Sept. 22 that the Government had decided to postpone for one year the general elections fixed for September, because political disturbances in Sumatra and Celebes made "free and honest balloting impossible."

General Nasution had previously issued an order on Sept. 5 prohibiting four political parties from operating in those areas of Sumatra and Celebes which had been cleared of rebels. The most important of the four parties was the Masjumi, the largest Moslem political organization in Indonesia; it polled 800,000 votes (about 51 per cent of the total vote) in Central Sumatra at the general elections of 1955, and nearly 8,000,000 votes (about 21 per cent of the total) throughout Indonesia. Dr. Sjafruddin Prawiranegara, the Prime Minister of the rebel Government proclaimed in Central Sumatra in February last, was a leading member of the Masjumi, whilst other prominent members of that party had also been connected with the revolt. The other three parties affected were the Socialists, the Christian Party, and the IPKI (Independence Party), of whom Lieut.-General Nasution was one of the founders, though he is no longer connected with it.

Following a statement by the Minister of Justice (Mr. Maengkom) alleging that Kuomintang agents in Indonesia had assisted the rebels in Sumatra and Celebes, the local Army Command in Jakarta announced on Sept. 18 that it had banned 52 Chinese organizations for conducting activities "in political, economic, social, and cultural fields identical with those of the Chinese Nationalist Kuomintang Association," which were "harming the national interests of the Indonesian people." The banned organizations included a bank, a number of cinemas, 11 schools, three newspapers, and various trade, youth, and sports organizations. The Chinese Nationalist Kuomintang Association in Jakarta had already been banned some weeks earlier. It was also announced in Jakarta on Sept. 18 that residents of Chinese descent who did not possess Indonesian or Chinese Communist passports would not be allowed to return to Indonesia once they left the country, and would be regarded as "stateless" persons. (Indonesian Embassy Press Office, London - Times - Daily Telegraph - Manchester Guardian - New York Times)

(Prev. rep. 16081 A.)

Corrigendum. The opening sentence of the second paragraph on page 16082 should read: "General Nasution ordered the arrest of the members of the rebel Government on charges of treason, and also of Lieut.-Colonel Somba, the latter's chief of staff, and two of his officials." (Ed. K.C.A.)

A. MALAYA. — Royal Malayan Navy transferred to Federation of Malaya. - Singapore Ceremony.

The Royal Malayan Navy, hitherto part of the Royal Navy, was transferred to the Government of the Malayan Federation at a ceremony in Singapore on July 12 attended by the Prime Minister of Malaya (Tengku Abdul Rahman), the Chief Minister of Singapore (Mr. Lim Yew Hock), the Governor of Singapore (Sir William Goode), and Admiral Sir Geralding Gladstone, C.-in-C., Far East. Until Malaya has a base of her own, the Royal Malayan Navy will continue to be based on Singapore; as from January 1959 the Federation Government will pay the Singapore Government a rent of 400,000 Malayan dollars a year for the lease of facilities on Singapore territory.

At present the Royal Malayan Navy possesses seven seaward defence motor-launches, a minelayer, a maintenance repair craft, and a landing-craft, all lent by Britain; Admiral Gladstone stated at the transfer ceremony that the Royal Navy would also present the Royal Malayan Navy with five minesweepers over the next two years. In addition to guarding the Malayan coastline, the Royal Malayan Navy will also assist in guarding Singapore territorial waters.
(Times - Daily Telegraph) **(Prev. rep. 16275 B.)**

B. WEST INDIES. — British Grant.

It was announced on Sept. 27 that, following talks in London between Mr. Lennox-Boyd, the Colonial Secretary, and representatives of the West Indies, H.M. Government had agreed to provide a grant of £8,750,000 to the Federation for the five-year period 1959-63. The grant had been fixed in accordance with the arrangements agreed at the West Indian Federation Conference in 1956, and it was to enable the Federal Government to undertake the responsibility for making grants-in-aid to those Governments participating in the Federation whose revenues were insufficient to cover their administrative expenses. - (Times)

(Prev. rep. 16132 A; 14733 A.)

C. PAKISTAN - SIAM. — Friendship Treaty.

A treaty of friendship between Pakistan and Siam was signed in Bangkok on Aug. 28, its objectives including the maintenance of perpetual peace and the fostering of friendly relations between the two countries. The communiqué issued after the signing stated that negotiations for trade, cultural, and communications agreements had already started and that the questions of consular services and civil aviation would also be considered.—(Pakistan High Commissioner's Office, London)

A. UNITED STATES. — President Eisenhower's Proposals for Expansion of World Trade. - Proposed Creation of International Development Association.

In a letter of Aug. 26 to the U.S. Secretary of the Treasury (Mr. Robert B. Anderson), President Eisenhower put forward a three-point programme designed to stimulate world trade and economic development and comprising :

(1) An increase in the quotas of the member-Governments of the International Monetary Fund.

(2) Provision of additional capital for the International Bank, to be offered for subscription to member-Governments.

(3) The creation of an International Development Association as an affiliate of the International Bank.

President Eisenhower requested Mr. Anderson to make appropriate proposals as regards (1) and (2) at the forthcoming annual meetings of the International Bank and the I.M.F., to be held in New Delhi in October. Mr. Anderson was also requested to initiate negotiations aimed at establishing an International Development Association.

The President's proposals were made in response to a letter wherein Mr. Anderson had suggested the desirability of action along the above-mentioned lines, and had asked the President whether he wished "to have the subject pursued formally with the Governments of the other member-countries of the International Bank." In the course of his letter Mr. Anderson suggested that the International Bank and the I.M.F. should be strengthened to enable the two institutions to deal "more effectively" with the problems of expanding the free-world economy and also with "the economic growth and progress of nations in the less-developed areas of the free world." He also suggested the advisability of establishing an International Development Association as an affiliate of the International Bank.

President Eisenhower's letter to Mr. Anderson was worded as follows :

"I thoroughly agree with you that the well-being of the free world is vitally affected by the progress of the nations in the less-developed areas as well as the economic situation in the more industrialized countries. A sound and sustainable rate of economic growth in the free world is a central objective of our policy . . Among the principal elements in maintaining such an economic basis for the free world are (1) a continuing growth in productive investment, international as well as domestic; (2) financial policies that will command the confidence of the public and assure the strength of currencies; and (3) mutually beneficial international trade and a constant effort to avoid hampering restrictions on the freedom of exchange transactions."

After pointing out that the U.S.A. itself had taken a number of important measures in the past year (e.g. by increasing the lending authority of the Export-Import Bank, establishing the Development Loan Fund on a firmer basis, and extending and broadening the Reciprocal Trade Agreements Act), President Eisenhower continued : "Our own programmes, however, can do only a part of the job. Accordingly, we should also seek a major expansion in the international programmes designed to promote economic growth with the indispensable aid of strong and healthy currencies. As you have pointed out, the International Bank for Reconstruction and Development and the International Monetary Fund are international instruments of proved effectiveness already engaged in this work. While both institutions still have uncommitted resources, I am convinced that the time has now come for us to consider, together with the other members of these two agencies, how we can better equip them for the tasks of the decade ahead.

"Accordingly, I request that you take the necessary steps . . . to support a course of action along the following lines :

(1) In your capacity as U.S. Governor of the International Monetary Fund, I should like to have you propose, at the annual meeting of the Fund at New Delhi in October, that prompt consideration be given to the advisability of a general increase in the quotas assigned to the member-Governments.

"The past ten years testify to the important role played by the I.M.F. in assisting countries which, from time to time, have encountered temporary difficulties in their balance of payments. We are now entering a period when the implementation of effective and sound economic policies may be increasingly dependent in many countries upon the facilities and technical advice which the Fund can make available as they meet temporary external financial difficulties. This is particularly true of the less-developed countries, with the great variability in foreign exchange receipts to which they are subject from time to time. It also applies to industrialized countries which are dependent on foreign trade . . . The I.M.F. is uniquely qualified to harmonize these objectives, but its present resources do not appear adequate to the task.

(2) In your capacity as U.S. Governor of the International Bank, I should like you to propose that prompt consideration be given to the advisability of an increase in the authorized capital of the Bank and to the offering of such additional capital for subscription by the Bank's member-Governments. Such additional capital subscriptions, if authorized, would not necessarily require additional payments to be made to the Bank; they would, however, ensure the adequacy of the Bank's lending resources for an extended period by strengthening the guarantees which stand behind the Bank's obligations.

"The demands upon the Bank for development loans have been increasing rapidly, and it is in a position to make a growing contribution to the economic progress of the free world in the period which lies ahead. Moreover, it can do this by channelling the savings of private investors throughout the world into sound loans, repayable in dollars or other major currencies. But to meet the rising need for such development loans, it must be able to raise funds in the capital markets of the free world. An increase in the Bank's subscribed capital, by increasing the extent of the responsibility of member-Governments for assuring that the Bank will always be in a position to meet its obligations, would enable the Bank to place a larger volume of its securities in a broader market while still maintaining the prime quality of its securities and hence the favourable terms on which it can borrow and re-lend funds.

(3) With respect to the proposal for an International Development Association, I believe that such an affiliate of the International Bank, if adequately supported by a number of countries able to contribute, could provide a useful supplement to the existing lending activities of the Bank and thereby accelerate the pace of economic development in the less-developed countries of the world . . I request that you initiate promptly negotiations looking to the establishment of such an affiliate of the Bank . . .

"The three-point programme I have suggested for consideration would require intensified international co-operation directed to a broad attack on some of the major economic problems of our time . . "

In the course of his letter President Eisenhower pointed out that the International Bank had invested about $8,880,000,000 in development projects in 47 different countries and territories, most of them under-developed; loans by the Bank were running at the rate of about $750,000,000 a year, and the establishment of the International Finance Corporation had "greatly increased the scope and flexibility of the Bank's field of operation." The International Monetary Fund had made advances in the past two years amounting to approximately $1,800,000,000, and an additional sum of $900,000,000 was "in effect earmarked against stand-by commitments which the Fund has undertaken."
(New York Times) **(Prev. rep. 15048 A.)**

B. UNITED KINGDOM. — Gold and Dollar Reserves in August.

The Treasury announced on Sept. 3 that the sterling area's gold and dollar reserves had risen during August by $5,000,000 after taking into account (*a*) the payment of $39,000,000 to the E.P.U. in respect of the U.K.'s deficit in July, and (*b*) the payment of $23,500,000 to creditor countries in the Union under bilateral settlements. As a result, the gold and dollar reserves stood at $3,089,000,000 on Aug. 31.

In view of the usual seasonal pressure on the reserves, the August result was considered officially as "very satisfactory," this being the first time since 1953 that the reserves had increased during that month. It was also pointed out that the bilateral payments to E.P.U. creditors included a special one of $21,000,000 to Western Germany under the agreement of July 10, 1954; this provided for the repayment of $147,000,000 worth of credits granted to the U.K. by the E.P.U., and by the German Federal Government to the E.P.U., in equal annual instalments of $21,000,000 beginning Aug. 1, 1957, the present payment therefore constituting the second instalment.

Provisional figures for the E.P.U. August settlement showed that Britain had a deficit of £8,000,000, three-quarters of which would be settled in September in gold or dollars and one-quarter by an increase in the U.K.'s debt to the Union.

The E.P.U. deficit was an unusually low one for of the main months of tourist spending on the Continent, but it was believed that the sterling area's transactions with the E.P.U. had benefited from some purchases of sterling by the West German *Bundesbank*, following the undertaking by the Federal Government last May to deposit a further £50,000,000 in London for the purchase of armaments [see page 16240].

The sterling-dollar rate maintained a firm undertone during most of August, opening at 2.80 $\frac{5}{8}$ on Aug. 1, reaching its highest point at 2.80$\frac{7}{8}$ on Aug. 8, and fluctuating thereafter around 2.80$\frac{1}{2}$; towards the end of the month, however, it weakened to 2.80$\frac{1}{4}$ and 2 80$\frac{3}{8}$. Transferable sterling in Zürich showed similar fluctuations between 2.7805 on Aug. 1 and 2.78125 on Aug. 30, but was particularly firm from Aug. 20-25, moving between 2.78475 and 2.78675.—(Treasury Press Office, London - Times - Financial Times)
(Prev. rep. 16355 A.)

C. YUGOSLAVIA. — Conspiracy Trial. - Defendants' Appeals rejected.

The Yugoslav Supreme Court rejected on July 31 the appeals lodged by the two Socialist leaders—Dr. Alexander Pavlovich and M. Bogdan Krekich—and by Dr. Milan Zujovich against the prison sentences imposed on them in February last on charges of conspiring to overthrow the Yugoslav Government.—(Le Monde, Paris - New York Times)
(Prev. rep. 16067 A.)

A. POLAND. — Political and Economic Developments. - Deterioration in Church-State Relations. - Press Campaign against Clergy. - M. Gomulka's Statement. - Measures for Decentralization of Industry. - Reorganization of Workers' Councils. - Proposals for Sale of State Land to Peasants. - Cabinet Changes.

Relations between the Polish Government and the Roman Catholic Church deteriorated seriously during the summer, following an incident on July 21 when police searched the monastery of Jasna Gora at Czestochowa (the most sacred Catholic shrine in Poland) and carried off printing equipment and publications.

An official statement (July 30) said that "for some time illegal publications containing subversive matter directed against the regime" had been issued by the Primate's Institute for the National Vows, an organization with its headquarters at Jasna Gora; these had been "printed in violation of the existing legal regulations at an unregistered printing works," and had been widely distributed in all parts of Poland without having first been submitted to the Office of Press Control [i.e official censorship] After a formal warning given on May 13 had been ignored, a search had been carried out on July 21, "illegal publications" impounded, and the printing presses sealed; as the search had been resisted by employees of the Institute and some of the inhabitants of the monastery, militiamen had been called in and one person had been arrested.

The Minister for Religious Affairs (Dr. Sztachelski) announced on July 30 that the Government had summoned an urgent meeting of the joint commission established in 1956 to consider relations between the Church and the State. Accusing Cardinal Wyszynski (the Primate of Poland) of deliberately inflaming Church-State relations, he alleged that since his visit to Rome in 1957 the Cardinal had abandoned his previous attitude of support for M. Gomulka and had instead laid emphasis on "problems on which opinions differ."

The commission met on July 31, the Government being represented by Dr. Sztachelski and M. Kliszo (Deputy Speaker of the Seym) and the Roman Catholic Church by the Bishop of Lodz and M. Choromanski (secretary to Cardinal Wyszynski). According to a Government statement, it was agreed that the bishops should order religious organizations to remove all printing equipment from monasteries and other consecrated ground, and to submit all publications to the Office of Press Control for censorship.

Agreement was also reached on the distribution of gifts sent to the Polish Church by Catholics abroad, especially in the U.S.A.; this question had been a source of friction for some time, as the Church had insisted that the goods should be distributed by the clergy, whilst the Government had demanded distribution through an official board including ecclesiastical representatives. The commission decided that the gifts should be sent to the victims of recent floods in southern Poland, and should be distributed by the flood relief committee, which would be joined by three representatives of the Church.

Despite the agreement reached on these two issues, a press campaign against the attitude of the clergy, and especially of Cardinal Wyszynski, was launched during August.

The influential Warsaw daily *Zycie Warszawy*, in its issues of Aug. 8-9, accused the Cardinal of violating the agreement with the State concluded in 1956, quoting in this connexion a sermon delivered to a student congregation in Warsaw in which he denounced all forms of large-scale nationalization of property. *Trybuna Ludu*, the official organ of the Polish United Workers' Party, alleged on Aug. 12 that certain priests had acquired property which the Church had lost under the post-war land reform, or had encouraged parishioners to take over public buildings for use by the Church. In an article published by *Trybuna Ludu* four days later, a Supreme Court judge accused the clergy of encouraging violations of the law, especially the laws relating to marriage, birth control, and divorce. Cardinal Wyszynski replied to the press campaign by ordering special prayers of atonement to be said for three months in all Polish churches "in the face of press statements offensive to the dignity of our Queen, the Lady of Czestochowa."

Another cause of friction was the question of religious instruction in schools. The official press accused the clergy of exercising pressure on parents to make them send their children to religious education classes, and of undermining the secular character of education by attempting to introduce religious symbols into schools and to begin the school day with prayers. The Church, on the other hand, protested against an order forbidding members of religious orders to teach unless they were fully qualified which, it was stated, would deprive over 2,000 monks and nuns of their posts, thereby seriously hampering religious education. According to reports from ecclesiastical sources, Cardinal Wyszynski had a secret meeting with M. Gomulka and M. Cyrankiewicz (the Prime Minister) in January, and again on April 23, at which the problem of religious education was discussed, but without reaching agreement.

M. Gomulka made a strong attack on the Roman Catholic hierarchy when addressing educational workers of the United Workers' (Communist) Party, in Warsaw on Sept. 24.

M Gomulka recalled that the Church-State agreement of 1956 allowed optional religious instruction in schools if a majority of parents expressed a desire in writing. The State had expected the Church "to respect the old principle of rendering unto God what is God's, and unto Caesar what is Caesar's," but the Catholic Episcopate was "not only not supporting the Government" but was "overtly and secretly working in the opposite direction." Emphasizing that the schools belonged to the State, M Gomulka declared that "the State does not intend to back out from its agreement with the Church" and that "lessons in religion as an optional subject in schools will be continued", the State's attitude towards the teaching of religion was "one of tolerance, while maintaining the lay character of the school" The question of "religious emblems and practices" in schools (M. Gomulka continued) was quite a different matter. The Church-State agreement had made no references to crucifixes and collective prayers, which had "infiltrated" into schools, nor had the Catholic Episcopate made any request for their introduction; such emblems and practices, M. Gomulka maintained, would give the school a religious character, to which the State could not agree. A recent order by the Ministry of Education for the removal of crucifixes and other religious emblems from classrooms had met "with a varied reception from the clergy," and there had been instances in which priests had "whispered, incited, and loudly encouraged opposition to this instruction." M. Gomulka concluded: "We are not looking for war with the Church . . . but we will not permit a certain part of the Church hierarchy and clergy, who are under the influence of Vatican circles hostile to People's Poland and striving for ends not connected with religion, to undermine the legal State."

Other recent political and economic developments in Poland are described below.

Measures for Decentralization of Industry.

The Central Committee of the United Workers' Party (U.W.P.), at a plenary session on Feb. 27-March 1, adopted a resolution on economic policy for 1958 which included proposals for radical changes in the organization of industry.

The resolution noted that industrial output had risen by 9.6 per cent during 1957 and that the production plan for agriculture had been over-fulfilled; it attributed these achievements to the greater responsibilities granted to the factories, the setting-up of workers' councils, and the peasants' interest in increased production arising from the new agricultural policy adopted in 1956. The increase in wages and in the peasants' incomes, however, had surpassed the increase in production, and the profits of private enterprises in the towns had risen excessively. In consequence, the danger had developed early in 1957 of a serious disturbance of the market equilibrium; stockpiles of consumer goods had decreased, short term debts to foreign countries bearing a high interest rate had increased, and certain prices had risen.

The basic weakness of the national economy in 1957 (the resolution stated) had been insufficient productivity, caused by over-staffing in factories, the slackening of labour discipline, and an increase in absenteeism. During the second half of the year the situation had improved; labour discipline had been tightened, steps had been taken to limit unjustified private profits, and the reserves of consumer goods had increased, although the increase was still inadequate. Changes in the planning and management of the national economy had been gradually carried out, aimed at making the planning system simpler and more elastic and at the decentralization and democratization of management, by increasing the responsibilities of individual enterprises and of the people's councils and the workers' councils in the factories, and by the development of various forms of self-governing co-operatives.

Further radical changes in the organization of industrial management were envisaged in 1958. The existing central boards, which were purely administrative supervisory bodies forming specialized departments inside the industrial Ministries, were to be abolished; in their place, industrial enterprises would be grouped in "combines" which, without restricting the responsibilities of the individual enterprises, would have the task of co-ordinating their production plans. The "combines" would generally consist of enterprises belonging to the same branch of industry, but enterprises might also be grouped on the basis of locality or the existence of common features and scope for co-operation between them.

The resolution emphasized that in 1958 the rise in wages in industry must be closely linked with the increase in production, and must not outpace it. The employment position in each enterprise and each production department should be analysed, in order to eliminate over-staffing where possible. With this end in view, the minimum old-age pension would be increased from 120 to 500 zlotys a month, which would make it possible for all old-age pensioners to stop working. To combat absenteeism and the abuse of sick leave, control over the payment of sickness benefits should be more strict; a limit should be fixed on the outlay on such benefits for the various enterprises, and benefits paid above this figure should be deducted from the wages fund

The resolution was strongly opposed by a small "Stalinist" group on the committee headed by M. Klosiewicz (Deputy Minister of Labour and Social Welfare), which criticized the

proposed measures against over-staffing and absenteeism. This group was also reported to have accused M. Gomulka of weakness towards "revisionists," and to have criticized his attitude towards the Soviet Union. After M. Gomulka had replied, a motion was carried on March 1 expelling M. Klosiewicz from the Central Committee and reprimanding him for "undermining party unity," and on March 4 he was removed from his Ministerial post. [M. Klosiewicz was formerly a member of the Council of State and chairman of the Central Council of Trade Unions, but was dismissed from both these posts in November 1956—see pages 15244-5.] Two other leading "Stalinists" who had supported M. Klosiewicz at the Central Committee meeting, M. Matuszewski and M. Pawlak, were deprived of their posts as chairman of the control committee (which ensures the loyalty of party members) and as party secretary for the Warsaw district, on March 6 and Aug. 1 respectively.

In accordance with the Government's policy of decentralization of industrial management, the economic committee of the Council of Ministers decided on March 27 to reorganize the Ministry of Heavy Industry by reducing the number of its departments from over 20 to 13. The Ministry ceased to deal with such questions as industrial safety and hygiene, vocational training, minor personnel problems, etc., which were delegated to the central boards, and confined its activities to such fundamental tasks as the working out and co-ordination of long-range production plans and co-operation with foreign countries.

Reorganization of Workers' Councils. - Closer Party Control.

In a speech at the opening session of the Polish Trades Union Congress on April 14, M. Gomulka put forward proposals for the reorganization of the workers' councils, which, he suggested, should be amalgamated with the trade union and U.W.P. organizations inside the factories.

M. Gomulka stated that 5,600 workers' councils had so far been set up; the experience of the past 18 months had shown that "the institution is good and has passed its initial test," but also that "workers' self-government cannot find full expression in this form." After pointing out that workers' committees (the U.W.P. organizations) and works councils (trade union organizations) were functioning inside the factories side by side with the workers' councils, M. Gomulka continued:

"The exclusion of the works councils from workers' self-government has led to the wrong conception of restricting the tasks of works councils to questions of welfare, to the so-called defence of working-class interests, while questions of production and management were to be left entirely to the workers' councils. Restriction of workers' self-government to the workers' councils makes it very difficult for the works committees to realize the leading role of the party in the enterprises. Without the help of the works councils and of the party organizations, the workers' councils cannot properly perform their organizational and technical, to say nothing of their social and educational functions . . . Experience has shown that separation of these two functions—that is, leaving the organizational and technical tasks to the works councils and the social and educational tasks to the workers' councils—is impractical." He therefore suggested that a new body, called the "workers' self-government conference," should be appointed in all enterprises; this would include all the members of the workers' councils, works councils, and works committees, and its decisions would be binding on all three bodies.

The congress adopted on April 18 new rules for the Federation of Trade Unions, which laid down *inter alia* that strike action should be restricted to brief "token" strikes.

The new rules stated: "The trade unions will endeavour to settle justified and realistic demands of the workers and to eliminate causes of conflict in industry . . . In the conditions of Socialist economy strikes are harmful to the working class, and therefore they are not and cannot be recognized as a proper method of settling disputes. Particularly harmful, and requiring the most determined opposition from the trade unions, are the attempts at organizing 'wild' strikes made by self-styled organizers . . . In the case of persistent infringement of workers' rights, if the measures taken by the works council and the intervention of the trade union bodies fail to bring the desired result and the fixed dates are not adhered to, the works council, in consultation with the union executive, can . . . adopt a resolution addressed to the management to the effect that if the matter is not settled within a reasonable time the works council will appeal to the workers to support its attitude by a short warning strike lasting a quarter of an hour or so. Supervisory authorities of the factory concerned must be notified of such a decision, which may include a suggestion for the dismissal of the manager . . ."

Agricultural Policy.

Three Bills were passed by the Seym on Feb. 25 laying down procedure for (1) the expropriation of land, which might only be carried out by the State on payment of compensation; (2) the sale of State-owned land; and (3) the settlement of outstanding questions arising from the agrarian reforms carried out after 1945.

M. Ochab (Minister of Agriculture) told the Seym that the Government proposed to sell several hundred thousand hectares of land from the State farms to working peasants on easy terms. As regards the third Bill, he said that during the agrarian reform period and in the course of mass resettlement in the Western Territories (i.e. the former German territories) the people's councils and agricultural authorities had not always complied with the laws in force. Many abuses had been corrected, but some claims relating to land in the eastern Territories had had to be rejected, as it was of great political importance to strengthen the sense of the stability of property rights in these territories among the hundreds of thousands of peasant families which had settled there. M. Ochab said that apart from compensation for the former owners, a special fund was being set up to assist working peasants who wished to buy land.

Constitutional Changes.

On Dec. 13, 1957, the Seym unanimously passed a Bill reviving the Supreme Chamber of State Control, which had been abolished under the 1952 Constitution. The Chamber, which was declared to be directly responsible to the Seym, was empowered to investigate the activities of all central and local government bodies and Government departments. The chairman was to be elected by the Seym, and the other members by the Council of State.

Dismissal of M. Kuryluk.

M. Karol Kuryluk, the Minister of Culture, was dismissed on April 29, no reason being given; he was replaced on July 2 by M. Tadeusz Galinski. According to unofficial reports, M. Kuryluk (who belonged to the liberal wing of the U.W.P.) had opposed proposals for the limitation of the freedom which the Press, writers, and artists had enjoyed since 1956.

Purge of U.W.P. Membership.

It was announced in April that, as a result of the current purge of U.W.P. membership, the number of party members had been reduced from 1,266,754 to 1,052,809, whilst 4,249 new candidates had been admitted since December.
(Polish Embassy Press Office, London - Times - Manchester Guardian - Le Monde, Paris) **(Prev. rep. 15871 A.)**

A. UNITED STATES. — Space Council.

The following four members were appointed by President Eisenhower on Sept. 4 to serve on the National Aeronautics and Space Council set up under the recently enacted National Aeronautics and Space Act: Lieut.-General James H. Doolittle (retd.), who led the first bomber raid on Tokio during the war and is now vice-president of the Shell Oil Company; Mr. William A. Burden, formerly Assistant Secretary of Commerce for Air (1950-52) and subsequently special research and development assistant to the Secretary of the Air Force; Dr. Alan T. Waterman, director of the National Science Foundation; and Dr. Detlev T. Bronk, president of the National Academy of Sciences.

The other members of the Space Council are the Secretary of State (Mr. Dulles), the Secretary of Defence (Mr. McElroy), the director of the new National Aeronautics and Space Administration (Mr. T. Keith Glennan), the chairman of the Atomic Energy Commission (Mr. John A. McCone) and President Eisenhower himself.— (New York Times)
(Prev. rep. 16349 C.)

B. SOVIET UNION. — Marshal Bulganin dropped from Presidium of Soviet Communist Party.

It was announced in Moscow on Sept. 5, after a meeting of the Central Committee of the Soviet Communist Party, that Marshal Bulganin had been "relieved of his duties" as a member of the party's Presidium, no further explanation being given. The only remaining post held by the former Soviet Prime Minister is that of chairman of the regional economic council for the Stavropol area, to which he was appointed in August.

It was also announced that the 21st congress of the Soviet Communist Party would be convened on Jan. 27, 1959, to discuss "target figures for the development of the national economy for the years 1959 to 1965" and to hear a report from M. Khrushchev on this matter.—(Times - Soviet Embassy Press Department, London) **(Prev. rep. 16347 C.)**

C. SPAIN. — The Valley of the Fallen.

A national monument to commemorate those who fell on both sides in the Spanish Civil War was opened on Sept. 7 in the Guadarrama mountain range overlooking Madrid. It takes the form of a lofty 450-ft. cross towering over a mountain valley and visible from a great distance; under the base of the cross is a huge arched crypt carved out of the rocky heart of the mountain and dominated by a life-sized ivory figure of Christ. The monument, known as the Valley of the Fallen, took 16 years to build and will be maintained by the Benedictine Order. (A.B.C., Madrid)

A. ATOMIC ENERGY. — Detection of Nuclear Weapons Tests. - Report of Geneva Conference of Experts. - Proposals for World Network of Detecting Stations. - Forthcoming Anglo-American-Soviet Conference at Geneva on Suspension of Nuclear Tests.

The report was published on Aug. 30 of the Geneva conference of experts which met in July and August to consider methods of working out a control system for detecting violations of a possible international agreement on the suspension of nuclear weapons tests. Signed by all the Western and Eastern scientists taking part, it made a number of recommendations for an international control system for consideration by the Governments concerned, including a network of 160 to 170 ground stations throughout the world and about 10 ships on the oceans.

It was stated that the conference of experts had agreed that it was possible to detect and identify nuclear explosions, including low-yield explosions of 1 to 5 kilotons, by making use of the methods enumerated in the statement issued at the end of the conference—viz., collection of samples of radioactive debris; recording of seismic, acoustic, and hydro-acoustic waves; the radio-signal method; and on-site inspection of "unidentified events which could be suspected of being nuclear explosions." The experts also agreed that it was "technically feasible to establish . . . a workable and effective control system to detect violations of an agreement on the world-wide suspension of nuclear weapons tests." The report is summarized below (cross-headings inserted):

General Principles of Control System. The control system should be under the direction of an international control organ which would ensure that all control functions were co-ordinated in accordance with the following technical requirements:

(*a*) Development, testing, and acceptance of the necessary measuring apparatus and equipment for the control posts.

(*b*) Carrying-out at the control posts and on aircraft [see below] of "continuous and effective observations of the phenomena which make it possible to detect nuclear explosions by the methods recommended by the conference."

(*c*) Reliable communication between the international control organ and the various control posts.

(*d*) Means of transporting the personnel of the control posts and, so far as necessary, the staff of the international control organ.

(*e*) "Timely analysis and processing" of the data obtained by the control posts, "with the aim of speedily identifying events which could be suspected of being nuclear explosions."

(*f*) Staffing of the control system by qualified personnel.

Proposed World Network of Control Posts. It was recommended that the network of control posts should comprise 160 to 170 land-based posts and about 10 ships. Of the land-based control posts, about 100 to 110 should be situated on continents, 20 on large oceanic islands, and 40 on small oceanic islands. "However, the exact number of control posts . . . can be determined only in the process of actually distributing them around the globe, taking into account the presence of noise at the sites at which they are located and other circumstances."

In continental aseismic areas [i.e. areas not subject to earthquakes] the control posts should be spaced at distances of about 1,700 kilometres (1,060 miles) from each other, while in seismic areas they should be about 1,000 kilometres (625 miles) apart. Spacing of control posts in ocean areas would vary between 2,000 and over 3,500 kilometres (1,250 to 2,200 miles) except in seismic areas, where they would be about 1,000 kilometres apart.

The approximate distribution of control posts throughout the world (including a network of 110 continental control posts) would be as follows—37 in Asia, 24 in North America, 16 in Africa, 16 in South America, 7 in Australia, 6 in Europe, and 4 in Antarctica; together with 60 on oceanic islands and about 10 ships.

The tasks of the personnel at control posts would include "the ensuring of the normal functions of apparatus, the preliminary processing of data received, and the forwarding of these data to the international control organ and to the government of the country on whose territory the control post is located." Each control post would be staffed by some 30 qualified persons, together with auxiliary staff.

Aerial Patrols for Air Sampling. In addition to the network of control posts, "air sampling" would be carried out by aircraft engaged in regular flights "along north-south routes over the oceans, along the peripheries of the Atlantic and Pacific Oceans, and over areas of the oceans which are remote from surface control posts." Special flights would be organized to collect samples of radioactive debris in the case of "detection of an unidentified event which could be suspected of being a nuclear explosion."

Unidentified Explosions. If the control posts detected "an event which cannot be identified by the international control organ and which could be suspected of being a nuclear explosion," the international control organ could send an inspection group to the site of the event "to determine whether a nuclear explosion had taken place or not." The inspection group would forward a report to the international control organ and to the government of the country on whose territory the investigation was made.

Effectiveness of Control Posts. Subject to certain qualifications mentioned below, the experts were of opinion that the network of control posts, together with the use of aircraft for "air sampling," would have the following effectiveness

(*a*) "Good probability of detecting and identifying nuclear explosions down to about one kiloton taking place on the surface of the earth and and at altitudes up to 10 kilometres (6¼ miles); and good probability of detecting, but not always identifying, explosions at altitudes of 10 to 50 kilometres (6¼ miles to 31 miles)."

(*b*) "Good probability of detecting nuclear explosions of one kiloton set off deep in the ocean." In such cases use would be made of independent hydro-acoustic and seismic methods. It was pointed out that, in comparatively rare cases, "the identification of underwater explosions can be made more difficult by natural events which give similar hydro-acoustic and seismic signals."

(*c*) "Good probability of recording seismic signals from deep underground explosions equivalent to one kiloton and above."

Detection of Underground Explosions. It was pointed out that the detection of underground explosions posed special problems because the control posts would also be recording "a considerable number of similar signals" caused by natural earthquakes. The report commented in this connexion: "Although . . . the network of control posts would be unable to distinguish the signals from underground explosions from those of some earthquakes, it could identify as being of natural origin about 90 per cent of continental earthquakes whose signals are equivalent to 5 kilotons, and a small percentage of continental earthquakes equivalent to one kiloton. It has been estimated, on the basis of existing data, that the number of earthquakes which would be undistinguishable from deep underground explosions of about 5 kilotons' yield would be from 20 to 100 a year in continental areas. Those unidentified events which could be suspected of being nuclear explosions would be inspected as described above" [i.e. by on-site investigation by inspection groups.]

Special Difficulties. It was noted that the possibility of detecting nuclear explosions would be reduced in certain special cases, e.g. when explosions were set off in ocean areas where the number of control posts was small and the meteorological conditions unfavourable; in the case of shallow underground explosions; when explosions were set off on islands in seismic regions; and in "some other cases when the explosion is carefully concealed." In certain cases it might be impossible to determine exactly where a nuclear explosion had taken place, even though the explosion itself might have been detected. Nevertheless, the experts believed that "whatever the precautionary measures adopted by a violator, he could not be guaranteed against exposure, particularly if account is taken of the carrying-out of inspection at the site of the suspected explosion."

In conclusion, it was pointed out that the system described above "does not include specific means to detect and identify nuclear explosions at high altitudes (above 30-50 kilometres)." It was added, however, that the experts had "formulated findings on the method of detecting nuclear explosions at altitudes greater than 30-50 kilometres."

The Soviet Government sent Notes to the U.S. and British Governments on Aug.30 agreeing to the Anglo-American proposal that talks should open on Oct. 31 with a view to the suspension of nuclear weapons tests. The Soviet Government urged (*a*) that the talks should be held "for the purpose of concluding an agreement on the ending of atomic and hydrogen weapons tests for all time, coupled with the institution of appropriate control over the fulfilment of such an agreement"; (*b*) that they should be held in Geneva; and (*c*) that, "in order to avoid dragging out the negotiations," they should be limited to "a definite period of time," in which connexion the Soviet Government suggested "two or three weeks."

Appended to the Soviet Notes was the text of a statement by M. Khrushchev setting out the Soviet Government's point of view on the questions dealt with in President Eisenhower's statement of Aug. 22 relating to the suspension of nuclear tests (see page 16355). In this statement, which took the form of an interview with a *Pravda* correspondent, the Soviet Prime Minister expressed his full agreement with the conclusions of the Geneva conference of experts and said that there could be "no excuse or justification for refusing to end experiments with nuclear weapons at once and everywhere." The conference of atomic experts, he added, had "finally buried the legend about the alleged impossibility of control over the observance of an agreement to end nuclear tests."

The British and U.S. Governments presented identical Notes in Moscow on Sept. 10 announcing the readiness of both Governments to hold discussions with the Soviet Union in Geneva, beginning on Oct. 31, to discuss the suspension of nuclear weapons tests. As regards the Soviet proposal that the talks should be limited to two or three weeks, the Notes stated that the U.S. and British Governments "agree that the negotiations should be concluded as quickly as possible, but believe that their importance requires the expenditure of whatever time may mutually be deemed necessary for their successful conclusion."—(Times - Daily Telegraph - Manchester Guardian - New York Times - Soviet Embassy Press Department, London)

(Prev. rep. 16353 A.)

A. TIN. — Restrictions by Britain, Netherlands, etc., on Tin Imports from U.S.S.R. and China. - Large Purchases by International Buffer Stock to maintain "Support Price." - Export Restrictions for Producer-members of International Tin Council. - Breakdown of Price Stabilization Scheme. - Steep Fall in Tin Prices.

The British Board of Trade announced on Aug. 29 that from the following day imports of tin and tin alloys from the Sino-Soviet bloc would be subject to individual licensing. Imports from the U.S.S.R. itself would be subject to a quota of 750 tons a quarter, compared with actual imports of 1,362 tons in the first quarter of 1958 and of 2,090 tons in the second quarter. Eight other tin-importing countries, notably the Netherlands and Denmark, also announced restrictions on tin imports from the Soviet Union.

It was explained in the Press that this step followed a marked rise in the sale of Russian tin in world markets over the past 18 months. Soviet exports of tin to the free world (mainly to Britain and the Netherlands) had risen from 450 tons in 1956 to about 9,000 tons in 1957 and to about the same tonnage in the first seven months of 1958. This rapid increase, resulting in a further large fall in the price of tin in the international markets, had been causing distress in the main producing countries—Malaya, Bolivia, Indonesia, the Belgian Congo, Siam, and Nigeria. Moreover, heavy unemployment amongst Malayan tin miners had led the Malayan Government to make [unsuccessful] representations to the Soviet Government asking for a voluntary suspension of Soviet tin exports.

At a meeting in Paris on June 20, the International Tin Council had agreed to ask the Soviet Union to become a producer-member of the Council, and to approach the U.S.A., Western Germany, and Japan with a view to their joining as consumer-members. On Aug. 6, however, the Soviet Government replied that it would only be willing to join the Council as an "observer member," thus avoiding being bound by the stipulations of the International Tin Agreement.

The Soviet proposal to join the International Tin Council as an "observer member" was strongly opposed by the producer-members of the Council. On Sept. 5 Mr. Tan Sieuw Sin, Commerce Minister in the Malayan Federal Government, stressed that Malaya could not agree to Russia's "learning the Council's secrets without joining [as a full member] and abiding by the restriction regulations." He added that Malaya would oppose the Russian suggestion at the next meeting of the International Tin Council in London in October.

Prior to these developments, the International Tin Council, meeting in London on Dec. 4-6, 1957, had decided to impose a quota system for exports from the six producing countries participating in the International Tin Agreement.

The Council's decision was prompted by the heavy surplus of supply over demand in 1957 (estimated at 12,500 tons); the consequent fall in the tin price in international markets; the need to support the "spot" price of tin at £730 a ton through market purchases for the International Buffer Stock, as stipulated by the International Tin Agreement; and the consequent accumulation of tin by the Buffer Stock, which had reached the 10,000-ton mark—i.e. the point at which it was provided that export restrictions could be imposed on producers.

The Council fixed the total quantity permitted to be exported during the first control period (Dec. 15, 1957-March 14, 1958) at 27,000 long tons—a reduction of about 28½ per cent in the rate at which the six countries, taken together, had been producing in the 12 months ended Sept. 30, 1957. Individual quotas were fixed as follows (percentages of total in parentheses): Belgian Congo and Ruanda-Urundi, 2,416 long tons (8.95 per cent); Bolivia, 5,516 tons (20.43 p.c.); Malaya, 10,125 tons (37.50 p.c.); Nigeria, 1,442 tons (5.34 p.c.); Indonesia, 5,516 tons (20.43 p.c.), Siam, 1,985 tons (7.35 p.c.).

At its next meeting on Jan. 22-24, 1958, the Council decided to extend the first control period to March 31, and to impose control for a further period (March 31-June 30); the overall export quota for this period was fixed at 23,060 long tons, representing an aggregate reduction of 40 per cent on 1956-57 production. Individual quotas were as follows: Belgian Congo and Ruanda-Urundi, 2,059 tons; Bolivia, 4,699 tons; Indonesia, 4,699 tons; Malaya, 8,625 tons; Nigeria, 1,288 tons; Siam, 1,690 tons.

Meanwhile the Council had asked the producer countries subscribing to the International Tin Agreement to provide a "special fund" for the use of the Buffer Stock Manager in case the resources originally provided for him should prove insufficient to enable him to absorb all the tin offered on the market but not bought by commercial buyers at £730 a ton. The amount of the "special fund" was not made public. During the third quarter of 1958, the overall export quota was maintained at the same level, but on July 26 it was announced that for the fourth quarter it had been reduced to 20,000 tons.

The decision to limit tin imports from the U.S.S.R. led to immediate increases in the prices of "spot" and "forward delivery" tin, both of which rose in the London Metal Exchange on Sept. 1 to about £745-£746 a ton, or £15-£16 above the "support" price of £730 a ton for "spot" tin. [For many months the "spot" price had only been maintained at, or very slightly above, this level through the above-mentioned purchases by the manager of the International Buffer Stock, but the "forward" price for three-monthly delivery had fallen during the second half of November 1957 as low as £683 10s. a ton—a drop which had only been ended with the imposition of the export restrictions by the International Tin Council.] As a result of further heavy selling on the London Metal Market, however, the price of "forward delivery" tin fell on Sept. 5 to £725 15s. a ton, whilst the Buffer Stock manager again had to buy tin to maintain the "floor" price of £730 a ton for "spot" metal. The fall was attributed mainly to Russian selling of newly arrived shipments and to uncertainty about the future of the Buffer Stock scheme.

On Sept. 18 the chairman of the International Tin Council (M. Georges Péter) announced that the Buffer Stock manager had withdrawn his support of the tin "spot" price "for the time being." The statement added that "the matter will be discussed at a Council meeting," and that "the International Tin Agreement will, of course, continue in force."

After a temporary suspension of dealings on the London Metal Exchange, trading was resumed later in the day, when the price of "forward" tin fell by rapid stages to £640 a ton; "spot" tin closed at £642 10s. a ton, the lowest level for five years.

In a Press statement in London on Sept. 26 M. Péter gave no specific reason for the Buffer Stock manager's withdrawal from the tin market, saying that the withdrawal only implied that the original contributions to the buffer pool were exhausted but did not necessarily mean that the "special fund" was exhausted as well. M. Péter also gave no indication when the Buffer Stock manager might re-enter the market.

M. Péter emphasized, however, that the "special fund" was not bound by any of the price rules of the International Tin Agreement and that it could thus buy and sell at any price the manager chose. He did not reveal the original size of the "special fund" or how much of it was now left, but intimated that the Buffer Stock manager would start to operate again in the market, either as a seller, at £780 a ton or above, of the tin bought with the original Buffer Stock contributions, or as a buyer or seller under the unrestricted terms of the "special fund", without any prior announcement.

By Sept. 26 the tin price in the market had recovered from its lowest level, "spot" tin being traded at £720-£725 per ton and "forward" tin at £712. 10s.-£714.

The head of the Malayan delegation to the U.N. General Assembly, Dr. Ismail Bin Dato Abdul Rahman, speaking in New York on Sept. 26, accused the Soviet Union of "wrecking" the International Tin Agreement by "consistent dumping." Saying that the agreement was a "good manifestation" of efforts made by under-developed countries to help themselves, he added: "Yet hardly had the agreement begun to work when one great Power, the Soviet Union, began to wreck it. I suggest that the Soviet Union should alleviate the harm done to the under-developed countries affected, by calling a halt to her present destructive manoeuvres on the tin market."

In reply to representations by the Malayan Government, the German Federal Government sent a Note on Sept. 25 stating that if German tin importers made new large applications to buy Russian tin these would be considered in the light of what was happening on the tin market and due regard be paid to the interests of producing countries outside the Soviet bloc. Commenting on the German Note, the Malayan Government said that it appreciated Western Germany's "sympathetic attitude."—(Times - Daily Telegraph - Manchester Guardian - Financial Times - Economist - Netherland News Agency)
(Prev. rep. 14988 E.)

B. UNITED KINGDOM. — Foreign Service. - Appointment of Scientific Attachés.

The Department of Scientific and Industrial Research announced on Sept. 10 that a senior principal scientific officer was being appointed to the British Embassy in Moscow as Scientific Attaché—the fifth appointment of its kind in the Foreign Service. Of the four British scientific attachés previously appointed, three are attached to the Washington, Paris, and Bonn Embassies respectively and the fourth jointly to the Stockholm, Oslo, and Copenhagen Embassies. The task of a scientific attaché—a comparatively recent addition to the diplomatic list—is to report on scientific developments in the country in which he is serving and to advise the ambassador on scientific questions. — (Times)

A. UNITED KINGDOM. — Civil Aviation. - B.O.A.C. and B.E.A. Reports for 1957-58. - B.E.A. Cheaper Fares Policy. - Record Testing Flight by Comet IV.

The reports and accounts of the British Overseas Airways and British European Airways Corporations for the financial year ended March 31, 1958, were published on July 31 and Aug. 27 respectively. They showed that while B.O.A.C. incurred a net loss, after payment of interest on capital, of £2,839,350, B.E.A. earned a net profit of £1,054,807, the largest in the Corporation's existence. The reports are summarized below :

British Overseas Airways Corporation.

Gross revenue on operating account totalled £53,526,375 (compared with £49,004,711 in 1956-57), whilst operating expenditure amounted to £53,397,253 (£46,460,789), resulting in a gross profit on operations of £129,122 (£2,543,922). Adjustments for losses on the operations of associated companies (£590,748) and for interest on capital (£2,377,724) converted the operational profit into a loss of £2,839,350, compared with a net profit of £303,352 in 1956-57.

Detailed financial and traffic statistics are shown below, with 1956-57 figures for comparison :

	1957-58		1956-57	
Traffic Revenue	£53,031,491		£48,586,918	
(*a*) Scheduled Services :				
Passenger (incl. excess baggage)		£36,141,941		£33,208,122
Mail		9,458,590		9,861,549
Diplomatic Bags		189,683		213,997
Freight		4,920,271		4,354,498
(*b*) Non-scheduled Services		2,321,006		948,752
Capacity-ton-miles	329,735,088		282,134,827	
Revenue-ton-miles	206,091,772		182,378,888	
Revenue Load Factor (per cent)	60 5		63.7	
Passengers carried	480,314		409,681	
Passenger Load Factor (per cent)	63.3		66 0	
Cargo carried (tons)	7,982		7,483	
Mail carried (tons)	4,103		4,145	
Traffic Revenue per capacity-ton-mile	38 6d.		41 3d	
Operating Costs per capacity ton-mile	38 7d.		39 6d.	
Unduplicated Route Mileage	65,918		63,418	

The report explained that although the B.O.A.C.'s gross revenue in 1957-58 was "the highest in the Corporation's history, including record dollar earnings," the trade and economic recession in North America and other unforeseeable factors had meant that traffic expansion had fallen short of expectations and had not kept pace with the capacity provided. Results had also been adversely affected by (1) makers' delays in delivering *Britannia 302's*, necessitating the retention on Atlantic routes of out-moded aircraft due for retirement ; (2) the low profit-margin in the air transport industry, which left no "cushion" to withstand adverse conditions ; (3) the delay on the part of the U.S. Civil Aeronautics Board in approving the increased fares recommended by the International Air Transport Association ; (4) competition on African routes from private operators using more modern aircraft than the B.O.A.C.'s ; (5) the heavy expenses of bringing new aircraft into service, the report saying in this connexion : "No other country in the world expects its airlines to bear the additional expenses of developing a new aircraft to make it fit for competitive service and for export."

As regards the future, the report stated that the orders placed for *Vickers VC 10's* and for *Boeing 707's* together represented expenditure of about £87,000,000, excluding spares. B.O.A.C.'s capital commitments at March 31,1957— to be financed out of obsolescence provisions and existing borrowing powers—totalled £104,000,000, "the highest rate of investment in the life of the Corporation."

The following information was given in the report :

Relations with other Airlines. After referring to the new agreement concluded with British European Airways (see below), the report stated that in 1957-58 B.O.A.C. had introduced *Britannias* on the Australian ("Kangaroo") and South African ("Springbok") routes operated jointly with Qantas Empire Airways and South African Airways respectively. The "Southern Cross" route operated by Qantas between Australia and San Francisco had been extended across North America to London, the San Francisco-London sector being operated in partnership with B.O.A.C.

Associated and Subsidiary Companies. The total revenue of associated airlines amounted to £9,916,661 and expenditure to £10,601,554, resulting in a deficit of £684,938, of which £614,828 fell to be borne by the Corporation. This result was mainly attributable to general traffic recession, but British West Indian Airways had been hit by a pilots' strike and Bahamas Airways by the general strike in the islands (see 16032 A) ; both of these had discouraged U.S.A. tourist traffic.

In September 1957 B.O.A.C. Associated Airways had been formed as a holding company with special responsibilities for the Corporation's interests in subsidiary and associated companies. From Nov. 30, 1957 the new company assumed responsibility for the Corporation's rights and assets (valued at £12,590,538) in 17 companies.

Aircraft in Service and on Order. At March 31, 1958, B.O.A.C. had 60 aircraft on service (against 56 on March 31, 1957), with 16 others on development and training and seven more scheduled for disposal. The operating fleet consisted of 16 *Stratocruisers*, 14 *Britannia 102's*, 14 *Argonauts*, 7 *DC 7's*, 6 *Constellation C.749's*, 2 *Comet IIE's*, and 1 *Britannia-312*. With regard to the future, it had been decided to employ the *Comet IV's* now on order (see 15856 A) principally on the Atlantic routes ; the two *Comet IIE's* in the fleet, fitted with Rolls Royce *Avon MK 524* engines (similar to those to be installed in the *Comet IV's*), were now being operated on these routes so that experience might be gained of these engines' performance under service conditions.

The report added that the capacity which would be provided over the North Atlantic by the *Boeing 707's* now on order (15868 A) in their first full year of operation (1959-60) would be three times as great as that provided by all B.O.A.C. aircraft on Atlantic routes in 1957-58.

Organizational Changes. Following a review of the Corporation's internal organization, it had been decided to establish three regions East, West, and South— each under a General Manager. Maintenance and flight operations would remain centralized under the Chief Engineer and Chief of Flight Operations respectively.

As the result of an inquiry into the reasons for the high level of B.O.A.C. engineering costs, compared with those of other airlines, consultations were taking place with employees' organizations with a view to a fundamental revision of the Corporation's engineering organization and methods.

British European Airways Corporation.

Gross revenue on operating account amounted to £28,340,725 (against £23,023,008 in 1956-57) and total expenditure to £26,465,070 (£23,023,008), resulting in a gross profit on operations of £1,875,655 (£924,766). The deduction of £34,074 for losses on subsidiary and associated companies, and of £23,289 for salaries of chairman and board members, and the addition of £40,595, representing profit on retirement of aircraft, etc., reduced the gross profit to £1,858,887. Interest on capital and other financial charges totalled £804,080, reducing the net profit for the year to £1,054,807, against £205,725 in 1956-57.

Detailed financial and traffic statistics are shown below, with 1956-57 figures for comparison :

	1957-58			1956-57		
Traffic Revenue						
Passenger	£23,909,689			£19,815,203		
Freight	1,758,441			1,568,514		
Mail	1,528,926			1,534,323		
Charters	155,001	£27,352,057		162,638	£23,080,678	
Load-ton-miles flown :						
International Services	76,989,251			67,239,528		
Domestic Services	25,073,096	102,062,347		22,445,895	89,685,423	
Passengers carried :						
International routes	1,531,483			1,342,777		
Domestic routes	1,234,108	2,765,591		1,118,288	2,461,065	
Passenger-miles flown :						
International Services	676,752,944			578,595,000		
Domestic Services	259,002,933	935,755,877		230,277,000	808,872,000	
Passenger load factor (per cent)		68.5			71.1	
Cargo carried (tons)		24,555			22,524	
Freight ton-miles flown		9,925,764			9,227,790	
Mail carried (tons)		7,465			7,541	
Mail ton-miles flown		3,599,500			3,622,641	

Revenue load-factor (per cent)	63.7	64.5
" Break even " load factor (per cent)	61.3	63.9
Costs per capacity-ton-mile	40.9	41.0
Total route mileage	28,904	26,169
Staff (March 31)	11,232	10,540

Other salient points in the report are summarized below.

Commercial Agreement with B.O.A.C. During 1957-58 B.E.A. concluded an agreement with B.O.A.C. defining each Corporation's sphere of influence The report explained that B O.A.C. transited certain European points on its U K.-Africa and U.K.-Far Eastern routes, and was also anxious to provide through flights from North America to European cities Although existing B.O.A.C. services through Europe were operated in pool with B.E.A., they nevertheless deprived B.E.A. of traffic within its sphere of influence. If B.O.A.C. were to increase its operations in Europe it seemed fair that B.E.A. should be free to obtain an equivalent amount of work within B.O.A C's sphere. The new agreement provided that B.O.A.C., after consulting B.E.A., should be free to apply for Governmental permission to operate through any desired point in Europe, while B.E.A. should be free to extend its services to Beirut, Tel-Aviv, and Cairo and to operate services to the Persian Gulf on behalf of its subsidiary, Cyprus Airways Ltd.

Aircraft Fleet. Fixed-wing aircraft in service at March 31, 1958 numbered 119, comprising 25 *Viscount 701's*, 22 *Viscount 802's*, 8 *Viscount 806's*, 13 *Elizabethans*, 38 *Pionairs*, 2 *Hebrides*, 3 *Islanders*, and 8 *Pionair-Leopard* freighters. The *Elizabethans* had been gradually withdrawn from service during the year, and were due for complete replacement in 1958.

The report added that the first *Viscount 806* was introduced into commercial service on Jan. 27, 1958; by the end of the summer 18 of these aircraft—with a cruising speed of 360 m.p.h.—would be in service, bringing the B.E.A. *Viscount* fleet to 64. *Viscount* services were now provided to every European and Middle Eastern country served by B.E.A., and in 1957-58 these aircraft carried nearly 1,500,000 passengers.

A detailed specification of the *De Havilland DH 121* was currently being worked out with the Aircraft Manufacturing Co. Ltd. (see 16019 A), preparatory to the placing of a definite order for 24 of these aircraft. They would be low swept-wing monoplanes; be powered by three Rolls-Royce engines mounted at the rear of the fuselage; have a speed, range, and capacity to B.E.A. requirements (see 15856 A), and be able to operate from 6,000-ft. runways.

Helicopter Experimental Unit. It had been decided to develop the charter side of the Unit's work, and this policy had shown some success. The Corporation was closely following the progress of the Fairey *Rotodyne* (first flight Nov. 6, 1957) and the Westland *Westminster* (first flight, June 15, 1958), both of which held promise of meeting B.E.A. requirements.

Lord Douglas of Kirtleside (chairman of B.E.A.), commenting on the report, explained that the year's " good results " had been achieved " in spite of a marked falling off of traffic during the winter." He said that B.E.A. was now " the second largest airline in the world in international passenger traffic," having undoubtedly benefited greatly from the success of thr *Viscount*. The new *Viscount 806's* would be followed by the *Comet IVB* jets, six of which should be in operation by the summer of 1960; these in turn would be followed by the new *Vanguard* turbo-props, of which the full fleet of 20 should be in service by 1962.

Lord Douglas added that, in order to develop air travel to the maximum possible extent, cheaper fares would ultimately have to be introduced, the " most straightforward way " of doing this being an increase in passenger accommodation in aircraft by " cutting out the frills." The aircraft of the future would therefore have to be " considered more in terms of the bus—without drinks and cigarettes handed out by the conductor." B.E.A. was not yet ready to introduce " a bus fares policy," and fares would be retained at their existing general level during 1958-59; nevertheless, a number of cheaper special fares would probably be introduced to create traffic on routes with favourable conditions, and the Corporation hoped in 1960 to start implementing the policy of reducing fares in general.

Mr. Harold Watkinson, Minister of Transport and Civil Aviation, stated in a Parliamentary written reply on Aug. 1 that the Government had given approval to B.E.A. to conclude a contract with the Aircraft Manufacturing Co. Ltd. (see 16019 A) for 24 *DH-121* jet airliners, to cost about £29,000,000 and be delivered between 1964 and 1966.

B.E.A. "Cheaper Fares" Policy.

B.E.A. announced on Sept. 9 that, as a first step in the cheaper fares policy announced by Lord Douglas, substantial reductions in winter week-end tourist fares would be introduced on the Corporation's main domestic trunk routes—London-Edinburgh, London-Glasgow, London-Belfast, and London-Manchester.

From Nov. 1 the eight-day week-end excursion fare between London and Scotland and Northern Ireland would be £8, and that between London and Manchester £5. These fares—representing reductions of 40.74 per cent and 41.79 per cent respectively on the normal 12-monthly return fares between London and Scotland or Northern Ireland (£13 10s.) and between London and Manchester (£9 9s.)—were the cheapest ever charged by B.E.A. on these routes. They would be available for journeys in either direction on Saturdays and Sundays, with return on the same week-end or the next.

Record Testing Flight by Comet IV. - Hongkong-London in 16 Hours.

A de Havilland *Comet IV* jet airliner, piloted by Group-Capt. John Cunningham (the makers' chief test pilot), flew on Sept. 13 from Hongkong to Hatfield (Herts.), a distance of 7,925 miles, in a flying time of 16 hr. 16 min., equivalent to an average speed of 487 m.p.h.

The *Comet* took off from Hongkong at sunrise and landed at Hatfield two hours before sunset; the whole flight—with stops totalling 2 hr. 6 min. at Bombay and Cairo—was accomplished in daylight. The aircraft carried about 30 passengers, including Mr. Basil Smallpeice, managing director of B.O.A.C., and two senior B.O.A.C pilots, who took over the controls for periods. Mr. Smallpeice described the flight as " the most remarkable long distance flight by a civil airliner and by far the fastest ever made." He added that in service a " reasonable schedule " for the *Comet IV* from Hongkong to London would be about 22 hours total time, compared with the present scheduled time for *Britannias* (including stops) of 33 hours 30 min.

The *Comet IV* had previously flown out from Hatfield to Hongkong *via* Cairo, Bombay, and Bangkok—a distance of 7,985 miles—in 17 hrs. 22 min., an average speed of 461 m.p.h. (B.O.A.C. and B.E.A. Annual Reports - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 16019 A; 15856 A.)**

A. CEYLON. — Tamil Language Bill passed by Senate. - Ban on Political Meetings lifted. - Partial Revocation of Emergency Regulations.

The Tamil Language (Special Provisions) Bill was debated by the Senate on Sept. 2-3 and passed through all its stages on the latter date.

Senator M. W. H. de Silva, the Minister of Justice and Leader of the Senate, who moved the second reading of the Bill on Sept. 2, said that its true intention was to bring the Sinhalese and Tamil communities together as far as possible. As it was inconvenient to have more than one official language the Government had adopted the language of the majority, but " that does not mean any disgrace to the other languages or any contempt for them," and the Government had recognized that the Tamil people could use the Tamil language. In the circumstances he appealed for the co-operation of the Tamils for the sake of the country's economic progress.

While the 58 Federal Party leaders, who had been under house detention since the declaration of the state of emergency, were released on Sept. 4, together with Mr. K. M. P. Rajaratne of the *Jathika Vimukhthi Peramuna* (see page 16375), the ban on public meetings by political parties was generally lifted on the following day, except for meetings of the Federal Party and the *Jathika Vimukhthi Peramuna*, both of which had been declared illegal.

Although the state of emergency was again extended for a further unspecified period as from Sept. 27, ten emergency regulations issued under the Public Security Ordinance were revoked on Sept. 26. They included the regulations (*a*) controlling publications and the Press, and (*b*) empowering the Government to carry out searches and seizures without warrant, to maintain essential services, to deal with any obstruction of essential services, to requisition personal services, to requisition transport, to prevent the entry of unauthorized persons into places occupied or used for the maintenance of essential services, and to requisition property. The Government, however, retained powers, *inter alia*, to ban political parties, processions, and demonstrations.
(Ceylon Government Information Dept., Colombo - Times) **(Prev. rep. 16373 A.)**

B. SPAIN - LIBYA. — Admission to World Bank and International Monetary Fund.

Spain became a member of the International Bank and the International Monetary Fund on Sept. 15, and Libya on Sept. 18. Their quotas in the I.M.F. were fixed at $100,000,000 for Spain and $5,000,000 for Libya, whilst their subscriptions to the capital stock of the Bank were respectively 1,000 shares with a par value of $100,000,000 and 50 shares with a par value of $5,000,000. These admissions brought the total of members' quotas in the Fund to $9,193,000,000 and the total subscribed capital of the Bank to $9,510,400,000. The total membership of both institutions rose to 68, having previously decreased by one owing to the merger of Egypt and Syria into the United Arab Republic.—(International Bank - I.M.F., Washington) **(Prev. rep. 16150 E; Spain, OEEC Membership, 16364 C)**

A. ALGERIA. — Rebel Government-in-Exile formed in Cairo. - Recognition by Arab Countries, Pakistan, and Chinese People's Republic.

The formation of a "Free Algerian" government in Cairo was announced in that city on Sept. 19 by M. Ferhat Abbas, the Algerian rebel leader. Headed by M. Abbas as Prime Minister and drawn entirely from the National Liberation Front (F.L.N.), it was described as the "Provisional Government of the Republic of Algeria" and consisted of the following 19 Ministers and State Secretaries:

Ferhat Abbas	Prime Minister.
Krim Belkacem	Vice-Premier and Minister for the Armed Forces.
Ahmed Ben Bella	Vice-Premier.
Hocine Aït Ahmed	Ministers of State.
Mohammed Boudiaf	Ministers of State.
Mohammed Khider	Ministers of State.
Bitat Rabah	Ministers of State.
Dr. Mohammed Lamine Debaghine	Foreign Affairs.
Mahmoud Cherif	Armaments and Food Supplies.
Lakhdar Ben Tobal	Interior.
Abdel Hafid Boussouf	Liaison and Communications.
Abdelhamid Mehri	North African Affairs.
Dr. Ahmed Francis	Economic Affairs and Finance.
Mohammed Yazid	Information.
Youssef Ben Khedda	Social Affairs.
Ahmed Fewfik el-Madani	Cultural Affairs.
Lamine Khan	State Secretaries.
Mustapha Stambouli	State Secretaries.
Omar Oussedik	State Secretaries.

M. Ahmed Ben Bella and three of the Ministers of State are imprisoned in the Santé prison in Paris; the fourth Minister of State is serving a prison sentence in Algiers. All three Secretaries of State are leading rebel units in Algeria.

M. Ferhat Abbas (58), formerly a chemist at Sétif, is leader of the F.L.N. and is regarded as more moderate and less strongly anti-French than many of his colleagues. Before the war he advocated complete Algerian "assimilation" with France, but during the war years became a convert to the idea of Algerian independence. In 1946 he founded the *Union démocratique du Manifeste Algérien* (UDMA) and was subsequently a member of the French Constituent Assembly and the Algerian Assembly. At the outbreak of the Algerian rebellion (Nov. 1, 1954) he at first tried to prevent it from spreading, appealed for calm, and urged the French to put forward a comprehensive programme of reforms; during 1955 he was one of the group of Moslem deputies in Algiers—known as "the 61"—who attempted to bring pressure on the French from a moderate nationalist standpoint without openly siding with the rebels. In 1956, however, he decided to join the F.L.N., went to Cairo, and dissolved the U.D.M.A. He is married to a Frenchwoman.

Among the other Ministers (all of whom have played leading parts in the rebellion), **Krim Belkacem** has been actively engaged in separatist activities for many years and commanded rebel units in the Kabylie; **Dr. Debaghine** (a physician) has been in Cairo since 1955 and was formerly a deputy for Constantine, representing the M.T.L.D.; **Dr. Ahmed Francis** (also a doctor of medicine) is a close associate of M. Ferhat Abbas, whom he accompanied to Cairo in 1956; and **M. Mohammed Yazid** has been a "roving ambassador" for the F.L.N., whom he at present represents in New York as "permanent delegate" to the United Nations. A biography of **M. Ben Bella** is given on page 15330, first column.

In Paris, a spokesman of the Quai d'Orsay stated that recognition of the rebel "government" would be regarded by the French Government as an "unfriendly act." He stressed the following points: (1) there was no precedent for such a "government" in peace-time, nor was it in any sense the "depository of any Algerian sovereignty whatever"; (2) the rebel "government" had no authority in Algeria and its only methods were those of assassination and terrorism; (3) France, while taking into account the "demagogic reasons" which might prompt any recognition of this "artificial organization," would consider any such recognition as an "unfriendly act." Moreover, France would have cause to doubt the "normality" and "stability" of any Government which extended recognition to the Algerian rebels.

Despite the French Government's warning, the "Provisional Government of the Algerian Republic" was recognized within three days by the United Arab Republic, Iraq, Jordan, Yemen, Libya, the Sudan, Tunisia, Morocco, Pakistan, and the Chinese People's Republic; the U.A.R. extended diplomatic recognition within a few minutes of M. Abbas's proclamation.

In spite of their recognition of the "Free Algerian" government, statements both in Tunis and Rabat showed that the Tunisian and Moroccan Governments were anxious to avoid any decisive break with France. In Tunis, the State Secretariat of Information issued a declaration on Sept. 20 expressing the hope that the Tunisian Government's decision would "initiate an era of peace and reconciliation between the United Arab Maghreb and France," and saying that it did in no way imply "that Tunisia wishes to terminate her traditional policy based on mutual respect and free co-operation between the united Maghreb and France." In Rabat, M. Balafrej (the Premier and Foreign Minister) said in a press interview that "nothing has changed in Franco-Moroccan relations."

It was announced in Paris on Sept. 22 that French protests at the Moroccan, Tunisian and Libyan recognitions had been presented in Rabat, Tunis, and Tripoli.

The Minister of Information in the "Free Algerian" government (M. Yazid) declared on Sept. 19 that his government considered itself to be "in a state of war with France." In a letter to the U.N. Secretary-General published on Sept. 20 the "Free Algerian" government protested against the holding of the forthcoming referendum in Algeria, which it denounced as "an international political mystification." (Le Monde, Paris - Times)

(Prev. rep. 16227 C; Algerian Rebellion, 16183 A.)

B. VENEZUELA. — Failure of Attempted Military Coup. - Pro-Government General Strikes.

An unsuccessful attempt was made on Sept. 7 to overthrow the Provisional Government of Rear-Admiral Wolfgang Larrazabal, who was visiting eastern Venezuela at the time of the attempted *coup d'état*. The uprising was suppressed within a few hours, some 20 people being killed in Caracas and about 120 injured.

The revolt was directed by a group of military officers led by Lieut.-Colonel Juan Moncada and Lieut.-Colonel José Mendoza; both had been expelled from Venezuela after involvement in an anti-Government movement in July (see below) but had returned clandestinely during August. With the support of some units of the military police, the rebels and their supporters surrounded the Presidential palace, demanded the surrender of the Government, and seized temporary control of a Caracas radio station. The great majority of the armed forces remained loyal, however, and the uprising collapsed within a few hours. Most of the casualties occurred when large crowds of civilians, demonstrating in favour of the Government, attacked the military police barracks under the impression that the revolt was being directed from there; firing broke out when demonstrators attempted to storm the barracks, resulting in a number of casualties in killed and wounded.

A general strike in support of the Government was observed throughout Caracas on Sept. 8; called by the trade unions and supported by all sections of the business community, its proclaimed purpose was to bring about "energetic measures" against the leaders of the revolt and to ensure that no further attempts were made to overthrow the Government. In response to demands by the central committee representing all Venezuelan trade unions, the Government promised to try the conspirators by special military courts; to punish those who were proved guilty with 14 to 18 years' imprisonment; to deny safe-conducts to rebel officers who had taken refuge in foreign embassies; and to eliminate from Government agencies all persons who had had any connexion with the former dictatorial regime of President Pérez Jiménez. The Government also announced that it was considering a Bill to punish military conspirators with 30 years' imprisonment and loss of military rank.

The Minister of Defence (General Lopez Henriquez) announced on the same evening that seven of the rebel leaders had been arrested, including Colonel Mendoza; four had taken refuge in the Mexican and Cuban Embassies, including Colonel Moncada; and one had escaped. The Foreign Ministry stated that it would ask for extradition of the rebels in foreign embassies on the ground that they were "common criminals."

A short-lived crisis had previously occurred on July 22, when the then Minister of Defence (General Castro León) and a number of military officers put forward demands which included a censorship of the Press (on the ground that newspapers had allegedly insulted the Army) and the postponement of elections for three years. After failing to get any significant support from the armed forces, and none whatever from the Navy, General Castro León tendered his resignation to Rear-Admiral Larrazabal on the same day and was replaced as Defence Minister by General José Lopez Henriquez. A seven-hour general strike in support of the Government was called in Caracas on July 23 and was observed by all workers, shopkeepers, businessmen and industrialists. All the political parties issued statements expressing full support for the Provisional Government.—(New York Times - Venezuelan Embassy Information Service, Washington)

(Prev. rep. 16026 A.)

C. CANADA. — Army. - New Chief of General Staff.

Lieut.-General Howard D. Graham retired on Aug. 31 as Chief of the General Staff of the Canadian Army, being succeeded by Lieut.-General S. Findlay Clark, previously G.O.C., Central Command.—(Department of External Affairs, Ottawa)

(Prev. rep. 14424 D.)

SEPTEMBER 27—OCTOBER 4, 1958

A. UNITED NATIONS. — Conference on the Law of the Sea. - Adoption of Four Conventions. - Dispute over Limit of Territorial Waters. - Preliminary Meeting of Land-locked States.

A United Nations Conference on the Law of the Sea, attended by delegates from 87 countries (later reduced to 86 by the merger of Egypt and Syria into the United Arab Republic), as well as by observers from several specialized agencies and nine non-governmental organizations, took place at Geneva from Feb. 24-April 28.

The Conference, charged with drawing up a comprehensive international agreement on maritime law, examined 73 draft articles prepared by the U.N. International Law Commission, and adopted four conventions, nine resolutions, and an optional protocol. The conventions dealt respectively with (1) the territorial sea and the contiguous zone ; (2) the high seas ; (3) fishing and conservation of living resources on the high seas ; (4) the continental shelf. The protocol was opened for signature by all countries which agreed to recognize the compulsory jurisdiction of the International Court of Justice in disputes arising out of the conventions—except those concerning measures for the conservation of resources on the high seas, for which a separate arbitration procedure was envisaged.

The Conference, however, failed to arrive at an agreed decision on the width of the territorial sea, as none of the proposals submitted to it—for the retention of the traditional three-mile limit or for its replacement by a limit of four, six, or 12 miles—secured the necessary two-thirds majority. [A previous conference on the law of the sea, held at The Hague in 1930, had also failed to agree on the width of the territorial sea].

The following countries were represented : Afghanistan, Albania, Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Britain, Bulgaria, Burma, Byelorussia, Cambodia, Canada, Ceylon, Chile, China (Nationalist), Colombia, Costa Rica, Cuba, Czechoslovakia, Denmark, Dominican Republic, Ecuador, El Salvador, Finland, France, German Federal Republic, Ghana, Greece, Guatemala, Haiti, Honduras, Hungary, Iceland, India, Indonesia, Iraq, Irish Republic, Israel, Italy, Japan, Jordan, Korea (South), Laos, Lebanon, Liberia, Libya, Luxemburg, Malaya, Mexico, Monaco, Morocco, Nepal, Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Panama, Paraguay, Persia, Peru, Philippines, Poland, Portugal, Rumania, San Marino, Saudi Arabia, Siam, South Africa, the Soviet Union, Spain, Sweden, Switzerland, Tunisia, Turkey, Ukraine, the United Arab Republic, Uruguay, the United States, the Vatican, Venezuela, Vietnam (South), Yemen, and Yugoslavia.

The calling of the Conference implemented a 23-nation resolution adopted by the 11th session of the U.N. General Assembly on Dec. 20, 1956 (see page 15510). The resolution, which followed a long debate on a report submitted by the U.N. International Law Commission after a seven years' study of the law of the sea, had recommended that the proposed conference should take account of the technological, biological, economic, and political aspects of the question as well as the legal aspect.

Prior to the opening of the U.N. Conference, informal discussions had taken place in Geneva from Feb. 10-15 on the maritime and communication rights of land-locked countries. The meeting was convened by the Swiss Government and was presided over by Dr. Paul Ruegger, the eminent jurist and former President of the International Committee of the Red Cross.

The following 13 non-coastal countries were represented : Afghanistan, Austria, Byelorussia, Bolivia, Czechoslovakia, Hungary, Laos, Luxemburg, Nepal, Paraguay, San Marino, Switzerland, and the Vatican.

During the discussions the Czechoslovak and Bolivian delegates advocated the adoption of a "Charter" defining the maritime rights and duties of land-locked countries, based on a draft prepared by the Czechoslovak delegation. This point of view was favoured by Byelorussia, Hungary, Nepal, Afghanistan and Bolivia. The Nepalese delegate pointed out in this connexion that although the right of land-locked countries to have unrestricted access to the sea had in practice always been granted, it should be laid down in the form of international law. The Swiss and Austrian representatives, on the other hand, opposed codification on the grounds (*a*) that an international convention of this kind might only prejudice rights already enjoyed by land-locked countries ; (*b*) that the draft prepared by the U.N. International Law Commission covering this matter was completely satisfactory to Switzerland ; and (*c*) that the parties to the discussions had no authority to draw up such a convention, but were restricted to an exchange of views for submission to the U.N. Conference.

A working party, consisting of the Austrian, Bolivian, Czechoslovak, Nepalese, and Swiss representatives was appointed to consider the question, and eventually a memorandum was drawn up for submission to the U.N. Conference, "re-stating the principles governing the relations between land-locked and coastal States." This memorandum, based largely on the Swiss and Austrian point of view, declared (1) that the right of land-locked States to have free access to the sea "derives from the basic principle of the freedom of the high seas" ; (2) asserted the right of ships owned by nationals of land-locked countries to fly their national flag and make use of all commercial ports ; (3) claimed that all land-locked countries possessed a right of transit through other countries to the coast, subject to the latter countries' right to protect their legitimate interests ; (4) provided for the reservation of rights already established under treaties, conventions, or international law.

At its opening session on Feb. 24 the U.N. Conference elected as its President Prince Wan Waithayakon, the Siamese Foreign Minister and former President of the 11th session of the U.N. General Assembly.

Earlier, the Soviet delegation had protested against the exclusion from the Conference of the People's Republics of China, East Germany, North Korea, North Vietnam, and Outer Mongolia. This protest was supported by Burma, Ceylon, Czechoslovakia, Egypt, India, Nepal, Yemen, and Yugoslavia, but after lengthy debate the Conference adopted the view (put forward by the U.S. delegation) that it was not competent to over-ride the decision of the U.N. General Assembly when convening it.

On Feb. 25 the Conference divided its work among five committees, as follows :

First Committee—the territorial sea and the contiguous sea (chairman Professor K. H. Bailey, Australia)

Second Committee—the general regime of the high seas (chairman Mr. O. C. Gundersen, Norway).

Third Committee—fishing and the conservation of living resources on the high seas (chairman Señor Carlos Sucre, Panama).

Fourth Committee—the continental shelf (chairman Mr. A. B. Perreira, Ceylon).

Fifth Committee—the right of land-locked countries to free access to the sea (chairman M. J. Zourek, Czechoslovakia).

The main proceedings of the Conference and the instruments adopted are summarized below under cross-headings.

Dispute on the Breadth of the Territorial Sea and the Zone of Exclusive Fishing Rights.

The main part of the deliberations of the Conference was devoted to the question of the breadth of the territorial sea and the width of a contiguous zone of exclusive fishing rights. As mentioned above no agreement was reached on either of these matters and the Convention on the Territorial Sea and the Contiguous Zone was adopted without stating the maximum allowed limits.

The International Law Commission, in its draft articles, had left open the question of the width of the territorial sea, but had stressed that "international law does not permit any extension . . . beyond 12 miles from the base lines." Some countries claimed that this meant that the Commission approved extensions up to 12 miles, but this view was strongly opposed by the traditional maritime countries which advocated the retention of the traditional three-mile limit for territorial waters.

The various breadths for the territorial sea proposed in the first stage of the discussions (and in some cases already adopted unilaterally by the countries concerned) are given below. Some representative countries supporting each limit at the outset of the Conference are also given, but in several cases, as explained below, these countries subsequently gave their support to compromise proposals put forward in the course of the discussions.

Three Miles. Britain and most British Commonwealth countries, France, Greece, Japan, Netherlands, the U.S.A.

Four Miles. Denmark, Norway, Sweden.

Six Miles. Greece, India, Italy, Siam.

Twelve Miles. Ghana, Guatemala, Indonesia, Mexico, Saudi Arabia, Venezuela, and the Soviet Union.

During the earlier discussions, the leader of the Greek delegation explained that although Greece had adopted a six-mile limit for her territorial sea, she would be prepared to adopt the traditional three-mile limit if this would facilitate general agreement.

The leaders of the Swedish and Italian delegations stated similarly that although their countries preferred a four-mile and a six-mile limit respectively, they would be willing to agree to any other reasonable limit which was supported by a large majority of countries.

The leader of the Soviet delegation (Professor G. I. Tunkin), on the other hand, said that Russia considered that each State should be free to fix its own width for its territorial waters up to a maximum of 12 miles, after taking account of local conditions and the need to safeguard its "legitimate national interests." This view was also taken by the Indian delegate (Mr. A. K. Sen, the Law Minister), who pointed out that India herself had already adopted a six-mile limit. The leader of the Peruvian delegation recalled that at the

Santiago Conference of 1954 (see 13908 A) the South American Pacific States had proclaimed sovereignty over 200 miles of sea, in order to conserve their natural resources; he argued that each country should be allowed to fix its own "reasonable" limit, preferably by regional agreement.

A summary of the arguments put forward on behalf of other representative countries is given below.

United Kingdom. Sir Reginald Manningham-Buller, Attorney-General, stressed that the principle of the freedom of the seas had "thrown open the seas for the common use of mankind and promoted freedom of communications and intercourse between nations." The effect of any large extension of territorial seas, on the other hand, would be to "carve up the sea into enclaves or enclosures dominated by particular Powers or groups, and so "put back the clock three or four centuries to the days of the *mare clausum*." The three-mile rule was "the only traditional rule observed by a very great many States over a very long time" and also "the only rule which has obtained any general measure of agreement." The various proposals put forward from time to time. and the unilateral proclamations by certain States of extensions of their territorial seas, had no standing in international law. He added: "If the doctrine that it is open to each country to proclaim whatever breadth [of the territorial sea] suits its particular circumstances is pushed to its logical conclusion, it will make complete nonsense of the principle of the freedom of the seas."

Sir Reginald also argued that the fact that international law stipulated no right of "innocent passage" for aircraft over territorial waters (corresponding to the right of ships) was "very largely based on the view that the territorial seas consist of a relatively narrow belt of water." The absence of a right to fly along the air space above them was not regarded as "seriously likely to hinder air navigation," but if their width was extended the absence of such a right might become "of serious concern" in the development of air communications.

Sir Reginald concluded by saying that although Britain had so far not accepted the principle of the "contiguous zone" in which coastal States would have fisheries conservation and other rights up to, say, 12 miles from the coast, she would probably be prepared to do so as part of a generally accepted agreement. He emphasized, however, that she regarded the right of "innocent passage" through territorial waters by ships of any country as "of the essence of the doctrine of the freedom of the seas," which would be "little more than a mockery" without it.

United States. Mr. Arthur H. Dean pointed out that if the 12-mile limit was generally adopted the area of the high seas would be reduced by over 2,500,000 square miles—"an area roughly equivalent to the size of the United States." Since coastal States almost invariably refused other countries the right to fish in their territorial waters, the rest of the world would be denied "a great and inexpensive source of food." Moreover, a 12-mile limit—unless accompanied by an absolute guarantee of the right of "innocent passage" for foreign ships—would greatly increase navigational risks, since only about 20 per cent of lighthouses had a range of 12 miles or more and radar was "generally only of marginal utility" at this distance. Finally, there was the danger that in wartime belligerent submarines would use the "particularly attractive havens" provided by the extended territorial waters of neutrals to lie in wait for enemy shipping. Mr. Deane urged the Conference to "make an unequivocal declaration that the breadth of a State's territorial waters should not exceed three miles."

Japan. Mr. Akora Oha emphasized that it was a basic principle of international law that the width of the territorial sea should be determined by international law itself. The claims made by certain States that each country must be free to determine the width of her own territorial waters, and those made by others that large bays or gulfs (the so-called "historic bays") were internal waters, were not reconcilable with international law and "ran counter to the progress of the community of nations as a whole." The three-mile rule had been sanctioned in practice by a great majority of States and had been embodied in many international treaties; on the other hand, most countries had never endorsed the various claims put forward for extensions to four, six, or 12 miles, and were, in fact, strongly opposed to them. It must therefore be concluded that "the three-mile limit for the width of the territorial sea is the only established rule of international law."

Netherlands. Professor J. W. H. Verzijll pointed out that the traditional foundations of maritime law had contributed greatly to the growth of international trade, and said that no infringement of the freedom of the seas should be permitted unless based on "considerations of at least equal value." The Netherlands recognized only two such considerations, viz. (i) the necessity to protect certain well-defined vital interests of a coastal State; and (ii) safeguards against over-fishing. The rule of the three-mile limit had never lost its validity, and no country could be compelled to recognize a wider zone, "with the possible exception only of well-motivated cases and traditional rights." Thus the fact that several countries had extended their maritime sovereignty by unilateral declarations had not created any obligation on other countries to recognize these extensions. The Netherlands was therefore convinced that the existing three-mile rule should stand, because "all specific interests which might justify an extension could be served by a grant of special rights in a zone of waters along the coast."

The Soviet Union. Professor G. I. Tunkin denied that the three-mile limit was the sole rule accepted in international law. Of the 63 States about whose position the Soviet delegation had information, some 40 applied a limit of more than three miles, and it would be "wrong and unrealistic" to expect these countries to give up what they had established for themselves to safeguard national interests. Moreover, the 1930 Conference on the Law of the Sea had not accepted the three-mile limit as internationally binding, and Russia herself had applied a 12-mile limit for over 50 years.

Indonesia. Mr. Subardjo maintained that the interests of Indonesia required a 12-mile limit, measured from the coasts of the outer islands of the Indonesian Archipelago. Within these limits, however, freedom of navigation would be guaranteed to all ships "as long and in so far as it is not contrary to the security of Indonesia or harmful to her interests."

Saudi Arabia. Mr. Ahmad Shukairi claimed that the principle behind the concept of the "territorial sea" was the need to provide for the basic defence of the coastal State, and that, in view of the development of long-range weapons, the three-mile limit was now "outmoded" and had ceased to be the general practice. Saudi Arabia herself had recently adopted a 12-mile limit.

The following proposals were put forward by various delegations:

(1) A Canadian proposal (March 31) that the three-mile limit should be retained for the territorial sea but that countries should be allowed to reserve exclusive fishing rights for their own nationals in a "contiguous zone" extending 12 miles from the coastal baseline (i.e. they should have the right to preserve their fisheries up to 12 miles from the shore).

Mr. George Drew (Canadian High Commissioner in London), who put forward the proposal, explained that, in order to protect her inshore (i.e. seine-net and line) fisheries, Canada had since 1911 imposed a ban on trawl fishing by her own trawlers inside a line 12 miles from the shore; it was therefore "completely natural" that she should now "seek an international law, which will impose the same restrictions upon trawlers from other countries fishing in the waters off our coasts." He added: "It does seem reasonable that a country should have some prior claim upon the stocks of fish heavily concentrated in an area where the local population is dependent on them for their livelihood." Canada considered that the question of fishing rights "is not in any way bound to the question of the width of the territorial sea itself," and that any general extension of the territorial boundary could have "very serious consequences for the freedom of sea and air navigation."

(2) A Soviet proposal (April 2) that each State should "as a rule" determine the breadth of its territorial sea in accordance with established practice within limits of from three to 12 miles, "having regard to historical and geographical conditions, economic interests, and internal navigation." This wording of the Soviet resolution was interpreted by some delegations as intended to allow in certain cases an extension of the territorial sea beyond 12 miles.

(3) A British proposal (April 2) to extend the limit of the territorial sea to six miles, but stipulating that the existing rights of passage for aircraft and ships—including warships—outside the present three-mile limit should not be affected.

Sir Reginald Manningham-Buller, in submitting the proposal, stressed that Britain still considered that "under international law the maximum breadth of the territorial sea is limited to three miles, except where historical considerations apply—as in the case of the Scandinavian limit of four miles." However, she viewed with "growing concern" the "encroachments which for some time have been taking place on the principle of the freedom of the seas," and took the view that "this should not continue but be brought to an end by agreement." She had therefore "reluctantly" decided to submit the new proposal as a compromise in the hope that it would be acceptable and lead to agreement. Under the proposal, States could claim up to six miles of territorial sea, and within that limit enjoy exclusive fishing rights. The preservation of passage rights for aircraft and ships outside the three-mile limit was an essential part of the British proposal, and if this was not accepted the proposal would fall to the ground.

Sir Reginald added that Britain could not support the Canadian proposal to reserve to the coastal State fishing rights within a 12-mile limit. A large part of the foodstuffs she consumed had to be imported and paid for out of foreign currency earnings. Commodities such as fish which could be caught and made available in British markets without any foreign currency payments, and without having to be set off against corresponding exports, therefore played a very important part in balancing the economy. British fishing operations, largely carried out in distant waters, would be "disastrously affected" by a 12-mile limit of exclusive fishing.

(4) A joint Mexican-Indian proposal (April 9) to allow each State to fix the breadth of its own territorial sea up to a limit of 12 miles.

Mr. Sen, in submitting the proposal, stressed that both the Canadian and the British proposals would leave coastal waters outside the three- and six-mile limits "open and unrestricted" for the operations of military aircraft and warships.

(5) A Swedish proposal to extend the width of the territorial sea universally to six miles.

(6) A U.S. "compromise" proposal (April 15) to extend the territorial limit to six miles, with a further contiguous zone of six miles (making 12 miles in all) in which coastal States would be

allowed to exclude fishermen of other countries, with the exception of "countries whose nationals have fished in that zone for a period of 10 years immediately preceding the signature of a convention to be agreed."

Mr. Dean, in submitting the proposal, described it as a "realistic compromise" and as offering a "just and honourable solution." Recalling that the United States had adhered consistently to the three-mile limit since 1793, he said that the new proposal represented "a very real and substantial sacrifice of American interests," and had been put forward after "the most careful and painstaking thought at the highest levels." In offering to depart from the three-mile limit, the U.S.A. had taken a "historic step" in order to meet the desires of the new States in Asia and elsewhere, and in the hope that the Conference might, after all, reach agreement.

(7) A new proposal, put forward jointly by the Canadian, Indian, and Mexican delegations (April 16). Under this (*a*) States in general would be entitled to fix the breadth of their territorial seas at up to six miles, (*b*) any State which before Feb 24, 1958 (the date when the Conference opened) had declared the width of its territorial sea to be over six miles might claim up to 12 miles; (*c*) States whose width of territorial sea under the proposal would be under 12 miles might claim a fishing zone (contiguous to the territorial sea) extending to 12 miles from the shore, and in which they would enjoy "the same rights in respect of fishing and exploration of the sea as in the territorial zone itself."

Mr. Drew, in submitting the proposal, explained that Canada was unable to support the new U.S. proposal because she could not agree to granting a "perpetual reservation of other countries' fishing rights" in the contiguous zone. Mr. Sen explained that it was intended to safeguard the position of such countries as Mexico, which had had a nine-mile limit for 110 years, and the U.S.S.R., which had had a 12-mile limit for over 50 years.

On April 18, however, it was announced that the joint Canadian-Indian-Mexican proposal had been dropped, and that Canada had returned to her own plan—see (1) above—but with the important difference that she now proposed a six-mile breadth for the territorial sea plus a contiguous zone, also of six miles, in which the coastal State would have exclusive fishing rights. In consequence of the Canadian decision, India and Mexico also revived their original proposal—see (4) above.

The U.S. delegation then announced readjustments in its proposal as follows:

(*a*) to reduce from 10 years to five the period during which nationals of other countries must have fished within the contiguous zone in order to preserve their right to fish there;

(*b*) to leave a coastal State free to fix the breadth of its territorial sea at three or six miles, plus a contiguous fishing zone of sufficient breadth to bring the total of territorial sea and contiguous zone up to 12 miles.

After Sir Reginald Manningham-Buller had stated that Britain would not press her own proposal, but would "reluctantly" support the revised U.S. proposal provided the right of passage for ships and aircraft within the three-mile limit was maintained, the various proposals were put to the vote, with the following results:

U.S. Proposal. Defeated by 38 votes to 36, with nine abstentions.
Soviet Proposal. Rejected by 44 votes to 29, also with nine abstentions.

Indian-Mexican Proposal. A tie vote of 35 to 35 (with 12 abstentions) which, according to the rules of the Committee, was considered a rejection.

Swedish Proposal. Rejected by 49 votes to 16.

Canadian Proposal. That part of the plan calling for a six-mile territorial limit was rejected by 48 votes to 11, but a proposal to grant coastal States exclusive fishing rights within a 12-mile belt was adopted by 37 votes to 35, with nine abstentions.

When the Committee rose on April 20, therefore, all the proposals had been rejected except the fishing rights provision of the Canadian proposal.

Only three of the above proposals were submitted to the vote in plenary session of the Conference on April 25, but none obtained the necessary two-thirds majority, the figures being as follows:

Canadian Proposal (only the part referring to exclusive fishing rights)—for 35; against 30; abstentions 20.

U.S. Proposal for 45; against 33; abstentions 7.

This proposal, which obtained the largest majority, though under two-thirds, was supported, *inter alios* by Australia, Britain, Ceylon, Ghana, India, Malaya, New Zealand, and South Africa, but was opposed by Canada.

Soviet Proposal—for 21; against 47; abstentions 17.

A last-minute proposal, sponsored by Burma, Colombia, Indonesia, Mexico, Morocco, Saudi Arabia, the United Arab Republic, and Venezuela, was then put to the vote but was rejected. It was proposed (i) that each coastal State should be entitled to fix the breadth of its territorial sea up to 12 miles; (ii) that States which elected to fix their territorial limits at less than 12 miles should have exclusive fishing rights up to 12 miles from the shore. The voting figures were—for 39; against 38; abstentions 8.

Although no agreement was reached on the maximum allowed width of the territorial sea and the maximum limits of exclusive fishing rights, the conference—as stated above—finally adopted four conventions by the following votes:

Convention on the Territorial Sea and the Contiguous Zone (without stating the maximum allowed width of the territorial sea or the maximum limits of exclusive fishing rights)—61 votes to nil, with two abstentions.

Convention on the High Seas—65 votes to nil, with one abstention.

Convention on Fishing and Conservation of the Living Resources of the High Sea—45 votes to one, with 18 abstentions.

Convention on the Continental Shelf—57 votes to three, with eight abstentions.

The Conference also adopted an optional Protocol on compulsory settlement of disputes by 52 votes to nil, with 13 abstentions, and nine Resolutions.

On April 28 the Conference adopted a resolution sponsored by Australia, Ceylon, Cuba, and Ghana (i) recording that it had adopted conventions and other instruments on all matters referred to it, with the exception of "the breadth of the territorial sea and the extent of the fishing rights which should pertain to coastal States in the contiguous zone"; (ii) recommending the reconvening of the Conference to decide on these questions immediately after the ending of the forthcoming 13th session of the U.N. General Assembly, (iii) calling upon all States to refrain meanwhile from enlarging their territorial waters or making any claim to alter the *status quo* with regard to fishing until the General Assembly had considered the matter.

The Conventions, the Protocol, and the other Resolutions are summarized below.

Convention on the Territorial Sea and the Contiguous Zone.

Definition of Territorial Sea. Articles 1 and 2 laid down that the sovereignty of a State extended, beyond its land territory and internal waters, to a belt of sea adjacent to its coast ("territorial sea"), as well as to the air space over the territorial sea and to its bed and subsoil. Sovereignty would be exercised subject to the present Convention and "to other rules of international law." Except where otherwise provided, the normal base-line for measuring the breadth of the territorial sea was "the low-water line along the coast" (Art. 3).

With deeply indented coast lines, or where there was a fringe of islands along the coast in its immediate vicinity, the method of straight baselines joining appropriate points might be employed, provided the drawing of such baselines did "not depart to any appreciable extent from the general direction of the coast," and the sea areas lying within them were "sufficiently closely linked to the land to be subject to the regime of internal waters." On the other hand, in determining particular straight baselines account might be taken of "economic interests peculiar to the region concerned, the reality and the importance of which are clearly evidenced by long usage." The system of straight baselines must not be applied in such a manner as to cut off from the high seas the territorial sea of another State (Art. 4).

Waters on the landward side of the baseline would form part of the internal waters of the State, but where a straight baseline was used with the effect of enclosing as internal waters areas, which previously had been considered as part of the territorial sea or of the high seas, the right of "innocent passage" would not be affected (Art. 5). The outer limit of the territorial sea was "the line, every point of which is at a distance from the nearest point of the baseline equal to the breadth of the territorial sea" (Art. 6).

Art. 7 regulated the position in bays, the coast of which belonged to a single State, granting the status of internal waters to bays not more than 24 miles wide at the mouth, to larger bays for a sector within a 24-mile baseline, and in certain other cases, e.g. "historic bays." Arts. 8 and 9 included in the territorial sea the "outermost permanent harbour works which form an integral part of the harbour system," as well as roadsteads normally used for the loading, unloading, and anchoring of ships. The territorial sea of an island would be measured in accordance with the above provisions (Art. 10).

Where the coasts of two States were opposite or adjacent to each other neither of them was entitled, failing agreement between them to the contrary, to extend its territorial sea beyond the "median line . . . equidistant from the nearest points on the baselines from which the breadth of the territorial seas of each of the two States is measured." This, however, would not apply "where it is necessary by reason of historic title or other special circumstances to delimit the territorial seas of the two States in a way which is at variance with this provision" (Art. 12).

Right of "Innocent Passage." Under Art. 14 "ships of all States, whether coastal or not, shall enjoy the right of innocent passage through the territorial sea," including stopping and anchoring as far as "incidental to ordinary navigation or necessary by *force majeure* or distress" Passage was "innocent" so long as it was "not prejudicial to the peace, good order, or security of the coastal State," but passage of foreign fishing vessels would not be considered innocent "if they do not observe such laws and regulations as the coastal State may make . . . in order to prevent these vessels from fishing in the territorial sea." Submarines would be required to navigate on the surface and to show their flag.

Innocent passage must not be hampered by the coastal State (Art. 15), which might, however, suspend it temporarily in specified areas, "without discrimination amongst foreign ships, . . . if such suspension is essential for the protection of its security", a suspension would not be permissible, however, through straits "which are used for international navigation between one part of the high seas and another part of the high seas or the territorial sea of a foreign State" (Art. 16). [This provision was opposed by Saudi Arabia which did not recognize it.] Any foreign ships exercising the right of innocent passage must comply with the laws and regulations enacted by the coastal State in conformity with the present Convention and other rules of international law (Art. 17).

Arts. 18-23 (*a*) forbade the levying of charges on foreign ships for their passage through the territorial sea, except for specific services rendered, and then without discrimination, (*b*) restricted the criminal jurisdiction of the coastal State in relation to those ships; (*c*) prohibited the stopping or diversion of ships for the purpose of exercising civil jurisdiction in relation to a person on board, or the arrest of the ship for the purpose of any civil proceedings, except in respect of liabilities incurred by the ship during or for its voyage through the waters of the coastal State, and (*d*) extended the application of all these rules to government-owned ships operated for commercial purposes, and of certain rules to those operated for non-commercial purposes.

Contiguous Zones. Art. 24 regulated the position in zones of the high seas contiguous to the territorial sea of a coastal State, limiting such zones to up to 12 miles from the shore baselines, with special provisions for the coasts of States situated opposite or adjacent to each other. Within a contiguous zone, the coastal State was authorized to prevent infringements of its Customs, fiscal, immigration, or sanitary regulations which might be committed within its territory or territorial sea, and to punish infringement of such regulations.

Concluding Provisions. Arts. 25-32 provided (i) that conventions or other international agreements already in force should not be affected; (ii) that the present Convention should be open for signature until Oct. 31, 1958, by all countries which were members of the U.N or of any of its specialized agencies, and by any other State invited by the General Assembly to become a party; (iii) that signatures were subject to ratification [without a time-limit]; (iv) but that States belonging to the aforementioned categories who had not signed before Nov. 1, 1958, could afterwards still accede by depositing their instruments of accession. (v) The Convention would come into force 30 days after the ratifications or accessions by 22 countries had been deposited with the U N. Secretary-General. (vi) Thereafter any signatory country might request a revision after five years, the decision on any steps to be taken lying with the U.N. General Assembly.

Convention on the High Seas.

Freedom of the High Seas. Arts. 1 and 2 laid down that "the high seas (i.e. "all parts of the sea that are not included in the territorial sea or any internal waters of a State") being open to all nations, no State may validly purport to subject any part of them to its sovereignty." Freedom of the high seas would be subject to the conditions laid down by the present convention and by "the other rules on international law." It comprised, *inter alia*, both for coastal and non-coastal States, freedom of navigation, freedom of fishing, freedom to lay submarine cables and pipelines, and freedom to fly over the high seas. It was stipulated that "these freedoms and others which are recognized by the general principles of international law, shall be exercised by all States with reasonable regard to the interests of other States in their exercise of the freedom of the high seas."

Land-locked Countries. Under Art. 3 "States having no sea coast should have free access to the sea." Accordingly, land-locked countries should be granted by their neighbouring coastal States (or any State lying between them and the coastal State) (*a*) free transit on a basis of reciprocity, and (*b*) the right for their ships to enter and use the coastal State's seaports on conditions equal to those accorded to the coastal State's own ships or to the ships of any other States All such matters should be regulated by mutual agreement, and taking into account the rights of the countries concerned

Nationality of Ships. Art 5 allowed each State to fix the conditions for the grant of its nationality to ships, their registration in its territory, and the right to fly its flag. Ships would have the nationality of the State whose flag they were entitled to fly, but "there must exist a genuine link between the State and the ship" and "the State must effectively exercise its jurisdiction and control in administrative, technical, and social matters." Ships must in principle sail under the flag of one State only and might not change their flag during a voyage or while in a port of call, except in the case of a real transfer of ownership or change of registry. A ship sailing under the flags of two or more States, using them according to convenience, would be treated as one without nationality. All ships would be subject on the high seas to the exclusive jurisdiction of the State whose flag they flew. These provisions would not prejudice the question of ships officially flying the flag of an intergovernmental organization (Art. 7).

Status of Warships. Warships, as well as ships owned or operated by a State and used only on governmental non-commercial service, would enjoy complete immunity on the high seas from the jurisdiction of any State other than the flag State (Arts. 8-9).

Safety at Sea. States must take measures for ships under their flag to ensure safety at sea in conformity with generally accepted international standards, including signals, communications, the prevention of collisions, construction, equipment, sea-worthiness, and "the manning of ships and labour conditions for crews, taking into account the applicable international labour instruments" (Art. 10).

In the event of collisions or any other navigation incidents on the high seas, penal or disciplinary proceedings might be instituted against the master or any member of the crew only by the authorities either of the flag State or of the State of which the incriminated person is a national, and only the flag State might order the arrest or detention of the ship, even for investigation (Art. 11).

Art. 12 laid down the duty of all ships to render assistance to persons or other ships in distress "insofar as he [the master] can do so without serious danger" to his own ship, crew, or passengers.

Prevention of Slave Trade and Piracy. All States must adopt effective measures against the use of their ships for slave transport, it being stated that "any slave taking refuge on board any ship, whatever its flag, shall *ipso facto* be free" (Art. 13).

All States were required to co-operate "to the fullest possible extent" in the repression of piracy on the high seas or in any other places outside the jurisdiction of any State; piratical acts committed by warships, government ships or government aircraft whose crews had mutinied and taken control of the ship or aircraft would be treated in the same way as acts committed by a private pirate ship (Arts. 14-18) On the high seas every State might seize a pirate ship or aircraft or a ship taken by piracy and controlled by pirates, and arrest the persons and seize the property on board, any further action against the pirates, the ship, etc., being up to the courts of the State which carried out the seizure (Art. 19). Seizures effected without adequate grounds would render the State making the seizure liable for compensation for loss or damage to the State the nationality of which was possessed by the seized ship or aircraft (Art. 20).

A seizure on account of piracy might only be carried out by warships or military aircraft or other ships or aircraft on government service authorized to that effect (Art. 21).

Right of Search. Art. 22 laid down that "except where acts of interference derive from powers conferred by treaty, a warship which encounters a foreign merchant ship on the high seas is not justified in boarding her unless there is reasonable ground for suspecting that the ship is engaged in piracy or in the slave trade or that, though flying a foreign flag or refusing to show its flag, the ship is in reality of the same nationality as the warship." In such case the warship might proceed to verify the ship's right to fly its flag (sending over a boat under the command of an officer) and, if suspicion remained after the documents had been checked, to carry out a further examination on board, "with all possible consideration." If the suspicions proved unfounded, and provided the ship had not committed any act justifying them, it must be compensated for any loss or damage sustained.

"Hot Pursuit." Under Art. 23 "the hot pursuit of a foreign ship may be undertaken when the competent authorities of the coastal State have good reason to believe that the ship has violated the laws and regulations of that State." Such pursuit must be commenced within the internal waters, or the territorial sea, or the contiguous zone of the pursuing State, and might only be continued outside if the pursuit had not been interrupted. If the foreign ship was within a contiguous zone the pursuit might only be undertaken if there had been a violation of the rights for the protection of which the zone was established. The right of hot pursuit ceased "as soon as the pursued ship enters the territorial sea of its own country or of a third State."

Hot pursuit was not deemed to have begun unless the pursuing ship had "satisfied itself by such practicable means as may be available" that the ship pursued, or one of its boats or other craft working as a team and using the ship pursued as a mother ship, were within the limits of the territorial sea (or within the contiguous zone); it could only be commenced after a visual or auditory signal to stop had been given at a distance within sight or sound of the foreign ship

Hot pursuit might be carried out only by warships or military aircraft or specially authorized other ships or aircraft on government service; when effected by an aircraft the latter must itself actively pursue the ship until a ship or aircraft of the coastal State, summoned by the pursuing aircraft, arrived to take over the pursuit, unless the aircraft was itself able to arrest the ship. It would not suffice to justify an arrest on the high seas that the ship was merely sighted by the aircraft as an offender or suspected offender, unless it had been both ordered to stop and pursued without interruption by the aircraft or other aircraft or ships. Compensation for loss or damage must be paid to ships stopped or arrested on the high seas in circumstances not justifying the hot pursuit.

Anti-Pollution Measures. All States were required to prevent the pollution of the seas by the discharge of oil, the exploitation and exploration of the sea bed and its subsoil, and the dumping of radio-active waste, and to "co-operate with the competent international organizations in taking measures for the prevention of pollution of the seas or air space above, resulting from any activities with radio-active materials or other harmful agents" (Arts. 24-25).

Arts. 26-29 regulated the laying of submarine cables and pipelines and laid down measures for their protection.

Concluding Provisions. These were analogous to those of the Convention on the Territorial Sea.

The issue of nuclear weapons tests at sea had played an important part in the discussions on the convention in the second committee.

Mr. Akira Oha (Japan), opening the debate on March 11, pointed out that under the draft prepared by the International Law Commission, States were "bound to refrain from any acts which might adversely affect the use of the high seas by nationals of other States"; he argued that in the Japanese view this implied that "the freedom of the sea should not be violated by nuclear tests." British, U.S., and other delegates maintained, however, that this question could not be settled in isolation from the current international negotiations on disarmament in general and the suspension of the testing and use of nuclear weapons in particular.

The following three resolutions relating to nuclear tests at sea were put forward during the debate, but only the third was put to a vote in the committee and was subsequently approved by the conference as a whole:

(1) A resolution jointly sponsored by the Soviet Union, Czechoslovakia, Poland, and Yugoslavia, which proposed that the words "States are bound to refrain from testing nuclear weapons on the high seas" be added to the draft article defining the nature of the freedom of the high seas. This was opposed by Britain, the U.S.A., Pakistan, and Turkey on the above-mentioned grounds.

(2) A British resolution that the question of nuclear tests should be referred to the General Assembly. This was opposed by Albania, Czechoslovakia, India, Japan, Rumania, the Soviet Union, the United Arab Republic, and Yugoslavia, because it failed to record the apprehension felt by many countries about nuclear tests.

(3) An Indian compromise resolution which in its final form (*a*) recognized "the serious and genuine apprehension of many States that nuclear explosions constitute an infringement of the freedom of the seas"; (*b*) recommended that the matter be referred to the General Assembly for "appropriate action," in view of the fact that the question of nuclear tests and production was still under review by the Assembly, the Disarmament Commission, and the Governments concerned. In this form the Indian resolution was adopted by 50 votes to four (Chile, Ecuador, Japan, and Peru), with 12 abstentions (including the Soviet bloc and Yugoslavia).

Convention on Fishing and Conservation of the Living Resources of the High Seas.

General Rights and Duties. Arts. 1-3 laid down that all States had a right for their nationals to engage in fishing on the high seas subject to (*a*) their treaty obligations; (*b*) the interests and rights of coastal States; (*c*) the provisions laid down in subsequent Articles. However, they had the duty of adopting, or co-operating with other States in adopting, any measures necessary for the conservation of the living resources of the high seas, primarily in order to secure a supply of food for human consumption.

If the nationals of two or more States were engaged in fishing in any areas of the high seas, each State must, at the request of another, enter into negotiations with a view to drawing up an agreement prescribing for its nationals the necessary conservation measures; if no agreement was reached within 12 months, any of the parties might submit the matter for settlement to a special commission of five members, as set out below (Art. 4). Other States whose nationals might subsequently engage in fishing in the same areas must apply those measures (which must not "be discriminatory in form or act") to their own nationals within seven months of the date on which the measures had been notified to the Director of the U.N. Food and Agriculture Organization. If the other States failed to accept the measures, and there was no agreement within 12 months, any of the interested parties might refer the matter to the special commission (see above); meanwhile the measures would remain obligatory pending the commission's decision, unless the latter decided otherwise (Art. 5).

Special Rights of Neighbouring Coastal States. Coastal States were entitled to take part in any system of research and regulation for conserving the living resources in areas of the high seas adjacent to their territorial waters, even if their nationals did not fish there. A State whose nationals were engaged in fishing in these areas must, at the coastal State's request, enter into negotiations with a view to agreement on necessary conservation measures; it must not enforce any such measures opposed to those adopted by the coastal State, but might initiate negotiations with the coastal State with a view to drawing up agreed measures (Art. 6).

Any coastal State might unilaterally adopt conservation measures if negotiations with other States had not led to an agreement within six months; these measures, however, would only apply to other States if they were (i) urgently necessary in the light of existing knowledge of the fisheries, (ii) based on appropriate scientific findings, and (iii) not discriminatory against foreign fishermen. The measures would remain in force pending the settlement of any doubt as to their validity and, if not accepted by the other States concerned, must be submitted for settlement to the special commission (Art. 7).

Any State which had a special interest in the conservation of the living resources of an area of the high seas adjacent to its coast, even if its nationals did not at present fish there, might request other States whose nationals did so to take the necessary conservation measures; failing agreement within 12 months, the first State might submit the matter to the special commission for settlement (Art. 8).

Arbitration Procedure. Unless the parties to a dispute agreed to another method of peaceful settlement under Art. 33 of the U.N. Charter, the dispute would be submitted to a specially-constituted commission of five members. If the parties were unable to agree on the commission's membership, the members would be named by the U.N. Secretary-General in consultation with the parties and with the President of the International Court of Justice and the Director-General of FAO. The commission would have to give its decision within five, or in exceptional cases, eight months. If, subsequently, substantial changes in fish stocks or methods of fishing should alter the factual basis of the commission's award, any State concerned might request the others to negotiate with a view to prescribing modifications in the conservation measures, failing agreement within two years, any State might again resort to the arbitration procedure (Arts. 9-12).

Special Fishing Methods. Art. 13 permitted a coastal State to regulate in areas of the high sea adjacent to its territorial waters "fisheries conducted by means of equipment embedded in the floor of the sea," provided (i) that its nationals had conducted the fisheries for a long time; (ii) that non-nationals were allowed to participate in them on equal terms, unless the fisheries had been reserved to nationals of the coastal State by long usage.

Concluding Provisions. These were analogous to those of the other Conventions.

Convention on the Continental Shelf.

Definition of Continental Shelf. Art. 1 defined the continental shelf a novel concept in international law and never before the subject of a multinational treaty- as (*a*) "the seabed and subsoil of the submarine areas adjacent to the coast, but outside the area of the territorial sea, up to the point where the waters above are 200 metres deep, or beyond that limit if the depth allows exploitation of natural resources"; (*b*) the seabed and subsoil of similar submarine areas adjacent to the coasts of islands.

Exploitation of Natural Resources. Art. 2 gave coastal States exclusive rights to exploit mineral and other non-living resources of the shelf, as well as living organisms belonging to "sedentary species," i.e. "organisms [such as oysters] which at the harvestable stage are either immobile under the seabed or cannot move except in constant physical contact with the seabed or the subsoil." These rights of the coastal State would not, however, affect the legal status of the waters above the shelf as high seas, nor that of the airspace above them (Art. 3).

Subject to its right to take "reasonable measures" for exploiting the continental shelf and its natural resources, the coastal State must not impede the laying or maintenance of submarine cables or pipelines, nor must the exploitation result in unjustifiable interference with (*a*) navigation, fishing, or conservation of the living resources of the sea; (*b*) oceanographic or other research intended to be published. Subject to these provisions, a coastal State might construct and operate on the continental shelf installations necessary for its exploitation and that of its natural resources, and after giving due notice-- establish round them safety zones up to 500 metres wide. These zones, which must be clearly marked by lights, buoys, etc., would not possess the status of islands, and would not affect the delimitation of the territorial waters of the coastal State; in the zones the coastal State must undertake all appropriate measures for protecting the living resources of the sea from harmful agents.

The coastal State's consent would be necessary for any research concerning the continental shelf; such consent must not normally be withheld, however, if "qualified institutions" wished to undertake "purely scientific research into the physical or biological characteristics of the continental shelf," subject to the right of the coastal State to participate in the research and to the publication of its results (Arts. 4-5).

States with Opposite Coasts. Where the same continental shelf was adjacent to the territories of two or more States with coasts opposite each other the boundary of the coastal shelf appertaining to each State would be determined by mutual agreement; failing agreement, and unless another boundary was justified by special circumstances, it would be the median line "every point of which is equidistant from the nearest points of the baselines from which the breadth of the territorial sea of each State is measured" (Art. 6).

Concluding Provisions. These were the same as in the other conventions.

Protocol on Settlement of Disputes and Resolutions.

Protocol. This provided for (*a*) the compulsory jurisdiction of the International Court of Justice in "disputes arising out of the interpretation or application of any Convention on the Law of the Sea,"

except for disputes in relation to the Convention on Fishing and Conservation of Living Resources where a special arbitration procedure was introduced by that convention (see above); (*b*) the reference of disputes either to an arbitral tribunal or to a conciliation commission if both parties to the dispute agreed within two months to adopt one of these procedures instead of resorting to the International Court; reference to the latter would still be open, however, if the recommendations of the conciliation commission were not accepted by all parties within two months.

Resolutions. Apart from the question of nuclear tests on the high seas (see above), the resolutions dealt largely with mutual co-operation in the conservation of fish and other living marine resources in the high seas. One of them requested all States "to prescribe . . . those methods for the capture and killing of marine life, especially of whales and seals, which will spare them suffering to the greatest extent possible." Another recommended that, where for the purpose of conservation it became necessary to limit the total catch of stocks of fish in an area of the high seas adjacent to the territorial sea of a coastal State, any other State fishing in that area should "collaborate with the coastal State to secure just treatment of such situation", this should be done by "establishing agreed measures which shall recognize any preferential requirements of the coastal State resulting from its dependence upon the fishery concerned while having regard to the interests of other States"; and that "appropriate conciliation and arbitral procedures" should be established for the settlement of any disagreement.

Other resolutions (*a*) requested the International Atomic Energy Agency to "take whatever action is necessary to assist in steps in controlling the discharge and release of radioactive materials into the sea, in promulgating international standards, and in drawing up internationally acceptable regulations to prevent pollution of the sea by radioactive materials in amounts which would adversely affect man and his marine resources; (*b*) requested the U.N General Assembly to arrange for the study of the juridical regime of "historic waters," including "historic bays."

Signature of Conventions.

After the final session of the Conference, the conventions on the territorial sea, on the high seas, and on the continental shelf were signed on April 29 by 17 countries, viz., Argentina, Canada, China (Nationalist), Colombia, Costa Rica, Cuba, Denmark, Dominican Republic, Ghana, Guatemala, Haiti, Iceland, Israel, Nepal, Siam, Uruguay, and Yugoslavia. With the exception of Guatemala, these countries also signed the convention on fishing and conservation of resources on the high seas. The optional protocol on the settlement of disputes was signed by 13 countries, viz., Canada, China (Nationalist), Colombia, Costa Rica, Cuba, Denmark, Dominican Republic, Ghana, Haiti, Israel, Nepal, Uruguay, and Yugoslavia. (U.N. Information Service, Geneva - Conventions on the Law of the Sea - Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Neue Zurcher Zeitung - Australian News and Information Bureau - External Affairs Dept., Ottawa - Indian High Commissioner's Office, London - N.Z. Director of Information, Wellington - Le Monde, Paris - Netherlands News Agency - Berlingske Tidende, Copenhagen - Aftenposten, Oslo - Tanjug Agency, Belgrade - Indonesian and Japanese Embassies Press Departments, London) (Prev. rep. 15505 A, page 15510)

A. INDIA - PAKISTAN. — Serious Incidents on Indian-Pakistani Borders. - Delhi Meeting between Mr. Nehru and Mr. Noon. - Agreement on Majority of Border Disputes.

A series of incidents on the frontiers of India and East Pakistan, together with an incident on the Punjab-West Pakistan border in which several Indian policemen were killed, led to a period of tension between the two countries in the spring and again in August. Details of these incidents are given below.

The Surma River Sector. The River Barak, which flows westward through Assam, forks at the border town of Bhanga, the northern fork being known as the Surma and the southern as the Kusiyara. The Surma forms the frontier for 13 miles north of Bhanga between the Cachar district of Assam and the Sylhet district of East Pakistan; whereas the Indian Government, however, claims that under the Radcliffe Award the whole river up to the left high bank belongs to India, the Pakistani Government claims that the midstream forms the boundary in accordance with the Award's general principle. This difference had previously led to incidents in November-December 1954, February 1956 (see 14894 A), November 1956, and October 1957.

According to the Indian Government, Pakistani villagers began to harvest crops grown illegally on an islet in the river on March 11; it was alleged that when an Indian border patrol protested Pakistani forces had opened fire, whereupon Indian forces had fired back in self-defence, and that there had been further unprovoked Pakistani firing in adjoining areas during the following week. The Pakistani Government, on the other hand, claimed that Indian forces had fired across the river at peasants working in their fields on the south bank, that Pakistani police had only returned the fire in self-defence on March 13, and that further firing by Indian forces had occurred on March 18-20, causing the Pakistani police to reply for their protection. Although the Deputy Commissioners of Cachar and Sylhet concluded three successive cease-fire agreements on March 21, March 27 and April 8, sporadic firing by both sides continued until April 10, each side blaming the other for having started the firing.

The Pakistani Foreign Ministry stated early in April that two passengers in a train inside Pakistani territory had been killed by Indian fire on March 28, and that two other Pakistanis had been seriously wounded in the earlier incidents. Indian sources gave the number of Indian casualties as two persons killed and seven wounded. Firing began again on May 11 in the area of Karimganj (on the Kusiyara, west of Bhanga) and continued until May 23, when a fourth cease-fire came into force.

After a two months' interval, during which only occasional minor incidents were reported, Pakistani troops, according to Indian statements, occupied the Indian village of Tukergram (on the Kusiyara) during the night of Aug. 6-7 and opened fire along the entire 13-mile stretch of the Surma; Pakistani reports, however, alleged that the firing had been begun by the Indian forces. Tukergram changed hands several times during the following three weeks but finally remained in Pakistani possession. The firing spread on Aug. 10 to the entire length of the Karimganj-Bhanga sector of the frontier, and continued at intervals until a cease-fire came into effect on Aug. 26. Indian official sources said on Aug. 25 that four civilians had been killed and several wounded in this area since Aug. 6.

The Khasi-Jaintia Hills Border. North-west of the Surma sector, on the border of the Khasi-Jaintia Hills district in Assam and the Sylhet district, Pakistani forces were stated to have fired across the frontier on a number of occasions during April 4-9. The small Indian frontier town of Dawki was fired on by Pakistani troops during May 15-23, women and children being evacuated from the town, and again on Aug. 13.

The Tripura Border. The Pakistani Government sealed off the Tripura border on Aug. 4, and sent troops which occupied the village of Lakhimpur during the night of Aug. 6-7, two Pakistani soldiers and two Indian policemen being killed in the fighting. The accounts of the circumstances given by the two sides differed considerably. According to the Pakistani Government, Lakhimpur had been in Pakistan's possession until it was seized by Indian troops on July 30. On the other hand, the Indian Prime Minister, Mr. Nehru, said on Aug. 11, that although the Demarcation Commission had agreed that the area containing Lakhimpur should ultimately go to Pakistan, it had also been agreed that the actual transfer of territory should not be carried out piecemeal but should only take place when demarcation was completed. He also claimed that Lakhimpur had been in India's possession, and alleged that the fact that the attacks on this village and on Tukergram had taken place simultaneously suggested that they were part of a co-ordinated plan.

The Fazilka Incident. Seven members of the Punjab police were killed on June 3 in an incident at Amruka (12 miles from the town of Fazilka), on the border of Punjab and West Pakistan. The Indian Government alleged that Pakistani border police had since April 14 trespassed on the right bank of the Amruka canal, which was in India's possession, although the demarcation of the territory remained to be completed. On June 3 Indian and Pakistani police officers had met on a bridge over the canal to discuss the situation, but while their conference was in progress Pakistani police had suddenly opened fire, killing seven Indian policemen. The Indian and Pakistani Divisional Commissioners subsequently held an inquiry into the incident, but failed to reach agreement on the facts.

As a result of an exchange of correspondence between Mr. Nehru and Mr. Noon, the Indian and Pakistani Prime Ministers, it was agreed on Aug. 20 that they should meet in Delhi on Sept. 9 to discuss means of preventing border incidents, and following further exchanges a cease-fire came into effect on the border between India and East Pakistan from midday on Aug. 26.

In a letter of Aug. 8, Mr. Noon referred to alleged Indian encroachments at Lakhimpur and in the Patharia Forest (on the Tripura-East Pakistan border) and asked for the withdrawal of the Indian forces from this area. In his reply, Mr. Nehru, whilst repudiating Mr. Noon's allegations, suggested that they should meet to discuss border disputes, and appealed to him to reopen the Tripura-East Pakistan frontier. Both proposals were accepted on Aug. 16 by Mr. Noon, who suggested that a conference of the heads of the Foreign Ministries of the two countries, which had been fixed for Aug. 23, should be held after the Prime Ministers' meeting, and should be asked to settle the details of their decisions. As the result of a further exchange of letters, however, it was finally agreed on Aug 20 that the heads of the Foreign Ministries should meet in Karachi on Aug. 30, and that Mr. Nehru and Mr. Noon should meet in Delhi on Sept. 9.

In accordance with these arrangements, delegations from both countries led respectively by Mr. M. J. Desai (Commonwealth Secretary in the Indian Ministry of External Affairs) and by Mr. M. S. A. Baig (Foreign Secretary in the Pakistani Ministry of Foreign Affairs and Commonwealth Relations) had discussions in Karachi from Aug. 30-Sept. 2. Mr. Noon told

the press on Sept. 1 that the two Secretaries had not been able to reach an agreement on any major border question, and that the talks had "almost completely failed to produce any solution". A joint communiqué issued on Sept. 3, however, stated that "some progress" had been made on the question of existing territorial disputes; that "constructive proposals" for their settlement would be submitted to the two Prime Ministers for discussion at their meeting; and that unsolved disputes would be referred to an impartial tribunal. It had also been decided to exchange on Sept. 9 all prisoners taken during the border incidents.

The joint communiqué also said that both delegations had "deplored" the recent border incidents involving the loss of lives and the disruption of the social and economic life of the border populations, and had emphasized "the full determination of their Governments to maintain peaceful conditions on the border and to issue the necessary instructions." It had also been decided that instructions should be issued to the State Governments and the Survey authorities concerned to take all steps which would help in expediting demarcation, and that certain principles had been laid down for the technical handling of the demarcation procedure.

Mr. Noon visited Delhi from Sept. 9-11 and had three long meetings with Mr. Nehru, at which Mr. Desai and Mr. Baig were also present. A communiqué issued on Sept. 11 said that the two Prime Ministers had had "frank and friendly" discussions on border problems, and continued:

"They arrived at agreed settlements in regard to most of the border disputes in the eastern region. They also agreed to an exchange of enclaves of the former Cooch-Behar State in Pakistan and Pakistani enclaves in India. Some of the border disputes—namely, two regarding the Radcliffe and Bagge Awards in the eastern region and five in the western region—require further consideration.

"The Prime Ministers agreed to issue the necessary instructions to their survey staff to expedite demarcation in the light of the settlements arrived at and to consider further methods of settling the disputes that are still unresolved. In regard to the Hussainiwala and Sulcimanki disputes, the Foreign Secretary of the Government of Pakistan [Mr. Baig] and the Commonwealth Secretary of the Government of India [Mr. Desai] will, in consultation with their engineers, submit proposals to the Prime Ministers.

"The Prime Ministers agreed that, when the areas are exchanged on agreed dates as a result of the settlement and demarcation of these disputed areas, an appeal should be made to the people in areas exchanged to continue staying in their present homes as nationals of the State to which the areas are transferred.

"The Prime Ministers further agreed that, pending settlement of unresolved disputes and demarcation and exchange of territory by mutual agreement, there should be no disturbance of the *status quo* by force, and peaceful conditions must be maintained in the border regions. Necessary instructions will be issued to the respective States and to local authorities on the border.

"The Prime Ministers agreed to keep in touch with each other with a view to considering various steps to be taken to further their common objective of maintaining and developing friendly and co-operative relations between their two countries."

Fuller details of the settlement reached were given by Mr. Noon on his return to Karachi on Sept. 11 and by Mr. Nehru in the *Lok Sabha* on the following day.

The disputes, it was pointed out, had arisen from ambiguities in the Radcliffe and Bagge Awards (see 8813 A, 10693 A) which left room for differences of interpretation; e.g. in one area the description of the boundary in the Radcliffe Award was inconsistent with the delineation of the boundary on the map adopted by Mr. Justice Radcliffe. Mr. Noon stated that the two unsettled disputes in the eastern region referred to in the communiqué concerned the course of the Feni River (on the Tripura-East Pakistan border) and the course of the Kusiyara; although a ruling on the latter had been given by the Bagge Tribunal, certain questions remained unresolved and an area with about 30 villages, which was in India's possession, was claimed by Pakistan. Mr. Nehru also referred to an unresolved dispute over the Patharia Hills Reserve Forest (on the Assam-East Pakistan frontier), and stated that the Chief Secretaries and Conservators of Forests of the two States would be asked to draw up a provisional boundary, pending a final settlement, to prevent disputes over the cutting of the timber.

The disputes on which agreements were reached were as follows:

(1) The territories covered by the Bagge Award on the West Bengal-East Pakistan frontier, where demarcation had already been completed, would be exchanged by Jan. 15, 1959.

(2) Four other disputes concerning the West Bengal-East Pakistan frontier were considered, in two of which a compromise settlement was reached, whilst in the other two Pakistan abandoned her claims.

(3) The dispute over the Surma and Piyain rivers would be decided by adopting the latest pre-partition boundary notifications. Whatever the demarcation adopted, full facilities of navigation on these rivers would be given to both sides. In another dispute concerning the Assam-East Pakistan frontier Pakistan abandoned her claim.

(4) On the Tripura-East Pakistan border, India agreed to give Pakistan a small area of Tripura through which the East Bengal railway passes.

(5) The enclaves of the former Cooch-Behar State in East Pakistan and the Pakistani enclaves in West Bengal would be exchanged without compensation. [For the origin of these enclaves see the note on page 13128.] Under the agreement, Pakistan will receive about 28 square miles of territory, with a population of about 11,000, in return for about 17 square miles, with a population of about 9,000 which will go to India. The decision to make such an exchange was taken in principle in 1953, but was never put into effect, as no agreement was reached on how West Bengal should be compensated for the extra territory to be transferred to Pakistan.

Of the five disputed areas in the western region on which an agreement has yet to be reached, four were on the Punjab-West Pakistan border; these included the Hussainiwala canal headworks, near which incidents had occurred in 1956 (see 14984 A), and the Sulemanki canal headworks. The other dispute concerned the islet of Chhad Bet, on the Bombay-West Pakistan border, which had also formed the subject of incidents in 1956.

The communiqué of Sept. 11 made no further reference to the agreement reached at the Foreign Secretaries' conference for setting up an impartial tribunal to settle unresolved border disputes, as the two Prime Ministers failed to agree on this point.

Mr. Noon said on Sept. 11 that there had "never been any disagreement on the question that border disputes which the two countries are not able to resolve by negotiation should be referred to an impartial tribunal for adjudication and final settlement." He continued: "I conveyed it to the Prime Minister of India that the remaining unresolved disputes could be referred for final settlement to a tribunal only if India agreed to implement *in toto* the award given by the Bagge Tribunal. The Indian Prime Minister did not find it possible to agree to this, and suggested that the Indian point of view in regard to the findings given by the Bagge Tribunal should also be specifically referred to a tribunal which may be set up for deciding unresolved border disputes. I endeavoured to convince the Prime Minister of India that there was no justification for referring the decision given by a final adjudicating authority to any other tribunal. The sanctity and finality of an award given by an impartial tribunal must be accepted and honoured. If any compromise were made in this matter no one would have any confidence in any tribunal which may be set up by us in future to go into other disputes. It was on account of this difficulty that we would not agree to constitute an impartial tribunal to which unresolved disputes of the western region may be referred for adjudication and final settlement."

The Indian view on this question was outlined as follows by the political correspondent of the *Hindu*: "According to Pakistan, so far as the eastern wing is concerned, the only question for consideration is 'implementation' of the Radcliffe and Bagge Awards. Although Pakistan does not actually say it in so many words, it would like the question of 'interpretation' of awards to be settled in regard to the West Pakistan border. But in India's view the same principle must be applied to both wings, whether it be 'interpretation' or 'implementation.' As an alternative, India suggested that her point of view may also be referred to arbitration. But Pakistan declined to accept the suggestion . . ."

In reply to questions in the *Lok Sabha* on Sept. 12, Mr. Nehru expressed the opinion that the proposed border adjustments were interpretations of the Radcliffe and Bagge Awards, and that Parliament's consent would therefore not be required constitutionally for the transfer of territory to Pakistan. (Indian and Pakistani High Commissioners' Offices, London - The Hindu, Madras - The Statesman, Calcutta)

(Prev. rep. 14894 A.)

A. BELGIUM-NETHERLANDS. — Joint Training for Air Forces.

It was officially announced in Brussels and The Hague during the second half of September that the Belgian and Netherlands Ministers of Defence had agreed on the integration of the training of the Air Force personnel of the two countries. The integration would start with the joint training of pilots, the first stage of which would be under Belgian supervision and would take place at the Kmina Air Base in the Belgian Congo, while the second part would be under the supervision of the Dutch Air Force.

It was also announced that the Dutch-Belgian integration plan would include the maintenance of guided missiles. It had been agreed that the Belgian forces would undertake the maintenance work on the first type of guided missiles to be obtained by the two Air Forces, and that the Netherlands would be in charge of the maintenance service for the second type.—(Netherlands News Agency - La Nation Belge)

Prev. rep. NATO, 16238 A)

A. RELIGIOUS LIFE. — The Lambeth Conference. - Anglican Pronouncements on Ecclesiastical, Moral, International, Racial, and Domestic Issues.

The ninth Conference of "Bishops in full Communion with the See of Canterbury" was convened at Lambeth Palace, London, from July 5-Aug. 9 by the Archbishop of Canterbury (Dr. Fisher) in his *ex-officio* capacity as chairman Of the 310 Bishops who attended as members, approximately one-third came under the direct jurisdiction of the Archbishop of Canterbury (either within the U.K. or overseas); one-third represented the Episcopal Church in the U.S.A.; and one-third belonged to the following main groups of regional Anglican Churches within the Commonwealth: (*a*) Canada; (*b*) India, Pakistan, Burma, and Ceylon; (*c*) Australia and New Zealand; (*d*) West and Central Africa; (*e*) South Africa; (*f*) the West Indies. The Anglican Communion in Japan was also represented.

Leading representatives from European Churches in 'Intercommunion' with the Anglican Church (notably the German Lutheran Church and the Greek and Russian Orthodox Churches) attended the opening sessions of the Conference as guests and observers, but took no part in its deliberations

['Full Communion' had previously been defined as applying to Churches which, though not necessarily "of the same denominational or confessional family," shared "unrestricted *communio in sacris*, including mutual acceptance of ministries"; the state of 'Intercommunion' applies to the varying degrees of relationship established by agreement between the Anglican Church and certain other Churches.]

Prior to the opening of the Conference, Dr. Fisher received the members in Canterbury Cathedral on July 3, and in his address to them outlined the outstanding considerations which would influence their deliberations.

The Archbishop said that the world was "afraid, angry, and a prey to its passions . . . desperately needing to discover how, and at what price, friendship, harmony, and peace among men can be had" now that "old methods of peace-making and reconciliation have failed." The Conference would therefore give its attention to "those factors—cultural, racial, and national—which . . . put peace to flight" and also to "those varied modern conditions" which threatened "the stable existence of the family and the home"

The Conference considered the reports previously compiled by five committees and six sub-committees, each of which had been assigned a special field of investigation. After discussion, these recommendations were embodied, either wholly or in part, in 131 Resolutions which were then formally adopted without dissent. Since, however, the function of the Conference was essentially deliberative, its authority was advisory and not legislative; its Resolutions will therefore only become binding if the Convocations and Synods of Anglican Provinces subsequently choose to make them so in their particular spheres. Nevertheless, Dr. Fisher said that the Resolutions would "set the course of the Anglican Communion for the next 10 years."

The Report of the Conference, published on Aug. 26, consisted of three documents, viz.:

(1) An Encyclical Letter, intended for circulation throughout the dioceses of the Anglican Communion, which summarized the findings of the Conference and emphasized its salient considerations;

(2) The 131 Resolutions, formally adopted;

(3) The reports of the committees on which the Resolutions had been based.

The Encyclical Letter.

In their Letter, the Bishops emphasized that their deliberations had concerned "not only domestic problems concerning the Anglican Communion and Christendom," but also "some of the fundamental issues which confront the whole of mankind." There were "no simple answers" to "many of these baffling questions," but the key to their solution in every case was "reconciliation." Christians incurred the obligations of "earthly as well as heavenly citizenship," and should recognize their responsibilities (i) for the policies of their own countries; (ii) for working positively for peace; (iii) for opposing policies proceeding from "selfish nationalism or lust for power"; (iv) for respecting the peoples of other countries in their rights to freedom; (v) for demanding a greater sharing of the world's resources. The Letter included pronouncements on the following three major contemporary problems:

World Peace. Though the Conference had declared that the use of nuclear weapons was "repugnant to the Christian conscience," some members had felt that, "so long as such weapons exist, their use might be preferable to political enslavement." It had therefore not proved possible to reach unanimous agreement that such weapons were not morally justifiable "in any circumstances", neither had there been agreement as to whether the banning of them should be universal or merely unilateral. Nevertheless, because the "abolition of nuclear weapons of indiscriminate effect and destructive power by international agreement is an essential step towards the abolition of war itself," it was the duty of Christians to press for the banning of such weapons through their governments, which should accept "such limitations of their own sovereignty as may be required to ensure inspection and control."

An interim statement on the subject of world peace issued by the Conference on Aug. 5 had declared that true peace could be achieved not merely by banishment of war, but by the unselfish establishment of a new order in which (i) men are free to live under justice, (ii) world resources are developed and distributed for the benefit of all; (iii) war is made only against poverty, ignorance, disease, and oppression; (iv) the results of man's knowledge and discovery are used not for destruction, but for enlightment and health.

Racial Issues. After stating that racial tension "threatens the stability of whole communities" and "is a challenge to the Christian conscience," the letter declared that Christians were committed to the principle that "every man, of whatever colour or race . . . should be given the right to exercise responsible freedom in all aspects of our human life"

The Family. The Letter provided the first authoritative Anglican expression of the view that "the procreation of children is not the sole purpose of Christian marriage," and that "family planning . . . in such ways as are mutually acceptable to husband and wife in Christian conscience and secure from the corruptions of sensuality and selfishness is a right and important factor in Christian family life." In countries where the "population is increasing so fast that the survival of young and old is threatened," methods of birth-control "medically endorsed and morally acceptable" had become a "necessity." Stability in married life should be helped (i) by pre-marital instruction from the clergy, and (ii) by "organization of industry" to minimize the "disrupting effects" of "movement and re-settlement."

The Archbishop of Canterbury, at a press conference on Aug. 25, described the differences of opinion as regards the use of nuclear weapons as "exactly the same conflict as between pacifist and non-pacifist;" the "deep cleavage of Christian opinion throughout the world" on this issue, he said, had been similarly reflected and expressed by the British Council of Churches and the World Council of Churches (see 15540 A).

On the question of family planning he denied that the Conference pronouncements amounted to saying that birth control was "an economic and social necessity." Such planning, he pointed out, so far from necessarily implying limitation, might involve increase; the criterion was "the orbit of what you can bring up or hope to bring up to the glory of God . . ." He added: "If you are going to have 15 children and the last five are going to need Public Assistance, you have no right to do it."]

The Resolutions.

A summary of the most significant Resolutions is given below under the five subject headings which represent the five 'themes' of the Conference; together with other relevant findings of the appropriate committees which were not embodied in the Resolutions.

The Authority of the Bible. The Conference re-examined the message of the Bible "at a time when it is being re-discovered by modern theologians and its message re-assessed," the following being the principal Resolutions adopted in this connexion:

(i) "The Bible discloses the truths about the relation of God and man which are the key to the world's predicament."

(ii) There must be co-operation between theologians and "men of science and modern learning . . . in the study of their respective modes of thought and speech."

(iii) While the doctrine of Fundamentalism (i.e. the literal interpretation and acceptance of the Biblical text) was not specifically rejected, the Conference qualified its affirmation that the Bible possessed "the authority of God's truth" by adding that this did not involve "ascribing inerrancy to every statement which the Bible contains."

(iv) The Bible, having been compiled at a time when "the world was restless, torn by calamity, and seemingly near to catastrophe" had particular authority in the "similar environment of today."

(v) Neither the Bible nor the Church could be understood apart from each other.

Church Unity and the Church Universal. The basic requirements for unity within the Anglican Communion were defined by re-affirmation of the 'Lambeth Quadrilateral' of 1920, *viz.* (i) acceptance of the Scriptures; (ii) affirmation of the Nicene Creed; (iii) the sacraments of Baptism and Holy Communion; (iv) "a ministry acknowledged by every part of the Church." Acceptance of the "historic episcopate" was a further essential. Schemes had been proposed for the establishment of "United Churches" in different parts of the Commonwealth in which these fundamentals would be adapted and modified to meet regional needs and understanding. In this connexion the following particular Resolutions were adopted:

(i) Schemes for United Churches in Northern India, Pakistan, and Ceylon were welcomed and approved, and the assistance of a "small commission of Bishops" was offered to these Churches should they need help in effecting the proposals for a unified ministry.

(ii) It was suggested that the Ceylon Scheme should be a model for plans for United Churches in West Africa and in the Archbishopric of Jerusalem

(iii) Bishops of Churches within the Anglican Communion which had joined a United Church should be invited to Lambeth, but decisions on Anglican policy would remain with those having Anglican jurisdiction.

[In the case of the Church in South India, which it was hoped would become a United Church together with the Churches in South Africa and the West Indies, the Committee discussing this question had reported progress, but had mentioned two obstacles still to be overcome, viz. (*a*) whereas the five Provinces within the CSI had agreed to acknowledge Orders of Bishops and episcopally ordained Presbyters of the CSI itself, the Provinces of South Africa and the West Indies would so far only recognize Anglican clergy of the CSI; (*b*) similar objections had been raised by the Anglican community of Nandyal (Southern India), but a commission appointed by the Metropolitan of India had suggested, after a visit, that the establishment of an Anglican Diocese of Nandyal might provide a solution.]

With a view to attaining a "unity in Christian fellowship for all men plainly to see" in the Church Universal, the Resolutions included the following Anglican aims.

(i) Unity with non-episcopal Churches "by a process of mutual assimilation" in the case of the Presbyterians, and by eventual "organic union" with the Methodists (see 15718 A),

(ii) Doctrinal agreement with the Eastern Orthodox Church "and other ancient Churches";

(iii) Agreement "in faith and order which would lead to the healing of the breach with the Church of Rome."

[The Committee had recorded satisfaction at the attainment of union, in the sense of Full Communion, with the 'Old Catholics' of Holland.]

Progress in the Anglican Communion. The Resolutions on this theme were sub-divided into three main issues, which are summarized below.

(i) *Revision of the Prayer Book.* The Conference recommended that the 1662 Book of Common Prayer ("a cherished part of our heritage which is a common bond of unity between us") should be revised with the following basic considerations in mind: (*a*) revival of the aim of the compilers of the first Prayer Books of the Church of England, i.e., to recover the forms of worship of the Primitive Church, (*b*) retention of the "safeguards" of the 'Lambeth Quadrilateral' (see above); (*c*) meeting the needs of interpretation in the regional Churches in Africa and elsewhere. It was also resolved (i) to request the Archbishop of Canterbury to appoint an advisory committee to prepare general recommendations on the structure of the service of Holy Communion, for the guidance of any Anglican province contemplating regional revision of its Eucharistic rite; (ii) that the Kalendar of Saints should be revised "in the light of Scriptural fact, the perpective of history, and widespread local desire over a good period of time."

[The last revision of the Prayer Book was submitted to Parliament in 1928, but was not accepted. The uses of the 1928 Book have, however, subsequently been employed wherever they have enjoyed local diocesan approval, notably in the services of Holy Matrimony and Holy Communion. The Committee dealing with this question proposed to the Conference detailed liturgical alterations and additions, which were accepted as guiding principles for revision, but were not incorporated in the Resolutions.]

(ii) *Missionary Strategy.* It was resolved (i) that an Advisory Council should be set up, consisting of the Archbishop of Canterbury, the Primates, the Presiding Bishops and Metropolitans, together with clerical and lay representatives of extra-provincial dioceses and a permanent secretary, "to deal effectively with the world-wide strategy of the Anglican Communion"; (ii) that an Anglican Congress (on the lines of that of 1954) should be held in 1963 with the same objective. Other Resolutions in this connexion commended the use of the "modern media" of journalism, radio, and television in the "world-wide task of evangelism."

(iii) *Ministries and Manpower.* It was resolved that the Anglican Ministry should be strengthened by (*a*) the development of "United (theological) Colleges" for the training of ordinands for the United Churches, to ensure "Anglican discipline and worship" and to create "better understanding between the several Churches"; (*b*) that Anglican Provinces should consider restoring the office of Deacon "to its primitive place as a distinctive Order in the Church," instead of its being "a probationary period for the priesthood" as at present; (*c*) that provision of a supplementary Ministry might be accomplished by permitting, "in suitable conditions," the combination of the priesthood with a lay occupation.

Conflicts between and within Nations. The Resolutions dealt with two aspects of this theme—international and racial.

International. (i) "War as a method of settling international disputes is incompatible with the teaching of Jesus Christ"; (ii) the goal of all nations should be "nothing less than the abolition of war itself"; (iii) the leading Governments should frame a "comprehensive international disarmament treaty" aiming at the progressive reduction of armed forces and conventional armaments to a security minimum; (iv) the U.N. should be "strengthened" by revision of its Charter.

[The appropriate Committee had defined six causes of "present-day international conflict," viz. (*a*) the insecurity of long-established nations; (*b*) the emergence of newly-independent nations; (*c*) the lack of a firm "philosophy of history"; (*d*) the dogma that only scientific truth is real; (*e*) the pressures of "over-starvation and over-population", (*f*) the drive for raw materials. Referring to the disagreement on the issue of nuclear weapons (see above), the Committee had emphasized that this did not "absolve any one of us from personal decision." No specific recommendations for the revision of the U.N. Charter were drawn up.]

Racial. (i) "Neither race nor colour is a barrier to any aspect of that life in family or community for which God created all men"; (ii) in multi-racial societies, "members of all races should be allowed a fair and just share in the Government of their country," and "the right to associate freely in worship, in education, and in industry."

[The Committee dealing with the racial issue, of which the Archbishop of Capetown (Dr. Joost de Blank) was chairman, had listed particular areas of racial tension, including the U.S.A., Israel and the United Arab Republic, India, the Far East, Africa, Australia, and Britain. Specific recommendations had included a warning to the Church in West Africa "to learn to live and work in the merging secular States"; an end to "patronage and even paternalism" in Central Africa; a modification of the "unwillingness" to receive coloured immigrants into Australia; and an enumeration of the duties of Christians under "a Government holding power . . . against the will of the majority of its people," Communism, as such, not being mentioned.]

The Family in Contemporary Society. The following Resolutions covered the principal contemporary problems of family life:

Family Planning. Declaring that "responsible parenthood requires a wise stewardship of the resources and abilities of the family, as well as thoughtful consideration of the varying population needs and problems of society," the Conference gave its approval to the principle, as "morally right," to control the size of a Christian family "in such ways as are mutually acceptable in Christian conscience."

Divorce. Proclaiming its belief that marriages were often broken by "tension resulting from a sense of injury overcoming the duty of forgiveness," the Conference insisted that "no husband or wife has the right to contemplate even legal separation until every opportunity of reconciliation and forgiveness has been exhausted." A further Resolution recommended consideration of a procedure to "define marital status" (such as already existed in some Anglican Provinces), in view of the recognized facts that (*a*) secular authorities in many countries granted a divorce on grounds which the Church could not accept; and (*b*) such a divorce might be sought, or granted, when in the eyes of the Church no marital bond existed.

Marriage Discipline. The Conference Resolutions of 1948 were re-affirmed; these had laid down (i) that the marriage of one whose former partner is still living may not be celebrated with the rites of the Anglican Church; and (ii) that those so divorced (i.e. with a partner still living), yet desiring to be admitted to the sacrament of Holy Communion, should be referred to the discretion of their Bishop.

Monogamy. The Conference affirmed its belief that monogamy was "the divine will" and therefore "true for every race of men," but recognized that the introduction of monogamy in a polygamous society had raised social and economic problems "which the Church has not yet solved."

Family Stability. Resolutions in this connexion called for "decent and suitable" housing conditions and, having drawn attention to "the increasing proportion of old people in the world," emphasized the responsibility of children for the needs of elderly parents who, if possible, should be "kept within the family circle." Warning was given against "widespread reliance on artificial means of responding to the restlessness of the age," e.g. gambling, excessive drinking, and drugs.

[The appropriate Committee had considered and condemned two contemporary controversial practices—artificial insemination (see 16109 A) and sterilization—but neither was dealt with by Resolution. As regards polygamy, it was suggested that the whole problem should be referred to the Advisory Council on Missionary Strategy.]

The Conference proceedings were concluded with a service in Westminster Abbey on Aug. 10, when the address was given by the Presiding Bishop of the Protestant Episcopal Church of the U.S.A. (the Right Rev. Henry Knox Sherrill).

Dr. Sherrill said that "at no time since 1914" had there been "a period of tranquillity," with the result that "society and individuals" had been subjected to a "tremendous strain" with which he doubted whether the Church had been "sufficiently or effectively concerned." Urging "a temper of mind which, with due reverence for the past, had courage to be contemporary," he declared that "many ecclesiastical meetings, discussions, and even controversies were irrelevant to the vital issues of our times"—a fact which was recognized by the "blessed common-sense" of ordinary people, who readily distinguished between "the vital and the secondary." Bishops were "not only administrators, but shepherds" for whom there could be "no substitute for personal contact," and during the Conference they had succeeded in discussing human and international problems "with a deep sense of pastoral concern."

Lambeth Invitation to Archbishop Makarios.

It was stated at Lambeth Palace on May 21 that Archbishop Makarios of Cyprus had been invited to attend the Lambeth Conference. This information aroused considerable public criticism, expressed in the Press as well as in Parliament, because of the Archbishop's persistent failure to condemn the Eoka terrorist campaign in Cyprus.

The Archbishop of Canterbury, in a statement issued on May 22, explained that in this matter he had not acted "as an official of the Church of England as such, but as the chairman of a Conference drawn from many countries and many races entirely outside the English political scene." The invitation in question had resulted "from an exclusively ecclesiastical decision" without any political significance, and the Government departments concerned, who had been informed "several months before," had regarded it as such

Dr. Fisher added that it was customary to invite to the Conference leaders of certain Churches in Europe, with which the Anglican Communion had "fraternal relations," as guests and observers, and Archbishop Makarios had been included as the representative of the Eastern Orthodox Church in Cyprus. Other Patriarchs of that Church in Istanbul, Athens, Antioch, Jerusalem, Alexandria, Moscow, Bulgaria, and Rumania had been similarly invited, and to have omitted the representative of the Church of Cyprus "would have been interpreted by the other Orthodox Churches not as an ecclesiastical, but as a political action."

Archbishop Makarios announced his acceptance of the Lambeth invitation on June 3. In the House of Lords on June 17 Lord Teviot urged the Government to prevent the Archbishop's admission to the U.K., "in view of the past and present activities of Archbishop Makarios and the distress caused to many of our people who are mourning relatives murdered in Cyprus." The Secretary for Commonwealth Relations (Lord Home) pointed out, however, that the Archbishop "enjoyed the normal rights of a citizen of the U.K. and Colonies," and that H.M. Government had no power to exclude him.

During a BBC interview on June 25, Dr. Fisher distinguished between his official and personal attitudes towards Archbishop Makarios, and added: "I know as well as anybody what a bad character he is." On the following day Archbishop Makarios sent a message to Lambeth Palace saying that he would be unable to attend the Conference because of "other commitments."

The Primate of Greece, Archbishop Theoklitos, announced in Athens on June 27 that no representative of the Eastern Orthodox Church in Greece would attend the Conference, as a protest against Dr. Fisher's "most improper language" and "public attack" on Archbishop Makarios; on the following day the delegation from the Patriarchate of Alexandria was recalled on similar grounds. The text of a telegram sent by Dr. Fisher to the Primate of Greece in reply was released on July 5. In this the Archbishop of Canterbury expressed "sincere regret" at having used an "unpremeditated phrase," and explained that his criticism of Archbishop Makarios—"whose ecclesiastical office" he "highly honoured"—had been "confined strictly to certain political aspects" and had "expressly excluded reflections on his personal character."

Despite this controversy the Greek Orthodox Church was represented at the Conference by its permanent representative in London, Archbishop Athenagoras of Thyateira, in his capacity as representative of the Patriarchate of Constantinople.—(Lambeth Conference Report - Church Times - Times - Daily Telegraph - Manchester Guardian) **(1948 Lambeth Conference, 9591 A; Closer Relations with Methodists and Presbyterians, 15718 A; Attitude to Nuclear Tests, 15540 A; Attitude to A.I.D., 16109 A.)**

Note. The first Lambeth Conference was held in 1867; thereafter it was to be convened every 10 years, but this sequence had been upset by the two World Wars. The last two Conferences had been held in 1948 and 1930.

A. EASTERN GERMANY - UNITED ARAB REPUBLIC. — Economic and Technical and Scientific Co-operation Agreements.

It was officially announced in East Berlin and Cairo on Aug. 29 that, following discussions by a U.A.R. delegation in Berlin, agreements on (i) economic and technical and (ii) scientific co-operation had been signed between the German Democratic Republic and the United Arab Republic.

The agreements provided (*a*) that Eastern Germany would grant to the U.A.R. a credit of £E 7,500,000 for the long-term supply to the latter country of complete industrial installations and equipment, as well as of other engineering products; (*b*) that Eastern Germany would assist in the industrialization of the U.A.R. through the despatch of specialists; and (*c*) that Egyptian scientists and technicians would be enabled to study at East German universities and to receive practical training in East German factories and institutes.—(Neues Deutschland, East Berlin - Le Monde, Paris)

B. FRENCH AFRICA. — Presidency of Territorial Executive Councils transferred from Governors to Former Vice-Presidents. - New High Commissioners for French West and Equatorial Africa.

The French Government decided on July 24 to transfer the presidency of all the territorial Executive Councils (*conseils de gouvernement*) in French West Africa, French Equatorial Africa, and Madagascar to their former Vice-Presidents, who would henceforth be known as Presidents.

Under the provisions of the *loi-cadre* for the overseas territories of June 23, 1956, and the decrees implementing it, the Executive Councils in the various French African territories had hitherto been presided over by the respective Governors as the chief representatives of the French Republic. The Vice-Presidents elected by the Territorial Assemblies formed under the *loi-cadre*—had previously exercised only restricted prerogatives, such as presiding in the Governor's absence, advising the Governor on the distribution of portfolios, and offering the collective resignation of the Council's members if they had lost the confidence of the Territorial Assembly.

The reform now introduced meant that the Governors would in future only take part in the deliberations of the Territorial Councils, and assume the chairmanship, when questions relating to foreign affairs, defence, justice, Customs, posts and telegraphs, and other items reserved to the French Government were discussed. For the consideration of all other matters, however, the Councils would meet under the chairmanship of their elected Presidents, the title of Vice-President being abolished.

M. Jacques Soustelle, the French Minister of Information, stressed the importance of the Cabinet's decision and pointed out that it was a further step towards the new status which the overseas territories would gain under the new Constitution and in accordance with the choice to be made by their electorate in the forthcoming referendum.

Previously it had been announced on July 15 that the French Government had decided to appoint M. Pierre Messmer High Commissioner in French West Africa, in succession to M. Gaston Cusin. M. Messmer had hitherto been High Commissioner in French Equatorial Africa, in which post he was succeeded by M. Yvon Bourges, Governor of Upper Volta. Both M. Messmer and M. Bourges had over a long period co-operated with M. Cornut-Gentille, High Commissioner in French Equatorial Africa from 1958-51, and in French West Africa from 1951-56, and now Minister for *France d'outre-mer* in General de Gaulle's Cabinet.—(Le Monde, Paris)

(Prev. rep., Loi-cadre, 15585 A)

C. UNITED KINGDOM. — Higher Status for Export Credits Department.

The Board of Trade announced on Aug. 12 that, on the recommendation of a committee under the chairmanship of Sir Eric Speed, it had been decided to raise the status of the Export Credits Guarantee Department and to make substantial changes in its organization and senior staff. Furthermore, the functions of the Export Guarantees Advisory Council would be extended to include advising on general policy.

The committee, whose report had been largely concerned with "detailed matters of organization," had made two major recommendations:

(1) It rejected the suggestion, widely made at one time, that export credit insurance should be conducted through a statutory public corporation, as was the case in some other countries. It concluded that the work should go on being done by a Government department "because of its use of public funds, its relation to the broader aspects of economic policy, and its dependence on information from Government sources."

(2) While the committee recognized that "the highly developed and comprehensive facilities enjoyed by British exporters had been administered wisely and with competence," the business done by the department had increased tenfold since 1946, and it was time it was upgraded in its status within the hierarchy of Government departments. An increase in its senior staff would allow senior posts to be filled "from a wider field of experienced administrators."

It was announced that in implementation of these recommendations the senior official in charge of the Department, hitherto known as Comptroller-General, would in future have the designation of Secretary, and would be responsible directly to the President of the Board of Trade. Mr. L. J. Menzies, one of the advisers to the Governors of the Bank of England, who had for many years been actively engaged in foreign exchange operations and policy, had been appointed Secretary, would take over on Oct. 6, and would be in charge of the post "for two or three years." There would also be two new Under-Secretaries, while the present Comptroller-General (Mr. R. H. Owen) would be transferred to another official appointment. (Times - Daily Telegraph - Manchester Guardian - Board of Trade Journal - Financial Times) **(Prev. rep. Export Credits Guarantee Dept., 14956 A; 12558 A)**

A. ITALY. — Signor Fanfani's Policy Statement. - Parliamentary Votes of Confidence. - Signor Fanfani's Visits to Washington, London, Bonn, and Paris.

The Government of Signor Fanfani received a vote of confidence in the Senate on July 12 by 128 votes to 111, with two abstentions, and in the Chamber of Deputies on July 19 by 295 votes to 287, with nine abstentions and four deputies not taking part in the division. In both Houses the left-wing and right-wing parties, as well as the Liberals, all voted against the Government, which was only supported by the Christian Democrats and the Social Democrats led by Signor Saragat. In the Chamber, however, the six Republicans, the three members of the South Tirol People's Party, and the deputy representing the Val d'Aosta abstained, thus giving the Government the slender majority of eight votes. The two abstentions in the Senate were also by the representatives for the Val d'Aosta and South Tirol.

The full voting figures for the Chamber were: For the Government—272 Christian Democrats, 22 Social Democrats, and Signor Olivetti (*Communità* movement) Against the Government—139 Communists, 83 left-wing (Nenni) Socialists, 24 Neo-Fascists (Italian Social Movement), 17 Liberals, 14 Popular Monarchists, and 10 National Monarchists.

In his statement, which he read in both Houses on July 9 prior to the debates on the Government's policy, Signor Fanfani outlined his programme as follows:

Foreign Policy. After affirming his Government's faithful adherence to the Atlantic and European Community treaties, Signor Fanfani declared that they would direct their efforts towards the achievement of European political unity by means of direct elections in all member-countries to the European Parliamentary Assembly. He added, however, that in the Italian view the member-countries, both of the European Community and the Atlantic Alliance, had not yet entirely fulfilled their obligations. "Italy demands," he added, "that in the interest of the permanent defence of their common security and of a lasting solidarity, all problems of any member-country which might affect common obligations should be discussed in advance."

Defining Italy's position "within the regional framework," Signor Fanfani said that of her four neighbours, France was an ally with whom they had restored a fruitful and active friendship, whilst Switzerland, Austria, and Yugoslavia were either neutrals by right or were aiming at achieving that status, and Italy "favours their neutrality." He undertook to consolidate Italy's links with her Mediterranean neighbours—Greece, Turkey, and Spain—and added: "The Arab countries of the Middle East and North Africa, as well as Israel, maintain friendly relations with us and we wish to make these still more active, thus widening the sphere of prosperity while at the same time consolidating freedom along the Mediterranean shores. We are confident that the conflicts which still upset certain areas are approaching their end and that peace with order and justice will return for the benefit of all."

Internal Policy. Dealing with Church-State relations, Signor Fanfani declared that while the autonomy of the State would be protected, the Lateran Treaties would be respected, and expressed complete confidence that these treaties would continue to be likewise respected by the Church authorities.

Internal reforms would include, *inter alia*, the abolition of remaining Fascist laws; legislation laying down the procedure for a referendum; the further gradual implementation of the regional system; Senate reform (including the introduction of terms of equal length for both Chambers), parliamentary control over State activities not covered by the Budget; and a 10-year educational plan involving an expenditure of about 800,000,000,000 lire (about £460,000,000).

Social Legislation. The Government would take steps against the danger of a recession. The effectiveness of collective agreements would be legally recognized; there would be a reform of social insurance; and financial and technical provision would be made for an extension of small landholdings, particularly by splitting up large estates (*latifondi*) and middlemen's holdings (*mezzadrili*) and by assisting depressed mountain areas.

Economic Legislation. The Prime Minister announced that legislation would be introduced (*a*) against monopolies and financial chain organizations; (*b*) for the concentration in one public agency of all State-owned enterprises or of State participations in the energy sector; (*c*) for a further extension of the term of the *Cassa del Mezzogiorno* (the Government agency for the administration of the development plan for Southern Italy); and (*d*) for agricultural development schemes in which it would be stipulated that improvements must be carried out by the beneficiaries within a fixed period, under threat of expropriation in the event of non-fulfilment.

Taxation Policy. There would be severe measures against tax evasion; more direct taxation; and, as regards indirect taxes, greater discrimination between consumer goods of an essential nature and luxuries.

Following the confidence votes, Signor Fanfani visited Washington, London, Bonn, and Paris for discussions with the U.S., British, German Federal, and French Governments. As his visits coincided with the recent Middle East crisis an important part of his talks was devoted to this problem. In this connexion it was reported in the international Press that Signor Fanfani had informally suggested a three-point "plan" aimed at bringing about greater political stability and better economic conditons in the Middle East area. The three aspects of Signor Fanfani's suggestions were summarized as follows:

(1) The great Powers should undertake to respect and guarantee mutually the territorial integrity of the Middle East countries and the present political *status quo*, such an agreement to be concluded under the auspices of the United Nations;

(2) The countries belonging geographically to the Middle East region, the majority of whom were members of the Arab League, should on their part undertake in a separate agreement to abstain mutually from all interference in each other's internal affairs, and notably to end any hostile propaganda against each other by means of the Press or the radio,

(3) The economic development of the Middle East would be financed by a kind of international corporation which could be joined by any country with sufficient resources and credit, Italy being willing for her part to contribute financially to a fund of this kind.

Visit to the U.S.A.

Signor Fanfani arrived in Washington on July 28, and on July 29-30 had discussions with President Eisenhower and Mr. Dulles.

A joint statement issued on July 30 said that the President and Signor Fanfani had discussed "a wide range of topics of mutual interest" and had "examined in an atmosphere of friendship and understanding the present world situation, including the Middle East and the problems surrounding a possible meeting of Heads of Government within the framework of the U.N." They had "found themselves in satisfactory accord" on the recent developments in the Middle East, and "also agreed on the importance of the position of Italy with respect to her interests in the Mediterranean and in the Middle East, and hence on the importance of ensuring means whereby Italy's views might be taken into account on a continuing basis." They had arranged "to remain in close contact."

After reaffirming "that the combined strength and co-ordinated action of the free and independent countries of the North Atlantic Alliance" were "vital to the peace and security of both countries" and would remain the "corner-stone of their foreign policies," the communiqué went on: "The President and the Secretary of State [Mr. Dulles] expressed full recognition of the contribution being made by Italy in the development of closer political and economic association between the countries of Europe for the purpose of improving the well-being of their peoples. The Prime Minister outlined the programme he proposed with regard to his country's economic problems, including foreign trade. The U.S. representatives expressed their appreciation and their confidence that increased economic ties between the United States and Italy might contribute favourably to this programme."

During his stay Signor Fanfani also addressed both Houses of Congress and spoke at a luncheon of the National Press Club. In his latter address Signor Fanfani said, *inter alia*, that in the Italian view "the explosions of nationalism" in the Middle East region were "not exclusively due to certain well-known foreign influences"; they were "historical movements" and it was "essential that they should not be exploited by Communist propaganda." The problems in the area were "essentially economic," and, "taking account of the important progress already achieved by the Arab nations," the Italian Government and people were "willing to contribute to the working out and implementation of any plan for the development of the Middle East."

Visit to Britain.

From Washington Signor Fanfani flew to London, where he had discussions on Aug. 1 with Mr. Macmillan, Mr. Selwyn Lloyd, and Mr. Maudling (Paymaster-General, in charge of negotiations for a European Free Trade Area).

A communiqué issued on Aug. 1 said that the Ministers were "highly gratified with the result of their consultations, which reflected the traditional friendship between the two countries and covered the whole field of international affairs, with particular reference to the Middle East, a high-level meeting of the Security Council, and the proposed European Free Trade Area."

It was understood that Signor Fanfani had explained to the British Ministers his Government's plans for joint economic development in the Middle East, concurrent with an attempt at a general political settlement after tackling the Lebanon and Jordan issues. As regards the European Free Trade Area, both countries were agreed on the desirability of seeing such an area established without delay.

Visit to Western Germany.

On Aug. 2 Signor Fanfani arrived in Bonn, where he had discussions with the Federal Chancellor, Dr. Adenauer. A communiqué issued afterwards emphasized the importance of mutual consultations as a condition for an effective improvement of the international situation and international relations.

Visit to France.

The Italian Prime Minister completed his tour of Western capitals by visiting Paris on Aug. 7-8. During his stay he conferred with General de Gaulle and the French Foreign Minister, M. Couve de Murville, who had previously visited Rome for discussions with Signor Fanfani on July 27. Signor Fanfani also visited Allied Supreme Headquarters and reviewed with General Norstad, the Allied Supreme Commander, the military situation and Italy's contribution to the alliance.

A joint statement issued on Aug. 8 said that it was "the wish of the two Governments to consult each other in an increasingly regular and close manner," and that the talks, which had dealt with "the international situation in general and the Middle East in particular," had been marked by "a spirit of friendship and confidence" and had shown "the identity of the two Governments' points of view."

It was unofficially reported that, as in the other Western capitals, Signor Fanfani had explained his views about the Middle East, emphasizing the need to take the existence of Arab nationalism into account, the importance of ceasing to pretend that the Soviet Union had no interest in the Middle East, and the folly of trying to keep her at arms length in that area.

Between his return from Bonn and his visit to Paris, Signor Fanfani had talks with M. Spaak, the Secretary-General of NATO, who had come to Rome on Aug. 5, a communiqué saying that there had been "a complete identity of views" on all problems discussed.—(Corriere d'Informazione and Corriere della Sera, Milan - Giornale d'Italia, Rome - New York Times - Times - Daily Telegraph - Frankfurter Allgemeine Zeitung - Le Monde, Paris) **(Prev. rep. 16267 A.)**

A. SWEDEN. — Defence. - Order for British "Bloodhound" Missiles.

It was announced in Bristol and Stockholm on Sept. 23 that the Royal Swedish Air Board had placed an order with Bristol Aircraft Limited for the Bristol-Ferranti *Bloodhound* ground-to-air guided weapon system. The size of the order, which was placed after a full examination of the technical merits of all available surface-to-air guided missile systems, was not disclosed.

The *Bloodhound*, which is now going into service with the R.A.F. as its first surface-to-air guided weapon, was described as the "longest range semi-active homing missile in the free world." With radar equipment, control posts, and launchers for the missiles themselves, it constitutes a complete and largely automatic defence system which is self-contained except for the need to receive early warning. Equipped with four rocket booster motors to provide the initial thrust and accelerate it to supersonic speed, the *Bloodhound* is afterwards propelled by two Bristol *Thor*-type ramjet engines. It was stated that the *Bloodhound* was in quantity production and was at present completing acceptance trials in Australia.

By placing the order Sweden became the first oversea country to select a British guided weapons system.—(Times - Daily Telegraph - Svenska Dagbladet, Stockholm)

B. ITALY. — Contracts for British and American-built Atomic Power Stations in Southern Italy.

The contract between the Nuclear Power Plant Company of Knutsford (Cheshire) and the *Società Italiana Meridionale Energia Atomica* (SIMEA)—a subsidiary of *AGIP Nucleare*—for the construction of a 200-megawatt nuclear power station of the Calder Hall type at Latina, 50 miles south of Rome, was signed in Geneva on Aug. 31. The contract, worth over £10,000,000 for British industry, was the outcome of the agreement signed in London last May by Signor Enrico Mattei and Sir Claude Gibb, Britain thereby becoming the first country to export a nuclear power station anywhere in the world.

It was announced in Rome on Sept. 25 by the *Società Electronucleare Nazionale* (a firm formed by a group of Italian electricity companies) that it had awarded a contract for the construction of a 150-megawatt nuclear power plant to the International General Electric Company of the U.S.A. The station—the second to be built in Italy—would be constructed on the River Garigliano, near Naples; would have a boiling water, enriched uranium reactor; and was expected to be partly financed through a loan from the International Bank.

The bidding for the contract, in which several British, French, and U.S. firms took part, was held under the auspices of the International Bank and the Italian Government. International General Electric is a subsidiary of the General Electric Company which is at present building a similar atomic power plant at Dresden (Illinois).

It was stated in Rome that 70 per cent of the component parts of the plant would be built in Italy.—(Giornale d'Italia, Rome - Times - Daily Telegraph - New York Times - New York Herald Tribune) **(Prev. rep. 16162 A.)**

C. SOVIET UNION. — M. Khrushchev's Proposals for Reform of Educational System. - Compulsory Industrial and Agricultural Work for Students.

A memorandum by M. Khrushchev proposing radical changes in the Soviet educational system was published on Sept. 21, after endorsement by the Central Committee of the Soviet Communist Party. In brief, it proposed that the present ten-year system of general education (starting at the age of seven) should be replaced by an eight-year system, followed by two years in a factory or collective farm before the student could proceed to a university or other institution of higher learning. University students would also be called upon to spend two or three years in "productive work" before graduation. M. Khrushchev urged that these proposals should be the subject of "broad discussions" by Government and party organizations and in the Press, after which the necessary legislative action should be taken by the Union Republics.

In presenting these proposals, M. Khrushchev admitted the existence of many shortcomings in the present educational system, notably the following: (*a*) as a result of "important influence by parents," many children were admitted to secondary schools despite the fact that they had done badly in the entrance examinations; (*b*) parents were holding out before the children the "bogy" that they would become "ordinary workers" unless they did well at school—an attitude which was "an insult to workers in a socialist society"; (*c*) many students completing the 10-year educational course (i.e. secondary-school leavers) went "unwillingly" to work in factories and collective farms, considering such work as "beneath their dignity"; (*d*) in the universities, children of workers and collective farmers constituted only a small proportion of the student body (in Moscow only 30 to 40 per cent), whereas children of professional and intellectual workers, etc., were in a preponderant majority. All this meant that the schools and universities were becoming "divorced from life," and it was therefore necessary that every student should do "socially useful labour" without any exception, irrespective of "the positions of their parents in society."

M. Khrushchev proposed that the 10-year educational system should be replaced by a new system divided into two stages—a first stage of general education, compulsory for all and lasting seven or eight years; followed by a second stage of two years' vocational training in town or countryside. Alternatively, students completing their seven or eight years' general education could work at the "point of production" (i.e. in factories or collective farms in their district) while simultaneously taking vocational training courses at evening or correspondence schools; pupils who successfully combined study and work should be given leave from their jobs to study for two or three days a week. A great expansion in the system of evening and correspondence schools would enable everyone to acquire a complete secondary education and subsequently a higher education; to avoid overtaxing the strength of pupils, study courses in such schools should last three or four years. As an exception, there should be appropriate secondary schools for children of outstanding ability (e.g. in mathematics, the arts, or music) to enable them to acquire an education necessary for the continuation of their studies at institutions of higher learning. A transitional period of three or four years would be necessary to carry out this reorganization, during which time many of the 10-year schools now functioning would have to be retained.

As regards admissions to institutions of higher learning (e.g. universities), M. Khrushchev suggested that students enrolled should have "a record of practical work" in addition to the necessary scholastic attainments. Moreover, admission to universities should be based not only on scholastic attainments but also on the recommendation of such organizations as the trade unions and the Young Communist League. Students admitted to institutions of higher learning should continue at their jobs in industry and agriculture during the first two years of tuition; in the third year they should be given leave from their jobs to study for two or three days a week, and only in the last two years would they be full-time students.

The *Manchester Guardian* correspondent on Soviet affairs (Mr. Victor Zorza) wrote as follows on M. Khrushchev's recommendation concerning political and trade union approval for admission to institutions of higher education: "In this way presumably M. Khrushchev hopes to prevent the admission into the universities of the children of the new 'middle class' whose social and political pretensions in the past few years have led to the emergence in the universities of 'opposition' trends . . . As in other societies, the children of professional people and intellectuals have gravitated to the universities, in this way tending to perpetuate the new social divisions which have emerged in Russia since the Revolution. This 'new class' has acquired enough power to question, if not to oppose, the policies of the Communist party, and M. Khrushchev wishes to do away with it by the method outlined." (Times - Manchester Guardian - Soviet Embassy Press Department, London) **(16014 A; 15899 A; 15119 A.)**

OCTOBER 4—11, 1958

A. ORGANIZATION OF AMERICAN STATES. — Foreign Ministers' Meeting in Washington. - Setting-up of Inter-American Economic Development Institution. - Increased Economic Co-operation between Member-countries. - Mr. Dulles's Visit to Brazil. - President Kubitschek's Proposals for "Operation Pan-America."

A meeting of the Foreign Ministers of the 20 Latin American Republics and the U.S.A. was held in Washington on Sept.23-24 to discuss "inter-American relations and problems, particularly those of an economic nature, and to review the international scene." A communiqué issued on Sept. 24 announced that it had been agreed (1) to set up an inter-American economic development institution; (2) to intensify efforts to establish regional markets in Latin America; (3) that the Council of the Organization of American States should set up a special commission to examine various proposals for economic co-operation and development; (4) that urgent efforts should be made to solve the problem of commodities basic to the economy of certain Latin American countries.

The essential parts of the communiqué issued by the 21 Foreign Ministers after their Washington meeting were as follows:

"The Ministers recognize that in the history of the world the solidarity of the American States has been of great importance. They reaffirm that solidarity, which is founded on the principles of the Charter of the Organization.

"The present period of evolutionary change in the political, economic, and social structure of society calls for a renewed dedication to the inter-American ideals of independence, political liberty, and economic and cultural progress, and for a reaffirmation of the faith of the American nations in their capacity to proceed dynamically toward the realization of those high ideals.

"The Ministers are confident that their exchange of views and informal conversations will have fruitful results. They agree to recommend that their Governments instruct their representatives on the Council of the Organization of American States to consider the desirability of holding more frequently similar informal meetings of Foreign Ministers and other high-ranking government representatives.

"The Ministers are of the opinion that, in keeping with the aspirations and needs of the peoples of America, . . . action to promote the greatest possible economic development of the Continent must be intensified. They are certain that a harmonious and carefully planned joint effort to that end will contribute enormously to strengthening the solidarity of the hemisphere and to the well-being of all Americans.

"The Foreign Ministers are deeply gratified at the affirmation, made by President Eisenhower, that the U.S. Government is prepared to lend its full co-operation in achieving concrete results in the common effort to promote the economic development of the American countries . . .

"They furthermore consider that this is the proper time to review and strengthen inter-American co-operation in the economic field, as has been suggested by President Kubitschek of Brazil and in the proposals of various American Governments

"The Ministers recommend that, during the coming period before the 11th inter-American conference, special attention be given to working out additional measures of economic co-operation, taking as the point of departure the proposals by the Government of Brazil in its memorandum of Aug. 9, 1958, concerning the plan known as 'Operation Pan-America' [i.e. the proposals referred to on page 16378], any other specific proposals that the other Governments of the Republics of the hemisphere may wish to submit in connexion with the . . . promotion of economic development, and the following proposal by the Argentine Foreign Minister: 'Preparation and immediate execution of a broad hemispheric programme to train experts for economic development in the fields of engineering, agronomy, industrial engineering, economics, public administration, and business administration.'"

"For this purpose, and to facilitate other informal talks, the Ministers are of the opinion that the Council of the O.A.S. should set up a special commission of the Council on which the Governments of the 21 American Republics would be represented. As the commission reaches conclusions regarding measures that might be taken, it should submit its reports to the Council of the Organization. Then the necessary action may be taken to have those proposals or measures carried out through the organs of the Organization, or directly by the Governments, as may be appropriate.

"The Ministers are also of the opinion that practical measures may be taken now in connexion with certain specific proposals. These are:

(1) The establishment of an Inter-American economic development institution in which all the American countries would participate. For this purpose the Inter-American Economic and Social Council should convene as soon as possible a specialized committee of Government representatives, as recommended by the Buenos Aires economic conference [see below]. It is recommended that this committee meet in continuous session until it completes draft articles of the agreement for the proposed institution, which will be signed at a later date.

(2) Intensification of efforts to establish regional markets in Latin America. It would be well for the Governments directly concerned and the international organizations directly interested, chiefly the Organization of American States, the Economic Commission for Latin America, and the Organization of Central American States, to expedite their studies and recommendations on concrete measures directed toward the establishment of regional markets in Central and South America. The Ministers suggest that a report on this important project be submitted to the members of the O.A.S. not later than the 11th inter-American conference. In this connexion the Ministers note that the U.S. Government has made known that it is prepared to assist financially in the establishment of solvent industries, through appropriate agencies, under suitable conditions, with a view to promoting enjoyment of the benefits of regional markets through public and private investment.

"The Ministers again express their constant concern about the problems of markets for basic products. They are in agreement that the economic structure of the majority of the American Republics requires that solutions to these problems be sought urgently, for which purpose consultations should be carried out between the interested members of the O.A.S., on bilateral and multilateral bases, as well as with the producer and consumer countries of other geographic areas . . ."

The meeting of the 21 Foreign Ministers followed the incidents during Vice-President Nixon's visit to Latin American countries earlier in the year, and the subsequent proposal by President Kubitschek of Brazil to President Eisenhower suggesting that steps be taken to repair inter-American relations [see 16377 A]. It had been preceded by Mr. Dulles's visit to Brazil on Aug. 4-5 during which the U.S. Secretary of State had long discussions with President Kubitschek, Senhor Negrão de Lima (the Brazilian Foreign Minister), and Senhor Lucas Lopes, the Minister of Finance.

A joint communiqué issued at the conclusion of the talks stated that the Brazilian statesmen and Mr. Dulles had exchanged views "about the international situation and those problems relating to the movement of hemispheric unity which President Kubitschek has called 'Operation Pan-America.'"

As a result of the "frank and cordial" talks (the communiqué went on) the two Governments had (i) reaffirmed their determination to carry out all obligations under the Charter of the Organization of American States; (ii) expressed "complete agreement to seek formulation of policies designed not only to strengthen the defence of the values of Western civilization but also to give a greater creative momentum towards the attainment of this goal"; (iii) agreed that "Latin America has an important role to play among the nations of the world," and that it was "highly desirable that Latin America take an even more active part in formulating those broad international policies which guide the free world"; (iv) reiterated their conviction "that the strengthening of the American community requires among other measures dynamic efforts to overcome the problems of under-development . . . inseparable from the collective security of the hemisphere"; (v) reaffirmed "that it has become necessary to fight with determination for religious and democratic principles, for the right of nations to freedom, and for respect for man's individuality and dignity . . . now challenged by the greed of atheistic Communism"; (vi) reaffirmed their determination to "continue along the line of broader contact and consultation already successfully started among the American Republics"; (vii) agreed that both Governments should suggest to the other American Republics that their Foreign Ministers should meet at regular intervals in the framework of the O.A.S., "not just to deal with problems of immediate urgency but to discuss on a regular basis any and all problems of mutual concern, bearing in mind their common responsibilities when peace and freedom are threatened"; (viii) agreed that the consultation between their two countries should be continued.

A press statement issued by the Brazilian Foreign Office mentioned that specific questions affecting Brazilian-U.S. relations which had been discussed by Mr. Dulles, Senhor Negrão de Lima, and Senhor Lucas Lopes had included (i) the coffee situation and the measures aiming at achieving stability in the international coffee market, especially the continued support by both countries of the Coffee Study Group; (ii) Brazilian efforts to increase her oil production; (iii) problems connected with products of specific importance to the economy of certain areas of Brazil; (iv) the Brazilian economic development programme and the foreign exchange requirements to finance it.

The U.S. decision to support the setting-up of an inter-American economic development institution, and its willingness to consider the working-out of commodity agreements aimed at stabilizing prices of basic raw materials, constituted a complete reversal of earlier U.S. policies. It was partly due to the previous U.S. attitude that an inter-American economic conference which was held at Buenos Aires from Aug. 15 to Sept. 4, 1957, under the auspices of the Organization of American States, failed to agree on a general economic charter for the Americas and on the establishment of a new bank to aid Latin American economic development. The only two

major decisions adopted by that conference were the formulation of an "Economic Declaration of Buenos Aires" and a resolution calling for studies and proposals for the creation of a Latin American common market. Under the Economic Declaration of Buenos Aires the participating Governments reiterated their intention to increase the volume of trade and reduce trade barriers, to make a co-operative effort to solve the problems of producers of basic raw materials subject to excessive price fluctuations, to take measures to attract foreign capital and stimulate private investments, to establish sound financial and monetary systems in Latin America, and to increase technical co-operation through the Organization of American States. Another resolution which was approved (against U.S. objections) had directed the Inter-American Economic and Social Council to carry out studies looking towards international commodity agreements.—(New York Times - Brazilian Government Bulletin - Bank of London and South America Fortnightly Review) **(Prev. rep. 16377 A.)**

A. INDIA. — Oil Discovery in Bombay State.

The Indian Minister for Mines and Oil, Mr. K. D. Malaviya, announced in the *Lok Sabha* on Sept. 12 that oil had been discovered near Lunej Pin Point, at the head of the Gulf of Cambay in Bombay State.

He said that the oil had first been struck on Sept. 4 at a depth of 5,368 feet and that it had proved to be under considerable pressure. The Minister added that while there was "reason for cautious optimism" it would be necessary to continue further fairly intensified drilling and testing before it was certain whether a commercially exploitable oilfield had been struck; nevertheless, the discovery of oil in this hitherto neglected region had enormously increased the possibilities of the area. Mr. Malaviya stated on Sept. 16, after an inspection of the new oil-well at Lunej Pin Point, that explorations for oil would be intensified in the Cambay basin and that the investigations would include both drilling and intensified geophysical work.

The operations at Cambay are carried on by the Oil and Natural Gas Commission.—(The Statesman, Calcutta - Indian High Commissioner's Office, London)

(Prev. rep. Oilfields, 16028 A.)

B. EUROPEAN COMMUNITIES. — Inauguration of Court of Justice.

The Court of Justice of the three European Communities—the European Coal and Steel Community, the European Economic Community (Common Market), and the European Atomic Energy Community (Euratom)—was officially inaugurated in Luxemburg on Oct. 7.

Professor A. M. Donner (Netherlands) had previously been appointed president of the Court, its other members being Signor N. Catalano (Italy), M. L. Delvaux (Belgium), M. Ch. L. Hammes (Luxemburg), Herr O. Riese (Western Germany), Signor R. Rossi (Italy), and M. J. Rueff (France). Except for Signori Catalano and Rossi, the judges had been members of the Court of Justice of the European Coal and Steel Community, which was replaced by the new Court.

M. L. Lagrange (France) and Herr M. Roemer (Western Germany), who had been Advocates-General at the E.C.S.C. Court, were appointed to the same post with the new Court. (High Authority of E.C.S.C., Luxemburg)

(Prev. rep. 15951 A.)

C. UNITED STATES - NEPAL. — Agreements on U.S.-Nepalese Economic Co-operation.

Agreements for U.S.-Nepalese co-operation in 10 major development projects were signed in Katmandu on May 31.

It was provided that the U.S.A. would contribute $1,880,400 and supplies worth about $346,000, while Nepal would contribute 4,000,000 Indian rupees ($800,000). The projects covered agricultural development, public works, the building of industrial development centres, erection of bridges, village developments, an anti-illiteracy campaign, training of teachers, public health services, and disease control, as well as prospecting for gold in Nepal's river valleys.

The new chief of the U.S. operations mission in Nepal (Mr. Russell Drake) stated on Sept. 28 that, under a recent revision of the general agreement covering U.S. aid to Nepal, the latter country had been given sole authority in the administration of projects, and Americans would be attached only as advisers with a status similar to that of the Indian aid mission; previously an American co-director had been attached to each aid project.—(New York Times - Times)

(Prev. rep. 15449 C; 14747 A.)

D. UNITED KINGDOM - UNITED STATES. — Ten-year Extension of Fulbright Agreement.

The Anglo-American Fulbright Agreement of Sept. 22, 1948, providing for the interchange of American and British students, teachers, and scholars, was extended for a further 10 years in a Note exchange between Mr Ormsby-Gore (Minister of State for Foreign Affairs) and Mr. John Hay Whitney (the U.S. Ambassador in London) on Sept. 22.

The agreement of 1948 was named after Senator J. W. Fulbright (Democratic Senator from Arkansas and a former Rhodes scholar), who persuaded Congress to agree that the proceeds of the sale of American surplus stores in Britain and other countries should be used to finance an interchange of students, teachers, and scholars. This principle was laid down in U.S. legislation, and agreements with over 30 Governments were subsequently concluded to implement it.

It was stated that during the first 10 years of the Anglo-American agreement, 3,400 British applicants had received awards covering their travel expenses to enable them, with the help of other grants or through scholarships, to spend a year at American universities. A total of 3,100 American students and teachers (including 150 students annually) were enabled to carry out post-graduate studies at British universities, the grants in their cases covering all expenses. Other activities covered by the agreement include awards to U.S. lecturers and scholars who wish to work for a year in British colonial territories, the grant of travel expenses for British scholars who wish to visit the U.S.A.; grants for exchanges in music, drama, sculpture, and librarianship; contacts between British and U.S. social workers; and the sponsoring, with the help of the Rockefeller Foundation, of American studies conferences in Britain, the first of which was held at Cambridge in 1952. The amount made available annually for this interchange is about £357,000.

The agreement is administered by the United States Educational Commission in the United Kingdom, which consists of seven U.S. citizens appointed by the American Ambassador (who is himself honorary chairman of the Commission) and seven U.K. citizens appointed by the Foreign Secretary. The Commission is not, however, concerned with the selection of American scholars for work in British universities. - (Times - Daily Telegraph - New York Times)

E. SOUTH AFRICA. — Report of Decimal Coinage Commission. - Introduction of Decimal Coinage recommended.

The report of the Decimal Coinage Commission was tabled in the South African House of Assembly on Sept. 10. The majority of the Commission, comprising both Nationalist and Opposition members, recommended the introduction of a decimal system, with a basic unit equivalent to 10s. and divided into 100 cents (each having a value of 1.2d). There should be silver coins of 50, 20, 10, 5, and 2½ cents, and bronze coins of ½ and ¼ cent.

Of the 75 opinions received by the Commission, 56 (including the five big banks) were in favour of making the main currency unit equivalent in value to 10s. Only eight advocated a main unit equal to the pound (also to be divided into 100 cents), although the sponsors of such a reform included the Revenue Department, the Railways, the Chambers of Commerce, and the Life Assurance offices. The gold mines favoured the pound system, but divided into 1,000 mils.

The Commission said that the factual information incorporated in the report was based on the assumption that the official date of the introduction of the new system would be in February 1961, and that the entire task of machine conversion would be completed by September 1962. It recommended, therefore, that the Government should announce its decision before the end of 1958, and legislate early in 1959. It also suggested that there should be a two-year conversion period during which the present currency system [which is identical with the British system] would remain in force.

It was estimated that the new currency system would cost the Government £9,171,000, including £8,666,000 in compensation to machine companies and owners of machines such as adding machines, electric petrol pumps, cash registers, and price-computing scales.

Among the names suggested for the new currency unit are kruger, gulde, rand, daalder, and kasteel.—(State Information Department, Pretoria - Cape Times) **(Prev. rep. 14804 E.)**

F. CHRISTMAS ISLAND (Indian Ocean). — Transfer to Australian Sovereignty.

Christmas Island, in the Indian Ocean, became Australian territory on Oct. 1 under an Order-in-Council of Sept. 15 providing for the transfer of the administration of the island from the United Kingdom to the Commonwealth of Australia. Australian legislation authorizing Australian acceptance of the island had been passed by both Houses of the Australian Parliament towards the end of August. The earlier Australian legislation referred to in 16189 A had merely requested the transfer and provided for parliamentary consent to the steps constitutionally needed to bring it about.—(Daily Telegraph - Manchester Guardian - Australian News and Information Bureau) **(Prev. rep. 16189 A.)**

A. NORTHERN RHODESIA. — New Constitutional Proposals. - Disagreement in Legislative Council.

Proposals for constitutional changes, dealing with franchise qualifications, representation in the Legislative Council, and the composition of the Executive Council, were published by the Northern Rhodesian Government as a White Paper on March 28. The recommendations, which represented the outcome of discussions between the Governor (Sir Arthur Benson) and all shades of European and African political opinion lasting over a year, are summarized below.

New Franchise. The Government's proposals were based on the consideration that "if the franchise were limited to Europeans and to those few Africans who have, at the moment, achieved European standards [i.e. in education and financial standing] the African race would be seriously under-represented." The opposing theories of dividing Northern Rhodesia into European and African territorial spheres of influence or of universal adult suffrage had both been rejected in favour of a scheme based on principles which had "found wide acceptance among informed local opinion of all parties," viz. (i) that politics should be encouraged to develop on party, not racial, lines; (ii) that racial representation should gradually give place to a "common voters' roll" As a first step, it was therefore proposed that there should be two voters' rolls—"general" and "special"; qualifications for inclusion in these rolls would be based on the requirements incorporated in the Federal Electoral Act of 1957 [see 15987 A and p 15783, col. 2], but the required standards of education and income would be set at a lower level for "specially qualified" voters than for those "ordinarily qualified." The next stage would be to raise the initially low qualification standards for "specially qualified" voters progressively over a period of ten years, in accordance with the anticipated African advance educationally and economically, until eventually they achieved parity with the "general" qualifications, thereby permitting the substitution of a single category of "ordinary" voters

Legislative Council. It was proposed that the Legislative Council should consist of a Speaker and 30 members two nominated by the Governor, six Colonial Office officials, and 22 elected (see below).

[The present Council (elected and nominated in 1954) consists of 8 official and 18 unofficial members. Of the latter, six represent African interests (two nominated Europeans and four Africans appointed by the African Representative Council), the other 12 are elected members, but the great majority of Africans had been excluded from voting by the existing franchise qualifications. In 1957 only 11 Africans were included in the electoral roll.]

Of the 22 members to be elected, 18 would represent 12 "ordinary" constituencies (covering the principal European residential districts) and six "special" constituencies (including the predominantly African areas) The "ordinary" constituencies would mainly comprise the Crown lands near the Rhodesian Railway, together with some Native Reserve and Native Trust land, and would contain approximately 18,000 "ordinary" and 17,000 "special" voters. The "special" constituencies would be chiefly rural districts away from the Rhodesian Railway, but including some small areas of Crown land, which were expected to provide 7,300 "special" and 1,100 "ordinary" voters.

In order to safeguard the principle that "no race need fear the domination of another," it was proposed (*a*) that all votes cast would be effective, provided that in "ordinary" constituencies the total of "special" votes did not exceed one-third of the "ordinary" votes; and similarly, that in "special" constituencies the "ordinary" votes were not more than one-third of the "special" votes; (*b*) that two additional seats should be reserved for Africans in the area of the 12 "ordinary" (predominantly European) constituencies, and two further seats for Europeans in the area of the six "special" (predominantly African) constituencies.

The two nominated members of the Council would be named by the Governor only after he had consulted with the leader of the party returned with the greatest number of seats; unlike the present nominated members, they would no longer represent specifically African interests.

Every voter would be entitled to two votes– one to count in full, and the other to be "devalued" in accordance with the proportions of "ordinary" and "special" voters in the constituency.

Executive Council. This would consist of nine Ministers (four *ex-officio* and five unofficial) with the Governor acting as President reversing the existing proportion of five official and four unofficial members. Four of the new Unofficial Ministers [i.e. without portfolio] would be required to be successful "ordinary" election candidates; two of them would each have the support of an Assistant Minister (the equivalent of a Parliamentary Secretary) working under him. At least one Unofficial Minister and one Assistant Minister would be Africans.

The White Paper justified the admitted "complexity" of the proposals by the requirements of Northern Rhodesia's "complex society," and claimed that the following advantages for the African would ensue: (i) the plan would be "a definite step away from racialism"; (ii) the balance between the Executive and Legislative Councils would be retained; (iii) Africans would be able to ensure representation on the Legislative Council by members of their own race, "so long as it matters to them"; (iv) "a clear path" would be set "for the development of full parliamentary government and self-government in partnership and co-operation."

Disagreement on Proposals in Legislative Council. - Mr. Lennox-Boyd on Implementation of Proposals.

During May and June the proposals were discussed at meetings of the seven African Provincial Councils, four of which passed motions rejecting them while another three, in the words of the U.K. Colonial Secretary (Mr. Lennox-Boyd), "welcomed certain aspects . . . while adversely criticizing others"

On July 11 the White Paper scheme was presented to the Legislative Council for discussion; the Speaker's ruling that this was "a complicated motion" necessitated each clause being voted upon separately and thus becoming subject to amendment. In the course of an eight-day debate, during which the scheme was attacked by the European and African members from entirely opposite viewpoints, 52 amendments were moved, 15 being adopted and 37 negatived. Two important substantive clauses were negatived against the votes of the official members: (*a*) the provision in the franchise proposals for a "second vote" and conditions for its valuation (see above), and (*b*) the composition of the Executive Council. As all groups in the Council agreed that failure to accept these two major points destroyed the balance and coherence of the plan as a whole, it was unanimously decided to delete the words "to recommend the foregoing proposals . . . as a balanced plan" from the final clause.

In view of these developments, the Governor and eight Legislative Council members left Lusaka for London on July 22 to submit the three fundamentally different standpoints to the Colonial Secretary. The all-party delegation consisted of the Chief Secretary to the Government (Mr. E. D. Hone), the Member for Lands and Local Government (Mr. J. H. Roberts, United Federal Party, leader of the unofficial members), the Member for Mines and Works (Mr. W. G. Dunlop, U.F.P.), the Member for Education and Social Services (Mr. H. Franklin), Mr. S. R. Malcolmson (U.F.P.), Mr. J. Gaunt (Ind.), and two African members, Mr. P. Sokota and Mr. S. H. Chileshe. The talks at the Colonial Office lasted until July 30, but no agreement was reached.

Despite these disagreements, Mr. Lennox-Boyd announced on Aug. 1, in the course of a debate in the British House of Commons, that he intended to proceed with the plans for constitutional reform in Northern Rhodesia, and that these would be introduced in two stages by two successive Orders-in-Council, viz :

(1) An Order, which would be made during the parliamentary recess, to enable the Northern Rhodesian Government to go ahead with the delimitation of constituencies and registration of voters;

(2) An Order, which would not be made until after the House had re-assembled in October, incorporating the remaining provisions of the scheme, including those for the holding of elections.

Mr. Lennox-Boyd explained that the first Order-in-Council would be tied to the second, but that the interval between them would enable M.P.s to consider the scheme as a whole, and to decide whether or not to press for a debate upon it. If Parliament approved the plan, "precious time in the summer" would be saved; if it did not, the only harm done would be "that a great deal of work by busy people in Northern Rhodesia will have been wasted." Since the life of the present Legislative Council was due to end on Jan. 19, 1959, and the law required that elections must be held within three months of that date, it was intended to introduce a new Constitution and wider franchise in time to operate at these elections.

The Colonial Secretary's statement was repeated in a dispatch to the Governor of Northern Rhodesia published in Lusaka on Sept. 11. This also contained several amendments to the original proposals of the Northern Rhodesian Government, notably (i) that the number of Unofficial Ministers in the Executive Council should be 6 and not 5, and that two of these should be Africans; (ii) that in the case of "ordinary" voters, whether European or African, their "second vote" should not be devalued (see above) in constituencies where they represented a minority.

Federal Government's Criticism of Proposals. - Rejection of Proposals by Africans and Dominion Party.

Strong criticism of the proposals sanctioned by the Colonial Secretary was expressed by Sir Roy Welensky, the Prime Minister of the Federation of Rhodesia and Nyasaland, in a statement on Sept. 18.

Speaking at a Press conference, Sir Roy Welensky said that "in only one respect has . . . Mr. Lennox-Boyd met the Federal Government's point of view," i.e. in the matter of devaluation of "second" votes. He particularly criticized the rejection of the Federal Government's claim that the Executive Council should have as its President not the Governor, but an elected Chief Minister, and that it should

"consist predominantly of Ministers of his own choosing." He also took exception to the proposed compulsory appointment of two African Ministers to the Executive Council, which he described as an "open application of the colour bar in reverse" and a "flat betrayal" of the Federal constitutional principle that in making any appointment "regard shall be had only to competence, experience, and suitability." Sir Roy described the proposals as a whole as "fundamentally unacceptable" because they represented "no advance towards responsible government," and said that so far from moving away from racial political bias, they were likely to perpetuate it. He suggested that Africans themselves would be disturbed by the fact that the two members of their race who would be appointed to the Executive Council would be Legislative Council members nominated by the Governor and without responsibility to any organized body of opinion, European or African.

After the arrival of the U.K. Home Secretary (Mr. Butler) on a private visit to the Rhodesian Federation, Sir Roy announced on Sept. 26 that he had "made representations at the highest level about the proposals for constitutional change in Northern Rhodesia," and had urged that these should be discussed at a conference between the Governments of the U.K., the Federation, and Northern Rhodesia. He said that it would be "improper" to reveal the nature of these representations, but disclosed that he had particularly protested against the lack of proper consultation with the Federal Government, which instead of being consulted during the discussions in which the proposals had been formulated, had "merely been invited to comment on the set proposals which were ready for publication."

Mr. Butler, before leaving Salisbury for London, said on Oct. 2 that Sir Roy had put the Federal Government's views "in a most reasonable and temperate manner, but with great strength." However, because of the present commitments of the Colonial Secretary and the Secretary for Commonwealth Relations, he (Mr. Butler) could make no pronouncement as to the likelihood of holding a conference, such as Sir Roy had proposed, until he had consulted his Cabinet colleagues.

Previously, Mr. J. Roberts (leader of the U.F.P. in Northern Rhodesia) had sent a cable to the Colonial Secretary on Sept. 16 urging him either to visit Northern Rhodesia for further discussions, or to give an assurance that he was prepared to reconsider the proposals. Mr. Lennox-Boyd had replied that though he was unable to make such a visit at the present time, he was willing to receive "further representations." Mr. Roberts had thereupon cabled a number of suggested amendments on behalf of the 10 U.F.P. members of the Legislative Council, adding, however, that pending Mr. Lennox-Boyd's further reply there would be no question of precipitating a "constitutional crisis" through the resignation of the three U.F.P. members of the Executive Council, as had been contemplated.

Mr. W. J. Field, Federal President of the Dominion Party (the official Opposition) also issued a statement during September saying that his party regarded the proposals as unacceptable.

"It is obvious," Mr Field said, "that the motive behind the changes is an attempt to obtain 'near parity' between Europeans and Africans," whereas Dominion Party principles insisted that "the basic qualification for the franchise should be a civilization test." He added that the qualifications proposed for "special" voters were so low that they "must result in almost half the voters' roll consisting of illiterates or semi-literates."

The African members of the Northern Rhodesian Legislative Council declared on Sept. 25 that they regarded the constitutional plans as "a betrayal of Africans to white settlers," and complained that their demands for "parity" in the Legislative and Executive Councils had been ignored. They added: "Europeans, who are a minority of the community, have no justification to continue dominating African interests ... Africans can administer just as well, if not better, than some of the European deadwood in the present Legislative Council." (Times - Daily Telegraph - Manchester Guardian - Federal Information Dept., Salisbury - Commonwealth Survey)

(Prev. rep. 15324 A; 13494 A; Franchise, 15781 A.)

A. NETHERLANDS - WESTERN GERMANY. — Dutch Adherence to London Debts Agreement.

It was announced in Frankfurt and The Hague on Sept. 4 that the London agreement on German external debts had become effective for the Netherlands as from Aug. 1, following ratification by the Dutch States-General.—(Frankfurter Allgemeine Zeitung - Netherlands News Agency)

(Prev. rep. 12920 A.)

B. LONDON. — New Lord Mayor.

Sir Harold Gillett, Alderman of Bassishaw, was elected Lord Mayor of London at Guildhall on Sept. 29 for the civic year 1958-59, in succession to Sir Dennis Truscott. The new Lord Mayor is senior partner in the chartered accountants' firm of Dixon Wilson, Tubbs and Gillett.—(Times) **(15794 C.)**

C. AVIATION. — Inauguration of British "Comet IV" Service on London-New York Route. - New Trans-atlantic Record for West-to-East Flight.

The world's first transatlantic jet service was inaugurated on Oct 4 by the British Overseas Airways Corporation, using de Havilland *Comet IV* jet airliners. Two *Comets* crossed the Atlantic simultaneously in opposite directions on the London-New York route, a new transatlantic record being set up by the machine (*Delta Bravo*) flying on the west-to-east route.

Delta Bravo, commanded by Captain T. B. Stoney, flew from Idlewild (New York) to London Airport in the record time of six hours 12 minutes, averaging 580 m.p.h. for the 3,560-mile flight; taking off from Idlewild at 12.01 noon (G.M.T.), she touched down at London Airport at 6.13 p.m. The machine on the east-west flight (*Delta Charlie*, commanded by Captain Roy Millichap) flew from London to Idlewild in 10 hours 12 minutes, including a 70-minute stop at Gander (Newfoundland) for refuelling; the actual flying time was nine hours two minutes -viz., five hours 58 minutes from London to Gander (at an average speed of 420 m.p.h.) and three hours four minutes from Gander to Idlewild (average speed 370 m.p.h.), against headwinds of 52 to 80 m.p.h. Both flights were commercial, with fare-paying passengers on board. *Delta Bravo* carried 28 passengers (including Mr. Basil Smallpeice, managing director of B.O.A.C., and 23 British and American journalists) and a crew of 16, while *Delta Charlie* carried 31 passengers (including Sir Gerald d'Erlanger, chairman of B.O.A.C.) and a crew of 15.

B.O.A.C.'s *Comet IV* jet service to New York will be on a weekly basis in each direction until the second half of November, when daily services come into operation. Of the 19 *Comet IV's* ordered by B.O.A.C., four have already been delivered, and the next B.O.A.C. *Comet* route (London to Tokio *via* Hong Kong) will open in the spring of 1959. *Comets* will be introduced on the service to Australia later in 1959, and to South Africa probably in 1960.

By inaugurating the *Comet IV* transatlantic service on Oct. 4, B.O.A.C. beat their American rivals Pan-American Airways—as the first airline in the world to operate a regular transatlantic service with jet airliners. Pan-American Airways plan to start a service from New York to Paris and Rome using *Boeing-707* jet airliners--on Oct. 26, and a daily service from New York to London by mid-November.

In a message to Sir Geoffrey de Havilland hailing the *Comet IV's* achievement, Mr. Macmillan said that "the whole nation takes pride in the fact that a British aircraft has led the world." High tribute to the British achievement was also paid in the United States, the *New York Times* commenting that B.O.A.C. had "brought the commercial jet air age into reality."—(Times - Daily Telegraph - New York Times)

(Prev. rep. Comet IV, 16408 A.)

D. TUNISIA. — Agreement for Construction of Pipeline from Algerian Oilfields to Tunisian Coast.

The Tunisian *Journal Officiel* of July 9 published a Bill approving the conventions signed on June 30, 1958, by the Tunisian Government and the *Compagnie de Transports par Pipe-line* (Trapsa) for the construction of a pipeline carrying oil from the Edjelé oilfield in Algeria through Tunisian territory to the Gulf of Gabès, and laying down the conditions for its use. The Trapsa Company is a subsidiary of the French *Compagnie de Recherche et d'Exploitation de Pétrole au Sahara*, which is prospecting and exploiting the Edjelé oilwells in the Western Sahara. It was planned that the pipeline should be completed by the end of 1960 with an annual capacity of 5,000,000 tons of oil, to be increased later to 13,000,000 tons. (Le Monde, Paris) **(Prev. rep. 16153 A; 15697 A.)**

E. UNITED STATES. — Record Submerged Cruise by U.S.S. "Seawolf." - Sixty Days under the Sea.

The U.S. nuclear submarine *Seawolf* (3,400 tons), commanded by Commander Richard B. Laning, surfaced on Oct. 6 off New London, Connecticut, after remaining submerged for 60 days—nearly twice as long as the previous record of 31 days 5½ hours set up in May last by the nuclear submarine *Skate*. The *Seawolf* began her underwater cruise on Aug 7 at an undisclosed point in mid-Atlantic, having on board a crew of 116 officers and men. Commander Laning stated that the cruise was uneventful and that the submarine could have remained submerged for a much longer period. (New York Times) **(Prev. rep. 16385 B; 16329 A.)**

A. SINGAPORE. — Further London Discussions on New Constitution. - State of Singapore Bill enacted. - Creation of State of Singapore.

The State of Singapore Bill, creating the State of Singapore and enabling the Queen to make an Order-in-Council embodying its Constitution, was given an unopposed second reading in the U.K. House of Commons on July 11. After passing through the House of Lords, it received the Royal Assent on Aug. 1.

The Colonial Secretary (Mr Lennox-Boyd), in moving the second reading, said: "The purpose [of the Bill] is to provide for the Constitution of the State of Singapore. Many people fear that the extent and vigour of the Communist threat in Singapore is such that our interests would be imperilled if we concede further constitutional advance . . . The Government have most seriously weighed the risk, but have come to the conclusion that this is the best step they can take." He added that since the elected Government of Singapore under its Chief Minister, Mr. Lim Yew Hock, had "boldly and vigorously tackled the threat," the British Government saw no ground for "denying them further responsibility."

Mr. Creech Jones (Lab.), a former Colonial Secretary, welcomed the Bill on behalf of the Opposition, "not only because it is liberal in character but also because it has won the goodwill and consent of the people of Singapore," adding that "the Constitution went as far as was practicable."

The Act represented the final outcome of the Singapore Constitutional Conference held in London during March and April, 1957 (see 15557 A), when the substance of the new constitutional provisions had been agreed. Subsequently, an all-party delegation led by Mr. Lim Yew Hock (the Chief Minister of Singapore) had arrived in London on May 12, 1958 to discuss with the Colonial Secretary the terms of the Order-in-Council which would give effect to the new Constitution, and to check the draft against the findings of the 1957 Conference. Other members of the delegation were: Mr. Chew Swee-kee (Minister of Education and member of the Labour Front); Mr. Lee Kuan Yew (People's Action Party); Mr. Lim Choon Mong (Liberal-Socialist Party); and Inche Abdul Hamid bin Haji Jumat (United Malay National Organization). The following main points, arising out of the draft Constitution, were settled at these talks, which ended on May 27:

Protection of Malay and other Minority Rights and Privileges. The Minorities Clause in the first draft of the Constitution (see p. 15557, first column) should be re-drafted to emphasize the duties and responsibilities imposed on the Singapore Government to foster and further the interests of all minorities, "in particular those of the indigenous population, the Malays."

Qualifications of Candidates for the Legislative Assembly. The Singapore Legislative Assembly should itself decide on the age and residential qualifications of its candidates.

Civil Servants. The basic salaries and pensionable allowances of members of the Public Service Commission and of public officers should not be altered to their detriment.

First Public Service Commission. The first Public Service Commission under the new Constitution should be appointed by the Head of State on the advice of the Prime Minister the present members continuing to act until the new appointments were made.

State Advocate-General. This appointment should be made by the Head of State acting upon the advice of the Prime Minister, who would determine its duration at the time of appointment. The post might be combined with that of Permanent Secretary to the Ministry of Justice. The present Solicitor-General would act as Advocate-General in the meantime.

Temporary Restriction on Subversive Elements. Persons detained in Singapore for subversive activities should be barred from participating in the first Assembly. [This condition, which had been the subject of disagreement at the 1957 Conference, was opposed by the delegation. Mr. Lennox-Boyd, however, had insisted upon it, although he agreed that it should not be incorporated in the Constitution but in a separate instrument—which, he said, would in any case be necessary to provide for elections to the first Assembly.]

Defence. The U.K. would retain the lands occupied for defence purposes and would have the right to acquire further land, this right being exercised "in accordance with agreed constitutional process." [It was stated that this agreement would not be embodied in the Constitution, but would be recorded by an exchange of letters between the Colonial Secretary and the Chief Minister.] It was also agreed that the arrangements laid down in the defence and mutual assistance agreement between Britain and the Malayan Federation should be the model for resolving all questions relating to the security and policing of British military bases and installations in Singapore.

Status of U.K. High Commissioner. The Commissioner would be accorded "an official precedence appropriate to his status and functions," and "his precedence should be senior to, and different from, that of the representatives in Singapore of other Commonwealth and foreign countries." It was agreed, however, that this point would not be included in the new Constitution and that there should be an exchange of letters to that effect.

It was also agreed that the Commissioner should not only be provided with the agenda of meetings of the Singapore Cabinet, but also with a list of all matters discussed by the Cabinet but not on the agenda; moreover, he should be informed of the Cabinet's discussions and conclusions relating to matters which, in the Prime Minister's opinion, either affected the responsibility of the U.K. for defence or external affairs, or were matters which the U.K. Government might wish to raise before the Internal Security Council

Mr. Lim Yew Hock, who returned on June 15, said that all the political parties which had been represented in London saw the future of Singapore in three stages—viz. (i) internal self-government; (ii) merger with the Malayan Federation; (iii) complete independence. He added that it had been agreed in London that the new Constitution would be reviewed in four years' time "in the light of experience gained." In a press statement on Sept. 22 he declared that political leaders in Singapore were not yet satisfied with the proposed wording of the Order-in-Council dealing with self-government, though its general content was satisfactory; a third draft of the agreement had therefore been sent back to the Colonial Office for amendment to remove any ambiguity.

Municipal Elections.

The People's Action Party, by winning 13 out of the 14 seats contested in the municipal elections of December, 1957, became the dominant force in Singapore's first all-elected multi-lingual City Council. The election results were as follows: People's Action Party 13; Liberal-Socialist Party 7; Labour Front (Government party) 4; Workers' Party 4; United Malay National Organization 2; Independents 2.

At the first meeting of the new Council on Dec. 24, 1957, Mr. Ong Eng Guan (P.A.P.) was elected Mayor without opposition. On his proposal the Council decided subsequently that the mace should be removed from the House as "an emblem of colonialism."

The P.A.P. secured a further seat on the City Council on July 26, 1958 by winning a by-election in the Kallang ward—a predominantly Chinese constituency. The P.A.P. candidate (a Malayan who had been detained in 1956 under the security law against subversion) polled 4,279 votes against 3,566 for the Labour Front candidate (a Chinese).

Anti-Subversion Legislation.

On Aug. 11 the Legislative Assembly passed a Bill authorizing the following special detention powers:

(1) The detention of any person "in the interests of public safety, peace, and good order" for a period not exceeding six months at the order of the Chief Secretary.

(2) The extension of the above detention period from six months to a maximum of two years at the discretion of the Governor.

(3) The arrest by any police officer of "any person whom he believes should be detained under the ordinance" without a warrant, until inquiries had been made.

The Chief Secretary (Mr. E. B. David), introducing the Bill, said that there had been 150 gang fights during 1957 and 157 during the first half of 1958, as against only 25 clashes in 1956 and 24 in 1955. Since July 1, 1958, there had been 51 fights and 6 murders.

The Bill followed outbreaks of gang warfare which had culminated in the arrest of 79 suspects during Aug. 11 and 12. All those arrested were under the age of 21, the majority belonging to two of the known gangs (which, together with secret societies in Singapore, had been estimated to total 368). The Government was particularly concerned at the nature of the weapon most commonly used in this type of gang warfare—i.e. bulbs or bottles charged with acid.

A Bill renewing for a further year the Preservation of Public Security Ordinance was passed by the Legislative Assembly on Oct. 9 by 21 votes to 7.

In moving the Bill, **Mr. Lim Yew Hock** told the Assembly that an extension of the emergency laws was necessary because the new Constitution to come into force in 1959 was "a prize which the Communists must not be allowed to capture." **Mr. Lee Kuan Yew** said that the People's Action Party would vote against the Bill, as the party had no mandate to change the stand it had adopted when the measure was first introduced in 1955. However, because of the deep concern of the Federation of Malaya in this issue, he wanted to state that if the People's Action Party came to power it would retain the Ordinance so long as emergency laws were necessary in the Federation of Malaya, and "we shall take no steps which would undermine the interests of the Federation."

Dr. Chuang Chu Lin, former principal of the Chung Cheng secondary school, who, together with 48 pupils from his and other local schools, had been detained under the Banishment Ordinance since Sept. 26, 1957 for participation in subversive activities (see 15890 A), was released on Aug. 6, 1958.

Appointment of Chief Justice.

Mr. Justice Tan Ah Tah was sworn in on Aug. 18 as the first Asian acting Chief Justice of Singapore, pending the retirement of Sir John Whyatt.—(Times - Daily Telegraph - Manchester Guardian - Commonwealth Survey)

(Prev. rep. 15890 A; 16041 A; 16275 B.)

A. UNITED KINGDOM. — Racial Disturbances in Nottingham and West London. - Condemnation by Government and Opposition. - West Indian Ministers' Visit to Britain.

A series of clashes between coloured immigrants and local residents, mostly young hooligans of the "teddy boy" type, occurred between Aug. 30 and Sept. 7 in Notting Hill and adjacent areas of West London. Similar though less serious disturbances had taken place in Nottingham on Aug. 23 and 30. Details of the disorders in London and Nottingham are given below.

Nottingham.

Fighting between white and coloured people broke out on Aug. 23 in the St. Ann's Well Road district of Nottingham, and continued for several hours before order was restored by the police using Alsatian dogs and firemen using hoses. A large number of men and women were injured by bottles, knives, and razors, and eight white people, including a policeman, had to be taken to hospital. The Assistant Chief Constable afterwards attributed the outbreak of the fighting to a small number of coloured men, mostly West Indians, who began attacking whites as a reprisal for a series of incidents during the previous fortnight in which "teddy boys" had assaulted coloured men.

On Aug. 30 about 500 "teddy boys," including a gang from Leicester, gathered in the same district, planning a reprisal attack; the police had been warned of their plans, however, and had been concentrated in the area in force. After three coloured men had been rescued from the crowd by the police, the coloured population all left the streets. Fighting nevertheless broke out between the police and the crowd after a photographer had let off a magnesium flare and hundreds of people rushed back thinking it was a fire. The Chief Constable of Nottingham said at a subsequent press conference that this had not been a racial riot, and described the crowd as "irresponsible teddy boys and persons who had had a lot to drink."

Five men were sentenced to three months' imprisonment in Nottingham magistrates' court on Sept. 1 for threatening behaviour likely to cause a breach of the peace, and 15 men and youths to fines ranging from £10 to £30; three were acquitted. Before passing sentence the presiding magistrate gave warning that when dealing with similar lawlessness the court would "act with the utmost severity."

West London.

The first serious incident in West London occurred in the early hours of Aug. 24, when nine youths aged between 17 and 20 toured the Shepherds Bush and Notting Hill districts in a car on a "nigger hunting" expedition during which they attacked five coloured men with iron bars, table legs, and other weapons, gravely injuring three of them. At their subsequent trial at the London Central Criminal Court, the youths, who all pleaded guilty, were each sentenced on Sept. 15 to four years' imprisonment.

Passing sentence, Mr Justice Salmon said: "It was you men who started the whole of this violence in Notting Hill. You are a minute and insignificant section of the population who have brought shame upon the district in which you lived, and have filled the whole nation with horror, indignation, and disgust. Everyone, irrespective of the colour of their skin, is entitled to walk through our streets in peace, with their heads erect, and free from fear. That is a right which these courts will always unfailingly uphold. As far as the law is concerned you are entitled to think what you like, however foul your thoughts, to feel what you like, however brutal and debased your emotions; to say what you like, providing you do not infringe the rights of others or imperil the Queen's peace. But once you translate your dark thoughts and brutal feelings into savage acts such as these, the law will be swift to punish you, the guilty, and to protect your victims.

"I bear in mind what has been said on your behalf. you are young and have no previous convictions. Your victims, though grievously injured, after two or three weeks in hospital have sufficiently recovered to be allowed to return home, and it is unlikely that they will suffer any permanent physical ill effects from your savage attacks. But for those facts I would have imposed much longer sentences. As it is I am determined that you and anyone anywhere who may be tempted to follow your example shall clearly understand that crimes such as this will not be tolerated in this country, but will inevitably meet in these courts with the stern punishment which they so justly deserve."

During the night of Aug. 30-31 fighting began in the Notting Hill district among a crowd of about 200 white and coloured people; a petrol bomb was thrown into a house occupied by coloured people, and other houses were stoned. Running fights between more than 400 white and coloured people went on continuously for four hours on the following evening (Aug. 31), police who intervened being attacked and a number injured. On Sept. 1 a West African student was chased through the streets by a gang of youths shouting "lynch him," until he took refuge in a shop, and later the same day a mob of about 2,000 youths and children went through the streets breaking the windows of houses occupied by coloured people; in one street the residents retaliated by throwing milk bottles from their roofs. A crowd of youths shouting "down with niggers" and headed by a banner with the slogan "deport all niggers" paraded through the streets on Sept. 2, but were quickly dispersed by large police forces brought to the area.

Although the situation subsequently calmed down in Notting Hill, the disorders spread eastward into Bayswater and Paddington and westward into Shepherds Bush on Sept. 1, and continued until Sept. 7. After a crowd of youths had attacked a club for West Indians in Bayswater on Sept. 2 a fight began in which petrol bombs and bottles were thrown, and in Paddington a house occupied by a coloured family was set on fire by a gang of youths on Sept. 4.

About 150 people were arrested for taking part in the disorders. Five white men, aged between 17 and 23, were sentenced to terms of imprisonment ranging from 18 months to two years at the Central Criminal Court on Sept. 19, on a charge of fighting and making an affray in Notting Hill on Aug. 31, eight other men (three of them coloured) being acquitted. [An "affray" is the legal term for a fight of two or more people armed with weapons in a public place, which might frighten or terrorize reasonable people.] Five white and seven coloured men had previously been sentenced by London magistrates' courts to terms of imprisonment ranging from 14 days to three months for possessing offensive weapons, using threatening words and behaviour, or insulting behaviour, and a large number of other persons were fined.

The Background of the Disturbances.

Nottingham has a coloured population of about 3,000 (some 2,000 of whom live in the St. Ann's Well Road district), as against 330,000 whites. It was stated in the Press that racial relations in the past had been good; that there was no colour bar in public houses, dance halls, and other public places; and that the coloured community, with a few exceptions, were described by the police as "very well behaved." Between 5,000 and 7,000 coloured people, mostly West Indians, live in the Notting Hill district in London.

Three main causes of tension were suggested in the Press - the housing shortage in both areas; associations between white girls and coloured men; and (in Nottingham though not in London) competition for employment. Many coloured immigrants had managed to save enough money to buy small houses on mortgage, a fact which was resented by homeless whites, and in some cases had attempted to evict white tenants. Friendships between white girls and coloured men were also resented, especially by the younger white men; prejudice existed against mixed marriages; and a few coloured men in both London and Nottingham were known to be living on the immoral earnings of white girls. In Nottingham a local recession had led to short-time working in certain industries, and had aroused fears of coloured competition for jobs among unskilled workers, although in fact the proportion of coloured people among the unemployed (430 out of a total of 2,000) was extremely high

The *Manchester Guardian's* London correspondent pointed out that in the Notting Hill area "violence and hooliganism have been a regular feature of life for years. Gangs of youths have, for months past, roamed the streets on the week-end evenings, breaking windows and causing trouble . . . Thus the police are insisting that the disturbances are an extension of hooliganism rather than racial riots. They say that the new feature is that the youths are turning their attention to the coloured population, and committing against them the same acts of violence that they have been of late inflicting on café proprietors, other gangs, and each other."

Officials of the British Caribbean Welfare Service suggested that in West London the rioters had been deliberately incited to violence. The officials alleged that attacks on coloured people had begun after the Union Movement (formerly the British Union of Fascists), led by Sir Oswald Mosley, had distributed leaflets in the Notting Hill area which bore a picture of Negroes carrying spears entering Britain while white men left Britain for the Dominions, and read: "Take action now. Protect your jobs. Stop coloured immigration. Houses for white people—not coloured immigrants. A square deal for the Negro in his own country. People of Kensington act now. Your country is worth fighting for. Fight with the Union Movement." During the riots the Union Movement continued to distribute its leaflets in Notting Hill, and held frequent open air meetings there.

Another extremist organization reported to have distributed leaflets and held open air meetings in Notting Hill during the riots was the National Labour Party, a small body which had recently broken away from the League of Empire Loyalists. Its leaflets demanded a ban on coloured immigration, and declared that Britain was "steadily being taken over by the triumphant alien."

Statements by Government and Opposition Leaders.

After talks between Mr.Macmillan and the Home Secretary (Mr. Butler), the following statement was issued from 10, Downing Street on Sept. 3 :

" The Home Secretary has reported to the Prime Minister on the incidents involved in racial disturbances in Nottingham and Notting Hill. These incidents have an immediate and a long-term importance.

" The immediate aspect involves the maintenance of law and order. The Government and the authorities concerned wish to make it clear that the utmost strictness will be observed in the impartial enforcement of the law and in preventing the illegal carrying of offensive weapons Meanwhile, it is important that the significance of these incidents should not be exaggerated at home or overseas. The general public can best contribute by the exercise of the utmost discretion in avoiding situations in which they may become unwittingly involved [The Metropolitan Police had appealed to the public on Sept. 2 to assist in preserving order, and had pointed out that the situation was " seriously worsened by the presence of sightseers who often unwillingly themselves become involved."]

" As regards the wider aspects of policy, H.M. Government have for some little time been examining the result of this country's time-honoured practice to allow free entry of immigrants from Commonwealth and colonial countries. While this study of major policy and its implications and effects on employment will continue, H.M. Government do not think it right to take long-term decisions, except after careful consideration of the problem as a whole."

Mr. Butler stated on Sept. 5 that there were about 200,000 coloured people in the United Kingdom, of whom about 110,000 were from the West Indies and 54,000 from India and Pakistan. The number of immigrants had recently increased, and their arrival had coincided with a slackening in the demand for unskilled labour. The number of coloured workers officially unemployed at the end of July had been 17,100, apart from those who had not registered, and the proportion of unemployment among coloured people was therefore greater than among the normal working population.

Mr. Butler also said in his statement that after a personal investigation of the outbreaks he was satisfied that the scope of the incidents was within the power of the police to control, whether in the Metropolitan area or in the provinces. " But," he added, " we have no intention of allowing extremist elements to take advantage of the situation. I should make it clear that disturbance of the peace, especially when it takes the form of anti-colour demonstrations, is universally condemned by public opinion of all shades.

" We are rightly proud in this country of the fact that racial discrimination never has been part of our life or our law. We have prided ourselves on our hospitality to our fellow-beings from Commonwealth and colonial territories who enjoy the right of unrestricted entry to the mother country. We are, in fact, the only Commonwealth country which has no powers to exclude or expel citizens of other Commonwealth countries. Moreover, British subjects from Commonwealth countries can acquire citizenship of the U.K. and colonies by registration after 12 months' residence. All British subjects, white and coloured, enjoy absolute equality before the law."

Turning to the recent disorders, Mr. Butler said that " fortunately only a few people have been injured and only slight damage caused to property, mostly broken windows " ; he reiterated his appeal to the public to keep away from disturbances. On the Government's future policy, which they would discuss with the West Indies Ministers, the Home Secretary said : " The one general statement it is possible to make about our policy at the present time is that we must be guided in our examination of the various problems by the interests both of the coloured people themselves and of our own people, and that we should not take rush decisions in an atmosphere of unrest . . . It is in that calm and sensible way that we shall reach a typical British solution without doing violence to our British tradition."

Mr. Gaitskell, Leader of the Opposition, and the General Council of the T.U.C., issued statements on Sept. 3 and 4.

Mr. Gaitskell's statement was as follows : " Whatever local difficulties there may be, nothing can justify the rioting and hooliganism of the past few days. Such behaviour can only damage the reputation of our country in the world, weaken the unity of the Commonwealth, and increase racial tension without in any way solving the underlying social and economic problems. I hope that public opinion everywhere will express itself strongly against these deplorable outbreaks of street violence (which must be suppressed with the utmost firmness), and that everybody will respond to the appeal issued by the police, whose conduct throughout in a most difficult situation has been admirable."

The statement of the General Council of the T.U.C. condemned the disorders as " vicious hooliganism," and emphasized that " it is the duty of trade unionists and all other responsible citizens to aid the authorities in preventing a recurrence of such disorderly and dangerous demonstrations." It added : " Evidence is accumulating that elements which propagated racial hatred in Britain and Europe in pre-war days are once more fanning the flames of violence. The authorities must therefore, while dealing in an exemplary way with the rioters, also seek out those who are inciting civil disorder and act against them with the full severity of the law . . . "

Mr. Rogers and Mr. Tomney (the Labour M.P.'s for North Kensington and North Hammersmith respectively, whose constituencies include the Notting Hill and Shepherds Bush areas) discussed the disturbances with Mr. Renton (Parliamentary Under-Secretary, Home Office) on Sept. 3. Mr. Rogers afterwards expressed the opinion that the Government should restrict the entry of coloured people into overcrowded areas, take powers to deport undesirables, recruit coloured members for the C I D. to help in detecting criminal activities among coloured people, and restrict the licensing of basement clubs.

Under the British Nationality Act of 1948, anyone who satisfies the immigration officers by the production of a passport that he is a British subject, a Commonwealth citizen, or a " citizen of the United Kingdom and Colonies," may enter the country without restriction, and cannot be deported even if found guilty of a criminal offence.

A motion expressing the view that this arrangement should be reconsidered had been tabled in the House of Commons by three Labour members (Mr. Harry Hynd, Mr. Albert Evans, and Mr. Tomney), two Conservatives (Mr. Ronald Bell and Mr. James Lindsay), and an Independent (Sir Frank Medlicott), and was debated on April 3. Replying to the motion, Miss Hornsby-Smith (Joint Under-Secretary for Home Affairs) said : " It would be a completely new departure for the Government to exercise control of immigrants from the Commonwealth, and any measures, even partial or selective, to control immigration would require legislation. We are anxiously watching the situation, but we remain reluctant to contemplate any departure from our traditional readiness to receive all citizens who have the status of a British subject."

A second motion had been tabled in May urging the Government to amend the immigration laws on the basis of reciprocity with Commonwealth and colonial territories, " all of which both impose restrictions on the entry of nationals of the United Kingdom and reserve the right to deport such nationals for grave misdemeanours." It was signed by 31 Conservatives, two Labour members, and Sir Frank Medlicott.

Commonwealth Reactions to Disturbances. - West Indian Ministers' Visit to Britain.

Mr. Norman Manley (Chief Minister of Jamaica) and Dr. Carl Lacorbinière (Deputy Premier of the West Indies Federation) flew to London on Sept. 5, and were joined on Sept. 7 by Dr. Hugh Cummins (Prime Minister of Barbados). The three Ministers had long talks with Mr. Butler and Mr. Lennox-Boyd (the Colonial Secretary) on Sept. 8-10, and met the Prime Minister at a luncheon party at 10, Downing Street on Sept. 12 ; others who were present included Mr. Ram Karran (Minister for Communications and Works, British Guiana), Dr. Patrick Solomon (Deputy Chief Minister of Trinidad), Mr. Lennox-Boyd, Mr. Macleod (Minister of Labour), and Mr. Renton.

A Home Office statement issued after the meeting on Sept. 8 said that " frank and cordial discussions " had taken place on the issues arising from the disturbances, and that the Home Secretary had undertaken " to examine the various representations made by the [West Indies] Ministers, and to maintain contact with them and their Governments with a view to resolving outstanding difficulties." Mr. Manley said after the meeting that he was " very satisfied " and that there had been " mutual understanding, which is most important."

After the Prime Minister's luncheon party on Sept. 12 it was authoritatively stated in the Press that Mr. Macmillan had reaffirmed the Government's determination not to depart from the present policy of allowing free entry into the U.K. to all British subjects of the Commonwealth and the Colonies. The Ministers from the West Indies had, however, been informed that the Government were considering taking action to deport undesirable immigrants, and had asked to be fully consulted as the proposals were formulated. It was also stated that British Ministers had been impressed by the account given by the West Indies Ministers of their efforts to warn intending emigrants of the difficulties which they might encounter in Britain, and to weed out people with criminal records, but that suggestions that some further voluntary restriction on emigration might be imposed had not been well received by the West Indies Ministers.

During their visit Mr. Manley, Dr. Lacorbinière, and Dr. Cummins made a tour of areas with large coloured populations, visiting Notting Hill, Brixton (south-west London), Nottingham, and Birmingham, and addressed meetings of coloured people. They also had discussions with the civic authorities in London, Nottingham, and Birmingham, and while in the last-named city praised the special efforts made to assist the gradual integration of West Indians into community life.

Mr. Manley made a number of statements on West Indian emigration to Britain and the need for developing industries in the West Indies.

At a press conference on Sept. 10, Mr. Manley said: "We do not consider it right or practicable to limit emigration in any way, and we do not propose to do it. If emigration is to be limited by law, then England must on her own responsibility decide to do it in England, due regard being paid to what will happen to the Commonwealth if England's traditional policy of the open door is closed. That is England's business, not mine" The West Indian immigrants, he emphasized, were not "the dead beats of the West Indies" but "people who have saved a little money; who have a little land and sell that; who had jobs and who come here hoping to acquire higher skills and one day to return." The employment situation in Britain was watched with great care, and posters were prominently displayed all over Jamaica warning would-be emigrants that there was unemployment in England and that they should make sure they had a job before they left. Jamaica, however, had had a chronic condition of unemployment for at least 20 years, nor would it be possible for the Government in the foreseeable future to create enough employment to avoid the necessity of emigration Whilst admitting that some West Indians in Britain were engaged in vice, he denied that their behaviour was the cause of the troubles, and pointed out that of 130 men prosecuted in the Metropolitan area in 1957 for living on immoral earnings, 64 were British and 66 immigrants, of whom only 15 were West Indians.

Mr. Manley subsequently explained on Sept. 12 that no Jamaican with a single conviction for a crime of violence was allowed to leave for England without the Jamaican Home Secretary's special permission; that if there was any doubt about his likelihood to abstain from violence, his case would be considered collectively by the Cabinet, and that any person with three convictions for any offence was disqualified from holding a passport. In addition, no person under 18 or over 50 might leave Jamaica without producing evidence that there would be someone to look after him. Dr Cummins had previously stated that the Barbados Government was applying similar restrictions on intending emigrants.

In another press statement on Sept. 12 Mr. Manley stressed that Jamaica's unemployment problem could in the long run only be solved by the island's further industrialization. He appealed for British firms to develop and establish industries in Jamaica, which, he pointed out, was "strategically well-placed for the Central American and South American markets and as the central unit of the West Indian Federation." Unemployment there varied from 15 or 18 per cent to 25 per cent seasonally, however, and he did not wish England to think that "we are trying to deal with this problem only by exporting people." He stated that in the past five years at least 80 per cent of the new capital invested in Jamaica had come from the U.S.A. and Canada, and cited as an example of British lack of enterprise the bauxite mining industry; British firms had investigated and rejected Jamaican deposits, he said, although they lay under a mere nine inches of topsoil, and after only seven years' development by three U.S. companies Jamaica was now the largest exporter of bauxite in the world.

On his return to Jamaica on Sept. 19, Mr. Manley warned Jamaicans not to stream to Britain, as there was much unemployment among West Indians there, and as it would get "a good deal worse before it gets any better." The West Indies Federal Government, in a statement issued on the same day, announced that it would consider publicity measures to acquaint intending migrants with the unemployment situation in Britain; that it was prepared to examine any proposals by the British Government about the deportation of undesirable immigrants; and that it would intensify community work in areas where West Indians had settled in Britain, in co-operation with the local authorities.

Reactions to the disturbances in other Commonwealth countries with coloured communities resident in Britain are summarized below.

Ghana. Mr. E. O. Asafu-Adjaye (the Ghanaian High Commissioner in London) informed the British Government on Sept. 3 that citizens of Ghana had been involved in "incidents of assault and provocation" during the disturbances, and asked for more police protection and vigilance in Notting Hill and several other London areas.

Nigeria. The Commissioners for the Federation and for the three Regions of Nigeria called at the Colonial Office on Sept. 5 to express their anxiety at the disorders. The Federal Minister of Health, Mr. Ayo Rosiji, said in London on the same day that many Nigerians had suffered maltreatment and that there should be more police protection for them. He pointed out that Nigerians did not come to Britain to work but only as students, and expressed the opinion that the trouble was due to "the influx of West Indians"

Dr. Azikiwe (Prime Minister of Eastern Nigeria), who arrived in London on Sept. 8 for the forthcoming constitutional conference, said that the British Commonwealth had always set an example of liberalism on racial issues, and that this had more than anything else been responsible for its survival. Control of immigration was applied in many countries, including Nigeria, where it was limited to undesirables, but he would not support any idea of controlling immigration solely on a racial basis. "If a change is made it becomes a fundamental issue," he added, "and naturally we would not like to remain in a Commonwealth where we would be second-class citizens"

British Guiana. Dr. Jagan, the Prime Minister of British Guiana, moved a resolution in the Legislative Council on Sept. 5 expressing "grave concern" over the disturbances, and asking the Colonial Secretary to take all measures to ensure the safety and well-being of coloured people

Indian and Pakistani Immigration into Britain.

Mr. Sadath Ali Khan (Parliamentary Secretary to the Indian External Affairs Ministry) told the *Lok Sabha* on Aug. 14 that the British Government had recently drawn the Indian Government's attention to the large influx into Britain of Indians seeking employment, and had given the number of Indian immigrants during 1955, 1956, and 1957 as 5,100, 5,600, and 6,600 respectively. Mr. Nehru (the Prime Minister) pointed out that many of the immigrants did not know any language except Punjabi, with the result that they became itinerant vendors and might affect the employment situation. He added: "We have not encouraged these people. In fact, we have discouraged them. It is not to our credit that people who have no resources or educational background should go there."

An Indian official spokesman stated in London on Sept. 12 that the Government had strictly controlled emigration to Britain during the past three years, since it had become known that people were being encouraged to emigrate without any great assurance of a job in Britain. Would-be emigrants were required to provide a financial guarantee of at least Rs. 1,500 (about £112) and to undergo a medical examination, and the Intelligence Bureau also investigated all applicants for passports.

A spokesman of the Pakistani High Commission in London said on the same day that since the spring of 1958, when many Pakistanis in Britain were found to be unemployed or even destitute, emigrants had been required to prove that they had a working knowledge of English, and that they had been offered a job or that possibilities of employment were good. They were also required to pay a repatriation deposit of Rs. 2,500 (about £187), which covered the cost of an air ticket from London to Karachi (about £130). Prior to the introduction of these regulations, the number of Pakistanis entering Britain had been higher than the number of Indians; about 2,000 were known to have arrived by air during February 1958, and to have begun drawing national assistance on their arrival.—(Times - Daily Telegraph - Manchester Guardian - The Statesman, Calcutta) **(Prev. rep. 15451 A.)**

A. ISRAEL. — Purchase of British Submarines.

It was announced in London and Jerusalem on Oct. 8 that the British Government had agreed to sell to Israel two S-class submarines which were "surplus to requirements"; that the first—H.M.S. *Springer*—would be handed over on Oct. 9; and that the second—H.M.S. *Sanguine*—would be delivered in two or three months. It was stated that the sale had been made "on normal commercial terms."

Springer and *Sanguine* were both built by Cammell Laird at Birkenhead in 1945, but *Springer* had been extensively modernized in 1951-52. Both submarines are fully operational and, it was stated, were suitable for use in the Mediterranean, though not for service in the Gulf of Akaba [suggesting that they are not at present "tropicalized"].

It was authoritatively stated in the British Press that the sale did not constitute any change in British policy and had been made in the light of the Tripartite Declaration of May 1950, in which Britain, France, and the U.S.A. declared that, to avoid an arms race, they would supply arms to Israel and the Arab States only for internal security and in accordance with their legitimate defence needs [see 10745 A]. In selling the submarines the British Government was said to have taken into account the fact that the United Arab Republic had acquired six Soviet submarines since 1957, three having been received in June 1957 (see 15599 A) and three more in April 1958 from Poland (see 16111 B); five of these submarines are of the large Soviet W-class, and one is a smaller type.

H.M.S. *Springer* was formally transferred to the Israeli Navy at Portsmouth on Oct. 9; it was stated that she would be renamed *Tanin* (Crocodile). The two submarines are the first military equipment supplied by Britain to Israel since the Suez crisis of November 1956. They are the first submarines acquired by the Israeli Navy.—(Times - Daily Telegraph - Manchester Guardian - Israeli Government Press Office)

B. ARAB LEAGUE. — Adhesion of Morocco and Tunisia.

The Council of the Arab League unanimously decided on Oct. 1 to accept membership applications from Morocco and Tunisia, bringing its total membership to 10. The other members of the League are Iraq, Jordan, Lebanon, Libya, Saudi Arabia, Sudan, the United Arab Republic, and Yemen. (Times - Daily Telegraph) **(Prev. rep. 14645 C.)**

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OCTOBER 11—18, 1958

A. VATICAN. — Death of Pope Pius XII.

His Holiness Pope Pius XII (Eugenio Pacelli) died in the early hours of Oct. 9 at his summer residence at Castelgondolfo, in the Alban Hills near Rome. He was 82 years of age.

Eugenio Pacelli was born in Rome on March 2, 1876, the son of Filippo Pacelli, a distinguished ecclesiastical lawyer, and his wife the Marchesa Virginia Graziosa, a member of an Italian noble family. Ordained in 1899, he entered the Papal Secretariat of State in 1901 during the pontificate of Benedict XV, and for 16 years thereafter had extensive diplomatic experience under two eminent Secretaries of State, Cardinal Merry del Val and Cardinal Gasparri. Monsignor Pacelli (as he then was) visited England in 1908 for the Eucharistic Congress in London, and again in 1911 as a member of the Papal envoy's suite at the Coronation of King George V. His first important appointment in the Papal diplomatic service was in 1913, when he became Secretary for Extraordinary Ecclesiastical Affairs. In the following year he became Under-Secretary of State under Cardinal Gasparri, in which capacity he helped to draw up the peace proposals whereby Pope Benedict XV tried to end the First World War in 1917.

In addition to his diplomatic duties throughout this period, Mgr. Pacelli was engaged for 13 years on the extensive task of codifying Canon Law, which had been entrusted to him by Benedict XV. On the completion of this task in 1917 Pope Benedict appointed him Papal Nuncio to Bavaria, and subsequently (1920) to the new German Republic. During his 12 years in Germany (1917-29) Mgr. Pacelli negotiated Concordats between the Holy See and Bavaria and, after protracted diplomatic negotiations, between the Holy See and the German Republic, the latter treaty being concluded in 1929.

After the conclusion of the Concordat with Republican Germany, Mgr. Pacelli was recalled from Berlin by Pope Pius XI (who had ascended the papal throne in 1921) and created a cardinal in December 1929. A few weeks later (February 1930) Cardinal Pacelli was appointed Papal Secretary of State in succession to Cardinal Gasparri; one of his first tasks in that post was to work out the detailed application of the Lateran treaties which had been concluded between the Holy See and Italy. In 1933 he negotiated with National-Socialist Germany a general Concordat by which he hoped to save the liberties of the Roman Catholic Church in Germany under the Nazi regime. In the following year he attended the Eucharistic Congress in Buenos Aires as Papal legate, while in 1936 he made an 8,000-mile tour of the United States, travelling mostly by air.

In 1935 Cardinal Pacelli had been appointed by Pius XI as Cardinal Camerlengo (Chamberlain of the Holy Roman Church), an office in which the administration of the Church is vested during the interregnum between the death of a pope and the election of his successor. On the death of Pius XI in February 1939, it accordingly fell to Cardinal Pacelli as Camerlengo to preside over the funeral ceremonies and the period of the interregnum.

On March 2, 1939 (his 63rd birthday) Cardinal Pacelli was elected to the Papal throne by the Sacred College, taking the title of Pius XII. Since the 16th century there had been no precedent for the election of a Secretary of State, and, in view of the threatening international situation, it was widely felt that the choice had fallen on Cardinal Pacelli because of his great diplomatic experience and knowledge of international affairs. Throughout the summer of 1939 the new Pope and his Secretary of State, Cardinal Maglione, did all in their power to avert the outbreak of war; when Hitler launched the Second World War by invading Poland, Pope Pius XII at once extended his public sympathy to the Polish nation in the person of Cardinal Hlond, the Patriarch of Cracow.

After the outbreak of war Pope Pius did all in his power to mitigate its brutalities and to bring about an early peace based on justice for all nations and respect for national independence. His desire for such a peace was stressed in his first Christmas allocution to the College of Cardinals and in exchanges of messages with President Roosevelt, whilst his implicit denunciation of Nazi aggression was evidenced in messages to the Sovereigns of the Netherlands, Belgium and Luxemburg when those countries were invaded early in 1940. At the same time Pope Pius made strenuous but unavailing efforts to prevent Italy from entering the war. During later stages of the conflict he devoted much thought to the principles upon which a just peace should be based, and enunciated a five-point peace programme broadly similar to the principles underlying the Atlantic Charter. At the time of the Allied advance on Rome he made frequent appeals to both sides that the Italian capital should be declared an open city, and it was largely as a result of his efforts that Rome was liberated without suffering any devastation.

The Holy See, although virtually cut off from the outside world from mid-1940 until the liberation of Rome in 1943, did a great amount of humanitarian work, both in the spiritual and temporal fields, in alleviating the distress and suffering caused by the war. A Vatican Information Service was set up which collected and issued by radio and letter the names of prisoners of war in many parts of the world; in addition, large sums of money were sent to bishops throughout Europe for the relief of exiles and the feeding of the destitute, while in the immediate period before the liberation of Rome the Holy See provided daily meals for some 40,000 people in the Italian capital. After the liberation the Pope immediately resumed contact with the outside world, and the Vatican organized large-scale relief aid for the war-devastated areas of Italy and other European countries.

After the war ended, Pope Pius held a consistory in 1946—the first of his reign—at which he created the unprecedented number of 32 new cardinals to restore the Sacred College to its full membership of 70 (the College of Cardinals had been reduced by deaths to only 38 members). All but five of the new cardinals were non-Italians, with the result that the Italian proportion of the Sacred College was greatly reduced. The new cardinals were drawn from all parts of the world and included the first Chinese cardinal in the Roman Catholic Church—Cardinal Tien, Archbishop of Peking, who was subsequently driven from China by Communist persecution. The 1946 consistory was also noteworthy for the creation of native Hierarchies in China, India, and Africa.

The Pope's second consistory of 1952 left the Italian and non-Italian proportions of the Sacred College practically unchanged—less than one-third Italian and over two-thirds non-Italian. It was noteworthy for the creation of the first Indian cardinal of the Church (Cardinal Gracias, Archbishop of Bombay) and for the conferment of the Red Hat on two prelates from Communist countries—Mgr. Stepinac (Archbishop of Zagreb), who had been imprisoned in Yugoslavia, and Mgr. Wyszynski (Archbishop of Warsaw), who had been persecuted by the then Stalinist regime in Poland.

Among the historic events of Pope Pius's reign were the proclamation in 1950 of the dogma of the Assumption of the Blessed Virgin; the celebration of the Marian Year (1954), held to mark the 100th anniversary of the dogma of the Immaculate Conception; the beatification (1951) and subsequent canonization (1954) of his predecessor Pius X; and the important archaeological excavations at the Vatican in connexion with the attempt to locate the Tomb of St. Peter.

The Pope was particularly concerned during the post-war years at the persecution to which the Roman Catholic Church was being subjected in the Communist countries of Eastern Europe and in China; he denounced Communism and the Communist philosophy of life in numerous speeches, broadcasts and encyclicals, his elevation of Cardinals Stepinac and Wyszynski to the Sacred College being regarded as a practical expression of sympathy and support for the Church in countries where it was subjected to restriction and persecution. Pope Pius also made a great number of pronouncements—notably in his Christmas broadcasts—on the problems of world peace, cessation of nuclear tests, the need for "humanizing" science and technology in the modern age, and, in particular, on the necessity for a more spiritually-based world order in an age of materialism.

A distinguished scholar with expert knowledge of a great many subjects, the Pope also made pronouncements on a great variety of other matters ranging from modern art and music to astronomy, sport, the role of the journalist, and the impact on society of films, radio and television; in addition, he issued many statements defining the Church's attitude to such social problems as birth-control, painless childbirth, artificial insemination, psychiatry, euthanasia, and the use of drugs in incurable diseases. He was a fluent linguist in six languages—Latin (the official language of the Holy See), Italian, French, English, German and Spanish.

Apart from being one of the most widely-travelled Popes, the late Pope Pius was also one of the most accessible, both to Catholics and non-Catholics; for many years he had received vast numbers of pilgrims and visitors of all nationalities and all walks of life, and in 1957 alone he gave audiences to nearly 1,000,000 people and made 132 speeches in many different languages. Both in the Catholic and non-Catholic world his moral authority was very great, and he was widely regarded as one of the most brilliant and distinguished occupants of the Papal Chair in modern times.

During the latter years of his life Pope Pius suffered from recurrent attacks of ill-health, the first of which occurred early in 1954. He was again taken seriously ill towards the end of that year but made a rapid recovery after the doctors had despaired of his life; it was subsequently disclosed, with official Vatican authorization, that the Pope's recovery from this illness followed immediately upon a personal vision of Jesus Christ. Thereafter the Pope remained in good health until, three days before his death, he was stricken with an attack of cerebral thrombosis to which he eventually succumbed.

Since the death of Cardinal Maglione in 1944 Pope Pius had been in effect his own Secretary of State; no successor was appointed to replace Cardinal Maglione, though the Pope was assisted by two Pro-Secretaries of State—Monsignori Montini and Tardini.

The embalmed body of Pope Pius was brought from Castelgondolfo on Oct. 10 to lie in state at St. Peter's, after a service of absolution at the Church of St. John Lateran. The 18-mile route from Castelgondolfo to Rome along the Appian Way was lined by vast numbers of people who had gathered to pay homage to the late Pontiff; it was estimated that about 1,000,000 persons were assembled as the cortège passed through the capital to St. Peter's. Pope Pius XII was buried in St. Peter's on Oct. 13, in a crypt where the bodies of 143 former Popes are interred. The ceremony was attended by all members of the Sacred College in Rome, dignitaries of the Holy See and the Papal Court, relatives of the late Pope Pius, the Diplomatic Corps accredited to the Vatican, and representatives of the Italian Government and of many foreign Governments, including a number of Foreign Ministers. For the first time in history the scene was carried by television over the Eurovision system into many millions of homes in a number of European countries.

Tributes to the late Pope were paid by Heads of State and Heads of Government throughout the world, including Queen Elizabeth II, President Eisenhower, President Gronchi, President Coty, Queen Juliana of the Netherlands, President Heuss, Mr. Macmillan, General de Gaulle, Signor Fanfani and Dr. Adenauer. Similar tributes were paid by leaders of all the Christian Churches, both Catholic and non-Catholic.

The testament of Pope Pius XII was made public by Vatican Radio on Oct. 10. It was worded as follows :

" *Miserere mei, Deus, secundum misericordiam tuam* [Have mercy on me, O God, according to Thy loving kindness].

" These words which, aware that I was unworthy and unequal of them, I pronounced at the moment in which with trepidation I accepted election as Supreme Pontiff, I now repeat with ever more foundation at a time in which knowledge of the deficiencies, of the failures, of the sins committed during so long a pontificate and in so grave an epoch has made more clear to my mind my insufficiency and unworthiness.

" I humbly ask pardon of all whom I may have offended, harmed, or scandalized by word or by deed.

" I pray those whose affair it is not to bother to erect any monuments to my memory : sufficient it is that my poor mortal remains should be laid simply in a sacred place, the more obscure the better.

" I do not need to ask for prayers for my soul. I know how many are those that the custom of the Apostolic See and the piety of the faithful causes to be offered for every Pope who dies.

" Nor do I need to leave a ' spiritual testament,' as so many zealous prelates are in praiseworthy fashion accustomed to do : because the not inconsiderable number of acts and speeches emanated or pronounced by me by reason of my office suffice to make known, to whoever should by chance desire to know, my thought on different religious and moral questions.

" Therefore I name as my universal heir the Holy Apostolic See, from which I have had so much as from a most loving mother."

Immediately after the Pope's death a " preparatory general congregation " of all cardinals in Curia—i.e. those permanently residing in Rome—was summoned by the " special congregation " consisting of Cardinal Tisserant, Dean of the Sacred College, Cardinal Fumasoni-Biondi, head of the Order of Cardinal Priests, and Cardinal Canali, head of the Order of Cardinal Deacons. [The three-man " special congregation " comes into existence whenever the Papacy is vacant.] At this meeting, held at the Vatican on Oct. 9, the 15 cardinals in Curia elected Cardinal Masella (Bishop of Palestrina) as Camerlengo—the highest executive office in the Church while the Papacy remains vacant. The cardinals also elected Mgr. Alberto di Jorio (head of the Secretariat of the Sacred College) as Papal Secretary of State during the interregnum between the death of Pope Pius and the election of his successor.

As stated above, the late Pope Pius XII (then Cardinal Pacelli) had been appointed Camerlengo during the reign of his predecessor, Pius XI. No such appointment was made during his own 19-year reign, and it was therefore necessary for the " preparatory general congregation " to choose one of its members to fill this office in the interregnum.—(Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times - The Universe - Catholic Times)

(Prev. rep. Pope Pius XII, Election, 3467 A.)

The Sacred College. Owing to deaths in recent years, the membership of the College of Cardinals was 55 at the decease of Pope Pius XII —15 less than its full complement. By nationality, 18 of the 55 cardinals are Italian, six French, three American, three Brazilian, three Spanish, two Argentinian, two Canadian, two German, two Portuguese, and one each of Armenian, Australian, Belgian, Chilean, Chinese, Colombian, Cuban, Ecuadorean, Hungarian, Indian, Irish, Polish, Syrian, and Yugoslav nationality. The members of the Sacred College are :

Italian. Clemente Micara (78), Cardinal Bishop of Velletri; Giuseppe Pizzardo (81), Cardinal Bishop of Albano; Benedetto Aloisi Masella (79), Cardinal Bishop of Palestrina; Federico Tedeschini (84), Cardinal Bishop of Frascati; Pietro Fumasoni-Biondi (86), Prefect of the Congregation *de Propaganda Fide*; Maurilio Fossati (82), Archbishop of Turin; Elia dalla Costa (86), Archbishop of Florence; Ernesto Ruffini (70), Archbishop of Palermo; Celso Costantini (82), Archbishop of Theodosia; Gaetano Cicognani (79), Archbishop of Ancira; Angelo Giuseppe Roncalli (76), Patriarch of Venice; Valerio Valeri (74), Archbishop of Ephesus; Pietro Ciriaci (72), Archbishop of Tarsus; Marcello Mimmi (76), Archbishop of Naples, Giuseppe Siri (52), Archbishop of Genoa; Giacomo Lercaro (66), Archbishop of Bologna; Alfredo Ottaviani (67). Pro-Secretary of the Congregation of the Holy Office, and Cardinal Deacon; Nicolà Canali (84), Cardinal Deacon.

French. Eugène Tisserant (74), Cardinal Bishop of Ostia and Dean of the Sacred College; Achille Liénart (74), Bishop of Lille; Pierre-Marie Gerlier (78), Archbishop of Lyons; Clément-Emile Roques (77), Archbishop of Rennes; Maurice Feltin (75), Archbishop of Paris; Georges François-Xavier Marie Grente (86), Archbishop of Le Mans.

American. Edward Mooney (76), Archbishop of Detroit; Francis Spellman (69), Archbishop of New York; James Francis McIntyre (72), Archbishop of Los Angeles.

Brazilian. Carlos Carmelo de Vasconcelos (68), Archbishop of São Paulo; Jaime de Barros Camara (64), Archbishop of San Sebastiano, Rio de Janeiro; Augusto Alvaro da Silva (82), Archbishop of São Salvador do Bahia.

Spanish. Enrique Pla y Deniel (81), Archbishop of Toledo; Benjamin de Arriba y Castro (72), Archbishop of Tarragona; Fernando Quiroga y Palacios (58), Archbishop of Santiago de Compostela.

Argentinian. Jaime Luis Copello (78), Archbishop of Buenos Aires; Antonio Caggiano (69), Bishop of Rosario.

Canadian. James Charles McGuigan (63), Archbishop of Toronto; Paul-Emile Léger (54), Archbishop of Montreal.

German Josef Frings (71), Archbishop of Cologne; Josef Wendel (57), Archbishop of Munich.

Portuguese. Emmanuel Gonçalves Cerejeira (69), Patriarch of Lisbon, Theodosio Clemente de Gouveia (69), Archbishop of Lourenço Marques (Mozambique).

Armenian. Gregory Peter XV Agagianian (63), Patriarch of Cilicia and Pro-Prefect of *Propaganda Fide.*

Australian. Norman Thomas Gilroy (62), Archbishop of Sydney.

Belgian. Joseph Ernest Van Roey (84), Archbishop of Malines.

Chilean. José Mario Rodriguez (92), Archbishop of Santiago.

Chinese Thomas Tien Chen-sien (68), Archbishop of Peking.

Colombian. Crisanto Luque (69), Archbishop of Bogotá.

Cuban. Manuel Arteaga y Betancourt (78), Archbishop of San Cristoforo, Havana.

Ecuadorean. Carlos Maria de la Torre (84), Archbishop of Quito.

Hungarian. Jozsef Mindszenty (66), Archbishop of Esztergom.

Indian. Valerian Gracias (57), Archbishop of Bombay.

Irish. John D'Alton (75), Archbishop of Armagh.

Polish. Stefan Wyszynski (57), Archbishop of Gniezno and Warsaw.

Syrian. Ignatius Gabriel Tappouni (79), Patriarch of Antioch.

Yugoslav. Aloysius Stepinac (70), Archbishop of Zagreb.

Theoretically, any Roman Catholic can be elected to the Papacy whether he is a priest or not; in practice, however, the choice has fallen on a cardinal for the past 600 years. Since the 16th century every Pope has been an Italian; the last non-Italian Pope was Hadrian VI, a Fleming, who reigned in 1522-23.

A. LITERATURE. — Book Selections for September.

Selected books published in Great Britain, the United States and France are given below :

Great Britain. Aron, Robert—" The Vichy Régime, 1940-1944." Translated from the French. (Putnam, 42s.)

Chapman, Hester—" The Last Tudor King : A Study of Edward VI." (Jonathan Cape, 28s.)

" Concise Encyclopaedia of World History." Edited by John Bowle. (Hutchinson, 50s.)

Constance, Arthur—" The Impenetrable Sea." (Oldbourne, 16s.)

Djilas, Milovan—" Land without Justice." An Autobiography of the Author's Youth in Montenegro. Translated from the Serbo-Croatian. (Methuen, 25s.)

Hibbert, Christopher—" King Mob : The Story of Lord George Gordon and the Riots of 1780." (Longmans, 21s.)

Pasternak, Boris—" Dr. Zhivago." A Novel, translated from the Russian. (Collins, 21s.)

Renault, Mary—" The King Must Die." A Novel, based on a Reconstruction of the Life of Theseus. (Longmans, 16s.)

de Riencourt, Amaury—" The Coming Caesars." Translated from the French. (Jonathan Cape, 25s.)

Steinbeck, John—"The Log from the Sea of Cortez." (Heinemann, 18s.)

Tillion, Germaine—" Algeria : The Realities." Translated from the French. (Eyre & Spottiswoode, 10s. 6d.)

Toynbee, Arnold J.—" East to West : A Journey round the World." (Oxford University Press, 21s.)

Wrench, Sir Evelyn—" Alfred, Lord Milner : The Man of No Illusions." (Eyre & Spottiswoode, 42s.)

United States. Brooks, Van Wyck—" The Dream of Arcadia : American Writers and Artists in Italy, 1760-1915." (Dutton, New York, $4.50)

Tuchman, Barbara W.—" The Zimmermann Telegram." The Story of the German Proposal to Mexico in 1917. (Viking Press, New York, $3.95)

France. Camus, Albert—" Actuelles III : Chronique algérienne, 1939-1958." (N.R.F., Paris)

(Ed. K.C.A.) **(Prev. rep. Book Selections, 16372 C.)**

B. INDIA. — New Governor of Punjab.

Mr. N. V. Gadgil, a former Minister in the Central Government, was sworn-in on Sept. 15 as Governor of Punjab, succeeding Dr. C. P. N. Singh.—(The Statesman, Calcutta)

(Prev. rep. 15282 A.)

A. UNITED STATES. — Racial Desegregation in Schools. - The Little Rock Controversy. - Supreme Court rejects School Board's Petition for Suspension of Integration. - Little Rock High Schools closed by Governor Faubus. - Anti-integration Bills passed by Arkansas State Legislature. - Integration rejected in Local Referendum.

The controversy aroused by the introduction of nine Negro pupils into Little Rock Central High School advanced a further stage on June 21, when Judge Lemley of the Federal District Court granted a petition by the Little Rock School Board for leave to suspend racial integration for 2½ years—i.e. until January 1961.

In support of its petition the Board referred to incidents which had occurred at Central High School, including 40 small fires on the school premises and the receipt of 43 bomb threats, necessitating searches of the building, as a result of these incidents, the Board said, 200 pupils had been temporarily suspended and two permanently expelled, and the tension caused by the presence of Negro pupils had "adversely affected the educational process."

Judge Lemley ruled that the Negro pupils' "personal interest in being admitted to the public schools on a non-discriminatory basis as soon as practicable . . . must be balanced against the public interest, including the interest of all students and potential students"; he therefore ordered that they should be transferred to a coloured school which he described as equal in its facilities to those obtaining at Central High School. This ruling, he pointed out, did not constitute a yielding to unlawful force or violence, but was simply an exercise of discretion intended to allow a breathing-spell and to preserve educational standards.

An application for a stay of execution of his order which had been filed on behalf of the National Association for the Advancement of Coloured People (NAACP), pending a decision on an appeal to the Federal Appeals Court, was rejected by Judge Lemley on June 23 on the grounds that "it will in all probability take months to carry the case through the Court of Appeals and the U.S. Supreme Court . . . and in the meantime the situation at Central High School, which we have found to be intolerable from an educational standpoint, would continue." A petition by the NAACP asking the Supreme Court to consider the case immediately, in view of its "imperative importance," was also rejected on June 30; the Supreme Court, however, expressed confidence that, in view of "the vital importance of the time element in this litigation," the Federal Court of Appeals would review the case "in ample time to permit arrangements to be made for the next school year."

The Federal Appeals Court at St. Louis set aside Judge Lemley's order on Aug. 18 by six votes to one, only Chief Judge Gardner dissenting.

The Court's majority ruling said that the "turmoil, chaos and bedlam" in Central High School had been caused, not by the presence of the Negro pupils, but by popular opposition to their presence, pointing out that none of the Negro pupils had been responsible for the incidents on the school premises. It commented that "at no time did the Board seek injunctive relief against those who opposed by unlawful acts the lawful integration plan, which action apparently proved successful in the Clinton, Tenn., and Hoxie, Ark., situations" (see 15359 A). "If more rigid and strict disciplinary methods had been adopted and pursued in dealing with those comparatively few students who were ringleaders in the trouble-making, much of the turmoil and strife within Central High School would have been eliminated."

The ruling continued: "An impossible situation could well develop if the District Court's order were affirmed. Every school district in which integration is publicly opposed by overt acts would have 'justifiable excuse' to petition the courts for delay and suspension in integration programmes. An affirmance of 'temporary delay' in Little Rock would amount to an open invitation to elements in other districts to overtly act out public opposition through violent and unlawful means . . . The issue plainly comes down to the question of whether overt public resistance, including mob protest, constitutes sufficient cause to nullify an order of the Federal Court directing the Board to proceed with its integration plan. We say that the time has not yet come in these United States when an order of a Federal Court must be whittled away, watered down, or shamefully withdrawn in the face of violent and unlawful acts of individual citizens in opposition thereto . . ."

At a press conference on Aug. 20, President Eisenhower read a prepared statement emphasizing the duty of the State authorities to enforce the courts' decisions, and giving a clear warning that any "defiance of this duty" would lead to action by the Federal Government. The statement ran as follows:

"Because there are still some phases of this case pending in the courts it would not be appropriate for me to express my view on the case itself. This case, however, or any person's agreement or disagreement with its outcome, must not be confused with the solemn duty that all Americans have to comply with the final orders of the court. Nor should we lose sight of the fact that the maintenance of order to permit compliance with the final order of the court is the responsibility of each State.

"Each State owes to its inhabitants, to its sister States, and to the Union the obligation to suppress unlawful forces. It cannot by action or deliberate failure to act permit violence to frustrate the preservation of individual rights as determined by a court decree. It is my hope that each State will fulfil its obligation with a full realization of the gravity of any other course.

"Defiance of this duty would present the most serious problem, but there can be no equivocation as to the responsibility of the Federal Government in such an event. My feelings are exactly as they were a year ago. As I said then: 'The very basis of our individual rights rests upon the certainty that the President and the Executive branch of Government will support and ensure the carrying out of the decisions of the Federal Courts'

"Every American must understand that if an individual, community, or State is going successfuly and continuously to defy the courts, then there is anarchy. I continue to insist that the common sense of the individual and his feeling of civic responsibility must eventually come into play if we are to solve this problem."

On a petition by the Little Rock School Board, the Appeals Court granted on Aug. 21 a stay of integration at Central High School to allow the School Board to appeal to the Supreme Court, and on the same day the Little Rock superintendent of schools (Mr. Virgil T. Blossom) announced that Central High School would reopen on Sept. 2 as "an all-white school." Counsel for the NAACP accordingly appealed to the Supreme Court on Aug. 22 to rescind the Appeals Court's ruling before the school reopened, as otherwise the Negro children would be "relegated back to segregated schools for at least a year." In view of the urgency of the matter, Chief Justice Warren announced on Aug. 25 that the Supreme Court would interrupt its summer recess to meet in special session on Aug. 28 to hear arguments in the case; this was the first such session the court had held since it met to consider the Rosenberg case in 1953 (see 13139 A).

Governor Faubus, commenting on the President's statement of Aug. 20, had denied that the Supreme Court's original ruling on racial integration in schools was constitutional. He added: "If it is the purpose of Mr. Eisenhower's statement to reaffirm his position of last fall [autumn], that it is my duty as Governor to use the military to enforce integration in any school district in this State, then I must say that my position of last fall is unchanged. I do not interpret my constitutional duties to cover any such theory as that advanced by the President."

On Aug. 23 Governor Faubus issued a proclamation stating that "conditions exist that in my judgment seriously endanger public education in the State of Arkansas and the peace and tranquillity of the citizens of this State," and convening a special session of the Arkansas State Legislature for Aug. 26 to enact laws "to regulate the administration and financing of public schools and education, and to make appropriations for such purposes." Mr. Blossom stated on Aug. 25 that, pending action by the State Legislature and the Supreme Court, the reopening of Little Rock schools had been postponed until Sept. 8.

The State Legislature passed on Aug. 27-28 a group of six Bills proposed by Mr. Faubus, the most important of which empowered the Governor to close any integrated school where violence had occurred or was threatened; this Bill was approved in the House of Representatives by 94 votes to one, and in the Senate by 33 votes to none. Among the other Bills adopted were several directed against the NAACP, which had been drafted by the State Attorney-General, Mr. Bennett. The measures passed by the special session were as follows:

(1) The Governor might close any school or schools because of "actual or impending violence" which might follow on integration "forced by the executive, legislative, or judicial branch of the Federal Government," or where Federal forces were used to enforce integration. In such circumstances a referendum would be held within 30 days to decide whether the school or schools should be reopened on an integrated basis; unless a majority of the total electorate in the district voted in favour of integration, the school or schools would remain closed and other provisions would be made for the pupils' education. If a school board refused to comply with the Governor's orders in such a case, he was empowered to remove it and replace it by a nominated body.

(2) State funds would be withheld from any school closed under the previous Act, and transferred to other public or private schools accepting its pupils.

(3) Pupils of integrated schools might be transferred to segregated schools if they so requested.

(4) Separate classes might be set up inside integrated schools for pupils refusing to attend lessons with pupils of another race.

(5) A $100,000 fund was set up to cover the cost of these measures.

(6) The reopening of schools in the Little Rock district was postponed until Sept. 15.

(7) A school board might be recalled on the petition of 15 per cent of the qualified voters.

(8) All teachers and employees in State schools were required to file affidavits giving the names of societies to which they had belonged in the past five years.

(9) Certain "corporations," including the NAACP, were forbidden to practise law inside the State.

(10) All private organizations and clubs were required to file reports on their membership and activities.

(11) The State Attorney-General was empowered to seize the records of any organization.

(12) Breaches of the peace performed with the intention of forcing a test case in the courts were brought under the heading of the crime of "barratry" [vexatious litigation or incitement thereto].

(13) Incitement of any person by another to institute legal proceedings was forbidden.

(14) Disturbances on school property, including "loud and offensive talk," were prohibited.

When the Supreme Court met on Aug. 28, counsel for the NAACP asked the court to rescind both the stay of integration granted by the Appeals Court and Judge Lemley's original order. He was supported by Mr. J. Lee Rankin, the Federal Solicitor-General, who maintained that the basic question was "whether the law should recoil before the threat of violence." Counsel for the Little Rock School Board asked for time to enable the Board to prepare its case against the Appeals Court's decision. The Court finally ordered the Board to file the reasons for its appeal by Sept. 8, and announced that it would hear oral argument on Sept. 11.

Mr. Faubus stated on Aug. 31 that, as a "tactical manoeuvre," he had not yet signed the Bills passed by the State Legislature, including that postponing the reopening of Little Rock schools, and would not do so until the Supreme Court had finally acted; the School Board's decision to reopen Central High School on Sept. 8 thus remained in force. The Board decided on Sept. 1, however, to postpone the reopening until Sept. 15, on the ground that to open Central High School before the Supreme Court's hearing would be interpreted as an act of bad faith.

After hearing argument on the case, the Supreme Court unanimously affirmed on Sept. 12 the Appeals Court's judgment of Aug. 18, and set aside its staying order of Aug. 21. Chief Justice Warren stated that, in view of the imminent commencement of the new school year at Central High School, the Court deemed it important to make prompt announcement of its judgment; the reasons for its decision would be made public in due course.

President Eisenhower issued a statement on the same day declaring that anarchy would result if the Supreme Court's order were defied, and appealing to "the sense of civic responsibility that animates the vast majority of the citizens to avoid defiance of the Court's orders in this matter." States and localities, he pointed out, had a constitutional duty to maintain peace and order, and if that duty were discharged lawless elements would not be able to deprive children of their constitutional rights by force and violence.

The Little Rock School Board announced on Sept. 12 that Central High School would reopen on Sept. 15, and that the Negro pupils would be admitted "as there is now, apparently, no other choice." Later the same day, however, Governor Faubus signed the Bills passed by the State Legislature and issued a proclamation closing the four high schools in Little Rock from Sept. 15, on the grounds that "domestic violence within Little Rock school district is impending" and that "a general, suitable, and efficient educational system cannot be maintained in the senior high schools of the Little Rock school district because of integration of the races in such schools." He also ordered a referendum on integration to be held in the city on Oct. 7.

The closing of the high schools—which affected four schools with a total of 3,480 pupils, including a Negro school—aroused considerable opposition in Little Rock. Over 300 pupils were transferred by their parents to other schools, and a "Women's Emergency Committee to Open Our Schools" was formed to work for integration. The local presbytery of the Presbyterian Church adopted a resolution urging Mr. Faubus to withdraw his proclamation, whereupon the Governor asserted that "a large number of ministers in the Presbyterian Church have been very effectively brainwashed" by "left-wingers and Communists."

Apparently as a result of pressure by parents, Mr. Faubus announced on Sept. 16 that the date of the referendum had been advanced to Sept. 27. As an interim measure, lessons by television were broadcast to the high school pupils from Sept. 22 by local commercial stations.

Six residents of Little Rock, all but one of whom were prominent segregationists, obtained a charter on Sept. 17 for a "Little Rock Private School Corporation." In a broadcast on the following day, Mr. Faubus stated that if the voters in the referendum rejected integration, the school facilities would "become surplus and not needed for public school purposes," thereby leaving the School Board "free to lease the buildings to a suitable private agency." This plan, he maintained, was legal because the Federal Government had no authority to require any State to operate public schools or to tell a State Government for what purposes it might levy taxes, and also because the Supreme Court's ruling against segregation did not apply to private schools, even though they received aid from State and Federal sources. Mr. Faubus's arguments were questioned, however, in a joint statement by 61 Little Rock lawyers, who contended that "existing public school facilities of this district cannot be legally operated with any public funds as segregated private schools," and that consequently the real issue in the referendum would be "whether we shall open our schools under the court-approved plan of limited integration or close them altogether."

The Little Rock School Board asked the Federal District Court on Sept. 23 to decide whether it would be in contempt of court if it leased the four high schools to a private corporation, and asked for an immediate ruling so that the schools could be reopened with a minimum of delay. The NAACP asked the Court on the following day to advise the board either that it could not lease the schools, or that integration must be retained if they were leased; a memorandum filed by the Justice Department as a "friend of the court" supported the NAACP's petition on the ground that "the status of the school as a public institution is not changed by projecting into its operation a private corporation of this nature." Federal District Judge Miller, however, ruled on Sept. 25 that only a three-judge Federal court could decide on the question, which involved the constitutionality of the Bills passed by the Arkansas State Legislature; he therefore dismissed the NAACP and Justice Department's petitions without prejudice, so that the petitioners could seek relief in another court.

The referendum held in Little Rock on Sept. 27 resulted in a majority of 19,470 to 7,565 against integration. Although only 27,035 people voted, out of a total electorate estimated at about 40,000 (including 7,000 negroes), the number of voters taking part was over twice as large as in any previous ballot on educational matters, and only 1,000 fewer than in the Democratic Party primary in July, in which Governor Faubus was nominated for a third term of office. The wording of the ballot (in which voters were asked to decide for or against racial integration at all schools in the district) was criticized as misleading by opponents of Mr. Faubus, who pointed out that the School Board's plan had envisaged only gradual integration over a six-year period.

After obtaining an assurance from Mr. Bennett that their action would be legal, the board formally leased the four high schools to the Private School Corporation on Sept. 29, whilst reserving the right to resume control of the buildings at any time. Under the lease, which expired in 1965, the corporation agreed to pay for the use of the schools, which were described as "surplus property," and to take over the contracts of the teachers and other school employees. Later the same day, however, two Federal judges, sitting in Omaha (Nebraska), issued a temporary order, on the petition of the NAACP, restraining the board from "taking further action to transfer possession, control, or operation, directly or indirectly, of the Little Rock schools" and forbidding any alteration in the "*status quo* of the senior schools insofar as their integrated status is concerned." The St. Louis Court of Appeals extended this order on Oct. 6, whilst deferring its ruling on the NAACP's petition for a permanent injunction. In view of this development, the chairman of the Private School Corporation (Dr. Thomas Raney) announced on Sept. 30 that the attempt to reopen the high schools on a private segregated basis was being abandoned, and that the closing of the senior high schools was now "the full responsibility of the Federal Government and the NAACP."

The Supreme Court published the reasons for its judgment on Sept. 29; a summary will be given in the next issue. (New York Times - New York Herald Tribune)

(Prev. rep. Little Rock, 16188 B; 15916 C; 15803 A; Anti-integration Measures, 15947 A.)

A. KENYA. — Implementation of Constitutional Reform. - Election of Additional African Members. - Elected African Members' Opposition to Constitutional Proposals. - New Multi-racial Ministry. - Creation of State Council. - Progress of Mau Mau Rehabilitation.

The new Constitution which had been announced by the Colonial Secretary (Mr. Lennox-Boyd) on Nov. 8, 1957 [see 15869 A] and incorporated in a White Paper published on Nov. 15, 1957, was brought into operation by an Order-in-Council on April 15, 1958. Two aspects of the 1957 proposals had previously been amplified in a dispatch from Mr. Lennox-Boyd to the Kenya Government, published as a White Paper on Feb. 13 and containing the following recommendations :

Special Seats in Legislative Council. It was proposed that those seeking nomination as candidates for election to the 12 new non-Government seats in the Legislative Council should each have the support of five existing Council members who were not public officers. [The 1957 proposals had left the nature of the qualification for nomination in abeyance.] Existing Council members, other than public officers, would be eligible for nomination, but if elected they would vacate their present seats ; if a member holding a constituency seat was elected, there would be a by-election.

Council of State. The White Paper defined the composition, powers, and functions of the proposed first Council of State as follows :

(1) The Council, in the first instance, would consist of a chairman and 10 members nominated by the Governor " on instructions from the Crown." They could not be members of the Legislative Council, but would " inevitably . . . include persons of all races " though not chosen " on any principle of sectional representation." Four of them would hold office for 10 years, three for seven years, and three for four years.

(2) Decisions of the Council would be by majority vote, the chairman having a casting vote.

(3) The Council's powers would relate only to " differentiating measures " of legislation, i.e. to " any Bill or instrument, any of the provisions of which are, or are likely in their practical application to be, disadvantageous to persons of other communities—either directly, by prejudicing persons of that community, or indirectly, by giving an advantage to persons of another community."

A measure could be classed as " differentiating " either by the Governor (" in the interests of the Colony's security ") or by the Council of State. In the latter case two different procedures would be followed, according to whether the measure was one of " ordinary " or " subordinate " legislation, viz. :

Ordinary Legislation. Copies of all legislative proposals would be sent at the time of their introduction to the members of the Council of State, which would be empowered to declare any such measure as " differentiating " at any time before its third reading. The Legislative Council would then be obliged to suspend further consideration for a period not exceeding four months, until a report from the Council of State had been received. After consideration of this report, the Legislative Council would " communicate its decision " to the Council of State. In the event of a measure being passed by the Legislative Council despite the Council of State's recommendation to the contrary, the latter would be able to request the Governor to reserve the Bill " for the signification of Her Majesty's pleasure." This the Governor would be obliged to do, " unless he is satisfied that immediate implementation is necessary in the public interest." The final decision would rest with the Colonial Secretary.

Subordinate Legislation. Copies of such measures would be sent on publication to members of the Council of State, which, should it consider any measure to be " differentiating," would report its views within 30 days to the Governor, who would then decide whether or not the measure should be annulled.

Mr. Lennox-Boyd pointed out that the creation of a Council of State would " not introduce a bi-cameral system of legislature " (i.e. it would not have the functions of a second Chamber, and would not be able to initiate legislation) ; nor would it interfere with the powers of the Governor or of the Colonial Secretary. Its powers would be solely those of " delay, revision, and reference " in order " to protect any one community against discriminatory legislation harmful to its interests."

Increase in African Elected Representation.

The new Constitution provided increased African representation in the Legislative Council by creating ten new African seats—six directly elected, and four specially elected. These provisions, however, had not satisfied the existing African members, who on Nov. 13, 1957, had rejected the proposals and called for " a constitutional conference presided over by an impartial expert."

The African members' objections were threefold, as recapitulated in a letter by Mr. Tom Mboya (leader of the African Members' organization) published in *The Times* of May 13, 1958 : (1) the representation of 50,000 Europeans by 14 directly elected members and of 6,000,000 Africans by the same number was " neither fair nor just " ; (2) because of the " dominant numbers of Europeans " in the Legislative Council, the provision of specially elected African seats would be " nothing but a rubber stamp for European selections"; (3) the creation of a Council of State " was unnecessary in the present circumstances."

The African members accordingly boycotted the debate on a Bill to increase the number of African elected members from eight to fourteen, which was passed through all its stages in the Legislative Council on Jan. 16, 1958. Voting took place between March 22-24 in four of the new constituencies, candidates in the other two being returned unopposed. In the Central Province (South) constituency, Mr. Ehud Mathu—former leader of the African members in the Legislative Council—was defeated by Dr. Julius Kiano, an outspoken critic of the new Constitution. During the election campaign all the African candidates had expressed varying degrees of opposition to the new Constitution ; those elected, together with the eight existing African members, decided on March 26 to boycott both nomination and election proceedings for the African special seats (see below). Despite this boycott, however, nominations for those seats were duly made.

Elections to Special Seats.

Elections for 10 of the 12 new special seats were held on April 22, candidates for the two Asian non-Moslem seats being returned unopposed. There were eight nominations for the four African seats, five for the four European seats, and two each for the Arab seat and the Asian Moslem seat. The successful candidates were :

African—Musa S. Amalemba ; J. M. Muchura ; N. G. Ngome ; Wanyutu Waweru.

European—Michael Blundell* ; W. B. Havelock* ; B. R. McKenzie ; H. Slade.

Asian (non-Moslem)—Chunilal Madan ; N. S. Mangat.

Asian (Moslem)—I. E. Nathoo.*

Arab—Sheikh Mohammad Ali Said el Mandry.

*Former Minister.

[Mr. Slade polled the same number of votes as the former Finance Minister, Mr. E. A. Vasey, but was awarded the seat after lots had been drawn, as required by the election regulations.]

Shortly after their election all the 12 specially elected members issued the following joint statement :

" We, the specially elected members of the Legislative Council of Kenya . . . have resolved to form an Association with the primary object of promoting policies for the benefit of Kenya as a whole, without racial or sectional bias . . . It is our intention to produce a policy statement which will provide a lead and a guide to the vast numbers of peoples of all races in Kenya whose main desire is the economic, political, and social development of the country as a whole, and not the propagation of selfish interests, nor the domination of one race or sect over another."

Ministerial Appointments.

The White Paper of Nov. 15, 1957, had stated that " once the extra African seats . . . have been filled " two African Ministers would be selected—one to hold the portfolio of Housing, and the other that of Community Development. Before the announcement of the composition of the new Council of Ministers on April 29 it had been decided that the portfolio of Community Development should be left vacant " for the time being " in view of the fact that African constituency-elected members were not prepared to accept office. The appointment of the Minister for Education, Labour, and Lands was also deferred until Aug. 20. The ministerial appointments were as follows :

Officials.	
Mr. W. F. Coutts	Chief Secretary
Mr. E. N. Griffith-Jones	Attorney-General
Mr. C. M. Johnston	African Affairs
Mr. W. A. C. Mathieson	Education, Labour, and Lands
Mr. J. W. Cusack	Defence and Internal Security
Mr. A. Hope-Jones	Commerce and Industry
Nominated Ministers.	
*Mr. E. A. Vasey	Finance
*Mr. D. L. Blunt	Forest Development
Elected Ministers.	
*Mr. Michael Blundell	Agriculture
*Mr. W. B. Havelock	Local Government and Health
†Mr. W. E. Crosskill	Tourism and Common Services
‡Mr. M. Amalemba	Housing
*Mr. I. E. Nathoo	Works
Mr. N. F. Harris	European Minister without portfolio
*Mr. C. B. Madan	Asian Minister without portfolio.

*Former Minister. †New Ministry. ‡African Appointment.

The new Constitution had also provided for the appointment of six Assistant Ministers (formerly styled Parliamentary Secretaries)—two European, two African, one Asian, and one Arab. The Asian appointment and one of the African appoint-

ments were announced on April 29, viz.: Sheikh Mohammad Ali Said el Mandry (Minister of Forest Development), and Mr. Wanyutu Waweru (Minister of Education).

Mr. Lennox-Boyd, in a dispatch to the Governor of Kenya on April 23, had stressed that those persons recommended for for appointment as Ministers should be prepared to work for the following "broad objectives":

"(1) Building within the British Commonwealth a strong and prosperous Kenya owing loyalty to the British Crown; (2) promoting racial harmony and friendliness and developing opportunities for all loyal subjects (irrespective of race or religion) to advance in accordance with character and ability; (3) securing that individual rights of private property are respected."

Council of State.

The composition of Kenya's first Council of State (see above) was announced at the end of May, the inaugural ceremony being held on June 2. The chairmanship of the Council was accepted by Sir Donald MacGillivray, formerly High Commissioner for Malaya.

Conspiracy Trial of African Members.

The seven African elected members of the Legislative Council, who had boycotted all proceedings in connexion with the March elections to the four specially-elected African seats under the new Constitution (see above), appeared in the magistrate's court at Nairobi on May 27 in answer to summonses charging them on two counts: (1) "that on or about March 25 they published defamatory matter affecting prospective candidates for the special seats;" (2) that they had "conspired to commit a misdemeanour" in influencing six Africans who had announced their intention of seeking election to the special seats to refrain from doing so. The seven defendants were Mr. Tom Mboya, Mr. I. Odinga, Mr. M. Muliro, Mr. L. G. Ogudo, Mr. D. T. Arap Moi, Mr. J. M. Muimi, and Mr. R. Ngala.

The Solicitor-General (Mr. D W. Conroy) said that it was clear that if no African had come forward for nomination as candidate for a special seat, it would have been "a victory for the African members' rejection of the Constitution." When six Africans had actually announced their intention to seek nomination, the African Members' organization had issued a statement to the Press on March 25 which included the following passage "Be it known to the African community that now we know all the stooges, quislings, and black Europeans in our community . . . These stooges should be treated with the contempt they deserve. In this struggle for our freedom a time comes when what the majority desire must be respected and when a few self-seeking opportunists must not be allowed to stand in the way of our political development . . . Those who now seek to stand have identified themselves with those who seek the perpetuation of the oppression of the African people, and consequently must be treated as traitors to the African cause. The African community is entitled to enforce an economic, social, and political boycott of these traitors."

The Solicitor-General said that the Crown proposed to prove that the six would-be candidates had been exposed to "contempt, hatred, and ridicule," and that the prosecution had been brought "to vindicate the law and to preserve freedom of speech, thought, and action among the African community"—a freedom which included allowing those with opposing views to express them "with equal liberty." Counsel for the defence (Mr. D. N. Pritt) pleaded "fair comment and justification."

The magistrate decided on June 3 that the defendants had no case to answer on the second charge (of conspiring to commit a misdemeanour), but on June 11 they were all found guilty of criminal libel under the first charge, and fined £75 each.

Allegations on Mau Mau Prison Conditions.

The Chief Secretary (Mr. W. F. Coutts) made a statement in the Kenya Legislative Council on June 11 denying allegations of lack of rations, water supplies, and medical and visiting facilities in Lokitaung Prison (Northern Province), where a few Mau Mau convicts were under detention.

The allegations, which included complaints of ill-treatment, were contained in a letter—said to have been smuggled out of the prison—which had received considerable press publicity in the United Kingdom and India.

Mr. Coutts said that the five signatories to the letter had described themselves as "political prisoners," which was "quite incorrect." All of them were serving sentences for criminal offences, and included "some of the most dangerous leaders of Mau Mau." He added that the Government had been aware of the allegations for some time, and had satisfied itself by investigation that they were unfounded before they had received publicity.

The Chief Secretary was speaking in reply to a motion by Mr. Tom Mboya demanding an independent inquiry into conditions in Kenya prisons and detention camps. The motion was defeated without a division.

New Kenya Political Party.

At a convention of the Capricorn Society on Nov. 23, 1957, its then president (Colonel David Stirling) announced the formation of a new multi-racial political party to be named the Kenya Party. It would aim at developing a common national purpose to supersede racial loyalties and permit the growth of parliamentary democracy based on a common franchise roll, thus being in many respects similar to the former United Country Party sponsored by Mr. Michael Blundell but dissolved early in 1957 (see 15632 A).

Continuation of State of Emergency. - Progress in Mau Mau Rehabilitation.

The Legislative Council debated on Oct. 15 a motion, supported by African members, to end the state of emergency immediately.

The Minister for African Affairs (Mr. Johnston) stated during the debate that of the 77,000 Mau Mau originally detained during the emergency, a total of 72,000 had been released to date. Moreover, of the 3,200 persons sentenced for Mau Mau offences, some 2,900 had been "transformed" into detainees and would be "placed in the pipeline" for accelerated release. Mr. Johnston added: "I am glad to say that this bold step in rehabilitation has been successful on the whole"

The Chief Secretary (Mr. Coutts), opposing the motion, mentioned the existence of *Kuama Kia Muingi* as an important reason why the emergency could not be lifted at present. "It is an aftermath of Mau Mau," he said, "and 95 per cent of the people involved in K.K.M. were actively associated with Mau Mau." Recently they had found some ex-detainees in K K.M. cells in the Nyeri and Embu district, and "when we have that and in the same district people storing up rat poison—a new feature, presumably for criminal purposes—and still taking bestial oaths, including the double-killing oath, then I do not see how we can possibly lift the emergency at this moment." Referring to what he called the "Jomo cult" [i.e. the cult of the former Mau Mau leader Jomo Kenyatta], Mr. Coutts expressed the opinion that if people tried to keep "green" the name of a man who had been convicted of a criminal offence, it could only be "for the subversion of law and order."

At the end of the debate the Council rejected the African members' motion and approved an amendment by Mr. Johnston calling for the ending of the emergency "as soon as possible." (Times - Daily Telegraph - Manchester Guardian - Commonwealth Survey). **(Prev. rep. Kenya, 15869 A).**

A. UNITED STATES. — Democratic Victory in Maine Congressional and Gubernatorial Elections.

The Democratic Party made important gains in the Congressional and Gubernatorial elections held on September 8 in Maine, a traditionally Republican State. Results were as follows: (1) in the election for a member of the U.S. Senate, Mr. Edmund S. Muskie (the Democratic Governor of Maine) defeated Senator Frederick G. Payne (the incumbent Republican senator) by 170,251 votes to 111,945, the returns being complete for all but one of the State's 629 precincts; (2) in the elections for three members of the House of Representatives, the Democrats obtained two seats (one gain from the Republicans) while the third was retained by the Republican Party; (3) in the Gubernatorial elections, Dr. Clinton A. Clauson (former mayor of Waterville) retained the State Governorship for the Democrats by defeating Mr. Horace A. Hildreth, a former Republican Governor of Maine.

Mr. Muskie (44) became the first Democratic Governor of Maine in 1954 (see 13803 B) and was re-elected for a second term in 1956; by defeating Senator Payne he became the first Maine Democrat to be elected to the Senate by popular vote. Senator Payne, like Mr. Sherman Adams (the former Presidential Assistant), had admitted receiving gifts from Mr. Bernard Goldfine (see 16347 A), although this matter was not mentioned by Mr. Muskie in his electoral campaign. The *New York Times* commented, however, that apart from Mr. Muskie's personal popularity, "Mr. Payne's acknowledged acceptance of favours from Mr. Goldfine was interpreted as having swayed many voters against him, although he carried a Presidential endorsement."

Since its admission to the Union in 1820, Maine has always held its Congressional and Gubernatorial elections in advance of the rest of the country. Under a recent amendment to the State Constitution, however, Maine will hold these elections in November—as in all other States of the Union—beginning in 1960. (New York Times - New York Herald Tribune) **(Prev. rep. 15237 A; 13803 B)**

B. FRANCE. — M. Maurice Herzog appointed High Commissioner for Youth and Sport.

The *Journal Officiel* published two decrees on Oct. 5: (1) creating the post of High Commissioner for Youth and Sport within the Ministry of Education; and (2) announcing the appointment of M. Maurice Herzog to the post. M. Herzog led the French Himalayan expedition which made the first ascent of Anapurna (26,926 ft) in 1950—see 11128 F.

(Le Monde, Paris)

A. UNITED STATES. — The Goldfine Case. - Resignation of Mr. Sherman Adams. - Major-General Persons appointed President Eisenhower's Assistant.

A bitter political controversy was aroused when it was revealed in June that Mr. Sherman Adams, Assistant to President Eisenhower since 1953, had accepted valuable gifts and favours from Mr. Bernard Goldfine, a New England textile manufacturer. This was discovered as a result of investigations by the Subcommittee on Legislative Oversight, a body set up by the House of Representatives in 1957 to examine the working of Federal regulatory agencies. Mr. Adams, whilst admitting the receipt of the gifts from "an old personal friend," emphatically denied that he had ever attempted to influence the decisions of Government agencies on Mr. Goldfine's behalf.

Records produced by the Subcommittee showed that Mr. Goldfine had paid hotel bills totalling $3,096 for Mr. Adams between December 1953 and May 1958, had lent him for his Washington home an oriental rug costing $2,400, and had given him material for a vicuna fur coat worth $700. It was also alleged that Mr. Adams had on three occasions attempted to influence Federal agencies on Mr. Goldfine's behalf—in 1953 and again in 1955 in connexion with complaints lodged with the Federal Trade Commission that certain of his fabrics were misleadingly labelled, and in 1956 when the Securities and Exchange Commission brought actions against two real estate companies, in which Mr. Goldfine was interested, for failure to file annual reports.

Mr. Adams gave evidence before the Subcommittee on June 17, although in the past he had consistently refused to appear before Congressional committees investigating administrative actions, on the ground of Executive privilege or his confidential relationship with the President. Mr. Goldfine, he said, was an "old personal friend," and his gifts and favours had had "no strings attached." He agreed that he had made some personal inquiries of the Federal Trade Commission and the Securities and Exchange Commission for Mr. Goldfine, and admitted that he might have acted "a little more prudently"; he denied, however, that he had ever sought preferential treatment for Mr. Goldfine and said that his errors, if any, were "mistakes of judgment and not of intent." When counsel for the Subcommittee suggested that Mr. Adams had passed on to Mr. Goldfine confidential information on the cases involving him, contrary to both Federal law and the regulations of the two Commissions concerned, Mr. Adams said that he did not know that the information was confidential, that he was unfamiliar with the statutes and regulations cited, and that what he had done had been a matter of "routine practice." The White House Press Secretary (Mr. Hagerty) denied on June 18 that the information passed on by Mr. Adams had been confidential.

Mr. Goldfine, who appeared before the Subcommittee from July 2-17, testified under oath that he had never asked Mr. Adams "to do anything out of line, and he never did anything for me that was out of line." He described Mr. Adams as one of his "dearest friends" for nearly 20 years, and, in order to prove that he had in turn received valuable presents from Mr. Adams, produced his wrist-watch which Mr. Adams had given him in 1953. He admitted, however, that he had given cheques to Federal employees, including employees of the Federal Trade Commission and the Securities and Exchange Commission; that he had paid hotel bills for Senator Payne (Maine) and two other Republican senators; and that he had entered these items, together with his gifts to Mr. Adams, as "business expenses" on his income tax returns. He repeatedly, refused to answer questions about certified treasurer's or cashier's cheques totalling $776,879 which had been issued to him or his companies by State or National banks since 1941 but had remained uncashed. [Treasurer's cheques are issued by a State bank, while cashier's cheques are issued by a National bank. Both types are signed by bank officials and payable by the bank itself; the name of the individual purchasing such cheques does not appear on them and thus remains "masked" or "concealed."] The Subcommittee's counsel suggested that the cheques might have been used for the benefit of public officials or employees, serving as collateral for loans obtained by them, but Mr. Goldfine, in his testimony, denied any such use. However, because of his refusal to produce his records on the cheques (on the ground that the questions were not relevant to the inquiry), the House of Representatives voted on Aug. 13, on the Subcommittee's recommendation, that Mr. Goldfine should be cited for contempt of Congress.

Although President Eisenhower expressed on June 18 his complete confidence in Mr. Adams's "personal and official integrity" and spoke of him as an "invaluable public servant" whom he "needed," prominent Republicans, including Senator Knowland (the party leader in the Senate), repeatedly demanded the resignation of Mr. Sherman Adams on the ground that he had become a "political liability" to the party. These demands were strengthened by the Democratic victory in the elections in Maine (normally a Republican stronghold), which were held on Sept. 8 [see 16436 A]. Among the defeated candidates was Senator Payne, who had acknowledged that he had accepted gifts and favours from Mr. Goldfine and had approached the Securities and Exchange Commission for information on the case in which Mr. Goldfine was involved.

Mr. Sherman Adams announced in a broadcast on Sept. 22 that he had resigned his post as Presidential Assistant. A letter from President Eisenhower accepting his resignation, which was published at the same time, paid tribute to his "selfless and tireless devotion to the work of the White House and to me personally" and his "total dedication to the nation's welfare."

Mr. Adams said in his broadcast that his sworn testimony before the Subcommittee, together with that of every responsible official of whom it made inquiry, had "clearly established that I have never influenced or attempted to influence any agency or any officer or employee of any agency in any case, decision, or matter whatsoever." He added: "Despite the fact that this testimony is wholly undisputed, a calculated and contrived effort has nevertheless been made to attack and discredit me. As part of this effort the committee received completely irresponsible testimony, and without conscience gave ear to rumour, innuendo, and even unsubstantiated gossip. A campaign of vilification by those who seek personal advantage by my removal from public life has continued up to this very moment. These efforts, it is now clear, have been intended to destroy me and, by so doing, to embarrass the Administration and the President of the United States."

Mr. Adams went on to explain that he had not resigned at the time because, "since I have done no wrong, my resigning could have been construed as an admission that I had, in the atmosphere which has surrounded the controversy." In the light of the events of the past three months, however, he had asked himself "whether my retention in office might conceivably delay or retard, even in small degree, the achievement of those goals of President Eisenhower which yet are ahead," and "might possibly diminish the chances which my party has of regaining control of the Congress in the November elections" In the circumstances he had come to the conclusion that "I can now best serve my President and contribute to the support of his objectives by the course I have undertaken to follow."

On Sept. 28 President Eisenhower appointed Major-General Wilton B. Persons (62) as Presidential Assistant in place of Mr. Sherman Adams. General Persons had been deputy to Mr. Adams since 1953 and had been principally concerned with Congressional liaison.—(New York Times)

(Prev. rep. 12597 A.)

B. AUSTRALIA - UNITED KINGDOM. — New Price Agreement for Australian Meat Supplies. - Higher Quota for Free Australian Exports to Other Countries.

Negotiations opened in London on June 16 between Australian and British officials to discuss the future guaranteed minimum prices for Australian meat exported to Britain under the 15-year meat agreement of 1951. It was announced in Canberra and London on Oct. 3 that an agreement had been reached under which the guaranteed minimum prices would be reduced, whilst the free quota—i.e. the maximum amounts of meat that could be exported by Australia to countries other than Britain and British colonies—had been increased. Details were as follows:

Beef and Veal. For the three years beginning Oct. 1, 1961, a reduction of nine per cent on prices already agreed for 1958-61, or 14 per cent on current minimum prices.

Mutton and Lamb. Minimum prices settled for the two years beginning Oct. 1, 1958, leaving those for the third year to be decided. The minimum price for lamb in the two years would be five per cent below the current price, and for mutton 15 per cent below.

Free Quota. For the next three years (Oct. 1, 1958-Sept. 30, 1961) the maximum quota would be 7,500 tons a year for first and second quality beef and veal, with no restrictions on the lower grades of beef and veal and on all exports of mutton and lamb. After 1961 all restrictions on free trade would be removed.

The Australian Minister for Primary Industry (Mr. McMahon) described the new arrangements as "not unfavourable" to Australian producers. The new prices represented a guaranteed "floor" level, but producers were entitled to whatever the market offered above these prices, and for several months Australian beef prices in the U.K. had been well above the minimum. There was complete freedom to exploit fully mutton and lamb markets outside the U.K., whilst the increased free quota for beef allowed unrestricted exports of lean meat to the U.S. market. Mr. McMahon added that the British Government had already paid Australia about £A.10,000,000 (£8,000,000) to support minimum prices under the 15-year agreement of 1951.

It was pointed out in the British Press that the effect of the agreement on retail prices in Britain would be nil, as Australian beef, mutton and lamb was sold on the free market and the present outlook was one of buoyant prices.—(Times - Daily Telegraph - Australian News and Information Bureau)

(Prev. rep. 15720 B; 11779 A.)

A. UNITED STATES. — Second "Moon Shot." - U.S. Lunar Probe travels One-third of Distance to Moon.

A second lunar probe—officially named *Pioneer*—was fired from Cape Canaveral at 4.42 a.m. local time on Oct. 11 by the U.S. Air Force, under the direction of the National Aeronautics and Space Administration. Like the first lunar probe (see 16372 A), it was a four-stage vehicle consisting of a first-stage *Thor* I.R.B.M. "booster," two modified *Vanguards* forming the second and third stages, and a fourth stage (shaped like a child's top) containing an instrument package, which was to have been fired in the vicinity of the moon by remote control from Hawaii so as to place it in a lunar orbit.

Weight and thrust statistics for the *Pioneer* vehicle were as follows: first stage (the *Thor* I.R.B.M.)—weight over 100,000 lb., thrust about 150,000 lb.; second stage—weight over 4,000 lb., thrust about 7,500 lb.; third stage—weight over 400 lb., thrust about 2,500 lb.; fourth stage (a solid propellant retro-rocket plus instrument package)—weight 82.7 lb., thrust 3,000 lb. The vehicle as a whole stood over 88 ft. and weighed 52 tons.

Although *Pioneer* failed to reach the moon, which was 220,000 miles distant at the time of the experiment, it achieved a great measure of success by travelling nearly 80,000 miles into outer space before falling back to earth; according to calculations, it re-entered the earth's atmosphere about midnight of Oct. 12-13 at a point over the South Pacific in latitude 20 deg. S. longitude 106 W., and was believed to have burned out or to have plunged into the ocean. All scientific equipment functioned perfectly throughout *Pioneer's* 79,212-mile journey into outer space and its fall back to earth, and data of the highest importance were obtained with regard to position and velocity, radiation, and micro-meteoric, magnetic and temperature readings. The television equipment (with which it was hoped to take photos of the far side of the moon) did not function because it was designed to operate only in the immediate vicinity of the moon; thus no pictures were obtained of the appearance of the earth as seen from outer space.

It was officially explained that the reason for *Pioneer's* failure to reach the moon was a gyroscopic error of 3½ degrees in the angle of launching; that is, *Pioneer* was 3½ degrees off course, which would have meant a difference of 12,000 miles in the vicinity of the moon. This error, though relatively small in itself, meant that *Pioneer's* velocity was about 500 m.p.h. less than had been intended—i.e. about 23,500 m.p.h. instead of 24,000 m.p.h. Had the full speed of 24,000 m.p.h. been obtained, it might still have been possible to place *Pioneer* in a lunar orbit, although it was 3½ degrees off course; but the difference of 500 m.p.h. between the actual and the projected speeds deprived *Pioneer* of the velocity necessary to complete the journey to the moon.

Nevertheless, data of the greatest importance for the future of manned space flight were obtained as a result of *Pioneer's* epoch-making journey of 79,212 miles into outer space. Although the information telemetred back to earth was still being studied and analysed, it had been ascertained for the first time (1) that the belt of intense radiation discovered by the *Explorer* satellites (see 16200 D) reached a maximum of 4 roentgens per hour at an altitude of 5,700 miles; (2) that radiation fell off rapidly beyond 5,700 miles, being 2 roentgens per hour at 20,000 miles and only 0.3 roentgens at 60,000 miles; (3) that the internal temperature inside *Pioneer's* shell (71 deg. F. at the time of launching) dropped to 41 deg. F. three hours after take-off and then stabilized at 35-36 deg. F. in outer space; (4) that the intensity of micro-meteoric bombardment was much less than anticipated—only two impacts of micro-meteorites being recorded, whereas thousands had been expected. As pointed out by U.S. scientists, these data showed that radiation hazards in manned space flight would be much less than had been assumed, and that temperatures in a space vehicle would be "within the range of human survival if not of comfort."

The experiment was in charge of Major-General Bernard A. Schriever, head of the Air Force Ballistic Missile Division. In a press statement, General Schriever listed *Pioneer's* achievements as follows: (1) by going one-third of the distance to the moon, it had reached a height 30 times greater than had ever been achieved before; (2) it was the first space vehicle to measure radiation at a height of over 2,500 miles; (3) it was the fastest man-made vehicle yet launched into outer space, its velocity of 34,400 feet being equivalent to 23,500 m.p.h.; (3) it had provided the first direct measurements of the earth's magnetic field at great altitudes. All this represented "a very great scientific and technical achievement" and gave confidence that "our ultimate objective of an orbit round the moon" would be accomplished "in the not too distant future."

Pioneer was tracked throughout its flight by the Jodrell Bank radio telescope (England), which took a total of 122 "fixes" of its position with the greatest accuracy; the results were communicated to the U.S. scientific authorities by Professor Lovell, who paid high tribute to the American achievement and said that "priceless information" had been obtained as a result of the experiment. Telemetric readings from *Pioneer* were also obtained by U.S. tracking stations at Inglewood (California), Hawaii, and Cape Canaveral.
(New York Times - New York Herald Tribune)
(Prev. rep. Lunar Probe, 16372 A.)

B. UNITED KINGDOM - UNITED STATES. — Anglo-American Defence Discussions. - Mr. Sandys's Visit to Washington. - Joint Statement with Mr. McElroy.

Mr. Duncan Sandys, the U.K. Minister of Defence, arrived in Washington on Sept. 22 for discussions with Mr. McElroy, the U.S. Secretary of Defence, on mutual defence co-operation as well as on defence problems in the Middle East and the Far East. During his visit Mr. Sandys also saw Mr. Dulles and other senior U.S. officials, while General Twining (chairman of the U.S. Joint Chiefs of Staff) and Mr. Robert Murphy (Deputy Under-Secretary of State) took part in some of the discussions between Mr. Sandys and Mr. McElroy.

A joint statement was issued at the conclusion of the talks on Sept. 24 announcing (1) that Mr. Sandys and Mr. McElroy had exchanged views on the proposed suspension of nuclear tests and on means of achieving an effective international system of inspection to guard against surprise attack; (2) that they "agreed upon the essential need to maintain effective military forces, both conventional and nuclear, in a high state of readiness"; (3) that they had examined "new and wider possibilities" for co-operation in weapon design and development opened up by the recent amendment of the U.S. Atomic Energy Act and the Anglo-American bilateral agreement; (4) that they had "reviewed the progress of the recent talks among experts of the two nations at which information on nuclear weapons was exchanged." The communiqué added that the results of the talks had "further emphasized the frank and intimate relationship between the two countries."

It was authoritatively reported in the British and U.S. Press that Mr. Sandys had been fully informed of the military position in the Formosa area; that he had discussed with Mr. McElroy the position of Hong Kong, without seeking American assurances; and that the talks had also dealt with the Middle East. As regards Anglo-U.S. defence co-operation, the Ministers had discussed the implementation of the agreement for the supply to Britain of *Thor* intermediate missiles, and it had transpired that delivery of the *Thor* might be six or nine months later than was first predicted. Mr. Sandys had expressed Britain's interest in the more advanced types of missiles, while at the same time reporting on advanced ballistic missiles developed by Britain which were propelled by solid rather than by liquid fuel.

Mr. Sandys left Washington on Sept. 25 for a tour of defence installations and missile centres, including Cape Canaveral (Florida) and Los Angeles. He returned to London on Oct. 5.

In a press statement on his return Mr. Sandys said that Britain's future need of larger and longer-range air freighters had been discussed in his talks in the U.S.A.; the Americans had given him full particulars of those they were developing, though no decision had been taken about buying their aircraft. The importance of the talks lay in the fact that they were the first major Anglo-American defence discussions since the amendment of the U.S. Atomic Energy Act; "as a result," he added, "no topics are now barred and all cupboards are open." Mr. Sandys said that there were no immediate plans to buy American missiles other than the *Thor*, the testing of which was going satisfactorily.—(Times - Daily Telegraph - Manchester Guardian - New York Times - N.Y. Herald Tribune)
(Prev. rep. 16327 B; 16298 A; 15823 A.)

C. INDIA. — Cultural Agreement with U.A.R.

A ten-year cultural agreement between India and the United Arab Republic was signed in Cairo on Sept 25 by Dr. Fawzi, the U.A.R. Foreign Minister, and Mr. R. K. Nehru, the Indian Ambassador.

The agreement provides for exchanges of teachers and members of scientific and cultural institutions; for scholarships to enable students of either country to pursue higher studies in the other; for mutual recognition of degrees and diplomas; and for general co-operation in science, education, and culture. It comes into force 15 days after exchange of ratifications.

The agreement was the eighth cultural agreement concluded by India since her achievement of independence in 1947, the others being with Indonesia, Iraq, Japan, Persia, Poland, Rumania, and Turkey.—(The Statesman, Calcutta)
(Prev. rep. 16290 A; 15658 A; 15559 B.)

A. LEBANON. — Election of President Chehab. - New Cabinet formed by M. Rashid Karami. - Supersession by Coalition Government. - Reports of U. N. Observation Group. - Agreement on Withdrawal of U.S. Forces.

General Fuad Chehab, Commander-in-Chief of the Lebanese Army, was elected President of Lebanon by the Chamber of Deputies on July 31, with the support of both pro-Government and Opposition members; he formally assumed office on Sept. 23, when President Chamoun's term expired. A new Cabinet was formed on the following day by M. Rashid Karami (leader of the insurgent forces in Tripoli), and reached agreement with the U.S. authorities on Sept. 27 whereby U.S. forces were to be withdrawn from Lebanon by the end of October. The internal situation subsequently deteriorated once more and, for a time, threatened to lead to a further outbreak of civil war; this danger was averted, however, by the formation of a coalition Cabinet—also headed by M. Karami—representing both Government and Opposition leaders. These and other related Lebanese developments are described below under cross-headings.

Election of President Chehab.

The Speaker of the Lebanese Chamber of Deputies (M. Osseiran) announced on July 23 that a special session would be held on July 31 to elect a successor to President Chamoun, and on July 28 General Chehab was proposed as a candidate by a group of deputies who included both Government and Opposition supporters. At a Cabinet meeting on July 29, M. Sami Solh (whose car had been ambushed near Beirut earlier in the day) demanded that the elections should be postponed until General Chehab had "cleaned up" the rebel areas in the capital; President Chamoun, however, won over the majority of the Government deputies to support General Chehab's candidature by threatening to resign and leave the country immediately unless they agreed to do so.

A meeting of Opposition leaders decided on July 29 to support any candidate who accepted their programme, which included the immediate resignation of President Chamoun, the formation of a new Government, the evacuation of foreign troops, a foreign policy based on neutrality and collaboration with other Arab countries, revision of the Constitution, amendment of the electoral law, and a general amnesty for the insurgents. As a result of talks between General Chehab and M. Karami, it was announced that the Opposition deputies—whose immunity from arrest had been guaranteed by the general—would attend the election session of Parliament.

The election session was accordingly attended by 56 of the 66 deputies, among them M. Karami; M. Solh and three other Ministers refused to attend on the ground that, under the existing Constitution, an officer in the armed forces could not accept the presidency within six months of holding a military post. On the first ballot 42 votes were cast for General Chehab and 10 for M. Raymond Eddé (leader of the pro-Government National Bloc), with four abstentions, whilst on the second ballot General Chehab received 48 votes and M. Eddé seven, one deputy abstaining. [Under the Lebanese Constitution, if no candidate is elected by a two-thirds majority of the total membership of the Chamber on a first ballot, a second ballot is held in which only a simple majority is required; General Chehab actually obtained a two-thirds majority on the second ballot.] Of the deputies voting for General Chehab in the second ballot, 31 were Government supporters and 17 Opposition supporters.

General Fuad Chehab (56) is a member of a distinguished Lebanese family and a direct descendant of the Emir Bechir el-Chehab, who as Governor of Mount Lebanon from 1785-1831 achieved a degree of independence from Turkish rule, but was finally deposed and died in exile. General Chehab studied at the French military academies at Damascus and St. Cyr, served in the French Army, and on the proclamation of Lebanese independence in 1943 was promoted to the rank of general, becoming C.-in-C. in 1945. Although his basic policy has always been to maintain the political neutrality of the Army, he had twice previously taken political office to help surmount a critical situation. On the first such occasion he intervened in the political crisis of September 1952 to compel President el-Khoury to resign, and himself assumed the premiership; he refused to accept the presidency, however, and resigned when M. Chamoun was elected President, having held office for only six days (see 12462 A). On the second occasion he assumed office as Defence Minister at the time of the Suez crisis in November 1956, but resigned two months later. A Maronite Christian, he was believed to have been influenced in his decision to accept nomination for the presidency by the representations of the Maronite Patriarch, Mgr. Meouchi, who had first suggested that he should assume power (see 16293 A).

In a broadcast on Aug. 4, General Chehab said that he had accepted the presidency only because, "in the difficult circumstances through which our country is passing, no one could any longer hesitate to assume a mission to which the country calls him." He appealed for national unity, stability, and tranquillity as a pre-condition for achieving the country's sovereignty, independence, and national aims, of which the foremost was "the withdrawal of foreign troops from Lebanese territory."

An extremely confused situation followed General Chehab's election to the presidency. Although the Opposition had demanded President Chamoun's immediate resignation and the formation of a new Government as conditions of their support for the general, President Chamoun stated on July 31 that he would retain office until the expiry of his constitutional term on Sept. 23; he also denied reports that M. Solh's Cabinet would resign or that Opposition representatives would be included in it. The rebel leaders, on the other hand, refused to submit to the Solh Government and proclaimed an "armed truce," maintaining their positions in the Moslem quarter of Beirut, in Tripoli, and in the rural areas under their control.

Most of the incidents which occurred during the fortnight following General Chehab's election were, however, believed to have been due to feuds between extremist elements on both sides or to personal vendettas, and to have had little political significance. Nevertheless, as a result of the continued political uncertainty, acts of violence became increasingly common during the second half of August, during which five people were killed in Beirut by bomb explosions.

After discussing the situation with General Chehab, M. Saeb Salam (the rebel leader in Beirut) announced on Sept. 3 that the general strike which had been enforced since May 8 would be relaxed to allow shops and offices to open until 11 a.m., this period being extended on Sept. 15 by another two hours. M. Salam's followers had previously (Sept. 1) seized a radio transmitter belonging to the Najjada, an extremist Moslem youth organization which had objected to any relaxation of the general strike before President Chamoun's resignation, and on Sept. 5 the Opposition closed down its clandestine broadcasting stations. Political organizations on both sides began collecting arms from their followers during the first week of September, although the pro-Government *Kataeb* or Falangist Party (a para-military right-wing Christian organization) announced on Sept. 7 that its own arms would be stored in private arsenals for future use if necessary. Despite this improvement in the situation incidents continued to occur, a second attempt being made on M. Solh's life on Sept. 6.

A new period of tension was caused by the disappearance on Sept. 19 of a Falangist journalist, M. Fuad Haddad. The Falangists, who accused the Opposition of abducting him, called a general strike for Sept. 22 and kidnapped a large number of Opposition supporters as hostages, threatening to kill them if M. Haddad suffered any harm. The Opposition, which denied all knowledge of M. Haddad's whereabouts, retaliated by abducting about 100 Falangists, though these were shortly afterwards released. To prevent further disturbances a strict day and night curfew was imposed on Sept. 21.

M. Solh left his home secretly in the early hours of Sept. 20, was flown by a U.S. Army helicopter to Beirut airport, and thence left for Turkey in the personal plane of Vice-Admiral Holloway (commander of the U.S. forces in Lebanon), ostensibly on a long holiday. He left with President Chamoun a letter containing his Government's resignation, to take effect on Sept. 22. On arriving in Istanbul he said that if the situation did not improve and Lebanon lost its independence, he would not return but would "fight from other countries until Lebanon becomes an independent state again."

Installation of President Chehab. - Government formed by M. Rashid Karami.

General Chehab took the oath as President on Sept. 23 in the Chamber of Deputies, in the presence of six of the 14 members of M. Solh's Cabinet, about 40 deputies, and members of the Diplomatic Corps. In his inaugural address he appealed for unity among the various sections of the population, declared that there would be "no victors and no vanquished," and said that Lebanon must strive towards a situation which would facilitate the withdrawal of foreign troops, improve relations with her sister Arab countries, and restore the national economy. He paid tribute to the firm attitude which the Army had maintained, and emphasized the importance of disarming all civilians, no matter who they were or whom they supported. After the ceremony ex-president Chamoun left Beirut for his home in a mountain village about 20 miles away, where he had announced his intention of staying for an indefinite period.

The daytime curfew in Beirut was lifted at dawn on Sept. 24 although the night curfew remained in force. During the morning, however, reports that M. Karami had been asked to form a Government led to mass demonstrations by thousands of his supporters

and counter-demonstrations by armed Falangists, who proclaimed a general strike and compelled shopkeepers to lower their shutters. Repeated clashes occurred between the two sides in which about 20 people were killed and 40 wounded—the largest number of casualties in Beirut in any one day since the beginning of the disturbances. The Army then moved in to restore order, and the Government radio repeatedly broadcast warnings that the troops had been ordered to shoot on sight any civilian found in possession of arms, and to demolish by artillery fire any building from which shots were fired. Half an hour after this announcement the firing ceased, and the streets were empty except for Army and police patrols. The 24-hour curfew was subsequently reimposed.

M. Karami formed a Cabinet drawn from the former Opposition and from neutral elements, its membership being :

M. Rashid Karami	..	Prime Minister, Defence, and Interior
M. Philippe Takla	..	Foreign Affairs.
M. Yussef Sauda	..	Justice, Labour, and Social Affairs.
M. Charles Helou	..	National Economy and Information.
M. Mohammed Safieddin		Education and Health.
M. Rafik Naja	..	Finance.
M. Fuad Najjar	..	Agriculture, and Posts and Telegraphs.
M. Farid Trad	..	Public Works, Communications, and Planning.

MM. Karami, Takla, Safieddin, and Naja belonged to the anti-Chamounist Opposition ; M. Helou (a former Ambassador to the Vatican) was a member of the " third force " or moderate Opposition ; and M. Sauda (a former Ambassador to Brazil) and MM. Najjar and Trad (both of whom are professional engineers) had not been associated with any political party. Apart from M. Karami, only one other Minister (M. Takla) was a member of the present Legislature, although MM. Helou and Safieddin had sat in previous Parliaments. By religious affiliation, MM. Karami and Naja are Sunni Moslems ; M. Safieddin is a Shia Moslem ; MM. Sauda and Helou are Maronite Christians ; M. Takla is a Greek Catholic ; M. Trad is a member of the Greek Orthodox Church ; and M. Najjar is a Druse.

M. Karami (37) is a member of a Moslem family which has exercised great influence in Tripoli since the middle ages. A lawyer, he went into politics in 1951, entering Parliament as deputy for Tripoli. He took a prominent part in the movement which led to President el-Khoury's replacement by M. Chamoun, subsequently held office in several Cabinets, and was Prime Minister for six months in 1955-56. He joined the Opposition to the Chamoun régime in 1957, when M. Solh's Government announced its support for the " Eisenhower doctrine," and was among the few Opposition deputies returned in the subsequent general elections.

Opposition Call for General Strike against Karami Cabinet. - Formation of Coalition Cabinet by Government and Opposition Parties.

Great resentment was aroused among M. Chamoun's supporters by the appointment as Prime Minister of " a man from the barricades," and on Sept. 25 the Falangist Party called for the continuation of the general strike as a protest against the membership of the new Government. At a meeting of 32 deputies drawn from the National Liberal, Falangist, and National Bloc parties, held at M. Chamoun's country residence on Sept. 26, it was decided to form a united Opposition and to refuse the Government a vote of confidence. [The National Liberal Party was formed on Sept. 4 by a group of deputies supporting M. Chamoun, who assumed its leadership on relinquishing the presidency.]

Some progress was made in restoring order on Sept. 27, when the daytime curfew was lifted, the former rebels began dismantling the barricades in the Basta area of Beirut (which they had manned since May), and the Falangist leader, M. Pierre Gemayel, agreed that his followers would remove their own barricades with the Army's assistance. When troops arrived for this purpose on Sept. 28, however, the Falangists refused to carry out their leader's undertaking and opened fire ; a three-hour exchange of shots followed in which two civilians were killed. Following this incident, the situation in the capital again deteriorated seriously, and enforcement by the Falangists of the general strike gave rise to renewed fears of civil war. Three people were killed and 10 wounded in two incidents in Beirut on Oct. 3, when troops fired on riotous Falangist mobs, and 11 killed and about 50 injured in further clashes in Beirut and Tripoli on Oct. 6-7.

The U.S. Ambassador, Mr. McClintock, held a reception for Lebanese party leaders on Sept. 30 at which he informally put forward proposals for ending the crisis. These were that the Government should seek a vote of confidence from the Chamber as soon as possible ; that the Cabinet should be enlarged to include three or four supporters of the previous Government ; and that the number of deputies should later be increased from 66 to 88. M. Karami, who had refused Mr. McClintock's invitation, said on Oct. 1 that he would not enlarge his Cabinet, and the Ambassador's proposals were attacked in the pro-Government press as foreign interference in Lebanese internal affairs Mr. McClintock stated on Oct. 1 that he had intervened at M. Gemayel's request, with the approval of Mr. Dulles.

During the next two weeks President Chehab had a series of meetings with Government and Opposition leaders in an attempt to find a solution to the crisis. On Oct. 11 M. Gemayel was received by the President and also met M. Kemal Jumblatt (a leading Government supporter), who afterwards saw M. Karami and M. Salam. The meeting between M. Gemayel and M. Jumblatt, at which they were reported to have discussed the possible formation of a coalition government under M. Karami's leadership, was the first occasion on which Government and Opposition representatives had negotiated together directly, instead of through the President.

As a result of these discussions, and after further complicated negotiations, it was announced in the early hours of Oct. 15 that a coalition Cabinet had been formed consisting of two Government and two Opposition leaders. M. Rashid Karami retained the Premiership, while the other members of the Cabinet were M. Pierre Gemayel (the Falangist leader), M. Raymond Eddé (leader of the National Bloc), and M. Hussein Oweimi, a supporter of M. Karami. Two members of the new Cabinet (M. Karami and M. Oweimi) were Moslems, and two (M. Gemayel and M. Eddé) Christians. Simultaneously with the formation of the new Government the general strike ordered by the Falangists was called off, and for the first time the country began to return to normal after nearly six months of civil strife.

The new Government was given a unanimous vote of confidence in the Chamber of Deputies on Oct. 17, with 50 of the 66 members present.

M. Karami stressed the need for national unity as the Government's principal task and declared : " We are resolved to forget the past. The Government, which appreciates its responsibilities under the present circumstances, regards it as its primary duty to plant the seeds of national unity and to achieve co-operation and trust among all citizens. It is on this basis that we might call the present Government one of national salvation. We therefore seek your co-operation in preparing a favourable atmosphere to help restore confidence, security and calm . . . " After stating that there would be no major changes in the policy outlined by President Chehab in his inaugural address (see above), M. Karami declared : " The Government stresses its determination to preserve the sovereignty and to defend the independence of Lebanon so that she will remain for us all as she is now—a free and independent Arab State."

During the parliamentary session all the deputies, and the public in the galleries, observed a one-minute silence in memory of the 1,500 Lebanese who had lost their lives in the disturbances of the preceeding six months.

Despatches by foreign correspondents in Lebanon said that complete normality had returned to Beirut, where all public transport was running normally, practically all shops had reopened, and all the barricades had been removed.

Reports of U.N. Observation Group. - Expansion of Observer Corps.

In its second report, covering the period July 2-15 and released on July 31, the U. N. Observation Group in Lebanon rejected the Solh Government's allegations of Syrian " infiltration " and smuggling of arms. The report was signed by Señor Galo Plaza (Ecuador), Major-General Odd Bull (Norway) and Mr. Rajeshwar Dayal (India), the three members of the Observation Group.

The report stated that the Group had received 102 communications from the liaison committee set up by the Lebanese Government, 33 of which made allegations of infiltration. Although all of these had been investigated, " in no case was it possible to find explicit confirmation of specific allegations, and only in a few cases was the information obtained of such a nature as to require further action by the Group."

In reply to allegations by the Lebanese Government that U.N. observers were " not prepared to go out at night to investigate cases of possible infiltration," the report stated : " The Group has given careful consideration to the question of checking by means of night patrols possible infiltration routes ; but in view of the harassments suffered by its observers in such areas even by day, it reluctantly came to the conclusion that night patrols would involve a degree of risk to the observers which it could not accept. It was confirmed in this view by the fact that well-armed Lebanese forces have established no control along the routes in question . . . Further confirmation was provided subsequent to the period covered by

this report, when a lighted U.N. jeep proceeding by night under a previously concluded arrangement to a village near an infiltration route came under heavy fire and was hit several times . . . Intensive air patrolling has been carried out by day as well as by night, and the observations thus made have been closely checked against the result of ground patrolling and observation. All-night watches have been instituted at the out-stations and sub-stations, and occasionally observers have patrolled at night."

Summing up the situation, the report said that it was clear that infiltration of arms "cannot be on anything more than a limited scale and is largely confined to small arms and ammunition." It continued: "In conditions of civil conflict, when the frontier is practically open and unguarded throughout its length, some movement of this kind may well be expected. As regards the question of illegal infiltration of personnel, the nature of the frontier, the existence of traditional tribal and other bonds on both sides of it, and the free movement of produce in both directions, are among factors which must be taken into account in making an evaluation. It must, however, be said that in no case have U.N. observers, who have been vigilantly patrolling the Opposition-held areas and have frequently observed the armed bands there, been able to detect the presence of persons who have indubitably entered from across the border for the purpose of fighting. It must be emphasized that, from the observations made of the arms and organization obtaining in Opposition-held areas, the fighting strength of Opposition elements is not such as to be able successfully to cope with hostilities against a well-armed regular military force. There is no evidence of the existence of radio contact between the Opposition forces scattered over different parts of the country, nor of any co-ordinated military planning and control . . ."

The Group's third report, covering the period July 15 - Aug. 11, was published on Aug. 15. It stated that "while there may have been a limited importation of arms into some areas prior to the presidential election on July 31, any such movement has since markedly diminished."

The report said that the landing of U.S. forces on July 15 had produced a "sharp reaction" in the Opposition-held areas, causing difficulties and setbacks for the task of observation; nevertheless, the ground lost had been "steadily regained through the tact, patience, and perseverance of the military observers." "In the light of their observations," it continued, "the Group feels that such traffic as is crossing the frontier is related to the normal economic life of the territory, but as the frontier is open and unguarded the possibility of infiltration on a limited scale of arms and ammunition cannot be wholly excluded." In the area south of the main Beirut-Damascus road, the observers had reported having seen two mule caravans crossing from the direction of Syria on July 22 and 24, one of them accompanied by 30 armed men, and from other evidence the Group concluded that a caravan had passed through the area every night from July 15-28. Although these caravans had not been inspected, the report commented that "the movement of a certain amount of arms and ammunition may be presumed."

Continuing, the report stated that observation posts had been established at most of the "sensitive points" along the borders and in the immediately adjacent areas, and the process was being intensified as additional observers arrived. It added: "The presence of the U.N. observers moving around in their white jeeps from village to village is welcomed both by Government supporters and by Opposition elements. The independence and impartiality of the observers is universally recognized and appreciated, and they are regarded as the symbol of the U.N.'s presence in the area; they help to inspire feelings of calm and confidence in the areas patrolled by them. Sometimes local disputes and difficulties have been referred to them by different parties, which they have occasionally been instrumental in solving."

The Group's fourth report, covering the period Aug. 11-Sept. 20 and published on Oct. 1, said that the Group had "no convincing reports" of infiltration; that, on the contrary, it possessed "some detailed reports . . . that persons who had presumably entered Lebanon for illegal purposes have now left the country"; and that any infiltration which might still be occurring must be regarded as "insignificant."

In an interim report submitted on July 17, the Group had previously stated that it had completed the task of obtaining full freedom of access to all parts of the frontier.

Out of 113 observers, 14 were stationed at headquarters in Beirut, 22 at five posts in the Tripoli area, 47 at six posts in the Bekaa area, 10 at one post in south-eastern Lebanon, and 20 at three posts in the Saida area. The Group proposed to establish stations or permanent observation posts at 12 new points on or close to the frontier, including all important road and rail frontier crossings; for this purpose 96 observers would be required, raising the total strength of the U.N. force to about 200. The report said that it would greatly help in the extension of the observers' activities if they were assisted by a number of unarmed troops, to be used for regular patrolling of the frontier areas by foot or on mules. As aerial reconnaissance had proved "a most valuable adjunct to the Group's ground observation," the Group requested an adequate number of planes and personnel capable of providing continuous air patrols on all sections of the frontier, including planes with night photography capabilities. A total of 18 reconnaissance planes and four helicopters would be required, in addition to helicopters for communications purposes.

It was announced on Sept. 18 that the Group was employing at that date 217 ground observers and 68 air personnel, and that the number of observers would be further increased during the next few weeks. The aircraft at the Group's disposal had been given on Aug. 19 as 16 reconnaissance planes and eight helicopters.

On July 25 Dr. Hammarskjold had set up an advisory committee to assist him in strengthening the Observation Group, recruited from the same countries which made up the U.N. Expeditionary Force in Egypt. The members of the new body were Senhor Freitas Valle (Brazil), Mr. Charles Ritchie (Canada), Sir Claude Corea (Ceylon), Dr. Alfonso Araujo (Colombia), Mr. Arthur Lall (India), Hr. Hans Engen (Norway) and Prince Aly Khan (Pakistan).

Agreement on Evacuation of U.S. Forces.

Strong reinforcements for the U.S. forces in Lebanon landed in Beirut on Aug. 1-5, including 5,000 men and 75 tanks. The strength of the U.S. forces in Lebanon was thereby increased to 14,300 men, including four Marine battalions, an airborne group, a tank regiment, and signals, transport, medical, and other ancillary services. Vice-Admiral Holloway denied that the landings had any political or military significance, and stated that "everything coming in is part of the initial movement."

On Aug. 13 (the date of the opening of the U.N. General Assembly's debate on the Middle East) Vice-Admiral Holloway announced that, after discussions with President Chamoun and General Chehab, he "agreed with the Lebanese authorities that there has been a material improvement in the internal and external situation of Lebanon"; in consequence, a Marine battalion of 1,700 men would re-embark on the following day. The battalion was not completely withdrawn, however, but was transferred to the Sixth Fleet (which remained concentrated off the Lebanese coast) as a "floating reserve." Two more Marine battalions, numbering about 2,100 men, embarked for the U.S.A. on Sept. 14-16; the last Marine battalion, about 1,600 strong, began embarking on Sept. 28; and 1,000 support troops left for Germany on Oct. 5.

Agreement on a time-table for the evacuation of the remaining U. S. forces was reached on Sept. 27 at a meeting between M. Karami, Mr. McClintock, and the U.S. military authorities, and on Oct. 8 the State Department announced that "barring unforeseen developments" the evacuation would be completed by the end of the month. The statement added: "Steps taken with respect to the situation have led to a substantial improvement in the international aspects of Lebanese security. The current unrest appears to have essentially domestic origins. In view of the progress made towards more stable international conditions in the area, it has been concluded that the U.S. forces can now be totally withdrawn."—(Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times - New York Herald Tribune - U.N. Information Centre, London)

(Prev. rep. 16293 A; 16305 A.)

A. UNITED KINGDOM. — Press. - "Liverpool Evening Express" ceases Publication. - Merger of "John Bull" and "Illustrated."

The *Liverpool Evening Express* (founded in 1870) ceased publication on Oct. 13 owing to heavy and increasing losses for some years which made it impossible to continue circulation. It was merged with the *Liverpool Echo* (founded in 1879), which appeared from Oct. 13 under the name of the *Liverpool Echo and Evening Express*. The proprietors of the *Echo* (and also of the defunct *Evening Express*) are C. Tinling & Co. Ltd., all shares in which have been owned by the Liverpool Daily Post and Echo Ltd. since 1925.

The weekly magazines *John Bull* and *Illustrated*, both owned by Odhams Press, were merged on Oct. 4 under the title *John Bull and Illustrated*.—(Times - Manchester Guardian)

(Prev. rep. 15934 A.)

B. DENMARK. — New Foreign Minister.

Hr. H. C. Hansen, the Danish Prime Minister and Foreign Minister, relinquished the Foreign Affairs portfolio on Oct. 9 to Hr. Jens Otto Krag, who concurrently retained his existing portfolio as Minister of Foreign Economic Affairs. In a previous statement (Oct. 5) announcing his wish to resign as Foreign Minister, Hr. Hansen stated that he was entering hospital for a throat operation and that Hr. Viggo Kampmann (the Finance Minister) had been appointed acting Premier during his (Hr. Hansen's) absence. It was stated in the Danish Press that the Cabinet change would involve no alteration in Denmark's foreign policy.—(Berlingske Tidende, Copenhagen)

(Prev. rep. 15570 A.)

A. NUCLEAR TESTS. — Soviet Union resumes Nuclear Weapon Tests. - British and American Tests.

The resumption of nuclear weapon tests by the Soviet Union was announced in Moscow on Oct. 2. The Tass Agency said that this action had been taken because the Western Powers had "not complied with the repeated demand of the Soviet Government to cease tests of nuclear weapons."

After accusing the United States and Britain of raising "fresh obstacles" to an international agreement for the suspension of nuclear weapon tests, and alleging that the U.S.A. had carried out "at least 40 tests since March 31" (the date on which the U.S.S.R. announced the unilateral suspension of tests), Tass asserted that the Western Powers had used the Soviet renunciation of tests to obtain "a one-sided military advantage" for themselves. Whilst justifying the resumption of Soviet tests on the ground of safeguarding the security of the U.S.S.R., Tass added that the Soviet Government would "continue its struggle for the cessation of atomic and hydrogen weapon tests for all time."

The detection of two nuclear weapon tests in the U.S.S.R. had previously been announced on Sept. 30 by the U.S. Atomic Energy Commission; both tests were described as having taken place north of the Arctic Circle and as being of "moderate to high yields." Six more Soviet tests of the same type and in the same area were reported by the A.E.C. between Oct. 2 and Oct. 15.

At a press conference at U.N. Headquarters on Oct. 7, M. Gromyko (the Soviet Foreign Minister) reiterated the allegation that his Government had been "forced" to resume nuclear weapon tests because of the "inequality" between the number of tests carried out by the Western Powers and the U.S.S.R. respectively; he nevertheless said that his Government would attend the Geneva meeting scheduled to begin on Oct. 31 (see page 16406).

M. Gromyko (who was attending the 13th session of the U.N. General Assembly) maintained that the Western Powers' "refusal" to respond to the U.S.S.R.'s gesture in suspending its own weapon tests justified the Soviet Union in resuming such tests in the interests of its own security. He added that the U.S.S.R had "all grounds to discontinue its tests only after it conducts the same number of tests as was held by the United States and Britain, taken together as allies, after the cessation of Soviet nuclear tests on March 31 this year." Asked whether, if the U.S.A. and Britain suspended their tests, the Soviet Union would continue with its own tests until it had "caught up" with the number of Anglo-American tests, M. Gromyko replied that this was "a hypothetical case which does not exist at the present time." In reply to a further question, he said that any nuclear tests which might be carried out by France would have to be added to the combined British and U.S. total.

In connexion with M. Gromyko's statement, the U.S. State Department and the British Foreign Office issued statements on Oct. 7-8 saying that the policy of the two Governments on nuclear tests remained unchanged, viz. "to begin negotiations [at Geneva] on Oct. 31 and to suspend tests for one year from the day these negotiations begin, provided always that the Soviet Union does not conduct tests during that period."

The Soviet Government had previously sent Notes to London and Washington on Oct. 1 proposing that the forthcoming Geneva talks on the suspension of nuclear tests should be held at Foreign Ministers' level.

American Nuclear Tests.

The U.S. Energy Commission announced on Sept. 8 that the previously-announced summer series of American nuclear tests had been successfully concluded and had "contributed to further development of improved weapons for the defence of the United States and the free world." It was stated that "at least 14 nuclear shots" had been fired at Eniwetok atoll since the beginning of the series on April 28, in addition to two rocket-borne nuclear warheads exploded high above Johnston Island on Aug. 1 and Aug. 12.

No details were given of the tests carried out at Eniwetok or of types of weapons detonated, beyond brief statements issued from time to time saying that test explosions had been carried out successfully; some of these explosions were obviously of great power, as they were recorded at Australian and Japanese meteorological stations thousands of miles distant. At a press conference on April 30, President Eisenhower had stated that 40 per cent of the Pacific tests would be devoted to the development of "clean" weapons—i.e. weapons in which the radioactive fall-out was minimal or negligible.

In each of the two tests at Johnston Island, an atomic weapon mounted in a missile was detonated at a great height; on both occasions a dazzling flash was clearly visible in Hawaii, over 700 miles distant. No details were given as to the type of missile used or the height at which it was detonated, but it was conjectured in the U.S. Press that a *Redstone* missile had been employed—a development of the German V-2 rocket weapon—and that the tests were of an "anti-missile missile" nature. All ships and aircraft were warned to keep clear of an area 520 miles in radius from Johnston Island during the period of the experiments. The tests were officially described as "successful," the A.E.C. adding that no personnel had been injured and that no radioactive fall-out had been detected in the Johnston Island area.

The Atomic Energy Commission announced on Sept. 10 that ten further "low-shot" tests would be held at the Nevada proving grounds, all of which would be concluded by Oct. 31—the date on which the Geneva talks were scheduled to begin. Nine of these tests—all of relatively low yields—took place between Sept. 10 and Oct. 18, of which two were underground detonations.

British Nuclear Tests.

Four British nuclear tests were carried out at Christmas Island on Aug. 22, Sept. 2, Sept. 11 and Sept. 24; in the second and third of these tests high-yield devices in the megaton range (i.e. of the hydrogen-bomb type) were detonated at a high altitude, while the first and last tests were of low-yield devices suspended from balloons. An earlier successful high-altitude test in the megaton range had been carried out by a British task force in the Central Pacific on April 28. (Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Soviet Embassy Press Department, London) **(Prev. rep. Geneva Conference of Experts, 16406 A; Soviet Suspension of Tests, 16101 A; U.S., British and Soviet Tests, 16012 A.)**

B. WESTERN GERMANY. — Mr. Macmillan's Visit.

Mr. Macmillan visited Bonn on Oct. 8-9 for informal discussions with Dr. Adenauer, in which Dr. von Brentano (the Federal Foreign Minister) and Mr. Ormsby-Gore (Minister of State, Foreign Office) also took part. [The Foreign Secretary, Mr. Selwyn Lloyd, was prevented through illness from accompanying the Prime Minister.]

A joint statement said that the purpose of Mr. Macmillan's visit had been to enable him and Dr. Adenauer to maintain regular personal contacts. Their "friendly" conversations had been "especially valuable" in view of the many recent developments in the Middle East, the Far East, and elsewhere. They had agreed on the necessity for close co-operation in the maintenance of peace, and on the importance of losing no opportunity for reducing East-West tensions by all available means. They looked forward to negotiations on the suspension of nuclear weapons tests under effective control.

Dr. Adenauer (the statement went on) had expressed anxiety about developments in Eastern Germany, and Mr. Macmillan had confirmed H.M. Government's readiness to enter into discussions at any time and in any appropriate forum on the basis of proposals genuinely designed to ensure German reunification in freedom. Both the Chancellor and Mr. Macmillan regarded it as essential, in the interests of European unity, to bring the negotiations for a Free Trade Area to an early and satisfactory conclusion. Finally, they had decided to continue their personal contacts by further meetings.

In a press statement before leaving Bonn, Mr. Macmillan said that Anglo-German friendship was of immense value to Europe and the world; that it was essential to forget the "deep and bitter conflicts of the past"; and that it was vital for European unity that agreement in principle should be reached on the Free Trade Area by the end of the year.

Mr. Macmillan was received by President Heuss during his visit to Bonn.—(Times - Frankfurter Allgemeine Zeitung) **(Prev. rep. 16242 A.)**

C. NEW ZEALAND - JAPAN. — Legations in Tokio and Wellington raised to Embassy Status.

The N.Z. Prime Minister (Mr. Nash) announced on May 12 that New Zealand and Japan had agreed to raise their respective Legations in Tokio and Wellington to the status of embassies, in view of the good relations now existing between the two countries and the importance of maintaining mutual representation at the highest level. The New Zealand Minister in Tokio (Mr. J. S. Reid) and the Japanese Minister in Wellington (Mr. H. Shimadzu) would accordingly have ambassadorial status.—(N.Z. External Affairs Department, Wellington) **(Prev. rep. 16396 A.)**

D. FRANCE - ITALY. — Co-operation between Renault and Alfa Romeo Motor Companies.

The French State-owned Renault company announced on Oct. 17 that it had signed a technical and commercial agreement with the Italian Alfa Romeo company whereby Alfa Romeo would manufacture certain types of Renault cars under licence for sale in Italy, whilst Renault would make certain Alfa Romeo cars in France and become agents for all the Italian company's models. The agreement was made within the framework of the European Common Market, which begins to function on Jan. 1, 1959.—(Le Monde - Giornale d'Italia) **(Prev. rep. 14175 C.)**

OCTOBER 18—25, 1958

A. BRITISH COMMONWEALTH. — Montreal Trade and Economic Conference.

The Commonwealth Trade and Economic Conference, the convening of which had been agreed upon at the Quebec conference of Commonwealth Finance Ministers [see 15796 A] was held in Montreal from Sept. 15-26.

The leaders of the delegations were : *Australia*—Mr. John McEwen, Deputy Prime Minister and Minister for Trade. *Canada*—Mr. John G. Diefenbaker, Prime Minister ; Mr. Donald Fleming, Finance Minister ; and Mr. Gordon Churchill, Trade Minister. *Ceylon*—Mr. S. de Zoysa, Finance Minister. *East Africa*—Mr. E. A. Vasey, Kenya Finance Minister, representing Kenya, Uganda, Tanganyika, and Zanzibar. *Ghana*—Mr. K. A. Gbedemah, Finance Minister. *India*—Mr. Morarji Desai, Finance Minister. *Malaya*—Sir Henry Hawshik Lee, Finance Minister. *New Zealand*—Mr. A. H. Nordmeyer, Finance Minister. *Nigeria*—Chief Okotie-Eboh, Finance Minister. *Pakistan*—Mr. Amjad Ali, Finance Minister, and Sardar Abdur Rashid, Minister for Commerce and Industries. *Rhodesia and Nyasaland Federation*—Mr. Donald Macintyre, Finance Minister. *Sierra Leone*—Mr. Mustapha, Finance Minister. *South Africa*—Dr. Van Rhijn, Minister of Economic Affairs. *United Kingdom*—Mr. Heathcoat Amory, Chancellor of the Exchequer ; Lord Home, Secretary of State for Commonwealth Relations ; Sir David Eccles, President of the Board of Trade ; Mr. Reginald Maudling, Paymaster-General in charge of negotiations for the European Free Trade Area ; and Lord Perth, Minister of State for Colonial Affairs. *West Indies*—Dr. Lacorbimère, Federal Deputy Prime Minister and Minister of Trade and Industries.

Mr. Fleming, who was elected chairman of the conference, announced on Sept. 16 the following agenda :

(1) The significance for Commonwealth countries of the changes in world trade.

(2) Sterling area prospects.

(3) Progress towards the common objective of freer trade and payments.

(4) Economic and trade problems in regard to agriculture and other primary production.

(5) Measures to expand trade between Commonwealth countries.

(6) The progress and direction of economic expansion in the less developed countries of the Commonwealth, and the sources of capital and technical assistance that might aid in their further development.

(7) Prospects and implications, especially for Commonwealth countries, of a European Economic Community and the proposed Free Trade Area.

(8) Arrangements for continuing Commonwealth consultation on economic matters.

All the discussions were held at plenary sessions, *ad hoc* working groups being established to deal with specific issues.

During the Conference's discussions, particular concern was expressed by a number of delegates—including **Mr. McEwen** (Australia), **Mr. Fleming** (Canada), **Sir Henry Lee** (Malaya) and **Mr. Heathcoat Amory** (United Kingdom)—about the instability of the prices of primary commodities and its effect on the economy of producer-countries depending largely on revenue from the export of those commodities. Another subject of concern was raised by **Mr. Nordmeyer** (New Zealand), who strongly criticized the policy adopted "by certain countries, including Commonwealth countries," of subsidizing farm products to an extent which caused them to dump such products abroad, thereby severely damaging the traditional export trade of such countries as New Zealand.

On the other hand, the Canadian policy of agricultural protectionism was defended by **Mr. Diefenbaker,** who pointed out that "in most if not all countries" special safeguarding measures for agriculture had been "deemed imperative" and that "we delude ourselves if we regard this as a passing phase." Canada herself had suffered for many years from the consequences of efforts by other countries to foster their agriculture, until she had been forced to take counter-action. Mr. Diefenbaker suggested that all countries which were substantial producers or importers of food should jointly undertake a systematic review of the conditions of world trade in agricultural products and the rules under which such trade could be carried out "with harmony and good sense." Such a review, for which the machinery of GATT could be used, might result in the settting up of an International Food Bank.

The need to "make war on poverty" in the under-developed countries was stressed with particular emphasis by **Mr. Desai,** who urged that the capital needs of these countries should have priority, and suggested that development problems be tackled "within the Commonwealth family in the same manner in which they are handled within the close-knit family of the national State." Formerly, "glaring disparities" of income between individuals and areas within States had been accepted "almost as a law of nature," but this was no longer acceptable to the conscience of the civilized world, and the same principle should apply in the relations between Commonwealth countries "and indeed over the entire world." Mr. Desai said that the basic value of the Commonwealth was "our belief in the ideal of freedom of the human spirit," but that the human spirit "had to be alive before it could be free." If economic conditions were to be such as to destroy the human spirit, he feared that there would increasingly be a turning-away from all the values which gave meaning to a democratic Commonwealth. He asked the Conference to adopt the principle—previously enunciated by Sir David Eccles—that the more advanced industrial nations, including Canada and the U.S.A., should open their doors freely to the manufactured products of economically backward countries, thus enabling the latter to increase their capital resources for development. [Sir David's appeal was made at a public luncheon, during which he pointed out that Britain was importing large quantities of cotton cloth from India and Hong Kong despite the problems thereby raised for the British textile industry].

Announcements on Economic, Educational, and Telecommunications Co-operation between Commonwealth Countries. - Proposed Round-the-World Cable Link.

A number of important announcements were made by individual member-countries during the conference, in addition to the decisions taken by the conference as a whole. Fuller details of these announcements are given below.

Wide Relaxation of U.K. Dollar Import Restrictions.

Sir David Eccles announced on Sept 17 that restrictions on dollar imports into Britain would be drastically reduced with immediate effect, including the removal of nearly all controls on imports of industrial, agricultural, and office machinery and the complete freeing from control of canned salmon and newsprint imports. He also announced the steps envisaged by the U.K. Government for the further gradual abolition of the remaining restrictions on dollar imports. Sir David's statement was as follows :

"Our policy in this matter of import restrictions has been consistent. It is true that in view of our balance-of-payments position we have had to maintain some restrictions on imports, mainly from the dollar area. But, as the Chancellor of the Exchequer said in his opening statement, we have moved forward steadily towards the goals of non-discrimination and convertibility, and it remains our firm policy to remove discrimination entirely as our circumstances permit.

"Our record will speak for itself. In the three years immediately following 1952 we freed from import control the major raw materials and basic foodstuffs. In 1956 we removed controls on paper-pulp and board and made a very substantial increase in the quota for newsprint. By 1957, 62 per cent of our dollar imports were free of all restrictions.

"A year ago, and notwithstanding our difficulties at that time, we freed almost all remaining raw materials. Earlier this year we gave a substantially increased quota for canned salmon, abolished the discrimination against the dollar area in our import licensing arrangements for apples, and gave extended quotas for other dollar fruit. In July we made a further major step forward by removing completely import controls on all chemicals.

"A decision on the pace at which the United Kingdom can move in this field must remain our responsibility, and what we are able to do must depend on the circumstances from time to time, some of which are not under our control. It will be agreed that when a relaxation is made we must feel confident of being able to maintain it. Therefore we cannot enter into any fixed timetable.

"But I am glad to say that we now see our way to taking a further significant step forward. We have decided to take action under four heads :

(*a*) We propose to make almost a clean sweep of the controls on dollar imports of industrial, agricultural, and office machinery. Only a limited range of comparatively specialized machinery will remain subject to control.

(*b*) Canned salmon will be wholly freed from import control with the exception of salmon from the Soviet bloc.

(*c*) We shall formally free newsprint from control.

(*d*) Colonial Governments are being invited to make relaxations of their restrictions on a wide range of dollar goods.

"This we are doing at once, and then we shall have reached the stage when almost all materials, basic foodstuffs, and tools of trade will be free.

"The next move will be to make a start in freeing our imports of consumer goods and the remaining foodstuffs. Exactly what we shall be able to do, and when, will depend on certain well-known conditions. I have in mind the need to be sure both that world trade is expanding and that we are free from inflation at home. But, broadly speaking, this is what we would propose to do. All being well, we hope to make a start next year. First, we would remove the controls on as wide a range of consumer goods and foodstuffs as we could. Secondly, we should establish or increase quotas for items where in our judgment the cost of total liberalization might be greater than we could afford at that time. The next stage would be

progressively to increase these quotas until the items were completely free. Thirdly, there would remain a limited number of items presenting special difficulties Each of these would be considered over a period of time on its merits."

The British Government's decision was warmly welcomed by Mr. Fleming and the other Canadian delegates to the conference.

In London, it was pointed out by the Board of Trade that hitherto there had been no quotas on agricultural, industrial, and office machinery imported from dollar countries, and that anyone wishing to buy such machinery had to show that he needed it and could not obtain it from the sterling area or from Western Europe; only if he could do so was he granted an import licence and the necessary exchange facilities. There were no controls on chemicals, animal foodstuffs, and basic manufacturing materials, but consumer goods were all on quotas—many of which were small, and were only imported in token quantities. The freeing of newsprint imports was unlikely to have any substantial effect, as supply and demand were roughly in balance and the amount used was mainly controlled by the price.

Canadian Tariff Pledges to Britain, Australia, and New Zealand.

Mr. Fleming announced on Sept. 23 (*a*) that Canada would be prepared "to bind, which means not to increase," the existing preferential rates of duty for an important list of U.K products imported into Canada; (*b*) that, in respect of a further substantial list of products imported from the U.K., Canada proposed to "bind" the existing preferential rates against any increase as recently negotiated under the General Agreement on Tariffs and Trade. The total value of imports from Britain affected by the Canadian concessions amounted to some $150,000,000 (about £53,570,000) annually.

In the first category free entry would accordingly be assured in respect of cars, lorries, and buses of all kinds, together with spare parts; aircraft, aero-engines and parts, diesel engines and parts; textile machinery; printing presses; tractors and parts; china tableware; plate-glass; wire for wire rope; books; biscuits; and a number of other items. Products in the second category would include the whole range of primary iron and steel products, and also all pipes, tubes, and fittings.

In announcing the Canadian decision, Mr. Fleming referred to the elimination of dollar import discriminations by the U.K. He added: "In the same spirit of helping one another wherever we can the Canadian Government has decided to respond in a positive way without trade treaty obligations, including the 'no new preference' rule. We are taking this action in the confident expectation that U.K. exporters, who are thus assured of continued favourable access to the Canadian market, will seek out new opportunities to expand their sales in this growing market."

Mr. Fleming also announced that Canada had reached "understandings" with Australia to review existing tariff agreements touching on Imperial tariff preferences, and that Australia and New Zealand had received guarantees that Canada would not increase preferential duties on lamb and mutton imports from those countries.

[The existing Canadian duty on Australian and N.Z. lamb and mutton is ¼ cent per lb., compared with 4 cents per lb. from other Commonwealth suppliers and 6 cents per lb. from countries outside the Commonwealth. The special rate for Australia and New Zealand has been operating for 20 years. Australian exports of lamb and mutton to Canada amount to about £750,000 a year, and New Zealand exports to about £1,330,000.]

Commonwealth Economic Assistance Loans by Britain.

Mr. Heathcoat Amory announced on Sept. 22 the introduction by the U.K. Government of a new system of Commonwealth economic assistance loans on preferential terms. Under this, Britain was proposing to offer to independent Commonwealth countries credits under the Export Credit Guarantees Act at the rate of interest at which the British Government itself borrowed, plus a management charge of ½ per cent. He added: "This is a major departure of policy for us. We have already made a start, and the scale of this operation may be judged from the fact that we have already offered credits in this form to a total of more than $150,000,000. For the Colonies we are proposing to introduce legislation to provide Exchequer loans at the same rate, to supplement what they can raise on the market."

Speaking at a luncheon later the same day, the Chancellor of the Exchequer said that Britain's total contribution to economic development in the Commonwealth had averaged nearly £200,000,000 annually in recent years, or nearly 1¼ per cent of the U.K.'s gross national income. He added: "We mean to keep this up and do better still if we can, but we must always be quite sure that we do not accept commitments beyond the limits of our resources."

Dealing with the question of whether there were other ways of helping to stimulate the flow of capital to under-developed countries in the Commonwealth, Mr. Heathcoat Amory declared: "Thus far the main source of such capital has, of course, been the United Kingdom. We should be glad if other Commonwealth Governments could participate too, even those which are net capital-importing countries. In addition to what they may decide to do individually, we suggest that they might be willing (either through their central banks or directly through their Governments) to join in the work of our Commonwealth Development Finance Company, a privately-run organization which assembles development capital from banks and other sources, and which would like to expand its work in co-operation with individual Commonwealth development corporations overseas, and with the International Bank. We hope there may be some results from this approach."

There were three methods by which capital could flow abroad, the Chancellor continued. The first was to provide at home the right conditions for active private enterprise, but if British businessmen were to invest abroad the receiving countries must give assurances that such investment would not be hampered. Direct private investment was undoubtedly the most important way of providing for oversea development. The second method was mobilization through the London market. In the post-war period only Commonwealth and Colonial Governments had hitherto been allowed to come to the London market for loans, but not subordinate authorities such as development boards, etc. In future Britain would also allow these subordinate authorities in under-developed countries to use this facility where the need was urgent. The third method was to try to get money for establishing basic services (railways, roads, and power schemes) where private capital could not be attracted. The International Bank had done a great deal in this field, and Britain hoped that if the Bank's resources were expanded "they would be able to do much more." The British Government felt, however, that apart from International Bank facilities it should do something more, and for this reason it had initiated the system of Commonwealth economic assistance loans.

Speaking of Britain's financial recovery during the past year, the Chancellor said that a "sound basis" had now been reached from which it was possible to work outwards and help the rest of the Commonwealth; the first way to help was by keeping sterling strong, which would always remain Britain's "Number One priority."

Increased Canadian Aid under Colombo Plan. – Higher Canadian Contributions to World Bank and International Monetary Fund.

Mr. Fleming announced on Sept 22 the following Canadian decisions to step up the flow of financial aid to under-developed Commonwealth countries and to help world development in general: (1) The doubling of Canada's subscription to the World Bank, involving an additional commitment of $325,000,000, and a 50 per cent increase of her quota in the International Monetary Fund, involving an additional payment of $150,000,000. (2) An increase of nearly 50 per cent in Canadian aid under the Colombo Plan, by raising her annual appropriation over a three-year period from $35,000,000 (the present level) to $50,000,000 a year. (3) A grant of $25,000,000 a year in free foodstuffs to Asian Commonwealth countries such as India, Pakistan, and Ceylon. (4) Special arrangements for contributions to African Commonwealth countries for their development, involving mainly technical aid at a cost of $500,000. (5) Canada would continue her contribution to the Colombo Plan technical assistance programme, and contribute to the new U.N. Special Fund to assist under-developed countries. (6) Canada would also be willing to join in a Commonwealth Bank, if formed, and would undertake further studies of this project.

Commonwealth Educational Exchange Programme.

Following a proposal by Mr. Diefenbaker that the conference should consider the establishment of a broad and reciprocal educational exchange programme of 1,000 scholarships and teaching fellowships, in order to strengthen the intellectual resources of the countries concerned, Lord Home announced on Sept. 19 that Britain would be willing to provide one-half of these scholarships; in view, however, of her great experience in educational matters in the under-developed countries, he felt that the emphasis should be more on teacher training and on technical education, rather than on facilities for higher education.

Illustrating the U.K. effort to help technical advancement in the under-developed Commonwealth countries and colonies, Lord Home pointed out that between 10 and 12 per cent of all places at U.K. technical colleges and universities were occupied by overseas students, two-thirds of whom came from the Commonwealth. At the Imperial College of Science, for example, the percentage of oversea students was 38, while at the post-graduate medical colleges it was 60. The current recurring cost to U.K. universities and other colleges was £41,000,000, three-quarters of which came from public funds.

Mr. McEwen announced that the Australian Government had decided to make available a further 150 places in Australian universities for Asian and other Commonwealth students. These places would be paid for by Government grants, in addition to existing commitments and regardless of the outcome of proposals for new Commonwealth scholarships and fellowships.

Mr. Fleming announced that Canada would be prepared to underwrite 25 per cent of the new educational exchange programme, to a limit of $1,000,000 a year. Dr. Sidney Smith (Canadian Minister for External Affairs) had previously announced that Canada would be prepared to take 100 students annually over and above those technical students included under such schemes as the Colombo Plan.

Lord Home suggested that a joint study group should be set up to investigate methods of improving teacher and technical training within the Commonwealth; he also urged that a Commonwealth conference on education should be held at an early date, possibly in London.

Canadian Economic Aid for West Indies.

Mr. Diefenbaker announced on Sept 23 a five-year programme of Canadian aid to the West Indies Federation totalling $10,000,000.

Mr. Diefenbaker said that the programme was based on a proposal which he had made on Sept 16 to Sir Grantley Adams (Prime Minister of the West Indies Federation), and which had been accepted by Sir Grantley on Sept. 19. It would include the provision of a sister-ship to the one which Canada had already agreed to provide for inter-island trade [see 16112 D]. The general principles of the programme would be worked out by Canadian representatives in Port of Spain.

Round-the-World Commonwealth Cable Link.

A plan for a round-the-world telephone cable was accepted in principle by the conference on Sept. 24. The scheme—which had first been suggested by Mr. Fleming at the Commonwealth Finance Ministers' Conference, and had been drawn up at a meeting of the Commonwealth Telecommunications Board in London last June—was unanimously approved. Lord Home announced that a substantial contribution could be expected from the U.K., provided other Commonwealth countries met a fair share of the cost.

At present there is one transatlantic telephone cable in operation, owned jointly by Canada, the U.S.A., and Britain [see 15121 D]. A second circuit is being built for completion in 1961, to be called *Cantat*; it will be jointly owned by Canada and Britain [see 15500 B].

The world circuit envisaged will use the *Cantat* cable to British Columbia. From there it will run to Honolulu (where it will connect with the U.S. cable), then on to Fanning Island (Central Pacific) and thence to New Zealand and Australia. From Australia it will run to Singapore, Chittagong (East Pakistan), Colombo, Karachi, Bombay, round the coast of Africa, and thence to Britain—a total distance of about 30,000 miles. All the submarine co-axial cable will be laid by the British cable-laying ship *Monarch* and will be of British design, with two-way repeaters.

The G.P.O. in London stated on Sept. 23 that such a world circuit would provide at least 60 high quality channels for two-way telephone conversations. It would also allow the direct exchange of radio programmes, and could yield a large number of telegraph circuits if some of the telephone channels were sacrificed.

The total cost of the venture, according to Mr. Fleming's estimate, would be £88,000,000; it was estimated that it would take ten years to complete.

Creation of Oversea Research Council.

Lord Home announced on Sept. 24 that it had been decided to establish an Oversea Research Council to help Commonwealth countries in scientific research. The British research councils—the Department of Scientific and Industrial Research, the Medical Research Council, and the Agricultural Research Council—were willing to provide advice and assistance, and the new Council would provide a central agency to which Commonwealth Governments and research institutes could refer for advice and information.

Communiqué of the Montreal Conference.

The results of the conference were summarized in the following communiqué issued in Montreal:

Trade. "The conference reaffirmed the common objective of freer trade and payments. It agreed that dollar discrimination should be progressively reduced and ended as soon as possible. The United Kingdom removed import restrictions on canned salmon, newsprint, and most machinery; this means that import restrictions have now been removed for almost all raw materials, basic foodstuffs, and industrial machinery. The U.K. also invited Colonial governments to relax restrictions on a wide range of dollar imports. It announced its intention, all being well, to make a start next year on the removal of all remaining restrictions. In recent weeks Australia has relaxed dollar restrictions on a further 10 per cent of its total imports.

"The conference agreed on the great value of the existing system of preferences and the importance of maintaining it. The United Kingdom confirmed its intention to maintain free and unrestricted entry for nearly all Commonwealth goods as an important part of the preferential system. Canada undertook to bind against increase under the General Agreements on Tariffs and Trade the British preferential rates of duty for an important list of products of special interest to the United Kingdom. Many of these items now enter Canada duty free. Canada also undertook to bind against increase the special low rate of duty on mutton and lamb accorded to New Zealand and Australia. The following trade agreements are to be reviewed: Canada-Australia; Canada-West Indies; Australia-New Zealand. New Zealand and the United Kingdom are also reviewing their trade agreement.

"The conference agreed that examination should take place, under the relevant anti-dumping legislation, of cases where it is alleged that dumped or subsidized goods are damaging the interests of Commonwealth suppliers. The conference agreed that full use should be made of trade missions, trade fairs, and other promotional activities for the expansion of intra-Commonwealth trade.

"The conference emphasized the need that a European Common Market and European Free Trade Area should be outward-looking in the interests of an expanding world trade and world economy.

"Commonwealth countries agreed that, subject to the provisions of international agreements, they should endeavour as soon as possible to remove discrimination in trade in the form of quantitative restrictions between themselves and refrain from introducing measures of discrimination between Commonwealth sources of supply unless this is necessary for balance-of-payments reasons. The conference recognized how important it is that obstacles should not be placed in the way of the export of manufactured foods of the under-developed members of the Commonwealth, and agreed that Commonwealth Governments will give full weight to this consideration whenever decisions are necessary concerning the terms of access of such goods to their markets.

"Views were exchanged on the various aspects of the new situation created by the more active participation of a number of the Sino-Soviet group of countries in world markets.

Commodity Problems and Agriculture. "The conference recognized the serious problems caused by the prevalence of wide fluctuations in commodity prices and the need for remedial action. To this end, Commonwealth countries agreed to participate in a commodity by commodity examination of the situation. It was proposed that an international study group should be established without delay to examine the current trade problems relating to lead and zinc. The conference expressed concern that the International Tin Agreement should survive and succeed, and agreed that Commonwealth countries should consult together, as necessary, about any appropriate measures to strengthen it. The Canadian and Australian Governments were pleased to note the intention of the United Kingdom to participate in the preparatory discussions for a new International Wheat Agreement.

"The conference agreed on the need for measures to mitigate the adverse effects of protection afforded to basic agricultural commodities and minerals. It agreed that care has to be taken in the disposal of surpluses on world markets at non-commercial terms so as not to cause harm to the interests of traditional suppliers. Non-commercial disposal can help to improve the living standards of the less-developed countries. However, such transactions call for adequate consultations so that the interests of all parties may be safeguarded as much as possible.

Finance. "The conference recognized the vital role of sterling in financing the flow of world trade, and that it was essential to the stability and progress of the whole world trading community that sterling remained strong. It remained the agreed objective that sterling should be made convertible as soon as the necessary conditions had been achieved.

"Agreement was reached on the desirability of expanding the resources of the International Monetary Fund and the International Bank for Reconstruction and Development. The conference welcomed the initiative of President Eisenhower in this regard.

"The conference discussed the possibility of establishing a new Commonwealth financial institution and agreed that further studies should be undertaken to consider methods of mobilizing resources for Commonwealth development.

Development. "The conference stressed the great importance of more rapid economic progress in the less-developed countries. All countries undertook to co-operate in this urgent task. This would require more capital, both public and private, more technical assistance, better opportunities for education, and increased opportunities for trade.

"The United Kingdom announced its intention to make Commonwealth assistance loans from Exchequer funds. The loans to independent Commonwealth countries will be made under the Export Credit Guarantees Act and those to Colonial territories under the Colonial Development and Welfare Acts. Offers of Commonwealth assistance loans already made total over £50,000,000.

"The conference favoured an expansion of the resources and activities of the Commonwealth Development Finance Company, and a number of delegations expressed the willingness of their governments to contribute to the capital of the company.

"The value of the Colombo Plan in promoting economic development was recognized by all. Canada announced an increase from $35,000,000 to $50,000,000 in its annual contribution to the Colombo Plan over the next 3 years. For the Commonwealth areas in Africa, Canada stated it would provide an initial sum of $500,000 for technical assistance. In addition, Canada indicated that it will continue to provide substantial sums to less-developed countries in the form of loans and grants for Canadian wheat and flour. The

conference noted Canada's announcement of a $10,000,000 programme of assistance to the West Indies over the next 5 years, including the provision of two ships for inter-island service.

"The conference agreed that all possible steps should be taken to encourage participation by private capital in the economic growth of under-developed countries.

Education. "The conference agreed that expansion of education and training within the Commonwealth is an essential condition of economic development. It was agreed in principle that a new scheme —additional to existing programmes—of annual awards of scholarships and fellowships would be established. Under this scheme 1,000 Commonwealth scholars and fellows will be studying in other Commonwealth countries at any one time. The United Kingdom undertook to assume responsibility for half the programme and Canada assumed responsibility for a further 25 per cent. The details of this scheme will be worked out at a special Commonwealth educational conference to be held early next year in London, which will also consider what might be done to expand and improve mutual assistance in this field between Commonwealth countries, with special reference to the supply and training of teachers.

Australia announced an increase of 150 in the number of places it is making available for education and training under the Colombo Plan.

Telecommunications. "All countries recognized the importance of reliable communications in strengthening the Commonwealth. It was agreed in principle to construct a Commonwealth co-axial cable which would provide the first round-the-world telephone service. It was expected that this system would be completed in stages over some ten years.

Consultation. "The conference acknowledged the value of existing arrangements for economic consultation and agreed to co-ordinate them under the name of the Commonwealth Economic Consultative Council. The conference welcomed the generous offer made by the U.K. Government to provide a Commonwealth House in London, to be available for the constituent bodies of the Council and for other Commonwealth meetings.

General Survey of Conference Proceedings.

The following is the abbreviated text of Part I (General Survey) of the report issued by the conference on Sept. 26.

Introduction. "The Commonwealth has a population of 660,000,000 people and covers an area of 12 million square miles. The ties that hold its members together reach into every part of the world and unite countries of almost every race and at almost every stage of economic development . . . The economic problems of the members of the Commonwealth reflect these differences in economic advancement. But the Commonwealth countries are inter-dependent in that the progress of each is affected in greater or lesser degree by the prosperity of the others. In particular, the rapid advancement of the less developed countries is a matter of major concern to their more prosperous partners.

"Commonwealth countries all hold a number of economic objectives in common. They all wish to see rapid economic growth in the world as a whole, since this is a condition for their own betterment. They all have a direct stake in the growth of world trade. They are all concerned that sterling, in which the trade of most of them is financed, should be strong. They all realize that these objectives call for close collaboration both between themselves and with like-minded countries. For these reasons the central theme that has run through our discussions in Montreal has been an expanding Commonwealth in an expanding world.

Trade Problems. "The trading problems faced by Commonwealth countries at the present time are of many different kinds. Some countries have been adversely affected by widely fluctuating commodity prices and by unfavourable terms of trade. Some have found their principal exports increasingly damaged by protectionism. Some have been hampered in the conduct of their trade by inadequate exchange reserves and by restrictions that they have felt obliged to place on their imports. Such restrictions also affect exporting countries.

"Instability in commodity prices is particularly serious for countries which depend on only one or two commodities for their export earnings, since it deprives them of a stable basis on which to plan their development programmes. Arrangements for the price stabilization of some commodities already exist; for others we agreed to participate in an examination of the problem on a commodity-by-commodity basis in order to arrive at understandings about the best methods for moderating short-term price fluctuations. We recognize that, for the most part, effective action will require the participation of the important producing and consuming countries throughout the world . . . It is our hope that countries outside the Commonwealth will accept our objectives and be prepared to join us in trying to achieve them.

"We have also been impressed by the problems created for many Commonwealth countries by policies of protectionism in the fields of agriculture and mineral production. We are agreed on the need for measures to mitigate the adverse effects of protection afforded to basic agricultural commodities and minerals. Urgent consideration should be given to the question how the General Agreement on Tariffs and Trade could be strengthened to make it a more effective instrument for dealing with these problems. We also realize how important it is that efforts should be made to avoid placing obstacles in the way of the export of manufactured goods from the less developed countries of the Commonwealth.

"We examined the influence which the European Economic Community might have on Commonwealth economic interests, and reviewed the progress of the negotiations for a European Free Trade Area. It is our conviction that an outward-looking Free Trade Area, in which trade would be increased rather than merely re-channelled, would contribute to the objective of an expanding world economy. It is our hope that closer economic association in Europe will not be permitted to result in a contraction of trading opportunities for outside countries or in an extension of protection. An exchange of views also took place on the various aspects of the new situation created by the more active participation of a number of the Sino-Soviet group of countries in world markets.

"It is our firm belief that Commonwealth countries should continue to work in no exclusive spirit towards a multilateral trade and payments system over the widest possible area. We are also convinced that there are many things which can appropriately be done to increase trade between one Commonwealth country and another. Commonwealth participation in the preferential system has proved to be of mutual benefit, and we have no intention of discarding or weakening it. Some of the trade agreements between Commonwealth countries now require review, and work has begun on re-negotiating them. It is our intention to work towards an expansion of Commonwealth trade by all practicable means, and we have explored a number of these.

Telecommunications. "Over the years, Commonwealth trade has been promoted and Commonwealth associations reinforced by various special provisions for Commonwealth communications through postal services, telegraph, and radio. With this in mind, and on the basis of a recent report by the Commonwealth Telecommunications Board, it was agreed in principle that a round-the-world Commonwealth co-axial cable telephone system should be constructed.

Sterling. "Sterling is the currency in which most of the trade of Commonwealth countries is transacted, and it is essential to the stability and progress of the countries of the sterling area and of the world trading community as a whole that it remains strong. We noted with satisfaction the increasing strength that it has recently displayed, and we are confident that, in its traditional role as an international currency, it will play an increasingly important part in world trade and payments. It remains our objective that sterling should be made fully convertible as soon as the necessary conditions have been achieved, and that trade discrimination should continue to be progressively removed in view of the advantages to be gained by so doing. We were glad to note the progress that has been made, and we received with particular satisfaction the announcements made by the United Kingdom of further steps in that direction. The final decision on the timing of the convertibility of sterling must rest with the United Kingdom, who would, however, take into account the interests of the Commonwealth as a whole.

World Liquidity. "We were greatly encouraged by the announcement made by President Eisenhower [see 16403 A] that the United States would propose that a substantial enlargement of the resources of the I.M.F. should be considered. We endorse that initiative and will give it full support in principle at the meetings that are shortly to be held in New Delhi. We will support the parallel initiative that is also to be taken by the United States for the consideration of a substantial increase in the resources of the International Bank for Reconstruction and Development.

Commonwealth Development. "In our judgment it is of the utmost importance that the development programmes [of the less developed countries] should be successful and that the hopes they have aroused should not be frustrated. We cannot be indifferent to the poverty in some Commonwealth countries. The concern we feel is based fundamentally on common humanity, but it is supported as well by the knowledge that the economic development of Commonwealth countries would be of material benefit to us all. We also know that if the hopes of the less-developed countries are too long deferred, the democratic institutions which we all cherish might be in danger. Accordingly, we agreed that we must do all we can, even to the extent of some sacrifice, to assist in the solution of these vital problems.

"One of the sharpest limitations on development is the world-wide shortage of capital. It was realized that under-developed countries have to mobilize increasingly their own savings to finance their programmes of capital investment, but . . . a large gap will still remain if economic development is to proceed at an adequate pace. That gap can only be filled by investment from abroad. Private investors could play an important part, and it was agreed that capital-exporting and capital-importing countries alike should do what they can to encourage the flow of private investment to the less developed countries of the Commonwealth. But in present circumstances there is also need of assistance from governments. During the conference announcements were made of measures to increase the already considerable flow of capital to those countries. However, the needs of under-developed countries for capital cannot be fully met from within the Commonwealth, and they must continue to look also to other countries and to the international institutions, especially the International Bank, for development finance.

"We have considered whether the development of Commonwealth countries could be assisted by the setting up of a new institution such as a Commonwealth Development Bank. The idea has attractions, but doubts were expressed whether in existing circumstances the creation of such an institution would in fact help to attract

additional capital. We decided to consider this proposal again after decisions have been taken in regard to any expansion of the resources of the International Bank and the International Monetary Fund. We agreed to study further the question of methods of mobilizing resources for Commonwealth development.

Education and Training. "Another way in which Commonwealth countries are assisting in the economic development of the less-developed countries is through the provision of technical assistance . . . We all agreed on the great importance of education and training and expressed our resolve to help one another as much as lies in our power within this field. The supply and training of teachers is of special importance. We agreed in principle to establish a new scheme of Commonwealth scholarships and fellowships, and to convene a meeting early next year which would work out the details of the new scheme and also consider what might be done to expand and improve mutual assistance between Commonwealth countries.

Consultation. "Commonwealth consultation and co-operation in economic matters are of primary importance in achieving our objectives in the economic field. We agreed that the present machinery for consultation is working well. it is flexible and informal and well fitted to the family character of the Commonwealth relationship. We decided that the existing arrangements should be co-ordinated under the name of a Commonwealth Economic Consultative Council. We welcomed an offer by the U K. Government to provide a Commonwealth House to be available for the constituent bodies of the Council and for other Commonwealth meetings.

Conclusion. "The objectives we have outlined, under our general theme of an expanding Commonwealth in an expanding world, require the co-operation of other countries, and especially that of the United States with its great economic power . . . But as a family of free nations in all parts of the world we have a crucial part to play. We have a unique responsibility to help in fostering the progress of human society and in solving its problems. That is a duty which we are determined to discharge to the utmost of our ability."

The Board of Trade in London announced on Sept. 24 that the Open General Licences had been amended to give effect to the measures on dollar import liberalization announced by Sir David Eccles on Sept. 17.—(Times - Daily Telegraph - Manchester Guardian - Montreal Star - External Affairs Department, Ottawa - Australian News and Information Bureau - N.Z. Directorate of Information, Wellington - Indian and Pakistan High Commissioners' Offices, London - Financial Times - Board of Trade Journal) **(Prev. rep. 15796 A.)**

A. UNITED STATES. — Federal Aviation Agency.

Lieutenant-General Elwood R. Quesada (retd.) was nominated by President Eisenhower on Sept. 30 as Administrator of the Federal Aviation Agency—a new agency for centralized regulation of air safety and air traffic, created by Congressional legislation before the autumn recess. As the legislation laid down that the Administrator of the F.A.A. must be a civilian, General Quesada will resign his commission on the retired list of Air Force officers before taking up his new appointment.

General Quesada retired from the U.S. Air Force in 1951 after 34 years' service. He subsequently held the posts of Special Assistant to the President on Aviation Matters, chairman of the Airways Modernization Board, and chairman of the Air Co-ordination Committee, and has been President Eisenhower's chief adviser on aviation matters since 1957.

The Federal Aviation Agency will come officially into existence on Dec. 31, 1958, when it will take over all the functions of the Civil Aeronautics Authority and part of the functions of the Civil Aeronautics Board. The latter agency will retain its existing functions as regulator of fares, fees and practices of airlines, as well as its jurisdiction over accident investigation.—(New York Times - New York Herald Tribune) **(Prev. rep. 16208 A ; New Agencies, 16349 C ; 16328 D.)**

B. UNITED KINGDOM. — Ford Foundation's $250,000 Grant for London School of Economics.

The Ford Foundation announced in New York on Oct. 12 that it had made a grant of $250,000 (£89,280) to the London School of Economics, to be used for the establishment of an educational programme for graduate students from less-developed countries and for other international activities, including exchanges of students. The Foundation also announced a grant of $90,000 (£32,142) to the School of Oriental and African Studies at London University, to be used for a co-operative research project by British and American scholars on the economic history of East and South-East Asia.—(Times - Daily Telegraph)

C. BRAZIL. — Population Figures.

Official estimates published in Rio de Janeiro in August showed that the population of Brazil on July 1 totalled 68,101,627.—(Brazilian Government Bulletin) **(15152 C.)**

D. UNITED KINGDOM. — House of Lords. - Introduction of Life Peers and Peeresses.

The ten life peers and four life peeresses created on June 24 took the oath in the House of Lords on Oct. 21-22—the first time in its 1,000-year history that women had taken their seats in the House. The titles taken by the new life peers and peeresses were as follows :

Dame Katherine Elliot—Baroness Elliot of Harwood, of Rulewater in the County of Roxburgh.

Mary Irene, Baroness Ravensdale—Baroness Ravensdale of Kedleston, of Kedleston in the County of Derby.

Stella, Marchioness of Reading—Baroness Swanborough, of Swanborough in the County of Sussex.

Mrs. Barbara Wootton—Baroness Wootton of Abinger, of Abinger Common in the County of Surrey.

Sir Robert Boothby—Baron Boothby, of Buchan and Rattray Head in the County of Aberdeen.

Mr. Victor Collins—Baron Stonham, of Earl Stonham in the County of Suffolk.

Sir Ian Fraser—Baron Fraser of Lonsdale, of Regent's Park in the County of London.

Sir Charles Geddes—Baron Geddes of Epsom, of Epsom in the County of Surrey

Mr. Victor Ferrier Noel-Paton—Baron Ferrier, of Culter in the County of Lanark.

Mr. Edward Shackleton—Baron Shackleton, of Burley in the County of Southampton.

Sir John Stopford—Baron Stopford of Fallowfield, of Hindley Green in the County Palatine of Lancaster.

Dr. Stephen Taylor—Baron Taylor, of Harlow in the County of Essex.

Sir Edward Twining—Baron Twining, of Tanganyika and of Godalming in the County of Surrey.

Mr. Daniel Granville West—Baron Granville-West, of Pontypool in the County of Monmouth.

The following titles were taken by the two recipients of peerages in the last Birthday Honours : Mr. Oliver Poole—Baron Poole, of Aldgate in the City of London ; Sir Ellis Robins—Baron Robins, of Rhodesia and Chelsea.
(Times - Daily Telegraph) **(Prev. rep. 16313 A ; 16289 A.)**

E. CEYLON. — Loan from Communist China.

An agreement between Ceylon and the Chinese People's Republic was signed in Colombo on Sept. 17, whereby China granted Ceylon a loan of 50,000,000 rupees.

It was provided that the loan would be made in four annual instalments, beginning in 1958, and would be effected through the delivery of industrial equipment, materials and other supplies required by Ceylon; a Sino-Ceylonese committee would decide annually about the specific kind and quantity of the deliveries to be made and the loan amount required to cover it. The loan would bear 2½ per cent interest per annum and would be repayable in ten equal annual instalments from 1961; repayment would be made either in the currency of a third country (to be agreed upon by both Governments) or through the export of Ceylonese goods to China.

The agreement was signed by Mr. Bandaranaike, the Prime Minister of Ceylon, and Mr. Chan Tsan-ming, Chinese Ambassador in Colombo.—(Ceylon Government Information Dept.)
(Prev. rep. 15802 B)

F. INDIA. — Plan for First National Expressway.

The Indian Minister for Transport and Communications (Mr. Patil) announced in mid-October that he had sanctioned the expenditure of 50,000,000 rupees (£3,750,000) as a first instalment towards the construction of a new "national expressway" linking Calcutta with Durgapur, centre of one of the new steel plants. The "expressway"—the first of its kind in India—would be about 100 miles long, have four traffic lanes (two in each direction), and cross other roads by means of fly-over bridges. The cost of construction—160,000,000 rupees (£12,000,000)—would be entirely borne by the Central Government, but a special tax would be levied on motor vehicles using the expressway.

Mr. Patil added that the Government proposed to construct similar national expressways in other parts of India.
(The Statesman, Calcutta)

G. LEBANON. — Portfolios in Coalition Cabinet.

The distribution of portfolios in the coalition Government headed by M. Rashid Karami and formed on Oct. 15 was as follows : M. Rashid Karami—Prime Minister, Finance, Economic Affairs, Defence, and Information ; M. Pierre Gemayel—Deputy Prime Minister, Public Works, Education, and Agriculture ; M. Hussein Oweimi—Foreign Affairs, Justice, and Planning ; M. Raymond Eddé—Interior, Social Affairs, and Communications.—(Le Monde, Paris)
(Prev. rep. 16439 A.)

A. UNITED KINGDOM. — Liberal Party. - The 1958 and 1957 Party Conferences. - Debates and Resolutions. - Mr. Grimond's Speeches.

The annual Assembly of the Liberal Party for 1958 was held at Torquay on Sept. 18-21, the principal subjects discussed and resolutions adopted being summarized below :

Foreign Affairs. The Assembly adopted a resolution (moved for the executive by Lieut.-Colonel Lort-Phillips, prospective candidate for Gloucester) calling on the Government (1) to take steps to secure the admission to the U.N. of all countries at present unrepresented, including the People's Republic of China ; (2) to propose at the U.N. the neutralization of Formosa and the recognition of the offshore islands as an integral part of China ; (3) to propose at the U.N. " that the security of all those international trade routes on which depend the progress and economic development of mankind, and especially of the Asian nations, should be made a responsibility of the United Nations"; (4) to take steps towards establishing a U.N. Police Force.

Nuclear Disarmament. After a heated debate marked by sharp differences of opinion, the Assembly adopted a resolution by the executive, amended in considerable respects by Colonel Geoffrey Taylor (prospective candidate for Yeovil and formerly Professor of Medicine at Lahore University College), which (1) referred to the recent report of the U.N. Scientific Committee on the effects of atomic radiation (see 16370 A) ; (2) approved the Anglo-American proposal to suspend nuclear tests, but deplored the continuation of the present series (see 16442 A) ; (3) condemned the Government for having "misled the public about the dangers of rising radio-activity " and for " providing an excuse for other countries to compete in the production of nuclear weapons " ; (4) called on the Government (*a*) " to make known the present levels and dangers of radio-activity in Britain," (*b*) to cease nuclear tests immediately and " ask the American Government to do the same " ; (*c*) to introduce a motion at the U.N. " with the purpose of preventing other countries from testing and making nuclear weapons," and (*d*) to initiate a NATO conference " to reconsider the full implications of the policy of the nuclear deterrent " By a big majority, the Assembly also urged that Britain should abandon the manufacture and testing of the hydrogen bomb—thereby, as pointed out by several newspapers, placing itself to the Left of the Labour Party on this issue.

About 30 of those present at the Liberal Assembly (out of a total of some 900 attending the conference) opposed the unilateral renunciation of the H-bomb by Britain ; they included Sir Andrew McFadyean (a member of the executive and a former president of the Liberal Party), who supported the Government's attitude on this question.

Agriculture. Sharp divergencies of opinion also occurred in the debate on agriculture, during which many delegates—notably Mr. Smedley, prospective candidate for Walthamstow West—demanded a return to " traditional Liberal free trade " in the party's agricultural policy. After an acrimonious discussion, a resolution was adopted criticizing the Government's present price-support policy for agriculture as " wasteful and inefficient " and advocating a 12-point programme including reform of the taxation system, with rating based on site values rather than on improvements ; facilities for granting long-term, low-interest Exchequer loans for farm improvements ; the establishment of a farm bank to provide short-term credits for the small farmer ; provision of better and cheaper transport ; and the strengthening of existing legislation against cartels, price rings, and restrictive practices.

In its final form the resolution incorporated an amendment (moved by Mr. Smedley) that " action be taken to achieve the distribution of agricultural surpluses for areas of need by the creation of free trade markets in the United Kingdom through the removal of restrictions on the free movement of goods, capital, and people." In moving this amendment (which replaced a previous amendment calling for the adoption of a " unilateral free trade policy " by Britain), Mr. Smedley vigorously attacked the executive for its " total lack of leadership " in formulating any consistent policy on agriculture.

Education. Wide differences of opinion were also in evidence during the debate on education. Dr. J. F. S. Ross (chairman of the party's education committee) presented a policy statement which stressed the need for smaller classes in view of the present overcrowding in schools, and which urged that the first steps to remedy this situation should be taken in the secondary rather than in the primary schools, in view of the " acute discontent associated with the change-over at 11 plus."

Councillor H. M. Dewey (a Wiltshire schoolmaster) urged, however, that the problem should be tackled first in the primary schools rather than in the secondary schools ; this view obtained strong support, and Mr. Dewey's amendment to that effect was adopted by a large majority. Dr. Ross thereupon pointed out that acceptance of Mr. Dewey's amendment was tantamount to the rejection of the party's educational programme, and meant that the Liberal Party would enter the next general election without any educational policy whatever. After further debate, the Assembly reversed its original decision, rescinded Mr. Dewey's amendment, and adopted the party policy statement.

Industrial Relations. Resolutions were adopted which (*a*) asked that it should be made compulsory to hold secret ballots among members of trade unions before any resort to strike action, and (*b*) called for co-ownership and co-partnership schemes between managements and workers.

Race Relations. An emergency resolution (moved by Mr. Edwin Malindine, prospective candidate for North Cornwall) was adopted condemning the racial disturbances in Nottingham and West London (see 16428 A), rejecting colour discrimination in any form, and opposing restrictions on immigration from the Commonwealth.

Mr. Joseph Grimond (leader of the Liberal Party) wound up the conference with a speech in which he strongly criticized the two major parties and the T.U.C., and in which he claimed that the Liberal Party was increasingly becoming the party of youth, with a large membership in the universities.

Mr. Grimond denounced the Government's foreign policy as a " prolonged and unmitigated disaster " which, in Cyprus, appeared irremediable and was threatening to repeat the history of Ireland. After stressing that " power politics " were out of date in the modern age, and calling upon the " Blimps of 1958 " to recognize this fact, Mr. Grimond declared : " We should abandon many of the outposts of military power which we strain ourselves to maintain ; pool our defence resources with the United States ; stop making our own hydrogen bombs ; and devote our efforts to helping and advising Asia and Africa. We should infiltrate argument, liberal reason, and ideas into the neutral world . . . To believe that you can shoot, hector, or bully smaller nations today . . . is like a 19th-century landlord clinging to the belief that he can for ever oppress his tenants. We are in grave danger of losing the battle for other men's minds . . . "

The Liberal leader went on to declare that the first essential for creating a " true democracy " was to " bust open the patronage and privilege by which both Socialists and Tories manipulate our politics and maintain their rigid out-of-date party structures." He continued : " Far too many prizes in the law, the Church, commerce, and social life go to those whom the ruling clique find agreeable. Why should the law, from the Lord Chancellor to the humblest J.P., be dominated by politics ? Why should bishoprics any longer be in the gift of the Prime Minister ? Why, to enable us to have a Second Chamber, do we have to perpetuate the elaborate titles and absurd trappings of medieval barbarism ? . . . Peerages, life peerages, directorships, and perquisites of every sort are showered on those the Prime Minister and the ruling party find agreeable . . . "

Mr. Grimond also strongly criticized trade union organization in its present form, declaring that there was " a real danger that the leadership of the T.U.C. is becoming a frozen hierarchy which is both out of touch with its members and failing to perform useful service for the community at large." After saying that he saw " no more reason to bow the knee to T.U.C. knights than to Tory knights," he stressed that the trade unions should accept scrutiny of their doings and show some justification for the special privileges granted to them by law. He asserted in this connexion that the T.U.C. had " turned a blind eye " to certain practices which affronted individual liberty and had actually encouraged practices which kept down the standards of living of the workers.

In conclusion, Mr. Grimond described the Liberal Party as the party of youth, with a large and growing membership at all the universities—" a red-brick party." It had today a great opportunity to win the support of the new generation of young technicians who were dissatisfied with both the major parties and found nothing in those parties' programmes to attract their enthusiasm.

Balloting for the six vice-presidents of the Liberal Party resulted in the election of Lady Violet Bonham Carter, Mr. Frank Byers, Mr. H Graham White, Lord Beveridge, Sir Andrew McFadyean, and Mr. Elliott Dodds.

The 1957 Liberal Assembly.

At the Liberal Assembly of 1957 (held at Southport on Sept. 19-21) Mr. Grimond had also laid emphasis on the emergence of a new " uncommitted " generation of young scientists, technicians, and artisans who were " neither Tory nor trade union fodder of the old type " and who were increasingly reacting against the " two-party, two-class " struggle waged by the Conservative and Labour parties.

Attacking both the Conservative and the Labour parties for their " arrogance " and " blindness," Mr. Grimond asserted that Conservative Governments under three successive Prime Ministers had failed to stop the rise in the cost of living or to formulate a coherent foreign policy. On the other side, the Labour Party's proposals for further nationalization would shake confidence in the nation's financial stability still more. After asking who was going to pay for the " experiments of Socialist intellectuals," Mr. Grimond declared that the people wanted, not more nationalization, but partnership in industry.

Mr. Grimond emphasized that the Liberal Party which was " not provided for by the rich, nor kept by trade union funds " was not prepared to play the role of a " brains trust standing on the sidelines and shouting advice to Tories and Socialists alike." Nor was he personally prepared " to lead a party of eunuchs which has forsworn direct political action." The party would neither " go for a ride on the Tory tiger " nor accept Socialist solutions, and at the next general election it would fight " as many seats as the people of this country demand that we shall fight." After pointing out that there were already 150 Liberal candidates in the field, Mr. Grimond declared : " We aim to split political complacency, and if necessary we shall split the vote if in doing so we can unite the nation. We aim to break into politics because we believe we have something to say and do."

In conclusion, Mr. Grimond said that the Liberal Party had "passed the point of no return" and that in the next ten years it was a question of "get on or get out." The party, though strong in enthusiasm, was weak in size, but this could be remedied if the large number of "fellow-travelling Liberals" became "active, card-carrying members of the party."

The following principal resolutions were adopted at the 1957 Liberal Assembly :

Foreign Affairs. A resolution urging the Government to take the initiative in European affairs, "in particular by giving a positive lead in the negotiations for a European Free Trade Area," and to advance the status of the U.N. so that its decisions would be accepted by all member-nations.

Commonwealth and Colonial Affairs. A resolution calling for the establishment and maintenance of the principles of racial equality, respect for the individual, "justice without fear or favour," and freedom from external or internal oppression in all countries of the Commonwealth.

Nuclear Tests. A resolution urging the Government to take all possible steps to bring about the abolition of nuclear tests, and to give a pledge that no further tests would be made by Britain.

Individual Liberties. A resolution expressing "deep concern at the number of cases of victimization of the individual occurring in industry and trade generally," and commending the action of the Liberal Party executive in setting up a Civil Liberties Committee to investigate all cases brought to its notice.

In the debate on this resolution (which was passed unanimously) numerous examples were cited of workers "sent to Coventry" by their unions, of traders dictated to by powerful suppliers as to the manner in which they should run their businesses, and of individuals victimized by Government Orders and monopoly schemes. Many prominent Liberals—among them Lord Rea (leader of the Liberal peers), Sir Andrew McFadyean, and Mr. Donald Wade, M.P.—stressed the imperative need for legislation to remedy these injustices.

Home Ownership. A resolution on "liberty and opportunity" calling *inter alia* for the encouragement and extension of home ownership.

It was announced on Jan. 18, 1958, that Lord Trefgarne, who left the Labour Party in 1952 and had since sat as an Independent, had joined the Liberal Party in the House of Lords. As Mr. Garro-Jones he was Liberal M.P. for South Hackney from 1924-29 and Labour M.P. for Aberdeen from 1935-45 ; he was raised to the peerage in 1947 and appointed by the Labour Government as first chairman of the Colonial Development Corporation.—(Times - Manchester Guardian)

(Prev. rep. Liberal Party, 15345 A.)

A. UNITED STATES. — Mr. Lewis Strauss becomes Secretary of Commerce. - Dr. Paarlberg and Dr. Brandt appointed Economic Advisers to President.

Mr. Lewis R. Strauss (62), lately chairman of the U.S. Atomic Energy Commission, was nominated by President Eisenhower on Oct. 24 as Secretary of Commerce in succession to Mr. Sinclair Weeks (65), who had held the post for six years and resigned from the Administration because of "pressing business, personal and family considerations."

It was announced in Washington on Sept. 26 that Dr. Don Paarlberg had been appointed President Eisenhower's principal assistant for economic affairs at the White House *vice* Dr. Gabriel Hauge, who had resigned to return to private business life. Dr. Paarlberg (47) was previously Assistant Secretary of Agriculture and, with Mr. Benson (the Secretary of Agriculture,) was the chief architect of the Administration's farm policy.

Dr. Karl Brandt was appointed a member of the President's three-man council of economic advisers on Sept. 27 *vice* Dr. Joseph S. Davis, who had resigned. The other members of that council are Dr. Raymond J. Saulnier (chairman) and Mr. Paul W. McCracken.—(New York Herald Tribune)

(Prev. rep. 16328 D ; 16170 A.)

B. LEBANON. — Amnesty for Belgian Diplomat.

The Belgian Consul-General in Damascus (M. Louis de San) was sentenced to death by a Beirut military court on July 19 on a charge of smuggling arms from Syria to the Lebanese rebels [see page 16181, end of first column]. M. de San had denied all knowledge of the arms found in his car, and had also pleaded diplomatic immunity—a plea which was rejected on the ground that he was a member of the consular and not of the diplomatic corps. The sentence was subsequently commuted to 20 years' imprisonment, and on Sept. 16 M. de San was released under an amnesty decree signed by President Chamoun—one of M. Chamoun's last official acts before relinquishing the presidency to General Fuad Chehab.
(Times - Le Monde, Paris - New York Times)

(Prev. rep. 16439 A ; 16181 A.)

C. SOUTH AFRICA. — Cabinet Reorganization.

A reorganization and enlargement of the Union Cabinet was announced on Oct. 20 by the Prime Minister, Dr. Verwoerd, involving the appointment of four new Ministers. The new Cabinet list was :

Dr. Hendrik F. Verwoerd ..	Prime Minister.
Mr. C. R. Swart	Minister of Justice and Leader of the House of Assembly.
Mr. Paul Sauer	Lands, Forestry, and Public Works.
Mr. Eric Louw	External Affairs.
Dr. T. E. Donges	Finance.
Mr. F. C. Erasmus ..	Defence.
Mr. B. J. Schoeman ..	Railways and Transport.
Mr. J. F. Naude	Interior.
Mr. J. H. Serfontein ..	Education, Arts and Science, Social Welfare and Pensions.
Mr. Jan de Klerk	Labour and Mines.
Mr. Pieter le Roux	Agricultural Technical Services and Water Supplies.
Mr. M. D. C. de Wet Nel ..	Bantu Administration and Development.
*Mr. W. A. Maree	Bantu Education.
*Dr. Albert Hertzog ..	Health, and Posts and Telegraphs.
*Mr. D. C. Huys	Agricultural Economics and Marketing.
*Dr. Nicolaas Diederichs ..	Economic Affairs.

*New Ministers.

The new Ministers are all prominent members of the Nationalist Party and strong supporters of *apartheid*. Mr. Maree (M.P. for Newcastle, Natal) was a member of the Native Affairs Commission ; Mr. Huys (M.P. for False Bay) is a farmer from the Cape ; Dr. Diederichs (M.P. for Losberg) is a well-known economist ; and Dr. Hertzog (M.P. for Ermelo and son of the late General Hertzog) is closely connected with the Afrikaans newspaper *Die Vaderland*.

Dr. Verwoerd also appointed four Deputy Ministers, who will not sit in the Cabinet. They were Mr. F. E. Mentz, M.P. for Westdene ; Mr. P. W. Botha, M.P. for George ; Mr. M. Viljoen, M.P. for Alberton ; and Mr. B. J. Vorster, M.P. for Nigel. Mr. Mentz became Deputy Minister for Bantu Affairs and Administration, Mr. Botha for the Interior, Mr. Viljoen for Labour and Mines, and Mr. Vorster for Education, Arts and Science, and Social Welfare and Pensions.

The Cabinet reorganization involved the following governmental changes :

(1) Dr. Donges, formerly Minister of the Interior, and Mr. Naude, formerly Minister of Finance, exchanged their respective portfolios.

(2) The portfolio of Agriculture (previously held by Mr. le Roux) was divided into two separate portfolios—those of Agricultural Economics and Marketing and of Agricultural Technical Services, held respectively by Mr. Huys and Mr. le Roux.

(3) The portfolio of Native Affairs (a designation changed to Bantu Affairs) was similarly divided into two separate portfolios - Bantu Administration and Development and Bantu Education, held respectively by Mr. de Wet Nel and Mr. Maree.

(4) Mr. de Wet Nel relinquished his former portfolio of Education, Arts and Science to Mr. Serfontein.

(5) Dr. Diederichs succeeded Dr. Albertus Van Rhijn as Minister of Economic Affairs, consequent on Dr. Van Rhijn's appointment as High Commissioner in London (announced on Oct. 14) in succession to Dr. E. J. Holloway.

Dr. Verwoerd relinquished the former portfolio of Native Affairs, which he had retained *ad interim* since he succeeded the late Mr. Strydom as Prime Minister ; he will preside over a ministerial committee which will co-ordinate Bantu policy.
(Times - State Information Department, Pretoria)

(Prev. rep. Dr. Verwoerd, 16369 B ; Cabinet, 16169 A.)

D. AUSTRALIA. — Sir Leslie Martin appointed Chairman of Permanent Committee on Universities.

The Federal Prime Minister (Mr. Menzies) announced on Oct. 22 that Sir Leslie Martin had been appointed chairman of the permanent committee to be set up as a result of the Government's acceptance of the Murray Report on the future of the Australian universities. Sir Leslie Martin has been Defence Scientific Adviser and chairman of the Defence Research and Development Policy Committee since 1948.
(Australian News and Information Bureau)

(Prev. rep. Murray Report, 15916 A.)

A. CYPRUS. — British Seven-Year "Partnership" Plan. - Proposed Association of Greece and Turkey with Government of Cyprus. - Mr. Macmillan's Visits to Athens and Ankara. - Revised British Plan accepted by Turkey. - Rejection by Greek Government and Archbishop Makarios. - Archbishop's Proposals for Independent Cyprus under U.N. Guarantee. - NATO Intervention in Cyprus Dispute.

A new British plan for Cyprus, described by Mr. Macmillan as an "adventure in partnership," was announced by the Prime Minister to the House of Commons on June 19 and simultaneously issued as a White Paper. Its main points were as follows :

(1) The international status of Cyprus would remain unchanged for the next seven years (i.e. British sovereignty over the island would continue during that period).

(2) During the seven-year period a system of representative government and internal autonomy would be worked out by establishing separate Houses of Representatives for the Greek and Turkish Cypriot communities. Each of these Houses would have complete autonomy in communal affairs.

(3) Authority for internal administration (other than communal affairs and internal security) would be undertaken by a Governor's Council. This body would include representatives of the Greek and Turkish Governments and four Greek Cypriot and two Turkish Cypriot Ministers drawn from the Houses of Representatives.

(4) Responsibility for external affairs, defence, and internal security would be reserved to the Governor, acting after consultation with the representatives of the Greek and Turkish Governments.

(5) Greek and Turkish Cypriots would possess Greek and Turkish nationality respectively, while retaining their existing British nationality (i.e. every Cypriot would have dual nationality).

(6) At the end of the seven-year period Britain would be prepared "to share the sovereignty of the island with her Greek and Turkish allies," subject to retention of bases and facilities needed for the discharge of Britain's international obligations.

The New British Plan for Cyprus.

Mr. Macmillan made the following statement to the House on the new proposals, the White Paper being worded in identical terms :

"The policy of H.M. Government in Cyprus has had four main purposes :

(1) To serve the best interests of all the people of the island.

(2) To achieve a permanent settlement acceptable to the two communities in the island and to the Greek and Turkish Governments.

(3) To safeguard the British bases and installations in the island, which are necessary to enable the United Kingdom to carry out her international obligations.

(4) To strengthen peace and security and co-operation between the United Kingdom and her allies in a vital area.

"These are the aims which the Government have consistently pursued and which have guided their efforts in recent months to find common ground on which an agreed settlement might be reached. It is deeply regretted that all attempts in this direction have hitherto proved unsuccessful.

"In view of the disagreement between the Greek and Turkish Governments and between the two communities in Cyprus, and of the disastrous consequences for all concerned if violence and conflict continue, an obligation rests with the U.K. Government, as the sovereign Power responsible for the administration of the island and the well-being of its inhabitants, to give a firm and clear lead out of the present deadlock. They accordingly declare a new policy which represents an adventure in partnership—partnership between the communities in the island, and also between the Governments of the United Kingdom, Greece, and Turkey.

"The following is an outline of the partnership plan :

"Cyprus should enjoy the advantages of association, not only with the United Kingdom and therefore with the British Commonwealth, but also with Greece and Turkey.

"Since the United Kingdom, Greece, and Turkey all have an interest in Cyprus, H.M. Government will welcome the co-operation and participation of the two other Governments in a joint effort to achieve the peace, progress, and prosperity of the island.

"The Greek and Turkish Governments will each be invited to appoint a representative to co-operate with the Governor in carrying out this policy.

"The island will have a system of representative Government, with each community exercising autonomy in its own communal affairs.

"In order to satisfy the desire of the Greek and Turkish Cypriots to be recognized as Greeks and Turks, H.M. Government will welcome an arrangement which gives them Greek or Turkish nationality, while enabling them to retain British nationality.

"To allow time for the principle of partnership to be fully worked out and brought into operation in the necessary atmosphere of stability, the international status of the island will remain unchanged for seven years.

"A system of representative Government and communal autonomy will be worked out by consultation with representatives of the two communities and with representatives of the Greek and Turkish Governments.

"The essential provisions of the new Constitution will be :

(*a*) There will be a separate House of Representatives for each of the two communities, and these Houses will have dual legislative authority in communal affairs.

(*b*) Authority for internal administration, other than communal affairs and internal security, will be undertaken by a Council presided over by the Governor and including representatives of the Greek and Turkish Governments and six elected Ministers drawn from the House of Representatives, four being Greek Cypriots and two Turkish Cypriots.

(*c*) The Governor, acting after consultation with the representatives of the Greek and Turkish Governments, will have reserve powers to ensure that the interests of both communities are protected.

(*d*) External affairs, defence, and internal security will be matters specifically reserved to the Governor, acting after consultation with the representatives of the Greek and Turkish Governments.

(*e*) The representatives of the Greek and Turkish Governments will have the right to require any legislation which they consider discriminatory to be reserved for consideration by an impartial tribunal.

"If the full effects of this policy are to be realized, it is evident that violence must cease. Subject to this, H.M. Government intend to take progressive steps to relax the emergency regulations, and eventually to end the state of emergency. This process would include the return of those Cypriots at present excluded from the island under the emergency regulations.

"A policy based on these principles and proposals will give the people of the island a specially favoured and protected status. Through representative institutions they will exercise authority in the management of the island's internal affairs, and each community will control its own communal affairs. While the people of the island enjoy these advantages, friendly relations and practical co-operation between the United Kingdom, Greece, and Turkey will be maintained and strengthened as Cyprus becomes a symbol of co-operation instead of a cause of conflict between the three allied Governments.

"H.M. Government trust that this imaginative plan will be welcomed by all concerned in the spirit in which it is put forward, and for their part they will bend all efforts to ensuring its success. Indeed, if the Greek and Turkish Governments were willing to extend this experiment in partnership and co-operation, H.M. Government would be prepared, at the appropriate time, to go further and—subject to the reservation to the U.K. of such bases and facilities as might be necessary for the discharge of her international obligations—to share the sovereignty of the island with their Greek and Turkish allies as their contribution to a lasting settlement.

"I have sent a personal appeal to the Prime Ministers of Greece and Turkey asking them to approach this policy in a spirit of co-operation and moderation. I have given the House the main outlines of the plan. There are, of course, many details which will require to be filled in after discussion. We are therefore not asking for immediate acceptance of our policy in every particular.

"While I recognize that some initial reactions may be unfavourable, I believe that further consideration will lead to recognition of the genuine merits of this policy. Meanwhile, it is a great support to the Government in discharging their heavy responsibilities in this matter to have the good will and understanding of the North Atlantic Council. Their assistance in the process of conciliation is proving . . . of the highest value. Finally, I trust that our efforts, which are constructive and fair, will commend themselves to the House and to the country."

Mr. Gaitskell (Leader of the Opposition) said that the Prime Minister's "full, detailed, and important statement" would be carefully considered by the Opposition before any opinions were expressed ; the Opposition's attitude would be clearly set forth in the coming parliamentary debate on Cyprus (see below), and in the meantime he wished to urge on members of the Opposition "the greatest restraint at this stage."

The Government's new plan for Cyprus was also announced to the House of Lords on the same day by Lord Home, Leader of the House. It was described by the leader of the Labour peers (Viscount Alexander of Hillsborough) as "broad and imaginative," and was also commended by two former Governors of Cyprus—Lord Winster (a Labour peer) and Field-Marshal Lord Harding—and by Lord Radcliffe, author of the earlier constitutional proposals for the island.

In the Commonwealth, the plan was warmly commended by the Labour Prime Minister of New Zealand (Mr. Walter Nash), who described it as "a sincere and imaginative effort

to provide a new basis for a settlement," and by Mr. Casey, the Australian Minister of External Affairs. Mr Nash regarded it as specially important that the interests of Greece and Turkey in Cyprus had been formally recognized, and that both countries would be given " the opportunity to participate in the application of the new policy."

As stated by Mr. Macmillan, the British proposals had been communicated in detail beforehand to the Greek and Turkish Governments (see page 16222) and also to the North Atlantic Council. In a statement to the House on June 18, the Prime Minister disclosed that he had intended to announce the new Cyprus plan on the previous day (i.e. June 17) but had agreed to postpone it for 48 hours at the request of M. Spaak (Secretary-General of NATO) " in the belief that this short delay would be of advantage."

Turkish Insistence on Partition of Cyprus.

In a statement on June 19, the Turkish Foreign Minister (M. Zorlu) said that his Government " continues to maintain its conviction and decision that the best possible solution to the Cyprus question is partition." Although it was " impossible to accept any proposal which does not contain this final solution," he nevertheless considered it possible to " fuse together " the principles of partnership and partition in order that " a perfected plan " could emerge. He proposed, therefore, that the final international status of Cyprus should be settled at a conference of the three interested Powers—the United Kingdom, Turkey, and Greece—held " at the highest level." At such a conference the new British plan should not be regarded as " the basic document," although it might be " acceptable as a conference paper."

British Plan rejected by Greek Government and Archbishop Makarios.

The Greek Prime Minister (M. Karamanlis) sent a letter to Mr. Macmillan on June 20 which, although worded in moderate terms, made it clear that Greece would neither accept the new British proposals for Cyprus nor enter into tripartite negotiations as suggested by Mr. Macmillan. After commenting that self-determination for Cyprus was being " put aside for seven years " under the British plan, and stressing that the problem was one " for the people of Cyprus and the United Kingdom to solve," M. Karamanlis commented : " The plan would have been more constructive in proposing a temporary solution on the basis of democratic self-government under British sovereignty, and postponing a settlement on the main issue until a more appropriate time."

Meanwhile, the Governor of Cyprus (Sir Hugh Foot) had sent a letter to Archbishop Makarios on June 9 informing him of the contents of the new British plan and strongly urging him to support it as a means of achieving a peaceful settlement of the Cyprus problem. The Greek Cypriot mayors of Nicosia (Dr. Dervis), Limassol, Larnaka, Famagusta, Kyrenia, and Paphos subsequently visited Athens for discussions with Archbishop Makarios and other Ethnarchy leaders on the British proposals, which were considered at three long conferences on June 18-20. On the latter date Archbishop Makarios sent a letter to Sir Hugh Foot (through the British Embassy in Athens) rejecting the British plan on the grounds that it ran " counter to the fundamental and inalienable right of the people of Cyprus to self-determination " ; that " the idea of partnership which forms the basis of the plan, and which in substance imposes a triple condominium on Cyprus, is unacceptable " ; and that its main provisions would constitutionally sanction the division of the island, thereby " unavoidably leading to antagonism and strife and creating a focus of permanent unrest and a threat to peace in the whole area." After stressing that the Cyprus question was " a matter which concerns the British Government on the one side and the people of Cyprus on the other," the Archbishop said that he was ready to accept a " transitory period of self-government " for Cyprus and was " always ready for bilateral talks between the British Government and the Cypriot people for a genuine democratic constitution of self-government.

In a further letter to Archbishop Makarios on July 5, Sir Hugh Foot said that he could not accept the Archbishop's contention that a plan based on partnership and co-operation would cause unrest. " On the contrary," wrote Sir Hugh, " I most sincerely believe that only by recognizing the obvious fact that there are two separate communities in Cyprus can a new basis for working together in good relations be found. I am sure that acceptance of the two principles of representative government and communal autonomy is the only way to make it possible for the two communities to live and work in peace and harmony together . . . I again point out that, provided violence ceases, progressive steps will be taken to end the emergency and that, as part of this process, your return and that of others excluded from Cyprus will follow. This would open the way for you to take part in discussions on the basis of the constitutional plan."

House of Commons Debate on New Policy.

A debate on the new British proposals for Cyprus was held in the House of Commons on June 26, the principal speakers begin Mr. Lennox-Boyd (Colonial Secretary) and Mr. Macmillan for the Government and Mr. James Callaghan and Mr. Aneurin Bevan for the Opposition.

Mr. Lennox-Boyd, who opened the debate, described the new proposals as " a chance, it may be the last chance, to heal a wound which is weakening and impoverishing the free world." The opportunity had now come " to turn Cyprus from an island of conflict between allies to a land where we can demonstrate to the NATO alliance and the world what friendly co-operation and partnership can achieve."

Previous attempts at international agreement had shown that the positions of Greece and Turkey were too far apart to make it possible to get a settlement on the basis of a detailed agenda. The best way to make progress had therefore seemed to be by private talks between Governments. The British Government had suggested a conference for this purpose, without a fixed agenda and with freedom to discuss without prejudice every suggestion previously put forward, with the aim of finding an acceptable solution to an international problem. The Turkish Government had accepted this suggestion, but the Greek Government, while not rejecting the idea of a conference, preferred that the basic outlines of a solution should first be agreed between the Governments concerned.

When Sir Hugh Foot returned to London in January last to report to the Cabinet, it was still the Government's intention to try through confidential diplomatic exchanges to reach an agreement with Greece and Turkey on a course of action before any statement of policy was made Following the Foreign Secretary's visits to Athens and Ankara [see page 16222] there had been several exchanges through diplomatic channels, and it became clear that it was not possible to secure agreement on a course of action to be pursued in Cyprus.

Meanwhile the situation in the island had been deteriorating rapidly, and it had become urgently necessary to announce a policy and to carry it through. " We therefore abandoned our search for a course of action that had been agreed in advance between the three Governments and sought a means of working out a British plan of action, to be put forward on British responsibility, which would be fair to all and in which all concerned would be invited to co-operate."

At the beginning of May violence had taken on an openly communal form and the people of Cyprus were given grim warning of the horrors of civil war. " Broadcasts from Athens and Ankara, distribution of literature calling openly for the storing of arms and ammunition and blackguarding the members of the other race, the migration of hundreds of Greek and Turkish families from their old homes—all the ugly signs of civil war were there." In this dangerous situation two obvious facts had emerged : (1) Cyprus had been on the brink of civil war which could not be limited to the island; (2) there was no possibility of the Greek and Turkish Governments arriving at an agreed solution by a conference or by diplomatic means. Thus the only hope of avoiding disaster was for the British Government to take a new initiative and to adhere to it with resolution. " That is what we are doing today," Mr. Lennox-Boyd declared.

After a tribute to the security forces, who had " faced a grim situation with courage, patience and good humour," Mr. Lennox-Boyd emphasized that the main foundations of the new plan were partnership and communal autonomy. It had always been the Government's view that the interests of the people of Cyprus should come first, and the new policy did put those interests first. The policy of communal autonomy was essentially one for an undivided Cyprus, but it recognized the fact that there were two separate communities in the island.

The principle of communal autonomy, already widely practised in Cyprus, was a cardinal feature of the new plan. It was in fact one of the few principles on which Greeks and Turks were agreed ; the Greek Cypriots did not interfere in Turkish educational, social, or religious affairs, nor did the Turkish Cypriots interfere in Greek Cypriot communal matters. It was envisaged, moreover, that Cyprus would be associated not only with Britain and the Commonwealth but also with Greece and Turkey, and H.M. Government had asked for the co-operation of both countries " in a joint effort to achieve peace and progress in the island."

After recapitulating the details of the plan, as previously announced by the Prime Minister, Mr. Lennox-Boyd emphasized that there were important matters on which H.M. Government desired the help and advice of the Greek and Turkish Governments. " We want to work out with them in detail a system of representative government and communal autonomy. Many important points remain to be settled, not only the Houses of Representatives and the definition of communal affairs, but the composition of the impartial tribunal to which legislation should be referred, and many other matters."

In conclusion, the Colonial Secretary said that the Government had been greatly encouraged by the understanding shown by Britain's NATO allies. " The discussions of our policy in the NATO Council," he added, " have been of great value in showing us not only the different views of those directly concerned, but also of our other allies who can look on the Cyprus problem with detachment." Britain was ready to enter into constructive discussions with Greece and Turkey at any time: would continue to keep in touch with her other NATO allies ; and would take full advantage of the opportunities for consultation offered by the NATO machinery.

Mr. Callaghan pointed out that although Archbishop Makarios and M. Karamanlis had rejected the idea of partnership, which appeared to form the basis of the Government's plan, they had both made major concessions. The Archbishop had stated that he did not reject a transitory period of self-government, in which connexion Mr. Callaghan observed : " This is the first time the Archbishop has ever put this matter in such terms. He has always in the past insisted on the details of self-determination being worked out before he would consider any measure of self-government If this plan is designed to lead to self-government, there is at least a chink of light here." The Greek Prime Minister, in his letter to Mr. Macmillan, had appeared to acquiesce in setting aside the idea of self-determination for the time being, and had seemed willing to consider " a temporary solution on the basis of democratic self-government under British sovereignty."

Whilst these two major concessions had come from the Greek side, all they had had from the Turkish side was a statement that the idea of partnership was irreconcilable with the idea of partition. Looking at the plan as it stood, it appeared that the Government had gone to the limits in the concessions it had made to the Turkish point of view. Any modifications in working out the details of the plan should, in the Oppposition's view, " be on the side of meeting those who had given up a great deal of the attitude they had adopted previously."

The major criticism that could be made of the plan (Mr. Callaghan continued) was that it emphasized the separation of the two communities in Cyprus, rather than their unity. There was no emphasis on the fact that all were Cypriots, and, in the Opposition's view, the plan could be justified only if it were regarded as a temporary measure to bring the people together and not as a permanent feature designed to keep them separate. " We ought not to base permanent institutions on what might be a temporary and passing quarrel between the two communities."

At present the only place where Greek and Turkish Cypriots met was in the Governor's Council, and the Opposition would like to see a larger body—ideally based on a common roll—which would form a Legislative Assembly for the island. Initially the authority of such a body might be small, and the Greek and Turkish Cypriots might have little to say to each other. Nevertheless, as communal passions subsided, it might at least be possible that the two communities would come together and recognize their common interests. " We ask the Government," said Mr. Callaghan, " to propose the creation of such an organ that would of itself stop the Greeks looking so much to Athens for their protection, and stop the Turks from looking to Ankara. As self-government rose it might be a receptacle into which the reserve powers the Governor now has can be poured, so that it would eventually become a democratic assembly in the fullest sense."

Mr. Callaghan said in conclusion : " We [the Opposition] have responsibility but we have no power. We were not consulted about the drawing-up of the plan. Therefore we do not feel obliged to give it a blanket endorsement . . . But I want to make it clear that the situation in the island is of such a character, and the situation in the Middle East of such a nature, that we would welcome any agreement that the parties to this dispute can come to. We say to all the parties in the dispute : ' It is your duty to go into negotiations. We beg of you to do so to see whether this situation cannot be ended '

" Self-determination, when it comes, must come with the consent of the people of the island. It cannot be imposed by force. In the present circumstances it would be impossible to apply the doctrine of self-determination in an atmosphere of civil war. We have no right to ask British troops to hazard their lives in such an undertaking . . . The Government have the right and the duty to say to the people of Cyprus : ' We want you to proceed, like other territories in the Commonwealth, to determine your own future in due course. Our desire is to create unity, to create the instruments that will enable you to come together and live happily together.' If they make that approach, then I believe the future of the island may be happier than the past has been."

Mr. Aneurin Bevan, like Mr. Callaghan, stressed that every dependency in the Commonwealth had " the right to look forward to full self-government, carrying with it the right to self-determination." Addressing the Government benches, he continued : " You must not be prepared to surrender to violence from one side what you are not prepared to surrender to violence from the other. In recent weeks there has been a strong suspicion that the Government has been influenced in formulating its proposals by threats of increased violence from the Turks. If that is believed by the Greeks, then they will know what to do. If violence does die down, you must not make that an excuse for doing nothing . . . When we have had a cessation of violence in the island, the Colonial Office has sat back. If we do have a period of peace now, I hope we shall take advantage of it and try and get a settlement."

While the Opposition did not commend the proposals (Mr. Bevan continued), it did not advise the Greeks and Turks to reject them out of hand. The proposals themselves were not necessarily the basis for negotiation but " an opening phase of negotiation in the hope of a negotiated settlement of the Cypriot problem." They should be modified to provide for an elected Chamber where Greek and Turkish Cypriots could meet and discuss the common affairs of the island , at a later stage it might become possible for the British Government to " decant " its powers to such a Chamber, so that the final stage would be reached where Cyprus had complete self-government.

Mr. Bevan thought the Government had acted correctly in associating the Greek and Turkish Governments with the new proposals for Cyprus, adding in this connexion : " I would prefer that the representatives from Ankara and Athens should be regarded not as commissioners but as midwives calling the baby nation into existence and, after it has been properly born, going away." After expressing the view that the seven-year period mentioned in the plan should be substantially shortened, he concluded : " I sincerely hope the Government will go away from this debate feeling that the House of Commons is doing its best to try and provide a climate of opinion in which we can make a fresh approach to the solution of the Cypriot problem "

Mr. Macmillan, replying to the debate, praised the restraint which had been shown on all sides of the House. After emphasizing that the Cyprus problem had international as well as internal aspects, he continued . " What we must do now is to face the facts as they are. The facts are, whether you like it or not, that both Greeks and Turks have a fundamental interest in the future of the island as well as Britain. We must concentrate on the future and not on the past. We must try and find a solution which is both realist and practical. It is with this object that we have put forward our policy. It would be foolish to disguise from ourselves that the Turkish and Greek Governments have made clear to us the difficulties which they see in our plan. But we must not lose heart. It would be equally wrong for us not to note the high degree of sympathy and support which the policy has received, not only in this country, but in many other countries both in the Old World and the New. We propose to go forward with the application of our policy in the island, and we hope it will be accepted as a basis for constructive discussion and agreement."

In commending the plan to the Prime Ministers of Greece and Turkey (Mr Macmillan continued) he had offered to meet them separately or together, and had suggested an informal meeting in Rome or Geneva for a personal exchange of views. He added : " Both Mr. Menderes and Mr. Karamanlis have responded to my suggestion in a friendly way, although each has qualified in it his own way. For my part I can only add that I remain ready and anxious to meet anyone or go anywhere if it can in any way help to bring these discussions to a satisfactory solution."

Finally, the Prime Minister stressed that everything that had been said on both sides of the House would be carefully considered and studied as a contribution to the problem. Summing up the Government's attitude, he declared : " We have no special pride of authorship which will make us stick obstinately to this or that detail in the plan. Our purpose is to reach agreement and bring peace."

Mr. Macmillan's Visits to Athens and Ankara.

It was announced from Downing Street on Aug. 6 that Mr. Macmillan was flying immediately to Athens and Ankara for talks with the Prime Ministers of Greece and Turkey, and that Sir Hugh Foot would join him in Athens. Mr. Macmillan left London Airport for Athens on the following day.

In a statement before leaving the airport, Mr. Macmillan recalled that it had always been his wish to have personal discussions with M. Karamanlis and M. Menderes, as he had made clear in his House of Commons statement. For some weeks he had been in correspondence with both Prime Ministers, and they had sent affirmative replies to his suggestion that he should make personal visits to Athens and Ankara for this purpose. He did not know whether his discussions in Greece and Turkey would lead to " detailed, comprehensive agreement on every point or a final agreement on the future of Cyprus," but he hoped for " a broad understanding about the immediate future."

During his two-day visit to Athens (Aug. 8-9) Mr. Macmillan had two meetings with M. Karamanlis ; the talks were also attended by Sir Hugh Foot, M. Averoff (the Greek Foreign Minister), the British Ambassador in Athens (Sir Roger Allen) and the Greek Ambassador in London (M. Seferiades). At the end of the discussions a brief statement was issued saying that " the two Prime Ministers agreed that their conversations had been very useful, although it cannot be said that their views altogether coincide." No official statement was issued as to the points of disagreement, but it was understood that M. Karamanlis had rejected two important details of the British plan : (1) the proposal that Greece and Turkey should be directly associated with the administration of Cyprus, and (2) the proposal that dual nationality should be offered to the Greek and Turkish Cypriots. Sir Hugh Foot had a separate meeting with Archbishop Makarios during his visit to Athens.

From Athens Mr. Macmillan and Sir Hugh Foot flew to Ankara for discussions with M. Menderes and M. Zorlu, held on Aug. 9-10. A brief official communiqué said that there had been " a frank and friendly exchange of views " on the Cyprus question ; that Mr. Macmillan had " explained the nature and purposes " of the new British proposals for Cyprus ; and that M. Menderes had " set out the point of view of his Government."

Before returning to London, Mr. Macmillan paid a visit on Aug. 11 to Cyprus, where he visited the headquarters of Middle East land and air forces, saw British service chiefs, and

visited troops taking part in anti-terrorist operations. He also had separate meetings with leaders of the Greek and Turkish Cypriot communities, the former including Dr. Dervis (mayor of Nicosia) and the latter Dr. Kutchuk.

Modification of British Plan for Cyprus.

Following Mr. Macmillan's return from his visits to Athens and Ankara, several important modifications of the new British plan for Cyprus were announced in London on Aug. 15, of which the following were the most important :

(1) Representatives of the Greek and Turkish Governments would not sit on the Governor's Council, as originally proposed, but would have " direct access " to the Governor. The Greek and Turkish Governments were invited to appoint their representatives " with effect from October 1."

(2) The proposal for dual nationality would be dropped " in view of the complexities of international law."

(3) The setting up of two Houses of Representatives (for the Greek Cypriot and Turkish Cypriot communities) would not preclude the eventual creation of " some form of representative institution serving the interests of the island as a whole."

(4) Pending the elections to the two Houses of Representatives, the Governor would be authorized to set up separate Greek Cypriot and Turkish Cypriot municipal councils where local circumstances made this desirable.

The Government's statement on the modified plan was worded as follows :

" On June 19, 1958, the Prime Minister presented to Parliament a statement of the policy which H.M. Government intend to pursue in regard to the Cyprus problem for a period of seven years. This policy was explained by the Prime Minister to the House of Commons in broad terms . . .

" In the last few days the Prime Minister has had the opportunity of personal meetings in Athens and Ankara with the Prime Ministers of Greece and Turkey, which have enabled him to acquaint himself at first hand with the views of their respective Governments. After most careful consideration of the views expressed to him by the Prime Ministers of Greece and Turkey, and in the light of advice tendered by the Governor of Cyprus regarding the situation in the island, H.M. Government have decided to proceed to give effect to the policy as announced to Parliament in the following manner :

" An Order in Council has already been approved authorizing the preparation of electoral rolls in the island. This is expected to take two or three months. Meanwhile, in accordance with the spirit of the decision whereby the communities are encouraged to order their own communal affairs, the Governor will, where local circumstances make this desirable, authorize the establishment of separate Greek and Turkish Cypriot Municipal Councils.

" When the electoral rolls are complete it will be possible to hold elections for the two Houses of Representatives. The preparations for the elections should involve consultations between the Governor and leaders of the two communities. If, as H.M. Government earnestly hope, violence ceases, this will make possible the return of those at present excluded from the island in order that they may play their part in these electoral processes and in consultations on the details of the system of representative government and communal autonomy set out in the statement of policy. [As pointed out in British newspapers, this would permit the return of Archbishop Makarios to Cyprus].

" As soon as the Houses of Representatives have been elected, they will be asked to elect their representatives to the Governor's Council, which will then become the authoritative body to deal with all matters not specially devolved upon the Houses of Representatives or reserved to the Governor.

" With regard to the representatives of the Greek and Turkish Governments as proposed in the statement of policy, H.M. Government feel on reflection that representatives of other sovereign Powers could not suitably sit as members of the Council under the chairmanship of the Governor. It would be more correct to regard them as specially appointed representatives of their countries with direct access to the Governor and such other facilities as they need to carry out their functions. Accordingly, H.M. Government invite the Governments of Greece and Turkey to appoint their representatives with effect from October 1.

" The establishment of this system of communal Assemblies charged with certain specific functions, and of the Governor's Council charged with more general duties, does not exclude, and should with general goodwill facilitate, the development of some form of representative institution serving the interests of the island as a whole.

" As regards the proposal for dual nationality, it does not appear that there is need for urgent action in this matter. Further inquiries have revealed that any special provision of this kind would require carefully devised legislation in view of the complexities of international law. It is, therefore, wiser to defer action pending the consideration of the legal and other aspects.

" Finally, H.M. Government appeal with confidence for support from all concerned for the two major concepts which underlie their policy. The first is a period of calm and the cessation of violence in the island. The second is the deferring for a period of seven years of any final solution, without prejudice to the future or to the views and aspirations of any of the parties concerned."

Details of the revised plan had been communicated beforehand by Mr. Macmillan to M. Karamanlis and M. Menderes, and by Sir Hugh Foot to Archbishop Makarios.

Turkish Acceptance of Revised Plan.

The Turkish Government's acceptance of the revised British plan was notified on Aug. 25 to Sir James Bowker, H.M. Ambassador in Ankara. In a press statement on the same day, M. Zorlu said that although Turkey had not abandoned her demand for the partition of Cyprus, she regarded the modified British plan as " reconcilable with our thesis." In a subsequent statement to the *Kamutay* (the Turkish Grand National Assembly), M. Zorlu said that the Government had decided to support the revised plan " so as to prove Turkey's good will in the face of the positive efforts made by Britain."

It was announced in Ankara on Sept. 30 that the Turkish Government had appointed its Consul-General in Nicosia (M. Burhan Ishin) as its representative in Cyprus, acting in an advisory capacity to the Governor in accordance with the revised British plan.

Greek Rejection of Revised Plan. - Greek Premier's Letter to Mr. Macmillan.

In a letter to Mr. Macmillan on Aug. 19, M. Karamanlis stated that the Greek Government was " unable to co-operate in the application " of the revised British plan and " does not intend to appoint a representative to co-operate with the Governor of Cyprus."

The Greek Prime Minister said that his Government were opposed to the revised plan on the following grounds :

(1) No " third Governments " should be involved in the administration of Cyprus, as he (M. Karamanlis) had pointed out to Mr. Macmillan during their discussions in Athens. Nevertheless, the revised British plan continued to make provision for two representatives [of the Greek and Turkish Governments] " in capacities which render clear their interference in the administration." The appointment of such representatives would " create everyday complications, constant discord, and rivalry," and this in turn would " aggravate relations not only between the two sections of the population but also between the two allied countries." Above all, " the very presence of two representatives within the administration will engender conditions which will in time give rise to claims for permanent rights "

(2) Instead of two separate Houses of Representatives as proposed in the British plan, a single Legislative Assembly should be set up in Cyprus to deal with all matters except those reserved to the Governor. However, not only were the two Houses to be retained under the revised plan, but the possibility of a single Assembly had only been " vaguely mentioned." M. Karamanlis emphasized that the Greek Government regarded a single Assembly as " the basic element of the whole system."

(3) No steps had been taken to make the numerical composition of the Governor's Council correspond with that of the population, as he had urged upon Mr. Macmillan during their talks in Athens.

(4) The proposal for separate Greek and Turkish Cypriot municipal councils had introduced " a new element which would disrupt the unity of the population " and lead to " dangerous complications."

In view of these objections (M. Karamanlis continued) the Greek Government was unable to co-operate in applying the revised plan, nor could it appoint a representative to serve in Cyprus. After commenting that Greece had " never asked to participate in the exercise of sovereignty " in Cyprus, M. Karamanlis added that it was for the Greek Cypriots themselves to decide whether or not they would co-operate in applying the plan.

Finally, the Greek Prime Minister said that " the plan put forward by the British Government, without the modifications suggested by the Greek Government, will not serve the purposes which you [Mr. Macmillan] have proclaimed—pacification of the island, and its prosperity." He added : " We therefore face future developments with a clear conscience, since we have done everything possible to render them peaceful and constructive. Since agreement for a provisional solution has been frustrated, Greece will continue with all legitimate means her efforts towards the freedom of the people of Cyprus."

M. Karamanlis stated on Sept. 7 that he had informed all allied Governments of Greece's decision to use " all political and diplomatic means " in preventing the application of the new British plan for Cyprus. He asserted that the British plan, by associating Turkey with the government of the island, constituted a " flagrant violation " of the Lausanne Treaty (under which Turkey renounced all rights of sovereignty over the island).

Archbishop Makarios rejects British Plan.

As stated above, the revised plan for Cyprus had been communicated in advance to Archbishop Makarios by Sir Hugh Foot. In his letter to the Archbishop, Sir Hugh urged

him to support the plan as "perhaps the last opportunity of making a fresh start in the endeavour to bring peace and progress to Cyprus."

"I realize from the discussions I have had with you," wrote Sir Hugh, "that there are aspects of the new policy with which you disagree, but I most earnestly urge you not to throw away this opportunity of working together in a spirit of compromise and co-operation. If this chance is not seized at once, I can foresee nothing but continuing misery for Cyprus. But if we all now decide to sink the differences of the past and work together in mutual understanding and confidence, I feel sure that we can achieve a period of good order and good sense which can save the island from further conflict and lay the foundations for a final and just settlement in due course. A great responsibility rests on us all to put first the interests of the people of the island, and to that overriding purpose I am pledged."

Despite this appeal Archbishop Makarios uncompromisingly rejected the revised plan, adding that its implementation would involve "grave consequences" for which responsibility would "rest on the British Government." The Archbishop's reply to Sir Hugh Foot (Aug. 16) was worded as follows:

"I have carefully studied the statement of the Prime Minister of Britain, a copy of which you kindly sent me in advance, as well as your accompanying message. I am sorry to see that the statement, apart from slight modifications, is in effect a restatement of the policy announced on June 19, 1958, which has already been rejected. I am also painfully astonished to note that it is proposed to proceed with the imposition of a plan unacceptable to the large majority of the Cypriot people.

"It should be made abundantly clear that the Greek people of Cyprus can never accept a plan which disregards their basic democratic rights and denies them both freedom and peace. Freedom is frustrated in a plan which imposes outside Governments over the heads of the people of Cyprus, and which breaks up their unity by means of a Constitution of division calculated to prejudice the final issue. Peace would be lost for the island by a regime permanently establishing differences and divisions, thereby setting the stage not for unity and co-operation, but for accentuated antagonism and strife, with wider repercussions.

"It is our earnest wish to see conditions of peace and harmony return to the island. Your plea, therefore, for the sinking of differences and for mutual understanding and confidence meets with my wholehearted response. May I, however, point out the wide disparity between the positive nature of your verbal plea for co-operation, and the negative objectives of a divisive Constitution based on mistrust and separation, which you in practice support.

"In these circumstances I feel I must earnestly emphasize the unwisdom of a policy of enforcing a plan against the will of the people, and the grave consequences involved, for which responsibility rests on the British Goverment.

"Finally, I must place on record our profound disappointment that the moderation we have shown in a spirit of good will and compromise, in order to reach agreement upon a transitory period of self-government, has met with no response whatsoever from the British Government, whose policy has proved to be devoid of all sincerity of purpose.

"The people of Cyprus will not accept any arbitrary and unilateral decision and are more than ever intent on asserting their right to self-determination and achieving freedom"

At a meeting of Greek Cypriot mayors on Aug. 23 it was unanimously decided to reject Britain's "partnership" plan and to oppose its implementation "by every means."

Archbishop Makarios's Proposal for Independent Cyprus under U.N. Guarantee.

An important modification of the views previously held by Archbishop Makarios was disclosed in an interview given by the Archbishop on Sept. 22 to Mrs. Barbara Castle, M.P., vice-chairman of the Labour Party, who was on a private visit to Athens. In answer to a number of questions by Mrs. Castle, he stated (1) that after a fixed period of self-government Cyprus should become an independent State "linked neither to Greece nor to Turkey" [this constituted an apparent abandonment of the Archbishop's previous demand for *enosis*]; (2) that the independent status of Cyprus should not be changed "either by union with Greece, by partition, or by any other way," unless such a change were approved by the United Nations; and (3) that the independence of Cyprus should be guaranteed by the United Nations. The Archbishop added that "membership of the British Commonwealth would not be incompatible with the status I propose."

Archbishop Makarios said that the arrival of a Turkish representative in Cyprus would meet with "such strong opposition that a very dangerous situation will arise, with far-reaching repercussions affecting not only Cyprus but the NATO alliance and the security of the whole area." The British plan "to give the Turkish Government sovereign rights in Cyprus, either through partition or by some other means," would make a solution of the Cyprus question impossible. After reiterating that the problem of Cyprus was "one for discussion between the Cypriot people and the British Government, he added: "The British Government have unnecessarily complicated the situation and turned it into a dispute between the Greek and Turkish Governments in which they are trying to pose as arbiter. But in our view it is wrong to involve third parties in this way. That is why we would oppose the arrival of a representative of the Greek Government just as much as of the Turkish Government."

After making the above-mentioned proposals for an independent Cyprus under U.N. guarantee, and saying that the Turkish Cypriot community would have full safeguards under his plan, the Archbishop said that the British Government should "sit down with representatives of the Cypriot people to work out a constitution for self-government. When this has been drawn up, it should operate for an agreed period, after which the status of independence would come into effect."

Asked what would be the strategic consequences of his plan, the Archbishop replied: "I am sure that an independent and peaceful Cyprus would make a better contribution to the defence of freedom than can a Cyprus torn by colonial or civil war."

After an emergency meeting of the Greek Cabinet, M. Karamanlis announced on Sept. 29 that his Government would accept independence for Cyprus along the lines proposed by Archbishop Makarios. Mr. Macmillan, however, said in a letter to the Greek Prime Minister on Sept. 30 that the Archbishop's proposal "falls outside the scope of the immediate problem of setting up interim arrangements for restoring order and developing representative institutions," although it could "of course remain open for consideration along with any other proposal for a final settlement."

The National Executive Committee of the British Labour Party issued a statement on Sept. 26 calling upon the Government to suspend the implementation of its plan for Cyprus by postponing the arrival in the island of the Turkish representative. The Archbishop's statement in his interview to Mrs. Castle held out new hope of a settlement by agreement, and negotiations should accordingly be reopened "with representatives of the Cypriot people," without whose consent no lasting settlement was possible. As the Government's plan had already been rejected by the "overwhelming majority of the island's inhabitants," any attempt to impose it would be "unwise and dangerous" and would place the British forces in Cyprus in an "intolerable position." If negotiations were to succeed, they must remove Greek fears of partition and Turkish fears that the Turkish minority might be governed from Athens; if this were done, progress could be made toward self-government with full protection of minority rights. The National Executive also made a renewed appeal to all concerned to refrain from further acts of violence.

The Archbishop's proposals for an independent Cyprus under U.N. guarantee, as set forth in his interview with Mrs. Castle, were formally conveyed to Mr. Macmillan through the British Embassy in Athens.

"Appointed Day" in Cyprus. - Turkish Representative takes up Post. - Archbishop Makarios's Call for Greek Cypriot Resistance to British Plan.

The seven-year "partnership" plan for Cyprus came into operation on Oct. 1—the "appointed day" under the revised plan announced by Mr. Macmillan on Aug. 15. The Turkish Consul-General in Cyprus (M. Burhan Ishin) officially assumed his duties as Turkish representative in the island on that date and made a formal call on Sir Hugh Foot in this capacity. While the "appointed day" was observed as a holiday by the Turkish Cypriot community, the Greek Cypriots staged a general strike throughout the island on Eoka orders, and there were a number of demonstrations involving clashes with the security forces in several areas.

Archbishop Makarios sent a message to the Greek Cypriots on Oct. 3 urging them to "react vigorously" against the implementation of the British plan, which he described as "the outcome of unlawful Anglo-Turkish collusion." He called for "unity as one man, regardless of ideological affiliations," at a moment when "not only the historical unity but also the very survival of our race in Cyprus is endangered."

A three-man commission to examine the question of separate Turkish municipalities, as envisaged under the British plan, arrived in Cyprus in mid-October. It comprised three Colonial Office officials, all of whom had previously served in the Cyprus administration—Mr. J. B. Surridge (chairman of the commission), Mr. C. J. Thomas and Mr. C. Mace.

Turkish Cypriot members of the municipal councils had already resigned in June 1957 in protest at what they alleged to be "complete disregard" of Turkish communal interests by the Greek Cypriot councillors (see page 15653, first column). A year later—i.e. in June 1958—the Turkish communal leaders in Nicosia and Limassol set up their own municipal councils without waiting for permission from the Cyprus Government.

NATO Intervention in Cyprus Dispute. - Mr. Spaak's Proposal for Round-Table Conference on Cyprus.

In an attempt to secure an agreement acceptable to all three NATO allies involved in the Cyprus question, M. Spaak proposed the holding of a conference, under his own chairmanship, which would be attended by representatives of the British, Greek, and Turkish Governments and also by Greek and Turkish Cypriot leaders. He flew to Athens on Sept. 23 to discuss this matter with M. Karamanlis and reported on the following day to the North Atlantic Council, which considered the Cyprus question at a number of meetings during the next three weeks. On Oct. 16-17 M. Averoff visited Paris for discussions with M. Spaak and the French Foreign Minister, M. Couve de Murville, on which no statement was issued. The North Atlantic Council had a further meeting on the latter date, after which an official spokesman said that "encouraging progress" was being made towards a round-table conference on Cyprus and that the delegates were "referring back to their Governments."

Greco-Turkish Dissensions in NATO.

Prior to the developments described above, the Greek Government has announced on June 15 its intention to cease co-operation with Turkey within the North Atlantic Treaty framework; it was announced in Athens that all Greek officers and their families had accordingly been withdrawn from Izmir, the H.Q. of Allied Land Forces, South-East Europe.

The Greek Government's action—which was not notified beforehand to NATO or any of its member-nations—followed closely upon violent communal riots in Cyprus in which 13 Greek Cypriots were killed by Turkish mobs. M. Averoff said that the decision to cease NATO co-operation with Turkey had been prompted by "grave considerations resulting from repeated Turkish provocations."

In a statement to the Greek Parliament on June 24, M. Averoff reasserted Greece's loyalty to the NATO alliance but said that the tension between Greece and Turkey might "pose in the very near future the question of the redeployment of NATO commands in South-East Europe." [Earlier reports from Athens had suggested that Greece might ask NATO to establish two separate commands in South-East Europe for the Greek and Turkish forces, instead of the single Greco-Turkish command at Izmir.] While reiterating that Greece's objective remained self-determination for Cyprus, M. Averoff said that she was prepared "to help in breaking the present dangerous deadlock" by postponing a settlement of this objective, "provided democratic self-government is introduced in the island." If no agreed solution were found, Greece would appeal to the United Nations.—(Times - Daily Telegraph - Manchester Guardian - Hellenic News Agency, Athens - Turkish Embassy Press Department, London)

(Prev. rep. Cyprus, 16219 A.)

Note. Internal developments in Cyprus in recent months will be described in a subsequent issue. (*Ed. K.C.A.*)

A. NETHERLANDS - UNITED KINGDOM. — Formation of Anglo-Dutch Trade Council.

An Anglo-Dutch Trade Council, formed jointly by the Federation of British Industries and the Association of British Chambers of Commerce, was established in The Hague on Sept. 18 under the joint chairmanship of Mr. Duncan Oppenheim, chairman of the British-American Tobacco Company, and Dr. Paul Rykens, lately chairman of Unilever N.V. of Holland. Consisting of 20 leading British and Dutch businessmen, it will promote trade between the two countries, aid U.K. exporters, and make representations to the Netherlands Government on trade matters where desirable.

Although there has been a Dutch Chamber of Commerce in London since 1890, there had hitherto been no similar British organization in the Netherlands despite the fact that Holland is Britain's sixth largest export market—coming after four Commonwealth countries and the United States. Moreover, Holland is Britain's biggest customer in Europe, having bought about £120,000,000 worth of British goods in 1957.

(Bradford Chamber of Commerce Journal)

B. CHINA. — First Nuclear Reactor.

The first nuclear reactor in Communist China was put into operation in Peking on Sept. 27. Built with the assistance of Soviet specialists, it comprises a 10,000-kilowatt heavy water research reactor and a 20,000,000 electron-volt cyclotron, and will be used for the production of radioactive isotopes and other industrial and medical applications.—(New York Times)

C. UNITED ARAB REPUBLIC. — New Cabinet. - Resignation of M. Sabry Assali. - Regional Executive Councils for Egypt and Syria.

President Nasser appointed on Oct. 8 a new Central Cabinet for the United Arab Republic, and also two Regional Executive Councils—each with its own president—for Egypt and Syria. This change, which increased the number of Ministers from 34 to 50, marked a return to the system envisaged in the original proposals for the formation of the U.A.R. put forward on Feb. 5 (see 16005 A), which were subsequently abandoned in favour of a system of Ministries with separate regional heads (see 16085 A). According to the Egyptian press, the reorganization was aimed at making the two regions—Egypt and Syria—work at "the same pace" and at bringing the efficiency of governmental machinery in Damascus up to that in Cairo.

At the same time the number of Vice-Presidents was reduced from four to three—M. Abdul Latif el-Boghdadi, Field-Marshal Hakim Amer, and M. Akram Hourani—following the resignation of M. Sabry Assali (see below). The membership of the new Central Cabinet—comprising 14 Egyptians and seven Syrians—was as follows, former nationalities being shown in parentheses (E.—Egyptian; S.—Syrian):

M. Abdel Latif el-Boghdadi (E.)	Vice-President and Planning.
Field-Marshal Abdel Hakim Amer (E.)	Vice-President and War.
M. Akram Hourani (S.)	Vice-President and Justice.
M. Zakaria Mohieddin (E.)	Interior.
M. Hussein Shafei (E.)	Social Affairs and Labour.
M. Kamaleddin Hussein (E.)	Education.
Dr. Mahmoud Fawzi (E.)	Foreign Affairs.
M. Hassan Jubarrah (S.)	Treasury.
M. Abdel Moneim el-Kaissouny (E.)	Economy.
M. Ahmed Abdul Sharbassi (E.)	Public Works.
M. Ahmed Hassan Bakoury (E.)	Religious Foundations (*Wakfs*).
M. Fakhar el-Kayali (S.)	Minister of State.
M. Salah Bitar (S.)	Culture and National Guidance.
Wing-Commander Ali Sabry (E.)	Minister of State for Presidential Affairs.
Colonel Amin Nafouri (S.)	Communications.
M. Bashir el-Atba (S.)	Health.
Major Ahmed Abdel Karim (S.)	Rural and Municipal Affairs.
Dr. Aziz Sidky (E.)	Industry.
M. Kamal Ramzi Stino (E.)	Supply.
Dr. Said Marei (E.)	Agriculture and Land Reform.
M. Kamaleddin Rifaat (E.)	Minister of State.

The membership of the two Regional Executive Councils was as follows:

Egypt. Dr. Nureddin Tarraf—President; M. Ahmad Husni—Justice; M. Mohammed Abu Nosseir—Rural and Municipal Affairs; Dr. Mustafa Khalil—Communications; M. Hassan Abbas Zaki—Economy; M. Fathi Rizk—Industry; M. Sawat Okasha—Culture and Guidance; M. Tewfik Abdel Fattah—Social Affairs and Labour; M. Abbas Radwan—Interior; M. Ahmed Elmahrouki—Agriculture; M. Hassan Boghdadi—Land Reform; M. Musa Arafa—Public Works; M. Mohammed Nassar—Health; M. Hassan Salaeddin—Finance; M. Ahmed Naguib Hashem—Education.

Syria. M. Nureddin Kuhala—President and Planning; M. Abdel Wahab Homad—Finance; M. Khalil Kallas—Economy; Major Mustafa Hamdun—Land Reform; Colonel Abdel Hamid Sarraj—Interior; M. Mihad Ksaem—Justice; M. Ahmed Haj-Yunis—Agriculture; M. Shawkhat Kanawati—Health; M. Abdel Ghani Kannout—Social Affairs and Labour; M. Mohammed Alem—Communications; M. Teima Awad Allah—Rural and Municipal Affairs; M. Riad Malki—Culture and Guidance; M. Anjad Tarabulsi—Education; M. Ouajih Sammen—Industry.

M. Sabry Assali, one of the four Vice-Presidents on the formation of the U.A.R., submitted his resignation on Oct. 6.

The Cairo newspaper *Al Akhbar* had previously published extracts from documents (said to have been produced during the trial in Baghdad of Dr. Jamali, the former Iraqi Premier) which purported to show that in 1954 M. Assali had taken part in a plot to merge Syria with Iraq under the late King Faisal, and that he had accepted money from the Iraqi Crown's secret fund for this purpose. M. Assali denied these allegations, accused Syrian newspapers of conducting a personal campaign against him, and pointed out that the plan for Syrian-Iraqi union was an old one which had been discussed by all the Syrian parties.

M. Assali was the last Prime Minister of Syria before the union of that country and Egypt as the United Arab Republic.

(Times - Le Monde, Paris - New York Times)

(Prev. rep. U.A.R. Cabinet, 16085 A.)

A. UNITED STATES. — The Little Rock Case. - Supreme Court's Judgment.

The unanimous judgment of the U.S. Supreme Court rejecting any delay of integration at the Little Rock Central High School was read by Chief Justice Earl Warren on Sept. 29, and is summarized below.

"This case," the judgment began, "raises questions of the highest importance to the maintenance of the Federal system of government. It necessarily involves a claim by the Governor and Legislature of a State that there is no duty on State officials to obey Federal Court orders resting on this Court's considered interpretation of the U.S. Constitution." After reviewing the history of the case, and specifically its decision of May 17, 1954 [see 13593 A] that enforced racial segregation in public schools was a denial of the equal protection of the laws guaranteed in the 14th Amendment to the Constitution, the Supreme Court recapitulated its decree of May 31, 1955, in which it had enunciated the principles for implementing its 1954 decision [see 14244 A].

In this connexion it was recalled that the Supreme Court had recognized that "good faith compliance" with the principles of the 1954 decision might in some situations "call for elimination of a variety of obstacles" in carrying out the necessary changes. In the 1955 decree, however, it had been expressly stated that "the vitality of these constitutional principles [i.e. those set forth in the 1954 decision] cannot be allowed to yield simply because of disagreement with them"; and that "while giving weight to public and private considerations," the Courts would require that "a prompt and reasonable start" should be made "toward full compliance" with the 1954 ruling. Once such a start had been made, the Courts might find that additional time was necessary to carry out the ruling in an effective manner; but in such cases the school authorities would have to establish that such time was necessary in the public interest and was consistent with "good faith compliance" at the earliest practicable date.

The judgment continued: "Under such circumstances, the District Courts were directed to require 'a prompt and reasonable start toward full compliance,' and to take such action as was necessary to bring about the end of racial segregation in public schools 'with all deliberate speed.' Of course, in many locations, obedience to the duty of desegregation would require the immediate general admission of Negro children, otherwise qualified as students for their appropriate classes, at particular schools. On the other hand, a District Court, after analysis of the relevant factors (which, of course, excludes hostility to racial desegregation), might conclude that justification existed for not requiring the present non-segregated admission of all qualified Negro children. In such circumstances, however, the Court should scrutinize the programme of the school authorities to make sure that they had developed arrangements directed toward the earliest practicable completion of desegregation, and had taken appropriate steps to put their programme into effective operation. It was made plain that delay in any guise in order to deny the constitutional rights of Negro children could not be countenanced, and that only a prompt start, diligently and earnestly pursued, to eliminate racial segregation from public schools could constitute good-faith compliance. State authorities were thus duty bound to devote every effort toward initiating desegregation and bringing about the elimination of racial discrimination in the public school system."

Reviewing the events at Little Rock from 1955 to date, the judgment said that "while the School Board was going forward with its preparation for desegregating the Little Rock school system, other State authorities, in contrast, were actively pursuing a programme "designed to perpetuate in Arkansas the system of racial segregation which this Court had held violated the 14th Amendment." The Supreme Court went on to say that it had accepted "without reservation" the position of the School Board, the Superintendent of Schools, and their counsel that they had "displayed entire good faith in the conduct of these proceedings and in dealing with the unfortunate and distressing sequence of events which has been outlined."

In accepting the findings of the District Court as to the conditions at Central High School during the 1957-58 school year, the Supreme Court declared: "The significance of these findings, however, is to be considered in the light of the fact, indisputably revealed by the record before us, that the conditions they depict are directly traceable to the actions of legislators and executive officials of the State of Arkansas, taken in their official capacities, which reflect their own determination to resist this Court's decision in the Brown case [i.e. the decision of May 17, 1954] and which have brought about violent resistance to that decision in Arkansas . . . One may well sympathize with the position of the Board in the face of the frustrating conditions which have confronted it; but, regardless of the Board's good faith, the actions of the other State agencies responsible for those conditions compel us to reject the Board's legal position.

"The constitutional rights of respondents are not to be sacrificed or yielded to the violence and disorder which have followed upon the actions of the Governor and the Legislature . . . Law and order are not to be preserved by depriving Negro children of their constitutional rights. The record before us clearly establishes that the growth of the Board's difficulties to a magnitude beyond its unaided power to control is the product of State action. Those difficulties, as counsel for the Board conceded on the oral argument in this Court, can also be brought under control by State action. The controlling legal principles are plain. The command of the 14th Amendment is that no 'State' shall deny to any person within its jurisdiction the equal protection of the laws."

Quoting from a number of other decisions, the judgment went on: "A State acts by its legislative, executive, or judicial authorities. It can act in no other way. The Constitutional provision, therefore, must mean that no agency of the State, or of the officers or agents by whom its powers are exerted, shall deny to any person within its jurisdiction the equal protection of the laws. Whoever, by virtue of public position under a State Government, denies or takes away the equal protection of the laws, violates the Constitutional inhibition; and as he acts in the name and for the State, and is clothed with the State's power, his act is that of the State. This must be so, or the Constitutional prohibition has no meaning . . . In short, the Constitutional right of children not to be discriminated against in school admission on grounds of race or colour, declared by this Court in the Brown case, can neither be nullified openly and directly by State legislators or State executive or judicial officers, nor nullified indirectly by them through an evasive scheme for segregation, whether attempted 'ingeniously' or ingenuously.'"

Dealing with the contention of Governor Faubus and the Arkansas Legislature that they were not bound by the Supreme Court's earlier decisions of 1954 and 1955, the judgment declared: "It is necessary only to recall some basic Constitutional propositions which are settled doctrines. Article VI of the Constitution makes the Constitution the 'supreme law of the land.' In 1803, Chief Justice Marshall, speaking for a unanimous Court, referring to the Constitution as 'the fundamental and paramount law of the nation' [and] declared that 'it is emphatically the province and duty of the judicial department to say what the law is. This decision declared the basic principle that the Federal judiciary is supreme in the exposition of the law of the Constitution, and that principle has ever since been respected by this Court and the country as a permanent and indispensable feature of our Constitutional system. It follows that the interpretation of the 14th Amendment enunciated by this Court in the Brown case is the supreme law of the land, and Article VI of the Constitution makes it of binding effect on the States . . ."

After quoting Supreme Court decisions laying down the supremacy of the Federal Constitution, the judgment continued: "It is, of course, quite true that the responsibility for public education is primarily the concern of the States, but it is equally true that such responsibilities, like all other State activity, must be exercised consistently with Federal Constitutional requirements as they apply to State action. The Constitution created a Government dedicated to equal justice under law. The 14th Amendment embodied and emphasized that ideal. State support of segregated schools through any arrangement, management, funds or property cannot be squared with the Amendment's command . . ."

The judgment concluded: "The basic decision in 'Brown' was unanimously reached by this Court only after the case had been briefed and twice argued and the issues had been given most serious consideration. Since the first Brown opinion three new Justices have come to the Court. They are at one with the Justices still on the Court who participated in that basic decision as to its correctness, and that decision is now unanimously reaffirmed. The principles announced in that decision, and the obedience of the States to them, according to the command of the Constitution, are indispensable for the protection of the freedoms guaranteed by our fundamental charter for all of us . . ."

In addition to the Chief Justice, the other members of the Supreme Court concurring in the decision were Justices Black, Frankfurter, Douglas, Burton, Clark, Harlan, Brennan, and Whittaker.—(New York Times - New York Herald Tribune)

(Prev. rep. 16433 A.)

B. UNITED KINGDOM. — Exchange Control.

The Chancellor of the Exchequer announced on Oct. 23 that the sending of cash gifts of up to £10 in each calendar year to persons resident abroad would be permitted as from Nov. 10. Hitherto *bona fide* cash gifts could only be sent to persons resident in the sterling area and Scandinavia.

The Treasury announced on Oct. 24 that travel allowances would remain unchanged for the year beginning Nov. 1, 1958—i.e. £100 basic travel allowance, £70 for children under 12, and allowances of £35 and £15 for cars and motor-cycles respectively. For travel in Norway, Sweden, Denmark, Greenland, and the Faroes "reasonable" amounts of currency would be allowed, and in all cases travellers could pay in sterling outside the basic allowance for their own journey, by any regular means of transport, throughout the world.

The amount of sterling notes which could be taken out of the country remained unchanged at £10.

(Financial Times - Treasury Press Office, London)

(Prev. rep. 15821 D.; 15808 C.)

C. NETHERLANDS. — Cabinet Appointment.

Dr. van Aartsen was appointed Minister for Transport and Waterways on Oct. 23 in succession to Mr. J. Algera, who had resigned for health reasons. Like his predecessor, Dr. van Aartsen (49) is a member of the Anti-Revolutionary Party. (Netherlands News Agency) **(Prev. rep. Cabinet, 15980 F.)**

OCTOBER 25—NOVEMBER 1, 1958

A. PAKISTAN. — Constitution abrogated by President Mirza. - Dismissal of Central and Provincial Governments and Assemblies. - Imposition of Martial Law. - General Ayub Khan becomes Prime Minister and President. - Resignation of President Mirza. - Measures against Corruption and Black-Marketeering. - Arrests of Party Leaders. - Abolition of Political Parties.

By a proclamation issued on Oct. 7, President Mirza of Pakistan abrogated the Constitution, dismissed the Central and Provincial Governments, dissolved the National and Provincial Assemblies, abolished all political parties, proclaimed martial law, and appointed General Ayub Khan (C.-in-C. of the Army) as Chief Martial Law Administrator. The immediate occasion of his action was a crisis inside Mr. Firoz Khan Noon's Cabinet, from which six Awami League Ministers had resigned a few hours previously, only five days after they had taken office. Both the wording of the proclamation and subsequent statements by President Mirza and General Ayub, however, made it clear that the President's action, in which he was fully supported by the Army, was motivated by his conviction that the political parties were responsible for the "chaotic internal situation" and would "rig the elections for their own ends." Recent developments which apparently brought matters to a head included—in addition to party disputes over posts in the Central Government—riotous scenes in the East Pakistan Assembly between Sept. 20-23, in which the Deputy Speaker was fatally injured, and violent agitation by the Moslem League, whose para-military organization was suppressed by the Government on Sept. 20.

A new non-party Government was formed by General Ayub Khan, who also assumed the Presidency of Pakistan following the resignation of President Iskander Mirza. Details of these developments are given below under cross-headings.

The Cabinet Crisis.

In order to widen the basis of his Government, Mr. Noon had discussions during September with Mr. H. S. Suhrawardy and Mr. Hamidul Huq Choudhury, the respective leaders of the Awami League and the *Krishak Sramik* party. Mr. Choudhury was sworn in as a Minister on Sept. 16, and acted as Finance Minister during the absence of Syed Amjad Ali, who was attending the Commonwealth economic conference in Montreal (see 16443 A.). Although Mr. Suhrawardy refused to join the Government himself, three members of the Awami League (Mr. Zahiruddin, Mr. Dildar Ahmad, and Mr. Nuru Rehman) took office as Ministers on Oct. 2, and three others (Mr. Peter Paul Gomez, Mr. Abdul Rehman Khan, and Mr. Adiuddin) as Ministers of State. Two Republicans, Chaudhry Abdus Salam and Sardar Mohammed Akbar Khan Buqti, had previously been sworn in as Ministers of State on Sept. 20. These changes increased the size of the Government to 17 Ministers and nine Ministers of State (eight Ministers and four Ministers of State from West Pakistan, and nine Ministers and five Ministers of State from East Pakistan), out of a National Assembly of 80 members.

The reallocation of portfolios in the enlarged Cabinet gave rise to intense controversy. On returning to Karachi on Oct. 1 Syed Amjad Ali refused to relinquish the Finance Ministry in Mr. Choudhury's favour, and threatened to leave the Republican Party with 10 other deputies, including a number of Ministers. At midday on Oct. 7 Mr. Noon announced a Cabinet reshuffle whereby he himself relinquished the Foreign Ministry to Sardar Abdur Rashid (formerly Minister of Commerce and Industries); Syed Amjad Ali retained the Finance Ministry; Mr. Choudhury became Minister of Commerce; and Mr. Zahiruddin, Mr. Ahmad, and Mr. Rehman became Ministers of Communications, Irrigation and Power, and Education respectively. Immediately these appointments were announced, the Awami League decided to recall its six representatives in the Government as a protest against the allocation of portfolios; it stated that Mr. Noon was facing grave difficulties inside the Republican Party over the distribution of portfolios between East and West Pakistan, and that these difficulties were "of such a nature that the very purpose of the Awami League's entry into the Cabinet—to ensure the holding of free and fair elections on the appointed date of Feb. 15—may be thwarted." Mr. Noon subsequently reshuffled his Cabinet a second time to exclude the Awami League representatives.

Abrogation of Constitution. - Proclamation of Martial Law.

President Mirza issued his proclamation in the late evening of Oct. 7, a few hours after the crisis inside the Cabinet. The proclamation, in which he explained the reasons for his decision, bitterly attacked the political parties, which were accused of corruption, complete unscrupulousness in their struggle for power, and an irresponsible attitude towards the country's foreign policy.

"For the last two years," President Mirza stated, "I have been watching with the deepest anxiety the ruthless struggle for power, the corruption, the shameful exploitation of our simple, honest, patriotic, and industrious masses, the lack of decorum, and the prostitution of Islam for political ends . . . These despicable activities have led to a dictatorship of the lowest order; adventurers and exploiters have flourished to the detriment of the masses, and are getting richer by their nefarious practices." No serious attempt had been made to tackle the food crisis; the Agriculture and Land Administration had been made "a handmaiden of politics"; and there was smuggling of food, medicines, and other necessities. The import of food had been a constant drain on foreign exchange, and much-needed internal development projects had had to be curtailed.

The proclamation continued: "Some of our politicians have been talking of bloody revolution. Another type of adventurer thinks fit to go to foreign countries and attempt a direct alignment with them, which can only be described as high treason." [This passage referred to Khan Abdul Qaiyum Khan and Maulana Bhashani—see below.] "The disgraceful scene enacted recently in the East Pakistan Assembly is known to all . . . You do not raise the prestige of your country by beating the Speaker, killing the Deputy Speaker, and desecrating the national flag. The mentality of the political parties has sunk so low that I am unable any longer to believe that elections will improve the present chaotic internal situation and enable us to form a strong and stable Government capable of dealing with innumerable problems. We cannot get men from the moon. The same group who have brought Pakistan to the verge of ruination will rig elections for their own ends . . . Judging by their shifting loyalties and ceaseless and unscrupulous scramble for office, the elections will be neither free nor fair, and will be more likely to lead ultimately to a really bloody revolution than to solve the country's problems.

"Pakistan's foreign policy is subjected to unintelligent and irresponsible criticism for selfish and unpatriotic motives, often by the very people responsible for it," the proclamation continued. "We desire to have friendly relations with all nations, but political adventurers try their best to create bad blood and misunderstanding between us and countries like the U.S.S.R., the United Arab Republic, and the People's Republic of China. Against India they scream for war, knowing full well that they will be nowhere near the firing line. In no other country in the world do political parties treat foreign policy in such a fashion as in Pakistan. To dispel the confusion so caused, I categorically reiterate that we shall continue to follow the policy which our interests and geography demand, that we shall honour all international commitments which . . . we have undertaken to safeguard the security of Pakistan and, as a peace-loving nation, to play our part in averting the danger of war in this troubled world.

"My appraisal of the internal situation has led me to believe that the vast majority of the people no longer have any confidence in the present system of government," President Mirza declared. "They are getting more and more disillusioned and disappointed, and are becoming dangerously resentful of the manner in which they are being exploited. Their resentment is justifiable, as the leaders have failed to prove themselves worthy of the confidence the masses have reposed in them. The Constitution is sacred, but more sacred is the country's welfare and the happiness of the people. The Constitution is seriously threatened by the ruthlessness of traitors and political adventurers. The Constitution is so full of dangerous compromises that Pakistan will disintegrate internally if the inherent malaise is not removed. To rectify this, the country must first be brought to sanity by a peaceful revolution. Then it is my intention to collect a number of patriotic persons to examine our problems in the political field and to devise a Constitution more suitable to the genius of the Moslem people. When it is ready, and at the appropriate time, it will be submitted to a referendum.

"I have therefore decided that:

(*a*) The Constitution of March 23, 1956, will be abrogated.

(*b*) The Central and Provincial Governments will be dismissed with immediate effect.

(*c*) The National Parliament and Provincial Assemblies will be dissolved.

(*d*) All political parties will be abolished.

(*e*) Until alternative arrangements are made, Pakistan will come under martial law. I hereby appoint General Mohammed Ayub Khan, Commander-in-Chief, Pakistan Army, as Chief Martial Law Administrator, and place all the armed forces of Pakistan under his command.

"The present action has been taken with the utmost regret," the proclamation concluded, "but I have had to do it in the interests of the country and the masses—finer men than whom it is difficult to imagine. To patriots and law-abiding citizens, I promise you will be happier and freer. The political adventurers, the smugglers, the black-marketeers, the hoarders, will be unhappy, and their activities will be severely restricted. As for the traitors, they had better flee the country if they can while the going is good . . ."

General Ayub, in a broadcast on Oct. 8, said that the ultimate aim of the new regime was to restore democracy, but of a type that people could understand and work. "When the time comes your opinion will be freely asked," he added, "but when that time will be, events alone can tell."

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What had happened, General Ayub continued, was "a drastic and extreme step, taken with great reluctance but with the fullest conviction that there was no alternative to it except the disintegration and complete ruination of the country." Total administrative, economic, political, and moral chaos had been brought about by self-seeking political leaders who had "ravaged the country or tried to barter it away for personal gains," while "weak and irresolute Governments looked on with masterly inactivity and cowardice and allowed things to drift and deteriorate and discipline to go to pieces." Since the deaths of the *Quaid-i-Azam* (Mr M. A. Jinnah) and Mr. Liaquat Ali Khan, "politicians have started a free-for-all type of fighting in which no holds were barred. They have waged a ceaseless and bitter war against each other regardless of the ill-effects on the country, just to whet their appetites and satisfy their base motives. There has been no limit to the depth of their baseness, chicanery, deceit, and degradation. Having nothing constructive to offer, they used provincial feelings and sectarian, religious, and racial differences to set Pakistani against Pakistani. The country and people could go to the dogs as far as they were concerned."

After emphasizing that the Army had "kept severely aloof from politics," General Ayub went on: "You may not know, but I refused on several occasions the late Ghulam Mohammad's offer to take over the country. I did so in the belief that I could serve the cause of Pakistan better from the place where I was, and I also had a faint hope that some politicians would rise to the occasion and lead the country to a better future. Events have falsified those hopes, and we have come to the present pass. A perfectly sound country has been turned into a laughing-stock. This is bad, but the situation has to be faced and remedies found—as, God willing, they are going to be. As to the operation of martial law, I propose to use civilian agencies to the maximum. The armed forces will be used as little as possible. In the main they will continue to attend to their primary role of external defence. Martial law regulations will be issued which will tighten up existing laws on matters like malingering or inefficiency among officials, any form of bribery or corruption, hoarding, smuggling, or black marketeering, or any other type of anti-social or anti-State activity. Such matters will be dealt with ruthlessly and expeditiously . . ."

At a press conference on Oct. 10, General Ayub said that whilst it was the President's constitutional responsibility to halt the "disintegration of the country," it would have been the Army's responsibility to do so if the President had not acted. Education, food, and the rehabilitation of refugees would be the first problems to be tackled; the educational system would be overhauled; and a "scientific" rather than an "emotional" solution would be found for the problem of agrarian reform. On relations with India, he said: "No Pakistani can forget the Kashmir issue. We in the Army feel it more because we recognize the significance of the problem. Our efforts will be directed toward solving the problem satisfactorily and peacefully. Once there is a solution of the Canal Waters dispute and Kashmir, we have no further grouse against India. Bitterest enemies have become friends because of circumstance. You cannot have eternal enemies nor eternal friends, but you can have eternal interests."

In a further press statement on Oct. 19 General Ayub said that, in addition to the other reforms, the present "most expensive and dilatory" law system, "good only for those who know the law," would have to be replaced by a system which "the people understand and which gives them quicker justice." He stressed that the martial law introduced in the country was a "benign martial law to assist the civil power to clear up this mess," emphasizing that Pakistan was not under military rule and that the bulk of the Army was already back at its normal tasks.

President Iskander Mirza (58) was in 1919 the first Indian cadet to be gazetted into the British Army from Sandhurst. Transferred in 1926 to the Indian Political Service, he became the first Defence Secretary of Pakistan in 1947. In May 1954 he was appointed Governor of East Bengal with absolute powers, and the following October entered the Central Government as Minister of the Interior. He succeeded Mr. Ghulam Mohammad as Governor-General in 1955, and was elected President on the adoption of the Republican Constitution in the following year. Although returned to the Constituent Assembly in 1955 as a Moslem League candidate, he was largely responsible for the formation of the Republican Party, and has taken an active part in bringing about the various Cabinet changes of the past three years; in particular, he forced the resignation of the Suhrawardy Government in 1957 by refusing to allow it to seek a vote of confidence from the National Assembly (see 15819 A). In his public statements he has frequently advocated a "controlled democracy" for Pakistan, and has urged a revision of the Constitution on the U.S. model to give the President increased powers.

General Mohammad Ayub Khan (51) also entered the Indian Army from Sandhurst. He commanded a battalion in Burma in the Second World War, became C.-in-C. of the Pakistan Army in 1951, and served as Defence Minister in Mr. Mohammad Ali's Government in 1954-55.

In an Order issued on Oct. 10, President Mirza announced that the country would continue to be governed as nearly as possible in accordance with the abrogated Constitution, and that all courts in existence would continue in being. The Supreme Court and High Courts would have power to issue writs of *habeas corpus*, *mandamus*, prohibition, *quo warranto*, and *certiorari*, but no writ might be issued against the Chief Administrator of Martial Law or any person under his authority. No court or person might call in question the President's proclamation, any order made in pursuance thereof, any martial law order or regulation, or any finding, judgment, or order of a special military court.

Martial Law Regulations. - Measures against Corruption. - Arrests of Party Leaders.

For administrative purposes the country was divided on Oct. 9 into three zones, each under a senior officer—Major-General Sher Bahadur (Karachi Federal area), Lieut.-General Mohammad Azam Khan (West Pakistan), and Major-General Umrao Khan (East Pakistan). Mr. Aziz Ahmad (Secretary to the Ministry of Rehabilitation) was appointed Secretary-General to the Government and Deputy Chief Martial Law Administrator, whilst Lieut.-General Musa (the Army Chief of Staff) became Deputy C.-in-C. The Governor of East Pakistan, Mr. Sultanuddin Ahmed, was replaced on Oct. 10 by Mr. Zakir Hussain.

General Ayub Khan issued regulations on Oct. 9 providing for the setting-up of special and summary military courts to try contraventions of martial law regulations or offences under ordinary law. Persons convicted of such offences could be punished by death (subject to confirmation by the Administrator of Martial Law), transportation for life, rigorous imprisonment for not less than seven years, whipping, fines, or forfeiture of property, depending on the gravity of the offence; women and offenders above the age of 45, however, could not be sentenced to whipping.

Other regulations were issued by General Ayub Khan on Oct. 9 providing severe penalties against acts of sabotage, looting, mutiny, rebellion, hoarding, and smuggling, and prohibiting strikes or agitation in educational institutions or public utilities under penalties of up to 10 years' rigorous imprisonment.

The death penalty was imposed for assistance to any external enemy, mutiny, rebellion, rioting, acting as an enemy agent, or impeding the operations of the armed forces. As a maximum punishment the death penalty was also imposed for looting; dacoity; interfering with the working of roads, railways, canals, airfields, and telegraph, telephone, or wireless installations, or with any other Government property; giving false evidence; hoarding of food grains; smuggling of all kinds; child abduction; causing wilful damage to public property or to supplies for the armed forces; assisting or harbouring mutineers or rebels; and resisting or attacking any member of the military or civil forces, or any officials.

Attempts to bribe officials, acceptance of bribes by officials, or misuse of an official position by bestowing patronage or favours, were made punishable on Oct. 11 by 14 years' rigorous imprisonment. All offenders sentenced under martial law were ordered to be treated as ordinary criminals, whatever their status or position.

Similarly drastic measures were ordered by Major-General Umrao Khan in East Pakistan.

Pre-censorship was introduced for the publication by newspapers, periodicals, or any other media of any news, statements or comments other than communiqués issued by the martial law authorities, under penalties of 10 years' rigorous imprisonment.

Other orders were issued by Major-General Umrao Khan (1) prescribing the death penalty for publishing, printing, circulating (or causing to be published, printed, or circulated, or otherwise being in possession of), any pamphlet, poster, publication, or other type of literature calculated to promote or attempt to promote feelings of enmity or inter-provincial hatred; (2) imposing up to seven years' rigorous imprisonment for failure by any occupier of a building or premises to efface or destroy slogans or leaflets which had been written, painted or posted on the building concerned; (3) ordering up to 14 years' rigorous imprisonment, or a heavy fine, or both, for spreading (either orally, in writing, or by signals) reports calculated to create alarm or despondency amongst the public, or to create antagonism towards the armed forces; (4) prohibiting meetings of more than five persons without prior permission, except for *bona fide* religious meetings, and prescribing up to 10 years' rigorous imprisonment for holding or attending any unauthorized meeting or procession; (5) imposing 14 years' rigorous imprisonment for hoarding, profiteering, or black-marketeering of any essential commodities, food, or any other goods; (6) providing that where any young child was guilty of contravening any martial law order or regulation, the military court could (in addition to any punishment imposed on the child) sentence his father or legal guardian to imprisonment for up to five years or a fine up to 10,000 rupees, or both.

A further order issued by General Ayub Khan on Oct. 11 laid down specific measures against the hoarding of food grains.

The order, which came into immediate effect, laid down that no one could keep food grains in his possession for his personal consumption or that of members of his family, including servants, in excess of six maunds per head of rice or atta, nine maunds of paddy or seven maunds of wheat, or a combination of two or more of these food grains. It provided that any excess stocks would be taken over by the authorities at prices fixed by the Government.

Other regulations of the same date imposed 14 years' imprisonment for spreading rumours calculated to promote or encourage provincialism, segregarianism, or linguistic feelings, and five years' imprisonment for refusal to divulge one's name and address when questioned by an official.

Other measures announced by the Pakistani Government or General Ayub Khan on Oct. 11-13 included the following: (1) a direction by the Government to all banks in Pakistan freezing the balances of all political parties; (2) ordering a thorough inquiry into the state of the medical and health services by Lieut.-General Burki (then director-general of medical services of the armed forces, and subsequently appointed Minister of Health and Social Welfare—see below); (3) the dissolution of the Karachi Municipal Corporation, and the appointment of a civil servant (Mr. Azizullah Hasan) as Municipal Commissioner.

A number of prominent persons were arrested in the course of the new Administration's drive against corruption and black-marketeering including several leading politicians. Mr. M. A. Khuhro (Defence Minister in Mr. Noon's Government) was arrested in Karachi on Oct. 9 on a charge of black market dealings in cars, and was refused bail; General Ayub said on the following day that this action had been taken by the civil authorities, and that he himself had known nothing of it until afterwards. In Dacca, eight leading politicians and high officials of the East Pakistan Administration, including three former Ministers of the Central Government, were arrested on Oct. 12 on charges of corruption and acquiring properties disproportionate to their known sources of income. They were Mr. Hamidul Huq Choudhury; Mr. Abdul Mansur Ahmed and Mr. Abdul Khaleque (Minister of Commerce and Industries and Minister of Labour respectively in Mr. Suhrawardy's Government); Sheikh Mujibur Rahman (general secretary of the Awami League); Mr. Nuruddin Ahmad (managing director of a Dacca firm and a former Awami League member of the East Pakistan Assembly); Mr. Asghar Ali Shah (Industrial Development Commissioner); Mr. Aminul Choudhury (Under-Secretary in the Commerce, Labour, and Industries Department); and Mr. M. A. Jabbar (chief engineer for communications and buildings).

The Army, Navy, and police carried out a series of raids on suspected hiding places of smuggled goods, during which they made numerous arrests and recovered large stocks of gold sovereigns, watches, cameras, fountain pens, nylon, silk, jewellery, and perfumes. In addition to these measures against the black market, prices were sharply reduced by decree. In consequence a rush on the shops occurred; hoarders of foreign goods (many of which had for years been available only through the black market) hastened to release them; and hoarders of foreign currency hastened to exchange it for goods. To forestall the danger of inflation, limitations were imposed on Oct. 16 on purchases of cloth and household goods, and on Oct. 19 it was ordered that sales of imported goods should be made only on production of ration cards.

Four leading members of the left-wing National Awami Party—Maulana Bhashani, Khan Abdul Ghaffar Khan, Khan Abdus Samad Khan Achakzai, and Mr. G. M. Syed—were arrested on Oct. 10-12 under the Security of Pakistan Act. Maulana Bhashani, the founder and president of the party, had recently visited both the U.S.S.R. and the United Arab Republic, where he met President Nasser. Abdul Ghaffar Khan (the former "Redshirt" leader) and Abdus Samad Khan (known as "the Baluchi Gandhi") are the leaders of the movement for an autonomous Pathan province of "Pakhtoonistan" inside West Pakistan.

Policy Statements by President Mirza and General Ayub.

President Mirza gave details of his programme for the future in an interview with foreign correspondents on Oct. 15.

Emphasizing that he had acted unwillingly, President Mirza said: "I waited for a very long time, hoping things would get better, but they went from bad to worse. I did not feel elections would make any difference. In the Karachi municipal elections the biggest smugglers got the most votes. I was convinced there was going to be bloodshed in the coming elections and rigging of the polls, and you would get the scum of the country elected. I had not enough police to control the polling-booths all over the country. If the elections led to bloodshed, we should have had to have punitive martial law instead of the present non-violent one."

Of his future plans, President Mirza stated: "I shall run martial law for the shortest duration possible. Then we shall have a National Council of not more than 12 to 15 persons and run on that basis for some time to clear up the country." This body would replace, and probably include some members of, the committee of permanent officials which constituted the Advisory Council to the military régime. "Then we shall get about 30 or 40 good men to frame a Constitution," he added. "We shall get it examined by people of international repute to see that it is workable, and then there will be a referendum." Stating that not all former political leaders would necessarily be excluded from these two bodies, President Mirza mentioned Mr. Noon and Mr. K. K. Dutta (the former Minister of Education and Law, who is a Hindu) as "great gentlemen."

Summing up his aims, the President declared: "We want to get the Administration away from the politicians. The Administration failed because of the politicians' interference in it. We have got to have some sort of representative Parliament which at the same time can be restricted. When I used the words 'controlled democracy' I was cursed from one end of the world to the other. But I think we should have a democracy with a provision in the Constitution to right the situation when democracy runs off the rails." He would like a unitary Government with a strong Centre, but with a decentralized administration; the single unit of West Pakistan had failed because there had been too much concentration of power. As Pakistan's literacy rate was only 16 per cent, some form of restricted franchise would be necessary.

President Mirza said that he was "very worried" about the precipitate fall in prices and the resultant "buying spree." "Everyone is shouting at shopkeepers saying they have been black-marketing," he added, "but that is not quite true. Import licences have been given to friends of politicians and the shopkeepers had to pay high prices." If his advice had been asked, he would have advised against the arrest of Mr. Khuhro and other politicians on corruption charges, as he did not wish to give even the appearance of victimization or "witch-hunting." He justified the detention of Maulana Bhashani and other left-wing leaders, however, on the ground that they were "a danger to the country."

On foreign relations, the President said: "I believe in a potent Commonwealth, one that is much stronger and able to solve all its disputes without running here and there. But no one ever listens to me." He would like to be "very friendly" with India if the Kashmir and canal waters disputes were settled, but no Government in Pakistan, military or otherwise, could last for 24 hours if it failed to uphold the country's interests in these two matters. He added: "I have heard talk from India that if we do not have democracy here, why should Kashmir be asked to vote? That is tommy-rot. We want the Kashmiri people to decide. I would consider a stoppage of the Canal Waters as akin to throwing an atom bomb. But we are most anxious for friendly relations with India."

General Ayub issued the following statement on Oct. 17:

"There seems to be a fear in the minds of people that if martial law is lifted soon the old order will return with its attendant wickedness and evils, and all the good that has been done will be lost. Let me assure everyone that, while martial law will not be retained a minute longer than is necessary, it will not be lifted a minute earlier than the purpose for which it has been imposed is fulfilled. That purpose is the clearing-up of the political, social, economic, and administrative mess that has been created in the past. The country has to be brought back to convalescence, if not complete health. In addition, certain major reforms have to be introduced. All these things will need the cover of martial law."

Reorganization of Ministries. - Land Reform Inquiry.

The appointment of a Land Reforms Commission, headed by Mr. Akhtar Hussain (Governor of West Pakistan), was announced on Oct. 18. The Commission was required "to consider problems relating to the ownership and tenancy of agricultural land and recommend measures for ensuring better production and social justice, as well as security of tenure for those engaged in cultivation," and to report within the shortest possible time.

Other orders, issued on the same day, reduced the number of Government departments by merging the Labour Ministry with the Ministry of Health, Social Welfare, and Community Development; the Ministry of Parliamentary Affairs with the Law Ministry; and the Ministry of States and Frontier Regions with the Ministry of the Interior. The Cabinet post of Adviser on Kashmir Affairs was abolished. The Police Service was transferred from the Ministry of the Interior to the Cabinet Secretariat, and the National Planning Board was re-designated the Planning Commission, with Mr. G. Ahmed (chairman of the Water and Power Development Authority in West Pakistan) as its chairman.

New Government formed by General Ayub Khan. - Resignation of President Mirza. - General Ayub assumes Presidential Powers.

President Iskander Mirza formed a new Cabinet on Oct. 24 and appointed General Ayub Khan as Prime Minister. It was stated that the new Government was a Cabinet "in the accepted sense of the term," indicating its joint responsibility though it had no parliamentary basis. The Cabinet consisted entirely of non-political personalities, its membership being as follows:

General Mohammed Ayub Khan	Prime Minister, Defence, and Kashmir Affairs.
Mr. Manzoor Qadir	Foreign Affairs.
General Mohammad Azam Khan	Rehabilitation.
Lieut.-General W. A. Burki ..	Health and Social Welfare.
Mr. F. M. Khan	Communications.
Mr. Habibur Rahman	Education, Information and Broadcasting.
Lieut.-General K. M Sheikh ..	Interior.
Mr. Abul Kasim Khan . ..	Industries, Works, Irrigation and Power.
Mr. Hafizur Rahman	Food and Agriculture.
Mr. Zulfiqar Butto .. .	Commerce.
Mr. M. Shoaib	Finance.
Maulvi Mohammad Ibrahim ..	Law.

Mr. Manzoor Qadir is a prominent member of the Lahore Bar; **Lieut.-General Sheikh,** a former Chief of Staff, received his military education at Sandhurst and the Imperial Defence College; **Lieut.-General Azam Khan,** also trained at Sandhurst, distinguished himself in the relief work after the Punjab floods of 1950, whilst **Lieut.-General Burki** (who took his M.D. at St. Andrew's University) was Director-General of Medical Services of the Pakistan armed forces. **Mr. F. M. Khan,** an expert on railways, is Chief Election Commissioner, **Mr. Habibur Rahman** was Ambassador in Brussels at the time of his appointment to the new Cabinet; **Mr. Butto** is a barrister who graduated at the University of California, took his M.A. at Christ Church, Oxford, and passed his Bar examinations at Lincoln's Inn, London; and **Maulvi Mohammad Ibrahim** is Vice-Chancellor of Dacca University. **Mr. Abul Kasim Khan,** an industrialist, was a member of the first Constituent Assembly but had lately taken no part in politics. **Mr. Hafizur Rahman** is an East Pakistan Government official, and **Mr. Shoaib** is a senior official at the Ministry of Finance.

Following the swearing-in of the new Ministers on Oct. 27, President Mirza announced in the early hours of Oct. 28 that he had decided "to step aside and hand over all powers" to General Ayub Khan.

President Mirza said that he had reached the opinion that any semblance of dual control was "likely to hamper the effective performance of the immense and urgent task of evolving an effective structure for the future administration of the country." He added: "An unfortunate impression exists in the minds of a great many people, both at home and abroad, that General Ayub and I may not always act in unison. I cannot help feeling that such an impression, if allowed to continue, would be most damaging to our cause. I have therefore decided to step aside and hand over all powers to General Ayub Khan." The statement added that the imposition of martial law which he [the ex-President] had adopted "in the interest of our beloved country" had been "extremely well received by our people and by our friends and well-wishers abroad." Since then he had done his best to help General Ayub Khan and his administration "in the difficult task of bringing order out of chaos."

General Ayub Khan issued a proclamation immediately after President Mirza's resignation, worded as follows: "Major-General Iskander Mirza, lately President of Pakistan, has relinquished his office of President and has handed over all powers to me, General Mohammed Ayub Khan, Chief Martial Law Administrator and Supreme Commander of the armed forces of Pakistan. Therefore, I have this same night [Oct. 2] assumed the office of President and have taken upon myself the exercise of the said powers and all other powers appertaining thereto."

Later on Oct. 28 President Ayub swore in his Cabinet, the members of which were the same as those inducted by President Mirza on the previous day. President Ayub retained the post of Chief Martial Law Administrator, but appointed the commanders of the three defence services as Deputy Martial Law Administrators. On Oct. 27 General Mohammad Musa (50), the Deputy C.-in-C., was appointed Commander-in-Chief of the Army in succession to General Ayub.

Earlier Political Developments in East Pakistan.

On the expiry of the two-month period for which Governor's rule had been established in East Pakistan, the former Chief Minister, Mr. Ataur Rahman Khan, was commissioned by the Governor on Aug. 24 to form a new Ministry. This consisted of Mr. A. R. Khan, Mr. Abdul Khaleque, Mr. Kafiluddin Choudhury, Mr Mansur Ali, Mr. Manoranjan Dhar, and Mr. Dhirendra Nath Dutta; the first four belonged to the Awami League and the other two to the Congress Party. The Ministry was subsequently enlarged by the inclusion of Mr. Lutfur Rehman Khan (a dissident member of the *Krishak Sramik* party) on Sept. 18 and of Mr. Rajendra Nath Sarker (a member of a dissident Congress group opposed to that led by Mr. Dhar) on Sept. 22. The new Government's first action was to repeal the Preventive Detention Ordinance, which had been promulgated on July 25 following the revolution in Iraq and the subsequent crisis in the Middle East.

When the Provincial Assembly met on Sept. 20, a Moslem League member protested against the presence of six Government supporters who had been disqualified by the Election Commission. [The Commission had ruled that the office of public prosecutor, which all these members held, was an office of profit; although a Bill was subsequently passed by the National Assembly making the holding of this office no longer a disqualification, it was not given retrospective effect and an Ordinance had to be issued by the President for this purpose.] The Speaker, Mr. Abdul Hakim, reserved his ruling on this question, ruled out of order a motion of no-confidence in himself proposed by Government supporters, and named several Awami League members for disorderly conduct. A fight then broke out and continued for almost an hour; Government and Opposition members attacked one another with chairs and steel microphone stands, the national flag was torn down and trampled on, and Mr. Hakim, who narrowly escaped serious injury, was forced to leave the Chamber. In his absence the Deputy Speaker, Mr. Shahed Ali (a former *Krishak Sramik* party supporter who had joined the Awami League a few days beforehand), had put to the vote and declared "carried" a Government motion alleging Mr. Hakim to be "of unsound mind." Mr. Hakim, however, told the Press that he had adjourned the House before this motion was put.

On Sept. 27-22 the Assembly had to be adjourned as both sides had introduced hundreds of their supporters into the lobbies. On Sept. 23 the police excluded all outsiders from the premises, and also prevented Mr. Hakim from entering the Chamber. When Mr. Ali tried to take the chair Opposition members pelted him with pieces of furniture, causing such serious injuries that he died two days later; the police then entered the Chamber and forcibly expelled the Opposition, two of whom were injured and taken to hospital. Several Opposition members, including Mr. Sarkar (a former Chief Minister), were arrested on Sept. 24 and charged with the attempted murder of Mr. Ali, but were released on bail. The Provincial budget was passed on the same day in the absence of the Opposition, who were boycotting the House, and the Assembly was then adjourned.

Ban on Moslem League's "National Guard."

Following his election on March 30 as president of the Moslem League, Khan Abdul Qaiyum Khan repeatedly demanded war with India and threatened revolution in his public speeches. Thus on May 25, addressing about 100,000 people at Rawalpindi, he declared that there was no other means of solving the Kashmir problem except war; that Mr. Noon's Government was "incapable of thinking in terms of *jehad*" (holy war); and that if the Government failed to hold fair elections the people would be obliged to consider changing the Government by violence.

The Government replied to this agitation by issuing an Ordinance on Sept. 20 forbidding the wearing of political uniforms and the maintenance of military or para-military associations by private persons or organizations. The only important organization affected was the Moslem League's "National Guard," a force about 60,000 strong, which had recently been parading in public wearing uniforms and steel helmets and carrying rifles. In a statement issued on Sept. 23, Mr. Noon said that there would be little chance of free and fair elections if all the political parties had private armies of uniformed volunteers, which would sooner or later lead to clashes and lawlessness.

When Khan Abdul Qaiyum arrived in Karachi on the same day, several thousand Moslem League supporters met him at the station in defiance of a police order prohibiting assemblies of more than five people. The police used tear-gas to disperse the crowd, and subsequently made *lathi* charges against riotous mobs which were stoning buses. The Working Committee of the Moslem League adopted a resolution on Sept. 28 accusing the Government of trying to create lawlessness and bloodshed as a pretext for postponing elections, and declaring that it would be the duty of the Pakistani people and the Moslem League to throw out any Government which was bent on introducing despotism, "if need be by extra-constitutional methods."

Arrest of Khan of Kalat.

The Khan of Kalat (Mir Ahmad Yar) was arrested on Oct. 6, after some resistance from his bodyguard, and detained under the Security of Pakistan Act on a charge of conspiring to bring about Kalat's secession from Pakistan.

On the partition of India the Khan had claimed sovereign rights over Kalat, which acceded to Pakistan in March 1948 only after the Army had occupied the State. When in 1952 Kalat united with the smaller princely States of Las Bela, Makran, and Kharan to form the Baluchistan States Union, he was elected life President of the Council of Rulers [see 12197 C]; he lost this position in 1955, however, on the integration of the Union into West Pakistan, and early in 1958

visited Britain and the U.S.A. to obtain legal advice on how he might reclaim his State. According to official sources, he had recently organized a movement among his former subjects demanding the reversal of Kalat's accession to Pakistan, gathered round him a gang of "desperadoes," and established contact with certain political parties. Summoned to Karachi for talks with President Mirza, he had refused to obey; instead he pulled down the Pakistani flag, hoisted his own, repudiated Kalat's accession to Pakistan, and appealed to the Baluchi tribes to rise in arms.

In the early morning of Oct. 6 troops cordoned off the palace at Kalat, and the Khan was summoned to surrender by the civil authorities. After refusing to do so he invited the Deputy Commissioner to enter the palace for a parley, but as the latter entered the gates with his escort they were fired on, three of them being wounded. The troops then surrounded the palace and a tank fired a few shots at its walls, whereupon the Khan surrendered. As he was being removed, an unruly crowd gathered outside the palace and refused to disperse until the troops opened fire, killing three persons and wounding two. After his arrest the Khan was flown to Lahore, where he was imprisoned; one of his sons—Prince Mohiuddin, who led the palace guards in their resistance to his father's arrest—was also taken into custody. The Khan's armoury, which was seized intact, was officially stated to have contained thousands of rifles, other arms of various types, and stores of ammunition and food sufficient to equip a private army.

An order was issued by President Mirza on Oct. 6 depriving the Khan of all his distinctions, privileges, and immunities, including his privy purse of Rs. 600,000 (£45,000) a year, and nominating his 18-year-old son, Mohammed Daud Jan, as his successor.—(Pakistan High Commissioner's Office, London - Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. 16247 A.)

A. UNITED KINGDOM. — Gold and Dollar Reserves.

The Treasury announced on Oct. 2 that the sterling area's gold and dollar reserves had risen during September by $31,000,000 after taking into account (*a*) the payment of $17,000,000 to the E.P.U. in respect of the U.K.'s deficit in August, and (*b*) the payment of $2,500,000 to creditor countries in the Union under bilateral settlements. As a result, the gold and dollar reserves stood at $3,120,000,000 on Sept. 30.

It was commented in the Press that the continued rise in the reserves, despite the deficits incurred with the E.P.U., showed the extent to which the sterling area's dollar balance had been improved, due to the facts (i) that dollar exports from the U.K. and the other sterling area countries had been well maintained throughout the U.S. recession and the initial recovery; (ii) that distrust of the dollar, together with the interest differential advantage in favour of London, had led to some "switching" of dollars into sterling both by American and (on a larger scale) by European holders; (iii) that dollar loans had been raised on the New York market by several sterling area countries, e.g. Australia and New Zealand.

Provisional figures for the E.P.U. September settlement showed that Britain had a deficit of £13,000,000, three-quarters of which would be settled in October in gold or dollars and one-quarter by an increase in the U.K.'s debt to the Union.

It was pointed out in the Press that, unlike exports to the dollar area, sterling exports to Europe (both from the U.K. and other sterling area countries) had not been maintained at their previous level—partly owing to the fall in commodity prices and partly to import restrictions, particularly in France. In addition, it was believed that spending by British tourists on the Continent at an unusually high level had also been a factor; on the other hand, the Brussels Fair and travel restrictions imposed in France had reduced the number of tourists coming to Britain from the Continent.

The sterling-dollar rate opened at $2.80¼ on Sept. 1, but thereafter weakened owing to a commercial demand for dollars, dropping to $2.79⅞ on Sept. 5 and $2.79 15/16 on Sept. 6. Subsequently the rate again rose steadily, reaching $2.80½ on Sept. 18-19 and fluctuating between $2.80 9/16 and $2.80 11/16 during the rest of the month. Transferable sterling in Zurich dropped from $2.78295 on Sept. 1 to $2.77975 on Sept. 5-6, but then rose again slightly beyond $2.78. Becoming very firm as from Sept. 19, the rate closed at $2.79 on Sept. 29-30. (Treasury Press Office - Financial Times) **(Prev. rep. 16403 B.)**

B. CHRISTMAS ISLAND (Indian Ocean). — Australian-New Zealand Agreement on Continued Joint Exploitation of Phosphate Deposits.

A new agreement between the Australian and New Zealand Governments was concluded in October governing their mutual rights and interests in Christmas Island (Indian Ocean), which had recently been transferred from British to Australian sovereignty. The agreement preserved New Zealand's position as an equal partner with Australia in the Christmas Island Phosphate Commission, which was set up in 1949 for the joint exploitation of the island's phosphate deposits.—(N.Z. Directorate of Information, Wellington)

(Prev. rep. 16424 F; 9540 C.)

C. ISRAEL. — The Kafr Kassim Massacre. - Sentences on Border Police Personnel.

The trial by a military court in Jerusalem of 11 members of the Israel border police, alleged to be responsible for the killing of 43 Arab villagers at Kafr Kassim on Oct. 29, 1956, ended on Oct. 16. Eight of the defendants were found guilty and sentenced to terms of imprisonment ranging from seven to 17 years, while three others had previously been acquitted. The president of the military court was Judge Benjamin Halevy, president of the Jerusalem District Court.

The trial had opened in January 1957 but had at one stage been suspended for several months. During the hearings, which were in public and which ended in January 1958, the court investigated the events on the date in question, when, on the eve of the launching of the Sinai campaign by the Israeli armed forces, 43 inhabitants of Kafr Kassim—either unaware that a curfew had been enforced that day, or innocently breaking it with no other intention than of returning home—were shot dead by members of a police patrol unit detailed to guard the approaches to the village. The shooting aroused deep concern in Israel, and grief and horror were expressed in the Knesset by Mr. Ben-Gurion, the Prime Minister [see page 16022, second column]. The 11 defendants were subsequently arrested and charged with deliberate murder after an inquiry commission, appointed by Mr. Ben-Gurion immediately after the incident, had submitted its report. Although the border police is normally a civilian body, it was under military command at the time because of the state of emergency imposed in connexion with the launching of the Sinai campaign.

Of the eight defendants found guilty, Major Shmuel Melinki (a battalion commander of the border police), though not himself present at the massacre, was charged with having issued the illegal order to carry out the shootings; Lieutenant Gavriel Dahan (a platoon commander) was accused of having given the order to shoot to his subordinates and, in addition, of having himself shot two of the Arabs, while the other six men, including an n.c.o. (Corporal Shalom Ofer), were charged with having shot varying numbers of the 43 victims. All the accused pleaded "not guilty," claiming that they had carried out orders given by their superiors. In giving evidence, however, Major Melinki's superior officer (Lieut.-Colonel Shadmi) denied that he had discussed with Major Melinki the position of curfew-breakers ignorant of their offence.

After the eight officers and men had been found guilty of first degree murder on Oct. 12 they were sentenced on Oct. 16 to the following terms of imprisonment: Major Melinki—17 years; Lieutenant Dahan and Corporal Ofer—each 15 years; five privates—each seven years. Notice of appeal was given by all the defendants.

The death sentence does not exist in Israel except for treason in time of war.—(Israel Government Information Department, Jerusalem - Times - New York Times)

(Prev. rep. 16021 A.)

D. SWEDEN. — Municipal Elections.

Municipal elections were held in Sweden on Sept. 21, the percentage poll for the principal parties being as follows (1954 percentages in parentheses): Conservatives 19.8 per cent (15.2); Centre Party (formerly Agrarians) 13.2 per cent (10.5); Liberals (People's Party) 15.4 per cent (21.16); Social Democrats 47.5 per cent (47.8); Communists 4 per cent (4.9).

The Social Democrats obtained 905 seats (+19); the Conservatives 351 (+84); the Liberals 263 (—108); the Centre Party 229 (+31); and the Communists 34 (—11). Compared with the recent general elections, the Liberals lost further ground, the Conservatives and the Centre Party continued to make gains, and the Social Democrats improved their position.

In Stockholm the non-Socialist parties lost their majority on the city council, obtaining 49 seats against 51 previously; the Social Democrats and Communists together gained 51 seats.—(Svenska Dagbladet, Stockholm)

(Prev. rep. General Elections, 16304 A.)

E. CUBA. — Construction of Nuclear Power Plant by Anglo-American Consortium.

The Cuban delegation at the second International Atomic Energy Conference in Geneva announced on Sept. 1 that negotiations had been concluded with British and U.S. engineering firms for the building of a 220,000-k.w. nuclear power plant in the Pinar del Rio province of Western Cuba. The reactor would be of the boiling water type, would be located at Santa Lucia, and was expected to be ready by early 1961 as part of the electrification programme for the province. The firms participating in the contract are the Mitchell Engineering Co. Ltd. of London; the American Machine and Foundry Company of New York; and the General Nuclear Engineering Corporation of Dunedin, Florida.

(Times - Daily Telegraph - New York Times)

A. UNITED KINGDOM. — Opening of New Session of Parliament. - The Queen's Speech.

Her Majesty the Queen opened the new session of Parliament on Oct. 28 with the following Speech from the Throne :

"My Lords and Members of the House of Commons:

"I look forward eagerly to the tour of Canada which I shall carry out next summer with my dear husband . . . We also look forward with much pleasure to our stay in Ghana in the autumn of next year. This will be my first opportunity of meeting my people in this new member country of the Commonwealth, and I particularly welcome it I hope that it will also be possible for me to visit Sierra Leone and Gambia.

"In the spirit which inspired the recent Trade and Economic Conference at Montreal, my Government will seek to promote the closest co-operation within the Commonwealth. It is their firm belief that the Commonwealth has a unique contribution to make to the progress of human society. They will also continue to foster the prosperity of the oversea territories which are in their charge. New legislation to maintain the provision of financial assistance for Colonial development and welfare will be laid before you.

"My Government will neglect no opportunity to promote the advance of the Colonial territories and the increasing association of their peoples with the management of their own affairs They are taking energetic steps to protect the employment of the people of Malta, and hope that the forthcoming constitutional discussions with the Maltese political parties will set the pattern of a stable and thriving future. They are deeply concerned at the situation in Cyprus and the tragic loss of life involved. They will persevere in their efforts to secure a settlement ensuring tranquillity and progress in the island.

"I shall be very happy to welcome the Shah of Iran on his visit to this country next May.

"My Government will seek to play a full and constructive part in preserving peace and justice and promoting improved standards of life throughout the world. To this end they will actively support the United Nations, and the North Atlantic Alliance and other regional pacts of which they are members. They will co-operate with the United Nations and the countries of the Middle East in any measures likely to relieve international tension in that troubled area and to take account of the needs and aspirations of its peoples.

"Negotiations on the possibility of securing a controlled suspension of the testing of nuclear weapons are due to begin in Geneva on October 31 between my Government and the Governments of the United States and the Soviet Union. It is the earnest hope of my Government that these discussions . . . may prove fruitful. My Government will also continue to seek an agreement on disarmament in the hope that thereby the fear of war may be lifted from the minds of our own and succeeding generations.

Members of the House of Commons:

"Estimates for the public services will be laid before you in due course.

My Lords and Members of the House of Commons:

"My Ministers are resolved to ensure the strength of sterling at home and abroad and a high and stable level of employment. In co-operation with the Commonwealth, they will seek to expand our oversea trade both in Europe, by the creation of a Free Trade Area, and throughout the world.

"A healthy and thriving agriculture will remain among the principal objectives of my Government. Legislation will be introduced to enable special assistance to be given to small farmers and to provide for further support for the Agricultural Mortgage Corporation.

"A Bill will be laid before you for the protection and control of deer in Scotland.

"My Ministers will continue to help the fishing industry They are supporting in the United Nations a proposal that a second World Conference on the Law of the Sea should be convened soon. It is their hope that this may lead to a lasting settlement of the problems of the territorial sea and fishing limits, which are of grave concern to British fishermen.

"It will be the special care of my Government to introduce measures to promote the social well-being of my people. Proposals will be laid before you for placing the National Insurance Scheme on a sound financial basis and enabling a larger section of my people to build up pension rights related to their earnings. Effect will be given to many of the recommendations of the Royal Commission on mental illness; and the provisions of a new Bill will replace the existing law on mental health in England and Wales. My Ministers will introduce legislation to amend and strengthen the Factories Acts. A Bill will also be brought in to repeal the Catering Wages Act and to convert the four Catering Wages Boards which are functioning at present into Wages Councils.

"My Government will continue to encourage the extension of facilities for higher education in the universities and technical colleges. In addition they will announce new plans for developing the nation's schools intended, in particular, to improve the scope and quality of secondary education.

"My Government view with gravity the increase in crime. In the light of the most up-to-date knowledge and research they will seek to improve the penal system and to make methods of dealing with offenders more effective.

"My Ministers will continue their efforts to secure a just balance between the expanding demands of the modern State and the freedom and status of the individual. They will introduce Bills to improve the basis of compensation for compulsory acquisition of land; to give further encouragement to home ownership; and to provide for the future management of the new towns in England and Wales Legislation will also be proposed to establish a modern code for the general regulation of building in Scotland.

"Believing that the traditional rights and liberties of my subjects should be safeguarded by permanent statute, my Ministers will seek specific statutory sanction for the continuance, for a temporary period and in a restricted form, of certain economic controls deriving from wartime emergency powers, and will allow the remainder to lapse.

"Other measures will be laid before you in due course.

My Lords and Members of the House of Commons:

"Today, for the first time, this ceremony is being watched not only by those who are present in this Chamber, but by many millions of my subjects. Peoples in other lands will also be able to witness this renewal of the life of Parliament. Outwardly they will see the pageantry and the symbols of authority and State; but in their hearts they will surely respond to the spirit of hope and purpose which inspires our parliamentary tradition. In this spirit I pray that the blessing of Almighty God may rest upon your counsels."

As stated in the Queen's Speech, the State opening of Parliament—the fourth session of the 300th Parliament of the realm—was televised for the first time. The ceremony was seen and heard by millions of viewers in the United Kingdom and, through the Eurovision network, in seven European countries—Belgium, Denmark, France, Western Germany, Italy, the Netherlands, and Switzerland.
(Times - Daily Telegraph) **(Prev. rep. 15844 A.)**

B. INTERNATIONAL SUGAR COUNCIL. — New International Sugar Agreement.

An International Sugar Conference, convened by the United Nations, met in Geneva from Sept. 22 - Oct. 24 under the chairmanship of Mr. Eric Roll, of the British Board of Trade.

The conference unanimously approved on Oct. 24 a new International Sugar Agreement to run for 5 years from Jan. 1, 1959, and to include all exporting countries - this being the first time that a fully comprehensive commodity agreement had ever been negotiated. The major changes in the new agreement, compared with that of 1953, lay in the inclusion of Brazil and Peru (which between them dispose of 1,000,000 tons of exportable sugar and by price-cutting could undermine the stability of the market), as well as of India (a potentially large exporter), Italy, and Denmark.

The principal provisions of the new agreement were :

Export Quotas. These remained unchanged for all signatories to the existing agreement. The annual quotas of the new members were fixed as follows: Brazil 550,000 metric tons; Peru, 490,000 tons; India 100,000 tons; Denmark 75,000 tons; Italy 20,000 tons. [It was explained in the Press that the exporting countries which signed the 1953 agreement had foregone claims to higher quotas in view of the anticipated increase in world consumption, and to allow the new members to receive their due allocations.]

Price Regulation. The new agreement provided for the price range to remain unchanged at 3.25 cents a lb. minimum and 3.45 cents maximum, but strengthened the mechanism for checking prices by stipulating that when the prevailing price exceeded 3.75 cents the International Sugar Council should meet within a week to consider the market situation and take appropriate measures. Failing agreement by the Council on the action to be taken, export quotas would be increased forthwith by 2½ per cent. If the prevailing price continued above 3.75 cents after the action decided on by the Council had been taken, or after the quotas had been automatically increased by 2½ per cent, the Council would meet again within seven days to consider the market situation further.

Provision was also made for dealing with a fall in the prevailing price below 3.25 cents, while the mechanism for handling shortfalls by any exporting country was tightened up to enable the Council to make an earlier assessment and to notify the other members.

The agreement is subject to approval by the Governments which were represented at the conference, and in some cases to parliamentary ratification.—(Times - Financial Times)
(Prev. rep. 15914 B ; 15392 A.)

C. UNITED STATES. — New Justice appointed to Supreme Court.

Mr. Potter Stewart (43), of Cincinnati, a Judge of the U.S. Court of Appeal, was nominated to the Supreme Court by President Eisenhower on Oct. 7 in place of Justice Harold H. Burton, who had retired through ill-health. A Republican from Ohio, Justice Stewart had served on the Court of Appeal for the Sixth Circuit (covering Ohio, Michigan, Kentucky and Tennessee) since 1954.—(New York Times)
(Prev. rep. 15451 C.)

A. UNITED KINGDOM - WESTERN GERMANY. — President Heuss's State Visit to Britain.

Dr. Theodor Heuss, President of the German Federal Republic, paid a three-day State visit to Britain on Oct. 20-22—the first such visit by the head of the German State since that of Kaiser Wilhelm II in 1907.

President Heuss flew from Germany to Gatwick Airport (Surrey), where he was met by the Duke of Gloucester, and travelled from Gatwick to London by train. He was welcomed at Victoria by the Queen and the Duke of Edinburgh and drove with them in carriage procession to Buckingham Palace. In the afternoon he laid a wreath on the Tomb of the Unknown Warrior at Westminster Abbey, visited the Queen Mother at Clarence House, and received addresses at St. James's Palace from the chairman of the L.C.C. and the Lord Mayor and Corporation of the City of London.

At a State banquet at Buckingham Palace the same evening her Majesty spoke of the great respect in which President Heuss was held both in Germany and abroad, and welcomed him as "a statesman with strong links with the great liberal traditions of the past." After expressing her admiration for the post-war recovery of Federal Germany, and her understanding of the desire of the German people "to see unity restored to their country as a whole," she said that the "tragic events of the past half-century in the relations between our countries" were now "part of history" and must be replaced by "bonds of amity and peace in association with other countries of the West." As the President himself had said, "nothing can ever erase from the record certain deeds and events perpetrated in Europe within our memory," but their most important significance today was "as a warning and an example to the whole world of what happens when democracy breaks down." In conclusion, her Majesty expressed the fervent hope that the President's visit would be an important step "towards rebuilding true friendship between our two countries."

In reply, President Heuss spoke of the post-war efforts of the German people to build up a democratic order "firmly based on a free and responsible civic spirit and not on brutality and arbitrary power." He paid tribute to the important part which the British Government and people had played in fostering this development, "in spite of many bitter experiences," and said that "no one in Germany will ever forget that ten years ago a great many British pilots helped to save blockaded Berlin from outright starvation." He stressed that the longing of the German people for reunification was "no mere German sentimentality, as some people—perhaps even in this country—may say with a shrug of their shoulders, but a crucial political problem for Europe." After speaking of the close post-war links between the two countries in NATO and the various European organizations, the President reinforced her Majesty's plea for the rebuilding of close and lasting friendship between the British and German peoples.

In the morning of Oct. 21 President Heuss received the Diplomatic Corps and the Commonwealth High Commissioners at Buckingham Palace. He later drove to Guildhall, with a Sovereign's escort of the Household Cavalry, to attend a luncheon given in his honour by the Lord Mayor of London (Sir Dennis Truscott) and the City Corporation. In the afternoon the President paid a visit to the British Museum, while in the evening he gave a dinner for the Queen and the Duke of Edinburgh at the German Embassy.

In his speech at Guildhall, President Heuss recalled that he first visited London in 1911, at a time when there were many bonds between the British and German peoples and any serious conflict between them seemed unthinkable. "Since then," he added, "two terrible wars have torn many of these bonds asunder and separated our peoples for a long time. We cannot undo the past. But the fact that I have been invited by the Queen to visit your country after these tragic events . . . is, I feel sure, a sign of the confidence which has been restored between us in recent years. When in the past men were torn asunder by warlike conflicts, never was battle joined between the British and German peoples until it became the tragic fate of our generation to see our two nations for the first time—and then not only once, but twice—face each other as foes in the deadly passion of war. That must never happen again, and never will . . . "

On Oct. 22 President Heuss visited Oxford University, where he was greeted at All Souls College by the Chancellor, Lord Halifax. During his visit he announced the gift of five annual Fellowships for British students at German universities (see below) and spoke of the high regard in which the University of Oxford was held in Germany; he paid a special tribute to the fact that Oxford had become the *alma mater* of many German scholars who had been forced to flee from their own country "during the years of terror."

Later in the day President Heuss spoke as follows at a reception at County Hall (London) for organizations dealing with Anglo-German matters:

"No one will dream of belittling the terrible things that happened during the last war. They originated in the *hubris* [insolent pride] of those then in power in Germany, which brought sorrow upon almost every nation in the world, including the people of these islands . . . I see in this hall more than one old friend who for political or so-called 'racial' reasons was driven out of the country of his fathers, the land that was his home during the years of his youth and manhood. We are grateful to Britain for having given these unfortunate people the opportunity to find a living. We are aware, too, of our duty to make amends for the wrong that was done—an action which, alas, will always remain makeshift in the realm of the spiritual and of family relations, and which in regard to the material side will always remain a piecemeal job, though accomplished by dint of much effort. After all, it is a matter of over two and a quarter million claims, all of which must be channelled through a legal procedure. I know well enough that this work is still accompanied by a great deal of bitterness . . . "

Before returning to Germany President Heuss paid a private visit to Dr. Alfred Wiener, a 73-year-old German-Jewish refugee from Nazi persecution, and a personal friend of the President in his earlier years. At Dr Wiener's home in London he saw the library of over 50,000 books, documents, and personal diaries dealing with the tyranny, persecution and criminal activities of the Nazis in their years of power, which had been collected by Dr. Wiener over the past 25 years. Among them were files in which Dr. Heuss's own name appeared on Nazi documents as an "enemy of the regime," together with books written by Dr. Heuss which had been burned by the Nazis.

[The Wiener Library in London has been recognized as an important research institute of modern history; it is used by many scholars and historians and gave great assistance to the Ministry of Information during the war. It contains the names of every person known to have perished in the Nazi concentration camps and gas-chambers, together with a great quantity of detailed information about Nazi legislation, the horrors perpetrated during the Nazi regime, the persecution of the Jews, and the totalitarian campaign against the Christian churches.]

President Heuss—who was accompanied throughout his visit by Dr von Brentano, the Federal Foreign Minister—left London for Germany on the morning of Oct. 23.

Under the Fellowships announced by President Heuss during his visit to Oxford, five graduates will be able to study for one year at West German universities of their own choosing, either in the Federal Republic or in West Berlin. The Fellowships—initially established for the five-year period 1959-1964, and known as Theodor Heuss Fellowships—are intended for post-graduate research work in classics, modern history, modern languages and literature, English literature, Oriental studies, and philosophy, politics and economics.

While in England President Heuss also handed over a gift of £5,000 for the reconstruction of Coventry Cathedral, to be spent on the windows for the Chapel of Unity; the deed of gift bore the words: *Möge die Chapel of Unity der brüderlichen Verbundenheit aller Völker dienen* ("May the Chapel of Unity serve the brotherly concord of all nations.")
(Times - Daily Telegraph - Frankfurter Allgemeine Zeitung)

B. UNITED KINGDOM. — Reduction in Interest Rates on Local Authority Loans. - Reduced Interest Rates on Tax Reserve Certificates.

Interest rates on new loans to local authorities from the Local Loans Fund were twice reduced in recent weeks, viz.: (*a*) from Aug. 23: for loans from 5 to 15 and over 15 years, from 6¼ per cent to 6 per cent, the rate for loans for up to five years remaining unchanged at 5¾ per cent; (*b*) from Oct. 25: for loans up to five years to 5½ per cent; from 5 to 15 years to 5¾ per cent; for 15 to 30 years to 5⅞ per cent; and for over 30 years (a new loan category) to 5¾ per cent.

The changes in interest rates for new local loans during the past 15 months are shown below:

	1958				1957	
	Oct. 25	Aug. 23	July 12	Feb. 25	Sept. 28	July 13
	%	%	%	%	%	%
Duration of Loans						
Up to 5 years	5½	5¾	5¾	6¼	7¼	5¾
Between 5 and 15 years	5¾	6	6¼	6¼	6¾	6
Between 15 and 30 years	5⅞	6	6¼	6¼	6¾	5¾
Over 30 years	5¾					

The interest rate on Tax Reserve Certificates was reduced for Certificates issued from March 29 to 3¼ per cent, and for Certificates issued from Aug. 20 to 2½ per cent, both tax free.
(Treasury Press Office, London - Financial Times)

(Prev. rep. 16289 C; 15800 A.)

C. UNITED ARAB REPUBLIC. — Land Reforms in Syrian Region.

Agrarian reforms similar to those carried out in Egypt in 1952 were introduced in Syria under a decree issued by President Nasser on Sept. 27, which restricted the amount of land which might be held by one person to 300 hectares (741 acres), or 80 hectares (198 acres) of land irrigated by rivers or wells and planted with fruit trees. The decree will be implemented over a five-year period beginning on Jan. 1, 1959, from which date all landowners will be required to pay the State three-quarters of all rent received for land exceeding the maximum permitted limit. **(Times - Le Monde, Paris)**

A. SHIPPING. — World Construction Figures. - Launching of Dutch Transatlantic Liner "Rotterdam." - Sale of Canadian-West Indies Fleet.

Lloyd's Register returns of merchant shipbuilding for the third quarter of 1958, published on Oct. 22, gave the gross tonnage of vessels under construction throughout the world (excluding the U.S.S.R. and China, as well as vessels under 100 tons, barges, etc.), as 10,205,791, of which 22.53 per cent was building in the United Kingdom and 77.47 per cent elsewhere. The world total was the highest ever recorded, all leading shipbuilding countries showing increases over the previous quarter's figures except Japan, Sweden, Denmark, Yugoslavia, and Finland.

Ships building in Great Britain and Northern Ireland numbered 328 of 2,299,133 tons (steamers 1,150,010 tons, motorships 1,149,123 tons), including 3 steamers of over 40,000 tons, 5 of 30,000-40,000 tons, and 14 steamers and 3 motorships of 20,000-25,000 tons. Of the total, 283 ships (2,049,273 tons) were building for the U.K., 18 (40,810 tons) for other British Commonwealth countries, 4 (52,150 tons) for Norway, 2 (42,000 tons) for Denmark, 4 (35,050 tons) for Liberia, 2 (13,560 tons) for Belgium, 1 (12,000 tons) for the Irish Republic, 1 (9,650 tons) for Greece, 3 (9,300 tons) for Cuba, 3 small vessels for Poland and 1 each for France and Kuwait, and 5 ships (31,650 tons) for unspecified countries. The principal shipbuilding centres were: the Clyde (98 ships of 707,735 tons), the Tyne (40 ships of 414,334 tons), Belfast (17 ships of 305,740 tons), Sunderland (27 ships of 240,056 tons), the Tees (21 ships of 232,519 tons), Liverpool (13 ships of 124,719 tons), and Barrow (3 ships of 94,500 tons).

Ships building in other countries numbered 1,235 of 7,096,658 tons (steamers 3,704,836 tons, motorships 4,201,822 tons), divided as follows: Japan 132 (1,169,926 tons); Western Germany 218 (1,103,388 tons); Italy 104 (924,388 tons); U.S.A. 50 (913,505 tons), Netherlands 132 (750,917 tons); France 64 (625,228 tons), Sweden 63 (594,787 tons); Norway 58 (334,767 tons); Spain 112 (282,833 tons); Denmark 34 (223,429 tons); Poland 63 (213,643 tons), British Commonwealth countries 58 (180,770 tons); Yugoslavia 30 (179,720 tons); Belgium 16 (172,637 tons); Finland 60 (155,688 tons); Portugal 23 (44,250 tons); Greece 2 (16,380 tons); Turkey 8 (9,478 tons); the remainder being in Peru, the Irish Republic, Mexico, Brazil, and Indonesia. The total included 4 steamers of over 40,000 tons, one each in France, Japan, Sweden, and the U.S.A.; 8 steamers of 30,000-40,000 tons in the U.S.A., 3 in Western Germany, 2 in Italy, 1 each in Japan and the Netherlands, and 2 motorships of this size in France; and 12 steamers of 25,000-30,000 tons in Japan, 5 in the U.S.A., 3 in France, 2 in Western Germany, and 2 steamers and 1 motorship of this size in Sweden.

Tankers building throughout the world numbered 366 of 5,522,289 tons, including 77 (1,150,571 tons) in the U.K., 34 (800,023 tons) in the U.S.A., 42 in Japan (755,550 tons); 37 (592,542 tons) in Italy, 58 (419,762 tons) in Western Germany, 25 (405,350 tons) in the Netherlands, 16 (347,570 tons) in France, 18 (322,795 tons) in Sweden, 15 (212,970 tons) in Norway, 10 (153,490 tons) in Denmark, 12 (130,910 tons) in Spain, and 6 (101,566 tons) in Belgium.

Recent important developments in connexion with shipping and shipbuilding are summarized below under cross-headings:

Air-Conditioning for P. and O. and Orient Liners. The P. and O. and Orient Lines announced on Aug. 7 that they had decided to instal full air conditioning in seven passenger liners built since the end of the war. The ships—the Orient *Orcades, Orsova,* and *Oronsay,* and the P. and O. *Chusan, Himalaya, Arcadia, and Iberia*—are all of 28,000-30,000 tons except the *Chusan* (24,000 tons).

Sale of Canadian-West Indies Fleet. The Canadian Minister of Transport (Mr. George Hees) announced in August that the Government had accepted an offer from the *Banco Cubano del Commercio,* a subsidiary of the *Banco Nacional de Cuba,* to purchase the fleet of Canadian National (West Indies) Steamships Ltd. for $2,800,000. The eight vessels of the fleet would be operated under the Cuban flag by a Havana firm, and would be placed in service between Canada, Cuba, and the West Indies.

Mr. Hees had previously informed the Canadian House of Commons that the ships would be offered for sale, and had explained that they had been out of service since July 4, 1957 as a result of a prolonged strike by their crews. In the meantime merchants and shippers had made other arrangements, and it was "most unlikely" that Canada would be able to resume the West Indies service without incurring heavy losses.

K.P.M. Purchase of Oranjelijn It was announced in Amsterdam in August that the Royal Packet Line (*N.V. Koninklijke Paketvaart Maatschappij,* K.P.M.) had acquired the entire share capital of the *Oranjelijn,* of Rotterdam, which operates services between West European ports and the Great Lakes ports of North America. The transaction was estimated to involve an amount of about 50,000,000 guilders, and was regarded as showing K.P.M.'s determination to find new business to replace the Indonesian inter-insular traffic lost as a result of the Indonesian Government's action (see 16106 A). The *Oranjelijn* has a fleet of 11 small ships, designed for the existing St. Lawrence-Great Lakes system; it also has two larger passenger and cargo ships on order, ready for the opening of the St. Lawrence Seaway in 1960.

Ship Launchings. Ships launched during the quarter included the passenger liner *Rotterdam* (37,000 gross tons), launched by the Rotterdam Drydock Company for the Holland-America Line (Sept. 13); an unnamed tanker of 37,000 tons launched by the *A. G. Weser,* Bremen, for Hr. Hilmar Reksten, Bergen - the largest ship yet built for Scandinavian owners (end-July); and the tanker *British Duchess* (42,000 tons) launched by John Brown and Co. Ltd., Clydebank, for B.P. Tankers Co. Ltd -- the largest tanker yet launched in Britain for British owners (June 2).

The *Rotterdam* is the largest ship yet launched in the Netherlands, her tonnage exceeding that of the transatlantic liner *Nieuw Amsterdam.* Like the latter, she will go into service on the Rotterdam-New York route. (Lloyd's List and Shipping Gazette - Times - External Affairs Department, Ottawa - Netherlands News Agency) **(Prev. rep. 16325 A.)**

B. ANZUS TREATY. — Council Meeting.

A meeting of the ANZUS Treaty Council was held in Washington on Oct. 1, Australia being represented by Mr. R. G. Casey (Minister for External Affairs), New Zealand by Mr. Walter Nash (Prime Minister and Minister of External Affairs), and the U.S.A. by Mr. Dulles, Secretary of State.

A communiqué said that the Ministers had reviewed "events over the last year . . . of interest and concern to the three countries"; had agreed "that militant and subversive Communist expansionism remains the greatest threat to the peaceful progress of the free world", and had expressed their satisfaction "with the opportunities presented by this meeting to strengthen further their close relationships in matters affecting the maintenance of international peace and security."

After referring to the continued growth of SEATO, the statement said that the Council had discussed the Chinese Communist attacks on Quemoy and Matsu and the threats to seize Formosa. It continued. "They agreed that the resort to force and threat of force constitutes a serious menace to the peace of the area and is a matter in which they are therefore deeply concerned. The representatives of Australia and New Zealand, noting that the United States is now engaged in bilateral negotiations with the Chinese Communists in Warsaw in an effort to resolve the crisis and arrive at an arrangement whereby its recurrence might be avoided, affirmed their resolution to support the bringing of these negotiations to a peaceful conclusion. They joined the U.S.A. in calling on the Chinese Communists at once to discontinue their attacks on Quemoy and Matsu in the interests of the peace of the area and as a first step to a peaceful settlement. They hold that, regardless of the merits of the claims and counter-claims of the parties concerned, the use of aggressive force for the purpose of gaining their ends is a violation of the basic principle on which world order depends. . ."

The military representatives taking part in the meeting were Lieut.-General Sir Henry Wells, chairman of the Australian Joint Chiefs of Staff; Air Marshal Sir Frederick Scherger, Chief of the Australian Air Force Staff; Major-General C. E. Weir, Chief of the New Zealand General Staff; and Admiral Barry D. Felt, American C.-in-C. in the Pacific).

The Australian Prime Minister (Mr. Menzies) had previously stated on Sept. 30 that good progress was being made in standardizing equipment for the Australian and U.S. forces. R.A.A.F. front-line aircraft were already largely standardized with U.S. equipment, and the Australian Army was using many items of American pattern, and would eventually be equipped with the F.N. rifle—the standard rifle adopted by all NATO countries. (N.Z. Department of External Affairs - Australian News and Information Bureau - New York Times) **(Prev. rep. Anzus Powers, 13668 A.)**

C. LATIN AMERICA. — Coffee Export Agreement.

Fifteen coffee-producing countries of Latin America signed an agreement in Washington on Sept. 27 controlling the export of their coffee production.

The new agreement replaced the one signed by seven Latin American coffee producers in Mexico City on Oct. 17, 1957. It provided that Brazil (which produces over half the world's coffee) would hold back 40 per cent of her production from the export markets; that Colombia (the second largest producer) would hold back 15 per cent; and that the other participating countries would hold back five per cent of the first 300,000 bags produced and 10 per cent of any production above that amount. It was stated that total Latin-American coffee exports under the new agreement would rise from 26,000,000 bags in the 1957-58 crop year to about 27,500 000, bags in 1958-59, higher exports being permitted particularly to Brazil and Colombia. Altogether, about 12,000,000 bags above world import requirements would be held back from the market, with the aim of stabilizing prices by balancing exports with world consumption.

The 15 signatory countries—together producing 80 per cent of the world's coffee—were Brazil, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Peru, the Dominican Republic, and Venezuela. (Brazil Government Bulletin - New York Times) **(Prev. rep. 16310 B; 15881 C.)**

A. WESTERN GERMANY. — Schleswig-Holstein Elections. - Dano-German Agreement on Representation of Danish Minority.

Landtag elections took place in Schleswig-Holstein on Sept. 28 with the following results :

	1958		1954	
	Seats	Percentage	Seats†	Percentage
Christian Democrats	33	44.4	25	32.2
Social Democrats	26	35.9	25	33.2
Refugee Party	5	6.9	10	14.0
Free Democrats	3	5.4	5	7.5
Danish Minority Party	2	2.8	—	3.5
Others	—	4.6*	4†	7.4‡

*Including German Party 2.8 p.c. and German Reich Party 1.1 p.c.

†At its dissolution the old *Landtag* comprised 27 Christian Democrats, 25 Social Democrats, 5 Refugee Party deputies, and 7 Free Democrats.

†All-German Party.

‡Including German Party 5.1 p.c. and German Reich Party 1.5 p.c.

The Refugee Party (BHE), the German Party, and the German Reich Party all polled below five per cent of the total vote and thus failed to gain any seats. The Danish Minority Party (South Schleswig Electors' Association) also polled less than five per cent, but owing to the special arrangements applying in favour of the Danish minority [see below] gained two seats ; it polled 34,150 votes against 32,262 at the last Federal elections and 42,242 in the 1954 *Land* elections.

The status of the Danish minority in Schleswig-Holstein—and also of the German minority in Denmark—had been regulated three years earlier under an agreement concluded in Bonn on March 29, 1955, between the Federal Chancellor, Dr. Adenauer, and the Danish Prime Minister, Hr. H. C. Hansen. Its provisions were as follows :

(1) The German Federal Government confirmed that the Danish minority in Schleswig-Holstein enjoyed the same fundamental rights and freedoms as all other German nationals, as laid down in the Basic Law of the Federal Republic.

(2) It was specifically confirmed that members of the Danish minority could freely express their adherence to their Danish origin (*Volkstum*) and culture and use the Danish language ; would enjoy the same rights as other German citizens as far as national assistance or other social welfare benefits were concerned ; would be allowed to maintain unhindered their religious, cultural, and professional ties with Denmark ; and would be given adequate broadcasting facilities.

(3) The Federal Government undertook to incorporate in future Federal electoral legislation the existing preferential treatment for national minorities in the electoral law of 1953, whereby such minorities were guaranteed parliamentary representation even if the political parties specifically representing their interests did not poll the minimum of five per cent of the total poll otherwise required for the allocation of seats from party lists.

(4) The *Land* Government of Schleswig-Holstein declared its willingness to introduce legislation to exempt the Danish minority from the effects of the "five per cent" clause in *Land* elections [this legislation was subsequently enacted].

(5) The *Land* Government also undertook to restore to 80 per cent its grant to schools of the Danish minority, and to permit the setting up of schools and people's universities by the minority provided they conformed to the general German educational system and provided courses in German as well as in Danish.

(6) Both the Federal and the *Land* Governments expected all authorities "to respect and preserve the rights of the Danish minority in the spirit of the peaceful co-existence of the border populations and the development of friendly relations between Germany and Denmark in general."

(7) The Danish Government confirmed that the German minority in North Schleswig would enjoy the same fundamental rights and freedoms as other Danish nationals, in accordance with the Danish Constitution and other laws.

(8) Specifically, the Danish Government confirmed that the German minority could freely proclaim their adherence to their German origin and culture and use the German language ; could establish their own schools and people's universities in accordance with Danish legislation ; would be eligible for election to local government bodies in proportion to their numbers ; would be entitled to receive public assistance, etc., on the same terms as other Danish nationals ; could cultivate their religious, cultural, and professional links with Germany ; and would be given adequate broadcasting facilities.

The Hansen-Adenauer agreement followed upon the *Land* elections in Schleswig-Holstein in 1954 (see 13804 A), at which the Danish minority failed to obtain representation in the *Landtag* under the electoral law in force at the time. This absence of representation, together with a cut in grants to Danish minority schools, had aroused much concern in Denmark with regard to the position of the Danish minority. (Frankfurter Allgemeine Zeitung - Die Welt, Hamburg - Berlingske Tidende, Copenhagen - Politiken, Copenhagen)

(Prev. rep. 16320 A ; 13804 A.)

B. UNITED KINGDOM. — Ministerial Changes.

The following ministerial changes were announced on Oct. 23 from 10 Downing Street :

(1) Lord Dundee (56) as Minister without portfolio in succession to Lord Mancroft, who resigned from the Government for personal and family reasons.

The Earl of Dundee (formerly Mr. H. J. Scrymgeour-Wedderburn) was Unionist M.P. for West Renfrewshire from 1931-45, and Under-Secretary of State at the Scottish Office in 1941-42. He will be Government spokesman in the Lords for home affairs in general, while the Earl of Selkirk (First Lord of the Admiralty) will act as Government spokesman on defence matters.

(2) Lord Forbes (41), the premier baron of Scotland, as Minister of State, Scottish Office, in succession to Lord Strathclyde.

Lord Strathclyde (67) resigned from the Government after seven years' service at the Scottish Office and placed his post at the Prime Minister's disposal ; his letter of resignation made it clear that he was in full agreement with the Government's policy. As Commander Galbraith he was formerly Conservative M.P. for Pollok (Glasgow).

(3) Mr. F. J. Erroll (44), M.P. for Altrincham and Sale, as Economic Secretary to the Treasury—a post that had remained vacant since the resignation of Mr. Nigel Birch in January last [see 15939 A]. Mr. Erroll was Parliamentary Secretary to the Board of Trade before his new appointment.

(4) Lord Lansdowne (45), formerly a Lord-in-Waiting, as Joint Parliamentary Under-Secretary of State, Foreign Office, in succession to Lord Gosford.

(5) Mr. J. C. Rodgers (52), M.P. for Sevenoaks, as Parliamentary Secretary to the Board of Trade in succession to Mr. Erroll.

(6) Mr. M. H. C. Hughes-Young (45), M.P. for Wandsworth Central, as a Lord Commissioner of the Treasury in succession to Mr. E. B. Wakefield, M.P.

(7) Lord Gosford (47), formerly Joint Parliamentary Under-Secretary of State, Foreign Office, as a Lord-in-Waiting in succession to Lord Lansdowne.

Lord Gosford—who in effect changed posts with Lord Lansdowne (see above)—will assist the Minister of Transport and Civil Aviation as necessary and will be Government spokesman in the Lords on these subjects. He is Government Whip in the House of Lords.

(8) Mr. E. B. Wakefield (55), M.P. for West Derbyshire, as Comptroller of the Household in succession to Sir Gerald Wills, M.P.

Mr. Wakefield (a Government Whip) was formerly a Lord Commissioner of the Treasury—a post in which he was succeeded by Mr. Hughes-Young as stated above. Sir Gerald Wills resigned as Comptroller of the Household—a post he had held for six years—in order to give maximum attention to his constituency and other political interests. He is M.P. for Bridgwater, Somerset.

Lord Dundee, Lord Forbes and Mr. Rodgers were newcomers to the Government.—(Times - Daily Telegraph)

(Prev. rep. 16263 A.)

C. AUSTRALIA. — Loan Issues in London and New York.

An Australian Government loan of £15,000,000 was issued in London on Oct. 15 and was immediately over-subscribed. The loan, bearing interest at 5½ per cent per annum and redeemable in 1975-78, was for works and housing programmes by the Australian Commonwealth and State Governments in 1958-59. It was the first Australian borrowing in London for development purposes since 1929, and the first new money operation by Australia in the London market since 1939. The issue price was 98 per cent.

Commenting on the success of the loan, Sir Arthur Fadden (the Australian Treasurer), told a press conference in London that since the last money loan in 1939 Australian Commonwealth and State Governments had repaid about £122,000,000 (sterling) of London debt, in addition to the repayment of a short-term debt held by the Commonwealth Bank.

In a further loan operation, the Australian Government issued on Oct. 23 a cash loan of $25,000,000 in New York for public subscription, the interest rate being 5 per cent p.a., the issue price 97½ per cent, and the redemption date 1978. This loan—the second to be issued in New York during the current year—was also over-subscribed. (Australian News and Information Bureau - Financial Times - New York Times)

(Prev. rep. 16170 B ; 16150 F.)

D. WEST INDIES. — Agreement on Canadian Aid.

The agreement implementing the Canadian offer of aid worth $10,000,000 to the West Indies Federation, made during the Commonwealth Trade and Economic Conference in Montreal, was signed in Ottawa on Oct. 19 by Mr. Diefenbaker and Sir Grantley Adams, the two Prime Ministers.

(External Affairs Department, Ottawa) **(Prev. rep. 16443 A.)**

A. MIDDLE EAST. — Dr. Hammarskjold's Middle East Visits. - Report to U.N. General Assembly. - Special U.N. Representative for Jordan. - Withdrawal of British and American Troops from Jordan and Lebanon.

Following his three-day visit to Jordan on Aug. 27-29 (see page 16369), the U.N. Secretary-General continued his mission to Middle Eastern countries by visiting Cairo, Jerusalem, Baghdad, Amman and Beirut during the first fortnight of September—a mission entrusted to him under the terms of the General Assembly's resolution of Aug. 21, which requested Dr. Hammarskjold to make "such practicable arrangements as would adequately help in upholding the purposes and principles of the Charter in relation to Lebanon and Jordan in the present circumstances, thereby facilitating the early withdrawal of foreign troops from the two countries" (see page 16368, first column).

As stated in 16365 A, Dr. Hammarskjold flew from Amman to Geneva to attend the opening of the second U.N. "atoms-for-peace" conference. He resumed his Middle East tour by visiting Cairo on Sept. 3-4 for talks with President Nasser and Dr. Fawzi, after which he had discussions in Jerusalem with Mr. Ben-Gurion (Sept. 6), in Baghdad on Sept. 7 with Brigadier Kassim and other Iraqi leaders, and in Amman on Sept. 8-9 with King Hussein and Mr. Samir Rifai, Prime Minister of Jordan. The U.N. Secretary-General ended his tour with a four-day visit to Beirut (Sept. 9-12), during which he had discussions with General Chehab (the President-elect), M. Chamoun (the outgoing President), and the U.N. Observer Group in Lebanon.

Dr. Hammarskjöld's Report to General Assembly. - U.N. Special Representative in Jordan.

Dr. Hammarskjold returned to New York from the Middle East on Sept. 13, and a week later presented a report on his mission to the General Assembly. This report, published on Sept. 20, was divided into four parts: (1) Practical Arrangements in Relation to Jordan (envisaging *inter alia* the appointment of a special U.N. representative in Amman); (2) Practical Arrangements in Relation to Lebanon; (3) Withdrawals of U.S. and British Forces; and (4) Assistance in Economic Co-operation.

Practical Arrangements in Relation to Jordan.

The Secretary-General began by recalling that the Jordanian Government would not accept the stationing of a U.N. Force in Jordan, nor a border observation group similar to that in Lebanon, this had been made clear to him during his discussions in Amman, and had also been stated by the Jordanian delegate during the General Assembly's emergency session on the Middle East. He himself [i.e. Dr. Hammarskjöld] had also held the view that neither a U.N. Force nor a border observation group would adequately serve the purposes of the U.N. resolution in relation to Jordan, and he had therefore "accepted this stand of the Government of Jordan."

Consequently, his consultations in Amman were limited to discussing measures to implement the pledge of mutual co-operation given by all the Arab States as co-sponsors of the resolution adopted at the Assembly's emergency session. Dr. Hammarskjold said in this connexion: "It was felt that by working in that direction the U.N. would most adequately further all the purposes of the resolution. The spirit and direction of the consultations in Jordan thus corresponded fully to the interpretation of the resolution which I have given in this report."

In his discussions with the Jordanian Government (Dr. Hammarskjöld continued) there was "a wide area of agreement" with regard to "a formula under which the United Nations could assist in relation to Jordan." It was agreed that the most practical way of accomplishing this purpose would be the establishment in Jordan of a U.N. organ which could "keep under purview the adherence of all to the principles set out in the U.N. resolution in relation to Jordan." Accordingly, Jordan had expressed its willingness to serve as a host country for a U.N. representative who would act as the special representative of the Secretary-General. This special representative would assist the Secretary-General "in the implementation of the resolution [of Aug. 12], specifically in upholding the principles and purposes of the Charter in relation to Jordan in the present circumstances."

Dr. Hammarskjöld announced that the Governments of Lebanon and the United Arab Republic had agreed to guarantee the lines of communication of the new "U.N. organ" to be established in Jordan. Moreover, the Lebanese and U.A.R. Governments had also undertaken to grant all necessary facilities for this body, including liaison offices in Beirut and Damascus. As these practical matters had been solved, he had therefore concluded that "the new organ can be stationed in Amman."

The Secretary-General went on to announce that Signor Pier Spinelli (head of the U.N. European Office in Geneva, and a former Italian career diplomat) had already left for Amman to work out "the necessary practical arrangements with the Governments concerned." In due course Signor Spinelli would report on the size and composition of the special representative's staff and other relevant matters.

As regards "the parallel diplomatic arrangements which are necessary in order to give the organ stationed in Jordan its full value," the Jordanian Government had expressed a preference "for diplomatic representatives of the Secretary-General in the capitals of the Arab neighbour countries." The Governments of Iraq and the United Arab Republic, however, had not considered it desirable that such representatives should be stationed in Baghdad and Cairo for the present. The question had not been raised with the Lebanese and Saudi Arabian Governments.

"In my own view," said Dr. Hammarskjold, "the necessary diplomatic arrangements could either take the form suggested by the Government of Jordan or else be achieved through the designation, by the Secretary-General, of an official stationed at [U.N.] Headquarters but going, as necessary, to the capitals concerned for consultations and negotiations . . . I have concluded that . . . the last-mentioned arrangement is the more adequate one."

Dr. Hammarskjöld pointed out that the Jordanian proposal [for U.N. diplomatic representatives in all the Arab capitals] would "lend itself to misunderstandings, as it might be viewed as indicating an intention of the United Nations to establish a 'presence' in various parts of the area going beyond the purposes of the resolution." Such an arrangement, moreover, might "introduce an element of friction and suspicion in the relations between the States concerned and the United Nations." In these circumstances, "the most satisfactory arrangement has seemed to me to be the assignment of a special representative at Headquarters, who would proceed to the area and visit the various Governments on behalf of the Secretary-General as need be." The Jordanian Government had accepted this view, though "maintaining its stand that local diplomatic representation in all the capitals would have been preferable."

There would thus be two officials to assist the Secretary General in securing implementation of the U.N. resolution as it related to Jordan. (1) the Secretary-General's special representative in Amman, who would be in direct contact with the Jordanian Government but not with other Governments in the area; and (2) the special representative at U.N. Headquarters, who would visit the Middle East for discussions with Governments concerned when this was deemed necessary, but who would not be in direct contact with the Jordanian Government.

Finally, Dr. Hammarskjöld said that the reports from the special representative in Amman would not be published "unless the situation were found to call for their circulation as official documents of the United Nations." He added: Such circulation, which might serve as a basis for action by the General Assembly or the Security Council, obviously represents an alternative line of action open to the Secretary-General in such cases as would seem to him to call for stronger measures than diplomatic *démarches*."

Practical Arrangements in Relation to Lebanon.

As regards the Lebanese situation, Dr. Hammarskjöld expressed his conviction that the U.N. Observer Group in Lebanon (UNOGIL) represented "a practical arrangement in the sense of the General Assembly's resolution of Augl 21, 1958, and . . . adequately helps in upholding the purposes of the Charter in relation to Lebanon." In this context "decisive significance" was attached to Part I of the resolution—that is, the development of a "good neighbour" policy to which the Arab Governments had pledged themselves and the present U.N. operation in Lebanon was "considered as helpful in the development of such a policy." After the withdrawal of foreign troops from Lebanon, the question of UNOGIL, or of alternative or additional arrangements, would have to be considered "in the light of the degree of success with which the implementation of Part I of the resolution of Aug. 21, 1958, has met."

In finding that no additional arrangements were needed in Lebanon (Dr. Hammarskjöld continued), it had been recognized that the terms of reference of UNOGIL "precluded it from reporting on all the possible departures from a satisfactory implementation by the Arab States of the principles of the resolution in relation to Lebanon." The Secretary-General commented in this connexion: "This marks a basic difference between the Observation Group on Lebanon and the proposed arrangement in relation to Jordan. The Observation Group must follow any infiltration and smuggling of arms, and its reports are public. The special representative in Jordan should follow any departures from the principles of the resolution and report to the Secretary-General, but his findings would not be public unless their nature would seem to call for the circulation of a report in the United Nations."

Withdrawals of U.S. and British Forces.

After pointing out that the U.S. and Lebanese Governments were discussing a schedule for the withdrawal of American forces from Lebanon [see page 16441, second column], Dr. Hammarskjöld said that he had been officially informed that the U.S. forces would be totally withdrawn from the country by the end of October, "provided the international security situation with respect to Lebanon continues to improve in the framework of a successful implementation of Part I of the resolution of Aug. 21, 1958."

Similarly, he had also been officially informed that the British and Jordanian Governments were discussing a schedule for the withdrawal of British troops from Jordan, which would "begin during the month of October and be completed as quickly as the situation in the area allows."

The Secretary-General referred to memoranda which he had received from the U.S. and British Governments on the question of troop withdrawals [see below].

Assistance in Economic Co-operation.

In conclusion, Dr. Hammarskjöld said that during his consultations in the Middle East he had "touched upon the question of possible assistance regarding an Arab Development Institution," referred to in the Assembly's resolution of Aug. 21, 1958. In identical letters to the ten Arab Governments co-sponsoring the resolution, he had expressed the willingness of the U.N. Organization to assist in any joint economic efforts and had invited those Governments "to study the results of certain studies undertaken jointly by the International Bank and the U.N. Secretariat."

The Secretary-General added: "From my contacts, I drew the conclusion that, while there was a widespread interest in a constructive approach to the development problem along the lines on which the Arab League had already embarked, it was felt that a successful re-activation of economic co-operation might require that some further progress should be made in the political field, and also that financial surpluses should become available from national sources beyond what, in view of imperative domestic needs which have to be met, seemed likely within the immediate future. In these circumstances, I believe that the information given in the letter referred to above represents what for the moment the U.N. can usefully contribute in furtherance of the aim mentioned in Part III of the resolution. On the basis of this information, the Arab Governments may now themselves evaluate what assistance they might wish to seek in pursuance of this part of the resolution."

U.S. and British Memoranda on Troop Withdrawals from Lebanon and Jordan.

As stated by the Secretary-General, the U.S. and British Governments had previously sent memoranda to Dr. Hammarskjöld officially notifying him of their intention to withdraw their forces from Lebanon and Jordan respectively, in agreement with the Governments of the two countries. The memoranda were worded as follows:

American Memorandum.

"In view of improvements in the international aspects of the Lebanese security situation owing to the steps which have been taken, it has been possible for the U.S. Government, in agreement with the Lebanese authorities, to withdraw a portion of its forces. The U.S. Government has now been informed by the Secretary-General of his view, shared by the Lebanese authorities, that the U.N. Observation Group . . . presents a satisfactory practical arrangement within the meaning of the General Assembly's resolution of Aug. 21, 1958, and in present circumstances is, or can be made, adequate to uphold the purposes and principles of the Charter in relation to Lebanon.

"The U.S. Government has also been informed by the Secretary-General of the planned augmentation of the Observation Group and of his view, likewise shared by the Lebanese authorities, that for the time being it is unnecessary to consider any additional practical arrangements under the Assembly resolution of Aug. 21 with regard to Lebanon.

"In view of the above, the U.S. Government has informed the Secretary-General that it is discussing with the Government of Lebanon a schedule for the completion of the withdrawal of U.S. forces. It is the intention of the U.S. and Lebanese Governments that the total withdrawal of U.S. forces shall begin in the near future and be completed as expeditiously as possible, we hope by the end of October . . ."

British Memorandum.

"H.M. Government in the United Kingdom have taken note of the arrangements which the Secretary-General is making, in agreement with the Governments directly concerned, for the stationing of a U.N. Representative in Amman, for the establishment of Liaison Offices in Beirut and Damascus, and for the appointment of a diplomatic agent to maintain such contact as may be necessary between the Secretary-General and the Arab capitals other than Amman. The U.K. Government understand that the object of these measures is to keep under continuous review the implementation of the resolution of Aug. 21 in relation to Jordan and to provide means, in the event of a failure to implement the resolution, for the United Nations to take appropriate action.

"The U.K. Government have been informed by the Secretary-General that the Governments concerned have expressed their intention to conduct their relations with Jordan in accordance with the Resolution of Aug. 21, and in particular have expressed their willingness to restore Jordan's normal communications by land and air across their territories.

"The U.K. Government have accordingly informed the Secretary-General that, taking this information into account, they are discussing with the Government of Jordan the fixing of dates for the beginning and completion of the withdrawal of British forces. It is the intention of the U.K. and Jordanian Governments that . . . the withdrawal shall begin during the month of October and that it shall be completed as quickly as the situation in the area allows."

The American memorandum was sent to the U.N. Secretary-General on Sept. 27, and the British memorandum on the following day.

British Withdrawal from Jordan. - Last American Troops leave Lebanon.

In a speech to the Jordanian Parliament on Oct. 1, King Hussein announced that the British troops in Jordan would begin their withdrawal on Oct. 20 under an agreement with the U.K. Government. The King stated that this agreement had been reached because of his Government's belief that the spirit of Arab unity would prevail, as expressed in the U.N. resolution of Aug. 21.

King Hussein, who was opening a new session of Parliament, said that Jordan had stood firm and maintained her independence against the "allies, agents and hirelings of atheistic Communism" who had sought to destroy the country's integrity by interfering in its internal affairs and by "resorting to various means of direct and indirect acts of aggression." Jordan had been forced to seek military aid from friendly Powers to withstand this threat, and would redouble her efforts to strengthen her armed forces by all possible means. Nevertheless, he was convinced that the "untoward behaviour" on the part of some of Jordan's Arab neighbours would "soon disappear when our sister-countries realize that the continuation of such a course would not be conducive to the higher interests of the Arabs." Jordan, for her part, considered herself completely bound by the U.N. resolution and had taken immediate steps to implement it "*in* the letter and the spirit."

It was announced from U.N. Headquarters on Oct. 19 that, on the initiative of the British Government and in agreement with other Governments concerned, the United Nations had undertaken to help in the air-lift of British troops from Amman to Nicosia (Cyprus), to be carried out in a four-day operation between Oct. 25 and 29. For this purpose Dr. Hammarskjold had nominated Major-General Odd Bull (member of the three-man U.N. Observer Group in Lebanon) to organize the air movement control needed for this purpose at the Amman, Damascus and Beirut airports.

Major-General Bull accordingly flew to Amman and Damascus to make the necessary arrangements with the Jordanian and U.A.R. authorities, and also flew to Nicosia for similar discussions with the British authorities. The U.A.R. and Lebanese Governments gave their consent for British planes to fly over their territories, and the airlift began as scheduled on Oct. 25; it was completed without incident on Oct. 29, by which date practically all the British forces in Jordan (about 2,000) had been withdrawn to Cyprus or the United Kingdom. Some of the troops, together with much material and equipment, were withdrawn by sea from Akaba on Oct. 20 and subsequent days, the seaborne evacuation being completed by Nov. 2.

The last of the 14,000 American troops in Lebanon (see page 16441, second column) were withdrawn by Oct. 26.

Dr. Hammarskjöld's Proposals for "Stand-by" U.N. Force for preserving Peace. - Report on U.N. Emergency Force. - Present Strengh of UNEF.

In a report to the General Assembly on Oct. 15, the U.N. Secretary-General had recommended the creation of a U.N. "stand-by force" which could be brought quickly into being to meet specific "conflict situations" which might arise. He did not, however, recommend the setting-up of a regular U.N. Force, which, in his view, would have no great practical value and would "not warrant the substantial sacrifices involved."

Dr. Hammarskjöld's report (a 75-page document) was presented as a study of the lessons learned as a result of the creation of the U.N. Emergency Force in the Middle East (UNEF) at the time of the Suez crisis. He emphasized that, in a practical sense, it was not feasible in advance of any known situation to do more than provide for "stand-by" arrangements based on "those general conclusions which can be reached in the light of UNEF's experience." The "uniqueness of the UNEF setting" in the context of the Suez crisis explained, in part at least, "the success of this pioneer venture," but neither in Lebanon nor in Jordan would it have been possible to interpose a U.N. Force between the conflicting parties. In Lebanon, it was unlikely that a U.N. Force would have operated without becoming a party to the internal conflict within the country, while in Jordan the presence of a U.N. Force would have been regarded by the Jordanian Government as irreconcilable with its exercise of full sovereignty.

The U.N. experience in the three Middle East crises—Suez, Lebanon and Jordan—therefore "justifies the assumption that, in each new conflicting situation in which the U.N. might be called upon to intervene with military personnel, the nature of the actual organ required and its para-military aspects would be determined by the particular needs of the situation and could not therefore be anticipated." For this reason the General Assembly should show "flexibility" in approaching this question, and should "attempt to do no more than endorse certain basic principles and rules which would provide an adaptable framework for later operations that might be found necessary."

The Secretary-General recommended "certain principles and rules"—drawn from the UNEF experience in the Middle East—which would "provide a continuing basis on which useful contacts in a stand-by context might be established with the interested Governments." These were:

(1) The U.N. should not station units on the territory of a State without the consent of the Government concerned.

(2) Units from the permanent members of the Security Council should not be included in such a force, nor should units from "any country which might be considered as possibly having a special interest in the situation." [That is, any "standby" U.N. force would not contain American, British, Soviet, French or Chinese units.]

(3) Men serving with the force who were involved in criminal actions in the host country should come under the jurisdiction of the criminal courts of their home countries.

(4) U.N. personnel should not be a party to internal conflicts, nor used to enforce or influence any specific political solution of pending problems.

(5) A U.N. operation should always be under a leadership established by the General Assembly or the Security Council, or on the basis of authority delegated by the Secretary-General.

The Secretary-General had previously submitted a report on the progress of the U.N. Emergency Force in the Middle East (Sept. 6) in which he stated that "virtually unbroken quiet" prevailed along the entire frontier between Egypt and Israel. The present strength of UNEF was 5,445 officers and other ranks, grouped in 68 platoons and containing contingents from eight countries—1,167 from India, 975 from Canada, 674 from Yugoslavia, 635 from Brazil, 538 from Norway, 505 from Sweden, 492 from Colombia, and 459 from Denmark. UNEF had suffered 27 fatal casualties since its formation, resulting mainly from accidental shootings, encounters with mines, and traffic accidents.

Whilst UNEF was "well organized and functioning smoothly," Dr. Hammarskjold noted that the U.N. Organization might "not be in a position to honour promptly or in full its obligations to the Force unless substantial payments are received in the near future." Of the total amount assessed for payment of UNEF expenses by member-governments in 1958, only $10,300,000 (or 41 per cent of the required amount) had been received to the end of July, and 62 U.N. members had so far made no payments whatever.—(U.N. Information Centre, London - Times - Daily Telegraph - Manchester Guardian - New York Times) **(Prev. rep. Middle East Crisis, 16305 A; U.N. Emergency Session, 16365 A; Lebanese Situation, 16439 A)**

A. ALGERIA.—Indonesia recognizes "Free Algerian" Government. - Indian Attitude towards Recognition.

Mr. Nehru said at a press conference in Delhi on Oct. 12 that while India was "anxious that Algerian independence should be recognized," his Government would "not for the present" give formal recognition to the "Free Algerian" government established in Cairo. He added: "It may well be said that at present there is what is called the Provisional government of Algeria, representing moderates and extremists, and therefore it should be easy to deal with them as representing Algerian nationalism. I hope that the French Government will negotiate with these people, because it is obvious that there is no other way of settling the Algerian problem except by recognizing Algerian freedom."

The "Free Algerian" government was officially recognized by Indonesia on Sept. 27.—(Indian High Commissioner's Office, London - Indonesian Embassy, London)

(Prev. rep. 16410 A.)

B. SPAIN. — Water Development Projects.

General Franco inaugurated on July 14 the Entrepeñas-Buendia reservoirs, a few miles west of Guadalajara, which will increase Spain's water storage capacity from 15,000 million cubic metres (the present level) by an additional 2,480 million cubic metres, and will enable the waters of the Tagus and Guadiela rivers to be used for irrigating some 400,000 acres of land. The cost of the two dams—claimed to be the largest in Europe—was estimated at 748,000,000 pesetas. Existing plans provide for the construction of hydro-electric stations fed from the waters of the reservoirs, which it is hoped will encourage the establishment of new industries.

Under the Spanish Government's programme, the country's water storage capacity (in 1939 only 4,000 million cubic metres) is eventually expected to reach 38,000 million cubic metres. Ninety reservoirs with a capacity of 12,000 million cubic metres are at present under construction.

(Bank of London and South America Fortnightly Review)

C. UNITED NATIONS. — Opening of 13th Session of General Assembly. - Dr. Malik elected Assembly President. - Security Council Elections.

The 13th session of the U.N. General Assembly opened in New York on Sept. 16, when Dr. Charles Malik (then Foreign Minister of Lebanon) was elected President of the Assembly in succession to Sir Leslie Munro (New Zealand). Dr. Malik received 45 votes against 31 for Mr. M. A. Mahgoub, Foreign Minister of the Sudan; four countries abstained from voting, while Israel's delegation was absent because of the Jewish New Year. The Czechoslovak delegation withdrew the candidature of Dr. Jiri Nosek (Czechoslovak Ambassador to India and Ceylon) in favour of Mr. Mahgoub.

Dr. Charles Malik (52) was educated at the American University in Beirut and took a doctorate of philosophy at Harvard; he later returned to Beirut as professor of history in the American University and head of the department of philosophy. A prominent figure at the United Nations for many years, he has represented Lebanon at every General Assembly session since the founding conference in San Francisco in 1945. Consistently pro-Western in outlook, he played a leading part in the recent U.N. debates on the Lebanese situation and presented his country's case alleging intervention by the United Arab Republic in Lebanon's internal affairs. He ceased to be Foreign Minister of Lebanon in the governmental reorganization which followed the election of President Chehab (see 16447 G, 16439 A). Dr. Malik is a member of the Greek Orthodox Church.

The following elections (all unanimous) were made to the chairmanship of the Assembly committees:

Political and Security Committee..	Señor Miguel Rafael Urquia (El Salvador)
Special (*ad hoc*) Political Committee	M. Mihai Magheru (Rumania)
Economic and Financial Committee	Mr. Toru Hagiwara (Japan)
Social, Humanitarian and Cultural Committee	Mme. Lina Tsaldaris (Greece)
Trusteeship Committee	Mr. Fredrick H. Boland (Irish Republic)
Administrative and Budgetary Committee	Sir Claude Corea (Ceylon)
Legal Committee	Señor Jorge Castaneda (Mexico)

Italy, Argentina and Tunisia were elected to the Security Council on Oct. 8 to fill the places of Sweden, Colombia and Iraq, whose two-year terms expire on Dec. 31, 1958. All three countries were elected on the first ballot, 78 votes being cast for Argentina, 76 for Italy and 74 for Tunisia; two votes were cast for Persia, and one each for Greece and Finland.

From Jan. 1, 1959, the Security Council's membership will be: Argentina (until Dec. 31, 1960), Canada (until Dec. 31, 1959), China (permanent), France (permanent), Italy (until Dec. 31, 1960), Japan (until Dec. 31, 1959), Panama (until Dec. 31, 1959), Soviet Union (permanent), Tunisia (until Dec. 31, 1960), United Kingdom (permanent) and United States (permanent).—(U.N. Information Centre, London)

(Prev. rep. 12th Session, 16047 A; 15818 A.)

D. AUSTRALIA. — Legislation to prevent Abduction of Children from Australia.

The Federal Minister for Immigration (Mr. Downer) announced on Oct. 4 that legislation recently passed by the Federal Parliament to enable parents to prevent their children from being taken out of Australia in defiance of court orders would come into effect on Nov. 10. The Act—the proclamation of which had been deferred to give shipping and airline companies time to prepare for it—provided that when a child's custody was the subject of a court order or of pending court proceedings, the parent could notify shipping and airline companies of this fact by making a statutory declaration. The companies would then have a legal obligation not to remove the child from Australia without the permission of the court.

The legislation followed two cases in which U.S. fathers had taken their children out of Australia without the consent of their Australian mothers; in one case this was done in defiance of a court order giving sole custody of the child to the mother.

(Australian News and Information Bureau)

E. PORTUGAL. — Creation of Development Bank.

It was announced in Lisbon on Oct. 13 that the Portuguese Government had decided to set up a development bank to help in the implementation of the current six-year development plan. The bank will be a limited company with an initial capital of 1,000,000 contos (about £12,000,000), and will grant credits to industrial and agricultural organizations as well as to overseas organizations. Its capital will be provided by the Portuguese Government and the overseas territories of Angola and Mozambique.—(New York Herald Tribune)

(Prev. rep. 16140 C.)

NOVEMBER 1—8, 1958

A. VATICAN. — Election of Pope John XXIII.

Cardinal Angelo Giuseppe Roncalli (76), Patriarch of Venice, was elected to the Papal throne by the College of Cardinals on Oct. 28 in succession to the late Pope Pius XII. The new Pope—the 263rd Pontiff of the Holy Roman Church in succession from St. Peter—took the title of John XXIII.

Pope John XXIII was born on Nov. 25, 1881, at the village of Sotto il Monte, near Bergamo (northern Italy), the son of a peasant family of humble origin. Ordained in 1904, he was secretary to the Bishop of Bergamo for ten years, served as a chaplain in military hospitals during the First World War, and subsequently taught at the Bergamo diocesan seminary until he was called to Rome in 1921 to take up the post of president of the Italian Society for the Propagation of the Faith.

In 1925 Mgr. Roncalli (as he then was) became Apostolic Visitor to Bulgaria—the beginning of a distinguished career in the Papal diplomatic service—shortly after his consecration as titular Bishop of Areopolis. He was later appointed the first Apostolic Delegate to Bulgaria, and served in Sofia for ten years before his appointment in 1935 as Apostolic Delegate to Turkey and Greece. He held the latter appointment until towards the end of the Second World War, serving concurrently as Apostolic Administrator of the Latin Vicariate of Constantinople. During his 20 years in the Balkans—first in Sofia and later in Istanbul—he established cordial relations with the Orthodox churches of the countries to which he was accredited, became an authority on Balkan and East European affairs generally, and was highly regarded by Catholics, Orthodox Christians and Moslems alike; when he was made a cardinal in 1953, the Turkish Government took the unprecedented step for a Moslem country of sending him official congratulations.

In December 1944 Mgr. Roncalli was appointed the first Papal Nuncio to liberated France in succession to Mgr. (now Cardinal) Valerio Valeri, who had been Nuncio to the Vichy Government and whose recall had been requested by the Provisional Government of General de Gaulle. As Nuncio in Paris from 1945 to 1953 Mgr. Roncalli established close and cordial relations with General de Gaulle, President Vincent Auriol, M. Edouard Herriot, and other leading personalities of the Fourth Republic; he was highly esteemed by French political leaders both of the Right and the Left and became a close personal friend of President Auriol, from whom (in accordance with diplomatic tradition) he received the biretta when he was raised to the College of Cardinals in 1953. The esteem in which Cardinal Roncalli was held in France, both by the nation's political leaders and by the Roman Catholic hierarchy in that country, was marked by the conferment of the Grand Cordon of the Legion of Honour when he relinquished his appointment as Nuncio.

As Patriarch of Venice, Cardinal Roncalli was extremely popular with the people of that city, particularly for his great interest in social questions and his advocacy of social justice for the workers. His concern for the welfare of the workers was evidenced in his patriarchal Christmas message of 1955, in which he said: "There are three things which call for our brotherly aid: poverty, unemployment, and the dismissal of workers. It is tragic to read that factories are being shut down and workers placed on short time or even dismissed. . . . I appeal to industrial leaders, to the technicians and economists, and beseech them in the name of the Almighty to remember that intelligence and wealth were placed at their disposal, not to balance books, but to help them to be ministers of Providence to the advantage of the human family. . . ."

At the time of his election as Supreme Pontiff, Cardinal Roncalli was a member of the Sacred Congregation for the Oriental Church, the Congregation for the Propagation of the Faith (*Propaganda Fide*), and the Congregation of Religious. He has written a number of scholarly works, including a life of St. Charles Borromeo and a five-volume history of the Bergamo diocese in the 16th century.

As stated in 16431 A, the College of Cardinals numbered 55 at the death of Pope Pius XII. The actual number of cardinals taking part in the election of his successor was 51, owing to the deaths of Cardinal Costantini and Cardinal Mooney before the election, the inability of Cardinal Stepinac to leave Yugoslavia, and the Hungarian Government's refusal to allow Cardinal Mindszenty to leave the American Legation in Budapest and travel to Rome. The Primate of Poland (Cardinal Wyszynski) was given an exit visa by the Polish Government and took part in the Conclave.

Cardinal Celso Costantini (82) died on Oct. 17, only a week after Pope Pius. A member of the Curia (the central government of the Roman Catholic Church), he was Chancellor of the Holy Roman Church and titular Archbishop of Theodosia. Cardinal Edward Mooney (76), Archbishop of Detroit, died on Oct. 25, a few hours before the Papal election; one of the three American cardinals, he had made the journey to Rome although he had been in ill-health for some time previously.

At the request of the Sacred College, the U.S. Government had asked the Hungarian Government to allow Cardinal Mindszenty to leave Hungary under safe-conduct so that he could take part in the Papal election. The request was rejected by the Hungarian Government on the ground that it constituted "gross interference in Hungary's internal affairs." [Since November 1956 Cardinal Mindszenty has been in the U.S. Legation in Budapest, where he took refuge after the suppression of the Hungarian revolt.]

The Papal election was carried out under a new Apostolic Constitution drafted by the late Pope Pius XII in 1945, in place of the former Constitution which had been drawn up by Gregory X in 1274 and had remained substantially unaltered for nearly 700 years. The Gregorian Constitution was amended by Pope Pius in two important respects: (1) a majority of two-thirds plus one of the members of the College of Cardinals (i.e. of those cardinals actually present and voting) was required for the election of a Pope, instead of a two-thirds majority as hitherto; (2) the members of the College of Cardinals were no longer required to sign their ballot-papers when taking part in Papal elections.

While the Gregorian Constitution required a two-thirds majority of the College of Cardinals for the election of a Pope, there was a proviso that if the successful candidate had voted for himself and his vote gave him the required majority, the election would be invalid. This had made it necessary for all members of the Sacred College to sign their ballot-papers when taking part in Papal elections.

The College of Cardinals met in Conclave on Oct. 26 to elect Pope Pius's successor. In accordance with tradition, the Conclave took place in the Sistine Chapel, an adjacent part of the Vatican Palace being converted into small apartments or cells for the electors, who, with a strictly limited number of attendants, were completely sealed off from the outside world. Four ballots, all inconclusive, were held on Oct. 26; another four inconclusive ballots on Oct. 27; and four more ballots on Oct. 28, in the last of which Cardinal Roncalli obtained the required majority of two-thirds plus one—i.e. the new Pope was elected on the 12th ballot.

As is customary in Papal elections, the results of the ballots were conveyed to the vast crowds gathered outside St. Peter's by the emission of smoke from a chimney of the Sistine Chapel—black smoke indicating that the ballot had been inconclusive, and white smoke that a Pope had been elected. [This procedure is described in 3467 A]. No details of the voting are ever made public, all the ballot-papers being burned after counting and scrutiny.

The election of Pope John was announced to an enthusiastic crowd of 300,000 in St. Peter's Square by Cardinal Canali (the senior Cardinal Deacon) in the traditional formula: *Annuntio vobis gaudium magnum; habemus Papam, eminentissimum et reverendissimum dominum Angelo Giuseppe Roncalli, qui sibi nomen imposuit Johannes.* ("I announce to you tidings of great joy; we have a Pope, the most eminent and most reverend cardinal Angelo Giuseppe Roncalli, who has taken the name of John.")

After receiving the homage of the College of Cardinals, Pope John XXIII appeared on the balcony over the great porch of St. Peter's to give the traditional blessing *Urbi et Orbi* ("To the City and the World.") The new Pope received world-wide congratulations from Heads of State and Heads of Governments.

The last Pope to bear the name John reigned over 600 years ago; a Frenchman, he was one of the popes of the Avignon exile and reigned in that city from 1316 to 1334. The history of the Church also records a John XXIII who was an "anti-pope" and was illegally elected to the papal throne in 1410; he was deposed in 1415 and subsequently submitted to his legitimate successor, Martin V.

Within three hours of his election, Pope John created his first cardinal by conferring the Red Hat on Monsignor Alberto di Jorio, the secretary of the Conclave—thereby bringing the membership of the Sacred College to 53, which is 17 less than its full complement. [Cardinal di Jorio has had long experience in the Vatican administration, and was acting Secretary of State during the interregnum between the death of Pope Pius XII and the election of Pope John XXIII]. On the following day the Pope reappointed Mgr. Tardini as Pro-Secretary of State.

Pope John's First Broadcast to the World.

Pope John XXIII made his first broadcast to the world on Oct. 29. Addressed primarily to the rulers of the nations, it was pre-eminently a plea for world peace based on justice in freedom, and was worded as follows:

"This hour of trepidation, in which by the will of Divine providence there has been imposed upon us the grave burden of the Supreme Pontificate after the death of our predecessor Pius XII, of immortal memory, oppresses and bears down our heart. We raise most fervent prayers to God that He may give strength to our weakness, illuminate our mind, and refresh our will.

"We embrace with great affection the most loved members of the Sacred College . . . and we turn specially to those among them who, to our sorrow, are far from us [i.e. Cardinals Mindszenty and Stepinac] and whose sufferings and tribulations so profoundly move us. . . .

"We pray to God for all those who are our children in Christ, but particularly for the poor and for those who suffer. . . . Specially dear to our heart among our children are the faithful of the Venetian region, where we have carried on the pastoral ministry, and of the Bergamo diocese, where we were born.

"But our thoughts go out in special manner to all the faithful in those nations where the Catholic religion is not free, or free only in part; where the sacrosanct rights of the Church are trampled upon; where the legitimate pastors are exiled, relegated, or prevented from carrying out their ministry freely. We wish them to know that we share with them their pains, their tribulations, their bitterness; that we implore the Lord that He may put an end to such inhuman persecutions, which not only undermine the tranquillity and prosperity of those peoples but which are in open contrast with modern civilization and with the rights of man, long since acquired. May God illumine the minds of the rulers of those nations; may He pardon the persecutors. . . .

"As we embrace the Western Church, so with equal paternal affection do we embrace the Eastern Church, and at the same time we open our heart and our arms to all those who are separated from this Apostolic See. . . . We ardently desire their return to the house of the common Father. . . .

"May we now address our appeal to the rulers of all the nations, in whose hands are the fate, prosperity, and hopes of individual peoples. Why do they not compose their quarrels and dissensions, finally and with justice? Why are the resources of human genius and the riches of the peoples devoted more often to turning out pernicious instruments of death and destruction than to increasing the welfare of all classes of citizens, and particularly of the poorer classes?

"We know that there are grave and intricate problems which must be overcome to carry out a programme so praiseworthy, and to smooth out the points of discord. But these difficulties must be victoriously overcome, even at the cost of great effort. Set to work, therefore, with courage and faith. . . . Turn your eyes on the peoples who are entrusted to you, and hear their voice. What are they asking of you, what are they supplicating? They are asking not for those monstrous instruments of war, discovered in our times, which can cause fratricidal destruction and universal massacre, but for peace—a peace under which the entire human family can live freely. They want justice, which will finally bring together the reciprocal rights and duties of all classes in a just solution. Finally, they ask for tranquillity and concord, from which alone true prosperity can emerge. . . .

"True peace cannot be given to individuals, peoples, and nations if peace is not first in their souls. There can be no exterior peace if it is not the reflection of an interior peace, and if it is not directed by this interior peace. . . . May this truth be remembered by those who reject the Name of God, who trample on His sacred rights, who strive to lead man away from piety towards Him. . . ."

Coronation of Pope John.

The Coronation of Pope John XXIII took place at St. Peter's on Nov. 4, the ceremony being televised for the first time throughout Italy and, via the Eurovision network, to many countries in Western Europe.

Delegations from 59 countries attended the ceremony, including all the diplomatic representatives accredited to the Holy See. Among those present were the Duke of Norfolk (Earl Marshal of England), representing Queen Elizabeth II; Mr. de Valera, Prime Minister of the Irish Republic; M. Pierre Pflimlin, representing the French Government; Dr. Castiella, the Spanish Foreign Minister; Prince Albert of Liège, representing the King of the Belgians; Mr. Joseph Luns, Foreign Minister of the Netherlands; Dr. von Brentano, Foreign Minister of the German Federal Republic; Dr. Raab, the Austrian Chancellor; M. Celio, formerly President of the Swiss Confederation; M. Hussein Oweimi, Foreign Minister of Lebanon; and Prince Felix of Luxemburg. The United States was represented by Mr. James Mitchell (Secretary of Labour), Mr. Robert D. Murphy (Under-Secretary of State) and Mrs. Clare Boothe Luce, formerly Ambassador in Rome.

All the cardinals taking part in the Papal election were present, together with Archbishops and Bishops of the Roman Catholic Church from all parts of the world. The Coronation was also attended by the three living brothers of Pope John (peasant formers in the village of Sotto il Monte, the Pope's birthplace), the Pope's sister, and a number of nephews and nieces

The titles borne by Pope John XXIII are: "Bishop of Rome; Vicar of Jesus Christ; Successor of St. Peter, Prince of the Apostles; Supreme Pontiff of the Universal Church; Patriarch of the West; Primate of Italy; Archbishop and Metropolitan of the Roman Province; and Sovereign of the State of Vatican City." (Universe - Catholic Times - Le Monde - Times - Manchester Guardian - New York Times)

(Prev. rep. 16431 A.)

A. JAPAN. — World's Highest Tower built in Tokio.

The construction of the highest tower in the world was completed in Tokio on Oct. 14. Known as Tokio Tower, it is 1,085 feet high (86 feet higher than the Eiffel Tower in Paris) and houses four television stations and a six-storey science museum. (Japanese Embassy Press Office, London)

B. SOVIET UNION - UNITED ARAB REPUBLIC. — Soviet Aid for Aswan Dam Project.

M. Khrushchev announced on Oct. 23 that the Soviet Government, in response to a request from the United Arab Republic, had agreed to grant the U.A.R. a credit of up to 400,000,000 roubles (£33,000,000 at the official rate) for expenses connected with the delivery of machines, equipment, and other materials for the first stage of the Aswan Dam project. In addition, the U.S.S.R. would provide technicians and experts. The announcement was made at a Kremlin reception in honour of Marshal Hakim Amer (a Vice-President of the U.A.R., and Defence Minister) who had arrived in Moscow on Oct. 19 for talks with leaders of the Soviet Government. M. Khrushchev's statement was worded as follows:

"This visit is a fresh confirmation of the fact that the friendly contacts between the leaders of the Soviet Union and the United Arab Republic are, to an ever increasing extent, developing into a good tradition . . .

"The Soviet Government has considered the request you [Marshal Amer] have conveyed from the Government of the U.A.R. for aid in the construction of the first section of the Aswan Dam. Proceeding from the friendly relationship between our two countries, and desirous of strengthening it, the Soviet Government has agreed to take part in the construction of the first section of the Aswan Dam, a project which is of great importance to the national economy of the U.A.R. and to the consolidation of its national independence. The Soviet Government is willing to delegate the necessary number of specialists to the U.A.R., to supply the U.A.R. with machinery and equipment and with the materials it lacks for the accomplishment of this project, and to grant a loan of up to 400,000,000 roubles for covering the expenses involved.

"Repayment of the Soviet Union's investment in this project will begin on the completion of the first stage of the construction. In response to the wishes of the Government of the U.A.R., we agree to send specialists to Cairo in the near future to discuss with your competent representatives the details of this project, and to draft an appropriate agreement between our two countries."

M. Khrushchev went on to say that the Soviet Government's discussions with Marshal Amer "on a number of international problems" were "bound to promote and cement the bonds of friendship between our two countries." He added: "As in previous discussions between Government leaders of the Soviet Union and the U.A.R., our views are unanimous on current international problems of decisive importance for the preservation and consolidation of world peace . . . The Soviet Union and the U.A.R. maintain a common stand at the United Nations on disarmament, the banning of nuclear weapons, the ending of nuclear tests, and other important questions connected with safeguarding international peace and security. We are unanimous in recognizing that the main task . . in the Middle East at present is to secure the earliest possible withdrawal of American troops from Lebanon and of British troops from Jordan, and to ensure the peace and tranquillity essential for the creative work of the population of the Arab countries in developing their national economies and raising their cultural and living standards."

In October 1955 the Soviet Union was stated to have offered the Egyptian Government a loan of $200,000,000 towards the cost of building the Aswan Dam [see 14486 B], but subsequent statements by M. Shepilov, then Soviet Foreign Minister, had made it clear that the matter was not being further pursued for the time being [see 14991 A].

The complete Aswan Dam project was estimated in 1956 — during the Egyptian negotiations with Britain, the U.S.A., and the World Bank—to cost £460,000,000. The U.S. Government had at the time offered a grant of about $55,000,000 towards the foreign exchange costs of the first stage of construction, whilst the British Government had offered about $15,000,000 and the World Bank a further $200,000,000. These offers were withdrawn in July 1956—a decision which was immediately followed by the Egyptian nationalization of the Suez Canal.

In July 1957 President Nasser had announced a revised project for the Aswan Dam which aimed at increasing Egypt's cultivable acreage by 16 per cent, or about 1,000,000 acres, over five years [see page 15780, end of first column]. The first phase of the revised project was estimated to cost about £E.60,000,000.—(Soviet Embassy Press Department, London - Times - Daily Telegraph) **(Prev. rep. Aswan Dam Project, 15730 A; 15001 A; 14991 A.)**

C. UNITED KINGDOM. — Brookwood Memorial.

A war memorial commemorating 3,500 men and women of the Commonwealth land forces who lost their lives in the Second World War and have no known graves was unveiled by H.M. the Queen on Oct. 25 at the Brookwood military cemetery, Surrey. The Brookwood Memorial is a circular colonnade of Portland stone, the names of those commemorated being inscribed on 28 green slate panels.—(Times) **(16198 A.)**

A. UNITED KINGDOM. — Ending of Compulsory Arbitration in Industrial Disputes. - Abolition of Industrial Disputes Tribunal.

Mr. Macleod, the Minister of Labour, announced at a meeting of the National Joint Advisory Council on Oct. 22 that compulsory arbitration for settling industrial disputes on wages and conditions would be brought to an end, and the Industrial Disputes Tribunal abolished. Although the exact date for the termination would be announced later, it was expected that it would be within the next six months.

Compulsory arbitration was introduced in 1940 by the late Mr. Ernest Bevin (then Minister of Labour) under the Conditions of Employment and National Arbitration Order (see 4165 H). This Order at the same time made strikes and lock-outs illegal and bound all employers—even those outside the employers' organization in an industry, and therefore not parties to any settlement—to observe terms and conditions not less favourable than those recognized for the industry in question. In 1951 the Order of 1940 was replaced by the Industrial Disputes Order, following trade union opposition to the continued prohibition of strikes. The 1951 Order replaced the National Arbitration Tribunal by the Industrial Disputes Tribunal and, in addition to other minor changes, re-legalized strikes and lockouts.

The machinery of the Industrial Disputes Order was compulsory in two ways: (1) it made it possible for an unwilling party to be forced to arbitration by an Order of the Minister of Labour, the Minister being bound to issue such an Order when the other party had reported the dispute to him, provided certain conditions were fulfilled; (2) awards of the Industrial Disputes Tribunal became an implied term of contract enforceable in the courts, (3) individual employers outside the employers' organizations could be compelled by the "issues" machinery to observe recognized terms and conditions of employment.

Both the 1940 and the 1951 Orders were based on Defence Regulation 58 A. At the beginning of 1957 the Government, in the course of its policy of gradually ending all the remaining Defence Regulations, initiated discussions with both sides of industry as to what permanent legislation, if any, should replace the Industrial Disputes Order once the basic Defence Regulation was brought to an end.

During these discussions the T.U.C. expressed the view that the Order should remain, or alternatively that its provisions should be embodied in an Act. The employers' representatives, who had always regarded the Order as one-sided in its effects, suggested that the machinery of the Order should continue to be available but should be applied only in those industries in which both the employers' organization concerned and the trade unions wished it; they therefore proposed that a single enabling Act should be passed with a number of subsidiary Orders, providing a "halfway house" between a statutory wages council and completely voluntary machinery. The unions, however, refused to accept such "opting in," and maintained that the Industrial Disputes Tribunal should be made a permanent part of the arbitration machinery.

In announcing his decision to abolish the Industrial Disputes Tribunal in due course, Mr. Macleod said that the success of compulsory arbitration in settling industrial disputes had depended largely on the willingness of employers and unions to co-operate in making the system workable during a critical period. In more normal times it would be out of keeping with British industrial institutions to enforce, at the culmination of a process of wage negotiations, a system of settlement into which one party or the other had to be coerced by law. It had become evident that compulsory arbitration in its main features no longer carried the assent of the majority of employers. Mr. Macleod recalled in this connexion that when the Industrial Disputes Order was made, it had been pointed out that it was experimental and that it would be reviewed immediately if at any time either side wished the Order to be discontinued; he stressed, however, that the Ministry of Labour would still encourage voluntary arbitration.

Statements were issued after the meeting by the T.U.C. General Council and the British Employers' Confederation.

T.U.C. Statement. The T.U.C.'s statement expressed "regret" at the Minister's decision, and said that the General Council took "a serious view of this decision to change the law on industrial relations without the full consultation expected." It continued:

"The General Council consider that on such an important matter it would have been appropriate during the last eight months for the Minister himself to have had discussions with both sides of industry before coming to his decision, and to have sought to bridge the gap between the different points of view.

"The preference of trade unions has always been for joint agreement through collective bargaining, and the vast majority of differences between managements and workers about wages are settled in this way. However, there is at times a need for arbitration and the Industrial Disputes Tribunal has provided a method of arbitration which has given wide satisfaction.

"The T.U.C. consider there were only minor differences between the British Employers' Confederation and themselves on the procedure for obliging all employers in an industry to abide by its jointly-agreed conditions of work. But even in this limited sphere the good tradition of changing industrial relations legislation with the maximum agreement of the two sides of industry has been set aside on this occasion."

B.E.C. Statement. The employers' statement expressed the belief that "arbitration in industrial disputes is useless unless both parties agree to be bound by the results . . ." It continued. "The Industrial Disputes Order was introduced under a Defence Regulation made in 1940 which provided for compulsory arbitration of industrial disputes as a concomitant to the prohibition of strikes and lock-outs agreed to at that time to avoid interference by stoppages of work with the war effort. Since 1951 the ban on disputes and lock-outs has been withdrawn and the Government has decided that the remaining Defence Regulations will have to go and with them the Industrial Disputes Order"

After referring to the Government's discussions with both sides, and to the employers' proposals for the application of the Industrial Disputes Order in those industries "in which the employers' organizations and the trade unions both asked for it," the statement continued: "The Confederation believes that, if the parties had asked in advance for the application of these arrangements to them and the dispute subsequently arose, they would feel themselves under a moral obligation to honour the findings. These proposals were not acceptable to the T.U.C. . . . It put forward no alternative suggestion except that the arrangements under the Industrial Disputes Order should be continued without modification. In the absence of agreements the Confederation feels that the Minister had no course open to him other than to take the decision which he has announced."

Mr. Macleod laid a statutory instrument before Parliament on Nov. 3 whereby (1) the Industrial Disputes Order would cease to apply to any dispute or issue reported on or after Dec. 10, 1958; and (2) the Order itself would cease to have effect on March 1, 1959. Until Dec. 10, disputes and issues could be reported to the Minister of Labour in accordance with the terms of the Industrial Disputes Order, 1951.

The abolition of compulsory arbitration will affect between 12,000,000 and 13,000,000 workers, mainly in private industry. About 10,000,000 more employees—including those covered by Wages Councils, as well as workers in nationalized industries, civil servants, teachers, policemen, firemen, and others—were not covered by the Industrial Disputes Order, and for them there will therefore be no change.

The system of voluntary arbitration, which will be maintained, includes the possibility of referring disputes to the Industrial Court by mutual agreement. [The decisions of this court are not legally enforceable, though it has been held that when a decision has been accepted or acted upon, it forms the term or condition of the contract of employment.] In addition, the Minister of Labour will retain the power to order committees of investigation or courts of inquiry into disputes which are of national importance or which prove particularly intractable.

The number of awards issued by the Industrial Disputes Tribunal in 1957 was 113, bringing the total of such awards since the Tribunal's formation in 1951 to 1,051. The number of awards issued by the Industrial Court in 1957 was 40, bringing total awards issued by that court since its establishment in 1919 to 2,676.—(Times - Daily Telegraph - Manchester Guardian - Ministry of Labour Gazette) **(Prev. rep. 11643 A.)**

B. RELIGIOUS LIFE. — Lutheran Church. - Women admitted to Priesthood in Sweden.

The Church Assembly of the Lutheran Church in Sweden, consisting of all bishops, clergy representatives, and specially elected laymen, decided on Sept. 27 that women might be ordained as priests from Jan. 1, 1959. This reform, sanctioned by special legislation passed by the Riksdag earlier in 1958, had been the subject of one of the most controversial debates in recent years. In the autumn of 1957 the Church Assembly had rejected the proposal by 62 votes to 36, an overwhelming majority of clergy maintaining that it would be contrary to Christian doctrine to allow women to take holy orders; other Church leaders, however, as well as public opinion in general, were in favour of the change, and the Church Assembly's consent to the admission of women to holy orders was eventually given by 69 votes to 29. (Svenska Dagbladet, Stockholm)

A. FAR EAST. — The Quemoy Crisis.

The crisis arising from the bombardment of Quemoy by the Chinese Communist forces, which had aroused grave international concern during the second half of September, greatly relaxed after Mr. Dulles declared on Sept. 30 that the U.S. Government would favour the evacuation of the offshore islands by the Nationalist forces if a "reasonably dependable" cease-fire were arranged. The Peking Government subsequently suspended the bombardment on Oct. 6, and although it was renewed on Oct. 20 it did not reach its former intensity. The development of the crisis since the middle of September is described below under cross-headings.

The Blockade of Quemoy.

Nationalist convoys succeeded in running the Communist blockade of Quemoy daily from Sept. 15-22, and again from Sept. 26-28. After the latter date they were halted by rough weather, but Nationalist aircraft continued to drop supplies by day and night, the amount dropped on Oct. 3 alone being estimated at 250 tons. The supplies received, however, were less than one-sixth of Quemoy's normal requirements according to some estimates, and over half the food dropped by parachute was reported to be lost because of faulty packing. The position was even more serious on the small islands of Little Quemoy, Tatan, and Ertan; it was reported on Sept. 27 that no supplies had reached Little Quemoy by sea for five weeks, that only supplies for the garrison had arrived by air, and that the civilian population, who were prevented by the bombardment from tilling their fields or fishing, were in danger of running out of food supples within a very short time.

The Nationalist Defence Ministry claimed on Sept. 18 that *Sabre* jet fighters escorting a convoy, although greatly outnumbered, had shot down five Communist Mig-17's and sunk three torpedo-boats; on Sept. 21 that Nationalist Navy patrols had sunk a Communist gunboat off Matsu; and on Sept. 24 that 10 Communist aircraft had been shot down in an action between 32 *Sabres* and over 100 Mig-17's. Communist sources, on the other hand, claimed that a Nationalist plane had been shot down on Sept. 18, and another on Sept. 24 during fighting over the mainland in which a Communist plane had also been lost. A Nationalist *Dakota* was destroyed by Communist artillery on Sept. 29 while dropping supplies on Quemoy, and another was shot down by Mig's on Oct. 3.

The successes claimed by the Nationalists in the actions on Sept. 18 and 24 were attributed by U.S. spokesmen to their use of the *Sidewinder* air-to-air guided missile. The *Sidewinder*, which is operated on the infra-red principle, is attached to an aircraft's fuselage forward of the wing, and emits a continuous buzzing when it comes within three miles of an enemy jet plane's exhaust; on being released it is attracted to the exhaust at 1,300 m.p h. and explodes inside it.

Build-up of U.S. Forces in Western Pacific.

By the middle of September the U.S. Navy and Air Force had assembled in the Western Pacific what the *New York Times* described as "the most powerful air-naval fighting force in history." The U.S. air forces in the Far East included, in addition to the jet aircraft of the Navy and other Air Force units, (1) a squadron of F-104 *Starfighter* interceptors in Formosa; (2) a squadron of F-100-D fighter-bombers in Formosa and another in Okinawa; (3) a squadron of F-101 *Voodoo* fighters in Okinawa; (4) a squadron of RF-101 reconnaissance planes in Okinawa and the Philippines; (5) a squadron of B-57 light jet bombers in Okinawa; (6) two squadrons of *Hercules* turbo-prop transports in the Philippines and Japan; (7) a squadron of tanker planes in the Philippines.

Military Talks in Formosa.

A conference took place in Taipeh (the capital of Formosa) on Sept. 22-23 between President Chiang Kai-shek and U.S. military representatives headed by Admiral Felt, C.-in-C. of the U.S. forces in the Pacific. Others taking part included General Chen Cheng (the Nationalist Premier), Mr. Drumwright (the U.S. Ambassador to Formosa), General Kuter (C.-in-C. of U.S. air forces in the Pacific), Vice-Admiral Smoot (U.S. Commander in the Formosa area), and Vice-Admiral Beakley, Commander of the U.S. Seventh Fleet. According to Nationalist sources, President Chiang Kai-shek had argued strongly in favour of military action against the Chinese mainland during these discussions, but no official statement was issued.

A Nationalist spokesman stated on Sept. 24 that his Government favoured immediate aerial bombardment of the Communist batteries and an eventual landing on the mainland, and on Sept. 29 President Chiang Kai-shek declared at a press conference: "There is need for retaliation. The time is now. We have withheld so far out of a spirit of co-operation with the U.S.A. . . . When the crucial time comes there are no restrictions on our taking the right of self-defence and bombing mainland bases." A U.S. Defence Department spokesman pointed out on Sept. 25, however, that an agreement existed that the Nationalist forces would not attack the mainland without U.S. approval; he added: "Even though you might construe bombing positions which are attacking you as defensive, other people might not. The Chinese Communists stand branded as aggressors. We do not want to give them any opportunity to shift the label on to us through steps which might be interpreted by some as provocative actions." [The agreement referred to was the exchange of Notes appended to the Mutual Security Treaty concluded in 1954 between the United States and the Chinese Nationalist Government—see 14007 C.]

U.S. official spokesmen stated on Sept. 18 that military supplies to the value of $90,000,000 had been sent to Formosa since the crisis, or more than half as much again as the total amount of military aid planned for the fiscal year ending June 30, 1959; the figure was expected to exceed $300,000,000 before that date.

M. Khruschev's Second Letter to President Eisenhower. - Rejection by U.S. Government.

The Soviet Premier, M. Khruschev, replied on Sept. 19 to President Eisenhower's letter of Sept. 12 in a long and strongly worded Note in which he contended that U.S. support of the Nationalist Government was responsible for the crisis, and that there could be no lasting peace in the Far East until the U.S. armed forces were recalled from Formosa and the Formosa Straits.

M. Khruschev wrote: "On receiving your letter of Sept. 12 and studying it, I was sorry to note that . . . you have failed to appreciate the essential meaning of my message to you. My message was meant to show the full extent of the danger that will face mankind unless the U.S.A. abandons its aggressive policy, which is creating centres of grave conflict now in one area of the world, now in another, and has brought about the present tense situation in the Far East. . . . The only real source of tension in that part of the world consists in the fact that the U.S.A. has seized inalienable Chinese territory -- Taiwan [Formosa] and a number of other islands -and is maintaining under its armed protection the Chiang Kai-shek clique thrown out by the Chinese people, and encouraging its attacks and provocations against People's China. . . .

"I am surprised at your comment that, while sending a message to you, I did not send any communication to—as you put it—China's Communist leaders . . . I addressed my message on the Taiwan events to the President of the U.S.A., and not to the Government of the Chinese People's Republic, for the simple reason that it is not China that is interfering in the internal affairs of the U.S.A., but the U.S.A. which, trampling underfoot all the standards of behaviour of civilized nations, has grossly interfered in China's affairs. . . . To urge us, as you do, to exert some influence on the Government of the Chinese People's Republic in connexion with the Taiwan events means trying to induce the Soviet Union to interfere in the internal affairs of China. The Soviet Union would never be a party to such a shameful affair. . . ."

M. Khruschev continued: "Who can deny that but for U.S. support there would long since have been no Chiang Kai-shek clique or so-called Taiwan problem, and that but for U.S. interference the people of the whole area would have long since been living in peace and security? It is clear to all that the reason why the U.S.A. has illegally seized those islands is that by keeping Chiang Kai-shek's clique in being on Taiwan it is able to maintain its own armed forces in the area and threaten the Chinese People's Republic with war . . . The facts are that the U.S. Government has forcibly seized islands belonging to the Chinese people—islands which are 10,000 kilometres away from the American continent—and that it is bent on keeping them. Moreover, you want China to give up that part of her territory and resign herself to its being in foreign hands and used as a base for aggression against the Chinese People's Republic and other peace-loving countries of Asia. But is it not obvious . . . that such a great world Power as the Chinese People's Republic will never agree to part of its territory being alienated and used as a place for massing foreign armed forces for aggression against it? . . .

"In your letter you state that Taiwan and the off-shore islands have never been under the control of Communist China. This statement seems to be meant to justify the attempt to alienate these islands from the Chinese People's Republic. However, the U.S.A. solemnly recognized China's sovereignty over those islands in the Cairo Declaration of 1943. This was reaffirmed in the Potsdam Declaration of 1945, which was signed by the United States. . . . Have these territories ceased to be Chinese since the victory of the people's revolution in China . . .? Of course they have not. To deny this is to interfere in the internal affairs of other peoples and to arrogate to oneself certain police functions . . . If Britain, for instance, were to build her policy on such a concept she might, if she could, start a war against the U.S.A. for the simple reason that what is now the territory of the United States was once a colony of the British Empire.

"Nor can one fail to note that in opposing Taiwan and the offshore islands to the whole of China, as you do in your letter, an undisguised attempt is being made to create a situation of 'two Chinas.' Such attempts, which are aimed at the dismemberment of China, are resolutely rejected by the people and Government of the Chinese People's Republic. . . . You seem, Mr. President, to be still proceeding

from the assumption that Chiang Kai-shek represents something in China. In reality, however, he is no more than a hated shadow of the past in the eyes of China's 600,000,000 people . . . Also unfounded is the assertion in your letter that the American armed forces are operating in the Taiwan area in pursuance of the U.S.A.'s contractual commitments to a handful of traitors to the Chinese people, with Chiang Kai-shek at the head of these traitors. And this notwithstanding the fact that this handful of people—whom former Secretary of State Acheson described as early as 1949 as corrupt individuals who had forfeited the confidence of the people [see 10203 A]—have long represented no one but themselves Today Chiang Kai-shek has no more reason to act as a representative of China than, say, Kerensky would have to act as a representative of the Soviet people . . .

"As I noted in my previous message, certain American military leaders are even trying to threaten China with atomic weapons. Press reports say that units of the American Air Force equipped with nuclear weapons have been rushed to Taiwan, together with various rockets and guided missiles of the *Nike-Hercules* type, and that missile-launching ramps are being built, and so on. Such actions by the U.S. Government cannot, naturally, reduce tension in the area, improve the general climate, or create the conditions for greater confidence. On the contrary, these actions tend to aggravate the situation and increase the danger of an outbreak of war involving the use of the most devastating modern weapons. I must tell you outright, Mr. President, that atomic blackmail with regard to the Chinese People's Republic will intimidate neither us nor the Chinese People's Republic. Those who harbour plans for an atomic attack on the Chinese People's Republic should not forget that the other side, too, has atomic and hydrogen weapons and the appropriate means to deliver them, and that if the Chinese People's Republic falls victim to such an attack the aggressor will at once suffer a rebuff by the same means.

"I have told you earlier, and feel it necessary to stress once more, that an attack on the Chinese People's Republic is an attack on the Soviet Union. We have a treaty of friendship, alliance and mutual assistance with this great friend, ally and neighbour of our country—a treaty corresponding to the fundamental interests of the Soviet and Chinese peoples; and let no one doubt that we shall fully honour our commitments. . . ."

M. Khruschev went on . "After your election as President of the United States, Soviet statesmen pinned great hopes on you. Remembering the excellent co-operation between the Soviet Union and the U.S.A. when you were Commander-in-Chief of the armed forces of the U.S.A., Britain, and France in the war against Hitler Germany, we hoped that this co-operation would also be possible after the war. . . . However, the policy you are now pursuing as President has largely undermined these good feelings, and to an increasing extent strengthens our belief that the 'brink of war' policy of Mr. Dulles is in fact inseparable from your name . . .

"The most important thing is to recognize the Government of the Chinese People's Republic. Such a step by the U.S. Government would clarify the international situation at once, and would be welcomed everywhere as a highly valuable contribution to the cause of maintaining peace. This approach to the solution of international problems from the standpoint of peaceful co-operation also makes it imperative to discontinue the tactics of obstruction in the U.N. and to refrain from raising obstacles to the solution of the urgent problem of restoring China's rights in the United Nations. All the U.N. member-States would welcome such a decision, since without the Chinese People's Republic the United Nations cannot be a completely representative international body for maintaining international peace and security in conformity with the U.N. Charter.

"An end must be put once and for all to intervention in China's internal affairs. The U.S. fleet must be recalled from the Taiwan Straits and U.S. troops must leave Taiwan and go home. Without these steps there can be no lasting peace in the Far East. If the U.S.A. does not do that now, People's China will have no other recourse but to expel the hostile armed forces from its own territory, which is being converted into a bridgehead for attacking the Chinese People's Republic. We fully support the Chinese Government and the Chinese people. We have supported and will continue to support their policy. However, if the U.S. Government adopts the course of respecting the sovereign rights of the great Chinese people, and will be guided in its policy towards China by the principles of peaceful co-existence, we do not doubt that this will not only enable the present tension in the Taiwan area to be removed, but will also create the necessary conditions for reliably strengthening peace in the Far East and throughout the world."

The U.S. Government formally rejected M. Khruschev's Note, which was returned to the Soviet Foreign Ministry on Sept. 21 by the U.S. Embassy in Moscow. A White House statement declared that the Note was "replete with false accusations," was couched in "abusive and intemperate" language, "indulged in personalities," contained "inadmissible threats," and was therefore "unacceptable under established diplomatic practice." A second U.S. statement was issued at the same time, as follows :

"The letter from Chairman Khruschev which the President has rejected dealt with the serious situation that has developed in the area of Taiwan since the Chinese Communists began their armed attack on Aug. 23. Mr. Khruschev demanded that the U.S. Fleet and armed forces should at once withdraw from Taiwan and neighbouring waters and 'go home.' He said that unless this were done, the Chinese Communists, with the support of the Soviet Union, would have no choice except the 'expulsion' of U.S. forces.

"It is tragic that Soviet military despotism should support the use of force to achieve expansionist ends. The U.N. Charter requires that the nations shall settle their disputes by 'peaceful means.' The United States stands ready to do that, and indeed is now seeking a peaceful solution through ambassadorial talks at Warsaw. But it is not easy to negotiate under such threats as the Soviet Union makes We deeply deplore the use of such threats.

"The United States considers the Soviet viewpoint to be grotesque and dangerous. Indeed, only in an 'upside down' world could it be argued that it is 'aggression' when the United States co-operates with a friendly Government purely for defence, but that it is 'peace' for the Soviet Union to pledge its support to the Chinese Communist regime in its effort to acquire by armed force territory over which it has never exercised authority."

The Soviet Government had previously accused the Japanese Government (in a Note of Sept. 16) of giving aid to the U.S.A.'s "provocative action" in the Formosa Straits, and had warned it of the consequences of U.S. use of Japanese territory for "acts of aggression" The Japanese reply (Oct. 2), whilst not denying that U.S. bases in Japan were being used to send men and supplies to Formosa, rejected the Soviet contention that the U.S.A. was engaged in aggression, on the ground that the crisis had originated in the use of armed force by Communist China.

International Discussions in New York.

During the second half of September private discussions on the Far Eastern crisis took place in New York between representatives of the great Powers who were attending the 13th session of the U.N. General Assembly. The British Foreign Secretary, Mr. Selwyn Lloyd, had a two-hour talk on Sept. 23 with the Soviet Foreign Minister, M. Gromyko, and on Sept. 25-26 had further long discussions with Mr. Dulles and Mr. Krishna Menon (the Indian Defence Minister). Mr. Dulles also saw the French Foreign Minister, M. Couve de Murville. On leaving for London on Sept. 26, Mr. Lloyd stated that he was "a little more hopeful of a peaceful settlement."

Addressing the General Assembly on Sept. 25, Mr. Lloyd said that Britain supported the U.S.A. in its wish for a peaceful settlement. He added : "We hope most earnestly that there will be a determination to see that the Warsaw talks reach a satisfactory conclusion. The crisis has been immediately precipitated by large-scale bombardment of Quemoy by Chinese Communist forces. We hope that this resort to force will be terminated, and that the Chinese Nationalist authorities will also abstain from military activities. I believe that the whole international community should join in insisting that this matter should not be settled by force."

Statement by British Government and T.U.C.

In Britain, a delegation from the General Council of the T.U.C., headed by its chairman (Mr. Robert Willis), presented to Mr. Macmillan on Sept. 25 a statement which the Council had issued on the previous day, emphasizing that Britain should not allow herself to become involved in a war in defence of Quemoy. At the end of their talk the following statement was issued from Downing-street summarizing the views of H.M. Government and the T.U.C. :

"The [T.U.C.] deputation . . . emphasized the deep concern of trade unionists in regard to the present position and the possibility of a drift into war, and urged most strongly that it should be made clear that the people of Britain could not allow themselves to become involved in what might turn into a much wider conflagration. They appreciated the extreme difficulty of the situation and thought that it was necessary to reiterate that this was not a matter to be settled by force. They urged that every endeavour should be made by negotiations through the U.N. or alternatively through special procedures which have been adopted in the past to secure discussions for a peaceful settlement.

"The Prime Minister said that the Government's policy in this matter was clear—namely, that the whole international community should join in insisting that this dispute should not be settled by force. In his recent letter to Mr. Gaitskell [see page 16391, second column] he had quoted his own statement at Bromley on Sept. 12 : 'Our American allies have neither sought nor received promises of military support from us in the Formosa area. The fact that we are not militarily involved puts all the greater obligation upon us to help in any way we can, by private consultation and public action, to secure a peaceful solution of these problems.'

"The Prime Minister said that the Foreign Secretary had restated the Government's position in the speech which he made in the U.N. General Assembly [see above]. He pointed out that the Foreign Secretary had taken the opportunity while in New York to have private talks with both the U.S. and Soviet representatives. The Prime Minister said the British Government were willing to help in any other way to secure a settlement of the dispute by diplomatic negotiations. Talks are still continuing in Warsaw, and it is not clear that a discussion in any other forum at this stage would contribute towards a solution.

" Finally, the Prime Minister pointed out to the T.U.C. representatives that, in the interests of preserving peace, private consultations and diplomatic negotiations were preferable to public declarations. We should be careful not to play into the hands of the Communists, whose purpose is always to divide the free world. The Prime Minister said that, in the light of future developments, he would be glad to keep in touch with the T.U C. and to see them again if necessary."

Opposition to Government's Policy inside U.S.A.

Although several prominent Democrats, including ex-President Truman, expressed support for the U.S. Government's policy in the Quemoy crisis, most of the leading members of the party adopted a strongly critical attitude towards it.

Senator Humphrey (a member of the Senate Foreign Relations Committee) appealed on Sept. 24 for a negotiated cease-fire and the withdrawal of the Nationalist forces from Quemoy, declaring that " we have been dragged to the brink of war again for no purpose remotely connected with our national security." **Senator Green** (chairman of the Senate Foreign Relations Committee), who had usually supported the Administration's foreign policy in the past, expressed deep concern in a letter to President Eisenhower on Sept. 29 that " the course of events in the Far East may result in military involvement at the wrong time, in the wrong place, and on issues not of vital concern to our own security, and all this without allies, either in fact or in heart " ; he suggested that " U.S. military involvement in the defence of Quemoy would not command that support of the American people essential to successful military action."

Much disquiet at the Government's policy was also widely expressed in influential newspapers. In a leading article on Sept. 25, the *New York Times* advocated the abandonment of Quemoy and Matsu on the ground that " we have neither strong bipartisan support at home nor moral support from our chief allies to defend these positions, and if we tried to do so we would stand alone against a hostile world opinion." The *Washington Post*, commenting that " opinion is as seriously divided as at any time since the eve of the World War," observed on Sept. 28 that President Eisenhower must be " a little tired of being pushed into these war dances on the brink," and that he should start asking " some searching questions about the dead-end policy that has left him and the country in such an untenable situation."

Modification of U.S. Policy on Quemoy.

At a press conference on Sept 30 Mr. Dulles stated that the U.S. Government regarded the concentration of the Chinese Nationalist forces on Quemoy and Matsu as " rather foolish," and would favour their evacuation if a " reasonably dependable " cease-fire were arranged. He also expressed scepticism about the possibility of the Nationalist Government's recovering control of the Chinese mainland, and emphasized the " flexibility " of U.S. policy.

On the Government's attitude towards the offshore islands, Mr. Dulles said : " The U.S.A. did not feel that it was sound to make the major commitment of force to those areas that the Chinese [Nationalist] Government wished to make. In view, however, of the very strong views of the Republic of China, we were acquiescent in that. We did not attempt to veto it. The result is, I might say, one of acquiescence on the part of the U.S.A., not of approval . . . To withdraw as a retreat under fire would not be a wise step to take because of its probable impact upon other peoples and other countries, and upon morale in Formosa itself. . . . If there were a cease-fire in the area which seemed to be reasonably dependable, I think that it would be foolish to keep these large forces on these islands. We thought that it was rather foolish to put them there and, as I say, if there were a cease-fire it would be our judgment, military judgment even, that it would not be wise or prudent to keep them there. . . . We do not have any legal commitments to defend the offshore islands. We do not want to make any such commitment." Any agreement to renounce the use of force, he emphasized, should be wholly reciprocal, as it would be " obviously impractical and quite wrong to ask the Chinese Communists to abandon the use of force if they were being attacked by the Nationalists."

In reply to questions on the possibility of the Nationalists' returning to the mainland, Mr. Dulles said : " I doubt that just by their own steam they are going to get there." He also pointed out that the U.S.A. was " under no commitment of any kind " to help the Nationalists to return. Even if a revolt on the Hungarian model occurred in China, he added, it would " probably be primarily under local auspices and local leadership; and while outside co-operation and assistance might be sought, it would be hypothetical and problematical as to whether or not it would involve the going-back of Chiang as the head of the Government."

Summing up the situation, Mr. Dulles said . " I feel that there is a slight tendency towards a stabilization of the situation, and I feel on the whole that there is less likelihood of the hostilities intensifying and enlarging than I thought was the case a couple of weeks ago . . . Our policy in these respects is flexible and adapted to the situation that we have to meet. If the situation we have to meet changes, our policies change with it."

At a press conference on the following day President Eisenhower denied suggestions that Mr. Dulles's new attitude could be described as " appeasement." He said that " as a soldier " he believed that it was " not a good thing " to have so many troops on Quemoy and Matsu, which " as of themselves, as two pieces of territory, are not greatly vital to Formosa." He admitted that many of America's allies did not agree with the U.S. Government's policy, adding that he found these differences " puzzling " and " a heavy weight on the mind and spirit."

The change in the Government's policy was welcomed by Democratic spokesmen. Senator Green expressed the view that the Administration's " more realistic approach to the problem " might be attributed to the " widespread public concern lest our position in the Far East has been too aggressive," whilst Senator Humphrey suggested that the common sense of the U.S. people had " pulled the Administration back from the Quemoy brink."

In Formosa, on the other hand, President Chiang Kai-shek said on Oct. 1 that he was " incredulous " at the reports of Mr. Dulles's press conference, and added : " Granted that Mr. Dulles made the statement attributed to him, it would be only a unilateral declaration, and my Government would be under no obligation to keep it." A Nationalist Foreign Ministry spokesman declared on Oct. 2 that the strong garrisons on Quemoy and Matsu were " dictated by military necessity," and that consequently no reduction in their strength could be considered. Mr. Dulles said on the same day that, in reply to inquiries from Mr. Drumwright (U.S. Ambassador in Taipeh), he had sent him a telegram " straightening out " misconceptions in Nationalist circles which gave " an exaggerated idea of the shift of position on our part."

The Warsaw Negotiations.

The talks in Warsaw between the U.S. and Chinese Ambassadors, which had been reopened on Sept. 14, were believed to have reached a position of deadlock by the end of the month, although no official statements were issued. Between the fifth and sixth sessions (held on Sept. 30 and Oct. 4 respectively) Mr. Huang Hua, head of the Western European department of the Chinese Foreign Ministry, arrived in Warsaw from Peking to take part in the discussions.

Mr. Huang Hua, who was educated at Harvard, took part in the Korean armistice negotiations at Panmunjom and in the 1954 Geneva Conference on the Far East. The *Times* commented that his arrival suggested that " his purpose is to sound the American delegation about the implications of the new negotiating position apparently assumed by Mr. Dulles," and that " the general assumption is that he has gone to Warsaw with new instructions."

Temporary Suspension of Bombardments.

The Communist Defence Minister, Marshal Peng Teh-huai, announced in a message to the Nationalists on Oct. 6 that he had ordered the bombardment of the offshore islands to be suspended for seven days, and that supplies might be introduced during this period provided there was no U.S. escort. Marshal Peng also proposed that talks should take place between the Communist Government and the Nationalists to bring about a permanent settlement, whilst the issues between China and the U.S.A. should be solved through the Warsaw negotiations.

Marshal Peng's message was addressed to " all compatriots, military and civilian, in Taiwan, Penghu (the Pescadores), Quemoy, and Matsu " and was worded as follows :

" We are all Chinese. Of all choices, peace is the best. The fighting round Quemoy is of a punitive character. For quite a long time your leaders have been far too rampant. They have ordered aircraft to carry out wanton raids on the mainland, dropping leaflets and secret agents, bombing Foochow, harassing Kiangsu and Chekiang, and reaching as far as Yunnan, Kweichow, Szechwan, the Kaugting area and Chinghai. Can this be tolerated ? Hence the firing of a few shells just to call your attention.

" Taiwan, Penghu, Quemoy, and Matsu are Chinese territory . . . and part of China ; they do not constitute another country. There is only one China, not two. . . .

" The military agreement signed between your leaders and the Americans is unilateral ; we do not recognize it. It should be abrogated. The day will certainly come when the Americans will abandon you . . . The clue is already there in the statement made by Dulles on Sept. 30. Placed in such circumstances, do you not feel wary ? . . .

" It is hard for the 130,000 troops and civilians in Quemoy to stand for long the lack of supplies and the pestering hunger and cold. Out of humanitarian considerations, I have ordered the bombardment to be suspended for seven days starting from Oct. 6. Within this period you will be free to ship in supplies on condition that there is no American escort.

" The war between you and us has been going on for 30 years . . . We propose that talks be held to effect a peaceful settlement. You were notified of this by Premier Chou En-lai several years ago. This is an internal Chinese matter between you and us, not a matter between China and the United States. The issue between China and the United States is the U.S. invasion and occupation of Taiwan, Penghu, and the Taiwan Straits. This should be settled through the negotiations now being held in Warsaw.

"The Americans are bound to go; they have to go. For the United States, the quicker they go the better, because in this way they can keep the initiative. Otherwise they will be always on the defensive. Why should a country in the Eastern Pacific have come to the Western Pacific? The Western Pacific belongs to the people in this region, just as the Eastern Pacific belongs to the people over there. This is common sense.... There is no war between the People's Republic of China and the United States, and so the question of a cease-fire does not arise.

"Friends in Taiwan, there are flames of war between us. They should be stopped and extinguished. To achieve this, talks are needed. Of course, it would not matter so much even if the fighting should continue for another 30 years. But it is better to secure an early peaceful settlement. The choice is up to you."

A Nationalist Government spokesman denounced the Communist statement as part of a "diabolical peace offensive," but stated that the Nationalist forces would fire only in self-defence. Mr. Herter (acting Secretary of State during Mr. Dulles's absence on holiday) welcomed the suspension of the bombardment as an apparent "move in the direction of a cease-fire," and expressed the hope that it foreshadowed "a permanent cessation of their armed attack." The State Department announced on Oct. 8 that U.S. warships had stopped escorting Nationalist convoys, but would resume escort activity if the bombardment began again.

An engagement between Communist and Nationalist aircraft, of which the two sides gave widely differing versions, occurred on Oct. 10; the Communist Government claimed that three *Sabres* had been shot down over Fukien province, whilst the Nationalists claimed that five Mig-17's had been destroyed near Matsu for the loss of one *Sabre*. Following consultations between the Nationalist and U.S. Governments, the Nationalist Defence Ministry announced on Oct. 16 that it had stopped reconnaissance flights over the Chinese mainland but would continue such flights along the coast.

On the expiry of the seven days' suspension of the bombardment, the Communist Defence Ministry issued on Oct. 13 an order extending it for a further two weeks.

The order explained that the shelling had been suspended "so as to see what the opposite side is going to do and to enable our compatriots on Quemoy, both military and civilian, to get sufficient supplies, including food and military equipment, to strengthen their entrenchment . . ." It added: "Among the Chinese in Taiwan, Penghu, Quemoy, and Matsu, the majority are patriots and only a few are traitors. Therefore political work must be done to enable the great majority of the Chinese over there to wake up gradually and to isolate the handful of traitors . . . So long as the Kuomintang in Taiwan has not yet entered into peaceful negotiations with us and a reasonable solution has not been worked out, the civil war continues." The order concluded by saying that if the Americans resumed escort operations in the Quemoy area, shelling would be resumed immediately.

At a press conference on Oct. 14 Mr. Dulles said that the continued suspension of the bombardment was not the "dependable cease-fire" to which he had referred on Sept. 30; he also said that the U.S. Government had "no plans whatsoever" for urging President Chiang Kai-shek to reduce the strength of his forces on Quemoy.

After stating that the U.S. Government had no policy on the reduction of the offshore islands' garrison, Mr. Dulles continued: "It is primarily a matter for the Republic of China to decide. I have made no secret of the fact that over the past the U.S.A. has been inclined to feel that the troops there were excessive for the needs of the situation, and that view we still hold. But the Republic of China holds its views and, after all, it is its territory that is primarily involved . . . The question is whether, given the number of forces that are there, it is more effective to have them in their present numbers on Quemoy and Matsu or to have a greater number on Formosa, which would give greater flexibility and greater range of action under certain contingencies . . . It is a military problem of the disposition of forces . . . We are not in favour of turning over these islands to the Chinese Communists. After all, there are 45,000 civilians on Quemoy alone who would have to be turned over and who don't want to be turned over. We are not in the business of giving away people . . ."

Mr. McElroy, the U.S. Secretary of Defence, visited Formosa on Oct. 12-14 for discussions with President Chiang Kai-shek. He denied reports that the object of his visit was to persuade the Nationalists to agree to a reduction of their garrisons, and stated that the U.S. forces in the area might remain there for some time, whether the cease-fire were extended or not. He also said that U.S. warships might resume escorting convoys if it were "militarily necessary."

Resumption of Quemoy Bombardments.

On Oct. 20 Marshal Peng Teh-huai suddenly issued an order cancelling the cease-fire, on the ground that U.S. escort vessels had allegedly entered Chinese territorial waters. Shelling was accordingly resumed on the same day. Marshal Peng's statement was worded as follows:

"The order for our Army to suspend the shelling of Quemoy is hereby declared invalid, since the Taiwan authorities have introduced American military escorts to the sea area of Quemoy from the night of Oct. 19 to the morning of the following day. Our Army has twice suspended the bombardment, yet the Taiwan authorities have persisted in their obstinate attitude, refused to hold peace talks, stepped up war preparations, and loudly clamoured for a come-back on the mainland. And now on the eve of the arrival in Taiwan of Dulles, whom they have invited to plan the further implementation of the U.S.-Chiang 'treaty,' they introduced U.S. naval vessels to provide an escort for as long as five hours. This is an open violation of the condition for our temporary suspension of shelling . . . Shelling must therefore be resumed as a measure of punishment . . ."

On the same day the Foreign Ministry in Peking issued a protest (its 57th) against the alleged intrusion by U.S. warships into Chinese territorial waters, stating that a U.S. landing-ship dock and three destroyers had intruded into the Quemoy area. The U.S. Formosa Defence Command categorically denied that American warships had escorted Nationalist supply ships to Quemoy or had entered Chinese territorial waters at any time, though it agreed that a landing-ship dock was off Quemoy.

Two main factors were believed to have influenced the Peking Government's decision to resume the bombardment: (1) The attitude adopted by Mr. Dulles at his press conference on Oct. 14, which was regarded as an indication that he was less prepared to make concessions than he had been on Sept. 30, and which was interpreted by the Peking *People's Daily* as proving that the U.S. demand for a cease-fire was "merely designed to secure an opportunity for military deployment under the cover of political bargaining." (2) A Formosa announcement (Oct. 17) that the U.S.A. would supply the Nationalists with *Nike-Hercules* missiles and train Nationalist troops in their use.

In a further declaration issued on Oct. 25, and addressed to the population of Formosa and the offshore islands, Marshal Peng Teh-huai announced that he had ordered his artillery not to shell Quemoy airfield and the wharf, beach, and ships on even dates, "so that compatriots, both military and civilian, on the islands of Quemoy, Little Quemoy, Tatan, Ertan, and others may all get sufficient supplies, including food, fuel, and military equipment, to facilitate your entrenchment for a long time to come." Marshal Peng added: "If there is a lack of anything, just say so and we will give it to you. It is time now to turn from foe into friend . . . Our refraining from shelling the airfield, the wharf, the beach, and the ships is still conditional on not introducing American escorts."

During the following week shelling was light and sporadic, and on Nov. 2 ceased entirely; as promised by Marshal Peng, shells were fired on odd dates only and not on even ones. On Nov. 3, however, over 36,000 shells were fired at the Quemoy islands after Peking Radio had broadcast a warning to the population to remain under cover.

Mr. Dulles's Visit to Formosa. - Discussions with President Chiang Kai-shek. - Joint Communiqué.

Mr. Dulles flew to Formosa for talks with President Chiang Kai-shek at Taipeh on Oct. 21-23.

A joint communiqué issued at the conclusion of the talks stated that "the two Governments reaffirmed their solidarity in face of the new Chinese Communist aggression now manifesting itself in the bombardment of the Quemoys. This aggression and the accompanying Chinese Communist propaganda have not divided them, as the Communists had hoped. On the contrary, it has drawn them closer together."

The communiqué also stated (*a*) that "under present conditions the defence of the Quemoys and Matsu is closely related to the defence of Taiwan and Penghu"; (*b*) that, because of the resumption of the bombardment, Mr. Dulles and President Chiang had dealt largely with the military aspects of the situation and had not been able, as they had hoped, to give primary consideration to "measures which would have contributed to stabilizing an actual situation of non-militancy"; (*c*) that the U.S. Government had reaffirmed that it considered the Nationalist Government as the "authentic spokesman for free China"; and (*d*) that the Nationalist Government had stated that its "sacred mission" of restoring freedom to the mainland Chinese should be carried out, not by force, but by giving effect to Dr. Sun Yat-sen's three principles of nationalism, democracy, and social well-being.

Commenting on a reported statement by General Chen Cheng that the Nationalists might attack the mainland if the Communists attacked the offshore islands, a State Department spokesman said on Oct. 31 that such statements were not inconsistent with the Nationalist Government's assurances that "the principal means of carrying out that Government's mission of restoring freedom to its citizens on the mainland will be peaceful." He added: This, of course, does not preclude the use of force for self-defence or in case of a large-scale uprising on the mainland. We understand it to mean that the Republic of China will not itself initiate war to re-establish its authority on the mainland."—(New York Times - New York Herald Tribune - Times - Daily Telegraph - Manchester Guardian) **(16387 A.)**

A. BURMA. — Resignation of U Nu. - Government formed by General Ne Win. - Withdrawal of Amnesty Offer to Rebels.

The Burmese Premier, U Nu, announced in a broadcast on Sept. 26 that a recent tour of Upper Burma had convinced him that it would be impossible to hold free and fair elections in November, as the Government had intended, and that he had therefore invited General Ne Win (the Chief of Staff of the Burmese Army) to form a Government which would make arrangements for holding free elections before April 30, 1959. In a letter to the General published on the same day, U Nu said that he would advise President Win Maung to summon Parliament on Oct. 28, when he would resign the Premiership and recommend General Ne Win as his successor. He asked the General to form an interim Cabinet containing no political personalities, to ensure that no members of the armed forces dabbled in party politics, and to put down firmly the political persecution and serious crimes for which members of the Army had been responsible in some districts. In his reply, General Ne Win agreed to form a non-political government and undertook to restore internal peace without permitting the Army to resort to violence ; he also pledged himself to maintain Burma's neutral foreign policy.

The exact course of events leading up to U Nu's announcement remained obscure, although some details were given in a statement by U Nu on Oct. 26. Relations between the Army and the pro-Government section of the Anti-Fascist People's Freedom League (AFPFL) had become strained during the summer, largely because the Army leaders resented the Government's conciliatory attitude towards the Communist and other rebels. Army spokesmen strongly opposed an offer by the Communist rebels to surrender if their armed forces were integrated into the Army, and alleged that the People's Comrade Party (formerly the People's Volunteer Organization), which surrendered in August, had handed over only 700 of the 3,000 weapons in its possession. Although General Ne Win himself took no part in politics, some of his immediate subordinates were known to sympathize with the Opposition section of the AFPFL led by U Ba Swe and U Kyaw Nyein, which feared that if elections were held in November U Nu would be returned to office at the head of a Government dependent on extreme left-wing support.

The tension between the pro-Government section of the AFPFL and the Army became intensified during the first three weeks of September. At a conference of Government supporters held at the beginning of the month, several members of Parliament openly accused the Army of interfering in politics in certain districts in support of the Opposition AFPFL, to which the Army commanders in those districts retaliated by launching a propaganda campaign against the Government.

According to U Nu's statement of Oct. 26, the Home Minister (Bo Min Gaung) had announced at a Cabinet meeting on Sept. 22 that a military *coup* was being planned for the same night. Although General Ne Win denied all knowledge of the alleged conspiracy, Colonel Maung Maung (the director of the military academy) informed the Prime Minister that Army units had been alerted on receiving information that members of the People's Comrade Party had plotted to take up arms again, occupy key positions, murder U Nu, General Ne Win, and other Army leaders, and disband the Army. On Sept. 23 a staff officer, Colonel Aung Gyi, reported on his return from a tour of inspection that Army units had become alarmed at rumours that the AFPFL had been " converted to Communism," and that, despite their leaders' efforts to control them, there was a possibility of outbursts at any moment.

Coinciding with these developments, Army units took security precautions in Mandalay, Insein (nine miles north of Rangoon), and other leading towns, culminating in the occupation of key points in Rangoon during the night of Sept. 25-26. In the capital troops searched all vehicles for arms, while strong guards were posted at police supply depots, the Insein headquarters of the Criminal Investigation Department, the headquarters of the pro-Government section of the AFPFL, and Mingaladon airport.

The Cabinet decided on Sept. 25 to offer the Premiership to General Ne Win, after obtaining the approval of U Ba Swe and U Kyaw Nyein for this decision. In an Order of the Day issued on Sept. 27 General Ne Win stated that he had accepted U Nu's invitation because of the " serious unrest " in the country ; he emphasized that power had been given to him in his personal capacity and not to the Army, that his Cabinet would be civilian and not military, and that it would be based on parliamentary approval ; at the same time he called on his troops to maintain strict discipline and stay out of politics

U Nu formally tendered his resignation when the Chamber of Deputies met on Oct. 28, and nominated General Ne Win with the support of the Opposition section of the AFPFL. The left-wing National United Front, which had supported U Nu since the split in the AFPFL, protested against the nomination of General Ne Win but refrained from putting forward a rival candidate. The new Cabinet was sworn in on Oct. 29, its membership being as follows :

General Ne Win	Prime Minister and Defence.
U Thein Maung	Deputy Premier, Foreign Affairs, Religious Affairs, Health, and Social Services.
U Khin Maung Hpyu	Home Affairs, Information, Local Administration, Immigration, and National Registration.
U Chan Htun Aung	Justice.
U Kyaw Nyein	Finance and Revenue.
U Ba Kyar	Trade Development, Co-operatives, and Supplies.
U San Nyunt	Transport and Communications, Public Works, and Housing.
U Kar	Education, Agriculture and Forests, and Land Nationalization.
U Chit Thaung	Industry, Mines, and Labour.
Sao Wunna	Minister for Kayah State.

No Ministers were appointed for the Karen, Kachin, and Shan States and the Chin Special Division, as the respective State Councils had not yet made their nominations.

U Thein Maung is a former Chief Justice ; U Khin Maung Hpyu a senior civil servant, U Chan Htun Aung is Chief Justice of the High Court ; U Kyaw Nyein (not to be confused with the Opposition AFPFL leader of the same name) is chairman of the Union Bank ; U Ba Kyar is a former judge ; U San Nyunt is a former Elections Commissioner ; U Kar is a mathematics lecturer at Rangoon University ; and U Chit Thaung is a Government chemical examiner. General Ne Win (48) is the youngest member of the Cabinet.

In a policy statement to the Chamber on Oct. 31, General Ne Win said that the restoration of internal peace was not a question of parleying with the rebels or granting them an amnesty, which he described as " just wishful thinking," but of reasserting the Government's authority. The split in the AFPFL, which had caused a failure of the administrative machinery as the insurrection had done in 1948-49, had halted the Communists' intention to " come into the light " ; the People's Comrade Party had " come into the legal fold " to create disturbances, and the Karen National Defence Organization had shifted its headquarters in the Irrawaddy delta to the Insein area. General Ne Win said that his Government would take " drastic steps " to deal not only with the rebel forces but also with black marketeers, profiteers, and " economic insurgents " who had contributed to Burma's instability.

U Nu had previously announced on Oct. 14 that he had recommended the President to withdraw the amnesty offered to the insurgents from Oct. 31, as no further surrenders could be expected, and as he wished to free General Ne Win's hands in dealing with the problem. According to Government sources, a total of 4,373 insurgents surrendered between July 26 and Oct. 11 ; they included nearly 2,000 members of the People's Comrade Party, 1,260 of the Mon United Front, about 600 " White Flag " Communists, and about 200 of the Arakanese Communists who had defected from the " White Flag " faction, in addition to smaller numbers of Karens, " Red Flag " Communists, and other groups. - (Times - Daily Telegraph - Manchester Guardian - New York Times) **(16393 A.)**

B. UNITED KINGDOM. — B.B.C. - New Controller of Third Programme.

Mr. Percy Howard Newby, the novelist and critic, was appointed Controller of the B.B.C. Third Programme on Nov. 3 in succession to Mr. John Morris, who is retiring at the end of the month after holding the post for six years. Mr. Newby was a lecturer in English at Cairo University from 1942-46, and joined the B.B.C. as a talks producer in 1949. (Times) **(Prev. rep. B.B.C., 15912 A.)**

C. AVIATION. — K.L.M. Transpolar Service.

A weekly service from Amsterdam to Tokio over the North Pole was inaugurated by Royal Dutch Airlines (K.L.M.) on Nov. 3, when over 50 passengers were carried on the inaugural flight. From Tokio the service continues to Biak, in Dutch New Guinea, where it will link up with an existing weekly K.L.M. flight from Biak to Amsterdam via India and the Middle East. (Netherlands News Agency) **(Prev. rep. 16127 A ; 15794 A.)**

D. SPAIN - UNITED STATES. — Student Exchanges.

An agreement was signed in Madrid on Oct. 16 under the U.S. " Fulbright Act " whereby 60 scholarships a year will be provided for Spanish students for graduate study and research in the United States, while 40 scholarships a year will be available to American students for study in Spain. (New York Times) **(Prev. rep. 16424 D.)**

A. RUMANIA. — Increased Penalties for Political Offences and Corruption. - Political Trials. - Purge of Rumanian Workers' Party. - Measures against Foreign Residents. - British Protest to Rumania.

The Rumanian Government issued during 1957-58 a series of decrees sharply increasing the severity of the penalties for offences against the security of the State and corruption or embezzlement in the nationalized industries.

In October 1957 theft of public property "of a particularly grave nature" was made a capital offence, and the total or partial confiscation of the property of persons convicted of endangering the security of the State was made obligatory. [Previously wilful murder had been the only non-political crime punishable with death, and confiscation of property had been obligatory only in cases of treason, insurrection, and espionage.] The extension of the death penalty was approved by the National Assembly only a week after the State Control Committee had announced that disciplinary proceedings had been taken against many high officials of the Ministry of Heavy Industry, the State Planning Office, and the Investments Bank, who had been found guilty of embezzlement and other abuses on a "colossal" scale in connexion with the building of a power station.

On Aug. 8, 1958, the Presidium of the National Assembly issued decrees imposing the death penalty for all offences coming under the headings of high treason, sabotage, illegal possession of arms, and counter-revolutionary activity; for embezzlement of sums exceeding 100,000 lei (about £3,000); and for repeated embezzlement of smaller sums. A new decree was subsequently issued in October amending the penal code, under which acts "which could cause the Rumanian State to become involved in a declaration of neutrality or in a declaration of war" were made a capital offence. The maximum term of imprisonment for violence and threats against officials was raised from five to 20 years; for distributing publications directly harmful to State security from 10 to 12 years; for distributing other illegal publications from two to seven years; and for spreading false news "of a kind to disturb the peace" from six months to five years. Failure to return from assignments abroad, or to denounce other persons who attempted to flee abroad, were also made punishable offences. The penalties prescribed in the decree were made applicable to crimes committed in Rumania against other Communist States or against the "interests of the workers in any other country."

The following three main reasons were suggested in Western newspapers for the severity of the penalties laid down: (1) The prevalence of embezzlement and corruption inside State enterprises, which was believed to have caused serious damage to the national economy. (2) The need to ensure that the withdrawal of Soviet forces from Rumania did not weaken the régime. (3) The intensification of the campaign against "revisionism" in the Communist countries raised by the controversy between the Soviet Union and Yugoslavia.

Numerous arrests were made during the summer of 1958 on political and economic charges. At the same time a vigorous press campaign was conducted against corruption; many officials were dismissed for embezzlement or inefficiency, including directors of factories and other enterprises and employees of the Ministries of Agriculture, Commerce, Transport, and Communications; and the courts were officially instructed to regard corruption and embezzlement as "counter-revolutionary activity" and to use their powers to impose the death penalty. It was announced in July that a man had been executed for stealing government property.

A number of political trials took place during the summer. In July eight Rumanians of Hungarian origin were sentenced to death at Timisoara (Transylvania) after a secret trial, and 44 others to terms of imprisonment ranging from five years to life, for "separatist plotting" at the time of the Hungarian revolt. [Transylvania, which borders on Hungary and Yugoslavia, had been the main centre of "revisionism" in Rumania; at Cluj, the capital of the province, university students demonstrated in 1956 against the Soviet intervention in Hungary, and as late as August 1958 *Scanteia*, the official organ of the Rumanian Workers' Party, found it necessary to attack the Cluj newspaper *Faklia* for contending that "dogmatism" and "sectarianism" represented a greater danger than "revisionism."] Two leading members of the former Liberal Party, M. Bentoiu (a former Minister of Justice, who had been released earlier in the year after 10 years in an internment camp) and M. Aznavorian (a prominent Bucharest lawyer) were reported to have been tried in August with 13 other defendants for crimes against the State, and to have received sentences of 25 years' imprisonment.

At a five-day session held in June, the Central Committee of the Rumanian Workers' Party expelled two of its members (M. Constantin Doncea and M. Jacob Kocovianu) from the party for "anti-party activities," removed two others (M. Vasile Kristake and Mme. Iliana Raceanu) from the committee, and reprimanded several more of its members. Orders were issued for the enforcement of "iron discipline" inside the party against "destructive and anarchist elements," and regional party secretaries were urged to increase resistance to "alien ideological demonstrations."

The purge thus inaugurated was extended to cover all aspects of the national life. Officers and n.c.o.'s were dismissed from the Army as "reactionaries"; "comradely courts" were set up in State enterprises with powers to punish employees with fines or dismissal for breaches of discipline at work, causing damage to public property, or "violating the individual integrity of other workers"; whilst professional workers and those engaged in the arts and sciences were subjected to particularly heavy pressure—scientists and philosophers being censured for falling under the influence of "idealistic trends," artists for "Western liberalism," and theatre managers for including "worthless" Western plays in the repertory. Three leading actors were expelled from the Rumanian Workers' Party and declared "enemies of the working class." Even the field of sport was affected by the purge, about 50 well-known players, trainers and referees being expelled from the Rumanian Football Association for alleged corruption and idleness or on ideological grounds.

Hundreds of foreign nationals resident in Rumania were ordered by the police during the summer either to become Rumanian citizens or to leave the country at short notice. The majority of those involved were Greeks and Italians, although smaller numbers of Turks, Swiss, Austrians, Frenchmen, and others were also affected. The British Legation in Bucharest protested on Sept. 11 against the treatment of two elderly widows who had renounced their British nationality under such circumstances; one was aged 91 and was unable to leave her room, whilst the other was an invalid.

In reply the Rumanian Foreign Ministry stated that it was not their intention to force foreign residents to take Rumanian nationality or to leave the country, and that the police had simply been verifying the status of certain foreigners. On Sept. 20 the British Minister presented a formal Note of protest asking that the action taken against the two ladies should be annulled, and that written assurances should be given that they were not regarded as having relinquished their British nationality. This protest was rejected by the Vice-Minister for Foreign Affairs, M. Lazareanu, who repeated the assurance given on Sept 11. A subsequent British Foreign Office statement said that as this assurance "appeared to be at variance with the facts," the British Minister had renewed his protest.

Similar protests were lodged by the French and Greek Governments.—(Agerpres, Bucharest - Times - Le Monde, Paris)

(Prev. rep. Rumanian Workers' Party, 15660 A.)

B. AUSTRALIA. — Uranium Production. - Opening of Mary Kathleen Mine and Township.

Australia's biggest uranium project, the Mary Kathleen uranium mine in north-west Queensland, was officially opened on Oct. 27 by the Federal Prime Minister, Mr. Menzies, in the presence of Lord Carrington, the U.K. High Commissioner, and Mr. Nicklin, the Premier of Queensland.

The uranium deposits were discovered by a group of private prospectors in July 1954 in a barren area 40 miles equidistant from Cloncurry to the west and Mount Isa to the east. In 1955 the Rio Tinto Company of London undertook to raise the necessary capital and to be responsible for the management of the project, whilst in March 1956 an agreement was concluded for the supply to the U.K. Atomic Energy Authority of the first 4,500 tons of uranium oxide to be produced, at a cost of £A40,000,000 (£32,000,000 sterling). Within 27 months a dam was built across the nearby Corella River to provide an all-the-year-round water supply; opencast mining was begun; a uranium treatment plant was built and 250,000 tons of uranium ore stockpiled; and a new model township was built. The township, known as Mary Kathleen, has some 1,200 inhabitants; it possesses a hospital, churches, school, community centre, and recreational facilities.

Ore treatment in the uranium mill began on June 3, 1958; the first uranium oxide was produced on June 19; and on the day of the official opening (Oct. 27) the first shipment of uranium concentrate was loaded in Brisbane for transport to Britain, nearly six months ahead of schedule.

A total amount of £A12,500,000 (£10,000,000 sterling) was spent on the construction of the mine and township by Mary Kathleen Uranium Ltd., the company working the project. Of the share capital of Mary Kathleen Uranium Ltd., 51 per cent is held by the Rio Tinto Mining Company of Australia Pty. Ltd. (a subsidiary of Rio Tinto); 35 per cent by Australasian Oil Exploration Ltd. (an Australian-owned company); 9 per cent by a syndicate representing the original prospectors; and 5 per cent by associates of Rio Tinto. (Australian News and Information Bureau - Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. 14102 A; 14744 D.)

C. UNITED STATES. — Population Increase.

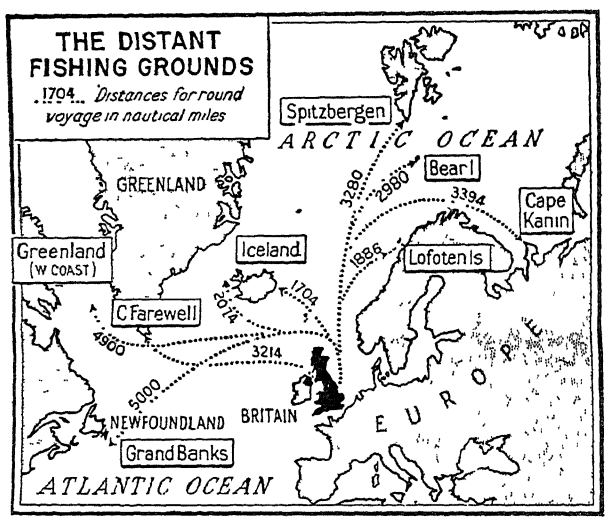
The population of the United States reached 175,000,000 on Oct. 16, when the figure was registered on the Census Bureau's electric chart which records changes in the country's population on a minute-by-minute basis (see 15423 B). It was pointed out that it had taken 17 years for the population to climb from 125,000,000 to 150,000,000, whereas it had taken only 8½ years to climb by another 25,000,000 to 175,000,000.

(New York Times) **(Prev. rep. 15423 B.)**

A. ICELAND. — Fisheries Dispute with Britain and Continental Countries. - British Refusal to recognize Icelandic Claim to 12-mile Territorial Limit. - Naval Support for British Trawlers.

A protracted fisheries dispute between the United Kingdom and Iceland developed during the summer of 1958 after an announcement by the Icelandic Government on May 25 that it had decided to claim a 12-mile belt around the island as "territorial waters" and to forbid British and other foreign trawlers to fish there after Sept. 1. This announcement followed the failure of the Geneva Conference on the Law of the Sea to find an agreed solution for the definition of the width of territorial waters and the contiguous zone (see 16411 A).

The British Government immediately notified Iceland that it did not recognize this "unilateral extension of territorial waters" and could not agree to the proposed exclusion of British trawlers from grounds in which they had habitually fished for very many years. It would therefore regard it as its duty to "prevent any unlawful attempts to interfere with British fishing vessels on the high seas," but was still prepared to discuss with Iceland conservation or other measures intended to protect her legitimate interests. All attempts by Britain and other NATO countries to negotiate a settlement of the dispute having failed, British trawlers continued to fish within the new 12-mile zone after Sept. 1, and were supported by ships of the Fishery Protection Squadron of the Royal Navy.



The map shows the North Atlantic fishing grounds used by the British fishing fleet. Reproduced from *The Economist*: source—British Trawler Owners' Federation.

The course of the dispute is summarized below:

Origins of the Dispute.

The dispute dated from early in 1958, when the Icelandic Minister of Fisheries (Hr. Ludvik Josepsson) was reported as saying that Iceland would extend the width of her territorial sea from the existing four miles to 12, "irrespective of the results of the U.N. Conference on the Law of the Sea." Hr. Josepsson, a Communist, urged that the new limits should be proclaimed immediately, whereas the Social Democratic Ministers favoured delay in introducing them. Eventually, on May 25, a Cabinet crisis was avoided by a compromise solution under which the new limits would be proclaimed by decree on June 30 but would not come into effect until Sept. 1.

Hr. Jonasson, the Icelandic Premier, accordingly announced on June 2 that his Government had approved plans to extend the width of Iceland's territorial waters to 12 miles from Sept. 1. Within this zone foreign trawlers would be forbidden to fish, but Icelandic vessels might trawl therein provided they remained outside the former four-mile limit. The decree—to be promulgated on June 30—would also reserve Iceland's right to alter the base lines from which her fishery limits were measured.

British Reactions to Icelandic Decision.

The British Government informed the Icelandic Government on June 4 that it would "not be able to accept the proposed decree, if issued, as of any effect in law," and would seek to prevent "any unlawful attempt to interfere with British fishing vessels on the high seas." The British declaration was worded as follows:

"H.M. Government have noted with surprise and regret the disregard, both in the Icelandic Prime Minister's broadcast and in the official statement, of the long-established rights of other nations to fish in the high seas around Iceland.

"In an *aide-mémoire* dated May 25, 1958, H.M. Ambassador . . . pointed out to the Icelandic Government that if the proposed decree were issued, it could not and would not in law in any way restrict the rights of other nations on the high seas, nor could it lawfully prohibit fishing by other nations in areas which have long been regarded as part of the high seas.

"H.M. Government accordingly will not be able to accept the proposed decree, if issued, as of any effect in law. Claims to exercise exclusive jurisdiction in relation to fishing in areas outside the normal limits of territorial waters are wholly unwarranted under international law. Further, H.M. Government will not be able to recognize base lines beyond those permitted by international law.

"H.M. Government find it difficult to believe that the Icelandic Government would use force against British fishing vessels in order to secure compliance with a unilateral decree which the parties of the Government coalition propose to issue without regard for international law. At the same time, H.M. Government must point out that it would be their duty to prevent any unlawful attempt to interfere with British fishing vessels on the high seas.

"While one nation or a number of nations cannot by themselves alter international law, it is of course open to nations to enter into bilateral or multilateral agreements waiving or restricting in specified areas some or all of the rights which they now enjoy under the law of the sea. H.M. Government and a number of other friendly Governments have done their utmost to persuade the Icelandic Government to abstain from unilateral action and to enter into discussions with a view to the negotiation of an appropriate fisheries agreement.

"H.M. Government are aware of the importance of fisheries to Iceland. Fisheries are also of great importance to the United Kingdom. H.M. Government adhere to the view that through negotiation it should be possible to conclude an acceptable agreement. For that reason, before the announcement of the Icelandic Government's intention, H.M. Government informed the Icelandic Government that they were prepared to enter into negotiations for this purpose. H.M Government are still prepared to enter into such negotiations in the spirit of good will which they showed during the Geneva Conference on the Law of the Sea. They hope that the Icelandic Government will agree that negotiation is in every respect preferable to unilateral action, and that the period before Sept. 1 should be used to negotiate a lasting solution acceptable to all concerned."

The situation likely to arise out of Iceland's unilateral decision to extend her territorial waters was discussed at a meeting in London on June 5 between representatives of the British Trawler Owners' Federation and Mr. John Hare, the Minister of Agriculture, Fisheries, and Food. A joint statement said that the trawler owners had "noted that their grave concern was fully shared by H.M. Government"; had expressed their "full support" for the "firm stand taken against the Icelandic claims"; and had "taken particular note of the attitude of H.M. Government against any illegal use of force against British vessels on the high seas."

Mr. Hare stated in the House of Commons on June 18 that the effect of the Icelandic decision on the British fishing industry would be "very serious," with "heavy losses in catches and economic dislocation of the distant water fleet." He added that it was estimated that 40-50 per cent of the British catch around Iceland and the Faroes, or about 13 per cent of the total British catch from all waters, was taken from within the proposed 12-mile limit.

Continental Reactions.

The Icelandic decision also aroused strong protests from a number of European continental countries interested in the North Atlantic fisheries.

The **French** Government announced on June 3 that it would not recognize the Icelandic decree; the **Netherlands** expressed "deep regret" at Iceland's decision on the same day; and the **Belgian** Government sent a Note to Iceland on June 5 protesting against her "regrettable decision" and intimating that Belgium would consult with other interested countries with fishing interests on the line to be taken. The **Danish** Premier and Foreign Minister, Hr. H. C. Hansen, announced on June 6 that Denmark had suggested to NATO countries the calling of a regional conference to examine the whole question of fishing rights off Iceland, Greenland, and the Faroe Islands. On the same day the **Norwegian** Minister of Fisheries, Hr. Nils Lysø, stressed in the Storting that the extension of Icelandic territorial waters would "undoubtedly have detrimental consequences for Norwegian fishermen," who would be excluded from waters in which they had traditionally fished; Hr. Lysø later pointed out that the proposal might lead Norwegian fishermen to press for a corresponding extension of Norway's territorial waters to 12 miles. The **German** Federal Government sent a protest Note to Iceland on June 12, and on July 10 the **Swedish** Government also protested to Iceland, describing the proposed extension of territorial waters as "a violation of the law of the high seas" and urging the calling of a multi-national conference to discuss the matter.

The **Soviet** Government newspaper *Izvestia*, on the other hand, expressed the view that Iceland's decision was "perfectly lawful,"

International Conferences of Fishery Interests.

Representatives of the fishing industries of seven Western European countries—Belgium, Britain, Denmark, France, Western Germany, the Netherlands, and Spain—met at The Hague on July 14 at the suggestion of the West German industry. After passing a resolution describing Iceland's proposed action as "a clear offence against international law," the meeting decided to continue fishing in Icelandic waters up to the four-mile limit, as hitherto.

A statement issued on July 21 stressed (1) that "several countries" had fished off the coast of Iceland since the 15th century, and therefore had "much older historic rights than the Icelanders in these waters", (2) that modern trawler-fishing in Icelandic waters was not founded by Iceland but by other countries at the end of the 19th century; (3) that Iceland herself had not begun fishing by steam trawlers in the waters concerned until just before the First World War. Iceland's claim to a 12-mile limit (the statement went on) was therefore "without foundation." Nor could the claim be justified on the grounds of over-fishing, since in that case Iceland would have to forbid her own trawlers to fish inside the limit, just as she had already prohibited all trawlers, including her own, from fishing inside the existing four-mile limit. Nevertheless, the fishing associations of the countries represented were ready to negotiate "amicable agreements" with Iceland on conservation measures.

The Icelandic newspaper *Timinn* (organ of the Social Democratic Party) claimed in a leading article on July 22 that the importance of the Icelandic fisheries to Britain and other countries was "negligible" when compared with their importance to Iceland herself. The annual British catch between 1952 and 1955, it was stated, averaged 10 lb. per person in Britain, and two-thirds of this amount was caught outside the 12-mile limit. Other countries' vessels "fished even less," whereas the Icelandic catch averaged over 2½ tons a year per head of population.

The probable consequences of the Icelandic decision were also considered at a special Scandinavian fishery congress held on Aug. 13-15 at Middelfart, on the Danish island of Funen. Strong protests against the unilateral extension of territorial waters were voiced by the Swedish representatives, but the representatives of Denmark and Norway (which in principle supported a 12-mile territorial limit for Iceland) urged that the question should be settled by international agreement. The Icelandic representative claimed, however, that Iceland had tried unsuccessfully to negotiate on the matter for 10 years, and said that she now felt that she had "waited long enough" and must move to protect her vital interests.

British Trawlers' Decision to fish within 12-mile Limit under Naval Protection. - NATO Discussions.

The British Trawler Owners' Federation stressed on Aug. 15 that their members were "fully determined" to continue fishing within the new 12-mile limit after Aug. 31. It was intended that on Sept. 1 about 100 trawlers should assemble on the 12-mile limit in three "packs," each pack having its own naval protection ship. At dawn the trawlers, which would be unarmed, would cross the 12-mile and fish right up to the former four-mile limit. Skippers would have Government instructions as to what they should do "in the regrettable event of any attempt by Iceland to interfere with their legal and traditional rights in the area."

This announcement was followed on Aug. 16 by a declaration by Hr. Josepsson that any attempt by the Royal Navy to support British fishing vessels in penetrating the 12-mile limit would be considered "an attack on Iceland." He added that Iceland would not bring the territorial waters issue before NATO as it "would not be a NATO matter," but would be willing to participate in "an international conference on the same level as the recent Law of the Sea Conference at Geneva."

[Hr. Josepsson's statement was made in Copenhagen on his way home from Moscow, where he had negotiated with the Soviet Government a £1,000,000 loan to be repaid in fish exports, and had also arranged for a 5,000-ton increase in the U.S.S.R.'s purchases of salt herrings from Iceland in 1958, making 20,000 tons in all. On Aug. 24, the Soviet Foreign Ministry informed Iceland that Russian trawlers had been instructed to "observe strictly" the Icelandic 12-mile limit.]

Meanwhile fishery experts of NATO countries had met in Paris to try to find a solution to the dispute. Although the discussions were private, it was suggested in the Press that M. Spaak (the Secretary-General of NATO) had proposed that instead of extending her territorial waters unconditionally, Iceland should restrict fishing within 12 miles of her coasts. It was officially stated on Aug. 29, however, that the conversations had been unsuccessful. Hr. Jonasson stressed on the same day that Iceland could not accept any compromise solution, and that Icelandic trawlers had been forbidden to fish in the main breeding grounds within the 12-mile limit.

Following a Cabinet meeting on Aug. 27 to consider the situation, a statement was issued from 10, Downing Street on Sept. 1 stressing that whilst the British Government hoped for further negotiations with Iceland about a temporary settlement on fishery limits, it must in the meantime "preserve the rights of British fishing vessels on the high seas." After recalling that the British Government's position had been fully explained in its statement of June 4 (see above), the latest statement continued:

"Since that date H.M. Government and a number of other Governments concerned have made prolonged efforts to secure by negotiation an agreement which would have safeguarded the future of the fisheries around Iceland and taken account of Iceland's dependence on these fisheries, while not prejudicing the consideration on a world-wide basis of the questions of territorial waters and fishery limits at a second U.N. Conference on the Law of the Sea. The holding of such a conference is to be considered at the forthcoming session of the U.N. General Assembly.

"For application during the interim period . . . two alternative arrangements concerning the fisheries around Iceland have been under discussion. The first of these arrangements would have guaranteed to Icelandic fishermen a generous share of the total yield of the fisheries throughout the whole area surrounding the coasts of Iceland, and important areas would have been reserved exclusively for Icelandic small-boat fishermen. After the Icelandic Government had declined to accept an arrangement on these lines, an alternative suggestion was considered.

"Under this alternative, a continuous belt outside the limit claimed by Iceland since 1952 would have been reserved to Icelandic fishermen. For most of its length, the line delimiting the new area of exclusive Icelandic fishing would have amounted to a straightforward extension of Icelandic fishery limits for a further two miles, making a six-mile limit, but in a few areas of importance to Iceland additional concessions would have been made. The agreement, which would have been without prejudice to the views of the parties as to the limits in international law of exclusive jurisdiction in fishery matters, would have run for three years, or for a shorter period if in the meantime a second U.N. Conference on the Law of the Sea had reached agreement on territorial waters and fishery limits.

"The Icelandic Government, however, demanded that the other Governments concerned should recognize the right of the Icelandic Government to extend the fishery limits to 12 miles on the expiry of the agreement, and were not prepared to consent to the inclusion in the agreement of a reservation of rights by the other parties. Because of this, it has not yet been possible to bring the discussion to a successful conclusion.

"H.M. Government would have accepted and would still accept an agreement of either kind. They are prepared to continue negotiations for an agreement or for any *modus vivendi* on an acceptable basis. They hope that negotiations will continue; but in default of an agreement or *modus vivendi*, they must preserve the rights of British fishing vessels on the high seas."

British Trawlers enter 12-mile Zone under Naval Protection. - Repulse of Icelandic Attempts to board British Vessels. - Icelandic Protests to Britain.

British trawlers duly crossed the 12-mile limit at dawn on Sept. 1 and, supported by R.N. Fishery Protection vessels, began fishing in three areas or "boxes" (named respectively "Spearmint," "Butterscotch," and "Toffee-Apple") off the eastern north-western, and northern coasts of Iceland. Notwithstanding the presence of Icelandic fishery-protection gunboats in these "boxes," the day passed without serious incident; Hr. Gudmundur Gudmundsson (the Icelandic Foreign Minister) announced in an evening broadcast, however, that Iceland had informed the U.N. Secretary-General that British warships had "by force protected illegal fishing inside the new fisheries limit," and that a "stern Note of protest" had been delivered to the British Ambassador in Reykjavik.

On Sept. 2 the Icelandic gunboats *Thor* and *Maria Julia* succeeded in placing a boarding party on the Grimsby trawler *Northern Foam* and prepared to take her in prize to Reykjavik. Before the trawler (whose engines had been immobilized by her crew) could be got under way, however, the British frigate *Eastbourne* (2,200 tons) arrived on the scene and placed on board a party which quickly regained control of the *Northern Foam*, the Icelandic boarding party being transferred to H.M.S. *Eastbourne*.

An Icelandic protest against the alleged "forcible removal" of the boarding party from the *Northern Foam* was rejected on Sept. 3 by the British Government, which instructed H.M. Ambassador in Reykjavik (Mr. Andrew Gilchrist) to lodge a counter-protest against Iceland's "illegal interference with British fishing vessels on the high seas." The British Note was rejected by Hr. Gudmundsson, who also refused to entertain suggestions by Mr. Gilchrist concerning the return of the captured men to Iceland; instead, he demanded that the *Eastbourne* should return them to the *Northern Foam* so that they could "carry out their duties on board" that vessel—i.e. seize the trawler for illegal fishing inside the 12-mile limit.

It was stated in the Press that, after the capture of the Icelandic boarding party, the commander of the *Eastbourne* had asked the *Thor* to take them back on board, but the *Thor* had refused to do so. The

men had therefore remained on the *Eastbourne* as "guests." They were eventually put ashore on the Icelandic coast on Sept. 13, whereupon Iceland sent a new protest Note against the "violation of Iceland's territorial waters" by H.M.S. *Eastbourne*.

The removal of the Icelandic boarding party from the *Northern Foam* was followed on Sept. 3-4 by anti-British demonstrations outside the British Embassy in Reykjavik, as well as by a protest meeting called by the Reykjavik Trade Union Federation and attended by over 7,000 people. In a statement earlier on Sept. 4 Hr. Josepsson had claimed that "in spite of the British violation of her territorial waters," Iceland had "already got almost what she wanted," and that 95 per cent of the area inside the 12-mile limit was "free from foreign trawlers"; Icelanders would therefore "continue to be patient," as the British would "have to give up in the end."

Following an Admiralty statement on Sept. 4 that the Icelandic gunboat *Aegir* had tried to ram the British Fishery Protection frigate *Russell*, it was reported on Sept. 6 that Iceland had intensified her "war of nerves" and now had seven gunboats in the "boxes," making trawling there extremely difficult in the foggy conditions prevailing. An Icelandic claim that the trawlers were abandoning fishing inside the 12-mile limit was strongly denied by the Admiralty, which explained that it had been decided to move area "Spearmint" to the north coast of the island; that this decision had been taken solely for fishery reasons and for the convenience of the naval guardships; and that it could in no sense be interpreted as an "Icelandic victory."

A number of unsuccessful attempts were made by Icelandic gunboats (frequently by night) to board British trawlers in subsequent weeks. On Sept. 25, however, the Admiralty announced that the Grimsby trawler *Paynter* had been boarded during the temporary absence of the destroyer *Diana* (the Fishery Protection vessel in the area), which, with special permission from the Icelandic Prime Minister, was proceeding to Patreks Fjordur to land a sick man from the *Paynter*; when the *Diana* returned to the area, the Icelandic boarding party had left the *Paynter*.

The Icelandic Government announced on Sept. 26 that in future British naval vessels would not be allowed to enter Icelandic harbours, even to land sailors or trawlermen needing urgent medical attention. Trawlers with sick men on board would still be allowed to enter any harbour, but would face the possibility of arrest if they were known to have been fishing inside the 12-mile limit. In view of the general stiffening of Iceland's attitude, the Grimsby Trawler Officers' Guild decided on Sept. 28 to ask the Admiralty for more protection for trawlers fishing in Icelandic waters.

Britain protested to Iceland on Oct. 2 against "continued interference" by Icelandic coastguard vessels with "British trawlers lawfully fishing on the high seas." The Note especially complained of (1) "repeated attempts" by Icelandic gunboats to put grapples on British fishing vessels; (2) dangerous navigation by Icelandic vessels by cutting across the bows of British ships; (3) the boarding of the *Paynter* on Sept. 25; (4) the firing by the gunboat *Odinn* on Oct. 1 of warning shots intended to halt the trawler *Afridi*, which—it was claimed—had been outside the 12-mile limit at the time.

The protests were rejected by the Icelandic Government on Oct. 3, and three days later it was reported that an Icelandic gunboat had fired blank shots at the trawler *Kingston Emerald* (which was also outside the 12-mile limit) and had ordered her to stop; the trawler, however, had disregarded the order and had proceeded on her way.

Hr. Gudmundsson announced on Sept. 10 that Iceland would raise the question of fishery limits at the forthcoming session of the U.N. General Assembly, and would ask the General Assembly itself to try to resolve the dispute.—(Times - Daily Telegraph - Manchester Guardian - New York Times - Lloyd's List and Shipping Gazette) **(Prev. rep. Conference on Law of the Sea, 16411 A; Fisheries Dispute, 15251 A.)**

A. POLAND - UNITED STATES. — Reopening of Consulates in Chicago and Poznan.

It was announced in Washington on Oct. 18 that the U.S. and Polish Governments had agreed to reopen consular offices, and that there would be a U.S. Consulate in Poznan and a Polish Consulate in Chicago. The date for the opening had not yet been decided.

It was stated in the U.S. Press that this decision followed the restoration of free travel between the two countries and the growth in their trade relations as a result of U.S. economic aid to Poland; that Chicago had been selected for the Polish Consulate because of its large population of Polish descent; and that Poznan had been chosen for the American Consulate because U.S. firms had exhibited to an increasing extent at the annual trade fairs in that city.

Formerly Poland had consulates in Chicago, New York, Detroit, Pittsburg, and San Francisco, while the U.S.A. had consular offices in Poznan, Cracow, and Gydnia. All these were closed down in 1954, although the U.S. and Polish Governments continued to maintain embassies in each other's capitals.
(New York Times - Polish Embassy Press Office, London)
(Prev. rep. 13442 D.)

B. CANADA. — Defence Policy. - Introduction of Guided Missile Air Defence System.

The Canadian Prime Minister, Mr. Diefenbaker, announced on Sept. 23 that the Government had decided on the following important changes in the Canadian air defence system:

(1) The *Bomarc* guided missile would be introduced, and two bases for firing such missiles established in Northern Ontario and Quebec. Negotiations were under way with the U.S.A. to work out arrangements for obtaining *Bomarcs* and the necessary equipment for maintaining, testing, and launching them; discussions would also be held on the best way for Canadian industry to share in the production of the missiles.

Mr. Diefenbaker explained that the *Bomarc* was a long-range anti-aircraft missile guided from the ground with the aid of the same radar system as that used in guiding interceptor aircraft. It could be used with either a conventional or a nuclear warhead. The use of *Bomarcs* would be in accord with the approved policy of NORAD for the air defence of the North American Continent. Most of the industrial areas in Canada would be within the defensive range of the two projected *Bomarc* bases or of others under NORAD control and located in the northern United States; further *Bomarc* bases might be located in Canada in the later development of the programme.

(2) The Pinetree radar control system [see 13896 A] would be extended and strengthened by the construction of several additional large radar stations, and the erection of small supplementary intervening stations between all the larger ones.

(3) The *Sage* electronic control and computing equipment would be installed in the air-defence system to deal more effectively with the increased numbers of aircraft and the *Bomarc* guided missiles. It would be integrated as part of the North American *Sage* system under NORAD, and discussions were being initiated with the U.S. Government to determine the number of large electronic computers needed and to arrange for the participation of Canadian industry in the expansion programme.

(4) In view of the introduction of guided missiles, the number of supersonic interceptor aircraft required for the RCAF Air Defence Command would be substantially less than previously foreseen; the preponderance of expert opinion was that by the 1960s manned aircraft, however outstanding, would be less effective in meeting the threat than had previously been thought. As the Canadian supersonic interceptor aircraft—the CF-105 (*Arrow*)—would not be available for effective use in squadrons until late in 1961, the Government had decided that it would no longer be advisable to put these aircraft into production. On the other hand, the Government believed that it would not be prudent to discontinue abruptly the development of the CF-105 and its engine, in view of the effects upon the aircraft industry. It had therefore decided that the development programme for the *Arrow* and its *Iroquois* engine should be continued until March 1959, when the situation would be reviewed.

(5) In consequence of the above decision, it would be unwise to proceed with the development of the *Astra* special flight and fire control system for the CF-105 and of the special air-to-air missile (the *Sparrow*) envisaged as its armament; accordingly, contracts for the development of the *Astra* and *Sparrow* were being terminated. Meanwhile, modifications would be made in the CF-105 to permit the use of a fire-control system similar to that in U.S. aircraft.

Mr. Diefenbaker stated that the savings achieved by cancelling the *Astra* and *Sparrow* programmes and substituting an alternative fire-control and weapon system would amount to about $330,000,000 for a completed programme of 100 aircraft, thereby reducing the cost per aircraft from approximately $12,500,000 to about $9,000,000. In conclusion he pointed out that it was "evident that in the larger weapon systems now required for air forces, Canadian work in the design, development and production of advanced equipment will have to be closely integrated with the major U.S. programmes." The U.S. Government recognized this and were prepared to work out production-sharing arrangements with Canada.
(Montreal Star - External Affairs Department, Ottawa)
(Prev. rep. NORAD, 16292 C; R.C.A.F, 14697 D.)

C. CHINA. — New Army Chief of Staff.

It was announced in Peking on Oct. 12 that General Huang Ke-cheng had been appointed Chief of General Staff of the Army *vice* General Su-yu; no statement was made about General Su-yu's new post. General Huang Ke-cheng (56) joined the Chinese Communist Party in 1927 and has been one of the closest collaborators of Mao Tse-tung; at one time Secretary of the party's Central Committee, he had been Vice-Minister of National Defence since 1954. (Le Monde, Paris)

D. NIGERIA. — Nigerian Airways inaugurated.

A new airline—Nigerian Airways—began operations on Oct. 1 with a flight from London to Kano and Lagos. The aircraft used are Stratocruisers chartered from the B.O.A.C.
(Times - Daily Telegraph) **(Prev. rep. 16361 B.)**

NOVEMBER 8—15, 1958

A. CYPRUS. — The Internal Situation.

The internal situation in Cyprus during the past five months (mid-June to mid-November) is summarized below on a month-by-month basis, in continuation of 16219 A. Recent political and international developments relating to the Cyprus question are described in 16450 A.

June. - Reinforcement of British Troops. - Sir Hugh Foot's Offer to meet Colonel Grivas.

Following the widespread communal riots between the Greek and Turkish Cypriot communities (see page 16221), the British forces in Cyprus were reinforced in June by the 16th Parachute Brigade and the 1st Guards Brigade, both of which were flown to the island from the United Kingdom. These reinforcements brought the strength of the British forces in Cyprus to 15 infantry battalions, three parachute battalions, one cavalry regiment, one field artillery regiment, and one Royal Marine Commando—the largest concentration of troops in the island since the beginning of the emergency, with the possible exception of the build-up during the Suez crisis.

Although the drastic security measures imposed on June 9 by Sir Hugh Foot (see page 16222, first column) checked further large-scale outbreaks of communal violence, extreme tension persisted throughout the month between the two Cypriot communities; several murders of individual Greeks and Turks occurred in Nicosia, Limassol and Famagusta during the last fortnight of June, the perpetrators escaping in every case. A daylight curfew was imposed in the principal towns on June 15 as a precaution against further mass outbreaks of communal violence, but was lifted on June 30 except in Limassol, where a Turkish Cypriot had been shot dead on the previous day by an unknown gunman.

It was disclosed at Government House on June 24 that Sir Hugh Foot had sent a letter to Colonel Grivas in April last offering to meet the Eoka leader "alone and unarmed" in order to take measures to end the campaign of sabotage and violence. No formal reply was received to this offer, but leaflets signed "Dighenis" (Colonel Grivas's pseudonym) were subsequently distributed in Nicosia in which the Governor's offer was described as a "trap" and a "fraud," and in which Sir Hugh was accused of pursuing a "two-faced" policy of alternately "smiling at and plotting against" the Cypriot people.

July. - Mass Outbreaks of Communal Violence. - Greek and Turkish Terrorism. - Murder of British Soldiers. - The Avgorou Incident. - Drastic Security Measures. - Peace Appeals by Mr. Macmillan, M. Karamanlis and M. Menderes.

The month of July was marked by communal violence on an unprecedented scale, which cost the lives of 97 Greek and Turkish Cypriot civilians—a record figure for any of the 40 months of the Cyprus emergency. The killings, which were of almost daily occurrence, included numerous revolting and bestial murders without regard to age or sex, the death-roll on some days being as high as six, seven or even eight. In addition, two British soldiers were killed by Eoka terrorists during the month—the first British victims since the murder of two servicemen in Famagusta on May 24.

Among the most brutal of the 97 murders in July were the beating to death of three Turkish Cypriot youths at a village near Paphos, and of two Greek Cypriot shepherds at a village near Nicosia (July 8-9); the murder of an 11-year-old Greek Cypriot boy whose mutilated body was found at Athenion, 15 miles from Nicosia (July 10); the killing of a monk and a nun during an attack (apparently by Turkish Cypriots) on a monastery in the hills near Larnaka (July 10); the killing of five Turkish Cypriots and the wounding of many others when a bus was ambushed on the Nicosia-Famagusta road by terrorists (believed to be Eoka gunmen) who had blocked the road by felled tree-trunks (July 12); the murder of three Turkish shepherds found shot dead in open country near Famagusta (July 13); the killing of a 72-year-old Turkish Cypriot in his sleep at a village in eastern Cyprus (July 16); the killing of a Turkish auxiliary constable by a Greek mob at Lassa village, in western Cyprus (July 18); the murder of two shepherds (one Greek and one Turkish) who were found shot through the head in the Larnaka area (July 21); the beating to death in his own bed of a 90-year-old Turkish Cypriot at Paphos (July 28), a crime believed to be the work of Eoka; the shooting of an 83-year-old Greek Cypriot in the centre of Nicosia (July 29); the killing of a Greek Cypriot shepherd who was found with his throat cut near Famagusta (July 29); and the murder of three Turkish Cypriots, all beaten to death, in western Cyprus (July 31).

Apart from these victims, dozens of others were killed by Greek and Turkish gunmen in the towns, villages and the countryside; many were murdered in the streets, others in shops and cafés, and others in their own homes. Numerous civilians were wounded, particularly in the ambush of July 12 (see above) and in another ambush on July 30, when eight Turkish Cypriots—including children and a baby—were injured when Eoka terrorists threw bombs at a bus 40 miles west of Nicosia. Much damage was done to property by outbreaks of arson during communal rioting in Nicosia and elsewhere.

Two British soldiers of the Royal Horse Guards were killed by Eoka terrorists on July 8 while shopping in Hermes-street, in the centre of Nicosia; like previous British victims, they were shot from behind by gunmen who succeeded in escaping despite intensive searches of the area. Eoka leaflets described the murders as "retaliation" for an incident three days earlier at the village of Avgorou (near Famagusta), in which two Greek Cypriots were killed when a mob attacked a small party of British troops.

The Avgorou incident occurred when four armoured cars entered the village on a routine patrol, and also with instructions to look for a certain wanted man believed to be in the area. A large Eoka sign was prominently displayed at the village coffee-shop, and underneath it stood a youth whose manner to the patrol was insulting and insubordinate; on being told to remove the sign, the youth refused to do so, whereupon the patrol commander ordered his arrest so that he could be handed over to the police. As the struggling youth was being arrested, the villagers came to his aid and forcibly rescued him by weight of numbers.

The patrol commander then called off his men (only seven in all), cordoned the house, and called for reinforcements. Three more armoured cars arrived on the scene with some 24 men, but as the troops attempted to enter the house to arrest the youth they were attacked with rocks, bottles and stones. The patrol commander then gave orders for the arrest of the ringleader and abandoned the search for the youth; by this time, however, the whole village had turned out and the soldiers were attacked and driven back to their vehicles by an estimated 250 people. The patrol commander managed to get into the leading armoured car when he was struck in the face by a brick thrown by a man standing on the front of the car. Amidst a fusillade of stones the commander elevated the car's machine-gun so that he could deal with his assailant but at the same time avoid hitting the crowd; he fired one burst which killed the assailant, the remaining bullets hitting a wall and causing no other casualties. A Greek Cypriot woman was also killed in the disorders, but a pathologist's report confirmed that she was not killed by gunfire but was probably hit on the head by a stone. In addition to the two Greek Cypriots who were killed, 13 others were taken to hospital and 22 of the security forces suffered injuries from stone-throwing.

In a statement to the House of Commons on the Avgorou incident, Mr. Lennox-Boyd (Colonial Secretary) pointed out that the village had "a bad reputation and a long history of Eoka associations." He added: "The patrol commander was plainly carrying out his duties, first in ordering the Eoka slogan to be removed and later in endeavouring to arrest the man whom he considered to be the ringleader of the attacks being made against his troops. Throughout the incident he acted with great calmness and restraint; the moment of opening fire was delayed as long as possible, and was then only done by himself personally to save the lives of his men and to protect his vehicles."

In a broadcast on July 14, Sir Hugh Foot said that there would be no hesitation in dealing with anyone who was "mad enough to wish to plunge Cyprus into civil war." He again pleaded for an end to violence and communal strife between Greeks and Turks, stressing that the alternative was "conflict which will cost countless lives, ruin everything, and settle nothing."

As there was no response to the Governor's appeal, new and stringent security measures—the most far-reaching since the start of the emergency—were imposed by the Cyprus Government on July 20 for a period of one month. They included (*a*) a night curfew in all towns from 7 p.m. to 4.30 a.m.; (*b*) powers for district security committees to impose day curfews whenever necessary; (*c*) a ban on all road traffic during the curfew period; (*d*) a ban on movement outside village areas during curfew hours without special permission. A week earlier it had been officially announced that the police forces in Cyprus were being doubled and that 300 police reinforcements were being flown out immediately from the United Kingdom.

The restrictions were imposed after a week in which 26 people were killed and 20 wounded—the worst record of communal violence since the emergency. In announcing the new regulations, Sir Hugh Foot expressed bitter disappointment that his appeal for communal peace had gone unheeded, and stressed that it had become necessary "to set aside all considerations and take measures to restore peace between Greeks and Turks."

On July 22 the police and security forces launched island-wide operations—under a 48-hour standstill curfew—to round up Greek and Turkish terrorists who were known or believed to have planned murder, arson, or other violence or intimidation. At the same time a censorship was imposed on all outgoing telegrams and radio messages for the duration of the 48-hour period of operations. In a press statement on the following day, Sir Hugh Foot announced that 1,200 Greeks and about 50 Turks had been arrested during the round-up, and that the Turkish terrorist organization (T.M.T.) had been banned [Eoka has been outlawed since September 1955]; he explained that the disparity between the numbers of arrested Greeks and Turks

was due to the difference in extent of the two terrorist organizations, Eoka being highly organized and of long standing whilst the T.M.T. was comparatively recent.

An appeal for the cessation of violence was made on July 31 by the British Prime Minister, Mr. Macmillan. It was given the widest publicity in Cyprus (over 1,000,000 leaflets being distributed giving Greek and Turkish translations) and was worded as follows :

" Humanity demands that violence in Cyprus must stop. Killing, wounding, and damage to property can do nothing but harm to the interests of all the communities of the island. I am sure that the ordinary people of Cyprus desperately want peace and security. I therefore make this appeal to all concerned, within the island and outside it, to refrain from any action which would contribute to further violence. I am sure that this appeal will be fully supported by the Prime Ministers of Greece and Turkey, as by men of good will everywhere."

Mr. Macmillan had previously appealed to the Prime Ministers of Greece and Turkey (M. Karamanlis and M. Menderes) to make similar appeals for the ending of communal violence in Cyprus. Both the Greek and Turkish Premiers issued such appeals, M. Karamanlis on July 30 and M. Menderes on Aug. 1.

In Cyprus itself, a similar appeal had been jointly issued on July 12 by Sir Hugh Foot, Dr. Themistocles Dervis (the Greek Cypriot mayor of Nicosia), and M. Rauf Denktash, deputy to Dr. Kutchuk (the Turkish Cypriot leader) ; it called upon everyone in Cyprus " to stop violence at once " and to " let bloodshed cease here and now."

Sir Hugh Foot announced on July 17 that Archbishop Makarios had also appealed for the ending of communal violence, in response to a message which he (the Governor) had sent to the Archbishop in Athens. Whilst the Archbishop had expressed his readiness " to join in any efforts to end Greek-Turkish friction and bloodshed," he had also alleged that the British authorities had failed to give Greek Cypriots " effective protection " against Turkish terrorism—an allegation which Sir Hugh described as " unacceptable."

August. - Eoka " Truce " proclaimed after Killing of British Soldiers. - Murder of Sergeant Hammond. - British Successes against Terrorists. - Ending of " Jamming " of Athens Radio Broadcasts.

aflets signed " Dighenis " were distributed in Nicosia on 4 announcing that the Eoka leader had ordered " an ediate stoppage of all activity against British and Turks," adding that there would be " a resumption of immediate n against both British and Turks " as from Aug. 10 if there " further British or Turkish provocation." The Turkish T. also announced on the following day that its armed ps would " cease activities until further notice."

e truce was the third of its kind proclaimed by Eoka since eginning of the emergency. The last, called in March 1957, d for a year and ended in the spring of 1958, when the rist organization resumed killings, organized a sabotage paign against Government property, and called for a ott of British goods.

e latest Eoka " truce " was announced after the killing of two ish soldiers 24 hours beforehand (see below), and after a week-end mmunal violence in which a dozen Greek and Cypriot civilians murdered. The victims included three Greek Cypriot youths, and stabbed to death at a village in eastern Cyprus, two sh auxiliary policemen, shot dead while cycling in Larnaka ; -year-old Greek Cypriot and his 75-year-old wife, who were with their throats cut in a village in western Cyprus ; and a 56-year-old Greek Cypriot woman whose decapitated body was found at her home in Nicosia. Six more Greek Cypriots—all men—were murdered in different parts of the island in the week after the Eoka " truce " was proclaimed ; in all these cases, however, the murders were attributed to Eoka gunmen acting against so-called Greek Cypriot " traitors."

Two British soldiers were murdered by Eoka gunmen on Aug. 3—Sergeant Reginald Hammond, who was shot in the back while walking with his two-year-old son in a Nicosia suburb ; and Lieut.-Colonel Frederick Collier, who was also shot in the back while working in his garden at Limassol. Greek Cypriot passers-by refused to go to the assistance of Sergeant Hammond as he lay dying in the street with his weeping child by his side.

The brutal murders aroused intense anger and indignation among the British forces, who cordoned off the areas and rounded up many suspects for questioning. On Aug. 5 it was officially announced that Andreas Yakoumis, a 17-year-old Greek Cypriot youth, had been arrested in connexion with the murder of Sergeant Hammond and would appear in court.

Yakoumis was committed for trial on Aug. 18 on a charge of murdering Sergt. Hammond. At the preliminary hearing a Greek Cypriot police officer read in court two statements alleged to have been made by the accused ; in the first, Yakoumis was alleged to have said that he had been given a loaded revolver by a friend and told to " go and kill an Englishman," and in the second he was alleged to have admitted killing Sergt. Hammond with this revolver.

A 20-year old Greek Cypriot, Andreas Eleftheriou, testified that he had seen Yakoumis running away from the scene of the murder with a revolver in his hand ; he identified Yakoumis in court and said that he had known him before.

During much of August the security forces carried out widespread operations against Eoka terrorists in many parts of the island, with a considerable measure of success. Six leading terrorists (unnamed) were officially reported captured on Aug. 8 ; three armed terrorists (all young men in their twenties) were killed near Lysi village on Aug. 23 by a patrol of the Royal Ulster Rifles, which suffered no casualties ; and a fourth terrorist was shot dead by a British soldier near Vavlas village on Aug. 27. A large haul of arms and ammunition was captured by men of the Royal Ulster Rifles at Lysi, a notorious centre of Eoka terrorist activities.

The restrictions imposed on July 20 were partially lifted on Aug. 6, when night curfews were abolished in all parts of Cyprus except Famagusta and a few villages, including Lysi ; the restriction on night travelling in urban areas was also lifted, but the ban on travel between towns remained in operation.

On Aug. 11 the Cyprus Government ended the jamming of Athens Radio broadcasts to Cyprus, which had been imposed in March 1956 because of the violent and inflammatory anti-British broadcasts directed from Greece to the island. It was explained in London that this action had been taken because of the " improvement in the tone of Athens Radio noticed in Cyprus."

September. - Truce broken by Eoka. - Further Murders of British Nationals. - Forces' Successes against Terrorists. - Mrs. Castle's Criticism of British Troops. - Repudiation by Labour Party. - The Yakoumis Trial.

Despite the truce proclaimed by Eoka, two members of the security forces were killed by terrorists in Nicosia on Sept. 1-2 —Assistant Police Superintendent D. T. M. Thomson, a New Zealander, who was shot in the back in Ledra-street (the notorious " murder mile ") while entering his car ; and Warrant Officer F. O'Hagan Sloane, of the R.A.F., who was shot dead by a gunman who fired at him from a passing taxi ; Mrs. Sloane, who was walking with her husband, was also fired at and wounded.

Further terrorism occurred in Nicosia on Sept. 18, when Eoka gunmen shot at Mr. J. P. Wentworth, the American Vice-Consul, who was taken to hospital in a serious condition ; at a British airman who was walking with his wife and child, and who was only slightly injured ; and at two Turkish Cypriots, one of whom died from his wounds. A Turkish crowd immediately retaliated by setting fire to one of the principal Greek Cypriot churches in Nicosia. On Sept. 26 Major-General D. A. Kendrew (director of anti-terrorist operations in Cyprus) narrowly escaped assassination when terrorists detonated an electrical mine in the road near Government House seconds after his car had passed ; a soldier in an escorting jeep was badly wounded by the explosion and subsequently died from his injuries.

Four Eoka gunmen were killed on Sept. 2 in a pitched battle with British troops at Liopetri, a village 15 miles from Famagusta. The terrorists—all of whom had prices on their heads, and two of whom had escaped from the Pyla detention camp barricaded themselves in a strongly-built stone barn and held out for four hours before they were wiped out by the British troops, one of whom was killed ; rocket-launchers, sub-machine guns and grenades were used to break into the building, where a large quantity of automatic weapons and ammunition was found.

A British soldier (Pte. David Morrison, of the Argyll and Sutherland Highlanders) was killed and three others wounded by terrorists in a night ambush on Sept. 13 in a remote area near Paphos. The security forces immediately made intensive searches of villages in the area in an effort to find the killer of Private Morrison ; at Kathikas, one of the villages searched, a Greek Cypriot was shot dead after he had attacked and stabbed two of the British soldiers.

Allegations of ill-treatment of villagers by the troops carrying out the searches were made by local Greek Cypriot leaders, including the mayor of Paphos.

A deputation from Paphos visited the District Commissioner on Sept. 15 and alleged that many Greek Cypriots had received bayonet wounds, head injuries, bruises and cuts during searches by troops at the village of Theletra ; it was also alleged that the village priest had had his hair cut off and his beard burned with a candle. The Mayor of Paphos alleged that at least 50 Greek Cypriots were in hospital as a result of injuries sustained in the searches, while other local Cypriot leaders alleged that troops had entered houses and smashed furniture and doors.

Subsequent investigations showed these allegations to be greatly exaggerated and largely unfounded, an interim report by the Cyprus Government (Sept. 16) stressing that none of the villagers had suffered any serious injury Unbridled accusations of misconduct by British troops, made by Greek Cypriot politicians and the Greek Cypriot press, were refuted in a sharply-worded letter by Sir Hugh Foot to the mayor of Kyrenia (Sept. 21) in which the Governor wrote :

" You . . . have no word of regret for the killing of Private Morrison, no word of condemnation for the murderers, no word of compassion for a young soldier or his parents. You speak only of searches. . . . You seem to be concerned with minor injuries while by your silence you appear to condone murder."

After describing how Private Morrison had been killed, Sir Hugh Foot continued : " When news of the killing came that evening to the battalion, his comrades were naturally furious. Contingents were sent out at once to carry out searches in pursuit of the killers. I am not surprised they were rough with those who resisted arrest, particularly when two soldiers of the battalion were savagely stabbed in Kathikas village. Nor am I surprised some damage was done in the searches. It is impossible to search for arms in cleverly concealed hides without doing damage. . . . But while damage was done and personal injuries caused, I am satisfied from the report of the special investigation team that, although they were extensive, damage and injuries were minor. No villager had any injury which made it necessary for him to be detained in hospital ; and under standing instructions compensation will be paid where it can be shown that unnecessary damage has been done."

On the same day that Sir Hugh Foot's letter was published, Mrs. Barbara Castle, M.P.—then vice-chairman of the British Labour Party, and now chairman—made a statement in Nicosia in which she expressed her belief that British soldiers were being " permitted and even encouraged by the authorities to use unnecessarily tough measures in searching villages in areas where a shooting incident has taken place on the grounds that the men are engaged in hot pursuit."

Mrs. Castle was making a three-day private visit to Cyprus to inquire into the alleged ill-treatment of villagers in the Paphos area by the Argyll and Sutherland Highlanders. She had previously paid private visits to Athens and Ankara, and had had an interview in the Greek capital with Archbishop Makarios, who had explained to her his plan for an independent Cyprus under U.N. guarantee (see page 16154).

Mrs. Castle's allegations were immediately refuted by Service chiefs in Cyprus and, according to press correspondents, were understood to have aroused widespread resentment among British troops in the island. In London, Mrs. Castle was strongly criticized by Mr. James Matthews (a trade union member of the National Executive Committee of the Labour Party), who said that he entirely dissociated himself from her remarks and that it was " deplorable " that Mrs. Castle should have made " such an unjustifiable criticism " of the British troops in Cyprus. Mr. Matthews (an ex-soldier) added : " Having had some experience of the sort of things tolerated by our troops in Cyprus, I can well understand their feelings when comrades are shot in the back. . . . It would be better if Mrs. Castle were to try to understand the difficulties experienced by our troops in the island. . . . "

After a meeting at the House of Commons on Sept. 23, at which Mrs. Castle saw Mr. Gaitskell, Mr. Aneurin Bevan, and other leaders of the Parliamentary Labour Party, a statement was issued by Mr. Gaitskell emphasizing that the Labour Party was " horrified and disgusted " at the brutal murders committed by the terrorists in Cyprus, and appreciated " the great strain placed upon our forces and the almost intolerable provocation to which they have been subjected."

Mr. Gaitskell's statement—which, in effect, constituted a repudiation by the Labour Party of the remarks attributed to Mrs. Castle—was worded as follows :

" Mrs. Castle's visits to Greece, Turkey, and Cyprus were made in a purely personal capacity and not in any way as a representative of the Labour Party. This is also the case as regards her statements to the Press. On her return to London, however, she was anxious to inform some of her colleagues who were most closely concerned of what had transpired in the course of her visits.

" As my colleagues and I in the House of Commons have repeatedly said, we have been horrified and disgusted at the brutal murders committed by terrorists against other Cypriots and against British troops. We also appreciate the great strain placed upon our forces, and the almost intolerable provocation to which they have been subjected.

" It appears that Mrs. Castle was not fully and accurately reported in the comments she is supposed to have made on the British forces in Cyprus. I understand she will make a further statement on radio and television to-night [see below] explaining her point of view.

In a televised interview the same evening, Mrs. Castle said that she was " not making any allegation against the troops but against the policy of the authorities which is putting the troops in an impossible position." She added :

" I don't think life in Cyprus is anything but extremely difficult for our troops. The position is critical there simply because of the Government's policy. The troops are being used to impose a policy fiercely opposed by the overwhelming majority of the people. . . . If the Government adopts a tough political policy, it is not surprising that the troops use toughness in carrying out that policy, and that brings about a tough attitude in the villages. There is a growing toughness all round which I found seriously alarming. We are getting into a vicious circle which must be broken through."

The Greek Cypriot youth Andreas Yakoumis was acquitted on Sept. 13 of the murder of Sergeant Hammond in Nicosia on Aug. 2 (see above), after a six-day trial before a special court presided over by Mr. Justice Boyle.

When the trial of Yakoumis opened on Sept. 8, the witness Eleftheriou withdrew the evidence he had given at the preliminary hearing, alleging that it had been extracted from him " under pressure and force." He denied that he had ever met Yakoumis, alleged that he had been beaten by the police, and said that he had made his former statement because he was " afraid." [Eleftheriou, the first Greek Cypriot to have given evidence against another in a murder trial, had been under police protection for fear of Eoka vengeance.]

Yakoumis also made allegations of maltreatment against the police, alleging that he had been beaten and " tortured " and saying that he had admitted killing Sergt. Hammond because the police had allegedly threatened to beat him to death. The Greek Cypriot police inspector who had taken a statement from Yakoumis testified, however, that the defendant was " cheerful " at the time, bore no marks of violence, and had made and signed the statement voluntarily. The defence objected to the production of Yakoumis's statement on the grounds that it had not been made voluntarily, that Yakoumis had allegedly been ill-treated, and that he was of abnormal personality. The prosecution agreed that Yakoumis should be medically examined to ascertain his mental condition, and at a later stage of the trial it was stated by doctors that Yakoumis was a psychopath who could not be expected to estimate the consequence of his actions.

Giving judgment on Sept. 13, Mr. Justice Boyle said that there were " lamentable gaps " in the prosecution's case. Specifically, the Crown had failed to prove that the body found on the roadside at Ayios Dhometios (the Nicosia suburb where the murder took place) was that of Sergt Hammond ; that the bullets exhibited in court were in fact taken from Sergt. Hammond's body ; and that the revolver produced was the weapon with which Sergt. Hammond had been killed. He (the judge) was completely satisfied that Yakoumis had made his statements to the police freely, voluntarily, and without ill-treatment, and that the allegations of maltreatment and " torture " were figments of Yakoumis's imagination. There, was, however, no independent evidence to corroborate Yakoumis's confessions—on which the case against him solely rested—and the defendant would therefore be acquitted.

Yakoumis was immediately re-arrested after his acquittal and served with a detention order under the emergency regulations authorizing the indefinite detention of terrorist suspects. Eleftheriou was subsequently sent to prison for eight months for giving false evidence in the Yakoumis trial.

About 100 Greek and 30 Turkish Cypriots were released from detention camps on Sept. 22 in what was interpreted as a Government gesture to ease tension before the introduction of the new " partnership " plan for Cyprus (see 16450 A). It was stated that about 1,900 Greeks still remained in detention camps, together with 32 Turks.

October. - Intensification of Eoka Terrorism. - Further Killings of British Nationals. - The Murder of Mrs. Cutliffe. - Mass Round-up in Famagusta. - Resumption of " Jamming " of Athens Broadcasts to Cyprus.

October was one of the blackest months of the Cyprus emergency, a total of 44 people being killed and about 370 injured. Of those killed, six were British civilians, including the first British woman to be deliberately murdered by Eoka ; ten were British soldiers, killed in ambushes or by electrically-detonated mines laid on roads used by military vehicles ; 17 were Greek Cypriots killed by Eoka ; and 11 were terrorists killed by the security forces. Of those injured, about 90 were British nationals—nearly all members of the security forces—and about 280 Greek Cypriots, of whom some 250 were injured in the events which followed the murder of Mrs. Cutliffe in Famagusta (see below).

The six British civilians killed in October were Mr. John Smith (35), employed at a radio monitoring centre, who was shot dead from a passing car in Larnaka on Oct. 2 ; Mrs. Catherine Cutliffe (42), wife of a British soldier and mother of five children, who was killed by gunmen on Oct. 3 while shopping in Famagusta ; Mr. John Brooks (76), a retired naval commander, who was killed—and his wife seriously injured—on Oct. 12 when his car blew up after striking a road-mine laid by terrorists at a remote village in the Famagusta area ; Mr. Arthur Dallon (55), a warder at Kokkinotrimithia internment camp, who was shot dead near Nicosia on Oct. 16 while on his way to visit Greek Cypriot friends ; Mr. Frederick Sharman (60), a businessman, killed on Oct. 24 while entering his car in

Nicosia ; and Mr. Brian Preece (17), a NAAFI clerk and son of a British serviceman, who was shot dead in Famagusta on Oct. 31 while on his way to work.

Mrs. Cutliffe (whose youngest child is a 15-month-old baby) was shopping in Famagusta with a friend, Mrs. Elfrieda Robinson, when both women were shot in the back by two Greek Cypriot youths who fled immediately afterwards ; Mrs. Cutliffe was killed on the spot and Mrs. Robinson seriously wounded and taken to hospital The brutal murder aroused furious anger among the British forces and the British community, and Famagusta became the scene of the biggest round-up of the emergency ; the town was placed under virtual military occupation, a stringent curfew was imposed, and every Greek Cypriot male between the ages of 15 and 30 was rounded up for interrogation. Sir Hugh Foot and General Kendrew flew to Famagusta immediately the news of Mrs. Cutliffe's murder became known.

The Cyprus Government announced on Oct. 5 that an official inquiry was proceeding into certain incidents that had occurred during the round-up. It was officially stated that of 650 Cypriots arrested after the murder of Mrs. Cutliffe, 250 had received injuries ; that 17 were in hospital, seven with serious injuries ; that two Greek Cypriots had died ; and that a 12-year-old Greek Cypriot girl had also died of heart failure during the operations.

The Nicosia Correspondent of *The Times* commented as follows on the situation in Famagusta : "The murder [of Mrs. Cutliffe] has inflamed passions and turned the island almost into a cauldron of hatred. There is little doubt that the troops who carried out the searches were in the grip of sheer cold rage, and there is no pretence that kid-glove methods were used in rounding up the Cypriots. Excesses were probably committed in the heat of the moment—hardly to be wondered at in view of the cold-blooded brutality of the murder, which has stunned the British community"

The Nicosia Correspondent of the *Daily Telegraph* (Mr. John Osman) cabled : "There is no doubt whatever that the conduct of a number of troops was unsatisfactory for an hour or so after the murder and that they set about their task of rounding up Greek-Cypriot men with gusto. With other British observers, I was shocked when I saw rows of bloody and bandaged Greek-Cypriots lying on floors in Famagusta Hospital." At the same time Mr. Osman stressed that Greek and Greek-Cypriot propaganda had "gone wild with exaggeration" ; that there had been no question of the authorities encouraging any unnecessary violence ; and that, on the contrary, they had done all they could to prevent it

Mr. Osman commented as follows on the Greek Cypriot reaction to the murder of Mrs. Cutliffe : "This culminating crime is so unparalleled in foulness that it has pierced even the Greek Cypriot conscience to the effect of Greek Cypriot denials being published in newspapers that the murder was Eoka's work. These disclaimers ring emptily in view of the fact that only two weeks ago Eoka issued a leaflet in Famagusta announcing a campaign of indiscriminate attacks on Britons."

Both in Greek Cypriot circles and in Athens attempts were made to explain away the murder of Mrs. Cutliffe by asserting that it was not the work of Eoka ; these disclaimers were accompanied by charges of "mass brutalities" and "orgies" by the British troops engaged in the Famagusta round-up. In Athens, a Greek Foreign Ministry spokesman said that attacks on women were "not in the tradition of Greek fighters," whilst Archbishop Makarios condemned both the murder of Mrs. Cutliffe and what he described as "the blood orgy against Famagusta's Greek population on the part of the security forces which followed."

Eoka leaflets were distributed after Mrs. Cutliffe's murder repeating the above-mentioned allegations against the British forces but making no direct reference to the murder of Mrs. Cutliffe apart from insinuations that it was not the work of Eoka. The Cyprus Government stated, however, that there was "not one iota of evidence to suggest that it [the murder] was carried out by anyone other than Eoka terrorists."

The Mayor of Nicosia (Dr. Dervis) offered a reward of £5,000 on Oct. 9 for information leading to the arrest of the gunmen who killed Mrs. Cutliffe and wounded Mrs Robinson. A week later Dr. Dervis announced that he had received an anonymous letter naming a Greek Cypriot as the killer of Mrs. Cutliffe, and that the police were investigating the matter.

Apart from the murder of Mrs. Cutliffe and the other British civilians, Eoka launched a widespread campaign of ambushes in many parts of the island which cost the lives of ten British soldiers as stated above ; in nearly all these incidents trucks and other military vehicles were blown up by mines laid on mountain roads in the Troodos range and other remote areas.

An R.A.F. *Canberra* bomber was damaged on Oct. 20 by sabotage at Akrotiri airfield, no casualties being caused On Oct. 29 a time-bomb exploded near a *Comet* airliner of R.A.F. Transport Command just before it was due to take off from Nicosia Airport for Britain ; ten airmen were wounded, four of whom were detained in hospital. It was subsequently found that the time-bomb had been placed in one of the airmen's hand-luggage.

New and drastic security regulations were imposed on Oct. 16 to combat the mounting wave of terrorism, including the reintroduction of certain emergency measures which had been revoked a year earlier. Under the new regulations (*a*) the system of "danger areas" was reintroduced, and people entering or remaining in these areas were warned that they would do so at the risk of their lives ; (*b*) the security forces were empowered to take immediate armed action—i.e. to shoot at sight—against any unauthorized person found in such areas ; (*c*) powers of postal censorship were reintroduced so as to check the smuggling of arms by parcel post. It was explained that all "danger areas" would be clearly marked by warning notices.

Extensive anti-terrorist operations were carried out during the month under the command of Major-General Kenneth Darling, who succeeded Major-General Kendrew in October as director of anti-terrorist operations.

Few details were given of these operations, but it was understood that the round-up had achieved considerable success ; it was officially disclosed on Oct. 10 that 25 "active" terrorists, including an Eoka group leader, had been captured on the south coast of Cyprus. In a press statement in Nicosia on Oct. 22, General Darling stressed the necessity for every man in the armed forces, "butcher, baker or candlestick-maker," to become a good marksman ; he said that "the only Eoka terrorists I am interested in are dead ones, not live ones."

The jamming of Athens Radio broadcasts to Cyprus was resumed on Oct. 6, following a new anti-British radio campaign of unparalleled virulence. For a fortnight previously Athens Radio had made repeated scurrilous attacks on the British administration and the British forces in the island ; Sir Hugh Foot was described as a "gauleiter" and the British troops as "filthy cannibals" and "wild animals," while Hitler was extolled as "a saint in comparison with British crimes in Cyprus." This "hate" campaign compelled the Cyprus Government—in the words of a senior official - to jam the "daily dose of muck" from Athens Radio.

November (Nov. 1-15). - Arming of British Civilians. - Greek Cypriots dismissed from R.A.F. Bases and NAAFI Canteens.

After a week in which three more British civilians were killed by Eoka terrorists, the director of anti-terrorist operations (Major-General Darling) announced on Nov. 8 that arms would be issued to any British civilians who applied for them, women excepted. Many civilians accepted this offer and were accordingly issued with revolvers in Nicosia and other towns.

The three civilians murdered in the first week of November were Mr. Charles Woods (71), who had lived in Cyprus for 30 years and was known as warm friend of the Greek Cypriots ; Mr. Joseph Brander (44), manager of Barclays Bank in Nicosia ; and Mr. Wilfred Benson (34), acting manager of the Ottoman Bank in Nicosia. Mr. Woods was shot in the back on Nov. 3 while walking to work in a Nicosia suburb ; Mr. Brander was killed by a gunman on Nov. 6 while walking from his car to the door of his office ; and Mr. Benson was killed on Nov. 7 as he was stepping into his car outside the Ottoman Bank.

Ten British soldiers were killed in the first fortnight of November by terrorist ambushes and road-mining, mainly in the Troodos mountains and other remote areas. Several terrorists were also killed in gun-battles and round-ups, and a big quantity of arms and ammunition was seized during searches at the village of Karavas, in the Kyrenia district. The arms were found buried in the orchard of a priest who had previously been interned for acting as an Eoka courier ; in the same orchard the troops found a wanted terrorist who had been hiding for a week at the bottom of a well and who surrendered without resistance.

Several Greek Cypriots were murdered in different parts of the island by Eoka terrorists ; they included a Greek inspector of the C.I.D. who was shot dead while lunching in a Famagusta restaurant.

Two British airmen were killed and seven injured on Nov. 8 by a bomb which had been smuggled into a NAAFI canteen in Nicosia and stuffed in the upholstery of a settee ; this outrage occurred at the R.A.F. air station where terrorists had previously attempted to blow up a *Comet* airliner (see above). As a result of these bomb incidents, the security authorities announced on Nov. 10 the immediate dismissal of all Greek Cypriot employees—over 3,000 in all—working at air bases and NAAFI canteens throughout the island. It was stated that the dismissed workers would be replaced by R.A.F. personnel flown out from Britain, and that an appeal would be made in Britain for volunteer NAAFI workers in Cyprus.

An urgent appeal for 500 NAAFI volunteers for work in Cyprus—"sales staff, shop assistants, cooks and bottlewashers"—was accordingly launched in London on Nov. 10, any fit man or women between

the ages of 18 and 45 being eligible. There was an overwhelming response from men and women in all walks of life and from all parts of Britain, the recruiting campaign being closed on Nov. 13 after no fewer than 17,000 people had volunteered for NAAFI work in Cyprus.

Corporal B. E. Ford (22), of the Royal Signals, was sentenced by a Nicosia court-martial on Nov. 5 to nine months' detention and reduction to the ranks after pleading guilty to writing, duplicating and distributing leaflets announcing the formation of a British anti-terrorist organization.

Corporal Ford told the court that the leaflets were meant to be "more or less a joke" and that there was "no intention to terrorize anyone"; his counsel pointed out that Ford had been involved in three terrorist incidents during his 2½ years service in Cyprus, and that he had recently received Eoka threats that his house would be burned down and his wife and baby beaten.

[In September last leaflets signed "Cromwell" had appeared on the streets of Nicosia announcing the creation of a British anti-terrorist organization pledged to "strike back at Eoka" if murders of British civilians continued. The leaflets were officially regarded as a hoax and nothing further was heard of any such organization. Corporal Ford was apparently unconnected with the "Cromwell" leaflets, as he was charged in connexion with leaflets that he had typed and distributed at the beginning of October and which were signed "I.C.O."— Insurgents' Corrective Organization.]

Protests at the sentence imposed on Corporal Ford were made in the U.K. House of Commons by Members on both sides, Mr. Kershaw (C.) describing it as "scandalous" and Mr. Paget (Lab.) as "completely ludicrous." The Secretary of State for War (Mr. Soames) informed the House on Nov. 6 that the sentence had been reduced to 56 days, whilst on Nov. 12 he further announced that it had been completely waived by the C.-in-C., Middle East Land Forces (Lieut.-General Sir General Bower), although Ford would be reduced to the ranks.
(Times - Daily Telegraph - Manchester Guardian)
(Prev. rep. Cyprus, 16450 A; 16219 A.)

A. SUDAN. — Re-engagement of British Experts. - British Arms Aid for Sudanese Forces.

The Sudanese Embassy in London announced on Oct. 16 that all former British officials in the Sudan who lost their jobs when their posts were Sudanized in 1953 could be re-employed if they made application for reinstatement.

An Embassy spokesman explained that the Sudanese Council of Ministers had recently decided to authorize the re-engagement of foreign experts, a decision which had already been put into effect. He added that there had in fact been a considerable recruitment of British experts for some time, and that 160 non-Sudanese nationals—of whom more than 95 per cent were British—had been employed by the Sudanese Government since January 1956. The spokesman said that teachers, engineers, doctors, and nurses were particularly wanted.

Under the treaty of 1953 (see 12794 A) no British or Egyptian national could hold posts in the Sudanese administration, judiciary, or armed forces.

The British Foreign Office announced on Oct. 18 that H.M. Government had agreed to provide the Sudan with a quantity of arms and equipment and to provide free training for some Sudanese military pilots. It was explained that this assistance was being provided free of charge because the financial position of the Sudanese Government had been temporarily weakened by difficulties in disposing of the cotton crop, these difficulties having threatened to delay the modernization of the Sudanese Army.—(Sudan Government Information Office, Khartoum - Times - Manchester Guardian) **(Prev. rep. 13729 E.)**

B. UNITED STATES. — Third Moon Shot.

A third lunar probe—*Pioneer II*—was fired by the U.S. Air Force on Nov. 8 from Cape Canaveral, but climbed to an altitude of only 1,000 miles before falling back to earth and burning up somewhere over East or Central Africa; it reached a velocity of only 16,000 miles an hour (compared with the 24,000 m.p.h. needed to escape from terrestrial gravity) and remained aloft for less than 45 minutes, during which time it was tracked by the Jodrell Bank radio telescope. It was officially explained that the experiment had failed because the third stage of the space vehicle failed to ignite.
(New York Times) **(Prev. rep. 16438 A.)**

C. LEBANON. — Special Powers Bill.

By 34 votes to one, with one abstention and several deputies absent, the Lebanese Parliament approved on Nov. 12 a Bill giving the Government of M. Rashid Karami powers to govern by decree for a period of six months in all matters relating to finance, economy, public security and order, the civil service, and the judiciary. The legislation was introduced by M. Karami with a view to restoring normal conditions after the disturbances of the past six months.—(Times) **(16439 A.)**

D. ARAB LEAGUE. — Clash between Tunisia and United Arab Republic. - Tunisia severs Diplomatic Relations with U.A.R. - Financial Assistance by Arab League to "Free Algerian" Government.

An open clash between Tunisia and the United Arab Republic occurred at a meeting of the Council of the Arab League in Cairo on Oct. 11 when the leader of the Tunisian delegation, M. Habib el-Shatti, accused the U.A.R. of "attempting to dominate" the League, whereupon the U.A.R. delegation walked out in protest. The Council had met to welcome Tunisia and Morocco, which had both joined the Arab League ten days earlier.

M. el-Shatti (Tunisian Ambassador to Iraq and Lebanon) said that Tunisia had held aloof from the Arab League in the past because "certain member-States have sought to impose their domination on the other delegations"; he alleged that the League was "working in favour of one faction only and was receiving orders from one member." **M. Abdel Hamid Ghaleb** (U.A.R. Under-Secretary for Foreign Affairs) then announced that he would withdraw "so that the head of the Tunisian delegation may not feel there is any intention of domination"; M. Ghaleb accordingly walked out with the rest of his delegation. **M. Fayek el-Samirrai** (Iraq), who presided, and **M. Abdel Khalek Torres** (Morocco) both deplored M. el-Shatti's allegations; the latter emphasized that Tunisia and Morocco had not reached any agreement to pursue a common policy inside the League, and paid tribute to the U.A.R.'s "positive role, both in its dealings with the countries of the Maghreb and inside the Arab League."

M. el-Shatti announced later the same day that Tunisia would withdraw from the session, and left for Tunis on Oct. 13. On the latter date the Council unanimously condemned the Tunisian statement, which was ordered to be expunged from the minutes, and invited the U.A.R. to return to its meetings. At the Sudanese delegation's proposal, the Council also invited Tunisia to return on Oct. 15, on condition that she did not again raise the issues which had caused the U.A.R.'s temporary withdrawal. The Sudanese motion was adopted by eight votes to nil, with the U.A.R. and Yemen abstaining.

The Tunisian Foreign Secretary, Dr. Mokkadem, informed the Ambassador of the U.A.R. on Oct. 15 that Tunisia had decided to break off diplomatic relations with the United Arab Republic. President Bourguiba explained his Government's decision to the Constituent Assembly on Oct. 16, and alleged that the U.A.R. had assisted the "Youssefist" plot against his life in the previous February (see 16242 B.)

President Bourguiba said that two years ago he had believed that there was merely a "misunderstanding" between Tunisia and Egypt, but he no longer held this view since the discovery of the Youssefist conspiracy in February last. Certain correspondence found on one of those arrested in connexion with the plot, and the fact that the person concerned held an Egyptian passport, proved that the Egyptian Ministry of the Interior was involved in the plot and that Egypt had "associated herself with murder." He added, however, that the "important thing" was still the unity of the Arab peoples, "even if they condemn us today." Although there could no longer be any official relations between Tunisia and Egypt, there could still be fraternal contacts between Arabs.

President Bourguiba said that many members of the Arab League shared Tunisia's feelings, but only Tunisia had had the courage to accuse Egypt of interfering in the internal affairs of member-States. After defending himself against charges in the Egyptian Press that he was "a tool of the imperialists," and declaring that he would be "nobody's vassal," President Bourguiba continued: "We choose to collaborate with the great Western Powers so that we might be able to face a possible French attack. I am Western and I will remain so. . . . Tunisia is a country weakened by French colonialism. She needs to lean on the friendship of a powerful country in order to consolidate her independence and continue her struggle. I succeeded in gaining the confidence of the Americans without entering into any pact, Atlantic or otherwise. Tunisia had the help of the Americans, just as the U.A.R. had Russian help at a certain moment." Maintaining that the U.A.R. was "not aware of the danger of Communism," he went on: "Once the Iron Curtain is lowered, there is no escape from the Communist grip. On the other hand, it is possible to leave the Western camp at any time. Our orientation is such as will help our Algerian brothers. . . ."

The Council of the Arab League decided on Oct. 18 to make a grant of £E.12,000,000 to the "Provisional Government of the Algerian Republic," in response to the latter's request. This sum, which was six times as large as that allotted to the Algerian insurgents by the League in 1957, was made part of the League's budget and was thus binding on all its members, including Tunisia.—(Le Monde - Times - New York Times)
(Prev. rep. 16430 B; 16242 B.)

E. CANADA.—Completion of Trans-Canada Pipeline.

The final portion of the Trans-Canada Pipeline came into operation on Oct. 23, thereby starting the flow of natural gas from Alberta to Toronto, Montreal, Ottawa, and intermediate cities. Construction of the 2,294-mile pipeline began in July 1956, the total cost being $875,000,000.—(Montreal Star)
(Prev. rep. 15513 C; 15067 A.)

A. UNITED KINGDOM. — Economic and Financial Policy. - Mr. Heathcoat Amory's Review of Britain's Economic Position. - Increase in Capital Investment. - Abolition of Hire Purchase Restrictions.

The Chancellor of the Exchequer, Mr. Heathcoat Amory, made a statement on Britain's economic position in a speech at the Mansion House on Oct 16, on the occasion of the annual dinner given by the Lord Mayor to the bankers and merchants of the City of London. During his speech he announced that the U.K.'s current surplus on its balance of payments for the first half of 1958 had reached the record figure of £334,000,000. He added a warning, however, that exports were falling because of world conditions, and called for a "sustained and vigorous export effort" to maintain the position.

The principal parts of the Chancellor's Mansion House speech are summarized below.

Mr. Heathcoat Amory said: "This has been in most respects a year of progress. There has been a very marked restoration of confidence in sterling, in the safeguarding of honest money, in our ability to deal with our own problems. For 12 months in succession our gold and dollar reserves have risen. Although a third of the rise has been due to special borrowings, it is a satisfactory result, more especially as our sterling liabilities have actually fallen a bit. Foreign confidence in sterling is now high. If we can continue to conduct our affairs with restraint and a full regard for sterling we shall, I hope, be able to look back to 1957 and 1958 as a decisive turning-point in our economic affairs.

"Of course, our trading position is the basis of our financial strength. If that is strong then we can weather the occasional storms which blow up in the exchange field. In the first half of this year we had a current surplus of £334 million, more in six months than in any 12 months since the war.

"But I must blend warnings with congratulations. Our policies have enabled us to take advantage of the favourable conditions of the last year; but the figures owe much to the fall in import prices and the stability in the volume of U.K. imports. We cannot expect those conditions to last, indeed, our exports are already falling. We shall have to work very hard to do anything like as well in the year to come, and we shall need a sustained and vigorous export effort.

"There is another matter which affords me a good deal of anxiety. We have had over the past 12 months an average increase in wages which, though less than the preceding year, exceeds any increase in productivity that can have been secured. If a similar increase were to be repeated during the coming year, the result could not fail to involve an appreciable element of cost inflation. This is exactly what we can least afford at the present moment, when it is above all else important that our industry should continue to be competitive in world markets If through increased costs we price our exports out of the markets of the world, our balance of payments and the strength of sterling would once again be put in jeopardy.

"I am sometimes asked why I pick out wage increases in particular to express anxiety about. My answer is that wages are not only by far the largest element of costs of production under our own control, but wage rises over recent years have considerably exceeded both increases in production and increases in the cost of living. Indeed, the cost of living has been virtually stable for nearly a year. The only real risk of mass unemployment would arise if our currency collapsed and we found ourselves unable to buy our food and the raw materials we need to keep industry going.

"But our progress depends not only on ourselves, but also on the position of world trade and industrial activity. This year, for the first time since the war, the free world has faced an actual decline in world trade. This is a very serious matter, because not only our domestic policies but also the posture of the free world in the face of the Communist threat depend upon steady economic growth based on dependable currencies.

"At three recent meetings a great deal of thought has been given to these problems: of the O.E.E.C. in Paris, of the Commonwealth in Montreal, and of the International Monetary Fund and International Bank in New Delhi. The general lines of policy are quite simple. First, the greatest possible freeing of the channels of trade and payments, with the dollar and sterling playing their roles from strength; secondly, high levels of investment, with regard for the special needs of the newly developing countries; and finally, an expanding role for the great institutions of the free world—the Commonwealth and sterling area, the O.E.E.C., and on a wider scale the I.M.F. and the International Bank

"Both our words and our actions in all these meetings have been the more effective because I have had behind me a sound economy and a dependable currency. They are, indeed, the foundations on which we have now been able to start encouraging a steady resumption of expansion. As a result of Montreal we shall do this in full harmony with the Commonwealth. And as a result of New Delhi, the Fund and the Bank will not only have greater influence but also larger resources to help to ensure sound development and to prevent temporary setbacks from spreading into recession. Thus we can proceed with our expansion with greater assurance.

"At home, our task has been to convince our own people that the Government was really prepared to take measures against continuing inflation, even if these were uncomfortable. We have faced criticism—that we have deliberately created unemployment and a stagnant economy. We want the highest possible level of employment we can get, without endangering the foundations on which employment itself rests. The present state of our economy, with a record level of both investment and consumer expenditure, a record of personal savings, and a steadily strengthening external position, cannot possibly be described as stagnant.

"The importance of a stable currency can hardly be exaggerated. Since the war few if any countries have attained it. It would be extraordinary if we could do so without some sacrifices. We have suffered an increase in unemployment. Yet even now, when the world has been going through a phase of recession, unemployment is a little over 2 per cent, a far lower figure than in practically any other industrial country, and one which before the war would have been thought of as impossible of achievement.

"However, we must not be complacent. I have always felt that to be denied for long the opportunity of regular employment is one of the worst misfortunes that can face a fit person in a modern society. We must never relax our efforts to improve our economic techniques by experience so that we can move steadily towards the objective of offering every person who wants to work the opportunity of productive employment, without overstraining the economy.

"Our objective has always been clear: as rapid a growth as is sustainable, without a return to inflation. Economic growth comes mainly from growth of real capital; and our rate of investment is still at record levels, far above what was achieved before the war or at any time since. In 1938 investment took 13 per cent of the gross national product; in 1957 it took 18 per cent of a far larger total. A high proportion of this investment is in productive machinery and equipment—a higher proportion than in the United States. Moreover, the proportion of investment needed for mere replacement has gone down. The rate of real expansion—of net investment—has doubled since 1948. This is not stagnation.

"Consumption has continued to rise—in the first half of 1958 it was about 2½ per cent higher than a year ago. It is encouraging, too, that the cost-of-living index stands at the same figure to-day as it did 10 months ago. This should give us hope that we are on the right road, and encouragement to persevere upon it."

Referring to the latest Exchequer results, the Chancellor said: "I budgeted for a surplus 'above the line' of £364 million during 1958-59; and in the first half-year revenue has been slightly ahead of expectations and expenditure slightly below. I see no reason at this stage to revise my Budget forecast. 'Below the line,' most items of Government expenditure are running roughly in line with my Budget forecast, but there are some significant reductions; notably, loans to local authorities at a very small figure reflect the continued success of these authorities in borrowing from the market."

After reviewing the various relaxations of the Government's monetary policy, the Chancellor said in conclusion that he was completely confident that the long-term prospects for British industry were now firmly based and new opportunities were opening out. He added: "Although our first priorities must always be exports and investment, I am conscious that consumption is in the end the object of all our economic efforts, and also that investment will not take place unless the goods which it will produce can be sold. I was glad therefore to note the initiative of the banks in personal loans, and also that the President of the Board of Trade has been able to reduce and in some cases to remove the initial deposits on hire purchase [see below.] All these measures will contribute to an orderly process of expansion, with particular emphasis on investment in the private sector.

"There is another change we have felt it right to make. In our latest review of public-sector investment we have been able to permit a resumption, after a year's pause, of the increase in the total. Therefore the total in 1959-60 is likely to be quite appreciably higher than this year or last. . . ."

Increase in Capital Investment in Public Sector.

An increase of about 10 per cent in capital investment in the public sector in 1959-60 was announced by the Chancellor on Nov. 3, during the Debate on the Address in reply to the Queen's Speech.

Reviewing economic developments in the past year, Mr. Heathcoat Amory said that he was able to give the House "an encouraging report," stressing in particular the "heartening return of confidence" in sterling as a result of which the gold and dollar reserves had gone up by £450,000,000. One reason for the fall in imports had been the Government's policy of allowing merchants to buy freely in the cheapest markets of the world—an opportunity which they would have otherwise lost. The rise in the reserves during the third quarter of 1958 by £15,000,000 was "a satisfactory result, bearing in mind that the third quarter is normally a period in which we draw on our reserves."

There had been a small decline in exports in the early months of 1958, which had been accentuated since and had recently been at the rate of about 6 per cent. Most of this decline had been in exports to the rest of the sterling area and to other primary producing countries—a trend which had long been expected and was bound to take place when the primary producing countries had drawn down their reserves as far as they thought prudent. "I would expect the declining trend of our exports to certain markets, although not to all, to continue for a while," the Chancellor went on. "There may be an earlier recovery in the fortunes of the primary producers, but it is difficult to forecast the trend of commodity prices. The vast

American economy is picking up, and other manufacturing countries may soon follow. Even so, I think we must expect to have to wait a while until the primary producing countries have replenished their reserves before we find those markets for our exports picking up." Although the fall in exports would affect the balance of payments, he expected that the latter was "likely to remain strong over the months ahead," and that the fall in exports would "only bring down the surplus on current account from the exceptional level of the first half of 1958 to a level which perhaps might aptly be described as still respectable."

After referring to the decisions of the Montreal and New Delhi meetings, Mr. Heathcoat Amory reiterated that there was a responsibility on the Government to do all it could to ensure that consumer demand did not develop in a way that would lead to inflation. For the present, that did not seem to be an immediate danger, but it could easily become one again. It was for that reason that the Government had proceeded gradually and cautiously in encouraging re-expansion, and he was "certainly not going to apologize for the cautious way in which we have proceeded in these circumstances." The Government had not been willing, nor were they willing to-day, "to open the flood-gates," and it was in the nature of most of the methods which the Government were operating that they took some time to develop their full effects. If they tried to get results too quickly, they might find that they had once again overloaded the production system and built up inflation.

Dealing with the growth of incomes, the Chancellor said that what happened to the level of wages was crucial—not merely because wages were themselves so large an item in costs, and had been rising in recent years faster than either production or the cost of living, but also because other kinds of income had a strong tendency to move in sympathy. The increases in wages negotiated in the present year averaged out at about four per cent. Although this represented a smaller rise than in previous years, the country had been able to preserve price stability only because of the fall in prices of imported foods and raw materials. That was not likely to happen again.

The Chancellor continued: "A general increase in money incomes in present circumstances is justified neither by the cost of living, which has been pretty well stable now for almost a year, nor by an increase in production. Wage increases in the coming year on the scale we have had this year might be sufficient to develop another run of price inflation. It is vitally important that this should not happen. I cannot emphasize too much that whether we can expand production safely or not depends on moderation in claiming higher money incomes more than on any other single fact. The objective of our policy has been to strengthen the bases on which our economy as a whole rests, because of our conviction that full employment itself could not long endure unless sterling is strong and prices reasonably stable."

It was true (Mr. Heathcoat Amory continued) that there had recently been a fall in the index of industrial production. After rising to a peak about the middle of 1957, it had now fallen by about three per cent compared with a year ago. The index of production for all goods and services had fallen rather less; it was down by about two per cent in the second quarter of 1958 compared with the same period of last year. The main decline had been in exports, with some reduction in Government expenditure on goods and services and some decline in the stock position. Stocks as a whole were still increasing at the date of the last estimate, though at a lower rate.

In fixed investment there had been no setback. Net investment in fixed capital loans was about 65 per cent above 1951; total investment in 1957 had been five per cent above that of 1956; and the latest figures for the second quarter of 1958 showed that the volume was about three per cent higher than the corresponding period of 1957.

Consumption had also tended to increase, and he believed it would continue to do so. For the first half of 1958 personal consumption expenditure was about two per cent above the same period of last year. People were spending, eating and saving more than ever before, but prices had been practically stable; the price index was the same in September as it was 10 months ago, and personal savings were running at a record rate.

"Taking the picture as a whole," Mr. Heathcoat Amory summed up, "it is surely absurd to talk about stagnation. The economy is being strengthened at every point. It is with this knowledge that I can turn with confidence to the future."

Discussing investment in the public sector, the Chancellor said that for several years there had been a strong upward current, and a year ago it had been found necessary to call a halt for a time. It had been decided that for 1958-59 and 1959-60 it should not exceed the level of 1957-58. During the present summer, however, there had been a review in the course of which the Government had taken steps to stimulate employment, particularly in those areas which were suffering from unemployment [see 16330 A.] He went on:

"I expect that by the end of this year the rate of public investment will be running appreciably above that of last year, which is estimated to have been about £1,425 million. For next year, 1959-60, we envisage a level in public-sector investment of the order of £125 million to £150 million higher than that of last year. This should be sufficient to offset any fall that is at all probable in private fixed investment. By itself this increase in expenditure is equivalent to jobs for up to 150,000 workers in the two-year period—a major reinforcement of the economy.

"We have based our plans on the expectation of a resumption of economic expansion and its continuation over the next few years. Some people detect signs that the present level of private industrial investment may not be maintained next year. I have been impressed by the resilience it has shown so far, which seems to me to illustrate a fundamental confidence in the future. It is my expectation that when the level of production turns upwards, this will usher in a further period of expansion in every part of our economic life.

"In the public sector this has two consequences. First, it means that our task must be to ensure that enough resources are devoted to what may be called productive public investment needed to support expansion, such as electric power, railways and roads. The Government are providing a further considerable investment under these heads There will be a large increase over last year both in absolute and percentage terms. Big programmes in the non-industrial field of schools, technical colleges and universities are continuing to unfold Expenditure on hospital development continues to increase. Increases in investment are also expected in water, sewerage, and a wide range of other services

'We must beware of the danger of making a mistake which has been made before. That is to embark upon expansion of public investment without fully weighing the likelihood that by the time the programme comes to fruition it may have overloaded the economy. What we have done, therefore, taking advantage of easier economic conditions, is to bring forward into the next 12 months some of the expenditure which would otherwise have had to be incurred later. Typical examples are maintenance and minor works. But there will also be some projects of more substantial dimensions.

"Looking forward a little, therefore, our present expectation is that we shall need to keep the level of public-sector investment in 1960-61 at about the same level as that to which it will be rising in 1959-60. In the next 12 months we shall be bringing forward some public investment at a time when private investment is slackening, but without embarking on long-term expansion, which would leave insufficient room in a couple of years to accommodate that initial further expansion of private investment we shall need.

The Chancellor concluded: "I claim that the survey I have just given shows that we can regard the past with satisfaction and the future with confidence. I shall not try to make a precise prophecy about the immediate future. I do not believe that any decline in activity will be large before the upturn comes—the upturn to which our policies are directed. In the meantime we shall continue to take such action as the situation demands. We have reason to feel fortified and encouraged by our recent progress. I believe that, building on the foundations of a strong economy, we can hope to enjoy a measure of progress without losing stability, and move ahead with confidence in our aims and in ourselves."

Opposition Criticisms of Government's Economic Policy.

The Chancellor's statement was made in reply to Mr. Harold Wilson (Labour), who had moved an Opposition amendment which (1) noted "with concern" that the Government's policies had "led to a fall in industrial production, a continuing increase in unemployment, and a failure to make full use of our industrial capacity"; and (2) regretted the omission from the Queen's Speech of "any measures directed toward the expansion of production and employment while maintaining stable prices."

Mr. Wilson asserted that there were now three unemployed persons for every unfilled job; that industrial production was four per cent "below even the stagnant level of a year ago" and only four per cent above 1954; that steel production was "running as much as 20 per cent below last year"; and that coal was "being stocked on the ground at an enormous rate because the requirements of our sluggish industrial machine are down by 8,000,000 tons this year."

After referring to what he described as the "disastrous policies" of Mr. Macmillan and Mr. Butler when they were at the Treasury, Mr. Wilson said that September 1957 marked the date "when the Government decided finally to sacrifice full employment to the fight against an inflation already passed." Comparing the Government's economic policies with the 18th-century medical practice of blood-letting, he declared: "They have carried the blood-letting so far that they have gravely weakened the patient, and are claiming credit for the fact that they have to administer a blood transfusion."

Mr. Wilson went on to accuse the Chancellor of having "dillied and dallied to the point where investment had sagged so much that he could only avoid a slump by stimulating consumption by promoting a spending spree." Action taken earlier would have maintained full employment by increased investment, but because the Chancellor had missed that opportunity he had had "to gamble on a consumption boom." If Britain were to maintain her place in the world, it was investment that should be stimulated and not consumption; moreover, Britain had to face the "inexorable and menacing rise" in industrial production in Russia, Germany, China, and Japan.

Until the past few weeks (Mr. Wilson continued) the Government had not dared to think of industrial expansion because of the fear of inflation; suddenly it had "taken the lid off." What, he asked, could be more inflationary than the banks' personal loans scheme and the relaxation of hire purchase? There was "nothing more inflationary than buying this year's goods out of next year's income." The Government's actions, Mr. Wilson asserted in conclusion, did not constitute a policy but "a combination of panic measures and political cynicism."

After further debate the Opposition's amendment was negatived on Nov. 4 by 324 votes to 255—a Government majority of 69.

Abolition of Hire Purchase Restrictions.

All remaining restrictions on hire purchase and rental agreements were lifted on Oct. 28, from which date the Board of Trade Orders controlling such transactions were revoked.

Announcing the changes on the previous day, the Board of Trade explained that "the situation, with credit conditions easier, now justifies removal of all goods from the control"; accordingly, the initial "down" payment and the period covered by hire purchase or rental agreements would in future be a matter for the trader to settle individually with his customers. The lifting of the restrictions would not, however, affect the protection accorded to hirers under the Hire Purchase Acts which governed the right to recover possession of goods.

The only period since World War II when there had been no hire purchase controls was between July 1954 and February 1955. Controls were reimposed in the latter month at the beginning of the "credit squeeze," and further restrictions were introduced in February 1956.

The final lifting of controls had been preceded a few weeks earlier by extensive relaxations announced on Sept. 15.

These earlier relaxations (*a*) completely freed from restrictions industrial plant, agricultural equipment, commercial vehicles, caravans, motor cycles, bicycles, furniture, carpets, cookers, water heaters, bathroom equipment, and pre-fabricated garages, (*b*) standardized the minimum deposit for all goods still subject to control at one-third of the full price (i.e. the same as for motor cars) instead of one-half as hitherto, although the maximum time for payment of the balance remained two years [goods affected included television and radio sets, gramophones, record players, tape recorders, vacuum cleaners, refrigerators, washing machines, sewing machines, cameras, and electric kettles]; (c) reduced the minimum rental charge payable in advance by hirers of goods which were still controlled from the equivalent of nine months to four months.

The decision to abandon hire purchase controls, and the Chancellor's announcement of increased investment in the public sector, followed the earlier removal of the "ceiling" on bank advances and successive reductions in the Bank Rate.

(Times - Daily Telegraph - Manchester Guardian - Financial Times - Board of Trade Journal) **(Prev. rep. Relaxation of Credit "Squeeze," 16269 A; Alleviation of Unemployment, 16113 A; Public Investments, 16209 A; Hire Purchase, 15656 A; Economic Policy, 16113 A.)**

A. CANADA. — Saskatchewan Irrigation Scheme.

The Canadian Prime Minister, Mr. Diefenbaker, announced on July 25 that a cost-sharing agreement for the construction of a dam on the South Saskatchewan River had been signed by the Federal Minister of Agriculture (Mr. D. S. Harkness) and the Premier of Saskatchewan, Mr. T. C. Douglas.

The project involves the construction of two dams—a main one (1½ miles long, half-a-mile wide at its base, and 220 ft. high) near the town of Outlook; and a smaller dam, further south, across the Upper Qu'Appelle River. It is designed to bring water to about 500,000 acres of land (described 90 years ago as "permanently sterile and unfit for the abode of civilized man") at present devoted to dry farming, thus enabling the agricultural economy of a much larger region to be stabilized on the basis of livestock.

Mr. Diefenbaker pointed out that "irrigation possibilities represent by no means the only good to flow from the project, . . . which will make possible the production of hydro-electric power on a scale that will mean much to the industrial development of the province." Further advantages would be "the control of water levels in the Qu'Appelle valley and its lakes, as well as the formation of a completely new great lake of the South Saskatchewan river system upstream," which would provide "recreational facilities and wild life possibilities" of permanent interest and potential attraction for tourists. It was also hoped that the scheme would halt the decline of population in the area, and lead to the creation of new towns and communities.

The building of the main dam is expected to take 10 years, and the whole project—including irrigation canals and water and power distribution systems—a further 15 years, at a total estimated cost of $184,000,000. The proposed power plants are designed for an annual output of 400,000,000 k.w., of which 15 per cent will be devoted to the irrigation schemes and the remainder to industrial and domestic purposes. The Federal Government has approved a loan of $20,000,000 towards the hydro-electric power aspect of the project, and will meet most of the remaining costs.—(External Affairs Department, Ottawa)

B. FINE ARTS. — International Guggenheim Award.

It was announced in New York on Oct. 16 that the $10,000 International Guggenheim Prize had been awarded to the Spanish painter Joan Miró for his ceramic wall murals in the new Unesco headquarters in Paris (see 16492 C). Señor Miro was the second recipient of the prize, which was instituted in 1956 and is awarded by an international jury.

(New York Times) **(Prev. rep. 15257 D; 14792 B.)**

C. BELGIUM. — The Brussels Exhibition.

The first international exhibition since the end of the Second World War was held in Brussels from April 17 to Oct. 19. Forty-two countries and ten international organizations participated in the Exhibition, which was visited by about 42,000,000 people, many from foreign countries.

The participating countries (in addition to Belgium, the host country) included the United Kingdom, the United States, the Soviet Union, France, Italy, Spain, Portugal, the Netherlands, Norway, Luxemburg, Switzerland, Western Germany, Czechoslovakia, Yugoslavia, Turkey, Finland, Canada (the only British Commonwealth country represented except the U.K.), Japan, Argentina, Siam, Morocco, and the Vatican—the last-named participating in an international exhibition for the first time as a sovereign State. International organizations represented included the United Nations, the Council of Europe, the European Coal and Steel Community, and the International Red Cross. The principal countries not taking part in the Exhibition were India, China, Sweden, Denmark, Poland, and the countries of the British Commonwealth other than the United Kingdom and Canada.

The Exhibition was held on a 500-acre site to the north-west of Brussels and was divided into three main parts—a Belgian section, a Foreign section, and a City of International Co-operation consisting of eight pavilions built by the international organizations. In the Foreign section, the largest sites were occupied by the British, American, Soviet, French, German, Dutch, and Vatican pavilions, each covering several acres. The entire Exhibition was dominated by a structure known as the Atomium, symbolizing mankind in the atomic age. Representing the atomic structure of a crystal of iron magnified 150 million times, it consisted of nine steel spheres, each 60 ft. in diameter, linked to each other by tubes and in some cases by escalators, seven of the spheres contained displays illustrating the peaceful uses of atomic energy, while the two topmost spheres (340 ft. above the ground) contained restaurants. The Atomium will be retained as a permanent feature of Brussels.

Structurally, most of the pavilions were of "glass cage" design giving an effect of lightness and transparency; outstanding among these were the French, German, Yugoslav and Japanese pavilions. Of the pavilions of more conventional design, those of Italy, the Netherlands and Finland—the last-named of all-timber construction—attracted much interest. Among the smaller pavilions, one of the most successful was that of Siam—a graceful miniature temple set on a hillside.

The British Pavilion, one of the largest, covered five acres and was planned in two contrasting sections—a Hall of Tradition, illustrating British pageantry and traditions, and a Hall of Technology, illustrating British scientific and technical achievements and containing large-scale models of ZETA (the zero-energy thermonuclear reactor at Harwell), the Dounreay experimental reactor, and the Jodrell Bank radio telescope. A British Industries Pavilion exhibited high-quality British goods such as heavy and light engineering equipment, motor-cars, chinaware and pottery, textiles, plastics, etc. Other sections were devoted to the way of life of the British people (on the lines of the Lion and Unicorn Pavilion at the South Bank Exhibition), Commonwealth development, and British invention. There were also shops for the sale of British goods, and an inn—the Britannia Inn. A feature of the British Pavilion was an entrance hall consisting of three crystal-shaped towers 70 ft. high.

The American Pavilion was a vast rotunda of steel, bronze, and plastic, nearly one-fifth of a mile in circumference and covering six acres. It portrayed all aspects of American life and culture and included an air-conditioned theatre with accommodation for 1,150 people. The exhibits included displays illustrating the peaceful applications of atomic energy in the United States, and other American technological achievements.

The Soviet Pavilion similarly reflected all aspects of life and culture in the U.S.S.R., with special emphasis on Soviet achievements in the fields of science and technology. The exhibits included full-size models of the two Russian *sputniks*, as well as models of the atomic-powered icebreaker *Lenin* (the first vessel of its kind), the TU-104 jet airliner, and the world's largest proton accelerator. A feature of the displays was a geological map of the U.S.S.R. on a scale of 1 : 2,500,000—the only one of its kind in the world.

The four-storey Vatican Pavilion, designed as a *Civitas Dei* (City of God), illustrated the international role of the Roman Catholic Church in charitable works, the arts, sciences, education, and other fields. It included a church with accommodation for 2,500 people, as well as a motion-picture theatre. The cultural displays included an exhibit of paintings of Christ as seen through the eyes of the world's leading artists; canvases were contributed by many nations to form the largest collection of such paintings ever gathered under one roof.

Belgium was represented by 22 pavilions, in addition to a separate Belgian Congo section with a complete African village. The Belgian Civil Engineering Pavilion, a building of striking design, was adjudged by an international jury as one of the three best pavilions at the Exhibition—the other two being the Czechoslovak Pavilion and the British Government Pavilion.

The Brussels Exhibition was the first international exhibition since that held in New York in 1939; it was also the first of its kind to be held in Europe since the Paris Exhibition of 1937.

(La Nation Belge - Le Monde - Times - New York Times) **(Prev. rep. New York Exhibition (1939), 3558 C; 3271 E; Paris Exhibition (1937), 2591 F.)**

A. **FAROE ISLANDS.—Claim to 12-mile Territorial Limit. - Anglo-Danish Discussions.**

The intention of the Faroe Islands to demand the termination of the Anglo-Danish Fishery Convention as revised and renewed in 1954, and to seek an extension of Faroe territorial waters to 12 miles, was announced at a special session of the *Lagting* (the Faroese Parliament) on June 4.

Mr. Kristian Djurhuus, the Chief Minister of the Faroes, explained that if Iceland succeeded in establishing a 12-mile limit for her territorial waters, the result would probably be greater exploitation by foreign trawlers of Faroese fishing grounds. "This," he said, "might mean that we will be pushed so far into a corner that we must, if negotiations give no result, change our limits in the same manner as Iceland." Iceland's announcement had "so essentially changed" the conditions on which the agreement with Britain had been entered into that "it must now be presumed that the Faroe Islands are no longer bound by the agreement", the Faroe Administration had therefore notified the Danish Government that they could no longer consider themselves bound by the Convention with Britain.

Mr. Djurhuus added, however, that "the path of negotiation should be tried again in an effort to reach a solution." He suggested as possible solutions either an outright extension of the fisheries limit to 12 miles, or the protection from trawler fishing of all fishing grounds around the Faroes, "according to the principle championed by several countries, including Britain, at the recent Law of the Sea Conference at Geneva."

A formal resolution calling for the abrogation of the Anglo-Danish Fishery Convention and the extension of Faroese fishing limits to 12 miles from Sept. 1 (the date fixed by Iceland for the extension of her territorial waters) was approved by the *Lagting* on June 6. On June 8, however, Mr. H. C. Hansen, the Danish Premier and Foreign Minister, issued a statement to the effect that the question of extending fishing limits was outside the powers of the *Lagting* and could only be dealt with by the Danish Parliament. [Under the Danish Constitution the *Lagting* is responsible only for the internal government of the Faroes and not for foreign affairs.] After a visit to Copenhagen on June 15-16 by a Faroese delegation led by Mr. Djurhuus, Mr. Hansen announced on June 17 that Denmark would ask Britain to agree to the extension of the Islands' territorial waters to 12 miles. An *aide-mémoire* from the Danish Government supporting the Faroese demands and suggesting early negotiations was accordingly delivered to the British Foreign Office on June 19.

The British Government stated in its reply (July 5) that while Britain would join with Denmark in preliminary discussions, she regarded formal negotiations as "premature so long as the Icelandic fisheries dispute remains unresolved."

The British reply stressed that a unilateral declaration had "no legal effect," and that if Britain agreed to cancel the Anglo-Danish Fishing Convention this would not bind other countries. The Note therefore asked whether the Danish Government considered it desirable to hold a conference of all countries whose vessels fished off the Faroes, although pointing out that such a conference could only "reach agreement on the lines of the proposals most supported at the recent Geneva Conference on the Law of the Sea," which would give the Faroes much less than they now claimed. The British Government were particularly anxious that any agreement should provide stability and security, and it would be essential to know whether the Faroe islanders would "regard the result of a conference as an enduring settlement."

Talks began in London on Sept. 12 between a Danish delegation led by Mr. Viggo Kampmann, the Finance Minister, and a British delegation led by Mr. John Hare, the Minister of Agriculture, Fisheries and Food.

A subsequent official statement said that the representatives of the two Governments had exchanged views on "the implications for the fisheries around the Faroe Islands of the Geneva Conference on the Law of the Sea and subsequent developments," and that Mr. Kampmann had "agreed to examine certain British proposals made as a provisional solution." These proposals were stated in the British and Danish Press to comprise: (1) an extension of the fishing limits, within which Faroese vessels alone would have the right to fish, from the present three miles to 12; (2) within this 12-mile zone, recognition of a contiguous six-mile zone (i.e. the outer half of the 12-mile zone) within which foreign trawlers would be allowed to fish under a quota system.

The British proposals were considered by the Foreign Affairs Committee of the Danish *Folketing* on Sept. 17 and were approved in principle, subject to acceptance by the Faroese *Lagting*. After discussions at Thorshavn with a Danish delegation led by Mr. Kampmann, however, a special committee of the Faroese *Lagting* rejected the British proposals in their existing form on Sept. 24. The majority of the committee nevertheless agreed to Mr. Kampmann's proposal that negotiations for a satisfactory settlement with Britain should be continued, and it was decided to send three Faroese representatives to assist in further talks.

Renewed Anglo-Danish discussions accordingly opened in London on Oct. 2, the Danish-Faroe delegation being again headed by Mr. Kampmann. It was agreed that a number of technical points involved should be examined in detail by experts of both sides, and meetings of experts were accordingly held in London on Oct. 3, in Copenhagen on Oct. 9-10, and again in London on Oct. 29-30. On the latter date it was announced that the experts' conclusions would be submitted to the British and Danish Governments.—(Berlingske Tidende, Copenhagen - Politiken, Copenhagen - Lloyds List and Shipping Gazette - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Icelandic Fisheries Dispute, 16478 A; Geneva Conference on Law of the Sea, 16411 A; Anglo-Danish Fishery Convention, 14163 D.)**

B. **SPORT. — Yachting. - The America's Cup.**

The 17th challenge contest for the America's Cup—the leading international trophy for yachting, last competed for in 1937—was held off the coast of Rhode Island, U.S.A., from Sept. 20-26. The contenders were the American yacht *Columbia*, skippered by Mr. Briggs Cunningham, and the British yacht *Sceptre*, skippered by Lieut.-Commander Graham Mann, R.N. The *Columbia* was owned by the New York Yacht Club and designed by Mr. Olin Stephens, while the *Sceptre* was owned by the Royal Yacht Squadron and designed by Mr. David Boyd. Both yachts were of the international 12-metre class, details being as follows:

	Columbia	*Sceptre*
Overall length	69 ft. 7 in.	68 ft. 10 in.
Waterline length	45 ft. 8 in.	46 ft. 6 in.
Beam	12 ft.	12 ft.
Draft	9 ft.	9 ft 1 in.
Displacement	56,900 lb.	68,000 lb.
Mast height	80 ft.	80 ft.
Sail area	1,916 sq. ft.	2,000 sq. ft.

The contest was held over a triangular course of approximately 24 nautical miles, each race being alternately windward and leeward—i.e. twice around the course. The starting and finishing point was a buoy anchored in the Atlantic Ocean nine nautical miles south-east of Brenton Reef Lightship, off Newport, R.I. The series was for the best of seven races, continuing until one yacht had won four times.

Columbia retained the trophy for the United States—which has held it uninterruptedly since 1851—by winning four of the five races held; one of the races was declared "no contest" as neither vessel had reached the finishing-point when the time-limit expired, although *Columbia* was well in the lead. Detailed results were as follows:

First race (Sept. 20)—*Columbia* completed course (i.e. twice round) in 5 hours 13 min. 56 sec., winning by 7 min. 44 sec. Wind 3-6 knots.

Second race (Sept. 22)—No contest, neither yacht completing course on expiration of time-limit; *Columbia* was leading *Sceptre* by about half-a-mile four miles from the finish. Wind 0-8 knots.

Third race (Sept. 24)—*Columbia* completed course in 3 hours 17 min. 42 sec., winning by 11 min. 42 sec. Wind 8-12 knots.

Fourth race (Sept. 25)—*Columbia* completed course in 3 hours 9 min. 7 sec., winning by 8 min. 20 sec. Wind 22-25 knots.

Fifth race (Sept. 26)—*Columbia* completed course in 3 hours 4 min. 22 sec., winning by 7 min. 5 sec. Wind 15-18 knots.

There have been 16 races for the America's Cup since it was first won by the schooner *America* in 1851 (see footnote); the United States has been successful on every occasion, British yachts having challenged 14 times and Canadian yachts twice. (Times - New York Times) **(Prev. rep. America's Cup, 1937 Contest, 2692 B.)**

Note.—The America's Cup was originally designated the Royal Yacht Squadron 100 Guinea Cup and was offered as a prize for a race round the Isle of Wight during the Squadron's regatta in 1851. Commodore J. C. Stevens, of the New York Yacht Club, entered his schooner *America* for the race and finished the 53-mile course eight minutes ahead of the nearest of his 17 rivals. The cup thus became the property of the owners of the schooner, and when the syndicate was wound up it was renamed after Commodore Stevens' vessel and given to the New York Yacht Club (in whose clubhouse it has remained ever since) as a trophy for perpetual international competition. Although the America's Cup has traditionally come to be regarded as a contest between British and American yachts, the Deed of Gift stipulated that it should be open to "competition between foreign countries"; hence there is nothing to prevent an organized yacht club in any country from challenging the United States for the trophy.

Under the terms of the original Deed of Gift, it was necessary for the challenging yacht to cross the Atlantic on her own bottom. In 1957, however, the New York Supreme Court rescinded this clause, thus enabling *Sceptre* to be shipped to the United States without having to undergo any of the strains to vessel and crew that would have been imposed by the long ocean crossing under sail.—(Times)

A. UNITED KINGDOM. — Education. - University Grants Committee's Report on University Developments, 1952-57. - Increased Government Grants to Students. - Expansion of Teachers' Training Colleges. - Creation of College of Technologists.

The University Grants Committee, under the chairmanship of Sir Keith Murray, published on Sept. 24 their report on University development over the five-year period August 1952 to July 1957.

The work of the Committee had been concerned with the allocation of increased Treasury grants in implementation of the Government's plan to increase the number of full-time University students (which in October 1957 had reached 94,600) to 124,000 by the mid-1960's, with provision for a further temporary increase of 10 per cent until 1970. In deciding upon the increased limits in grant commitments thereby involved, the Government had been guided by the Committee's recommendations resulting from discussions with each University concerned as to the part it would play.

The principal findings of the report are summarized below under cross-headings.

Increased University Entries. In consideration of the Government's expectation that two-thirds of the proposed increase in the number of students would be in the fields of science and technology, the Committee estimated—on the basis of the figures for 1955-56—that within the next ten years the number of students in faculties of pure science and technology would increase by 86 per cent to about 55,000, and of those studying the humanities and social sciences by 34 per cent to about 49,000.

The Committee examined the reasons for the continued increase in undergraduate entries at an annual rate of over 20 per cent. It concluded that while the Government's plan had taken into account the increased pressure for admission to the Universities consequent upon the post-war rise in the birth-rate, the new tendency for more pupils to remain at school until the age of 17 or over, and thereby qualify for admission to a University, had been overlooked. The anticipated "temporary" 10 per cent increase in admissions during the second half of the 1960's might therefore be expected to become permanent.

Recruitment of Academic Staff. The report found that since 1955 the increase in the numbers of academic staff had not fully kept pace with that of the numbers of students—a decrease in the proportion of Assistant Lecturers and Demonstrators being particularly noticeable. Although there had been general salary reviews in 1954 and 1957, which had taken into account the fall in the value of money and the improved salary scales of other professions and occupations, the Committee drew attention to the difficulties inherent in the application of any such general review, and recommended revised arrangements for dealing specifically with salary questions in the Universities.

Grant Commitments. The report noted that "the increase in the number of applications for admission to Universities in the past two years has been much greater than the increase in the capacity of the Universities to admit students"; thus "if still larger numbers are to be accepted without a lowering of standards, a greatly increased volume of new building will be required, as well as an increase in staffs." It was hoped that these needs would be met (1) by increasing the total grant of £10,400,000 for new buildings allocated in 1957 to £12,000,000 for each of the years 1958 and 1959, and to £15,000,000 each year from 1960-1963; (2) by progressively raising the annual grants for recurrent expenditure for the period 1957-1962 from £30,600,000 for the year 1957-1958 to £39,500,000 for 1961-1962. [The grants for recurrent expenditure would be exclusive of the additional cost of the new academic salary rates which took effect in 1957, and for which supplementary grants would be made.]

Income and Expenditure of Universities. The Committee commended the economic achievements of the Universities, which, as a result of the post-war condition of their buildings, had been faced with the necessity of greatly increased capital expenditure quite apart from that imposed by the need for expansion. During the five years 1952-1957 the Universities had themselves obtained benefactions amounting to £12,800,000, of which £3,900,000 had been set aside for buildings and equipment.

Despite the fact that the Universities had not received additional recurrent grants (apart from those covering salaries for academic staff) which would have assisted them in meeting the rise in prices, costs, and wages, a total surplus of income over expenditure of more than £1,000,000 had been achieved for the period under review.

Educational Problems. These had been examined in the light of three main considerations—(1) the increasing pressure on the limited time available for existing courses of instruction as a result of the growing content of knowledge; (2) the changed social and economic background of students; (3) the required balance between teaching and research. The following recommendations were made:

Teaching and Research. The Committee took the view that it was not practicable to extend courses of instruction "by one year," although several members had maintained that "courses were shorter than was desirable in modern conditions." In so far as the first duty of a University to a student was "to teach him how to think," teaching time might be saved without lowering of standards if some subjects were produced with less factual information and with greater emphasis on their implications.

The Committee considered that it was not possible to lay down any rule which would govern the balance between the "two activities" of teaching and research, which should be regarded "not as conflicting but as complementary." It was not thought that there was too much financially-sponsored research at the present time, though the position "needed to be watched." The report outlined the conditions in which financial responsibility for established research might be transferred from the Research Councils to the Universities, and suggested that research workers could also be trained "by using facilities outside the Universities." Research in the humanities and the social sciences had involved University libraries in increasing strain and expense, and the steps taken to improve library accommodation and facilities were detailed.

Higher Technological Education. The report explained the steps taken to develop higher technological education in the Universities, and for training in nuclear science. The Universities were urged to adopt a "liberal policy" in admitting to post-graduate study men whose scientific qualifications had been gained at "other institutions." The Committee did not, however, favour the creation of a new "technological university." It considered that the further development of the Imperial College of Science and Technology (see 14966 A), and that of colleges in advanced technology elsewhere in England and of central institutions in Scotland, "should produce the growth in the number of qualified scientists and technologists which the Scientific Manpower Committee of the Advisory Council on Scientific Policy have estimated to be required."

Faculties of Arts. The Committee had considered the problems created by the increasing number of students studying "subjects grouped together under the rather misleading title of 'arts.'" While it was true that many of these subjects had "an immediate vocational utility only for the intending teacher or scholar," many of them were also of great importance at a time when "the constant advance of science and its application creates ever more pressing social and political problems." This importance could not, however, justify a "great increase" in the number of assisted undergraduates studying these subjects. The report therefore recommended that in the case of a student seeking to study a subject which he did not intend to "apply vocationally," particular care should be taken in deciding "whether his response is likely to justify the cost of his University education."

Pre-University Education. Dealing with the criticism that the present-day high standards of University requirements for admission led to "excessive specialization" in schools—particularly in those putting forward scholarship candidates for colleges at Oxford and Cambridge—the Committee "doubted" whether the most successful of such schools had "allowed their teaching in the sixth forms to be distorted." On the other hand, syllabuses for the advanced level of the G.C.E. "had become overcrowded with factual material," and the effect of educational effort narrowed down "to obtaining 60 per cent in three subjects" was "to encourage 'cramming' and a generally unintelligent attitude towards work."

Social Background and Environment of Students. The report noted that the proportion of "assisted students" had risen from 41 per cent in 1939 to nearly 76 per cent in 1957, and that an increasing number came from families of which they were the first members to receive a University education. Because of grants and awards, more students were enabled to go to "distant Universities," with both favourable and unfavourable consequences.

The "progressive reduction" in the number of students living at home during term was to be welcomed, since there was "no satisfactory substitute for a hall of residence." On the other hand, the system of awards to include such residence tended to result in the best students being "creamed off," so that inequalities between Universities were thereby perpetuated and even increased. Recent figures had shown that nearly half the number of full-time students were in lodgings; and the Committee felt that while "a favourable environment for study" might be provided by "experienced landladies," the shortage of proper lodging accommodation resulted in some students having to "make do" with inferior quarters where domestic distractions relegated work to a "shared bedroom." Because of the changed social and economic background of the majority of students, it was no longer tenable that their "general education" and welfare should be left "to take care of itself."

Increased Grants to Students.

The Minister of Education (Mr. Geoffrey Lloyd) announced on June 6 a revised scale of maintenance and vacation grants for State scholars at Universities and students at teachers' training colleges, to become effective in the autumn. [Tuition fees are fully covered by these grants, of which over 3,000 are made each year; as regards the cost of maintenance during term-time, however, parents whose income is above a certain level are required to make a contribution—see below.] The new arrangements were expected to involve an increased expenditure of about £1,900,000.

The new scale was also recommended by the Minister to local education authorities, which make about 12,000 annual grants to students not qualifying for State awards and, in general, base their grants on the Ministry's recommendations. The changes involved are summarized below:

Parents' Contributions. The Education Act of 1944 had laid down that the parental contribution should be determined by a "means test," the nature of which had encountered increasing criticism

during recent years. Rather than seek to amend the Act and abolish the "means test," the Government had decided to revise it so as to reduce the burden on parents—particularly those of the middle-income groups—in the following ways :

(1) In calculating the parents' net income, the existing allowances deductable from the gross income would be increased and others added (e.g. for life insurance premiums and payments of mortgage interest).

(2) The net income below which no parental contribution would be required would be raised from £450 to £525 per annum

(3) The scale of parental contributions, instead of rising progressively with higher rates of income, would increase at the uniform rate of £14 for every £100 of "scale" income.

The new scale for the parental "means test" is :

Scale income £	Parents' contribution. New (£)	Old (£)
500	Nil	7
750	42	44
1,000	77	82
1,200	105	112
1,500	147	157
1,800	189	202
2,100	231	259
2,300	259	307
2,500	287	367
3,000	357	Total cost

Amounts of Grants. The new scale for term-time maintenance of students is as follows :

	New rates £	Current rates £
Oxford and Cambridge :		
College, Hall or lodgings	325	283
London University .		
College or hall	280	252
Lodgings	270	243
Home	192	171
Other Universities and University Colleges :		
College or hall	255	225
Lodgings	240	212
Home	182	156

Tuition fees would continue to be paid by the Government, together with necessary travelling expenses. Vacation grants, which are awarded "where appropriate" in accordance with a student's home circumstances or pressure of work, would also be raised. At Oxford or Cambridge, the present limits of £25 - £47.10.0 would be raised to £30 - £54 ; and the existing limits of £20 - £38.10.0 which applied elsewhere would be raised to £25 - £44.

The annual grants for personal expenses made to students at training colleges for teachers, and calculated according to means, would be raised to a maximum of £75 instead of £65. Personal grants and dependants' allowances for students at colleges for technical teachers (who, generally speaking, belong to a higher age-group) would also be increased—the personal grant from £95 to £135 ; the allowance for adult dependants from £117 to £160 ; and that for the first child from £40 to £55, with allowances for subsequent children in proportion.

Mr. Lloyd announced on June 26 that a committee of 15 members would be set up under the chairmanship of Sir Colin Anderson, with the following terms of reference :

(1) To enquire into the present system of allocating awards to students ; (2) to consider the degree of financial responsibility to be shared between the State and local education authorities ; (3) to discuss the application of the parental "means test" ; (4) to consider whether University or College scholarships should continue to be supplemented by the State, and whether there should be special awards for outstanding merit ; (5) to make recommendations concerning advanced courses for students in technology, art, and music.

Expansion of Teachers' Training Colleges.

A programme for the expansion of teachers' training colleges was announced by the Minister of Education on Sept. 24. It was proposed (*a*) that the number of places in these colleges should be increased to 12,000 (i.e. by over 50 per cent) by the autumn of 1962 ; and (*b*) that, to accommodate this increase, 50 existing colleges should be extended and some new ones built at a cost of about £15,000,000.

The National Advisory Council on the Training and Supply of Teachers had previously suggested that 16,000 new places should be provided, so as to bring the total to 36,000 and enable 12,000 teachers to be trained annually on the three-year courses which the Government had decided to introduce in 1960 (see 15595 B). In a letter to the chairman of the Council (Sir Philip Morris), Mr. Lloyd said that he accepted the essential importance of introducing the three-year course, but suggested that calculations which put the required number of teachers at a figure of 16,000 were "necessarily tentative," since (*a*) estimates of the school population from 1963 onwards related to future births and were therefore "speculative" ; (*b*) there was "considerable uncertainty" about the net increase to be expected in the number of candidates for training as teachers. The Minister pointed out that it would be "a considerable time" before two present influential factors could be assessed—the "wastage" due to the high rate of resignations among women teachers (which might or might not become established as a "trend"), and the number of graduate teachers who might be produced by the University expansion programme. The addition of 12,000 places by 1962 would "bring the colleges near the point where they can reach the Council's objective."

The general secretary of the National Union of Teachers (Sir Ronald Gould) said that the expansion programme was "good as far as it goes—but it does not go far enough." He added that the "curse of overcrowded classes" in schools would be prolonged "even beyond 1968" unless the training colleges were "adequately expanded."

University Population.

The latest returns, published in July 1958, gave the number of full-time students at British Universities for the academic year 1956-1957 as just under 90,000, an increase of 4,652 on 1955-1956. London University had 19,762 full-time students ; Cambridge 8,389 , and Oxford 7,708. The overall proportion of students in the principal faculties was as follows : Arts, 43.1 per cent ; Pure Science, 22.2 per cent ; Technology, 13.9 per cent ; Medicine, 14.4 per cent.

Creation of College of Technologists.

Lord Hives, chairman of the National Council for Technological Awards, announced on Nov. 7 that special research into problems related to industrial needs would be recognized by granting membership of a newly-created College of Technologists.

The award, entitling its recipients to use after their names the letters M.C.T. (Member of the College of Technologists), would be granted to students who had "completed a substantial programme of work demanding the application of their knowledge to the solution of a problem of value to industry." This programme, lasting not less than three years, would have to be carried out jointly in industry and at a technical college.

The status of the award would be comparable to that of a University Ph.D., and would therefore rank more highly than the Council's existing award, the Diploma of Technology, which had been taken by 1,706 students in 1958 as against 960 in 1957. Advanced students who already held the Diploma of Technology, or an equivalent degree in the academic field, would be able to take the three-year course for the M.C.T., which would become the highest technological award in the country. Lord Hives emphasized, however, that whilst the M.C.T. would rank with a Ph.D. degree, there was no intent on of competing with the universities ; candidates entering for the M.C.T. would not be doing purely academic work but would maintain direct contact with industry while carrying out research and study.

Lord Hives added that the formation of the new College had been approved by the representatives of industry on the Council's governing body as a means of bringing the industrial and academic worlds still closer together.

The *Manchester Guardian* pointed out that there was "no simple parallel to the new M.C.T.", commenting in this connexion : "It differs from the doctorate of the American Institutes of Technology in that students will not be wholly engaged in academic life and must retain their association with industry. On the other hand it does not denote membership of a professional body such as the F.R.I.B.A. for architects. The nearest parallel is in the medical field, where a doctor may take his diploma in one of the royal colleges and move on to membership in the college after following a programme of study and research."

The College of Technologists will be established in London ; for the present, its administrative headquarters will be the N.C.T.A. offices at Cavendish Square, W.1. The Governors of the N C.T.A. will serve as a Court for the new college, to which technologists qualifying for the M.C.T. will elect their own representatives in due course.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 15595 B ; 14966 A ; 13634 A ; 12078 B.)**

A. UNITED STATES. — Alaskan Referendum on Statehood. - Big Majority for Entry into Union.

The referendum on Alaska becoming the 49th State of the Union took place on Aug 26, virtually complete results being : "Yes"—37,509 ; "No"—7,156. The three questions put to the voters were : "(1) Shall Alaska be immediately admitted to the Union as a State ? (2) Shall the present boundaries be accepted as boundaries of the new State ? (3) Shall 103,350,000 acres of public land be transferred to the new State ?" Voting was exceptionally heavy, the franchise being exercised by all persons over the age of 19.—(New York Herald Tribune) **(Prev. rep. 16292 A.)**

B. NORWAY. — Cabinet Appointment.

The Norwegian Minister for Municipal and Labour Affairs, Hr. Ulrik Olsen, resigned on Sept. 1 for reasons of age and was succeeded by Hr. Andreas Cappelen.—(Aftenposten, Oslo) **(Prev. rep. 14872 F.)**

A. SIAM. — Military Coup by Marshal Sarit Thanarat. - Power assumed by "Revolutionary Party."

A bloodless military *coup d'état* (the second in little more than a year) was carried out on Oct. 20 by Field-Marshal Sarit Thanarat, the supreme commander of the Siamese armed forces, who assumed absolute power as leader of a military junta, the "Revolutionary Party." Marshal Sarit (59) had left Siam in January to undergo an operation in the U.S.A., and had subsequently spent three months convalescing in England before returning secretly to Bangkok by air on Oct. 19.

During the morning of Oct. 20 all the members of General Thanom Kittikachorn's Cabinet were summoned to Army headquarters, where they were ordered to tender their resignations to Marshal Sarit at noon. The Prime Minister accordingly submitted his resignation to King Phumiphon Aduldet, on the ground that he was "unable to conduct the administration in the way necessary to achieve the goals desired." After troops had been posted at strategic points in the capital, a statement by Marshal Sarit proclaiming martial law throughout the country was broadcast by Bangkok Radio. The statement said that the Revolutionary Party, consisting of Army, Navy, Air Force, and police officers and civilian officials, had taken over the government with the outgoing Cabinet's support "to meet the serious Communist threat from abroad and at home and to preserve the constitutional monarchy." A communiqué was issued later the same day announcing the dissolution of the National Assembly and the suspension of the Constitution, which the Revolutionary Party proposed to revise; it was stated, however, that there would be no press censorship.

Marshal Sarit's action was officially described as a "revolution" and not as a *coup*, because (in the words of a spokesman for the junta) "a *coup* is directed against the Government and this was against the National Assembly." General Thanom Kittikachorn was stated to be the deputy leader of the Revolutionary Party, and Lieut.-General Prapart Charusathien (the former Minister of the Interior) its director in charge of civil affairs. Committees which included a number of independent personalities were set up by the Revolutionary Party to deal with economic problems and draft a new Constitution.

All political parties were abolished on Oct. 21, and about 70 Siamese and Chinese—including members of the Assembly, politicians, journalists, trade union leaders, and businessmen—were arrested during the next few days on charges of breaking the Anti-Communism Act, which previously had been only loosely enforced. In addition, about 70 Vietnamese were reported on Oct. 25 to have been arrested in north-eastern Siam on a charge of conducting Communist propaganda among Vietnamese refugees, whilst on Nov. 3 a number of extreme right-wing journalists who had attacked Marshal Sarit were also arrested. Twelve Siamese and Chinese newspapers and periodicals were suppressed under the Government's emergency powers.

The background of the coup was described in despatches from Western press correspondents in Bangkok, those of *The Times* and the *Manchester Guardian* being summarized below:

The Bangkok Correspondent of *The Times* stated on Nov. 5: "The ostensible reasons for these drastic actions were the increase in Communist activity, the unscrupulous parliamentary manoeuvring of Nai Khuang Aphaiwongse's right-wing Democrat Party, who were trying to make political capital out of a rice scarcity in the northern provinces, and the intrigues of supporters of Marshal Pibul Songgram, the former strong man, who was sent into exile last year.... Western observers are frankly sceptical whether there was in fact a Communist plot.... The chief reason for the coup was the venality of some pro-Government National Assembly men who were constantly threatening to vote with Nai Khuang's Democrats unless placated with bribes and favours. At the same time intrigues within the military group centred around the controversial personality of General Prapart Charusathien, the ambitious Minister of the Interior. All these manoeuvrings have been brought to an end by Marshal Sarit's action."

The *Manchester Guardian* (Nov. 3) laid emphasis on the economic rather than the political background of the coup. "Neither diplomatic quarters nor political observers in Bangkok believe that even a trace of Communist danger exists in Siam," it stated. "The real reason was economic—the Government was facing bankruptcy.... During the past year foreign exchange reserves came down to the lowest they had ever been, and commercial activities declined considerably. To add to these difficulties, the U.S. aid for 1958 was cut by almost half to $24,000,000.... The present economic and financial impasse was reached more because the Chinese business community here had lost its confidence in the Government than because of governmental inefficiency. The 2,500,000 Chinese in Siam own about 50 per cent and control over 80 per cent of the country's total non-agrarian capital. A belated upsurge of nationalism among the Thais, who never passed through the phase of colonialism as did other Asian nations whose nationalism was spent fighting 'Western imperialism,' has recently been directed against the Chinese community, which has a stranglehold on Siam's economy. Harassment of Chinese business men, restrictions imposed on Chinese commercial organizations, discrimination by the Government in the issue of licences and permits, have undermined the confidence of this powerful group, which, since it controls Bangkok's open money market, has been steadily transferring dollar and sterling credit to Hong Kong and Singapore, instead of re-investing in Siam. The last Siamese Government's attitude to this community has had political repercussions also. According to a recent survey made by the Criminal Investigation Department, it was discovered that 60 per cent of the Chinese in Siam are pro-Peking, 10 per cent are pro-Taiwan, and 30 per cent are uncommitted...."

The new Government emphasized that it did not intend to modify Siam's foreign policy in any way; Mr. Pote Sarasin (secretary-general of the South-East Asia Treaty Organization) was asked to act as adviser to the Revolutionary Party, and Prince Wan Waithayakon was confirmed in his post as Siamese delegate to the U.N.—(Times - Manchester Guardian - New York Times - Le Monde, Paris) **(Prev. rep. 15988 A.)**

B. LITERATURE. — Book Selections for October.

Selected books published in Great Britain and the United States are given below:

Great Britain. Fuchs, Sir Vivian, and Hillary, Sir Edmund—"The Crossing of Antarctica." (Cassell, 30s.)

George, William—"My Brother and I." A Biography of David Lloyd George, by his Brother. (Eyre & Spottiswoode, 30s.)

Goutard, Colonel A.—"The Battle of France, 1940." Translated from the French. (Frederick Muller, 25s.)

Greene, Graham—"Our Man in Havana." A Novel. (Heinemann, 15s.)

Jenkins, Elizabeth—"Elizabeth the Great." (Victor Gollancz, 21s.)

Jenkins, Roy—"Sir Charles Dilke: A Victorian Tragedy." (Collins, 25s.)

Maclean, Fitzroy—"A Person from England, and Other Travellers to Turkestan." (Jonathan Cape, 21s.)

Magnus, Sir Philip—"Kitchener: Portrait of an Imperialist." (John Murray, 30s.)

Maugham, W. Somerset—"Points of View." Five Essays on Persons and Books. (Heinemann, 21s.)

Moorehead, Alan—"The Russian Revolution." (Collins with Hamish Hamilton, 30s.)

Mowry, George E.—"The Era of Theodore Roosevelt: 1900-1912." (Hamish Hamilton, 35s.)

Newby, Eric—"A Short Walk in the Hindu Kush." (Secker & Warburg, 25s.)

Pearson, Hesketh—"Johnson and Boswell: The Story of their Lives." (Heinemann, 21s.)

Wheeler-Bennett, John W.—"King George VI: His Life and Reign." (Macmillan, 60s.)

Young, Michael—"The Rise of the Meritocracy." (Thames and Hudson, 15s.)

United States. Berton, Pierre—"The Klondike Fever: The Life and Death of the Last Gold Rush." (Knopf, New York, $5.75)

Fenton, Charles A.—"Stephen Vincent Benét: The Life and Times of an American Man of Letters." (Yale University Press, $4.50)

(Ed. K.C.A.) **(Prev. rep. Book Selections, 16432 A.)**

C. UNESCO. — Opening of Paris Headquarters.

The new permanent headquarters of the U.N. Educational, Scientific and Cultural Organization (Unesco) were officially opened in Paris on Nov. 3. Situated on a 7½-acre site in the Place de Fontenoy, the buildings were designed by three internationally-known architects—Marcel Breuer (U.S.A.), Bernard Zehrfuss (France), and Pier Nervi (Italy). They comprise (*a*) a seven-storey Y-shaped building raised on 72 pillars and walled with glass and Travertine stone; (*b*) a smaller conference hall of trapezoidal shape, with seating accommodation for 1,000 persons; and (*c*) a Secretariat building. The Unesco headquarters enjoy extra-territorial status under an agreement between the U.N. and the French Government.

The new headquarters are embellished with works of contemporary art and sculpture, the work of ten artists of international reputation commissioned by Unesco. Pablo Picasso contributed a huge mural—his biggest painting—covering nearly 1,000 sq. ft. and mounted on 40 panels on a wall of the conference building; it has an allegorical motif and was offered by M. Picasso as a gift to Unesco. Works by other artists include two free-standing walls in ceramic tile by the Spanish artist Joan Miró, representing "Night" and "Day"; a 30-ton sculpture of a reclining female figure by the British sculptor Henry Moore, in white Travertine marble and set on a pedestal; and a Japanese garden by the Japanese-American landscape artist Isamu Noguchi, with waterfall, stream, pond and bridge.

The inaugural ceremony was attended by President Coty, Dr. Luther Evans (Director-General of Unesco), two former Directors-General (Sir Julian Huxley and Dr. Torres Bodet), the British and French Ministers of Education (Mr. Geoffrey Lloyd and M. Berthoin), Dr. Radhakrishnan (Vice-President of India), and representatives of all 81 countries in membership of Unesco.—(Le Monde, Paris) **(Prev. rep. 14560 D.)**

NOVEMBER 15—22, 1958

A. JORDAN. — King Hussein's Aircraft attacked over Syria. - Disclaimer by United Arab Republic.

An aircraft carrying King Hussein of Jordan was attacked by two U.A.R. jet fighters over Syria on Nov. 10 half-an-hour after it had left Amman for Cyprus on the first "leg" of a flight to Europe, where King Hussein was to have spent a three-weeks' holiday in Switzerland. The plane succeeded in escaping from its pursuers and returned safely to Amman with the King on board.

King Hussein and his uncle, Sherif Naser, were travelling in a machine piloted by Wing-Commander J. Dalgleish, the British instructor of the Jordanian Air Force. While flying over Syria it was attacked by two Mig's but escaped by successful evasive action. On returning to Amman King Hussein broadcast an account of the incident, declared that Jordan would take "all necessary measures to answer this act of hostility," and announced that he had cancelled his holiday.

King Hussein explained that when his plane reached the Syrian border, Wing-Cdr. Dalgleish had informed Damascus airport that it would be crossing Syrian territory and had been given permission to proceed. About 15 miles from Damascus the pilot had again notified the airport that the machine would be passing through; on this occasion, however, the airport authorities said that they had been given instructions not to allow the plane to proceed, and called upon it to land. Wing-Commander Dalgleish, suspecting "bad intentions," then decided to return to Amman, but after a little time two Mig's had appeared and "buzzed" the plane six times with the apparent intention of attacking it. Thanks to the skill of Wing-Cdr. Dalgleish, these "insane and aggressive" attacks had not succeeded, and the machine was able to re-cross the Jordanian frontier and return safely to Amman. The two Mig's had pursued it for some distance across the frontier, thereby violating Jordan's airspace, but eventually flew back to Syria.

The attack on King Hussein's plane aroused intense anger in Jordan, where the armed forces and the civil population celebrated the King's escape by large-scale demonstrations of loyalty. At an emergency session of the Jordanian Parliament on Nov. 11, the Prime Minister (Mr. Samir Rifai) gave further details of the incident and announced that a full report had been sent to the U.N. Special Representative in Jordan, Signor Spinelli, for transmission to Dr. Hammarskjöld.

Mr. Rifai disclosed that King Hussein had acted as co-pilot with Wing-Cdr. Dalgleish and that the successful evasive action had been planned and executed by both. Wing-Commander Dalgleish, by flying with great skill alternately at high and low altitudes, had prevented the Mig's from getting the King's plane in their sights, and on re-crossing the frontier the machine had escaped by flying at very low level through a valley between two high mountains, thus making it impossible for the Mig's to dive and open fire. Mr. Rifai paid high tribute to the coolness and courage displayed both by King Hussein and by Wing-Commander Dalgleish.

It was announced in Amman on Nov. 11 that the attack on King Hussein's plane was regarded as an open violation of the U.N. Charter, the Charter of the Arab League, and the Middle East "peace resolution" approved by the General Assembly, and that the Jordanian Government intended to bring the matter to the attention of the Security Council. On Nov. 17, however, King Hussein stated that the incident would not be taken to the United Nations, since such an action might "impair the good results which we achieved in co-operating with the other sister-States at the international forum."

Speaking at a press conference, King Hussein said that he preferred to regard the incident as a personal insult to himself rather than as a U.N. matter; he added that he had been amply compensated by the widespread demonstrations of loyalty from his people on his return to Amman. He expressed the hope that the U.N. would prevent any recurrence of similar incidents.

In a statement to Parliament the same day, Mr. Rifai said that the Government had decided not to proceed with the matter in response to the wish of King Hussein, who had told him: "If I forgive the enemies of Arab nationalism for the wrongs committed against my country and my people, how much more fitting it is that I should meet attempts against my person with similar forgiveness and tolerance." Mr. Rifai added that the Government were making official contacts with the U.N. Secretary-General "with a view to dealing with this matter by other means conducive to the achievements of the objectives and results which it is seeking to obtain."

An official denial that U.A.R. aircraft had tried to shoot down King Hussein's plane was issued in Cairo on Nov. 10, a similar denial being issued by the Command of the U.A.R. First Army (Syrian Region).

The Cairo statement said that an unidentified Jordanian plane had flown over Syrian territory without obtaining prior clearance; that the pilot had refused to give information about its mission and direction when asked to do so by Damascus air control; that the aircraft had been ordered to land so as to obtain flight authorization; that the pilot had refused to do so and said that he would return to Jordan; and that U.A.R. planes had been ordered to accompany the machine to the Jordanian-Syrian frontier. It added: "The Jordanian statement that U.A.R. aircraft attacked the Jordanian aircraft with the intention of shooting it down is untrue, because our aircraft were capable of forcing it to land or of shooting it down if it refused to obey the order."

Although King Hussein's impending visit to Europe had been announced in Amman some days beforehand, it appeared that the U.A.R. authorities were unaware that the King was actually on board the plane intercepted over Syria. The Amman Correspondent of *The Times* stated in this connexion: "The King's presence in the royal aircraft had not been disclosed to Damascus air control, but the Syrian authorities had known of the royal departure, which had been publicly announced. The incident could not be considered [in Amman] otherwise than as an act of aggression against Jordan in the person of its King."

The incident of Nov. 10 followed a period during which there had been a marked improvement in the relations between Jordan and the United Arab Republic, consequent on the adoption of the "peace resolution" presented in the General Assembly by all the Arab States and unanimously approved on Aug. 21 (see 16365 A). On Oct. 31 Signor Spinelli informed the Jordanian Government that the U.A.R. had agreed to lift its blockade of Jordan—imposed in July last—with immediate effect; as a result, Jordanian civil aircraft resumed flights over U.A.R. territory from Nov. 1, and Jordanian road vehicles—including oil and fuel carriers—resumed the transportation of goods from Beirut to Jordan via Syria. For several weeks beforehand there had been a virtual cessation of anti-Jordanian press and radio attacks from Cairo and Damascus.

(Times - Daily Telegraph - Manchester Guardian)

B. IRISH REPUBLIC.—Proposed Abolition of Proportional Representation. - Commission on Senate Reform.

Mr. de Valera, the *Taoiseach* (Prime Minister), announced on Sept. 8 that he was in favour of abolishing proportional representation for elections to the Dail. He expressed the view that while P.R. seemed to be attractive it had in fact worked out badly, "leading to a multiplicity of parties and unduly stressing minority and sectional differences at the expense of community interests and the common good."

The Parliamentary Secretary to the *Taoiseach* (Mr. O Briain) announced in the Dail on Oct. 29, on behalf of Mr. de Valera, that the Government had decided to submit the question of discontinuing the present electoral system of proportional representation to a national referendum. A Bill would be introduced to amend the Constitution by deleting the provisions for the election of members of the Dail by P.R., and substituting new provisions to the effect that elections should be held by "relative majority vote" (i.e. simple majority, as in Britain) in single-member constituencies. The Bill would also propose the insertion in the Constitution of a new provision for an independent commission to determine and delimit constituencies.

On the previous day the *Fianna Fail Ard-Fheis* (the party conference of the ruling Fianna Fail party) had unanimously adopted a resolution calling for the abolition of proportional representation.

Mr. de Valera, replying to the motion, described P.R. as a "dangerous system." Enumerating its weaknesses, he spoke of the "ills of coalition—fabulous and contradictory promises before elections, bargaining for Government positions afterwards, and rivalry and feuds as the term of office ended."

It had previously been announced in Dublin on May 29 that the Minister for Local Government, Mr. Blaney, had appointed a commission to examine the method of election to the Senate. It would be headed by Mr. Joseph A. McCarthy (a former judge of the Circuit Court) and would include members of the Dail and Senate, as well as people from outside politics.

The proposal for the setting-up of such a commission arose from a motion introduced by Dr. Noel Browne in December 1957 that the Senate should be abolished; Mr. de Valera promised at the time to set up a committee to consider the possibility of Senate reform, and a motion to that effect was passed by the Dail.

The Senate in its present form is designed to represent "vocational" interests, 43 of its 60 members being elected from five panels representing agriculture, industry and commerce, labour, administration, and culture and education. Another six members represent the Universities, and 11 are nominated directly by the Prime Minister. The panel members are elected by an electoral college consisting of members of the Dail and county councillors.

The Senate Electoral Law Commission held its first meeting on June 11 under Mr. McCarthy's chairmanship.

(Irish Times, Dublin)

A. DISARMAMENT. — Revised "Rapacki Plan." - Western Powers reject Original Rapacki Proposals.

The Polish Foreign Minister (M. Adam Rapacki), speaking at a press conference on Nov. 4 attended by Polish and foreign journalists, announced a number of changes in the Polish Government's earlier proposals for setting up a "de-nuclearized" zone in Central Europe—the so-called Rapacki Plan. He explained that these changes were intended to meet the objections raised against the proposals contained in his original plan and the revised proposals made on Feb. 14, 1958, and that they had been agreed to by the other Warsaw Treaty countries. M. Rapacki's statement was as follows :

"We have given repeated evidence that we are capable of taking into consideration . . . opinions differing from our own, as well as the subjective difficulties of the various circles concerned. In our memorandum of Feb. 14, 1958, we took into account several such objections, and also set out the principles of a broad system of control over the carrying-out of the obligations we proposed.

"We have recently considered other arguments and misgivings voiced in the course of the discussion. We are prepared, in agreement with our allies, to take a new step—*in our opinion, a most far-reaching* step—towards meeting the main comments and reservations put forward regarding our proposal.

"We are prepared to consider the implementation of our plan in two stages. In the first stage, a ban would be introduced on the production of nuclear weapons in the territories of Poland, Czechoslovakia, the German Democratic Republic, and the German Federal Republic. Also, an obligation would be undertaken within the proposed zone to renounce the equipment with nuclear weapons of armies which do not yet possess them. At the same time, appropriate measures of control would be introduced. This might be said to amount to 'freezing' nuclear armaments in the proposed zone.

"The implementation of the second stage would be preceded by talks on the reduction of conventional forces. This reduction would be effected simultaneously with the complete de-nuclearization of the zone, and would be accompanied by appropriate measures of control.

"This modification in the manner of introducing a de-nuclearized zone in Central Europe may not satisfy all those who have hitherto opposed our proposal, in particular those who base their political reasoning on the armaments race and the equipment of Western Germany with nuclear weapons. It would, however, meet the suggestions and conclusions resulting from the attitude of many Western politicians who have expressed their opinions on our proposal. It should also eliminate major misgivings which were primarily intended to justify a negative attitude towards the Polish proposal on the part of certain Governments; in particular, the fears—whether or not well-founded—of 'upsetting the existing military equilibrium' between the two groups in Europe, of 'weakening the defences of the West,' of 'withdrawing American forces from Europe,' and so on.

"Attempts have been made to justify all these reservations by one key argument: 'A ban on the production and possession of nuclear weapons in Central Europe would deprive NATO of the nuclear shield in face of the superiority of the Warsaw Pact forces in conventional arms.' We could never agree with this argument, if only because of our fundamental attitude to weapons of mass destruction.

"We have never been against discussions on the reduction of conventional armaments in Central Europe. On the contrary, we have always favoured such discussions and such reduction. If in the past year we have confined ourselves to a proposal narrower in scope —the proposal for the de-nuclearization of Central Europe—it has been simply because the discussion on the limitation of all armaments in this area ran into serious difficulties. Moreover, we consider the carrying-out of our proposal as a first step towards further disarmament measures in that zone.

"Therefore, since many voices have been raised asking for de-nuclearization to be linked with reduction of other armaments in Central Europe, we are prepared to consider these views favourably. We put, however, one condition : that the discussions on the two related subjects are not endlessly protracted while nuclear armaments are included in the arsenals of new armies. . . ."

Replying to questions by correspondents, M. Rapacki said that during the second stage there would be full "de-atomization" of the Central European zone—i.e. "the withdrawal of atomic weapons and corresponding installations from the armaments of those armies which possess them in this zone, and at the same time the implementation of the previously agreed reductions of the conventional armed forces of both groups in the zone." As regards the forms of control, M. Rapacki said that they wanted an "effective control of the implementation of the commitments," recalling that a wide range of control measures had been suggested in the Polish memorandum of Feb. 14; which of these means should be introduced in the first stage and which in the second were "questions to be considered during concrete talks."

In reply to further questions, M. Rapacki said that the ban on atomic armaments and installations would certainly apply to the West German Army; that Poland envisaged a conference on the plan "when an agreement is reached by the parties concerned"; and that she regarded as "the parties directly concerned" as (i) the four countries in the proposed "de-nuclearized" zone [Poland, Czechoslovakia, Eastern Germany, and Western Germany], (ii) the four Great Powers [Britain, France, the Soviet Union, and the U.S.A.], and (iii) those other countries which maintained armed forces on German territory [Belgium, Canada, and Denmark.]

In its original form the Rapacki Plan had been rejected by Britain, the U.S.A., and France, as well as by the other NATO countries and by the Defence and Armaments Commission of the Western European Union Assembly.

British Note. The British reply to Poland, published in London on May 19, expressed H.M. Government's sympathy with the Polish Government's efforts to achieve progress in disarmament and the easing of international tension, but made it clear that the plan for an atom-free zone in Central Europe as proposed by M. Rapacki was not acceptable.

The Polish proposals (the Note said) raised "wider issues to which they appear to offer no solutions." Among these was "the threat to the security of the members of NATO which might arise owing to the preponderant strength of Soviet conventional forces if the Polish Government's proposals were accepted" To maintain the security of the West European countries it would be "essential that any measures which might be taken to reduce nuclear armaments in Central Europe should be accompanied by measures to reduce the Soviet preponderance in conventional weapons in the whole of Central and Eastern Europe." The Note emphasized that "it would be necessary for all these measures to be subject to control and inspection of the most effective kind," adding that "it is also the considered opinion of H.M. Government that German reunification would not be furthered by the adoption of the plan."

It was stated, however, that H.M. Government had "in no way diminished their interest in the solution of the problems of disarmament, European security, and Germany." After referring to the Western proposals for German reunification put forward in 1955, and the Western disarmament proposals of 1957, the Note expressed the hope that "progress towards a solution of the major problems may be made at the preparatory discussions for a conference of Heads of Government, at such a conference itself, or in some other way."

The Foreign Secretary (Mr. Selwyn Lloyd) said in the House of Commons on the same day that, after careful examination of the Rapacki Plan "in consultation with their allies," H.M. Government had concluded "that the adoption of the Polish plan would have such serious military and political disadvantages for the West that it would not achieve these objects [disarmament and the reduction of international tension]."

U.S. Note. The U.S. reply, published on May 4, also recognized that "the initiative of the Polish Government stems from a desire to contribute to the attainment of a stable and durable peace," but said that upon "serious and careful consideration" the U.S. Government had concluded that the Polish proposals were "too limited in scope to reduce the danger of nuclear war or provide a dependable basis for the security of Europe." It went on :

"They [M. Rapacki's proposals] neither deal with the essential question of the continued production of nuclear weapons by the present nuclear Powers, nor take into account the fact that present scientific techniques are not adequate to detect existing nuclear weapons. The proposed plan does not affect the central sources of power capable of launching a nuclear attack, and thus its effectiveness would be dependent on the good intentions of countries outside the area. The proposals overlook the central problems of European security because they provide no method for balanced and equitable limitations of military capabilities and would perpetuate the basic cause of tension in Europe by accepting the continued division of Germany.

"An agreement limited to the exclusion of nuclear weapons from the territory indicated by the Polish Government without other types of limitation would, even if it were capable of being inspected, endanger the security of the Western European countries in view of the large and widely deployed military forces of the Soviet Union. Unless equipped with nuclear weapons, the Western forces in Germany would find themselves at a great disadvantage to the numerically greater mass of Soviet troops stationed within easy distance of Western Europe. . . ."

The U.S. Note recapitulated the earlier Western and U.S. proposals for nuclear disarmament, measures against surprise attack, general disarmament within a more limited zone in Europe, the peaceful use of outer space, and a comprehensive European security pact to be established in conjunction with the reunification of Germany. It strongly rejected the Polish assertion that "the existence of opposing military groupings in Central Europe" was "responsible for tensions in the area; maintained that this division "stems primarily from the decision of the Soviet Union not to permit Eastern European nations to participate in the European recovery plan"; and reiterated that NATO was an entirely defensive organization. In conclusion, the Note said that the Polish proposals "would not serve to advance their expressed objectives," although expressing "appreciation" of the Polish initiative in seeking a solution to these problems. Finally, the hope was expressed "that the improved relations between Poland and the United States will serve as a basis for a better understanding between our two countries on these problems, as well as on other matters."

French Note. The French Government's reply was in similar terms to that of the British Government.

Following M. Rapacki's statement of Nov. 4, Mr. Selwyn Lloyd stated in the House of Commons on Nov. 19 that while he thought that the Polish Government and its Foreign Minister were "absolutely sincere" in putting forward these proposals, "the factor which must govern our view of this matter is whether any plan for disengagement will be acceptable if it changes the balance of military security to the disadvantage of either side." He added that there had so far been no official communication from the Polish Government, but that H.M. Government were studying M. Rapacki's statement "in consultation with their allies."—(Polish Embassy Press Office, London - Times - Daily Telegraph - Manchester Guardian - New York Times - Le Monde, Paris)

(Prev. rep. 16238 A ; 16141 A ; 16090 A.)

A. VATICAN. — Creation of 23 Cardinals. - Mgr. Tardini appointed Papal Secretary of State.

In the first major act of his pontificate, Pope John XXIII announced on Nov. 17 his intention to hold a secret consistory on Dec. 15 at which 23 new cardinals would be created—thereby raising the membership of the Sacred College to 75 for the first time since 1586, when Pope Sixtus V fixed the number of cardinals at 70.

The names of the 23 new cardinals were announced at the same time, comprising 12 Italians and 11 non-Italians. They were as follows, by nationality :

Italian. Mgr. Giovanni Battista Montini (61), Archbishop of Milan ; Mgr. Giovanni Urbani (58), Patriarch of Venice ; Mgr. Paolo Giobbe, (78), Papal Internuncio to the Netherlands ; Mgr. Giuseppe Fietta (75), Papal Nuncio to Italy ; Mgr. Carlo Chiarlo (77), titular Archbishop of Amida and Apostolic Nuncio to Brazil ; Mgr. Amleto Giovanni Cicognani (75), Apostolic Delegate to the United States ; Mgr. Carlo Confalonieri (65), Secretary of the Sacred Congregation of Seminaries and Universities ; Mgr. Alfonso Castaldo (68), Archbishop of Naples ; Mgr. Domenico Tardini (70), Papal Secretary of State [see below] ; Mgr. Alberto di Jorio (74), General Auditor of the Apostolic Chamber ; Mgr. Francesco Bracci (79), Secretary of the Sacred Congregation of Sacramental Discipline ; Mgr. Francesco Roberti (69), Secretary of the Sacred Congregation of the Council.

[Mgr. Montini was a Pro-Secretary of State with Mgr. Tardini from 1944 to 1954, prior to his appointment as Archbishop of Milan. Mgr. Urbani, formerly Bishop of Verona, was appointed by Pope John on Nov. 12 as Patriarch of Venice, the office held by the Pope himself (then Cardinal Roncalli) prior to his election. Mgr. Amleto Cicognani is a brother of Cardinal Gaetano Cicognani—the first time for 43 years that the Sacred College has two brothers among its members. Mgr. di Jorio was Secretary of the Conclave which elected Pope John as successor to the late Pope Pius XII ; he received the Red Hat from Pope John immediately after the papal election—see page 16469, second column.]

American. Mgr. Richard James Cushing (63), Archbishop of Boston ; Mgr. John Francis O'Hara (70), Archbishop of Philadelphia.

Austrian. Mgr. Franziskus König (53), Archbishop of Vienna.

British. Mgr. William Godfrey (69), Archbishop of Westminster.

[For biography of Dr. Godfrey see 15259 A ; he will be the first British cardinal since the death of Cardinal Griffin in 1956.]

French. Mgr. André Julien (76), Dean of the Tribunal of the Sacred Rota ; Mgr. Paul-Marie Richaud (71), Archbishop of Bordeaux.

German. Mgr. Julius Döpfner (45), Bishop of Berlin.

[Mgr. Döpfner (previously Bishop of Würzburg) will be the youngest member of the Sacred College ; much of his diocese is in Communist-controlled territory.]

Mexican. Mgr. José Garibi y Rivera (69), Archbishop of Guadalajara.

Portuguese. Mgr. Fernando Cento (75), Papal Nuncio to Portugal.

Spanish. Mgr. José Maria Bueno y Monreal (54), Archbishop of Seville.

Uruguayan. Mgr. Antonio Maria Barbieri (66), Archbishop of Montevideo.

Of the 75 members of the enlarged College of Cardinals—now at full strength—28 are Italians and 47 non-Italians. By nationality, the non-Italian cardinals comprise eight Frenchmen, four Americans, four Spaniards, three Brazilians, three Germans, three Portuguese, two Argentinians, two Canadians, and one each of Armenian, Australian, Austrian, Belgian, British, Chilean, Chinese, Colombian, Cuban, Ecuadorean, Hungarian, Indian, Irish, Mexican, Polish, Syrian, Uruguayan, and Yugoslav nationality.

Mgr. Tardini—one of the new Italian cardinals—was appointed Papal Secretary of State by Pope John, thereby filling a post left vacant by Pope Pius XII during the last 14 years of his reign. He was Pro-Secretary of State under Pope Pius (from 1944 to 1954 jointly with Mgr. Montini) and was reappointed to that post by Pope John immediately after the papal election.—(Universe - Catholic Times) **(Prev. rep. Pope John XXIII, 16469 A ; College of Cardinals, 16431 A.)**

B. ALGERIA. — The "Bazooka Trial." - Sentences for Attempted Murder of General Salan.

The trial of five members of the extreme right-wing "Resistance Organization of French Algeria" accused of attempting to murder General Salan (the French C.-in-C. in Algeria) opened before the Paris military tribunal on Oct. 6. The accused—Philippe Castille, Jean Fechoz, Christian Tronci, Ange Gaffori, and Gabriel Dellamonica—were charged with firing a bazooka shell into General Salan's office in Algiers on Jan. 16, 1957, and killing a member of his staff, Commandant Rodier. Dr. René Kovacs (an Algiers doctor and former swimming champion), who was alleged to be the organizer of the plot, had broken bail two days before the trial and was believed to have fled to Spain. Several other persons had been arrested in Algiers and Paris shortly after the crime on suspicion of complicity, largely as a result of allegations made by Kovacs, but were subsequently released.

At the request of M. Tixier-Vignancour (the right-wing independent deputy), who appeared for Kovacs, the trial had twice been adjourned —in July and August—on the ground of Kovacs's illness ; the prosecutor (Colonel Cornu) alleged "delaying manœuvres" by M. Tixier-Vignancour and made a request for the re-arrest of Dr. Kovacs, which was not granted by the court.

Shortly before the trial opened, M. Tixier-Vignancour announced that he would withdraw from the case as Colonel Cornu had not retracted his allegations. Dr. Kovacs thereupon sent a letter to the court stating that as M. Tixier-Vignancour could not undertake his defence, he had "regretfully decided" not to stand his trial at present, although he had no intention of evading the court's judgment. "It is evident, moreover," the letter continued, "that in view of the prosecutor's attitude towards me and the date fixed for the trial, immediately after the referendum and on the eve of the elections, it will be easier for me to defend my actions when the atmosphere is less impassioned." After this letter had been read, the court granted Colonel Cornu's request for the issue of a warrant for Kovacs's arrest, and decided to proceed with the trial of the other five defendants in the case.

All five defendants admitted manufacturing, placing, and firing the bazooka under Kovacs's orders, and Castille (a former officer of engineers) also acknowledged that he had personally directed the operation. They claimed, however, that they had not intended to injure anyone but merely to cause a "psychological shock" in France, and that they had therefore planned their attack for a time when General Salan's office was usually empty. Colonel Basset (a member of the general's staff, who was wounded by the explosion) pointed out, however, that the time chosen was in fact one at which the building was most crowded, whilst General Salan himself stated in evidence that "under the conditions in which it took place the attack was bound to cause casualties" Evidence was also given by General Cogny (commander of the French forces in Morocco at the time of the incident) and M. Arrighi (the Radical deputy and leader of the Corsican *coup* in May) ; both of them denied allegations—previously made by Kovacs—that they had been aware of the plot and that its object had been to replace General Salan, who was considered too "soft," by General Cogny.

On Oct. 15 the court found all the five accused guilty of premeditated murder, and sentenced Castille to 10 years' hard labour, Tronci and Fechoz to six years, and Gaffori and Dellamonica to five years. Kovacs was condemned to death *in absentia* on Oct. 24.—(Le Monde, Paris - Le Figaro, Paris)

(Prev. rep. 16245 A.)

C. FISHERIES. — The Icelandic and Faroes Disputes. - British Catches in Northern Waters.

In an article on Nov. 10 by the Diplomatic Correspondent of *The Times*, dealing with the implications of the Icelandic and Faroes fisheries disputes, the following table was brought showing (*a*) the total tonnage of fish caught in 1957 by British trawlers (based on Hull, Grimsby and Fleetwood) in "distant" fishing grounds ; (*b*) the tonnage caught inside the proposed 12-mile limit ; and (*c*) its percentage of the total :

Fisheries	Tonnage caught	Percentage caught inside 12-mile limit	Tonnage caught inside 12-mile limit
Iceland	173,000	40	70,000
Barents Sea and Murman Coast	52,000	6	3,000
Norwegian Coast	37,000	10	3,500
Bear Island and Spitzbergen	85,000	7	6,000
Greenland (Cape Farewell)	9,000	85	7,400
Grand Banks (Newfoundland)	3,000	6	100
Total Distant Waters	359,000	25	90,000

As regards the "middle waters" fisheries off the Faroes, British trawlers (mainly based on Aberdeen and Grimsby) caught 46,000 tons during 1957, between 50 and 60 per cent of this tonnage being taken inside the 12-mile limit.—(Times)

(Prev. rep. Iceland, 16478 A ; Faroes, 16489 A.)

A. UNITED KINGDOM. — Banking. - Introduction of Personal Loan and Personal Cheque Account Schemes. - Further Acquisition of Hire-Purchase Interests. - Merger of Scottish Banks.

A "personal loans" scheme—well known in American banking, but a new departure in British banking—was announced by the Midland Bank on Aug. 25 and was subsequently introduced by a number of other banks.

The Midland Bank's announcement said that the new "personal loan" service (coming into effect on Sept. 1) was primarily intended for personal requirements such as house repairs, refrigerators, other household or professional equipment, and cars. No security would be required other than the integrity of the customer, which would be judged by the individual bank manager, but the amount of the loan would have to bear some relation to the purpose for which it was required. Loans would be available in multiples of £10 for sums between £50 and £500. The rate of interest would be 5 per cent payable on the whole amount of the loan over the whole period, giving an effective interest rate of approximately 9¼ per cent. The loans would be repayable by monthly instalments over 6, 12, 18, or 24 months, but the entire debt would be immediately cancelled on the death of the borrower, the bank covering this risk by insurance. Interest certificates would be issued to borrowers for income-tax purposes. It was subsequently explained that the bank would "sympathetically consider" applications for up to £1,000 in such cases as small businessmen wishing to expand their businesses, or professional people wanting to buy equipment.

Similar "personal loan" schemes were announced by the Westminster Bank and the Clydesdale & North of Scotland Bank (a subsidiary of the Midland Bank) on Aug. 26; by Barclays Bank and the District Bank on Aug. 28; by Martin's Bank and Williams Deacon's Bank on Aug. 30; by the British Linen Bank and the Royal Bank of Scotland on Sept. 2; by the Bank of Scotland on Sept. 11; and by the Co-operative Wholesale Society Bank on Sept. 15.

Most of these schemes were for loans ranging from £50 to £500, or up to £1,000 in special cases; Barclays Bank, however, announced that there would be no minimum limit to the sum borrowed and that loans would be available to any customer, whether old or new, provided the bank was satisfied that repayment was within his means. The scheme of the Co-operative Wholesale Society Bank was limited to up to £400. The first scheme to come into effect was Barclays' on Aug. 29; the Westminster Bank, the District Bank, and Martin's Bank, introduced their schemes as from Sept. 1, the Clydesdale & North of Scotland Bank from Sept. 15, and the Bank of Scotland from Oct. 1.

Of the "Big Five" clearing banks, only two stayed outside the "personal loans" scheme—Lloyds Bank and the National Provincial Bank.

Lloyds Bank stated on Aug. 28 that its branch managers had wide discretionary powers in making loans, and that these were being freely used since the relaxation of the credit restrictions. Advances were made at rates of interest conforming to normal banking terms, and these facilities were "thought to be fully adequate at present to meet the requirements of the small borrower." [The interest rate on normal overdrafts is one or two per cent above Bank Rate, and such advances are thus considerably cheaper than personal loans.] The National Provincial Bank similarly announced on Sept. 3 that it regarded the loan facilities it already offered as "adequate."

Lord Monckton, chairman of the Midland Bank, said in a press statement on Sept. 8 that the bank had already made several thousand loans under its scheme, half of them for the purchase of motor cars and most of the others to pay for home decorations and repairs, or for the purchase of domestic appliances and equipment. The average personal loan was about £170.

The introduction of personal loan schemes by the banks led to an immediate reduction in hire-purchase charges by a number of furniture stores, car manufacturers, and other firms concerned with hire-purchase transactions; some of the stores even cancelled interest-charges entirely for a limited period.

Personal Cheque Account Scheme.

In an attempt to attract people who had never previously had a bank account, the Midland Bank announced on Sept. 4 a further innovation in the form of a personal cheque account scheme, which came into effect on Sept. 9.

It was stated that the "personal cheque account" would be a new kind of low-cost service "designed specifically for people with limited use for the services of a bank"; while not giving them the facilities of a full banking service, it would enable them to use a bank simply for the deposit and withdrawal of money and for making payments by cheque against the balance in their account. No minimum balance would be required on the one hand, but no overdrafts would be allowed on the other. The cost of the new account was fixed at 6d. a cheque, no other bank charges being made. In order to open an account, people not previously known to the bank would have to give a reference, sign a card, and pay in whatever money was desired to start the account.

Banks' Acquisition of Hire-Purchase Interests.

The process of acquiring interests in hire-purchase finance companies by clearing and merchant banks [see 16321 A] continued during August and September.

Lloyds Bank (the last of the "Big Five" to announce such a transaction) stated on Aug. 14 that it had offered to buy 2,000,000 5s. Ordinary shares in Bowmaker at 29s. 6d. each. This transaction, involving the payment of £2,950,000, gave the bank an interest of about 25 per cent in Bowmaker's Ordinary capital.

Commercial Bank of Scotland. Lazard Brothers announced on Aug. 14 that they had made a bid for the entire share capital of Olds Discount Company, on behalf of the Scottish Midland Guarantee Trust (a wholly-owned subsidiary of the Commercial Bank of Scotland). The offer was for 35s. 6d. for each 5s. Ordinary share of Olds Discount, involving the payment of £9,450,000.

Both Lloyds Bank and the National Bank of Scotland (in which Lloyds Bank holds a 98 per cent interest) were specifically associated with the offer; this resulted from the merger negotiations between the Commercial Bank of Scotland and the National Bank of Scotland [see below.] On the acceptance of the bid the Commercial Bank of Scotland will own one of the largest interests in hire-purchase finance of any U.K. bank by having a controlling interest in both the Scottish Midland Guarantee Trust and Olds Discount, together with a substantial indirect interest in the Industrial Banking Corporation, recently formed by Olds Discount in partnership with Samuel Montagu & Co. and Gunness, Mahon & Co. [see 16321 A.] Lloyds Bank, in addition to their 25 per cent interest in Bowmaker, will —through the National Bank of Scotland—hold a minority interest in Scottish Midland Guarantee Trust and in Olds Discount, as well as an indirect interest in the Industrial Banking Corporation.

The Royal Bank of Scotland, Williams Deacon's, and **Glyn Mills** announced on Aug. 14 that they were acquiring a 40 per cent share in the British Wagon Company. The latter company (which has a paid-up capital of £770,000) would issue approximately £500,000 of new shares which the banks would buy at 92s. 6d. per £1 nominal, involving just over £2,000,000.

Lombard Banking Ltd. (which holds the entire share capital of Lombank) announced on Aug. 13 that it had bought Awley Finance Ltd., a subsidiary of Vactric Ltd. (the vacuum cleaner manufacturers), subject to the consent of the Capital Issues Committee. In exchange for the 600,000 £1 shares in Awley Finance, Vactric Ltd. would receive 1,050,000 new Ordinary shares of 5s. each in Lombard Banking Ltd. (market price around £1), plus a cash payment of £600,000—the total consideration thus being worth nearly £1,700,000.

The District Bank announced on Aug. 25 that, subject to the consent of the Capital Issues Committee, it would subscribe for 610,000 Ordinary shares in Astley Industrial Trust at 37s. 6d. a share, thereby acquiring one-third of the Trust's Ordinary capital.

The National Bank announced on Aug. 28 that it had bought from the Irish Insurance Company 40 per cent of the share capital of Bowmaker (Ireland) Ltd., a subsidiary of Bowmaker; the price was not disclosed. The bank's interest in Bowmaker (Ireland) was subsequently raised to 45 per cent by an increase in the issued share capital of the latter company. In another transaction, announced on Sept. 27, the National Bank acquired a 33⅓ per cent holding in the capital of St. Margaret's Trust, a hire-purchase firm established in 1936.

The National Bank is the largest bank operating in Ireland, and the only bank with an extensive branch system both in Ireland and England. As a result of the above acquisitions the bank became associated with hire-purchase companies in both countries.

The Bank of Scotland announced on Aug. 29 that, subject to contract, it had negotiated the purchase of the issued share capital of North West Securities, the wholly-owned hire-purchase subsidiary of the Braid Group (a holding company of vehicle distributors, etc.).

Merger of Scottish Banks.

After negotiations initiated in October 1957, the Commercial Bank of Scotland and the National Bank of Scotland announced on Aug. 15, 1958, that they had agreed to merge under the name of the National Commercial Bank of Scotland.

It was stated that the merger would take the form of an offer by the Commercial Bank of five of its £1 "A" shares (10s. paid) for every six £1 units of the National Bank's Consolidated Capital stock (8s. paid). It would result in the National Bank Consolidated stockholders acquiring 37.31 per cent of the new bank's share capital.

The new bank will be the largest in Scotland, with some 500 branches and sub-branches; it was suggested, however, that between 50 and 100 branches might eventually be closed for reasons of rationalization.

The combined assets of the new bank will be nearly £300,000,000, and it will hold a large interest in hire-purchase finance.—(Times - Daily Telegraph - Manchester Guardian - Financial Times - The Scotsman, Edinburgh) **(16321 A.)**

B. UNITED STATES. — Relaxation of Embargo on Trade with Soviet-bloc Countries.

In accordance with the "Cocom" decision of Aug. 14, the U.S. Government issued on Nov. 6 a revised list of goods which might not be exported to Soviet-bloc countries; over 250 items were removed from the restricted category, leaving more than 700 still under control. The total embargo on shipments to Communist China, North Korea, and North Vietnam was not affected.—(New York Times) **(Prev. rep. 16361 A.)**

A. HUNGARY. — General Elections. - Internal Developments. - U.N. Report on Execution of Imre Nagy. - Resettlement of Hungarian Refugees.

Hungary's first general elections since the uprising of 1956 took place without incident on Nov. 16, the Communist-controlled "People's Patriotic Front" presenting a single list of 338 deputies for the new Parliament—40 more than in the previous Parliament. According to figures published on Nov. 19 in Budapest, 98.4 per cent of the electorate of 6,600,686 went to the polls and 99.6 per cent of the votes were cast for the official list of candidates.

Of the 298 members of the former Parliament, the names of 133 did not figure in the single list presented to the electorate. Many "old guard" Communists—particularly those associated with the Stalinist policy of the Rakosi-Gero regime—were dropped from the official list, notable absentees including Arpad Hazi, Minister of State Planning before the 1956 uprising, and Dezsö Nemes, until recently Chief Editor of the Communist organ *Nepszabadsag*. Of the new deputies, 50 per cent were described as industrial workers, 16 per cent as agricultural workers, 24 per cent as "intellectuals," and about five per cent as private farmers.

Among non-Communist names on the single list of candidates were those of Bela Kovacs, formerly general secretary of the Smallholders' Party, and a member of Imre Nagy's revolutionary government; and Milan Ognyenovich, the leader of the Yugoslav minority in southern Hungary. M. Kovacs joined M. Nagy's Cabinet during the last few days of the uprising (in which he played no important part) and subsequently sought asylum in the U.S. Embassy. M. Ognyenovich was tried with Laszlo Rajk in 1949, sentenced to 25 years' imprisonment, and released in 1956.

Previous internal and international developments are summarized below under three main heads, relating to (1) the internal situation in Hungary during the past year; (2) U.N. reactions to the execution of Imre Nagy and General Pal Maleter (see 16231 A); and (3) the Hungarian refugee problem resulting from the mass exodus after the suppression of the 1956 uprising.

The Internal Situation.

A number of trials were known to have taken place during the year, all *in camera*; few or no details were given by the Hungarian authorities apart from the sentences imposed in the "priests' trial" and the "writers trial," which, with other internal developments, are summarized below:

The "Priests' Trial." Mgr. Egon Turcsanyi (65), formerly secretary to Cardinal Mindszenty, was sentenced on Jan. 10, 1958, to life imprisonment after a five-month trial *in camera*. He and 16 other Roman Catholic priests—described as "an important counter-revolutionary group of ecclesiastics"—were accused of "counter-revolutionary activities" during the uprising; Father Turcsanyi was specifically accused of having led an "armed band," allegedly on Cardinal Mindszenty's orders, which "plundered" the State Office for Ecclesiastical Affairs and removed secret documents. The other defendants received sentences ranging from a few months to 10 years' imprisonment.

The "Writers' Trial." Four of Hungary's leading writers—Tibor Dery (72), Gyula Hay (68), Zoltan Zelk (55) and Tibor Tardos (45)—were charged in October 1957 with "subversive activity" within the Petöfi Circle before the uprising, with transforming the Socialist Writers' Circle from a Socialist body into a "multi-party opposition group," with aiding the "counter-revolutionary" Press and radio after the uprising, and with inciting the Workers' Councils to resist the Kadar Government. After a secret trial lasting several weeks, Tibor Dery was sentenced on Nov. 13, 1957, to nine years' imprisonment, Gyula Hay to six years, Zoltan Zelk to three years, and Tibor Tardos to 18 months.

The trial of the four Hungarian writers—three of whom have received the Kossuth Prize, Hungary's leading literary award—brought strong protests from many prominent writers in the West. Three French Nobel prizewinners—François Mauriac, Albert Camus, and Roger Martin du Gard—appealed to the Kadar Government to exercise clemency, whilst 14 well-known British writers made a joint protest against the secret trial of writers "whose only crime is that they used their pens in support of the cause they believed to be just"; the signatories of this protest included Lord (Bertrand) Russell, T. S. Eliot, Somerset Maugham, Richard Church, E. M. Forster, J. B. Priestley, John Masefield, Cecil Day Lewis, and Rebecca West. A number of British Labour M.P.s, including Mr. Hugh Gaitskell, also appealed to the Kadar Government to exercise "maximum clemency" towards the four writers.

Tibor Tardos was released from prison on June 6, 1958, and Zoltan Zelk on Oct. 15, leaving Tibor Dery and Gyula Hay still under detention.

Abolition of Summary Courts. The Hungarian Government issued a decree on Nov. 3, 1957, abolishing the courts of summary jurisdiction set up after the uprising, which had passed sentences of death or imprisonment on thousands of persons accused of "counter-revolutionary activities." It was stated that the abolition of these courts had been made possible by "the progress made in re-establishing legal order and security," and that all pending cases would be transferred to the regular courts or, if the State Prosecutor recommended, to the "people's courts."

Compulsory Teaching of Russian. The Ministry of Education announced on Aug. 26, 1957, that the compulsory teaching of Russian in universities and secondary schools would be resumed in the new academic year (1957-58).

[The abolition of compulsory Russian was one of the chief demands put forward by the student organizations before and during the uprising; after the suppression of the uprising M. Kadar gave an assurance that Russian would no longer be a compulsory subject.]

Church-State Relations. Archbishop Jozsef Grosz, chairman of the Roman Catholic Bench of Bishops, was decorated by the Hungarian Government on Dec. 7, 1957, in recognition of his part in promoting understanding between the Roman Catholic Church and the State during the 18 months since the uprising. Mgr. Grosz—who was awarded the Order of the Banner of the Hungarian People's Republic—is acting head of the Roman Catholic Church in Hungary in the absence of Cardinal Mindszenty, still residing in the U.S. Legation; he was imprisoned in 1951 on a charge of conspiring against the State, and released in 1955. Later the same month (December 1957) Budapest Radio announced that 22 Church leaders of different denominations had also been decorated for "courageous behaviour and loyalty to the regime" during the "counter-revolution" of 1956.

Bishop Lajos Ordass, formerly head of the Hungarian Lutheran Church, was deposed in June 1958 as head of the Church's southern district for what was officially described as an "intransigent" attitude towards the State Office for Ecclesiastical Affairs. A vice-president of the World Council of Churches, Bishop Ordass was imprisoned for several years during the Rakosi régime.

U.N. Special Committee's Report on Execution of Imre Nagy. - Yugoslav Protest to Hungary.

The five-nation U.N. Special Committee on Hungary issued a statement on June 21 in connexion with the Hungarian Government's announcement of the execution of Imre Nagy, General Maleter, and two other leaders of the 1956 uprising. After noting that the Hungarian Government had persistently defied the General Assembly's resolutions calling upon it to "desist from repressive measures against the Hungarian people," and that the Soviet Government had similarly ignored the Assembly's resolutions calling for the withdrawal of Soviet forces from Hungary, it went on:

"The Committee noted that the statement by the Government of Hungary in which the executions were announced was imprecise and vague in many particulars. Some unanswered questions are: What were the movements of the prisoners between the time of Nagy's abduction and the time of the trials? In what country were they tried? Where did the executions take place? What was the precise form of the indictment? Under what laws and under what procedures were they tried and sentenced? These are matters on which the United Nations has every right to be fully informed.

"The Committee accordingly issues an appeal to interested Governments having at their disposal any information regarding the circumstances of the arrest, trial, and execution of Imre Nagy, Pal Maleter, and their two companions, to make such information available to the Committee.

"The Committee deplores this tragic event in which these men, symbols of the hope of a nation for freedom from foreign domination, were secretly sent to death in violation of solemn undertakings that their persons would not be harmed, and in defiance of the judgment and opinion of the United Nations. It expresses its grave concern lest the end of this repression and killing may not yet be in sight."

A further statement was issued by the U.N. Special Committee on July 16, 1958, in connexion with the execution of Imre Nagy and his companions. Supplementary to the report issued in June 1957 (see 15621 A), it laid emphasis on the fact that Nagy and his companions had been abducted and subsequently put on trial in violation of the solemn pledges given by the Hungarian Government at the time they left the Yugoslav Legation in Budapest.

The report stated: "While the arrest of General Maleter and the abduction of Mr. Nagy and his companions were undertaken by Soviet personnel, nevertheless the Hungarian Government, in announcing the subsequent trials and executions, has accepted full responsibility. Moreover . . . the record clearly shows that the action of the Hungarian Government in bringing Imre Nagy to trial was contrary to the solemn assurances which Mr. Kadar . . . had previously given, including those confirmed by letter to the Yugoslav Government."

Appended to the report was a list of 30 death sentences said to have been imposed between the first U.N. report in June 1957 and the presentation of the latest report; these were compiled either from official sources or from press reports on Hungary. In addition, it named well over 100 persons who had been sentenced to imprisonment for such offences as attempting to cross the frontier, "dealing in foreign currency," "denouncing a Communist official," or "instigation against the democratic State order."

The Committee expressed the hope that the Hungarian Government, "hearing the voice of public opinion in many countries, will cease carrying out new death sentences, bring to an end the present harsh repression, and effectively re-establish the inalienable principles of human rights."

The Hungarian delegation at the U.N. refused to transmit to Budapest a letter from the U.N. Committee requesting full information on the trials of Imre Nagy, General Maleter, and their companions ; a Hungarian Government spokesman said that no information whatever would be given to the Committee, whose investigations were described as " interference in Hungarian domestic affairs."

The Yugoslav Government sent a sharply-worded protest Note to Hungary on June 23, 1958, stating that the execution of Imre Nagy and his companions had caused " profound indignation " in Yugoslavia, and repudiating the allegations against Yugoslavia contained in the Hungarian Government's announcement of June 17 [see 16231 A].

After describing these allegations as " untrue " and " staged from beginning to end," the Yugoslav Government recalled that similar allegations had been made against Yugoslavia in the past, notably at the time of the Rajk trial ; later, " after much innocent blood had been shed," the Hungarian Government itself had admitted that these charges were invented.

The Note emphasized that the Hungarian Government had violated two solemn undertakings given while Imre Nagy and his companions were in the Yugoslav Legation in Budapest : firstly, that they would be allowed to return to their homes under safe-conduct, and secondly, that no punishment would be meted out to them. The arrest, trial, and subsequent execution of Nagy and his companions was thus a deliberate violation of the Hungarian pledges, and had dealt " a heavy blow to the relations between Hungary and Yugoslavia."

The execution of Imre Nagy led to anti-Soviet demonstrations in Copenhagen on June 17, when demonstrators smashed the windows of the Soviet Embassy ; similar demonstrations occurred on June 20 in Bonn, where Hungarian refugees threw stones at the Soviet Embassy and smashed windows, and on June 22 in New York, where refugees stoned the offices of the Soviet delegation to the United Nations. Counter-demonstrations took place in Moscow at which crowds broke the windows of the Danish and West German Embassies and demonstrated outside the U.S. Embassy.

Resettlement of Hungarian Refugees.

The Geneva Office of the U.N. High Commissioner for Refugees announced on Nov. 2, 1957, that 90 per cent of the Hungarian refugees who sought asylum in Austria and Yugoslavia had been resettled. Of the 195,000 Hungarians who fled in " the greatest single movement of refugees in Europe since the Spanish Civil War," 160,000 had been accepted by 34 nations ; about 21,000 were still in Austria and another 4,800 in Yugoslavia ; and 10,000 had been voluntarily repatriated to Hungary. It was estimated that only 4,000 Hungarian refugees would be left in Austria by the end of 1958.

From the beginning of 1957 onwards the flow of refugees from Hungary was largely directed to Yugoslavia, instead of to Austria as in the weeks immediately following the suppression of the Hungarian uprising. This influx posed serious problems for the Yugoslav Government in respect of the care and maintenance of refugees, and negotiations for their resettlement in other countries were undertaken with the U.N. High Commissioner (Dr. Lindt), the Intergovernmental Committee for European Migration (ICEM), and other bodies.

By January 1958 the refugee problem in Yugoslavia had been virtually solved and all reception camps closed down except one near Rjeka. It was announced in Geneva on Jan. 27, 1958, that of a total of 19,857 refugees who had fled to Yugoslavia, 16,374 had been resettled in 27 countries in Europe and overseas, nearly 3,000 had chosen voluntary repatriation to Hungary, and 634 had chosen to remain in Yugoslavia. Of the refugees in Yugoslavia taken by Western countries, 2,509 had been accepted by the United States, nearly as many by France, 2,376 by Belgium, between 1,000 and 2,000 by Canada, Australia, Sweden, and the German Federal Republic, and smaller numbers elsewhere.

By October 1958—i.e. two years after the Hungarian uprising—about 38,000 Hungarian refugees had been resettled in the United States, another 38,000 in Canada, about 11,000 in Britain, 10,000 in Australia, 10,000 in Brazil, and smaller numbers in France, Western Germany, Belgium, the Netherlands, Norway, Sweden, Switzerland, Turkey, Argentina, Venezuela, New Zealand, and many other countries.

Over 21,000 Hungarian refugees had entered the United Kingdom by the middle of 1957, of whom, however, many thousands emigrated to Canada and other oversea countries, while some 800 chose to be repatriated to Hungary. The Lord Mayor of London's National Hungarian and Central European Relief Fund, set up in November 1956, was closed in September 1957 after raising a total of £2,592,477 for the relief of Hungarian refugees.

Some 3,900 Hungarian refugees, many of them coalminers, were brought to Britain by the National Coal Board in the early months of 1957 as trainees for work in British pits, with the approval of the National Union of Mineworkers ; the decision as to whether or not they should be employed was left to the vote of miners in individual collieries. Assurances were given that Hungarian miners would be the first to be discharged in the event of redundancy, and both the N.C.B. and the N.U.M.W. appealed to British miners to accept Hungarian workers, particularly in view of the serious manpower shortage in the pits. With very few exceptions, however, the miners showed themselves almost unanimously opposed to Hungarian labour, and by September 1957 only 355 Hungarians had found employment in British pits.

A feature of the Hungarian emigration to Canada (see 16054 C) was the transfer to British Columbia of the entire Faculty of Forestry in the University of Sopron, including all the professors and lecturers, their dependants, and over 400 students. [Sopron is situated near the Austrian frontier and the entire faculty had escaped *en bloc* after the uprising, together with nearly all the students.] The University of British Columbia—itself noted for its work in forestry—agreed to take charge of the exiled faculty and to work out some form of affiliation with it.

It was announced in Budapest on Nov. 5 that Mrs. Julia Rajk, widow of Laszlo Rajk, had returned to Hungary from Rumania ; a supporter of Imre Nagy, she took refuge in the Yugoslav Legation after the suppression of the Hungarian revolt and was subsequently detained in Rumania with M. Nagy and his companions. A year earlier (Sept. 11, 1957) it had been announced that Miklos Szabo, one of the most prominent Hungarian refugees, had returned to Budapest and had expressed " disillusionment " with the Western Powers. M. Szabo, formerly a leading member of the Smallholders' Party, was particularly active among emigré politicians and helped to found a " Hungarian Revolutionary Council " at Strasbourg. (Times - Daily Telegraph - Manchester Guardian - New York Times - U.N. Information Centre, London - Le Monde, Paris - Neue Zürcher Zeitung) **(Prev. rep. Hungary, 15661 A ; Nagy Execution, 16321 A ; Refugees, 15221 A.)**

A. ASTRONOMY. — Volcanic Eruption on the Moon.

The Tass Agency announced on Nov. 12 that a volcanic eruption on the moon had been observed on Nov. 3 by the Russian astronomer Nikolai Kozyrev, using a 50-in. mirror telescope at the Crimea Observatory. It was stated that M. Kozyrev had noticed a reddish outline round the central peak of the 80-mile-wide Alphonsus crater in the course of three weeks' observations during which 20 photographs were taken ; this phenomenon was believed to be caused by an ejection of volcanic ash from the crater's central peak, which is 3,800 feet in height.

The announcement aroused great interest in scientific circles, since it constituted an apparent refutation of previous theories as to the origin of the craters on the moon—either that they had been caused by meteoric bombardment, or that they were the result of volcanic action millions of years ago. Professor Mikhailov, chairman of the Astronomical Council of the Soviet Academy of Sciences, claimed that M. Kozyrev's discovery had rendered " completely unfounded the existing view on the origins of characteristic features of the lunar landscape, which ascribes them to the fall of meteorites " ; he added that the volcanic eruption " shows that the moon shares similar processes with the earth, which are responsible for the formation of mountain contours."

Whilst showing great interest in M. Kozyrev's reported discovery, astronomers in Western countries adopted an attitude of reserve towards the possibility that volcanic action might still be taking place on the moon, and it was considered possible that M. Kozyrev might have misinterpreted the phenomenon observed. On Nov. 20, however, Dr. H. Percy Wilkins—a leading British astronomer, and an expert on selenography—stated that he had observed a faint but " very distinct " reddish patch, half-a-mile across, slightly to the south of the central peak of the Alphonsus crater, in the area observed by M. Kozyrev. (Times - Daily Telegraph - Observer) **(Prev. rep. 13335 D.)**

B. INDIA - SOVIET UNION. — Trade Agreement.

A five-year trade agreement between the Soviet Union and India was signed in Moscow on Nov. 16.

The agreement was concluded on a most-favoured nation basis and provided for the establishment of a clearing system under which payments will be made in Indian rupees without conversion into sterling or any other currency, so as to bring about a balanced trade without any foreign currency expenditure.

Soviet exports to India will consist of various types of equipment, including complete sets for industrial units, power and oil drilling equipment, machinery for the coal industry and for irrigation projects, machine-tools, tractors and farm machinery, fertilizers, paper, oil products, cereals, and films. Indian exports to the Soviet Union will include tea, spices, hides and skins, wool, tobacco, shellac, cashew nuts, vegetable and essential oils, and such manufactured goods as jute fabrics, leather goods, and handicrafts.

The agreement was the second of its kind between India and the U.S.S.R., the first one having been concluded on Dec. 2, 1953.—(Indian High Commissioner's Office, London - Soviet Embassy Press Department, London) **(Prev. rep. 15858 B.)**

A. UNITED KINGDOM.—Atomic Energy Authority. - Report for 1957-58. - A.E.A. Appointments. - Fleck Committees' Reports on Windscale Accident. - Closing of No. 1 and No. 2 Windscale Reactors. - Developments at A.E.A. Establishments. - Modification of "Zeta." - The Nuclear Installations Bill.

In its fourth annual report, published on July 24, the Atomic Energy Authority stated that "substantial progress" had been made during the year ending March 31, 1958, in the fields of defence commitments, research and development on the civil application of nuclear energy, and collaboration with industry and the electricity authorities. Some of the more important information contained in the report is summarized below:

Establishments. At Harwell, the thermo-nuclear assembly ZETA [see 15981 A] had started to operate on Aug. 12, 1957; PLUTO, a heavy-water moderated reactor using enriched uranium fuel and designed for the testing of materials, had begun working on Oct. 25, 1957; and NEPTUNE, a zero-energy reactor moderated by ordinary water, fuelled with enriched uranium, and intended for the special study of pressurized-water reactors for ship propulsion, had gone into operation on Nov. 7, 1957.

At Calder Hall, where a third reactor had started working on March 12, 1958, experiments in nuclear marine propulsion had been continued with a "scaled-down version" of the graphite-moderated, gas-cooled reactor, but the conclusion had been reached that this type of reactor "would not be suitable for marine propulsion, except for very large vessels." Experiments with other systems would continue to be studied in conjunction with the Admiralty, in order to determine a principle which was not only efficient but economic. A *Nautilus* type reactor would shortly be received from the U.S.A. in connexion with the development of atomic submarines [see 16298 A], but such a reactor, though efficient for its particular purpose, had not necessarily any wider application and was certainly not economic. About 400,000,000 k.w.h. of electricity had been supplied to the national grid by the Calder Hall plant after 17 months' working.

At Aldermaston, complementary research work had been carried out by the Atomic Weapons Research Establishment in connexion with the heating of heavy hydrogen by a method known as "cylindrical shock heating compression." These experiments were directly related to the development of ZETA.

The Winfrith Heath Act, authorizing the building of a new establishment at Winfrith Heath, Dorset, had been passed into law on July 31, 1957, and work on the site was now in progress. An Admiralty establishment at West Howe would be taken over to serve as an engineering unit for the project.

At Dounreay, work on the fast-breeder experimental reactor [see 14315 A] had been delayed by the diversion of effort necessitated by the Windscale accident (see below). All civil engineering work and the major mechanical construction in the reactor building had, however, been completed, and the plant was expected to be in operation early in 1959.

At Amersham, a new radio-chemical laboratory and office buildings had been opened in November 1957.

By the end of March, 1958, the construction of four nuclear power stations was under way—three for the Central Electricity Generating Board, and one for the South of Scotland Electricity Board (see below). The report stated that it was now clear that future nuclear power stations would be "of substantially greater capacity" than had been envisaged when the original programme was drawn up in February 1955 (see 14045 A). The programme would accordingly be "re-phased" to provide for a total output of 5,000-6,000 megawatts by the end of 1966. Experiments would be conducted with a gas-cooled, heavy-water moderated reactor which it was hoped could be put to commercial use in nuclear power stations before 1970.

Raw Materials. South Africa had continued to be the main supplier of uranium concentrates to the Authority. Consignments had also been received from the Belgian Congo, from Australia (Rum Jungle and Radium Hill), and, for the first time, from the ore-treatment plant at Nkana, in the Rhodesia-Nyasaland Federation. The Authority had contracted to purchase uranium concentrates from Canada to the value of about $105,000,000 between April 1, 1962, and March 31, 1963 [see 16067 B].

Purchases of beryl had risen during the year, and the Mineral Dressing Laboratory at Harwell had worked on the concentration of beryl from low-grade ores. A "modest tonnage" of beryllium (i.e. the refined metal) had been purchased from a French producer to provide fuel elements for the advanced type of gas-cooled reactor.

Isotopes and Irradiation. The total value of the sales of radio-isotopes during the year had been £650,000, as against £541,000 in the previous year—an increase of 20 per cent. The proportion of radio-isotope exports was 60 per cent.

Five 1,000 *curie* units of caesium-137 were supplied for therapeutic purposes to British hospitals, and one 1,300 *curie* unit had been ordered by a hospital in Toronto.

A.E.A. Staff and Finance. The total number of staff employed by the Authority had increased from 27,290 on April 1, 1957, to 30,341 on March 31, 1958; of these, 14,481 were non-industrial staff and 15,860 were industrial employees.

The approved Estimate of the Authority's expenditure in 1957-1958 totalled £98,769,000.

Recent developments in connexion with atomic energy research and development are summarized below under cross-headings:

A.E.A. Establishments and Reactors.

The various establishments and reactors coming under the Atomic Energy Authority are set out below, with relevant details:

A.E.A. Establishments.

The Research Centres of the Authority's three Groups are as follows:

Aldermaston (Berkshire). Atomic Weapons Research Establishment: research work includes investigation of the possibilities of adapting the principles of the hydrogen bomb to commercial use.

Harwell (Berkshire). Atomic Energy Research Establishment: research into the economic development of nuclear power, and production of radio-isotopes.

Risley (Cheshire). Research and Development Branch of the Industrial Group: work has two main objectives, (*a*) to give technological assistance to the Authority's design centres when experiments at Harwell have reached the stage of "feasibility" justifying their translation into the form of practical prototypes; (*b*) to provide the Authority's plants and factories with scientific and technical services, and to sponsor improvements necessary to efficient operation.

Note. The scientific activities at both Harwell and Risley are now controlled and co-ordinated by the Member for Scientific Research (Sir John Cockcroft). In order to make the best use of the manpower and facilities available, the responsibilities of the two organizations are sometimes reversed in practice, many projects being shared between them.

Other A.E.A. Establishments are:

* **Amersham** (Buckinghamshire): Radio-chemical centre.
† **Windscale** (Cumberland): Advanced type of reactor for plutonium production (planned for 1959).
† **Winfrith Heath** (Dorset): Thermo-nuclear research plant (under construction).
† **Woolwich Common**: Electronics Engineering Centre.
‡ **Culcheth** (Lancashire): Research and Development Laboratory.
‡ **Dounreay** (Caithness): Experimental Reactor Establishment (under construction).
Capenhurst and Springfields (Cheshire): Processing plants for the production of reactor fuels.

* Research Group. † Weapons Group. ‡ Industrial Group.

A.E.A. Reactors.

The following table gives details of the reactors operated by the Atomic Energy Authority:

Name and Purpose	Date of Start-up	Moderator	Coolant	Fuel
Harwell (Berkshire)				
GLEEP: routine testing, biological irradiations ..	1947	Graphite	Air	natural Uranium
BEPO: Isotype production, general radiation source	1948	Graphite	Air	natural Uranium
ZEPHYR: Fast reactor studies	1954	None	None	Plutonium
DIMPLE: Thermal reactor studies	1954	Heavy Water	None	(Variable)
LIDO: Thermal reactor studies	1956	Natural Water	Natural Water	Uranium-235
DIDO: Isotype production, neutron physics ..	1956	Heavy Water	Heavy Water	Uranium 235
NERO: Advanced graphite moderation research	1957	Graphite	None	enriched Uranium
PLUTO: Isotype production, reactor materials' research	1957	Heavy Water	Heavy Water	Uranium 235
*NEPTUNE: Submarine propulsion research ..	1957	Light Water	None	enriched Uranium
HAZEL: Heavy-Water moderator research ..	1958	Heavy Water	None	Uranyl-Fluoride
Aldermaston (Berkshire)				
HERALD: Radio-chemical studies, neutron physics	1958	Light Water	Light Water	Uranium 235
Dounreay (Caithness)				
(Fast Reactor). Fast reactor breeding studies..	1959	None	Sodium-Potassium alloy	enriched Uranium or Plutonium
D.M.T.R. (Pluto type) reactor materials' research	1959	Heavy Water	Heavy Water	Uranium 235
Calder Hall (Cumberland)				
†CALDER "A" and "B": Power, and plutonium production	1956 ("A") 1958 ("B")	Graphite	Carbon-Dioxide	natural Uranium
Annan (Dumfriesshire)				
†CHAPELCROSS "A" and "B": Power and plutonium	1958 ("A") 1959 ("B")	Graphite	Carbon-Dioxide	natural Uranium

* Admiralty experimental reactor. † A.E.A. nuclear power stations.

Note. Each of the four A.E.A. power stations (Calder Hall "A" and "B" and Chapelcross "A" and "B") are "two-reactor" stations. The first reactor of Calder Hall "B" started working on March 12, 1958, and the first reactor at Chapelcross "A" on Nov. 11, 1958.

A.E.A. Appointments.

Early in 1958 alterations in the structure of the Authority were set in hand with the object of relieving the full-time technical Members from executive duties, thereby enabling them to devote more time to "broad oversight" and policy formation in their particular fields. The need for such a division of responsibilities had been felt for some time.

Accordingly, on the resignation of Sir Christopher Hinton as managing director of the Industrial Group at Risley on Aug. 31, 1957 [see 15739 A], only his executive duties were assumed by his former deputy, Sir William Leonard Owen, who was appointed managing director on Sept. 1, 1957. Responsibility for the policy decisions of the Industrial Group was entrusted to Sir William Cook (who, as Mr. W. Cook, had been managing director at Aldermaston) when he was appointed Member for Engineering and Production on the Board of the A.E.A. for a five-year term on Jan. 23, 1958.

Similarly, the executive duties at Harwell of Sir John Cockcroft (Member for Scientific Research on the Board of the A.E.A.) were taken over by his deputy, Dr. F. B. J. Schonland, who was appointed managing director at Harwell on Jan. 23, 1958. Sir William Penney (Member for Weapons Research and Development) continued to act as managing director of the Weapons Research Establishment at Aldermaston, pending a new appointment to that post.

The following appointments of part-time Members for the statutory period of three years were made by the Prime Minister during the year: Sir James Chadwick (Aug. 21, 1957) *vice* Viscount Cherwell (deceased); Lord Citrine (Jan. 1, 1958) *vice* Sir Luke Fawcett, whose extended term of appointment had ended. The appointment as part-time member of Sir Ivan Stedeford, which had expired on July 31, 1957, was extended for a further two years.

Reports on Windscale Accident.

The reports of the three committees set up after the Windscale accident of 1957 (see 15904 A) under the chairmanship of Sir Alexander Fleck were published on Dec. 19, 1957 (Organizations Committee), Jan. 8, 1958 (Health and Safety Committee), and July 3, 1958 (Technical Evaluation Committee). The essential conclusions of these reports are summarized below:

Organizations Committee. After reviewing the organization and staffing of the A.E.A.'s Research and Industrial Groups, the Committee found that while the organization system was theoretically satisfactory in all respects, there were insufficient senior technical staff to ensure its fully efficient operation. The report recommended the creation of a number of senior technical posts as "an urgent need," and the Lord Privy Seal (Mr. R. A. Butler) informed the House of Commons on Jan. 24, 1958, that the chairman of the Authority (Sir Edwin Plowden) had endorsed this view. The Authority subsequently embarked upon an intensive recruitment campaign.

Health and Safety Committee. This report said that the Committee, having been "particularly conscious that the [Windscale] accident brought to the surface the latent public anxiety about the hazards of atomic energy work," had devoted a special section to this aspect of the review, although it was outside its terms of reference. It was thought that public anxiety was due to "the knowledge that exposure to radiation is not immediately recognizable by any of the senses" and to "the secrecy which has necessarily surrounded atomic energy development in its early years." The committee had been convinced, however, that the "underlying conception" of present-day safety precautions was "to aim to err on the side of caution," and that, "within the limits of existing knowledge," no chances were taken. Education in radiological problems in industry and the Public Services was nevertheless imperative, and in this connexion the following recommendations were made:

(1) The A.E.A. should "take the lead" in building up a specialized medical staff "commensurate with the future needs of the nation as a whole." (2) Government departments should ensure that training in radiological problems would be given in those Public Services and industries for which they were responsible. This would affect not only medical officers of health and their senior medical staff, but also factory inspectors, sanitary and water engineers, etc. Basic instruction should also be given to industrial nurses, health visitors, and the police. (3) Co-ordination "between the many Government departments concerned with health and safety in the atomic energy field" should be initiated by the Atomic Energy Authority. (4) A national training centre for health, physics, and nuclear safety staff (with courses graduated to suit all levels) should be established by the A.E.A., not only in the light of radiation hazards but also to determine the safety aspects of the use of isotopes in medicine, agriculture, and industry.

Within its specific terms of reference, the Committee's general conclusion was that there were no fundamental weaknesses in the A.E.A.'s health and safety organization as such, but that there was an acute shortage of the specialist staff needed for its proper operation. Throughout the Authority, "only about 90" full-time staff engaged on the control of health and safety matters had "honours degrees or equivalent qualifications," and these were, in consequence, "seriously overburdened."

It was recalled that after publication of the original Windscale report [see 15904 A] the A.E.A. had set up a committee under Sir John Cockcroft to define what "safe practice" should be, and to combine the previously separate considerations of "health" (i.e. the biological effects of radiation on human beings combined with normal industrial health matters) and "safety" (i.e. the physical measurements of radiation and the technical safety problems of reactors). This executive committee now had four sub-committees and was about to appoint a fifth—an arrangement which the report described as "correct," in view of the "new and complicated" techniques of atomic energy. Greater integration of "health" and "safety" was still required, however, as these two aspects tended to be separated in discussions "at lower levels." In factories of the Industrial Group it was recommended that health and safety sections should be "fully integrated into a single section responsible directly to the works general manager"—who should be highly qualified in both science and medicine. It was recognized that men with such dual qualifications were not easy to find, and associated research work was suggested as a "necessary and desirable stimulant" to safety staff who were specialists in either nuclear physics or medicine.

Regulations within the safety branch of the Industrial Group should provide (i) "codes of practice" for the safe design and operation of reactors, chemical plant, and laboratories; (ii) medical, radiological, and industrial safety services at each site; and (iii) an independent inspection service. Emergency procedures should be brought to a "uniformly high standard" (such as the "adequate and alert" standard at Harwell), so that maximum resources could be concentrated upon any one site in case of need. The safety organization at Risley was satisfactory in concept, but under-staffed; at Aldermaston there were as yet no full-time safety staff—a matter which demanded attention in view of the anticipated increasing scale of operations there—and it was recommended that, for the time being, "functional responsibility to the manager for all safety matters" should be encharged to members of the scientific staff on a rota basis. Greater collaboration among the Authority's three Groups was urged in dealing with the problems of "criticality" [i.e. the conditions in which a quantity of fissile material reaches the "critical mass" at which heat and fission products are produced.]

Technical Evaluation Committee. The principal finding of this Committee was that the fire in No. 1 reactor at Windscale in October 1957 had been started not by the uranium fuel, but by the surrounding blocks of graphite used as a "moderator."

The report confirmed the diagnosis, contained in the Prime Minister's memorandum of Oct. 10, 1957 (see 15904 A), that "the immediate cause of the accident was the application too soon and at too rapid a rate of secondary nuclear heating to release the Wigner energy from the graphite" (see below). The design of the uranium fuel elements had been satisfactory, but the Committee made the following criticisms:

(1) Raising the graphite temperature by nuclear means (as required to accomplish the "Wigner release") was not reliable.

(2) The existing instrumentation at Windscale for recording the temperatures of both graphite and uranium fuel was inadequate.

(3) The filters for radio-activity installed at the top of the plant's chimney-stacks had successfully collected "considerable numbers of radio-active particles" after the accident, but little of the radio-iodine gas; alteration of their design was therefore indicated.

(4) The lithium-magnesium fuel cartridges (used for the production of tritium for military purposes, and installed in the pile at the time of the accident) were of unsatisfactory design in that they were too readily oxidized by air at high temperatures such as those entailed by the "Wigner release" procedure.

After consideration of the Technical Evaluation Committee's report, the A.E.A. announced on July 15 that the No. 1 Windscale reactor would be sealed and abandoned. A similar decision to close the No. 2 reactor was made on Oct. 23. The announcement said that while it would be possible to re-start the No. 2 reactor, the necessary modifications and improvements involved by the recommendations of the Fleck Committees would cost in the region of £500,000, which would make future production of plutonium "extremely expensive," especially since the pile would have only three remaining years of useful life.

The Windscale plant had been designed for 10 years' active service and was completed in 1950 at a cost of £7,400,000; it had already served a considerable part of its purpose by producing all the plutonium required for the U.K.'s first atomic and hydrogen bombs. The closing down will not affect the future programme for plutonium production, nor will it cause any redundancy among the Windscale employees, some of whom will continue to work at the chemical processing plant (which will continue to develop) while others will be reallocated.

On Nov. 2 the A.E.A. announced that a new and advanced type of reactor would be built at Windscale in the near future, embodying carbon-dioxide cooling, the use of beryllium as a moderator, and "enriched fuel."

Note. The constant bombardment of graphite by nuclear fission results in mild distortion and accumulation of energy which must be periodically relieved by an "annealing" operation, which involves heating the graphite to a temperature above that of the atomic pile. If this is not done, the accumulated energy may be released into the reactor without warning in the form of heat—with disastrous results.

Such energy is termed "Wigner energy" after the U.S. discoverer of the phenomenon, the process of its dissipation is termed the "Wigner release."

The frequency of release is determined by the working temperature of the reactor concerned; at low temperatures (for which the Windscale plant was designed) "Wigner energy" is built up comparatively quickly to a considerable and potentially dangerous level; but the working temperature of hotter reactors (as at Calder Hall) spontaneously releases most of the energy on formation, so that the danger-point is not reached for a much longer period. The Calder Hall reactors will not become due for annealing for another two years, when they will be four years old; those at commercial power stations, which have been designed for still higher working temperatures, may never require annealing at all.

The behaviour of graphite under these conditions was not fully known when the Windscale plant was built; nor was it then appreciated that further danger lay in an air-cooling system, in which hot graphite and hot uranium oxidize violently. Subsequent reactors at Calder Hall, and at all the civil power stations, achieve cooling by the use of inert carbon dioxide. An experimental annealing operation in which particular attention was paid to the subsidiary effects of the high temperature involved (more than 300 deg. Centigrade) was carried out on the 10-year-old BEPO reactor at Harwell on March 15-16. All existing U.K. reactors employ graphite as a "moderator"; only two other known materials can perform the same function—beryllium (which can withstand higher temperatures than graphite) and heavy water, but both are more expensive and in short supply.

Developments at Other A.E.A. Establishments.

Recent developments at the Aldermaston, Calder Hall, Harwell, and Winfrith Heath establishments are summarized below:

Aldermaston. An accident occurred in the metallurgical laboratory of the Atomic Weapons Research Establishment on Dec. 11, 1957, causing the death of a senior experimental officer and injuries to five other scientists. The A.E.A. stated that the accident was caused by a chemical process and had "no radioactive significance whatever."

Calder Hall. On June 28 an explosion in a £250,000 turbine (one of four commissioned to supply electricity to the National Grid) at Calder Hall "B" atomic power station caused extensive damage but no personal injuries. A board of inquiry reported on Aug. 21 that the accident had been caused by the jamming of two valves in the turbine by fragments of chilled iron shot, causing it to overspeed and disintegrate "through sheer centrifugal force." The board made three recommendations to avert similar accidents in the future: (i) additional precautions to ensure that hard materials did not enter or remain in the system; (ii) examination of the remainder of the steam plant to ensure its freedom from the intrusion of such materials; (iii) construction of a strong wall between the turbines and the control rooms.

Harwell. PLUTO, a new reactor for testing materials and components for advanced nuclear power systems, and designed also to produce Cobalt-60 "at high activity levels for hospital and industrial use," began operations on Oct. 25, 1957. NEPTUNE, a zero-energy reactor intended to advance research on the nuclear propulsion of submarines in conjunction with civil engineering developments at Dounreay, started working on Nov. 7, 1957. The reactor was designed by Rolls-Royce Ltd. on behalf of the Admiralty; using enriched uranium as fuel and generating "only a few watts" of heat, it dispenses with a cooling system and uses ordinary water as a moderator. A further zero-energy reactor, HAZEL (Homogenous Assembly-Zero Energy) was started on March 28, 1958, using heavy water as a moderator, in which uranium curanyl fluoride was dissolved to provide an enriched fuel. The experimental operation on the BEPO reactor in connexion with the Windscale inquiry is described above.

Winfrith Heath. Mr. D. W. Fry, deputy director at Harwell, was appointed head of the new research establishment at Winfrith Heath (Dorset) on Sept. 28, 1958. Sir John Cockcroft announced at Geneva on Sept. 8 that all research on "controlled thermo-nuclear reactions" would be transferred to Winfrith between 1961-1963, and that both fission and fusion work would be developed there. The move would "also provide a margin for new work as yet unseen which will undoubtedly be developed at Harwell," and meant that ZETA II, now under preliminary design at Harwell, would be completed at Winfrith (see below).

The director of the European Nuclear Energy Agency (M. Pierre Huet) said on June 19 that the new research establishment at Winfrith Heath would be "for joint European use." Constructional costs of about £10,714,000 had been approved by a committee presided over by Sir John Cockcroft and Professor Perrin, chairman of the French Atomic Energy Commission.

Development of ZETA Reactor.

Sir John Cockcroft, in his statement of Jan. 24, 1958 on the experiments with ZETA [see 15981 A], had said that he was "90 per cent certain that thermo-nuclear fusion had taken place"; he added, however, that it was improbable that the neutrons so far observed had been the result of such fusion. Dr. B. F. J. Schonland stated on May 16 that it had since been established that such neutrons had not been caused by thermo-nuclear fission but by the "collision" of fast and slow moving deuterium atoms (deuterium being the gas inside ZETA).

Both Dr. Schonland and Dr. Peter Thonemann (leader of the ZETA team of scientists) denied, however, that their latest conclusions implied a "setback" or in any way reduced ZETA's value; they merely explained the origin of "some" of the neutrons produced "at the relatively low temperature of 5,000,000 degrees Centigrade," and provided "a new line on which to proceed." Preliminary modifications would be made to ZETA to make it possible to attain temperatures of 10,000,000 deg. Centigrade, and to prove that true thermo-nuclear reactions had been produced.

Sir Edwin Plowden disclosed on July 25 that design work had started at Harwell on ZETA II, with which it was planned to reach temperatures of 100,000,000 degrees Centigrade. [In his January statement Sir John Cockcroft had said: "If and when we reach a temperature of 25,000,000 degrees, the number of neutrons per pulse should increase at least 10,000 times. . . In order to break even, we will have to produce temperatures of about 300,000,000 degrees."] It was expected that a further modification of ZETA I would be in use early in 1959.

Sir Edwin stated that the design of ZETA II had been based, not only on the knowledge gained from its prototype, but on the results of experiments in the process of "shock heating" at Aldermaston, not previously revealed. By this latter process a current rise of 5,000,000 ampères per second had been measured for the expenditure of only 45,000 joules of energy (3,600,000 joules = 1 kilowatt-hour); with ZETA 500,000 joules had been used to induce a current of 200,000 ampères, but this current had been retained for a much longer period than was so far possible with the Aldermaston technique.

British Heavy Water Process.

A British company, Constructors John Brown Ltd. (a subsidiary of John Brown and Co. Ltd., and thereby linked with the Hawker Siddeley-John Brown Nuclear Power Co. Ltd.) announced on Aug. 21 the development of a process which would enable heavy water to be produced at a cost lower than the price of $28 per pound at present charged by the U.S. Atomic Energy Commission.

The U.S. selling price (equivalent to about £20,000 per ton, and achieved by large-scale production) had secured for the U.S.A. a virtual monopoly in world supplies of heavy water, since no other country had been able to produce its own supplies at a comparable figure—e.g. heavy water from Norway, produced by electrolysis of natural water, sells at £75,000 a ton [see 14765 A.]

Since the original conception of atomic development in the U.K. was based on reactors using graphite as a moderator, the demand for heavy water has hitherto been small. Research, however, has shown that heavy water is more efficient as a moderator and also enables power reactors to be built more compactly—an important consideration in the development of atomic marine engines and small electric-power plants. It was stated that the basic principle of the British process was not new, but that a "new route" in its application had made it economic for the first time.

Ten-Year Plan for Uranium Supplies.

The A.E.A. announced on Sept. 6 a 10-year contract plan for buying supplies of chemical concentrates containing up to 500 short tons of uranium oxide from existing or future mines in British Guiana, Kenya, Swaziland, Tanganyika, and Uganda. The contracts would date from the start of production, but the 10-year period could not be extended beyond 1972.

Plans to extend the U.K. survey to discover sources of uranium into northern and central Wales, northern England, and the southern uplands of Scotland were announced on Oct. 8 by the Department of Scientific and Industrial Research. A 1957 survey carried out in Cornwall had proved sufficiently "interesting" to warrant exploratory drilling.

Modification of Nuclear Power Stations.

The Ministry of Defence issued the following statement on June 17:

"In order to provide insurance against future defence needs, certain of the civil nuclear power reactors now in the early construction or design stage are being modified so that the plutonium produced as a by-product is suitable for use, if the need arises, for military purposes. These modifications will not delay the construction of the reactors and will not affect their normal operation as civil power stations. This decision does not affect power stations at Bradwell, Berkeley, and Hunterston [see 15531 A] where construction and installation are already well advanced. Hunterston is so designed as to be suitable for this purpose anyway."

This decision represented a reversal of previous policy, which had resulted in the U.K. being the only country in the world with a substantial programme of nuclear power stations operated solely for civil use. Under the new plan, Hunterston and Hinkley Point, together with the new stations planned for Dungeness and Sizewell (see below), will join the A.E.A.'s Calder Hall and Chapelcross, which are already dual-purpose stations capable of producing both electricity and plutonium.

The Central Electricity Generating Board applied to the Ministry of Power on May 29 for authority to develop its fifth nuclear power station (which would have an output of

500,000 - 550,000 kilowatts) at Dungeness (Kent). A similar application was made on Sept. 29 in connexion with a sixth station (with an output of 650,000 kilowatts) which it was proposed to build at Sizewell (Suffolk). Both sites were chosen with a view to securing good water-cooling facilities and the minimum interference with land used for agricultural purposes. The Sizewell station will be the biggest so far planned in the United Kingdom.

The Minister of Power (Lord Mills) announced on Aug. 1 that approval had been given for the £50,000,000 nuclear power station project at Trawsfyndd, Merioneth (see 15788 A).

As this station will be in the Snowdonia National Park, the Central Electricity Generating Board undertook to employ a landscape architect and to consult with the local planning authority and the Royal Fine Art Commission before making final decisions for the layout and design of the buildings. The site was chosen because no alternative regional site would satisfy the three essential requirements of relative isolation, adequate water-supply for cooling, and good foundations for the reactors; it was stated, however, that it would "not be regarded as a precedent for placing power stations in National Parks."

The following is a summary of the U.K. nuclear power station programme (other than A.E.A. power stations), with the planned output of each station :

Under Construction :	
England	
Berkeley (Gloucestershire)	275 megawatts
Bradwell (Essex)	300 "
Hinkley Point (Somerset)	500 "
Scotland	
Chapelcross (Dumfries-shire)	184 "
Hunterston (Ayrshire)	360 "
Proposed :	
Dungeness (Kent)	500 "
Sizewell (Suffolk)	650 "
Trawsfynydd (Merioneth)	500 "
Northern Ireland	150 "

Formation of Nuclear Chemical Plant Company.

It was announced on Aug. 29 that a new company concerned with the design and engineering of processing and treatment plant for the nuclear industry had been formed by three large engineering firms—the Power Gas Corporation, John Thompson, and Humphreys & Glisgow—under the name of the Nuclear Chemical Plant Company.

The Nuclear Installations Bill.

The Nuclear Installations (Licensing and Insurance) Bill was published as a White Paper on Oct. 30. Its main provisions were as follows :

(1) No atomic fission reactor might be constructed in the U.K. outside the jurisdiction of the A.E.A. without a licence from the Minister of Power (or, in the case of Scotland, from the Secretary of State), who would impose such conditions as he might think fit in the interests of public safety.

(2) On being licensed, the owner of any reactor would incur absolute liability for compensation " for all hurt to persons or damage to property caused by radiation arising from the site," even though the cause might have been an " unavoidable accident." Such liability would be limited to £5,000,000 for any one accident on any one site, and would be reduced in the event of a claimant being found guilty of contributory negligence.

(3) A licensed reactor owner would be required to insure against the contingency of this liability, unless he could show that his liquid assets were sufficient to cover it. In either case the cover would require the approval of the Minister of Power, with the consent of the Treasury.

(4) Any occurrence involving a liability of over £5,000,000 would be treated as a " national disaster " and referred to Parliament with a view to the allocation of Government assistance.

(5) Because certain types of injury only become apparent a long time after exposure to nuclear radiation, actions for damages could be brought at any time up to 10 years after the original incident.

(6) After an accident involving radiation, the Minister of Power would be enabled to revoke the licence of the site in question, and to give directions for preventing radio-active danger from disused plant, so long as that danger remained.

(7) Should an offence under the Bill be committed by a corporation, its directors could be punished individually, as well as the corporation as a body. In the case of more serious offences, should a corporation be fined after trial by jury the amount of the fine would be left to the discretion of the Court, and would not be subject to the limits otherwise laid down.

The Bill aimed to impose upon private and corporate owners of nuclear plants a comparable liability for compensation to that incurred by the A.E.A. as a result of the Atomic Energy Authority Act of 1954. In the case of the Authority, however, there is no limit to the amount of any claims which may be made against it, nor any form of insurance to cover such claims. It was pointed out that it was unlikely that any single claim against a private owner would approach the maximum of £5,000,000 laid down by the Bill; the damage sustained at Windscale had been evaluated at under £100,000, of which £60,000 to £70,000 concerned contaminated milk supplies. The insurance market had informed the Government of its readiness to provide the necessary cover for privately-owned nuclear plants, questions of premiums being left to the insurance companies and the owners.

The scope of the Bill includes the nuclear power plants which are the responsibility of the Central Electricity Generating Board, together with the privately-owned reactors already built or projected—of which the first is that operated by Associated Electrical Industries at Aldermaston. Its provisions will apply only to land-based fission reactors, since the development of reactors in ships, submarines, and aircraft presents problems which call for further study and legislation.—(Times - Daily Telegraph - Manchester Guardian - Atomic Energy Authority)

(Prev. rep. 15904 A ; 15788 A ; 15531 A).

A. BAGHDAD PACT. — Headquarters transferred to Ankara. - Progress of Transport and Telecommunications Schemes in Baghdad Pact Region.

After a meeting of the Council of the Baghdad Pact in Ankara on Oct. 23, it was announced that " owing to the present situation " the Governments of Britain, Pakistan, Persia, Turkey, and the U.S.A. had agreed that the Baghdad Pact headquarters—including the Council, the Secretariat, and the Joint Military Planning Staff—should be temporarily set up in the Turkish capital, with retrospective effect from Oct. 17. This decision, the communiqué added, was " of an administrative nature " and had been taken " with a view to ensuring the continuation of the Pact's activities."

It was pointed out in the Press that Iraq was still an official member of the Baghdad Pact but that, in view of her possible defection, all Iraqis on the headquarters staff, including the Secretary-General, had been given indefinite leave with pay pending a clarification of the present position.

A meeting of the Economic Committee of the Baghdad Pact was held in London on July 21-24.

A communiqué issued on the latter date stated that there had been " a common determination to proceed vigorously with the committee's work " ; that the committee had " derived encouragement from the progress already achieved " ; and that all the delegations were " convinced that special emphasis should continue to be placed on the implementation of the joint projects." The following details were given on the progress of various schemes :

Telecommunications. Specifications submitted by the U.K. for the improvement and extension of radio-telegraph and radio-telephone circuits between London and the other member-countries had been approved by the Pakistani, Persian, and Turkish Governments, and tenders had been invited for the supply of the equipment. The U.K. Government had contributed £400,000 towards the cost. A team of U.S. technicians was currently engaged in a physical survey for the establishment of micro-wave links between member-countries, the U.S. Government having pledged $18,300,000 towards the cost. [A direct radio-telephone communications service between Turkey and Persia was inaugurated on Sept. 17, 1957.]

Highways. Work was in progress on linking the Persian road system from Tabriz and Teheran with the Turkish road system. For the proposed southern road linking Karachi with Persia, the U.K. had promised a contribution of £100,000 to Pakistan for the actual construction, subject to the satisfactory financing of the project as a whole; this amount was additional to the £100,000 already allocated by the U.K. for the cost of survey equipment.

Railways. A survey report on the proposed railway between Mus (Turkey) and Tabriz (Persia) had been submitted by the U.S. delegation. Part of the Persian section had already been completed, whilst Turkey was beginning the construction of her own section. To meet the cost of construction, the U.K. had agreed to allocate £100,000 each to Persia and Turkey, which would be additional to the (approximately) $2,000,000 previously allocated by the U.S.A. for rail construction in Persia.

Technical Assistance Programme. Many more experts and consultants would start work on joint projects, in addition to the surveys already made and investigations already carried out—e.g. on communications projects and agricultural pest-control problems. There had been a steady flow of students from the region for advanced training in medical and technical subjects in the U.K. Several laboratories were being equipped in the region under the programme.

The Baghdad Pact Military Committee met in Ankara on Nov. 5-7—its first meeting since the Iraqi revolution; the committee discussed plans and studies prepared by the Combined Military Planning Staff since the Council's meeting in London in July. The appointment of Lieut.-General C. P. Jones (U.K.) as Director of the Combined Military Planning Staff of the Baghdad Pact Organization was announced on Nov. 21. General Jones succeeded General Ekrem Arkalim (Turkey) and will take up his new appointment on January 1, 1959.

(Times - Daily Telegraph - New York Times - Turkish Embassy Press Department, London) **(Prev. rep. 16340 A.)**

A. UNITED KINGDOM. — Railways. - Anticipated Deficit of £85,000,000 for 1958. - Government Promises of Assistance under Transport (Railway Finances) Act.

The Minister of Transport and Civil Aviation (Mr. Harold Watkinson) announced in the House of Commons on Nov. 5 that, owing to a "precipitous fall" in British Railways' revenue during the past few months as the result of an unexpected decline in coal and steel traffic, the British Transport Commission would probably incur a deficit of about £85,000,000 in 1958. In response to an appeal by the Commission for help in meeting this deficit, the Government had agreed to advance the necessary funds under the Transport (Railway Finance) Act.

A special report to Mr. Watkinson by Sir Brian Robertson, chairman of the B.T.C., setting out the railways' position and proposing additional savings in working expenses of at least £20,000,000 a year, was published on the same day and is summarized below, together with Mr. Watkinson's reply of October 30.

Sir Brian Robertson's Report.

Sir Brian stated that in the first 36 weeks of 1958 British Railways' traffic receipts had declined by £18,000,000, as compared with the corresponding period of 1957. The greater part of this decline was accounted for by lower freight receipts, which had fallen by nearly £17,000,000 (or seven per cent), whereas passenger receipts had fallen by only £1,300,000, or 1¼ per cent. The fall in freight receipts had not been caused by the diversion of traffic to other forms of transport, but was very largely due to the reduced demand for coal and the decline in steel production and the consumption of scrap. Coal and steel traffic normally provided about 40 per cent and 20 per cent respectively of railway freight receipts, but at present revenue from the carriage of coal and minerals averaged about £600,000 a week (or over £30,000,000 a year) less than at the same time last year. The report added that the overall decline in railway receipts reflected a shrinkage of £5,000,000 in Government traffic, both passenger and freight.

In the light of present traffic trends (the report continued) the Commission could not assume that there would be any material improvement in British Railways' receipts during the remainder of 1958, whilst the net receipts from the Commission's other activities were not expected to do more than meet their share of central charges. The shortfall of British Railways' gross receipts for the year, compared with the target of £505,000,000, was therefore expected to be about £30,000,000. After adding the railways' share of central charges, the Commission's total deficit for 1958 was estimated at about £85,000,000, or over £20,000,000 more than in 1957.

"In a situation such as this," Sir Brian went on, "the financial structure of the Commission has the disadvantage compared with other businesses . . . that the fixed interest on Transport Stock which the Commission has to pay is an expense which has to be met in full each year whatever the earnings may be. There is no equity capital which can go insufficiently rewarded or unrewarded in a bad year. It has not been possible to build up a general reserve which could be used to meet such an emergency. Of the £250,000,000 of 'deficit' borrowings authorized by the Transport (Railway Finances) Act, £118,000,000 has been borrowed in respect of the years 1956 and 1957. Assuming the deficit for 1958 to be of the order of £85,000,000, the total borrowing in respect of the three years 1956-58 would amount to about £200,000,000. The Commission's total borrowing powers in respect of the deficits may, therefore, be exhausted during 1959."

The principal steps taken by the Commission to implement the economy and modernization proposals put forward in May 1958 (see 16209 A) were summarized in Sir Brian's report as follows :

Staff Reductions. British Railways staff at Aug. 31, 1958, numbered 563,000, or 17,000 (three per cent) fewer than at Aug. 31, 1957. Reductions were continuing.

Wagons. The total number of railway wagons in September, 1958, was slightly over 1,000,000, a reduction of 57,000 during the year. The process of replacing older wagons by new ones of larger capacity was continuing.

Rationalization. It was expected that 58 proposals for the withdrawal of passenger and freight services would have been submitted by the end of 1958, involving net annual savings estimated at £1,500,000. New proposals to be submitted would include some of greater size and importance, and about 35 would be considered before June 30, 1959.

Mileage. An 11 per cent saving had been made in steam-train mileage and a smaller one in electric-train mileage ; there had, however, been a 61 per cent increase in diesel-worked mileage. It was planned by the coming winter to reduce steam and electric mileage still further and to make a considerable increase in diesel mileage, resulting in a net decrease of about 88,000 miles in the weekly average.

These economies, and additional measures to be pressed forward by the Commission, were expected to result in economies of at least £20,000,000 in a full year In particular, British Railways would aim at still greater reductions in railway installations, including workshops and goods terminals. A further review would be carried out of facilities for the construction and maintenance of rolling stock, so as to secure greater concentration and co-ordination of engineering resources.

As regards revenue, the report pointed out that any general increase in passenger fares would have to be very carefully considered in the light of current conditions, but selected increases would be made wherever possible. Similarly, although an overall emergency increase in freight charges might yield temporary advantages, these might easily be succeeded by permanent disadvantages. Discussions were going on with the heavy industries to improve revenue from "certain important flows of bulk and heavy traffic," but as far as possible it was the Commission's policy to hold down freight charges so as to encourage traffic.

The report stressed that the best way of achieving reductions in expenditure and increases in traffic lay through modernization—such items as diesel traction, electrification, and continuous braking of freight trains having already produced beneficial results.

Sir Brian Robertson concluded by saying that "nothing has happened to stultify the appreciation of the future prospects of the railways as set out in 1956." The new equipment put into service had "justified the claims made for it," and although increased flexibility in charging methods [see 14316 A] had given results more slowly than expected, these were beginning to mature The severe setback in the industries on which the railways most depended had not "shaken the Commission's plans or their determination to see them carried through to success," and it was now preparing a rationalization programme for 1959, the main features of which would be presented to the Minister by the end of 1958. In the meantime Sir Brian invited the Minister to appoint auditors to "verify the critical points of our presentation of the situation."

Mr. Watkinson's Reply.

"In the Government's view," Mr. Watkinson stated, "it would be reasonable to assume that the present phase in the economy is temporary and that a future expansion of economic activity is to be expected. The addition of a possible further £25 million to the accumulated deficit is, however, an extremely serious matter, and the maximum effort will be required from all concerned with the future of the railways if it is to be put right.

"The B.T.C. restates its view that a modern railway system is essential to our industrial future. I do not dissent, although . . . it will have to be a more compact and efficient system than it is to-day. I shall look to you and your colleagues, therefore, to press forward with your plans for securing economies with the utmost determination.

"I appreciate that your 1958 financial picture is, to a large extent, due to external causes, but continued repetition would impair financial discipline and confidence in the financial future of the railways. Nor can the Government envisage an indefinite extension of the time when the Commission will break even. The Commission have, however, made substantial economies this year, and I note that it is the Commission's intention to secure in addition further savings in working expenses of at least £20 million per annum.

"The Government accept that the modernization of the railways must continue, and I am glad to see your expression of the Commission's confidence in its eventual success. The Government have considered how the immediate position should be met and have decided that the best course would be to advance the necessary funds under the Transport (Railway Finances) Act, 1957. The question of how to meet your future position can be considered in connexion with the general question of the limits on the borrowing powers of the Commission, which is bound to arise shortly in any case.

"I told you in my letter of May 5 that the Government is prepared to consider how far it might be practicable to provide for a more rapid completion of at least parts of the modernization plan The scale and pace of the different parts of the plan will now also need to be looked at in the light of your proposals for speeding up economies, as well, of course, as in relation to the scale of public investment as a whole."

Mr. Watkinson concluded by welcoming the suggestion that he should appoint auditors to "verify that the undertakings which the Commission gave earlier in the year to reduce the working costs of British Railways will have been substantially fulfilled by the end of the year, and that the main cause of the present position is a fall in coal and mineral traffic rather than any failure by the Commission to hold their share of these traffics."

The announcement of this further loan to the Commission under the Act (which authorizes borrowings of up to £250,000,000 to meet deficits—see 15438 A) brought the amount so far advanced or promised to over £200,000,000. (Times - Daily Telegraph - Manchester Guardian) **(Pref. rep. B.T.C. Report for 1957, 16326 A ; Rail Modernization Plans, 16209 A ; Transport (Railway Finances) Bill, 15438 A.)**

B. FRANCE. — Defence Appointments.

The French Government approved the following appointments in the armed forces on Sept. 18 : (*a*) Air Force General Max Gelée as French representative on the NATO Standing Group in Washington *vice* General Piatte, who became Commander of the Strategic Reserves ; (*b*) Air Force General Jouhaud as Chief of Staff of the Air Force *vice* General Gelée ; (*c*) Air Force General Maurice Challe as deputy to General Salan (the C.-in-C. in Algeria) *vice* General Jouhaud. Since the appointment of General Salan as the French Government's Delegate-General in Algeria, General Jouhaud had actually held operational command of all French forces in the territory. (Le Monde, Paris) **(Prev. rep. 16279 A, pages 16286-87 ; 16130 D.)**

A. BELGIUM. — Formation of Christian Social-Liberal Coalition Government. - All-Party Agreement on Schools Question.

The Christian Social Government headed by M. Eyskens resigned on Nov. 4 following an agreement by the Liberal and Christian Social parties laying down the conditions on which the former would join a coalition Cabinet. Although the Liberals had declined to enter into a coalition with the Christian Socials after the general elections in June, their attitude changed following the municipal elections held on Oct. 12, in which they had suffered further reverses. An agreement drafted by Christian Social and Liberal negotiators, providing for the Liberal Party's participation in the Government, was ratified by that party's National Council on Oct. 27 by 504 votes to 89, with 21 abstentions.

At the invitation of King Baudouin, M. Eyskens formed a new Government on Nov. 6 consisting of 12 Christian Socials and 7 Liberals. Its membership was as follows :

*M. Gaston Eyskens (Christian Social)	Prime Minister.
M. Albert Lilar (Liberal)	Vice-Premier.
*M. Jean Van Houtte (Christian Social)	Finance.
M. Pierre Wigny (Christian Social)	Foreign Affairs.
*M. Arthur Gilson (Christian Social)	Defence.
M. Oscar Behogne (Christian Social)	Labour.
M. L. Merchiers (Liberal)	Justice.
M. René Lefebvre (Liberal)	Interior.
M. Jacques Offelen (Liberal)	Foreign Trade.
M. J. Vanderschueren (Liberal)	Economic Affairs.
M. Léon Servais (Christian Social)	Social Security.
*M. Paul Seghers (Christian Social)	Communications.
M. Charles Moureaux (Liberal)	Education.
*Baron Albert de Vleeschauwer (Christian Social)	Agriculture.
M. Marcel Van Hemelryck (Christian Social)	Congo and Ruanda-Urundi.
M. Omer Van Audenhoven (Liberal)	Public Works and Reconstruction.
M. Paul Meyers (Christian Social)	Health.
M. Paul Van den Boeynants (Christian Social)	Middle Classes.
M. Pierre Harmel (Christian Social)	Cultural Affairs.

* Held same portfolio in previous Cabinet.

The appointment of a Liberal as Minister of Education was one of the conditions of the coalition agreement. M. Harmel was Minister of Justice and M. Servais Minister of Labour in the previous Government.

A still more important political development occurred on Nov. 6, when a National Committee representing the three main political parties (Christian Socials, Liberals, and Socialists) approved the text of a final settlement of the Belgian schools question; this committee had been set up on Aug. 8 to seek a solution to the question—hitherto one of the most intractable facing successive governments. This problem, in which the supporters of the official schools and those of the "free" schools (which are mainly Roman Catholic) had been strongly opposed to each other, was one of the principal causes of disagreement between the Christian Socials on the one hand and the Socialists and Liberals on the other for over 10 years. Whereas the Christian Socials had advocated greatly increased subsidies to the free schools, the Socialists and Liberals had insisted on priority for the development of State, provincial, and municipal schools, maintaining that education was pre-eminently the responsibility of the State and that expansion of official education had been neglected.

The inter-party agreement (which will be valid for 12 years) laid down that all parents should be free to choose whatever school they preferred for their children, and that tuition fees for secondary education should be completely abolished both in official and "free" schools. The general school-leaving age (at present 14) would be raised, and special scholarships would be awarded to suitable pupils to enable them to continue their studies until they could enter a university. All teachers, whether employed in State, provincial or municipal schools or at "free" schools, would enjoy the same status and receive the same pay.

To make good the shortage of State schools, a special fund of 1,700,000,000 Belgian francs (about £12,000,000) would be set aside at the National Bank for building 20 new secondary schools, 16 boarding schools, and 30 primary schools; another special fund of 600,000,000 fr. (about £4,300,000) would be used for building additional municipal and provincial schools. To provide for the equipment of the State schools, an amount of 200 000,000 fr. (about £1,400,000) would be appropriated annually for four years, whilst the cost of equipping municipal and provincial schools would be met by a State subsidy to the extent of 60 per cent. As regards "free" schools, the State would not subsidize the building of any new ones but would compensate all "free" schools for the loss suffered by the abolition of fees, and at the same time it would increase the subsidy for teachers' salaries; these measures would raise State payments to the "free" schools by 2,400,000,000 fr. (about £17,000,000). All political activities and propaganda in schools, as well as unfair competition between different types of schools, would be strictly forbidden.

When Parliament reassembled for its winter session on Nov. 11, Baron Paul Kronacker (a former Liberal Minister) was elected President of the Chamber of Representatives in succession to M. Camille Huysman, the veteran Socialist leader. In accordance with the coalition agreement, M. Struye (Christian Social) remained President of the Senate.—(La Nation Belge - Le Monde, Paris) **(Prev. rep. Cabinet, 16316 A.)**

B. ISRAEL. — Creation of National Land Authority. - Jewish National Fund becomes Sole Agency for Land Development in Israel.

The Smaller Zionist General Council (an organ of the World Zionist Organization), meeting in Jerusalem on Oct. 15, ratified an agreement between the Jewish National Fund (*Keren Kayemeth Le-Israel*) and the Israeli Government providing for the setting-up of a National Land Authority to take over the administration of both State and Jewish National Fund land holdings, representing together more than 90 per cent of the entire area of Israel.

For over 50 years the Fund had been engaged in buying and ameliorating land for agricultural settlement, all such land becoming the inalienable property of the Jewish people. Under the agreement with the Fund, the Israeli Government undertook to introduce in the *Knesset* a Basic Law on national land enshrining the principle that such land might never be sold but only leased to settlers, factories, public institutions, etc. It was laid down that both the Government and the Jewish National Fund would retain the ownership of their respective land holdings within the framework of this new arrangement.

Land reclamation and afforestation of both Fund and State lands will henceforth be concentrated in the hands of a Land Development Authority within the framework of the Jewish National Fund, which will become the sole agency in Israel dealing with land development. The Fund—an autonomous body of the World Zionist Organization—will continue its activities amongst Jews in Israel and foreign countries in the fields of information, education, and fund-raising.

(Israel Government Information Office, Jerusalem)

C. NETHERLANDS. — Satellite Town for The Hague.

A project for building a satellite town near The Hague to accommodate 100,000 people was approved by the Netherlands Government at the beginning of November. The new town—Wilsveen—will eventually become an independent municipality, but in the early stages its administration will be the joint responsibility of the five towns forming The Hague conurbation —The Hague itself, Rijswijk, Voorburg, Leidschedam, and Wassenaar. The Netherlands News Agency explained that whilst The Hague was constantly growing, it was "impossible to find space for more than another 60,000 people, whereas space for another 200,000 will be needed in the near future"; the Wilsveen project was thus designed to house much of the "overspill" from The Hague. (Netherlands News Agency)

D. SPEED RECORDS. — New World Water-Speed Record set up by Mr. Donald Campbell.

Mr. Donald Campbell set up a new world water-speed record on Nov. 10, when his jet-engined speedboat *Bluebird* made two runs of 243.41 and 253.84 m.p.h. respectively on Coniston Water, Lake District—an average speed of 248.62 m.p.h., or nearly ten miles an hour faster than his previous record set up on the same lake a year earlier. Mr. Campbell thereby achieved his fifth world water-speed record for Britain in *Bluebird*, viz. : 202 m.p.h. on Ullswater in 1955, 216 m.p.h. at Lake Mead (U.S.A.) in 1956, and 225, 239.07, and 248.62 m.p.h. on Coniston Water in 1956, 1957 and 1958 respectively.

(Times - Daily Telegraph) **(Prev. rep. 15846 C.)**

E. MOROCCO. — Diplomatic Relations with China. - Sino-Moroccan Trade Agreement.

It was announced in Rabat and Peking on Nov. 1 that Morocco and the People's Republic of China had decided to establish diplomatic relations at ambassadorial level. A trade agreement between the two countries had previously been signed in Rabat on Oct. 27 ; valid for one year, it provided for commercial exchanges worth 5,000,000,000 fr. on either side, and envisaged Moroccan exports of phosphates and superphosphates as well as trucks manufactured at the Casablanca assembly plant of the French Berliet works.—(Le Monde, Paris) **(Prev. rep. 16383 D; 16165 C.)**

NOVEMBER 22—29, 1958

A. GERMANY. — Continued East-West Dispute over Reunification. - The Berlin Crisis. - M. Khrushchev's Statement. - Western and German Reactions. - Soviet Proposal for "Free City" of West Berlin.

An international crisis over the status of West Berlin and the occupation rights of the Western Powers in that city arose during November, following M. Khrushchev's announcement that the U.S.S.R. intended to transfer all its functions and responsibilities connected with the City of Berlin to the East German Government, and his suggestion that the Western Powers should do the same. The stages in this crisis—the third international crisis during 1958, following those in the Middle East and the Far East—are summarized below, together with earlier developments concerning the question of German reunification.

Bundestag Resolution on Reunification.

The *Bundestag* unanimously passed on July 2 an all-party resolution calling for the appointment by the U.S.A., the Soviet Union, Great Britain, and France of a four-Power working group to prepare joint proposals for the solution of the German question. The resolution was worded as follows :

"To further German reunification, the Federal Government is asked to bring its influence to bear on the U.S.A., the U.S.S.R., Great Britain, and France to appoint, either at a future "Summit" conference or independently, a four-Power group, with at least ambassadorial rank, to work out joint proposals for a solution of the German question."

The group proposed in the resolution would differ from that set up by the Western Allies in February 1957 in that it would be at a higher level, and would exclude Western Germany but include the Soviet Union. The resolution was based on a suggestion made by the Austrian Federal Chancellor (Dr. Raab), who had disclosed at a press conference on April 25 that he had proposed to the U.S. and Soviet Ambassadors the creation, at a "Summit" conference, of a four-Power commission charged with examining the conditions for all-German elections and drawing up a draft electoral law.

It was not until Sept. 9 that the Federal Government sent Notes to the U.S.A., the Soviet Union, Britain, and France suggesting the creation of a four-Power commission in accordance with the *Bundestag* resolution. It was explained in Bonn that the delay had been due to the Middle East crisis.

East German and Soviet Notes on Reunification.

The East German Government issued a declaration on Sept. 5, and at the same time sent Notes to Britain, the U.S.A., France, the Soviet Union, and the German Federal Government, proposing (1) the setting-up by the four Powers of a commission to start work on the terms of a peace treaty with Germany ; (2) the establishment by Eastern and Western Germany of a second commission which would be charged with working out a common German attitude on this question.

After denouncing the "aggressive forces in Western Germany and in the U.S.A." and their "attempt to press ahead with the policy of strength and solve the German problem by warlike means," the declaration said that the integration of the Federal Republic in NATO and the "efforts being made for the total atomic rearmament of the Federal Republic" were "in complete contradiction to the national interests of the German people" and made Germany "the centre of the atomic war danger in Europe." It accused the Federal Government of "sharpening the cold war by . . . the systematic circulation of slanders about the German Democratic Republic" ; of wishing "to prevent negotiations between the two German States on methods of bringing them nearer to each other" ; and of "pursuing without hindrance its imperialist concept of integrating the German Democratic Republic into the Federal Republic by force."

Turning to the *Bundestag* resolution of July 2, the East German declaration asserted that it had "nothing in common with the endeavour to reunite the two German peoples as one peace-loving and democratic State," and said that its implementation "would mean that an alien decision would be imposed on the German people concerning its State and social order" The declaration continued : "A decision on this question is one for the German people alone. The unification of the two German States cannot be a matter for foreign Powers, not even for the four Great Powers ; it is the innate right of the German people themselves . . ."

After describing the *Bundestag* resolution as "directed not only against the interests of the German people but also against the peace interests of other nations," and as designed "to divert attention from the problem of maintaining peace in Europe," the declaration reaffirmed the earlier East German proposal for the creation of a German Confederation. It went on to say that the "principal need" was to make immediate preparations for the conclusion of a peace treaty with Germany, quoting in this connexion a statement by Herr Ulbricht (at the last Socialist Unity Party congress) in which he had said that "a united, peace-loving, democratic, and independent Germany must not be bound to any military bloc or economic association like the European Coal and Steel Community. This would mean that Western Germany would have to leave NATO and that Eastern Germany would have to leave the Warsaw Pact."

After outlining the proposals made in the Notes to Britain, the U.S.A., France, and the Soviet Union, the declaration concluded : "This German commission [i.e. the one to be established by Western and Eastern Germany] would be empowered to push forward with the establishment of a united, peace-loving, and democratic German State—a matter which is solely the concern of the two German States. It should deal with questions concerning the relations of the two German States with each other, leading to discussions on economic relations, Customs and currency matters, transport and telecommunications, etc. The question of making travel between the two German States easier could also be solved, provided the Federal Republic is prepared to renounce support for any attempts to undermine constitutional conditions in the German Democratic Republic through spies and secret agents. . . ."

The Notes to the three Western Powers [which do not recognize the East German regime] were transmitted through the Czechoslovak Government. The U.S. State Department announced on Sept. 8, however, that it would send no reply to the East German Note ; a State Department spokesman said that the U.S. Government fully shared the West German view that the Note was an "affrontery," and that the holding of free elections throughout Germany and the formation of an all-German Government was an indispensable first step towards a peace treaty. It was similarly stated in London and Paris that no reply to the East German communication would be sent by the British and French Governments.

The Soviet Government sent identical Notes on Sept. 18 to the U.S., British, and French Governments, as well as Notes to the East German and West German Governments. In all of these it supported the East German proposal for the immediate conclusion of a peace treaty with Germany, which, it said, the U.S.S.R. had itself previously advocated. It also approved the East German proposal for the setting-up of a second commission consisting of representatives of the two German States, and expressed the Soviet Government's willingness "to give such a commission any assistance it requires."

Western Replies to U.S.S.R. and Western Germany.

In identical replies to the Soviet Government, delivered on Sept. 30, Britain, France, and the U.S.A. expressed their willingness to discuss the question of German reunification with the Soviet Union within a four-Power working group, as suggested by the German Federal Government.

The Notes reiterated the Western view that German reunification through free elections and the setting-up of an all-German Government should precede the negotiation of a peace treaty. They accordingly rejected the Soviet proposal to entrust the question of German reunification to a commission of East and West German representatives. In this connexion the Western Notes said that only a Government set up in accordance with the wishes of the German people could "undertake obligations which inspire confidence in other countries and are regarded by the German people themselves as just and binding." Moreover, the German representatives who would participate in discussions on a peace treaty preceding reunification could never bind a future all-German Government to carry out their decisions.

The Soviet proposal was also rejected on the ground that "the regime set up in the Soviet Zone does not represent the will of the East German people" and was "rightly regarded by the population in all parts of Germany as a regime created by a foreign Power and maintained in office by foreign troops." Referring to the directives issued by the four Heads of State at Geneva in 1955, the Western Notes expressed willingness to negotiate with the Soviet Union—at a "Summit" conference or in any other way—on any proposals "based on the honest intention to bring about the reunification of Germany in freedom."

On the same day the British, French, and U.S. Governments formally replied to the West German Note of Sept. 9 ; they welcomed the German initiative as expressed in the *Bundestag* resolution, and stated that they were informing the Soviet Government of their support for the *Bundestag's* proposal.

New Bundestag Resolution.

The *Bundestag* and most members of the Federal Government held a three-day session in Berlin on Oct. 1-3, at which the following resolution was unanimously approved :

"(1) The *Bundestag* formally protests against the continued persecution of the people of Eastern Germany, a persecution which has led to more than 3,000,000 of them seeking refuge in the Federal Republic. It would be an act of political reason as well as of common humanity to give the people of Eastern Germany the right to decide their own future and to return to the German community.

(2) The *Bundestag* protests in particular against the cold-blooded refusal of the East German regime to allow free movement across the inter-zonal frontier. Because of this, the traffic has declined by 85 per cent since last year.

(3) The *Bundestag*, in company with the Governments of the *Länder* and of Berlin, will continue to ensure a humane reception of the East German refugees and their swift integration into the life of the Federal Republic. It appeals to every West German to give East Germans the welcome they deserve, so that the world may realize that they support the ideal of unity by deeds as well as words

(4) The Federal Republic will continue to regard itself as the guarantor of German democracy and the German right to reunification. This does not absolve the great Powers from their responsibility for promoting reunification, which can only result from the freely expressed wishes of the whole German people.

(5) The *Bundestag* reaffirms its proposal for a standing four-Power committee on the German question, which can work out what steps have to be taken to reunify Germany."

Before the adoption of the resolution, Herr Lemmer (Federal Minister for All-German Questions) made a statement on conditions in Eastern Germany.

After emphasizing that more than 3,000,000 people had fled from Eastern Germany since 1949, Herr Lemmer drew special attention to the recent mass flight of doctors and teachers, which was causing great hardship in Eastern Germany, he appealed to members of both professions to stay at their posts as long as possible. Between Jan. 1 and Aug. 31, 1958, a total of 813 doctors, veterinary surgeons, and dentists, as well as 115 pharmaceutical chemists, had taken refuge in Western Germany, compared with 260 in the same period of 1957; as a result, many localities in Eastern Germany were now without a doctor. Since the beginning of 1958, some 250 professors, lecturers and tutors had fled from Eastern Germany, in addition to 2,300 teachers; in August alone 619 teachers had fled to the West, two-thirds of them young men.

Herr Lemmer also stressed that in the first half of 1958 legitimate travel from Eastern to Western Germany had dropped by approximately 75 per cent. The Federal Government was always ready to arrange discussions between the appropriate authorities on increased traffic, but behind all the suggestions from Eastern Germany lay the aim of forcing the Federal Republic to recognize the East German regime—which it was not prepared to do. In conclusion, Herr Lemmer emphasized that the serious situation of the population in Eastern Germany constituted a heavy strain on German-Soviet relations, and that any improvement in those relations was entirely dependent on the conditions of life of the East German people.

Adenauer-Smirnov Discussion. - Note Exchanges between Soviet and West German Governments.

Dr. Adenauer stated in a broadcast on Oct. 2 that the Federal Government would try to find a solution to the German question by means of diplomatic negotiations with the Soviet Union. The Federal Chancellor accordingly had a meeting on Oct. 14 with M. Smirnov, the Soviet Ambassador in Bonn, but their talk produced no result.

A Soviet *aide-mémoire* was handed to Dr. Adenauer by M. Smirnov complaining that the opportunities for improving relations between the two countries were "far from being fully utilized"; that anti-Soviet propaganda was being "ceaselessly" conducted in the Federal Republic; that hostile attacks on the Soviet Union appeared most frequently in those newspapers which were "close to Federal Government circles"; and that the Federal Government was planning to set up a special body for a "propaganda war against the U.S.S.R. and other Socialist countries." It went on: "The Soviet Government cannot overlook frequent statements by official spokesmen making the further development of relations between the two countries conditional on the extent to which the Soviet Government would help the Federal Government in its attempts at interference in the internal affairs of the Democratic Republic." Expectation of such Soviet interference, it said, was "utterly unrealistic," and "the Soviet Union will never agree to building its relations with any State on such foundations."

The text of a Note sent by the Federal Government to the Soviet Government on the previous day was released on Nov. 18. This Note, which was in reply to the Soviet Note of Sept. 18 [see above], contained an important modification in the attitude previously adopted by the Federal Government, inasmuch as it agreed that a four-Power commission on the German question [which had been proposed in rival forms by the East and West] should be authorized to discuss all aspects of the problem, not excluding the preparation of a German peace treaty; the possible participation of East and West German representatives was also implicitly accepted.

The Note acknowledged that the Soviet Government had "taken up the idea of forming a four-Power working group according to the *Bundestag* resolution of July 2." As the French, British, and U.S. Governments had also agreed to the *Bundestag* proposal, the four great Powers were thus "basically in agreement that the formation of such a working group would be useful." It continued:

"An immediate meeting of such a four-Power commission apparently faces the fact that the conceptions of the task of this group differ. The Federal Government believes that the more formal attitudes are replaced by realistic conceptions, the more easily this difficulty could be overcome. The deliberations of the four-Power commission should naturally . . . serve the aim of furthering the re-establishment of German unity. This certainly does not exclude discussion of all other aspects related to this aim. This also applies to questions connected with the preparation of a German peace treaty . . . There is, however, the fact, not disputed by the Soviet Government, that a peace treaty re-establishing the sovereignty of Germany could be concluded only with a Government responsible to the whole people. The question of German participation in the deliberations of a four-Power working group, such as by calling in German experts, should be examined by the group."

The Note concluded by referring to the resolution of Oct 1 in which the *Bundestag* had "unanimously declared its readiness to support any negotiations which would smooth the way to an immediate free decision by the whole German people as soon as an agreement by the four Powers made this possible." It expressed the hope that the Soviet Government would co-operate in implementing this suggestion.

M. Khrushchev's Proposal for Change in Status of Berlin. - Soviet Responsibilities in East Berlin to be transferred to East German Government.

In a speech on Nov. 10 at a reception for a Polish Government delegation led by M. Gomulka, which was visiting Moscow for Soviet-Polish discussions, M. Khrushchev made the following statement on the Soviet Union's intention to transfer control of East Berlin to the East German Government:

". . . At present the Western press writes a lot about the fact that the German Federal Republic is about to propose to the Soviet Union, the U.S.A., Britain, and France a new four-Power conference to solve for the Germans—and despite the Germans—the question of unifying their country. But this is the continuation of the old, unrealistic policy which contradicts common sense and has no legitimate basis. No Powers have the right to interfere in the internal affairs of the German Democratic Republic, or to dictate their will to it.

"We quite understand the natural desire of the German people for reunification of their motherland. But the German military and their American patrons only use these national sentiments for a purpose which has nothing in common with German unity or with ensuring a stable peace in Europe. In fact, the military circles of Western Germany are following the road of deepening the division of the country, and of preparing military adventures. If the West German Government tried to solve the question of German unity, not by words but by deeds, then it would take the only road which leads to that goal—the road of establishing contacts with the German Democratic Republic. . . .

"The German question—if this means unification of the two German States now in existence—can be solved only by the German people themselves through the *rapprochement* of those States. The conclusion of a peace treaty with Germany is another matter. This is a task which must be solved in the first instance by the four Powers which were members of the anti-Hitler coalition, in co-operation with Germany's representatives. The signing of a German peace treaty would help the normalization of the whole situation in Germany and in Europe as a whole. The Soviet Union has been proposing, and still proposes, to tackle this matter without delay.

"When one speaks of the four Powers' obligations with regard to Germany, one must speak of the commitments emanating from the Potsdam Agreement. . . . The Powers taking part in the anti-Hitlerite coalition undertook clear-cut and definite commitments to eradicate German militarism, to prevent its revival forever, to take all measures to ensure that Germany should never again threaten her neighbours or the maintenance of world peace. The parties to the Potsdam Agreement also recognized the need to put an end to German fascism, to bar forever the road to its revival in Germany, and to put an end to all Fascist activity or propaganda. An important part of the Potsdam Agreement was the commitment to liquidate the dominance of cartels, syndicates and other monopolies in the German economy—i.e., those forces which had brought Hitler to power and which encouraged and financed his military adventures. . . .

"What have we got now, more than 13 years after the Potsdam Conference? Nobody can deny that the Soviet Union has been observing all these agreements irreproachably. They have been carried out fully in the Eastern part of Germany, the G.D.R. Let us now look at the way in which the Potsdam Agreement is being implemented in Germany's Western portion, the G.F.R., responsibility for whose development rests with the three Western Powers. One must say straightaway that, far from being eradicated in Western Germany, militarism is regarding its head higher and higher.

"The Powers which should have fought against the rebirth of German militarism drew Western Germany into the aggressive military bloc created by them—NATO. They are doing everything to aid the growth of German militarism and to create in Western Germany a large army . . . which, according to the calculations of the German militarists, will become stronger than the armies of Britain and France. . . . The German Federal Republic already has U.S. rockets which can be equipped with nuclear warheads. In the economic aspect, too, Western Germany is literally flying at the throat of its West European allies. All its economic resources are being placed at the service of rising German imperialism.

"To whichever of the basic propositions of the Potsdam Agreement we turn—those concerning the demilitarization of Germany, and the prevention of a resurgence of fascism—we unavoidably come to the conclusion that these propositions, to which were attached the signatures of the U.S.A., Britain, and France, have been violated by those countries.

"What then has remained of the Potsdam Agreement? Virtually one thing only has remained: the so-called four-Power status of Berlin—that is, that Article according to which the three Western Powers have the possibility of holding sway in West Berlin; of turning that part of the city into a kind of State within a State; and of making use of this to carry on from West Berlin subversive activity against the German Democratic Republic, the Soviet Union, and other Warsaw Pact countries. On top of everything, they enjoy the right of unhampered communication between West Berlin and Western Germany by air, rail, road, and the waters of the German Democratic Republic, which they do not even wish to recognize.

"The question arises: Who profits from such a situation and why do not the United States, France, and Britain violate also this part of the four-Power treaty? The matter is quite clear. . . . They are clinging to it in every possible way because the agreement on Berlin is beneficial to the Western Powers . . . The Western Powers would naturally have nothing against extending such Allied privileges *ad infinitum*, although they have long ago abolished the legal basis on which their presence in Berlin rested.

"Has not the time come for us to draw the necessary conclusions from the fact that the most important points of the Potsdam Agreement relating to the securing of peace in Europe . . . have been violated, and that certain forces continue to direct German militarism against the East, as before World War II. Is it not time to revise our attitude to this part of the Potsdam Agreement and to reject it? The time has evidently come for the Powers which signed the Potsdam Agreement to abandon the remnants of the occupation regime in Berlin and thus make it possible to create a normal atmosphere in the capital of the German Democratic Republic. The Soviet Union, for its part, will hand over to the sovereign German Democratic Republic those functions in Berlin which are still wielded by Soviet organs.

"Let the United States, France, and Britain form their own relations with the German Democratic Republic and come to an agreement with it if they are interested in certain questions relating to Berlin. As for the Soviet Union, we shall observe as sacred our obligations which stem from the Warsaw Treaty and which we have confirmed to the German Democratic Republic many a time. Should any aggressive forces attack the German Democratic Republic, which is an equal partner of the Warsaw Treaty, we will consider it as an attack on the Soviet Union and on all the parties to the Warsaw Treaty. We shall rise to the defence of the German Democratic Republic, and this will mean the defence of the basic security interests of the Soviet Union, of the entire Socialist camp, and of the cause of peace throughout the world."

M. Khrushchev's statement of Nov. 10 confirmed an earlier statement made on Oct. 27 by Herr Ulbricht (First Secretary of the East German Socialist Unity Party), in which Herr Ulbricht said: "The whole of Berlin lies within the territory of the German Democratic Republic. The whole of Berlin belongs to the area under the sovereignty of the German Democratic Republic. The authority of the Western occupying Powers no longer has any legal basis in Berlin." The East German Foreign Ministry, had asserted on Oct. 30 that the present system of guaranteed communications for the Western Powers between Berlin and Western Germany depended on "a temporary and exceptional agreement."

In a speech on Nov. 14 to graduates of Soviet military academies M. Khrushchev said that the Soviet Government was "preparing an appropriate document on the status of Berlin." He added: "We intend to make definite proposals to the countries that took part in the war against Hitlerite Germany and Fascist Italy. When we speak of Berlin we do not declare that we shall fight against the West. We have never said that. But we have said that the aggressors will be given a crushing rebuff if they attack the Soviet Union and the Socialist countries.

A *Pravda* article of Nov. 18 rejected the firm stand which the Western Powers had taken up in defence of their rights in Berlin [see below]. "In the post-war period," *Pravda* wrote, "the occupation of West Berlin has been constantly used by the Western Powers as a venomous weapon with which to poison the atmosphere in Europe. It is now high time for a radical solution of the Berlin problem in the interests of strengthening peace and international security. . . . Even if the agreements on occupation—which are no longer valid—are recalled, it must be said that Berlin was never regarded as a special fifth zone of occupation. The Western Powers created in Berlin an artificial situation . . . in order to take advantage of the unlawful presence of their troops in the city and to create there a base for subversive activity against the German Democratic Republic, the Soviet Union, and the other Socialist countries. Such a situation is . . . intolerable.

"Having created an atmosphere of war hysteria around the Berlin issue [*Pravda* continued], some persons in the West evidently expect to shake the Soviet decision. . . . Such a method is unavailing in relations with the Soviet Union. . . . The Western Powers, having frustrated the fulfilment of the Potsdam Agreement, have lost every legal right to maintain their privileges in Berlin. They have deprived themselves of the moral right to occupy the Western part of that city. . . . Western statesmen who cling to the occupation status in Berlin are seriously mistaken if they believe that the implementation of the measures planned by the Soviet Government requires consent on the part of those Powers. No such consent is required. The Soviet Union will firmly adhere to this line and will put it into effect."

Western Powers' Reactions to M. Khrushchev's Statement on Berlin.

The British, U.S., and French Governments reacted firmly to M. Khrushchev's announcement, official statements being issued in London, Washington, and Paris stressing that the Western Powers were in West Berlin by right, and that their status in this respect derived not from the Potsdam Agreement but from the Four-Power declaration of June 5, 1945, and the agreements with the Soviet Union concluded on May 4, 1949, after the ending of the Berlin blockade. Officials of the three Powers were reported to have held close consultations and to have prepared detailed plans of action for all foreseeable contingencies which might arise out of a Russian withdrawal.

The statements issued by the three Western Powers are summarized below:

Britain. A Foreign Office spokesman stated on Nov. 10 that the Western position in Berlin did not depend on the Potsdam Agreement but on the right of occupation deriving from the unconditional surrender of Germany in 1945, and that neither the Western Powers nor the Soviet Union could unilaterally abrogate their responsibilities. Western access to Berlin was inherent in the right to maintain garrisons in the city, and this had been recognized in agreements with the Soviet Union after the ending of the Berlin blockade in 1949. Acceptance of M. Khrushchev's proposals would amount to abandoning West Berlin to the mercy of the Soviet authorities, and would be contrary to the Western undertakings to protect Berlin. It was recalled in this connexion that Britain, France, and the U.S.A. had frequently stated that they would regard an attack on West Berlin as an attack on their own forces.

France. A spokesman of the *Quai d'Orsay* similarly stated on Nov. 10 that the presence of French forces in Berlin was based not on the Potsdam Agreement but on the quadripartite agreements of June 5, 1945, and on formal Soviet recognition as a result of the Foreign Ministers' conference held in May 1949 after the Berlin blockade. These multilateral arrangements could not be invalidated save by common agreement between the four parties. "Surprise" was expressed that M. Khrushchev should have made threats whose implementation could provoke a "very grave crisis."

United States. President Eisenhower's Press Secretary (Mr. Hagerty) announced on Nov. 21, on behalf of the President, that the U.S. Government would not retreat "from its firm intentions in West Berlin" and would "maintain the integrity" of the city regardless of the Soviet threat to turn over its own occupation functions in the eastern sector of Berlin to the East German regime. Mr. Hagerty made it clear that the President's statement had been issued after the fullest discussion of the situation with Britain and France.

Mr. Dulles said on Nov. 24 that any Russian attempt to force the Western Allies out of Berlin would be "met with unity and firmness." Asked whether he would attend a conference of the three Western Foreign Ministers in West Berlin, as had been suggested, Mr. Dulles answered that he would "do anything if it is necessary" but that he saw no immediate need for such a meeting.

Mr. Ormsby-Gore (U.K. Minister of State, Foreign Office) announced in the House of Commons on Nov. 26 that Mr. Macmillan had sent a personal message about Berlin to M. Khrushchev on Nov. 22. Although the text of the letter was not published, it was authoritatively stated on Nov. 28 that Mr. Macmillan had made it clear to the Soviet Government that Britain had every intention of upholding her rights in Berlin, and that she looked to the Soviet Government to fulfil its obligations.

Reactions in Western Germany.

The Federal Government issued a statement on Nov. 12 saying that any unilateral renunciation by the U.S.S.R. of international agreements on the four-Power status of Berlin would dangerously increase political tensions, affect Soviet-German relations, and involve a breach of international law which would seriously put in question the value of Soviet contractual undertakings. After recalling the repeated guarantees of the defence of Berlin given by the Western Powers, the statement said that "the Federal Government, the German people, the population of Berlin, and the entire free world have confidence in these declarations and in the effective protection which they pledged."

Dr. Adenauer said on Nov. 16 that M. Khrushchev's threats had created "a dangerous situation not only for Western Germany but for the whole world." He added, however, that he did not wish "in any way to respond to M. Khrushchev's provocation," and that the West German Note to Moscow [see above] would be left as drafted and would not be sharpened. After thanking the Western allies for their prompt reaction to the Soviet challenge, he gave a warning

against doing anything which might create the impression that the four-Power status of Berlin was to be "whittled away" from the West German side; in this connexion he deprecated the demand of Herr Brandt (Chief Burgomaster of West Berlin) that the deputies representing the city in the *Bundestag* should receive full voting rights. The Chancellor added that the question of counter-measures would arise only in the case of an actual blockade of Berlin, either by the Soviet or the "zonal" (i.e. East German) authorities; in such an eventuality inter-zonal trade would "run into difficulties."

M. Smirnov had a further meeting with Dr. Adenauer on Nov. 20, at which the Federal Foreign Minister (Dr. von Brentano) was also present.

An official statement said that the Ambassador had informed the Chancellor of the intentions of the Soviet Government with regard to the status of Berlin; the Soviet Embassy, however, issued a separate statement in which it was claimed that M. Smirnov had informed Dr. Adenauer "of the steps his Government intends to take to liquidate the occupation statutes concerning Berlin" This, however, was denied by a Federal Government spokesman, who said that M. Smirnov had merely explained M. Khrushchev's statement. Asked if the meeting had helped to relax tension, the spokesman replied in the negative but said that there was no cause for alarm while the matter was still under discussion. He described the political and diplomatic offensive against West Berlin as "very serious," but did not think that the situation would become "acutely dangerous."

Dr. Adenauer said in Munich on Nov. 21 that M. Smirnov had expressed the belief that Western Germany would welcome the freeing of Berlin from occupation forces. He (Dr. Adenauer) had answered that the Allied troops were regarded by the people of West Berlin as protectors of freedom, and that it was most important that they should remain in the city.

The Chief Burgomaster of West Berlin (Herr Brandt) made the following statement in the City Assembly on Nov. 20:

"We shall master what lies ahead of us with determination and confidence. Our daily work and our free order are secured. Let me reiterate to the world that 3,500,000 people live here—2,250,000 of them in West Berlin—who want only to live in freedom and to complete their work of peaceful reconstruction. We have no weapons, but we have a right to live and we have good nerves. Presumably there will be some further tests of our nerves, but that will neither confuse nor disconcert us.

"Free Berlin belongs to the free West. We Berliners will not allow ourselves to be parted from our friends, just as our friends will not allow themselves to be parted from Berlin. . . . We are not made of the stuff that is blown over by a gust of wind. For this the people of Berlin have had too many experiences."

Dr. von Brentano flew to West Berlin on Nov. 23 for discussions with Herr Brandt, whilst on Nov. 25 he presided over a meeting of the West German Ambassadors in London, Washington, Paris, Moscow, and Rome, who had been summoned to Bonn for consultations.

Reactions in Eastern Germany.

Herr Grotewohl, the East German Prime Minister, said in a press statement on Nov. 12 that M. Khrushchev's speech had "further paved the way for a settlement of the German problem," but refused to make any "sensational comment." He added that the major task of his Government was the securing of peace and that "the problem of the status of Berlin is not the major problem; it is a problem, but only one of many in Germany today."

On the same day (Nov. 12) the East German Government sent Notes to 60 other countries, through the East German Embassy in Moscow, asking them to recognize the German Democratic Republic and to reject the suggestion that the Federal Republic was the only legitimate government in Germany.

These Notes were accompanied by a memorandum on the alleged threat to peace involved in Federal Germany's rearmament policy, and also by a White Book denouncing the allegedly "aggressive character" of the Federal Government. The documents accused Western Germany and the Western Powers of using West Berlin as a "centre of espionage" against East Germany; alleged that the West German economy was being developed "on monopolistic lines" by the restoration to power of a small group of individuals, including former Nazis such as Herr Krupp; and accused Federal Germany of "abolishing democratic rights in its struggle for a clerical-totalitarian regime" and of "preventing the establishment of a united, peace-loving, and democratic Germany."

Herr Ulbricht, said in an interview on Nov. 25 that Eastern Germany was prepared to negotiate with the Western Powers about their right of access to West Berlin; there was no point in fearing that the Communists would blockade the city because "the possibility of negotiations exists."

Herr Ulbricht added, however, that "there is . . . no legal basis for the presence of foreign occupation Powers in Berlin," and that, in the event of the Soviet Union handing over traffic controls, "all foreign organs will be able to regulate these questions with the German Democratic Republic." On the question of diplomatic recognition, Herr Ulbricht said: "He who uses the territory of the German Democratic Republic gives *de facto* recognition to its existence. That applies to the water, the land, and the air. . . . The German Democratic Republic, together with its capital of Berlin, is a sovereign State in which there is no longer an occupation Power nor occupation rights."

Soviet Notes on Revision of Status of Berlin. - Proposed "Free City" Status for West Berlin.

The Soviet proposals for Berlin were formally handed to the British, French, U.S., and Federal German Ambassadors by M. Gromyko on Nov. 27, after the latter had visited East Berlin for discussions with Herr Grotewohl, Herr Ulbricht, and Dr. Bolz, the East German Foreign Minister.

The principal Soviet proposal was that West Berlin should become a demilitarized Free City, with Britain, France, the Soviet Union, and the U.S.A., and possibly the United Nations, guaranteeing its status. Under a separate agreement, Eastern Germany would guarantee communications between West Berlin and the outside world, in return for an undertaking by West Berlin not to tolerate "subversive activity against Eastern Germany." If by the end of six months no agreement had been reached on this proposal between the Soviet Union and the Western Powers, the Soviet Government would carry out its plans in agreement with Eastern Germany, which would then be able to exercise full sovereignty by land, sea, and air over the approaches to West Berlin.

The Soviet Notes to the three Western Powers were in identical terms; they will be summarized in a subsequent issue. (Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Le Monde, Paris - Frankfurter Allgemeine Zeitung - Soviet Embassy Press Department, London) **(Prev. rep. Reunification Question, Western Germany, 16141 A; Eastern Germany, 15785 A; "Summit" Correspondence on German Question, 16069 A; 15975 A; 15625 A; NATO Views, 16238 A; Soviet-West German Relations, 16178 A.)**

Note. The Declaration of June 5, 1945 [see 7227 A], on which the Western Powers' position in Berlin is based, stated in Article 12: "The Allied representatives will station forces and civil agencies in any or all parts of Germany as they may determine." This declaration, published two months before the Potsdam Agreement, was amplified by agreements previously reached by the European Advisory Commission, which defined the four occupation zones of Germany and the three (later four) sectors of Berlin. A joint statement, issued simultaneously, provided that Berlin was to be jointly occupied and administered by an inter-Allied governing authority (Kommandatura) The agreements of the European Advisory Commission have not been published, but were described in a White Paper issued at the time of the Berlin blockade on Oct. 1, 1948. The Potsdam Agreement (signed on Aug. 2, 1945) established a Council of Foreign Ministers and laid down the principles which were to govern the treatment of Germany, but made no mention of Berlin [see 7361 A.]

The Western Powers' rights of access and of communications with the city were not contained in any written agreement, but are inherent in the right to occupy Berlin. After the Berlin blockade the Soviet Union expressly recognized these rights in the New York Agreement of May 4, 1949 [9971 A] and the Paris Agreement of June 20, 1949 [10065 A]. Article I of the New York Agreement stated: "All the restrictions imposed since March 1, 1948, on communications, transportation, and trade between Berlin and the Western Zones of Germany will be raised on May 12, 1949."

The Western Powers' rights of access to Berlin by air are covered in general by their right to be in Berlin, and in particular by a four-Power agreement of Nov. 30, 1945, which defined three air corridors for their use. This agreement provided that air movements within these corridors would be controlled by an Air Safety Centre in Berlin, operated on a quadripartite basis.

The Western Powers reasserted their position in the Final Act of the London Nine-Power Conference on Oct. 3, 1954, which contained a special declaration on Berlin [see page 13812, second column.]
(Ed. K.C.A. - Times)

A. FRANCE. — Renewal of British Wool Credit.

It was announced in London and Paris on Sept. 12 that a new revolving credit of £12,500,000, which could be increased temporarily to £15,000,000 during the peak of the wool-buying season, had been arranged by Lazard Brothers and Co. of London, on behalf of a group of British banks, with the *Groupement d'Importation et de Répartition de la Laine* for financing French wool purchases in the British Commonwealth during the 1958-59 season. The amount was the same as that arranged last year. Repayment is linked with the export of French wool products as hitherto, and will be completed in December 1959. (Financial Times - Le Monde, Paris)
(Prev. rep. 15797 D.)

A. UNITED KINGDOM. — Defence Policy. - Report of Grigg Committee on Recruiting.

The Advisory Committee on Recruiting, set up by the Government in December 1957 with Sir James Grigg (a former Secretary for War) as chairman—see page 16031, first column—published its report as a Blue Book on Nov 4. The Committee's terms of reference were "to examine the factors bearing on the willingness of men and women to serve in the armed forces and to make recommendations" It made 30 recommendations, providing *inter alia* for (1) biennial reviews of Service pay and pensions; (2) improved conditions of service; (3) higher pensions; (4) larger educational allowances in respect of children of officers and "other ranks"; (5) changes in the career structure of officers.

The Government's acceptance of the Committee's major recommendations was announced in a White Paper published on the same day. The Grigg Report is summarized below.

General Considerations.

The Committee pointed out that it had related its task to the Government's plan to end National Service by December 1962, and to rely thereafter on Regular forces of about 275,000 men. Although present indications were hopeful, the Committee considered that to achieve a balanced force of this size some improvement in current rates of recruiting would be necessary, the main difficulty being to fill "those units and corps which offer the least glamour and variety." The general problem was "to bring Service life more in line with modern thought and social conditions," while "still allowing it to retain the essential characteristics of a disciplined force."

The Background to the Recruiting Problem.

The Committee specifically rejected any suggestion that the pay of officers and "other ranks" was at present a deterrent to recruiting, but stressed that civilian life had become easier for potential "other ranks" owing to changes in the structure of society; as a result, Service life had now "much more competition from civilian life than ever before." For young single men the influence of their parents or their fiancées was "paramount" in the decision whether or not to join up; other important influences were (*a*) the dissuasion of disgruntled National Servicemen; (*b*) current views on the place of the Forces in society. In this connexion the report said: "On the whole we consider that the Royal Navy and the Royal Air Force still command respect, but the Army has undoubtedly suffered from the fact that the great bulk of National Servicemen have performed their often unwilling service in its ranks."

After listing the main advantages of Service life as security of tenure; perquisites such as generous leave with pay, travel, sport, and adventure; and the chance of serving the country, the Committee enumerated the principal grievances put to it during its investigations. These included: (1) the inadequacy of "disturbance grants" (intended to provide for the cost of moving house or quarters, etc.); (2) "acute concern" at the effect of continued inflation on the real value of pay and pensions; (3) recent Service reorganizations which, by creating redundancy among officers and n.c.o.'s, had tended to diminish public faith in the security of Service life; (4) unnecessary guard duties and fatigues; (5) the quality of Service equipment, which, though "reasonably good" in the Navy and R.A.F., was by no means so in every Army unit; (6) the unpopularity of Army battle-dress, waterproof squares, and kitbags; (7) the "depressing and antiquated" atmospheres of many barrack-blocks, dining halls, and kitchens.

The Committee blamed the Service departments, and especially the War Office, for their "reluctance to question long-standing assumptions on recruitment and the engagement structure." In this connexion it said that it had been "struck by the fact that the Armed Forces, unlike other employers of labour, had not related all their points of entry to the normal stages at which young people leave the educational system." It reported little complaint from Regular servicemen about "the measure of discipline necessary for efficiency—including everything comprised by what is known as 'bull.'" On the contrary, the report emphasized that "voluntary recruiting is best for those units which have the reputation of exacting the strictest discipline and insisting on a high degree of smartness."

Other subjects discussed in the report included (1) the traditional predominance of the public schools as a source of Service cadets, (2) the importance of educational facilities in the Forces; (3) deterrents to recruiting in the Women's Services; (4) officers' complaints of too much centralization and paper work.

As regards (1) the Committee pointed out that in the future "a few public schools cannot be expected to provide even a sizable proportion of the Services' demand for 1,000 cadets a year," and that unless it was possible to make first-class officers out of the best boys from grammar schools, "shortfalls of officers in numbers and quality must be expected." In respect of (2) the report stressed that "the soldier who has taken the trouble to educate himself in his spare time is likely to be better qualified for advancement and an easier man to place when it comes to resettling him in civil life." While praising much of the Forces' educational work, the Committee considered that in this respect the Navy and the R.A.F. were "more enthusiastic than the Army"; it expressed the hope that the Army "would not become a cultural desert when National Service disappears."

The Committee stressed that there would have to be a "sharp increase" in women's recruiting (to yield about 5,000-6,000 recruits a year) in order to achieve the desired expansion of the Women's Services. It believed that the greatest single deterrent was the idea that these Services were not really needed in peacetime, but it also found dissatisfaction at the relation between women's pensions and men's. There was also a strong feeling in the W.R.A.C. that the uniforms were unattractive, although the W.R.N.S. and W.R.A.F were generally satisfied with theirs.

Recommendations.

The Committee's principal recommendations were as follows:

(1) Biennial reviews of Service pay and pensions to ensure that they did not fall below civilian levels. The first review should be carried out in time for any changes to take effect on April 1, 1960.

(2) Increases in "disturbance allowances" for "other ranks," viz., from £12 to £25 for those going into Service accommodation, and from £22 10s. to £50 for those going into private accommodation Rates for officers to be raised to £40 and £80 respectively.

The Committee estimated the extra cost of these increases at about £1,000,000 a year.

(3) Increases in education allowances for children of officers and "other ranks" at boarding schools, as follows: first child, from £75 a year to £150; second child, from £100 to £175; third child, from £125 to £200. Annual allowances for children boarded out privately while obtaining suitable education should be increased from £35 2s. to £50 for each child.

The extra cost of these changes was estimated at £750,000 to £1,000,000 a year.

(4) Children of officers and "other ranks" at school in Britain and separated from their parents serving abroad should be allowed one free passage to their parents each year, instead of only one during each tour of duty, as at present.

This proposal, made after consulting the Service Departments, was estimated to cost an extra £125,000 a year.

(5) Increases in pensions and terminal grants paid to "other ranks" in accordance with the following scheme, drawn up by the War Office and Air Ministry (present rates in parentheses);

	Annual Pension		Terminal Grant	
	22 years	37 years	22 years	37 years
	£	£	£	£
Warrant Officer ..	243	575	729	1,725
	(180)	(396)	(330)	(810)
Staff Sergeant	210	496	630	1,188
	(144)	(367)	(275)	(635)
Sergeant	186	439	558	1,317
	(124)	(318)	(225)	(525)
Corporal	143	338	429	1,014
	(105)	(288)	(175)	(400)
Private .. .	114	270	342	810
	(86)	(255)	(125)	(305)

The report stated that the Admiralty had proposed a more expensive scheme which the Committee could not accept; it suggested that the Admiralty should draw up a new scheme to cost roughly the same per head as the scheme set out above.

The Committee stressed that present pensions for "other ranks" were "inferior to those paid in outside occupations," e.g. the police and fire services, and were a "serious deterrent" to recruiting. The new scheme, when applied to all three Services, was estimated to cost about £2,000,000 in 1958-59, rising to £6,000,000 in 1979-80.

(6) Increases in "family pensions" so as to give a widow one-third of the pension her husband had been drawing (or, in the case of those still serving at the time of death, one-third of the pension he would have drawn if he had been invalided).

(7) Enlargement of training facilities to allow the Services to obtain between one-third and one-half of their "other ranks" requirements from boy and apprentice entrants. For grammar schools holding the G.E.C. at ordinary level, the possibility might be considered of creating an entry at "other ranks" level, but with suitable status.

(8) Expansion of Welbeck College [a pre-Sandhurst Army college run on boarding-school lines—see 12393 A], which should be given an Arts side and possibly be run for the benefit of all three Services.

(9) Extension of the scholarship scheme now operated by the Royal Navy and the R.A.F. to cover the Army also.

(10) More promotion from the ranks; tests for advancement in the ranks themselves should be less academic and related closely to the duties of the higher position.

(11) Reorganization of officers' career structure to give choice of retirement before 40 or employment until 60.

The Committee said in this connexion: "The pattern of an officer's career is anachronistic. It presupposes that the typical officer will be a public school man who, after 20 years in the Army, can retire to manage his estates."

(12) Quick decisions on the future of particular stations, to enable building plans to be prepared.

(13) Provision of new uniforms and replacement of kitbags by holdalls.

(14) Changes in the engagement structure in the Women's Services to enable girls to join at 17. The possibility should be considered of allowing women to leave the Services (after completing their initial engagement) on giving six months' notice.

(15) Increase of pensions in the Women's Services (at present fixed at 66 per cent of comparable men's pensions) to 85 per cent of men's pensions.

(16) Smaller stocks of women's uniforms at any one time, to enable changes to be made when necessary for up-to-dateness. Blouses or dresses should be issued for summer wear.

The White Paper stated that the Government had accepted recommendations 1-6 and 15, dealing with biennial reviews, "disturbance" and education allowances, and pensions, and that the increases recommended would take effect from April 1, 1959. As regards training facilities, it accepted recommendations 7 and 9, but had doubts about the proposal to enlarge Welbeck College; this, however, was being considered. Recommendation 10 (more promotion from the ranks) was accepted, but recommendation 11 (reorganization of officers' career structure) would present difficulties, though consideration was being given to it. The recommendations regarding changes of uniform were accepted, both as regards men and women, and the proposal to recruit women at 17 was being considered. The Government could not agree, however, to release women from the Services on the basis of six months' notice.

The members of the Committee, apart from Sir James Grigg, were Mr. A. D. Bonham-Carter ; Mr. H. Cudlipp, editorial director, *Daily Mirror* ; Mr. A. E. Howard ; Sir Philip Morris, Vice-Chancellor of Bristol University ; Mr. R. Openshaw, former general secretary of the Amalgamated Engineering Union ; and Dame Felicity Peake, former Commandant of the W.R.A.F.—(Cmnd. 545 and Cmnd. 570 - Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Defence Estimates, 16029 A ; Army Estimates, 16087 A.)**

A. INDIA - RUMANIA. — Rumanian Economic and Technical Aid for Construction of Assam Oil Refinery.

The Indian Minister for Mines and Oil (Mr. K. D. Malaviya) made a statement in the *Lok Sabha* on Nov. 19 on an agreement between the Governments of India and Rumania whereby the new publicly-owned oil refinery at Gauhati (Assam) would be built with Rumanian assistance. The agreement in question was signed by Mr. Malaviya in Bucharest on Oct. 20.

Mr. Malaviya said that the Rumanian Government had agreed to provide a long-term credit of 52,380,900 rupees (£3,929,500), representing the total estimated value of the supplies to be delivered and the technical and other services to be rendered by Rumania for the erection and construction of the refinery. The credit would bear interest at 2½ per cent p.a., and 15 per cent of the total would be repaid in six instalments—the first one 30 days after the signing of the agreement, and the last one 30 days after the refinery had gone into full operation. The balance of 85 per cent of the total credit would be repayable in 10 instalments, of which the first two would be due on Dec. 31, 1961, and the tenth on Dec. 31, 1965. The Rumanian Government would buy Indian goods as far as possible against the credit ; any balance which had not been utilized in this manner would be converted into transferable free currency after April 1, 1961, if desired by Rumania.

The Rumanian Government would undertake to design the refinery ; to supply the equipment and materials for the process units and auxiliary installations ; to ensure that the design, machinery, and equipment conformed to the most up-to-date Rumanian technical standards in regard to quality of materials and workmanship ; to provide technical assistance in construction work ; to make available the services of Rumanian engineers and technicians in a supervisory capacity ; to train Indian technicians in Rumania for building and operating the refinery ; to put the refinery into operation ; and to indemnify the Government of India in case of an infringement of a foreign patent.

The Indian Government would be responsible, *inter alia*, for the selection of the refinery's site and for furnishing the temporary facilities required, as well as constructional and other materials available from indigenous sources.

Mr. Malaviya stated that the new Assam refinery was expected to process about 570,000 tons a year, whilst the refinery in Bihar (for which offers of collaboration in its construction were under consideration) would process about 2,000 000 tons. It was hoped that the Assam refinery would be "on stream" by April 1961. Both the Bihar and Assam refineries would be in the public sector.—(The Hindu, Madras - The Statesman, Calcutta - Indian High Commissioner's Office, London) **(Prev. rep. 16150 C ; 16028 A.)**

B. Corrigenda.—The following corrections should be made in recently published articles :

(1) It was stated in 16410 A, on the basis of press reports, that Pakistan had recognized the "Provisional Government of the Algerian Republic." This statement was incorrect and, according to a notification from the Office of the High Commission for Pakistan in London, no such recognition has in fact been accorded.

(2) In the last paragraph of 16502 A (Baghdad Pact) the name of the outgoing Director of the Combined Military Planning Staff should be General Ekrem Arkalin, not Arkalım. (Ed. K.C.A.)

C. DENMARK. — Elections in Faroe Islands.

General elections for a new *Lagting* (Diet) took place in the Faroe Islands on Nov. 9, the results being as follows :

	Seats		Votes
	*New House**	*Old House*	
Social Democrats	8	5	3,584
Republicans (*Lösrivelses*) ..	7	6	3,329
Sambands Party	7	7	3,296
Folkeflokken	5	6	2,470
Moderate *Selvstyre* (Autonomy) Party ..	2	2	812
New Progressive Party† .	1	1	404

* Total membership 30, against 27 in the former House.
† Contested 1954 elections as *Borger* (Anti-Socialist) List.

The Social Democrats thus became the strongest party, gaining three seats and over 1,000 votes compared with the 1954 elections. The Republicans gained one seat, *Folkeflokken* lost one, and the other parties maintained their position.

Since 1954 the Faroe Government had been supported by a coalition of the *Sambands* party, *Folkeflokken*, and the *Selvstyre* party, which together commanded a majority in the former House. In the new Diet the Social Democrats, the *Sambands* party, and the *Selvstyre* party (i.e. the three parties which in 1947 supported the political agreement with Denmark on the islands' autonomy in home affairs) will have a majority.

The attitude of the various parties toward the Faroe Islands' relations with Denmark is described in 13948 B.
(Berlingske Tidende, Copenhagen - Politiken, Copenhagen) **(Prev. rep. 13948 B.)**

D. NEW ZEALAND. — Wairakei Geothermal Power Station in Operation.

The geothermal power station at Wairakei (North Island) went into operation on Nov. 15, when electric power from the station was switched into the national grid for the first time.

Test boring at Wairakei began in 1950 ; today there are more than 50 bores at depths ranging from 500 to 3,000 feet, from which tremendously powerful jets of steam rush up with a great roar. To reduce the deafening noise during the building operations, conical steel silencers were attached to the bore outlets, whilst a steam separator had to be developed to produce "dry" steam to drive the generators. The power station was built on the banks of the Waikato River, in the centre of a famous tourist area.

Although at present generating only 1,500 kw., the station's output will shortly be increased to 6,500 kw. as further bores are linked to the turbo-alternator. The first stage has been planned to produce 69,000 kw., to be increased to 151,400 kw. on completion of the second stage and to 252,600 kw. on completion of the third stage. The cost of the entire project will be £NZ 21,000,000.

Wairakei is the world's second geothermal power station, the first one having been built at Larderello, in Italy.
(Directorate of Information, Wellington) **(15624 C ; 14658 B.)**

E. SOVIET UNION. — Marshal Bulganin identified with "Anti-Party Group."

In an official report published by the Tass Agency on Nov. 13, Marshal Bulganin was for the first time described as a member of the "anti-party group" of M. Malenkov, M. Molotov, M. Kaganovich and M. Shepilov. The denunciation was contained in a report by M. Khrushchev on the new Soviet seven-year plan, in which reference was made to the "exposure and routing of the anti-party group of Malenkov, Kaganovich, Molotov, Bulganin and Shepilov," and which accused them of "faction-splitting activity" and "opposing the party's general Leninist line."—(Soviet Embassy Press Department, London)
(Prev. rep. Marshal Bulganin, 16405 B ; "Anti-Party Group," 15639 A.)

Note.—The Soviet seven-year economic plan will be summarized in a later issue. (Ed. K.C.A.)

F. JAPAN. — Crown Prince Akihito engaged to Commoner. - Engagement approved by Emperor.

The engagement of Crown Prince Akihito to a commoner, Miss Michiko Shoda, was announced by the Japanese Imperial Council on Nov. 27, following prior approval of the engagement by the Emperor Hirohito. Both Crown Prince Akihito (the heir to the throne) and Miss Shoda (eldest daughter of the president of a flour-milling company) are 24 years of age. This was the first time in the 2,600 years of recorded Japanese history that a future empress had been chosen from outside the ranks of the blood royal or the nobility, thereby breaking a tradition which had lasted from the time of Jimmu Tenno, the founder of the imperial line. The Emperor Hirohito is the 125th direct descendant of the Emperor Jimmu.
(Times - Manchester Guardian)

A. CHINA. — Economic Developments. - Formation of "People's Communes." - Fulfilment of First Five-Year Plan. - Revision of Second Five-Year Plan. - Decentralization Policy for Industry. - Electrification Plans. - The Yellow River Project.

A radical reorganization of the Chinese agrarian system, whereby the great majority of the agricultural co-operatives were grouped together into large "people's communes" combining agricultural, industrial, administrative, and military functions, was carried out between April and October.

Agricultural co-operatives had been formed at an increasingly rapid rate during 1954-56. Whereas in 1953 it was envisaged that only 20 per cent of all peasant households would have joined co-operatives by 1957 (see 14403 A), over 60 per cent had done so by the end of 1955, and 96 per cent a year later. Of those, 88 per cent were in co-operatives of the more "advanced" type, in which the peasant received piecework wages for his labour but no rent for his land. Experiments in the organization of larger agricultural units were already being carried out in 1957, although this was not yet official policy; in a directive issued in September of that year, the Communist Party Central Committee pointed out that many co-operatives had become so large that they included villages many miles apart, and suggested that "one village, one co-operative" should be the normal rule.

The first commune—the *Weihsing* ("Sputnik") commune—was formed in Honan province in April 1958 from 27 agricultural co-operatives. By the end of August some 10,000 such communes had been organized, incorporating over 30 per cent of China's peasantry—including the entire peasant population of the provinces of Honan, Liaoning, Hopei, Shansi, Tsinghai, Shantung, Heilungkiang, and Kwangsi.

The Communist Party leadership formally approved the "commune" movement at an enlarged session of the Politburo, held at the seaside resort of Peitaiho from Aug. 17-30 and attended by party secretaries from the provinces, autonomous regions, and larger municipalities and by leading members of party organizations in Government departments. A resolution was adopted approving the formation of communes as "a natural trend in the country's development," whilst giving a warning against undue haste in introducing more radical changes. Following this decision, the formation of communes was carried out during September at intense speed; the official New China News Agency claimed that by the end of the month 90.4 per cent of the peasantry had been organized into 23,397 communes, comprising 112,240,000 households.

The outstanding characteristics of the communes were described by the Chinese and foreign Press as follows:

(1) The communes cover large areas, each one corresponding to a *hsiang* (the group of villages which forms the smallest unit of local government). Most contain between 10,000 and 40,000 people, although some are reported to have a population as large as 300,000.

(2) In the commune in its fully developed form all land (including the small plots which form the peasants' private property in agricultural co-operatives), livestock, and tools are publicly owned.

(3) Whereas the co-operatives are concerned only with agriculture, communes are responsible for the development of small-scale local industries, including mining and steel production (see below).

(4) The commune is an administrative and military as well as an economic unit, the elected *hsiang* council being responsible for agriculture, industry, trade, banking, education, hospitals, the postal service, and the militia. The Chinese Communist magazine *Red Flag* stated on Sept. 1 that all able-bodied members of the commune would be armed and organized "along military lines," and added: "Although the organization of agricultural labour along military lines is at present for waging battles against nature and not human enemies, it is not difficult to transform one kind of struggle into another. If and when external enemies dare to attack us, the entire armed population will be mobilized."

(5) Women are released for productive work by the establishment of communal dining-halls and day nurseries and the organization of teams to perform domestic duties for the community as a whole. In some cases communal living quarters were built, in which each family was allocated separate rooms; *Red Flag* emphasized, however, that the organization of the peasantry along military lines "does not mean that they are organized in military barracks."

(6) Payment takes the form of a basic wage, which, according to the New China News Agency, is "classified into different grades according to the intensity of work"; of bonuses for workers who exceed their "norms"; of free food; and (in some communes) of free clothing and other services.

The transition to the new form of organization inevitably gave rise to serious problems.

The Politburo's resolution of Aug. 29 stated that "after the people's communes have been established there is no need for the hasty change into a system of ownership by all the people. This is a process which may be more quickly completed in some places, say in three or four years, and more slowly in other places, say in five or six years or even longer." The Peking *People's Daily* (the official Communist Party organ) similarly emphasized that "no rash attitude" should be adopted on the question of private ownership, and in many communes the peasants were left for the time being in possession of their private market gardens. The separate co-operatives often remained in existence, a supervisory committee being set up to co-ordinate their activities. As the introduction of communal feeding had encountered considerable opposition, in some communes only rice was prepared centrally, and each family cooked its other dishes and ate at home. A major source of difficulty was a tendency to transfer too much labour from agriculture to industry, and especially to iron and steel production; in October the *People's Daily* reported that grain was being lost in the fields, and instructed local officials to help the communes in planning the use of manpower.

The establishment of the communes represented a major new development in Communist theory and practice. *Red Flag* invoked the authority of Marx and Engels, who in the *Communist Manifesto* (1848) included in their suggested programme for a Communist government: "Establishment of industrial armies, especially for agriculture; combination of agriculture with manufacturing industries; gradual abolition of the distinction between town and country." In the Soviet Union experiments were made after World War II in the grouping of collective farms in "agrotowns," and Stalin in his *Economic Problems of Socialism*—published in 1952 (see 12709 A)—discussed means of "elevating collective farm property to the level of public property." Since 1953, however, Soviet policy had tended to favour the collective farmers, and the recent decision to sell State-owned agricultural machinery to them (see 16038 A) strengthened the "collective" at the expense of the "public" form of ownership. The *Manchester Guardian* commented on Sept. 11 that "Mao's own and entirely original contribution to the theory and practice of Communism is that he proposes to turn the peasantry into an industrial proletariat without urbanizing it, as both the West and Russia had to do during their own industrial revolutions."

Fulfilment of Economic Plan for 1956-57.

A report on the fulfilment of the State economic plan for 1956, which was published on Aug. 4, 1957, showed that during that year private enterprise had been virtually eliminated in industry and commerce, as well as in agriculture.

Of the total industrial output in 1956, the report stated, State industry had accounted for 54.4 per cent, joint State and private industry for 27 per cent, and co-operative industry for 17 per cent. Of retail sales, 67 per cent had been made through State enterprises and only 3 per cent through private enterprises. About 70,000 industrial enterprises, comprising 99 per cent of the employees of former private industry, and nearly 2,000,000 private shops had been transferred to joint State and private management during the year. In addition, 92 per cent of all craftsmen had been organized into 100,000 handicraft co-operatives with over 5,000,000 members.

It was claimed that gross industrial output had increased by 31 per cent over 1955; output of means of production by 41 per cent; and output of consumer goods by 22 per cent. Production figures given included 16,500,000,000 k.w.h. of electricity, 106,000,000 tons of coal, over 1,000,000 tons of crude oil, 4,700,000 tons of pig iron, 8,300,000 tons of steel and rolled steel, and 6,400,000 tons of cement. "There was a certain degree of strain," the report stated, "on the supply of heavy industrial products such as iron and steel, timber, electric power, and coal because construction outpaced them. Some consumer goods also fell short of the demand."

Investment in industry had increased by 54 per cent and investment in capital construction by 62 per cent, reaching a figure equivalent to £2,000,000,000. Work had begun or continued on 625 major industrial projects, 89 of which had been completed, and 1,200 miles of new railways, 11,000 miles of motor roads, and 50,000 miles of rough road had been built. Domestic trade had risen by 19 per cent, and average wages by 14 per cent.

On agriculture, the report stated that the crop area totalled 400,000,000 acres, an increase of 5.4 per cent, and that nearly 5,000,000 acres had been reclaimed. Mechanized State farms had cultivated an area of nearly 1,200,000 acres, an increase of 66 per cent, and possessed 4,500 tractors. Tea production had increased by 12 per cent to 125,500 tons, but cotton production had fallen by 5 per cent, adversely affecting supplies to the market. The State had provided agricultural loans totalling £480,000,000.

Details of the fulfilment of the first Five-Year Plan, which covered the period 1953-57, were published on Sept. 30, 1957.

It was stated that coal production for 1957 had nearly reached the target of 120,000,000 tons, making China the largest coal-producing country in Asia. Steel production for 1957 had so far reached 5,000,000 tons, and total steel production for the period of the plan 16,000,000 tons; in consequence, China was able to supply 88 per cent of her current steel requirements. About 67 per cent of the country's demands in machinery and equipment were now made in China, as against 20 per cent in 1936. Most of the designing for the second Five-Year Plan would be carried out by Chinese technicians, who, it was claimed, were now capable of designing metallurgical complexes of an annual capacity of 1,500,000 tons of steel, blast furnaces, thermal and hydro-electric power stations, refineries, machine-tool plants, and ships of over 10,000 tons.

The Second Five-Year Plan.

The Five-Year Plan for 1958-62, details of which had been announced in September 1956 (see 15232 A), was revised in 1957, and again repeatedly revised during 1958, the target for steel production in particular being raised three times in six months.

Revised targets for 1962 were announced on Dec. 9, 1957, by Mr. Li Fu-chun (a Vice-Premier, and chairman of the State Planning Commission) as follows (the original targets announced in 1956 are given in parentheses): steel, 12,000,000 tons (10,500,000 to 12,000,000 tons); cement, 12,500,000 tons (12,500,000 to 14,500,000 tons); electrical power, 44,000,000,000 kw.-hours (40,000,000,000 to 43,000,000,000 kw.-hours); coal, 230,000,000 tons (190,000,000 to 210,000,000 tons); grain, 240,000,000 tons (250,000,000 tons); raw cotton, 2,150,000 tons (2,400,000 tons); chemical fertilizers, 7,000,000 tons (3,200,000 tons). Mr. Li Fu-chun forecast that by 1972 China would be producing 35,000,000 to 40,000,000 tons of steel annually.

The target for steel production in 1958, which had been fixed at 6,200,000 tons, was raised in February last to 6,800,000 tons, and in May to 8,500,000 tons. At its meeting in August, however, the Politburo decided that even this figure was too low, and again raised the target to 10,700,000 tons. [Total output for 1957 was 5,900,000 tons.] The Politburo's resolution stated that the year's output of food crops was expected to be between 300,000,000 and 350,000,000 tons, and the cotton crop to be 3,500,000 tons, or double that for 1957. It continued: "This great victory in agriculture demands that industry catch up with it rapidly, and makes it possible for provincial party committees to shift the centre of their attention to industry, but without relaxing leadership in agriculture."

In order to achieve the rapid results envisaged, the Chinese Government abandoned its previous policy of relying for its industrial output primarily on large industrial complexes built with Soviet aid and requiring several years to construct. Instead, hundreds of thousands of small and medium plants were constructed all over the country; these were described by a correspondent of *The Observer* as "simply-constructed furnaces producing anything from two to 20 tons of pig-iron or carbon steel a day, and local forges and casting-shops where this metal is converted into farm tools, boilers, and even cast-iron rails for local communications." It was pointed out that the establishment of communes, which enabled labour to be transferred from agriculture to industry and released millions of women for industrial work, formed an integral part of this policy of "industrialization without towns."

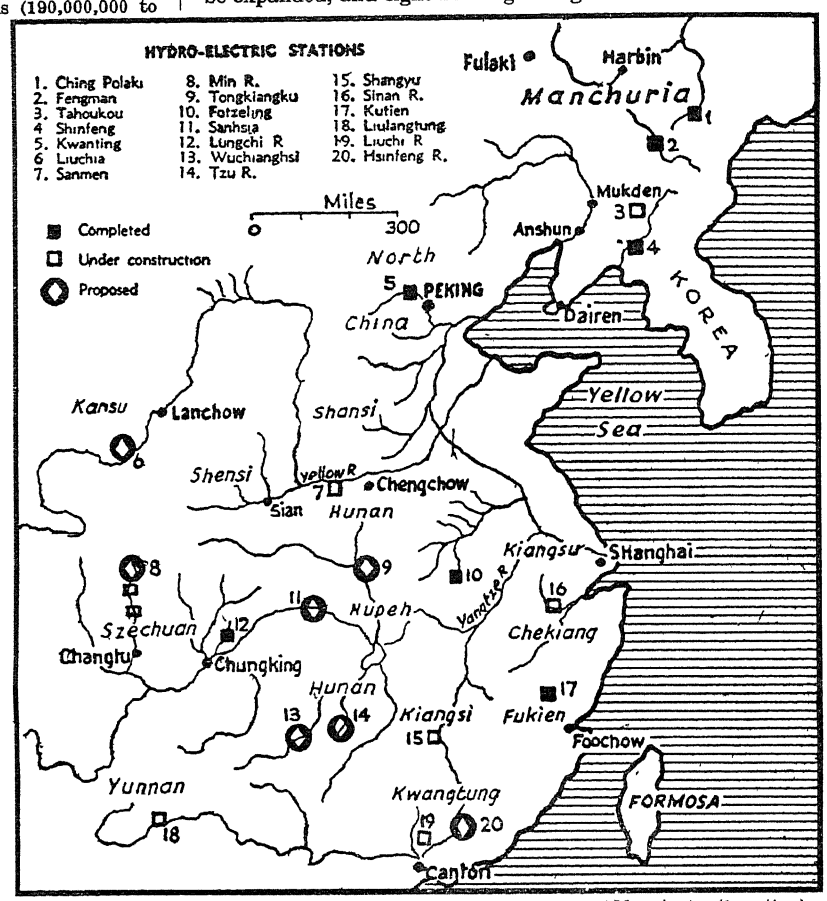
This policy had been foreshadowed by President Mao Tse-tung in his speech of Feb. 27, 1957 [see 15681 A], in which he said: "We must gradually build a number of large-scale modern enterprises as the mainstay of our industries. . . . But the majority of our enterprises should not be built in this way; we should set up a far greater number of small and medium enterprises." Reasons suggested in the foreign Press for the adoption of this policy included: (1) the speed with which small workshops could be brought into operation; (2) the fact that they released the higher-quality products of the large factories for export; (3) the desire to reduce China's economic dependence on the Soviet Union; (4) the vulnerability of large industrial complexes in the event of war.

The decentralization of industry was accompanied, from November 1957 onwards, by a decentralization of economic control comparable to that adopted in the Soviet Union six months earlier (see 15575 A). Under the new policy, the control of processing industries and certain heavy and light industries was transferred from the Central Government to local authorities. Local government bodies were also allowed to engage in trade, one-fifth of the profits being allocated to them and four-fifths to the Centre.

The New China News Agency reported on March 29, 1958, that under the new decentralization policy the four adjacent provinces of Szechwan, Shensi, Yunnan, and Kweichow had concluded an agreement whereby they would exchange services and co-operate in the construction of railways, roads, and other public works. Szechwan undertook to supply Kweichow and Yunnan with electrical machinery, lathes, equipment for producing chemical fertilizers, and certain other types of equipment; in return, Kweichow and Yunnan undertook to supply Szechwan with mining equipment and raw materials. It was stated that the four provinces would also exchange technicians, co-operate in the development of agriculture and irrigation equipment, and co-ordinate the use of manpower and materials for the building of railways, roads and waterways.

Electrification Plans. - The Yellow River Project.

The Minister for the Power Industry (Mr. Liu Lan-tao) stated on Oct. 16, 1956, that 32 major power stations, with a capacity of 70 per cent of that for the whole country in 1952, had gone into full or partial operation under the first Five-Year Plan. Owing to the demand created by industrialization, however, there was a power shortage in 21 areas, and a great network of stations using both water and thermal power was needed. Under the second Five-Year Plan the existing power network in Manchuria and the Peking-Tientsin-Tangshan region would be expanded, and eight new regional grids built.



(*Manchester Guardian*)

It was proposed that these grids should serve the following areas: (1) the Shansi-Shensi-Honan region of central China, centred on the Sanmen Dam on the Yellow River (see below); (2) the Kansu-Tsinghai region of north-west China, centred on the Liuchia Dam on the Yellow River; (3) the Kiangsu-Chekiang region of eastern China, centred on the Sinan River hydro-electric station; (4) the Yunnan region of south-west China; (5) the Hunan-Hupeh region on the middle Yangtse; (6) the Kiangsi-Kwangtung region of south-east China, which at first would draw most of its power from stations on the Shangyu and Liuchi rivers, but would probably link up with the Hunan-Hupeh grid later through stations on the Tzu River, in southern Hunan; (7) the Szechwan region, centred on eight stations to be built on the Min River, a tributary of the upper Yangtse; (8) the Sinkiang (Chinese Turkestan) region, centred on a new thermal power station at Urumchi. The eight regional grids, when completed, would be linked together into a national grid centred on the projected Sanhsia Dam on the Yangtse, which was planned to have an output of 15,000,000 kilowatts.

Work on the Sanmen Dam, in Honan, was begun on April 13, 1957. Designed by Soviet engineers, the dam is scheduled for completion in 1962 and will span a deep gorge in the middle reaches of the Yellow River, which is cut into three channels by rocky islets and in the past had been considered unnavigable at this point. When completed the dam will be over 300 feet high and 2,500 feet long, and will have a storage capacity of 910 square miles, greater than that of the Boulder and Grand Coulee dams combined. It will produce 1,000,000 kw. of electric power.

The Sanmen Dam is intended as the first stage of a long-term project which, Chinese Government spokesmen have admitted, will take "scores of years" to complete. The Yellow River, which is

3,000 miles long and whose basin is inhabited by 185,000,000 people, has changed its course 26 times and has overflowed its banks 1,500 times in the last 3,000 years, often causing appalling loss of life; in 1938 alone, for example, nearly 900,000 people were drowned in catastrophic flood disasters. The Government's project, when completed, will not only serve the purpose of flood control but is expected to produce 10 times as much electric power as the total output for the whole of China in 1954; moreover, it aims at increasing sixfold the area irrigated by the Yellow River and at opening up its entire course to navigation, so that vessels of 500 tons will be able to sail from Lanchow to the sea. In addition to the Sanmen Dam itself, the project envisages the construction of a dam in the Liuchia gorge, which will supply electric power for the Kansu-Tsinghai regional grid, and of 44 other dams.

Other Economic Developments.

Other recent developments affecting industry and agriculture are described below under cross-headings:

Oil Resources. Details were announced in April 1958 of a project for building a shale oil centre in Mowming county (in the Liuchow Peninsula, south-west Kwangtung), where it was estimated that it would be possible to produce 1,000,000 tons of petroleum annually for 100 years. The entire project, scheduled for completion by 1962, envisages an oil refinery producing high-grade petrols, diesel oil, and fuel oil, a thermal power station, machine repair worshops, and a town of 80,000 inhabitants. To make use of the by-products and provide employment for the workers' families, an ammonium sulphate factory producing 100,000 tons a month will also be established, together with other factories producing sulphates, gunny sacks, and silk yarn.

The discovery of a rich oilfield in Szechwan covering 1,500 square miles was also announced in April 1958.

Mineral Resources. A survey of the results of geological prospecting during the first Five-Year Plan, broadcast by Peking Radio on Jan. 3, 1958, claimed that China had the largest deposits of tin, tungsten, and molybdenum of any country in the world, the third largest deposits of coal (exceeded only by the Soviet Union and the U.S.A.), and the seventh largest deposits of iron ore.

Communications. Peking Radio announced on Jan. 1, 1958, the opening of a new 500-mile railway from Yingtan (Kiangsi) to the port of Amoy, and of a 3,000-ft. bridge across the Yellow River at Tungkwan (Shensi). The Yingtan-Amoy railway was the first in the mountainous province of Fukien, and linked the province with the national railway network. The Tungkwan bridge, which replaced a ferry service, linked the north-south railway through Shansi with the east-west railway from the coast to Lanchow. The reopening of the railway from Kunming (Yunnan) to Haiphong (North Vietnam), which had been closed by the Indo-China war, was announced at the same time.

Following the "rectification" campaign of 1957, thousands of "bureaucrats" (including both Government and Communist Party officials) and "rightists" were sent to work in rural areas for longer or shorter periods; thus 575 teachers engaged in higher education in Nanking, and 160 from Shanghai, were banished to the countryside for six months. Some 130,000 people in all were sent to work in agricultural co-operatives in Honan, 100,000 in Hunan, and similar numbers in other provinces. An article published in *Le Monde* (Paris) on March 7, 1958, suggested that there were two main reasons for these mass transfers of population from the town to the countryside: (1) Owing to the illiteracy of the peasants, of whom only 20,000,000 out of 500,000,000 had learned to read and write since the Communist revolution, literates were urgently needed for book-keeping and other administrative work in the agricultural co-operatives; for this reason 3,000,000 primary and secondary school pupils had been sent to work in the countryside in 1957 on completing their studies. (2) Migration to the under-populated virgin lands of Tsinghai and Sinkiang had greatly intensified during the past two years. Whereas 600,000 people were known to have migrated to the Western provinces between 1949 and 1955, about 700,000 had done so in 1956; although no official statistics were published for 1957, the figure for that year was known to be even larger.—(Times - Manchester Guardian - Observer - Le Monde, Paris - New York Times)

(Prev. rep. Economic Policy, 15681 A; Agricultural Policy, 14942 A; First Five-Year Plan, 14403 A; Second Five-Year Plan, 15232 A; Communications, 15822 C; "Rectification" Campaign, 16062 A.)

A. TURKEY. — Inauguration of Kemer Dam.

The Kemer dam and hydro-electric project, situated on the Akchay River in western Turkey, was formally opened on Sept. 20 by Mr. Menderes, the Prime Minister. The dam, one of the large public utility undertakings initiated by the present Government, was built by the French *Compagnie Française d'Enterprises* in co-operation with the Turkish Rar Corporation, at a cost of £T.182,000,000 ($63,700,000). It is the highest dam in Turkey (384 feet) and is designed to serve the triple purpose of preventing floods, irrigating 950,000 acres of land, and producing electricity at an annual rate of 143,000,000 kilowatt-hours. (Turkish Embassy Press Department, London)

B. UNITED KINGDOM. — Government Encouragement of Home Ownership. - Grants for Higher Building Society Advances for House-Purchasers.

A White Paper giving details of the Government's scheme to enable more people to own their homes was published on Nov. 4. It was explained that the object of the scheme was to increase the amount available for lending on mortgage by advancing Exchequer funds to building societies for re-lending to would-be house or flat purchasers; as a result of discussions with representatives of the Building Societies' Association, a scheme had been agreed which the Association believed would be acceptable to building societies generally. Details were as follows:

(1) Exchequer loans would be made available to approved building societies willing to participate in the scheme, so as to enable them to make advances of up to 95 per cent of the purchase price of certain classes of dwellings for owner-occupation.

The loans would be for a maximum of 20 years. The building societies would pay to the Exchequer interest at one-half per cent below the current rate recommended by the Building Societies' Association for mortgages on owner-occupied houses. The total amount lent by the Exchequer to any one building society would not exceed 20 per cent of its deposit and share capital.

(2) The Exchequer loans would be earmarked by building societies for advances for the purchase of private houses and flats built in the U.K. before Jan. 1, 1919, and of a value not above £2,500. Advances would be between 75 per cent and 95 per cent of the value of the property.

(3) Mortgages would be repayable over 20 years, or less if agreed, and the rate of interest charged by the building society would never exceed the rate recommended by the Building Societies' Association. The difference of one-half per cent between the rate charged to the borrower and that charged to the building society by the Treasury was intended to meet the building society's costs.

(4) As building societies already lent from their normal funds about £40,000,000-£50,000,000 a year for the purchase of pre-1919 houses, and about £330,000,000 a year for the purchase of newer houses, the new Exchequer loans for older houses would have the effect of allowing the societies to lend substantially more in respect of newer houses. It was part of the agreement that, within the limit of their enlarged resources, they should do their best to make advances of up to 95 per cent to as many purchasers of newer houses as might require them.

(5) Where the purchase price of the house or flat was higher than the valuation, the Government would provide for a "once-for-all" insurance premium to be included in the building society loan, to serve as collateral security.

(6) The scheme would be subject to review on three months' notice either by the Building Societies' Association or the Government. Any building society would be able to withdraw at any time on three months' notice, whilst the Government could terminate the whole scheme at six months' notice, to be given not earlier than 12 months after the scheme came into operation.

(7) The scheme also provided for the simplification and increased effectiveness of the existing system of improvement grants. In particular, certain standard improvements (indoor sanitation, domestic hot water, a bathroom, and a ventilated food store) would be entitled in appropriate cases to such grants within certain financial limits. Building societies would undertake to make additional loans, over and above the ordinary mortgage advance for house purchase, to enable owners to meet their share of these standard improvements.

(8) It was also proposed to enable local authorities to make advances of up to 100 per cent for house purchases for owner-occupation, if they thought fit, in place of the present statutory 90 per cent limit.

The Government's intention of encouraging home ownership had been announced in the Queen's Speech at the opening of the new session of Parliament (see 16426 A). It was stated in the White Paper that a Bill would be introduced at an early date to enable the scheme to be brought into operation.
(Cmnd. 571 - Times - Daily Telegraph - Manchester Guardian)

(Prev. rep. Queen's Speech, 16426 A.)

C. INDIA - NEPAL - UNITED KINGDOM. — Closing of Gurkha Recruiting Depots in India.

Mr. Nehru stated in the *Lok Sabha* on Aug. 25 that one of the two remaining Gurkha recruiting depots in India—that at Jalapahar, near Darjeeling—would be closed by the end of the year. A spokesman of the British Embassy in Khatmandu confirmed this on Sept. 3; he stated at the same time that the second depot, at Lehra, near Gorakhpur (Uttar Pradesh), would be closed during 1959 and moved inside Nepalese territory, and that by 1960 the entire Gurkha recruitment establishment of the British Army would be established at Dharan Bagar, in south-eastern Nepal—(Times - The Statesman, Calcutta)

(Prev. rep. 16263 C; 12488 B.)

A. UNITED NATIONS. — Second U.N. Conference on Peaceful Uses of Atomic Energy.

The second U.N. Conference on the Peaceful Uses of Atomic Energy was held at the *Palais des Nations* in Geneva from Sept. 1-14 under the presidency of Professor Francis Perrin, chairman of the French Atomic Energy Commission. The biggest scientific conference ever held, it was attended by some 2,000 experts from 69 countries and nine U.N. specialized agencies, plus an estimated 3,000 observers from various organizations, commercial firms, and academic institutions.

The participating countries were: Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Burma, Byelorussia, Canada, Ceylon, Chile, China (Nationalist), Colombia, Cuba, Czechoslovakia, Denmark, Dominican Republic, Ecuador, El Salvador, Ethiopia, Finland, France, German Federal Republic, Ghana, Greece, Guatemala, the Holy See, Hungary, Iceland, India, Indonesia, Iraq, Irish Republic, Israel, Italy, Japan, Korea (South), Lebanon, Luxemburg, Mexico, Monaco, Morocco, Netherlands, New Zealand, Norway, Pakistan, Persia, Peru, Philippines, Poland, Portugal, Rumania, Siam, South Africa, Soviet Union, Spain, Sweden, Switzerland, Tunisia, Turkey, Ukraine, United Arab Republic, United Kingdom, United States, Uruguay, Venezuela, Vietnam (South), Yemen, and Yugoslavia.

The following specialized agencies were represented: the International Labour Organization (I.L.O.), the Food and Agriculture Organization (F.A.O.), the U.N. Educational, Scientific, and Cultural Organization (Unesco), the World Health Organization, the International Bank, the International Finance Corporation, the International Civil Aviation Organization (I.C.A.O.), the World Meteorological Organization, and the International Atomic Energy Agency.

Simultaneously with the conference itself, an official 20-nation exhibition illustrating the peaceful uses of atomic energy was held in the grounds of the *Palais des Nations*, while the Swiss authorities arranged a commercial exhibition which was held in the centre of Geneva.

Participating countries in the 20-nation exhibition included the U.S.A., Soviet Union, United Kingdom, France, Italy, Japan, and India. The exhibition was dominated by the American and Soviet exhibits, which included models of the latest types of apparatus used in both countries for purposes of controlled thermo-nuclear research. The British section included scale models of the ZETA and SCEPTRE apparatus, and—for the first time—a model of a device (MINNI) used at Aldermaston for producing neutrons from "pinched" discharges in heavy hydrogen. [The Aldermaston apparatus used for this purpose is known as MAGGI, of which MINNI was a replica on a scale of one-third.]

Some 350 British firms exhibited in the commercial exhibition, which was dominated by the U.K. section; they included exhibits from chemical concerns, scientific instrument makers, and firms engaged in metallurgical and other aspects of nuclear engineering. The U.K. Atomic Energy Authority traced the history of nuclear power development in Britain from the first reactor at Harwell, through GLEEP, BEPO, Windscale, and Calder Hall, to the present stage at Berkeley, Bradwell, Hunterston, and Hinkley Point—the four large nuclear power stations at present under construction—see page 16502, first column.

Over 2,000 scientific papers were submitted at the conference by specialists from the Governments and specialized agencies represented, of which some 650 were presented orally. Nearly 100 papers dealt with the subject of fusion—the production of electric power by utilizing the energy of the hydrogen bomb. In another major field, many papers were presented reviewing experiences with nuclear fission reactors. Other major topics on which papers were read and discussions held included the use of nuclear energy to heat homes and propel ships and aircraft, and the applications of nuclear research in the study and treatment of diseases, the improvement of crops, and the speeding-up of industrial processes.

One of the most important developments at the conference was a joint Anglo-American announcement, followed closely by a similar Russian announcement, that the United States, the United Kingdom, and the Soviet Union had decided to declassify—i.e. to remove security restrictions from—their research programmes on controlled thermo-nuclear (fusion) reactions. Another feature of the conference was the amount of information—much of it made available for the first time—on the progress of atomic research and development in the U.S.S.R., in which connexion it was disclosed that the world's largest reactor had gone into operation in Siberia. These and other important matters discussed at the conference are summarized below under cross-headings:

Anglo-American Co-operation in Thermo-nuclear Research.

The decision of the U.K. and U.S. Governments to declassify their work on controlled thermo-nuclear reactions was announced jointly at Geneva on Aug. 30 by Sir John Cockcroft and Mr. Lewis L. Strauss, the respective leaders of the British and American delegations.

A corresponding statement was issued in London by the U.K. Atomic Energy Authority, which explained (1) that there had been a complete exchange of information in this field between the two countries since 1956; (2) that the declassification would "make possible a free flow of information between scientists in the U.S.A. and the U.K. and those of other countries", (3) that, when the necessary administrative arrangements were completed, "this declassification action will also make it possible for scientists from other countries to pursue studies at some of the research centres at which work on controlled thermo-nuclear energy is being performed"

The A.E.A. added: "The practical goal of the research programme is the generation of useful amounts of electrical energy through the fusion of nuclei of the lighter elements. Declassification of the programme is expected to facilitate the attainment of the goal. . . ." Several different research approaches have been followed [in Britain and the U.S.A.] and a variety of experimental devices have been constructed. Considerable progress has been made, but the attainment of useful power from controlled fusion reactions may still require many years of sustained effort."

[The Anglo-American statement meant, for example, that work such as that on ZETA at Harwell would no longer be considered confidential.]

Soviet Progress in Nuclear Science. - Construction of World's Biggest Reactor in Siberia.

The leader of the Soviet delegation (Professor V. S. Emelyanov) similarly announced on Sept. 1 that the U.S.S.R. was declassifying all work on controlled thermo-nuclear reactions; he accordingly presented to the conference four volumes comprising over 100 papers on this and related fields of research, containing an account of all such work carried out in the Soviet Union from 1951 onwards.

In the course of his speech Professor Emelyanov disclosed that Russia's first nuclear power station, started four years ago in the Moscow area, was being supplemented by a second station at Voronezh (already in operation) and two more to be built in the Leningrad area and the Urals. He also stated that the U.S.S.R. had many experimental reactors (including a fast reactor of 250,000 kw.), as well as many small and mobile power stations of 2,000 kw.; that two of the Soviet reactors were running on plutonium; that it was intended to develop a reactor small enough for use in ships; and that the U.S.S.R. had plans to produce 2,500,000 kw. of atomic electricity by 1960. Without going into details, Professor Emelyanov said that Soviet work on controlled thermo-nuclear reactions was "well under way," and showed a picture of a device similar to the British ZETA apparatus.

On Sept. 8 the Soviet delegation announced that the world's largest atomic power station—a 100,000-kilowatt plant—had gone into operation on the previous day "somewhere in Siberia," using 200 tons of natural uranium as fuel. A similar announcement was issued in Moscow by the Tass Agency, which did not give the location of the plant. The *New York Times* correspondent covering the conference (Mr. John Finney) sent the following despatch from Geneva:

"In size—if not in technology—the [Siberian] power plant outranks the largest atomic reactors now in operation in the United States and Britain. The largest atomic power station in the U.S.A. is the Shippingport plant, that started generating 60,000 kilowatts of electricity in December [see 16017 B.] On the second fuel loading, the capacity of the plant will be raised to 100,000 kilowatts. Britain has three reactors in operation, each with a capacity of 40,000 kilowatts.

"The Soviet delegation presented a colour movie showing scenes of the plant. . . . As seen in the movie, the Soviet reactor is a huge installation with a multiplicity of control panels and a massiveness in engineering detail seldom seen in comparable Western plants. According to the Soviet delegation, the reactor is but one of six that will be built to enable the power station to produce 600,000 kilowatts of electricity—enough to supply a city of 600,000 persons. The Soviet reactor uses natural uranium as fuel, graphite as a moderator, and ordinary water as a coolant to produce the steam to turn the electrical turbines."

British Lead in Atomic Power Generation. - Sir John Cockcroft's Review of World Progress in Atomic Research.

In a speech at the conclusion of the conference, Sir John Cockcroft said that Britain was leading the world in atomic generators and had "a much more ambitious practical power programme in hand than any other single country"; in other fields of atomic energy, e.g. in radio-isotopes, Britain had also "established a leading position." Among the points made by Sir John Cockcroft were (1) that nuclear power costs in Britain were expected to fall well below conventional costs by the late 1960s; (2) that there was general agreement that by 1975 most new power stations would be nuclear; and (3) that fusion power was likely to be achieved long before uranium supplies were exhausted.

Sir John said that the capital costs of U.K. power stations would fall a further 20 per cent by 1962 as the output from a station went up from 300 megawatts to 500 megawatts; a further fall of at least 10 per cent was expected from straightforward engineering developments and increase of output. Nuclear fuel costs, the second

important component of general costs, should in all cases be lower than conventional costs. The 500-megawatt station to be completed in 1962 was expected to achieve parity with coal-fired stations in areas of Britain away from the coalfields. By the late 1960s new types of stations might be coming into service.

Reviewing world progress in the three years since the first "atoms-for-peace" conference, Sir John Cockcroft said that this period had been notable for the coming into operation of the world's first large-scale nuclear power stations at Calder Hall (U.K.), Shippingport (U.S.A.), and in Siberia (U.S.S.R.). Moreover, the technical feasibility of nuclear propulsion of shipping had been abundantly demonstrated by the trans-polar voyage of the U.S. submarine *Nautilus* [see 16329 A]; the U.S. passenger-cargo ship *Savannah* [see 16202 C] would come into service in 1960; and the Russian icebreaker *Lenin* [see 15908 C] would be commissioned in 1959. In contrast with the hopeful outlook for marine propulsion, nuclear propulsion of commercial aircraft seemed "much farther away."

Sir John stated that the papers presented to the conference on fusion (controlled thermo-nuclear) research had shown that "remarkable progress is being made in this field on a very broad front." Most workers had in view the long-term objective of attaining temperatures of 50 to 100 million degrees in a mixture of deuterium and tritium gas; this should enable the "break-even" point to be reached at which the energy release from fusion reactions in a mixture of deuterium and tritium gas would equal the energy input. The long-term goal was to go well beyond the 100 million degrees, to use the deuteron reaction, and eliminate dependence on lithium as a source material for tritium.

East-West Collaboration in Nuclear Research.

Offers of East-West collaboration in future nuclear research were made during the conference by Dr. L. A. Artsimovich, of the Soviet Union, and Dr. Edward Teller, of the United States.

Dr. Artsimovich stressed the importance of discussing the results of research on an international scale, adding that its importance was "greater than that of the separate investigations, which have not yet brought us very much nearer to our ultimate goal." Dr. Teller expressed full agreement with this point of view.

Dr. Glenn T. Seaborg (U.S.A.) spoke of the work being done in Moscow on the creation and identification of artificial elements by a team of scientists led by Dr. G. N. Flerov. He pointed out that it was complementary to similar studies at the University of California's radiation laboratory, and suggested that there should be close collaboration between the Moscow and California laboratories in this field of research.

Non-Military Uses of Underground Explosions.

In a report on the possible non-military uses of nuclear or thermo-nuclear explosions, Mr. G. W. Johnson (United States) estimated that, for example, a one-megaton explosion could free the equivalent of some 60,000,000 barrels of oil from underground tar sands; moreover, such explosions could break up mining ores, free great reserves of oil shale, and create sites for harbours and dams that had so far been "an expensive dream." After describing an experimental kiloton fission explosion in the U.S.A. in 1957, fired 300 metres below the surface, Mr. Johnson said that there was an "exciting possibility" that energy from underground thermo-nuclear explosions might be used to produce steam and thus generate electricity.

Professor Emelyanov (U.S.S.R.) said that his Government were opposed to all nuclear or thermo-nuclear explosions, whatever their purpose, and had no programme for the peaceful use of such explosions.

Nuclear Propulsion.

The Soviet delegation gave full details of the atomic-powered icebreaker *Lenin* (see 15908 C), while the French and Japanese delegations gave details of nuclear-propelled vessels which were either under construction or projected in their countries. The U.S. delegation gave no information about the *Savannah* other than that previously released.

The French delegation stated that studies had been put in hand by such shipbuilding firms as the *Chantiers de l'Atlantique* and the *Société du Creusot* with a view to building a nuclear-powered oil tanker of 40,000 tons to trade between France and the Persian Gulf via the Cape. The vessel would be powered either by a pressurized-water reactor, a boiling-water reactor, or a gas reactor—the question being at present under study.

The Japanese delegation gave details of a projected 20,000-ton nuclear-powered passenger vessel, designed primarily for service between Japan and South America, and also for round-the-world voyages. Designed by the Mitsubishi Company for the *Osaka Chosen Kaisha* line, it would have a pressurized reactor generating 180 megawatts. It was disclosed that the Japanese Atomic Energy Commission was also studying a long-term programme for construction of nuclear-powered ships.

Proposed Safety Code against Radiation Hazards.

The conference devoted much attention to the need to prevent radio-active contamination as a result of the growth of nuclear industries. In this connexion the leader of the Netherlands delegation (Professor Johan de Boer) presented a number of recommendations for an international safety code to protect the public from radio-active hazards.

The recommendations, drawn up by the Royal Netherlands Academy of Science, laid special emphasis on the need for atomic safety regulations in Western Europe, where many highly-industrialized and densely-populated countries had large-scale programmes for the development of atomic power—e.g. Great Britain, France, Western Germany, Belgium, the Netherlands, and Denmark. Because of the proximity of these countries, radioactive hazards in any one of them might "easily cross one or more territorial frontiers, thereby causing international problems"; such hazards might arise from the normal release of radio-activity from power plants, or from accidents involving reactors, nuclear-powered ships, or trains, trucks or aircraft transporting nuclear materials. It was therefore urged that the Western European countries should take the lead in drawing up a "safety code"

Discovery into Behaviour of Pi- and Mu-Mesons.

It was announced during the conference that an international team of scientists, working with the recently-commissioned cyclotron at the European Centre for Nuclear Research (CERN), had succeeded in solving a problem of nuclear physics which had baffled scientists for many years—namely, the behaviour of the particles known as pi-mesons and mu-mesons.

The pi-meson is an unstable particle which in the normal way breaks down into a lighter and still more unstable particle known as a mu-meson, which in turn breaks down into an electron. To satisfy the conclusions of theoretical physics, it had been held that one in about every 100,000 mesons should break down directly into an electron. Not only had this manner of breaking down never been observed, but experiments had been carried out to show that it did not in fact happen. As a result of the CERN experiments, however, 42 cases of this type of breakdown were observed—the proportion being about one in 20,000. The discovery was made by a five-man team of Italian, British, Austrian and U.S. scientists working under Professor Gilberto Bernardini (Italy).

Publication of Conference Proceedings.

The proceedings of the conference will be published by the United Nations in 33 volumes, each averaging 500 pages and giving the complete text of the 2,135 papers presented, together with all charts, diagrams, and other illustrative material. Because of the magnitude of the task—one of the biggest publishing ventures ever undertaken—15 volumes will be published in Britain, eight in France, four in Switzerland, four in Canada, and two in the United States. The complete text (running to 17 million words) will be in English, whilst abridged volumes will be published in French, Spanish, and Russian.

Second Atoms for Peace Award.

It was announced in New York on Nov. 26 that the second Atoms for Peace Award had been won by the Hungarian-born scientist Professor George Charles de Hevesy, who had been unanimously selected from 111 nominations representing 19 countries. The Award—of $75,000 (£27,000) and a gold medallion—was made to Professor de Hevesy for his "basic contribution to the peaceful uses of atomic energy in the discovery and development of tracer techniques in chemistry, biology, and medicine, using natural and artificial radio-active isotopes for his continuing work in these fields."

Professor de Hevesy collaborated with the late Professor Paneth in working out the techniques of using radio-active isotopes for research at a time when only a few of these isotopes were known. A Nobel prizewinner for Chemistry, he worked at one time in England with the late Lord Rutherford and has been honoured by the Royal Society. He has lived in Sweden for many years.

The Atoms for Peace Award was instituted by the Ford Motor Company, which set aside a sum of $1,000,000 for the purpose. The first recipient of the award was Professor Nils Bohr, the Danish scientist (see 15480 D), in October 1958.
(U.N. Information Centre, London - United Nations Review, New York - Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - Soviet Embassy Press Department, London - New York Times - Neue Zürcher Zeitung) **(Prev. rep. First Atoms-for-Peace Conference, 14416 A.)**

A. UNITED KINGDOM. — O.M. for Lord Samuel.

At a ceremony at Buckingham Palace on Nov. 21 H.M. the Queen conferred the Order of Merit on Viscount Samuel (88), the veteran Liberal statesman, on the 50th anniversary of the date on which he was sworn as a member of the Privy Council. The only other Privy Councillor with a record of 50 years' service is Sir Winston Churchill.

The Order of Merit is in the personal gift of the Sovereign and is limited to 24 members. There had been two vacancies in the Order caused by the recent deaths of Dr. Vaughan Williams, the composer, and Professor G. E. Moore, the philosopher.—(Times) **(Prev. rep. O.M. Awards, 16289 A.)**

A. UNITED STATES. — Democratic Victory in Congressional and Gubernatorial Elections.

Elections were held in the United States on Nov. 4 for 33 Senate seats (approximately one-third of the Senate's membership), a new House of Representatives, and 32 State Governorships. They were completed on Nov. 25 by elections in Alaska (the 49th State of the Union) for two senators, one member of the House of Representatives, and a State Governor.

The congressional and gubernatorial elections resulted in a sweeping victory for the Democratic Party, which won its biggest majorities in both Houses of Congress since the "New Deal" days of the 1930s, and also increased its control of State Governments. The Democrats gained ground in all parts of the country, particularly in the Middle West, California, and New England.

The Senate Elections.

As a result of Alaska's admission to the Union, the new Senate has 98 members instead of 96 as hitherto. Thirty-three of the 98 seats were contested on Nov. 4, one senator had been elected in Maine in September (see 16436 A), and the two Alaskan senators were elected on Nov. 25; of the 62 incumbent senators (i.e. those who were not up for re-election), 32 will serve until Jan. 3, 1963, and 30 until Jan. 3, 1961.

Of the 33 seats contested on Nov. 4, the Democrats won 25 and the Republicans eight. Including the earlier Maine result, the Democrats won 13 seats from the Republicans—one each in California, Connecticut, Indiana, Maine, Michigan, Minnesota, Nevada, New Jersey, Ohio, Utah, and Wyoming, and two in West Virginia—whilst the Republicans failed to win a seat from the Democrats. As a result of the elections of Nov. 4, and the Alaskan elections of Nov. 25 (in which two Democratic senators were returned), the Senate membership in the new (86th) Congress will be as follows, showing comparison with party strengths in the former (85th) Congress:

	New Senate	*Old Senate*
Democrats	64	49
Republicans	34	47

The Democratic Party will thus have a majority of 30 in the new Senate, compared with only two in the former Senate.

Of the two Alaskan senators, Mr. E. L. Bartlett had been Alaska's non-voting member in the House of Representatives since 1944, while Mr. Ernest Gruening was Governor of the territory from 1939 to 1952. Mr. Gruening defeated Mr. Michael Stepovich, who resigned the Governorship of Alaska to contest one of the Senate seats.

Outstanding Democratic successes were achieved in California, where Mr. Clair Engle defeated Governor Goodwin J. Knight (Republican) by 500,000 votes; in Ohio, where Mr. Stephen M. Young had a majority of 165,000 over Senator John W. Bricker, who had held the seat for the Republicans since 1936; in Indiana, where Mr. R. Vance Hartke became the first Democratic senator for the State in 20 years (replacing Senator William E. Jenner, Republican, who retired); in New Jersey, where Mr. Harrison A. Williams jr. won the seat vacated by Senator H. Alexander Smith (Rep.) and became the first Democratic senator for the State since 1936; and in West Virginia, where Mr. Robert C. Byrd and Mr. Jennings Randolph unseated the two former Republican senators, Chapman Revercomb and John D. Hoblitzell. Other former Republican senators to lose their seats included George W. Malone in Nevada, Edward Martin in Pennsylvania, Charles E. Potter in Michigan, and Arthur V. Watkins in Utah.

In California, Mr. William F. Knowland (Republican leader in the former Senate) stood for the State Governorship [see below], whilst the former Governor, Mr. Goodwin J. Knight, was Republican candidate for the Senate seat previously held by Mr. Knowland. As stated above, the seat vacated by ex-Senator Knowland was won by the Democratic candidate, Mr. Clair Engle.

Among prominent Democratic senators retaining their seats were Mr. John F. Kennedy, re-elected in Massachusetts with a majority of nearly 500,000; Mr. Stuart Symington, re-elected in Missouri with a majority of 300,000; and Mr. William Proxmire, who was first elected in Wisconsin in 1957 to fill the unexpired term of the late Senator Joseph R. McCarthy (see 15743 A), and who was re-elected with a majority of 168,000—the first time a Democratic senator had won re-election in Wisconsin.

The biggest Republican success was in Arizona, where Senator Barry Goldwater increased his majority fivefold as compared with 1952. In the traditionally Republican prairie States, Senator William Langer was re-elected in North Dakota and Senator Roman L. Hruska in Nebraska. In New York State, Mr. Kenneth B. Keating (formerly a member of the House of Representatives) was elected for the Republicans with a majority of 100,000, in the contest for the seat vacated by his Republican predecessor, Senator Irving M. Ives.

House of Representatives.

Including the member elected for Alaska on Nov. 25 (a Democrat), and the three members elected for Maine in September, the composition of the new House of Representatives was as follows, showing comparison with party strengths in the former House:

	*New House**	*Old House†*
Democrats	283	235
Republicans	153	200

The Democrats thus increased their House majority from 35 to 130—their biggest margin since the Roosevelt "landslide" of 1936.

* The Democratic total of 283 includes an Independent Segregationist elected in Arkansas, who will vote with the Democrats.

† There were eight vacancies at the dissolution of the former House, five of the seats having been held by the Republicans and three by the Democrats; they are attributed to the two parties.

Among outstanding Democratic successes were the election of a Democratic congressman in Vermont for the first time in 108 years (Vermont has one member in the House); a "clean sweep" in Connecticut, where all six seats were won from the Republicans; the winning of eight of the 11 seats in Indiana, where the Democrats held only two seats previously; and comparable gains in California, Illinois, Maryland, and Pennsylvania. Democratic gains were particularly marked in areas affected by the economic recession earlier in the year—e.g. in Indianapolis and South Bend (Ind.), two cities particularly hit during the recession. Whereas the Democrats made 46 net gains from the Republicans, the latter gained only one seat from the Democrats—in Minnesota.

The principal House leaders on both sides were re-elected, including Representative Sam Rayburn (Dem.), Speaker of the House, who was returned unopposed in Texas; Representative John W. McCormack (Democratic floor leader), returned unopposed in Massachusetts; and Representative Joseph W. Martin jr. (Republican floor leader), re-elected in Massachusetts.

State Governorships.

Of the 32 State Governorships contested on Nov. 4, the Democrats won 24 (nine gains from the Republicans) and the Republicans won eight (four gains from the Democrats)—a net Democratic gain of five. The Governorships won by the Democrats from the Republicans were those of California, Maryland, Nebraska, Nevada, New Mexico, Ohio, South Dakota, Wisconsin and Wyoming, while the Republican gains were in Arizona, New York, Oregon and Rhode Island. The Democrats had previously won the Governorship of Maine from the Republicans in September, while Alaska elected a Democratic Governor on Nov. 25. Taken as a whole, therefore, the gubernatorial contests (including those in Maine and Alaska) resulted in the election of 26 Democratic and eight Republican State Governors. Together with the 15 incumbent Governors (nine Democrats and six Republicans) who were not up for re-election, 35 of the 49 States have Democratic Governors and 14 States have Republican Governors.

A feature of the gubernatorial elections was the Republican success in New York State, where Mr. Nelson A. Rockefeller won the Governorship from Mr. Averell Harriman (Democrat) in what the U.S. press described as the "battle of the millionaires." Mr. Rockefeller polled 3,117,864 votes against Mr. Harriman's 2,560,802—a Republican majority of 557,062.

Mr. Harriman obtained a majority in New York City, where he polled 1,322,553 votes against Mr. Rockefeller's 1,011,032; in "upstate" New York, however, Mr. Rockefeller polled 2,106,832 votes against Mr. Harriman's 1,238,249, thus emerging as the winner in the State as a whole. In the five boroughs of New York City, Mr. Harriman had majorities in Manhattan, Bronx, and Brooklyn, and Mr. Rockefeller in Queens and Richmond.

In California, Mr. Edmund (Pat) Brown—the State Attorney-General—became the second Democratic State Governor of the century by defeating ex-Senator William F. Knowland by nearly 1,000,000 votes. (As stated above, Mr. Knowland resigned his Senate seat to contest the gubernatorial election). In Ohio, Mr. Michael V. DiSalle (the former Federal Price Stabilization Administrator) won the State Governorship for the Democrats for the first time in 20 years, defeating Mr. C. William O'Neill (the incumbent Republican Governor) by 400,000 votes—about the same margin by which Mr. O'Neill beat Mr. DiSalle two years earlier.

Nearly all Democratic Governors standing for re-election were returned with large majorities, including Governor Orval E. Faubus in Arkansas.—(New York Times - N.Y. Herald Tribune)

(Prev. rep. Congressional and Gubernatorial Elections, (1956), 15237 A; Maine Elections, 16436 A.)

NOVEMBER 29—DECEMBER 6, 1958

A. SOVIET UNION - WESTERN POWERS. — Soviet Notes to Britain, U.S.A. and France on proposed Free City Status for West Berlin. - Six-months' Time Limit set for Four-Power Agreement on Berlin.

As stated on page 16508 (second column) the Soviet Government presented identical Notes to the British, U.S. and French Governments on Nov. 27 concerning the proposed "Free City" status of West Berlin, and stating that the U.S.S.R. intended to transfer all its occupation powers in Eastern Germany to the East German Government if a Four-Power agreement had not been reached within six months. The summarized text of the Note to the U.S. Government ran as follows :

"The question of Berlin, which lies in the centre of the German Democratic Republic but the western part of which is severed from the German Democratic Republic as a consequence of foreign occupation, profoundly affects not only the national interests of the German people but also the interests of all peoples wishing to establish a lasting peace in Europe. There, in the historic capital of Germany, two worlds are in direct contact and barricades of the 'cold war' exist at every step. A situation of constant friction and tension has prevailed for many years in the city, which is divided into two parts. Berlin, which witnessed the greatest triumph of the joint struggle of our countries against fascist aggression, has now become a dangerous centre of contradictions between the great Powers which were allies in the last war. Its role in the relations between the Powers can be compared with a slow-burning fuse leading to a barrel of gunpowder. . . . This is the dismal finale, reached after 13 post-war years, to the once joint concerted policy of the four Powers—the U.S.S.R., the U.S.A., the United Kingdom, and France -towards Germany. . . .

"The Governments of the four Powers solemnly pledged themselves to extirpate German militarism and Nazism, to prevent for ever their resurgence, and to take all measures to ensure that Germany would never again threaten its neighbours or the maintenance of world peace. . . . The Potsdam Agreement contained important provisions whereby Germany was to be regarded as a single economic whole during the occupation period. The Agreement also envisaged the setting-up of central German administrative departments. The Council of Foreign Ministers, set up by decision of the Potsdam conference, was instructed to prepare a peace settlement for Germany. . . .

"However, further developments did not take the direction laid down at Potsdam. The relations between the U.S.S.R. and the three Western Powers increasingly deteriorated and mutual distrust and suspicion increased, which now have developed into unfriendly relations.

"The Soviet Government sincerely hoped that after the victorious war it would be quite possible, notwithstanding the inevitability of ideological differences, to continue the fruitful co-operation between the Great Powers that headed the anti-Hitlerite coalition on the basis of sober recognition of the situation created by the war. The policy of the Western Powers, however, was increasingly influenced by forces hating Socialist and Communist ideas, but concealing during the war their schemes hostile to the Soviet Union. . . . The signal for this was given to the United States and other Western countries by Winston Churchill in his notorious Fulton speech in March 1946. . . .

"The ideological struggle has never died down and it will continue, inasmuch as different views are held on the system of society. But the pronouncements of Winston Churchill and his associates unfortunately influenced the minds of other Western statesmen, with most regrettable consequences. Government agencies and armed forces joined in the heated ideological struggle. The results are universally known : instead of the expansion of co-operation between the great Powers, the world has split into antagonistic military alignments. Competition began in the manufacture and stockpiling of atomic and hydrogen weapons In other words, war preparations were launched.

". . . The first violation of the Potsdam Agreement was the refusal of the United States, Great Britain, and France to honour their commitments . . . concerning the transfer to the Soviet Union of the agreed amount of industrial equipment from Western Germany as partial compensation for the destruction and damage caused to the national economy of the U.S.S.R. by Hitlerite Germany.

"But that was not all. The Governments of the United States and Great Britain, with every passing year, further abandoned the principles underlying the Potsdam Agreement. The same road was followed by France, which, though she acceded to the Potsdam Agreement later, cannot disclaim her share of responsibility for the fulfilment of that agreement. . . .

"It is evident that the bitter lessons of the war have been lost on some Western statesmen who are again dragging out the notorious Munich policy of instigating German militarism against the Soviet Union, their recent comrades-in-arms. The legitimate question arises : Can the inspirers of the present policy of the Western Powers toward Germany guarantee that German militarism, which they have nurtured, will not attack its present partners again and that the American, British, and French peoples will not have to pay with their blood for the violation by their Governments of the Allied agreements on the development of Germany along a peace-loving and democratic road ? Hardly anyone can give such a guarantee. . . .

"At the moment the United States, Britain, and France are opposed, as follows from their Notes of Sept. 30 [see page 16505, second column], to the latest proposals for a peaceful settlement with Germany put forward by the Soviet Union and the German Democratic Republic, although making no proposals of their own on this subject, just as they have made none throughout the post-war period. . . . The result is a vicious circle : the United States is objecting to the drafting of a German peace treaty by referring to the absence of a united German State, while at the same time hampering the reunification of Germany by rejecting the only feasible opportunity of solving this problem through agreement between the two German States . .

"However, the absence of a peace treaty cannot be an excuse for attempting to maintain the occupation régime in Germany. Occupation of Germany has long become a thing of the past, and any attempts to prevent the disappearance of the special rights of foreign Powers in Germany are becoming a dangerous anachronism. . . . At one time the agreement on the quadripartite status of Berlin was an equal agreement concluded by the four Powers in the name of peaceful and democratic goals which were later to become known as the Potsdam Principles. . . . Now that the Western Powers have begun to arm Western Germany, and to turn her into an instrument of their policy spearheaded against the Soviet Union, the very essence of the Allied agreement on Berlin has vanished. . . .

"Thus a patently absurd situation has arisen where the Soviet Union is supporting and maintaining, as it were, favourable conditions for activities of the Western Powers directed against the U.S.S.R. and its Warsaw Treaty allies. It is only natural that the Soviet Union, just as the other parties to the Warsaw Treaty, cannot tolerate this state of affairs any longer. . . . The Soviet Government can no longer consider itself bound by that part of the Allied agreements on Germany which has assumed an unequal character and is being used for the maintenance of the occupation régime in West Berlin and for interference in the internal affairs of the German Democratic Republic.

"In view of this, the Government of the U.S.S.R. notifies the Government of the United States that the Soviet Union regards as null and void (1) the 'Protocol of the agreement between the U.S.S.R., the United States, and the United Kingdom on the occupation zones of Germany and the administration of Greater Berlin,' dated Sept 12, 1944 ; and (2) the associated supplementary agreements, including the agreement on the control mechanism in Germany concluded between the U.S.S.R., the United States, Great Britain, and France on May 1, 1945—that is the agreements which were to be effective during the first years after the surrender of Germany. . .

"Of all the Allied agreements on Germany there is, in fact, only one which is complied with to-day. It is the agreement on what is known as the quadripartite status of Berlin. Basing themselves on this status, the three Western Powers are ruling the roost in West Berlin, making it a sort of a State within a State, and using West Berlin as a centre from which to pursue subversive activity against the German Democratic Republic, the Soviet Union, and the other parties to the Warsaw Treaty.

"The United States, Britain, and France are freely communicating with West Berlin through lines of communication passing through the territory and airspace of the German Democratic Republic, which they do not even recognize. . . . In other words, the three Powers are demanding the preservation for their own sake of the occupation privileges based on the quadripartite agreements, which they have themselves flouted. . . .

"Those who have grossly violated these agreements have lost the right to preserve their occupation régimes in Berlin or any other part of Germany. Besides, is it indeed possible to insist on occupation régimes being maintained in Germany, or any part of Germany, more than 13 years after the end of the war ? Every occupation is an event of limited duration, as explicitly stipulated in the quadripartite agreements on Germany.

"The fact that Germany still has no peace treaty is above all the fault of the United States, Britain, and France, which have never seemed to like the idea of drafting such a treaty. The Governments of the three Powers reacted negatively to every approach the Soviet Government made to them regarding the preparation of a peace treaty with Germany.

"The Soviet Government will enter into negotiations with the Government of the German Democratic Republic at an appropriate moment with a view to transferring to the G.D.R. the functions which the Soviet authorities exercised temporarily in virtue of the above-mentioned Allied agreements, as well as in accordance with the agreement of Sept. 20, 1955, between the U.S.S.R. and the German Democratic Republic.

"The best way to solve the Berlin question would be to take a decision based on the enforcement of the Potsdam Agreement on Germany. In the present circumstances, this would mean the withdrawal of the German Federal Republic from NATO and the simultaneous withdrawal of the German Democratic Republic from the Warsaw Treaty Organization. Should the U.S. Government be unwilling to contribute in this way to the implementation of the basic political principles of the Allied agreements on Germany, it will have no reason, either legal or moral, for insisting on the preservation of the quadripartite status of Berlin.

"There may, of course, be some ill-wishers of the Soviet Union who will try to read an annexationist aim into the Soviet Government's position with regard to Berlin. The U.S.S.R. does not seek any conquests. All it wants is to put an end to the abnormal and

dangerous situation which has developed in Berlin. The ending of the legally unjustified occupation of West Berlin would do no harm either to the United States, Great Britain, or France. It would, on the contrary, go far towards improving the international atmosphere in Europe. . . .

"The Soviet Government considers that upon the ending of foreign occupation, the population of West Berlin should be given the right to establish a way of life of their own choice. Should the inhabitants of West Berlin desire to preserve the present way of life, based on private capitalist ownership, it is up to them to do so. The U.S.S.R. will respect any choice the West Berliners may make.

"On the strength of all these considerations, the Soviet Government considers it possible for the question of West Berlin to be settled for the time being by making West Berlin an independent political entity—a free city—without any State, including either of the existing German States, interfering in its life. It might be possible, in particular, to agree to the territory of the Free City being demilitarized and having no armed forces in it. The Free City of West Berlin could have its own Government and could run its own economy, administrative and other affairs. The four Powers which shared in the administration of Berlin after the war could, like both German States, undertake to respect the status of West Berlin as a Free City. . . . The Soviet Government would have no objection to the United Nations also sharing, in one way or another, in observing the Free City status of West Berlin.

"It is obvious that the question would arise of some kind of an arrangement with the German Democratic Republic concerning guarantees of unhindered communications between the Free City and the outside world. In its turn, West Berlin would commit itself not to tolerate on its territory hostile subversive activity directed against the German Democratic Republic or any other State.

"This solution of the problem of the status of West Berlin would be an important step towards normalizing the situation in Berlin, which, instead of being a hotbed of unrest and tension, could become a centre for contacts and co-operation between both parts of Germany. . . .

"The Soviet Union declares that it will do its utmost to promote the attainment of these aims, especially by placing orders for such an amount of manufactured goods as would fully ensure the stability and prosperity of the economy of the Free City, and also by regular supplies to West Berlin of the necessary raw materials and foodstuffs on a commercial basis. . . . Thus the population of West Berlin, far from suffering from the abolition of the occupation régime, would have all possibilities for raising their living standards.

"If the U.S. Government, as well as the Governments of Great Britain and France, consents to examine the question of abolishing the present occupation régime in West Berlin by setting up a Free City, the Soviet Government would be willing, on behalf of the four Powers, to enter into official contacts on this question with the Government of the German Democratic Republic, with which it has already held preliminary unofficial consultations before the dispatch of this Note. . . . At the same time the Soviet Government is ready to open negotiations with the Governments of the United States and other countries concerned on granting West Berlin the status of a demilitarized Free City.

"If this proposal is not acceptable to the U.S. Government, there is no topic left for talks on the Berlin question by the former occupying Powers. . . .

"It should also be taken into consideration that the necessity may arise of talks between the city authorities of both parts of Berlin, and also between the German Democratic Republic and the German Federal Republic, for a settlement of issues that may arise.

"In view of this, the Soviet Government proposes to make no changes for six months in the present procedure for military traffic of the United States, Great Britain, and France between West Berlin and the German Federal Republic. It regards this period as quite adequate to find a sound foundation for a solution of the problems connected with the change in the position of Berlin, and to prevent the possibility of any complications. . . .

"If this [six-months'] period is not used for reaching a relevant agreement, the Soviet Union will effect the planned measures by agreement with the German Democratic Republic. . . . At the same time there will be an end to all contacts still maintained between representatives of the armed forces and other officials of the Soviet Union in Germany and corresponding representatives and officials of the United States, Great Britain, and France on questions pertaining to Berlin. . . .

"Voices are raised in the capitals of some Western Powers claiming that those Powers do not recognize the Soviet Union's decision to discard the functions of maintaining the occupation status in Berlin. If behind the word 'non-recognition' there really lies the intention to resort to force and draw the world into a war over Berlin, the advocates of such a policy should take into consideration the fact that they assume a very grave responsibility for all its consequences before the peoples and before history.

"Methods of blackmail and reckless threats of force are least of all opportune in solving such a problem as the Berlin issue. Such methods will not help to settle a single question; they can only aggravate the situation to danger-point. But only madmen can go to the length of unleashing another world war over the preservation of occupation privileges in West Berlin. If such madmen should really come to the fore, there is no doubt that strait-jackets could be found for them.

"Any violation of the frontiers of the German Democratic Republic, Poland, or Czechoslovakia, or any aggressive actions against any member-State of the Warsaw Treaty, will be regarded by all its participants as an act of aggression against them all and will immediately cause appropriate retaliation. . . ."

At a press conference in Moscow on Nov. 27, M. Khrushchev denied that the six-months' period mentioned in the Soviet Notes constituted an "ultimatum." He added, however, that a Western refusal to agree to the Soviet proposal "will not stop us from executing our plans" since there would be "no other way out."—(Soviet Embassy Press Department, London)

(Prev. rep. 16505 A.)

A. ISRAEL.—Wife of British Air Attaché murdered on Syrian Border. - Syrian Infiltrators accused. - Israeli Protest to U.N. at Syrian Border Attacks.

Mrs. Joyce Doran, the wife of the British Air Attaché in Tel-Aviv, was found shot dead on Nov. 19 in a *wadi* a few hundred yards from the Syrian frontier, near the point where the River Jordan enters the Sea of Galilee.

Mrs. Doran had been spending a holiday in the area and was staying at an Italian hospice on the Mount of the Beatitudes; she had been missing since the morning of Nov. 17, when she left the hospice to go for a walk. Following investigations by the Israeli police and U.N. observers, assisted by tracker dogs, the Israel Foreign Ministry announced the same night (Nov. 19) that the body of Mrs. Doran had been found 500 yards west of Syrian positions on the east bank of the Jordan; that she had been hit by three rounds from a sub-machine gun fired at close range; that three empty cartridge-cases had been found nearby bearing markings in Arabic; and that the tracks of three men had been found leading to and from the scene of the murder from the west bank of the Jordan River.

The Israel Foreign Ministry issued a further statement on Nov. 21 claiming that the report of the U.N. observers (which was not published) had fully confirmed the Ministry's own investigations into the murder of Mrs. Doran. It was stated that the Syrian authorities had refused to allow the U.N. observers to cross the Jordan into Syrian territory to continue their investigations; that the Syrian representative on the mixed armistice commission had likewise refused to participate in the investigation; and that Mrs. Doran had apparently been murdered by armed infiltrators who crossed the Jordan and then returned to the Syrian military post on the east bank.

The murder of Mrs. Doran occurred in the demilitarized zone on the Israel-Syria border, which had been the scene of several incidents in recent weeks.

Early in November U.A.R. forces on the Syrian side of the border had opened fire on Israeli farmers working in the fields, while on Nov. 19 (the same day on which Mrs. Doran's body was found) machine-gun and rifle fire was directed against the Hulata agricultural settlement, near the scene of the murder.

Heavy Syrian artillery fire was directed on Dec. 3 against nine Israeli agricultural settlements in the Hulata area; three persons were wounded and houses, stores and farm machinery wrecked. The firing lasted for about an hour until U.N. observers arrived on the scene. On the same day a Syrian military post opened fire on a group of Israeli shepherds, one of whom was killed.

For some weeks beforehand the Israeli Government had claimed that a Syrian military post had been established in the demilitarized area which was the scene of the murder of Mrs Doran; strong protests were made to the Israel-Syrian mixed armistice commission (which has not functioned for several years), and the matter was brought to the attention of the Chief of Staff of the U.N. Truce Supervision Organization, Major-General von Horn. On Nov. 28 the Israel Foreign Ministry claimed that the report of the U.N. observers had confirmed the presence of a Syrian military post in the area where Mrs. Doran's body had been found.

The Israeli Government called on Dec. 4 for an urgent meeting of the Security Council to consider the "grave acts of aggression" committed by armed forces of the U.A.R. on the previous day. In a letter to the president of the Security Council, the Israeli representative at the U.N. (Mr. Eban) said that the incidents of Dec. 3 were "the latest and most serious in a number of attacks recently perpetrated by Syrian forces against Israeli territory, which included the murder in cold blood of Mrs. Doran. These attacks . . . constitute a serious breach of the U.N. Charter and the Israel-Syrian armistice agreement."—(Times - Daily Telegraph - Israel Government Press Office) **(Prev. rep. Border Incidents, 16021 A.)**

B. NETHERLANDS. — 10,000 Indonesian Repatriates to emigrate to United States.

The Netherlands Government Commissioner for Emigration announced on Nov. 16 that the United States had agreed to admit 10,000 Dutch repatriates from Indonesia as immigrants, under special American legislation. To qualify for admission to the U.S.A. the persons concerned would have to be holders of Dutch passports, must formerly have been resident in Indonesia, and must have come to Holland between Jan. 1, 1949 and Sept. 2, 1958.—(Netherlands News Agency)

(Prev. rep. 16040 D; 15931 A.)

A. EASTERN GERMANY. — General Election. - Purge in Socialist Unity Party Leadership.

General elections for a new 400-member *Volkskammer* were held in Eastern Germany on Nov. 16, together with elections for the *Bezirkstage* (the 14 district councils which have replaced the former *Land* Parliaments in the Eastern zone) and the East Berlin City Council. The provisional results of the general election were announced as follows by the East German News Agency (A.D.N.): total electorate, 11,839,217; total votes cast, 11,707,715 (98.87 per cent); vote for National Front candidates, 99.87 per cent; invalid votes, 0.13 per cent.

As in 1954, the electors were asked to approve a single list of candidates drawn up by the National Front—the five parties of the Government coalition under the leadership of the Socialist Unity (Communist) Party—and "mass" organizations such as the trade unions, women's and youth organizations, etc. Of the 400 candidates on the single list, 202 belonged to the Socialist Unity Party, 47 to the East German Christian Democratic Union, 46 to the Liberal Democratic Party, 45 to the National Democratic Party, and 45 to the Democratic Peasant Party, the remainder being nominees of the "mass" organizations. The proportions allotted to the political parties were identical with those at the last (1954) elections.

Large numbers of voters—e.g. factory, office and shop workers—were marched to the polls *en bloc*, accompanied by brass bands and by loudspeaker vans calling on them to vote for the Government. Separate booths were provided for voters casting their votes against the single list, but for weeks beforehand the East German press and radio had stressed that persons using them would be considered "enemies of the Socialist State" and that negative votes would be regarded as a "hostile act" against the regime. As a result, virtually no use was made of these booths, each of which was in charge of a Communist official.

Prior to the elections, a number of leading Communists were purged from the central committee of the Socialist Unity Party at a congress which ended in East Berlin on July 16; at the same time the central committee was enlarged from 91 to 111 members (44 elected for the first time), in addition to 44 "candidate" members. Those dropped from the central committee included Professor Fred Oelssner, one of the eight Deputy Premiers; Herr Fritz Selbmann, another Deputy Premier; Herr Fritz Lange, Minister of Education; Herr Paul Wandel, the East German Ambassador in Peking; and Frau Paula Wittkowski, deputy chairman of the State Planning Commission. Herr Selbmann was subsequently relieved of his post as Deputy Premier on Sept. 24.

No reasons were given for the "demotion" of the above-mentioned persons, but Professor Oelssner (the party's theoretician) was understood to have criticized the policy of forcing private farmers to join the State co-operatives, while Herr Selbmann was believed to have urged a reduction of "work norms" (i.e. the minima laid down for the output of individual workers, non-compliance with which entails penalties and reduction of pay). Herr Wandel had prepared a statement for "self-criticism" at the party congress, which he was not allowed to deliver. The *Manchester Guardian* Correspondent in Germany said that Herr Lange had been made the "scapegoat" for the continuing flight of large numbers of university professors and teachers to Western Germany, while Frau Wittkowski was "presumably the scapegoat for the failures in the fulfilment of the second Five-Year economic plan." Several of those "demoted" from the central committee—e.g. Professor Oelssner—were associated with the "Schirdewan-Wollweber group" against which action was taken in February last (see 16076 A).

Herr Max Fechner, East German Minister of Justice from 1949 to 1953, was readmitted in June to the Socialist Unity Party, from which he had been expelled in 1953 after the abortive rising of June 17 (see 15267 A). It was learned in West Berlin that he had been imprisoned until 1956 and had subsequently been under house arrest.—(Neues Deutschland, East Berlin - Frankfurter Allgemeine Zeitung - Times - Manchester Guardian) **(Prev. rep. Elections, 13875 B; Socialist Unity Party, 16076 A.)**

B. GHANA. — Par Value for Ghana Pound.

The International Monetary Fund announced on Nov. 5 that the initial par value for the Ghana pound had been established at $2.80 per Ghana pound—the rate proposed by the Government of Ghana. Other parities for the Ghana pound were given by the I.M.F. as follows: 2.48828 grams of fine gold = one Ghana £; 0.347143 Ghana pound = one U.S. dollar.
(International Monetary Fund, Washington) **(Prev. rep. Par Values, 16394 C; Ghana Membership, 15855 B.)**

C. PORTUGAL. — Cabinet Appointment.

It was announced in Lisbon on Nov. 27 that the Portuguese Minister of the Interior, Professor José Pires Cardoso, had resigned because of ill-health and would be succeeded by Lieut.-Colonel Arnaldo Schulz, hitherto a departmental head in the Defence Ministry.—(Times - Le Monde, Paris) **(Prev. rep. 16386 A.)**

D. UNITED KINGDOM. — Further Reduction in Bank Rate. - Gold and Dollar Reserves.

The Bank Rate was reduced from 4½ per cent to 4 per cent on Nov. 20—the fifth successive reduction during 1958, bringing Bank Rate to its lowest level since 1953.

It was stated in the *Financial Times* that the main objectives of the decision were (1) to help arrest the de-stocking trend in industry and to stimulate investment in the private sector, (2) to help local authorities to find the money for acceleration of housing and other capital development programmes now sanctioned by the Government; (3) to help to underpin the gilt-edged market and facilitate the Government's coming re-financing operation.

The Treasury announced on Nov. 4 that the sterling area's gold and dollar reserves had risen during October by $54,000,000 after taking into account (*a*) the payment of $28,000,000 to the E.P.U. in respect of the September deficit, and (*b*) the payment of $3,000,000 to creditor countries in the Union under bilateral settlements. As a result, the gold and dollar reserves stood at $3,174,000,000 on October 31.

The figures were regarded in official quarters as "satisfactory." It was pointed out that October was normally the start of a favourable period for the pound, and the increase in the reserves was taken as an indication that this seasonal trend was already under way.

Provisional figures for the E.P.U. October settlement showed that Britain had a deficit of £12,000,000, three-quarters of which would be settled in November in gold or dollars and one-quarter by an increase in the U.K.'s debt to the Union.

It was announced on Dec. 2 that the gold and dollar reserves had risen during November by another $41,000,000, after taking into account (*a*) the payment of $24,500,000 to the E.P.U. in respect of the October deficit, and (*b*) the payment of $2,500,000 to creditor countries in the Union under bilateral settlements. As a result, the reserves reached the record level of $3,215,000,000 on November 30.

Provisional figures for the E.P.U. November settlement showed that the U.K. had a deficit of £6,000,000, to be settled in December in the usual proportions.

The sterling-dollar rate fluctuated around $2.80¾ throughout October; there were corresponding narrow fluctuations of the transferable sterling rate in Zürich (between $2.79125 and $2.79395), which dropped only twice below that level—to $2.78945 on Oct. 9 and $2.79095 on Oct. 15. During November the sterling-dollar rate dropped gradually from 2.80¾ to 2.80$\frac{7}{16}$, closing at 2.80½ on Nov. 29. The transferable sterling rate reached a "high" of 2.79575 during the middle of the month, and closed at 2.79475 on Nov. 29.—(Treasury Press Office - Financial Times) **(Prev. rep. Bank Rate, 16355 A; Gold and Dollar Reserves, 16461 A.)**

E. LONDON. — St. Paul's Cathedral. - Dedication of American Memorial Chapel.

An American Memorial Chapel commemorating the 28,000 U.S. Servicemen who died in the Second World War while operating from bases in Britain was dedicated in St. Paul's Cathedral on Nov. 25 in the presence of H.M. the Queen and Mr. Richard M. Nixon, Vice-President of the United States. A tribute from the people of Britain to the American soldiers, sailors and airmen commemorated, it is entirely British in conception, design and construction and was built from contributions donated by large numbers of British citizens.

The first public appeal for funds to enable the Memorial Chapel to be built was launched on Nov. 15, 1945, by Lord Bailhieu; another leading sponsor of the project was the late Marshal of the R.A.F. Lord Trenchard. The chapel forms an integral part of the restored East end of the Cathedral and has three large windows representing the sacrifice and resurrection of the Christian soldier in terms of Biblical scenes from the Life of Christ; the borders of the windows incorporate the coats-of-arms of the 48 States of the Union and the badges of the U.S. Army and Navy. Inlaid in the marble floor is the inscription: "To the American Dead of the Second World War from the People of Britain." The names of the 28,000 Servicemen commemorated are inscribed in a Roll of Honour which was presented by General Eisenhower to the Dean of St. Paul's in 1951 for safe-keeping, pending the completion of the Memorial Chapel.

The dedication service was conducted by the Archbishop of Canterbury (Dr. Geoffrey Fisher) and the Bishop of London (Dr. Montgomery Campbell). In addition to H.M. the Queen and Vice-President Nixon, the congregation included Prince Philip and other members of the Royal family, the Prime Minister and members of the Government, leaders of the Opposition, the Lord Mayor of London (Sir Harold Gillett), the American Ambassador (Mr. John Hay Whitney), and 12 next-of-kin of the Servicemen commemorated, who were flown from the United States.

The architects of the American Memorial Chapel are Mr. S. E. Dykes Bower and Mr. Godfrey Allen; the windows were designed by Mr. Basil Thomas.—(Church Times) **(Prev. rep. 16198 A.)**

A. IRAQ. — Arrest of Colonel Aref. - Trials of Former Political and Military Leaders. - Revision of Five-Year Development Plan. - Agrarian Reforms. - Relations with Western, Communist and Arab States.

A struggle for power developed during the late summer and autumn between the two principal leaders of the Iraqi revolution, Brigadier Kassem (the Prime Minister and Defence Minister) and Colonel Aref (the Deputy Premier and Minister of the Interior), culminating in the arrest of the latter on Nov. 4 for conspiracy against the State. Colonel Aref had played a decisive role in the *coup d'état* of July 14 as commander of the battalion which occupied the Ministry of Defence and the Baghdad Radio station at a time when Brigadier Kassem's headquarters were some miles outside the city.

Politically Colonel Aref was closely associated with the *Baath* (Renaissance) Party, which draws its support mainly from the younger officers, intellectuals, and middle classes of the Arab countries, and advocates Arab unity and a radical policy of agrarian and social reforms. [The Syrian Baathists were mainly responsible for bringing about the unification of Syria and Egypt, and the party also exercised considerable influence in Jordan before the attempted *coup d'etat* against King Hussein in April 1957.] A forceful orator, Colonel Aref had greatly embarrassed the Government—which wished to pursue a neutral foreign policy—by his violent attacks on both the Western Powers and Communism and by his extreme views on the agrarian problem. Colonel Aref's known support for immediate union between Iraq and the United Arab Republic was also a source of embarrassment to the Government, since this policy was opposed by a strong section of Iraqi opinion and also by the large Kurdish minority in the Mosul and Kirkuk regions of northern Iraq.

Colonel Aref was relieved of his post as deputy C.-in-C. of the armed forces on Sept. 12; a subsequent Army statement declared that this had been done at his own request, to enable him "to carry out his great responsibilities as Deputy Premier and Minister of the Interior." On Sept. 30, however, Brigadier Kassem and the Council of Sovereignty signed a decree relieving Colonel Aref of his Cabinet posts, "in consideration of the needs of the public interest and on the ground of a recommendation by the Prime Minister," and appointing him Ambassador to Western Germany. A Cabinet reshuffle was carried out at the same time whereby Dr. Jabir Omar (Minister of Education) and Brigadier Fuad al-Ratabi (Minister of Reconstruction), both of whom were reported to be supporters of Colonel Aref, were also relieved of their posts, although Brigadier Ratabi was appointed a Minister of State; Brigadier Ahmed Mohammed Yahia became Minister of the Interior, whilst Sayed Rashid Mahmoud (Minister of Agriculture) and Mr. Mohammed Hadid (Finance Minister) were appointed acting Ministers of Education and Reconstruction respectively.

Colonel Aref did not leave Baghdad to take up his diplomatic appointment until Oct. 12. During the interim period unofficial reports alleged that a plot by his supporters in the Army to seize power had been suppressed by the Government, and that he himself had been placed under house arrest; these reports, however, were categorically denied on Oct. 8 by a Government spokesman, who described them as "without any foundation." Colonel Aref saw Brigadier Kassem on the latter date for what was officially described as "a cordial courtesy visit," and was seen off by the Prime Minister at Baghdad airport on Oct 12.

While in Europe, however, Colonel Aref made no attempt to take up his duties in Bonn or even to present his credentials; instead he visited Brussels, Rome, Munich, and Vienna. On Nov. 4 he flew back to Baghdad, and on his arrival went to the Defence Ministry to see Brigadier Kassem. During their interview the Prime Minister was reported to have offered Colonel Aref the posts of Ambassador in London or Cairo, both of which he declined, whereupon he was arrested. Several hours later Baghdad Radio issued an official communiqué stating that "the Iraqi Ambassador in Bonn and retired colonel" had returned to Iraq "without authority or permission," and that he would be tried on a charge of "plotting against the country's interests" because of his "repeated attempts to disturb general security."

Brigadier Kassem said in a broadcast on Nov. 6 that he would maintain the independence and sovereignty of Iraq, while doing all in his power to serve the cause of the Arab countries. Comment in the British press suggested that Colonel Aref's agitation in favour of immediate union with the U.A.R. was not approved by President Nasser, who was believed to have supported Brigadier Kassem during the struggle between the two Iraqi leaders.

Political Trials.

A new law against conspiracy and corruption was published on Aug. 10 making it an offence *inter alia* to conduct policy in a manner contrary to the national interest; to bring the country nearer to war or make it a war area; to attempt to use the armed forces against other Arab States; to instigate foreign Powers to endanger Iraq's security; to interfere in the internal affairs of other States; to restrict public freedom; to falsify election results; to tamper with the course of justice; to waste public funds; to issue ordinances for the benefit of a private person or group; to accept funds from other countries; and to seek to evade taxation. The law was made retroactive for 19 years so as to cover offences committed since Sept. 1, 1939. The highest penalty laid down was hard labour for life, but it was provided that where an existing law laid down a heavier penalty [i e. the death penalty] this might be applied. A Special Military High Court was set up to administer the law, persons appearing before it being given the right to be defended by counsel of their own choice at all stages of the proceedings. No appeal against the court's decision was allowed except when the death sentence had been imposed, in which case appeals would be considered by the Defence Minister.

A list was published on Aug. 9 of 108 prominent supporters of the former régime who would be tried under the new law, including former Ministers, Army officers, deputies, officials, police officers, and radio and press propagandists. Eighteen of these were tried between Aug. 16 and Nov. 19 on various charges, the most important of which concerned a plan said to have been made by the then Iraqi Government in 1956 to bring about a *coup d'état* in Syria, allegedly with British and U.S. support; the evidence on this plan largely agreed with that given at the Damascus conspiracy trial in January-February 1957 [see 15582 A.] Among the accused were three former Prime Ministers, Dr Fadil Jamali, Mr. Ahmed Mukhtar Baban and Dr. Tewfik Suweidi; Mr. Burhanuddin Bashayan, a former Foreign Minister; General Rafiq Aref, the former Chief of Staff; General Ghazi Daghistani, former deputy Chief of Staff; Brigadier Ahmed Mari, former Chief of Army Intelligence; Mr. Abdul Jalil al-Rawi, former Iraqi Minister in Damascus; and a number of Army officers and employees of Baghdad Radio.

The first and longest of the trials, that of **General Daghistani**, opened on Aug 16 in the Chamber of Deputies in Baghdad and continued until Aug 28. Mr. Rawi stated in evidence that the late Crown Prince Abdul Ilah had "made continual efforts to establish the unity of Iraq and Syria so as to become King of Syria," but that General Nuri es-Said had opposed this policy until 1956. He also alleged that Beirut had been the centre of the "conspiracy" against Syria, and that certain Syrian politicians had been in the pay of the Iraqi Government, including M. Lyan, leader of the extreme right-wing Syrian People's Party. Mr. Baban also testified that Prince Abdul Ilah had planned to make himself King of Syria, adding: "I opposed the plan to send the Army to Syria in 1956 when I was Defence Minister, and told Ghazi (Daghistani) so. He agreed the plan was impossible and impracticable. Even the King opposed the plan."

Brigadier Mari alleged that money and arms had been supplied to groups of Syrian political exiles in the Lebanon through the Iraqi military attaché in Beirut, Colonel Samarrai, whilst General Aref said that General Daghistani had been made responsible for Colonel Samarrai's activities. He also alleged that the U.S.A. had wished to use the Iraqi Army against the Syrian Communists, but that the Army leaders had refused to agree. Dr. Jamali described high-level talks in Baghdad on the "Communist danger" in Syria, at which he had been present; he said that "the U.S.A. told us they were ready to help us if we stood up to this threat, but I considered that developments in Syria did not constitute an immediate danger to Iraq." Three Air Force officers described in detail how arms for the Syrian exiles had been flown to Beirut since 1956, the last delivery being made in June last.

In a statement to the court, General Daghistani admitted the existence of a plot against Syria and his own participation therein. The plan, he said, envisaged the granting of military and financial aid to the value of nearly 1,000,000 dinars (about £1,000,000) to Brigadier-General Shishakly, the former Syrian dictator, and the setting-up of a military training centre on Iraqi territory for the Syrian exiles. He himself had been sent to Switzerland by General Nuri es-Said in 1956 to meet General Shishakly, to whom he had passed on the sum of 10,000 dinars. General Daghistani denied, however, that he had taken any part in drawing up the plan, and said that he had agreed to supervise the military side of it solely in order to "steer things towards a settlement" without the Army becoming involved.

The trials which followed were shorter, as much of the relevant evidence had already been given during the trial of General Daghistani. **General Aref** appeared before the court on Aug. 30, followed by **Brigadier Mari,** a number of other senior officers, and five employees of Baghdad Radio who were charged with conspiratorial activities arising from their association with the U.S. Information Service. After the trial of **Mr. Mohammad Ali Karim** (chief announcer of Baghdad Radio) the public prosecutor accused his counsel of making propaganda for the old régime in his speech for the defence, whereupon the president of the court (Colonel Mahdawi) ruled that counsel for Mr. Karim should not appear in court again.

Dr. Jamali, whose trial lasted from Sept. 20-25, was charged with conspiring against Syria, intervening in the internal affairs of Lebanon, promoting a policy contrary to Iraqi interests, misusing public money, and falsifying election results. In a long statement in his defence, Dr. Jamali said that he was a sincere Arab nationalist devoted to the aim of Arab unity, although he differed from President Nasser on the means of attaining it. He had regarded the Union of Syria and Iraq as the first step towards a wider Arab union, but had wanted to effect it by agreement and had never interfered in Syria's internal affairs. He had chosen to co-operate with the West against Communism because "imperialism is a dying force and a decreasing danger, whereas Communism is growing in strength," but he had also co-operated with the Arab countries and the Afro-Asian bloc against "imperialism and Zionism." His counsel (Mr Issa Taha) based his defence on the contention that Dr. Jamali had acted in good faith and could not be accused of having acted with criminal intent.

Mr. Bashayan, Mr. Baban, and **Dr. Suweidi** were tried between Oct. 4 and Nov. 2 on charges similar to those brought against Dr Jamali. During Mr. Bashayan's trial a sensation was caused when it was alleged in court that Dr. Jabir Omar (who had been removed from the Cabinet four days before—see above) had been appointed by General Nuri es-Said and Mr Bashayan to a committee sent to Amman to take part in financial operations for the promotion of a union between Iraq and Syria. Counsel for the three accused contended that they had never urged any course which could have involved Iraq in war with Syria, and that their aim had been exclusively to bring about an agreed union by peaceful means.

Sentences of death by hanging were passed on Dr. Jamali, General Aref, and General Daghistani on Nov. 10, on Mr. Bashayan on Nov. 13, and on Mr. Baban on Nov. 19. Dr. Suweidi was found not guilty of active participation in the plot against Syria, but guilt of endangering Iraqi security and squandering public money; he was sentenced on Nov. 19 to life imprisonment. The other accused were sentenced to shorter terms of imprisonment with the exception of Mr. Karim and the other employees of Baghdad Radio, who were acquitted.

The International Commission of Jurists announced on Oct. 9 that it had asked Brigadier Kassem for permission to send a legally qualified observer to the trials, as it had received "disturbing reports" as to "the alleged retroactive character of the charges and the restrictions on the rights of defence," which if substantiated would constitute "a serious breach of a number of basic principles of law." [The phrase "restrictions on the right of defence" apparently referred to the exclusion of Mr. Karim's counsel from court.] The Commission's request was ignored by the Iraqi Government.

Seven persons accused of sheltering General Nuri es-Said after the revolution were tried by a military tribunal in Baghdad on August 3-4.

It was revealed at the trial that General Nuri fled at dawn on July 14 to the house of a friend, Mr. Mahmoud al-Astarabadi (an 80-year-old merchant), and that on the following day, disguised as a woman and accompanied by Astarabadi's wife and a Persian woman servant, he drove to a house belonging to the brother of Dr. Dhia Jaffar, the Minister of Development. Refused admittance to Dr. Jaffar's house, he was recognized by the mob and lynched, together with Mrs. Astarabadi. Mr. Astarabadi, two of his sons, and his cook were each sentenced to three years' imprisonment; a third son and the Persian servant to five years; and the family chauffeur to one year.

Revision of Five-Year Development Plan. - Relations with Iraq Petroleum Company.

Under a law published on Aug. 12 the Republican Government dismissed the Development Board, which consisted of experts and was responsible for the administration of the five-year plan adopted in 1956 (see 14884 A), and replaced it by a new board comprising the Prime Minister, the Deputy Premier, and the Ministers of Development, Finance, Economics, Agriculture, Social Affairs, and Communications. It was provided that the new board would appoint a "Development Guidance Committee" of experts, who might be either Iraqis or foreign nationals.

The members of the former Development Board—who included an American reclamation expert, Mr. Clifford A. Willson—enjoyed a status equivalent to that of a Cabinet Minister, and were responsible for the allocation of 70 per cent of the national oil revenues for development purposes.

It was announced at the same time that the Government would revise the five-year plan to eliminate "superfluous and wasteful" items, and would concentrate on raising the standard of living by developing local industries and building houses and hospitals.

In an analysis of the economic and social results of the five-year plan, published in *Le Monde* (Paris) on Aug. 12, it was pointed out that the plan had concentrated on the development of irrigation and transport and the construction of public buildings for administrative purposes. It continued: "The great irrigation projects brought about hardly any improvement in the fellah's living standards; the indispensable complementary measures for increasing agricultural productivity (the struggle against disease, installation of 'pilot-farms,' provision of seeds, tools, machines, etc.) were inadequate. . . The only people to benefit from the irrigation plans were the large landowners who possessed capital with which to develop the irrigated land, they formed the régime's strongest support. The peasants profited comparatively little from these advantages, for the increase in productivity was small and the division of crops unfavourable to them, two-thirds going to the landowner . . . The centres of investment, the sites of great public works, . . . tended to form islands of inflation . . . All these circumstances have provoked a massive rural exodus which is dislocating the economic life of the villages and depressing living standards still lower. Those who leave the countryside accumulate in the towns, especially Baghdad, where they hope to find a better future. . . . This population, estimated at present at 50,000 men in Baghdad, lives in huts on the outskirts of the city. Its situation is precarious. There is no drinking water or sanitation, and the tide of immigrants continues to rise. Wages are higher in the towns, but for lack of qualifications the newcomers aggravate the problem of under-employment and depress still lower the price of unskilled labour. . . . Development was not harmonized, and allowed the inequalities of income characteristic of the old social system to continue to exist, while aggravating them in many cases. New inequalities were added to the old. . . . The greater part of the increase in the national income was concentrated in the hands of big businessmen, landowners, and technicians of all kinds. In Baghdad a carpenter earns more than a man with many diplomas. A mass of unemployed or underpaid intellectuals increased the number of desperate men ready to follow a revolutionary leadership. . . Such were the circumstances which the revolutionaries were able to exploit."

Mr. G. H. Herridge, managing director of the Iraq Petroleum Company and associated companies, had discussions on Aug. 20 with Brigadier Kassem and the Minister of Economics, Dr. Kubba, who assured him that the Government intended to honour Iraq's agreements with the companies. Talks were subsequently opened between the Government and the I.P.C. on the latter's expansion programme, and on the Iraqi Government's proposal that the company should surrender parts of its concession, which were not being exploited or developed, for development as a State operation. The Finance Minister (Mr. Hadid) denied, however, that the Government was seeking a revision of its 50-50 royalty agreement with the I.P.C.

With a view to expanding Iraqi oil production, the Government announced on Nov. 19 that it had decided to claim a 12-mile limit for its territorial waters; where the waters of neighbouring countries were affected, Iraq would be prepared to solve any problems which might arise in accordance with international law or by mutual agreement.

The Times commented on this announcement as follows: "Iraq's territorial waters are confined to the head of the Persian Gulf, and the Government's decision may affect areas claimed by Persia and Kuwait. It also suggests that Iraq wishes to proceed with the development of a new port south of Basra, on which there have been some discussions with Kuwait before; and it means that, if the decision is internationally accepted, work can begin on the construction of a new deepwater oil terminal south of Fao, which the Iraq Petroleum Company wants to build as a new outlet for the Basra oilfield.

"Plans for the terminal have been ready for some time, but no contracts could be awarded until the Government had defined Iraq's territorial waters so that the proposed site would fall within them. The terminal, which is expected to cost D16,000,000 and to be completed by the end of 1960, will be 24 miles south of Fao but within 12 miles of the nearest point of the Iraq coast. It will enable the output of the Basra field, which is now 10 to 11 million tons annually, to be doubled. This is part of the general programme of expansion proposed by I.P.C. to bring their total annual production from the present level of about 35,000,000 tons to 57,000,000 tons by the end of 1961. Increased throughput to the Mediterranean will be provided in the next three years by building additional loops on the existing Syrian pipelines.

"The expansion programme will almost double the Iraq Government's oil revenues, which on a 50-50 profit-sharing basis are now running at about £70,000,000 a year; and even by the end of next year it is expected the Government's share will have risen to £80,000,000-£90,000,000."

Agrarian Reforms. - Purge of Officials. - Amnesty for Political Offenders under Former Regimes.

An agrarian law was promulgated on Sept. 30 limiting individual land holdings to 1,000 dunums (about 250 acres) of irrigated or 2,000 dunums of unirrigated land. The Government will take over the surplus land within the next five years for distribution among the peasantry in lots of 7½ to 15 acres, and will pay compensation to the former owners in the form of 3 per cent Treasury bonds redeemable over 20 years.

As Minister of the Interior, Colonel Aref had carried out a widespread purge of senior officers or officials accused of inefficiency or corruption; about 150 were reported on Aug. 6 to have been suspended or retired, including some 40 Army officers, 11 of the 14 provincial governors, and 45 police and security officers.

A law was published on Aug. 4 empowering the Government to suspend for five years any official whose employment appeared "detrimental to the public interest," or to retire him if over the age of 55. A second law published on Aug. 17, with retroactive effect to 1939, imposed a maximum penalty of five years' imprisonment and a fine for persons found guilty of corruption, and required all officials, officers, bankers, and presidents of corporations to supply full details of their property.

Colonel Aref's successor, Brigadier Yahia, stated on Oct. 14 that "the urgent phase of the purge, covering the first three months of the revolution, is over. We are now starting a second and long-term phase, which we expect to involve only a small minority of officials."

The Government announced on July 25 the abolition of the system of "tribal law," which was regarded as a means of corruption as it had enabled previous Governments to quash judgments of the civil courts directed against persons whom they wished to favour. Other measures, announced at the same time, reduced the working day to eight hours and repealed legislation permitting certain industries to make their employees work a 54-hour week without payment for overtime.

A general amnesty was proclaimed on Sept. 7 for persons imprisoned for political offences "concerned with attempts to liberate the country and reform the régime between September 1939 and July 14, the day of the national revolution." It was stated that about 600 people would benefit from the amnesty, most of whom had been imprisoned for supporting the 1941 uprising. A large number of political refugees returned to Iraq after the revolution; they included Mr. Rashid Ali (see 16372 D), the Mullah Barazani (leader of the Kurdish uprising of 1943-45) and Dr. Boustani, a former member of the Legation staff in Paris, who was deprived of Iraqi nationality in 1937 for left-wing activities.

Relations with Foreign Countries.

In their statements on foreign policy, the members of the Republican Government repeatedly affirmed their desire for neutrality and for friendly relations with all countries. Nominally, Iraq remained a member of the Baghdad Pact, although no final decision has yet been taken on Iraq's continued membership, and apparently inconsistent views have been expressed on this question by various members of the Republican Government.

Brigadier Kassem said on Aug. 5 that he would not take any decision on the subject without obtaining the consent of the other members of the alliance; on the other hand, he told a Polish correspondent on the following day that the Government's policy was "not to belong to any group of States directed against another group," and that it would therefore consider "whether or not it was in the country's interests" to remain in the Baghdad Pact. Colonel Aref, in an interview published in *U.S. News and World Report* on Aug. 18, said that "Iraq will continue to belong to the Baghdad Pact if it is to her advantage. But the Baghdad Pact must not have its headquarters in London or elsewhere. Its headquarters must be in Baghdad." [Baghdad was the headquarters of the Pact organization until the revolution, but since then the headquarters have been transferred to Ankara—see 16502 A.]

Reversing the policy of the previous régime, the Republican Government established diplomatic relations with the Soviet Union, China, and the other Communist countries as stated in 16305 A. Trade delegations from several of these countries subsequently visited Baghdad, and in October trade agreements were signed with the U.S.S.R., Yugoslavia, and Eastern Germany. Brigadier Kassem, however, reaffirmed the Government's determination to resist all foreign ideologies, stating in an address to religious leaders on Sept. 14 that "our people have their own religion and faith in God, and we will not be frightened either by Communist, American, British, or Fascist ideas."

Recent developments in Iraq's relations with individual foreign countries are described below under cross-headings:

France. The Iraqi Government refused on Aug. 4 a French offer to recognize the Iraqi Republic and to re-establish diplomatic relations, which had been broken off by Iraq at the time of the Suez crisis of 1956.

Eastern Germany. A trade agreement between Iraq and Eastern Germany was signed in Baghdad on Oct. 26, whereby Eastern Germany undertook to supply textiles, chemicals, machine-tools, and precision instruments to the value of £200,000 in return for grain, hides, and dates. Transactions under the agreement will be paid for in convertible sterling. Herr Weiss (the East German Deputy Minister for Foreign Trade), who had signed the agreement, stated that his Government would offer 20 places at East German universities for Iraqi students and 50 places in East German factories for training skilled Iraqi workers.

Netherlands. The Netherlands formally recognized the Iraqi Republic on Aug. 8.

Soviet Union. The newly appointed Soviet Ambassador to Iraq, M. Gregori Zaitzev (formerly head of the Middle East Department at the Soviet Foreign Ministry), arrived in Baghdad on Aug. 4. Diplomatic relations between the two countries had been broken off by General Nuri es-Said's Government in January 1955.

A trade and shipping agreement between Iraq and the Soviet Union, which undertook to accord each other most-favoured-nation treatment, was signed in Baghdad on Oct. 12. Under the agreement the Soviet Union will export agricultural and other equipment, tractors, cars, rolled-steel sections, timber, paper, and medical supplies to Iraq in return for hides, wool, cotton, dates, and oilseeds.

United Arab Republic. Prince Mahmoud Namouk, a member of the Egyptian royal family, was arrested on July 22 in Baghdad, where he had gone before the revolution to make arrangements for the marriage of his cousin, Princess Fazilet, to King Faisal. At the request of the U.A.R. Government he was flown to Cairo on Aug. 31 to serve a sentence of 15 years' imprisonment for conspiracy which had been passed on him *in absentia* in March [see 16085 A; 16148 A.]

United Kingdom. A Foreign Office spokesman stated on Aug. 21 that the delivery of light arms ordered by the previous Iraqi Government, which had been suspended since the revolution, would shortly be resumed.

The Republican Government terminated on Sept. 24 the services of 50 British servicemen (26 from the R.A.F. and 24 from the Army) who had been loaned to the Iraqi forces to assist in instruction and training. They were given a month to leave the country, and granted six months' maintenance allowance to cover losses on rent and furniture. It was estimated at the end of September that over 150 Britons employed in Iraq had been ordered to leave the country since the revolution, including about 75 out of 400 experts working for the Iraqi Government; at least another 1,000 dependants of the pre-revolutionary British colony in Iraq (numbering some 5,000) had also left the country.

The appointments of the three founding members of Baghdad University—Professor J. H. Biggart (Professor of Pathology at Queen's University, Belfast), Professor Kessweg (a German), and Professor Dawson (an American)—were cancelled on Sept. 1, an Egyptian being appointed president of the university. The three founding members had been appointed before the revolution to integrate the 13 colleges in Iraq into a single university.

United States. Brigadier Kassem announced on Aug. 20 that deliveries of U.S. arms would be resumed, and stated that his Government wished to receive Western military aid; "we want to keep the friendship of our old allies and to win new friendships as well," he added. A cargo of U.S. military supplies arrived at Basra on the same day. In Washington, a State Department spokesman said that the U.S. programme for training the Iraqi police was being continued at the Iraqi Government's request, but negotiations would be necessary before the military aid programme was resumed.

Yemen. The Crown Prince and Prime Minister of the Yemen, the Emir Mohammed el-Badr, visited Baghdad on Aug 22-26 for discussions with Brigadier Kassem. A joint communiqué affirmed their determination to "stand together in their attitude to all international events" and to uphold the U.N. Charter, the Arab League Charter, and the Arab collective security pact.

Yugoslavia. A trade agreement for the purchase by Iraq of Yugoslav tankers and machinery was signed in Baghdad on Oct. 7, together with an agreement for co-operation in economic, scientific and technical matters.

In a letter to the general secretary of the Arab League (M. Abdel Khalek Hassouna) published on Aug. 12, Brigadier Kassem said that the Iraqi Republic would "atone for the errors of the past and ensure that the League remains purely an instrument of Arab nationalism," adding that the revolution had eliminated "the traitors who wished to sabotage the League's efforts."—(Times - Daily Telegraph - Manchester Guardian - Le Monde, Paris - New York Times)

(Prev. rep. 16305 A; 16324 D.)

A. JAPAN. — Atomic Contract for British Company.

The Fuji Electric Company of Japan announced on Nov. 20 that it had concluded a contract with the General Electric Company of England for technical co-operation on nuclear power generation, subject to approval by the Japanese Government.

It was stated that the contract had been concluded in anticipation of an order from the Japanese Atomic Power Generating Company to the G.E.C. group, as well as for the more general purpose of acquiring technical knowledge on atomic power generation. The Fuji Company would pay a licence fee of between £140,000 and £180,000 and royalties of 4 per cent to the G.E.C., and about 3 per cent to the British Atomic Energy Authority.

A G.E.C. spokesman in London explained that the contract was for technical co-operation on nuclear power generation not only in Japan but throughout the whole of the Far East.

Three British atomic energy industrial groups, led respectively by Associated Electrical Industries, the English Electric Company, and G.E.C., are seeking a contract from the Japanese Atomic Power Generating Company for a Calder Hall-type nuclear power station.—(Times - Manchester Guardian)

(Prev. rep. 16266 A.)

A. NOBEL PRIZES. — Annual Awards. - Boris Pasternak refuses Literature Prize.

The annual awards of the Nobel Prizes were announced during October and November, the recipients being as follows :

Literature Prize. Awarded by the Royal Swedish Academy of Literature on Oct. 23 to Boris Pasternak, the Soviet writer and poet, for "his important contributions both to contemporary poetry and to the great Russian narrative tradition." It was the first time the Literature Prize had been awarded to a Russian author living in the Soviet Union, the last Russian-born writer to receive it was Ivan Bunin (in 1933), who had been living in France as an exile for many years.

The conferment of the Literature Prize on Boris Pasternak was described in the Soviet Union as a "hostile political act" and led to bitter attacks on Pasternak personally, culminating in his expulsion from the Union of Soviet Writers. These attacks were combined with violent denunciations of Pasternak's novel *Doctor Zhivago*, which is banned in the U.S.S.R. but has been published in translation in many Western countries. As a result of these developments, Pasternak declined the Literature Prize on Oct. 29. [See also 16525 A, where an account is given of the controversy in the U.S.S.R. over the novel *Doctor Zhivago*; a biography of Boris Pasternak is given in the same article.]

Medicine Prize. Awarded by the Royal Carolinian Medico-Surgical Institute of Stockholm on Oct 30 to three American scientists—Professor Joshua Lederberg (33), of the University of Wisconsin; Dr. Gerald W. Beadle (55), Professor of Biology at the California Institute of Technology; and Dr. Edward L. Tatum (48), of the Rockefeller Institute for Medical Research in New York. Half the cash value of the prize was awarded to Professor Lederberg, who was cited specifically for "his discoveries concerning genetic recombination and the organization of the genetic material of bacteria." The other half was divided equally between Drs. Beadle and Tatum for their pioneering work in biochemical genetics.

The genetical research for which the Prize was awarded concerns the properties of genetic inheritance in micro-organisms; the researches of the three scientists have added greatly to knowledge in this field, and the new ideas and methods evolved by them have been widely adopted by research workers in many countries. Professor Lederberg has carried out his researches independently of the other two scientists, while Drs. Beadle and Tatum have worked in collaboration. Dr. Beadle is at present a visiting professor at Oxford.

Physics Prize. Awarded by the Royal Swedish Academy of Science on Oct. 28 jointly to three Soviet scientists—Dr. Pavel Cherenkov (54), Professor Ilya Frank (50) and Academician Igor Tamm (63)—for "the discovery and interpretation of the Cherenkov effect."

The "Cherenkov effect"—discovered by Dr. Pavel Cherenkov in 1934—is a bluish light which is emitted when charged atomic particles move through water or other media at a speed faster than that of light itself; a phenomenon observed, for example, in water in which an atomic reactor is submerged. Professor Frank and Dr. Tamm subsequently worked out an equation-supported theory which helped to guide Dr. Cherenkov in his later investigations into cosmic radiation. The "Cherenkov effect" is of great importance in atomic physics, and Russian scientists have made use of the phenomenon for a new type of cosmic-ray counter carried by *Sputnik III*.

[It was claimed in Paris that the "Cherenkov effect" had first been discovered by a French scientist, Dr. Lucien Mallet, in 1926—i.e. eight years before its discovery by Dr. Cherenkov. Dr. Mallet's claim was officially recognized on Nov 3 by the French Academy of Science and was also verified by Professor Perrin, chairman of the French Atomic Energy Commission. At the same time Professor Perrin stressed that the research work carried out by Dr. Cherenkov and his colleagues was of an entirely original character, since they had discovered an explanation of the phenomenon first noted by Dr. Mallet.]

Chemistry Prize. Awarded by the Royal Swedish Academy of Science on Oct. 28 to a British scientist, Dr. Frederick Sanger, F.R.S., for the importance of his work in demonstrating the molecular structure of insulin. Dr. Sanger (40) is head of a Medical Research Council unit working in the Department of Biochemistry at Cambridge.

In 1953 Dr. Sanger became the first chemist to determine the complete chemical structure of any protein—the protein on which he worked being insulin, the lack of which causes diabetes in man. This involved the working-out of the exact order in which the 49 molecular sub-units (amino-acids) are joined together to form the protein molecule, a pioneer achievement for all future work on protein structure.

Peace Prize. Awarded by the Nobel Committee of the Norwegian Parliament on Nov. 10 to Father Georges Pire (48), a Belgian priest, for his work for refugees and displaced persons.

Father Pire was born at Dinant, ordained in the Roman Catholic Church in 1934, and entered the Dominican Order after studying social and political science at Louvain University. From 1937 to 1947 he taught moral philosophy and sociology at the Dominican monastery of La Sarte at Huy. During the German occupation he was active in the Resistance movement, partly as a priest and partly as an intelligence officer; he was subsequently awarded the Belgian *Croix de Guerre* and other decorations. In the immediate post-war period he established a camp for the care of several hundred destitute French children.

In 1949 Father Pire started his Aid for Displaced Persons organization, aimed primarily at assisting "hard core" refugees—i.e. those who by reason of age or ill-health were ineligible for emigration and unable to establish themselves in civilian life. During the past nine years this organization has built three "European villages," each housing about 150 refugees, with two more under construction and a sixth projected. In addition, four homes for aged refugees have been established in Belgium through Father Pire's efforts.

The "European villages" are designed to give their inhabitants the opportunity to live a normal community life and to earn their own livelihood wherever possible; care is taken to provide suitable local employment where this can be done, and refugees are admitted without distinction of national origin or religious faith. Of the three villages so far built, two are in Western Germany (at Aachen and Augsburg) and one in Austria (at Bregenz); two others are building—one near Brussels and the other in the Saar—and a sixth is planned in Norway. Father Pire's organization receives no subsidy, either from the Belgian State or the Roman Catholic Church, and depends entirely on voluntary contributions from supporters in a number of Western countries. All the "European villages" were built by volunteer workers.

Father Pire stated that he would devote his Nobel Prize (amounting to 215,000 kroner, or about £15,000) to building the sixth "European village" in Norway; it will be named after Anne Frank, the German-Jewish girl who perished in the Belsen concentration camp, and whose diary, published posthumously, has achieved world fame.

The value of the Nobel Prizes for the current year is between £14,000 and £15,000 each.—(Svenska Dagbladet, Stockholm - Arbeiderbladet, Oslo - Times - Manchester Guardian - New York Times - Soviet Embassy Press Department, London - Le Monde, Paris - La Nation Belge) **(Prev. rep. Nobel Prizes, 15858 A.)**

B. LITERATURE. — Book Selections for November.

Selected books published in Great Britain and the United States are given below :

Great Britain. Ekert-Rotholz, Alice—"The Time of the Dragons." A Novel of the Far East, translated from the German. (Jonathan Cape, 16s.)

Harrison, Michael—"In the Footsteps of Sherlock Holmes." (Cassell, 25s.)

Haslip, Joan—"The Sultan." A Biography of Abdul Hamid II, Sultan of Turkey. (Cassell, 25s.)

Hough, Richard—"The Fleet That Had to Die." The Story of the Russian Baltic Fleet in the Russo-Japanese War. (Hamish Hamilton, 18s.)

Hoover, Herbert—"The Ordeal of Woodrow Wilson." (Museum Press, 35s.)

Humphreys, Emyr—"A Toy Epic." A Novel of Welsh Life. (Eyre & Spottiswoode, 12s. 6d.)

Jones, L. Marion—"The Jottings of Jemima." An Autobiographical Novel. (Allan Wingate, 13s. 6d.)

Lewis, Roy, and Stewart, Rosemary—"The Boss: The Life and Times of the British Businessman." (Phoenix House, 21s.)

Montgomery, Viscount—"The Memoirs of Field-Marshal Viscount Montgomery of Alamein." (Collins, 35s.)

Murdoch, Iris—"The Bell." A Novel. (Chatto & Windus, 15s.)

Neale, Sir John—"Essays in Elizabethan History." (Jonathan Cape, 18s.)

Oman, Carola—"David Garrick." A Biography. (Hodder & Stoughton, 42s.)

van der Post, Laurens—"The Lost World of the Kalahari." (Hogarth Press, 18s.)

Thiel, Rudolf—"And There was Light: Man's Discovery of the Universe." A History of Astronomy, translated from the German. (André Deutsch, 25s.)

Wedgwood, C. V.—"The King's War, 1641-1647." History of the Great Rebellion, Volume II. (Collins, 35s.)

Wilson, Angus—"The Middle Age of Mrs. Eliot." A Novel. (Secker & Warburg, 18s.)

United States. Lavender, David—"Land of Giants: The Drive to the Pacific Northwest, 1750-1950." (Doubleday, New York, $5.95)

Saarinen, Aline B.—"The Proud Possessors: The Lives, Times and Tastes of Some Adventurous American Art Collectors. (Random House, New York, $5.95)

Miss L. Marion Jones's *The Jottings of Jemima* is a first novel written at the age of 100; the authoress, who lives in Edinburgh, began work on it at the age of 98.
(Ed. K.C.A.) **(Prev. rep. Book Selections, 16492 B.)**

C. UNITED KINGDOM. — Parliament. - Government Whip restored to Sir Frank Medlicott.

The Prime Minister announced on Nov. 21 that the Government Whip had been restored to Sir Frank Medlicott (National Liberal and Conservative M.P. for Norfolk Central) at his own request. Sir Frank strongly opposed the Government's military intervention in Egypt at the time of the Suez crisis, resigned the Government Whip in consequence, and had since sat as an Independent.—(Times - Daily Telegraph)
(Prev. rep. 16271 E.)

A. UNITED KINGDOM. — By-elections.

Polling took place on Nov. 6 in the Chichester division of West Sussex and the Morecambe and Lonsdale division of Lancashire; on Nov. 10 in the Pontypool division of Monmouthshire; on Nov. 20 in East Aberdeenshire; and on Nov. 27 in Shoreditch and Finsbury (London). There was no change in political representation, Chichester, Morecambe, and East Aberdeenshire being held by the Conservatives, and Pontypool and Shoreditch by the Labour Party.

Chichester.

The by-election was caused by the elevation to the peerage of Sir Lancelot Joynson-Hicks (Conservative) consequent on the death of his elder brother, Lord Brentford. Result:

Loveys, Walter H. (Conservative)	23,158
Simpkins, William E. (Labour)	9,504
No change. Conservative majority	13,654

Figures at the general election were: Sir L. Joynson-Hicks (C.) 30,857, M. Jones (Lab.) 12,735—Conservative majority 18,122.

The Conservative candidate polled 70.90 per cent of the votes in the by-election and the Labour candidate 29.10 per cent, compared with respective percentages of 70.79 and 29.21 at the general election; the Conservatives thus fractionally improved their proportion by 0.11 per cent.

51.74 per cent of the voters polled in the by-election, against 71.8 per cent at the general election. The electorate numbered 63,119, an increase of 2,407 since the general election.

Mr. Walter Loveys (37) is a Sussex farmer and a former chairman of Chichester Conservative Association.

Morecambe and Lonsdale.

The by-election was caused by the conferment of a life peerage on Sir Ian Fraser (Conservative), now Lord Fraser of Lonsdale. Result:

de Ferranti, Basil (Conservative)	23,923
McManus, Frank (Labour)	12,692
No change. Conservative majority	11,231

Figures at the general election were: Sir Ian Fraser (C.) 29,706, W. Fielding (Lab.) 12,005—Conservative majority 17,701.

The Conservative candidate polled 65 34 per cent of the votes in the by-election and the Labour candidate 34.66 per cent, compared with respective percentages of 71.22 and 28.78 per cent at the general election; the Labour proportion thus rose by 5.88 per cent.

63.84 per cent of the voters polled in the by-election, compared with 74.36 per cent at the general election. The electorate numbered 57,349, an increase of 1,260 since the general election

Mr. Basil de Ferranti (28) is a director of a Manchester electrical engineering firm.

Pontypool.

The by-election was caused by the conferment of a life peerage on Mr. Daniel Granville West (Labour), now Lord Granville-West. Result:

Abse, Leo (Labour)	20,000
Thomas, Paul (Conservative)	6,273
*Morgan, Benjamin (Welsh Nationalist) ..	2,927
No change. Labour majority	13,727

* Forfeited deposit.

Figures at the general election were: D. G. West (Lab.) 26,372, A. O. Hewitt (C.) 9,800—Labour majority 16,572.

The Labour candidate polled 68.49 per cent of the votes in the by-election, the Conservative candidate 21.48 per cent, and the Welsh Nationalist 10.03 per cent, whereas at the general election the Labour candidate obtained 72.91 per cent and the Conservative candidate 27.09 per cent in a straight fight. The Labour proportion of the poll thus fell by 4.42 per cent and the Conservative proportion by 5.61 per cent.

61.69 per cent of the voters polled in the by-election, against 77.09 per cent at the general election. The electorate numbered 47,332, an increase of 412 since the general election.

Mr. Leo Abse (41) is a Cardiff solicitor and a member of Cardiff City Council.

East Aberdeenshire.

The by-election was caused by the conferment of a life peerage on Sir Robert Boothby (Conservative), now Lord Boothby, who had represented the constituency for 34 years. Result:

Wolrige-Gordon, Patrick (Conservative) ..	14,314
Urquhart, John B. (Labour)	7,986
Mackie, Maitland (Liberal)	7,153
No change. Conservative majority	6,328

Figures at the general election were: Sir R. Boothby (C.) 18,600, C. Ross (Lab.) 8,543—Conservative majority 10,057.

The Conservative candidate polled 48.60 per cent of the votes in the by-election, the Labour candidate 27.11 per cent, and the Liberal 24.29 per cent, whereas at the general election Sir Robert Boothby obtained 68 53 per cent of the votes and his Labour opponent 31.47 per cent in a straight fight The Conservative proportion thus fell by 19.93 per cent and the Labour proportion by 4.36 per cent. The Liberal Party had not contested the seat for more than 30 years.

65.90 per cent of the electorate voted in the by-election, compared with 59.76 per cent at the general election—i.e. the poll was over six per cent higher than at the general election. The electorate numbered 44,694, a decrease of 729 since the general election.

Mr. Wolrige-Gordon (23) will be the youngest member of the House of Commons; he is an Oxford undergraduate and a grandson of Dame Flora Macleod, chief of Clan Macleod.

Shoreditch and Finsbury.

The by-election was caused by the conferment of a life peerage on Mr. Victor Collins (Labour), now Lord Stonham. Result:

Cliffe, Michael (Labour)	10,214
Whipham, Thomas (Conservative) . ..	3,219
No change. Labour majority . ..	6,995

Figures at the general election were: V. J. Collins (Lab.) 25,500, M. B. Agnew (C) 9,216—Labour majority 16,284.

The Labour candidate received 76 per cent of the votes (73.5 per cent at the general election) and the Conservative candidate 24 per cent (26 5 per cent at the general election), the Labour proportion thus increasing by 2.5 per cent.

Only 24.9 per cent of the electorate voted in the by-election, compared with 61.6 per cent at the general election; the electorate numbered 54,033, a decrease of 2,360 since the general election.

Mr. Michael Cliffe (54) is an official of the National Union of Tailors and Garment Workers, and leader of Finsbury Borough Council.—(Times) **(Prev. rep. By-elections, 16233 A.)**

B. INDIA.—People's Co-operation Centres. - Progress of Community Development Programme.

It was announced in October that the Government of India had sanctioned a scheme submitted by the *Bharat Sevak Samaj* whereby that organization had established 25 people's co-operation centres in selected areas of the country on the basis of a phased programme; the main task of these centres (each covering about 11 villages) would be to stimulate and direct active co-operation and participation by the people in various developmental programmes. The *Samaj* was set up in 1952 to provide people with an opportunity of rendering service to India through a non-political, voluntary social service agency.

It was stated that the *Samaj* had enlisted the active support of all leading social welfare organizations, that the *Samaj*, as well as voluntary workers in the countryside, would act as agents of the village councils (*panchayats*) and national extension agencies in securing public co-operation and participation in various development schemes; and that the *Samaj* and its volunteer workers would also be responsible for organizing and implementing "people's programmes" (*lok karya*) to ensure the maximum utilization of all available local manpower and local resources without any kind of assistance from official sources.

Other tasks undertaken by the *Samaj* in the people's co-operation centres would include the building-up of local leadership in villages covered by the scheme, the preparation of training programmes, and the creation of conditions which would facilitate the effective functioning of rural institutions such as *panchayats* and co-operatives. In the main, the role of the *Samaj* and its local workers would be educational and promotional. The scheme would be implemented in close collaboration with the State Governments, and the *Samaj* would receive a grant from the Central Government.

It was announced on Oct. 2 that over 438,000 *gram sahayaks* (functional village leaders) had been trained at 9,475 camps by June 1958, under a programme launched on Oct. 2, 1957; the principal subjects taught related to improved agricultural and horticultural practices and livestock rearing.

The Minister for Community Development (Mr. S. K. Dey) stated in a written reply on Feb. 17, 1958, that the total number of Community Development and National Extension Service blocks in operation was 2,152, covering a population of 149,400,000. The States with the largest number of such blocks were Uttar Pradesh (349), Bihar (252), and Bombay (237).

At the invitation of the Government of India, a three-man U.N. mission arrived in Delhi at the beginning of December to study and report on the working of the Community Development Programme. This mission, designated the Community Development Evaluation Mission, consisted of Mr. M. J. Coldwell, lately president of the Canadian Co-operative Commonwealth Federation (the Canadian Labour Party); Dr. Margaret Reid, Professor of Social Anthropology in the University of London; and Professor René Dumont, of the National Institute of Tropical Agriculture in Paris.
(Indian High Commissioner's Office, London)
(Prev. rep. 14791 I; 12360 C; 13957 C.)

A. SOVIET UNION. — The Pasternak Controversy.

The conferment of the Nobel Literature Prize on the Soviet author and poet Boris Pasternak (see 16523 A) was violently criticized in the Soviet Union and led to bitter attacks on Pasternak by *Pravda* and leading Russian literary magazines, notably the *Literaturnaya Gazeta* (Literary Gazette, the organ of the Union of Soviet Writers) and *Novy Mir* (New Life). Pasternak, who had at first accepted the Nobel award, subsequently declined it as a result of these attacks, after he had previously been expelled from the Union of Soviet Writers.

Soviet criticism of Pasternak was centred almost entirely on his novel *Doctor Zhivago*, which has been banned in the Soviet Union but has been published in translation in many Western countries, including Great Britain (see 16432 A), the United States, France, Italy, and the Scandinavian nations. It has been highly praised by Western literary critics as one of the most important novels to appear for many years, and has become a best-seller in many countries.

Boris Pasternak (68) was born in Moscow, the son of a well-known Russian painter (Leonid Pasternak) who emigrated to Germany after the Revolution and later settled in England after the Nazis came to power; he died in 1945 at Oxford, where his two daughters are still living. Boris Pasternak himself remained in Russia after the Revolution and established a reputation as one of the leading Soviet poets and also as a translator, notably of Shakespeare. His lengthy novel *Dr. Zhivago* – begun after the death of Stalin – traces the moral disintegration of a highly cultured physician and poet in the cataclysm loosened by the Revolution, which he had originally welcomed. A saga of Russian life in the 40 years since the Revolution, it is written from a humanitarian and non-political angle and with a high degree of objectivity.

In a broadcast on Oct. 23, the secretary of the Royal Swedish Academy of Literature (Dr. Anders Oesterling) described *Dr. Zhivago* as a "work of genius" deserving comparison with Tolstoy's *War and Peace*. He paid tribute to the author's courage "in writing, as a Soviet citizen, a work of such importance," adding that it was a "great achievement to have been able under such difficult circumstances to complete a work of such dignity, high above party political frontiers and entirely humane in outlook." Dr. Oesterling also praised Pasternak as one of the greatest poets of modern Russia, citing in particular his collections *My Sister Life* (1922) and *Themes and Variations* (1923).

The typescript of *Dr. Zhivago* was originally submitted to an Italian Communist publisher, Signor Feltrinelli, for publication in an Italian edition. The circumstances of its publication in the West were described on Oct. 31 by Signor Sergio d'Angelo, who had brought the typescript out of Russia and submitted it to Signor Feltrinelli.

Signor d'Angelo – formerly a member of the Italian Communist Party, which he left at the time of the Hungarian revolution – explained that he first heard of the book during a visit to Moscow in 1956; he had been greatly impressed by its literary quality and had asked Mr. Pasternak to let him have the typescript so that Signor Feltrinelli – then a member of the Communist Party – could be the first publisher in the West to publish it. The typescript was accordingly released by Mr. Pasternak for publication in Italy, with the full knowledge and approval of "members of Soviet cultural organizations in authoritative positions"; moreover, it had been agreed that the Italian and Russian editions of *Dr. Zhivago* should appear on the same date (Sept. 1, 1957).

Later, however, for reasons which were not known, strong Soviet pressure had been exerted on the Italian Communist Party to persuade Signor Feltrinelli not to publish the book and to return the typescript to Moscow. After Signor Feltrinelli had resisted all such attempts and had been bitterly reproached by the Italian Communist Party, of which he was still a member at the time, a telegram had arrived from Mr. Pasternak asking that publication of *Dr. Zhivago* should be dropped and the typescript returned. Both Signor Feltrinelli and he himself [Signor d'Angelo] felt that this telegram was not an expression of Pasternak's free will, and Signor Feltrinelli refused to abandon publication because, in accordance with the contract, he had already sold the English and French rights to publishers in London and Paris. Thus, even if the Italian edition had been abandoned, the British and French editions would have appeared; moreover, Signor Feltrinelli felt that by publishing *Dr. Zhivago* he would be "safeguarding the right of a great work of art to see the light."

In an editorial article on Oct. 24, under the heading "Provocative Attack of International Reaction," the *Literaturnaya Gazeta* described the Nobel award to Pasternak as "a hostile political act directed against the Soviet State." Pasternak himself was described as a "decadent poet," and his novel *Dr. Zhivago* was denounced as "squalid, malicious, and full of hatred for Socialism," "replete with falsehoods and hypocrisy," and "the biography of an evil-minded philistine and enemy of the revolution, seized upon by the reactionary press as a means of fanning the flames of the cold war."

Literaturnaya Gazeta asserted that the Swedish adjudicators – "tools of international reaction" – had conferred the Nobel Prize on Pasternak "on the basis of the single fact of the publication of Pasternak's novel *Dr. Zhivago* in a number of capitalist countries, as all his other works are almost unknown in the West." After saying that *Dr Zhivago* had been rejected by Soviet magazines and publishing houses in 1956 [see below] as "a counter-revolutionary and slanderous work, full of hatred for the people and their achievements," *Literaturnaya Gazeta* added that "the ludicrous attempts to extol this year's Nobel Prizewinner are in sharp contrast to the indifference shown by the adjudicators in the past . . . to such titans of world literature as Tolstoy, Chekhov, and Maxim Gorky, who were never considered worthy of the award. . . ."

On the following day *Literaturnaya Gazeta* published a letter which had been sent to Pasternak in September 1956 by the editors of *Novy Mir* explaining why *Dr. Zhivago* could not be accepted for publication in the Soviet Union; this letter, running to 7,500 words, contained an exhaustive analysis of the novel to support the contention that it was "deeply unjust," "historically unobjective," "anti-democratic," and "alien to any kind of understanding of the interests of the people." In a covering letter to *Literaturnaya Gazeta*, the editorial board of *Novy Mir* expressed "the disgust and contempt which all Soviet writers feel for Pasternak's shameful and unpatriotic attitude."

A still more violent attack on Pasternak was made in a *Pravda* article on Oct. 26 written by the veteran journalist David Zaslavsky.

Zaslavsky described Boris Pasternak as a "self-enamoured narcissist" and a "malevolent philistine" who had "succumbed to the flattery of the siren of foreign propaganda"; the novel *Dr. Zhivago* was described as "low-grade reactionary hackwork" and its central character as "a petty bourgeois with petty feelings and rotten thoughts." Zaslavsky predicted that "an inglorious end lies in store both for the resurrected Judas, Dr. Zhivago, and his author, whose only reward will be the contempt of the people."

On Oct. 28 *Literaturnaya Gazeta* announced that the Union of Soviet writers had unanimously decided to expel Pasternak from membership because of his "political and moral degradation" and his "betrayal of the Soviet people and the cause of Socialism." Three days later Moscow Radio announced that a congress of 800 Soviet writers had unanimously asked the Soviet Government to "deprive the traitor Boris Pasternak of Soviet citizenship."

Moscow Radio also quoted a violent condemnation of Pasternak made by the Komsonol (youth) leader Vladimir Semichastny, who in a public speech compared Pasternak with "a pig that fouls its own sty," accused him of "spitting in the faces of our people," and urged that he should be allowed to leave the Soviet Union so that he could "breathe capitalist air."

Mr. Pasternak himself had sent a telegram to the Swedish Royal Academy of Literature on Oct. 24 expressing his pleasure at the receipt of the Nobel Prize, and his hope that he would be able to visit Stockholm to receive it in person. On Oct. 29, however, he sent a letter to the Academy announcing his decision "to give up the undeserved prize I have been awarded," in view of "the meaning attributed to this distinction in the community to which I belong."

On Oct. 31 Mr. Pasternak sent the following personal appeal to M. Khrushchev, the Soviet Prime Minister:

"From a speech made by Comrade Semichastny [see above] I have learned that the Government would not put obstacles in the way of my leaving the U.S.S.R. This is impossible for me. I am linked with Russia by my birth, my life and my work.

"I cannot imagine my life separated from Russia and outside Russia. Whatever my mistakes and errors, I could never have imagined that I would find myself the centre of a political campaign like that which has been stirred up around my name in the West. Realizing this, I have informed the Swedish Academy of my voluntary rejection of the Nobel Prize.

"To leave my motherland would be the equivalent of death for me, and I therefore request that this extreme measure be not taken in relation to me. With all sincerity, I have done something for Soviet literature and may still be able to serve it."

The Tass Agency issued the following statement on Nov. 1 in connexion with Mr. Pasternak's letter to Mr. Khrushchev:

"The Soviet State will not create any obstacles if Pasternak expresses a desire to go abroad to receive the prize awarded to him. Stories in the capitalist press alleging that Boris Pasternak has been refused an exit visa are crude inventions. Pasternak has so far not applied to any Soviet State organs with a request that he be granted an exit visa, and these organs have not had and will not have any objections to issuing an exit visa to him.

"In the event of Boris Pasternak wanting to leave for good the Soviet Union, whose social system and people he has slandered in his anti-Soviet work *Dr. Zhivago*, the official organs will not place obstacles in his way. He will be provided with the opportunity to leave the Soviet Union and experience all the blessings of the capitalist paradise."

Boris Pasternak subsequently issued a personal statement which was published in *Pravda* on Nov. 6 and ran as follows:

"I considered the award of the Nobel Prize as a literary distinction; I was delighted, and expressed this in a cable to Anders Oesterling, the secretary of the Swedish Academy. But I was mistaken. . . .

When I saw the scope of the political campaign around my novel and realized that this award was a political step which has led to monstrous consequences, I voluntarily relinquished the prize on my own initiative and without any compulsion.

"In my letter to Nikita Sergeyevich Khrushchev, I declared that I had been linked with Russia by birth, life, and work, and that it was inconceivable for me to leave Russia and go into exile abroad. I had in mind not only my ties with the Russian land but also with her people, her past, her glorious present and future. But between myself and these ties there arose a barrier of obstacles engendered by the novel through my own fault.

"I never had any intention of harming my country or my people. The editorial board of *Novy Mir* warned me that the novel might be understood by readers as a work directed against the October Revolution and the foundations of the Soviet system. I did not realize this, and now regret it. . . . It seems that I assert that each revolution is historically illegitimate and that the October Revolution was such an illegitimate event which brought Russia misfortunes and led to the destruction of the Russian hereditary intelligentsia. I realize that I cannot accept such assertions carried to absurdity. Yet my work, which was awarded a Nobel Prize, gave grounds for such grievous interpretation, and this is the reason why in the end I rejected the prize.

"If publication had been suspended, as I requested of my publisher in Italy (the editions in other countries were put out without my knowledge), I would probably have succeeded at least partially in correcting this. But the book has been printed and it is too late to talk of this.

"I have not been persecuted, I have not risked either my life or my freedom, I have definitely risked nothing. I should like to re-emphasize that all my actions are voluntary. My friends know full well that nothing in the world could ever compel me to lie or to act against my conscience. It goes without saying that no one has put any pressure on me and that I am making this statement of my own free will. . . . I believe I shall find the strength to restore my good name and the lost confidence of my comrades."

The Soviet campaign against Boris Pasternak, and in particular his expulsion from the Union of Soviet Writers, was strongly denounced by writers' associations in Sweden, Norway, Denmark, Britain, and many other countries, and also by the International P.E.N. A group of eminent British writers appealed to the Union of Soviet Writers not to dishonour the great Russian literary tradition "by victimizing a writer revered throughout the entire civilized world"; the signatories included T. S. Eliot, Somerset Maugham, Stephen Spender, E. M. Forster, Graham Greene, Sir Maurice Bowra, J. B. Priestley, Aldous Huxley, Sir Julian Huxley, Rebecca West, and Lord (Bertrand) Russell.

Protests at the treatment accorded to Pasternak were made by all the Swedish political parties except the Communists, while the Norwegian Labour Party organ *Arbeiderbladet* described it as "one of the most shocking proofs yet of the regimentation of minds and the iron discipline to which intellectuals in Eastern Europe are subjected." In Delhi, Mr. Nehru said that Indians respected Boris Pasternak as a great literary figure and were "pained" by the attacks on him in the Soviet press.—(Soviet Embassy Press Department, London - Times - Manchester Guardian - Svenska Dagbladet, Stockholm - Arbeiderbladet, Oslo) **(Prev. rep. Boris Pasternak, 16523 A.)**

A. TURKEY. — Opening of Atatürk University.

The new Ataturk University at Erzerum, designed to serve the needs of eastern Anatolia, was opened on Nov. 17 in the presence of President Bayar and M. Adnan Menderes, the Prime Minister. Under a contract with the U.S. International Co-operation Administration, teachers and equipment are being provided by the University of Nebraska, which drew up the blueprints for the new foundation in collaboration with Turkish educationists. Atatürk (named after the founder of modern Turkey) is the sixth Turkish university, two of the others being at Istanbul, two at Ankara, and one at Izmir.
(Turkish Embassy Press Department, London) **(15624 B.)**

B. SOVIET UNION. — Abolition of Ministries of Trade and Grain Products. - Trade Functions transferred to Union Republics.

It was announced in Moscow on Nov. 27 (*a*) that the Ministry of Trade had been abolished and its functions transferred to the Union Republics; (*b*) that the Ministry of Grain Products had also been abolished; and (*c*) that a State Committee for Grain Products had been set up under the chairmanship of M. Leonid Korniets, formerly Minister of Grain Products. The Trade Ministry was abolished "with a view to further extending the rights of the Union Republics and enhancing their role in the development of Soviet trade."—(Soviet Embassy Press Department, London) **(Prev. rep. 16428 A; 15992 A; 15575 A.)**

C. ITALY. — Ten-year Education Programme.

A 10-year education programme to be carried out during the years 1959-1968 was approved on Sept. 11 by the Italian Cabinet. It provided for a total extraordinary expenditure of 1,386,000 million lire (£796,436,655) during this period, in addition to ordinary budgetary expenditure on education. Between 50,000 million and 55,000 million lire was allocated for the implementation of the plan during the financial year July 1, 1958 to June 30, 1959, rising progressively to a maximum of 250,000 million lire annually.

The plan envisages the construction of 150,000 new classrooms at an estimated cost of 600,000 million lire, and the training of 70,000 additional teachers and lecturers. Large sums will also be provided for new kindergartens, new elementary schools, extension and modernization of school laboratories, improvement of school libraries, and increased training facilities at universities, technical colleges, vocational training establishments, and scientific institutions.

The basis of the plan is the effective implementation of a school-leaving age of 14, as laid down in the post-war Constitution, with the aim of completely eradicating illiteracy. According to the last (1951) census 12.9 per cent of the population had never been to school, and even now it is estimated that about 200,000 children do not receive a proper school education, either because of the lack of teachers or because their parents prefer to utilize their labour at home; these conditions apply particularly to Southern Italy (the *Mezzogiorno*), which has for centuries been an impoverished and under-developed area.

It was considered that the 10-year plan could be financed without new taxation, and that the necessary sums would be provided by a continued increase in the national income during the coming decade and a corresponding increase in the Government's revenue from existing taxes.

In a press statement on Oct. 2, Signor Fanfani (the Prime Minister) said that the 10-year plan was regarded as of the utmost urgency, since it was designed to remedy existing defects in the Italian educational system and to bring it into line with standards in other European countries. He described the plan as one of the most important measures introduced since the war, and as comparable with the large-scale programme for the economic development and rehabilitation of southern Italy.
(Giornale d'Italia, Rome - Corriere della Sera, Milan)

D. UNESCO. — New Director-General.

Dr. Vittorino Veronese, of Italy, was elected Director-General of the U.N. Educational, Cultural and Scientific Organization (Unesco) on Nov. 22 in succession to Dr. Luther Evans (U.S.A.), who had tendered his resignation eight months before his term of office was due to expire.

Dr. Veronese (48) was born at Vicenza, the son of an elementary school-teacher. A lawyer and economist, he taught at the Social Science Institute in Rome, became secretary of the Roman Catholic university teachers' movement, and from 1944 to 1952 was president of the Italian Catholic Action, in which capacity he collaborated closely with the late Signor De Gasperi. Dr. Veronese had been a member of the Executive Board of Unesco since 1952, and its chairman since 1956.

The new Director-General was elected at the general conference of Unesco held at the Organization's new headquarters in Paris. The Soviet delegation tried to block the election of Dr. Veronese by proposing that Dr. Evans's mandate should run its course until its expiration in July 1959; this was rejected by a large majority, and Dr. Veronese was elected by 55 votes to 20, with four abstentions and two members absent. The appointment is for six years, dating from Dec. 6.
(U.N. Information Centre, London - Giornale d'Italia, Rome) **(Prev. rep. Dr. Evans, 12992 F.)**

E. UNITED KINGDOM. — Government Changes.

Three junior ministerial changes were announced from Downing-street on Nov. 28, as follows: (1) Mr. J. D. Profumo (43) as Joint Parliamentary Under-Secretary of State, Foreign Office, in succession to Mr. Ian Harvey, who had resigned from the Government and from Parliament on Nov. 24; (2) Mr. Julian Amery (39) as Parliamentary Under-Secretary of State, Colonial Office, *vice* Mr. Profumo; (3) Mr. Hugh Fraser (40) as Parliamentary Under-Secretary of State and Financial Secretary, War Office, *vice* Mr. Amery. Mr. Fraser, who entered the Government for the first time, is Conservative M.P. for Stone (Staffordshire) and a brother of Lord Lovat.
(Times - Daily Telegraph) **(Prev. rep. 16465 B.)**

A. UNITED KINGDOM. — Steel Industry. - New Strip Mills for Monmouthshire and Lanarkshire. - Production Statistics. - Fall in Output and Demand. - Ending of Scrap Controls.

Mr. Macmillan announced in the House of Commons on Nov. 18 that the Government had decided to authorize the construction of two major steel strip mills, each of 500,000 tons initial capacity, to be built respectively by Richard Thomas and Baldwins Ltd. at Newport (Mon.) and by Colvilles Ltd. in Lanarkshire.

After explaining that the Iron and Steel Board had concluded that additional capacity for the production of strip mill products was required to meet the future needs of the national economy, Mr. Macmillan continued . " The Government have decided to issue an Industrial Development Certificate for a project to be undertaken by Richard Thomas and Baldwins Ltd. at Newport, Monmouthshire. This will represent the first stage of a major expansion of strip mill production in South Wales. Its precise nature, timing, and financing are under discussion between the interested parties, including the company and the Iron and Steel Board, but it is envisaged that the initial production capacity will be of the order of 500,000 tons for sheet and tinplate. It is not yet possible to give an estimate of the cost.

" The board of Colvilles Ltd have agreed in principle to undertake the other project in association with their new Ravenscraig works at Motherwell [see 16315 A] and their existing works at Gartcosh, both in Lanarkshire. The Government are prepared to grant an Industrial Development Certificate for this purpose. It is intended that this project, which includes modernization of existing plant, should have an initial productive capacity of approximately 500,000 tons for sheet and light plate. It will make use of facilities already being provided by the company, and the additional cost is estimated at about £50,000,000. The initial capacity for sheet will represent a surplus above present Scottish consumption and will, I hope, attract to Scotland new industries using sheet.

" Both projects will be capable of substantial extensions, particularly that in South Wales. To the extent that their construction will require funds additional to the resources of the two companies, the necessary amounts will be advanced to them by the Government. Details of the final arrangements will be available in due course."

In reply to **Mr. Gaitskell** (Leader of the Opposition), **Mr. Macmillan** said that the terms on which the Government would provide the money for Colvilles (a de-nationalized company) had been agreed in principle, but could not yet be disclosed ; they would fully protect the taxpayers' interests, however. Answering **Mr. Gower** (C.), he said that site clearance at Newport would probably start in 1959, and the Newport project would be completed in four or five years. As regards the Scottish scheme, which would be built round or near existing plant, a good deal of the initial work had already been done. Replying to **Mr. James Griffiths** (Lab.), who stressed that the building of the Newport strip mill would inevitably lead to the closing of further small steelworks in west South Wales, with a consequent rise in unemployment, the **Prime Minister** claimed that the choice of the Newport site was justified by its economic advantages. Finally, Mr. Macmillan informed **Mr. Malcolm Macpherson** (Lab.)—who had strongly criticized the decision to divide up the new production capacity, instead of concentrating it in a single integrated unit in Scotland—that even if technical arguments in favour of the single integrated plant had not proved insuperable, it would have been unlikely that such a plant would have been located in Scotland.

A proposal for the construction of a large integrated steel strip mill, as recommended by the Iron and Steel Board, had been under consideration at Cabinet level for upwards of 18 months, the cost being unofficially estimated at up to £200,000,000. The Government's chief difficulty was to decide on its location, for whereas Richard Thomas and Baldwins had proposed the siting of a new mill at Newport, to cost about £160,000,000 (see 15820 A), competing claims had been put forward for Kidwelly (Carmarthenshire) in view of the high unemployment rate in western South Wales, as well as for Immingham (Lincolnshire), Grangemouth (Stirlingshire), and Lanarkshire.

The reasons for the Government's decision were explained on the same day by Mr. Henry Brooke, the Minister for Welsh Affairs, and by Mr. Maclay, Secretary of State for Scotland.

Mr. Brooke, after describing the Newport project as " a massive and outstanding industrial development for South Wales," continued : " On sociological grounds it would have been very good if the plant could have gone to west South Wales, and the possibility of going to Kidwelly was carefully examined. It was found that the difficulties were insuperable. Transport costs would have been substantially higher than at Newport, and to have built a new steel works and strip mill there would have sterilized hundreds of millions of tons of coal underground. We should have been sacrificing a very large employment-giving capacity in the future."

Mr. Maclay stressed that Colville's expansion would bring the eventual capacity of the strip mills in Lanarkshire to 1,000,000 tons a year, or " double the present Scottish consumption of strip." Scotland would therefore be favourably placed for attracting new light industries whose basic raw material was steel strip, and this should prove " a great help in providing new employment and a greater diversification of industry."

It was stated in the Press that the Newport plant would probably be expanded to an eventual capacity of 3,000,000 ingot tons a year, giving employment to some 4,000 workers. The initial stage in Scotland would probably provide jobs for 3,500 steel workers, besides the large building force needed.

Steel Production in Third Quarter of 1958.

A further decline in the production of steel and pig-iron took place in the third quarter of 1958, output of each commodity being about 17 per cent lower than in the corresponding quarter of 1957 ; demand for steel was also lower than in the same period of 1957. The Iron and Steel Board explained that the main decline in deliveries had been to the export trade and, in the home trade, to collieries, rolling-stock builders, shipbuilders, and constructional engineers ; deliveries of steel to consumer industries, however, had been maintained. The Board added that the reduction in home consumption was partly due to the " running down " of stocks by consumers.

Detailed production figures for the quarter are given below, with figures for the third quarter of 1957 for comparison :

	1958		1957	
	Weekly Average Tons	Annual Production Tons	Weekly Average Tons	Annual Production Tons
	Steel Ingots and Castings.			
July ..	315,900	16,426,000	362,500	18,848,000
August .	299,200	15,558,000	373,400	19,417,000
September	368,600	19,167,200	438,200	23,789,000
Third Quarter .	327,900	17,050,400	291,366	20,684,366
	Pig-Iron.			
July . .	227,000	11,805,000	263,400	13,695,000
August ..	221,000	11,492,000	272,500	14,169,000
September	230,900	12,006,800	282,700	14,698,000
Third Quarter .	226,300	11,767,933	272,866	14,187,333

Other recent developments relating to the iron and steel industry are summarized below under cross-headings :

Iron and Steel Board's Report for 1957. - Expected Rise in Capacity. The report of the Iron and Steel Board for 1957 was published on Aug. 6. The Board attributed the shortfall of steel production (21,700,000 tons—see 15986 A), as compared with estimated capacity, to three factors . (1) reduced demand for steel sheet and tinplate from the older mills ; (2) the rise in Bank Rate and tighter credit restrictions ; (3) delay in completing certain finishing plant. It stated that home-produced steel (except plate and sheet) had exceeded home consumption during the year, but that exports had risen by 450,000 tons, whilst imports had fallen to half the 1956 figure Workers' average earnings had risen from £13 2s to £13 18s., or six per cent. Wage costs per ton of steel produced had risen since 1954 by 22 per cent, whilst output had risen by 15 per cent and the numbers employed by 7¼ per cent.

The report stated that it was intended later in 1958 to " make a further appraisal of demand in conjunction with Government departments, the industry itself, and the leading consumers' organizations, and to carry the enquiry forward at least until the mid-1960s." Pending the result of this appraisal, the Board regarded the recent drop in demand as " probably short-lived," and had decided that " the objectives of the development programme should in general remain unaltered and be pursued so far as practicable." British capacity for crude steel was expected to rise to about 27,000,000 tons by 1962 and to 27,500,000-28,000,000 tons by 1963.

Ending of Scrap Control. The Parliamentary Secretary to the Ministry of Power (Sir Ian Horobin) announced on July 31 that, owing to the improvement in scrap supplies, the Government had decided to remove controls over the price and distribution of iron and steel scrap and to revoke the Iron and Steel Scrap Order from Nov. 1. Simultaneously, the Board of Trade announced that from Aug. 4 it would be prepared to consider applications for the export of limited quantities of scrap and old metal, except to ports or countries of the Sino-Soviet bloc.

Mr. Maudling (the Paymaster-General) announced on Dec. 2 that the Minister of Power, in consultation with the President of the Board of Trade, had decided to allow for the next two months the free export of all kinds of iron and steel scrap, except scrap derived from armaments or of an f.o.b value exceeding £25 a ton. The decision would be given effect by an open general licence to be issued on Dec. 5 and valid until Feb. 4, 1959. Specific licences would be granted for the export of scrap of a higher value than £25 a ton, and the whole situation would be reviewed before February 1959 to enable the Government to " judge the effect of this freedom and see how many of these large orders can be released in practice."

Resale of Steel Company. It was announced on Sept. 23 that the Iron and Steel Holding and Realization Agency had sold the entire issued share capital of the Millom and Askam Iron Co. Ltd. and the Hodbarrow Mining Co. Ltd. to Close Brothers Ltd. and Cyril Kieft and Co. Ltd., acting jointly as agents for Mr. J. H. Fischel and Raine (Holdings) Ltd. The purchase price was £1,700,000, and in addition ISHRA had received a special distribution of £500,000 from Millom and Askam out of that company's reserves. The total proceeds accruing to ISHRA therefore amounted to £2,200,000, whereas the net book value of its investment in the two companies was only £1,356,210.

Closing of Glasgow Pig-Iron Plant. Colville's Ltd. announced on Nov. 5 that the Glasgow works of its subsidiary, Dixon's Ironworks Ltd. (see 13862 D), would be closed at the end of November. It was explained that the closing was directly due to trade conditions but was in line with Colville's policy of shutting down older and less economic plant. Of the 500 workers formerly employed at Dixon's, 300 had been paid off when pig-iron production ceased in June and the remainder had since been given notice. Dixon's Ironworks is one of the oldest plants in Scotland, having been established in 1839.

The Consett Iron Co. Ltd. announced on Nov. 9 that it would erect new plate mills and additional steel making plant, expected to take three years to complete and to cost about £28,000,000. The project would be financed independently of the Stock Exchange, the company itself finding up to £10,000,000 from its own resources, borrowing £4,500,000 from each of its two bankers (Barclays and Lloyds), and obtaining the remaining £9,000,000 from the Finance Corporation for Industry. In return for this loan the F.C.I. would have the option, up to Sept. 30, 1965, of acquiring up to £1,000,000 of the company's unissued Ordinary shares at par.
(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. Production Figures, 16315 A; Iron and Steel Board Report, Five-Year Development Plan, 15820 A.)**

A. CANADA. — Federal By-elections. - Revised Party Strengths in House of Commons.

By-elections to the Canadian House of Commons were held at Grenville-Dundas (Ontario) and Montmagny-l'Islet (Quebec) on Sept. 29, results being as follows:

Grenville-Dundas.

Casselman, Mrs. Jean (Progressive Conservative)	10,738
Salmon, Mark P. (Liberal)	5,617
No change. Progressive Conservative majority	5,121

The by-election was caused by the death of Mr. A. Clair Casselman (the husband of Mrs. Casselman), who had held the constituency since 1924 in 11 consecutive general elections. Mrs. Casselman is the third woman member in the present House of Commons.

***Montmagny-l'Islet.**

Fortin, Louis (Progressive Conservative)	7,656
Blanchet, Bernardin (Liberal)	6,644
Progressive Conservative gain from Liberal. Majority	1,012

* Excluding results from one district.

The by-election was caused by the election of Mr. Jean Lesage (a former Minister of Natural Resources) to the Liberal Party leadership in Quebec Province. Mr. Fortin is a lawyer.

The original result of the general election in April last—209 seats for the Progressive Conservatives, 48 for the Liberals, and eight for the C.C.F.—was subsequently revised when the constituency of Renfrew North, first attributed to the Progressive Conservatives, was found to have been held by the Liberals, following the counting of Servicemen's postal votes; Progressive Conservative representation was thus reduced to 208 and that of the Liberals increased to 49. The result of the above-mentioned by-elections, and the death a week earlier of the Progressive Conservative member for Springfield (Manitoba), altered the strengths of the two major parties to 208 Progressive Conservatives and 48 Liberals, with one seat vacant.
(Montreal Star - External Affairs Department, Ottawa)
(Prev. rep. 16129 A.)

B. FRANCE - SOUTH VIETNAM. — Agreement on French Economic Aid. - Vietnamese Acquisition of French-owned Ricelands.

An agreement was signed in Saigon on Sept. 10 by Vice-President Nguyen Ngoc Tho and the French Ambassador, M. Jean Payart, whereby the French Government agreed to release 1,490,000,000 francs to the South Vietnamese Government for the purchase of French-owned ricefields in South Vietnam.

The agreement provided that owners of such fields would have the choice, within two months, either of accepting purchase under its terms or of submitting to the land reform and nationalization decree of the South Vietnamese Government; if they chose the latter, they would not be allowed to retain the 100 hectares of land left to other owners of larger estates. A joint French-Vietnamese commission would work out the price of the ricelands affected in the various parts of the country, and owners opting for acceptance of the terms of the agreement would receive payment from the funds released by France.

The total area of ricelands affected is over 200,000 hectares, prices varying between 1,400 and 45,000 francs per hectare according to location.—(Le Monde - Vietnam Press, Saigon)
(Prev. rep. 16208 C; 12983 A, page 12985.)

C. WALES. — Minister for Welsh Affairs appointed Chairman of Council for Wales and Monmouthshire. - Resignations from Council.

Mr. Macmillan announced on Nov. 14 that he was taking the "exceptional action" of appointing Mr. Henry Brooke, the Minister for Welsh Affairs, as chairman of the Council for Wales and Monmouthshire, in succession to Alderman Huw T. Edwards, who had resigned on Oct. 25.

Alderman Edwards had been chairman of the Council for Wales and Monmouthshire since it was set up in 1949 by Mr. Herbert Morrison—then Lord President of the Council—to advise the Government on Welsh affairs. He resigned because he felt that the Council's work was being "frustrated" by the Government's "persistent refusal" to accept the advice tendered; in particular, he instanced the Prime Minister's rejection in 1957 of the Council's recommendation that he should appoint a Secretary of State for Wales with wide executive responsibility, and that Welsh departments should be given greater authority and independence. Alderman Edwards had described the rejection of this proposal as "a snub to Wales" and had said that there was "no hope of Whitehallism ever understanding Welsh aspirations."

In a letter sent on Nov. 14 to the remaining members of the Council, the Prime Minister expressed regret at Alderman Edwards' resignation and explained that he was "most anxious" to see developed "a much closer and more fruitful relationship between the Council and the Government." After referring to the "wide measure of agreement that it would be right to consider further how this might be achieved as part of a general stocktaking and review of the Council's functions and of the way in which it could best serve Welsh interests in the future," Mr. Macmillan continued:

"In these exceptional circumstances, with the Council suddenly and unexpectedly left without a chairman, I propose to take exceptional action. To fill the vacancy caused by Alderman Edwards' resignation I have decided to appoint the Minister for Welsh Affairs as a member of the Council for the period ending Sept. 30, 1959, and I have further decided to appoint him as chairman of the Council until a new Council is appointed next year. This, therefore, is a temporary measure for the remainder of the present Council's term of office, but these will be the vital months during which a review of the Council's work can be carried out before it falls to be reconstituted next autumn. During these months I hope, too, that the Council will be able to study further and advise upon a number of current questions that are important to Wales."

Mr. Macmillan added that he proposed to appoint a Welsh-speaking Welshman to fill a second vacancy on the Council caused by the death of Alderman Emyr Williams

Mr. Brooke's appointment aroused strong criticism among leading members of the Council for Wales.

Sir William Jones (chairman of the Council's government and administration panel, and one of those who had urged the appointment of a Secretary of State for Wales) described the appointment of a non-Welshman as the Council's chairman as "an insult to Wales" and "the last straw." He stressed that the Council's constitution laid down that the appointment of its chairman was "a matter for the Council itself," and that a meeting had already been called for Nov. 28 "for the specific purpose of electing a chairman." Mr. Ernest Hickery, chairman of the Council's industrial panel, also described Mr. Macmillan's action as "unconstitutional," whilst Mr. Dafydd Williams, chairman of the tourist industry panel, called it "an unwarranted interference with the Council's independence." Mr. Williams added that Mr. Brooke's appointment broke "the pledge categorically stated by the Prime Minister in the White Paper issued in December 1957 [see 15911 A], in which he had said: 'It is right that the Council should be wholly independent of the Government so that it can give unfettered advice.'"

Certain other members of the Council, however, approved of Mr. Brooke's appointment as likely to result in a closer relationship between the Council and the Government.

When the Council met on Nov. 28 under Mr. Brooke's chairmanship, Sir William Jones, Mr. Dafydd Williams, and a third member, Mr. Richard Davies, resigned on the ground that Mr. Brooke's appointment was "unconstitutional" and would prevent the Council from carrying out its function of providing the Government with independent advice on Welsh affairs. A fourth member of the Council, Mr. W. Trevor Vaughan, tendered his resignation on Dec. 1.

It had previously been announced on Nov. 26 that Mr. Macmillan had invited Sir Ifan ab Owen Edwards, founder-president of the Welsh League of Youth, to fill the vacancy on the Council caused by the death of Mr. Emyr Williams. Sir Ifan had accepted on the basis that his appointment, in common with that of all other present members of the Council, should only run until Sept. 30, 1959, and that in the meantime the opportunity would be taken to review the Council's work and future.
(Times - Manchester Guardian - Western Mail, Cardiff)
(Prev. rep. 11058 A; 9657 C.)

DECEMBER 6—13, 1958

A. FRANCE.—The Constitution of the Fifth Republic.

The text of the new Constitution of the Fifth Republic was published in Paris on Sept. 4, after final approval by the French Cabinet and detailed study by the 39-man Consultative Committee set up by General de Gaulle's Government under the provisions of the Constitutional Reform Act passed by the French Parliament on June 2-3 (see page 16284).

The Consultative Committee consisted of 16 deputies appointed by the Universal Suffrage Commission of the National Assembly, ten senators nominated by the Council of the Republic, and 13 members appointed by the Government. It was presided over by M. Paul Reynaud, who, although a member of the National Assembly, was one of the Government-nominated members.

The 13 Government-nominated members were M. Paul Reynaud (Independent), Prime Minister in 1940; M. Maxime Blocq-Mascart, a member of the Council of State; M. Hamza Boubakeur, director of the *Institut Musulman* in Paris; M. Alfred Bour, former vice-president of the *Conseil supérieur de la magistrature;* Professor Jacques Chardonnet, of the *Institut d'études politiques* in Paris; M. René Chazelle, a magistrate, and Socialist *conseiller-général* for Haute-Loire; M. Roger Frey, secretary-general of the Social Republican (Gaullist) Party; Professor Marc Lauriol, of the *Ecole supérieure de commerce* in Algiers; M. André Malterre, a senior Civil Servant and president of the *Confédération générale des cadres;* M. Léon Noël, the former diplomat, and a Gaullist deputy from 1951 to 1956; M. Roland Pré, president of the Bureau of Mines for Overseas Territories (*Bureau minier d'outre-mer*); M. Van Graefschepe, vice-president of the *Fédération nationale des syndicats d'exploitants agricoles;* and Professor Marcel Waline, of the Law Faculty in the University of Paris.

The 16 representatives of the National Assembly comprised four Independents (MM. Edmond Barrachin, Robert Bruyneel, Jacques Fourcade and André Mignot), three Socialists (MM. Paul Alduy, Philibert Tsiranana and René Dejean, the last-named being president of the Universal Suffrage Commission), two M.R.P. deputies (MM. Paul Coste-Floret and Pierre-Henri Teitgen), one Radical (M. Lucien Degoutte), one Dissident Radical (M. Albert de Bailliencourt), one R.G.R. deputy (M. Jean-Paul David), one Social Republican (M. Raymond Triboulet), one ex-Poujadist (M. André Guérard), and two representatives of the leading African parties—M. Gabriel Lisette (R.D.A.) and M. Léopold Senghor (P.R.A.).

The ten senators on the Committee were MM. Marcilhacy, Monichon and Valentin (Independents), Champeix and Nayron (Socialists), Gilbert Jules and Raybaud (*Gauche Démocratique*), de Menditte (M.R.P.), de Montalembert (Social Republican) and Lamine-Gueye (P.R.A.).

The constitutional text was essentially the work of a small ministerial committee consisting of the Minister of Justice (M. Michel Debré of the Social Republican party), who acted as chairman, and the four Ministers of State—M. Mollet (Socialist), M. Pflimlin (M.R.P.), M. Jacquinot (Independent), and M. Houphouet-Boigny (P.R.A.). A preliminary draft had been published on July 29 and submitted to the Consultative Committee, which was asked to examine it and make recommendations to the Government within 20 days.

Among many fundamental changes introduced by the new Constitution, those appertaining to the powers and position of the President of the Republic were among the most important. Under the new Constitution, the President of the Republic will appoint the Prime Minister; will have power to dissolve the Assembly (providing it has been in existence one year) after consulting the Prime Minister and the presidents of both Houses; may assume special powers in an emergency; and may submit disputed legislation to a national referendum at the request of the Government or of both Houses of Parliament. He will be elected for seven years by an electoral college consisting of the two Houses of Parliament, the departmental general councils, overseas assemblies, and elected representatives of the municipal councils, and will be eligible for re-election.

The Prime Minister will be appointed by the President (instead of being invested by the National Assembly, as in the Fourth Republic), but he and the Cabinet will be responsible only to Parliament. The Prime Minister will be assumed to have the Assembly's confidence unless the Opposition moves a motion of censure signed by at least one-tenth of the deputies. Such motion of censure must be approved by an absolute majority; if defeated, its sponsors must not introduce another no-confidence motion in the same parliamentary session. Ministers will have to relinquish their parliamentary seats on entering the Cabinet.

The French Parliament will consist of the National Assembly and the Senate (the latter body reverting to the name it enjoyed under the Third Republic, and the designation Council of the Republic being abolished). Bills can be presented in either House with the exception of money Bills, which must originate in the National Assembly. If disputes arise between the two Houses, the National Assembly will have the final word. Parliament will sit for a maximum of 5½ months each year, and may also meet in extraordinary session for 12 days at the request of the Prime Minister or of a majority of the Assembly. Voting rights will be personal and can only be delegated in special circumstances (delegation of voting was common under the Fourth Republic).

Each overseas territory was given three choices under the Constitution: (1) full integration with France as a *département* of the French Republic (i.e. the status enjoyed by the four oversea *départements* of Guadeloupe, Martinique, Réunion, and French Guiana); (2) retention of its present territorial status, with the right to representation in the French Parliament as hitherto; or (3) entry into a federal "French Community" as a fully autonomous unit in which each member would direct its own affairs, with the Community controlling such matters as foreign policy, defence, and joint economic and financial policy. The Community would possess a president (the President of the Republic) an Executive Council, a Senate, and a Court of Arbitration. (The effect of this provision was to abolish the provisions of the 1946 Constitution relating to the French Union). Rejection of the new Constitution by any colony would imply immediate secession from France.

A Constitutional Council would be set up consisting of nine members (of whom the President of the Republic would designate three, in addition to the chairman) and all living ex-Presidents. It would have responsibility for supervising all elections and referenda, and would have to be consulted on constitutional questions and before the President of the Republic assumed emergency powers. It would also determine, at the request of the Government, whether a President was temporarily or permanently prevented from exercising his functions.

The full text of the Constitution of the Fifth Republic is as follows; the italicized paragraphs in parentheses explain the changes made as compared with the Government's original draft, and in response to suggestions by the Consultative Committee.

Preamble.

"The French people solemnly proclaims its attachment to the Rights of Man and to the principles of national sovereignty as defined by the Declaration of 1789, confirmed and completed by the preamble of the Constitution of 1946.

"By virtue of these principles and that of the free determination of peoples, the Republic offers to those overseas territories which manifest their desire to adhere to them new institutions founded on the common ideal of liberty, equality and fraternity, and conceived with a view to their democratic evolution."

[*Two additions were made in the text as compared with the initial draft: (1) insertion of the words "free determination of peoples," as suggested by the Consultative Committee; (2) insertion of the words "with a view to their democratic evolution," added by the Government.*]

Art. 1. The Republic and the peoples of the overseas territories who, by an act of free determination, adopt the present Constitution institute a Community. The Community is founded on the equality and the solidarity of the peoples composing it.

[*This Article was originally part of Section XII—The Community (see below). Its final wording conformed closely to the proposals of the Consultative Committee.*]

Section I.—Sovereignty.

Art. 2. France is an indivisible, secular, democratic and social Republic. It assures the equality before the law of all citizens without distinction of origin, race or religion. It respects all beliefs.

The national emblem is the Tricolor flag of blue, white and red.

The National Anthem is the *Marseillaise.*

The motto of the Republic is *Liberté, Egalité, Fraternité.*

Its principle is government of the people, by the people, and for the people.

[*The second and third sentences in the first paragraph were added by the Government in the final version.*]

Art. 3. National sovereignty resides in the people, which exercises it through its representatives and through the referendum.

No part of the people, nor any individual, can attribute to themselves the exercise of sovereignty.

Suffrage may be direct or indirect under the conditions provided for by the Constitution. It is always universal, equal, and secret.

All French citizens of both sexes who have reached their majority and who possess their civil and political rights have the franchise under the conditions determined by law.

Art. 4. Political parties and groups may compete for the expression of the suffrage. They may freely form themselves and exercise their activities. They must respect the principles of national sovereignty and of democracy.

[*This Article was based on a recommendation of the Consultative Committee, which had proposed that an organic law should regulate details of its application. The Government supported the Committee's recommendation in principle but rejected the proposal for a special implementing law; instead, it inserted the phrase that the parties "may compete for the expression of the suffrage" and the sentence that they may "freely form themselves and exercise their activities"—thereby providing a constitutional basis for the existence and activities of the parties.*]

Section II.—The President of the Republic.

Art. 5. The President of the Republic ensures respect for the Constitution. By his arbitration he assures the regular functioning of the public authorities, as well as the continuity of the State. He is the guarantor of national independence, of the integrity of the national territory, and of respect for Community agreements and for treaties.

Art. 6. The President of the Republic is elected for seven years by an Electoral College comprising the members of Parliament, of the [departmental] General Councils and of the Assemblies of the oversea territories, as well as the elected representatives of the municipal councils.

These representatives are: the mayor (*maire*) for communes of less than 1,000 inhabitants; the mayor and his first deputy for communes from 1,000 to 2,000 inhabitants; the mayor, his first deputy, and a municipal councillor for communes from 2,001 to 2,500 inhabitants; the mayor and his first two deputies for communes from 2,501 to 3,000 inhabitants; the mayor, his first two deputies, and three municipal councillors for communes from 3,001 to 6,000 inhabitants; the mayor, his two first deputies, and six municipal councillors for communes from 6,001 to 9,000 inhabitants; all municipal councillors for communes of more than 9,000 inhabitants; and in communes of over 30,000 inhabitants, all municipal councillors as well as delegates designated by the municipal council in the ratio of one delegate for every 1,000 inhabitants above 30,000.

In the overseas territories of the Republic, representatives of the councils of administrative units, elected under conditions to be determined by an organic law, are also members of the Electoral College.

The participation of member-States of the Community in the Electoral College is regulated by agreement between the Republic and those member States. The mode of application will be defined by an organic law.

[*The Government's initial draft did not lay down the composition of the Electoral College, whilst the Consultative Committee's proposals did not envisage any additional representatives for towns above* 30,000 *inhabitants apart from the members of their municipal councils. It was pointed out, however, that the addition of such delegates would only compensate to a small extent for the considerable numerical advantage given to the small communities in their representation in the Electoral College.*]

Art. 7. The President of the Republic is elected by an absolute majority on the first ballot. If this is not obtained, the President is elected on a second ballot by a relative majority.

Voting begins after the Electoral College has been convened by the Government.

The election of the new President takes place 20 days at least and 50 days at most before the expiration of the powers of the President in office.

If the Presidency of the Republic falls vacant, for whatever cause, or if the President is prevented from exercising his functions—as determined by the Constitutional Council at the request of the Government, and by an absolute majority of the Council's members—the Presidential functions, with the exception of those provided for by Articles 11 and 12 below, are exercised by the President of the Senate. In case of a vacancy, or if the Constitutional Council has determined that the President is permanently [i.e. not only temporarily] prevented from exercising his office, voting for the election of a new President takes place within at least 20 days, and at most 50 days, unless the Constitutional Council has decided that *force majeure* makes this impossible.

[*The Government did not accept the Consultative Committee's recommendation that the President should be elected by a joint meeting of both Houses of Parliament, the presidents of the* Conseils Généraux, *and the presidents of the Territorial Assemblies of overseas territories in the event of an absolute majority not being obtained in the two first ballots. Instead, it decided in favour of requiring only a relative majority in the second ballot.*]

Art. 8. The President of the Republic nominates the Prime Minister. He relieves him of his office if the Prime Minister tenders the Government's resignation.

On the Prime Minister's proposal, the President nominates and dismisses the other members of the Government.

[*The second sentence of the first paragraph was a new version, making it clear that the Head of State does not dismiss the Prime Minister but accepts the latter's resignation.*]

Art. 9. The President of the Republic presides over the Council of Ministers (Cabinet).

Art. 10. The President of the Republic promulgates laws within 15 days following their transmission to the Government after their final adoption [by Parliament.] Within this period he may ask Parliament for a new reading of the law or certain of its Articles. This new reading cannot be refused.

Art. 11. On the proposal of the Government during [parliamentary] sessions, or on a joint proposal of the two Assemblies published in the *Journal Official*, the President of the Republic may submit to a referendum any Bill dealing with the organization of public powers, containing approval of a Community agreement, or providing for authorization to ratify a treaty which, without being contrary to the Constitution, might affect the functioning of [the country's] institutions.

When the referendum is in favour of the Bill, the President of the Republic promulgates it within the period provided for in the preceding Article.

[*The Government accepted the Consultative Committee's proposal that it only could demand a referendum during parliamentary sessions.*]

Art. 12. The President of the Republic after consulting the Prime Minister and the Presidents of the Assemblies, may order the dissolution of the National Assembly.

General elections take place within at least 20 days and at most 40 days after the dissolution.

The National Assembly meets on the second Thursday following its election. If this meeting takes place outside the periods of ordinary sessions, a session is rightfully opened for 15 days.

A new dissolution cannot be effected within the year following these elections.

Art. 13. The President of the Republic signs the ordinances and decrees adopted by the Council of Ministers.

He makes all civil and military State appointments.

Councillors of State, the Grand Chancellor of the Legion of Honour, ambassadors and envoys extraordinary, councillors of the Court of Accounts, prefects, representatives of the Government in overseas territories, general officers, rectors of academies, and directors of central administrations are nominated by the Council of Ministers.

An organic law will determine the other posts to be filled by the Council of Ministers, as well as the conditions under which the nominating power of the President of the Republic may be delegated by him or exercised in his name.

Art. 14. The President of the Republic accredits ambassadors and envoys to foreign Powers; foreign ambassadors and envoys are accredited to him.

Art. 15. The President of the Republic is Chief of the Armed Forces (*Chef d'Armées*). He presides over the Higher Councils and Committees of National Defence.

Art. 16. When the institutions of the Republic, the independence of the nation, the integrity of its territory, or the execution of its international commitments are gravely and immediately threatened and the regular functioning of the public authorities is interrupted, the President of the Republic will take the measures required by these circumstances after consultation with the Prime Minister, the Presidents of the Assemblies, and the Constitutional Council. He informs the nation of these measures by message.

The measures must be inspired by the desire to assure to the constitutional public authorities, with the least possible delay, the means of exercising their proper functions. The Constitutional Council must be consulted on these measures.

Parliament meets by right. The National Assembly cannot be dissolved during the exercise of the exceptional powers.

[*The Government did not accept the Consultative Committee's proposal that the Constitutional Council alone should determine whether circumstances justified a recourse to special powers. The last two paragraphs had been recommended by the Constitutional Committee.*]

Art. 17. The President of the Republic exercises the right of pardon.

Art. 18. The President of the Republic communicates with the two Houses of Parliament by messages which are read for him and which are not debated.

Outside its sessions, Parliament is specially convened for this purpose.

[*In the first paragraph the Constitutional Committee had deleted the phrase that the presidential messages should be "read for him," but the Government did not accept this. The second paragraph was inserted in the final version.*]

Art. 19. All acts of the President of the Republic, other than those provided for under Articles 8 [first paragraph], 11, 12, 16, 18, 54, 56 and 61, are countersigned by the Prime Minister and, according to each individual case, by the responsible Minister.

Section III.—The Government.

Art. 20. The Government determines and carries out the policies of the nation.

It has at its disposal the administration and the armed forces.

It is responsible to Parliament under the conditions and according to the procedures provided for in Articles 49 and 50.

Art. 21. The Prime Minister directs the Government's actions. He is responsible for national defence. He ensures the execution of the laws. Subject to the conditions of Article 13, he exercises regulatory power and makes nominations to civil and military posts.

He may delegate certain of his powers to Ministers.

He deputizes, should the need arise, for the President of the Republic as president of the councils and committees mentioned in Article 15.

He may, in exceptional cases, deputize for the President as chairman at Cabinet meetings by virtue of an explicit assignment, and for a specific agenda.

Art. 22. The acts of the Prime Minister are countersigned by the Ministers responsible for their implementation.

Art. 23. Membership of the Government is incompatible with the exercise of any parliamentary mandate, with any professional representation of a national character, and with any public employment or professional activity.

An organic law will determine the conditions under which the holders of such mandates, activities, or employment are replaced.

Replacement of members of Parliament takes place in conformity with the provisions of Article 25.

[*The Consultative Committee had recommended that parliamentarians joining the Government should simply be "granted leave" instead of losing their mandate, but the Government adhered to its original proposal. On the other hand, whilst by-elections were not originally envisaged in such cases, they will now take place whenever a parliamentarian loses his mandate by reason of joining the Government. In the Government's initial draft, incompatibility with ministerial office was confined to those holding parliamentary mandates, in the final draft, however, the categories of those who could not be Ministers and at the same time continue their previous activities was greatly extended—see Article* 23.]

Section IV.—Parliament.

Art. 24. Parliament consists of the National Assembly and the Senate.

The deputies in the National Assembly are elected by direct suffrage.

The Senate is elected by indirect suffrage. It ensures the representation of the local authorities and territorial assemblies (*collectivités territoriales*) of the Republic. Frenchmen living outside France are represented in the Senate.

Art. 25. An organic law will determine the duration of the powers of each Assembly, the number of its members, their salary, and the conditions of eligibility and ineligibility.

It will also lay down the conditions under which elections will be held to fill vacant seats of Deputies and Senators for the period until the complete or partial renewal of the Assembly to which they belong.

Art. 26. No member of Parliament may be prosecuted, investigated, arrested, detained or tried because of the opinions expressed, or votes cast, by him in the exercise of his functions.

No member of Parliament may be prosecuted or arrested for crimes or offences during parliamentary sessions without the authorization of the Assembly to which he belongs, save in the event of his being caught *in flagrante delicto*.

When Parliament is not in session, no member of Parliament can be arrested without the authorization of the *Bureau* of the Assembly to which he belongs, except in cases of *flagrant délit*, authorized prosecution, or final conviction.

The detention or prosecution of a member of Parliament must be suspended if the Assembly of which he is a member demands it.

[*The Government accepted the text of this Article as proposed by the Consultative Committee.*]

Art. 27. All [extra-parliamentary] instructions on how to vote are null and void.

The voting rights of the members of Parliament are personal.

The organic law may, under exceptional circumstances, authorize the delegation of the vote. In this case, no-one may accept the delegation of more than one vote.

[*In the past, members of Parliament who wished to stay away, or were otherwise prevented from attending, had frequently delegated the exercise of their vote to other deputies or senators.*]

Art. 28. Parliament meets by right in two ordinary sessions a year.

The first session begins on the first Tuesday of October and ends on the third Friday of December.

The second session opens on the last Tuesday of April; its duration may not exceed three months.

Art. 29. Parliament meets in extraordinary session at the request of the Prime Minister, or of the majority of the membership of the National Assembly, on a specific agenda.

When the extraordinary session is held at the request of the members of the National Assembly, the decree of closure is issued as soon as Parliament has dealt with the agenda for which it was called, and at the latest 12 days from the date of its convocation.

The Prime Minister may only ask for a new session before the end of the month which follows the decree of closure.

[*The Government accepted the Consultative Committee's demand that extraordinary sessions convened at the Assembly's request should last for a maximum of* 12 *days, instead of eight as originally proposed. The clause preventing the Prime Minister from demanding another extraordinary session later than one month after the end of a previous similar session also reflected the views of the Consultative Committee.*]

Art. 30. Except when Parliament meets by right, extraordinary sessions are opened and closed by decree of the President of the Republic.

Art. 31. The members of the Government may attend both Assemblies. They must be heard at their request.

They may be assisted by commissioners of the Government (*commissaires du gouvernement*).

Art. 32. The Speaker of the National Assembly is elected for the duration of the legislature. The President of the Senate is elected after each partial election.

Art. 33. The meetings of the two Assemblies are public. A complete report of the debates is published in the *Journal Officiel*.

Each Assembly may meet in secret committee at the demand of the Prime Minister or of one-tenth of its members.

Section V.—Relations between Parliament and the Government.

Art. 34. Laws are voted by Parliament.

Laws determine the principles concerning:

Civil Rights and fundamental guarantees accorded to the citizens for the exercise of public liberties; the obligations imposed by national defence upon the person and property of citizens;

Nationality, personal status and capacity to handle one's affairs [e.g. minors, mentally deranged persons, etc.] matrimonial affairs, inheritances, and gifts;

The determination of crimes and offences, as well as the punishments applicable to them; criminal procedure; amnesty, the creation of new judicial systems; and the statute of magistrates;

The imposition, rates, and collection of taxes of all types; the system of issuing money.

Laws also lay down the rules concerning:

The electoral system for the parliamentary assemblies and the local assemblies;

The setting-up of categories of public industries;

The fundamental guarantees accorded to civil and military functionaries of the State;

The nationalization of enterprises and the transfer of property from the public to the private sector.

Laws lay down the fundamental principles of:

The general organization of national defence;

The free administration of local communities, their powers, and their resources;

Education;

The status of property and of labour, civil and commercial obligations,

Laws pertaining to labour, unions, and social security.

The financial laws regulate the financial resources and obligations of the State under the conditions and with the exceptions provided for by an organic law.

Appropriate laws determine the objectives of the economic and social activities of the State.

The provisions of this Article will be detailed and completed by an organic law.

[*The new list of the legislative competences of Parliament was based on the advice of the Consultative Committee, as revised by the Council of State. It retained,* inter alia, *tax and electoral legislation, but in other respects was less clear than the Committee's proposals—which had, for instance, expressly reserved to Parliament all legislation on the administration of social security and benefits and family allowances. Nevertheless, there will be a possibility of making the list more precise and of completing it by means of an organic law, as stated in the final paragraph of this Article.*]

Art. 35. A declaration of war is authorized by Parliament.

Art. 36. A state of siege is decreed by the Council of Ministers. Its extension beyond 12 days can only be authorized by Parliament.

Art. 37. All matters other than those which are the subject of legislation may be regulated by decree (*un caractère réglementaire*).

Legislation pertaining to these matters may be modified by decrees issued after the advice of the Council of State. Those laws which come into effect after the entry into force of the present Constitution may only be modified by decree if the Constitutional Council has stated that . . . they do not fall within the categories to be dealt with by legislation.

[*The intervention of the Council of State was a new provision added to the original draft.*]

Art. 38. In order to carry out its programme, the Government may ask Parliament to authorize it to issue ordinances during a limited period on such matters as are normally subject to laws.

Such ordinances are issued by the Council of Ministers after an opinion has been given by the Council of State. They come into force upon publication, but become null and void if a Bill for their ratification is not submitted to Parliament before the date fixed by the enabling Act.

After the expiration of the period mentioned in the first paragraph of this Article, these ordinances may only be modified by legislation if they concern matters falling within the legislative sphere.

[*The initial draft would have also allowed the Government to deal by decree with financial measures necessary to implement its programme; this was omitted from the final text.*]

Art. 39. Bills may be initiated by the Prime Minister and by the members of Parliament.

Bills are discussed by the Council of Ministers after the Council of State has given an opinion, and are then submitted to the *Bureau* of one of the two Assemblies. All financial Bills must be first submitted to the National Assembly.

Art. 40. Bills and amendments proposed by members of Parliament are not admissible when their adoption would result either in a reduction of public [financial] resources or the creation or aggravation of a public debt.

Art. 41. If it appears in the course of the legislative process that a Bill or an amendment is not within the sphere of legislation, or is contrary to a delegation of legislative power granted to the Government by virtue of Article 38, the Government can oppose its admissibility.

In case of a disagreement between the Government and the president of the Assembly concerned, the Constitutional Council, at the request of one or the other party, will give its decision within eight days.

Art. 42. The discussion of Bills by the first Assembly to which they have been referred is confined to the text presented by the Government.

An Assembly which has received a Bill voted by the other Assembly deliberates on the text which has been transmitted to it.

Art. 43. At the request of the Government or of the Assembly concerned, Bills must be sent for examination to committees specially designated for this purpose.

Those Bills for which such a request has not been made are sent to one of the permanent committees, the number of which is limited to six in each Assembly.

[*The Consultative Committee wished to restrict examination by special committees to those Bills which would not fall within the sole competence of one of the permanent committees, but the Government rejected this.*]

Art. 44. Members of Parliament and of the Government have the right of amendment.

After the opening of the debate, the Government can oppose the consideration of any amendment which has not previously been submitted to the committee.

If the Government requests it, the Assembly concerned must decide by a single vote on all or part of the text under discussion, considering only the amendments proposed or accepted by the Government.

Art. 45. Every Bill is examined successively in the two Assemblies of Parliament with a view to the adoption of an identical text.

When, as a result of a disagreement between the two Assemblies, a Bill has not been adopted after two readings by each Assembly, or, if the Government has declared the Bill to be one of urgency, after a single reading by each Assembly, the Prime Minister is entitled to demand the convening of a joint committee on which both Assemblies are equally represented, and which has the task of proposing a text on the matters still under discussion.

The text worked out by the joint committee may be submitted by the Government for the approval of the two Assemblies. No amendment is admissible except by agreement with the Government.

If the joint committee does not agree on a common version, or if this version is not adopted under the conditions set forth in the preceding paragraph, the Government, after a new reading by the National Assembly and the Senate, can request the National Assembly to give a final decision. In this case the National Assembly can either reconsider the text worked out by the joint committee, or the last text voted by it, modified as the case may be by one or several of the amendments adopted by the Senate.

[*As explained by M. Debré, the normal procedure under this system will be that of an indefinite* navette *as under the* 1875 *Constitution. The Assembly will have the final say only if the Government permits this. The Consultative Committee had proposed the admissibility of amendments to the text agreed by the joint committee of both Assemblies, provided they had been passed by a majority of the members of one Assembly, but the Government rejected this recommendation.*]

Art. 46. Laws on which the Constitution confers the character of organic laws are voted and amended under the following conditions:

The first Assembly to which the Bill has been submitted can deliberate and vote on it only after 15 days following its introduction.

The procedure of Article 45 is also applicable here. However, if there is no agreement between the two Assemblies, the passing of the Bill by the National Assembly in final reading requires an absolute majority of the Assembly's membership.

Organic laws relating to the Senate must be voted in the same manner by the two Assemblies.

Organic laws can be promulgated only after a declaration by the Constitutional Council that they conform to the Constitution.

Art. 47. Parliament votes Finance Bills under the conditions laid down by an organic law.

If the National Assembly has not given a decision on its first reading within 40 days following the introduction of a Bill, the Government refers it to the Senate, which must decide within 15 days. The further procedure is regulated by the conditions set forth in Article 45.

If Parliament has not given a decision within 70 days, the provisions of the Bill may be put into effect by ordinance.

If a Finance Bill laying down revenue and expenditure for a fiscal year has not been introduced early enough for it to be promulgated before the beginning of that fiscal year, the Government must ask Parliament as a matter of urgency to be given authority for collecting taxes and for making available the credits needed for the purposes voted.

The periods set forth in the present Article are suspended when Parliament is not in session.

The Court of Accounts assists Parliament and the Government in controlling the execution of financial legislation.

Art. 48. The agenda of the Assemblies provides, as a matter of priority and in the order, which the Government has fixed, for the discussion of the Bills introduced by the Government or accepted by it.

One session a week is reserved as a matter of priority for questions by members of Parliament and answers by the Government.

[*The Consultative Committee had tried to restrict the Government's right to fix the agenda in respect of at least one session a week, when the agenda would have been at the discretion of each Assembly. The Government, however, rejected any such restriction of its powers.*]

Art. 49. The Prime Minister, after deliberation by the Cabinet, stakes the responsibility of the Government before the National Assembly on its programme or on a declaration of general policy.

The National Assembly invokes the Government's responsibility by voting a motion of censure. Such a motion is only admissible if it is signed by at least one-tenth of the members of the National Assembly. Voting on it can take place only 48 hours after the motion has been tabled.

The only votes counted are those supporting the censure motion, whose adoption requires a majority of the Assembly's membership. If the censure motion is rejected, its signatories cannot propose a new one in the course of the same session, except in the case set forth in the following paragraph.

The Prime Minister, after deliberation by the Cabinet, may make the existence of the Government dependent on the vote of a text by the National Assembly. In such a case, the text is considered as adopted unless a motion of censure, tabled during the next 24 hours, is passed in the conditions set forth in the preceding paragraph.

The Prime Minister has the right to ask the Senate for approval of a declaration of general policy.

Art. 50. When the National Assembly adopts a motion of censure, or when it disapproves the programme or a declaration of general policy of the Government, the Prime Minister must tender the Government's resignation to the President of the Republic.

Art. 51. The closing of ordinary or extraordinary sessions is by right delayed in order to permit, should the case arise, the application of the provisions of Article 49.

Section VI.—Treaties and International Agreements.

Art. 52. The President of the Republic negotiates and ratifies treaties.

He is informed of all negotiations leading to the conclusion of an international agreement not subject to ratification.

Art. 53. Peace treaties, commercial treaties, treaties or agreements relating to international organizations, and those which affect the finances of the State, modify dispositions of a legislative nature, relate to the personal status of individuals, or involve the cession, exchange or addition of territory, can be ratified or approved only by a law.

They do not come into effect until they have been so ratified or approved.

No cession, exchange, or addition of territory is valid without the consent of the populations concerned.

[*The list of treaties and agreements requiring ratification or approval by a law was extended according to the Consultative Committee's recommendations, notably by the addition of commercial treaties.*]

Art. 54. If the Constitutional Council, after the matter has been referred to it by the President of the Republic, by the Prime Minister, or by the President of one or other Assembly, declares that an international commitment contains a provision contrary to the Constitution, then authority to ratify or approve it can only be given after the revision of the Constitution.

[*Both the Government's initial draft and that of the Consultative Committee had envisaged the same procedure for "organic laws," but this was eventually dropped.*]

Art. 55. Treaties or agreements properly ratified or approved have, upon their publication, an authority superior to ordinary legislation, provided that in each individual case the treaty or agreement is also applied by the other party.

Section VII.—The Constitutional Council.

Art. 56. The Constitutional Council consists of nine members, whose term of office is for nine years and is not renewable. One-third of the membership of the Constitutional Council will be renewed every three years. Three of its members are nominated by the President of the Republic, three by the President of the National Assembly, and three by the President of the Senate.

In addition to the nine members provided for above, former Presidents of the Republic are *ex-officio* members of the Constitutional Council for life.

Its President is named by the President of the Republic. He has the deciding vote in case of a tie.

Art. 57. Membership of the Constitutional Council is incompatible with Ministerial office or membership of Parliament. Other incompatabilities will be regulated by an organic law.

Art. 58. The Constitutional Council supervises the election of the President of the Republic.

It examines complaints and announces the results of the vote.

Art. 59. The Constitutional Council decides on the regularity of the election of deputies and senators if this is contested.

Art. 60. The Constitutional Council supervises the procedure of a referendum and announces the results.

Art. 61. Organic laws before their promulgation, and procedural regulations of the parliamentary Assemblies, before they come into application, must be submitted to the Constitutional Council, which decides on their conformity with the Constitution.

For the same purpose Bills may be referred to the Constitutional Council, before their promulgation, by the President of the Republic, the Prime Minister, or the President of one or other of the Assemblies.

In all these cases the Constitutional Council must give its ruling within one month. However, at the Government's request because of urgency, this period is reduced to eight days.

Reference to the Constitutional Council suspends the time-limit for promulgation.

Art. 62. A provision which has been declared unconstitutional may not be promulgated nor put in force.

There is no appeal against the decisions of the Constitutional Council, which are binding on all State organs and on all administrative and judicial authorities.

Art. 63. An organic law determines the organization and functioning of the Constitutional Council, its procedure, and notably the period within which a dispute may be referred to it.

Section VIII.—Judicial Authority.

Art. 64. The President of the Republic is the guarantor of judicial independence and authority.

He is assisted by the Superior Council of the Judiciary (*Conseil supérieur de la magistrature*).

An organic law lays down the statute of judges.

Judges, on their appointment, hold office for life.

[*Both Government's initial draft and the Consultative Committee had merely proposed that the independence of judges should be guaranteed by the law.*]

Art. 65. The Higher Council of the Judiciary is presided over by the President of the Republic. Its Vice-President is the Minister of Justice, who may deputize for the President of the Republic.

The Higher Council includes, in addition, nine members designated by the President of the Republic in conformity with conditions to be defined by an organic law.

The Higher Council of the Judiciary presents nominations for judges of the *Court de Cassation* [the Supreme Court] and for the senior presiding judge of the Courts of Appeal. It gives its opinion, under the conditions laid down by an organic law, on nominations of other judges proposed by the Minister of Justice. It is consulted on questions of pardon under conditions to be defined by an organic law.

The Higher Council of the Judiciary decides in disciplinary matters affecting established judges. It is then presided over by the senior presiding judge of the Court of Cassation.

[*This version contained numerous changes from the original draft, the functions of the Higher Council being enlarged and its functioning classified.*]

Art. 66. No one may be arbitrarily detained.

The judicial authority, guardian of individual liberty, assures respect for this principle under the conditions provided for by law

Section IX.—The High Court of Justice.

Art. 67. There will be a High Court of Justice.

It consists of members of Parliament elected in equal numbers by the National Assembly and by the Senate after each complete or partial renewal of those Assemblies. It elects its president from among its members.

An organic law will fix the composition of the High Court, its administrative rules, and its procedure.

Art. 68. The President of the Republic is not accountable for acts undertaken in the exercise of his duties, except in the case of high treason. He can be indicted only by the two Assemblies passing identical motions in an open vote and by an absolute majority of their respective memberships; he is judged by the High Court of Justice.

Members of the Government are responsible under criminal law for acts undertaken in the exercise of their duties which are considered as crimes or offences at the time they were committed. The procedure defined above is applicable to them, as well as to their accomplices in the case of a plot against the security of the State. In all cases covered by this paragraph the High Court is bound by the definition of the crimes and offences, as well as by the determination of the penalties, laid down by the penal laws in force at the time the acts were committed.

Section X.—The Economic and Social Council.

Art. 69. The Economic and Social Council, at the request of the Government, gives its advice on the Bills, ordinances or decrees which have been referred to it.

A member of the Economic and Social Council may be designated by the Council to explain before the parliamentary Assemblies the Council's opinion on Bills or proposals submitted to it.

Art. 70. The Economic and Social Council can likewise be consulted by the Government on any problem of an economic or social character which is of concern to the Republic or to the Community. Any economic or social Plan or Bill must be referred to it for its advice.

Art. 71. The composition of the Economic and Social Council, and its operating rules, will be determined by an organic law.

Section XI.—Territorial Units.

Art. 72. The territorial units (*collectivités*) of the Republic are the communes, the departments, and the overseas territories. Any other territorial unit can only be created by law.

These units administer themselves freely through elected councils and under conditions provided for by law.

In the departments and the territories, the delegate of the Government is responsible for upholding the national interests, administrative control, and respect for the law.

Art. 73. The legislative system and the administrative organization of the overseas departments may be adapted to meet the requirements of their particular situation.

Art. 74. The overseas territories of the Republic have a special organization taking account of their particular interests within the overall interests of the Republic. This organization is defined and modified by law after consultation with the territorial assembly concerned.

Art. 75. Citizens of the Republic who do not have the ordinary civil status—the only status recognised in Article 34—retain their personal status as long as they have not renounced it.

Art. 76. The overseas territories may retain their status within the Republic.

If they express a wish to that effect by a decision of their territorial assembly within the period fixed in the first paragraph of Article 91 [i.e. within four months after the promulgation of the Constitution], they may become either overseas departments of the Republic or member-States of the Community.

Section XII.—The Community.

Art. 77. In the Community established by the present Constitution, the member-States enjoy autonomy; they administer themselves and manage their own affairs democratically and freely.

There is only one citizenship in the Community.

All citizens are equal before the law, whatever their origin, their race, or religion. They have the same duties.

Art. 78. The competence of the Community comprises foreign policy, defence, currency, and common economic and financial policy, as well as policy concerning strategic raw materials.

In addition, it comprises (unless excluded by special agreement) control of justice, higher education, the general organization of external and common transport, and telecommunications.

Special agreements may establish other common spheres of competence or regulate the transfer of competences from the Community to one of its members.

Art. 79. The member-States benefit from the provisions of Article 77 as soon as they have exercised the choice provided for in Article 76.

Until the measures required for the application of this section come into effect, matters of common competence will be regulated by the Republic.

Art. 80. The President of the Republic presides over and represents the Community.

The organs of the Community are an Executive Council, a Senate, and a Court of Arbitration

Art. 81. The member-States of the Community participate in the election of the President under the conditions set forth in Article 6.

The President of the Republic, in his capacity of President of the Community, is represented in each State of the Community.

Art. 82. The President of the Community presides over the Executive Council of the Community. The Council consists of the Prime Minister of the Republic, the Heads of Government of each of the member-States, and the Ministers responsible for the common affairs of the Community.

The Executive Council organizes the co-operation of members of the Community at governmental and administrative levels.

The organization and functioning of the Executive Council will be defined by an organic law.

Art. 83. The Senate of the Community consists of delegates whom the Parliament of the Republic and the Legislative Assemblies of the other members of the Community elect from their own membership. The number of delegates of each State depends on its population and the responsibilities it assumes in the Community.

The Senate holds two sessions a year, which are opened and closed by the President of the Community and may not exceed one month each.

At the request of the President of the Community, the Senate deliberates on common economic and financial policy before laws in these spheres are voted by the Parliament of the Republic, or, as the case may be, by the Legislative Assemblies of the other members of the Community.

The Senate studies those international acts, treaties or agreements which are specified in Articles 35 and 53 and which bind the Community.

The Senate takes binding decisions in those spheres which have been delegated to it by the Legislative Assemblies of the members of the Community. These measures are promulgated in the same form as the law of the territory of each of the States concerned.

An organic law will regulate details of the Senate's composition and the rules for its functioning.

Art. 84. A Community Court of Arbitration adjudicates on disputes between members of the Community.

Its composition and competence will be regulated by an organic law.

Art. 85. Contrary to the procedure set forth in Article 89, the provisions of this Section which concern the functioning of common institutions can be amended by laws voted in identical forms by the Parliament of the Republic and by the Senate of the Community.

Art. 86. A change in the status of a member-State may be requested either by the Republic or by a resolution of the Legislative Assembly of the State concerned which has been confirmed in a local referendum, the organization and supervision of which is carried out by the organs of the Community. The terms of such a change in status are regulated by an agreement approved by the Parliament of the Republic and the Legislative Assembly concerned.

Under the same conditions a member-State of the Community may become independent. It then ceases to belong to the Community.

[*This Article was directly inspired by General de Gaulle's speeches at Brazzaville and Dakar during a pre-referendum tour of the African colonial territories. It envisages specifically the possibility of a member-State wishing to become independent. The final version of the whole Section was largely based on the proposals of the Consultative Committee.*]

Art. 87. The special agreements made for the application of this section must be approved by the Parliament of the Republic and the Legislative Assembly concerned.

Section XIII.—Agreements of Association.

Art. 88. The Republic or the Community may conclude agreements with States desiring to associate themselves with the Republic or the Community.

Section XIV.—Revision of the Constitution.

Art. 89. The initiative for amending the Constitution belongs concurrently to the President of the Republic, on the proposal of the Prime Minister, and to the members of Parliament

The Amending Bill must be voted by the two Assemblies in identical terms. The amendment becomes definitive after approval by referendum.

No referendum takes place, however, if the President of the Republic decides to submit the Amending Bill to Parliament meeting in congress (i.e. joint session); in this case, the Amending Bill requires approval by a majority of three-fifths of the votes cast The *Bureau* of the congress is that of the National Assembly.

No amending procedure may be commenced or continued if it is prejudicial to the integrity of the national territory.

The Republican form of government is not subject to revision.

Section XV.—Transitional Provisions.

Art. 90. The ordinary session of [the present] Parliament is suspended. The mandate of the members of the present National Assembly will expire on the day on which the Assembly elected under the present Constitution meets for the first time.

Until this meeting, the Government alone has authority to convene Parliament.

The mandate of the members of the Assembly of the French Union will expire at the same time as that of the members of the present National Assembly.

Art. 91. The institutions of the Republic provided for in the present Constitution shall be set up within four months after its promulgation.

This period is extended to six months for the institutions of the Community.

The powers of the present President of the Republic will not expire until the results of the election provided for in Articles 6 and 7 of the present Constitution have been officially announced.

The member-States of the Community will participate in this first election under conditions depending on their status at the date of the promulgation of this Constitution.

The established authorities in these States will continue to exercise their functions according to the laws and regulations applicable when this Constitution comes into force, until the authorities provided for by their new regime have been established.

Until its definitive constitution, the Senate shall consist of the present members of the Council of the Republic. The organic laws regulating the definitive constitution of the Senate must be passed before July 31, 1959.

The powers conferred on the Constitutional Council by Articles 58 and 59 shall, pending the establishment of the Council, be exercised by a committee consisting of the Vice-President of the Council of State as chairman, the senior presiding judge of the Court of Cassation, and the senior presiding judge of the Court of Accounts.

The peoples of the member-States of the Community shall continue to be represented in Parliament until the necessary measures for the application of Section XII come into effect.

Art. 92. The legislative measures required for the establishment of the institutions and, until they are established, for the functioning of the public organs, will be taken by the Council of Ministers, on the advice of the Council of State, through ordinances having the force of law.

During the [four-month] period fixed in the first paragraph of Article 91. the Government is authorized to regulate, by ordinances —having the force of law and passed in the same way [i.e. on the advice of the Council of State]—the electoral system for the Assemblies provided for in the Constitution.

During the same period, and under the same conditions, the Government may also take measures in all spheres which it may deem necessary to the life of the nation, the protection of the citizens, and the safeguarding of liberties.

[*The Government did not accept the Consultative Committee's recommendation that there should be a referendum on the new electoral system.*]

The Consultative Committee completed its work on the Constitution on Aug. 14, after having rewritten some 20 of the 92 Articles in whole or in part; its report, detailing the proposed amendments, was transmitted to General de Gaulle by M. Paul Reynaud on the same date, together with a covering letter.

General de Gaulle had previously appeared before the Committee on Aug. 8, when he replied to a number of objections which had been raised on specific constitutional questions—notably the greatly increased powers to be given to the President of the Republic, and the proposals for a federal Community linking France and the *territoires d'outre-mer*. As regards the controversial Article 14 (the President's special powers), General de Gaulle insisted that the Constitution must give the President wide discretionary powers to preserve the Republic in the event of a national emergency. He maintained that "the events of the past 30 years and the difficulties facing all nations today" made it imperative to invest the Head of State with powers to ensure the continuity of the Republic in an emergency; nor could be "imagine a modern Constitution omitting this rare but essential responsibility." In this connexion General de Gaulle recalled that President Lebrun had said to him in 1940 that he (M. Lebrun) was unable constitutionally to leave the metropolitan territory at the time; had the special Presidential powers existed then (the General argued), it might have been possible to organize the Resistance more rapidly and ensure the legal continuity of the State.

With regard to the oversea territories, General de Gaulle believed that the Constitutional provisions were "adapted to the realities of the modern world" by providing for creation of a "new and immense *ensemble*" linking France and the territories concerned.

Thirty of the 39 members of the Consultative Committee approved the draft constitutional text, as amended, before it was sent to General de Gaulle by M. Reynaud. There were no opposing votes, but seven members of the Committee abstained, M. Reynaud (as chairman) took no part in the vote, and M. Senghor was absent. The seven abstaining members comprised four of the five Socialists (the exception being M. Alduy), two Radicals (M. Degoutte and Senator Gilbert Jules) and Senator Lamine-Gueye (P.R.A.).

The Consultative Committee's amendments and recommendations were given detailed consideration by the Government in the three weeks between Aug. 14 and the publication of the final text on Sept. 4; as stated above (in the italicized paragraphs) some of these amendments were accepted in whole or part, and others rejected.—(Le Monde, Paris - Le Figaro, Paris)

(Prev. rep. 16279 A.)

A. SOVIET UNION. — Dismissal of General Serov.

The Tass Agency announced on Dec. 8 that General Ivan Serov, head of the Soviet internal security forces, had been "released from his duties as chairman of the Committee of State Security" and transferred to "other work," of which no details were given.

General Serov (54) came into prominence in 1954 after the execution of Lavrenti Beria, his former chief. Little is known of his early career, but it has been alleged that he bore responsibility for the mass deportations from the Baltic States when those countries were incorporated in the U.S.S.R. in 1940, at which time he was deputy Commissar of State Security. He is also alleged to have been involved in the deportations of Crimean Tartars and other minority groups and in the organization of forced labour camps. He became head of the State Security Committee in 1954, in which capacity he visited Britain in 1956 to make security arrangements for the visit of Marshal Bulganin and Mr. Khrushchev in conjunction with Scotland Yard; he was bitterly attacked in the British Press at the time and, following protests in the House of Commons, his name was not on the list of the visiting Soviet party.

The K.G.B. (*Komitet Gosudarstvennoye Bezopasnosty*, or Committee of State Security), of which General Serov was formerly the head, is one of the two organs controlling the Soviet police; the other is the M.V.D. (*Ministerstvo Vnutrennich Del*, or Ministry of Internal Affairs), under M. Duderov. The K.G.B. is responsible for intelligence and counter-espionage activities (in effect, the secret police) and is responsible only to the Council of Ministers; the M.V.D. has responsibility for ordinary police functions, including passports, visas and identity cards.—(Times - Soviet Embassy Press Dept., London)

(Prev. rep. Security Police, 14880 A; M.V.D., 14708 E; General Serov, 16101 A; 13614 A)

B. EASTERN GERMANY. — Abolition of Upper House of Parliament.

The Upper House of the East German Parliament (the *Länderkammer*) was abolished on Dec. 8 under legislation passed by the *Volkskammer* two days earlier. It was officially explained that the move was designed "to simplify the State apparatus in the interests of democratic centralization" and to give greater responsibility to local authorities. The *Länderkammer* consisted of 50 members representing the 14 *Bezirke* (units of regional administration, replacing the former *Länder*), together with 13 representatives of East Berlin.

(Neues Deutschland, East Berlin) **(Prev. rep. 16519 A)**

C. IRAQ. — Discovery of Anti-Government Plot.

A statement by Brigadier Kassem, broadcast on Dec. 8 by Baghdad Radio, announced the discovery of an anti-Government plot which was to have been carried out on Dec. 9 or 10 by "corrupt elements with the help of foreigners from outside Iraq." It was stated that money and arms had been seized and that the conspirators would be put on trial for treason. No mention was made of the persons implicated.—(Times)

(Prev. rep. 16520 A)

D. ARGENTINA. — Diplomatic Relations resumed with Dominican Republic.

Diplomatic relations between Argentina and the Dominican Republic were resumed on Oct. 29; they had been broken off by the Argentine Provisional Government in April last because of the activities of ex-President Perón in Ciudad Trujillo.

(Bank of London and South America Fortnightly Review)

(Prev. rep. 16148 B.)

A. UNITED KINGDOM. — Coal Industry. - Large Increase in Stocks. - Closing of Uneconomic Pits. - Increase in Borrowing Powers of National Coal Board. - Production Statistics. - Wage Increases.

The Parliamentary Secretary to the Ministry of Power (Sir Ian Horobin) announced in the House of Commons on Dec. 3 that the National Coal Board proposed to close 36 uneconomic pits, mostly in Scotland, in order to reduce coal output to match reduced demand. About 12,000-13,000 miners would become redundant, of whom about two-thirds would probably be found other jobs in coalmining; the remaining 4,000 would have to leave the industry and would receive special compensation. Opencast production would also be cut by about 3,000,000 tons.

Sir Ian's announcement was made when moving approval of the Coal Industry (Borrowing Powers) Order, which increased the total amount which the National Coal Board might borrow from the Treasury from £75,000,000 to £130,000,000 [see below.]

Mr. Robens (Lab.), while expressing the Opposition's approval of the proposed increase in the Board's borrowing powers, attributed the industry's troubles to (1) unfair competition from oil, the consumption of which, he said, was far higher than originally planned; (2) the "stagnation of industrial production" which, he alleged, resulted from the Government's policies. "If the mining industry were to be panicked into reducing its capacity," declared, "the country would be in a bad way if there was interruption in Middle East oil supplies." He therefore urged the Government to review its fuel and power policy; to determine the position of the coalmining industry in Britain's economy; and meanwhile to call a halt in the conversion of power stations to oil fuel.

Several other Opposition speakers demanded the re-conversion of oil-burning power stations to coal, whilst **Mr. Nabarro** (C.) expressed the view that the cuts should come mainly from opencast production, which should be reduced from 14,000,000 tons to 6,000,000 tons. **Colonel Lancaster** (C.) called for an export drive to create a natural market for surplus coal.

Mr. Maudling (Paymaster-General), in reply, said that the prospects of resuming large exports to Europe were not great, but the Coal Board had recently fixed up "encouraging" contracts for steam coal. Discussions had already taken place to reduce the amount of oil delivered against power station contracts; the oil companies had been co-operative, but to go further in the direction of cuts would be unfair.

The chairman of the National Coal Board (Sir James Bowman) explained the Board's reasons for closing down the pits in a statement to the executive of the National Mineworkers' Union on the same day.

Sir James Bowman said that demand for coal in 1959 was unlikely to exceed 200,000,000 tons, whereas at the present rate production would exceed 209,000,000 tons. With no sign of an early revival of industrial activity stocks could not be allowed to grow much more, and steps must be taken to reduce output. By closing certain "highly uneconomic" collieries and concentrating work in others, deep-mined output could be cut by nearly 3,000,000 tons in 1959, whilst the quantity from opencast working would also be reduced by 3,000,000 tons. The remaining surplus output—probably about 4,000,000 tons—would be put into stock.

Sir James explained that the 36 pits to be closed were distributed over seven coalfields and had been carefully chosen so that in nearly every instance displaced workers could be transferred to pits in their own districts. By limiting the recruitment of young miners and persuading miners over 65 to retire, it was hoped to find work for about two-thirds of the men from the closed pits. As a proportion of these men would themselves be over 65, the number for whom fresh work would have to be found would probably be about 11,500, of whom some 4,000 would have to leave the pits altogether. There would, however, be full consultation with the men's unions at each colliery, and compensation would be paid under the industry's redundancy agreement to those left without work—i.e. up to 26 weeks, at the rate of £3 8s. 4d. per week for surface workers and £4 1s. 8d. for adult underground miners, in addition to State unemployment benefit.

Twenty-two of the 36 pits to be shut down would close in the first quarter of 1959. Of the total, 20 (employing about 5,700 men) would be in the Scottish coalfield; six in South Wales; five in Northumberland and Cumberland; two in Durham; and one each in Lancashire, the Forest of Dean, and the West Midlands. The largest colliery to be closed would be the Maypole Colliery, near Wigan, employing 1,319 men. Nearly all the 36 pits would have been exhausted within five years, whilst the remainder, although still possessing some reserves, were so uneconomic that nothing could be done to make them pay.

After pointing out that the 36 collieries to be closed had lost about £4,000,000 in the past 12 months alone, Sir James explained why opencast production had not been cut further as an alternative to pit closing. "Opencast production," he said, "is highly profitable and yields a good proportion of large coal. Any larger reduction in opencast output would be prohibitively expensive. . . . Contracts have been let and nearly all the sites are working. The Board would have to meet heavy claims under the contracts and face the loss of over £10,000,000 worth of capital assets."

Sir James stressed in conclusion that, despite the saving which would accrue from the closing of uneconomic collieries, "the cost of additional stocking, the loss of opencast proceeds, the cost of the latest wages award [see below], and the continuing growth of the Board's other financial commitments . . ., make it imperative that they institute still further measures to improve productivity and reduce costs. . . . The necessity of these output restrictions, which arise from a temporary recession in British industry, does not mean that coal will not continue to be the main source of heat and energy for the nation. The importance of the Board's modernization programme remains undiminished."

The **N.U.M. Executive**, after expressing "considerable dismay" at the Board's proposals, suggested that the desired reduction in output should be achieved entirely by reducing opencast production, which, it was contended, had been introduced as an emergency measure and should be discontinued as soon as possible. After considering other proposals, including (1) the adoption of a policy of non-co-operation with the N.C.B. over the pit closures (supported by the Scottish and South Wales representatives), and (2) the sending of a deputation to the Prime Minister to urge that more opencast working should be suspended and oil imports reduced, the executive arranged to meet again on Dec. 12 to draft a considered reply to the Board.

The names of the pits to be closed were announced on Dec. 3 as follows (numbers employed at each pit shown in parentheses);

Scottish Division. *West Fife:* Dora (270); Jenny Gray (431); Benarty (218) *Lothian:* Oxenford 3 (230); Fleets (394). *Central West.* Branchal 307; Hamilton Palace (333); Garsthore 312 (355); Bothwell Castle (247). *Central East:* Loganlea (296); Southfield (380); Blairmuckhall (300); Harwood (201); *West Ayrshire:* Enterkine (219). *Alloa:* South Bantaskine (97); Devon (667). *East Fife:* Cameron (184); Wellsgreen (178). *Ayrshire:* Douglas Castle (348); Hindsward (45).

Northern Division. *Northumberland:* Venters Hall (168); Hartley (387); Blackhill (202). *Cumberland:* Clifton (520); Gillhead (133). *Durham Division:* East Hedley Hope (241), Ouston East (322).

North Western Division. *Wigan:* Maypole (1,319).

West Midlands Division. *Staffordshire:* Cannock Chase (719).

South Western Division. *Tondu:* Aberbaiden (n.a.), Pentre (761). *Rhondda:* Tydraw (360). *Neath Anthracite Area:* Cwmllynfell (318); Mount (287); Steer (401). *Forest of Dean:* Eastern United (458).

Mr. Maudling announced on Dec. 10 that the following 18 opencast sites, situated in ten counties, would shortly be derequisitioned as a result of the Government's decision to reduce the opencast coal production programme:

Newbigging (Midlothian); Drove Road (Northumberland); Broughton Moor extension (Cumberland); Castle Dene and Brandon extension (Durham); Tan Pit Slip, Wigan (Lancashire); Greasley Castle (Nottinghamshire); Pilsley Green, Outseats, and Dobbin Clough (Derbyshire); Windywood, High Hill, and Mitre (Staffordshire); Lawley Coppice (Shropshire); Llywn Pica, Tahirion, New Bryncethin, and Raglan Penylan (Glamorgan).

Production Statistics.

The following table shows the average weekly rate of coal production and consumption, and of manpower output, and absenteeism in the third quarter of 1958:

	Saleable Mined Coal Produced Tons	Plus Opencast Tons	Total Production Tons	Inland Consumption Tons	Exports and Bunkers† Tons
July ..	3,387,300	297,025	3,684,325	3,319,500	109,500
August* ..	2,880,780	270,280	3,151,060	2,864,800	88,000
September	3,830,575	313,275	4,143,850	3,250,750	105,250
3rd Qtr..	3,366,218	293,527	3,659,745	3,145,017	100,917

	Wage-earners on colliery books	at coal-face	No. of shifts worked per wage-earner	Output per manshift at coal-face Tons	Output per manshift overall Tons	Percentage of absenteeism
July ..	695,125	273,375	3.86	3.581	1.259	14.20
August* ..	693,180	272,740	3.50	3.377	1.174	14.10
September	692,325	272,075	4.38	3.480	1.262	14.16
3rd Qtr...	693,543	272,730	3.91	3.479	1.232	14.15

* Average of five weeks.

† Including fishing vessels but excluding coastwise bunkers.

Other recent developments in connexion with the coalmining industry are summarized below:

Miners' Wages. In response to a new wage claim for colliery day-wage workers' (see 16384 A) the National Coal Board on Sept. 17 offered a rise of 7s. weekly on condition that there should be (1) a 12 months' standstill in the rates of piece-rate workers (numbering about 250,000); (2) a return to Saturday working at selected pits producing a high percentage of large coal. In reply, the executive of the National Union of Mineworkers asked the National Coal Board to raise the increase to 8s. weekly and reduce the standstill period to six months, and a compromise was reached for a 7s. 6d. weekly increase and a nine-months' standstill. A special delegate conference of the Union decided on Oct. 11 by a 2-1 majority to recommend acceptance of the offer (which would have brought the minimum for underground workers to £9 17s. 6d. weekly and that for surface workers to £8 17s. 6d.), but a coalfield ballot resulted in its rejection on Nov. 3 by 418,000 votes to 322,000, mainly on account of the conditions attached to the pay increase.

Mr. Ernest Jones (president of the N.U.M.) announced on Nov. 6 that his executive had decided to reopen negotiations with the N.C.B. with a view to the withdrawal of the conditions; if the Board would not agree to this, the union would propose that the conditions (but not the increase itself) should be referred to the Coal Industry National Arbitration Tribunal. Talks between the N.C.B. and the union executive on Nov. 13 broke down, however, after the Board had refused to withdraw or modify the conditions and had insisted that the "whole matter" (the pay increase and the conditions) must be submitted to the Tribunal, and not merely the conditions alone.

Eventually, however, the Tribunal was asked to decide whether or not the proposed increases should be made dependent on the miners' acceptance of the Board's conditions. On Dec. 3 it ruled in favour of the miners' demand that the increases should be made unconditionally—i.e. "without strings attached." In its award the Tribunal explained that it considered that restraint in seeking revision of piece-rates would "best come voluntarily," and that the co-operation between the union and the Board, which was essential to enable the industry to absorb the cost of the award, "would not be promoted if the conditions were imposed."

The increases (backdated to Sept. 22) were expected to cost about £10,000,000 a year.

Proposed Penalty for "Pit Contraband." Mr. Jones announced on Oct. 9 that his executive had endorsed a proposal by a joint safety committee for the coalmining industry that anyone taking "contraband" (e.g. cigarettes, pipes, matches, lighters) into "safety lamp" pits, or parts of pits subject to "safety lamp working," should be liable to summary dismissal and exclusion from the coalmining industry for life. [The proposal still had to be approved by the N.C.B.] Mr. Jones added that a "large majority" of pits came within the "safety lamp" classification, and all would do so by 1960.

The Parliamentary Secretary to the Ministry of Power (Sir Ian Horobin) had announced on Nov. 17 that the Government would shortly introduce an Order to increase beyond £75,000,000 the annual limit of advances which the Minister might make to the N.C.B. for working capital. Sir Ian explained that stocks of coal at the collieries and at opencast sites on Nov. 1 amounted to 17,700,000 tons, whilst distributed and undistributed stocks on the same date amounted together to 36,800,000 tons. He gave the accumulated loss between Vesting Day (Jan. 1, 1947) and June 30, 1958, as £25,500,000. (Ministry of Power - Times)

(Prev. rep. 16384 A.)

A. WHALING. — Agreement on Limitation of Whaler Fleets in Antarctic Waters. - Five-Nation Conference.

An International Whaling Conference, called on the initiative of the British Ministry of Agriculture, Fisheries, and Food and attended by delegations from the five major whaling countries —Britain, Japan, the Netherlands, Norway, and the Soviet Union—took place in London from Nov. 19-27 under the chairmanship of Mr. J. D. Godber, Parliamentary Secretary of the Ministry of Agriculture, Fisheries, and Food.

The conference was called to remedy the situation arising out of the fact that whilst the International Whaling Commission [set up under the International Whaling Convention of 1946, see 7711 B] was empowered to fix the total number of whales allowed to be caught in any season, it had no control over the number or size of the whaling expeditions which countries adhering to the Convention might send out. In consequence, expeditions had tended to grow larger and more expensive every year, since each country had sought to obtain as large a percentage as possible of the total permissible catch fixed by the International Whaling Commission. The resulting competition had proved so wasteful that Norway was reported to have threatened to withdraw from the Convention unless agreement could be reached to restrict both the number of expeditions and of whale catchers attached to each; moreover, it was understood that Britain had contemplated abandoning Antarctic whaling altogether.

At the close of the conference on Nov. 27 it was announced that agreement had been reached on the two major points at issue: (1) the overall limitation of the number of expeditions to be operated by each of the five nations in the Antarctic; and (2) the allocation between the five countries of the annual total catch permitted under the Convention. As regards (1) the Soviet Union would be permitted to add up to three new factory ships to the two vessels already in operation, whilst Britain, Japan, the Netherlands and Norway had agreed not to increase their fleets. With regard to (2) the Soviet Union had accepted an award of 20 per cent of the total permitted catch, leaving the remaining 80 per cent to be shared amongst the other four countries. Discussions on the percentage to be allotted to each country would take place later with a view to concluding an agreement by June 1, 1959, in time for the next annual conference of the International Whaling Commission.—(Lloyd's List and Shipping Gazette - Times - Manchester Guardian - Norwegian Embassy Press Department, London)

(Prev. rep. 16375 C; 7711 B.)

Note: In the 1958-59 whaling season there will be nine Norwegian, eight Japanese, three British, two Russian and one Dutch expeditions in the Antarctic. (Daily Telegraph)

B. UNITED KINGDOM. — Nationalized Gas Industry. - Report and Accounts for 1957-58.

The ninth annual report and accounts of the Gas Council and the 12 Area Boards, covering the year ended March 31, 1958, were published on Oct. 14. They showed that the gas industry as a whole earned a net surplus of £2,820,610 (compared with £3,803,856 in 1956-57), bringing the cumulative surplus since Vesting Day to £18,121,338.

The net surplus was arrived at after charging £24,213,066 for depreciation etc., and £20,472,329 for interest. Ten of the 12 Area Boards earned surpluses (ranging from £14,418 for the North Eastern Board to £928,118 for the Northern Board), but the Southern and South Western Boards incurred deficits of £205,155 and £209,431 respectively.

Detailed information given in the report is summarized below:

Revenue. Gross revenue totalled £338,600,000, compared with £370,600,000 in 1956-57. Revenue from gas sales averaged about 20s. 2d. a therm, compared with about 19s. 1d. in 1956-57.

Costs and Prices. During the year the price of coal—accounting for two-thirds of the industry's costs—rose by eight per cent; because of this and of increases in freight and other charges, gas prices had to be increased.

Number of Consumers. This rose to 12,929,394, including 12,180,417 domestic consumers, both figures being just over 50,000 more than at March 31, 1957.

Sales. Sales of gas totalled 2,651,000,000 therms, a 1.7 per cent increase over 1956-57. Gas sales for hotels, offices, shops, schools, hospitals, and other public buildings (15 per cent of total gas sales) rose by three per cent over 1956-57, and gas sales for industry (30 per cent of all sales) rose by over five per cent.

New Processes. "Outstanding progress" had been made during the year in the development of new processes and sources for gas supply. In view of the increasing scarcity of good gas coal, the Council's researches had been mainly directed towards making use of poorer quality coals or alternative materials. Projects in hand included (1) a full-scale plant for the hydrogenation of coal or oil at high pressure (Manchester); (2) a plant for making gas from light petroleum distillates (Bristol); (3) works for the high-pressure gasification of poor-quality coal at Westfield (Fife).

Oil Gasification. Work had begun on 11 new plants, and at March 31, 1958, there were 25 plants in operation and 14 more projected.

Natural Gas. During the year the Scottish Gas Board had been using regular supplies of natural gas from Dalkeith (see 15809 A) at Musselburgh (Midlothian).

Number and Capacity of Gasworks. The number of gasworks at March 31, 1958, was 536 (75 smaller gasworks having been closed during the year), or almost exactly half the number at Vesting Day. In the same time, however, the capacity of the remaining gasworks had been increased by almost 25 per cent, and was now 12,000,000 therms a day. With a view to reducing the number of gasworks still further, the Gas Council was studying the economics of a national gas grid.

Capital Expenditure. During 1957-58 this totalled £55,700,000, against £51,300,000 in 1956-57.

Sir Harold Smith, chairman of the Gas Council, stated on Oct. 14 that the first 2,000 tons of liquefied methane would arrive from the U.S.A. early in 1959, and would be used experimentally by the North Thames Gas Board. If the experiment was successful, the gas industry would need several 30,000-ton tankers, each able to carry the equivalent in gas of 2,000,000 tons of coal. The importation of liquefied natural gas might result in reducing the price of gas by several pence a therm. Sir Harold added that the Gas Council had already spent over £600,000 in searching for natural gas in Britain; depths of over 7,000 ft. had been drilled in Yorkshire, but results had been disappointing.

The Minister of Power on Oct. 9 reappointed Sir Harold Smith as chairman of the Gas Council when his current term of office expires on Dec. 31, 1958.—(Times - Daily Telegraph)

(Prev. rep. 15809 A.)

C. RELIGIOUS LIFE. — Church of England. - New Bishop of Southwark.

It was announced on Nov. 26 that the Queen had approved the appointment of the Rev. Arthur Mervyn Stockwood, Vicar of St. Mary the Great, Cambridge (the University church), as Bishop of Southwark in succession to Dr. Bertram Simpson (75), retiring. Mr. Stockwood (45) is a strong supporter of the Labour Party and was a Labour member of Cambridge City Council at the time of his nomination to the see of Southwark; he was previously a Labour member of Bristol City Council from 1946-55 while a vicar in that city.—(Times - Church Times)

(Prev. rep. 16355 B.)

A. NIGERIA. — Resumed London Constitutional Conference. - Nigerian Independence in 1960. - Decisions on Commissions' Reports. - Procedures for Elections and Constitutional Amendments.

More than 100 Nigerian delegates and their advisers attended the resumed Constitutional Conference held in London from Sept. 29 to Oct. 27 under the chairmanship of Mr. Lennox-Boyd, the U.K. Colonial Secretary (see 15747 A). The discussions were largely concerned with the reports of the three Commissions appointed at the earlier conference—viz., the Constituencies Delimitation Commission, the Minorities Commission, and the Fiscal Commission (see 16338 A).

In their opening speeches all the Nigerian delegations were agreed on claiming independence for Nigeria in 1960, and on Oct. 25 Mr. Lennox-Boyd announced that a sufficient measure of agreement on all the important issues had been reached to enable H.M. Government to fix Oct. 1, 1960, as the date on which Nigeria would become independent. The first stage in the reduction of British responsibilities would be achieved in April 1959, when the Northern Region would become fully self-governing—a status realized by the Eastern and Western Regions in 1957 (see 15747 A). British authority would then be restricted to the powers of the Governor-General in Lagos, who would ordain the last Federal general election under Colonial auspices in the autumn of 1959—complete fairness in electoral campaigning and voting being fully guaranteed by H.M. Government. The newly-elected House of Assembly would pass a formal resolution asking for Nigerian independence in 1960, which H.M. Government had agreed in advance to accept.

Report of Minorities Commission.

The most controversial issues discussed at the conference concerned the recommendations of the Willink (Minorities) Commission, concerning which the following decisions were eventually agreed :

Police Control. The Minorities Commission had strongly advocated "the retention of a single strong police force not subject to regional control" as the best means of allaying the fears of regional minorities (see 16381 A). This view was strongly opposed by Chief Awolowo (Premier of Western Nigeria and leader of the Action Group), who demanded regionalization of the police on the following grounds : (i) that it was wrong to invest a government with responsibility for maintaining law and order without giving it the police to enforce them ; (ii) that centralization of the police had no parallel in any part of the Commonwealth with a Federal Constitution, except in Malaya ; (iii) that it was illogical to entrust political leaders at the Centre with responsibility for the police if they could not be similarly trusted in the Regions ; (iv) that a centralized police force was a strong potential weapon in the hands of a dictator, whereas "regional forces would make the possibility of a totalitarian régime emerging in Nigeria . . . very remote."

The Conference eventually approved a compromise arrangement which would provide for a single Nigerian Police Force under an Inspector-General directly responsible to the Federal Government, while securing regional safeguards by the appointment of regional Police Commissioners who would carry out the "routine requirements" of their respective Regional Governments. The Police Commissioners would be responsible to the Inspector-General, and both he and they would be subject to the final authority of the Governor-General in the first instance, and of the Federal Prime Minister after attainment of independence. A Police Council, consisting of the Federal Prime Minister (or whichever Minister might be made responsible for law and order) and corresponding regional Ministers, would determine the administration of the Police Force as distinct from its local operation.

Minority Areas. The Commission's recommendation for the establishment of Minority Areas encountered considerable opposition, almost all the delegates representing minorities demanding the creation of new States as the safest means to preserve racial identity and promote rapid economic development. The Commission's proposal that two Minority Areas should be created from part of Benin Province and the whole of Calabar Province was opposed by the Ijaws, Efiks, and Ibibios ; the Ijaws in particular (who live in both the Eastern and Western Regions) contended that only obstruction and administrative difficulties would result from their proposed Area being developed by three governments—those of the Federation and the two Regions concerned. It was eventually agreed, however, that the two proposed Areas should be established with the following modifications : (*a*) the Benin Province Minority Area would exclude the Warri Division and the Akoko-Edo District, on the understanding that the position of the Warri Division would be the subject of further local discussion between the Government of the Western Region and all interests concerned ; (*b*) the boundary of the Calabar Province Minority Area would be subject to further inquiry by the Governor of the Eastern Region.

The Conference discussed at length the Commission's conclusion that a case for the immediate creation of new States had not been made out. Mr. Lennox-Boyd pointed out in this connexion that if the issue were put to the test at the next election, or at a series of plebiscites in 1959, the aim of independence in 1960 could not be fulfilled. He proposed that provision should be made in the Constitution for the creation of new States after the granting of independence by the following special procedure, to which the Conference agreed :

(i) A resolution for creating a new State would require a two-thirds majority in the Federal legislature.

(ii) Such a resolution would also have to be approved by a simple majority in two Regions, one of which would have to be the Region from which it was proposed to create the new State ; or, alternatively, by a simple majority of all the Regions.

(iii) The necessary legislation would require enactment by a simple majority of the Federal Legislature.

(iv) A referendum would be held in the Area to be transferred.

The Conference also agreed on a special procedure for both minor and major boundary changes between Regions, which would also apply to Lagos.

Ilorin-Kabba Boundary. The Western Region Government had continued to press its claim that the Ilorin-Kabba Province (where the population is largely Yoruba and ethnically similar to the people in the west) should accede to the Western Region, but the Northern Region refused to agree The Willink Commission had recommended that this issue should be decided by a plebiscite in the province, but as the Conference produced no general agreement on the question the Colonial Secretary stated that he was not entitled to require a plebiscite to be held before the granting of independence ; the agreed procedure for boundary revision could, of course, be applied after independence.

Human Rights. The remaining principal recommendation of the Willink Commission—the embodiment of specific fundamental human rights in the Constitution—was accepted by the Conference.

Other Regional Issues.

The following decisions were taken with regard to Lagos, the Northern Region, and the Southern Cameroons.

Lagos. It was announced during the Conference that the Federal Government proposed to transfer the following public services to the Lagos Town Council as soon as possible : certain health services, including the school medical service and the hospital for infectious diseases ; the power to establish maternity homes ; primary education ; the services of the Social Welfare Department ; and the Lagos fire brigade. The town-planning functions of the Lagos Executive Development Board would also be transferred to the Town Council in due course.

Northern Region. Constitutional provision would be made for the Northern Region to become self-governing on March 15, 1959 [see above] on the lines established for the Eastern and Western Regions in 1957. The Conference discussed a memorandum from the Northern Regional Government concerning provincial administration ; this proposed, as a first step towards full provincial organization, the establishment of provincial councils with elected members, together with committees to direct individual provincial services.

Southern Cameroons. The Conference approved the agreement between the Colonial Secretary and representatives of the Southern Cameroons that no immediate constitutional changes should be made in that territory. It would, however, be open to the Southern Cameroons Government, which would be formed after the elections in January 1959, to request the United Kingdom to bring the following changes into effect :

(i) The withdrawal of the Deputy Commissioner as a member of the Executive Council ;

(ii) The appointment of a Minister of Finance after the 1959 Budget ;

(iii) The appointment of between four and seven Ministers, on the advice of the Prime Minister of the Southern Cameroons as tendered to the Commissioner ;

(iv) The creation of a separate Public Service, to which existing officers would be able to transfer, and of an advisory Public Service Commission.

The Prime Minister of the Southern Cameroons (Dr. Endeley) expressed "deep satisfaction" with these recommendations, which would give the Southern Cameroons "the chance to catch up with the three Regions of Nigeria before . . . independence." He also warmly welcomed "the unequivocal assurance" from the Federal Government that Nigeria would welcome the Southern Cameroons as part of the new Federation, should this prove to be the wish of the territory ; this assurance was unanimously endorsed by the Conference.

Houses of Chiefs.

The following decisions were taken with regard to the composition of the Houses of Chiefs in the three Regions of Nigeria and the Southern Cameroons :

Northern Region. The Conference noted with approval the intention of the Northern Region Government to secure wider representation in the Northern House of Chiefs. It was agreed that the membership of this body should consist of all the first-class chiefs and 95 other chiefs ; an adviser on Moslem law would also be included, as at present, and also those members of the Northern Region Executive Council who were members of the Northern House of Assembly.

Western Region. The Conference agreed that the House of Chiefs should have "delaying powers" similar to those possessed in the U.K. by the House of Lords. Its membership should be increased to 124, and the power to recognize and grade chiefs for the purposes of the Constitution should be vested in the Governor-in-Council.

Eastern Region. It was noted that the Eastern Region Government had agreed with the Opposition on a formula for the classification of chiefs, which would enable a House of Chiefs to be established.

Southern Cameroons. The Conference agreed to recommend that the House of Chiefs should continue for the present to be an advisory board, with its members appointed at the discretion of the Commissioner. These arrangements would be reviewed towards the end of 1959 by the Colonial Secretary and the Southern Cameroons Government.

The Judiciary.

The Conference made the following recommendations :

(i) The Federal Supreme Court should be enlarged by including the Chief Justices of each of the Regions as *ex-officio* members.

(ii) Existing arrangements for the appointment of Regional Chief Justices and members of Judicial Service Commissions should remain unchanged in the Eastern and Western Regions, and be applied to the Northern Region on its attainment of regional self-government.

(iii) Justices of the Peace should be appointed by the Judicial Service Commissions " at the appropriate constitutional stage."

(iv) The appointment, dismissal, and discipline of judges in Nigerian native and customary courts " should be divorced as far as possible from political and executive control."

The Conference also agreed (*a*) on the cases in which there should be constitutional provision for a right of appeal from the High Court to the Federal Supreme Court, on the basis of the minimum rights of appeal which might be expanded by individual legislatures ; (*b*) on providing a constitutional right of appeal from inferior courts to the High Court.

Electoral Arrangements.

The following provisions, *inter alia*, were agreed by the Conference :

(i) The qualifications for voters in elections to the Regional Houses of Assembly should in future be the same as for the Federal House of Representatives.

(ii) Single-member constituencies should be created for the purpose of elections to the Regional Houses of Assembly.

(iii) Membership of the Western and Eastern Houses of Assembly should be increased to 124 and 146 respectively, each Federal constituency being divided into two single-member constituencies.

(iv) After independence, members of the Federal Electoral Commission should be appointed by the Governor-General at his discretion, after consultation with the Federal Prime Minister ; they would include one member chosen to represent each Region.

(v) There should be an electoral commission for each Region.

(vi) After consultation with the Federal Prime Minister, the Governor of each Region should appoint a Commission to delimit the boundaries of Regional constituencies in accordance with Regional legislation.

(vii) Further revision of Regional constituency boundaries after rulings by the Regional Delimitation Commissions should be the responsibility of the Federal Electoral Commission.

(viii) Legislation concerning Federal elections should be the responsibility of the Federal Government, and that concerning Regional elections of the Regional Governments. To facilitate the administration of electoral procedure, Regional legislation should follow Federal legislation as closely as possible. After independence, electoral legislation would no longer take the form of regulations laid down by the Governor-General and the Regional Governors, but would be enacted by the appropriate legislatures.

(ix) The Constitution should provide that *ex-officio* members of the House of Chiefs or of the Senate (when constituted) should be disqualified from standing for election to the House of Representatives.

National Security.

The Conference agreed that, after independence, the Federal Government should possess adequate powers to ensure the safety of Nigeria against internal and external threats, and that the Emergency Powers Orders in Council (1939 and 1956) should cease to have effect within six months after attainment of independence. In place of these Orders (and of section 135 of the Order in Council of 1954) the new Constitution would provide the Federal Legislature with powers to make laws for the peace, order and good government of any Region—or of the Southern Cameroons—with respect to any matter (whether included in the legislative lists or not) in the following eventualities :

(*a*) If a state of war or other public emergency was declared to exist by the Federal Government.

(*b*) If the Federal Legislature was satisfied that Nigerian democratic institutions were threatened by subversion.

(*c*) If the Federal Legislature was satisfied that the executive authority of a Region or of the Southern Cameroons was being exercised to the prejudice of the executive authority of the Federation, or so as to endanger the continuance of Federal government.

Matters not included in the Federal Legislative Lists would only be affected by legislation passed in the above circumstances as long as the appropriate resolutions, passed by both Houses of the Federal Legislature, remained in force. Such resolutions would require an ordinary simple majority in situation (*a*) and a two-thirds majority of all Members in both Houses in situations (*b*) and (*c*). They would normally be effective over a period of 12 months, unless specifically providing for a shorter period, and might be extended for further periods of 12 months by subsequent resolutions passed under the conditions.

Nigerian Citizenship.

The Constitution should lay down the qualifications and disqualifications for Nigerian citizenship, and provide that no Nigerian citizen should be liable to deportation or exclusion from Nigeria.

An *ad hoc* committee of the Conference delegates will be set up in Nigeria under the chairmanship of the Governor-General to study the further implications of Nigerian citizenship ; if possible, it will complete its work by the end of April 1959.

Overseas Representation.

Ordinary Public Service posts (including the less senior posts in the Overseas Service) should be filled on the advice of the Public Service Commissions without governmental intervention, while the more senior appointments should be made by the Government concerned. After independence, there should be no further Regional representation in countries outside the United Kingdom.

Constitutional Amendments after Independence.

Because single units of a Federal State are interdependent, the Conference agreed that no single unit (including the Federation itself) should, in principle, be empowered to amend its Constitution in a manner contrary to the general interests of Nigeria as a whole. An exception was provided, however, in the case of those parts of the Federal and Regional Constitutions which were essentially of internal concern. Any amendment of these " ordinary " provisions would require a majority of not less than two-thirds of the total membership of both Houses of the Federal Legislature or of the Regional Houses of Legislature, as the case might be, but would not need the concurrence of any other unit of the Federation. Proposed constitutional amendments which were of general concern would be regarded as " entrenched," and would require the concurrence of a two-thirds majority in both Houses of the Federal Legislature as well as a similar majority in the Houses of the Region or Regions concerned.

Proposal for Niger Delta Development Board.

It was proposed that provision should be made in the Constitution for a Niger Delta Development Board to investigate questions relating to agriculture, fisheries, land tenure, and forestry, and to carry out surveys on the basis of which development schemes could be drawn up and submitted to the Federal and Regional Governments.—(Cmnd. 569 - Times - Daily Telegraph - Manchester Guardian - Commonwealth Survey)

(Prev. rep. 16381 A ; 16338 A ; 15747 A.)

A. MONGOLIA. — Marshal Zedenbal appointed First Secretary of Communist Party.

Moscow Radio announced on Nov. 22 that the Prime Minister of Mongolia, Marshal Yumzhagmin Zedenbal (Tse Den-bal), had been concurrently appointed First Secretary of the Mongolian People's Revolutionary (Communist) Party in succession to M. Dashin Damba, who had resigned from the post of First Secretary in the interests of " improved leadership " but would remain Second Secretary. It was also announced that the other party secretaries had been relieved of their posts " in connexion with their assignment to other duties," no further details being given.

Marshal Zedenbal (42) has been Prime Minister since 1952 and was secretary-general of the Mongolian Communist Party from 1940-1954, having thus combined the party leadership and the premiership on a previous occasion. During the Second World War he was Deputy C.-in-C. of the Mongolian Army. (New York Times) **(Prev. rep. 12261 A.)**

B. PORTUGAL. — New Corporations.

The Minister of Corporations, Dr. Veiga de Macedo, announced on Sept. 22 that the corporations for trade and industry had been set up in accordance with the law of Aug. 22, 1956. [This law provided for the establishment of six corporations, of which four had been created in September 1957.]

The corporation for industry will consist of the following sections : mining, energy and fuels ; building glass and ceramics ; food ; textiles and clothing ; tanning and footwear ; cork ; chemicals ; paper and graphic arts ; metallurgy ; and various processing industries.

Dr. de Macedo stated that the delay in setting up the corporations for trade and industry had been due to difficulties in their organization ; it might be necessary at a later stage to modify the present arrangements by establishing separate corporations for certain activities such as the textile and metallurgical industries.—(Bank of London and South America)

(Prev. rep. 15846 E.)

A. NEW ZEALAND - UNITED KINGDOM. — New Trade Agreement. - Reduced Preferences for British Goods in New Zealand Market.

The heads (i.e. principles) of a new trade agreement revising the preference margins enjoyed by British goods in the New Zealand market under the 1932 Ottawa Agreement were signed in Wellington on Nov. 25 by the N.Z Prime Minister, Mr. Nash, and the U.K. High Commissioner, Sir George Mallaby.

Negotiations for a review of the provisions of the Ottawa Agreement took place in London from April 17 to Aug. 22, when it was agreed that they should be resumed at ministerial level immediately after the Commonwealth Trade and Economic Conference in Montreal. It was announced on Sept. 12 that agreement in principle had been reached in the resumed negotiations.

The Heads of Agreement—which applied as from Nov. 25 to trade between the two countries, and which modified both the 1932 Ottawa Agreement and the 1957 agreement on agricultural and marketing policies (see 15594 A)—laid down :

(1) The U.K. Government would maintain the entry free of duty (other than revenue duty) of N.Z. goods which were now free of duty, except in cases where there was no active N.Z. trade interest.

As regards preferences :

(*a*) The U.K. Government would maintain the existing guaranteed margins of preference on the N.Z. goods mentioned in Annex A ;

(*b*) The U.K. Government would consult the N.Z. Government before reducing margins of preference which exceeded existing guaranteed margins on the goods mentioned in Annex A, and existing margins on other goods provided there was an active New Zealand trade interest.

(2) As regards the tariff treatment of U.K. goods, the N Z. Government would ensure that :

(*a*) Protection would be afforded only to industries which were reasonably assured of sound opportunities for success ;

(*b*) The tariff would be based on the principle that protective duties would not exceed a level that would give U.K. producers full opportunity of reasonable competition on the basis of the relative cost of economical and efficient production ; however, in the application of this principle special consideration might be given to industries not fully established and to industries essential for defence purposes. This provision would not prevent the imposition of a most-favoured-nation rate of duty if the N.Z. Government decided it was necessary to protect N.Z. producers from the competition of most-favoured-nation countries ; in such cases the duty on U.K. goods would be fixed at the lowest level consistent with the provisions of the General Agreement on Trade and Tariffs (GATT) ;

(*c*) U.K. producers would be entitled to full rights of hearing before any body constituted by the N.Z. Government to advise regarding the tariff.

(3) The limitation of New Zealand's right to increase duties on U.K. confectionery, apparel and ready-made clothing, hosiery, and silk and artificial silk piece-goods, would no longer apply.

(4) The N.Z. Government would be free to reduce the existing preferential margins accorded to U.K. goods ; but, where there was an active U.K. trade interest, not below the following margins of preference : (*a*) for the goods listed in Annex B, 5 per cent ; (*b*) for the goods listed in Annex C, 7½ per cent ; (*c*) for goods not included in Annexes B and C, 10 per cent.

In respect of goods on which the margin of preference was now lower than specified in sub-paragraphs (*a*), (*b*) and (*c*) above and in which there was an active U.K. trade interest, New Zealand would maintain that lower margin of preference.

The N.Z. Government would consult the U.K. Government before reducing any margins of preference at present in operation except : (i) in respect of the goods listed in Annexes B and C ; (ii) where such reduction followed a specific recommendation of any body constituted by the N.Z. Government to advise regarding the tariff ; (iii) where there was no active U.K. trade interest.

(5) Notwithstanding the above-mentioned provisions, the N.Z. Government might suspend, reduce, or remit duties in the circumstances specified in the relevant provisions of N.Z. legislation. Where such action would have the effect of reducing or eliminating a margin of preference required by the Agreement, and where the availability of suitably equivalent goods from the U.K. was a material consideration, the N.Z. Government would first consult the U.K. Government and take into account any of its representations, without limiting the right of the N.Z. Government to suspend, reduce or remit such duties.

(6) The N.Z. Government undertook, on a basis of reciprocity, to maintain in respect of British dependent territories the tariff preferences accorded in the 1932 Agreement, and any other tariff preferences for the time being accorded to the U.K., pending further discussions regarding new reciprocal tariff arrangements between the N.Z. and U.K. Governments (in consultation as necessary with the Governments of the territories concerned).

The U.K. Government, for their part, undertook to invite the Governments of the dependent territories to maintain, in the meantime, the preferential tariff treatment at present accorded by those territories to imports of N.Z. produce.

(7) The two Governments recognized that each country's trade with the other might be materially injured by competition from dumped or subsidized exports from third countries. They agreed that, if after consultation it was established that such injury was being caused or threatened, each Government would consider remedial action consistent with its own laws and international obligations.

(8) The two Governments would consult on other matters affecting trade between them, at the request of either Government.

(9) The application of the Ottawa Agreement in respect of Northern Rhodesia and Nyasaland would not be affected

Agreed Statement on Trading Policies.

The following statement was agreed between the two Governments in regard to their respective trading policies :

" The Government of the United Kingdom and the Government of New Zealand reaffirm their belief in a system of multilateral trading, and their desire within such a system to continue their traditional policy of expanding trade between the two countries to their mutual benefit.

" The two Governments, in the operation of their import licensing systems, ensure that any action taken does not conflict with their obligations under GATT to operate their controls in a non-discriminatory manner. The U.K. Government affirms that it does not apply any restrictions to imports from New Zealand, and the N.Z. Government affirms that in the administration of any restriction of imports it accords to the United Kingdom terms no less favourable than those accorded to any third country.

" It is accepted by the two Governments that in certain conditions New Zealand might resort to a limited measure of bilateral trading through the conclusion of special arrangements with third countries without causing serious harm to U.K. trade. The N.Z. Government affirms that its object in concluding any such special arrangements would not be the diversion of existing trade from the U.K. but the creation of new trade by finding outlets for that part of N.Z. production which cannot be absorbed at remunerative prices on the U.K. market."

Goods affected by New Agreement.

Goods listed in **Annex A** (free entry into the U.K.) included dairy products, dried vegetables, fresh apples, pears and quinces, grass and clover seed, honey, meat extracts and preparations, tallow, and most kinds of leather.

Goods listed in **Annex B** (enjoying a preferential margin of at least 5 per cent in New Zealand) included many iron and steel products, chemical substances, and aircraft, tractors, and their engines.

Goods listed in **Annex C** included dyes ; penicillin ; sheep-dip, certain medicinal preparations ; vitamins ; surgical and dental instruments ; leathercloth ; elastics and elasticized fabrics ; wool mending yarns ; silk, raffia and jute piece-goods ; silk yarns ; sheet and safety glass ; lenses ; ball- and roller-bearings ; chains ; filters, cash registers ; typewriters, etc. ; agricultural implements and machinery, electric motors, generators, and transformers, vacuum tubes ; electric locomotives ; telegraphy appliances ; insulated cable and wire ; sparking plugs, measuring and testing machines ; mining and other machinery ; sheet metal ; boiler tubes ; iron and steel pipes ; printing type ; wire netting, gums and resins ; and veneers.

Exports of British manufactures to New Zealand were valued at nearly £140,000,000 in 1957, goods accounting for about nine-tenths of this total entering at the preferential rates of duty guaranteed under the Ottawa Agreement. [The latter provided that if the margin of preference for British goods was more than 20 per cent, New Zealand had the right to reduce it to 20 per cent, but not below.] The lists covering U.K. goods for which New Zealand will in future have the right to reduce preferential margins to 5, 7½, and 10 per cent respectively account for about 85 per cent of total British exports to New Zealand.

Sir David Eccles, President of the U.K. Board of Trade, said that the terms of the agreement with New Zealand followed " broadly the pattern of our agreement with Australia concluded two years ago " [see 15229 A] and took into account " the substantial changes since the war in the pattern of world trade and in the economic circumstances of both countries."

Mr. Nash stressed that New Zealand retained all existing rights and preferences for her goods entering the British market ; while giving " new flexibility to New Zealand's international trading and negotiating position," the new agreement ensured that the mutual beneficial economic partnership between the U.K. and New Zealand would continue. He added that " New Zealand must be able to produce at competitive prices, and to do this it is essential that we have access to imported plant and raw materials on the most favourable basis. We must also be assured of markets for our increasing production."

Mr. Nash explained that preferences granted by New Zealand to the U.K. under the Ottawa Agreement were expressed as a percentage of the value of the goods ; these preferences had retained their full effect even though values had risen. On the other hand, preferences granted by the U.K. took the form of specific duties related to quantities ; with the general rise in prices, the incidence of these duties had diminished to such an extent that they had largely lost their effectiveness, and hence their value to New Zealand.

The Heads of Agreement will form the basis of a formal agreement (to be worked out) which will operate for an indefinite period, subject to six months' notice by either side. Under the 1957 agreement, New Zealand farm products will be given unrestricted entry into the United Kingdom until 1967.—(Board of Trade Journal - Times - Daily Telegraph - Manchester Guardian - N.Z. Directorate of Information) **(16264 A ; 15594 A.)**

A. BRAZIL. — Congressional and Gubernatorial Elections. - New Senate and Chamber of Deputies.

Elections took place in Brazil on Oct. 3 for a new Federal Chamber of Deputies, one-third of the Federal Senate, 11 State Governors, and many State and municipal assemblies, the results being as follows :

Chamber of Deputies.

	*New House Seats	Old House Seats
Partido Social Democrático (Social Democratic Party)	113	113
União Democrática Nacional (National Democratic Union)	72	72
Partido Trabalhista Brasileiro (Brazilian Labour Party)	60	58
Partido Social Progressista (Progressive Socialist Party)	27	31
Partido Republicano (Republican Party)	21	14
Partido Libertador (Liberation Party)	4	10
Partido Trabalhista Nacional (National Labour Party)	7	6
Partido de Representação Popular (Popular Representation Party)	4	4
Partido Socialista Brasileiro (Brazilian Socialist Party)	8	3
Partido de Representação Trabalhista (Labour Representation Party)	2	1
Partido Social Trabalhista (Socialist Labour Party)	2	—

*The membership of the new House was increased from 312 to 320.

The representation of the two principal parties thus remained unchanged, but the Brazilian Labour and National Labour parties, the Republican Party, and the Brazilian Socialist Party all increased their strength at the expense of the Progressive Socialist Party. In the former Chamber the Government was supported by President Kubitschek's Social Democratic Party and Vice-President Goulart's Brazilian Labour Party, whilst the National Democratic Union was in opposition. In the election campaign, however, the Brazilian Labour Party and the Social Democratic Party opposed each other.

Of the total electorate of nearly 14,000,000, about 13,700,000 voters went to the polls ; voting was compulsory, but illiterates had no franchise. Although the election campaign was bitterly contested, the elections themselves passed off without serious incident.

Senate.

The composition of the new Senate was as follows :

	Seats
Social Democratic Party	20
National Democratic Union	16
Brazilian Labour Party	15
Liberation Party	3
Progressive Socialist Party	3
Republican Party	2
Popular Representation Party	1
National Labour Party	1
Brazilian Socialist Party	1
Independents	1

Both the Social Democrats and the Brazilian Labour Party maintained their previous strength of 20 and 15 seats respectively ; the National Democratic Union gained 7 new seats, bringing its strength to 16 compared with 9 previously.

Among the more important results of the Senate elections were (1) the victory in Rio de Janeiro of Senhor Afonso Arinos (National Democratic Union) over Senhor Luthero Vargas (Brazilian Labour Party), the son of the late President Vargas, who was openly supported by the secretary-general of the Communist Party, Senhor Luis Carlos Prestes ; (2) the victory in São Paulo of Father Benedito Mario Calazans de Arouzo (National Democratic Union), a politically unknown Catholic priest, over Senhor Roberto Frota Moreira, the candidate of the Brazilian Labour Party, who was regarded as a Communist sympathizer.

Gubernatorial Elections.

The most important of these were in São Paulo and Rio Grande do Sul. In São Paulo, Senhor Adhemar de Barros (mayor of São Paulo City and a former Governor of the State), standing for the Progressive Socialist Party and supported by the Brazilian Labour Party and the Communists, was defeated by Professor Carvalho Pinto (National Democratic Union), an economist of right-wing leanings. In Rio Grande do Sul, Senhor Leonel Brizzola (Prefect of the city of Porto Alegre and a brother-in-law of Vice-President Goulart) won the governorship. The newly-elected Governor of Rio de Janeiro was also a candidate of Vice-President Goulart's Brazilian Labour Party.—(Brazilian Embassy, London - Bank of London and South America Fortnightly Review - New York Times)

(Prev. rep. 14479 A.)

B. WESTERN GERMANY. — Landtag Elections in Bavaria and Hesse.

Elections to the Bavarian and Hessian *Landtage* were held on Nov. 23, provisional official results being as follows :

Bavaria.

	Seats 1958	Seats 1954	Votes 1958	Percentage 1958	Percentage 1954
Christian Social Union	101	83	4,192,384	45.6	38.0
Social Democrats	64	60	2,838,592	30.9	28.1
All-German Bloc*	17	19	793,120	8.6	10.2
Bavarian Party	14	28	741,763	8.1	13.2
Free Democrats	8	13	510,884	5.5	7.2
Others	—	—	123,351	1.1	—

* Refugee Party.

Although the C.S.U. poll increased by 7.6 per cent as compared with the last (1954) *Landtag* elections, it dropped by 11.3 per cent compared with the 1957 Federal elections. All the other major parties, on the other hand, polled better than in the Federal elections, when the Social Democrats polled only 26.9 per cent, the All-German Bloc 6.8 per cent, the Bavarian Party 3.2 per cent, and the Free Democrats 4.4 per cent.

Hesse.

	Seats 1958	Seats 1954	Votes 1958	Percentage 1958	Percentage 1954
Social Democrats	48	44	1,235,014	46.9	42.6
Christian Democrats	32	24	843,077	32.0	24.1
Free Democrats	9	21	250,313	9.5	20.5
All-German Bloc	7	7	193,974	7.4	7.7
German Party	—	—	93,226	3.5	1.2
Others	—	—	17,892	0.7	3.4

As in Bavaria, the Christian Democratic poll was considerably less than in the 1957 Federal elections (40.9 per cent), whilst the Social Democrats increased their percentage from 38 per cent to 46.9 per cent ; the Social Democratic increase thus exactly balanced the fall in the Christian Democratic vote. Compared with the last *Landtag* elections, however, the Christian Democratic gains were greater than those of the Social Democrats, though the latter remained the largest party, equalling the combined strength of the other three parties represented in the Hessian *Landtag*. The Free Democratic poll fell by 11 per cent, the party losing 12 seats to the Social Democrats and Christian Democrats ; in the last Federal elections the Free Democrats polled 8.5 per cent. The All-German Bloc maintained its position, showing a higher poll compared with the Federal elections.

Polling in Bavaria was 76.5 per cent of the electorate, against 88.1 per cent in the 1957 Federal elections. In Hesse the poll was 82.3 per cent, compared with 89.1 per cent in the Federal elections and 82.4 per cent in the last *Landtag* elections. (Frankfurter Allgemeine Zeitung) **(Prev. rep. State Elections, 16465 A ; 16320 A ; 15888 A ; Bavaria, Hesse, 14022 A.)**

C. INTERNATIONAL TIN COUNCIL. — Rejection of Soviet Request for Observer Status. - Soviet Offer of Co-operation on Tin Exports.

The International Tin Council announced on Nov. 6 that it had rejected the Soviet Union's request to join the Council as an " observer member," since there was no provision in the International Tin Agreement permitting countries to have the status of " observers." The Council added, however, that the U.S.S.R. was willing to co-operate with it and had requested its chairman to maintain contact with the Soviet trade delegation in Britain in order to keep problems concerning the tin position under consideration. M. Georges Péter, chairman of the I.T.C., stated on Nov. 7 that Soviet willingness to co-operate with the Council applied to the question of exports, but that such co-operation had so far been agreed in principle only.

Total permissible exports for the six producing member-countries of the International Tin Agreement were fixed at 20,000 tons for the first quarter of 1959—the same quantity as for the fourth quarter of 1958. (Times - Financial Times)

(Prev. rep. 16407 A.)

D. SIAM. — Ban on Opium Smoking.

The Prime Minister of Siam (Field-Marshal Sarit Thanarat) announced on Dec. 11 that opium smoking—at present permitted under licence—would be banned from June 30, 1959. An estimated 80,000 to 100,000 Siamese are addicted to opium smoking, and the Government had announced in August that the equivalent of £550,000 would be spent over a four-year period for the rehabilitation of addicts. The number of licensed opium houses has already been reduced from 1,200 to 990.

(Manchester Guardian)

DECEMBER 13—20, 1958

A. FRANCE. — The Constitutional Referendum. - Overwhelming Majority for New Constitution.

The Constitution of the Fifth Republic (see 16529 A) was submitted on Sept. 28 to a national referendum throughout metropolitan France, Algeria, and all the oversea departments and territories. It was overwhelmingly approved in the metropolitan territory, Algeria, and every part of the French Union except Guinea, which was the only territory to show a majority of "no" votes.

The decision to hold the Constitutional referendum on Sept. 28 was taken by General de Gaulle's Government on Aug. 6; all adult inhabitants of France (including Algeria) and the French Union were declared eligible to vote, while French nationals living abroad were given the opportunity to record their votes at French embassies and consulates, either in person or by post.

On Sept. 23 the *Journal Officiel* published a list of 23 parties and political groups (all had previously registered with the Minister of the Interior) which would be allowed to conduct political propaganda during the referendum campaign—e.g. to exhibit posters and to receive broadcasting and television facilities—for or against the new Constitution. The 23 parties and groups included all those represented in the Parliament of the Fourth Republic, together with the many new parties and organizations which had come into existence since the Algerian uprising of May 13.

A description is given below of (1) the referendum campaign in metropolitan France; (2) the referendum campaign in Algeria; (3) General de Gaulle's pre-referendum tour of the French colonial territories in Africa (*Afrique noire*), made with the express purpose of explaining the choices open to those and other oversea territories under the Constitution; (4) the attitude taken by the various African parties toward the new Constitution; and (5) the detailed results of the referendum in metropolitan France, Algeria, and the oversea territories and departments.

The Referendum Campaign in France.

The referendum campaign in metropolitan France was opened by General de Gaulle on Sept. 4 in an open-air speech to a crowd of over 100,000 in the Place de la République, in the heart of the working-class district of eastern Paris. Although there were scuffles with Communist and other left-wing demonstrators, the meeting was not disrupted and the General was enthusiastically acclaimed by vast numbers of people.

In a 20-minute speech General de Gaulle dwelt on the incapacity of the political system of the Fourth Republic, which had finally resulted in the "paralysis of the State" and a grave national crisis. When his Government had been legally constituted on June 1, it had just been possible to save the nation from the destruction which seemed inevitable at the time. The new Constitution, he emphasized, had been carefully worked out and drafted by a large number of people of diverse origins and views; it was designed not for a dictatorship but for a Republican Government based on liberty and justice and capable of governing effectively.

After appealing to the nation to vote "yes" in the constitutional referendum, General de Gaulle declared: "This Constitution has been drawn up for the people we are and the world and century in which we live. It means effective direction; a national arbiter above political fights; a Government which will be capable of governing; a Parliament which represents the political will of the nation without exceeding its role. This means that the Government and Parliament must work together but remain separate. . . . With all my heart, in the name of France, I call upon you to vote 'yes.' If you do not do so, we shall on that very same day revert to the mistakes that you know so well."

In the course of his speech General de Gaulle laid emphasis on the principle of "free determination," embodied in the new Constitution, whereby the oversea territories would have the opportunity to decide for themselves on their future relationship with France.

In the week preceding the referendum General de Gaulle made a "whistle-stop" tour in which he made similar speeches and appeals in Bordeaux, Lille, Rennes and Strasbourg; as in Paris, he was given an enthusiastic reception in all these cities. In a final eve-of-the-referendum broadcast on Sept. 26, the General again appealed for a "massive" vote in favour of the new Constitution, declaring that he was "entrusting the destiny of France to every man and woman."

The non-Communist campaign against the new Constitution was led by M. Mendès-France, supported by a number of political personalities who had opposed the Constitutional Reform Bill in the National Assembly—among them M. Mitterrand, of the U.D.S.R. At a press conference on Sept. 5, M. Mendès-France set forth in detail the objections of himself and his supporters to the new Constitution and criticized the methods for holding the referendum.

M. Mendès-France maintained that the referendum would be in the nature of a personal plebiscite for or against General de Gaulle, instead of a vote on what should be a constitutional issue. He asserted that the Government and its supporters were trying to "blackmail" the people into believing that the choice lay between "the Communists and a Popular Front, civil war and the paratroopers, or a return to the Fourth Republic." Although he himself was sure that General de Gaulle did not want the referendum to be held in terms of this "triple choice," he feared that the General was under the pressure of the elements which brought him to power.

Criticizing the conditions under which the referendum would be held, M. Mendès-France alleged that the official pressure brought to bear on the people—by utilization of every medium of propaganda, and the mobilization of the public authorities in the interests of the referendum—was greater than at any time since the Second Empire. In Algeria, the referendum could not possibly be held freely, since the Opposition press was silenced and the Nationalist leaders were unable to express themselves openly; he believed that a vote under these conditions would "discredit still further in Moslem eyes the Western principles of political consultation"

As regards the new Constitution itself, M. Mendès-France attacked in particular the indirect method of electing the President of the Republic, maintaining that he would have almost sovereign powers under the new Constitution and could promulgate a "legal dictatorship" in an emergency. He (M. Mendès-France) knew that General de Gaulle was not the type of man to become a dictator, but he feared that the constitutional provisions might result in some form of dictatorship being established eventually.

M. Mendès-France agreed that the Fourth Republic was "dead" and that a return to it was "unthinkable." He proposed, therefore, that all those opposed to the new Constitution should enter into a "compact" to promote the following alternative plan: (1) the holding in November of general elections for a new Constituent Assembly, the voting system to be similar to the British single-member constituency system; (2) the drafting by this Constituent Assembly of a Constitution which "must not be rigid or heavy-handed like the one adopted in 1946 or the one now proposed"; (3) the strengthening of the Executive by giving it the right to dissolve Parliament, as in Britain.

The parties supporting the new Constitution included the Independents (conservatives) and *paysans*, the M.R.P., a large majority of the Socialist Party, the Social Republicans (Gaullists), the majority of the Radical Party (i.e. the "anti-Mendesian" section), the Dissident Radicals and the R.G.R. group, most of the U.D.S.R. group, and the numerous pro-Gaullist parties and groups formed since the Algerian uprising, including M. Soustelle's *Union pour la Nouvelle République*. Those parties and groups opposing the Constitution included the "Mendesian" Radicals and their supporters from other parties, a minority of the Socialist Party, the Communists, the Poujadists, and the new group formed by M. Daniel Mayer under the designation *Union des forces démocratiques*. [The attitude of the various parties and groups is described in the issue dated December 20-27, 1958.—*K.C.A.*]

The Referendum Campaign in Algeria.

A series of decrees for the holding of the referendum in Algeria and the Sahara was published by the French Government on Aug. 14 and Sept. 19, after consultation with General Salan, the military commander and chief civil administrator in Algeria. The principal provisions were:

(1) A central control commission would be set up in Algiers to supervise the referendum throughout Algeria and the Sahara.

(2) Regional control commissions would be appointed for each of the Algerian *départements*.

(3) Local control commissions would supervise the voting in rural areas.

(4) Sealed ballot-boxes from village polling-stations would be brought by the Army to regional headquarters, where they would be opened under the supervision of the appropriate regional control commission.

(5) Voting in the principal Algerian cities would take place on Sept. 28, as in France.

(6) In the rural areas, voting would be spread over three days—Sept. 26, 27 and 28—to ensure that the terrorists did not attack polling stations or prevent the population from going to the polls.

(7) The Army would protect polling-booths against possible rebel attacks, ensure that voters cast their votes without interference or intimidation, protect them from possible rebel reprisals after the vote, and furnish transportion for voters in outlying areas.

(8) All adult citizens in Algeria would be eligible to vote, both European and Moslem, and Moslem women would possess the franchise equally with men. European and Moslem voters would use the same polling-stations, but special booths would be provided for veiled Moslem women. Ballot-papers would be printed in three languages—French, Arabic and Kabyle.

(9) Electors normally resident in Algeria, but outside the territory at the time of the referendum, would be able to vote by post.

(10) New groups or parties formed in Algeria [since May 13] would be able to participate in the referendum campaign.

(11) The above provisions would apply equally to the two Saharan departments—Oasis and Saoura.

The central control commission referred to in (1) above was set up on Sept. 2 under the chairmanship of M. Henri Hoppenot, a career diplomat who served during the Second World War as General de Gaulle's representative in Washington. Its members were nearly all high-ranking jurists in France or Algeria, and included both Europeans and Moslems—among the latter being M. Salah Mahdi, president of the Algiers *Cour d'appel*. The various regional commissions, comprising 85 members in all, were appointed on Sept. 11 ; like the central control commission, they consisted mainly of magistrates and other legal personalities, and included many Moslems.

In a broadcast on Sept. 12, M. Hoppenot emphasized that the central control commission and the subsidiary regional and local commissions were " guarantees by the Government of the Republic . . . that liberty and sincerity of the vote will be exercised by all." He added : " This means that no elector can be forcibly prevented from voting ; that every elector is free to vote ' yes ' or ' no ' ; that every vote is strictly secret ; that every individual citizen, man or woman, can vote freely according to their consciences."

During a two-day visit to Algiers (Aug. 28-29) following his tour of the African colonial territories (see below), General de Gaulle declared in a broadcast that every Algerian who voted "yes" in the referendum would "show that he wishes to behave as a Frenchman with equal rights, and that he thinks that the evolution of Algeria must be accomplished within a French framework."

" On Sept. 28," said General de Gaulle, " Algerians of all communities, in complete equality, will exert a direct influence on the fate of France by one word—' yes ' or ' no.' It will depend partly on their vote whether our national institutions will be renewed or whether we shall return to the misguided road which brought the Republic to the edge of the precipice. Their vote will also establish on a new basis the relations of metropolitan France and Algeria with the African territories. . . . Finally, by their vote the inhabitants of Algeria will help to decide the question of their own destiny."

In the course of his broadcast General de Gaulle emphasized the Government's determination to complete its task in Algeria despite all obstacles ; to develop industry, agriculture, education, and social services ; to raise the living standards of all sections of the community ; and to provide full employment for Algerians " from Dunkirk to Tamanrasset."

[Tamanrasset is a military outpost in the extreme south of the Sahara. The phrase " Dunkirk to Tamanrasset " was coined by M. Soustelle after the uprising of May 13 as a synonym for the complete integration of France, Algeria and the Sahara—the concept of France " one and indivisible " from the English Channel to the southern confines of the Sahara. The phrase has been widely adopted both in Algeria and France and has been frequently used by General Salan and other French leaders.]

In an eve-of-the-referendum message to Algeria, broadcast from Paris on Sept. 26, General de Gaulle urged the electorate to show by a massive " yes " vote their intention to participate in " the great political, economic, social and cultural work we have resolved to accomplish in order to transform Algeria, deliver its inhabitants from fear and poverty, and ensure the freedom and dignity of every man and woman."

General de Gaulle's Tour of African Colonies.

During the week Aug. 22-27 General de Gaulle made a 12,000-mile tour by air of the French colonial territories in Africa with the object of explaining the Constitutional provisions to the local populations—in particular, those provisions relating to the future status of the oversea territories. In the course of this tour he visited and made speeches in Tananarive (Antananarivo), the capital of Madagascar ; Brazzaville, capital of French Equatorial Africa ; Abidjan, in the Ivory Coast ; Conakry, in French Guinea ; and Dakar, in Senegal, capital of French West Africa. Before returning to Paris he paid a two-day visit to Algiers on Aug. 28-29 as stated above.

General de Gaulle received an enthusiastic welcome in Madagascar, Equatorial Africa, and the Ivory Coast but encountered considerable criticisim in French Guinea and Senegal—particularly from M. Sekou Touré, president of the *Conseil guinéen* (Prime Minister of Guinea).

In a speech at Tananarive on Aug. 22 to a crowd of 60,000, General de Gaulle said that the people of Madagascar, in common with the peoples of the other oversea territories, would have the choice between " separating their destiny completely from that of France " or of joining with France in a Federal Community with complete internal freedom ; the pledges given in the Constitution would exclude no solution, " not even secession." Speaking in reply, the Prime Minister of Madagascar (M. Philibert Tsiranana, a Socialist deputy in the National Assembly and a member of the Consultative Committee which helped to draw up the Constitution) warmly welcomed the prospect of a Federal Community linking France, Madagascar, and other oversea territories ; he called for the repeal of the Annexation Law of 1896, under which France took control of Madagascar, and ended his speech with the words : " Long live the Franco-Madagascan Community, long live the Madagascan Republic!"

Similar assurances were given by General de Gaulle in Brazzaville (Aug. 23) and Abidjan (Aug. 24), his reception in both cities being extremely enthusiastic. On Aug. 25, however, during the General's visit to Conakry, M. Sekou Touré made a strongly-worded speech in which he said that he and the Guinea branch of the R.D.A. (*Rassemblement Démocratique Africain*) would not support the Constitution because the right of the African peoples to full independence was not clearly written into its text, adding that " we prefer poverty in freedom to riches in slavery." At the same time M. Touré said that the people of Guinea, while intending to " exercise their sovereign right to independence," desired to remain in a Franco-African Community as citizens of a free African State.

Speaking in reply, General de Gaulle said that France had " no reason to blush for her work in Africa," nor would she prevent the African peoples from following the road of their choice , the question to be decided was whether Africans and " metropolitans " would work in a Community for their mutual economic, social and cultural advancement, and if necessary for the defence of liberty. If Guinea wanted independence, however, she could have it by voting " no " on Sept. 28.

In Dakar, General de Gaulle was met by a large crowd waving banners with the words " No to the Referendum " and " Immediate Independence " , for some time he had difficulty in making himself heard, and at one point he shouted " Why those banners ? You want independence ? Then take it ! " Large numbers of those present, however, were obviously favourable to the General, and at the end of his speech he received a tremendous ovation from thousands of Africans shouting in unison *Vive de Gaulle !*

In a press statement after General de Gaulle had left Conakry, M. Sekou Touré said : " For us to vote for the Constitution, it must assert not only in the preamble but in the text the right of the oversea peoples to independence. We remain partisans of a Franco-African Community."

Attitude of African Parties toward New Constitution.

The two major African parties—the *Rassemblement Démocratique Africain* (R.D.A.) and the *Parti du Regroupement Africain*—decided that their territorial branches should be free to choose for themselves whether or not to accept the new Constitution.

The leading personalities in the R.D.A. are M. Félix Houphouet-Boigny (Ivory Coast), one of the four Ministers of State in General de Gaulle's Government, and a member of many former Cabinets ; M. Sekou Touré, party leader in French Guinea ; and M. Gabriel Lisette (Chad), a member of the Consultative Committee which helped to draft the new Constitution. The principal P.R.A. leaders are M. Léopold Senghor and Senator Lamine-Gueye (both of Senegal), who were also members of the Consultative Committee. Among the R.D.A. leaders, the new Constitution was supported by M. Houphouet-Boigny and M. Lisette but was strongly opposed by M. Touré as stated above ; M. Senghor, M. Lamine-Gueye, and most other P R.A. leaders supported the Constitution.

Note.—It was incorrectly stated on page 16529 (first column) that M. Houphouet-Boigny is a member of the P.R.A. ; he is in fact one of the leaders of the R.D.A.

Both the R.D.A. and the P.R.A. have a number of affiliated parties in the African territories, under different designations. The attitude adopted by the various African parties in the individual territories is summarized below :

French West Africa.

Both the R.D.A. and P.R.A. (including affiliated parties) supported the new Constitution in Dahomey, Senegal, and the French Sudan, but opposed it in French Guinea. Elsewhere in French West Africa the R.D.A. supported the Constitution in the Ivory Coast, Niger and Upper Volta, while the Ivory Coast branch of the P.R.A. opposed it.

Dahomey. The *Union démocratique dahoméenne* (affiliated to the R.D.A.) and the *Parti progressiste dahoméen* (affiliated to the P.R.A.) both decided to support the Constitution.

Guinea. As stated above, the Constitution was opposed by the territorial branches of both the R.D.A and the P.R.A., the former being much more influential in the Colony than the latter.

Ivory Coast. The Constitution was supported by the *Parti démocratique de la Côte d'Ivoire* (R.D.A.), led by M. Houphouet-Boigny, and opposed by the *Regroupement des partis de la Côte d'Ivoire* (P.R.A.). M. Houphouet-Boigny (an African) has a strong personal following in the territory, of which he was formerly Governor. The P.R.A. has little influence in the Ivory Coast.

Mauritania. The *Parti du regroupement mauritanien* supported the Constitution. There are no Opposition groups of any importance, most of their leaders being refugees in Morocco. The P.R.M. is led by M. Moktar Ould Daddah, president of the Mauritanian Council of Government.

Niger. The *Parti progressiste nigérien* (R.D.A.) supported the Constitution, whilst the Niger branch of the P.R.A. was divided.

Senegal. The *Union progressiste sénégalaise* (P.R.A.) and the *Mouvement populaire sénégalais* (R.D.A.) both supported the Constitution, although a minority group in the U.P.S. decided to vote " no." The Constitution was opposed by the *Parti africain d'indépendance* and by various students' and workers' organizations.

The U.P.S. (the Senegal branch of the P.R.A.) is led by M. Léopold Senghor, M. Mamadou Dia and Senator Lamine-Gueye, all prominent members of the French Parliament.

Sudan. Both the *Union soudanaise* (the territorial branch of the R.D.A.) and the Sudanese branch of the P.R.A. supported the new Constitution. The leader of the P.R.A. in the French Sudan is M. Hammadoun Dicko, a well-known Socialist deputy and a Secretary of State in several Governments.

Upper Volta. The *Parti démocratique unifié* (R.D.A.) supported the Constitution, while the *Mouvement du regroupement voltaique* (P.R.A.) was divided.

French Equatorial Africa.

The new Constitution was supported by all branches of the R.D.A. and P.R.A. in Equatorial Africa, and by all other territorial parties.

Chad. The *Parti progressiste tchadien* (R.D.A.) and the *Mouvement socialiste africain* both decided to vote "yes." The P.P.T. is led by M. Gabriel Lisette, who is one of the leaders of the R.D.A. as stated above.

Gaboon. The *Bloc démocratique gabonais* (R.D.A.) and the *Union démocratique et sociale du Gabon* both supported the Constitution.

Middle Congo. The *Union démocratique pour la défense des intérêts africains* (R.D.A.) and the *Parti progressiste congolais* both supported the Constitution.

Ubangui-Shari. The Constitution was supported by the *Mouvement pour l'émancipation de l'Afrique noire*, the only important party in the territory.

Madagascar and French Somaliland.

The Constitution received support from all the leading Madagascan and Somali parties.

Madagascar. The principal parties supporting the Constitution were the Socialist Party led by M. Philibert Tsiranana, president of the *Conseil malgache* (Prime Minister of Madagascar), and a number of parties grouped under the designation *Partis du congrès de Tamatave*. The Roman Catholic hierarchy in the island—which has much political influence—also appealed to the electors to vote "yes."

A number of minor Madagascan parties opposed the Constitution, among them the *Union du peuple malgache* (pro-Communist). Appeals for a "no" vote were also made by the mayor of Tananarive (M. Stanislas Rakotonerina) and by several Madagascan politicians in exile.

Somaliland. The two leading Somali parties—the *Mouvement de l'union républicaine* and *Parti de défense des intérêts économiques et sociaux du territoire*—both supported the Constitution, although the leader of the M.U.R. (M. Mahmoud Harbi, president of the Council of French Somaliland) called for a "no" vote.

Results of the Referendum. - Massive Support for New Constitution in Metropolitan France, Algeria, and Oversea Territories and Departments.

In the referendum held on Sept. 28 throughout France, Algeria, and the French Union, the voters were asked to reply "yes" or "no" to the question: "Do you approve the new Constitution presented to you by the Government of the Republic?" It resulted in a massive majority in favour of the new Constitution in metropolitan France, Algeria, and all the oversea departments and territories except Guinea, which, as stated above, was the only part of the French Union where "no" votes were in a majority.

The following official figures were published by the Ministry of the Interior on Oct. 4 showing the final results for metropolitan France, Algeria and the Sahara, the oversea departments (i.e. Guadeloupe, Martinique, Réunion, and French Guiana), and the oversea territories:

	Votes cast	Per cent	"Yes" votes Total	Per cent	"No" votes Total	Per cent
Metropolitan France ..	22,596,850	84.9	17,668,790	79.2	4,624,511	20.8
Algeria ..	3,515,210	79.6	3,357,763	96.5	118,631	3.5
Oversea territories	236,312	83.7	232,113	98.6	3,289	1.4
Oversea departments	9,911,327	70.0	9,221,585	93.5	632,606	6.5

In addition, the Ministry gave the results of the voting in the Trust territories of Togoland and the Cameroons, in the New Hebrides, in the Wallis and Futuna Islands, and among French nationals living abroad. Voting in the two Trust territories was confined to Europeans, and in the New Hebrides (an Anglo-French condominium) to French citizens living in the islands.

Of the 11,403 votes cast in the Cameroons, 10,544 (96.6 per cent) were in favour of the Constitution and 368 (3.4 per cent) against; comparable figures for Togoland were 1,775 for the Constitution (92.6 per cent) and 142 against (7.4 per cent). In the New Hebrides, 536 French nationals voted for the Constitution (95.8 per cent) and 23 against (4.2 per cent). The 46 electors in the Wallis and Futuna Islands voted "yes."

Of the votes cast by French nationals living abroad, 355,163 were in favour of the Constitution (95.8 per cent) and 15,246 against (4.2 per cent). Results from certain countries were published as follows: Morocco, 132,088 "yes" votes, 4,261 "no" votes; Tunisia, 50,449 "yes," 1,334 "no"; Belgium, 25,096 "yes," 1,124 "no"; Great Britain, 4,675 "yes," 287 "no." French nationals in Britain voted at the Embassy in London and the Consulates-General in Edinburgh and Liverpool.

The following grand totals were given by the Ministry of the Interior, excluding the voting in Guinea:

Total registered electors	45,840,642
Total votes cast	36,893,979 (80.4 per cent)
Total valid votes	36,486,251
Total "yes" votes	31,066,502 (85.1 per cent)
Total "no" votes	5,419,749 (14.9 per cent)

These figures covered all votes cast in metropolitan France, Algeria, and the Sahara, the oversea departments, the oversea territories (except Guinea), the Trust territories, the Wallis and Futuna Islands, the New Hebrides, and by French citizens living abroad.

Referendum Results in France.

The definitive results in metropolitan France (including Corsica) were as follows:

Total registered electors	26,606,948
Total votes cast	22,596,850 (84.9 per cent)
Total valid votes	22,291,303
Total "yes" votes	17,668,790 (79.25 per cent)
Total "no" votes	4,624,511 (20.75 per cent)
Abstentions	4,011,245 (15.1 per cent)
Spoiled or blank papers	304,000

The referendum thus resulted in an overwhelming majority of nearly 80 per cent in favour of the new Constitution, and correspondingly in a sweeping victory for General de Gaulle and his Government. Voting was very much higher and abstentions much lower than at any general election under the Fourth Republic, the poll being the highest since the liberation. It was pointed out by press commentators that in more than 60 departments the number of "no" votes was less than the Communist vote at the general election of 1956—the inference being that the Communists had lost ground throughout France; moreover, it was commented that large sections of the working-class had apparently voted for General de Gaulle against the advice of their leaders—e.g. in Lille, where "no" votes were 75,000 fewer than those of the Communists alone in 1956.

General de Gaulle received big majorities in every department, varying from over 90 per cent in eastern and western France (particularly in Alsace, Lorraine, and parts of Brittany and Normandy) to 64-69 per cent (the lowest figures) in certain departments of central and southern France. "Yes" and "no" percentages for the 90 departments of metropolitan France were as follows:

	"Yes"	"No"
Ain	83	17
Aisne	76.1	23.9
Allier	69.9	30.1
Alpes (Basses-)	74.1	25 9
Alpes (Hautes-)	81	19
Alpes-Maritimes	75	25
Ardèche	77.4	22.6
Ardennes	79.2	20.8
Ariège	71	29
Aube	77.7	22.3
Aude	73.7	26.3
Aveyron	84.4	15.6
Belfort	85.3	14.7
Bouches-du-Rhône	72.1	27.9
Calvados	88.5	11.5
Cantal	84.8	15.2
Charente	78.5	21.5
Charente-Maritime	83.3	16.7
Cher	70.3	29.7
Corrèze	64.0	36.0
Corsica	87.3	12.7
Côte-d'Or	83.5	16.5
Côtes-du-Nord	78.5	21.5
Creuse	68.8	31.2
Dordogne	76.1	23.9
Doubs	87.8	12.2
Drôme	77.5	22.5
Eure	79.4	20.6
Eure-et-Loir	82.4	17.6
Finistère	83	17
Gard	67.4	32.6
Garonne (Haute-)	75.4	24.6
Gers	78	22
Gironde	85.7	14.3

	"Yes"	"No"
Hérault	71.8	28.2
Ille-et-Vilaine	87.3	12.7
Indre	74.2	25.8
Indre-et-Loire	81.3	18.7
Isère	74.9	25.1
Jura	84.1	15.9
Landes	82.7	17.3
Loir-et-Cher	80.1	19.9
Loire	78.7	21.3
Loire (Haute-)	88.4	11.6
Loire-Atlantique	86.7	13.3
Loiret	80.2	19.8
Lot	76.3	23.7
Lot-et-Garonne	74.4	25.6
Lozère	86	14
Maine-et-Loire	89	11
Manche	92.4	7.6
Marne	78.6	21.4
Marne (Haute-)	86.4	13.6
Mayenne	90.8	9.2
Meurthe-et-Moselle	84.7	15.3
Meuse	90	10
Morbihan	86.6	13.4
Moselle	89.6	10.4
Nièvre	74.7	25.3
Nord	77.1	22.9
Oise	76.6	23.4
Orne	91	9
Pas-de-Calais	75.1	24.9
Puy-de-Dôme	79.4	20.6
Pyrénées (Basses-)	88.3	11.7
Pyrénées (Hautes-)	80.1	19.9
Pyrénées-Orientales	71.9	28.1
Rhin (Bas-)	93.4	6.6
Rhin (Haut-)	91 8	8.2
Rhône	80.6	19.4
Saône (Haute-)	87.6	12.4
Saône-et-Loire	78.9	21.1
Sarthe	82 2	17.8
Savoie [Savoy]	79.5	20.5
Savoie (Haute-)	84	16
Seine	73.1	26 9
Seine-et-Marne	77.2	22.8
Seine-et-Oise	72.4	27.6
Seine-Maritime	75.7	24.3
Sèvres (Deux-)	87.8	12.2
Somme	73 2	26.8
Tarn	78.7	21.3
Tarn-et-Garonne	76.5	23.5
Var	76	24
Vaucluse	72	28
Vendée	90	10
Vienne	83.4	16.6
Vienne (Haute-)	66.7	33.3
Vosges	88.1	11.9
Yonne	78.8	21.2

Voting in Paris and the leading provincial cities was as follows :

	"Yes"	"No"
Paris	1,114,924	320,890
Marseilles	242,887	88,779
Lyons	185,209	39,891
Bordeaux	103,517	16,586
Toulouse	98,140	35,264
Nantes	92,305	20,296
Nice	89,167	30,347
Lille	85,505	14,614
Strasbourg	80,930	8,913
Saint-Etienne	68,511	21,316
Le Havre	60,969	25,162
Nancy	54,821	6,727
Toulon	54,740	13,810
Roubaix	48,730	8,699
Brest	47,828	11,270
Le Mans	46,595	13,864
Rouen	45,739	14,444
Limoges	44,800	14,695
Angers	42,679	8,039
Grenoble	41,495	14,130
Clermont-Ferrand	40,838	11,719

"Yes" majorities were obtained in all the 20 *arrondissements* of Paris and in 44 of the 45 municipalities of the *banlieue* (the big suburbs in the Seine department outside the City of Paris itself) ; there was a small "no" majority in Bagnolet, in the so-called "red belt."

Referendum Results in Algeria.

The following figures of the voting in Algeria and the Sahara were published on Sept. 30 by the Minister of the Interior. They differed slightly from the overall figures published by the Ministry on Oct. 4 (see above), as definitive results from several outlying areas were not yet to hand and other results were still subject to verification :

*Total registered voters	4,402,250	
Total votes cast	3,505,719	
Total valid votes	3,477,181	
Total "yes" votes	3,356,969	(96.5 per cent)
Total "no" votes	118,615	(3.5 per cent)

* Comprising both European and Moslem electors, the latter being greatly superior numerically ; in the City of Algiers there were 104,206 Moslem and 25,864 European registered voters according to official figures.

Results in the Algerian and Saharan *départements* (in most cases provisional, and subject to final rectification) were given as follows :

	"Yes"	"No"
Algiers	583,628	26,534
Batna	173,941	8,354
Bône	291,546	7,018
Constantine	388,066	18,787
Médéa	13,374	178
Mostaganem	260,071	2,936
Oran	420,902	9,113
Orléansville	226,381	3,650
Sétif	310,214	15,498
Tiaret	156,373	1,629
Tizi-Ouzou	174,910	12,961
Tlemçen	131,089	4,641
*Oasis	152,761	1,862
*Saoura	79,352	1,427

* Saharan departments.

The percentage in favour of the new Constitution (over 96 per cent) was thus considerably higher in Algeria than in the metropolitan territory itself. Voting was very heavy among Europeans and Moslems in nearly all areas, and Moslem women —enfranchised for the first time—went to the polls in large numbers. As stated above, the referendum was the first Algerian election in which the Moslem electorate voted in complete equality with the European electorate.

About 87 per cent of the electorate voted in the departments of Algiers and Mostaganem, 85 per cent in Tiaret, 84 per cent in Oran, 83 per cent in Bône, 81 per cent in Orléansville, 78 per cent in Médéa, 77 per cent in Tlemçen, 76 per cent in Tizi-Ouzou, 71 per cent in Batna, and 57.7 per cent in Sétif.

In the Saharan territories many tribesmen travelled long distances to record their votes at Ghardaïa, Touggourt, Ouargla, Hassi-Messaoud, and smaller centres ; over 98 per cent of the votes were in favour of the Constitution.

All polling stations in Algeria were strongly guarded by troops and (in the Sahara) by the Foreign Legion to prevent possible terrorist attacks. Prior to the referendum the Algerian "Government-in-exile" had called upon the Moslem population to abstain from voting or, if this was not possible, to vote "no" —an appeal which apparently had little or no result. Isolated incidents occurred in different parts of Algeria during the referendum, but there were no concerted terrorist attacks during this period ; the worst incident occurred near Oran, where 19 French soldiers were killed in an ambush, and there were also some fatal casualties in bomb-throwing incidents in the Constantine and Tlemçen areas.

Both before and during the referendum the French military authorities in Algeria conducted large-scale psychological propaganda designed to ensure a high "yes" vote—e.g. by loud-speaker vans, postal displays, bands and processions, etc. French and foreign journalists, however, were allowed to visit polling stations in all parts of Algeria while the referendum was in progress ; they reported that the voting appeared to be fairly and freely conducted, without intimidation of any section of the electorate.

Referendum Results in Oversea Departments and Territories.

As stated above, large "yes" majorities were recorded in all parts of the French Union except Guinea. In nearly all territories there was a large turn-out of voters, figures being as follows (in some cases definitive but in most provisional and subject to final revision) :

Oversea Departments.

	"Yes"	"No"
Guadeloupe	53,945	14,222
Martinique	73,580	4,975
Réunion	83,621	5,248
French Guiana	7,281	385

Oversea Territories.

French West Africa.

	"Yes"	"No"
Dahomey	418,709	9,237
Guinea	18,012	636,281
Ivory Coast	1,553,704	197
Mauritania	175,464	10,898
Niger	187,000	45,000
Senegal	529,946	11,979
Sudan (French)	392,816	9,466
Upper Volta	768,639	6,822

These figures were provisional in all cases, though including a majority of polling stations; in the case of Niger the figures were approximate, with many results outstanding from outlying areas. The highest "yes" percentage was in the Ivory Coast (over 99 per cent), where negative votes were infinitesimal, in Abidjan, the capital, there were 101,690 votes for the Constitution and only 67 against. Elsewhere there were "yes" percentages of 99 per cent in Upper Volta, 97 per cent in Senegal, Dahomey, and the French Sudan, 93 per cent in Mauritania, and 76 per cent in Niger, subject to final rectification in all cases. In Dakar, capital of Senegal, there were 46,376 "yes" votes and 4,770 "no" votes.

In Guinea, on the other hand, the "no" percentage was 98 per cent and the "yes" percentage only two per cent, on the basis of incomplete returns.

French Equatorial Africa.

	"Yes"	"No"
Chad	23,187	198
Gaboon	137,650	11,736
Middle Congo	339,504	1,962
Ubangui-Shari	416,118	4,213

Results for the Middle Congo were complete, showing a "yes" vote of over 99 per cent. The figures for the three other territories were provisional, showing (on the basis of returns to hand) "yes" percentages of 98 in Ubangui-Shari, 97.8 in Chad, and 92 in Gaboon.

Madagascar, Somaliland, and Island Territories.

	"Yes"	"No"
Madagascar	1,178,595	332,924
French Somaliland ..	8,662	2,851
New Caledonia ..	26,085	500
Comoro Islands ..	48,127	904
St. Pierre and Miquelon	2,325	46

The Madagascan results (covering four-fifths of all polling-stations) showed an 80 per cent "yes" vote for the Constitution. Figures for New Caledonia and St.-Pierre-Miquelon were complete, and those for Somaliland and the Comoro Islands provisional.

The Fifth Republic came into existence on Oct. 6, when the new Constitution was promulgated in the *Journal Officiel*.
(Le Monde, Paris) **(Prev. rep. Constitution, 16529 A)**

A. LEBANON. — Disbanding of U.N. Observation Group. - Withdrawal of Lebanese Complaint against United Arab Republic.

The U.N. Secretary-General (Dr. Hammarskjöld) announced on Nov. 19 that the U.N. Observation Group in the Lebanon (Unogil) would be disbanded and withdrawn from the country following the restoration of normal conditions, in agreement with the Lebanese Government. The first group of 200 observers accordingly left Beirut on Nov. 22, and the remaining 300 had all left the country by Dec. 10. In its last report, published on Nov. 19, Unogil stated that the disturbances in Lebanon had come to an end with the formation of the new Government on Oct. 15, and that there had been no cases of established or suspected infiltration of armed men or *matériel* since that date.

Simultaneously with Dr. Hammarskjöld's announcement, the Lebanese Government requested the Security Council to delete from its agenda the Lebanese complaint—presented in May last—alleging intervention by the United Arab Republic in Lebanon's internal affairs; in asking the Council to take this action, the Lebanese Foreign Minister (M. Oweini) said that "close and cordial relations" had been restored between Lebanon and the U.A.R. on the basis of the U.N. Charter, the Charter of the Arab League, and the Arab "peace resolution" adopted by the General Assembly. In accordance with the Lebanese request, the Security Council unanimously agreed to delete the item from its agenda.—(New York Times - Le Monde) **(Prev. rep. 16439 A.)**

B. UNITED KINGDOM. — Immigration of Coloured People from Commonwealth.

During a parliamentary debate on Dec. 5, the Under-Secretary to the Home Office (Mr. David Renton) said that the total number of coloured people from the Commonwealth living in Britain was estimated at 210,000, including 115,000 West Indians, 55,000 Indians and Pakistanis, 25,000 West Africans, and 15,000 from other parts of the Commonwealth. London had 90,000 coloured residents, Birmingham 25,000, Manchester 8,000, Liverpool 6,400, and Leeds 6,000, with "smaller but substantial" numbers in Nottingham, Bradford, Coventry, and Cardiff.

It was announced on Dec. 7 that the British Caribbean Welfare Service (see 15451 A) had been renamed the Migrant Services Division of the U.K. Office of the West Indies, British Guiana and British Honduras. With the change of title the service acquired the status of a department of the West Indies Government.—(Times) **(Prev. rep. 16428 A; 15451 A.)**

C. SHIPPING. — World Tonnage, June 1958.

Statistical tables published by Lloyd's Register of Shipping in November gave the total of world shipping at June 30, 1958, as 118,033,731 gross tons, compared with 110,246,081 gross tons at June 30, 1957. The sizes of the principal national fleets (excluding ships under 100 tons, sailing ships, and barges) in mid-1958 and mid-1957 are shown in the following table:

	1958 Gross Tons	1957 Gross Tons
United States*	25,589,596	25,910,855
United Kingdom	20,285,776	19,857,491
Liberia	10,078,778	7,466,429
Norway	9,384,830	8,488,164
Japan	5,465,442	4,415,070
Italy	4,899,640	4,551,956
Netherlands	4,599,788	4,335,356
British Commonwealth (except U.K.)	4,369,349†	4,174,463
Panama	4,357,800	4,129,029
France	4,337,935	4,009,783
Germany (Western)	4,077,475	3,605,687
Sweden	3,303,078	3,047,535
Soviet Union	2,965,819	2,708,607
Denmark	2,034,687	1,857,478
Greece	1,611,119	1,471,543
Spain	1,607,212	1,505,224
Argentina	1,028,585	1,038,559
Brazil	911,167	891,480
Finland	755,180	754,720
Belgium	601,441	579,432
Turkey	595,625	593,505
Portugal	551,926	547,037
China (Nationalist)	539,830	541,690
Costa Rica	510,307	519,341

* Including reserve fleet, estimated at about 14,000,000 gross tons at June 30, 1958, and about 12,750,000 tons at June 30, 1957.

† Including 1,515,887 tons registered in Canada; 673,678 tons in India; 631,240 tons in Australia; 434,515 tons in Hong Kong; 255,989 tons in New Zealand; 194,032 tons in South Africa; and 128,263 tons in Pakistan.

Although the increase of about seven per cent in world tonnage since mid-1957 was widely distributed amongst the principal maritime nations (except the U.S.A., whose tonnage decreased by about 321,000 tons), the largest percentage expansion (34.9 per cent) was again shown by the Liberian "flag of convenience." A large increase (23.7 per cent) was also recorded for Japan, whose fleet had almost reached the 1939 record level of 5,629,845 tons.

Of world tonnage of all types, 39.3 per cent were motorships and 53.8 per cent oil-burning steamers, making a total of 93.1 per cent using oil fuel. The tonnage of coal-burning steamers fell during the year to 8,198,000 tons.

Of the total world tonnage, the biggest group again consisted of ships of 6,000-8,000 tons, but a large percentage of these (including the U.S. reserve fleet) were out of commission. Of ships built since the war, by far the greatest amount of tonnage fell in the 10,000-15,000 tons group, 74 per cent of these ships being oil tankers. Of ships under five years old, oil tankers accounted for 87 per cent of those over 15,000 gross tons, 90 per cent of those over 20,000 tons, and 84.9 per cent of those over 25,000 tons.

Among the principal maritime nations, Liberia had the largest proportion of modern tonnage, with 48.8 per cent under five years old, followed by Western Germany (41.2 per cent), Norway (39.6 per cent), Denmark (37.6 per cent), Japan (36.5 per cent), Netherlands 32.3 per cent), Sweden (31.7 per cent), France (28.3 per cent), the United Kingdom (24.6 per cent), and Greece and Italy (each 23.8 per cent). Only 3.6 per cent of tonnage registered in the United States was under five years old.

The world tanker fleet at June 30, 1958, numbered 4,028 ships of 33,590,140 gross tons, or 11.3 per cent of the total number of ships and 28.5 per cent of total world tonnage. The largest tanker fleets were owned by the United Kingdom (5,928,566 tons), Liberia (5,618,733 tons), Norway (5,353,613 tons), the U.S.A. (4,109,431 tons), Panama (2,323,713 tons), France (1,566,554 tons), Italy (1,497,534 tons), the Netherlands (1,186,099 tons), Sweden (1,080,662 tons), Denmark (685,651 tons), and Western Germany (421,037 tons).

Lloyd's Register gave the number of ships recorded as lost during 1957 as 163, totalling 270,963 gross tons, or 0.25 per cent of world tonnage. In addition, 341 ships aggregating 729,939 tons were broken up during the year.
(Lloyd's Register of Shipping) **(Prev. rep. 15989 A.)**

D. AVIATION. — Moscow-Cairo Air Service.

A regular air service between Moscow and Cairo was inaugurated on Dec. 5, when a TU-104 jet airliner of the Soviet *Aeroflot* company left Moscow for the capital of the U.A.R.
(Soviet Embassy Press Department, London) **(16324 B.)**

A. RHODESIA AND NYASALAND FEDERATION. — Federal General Election. - Victory for United Federal Party. - New Cabinet formed by Sir Roy Welensky.

At the general election for the second Rhodesian Federal Parliament, held on Nov. 12, Sir Roy Welensky's United Federal Party was returned to power with an overall majority of 33. Of the 59 seats in the new enlarged House, 53 were contested—the U.F.P. winning 44 (including five unopposed returns), the Dominion Party (led by Mr. Winston Field) eight, and Independents one. The six uncontested seats were filled by two European members specially appointed to represent African interests, and four specially-elected African members.

No seats were secured by the Constitution Party (eight candidates, including Dr. A. Scott, who was defeated at Lusaka East), or by the Confederate Party (one candidate). Of about 84,000 registered voters (96 per cent of whom were white), 64,560 went to the polls—an average of 72½ per cent. The votes cast for the different parties were as follows : United Federal Party, 37,145 ; Dominion Party, 22,630 ; Constitution Party, 2,340 ; Independents, 2,390 ; Confederate Party, 55. Neither the United Rhodesia Party nor the newly-formed left-wing Commonwealth Party contested any seats.

The distribution of seats in the new Federal Parliament was as follows :

	U.F.P.	D P.	Inde-pendent	Nomi-nated
Nyasaland :				
European elected members	3	—	—	—
European unopposed members	3	—	—	—
African unopposed members	2	—	—	—
African specially-elected members ..	—	—	—	2
European nominated member ..	—	—	—	1
Northern Rhodesia :				
European elected members	12	1	1	—
African elected members	2	—	—	—
African specially-elected members ..	—	—	—	2
European nominated member ..	—	—	—	1
Southern Rhodesia :				
European elected members	18	6	—	—
European specially-elected member ..	1	—	—	—
African elected members	3	1	—	—
	44	8	1	6

The U.F.P.'s total is in effect 46, due to the support of the two specially-elected African members for Nyasaland. The two specially nominated European members, and the European specially-elected member for Southern Rhodesia, have responsibility for representing African interests (see below).

As a result of the Constitution Amendment Act (see 15878 A), which authorized the enlargement of the Federal Parliament from 39 to 59 members, the original constituencies of the three territories were sub-divided so as to allocate 10 additional seats to Southern Rhodesia, six to Northern Rhodesia, and two to Nyasaland (see 15781 A). In the case of Nyasaland, the Federal Delimitation Commission (see 16149 A) divided the Protectorate into six general electoral areas and two special electoral districts ; in order to broaden the electorate taking part in appointing the two specially-elected African members, the Governor (Sir Robert Armitage) included in the electoral body those Nyasaland Africans who had " demonstrated their civic responsibility " by registering as Federal voters either on the special or general rolls.

When the electoral rolls were closed on July 31, the numbers of registered ordinary voters were as follows (corresponding figures at the first Federal general election in parentheses) : Northern Rhodesia, 20,452 (15,477) ; Southern Rhodesia, 65,092 (50,474) ; Nyasaland, 2,500 (1,058). Enrolment on the special rolls which provided the voters for the African candidates (and, in the case of Southern Rhodesia, for the specially-elected European Member for African Interests) was extremely low : in Southern Rhodesia 804 special voters registered for the special roll, of whom 642 were Africans, but in Northern Rhodesia and Nyasaland only 53 and seven Africans respectively enrolled. [It had been estimated at the beginning of 1958 that there were 29,000 Africans qualified for inclusion in the special rolls, of whom about 18,000 were in Northern Rhodesia and about 7,000 in Nyasaland.]

The Governor of Northern Rhodesia (Sir Arthur Benson) had ruled in October that the African Representative Council as at present constituted (with 34 members) could not adequately represent " nearly 2,000,000 African people " and should not therefore be responsible for the nomination of the territory's two African specially-elected Members. The Acting Secretary for Native Affairs (Mr. G. S. Jones) accordingly announced that this responsibility would be delegated jointly to all the members of the African Provincial Councils, the 19 members of the Superior Native Authority of Barotseland, and all those Africans whose names appeared on either the general or special voters' rolls ; all these would " constitute a body of more than 250 people—in the Governor's view a more appropriate number than the present size of the African Representative Council."

The Federal Prime Minister (Sir Roy Welensky) and all the members of his former Cabinet (see 15236 E) were re-elected to Parliament. Election results of special interest are given below (majorities in parentheses) :

Nyasaland. Luchenza—Sir Malcolm Barrow (U.F.P.), former Deputy Prime Minister and Minister of Home Affairs (unopposed).

Northern Rhodesia. Broken Hill—Sir Roy Welensky (U.F.P.), former Premier (490) ; Lusaka Rural—Mr. G. F. M. Van Eeden (D.P.), (246) ; Lusaka West—Mr. J. Gaunt (Independent with D.P. support) (157) ; Ndola Town—Mr. F. S. Owen (U.F.P.), former Minister of Commerce and Industry (358).

Southern Rhodesia. Bulawayo—Mr. D. MacIntyre (U.F.P.), former Minister of Finance (1,001) ; Bulawayo Suburbs—Mr. W. H. Eastwood (U.F.P.), former Minister of Transport and Works (888) ; Darwin—Mr. J. M. Caldicott (U.F.P.), former Minister of Agriculture, Health and Public Service (732) ; Gwanda—Mr. I. D. Smith (U.F.P.), (126) ; Midlands—Mr. R. Williamson (D.P.), (351) ; Mrewa—Mr. W. J. Field (Dominion Party leader), (422) ; Salisbury West—Mrs. M. Rosin (U.F.P.), (674) ; Umgusa—Mr. J. M. Greenfield (U.F.P.), former Minister of Law and Education (741) ; Umtali Town—Mr. B. D. Goldberg (U.F.P.), former Parliamentary Secretary for Home Affairs (615) ; Western—Mr. R. F. Halsted (U.F P.), (224).

African Seats.

The following Africans were elected :

Nyasaland : North—Mr. J. G. C. Chingattie (U.F.P.) (unopposed) ; South—Mr. C. J. Matinga (U.F.P.), (unopposed). **Northern Rhodesia :** Kafue—Mr. J. J. Simukondah (U.F.P.), (701) ; Luangwa—Mr G. A. M. Lewanika (U.F.P.), (3,104). **Southern Rhodesia :** Angwa-Sabi—Mr. J. Z. Savanhu (U.F.P.), (3,053) ; Gwaai—Mr. M. M. Hove (U.F.P.), (4,437) ; Harari—Mr. C. M. Chipunza (U.F.P.), (6,163) ; Lundi—Mr. I. H. Samuriwo (D.P.), (190).

Mr. Savanhu and Mr. Hove are both former African members ; Mr. Isaac Samuriwo becomes the first African to sit in the Federal Parliament as a representative of the Dominion Party elected by voters of all races.

The four specially-elected African members (i.e. Africans elected by members of the African Representative Councils except in the case of Northern Rhodesia, where special arrangements were made—see above) were : Nyasaland—Mr. M. S. Malunga and Mr. M. J. Mzembe ; Northern Rhodesia—Mr. D. Yamba and Mr. F. B. Chembi.

European Members for African Interests.

The European members specially nominated to represent African interests were Sir John Moffat (Northern Rhodesia), chairman of the African Affairs Board, and the Rev. Johannes Lodewicus Pretorious (Nyasaland), a minister of the Dutch Reformed Church. In Southern Rhodesia the European member for African interests, Mr. H. E. Davies, was not nominated but specially elected ; Mr. Davies polled 25,359 votes against 14,876 for Mr. H. A. H. Robinson (formerly of the Dominion Party), who stood as an Independent.

The principal issue on which the general election was fought was that of racial amity, the electors' choice having lain between the " racial partnership " principle of the United Federal Party and that of taking a " firmer line " with the Africans, as advocated by the Dominion Party. Minor election issues included the Government's proposals for constitutional change in Northern Rhodesia (which were opposed by both the U.F.P. and the D.P.), and the Federal Government's proposal to take over from South African Railways the 600-mile line through Bechuanaland linking the Federation with the Union of South Africa.

In a post-election statement on Nov. 13 Sir Roy Welensky said that he intended to continue his party's policies of the past five years, " which have aimed at the balanced development of all races [and] have already gained a very large measure of success." He regarded the election result as a " clear indication by the voters of the Federation that they wish to see our progress towards early independence secured beyond doubt." Between now and the 1960 conferences he anticipated " greater pressure " and " more vehement opposition " from those who did not favour independence, but this would in no way deter him ; any attempt " to get us to bargain away the standards we have set in return for political appeasement " would be countered " with every legitimate means." Sir Roy added that future prosperity would be built upon a foundation of " racial peace, and a climate in which the confidence of investors can be maintained."

New Federal Cabinet.

Sir Roy Welensky announced the composition of his new U.F.P. Cabinet on Dec. 8, its main features being (*a*) the creation of a Ministry of Economic Affairs ; (*b*) the appointment of a Minister for Information Services ; (*c*) the separation of the portfolio of Health and Education from that of Agriculture ; and (*d*) the adoption of the British practice of not including all Ministers in the Cabinet. The ministerial list was as follows :

*Sir Roy Welensky	Prime Minister, External Affairs, and Defence.
*Sir Malcolm Barrow	Home Affairs and Power.
Mr. J. M. Caldicott	Economic Affairs and Public Service.
*Mr. D. M MacIntyre	Finance.
*Mr. F. S. Owen	Commerce and Industry, and Posts.
*Mr. W. H. Eastwood	Transport.
†Mr. B. D. Goldberg	Health and Education.
†Mr. J. C. Graylin	Agriculture.
‡Mr. G. W. R. L'Ange	Works.
‡Mr. John Foot	Information.

* No change. † New Minister. ‡ Not a member of the Cabinet.

All the former Ministers were included in the new Cabinet. Prior to his appointment to the new Ministry of Economic Affairs, Mr. Caldicott had held the portfolios both of Health and Education and of Agriculture. Mr. Goldberg, the new Minister of Health and Education, was formerly Parliamentary Secretary for Home Affairs—a post now filled by Mr. Foot. Mr. Graylin, a lawyer, was elected for the Northern Rhodesian constituency of Livingstone. Neither Mr. L'Ange nor Mr. Foot will hold Cabinet rank, though they will attend Cabinet meetings when their particular responsibilities are under discussion. (Federal Information Department, Salisbury) **(Prev. rep. 16425 A ; 16244 A ; 16165 A ; 16149 A ; Cabinet, 15236 E.)**

A. ASTRONOMY. — Britain purchases Two Radio Telescopes from Holland.

The U.K. Ministry of Supply announced on Dec. 8 that two radio telescopes would be built by a Dutch firm for the Ministry, to be used in conjunction with the radio telescope at Jodrell Bank. The telescopes would weigh 250 tons each, would be ready by 1960, and would be installed at the Royal Radar Establishment, Malvern, for research in radio astronomy, upper-atmosphere phenomena, and observation of artificial satellites. A Ministry spokesman explained that the order had been placed in Holland because " these two radio telescopes are developments of existing Dutch products ; there are no corresponding British products which would give the same results."

The Science Correspondent of *The Times* commented : " The two radio-telescopes ordered from Holland are to be used as components in a single instrument which will be the most ambitious of its kind yet built. One of its uses will be to enable the position of the satellites to be followed more accurately than is possible with the big Jodrell Bank telescope. This does not mean that the new instrument will be better than Jodrell Bank—or those at the Mullard Radio Astronomy Observatory at Cambridge—but that it will be of a different type from either.

" The Jodrell Bank telescope has a single steerable reflector—the largest of its kind in the world. More accurate measurements of direction can, however, be got by combining the signals received in two different aerial systems. This approach has been carried to its farthest development at Cambridge. The two main instruments at Cambridge are again the biggest in the world of their own kind. But they are designed to work on specific wavelengths—1.7 metres and 7.9 metres, and can be used on no others.

" The scheme adopted for the Malvern telescope can be regarded as a combination of these two methods. In place of a single steerable telescope it will use two, one of which will be movable. Leiden Observatory has already in use a radio-telescope about as big as it is considered practicable for Malvern to mount on rails, as the proposed instrument will require. . . . Since the Dutch had already a suitable design, . . . it was the quickest solution to go to Holland for the mirrors to be used in the Malvern telescope."

The value of the order placed in Holland was not given, but a Ministry spokesman said that the figure of " several million guilders " quoted in an Amsterdam report was incorrect. (Times) **(Prev. rep. Radio Astronomy, 16352 C ; 15918 C ; Jodrell Bank, 15838 B)**

B. UNITED KINGDOM. — Atomic Energy. - Fourth Calder Hall Reactor in Operation.

The last of the four nuclear reactors at Calder Hall went into operation on Dec. 8, thereby marking the end of the programme of construction and installation which began in 1953. The Atomic Energy Authority stated that about three months of testing would be necessary before the reactor would generate electricity to be fed into the national grid.

The first two Calder Hall reactors (the " A " reactors) were opened in October 1956 and February 1957 respectively ; between them they have generated about 1,000 million units of electricity, of which 750 million units have been supplied to the national grid. The third was started early in 1958, but is at present working only as a producer of plutonium because of the accident of June 28 (see page 16501, first column). It is expected that the third and fourth (" B ") reactors will be producing electricity in March 1959. (Daily Telegraph) **(Prev. rep. 16499 A)**

C. UNITED KINGDOM. — Inquiry into Drunkenness.

The Home Secretary (Mr. R. A. Butler) informed the House of Commons on Nov. 13 that an inquiry into the continuing rise in drunkenness would be carried out by the social survey division of the Central Office of Information.

Home Office statistics published on the same day showed an 11.3 per cent increase in cases of drunkenness in England and Wales during 1957, especially among young persons ; the figure was the highest since 1938, and followed a similar increase of 11 per cent in 1956.

The number of offences for drunkenness in the three years up to and including 1957 was as follows :

	Males	Females	Total
1955	49,654	4,556	54,210
1956	55,573	4,609	60,182
1957	62,042	4,960	67,002

The increase in drunkenness among young persons during the same period was as follows, by age-groups :

	Under 18	Age 18-20	Age 21-29
1955	669	3,748	13,835
1956	933	4,452	14,955
1957	978	5,208	15,925

In the male age-group under 18 there were 928 cases of drunkenness in 1957, five more than in 1956 ; in the 18-20 male age-group the figure was 4,967, against 4,452 in 1956. Other male age-group totals for 1957 were : 21 to 29 years, 15,165 ; 30 to 59 years, 36,968 ; 60 and over, 4,004. For female age-groups the 1957 figures were : under 18 years, 49 ; 18 to 20 years, 241 ; 21 to 29 years, 760 ; 30 to 59 years, 3,133 ; 60 and over, 777.

The Home Office returns showed that the City of London (i.e. the " square mile " round the Mansion House) had by far the worst record for drunkenness in England and Wales, the figure being 398 83 per 10,000 population. It was pointed out in the Press, however, that whereas millions of people entered and left the City every day to and from their work, the City's resident population was only a few thousand (5,268 according to the 1951 Census) ; the *Manchester Guardian* commented that the figures for the City of London were thus " a reflection . . . of the fact that a great many work and drink there compared with the small number who live there." In the Metropolitan police district (Greater London) the figure was 42.41 per 10,000 population—one place below Manchester, where the figure was 45.15 per 10,000.

Outside the City of London the worst record for drunkenness was in Liverpool (81.43 per 10,000), followed by Salford (63.47) and Middlesbrough (62.57). The best record in England and Wales was that of Bristol (3.16 per 10,000), followed by Southport (3.98) and Norwich (4.03).

Among the counties, Durham had the worst record with 22.74 per 10,000 population, followed closely by Northumberland (22.08). The best record among the counties was held by Cambridgeshire (0.30 per 10,000), followed by East Sussex (1.37).

The C.O.I.'s survey will be made in selected areas ; the investigations will be carried out in co-operation with the local police forces and will cover all age-groups.

(Times - Daily Telegraph - Manchester Guardian)

D. UNITED STATES. — Foreign Aid Panel.

A nine-member committee was appointed by President Eisenhower on Nov. 24 to make an independent and non-partisan " critical appraisal " of U.S. expenditures abroad for military assistance and economic aid, and to present a preliminary report by March 1, 1959.

The committee was headed by Mr. William H. Draper, chairman of the Mexican Light and Power Company in Mexico City, and a former Under-Secretary of the Army. Its other members were : General Alfred M. Gruenther, president of the American Red Cross and formerly Supreme Commander of NATO ; Admiral Arthur W. Radford, former chairman of the Joint Chiefs of Staff ; General Joseph T. McNarney, a director of the General Dynamics Corporation, formerly Commander of U.S. Forces in Europe ; Mr. John J. McCloy, chairman of the Chase Manhattan Bank, formerly Under-Secretary of War and U S. High Commissioner in Germany ; Mr. Marx Leva, a Washington lawyer, formerly Assistant Secretary of Defence ; Mr. Dillon Anderson, a Houston lawyer, formerly Assistant to the President for National Security Affairs ; Mr. James E. Webb, a director of Kerr McGee Oil Industries Inc., formerly Under-Secretary of State and Director of the Budget ; Mr. George C. McGhee, president of the McGhee Production Company (Dallas) and a former State Department official ; and Mr. Tracy Voorhees, a New York lawyer, former Under-Secretary of the Army and lately director of the U.S. Programme for Resettlement of Hungarian Refugees. Professor George A. Lincoln, of the U.S. Military Academy at West Point, was designated " study co-ordinator " for the committee.

Messrs. Anderson, Leva, McGhee and Webb were identified in the White House announcement as Democrats, and Messrs. Draper, McCloy and Voorhees as Republicans. No party designations were listed for the ex-military members.

In announcing the formation of this committee, the President said that it was " appropriate, after some eight years of mutual defence effort, to evaluate the results to date and to recommend the most suitable means whereby the free world's defence may be ensured."—(New York Times) **(Prev. rep. 16246 B.)**

A. UNITED KINGDOM. — Legislation on Divorce and Matrimonial Matters. - Report of Royal Commission on Marriage and Divorce. - Divorce Statistics.

Five Bills dealing with matters relating to marriage and divorce were enacted in the summer of 1958, three of which were introduced by private members and two by the Government. With one exception, all the Bills were intended to give effect to various recommendations of the Royal Commission on Marriage and Divorce, which had been appointed in 1951 (see 11691 A) and which presented its report on March 20, 1956.

Report of Royal Commission.

All the members of the Royal Commission were unanimous in recommending three new grounds for divorce—wilful refusal to consummate marriage, artificial insemination by a donor without the husband's consent, and detention of one partner in an institution as a mental defective of violent propensities; they were deeply divided, however, on the principle of dissolution of a marriage which had broken down completely, nine being in favour and nine opposed to it.

The report was signed by Lord Morton of Henryton, a Lord of Appeal and chairman of the Royal Commission; Viscountess Portal, widow of the late Marshal of the R.A.F. Viscount Portal; Lord Keith of Avonholm, a Lord of Appeal; Lord Walker, a Senator of the College of Justice in Scotland; Sir Edward Holroyd Pearce, Justice of the High Court; Sir Walter Russell Brain, the neurologist; Sir Frederick Burrows, a former President of the National Union of Railwaymen and onetime Governor of Bengal; Lady Bragg, wife of Sir Lawrence Bragg, the physicist; Mr. H. L. O. Flecker, Headmaster of Christ's Hospital; Mr. Thomas Young, an Edinburgh solicitor; Mrs. Jones-Roberts, member of the Advisory Council on Child Care; Mr. H. H. Maddocks, a Metropolitan magistrate; Mrs. Margaret Allen, former president of the Labour Women's Congress; Dr. May Baird, chairman of the North-East Regional Hospitals Board; Mr. Robert Beloe, Chief Education Officer for Surrey; Mrs. E. M. Brace, a former mayor of East Ham; Mr. G. C. P. Brown, a headmaster; Mr. F. G. Lawrence, a barrister; and Mr. D. H. Mace, a Liverpool solicitor.

Two of the original members of the Commission (Dr. Violet Roberton and Mr. D. Hopkin) died before the report was completed, while a third (Mrs. Ridealgh) resigned. Two members subsequently appointed to the Commission also died—Mrs. Allen, who died shortly after signing the report, and Sir Wilfrid Bennett.

The report of the Royal Commission is summarized below under cross-headings:

Introduction. The report emphasized that by the law of England and Scotland marriage was the voluntary union for life of one man and one woman, although the State had recognized that in certain circumstances it would be contrary to public policy and would inflict hardship if the marriage could not be dissolved. It was disquieting, however, that for so long after the war the divorce rate had remained so high; the number of decrees made absolute in 1954 was 27,471 in England and Wales and 2,200 in Scotland, compared with 4,735 and 637 in 1937. Allowing for the fact that the "Herbert Act" of 1937 had introduced additional grounds for divorce, and for the provision of legal aid, the Commission were still satisfied that marriages were breaking up which in the past would have held together.

Among the factors which might contribute to the breakdown of marriages (the report suggested) were the increased possibilities of friction caused by the complexity of modern life; scarcity of houses; the fact that people were marrying at an earlier age; the greater demands now made on marriage through the spread of education, higher living standards, and the social and economic emancipation of women; the weakening of former restraints, such as social penalties on sexual relations outside marriage; and the wider spread of sexual knowledge, which might have "produced in the popular mind an undue emphasis on the overriding importance of a satisfactory sex relationship without a similar emphasis on the other stable and enduring factors of a lasting marriage." At the root of the problem, the Commission suggested, was "a tendency to take the duties and responsibilities of marriage less seriously than formerly," leading to "an increasing disposition to regard divorce, not as the last resort, but as the obvious way out when things begin to go wrong." Unless this was checked, there was real danger that the conception of marriage as the life-long union of one man with one woman might be abandoned.

The Commission did not believe that the remedy for marriage failure lay in making divorce more difficult. It stated in this connexion: "We are convinced that the real remedy for the present situation lies in other directions; in fostering in the individual the will to do his duty by the community; in strengthening his resolution to make marriage a union for life; in inculcating a proper sense of his responsibility towards his children. These objectives can only be achieved by education in the widest sense, by specific instruction before marriage, and by providing facilities for guidance after marriage and for conciliation if breakdown threatens. . . ."

The Grounds of Divorce. All the members of the Commission except Lord Walker agreed that the present law of divorce based on the doctrine of the matrimonial offence should be retained. Nine members (Lord Morton, Mr. Beloe, Lady Bragg, Sir Russell Brain, Sir Frederick Burrows, Mr. Flecker, Mr. Lawrence, Mr. Mace, and Sir Edward Pearce) were opposed to the introduction of the principle that a marriage should be dissolved if it had irretrievably broken down, as exemplified by divorce by consent, divorce at the option of either spouse after a period of separation, or divorce on a comprehensive ground of breakdown of marriage. The introduction of this principle, they maintained, would make divorce more widespread by encouraging people to "abandon their marriages on the flimsiest provocation," thereby multiplying the suffering of children and fostering "a change in the attitude to marriage which would be disastrous for the nation."

The other members of the Commission, with the exception of Lord Walker, considered that there should be provision for divorce in cases where, quite apart from the commission of a matrimonial offence, the marriage had broken down completely. Where husband and wife had lived apart for at least seven years, it should be possible for either spouse to obtain a decree dissolving the marriage, provided the other spouse did not object. Four of the members (Dr Baird, Mr. Brown, Mrs. Jones-Roberts, and Lord Keith) also proposed that either spouse should be able to obtain a dissolution on this ground, notwithstanding the other spouse's objection, if he or she could satisfy the court that the separation was in part due to the other's unreasonable conduct. "By basing dissolution of marriage on a complete breakdown of the union," the members of this group commented, "we are, we think, heightening the respect for true marriage. Our proposal avoids the distasteful expedient of committing a matrimonial offence, lessens undesirable publicity, and dispenses with the often unwarrantable assumption that one is more to blame than the other."

Other Suggested New Grounds of Divorce. (*a*) *Wilful Refusal to Consummate.* Under the Matrimonial Causes Act, 1950, a marriage was voidable on the ground of the respondent's wilful refusal to consummate; there was no corresponding provision in Scottish law. The Commission recommended that such wilful refusal should be made a ground of divorce, and not of nullity, in both England and Scotland, and that the presentation of a petition on this ground should be made an exception to the restriction, in England, on the presentation of petitions for divorce in the first three years of marriage. Nullity, the report commented, should be granted for some defect or incapacity existing at the date of the marriage, wilful refusal, on the other hand, connoting capacity to consummate but unwillingness to do so, was something which happened after marriage and should therefore be a ground of divorce.

(*b*) *Artificial Insemination.* The Commission recommended that artificial insemination by a donor without the husband's consent should be a ground for divorce, as the wife was doing her husband a grave injury which, in its possible consequences, was as serious as that of adultery.

(*c*) *Detention as a Mental Defective.* The Commission recommended that either spouse should be able to apply for the dissolution of marriage on the ground that the other spouse was a mental defective who, by reason of his or her dangerous or violent propensities, had been detained in an institution for a continuous period of at least five years immediately preceding the application, and whose recovery was highly improbable.

The Commission rejected the following new grounds for divorce suggested to them: wilful and persistent refusal of sexual intercourse; wilful refusal to have a child; cruelty to a child of either spouse; the commission of a sexual offence against a child of either spouse; lesbianism; incompatibility of temperament; a long term of imprisonment; and conviction for murder.

Suggested Alterations of Present Grounds of Divorce. (*a*) *Cruelty.* The Commission recommended that in proceedings for divorce founded on cruelty it should not be necessary for the applicant to prove that he or she needed protection, and that proof of past cruelty should in itself confer a right to divorce; they emphasized, however, that divorce on this ground should be granted only in respect of conduct which was really grave and weighty. A disease of the mind should no longer be a defence against a petition for divorce or judicial separation on the ground of cruelty.

(*b*) *Desertion.* To encourage husband and wife to come together for a short period to find out if a lasting reconciliation could be effected, there should be a new ground of divorce constituted by two periods of desertion, together amounting to at least three years, within a period of three years and one month before presentation of the petition. Proof of conduct of a grave and weighty nature, such that a spouse could not reasonably be expected to continue with the conjugal life, should in future raise an irrebuttable presumption that the other spouse intended to bring the married life to an end. [Both these recommendations were opposed by five members of the Commission, including Lord Morton, who expressed doubt whether the introduction of desertion as a ground of divorce in England had been a benefit to the community.]

The Commission also recommended that where husband and wife had separated before Oct. 1, 1937, in circumstances amounting to desertion on the part of one of them, the fact that they had agreed to live apart before then should no longer prevent the deserted spouse from bringing a petition for divorce on the ground of desertion.

(*c*) *Insanity.* It should still be necessary to prove that the respondent spouse was incurably of unsound mind and had been continuously under care and treatment for at least five years immediately before presentation of the petition; the definition of care and treatment, however, should be widened to cover treatment as a voluntary patient in a hospital or other institution.

Bars to Relief. (*a*) *Collusion.* The Commission recommended that collusion should be defined by statute in England and Wales, as it already was in Scotland. The spouses should be restrained from

conspiring to put forward a false case or to withhold a just defence, and divorce should not be available if one spouse had been bribed by the other to take divorce proceedings or had exacted a price for so doing. Reasonable agreements about financial arrangements, matrimonial property, and children, arrived at before the hearing, should not amount to collusion provided that such arrangements were disclosed to the court

(*b*) *Condonation.* It was suggested that an act or acts of sexual intercourse between husband and wife, after the commission of a matrimonial offence by one known to the other, should raise a presumption that the offence had been condoned. Fourteen members of the Commission recommended that where one spouse had committed adultery or had treated the other with cruelty, the husband and wife should be allowed a trial period not exceeding a month, during which they might come together in an attempt to effect a reconciliation; nothing ensuing during that period should be regarded as amounting to condonation of the previous offence. This suggestion was opposed by Lord Morton, Mrs. Allen, Dr. Baird, Sir Frederick Burrows, and Mr. Lawrence.

Nullity of Marriage. The fact that the parties had consented to the artificial insemination of the wife, with the seed of either the husband or a donor, should be a bar to proceedings by either spouse for nullity on the ground of impotence.

Judicial Separation. Desertion, insanity, or failure to comply with a decree for restitution of conjugal rights should no longer be grounds for judicial separation Eighteen members of the Commission recommended that artificial insemination by a donor without the husband's consent should be an additional ground of judicial separation, Lord Keith dissenting.

Marriage Guidance and Conciliation. The Commission recommended that a suitably qualified body should be set up at an early date to review the marriage law and the existing arrangements for premarital education and training. The State should give every encouragement to the existing agencies engaged in matrimonial conciliation, but should not define any formal pattern of conciliation agencies or set up an official conciliation service. Local authorities should be empowered to make contributions towards such agencies; any such expenditure approved by the appropriate Minister should rank for Exchequer grant to the extent of not less than 50 per cent.

Children of Divorced Parents. After pointing out that some 20,000 children under 16 were affected each year by the divorce of their parents, the Commission recommended that in every case of divorce, nullity, or judicial separation the court must be satisfied that the arrangements proposed for the care and upbringing of any children were the best which could be devised in the circumstances; until the court was so satisfied, the decree *nisi* should not be made absolute. Written statements should be submitted to the court on the proposed arrangements, and provision made for investigation and report by a court welfare officer in such cases as the court might direct. The present arrangement whereby in London there was a court welfare officer seconded from the probation service should be extended to each of the 42 towns in which matrimonial cases were tried, and the court's jurisdiction to make orders in respect of children in matrimonial proceedings should be extended to illegitimate, adopted, or other children living in the family at the time the home was broken up. The court should have power to require a local authority to receive a child into its care. Divorce cases tried in London in which children under 16 were affected should be placed in a special list of causes for hearing.

Damages and Costs. A wife should be given the same right to claim damages from an adulteress as her husband had to claim them from an adulterer; at the moment she could bring an action for enticement against the woman concerned, but the burden of proof upon her was heavy. The Commission considered that there was no justification for allowing a wife to retain her privileged position in matrimonial proceedings, whereby her costs were regarded as a matter for which the husband bore financial liability; in this connexion it cited a case in which a husband had had to pay his wife's costs although her allegations against him had proved unfounded. They therefore recommended that husband and wife should be treated on exactly the same footing in respect of liability for costs.

Maintenance. The Commission recommended (1) that a wife's remarriage should extinguish her right to claim maintenance from her former husband, and (2) that a husband should be able to apply for a maintenance order against his wife on the ground that he was unable to support himself, and that his wife had means more than reasonably sufficient for her own support. When one of the parties to a dissolved or annulled marriage died, the survivor should have the right to apply for provision out of the deceased's estate, and the court should be empowered to make an order.

Thirteen members of the Commission supported the recommendation that the court should continue to have power to order financial provision to be made for a guilty wife, and that the High Court should be given the same power in respect of a guilty husband. On the other hand, Lord Morton, Sir Frederick Burrows, Mrs. Jones-Roberts, Lord Keith, Lord Walker and Mr. Young considered it wrong in principle that a husband or wife should be required to support a guilty spouse.

The Commission considered that it would be inadvisable to introduce any system of attachment of wages for the enforcement of maintenance orders; with two dissenting votes, it recommended that committal to prison should not cancel the arrears of maintenance in respect of which the imprisonment was imposed.

Property Rights between Husband and Wife. The Commission (Sir Frederick Burrows dissenting) recommended (1) that if one spouse had left the other in the matrimonial home, he or she should not be able to turn out the other spouse, or take away any of the essential contents of the home without a court order; and (2) that the person to whom instalments under a mortgage or hire-purchase agreement were due should be bound to accept payment if tendered by the other spouse. Savings made from housekeeping money, or investments and purchases made with the savings, should ordinarily belong to husband and wife in equal shares.

Administration of the Law. The Commission recommended (1) that steps should be taken as soon as possible to enable all divorce cases to be tried by judges of the High Court, (2) that the period which must normally elapse before a spouse who had obtained a decree *nisi* could apply for it to be made absolute should be increased from six weeks to three months.

Marriage with Certain Relations. The report pointed out that the law prohibited marriage with certain relations by kindred or affinity, and that the prohibition which gave rise to most concern was that relating to marriage with a divorced wife's sister or husband's brother. The majority of the Commission (Lord Morton, Sir Frederick Burrows and Mr. Flecker dissenting) recommended that it should be permissible for a divorced person to marry during the lifetime of his or her former spouse any person whom he or she could lawfully marry at the present time if that former spouse were dead.

Legislation on Marriage and Divorce.

The Attorney-General (Sir Reginald Manningham-Buller) told the House of Commons on June 4, 1956, that although there was no prospect of early legislation to carry out the Commission's recommendations, the Lord Chancellor was considering those recommendations which could be effected by administrative action or by amendment to the rules of court. Lord Mancroft (then Under-Secretary, Home Office) stated on Oct. 24, 1956, that although no major change in the divorce laws would be undertaken by the Government, action would be taken on the Commission's recommendations for the protection of children, where this could be done without legislation.

Lord Mancroft said that the most important and by far the most controversial of the Commission's recommendations was the question of allowing divorce if the parties had been separated for seven years. The Commission were equally divided on this matter, and he suspected that it reflected a similar division of opinion in the country and probably in the House. That being so, few Governments would be ready to legislate without first allowing time for public opinion to crystallize and for Parliament to express its views. Legislation would be required (he continued) to enable a court to withhold a decree absolute until it was satisfied about the children's welfare, as the Commission had recommended, but he could not hold out much hope of legislation on these lines in the coming session; the Lord Chancellor, however, proposed to invite the Supreme Court Rules Committee to consider what other amendments to the rules of court were needed, and similar action was proposed in Scotland. Other less important recommendations were suitable for private members' Bills, which was the only way in which the form of the divorce law had been affected in the last 20 years.

The Commission's recommendation that the normal period between a decree *nisi* and a decree absolute should be extended to three months came into effect from April 30, 1957, under an order previously signed on March 14 by Lord Kilmuir (the Lord Chancellor) and Lord Merriman (president of the Probate, Divorce, and Admiralty Division of the High Court). The order permitted the court to fix a shorter period at its discretion. [The interval between the two decrees, which is designed to allow time for any necessary inquiries by the Queen's Proctor, was formerly six months but was reduced to six weeks in 1946.]

Four Bills dealing with marriage and divorce, all of which had been passed during the spring or early summer of 1958, were enacted on July 7, and a fifth on July 24. Three of these —the Divorce (Insanity and Desertion) Bill, the Matrimonial Proceedings (Children) Bill, and the Matrimonial Causes (Property and Maintenance) Bill—were private members' Bills designed to give effect to specific recommendations of the Royal Commission. The Maintenance Orders Bill, a Government measure, permitted the attachment of earnings to cover arrears of maintenance—a proposal which the Commission had considered inadvisable.

The Divorce (Insanity and Desertion) Bill, introduced by Mr. Deedes (C.), was enacted on July 24. It provided (*a*) that when a divorce was sought on the ground of incurable insanity, treatment as a voluntary patient in a hospital or other institution should be recognized as constituting care and treatment under the terms of the Matrimonial Causes Act, 1950; and (*b*) that when a divorce was sought on the ground of three years' desertion, the deserting spouse should be regarded as having retained the intention to desert even if he or she became insane during that period. [Under the existing law, a divorce could be granted only if the deserting spouse retained the intention throughout the period of desertion, and it could be held that insanity precluded the maintenance of that intention.]

The Matrimonial Proceedings (Children) Bill, introduced by Mr. Moyle (Lab.), provided (*a*) that no decree *nisi* should be made absolute until the court was satisfied that adequate arrangements had been made for the children's welfare; (*b*) that a court welfare service, recruited from the probation service, should be established to assist the judge by investigating the circumstances when he was faced with difficult decisions; (*c*) that the court should have power to commit a child to the care of a local authority; (*d*) that the court's power should extend to illegitimate, adopted, and other children living as part of the family.

The Matrimonial Causes (Property and Maintenance) Bill, introduced by Sir Hugh Lucas-Tooth (C.), provided (*a*) that the High Court might make an order for maintenance or alimony, not only on pronouncing a decree of divorce, nullity, or judicial separation, but at any later time; (*b*) that a wife who had applied for financial relief against her husband might ask the High Court to set aside a disposition of property made by him within the previous three years with the intention of defeating her claim; (*c*) that the court might not set aside a disposition made for valuable consideration to a person acting in good faith and without notice of the husband's intention; (*d*) that a divorced women might apply to the High Court for provision to be made for her out of her former husband's estate, if he had died without making reasonable provision for her; (*e*) that a divorced man would have the same right in respect of the estate of a former wife; (*f*) that where the respondent had parted with money or property of the applicant's, the High Court or county court might order him to pay an appropriate sum in respect of that money or property. The Act does not apply to Scotland or Northern Ireland.

The Maintenance Orders Bill provided (*a*) that where payments under a maintenance order were in arrears to the extent of four weekly payments, or two payments due at longer intervals, a court might make an order requiring the defaulter's employer to make deductions from his earnings and pay the money deducted to a court officer for transmission to the beneficiary; (*b*) that the maximum term of imprisonment for disobeying a maintenance order should be reduced from three months to six weeks; (*c*) that imprisonment should not wipe out arrears of maintenance; (*d*) that a man might not be committed more than once for the same arrears. The Act comes into effect on Feb. 16, 1959.

During the debate on the Bill, Government spokesmen pointed out that about 5,000 men were sent to prison every year for failure to meet their maintenance obligations.

The Marriage Acts Amendment Bill, introduced by Dr. Somerville Hastings (Lab.), ended the legal anomaly whereby an Anglican church could be used for marriages as soon as it was built and registered, whereas a Nonconformist chapel or Roman Catholic church could not be registered for marriages less than 12 months after first being used for worship. The Bill provided (1) that during the first year after a church or chapel had been built, marriages might be solemnized there in the presence of the registrar; and (2) that after a year an authorized person might be appointed to take the place of the registrar.

Mr. Butler (Home Secretary) announced on July 8 that he had set up an expert committee, under the chairmanship of Mr. Justice Arthian Davies, to advise him on certain proposals which had been made to codify and improve the existing law on separation and maintenance relating to matrimonial proceedings in magistrates' courts.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 16109 A; 12360 B; 11691 A.)**

Divorce Statistics.

Divorce statistics for the seven years 1950 to 1957 inclusive are given in the following tables, contained in the Annual Abstract of Statistics for 1958 published by the Central Statistical Office:

England and Wales.*

	1950	1951	1952	1953	1954	1955	1956	1957
Dissolution of marriage:								
Petitions filed	29,096	37,637†	33,770	29,845	28,347	27,656	27,753	27,210
On grounds of: Adultery	11,947	14,084	13,326	12,299	11,907	11,800	11,795	11,879
Desertion	13,739	18,243	15,133	12,672	11,622	11,081	10,713	9,910
Cruelty	3,101	4,792	4,910	4,528	4,485	4,443	4,912	5,117
Lunacy	242	418	284	225	238	211	222	177
Presumed decease	59	83	92	96	66	83	85	94
Rape, etc.	8	17	25	25	29	38	26	33
By husbands	13,207	16,265	14,705	13,159	12,708	12,527	12,538	12,400
By wives	15,889	21,372	19,065	16,686	15,639	15,129	15,215	14,810
Suits disposed of ‡	30,147	30,419	32,523	29,824	28,091	26,646	26,455	26,085
Decrees *nisi* granted	29,482	29,936	31,966	29,275	27,353	26,093	25,991	25,489
Decrees absolute granted	30,331	28,265	33,274	29,736	27,471	26,262	25,718	23,323
Nullity of marriage:								
Petitions filed	633	745	797	697	689	658	673	648
By husbands	361	414	464	381	364	357	377	362
By wives	272	331	333	316	325	301	296	286
Suits disposed of ‡	605	570	676	618	603	579	581	589
Decrees *nisi* granted	584	559	655	596	577	556	562	561
Decrees absolute granted	539	502	648	590	556	554	547	462

* Excluding proceedings for restitution of conjugal rights.
† The increased number of petitions filed in 1951 reflected the introduction in October 1950 of the Legal Aid Scheme under the Legal Aid Advice Act, 1949.
‡ Both in and out of Court.

Scotland.

	1950	1951	1952	1953	1954	1955	1956	1957
Divorce:								
Actions in which final judgment given	2,216	1,957	2,756	2,420	2,271	2,132	1,951	1,801
On grounds of: Adultery	851	728	1,059	920	861	839	811	749
Desertion	1,242	1,086	1,460	1,265	1,153	1,045	849	766
Insanity	15	22	29	21	14	21	20	17
Cruelty	108	121	208	212	241	227	271	269
Sodomy	—	—	—	2	2	—	—	—
At instance of: Husbands	1,140	920	1,256	1,057	996	991	898	842
Wives	1,076	1,037	1,500	1,363	1,275	1,141	1,053	959
Divorce granted	2,185	1,927	2,701	2,353	2,200	2,054	1,865	1,723

The figures given above exclude cases of judicial separation.—(Annual Abstract of Statistics for 1958, Central Statistical Office)

A. UNITED NATIONS.—Secretariat. - Appointment of New Under-Secretary for Special Political Affairs.

The appointment of Mr. Chakravarthi Narasimhan (India) as U.N. Under-Secretary for Special Political Affairs *vice* Sir Humphrey Trevelyan (Great Britain) was announced on Dec. 1 by the U.N. Secretary-General, Dr. Hammarskjold. Sir Humphrey Trevelyan had resigned the post a month earlier following his appointment as British Ambassador to Iraq.

Mr. Narasimhan had been executive secretary of the U.N. Economic Commission for Asia and the Far East (ECAFE) since 1956; prior to that year he was head of the economic affairs department of the Indian Ministry of Finance. He will take up his new appointment on January 26, 1959.
(U.N. Information Centre, London) **(16210 A; 15918 G.)**

B. BRITISH COMMONWEALTH. — Empire Day renamed Commonwealth Day.

The U.K. Prime Minister (Mr. Macmillan) informed the House of Commons on Dec. 18 that Empire Day (May 24) would be renamed Commonwealth Day with the concurrence of the other Commonwealth Governments and of the Empire Day Movement. (Times) **(Prev. rep. 16174 B.)**

C. VATICAN. — Papal Consistory.

The 23 newly-created cardinals were officially raised to the Sacred College at a secret consistory held by Pope John at the Vatican on Dec. 15. The Pope also announced a number of other Church appointments, including that of Cardinal Masella as *Camerlengo* (Chamberlain) of the Roman Catholic Church.
(Universe) **(Prev. rep. 16495 A.)**

DECEMBER 20—31, 1958

A. AUSTRALIA. — Government Victory in General Elections. - Liberal-Country Party Majorities in Senate and House of Representatives. - Mr. Menzies forms New Federal Government.

In the Australian general elections, held on Nov. 22, Mr. Menzies' Liberal and Country Party coalition government was returned to power with an increased majority in the House of Representatives and, for the first time for three years, with a majority in the Senate. Mr. Menzies not only won his fifth consecutive general election but also obtained his biggest majority in the House of Representatives since he first took office in 1949.

Elections to House of Representatives.

The major parties contesting the elections were the Liberals and the Country Party (the Government parties), who together presented 118 candidates; the Australian Labour Party (A.L.P.), which presented 121 candidates; and the Democratic Labour Party (D.L.P.), which nominated 96 candidates. The Queensland Labour Party put forward 17 candidates in Queensland, while there were also 20 Communist candidatures.

The Democratic Labour Party broke away from the A.L.P. in 1956 under the name of the Anti-Communist Labour Party (see 15024 A), and subsequently adopted its present designation. The Queensland Labour Party seceded from the A.L.P. in April last (see 15516 A).

The results of the election for the new House of Representatives (124 seats) were as follows, comparison being shown with the last (1955) general election:

	1958 elections			1955 elections		
	Seats	Votes	Per cent	Seats	Votes	Per cent
Liberals and Country Party	77	2,002,704	45	75	1,779,092	46.3
Australian Labour Party	47	1,912,222	42	48	1,758,392	45.8
Democratic Labour Party	-	408,830	9	—	214,468	5.6
Others	—	53,332	4	1	88,484	2.3

Notes.—(1) The Liberal Party has 58 members in the new House and the Country Party 19.

(2) The Australian Labour Party's total of 47 includes the two members returned respectively for the Australian Capital Territory (Canberra) and the Northern Territory. As these members only vote when matters affecting their constituencies are under discussion, the A.L.P.'s effective voting strength in the new House will thus be 45.

(3) Figures of votes and percentages for the 1958 elections (published in the Australian press on Nov. 24) are provisional, since they exclude seven constituencies where the results were in doubt at the time. It was pointed out, however, that the percentages would not be significantly altered by late results. Definitive voting figures will not be available until early in 1959.

(4) There was one Independent member in the former House, shown under "Others."

Candidates elected in the six States were as follows, showing also voting figures (provisional, with some late results outstanding) and percentages:

	Government parties: Liberals	Country Party	Votes and percentage	Australian Labour Party	Votes and percentage
New South Wales	16	8	731,568 (43.2)	22	797,367 (47.1)
Victoria	18	5	567,756 (43.8)	10	505,695 (39.0)
Queensland	10	5	289,161 (47.9)	3	227,632 (37.6)
South Australia	5	-	184,018 (43.7)	6	192,276 (45.7)
Western Australia	7	1	159,913 (51.2)	1	107,731 (34.5)
Tasmania	2	-	66,417 (42.6)	3	70,456 (45.2)

As stated above, the A.L.P. won the seats for the Australian Capital Territory and the Northern Territory.

The Democratic Labour Party polled 186,771 votes (14.4 per cent) in Victoria, its stronghold. In New South Wales the D.L.P. poll was 89,818 (5.3 per cent), in Queensland (65,259 (10.8 per cent), in Western Australia 30,829 (9.8 per cent), in South Australia 24,556 (5.8 per cent) and in Tasmania 11,597 (7.4 per cent). The Queensland Labour Party and the Communist Party polled negligibly.

The Government won four constituencies from the Australian Labour Party—two in Queensland (Griffith and Herbert) and two in Western Australia (Kalgoorlie and Stirling)—while the A.L.P. won three from the Government parties: St. George (New South Wales), Braddon (Tasmania) and Leichhardt (Queensland). The Liberal Party lost the Victorian constituencies of Indi and Wimmera to the Country Party, whilst the latter party won Moore (Western Australia) from the Liberals. All Ministers were re-elected except Sir Arthur Fadden and Sir Philip McBride, both of whom retired from political life before the election. Dr. Evatt, leader of the A.L.P., was re-elected with a big majority for Hunter (N.S.W.), polling 20,798 votes against 6,026 for his Liberal opponent and 4,872 for a D.L.P. candidate.

The electorate numbered over 5,400,000 (an increase of 600,000 since 1955), including 360,000 new settlers—240,000 from Britain and 120,000 from European countries. Voting was compulsory under penalty of a fine for abstention. Australians living abroad voted by post, over 6,000 postal ballots being registered at Australia House in London.

Senate Elections.

As a result of Government gains from Labour in Queensland and Western Australia, the Liberal-Country Party coalition will have 32 seats in the Senate and the Australian Labour Party 28 as from July 1, 1959—the Government's first working majority in the Upper House since 1955. In the former Senate the Government and the Opposition each held 30 seats, thus enabling the Opposition to hold up legislation which, though passed by the House of Representatives, could not get through the Senate for lack of a Government majority (a notable example was the banking legislation, which was twice rejected by the Senate though passed by the House of Representatives —see 16112 E, 16033 A).

Senators are elected for six years, one-half of the Senate coming up for re-election triennially; they are directly chosen by the people of the States they represent, voting as a single electorate under the proportional representation system. As senatorial elections are held every three years, 30 of the 60 Senate seats (five in each State) are normally contested. In the present elections, however, 32 Senate seats were at stake (of which six each were in Victoria and New South Wales) because of one retirement and one death.

Of the 30 Opposition seats in the former Senate, 27 were held by the Australian Labour Party and three by the Democratic and Queensland Labour parties; there are no D.L.P. or Q.L.P. members in the new Senate, though the D.L.P. contested the senatorial elections in every State.

Voting in the senatorial elections was as follows:

	Government parties	A.L.P.	D.L.P.	Others
New South Wales	587,254	644,493	69,290	99,263
Victoria	480,685	486,775	141,301	12,088
Queensland	256,184	233,195	60,292	8,177
South Australia	163,055	183,207	20,058	10,198
Western Australia	156,283	99,236	17,244	1,878
Tasmania	55,638	56,824	23,795	2,716
Total Australia	1,699,099	1,703,730	331,980	134,320

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The Government's Electoral Programme.

The Government's electoral programme was outlined by Mr. Menzies in a speech on Oct. 29 in Kooyong, his Melbourne constituency.

Declaring that the Government would campaign on its record of achievement over the past nine years, Mr. Menzies said that the confidence of the outside world in Australia's stability and progress had been "eloquently proved" by the success of the loans recently raised in London and New York (see 16465 C). "We, as trustees," he added, "can point to a great estate, in good repair, amazingly developed, sensibly managed, and respected and trusted all round the world."

While making no specific promises of higher social service benefits if the Government were returned to power, Mr. Menzies pledged it to "seize every opportunity within the scope of the economy to expand social services and other measures to assist the family man." Specifically, he stated that the Government would (1) provide an extra £A.1,000,000 a year for oil prospecting, and make another £A.2,500,000 available for development in the north-west of Western Australia; (2) reintroduce the banking reform legislation rejected by the Senate in the previous Parliament; (3) reduce taxation wherever possible; (4) set up independent committees to advise the Government on taxation problems, the introduction of a decimal coinage, and the problems of the dairy industry; (5) provide aid for State Governments wishing to convert their railways to the standard gauge; (6) introduce legislation for uniform nation-wide marriage and divorce laws; (7) improve transport and highways; (8) convene a Premiers' Conference to discuss the resumption by the States of their taxing powers, as well as the whole pattern of Federal-State financial relations. In addition, there would be an intensified drive to expand trade and increase overseas earnings, and Australia would continue to press for international commodity agreements to achieve greater stability in world prices.

Attacking the Labour programme outlined by Dr. Evatt (see below), Mr. Menzies said that the cost of the A.L.P.'s social service "handouts" would be £A.165,000,000 and would "usher in an inflation immeasurably more severe than Australia has ever known." The basic difference between the Government and the Opposition, he added, was that the former "resolutely pursues the encouragement

of private enterprise" while Labour aimed to nationalize industry; moreover, the Government "concentrates on the development of resources, production, and trade, which alone can provide new social service benefits," while Labour "concentrates on handing out cash benefits."

In a separate foreign policy statement, Mr. Menzies said that the Government's dominant aim in this field was "to maintain friendly relations, to be good neighbours, and to have powerful friends," all of which required a close alignment with the Commonwealth and the United States. Australia would not recognize Communist China, as this would be regarded by the free South-East Asian countries as a victory for Communism and would create difficulties with the United States. The New Guinea question should be settled by the International Court of Justice if Indonesia's claim to Dutch New Guinea was based on alleged legal right; if Indonesia contemplated armed aggression in furtherance of her claim, it should be resisted by the United Nations. Australia would continue to co-operate with the Dutch authorities in developing the native population in New Guinea for ultimate self-government.

The leader of the Country Party (Mr. McEwen) issued a statement expressing full support for the Government's programme as outlined by Mr. Menzies, and endorsing it on behalf of the Country Party.

The Opposition's Electoral Programme.

The Leader of the Opposition, Dr. H. V. Evatt, outlined the electoral programme of the Australian Labour Party in a speech in Sydney on Oct. 15.

Dr. Evatt pledged the A.L.P. to introduce higher social service benefits and tax concessions costing about £A.120,000,000 a year. Specifically, the Labour Party would (1) increase child endowment payments to the extent of £A.58,500,000, including the virtual doubling of the present weekly payments; (2) double the maternity allowance for the first child, and raise the present allowances for subsequent children; (3) increase invalid and old-age pensions by 10s. a week to £4. 17s. 6d.; (4) increase widows' pensions by 15s; (5) raise service pensions for the totally incapacitated to the level of the basic wage (average £A13), (6) provide marriage loans; (7) introduce an active hire-purchase policy to force down excessive interest rates; (8) make travelling expenses to and from work allowable income-tax deductions; (9) restore cost-of-living adjustments to the basic wage; (10) support the principle of equal pay for women. The A.L.P. would also allow State and local governments to have the full proceeds of the petrol and diesel tax for road-building programmes.

In the field of defence, there would be a complete overhaul of Australia's defence administration in relation to national service training, based on voluntary service in peace-time. On the New Guinea question, Labour favoured a regional defence pact between Australia, the Netherlands and Indonesia.

Speaking in Melbourne on Oct. 21, Dr. Evatt offered to resign the leadership of the Australian Labour Party if the Democratic Labour Party would agree to give its second preference votes to the A.L.P. in the general election. [In the last Victorian State elections D.L.P. second preferences had brought about the defeat of several A.L.P. candidates and the return of a Liberal-Country Party State Government.] Dr. Evatt said that this offer—made "without reservation" and irrespective of the election result—was designed solely to restore unity to the Australian Labour movement. He added: "I did not seek the honour of being leader of the Federal Parliamentary Labour Party. I was elected to the party leadership in a ballot of 80 members. I have never sought my own preferment in the A.L.P. and I do not do so now. . . . The D.L.P. claims that my leadership is an obstacle. I am willing to remove the obstacle. The man who says I am a Communist or a Communist sympathizer is one of the greatest liars who have ever lived."

An earlier offer by Dr. Evatt to relinquish the party leadership in the cause of Labour unity met with no success when it was made in April last. A D.L.P. conference in May decided against exchanging preferences with the A.L.P. at the next general election.

Dr. Evatt's Controversy with Roman Catholic Archbishop of Melbourne.

A controversy arose on the eve of the election between Dr. Evatt and the 94-year-old Roman Catholic Archbishop of Melbourne, Dr. Daniel Mannix, who is a supporter of the Democratic Labour Party.

Cardinal Gilroy (Roman Catholic Archbishop of Sydney, and head of the Roman Catholic Hierarchy in Australia) had declared a week before the election that Christians were free to support any political party in Australia except the Communist Party. On Nov. 20 Dr. Mannix issued a statement accusing the Labour Party of trying to shelter under Cardinal Gilroy's name in advertisements published throughout Australia and in pamphlets distributed to congregations outside Roman Catholic churches. He added: "Every Communist and Communist sympathizer in Australia wants a victory for the Evatt party. . . . It should be a significant warning for every Catholic and every decent Australian." In reply, Dr. Evatt issued a statement on Nov. 21 emphasizing that the A.L.P. was opposed to Communism without reservation and was "essentially a Christian movement"; while expressing admiration and respect for Dr. Mannix as a "crusader for freedom," he (Dr. Evatt) deplored his "open entry into the field of party-political activity."

In a post-election statement on Nov. 23, Dr. Evatt described Dr. Mannix's statement of Nov. 20 as a "slander directed against the Labour Party," a "deliberately timed bomb," and "an illustration of the Menzies-Mannix axis in operation." Pointing out that Mr. Calwell (deputy leader of the A.L.P. in the House of Representatives) and Senator McKenna (Opposition leader in the Senate) were both practising Catholics, he said that they both agreed with him that Dr. Mannix's views on party politics were "governed by his active sponsorship of and patronage of the Santa Maria movement" [a Roman Catholic organization which has recently identified itself with the aims of the Democratic Labour Party.]

Dr. Evatt went on to assert that the aims of the Santa Maria movement were identical with those of Mr. Menzies, whom he accused of introducing into Australian politics "a force on the pattern of European totalitarian politics." After saying that many European immigrants resented the introduction of "ecclesiastical interference" in free elections, Dr. Evatt added that Catholic leaders like the "kindly, gentle, charitable Cardinal Gilroy have frowned upon these un-Australian methods and have insisted on the right of the people to give a free vote at the polls in favour of the great Australian labour movement." In conclusion, Dr. Evatt said that "in spite of the gratuitous insult and false defamation of the supporters of Labour as Communists and Communist sympathizers, a large number of Australians have hurled the insult back in the faces of the Government, the Democratic Labour Party, and its sponsors."

The Roman Catholic Archbishop of Hobart (Dr. Young) and eight other Catholic bishops issued a statement the same evening criticizing Dr. Evatt for what was described as "a wild attack on Archbishop Mannix, who is admired inside and outside Australia for his courageous defence of justice and freedom for more than 40 years." Dr. Young added: "People are getting tired of cries of 'conspiracy' whenever someone in this free democracy does or says something that isn't pleasing to Dr. Evatt. Before it was the Petrov Royal Commission. Now it is the forthright Catholic Archbishop, who has every right to talk to his people about matters of conscience . . ."

New Federal Government.

The new Federal Government was announced by Mr. Menzies on Dec. 8, comprising 12 Ministers of Cabinet rank and 10 Ministers who are not members of the Cabinet—an innovation in Australian political life Its membership was as follows:

Cabinet Ministers.

*Mr. Robert G. Menzies ..	Prime Minister.
*Mr. John McEwen .. .	Trade.
†Mr. Harold Edward Holt .	Treasurer.
*Mr. Richard G. Casey .	External Affairs, and in charge of the Commonwealth Scientific and Industrial Research Organization.
*Senator W. H. Spooner .	Vice-President of the Executive Council, and Minister for National Development.
†Mr. Athol Gordon Townley ..	Defence.
*Mr. Paul Hasluck .. .	Territories.
†Mr. William McMahon .	Labour and National Service.
*Senator S. D. Paltridge ..	Shipping and Transport, and Civil Aviation.
*Mr. Charles W. Davidson .	Postmaster-General.
*Mr. A. R. Downer ..	Immigration.
Sir Garfield Barwick, Q.C. ..	Attorney-General.

Non-Cabinet Ministers.

*Senator W. J. Cooper ..	Repatriation.
*Dr. D. A. Cameron . .	Health.
*Mr. J. O. Cramer . ..	Army.
*Mr. F. M. Osborne .. .	Air.
*Mr. H. S. Roberton ..	Social Services.
*Senator N. H. D. Henty ..	Customs and Excise.
Mr. Charles F. Adermann ..	Primary Industry.
Mr. Allan Shallcross Hulme..	Supply.
Mr. Gordon Freeth	Interior and Works.
Senator John Grey Gorton ..	Navy.

* No change. † Held different portfolio in previous Government.

The principal changes as compared with Mr. Menzies' former administration were: (1) Mr. Harold Holt, deputy leader of the Liberal Party, became Federal Treasurer in succession to Sir Arthur Fadden, who retired from political life at the dissolution of the former Parliament (see 16090 C); (2) Mr. A. G. Townley, previously Minister of Supply, became Minister of Defence *vice* Sir Philip McBride, who also retired from politics before the general election after holding the Defence portfolio since 1950; (3) Sir Garfield Barwick, one of the five new Ministers (see below), became Attorney-General *vice* Senator O'Sullivan, who had been Government leader in the Senate

since 1949 and had expressed the wish to retire from the Ministry ; (4) Mr. McMahon, previously Minister for Primary Industry, became Minister of Labour and National Service *vice* Mr. Henry Holt, who had held these portfolios since Mr. Menzies was first returned to office in 1949 ; (5) five new Ministers entered the Government—Sir Garfield Barwick, Mr. Adermann, Mr. Hulme, Mr. Freeth and Senator Gorton.

Sir Garfield Barwick (Liberal) is one of Australia's leading lawyers and was president of the Law Council of Australia in 1952-54 ; he was elected to the Federal House of Representatives for Parramatta (N.S.W.) at a by-election in March last—see 16099 B. As shown above, he is a member of the Cabinet, whereas the other new Ministers are not of Cabinet rank.

Mr. Charles Adermann (Country Party) has represented Maranoa (Queensland) since 1943, and was formerly chairman of the Queensland Peanut Marketing Board. He succeeded Mr. MacMahon as Minister for Primary Industry.

Mr. Allan Hulme (Liberal) has represented Petrie (Queensland) since 1949. A chartered accountant, he has been chairman of the Commonwealth Immigration Planning Council since 1956. He succeeded Mr. Townley as Minister of Supply.

Mr. Gordon Freeth (Liberal) has represented Forrest (Western Australia) since 1949. He is a lawyer by profession, and rowed for Australia in the British Empire Games in 1938. He succeeded Mr. Allan Fairhall as Minister of the Interior and Works.

Senator John Gorton (Liberal) took over the Navy portfolio from Mr. Davidson, who formerly combined it with that of Postmaster-General. He has been a senator for Victoria since 1949. A graduate of Brasenose College, Oxford, he served as a pilot in the R.A.A.F. during the Second World War.

Among leading Ministers to retain their former portfolios were Mr. John McEwen (Deputy Prime Minister), who succeeded Sir Arthur Fadden as Leader of the Country Party in March last ; Mr. Richard Casey, who remains in charge of External Affairs ; and Senator Spooner, who will succeed Senator O'Sullivan as Government leader in the Senate. Of the 12 Cabinet Ministers, seven are Liberals and five are members of the Country Party.

Apart from Sir Arthur Fadden and Sir Philip McBride, who had retired from public life, and Senator O'Sullivan, who had retired from the Ministry at his own request, the only member of the former Government omitted from the new Administration was Mr. Allan Fairhall, who had been Minister of the Interior and Works since 1956. Mr. Menzies said that he was sorry to lose " for a time " the services of Mr. Fairhall, " but with complex constitutional problems arising in the immediate future I wished to avail myself of Sir Garfield Barwick, a leader of the Bar and eminent constitutional lawyer. It therefore became necessary to make a replacement, and I have done this with regret."

The new Australian Parliament opens on Feb. 17, 1959. As a result of the general election, Mr. Menzies' Government will have the biggest majority in the House of Representatives since federation in 1901.—(Sydney Morning Herald - Australian News and Information Bureau - Times) **(Prev. rep. Dissolution, 16364 D ; General Elections (1955), 14649 A ; Cabinet, 16140 A ; 15170 A.)**

A. WESTERN GERMANY. — New Government in Bavaria. - Dr. Seidel re-elected Land Premier.

The outgoing Prime Minister of Bavaria, Dr. Hanns Seidel (Christian Social Union), was re-elected on Dec. 9 by the new Bavarian *Landtag*, obtaining 120 votes against 63 for Dr. Hoegner, the former Social Democratic Prime Minister. On the same day Dr. Seidel announced the membership of his Ministry, as follows :

Dr. Hanns Seidel (C.S.U.), Prime Minister ; Herr Rudolf Eberhard (C.S.U.), Deputy Prime Minister and Finance ; Herr Alfons Goppel (C.S.U.), Interior ; Dr. Otto Schedl (C.S.U.), Economic Affairs ; Herr Walter Stain (Refugee Party), Labour ; Dr. Aloys Hundhammer (C.S.U.), Agriculture ; Dr. Albrecht Haas (Free Democrat), Justice ; Professor Theodor Maunz (C.S.U.), Education.

As shown, the Cabinet is based on a coalition between the Christian Social Union, the Refugee Party, and the Free Democrats.—(Die Welt, Hamburg) **(Prev. rep. 16540 B.)**

B. CEYLON. — Ministerial Appointment.

Senator Sarath Wijesinghe was appointed Minister of Nationalized Services and Road Transport with effect from Sept. 10, following the transfer of cargo handling at Colombo Port to a Government-owned corporation (see 16378 C) and the nationalization of all bus services (see 16277 B). The new Ministry will also be in charge of all ports, lighthouses, and road transport matters in general. Senator Wijesinghe was previously Parliamentary Secretary to the Minister of Finance.
(Ceylon Government Information Department) **(14849 A.)**

C. UNITED KINGDOM. — The Queen's Christmas Broadcast to Britain and the Commonwealth.

Her Majesty the Queen made the following Christmas Day broadcast from Sandringham House to the peoples of Britain and the Commonwealth :

" A happy Christmas to you all. Every year I look forward to opening the letters, parcels and telegrams that come to me from all parts of the world. My husband and children join me in thanking all of you who have sent us your good wishes for Christmas and the New Year.

" Some of you have written to say that you would like to see our children on television this afternoon. We value your interest in them and I can assure you that we have thought about this a great deal before deciding against it. We would like our son and daughter to grow up as normally as possible so that they will be able to serve you and the Commonwealth faithfully and well when they are old enough to do so. We believe that public life is not a fair burden to place on growing children. I am sure that all of you who are parents will understand.

" Very soon now we shall be entering into the uncertainty and promise of a New Year. I hope very much that it proves to be a year of progress and happiness for us all. My family and I are looking forward to it, especially because many of us will be travelling to different parts of the world and hope to see more of you than ever before.

" In three weeks' time my husband goes to India and Pakistan and then on across the Pacific. My mother is going to East Africa and my uncle, the Duke of Gloucester, and his wife, will be travelling as my representatives to Nigeria. My aunt, the Duchess of Kent, and my cousin, Princess Alexandra, are also undertaking long journeys. Together they will be visiting Central and South America in the Spring, and later Princess Alexandra goes to Australia to attend the centenary celebrations of the State of Queensland.

" In June my husband and I will be going to Canada once again. This time we go primarily to open the great St. Lawrence Seaway, but we shall be visiting many other parts of the country as well. Lastly, towards the end of the year we are going to Ghana, and on our way back we intend to visit my people in Sierra Leone and the Gambia. So, between us, we are going to many parts of the world. We have no plans for space travel at the moment.

" To Christians all over the world, Christmas is an occasion for family gatherings and celebrations, for presents and parties, for friendship and goodwill. To many of my people Christmas does not have the same religious significance. But friendship and goodwill are common to us all. So it is a good time to remember those around us who are far from home, feeling perhaps strange and lonely. My own thoughts are with the men, women, and children from other parts of the Commonwealth who have come to live and work in the great cities of this country and may well be missing the warmth and sunshine of their homelands.

" In recent years the Commonwealth countries have been making a great co-operative effort to raise standards of living Even so, the pace of our everyday life has been such that there has hardly been enough time to enjoy the things which appeal to men's minds and which make life a full experience. After all, our standard of living has a spiritual as well as a material aspect. The genius of scientists, inventors, and engineers can make life more comfortable and prosperous.

" But, throughout history, the spiritual and intellectual aspirations of mankind have been inspired by prophets and dreamers, philosophers, men of ideas and poets, artists in paint, sculpture and music, the whole company who challenge and give pleasure. To their number, I would add the teachers in church, school, and university, whose enormous job it is to awaken the minds of the younger generations and instil into them the essence of our accumulated civilization.

" I am sure that many of you have thought about these things before, but it seems to me that Christmas is just the time to be grateful to those who add fullness to our lives. Even so, we need something more. We all need the kind of security that one gets from a happy and united family. Before I return to mine, let me once again wish every one of you a very happy Christmas from all of us here at Sandringham, and may God's blessing be with you in the coming year."

Her Majesty's Christmas broadcast was televised, as on Christmas Day 1957.—(Times) **(Prev. rep. 15926 C.)**

D. INDIA. — Formation of National Mineral Development Corporation.

The Indian Minister for Mines and Oil, Mr. K. D. Malaviya, announced on Nov. 15 that the Government of India had set up a new company, under the name of the National Mineral Development Corporation (Private) Limited, with responsibility for exploiting minerals in the public sector as far as practicable, excluding oil, natural gas, and coal. The company will have an authorized capital of 150,000,000 rupees (£11,250,000) and will initially undertake the exploitation of iron-ore at Kiriburu (Orissa), near the Bihar border ; the ore will be exported to Japan under an agreement to supply 2,000,000 tons of iron-ore annually to the Japanese steel mills.
(Indian High Commissioner's Office, London)

A. ALGERIA.—Military Operations in Fourth Year of Algerian War (November 1957-November 1958). - Heavy Fighting in Tunisian Frontier Area. - French and Algerian Casualties.

The military situation in Algeria, which had greatly improved during the summer and autumn of 1957, again deteriorated in the early months of 1958. The insurgents' "National Liberation Army" showed itself to be better armed, trained, and organized than at any previous period, and inflicted heavy casualties on the French forces in a series of battles near the Tunisian frontier and elsewhere. By June, however, it had become apparent that the rebels' own casualties, which were far higher than at any time since the outbreak of the rebellion, were imposing an intolerable strain on them, and in consequence they reverted to smaller organizational units, guerrilla tactics, and an increased use of terrorism.

The principal developments in the military situation during the fourth year of the Algerian War (November 1957-November 1958) are described below under cross-headings :

The Insurgent Forces.

At the beginning of 1958 French military sources estimated the strength of the "Liberation Army" at 30,000 "regulars" and 30,000 reserves. Although insurgent casualties during the first seven months of the year were given in official French statements as 23,534 killed and captured (nearly four-fifths of their regular forces), the rebels' numbers remained approximately constant, as they found no difficulty in obtaining recruits among young Moslems ; in this connexion it was pointed out that there were 5,000,000 Moslems under 20 years of age in Algeria, constituting 56 per cent of the population. Spokesmen of the National Liberation Front (F.L.N.) claimed that they had 100,000 men under arms, including reserve and auxilliary formations in addition to fighting troops.

During the winter of 1957-58 a complete reorganization of the insurgent forces was carried out. Whereas in the summer of 1956, in view of the reinforcement of the French troops in Algeria, the insurgents had split up into small bands of about 30 men, they were reformed into battalions 380 strong, subdivided into companies and sections. Their organization was modelled on that of the French Army, in which many of the rebel commanders had served in Indo-China. As a result of the heavy casualties suffered by the insurgents in a number of pitched battles during the early months of 1958, however, they largely reverted in June to their earlier form of organization in smaller and more mobile bands.

Moslems serving in the French Army continued to desert to the insurgents during this period, though in smaller numbers than in previous years ; among them were 10 officers who joined the rebel forces in April 1958, after travelling secretly from France to Algeria via Tunis. M. Guillaumat (Minister of the Armed Forces in General de Gaulle's Cabinet) claimed on Nov. 12, 1958, that the number of Moslem deserters from the French forces had fallen from 366 in March 1956 to 80 in October 1958, whereas the number of insurgents coming over to the French had risen from only one in March 1956 to an average of 300 in July and August 1958.

Military operations during the early months of 1958 were largely dominated by the insurgents' attempts to increase the supply of arms entering the country from Tunisia and Libya. The French military authorities stated in August that 15,056 weapons had been captured from the rebels during the first seven months of the year. After the rebels' defeat in the "battle of the frontier" the smuggling of arms from Morocco increased, several camel caravans being intercepted in the Mecheria area of western Algeria.

The French Forces.

M. Chaban-Delmas (Defence Minister in M. Gaillard's Cabinet) stated on April 3, 1958, that the French Army had 370,000 men serving in Algeria ; if there were added the 30,000 members of the Air Force, the naval forces, the *harkas* (the Moslem "home guard" organized by the French), and 15,000 recruits undergoing training, the total French forces in Algeria numbered 450,000 men.

In view of the improvement in the military situation, M. Bourgès-Maunoury's Government decided in August 1957 to reduce the number of troops in Algeria by about 70,000 men by the end of 1958, and to reduce the term of military service from 27 months to two years. In accordance with this decision, contingents of conscripts were released after 24 months' service on Jan. 1 and March 1, 1958. After discussions with the High Command in Algiers, however, M. Chaban-Delmas stated on Feb. 7 that the forces in Algeria would be stabilized at their existing level ; he subsequently announced that a contingent which was to have been released on May 1 after two years' service would be retained for an indefinite period.

The need for maintaining such a large force in Algeria arose from the adoption of the system of *quadrillage*, a system whereby, in order to ensure the loyalty of the Moslem population and to protect them from insurgent terrorism, the great majority of the French troops were dispersed over the country in small units responsible for the defence of specific sectors. In consequence the bulk of the actual fighting fell to six parachute regiments, including parachute units of the Foreign Legion.

Military Operations.

The most important military operations during the fourth year of the war took place along the Tunisian frontier. To hamper the movement of arms and men across the border, the French had constructed in 1957 a defence system of electrified barbed-wire barriers, known as the "Morice Line," running from Bône to El-Ma-El-Abiod, south of Tebessa (see page 16184 and map on page 16203). The zone between this point and Negrine, on the edge of the Sahara, was controlled by radar, which gave warning of the approach of insurgent units.

The rebels nevertheless evolved a technique for dealing with the barrier ; on approaching it they would signal to their comrades on the other side, and would then cut the electrified wires simultaneously from both sides, using German or Italian wire-cutters insulated against 12,000 volts. The French detection system, however, gave immediate warning of any breach in the wires, and parachute troops and ground forces would be despatched to the spot in helicopters and jeeps. A long series of clashes took place in such circumstances during this period, culminating in a seven-day battle near Souk-Ahras (April 28-May 4) in which the rebels lost over 600 men.

Outside the Tunisian frontier area, heavy fighting occurred on numerous occasions in the area south of Algiers (between Blida, Médéa, Tablat, and Aumale), the Ouarsenis, the Saïda Mountains, the Grande Kabylie, the coastal area north of Constantine, and the Aurès ; both the French and the insurgents suffered many casualties in these engagements. Rebel attempts to hamper the exploitation of Algeria's oil resources by establishing a "Sahara front" were defeated by the intervention of French parachute troops in November 1957, but rail communications between the oilfields and the coast were sabotaged on several occasions.

The Tunisian Frontier. An insurgent arms convoy was intercepted on Nov. 4, 1957, north of Tebessa, losing 45 men killed ; 48 rebels were killed on Dec. 1 while trying to cross the electrified barrier near Souk-Ahras, whilst another band returning from Tunisia lost 75 killed in an action near Guelma on Dec. 10. Following these engagements, the rebels increasingly tended to circumvent the barrier by following routes farther to the south ; 121 were killed on Dec. 7 while attempting to enter Tunisia south of El-Ma-El-Abiod, and 70 more in an engagement on Dec. 19 east of Tebessa.

Two large forces of insurgent recruits were intercepted near the frontier in January 1958. A band of youths was attacked on Jan. 4 north-west of Tebessa while being escorted to Tunisia for training, losing 81 killed and 41 captured ; on Jan. 10 another force returning from training in Tunisia was virtually wiped out in the Djebel Tarf (east of Aïn-Beida), 116 men being killed and 31 captured.

An intensification of the arms traffic led to heavy fighting along the frontier from February to May ; 221 insurgents were killed in operations in the Guelma area from Jan. 27-Feb. 5 and 64 more when a band from Tunisia was wiped out near Khonchela on Feb. 9-11. The second half of February was marked by a series of major engagements in the vicinity of Guelma and Duvivier (30 miles south of Bône), in which over 500 insurgents were killed between Feb 14-26. On Feb. 27 an insurgent force which had crossed the frontier south of El-Ma-El-Abiod was detected by radar and intercepted in the Nementchas, losing 110 killed.

Although heavy snow caused a lull in operations during the first half of March, 30 members of a local unit employed to convoy recruits returning from Tunisia were killed in the Duvivier sector on March 6. A band entering Algeria by the southern route lost 26 killed when attacked in the Nementchas on March 8. Parachute troops attacked a strong insurgent force on March 18 between Bône and Duvivier, 122 rebels and 25 French soldiers being killed, while on March 29 a band about 450 strong was attacked while crossing the Morice Line in the same area, losing 160 killed. The insurgents suffered heavily in four engagements during the first half of April, 111 being killed west of Bir-El-Ater, 98 killed in two actions in the Souk-Ahras area, and 150 killed in the Nementchas.

After a force of nearly 1,000 well-armed rebels had attempted to break through the Morice Line north of Souk-Ahras, the biggest battle of the war to date began on April 28 and continued until May 3. The insurgents lost 436 killed and 100 captured, in addition to a large supply of arms ; 93 of the survivors were killed or captured in a subsequent action on May 4, about 250 withdrew into Tunisia, and the remainder escaped into the hills. French casualties were officially given as 38 killed and 33 wounded. In three smaller engagements in this area during May the insurgents lost 169 killed.

Rebel bands made several attempts to cross the border in the southern sector during the second half of June. A force of about 300 men crossing the border from Tunisia lost 45 killed and 64 captured on June 26 in an action near Tebessa, whereupon the remainder of the band retreated into Tunisia. Farther south, a party of recruits was intercepted near Bir-El-Ater on the same day, 30 being killed.

No large-scale engagements took place on the frontier between July and October, although several incidents gave rise to French or Tunisian protests. The French military authorities announced on July 16 that strong rebel forces coming from Tunisia and supported by firing from Tunisian territory had attacked two French units and blown up a railway line in the Tebessa area ; Tunisian official spokesmen, however, stated that the entire engagement had taken place on Algerian soil. During the night of Aug. 15-16 seven French posts in the same area were reported to have been fired on from the Tunisian side of the frontier or attacked by bands crossing the border from Tunisia.

The Tunisian Government formally protested on Sept. 18 against "repeated violations of the frontier," and in particular against two recent incidents in which, it was alleged, a Tunisian had been murdered by a French patrol and Tunisian territory had been bombarded. Both charges were denied by the French military authorities, who subsequently alleged that French units had been fired on across the frontier on Sept. 22 and again on Sept. 28.

Central and Western Algeria. In the Ouarsenis (one of the main centres of insurgent activity throughout this period) nine French soldiers were killed in an ambush between Relizane and Tiaret on Nov. 13, 1957; 40 rebels were killed in the ensuing operations. Another 41 insurgents were killed on Nov. 29-30 in an action 20 miles south of Algiers, and 26 more on Dec. 1 in the Collo peninsula, which had been largely controlled by the rebels since the summer of 1955. During the first fortnight of December 160 insurgents were killed in a series of engagements in the Kabylie and in the Constantine area.

The railway line from Touggourt to Philippeville, which is used for transporting oil from the Hassi-Messaoud wells (see 16153 A), was sabotaged on several occasions at the beginning of 1958. A goods train was blown up by a mine between Constantine and Philippeville on Jan. 8, the day before the first trainload of oil left Touggourt; another mine exploded on Jan. 26 under an armoured trolley patrolling the track between Biskra and Batna, seven men being killed; and on Feb. 3 an explosion wrecked a goods train in the same area, killing five people.

In western Algeria 80 rebels were killed in operations near Saïda on Jan. 7-8. An insurgent force wearing French uniforms killed 28 French soldiers on Jan. 16 in a surprise attack near Orléansville, whilst on Feb. 4 the rebels captured a post in the Hodna Mountains by a similar ruse, carrying off 17 of the garrison. The officer in command of the post was afterwards shot by the rebels as a reprisal (see below).

French casualties showed a marked increase during February, especially in the sector south of Algiers. Units which attempted unsuccessfully to encircle a large rebel force near Aumale on Feb 13 lost 15 killed and 17 wounded, and six aircraft were hit by machine-gun fire; the insurgents' casualties were 16 killed and seven captured. On the same day 12 French soldiers were killed and 17 wounded in an ambush near Médéa, whilst 13 soldiers were killed, 14 wounded, and a helicopter shot down in an action near Blida on Feb. 21 in which the insurgents lost only seven men. In fighting near Tablat 10 soldiers and 45 rebels were killed and 30 soldiers wounded on Feb. 24-25, and in the Ouarsenis another 10 soldiers were killed near Miliana on Feb. 26.

In the Aurès a strong rebel band was attacked by French parachutists and ground forces south of Batna on Feb. 23; prolonged hand-to-hand fighting ensued, in which the French lost 22 killed and 37 wounded and the insurgents 67 killed. On the same day 11 French soldiers were killed in an ambush near Akbou (in the Grande Kabylie), and on Feb. 25 a patrol was ambushed near Tenès (on the coast north of Orléansville), 24 men being killed. Total French casualties for the three days Feb. 23-25 were given as 67 killed—the highest for any comparable period of the war.

Heavy fighting continued south of Algiers during March. A well-armed rebel band about 300 strong fought its way out when encircled in the Aumale area on March 5; the French lost 17 killed and 45 wounded in a three-day battle, and the rebels 51 killed and 23 captured. A police party was ambushed near Médéa on March 13, losing 15 killed. On March 18 French parachute troops attacked a large force of insurgents, 170 of whom were killed, between Tablat and Médéa.

A French military convoy was ambushed on March 4 near Lafayette (in the Grande Kabylie), 16 soldiers being killed; 18 of the insurgent band responsible were subsequently killed in an action on March 11. In western Algeria 90 rebels were killed during the fortnight March 11-25 in three actions in the area between Saïda, Sidi-Bel-Abbès and Tlemcen. A rebel convoy carrying a supply of arms was attacked on March 16 in the Collo peninsula, 80 insurgents being killed.

The Algiers sector, the Ouarsenis, and the Grande Kabylie were the main theatres of operations (apart from the Tunisian frontier) during April and the first half of May, over 700 rebels being killed in a series of engagements in these areas. Extensive guerrilla warfare also developed during April in the coastal area between Bougie and Bône; 18 French soldiers were killed when military convoys were ambushed on April 11 and 20, motorists were frequently fired on, and farmhouses and villages were repeatedly raided, with the result that many settlers abandoned their farms. The French accordingly launched two operations in the area between Djidjelli and Philippeville, in which 262 rebels were killed between April 26 and May 11.

During French Army operations from May 28 - June 1 near Molière (in the Ouarsenis) 163 insurgents were killed and 31 captured; an *Air France* Dakota, believed to have been hit by rebel fire, crashed in the same area on May 31, killing the 14 people on board. In the coastal area west of Algiers, 52 insurgents were killed in the Cherchell area on June 4, whilst 40 rebels and 16 French soldiers were killed near Tenès during June 10-14. Several operations were reported from the southern Oranie during this period; 53 insurgents were killed in three engagements on May 23 in the area between Mecheria and Aïn-Sefra, and another 37 when a strong rebel band was attacked on May 27 south of Saïda. After a French force had been ambushed in the Saïda area on June 19, an action took place in which the French lost 16 killed and the rebels 21.

Military activity in the Grand Kabylie showed a marked increase during May and June. A rebel band was encircled on May 25 near Maillot, losing 25 killed, and another 25 insurgents were killed in the same area two days later. Six French soldiers were killed in an ambush near the coastal town of Port-Gueydon on June 11, and rebel commandos raided the towns of Tizi-Ouzou and Bône during the night of June 6-7. In operations in the Palestro area the insurgents lost 55 killed and the French 13 on June 14-16.

French ground and air forces carried out a large-scale operation on June 5-7 in the Aurès, between Batna and Khenchela, in which 93 insurgents were killed and 31 captured. After information had been received that a farm south of Médéa was to be attacked on June 4, the building was secretly occupied by troops who forced the attackers to withdraw with the loss of 31 killed.

No major engagements occurred during the first three weeks of July; 75 insurgents were killed in an action near Médéa on July 26, however, and 55 more on July 30 north of Bordj-Bou-Arreridj (in the Djurdjura). In the Bou-Saada area 117 rebels were killed on July 28, and 69 on Aug. 1. French troops carried out an operation in the Aurès from Aug. 7-12 during which 30 rebels were killed in an action near Batna. Elsewhere the insurgents lost 32 killed in the Boghari area (south of Médéa) and 47 in the Cherchell area in the fortnight Aug. 12-27.

During the first half of September a series of engagements took place in the area between the Ouarsenis and the Moroccan frontier in which 157 insurgents were killed. In the Aurès the rebels lost 93 killed when French infantry, supported by artillery and aircraft, encircled a strong insurgent force near Corneille (west of Batna) on Sept. 8; another rebel band was wiped out two days later south of Médéa, losing 68 killed and 26 captured.

The insurgents achieved a number of local successes during this period. In the Ouarsenis 10 French soldiers were killed in an ambush on July 31, and 19 in another ambush on Sept. 24. Between Batna and Biskra a train carrying troops and munitions caught fire when a mine exploded under it on Aug. 28, French casualties being given as 12 soldiers killed and 20 injured.

The French forces remained on the defensive during the second half of September, in order to protect the electorate from insurgent terrorism during the referendum on the new Constitution (see 16541A). In October, however, a series of offensives were launched against rebel strongholds in the 3,000-ft. Saïda Mountains and in the Grande Kabylie. During the fortnight Oct. 13-27 French infantry and parachute troops, supported by artillery and aircraft, killed 139 rebels in the area between Tiaret and Tlemcen, whilst in the Grande Kabylie and the Djurdjura 224 insurgents were killed, a rebel camp destroyed, and several tons of supplies captured in four operations in the second fortnight of October.

The Sahara. A rebel band, including Moslem soldiers of the Camel Corps who had deserted to the insurgents, ambushed an oil prospecting team north of Timimoun on Nov. 6, 1957, killing seven technicians and nine members of their military escort. Parachute troops commanded by Colonel Bigeard (one of the leading authorities on guerrilla warfare in the French Army) were flown to the area and attacked the rebels, who lost 40 killed. Another 120 insurgents were killed in subsequent engagements in the first week of December. Colonel Bigeard stated on Dec. 10 that although some 60 members of the band were still at large, the "Sahara front" to which F.L.N. propagandists had referred no longer existed.

A certain revival of insurgent activity in the Sahara occurred in the late summer of 1958. Near Colomb-Béchar 15 rebels were killed in an engagement on Aug. 20, and in the Brézina area (south of the Djebel-Amour) 13 French soldiers and three civilians were killed on Sept 19 when rebels ambushed a French force escorting an administrative officer.

Collaboration between French and Former Rebel Leaders. - Death of "General" Bellounis.

During the second half of 1957 the French military authorities concluded agreements with a number of former insurgent units whereby these formations, whilst retaining their own commanders and their semi-autonomous status, were paid and equipped by the French and co-operated with them against the rebels. The most important of these units was the "National Army of the Algerian People," a force about 4,500 strong composed of supporters of the Algerian National Movement (M.N.A.), under the command of "General" Mohammed Bellounis.

After fighting both the French and the F.L.N. in the Grande Kabylie and the Djurdjura since 1955, Bellounis concluded an agreement with the French on Nov. 6, 1957, whereby his force was entrusted with responsibility for operations over a large area between Aumale, Bou-Saada, and Aflou. In the spring of 1958, however, he largely lost control of his followers, who had increasingly fallen under F.L.N. influence. One of his officers mutinied and joined the rebels with 1,000 of his men, whilst another refused to withdraw from the Laghouat area when ordered to do so; when French troops were sent on May 1 to enforce the order, a pitched battle ensued in which 81 of Bellounis' men were killed.

After the Algiers *coup* of May 13 Bellounis himself turned against the French, and announced on June 16 that he was opposed to the integration of Algeria with France and would fight only for Algerian independence. He was killed in a clash with French troops near

Bou-Saada on July 14. The bodies of over 500 people murdered on his orders were found nearby after his death; the number of his victims exceeded those killed in the Melouza massacre of May 1957 (see page 16186), which took place when Bellounis was known to be in the immediate neighbourhood of Melouza.

A former F.L.N. commander, Si Chérif, went over to the French on July 20, 1957, with his band of about 300 men; this force rendered valuable service in the fighting in the Médéa area in the spring of 1958. Another F.L.N. leader, Belhadj Djilali, who commanded a force of some 500 in the Orléansville area, agreed to co-operate with the French in the autumn of 1957; he was murdered on April 29, 1958, by his officers, and about 350 of his force then joined the insurgents in the Ouarsenis.

Terrorist Activities.

Urban terrorism showed a marked decline during the early months of 1958, although there were two serious incidents in Constantine, where 72 people were injured by bomb explosions on Feb. 4 and March 26.

The Algiers *coup* of May 13 was followed by a revival of terrorism which reached its height during August, when 17 people (15 of them Europeans) were killed and 59 injured during the single week-end Aug. 9-10. The worst incidents occurred in western Algeria, notably at the village of Honaïne (near Nemours), where 22 Moslems (including eight women and two children) were murdered on Aug. 16 and three more during the night of Aug. 17-18. In other incidents in the Oranie, 10 people were killed and over 40 injured in a series of bomb explosions on Sept. 27-28, whilst an explosion in the main street of Tiaret on Oct. 30 killed 11 people and injured 24; the number of casualties was the highest for a single incident since the explosion in an Algiers dance-hall in June 1957 (see page 16187). It was believed that the main purpose of these incidents was, by terrorizing the Moslem population, to deter them from taking part in the referendum and the general elections.

Acts of terrorism in Algiers (usually in the form of grenades thrown into cafés and bars) became increasingly frequent in June and July. Several of these incidents were attributed to an M.N.A. group which had been formed with Bellounis' assistance after the suppression of the F.L.N. organization in Algiers in 1957: after 90 members of this group had been arrested the number of incidents fell to only one in August, but again increased in the next two months.

The great majority of the terrorists' victims were Moslems accused of collaboration with the French, including members of the special delegations (the provisional municipal and county councils—see page 15646), civil servants, police spies and informers, and members of the *harkas*. During the spring of 1958 the terrorists' activities were particularly directed against the members of special delegations, nine of whom were murdered in the single week April 5-11. F.L.N. spokesmen said that "collaborators" were sent repeated warnings; that they were "tried" by a "military tribunal" only if they refused to obey them; and that the carrying out of the "sentences" was entrusted to "commandos of death."

General Jacques Faure, the French Commander in the Kabylie, announced on Sept. 22 that his troops had discovered over 400 corpses at the insurgents' former headquarters in the Akfadou Forest. According to official French sources, "Colonel" Amirouche (the F.L.N. commander in the Kabylie) had begun a purge in June after discovering a plot against himself among a section of his men who had planned to surrender to the French, and wholesale executions had been ordered. Press correspondents were flown over the site of the massacre on Sept. 22 but were refused permission to land.

Treatment of Prisoners of War.

The F.L.N. leadership strongly protested on Feb. 5, 1958, and again on March 4, against death sentences repeatedly passed by French courts on captured members of the F.L.N., to whom the French Government refused to grant the status of prisoners of war. The second communiqué pointed out that since Jan. 11, when the F.L.N. captured four French soldiers whom the International Red Cross had found to be safe and well (see 16203 A), 15 insurgents had been guillotined and 11 more condemned to death; it gave warning that if this went on the "Liberation Army" would be "inevitably bound to react." Executions of captured terrorists nevertheless continued, 12 rebels being guillotined in April.

On May 9 the F.L.N. announced that three French soldiers who had been captured on Nov. 1, 1956, had been sentenced to death for alleged torture, rape, and murder by a special court of the "Liberation Army" and executed on April 30. F.L.N. spokesmen declared that the insurgents would "respect the laws of war only if the enemy does the same," and that a French soldier would be shot for every rebel guillotined.

A French officer, Lieutenant Dubos, who had been captured in the Hodna Mountains on Feb. 4, was shot near Bougie by "Colonel" Amirouche's order on July 9. In a letter to Dubos's parents, Amirouche offered on April 11 to exchange him for F.L.N. prisoners in French hands, and gave warning that "the lives of your son and his fellow-prisoners will answer for those of our brothers, who are inhumanly treated by your soldiers." A second letter of July 9 informed Lieutenant Dubos's parents that he had been shot as a reprisal for the alleged murder of an F.L.N. officer.

The four French soldiers captured near Sakhiet-Sidi-Youssef on Jan. 11 were handed over to representatives of the International Red Cross in Tunis on Oct. 20. M. Krim Belkacem, Vice-Premier in the F.L.N. Government-in-exile, stated that it had been decided to "celebrate the proclamation of the Algerian Government by a purely humanitarian gesture." General Salan announced later the same day that 10 rebels captured under arms would be released, this order being carried out on Nov. 3.

The Refugee Problem.

The Moroccan delegate to the U.N., M. Mahdi El-Mandira, told the Social Commission of the General Assembly on Nov. 4, 1958, that there were 130,000 Algerian refugees in Tunisia and 70,000 in Morocco; this represented a 100 per cent increase since the previous December, when the International Red Cross gave the number of refugees as 60,000 in Tunisia and 40,000 in Morocco.

The U.N. Social Commission approved on Nov. 6 (by 57 votes to two with 15 abstentions) a Moroccan-Tunisian resolution instructing the U.N. High Commissioner for Refugees to "continue his assistance to Algerian refugees in Tunisia and undertake similar activities in Morocco." Among the Western countries, Canada, Greece, and the U.S.A. supported the resolution; France and South Africa opposed; and Belgium, Italy, Luxemburg, Portugal, Spain, and the United Kingdom abstained.

Under an agreement between the U.S. and Tunisian Governments concluded on Jan. 28, 1958, the U.S.A. undertook to supply food to the value of 390,000,000 francs, or sufficient to feed 60,000 refugees for three months.

French and Algerian Casualties.

General de Gaulle stated on Oct. 23, 1958, that 7,200 French soldiers (an average of five a day for four years) and 77,000 insurgents had been killed in action since Nov. 1, 1954. A previous official statement issued on April 24 had given total casualties to that date as 6,000 Frenchmen and 62,000 rebels killed since the beginning of the Algerian war.

The French military authorities claimed on Aug 16 that 20,757 insurgents had been killed and 2,777 captured during the first seven months of 1958. The rebels' casualties had been heaviest during the "battle of the frontier" in the spring (3,401 killed and 529 captured in February, 3,132 killed and 715 captured in March, and 3,728 killed and 756 captured in April), and had somewhat declined in the next three months. French casualties reached 360 killed and 700 wounded in February (against 203 killed in February 1957), the highest for any month of the war. No detailed statistics of French casualties were published for any subsequent month.

General de Gaulle said in his statement of Oct. 23 that about 1,500 Europeans and over 10,000 Moslems had been killed as the result of insurgent terrorism.—(Le Monde - Le Figaro)

(Prev. rep. 16183 A; 16203 A.)

A. SWITZERLAND.—Election of President Chaudet. - Professor Wahlen joins Federal Government.

M. Paul Chaudet, head of the Federal Military Department, was elected President of the Swiss Confederation for 1959 at a meeting of the Joint Federal Assembly (i.e. the two Houses meeting in joint session) on Dec. 11. Signor Giuseppe Lepori, head of the Department of Posts, Telegraphs, and Railways, was elected Vice-President. M. Chaudet (54), a Radical Democrat from Canton Vaud, has been a member of the Federal Government since 1954 and was Vice-President in 1958.

On the same day the Joint Federal Assembly elected Professor Friedrich Traugott Wahlen as a new member of the Federal Council (the Swiss Government) in succession to Dr. Markus Feldmann, who had died on Nov. 3.

Professor Wahlen (59), an agricultural engineer, was head of the research department of the Canadian Department of Agriculture from 1922-29, and directed the Swiss Federal agricultural testing station at Zürich from 1929-43. In the following year he became Professor of Agriculture and Horticulture at Zurich Technical University. He was director of the agricultural department of the F.A.O. in 1949, and since 1957 had been Deputy Director-General of that organization. Like the late Dr. Feldmann, he is a member of the Farmers', Traders' and Citizens' Party.

Dr. Markus Feldmann (61), head of the Federal Department of Justice and Police, was chief editor of the *Neue Berner Zeitung* before entering the Federal Government in 1951; he had been a member of the National Council since 1935 and a member of the Berne Cantonal Government since 1945. As Central President of the Association of the Swiss Press he was one of Switzerland's foremost protagonists in defending the freedom of the Press during the Nazi regime in Germany, when he resisted strong pressure from the Third Reich to restrict the free expression of Swiss democratic opinion.

It was announced on Dec. 30 that Professor Wahlen would take over the Department of Justice and Police.

(Neue Zürcher Zeitung) **(Prev. rep. 15911 C; 14611 B.)**

A. **UNITED KINGDOM. — Strengthening of Overseas Information Services.**

Dr. Charles Hill (Chancellor of the Duchy of Lancaster, and Minister responsible for the co-ordination of the Government's information services) informed the House of Commons on Nov. 3 that a "substantial increase" would be made in the financial provision for British information services in India, Pakistan, Aden, British Somaliland, Kenya, Ethiopa, and Somalia (Italian Somaliland). He recalled that the amount allocated for the overseas information services had already been increased from £13,000,000 to £15,000,000 in 1957 (see 15688 A).

Dr. Hill stated that he had recently returned from a tour of British information services in the countries and territories concerned, undertaken to review the implementation of the 1957 recommendations. Although much progress had been made, he had concluded that a further intensification of effort was needed in these areas, where "populations are large, the problems complex, and competition for a hearing fierce." Minor improvements would be effected forthwith and some had been made in the course of his tour, e.g. the reopening of the British Council centre in Addis Ababa (which had been closed since 1951) and the opening of a similar centre in Somalia. He hoped to announce details of the proposed major developments and their estimated cost in the near future, and to publish them as a White Paper. In the meantime, plans would be worked out to effect improvements in three main fields: (1) the countering of hostile radio propaganda, (2) the supply of English-language books, and (3) the teaching of English.

Countering of Radio Propaganda. Dr. Hill said that "urgent consideration" would be given to increasing the transmitting strength of local broadcasting stations by technical improvements, and possibly by building relay stations. The quality of broadcast programmes would also be improved by providing an ample supply of tape-recorded material from London. The Government was mainly concerned with counteracting hostile radio propaganda in "the Middle East and the Horn of Africa," though other territories "were not being neglected." Information services in Arabic, Swahili, and Somali had already been expanded, but "more needs to be done." Time was all-important in correcting blatant mis-statements from hostile sources, and this was in the hands of language experts whose reports, through improved means of communication, would be transmitted with a minimum of delay from such local broadcasting stations as those in Aden, Hargeisa, and East Africa.

[*Note.*—The principal source of hostile propaganda to these territories is Cairo Radio, from which programmes in Arabic, Swahili, and Somali are broadcast almost continuously. Dr. Hill did not suggest "jamming" of such broadcasts as an effective countermeasure. The Government's long-term plans in this field are believed to include a limited television service, with receivers installed in public places (e.g. cafés) in centres of large population such as Aden and Bahrein.]

Supply of Books in English. The Government was developing both a short-term and a long-term policy to meet the great demand for books printed in English—particularly in India and Pakistan. The short-term solution would be the presentation of stocks of books to libraries and colleges, and a working party had been set up to consider other means.

Teaching of English. The Government intended to expand its programme for the teaching of English, and had been impressed by the "vast demand" for educational facilities in the areas which he (Dr. Hill) had visited. It was recognized that much more would have to be done to arrest the present decline of English as the language of education, culture, and commerce in the Indian subcontinent.

It was pointed out in the British press that the principal difficulty in connexion with the supply of British books to oversea countries was the inability of prospective readers to pay the economic price, owing to currency restrictions with which the Government had to comply. The U.S.S.R., on the other hand, subsidized the publications of Moscow's Foreign Languages Publishing House, whilst American publishers, by "blocking" currency for book sales and converting it into mutual aid, were enabled in effect to make a free gift of large numbers of books printed in the United States. It was also pointed out that an increasingly large number of books printed in English was being received in both India and Pakistan from the U.S.S.R. and China—mainly reprints of works by British and Russian authors, and children's books.

Anxiety at the Russian output of books in English was expressed by Sir Charles Snow (the well-known novelist), a member of the executive committee of the British Council, in the Council's annual report for 1957-1958 published on Nov. 18. Sir Charles pointed out that the Russians were spending on English publications alone "at least 10 times, and probably 20 times, what the British Council are able to spend abroad"; the Americans also were making full use of their much greater resources in the same field, while the British Council, limited to an expenditure of £170,000 on print for 1958-1959, could do little more than provide for the needs of "serious students." Sir Paul Sinker, Director-General of the British Council, suggested that the Government should consider the possibilities both of the American currency scheme and the Russian method of subsidy.—(Times - Daily Telegraph - Manchester Guardian) **(Prev. rep. 16100 B, 15688 A.)**

B. **BRAZIL - ITALY. — President Gronchi's Visit to Brazil. - The Declaration of São Paulo. - Military, Cultural, and Technical Co-operation Agreements.**

President Gronchi of Italy arrived in Rio de Janeiro on an official visit to Brazil on Sept. 4. Special significance was attached to his visit, not only because it was the first official visit by an Italian Head of State to Brazil, but also because the latter country contains the largest number of Italian immigrants in Latin America—nearly 3,000,000 Italians and persons of Italian descent living in the State of São Paulo alone. Moreover, Italian industry is closely interested in the economic and industrial development of Brazil.

During his visit President Gronchi had a number of discussions with President Kubitschek, and on Sept. 10 both Presidents issued a joint statement officially described as the "Declaration of São Paulo."

In this declaration Presidents Gronchi and Kubitschek appealed to all Latin-American countries, as well as to their "older sister-nations in Europe," to put aside all questions that might divide them and adopt a joint policy in national and international affairs. All Latin American countries, the declaration said, should define "in a concrete manner" the lines of their joint action "with a view to contributing to the solution of conflicts which endanger the security and freedom of numerous countries as well as the peace of the world." Such agreement and joint action would "not only benefit those countries which are united by the indestructible ties of their Latinity" but would also "enable them to take their place in the wider field of that solidarity which unites Western Europe and the great democracies of North America."

Military, cultural, and technical co-operation agreements between the two countries were also signed during President Gronchi's visit to Brazil.

The military agreement provided that persons who had completed their military service in either country should be exempt in the other. Under the cultural agreement, both Governments undertook to strengthen their literary, artistic, scientific, and technical links, and to establish in Florence a study centre for Brazilian agriculture. The third agreement covered technical and scientific co-operation, exchanges of students and professors for the peaceful use of nuclear energy, and the abolition of visas for travel between the two countries.

After his visits to Rio de Janeiro and São Paulo, President Gronchi also visited Brasilia (the new capital now being constructed), Belo Horizonte, and Porto Alegre before leaving for Rome on Sept. 14.—(Corriere d'Informazione, Milan - Corriere della Sera, Milan - Le Monde, Paris - Bank of London and South America Fortnightly Review)

C. **NEPAL. — King Mahendra's Visit to Soviet Union. - Acceptance of Soviet Economic Aid. - Agreements on U.S. and Indian Economic Aid to Nepal.**

At the Soviet Government's invitation, King Mahendra and Queen Ratna of Nepal paid a State visit to the Soviet Union in June 1958, during which the King had talks with M. Khrushchev, M. Gromyko, and other Soviet leaders, and visited Moscow, Kiev, Stalingrad, Tiflis, and Leningrad. A communiqué issued on June 23 stated that relations between the two countries were based on the "five principles of peaceful co-existence"; that the Soviet Union had agreed to grant economic aid to Nepal; and that President Voroshilov had accepted an invitation from King Mahendra to visit Nepal.

After leaving the Soviet Union the King and Queen made an unofficial foreign tour, visiting Finland, Sweden, Denmark, Norway, Belgium, France, Switzerland, Italy, Kenya, Pakistan, and India before returning to Khatmandu on Aug. 31.

A tripartite agreement between Nepal, the U.S.A. and India for the development of telecommunications within Nepal was signed in Khatmandu on June 29. The project (expected to be completed in 1960) provides for the establishment of 56 radio stations in Nepal and one each in Delhi and Calcutta, through which Nepal's overseas telecommunications will be directed. The United States will contribute $1,350,000 towards the cost and Nepal $57,000.

Under an agreement signed on Nov. 20, the Indian Government undertook to construct a hydro-electric project at Trisuli (30 miles from Khatmandu) which will supply power for the capital. The cost of the scheme was estimated at £2,600,000. (Soviet Embassy Press Department, London - The Statesman, Calcutta - Times) **(Prev. rep. Relations with Soviet Union, 15022 E; U.S. Aid, 16424 C; Indian Aid, 15986 B.)**

A. FRANCE. — Political Developments. - New Parties.

A number of new political parties and organizations were formed in France during the months following the Algerian uprising of May 13 and the subsequent investiture of General de Gaulle as Prime Minister. Among the traditional parties, the most important developments in the period preceding the referendum on the new Constitution (see 16541 A) were (*a*) the decision of the majority of the Socialist Party to support the Constitution ; (*b*) the formation of a breakaway Independent Socialist Party by a number of Socialists opposed to the Constitution ; (*c*) the decision of the majority of the Radical Party to support the Constitution, despite the campaign waged against it by M. Mendès-France ; and (*d*) the election of M. Gaillard as leader of the Radical Party.

Socialist Support for New Constitution.

After a four-day congress at Issy-les-Moulineaux, held on Sept. 11-14, the French Socialist Party (S.F.I.O.) decided to support the new Constitution by 2,687 votes to 1,176, with 62 abstentions—a majority of nearly 70 per cent of the delegates. M. Guy Mollet was re-elected secretary-general of the party by 3,146 votes out of 3,424 (the vote was taken on M. Mollet's report on the party's activities during the past year, thus constituting a vote of confidence in M. Mollet's continued leadership).

Speeches in support of the new Constitution were made by M. Mollet, M. Lacoste, M. Ramadier (Prime Minister in 1947) and M. Gaston Defferre, the last-named having been among the 49 Socialists who voted against General de Gaulle on the *vote d'investiture*. [M. Defferre is mayor of Marseilles and was formerly Minister for *France d'outre-mer*, in which capacity he drafted the *loi-cadre* for the African colonial territories—see 15585 A ; a leading left-wing Socialist, he was originally opposed to General de Gaulle but subsequently came out in support of the new Constitution.]

Opposition to the new Constitution was expressed by M. Pineau (the former Foreign Minister), M. Tanguy-Prigent, M. Gazier, and, in particular, by M. Edouard Depreux, a deputy for a Paris constituency in the last Parliament of the Fourth Republic.

In a speech lasting nearly three hours, M. Mollet expressed full confidence in General de Gaulle's loyalty to the Republic and urged that the Government should be allowed to carry its task through to a successful conclusion, particularly in Algeria ; in the latter connexion he expressed his conviction that General de Gaulle was the only man capable of solving the Algerian problem. M. Mollet repudiated the suggestion that the new Constitution could result in a dictatorship, and affirmed his belief that it would enhance, rather than detract from, the powers of Parliament.

M. Depreux denounced the new Constitution in a strongly-worded speech in which he claimed that he and his supporters were upholding the "true Socialist principles of Léon Blum." After asserting that the Constitution was likely to lead to a dictatorship and "neo-Boulangism," he declared that "democracy cannot co-exist with Committees of Public Safety an Army transformed into a political force, and the will of one man imposed on everyone."

As stated below, M. Depreux and his supporters left the Socialist Party after the conference and formed an opposition group under the name of the Independent Socialist Party. M. Pineau, M. Gazier, and M. Tanguy-Prigent, while maintaining their opposition to the Constitution, remained within the Socialist Party and undertook not to campaign against the Constitution during the pre-referendum period.

Two prominent ex-Communists, M. Auguste Lecoeur and M. Pierre Hervé, were admitted to membership of the Socialist Party on Oct. 21 at their own request. M. Lecoeur was organizing secretary of the Communist Party for four years prior to his expulsion for "deviationism" in 1954 (see 14687 B) ; M. Hervé was expelled in 1956 after publishing a book in which he criticized the party's policy and methods.

Since their expulsion from the Communist Party MM. Lecoeur and Hervé had formed a small political group, under the designation *Nation Socialiste*, aimed at uniting the Socialist and Communist parties. In a joint letter applying for membership of the Socialist Party, they stated that the "multiplicity of small organizations represents a serious obstacle to the regrouping of Socialist forces" and expressed their conviction that a unified Left-wing was only possible under the aegis of the Socialist Party.

Formation of Independent Socialist Party.

The Independent Socialist Party was officially constituted on Sept. 15, with M. Depreux as its secretary-general *ad interim*. Other former members of the Socialist Party joining the new group included M. Robert Verdier and M. Alain Savary (both deputies), M. Badiou (mayor of Toulouse), M. André Philip, M. Félix Gouin, and M. Daniel Mayer, the last-named having previously been suspended from the Socialist Party. Professor Francis Perrin, High Commissioner of the French Atomic Energy Authority, joined M. Depreux's party in October.

M. Depreux stated that the Independent Socialist Party would campaign against the new Constitution in collaboration with all non-Communist forces, and would align itself with the *Union des forces démocratiques* (see below) ; he denounced M. Mollet for having gone to "Canossa-les-Deux-Eglises" to negotiate with General de Gaulle during the crisis which followed the Algerian insurrection.

Radical Party's Support for Constitution. - M. Gaillard elected Party Leader.

At a two-day congress at Lyons on Sept. 12-13, the Radical Party decided by 716 votes to 544 to campaign for the new Constitution, which was thus supported by 56.8 per cent of the delegates and opposed by 43.2 per cent ; the decision represented a setback for M. Mendès-France, who spoke strongly against the Constitution but failed to carry a majority of the delegates with him. M. Félix Gaillard (Prime Minister from November 1957 to April 1958) was elected leader of the party by acclamation, no alternative candidature being presented. Among Radical leaders speaking in support of the Constitution were M. Gaillard, M. Maurice Faure and M. Billères ; opponents of the Constitution included three former Prime Ministers—M. Daladier, M. Bourgès-Maunoury, and M. Mendès-France.

The once united Radical Party is, in effect, split into three separate parties : (1) the official Radical Party, which is itself divided into "pro-Mendesian" and "anti-Mendesian" sections ; (2) the Dissident Radicals led by M. André Morice, who broke away from the Radicals after the Lyons congress of October 1956 in disagreement with M. Mendès-France (see 15247 A) ; and (3) the R.G.R. group (*Rassemblement de Gauche Republicain*) led by M. Edgar Faure, who was expelled from the main party in 1955 (see 14577 A, page 14581). All three Radical parties supported the new Constitution with the exception of the "Mendesian" section of the official party.

The Union for the New Republic.

A new Gaullist party under the designation Union for the New Republic (*Union pour la Nouvelle République*, or U.N.R.) was constituted on Nov. 13 under the leadership of M. Jacques Soustelle (the Minister of Information) and other prominent Gaullists, including M. Chaban-Delmas, M. Edmond Michelet, M. Léon Delbecque (one of the principal leaders of the Algiers *coup* of May 13) and M. Roger Frey, the last-named becoming secretary-general of the U.N.R.

The U.N.R. is, in effect, the successor of the Social Republican party, which had represented Gaullism in the National Assembly in recent years. At a press conference on Nov. 13, M. Frey explained that the U.N.R. represented the union of the Social Republicans with all the Gaullist movements which had sprung up since May 13 ; in the forthcoming general elections it would put forward 336 candidates for the 465 seats in metropolitan France, nearly all of whom would be young men "full of dynamism and untainted by the corrupt Fourth Republic." M. Frey made it clear that the U.N.R., while giving its fullest support to General de Gaulle, did not pretend to emanate from him or to speak in his name. In reply to questions, he said that the movement was neither "rightist" nor "leftist" but hoped one day to govern with the aid of the "right-centre" or "left-centre." He emphasized that the U.N.R. stood for the full integration of Algeria and the Sahara with metropolitan France.

In July last M Soustelle had announced his intention of creating a party under the designation *Union pour le renouveau français*—subsequently changed to *Union pour la Nouvelle République*—with the following aims : (1) "civic and moral reconstruction of the French nation united in a Republican framework round General de Gaulle" ; (2) creation of new Republican institutions and the ending of the system "which brought France to the brink of disaster" ; (3) "integration of Algeria and the Sahara" ; (4) "justice and social dignity" ; (5) the "creation of the greater France."

M. Soustelle explained that the U.N.R. would represent an extension to the metropolitan territory of a corresponding association in Algeria —the *Union pour le salut et le renouveau de Algérie française* (USRAF)—with similar aims and ideals ; the USRAF itself would remain in being and continue its activities "for the incorporation of our French provinces of Algeria and the Sahara within a France of 45,000,000 inhabitants."

The Republican Convention.

Another pro-Gaullist organization, the Republican Convention (*Convention Républicaine*), was formed in September with M. Leon Delbecque as its national commissioner (*commissaire national*). It is closely linked with, but distinct from, the U.N.R.

At its first meeting on Oct. 12, the National Council of the *Convention Républicaine* adopted a motion (drawn up by M. Delbecque) stating (1) that the *Convention* would " adhere to the U.N.R. to help win the coming electoral battle " ; (2) that it intended, however, to " preserve its personality and maintain its proper activities " ; (3) that it had instructed its representatives on the central committee of the U.N.R. " not to enter into any alliances with the political parties of the old system " ; (4) that the *Convention*, in collaboration with the U.N.R., would ensure that Gaullist candidates did not oppose each other in any constituency at the general election. It was also stated that " a true Gaullist doctrine capable of being opposed to out-of-date Marxism " would be formulated in due course.

The aims and policies of the *Convention Républicaine* are similar to those of the U.N.R., including the " total integration " of Algeria and the Sahara.

The Christian Democracy Movement.

M. Georges Bidault, the former Prime Minister and founder of the M.R.P., announced on July 8 the formation of a new organization under the name of the Christian Democracy Movement in France (*Mouvement de démocratie chrétienne en France*). He explained that it was not a new political party but sought to unite all Christians and " others who respect religious faiths " with the aim of " restoring democracy, ending parliamentary incoherence, building a Europe of fraternal fatherlands in a world at peace, and safeguarding for future generations the patrimony of France in Algeria and the oversea territories."

M. Bidault emphasized that the movement was not a confessional party but a purely political organization ; that it did not ask anyone to " deny his past, his loyalties, or his friends " ; and that it aimed at " uniting under the national colours those who love liberty, who hate totalitarian oppression, and who desire order and social justice."

The National Committee of Unity for Christian Democracy.

An organization with aims similar to those of M. Bidault's organization, but distinct from it, was founded on July 17 under the name of the National Committee of Unity for Christian Democracy (*Comité national d'entente pour la démocratie chrétienne*). Its founders included four leading members of the M.R.P.—M. Robert Schuman (a former Prime Minister), M. Maurice Schumann, M. Pierre-Henri Teitgen, and M. André Colin—in addition to a number of prominent personalities in the fields of trade unionism, industry, agriculture, education, and culture.

The aims of the *Comité national* were defined as follows : (1) " to combat those who wish to use the name of General de Gaulle to put an end once and for all to the régime of liberty " ; (2) " to build a Republic of the people and for the people " ; (3) " to build, in opposition to a colonialism and a fanaticism equally retrograde, a new Algeria in which the presence of France will be manifested by great democratic and human achievements " ; (4) to ensure respect for personal freedoms and family rights ; (5) to oppose Communism ; (6) to " resist imperialisms aimed at transforming the earth into an ant-hill."

The manifesto added : "Christian Democracy is not a confessional movement, nor does it aim at appropriating spiritual values for political ends. It respects the spiritual liberty of the [Roman Catholic] Church and of all Churches."

The *Comité national* was regarded in the French Press as a counter-movement to M. Bidault's organization formed a week earlier. Although M. Bidault is a member of the M.R.P., like many of the founders of the *Comité National*, he has been largely " isolated " in the party in view of his extreme right-wing attitude on the Algerian question.

The Union of Democratic Forces.

On the initiative of M. Daniel Mayer, president of the *Ligue des droits de l'homme*, an organization was founded in July under the designation Union of Democratic Forces (*Union des forces démocratiques*). Strongly opposed to the new Constitution, its leading members (in addition to M. Mayer) include M. Mendès-France, MM. Depreux and Verdier (now leaders of the Independent Socialist Party, see above), M. Mitterrand (of the U.D.S.R.), M. André Philip, Professor Francis Perrin, and M. Jean Hippolyte, director of the *Ecole normale supérieure*.

In a manifesto issued on July 22, the U.D.F. announced its intention of combating " Fascism in all its forms, any single-party system, any totalitarian regime, any system which suppresses the free expression of opinion, any military dictatorship, or the restoration of a new Vichyite order " (*un nouvel ordre vichyssois*). With regard to Algeria, the manifesto stated :

" To consolidate their position, the defenders of the colonial regime are trying to dominate the metropolitan territory. In resisting them . . . we aim at a new political association with the oversea territories based on free discussion and not on force. . . . This means scrupulous good faith towards the indigenous populations, in the first place in Algeria. ' Integration,' if it is not a fallacious pretext to continue the [Algerian] war and maintain the *status quo*, is merely a myth divorced from realities. Algerian nationalism has shown its existence in four years of war ; to deny it would be to lie once more to the French people. We must finally recognize, and without reservations, the right of the Algerian people to determine their own destiny. . . . "

As regards the political situation in France the manifesto stated . " The U.D.F. bases its attitude neither on confidence in, nor defiance of, one man. We do not forget the historic services which General de Gaulle has rendered to France. But in the circumstances which led to his return to power, we cannot overlook the presence at his side of men who were in the forefront of sedition. . . . "

The Centre of Republican Reform.

A number of deputies of the left-centre parties (Socialists, Radicals, and U.D.S.R.) set up an organization in July under the name of the Centre of Republican Reform (*Centre de la réforme républicaine*). Its leading adherents included M. Pierre Clostermann (the Free French air " ace " of the Second World War) and Senator Naudet, of the Radical Party ; M. Paul Alduy (Socialist), a member of the Consultative Committee which helped to draft the new Constitution ; M. Jean de Lipkowski, of the U.D.S.R. ; M. Georges Altman, former editor-in-chief of *Franc-Tireur* ; and M. Maurice Clavel, editor of *Combat*.

The *Centre* expressed full support for General de Gaulle and the new Constitution, but urged that " neither fascism nor conservatism must be allowed to weigh on General de Gaulle and prevent him from carrying out his mission as arbiter and constructor."

Split in U.D.S.R. Group.

Differences of opinion on the new Constitution led on Oct. 13 to a split in the small U.D.S.R. (left-centre) party. That section of the party led by M. René Pleven and supporting the new Constitution decided to break away from the main party (which remained under the leadership of M. Mitterrand, one of the leading opponents of the Constitution) and to make contact " with all republican groups with a view to reuniting French democrats " ; it also decided to maintain a permanent link with the R.D.A. (one of the two leading African parties), which is affiliated to the U.D.S.R.—(Le Monde, Paris) **(Prev. rep. New Constitution, 16529 A ; Referendum, 16541 A.)**

A. UNITED STATES. — Fourth Moon Shot.

A fourth " lunar probe " (*Pioneer III*) was launched at Cape Canaveral on Dec. 6 by the U.S. Army, following the three previous attempts by the U.S. Air Force The experiment was unsuccessful, the space vehicle reaching a height of 66,654 miles before re-entering the earth's atmosphere and disintegrating over the Sahara Desert.

The U.S. Army's " probe " was a four-stage vehicle 76 ft. in height and weighing over 60 tons, assembled as follows : (1) first stage—a *Juno II* rocket (the Army's development of the *Jupiter-C*) weighing 60 tons, details of thrust remaining secret ; (2) second stage—a cluster of 11 *Sergeant* rockets weighing 721 lb. ; (3) third stage—a cluster of three scaled-down *Sergeants* weighing 207 lb. ; (4) fourth stage—a scaled-down *Sergeant* weighing 59 lb., in the nose of which a cone-shaped instrument package was mounted. The 32-lb. package contained a radio transmitter, a photo-electric " eye " designed to scan the surface of the moon and transmit pictures, apparatus to measure radiation in space, and other equipment.

Dr. Wernher von Braun (the Army's rocket expert) explained that the experiment had failed because the launching speed (23,990 m.p.h.) was 540 m.p.h. short of the velocity needed to escape the earth's gravitational field ; had the first stage burned for 3.7 seconds longer, escape velocity would have been reached. Moreover, the " probe " was 3½ degrees off-course, which would have taken it less close to the moon than was intended. Nevertheless, the apparatus in the nose-cone had functioned perfectly and had transmitted valuable data about the intense radiation belt in outer space.

Unlike the three previous lunar probes, *Pioneer III* was not designed to go into a lunar orbit but to hit the moon directly or, alternatively, to enter its gravitational field and then veer off into an orbit round the sun, thus becoming a miniature " planet." The chances of a direct hit on the moon were regarded as small, but it was thought that if the " probe " missed the moon by as little as 10,000 miles or as much as 50,000 miles it would fly past it and go into a planetary orbit round the sun.—(New York Times) **(Prev. rep. 16485 B.)**

B. UNITED KINGDOM. — Parliament. - Government Whip restored to Colonel Banks.

It was announced on Dec. 18 that the Conservative Party Whip had been restored to Colonel Cyril Banks, M.P. for Pudsey, at his own request. Colonel Banks left the Conservative Party in November 1956 in disagreement with the Government's Suez policy and had since sat as an Independent.
(Times - Daily Telegraph) **(Prev. rep. 16523 C.)**

A. UNITED KINGDOM. — The Finance Act, 1958. - Dropping of Retrospective Legislation against "Dividend Stripping." - Concessions on Life Assurance Policies. - Increase in Initial Allowances for Industry.

The Finance Bill, 1958, embodying the provisions announced by the Chancellor of the Exchequer in his 1958-59 Budget (see 16113 A), received the Royal Assent on Aug. 1. It had been given a second reading in the House of Commons on May 12.

Prior to the second reading in the Commons, Mr. Heathcoat Amory announced on April 29 that he had decided to drop his proposal to make the legislation against "dividend stripping" retrospective to Oct. 25, 1955. The Chancellor's original intention, as announced in the Budget, had been strongly criticized in the City on the ground that it infringed the principle that legislation should not be retrospective; it was also argued that the informal warning that action would be taken against tax evaders, given by Mr. Henry Brooke (then Financial Secretary to the Treasury) in December 1955, was not adequate to justify such a drastic departure from principle.

The Chancellor's change of mind was strongly attacked by Mr. Harold Wilson and other Opposition members during the second reading debate.

Mr. Wilson accused the Chancellor of "surrendering against his better judgment" to "pressure from a highly expert, professionalized, highly-paid, and thoroughly unscrupulous tax-evasion industry." He gave a warning that if retrospective legislation against tax evaders were to be "outlawed," alternative steps might have to be considered to ensure that the Revenue was properly protected.

Mr. Heathcoat Amory, in reply, explained that he had originally considered that the Ministerial warnings given to "dividend strippers" in 1955 justified retrospective action in this "exceptional" instance. It had since been argued, however, that the warnings might not cover newer methods of "dividend stripping" which had been developed since 1955. Because of the importance of the "non-retrospective" principle, he felt that he should give the benefit of the doubt to those concerned and forego the small amount of revenue involved.

When moving the second reading, Mr. J. E. S. Simon (Financial Secretary to the Treasury) announced that the Government were reviewing the whole question of the treatment of life assurance policies under estate duty law.

Mr. Simon said that although it had not been possible to put forward final proposals in the Finance Bill, the Chancellor had agreed, while the matter was under consideration, to an interim concession as follows: Where a beneficiary was absolutely and indefeasibly entitled under an assurance policy to a sum of money payable on the death of another person, no duty would be charged thereon, on the death of the person assured, provided that the beneficiary became so entitled more than five years before the death, and that the assured had neither retained any benefit for himself nor paid any premium within the five years. Where the other conditions were satisfied but the assured had paid some premiums in the five years before his death, the claim to duty would be limited to a proportion of the policy moneys corresponding to the ratio between the premiums paid by him during the five-year period and the total premium.

Mr. Simon added that the concession, which was extra-statutory and would be made under the Income Tax Acts, would apply in respect of deaths after April 15, 1958. The Government hoped to legislate on the wider field of life assurance in 1959.

The Bill was given a second reading by 315 votes to 247. The principal Government amendments agreed to in the Committee and Report stages were as follows:

(1) To increase the initial allowances for (*a*) plant and machinery, and (*b*) industrial building, from 25 to 30 per cent and 12½ to 15 per cent respectively.

(2) To close various loopholes in existing legislation to control "dividend stripping."

(3) To amend the provisions dealing with settlements on children so as to prevent a parent from diverting part of his income to his minor children and using it for their support, thus in effect obtaining tax relief which he could not have obtained if he had made the payments out of his own declared income.

(4) To give effect to the recommendation of the Royal Commission on Taxation of Profits and Income (see 14729 A) that a taxpayer who had submitted incorrect accounts should be subject to the same penalty as if he had made incorrect tax returns.

(5) To exempt from Purchase Tax (*a*) buttons and (*b*) cane and wicker baskets without lids, and to reduce Purchase Tax on clogs and wooden-soled footwear to five per cent.

The following amendments by Conservative back-benchers were accepted by the Chancellor (sponsors' names in parentheses):

(6) To allow a British company to transfer assets from one subsidiary to another without attracting tax in Britain (**Sir Toby Low**).

(7) To provide that where a house was demolished under a demolition or clearance order made within five years of the death of the owner, the amount of estate duty payable should be reduced to the value of the compensation payable under the order (**Mr. Pickthorn**).

A number of amendments proposing reductions in Purchase Tax on various articles or the complete abolition of the tax on others were moved by Conservative and Labour members but were all defeated.

The goods for which a tax reduction was sought included certain proprietary medicines and drugs, bicycles, lorries and vans, sewing machines, stationery, office equipment, and cosmetics. Articles for which total tax exemption was sought included harps and other musical instruments, domestic furniture, various household requisites (e.g. baths, wash-boards, dustbins, smoothing irons, eating and drinking vessels, cooking and cleaning utensils), industrial protective garments, footwear, gloves, motor-cycle crash helmets, school furnishings and equipment, and articles for use in restaurants and hotels.

Other Opposition amendments, all unsuccessful, had the following objectives:

(*a*) To raise from 1s. 6d to 2s. the minimum figure at which cinema admissions would be liable to tax (**Mrs. Eirene White**). Defeated by 226 votes to 189.

(*b*) To limit Profits Tax on trades or businesses carried on by local or public authorities to three per cent (**Mr. Mitchison**) Rejected by 220 votes to 186 after Mr. Maudling had referred to the recommendation of the Royal Commission of Taxation of Profits and Income that, in charging Profits Tax, no distinction should be made between undertakings which distributed profits and those which did not.

(*c*) To ensure that Profits Tax on sports associations carried on as non-profit-making bodies should be limited to three per cent (**Mr. Hoy**). Rejected by 206 to 170.

(*d*) To limit Profits Tax on co-operative societies to three per cent (**Mr. Beswick**). Rejected by 215 to 178.

(*e*) To restore the full investment allowances for plant, machinery, and buildings in "industries of national importance" (**Mr. Roy Jenkins**). Rejected by 229 to 181.

(*f*) To exempt public service vehicles from fuel tax (**Mr. McLeavy**). Rejected by 201 to 162 after the Chancellor had pointed out that exemption for passenger vehicles would cost £33,000,000 a year.

(*g*) To increase income tax relief to claimants depending on a daughter's services from £40 to £50, and relief in respect of dependent relatives from £60 to £75 (**Mr. Houghton**). Rejected by 247 to 210 and 255 to 216 votes respectively after Mr. Simon had pointed out that they would cost about £7,000,000 a year.

(*h*) To extend "small incomes" relief from £300 to £350 and marginal relief from £350 to £450 (**Mr. Houghton**). Defeated by 253 votes to 216.

(*i*) To disqualify expenditure on private cars from the clause raising initial allowances on business expenditure (**Mr. Roy Jenkins**). Rejected by 238 to 196.

(*j*) To make Dec. 13, 1955 (the date of Mr. Brooke's warning—see above) the effective date after which "dividend stripping" would become illegal (**Mr. Eric Fletcher**). Rejected by 230 to 191.

The Bill was given an unopposed third reading in the House of Commons on July 18.—(Times - Daily Telegraph - Manchester Guardian - Financial Times) **(Prev. rep. Budget, 16113 A.)**

B. WESTERN GERMANY. — West Berlin Elections.

Elections for the House of Deputies in West Berlin were held on Dec. 7, resulting in an overall majority for the Social Democrats and the wiping-out of all the smaller parties. The distribution of seats in the new House was as follows, showing comparison with the previous (1954) elections:

	1958			1954	
	Seats	Votes	Per-centage	Seats	Per-centage
Social Democrats	78	849,883	52.6	64	44.6
Christian Democrats	55	608,927	37.7	44	30.4
Free Democrats	—	61,054	3.8	19	12.8
Free Democratic Association	—	10,675	0.7	(7)*	—
German Party	—	53,899	3.3	—	4.9
Socialist Unity Party	—	31,520	1.9	—	2.7
Others	—	—	—	—	4.6

* Following a split in the Free Democratic Party in 1956, seven seats formerly held by that party were taken over by the newly-formed Free Democratic Association.

The new House of Deputies has 133 seats, four more than the former House. The electorate totalled 1,752,861 and the number of votes cast 1,632,373 (93 7 per cent), of which 16,415 were invalid.

The result of the election, which coincided with the crisis over the status of West Berlin, was interpreted as an overwhelming expression of support for the retention of the city's present status and the rejection of the Soviet demands. The success of the Social Democrats was largely attributed to the personality of Herr Willy Brandt, the Chief Burgomaster.

The congress of the Social Democratic Party in West Berlin decided on Dec. 28, by a large majority, to continue the party's coalition in the City Government with the Christian Democrats, subject to certain policy conditions. The proposal was supported by Herr Brandt.—(Der Tagesspiegel, Berlin - Frankfurter Allgemeine Zeitung) **(Prev. rep. Elections, 14022 A; Berlin Crisis, 16517 A.)**

A. DIPLOMATIC APPOINTMENTS. — 1957-1958.

Important diplomatic appointments during the past two years are listed below, divided into (1) High Commissioners' appointments among the countries of the British Commonwealth, and (2) Foreign Service appointments. The countries of accreditation are shown in italics.

Commonwealth High Commissioners.

Australia.

Canada. Major-General Sir Walter Cawthorn, High Commissioner to Pakistan, as High Commissioner in Ottawa *vice* Mr. W R Crocker (August 1958).

Ghana. Mr. Stewart Jamieson, Charge d'Affaires in Dublin, as Australia's first High Commissioner in Accra (October 1957).

India Mr. W. R. Crocker, High Commissioner in Ottawa, as High Commissioner in New Delhi *vice* Mr. P. R. Heyden (July 1958).

Pakistan. Mr. A. R. Cutler, V.C., of the Department of External Affairs, as High Commissioner in Karachi *vice* Major-General Cawthorn (1957).

Canada.

Australia. Mr. T. W. MacDermot, Ambassador to Greece and Israel, as High Commissioner in Canberra *vice* Mr. W. A. Irwin (April 1957).

Malaya. Mr. Arthur R. Menzies, head of the Far Eastern Division, Department of External Affairs, as Canada's first High Commissioner to the Federation of Malaya (December 1957).

Ceylon. Mr. Nick Cavell, a senior official of the Department of Trade and Commerce, as High Commissioner in Colombo *vice* Mr. James J. Hurley (December 1957).

Ghana. Mr. Evan W. T. Gill as Canada's first High Commissioner in Accra (December 1957).

New Zealand. Mr. George R. Heasman, Ambassador to Indonesia, as High Commissioner in Wellington *vice* Mr K. P. Kirkwood (December 1957).

South Africa. Mr. James J. Hurley, High Commissioner to Ceylon, as High Commissioner in Pretoria (December 1957).

Ceylon.

Canada. Sir Velupillai Coomaraswamy as High Commissioner in Ottawa (February 1958).

India. Sir Richard Aluwihare as High Commissioner in New Delhi *vice* Sir Edwin Wijeyeratne, retiring (June 1957).

New Zealand. Mr. P. R. Gunasekara, High Commissioner in Australia, appointed concurrently High Commissioner to New Zealand (August 1956).

Malaya. Mr. D. C. R. Gunewardena as Ceylon's first High Commissioner to the Malayan Federation (April 1958).

Pakistan. Mr. Mohamed M. Mahroof as High Commissioner in Karachi (June 1957).

United Kingdom. Mr. G. P Gunasekara, Minister in Paris, appointed concurrently High Commissioner in London *vice* Sir Claude Corea, who became permanent Ceylonese representative at the U.N. (February 1958).

India.

Australia and New Zealand. Mr. P A. Menon, Ambassador in Bangkok, as High Commissioner to Australia and New Zealand *vice* General Cariappa (August 1956).

Canada. Mr. C. S. Venkatachar, secretary to President Prasad, as High Commissioner in Ottawa (September 1958)

Ceylon. Mr. Y. D. Gundevia, Deputy High Commissioner in London, as High Commissioner in Colombo (March 1957).

Ghana. Mr. B. Krishna Kapur, Ambassador at The Hague, as India's first High Commissioner in Accra (August 1957).

Malaya. Mr. S. K. Banerji as High Commissioner to the Malayan Federation (June 1958).

Pakistan. Mr. Rajeshwar Dayal, Ambassador in Belgrade, as High Commissioner in Karachi (May 1958).

New Zealand.

Australia. Mr. Frederick Jones, Minister of Defence from 1935-49, as High Commissioner in Canberra (March 1958).

Canada. Mr. Foss Shanahan, High Commissioner in South-East Asia and Malaya, as High Commissioner in Ottawa *vice* Mr. T. C. A. Hislop (April 1958).

India. Mr. R. L. G. Challis, Chargé d'Affaires in Bangkok, as High Commissioner in New Delhi (October 1958).

Malaya. Mr. Charles Moihi Te Arawaka Bennett as High Commissioner to the Malayan Federation *vice* Mr. Foss Shanahan (October 1958). The son of the Maori Bishop of Ao-tea-roa, Mr. Bennett is the first Maori to head a New Zealand diplomatic mission. He has had a distinguished military and academic career.

Pakistan.

Ceylon. Syed Lal Shah Bokhari, Minister in Damascus, as High Commissioner in Colombo *vice* Siddiq Ali Khan (October 1958).

Ghana. Mr. Mahmud Ahmed, Under-Secretary, Ministry of Foreign Affairs and Commonwealth Relations, as Pakistani's first High Commissioner in Accra (June 1958).

Malaya. Major-General Nawabzada Muhammad Sher Ali Khan, formerly Chief of Staff of the Pakistan Army, as the first Pakistani High Commissioner to the Malayan Federation (May 1958).

South Africa.

Canada. Mr. Robert Kirsten, High Commissioner to Southern Rhodesia, as High Commissioner in Ottawa (November 1958).

Foreign Service Appointments.

Argentina.

United Kingdom. Rear-Admiral Teodoro Hartnung, a former Navy Minister, as Ambassador in London *vice* Señor Candioti, who resigned in protest at his Government's decision to purchase the British aircraft-carrier *Warrior*—see 16364 A. (September 1958).

Vatican. Dr. Santiago de Estrada as Ambassador to the Holy See (September 1958). He is the third member of his family to be accredited to the Vatican.

Australia.

Cambodia, Laos and Vietnam. Mr. F. J. Blakeney, Counsellor at the Washington Embassy, as Minister to Cambodia, Laos and Vietnam *vice* Mr. D. W. McNicol (1957).

Indonesia. Mr. L. R. McIntyre, Senior External Affairs Representative in London, as Ambassador in Jakarta *vice* Mr. W. R. Crocker, now High Commissioner in India (1957).

Italy. Mr. H. A. McClure Smith, Ambassador in The Hague, as Ambassador in Rome *vice* Mr. Paul Maguire (October 1958). Mr. McClure Smith was editor-in-chief of the *Sydney Morning Herald* from 1938-52, and Ambassador in Cairo from 1953-55.

Netherlands. Sir Edwin McCarthy, Deputy High Commissioner in London, as Ambassador in The Hague *vice* Mr. McClure Smith (October 1958).

Siam. Mr. J. K. Waller, a career diplomat, as Ambassador in Bangkok and concurrently Australian representative on the SEATO Council, *vice* Mr. D. O. Hay (April 1957).

United States Mr Howard Beale, Federal Minister for Defence Production and Supply, as Ambassador in Washington *vice* Sir Percy Spender, who was appointed to the International Court of Justice (January 1958) Mr. Beale was Minister-in-charge of the Australian Atomic Energy Commission and had many important projects under his direction, including the Woomera rocket range and the Rum Jungle uranium project.

Austria.

Canada. Dr. Kurt Waldheim, Minister in Ottawa since 1956, appointed the first Austrian Ambassador to Canada, following the decision of the two Governments to raise their respective legations to embassy status (March 1958)

Belgium.

Canada. M. Jacques de Thiers, Ambassador in Mexico City, as Ambassador in Ottawa (July 1958).

United Kingdom. M. René Van Meerbeke, Ambassador in Rio de Janeiro, as Ambassador in London (October 1958).

Brazil.

Argentina. Dr. João Carlos Muniz, Ambassador in Washington, as Ambassador in Buenos Aires (July 1956) Dr. Carlos Muniz was Brazilian member of the U.N. Security Council in 1947.

United Kingdom. Senhor Francisco de Assis Chateaubriand Bandeira de Mello as Ambassador in London (November 1957). A millionaire, he controls 31 Brazilian newspapers, five magazines, 19 commercial radio stations, three television stations, and a national news agency; he has established child welfare clinics throughout Brazil, played a leading part in developing Brazilian commercial aviation, and founded the Museum of Modern Art at São Paulo, which has one of the finest collections of paintings outside Europe. He is the first Brazilian non-career diplomat accredited to Britain.

United States. Admiral Ernani do Amaral Peixoto as Ambassador in Washington *vice* Dr. J. Carlos Muniz (July 1956).

Burma.

Australia. U Sain Bwa, Chargé d'Affaires in Canberra since 1954, as Burma's first Minister to Australia (April 1957).

Japan. U Tun Shein, Executive Secretary of the Burmese Foreign Office, as Burma's first Ambassador in Tokio (1957)

New Zealand. U Thun Hla, Chargé d'Affaires in Canberra, appointed concurrently Minister to New Zealand (November 1958).

Soviet Union. U Kyin, Ambassador in London, as Ambassador in Moscow (1957).

United Kingdom. U Aung Soe, Ambassador in New Delhi, as Ambassador in London (1957).

Canada.

Argentina. Mr. R. P. Bower, Ambassador in Caracas, as Ambassador in Buenos Aires (November 1958).

Belgium and Luxemburg. Mr. Sydney Pierce, Deputy High Commissioner in London, as Ambassador in Brussels and concurrently to Luxemburg (November 1958)

Denmark. Mr. J. C. Watkins, of the External Affairs Department, as Ambassador in Copenhagen *vice* Mr. H. F Feaver, appointed Chief of Protocol (September 1958).

France Mr. Pierre Dupuy, Ambassador in Rome, as Ambassador in Paris *vice* Mr. Jean Desy, retiring (May 1958).

Germany (Western). Mr. Escott Reid, lately High Commissioner in New Delhi, as Ambassador in Bonn (November 1957).

Indonesia. Mr. Theodore Newton, of the External Affairs Department, as Ambassador in Jakarta *vice* Mr. G. R. Heasman, appointed High Commissioner to New Zealand (June 1958).

Italy. Mr. Leon Mayrand, Ambassador in Madrid, as Ambassador in Rome *vice* Mr. Dupuy, transferred to Paris (September 1958).

Israel. Miss Margaret Meagher, Chargé d'Affaires in Tel-Aviv, as the first Canadian Ambassador to Israel (September 1958). A former school-teacher, she is Canada's first woman ambassador.

Japan. Mr. William Bull, deputy Minister of Trade and Commerce, as Ambassador in Tokio *vice* Mr. T. C. Davis, retiring (February 1957).

Lebanon. Mr. Paul André Beaulieu, Q.C., Chargé d'Affaires in Beirut, as Canada's first Ambassador to Lebanon (September 1958).

Mexico. Mr. T. A. Stone, Ambassador in The Hague, as Ambassador in Mexico City (September 1958).

Netherlands. Mr. C. P. Hébert, Ambassador in Brussels, as Ambassador in The Hague (September 1958).

Norway. Dr. Robert Mackay, Canadian permanent representative at the U.N., as Ambassador in Oslo (and concurrently Minister in Reykjavik) *vice* Mr. Chester A. Ronning, appointed High Commissioner to India (November 1957).

Persia. Mr. G. B. Summers, Q.C., head of the U.N. Division of the External Affairs Department, as Canada's first Ambassador in Teheran (December 1958).

Portugal. Dr. Philippe Panneton, of Montreal, as Ambassador in Lisbon *vice* Mr. W. F. A. Turgeon, retiring (January 1957).

Turkey. Mr. E. Benjamin Rogers, Ambassador in Lima, as Ambassador in Ankara *vice* Mr. Herbert Moran, appointed High Commissioner to Pakistan (December 1957).

United Arab Republic. Mr. Arnold C. Smith, Minister at Canada House, London, as Ambassador to the U.A.R. *vice* Mr. R. M. MacDonnell, appointed Deputy Under-Secretary of State for External Affairs (September 1958).

United Nations. Mr. Charles E. Ritchie, Ambassador in Bonn, as Canadian permanent representative at the U.N., with ambassadorial rank (November 1957).

United States. Mr. Norman Robertson, High Commissioner in London, as Ambassador in Washington *vice* Mr. A. D. P. Heeney, appointed Chairman of the Canadian Civil Service Commission (May 1957).

[It was announced in September 1958 that Mr. Robertson had been appointed Under-Secretary for External Affairs *vice* Mr. Jules Léger, who succeeded Mr. Dana Wilgress (retiring) as Canadian permanent representative on the North Atlantic Council. Mr. Robertson's successor in Washington has not yet been announced.]

Ceylon.

Germany (Western). Mr. S. P. Wickremasingha, Chargé d'Affaires in Bonn, as Ceylon's first Minister to the German Federal Republic (January 1957).

China. Mr. P. Gopallawa as Ambassador in Peking *vice* Mr. Wilmot Perera, who had held the post since 1956 (May 1958)

Soviet Union. Professor G. P. Malalasekera as Ceylon's first Ambassador in Moscow (May 1958). Dr. Malalasekara is Professor of Pali and Buddhist Civilization in the University of Ceylon, and Dean of the Faculty; one of the world's foremost Buddhist scholars, he is president of the World Fellowship of Buddhists and Editor-in-Chief of the Buddhist Encyclopaedia.

United Nations. Sir Claude Corea, High Commissioner in London, as permanent Ceylonese representative at the U.N. (February 1958).

China (Nationalist).

United States. Dr. Hollington K. Tong, Ambassador in Tokio, as Ambassador in Washington *vice* Dr. Wellington Koo, retiring after 40 years in the Chinese Diplomatic Service (June 1956). Dr. Tong was Director of Information for Generalissimo Chiang Kai-shek during the Second World War.

China (People's Republic).

Ceylon. Mr. Chang Tsan-ming, head of the Consular Department of the Foreign Ministry, as the first Ambassador of the Chinese People's Republic in Colombo (May 1957).

India. Mr. Pan Tzu-li as Ambassador in New Delhi *vice* General Yuan Chung-shien, who had held the post since 1950 (April 1956).

Soviet Union. Mr. Liu Hsiao as Ambassador in Moscow *vice* Mr. Chang Wen-tien, recalled to Peking to concentrate on his duties as a deputy Foreign Minister (January 1955). Mr. Liu Hsiao is a Communist Party member of long standing and has been closely associated with Mao Tse-tung since the 1930's.

Finland.

France. Mr. Gunnar Palmroth, Ambassador in Warsaw, as Ambassador in Paris *vice* Mr. R. R. Seppälä (October 1958).

United Nations. Mr. Ralph Enckell, head of the Political Affairs Department of the Finnish Foreign Office, as permanent Finnish representative at the U.N. *vice* Mr. G. A. Gripenberg (October 1958).

United States. Mr. R. R. Seppälä, Ambassador in Paris (see above), as Ambassador in Washington (October 1958).

France.

Argentina. Comte Armand Blanquet du Chayla, a career diplomat, as Ambassador in Buenos Aires *vice* M. Cornut-Gentille, following the latter's appointment as Minister for Oversea Territories in General de Gaulle's Government—see page 16285 (October 1958).

Austria. M. Etienne de Crouy-Chanel, permanent French representative on the North Atlantic Council and former Assistant-Director of Political Affairs at the Quai d'Orsay, as Ambassador in Vienna *vice* M. François Seydoux (September 1958).

German Federal Republic. M. François Seydoux, Ambassador in Vienna, as Ambassador in Bonn *vice* M. Couve de Murville, following the latter's appointment as Foreign Minister in General de Gaulle's Government (April 1958). A career diplomat, M. Seydoux represented France at many important post-war conferences and was formerly a departmental chief at the Quai d'Orsay.

Ghana. M. Louis de Guringaud, a career diplomat, as France's first Ambassador in Accra (October 1957).

Italy. M. Gaston Palewski, for many years a close associate of General de Gaulle, as Ambassador in Rome (August 1957). A former Gaullist deputy, he held ministerial office for a short time in M. Edgar Faure's Government in 1955, losing his seat in the general elections of January 1956. During the Second World War he was private secretary to General de Gaulle in London, Algiers and Paris.

South Africa. M. Georges Belay, a career diplomat, as Ambassador in Pretoria (May 1958)

Vietnam. M. Roger Lalouette, a career diplomat, as Ambassador in Saigon (October 1958).

German Federal Republic.

Australia. Dr. Hans Mühlenfeld, Ambassador in The Hague, as Ambassador in Canberra *vice* Dr. Walther Hess, appointed Ambassador to Mexico (August 1958).

Canada. Dr. Herbert Siegfried as Ambassador in Ottawa *vice* Baron Hasso von Etzdorf (September 1958).

France. Herr Herbert Blankenhorn as Ambassador in Paris *vice* Baron von Maltzan, retiring through ill-health (September 1958). Herr Blankenhorn had been in Paris since May 1955 as Western Germany's permanent representative on the North Atlantic Council. He was among the founders of the Christian Democratic Party in post-war Germany.

India. Dr. Wilhelm Melchers, a career diplomat, as Ambassador in New Delhi (June 1957).

Japan. Dr. Wilhelm Haas, Ambassador in Moscow, as Ambassador in Tokio (February 1958).

New Zealand. Dr. H. Noehring, a career diplomat, as Minister in Wellington (July 1957).

Soviet Union. Dr. Hans Kroll, Ambassador in Tokio, as Ambassador in Moscow *vice* Dr. Wilhelm Haas, who succeeded Dr. Kroll as Ambassador to Japan (February 1958).

Spain. Freiherr Wolfgang von Welck as Ambassador in Madrid (February 1958).

United States. Professor Wilhelm Grewe, of the political department of the German Foreign Office, as Ambassador in Washington (February 1958)

Ghana.

France. Mr. Asafu-Adjaye, High Commissioner in London, appointed concurrently the first Ghanaian Ambassador to France (December 1957).

Israel. Mr. W. Q. M. Halm as Ghana's first Ambassador to Israel (March 1958). Mr. Halm is president of the Black Star Line, the Ghanaian shipping company which was established with the help of the Israeli National Shipping Company (Zim).

United Arab Republic. Dr. Joseph Armah, a medical practitioner, as Ghana's first Ambassador to the U.A.R. (April 1958).

Iceland.

United Kingdom. Dr. Kristin Gudmundsson, formerly Foreign Minister of Iceland, as Ambassador in London *vice* Mr. Jonsson, appointed Ambassador in Paris (September 1956).

India.

Belgium. Dr. M. A. Rauf, High Commissioner in Ottawa, as Ambassador in Brussels (and concurrently Minister to Luxemburg) *vice* Mr. B. N. Kaul (October 1958).

Brazil. Mr. M. K. Kripalani, Chief Commissioner of Pondicherry, as Ambassador in Rio de Janeiro *vice* Mr. R. L. S. Singh (January 1958).

Cambodia. Mr. V. M. N. Nair, High Commissioner in Malaya, as Ambassador in Pnom-Penh *vice* Mr. Kewal Singh (May 1958).

China. Mr. G. Parthasarathi, chairman of the International Control Commission in Vietnam, as Ambassador in Peking (April 1958). An Oxford graduate, he was at one time London representative of the Press Trust of India.

France. Sardar K. M. Pannikar as Ambassador in Paris *vice* Sardar H. S. Malik (December 1956). In the course of a distinguished academic and poltical career he has been a professor at Aligarh Moslem University, editor of the *Hindustan Times*, Prime Minister (*Dewan*) of Bikaner State, secretary to the Indian States delegation at the London Round-Table Conferences (1930-33), a member of the States Reorganization Commission (1954-55), and Ambassador to the Chinese People's Republic (1948-52) and Egypt (1952-53).

German Federal Republic. Mr. B. F. H. Tyabi, Ambassador in Teheran, as Ambassador in Bonn *vice* Mr. A. C. N. Nambiar (July 1958).

Iraq. Mr. I. S. Chopra, Ambassador in Stockholm, as Ambassador in Baghdad (September 1958).

Italy. Mr. Khub Chand, Joint Secretary to the Ministry of External Affairs, as Ambassador in Rome *vice* Mr. John Thivy (December 1957).

Netherlands. Mr. John Thivy, Ambassador in Rome, as Ambassador in The Hague (November 1957).

Norway. H. H. Maharaja Dhiraj Mirza Maharao Shri Madan Sinhji Saheb Bahadur, Maharao of Kutch, as Ambassador in Oslo (March 1957), following the decision of the Indian and Norwegian Governments to raise their legations to embassy status.

Persia. Mr. T. N. Kaul, a former chairman of the International Control Commission in Vietnam, as Ambassador in Teheran *vice* Mr. Tyabi (September 1958).

Morocco and Tunisia. Mr. Ramchandur Goburdhan, Director of the External Publicity Division, Ministry of External Affairs, as Ambassador in Rabat and concurrently Ambassador to Tunisia (October 1958).

Spain. Mrs. Vijayalakshmi Pandit, High Commissioner in London and Minister to the Irish Republic, appointed concurrently India's first Ambassador to Spain (October 1958). Mrs. Pandit will continue to reside in London.

Sweden, Denmark and Finland. Mr. Kewal Singh, Ambassador to Cambodia, as Ambassador to Sweden (and concurrently Ambassador to Denmark and Minister to Finland) *vice* Mr. I. S. Chopra (May 1958).

Sudan. Mr. C. P. Matthen, a former member of the *Lok Sabha*, as India's first Ambassador in Khartoum (July 1957).

Switzerland. Mr. M. K. Vellodi, Secretary to the Cabinet, as Ambassador to Switzerland (and concurrently Minister to the Holy See) *vice* Dr. M. S Mehta (May 1958).

United Arab Republic. Mr. R. K. Nehru, Ambassador in Peking, as Ambassador in Cairo (and concurrently Minister to Lebanon and Libya) *vice* Nawab Ali Yavar Jung Bahadur (June 1958).

United States. Mr. Mohamed Ali Currim Chagla, Chief Justice of the Bombay High Court, as Ambassador in Washington *vice* Mr. G. L. Mehta, retiring (September 1958). Mr. Justice Chagla drew up the "Chagla Report" which led to the resignation of Mr. Krishnamachari as Finance Minister in February last (see 16193 A). One of India's leading jurists, he was formerly Professor of Constitutional Law at the Government Law College, Bombay. He is a Moslem.

Yugoslavia, Greece and Bulgaria. Nawab Ali Yavar Jung Bahadur, Ambassador in Cairo, as Ambassador in Belgrade and concurrently Minister to Greece and Bulgaria (May 1958).

Indonesia.

German Federal Republic. Dr. Z. Zain, Minister-Counsellor at the London Embassy, as Ambassador in Bonn (1957).

New Zealand. Dr. A. Yusuf Helmi, Ambassador in Canberra, appointed concurrently Minister to New Zealand (June 1958).

Pakistan. Mr. T. A. Sumarto, a senior official of the Foreign Ministry, as Ambassador in Karachi (June 1958).

Irish Republic.

Canada. Dr. T. J. Kiernan, Ambassador in Bonn, as Ambassador in Ottawa *vice* Mr. L. T. McAuley (October 1956)

Holy See. Mr. L. T. McAuley, Ambassador in Ottawa, as Ambassador to the Vatican *vice* Mr. Cornelius Cremin (August 1956).

Switzerland and Austria. Mrs. Josephine McNeill as Minister in Berne and concurrently in Vienna (November 1956). She is the first woman to head an Irish diplomatic mission.

United Nations. Mr. Frederick Boland, Ambassador in London, as permanent Irish representative at the U.N. (August 1956)

United Kingdom. Mr. Cornelius Cremin, Ambassador to the Holy See, as Ambassador in London *vice* Mr. Boland (August 1956). Mr. Hugh J. McCann (Assistant Secretary in the External Affairs Department) succeeded Mr. Cremin as Ambassador in London in December 1957, following Mr. Cremin's appointment as Secretary of the Department of External Affairs.

Israel.

Australia and New Zealand. Mr. Moshe Yuval, Director of the Research Division in the Israeli Foreign Ministry, as Minister to Australia (and concurrently to New Zealand) *vice* Mr. Mordecai Nurock, retiring (July 1958).

Burma. Mr. Yaacov Shimoni, Director of the Asian Division in the Israeli Foreign Ministry as Minister in Rangoon *vice* Mr. David Hacohen.

Siam. Mr. Mordecai Kidron, Israeli delegate at the U.N., as Israel's first Ambassador in Bangkok (October 1958).

Italy.

Australia. Signor Eugenio Prato, Ambassador to Libya, as Ambassador in Canberra (September 1958).

France. Signor Alberto Rossi Longhi, Secretary-General of the Italian Foreign Ministry, as Ambassador in Paris *vice* Signor Pietro Quaroni (January 1958).

German Federal Republic. Signor Pietro Quaroni, Ambassador in Paris, as Ambassador in Bonn *vice* Signor Grazzi (January 1958).

India. Dr. Gurto Giusti del Giardino, a career diplomat, as Ambassador in New Delhi (August 1958).

Netherlands. The Marchese Raimondo Giustiniani, head of the News Department of the Italian Foreign Ministry, as Ambassador in The Hague (January 1958).

North Atlantic Council. Signor Grazzi, Ambassador in Bonn, as Italian permanent representative on the North Atlantic Council *vice* Signor Alessandrini, who succeeded Signor Longhi as Secretary-General of the Foreign Ministry (January 1958).

Pakistan. Dr. Manlio Castronuovo, Minister in Prague, as Ambassador in Karachi (January 1958).

Soviet Union. Signor Luigi Pietromarchi as Ambassador in Moscow (December 1958).

Japan.

France. Mr. Tetsuro Furukaki, former president of the Japan Broadcasting Corporation, as Ambassador in Paris (January 1957). He was London Correspondent of the *Asahi Shimbun* in the 1930's.

United Kingdom. Mr. Katsumi Ohno, Vice-Minister for Foreign Affairs, as Ambassador in London *vice* Mr. Haruhiko Nishi, who had held the post since 1955 (May 1958). A career diplomat, Mr. Ohno has held many diplomatic assignments, including those of Ambassador in Bonn and Minister in Vienna.

United Nations. Mr. Koto Matsudaira, a career diplomat, as permanent Japanese representative at the U.N. (April 1957). He was at the Moscow Embassy during the Second World War.

Jordan.

United Kingdom. Mr. Abdul Moneim Rifai as Ambassador in London (February 1958). He is a brother of the Jordanian Prime Minister, Mr. Samir Rifai.

Korea (South).

United Kingdom. Mr. Kim Yoo Taik, head of the South Korean mission in Japan, as Ambassador in London (September 1958). A former director of the Bank of Korea, he was Vice-Minister of Finance in 1950.

Mexico.

United Kingdom. Señor Pablo Campos Ortiz, a career diplomat, formerly Director-General of the Mexican Foreign Ministry, as Ambassador in London (July 1957).

Netherlands.

Australia. Mr. A. H. Lovink, Ambassador in Ottawa, as Ambassador in Canberra *vice* Mr. Antonius Winkelman (October 1957).

France. Dr. Johan Beyen, formerly Foreign Minister, as Ambassador in Paris (December 1957).

United Kingdom. Baron Adolph Bentinck van Schoonheten as Ambassador in London *vice* Dr. Dirk Stikker (November 1958). A career diplomat, he was deputy Secretary-General of NATO before his London appointment

New Zealand.

SEATO Council. Mr. Charles Crow, Assistant Secretary for External Affairs, as N.Z. representative on the SEATO Council in Bangkok, and concurrently Chargé d'Affaires in Siam, *vice* Mr. Foss Shanahan (September 1958).

United Nations. Mr. Foss Shanahan, High Commissioner in Ottawa, appointed concurrently permanent N.Z. representative at the U.N. in succession to Sir Leslie Munro, who remained Ambassador in Washington (August 1958). Mr. Shanahan had been New Zealand ambassador to Siam prior to April 1958, serving concurrently on the SEATO Council and also as New Zealand Commissioner in South-East Asia—a post created in 1956.

Norway.

Italy. Hr. Per Preben Prebensen, Ambassador in London, as Ambassador in Rome (July 1958). Hr. Prebensen had been at the London Embassy since 1946 and was *doyen* of the Diplomatic Corps in London.

Pakistan.

Belgium. Mr. Ghazanfar Ali Khan, formerly High Commissioner in New Delhi, as Ambassador in Brussels (June 1956).

Brazil. Mr. Mohammed Abdullah Khan, a leading member of the Moslem League in the Punjab, as Ambassador in Rio de Janeiro (May 1958). His predecessor in Rio was the Princess Abida Sultana (daughter of the Nawab of Bhopal), who resigned the ambassadorship in January last, she is Pakistan's second woman diplomat, the other being Begum Liaquat Ali Khan, Ambassador in The Hague.

China. Dr. A. M. Malik, Ambassador in Berne, as Ambassador in Peking (October 1958). Dr. Malik has held many portfolios in Pakistani Governments.

France. Mohammed Mir Khan, permanent Pakistani representative at the United Nations, as Ambassador in Paris (1957).

German Federal Republic. Mr. Jalaluddin Abdul Rahim, Secretary to the Ministry of Foreign Affairs and Commonwealth Relations, as Ambassador in Bonn (1956).

Iraq. Mr. Shuaib Qureshi, a career diplomat, as Ambassador to the Iraqi Republic (September 1958).

Italy. Mr. Habibur Rahman, formerly High Commissioner to Australia and New Zealand, as Ambassador in Rome *vice* Mr. Akhtar Hussain (June 1956).

Morocco and Tunisia. Mr. Shaheed Suhrawardy, Ambassador in Madrid, accredited concurrently to Morocco (April 1958) and Tunisia (October 1958).

Portugal. Mr. Mohammed Ikramullah, High Commissioner in London, appointed concurrently Ambassador to Portugal (September 1958), following the decision of the two Governments to raise their legations to embassy status.

Saudi Arabia. Mr. Ali Akbar Khan, Ambassador in Khartoum, as Ambassador to Saudi Arabia *vice* Khwaja Shahabuddin (September 1958).

Soviet Union. Mr. Akhtar Hussain, Ambassador in Rome, as Ambassador in Moscow (June 1956).

Sudan. Siddiq Ali Khan, High Commissioner in Colombo, as Ambassador in Khartoum *vice* Mr. Ali Akbar Khan (October 1958).

Turkey and Greece. Mr. M. S. Hassan, Joint Secretary, Ministry of External Affairs, as Ambassador in Ankara (December 1956) and concurrently Minister to Greece (April 1957).

United Arab Republic. Khwaja Shahabuddin, Ambassador to Saudi Arabia, as Ambassador in Cairo (October 1958).

United Nations. Prince Aly Khan, father of Aga Khan IV (Prince Karim, the spiritual leader of the Ismaili Moslems), as permanent Pakistani representative at the U.N. (February 1958).

United States. Mr. Mohammad Ali, Prime Minister of Pakistan for 13 months before his resignation in September 1957, as Ambassador in Washington *vice* Mr. Mohammed Ali, also a former Premier.

Persia.

Canada. Mr. Mahmood Esfandiary, Chief of the Division of Personnel and Budget, Ministry of External Affairs, as Ambassador in Ottawa (November 1958).

France. Mr. Nasrollah Entezam, Ambassador in Washington and a former President of the U.N. General Assembly, as Ambassador in Paris (January 1958).

United Kingdom. Mr. H. Ghods-Nakhai, a career diplomat, as Ambassador in London (September 1958). He has twice previously represented Persia in London—first before the war and again during the war, for 12 years in all.

United States. Dr. Ali Amini, Minister of Justice, as Ambassador in Washington *vice* Mr. Entezam (1956). Dr. Amini also held the Finance portfolio in Governments headed by Dr. Mossadeq and successor Ministries.

Poland.

India. Dr. Julius Katz-Suchy, vice-chairman of the U.N. Economic Commission for Europe and a leading Polish delegate at the U.N., as Ambassador in New Delhi (April 1957).

United Nations. Mr. Jerzy Michalowski, Under-Secretary of State, Ministry of Education, as permanent Polish representative at the U.N. (September 1956). Mr. Michalowski was formerly Ambassador in London

Portugal.

United Kingdom. General Abranches Pinto, Ambassador to South Africa, as Ambassador in London *vice* Dr. Teotonio Pereira, appointed deputy Prime Minister in the new Portuguese Government—see 16386 A. (November 1958).

South Africa.

Belgium. Mr. J. R. Jordaan, High Commissioner in Ottawa, as Ambassador in Brussels (November 1958).

Soviet Union.

Canada. Dr. A. A. Arutiunian as Ambassador in Ottawa (October 1958) A leading Soviet economist, he has played a prominent part in U.N. debates on economic and social questions.

Ceylon. Mr. Vladimir Yakovlev, a career diplomat, as the first Soviet Ambassador in Colombo (April 1958).

German Federal Republic. Mr. Andrei Smirnov, Ambassador in Vienna, as Ambassador in Bonn *vice* Mr. Valerian Zorin, who was recalled to Moscow to take up the post of Deputy Foreign Minister (October 1956). Mr. Zorin held the same post prior to his appointment in December 1955 as the U.S.S.R.'s first ambassador to Western Germany.

India. Mr. Panteleimon Ponomarenko, Ambassador in Warsaw, as Ambassador in New Delhi (and concurrently to Nepal) *vice* Mr. Mikhail Menshikov (October 1957). Mr. Menshikov was subsequently appointed Ambassador in Washington—see below.

Iraq. Mr. Grigori Zaitsev, a career diplomat, as Ambassador to the Iraqi Republic (August 1958). The former Royal Iraqi Government had broken off diplomatic relations with the U.S.S.R. in January 1955.

Israel. Mr. Mikhail Bodrov, a career diplomat, as Ambassador in Tel-Aviv *vice* Mr. Alexander Abramov (January 1958).

Italy. Mr. Semyon Pavlovich Kozyrev, a career diplomat, as Ambassador in Rome *vice* Mr. Bogomolov (April 1957)

Japan. Mr. Nikolai Fedorenko, a career diplomat, as Ambassador in Tokio *vice* Mr. Tevosyan (June 1958).

Morocco. Mr. Dmitri Pozhidayev, Minister in Berne, as the first Soviet Ambassador in Rabat (October 1958).

Turkey. Mr. N. S. Ryzhov, a career diplomat, as Ambassador in Ankara (April 1958).

United States. Mr. Mikhail Menshikov, Ambassador in New Delhi, as Ambassador in Washington (January 1958) *vice* Mr. Georgi Zarubin, who was subsequently appointed a Deputy Minister of Foreign Affairs. Mr. Menshikov was Minister of Foreign Trade before going to New Delhi as ambassador.

Spain.

India. Señor Don Luis de Olivares y Bruguera, Count de Artaza, as Ambassador in New Delhi following the decision of the two Governments to raise their legations to embassy level (August 1957). A career diplomat, he was Minister-Counsellor at the London Embassy before his Delhi appointment.

Portugal. Señor Ibanez Martin, formerly Minister of Education, as Ambassador in Lisbon *vice* Señor Nicolas Franco (a brother of General Franco), who had represented his country in Portugal since 1938 (January 1958).

United Arab Republic. Señor Don José Alcover, Ambassador in Rabat since 1956, as Ambassador to the U.A.R. (August 1958). Señor Alcover is regarded as one of Spain's most experienced diplomats on Arab affairs.

United Kingdom. The Marquis de Santa Cruz as Ambassador in London *vice* the Duke of Primo de Riveira (February 1958), who resigned on Jan. 29, 1958, after press reports that he intended to claim diplomatic immunity in connexion with a judicial separation suit in which he was cited, in a personal statement announcing his resignation, however, the Duke made it clear that he had no intention of relying on diplomatic immunity. The Duke is the son of the late General Primo de Riveira, who ruled Spain as a military dictator from 1923-30.

Sudan.

United Kingdom. Mr. Awad Satti, Director of Education in the Sudan, as the first Sudanese Ambassador in London (July 1956). He was formerly a mathematics lecturer at Gordon College (now the University of Khartoum).

Sweden.

United States. Hr. Gunnar Jarring, Swedish permanent representative at the U.N. since 1956, as Ambassador in Washington *vice* Hr Erik Boheman, retiring (May 1958). Hr. Jarring remained Swedish member of the Security Council, for whom he acted as mediator in the Indo-Pakistani dispute over Kashmir (see 15921 A, 15525 A).

United Kingdom.

Argentina. Sir John Ward, Deputy Under-Secretary at the Foreign Office, as Ambassador in Buenos Aires *vice* Sir Francis Evans, retiring (June 1957).

Austria. Sir James Bowker, Ambassador in Ankara, as Ambassador in Vienna *vice* Sir Geoffrey Wallinger (May 1958).

Brazil. Sir Geoffrey Wallinger, Ambassador in Vienna, as Ambassador in Rio de Janeiro *vice* Sir Geoffrey Harrison (July 1958).

Bulgaria. Mr. A. E. Lambert, Counsellor at H.M. Embassy in Athens, as Minister in Sofia *vice* Mr R. L. Speaight.

Chile. Mr Ivor Pink, Assistant Under-Secretary, Foreign Office, as Ambassador in Santiago *vice* Sir Charles Empson, retiring (January 1958)

Czechoslovakia. Mr. P. F. Grey, Assistant Under-Secretary, Foreign Office, as Ambassador in Prague *vice* Sir Clinton Pelham, retiring (May 1957).

Dominican Republic Mr. W. W. McVittie, Consul-General at Lisbon, as Ambassador in Ciudad Trujillo (January 1958).

Finland. Mr. D. L. Busk, Ambassador in Addis Ababa from 1952-56, as Ambassador in Helsinki *vice* Mr M. J. Creswell (February 1958).

Holy See. Sir Marcus Cheke as Minister to the Vatican (May 1957).

Hungary. Mr. N. J. A. Cheetham, Minister with the U.K. delegation to the North Atlantic Council in Paris, as Minister in Budapest *vice* Sir Leslie Fry (December 1958).

Iraq. Sir Humphrey Trevelyan, Under-Secretary at the United Nations in charge of special political questions, as Ambassador in Baghdad *vice* Sir Michael Wright (October 1958). Sir Humphrey was Ambassador in Cairo from August 1955 to October 1956, when Egypt broke off relations with Britain at the time of the Suez crisis.

[Sir Michael Wright had been appointed in July 1958 as Ambassador to the Arab Union of Iraq and Jordan; it was stated at the time that H.M. Ambassador in Amman (Mr. C. S. Johnston) would become "Minister in the Embassy and in charge of the offices in Amman" The Arab Union ceased to exist as a result of the revolution in Iraq —see 16323 B.]

Japan. Mr. O. C. Morland, Assistant Under-Secretary, Foreign Office, as Ambassador in Tokio *vice* Sir Daniel Lascelles, retiring (October 1958).

Laos. Mr. A. H. Lincoln, Counsellor at H.M. Embassy in Copenhagen, as Ambassador in Vientiane *vice* Mr. L. G. Holliday (January 1958).

Lebanon. Mr. P. M. Crosthwaite, Minister at the U.K. mission to the United Nations, as Ambassador in Beirut *vice* Sir George Middleton (May 1958).

Luxemburg. Mr. Harold Freese-Pennefather, Ambassador to Morocco, as Ambassador to Luxemburg (August 1957).

Nepal. Mr. Leonard Scopes as Ambassador in Khatmandu *vice* Mr. R. B. Tollinton (June 1957).

Nicaragua Mr. W. E. D. Massey, H.M. Consul at Bremen, as Ambassador in Managua *vice* Mr. H. F. A. Gates (December 1958).

Paraguay. Mr. H. F. A. Gates, Ambassador to Nicaragua, as Ambassador in Asunción *vice* Mr. J. W. Wall (December 1958).

Persia. Sir Geoffrey Harrison, Ambassador to Brazil, as Ambassador in Teheran *vice* Sir Roger Stevens, appointed Deputy Under-Secretary of State in the Foreign Office (July 1958).

Peru. Sir Berkeley Gage, Ambassador to Siam, as Ambassador in Lima *vice* Sir William Montagu-Pollock (February 1958).

Rumania. Mr. R. D. J. Scott Fox, Minister in the U.K. mission at the U.N., as Minister in Bucharest *vice* Mr. A. A. Dudley, who will take Mr Scott Fox's place in New York (December 1958).

Siam. Mr. (now Sir) Richard Whittington, senior inspector of Foreign Service establishments, as Ambassador in Bangkok *vice* Sir Berkeley Gage (April 1957).

Switzerland. Sir William Montagu-Pollock, Ambassador to Peru, as Ambassador in Berne *vice* Sir Lionel Lamb, retiring (January 1958).

Turkey. Sir Bernard Burrows, Political Resident in the Persian Gulf, as Ambassador in Ankara *vice* Sir James Bowker (May 1958) Sir Bernard was succeeded as Political Resident in the Persian Gulf by Sir George Middleton, formerly Ambassador in Beirut.

Uruguay. Mr. Malcolm Henderson, Ambassador to Luxemburg, as Ambassador in Montevideo *vice* Sir Reginald Jopson, deceased (August 1957).

United States.

Argentina. Mr. Willard L. Beaulac, Ambassador to Chile, as Ambassador in Buenos Aires *vice* Mr. Albert F. Nufer (1956).

Austria Mr. H. Freeman Matthews, Ambassador to the Netherlands, as Ambassador in Vienna *vice* Mr. Llewellyn Thompson (June 1957).

Canada. Representative Richard B. Wigglesworth (Republican, Massachusetts), as Ambassador in Ottawa *vice* Mr. Livingston Merchant, appointed Under-Secretary of State for European Affairs in the State Department (November 1958). Though not a career diplomat, Mr. Wigglesworth served as Paris representative and general counsel for organizations connected with the Dawes Plan after the First World War.

Ceylon. Mr. Lampton Berry, a career diplomat, as Ambassador in Colombo *vice* Mr. Maxwell H. Gluck (October 1958).

[Mr. Gluck, a wealthy businessman and owner of some 140 chain stores, had been appointed Ambassador to Ceylon in the summer of 1957. His appointment was strongly criticized by Democratic members of the Senate Foreign Relations Committee—notably by Senator Fulbright—on the grounds that he had contributed large sums of money to Republican Party funds in recent years and also that, on his own admission, he was unfamiliar with the names of the Prime Minister of Ceylon (Mr. Bandaranaike) and of leading political personalities in India. After a private hearing the Foreign Relations Committee agreed to Mr. Gluck's appointment, but decided to hold public hearings on all future ambassadorial appointments. Mr. Gluck's personal qualities for the ambassadorship were stressed by President Eisenhower and Mr. Dulles, and he accordingly took up his post in Colombo in September 1957. A year later, however, Mr. Gluck tendered his resignation on the ground of "the cumulative pressures of a number of different personal considerations."]

China (Nationalist). Mr. Everett F. Drummond, Consul-General at Hong Kong, as Ambassador in Taipeh *vice* Mr. Karl Rankin (February 1958).

Cuba. Mr. Earl Smith, a New York investment banker, as Ambassador in Havana (May 1957).

Greece. Mr. James Riddleberger, Ambassador to Yugoslavia, as Ambassador in Athens (November 1957).

Indonesia. Mr. John Allison, Ambassador to Japan, as Ambassador in Jakarta (January 1957).

Iraq. Mr. John Jernegan, Minister at the Rome Embassy, as Ambassador in Baghdad (December 1958).

Lebanon. Mr. Robert McClintock, of the State Department policy planning staff, as Ambassador in Beirut (December 1957).

Malaya. Mr. Homer Byington, a career diplomat, as the first U.S Ambassador in Kuala Lumpur (October 1957).

Mexico. Mr. Robert C. Hill, Assistant Secretary of State for Congressional Relations, as Ambassador in Mexico City (April 1957).

Morocco. Mr. Charles W. Yost, Ambassador to Syria until that country's merger with Egypt as the United Arab Republic, as Ambassador in Rabat *vice* Mr. Cavendish Cannon (July 1958).

Netherlands. Mr. Philip Young, formerly chairman of the Civil Service Commission, as Ambassador in The Hague *vice* Mr. H. Freeman Matthews (March 1957).

Pakistan. Mr. James M. Langley, a New Hampshire newspaper publisher, as Ambassador in Karachi (May 1957).

Poland. Mr. Jacob Beam, a career diplomat, as Ambassador in Warsaw (June 1957).

Portugal. Mr. C. Burke Elbrick, Assistant Secretary of State for European Affairs, as Ambassador in Lisbon (November 1958).

Rumania. Mr. Clifton R. Wharton, formerly Consul-General at Marseilles, as Minister in Bucharest (February 1958). A career diplomat, Mr. Wharton was the first Negro to head a U.S. diplomatic mission overseas.

Sweden. Mr. Francis White, Ambassador to Mexico, as Ambassador in Stockholm (April 1957).

Tunisia. Mr. G. Lewis Jones, a career diplomat, as the first U.S. Ambassador in Tunis (July 1956).

Yugoslavia.

Soviet Union. Mr. Lazar Mojsov, a senior official in the Yugoslav Foreign Ministry, as Ambassador in Moscow (November 1958). A member of the central committee of the Yugoslav League of Communists, he succeeded Mr. Veljko Micunovich.

United Kingdom. Mr. Ivo Vejvoda, Ambassador in Prague and former director of the Yugoslav News Agency (Tanjug), as Ambassador in London *vice* Dr. Velebit (August 1956).

The months in parentheses are in some cases those in which credentials were presented, and in others those in which the appointment was announced.—(Times - Daily Telegraph - Manchester Guardian - New York Times - New York Herald Tribune - Le Monde, Paris - Corriere della Sera, Milan - Frankfurter Allgemeine Zeitung - High Commission Offices in London of Canada, Australia, New Zealand, South Africa, India, Pakistan and Ceylon - Soviet Embassy Press Department, London - The Statesman, Calcutta - Netherlands News Agency - Tanjug Agency, Belgrade) **(Prev. rep. Appointments, Australia, 16099 B ; 14924 F ; 14847 C ; Belgium, 12792 D ; Canada, 15687 A ; Ceylon, 14762 B ; Denmark, 15923 C ; France, 15925 A ; Germany (West), 14864 A ; India, 16276 A ; 14026 C ; Italy, 13913 D ; Netherlands, 12450 D ; New Zealand, 14830 C ; Pakistan, 14406 C ; 13972 A ; Spain, 14946 A ; South Africa, 16449 C ; 14918 E ; U.K., 15660 C ; 15453 A ; U.S.A., 15516 A ; U.S.S.R., 16101 A.)**

Corrigendum. It was incorrectly stated in 15453 A that Mr. M. C. Gillett had succeeded Sir Esler Dening as British Ambassador to Afghanistan. Mr. Gillett in fact succeeded Sir Daniel Lascelles, who himself succeeded Sir Esler Dening as Ambassador in Tokio.

(Ed. K.C.A.)

A. ITALY. — Acquittal of Bishop of Prato.

The court of appeal in Florence decided on Oct. 25 to reverse the judgment of the lower court under which the Bishop of Prato (Mgr. Fiordelli) had been found guilty of defamation of Signor and Signora Bellandi ; the Bishop was accordingly acquitted on the ground that the conduct from which the action arose " did not constitute a crime," and the parish priest (Don Danilo Ajazzi) who read out and published the bishop's pastoral letter was also completely absolved. Signor and Signora Bellandi were ordered to pay the costs of the original trial and the appeal.

During the hearings on the bishop's appeal the public prosecutor had asked for his full acquittal on the grounds that Mgr. Fiordelli had acted without malicious intent and in the exercise of his spiritual ministry.—(Giornale d'Italia, Rome - Corriere della Sera, Milan) **(Prev. rep. 16191 A.)**

B. SPAIN. — First Nuclear Reactor.

An experimental nuclear reactor for medical and other research, supplied to Spain under the U.S. " Atoms-for-Peace " programme, was inaugurated by General Franco in Madrid on November 27. (Bank of London and South America)

C. UNITED KINGDOM. — Ending of Special Restrictions on Butter Imports. - Discussions with New Zealand on Future Policy.

The Board of Trade announced on Dec. 23 (i) that the U.K. Government was withdrawing its request to Sweden and Finland to limit their butter exports to Britain ; (ii) that the Irish Republic had been informed that the arrangements for further consultations on Irish butter exports could lapse ; (iii) that the restrictions on butter imports from Belgium were also being removed ; and (iv) that discussions were being held with the Polish Government about future arrangements for butter imports from Poland.

The statement said (*a*) that the British Government had reviewed the butter situation with the New Zealand Deputy Prime Minister, Mr. C. F. Skinner, as had been agreed last May ; and (*b*) that since the action taken at that time, following New Zealand's application under the Customs Duties (Dumping and Subsidies) Act, the United Kingdom market for New Zealand butter had changed and prices had risen.

The statement added, however, that " if at any future time imports of dumped or subsidized butter should assume such proportions as to cause or threaten material injury to N.Z. producers, action could again be initiated under the Act in respect of such imports. The U.K. Government have given Mr. Skinner their assurance that they would deal expeditiously with any application in the light of the requirements of the Act "

Both Mr. Skinner in London and the N.Z. Prime Minister (Mr. Nash) in Wellington expressed regret that the restrictions had been removed at the present stage and had not been maintained for 12 months. They recognized, however, the goodwill and value of the action taken by the U.K. in May last to restrict the flow of dumped and subsidized butter on to the U.K. market, and spoke of the " gratifying " rising trend in the price of butter over the past few weeks. Both Mr. Skinner and Mr. Nash expressed the view that the arrangements now made for close consultation between New Zealand and Britain on butter marketing, together with the assurances given by the U.K. Government, would help to prevent a repetition of the " disastrous marketing situation " which had occurred early in 1958.

Mr. Skinner had arrived in London on Nov. 26 and subsequently had a number of discussions with the Earl of Home (Secretary of State for Commonwealth Relations), Mr. John Hare (Minister of Agriculture), and Sir David Eccles (President of the Board of Trade.

It was stated at the beginning of October that the price for N.Z. butter in Britain had risen to 235s. per cwt., equivalent to 2s. 5d. per lb. retail.—(Times - Daily Telegraph - N.Z. Directorate of Information, Wellington - Auckland Star)

(Prev. rep. 16264 A.)

D. LITERATURE. — Book Selections for December. - Prix Goncourt Award for 1958.

Selected books published in Great Britain, the United States and France are given below :

Great Britain. Crossman, Richard—" The Charm of Politics." (Hamish Hamilton, 18s.).

Duggan, Alfred—" He Died Old : Mithradates Eupator, King of Pontus " (Faber & Faber, 18s.)

Fermor, Patrick Leigh—" Mani : Journeys in the Southern Peloponnese." (John Murray, 18s.)

Hanson, Lawrence and Elisabeth—" Verlaine, Prince of Poets." (Chatto & Windus with Secker & Warburg, 30s.)

Heuvelmans, Bernard—" On the Track of Unknown Animals." Translated from the French. (Rupert Hart-Davis, 35s.)

Noyce, Wilfrid—" Climbing the Fish's Tail." The Ascent of Machhapuchhar. (Heinemann, 18s.)

Smith, Cyril—" Duet for Three Hands." The Autobiography of a Pianist. (Angus & Robertson, 18s.)

United States. O'Hara, John—" From the Terrace." A Novel. (Random House, New York, $6.95)

France. Mallet-Joris, Françoise—" L'empire céleste." (Julliard, Paris, 1,200 francs). *Prix Fémina* award

Poirot-Delpech, Bertrand—" Le grand dadais." (Editions Denoël, Paris, 550 francs). *Prix Interallié* award.

Walder, Francis—" Saint-Germain, ou La négotiation." (N.R.F., Paris, 600 francs). *Prix Goncourt* award.

The *Prix Goncourt*, France's leading literary prize, was awarded on Dec. 1 to Francis Walder, a Belgian, for his historical novel *Saint-Germain, ou La Négotiation* (see above), which deals with the diplomatic negotiations surrounding the Peace of St.-Germain in 1570 between the French Protestants and Roman Catholics. M. Walder is a retired artillery officer of the Belgian Army.—(Ed. K.C.A. - Le Monde, Paris)

(Prev. rep. 16523 B ; Prix Goncourt, 15935 A.)

A. MEXICO. — Presidential and Congressional Elections. - Inauguration of President Lopez Mateos. - New Cabinet.

Señor Adolfo Lopez Mateos assumed office on Dec. 1 as President of Mexico for a six-year term in succession to President Ruiz Cortines, whose term of office had expired. President Lopez Mateos had been elected to the Presidency by an overwhelming majority on July 6, when presidential and congressional elections were held throughout the country.

Presidential Elections.

The presidential elections were contested by three candidates: Señor Adolfo Lopez Mateos, candidate of the ruling Institutional Revolutionary Party (*Partido Revolucionario Institucional*, or P.R.I.); Señor Luis H. Alvarez, candidate of the right-wing National Action Party (*Partido Acción Nacional*, or P.A.N.); and Señor Miguel Mendoza Lopez, a left-wing Roman Catholic lawyer who accepted nomination for the Mexican Communist Party, although not himself a Communist. Señor Adolfo Lopez Mateos polled 6,769,704 votes and Señor Alvarez 705,303, while the Communist candidate polled negligibly. The electorate numbered 10,443,465, of whom over 70 per cent went to the polls; women voted for the first time in a presidential election following the introduction of female franchise in 1952 (see 12822 C).

President Lopez Mateos (48) is a lawyer and had a distinguished academic career before entering politics. A leading member of the P.R.I., he had been Secretary of Labour since 1952, with a notable record as an industrial conciliator; in his five years at the Ministry of Labour he settled over 13,000 industrial disputes, only a few minor strikes occurring during that period.

Congressional Elections.

The P.R.I. won all 60 Senate seats and 150 of the 162 seats in the Federal Chamber of Deputies. Of the remaining seats in the Chamber, the National Action Party won six and the Popular Party, the Authentic Party of the Mexican Revolution, and the Nationalist Party of Mexico and APMR (joint list) one each; there were three results outstanding pending a decision by the Electoral College. The number of votes cast for the various parties in the Chamber elections was as follows:

	Votes	Percentage
Institutional Revolutionary Party (P.R.I.) ..	6,497,421	88.4
National Action Party	748,323	10.2
Popular Party	52,521	0.7
Authentic Party of the Mexican Revolution	33,267	0.4
National Party of Mexico	21,394	0.3

As in the presidential elections, polling was over 70 per cent of the electorate.

New Cabinet.

On assuming office on Dec. 1 President Lopez Mateos announced the membership of his Cabinet as follows:

Dr. Gustavo Diaz-Ordaz ..	Interior.
Señor Manuel Tello	Foreign Affairs.
General Agustin Olachea ..	Defence.
Dr. Antonio Ortiz Mena ..	Finance.
Señor Julian Rodriguez Adame..	Agriculture.
Dr. Jaime Torres Bodet ..	Education.
Dr. José Alvarez Amezquita ..	Health and Public Assistance.
Señor Javier Barros Sierra ..	Communications and Public Works.
Dr. Raul Salinas	National Economy.
Señor Alfredo del Mazo . ..	Hydraulic Resources.
Dr. Eduardo Bustamente ..	National Properties.
Vice-Admiral Zermeño Araico ..	Navy.
Dr. Fernando Lopez Arias ..	Attorney-General.
Señor Donato Miranda Fonseca..	Secretary to the Presidency.

Among the Ministers (all of whom were new), Señor Tello was formerly Ambassador to the U.S.A.; Señor Ortiz Mena was Director of Social Security; Señor Barros Sierra was a former professor of engineering at the Mexican National University; and Dr. Torres Bodet was formerly Director-General of the U.N. Educational, Social, and Cultural Organization (Unesco).

Another important appointment was that of Señor Pascual Gutierrez as Director of *Petroleos Mexicanos* (Pemex), the nationalized oil industry. Señor Gutierrez was formerly director of *Altos Hornos* (Mexico's largest steel works).

In his inaugural address President Lopez Mateos expressed the hope for closer inter-American relations, and spoke of the need to increase exports, to maintain a stable currency, and to intensify the anti-illiteracy campaign. In international affairs Mexico would work for peace "without aggressive hegemonies or intolerable interventions." Stressing that Mexico lacked capital and technologists, he said that private enterprise would be welcome provided it respected the Constitution and did not concentrate on "merely lucrative aims."

The P.R.I. has ruled Mexico under various designations for the past 40 years; it is regarded as the lineal successor of the victorious parties of the revolutionary era, which lasted from 1910 to 1924. With a view to ensuring the permanence of the revolutionary settlement, the Government of 1928 created its own party, the *Partido Nacional Revolucionario*, which was reorganized on a broader and more popular basis in 1946 as the present *Partido Revolucionario Institucional*. The P.R.I. claims to embody the ideals and aspirations of the Mexican revolution. (Mexican Ministry of Foreign Affairs - New York Times)

(Prev. rep. Presidential Election (1952), 12447 B; 12418 A; President Ruiz Cortines, 12600 A.)

B. NEW GUINEA. — Military Reinforcements for Dutch New Guinea. - Conference on Dutch-Australian Administrative Co-operation.

The Netherlands Government announced on June 30 that a "limited number" of troops would be sent to Dutch New Guinea to bring the defence of the territory (which since 1956 had been entrusted to the Navy, the Royal Netherlands Marines being the only land force in the area) into line with "new situations and technical developments." This phrase was believed to refer to the almost complete suppression of the rebellion in Indonesia, culminating in the capture of Menado on June 26, and the efficiency displayed by the Indonesian Army in the campaign. The Netherlands Defence Minister, Mr. Staf, had stated in May that no Indonesian attack on Dutch New Guinea was expected while the rebellion continued, but that measures had been taken in case the situation changed.

The Indonesian Foreign Minister (Dr. Subandrio) issued a statement on June 2 expressing surprise at the Netherlands Government's decision, which, he said, would "increase tension between the two countries."

On Nov. 28 the Netherlands Government announced that it would appeal for volunteers from anti-aircraft and commando units to strengthen the defence forces in New Guinea. This appeal was issued after the Cabinet had failed to reach agreement on a proposed amendment to the Military Service Act, aimed at abolishing the provision that servicemen might not be sent overseas without their consent, or, if they were under 21, without their parents' consent.

A conference on administrative co-operation between Dutch and Australian New Guinea was held in Canberra on Oct. 20-24 between officials of the Netherlands and Australian Governments and of the two territorial administrations.

Recommendations submitted to the two Governments included proposals for exchange of information between the territories, exchange visits by officials, the education of native students from Dutch New Guinea in Australia and Australian New Guinea, the establishment of joint technical and professional training centres for natives, and the pooling of the technical skill available in the two territories. It was recommended that similar conferences should be held annually.

In a press statement on Oct. 22, Dr. Subandrio said that Indonesia could "not remain indifferent" towards the Canberra conference. The "West Irian question" was an issue between Indonesia and the Netherlands, and a Dutch-Australian "alliance" on this matter would make the problem more difficult to solve and increase world tension.

Mr. Casey (the Australian Minister for External Affairs) stated on Oct. 25 that he would welcome a visit from Dr. Subandrio, as talks with him could help to clear up misconceptions which appeared to have arisen in Indonesia about Australia's attitude. In a further statement on Oct. 30, Mr. Casey said that the Australian Government fully accepted assurances which it had received from Dr. Subandrio that Indonesia would not use force to settle the New Guinea issue, and had no objection to the supply of arms to Indonesia by the U.S.A. for internal security purposes (see 16399 A).

It was announced in Canberra and Jakarta on Dec. 8 that Dr. Subandrio would visit Australia in February 1959 for discussions on the New Guinea question and other matters of mutual concern to Australia and Indonesia.

The Indonesian Government announced on Aug. 20 that it would not submit the New Guinea question to the forthcoming session of the U.N. General Assembly because the United Nations, "as at present composed," was not yet able to settle "problems of colonialism."—(Netherlands News Agency - Australian News and Information Bureau - Indonesian Embassy Press Office, London) **(Prev. rep. 15931 A; 16061 F.)**

C. ITALY. — Opening of New Motorway.

Signor Fanfani, the Italian Prime Minister, opened on Dec. 8 the first section of the new *Autostrada del Sole*, which will connect Milan with Naples. The section opened was that from Milan to Piacenza, the second section—from Piacenza to Parma—being opened to traffic on Dec. 15. The new *autostrada* will have a length of 730 kilometres (456 miles) when completed. (Corriere della Sera, Milan)

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IMPORTANT INSTRUCTIONS

1. **DISCARD** Index 1162 (Green), Index No. 1156 (Salmon) and Index No. 1136 (Yellow), and **INSERT** this Index.
2. It has not been possible to record all events happening in 1958 in this volume. Those omitted will be found in Volume XII (1959-1960).

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